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Gaylord Pacific Launches Historic Hotel Expansion in San Diego

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The highly anticipated opening of the Gaylord Pacific Resort & Convention Center in Chula Vista has propelled San Diego County to a record-setting surge in hotel development, offering a rare bright spot in an otherwise sluggish construction climate across California.

The 1,600-room mega-resort, which began welcoming guests in early 2025, represents the largest hotel to open in the state in more than three decades, according to a new report by

the Orange County-based Atlas Hospitality Group. This single project was largely responsible for the 849% jump in new hotel rooms in San Diego County during the first half of the year. While other smaller properties also came online, the 40-room Bower in Coronado and the 59-room Kasa hotel near Little Italy, the Gaylord Pacific Resort dwarfed them all in scale and economic impact.

Atlas Hospitality Group, a research firm that regularly tracks hospitality real estate, noted that the Gaylord Pacific alone accounted for more than half of the 135% statewide increase in newly opened hotel rooms through June. Alan Reay, President of Atlas Hospitality Group, cautioned that this impressive growth should be viewed in context. “For the past three years, we had a decline in hotel openings, so it didn’t take much to show an increase,” Reay explained. He emphasized that many of the recently completed projects began during a period when interest rates were low, building costs were more predictable, and access to construction financing was significantly easier, conditions that have since evaporated.

Indeed, despite the headline-grabbing debut of the Gaylord, the broader picture points to persistent challenges. Across California, the number of hotel rooms under construction fell by 21% compared to the same time last year, dropping from 15,542 rooms in 123 projects to just 12,213 rooms across 99 projects. San Diego County’s decline was even steeper, with a 55% reduction driven by the completion of Gaylord’s extensive build-out.

While state and local officials often tout large-scale hospitality investments as proof of economic strength, the underlying slowdown in new development underscores ongoing uncertainty in the market. Rising borrowing costs, labor shortages, and more restrictive lending policies are making it harder for developers to break ground on new projects. This reality poses a challenge for future growth, particularly as the current labor-aligned administration in Sacramento continues to expand costly regulations that hamper business confidence.

Even so, the Gaylord Pacific Resort & Convention Center’s opening has delivered a significant economic boost to Chula Vista and the greater San Diego area, generating hundreds of permanent jobs and reinforcing the region’s standing as a major tourism hub. Whether this project is a sign of resilience or simply an anomaly in an increasingly constrained market remains to be seen.