

# North San Diego County Office Report

## Q3 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

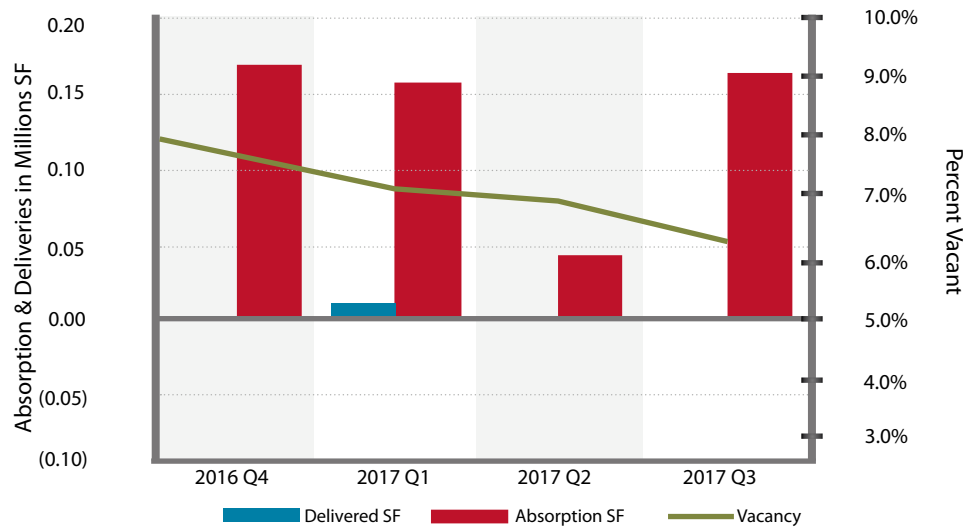
San Diego Business Journal  
Ranked by local licensed agents

Market Tracker	Q3 2017 Q2 2017		Q3 2017 Q2 2017		Q3 2017 Q2 2017	
	Vacancy		YTD Net Absorption		Rental Rates/SF	
San Diego County	9.9%	↑ 9.8%	714,550 SF	✓ 334,630 SF	\$2.64 NNN	↑ \$2.63NNN
North County	10.5%	↓ 13.0%	290,903 SF	✓ 136,792 SF	\$2.43 NNN	↑ \$2.05 NNN

**THIRD QUARTER SUMMARY** The San Diego Office market ended the third quarter 2017 with a vacancy rate of 9.9%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 276,757 square feet in the third quarter. Vacant sublease space decreased in the quarter, ending the quarter at 784,315 square feet. Rental rates ended the third quarter at \$31.71, an increase over the previous quarter. A total of six buildings delivered to the market in the quarter totaling 467,032 square feet, with 482,586 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 | Q3



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## Q3 2017 NORTH SAN DIEGO COUNTY OFFICE STANDINGS - 5 SUBMARKETS

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	328	7,057,881	1,186,306	1,239,080	17.6%	131,630	5,043	79,586	\$2.44
Escondido	312	2,519,875	212,743	214,564	8.5%	(40,564)	0	00	\$1.81
Oceanside	168	1,798,826	144,160	144,160	8.0%	64,520	0	0	\$1.87
San Marcos	93	1,627,204	134,172	134,172	8.2%	44,030	60,000	0	\$2.25
Vista	178	1,748,766	253,104	253,104	14.5%	(21,825)	0	11,800	\$1.87
<b>Total</b>	<b>1,079</b>	<b>14,752,552</b>	<b>1,930,485</b>	<b>1,985,080</b>	<b>11.4%</b>	<b>177,791</b>	<b>65,043</b>	<b>91,386</b>	<b>\$2.05</b>

Source: CoStar

## 2017 TOP 10 OFFICE SALES IN NORTH SAN DIEGO COUNTY



	Address	Size	Sales Price	Price/SF*
1	625 W Citracado Pky	47,654 SF	\$21,850,000	\$458.51
2	6005 Hidden Valley Rd	71,563 SF	\$19,000,000	\$265.50
3	2282 Faraday Ave	28,704 SF	\$14,000,000	\$487.74
4	380 S Melrose Dr	50,246 SF	\$4,845,204	\$96.43
5	450 S Melrose Dr	17,577 SF	\$3,256,500	\$185.27
6	5841 Edison Pl	18,732 SF	\$3,100,000	\$165.49
7	410 S Melrose Dr	25,996 SF	\$2,506,785	\$96.43
8	400 S Melrose Dr	25,905 SF	\$2,498,010	\$96.43
9	1830 West Dr	9,579 SF	\$1,698,763	\$177.34
10	1840 West Dr	13,326 SF	\$1,351,237	\$101.40

\*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 Escondido	51,400 SF	Palomar Health Outpatient Center	Palomar Health
3 Carlsbad	37,700 SF	5909 Sea Otter Pl	SyneractHCR
4 Escondido	36,000 SF	Palomar Health Outpatient Center	Palomar Health
5 Carlsbad	21,399 SF	1555 Faraday Ave	N/A

Source: CoStar

### about lee & associates - north san diego county:

Founded in 1990, the Lee & Associates North San Diego County office consists of 33 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/](http://www.lee-associates.com/sandiegonth/) or follow us on Facebook, LinkedIn, and Twitter.