



# Economic Scan

Innovation + Economic Development Department

## First Quarter, Fiscal Year 2024-2025

The following scan provides an overview of key economic indicators for July, August, and September 2024 for the City of Carlsbad. This economic scan is updated quarterly to provide information that is relevant to the health of Carlsbad’s economy. For regularly updated information regarding the Carlsbad economy and economic development visit [carlsbadca.gov/doingbusiness](http://carlsbadca.gov/doingbusiness).

Released Nov 12, 2024

## GROSS REGIONAL PRODUCT

### Carlsbad GRP *(Source: Lightcast, 2024)*

**\$17.2B**  
Gross Regional Product

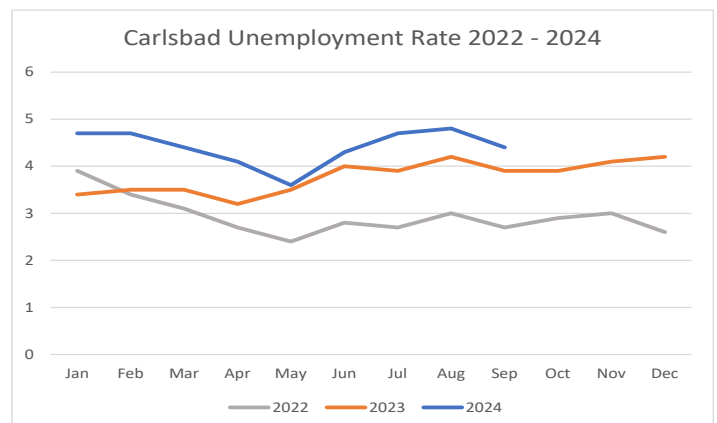
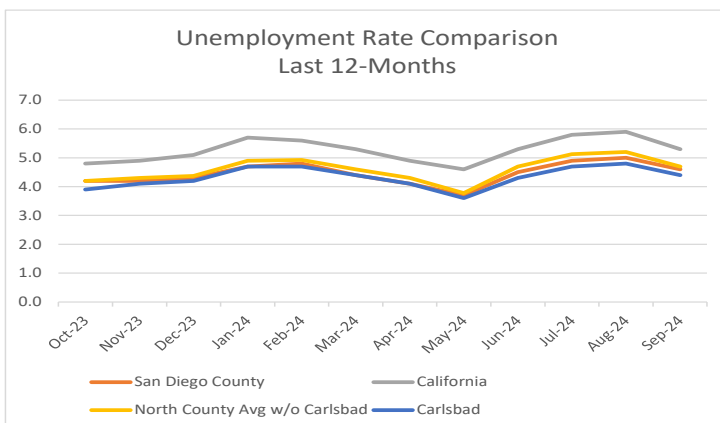


In 2023, Carlsbad had the second largest gross regional product in San Diego County at more than **\$17.2B**, only trailing the City of San Diego. From 2022 to 2023, Carlsbad’s GRP grew by \$600 million representing a growth rate of 3.6%. This growth was seen across almost all industry categories, and was led by manufacturing, wholesale trade, hospitality, and professional, scientific, and technical services.

## JOBS

### Unemployment Rate *(Source: California Employment Development Department, Sep. 2024 Report)*

Carlsbad’s unemployment rate has remained steady between 3% and 4% for the past year, ending the latest quarter at **4.4%**. Overall, unemployment in Carlsbad has remained low and employers have expressed confidence in hiring. Job opportunities continue to outnumber available workers, keeping overall unemployment in Carlsbad and the San Diego region down. The unemployment rate in September was **5.3%** at the state level and **4.6%** at the county level.



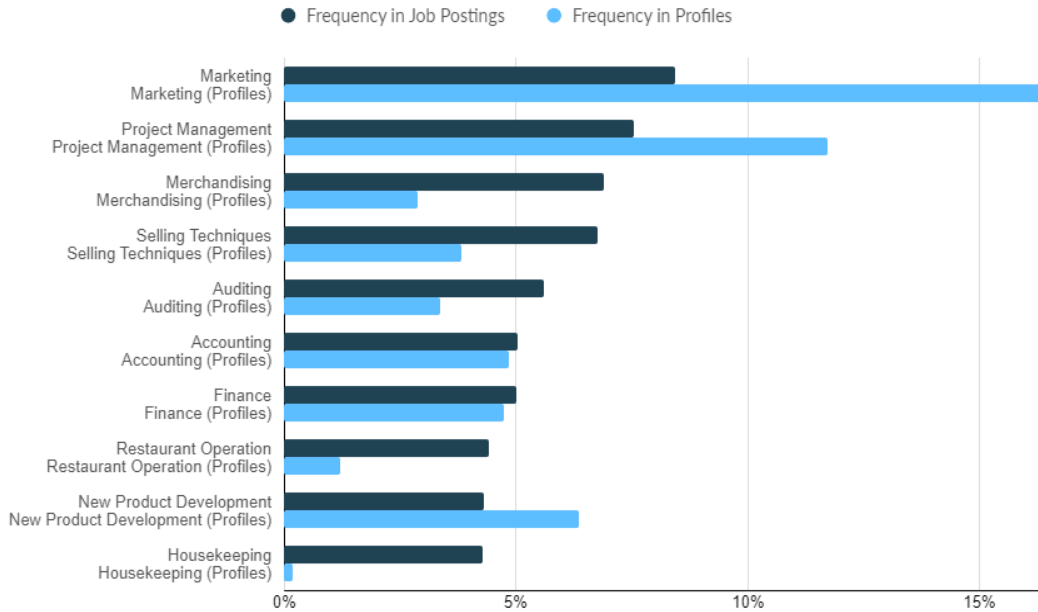
## Job Postings *(Source: Lightcast, July - September 2024)*

There were 9,056 unique job postings in Carlsbad between July and September, a similar number of postings as the previous quarter. Over the quarter, 1,478 different Carlsbad employers posted open positions, a decrease of about 200 employers. The median advertised salary for these postings was \$52,400, continuing a trend of higher wages. Of jobs posted, 70% indicated an education requirement of High School/GED or no requirement listed. 67% of postings indicated less than a year of experience or no experience was required, indicating there are a number of entry-level jobs being posted.



