

MIRA MESA COMMUNITY PLAN AREA

MARKET DEMAND ANALYSIS CITY OF SAN DIEGO

The focus of this Keyser Marston Associates, Inc. (KMA) market demand analysis is to evaluate current and anticipated future market trends and the potential development of retail and employment uses throughout the Mira Mesa CPA. For this analysis, KMA reviewed both existing and historical market trends to better understand absorption trends within the CPA. Preparation of this projection of market demand includes: (a) a review of demographic and real estate market trends; (b) absorption projections for each of the employment land use categories; and (c) a comparison of remaining development capacity to projected market demand. In preparing these absorption projections, KMA collected and reviewed extensive third-party demographic, economic, market, and other industry data sources, including information from SANDAG, the U.S. Census Bureau, State of California Employment Development Department (EDD), and commercial real estate brokers, among others.

SUMMARY TABLE

SURPLUS/(DEFICIT) OF REMAINING DEVELOPMENT CAPACITY, MIRA MESA CPA, 2019-2050

MIRA MESA COMMUNITY PLAN UPDATE

CITY OF SAN DIEGO

SURPLUS/(DEFICIT) OF REMAINING DEVELOPMENT CAPACITY, 2019-2050					
Mira Mesa CPA					
	KMA Projected Demand		Remaining Development Capacity	Surplus/(Deficit) (Remaining Development Capacity less Projected Demand)	
	Low	High		Low	High
I. Employment Use Demand SF Per Year	9,700,000 SF 313,000 SF	13,700,000 SF 442,000 SF	5,400,000 SF	(4,300,000) SF	(8,300,000) SF
II. Retail Demand SF Per Year	550,000 SF 18,000 SF	1,110,000 SF 36,000 SF	424,000 SF	(126,000) SF	(686,000) SF

APPENDIX A

DEMOGRAPHIC AND ECONOMIC TRENDS

MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

TABLE A-1

**SUMMARY OF KEY DEMOGRAPHIC FACTORS, 2019 ⁽¹⁾
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO**

	Mira Mesa Community Plan Area	University Community Plan Area	City of San Diego	County of San Diego
Population	80,107	69,830	1,414,461	3,371,481
Households	26,549	27,501	523,755	1,180,609
Average Household Size	3.01	2.21	2.60	2.77
Median Age	37.96	29.92	36.1	36.5
Median Household Income	\$107,360	\$82,521	\$80,424	\$78,294

(1) Source: EnvironicsAnalytics, 2019.

TABLE A-2

HISTORIC POPULATION GROWTH TRENDS
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2016</u>	<u>Average Annual Growth 1980-2016</u>	
						<u>Number</u>	<u>Percent</u>
I. County	1,862,000	2,513,000	2,813,833	3,095,313	3,288,612	39,628	1.6%
II. City	875,538	1,118,000	1,223,400	1,301,617	1,391,676	14,337	1.3%
III. Mira Mesa CPA	37,600	62,500	72,005	72,759	76,434	1,079	2.0%
<i>% of County</i>	2.0%	2.5%	2.6%	2.4%	2.3%	2.7%	
<i>% of City</i>	4.3%	5.6%	5.9%	5.6%	5.5%	7.5%	
IV. University CPA	28,868	42,870 ⁽¹⁾	49,701	62,731	69,397	1,126	2.5%
<i>% of County</i>	1.6%	1.7%	1.8%	2.0%	2.1%	2.8%	
<i>% of City</i>	3.3%	3.8%	4.1%	4.8%	5.0%	7.9%	

(1) Proxy; reflects 1987.

Source: U.S. Census Bureau.

TABLE A-3

EMPLOYMENT TRENDS BY INDUSTRY, SAN DIEGO-CARLSBAD MSA, 1990-2017
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

San Diego - Carlsbad MSA (San Diego County)												
North American Industry Classification System (NAICS) Industry Sector	1990	% of	2000	% of	2010	% of	2017	% of	Average Annual Change			
	Total	Total	Total	Total	Total	Total	Total	Total	1990-2000	2000-2010	2010-2017	2000-2017
Retail Trade	116,100	14.5%	134,300	13.5%	130,700	12.9%	148,700	12.3%	1.5%	-0.3%	1.9%	0.6%
Professional and Business Services	126,000	15.8%	199,000	20.0%	203,000	20.1%	233,500	19.4%	4.7%	0.2%	2.0%	0.9%
Educational and Health Services	87,500	11.0%	119,500	12.0%	164,500	16.3%	204,500	17.0%	3.2%	3.2%	3.2%	3.2%
Finance, Insurance, and Information	87,700	11.0%	107,500	10.8%	92,500	9.1%	98,500	8.2%	2.1%	-1.5%	0.9%	-0.5%
Leisure and Hospitality	105,000	13.2%	129,300	13.0%	154,500	15.3%	196,400	16.3%	2.1%	1.8%	3.5%	2.5%
Transportation, Warehousing, and Wholesale	57,000	7.1%	70,400	7.1%	68,800	6.8%	80,100	6.6%	2.1%	-0.2%	2.2%	0.8%
Manufacturing	123,500	15.5%	120,900	12.2%	95,600	9.5%	109,000	9.0%	-0.2%	-2.3%	1.9%	-0.6%
Construction	60,600	7.6%	69,800	7.0%	55,400	5.5%	79,300	6.6%	1.4%	-2.3%	5.3%	0.8%
Natural Resources and Mining	600	0.1%	300	0.0%	400	0.0%	300	0.0%	-6.7%	2.9%	-4.0%	0.0%
Other Services	34,100	4.3%	42,300	4.3%	46,100	4.6%	54,900	4.6%	2.2%	0.9%	2.5%	1.5%
Total Employment	798,100	100.0%	993,300	100.0%	1,011,500	100.0%	1,205,200	100.0%	2.2%	0.2%	2.5%	1.1%

Source: Employment Development Department - Labor Market Information Division.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/San Diego_Mira Mesa University_Market Analysis_v3_05 13 19;5/13/2019;mdt

TABLE A-4

YEAR-ON-YEAR EMPLOYMENT CHANGE BY KEY INDUSTRY, SAN DIEGO COUNTY, 2010-2018
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

