

Appendix B. Market Assessment of Increased Housing Density

**Market Assessment of Increased Housing Density
Transit Opportunity Area (TOA) Assessment
County of San Diego**

Keyser Marston Associates, Inc.
April 30, 2026



I. INTRODUCTION

As part of a Transit Opportunity Area (TOA) assessment planning effort, the County of San Diego (County) requested that Keyser Marston Associates, Inc. (KMA) assess overall market potential of increased housing density in select areas in the unincorporated area of the County. This report consolidates the findings of two (2) separate KMA market assessments conducted in 2024 and 2025, respectively, to provide a comprehensive evaluation of residential development potential across all studied TOAs.

The 2024 assessment evaluated three (3) community planning areas (CPA): North County Metro East, Sweetwater, and Otay. The 2025 assessment expanded the scope to seven (7) additional areas: Alpine/Crest/Dehesa/Jamul, Fallbrook, Lakeside, North County Metro North, Ramona, Spring Valley, and Valley Center. Together, these two studies provide financial feasibility findings across ten (10) TOAs within the unincorporated County. As the assessments were conducted in separate years, County-level benchmarks reflect 2024 and 2025 data, respectively, as presented in each report's appendix tables.

In both assessments, the TOA parcels were identified by Intersecting Metrics (IM) based on an index applied to parcels within a half-mile buffer of future transit lines. The parcels were then ranked on a points system to determine which parcels meet the minimum criteria to be considered a TOA parcel candidate. In order to assess whether the County should allow for increased density on select parcels within the TOAs, KMA prepared high-level assessments of market conditions impacting development of rental and for-sale housing product types.

II. METHODOLOGY

Based on a review of the current market factors impacting residential development, KMA evaluated market support for increased housing density. This analysis included a review of demographic characteristics such as median household income and population; projects currently under construction and in the pipeline; recent land sales for new development; proximity to transit and the prevalence of neighborhood amenities; and median sales prices for detached/attached single-family homes. KMA also reviewed the average year built, number of apartment units, and average effective monthly rents for multi-family properties.

It should be noted that KMA has not received nor reviewed information from the County related to building typology for residential projects in the pipeline in the various TOA trade rings. KMA also has not received nor reviewed information from the County related to the availability of water and sewer infrastructure in the various TOAs. We have made reasonable assumptions regarding which TOAs or sub-areas rely primarily on private wells and/or septic systems but have not independently verified these estimates.

Market demand was then evaluated across three timeframes -- near-term (0 to 5 years), mid-term (5 to 10 years), and long-term (10 to 20 years) -- using the following metrics: “strong” (highly likely to occur), “moderate” (likely to occur), and “weak” (unlikely to occur).

III. NATIONAL AND REGIONAL RESIDENTIAL TRENDS

At the national level, the housing market remains stable but is constrained by affordability challenges. Home prices are experiencing modest growth increases but interest rates are declining, which will increase buyer demand. The San Diego region is one of the highest priced real estate markets in the nation with the median single-family detached home priced at over a \$1 million (September 2025). Residential development continues to be adversely impacted by the high cost of land and construction materials, shortage of labor, and high interest rates. Sales volumes for detached and attached single-family homes are up from the prior year by 6.7% and 12.5%, respectively. The number of housing units on the market increased by 19% for detached homes and 45% for attached homes, since September 2024. These market indicators suggest strong buyer interest. High home prices demonstrate demand amid limited supply, while declining mortgage rates improve affordability, and encourage more buyers to enter the for-sale housing market. The resulting increase in sales volume confirms that activity remains elevated, reflecting confidence among buyers.

Conversely, San Diego’s rental market is constrained, reflecting limited new supply and strong regional demand. High home prices and borrowing costs have kept many potential buyers in the rental market. Median household income in the region is relatively strong compared to national levels, but rents have risen much faster, forcing many households to spend more than 30% of their income on housing. This affordability gap has made it increasingly difficult for middle-income and lower-income renters to secure housing without becoming cost burdened. The region’s strong employment base, desirable coastal location, and constrained land supply contribute to elevated rent levels well above the national median. Rents in the County are rising faster than the national average with an estimated average annual growth rate of 4% since 2024. Multi-family residential development vacancy was 5.0% in the third quarter of 2025, with an average asking monthly rent of \$2,459. Similar to for-sale housing trends, these indicators demonstrate strong demand for multi-family rental housing within the County.

IV. MARKET ASSESSMENT FOR INCREASED HOUSING DENSITY

The following section summarizes the KMA market assessment and key findings regarding the overall potential for increased housing density within each TOA.

Alpine/Crest/Dehesa/Jamul

In the near- to mid-term, the Alpine/Crest/Dehesa/Jamul TOA is expected to demonstrate weak market demand for higher-density housing due to the area’s rural community character, distance from high-

quality employment, and low existing population base. The area's limited transit access and sparse neighborhood amenities, including few grocery stores, medical services, and retail options, further constrain near-term development potential. The lack of active multi-family projects or dense product types in the pipeline further evidence the lack of market demand. However, the area's relatively high household incomes (\$128,415), strong single-family sales prices (\$815,000 per unit), and robust rent levels (\$2,099 per month) suggest that the area can support higher-density housing at moderate levels in the long-term.

Fallbrook

In the near- and mid-term, Fallbrook's potential for higher-density housing is moderate, supported by recent planning initiatives, abundant neighborhood amenities, and proximity to Camp Pendleton and North County employment centers. The area benefits from significant transit access with connections to surrounding job markets and local services. It currently experiences low effective monthly rents (\$1,654) for market-rate units and comparatively low residential land values at \$10 per SF versus the County average of \$35 per SF, reflecting limited demand for higher-density product. However, Fallbrook's unique community identity, moderate median single-family sales price (\$725,000 per unit), and long-term planning vision as presented in the Fallbrook Sub-Area Plan indicate growing market strengths. As the area improves connectivity to regional job centers and continues to develop a variety of land uses, demand for higher density housing is anticipated to be strong in the long-term.

Lakeside

In the near-term, Lakeside demonstrates moderate potential for increased housing density, supported by its established community character, strong transit access, and abundance of neighborhood amenities. These amenities include parks, baseball fields, lakes, equestrian facilities, and the Lakeside Rodeo Arena. The area benefits from proximity to State Route 67 (SR-67) and Interstate 8 (I-8). In addition, the area's connectivity to regional job centers and local services contributes to relatively high effective monthly rents (\$2,030) and strong median single-family home prices (\$760,000 per unit). Land values averaging \$39 per SF, slightly above the County average of \$35, further reflect underlying market strength. Over the mid- to long-term, Lakeside is expected to demonstrate strong market potential for higher-density housing.

North County Metro East

In the near-term, the North County Metro East TOA demonstrates moderate market potential for increased housing density, constrained by existing low-density zoning, challenging topography with limited flat vacant land, and proximity to habitat preserves and fire hazard areas. Over the mid- to long-term, the area is expected to demonstrate strong market potential for higher-density housing. This expectation is supported by the area's proximity to major high-quality employment hubs including

Sorrento Valley, University City, and Torrey Pines/La Jolla; access to Interstate 15 (I-15) and Interstate 5 (I-5); connectivity to the North County Transit District Sprinter and Rapid Bus Service; proximity to high-quality educational facilities within the Poway Unified School District; and existing infrastructure to support residential development.

North County Metro North

The North County Metro North TOA demonstrates strong market potential for higher-density housing in the near-, mid-, and long-term, supported by multi-modal transit access (I-15, Sprinter, Rapid Bus Service), abundant neighborhood amenities, and proximity to major employment centers. The area's high median household income (\$109,084) and well-established neighborhoods maintain steady housing demand. When compared to the other TOAs, this area exhibits the highest effective monthly rents (\$2,501) as well as the highest single-family median sales price (\$995,000 per unit), reflecting its competitive market position. Continued demand can be expected along key corridors serving nearby job centers, where new multi-family and mixed-use development is most likely to occur.

Otay

In the near- to mid-term, the Otay TOA demonstrates weak market potential for increased housing density, reflecting the incompatibility between existing industrial and warehouse uses and residential development. This is further evidenced by low land sales values per SF, limited construction activity, and the absence of supporting infrastructure, including water, sewer, electrical, and roadway/streetscape improvements. Constraints limiting the potential to achieve higher market sales prices and rents needed to support high-density housing in the Otay TOA include:

- *Competition from the buildout of eastern Chula Vista¹* – existing and planned residential communities in eastern Chula Vista offer established community amenities, access to retail shops and services, and proximity to employment centers
- *Competition from the buildout of Otay Mesa²* – the continued buildout of Otay Mesa may offer newer residential options supported by planned community amenities, educational facilities, and proximity to transit
- *Existing surrounding industrial uses* – existing industrial activity in and around the TOA may limit residential market demand due to truck traffic, massive warehouse facilities, and noise/environmental concerns

¹ Includes specific plan areas within the City of Chula Vista's Otay Ranch General Development Plan (GDP).

² Includes specific plan areas within the City of San Diego's Otay Mesa Community Plan Update.

