

*the urban vitality*  
**BLUEPRINT**

A Data-Driven Analysis of Equity, Affordability,  
and Vitality in San Diego's Historic Districts

Completed by PlaceEconomics for  
Save Our Heritage Organisation (SOHO)

February 2026

# Contents

Introduction	1
Key Findings	2
Historic Districts as Vital Places	4
Demographics in Historic Districts	13
Housing Development in Historic Districts	22
Older Housing and Affordability	26
The Mills Act	38
Environmental Benefit of Rehabilitation and Adaptive Reuse	42
Conclusion	48



Balboa Park (National Historic Landmark District)

# Introduction

San Diego's historic preservation framework acts as a blueprint for **urban vitality** by protecting neighborhoods that are denser, more affordable, and growing twice as fast as the rest of the city.

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This report is meant to provide the data-based evidence upon which informed decisions can be made about future preservation policy. The findings are clear – historic preservation in San Diego adds not just to the character and quality of the city, but also equity, affordability and environmental responsibility. This report was commissioned by Save Our Heritage Organisation (SOHO) and completed by PlaceEconomics, an economic development firm with over 30 years experience in the economic analysis of historic preservation.

San Diego has one of the more robust historic preservation ordinances in the country. It has served the city well, identifying and protecting sites and buildings of national importance as well as maintaining the quality and character of “only in San Diego” neighborhoods.

However, today there are voices saying that the protection of historic resources has gone too far, and that the ordinance should be weakened. Indeed, a case could be made for “preservation overreach” if a large share of the city's properties were within local historic districts or if historic districts were frozen in time, allowing no growth, or enclaves of only the wealthy. Because housing affordability is a major issue in San

Diego, and Auxiliary Dwelling Units (ADUs) may be part of the solution, if historic districts precluded the development of ADUs, maybe the ordinance is too restrictive. Density is important for the cost-effective delivery of public services and to accommodate growth when a city is constrained from growing outward. If local historic districts are maintaining low density neighborhoods, perhaps a review of preservation policy is warranted.

The trouble is none of those things is true in San Diego. Local historic districts cover around 1% of the city's land area and house less than 2% of the population. Not only have local historic districts accommodated growth, over the last decade they have grown at a rate more than twice that of the rest of the city. While there are certainly wealthy neighborhoods that are historic districts, in the aggregate the median income of historic districts is more than 10% lower than the city as a whole. Historic district residents welcome ADUs that are appropriately scaled for the neighborhood. While local historic districts comprise 1.8% of the city's residential units, they have been the location of 2.6% of ADUs. And contrary to claims of anti-preservation voices, historic districts have a density per square mile that is twice that of the rest of San Diego.

# Key Findings

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## Historic Districts as Vital Places

- Historic districts have **increased in population at a faster rate** than the rest of San Diego. Between 2013 and 2023, the population living in historic districts increased by around 10%, while the rest of the city saw only a 4% increase.
- Historic districts are **dense in population**, with nearly twice as many people per square mile as undesignated neighborhoods.
- Historic districts provide a variety of housing options, resulting in lower market rents (naturally occurring affordable housing) than the rest of San Diego.
- **The median household income in historic districts is significantly lower** than in the rest of San Diego. The median household income for a family living in historic districts is \$92,738, whereas it is \$104,750 for the rest of San Diego. Within historic districts, 56% of households make less than the city's median income.
- Growth in diverse homeownership not only fosters social equity but also anchors significant economic power within these communities: historic district residents have an **annual spending power of over \$1.2 billion**.

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## Demographics in Historic Districts

- While historic districts are less diverse than the rest of the city, they have seen **greater recent increases in non-White population**. Since 2013, the historic districts have seen a 17% increase in non-White or Hispanic population, compared to only 10% in the rest of San Diego.
- Homeownership in historic districts is also becoming **more equitable**. While there is a notable racial disparity in homeownership within historic districts, where 77.4% of homeowners are White, compared to 61.9% in the rest of the city, the growth in minority homeownership within these districts has been dramatic. Between 2010 and 2023, the number of both non-White and Hispanic homeowners grew at a much faster rate in historic districts than elsewhere in San Diego. **Non-White homeownership increased by 180% in historic districts** and only 60% in the rest of San Diego. Hispanic Homeownership increased by 59% in historic districts, but only 21% elsewhere.
- This accelerated growth, while starting from a low baseline, signals that **historic district are actively diversifying**.

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## Housing Development in Historic Districts

- Historic districts continue to evolve through adaptive reuse, rehabilitation, and infill development.
- Within historic districts, around **57 ADUs have been developed per square mile**, compared to 28 in the rest of residentially zoned San Diego. Far from being a barrier to ADU development, historic districts are carrying more than their share.
- Overall, around 5% of all ADUs built in San Diego since 2018 have been affordable. This ratio is consistent in historic districts as well—**4.4% of ADUs in historic districts have been developed for moderate income residents**, versus 5.6% of ADUs elsewhere in San Diego.

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## Older Housing and Affordability

- Older housing in San Diego tends to be **smaller and more affordable**, with lower rents and average values.
- Older neighborhoods have a **higher rate of owner-occupied households**. Around 54% of households in pre-1970 block groups own their homes, compared to 44.8% elsewhere in San Diego.
- Older neighborhoods also are **dense in housing units**. There are around 1.6x more housing units per square mile in pre-1970 block groups than in other neighborhoods.
- On average, **rents are around \$335 cheaper in pre-1970 block groups**. The average value of a single-family home is around \$100,000 less in pre-1970 block groups.
- In Pre-1970 areas, almost **52% of all rental units are affordable to households earning less than 80% of the city's median income**. This contrasts sharply with Post-1970 areas, where only 36% of rental units meet this same affordability standard.
- Approximately **19% of owner-occupied units in Pre-1970 areas are affordable to those earning less than 80% of the median income**, compared to 15% in newer parts of the city.
- **Non-White homeownership is higher in older neighborhoods**. The homeownership rate for Black households is 34.0% in Pre-1970 block groups, higher than the 25.7% rate in Post-1970 block groups. The Hispanic homeownership rate follows a similar pattern, standing at 19.8% in Pre-1970 block groups compared to 15.8% in newer neighborhoods.

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## The Mills Act

- The Mills Act provides essential property tax relief that empowers residents—particularly those with more limited means—to invest in the preservation and long-term viability of their historic homes.
- The Mills Act is widely recognized an effective tool for protecting historic homes and commercial buildings. However, its role as a **housing tool in lower income neighborhoods** goes under appreciated.

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## Environmental Benefit of Rehabilitation and Adaptive Reuse

- Rehabilitation of existing buildings is an important strategy for San Diego to **achieve its greenhouse gas emission reduction targets**. This is demonstrated by the environmental impact of the recent historic tax credit rehabilitation of the Granger Building (964 5th Avenue). The rehabilitation of the Granger Building resulted in the lowest total (embodied+operational) emissions over 25 years (6,643 Metric Tons CO<sub>2</sub> equivalent), compared to the emissions that would have been created through entirely new construction (7,698 Metric Tons CO<sub>2</sub> equivalent).
- Demolishing one 2,000 square foot house negates the environmental impact achieved by recycling 3,881,696 aluminum cans or the benefit derived from eliminating 2,606,058 plastic bags.

Historic preservation has measurable **economic, social, and environmental impacts** in San Diego.

# Historic Districts as Vital Places

San Diego's historic districts are dynamic, high-density neighborhoods that are diversifying while fostering greater economic accessibility than non-designated neighborhoods.

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San Diego's historic districts play an increasingly important role in advancing the city's equity, housing, and urban vitality goals. Far from being "frozen in amber," these areas continue to see population growth and sustain strong local economies.

## Methodological Note

In order to eliminate instances of small sample size errors while using census data, all existing historic district boundaries were reviewed in relation to their census geographies. Districts, including single-site districts, that only made up a small share of the area in their census geography were excluded from any analysis that relied on census data. Therefore, for the purposes of this report, any metric that relied on census data, only the following districts were included:<sup>1</sup>

- Arnold and Choate's – North Florence Heights (NR)
- Burlingame
- Chinese-Asian Thematic/Gaslamp Quarter
- Fort Stockton Line/Mission Hills
- Greater Golden Hill
- Grant Hill Park
- Heart of Bankers Hill (NR)
- Inspiration Heights (NR)
- Islenair
- Melhorn & Son/Shirley Anne Place
- North Park Dryden
- Ocean Beach Cottage Emerging District
- Sherman Heights
- South Park
- Talmadge Park Estates (NR)
- Valle Vista Terrace

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<sup>1</sup> The base historic districts file for this selection was obtained from the SANDAG Regional Data Warehouse. PlaceEconomics was unable to obtain a complete shapefile of National Register Historic Districts. Therefore, any National Register Historic Districts included in this analysis were those included in the base SANDAG Historic District file.

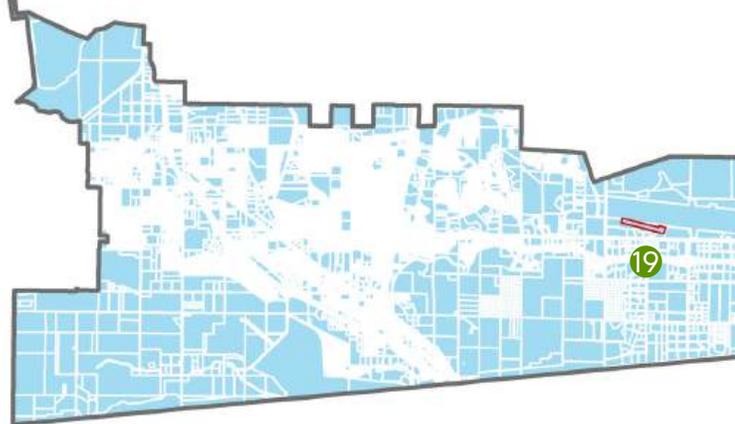
Less than 1% of San Diego's total land area is covered by historic districts.

