



North County

# Industrial 21Q3

## Key Takeaways

- Vacancy dropped 85 basis points (BPS) to reach 4.41%.
- Average asking rental rate increased by \$0.01 to stand at \$1.08/SF triple net (NNN).
- North County (+477,983 SF) had the second highest demand in all the county.



## Summary

The North County industrial market continued to strengthen during the post COVID-19 pandemic conditions of 2020. Industrial demand has been largely focused in distribution/warehouse space. Demand from growing industries such as communications, life science and e-commerce remain robust while vacancy slides below 4.5%, for the first time in five years.

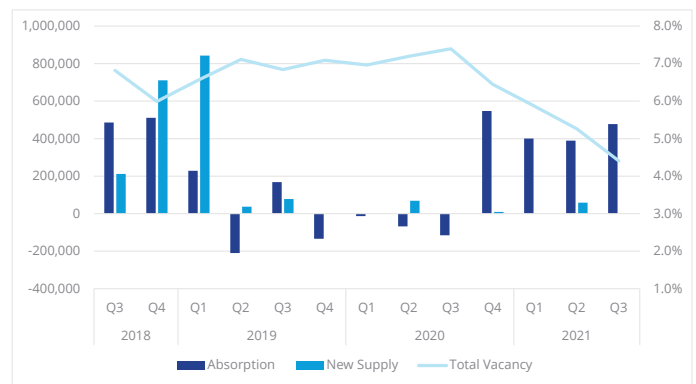
## Market Indicators



## Historic Comparison

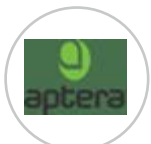
	20Q3	21Q2	21Q3
<b>Total Inventory (in Thousands of SF)</b>	56,844.3	55,750.8	55,750.8
<b>New Supply (in Thousands of SF)</b>	0	59	0
<b>Net Absorption (in Thousands of SF)</b>	(114.9)	389.1	478.0
<b>Overall Vacancy</b>	7.39%	5.26%	4.41%
<b>Under Construction (in Thousands of SF)</b>	0.0	0.0	0.0
<b>Overall Asking Lease Rates (NNN)</b>	\$1.02	\$1.07	\$1.08

## Historical Market Trends



North County demand has been extremely robust during 2021, with nearly 1.3M SF of net absorption, bringing vacancy down to 4.4%. Steady positive net absorption over the past 12 months has resulted in vacancy plunging 298 BPS from 7.39% in Q3 2020 to 4.41% in Q3 2021.

