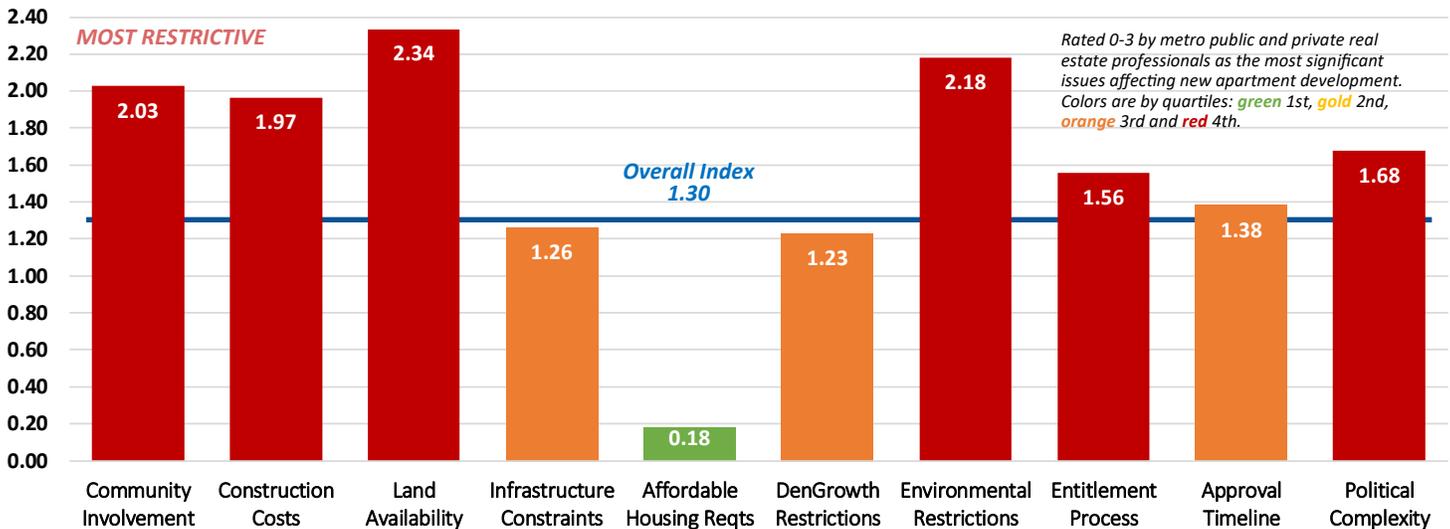


**MOST RESTRICTIVE APARTMENT CATEGORIES:**

- LAND AVAILABILITY
- ENVIRONMENTAL RESTRICTIONS
- COMMUNITY INVOLVEMENT

San Diego was one of four pilot metro markets explored with an earlier survey and is recast below with updated indexing. A highly desirable, land-constrained market, San Diego metro has multiple factors ranked high for their impact on apartment development. Respondents particularly noted that citizen opposition to growth influences the development process through an array of advocacy groups, public votes to circumvent council or planning commissions, repeated lawsuits, and numerous community meetings required before zoning or rezoning. Construction costs are driven up by the high number of impact fees, lack of waivers or processes to mediate fees, and high and increasing land costs. In addition to coastal restrictions, environmental restrictions and mitigation, the area ranks high in the number of conservation bonds passed at the local and state level in the past ten years including the California Environmental Quality Act (CEQA). Metro experts also noted process and political structure issues that create uncertainty and delays in the entitlement process. Complex approval structures requiring multiple submissions to approve developments are frequently cited.

### Barriers to Apartment Construction Subindices



### BARRIERS INDEX METHODOLOGY:

These NAA HAS Barriers to Apartment Construction indices were created from over 90 apartment development, process and timing questions in ten categories and sourced digitally from real estate professionals in both the public and private realms. An initial overall metro **Barriers to Apartment Construction Index** is also plotted above.

### DEFINITIONS and NOTES:

- <sup>1</sup>**BARRIERS RANKING** is the relative ranking among 58 major metro apartment markets based upon the average index of each metro from the least restricted to the most; ranges from 1 (Albuquerque) to 58 (San Jose). Rankings consider expert responses from throughout the extended metro that includes but not isolates the urban core.
- <sup>2</sup>**NEW MF DEMAND** is the updated total demand for new multifamily units (in thousands) through 2030 based upon the forecasted total rental housing demand 2017-2030 from the NAA-NMHC demand study by HAS: *U.S. Apartment Demand—A Forward Look (2017)*; ranges from 3,890 (Sioux Falls) to 222,589 (New York).
- <sup>3</sup>**HIGH RENT BURDEN** refers to that share of 2017 households spending over 35% of combined household income on rent; major metro ranges from 56% and rents of \$1,370 (Miami) to 38% and rents of \$865 (Sioux Falls) with a major metro average of 43%.
- <sup>4</sup>**STAR SHARE** is that share of metro rental housing stock with five or more units HAS qualified as *\*Second-Tier Affordable Rentals* or those non-institutional sites of typically lower unit count, lower quality and greater age, often overlooked as crucial affordable housing already in place. Using CoStar® ratings of 1-5 for sites of five units or more, STAR is the lower ratings of 1-2. This share ranges from 61% (Los Angeles) to 17% (Austin) with a major metro average of 36%.
- <sup>5</sup>**INCOME REQUIRED FOR AVERAGE RENT** assumes a more conservative 30% of rental household income needed for the average metro contract rent.