

SPECIAL REPORT: COMMERCIAL REAL ESTATE

Downtown San Diego's CRE Market Weathers Downturn

■ BY RAY HUARD

Suffolk Construction Company has moved its regional offices to downtown San Diego's Little Italy in what is a lagging market for office space generally.

The move is seen as an encouraging sign by the **Downtown San Diego Partnership** in a market where retail continues to recover from the pandemic and several new apartment projects will soon open, including the Little Italy apartment tower **Simone** and the **Radian** in East Village, an apartment tower that includes downtown's first **Target** department store.

"It's a good sign. It's one of the largest real estate construction companies in the country so they know the market, they know urban markets across the country and they chose to have their office in downtown," said **Betsy Brennan**, president and CEO of the Downtown San Diego Partnership.

In the first quarter of 2023, downtown had the highest office vacancy rate in the county at 22% according to **JLL**, but Brennan is confident that the situation is temporary and fairly typical for most urban centers in the current economic environment.

"Downtown San Diego is a hub for forward-thinking, innovative businesses, because employees are seeking highly amenitized spaces, they're seeking walkability and they're seeking the kind of energy that downtown has," Brennan said. "It's spring, it's exciting in downtown San Diego. The Padres are back. The conventions are back. There's energy on our streets. That's what employees want to be around."

For the past 11 years, Suffolk had been leasing an office of about 6,500 square feet in Mission Valley for its more than 85 San Diego employees but the company earlier this year moved into a 10,000-square-foot suite of offices at 1420 Kettner Blvd. at the corner of Kettner Boulevard and Ash Street.

"I don't think we could have found a better building to align with what we wanted to offer our employees," said **Zach Hammond**, general manager of Suffolk San Diego.

"You have the amenity of Little Italy itself, which is great for our employees," Hammond said.

Suffolk chose downtown after surveying office space

throughout San Diego County because it was within an easy commute for its workers and centrally located for easy access to Suffolk projects throughout the region.

"The downtown location to me offers your employees the easier way to get to work, the most fun you could provide your employees at work, and you're at the epicenter of the county, not far from National City, not far from North County, UTC, or life science of **SDSU** (San Diego State University). Everything's within a stone's throw away."

The building itself also has coworking space should Suffolk temporarily need more room.

Suffolk's new offices include a dedicated space with visual displays, including a live jobsite feed and what the company calls a virtual realty cave for visualizing and reviewing projects in 3D.

As a member of the Downtown Partnership and the **San Diego Regional Chamber of Commerce** Board of Directors, Hammond is a strong believer in downtown.

"Downtown San Diego to me is a fantastic place," Hammond said. "One of the biggest drivers for the downtown market is what happens with in-person office over the next couple of years and who is going to be in the 2 million square feet that's coming on board between **IQHQ** and **Horton Plaza**."

Steady Pace

Like Hammond, **Mike Berryhill**, vice president and division manager of **Swinerton** construction, said that **IQHQ's** bayfront development and the redevelopment of **Horton Plaza** by **Stockdale Capital Partners** are key to the immediate future for downtown.

"If those two projects lease up like everyone hopes they will, that will bring a lot of professionals to downtown and those

professionals will want nice housing," Berryhill said.

Overall, Berryhill is optimistic about downtown and San Diego County in general.

"The market is still, I wouldn't say hot, but it's definitely progressing," Berryhill said, adding that Swinerton is hoping to break ground on several projects within the next 12 to 16 months.

"The demand is still strong but the financial portion with the interest rate increases, and the financial markets have made that a little tricky," Berryhill said. "As we see it today, we hope we can continue at a steady pace. I wouldn't say it's hot or aggressive, but I would say steady. Unless something catastrophic happens, we think things can remain steady."

Swinerton is the general contractor on three significant downtown residential projects - **Simone** and the **Radian** that are finishing up and **The Lindley**, which is in the early stages of construction.

The 22-story **Radian**, being developed by **Cistera** at 659 Ninth Ave., will have 241 apartments built around a preserved historic building - the **Farkas Store Fixtures Building**.

"That one, you can actually see down the street into **Petco Park**, which is pretty cool," Berryhill said.

The new apartment tower rises from inside the two-story historic building, which had to be propped up during construction. "It's really neat now with the historical façade in place," Berryhill said. "There's only been a couple of those done downtown that had a historical façade like that."