## In-Demand Skills *(Source: Lightcast, September 2024)*

Marketing, Project Management, and Finance skills are currently among the most in-demand skills for Carlsbad employers, showing rapid projected growth of over 19%. However, a noticeable gap remains in the availability of these skills, as seen by the lower frequency in job postings compared to professional profiles.



Skills	Postings	% of Total Postings	Profiles	% of Total Profiles	Projected Skill Growth	Skill Growth Relative to Market
Marketing	765	8%	9,820	16%	+23.0%	Rapidly Growing
Project Management	685	8%	6,993	12%	+19.8%	Rapidly Growing
Merchandising	626	7%	1,726	3%	+15.0%	Growing
Selling Techniques	614	7%	2,276	4%	-1.2%	Lagging
Auditing	509	6%	2,017	3%	+21.8%	Rapidly Growing
Accounting	456	5%	2,897	5%	+24.0%	Rapidly Growing
Finance	455	5%	2,829	5%	+27.3%	Rapidly Growing
Restaurant Operation	400	4%	721	1%	+28.0%	Rapidly Growing
New Product Development	392	4%	3,800	6%	+24.1%	Rapidly Growing
Housekeeping	388	4%	118	0%	+13.3%	Growing

# CAPITAL

## Interest Rates *(Source: U.S. Department of the Treasury, September 2024)*

The Federal Reserve has begun to lower interest rates cutting the benchmark interest rate by 50 basis points, or .5%, as economic output began to show signs of slowing and inflation remained in check. The Fed has signaled potential further rate reductions this year but it is unclear when specifically they will choose to do so and by how much. In September, one-year rates were **3.98%**. Ten-year rates were **3.81%**. 30-year rates were **4.14%**. As of September, inflation figures for the San Diego area decreased to **2.5%** (3.4% less food and energy) over the past year. Nationally, inflation in September was 2.4% (3.3% less food and energy).

### September 2023

One-year interest rate	5.46%
10-year interest rate	4.59%
30-year interest rate	4.73%

### September 2024

One-year interest rate	3.98%
10-year interest rate	3.81%
30-year interest rate	4.14%

# COMMERCIAL REAL ESTATE

## Market Vacancy Rates and Rent per Square Foot *(Source: CoStar, September 2024)*

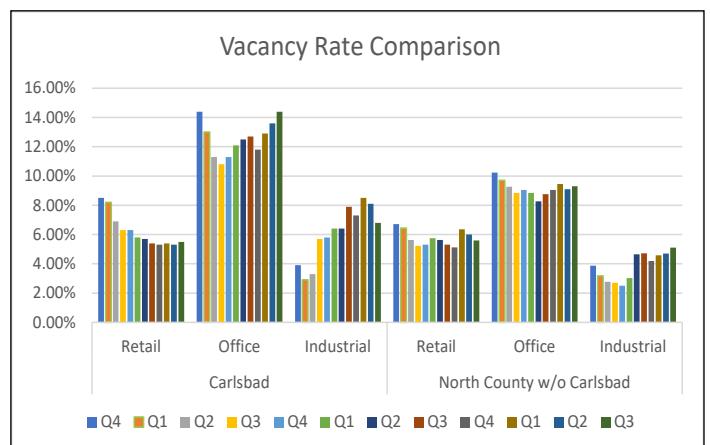
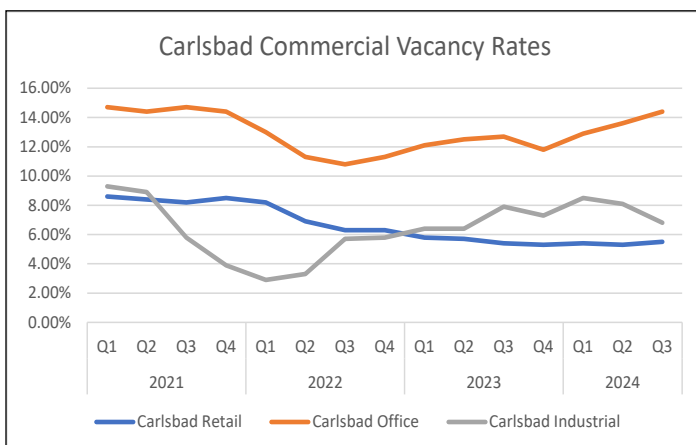
**6.8%**  
Industrial vacancy rate



Commercial vacancy rates continued to fluctuate across all three categories this quarter. The industrial vacancy rate in September dropped to **6.8%**. The office vacancy rate in September rose to **14.4%**. Retail vacancy in September remained steady at **5.5%**.

Rental rates were relatively steady across all categories. Average market rents per square foot, per year for office rates in September were **\$37.94**. Industrial rates in September were **\$22.29**. Retail rates in September were **\$47.78**.

