

# Economic Scan

Innovation + Economic Development Department



## Third Quarter, Fiscal Year 2024-25

The following scan provides an overview of key economic indicators for January, February, and March 2025 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/economy](http://carlsbadca.gov/economy).

Released May 13, 2025

## GROSS REGIONAL PRODUCT

### Carlsbad GRP *(Source: Lightcast, 2025)*

**\$16.8B**  
Gross Regional Product

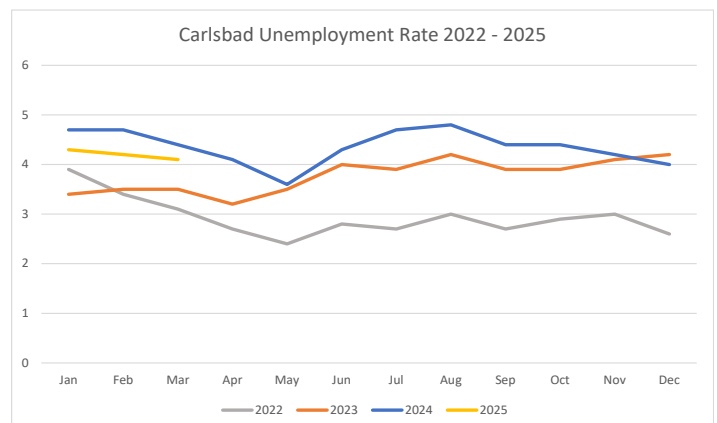
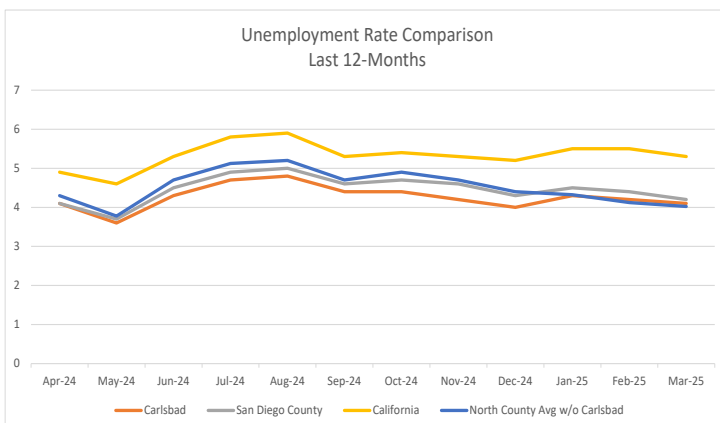


In 2024, Carlsbad had the second largest gross regional product in San Diego County at more than **\$16.8B**, only trailing the City of San Diego. From 2023 to 2024, Carlsbad’s GRP contracted by \$50 million representing a modest decline of .3%. Some industries saw growth, like hospitality and tourism, real estate, and health care, while others saw declines, like manufacturing, professional, scientific and technical services (commonly known as research and development), and office administrative services.

## JOBS

### Unemployment Rate *(Source: California Employment Development Department, March 2025 Report)*

Unemployment rate in Carlsbad indicates the city remains at full employment, despite headwinds impacting different industries. Carlsbad’s unemployment rate increased during the first two months of the quarter, but dipped in March to end the quarter at 4.1%, still up slightly from 4% in December 2024. Unemployment in March was 4.2% for San Diego County and 5.3% for the State of California.



## Job Postings *(Source: Lightcast, January - March 2025)*

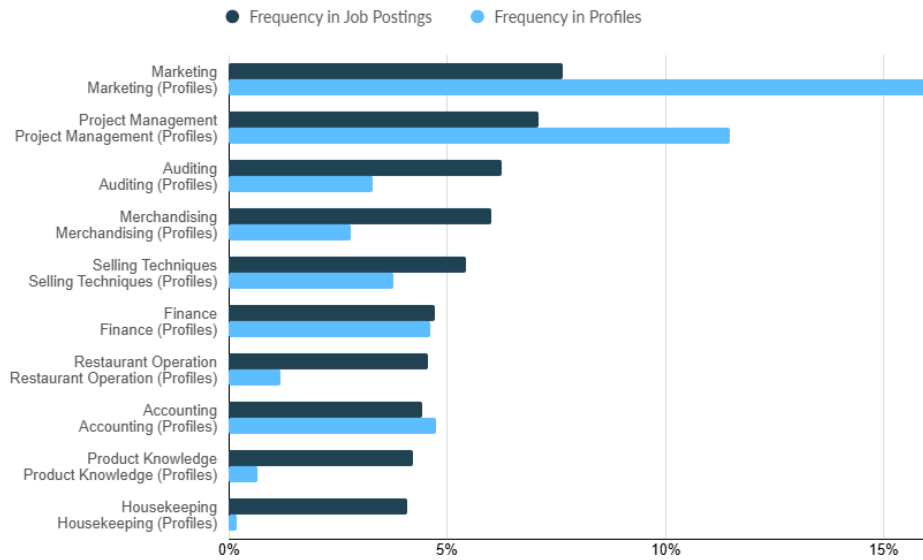
Job postings for the quarter totaled 6,043, an increase from the previous quarter but down slightly from the same period last year. Approximately 1,357 Carlsbad employers posted open positions. At the national level, the unemployment rate remained steady at 4.2% in March. However, job openings declined to 7.2 million, down more than 900,000 year-over-year, suggesting a cooling in labor demand. Despite this, job growth continues in health care, social assistance, and transportation, while layoffs remain low. The median posting duration is 21 days, a decrease from the 30-31 day duration that has been common over the past several years. This could be an indicator that workers are more readily available.



