



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission Construction Cost Comparison – Affordable Housing Developments

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Construction Cost Comparison – Affordable Housing Developments

- OVERVIEW
- UNIQUE FEATURES
- COMPARISON
- CONCLUSION



Overview

The Housing Commission sought to determine how features and requirements unique to affordable housing transactions impact the total development budget for an affordable housing project.

The Commission asked Keyser Marston Associates to review development costs for three (3) new-construction affordable housing developments recently financed by the Housing Commission.

- Estrella del Mercado
- Kalos (Florida Street Apartments)
- Riverwalk Apartments



Unique Features

- Community Room
- Minimum 30% Three-Bedroom Units
- Higher Construction Costs to Ensure Durability
- Architectural Design Elements
- Prevailing Wages
- Solar Features and/or LEED Certification
- Relocation Costs
- Capitalized Upfront Developer Fee
- Costs and Fees
- Higher Reserve Requirements



Comparison

PROJECT	AFFORDABLE COST PER UNIT / S.F. *	ESTIMATED MARKET RATE COST	DIFFERENCE IN COST
Estrella del Mercado	\$388,000 / \$415	\$297,000 / \$321	23% 23%
Kalos (Florida Street Apartments)	\$300,000 / \$241	\$261,000 / \$240	13% 1%
Riverwalk Apartments	\$240,000 / \$269	\$159,000 / \$201	34% 25%
Cost excludes Acquisition (Land) Costs			



Conclusion

- Affordable housing costs 13%-34% more than market rate housing
- A portion of increased costs can be attributed to the unique features and requirements of affordable housing programs and funders