The Carlsbad office market continues to see a rise in available space as remote and hybrid work continue impacting office leases. With uncertain workforce dynamics and tight capital markets, commercial developers are still largely holding off on new office developments. This trend is predicted to continue for the coming 12 - 18 months.



# TOURISM

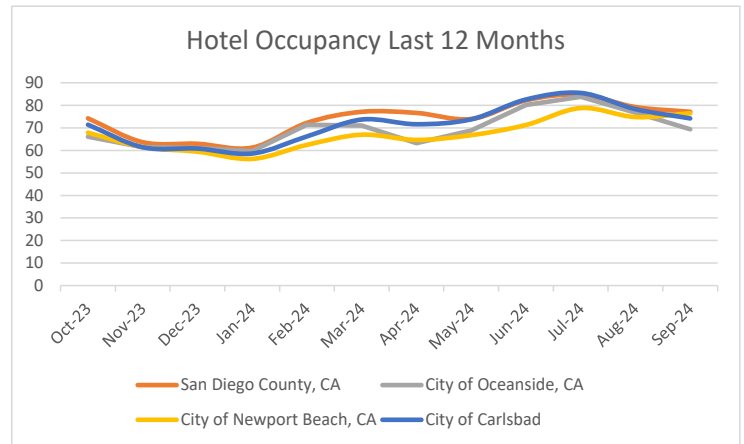
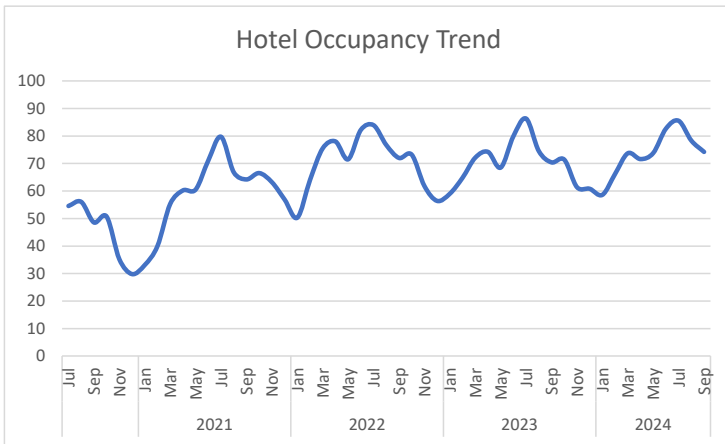
**42**  
Hotels in Carlsbad



With 42 hotels in Carlsbad, tourism is a major industry in terms of employment and economic impact. It is also a major contributor to city revenue, through TOT and sales tax generation. Below are several indicators reflecting the health of the city's tourism economy.

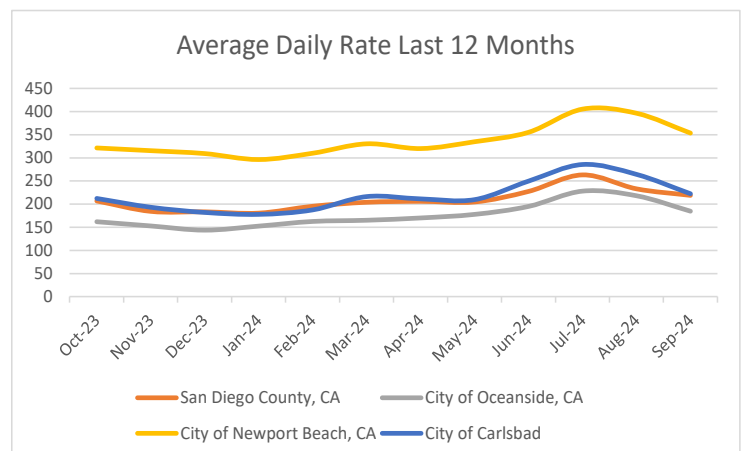
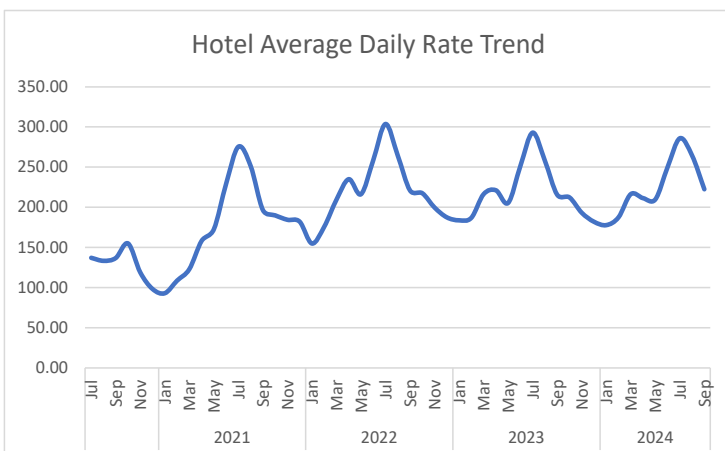
## Hotel Occupancy *(Source: Smith Travel Research, September 2024 Report)*

Occupancy averaged **79.33%** in the first quarter, which is an increase over the same quarter for 2023 (77.07%). September in particular had an occupancy rate of 74.2%, which was a 4% increase over September 2023.



## Hotel Average Daily Room Rate *(Source: Smith Travel Research, September 2024 Report)*

Carlsbad's average daily room rate (ADR) for the quarter was a strong **\$257.58**, an increase over 2023 levels (\$255.43). This upward trend highlights Carlsbad's continued demand as a tourist destination, with higher room rates demonstrating the region's resilience and appeal. These figures suggest that Carlsbad continues to perform well compared to similar markets, bolstered by both individual and family tourism and its role as a business travel hub.



