

PROPERTY: NORTH COUNTY SITES GO FAST IN TIGHT MARKET Industrial Demand Drives Up-to-Date Digs

By [Ray Huard](#)

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The \$30 million Vector at Whiptail Loop and Faraday Avenue in Carlsbad is one of several North County projects by RAF Pacifica Group. The two-story structure is under construction as developers move to fill a growing demand for industrial space. Photo by [Jamie Scott Lytle](#).

San Diego — Go north is the solution for a growing number of companies looking for industrial space to expand in San Diego County.

North County is undergoing a boom in industrial construction, much of it an offshoot of e-commerce as companies seek warehouse space to collect and distribute their products.

The reason is simple — North County has land to build what companies want and central San Diego does not. Developers have responded, putting up new industrial and commercial structures throughout North County.

“It’s really hard to even put a price on what properties are worth because they’re moving so quickly,” said Mike Cully, CEO of the San Diego North Economic Development Council.

“As they come to market, they’re flying off the market. People are willing to pay top dollar for these,” Cully said. “The market is super-heated and it’s not slowing down.”

Escondido Economic Development Manager Michelle Geller said the vacancy rate for industrial buildings in her city hovers between 3 percent and 4 percent.

“The stuff that’s out there is getting snatched up pretty quick,” Geller said.

In Vista, the vacancy rate is about 4 percent, said Economic Development Director Kevin Ham.

“We have inquiries daily about potential locations for companies to move in,” Ham said. “We have many folks looking to find an existing building where they can move their operations into them.”

In Carlsbad, “There’s lots of movement going on,” said Economic Developer Manager Christie Marcella. “We do have a lot of new inventory coming on line that gives people a lot of options with a lot of amenities,” Marcella said.

“Flight to function,” is what CBRE Vice President Sean Williams called it in a recent report, and North County is a main beneficiary.

Tenants “are prioritizing newer, higher image and contemporary product,” Williams said.

Essentially, tenants want buildings with high ceilings so they can stack whatever they’re storing vertically instead of spreading it out horizontally — eating up expensive floor space.

With rents rising, higher ceilings mean tenants can get more storage space for their money, Williams said.

Cargo Friendly

Tenants also look for buildings with multiple docking bays and big roll-up doors to accommodate faster loading and unloading, and they want plenty of room for big trucks to turn around and park while waiting to pick up and drop off cargo.

“In Central San Diego, a lot of the facilities existing are older, they weren’t built to these standards,” Williams said.