

Investment Opportunity Flyer

MAIN STREET MOTEL

3494 MAIN STREET, SAN DIEGO, CA 92113

 **Price**
\$1,950,000

 **Rooms**
27

 **Lot Size**
0.51 AC

 **Buildings**
4

 **Property Condition**
Closed

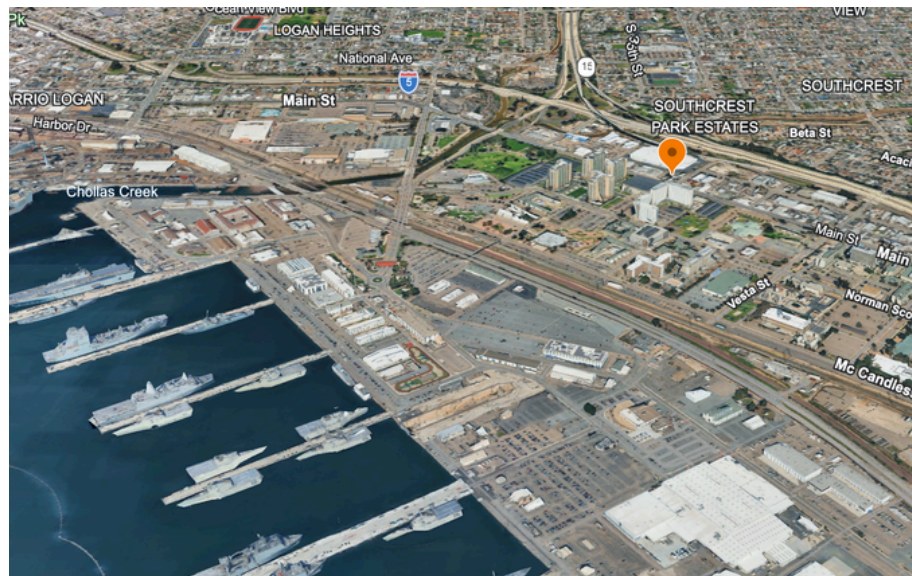
Property Description

The Main Street Motel is a former 27-room, two-story independent economy hotel located in San Diego's South/East submarket, offering strong visibility along Main Street and convenient access to Interstate 5, public transit, and San Diego International Airport. Situated on a 0.51-acre urban lot with IH-1-1 zoning, the property features exterior corridor access, surface parking, and a functional layout, positioning it well within a high-demand and evolving area.

Currently closed, the property presents a compelling repositioning opportunity for investors and developers. Located within an Opportunity Zone, the asset offers potential for redevelopment, conversion to a recognized hotel brand, or renovation to maximize the site's potential. The property is permit-ready, with asbestos abatement and demolition work already completed and approved by city inspection, allowing a buyer to begin renovation immediately.

Investment Highlights

- Former 27 room motel ready for immediate renovation
- Asbestos abatement and demolition work completed
- Located in a federal Opportunity Zone with IH-1-1 zoning
- Minutes to Pacific Fleet Trolley, easy access to downtown, and just 1.7 miles from the Naval Base



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Location Description

San Diego, California is a premier coastal market known for its strong tourism industry, year-round temperate climate, and diverse economy. The city attracts millions of visitors annually with its beaches, attractions like the San Diego Zoo and Balboa Park, and vibrant downtown. Key industries such as biotechnology, healthcare, defense, and international trade further support long-term economic stability.

The South/East San Diego submarket provides a more accessible entry point while benefiting from the city's overall growth. With close proximity to Interstate 5, public transit, and San Diego International Airport, the area offers strong connectivity to major demand drivers. Continued development and demand for affordable accommodations position this submarket as an emerging investment opportunity.

SWOT Analysis

STRENGTHS

Strategic Urban Location:

High visibility along Main Street with convenient access to Interstate 5, public transit, and San Diego International Airport.

Strong Submarket

Fundamentals: Located in a growing, affordable submarket with consistent demand and positive RevPAR trends.

