

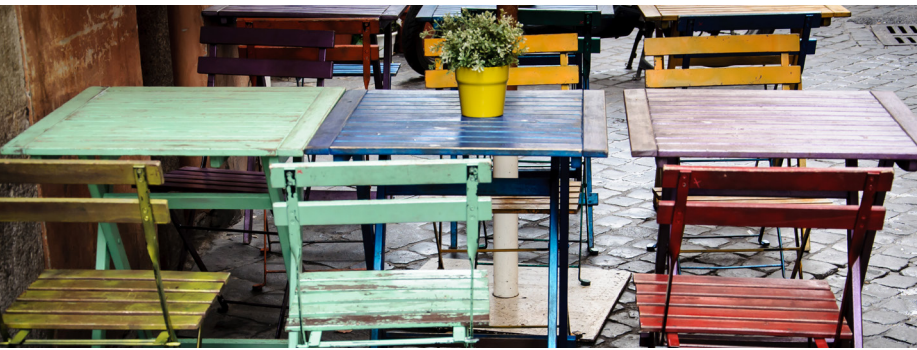
RETAIL ANALYSIS OF COUNCIL DISTRICT 4



CITY OF SAN DIEGO
FEBRUARY 2015



PRODUCED BY:



> \$1 BILLION OF RETAIL OPPORTUNITY IN DISTRICT 4

RETAIL ANALYSIS

San Diego City Council District 4 presents an immense opportunity for profit-minded retailers and investors. Research shows that residents of District 4 have significant aggregate purchasing power, but they make majority of their purchases outside of District 4, indicating a clear opportunity for investment within the district to fill the gaps.

According to data from the Nielsen Group, District 4 residents spent more than \$1.9 billion on retail purchases in 2014. All sales made within the district, however, totaled only \$889.6 million in the same year. This represents an unmet demand of more than a billion dollars—an apparent opportunity for investors.

When restricting the boundaries of analysis to such a relatively small geography, we naturally accept that residents inside of District 4 will have to make some retail purchases outside of district boundaries. Likewise, we expect that some amount of visitors from outside districts and cities will make purchases in the district, as District 4 is home to the second most used intermodal station (at Euclid and Market) in the entire MTS system—second only to the international border crossing.

However, the magnitude of unmet demand is beyond this natural expectation. The total dollar value of purchases made within District 4 (by residents of any district or city) was less than half of the total spent by District 4 residents (in or out of District 4).

Further, this excess demand from district residents is constant across the spectrum of retail merchandise lines. A sample of lines representing the highest unmet demand within the district includes:

- Groceries: \$161.3 million
- Restaurants: \$104.1 million
- Drugs, Health and Beauty Aids: \$83.5 million
- Automotive Fuels/Lubricants: \$78.0 million
- Apparel Stores: \$58.3 million

These observations reasonably indicate that more of this money would be spent by District 4 residents in District 4 if these residents had a broader array of stores at which to shop.

KEY FACTS

District 4 residents spent more than **\$1.9 BILLION** on retail goods in 2014.

Residents spent more than **TWO TIMES** as much as was supplied within District 4.

Basic needs like **FOOD, APPAREL** and **HEALTH AIDS** represented **MORE THAN A THIRD** of the unmet retail opportunities in District 4.

More than **2,900 HOUSEHOLDS** in District 4 **DO NOT HAVE A CAR**—meaning it is critically important for retail suppliers to be geographically **ACCESSIBLE**.

DEMOGRAPHIC PROFILE

POPULATION

2014 Estimate	153,294
2019 Projection	157,449
%Growth 2014-2019	2.7%

HOUSEHOLDS

2014 Estimate	43,433
2019 Projection	44,819
%Growth 2014-2019	3.2%

AGE DISTRIBUTION

Under 18	26.5%
18-24	10.7%
25-34	15.2%
35-44	12.5%
45-54	12.6%
55-64	11.3%
65 and Up	11.1%
Median Age	33.4