# INCOME + HOUSING

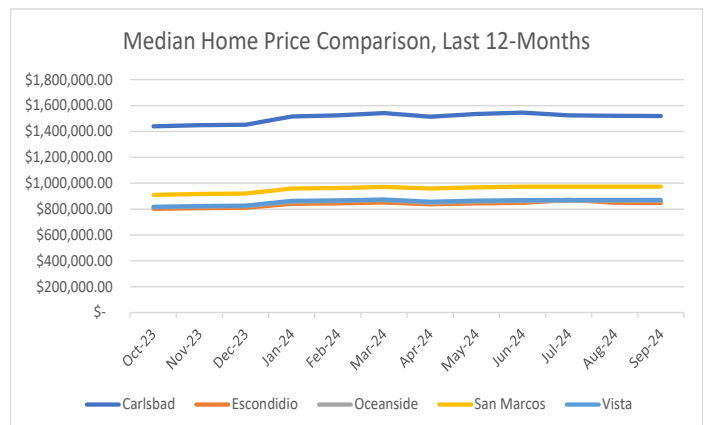
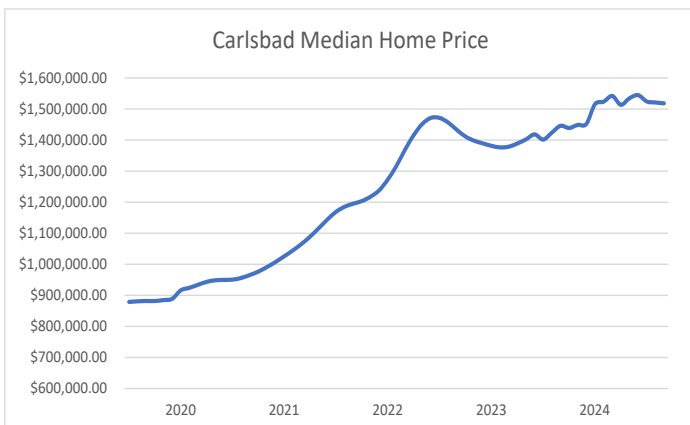
## Median Household Income *(Source: 2022 ACS 5-Year Estimates, the latest year available)*

Median household income in Carlsbad continues to exceed county income levels. The median income for a household in Carlsbad in 2022 was **\$146,596**, (adjusted for inflation), which was \$21,927 higher than the previous year, and \$47,668 more than the county median household income. Carlsbad has generally outpaced the region in terms of household income growth.

	2017	2018	2019	2020	2021	2022
<b>City of Carlsbad Median Household Income</b>	<b>\$102,722</b>	<b>\$107,172</b>	<b>\$123,409</b>	<b>\$112,933</b>	<b>\$124,669</b>	<b>\$146,596</b>
<b>County of San Diego Median Household Income</b>	\$70,588	\$74,855	\$79,324	\$82,426	\$91,003	\$98,928
<b>City of Carlsbad per Capita Income</b>	<b>\$52,560</b>	<b>\$55,518</b>	<b>\$63,079</b>	<b>\$57,607</b>	<b>\$65,430</b>	<b>\$66,944</b>
<b>County of San Diego per Capita Income</b>	\$34,350	\$36,156	\$40,389	\$39,737	\$44,377	\$46,957

## Median Home Price *(Source: Zillow Home Value Index - September 2024)*

Carlsbad home prices have remained relatively steady over the past six months. Consumer demand and low inventory have kept mortgage rates elevated. Real estate experts have suggested that further rate drops will be needed before mortgage rates drop further and transactions pick up. The current median home price is **\$1.52 million**, an increase of 5% over the last year.

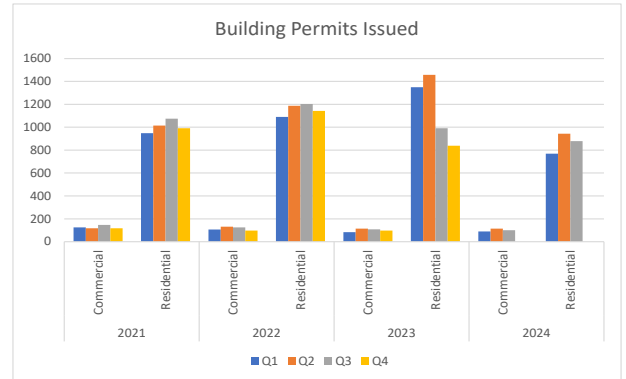


# BUSINESS ACTIVITY

## Building Permits *(Source: City of Carlsbad, September 2024)*

Between July and September, permit activity continued a general decreasing trend for residential building permits (**879**).