											Strong Presence within the CPA	
											Mira Mesa	University
North American Industry Classification System (NAICS) Industry Sectors/Subsectors	2010	2011	2012	2013	2014	2015	2016	2017	2018	Average Annual 2010-2018		
Construction	-5.9%	1.8%	5.8%	7.4%	4.9%	11.6%	7.1%	3.1%	-2.3%	3.7%		
Manufacturing	1.9%	1.0%	2.7%	0.7%	4.0%	2.8%	1.3%	1.7%	4.2%	2.3%	✓	
Computer & Electronic Product Manufacturing	-4.1%	-1.2%	-0.8%	-1.2%	4.0%	3.5%	4.1%	2.9%	0.0%	0.8%		✓
Aerospace Product & Parts Manufacturing	10.1%	9.2%	11.6%	2.8%	6.4%	0.9%	0.0%	5.1%	2.4%	5.4%	✓	
Ship & Boat Building	-5.6%	-7.4%	0.0%	-4.8%	15.0%	15.9%	-6.3%	-8.0%	-1.4%	-0.3%		
Retail Trade	0.4%	3.3%	2.9%	3.4%	1.1%	0.2%	0.8%	-0.1%	-0.5%	1.3%		✓
Information	-5.0%	-0.4%	0.8%	0.4%	-2.0%	-1.6%	0.8%	0.0%	-0.8%	-0.9%		✓
Software Publishers	2.4%	0.0%	-4.7%	2.4%	-4.8%	5.0%	2.4%	9.3%	4.3%	1.8%		✓
Real Estate & Rental & Leasing	1.2%	-0.4%	2.3%	2.3%	0.4%	1.5%	0.0%	1.8%	1.8%	1.2%		
Real Estate	2.4%	-0.5%	2.8%	2.3%	-0.9%	0.0%	0.0%	2.3%	0.4%	1.0%		
Professional, Scientific & Technical Services	0.4%	0.4%	2.2%	3.5%	2.0%	2.0%	1.4%	3.8%	4.4%	2.2%	✓	✓
Scientific Research & Development Services	-7.6%	-9.3%	3.5%	4.9%	7.2%	1.0%	2.7%	1.3%	5.1%	1.0%	✓	✓
Employment Services	2.9%	-16.0%	17.4%	0.7%	2.1%	3.1%	-5.0%	4.9%	4.0%	1.6%		
Health Care & Social Assistance	0.9%	1.9%	4.3%	3.5%	3.8%	4.3%	3.5%	2.3%	3.4%	3.1%		✓
Leisure & Hospitality	1.9%	1.8%	4.4%	5.4%	4.3%	3.4%	4.9%	0.0%	0.4%	2.9%		

Source: State of California Employment Development Department, March 2019.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/San Diego_Mira Mesa University_Market Analysis_v3_05 13 19;5/13/2019;mdt

TABLE A-5

ESTIMATED GROSS RETAIL SALES, CITY OF SAN DIEGO VS. SAN DIEGO COUNTY, 2016
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

	City of San Diego			County of San Diego		
I. Population ⁽¹⁾		1,419,845		3,337,456		
II. Per Capita Income ⁽²⁾		\$39,033		\$36,291		
	Total (000's)	Per Capita	% of Per Capita Income	Total (000's)	Per Capita	% of Per Capita Income
III. Retail and Food Service Sales ⁽³⁾						
A. Shopper Goods (GAFO)						
Apparel	\$1,850,000	\$1,303	3.3%	\$3,573,000	\$1,071	2.9%
General Merchandise	\$1,446,000	\$1,018	2.6%	\$4,306,000	\$1,290	3.6%
Home Furnishings/Appliances	\$1,227,000	\$864	2.2%	\$2,556,000	\$766	2.1%
Other ⁽⁴⁾⁽⁵⁾	<u>\$2,691,000</u>	<u>\$1,895</u>	<u>4.9%</u>	<u>\$7,204,000</u>	<u>\$2,159</u>	<u>5.9%</u>
Subtotal Shopper Goods	\$7,214,000	\$5,081	13.0%	\$17,639,000	\$5,285	14.6%
B. Convenience Goods						
Food (Supermarket/Liquor) ⁽⁶⁾	\$2,986,000	\$2,103	5.4%	\$6,647,000	\$1,992	5.5%
Eating and Drinking	<u>\$4,133,000</u>	<u>\$2,911</u>	<u>7.5%</u>	<u>\$7,374,000</u>	<u>\$2,209</u>	<u>6.1%</u>
Subtotal Convenience Goods	\$7,119,000	\$5,014	12.8%	\$14,021,000	\$4,201	11.6%
C. Heavy Commercial Goods ⁽⁷⁾	\$1,009,000	\$711	1.8%	\$2,744,000	\$822	2.3%
D. Total Gross Retail and Food Services	\$15,342,000	\$10,805	27.7%	\$34,404,000	\$10,308	28.4%

(1) Source: California Department of Finance, January 1, 2018.

(2) Source: Esri Business Analyst Online, 2018 estimate.

(3) Source: Taxable Sales per State of California Board of Equalization, calendar year 2016.

(4) Includes Pharmacies and Drug Stores; Health and Personal Care Stores; Sporting Goods Stores; Hobby, Toy and Musical Instrument Stores; Florists; Other Miscellaneous Store Retailers; and Nonstore Retailers.

(5) Assumes 65.0% of sales at Pharmacies and Drug Stores are taxable.

(6) Assumes 35.0% of sales at Food Stores (Supermarket/Liquor) are taxable.

(7) Includes Building/Hardware/Farming.

TABLE A-6

**RETAIL SPACE MARKET FACTORS, 4TH QUARTER 2018, SAN DIEGO COUNTY
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO**

