IBI GROUP

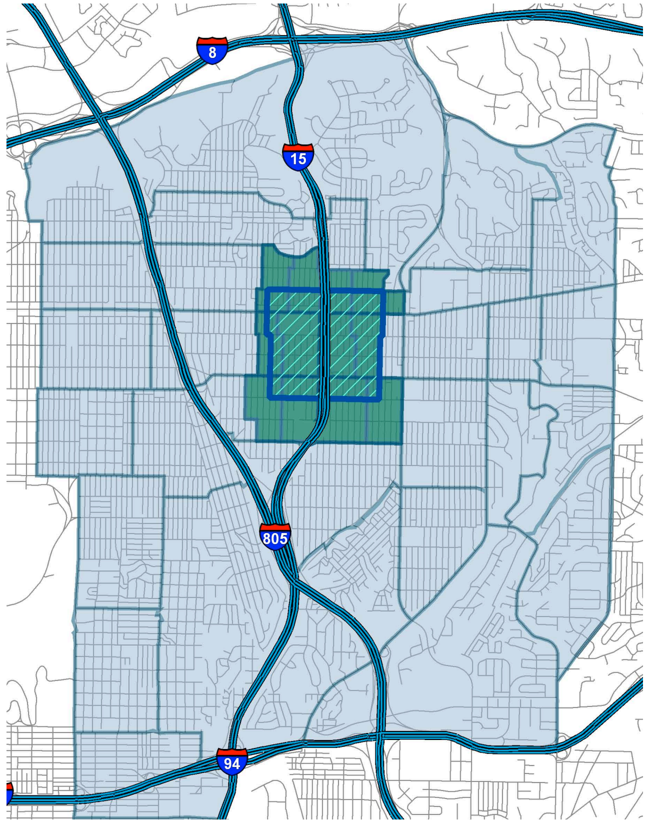
SR-15 Mid-City Station Area Planning Study

Final Market Overview Existing Conditions Technical Memo

Submitted to City of San Diego City Planning and Community Investment Department

by IBI Group and BAE Economics

May 27, 2011



Mid-City/SR-15 Study Area & Market Area Overview

bae

May 27, 2011

Summary of Findings - Demographics

- **The Study Area is primarily a working- and middle-class family neighborhood, with Hispanics the largest ethnic group.**
  - Hispanics comprise 59% of the population.
- **Counter to City increases, population in the Study Area decreased 5.4% from 2000 to 2010, although households decreased only 1.3%.**
  - This reflects a long-term trend of a decrease in household size.
- **The Study Area has larger households, with more extended families, and more youth but fewer seniors.**
  - Average household size is 2.91 persons vs. 2.61 persons in the City.
  - Those under 18 years make up 33% of the population; those over 65 years make up only 4.6%. The median age is only 28.2 years.

Summary of Findings – Demographics, *cont'd*

- **Study Area educational attainment and household incomes are lower.**
  - Adults with less than a high school degree make up 37% of the Study Area, vs. 14% of the City.
  - Median household income in 2009 dollars was $29,400 in the Study Area, vs. $62,000 in the City.
  - The Poverty Rate in the Study Area is 32%, vs. 13% in the City.
- **Study Area residents who work are concentrated in service, construction, production, and transportation-related occupations.**
- **The very low rate of Study Area home ownership, 15%, means significant risk of displacement due to increases in rents.**
- **Nearly all Study Area residents who work commute elsewhere (94%) and have higher rates of bus usage at 9.2%, vs. 3.6% for City residents.**

Summary of Findings – Real Estate Market Conditions

- **There is minimal new development in the Study Area or Market Area, reflecting economic conditions and the challenges of project financing.**
  - This means that there is a lack of comparable sales prices and rents for new development, or data on potential absorption.
- **The median price for for-sale residential in the 92105 zip code was down 11% from 2009 to 2010.**
- **Sales data over the past 6 months for the Study Area show a median sale price of $235,000 for single-family homes and $170,000 for condos.**
  - This is considerably below what is needed to support new construction.
- **Rental rates for 1-bedroom apartments are up to $900 per month, and for 2-bedroom apartments up to $1,295 per month.**

Summary of Findings – Real Estate Market Conditions, *cont'd*

- **City Heights Square, being developed by the Price Foundation, will be key for proving near-term market potential for rents and absorption.**
  - This project is the first new market rate rental development in the area in a number of years.
- **There is a limited market for office space for private tenants within the Study Area, with rents from $1.50 to $2 per month per sq. ft., full service.**
- **Retail ranges from older strip retail space around $1 per sq. ft. per month, triple net. Newer shopping center and retail space leases for up to $3 per sq. ft. per month, triple net and attracts national tenants.**

Summary of Findings – Potential Market Support

- **Potential Study Area market support, based on SANDAG 2030 projections, and the potential to capture more Market Area growth, includes:**
  - Approximately 2,900 to 3,300 new residential units of all types; and
  - Approximately 400,000 to 600,000 square feet of all types of commercial.
- **Product types that can be supported include mixed-use projects with ground floor commercial and residential above, as well as townhouses.**
- **Near-term, the greatest potential is for various types of rental residential and mixed-use. For-sale units have more medium-term potential.**
- **One constraint to new development is the high cost of available land – up to $65 to $90 per square foot.**
  - New development at market rates is unlikely to be feasible with these land prices.

Market Overview Contents

- **Approach and Methodology for the Market Overview**
- **Demographic Analysis**
- **Real Estate Market Analysis**
- **Potential Future Market Support**
- **Development Product Type Recommendations**
- **Appendices – Data Tables**

Approach and Methodology

- **Demographic analysis uses Census 2010 and Census 2005 – 2009 American Community Survey (ACS) data, with sources noted.**
  - Census 2010 data is from the "short form" questionnaire – limited to basic population count, plus household age, sex, race, and housing tenure only.
  - ACS replaces the Census "long form" questionnaire for detailed household demographic, economic, social, housing, and financial characteristics.
    - However, because ACS is calculated over a period of time, rather than a single point in time like the Census, direct comparisons cannot be made between these two sources.
    - ACS data for small areas measures 5-year intervals, and since it has just come out, it will be awhile before time periods can be compared for the same small areas.
- **Real estate market analysis looks at current prices and development patterns for the Study Area, Primary Market Area, and the City.**
  - The Primary Market Area, or Market Area, is the source of most (2/3 or more) potential renters and purchasers for new development.
  - Comparisons between geographies shows current lease rates and sale prices, and the extent to which they can increase and remain competitive.