## In-Demand Skills *(Source: Lightcast, March 2025)*

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

Top Specialized Skills



Skills	Postings	% of Total Postings	Profiles	% of Total Profiles	Projected Skill Growth	Skill Growth Relative to Market
Marketing	416	8%	9,723	16%	+23.0%	Rapidly Growing
Project Management	386	7%	6,923	11%	+19.8%	Rapidly Growing
Auditing	340	6%	1,991	3%	+21.8%	Rapidly Growing
Merchandising	328	6%	1,686	3%	+15.0%	Growing
Selling Techniques	296	5%	2,279	4%	-1.2%	Lagging
Finance	257	5%	2,781	5%	+27.3%	Rapidly Growing
Restaurant Operation	248	5%	711	1%	+28.0%	Rapidly Growing
Accounting	242	4%	2,867	5%	+24.0%	Rapidly Growing
Product Knowledge	230	4%	391	1%	+17.6%	Growing
Housekeeping	222	4%	112	0%	+13.3%	Growing

# CAPITAL

## Interest Rates (Source: U.S. Department of the Treasury, March 2025)

The Federal Reserve lowered interest rates cutting the benchmark interest rate three times in 2024, however, as economic output slowed in the last quarter and inflation increased, The Federal Reserve has signaled it is unlikely to make additional cuts in the foreseeable future. Interest rates dipped this quarter, but rebounded in March, ending the quarter higher than the previous quarter. In March, one-year rates were **4.17%**. Ten-year rates were **4.58%**. 30-year rates were **4.83%**. As of March, inflation figures for the San Diego area jumped to 3.8% (4.1% less food and energy) over the past year. Nationally, annual inflation in March was 2.4% (also 2.4% less food and energy). Inflation is expected to rise as a result of trade policy.

### March 2024

One-year interest rate	5.03%
10-year interest rate	4.20%
30-year interest rate	4.34%

### March 2025

One-year interest rate	4.17%
10-year interest rate	4.58%
30-year interest rate	4.83%

# COMMERCIAL REAL ESTATE

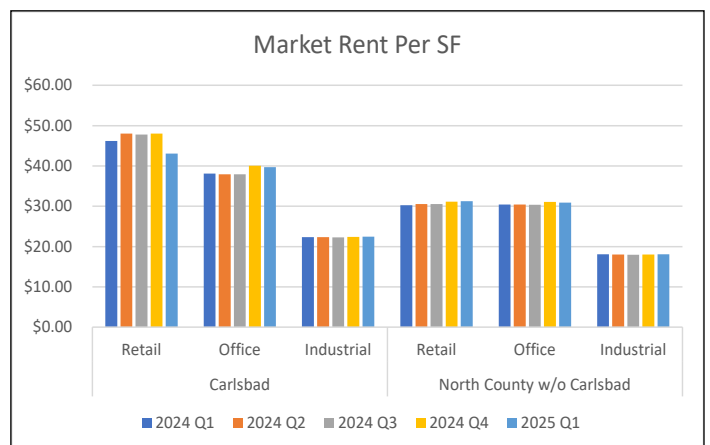
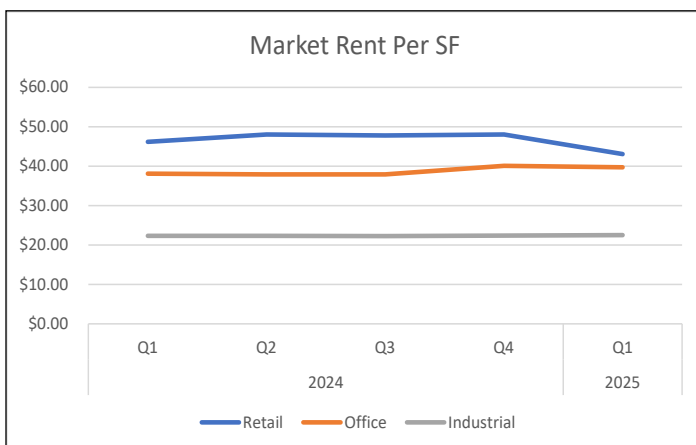
## Market Vacancy Rates and Rent per Square Foot (Source: CoStar, March 2025)

**7.8%**  
Industrial vacancy rate



The commercial real estate market in Carlsbad remained relatively stable during the quarter. Industrial vacancy increased by **2.63%**, office vacancy increased by **0.7%**, and retail vacancy dropped by **2.08%**. Staff have started to see renewed interest in office and industrial sites after a two-year cooling period – a positive sign. As some of that interest is realized, it should cause a rebound in those property types.