	<u>Rentable Square Feet (SF)</u>	<u>SF Under Construction</u>	<u>SF Vacant</u>	<u>Vacancy Rate</u>	<u>Average Asking Lease Rate</u>	<u>YTD Absorption</u>
I. Central South						
General Retail	19,878,096	2,640	507,551	2.55%	\$2.39	14,161
Malls	4,696,527	0	199,360	4.24%	---	(5,724)
Power Centers	3,570,236	0	56,321	1.58%	\$3.85	(1,244)
Shopping Centers	11,154,560	0	375,859	3.37%	\$2.09	68,772
Specialty Centers	<u>294,915</u>	<u>0</u>	<u>18,609</u>	<u>6.31%</u>	<u>\$5.83</u>	<u>2,179</u>
Subtotal/Average - Central South	39,594,334	2,640	1,157,700	2.92%	\$2.29	78,144
II. East County						
General Retail	7,374,870	0	178,715	2.42%	\$1.43	(30,063)
Malls	2,816,104	0	48,256	1.71%	---	(45,763)
Power Centers	1,702,163	0	22,203	1.30%	---	(4,953)
Shopping Centers	8,295,410	15,834	471,124	5.68%	\$1.71	(82,331)
Specialty Centers	<u>34,558</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>---</u>	<u>0</u>
Subtotal/Average - East County	20,223,105	15,834	720,298	3.56%	\$1.63	(163,110)
III. I-15 Corridor						
General Retail	1,648,380	0	17,759	1.08%	\$2.63	(6,201)
Malls	0	0	0	0.00%	---	0
Power Centers	566,418	0	4,914	0.87%	---	0
Shopping Centers	4,287,899	0	181,340	4.23%	\$3.01	34,749
Specialty Centers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>---</u>	<u>0</u>
Subtotal/Average - I-15 Corridor	6,502,697	0	204,013	3.14%	\$2.97	28,548
IV. North County						
General Retail	11,439,889	78,696	471,715	4.12%	\$2.13	(146,185)
Malls	3,176,626	0	13,303	0.42%	---	(6,385)
Power Centers	3,101,378	0	107,064	3.45%	---	(9,857)
Shopping Centers	15,148,957	132,094	988,735	6.53%	\$1.59	77,911
Specialty Centers	<u>363,588</u>	<u>0</u>	<u>1,210</u>	<u>0.33%</u>	<u>---</u>	<u>(1,210)</u>
Subtotal/Average - North County	33,230,438	210,790	1,582,027	4.76%	\$1.72	(85,726)
V. Central North (1)						
General Retail	7,096,865	11,409	250,483	3.53%	\$3.23	(46,539)
Malls	1,454,387	0	331,711	22.81%	---	(149,211)
Power Centers	2,094,287	21,300	13,529	0.65%	---	103,791
Shopping Centers	6,567,197	11,849	285,366	4.35%	\$2.71	(85,663)
Specialty Centers	<u>232,667</u>	<u>0</u>	<u>67,054</u>	<u>28.82%</u>	<u>\$1.75</u>	<u>(18,974)</u>
Subtotal/Average - Central North	17,445,403	44,558	948,143	5.43%	\$2.84	(196,596)
VI. South County						
General Retail	5,874,893	12,377	126,451	2.15%	\$1.80	3,806
Malls	2,746,513	0	3,591	0.13%	---	21,860
Power Centers	1,025,479	0	7,400	0.72%	---	0
Shopping Centers	9,181,948	104,493	536,445	5.84%	\$2.01	25,376
Specialty Centers	<u>780,784</u>	<u>0</u>	<u>4,357</u>	<u>0.56%</u>	<u>\$3.02</u>	<u>(1,167)</u>
Subtotal - South County	19,609,617	116,870	678,244	3.46%	\$1.99	49,875
VII. Outlying Areas						
General Retail	2,067,915	0	50,079	2.42%	\$1.82	(4,265)
Malls	145,890	0	3,930	2.69%	---	7,070
Power Centers	0	0	0	0.00%	---	0
Shopping Centers	1,273,377	0	35,268	2.77%	\$1.71	17,322
Specialty Centers	<u>255,000</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>---</u>	<u>0</u>
Subtotal - Outlying Areas	3,742,182	0	89,277	2.39%	\$1.76	20,127
VIII. San Diego County						
General Retail	55,380,908	105,122	1,602,753	2.89%	\$2.21	(215,286)
Malls	15,036,047	0	600,151	3.99%	\$2.53	(178,153)
Power Centers	12,059,961	21,300	211,431	1.75%	\$3.85	87,737
Shopping Centers	55,909,348	264,270	2,874,137	5.14%	\$1.91	56,136
Specialty Centers	<u>1,961,512</u>	<u>0</u>	<u>91,230</u>	<u>4.65%</u>	<u>\$2.34</u>	<u>(19,172)</u>
Subtotal - San Diego County	140,347,776	390,692	5,379,702	3.83%	\$2.03	(268,738)

(1) Includes Cardiff/Encinitas, Del Mar Heights, La Jolla/Torrey Pines, Miramar, and UTC.

Source: Voit Real Estate Services.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/San Diego_Mira Mesa University_Market Analysis_v3_05 13 19;5/13/2019;mdt

TABLE A-7

**INDUSTRIAL SPACE MARKET FACTORS, 4TH QUARTER 2018, SAN DIEGO COUNTY
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO**

	<u>Rentable Square Feet (SF)</u>	<u>SF Under Construction</u>	<u>SF Vacant</u>	<u>Vacancy Rate</u>	<u>Average Asking Lease Rate</u>	<u>YTD Absorption</u>
I. Central County						
Central City	1,441,347	0	8,353	0.58%	\$1.31	35,297
East City	965,347	0	0	0.00%	---	0
Southeast City	4,297,936	0	79,366	1.85%	\$1.06	(12,906)
Kearny Mesa	9,826,536	0	215,081	2.19%	\$1.41	58,182
Mission Gorge	1,841,686	0	40,386	2.19%	\$1.43	(61,786)
Rose Canyon/Morena	2,496,676	0	15,823	0.63%	\$1.31	17,490
Sports Arena/Airport	1,635,200	0	9,227	0.56%	\$1.22	7,169
Miramar	13,224,864	0	469,936	3.55%	\$1.16	(14,359)
Sorrento Mesa	3,732,690	0	180,926	4.85%	\$1.16	(152,753)
Sorrento Valley	920,625	0	31,756	3.45%	\$1.48	42,043
Torrey Pines/UTC	<u>104,448</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	---	<u>0</u>
Subtotal/Average - Central County	40,487,355	0	1,050,854	2.60%	\$1.21	(81,623)
II. East County						
El Cajon	9,005,325	17,060	61,144	0.68%	\$1.00	(30,285)
La Mesa/Spring Valley	2,641,117	0	91,855	3.48%	\$1.34	(54,031)
Santee/Lakeside	3,684,324	0	179,441	4.87%	\$0.94	(137,809)
Outlying SD County South	<u>762,629</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>\$0.75</u>	<u>1,000</u>
Subtotal/Average - East County	16,093,395	17,060	332,440	2.07%	\$1.05	(221,125)
III. North County						
Escondido	7,516,284	0	147,389	1.96%	\$0.98	155,726
Oceanside	9,020,819	277,793	389,369	4.32%	\$0.90	26,543
San Marcos	7,937,350	9,000	621,992	7.84%	\$0.91	190,032
Vista	12,768,326	77,725	557,865	4.37%	\$0.92	(12,717)
Carlsbad	8,782,556	417,478	1,241,875	14.14%	\$1.08	179,909
North Beach Cities	257,017	0	0	0.00%	---	0
Outlying SD County North	<u>955,420</u>	<u>0</u>	<u>6,708</u>	<u>0.70%</u>	<u>\$1.11</u>	<u>26,694</u>
Subtotal/Average - North County	47,237,772	781,996	2,965,198	6.28%	\$0.96	566,187
IV. I-15 Corridor						
Poway	7,246,533	82,742	136,037	1.88%	\$1.06	320,692
Rancho Bernardo	3,110,636	0	234,128	7.53%	\$1.47	(4,530)
Scripps Ranch	<u>703,806</u>	<u>0</u>	<u>92,619</u>	<u>13.16%</u>	<u>\$1.22</u>	<u>(4,615)</u>
Subtotal/Average - I-15 Corridor	11,060,975	82,742	462,784	4.18%	\$1.21	311,547
V. South County						
Chula Vista	8,325,018	163,000	174,064	2.09%	\$0.89	(107,065)
National City	3,822,916	0	43,725	1.14%	\$1.22	11,709
Otay Mesa	15,757,655	398,960	1,194,499	7.58%	\$0.71	403,628
San Ysidro/Imperial Beach	<u>1,412,815</u>	<u>0</u>	<u>37,321</u>	<u>2.64%</u>	<u>\$0.93</u>	<u>19,702</u>
Subtotal/Average - South County	29,318,404	561,960	1,449,609	4.94%	\$0.78	327,974
VI. San Diego County Total	144,197,901	1,443,758	6,260,885	4.34%	\$1.00	902,960

Source: Voith Real Estate Services.