## Recent Transactions



**Lease**  
5818 El Camino Real  
Carlsbad | 77k SF



**Lease**  
1319 Rocky Point Dr  
Oceanside | 60k SF



**Lease**  
528 E Mission Rdr  
San Marcos | 32k SF



**Sale**  
North County Corp Center  
Vista | \$299/SF



**Sale**  
Commerce / Make  
Carlsbad | \$448/SF



**Sale**  
North View Business Center  
Oceanside | \$221/SF

# North County | 21Q3 | Industrial | Market Statistics

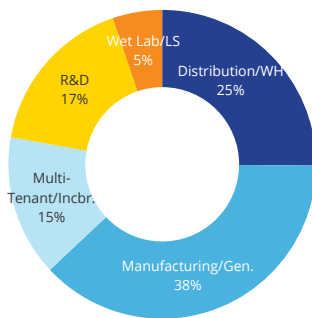
## Submarkets - Industrial & Flex



Submarket/Class	Total Inventory SF	Direct Vacancy Rate	Sublease Vacancy Rate	Total Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg Direct Asking Rate (NNN)
<b>Carlsbad</b>										
Industrial	8,105,370	6.41%	0.04%	6.45%	9.63%	258,018	316,251	0	59,000	\$1.19
Flex	7,925,684	4.98%	0.22%	5.20%	5.03%	(13,287)	174,374	0	0	\$1.38
<b>TOTAL</b>	<b>16,031,054</b>	<b>5.70%</b>	<b>0.13%</b>	<b>5.83%</b>	<b>7.36%</b>	<b>244,731</b>	<b>490,625</b>	<b>0</b>	<b>59,000</b>	<b>\$1.27</b>
<b>Escondido</b>										
Industrial	7,061,486	1.93%	0.04%	1.97%	2.05%	5,932	83,949	0	0	\$1.12
Flex	350,261	0.96%	3.21%	4.17%	6.13%	6,872	(4,049)	0	0	\$1.25
<b>TOTAL</b>	<b>7,411,747</b>	<b>1.88%</b>	<b>0.19%</b>	<b>2.07%</b>	<b>2.25%</b>	<b>12,804</b>	<b>79,900</b>	<b>0</b>	<b>0</b>	<b>\$1.13</b>
<b>Oceanside</b>										
Industrial	8,096,238	2.85%	0.56%	3.41%	3.50%	7,156	99,946	0	0	\$0.94
Flex	1,857,242	1.06%	0.00%	1.06%	1.24%	3,329	3,295	0	0	N/Av
<b>TOTAL</b>	<b>9,953,480</b>	<b>2.52%</b>	<b>0.45%</b>	<b>2.97%</b>	<b>3.08%</b>	<b>10,485</b>	<b>103,241</b>	<b>0</b>	<b>0</b>	<b>\$0.94</b>
<b>San Marcos</b>										
Industrial	7,810,121	1.33%	0.56%	1.89%	3.44%	120,655	375,347	0	0	\$0.94
Flex	627,803	5.18%	2.34%	7.52%	7.29%	(1,450)	(6,453)	0	0	\$1.10
<b>TOTAL</b>	<b>8,437,924</b>	<b>1.62%</b>	<b>0.70%</b>	<b>2.32%</b>	<b>3.73%</b>	<b>119,205</b>	<b>368,894</b>	<b>0</b>	<b>0</b>	<b>\$0.95</b>
<b>Vista</b>										
Industrial	12,308,242	4.41%	0.72%	5.13%	5.50%	44,727	178,721	0	0	\$0.99
Flex	1,608,399	15.29%	0.00%	15.29%	18.15%	46,031	46,031	0	0	\$1.07
<b>TOTAL</b>	<b>13,916,641</b>	<b>5.67%</b>	<b>0.64%</b>	<b>6.31%</b>	<b>6.96%</b>	<b>90,758</b>	<b>224,752</b>	<b>0</b>	<b>0</b>	<b>\$1.00</b>
<b>North County</b>										
Industrial	43,381,457	3.53%	0.42%	3.95%	4.97%	436,488	1,054,214	0	59,000	\$1.03
Flex	12,369,389	5.63%	0.35%	5.98%	6.32%	41,495	213,198	0	0	\$1.32
<b>TOTAL</b>	<b>55,750,846</b>	<b>4.00%</b>	<b>0.41%</b>	<b>4.41%</b>	<b>5.26%</b>	<b>477,983</b>	<b>1,267,412</b>	<b>0</b>	<b>59,000</b>	<b>\$1.08</b>

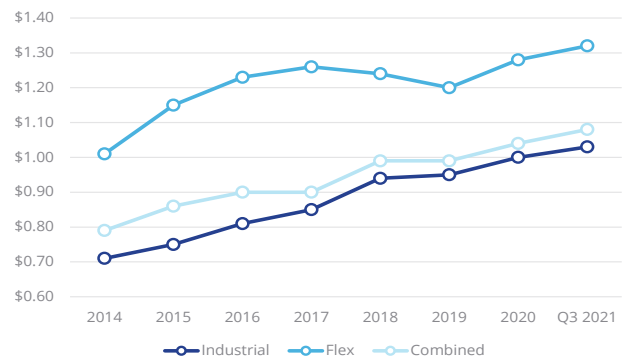
### Inventory Breakdown

	Size (SF)
Distribution/WH	14,009,561
Manufacturing/Gen.	21,127,590
Multi-Tenant/Incr.	8,244,306
R&D	9,464,714
Wet Lab/LS	2,904,675
<b>TOTAL</b>	<b>55,750,846</b>
Under Construction	0
Proposed	682,356
<b>Total Future Inventory</b>	<b>682,356</b>



### Historical Industrial/Flex Rental Rates

Average Asking Monthly Rental Rate per SF, Triple Net



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