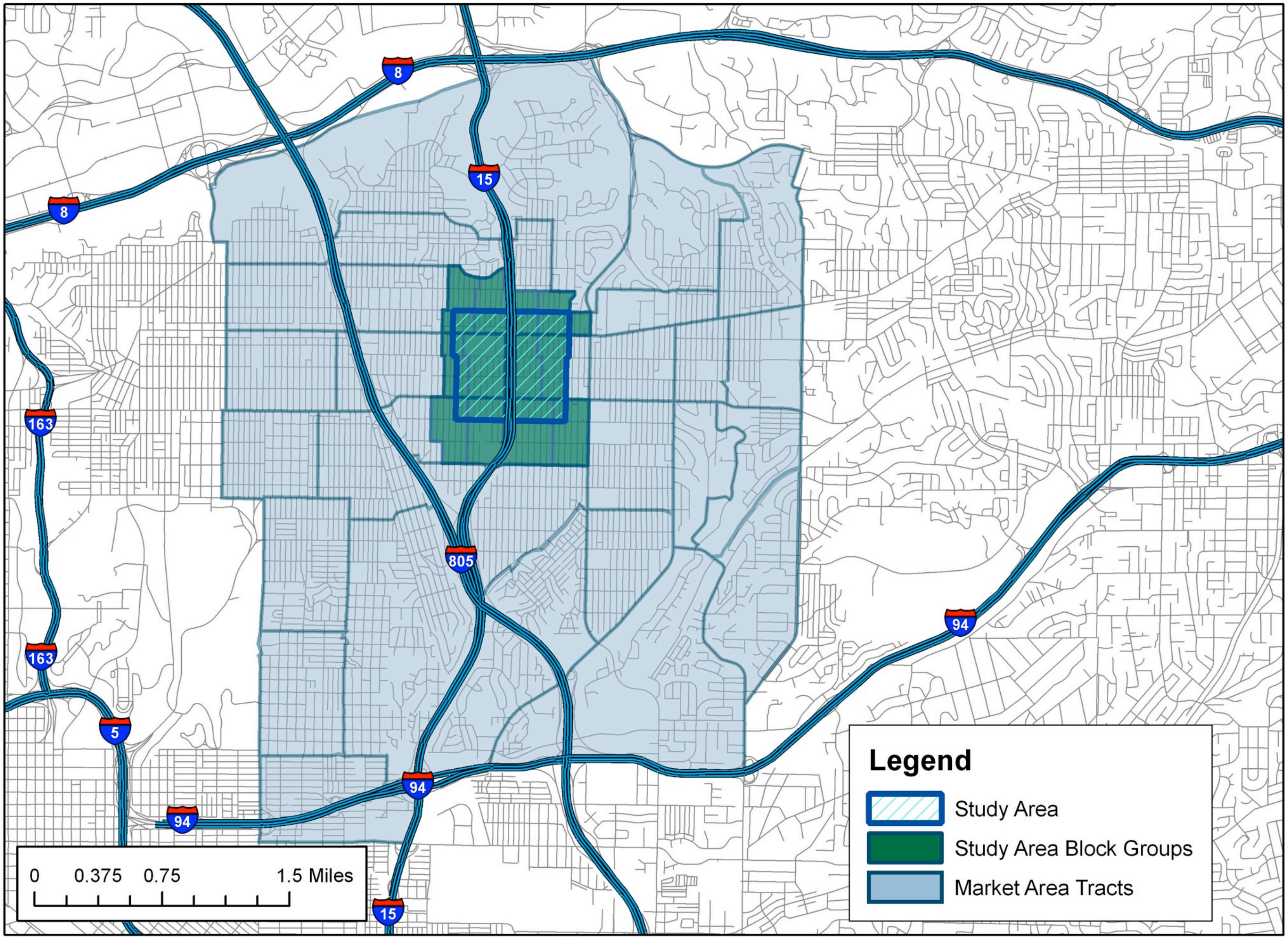
Approach and Methodology, *cont'd*

- **Potential future market support is based on the Study Area's current share of City-wide population and its potential to capture a larger share.**
  - Based on SANDAG projections for household and employment growth through 2040. This is not market based, however it is the only available projection.
  - Evaluation of the extent to which the study's area's share of future City growth can increase, based on area characteristics, available land supply, etc.
- **Provide recommendations for development product types and pricing, based on demographic, real estate market, and potential future growth**
  - Provides basis for upcoming financial feasibility testing of prototype development projects.

Population Trends (Census 2000 – 2010)

- **Three geographies are compared:**
  - The Study Area, using Census Block Groups, which covers a slightly larger area, however this adjacent area is considered to be very similar to the Study Area.
  - The Market Area, approx. 1.5 mile radius from the Study Area, using Census Tracts for City Heights, and parts of the Eastern Area, Kensington-Talmadge, Normal Heights, Greater Golden Hill, and North Park Community Plan areas.
  - The City of San Diego.
- **The Study Area's population decreased 5.4% from 2000 to 2010, or approximately 1,100 persons.**
  - However, the number of households had a smaller decline of 1.3%, or approximately 90 households. This is consistent with a decline in household size.
  - By comparison, the Market Area's population decreased 3.5%, with no change in the number of households.
  - The City's population grew 6.9%, or 84,000 persons, with 7.2% more households, or 32,400 more – also indicative of decreasing household size.

Study Area and Market Area



Race and Ethnicity (Census 2010 for Race; ACS 2005-2009 for Language)

- **The Study Area and Market Area have considerably more minority residents than the City as a whole.**
  - The largest groups in the Study Area are White (14%), African-American (11%), and Asian (13%), plus Hispanics (59%).
    - Hispanics overlap with other groups, so their share cannot be added with others.
  - The largest groups in the Market Area are White (30%), African-American (11%), and Asian (12%), plus Hispanics (44%).
  - The largest groups in the City of San Diego are White (45%), African-American (6%), and Asian (16%), plus Hispanics (29%).
- **These differences are reflected in the primary language spoken at home.**
  - Study Area: English (30%); Spanish (53%); Asian (13%)
  - Market Area: English (49%); Spanish (37%); Asian (10%)
  - City of San Diego: English (62%); Spanish (22%); Asian (11%)
  - English spoken as second language: Study Area (46%); Market (35%); City (29%)
- **Ethnicity is potentially most relevant for retail choices and local programs.**

Household Composition (ACS 2005-2009)

- **The Study Area has slightly more family households, and is likely to have considerably more extended families.**
  - Family households share is 61% in the Study Area, 53% in the Market Area; and 59% in the City.
  - The share of Other Family in Households with Two or More Persons is 31% in the Study Area, 22% in the Market Area, and 15% in the City.
  - The distribution of Non-Family Households with Two or More Persons and Single Person Households is similar across all geographies.

- **The Study Area has larger average household sizes.**
  - 2.91 persons in the Study Area; 2.57 persons in the Market Area; and 2.61 persons in the City

Age Distribution (ACS 2005-2009)

- **The Study Area has considerably more persons under 18 years.**
  - They make up 33% of the population in the Study Area, 26% in the Market Area, and 22% in the City.
- **The Study Area has a smaller share of seniors 65 years or older.**
  - They make up 4.6% in the Study Area; 6.8% in the Market Area; and 10.6% in the City.
- **Other age ranges have similar distribution across the geographies, except older Baby Boomers 55 years to 64 years of age.**
  - They make up 5.2% in the Study Area; 7.8% in the Market Area; and 9.3% in the City.
- **These patterns result in a considerably lower median age for the Study Area.**
  - 28.2 years in the Study Area; 32.2 years in the Market Area; 33.6 years in the City.

Educational Attainment (ACS 2005-2009)

- **The Study Area has consistently lower educational attainment than other geographies.**
  - Those with a Bachelor's Degree or higher make up 16% of the Study Area; 26% of the Market Area; and 41% of the City.
  - Those with less than a High School Degree make up 37% of the Study Area; 24% of the Market Area; and 14% of the City.
  - Other categories for High School Degree, Some College, and Associate Degree are more similar across the geographies.
- **Educational attainment is significant because it affects residents' access to various types of jobs and potential household income.**

Household Income Distribution (ACS 2005-2009)

- **The Study Area has a much larger share of lower income households making less than $25,000 per year.**
  - 41% in the Study Area; 31% in the Market Area; and 19% in the City.
  - Poverty rates are much higher, for those whose poverty status is known: 32% in the Study Area; 22% in the Market Area; and 13% in the City.
- **The Study Area has a lower share of more upscale households earning $100,000 per year or more.**
  - 4% in the Study Area; 13% in the Market Area; and 28% in the City.
- **There is more similarity in the share of middle income households earning $25,000 to $99,999 per year.**
  - 52% in the Study Area; 56% in the Market Area; and 53% in the City.
- **This distribution is reflected in the Median Household Income (2009 $)**
  - $29,400 in the Study Area; $41,000 in the Market Area; $62,000 in the City.

Note: Totals may not add to 100% due to rounding of individual figures.

Household Expenditures (Claritas Projections from Census 2000)

- **Household expenditures were reviewed for a 1 mile radius including the Study Area and much of the Market Area, and compared with the City.**
- **On a per-capita basis, household expenditures are about 2/3 of those of the City, $36,700 per year vs. $54,500.**
- **Total expenditures within the 1 mile radius are more than $746 million per year.**
- **Expenditure categories with a higher share than the City include Apparel (+2%) and Food at Home (+4%).**
- **Expenditure categories with a lower share than the City include Sports & Entertainment (-2%) and Transportation and Auto (-2%).**

Housing Tenure (ACS 2005-2009)

- **Housing tenure measures the difference between owner-occupied and renter-occupied households.**
- **The Study Area has very low rates of home ownership.**
  - 15% in the Study Area; 32% in the Market Area; and 51% in the City .
- **Conversely, renters make up most of the Study Area households.**
  - 85% in the Study Area; 68% in the Market Area; and 49% in the City.
- **Areas with low rates of home ownership are considered to be at high risk of displacement as rental rates increase.**
  - Programs to assist renters in becoming homeowners can reduce the risk of displacement.

