

Economic Scan

Innovation + Economic Development Department



Second Quarter, Fiscal Year 2024-25

The following scan provides an overview of key economic indicators for October, November, and December 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/economy.

Released Feb 25, 2025

GROSS REGIONAL PRODUCT

Carlsbad GRP (Source: Lightcast, 2025)

\$16.8B
Gross Regional Product

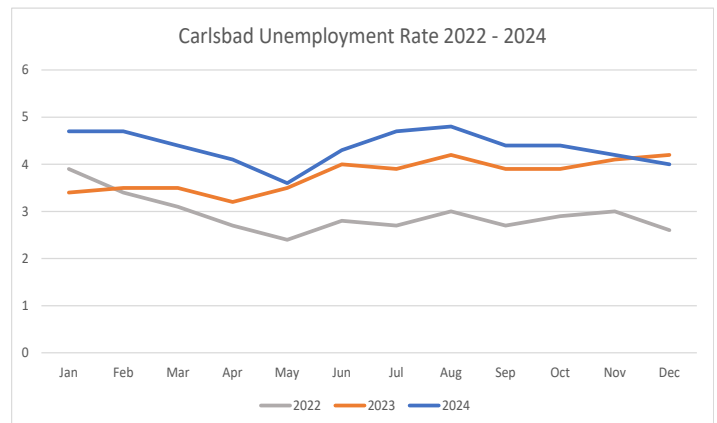
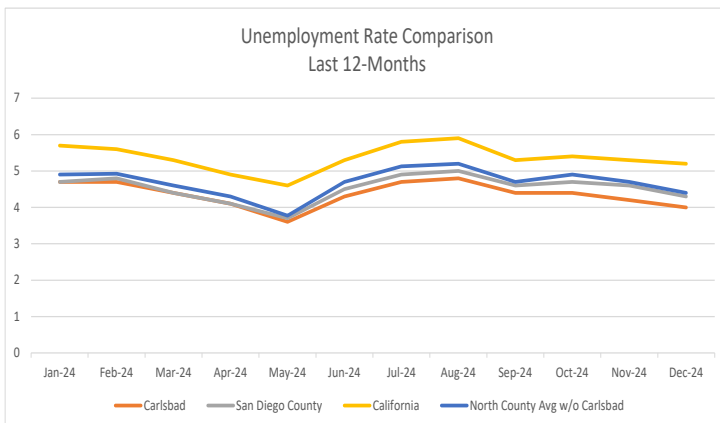


In 2024, Carlsbad had the second largest gross regional product in San Diego County at more than **\$16.8B**, only trailing the City of San Diego. From 2023 to 2024, Carlsbad's GRP contracted by \$50 million representing a modest decline of .3%. Some industries saw growth, like hospitality and tourism, 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, Dec. 2024 Report)

Carlsbad's unemployment rate has remained relatively steady, peaking at 4.8% in August before coming back down through the remainder of 2024. Unemployment in December was 4%. Job opportunities continue to outnumber available workers, keeping overall unemployment in Carlsbad and the San Diego region down. The unemployment rate in December was **5.2%** at the state level and **4.3%** at the county level.



