

MARKET HIGHLIGHT: SAN DIEGO

SAN DIEGO'S BIG RETAIL PUSH INTO 2019



Michael Spilky
President,
Location Matters

Retail construction and entitlements are at new all-time highs, but will some San Diego trade areas go from underserved to over-retailed?

From North County to the South Bay, here is a select list of projects underway:

North City San Marcos, a 200-acre, mixed-use project is push-



The Watermark in Scripps Ranch is a 250,000-square-foot lifestyle project that will be anchored by a Whole Foods Market and an upscale theater.

is getting a massive and much-needed makeover. Rouse has recently been able to acquire both the Sears and Macy's boxes, with plans to develop a lifestyle retail experience in its place. Del Mar's One Paseo has been pushing quite a bit of dirt around and, based on leasing interest in the project, will likely be a successful addition to a traditionally underserved market. The Watermark in Scripps Ranch is a 250,000-square-foot lifestyle project that will be anchored by a Whole Foods and an upscale theater. Civita in Mission Valley, a 600,000-square-foot mixed-use project in Mission Valley, is in the early stages of leasing. Down in the South Bay, Millenia is a 120,000-square-foot mixed-use project across from GGP's Otay Ranch Town Center.

These projects are a very small sample of the millions of square feet currently proposed or under construction throughout the county. Many more projects are being built in urban neighborhoods or in Downtown San Diego. Banker's Hill, East Village and Little Italy are a few that are seeing a large velocity of new mixed-use construction.

There are currently more than 230 new restaurant tenant improvement projects in the San Diego planning department's hands. It's my estimation that once several of these newer projects come online into 2019, we will see older projects with less desirable tenants start to really struggle.

ing forward. It currently houses a 20,000-square-foot brewery, bowling alley and restaurant called URGE Common House. Just on the other side of the hill is San Elijo Town Center, a 34,000-square-foot project that is finally set to break ground after many years of stalled attempts. Other North County projects include the newly renamed the Square at Bressi Ranch, which is now seeking a variety of fresh tenants to add to its anchors of BevMo, Sprouts and a CVS. Just around the corner from the square is Roberson Ranch, the retail component of a large master-planned, single-family home community off El Camino Real in Carlsbad.

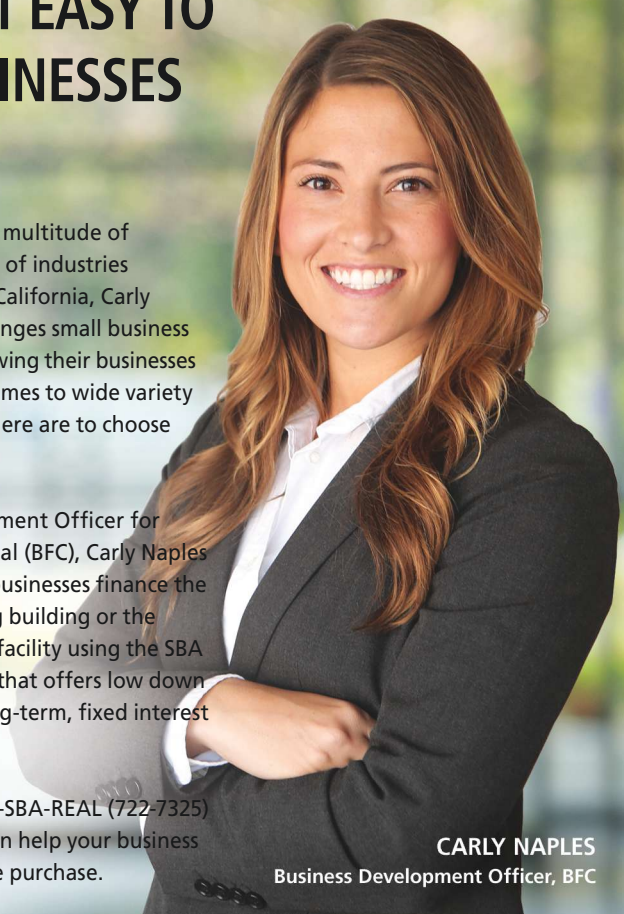
The Shoppes at Carlsbad, formerly Westfield-owned Plaza Camino Real,

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The Shoppes at Carlsbad in Carlsbad will soon feature a lifestyle retail experience that will replace the site of the former Sears and Macy's boxes.



Newly renamed the Square at Bressi Ranch in San Diego counts BevMo, Sprouts and CVS among its anchor tenants.