

OCEANSIDE

AT A GLANCE



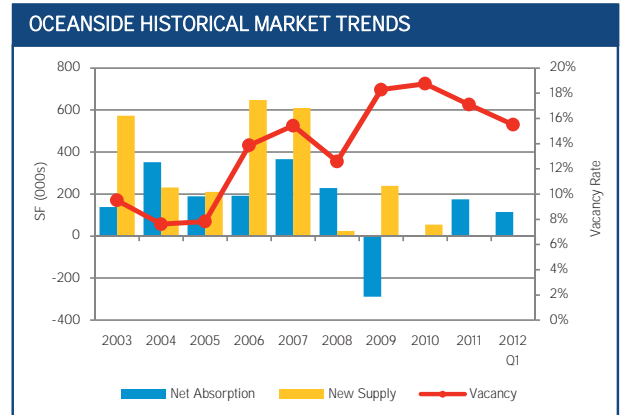
OVERVIEW

While Oceanside still maintains the highest vacancy rate in North County at 15.46% the 115,069 SF of positive net absorption during Q1 2012 was the best quarterly performance since Q2 2008. This extremely positive indicator signals the long anticipated recovery is underway.

With just under 1.2m SF of vacant industrial space available there are numerous newer and older properties of all sizes available to choose from including multi-tenant, free-standing and larger manufacturing and warehouse distribution facilities.

ACTIVITY

Industrial sale transactions were highlighted by the 28 acre user purchase by US Foods in the Ocean Ranch business park which closed in March for \$11.50 SF. Long term plans include the construction of 400,000 – 500,000 SF of food storage and distribution facilities replacing multiple lease properties in Vista as leases term out.



Industrial building sales included the Gilead Sciences purchase of 35,856 SF at 4039 Avenida de la Plata. Gilead owns the property next door and this expansion includes plans for a major renovation of the property and a substantial capital improvement investment expanding their life sciences business in the Oceanside area.

Lease transaction activity was strong this quarter and included a 66,780 SF lease in La Pacifica in Ocean Ranch with La Cantina Doors, a tenant that expanded and relocated from the Vista market. Four other leases between 12,000 and 18,000 were completed showing momentum in medium size tenant activity which is a very positive factor.

FORECAST

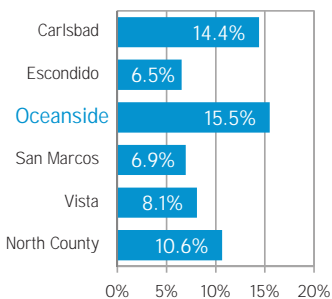
Oceanside will continue to see positive net absorption this coming quarter and for the remainder of the year. All economic indicators are trending positive and commercial real estate offices are all reporting the best activity in years. Overall, deals are still taking a long time to process, landlords are making concessions to keep existing tenants and lower building sale prices and attractive interest rates are making user purchases very affordable.

MARKET INDICATORS

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

INDUSTRIAL/R&D VACANCY RATES

Q1 2012





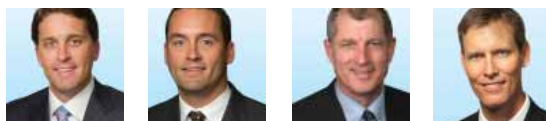
TRANSACTION ACTIVITY - Q1 2012

SALES ACTIVITY

#	PROPERTY NAME/ADDRESS	BUYER TYPE	SIZE (SF)	SALE PRICE	PRICE/SF
1	4039 Avenida de la Plata	Gilead Services / User	35,856	\$4,586,000	\$127.90
2	Ocean Ranch Lots 27 & 28	U.S. Foods	27.96 Acres	\$14,000,000	\$11.50

LEASING ACTIVITY

#	PROPERTY NAME/ADDRESS	TENANT NAME	SIZE (SF)	TERM	EFF RATE/SF
3	2817 Ocean Ranch Boulevard	La Cantina Doors	66,780	60 months	\$0.55/NNN
4	398 Via El Centro	Windigo International	12,000	36 months	\$0.50/G
5	3801 Ocean Ranch Blvd	Star Metal Plating	12,450	60 months	\$0.49/NNN
6	2612 Temple Heights Dr	Apical Industries	18,160	60 months	\$0.55/G
7	1353 Rocky Point Dr	Dixon Scientific	18,911	38 months	\$0.64/G



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