

Hughes Marino San Diego Office Update Quarter 2 2011

Thursday, July 14, 2011 | Hughes Marino

The beginning of the market recovery that everyone was hoping for this year has stalled. Of concern, sublease space Countywide spiked back up to 4.53M square feet after declining for the prior 6 quarters. While San Diego County absorbed a net 2.1M square feet of office, R&D and industrial space Countywide Q4, 2010 when total inventory fell to 48.3M from 50.4M, Q1 of 2011 flat-lined, and Q2 ended 48.4M. The “running in place” commercial marketplace continues. Meanwhile, there is wild speculation of a recovering market with commercial real estate buyers and investors. This is being driven more by an imbalance of the shortage in supply of good buildings to buy, and the oversupply of capital that has been raised in the last five years to chase the real estate asset class, versus sound fundamentals of a recovering economy and commercial real estate market. While 2010 was the bottom of the market, it appears that we are resting on a deep ocean floor of a market with very little traction towards any real recovery. This condition could protract for several years unless San Diego companies can start creating a lot more net jobs sooner than that.



Hughes Marino Market Dashboard San Diego Office Update 2nd Quarter 2011					
	Sublet Available	Unlet Available	Total Available	Leased	Existing Abs.
L&I Countywide	337,711	2,811,348	3,149,059	8,831,798	13,331,811
Countywide	337,711	2,803,889	3,141,600	8,814,178	13,313,371
San Diego Metro	1,131	11,976	13,107	76,893	7,933,034
San Diego Suburb	1,131	11,976	13,107	76,893	7,933,034
San Diego Region	2,262	23,952	26,214	153,786	15,866,068
ITC	2,262	23,952	26,214	153,786	15,866,068
Rest of Metro	1,131	11,976	13,107	76,893	7,933,034
Rest of Suburb	1,131	11,976	13,107	76,893	7,933,034
Rest of Region	1,131	11,976	13,107	76,893	7,933,034
Rest of Metro	1,131	11,976	13,107	76,893	7,933,034
Rest of Suburb	1,131	11,976	13,107	76,893	7,933,034
Rest of Region	1,131	11,976	13,107	76,893	7,933,034
Rest of Metro	1,131	11,976	13,107	76,893	7,933,034
Rest of Suburb	1,131	11,976	13,107	76,893	7,933,034
Rest of Region	1,131	11,976	13,107	76,893	7,933,034
Rest of Metro	1,131	11,976	13,107	76,893	7,933,034
Rest of Suburb	1,131	11,976	13,107	76,893	7,933,034
Rest of Region	1,131	11,976	13,107	76,893	7,933,034



© 2011 Hughes Marino, Inc. All rights reserved.

Jason Hughes is President of [Hughes Marino](http://HughesMarino.com), a San Diego commercial real estate company specializing in San Diego tenant representation and building purchases. Contact Jason at (619) 238-2111 or Jason@hughesmarino.com to learn more.

David Marino is Executive Vice President of [Hughes Marino](http://HughesMarino.com), a San Diego commercial real estate company specializing in San Diego tenant representation and building purchases. Contact David at (619) 238-2111 or david@hughesmarino.com to learn more.