



You are here: [Home](#) > [Daily News](#) > MF Developers In 'Amenities Arms Race'

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EXCLUSIVE

MF Developers In 'Amenities Arms Race'

By [Carrie Rossenfeld](#) | San Diego

Onsite registration is available for [RealShare San Diego](#) on May 28. Breakfast begins at 7:30 am.



SAN DIEGO—It is almost a requirement to offer **multifamily** residents the latest and most-innovative, hotel-type amenities, **Wermers Multi-Family Corp.**'s director of development **Branden Wermers** tells [GlobeSt.com](#). As he prepares to speak on the "Multifamily Momentum" panel during [RealShare San Diego](#) on May 28 (that's this Thursday), we spoke exclusively with Wermers about the specific challenges multifamily **developers** face in San Diego and trends he is seeing in the market.

GlobeSt.com: *What are the challenges to multifamily development in this market?*

Wermers: "We are in the midst of an 'amenities arms race' where"

Wermers: There are several challenges specific to San Diego **apartment** developers. The issues that seem to be most prevalent in the region are the scarcity of entitled land to build more projects, the steady increase in pricing on hard costs and competitive rental rates due to the increase in permits and the need for

developers to fulfill intricate CEQA requirements for all projects.

GlobeSt.com: *What types of multifamily properties are most in demand from the market?*

Wermers: At present, most apartment developers are focused on high-density wood frame. Also, **Millennials**, **Boomers** and empty-nesters are driving the demand for luxury **housing**. As a developer, we are in the midst of an "amenities arms race" where it is almost a requirement to offer residents the latest and most-innovative, hotel-type amenities. For San Diego residents, this also includes pet-friendly facilities. Bottom line: the market's lifestyle options will dictate how amenities are planned and provided for each **development**.

GlobeSt.com: *How does multifamily development in San Diego County compare to that of other Southern California markets?*

Wermers: There are distinct market features unique to San Diego that influence the local apartment market. San Diego has a sizeable military market and relies on key business industries: biotechnology and healthcare, military and defense industries, tourism, trade and cargo, food and beverage. Unique to San Diego's urban planning is the **City of Villages** concept, which allows for community involvement in planning and developing our projects. San Diego is also unique because of its proximity to Mexico, which provides tremendous development opportunities for both sides of the border.

GlobeSt.com: *What else should our readers know about the San Diego multifamily development market?*

Wermers: Presently, San Diego's growth and demographic shifts lead us to believe that we will continue to see elevated rents and low vacancy rates. Over the long run, we also feel there will be an increase in adaptive re-use in areas that are underutilized and will be re-zoned. For example, our project **Pacific Highlands Ranch at Carmel Valley** maximizes the new urban planning in high-barrier-to entry markets, creating an "urban node" in an area that was once seen as suburban. Fundamentally, we believe that the development process is constantly evolving year to year. As a company, Wermers always looks to the horizon to see what obstacles and opportunities lie ahead.

Registration is now open for [RealShare APARTMENTS](#) in Los Angeles on October 21-22. Book your flights and hotel today.

About Our Columnist



Carrie Rossenfeld is a reporter for the West Coast region of [GlobeSt.com](#) and [Real Estate Forum](#). She was a trade-magazine and newsletter editor in New York City before moving to Southern California to become a freelance writer and editor for magazines, books and websites. Rossenfeld has written extensively on topics including commercial real estate, running a medical practice, intellectual-property licensing and giftware. She has edited books about profiting from real estate and has ghostwritten a book about starting a home-based business.

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