Although not as challenging from a construction standpoint, **Simone**, developed by **Trammel Crow Residential's** Southern California Division at 1401 Union St., **Simone** at 36 stories with 395 apartments, will be the tallest tower in Little Italy.

Strong Fundamentals

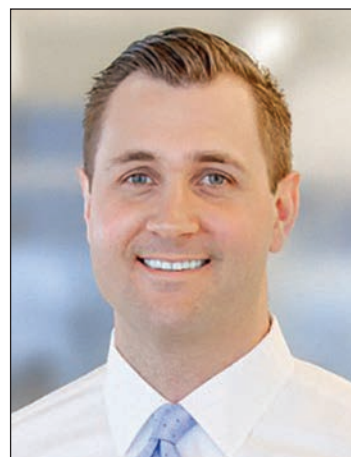
Residential projects like those built by Swinerton have been leasing up quickly, according to **Rachel Parsons**, senior managing director at **Berkadia**.

"A lot of the tenants downtown are people who are moving

► Real Estate page 14



Betsy Brennan
President and CEO
Downtown San Diego Partnership



Zach Hammond
General Manager
Suffolk San Diego

One Size Does Not Fit All

Rockefeller Group is nearing completion on Heritage Industrial Center in Chula Vista, CA. The 3 buildings at Heritage give potential users flexibility with small to mid-size industrial buildings of 40,600 SF, 55,700 SF, and 104,900 SF, that will be ready for occupancy this July.

This is Rockefeller Group's second industrial development in San Diego with more on the horizon.

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Real Estate

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into San Diego for the first time and they want to be downtown because it's the entertainment capital of San Diego County," Parsons said, adding that occupancy has been running at 94%.



Mike Berryhill
Vice President and Division
Manager
Swinerton

"Over the past year, starting in summertime last year, we've had sort of a solid run," Parsons said. "You're not seeing the double digit rent growth that you saw in 2021 or early 2022, but you're still seeing positive tradeoffs. We're still seeing rent growth. We're still seeing a lot of demand downtown."

Starting construction on new projects has been challenging downtown, just like everywhere else, because of financial constraints.

Even so, **Darcy Miramontes**, Southern California Multi-housing Capital Market

managing director of JLL, said that the market has slowed, "but deals are still getting done, deals are getting financed and built."

"It's just more difficult," Miramontes said. "There are eight projects that have come out of the ground (downtown) or are planning to come out of the ground this year. Not all will be completed this year."

Miramontes said that construction activity downtown is "a bit muted" compared to the past five or six years.

"If you look at the total pipeline, this is downtown, there are 35 (multi-family)



Rachel Parsons
Senior Managing Director
Berkadia

projects in any phase of development, ranging from under construction to proposed to planned," Miramontes said.

In part because of financing, those that are in the early planning or proposed stages are iffy, meaning they may get financing or not, they may even change from multi-family to something else.



Construction is wrapping up on the Radian, a 22-story apartment tower built by Swinerton for Cistera at 659 Ninth Ave. with 241 apartments and a Target department store. Image courtesy Swinerton



Construction is in the early stages of The Lindley, a 37-story apartment tower that Swinerton is building for Toll Brothers Apartment Living at the edge of Little Italy. Image courtesy Swinerton

"The construction market will slow down, but not forever. When it picks up is anybody's guess. It depends on additional action by the feds and how inflation is going," Miramontes said. "San Diego fares better than a lot of the major markets around the U.S., because our apartment fundamentals are still very good. We don't have a lot of delinquencies. We have population growth."



Darcy Miramontes
Southern California Multi-housing
Capital Market Managing Director
JLL

Padres Help
On the retail side,

Serena Patterson, principal of **Urban Property Group**, said, "There's still a pretty solid amount of retail activity."

She said that she's received multiple offers to lease retail space on 5th Avenue downtown.

"We're just seeing an uptick in overall activity," Patterson said, adding that demand for retail space downtown has been strongest in the Gaslamp Quarter and around Petco Park.

