

OFFERING MEMORANDUM

2866 COMMERCIAL ST

SAN DIEGO | CA 92113

20,034 SF Site | High Density 6.5 FAR
Existing Building & Yard Used as Storage
Transit Priority Area | Opportunity Zone



Exclusively Listed by

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PREMIER REDEVELOPMENT OPPORTUNITY IN SAN DEIGO, CALIFORNIA

INVESTMENT HIGHLIGHTS

Approximately 150' frontage
20,034 SF site

Current used as storage with a 9,936 SF building

Corner lot with access on three sides

Zoned Commercial Neighborhood

Includes Complete Communities overlay with a 6.5 FAR

The property is located in Qualified Opportunity Zone
and Transit Priority Area

PROPERTY OVERVIEW

ADDRESS	2866 Commercial St & 12 29th St, San Diego, CA 92113
LAND SF	±20,034
EXISTING USE	• 9,936 SF building used for storage. • Outdoor storage space for remainder
POTENTIAL REDEVELOPMENT	• Multifamily 100+ units • Retail: single tenant or multi-tenant • Residential Care facilities • Commercial Services • Mixed use development • Lot split
APNS	• 545-351-20 • 545-351-21 • 545-351-22

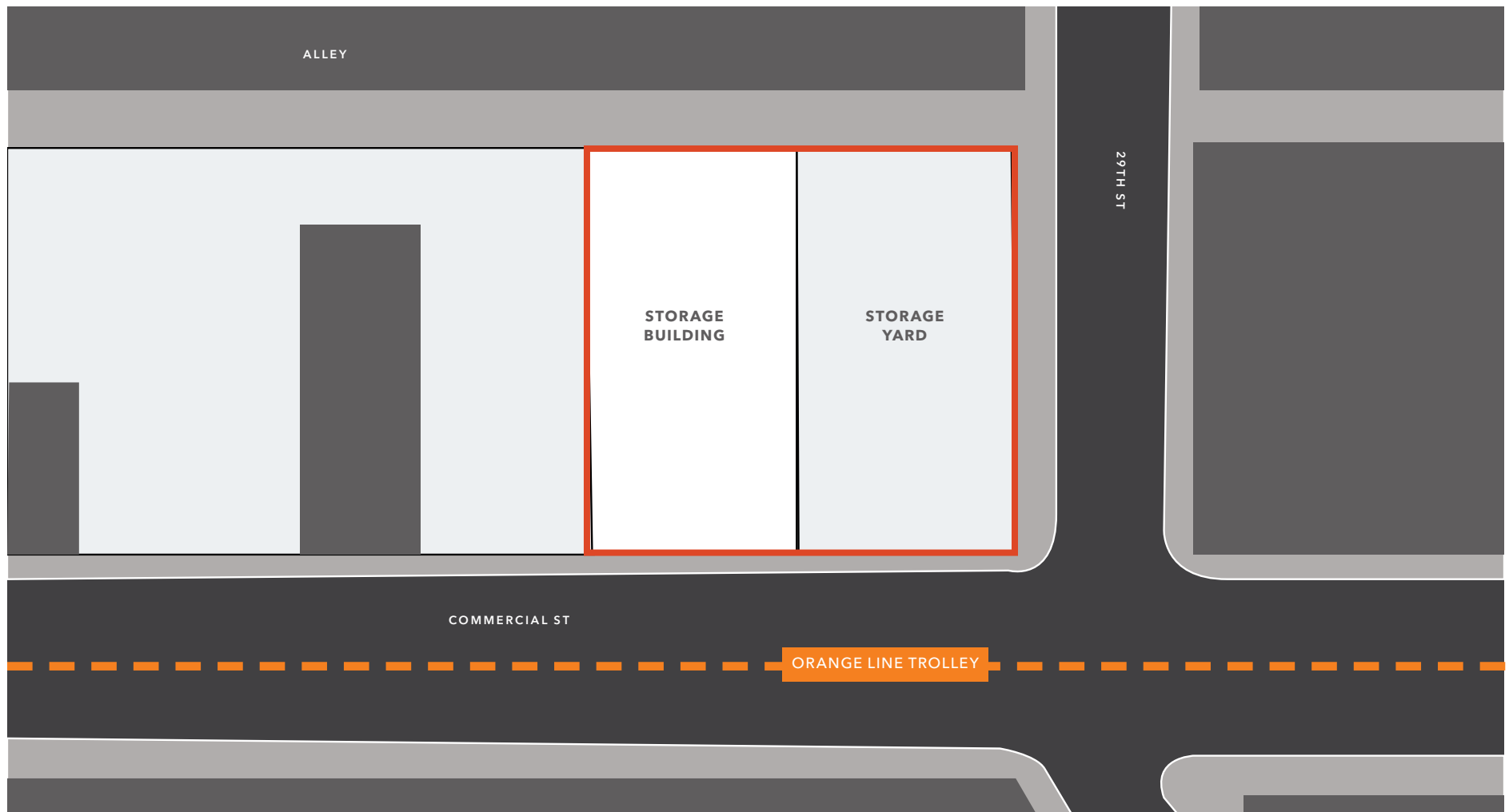
\$1,995,000
OFFER PRICE

\$201
PRICE
/ BLDG SF

\$99
PRICE
/ LAND SF

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SITE PLAN



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20,034 SF

LAND AREA (±0.46 AC)

CN-1-4

ZONING DISTRICT

65'

BASE HEIGHT LIMIT

6.5 FAR

CCHS TIER 3 BONUS

SITE SNAPSHOT

ADDRESS	2866 Commercial Street 12 29th Street Commercial Street (unaddressed parcel), San Diego, CA
CONFIGURATION	Assembled corner site – 3 contiguous parcels
APNS	• 545-351-20-00 (10,088 SF) • 545-351-21-00 (4,867 SF) • 545-351-22-00 (5,079 SF)
LAND AREA	±20,034 SF (± 0.46 acres)
COMMUNITY PLAN AREA	Southeastern San Diego – between the 25th & Commercial and 32nd & Commercial trolley stations (Orange Line), each ± 0.5 mi