**Map 1: San Diego's Historic Districts**

- Used in Demographic Analysis
- 1 Arnold and Choate's - North Florence Heights (NR)
  - 2 Burlingame
  - 3 Chinese-Asian Thematic/Gaslamp Quarter
  - 4 Fort Stockton Line/Mission Hills
  - 5 Greater Golden Hill
  - 6 Grant Hill Park
  - 7 Heart of Bankers Hill (NR)
  - 8 Inspiration Heights (NR)
  - 9 Islenair
  - 10 Melhorn & Son/Shirley Anne Place
  - 11 North Park Dryden
  - 12 Ocean Beach Cottage Emerging District
  - 13 Sherman Heights
  - 14 South Park
  - 15 Talmadge Park Estates (NR)
  - 16 Valle Vista Terrace
  - 17 Balboa Park (National Historic Landmark District)
  - 18 The Bishop's School
  - 19 Auxiliary Naval Air Station Brown Field
  - 20 Cabrillo Freeway Historic District
  - 21 El Pueblo Ribera
  - 22 La Jolla Park Coastal Historic District
  - 23 Naval Training Center
  - 24 Old Town San Diego
  - 25 Spalding Place
  - 26 Theosophical Institute
  - 27 University Heights Water Storage & Pumping Station

**Legend**

- Historic Districts Used in Demographic Analysis
- All other Historic Districts



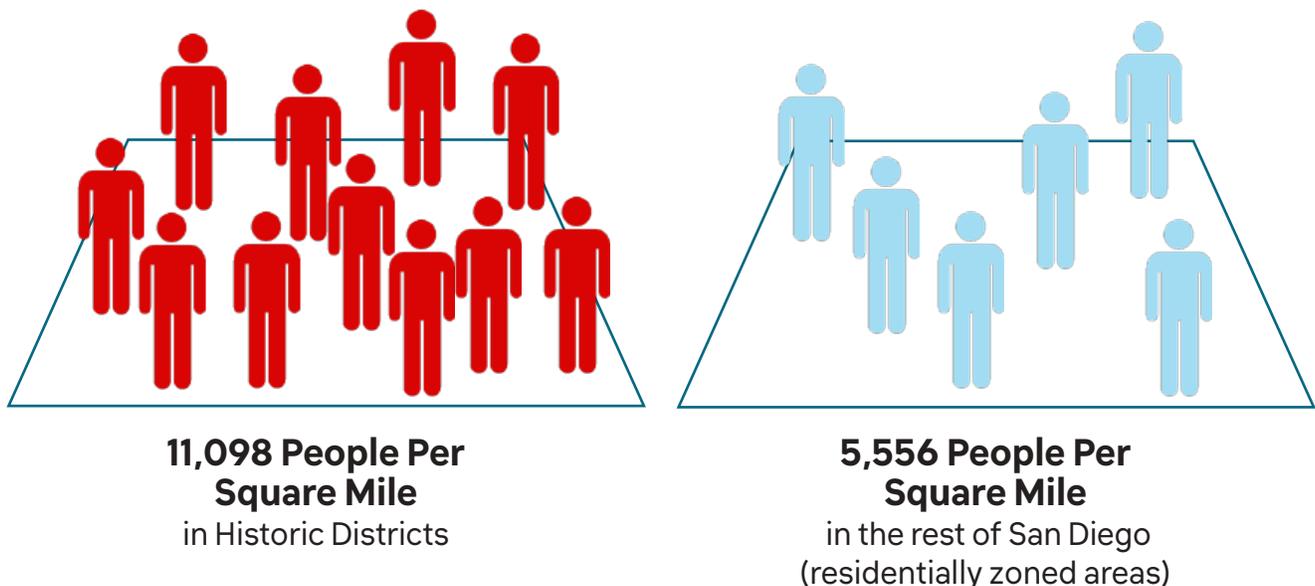
# Population and Density

Historic districts have nearly twice as many residents per square mile as neighborhoods in the rest of San Diego.

San Diego's historic districts are dense in population, which creates vibrant and healthy neighborhoods.

Around 2% of San Diego's population lived in historic districts in 2023. Though historic districts make up only a small percentage of the land area, they are dense in population. There are nearly twice as many people per square mile living in historic districts as there are in undesignated neighborhoods. Historic neighborhoods tend to be more dense than newer neighborhoods because their lot sizes are often smaller, the unit sizes are often smaller, and they usually contain a greater variety of housing types. Higher population density supports vibrant street life, stronger local businesses, and more efficient use of infrastructure, making historic districts important hubs of urban vitality.

**Figure 1: Population Density**



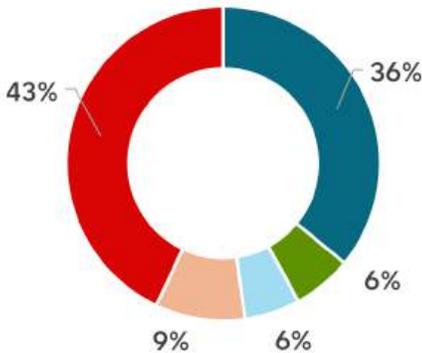
Density in historic districts fuels **urban vitality** by concentrating people, activity, and investment in ways that support local businesses, strengthen social interaction, and make walkable, transit-served neighborhoods economically and culturally vibrant.



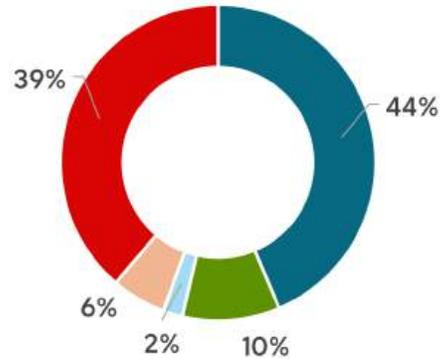
## Historic districts have high population density due to a diversity of housing types and small unit sizes.

Historic districts have a greater share of multifamily housing units than neighborhoods in the rest of San Diego. Only 42% of housing units in historic districts are in single family properties, detached or otherwise. That is true of 54% of units in the rest of San Diego.

**Figure 2: Housing Types in Historic Districts**



**Figure 3: Housing Types in Rest of San Diego**



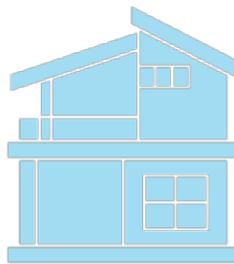
■ 1 Unit Detached ■ 1 Unit Attached ■ 2 Units ■ 3 or 4 Units ■ Multifamily (5+ Units)

Historic districts also have smaller unit sizes. The average single family home in a historic district is around 25% smaller than a single family home outside of historic districts.

**Figure 4: Average Living Area**



**1,545 Square Feet**  
Average Single Family Home in Historic Districts



**2,017 Square Feet**  
Average Single Family Home in rest of San Diego

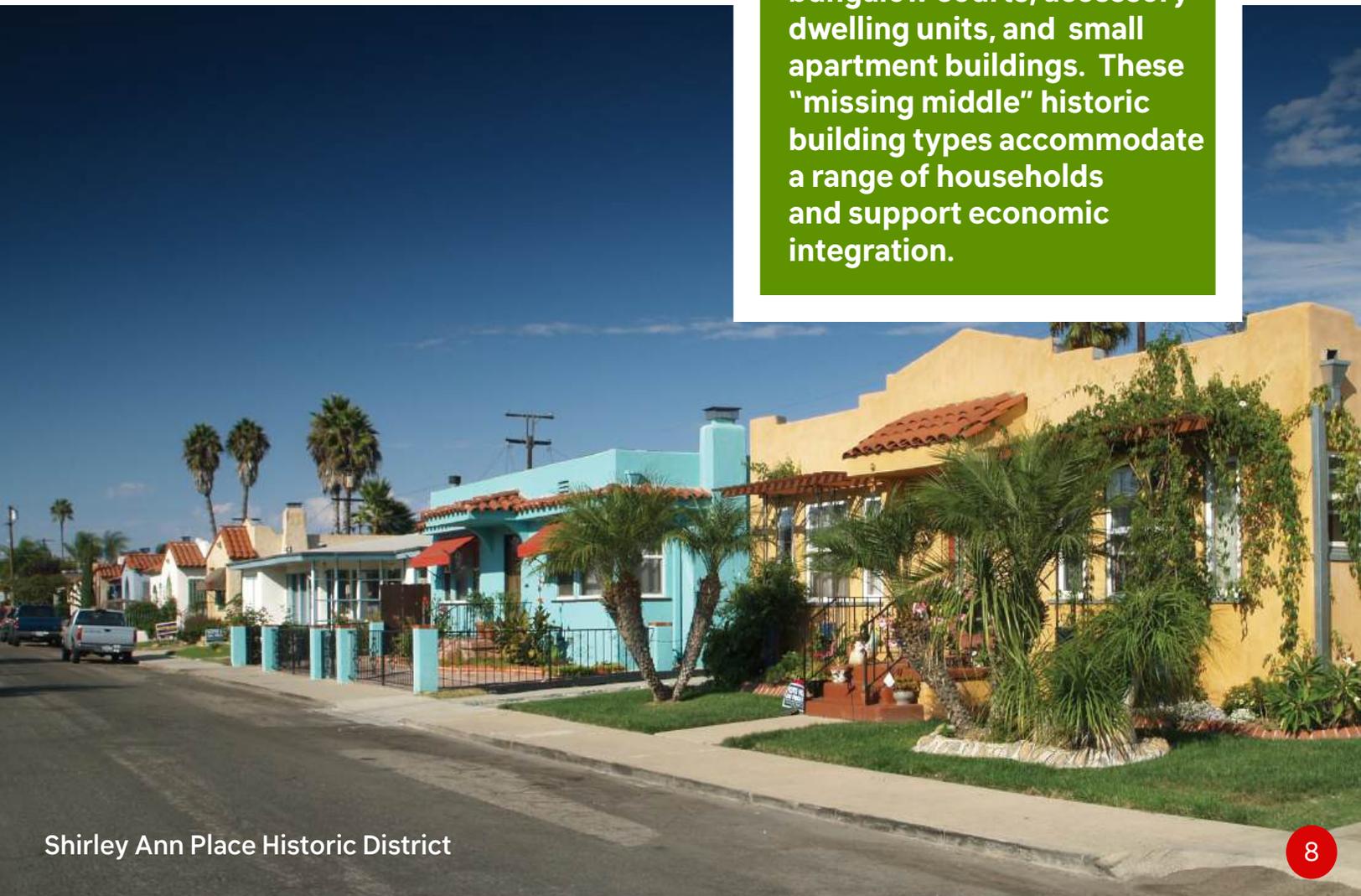
**Smaller unit sizes also play a role in affordability and economic integration.**

The existing density of San Diego's historic districts **supports the city's housing goals** by providing substantial housing capacity in established, transit-served neighborhoods while preserving community character.