Job Postings *(Source: Lightcast, October - December 2024)*

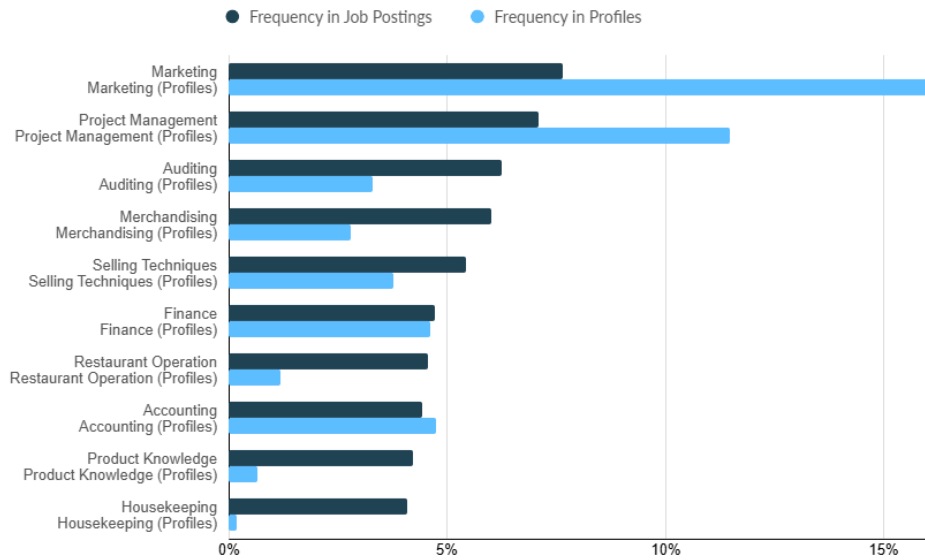
There were 5,441 unique job postings in Carlsbad between October and December, roughly 400 fewer than the previous quarter, but up about 400 positions from the same quarter last year. Over the quarter, 1,100 different Carlsbad employers posted open positions. The median advertised salary for these postings was \$56,200, a jump of about \$4,000 over the previous quarter. Of jobs posted, 71% 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, December 2024)*

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, December 2024)*

The Federal Reserve lowered interest rates cutting the benchmark interest rate three times in 2024, totaling a 1% decrease, as economic output began to show signs of slowing and inflation remained in check. Despite rate cuts, interest rates increased to end the year, which was attributable to market demand. In December, one-year rates were **4.16%**. Ten-year rates were **4.58%**. 30-year rates were **4.78%**. As of November, inflation figures for the San Diego area were 2.6% (3.2% less food and energy) over the past year. Nationally, inflation in December was 2.7% (3.2% less food and energy).

December 2023

One-year interest rate	4.79%
10-year interest rate	3.88%
30-year interest rate	4.03%

December 2024

One-year interest rate	4.16%
10-year interest rate	4.58%
30-year interest rate	4.78%

COMMERCIAL REAL ESTATE

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

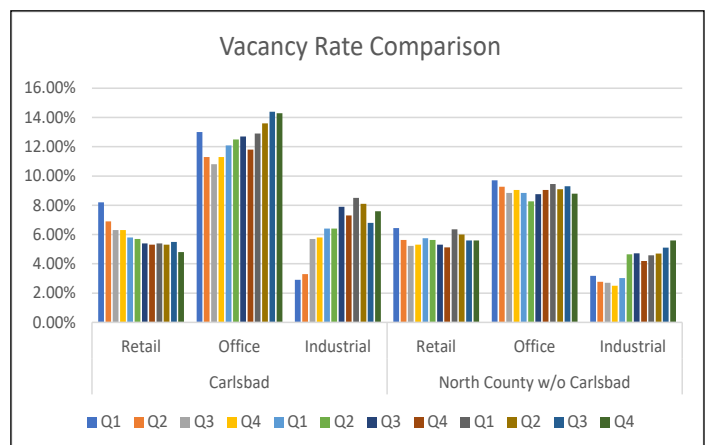
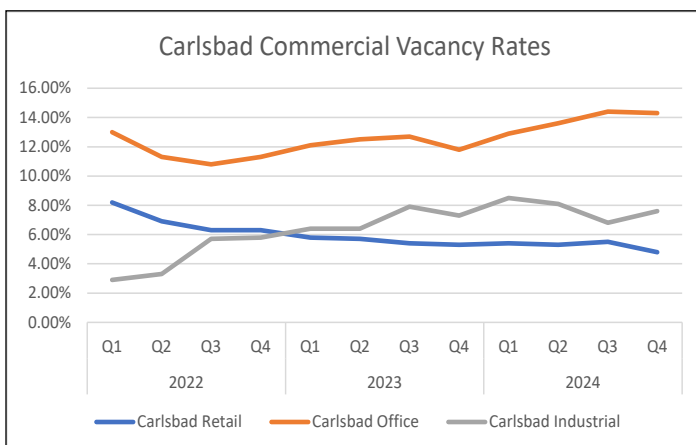
7.6%
Industrial vacancy rate



Commercial vacancy rates continued to fluctuate across all three categories this quarter. The industrial vacancy rate in December rose to **7.6%**. The office vacancy rate in December dropped to **14.3%**. Retail vacancy in December dropped to **4.8%**.