TABLE A-8

OFFICE SPACE MARKET FACTORS, 4TH QUARTER 2018, SAN DIEGO COUNTY
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

	<u>Rentable Square Feet (SF)</u>	<u>SF Under Construction</u>	<u>SF Vacant</u>	<u>Vacancy Rate</u>	<u>Average Asking Lease Rate</u>	<u>YTD Absorption</u>
I. Downtown						
Downtown	12,707,968	372,000	1,933,732	15.22%	\$2.79	(417,990)
Subtotal/Average - Downtown	12,707,968	372,000	1,933,732	15.22%	\$2.79	(417,990)
II. Central						
City Heights/University	1,216,139	0	31,102	2.56%	\$2.47	13,430
Coronado	124,831	0	6,313	5.06%	\$3.82	8,898
Kearny Mesa	10,886,898	0	815,331	7.49%	\$2.31	(224,354)
Mission Gorge	588,430	0	9,929	1.69%	\$1.87	4,118
Mission Valley	7,273,767	0	761,533	10.47%	\$2.49	68,603
Old Town/Point Loma	2,534,694	0	141,629	5.59%	\$2.62	2,292
Park East	273,122	0	6,763	2.48%	\$2.26	(497)
Rose Canyon/Morena	1,190,226	0	62,357	5.24%	\$1.93	(21,444)
Uptown/Hillcrest	2,217,559	0	103,597	4.67%	\$2.58	5,309
Subtotal/Average - Central	26,305,666	0	1,938,554	7.37%	\$2.40	(143,645)
III. I-15 Corridor						
Escondido	1,968,765	0	196,272	9.97%	\$2.12	4,890
Poway	1,323,600	0	36,415	2.75%	\$2.33	35,040
Rancho Bernardo	6,827,091	0	749,270	10.97%	\$3.02	91,769
Scripps Ranch	2,730,671	158,994	490,245	17.95%	\$2.49	(109,417)
Subtotal/Average - I-15 Corridor	12,850,127	158,994	1,472,202	11.46%	\$2.77	22,282
IV. North County Coastal						
Carlsbad	6,592,303	231,646	1,183,495	17.95%	\$2.54	314,628
Del Mar Heights/Carmel Valley	4,759,218	0	808,865	17.00%	\$4.29	(64,442)
North Beach Cities	2,536,525	24,000	189,035	7.45%	\$3.54	(37,776)
Subtotal/Average - North County Coastal	13,888,046	255,646	2,181,395	15.71%	\$3.35	212,410
V. North City						
Governor Park	889,275	0	82,335	9.26%	\$2.75	(11,775)
La Jolla	1,375,264	0	105,257	7.65%	\$3.18	(11,727)
Miramar	1,591,313	0	135,402	8.51%	\$1.79	26,440
Sorrento Mesa	9,633,835	0	1,069,089	11.10%	\$2.76	173,944
Sorrento Valley	808,954	0	75,205	9.30%	\$2.42	(8,610)
Torrey Pines	3,018,906	0	101,327	3.36%	\$3.98	174,429
UTC	8,629,064	150,000	960,353	11.13%	\$3.29	36,288
Subtotal - North City	25,946,611	150,000	2,528,968	9.75%	\$2.80	378,989
VI. Southern & Eastern Areas						
Chula Vista	2,905,034	0	233,348	8.03%	\$2.49	19,777
National City	528,472	0	994	0.19%	\$2.69	15,267
Otay Mesa	319,824	0	4,290	1.34%	\$2.24	7,054
Southeast San Diego	479,269	0	59,698	12.46%	\$2.35	8,870
East County	3,680,725	0	139,964	3.80%	\$2.01	(315)
Subtotal/Average - Southern & Eastern Areas	7,913,324	0	438,294	5.54%	\$2.34	50,653
VII. Highway 78 Corridor						
Oceanside	1,350,464	0	145,920	10.81%	\$2.06	(8,047)
San Marcos	1,394,870	0	104,882	7.52%	\$2.39	23,891
Vista	1,238,540	0	219,424	17.72%	\$1.79	(9,594)
Subtotal/Average - Highway 78 Corridor	3,983,874	0	470,226	11.80%	\$2.03	6,250
VIII. San Diego County Total	103,595,616	936,640	10,963,371	10.58%	\$2.78	108,949

Source: Voith Real Estate Services.

TABLE A-9

RESEARCH AND DEVELOPMENT SPACE MARKET FACTORS, 4TH QUARTER 2018, SAN DIEGO COUNTY
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

