

North San Diego County Office Report Q2 2016



2016 North San Diego County Economy Spotlight

EXISTING INVENTORY

1,073
OFFICE
BUILDINGS

Source: COSTAR

San Diego County
is home to
1,100 LIFE SCIENCE
Companies
+ 80 independent & university
research institutes

Source: SD Regional EDC

443,000
WITHIN
NORTH SD COUNTY
IN 2015

NORTH SAN DIEGO COUNTY ECONOMIC DEVELOPMENT COUNCIL

HOME TO... **26** cities &
unincorporated
communities
8 of the county's
fastest growing
cities

NORTH SAN DIEGO COUNTY
ECONOMIC DEVELOPMENT COUNCIL

Lee & Associates named
Top 5 CRE
Brokerage
IN SAN DIEGO COUNTY

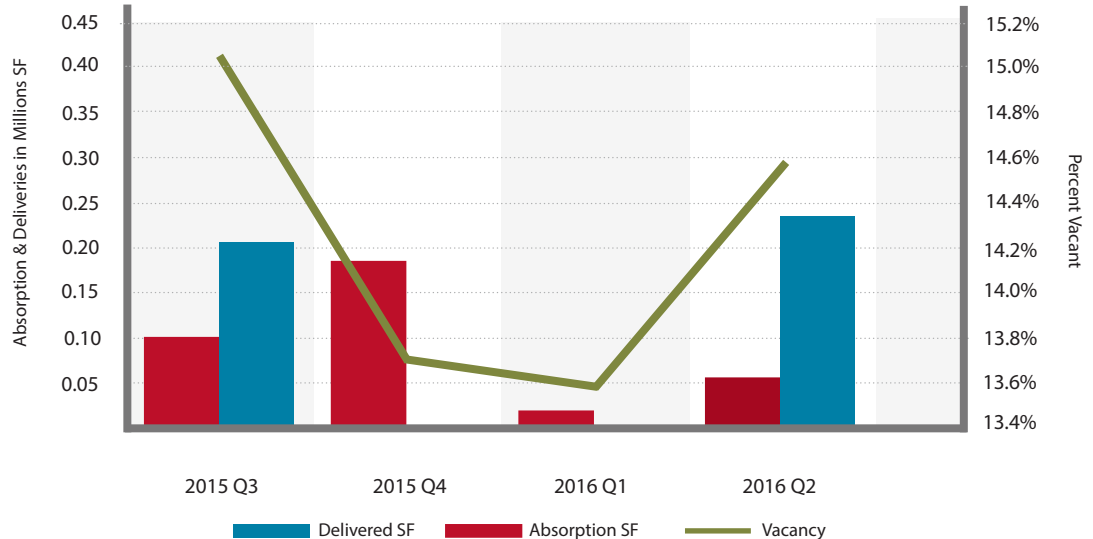
San Diego Business Journal
Ranked by local licensed agents

Market Tracker	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016
	Vacancy		YTD Net Absorption		Rental Rates/SF	
San Diego County	11.2%	10.9%	525,841 SF	561,610 SF	\$2.47 FS	\$2.45 FS
North County	14.6%	13.6%	72,894 SF	17,589 SF	\$2.01 FS	\$2.01 FS

SECOND QUARTER SUMMARY The San Diego Office market ended the second quarter 2016 with a vacancy rate of 11.2%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (42,257) square feet in the second quarter. Vacant sublease space decreased in the quarter, ending the quarter at 684,908 square feet. Rental rates ended the second quarter at \$2.47, an increase over the previous quarter. A total of seven buildings delivered to the market in the quarter totaling 374,626 square feet, with 335,235 square feet still under construction at the end of the quarter.

The five focal cities of Lee & Associates North San Diego County (Carlsbad, Escondido, Oceanside, San Marcos, and Vista) ended the quarter with decreased vacancy, positive absorption and steady rental rates.

ALL NSDC DELIVERIES, VACANCY RATE, NET ABSORPTION | Q2 2016



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North San Diego County - Office Report

Q2 2016

Q2 2016 NORTH SAN DIEGO COUNTY OFFICE STANDINGS

SELECT SUB MARKETS	EXISTING INVENTORY		OVERALL VACANCY			YTD ABSORPTION	CURRENT DELIVERIES	# SF UNDER CONSTRUCTION	QUOTED RATES
	TOTAL BUILDINGS	TOTAL SF	DIRECT VACANT SF	TOTAL SF	% VACANCY				
Carlsbad	327	7,062,297	1,296,254	1,326,183	18.8%	17,612	232,609	5,043	\$2.35
Escondido	312	2,515,104	214,403	214,403	8.9%	51,622	0	0	\$1.83
Oceanside	163	1,768,538	223,347	223,347	12.6%	4,936	0	0	\$1.90
San Marcos	93	1,586,890	157,447	161,173	10.2%	13,722	0	0	\$2.23
Vista	178	1,794,204	228,416	228,416	12.7%	(14,998)	0	0	\$1.74
Total	1,073	14,727,033	2,119,867	2,153,522	14.6%	72,894	232,609	5,043	\$2.01

2016 TOP 10 OFFICE SALES IN NORTH SAN DIEGO COUNTY



	Address	Sales Price	Price/SF
1	5790 Fleet St	\$43,300,000	\$356.73
2	7700 El Camino Real	\$8,821,818	\$454.73
3	145 Thunder Dr	\$7,250,000	\$439.77
4	1535 Faraday Ave	\$4,511,000	\$215.00
5	2020 Cassia Rd	\$4,500,000	\$708.66
6	325 Carlsbad Village Dr	\$4,050,000	\$319.40
7	815 Mission Ave	\$3,925,000	\$428.31
8	5876 Owens Ave	\$2,950,000	\$167.61
9	2928 Jefferson St	\$2,700,000	\$321.43
10	1840 West Drive	\$2,200,000	\$96.05

2016 SELECT OFFICE LEASES IN NORTH SAN DIEGO COUNTY

	Submarket	Size	Address/Building	Tenant
1	Carlsbad	29,367 SF	5600 Avenida Encinas	Verve Mobile
2	Carlsbad	22,247 SF	Palomar Heights Corporate Center	Undisclosed
3	Escondido	11,428 SF	355 E Grand Ave	The Classical Academy, Inc.
4	Escondido	9,125 SF	613 W Valley Pky	Undisclosed
5	Vista	8,924 SF	Vale Vista Center	Undisclosed
6	Carlsbad	8,199 SF	5950 Priestly Dr	International Stem Cell Corporation

Source: CoStar

about lee & associates - north san diego county:

Founded in 1989, the Lee & Associates North San Diego County office consists of 36 brokerage professionals and a well-organized staff. Our agents are highly experienced in all real estate specialties, and cover territory spanning from Oceanside to the Mexico-United States border. One of 57 nationwide Lee & Associates offices across the nation and North America, we are proud to be part of the Lee & Associates organization, a company that is recognized as the 2nd largest commercial real estate brokerage in California and the largest regional brokerage company on the West Coast.