"The Padres and the excitement coming off the last season has definitely been a boost for downtown," Patterson said. "Neighboring markets are still coming back." ■



Serena Patterson
Principal
Urban Property Group

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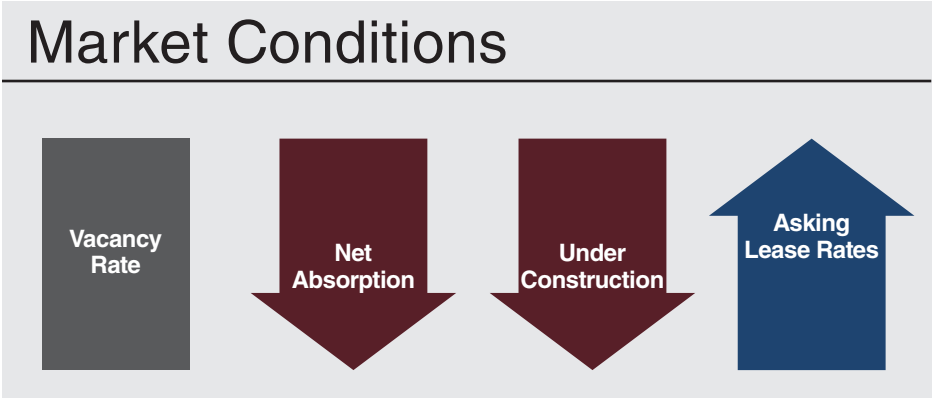


OFFICE

Market Statistics

Source: CoStar
Data as of
March 31, 2023

Submarket	Market	Existing Buildings	Inventory SF	Vacancy Rate	Net Absorption SF 12 Mo	Net Delivered SF 12 Mo	Under Construction SF	Market Rent/SF
Downtown	San Diego - CA	229	14,281,666	25.2%	-212 470	-8 435	2,715,518	\$2.96
Kearny Mesa	San Diego - CA	290	11,706,927	9.6%	283 276	0	70,000	\$2.74
UTC	San Diego - CA	94	9,202,818	6.9%	205 718	204 000	282,851	\$4.21
Sorrento Mesa	San Diego - CA	130	9,147,572	8.4%	80 067	176 910	316,000	\$3.50
Carlsbad	San Diego - CA	329	7,683,312	12.7%	5 172	-2 000		\$3.21
Mission Valley	San Diego - CA	142	7,503,188	17.3%	-260 215	3 681		\$2.86
Rancho Bernardo	San Diego - CA	128	6,538,329	14.3%	47 985	0	83,482	\$3.25
East County	San Diego - CA	702	5,731,073	3.8%	-22 940	-4 055		\$2.51
Del Mar Hts/Carmel Valley	San Diego - CA	86	5,724,440	10.6%	259 044	-80 000	529,860	\$4.70
Chula Vista	San Diego - CA	275	3,488,423	3.3%	43 764	0		\$2.85
Totals	San Diego - CA	5 495	119,227,185	10.9%	440 154	287 188	4,052,556	\$3.16
All	San Diego - CA	5 495	119,227,185	10.9%	440 154	287 188	4,052,556	\$3.16
Class A	San Diego - CA	311	40,532,167	15.7%	-4 013	170 910	3,889,084	\$3.70
Class B	San Diego - CA	2 063	55,686,025	9.8%	530 247	134 968	163,472	\$2.99
Class C	San Diego - CA	3 114	23,001,038	5.4%	-84 680	-18 690		\$2.54



Analysis

As the new year begins, the San Diego office market finds itself navigating the choppy waters of a slowing U.S. economy. While impacts to the San Diego office market have not been as severe as other major West Coast cities, reducing demand for space has propelled vacancy rates, increased sublease availability, and forced tenants to right-size their workforce and footprint. There has been a widespread adoption of hybrid work which has created a structural shift in the office market.

For medical offices, the average countywide asking rent across all classes was \$3.66 per square foot on a monthly full-service basis in Q4 2022, a 5.2% increase from the previous quarter and a 10.6% increase from a year ago. The average asking rent is at its highest level since the data was first reported. Class B rents rose 6.1% from the previous quarter, while Class A rents rose 1.8%. The Mid City submarkets experienced the most rent growth this quarter, rising 8.4%, followed by North County where rents grew by 7.4%.