Bungalow Court in Greater Golden Hill Historic District

Historic districts protect neighborhoods with gentle density. Historic housing types include small-scale multifamily structures such as duplexes, townhomes, bungalow courts, accessory dwelling units, and small apartment buildings. These “missing middle” historic building types accommodate a range of households and support economic integration.



Shirley Ann Place Historic District

# Population Change

Contrary to the narrative that preservation freezes neighborhoods in amber, San Diego's historic districts are growing faster than the rest of the city.

Between 2013 and 2023, historic districts saw a greater population increase than the rest of San Diego. The population living in historic districts increased by around 10%, while the rest of the city saw only a 4% increase. Despite historic districts making up only 2% of San Diego's overall population, they accounted for 4% of all population growth. This robust population growth is a sign that historic districts are healthy and desirable neighborhoods.

Source: U.S. Census Bureau, "Hispanic or Latino Origin by Race," ACS 5-year estimates, 2023 and San Diego Zoning Shapefile

Historic districts have increased in population at a greater rate than the rest of the city over the last 10 years.

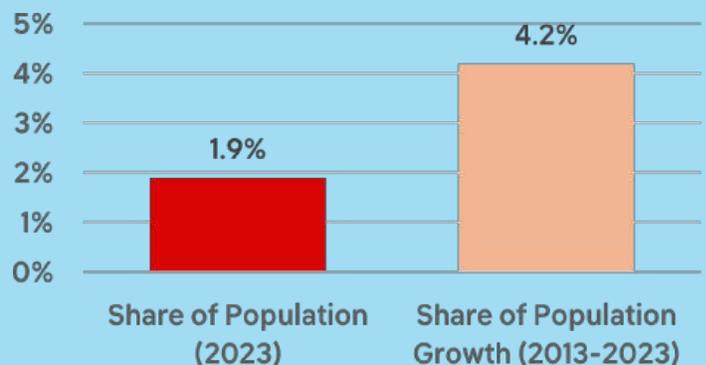


**9.5% population growth in historic districts compared to only 4% in the rest of San Diego (2013-2023). (Figure 5)**

Despite historic districts making up only 2% of San Diego's overall population, they accounted for over 4% of the city's total population growth.

Source: U.S. Census Bureau, "Hispanic or Latino Origin by Race," ACS 5-year estimates, Table B03002, 2023

**Figure 6: Historic District Share of Population and Population Growth (2013-2023)**



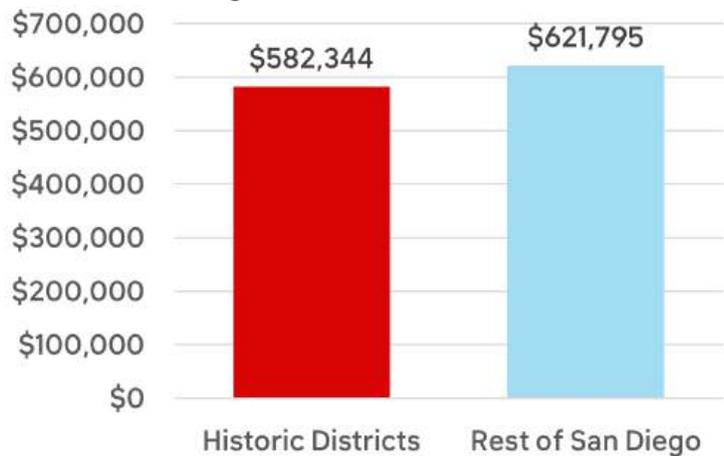
# Housing Costs in Historic Districts

Historic districts have a wide variety of housing types, which contributes to a range of housing affordability.

The average assessed value of homes in San Diego's historic districts is roughly \$39,000 less than those outside of historic districts.<sup>3</sup> This is likely a function of San Diego's historic districts having smaller building footprints and more long-term homeownership (which results in less frequent reassessments under Proposition 13).<sup>4</sup>

Rental costs within historic districts are, overall, comparable to the rest of the city. Rents, on average, are around \$145 cheaper in historic districts than in the rest of the city.

**Figure 7: Average Home Value**  
(Single Family Homes, 2024)



Source: San Diego County Assessor's Office, 2024

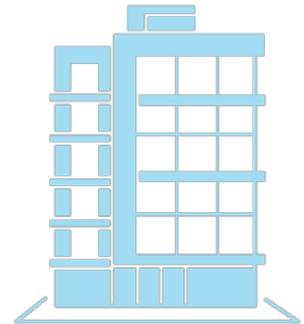
**Figure 8: Gross Rent**



Rents in historic districts are around \$145 cheaper than in the rest of the city.



**\$2,084**  
Median Gross Rent in  
Historic Districts (2023)



**\$2,229**  
Median Gross Rent in  
Rest of San Diego (2023)

Source: U.S. Census Bureau, "Gross Rent," ACS 5-year estimates, Table B25063, 2023

<sup>3</sup> This analysis includes properties in the following use categories: Residential, Condominiums, Co-ops.

<sup>4</sup> Property values in the State of California are affected by Proposition 13, which does three things: all real property has established base year values determined by the year in which the property changed ownership; a restricted rate of increase on assessments of no greater than 2% each year, and; a limit on property taxes to 1% of the assessed value (plus additional voter-approved taxes). Importantly, properties are only reassessed in the event of a sale or change of ownership. Therefore, values provided by the County Assessor may be artificially low and not represent current assessed or market values. The extent to which those assessments currently lag market values is worth further investigation.

# Purchasing Power

San Diego’s historic districts are composed of a greater share of low- to moderate-income households than the rest of the city. Often market researchers and national chains disregard neighborhoods that have more modest median household incomes. San Diego’s historic districts could be impacted by that bias. However, historic district residents have an annual spending power of over \$1.2 billion.

**Table 1: Annual Historic District Resident Expenditures**

	Spending in Historic Districts	Share of Annual Expenditures
Food at home	\$94,045,543	7.8%
Food away from home	\$60,164,217	5.0%
Alcoholic beverages	\$9,759,944	0.8%
Shelter	\$317,330,774	26.2%
Utilities, household operations and supplies	\$103,301,577	8.5%
Furnishings and equipment	\$37,567,826	3.1%
Apparel and services	\$32,356,335	2.7%
Transportation	\$189,775,207	15.7%
Healthcare	\$73,120,012	6.0%
Entertainment	\$50,337,970	4.2%
Personal care products and services	\$15,886,430	1.3%
Reading	\$2,055,423	0.2%
Education	\$19,705,538	1.6%
Tobacco products and smoking supplies	\$1,975,858	0.2%
Miscellaneous	\$15,196,869	1.3%
Cash contributions	\$29,717,437	2.5%
Personal insurance and pensions	\$157,140,396	13.0%
<b>Total</b>	<b>\$1,209,437,355</b>	<b>100.0%</b>

That number may not seem significant by itself, but when the per acre expenditures are analyzed, the concentrated buying power of those households becomes apparent. Despite households in historic districts having a slightly lower median income, the density of these neighborhoods provides a household expenditure of over \$500,000 more per acre than the rest of San Diego.

**Figure 9: Annual Household Expenditure Per Acre**



Source: US Bureau of Labor Statistics, Consumer Expenditure Survey



# *Historic Districts as Vital Places*

San Diego's historic districts are highly dynamic and critical to the city's equity and urban vitality goals. Their disproportionate population growth demonstrates that historic districts are not "frozen in amber" but support growth and strong local economies. The data suggests also that historic district designation, rather than hindering growth or affordability, actually helps maintain economically diverse and growing communities within San Diego's dense urban core.



# *Demographics in Historic Districts*

As the population of San Diego's historic districts increases, so does the diversity of those districts.

Persistent concerns that historic district designation primarily serves to protect wealthy homeowners warrant closer examination, particularly as demographic patterns shift over time. By analyzing population growth and changes in racial and economic diversity, this analysis explores how historic districts function in practice—and whether designation constrains growth and affordability or, instead, supports economically diverse and evolving communities in San Diego.

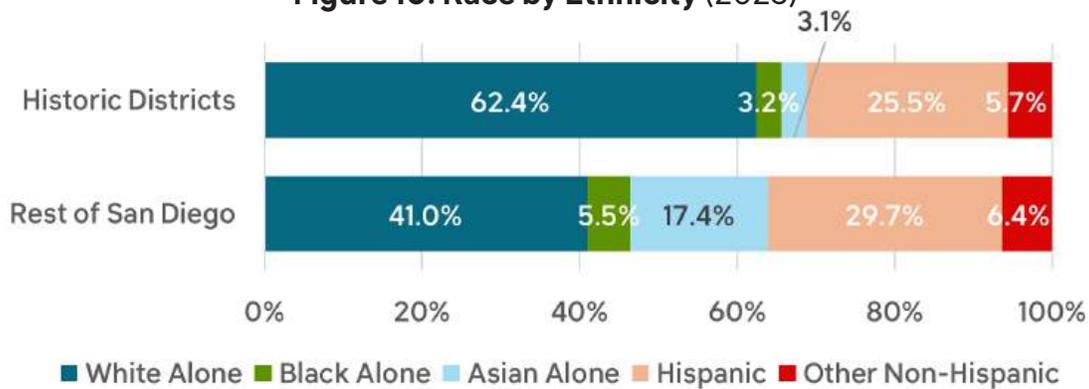
# Race and Ethnicity



Historic districts have increased in non-White population overall.

Historic districts have a higher share of White population than the rest of the city as of 2023. 62% of the population living in historic districts identifies as White, which is only true of 41% of the population outside of historic districts. Historic districts have relatively comparable shares of Black and Hispanic population as the rest of San Diego. The most significant difference appears in the share of the Asian population. Only 3.1% of the population in historic districts is Asian, while that is true of 17.4% of the population in the rest of the City.