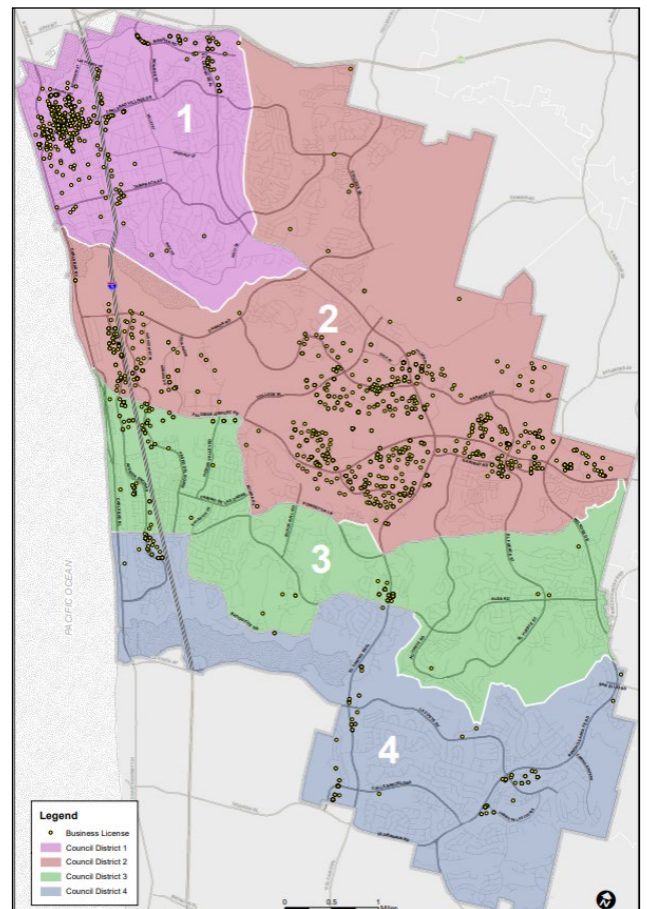
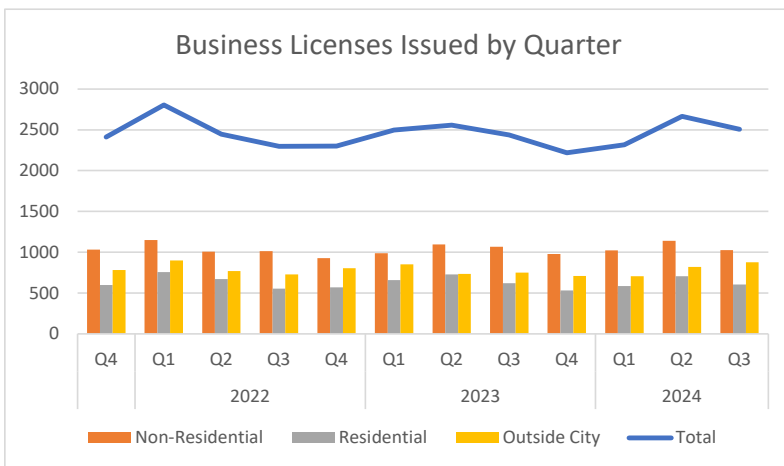
Commercial permits issued (**101**) marked a slight decrease over the same quarter of 2023.



## Business Licenses *(Source: City of Carlsbad, September 2024)*

There were a total of **2,498** business licenses issued last quarter, including **1,020** non-residential, **603** residential, and **875** outside-the-city licenses. This is an overall increase of 62 total businesses over the same quarter of 2023. The total number of active Carlsbad business licenses is **9,899**.

The number of licenses issued does not reflect the number of businesses in Carlsbad as a business may carry multiple licenses, short-term vacation rentals are required to get a license, and businesses outside of Carlsbad that do business in the city or with the city are required to get a license. It is estimated that there are approximately **6,594** businesses in Carlsbad, an increase of 241 total businesses over the previous year.



Carlsbad Businesses by City Council District

## Business License Activity by District

	District 1	District 2	District 3	District 4	Shared
New Businesses	32	31	11	15	0
Renewed Businesses	464	646	221	195	0
Total Businesses	496	677	232	210	0

# BUSINESS ACTIVITY Continued

## Largest Employers *(Source: City of Carlsbad, September 2024)*

The following is a list of the largest employers by City Council district based on information about total employment as submitted by a business during the business license process.

### District 1

- Pretty Please Fashion
- Carlsbad Village Yoga Co-Op
- Laguna Estates
- Carlsbad By the Sea
- Bayshore Carlsbad

### District 3

- Costco
- Aerotek
- Hilton Garden Inn
- The Neurology Center of SoCal
- Vons

### District 2

- Viasat Inc
- Legoland California
- Thermo Fisher
- Ionis Pharmaceuticals
- North Coast Medical

### District 4

- Omni La Costa
- La Costa Glen Carlsbad CCRC
- Glenbrook HC
- Ralphs Grocery Company
- Vons

## New Businesses in Carlsbad *(Source: City of Carlsbad, September 2024)*

New business are defined as entities that have received a license for a location where they previously did not exist. This could also include existing businesses that have changed ownership or business license type. The information below includes new non-home-based businesses in the city according to business license filings.

### District 1

Everything Branding  
Reef Dermatology  
Rinjanie Batik and Accessories  
LAZ Parking - Carlsbad Village  
Ah Hair

I Had Those Toys  
Toni Gee and Co  
The Shop  
FOU Water

Route Manager Software  
and Development Inc  
Natalie Lopez  
Pamela Katheryn

### District 2

HeyDude  
Lawgistics Inc  
Surplus Breakers and Motor Control  
Studio Money  
Discovery Children's Dentistry  
and Orthodontics  
Columbia Sportswear  
PrideStaff Carlsbad

Surf Up Chicken  
Summer23 Inc  
Brooke's Nails  
Indigo Civil Engineering Inc  
SBMC Carlsbad LLC  
Precious Metals Refinery LLC  
Coastal Patent PC  
Royal Hospitality Holdings LLC

Dr. Gary Loos Brain Body Reset  
Sabor a Vida Cafe and Deli  
Phoenix Jasmine  
Entos Pharmaceuticals US Inc

### District 3

Caliber Auto Glass

Honey Palm Psychotherapy Inc

### District 4

Oak Optometric Care CA

NakedMD Inc

# INDUSTRY CLUSTERS

## Life Sciences *(Source: 2022 Biennial Business Survey and Industry Cluster Update)*

The Life Sciences industry cluster employs **6,657** workers across **134** firms and experienced a 2.6% increase in employment between 2018 and 2020. The cluster is 5.51 times more concentrated in Carlsbad than the national average and annual wages per worker average \$123,702.