Rental rates were relatively steady across industrial and office products. Retail rates dropped. Average market rents per square foot, per year for office rates in March were **\$39.70**. Industrial rates in March were **\$22.48**. Retail rates in March were **\$43.08**.



# TOURISM

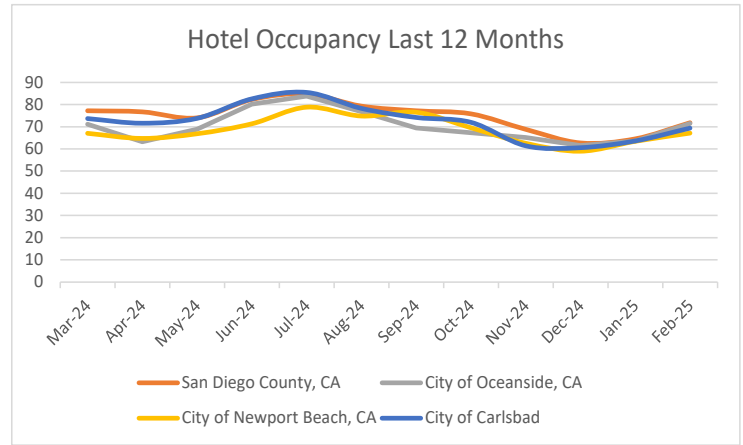
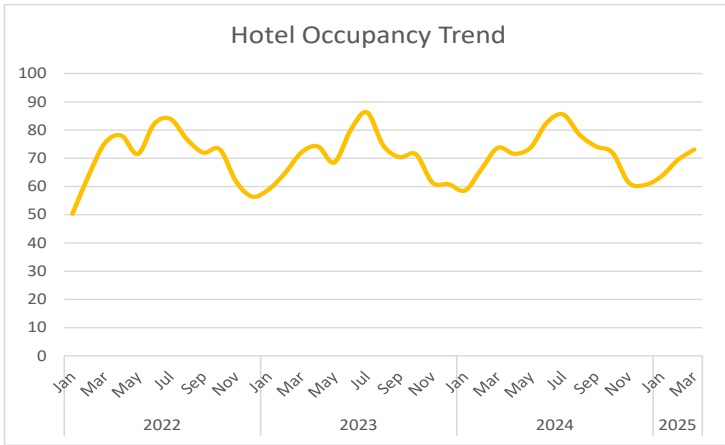
**42**  
Hotels in Carlsbad



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.

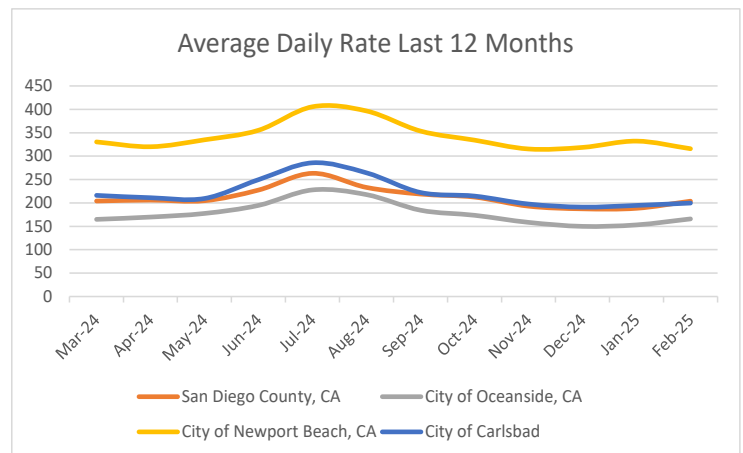
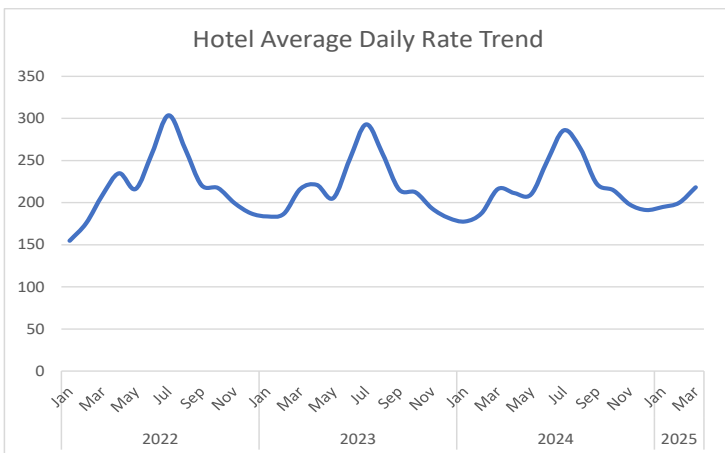
## Hotel Occupancy *(Source: Smith Travel Research, March 2025 Report)*

Occupancy averaged **68.7%** in the third quarter, which is greater than the same quarter for 2024 (66.2%). These figures suggest that Carlsbad as a whole continues to perform well compared to similar markets. However, while overall occupancy was higher, this was due to increased group business. Individual and leisure travel were down compared to previous years. Changing international traveler sentiment and economic uncertainty, could have an impact on tourism in the coming year.