Ramona

The Ramona TOA demonstrates weak market potential for higher-density housing in the near-term, constrained by limited transit access, low population density, and relatively low rents and sales prices, averaging \$1,985 per month and \$632,500 per unit, respectively. The area benefits from existing grocery stores, pharmacies, restaurants, and personal services along Main Street and the SR 76 corridor. In addition, the area offers reasonable commuting access to employment hubs in Escondido, Poway, and Scripps Ranch, making it a viable ownership housing option for regional workers. As such, in the mid- to long-term, the area's market potential for increased housing density is expected to be moderate.

Spring Valley

Spring Valley demonstrates moderate near- to mid-term market potential for increased housing density, supported by existing residential infrastructure and presence of various transit options. The area is well established, with access to retail shops and services and community amenities. The area is well-connected to regional job centers in central San Diego, El Cajon, and La Mesa. Although the area experiences lower median household incomes, this proximity to major job centers and existing neighborhood amenities reinforces moderate housing demand. Strong median single-family sales prices (\$799,000) and a balanced mix of owner- and renter-occupied housing also indicate stable market demand for various types of residential development. As a result, Spring Valley's demand for higher-density and mixed-use development is expected to grow to strong in the long-term.

Sweetwater

In the near- to mid-term, the Sweetwater TOA demonstrates moderate market potential for increased housing density, driven by the area's adjacency to the growing cities of Chula Vista and National City. The area is served by State Route 125 (SR-125), State Route 54 (SR-54), and Interstate 805 (I-805), and benefits from existing water, sewer, and electrical infrastructure. However, challenging topography and the presence of large open space areas that cannot be developed may discourage higher-density residential development in the near term. Over the long-term, the Sweetwater TOA is expected to demonstrate strong market potential for higher-density housing, supported by its central location within the County, freeway and transit access, proximity to neighborhood amenities, and existing infrastructure to support residential development.

Valley Center

In the near- to mid-term, Valley Center's market potential for higher-density housing is moderate, reflecting its rural setting, small population base, and limited transit access. Neighborhood amenities are sparse, with most grocery, medical, and retail services concentrated in the town center. The area's high median household income (\$125,984) and high single-family sales price (\$852,400 per unit) indicate

demand for low density housing, as many residents can afford larger homes situated on medium to large lots. The area's proximity to major North County employment centers such as Escondido, Oceanside, San Marcos, and Vista positions it to capture housing demand from nearby workers. Current demand for higher-density housing is moderate, though projects such as the new master-planned community, Park Circle, are expected to strengthen this demand. Over the mid-to long-term, market potential is expected to grow from moderate to strong.

Appendix A presents key information for the North County Metro East, Otay, and Sweetwater TOAs. Appendix B presents key information for the Alpine/Crest/Dehesa/Jamul, Fallbrook, Lakeside, North County Metro North, Ramona, Spring Valley, and Valley Center TOAs. Appendix C provides maps of the TOA trade ring boundaries, which were used as the basis for compiling demographics and relevant market factors. Together, these appendices summarize the market potential for increased housing density within each TOA.

APPENDIX A

2024

TRANSIT OPPORTUNITY AREA ASSESSMENT

COUNTY OF SAN DIEGO

TABLE A-1

**OVERVIEW OF RESIDENTIAL DEVELOPMENT TRENDS - NATIONAL
TRANSIT OPPORTUNITY AREA ASSESSMENT
COUNTY OF SAN DIEGO**

NATIONAL RESIDENTIAL DEVELOPMENT TRENDS

- John Burns Research and Consulting estimates the United States has an undersupply of 1.8 million housing units - including single-family, multi-family, and manufactured housing
- Combining undersupply with demographic demand, second-home demand, and replacement housing, it is estimated that the United States will have to construct 18 million housing units to bring demand and supply back into balance from 2024 to 2033
- Opportunities exist to transform real estate sectors adversely impacted by the pandemic (senior living, office, hotels) into affordable housing
- Single-Family Residential Development Trends
 - Undersupply of homes has resulted rising prices and massive pressure on affordability
 - Demand for single-family rentals has increased substantially due to lack of affordability
 - Developers are finding it difficult to build smaller homes to achieve lower overall price points because old zoning guidelines that require large lots and low density and/or neighborhood opposition to denser product types
- Multi-Family Residential Development Trends
 - Demand is expected to continue to increase due to strong job growth, favorable demographics, immigration, the high cost of homeownership, and lack of single-family inventory
 - The population age 20 to 34, the prime renter age, as well as 65+ is expected to increase through 2030, increasing demand for multi-family units
 - A large gap exists between owning and renting, the cost of owning was 40% higher than renting in early 2024
 - The need for more space for home office leads some renters to move from shared households or away from their parents' home
 - Multi-family development has been slow due to cost of construction financing, the increasing cost of land and materials, the shortage of labor, and the slowing entitlement process in many jurisdictions
 - The record-high rent growth from 2021 to 2022 has flattened out, but apartment demand remains high
 - Property owners face rising expenses in the form of cost of labor, materials, maintenance and insurance (the average expense per unit increased by 27.4% in the four years ending August 2024 according to Yardi Matrix)
 - Multi-family development activity is expected to increase as interest rates decline
 - Proposed affordable policy solutions include expanding tax credit programs such as the Low-Income Housing Tax Credit program, directly subsidizing affordable development, creating incentives to preserve existing housing, expanding direct subsidies to renters in Section 8 and housing choice vouchers, providing federal funding for municipalities that increase density, relaxing zoning codes, and streamlining the entitlement process that discourages developers
 - Building more market-rate product is essential to create more lower-cost units through filtering i.e., the process through which older housing stock becomes more affordable without subsidies as newer, more modern housing stock is introduced into the market

TABLE A-2

OVERVIEW OF RESIDENTIAL DEVELOPMENT TRENDS - SAN DIEGO COUNTY
TRANSIT OPPORTUNITY AREA ASSESSMENT
COUNTY OF SAN DIEGO

SAN DIEGO COUNTY RESIDENTIAL DEVELOPMENT TRENDS⁽¹⁾

- Overall, in September 2024, San Diego County home prices were up 6.5% compared to last year, selling for a median price of \$945,000
- As of September 2024, the median price per square foot (SF) for a single-family home in San Diego is \$702, up 6.3% from last year
- Detached Single-Family (as of September 2024)
 - Sales volume: up 12.4% from the prior year
 - Average sales price: \$1,393,140
 - Median sales price: \$1,050,000
- Attached (Townhomes, Condominiums) Single-Family (as of September 2024)
 - Sales volume: down 7.5% from the prior year
 - Average sales price: \$779,880
 - Median sales price: \$646,000
- Multi-Family (1st Quarter 2024)
 - Developers added more than 700 units in each of the past four quarters
 - Suburban projects accounted for roughly 80% of rentals delivered
 - Vacancy is currently at 4.7%
 - The average effective monthly rent is \$2,775
 - The Chula Vista-Imperial Beach submarkets indicate the strongest demand, with vacancy rates remaining low as new units are developed
 - Mid-City/National City, La Mesa/Spring Valley, and El Cajon/Santee/Lakeside, three of the county's four most affordable areas, posted the county's lowest vacancy rates in the 1st quarter of 2024

(1) Source: Review of residential market reports, including Redfin, CBRE, Kidder Matthews, and Marcus & Millichap.

TABLE A-3

**KEY ASSETS AND CONSTRAINTS
TRANSIT OPPORTUNITY AREA ASSESSMENT
COUNTY OF SAN DIEGO**

North County Metro East	Otay	Sweetwater
I. ASSETS		
<ul style="list-style-type: none"> Proximity to major high-quality employment hubs (Sorrento Valley, University City, Torrey Pines/La Jolla) Access to freeways and transit (I-15, I-5, North County Transit District Sprinter, Rapid Bus Service) Proximity to growing residential areas, including Downtown Escondido and Rancho Bernardo Nearby high-quality education (Poway Unified School District) Existing water, sewer, and electrical infrastructure High percentage of owner-occupied vs. renter-occupied units Multi-family land sales per SF in Trade Area are higher than County 	<ul style="list-style-type: none"> Large parcels of undeveloped land Access to I-905 and SR 125 freeways Access to Rapid Bus Service from the Otay Mesa Transit Center Proximity to U.S.-Mexico Border (Otay Mesa Port of Entry) Presence of employment hubs (manufacturing, distribution, logistics) Presence of workforce population due to high commercial activity Nearby educational facilities (Sweetwater Union High School District, South County Education Center) Proximity to eastern Chula Vista Plans for the development of Central and Southwest Village Specific Plans as part of the City of San Diego's Otay Mesa Community Plan Recent updates to San Diego County's General Plan and Community High household income in Trade Area (\$140,000) when compared to County High market-rate monthly rents in Trade Area (\$3,200) when compared to the County High percentage of owner-occupied vs. renter-occupied units 	<ul style="list-style-type: none"> Large parcels of undeveloped land Near employment centers in Chula Vista and National City Proximity to freeways and transit (SR 125, SR 54, I-805, MTS bus lines) Nearby educational facilities (Sweetwater Union High School District) Proximity to neighborhood amenities Existing zoning offers opportunities for both single-family homes and higher-density housing, such as townhomes or multifamily units Existing water, sewer, and electrical infrastructure High percentage of owner-occupied vs. renter-occupied units Multi-family land sales per SF in Trade Area are higher than County Multiple multi-family projects under construction in Trade Area
II. CONSTRAINTS		
<ul style="list-style-type: none"> Existing zoning is primarily for low density Challenging topography; lack of flat vacant land Proximity to sensitive habitat and fire hazard area Low household income in Trade Area when compared to County Low market-rate monthly rents in Trade Area when compared to the County Limited multi-family projects under construction within Trade Area 	<ul style="list-style-type: none"> Existing zoning is primarily for low density Primarily zoned for industrial and commercial; residential uses may be incompatible Lack of nearby neighborhood amenities (i.e., grocery stores) Existing protected lands and environmental buffers Need for infrastructure (water, sewer, electric, road improvements, stormwater management, and fire protection) Low multi-family land sales per SF in Trade Area when compared to County Limited multi-family projects under construction within Trade Area 	<ul style="list-style-type: none"> Challenging topography; lack of flat vacant land Proximity to open space uses; residential uses may be incompatible Low household income in Trade Area when compared to County Low market-rate monthly rents in Trade Area when compared to the County