	Rentable Square Feet (SF)	SF Under Construction	SF Vacant	Vacancy Rate	Average Asking Lease Rate	YTD Absorption
I. Central						
Central City	172,281	0	3,737	2.17%	\$2.25	5,705
East City	26,892	0	0	0.00%	\$0.00	0
Southeast City	225,469	0	3,000	1.33%	\$1.44	(3,000)
Kearny Mesa	5,586,435	0	443,883	7.95%	\$1.59	69,635
Mission Gorge	279,740	0	15,483	5.53%	\$1.57	(4,103)
Rose Canyon/Morena	609,335	0	47,958	7.87%	\$1.41	(28,368)
Sports Arena/Airport	380,720	0	840	0.22%	\$1.25	6,160
Miramar	4,771,548	130,000	229,886	4.82%	\$1.55	193
Sorrento Mesa	6,149,033	28,000	677,575	11.02%	\$2.36	(118,488)
Sorrento Valley	2,326,682	0	203,060	8.73%	\$2.02	(46,688)
Torrey Pines/UTC	<u>6,174,807</u>	<u>251,221</u>	<u>405,512</u>	<u>6.57%</u>	<u>\$4.15</u>	<u>408,800</u>
Subtotal/Average - Central	26,702,942	409,221	2,030,934	7.61%	\$2.39	289,846
II. East County						
El Cajon	867,524	0	16,932	1.95%	\$0.98	(15,262)
La Mesa/Spring Valley	293,035	0	1,425	0.49%	\$1.10	19,735
Santee/Lakeside	554,061	0	7,670	1.38%	\$1.38	(4,362)
Outlying SD County S	<u>77,930</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>\$0.00</u>	<u>0</u>
Subtotal/Average - East County	1,792,550	0	26,027	1.45%	\$1.13	111
III. North County						
Escondido	747,932	0	21,602	2.89%	\$1.07	(3,834)
Oceanside	984,170	0	20,906	2.12%	\$0.95	12,057
San Marcos	1,094,862	0	57,762	5.28%	\$1.23	789
Vista	1,393,694	0	42,903	3.08%	\$1.11	6,311
Carlsbad	6,218,935	146,109	423,868	6.82%	\$1.31	118,057
North Beach Cities	164,051	0	8,391	5.11%	\$2.09	(7,536)
Outlying SD County North	<u>137,615</u>	<u>0</u>	<u>703</u>	<u>0.51%</u>	<u>\$1.15</u>	<u>618</u>
Subtotal/Average - North County	10,741,259	146,109	576,135	5.36%	\$1.27	126,462
IV. I-15 Corridor						
Poway	1,830,757	0	34,169	1.87%	\$1.20	(3,179)
Rancho Bernardo	4,664,276	0	276,779	5.93%	\$1.69	81,356
Scripps Ranch	<u>749,217</u>	<u>0</u>	<u>42,428</u>	<u>5.66%</u>	<u>\$1.15</u>	<u>(39,843)</u>
Subtotal/Average - I-15 Corridor	7,244,250	0	353,376	4.88%	\$1.60	38,334
V. South County						
Chula Vista	1,511,380	0	136,358	9.02%	\$1.47	(87,241)
National City	333,628	0	3,425	1.03%	\$1.11	4,343
Otay Mesa	166,652	0	34,443	20.67%	\$0.75	0
San Ysidro/Imperial Beach	<u>86,361</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>\$0.00</u>	<u>1,200</u>
Subtotal/Average - South County	2,098,021	0	174,226	8.30%	\$1.12	(81,698)
VI. San Diego County Total	48,579,022	555,330	3,160,698	6.51%	\$1.58	373,055

Source: Voit Real Estate Services.

TABLE A-10

HISTORIC OCCUPIED BUILDING AREA FOR SELECT SUBMARKETS BY LAND USE, 2004-2018
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

	2004			2018			2004-2018	
	Net Rentable SF	Vacant SF	Occupied SF	Net Rentable SF	Vacant SF	Occupied SF	Average Annual Change in Occupied SF	
							SF	%
I. Office								
A. Mira Mesa CPA								
Miramar	1,111,717	218,710	893,000	1,591,313	135,402	1,456,000	40,000	3.6%
Sorrento Mesa	<u>6,480,939</u>	<u>826,566</u>	<u>5,654,000</u>	<u>9,633,835</u>	<u>1,069,089</u>	<u>8,565,000</u>	<u>208,000</u>	3.0%
Total Mira Mesa CPA	7,592,656	1,045,276	6,547,000	11,225,148	1,204,491	10,021,000	248,000	3.1%
B. University CPA								
Torrey Pines/Sorrento Valley	3,438,702	374,134	3,065,000	3,827,760	176,532	3,651,000	42,000	1.3%
UTC	7,753,310	770,911	6,982,000	8,629,064	960,353	7,669,000	49,000	0.7%
Governor Park	<u>857,999</u>	<u>110,444</u>	<u>748,000</u>	<u>889,275</u>	<u>82,335</u>	<u>807,000</u>	<u>4,000</u>	<u>0.5%</u>
Total University CPA	12,050,011	1,255,489	10,795,000	12,456,824	1,136,885	11,320,000	95,000	0.3%
C. San Diego County	78,390,777	7,410,523	70,980,000	103,595,616	10,963,371	92,632,000	1,547,000	1.9%
II. Industrial								
A. Mira Mesa CPA								
Miramar	13,111,863	533,204	12,579,000	13,224,864	469,936	12,755,000	13,000	0.1%
Sorrento Mesa	<u>4,748,837</u>	<u>256,934</u>	<u>4,492,000</u>	<u>3,732,690</u>	<u>180,926</u>	<u>3,552,000</u>	<u>(67,000)</u>	<u>-1.7%</u>
Total Mira Mesa CPA	17,860,700	790,138	17,071,000	16,957,554	650,862	16,307,000	(54,000)	-0.3%
B. University CPA								
Torrey Pines/UTC	<u>323,110</u>	<u>0</u>	<u>323,000</u>	<u>104,448</u>	<u>0</u>	<u>104,000</u>	<u>(16,000)</u>	<u>-7.8%</u>
Total University CPA	323,110	0	323,000	104,448	0	104,000	(16,000)	-7.8%
C. Sorrento Valley	1,606,934	130,819	1,476,000	920,625	31,756	889,000	(42,000)	-3.6%
D. San Diego County	131,207,395	8,073,462	123,134,000	144,197,901	6,260,885	137,937,000	1,057,000	0.8%
III. Research and Development								
A. Mira Mesa CPA								
Miramar	3,330,650	650,808	2,680,000	4,771,548	229,886	4,542,000	133,000	3.8%
Sorrento Mesa	<u>5,210,609</u>	<u>447,256</u>	<u>4,763,000</u>	<u>6,149,033</u>	<u>677,575</u>	<u>5,471,000</u>	<u>51,000</u>	<u>1.0%</u>
Total Mira Mesa CPA	8,541,259	1,098,064	7,443,000	10,920,581	907,461	10,013,000	184,000	2.1%
B. University CPA								
Torrey Pines/UTC	<u>562,975</u>	<u>132,721</u>	<u>430,000</u>	<u>6,174,807</u>	<u>405,512</u>	<u>5,769,000</u>	<u>381,000</u>	<u>20.4%</u>
Total University CPA	562,975	132,721	430,000	6,174,807	405,512	5,769,000	381,000	20.4%
C. Sorrento Valley	1,705,506	291,002	1,415,000	2,326,682	203,060	2,124,000	51,000	2.9%
D. San Diego County	34,676,633	3,608,677	31,068,000	48,579,022	3,160,699	45,418,000	1,025,000	2.7%
IV. Total Employment Uses								
A. Mira Mesa CPA	33,994,615	2,933,478	31,061,000	39,103,283	2,762,814	36,341,000	378,000	1.1%
B. University CPA	12,936,096	1,388,210	11,548,000	18,736,079	1,542,397	17,193,000	460,000	2.9%
C. San Diego County	244,274,805	19,092,662	225,182,000	296,372,539	20,384,955	275,987,000	3,629,000	1.5%