## Hotel Average Daily Room Rate *(Source: Smith Travel Research, March 2025 Report)*

Carlsbad's average daily room rate (ADR) for the quarter was a strong **\$204.37** a jump up from 2024 levels (\$193.81). This upward trend highlights Carlsbad's continued demand as a tourist destination, despite economic uncertainty.



# INCOME + HOUSING

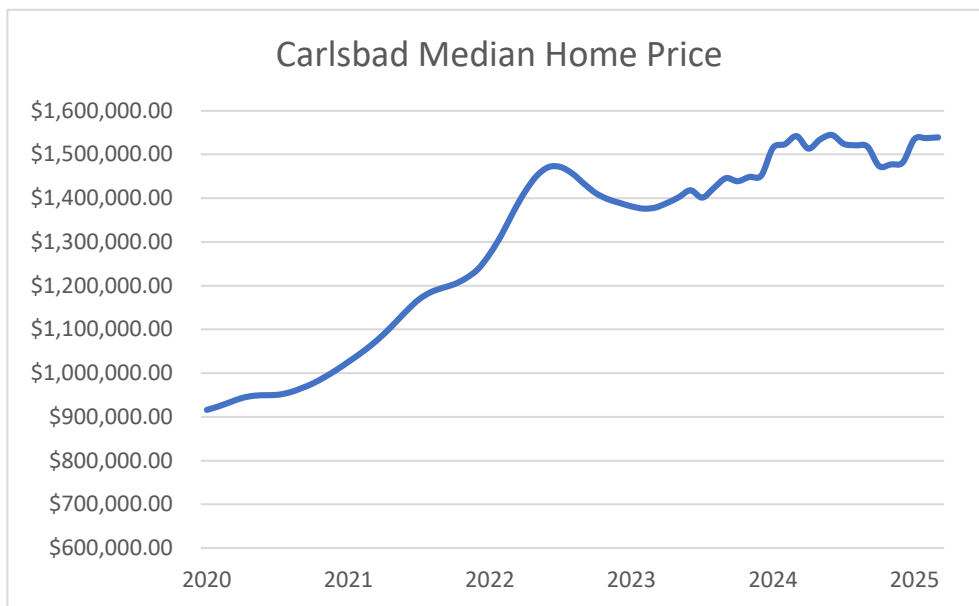
## Median Household Income *(Source: 2023 ACS 5-Year Estimates, the latest year available)*

Median household income in Carlsbad continues to exceed county income levels. The median income for a household in Carlsbad in 2023 was **\$139,326**, (adjusted for inflation), which was \$5,200 higher than the previous year, and \$36,000 more than the county median household income. Carlsbad has generally outpaced the region in terms of household income growth.

	2019	2020	2021	2022	2023
City of Carlsbad Median Household Income	\$123,409	\$112,933	\$124,669	\$146,596	\$138,326
County of San Diego Median Household Income	\$70,588	\$74,855	\$79,324	\$98,928	\$102,285
City of Carlsbad Per Capita Income	\$63,079	\$57,607	\$65,430	\$66,944	\$70,896
County of San Diego Per Capita Income	\$40,389	\$39,737	\$44,377	\$46,957	\$49,891

## Median Home Price *(Source: Zillow Home Value Index - March 2025)*

Carlsbad’s median home price rose to **\$1.54 million** in March 2025, a 4.3% year-over-year increase. While the Federal Reserve enacted several rate cuts in late 2024, mortgage rates remained elevated due to ongoing inflation and tight housing inventory. Housing affordability continues to impact workforce attraction and retention, as some employees relocate to more affordable areas, resulting in longer commutes and increasing pressure on local employers.

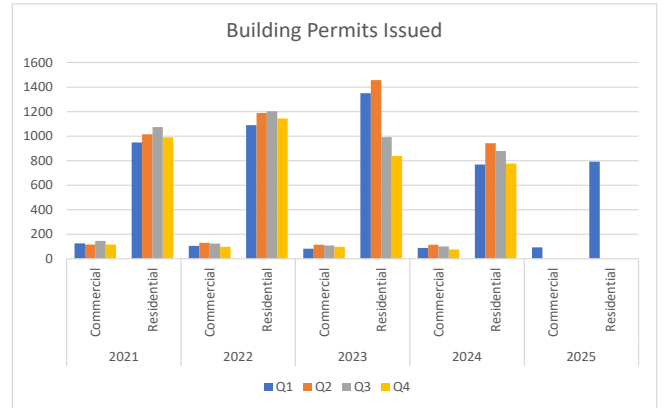


# BUSINESS ACTIVITY

## Building Permits *(Source: City of Carlsbad, March 2025)*

Between January and March, residential permits issued (**792**) saw an uptick in residential building permits issued, up from 777 in the previous quarter.