Rental rates were relatively steady across all categories. Average market rents per square foot, per year for office rates in December were **\$40.09**. Industrial rates in December were **\$22.38**. Retail rates in December were **\$48.03**.

The Carlsbad office market continues to see elevated vacancy. With uncertain workforce dynamics and tight capital markets, commercial developers are still largely holding off on new developments. This trend is predicted to continue for the coming 12 - 18 months.



TOURISM

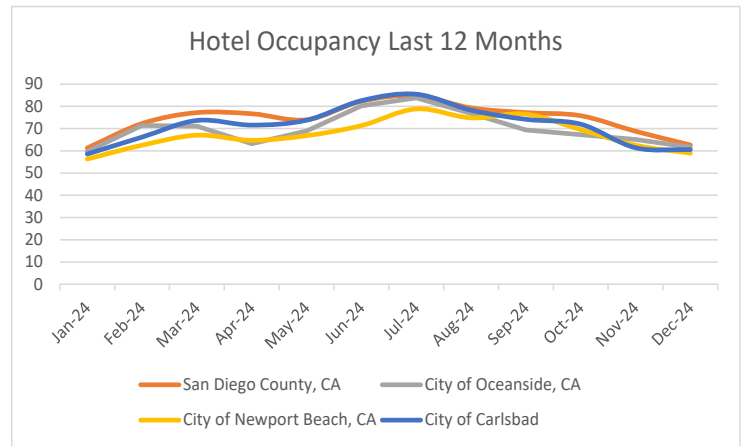
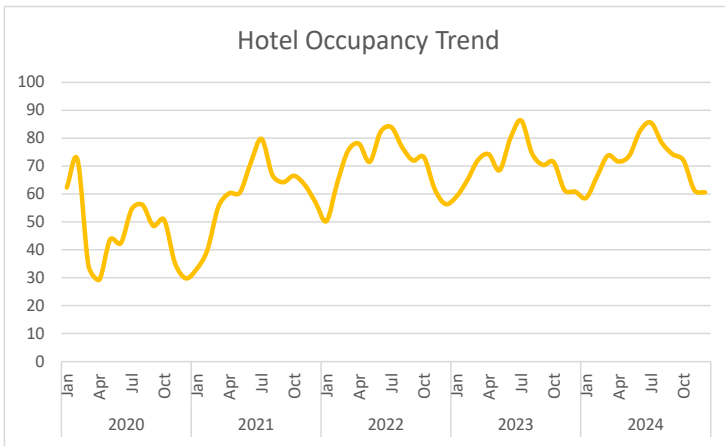
42
Hotels in Carlsbad



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.

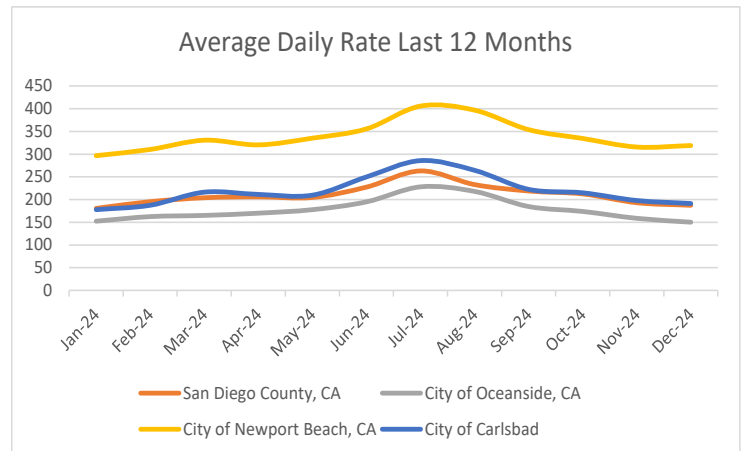
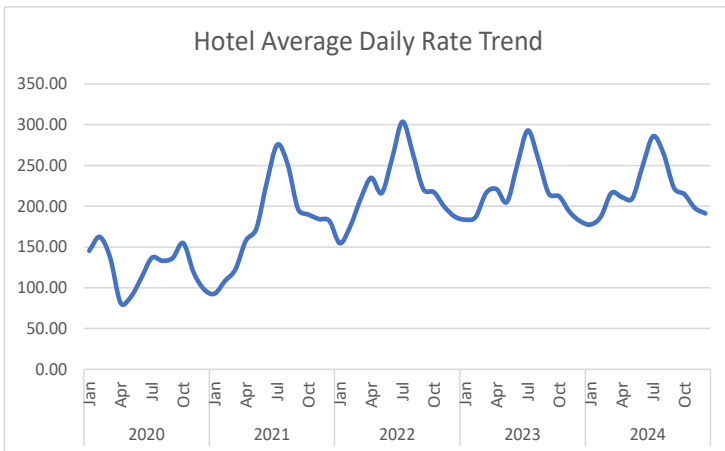
Hotel Occupancy *(Source: Smith Travel Research, December 2024 Report)*