APPENDIX B

MIRA MESA COMMUNITY PLAN AREA

MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

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TABLE B-1

**ESTIMATE OF ADDITIONAL EMPLOYMENT SPACE NEEDED THROUGH 2050 - LOW
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO**

	Mira Mesa CPA		Average	Number of		Number of	Portion Using	Number of New
	Number of	%	Annual Rate	Employees	%	Employees	Office/Industrial	Industrial/Office
	2015	of Total	2015-2050 ⁽¹⁾	2050	of Total	Added/(Lost)	Space ⁽²⁾	Users
Retail Trade	7,515	9.0%	1.5%	12,654	9.1%	5,139	0%	0
Professional and Business Services	30,679	36.9%	2.0%	61,355	44.2%	30,676	75%	23,007
Educational and Health Services	5,267	6.3%	1.5%	8,869	6.4%	3,602	5%	180
Finance, Insurance, and Information	6,518	7.8%	1.0%	9,233	6.6%	2,715	35%	950
Transportation, Warehousing, and Wholesale	6,696	8.1%	1.0%	9,486	6.8%	2,790	75%	2,093
Manufacturing	11,800	14.2%	1.0%	16,716	12.0%	4,916	75%	3,687
Construction	5,347	6.4%	1.0%	7,575	5.5%	2,228	5%	111
Natural Resources and Mining	49	0.1%	0.0%	49	0.0%	0	5%	0
Other Services	<u>9,182</u>	<u>11.1%</u>	<u>1.0%</u>	<u>13,007</u>	<u>9.4%</u>	<u>3,825</u>	<u>30%</u>	<u>1,148</u>
Total Employment	83,053	100.0%	1.5%	138,944	100.0%	55,891	56%	31,176 Employees
Number of SF Per Employee								<u>350</u> SF ⁽³⁾
Total Employment Demand, 2015-2050								10,912,000 SF
(Less) Demand from 2015 to 2019								<u>(1,247,000)</u> SF ⁽⁴⁾
Total Employment Demand, 2019-2050								9,665,000 SF

(1) KMA estimate based on review of annual growth rates in San Diego County for each employment category.

(2) KMA assumption.

(3) KMA assumption. Reflects weighted average industry standard employment for office, industrial, and research and development uses with respect to current supply in the CPA.

(4) Reflects projected average annual growth rate over a 4-year period.

Source: U.S. Census - OnTheMap Work Area Profile.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/San Diego_Mira Mesa University_Market Analysis_v3_05 13 19;5/13/2019;mdt

TABLE B-2

**ESTIMATE OF ADDITIONAL EMPLOYMENT SPACE NEEDED THROUGH 2050 - HIGH
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO**

	Mira Mesa CPA		Average	Number of		Number of	Portion Using	Number of New
	Number of	%	Annual Rate	Employees	%	Employees	Office/Industrial	Industrial/Office
	2015	of Total	2015-2050 ⁽¹⁾	2050	of Total	Added/(Lost)	Space ⁽²⁾	Users
Retail Trade	7,515	9.0%	1.5%	12,654	7.9%	5,139	0%	0
Professional and Business Services	30,679	36.9%	2.5%	72,808	45.4%	42,129	75%	31,597
Educational and Health Services	5,267	6.3%	1.5%	8,869	5.5%	3,602	5%	180
Finance, Insurance, and Information	6,518	7.8%	1.5%	10,976	6.9%	4,458	35%	1,560
Transportation, Warehousing, and Wholesale	6,696	8.1%	1.5%	11,275	7.0%	4,579	75%	3,434
Manufacturing	11,800	14.2%	1.5%	19,870	12.4%	8,070	75%	6,053
Construction	5,347	6.4%	2.0%	10,693	6.7%	5,346	5%	267
Natural Resources and Mining	49	0.1%	0.0%	49	0.0%	0	5%	0
Other Services	<u>9,182</u>	<u>11.1%</u>	<u>1.0%</u>	<u>13,007</u>	<u>8.1%</u>	<u>3,825</u>	<u>30%</u>	<u>1,148</u>
Total Employment	83,053	100.0%	1.9%	160,201	100.0%	77,148	57%	44,239 Employees
Number of SF Per Employee								<u>350</u> SF ⁽³⁾
Total Employment Demand, 2015-2050								15,484,000 SF
(Less) Demand from 2015 to 2019								<u>(1,770,000)</u> SF ⁽⁴⁾
Total Employment Demand, 2019-2050								13,714,000 SF

(1) KMA estimate based on review of annual growth rates in San Diego County for each employment category.

(2) KMA assumption.

(3) KMA assumption. Reflects weighted average industry standard employment for office, industrial, and research and development uses with respect to current supply in the CPA.

(4) Reflects projected average annual growth rate over a 4-year period.

Source: U.S. Census - OnTheMap Work Area Profile.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/San Diego_Mira Mesa University_Market Analysis_v3_05 13 19;5/13/2019;mdt

TABLE B-3

RETAIL SURPLUS/LEAKAGE - 2-MILE TRADE RING
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

2-Mile Trade Ring ⁽¹⁾			
I. Population	57,717		
<hr/>			
	Demand <u>(Retail Expenditure)</u> ⁽²⁾	Supply <u>(Retail Sales)</u> ⁽³⁾	Retail <u>Surplus/(Leakage)</u>
II. Retail Surplus/(Leakage)			
General Merchandise Stores	\$135,076,000	\$53,953,000	(\$81,123,000)
Electronics & Appliance Stores	\$30,520,000	\$119,525,000	\$89,005,000
Food Services & Drinking Places	\$90,173,000	\$94,843,000	\$4,670,000
Sporting Goods, Hobby, Musical Instrument Stores	\$26,207,000	\$28,014,000	\$1,807,000
Clothing & Clothing Accessories Stores	\$60,050,000	\$52,331,000	(\$7,719,000)
Furniture & Home Furnishing Stores	\$30,551,000	\$111,903,000	\$81,352,000
Miscellaneous Store Retailers	\$30,010,000	\$49,369,000	\$19,359,000
Building Materials, Garden Equipment & Supply Stores	\$48,551,000	\$73,166,000	\$24,615,000
Health & Personal Care Stores	\$54,743,000	\$85,294,000	\$30,551,000
Food & Beverage Stores	<u>\$129,771,000</u>	<u>\$64,142,000</u>	<u>(\$65,629,000)</u>
Total ⁽⁴⁾	\$635,652,000	\$732,540,000	\$96,888,000 15% Surplus
Per Capita	\$11,000	\$13,000	\$2,000

(1) Reflects a 2-mile radius from Mira Mesa Boulevard and Dabney Drive.

(2) Reflects the expected amount spent by consumers at retail establishments.

(3) Reflects sales to consumers by retail establishments. Sales to businesses are excluded.