Housing Stock (ACS 2005-2009)

- **The Study Area has a much higher proportion of multifamily residences.**
  - 64% of all units in the Study Area; 54% in the Market Area; and 44% in the City.
  - Single-family detached residences make up 30% of the housing stock in the Study Area; 39% in the Market Area; and 47% in the City.
- **While the housing stock is older in the Study Area than the City, it is even older in the Market Area.**
  - Housing units more than 50 years old make up 33% of the housing stock in the Study Area; 46% in the Market Area; and 26% in the City.
  - New units 30 years old or less make up 29% of the housing stock in the Study Area; 23% in the Market Area; and 38% in the City.
  - Among other factors, this reflects that much of the portion of the Market Area to the west of the Study Area were developed earlier.

Employment Status

- **Because ACS measures employment status for the period 2005 to 2009, it does not capture the effects of the recent recession.**
  - Unemployment was 6.8% in the Study Area; 7.1% in the Market Area; and 6.3% in the City.
- **The most recent data from the State of California Employment Development Department (EDD) shows 10.1% unemployment in San Diego City and County as of February, 2011.**
  - This figure is not seasonally adjusted.
  - EDD data is not available at a smaller geography than the City.

Job and Firm Growth, 2002 - 2010

- **Data from the State of California Employment Development Department (EDD) was used to compare the number of firms (establishments) and jobs in the 92105 zip code between the 2nd Quarters of 2002 and 2010.**
- **While the number of firm decreased by only 6, there was a mix of firm creation and loss.**
  - Manufacturing and Retail lost the most firms, a total of 26.
  - The largest gain was in Not Classified, with 18 more firms.
- **By comparison, the City of San Diego gained 21% more firms in the same period, or more than 17,000.**
- **Similarly, jobs lost in the 92105 zip code was 6% or 352 jobs, compared to only a 1% job loss in the City.**
  - Retail and Accommodations and Food Service were the largest losers, 460 jobs.
  - The largest gains were in Finance and Insurance and Health Care and Social Assistance, for a total of 370 jobs

Occupation & Industry of Workers (ACS 2005-2009)

- **The analysis of resident occupations is based on ACS data, and may be somewhat inaccurate because of variance in job losses by sector.**
- **Study Area residents are more concentrated in service, construction, and production/transportation-related occupations.**
  - 29% of Study Area residents have service occupations; 24% in the Market Area; and 17% in the City.
  - 20% of Study Area residents have construction-related occupations (the construction sector was hit hard by the recession); 11% in the Market Area; and 7% in the City.
  - 13% of Study area residents have production and transportation-related occupations; 10% in the Market Area; and 7% in the City.
- **The same patterns are repeated in data on the industries in which Study Area residents are employed. Residents are underrepresented in industries that typically require higher levels of education.**
  - Information; finance; professional; scientific; management; education; health, etc.

Commute Patterns (Census Transportation Data, 2000)

- **Employed Study Area residents overwhelmingly commute to other locations for work.**
  - 94% commute elsewhere in the County; only 5% work in the Study Area.
  - This in part reflects that in 2000 there were 8,500 residents in the area who worked, but less than 3,100 jobs, for a jobs - housing ratio of less than 0.5.
- **Of the jobs in the Study Area, 14% were held by local residents.**
- **Study Area residents who work are more likely to take transit or walk (ACS 2005 – 2009 data)**
  - This comprises 10.5% of Study Area residents; 9.6% of Market Area residents; and 7.7% of City residents.
  - Bus usage is considerably higher: 9.2% of Study Area residents; 6.3% of Market Area residents; and 3.6% of City residents.
- **However, as in other areas, most workers drive to work alone.**
  - 69% of Study Area residents; 74% of Market Area residents; 76% of City residents.

For-Sale Residential Trends

- **Although the recession is officially over, new for-sale residential development continues to be depressed because of the limited economic recovery, overhang of foreclosures, and limited financing for new projects.**
  - No new or pending for-sale residential developments were identified in the Study Area or Market Area.
  - Filings for notices of default and notices of sale are down 30% and 29%, respectively over a year ago for the 92105 zip code that includes the Study Area.
    - The rate of decrease for the City is 22% and 14% over a year ago, respectively.
    - The number of new filings for notices of default or sale in the 92105 zip code appears proportional to the overall number of filings City-wide.
  - Data is not available on the number of units in foreclosure status, or when they may be put on the market.

For-Sale Residential Trends, *cont'd*

- **Published data on median sale price trends in 2010 for new single-family and condo units show a limited number of sales and inconclusive trends.**
  - Zip Code 92105 had only 20 sales, with a median price of $207,000, down 11%.
  - Zip Code 92104 had 13 sales, with a median price of $245,000, up 3%.
  - Central San Diego had a median price of $375,500, down 5%.
- **Data on recorded sales (new and resale) for the 6 months between September 2010 and February 2011 show modest Study Area activity .**
  - For the Study Area, there were 22 single family sales with a median price of $235,000 and 21 condo sales with a median price of $170,000.
  - For the Market Area, there were 270 single family sales with a median price of $330,200 and 194 condo sales with a median price of $136,600.
- **Low prices for single-family residences will constrain the near-term market for new condo units.**
  - Prices for condo units do not support the cost of new construction.

Rental Residential Trends

- **Multifamily rental units in the Study Area and Market Area are primarily in smaller buildings that are not tracked by market data providers. There appears to be minimal vacancy in these smaller buildings.**
- **Larger projects tracked by the RealFacts service (50+ units) in both areas appear to have strong occupancies, ranging from 94% to 99%.**
  - Monthly rental rates for 1-bedroom units in the Study Area range from $800 to $900, for 2-bedroom units $1,050 to $1,295.
  - Monthly rental rates for 1-bedroom units in the Market Area range from $940 to $1,240, for 2-bedroom units from $1,090 to $1,565.
  - Rents vary based on building features and locations, with Study Area rents appearing to be potentially 10% - 15% lower than those in the Market Area.
  - Most buildings are offering $200 - $600 credit on the first month's rent.
- **A new 92 unit rental project, City Heights Square, is under construction by the Price Foundation just outside the Study Area. Rents have not been set.**
  - This is the first new market-rate project in many years, but pricing has not been set.

Office Market Trends

- **There is a limited market for office in the Study Area or Market Area.**
  - The lack of established office uses or large sites limits the potential for large-scale, back-office type uses. Area demographics limit the potential for smaller scale professional or local-serving office uses.
  - No new or planned office projects were identified in either area.
- **Office development within the Study Area has been limited to mission-driven type projects.**
  - City Heights Center, just east of the Study Area, and Metro Career Center in the Study Area, were built by the Price Foundation for non-profit, institutional tenants.
  - The Regional Transportation Center demonstration project in the Study Area includes office space, since leased to a charter school.
- **Rents for existing office space range from from approximately $1.50 to $2.00 per square foot per month, on a full-service gross equivalent basis.**

Retail Market Trends

- **Retail rental rates vary between older corridor strip commercial space, versus newer retail space, including space in shopping centers.**
  - Most existing space is stand-alone or in small retail buildings.
- **Currently available older strip retail space ranges from 1,900 to 2,400 square feet, with monthly rents typically ranging from $0.84 to $1.10 per square foot NNN (triple-net, tenant pays all expenses) equivalent basis.**
  - One building is asking $1.75 NNN. Most buildings are offering free rent.
- **Newer retail space rents for $1.90 to $3 per month per square foot NNN, for spaces from 556 sf to 9,600 sf.**
  - The City Heights Village neighborhood shopping center just outside the Study Area has the highest rent and has attracted national retailers.
  - The City Heights Square mixed-use project under development just outside the Study Area has ground floor retail, with space leased for a new Walgreen's. No new or planned office projects were identified in either area.

Retail Market Trends, *cont'd*

- **Most retail along El Cajon Boulevard and University Avenue in the Study Area consists of older storefront buildings.**
  - University Avenue features a more diverse retail mix, with stronger occupancies.
  - Both corridors, particularly El Cajon Boulevard, have extensive auto-related uses.
- **The Study Area is well served for first-run movies by the multiplexes in nearby Mission Valley.**
  - Study Area demographics, and the lack of competing facilities, suggest the potential for a smaller multiplex featuring Spanish-language movies.
  - While this type of theater exists in other cities, this has not yet been introduced in the San Diego market.

Potential Market Capture

- **SANDAG projections show that by 2030, the Study Area will gain approximately 2,867 new households.**
  - New households equate to demand for new housing units. It is assumed that there will be a minor need to replace existing housing units.
  - This increases the Study's Area's share of households from 10% to 13% of the Market Area's total, reflecting policy goals to focus growth in existing areas.
  - This represent 28% of projected residential development in the Market Area.
- **Based on actions to enhance the Station Area, it may be possible to increase the Study Area's share of new housing to 1/3 of the Market Area. This could support up to 3,300 new housing units by 2030.**
- **SANDAG employment projections, compared to existing employment, suggest up to 1,000 new permanent jobs in the Study Area by 2030.**
  - Based on existing jobs in the Study Area and recent trends, much of this employment may be in services, healthcare, and some office uses.
  - This could support from 400,000 to 600,000 sf of new commercial space.