Occupancy averaged **64.7%** in the first quarter, which is consistent with the same quarter for 2023 (64.5%).



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

Carlsbad's average daily room rate (ADR) for the quarter was a strong **\$201.33** an increase over 2023 levels (\$195.79). 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

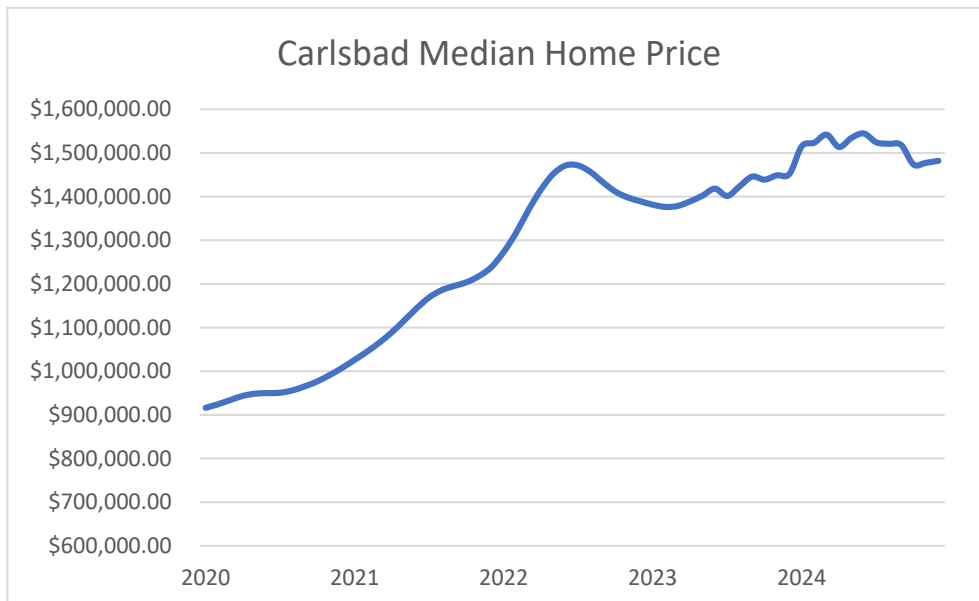
Median Household Income *(Source: 2022 ACS 5-Year Estimates, the latest year available)*

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

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

Carlsbad home prices have dipped slightly over the past six months. Consumer demand and low inventory have kept mortgage rates elevated, despite interest rate cuts from the Federal Reserve. 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 **\$1.48 million**, an increase of 2% over the last year.

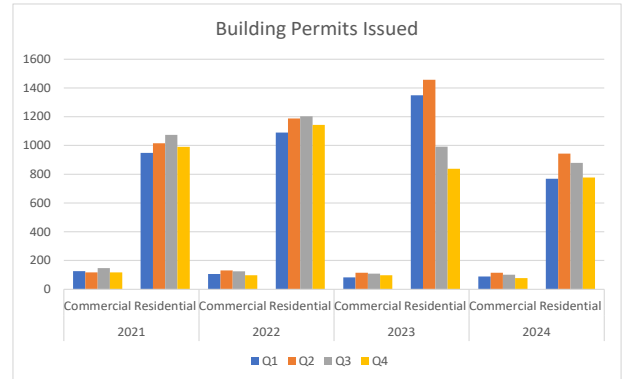


BUSINESS ACTIVITY

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

Between October and December, residential permits issued (**777**) continued a general decreasing trend for residential building permits (879 - Q1).