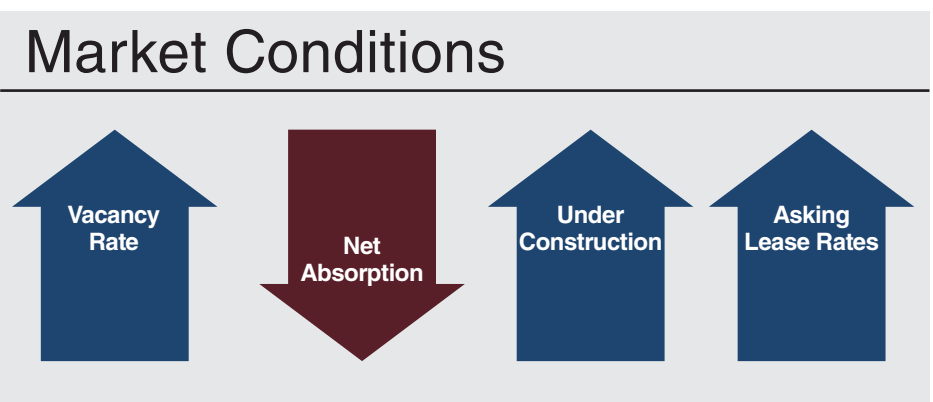
Sources: CBRE, Cushman & Wakefield

INDUSTRIAL

Market Statistics

Source: CoStar
Data as of
March 31, 2023

Submarket	Market	Existing Buildings	Inventory SF	Vacancy Rate	Net Absorption SF 12 Mo	Net Delivered SF 12 Mo	Under Construction SF	Market Rent/SF
Otay Mesa	San Diego - CA	372	22,693,495	4.0%	1,295,136	1,409,091	1,612,313	\$1.15
Mira Mesa/Miramar	San Diego - CA	809	18,381,534	2.8%	-166,000	0		\$1.85
Carlsbad	San Diego - CA	490	15,844,442	6.3%	-534,226	0		\$1.79
Kearny Mesa	San Diego - CA	620	15,183,242	2.5%	217,909	192,296		\$2.04
Vista	San Diego - CA	590	14,406,319	3.6%	334,393	-11,012		\$1.38
Sorrento Mesa	San Diego - CA	239	10,938,497	11.0%	-449,151	0	417,976	\$2.57
Oceanside	San Diego - CA	433	10,332,157	2.3%	-125,998	0		\$1.37
Chula Vista	San Diego - CA	410	10,260,662	1.7%	85,067	0	298,510	\$1.54
El Cajon	San Diego - CA	530	10,076,806	1.0%	69,007	47,878		\$1.48
Poway	San Diego - CA	248	9,729,158	0.8%	8,013	0		\$1.67
Totals	San Diego - CA	8 791	205,458,990	3.8%	-220,756	1,504,730	3,227,888	\$1.79
All	San Diego - CA	8 791	205,458,990	3.8%	-220,756	1,504,730	3,227,888	\$1.79
Flex	San Diego - CA	1 977	52,829,704	7.6%	-1,217,312	41,678	1,284,404	\$2.61
Logistics	San Diego - CA	3 571	87,395,188	2.4%	1,051,018	1,443,016	1,943,484	\$1.48
Specialized	San Diego - CA	3 242	65,231,498	2.7%	-54,462	20,036		\$1.53



Analysis

The reduced level of leasing and sales volume in the San Diego industrial market continued in the first quarter of the year. Construction activity is still strong, though nearly entirely concentrated in the South County. The market continues to push new all-time highs in rental rates quarter after quarter. There was negative net absorption in Q1 which moved the vacancy rate up modestly, but overall the market remains tight.

On the national scene, the flight to quality by logistics tenants has been vigorous. This has been the case over the last few years.

Going into 2023, the market finds itself in an environment of increased interest rates and predictions of an economic slowdown. Thus far, tenant demand has exceeded the recent wave of new construction supply, so the limited availability in the market will continue to place upward pressure on rental rates in the coming quarters.

Sources: Cushman & Wakefield, Voit



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Projects in East Village Represent Millions

1

1. Simone Little Italy
Cost: Undisclosed
Location: North side of Ash Street between Union Street and Front Street
Description: 36-story high-rise, 395 units, five are penthouses and 32 are subsidized apartments
Developer: Trammell Crow Residential
Contractor: Swinerton
Architect: Joseph Wong Design Associates (JWDA)
Estimated Completion: 2023