BASE ZONING	CN-1-4 (Commercial-Neighborhood)
OVERLAYS / PROGRAMS	Transit Priority Area Complete Communities Housing Solutions (CCHS) Tier 3 Qualified Opportunity Zone

BASE ZONE STANDARDS CN-1-4

CN-1-4 is a Commercial-Neighborhood zone designed for small-scale, pedestrian-oriented mixed-use and residential development along local and collector streets. This assemblage can be developed under these by-right standards or, as outlined on the facing page, opted into San Diego's Complete Communities Housing Solutions program for substantially greater density.

Standard	Base Zone (By-Right)
MAX HEIGHT	65 feet
DENSITY	1 DU / 1,000 SF lot area
MAX FAR	1.2 mixed-use / 0.6 residential-only
PARKING	Waived – Transit Priority Area (AB 2097)

The zoning information and overlay zones are estimates. Buyer to conduct own investigation and make own estimates regarding potential development options.

OVERLAY ZONES

TRANSIT PRIORITY AREA

No minimum parking requirement (AB 2097)

Stackable with CA Density Bonus Law

CCHS – TIER 3 (6.5 FAR)

FAR-based bonus replaces base density & height

Height and unit-density caps waived

In exchange for affordable set-aside

OPPORTUNITY ZONE

Federally designated Qualified Opportunity Zone

Capital gains deferral / basis step-up for qualifying long-term investment

0% Tax on appreciation after 10 year hold



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BASE ZONING VS CCHS TIER 3

Complete Communities Housing Solutions (CCHS) is the City of San Diego's opt-in bonus program for sites in a Transit Priority Area. It replaces the base zone's density and height limits with a floor-area-ratio ceiling – at this site, Tier 3 status unlocks a 6.5 FAR, roughly 5.4x the base zone's buildable area.