Potential Development Product Types

- **Development product types should be tailored to the demographics of the Study Area and Market Area, TOD goals, and available sites.**
  - This would include development of mixed-use projects with ground floor commercial and up to three to four stories of residential above.
  - Townhouse units, including product types new to the market, such as 2 over 2, or 2 over 1 buildings (three to four story buildings).
  - Residential projects should consider more 3-bedroom units.
- **Near-term, rental residential will likely be more feasible. For-sale residential will likely occur in the medium-term, after the area has become more established and perceptions have shifted.**
  - The rate of absorption and pricing for the new City Heights Square rental project will be key for proving market potential, attracting developer interest.
  - Affordable and mixed-income rental projects may also have stronger near-term potential.
  - For-sale residential could initially include affordable home ownership projects.

Potential Development Sites

- **The Study Area is built out, primarily with mix of small and medium-sized parcels, plus larger commercial and institutional properties.**
- **The ratio of assessed values of improvements to land was analyzed, to identify under-improved parcels that have the potential to redevelop, and shows a large number of potential sites.**
  - This analysis indicates that a number of commercial properties along El Cajon and University have the potential to redevelop.
  - Numerous residential properties in mid-block areas are also undervalued, and may have the potential to experience pressure for small scale assembly and redevelopment into denser residential, as has occurred in the area in the past.
- **The number of larger projects are likely limited by the difficulties of assembling numerous smaller parcels.**
  - Developers typically will not undertake assembly of more than a few parcels.
  - Smaller mixed-use projects along El Cajon and University with more limited land assembly are likely to be more viable than complex assemblies of large sites.

Potential Development Sites, *cont'd*

- **Sites owned by institutions, including any surplus school properties, may provide opportunities for mixed-use development.**
  - This could include teacher housing, or other types of workforce housing.
- **One challenge identified by market participants is the high price of land for development sites – up to $65 to $90 per square foot or more.**
  - These land values make it problematic to achieve market rates of return given current area rental rates and sale prices.
  - Property owners without the need to sell or develop sites may continue to hold properties, until hoped-for increases in rents and prices support land values.
- **Given the high cost of land and development challenges, solutions than reduce development costs for parking may be key for project feasibility.**
  - This could include lower parking requirements to reflect gains from TOD and mixed-use development; and shared parking or district parking strategies.

Appendices - Tables

- **Demographics**
- **Employment**
- **Consumer Expenditures**
- **Real Estate Sales Prices**
- **Real Estate Comparables**
- **SANDAG Growth Projections**

Population and Household Trends, 2000-2010

Study Area	2000	2010	% Change
Population	20,750	19,638	-5.4%
Households	6,687	6,597	-1.3%
Market Area			
Population	162,438	156,800	-3.5%
Households	60,174	60,175	0.0%
City of San Diego			
Population	1,223,400	1,307,402	6.9%
Households	450,691	483,092	7.2%

Sources: Census, 2000; Census, 2010; BAE, 2011.

Condo Sale Price Distribution by Number of Bedrooms, September 2010 through February 2011 (a)

	Number of Units Sold				
Study Area (b)	**1 BRs**	**2 BRs**	**3+ BRs**	**Total**	**% Total**
Less than $100,000	3	2	0	5	23.8%
$100,000-$199,999	0	11	0	11	52.4%
$200,000-$299,999	0	5	0	5	23.8%
$300,000-$399,999	0	0	0	0	0.0%
$400,000 or more	0	0	0	0	0.0%
Total	**3**	**18**	**0**	**21**	**100.0%**
Median Sale Price	**$64,945**	**$180,500**	**N/A**	**$170,000**	
Average Sale Price	**$68,982**	**$176,999**	**N/A**	**$161,568**	
Average Size (sf)	**557**	**865**	**N/A**	**821**	
Average Price/sf	**$124**	**$205**	**N/A**	**$197**	
Market Area (c)					
Less than $100,000	23	30	0	53	27.3%
$100,000-$199,999	32	64	1	97	50.0%
$200,000-$299,999	3	29	3	35	18.0%
$300,000-$399,999	0	5	2	7	3.6%
$400,000 or more	0	1	1	2	1.0%
Total	**58**	**129**	**7**	**194**	**100.0%**
Median Sale Price	**$113,750**	**$157,000**	**$277,000**	**$136,600**	
Average Sale Price	**$120,085**	**$162,328**	**$307,357**	**$154,932**	
Average Size (sf)	**623**	**891**	**1,528**	**834**	
Average Price/sf	**$193**	**$182**	**$201**	**$186**	

Notes:
(a) Consists of all full and verified sales of single-family residences and condos between 9/1/2010 and 2/28/2011.
(b) Defined as a circle with a radius of .7 miles with its center at Teralta Neighborhood Park. The study area was necessarily broadened in order to capture a statistically significant number of sales within the current market period.
(c) Defined as a circle with a radius of 1.7 miles with its center at Teralta Neighborhood Park.
Sources: DataQuick; BAE, 2011.

Tenure, 2005-2009 Est. (a)

Tenure	Study Area	Market Area	City of San Diego
Owner-Occupied	15.1%	31.9%	50.6%
Renter-Occupied	84.9%	68.1%	49.4%
Total	**100.0%**	**100.0%**	**100.0%**

Note:
(a) The American Communities Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2005-2009.
Sources: ACS, 2005-2009; BAE, 2011.

Household Composition, 2005-2009 Est. (a)

Household Type	Study Area	Market Area	City of San Diego
Single Person	29.1%	34.2%	29.9%
Two or More Persons			
Married Couple	29.8%	31.9%	43.4%
Other Family	31.2%	21.5%	15.3%
Non-Family	9.9%	12.4%	11.4%
Family Households	**61.0%**	**53.4%**	**58.7%**
Average Household Size	**2.91 (b)**	**2.57**	**2.61**

Notes:
(a) The American Communities Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2005-2009.
(b) ACS data on group quarters population was not available at the block group level. However, 2000 Census data indicates that the group quarters population in the study area is negligible, so the average household size is calculated by dividing the total population from the 2005-2009 estimates by the total number of households.
Sources: ACS, 2005-2009; BAE, 2011.

Age, 2005-2009 Est. (a)

Age Cohort	Study Area	Market Area	City of San Diego
Under 18	33.4%	26.1%	22.4%
18-24	10.0%	10.0%	12.2%
25-34	20.1%	19.0%	17.5%
35-44	14.7%	16.8%	14.5%
45-54	12.0%	13.5%	13.4%
55-64	5.2%	7.8%	9.3%
65-84	4.3%	6.0%	9.2%
Over 85	0.3%	0.8%	1.4%
Total	**100.0%**	**100.0%**	**100.0%**
Median Age	**28.2**	**32.2**	**33.6**

Note:
(a) The American Communities Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2005-2009.
Sources: ACS, 2005-2009; BAE, 2011.

Race and Ethnicity, 2010

Race/Ethnicity	Study Area	Market Area	City of San Diego
Non-Hispanic/Latino			
White	13.9%	29.7%	45.1%
Black/African American	11.2%	10.7%	6.3%
Native American & Alaskan Native	0.3%	0.3%	0.3%
Asian	12.7%	12.1%	15.6%
Native Hawaiian & Pacific Islander	0.3%	0.3%	0.4%
Other	0.2%	0.2%	0.3%
Two or More Races	2.1%	2.6%	3.3%
Hispanic/Latino - All Races	59.3%	44.1%	28.8%
Total	**100.0%**	**100.0%**	**100.0%**

Sources: Census, 2010; BAE, 2011.

Language Spoken at Home, Population Age 5+, 2005-2009 Est. (a)

Language Group	Study Area	Market Area	City of San Diego
English	29.6%	49.4%	62.3%
Spanish	53.3%	36.7%	21.7%
Indo-European	1.1%	1.6%	4.2%
Asian or Pacific Islander	13.1%	9.5%	10.8%
Other	2.9%	2.8%	1.1%
Total	**100.0%**	**100.0%**	**100.0%**
English as Second Language (b)	**45.8%**	**35.1%**	**29.0%**

Notes:
(a) The American Communities Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2005-2009.
(b) This percentage counts all persons, five years and older, who, despite speaking another language at home, report that they speak English either "well" or "very well."
Sources: ACS, 2005-2009; BAE, 2011.

