

More San Diego Spec Industrial Planned To Meet The Market's Intense Appetite

February 21, 2019 Dees Stribling, Bisnow National

Construction cost increases have been unrelenting in recent years, including in San Diego, posing a major challenge to getting new developments done and forcing contractors to cope.



*Courtesy of Ryan Cos.
Vantage Point, Poway*

Ryan Cos. and DWS Group are preparing to break ground on Vantage Point, a 530K SF spec industrial property in Poway next to the 303K SF building Ryan Cos. built last year and fully leased.

Industrial is in high demand in an area with constrained supply, Ryan Cos. President, West Region Chris Wood said.

Last year, industrial space users took a net of more than 1M SF in the San Diego market, according to Transwestern data. By the end of 2018, vacancy stood at 4.5%, a little below the national average of 4.7%.

Industrial rents ballooned 10.6% year over year in the fourth quarter of 2018 in San Diego, which is among the top 10 industrial rental increases in the nation.

At 14400 and 14500 Kirkham Way in the South Poway Business Park, Vantage Point is a two-building project for logistics, distribution, warehouse and manufacturing users, with interior clear heights of 36 feet.

Each building will include two-story office spaces ranging from 5% to 30% of its space.