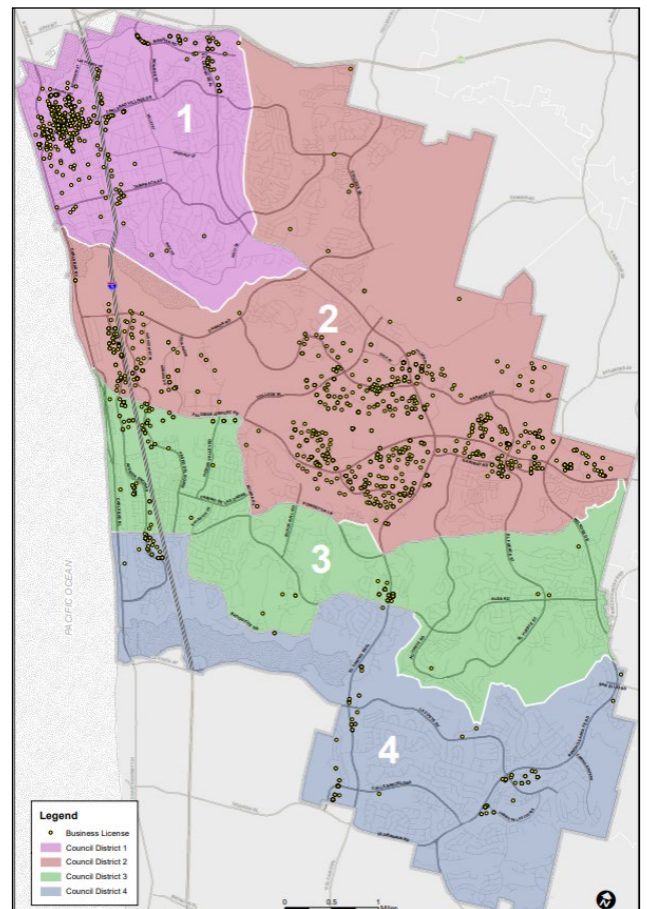
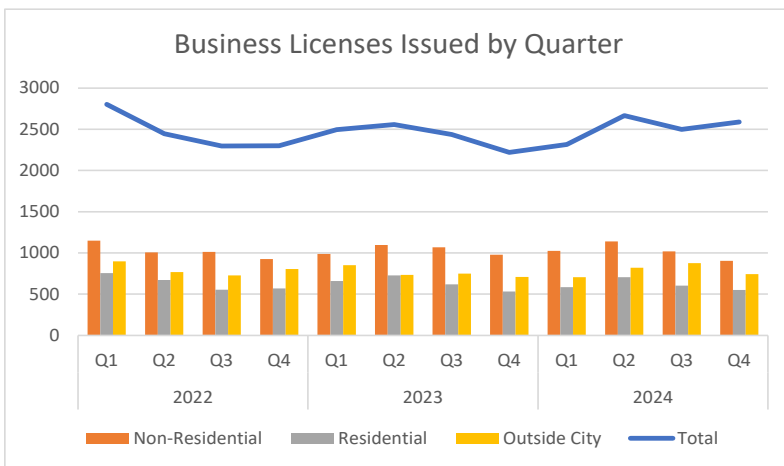
Commercial permits issued (**77**) also decreased compared to the previous quarter (101).



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

There were a total of **2,197** business licenses issued last quarter, including **903** non-residential, **551** residential, and **743** outside-the-city licenses. This is an overall decrease of 22 total businesses over the same quarter of 2023. The total number of Carlsbad business licenses is **10,068**.