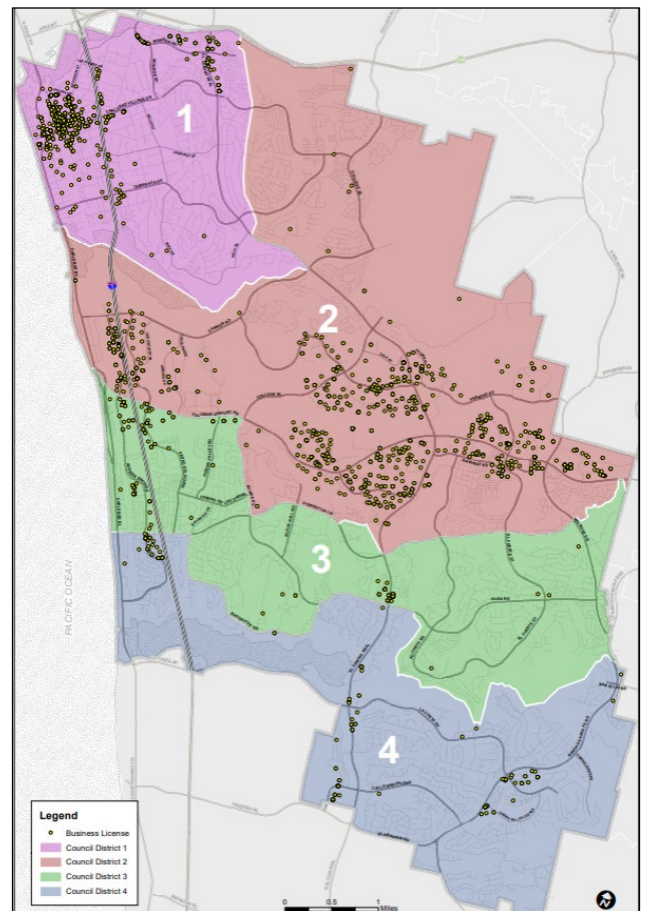
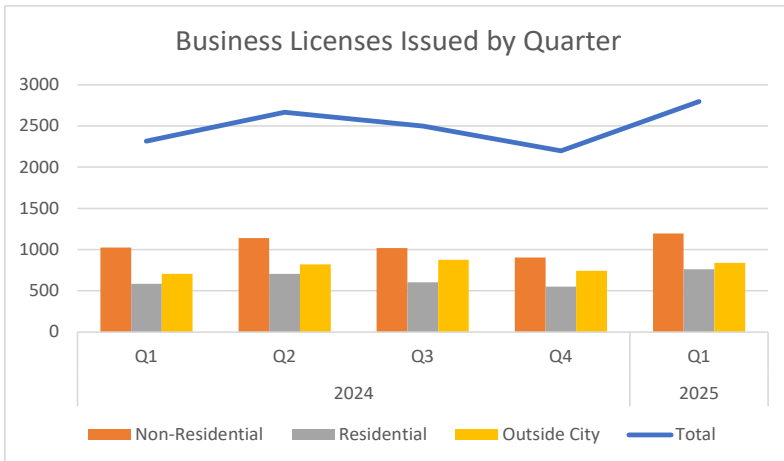
Commercial permits issued (**93**) increased compared to the previous quarter (77).



## Business Licenses *(Source: City of Carlsbad, March 2025)*

There were a total of **2,796** business licenses issued last quarter, including **1195** non-residential, **763** residential, and **838** outside-the-city licenses. This is an overall jump of 480 total businesses over the same quarter of 2024. The total number of Carlsbad business licenses is **10,158**.

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 **6,881** businesses in Carlsbad, a net increase of 251 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
New	23	22	4	3
Renewing	617	747	228	224
Total	640	769	232	227

# BUSINESS ACTIVITY Continued

## Largest Employers *(Source: City of Carlsbad, March 2025)*

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, March 2025)*

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

Ocean Sky Beads and Gems  
Mar Beauty Blends  
The Nest Home Decor and Boutique  
Sankalp the Taste of India  
Coastal Rolfing LLC  
Jeanie Vetter LCSW  
The Boarding Home  
Evolution Toyz

DW Acupuncture  
The Batcave Collectables  
ACME Collectibles  
Sulab Toys  
PC Parts Shop  
Simon Hernandez  
Top Star Treasures  
Top Right Collectibles

Legacy Swim Academy LLC  
Bloom Accounting Services LLC  
Dreamwave Coffee  
Untapp  
Project Midnite  
Chris McDuffie Counseling -  
A Licenced Clinical Social Worker  
Corporation

### District 2

Peak Performance Bodywork and Rehab  
Bolt Medical Inc  
SD Botox  
Back Nine  
Pit Management Group Inc  
Kendra Willhelm LLC  
Brah Electric LLC

Vika Art Nails  
Jules Bryant  
Stephanie Azar  
Constcorp Inc  
Arete Commercial  
Journeys  
Disc Surgery Center at Carlsbad LLC

MMR Consulting USA Inc  
The Creative Learning Studio  
Emagine Med Spa LLC  
Management Registry Inc  
Comfort Zone Futons and Furniture Inc  
Theee Hair Savage Luxury Hair Studio  
OCD Anxiety Centers California LLC

### District 3

Catalyst Windmill La Vida LLC  
Broadway Salon Studios

Roadwarrior Audio LLC

Los Tacos

### District 4

REI Co-Op

Mane Haven LLC

North County Primary Care

# INDUSTRY CLUSTERS

## **Life Sciences** *(Source: City of Carlsbad and Lightcast - 2025)*

The Life Sciences industry cluster employs 6,415 workers across 115 firms and experienced a 17% increase in employment between 2019 and 2024. The cluster is 5.18 times more concentrated in Carlsbad than the national average and annual wages per worker average \$170,820.

