

# ESCONDIDO

## AT A GLANCE



### OVERVIEW

The Escondido Industrial Market had minimal activity during the 1Q 2012, but continues to have the lowest vacancy rate of any city in North San Diego County at 6.5%. There is no new speculative industrial building or flex construction underway at this time. We most likely will see Hamann Construction break ground on Cor-O-Van's ~100,000 sf build-to-suit in 2Q 2012. The new Palomar Medical Center under construction on a 56 acre site in the Escondido Research and Technology Center continues to take shape with a target opening of 3Q 2012.

### ACTIVITY

There were no significant sale or lease transactions in Escondido during 1Q 2012, but there was good lease activity in the multi-tenant parks with 24 lease transactions ranging between 1,000 - 5,000 square feet. Lease rates remained steady for 1Q 2012; sales activity was minimal with only three transactions, all below \$500,000.

### FORECAST

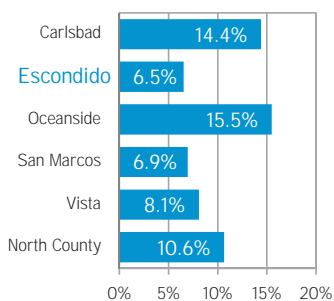
The road ahead is bright for Escondido. With a healthy vacancy rate, there will be upward pressure on rental rates and sale prices in 2012. The economy is showing signs of recovery with an increase in employment which will drive demand for industrial space. One of our clients is tentatively planning on breaking ground on a new speculative, for lease industrial project in Escondido which is something we have not seen for several years.

### MARKET INDICATORS

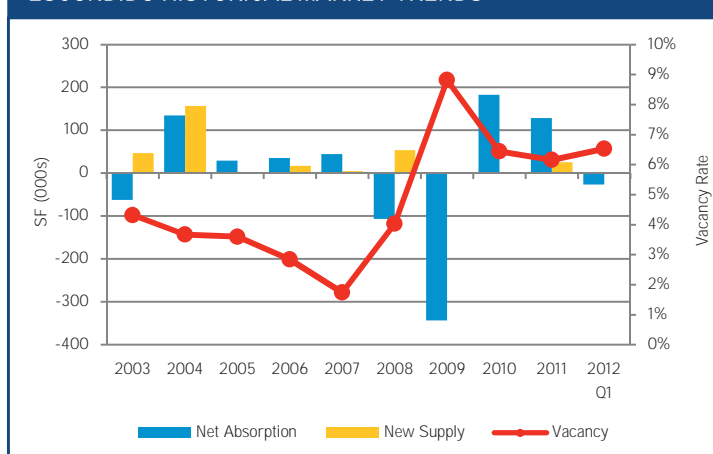
	Q1 2012	Q2 2012 (forecast)
VACANCY	↓	↑
NET ABSORPTION	↑	↓
CONSTRUCTION	→	→
RENTAL RATE	→	→
LEASE CONCESSIONS	→	→

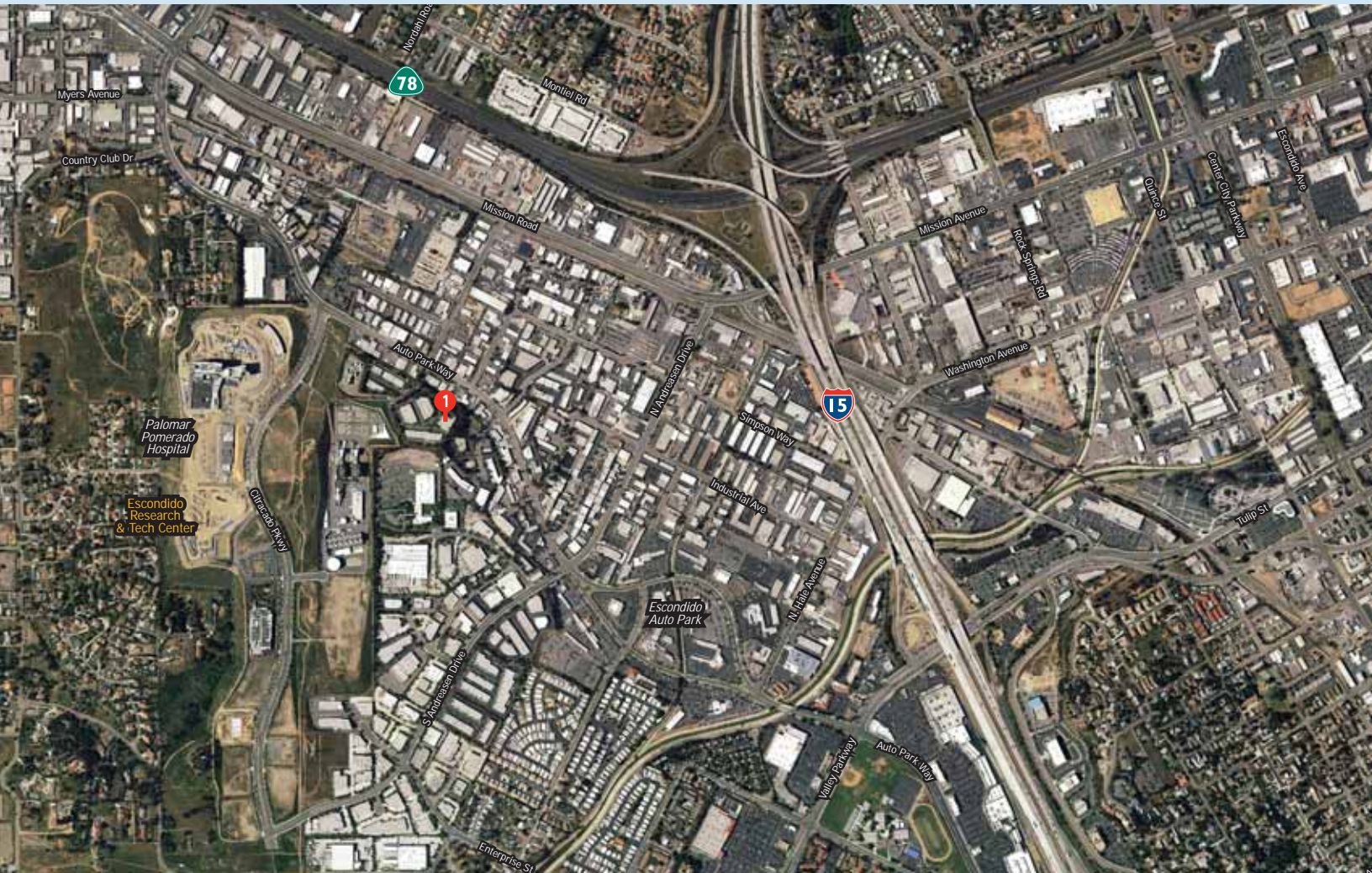
### INDUSTRIAL/R&D VACANCY RATES

Q1 2012



### ESCONDIDO HISTORICAL MARKET TRENDS





TRANSACTION ACTIVITY - Q1 2012

SALES ACTIVITY

#	PROPERTY NAME/ADDRESS	BUYER TYPE	SIZE (SF)	SALE PRICE	PRICE/SF
No building sales above 10,000 square feet					

LEASING ACTIVITY

#	PROPERTY NAME/ADDRESS	TENANT NAME	SIZE (SF)	TERM	EFF RATE/SF
1	302 Enterprise, Suite A	Nexsan	13,772	19 months	\$0.63 Gross



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