Household Income, 2005-2009 Est. (a)

Income Category	Study Area	Market Area	City of San Diego
Less than $15,000	22.9%	15.6%	10.3%
$15,0000-$24,999	17.8%	15.1%	8.8%
$25,000-$34,999	15.9%	11.9%	8.6%
$35,000-$49,999	16.7%	16.5%	13.1%
$50,000-$74,999	16.3%	17.7%	17.5%
$75,000-$99,999	6.2%	10.1%	13.4%
$100,000-$149,999	3.0%	8.2%	15.3%
$150,000-$199,999	1.0%	2.5%	6.6%
$200,000 or more	0.3%	2.4%	6.5%
Total	**100.0%**	**100.0%**	**100.0%**
Median HH Income (b)	**$29,439**	**$41,026**	**$61,962**
Individuals in Poverty (c)	**31.6%**	**22.1%**	**13.1%**

Notes:
(a) The American Communities Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2005-2009.
(b) Adjusted to 2009 dollars.
(c) Calculated from the universe of individuals for whom poverty status is known, not all individuals.
Sources: ACS, 2005-2009; BAE, 2011.

Consumer Expenditures, 2010

Expenditure Category	Aggregate Expenditures (in 1000s) 0.5 Mile Radius (a)	1.0 Mile Radius (a)	City of San Diego	Expenditures Per Household 0.5 Mile Radius (a)	1.0 Mile Radius (a)	City of San Diego
Apparel	$21,088	$72,448	$2,175,678	$3,455	$3,567	$4,504
Food at Home	$35,659	$118,118	$3,031,419	$5,842	$5,815	$6,275
Food away from Home & Alcohol	$19,483	$68,564	$2,174,488	$3,192	$3,376	$4,501
Day Care, Education & Contributions	$12,312	$49,133	$2,387,894	$2,017	$2,419	$4,943
Healthcare	$16,746	$61,539	$2,260,687	$2,744	$3,030	$4,680
Household Furnishings & Appliances	$7,527	$29,798	$1,340,115	$1,233	$1,467	$2,774
Housing Related & Personal	$28,374	$104,089	$3,659,686	$4,649	$5,124	$7,576
Personal Care & Smoking Products	$9,128	$31,857	$929,358	$1,495	$1,568	$1,924
Pet Expenses	$1,953	$7,309	$270,522	$320	$360	$560
Sports & Entertainment	$19,124	$73,849	$3,166,923	$3,133	$3,636	$6,556
Transportation & Auto Expenses	$34,725	$129,752	$4,950,564	$5,689	$6,388	$10,248
Total	**$206,119**	**$746,456**	**$26,347,334**	**$33,769**	**$36,749**	**$54,539**

Note:
(a) Radii are measured from Teralta Neighborhood Park at the center of the Study Area.
Sources: Claritas, 2010; BAE, 2011.

Educational Attainment, Population Age 25+, 2005-2009 Est. (a)

Educational Attainment	Study Area	Market Area	City of San Diego
Less than 9th Grade	24.6%	13.4%	7.1%
9th to 12th Grade, No Diploma	12.4%	10.6%	6.6%
High School Graduate (incl. Equivalency)	23.8%	23.0%	17.4%
Some College, No Degree	17.6%	19.4%	20.9%
Associate Degree	6.0%	7.6%	7.4%
Bachelor's Degree	11.8%	16.4%	24.7%
Graduate/Professional Degree	3.9%	9.5%	15.9%
Total	**100.0%**	**100.0%**	**100.0%**
Population with College Degree	**21.6%**	**33.5%**	**48.0%**

Note:
(a) The American Communities Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2005-2009.
Sources: ACS, 2005-2009; BAE, 2011.

Occupation and Industry, Civilian Employed Population Age 16+, 2005-2009 Est. (a)

Occupation	Study Area	Market Area	City of San Diego
Management, Professional & Related	18.2%	30.8%	44.4%
Service	29.3%	24.4%	17.0%
Sales & Office	19.0%	23.5%	24.0%
Farming, Fishing & Forestry	0.5%	0.2%	0.2%
Construction, Extraction & Maintenance	19.8%	10.9%	7.0%
Production, Transport. & Material Moving	13.3%	10.1%	7.4%
Total	**100.0%**	**100.0%**	**100.0%**
Industry			
Agriculture, Forestry, Fishing/Hunting & Mining	0.5%	0.3%	0.4%
Construction	14.1%	8.1%	5.7%
Manufacturing	10.0%	7.7%	9.1%
Wholesale Trade	2.2%	2.0%	2.5%
Retail Trade	12.0%	10.6%	9.7%
Transportation, Warehousing & Utilities	3.5%	3.7%	3.5%
Information	0.9%	2.1%	3.0%
Finance, Insurance, Real Estate & Rental/Leasing	3.8%	5.9%	8.1%
Professional, Scientific, Management & Administrative	16.0%	15.4%	16.3%
Educational, Health & Social Services	11.7%	17.9%	20.5%
Arts, Entertainment, Recreation, Accommodation & Food Service	12.4%	16.0%	11.2%
Other Services (Except Public Administration)	9.9%	6.3%	4.9%
Public Administration	3.0%	4.1%	5.2%
Total	**100.0%**	**100.0%**	**100.0%**

Note:
(a) The American Communities Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2005-2009.
Sources: ACS, 2005-2009; BAE, 2011.

Local and San Diego Establishments By Industry

	Zip Code 92104				Zip Code 92105				San Diego County			
	Q2 2002	Q2 2010	Change	Percent Change	Q2 2002	Q2 2010	Change	Percent Change	Q2 2002	Q2 2010	Change	Percent Change
11 Agriculture, Forestry, Fishing, and Hunting	0	0	0	0%	0	0	0	0%	905	684	(221)	0%
21 Mining	0	0	0	0%	0	0	0	0%	33	30	(3)	0%
22 Utilities	0	0	0	0%	2	1	(1)	-50%	88	79	(9)	-10%
23 Construction	31	35	4	13%	28	28	0	0%	6,228	6,418	190	3%
31 Manufacturing	18	15	(3)	-17%	22	10	(12)	-55%	3,695	2,991	(704)	-19%
42 Wholesale Trade	20	19	(1)	-5%	18	14	(4)	-22%	3,805	3,945	140	4%
44 Retail Trade	110	99	(11)	-10%	98	84	(14)	-14%	8,712	8,252	(460)	-5%
48 Transportation and Warehousing	5	6	1	20%	8	10	2	25%	1,268	1,358	90	7%
51 Information	4	4	0	0%	9	13	4	44%	1,358	1,217	(141)	-10%
52 Finance and Insurance	24	31	7	29%	13	17	4	31%	3,892	4,172	280	7%
53 Real Estate and Rental and Leasing	40	49	9	23%	21	19	(2)	-10%	4,339	4,510	171	4%
54 Professional, Scientific, and Technical Services	41	87	46	112%	18	24	6	33%	9,575	11,649	2,074	22%
55 Management of Companies and Enterprises	1	0	(1)	-100%	2	2	0	0%	341	358	17	5%
56 Administrative and Support and Waste Management and Remediation Service	30	26	(4)	-13%	23	27	4	17%	4,086	4,007	(79)	-2%
61 Educational Services	5	10	5	100%	3	6	3	100%	781	970	189	24%
62 Health Care and Social Assistance	38	48	10	26%	67	62	(5)	-7%	6,453	7,401	948	15%
71 Arts, Entertainment, and Recreation	10	21	11	110%	4	2	(2)	-50%	869	1,002	133	15%
72 Accommodation and Food Services	73	94	21	29%	62	57	(5)	-8%	5,292	5,960	668	13%
81 Other Services (except Public Administration)	65	60	(5)	-8%	77	71	(6)	-8%	16,786	26,700	9,914	59%
99 Not Classified	1	42	41	4100%	1	19	18	1800%	814	4,462	3,648	448%
110 Government	0	1	1		1	5	4	400%	1,346	1,355	9	1%
Total	**516**	**647**	**131**	**25%**	**477**	**471**	**(6)**	**-1%**	**79,728**	**96,806**	**17,078**	**21%**

Sources: EDD; QCEW; BAE, 2011.