2

2. The Lindley
Cost: Undisclosed
Location: East side of Columbia Street between A Street and Ash Street
Description: 37-story high-rise featuring 362 luxury apartment units (30 are affordable units), 60-room hotel, 11K SF of retail space. Amenities include outdoor pool and spa, pet spa, dog walk, indoor/outdoor fitness center, rooftop lounge. Seeking LEED Gold certification
Developer: Toll Brothers Inc.
Contractor: Swinerton
Architect: Joseph Wong Design Associates (JWDA)
Estimated Completion: Late 2024



3

3. West
Cost: \$400 Million
Location: Full block bounded by Broadway, C Street and Union Street
Description: 37-story high-rise, 18K SF of office space on second floor, 41 affordable units. Project includes a 328-foot tunnel beneath Broadway and the city block between Broadway and C Street
Developer: Holland Partner Group
Contractor: Holland Construction
Architect: Carrier Johnson + Partners
Estimated Completion: Q2 2023

4

4. Research and Development District (RaDD)
Cost: \$1.6 Billion
Location: 12 acres bounded by Broadway, Pacific Highway and Harbor Drive
Description: 17-story tower between E Street and F Street, 850K SF office and lab space in multiple buildings, 152K SF retail. Once complete, RaDD will represent the largest urban commercial waterfront development along California's Pacific coast. Seeking LEED Gold certification
Developer: IQHQ
Contractor: Turner Construction Company
Architect: Gensler
Estimated Completion: First phase 2023



5

5. Horton Campus
Cost: Estimated at \$500 Million
Location: Blocks bounded by First Avenue, E Street, Fourth Avenue and G Street
Description: Between four and nine stories, 700K SF of office space to be marketed to technology firms, 264K SF existing retail space, 2,200 parking spaces, 1.25 acre park
Developer: Stockdale Capital Partners
Contractor: Turner Construction Company
Architect: Gensler
Estimated Completion: 2023



6

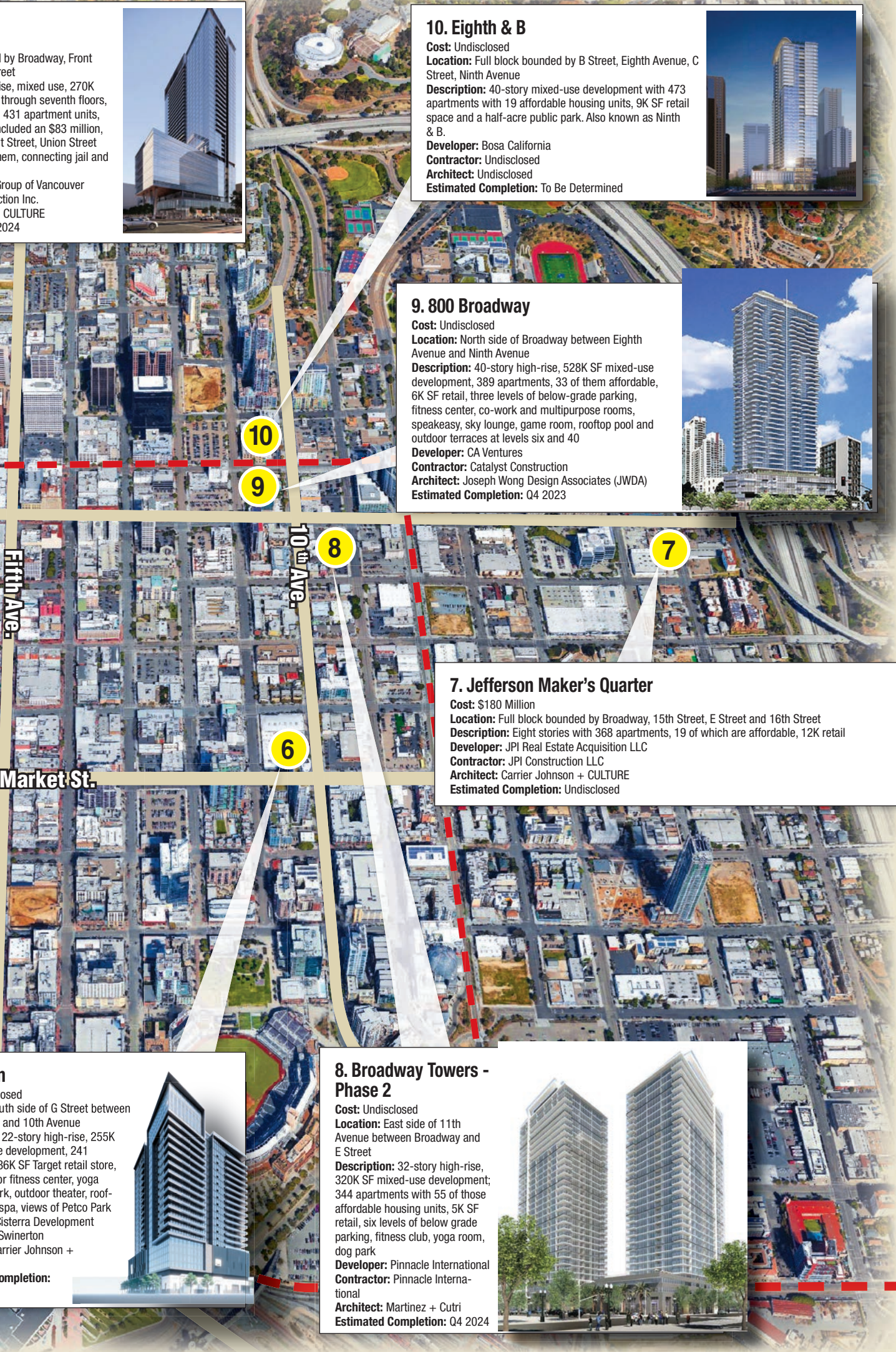
6. Radian
Cost: Undisclosed
Location: South side of Ninth Avenue between Broadway and C Street
Description: 18-story mixed-use development, 300K SF of office space, 100K SF of retail space, indoor/outdoor pool, dog park, rooftop lounge
Developer: Radian
Contractor: Turner Construction Company
Architect: Gensler
Estimated Completion: 2023