San Diego County and California have historically experienced parallel employment growth in the Life Sciences cluster. Between 2010 and 2020, employment in Carlsbad surged by 75%, with a particularly strong 40% growth from 2016 to 2018. While growth slowed between 2018 and 2020, the sector rebounded significantly, growing 17% between 2019 and 2024.

## **Technology** *(Source: City of Carlsbad and Lightcast - 2025)*

The Information and Communications Technologies (ICT) cluster employs 8,470 workers across 327 firms in Carlsbad and is 2.18 times more concentrated in Carlsbad than the national average. Annual wages per worker average \$181,562, and the ICT industry cluster experienced a 5% increase in the number of jobs between 2019 and 2024.

Between 2010 and 2020, San Diego County and California experienced steady parallel growth in ICT, while Carlsbad saw an initial decline from 2012 to 2015. However, since 2015, employment in Carlsbad's ICT sector has trended upward. From 2019 to 2024, employment in Carlsbad grew by 5%, compared to San Diego County which did not have any growth across the industry.

## **Cleantech** *(Source: City of Carlsbad and Lightcast - 2025)*

Between 2019 and 2024, the number of workers employed at Cleantech firms increased by 15%. Across the industry cluster, 36 Cleantech firms in Carlsbad employed more than 3,780 people. The average annual wage per worker is \$200,304, and the Cleantech industry cluster in Carlsbad is 4.38 times more concentrated than the national average.

Carlsbad's Cleantech industry initially declined between 2010 and 2012 before experiencing steady growth through 2020. While employment growth peaked in California and San Diego County in 2013, Carlsbad has continued its upward trend. Between 2019 and 2024, employment in Carlsbad's Cleantech sector grew 15%, significantly outpacing the 3% growth in San Diego County.

## **Sports Innovation & Design** *(Source: City of Carlsbad and Lightcast - 2025)*

The Sports Innovation & Design industry cluster employs 1,754 workers across 113 firms and experienced a 28% increase in employment between 2019 and 2024. The cluster is 17.37 times more concentrated in Carlsbad than the national average and annual wages per worker average \$134,176.

Previously, Carlsbad's employment in the Sports Innovation & Design cluster had been on a steady decline since 2013. San Diego County and California also saw declines starting in 2015, with sharp drops between 2019 and 2020 due to the COVID-19 pandemic. However, Carlsbad experienced a strong recovery, with employment increasing 28% between 2019 and 2024, significantly outpacing San Diego County's 9% growth.

## **Hospitality & Tourism** *(Source: City of Carlsbad and Lightcast - 2025)*

Carlsbad's Hospitality & Tourism cluster is about 1.42 times more concentrated in Carlsbad than the national average and employs 14,170 people across 674 businesses. Hospitality & Tourism experienced a sharp 15% decrease in employment between 2019 and 2024, 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 \$44,930 on average.

