

Urban Building in San Diego

About 10 years ago, San Diego was just beginning to emerge from its suburban-dominated existence defined by a tapestry of “villages.” There was no true urban core that brought together arts, culture, business and residential activity. Today, that has all changed, primarily in downtown San Diego. Tens of thousands of San Diegans now call downtown home. When the economy was strong, you could count more than a dozen building cranes busily creating more residential towers that redefined the San Diego skyline. This energy, fueled by private and public reinvestment and civic leadership, was contagious and spurred some urban activity in other cities like Escondido, Oceanside and El Cajon.

Today, after years of adapting to a punishing economic reality including a drastic change in the availability of development financing, we are starting to see a small resurgence of activity in these areas.

Sudberry Properties has a new urban project in Mission Valley called [Civita](#) (formerly Quarry Falls). It is a 230-acre mixed-use infill community with attainable housing, village shops, businesses, and access to San Diego’s light rail system. It includes a Civic Center with a plaza, and an amphitheater for public events, and will eventually have 4,780 diversely-priced homes, including single-family homes, condominiums, townhomes, apartments, live/work homes, flats, row homes, as well as homes for seniors. In addition, it will provide almost one million square feet of office and retail space for shops and restaurants on the site.

Sudberry’s Marco Sessa sees infill development in urban areas as the future for San Diego housing. He also stresses the need for continued education and outreach among city officials and planners to make that a reality. “Decision makers are looking at urban infill to satisfy the regions housing need, but while higher density is often on paper in plans for some cities, others are not zoning as they should because it isn’t politically palatable,” added Sessa.

Russ Haley, of [Citymark Development](#), describes the urban product of the near future as “suburban infill” low-rise developments. “As the market begins to rebound, you will see more of this kind of development because it is less costly to build, can be phased, provides a more affordable option for the consumer and is easier for the builder to finance,” said Haley.

Haley is confident that urban high-rise development will return to San Diego, but cautions that it will take a few more years. In the meantime, Citymark is focusing on its new project in Leucadia – 10 single family detached homes that offer a pedestrian living environment.

Mike Neal, of [H.G. Fenton Co.](#), a company with a deep history in Mission Valley urban development, described urban building in the San Diego area as “a tremendous opportunity to meet the housing needs of San Diegans while revitalizing the region's aging neighborhoods.” He called upon the civic leaders to embrace higher density, multi-family housing and to be flexible, creative, and open-minded when crafting policies that govern the process so builders and city officials can both achieve their goals.



MARKET AT-A-GLANCE

Altogether, in the county, there are currently 22 active projects considered “urban.” *This is being defined as a community where the focus is in downtown or an uptown center, and development is generally infill. They are densely populated and have emerging urban centers.*

While most projects (13) are in downtown San Diego, some revitalization is occurring in Oceanside, Escondido and El Cajon. Urban development is also occurring in Coronado (1), Hillcrest (3), Mission Beach (1), North Park (1), 1 Oceanside (1), and Pacific Beach (2). Combined, they offer 2,678 units. To date, 1,691 have sold total, with 138 in 1st Q of 2010. Outside downtown San Diego, which is mostly high-rise, the projects are primarily low-rise.

Where the Demand Is

According to Russ Valone, of [MarketPointe Realty Advisors](#), San Diego’s middle class needs more low-rise and medium density attached housing. “Cities try to push too much high-density which is very expensive to build. But the real demand is in the 25-35 unit to the acre product such as three-story town homes, or a combination of townhomes and flats with surface parking. These are the family product of the future in urban cores,” said Russ Valone, CEO of MarketPointe. He also stressed that planners need to think of an “urban core” in broader terms.

PRICE, SIZE AND SALES

CURRENT URBAN PROJECTS

(Weighted Avg Price & attached product only)

OCEANSIDE

\$581,615

1,297 s.f.

Sold 1st Q - 8

NORTH PARK

List price \$234,000

748 s.f. (conversion)

Sold 1st Q – 0

PACIFIC BEACH

List Price \$707,000

1,500 s.f.

Sold 1st Q – 0



PRICE, SIZE AND SALES continued
CURRENT URBAN PROJECTS
(Weighted Avg Price & attached product only)

MISSION BEACH

\$1.18 million
1,675 s.f.
Sold 1st Q – 0

CORONADO

\$1.4 million
2,248 s.f.
Sold 1st Q – 0

Downtown Collectively

\$508,500
1,130 s.f.
Sold 1st Q –112

Downtown SD-COLUMBIA

\$739,740
1,488 s.f.
Sold 1st Q - 31

Downtown SD -CORTEZ HILL

\$519,386
1,135 s.f.
Sold 1st Q - 7

Downtown SD -EAST VILLAGE

\$465,389
1,003 s.f.
Sold 1st Q - 1

Downtown SD -LITTLE ITALY

\$479,600
1,032 s.f.
Sold 1st Q - 9

Downtown SD -MARINA

\$333,857
872 s.f.
Sold 1st Q - 7

Downtown SD -SAN DIEGO CORE

\$266,776
940 s.f.
Sold 1st Q - 15

HILLCREST

\$625,900
1,468 s.f.
Sold 1st Q - 9