San Diego County and California have experienced parallel employment growth in the Life Sciences cluster between 2010 and 2020. In the same ten-year period, employment in Carlsbad grew by 75%. Between 2016 and 2018, Carlsbad experienced over 40% growth. Over the past two years (2018-2020), however, employment growth tapered off compared to years prior.

## Technology *(Source: 2022 Biennial Business Survey and Industry Cluster Update)*

The Information and Communications Technologies (ICT) cluster employs **9,008** workers across **343** firms in Carlsbad and is 2.75 times more concentrated in Carlsbad than the national average. Annual wages per worker average \$136,254, and the ICT industry cluster experienced a 3.3% increase in the number of jobs between 2018 and 2020.

San Diego County and California experienced steady parallel growth in the ICT cluster between 2010 and 2020. In the same ten-year period, Carlsbad experienced an initial decline in employment between 2012 and 2015; between 2015 and 2020, employment in the ICT cluster has steadily trended upwards.

## Cleantech *(Source: 2022 Biennial Business Survey and Industry Cluster Update)*

Between 2018 and 2020, the number of workers employed at Cleantech firms increased by 22.2%. By 2019, the **48** Cleantech firms in Carlsbad employed more than **872** people. The average annual wage per worker is \$109,779, and the Cleantech industry cluster in Carlsbad is 4.66 times more concentrated than the national average.

Between 2010 and 2012, Carlsbad experienced an initial employment drop for the Cleantech industry followed by steady growth between 2012 and 2020. Employment growth in California peaked in 2013 and has been on a steady decline since. Growth in San Diego County also peaked in 2013, dropping by over 25% between 2013 and 2017. Since 2017, employment in the Cleantech cluster for San Diego County has been on a steady increase.

## Sports Innovation & Design *(Source: 2022 Biennial Business Survey and Industry Cluster Update)*

The Sports Innovation & Design industry cluster employs **1,804** workers across **116** firms and experienced a 16.3% decrease in employment between 2018 and 2020. The cluster is 5.06 times more concentrated in Carlsbad than the national average and annual wages per worker average \$75,652.

Employment in the Sports Innovation & Design cluster has steadily declined since 2013 in Carlsbad. Both San Diego County and California have declined steadily since 2015 and experienced sharp declines between 2019 and 2020, likely due to the COVID-19 pandemic.

## Hospitality & Tourism *(Source: 2022 Biennial Business Survey and Industry Cluster Update)*

Carlsbad's Hospitality & Tourism cluster is about 1.35 times more concentrated in Carlsbad than the national average and employs **9,179** people across **467** businesses. Hospitality & Tourism experienced a sharp 34% decrease in employment between 2018 and 2020, driven by the effects of the COVID-19 pandemic between 2019 and 2020. Average annual wages per worker remain low relative to other key industry clusters, with workers earning \$31,315 on average.

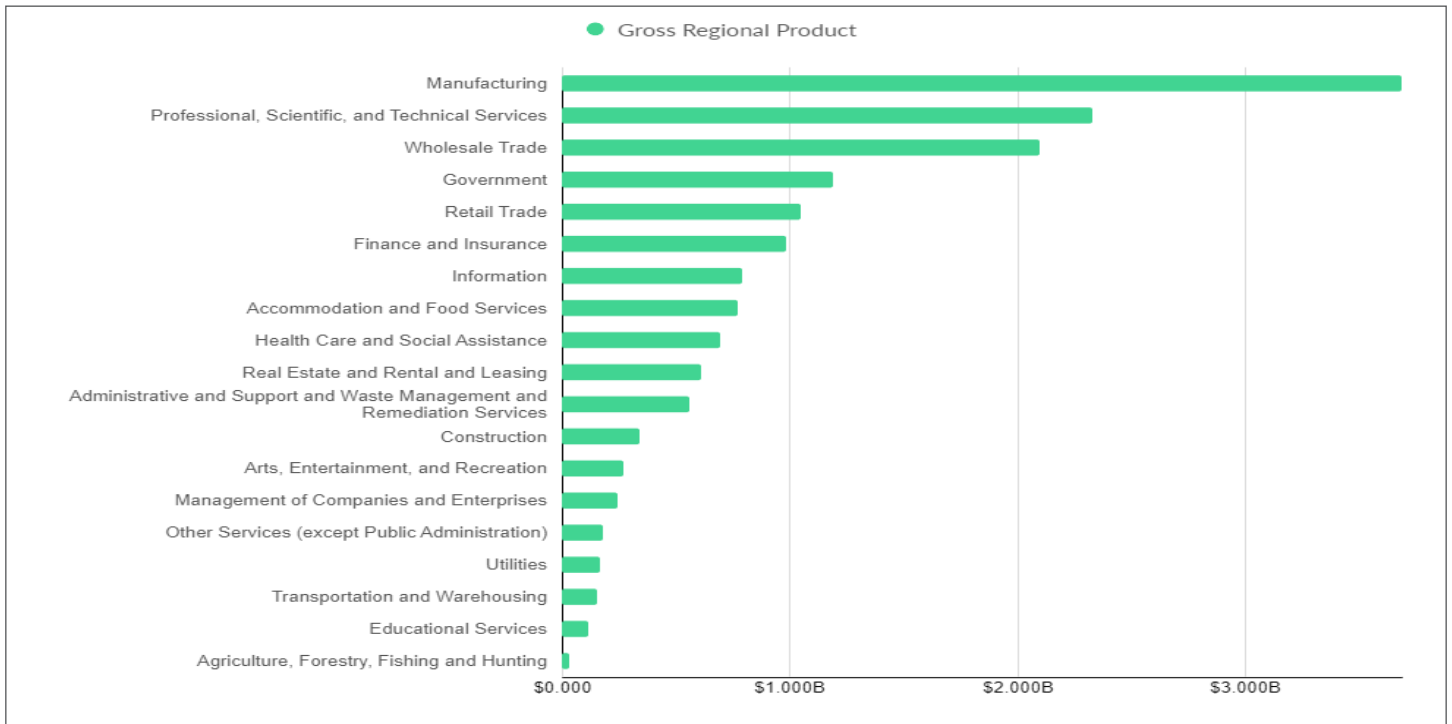
Carlsbad, San Diego County, and California experienced sharp declines between 2019 and 2020, during which sub-clusters like Theater Companies and Dinner Theaters, Amusement and Theme Parks, and Amusement Arcades were shut down to mitigate the effects of the COVID-19 pandemic.

