



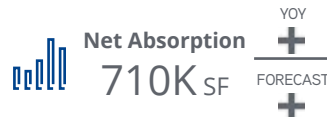
North County

Industrial

21Q4

Key Takeaways

- Vacancy fell 128 basis points (BPS) to reach 3.07%, continuing to reestablish a historic low.
- Average asking rental rate increased by \$0.03 in Q4 to stand at \$1.11/SF triple-net (NNN).
- North County (+710,181 SF) had the highest demand in all of San Diego County.



Summary

The North County industrial/flex market continued to strengthen during 2021 as demand remained strong in distribution/warehouse space (+255,582 SF) and flex space (+274,835 SF). Robust demand has out-paced new supply which will continue to keep vacancy low over the next year.

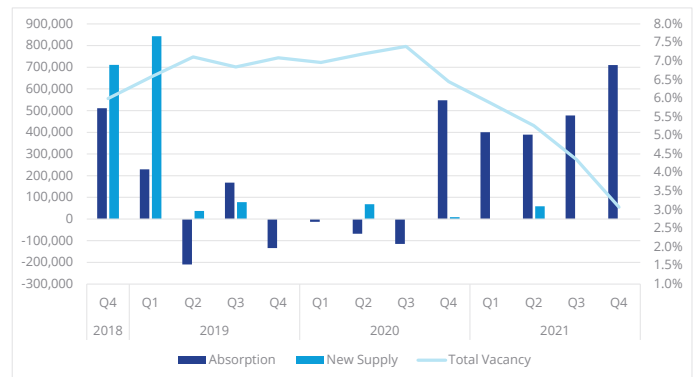
Market Indicators



Historic Comparison

	20Q4	21Q3	21Q4
Total Inventory (in Thousands of SF)	56,844.3	55,750.8	55,750.7
New Supply (in Thousands of SF)	9	0	0
Net Absorption (in Thousands of SF)	547.6	478.0	710.2
Overall Vacancy	6.40%	4.35%	3.07%
Under Construction (in Thousands of SF)	0.0	0.0	0.0
Overall Asking Lease Rates (NNN)	\$1.04	\$1.08	\$1.11

Historical Market Trends



North County recorded over 700,000 SF of net absorption in Q4 to add to the nearly 2 million SF of net absorption in 2021. Steady positive net absorption over the past five quarters has resulted in vacancy plunging 337 BPS from 6.44% in Q4 2020 to 3.07% in Q4 2021. Carlsbad (+500,910) recorded the most positive net absorption over the quarter in the county.

Recent Transactions



Lease
5818 El Camino Real
Carlsbad | 77k SF



Lease
4039 Calle Platino
Oceanside | 73k SF



Lease
2820 Loker Ave E
Carlsbad | 64k SF



Sale
2620 Commerce Way
Vista | \$298/SF



Sale
5791 Van Allen Way
Carlsbad | \$746/SF



Sale
3390 Alex Rd
Oceanside | \$244/SF

North County | 21Q4 | Industrial | Market Statistics

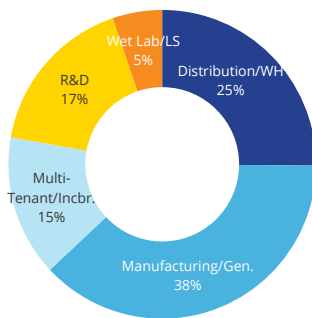
Submarkets - Industrial & Flex



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)
Carlsbad										
Industrial	8,105,370	3.03%	0.09%	3.11%	6.44%	254,895	586,186	0	59,000	\$1.17
Flex	7,924,960	2.61%	0.20%	2.82%	5.20%	246,015	363,554	0	0	\$1.49
TOTAL	16,030,330	2.82%	0.15%	2.97%	6.09%	500,910	949,740	0	59,000	\$1.31
Escondido										
Industrial	7,062,036	1.74%	0.00%	1.74%	1.97%	4,759	100,300	0	0	\$1.15
Flex	350,261	0.00%	3.21%	3.21%	4.17%	3,375	(674)	0	0	\$1.25
TOTAL	7,412,297	1.66%	0.15%	1.81%	1.92%	8,134	99,626	0	0	\$1.15
Oceanside										
Industrial	8,096,238	1.46%	0.03%	1.49%	3.41%	116,951	255,012	0	0	\$0.97
Flex	1,857,242	1.22%	0.00%	1.22%	1.06%	(2,849)	446	0	0	N/Av
TOTAL	9,953,480	1.41%	0.03%	1.44%	2.59%	114,102	255,458	0	0	\$0.97
San Marcos										
Industrial	7,810,121	1.44%	0.13%	1.57%	1.90%	25,347	400,694	0	0	\$0.95
Flex	627,803	0.68%	2.34%	3.02%	7.53%	28,294	21,841	0	0	\$1.10
TOTAL	8,437,924	1.39%	0.29%	1.68%	2.32%	53,641	422,535	0	0	\$0.96
Vista										
Industrial	12,308,242	3.73%	0.92%	4.65%	5.13%	33,394	238,162	0	0	\$1.01
Flex	1,608,399	15.29%	0.00%	15.29%	15.29%	0	46,031	0	0	\$1.20
TOTAL	13,916,641	5.07%	0.81%	5.88%	6.12%	33,394	284,193	0	0	\$1.02
North County										
Industrial	43,382,007	2.44%	0.31%	2.75%	3.96%	435,346	1,580,354	0	59,000	\$1.05
Flex	12,368,665	3.88%	0.34%	4.22%	5.98%	274,835	431,198	0	0	\$1.44
TOTAL	55,750,672	2.76%	0.31%	3.07%	4.35%	710,181	2,011,552	0	59,000	\$1.11

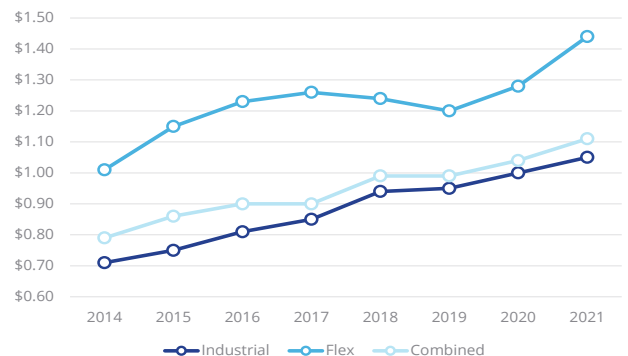
Inventory Breakdown

	Size (SF)
Distribution/WH	14,009,561
Manufacturing/Gen.	21,128,090
Multi-Tenant/Incr.	8,244,356
R&D	9,463,990
Wet Lab/LS	2,904,675
TOTAL	55,750,672
Under Construction	0
Proposed for Future Construction	433,341
Total Future Inventory	433,341



Historical Industrial/Flex Rental Rates

Average Asking Monthly Rental Rate per SF, Triple Net



FOR MORE INFORMATION
 Christopher Reutz
 Research Director
 San Diego
 +1 858 677 5385
chris.reutz@colliers.com

Andy La Dow
 Managing Director
 San Diego
 +1 858 677 5311
andy.ladow@colliers.com

Copyright © 2021 Colliers
 The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.