**Figure 10: Race by Ethnicity (2023)**



Overall, historic districts have seen a greater increase in populations that identify as non-White or Hispanic. Since 2013, the historic districts have seen a 17% increase in non-White or Hispanic population, compared to only 10% in the rest of San Diego. Historic districts have seen a greater increase in population in Hispanic population, Asian population, and other non-Hispanic populations. However, historic districts have seen a greater loss in Black population than the rest of the city.

**Table 2: Change by Non-White Population (2013-2023)**



**-25.4% loss of Black Population in Historic Districts** compared to -11.4% in the rest of San Diego



**12.6% growth in Asian Population in Historic Districts** compared to 11.1% in the rest of San Diego

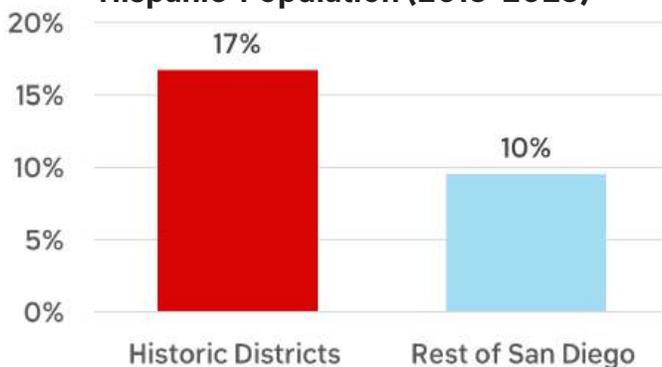


**13.8% growth in Hispanic Population in Historic Districts** compared to 5.3% in the rest of San Diego

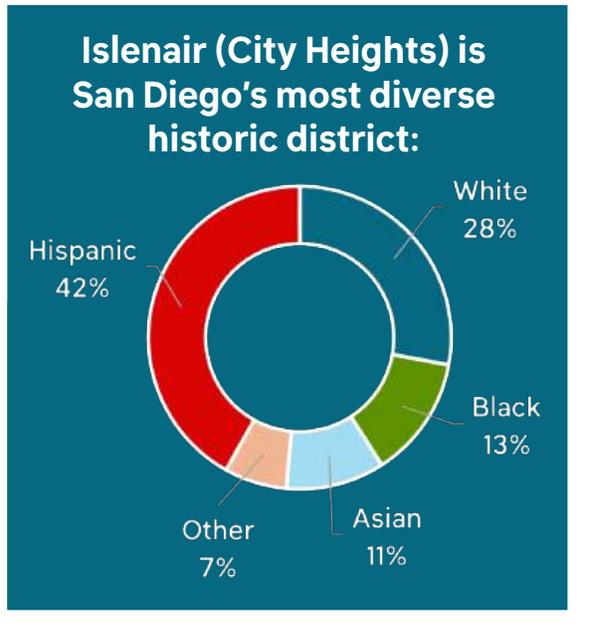


**115.3% growth in Other Population in Historic Districts** compared to 68.2% in the rest of San Diego

**Figure 11: Change in Non-White and Hispanic Population (2013-2023)**



Source: U.S. Census Bureau, "Hispanic or Latino Origin by Race," ACS 5-year estimates, 2013 and 2023



Islenair Historic District

# Household Income

**56.4% of households in historic districts make below the city's Median Household Income.**

Historic districts are often caricatured as enclaves of only the wealthy. However, household incomes in historic districts are considerably lower than San Diego's median household income.

A frequent concern cited about historic districts is that they only preserve the homes of rich households. In San Diego, the data suggests otherwise. The median income in San Diego was around \$104,000 in 2023. In historic districts, however, household incomes are significantly lower. The median household income for a family living in historic districts is \$92,738—around \$12,000 less than the city's median income.<sup>2</sup>

**Figure 12: Median Household Income**



Source: U.S. Census Bureau, "Household Income," ACS 5-year estimates, Table B19001, 2023

Historic districts have a significantly lower share of high-income households. In the rest of San Diego, a third of households make more than \$150,000 a year. That is true of less than a quarter of households in historic districts. Within historic districts, 56% of households make less than the city's median income.

**Figure 13: Household Income Distribution (2023)**



Source: U.S. Census Bureau, "Household Income," ACS 5-year estimates, Table B19001,

Incomes have increased for San Diego overall, and that is true in historic districts as well. Historic districts have seen a 34% increase in median household income, while the rest of the city has seen a 27% increase.



Historic districts have a lower share of high-income households.

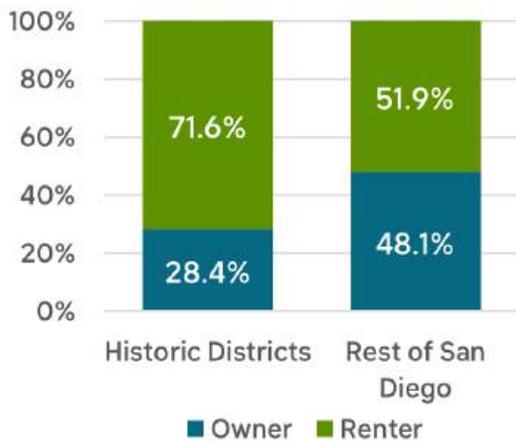
<sup>2</sup> This median represents both homeowner and renter households.

# Household Tenure

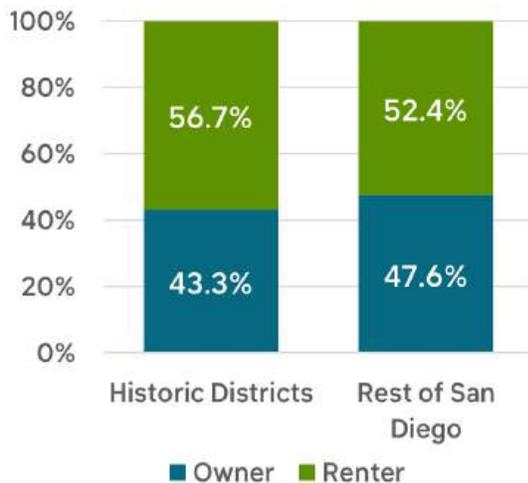
Historic districts have a wide range of housing types, including duplexes, triplexes, and small apartments buildings, and are thus home to both homeowners and renters.

Overall, there are almost 523,000 households in San Diego, 3% of which reside in historic districts. Of the nearly 13,300 households living in San Diego’s historic districts, only 3,800, or 28.4%, own their home. However, when the Ocean Beach Cottages are excluded from the historic district aggregate, the homeownership rate in the remaining historic districts more closely mirrors that of the rest of San Diego.

**Figure 14: Owner v. Renter (2023)**



**Figure 15: Owner v. Renter (Excluding Ocean Beach Cottages)**



**Table 3: Owner v. Renter by Historic District**

Historic District	Owner	Renter
Arnold and Choate’s – North Florence Heights (NR)	50.4%	49.6%
Burlingame	40.7%	59.3%
Chinese-Asian Thematic/ Gaslamp Quarter	51.6%	48.4%
Fort Stockton Line/ Mission Hills	92.3%	7.7%
Greater Golden Hill	3.2%	96.8%
Grant Hill Park	46.8%	53.2%
Heart of Bankers Hill (NR)	59.6%	40.4%
Inspiration Heights	97.0%	3.0%
Islenair	45.7%	54.3%
Melhorn & Son/Shirley Anne Place	35.1%	64.9%
North Park Dryden	26.0%	74.0%
Ocean Beach Cottage Emerging	17.7%	82.3%
Sherman Heights	30.3%	69.7%
South Park	56.8%	43.2%
Talmadge Park Estates (NR)	65.0%	35.0%
Valle Vista Terrace	20.7%	79.3%

Source: U.S. Census Bureau, "Tenure by Race of Householder," 5-year ACS, Table B25003, 2023

# Equitable Homeownership

Historic districts have increased in non-White and Hispanic homeownership a rate greater than the rest of the city.

Of the roughly 3,800 owner households in historic districts, 77.4% are White, compared to almost 62% in the rest of San Diego. Of the roughly 1,800 homeowners in San Diego's Historic Districts, about 720, or 19%, identify as Hispanic. This is slightly higher than the rest of the city.

**Figure 16: Racial Distribution of Homeowners (2023)**



**Figure 17: Hispanic Homeowners (2023)**

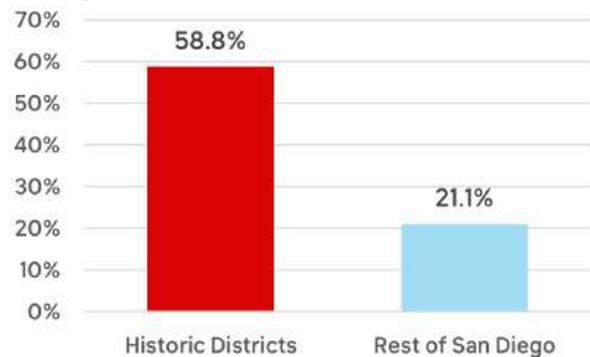


While the homeownership rate among non-White households is still lower in historic districts than in the rest of the city, the change between 2010 and 2023 was much more dramatic. There has been a 183% increase in the homeownership rate of non-White households in historic districts, compared to a 60% increase in the rest of San Diego. The homeownership rate among Hispanic households is also still lower in historic districts than in the rest of the city, but saw significant increases between 2010 and 2023. There has been a 59% increase in the homeownership rate of Hispanic households in historic districts, compared to a 21% increase in the rest of San Diego.

**Figure 18: Change in Number of Non-White Homeowners (2010-2023)**



**Figure 19: Change in Number of Hispanic Homeowners (2010-2023)**



Source: U.S. Census Bureau, "Tenure by Race of Householder," 5-year ACS, Table B25003, 2013 & 2023

**In the Sherman Heights  
Historic District, 53%  
of homeowners are  
Hispanic.**





**Designated in 2024, Talmadge Park Estates is one of San Diego's newest National Register Historic Districts. Since 2010, it has grown not only in population, but also in diversity. Between 2010 and 2023, there has been a decline in White population, but a 4% increase in Black population and a 19% and 18% increase in Asian and Hispanic populations respectively.**



Talmadge Park Estates Historic District



# *Demographics in Historic Districts*

The data directly challenges the frequent concern that historic districts only preserve the homes of the wealthy. The observed trend toward increased diversity suggests these historic areas are becoming more racially inclusive over time, both in terms of homeownership and overall population.

