

HOMES

FROM C1

stead of living farther and farther east. For instance, a 10-unit apartment building recently finished construction on Georgia Street in University Heights in what was a lot for one dilapidated, roughly 100-year-old single-family house.

It is common for San Diego buyers to get a condo first and then move up to single-family—but that step is often being skipped now because of low mortgage rates, said Mauricio "Mo" Perez, a Chula Vista real estate agent and member of the board on the National Association of Hispanic Real Estate Professionals.

"When a buyer sees a 30-year interest rate in 2 and change percent, it's a big incentive to lock something in forever," he said. "They say, 'Maybe we go up in price to get that single-family home and won't have to move up in three to five years.'"

Perez argues there are advantages to a condo or townhouse, despite many buyers' aversion to homeowner association fees. He says some HOAs are better than others and can take care of maintenance issues, include water bills and amenities like gyms or pools.

Yet he said the ultimate goal for many buyers is still to get into a single-family, traditional home. Perez said they express a desire to actually own land, have the freedom to make changes or put a granny flat in the backyard.

While homes in Fallbrook and Valley Center might be cheaper and work well for a stay-at-home worker, it is no guarantee workers will not be called back to offices when the population is more vaccinated.

Perez said he sees "both ends of the spectrum" from stay-at-home workers. Some are taking an educated guess that they will be at home long-term while others anticipate a return to commuting. He said some are much more willing to buy homes farther away because they aren't commuting right now, but the main factor seems to be more tied to affordability. He has worked with buyers who decided to move to Riverside County—an even farther commute than many new San Diego communities—because they are priced out here.

Cota Vera

Otay Ranch has been a beacon for new homes as the last major masterplan community approved in the region. It is nearly the size of San Francisco at 25,000 acres and still has space for roughly 16,000 more homes.

It is now set to open a sort of masterplan-within-a-masterplan called Cota Vera that would be one of the biggest new communities in San Diego if it was not already part of another large masterplan. Cota Vera is around 400 acres with space for 2,300 homes. It is located at the end of La Media Road in an undeveloped area around Rock Mountain west of state Route 125.

The community will be a mix of apartments, condos and townhouses, subsidized housing and single-family homes. Plans call for new parks, schools, transit hubs, pools and hiking trails.

Shea Homes is planning two single-family projects. It plans to sell around 40 homes, at 2,535 to 2,831 square feet, at Lucca this year from the low \$700,000s. It also has larger homes at Savona, also selling about 40 houses this year, for the mid-\$700,000s for 3,157 to 3,577 square feet. Lennar has around 35 homes coming out in its Whitmore development with 1,950 to 2,143 square feet starting at the low \$600,000s. Prices are estimates right now, and could change closer to opening.

Right now, Cota Vera is mostly dirt with hundreds of workers preparing the land for the first housing units to start going up. The first apartments should start construction in the next few weeks.

"It's a community that will come out of the ground all at once," said Kent Aden, president of HomeFed Communities.

HomeFed, the landowner of the Cota Vera site, spent roughly \$400 million to develop the land. Aden said it has owned the land for 25 years.

Unlike a lot of Otay Ranch that is dominated by the Spanish mission-style homes, Aden said the new community will take inspiration from Europe that includes cobblestone pavers and other design elements.

The price for new homes in Cota Vera is near the median price for a resale home



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These homes in the Sendero Collection community in Pacific Highlands Ranch are still under construction.

in San Diego County, \$710,000 in January, said CoreLogic. However, Otay Ranch properties come with homeowner association fees and additional Mello-Roos taxes.

Aden said it will be a place that will be highly sought after because it is a community with so many amenities and different benefits.

There will be trails leading all around Otay Ranch's open space, an urban core with retail, an amphitheater and an art walk. In short, homeowners won't have to leave the community for services.

The community was designed for the San Diego trolley system to go through but was later changed by county planners to a rapid-bus system. It is possible the space could be switched easily to the trolley in the future if there is more support for a project.

Pacific Highlands Ranch

Homes at Pacific Highlands Ranch, a masterplan community north of Carmel Valley, have the most expensive new homes for sale—and with good reason.

The homes are located near some of the highest-paid jobs in life sciences and technology. In fact, Tri Pointe Homes director of community experience, April Gringas, said a lot of

their buyers are engineers at Qualcomm, which is about a 10- to 15-minute drive from many of the homes.