Sources: City of San Diego Downtown Development Activity Map, SDBJ Research

O RISING

More Than \$3 Billion in Construction

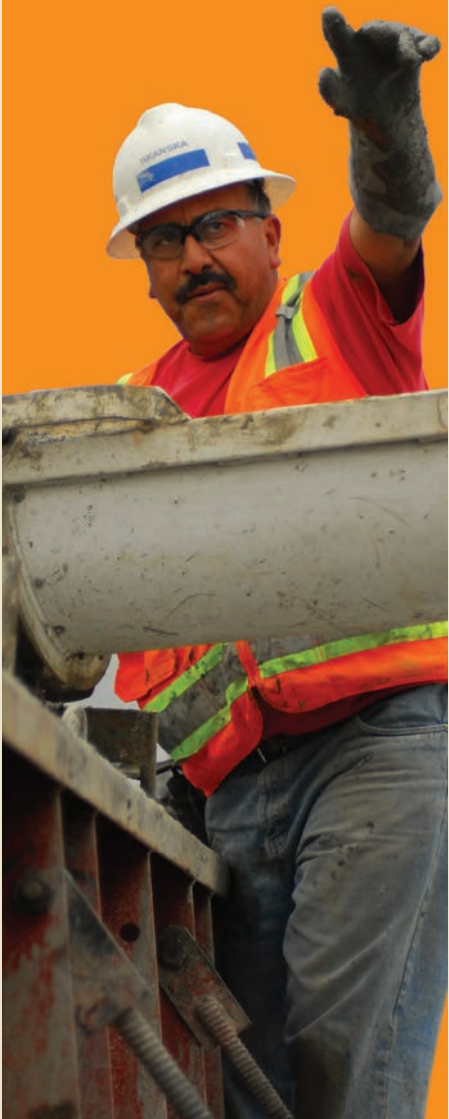


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DOWNTOWN COMMERCIAL OFFICE BUILDINGS