Local and San Diego Jobs By Industry

	Zip Code 92104				Zip Code 92105				San Diego County			
	Q2 2002	Q2 2010	Change	Percent Change	Q2 2002	Q2 2010	Change	Percent Change	Q2 2002	Q2 2010	Change	Percent Change
11 Agriculture, Forestry, Fishing, and Hunting	0	0			0	0			11,300	10,133	(1,167)	-10%
21 Mining	0	0			0	0			300	400	100	33%
22 Utilities	0	0			n/a	n/a			6,667	7,267	600	9%
23 Construction	168	86	(82)	-49%	96	94	(2)	-2%	76,567	55,833	(20,733)	-27%
31 Manufacturing	144	96	(48)	-33%	139	69	(70)	-50%	113,800	93,367	(20,433)	-18%
42 Wholesale Trade	136	117	(18)	-14%	116	79	(37)	-32%	41,600	39,367	(2,233)	-5%
44 Retail Trade	1,138	710	(428)	-38%	1,010	711	(299)	-30%	135,967	128,700	(7,267)	-5%
48 Transportation and Warehousing	16	21	5	29%	180	133	(46)	-26%	23,967	20,100	(3,867)	-16%
51 Information	n/a	n/a			n/a	n/a			34,700	25,333	(9,367)	-27%
52 Finance and Insurance	198	275	77	39%	60	198	137	228%	46,667	41,100	(5,567)	-12%
53 Real Estate and Rental and Leasing	180	127	(54)	-30%	37	67	30	80%	27,867	25,933	(1,933)	-7%
54 Professional, Scientific, and Technical Services	124	352	228	184%	86	181	95	110%	103,800	117,400	13,600	13%
55 Management of Companies and Enterprises	n/a	0			n/a	n/a			20,300	16,733	(3,567)	-18%
56 Administrative and Support and Waste Management and Remediation Service	1,237	521	(716)	-58%	108	164	56	52%	80,367	72,967	(7,400)	-9%
61 Educational Services	87	171	84	96%	36	164	128	351%	17,600	27,067	9,467	54%
62 Health Care and Social Assistance	465	652	187	40%	1,246	1,479	233	19%	102,967	120,433	17,467	17%
71 Arts, Entertainment, and Recreation	47	155	108	227%	52	n/a		0%	18,233	25,033	6,800	37%
72 Accommodation and Food Services	783	1,247	464	59%	711	550	(161)	-23%	116,433	131,533	15,100	13%
81 Other Services (except Public Administration)	245	264	20	8%	507	475	(32)	-6%	46,733	47,333	600	1%
99 Not Classified	n/a	n/a			n/a	13			0	0		
110 Government	0	n/a			n/a	240			223,033	230,600	7,567	3%
Total (b)	**5,131**	**4,945**	**(186)**	**-4%**	**5,925**	**5,573**	**(352)**	**-6%**	**1,248,933**	**1,236,633**	**(12,300)**	**-1%**

Notes:

(a) Rows with "n/a" jobs represent confidential data omitted from the table.
(b) Totals include confidential data.

Sources: EDD; BAE, 2011.

Employment, February 2011 (a)

Geography	Number of Workers		Unemployment
	Employed	In Labor Force	Rate
City of San Diego	623,600	693,500	10.1%
San Diego County	1,396,900	1,553,600	10.1%

Note:
(a) Data are not seasonally adjusted.
Sources: CA EDD; BAE, 2011.

Commuter Flows, 2000

Workers Who Reside in Study Area (a)

Place of Work	Number of Workers	% Total
In Study Area	420	4.9%
Elsewhere in San Diego County	7,988	93.9%
All Other Locations	96	1.1%
Total	**8,504**	**100.0%**

Workers Who Work in Study Area (a)

Place of Residence	Number of Workers	% Total
In Study Area	420	13.7%
Elsewhere in San Diego County	2,565	83.8%
All Other Locations	76	2.5%
Total	**3,061**	**100.0%**

Note:
(a) Data on commuter flows was obtained for the five census tracts that most closely match the study area.
Sources: Census Transportation Planning Package, 2000; BAE, 2011.

Means of Transportation to Work, Workers Age 16+, 2005-2009 Est. (a)

Means of Transportation	Study Area	Market Area	City of San Diego
Drove Alone (incl. Motorcycle)	68.8%	73.7%	76.2%
Carpooled	16.3%	12.0%	9.4%
Bus or Trolley Bus	9.2%	6.3%	3.6%
Other Public Transportation	0.0%	0.1%	0.3%
Bicycle	0.1%	0.7%	0.8%
Walked	1.1%	2.4%	3.0%
Other Means	1.2%	0.6%	0.7%
Worked at Home	3.3%	4.1%	5.9%
Total	**100.0%**	**100.0%**	**100.0%**
Workers Who Traveled to Work on Public Transportation or Non-Motorized Transportation (b)	**10.5%**	**9.6%**	**7.7%**

Notes:
(a) The American Communities Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2005-2009.
(b) Excludes those who drove alone, carpooled, or worked at home.
Sources: ACS, 2005-2009; BAE, 2011.

Housing Units by Type of Residence, 2005-2009 Est. (a)

Type of Residence	Study Area Number	Study Area % Total	Market Area Number	Market Area % Total	City of San Diego Number	City of San Diego % Total
Single Family Detached	2,155	30.2%	24,866	39.4%	240,680	46.6%
Single Family Attached	437	6.1%	4,220	6.7%	47,428	9.2%
Multifamily 2-4 Units	964	13.5%	6,991	11.1%	43,778	8.5%
Multifamily 5-9 Units	2,076	29.1%	13,071	20.7%	49,193	9.5%
Multifamily 10-49 Units	1,147	16.1%	11,111	17.6%	73,729	14.3%
Multifamily 50+	338	4.7%	2,591	4.1%	55,222	10.7%
Mobile Home	20	0.3%	327	0.5%	6,882	1.3%
Total	**7,137**	**100.0%**	**63,177**	**100.0%**	**516,912**	**100.0%**

Note:
(a) The American Communities Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2005-2009.
Sources: ACS, 2005-2009; BAE, 2011.

Housing Units by Year Built, 2005-2009 Est. (a)

Year Built	Study Area	Market Area	City of San Diego
1939 or earlier	13.8%	20.6%	7.3%
1940 to 1949	7.8%	10.5%	5.1%
1950 to 1959	11.7%	14.7%	13.4%
1960 to 1969	17.4%	13.0%	13.5%
1970 to 1979	20.4%	17.8%	23.2%
1980 to 1989	18.3%	15.6%	18.1%
1990 to 1999	2.7%	4.5%	10.5%
2000 or later	7.8%	3.3%	9.0%
Total	**100.0%**	**100.0%**	**100.0%**
Median Year Built	**1970**	**1963**	**1975**

Note:
(a) The American Communities Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2005-2009.
Sources: ACS, 2005-2009; BAE, 2011.

Comparable Office Properties, March 2011

Name/Address Stories/Year Built	Total Size (rsf) Space for Lease (rsf) Vacancy Rate	Asking Rent ($/sf) Addt'l Charges ($/sf) Free Rent	Tenant Improvement Allowance	Parking	Details
In Study Area					
3780 El Cajon Blvd. 1 story, built 1970s 	7,700 total 3,100 unit for lease 40% vacant	$1.10 NNN $0.38 addt'l for CAM, taxes & insurance 1 mo/yr free rent	Negotiable depending on tenant need	15 surface spaces Open parking Included	Turnkey medical center w/ 7 exam rooms, 2 offices, and nurse's station
Regional Trans. Center 4001 El Cajon Blvd. 2 stories, built 2003 	13,500 total office on 2nd floor 700 min. divisible 100% vacant	$1.75 industrial gross $0.18 addt'l for electric Free rent negotiable depending on tenant need	Negotiable depending on tenant need	100 underground garage spaces 15 surface spaces Open parking Shared w/ retail Included	Built to showcase alternative fuel vehicles w/ adjacent multi-fuel filling station; option to share 60-seat theater w/ charter school; 24-hour monitoring
4265 El Cajon Blvd. 2 stories, built unknown 	21,120 total 10,000 for lease 2,000 min. divisible 4,500 max. contiguous 47% vacant	$0.79 full service	N/A	No dedicated parking	Unable to speak with broker despite several attempts; unverifiable information marked as "N/A"
4275 El Cajon Blvd. 2 stories, built 1946, rehabbed 1999 	26,688 total 1,500 unit for lease 6% vacant	$1.65 industrial gross Addt'l charges N/A	Negotiable depending on tenant need	141 garage spaces Included 3.00/1,000 sf leased	Owned by SDSU Research Foundation and leased to service nonprofits; roving, on-site security; flexible floor plan; monument signage available; unable to speak with broker despite several attempts; unverifiable information marked as "N/A"
In Market Area					
4444 El Cajon Blvd. 2 stories, built 2008 	16,000 total 660 units for lease (x3) 12% vacant	$1.70 NNN downstairs $1.10 NNN upstairs $.20 addt'l for CAM, taxes & insurance No free rent	None	35 surface spaces Open parking Included	