# Housing Development in Historic Districts

Far from being a barrier to housing production, San Diego's historic districts have increased in housing units at a pace greater than the rest of the city, including nearly twice the density of ADU development

Historic districts are not stagnant. New housing units are created in historic neighborhoods through new construction, adaptive reuse, rehabilitation, and accessory dwelling units. Overall, the number of housing units in historic districts has increased between 2013 and 2023. Historic districts saw a 13% increase in housing units, while the rest of the city saw an 8% increase.



## Figure 20: Change in Housing Units (2013-2023)

**13% Growth in Housing Units** in Historic Districts

**8% Growth in Housing Units** in Rest of San Diego

*Source: U.S. Census Bureau, "Units in Structure," ACS 5-year estimates, Table B25024, 2023*



To provide more affordable housing types, the City of San Diego has streamlined and incentivized the construction of Accessory Dwelling Units (ADUs), defined by the City as independent, permanent residential dwelling units located on the same lot as an existing or proposed primary residence. In 2017, the City of San Diego updated its land development code to align with new California state laws (AB 2299 and SB 1069), officially enabling the construction of Accessory Dwelling Units on most single-family residential lots. These 2017 changes laid the groundwork for what would later become one of the most permissive ADU policies in the state, often referred to as the "ADU Bonus Program" passed in 2020. In June 2025, the City Council approved an ordinance to reel in some of these bonus incentives, specifically limiting the number of backyard units on single-family lots.

**Historic districts have accommodated ADU development, not hindered it.**

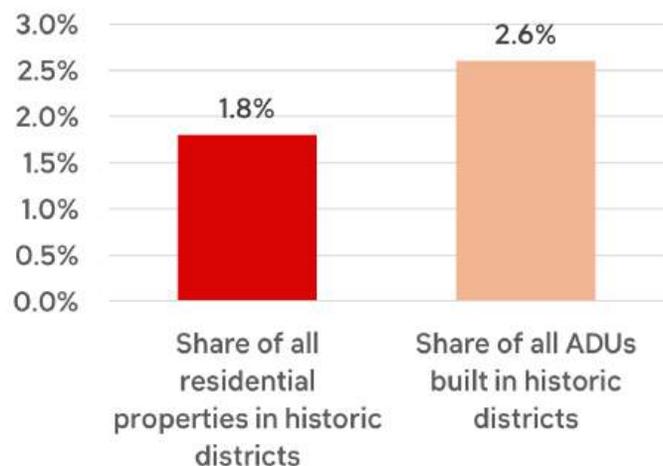
Historic designation is often criticized as a barrier to ADU development, because their design and construction is subject to historical review to prevent adverse impacts on historic properties. In addition to new construction, many historic properties have pre-existing buildings like garages, carriage houses, or barns that have been or could be converted to dwelling units. This hidden density often goes unaccounted for in measures of ADU development. Despite that, data on new ADU construction suggests that the pace and scale of ADU development in historic districts is commensurate with that anywhere else in the city.

Since 2018, 7,064 ADUs have been developed in San Diego. One hundred eighty-two of those have been built in historic districts. While only 1.8% of San Diego's residential property are located in historic districts, nearly 3% of all ADUs have been developed there. Far from being a barrier to ADU development, historic districts are carrying more than their share.

**57.6**  
ADUs per square mile  
in Historic Districts

**28.2**  
ADUs per square mile  
in Rest of San Diego

**Figure 21: ADU Development in Historic Districts (2018-2024)**



Source: HCD Jurisdictions APR Data 2024, SANDAG



Historic districts are dynamic environments that successfully integrate new housing and help achieve the city’s urban vitality goals.

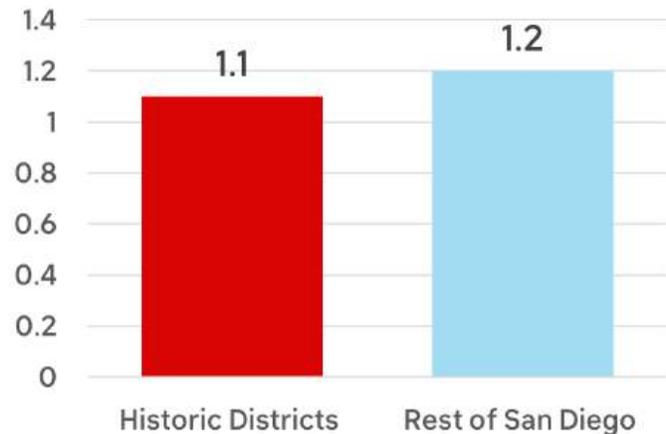
An analysis of the density of ADUs per square mile confirms this. Within historic districts, around 58 ADUs have been developed per square mile, compared to 28 in the rest of residentially zoned San Diego.

There is also no significant difference in the intensity of ADU development at the parcel level in historic districts as compared to other neighborhoods. Historic districts have seen an average of 1.1 ADU units developed per property, compared to 1.2 in the rest of the city.<sup>5</sup>

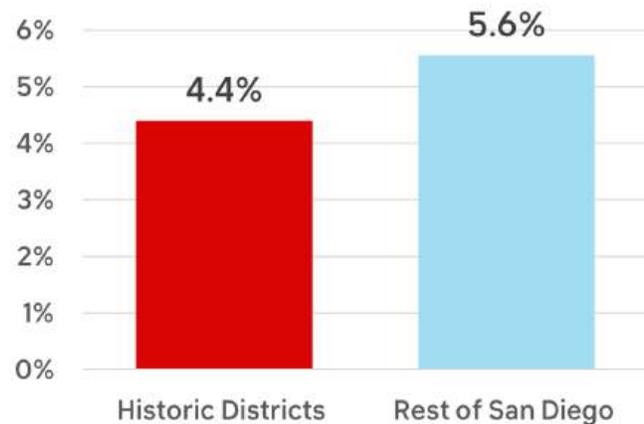
Overall, around 5% of all ADUs built in San Diego since 2018 have been affordable.<sup>6</sup> This ratio is consistent in historic districts as well—4.4% of ADUs in historic districts and 5.6% of ADUs elsewhere in San Diego have been developed for moderate income residents.

Historic districts are not a barrier to ADU development, rather, they are carrying more than their share of new construction compared to the rest of the city. Historic districts are dynamic environments that successfully integrate new housing and help achieve the city’s urban vitality goals.

**Figure 22: Number of ADU Units Per Parcel**



**Figure 23: ADUs - Moderate Income or Below**

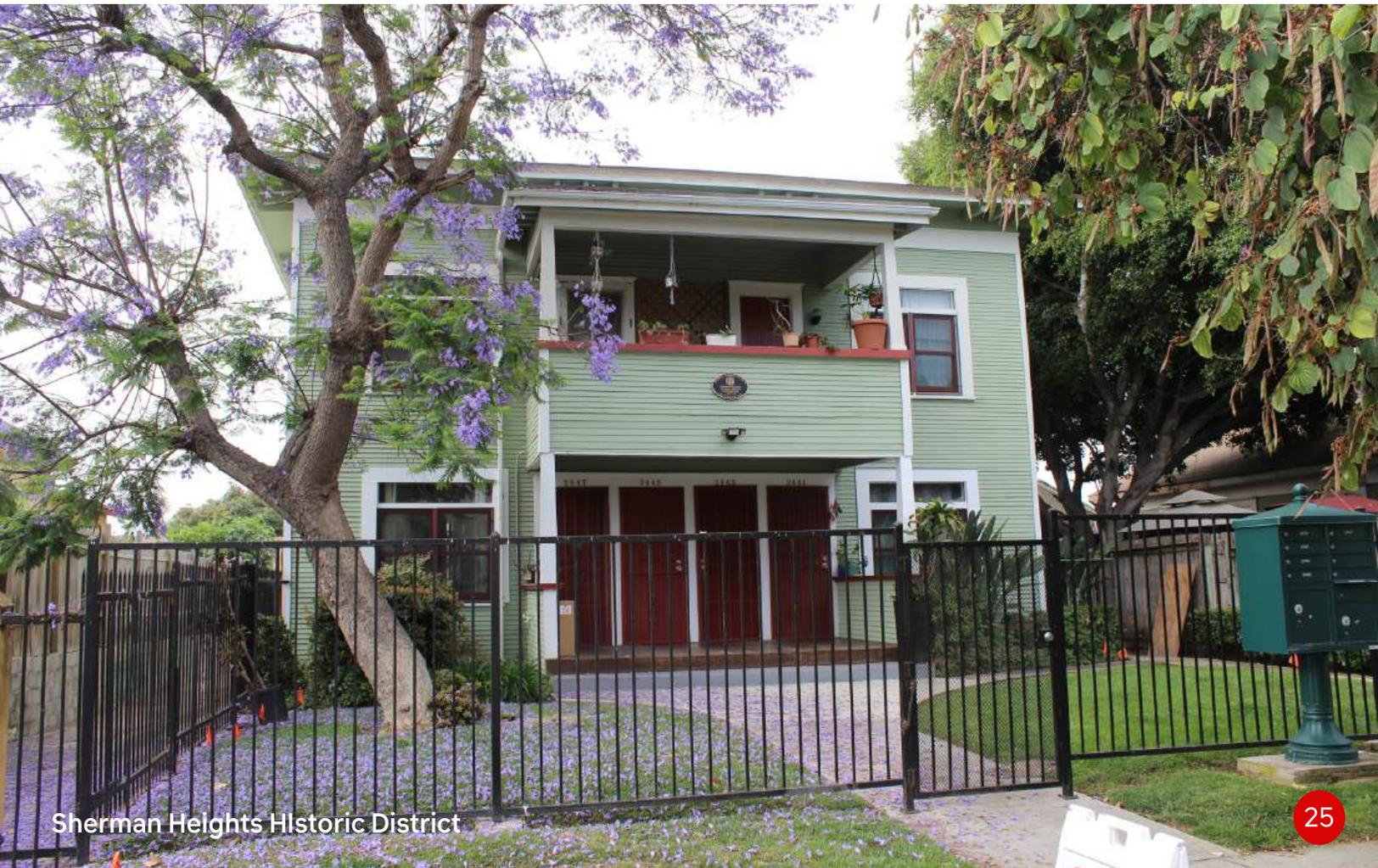


Source: HCD Jurisdictions APR Data 2024, SANDAG

<sup>5</sup> These numbers do not represent ADUs that predated the introduction of ADU regulation in 2019. It is likely, especially in areas with older housing, that there were already existing ADUs that are not captured by this data.