Metric	Base Zone (CN-1-4)	CCHS Tier 3 (6.5 FAR)
MAX. FAR	1.2	6.5
BUILDABLE AREA	±24,041 SF	±130,221 SF
HEIGHT LIMIT	65 ft	Unrestricted*
DENSITY	± 20 units	Unrestricted (FAR-governed)
PARKING MIN	Waived (TPA)	Waived (TPA)

*Subject to supplemental design standards for buildings over 95 ft; any applicable coastal or airport-overlay height limits would still control.

PROGRAM REQUIREMENTS

In exchange for the FAR bonus, CCHS Tier 3 requires:

Affordable set-aside – 40% of pre-bonus base-zone units (± 20) deed-restricted, ≈ 8 units, per the tiered very-low / low / moderate income mix (or an approved alternative compliance path).

Public benefit – payment to the Neighborhood Enhancement Fund.
At ±20,034 SF, this assemblage falls below the 25,000 SF / 200 linear ft frontage threshold for the on-site promenade alternative, so the in-lieu fee would apply.

Supplemental design standards – pedestrian circulation, sidewalk widening, and street trees along all frontages.

Buyer to verify all zoning and development feasibility including opportunity zone incentives.

WHY THIS SITE

Assembled corner site of 3 contiguous parcels – positioned directly between two Orange Line trolley stations (25th & Commercial and 32nd & Commercial), each roughly a half-mile away.

Transit Priority Area status removes parking minimums and stacks with state density bonus law.

CCHS Tier 3 replaces base density/height caps with a FAR ceiling – over 5x the by-right buildable area.

Qualified Opportunity Zone location offers capital gains tax advantages for a long-term hold.



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LOCATION OVERVIEW



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LOGAN HEIGHT'S MARKET IS RIPE FOR CHANGE

Logan Heights is an established, densely populated urban infill neighborhood located roughly two miles southeast of Downtown San Diego, California.

One of San Diego's oldest communities, it carries a strong Mexican-American cultural identity dating back to the 1910s. The neighborhood is well connected regionally, with immediate access to I-5 and I-15, two San Diego Trolley Orange Line stations along Commercial Street offering direct light-rail service downtown, and proximity to Balboa Park, the San Diego Zoo, and San Diego International Airport (about 10-15 minutes away).

Demographically, Logan Heights is family-oriented and renter-heavy, with a core population of roughly 8,500 (exceeding 13,000 across the broader community area), a median age near 32, and about 75% family households. Household incomes for working-age residents run roughly \$60,000-\$66,000, and the area's housing stock is aging

(median construction year in the late 1960s), pointing to pent-up demand for newer, professionally managed rental product. The neighborhood's employment access is a major draw: it sits near the Downtown San Diego CBD, Naval Base San Diego and the NASSCO shipyard, the Port of San Diego, the Convention Center/Gaslamp Quarter, and Balboa Park's cultural institutions – giving residents a broad, diversified set of nearby job centers spanning defense, maritime, hospitality, and professional services.

On the market side, San Diego's multifamily fundamentals remain healthy heading into the back half of 2026, with average asking rents around \$2,453/unit and vacancy at 5.5% as of Q2, alongside a construction pipeline that's contracting (down ~21% year-

over-year) while absorption accelerates. Importantly, the data shows a split between overbuilt luxury 4- and 5-star product (absorbing more slowly) and older, well-located workforce-oriented 2- and 3-star housing (holding steady occupancy) – a dynamic that favors a moderately priced, transit-served project like this one in Logan Heights over new luxury supply concentrated in Downtown, Mission Valley, and Balboa Park.