TABLE A-4

**COMPARISON OF DEMOGRAPHIC AND RESIDENTIAL DEVELOPMENT TRENDS
TRANSIT OPPORTUNITY AREA ASSESSMENT
COUNTY OF SAN DIEGO**

	County of San Diego		North County Metro East ⁽¹⁾		Otay ⁽¹⁾			Sweetwater ⁽¹⁾			
I. Demographics											
A. Population	3,299,130		183,954		58,059			480,601			
B. Households	1,176,566		62,149		15,091			143,768			
C. Average Household Size	2.71		2.92		3.46			3.27			
D. Median Household Income	\$104,597		\$94,839		\$139,712			\$87,919			
E. Household Income Distribution											
< \$75K	36.0%		41.0%		31.2%			42.5%			
\$75K - \$99K	11.3%		10.9%		9.5%			13.0%			
\$100K - \$149K	20.0%		18.0%		34.9%			21.5%			
\$150K+	<u>32.7%</u>		<u>30.1%</u>		<u>24.4%</u>			<u>23.0%</u>			
Total	100.0%		100.0%		100.0%			100.0%			
II. Residential Development Trends											
	<i>Annual Growth</i>		<i>Annual Growth</i>		<i>Annual Growth</i>			<i>Annual Growth</i>			
A. Total Housing Units	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	
2020	1,228,505	---	63,876	---	13,067	---	147,708	---			
2024	1,253,008	0.5%	64,557	0.3%	16,655	6.3%	148,976	0.2%			
2029	1,280,329	0.4%	65,675	0.3%	17,996	1.6%	150,816	0.2%			
B. Rent vs. Own											
% Owner Occupied Housing Units	53.70%		58.10%		67.00%			53.50%			
% Renter Occupied Housing Units	46.30%		41.90%		33.00%			46.50%			
C. Market-Rate Residential ⁽²⁾											
Average Effective Monthly Rent	\$2,408		\$2,199		\$3,192			\$2,152			
Average Effective Monthly Rent/SF	\$2.94		\$2.65		\$3.01			\$2.68			
D. Multi-Family Land Sales (Average \$/SF) ⁽²⁾⁽³⁾	\$25		\$52		\$21			\$42			
E. Projects Under Construction ⁽²⁾	48		1		1			7			
Total Number of Units	7,612		420		278			455			
III. Overall Market Potential for Increased Housing Density ⁽⁴⁾											
			Near-Term	Mid-Term	Long-Term	Near-Term	Mid-Term	Long-Term	Near-Term	Mid-Term	Long-Term
A. Market Potential			Moderate	Strong	Strong	Weak	Weak	Moderate	Moderate	Moderate	Strong

(1) Trade areas reflect a 5-mile radius from the centerpoint of each Transit Opportunity Area (TOA) as follows:

- Otay = 7144 Otay Mesa Road
- Sweetwater = 3724 Valley Vista Way
- North Metro = 3003 Bear Valley Parkway

(2) Source: CoStar Group, Inc.

(3) Reflects sales of land proposed for multi-family/apartments within the past 5 years.

(4) Time periods reflect the following:

- Near-Term = 0 to 5 Years
- Mid-Term = 5 to 10 Years
- Long-Term = 10 to 20 Years

APPENDIX B

2025

TRANSIT OPPORTUNITY AREA ASSESSMENT

COUNTY OF SAN DIEGO

TABLE B-1

**OVERALL MARKET POTENTIAL FOR INCREASED HOUSING DENSITY
TRANSIT OPPORTUNITY AREA ASSESSMENT
COUNTY OF SAN DIEGO**

	County of San Diego	Alpine/Crest/Dehesa/Jamul	Fallbrook	Lakeside						
I. Land Area ⁽¹⁾										
A. Total Acres	2,752,000 acres	98,470 acres	50,240 acres	32,154 acres						
B. Square Miles	4,300 sq. miles	154 sq. miles	79 sq. miles	50 sq. miles						
C. Trade Area	---	7 miles	5 miles	4 miles						
II. Demographics ⁽¹⁾										
A. Population	3,293,400	60,118	52,846	185,143						
B. Households	1,184,979	21,227	18,272	64,301						
C. Average Household Size	2.75	2.82	2.87	2.82						
D. Median Household Income	\$108,715	\$128,415	\$108,237	\$88,736						
E. Household Income Distribution										
< \$75K	33.6%	26.6%	33.1%	42.2%						
\$75K - \$99K	12.1%	10.6%	12.4%	12.7%						
\$100K - \$149K	18.6%	20.0%	19.5%	17.7%						
\$150K+	35.7%	42.8%	35.0%	27.4%						
Total	100.0%	100.0%	100.0%	100.0%						
III. Residential Development Trends										
	<i>Annual Growth</i>	<i>Annual Growth</i>	<i>Annual Growth</i>	<i>Annual Growth</i>						
A. Total Housing Units ⁽¹⁾	<u>Number</u> <u>Rate</u>	<u>Number</u> <u>Rate</u>	<u>Number</u> <u>Rate</u>	<u>Number</u> <u>Rate</u>						
2020	1,228,505 ---	22,134 ---	18,330 ---	66,131 ---						
2025	1,263,951 0.6%	22,111 0.0%	19,235 1.0%	66,626 0.1%						
2030	1,287,419 0.4%	22,168 0.1%	19,351 0.1%	67,068 0.1%						
B. Rent vs. Own ⁽¹⁾										
% Owner Occupied Housing Units	50.4%	78.0%	68.7%	51.0%						
% Renter Occupied Housing Units	43.9%	18.0%	26.3%	45.5%						
% Vacant Housing Units	5.7%	4.0%	5.0%	3.5%						
C. Single-Family Residential - Median Sales Price ⁽²⁾	\$1,055,000 /Unit ⁽³⁾	\$815,000 /Unit	\$725,000 /Unit	\$760,000 /Unit						
D. Market-Rate Residential ⁽²⁾										
Average Effective Monthly Rent	\$2,459	\$2,099	\$1,654	\$2,030						
Average Effective Monthly Rent/SF	\$2.97	\$2.34	\$2.08	\$2.50						
E. Residential Land Sales (Average \$/SF) ⁽²⁾	\$35 /SF	---	\$10 /SF	\$39 /SF						
F. Projects Under Construction ⁽²⁾	45 Projects	0 Projects	0 Projects	1 Project						
Total Number of Units	7,053 Units	0 Units	0 Units	15 Units						
IV. Public Transit and Neighborhood Amenities										
A. Public Transit		Limited	Accessible	Accessible						
B. Neighborhood Amenities		Sparse	Abundant	Abundant						
V. Residential Projects in the Pipeline within Trade Area ⁽⁴⁾										
A. Total Number of Units		162 Units	289 Units	279 Units						
B. Number of Projects		18 Projects	8 Projects	17 Projects						
C. Average Density		4.4 Units/Acre	5.4 Units/Acre	9.1 Units/Acre						
VI. Overall Market Potential for Increased Housing Density ⁽⁵⁾										
		Near-Term	Mid-Term	Long-Term	Near-Term	Mid-Term	Long-Term	Near-Term	Mid-Term	Long-Term
A. Market Potential		Weak	Weak	Moderate	Moderate	Moderate	Strong	Moderate	Strong	Strong

(1) Source: Esri, October 2025.

(2) Source: CoStar, October 2025.

(3) Source: San Diego County Association of Realtors, as of October 2025.

(4) Source: County of San Diego, November 5, 2025. Reflects projects in review, open, or out to applicant.