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 **6,532** businesses in Carlsbad, a decrease of 135 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	27	20	10	13
Renewing	432	571	179	177
Total	459	591	189	190

BUSINESS ACTIVITY Continued

Largest Employers *(Source: City of Carlsbad, December 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, December 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

Electric Bike Center Carlsbad

Reformation Skin and Wellness LLC

Trimming Petals

Calor Studios LLC - Ste A

Calor Studios LLC - Ste B

Seaside Drafting and Design LLC

Gazelle Fashion and Style LLC

Deals and Beyond Collectibles

Peaceful Pigeon Co

The Origin Hip Hop Performing Arts

Academy LLC

Golden Lotus Spa Inc

From the Trophy Room

Clementine Art Studio

District 2

Carlsbad Homewood Suites by Hilton

Eleven-11 Bath Company LLC

IHS Environmental Enterprises Inc

Caminito

Craig Meisner LMFT

Foundation Escrow

5 Point Detail Inc

Golden Dreams Mattress

Kenji Watanabe LMFT

Miller CPA Group PC

District 3

Soapy Joes Paseo Del Norte Inc

Created Beautiful Aesthetics

District 4

Sharkeys Cuts for Kids

Fou Water - 3409

Kroeker Kids LLC

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.

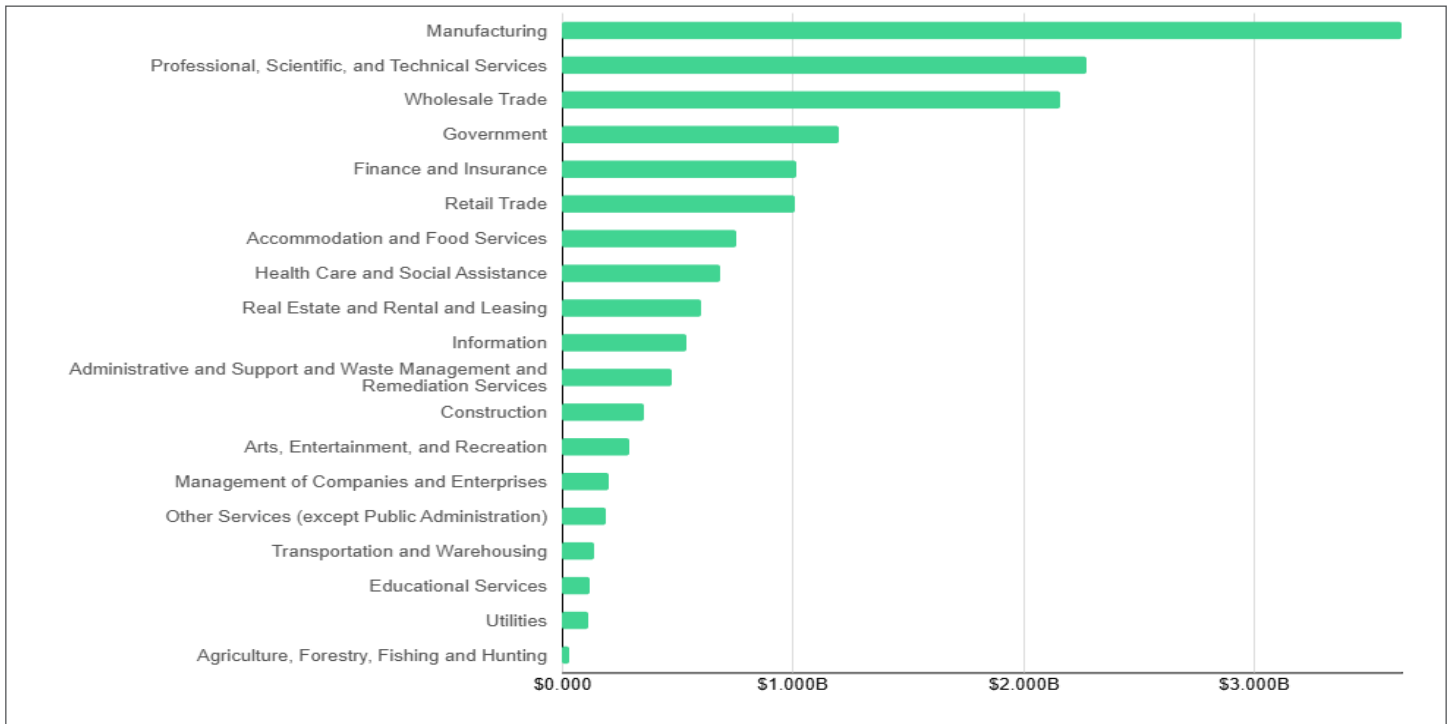
Carlsbad, San Diego County, and California saw severe employment declines in the Hospitality & Tourism sector between 2019 and 2020 as businesses such as theater companies, amusement parks, and arcades shut down due to the COVID-19 pandemic. While the sector has struggled to recover, Carlsbad experienced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