<sup>6</sup> Based on self-reporting information provided by the applicant during the permitting process.

Blanche Barry Apartments, Hillcrest



Sherman Heights Historic District

# Older Housing & Affordability

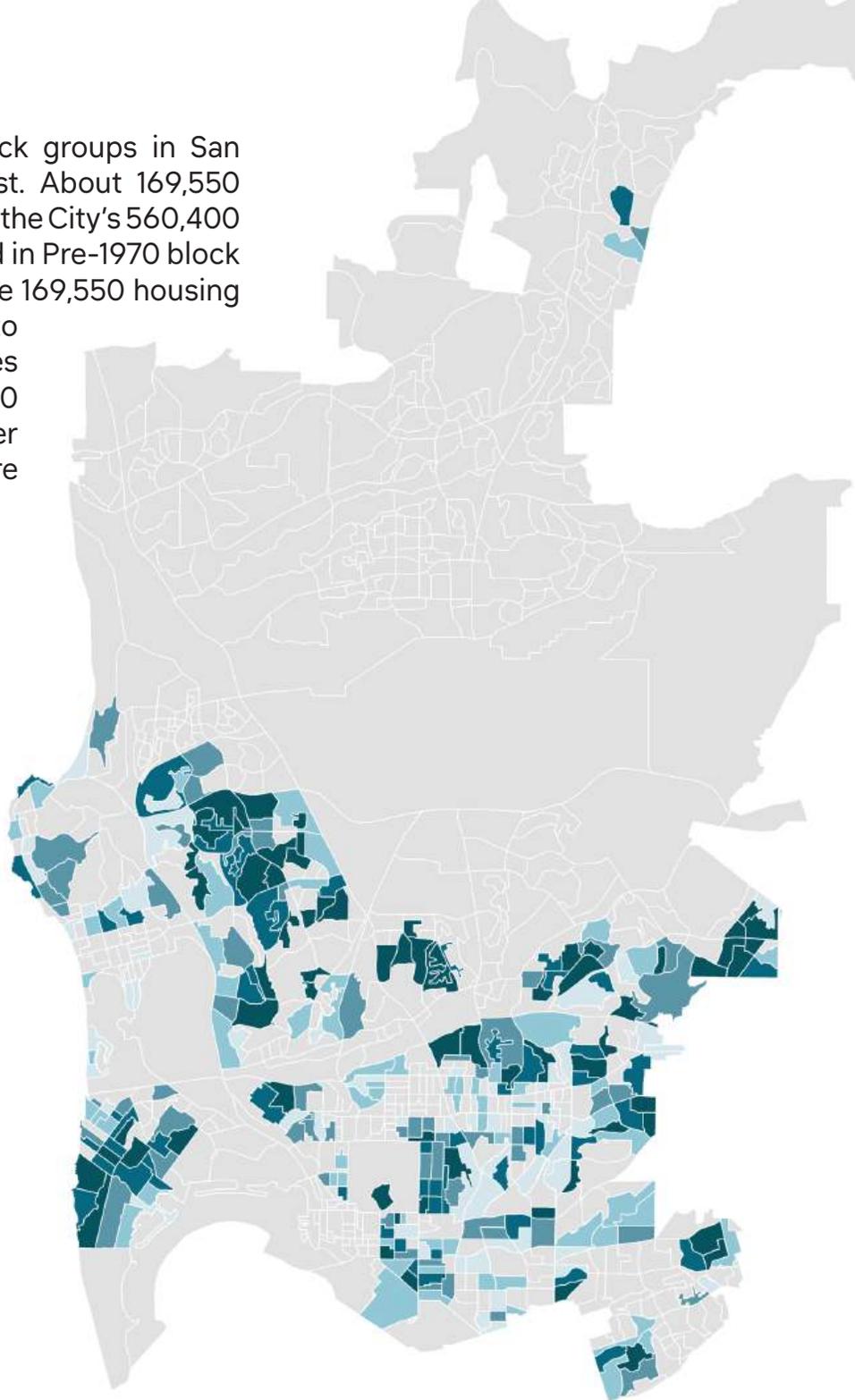
San Diego's pre-1970 housing stock serves as a vital source of Naturally Occurring Affordable Housing (NOAH), providing high-density, lower-cost living options that facilitate higher homeownership rates for Black and Hispanic households.

Housing affordability is a top priority for city leaders around the country. San Diego's older housing stock—residential units built before 1970—represents a substantial share of the city's housing supply, accounting for roughly one-third of all housing units, and it is appropriate to assess this stock of housing for a comprehensive housing strategy. These homes form the backbone of Naturally Occurring Affordable Housing (NOAH) and play a central role in shaping affordability and housing equity across the city. Neighborhoods with a high concentration of older housing consistently offer more accessible rental options, particularly for households earning below the city's median income. At the same time, patterns of homeownership within these areas suggest that older housing supports greater access for Black and Hispanic households. Understanding the affordability and equity impacts of this existing housing stock is essential to evaluating strategies for maintaining quality, inclusive, and affordable housing across income levels in San Diego.

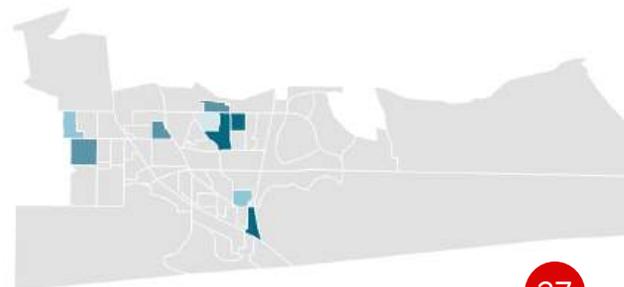
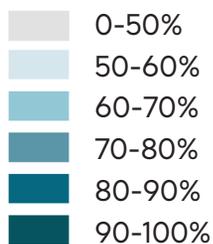
## Methodological Note

This analysis sought to look at patterns of affordability in older housing. Within this analysis, historic designation status was irrelevant—the goal is to look at all older housing, defined here as residential properties built before 1970. This required in-depth analysis of data at the address, Census block group, and citywide level. While some information was available at the parcel level (building age, size, condition, etc.), other data was only available on a Census block group level (demographics, rent levels, etc.). In order to get a general understanding of the demographic patterns of older housing in San Diego, this analysis selected Census block groups where 50% or more of the housing units were built prior to 1970.

Of the 944 Census block groups in San Diego, 322 met that test. About 169,550 housing units (or 30% of the City's 560,400 housing units) are located in Pre-1970 block groups, with 71% of those 169,550 housing units being built prior to 1970. For the purposes of this report, "Pre-1970 block groups" and "older housing study area" are used interchangeably.



**Map 2: Share of Housing Units Built Prior to 1970**

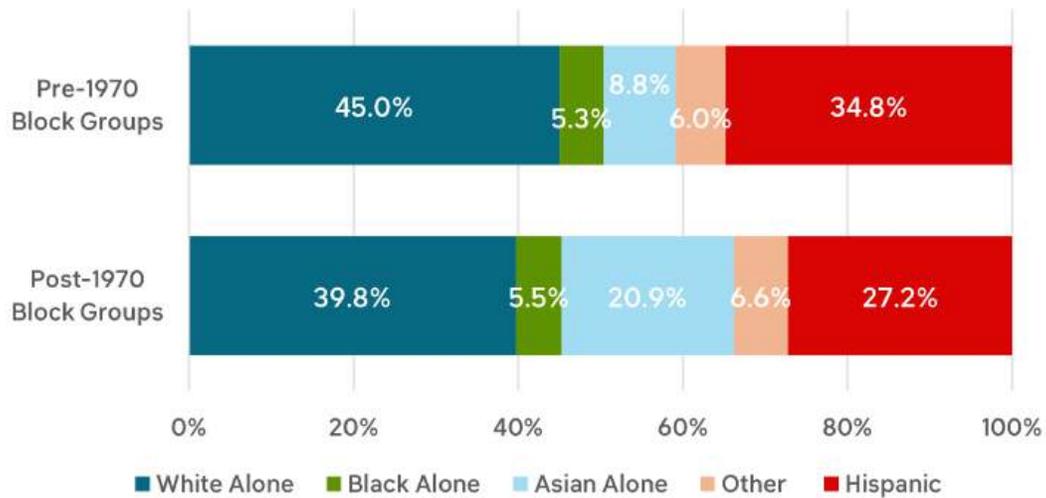


# Characteristics of Older Housing

## Race by Ethnicity

First, it's important to understand who lives in older housing. In Pre-1970 block groups, a larger share of the population identifies as Hispanic—36%—compared to Post-1970 block groups. However, Post-1970 block groups have a larger share (21%) of Asian residents than areas with a concentration of older housing (9%).

**Figure 24: Race by Ethnicity (2023)**



Source: U.S. Census Bureau, "Hispanic or Latino Origin by Race," ACS 5-year estimates, Table B03002, 2023

## Age of Units

Around 33% of housing units in San Diego were built prior to 1970. This represents a significant portion of San Diego's housing stock. Almost 71% of the housing units in the Pre-1970 block groups were built prior to 1970, as opposed to only 17% in the Post-1970 block groups. Sixty-four percent of all of San Diego's pre-1970 housing units are located in the older housing study area.