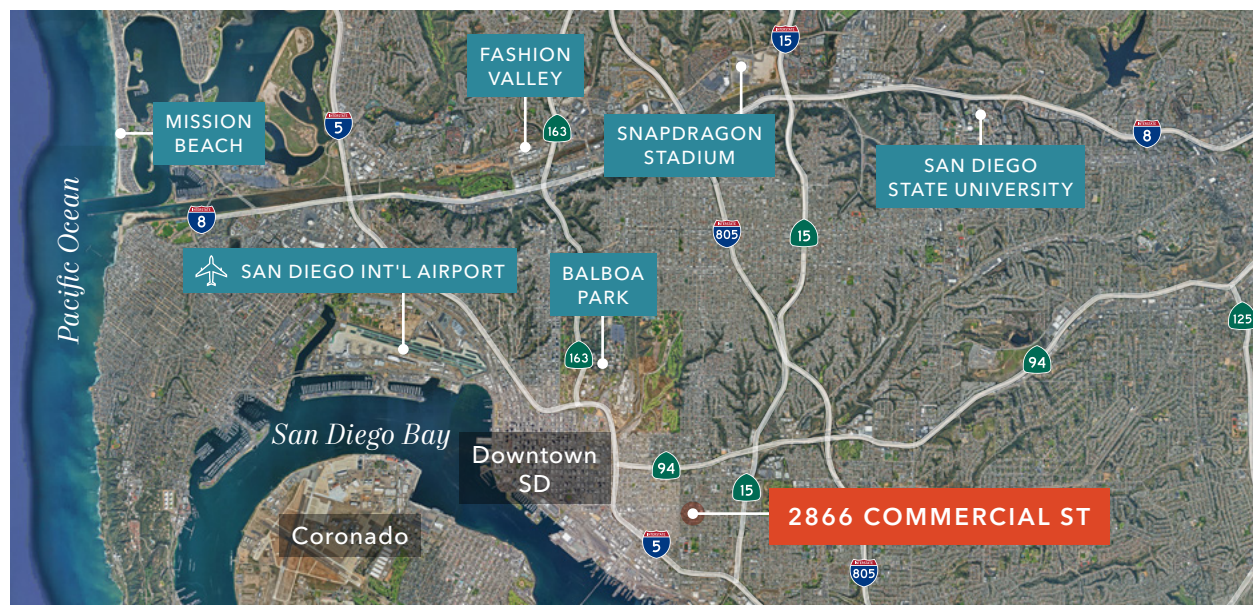
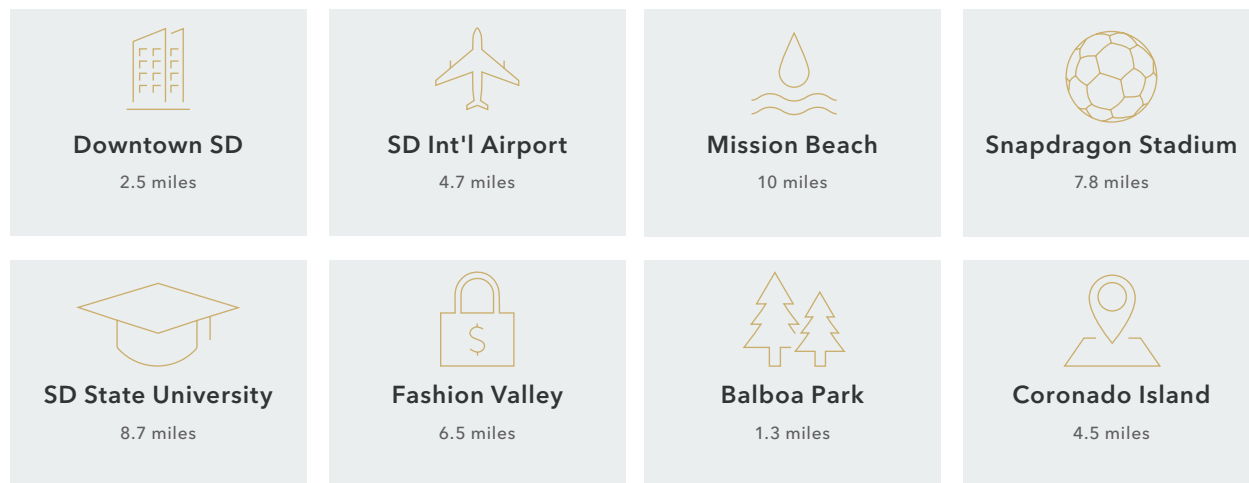
Altogether, the overview positions the site's investment case around its infill location near major employment anchors, direct trolley access, a deep and multigenerational renter base, and a favorable supply/demand setup relative to the luxury-heavy pipeline elsewhere in the metro.