INDUSTRY IMPACT

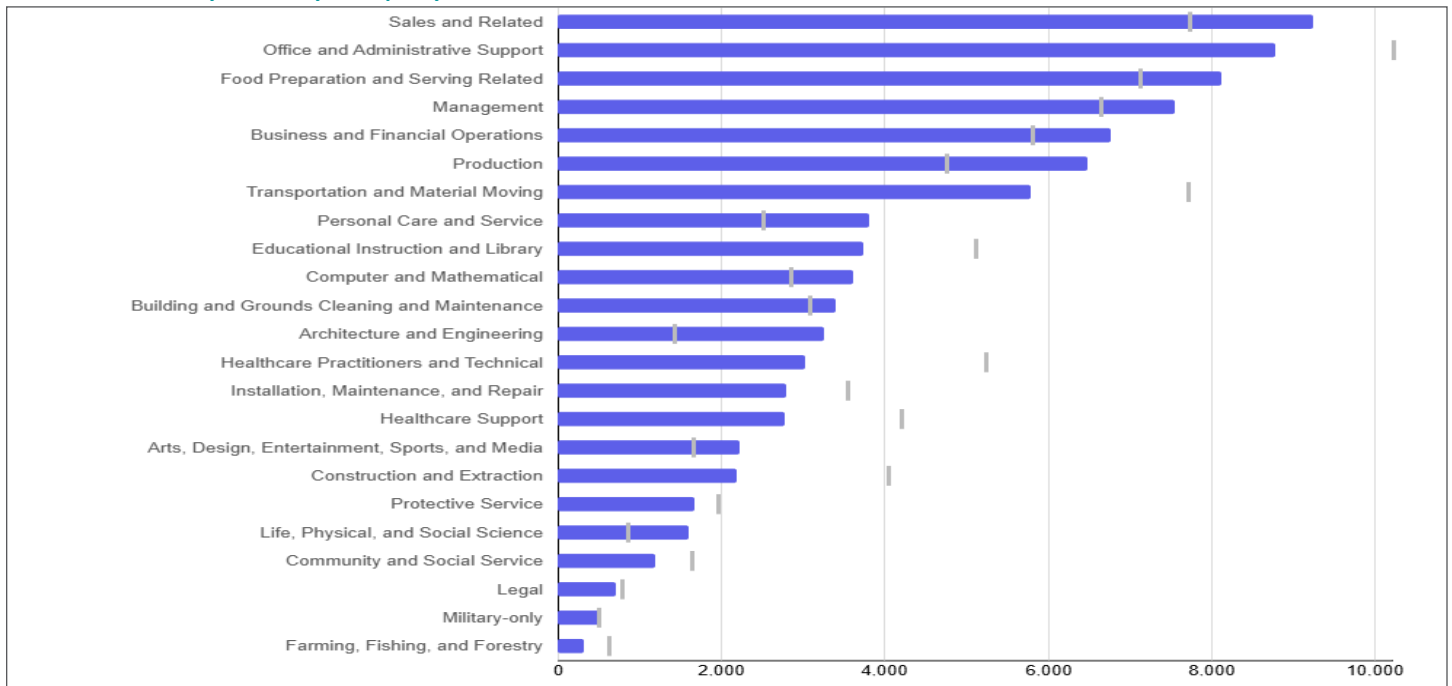
Largest Industries *(Source: Lightcast, December 2024)*