Comparable Office Properties, March 2011 (continued)

Name/Address Stories/Year Built	Total Size (rsf) Space for Lease (rsf) Vacancy Rate	Asking Rent ($/sf) Addt'l Charges ($/sf) Free Rent	Tenant Improvement Allowance	Parking	Details
City Heights Center 4305 University Ave. 6 stories, built 2002 	119,211 total 11,830 for lease over 6 suites (can be subdivided further) 10% vacant	$1.90 full service No free rent	$45/sf w/ min. 5 yr lease	390 garage spaces 3 space min. per 1,000 sf of lease $55/space/mo	Primarily leased to non-profit tenants, which drives down asking rent and makes it harder to reach full occupancy; 24-hour roving security; fully built-out meeting room available to all tenants at no charge; conference hall and additional meeting space available to all tenants for nominal fee

Sources: LoopNet; BAE, March 2011.

Comparable Retail Properties, March 2011

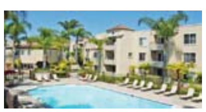
Name/Address Stories/Year Built	Total Size (sf GLA) Space for Lease (sf GLA) Vacancy Rate	Asking Rent ($/sf) Addt'l Charges ($/sf) Free Rent	Tenant Improvement Allowance	Parking	Details
In Study Area					
3902 El Cajon Blvd. 1 story, built 1980 	3,800 total 1,900 unit for lease 50% vacant	$1.25 industrial gross Addt'l charges N/A	N/A	10 surface spaces 2.63/1,000 sf	Unable to speak with broker despite several attempts; unverifiable information marked as "N/A"
3762 El Cajon Blvd. 1 story, built 1970s 	3,400 total 3,400 unit for lease 100% vacant	$1.10 NNN, negotiable $0.24 addt'l for CAM, taxes & insurance 1 mo/yr free rent	N/A	12 surface spaces 3.53/1,000 sf Included	Includes auto lot and small garages in rear
Regional Trans. Center 4001 El Cajon Blvd. 2 stories, built 2003 	9,600 total retail on 1st floor 9,600 unit for lease 100% vacant	$1.90 NNN $0.40 addt'l for CAM, taxes & insurance Free rent negotiable depending on tenant need	N/A	100 underground garage spaces 15 surface spaces Open parking Shared w/ office Included	Built to showcase alternative fuel vehicles w/ adjacent multi-fuel filling station; option to share 60-seat theater w/ charter school; 24-hour monitoring
4102 El Cajon Blvd. 2 stories, built 1950s 	10,080 total 10,080 unit for lease 100% vacant	$0.84 NNN $0.15 addt'l for CAM, taxes & insurance Free rent available for tenant w/ high TI's	N/A	30 surface spaces 2.98/1,000 sf Included	Large, grandfathered signage
In Market Area					
4323 El Cajon Blvd. 1 story, built 1942 	2,400 total 2,400 unit for lease, can be divided in half 100% vacant	$0.80 NNN $0.29 addt'l for CAM, taxes & insurance No free rent	N/A	6 surface spaces 2.50/1,000 sf Included	
3643 El Cajon Blvd. 1 story, built 1980 	6,250 total 2,400 unit for lease 38% vacant	$1.75 NNN $0.35 addt'l for CAM, taxes & insurance Free rent negotiable depending on tenant need	N/A	22 surface spaces 3.52/1,000 sf Included	CAM supports dedicated maintenance worker, who visits 2-3 times weekly

Comparable Retail Properties, March 2011 (continued)

Name/Address Stories/Year Built	Total Size (sf GLA) Space for Lease (sf GLA) Vacancy Rate	Asking Rent ($/sf) Addt'l Charges ($/sf) Free Rent	Tenant Improvement Allowance	Parking	Details
3878 43rd St. 1 story, built unknown 	4,000 total 2,000 unit for lease 50% vacant	$1.50 full service	N/A	8 surface spaces 2.00/1,000 sf Included	Exterior recently repainted and interior renovated
City Heights Village 3807 Fairmount Ave. 1 story, built 2000 	109,000 total 1,483 unit for lease 5,050 unit for lease 6% vacant	$3.00 NNN $0.15 addt'l for CAM, taxes & insurance	None	341 surface spaces 3.14/1,000 sf Included	Anchored by Albertsons and other national retailers
City Heights Square University & Fairmount Ground floor commercial Scheduled completion 2011 	21,000 total 2,984 unit for lease 1,492 unit for lease (x3) 556 unit for lease 605 unit for lease 1,821 unit for lease 50% under contract	$2.00 NNN on 43rd or Fairmount $2.40 NNN on University $0.93 addt'l for CAM, taxes & insurance No free rent at this time	$45/sf May amortize TI's in excess of allowance as free rent over term of lease	48 covered spaces 49 underground garage spaces 4.62/1,000 sf Included	Ground-floor retail below new mixed-income apartments; 24-hour roving security; security cameras monitored by centralized staff in City Heights Center

Sources: LoopNet; BAE, March 2011.

Comparable Rental Housing Properties, March 2011

Name/Address Stories/Year Built	Unit Type	Num.	Num. Vacant	Size (sf)	Rent Low	Rent High	$/sf Low	$/sf High	Parking	Tenant-Paid Utilities	Amenities
In Study Area											
Marlborough Villas	1BR/1BA	1	0	600	$900	$900	$1.50	$1.50	27 surface spaces	All	Controlled-access,
4102 Marlborough Ave.	2BR/1.5BA TH	12	1	930	$1,200	$1,295	$1.29	$1.39	1 space/unit		A/C, dishwasher,
3 stories, rehabbed 2007	2BR/2BA	4	0	875	$1,200	$1,295	$1.37	$1.48	Included		washer/dryer in unit,
	3BR/2.5BA	1	0	1,300	$1,200	$1,295	$0.92	$1.00			granite countertops,
	Total	**18**	**1**								patio/balcony
	Occupancy rate	94%			1/2 off 1st mo's rent						
4349 McClintock St.	1BR/1BA	2	1	N/A	$795	$795	N/A	N/A	7 garage spaces	Gas & electri	Laundry on-site,
2 stories, built 1989	2BR/2BA	5	0	N/A	$1,050	$1,050	N/A	N/A	1 space/unit		controlled-access,
	**Total**	**7**	**1**						Included		patio/balcony
	Occupancy rate	86%			$300 off 1st mo's rent						
In Market Area											
City Heights Square	1BR/1BA	6	N/A	1,100	Project under construction; unit pricing yet to be determined				183 garage spaces	Water, gas 8	BBQ, gym, 15-station
University & Fairmount	2BR/2BA (a)	19	N/A	1,150					2 spaces/unit	electric	computer room, board
4 stories residential	3BR/2BA (a)	67	N/A	1,220					Included		room, common room,
Scheduled completion 201	**Total**	**92**	**N/A**								on-site programming
											for tenants, courtyard
	Occupancy rate	N/A			No free rent; owner will pay cable TV for 1st yr						w/ play structure, A/C, dishwasher, disposal, washer/dryer in unit, patio/balcony
Mission Pacific	1BR/1BA	14	1	641	$1,176	$1,241	$1.83	$1.94	280 garage spaces	All	Swimming pool, spa
4454 44th St.	2BR/2BA	98	2	954	$1,503	$1,565	$1.58	$1.64	1 space/BR		fitness center, lounge
3 stories, built 1989	2BR/2.5BA TH	2	0	1,000	$1,671	$1,671	$1.67	$1.67	Included		w/ BBQ & billiards,
	3BR/2BA	20	2	1,105	$1,829	$1,884	$1.66	$1.70			laundry on-site,
	Total	**134**	**5**								controlled-access, A/C
											dishwasher, disposal,
	Occupancy rate	96%			No free rent						patio/balcony

Comparable Rental Housing Properties, March 2011 (continued)