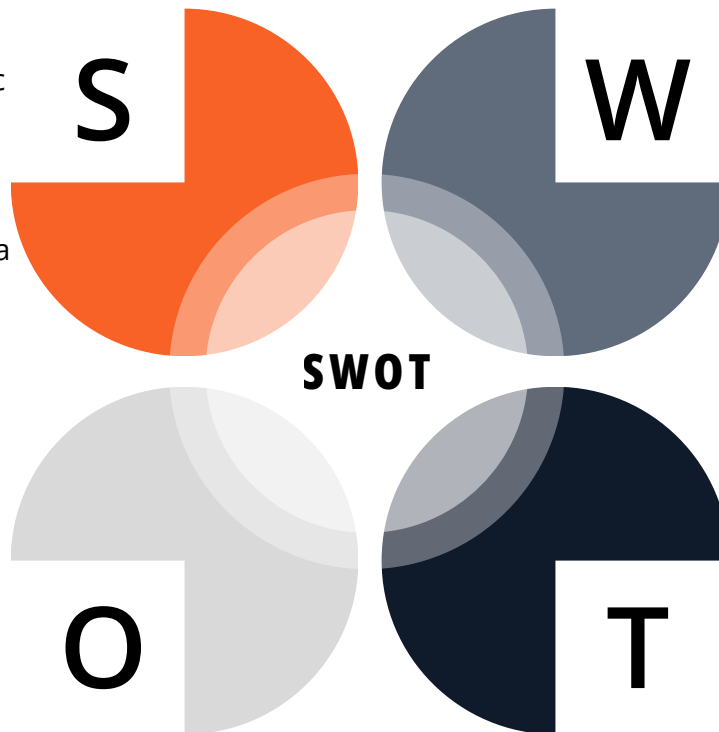
OPPORTUNITIES

Flexible Redevelopment

Potential: Can be repositioned under a national brand or redeveloped to maximize site value.

Opportunity Zone

Advantage: Located in an Opportunity Zone with limited new construction, supporting long-term upside.



WEAKNESSES

Capital Intensive

Repositioning: Currently closed and requires significant investment for renovation, rebranding, or redevelopment.

Outdated Asset Design:

Built during the 1970s with exterior corridors, which may limit competitiveness against newer properties.

THREATS

Supply Growth Pressure:

Recent influx of new hotel rooms has contributed to short-term occupancy softening.

Competitive Market

Landscape: Nearby branded and higher-quality hotels may capture a larger share of demand.

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Submarket Performance

**Data is from March 2026.*

INVENTORY	SUBMARKET MIDSCALE & ECONOMY	SUBMARKET
Inventory Rooms	4,358	9,317
Existing Buildings	87	117
Under Construction Rooms	0	160
Under Construction Buildings	0	1

SALES	SUBMARKET MIDSCALE & ECONOMY	SUBMARKET
12 Mo Transactions	2	2
12 Mo Sales Volume	\$10.6M	\$10.6M
Market Sale Price/Room	\$163K	\$223K
Market Cap Rate	7.7%	7.7%

PERFORMANCE	SUBMARKET MIDSCALE & ECONOMY	SUBMARKET	FORECAST AVERAGE
12 Mo Occupancy	70.9%	70.6%	73.7%
12 Mo ADR	\$96.29	\$165.98	\$192
12 Mo RevPAR	\$68.22	\$117.19	\$142

San Diego South/East comprises 120 hotel properties, which contain around 9,300 rooms. Among the subtypes, there are 2,500 Luxury & Upper Upscale rooms, 2,400 Upscale & Upper Midscale rooms, and 4,400 Midscale & Economy rooms in San Diego South/East.

The submarket maintains solid performance fundamentals, with occupancy around 70% and steady ADR growth, reflecting stable demand despite recent supply increases. While a recent influx of new room deliveries has led to slight short-term occupancy softening, the market continues to demonstrate resilience through positive RevPAR trends. Supported by consistent demand, limited ongoing construction, and its position as a more affordable alternative within San Diego, the submarket is well-positioned for sustained long-term growth.