# INDUSTRY IMPACT

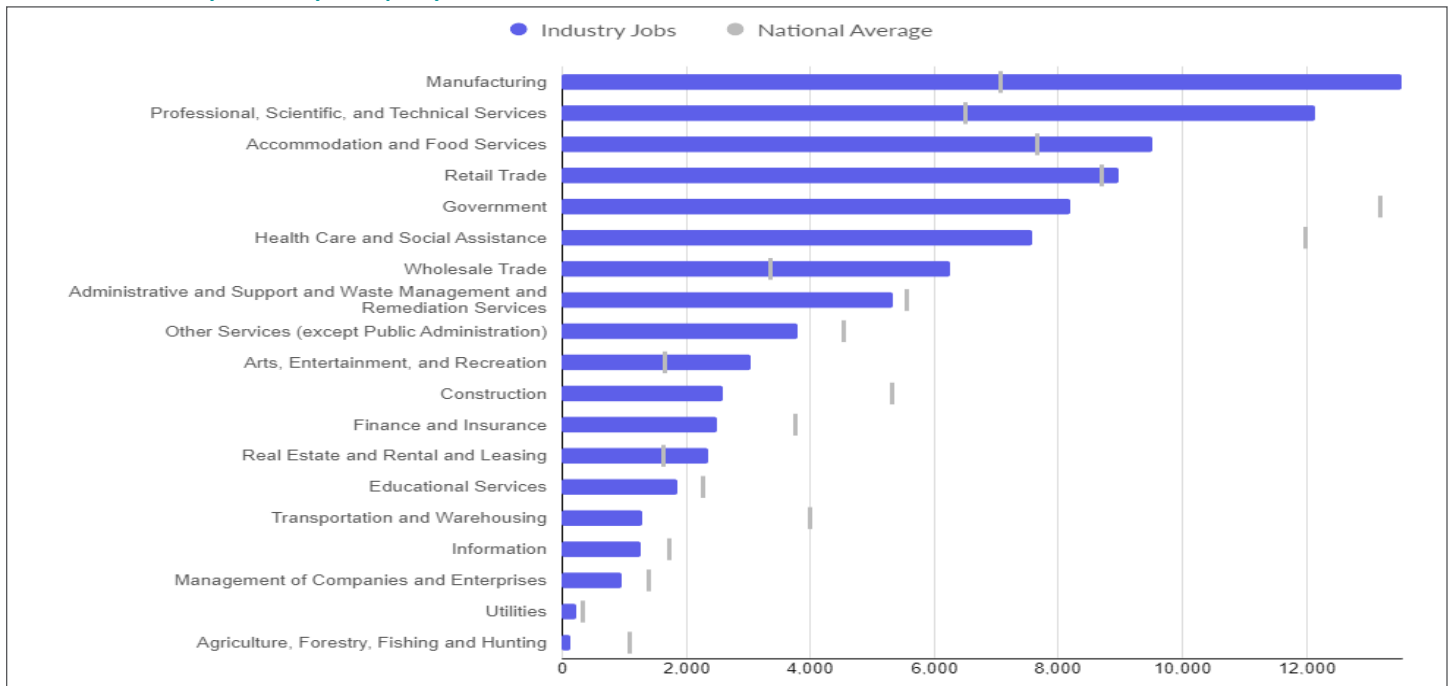
## Largest Industries *(Source: Lightcast, September 2024)*

Carlsbad's economy significantly exceeds the national average for jobs in manufacturing, accommodation & food services, and professional, scientific & technical services. These sectors, which would include tech, life sciences, and other innovation industries are generally more resilient to recessions, also represent significant job growth in the economy.