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



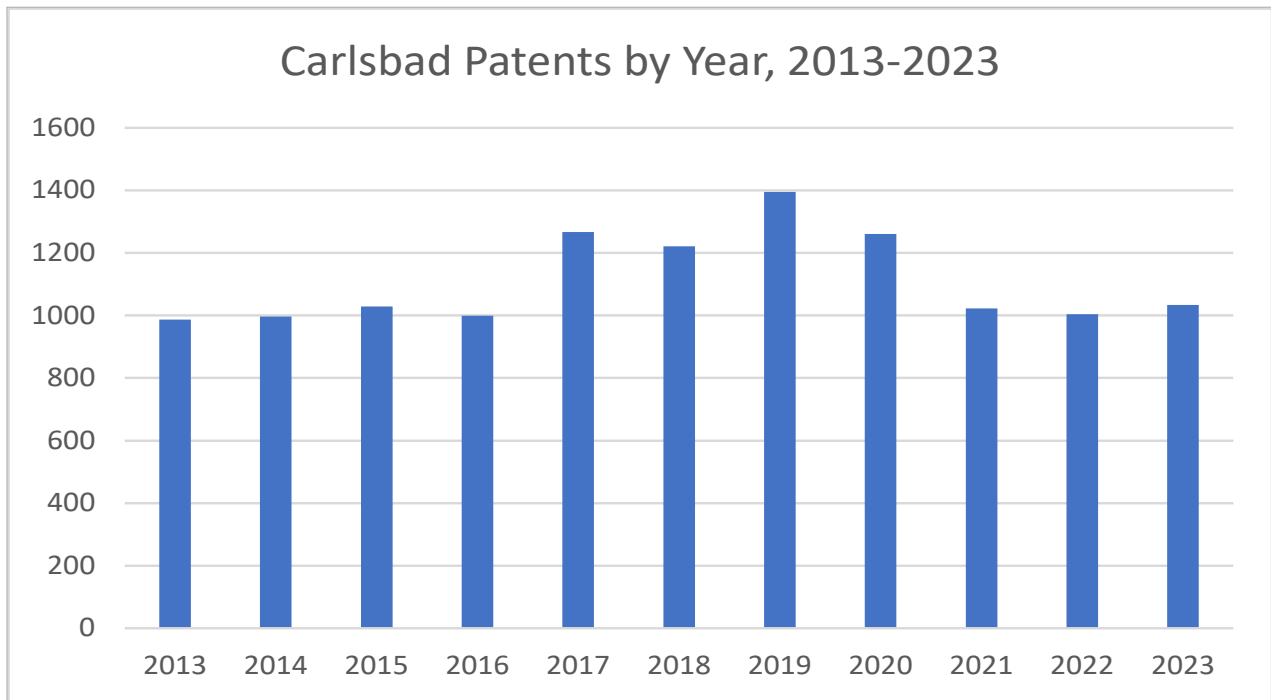
Industry size by employment



INNOVATION

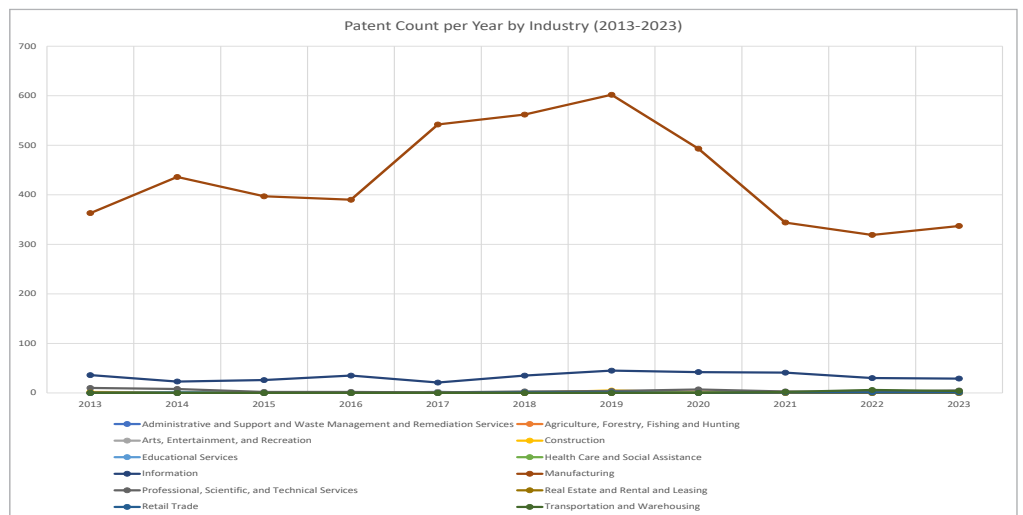
Patents *(Source: 2024 Carlsbad Patent Study)*

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.



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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, or contact the team at business@carlsbadca.gov.