LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q4 NORTH COUNTY SAN DIEGO

SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
1950 Camino Vida Roble	Carlsbad	121,541	Alphatec Spine, Inc.
2200 Faraday Ave	Carlsbad	29,313	CalAmp Corp
12255 El Camino Real	Del Mar	12,829	Eversheds Sutherland

SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
2020 Cassia Rd, Bldg 2 Carlsbad	$4,845,000 Owner/User	$762.99 -	6,350 Class B	2020 Cassia LLC Midwest Inv Prop, LLC
5962 Priestly Dr, Bldg J Carlsbad	$1,940,000 Owner/User	$305.03 -	6,360 Class B	CapForge, Inc. Madrona Real Estate LLC
2032 Corte del Nogal Carlsbad	$1,880,000 Owner/User	$267.05 -	7,040 Class B	Coastal Enterprise LLC Oglethorpe Properties

LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
None to Report	-	-	-
-	-	-	-
-	-	-	-

LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
Ocean Ranch Blvd, Lot 15	Oceanside	100,000	Aug 2020
2097 W. Citracado Pky	Escondido	75,000	Oct 2020
326 Santa Fe Dr	Encinitas	60,000	Jan 2020

138,887 NET ABSORPTION SF

10.6% VACANCY
2,022,166 SF

$32.76 AVG. ASKING RATE PSF GROSS

0 DELIVERIES
0 Buildings

282,041 UNDER CONSTRUCTION
6 Buildings

JAMES BENGALA, Junior Vice Pres.

Rental rates continue to climb along the coast while inland areas experience a compression in base rents. $/SF on building sales mirrored the same. Vacancy rates continue to decline overall with majority of leasing activity in Class A and B buildings. Under construction projects are currently geared towards biotech, software and medical. The strongest submarkets in Q4: North Beach Cities, North County Central and coastal Carlsbad while inland submarkets' overbuilt status and/or aging inventory negatively impact lease rates. Sales price $/SF climb while overall sales volume declined. Cap Rates remain steady in the 4.5%-6.0% range.

TOTAL OFFICE MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q4 2019	10.6%	$32.76	138,887	19,002,246	282,041
Q3 2019	11.0%	$32.88	56,266	18,924,246	285,041
Q2 2019	11.3%	$32.52	355,510	18,924,246	173,869
Q1 2019	12.3%	$32.28	(64,942)	18,723,246	374,869
Q4 2018	11.6%	$32.28	223,194	18,669,193	264,569