



MAKERS QUARTER - RENDERING

▲ MAKERS QUARTER

A 5 ½ city block redevelopment project in the Upper East Village of Downtown San Diego. Upon completion, the project will deliver over 800 new residential units, almost 1 million SF of office space, and over 175,000 SF of retail and restaurant space.

THE SUN IS RISING IN THE EAST

By Alex Drecksel

The coming of age for the East Village of Downtown San Diego is now.

Not just here in San Diego, but all across the United States, we are seeing an influx of people and businesses flocking to urban environments to enhance their lifestyles and reap the many benefits these walkable communities have to offer. We've heard it a million times. The purpose of this piece isn't to point out the obvious, but rather to shed some light on arguably the most dynamic trade area in all of San Diego and the next can't-miss opportunity for tenants of all shapes and sizes: Downtown San Diego's East Village.

The Urban Strategies Group at Flocke & Avoyer lives, eats and breathes urban. We have the advantage of being on the front lines, talking with tenants and brokers daily on their perceptions of the market – getting direct, real-time feedback on each neighborhood, each block, each corner and each space. Knowledge is king. People know the foot traffic in the Gaslamp Quarter, they've read the buzz about Little Italy, and they see the

daytime office density along the Broadway and B St. corridors. But what exactly is the East Village?

It's time to start paying attention.

At a 50,000-foot level, the East Village is bound by the edge of 6th Ave. to the West, Imperial Ave. to the South, and the I-5 freeway to the East and North as it wraps downtown. It's the largest geographical submarket in downtown (by a longshot) and is home to Petco Park, San Diego City College, San Diego Central Library, and Thomas Jefferson School of Law.

Unlike the height restrictions in Little Italy (due to the flight path and proximity to the airport) and the historical nature of the majority of buildings in the Gaslamp Quarter, the East Village was virtually a clean slate for planning and development. There are currently close to 4,000 residential units under construction in the East Village alone, with another 4,000 in the pipeline set to begin construction in the near future. The ability to assemble and program multi-block projects, such as the five-and-

a-half city blocks that comprise Makers Quarter or Park 12's 700+ residential unit development, are few and far between when it comes to downtown (or in San Diego County for that matter) – these projects are real, under construction and delivering sooner than you think.

It's no secret that we have a housing shortage here in San Diego, and downtown is one of the only places that allows for the density needed to facilitate development and support the projected residential growth. Who doesn't want to live in America's finest city? According to SANDAG, by 2050, the San Diego region is expected to grow by approximately 1 million residents, 500,000 jobs and

backdrop of Petco's left field. DiamondView tower just sold for \$207 million, a record price per square foot, and is achieving some of the highest office rents in all of San Diego County. Block D of the Makers Quarter development, the first major multi-tenant office building to break ground in a decade in Downtown San Diego, is well under construction and set to deliver next spring. Cisterra's landmark 7th & Market development includes 156,000 SF of office space to compliment a Ritz Carlton Hotel & Condo's as well as a gourmet grocer. Holland Partner Group's "Park and Market" project incorporates a 56,000 SF office and classroom building for UCSD in addition to 426 residential units. Need I say more?

▼ PARK 12

Approximately 45,000 SF of restaurant and retail space positioned below 718 residential units and highlighted by a 12,000 SF open air plaza leading directly into Petco Park's main gate.



PARK 12 - RESIDENTIAL TOWER RENDERING



PARK 12 - PLAZA RENDERING

only 330,000 housing units – roughly three new residents per each new unit built. The combination of these projections, national trends toward urban lifestyles, and the ease of development in our urban core have made downtown the epicenter of residential development, particularly in the East Village. Projects continue to get financed and cranes continue to shape the skyline.

I'm certainly not a chef, but when you combine the ingredients of a strong residential base, ease of entitlement, booming residential development, and the desire for a walkable lifestyle, you're creating a recipe ripe for office development. People want to work by where they live. While this is certainly the final component needed for a true 24/7 environment, the appetite in the office world is already rumbling east of 6th Ave.

Sempra Energy's 390,000 SF build-to-suit office tower opened its doors in 2015, towering in the

The East Village is a design and architectural hub, attracting and epitomizing the millennial creative spirit and entrepreneurship. Grab a cup of coffee at Copa Vida, a burger at Neighborhood, a slice of pie at Basic or late night weekend brew at Bootlegger, and you'll witness firsthand the infectious energy and unique spirit this neighborhood has to offer.

It's no doubt the future is bright in the East Village, but so is the present. We talk with tenants daily who are targeting the East Village above other well-known areas of downtown. Tenants who recognize the ability to prosper today and the tremendous upside of tomorrow. We are at the sweet spot in the development cycle where landlords aren't asking an arm and a leg for prime space, yet tenants still have the ability to succeed now and position themselves ideally for the future.

The early bird gets the worm, and the sun is beginning to rise in the East. ■



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