

Is the sale of two malls, paving the way for housing, good for Mission Valley?

By Phillip Molnar

Two Mission Valley shopping centers, totaling 1.5 million square feet of space, have sold for \$290 million. The transactions pave the way for a significant amount of housing.

Paris-based Unibail-Rodamco-Westfield sold Westfield Mission Valley East to Los Angeles-based developer Lowe and real estate investor Real Capital Solutions. Unibail also sold Westfield Mission Valley West to Sunbelt Investment Holdings.

Lowe executive Joel Mayer said he hopes to build a “meaningful amount of residential” on the site. Experts say both locations were purchased with residential development in mind, although it could also become mixed-use with both retail and housing.

Mission Valley has added thousands of new apartments in recent years, but locals often complain that it is increasing traffic and strain on infrastructure. The entrances to Interstate 8 and State Route 163 near Target are one of the county’s worst bottlenecks. Yet residential development taking the space of parking lots and underused retail is seen by housing advocates as a good thing.

Q: Is the sale of two malls, paving the way for housing, good for Mission Valley?

Kelly Cunningham, San Diego Institute for Economic Research

YES: Centrally located with both freeway and trolley access already existing for the area, adding high-density residential and mixed-uses seems a good application of the under-utilized retail properties. For the live-work-play environment to function, the area needs to be enhanced by improved public spaces and plazas for a community village concept. With more walkable space essential, traffic access to and from the area still needs improvement while retaining enough needed parking.

Phil Blair, Manpower

YES: This is a no-brainer to me. San Diego desperately needs workforce-priced housing, both apartments and condos. Mission Valley is the perfect area with its central location, underutilized retail, acres of space and near mass transit it should be a great success.

Gary London, London Moeder Advisors

YES: When the dust settles, expect a dominantly residential mixed-use project, which will still include retail, and perhaps office or corporate space (perhaps in a peculiarly historically designated department store building). Mission Valley Centers is an example of a vestigial retail center that has

long ago outlived its need. The need for housing is substantially more acute, particularly at this central San Diego location.

Alan Gin, University of San Diego

YES: Lack of housing in general and affordable housing, in particular, is the biggest current economic problem for San Diego. One big issue with building more housing is the lack of buildable land in the county. With the trend moving away from brick-and-mortar retailing, older shopping centers could be a source of that land. With its central location, Mission Valley would be a desirable location for more housing. But there would have to be significant investments in infrastructure, especially access to I-8.

James Hamilton, UC San Diego

YES: It's true that this could aggravate traffic problems. But the biggest obstacle to lowering housing costs in San Diego is the "not in my backyard" objection. If development is prohibited near any existing neighborhood, then no new housing will get built. The key is to provide the transportation and other infrastructure to accommodate the new housing. If we do, we can make San Diego a better place for all of us to live and work.

Austin Neudecker, Weave Growth

YES: Additional development in Mission Valley chips away at the housing shortage. Several other developments were recently completed or are currently underway nearby, including the \$4 billion, 4,000-unit Riverwalk development on the previous golf course. Mission Valley is a central location with improving transit options. The abundant office and retail properties that dominate the valley are less needed today. While I expect more local traffic, I prefer densification to endless suburb expansion.

Chris Van Gorder, Scripps Health

YES: There is no question we need more housing and this is certainly an area where more dense housing can be constructed near mass transportation. However, I do think the city needs to evaluate traffic and parking as an issue. Too much traffic and not enough parking can create downstream issues for everyone and the traffic is already heavy in Mission Valley

Norm Miller, University of San Diego

YES: NIMBYs will always claim increased traffic, parking congestion, pollution, and myriad harms with any new development of any kind. We should applaud all new market-rate housing supply, especially aimed at the missing middle. Mixed-use developments where people can work, shop, eat, play can actually be traffic-reducing in some cases, if well-designed. Units designed for those who work at home, even part-time, will also reduce the traffic problems claimed.

Jamie Moraga, Franklin Revere

NO: While our region needs more affordable housing options, there are several considerations that should be made before additional construction occurs. Is there sufficient infrastructure in place (or will be in place) if additional high-density housing is built in Mission Valley? This includes schools (elementary through high school), parking, traffic, fire and law enforcement, water, electricity, sewer, roads, and grocery stores. Currently, Mission Valley is impacted by the density it already has. Quality of life and what is best for the community should be considered in any future redevelopment.

David Ely, San Diego State University

YES: Given the declining role that physical stores play in consumer retail, redeploing these two malls to provide additional housing is a positive change. The central location of these properties with easy access to public transportation and highways makes them attractive sites for new housing, something that is in scarce supply in San Diego. New residents living in the area will generate traffic, but this should be partially offset by a decline in shoppers.

Ray Major, SANDAG

YES: The region desperately needs new housing and redeveloping Mission Valley into a residential/mixed-use community would alleviate some of the pent-up demand. Strategically located between the region's three largest employment centers; Downtown, Kearny Mesa, and Sorrento Valley, it is a near-perfect solution to help reduce vehicle miles traveled. However, it is important to build on the current transportation system infrastructure that exists today to ensure we plan for the increased capacity of the future.

Caroline Freund, UC San Diego School of Global Policy and Strategy

YES: The malls desperately need a makeover and the region desperately needs housing, so the sale is a win-win. Housing communities with amenities and shopping nearby are especially attractive to the younger generation, who have limited options, given local vacancy rates below 3 percent. They want to rent in areas with a pool, a gym, remote-working spaces, social activities at their fingertips and shopping and restaurants close by. These developments have the potential to meet that demand and boost economic activity in Mission Valley.