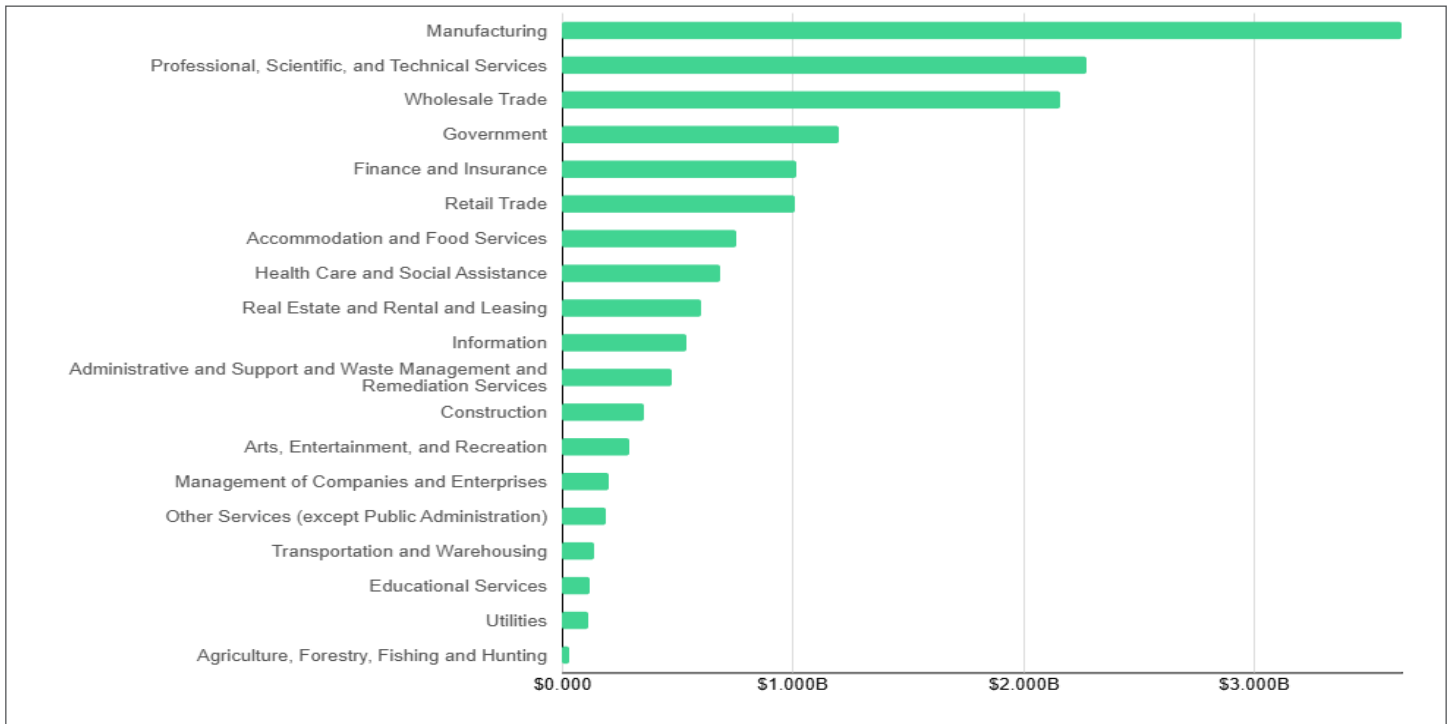
Carlsbad, San Diego County, and California saw severe employment declines in the Hospitality & Tourism sector between 2019 and 2020 as businesses such as theater companies, amusement parks, and arcades shut down due to the COVID-19 pandemic. While the sector has struggled to recover, Carlsbad experienced a 15% decline from 2019 to 2024, exceeding the 1% decline in San Diego County.

# INDUSTRY IMPACT

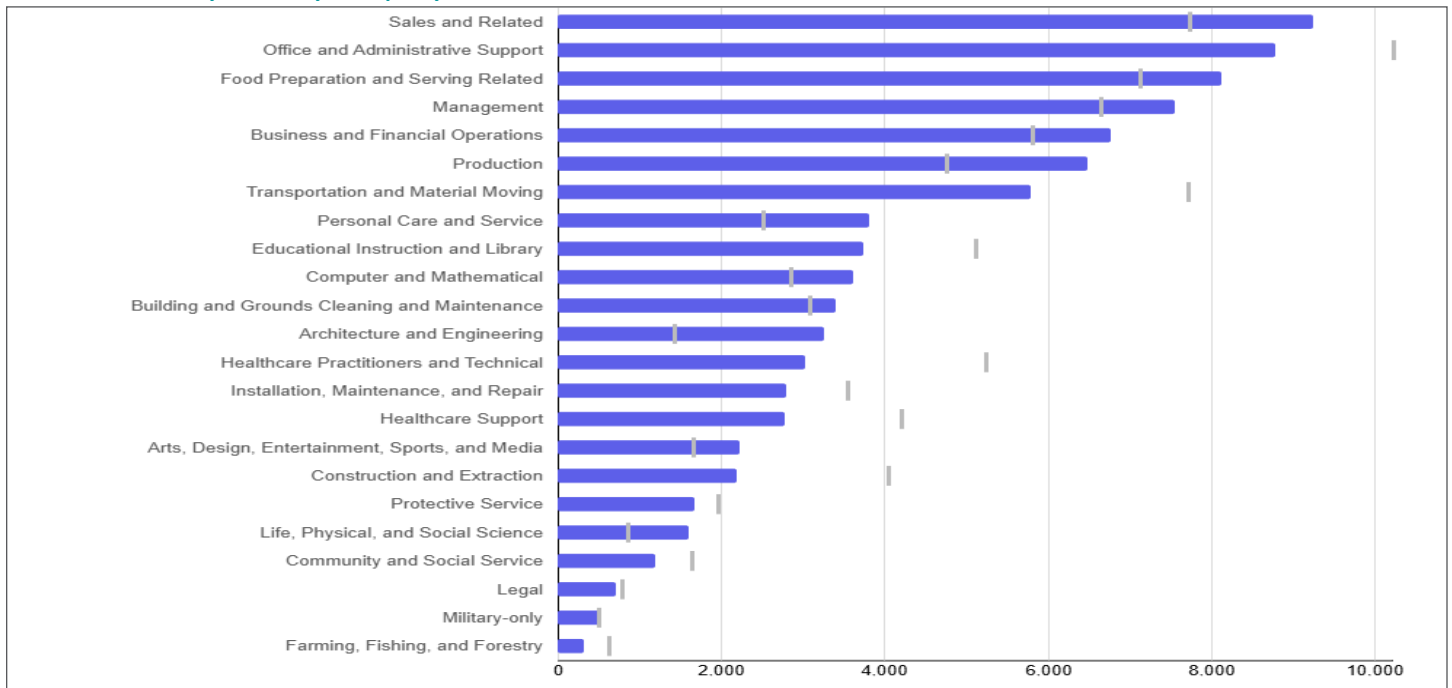
## Largest Industries *(Source: Lightcast, March 2025)*