Source: U.S. Census Bureau, "Year Structure Built," ACS 5-year estimates, Table B25034, 2023

**Table 4: Age of Units**

	Pre-1970 Block Groups	Post-1970 Block Groups
Before 1939	14%	3%
1940-1949	9%	2%
1950-1959	26%	5%
1960-1969	22%	8%
1970-1979	13%	23%
1980-1989	8%	22%
1990-1999	3%	14%
2000-2009	3%	13%
2010-2019	2%	9%
After 2020	0%	1%

## Housing Typology

These older neighborhoods have a significantly larger share of single-family units—81% compared to 34% in Post-1970 block groups.

**Figure 25: Units by Structure Type (2023)**



**Table 5: Units by Structure Type**

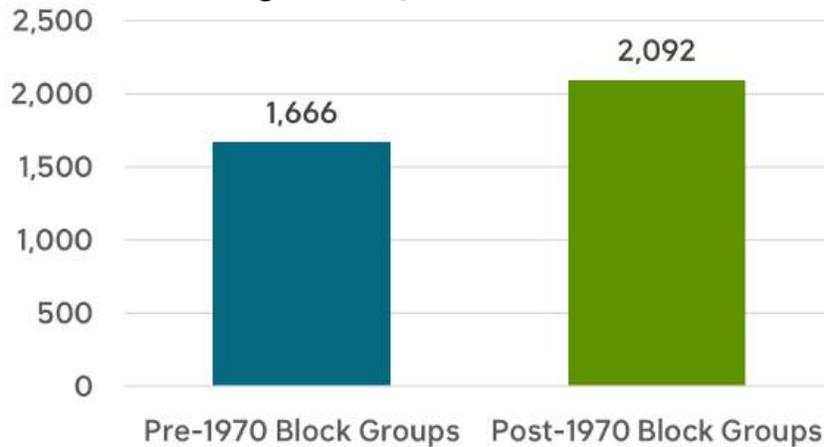
		Pre-1970 Block Groups	Post-1970 Block Groups	Citywide Total
Single Family	Detached	107,040	136,581	243,621
	Attached	12,596	42,713	55,309
Total Single Family		119,636	179,294	298,930
Multifamily Units	Under 10 units	26,102	71,073	97,175
	10 to 50 units	16,735	60,422	77,157
	50+ units	5,987	74,730	80,717
Total Multifamily Units		48,824	206,225	255,049
Total Other Housing Units		1,089	5,375	6,464
Total Housing Units		169,549 (30%)	390,894 (70%)	560,443 (100%)

Source: U.S. Census Bureau, "Units in Structure," ACS 5-year estimates, Table B25024, 2023

## Unit Size

Single family housing units in the Pre-1970 block groups tend to be smaller than those in areas with a concentration of newer housing. Overall, the average single-family home in the older housing study area is 425 square feet smaller than the average home in the Post-1970 block groups.

**Figure 26: Average Living Area  
Single Family Homes (sqft)**



Source: San Diego County Assessor's Office, 2024

These smaller footprints contribute to significant housing unit density, even accounting for the higher share of single family homes in the Pre-1970 block groups. These older neighborhoods have 1.6x more housing units per square mile than other neighborhoods.



**3,277 Housing Units  
Per Square Mile**

in Pre-1970 Block Groups

**1,997 Housing Units  
Per Square Mile**

in Post-1970 Block Groups

Source: U.S. Census Bureau, "Units in Structure," ACS 5-year estimates, Table B25024, 2023

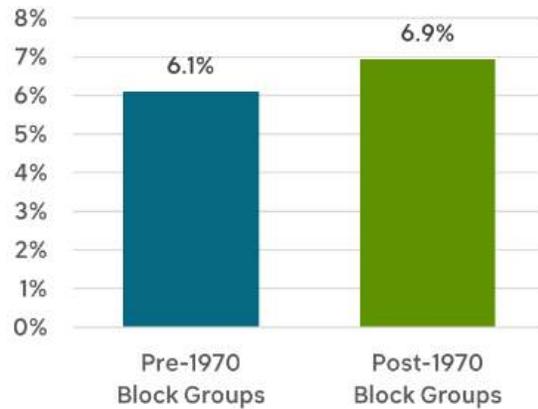
Despite a greater proportion of single family homes, older neighborhoods have higher housing density than the rest of the city due to smaller unit and lot sizes.



## Vacancy Rate

Of the more than 560,000 housing units in the City of San Diego, 30%, or 169,000 are located in the Pre-1970 block groups. Within the older housing study area, the vacancy rate is 6% as opposed to almost 7% in the Post-1970 block groups.

**Figure 27: Vacancy Rate (2023)**

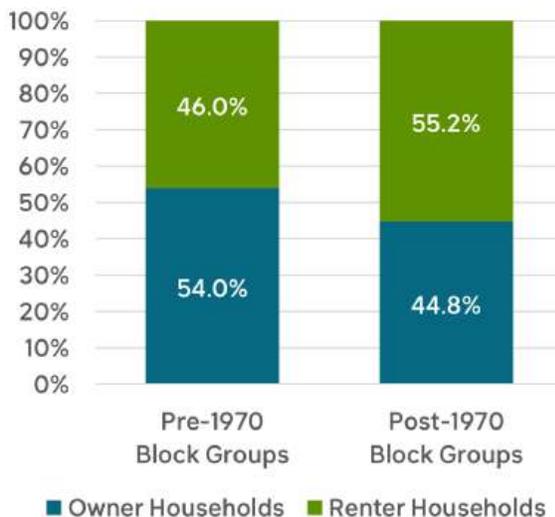


Source: U.S. Census Bureau, "Occupancy Status," ACS 5-year estimates, Table B25002, 2023

## Tenure

Approximately 159,200, or 30.4%, of San Diego's households reside within Pre-1970 block groups. These households are more likely to be owner occupied than the Post-1970 block groups. Fifty-four percent of the households in the older housing study area own their home, as opposed to 45% in the Post-1970 block groups. Overall, about 35% of the City's owner households and 27% of the renter households live in the older housing study area.

**Figure 28: Tenure (2023)**

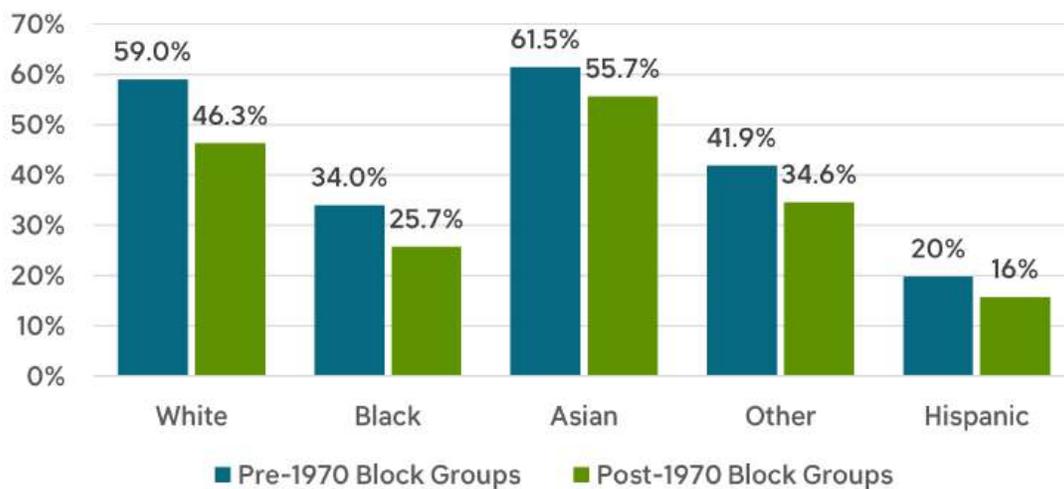


Source: U.S. Census Bureau, "Tenure by Race of Householder," 5-year ACS, Table B25003, 2023

## Homeownership by Race and Ethnicity

Homeownership among historically underrepresented groups is an important indicator of economic stability and an opportunity for wealth-building within communities. Owning a home provides families with opportunities to build equity and invest in their neighborhoods. Homeownership rates are higher in older neighborhoods than in the rest of the city, and this is true in each racial category. For instance, when taking into account all households in the Pre-1970 block groups with a Black head of household, 34% are homeowners, compared to 26% in the Post-1970 block groups. This demonstrates that older housing proves more accessible to minority home buyers. Similarly, the Hispanic homeownership rate in the Pre-1970 block groups is roughly 20% as opposed to 16% in the Post-1970 block groups.

**Figure 29: Homeownership Rate by Race (2023)**

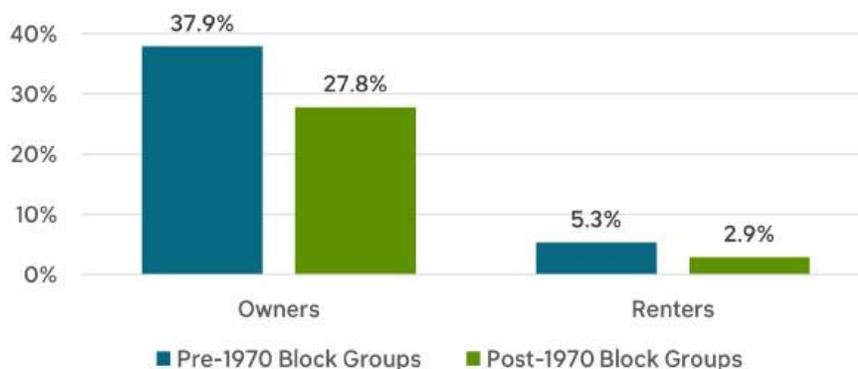


Source: U.S. Census Bureau, "Tenure by Race of Householder," 5-year ACS, Table B25003, 2023

## Length of Residency

Both owner and renter households in Pre-1970 block groups tend to be longer term residents. Within the older housing study area, almost 38% of owners and more than 5% of renters moved into their home prior to 2000, as opposed to 28% and 3% in areas with a concentration of newer housing.

**Figure 30: Share of Households That Moved in Prior to 2000 (2023)**



Source: U.S. Census Bureau, "Tenure by Year Moved In," ACS 5-year estimates, Table B25038, 2023

# Affordability Measures

In 2023, the median household income (MI) in San Diego was \$105,780. That is represented as 100% in the table below. The standard for measuring housing affordability is the percentage of income a household spends on housing. Regardless of total income, households that spend more than 30% of their income on housing are considered "cost burdened." The table below shows the monthly housing cost that would be affordable to a household at each income range using the 30% guideline.