Ranked by square footage

Rank	Building name Address	Sq. ft. of building Building class	# of: Floors Parking spaces	% leased as of March 1, 2023	Building amenities	Owner Leasing company	Year built
1	One America Plaza 600 W. Broadway San Diego 92101	625,800 A	34 1,244	93%	24 Hour Access, Atrium, Banking, Conferencing Facility, Courtyard, Dry Cleaner, Food Service, Property Manager on Site, Car Charging Station, Wi-Fi, Air Conditioning	Irvine Company Irvine Company	1991
2	701 B St. 701 B St. San Diego 92101	597,521 A	24 385	60.8%	Conferencing Facility, Food Service, Property Manager on Site, Restaurant, Security System, Energy Star Labeled, Storage Space	Regent Properties Inc. Newmark	1982
3	1 Columbia Place 401 W. A St. San Diego 92101	593,544 A	27 500	79.8%	24 Hour Access, Atrium, Banking, Conferencing Facility, Convenience Store, Property Manager on Site, Restaurant, Security System, Energy Star Labeled, Plug & Play, Wi-Fi	Regent Properties Inc. Newmark	1982
4	Wells Fargo Plaza 401 B St. San Diego 92101	543,491 A	24 683	96.3%	24 Hour Access, Banking, Conferencing Facility, Food Service, Property Manager on Site, Signage, Energy Star Labeled, Car Charging Station	Irvine Company Irvine Company	1984
5	Symphony Towers 750 B St. San Diego 92101	530,565 A	34 648	83.6%	Banking, Conferencing Facility, Dry Cleaner, Fitness Center, Food Service, Property Manager on Site, Restaurant, Security System, Energy Star Labeled, Car Charging Station	Irvine Company Irvine Company	1989
6	101 West Broadway 101 W. Broadway San Diego 92101	452,436 A	20 500	85.3%	24 Hour Access, Banking, Conferencing Facility, Convenience Store, Property Manager on Site, Restaurant, Energy Star Labeled, Car Charging Station, Wi-Fi, Air Conditioning	Irvine Company Irvine Company	1984
7	Procopio Tower 525 B St. San Diego 92101	447,159 A	22 200	83.9%	Conferencing Facility, Fitness Center, Property Manager on Site, Signage, Energy Star Labeled	LaSalle Investment Management CBRE	1969
8	First Allied Plaza 655 W. Broadway San Diego 92101	430,481 A	23 753	86.1%	Atrium, Banking, Dry Cleaner, Property Manager on Site, Restaurant, Security System, Energy Star Labeled, Outdoor Seating	New York State Common Retirement Fund CBRE	2005
9	501 West Broadway 501 W. Broadway San Diego 92101	395,359 A	21 736	93%	Atrium, Fitness Center, Property Manager on Site, Restaurant, Energy Star Labeled, Car Charging Station	Irvine Company Irvine Company	1989
10	Emerald Plaza 402 W. Broadway San Diego 92101	393,769 A	30 388	84.6%	Conferencing Facility, Property Manager on Site, Restaurant, Energy Star Labeled	PCCP CBRE	1990
11	Tower 180 180 Broadway San Diego 92101	387,627 A	25 324	12.4%	Controlled Access, Courtyard, Property Manager on Site, Signage, Roof Terrace, Natural Light, Wi-Fi, Air Conditioning	Hammer Ventures CBRE	1963
12	225 Broadway 225 Broadway San Diego 92101	363,102 A	22 500	80%	Banking, Conferencing Facility, Property Manager on Site, Energy Star Labeled	Irvine Company Irvine Company	1974
13	550 West 550 W. C St. San Diego 92101	361,451 A	20 688	57.5%	24 Hour Access, Banking, Controlled Access, Conferencing Facility, Property Manager on Site, Natural Light, Shower Facilities, Air Conditioning	Alaska Permanent Fund Corporation Cushman & Wakefield	1989
14	600 B Street 600 B St. San Diego 92101	359,278 B	24 312	83.7%	Property Manager on Site, Signage, Energy Star Labeled	Rockwood Capital LLC CBRE	1974
15	Sempre Energy 488 Eighth Ave. San Diego 92101	320,000 A	16 500	100%	Signage	Sempre Energy Cisterra Partners LLC	2015
16	101 Ash St. 101 Ash St. San Diego 92101	314,545 B	21 238	100%	Conferencing Facility, Fitness Center, Property Manager on Site, Signage	Cisterra Partners LLC Cisterra Partners LLC	1968
17	DiamondView East Village 350 10th Ave. San Diego 92101	313,103 A	15 953	82.2%	Atrium, Banking, Controlled Access, Concierge, Conferencing Facility, Dry Cleaner, Fitness Center, Property Manager on Site, Restaurant, Security System, Signage, Energy Star Labeled, Bicycle Storage, Monument Signage, Sky Terrace, Balcony	DivcoWest CBRE	2007
18	110 Plaza 110 W. A St. San Diego 92101	307,374 A	18 482	70.9%	24 Hour Access, Conferencing Facility, Courtyard, Fitness Center, Property Manager on Site, Signage, Energy Star Labeled, Roof Terrace, Shower Facilities, Wi-Fi, Fire Pits	Forester Properties Inc. CBRE	1971
19	Civic Center Plaza 1200 Third Ave. San Diego 92101	295,101 C	18 500	100%	Property Manager on Site	Cisterra Partners LLC Cisterra Partners LLC	1973
20	20/6 451 A St. San Diego 92101	283,786 A	20 386	71.7%	Banking, Controlled Access, Conferencing Facility, Fitness Center, Property Manager on Site, Security System, Signage, Energy Star Labeled, Roof Terrace	LeBeau Realty & Associates Cushman & Wakefield	1984