CITYWIDE CONNECTIVITY

Logan Heights is one of San Diego's most centrally located neighborhoods, positioned just southeast of Downtown with direct access to the city's major employment centers, transportation corridors, and waterfront. The neighborhood offers excellent regional connectivity via Interstate 5, State Route 94, Interstate 15, and the San Diego Trolley, making it an attractive location for residents and businesses alike.

Logan Heights benefits from its proximity to Downtown San Diego, Petco Park, the Embarcadero, Balboa Park, Naval Base San Diego, and the Port of San Diego. Residents enjoy convenient access to a growing collection of local restaurants, breweries, parks, and neighborhood amenities, while nearby Barrio Logan has become one of the region's premier destinations for art, culture, and dining.

Transit accessibility is a key advantage, with multiple trolley stations serving the community and providing direct connections to Downtown, UC San Diego, the U.S.-Mexico border, and East County. Combined with ongoing public and private investment throughout the surrounding neighborhoods, Logan Heights continues to experience revitalization while maintaining its strong cultural identity and long-term growth potential.



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SAN DIEGO GROWTH

According to SANDAG, the San Diego region is projected to add approximately 1 million residents, 500,000 jobs, and 330,000 housing units by 2050. To accommodate this growth, future development is expected to be concentrated within the region's existing urban areas, promoting higher-density, transit-oriented communities.

Logan Heights is experiencing continued public and private investment, driven by its strategic location near Downtown San Diego and the city's waterfront. The neighborhood has seen growing interest from developers, businesses, and residents seeking an urban environment with strong transportation access and long-term redevelopment potential. New residential projects, commercial improvements, and infrastructure investments continue to reshape the area while supporting steady economic growth.

Adjacent employment centers—including Downtown San Diego, East Village, the Port of San Diego, and Naval Base San Diego—provide a diverse base of jobs across government, healthcare, logistics, technology, and professional services. At the same time, nearby Barrio Logan has emerged as one of San Diego's premier cultural and dining destinations, further enhancing the appeal of the surrounding neighborhoods.

As investment continues throughout Logan Heights and its neighboring communities, the area is well positioned for long-term growth. Ongoing transit improvements, housing development, and commercial revitalization are strengthening the neighborhood's appeal while preserving the rich cultural heritage that has defined Logan Heights for generations.

Economic Drivers

ENTERTAINMENT

Petco Park
Gaslamp Quarter
Convention Center
Seaport Village
Embarcadero
Balboa Theatre
100+ Restaurants

EDUCATION & ARTS

University of San Diego
UC San Diego
San Diego State University
Point Loma Nazarene
USS Midway Museum
Maritime Museum
San Diego Military Advisory
National Defense