Source: The Nielsen Group

	Annual Demand: Total Purchases Made By District 4 Residents	Annual Supply: Total Purchases Made Within District 4	Opportunity: Unmet Demand (Dollars)	Opportunity: Unmet Demand (Percentage)
Total Retail Sales	\$1,925,426,749	\$889,580,277	\$1,035,846,472	53.8%
Merchandise Lines				
Groceries and Other Foods	\$361,495,892	\$200,231,315	\$161,264,577	44.6%
Packaged Liquor/Wine/Beer	\$36,715,582	\$6,699,003	\$30,016,579	81.8%
Food Store Total	\$398,211,474	\$206,930,318	\$191,281,156	48.0%
Meals and Snacks	\$168,593,241	\$67,907,196	\$100,686,045	59.7%
Alcoholic Drinks	\$7,627,728	\$4,260,844	\$3,366,884	44.1%
Restaurant Total	\$176,220,969	\$72,168,040	\$104,052,929	59.0%
Drugs, Health Aids and Beauty Aids	\$184,258,356	\$100,777,563	\$83,480,793	45.3%
Men's Wear	\$49,391,141	\$35,367,285	\$14,023,856	28.4%
Women's, Juniors' and Misses' Wear	\$84,399,855	\$61,767,984	\$22,631,871	26.8%
Children's Wear	\$41,101,787	\$38,342,818	\$2,758,969	6.7%
Footwear	\$37,814,931	\$18,927,335	\$18,887,596	49.9%
Apparel Total	\$212,707,714	\$154,405,422	\$58,302,292	27.4%
Major Household Appliances	\$10,041,129	\$6,146,916	\$3,894,213	38.8%
Small Electric Appliances	\$3,754,126	\$2,411,866	\$1,342,260	35.8%
Televisions, Video Recorders, Video Cameras	\$18,387,739	\$6,852,545	\$11,535,194	62.7%
Audio Equipment, Musical Instruments	\$15,543,221	\$5,913,580	\$9,629,641	62.0%
Computer Hardware, Software and Supplies	\$29,233,450	\$12,602,784	\$16,630,666	56.9%
Photographic Equipment and Supplies	\$4,126,908	\$4,148,284	-\$21,376	-0.5%
Electronics Total	\$81,086,573	\$38,075,975	\$43,010,598	53.0%
Furniture and Sleep Equipment	\$30,186,987	\$9,714,728	\$20,472,259	67.8%
Kitchenware and Home Furnishings	\$33,803,794	\$16,096,888	\$17,706,906	52.4%
Curtains, Draperies, Blinds, Slipcovers, Etc.	\$17,026,583	\$12,505,978	\$4,520,605	26.6%
Home Goods Total	\$81,017,364	\$38,317,594	\$42,699,770	52.7%
Flooring and Floor Coverings	\$8,611,756	\$2,874,420	\$5,737,336	66.6%
Hardware, Tools, Plumbing, Electrical	\$10,087,450	\$2,718,944	\$7,368,506	73.0%
Lumber and Building Materials	\$6,361,531	\$1,512,815	\$4,848,716	76.2%
Paint and Sundries	\$2,787,634	\$1,127,462	\$1,660,172	59.6%
Home Improvement Total	\$27,848,371	\$8,233,641	\$19,614,730	70.4%
Books	\$25,430,124	\$15,839,843	\$9,590,281	37.7%
Jewelry	\$23,848,846	\$2,531,875	\$21,316,971	89.4%
Sporting Goods	\$15,157,197	\$4,384,210	\$10,772,987	71.1%
Optical Goods	\$9,683,796	\$4,558,877	\$5,124,919	52.9%
Toys, Hobby Goods and Games	\$29,242,884	\$16,257,235	\$12,985,649	44.4%
Automotive Fuels/Lubricants	\$135,178,174	\$57,209,192	\$77,968,982	57.7%
All Other	\$525,534,907	\$169,890,492	\$355,644,415	67.7%

PREPARED FOR

Office of Councilmember
Myrtle Cole
Fourth Council District
City of San Diego

202 C Street, 10th Floor
San Diego, CA 92101

619.236.6644

sandiego.gov/citycouncil/cd4

The Jacobs Center
for Neighborhood
Innovation

404 Euclid Avenue
San Diego, CA 92114

619.572.6161

jacobscenter.org

AUTHORED BY

San Diego Regional
Economic Development
Corporation

530 B Street, 7th Floor
San Diego, CA 92101

619.615.8484

sandiegobusiness.org



Photo Credits
Cover left: ornellopics | flic.kr/p/aEpehX
Cover right: Luke Chesser
Page 2: Fred_78 | flic.kr/p/dDv5W3