(5) Time periods reflect the following:

Near-Term = 0 to 5 Years

Mid-Term = 5 to 10 Years

Long-Term = 10 to 20 Years

TABLE B-1

**OVERALL MARKET POTENTIAL FOR INCREASED HOUSING DENSITY
TRANSIT OPPORTUNITY AREA ASSESSMENT
COUNTY OF SAN DIEGO**

	North County Metro North			Ramona			Spring Valley			Valley Center		
I. Land Area ⁽¹⁾												
A. Total Acres	32,154 acres			18,086 acres			50,240 acres			12,560 acres		
B. Square Miles	50 sq. miles			28 sq. miles			79 sq. miles			20 sq. miles		
C. Trade Area	4 miles			3 miles			5 miles			2.5 miles		
II. Demographics ⁽¹⁾												
A. Population	167,519			19,164			288,199			7,877		
B. Households	57,354			6,452			99,773			2,612		
C. Average Household Size	2.85			2.95			2.85			3.00		
D. Median Household Income	\$109,084			\$107,812			\$90,920			\$125,984		
E. Household Income Distribution												
< \$75K	33.4%			35.1%			40.5%			26.6%		
\$75K - \$99K	11.9%			10.7%			13.7%			11.3%		
\$100K - \$149K	18.6%			19.6%			18.4%			19.5%		
\$150K+	36.1%			34.6%			27.4%			42.6%		
Total	100.0%			100.0%			100.0%			100.0%		
III. Residential Development Trends												
	<i>Annual Growth</i>			<i>Annual Growth</i>			<i>Annual Growth</i>			<i>Annual Growth</i>		
A. Total Housing Units ⁽¹⁾	<u>Number</u>	<u>Rate</u>		<u>Number</u>	<u>Rate</u>		<u>Number</u>	<u>Rate</u>		<u>Number</u>	<u>Rate</u>	
2020	58,177	---		6,632	---		102,413	---		2,113	---	
2025	60,001	0.6%		6,692	0.2%		103,491	0.2%		2,770	5.6%	
2030	61,442	0.5%		6,731	0.1%		104,350	0.2%		2,782	0.1%	
B. Rent vs. Own ⁽¹⁾												
% Owner Occupied Housing Units	57.0%			60.0%			49.8%			81.5%		
% Renter Occupied Housing Units	38.6%			36.4%			46.6%			12.8%		
% Vacant Housing Units	4.4%			3.6%			3.6%			5.7%		
C. Single-Family Residential - Median Sales Price ⁽²⁾	\$995,000 /Unit			\$632,500 /Unit			\$799,000 /Unit			\$852,400 /Unit		
D. Market-Rate Residential ⁽²⁾												
Average Effective Monthly Rent	\$2,501			\$1,985			\$2,022			---		
Average Effective Monthly Rent/SF	\$2.85			\$2.21			\$2.51			---		
E. Residential Land Sales (Average \$/SF) ⁽²⁾	\$38 /SF			--- /SF			\$57 /SF			\$18 /SF		
F. Projects Under Construction ⁽²⁾	1 Project			0 Projects			1 Project			0 Projects		
Total Number of Units	460 Units			0 Units			15 Units			0 Units		
IV. Public Transit and Neighborhood Amenities												
A. Public Transit	Accessible			Limited			Accessible			Accessible		
B. Neighborhood Amenities	Abundant			Abundant			Abundant			Sparse		
V. Residential Projects in the Pipeline within Trade Area ⁽⁴⁾												
A. Total Number of Units	537 Units			193 Units			185 Units			1,347 Units		
B. Number of Projects	26 Projects			5 Projects			13 Projects			7 Projects		
C. Average Density	8.7 Units/Acre			5.8 Units/Acre			3.5 Units/Acre			10.8 Units/Acre		
VI. Overall Market Potential for Increased Housing Density ⁽⁵⁾												
	Near-Term	Mid-Term	Long-Term	Near-Term	Mid-Term	Long-Term	Near-Term	Mid-Term	Long-Term	Near-Term	Mid-Term	Long-Term
A. Market Potential	Strong	Strong	Strong	Weak	Moderate	Moderate	Moderate	Moderate	Strong	Moderate	Strong	Strong

(1) Source: Esri, October 2025.

(2) Source: CoStar, October 2025.

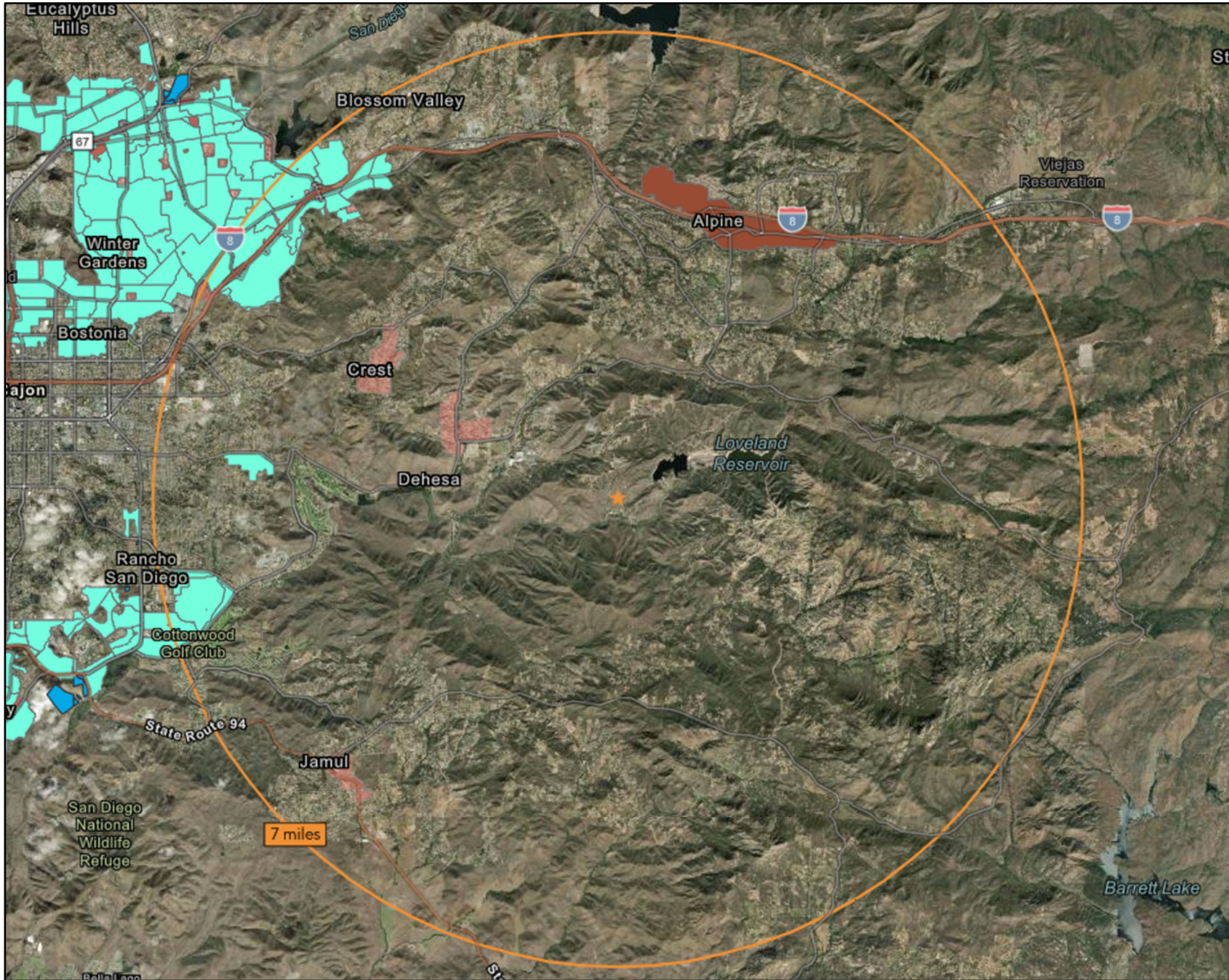
(3) Source: San Diego County Association of Realtors, as of October 2025.