Name/Address Stories/Year Built	Unit Type	Num.	Num. Vacant	Size (sf)	Rent Low	Rent High	$/sf Low	$/sf High	Parking	Tenant-Paid Utilities	Amenities
Parkview Terrace	1BR/1BA	32	2	535	$950	$950	$1.78	$1.78	40 surface spaces	Water &	BBQ, laundry on-site,
4103 54th Place	2BR/2BA	68	0	770	$1,150	$1,150	$1.49	$1.49	Open parking	electric	controlled-access,
3 stories, built 1989	**Total/Avg.**	**100**	**2**						Included		A/C, dishwasher,
									60 carports		disposal, patio/balcon
	Occupancy rate	98%			$600 off 1st mo's rent				$15/mo for 1 car		
									$40/mo for 2 cars		
Solana Vista	1BR/1BA	100	1	650	$940	$940	$1.45	$1.45	60 surface spaces	All	BBQ, laundry on-site,
3810 Wabash Ave.	2BR/1BA	16	1	750	$1,090	$1,090	$1.45	$1.45	Addt'l garage parking		controlled-access,
4 stories, built 1986	2BR/2BA	16	2	758	$1,170	$1,170	$1.54	$1.54	1 space/BR		night patrol, A/C,
	Total	**132**	**4**						Included		dishwasher, disposal,
									Addt'l garage space		patio/balcony
	Occupancy rate	97%			$200 off 1st mo's rent				$65/space/mo		
Talmadge Canyon Park	2BR/2BA	70	0	1,000	$1,325	$1,365	$1.33	$1.37	190 surface spaces	All except	Swimming pool, spa
4850 Talmadge Park Row	3BR TH	40	1	1,632	$2,095	$2,195	$1.28	$1.34	2 spaces/unit	trash	laundry on-site,
2 stories, built 1988	**Total/Avg.**	**110**	**1**						Included		individual entries, A/C
									Each TH equipped		fireplace, dishwasher,
	Occupancy rate	99%			$100 off each mo w/ 1 yr lease (TH only)				w/ 2-car garage		patio/balcony

Note:
(a) 14 units at City Heights Square will be affordable. Affordable units will be a mixture of 2BR and 3BR units and will be identical to market-rate ones. Listed rents represe market-rate rents only.
Sources: RealFacts; BAE, March 2011.

Median Sale Prices, 2010

Resales			
Single-Family Residences	**Number of Sales**	**Median Sale Price**	**% Change Over 2009**
City Heights (92105)	311	$223,000	17.4%
North Park (92104)	193	$445,000	8.5%
Central San Diego (a)	5,727	$390,000	9.9%
Condos			
City Heights (92105)	141	$80,000	8.1%
North Park (92104)	187	$192,000	9.7%
Central San Diego (a)	4,814	$258,000	3.2%
New Sales			
SFRs and Condos			
City Heights (92105)	20	$207,000	-11.3%
North Park (92104)	13	$245,000	2.8%
Central San Diego (a)	737	$375,500	-5.3%
New Sales and Resales Combined			
SFRs and Condos			
City Heights (92105)	472	$185,000	8.8%
North Park (92104)	393	$265,000	8.2%
Central San Diego (a)	11,278	$328,000	6.7%
San Diego County (b)	36,414	$330,000	6.5%

Notes:
(a) The *San Diego Union-Tribune* subdivides San Diego County into Central San Diego, East County, North County Inland, North County Coast, and South County.
(b) Countywide information was only available for total combined sales and could not be broken down according to new sales vs. resales, SFRs vs. condos.
Sources: DQNews; BAE, 2011.

Residential Sale Price Distribution, September 2010 through February 2011 (a)

Single-Family Residences	Study Area (b)	Market Area (c)
Less than $150,000	36.4%	20.4%
$150,000-$299,999	36.4%	25.2%
$300,000-$399,999	4.5%	15.2%
$400,000-$499,999	18.2%	17.0%
$500,000-$599,999	4.5%	8.5%
$600,000-$699,999	0.0%	6.7%
$700,000-$799,999	0.0%	4.1%
$800,000 or more	0.0%	3.0%
Total	**100.0%**	**100.0%**
Total SFR Sales	**22**	**270**
Median SFR Sale Price	**$235,000**	**$330,189**
Condos		
Less than $100,000	23.8%	27.3%
$100,000-$199,999	52.4%	50.0%
$200,000-$299,999	23.8%	18.0%
$300,000-$399,999	0.0%	3.6%
$400,000 or more	0.0%	1.0%
Total	**100.0%**	**100.0%**
Total Condo Sales	**21**	**194**
Median Condo Sale Price	**$170,000**	**$136,600**

Notes:
(a) Consists of all full and verified sales of single-family residences and condos between 9/1/2010 and 2/28/2011.
(b) Defined as a circle with a radius of .7 miles with its center at Teralta Neighborhood Park. The study area was necessarily broadened in order to capture a statistically significant number of sales within the current market period.
(c) Defined as a circle with a radius of 1.7 miles with its center at Teralta Neighborhood Park.
Sources: DataQuick; BAE, 2011.

Single-Family Home Sale Price Distribution by Number of Bedrooms, September 2010 through February 2011 (a)

	Number of Units Sold				
Study Area (b)	**1 BRs**	**2 BRs**	**3+ BRs**	**Total**	**% Total**
Less than $150,000	2	5	1	8	36.4%
$150,000-$299,999	3	4	1	8	36.4%
$300,000-$399,999	0	0	1	1	4.5%
$400,000-$499,999	0	3	1	4	18.2%
$500,000-$599,999	0	0	1	1	4.5%
$600,000-$699,999	0	0	0	0	0.0%
$700,000-$799,999	0	0	0	0	0.0%
$800,000 or more	0	0	0	0	0.0%
Total	**5**	**12**	**5**	**22**	**100.0%**
Median Sale Price	**$210,000**	**$235,000**	**$336,000**	**$235,000**	
Average Sale Price	**$186,600**	**$248,375**	**$336,100**	**$254,273**	
Average Size (sf)	**565**	**879**	**1,333**	**911**	
Average Price/sf	**$330**	**$282**	**$252**	**$279**	
Market Area (c)					
Less than $150,000	6	37	12	55	20.4%
$150,000-$299,999	6	29	33	68	25.2%
$300,000-$399,999	3	24	14	41	15.2%
$400,000-$499,999	0	24	22	46	17.0%
$500,000-$599,999	0	2	21	23	8.5%
$600,000-$699,999	0	3	15	18	6.7%
$700,000-$799,999	0	3	8	11	4.1%
$800,000 or more	0	1	7	8	3.0%
Total	**15**	**123**	**132**	**270**	**100.0%**
Median Sale Price	**$200,000**	**$283,500**	**$430,500**	**$330,189**	
Average Sale Price	**$216,733**	**$307,461**	**$450,053**	**$372,133**	
Average Size (sf)	**652**	**908**	**1,601**	**1,232**	
Average Price/sf	**$333**	**$339**	**$281**	**$302**	

Notes:
(a) Consists of all full and verified sales of single-family residences and condos between 9/1/2010 and 2/28/2011.
(b) Defined as a circle with a radius of .7 miles with its center at Teralta Neighborhood Park. The study area was necessarily broadened in order to capture a statistically significant number of sales within the current market period.
(c) Defined as a circle with a radius of 1.7 miles with its center at Teralta Neighborhood Park.
Sources: DataQuick; BAE, 2011.

Household and Employment Growth Projections, 2008-2040 (a)

Households	2008 (b)	2020	2030	2040	Avg. Annual % Growth 2008-2040 (c)
Study Area	5,953	6,928	8,820	9,234	**1.4%**
Market Area	58,876	64,322	69,185	74,329	**0.7%**
City of San Diego	479,164	549,849	602,319	646,662	**0.9%**
Employment					
Study Area	N/A	3,232	3,913	4,063	**1.2%**
Market Area	23,538	29,150	32,009	34,731	**1.2%**
City of San Diego	821,521	874,606	928,178	982,683	**0.6%**

Notes:
(a) SANDAG projection data is published for small geographies by Traffic Analysis Zone (TAZ), not block group. Therefore, the Study and Market Areas used in this table are comprised of the TAZs that most closely match the geographies used elsewhere in this report.
(b) Employment projections for 2008 were not available at the TAZ level. Census tract-level data was substituted for the Market Area because the tract boundaries closely align with the TAZ boundaries. However, this approximation could not be replicated for the Study Area because the boundaries do not align.
(c) Annual employment growth for Study Area refers to period from 2020-2040.
Sources: SANDAG, 2010; BAE, 2011.