Tri Pointe is building three communities in the development with about 116 new homes for sale. The least expensive is the Sendero Collection, which ranges from \$1.5 million to \$1.9 million.

The 3,007- to 3,455-square-foot homes come with a host of amenities, including smart home devices, 1,300 acres of walkable native habitat and functional floorplans that take advantage of the Southern California climate with many openings to the outside air.

Ayala said Pacific Highlands Ranch is so expensive because of its location closer to the ocean, it has coastal breezes, is near high-quality schools and has a host of amenities that come with living in a masterplan community.

Gringas said Sendero Collection had 280 pre-qualified buyers when the first four homes went for sale. "The biggest frustration is not getting homes soon enough," she said.

Tri Pointe's other projects in Pacific Highlands Ranch are more expensive. The five homes for sale this year at the Carmel project range from \$2 million to \$3 million and are 3,716 to 4,691 square feet. The 4,138- to

5,051-square-foot homes at The Highlands range from \$2 million to \$2.5 million.

The roughly 30 homes for sale in the gated community of The Highlands this year feature options like chef kitchens, two-to-four-car garages, a pool, smart home devices, expansive views of

mountains and golf courses, and guest bedrooms called GenSmart Suites. The extra rooms can have separate entrances for guests—or could even be used as a big office for a stay-at-home worker.

Tri Pointe isn't selling all multimillion-dollar homes. It has homes in Fallbrook that are below median home prices but can be an hour, or more, trip by car to downtown San Diego. It would probably be best for workers in Oceanside or Carlsbad who would face a 30- to 40-minute commute.

Its least expensive project in Fallbrook, called Castello, has single-family homes from 1,691 to 2,209 square feet in the \$500,000 range. It is likely one of the most affordable places for a single-family home this year, with basic things that homeowners might be looking for—starting at three bedrooms, 2½ bathrooms and a two-car garage.

"That is the exact type of home we need," said Nathan Moeder, principal with real estate analysts London Moeder Advisors, of Castello.

Moeder has long argued

more single-family homes are needed because that is what young families want, rejecting the notion that millennials want to live in city centers. He said he understands why developers are focused on multifamily because it is increasingly difficult to find buildable land in the county.

He said there has been an effort across California to zone more space for multifamily housing. So, where it might have been a tad easier to buy a lot for a single-family home a decade ago, the same lot may now be zoned for multifamily like an apartment building or duplex.

Moeder said buying a multifamily lot and putting a single-family home there will be difficult.

"It is a political no-no," he said. "Everyone is going to point to the politicians and say, 'You approved this project and single-family homes are not (environmentally friendly) and we're not maximizing the units there.'"

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Together San Diego

LIVESTREAM

Community relations director Luis Cruz and community relations manager Paola Hernández-Jiao interview the people and organizations working to make our community a better place.



Migrant Voices Today Film Challenge
Thursday, Apr. 8 at 11:30 a.m.

Ethan Van Thillo

Executive Director / Founder, Media Arts Center San Diego

This year, Migrant Voices Today Film Challenge expanded its horizons and accepted international film projects from around the world. Our guest, Ethan van Thillo, will talk to us about these diverse short-form films, the finalist films, and winning filmmakers. The featured finalists' films may be viewed at sandiegouniontribune.com/migrant-voices-film-challenge.

Watch the interview live at:

SanDiegoUnionTribune.com/UTToday

The San Diego Union-Tribune

Know your community

THE ARAMCO REPORT

Entry-level home values grew the most last year

By Mehran Aram, Real Estate and Mortgage Analyst

In the majority of major metropolitan markets in the U.S., homes that are considered to be entry-level for first-time buyers grew much faster than more expensive properties. This is according to a new report from Zillow.

While the housing market is hot across the board, demand from first-time buyers, largely Millennials who are coming in to prime home buying age, pushed the values for these entry-level properties higher than other homes. Homes within the bottom third of the market in terms of price grew by 9.8 percent in value over the last year. This is faster than the annual growth of 9.5 percent for the priciest

homes in a region. Owners of these entry-level homes are building wealth and have seen significant financial gains in the profits when selling their homes.

Today, conforming no-point 30-year fixed mortgage rates are averaging 3.0 percent and 15-year rates are near 2.375 percent.

Do you have a question for Real Estate and Mortgage Analyst Mehran Aram? Submit your queries about a home purchase, refinance or reverse mortgage via aramco.biz, social media (#AramcoReport), or over the phone at (866) 381-8888 and your questions may be featured in an upcoming article.

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