

FOOD IS ON FIRE IN SAN DIEGO



Michael Spilky
President,
Location Matters

San Diego is incubating, energizing and fueling emerging brands like never before — and landlords are “eating it up!”

Restaurants just can’t seem to find enough real estate, driving rents to levels never seen in this city. The highest of those rents are found in trendy urban neighborhoods like Little Italy. This area was historically known for touristy Italian joints, but has now been coined “Top Chef Row,” with restaurants achieving sales of \$1,000 to \$1,500 per square foot. These restaurants include Bracero from Baja celebrity chef Javier Plascencia; Juniper & Ivy and the Crack Shack from Bravo’s “Top Chef” alum Richard Blaise; and Herb & Wood from fellow alum Brian Malarkey. As a result, retail rents on India Street have soared to more than \$7 per square foot.

Other urban retail San Diego neighborhoods seeing a huge food and beverage renaissance include North Park, South Park, Normal Heights, Hillcrest, Bankers Hill, East Village and University Heights. There are a number of mixed-use projects sprouting up on just about every street within these urban communities, adding significant retail and restaurant spaces to the trade



Developed by local San Diego architect Johnathan Segal, Mr. Robinson in Hillcrest has a 4,000-square-foot, ground-floor restaurant that includes a 1,300-square-foot patio called Trust Restaurant.

areas. One noteworthy project recently delivered is Mr. Robinson on Park Boulevard in Hillcrest. Developed by local San Diego architect Johnathan Segal, the project has a 4,000-square-foot, ground-floor res-

taurant that includes a 1,300-square-foot patio called Trust Restaurant.

North County is not missing out on this growth, either. After years in a dysfunctional development slumber, downtown Oceanside is churn-



Shea Properties’ Del Sur Town Center is a 210,000-square-foot Target- and Sprouts-anchored neighborhood center that is attracting various local and traditionally more urban restaurant brands to its property.

ing to life. GF Properties Group, one of the area’s biggest developers, has five city blocks under construction or in pre-development. This will add 231 residential units, 49,000 square feet of new street retail and more than 300 hotel rooms to the area. The Coast Highway area has added a number of new restaurants, breweries and retailers as well. These include Urge Gastropub, Local Tap House and Bagby Beer Company, to name just a few.

La Jolla also has some exciting new retail coming soon. Westfield’s UTC Mall is undergoing a \$500 million renovation that will include a new Nordstrom and a large sampling of first-to-market restaurant and bar brands. Regency Centers’ Costa Verde is also being redeveloped. This project will undoubtedly bring additional high-quality food and retail offerings to the dense trade area.

Consumer demand continues to shift away from chain restaurants to more local offerings, altering the way even suburban landlords are thinking about merchandising their projects. Shea Properties’ Del Sur Town Center is a 210,000-square-foot Target- and Sprouts-anchored neighborhood center that, with the help of Location Matters, has been able to attract various local and traditionally more urban restaurant brands to its project. Other North County developments working to achieve similar carefully crafted food offerings include the Village at Pacific Highlands Ranch in Carmel Valley, Uptown Bressi in Carlsbad, the Beacon in La Costa and the Watermark in Scripps Ranch.

San Diego is exploding with new restaurants, and development has evolved along with it to support the demand. From fine dining, full service to fast casual, the growth in food is hot, continuing to fuel the evolution of San Diego as an exciting and respectable dining destination.



Bracero by Baja celebrity chef Javier Plascencia is one of the latest restaurants to bolster rents in some parts of Little Italy to \$7 per square foot.



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