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RAF Pacifica breaks ground on \$110M of industrial projects



Photo courtesy of RAF Pacifica Group

RAF Pacifica Group began tilting walls on one North County development and is preparing to develop two more in the region, totaling more than 667,000 square feet of industrial space.

TFW Construction is the general contractor and Ware Walcomb is the architect of the projects, which are projected to cost a combined \$110 million to develop.

The projects will be phased in next year, depending on demand.

"Now more than ever, the 'if you build it, they will come' mantra rings true for high-caliber industrial product in North County San Diego," RAF founder and principal Adam Robinson said in a statement. "Despite a slight uptick in new development, no new construction matches the aesthetic and functionality of our creative industrial facilities, which integrate creative office amenities into state-of-the-art industrial buildings for an unmatched user experience."

RAF Pacifica just started titling walls on "vector," a 171,098-square-foot, two-story industrial/R&D facility located within Carlsbad Oaks North. It will accommodate one to four industrial or research tenants.

The vector development will feature 30-foot clear height ceilings, grade-level and dock-high loading doors, and a glass-centric design to ensure natural lighting for users.

Mike Erwin, Conor Boyle, and Tucker Hohenstein of Colliers International will handle leasing at vector.

The developer broke ground on "distribute," a two-building complex totaling 277,410 square feet on Lionshead Avenue in Carlsbad. It will incorporate a mix of modern creative office and functional industrial suites.

Estimated development costs for distribute total \$44 million. Aric Starck and Dennis Visser of Cushman & Wakefield will handle the leasing.

Each suite at distribute will include dock-level and grade-level doors with a clear height of 30 feet. The complex also will feature an outdoor amenity space for tenants to gather and socialize, delivering the look and feel of a creative office campus.

RAF Pacifica also broke ground on "production," a 219,477-square-foot, four-building creative industrial campus in San Marcos.

It will mark the company's first ground-up speculative development in San Marcos. The production campus will integrate tech buildouts, flexible office space, 28-foot clear height ceilings, and overall high-end finishes.

Erwin, Boyle, and Hohenstein of Colliers, and Adam Molnar and Greg Lewis of CBRE will handle leasing at production, located at Norman Strauss Road and Bosstick Boulevard.

Estimated development costs are \$37 million.

Robinson said residents and businesses from all over Southern California are relocating to San Diego's North County based on the submarket's explosive job growth, high-quality housing, and superior quality of life.

"North County is booming and continuing its emergence as a hub of tremendous growth and innovation," he said. "From tech startups to life sciences to manufacturing, North County's diverse economy is attracting an influx of talent and investment capital to this region, especially along the I-78 corridor. We're capitalizing on this momentum by developing state-of-the-art creative industrial buildings to support the growth of this dynamic business community."

Robinson noted that employment in the North County continues to climb at a rate of 2.5 percent, driving demand for premium industrial space in the market.

Demand for industrial space continues to outpace supply, resulting in historically low vacancy rates and upward pressure on lease rates. Average rents are increasing at a faster rate in North County than in San Diego County as a whole, according to a recent report by Colliers International.

"Based on this demand, our creative industrial projects will be extremely well-positioned to serve users across a variety of industries seeking creative spaces that foster collaboration and innovation," said Robinson, who points to the recent success of RAF Pacifica Group's elevate project, a 156,977 square-foot industrial development in Carlsbad Oaks North that is close to 100 percent occupancy.

A CoStar Group survey pegged Carlsbad's light industrial vacancy rate at 9 percent, but the figure includes space that may be functionally obsolete.