(4) Excludes gasoline stations, non-store retailers, and motor vehicle & parts dealers.

Source: Esri, Business Analyst Online.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/San Diego_Mira Mesa University_Market Analysis_v3_05 13 19;5/13/2019;mdt

TABLE B-4

RETAIL SURPLUS/LEAKAGE - 4-MILE TRADE RING
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

4-Mile Trade Ring ⁽¹⁾			
I. Population	154,888		
<hr/>			
	Demand <u>(Retail Expenditure)</u> ⁽²⁾	Supply <u>(Retail Sales)</u> ⁽³⁾	Retail <u>Surplus/(Leakage)</u>
II. Retail Surplus/(Leakage)			
General Merchandise Stores	\$426,753,000	\$73,140,000	(\$353,613,000)
Electronics & Appliance Stores	\$95,622,000	\$220,129,000	\$124,507,000
Food Services & Drinking Places	\$286,926,000	\$244,201,000	(\$42,725,000)
Sporting Goods, Hobby, Musical Instrument Stores	\$82,902,000	\$56,900,000	(\$26,002,000)
Clothing & Clothing Accessories Stores	\$189,396,000	\$146,881,000	(\$42,515,000)
Furniture & Home Furnishing Stores	\$97,676,000	\$201,991,000	\$104,315,000
Miscellaneous Store Retailers	\$94,761,000	\$86,651,000	(\$8,110,000)
Building Materials, Garden Equipment & Supply Stores	\$155,556,000	\$167,190,000	\$11,634,000
Health & Personal Care Stores	\$170,987,000	\$203,795,000	\$32,808,000
Food & Beverage Stores	<u>\$407,601,000</u>	<u>\$227,363,000</u>	<u>(\$180,238,000)</u>
Total ⁽⁴⁾	\$2,008,180,000	\$1,628,241,000	(\$379,939,000) -19% Leakage
Per Capita	\$13,000	\$11,000	(\$2,000)

(1) Reflects a 4-mile radius from Mira Mesa Boulevard and Dabney Drive.

(2) Reflects the expected amount spent by consumers at retail establishments.

(3) Reflects sales to consumers by retail establishments. Sales to businesses are excluded.

(4) Excludes gasoline stations, non-store retailers, and motor vehicle & parts dealers.

Source: Esri, Business Analyst Online.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/San Diego_Mira Mesa University_Market Analysis_v3_05 13 19;5/13/2019;mdt

TABLE B-5

RETAIL SURPLUS/LEAKAGE - 6-MILE TRADE RING
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

6-Mile Trade Ring ⁽¹⁾			
I. Population	345,737		
<hr/>			
	Demand <u>(Retail Expenditure)</u> ⁽²⁾	Supply <u>(Retail Sales)</u> ⁽³⁾	Retail <u>Surplus/(Leakage)</u>
II. Retail Surplus/(Leakage)			
General Merchandise Stores	\$1,077,431,000	\$449,865,000	(\$627,566,000)
Electronics & Appliance Stores	\$241,966,000	\$349,938,000	\$107,972,000
Food Services & Drinking Places	\$724,602,000	\$567,466,000	(\$157,136,000)
Sporting Goods, Hobby, Musical Instrument Stores	\$209,184,000	\$161,741,000	(\$47,443,000)
Clothing & Clothing Accessories Stores	\$479,274,000	\$359,648,000	(\$119,626,000)
Furniture & Home Furnishing Stores	\$247,803,000	\$305,738,000	\$57,935,000
Miscellaneous Store Retailers	\$240,615,000	\$165,719,000	(\$74,896,000)
Building Materials, Garden Equipment & Supply Stores	\$399,814,000	\$347,228,000	(\$52,586,000)
Health & Personal Care Stores	\$435,861,000	\$428,375,000	(\$7,486,000)
Food & Beverage Stores	<u>\$1,029,429,000</u>	<u>\$732,588,000</u>	<u>(\$296,841,000)</u>
Total ⁽⁴⁾	\$5,085,979,000	\$3,868,306,000	(\$1,217,673,000) -24% Leakage
Per Capita	\$15,000	\$11,000	(\$4,000)

(1) Reflects a 6-mile radius from Mira Mesa Boulevard and Dabney Drive.

(2) Reflects the expected amount spent by consumers at retail establishments.

(3) Reflects sales to consumers by retail establishments. Sales to businesses are excluded.

(4) Excludes gasoline stations, non-store retailers, and motor vehicle & parts dealers.

Source: Esri, Business Analyst Online.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/San Diego_Mira Mesa University_Market Analysis_v3_05 13 19;5/13/2019;mdt

TABLE B-6

SALES EXPORT RECAPTURE POTENTIAL
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

	Current Estimated Sales Export ⁽¹⁾	Estimated Recapture Rate		Assumed Sales Productivity Per SF Per Year	Potential Recapture of Retail Space	
		<u>Low</u>	<u>High</u>		<u>Low</u>	<u>High</u>
I. 4-Mile Trade Ring						
General Merchandise Stores	(\$353,613,000)	10%	15%	\$350 /SF	101,000 SF	152,000 SF
Food Services & Drinking Places	(\$42,725,000)	10%	20%	\$450 /SF	9,000 SF	19,000 SF
Sporting Goods, Hobby, Musical Instrument Stores	(\$26,002,000)	5%	10%	\$350 /SF	4,000 SF	7,000 SF
Clothing & Clothing Accessories Stores	(\$42,515,000)	5%	10%	\$400 /SF	5,000 SF	11,000 SF
Miscellaneous Store Retailers	(\$8,110,000)	5%	10%	\$350 /SF	1,000 SF	2,000 SF
Food & Beverage Stores	<u>(\$180,238,000)</u>	10%	15%	\$450 /SF	<u>40,000</u> SF	<u>60,000</u> SF
Total	(\$653,203,000)				160,000 SF	251,000 SF

(1) Source: Esri, Business Analyst Online.

TABLE B-7

AGGREGATE ANNUAL INCOME FROM PROJECTED RESIDENTIAL DEVELOPMENT - LOW
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

Projected Residential Development, Through 2050			
	<u>Single-Family Households</u>	<u>Multi-Family For-Sale Households</u>	<u>Multi-Family Rental Households</u>
I. Number of Households			
Number of Units ⁽¹⁾	450	3,150	5,400
Average Occupancy Rate	94.0%	94.0%	94.0%
Number of Occupied Households	423	2,961	5,076
II. Home Value			
Market Value Per Unit	\$800,000	\$500,000	---
Monthly Rent	---	---	\$2,500
III. Minimum Income Required (Rounded) ⁽²⁾	\$166,000	\$108,000	\$86,000
IV. Aggregate Annual Income	\$70,218,000	\$319,788,000	\$436,536,000

(1) KMA estimate based on historic population growth trends in Table A-2.