(4) Source: County of San Diego, November 5, 2025. Reflects projects in review, op

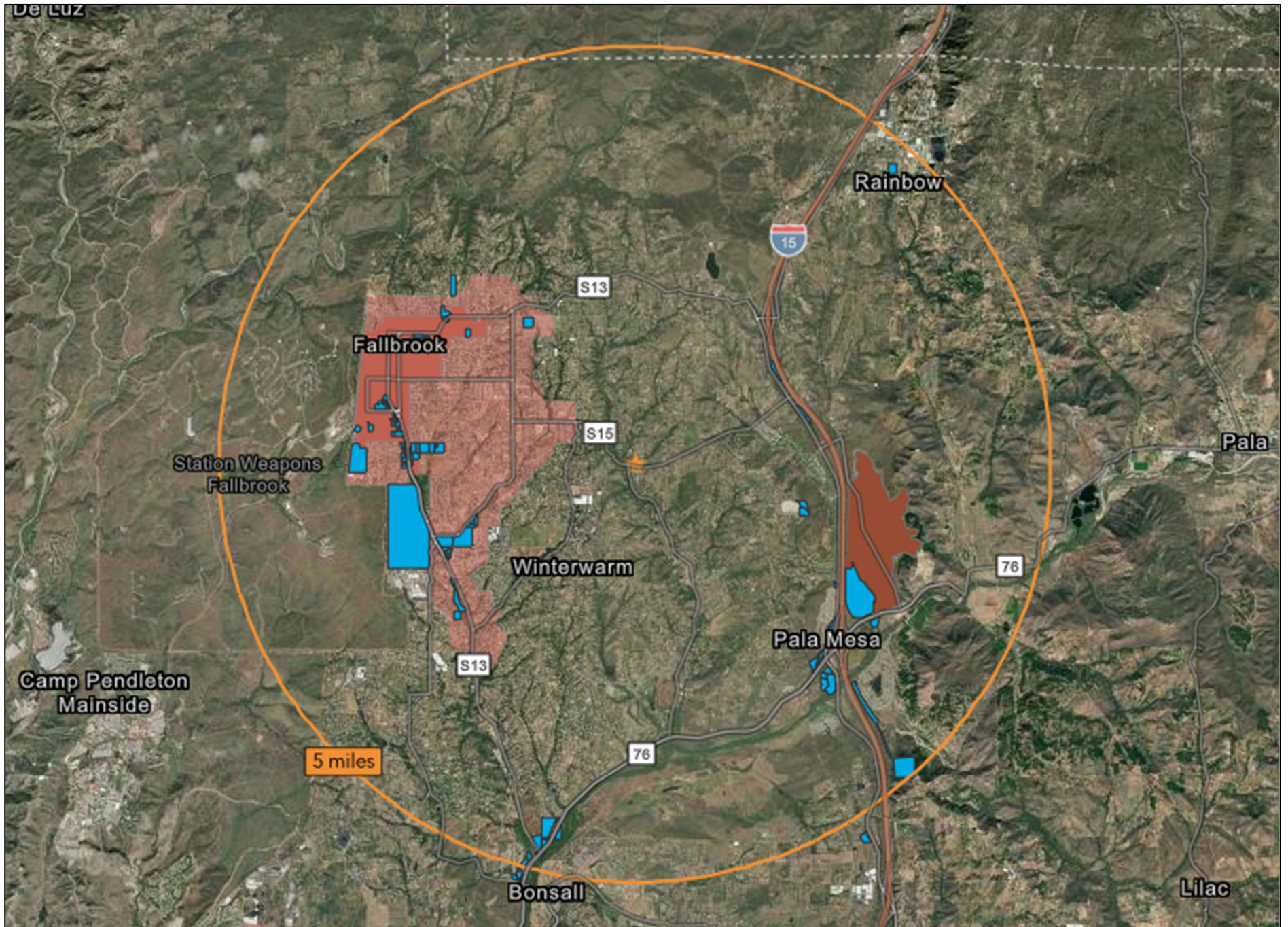
APPENDIX C

**MAPS OF TOA TRADE RINGS
TRANSIT OPPORTUNITY AREA ASSESSMENT
COUNTY OF SAN DIEGO**

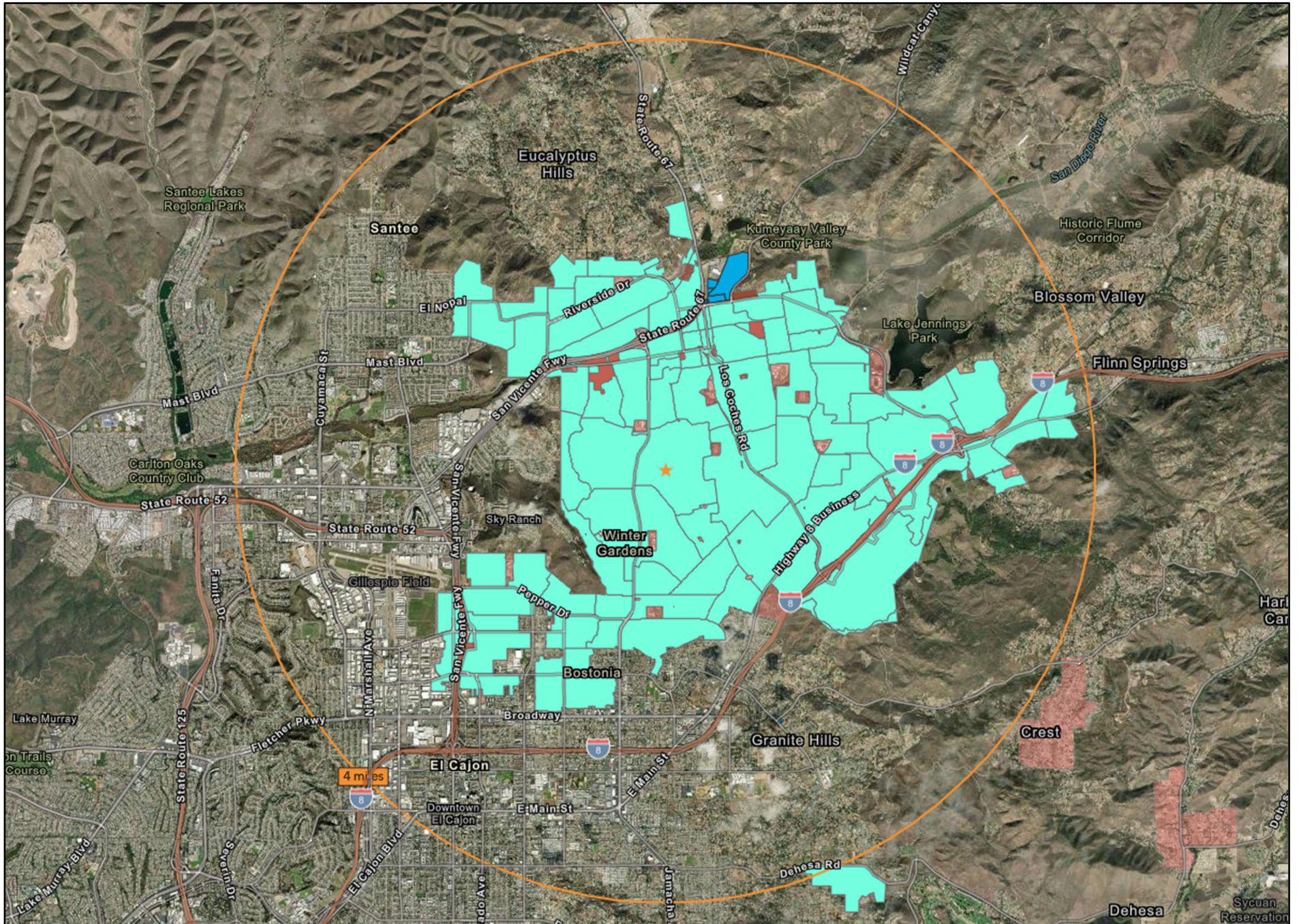
Alpine/Crest/Dehesa/Jamul TOA (reflects 7-mile trade ring; mid-point: 1949 Sloane Canyon Rd, El Cajon)



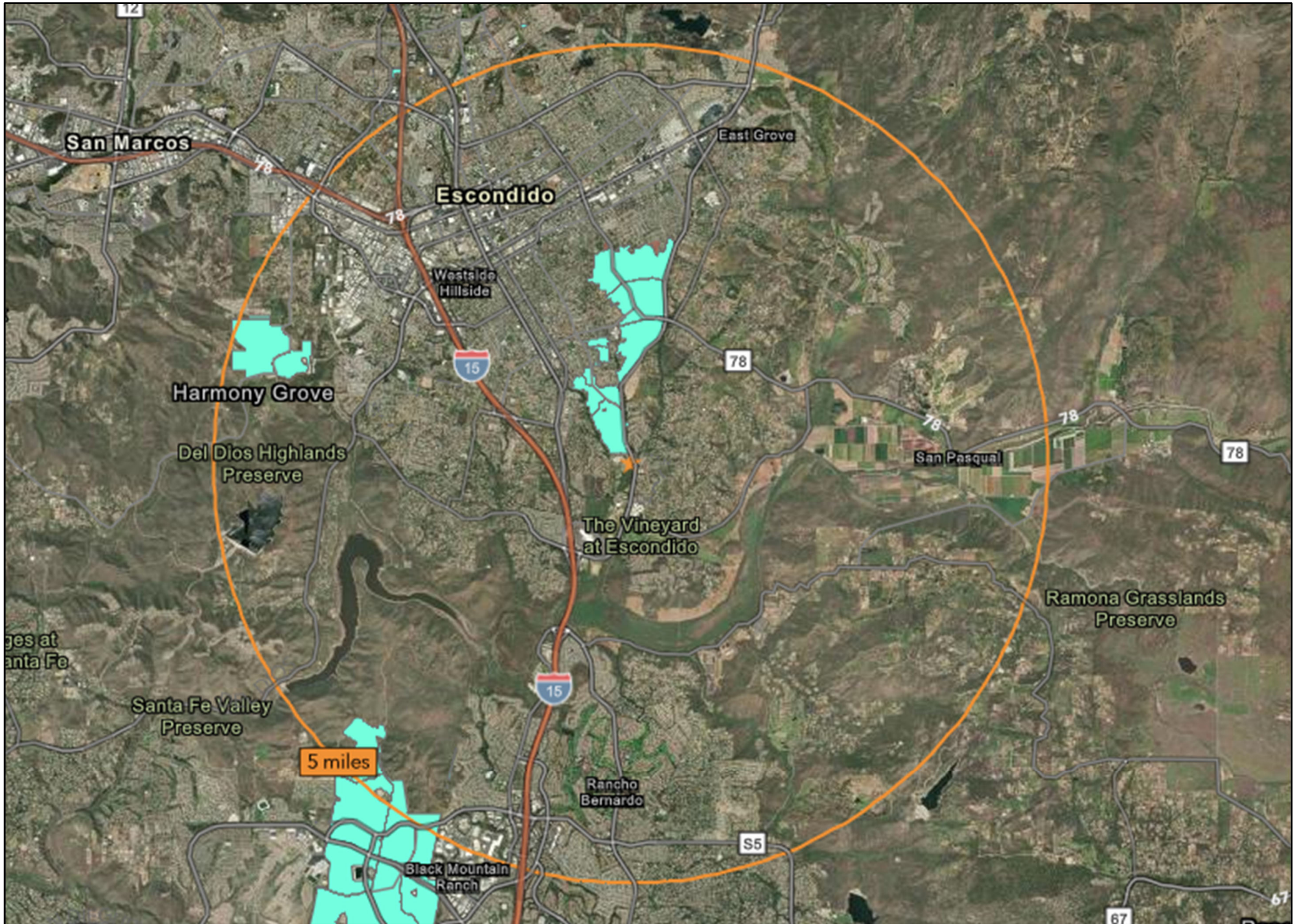
Fallbrook TOA (reflects 5-mile trade ring; mid-point: 2826 Reche Road, Fallbrook)