EMPLOYMENT

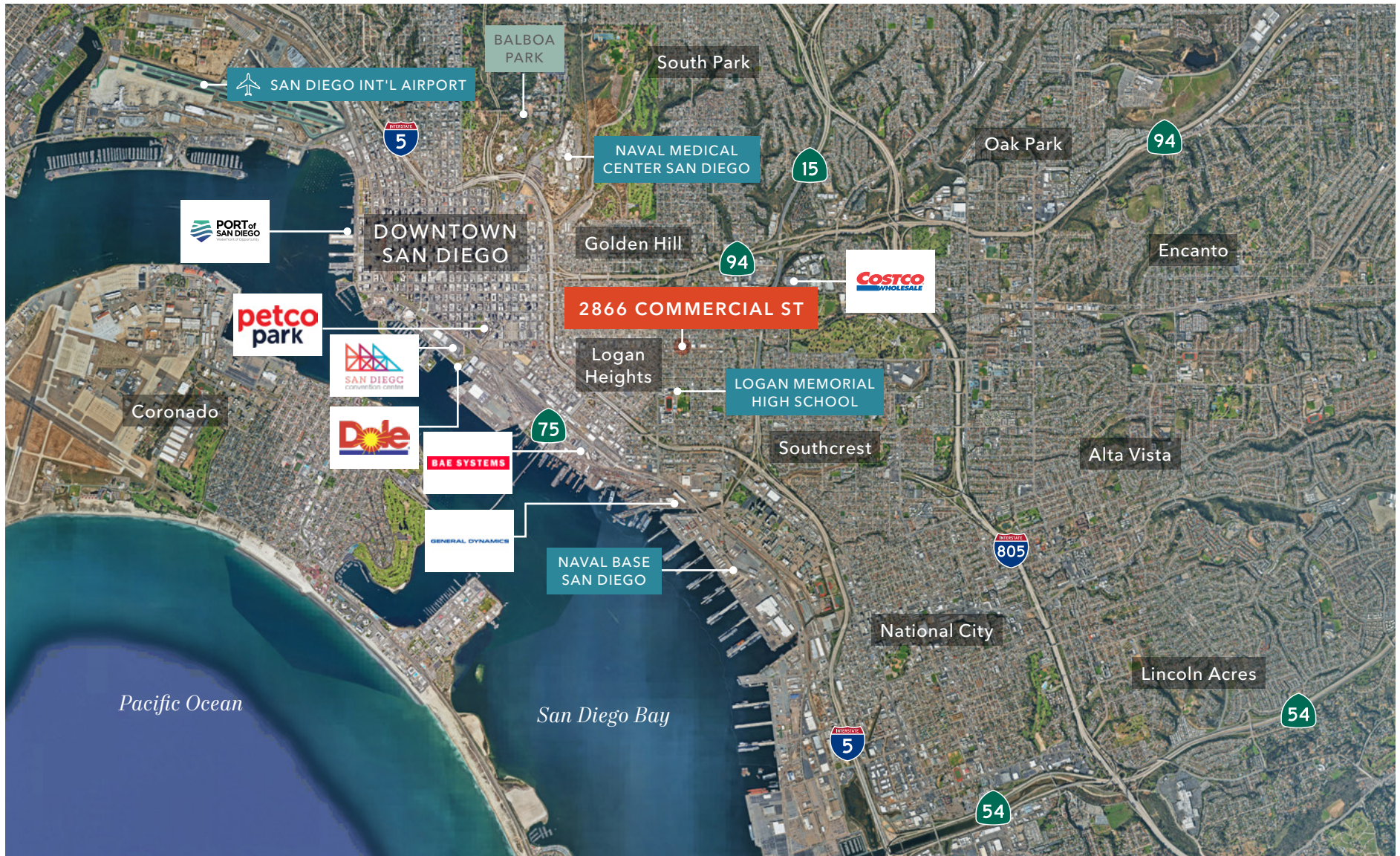
Naval Base San Diego
San Diego Central Courthouse
UCSD
San Diego County
Sharp Healthcare
Qualcomm
Scripps
Illumnia

TOURISM

San Diego International Airport
Port of San Diego
15,800+ hotels
San Diego Zoo
San Diego Safari Park
Balboa Park

