

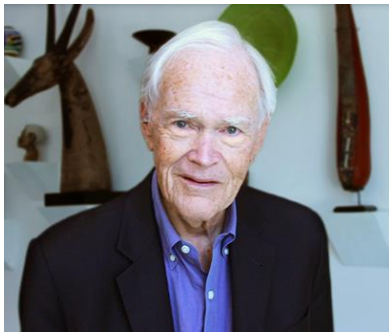
The Daily Transcript[®]

Established 1882

www.sdtranscript.com

Thursday, May 30, 2024

Long-term supply of apartments in Mission Valley pipeline



By Alan Nevin

For current and future generations, there will be an adequate supply of apartments in Mission Valley.

We recently updated our inventory of apartment projects in Mission Valley and nearby Midway/Old Town.

By our latest count, 26,000-plus units are being planned for the region. Admittedly, they won't all get built in the next few years, but they will most certainly blanket the landscape during the next two decades.

The four largest pods of multifamily units are being planned for Midway Rising, NAVWAR, Riverwalk and SDSU West, or SDSU Mission Valley.

Midway Rising: Proposed for the site of the present Pechanga Arena, the new mixed-use development will be a combination of 4,000 market-rate and affordable apartment units, along with a 16,000-seat arena, a possible hotel, and some retail. The affordable apartments will be developed by Chelsea Investment Corp. and the sports arena by Legends.

The master architect for Midway Rising is Safdie Rabines, one of San Diego's foremost contemporary architects. The firm most recently designed the 463-unit high-rise apartment project now under construction in North City in San Marcos.

NAVWAR: The monster ground-lease project will replace 70 acres of World War II-era hangars with 10,000 multifamily units and as much as 1.0 million square feet of office space along with hotels and retail space. The Navy will require 1.7 million square feet for its 5,000 employees and contractors. Our firm completed the residual land value for the Navy, and the ground value is enormous. Earlier this year, the Navy selected the team of Manchester (MFG)/Edgemoor/Clark Construction/HOK and Dealy Development as the potential developers of the site.

Riverwalk: An enormous amount of dirt has been moved on the 200-acre site, but the developer is not quite ready to break ground on its 4,300 multifamily units, 1.0 million square feet of office space and its 152,000 square feet of retail space. Almost half of the acreage will be open space.

The first apartment project to be developed will be 188 affordable apartments by Wakeland Housing & Development Corp.

The latest good news on Riverwalk is that Friars Road has been upgraded with a landscaped median strip. Additional traffic lights will be added.

Hines, one of the nation's foremost developers and commercial property owners, is the master developer of Riverwalk, and Gensler is the master architect.

SDSU West will be a new town in-town. In addition to its potential 4,300 multifamily units, the project also will have 80 acres of parks and open space (including the now completed 34-acre River Park), a 1.6 million-square-foot Innovation District with office, technology and research space, a hotel and retail space and, of course, the now completed 35,000-seat Snapdragon Stadium.

The first multifamily units will be projects by Avalon Bay Communities (600 units) and Chelsea Investment Corp. (182 affordable units).

Currently under construction in the Mission Valley/Midway corridor are several major apartment projects, including Sudberry's 200-unit Brynn in its Civita project; RivAir by Fairfield, a 319-unit project directly across the street from the Fashion Valley mall; the 240-unit last phase of Holland's 800-unit The Society project at the Town and Country Hotel; and Fairfield's 263-unit Bowen. The Bowen is Fairfield's second project on the site of the old Post Office on Midway. The first project was Beven, completed last year and now at more than 90 percent occupancy.

Those 26,000 residential units are bound to satisfy the needs of the San Diego apartment market but, if not, our database also has 13,000 apartment units being planned for downtown San Diego as well as the 2,800 units now under construction.

What we really need is condominiums and the only ones I see under construction are Bosa's at 8th and B. I suspect that project will be an instant sell-out.

Alan is the Director of the Economic Research Group at GAFCON