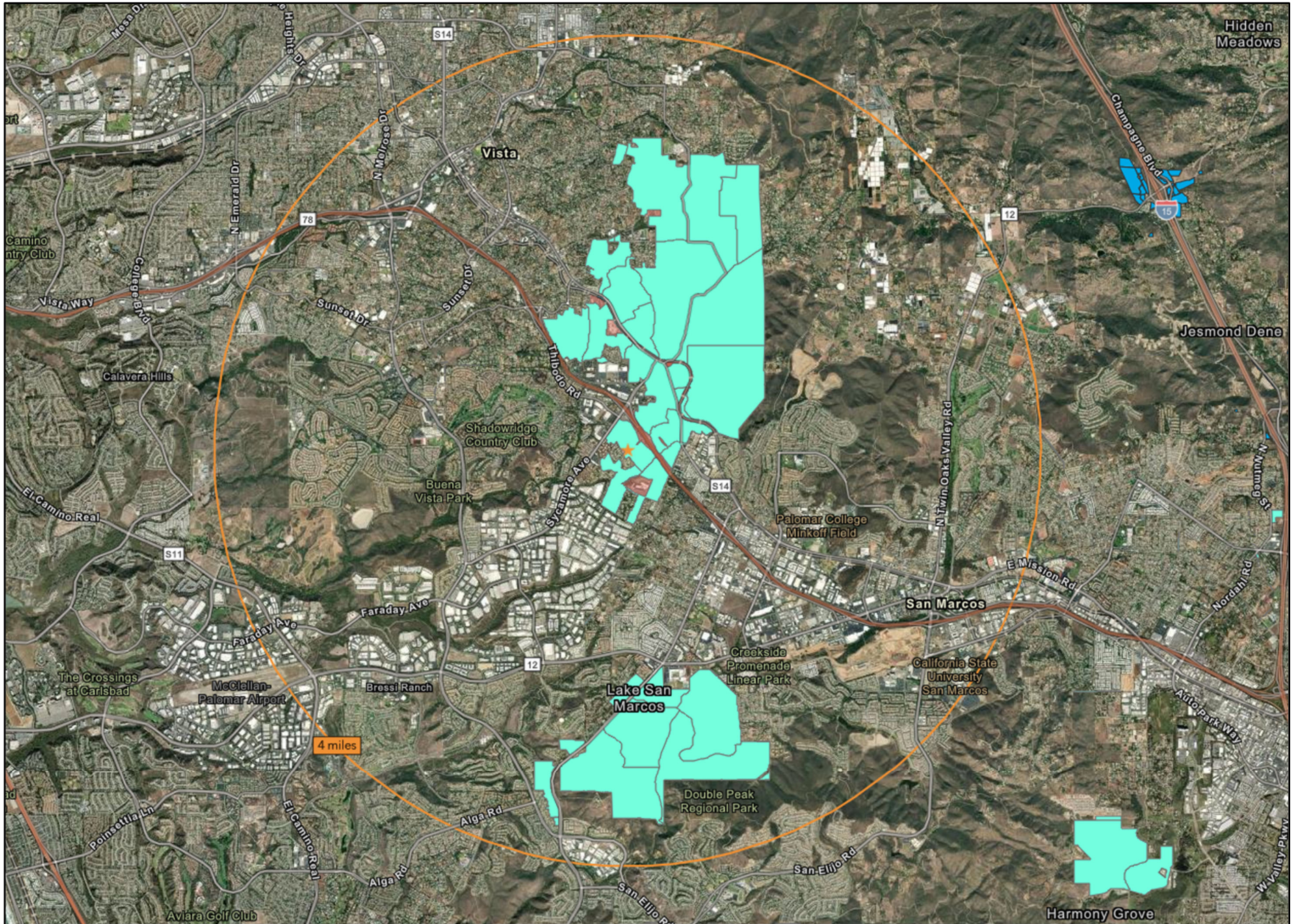
Lakeside TOA (reflects 4-mile trade ring; mid-point: 9100 Single Oak Drive, Lakeside)



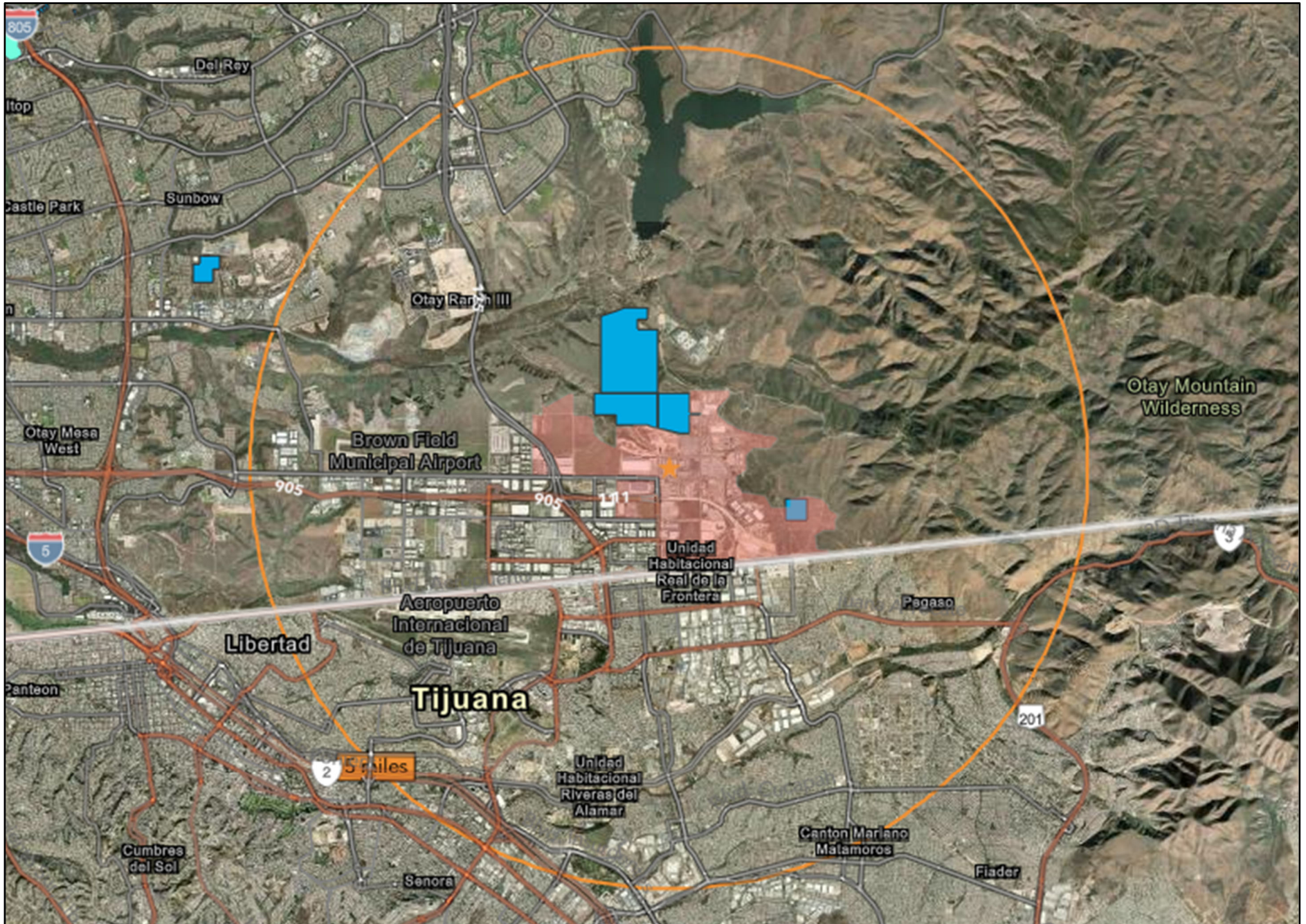
North County Metro East TOA (reflects 5-mile trade ring; mid-point: 3003 Bear Valley Parkway, Escondido)