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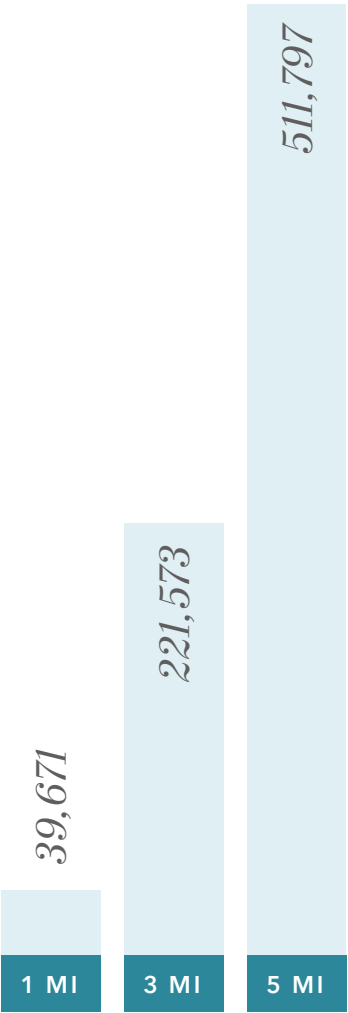
LOCATION OVERVIEW



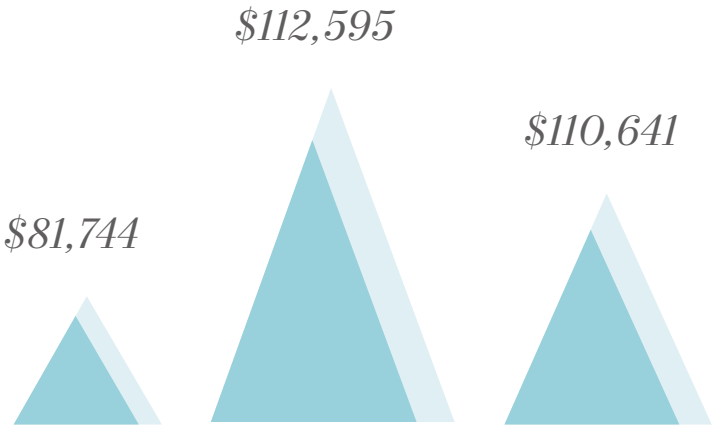
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DEMOGRAPHICS

ESTIMATED POPULATION



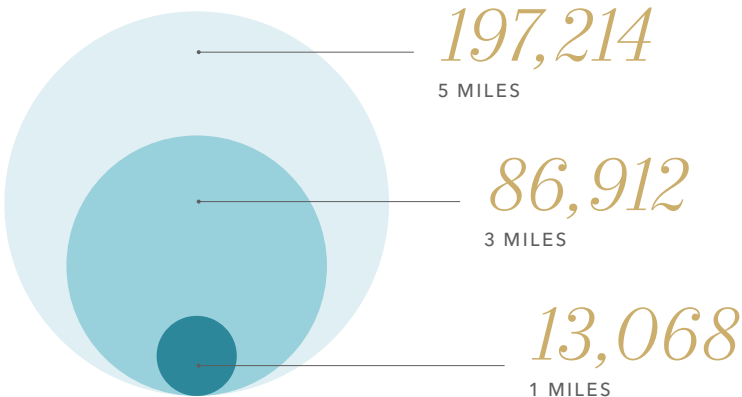
AVERAGE HOUSEHOLD INCOME



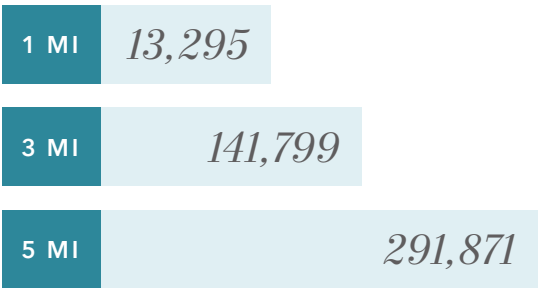
MEDIAN AGE



ESTIMATED HOUSEHOLDS



ESTIMATED EMPLOYEES



Data Source: ©2026, CoStar USA

For more information

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