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



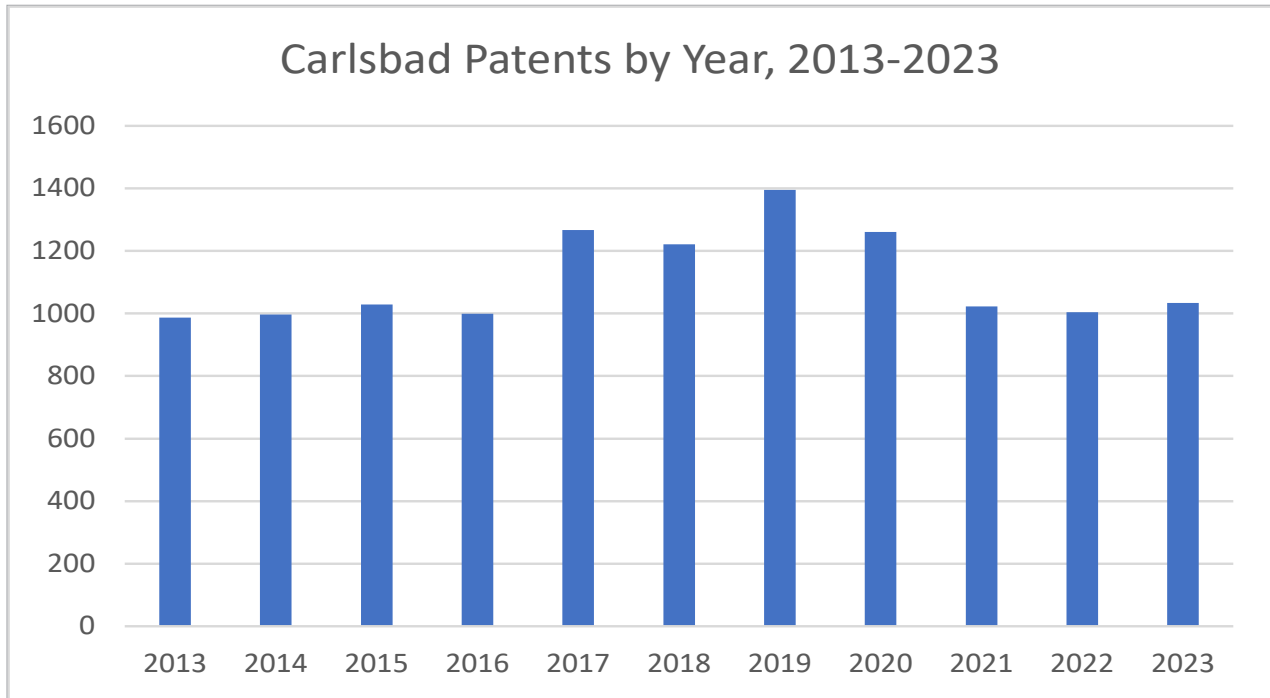
### Industry size by employment



# INNOVATION

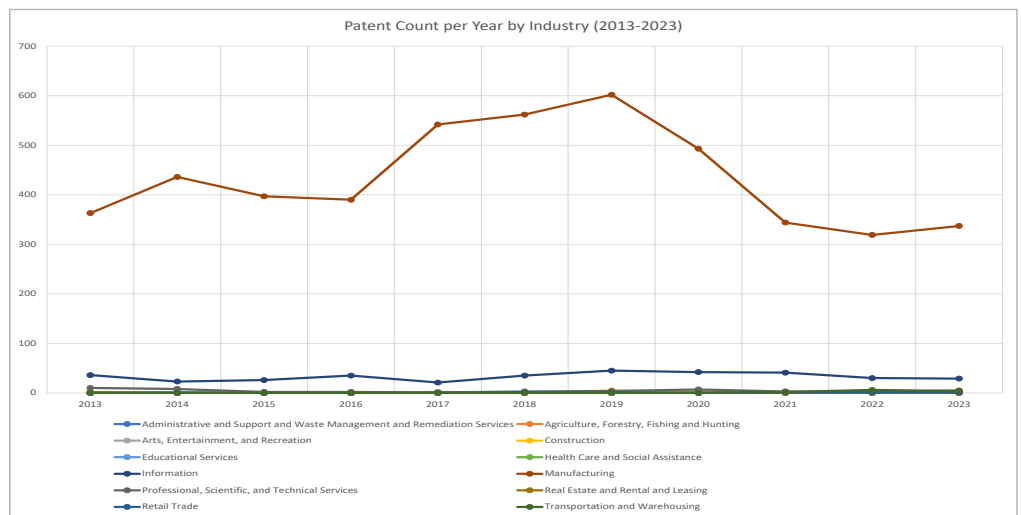
## Patents *(Source: 2024 Carlsbad Patent Study)*

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.



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