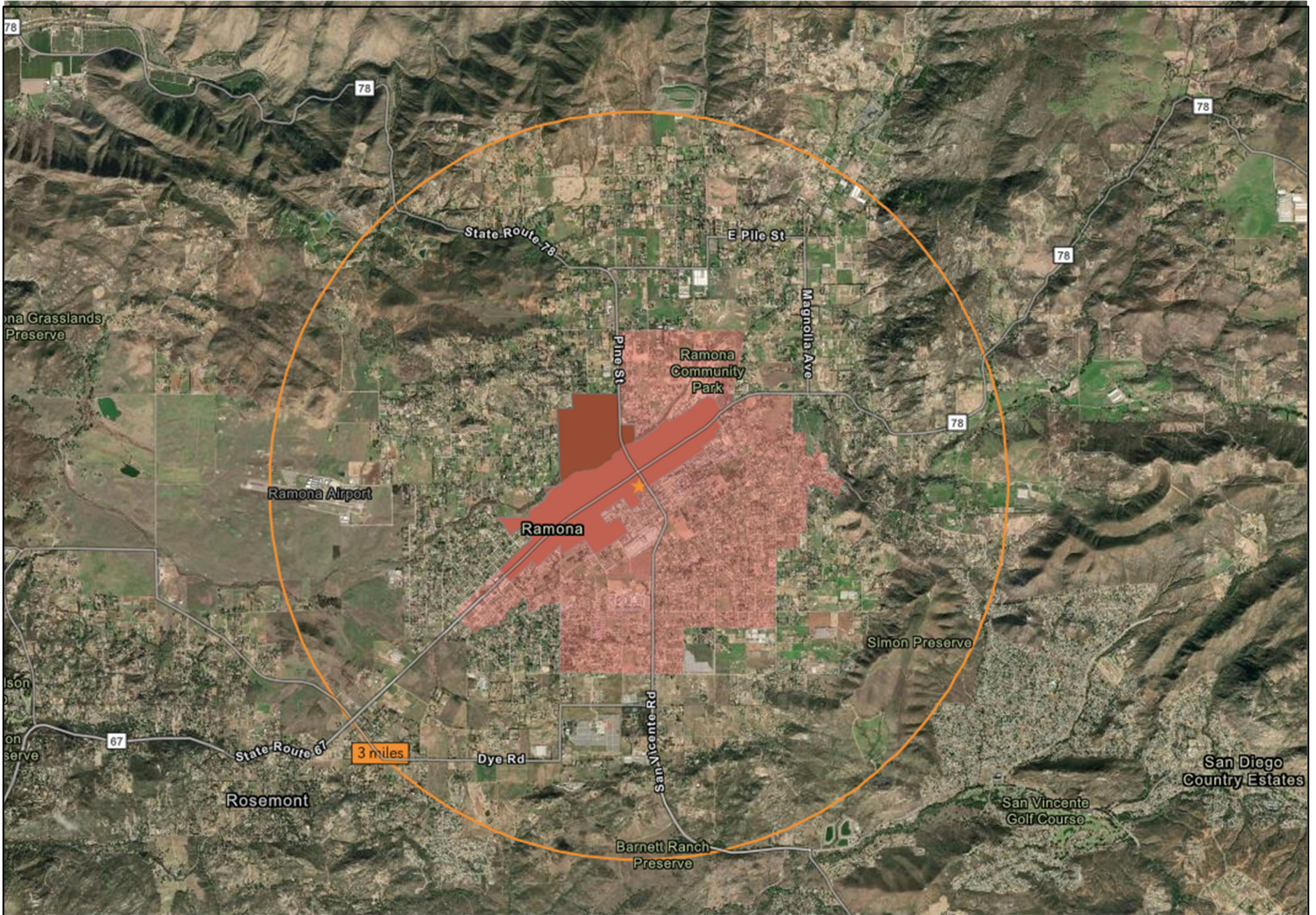
North County Metro North TOA (reflects 4-mile trade ring; mid-point: 660 Plumosa Avenue, Vista)



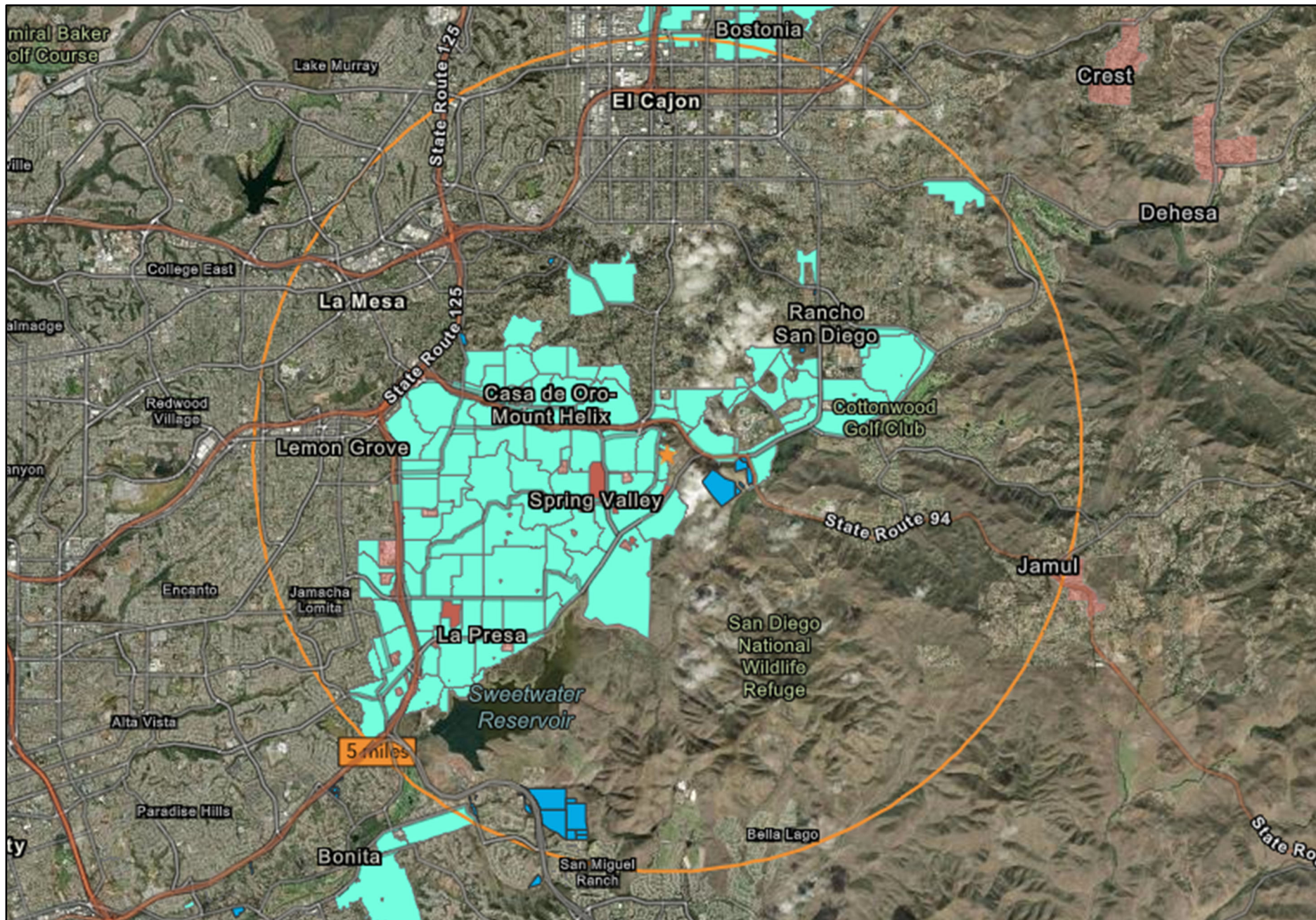
Otay TOA (reflects 5-mile trade ring; mid-point: 7144 Otay Mesa Rd, San Diego)