NA Not available

Source: CBRE

To the best of our knowledge, this information is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Please send corrections or additions to the Research Department at the San Diego

Business Journal at sdbjlists@sdbj.com. This list may not be reprinted in whole or in part without prior written permission from the editor. Some companies have declined to participate or did not return a survey by press time. It is not the intent of this list to endorse the participants or to imply a building's size or numerical rank indicates its quality.

RETAIL

Market Statistics

Submarket	Market	Existing Buildings	Inventory SF	Vacancy Rate	Net Absorption SF 12 Mo	Net Delivered SF 12 Mo	Under Construction SF	Market Rent/SF
Escondido	San Diego - CA	857	9 728 638	4,5%	-122 699	-108 284	26 455	\$2,37
Chula Vista	San Diego - CA	750	9 054 681	5,3%	-10 392	10 204	3 198	\$2,74
El Cajon	San Diego - CA	844	8 408 437	4,1%	68 947	-28 200		\$1,98
Oceanside	San Diego - CA	721	7 796 694	5,0%	73 783	25 850	5 000	\$2,60
Clarmnt/KM/Tierrasnta	San Diego - CA	493	7 471 691	4,0%	8 014	-42 626		\$2,65
Mid City/SE San Diego	San Diego - CA	1 242	7 414 109	2,9%	-5 137	-5 550		\$2,21
Carlsbad	San Diego - CA	376	5 953 893	5,7%	147 061	13 362	71 077	\$3,72
Mission Valley	San Diego - CA	117	5 227 500	1,2%	-31 712	-15 404	10 000	\$4,30
Cardiff/Encinitas	San Diego - CA	422	5 189 917	2,5%	44 248	0		\$3,58
Vista	San Diego - CA	538	5 185 984	6,6%	18 865	-5 125	22 280	\$2,22
Totals	San Diego - CA	13 831	138 653 035	4,3%	589 852	-102 372	528 326	\$2,84
All	San Diego - CA	13 831	138 653 035	4,3%	589 852	-102 372	528 326	\$2,84
General Retail	San Diego - CA	9 554	55 913 853	2,7%	-40 274	-173 506	210 376	\$2,61
Mall	San Diego - CA	194	13 431 944	6,9%	174 657	0	300 000	\$3,64
Neighborhood Center	San Diego - CA	2 305	44 506 035	5,2%	385 655	14 380	12 950	\$2,87
Other	San Diego - CA	36	1 586 020	3,4%	20 264	0		\$3,18
Power Center	San Diego - CA	377	11 833 116	4,7%	-15 099	4 800	5 000	\$3,19
Strip Center	San Diego - CA	1 349	11 221 858	4,5%	53 530	51 954		\$2,40

Source: CoStar

Data as of

March 31, 2023

Market Conditions

Vacancy Rate

Net Absorption

Under Construction

Asking Lease Rates

Analysis

Leasing volume has been subdued in recent quarters, leading to negative net absorption for the start of 2023. Even with the increase in vacancy in Q1, the local retail market has largely recovered from the pandemic-induced dip in occupancy. Activity remains light across leasing, sales and construction measures. Average asking lease rates moved erratically following the 2020 pandemic as landlords struggled to navigate through unprecedented market conditions. 2022 saw asking rates return to steady increases which continued into the first quarter of 2023.

Despite economic headwinds and uncertainty, there remains a positive sentiment within the retail market due to the historically low vacancies that have continued to persist quarter over quarter.

Southwest Riverside County, which CBRE tracks along with the San Diego market, saw 6.1% overall vacancy (compared to 5.5% in the combined communities of North San Diego County) with no construction activity.

Sources: CBRE, Voith

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