(2) KMA estimate of minimum household income required, assumes:

% of Income Spent on Housing Costs	35%
Housing Costs to include:	
Monthly Mortgage Payment @	
Down payment	10%
Interest Rate	4.5%
Term (Years)	30
Property Tax	1.25% of Value
HOA Fees (Per Month)	\$350 /Month

TABLE B-8

**RETAIL SPACE SUPPORTED BY PROJECTED RESIDENTIAL DEVELOPMENT - LOW
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO**

I. Total Annual Aggregate Income		
Single-Family Households		\$70,218,000
Multi-Family For-Sale Households		\$319,788,000
Multi-Family Rental Households		<u>\$436,536,000</u>
Total Annual Aggregate Income		\$826,542,000
II. Aggregate Annual Income Spent on Retail Expenditures (1)	25%	\$206,636,000
III. Spending Captured in Mira Mesa CPA	35%	\$72,323,000
IV. Estimated Sales Productivity per SF per Year		\$450 /SF
V. Estimate of Retail Space Supported by New Households		161,000 SF

(1) KMA estimate, based on review of current and historical retail expenditure patterns, relative to personal income, in the City and County.

TABLE B-9

AGGREGATE ANNUAL INCOME FROM PROJECTED RESIDENTIAL DEVELOPMENT - HIGH
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO

Projected Residential Development, Through 2050			
	<u>Single-Family Households</u>	<u>Multi-Family For-Sale Households</u>	<u>Multi-Family Rental Households</u>
I. Number of Households			
Number of Units ⁽¹⁾	915	6,405	10,980
Average Occupancy Rate	95.0%	95.0%	95.0%
Number of Occupied Households	869	6,085	10,431
II. Home Value			
Market Value Per Unit	\$800,000	\$500,000	---
Monthly Rent	---	---	\$2,500
III. Minimum Income Required (Rounded) ⁽²⁾	\$166,000	\$108,000	\$86,000
IV. Aggregate Annual Income	\$144,254,000	\$657,180,000	\$897,066,000

(1) KMA estimate based on historic population growth trends in Table A-2.

(2) KMA estimate of minimum household income required, assumes:

% of Income Spent on Housing Costs	35%
Housing Costs to include:	
Monthly Mortgage Payment @	
Down payment	10%
Interest Rate	4.5%
Term (Years)	30
Property Tax	1.25% of Value
HOA Fees (Per Month)	\$350 /Month

TABLE B-10

**RETAIL SPACE SUPPORTED BY PROJECTED RESIDENTIAL DEVELOPMENT - HIGH
MIRA MESA COMMUNITY PLAN UPDATE
CITY OF SAN DIEGO**

I. Total Annual Aggregate Income		
Single-Family Households		\$144,254,000
Multi-Family For-Sale Households		\$657,180,000
Multi-Family Rental Households		<u>\$897,066,000</u>
Total Annual Aggregate Income		\$1,698,500,000
II. Aggregate Annual Income Spent on Retail Expenditures (1)	30%	\$509,550,000
III. Spending Captured in Mira Mesa CPA	40%	\$203,820,000
IV. Estimated Sales Productivity per SF per Year		\$450 /SF
V. Estimate of Retail Space Supported by New Households		453,000 SF

(1) KMA estimate, based on review of current and historical retail expenditure patterns, relative to personal income, in the City and County.

TABLE B-11

RETAIL SPACE SUPPORTED BY NEW EMPLOYEES - LOW
MIRA MESA COMMUNITY PLAN UPDATE
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I.	Total New Employees (Table B-1)	31,176 Employees
II.	Estimated Employee Retail Expenditures per Year ⁽¹⁾	\$6,990
III.	Total Annual Retail Expenditures by New Employees	\$217,918,000
	Estimated Sales Per SF	\$500 /SF
	Capture in Mira Mesa CPA @	40%
IV.	Total Retail Space Demand from New Employees	174,000 SF

(1) Based on data provided by ICSC Office Worker Retail Spending report, 2011. Adjusted by KMA to reflect 2019 dollars.

TABLE B-12

RETAIL SPACE SUPPORTED BY NEW EMPLOYEES - HIGH
MIRA MESA COMMUNITY PLAN UPDATE
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I.	Total New Employees (Table B-2)	44,239 Employees
II.	Estimated Employee Retail Expenditures per Year (1)	\$6,990
III.	Total Annual Retail Expenditures by New Employees	\$309,229,000
	Estimated Sales Per SF	\$500 /SF
	Capture in Mira Mesa CPA @	50%
IV.	Total Retail Space Demand from New Employees	309,000 SF

(1) Based on data provided by ICSC Office Worker Retail Spending report, 2011. Adjusted by KMA to reflect 2019 dollars.

TABLE B-13

**ESTIMATE OF RETAIL SPACE DEMAND, THROUGH 2050
MIRA MESA COMMUNITY PLAN UPDATE
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I. Estimated Retail Space Demand by Source		<u>Low</u>	<u>High</u>
Recapture of Retail Sales Leakage		160,000 SF	251,000 SF
Demand from New Residents		161,000 SF	453,000 SF
Demand from Employees		<u>174,000</u> SF	<u>309,000</u> SF
Subtotal - Estimated Retail Space Demand		495,000 SF	1,013,000 SF
Add: Estimate of Demand from Beyond Trade Ring as % of Locally Supported Demand @	10%	<u>50,000</u> SF	<u>101,000</u> SF
II. Total Estimated Retail Space Demand, 2019-2050		545,000 SF	1,114,000 SF

LIMITING CONDITIONS

1. The analysis contained in this document is based, in part, on data from secondary sources such as state and local government, planning agencies, real estate brokers, and other third parties. While KMA believes that these sources are reliable, we cannot guarantee their accuracy.
2. The analysis assumes that neither the local nor national economy will experience a major recession. If an unforeseen change occurs in the economy, the conclusions contained herein may no longer be valid.
3. The findings are based on economic rather than political considerations. Therefore, they should be construed neither as a representation nor opinion that government approvals for development can be secured.
4. Market feasibility is not equivalent to financial feasibility; other factors apart from the level of demand for a land use are of crucial importance in determining feasibility. These factors include the cost of acquiring sites, relocation burdens, traffic impacts, remediation of toxics (if any), and mitigation measures required through the approval process.
5. Development opportunities are assumed to be achievable during the specified time frame. A change in development schedule requires that the conclusions contained herein be reviewed for validity.
6. The analysis, opinions, recommendations and conclusions of this document are KMA's informed judgment based on market and economic conditions as of the date of this report. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained herein should not be relied upon as sole input for final business decisions regarding current and future development and planning.