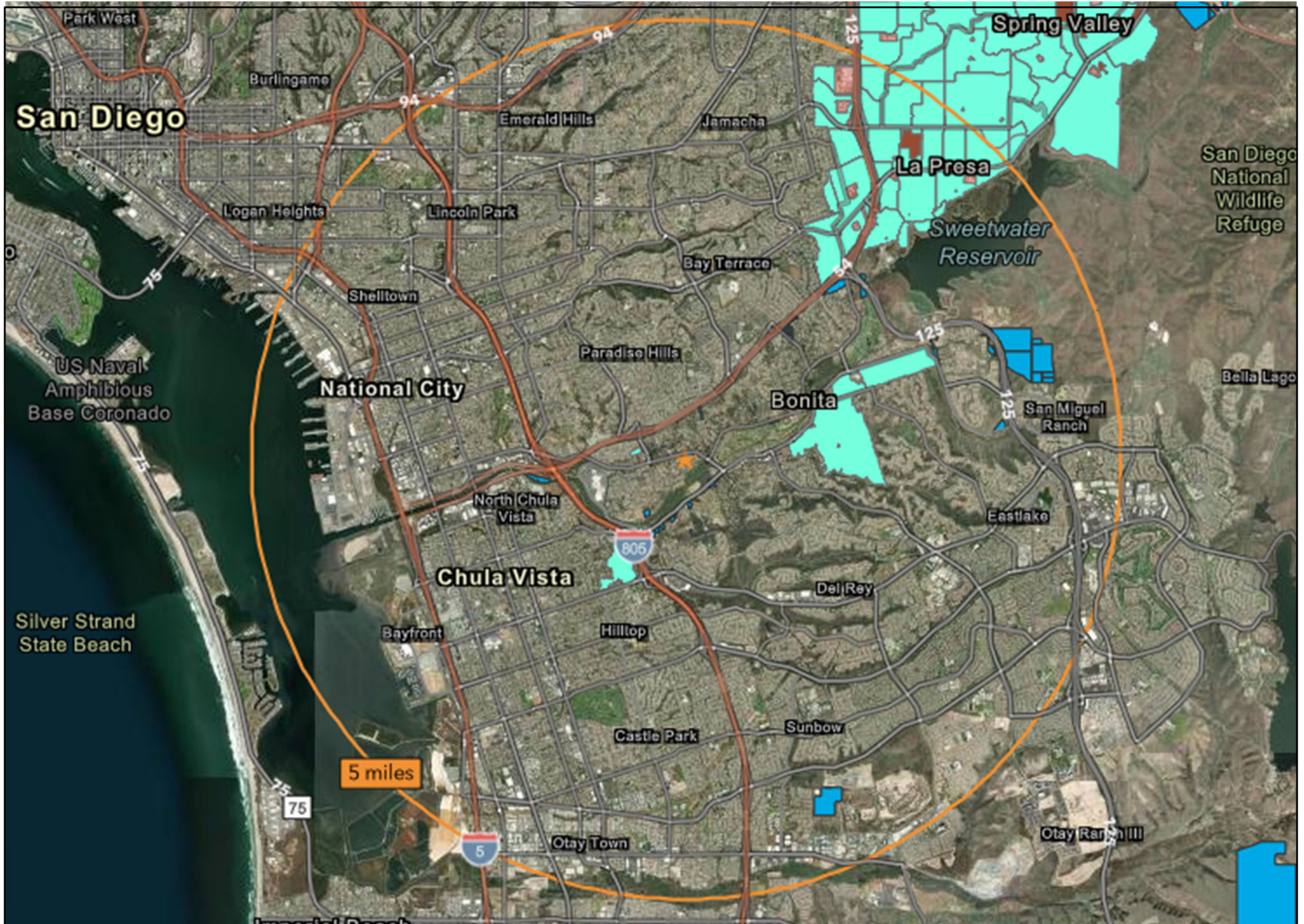
Ramona TOA (reflects 3-mile trade ring; mid-point: 1024 D Street, Ramona)



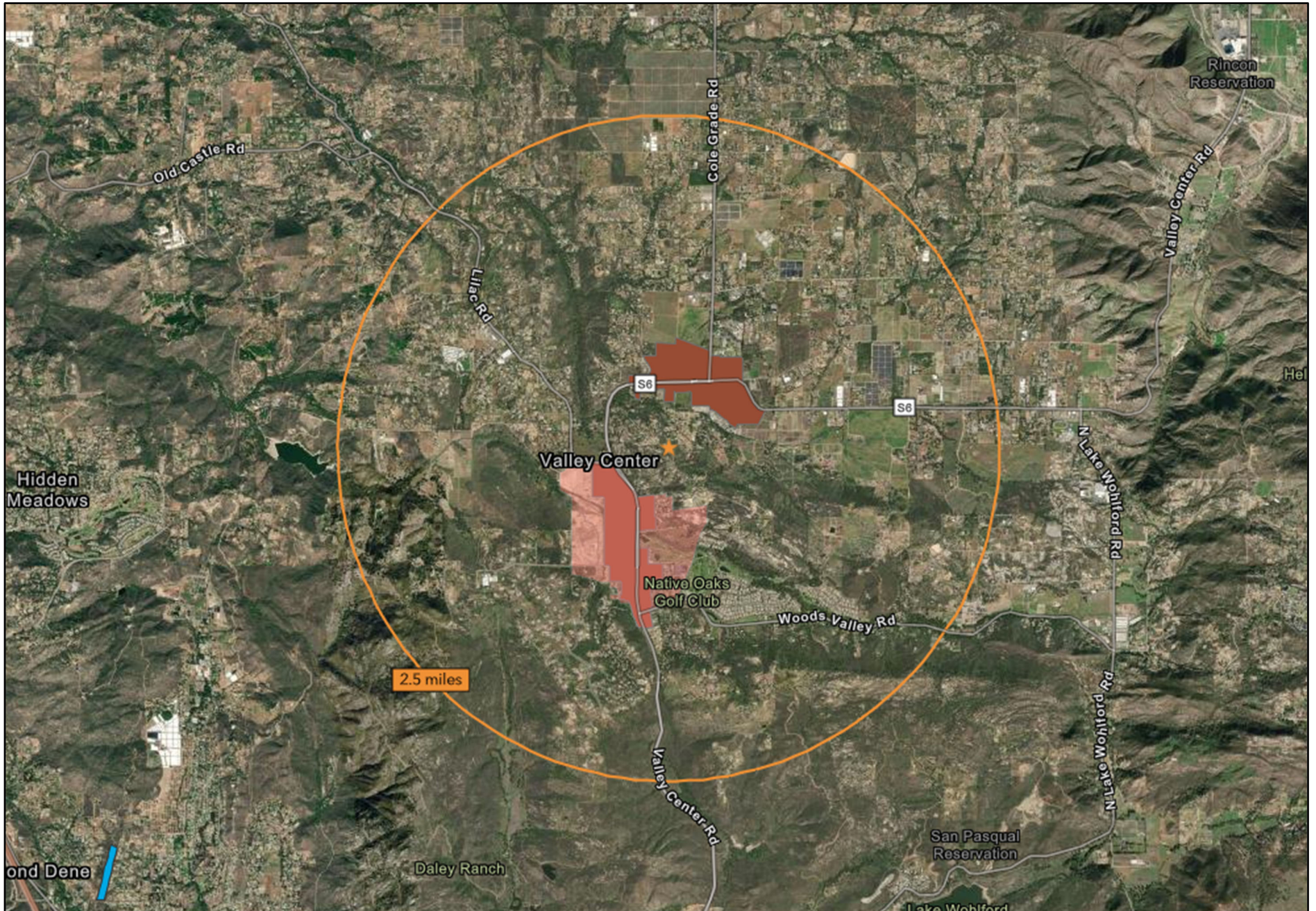
Spring Valley TOA (reflects 5-mile trade ring; mid-point: 3018 Calle Los Arboles, Spring Valley)



Sweetwater TOA (reflects 5-mile trade ring; mid-point: 3724 Valley Vista Way, Bonita)



Valley Center TOA (reflects 2.5-mile trade ring; mid-point: 28214 Indian Creek Road, Valley Center)





Limiting Conditions

1. KMA has made extensive efforts to confirm the accuracy and timeliness of the information contained in this document. Although KMA believes all information in this document is correct, it does not guarantee the accuracy of such and assumes no responsibility for inaccuracies in the information provided by third parties.
2. 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. No guarantee is made as to the possible effect on development of current or future Federal, State, or local legislation including environmental or ecological matters.
3. 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.
4. 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. If an unforeseen change occurs in the local or national economy, the analysis and conclusions contained herein may no longer be valid.
5. Any estimates of development costs, project income, and/or value in this evaluation are based on the best available project-specific data as well as the experiences of similar projects. They are not intended to be predictions of the future for the specific project. No warranty or representation is made that any of these estimates or projections will actually materialize.
6. It has been assumed that the value of the property will not be impacted by the presence of any soils, toxic, or hazardous conditions that require remediation to allow development. Additionally, it is assumed that perceived toxic conditions (if any) on surrounding properties will not affect the value of the property
7. KMA is not advising or recommending any action be taken by the County with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues).
8. KMA is not acting as a Municipal Advisor to the County and does not assume any fiduciary duty hereunder, including, without limitation, a fiduciary duty to the County pursuant to Section 15B of the Exchange Act with respect to the services provided hereunder and any information and material contained in KMA's work product.
9. The County shall discuss any such information and material contained in KMA's work product with any and all internal and/or external advisors and experts, including its own Municipal Advisors, that it deems appropriate before acting on the information and material.