## GRP by Industry



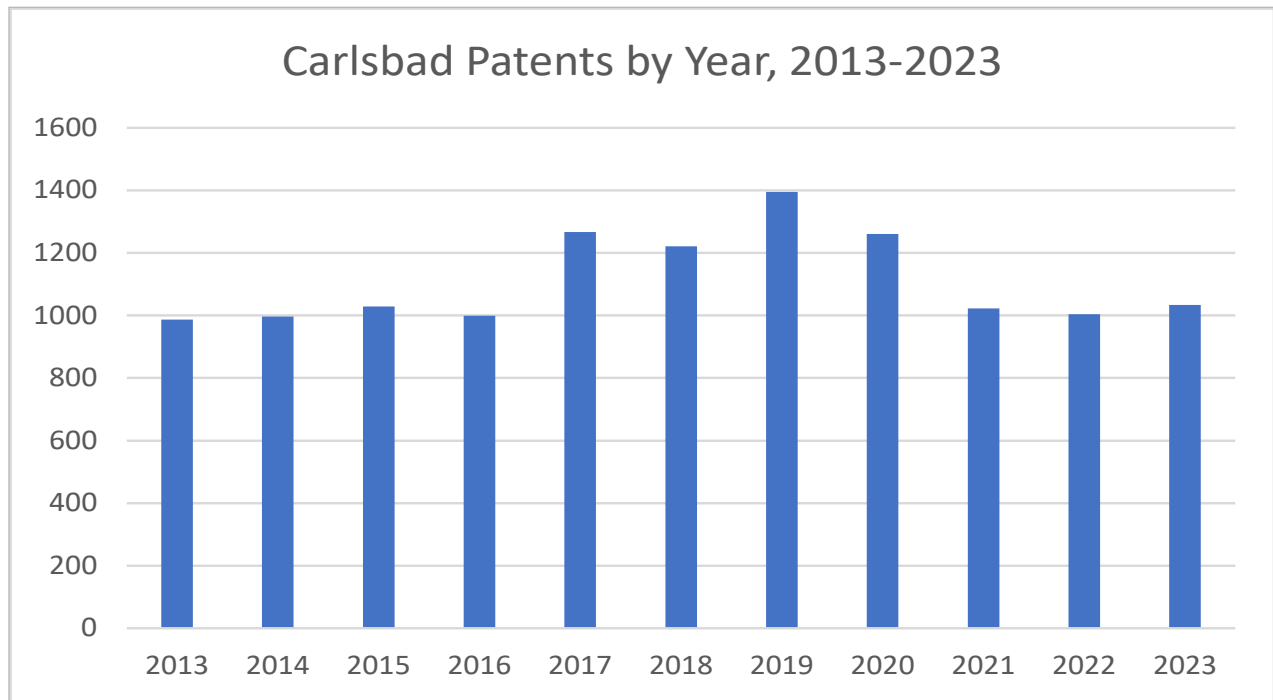
## Industry size by employment



# INNOVATION

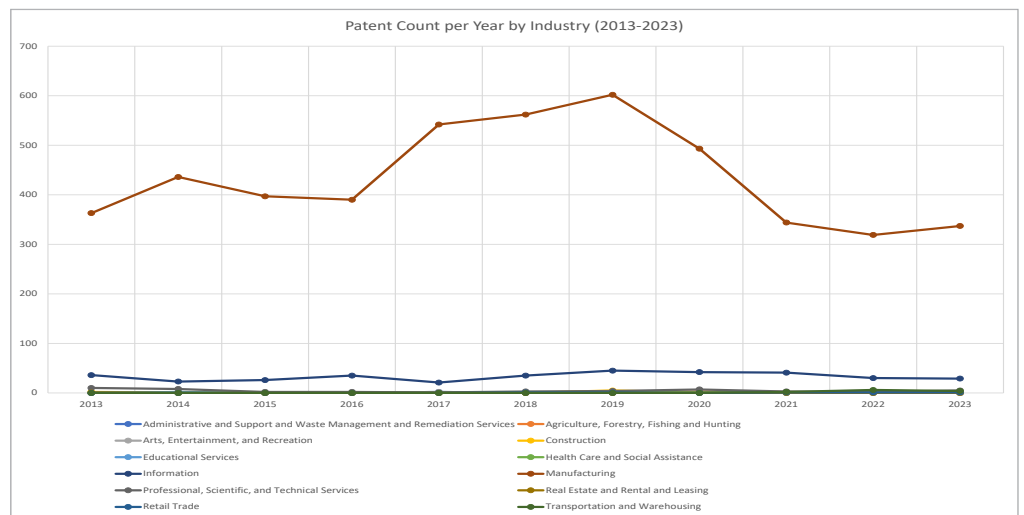
## Patents *(Source: 2024 Carlsbad Patent Study)*

The Carlsbad innovation economy is powered by the key industry clusters of Life Sciences, Information & Communications Technology, Sports Innovation & Design and Clean Technology. The figure below shows consistently strong patent activity over the past decade with an elevated level from 2017-2020. Patents are a key indicator of economic competitiveness and growth. In the case of Carlsbad it also demonstrates the diversity of the economy along with other economic drivers such as tourism.



## Carlsbad Patents by Industry

The highest number of patents are issued in the broad manufacturing category which includes technology, electronics, apparel, sporting goods, and transportation. Complimenting this are the patents issued in the information category which includes satellite, wireless, and wired telecommunications. Patents in these two categories demonstrate a vibrant innovation ecosystem.



**Released November 12, 2024**

*The quarterly economic scan is developed by the City of Carlsbad Innovation & Economic Development Department. For more information, visit [carlsbadca.gov/doingbusiness](https://carlsbadca.gov/doingbusiness), or contact the team at [business@carlsbadca.gov](mailto:business@carlsbadca.gov).*