

North San Diego County Office Report Q2 2017



2017 North San Diego County Economy Spotlight

NSDC EXISTING INVENTORY

1,080
OFFICE
BUILDINGS

Source: COSTAR

San Diego County
is home to
1,100 LIFE SCIENCE

Companies
+ 80 independent & university
research institutes

Source: SD Regional EDC

510,000
WITHIN
NORTH SD COUNTY
IN 2016

GREATER EMPLOYMENT THAN 9 US STATES

NORTH COUNTY PROSPECTS VIA
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

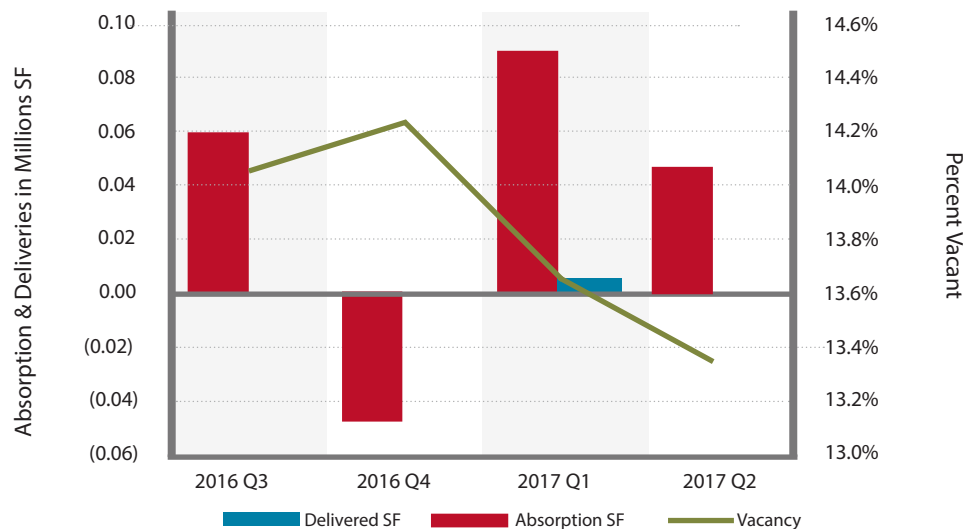
Market Tracker

	<u>Q2 2017</u>	<u>Q1 2017</u>		<u>Q2 2017</u>	<u>Q1 2017</u>		<u>Q2 2017</u>	<u>Q1 2017</u>
	Vacancy			YTD Net Absorption			Rental Rates/SF	
<i>San Diego County</i>	9.9%	↑ 9.8%	334,630 SF	✓ 372,817 SF	\$2.63 NNN	↑	\$2.59 NNN	
<i>North County</i>	13.0%	↓ 13.8%	136,792 SF	✓ 89,841 SF	\$2.05 NNN	=	\$2.05 NNN	

SECOND QUARTER SUMMARY The San Diego Office market ended the second quarter 2017 with a vacancy rate of 9.9%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (362,100) square feet in the second quarter. Vacant sublease space decreased in the quarter, ending the quarter at 843,559 square feet. Rental rates ended the second quarter at \$2.63, an increase over the previous quarter. There was 770,644 square feet still under construction at the end of the quarter.

The five focal cities of Lee & Associates NSDC (Carlsbad, Escondido, Oceanside, San Marcos, Vista, however, ended the quarter with decreased vacancy and stabilized rental rates.

ALL NSDC DELIVERIES, VACANCY RATE, NET ABSORPTION | Q2



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North San Diego County - Office Report

Q2 2017

Q2 2017 NORTH SAN DIEGO COUNTY OFFICE STANDINGS

SELECT SUB MARKETS	EXISTING INVENTORY		OVERALL VACANCY			YTD ABSORPTION (SF)	YTD DELIVERIES	# SF UNDER CONSTRUCTION	QUOTED RATES
	TOTAL BUILDINGS	TOTAL SF	DIRECT VACANT SF	TOTAL SF	% VACANCY				
Carlsbad	329	7,080,434	1,157,713	1,210,128	17.1%	163,537	5,043	79,586	\$2.44
Escondido	312	2,506,624	194,309	194,309	7.8%	(20,309)	0	00	\$1.90
Oceanside	168	1,798,466	175,514	175,514	9.8%	33,166	0	0	\$1.87
San Marcos	92	1,567,204	113,112	113,112	7.2%	5,090	0	60,000	\$2.24
Vista	179	1,779,763	259,971	275,971	15.5%	(44,692)	0	11,800	\$1.84
Total	1,080	14,732,491	1,899,826	1,969,034	13.0%	136,792	5,043	151,386	\$2.05

Source: CoStar

2017 TOP 10 OFFICE SALES IN NORTH SAN DIEGO COUNTY



	Address	Size	Sales Price	Price/SF*
1	6010 Hidden Valley Rd	49,580 SF	\$30,050,000	\$606.09
2	2282 Faraday Ave	28,704 SF	\$13,959,000	\$486.31
3	3220 Executive Ridge	60,649 SF	\$12,800,000	\$211.05
4	5050 Avenida Encinas	49,080 SF	\$10,542,500	\$214.80
5	6120 Paseo Del Norte	30,388 SF	\$8,550,000	\$281.36
6	138-140 Civic Center Dr	16,312 SF	\$4,000,000	\$245.22
7	5051 Avenida Encinas	8,585 SF	\$2,965,000	\$345.37
8	5130 Avenida Encinas	7,988 SF	\$2,495,000	\$312.34
9	2740-2750 Roosevelt St	3,518 SF	\$1,875,000	\$532.97
10	2780 Gateway Rd	5,740 SF	\$1,615,000	\$281.36

*Land Size is not taken into consideration for Price/SF

2017 SELECT OFFICE LEASES IN NORTH SAN DIEGO COUNTY

	Submarket	Size	Address/Building	Tenant
1	Vista	51,806 SF	2022 University Dr	Brightwood College
2	Carlsbad	24,278 SF	1555 Faraday Ave	Proficio
3	Oceanside	10,543 SF	511 West St	New Venture Christian Fellowship

Source: CoStar

about lee & associates - north san diego county:

Founded in 1990, the Lee & Associates North San Diego County office consists of 36 brokerage professionals and a well-organized staff. Lee & Associates-North San Diego County is one of the many regional offices that are part of Lee & Associates, the largest broker-owned commercial real estate firm in the United States and Canada. Lee & Associates provides superior market intelligence in office, industrial, retail, investment and appraisal to meet the specialized needs of our clients. For the latest news from Lee & Associates, visit www.lee-associates.com/sandiegonth/ or follow us on Facebook, LinkedIn, and Twitter.

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