**Table 6: Affordable Housing Costs**

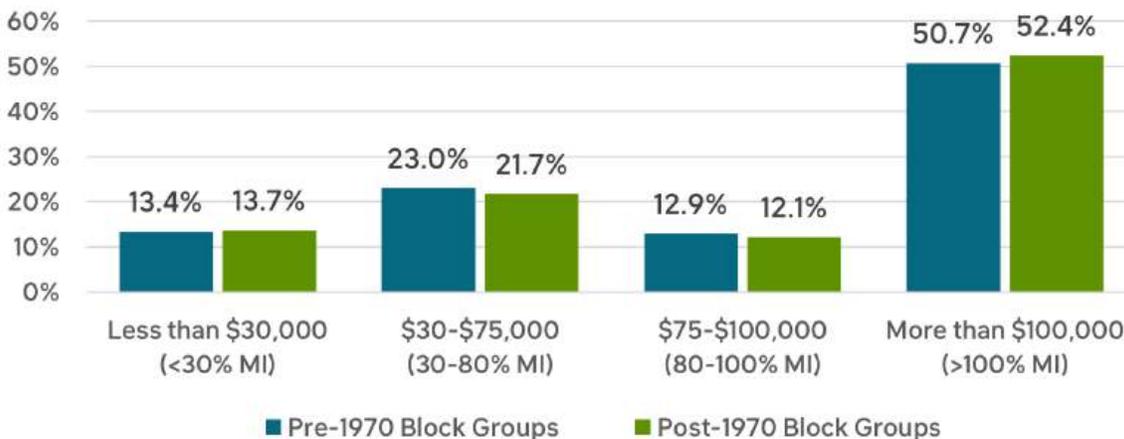
	Percentage of Median Income	Yearly Income Range	"Affordable" Monthly Housing Cost Range
Supportive Services	<30% MI	≤\$31,734	≤\$793
Affordable Housing	30-60% MI	\$31,735-\$63,468	\$794-\$1,587
	60-80% MI	\$63,469-\$84,624	\$1,588-\$2,116
Workforce Housing	80-100% MI	\$84,625-\$105,780	\$2,117-\$2,645
	100-120% MI	\$105,781-\$126,936	\$2,646-\$3,173
Market Rate Housing	120-150% MI	\$126,937-\$158,670	\$3,174-\$3,967
	150-200% MI	\$158,671-\$211,560	\$3,968-\$5,289
	>200% MI	≥\$211,561	≥\$5,289

## Household Income

The 2023 median household income in areas with a concentration of older housing is approximately \$3,660 less than areas with newer housing. Household income in the older housing study area mirrors that of the city overall, with 49% of households in Pre-1970 block groups making less than the City's median income of \$105,780.

**Older neighborhoods are slightly more affordable to households at lower incomes.**

**Figure 31: Household Income Distribution (2023)**

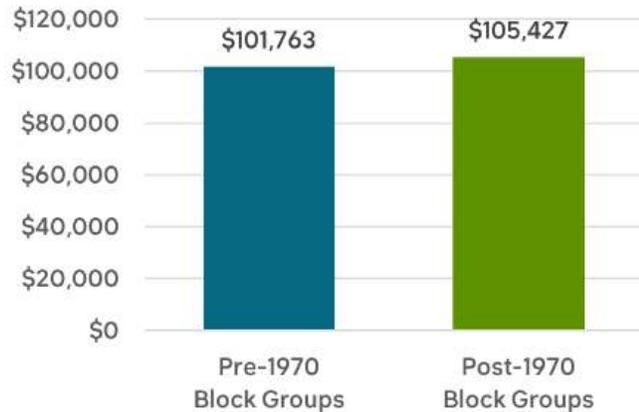


Source: U.S. Census Bureau, "Household Income," ACS 5-year estimates, Table B19001, 2023

## Household Income

Overall, the average value of single-family homes in the Pre-1970 block groups is about \$114,000 less than single family homes in the Post-1970 block groups. On a per square foot basis, the value is slightly higher in the older housing study area, likely reflecting the desirability of older homes. However, as noted previously, single family homes in Pre-1970 block groups are an average of 425 square feet smaller than those in the Post-1970 block groups. The lower total value is therefore a function of the smaller footprint of these older homes.

**Figure 32: Median Household Income (2023)**



Source: U.S. Census Bureau, "Household Income," ACS 5-year estimates, Table B19001, 2023

## Home Values

Overall, the average value of single-family homes in the Pre-1970 block groups is about \$114,000 less than single family homes in the Post-1970 block groups. On a per square foot basis, the value is slightly higher in the older housing study area, likely reflecting the desirability of older homes. However, as noted previously, single family homes in Pre-1970 block groups are an average of 425 square feet smaller than those in the Post-1970 block groups. The lower total value is therefore a function of the smaller footprint of these older homes.



*"Much of the older housing in the City is naturally affordable, as priced by the housing market, but it must be well-maintained to provide quality housing across income levels."*

- San Diego Housing Element, page 65

**Figure 33: Average Home Value (Single Family Homes)**



**Figure 34: Average Value per Square Foot (Single Family Homes)**



Source: San Diego County Assessor's Office, 2024

# Findings from the American Housing Survey

The American Housing Survey (AHS) is the nation’s most comprehensive survey of the housing stock in the U.S., collecting detailed data on housing units, neighborhoods, and the people who live in them. The AHS is conducted biennially by the U.S. Census Bureau on behalf of the U.S. Department of Housing and Urban Development (HUD). While the survey makes available many valuable metrics and insights, the most recent year of data available for San Diego is 2011. Therefore, the state of California was used as the basis for the two graphs shown below.

When looking at housing unit data by decade built, older housing in California tends to serve the needs of occupants at the lower end of the income spectrum. Overall, the median income of households living in housing built prior to 1939 is roughly \$27,640 less than those living in housing units built after 2020.

**Figure 35: Median Income by Decade of Construction**  
(California – All Occupied Units, 2023)



This pattern translates to housing costs as well. It’s generally assumed that newer housing is less affordable than older housing. This is true in California, as housing units that were built after 2020 are about \$1,371 more per month than those built prior to 1939. This bolsters the argument that older housing provides Naturally Occurring Affordable Housing (NOAH).

**Figure 36: Median Housing Cost by Decade of Construction**  
(California – All Occupied Units, 2023)



Source: U.S. Census, American Housing Survey, "Housing Costs – All Occupied Units," State of California, 2023

## Housing Costs

The median monthly owner costs<sup>7</sup> for housing units both in and out of the older housing study area are similar. However, the median gross rent Pre-1970 block groups is about \$335 less than the Post-1970 block groups.<sup>8</sup>

Almost 47% of owners in Pre-1970 block groups are paying less than City's median owner costs of \$3,157 per month. Additionally, roughly 19% of owner-occupied units in Pre-1970 block groups are affordable to those earning less than 80% of the City's median income, compared to 15% in the Post-1970 block groups.

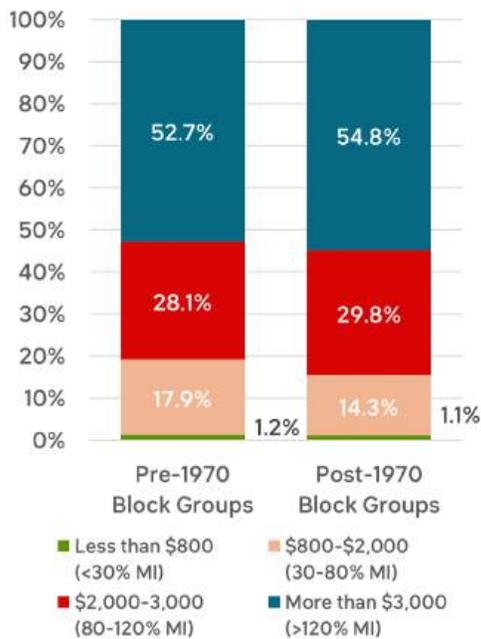
Seventy-two percent of renters in Pre-1970 block groups are paying less than City's median rent of \$2,223 per month. Additionally, almost 52% of the units in the Pre-1970 study area are affordable to those earning less than 80% of the City's median income, compared to 36% in the Post-1970 block groups.

**Figure 37: Median Monthly Housing Costs (2023)**

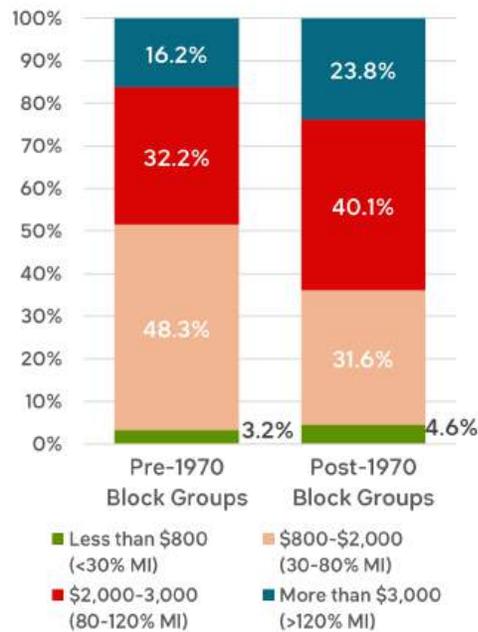


Source: U.S. Census Bureau, "Selected Monthly Owner Costs," ACS 5-year estimates, Table B25087, 2023 and "Gross Rent," ACS 5-year estimates, Table B25063, 2023

**Figure 38: Share of Units by Owner Costs (2023)**



**Figure 39: Share of Units by Gross Rent (2023)**



Source: U.S. Census Bureau, "Selected Monthly Owner Costs," ACS 5-year estimates, Table B25087, 2023 and "Gross Rent," ACS 5-year estimates, Table B25063, 2023

<sup>7</sup> The U.S. Census defines "Selected monthly owner costs" as the sum of payment for mortgages, real estate taxes, various insurances, utilities, fuels, mobile home costs, and condominium fees.

<sup>8</sup> The U.S. Census defines "Gross Rent" as the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else).



# *Older Housing & Affordability*

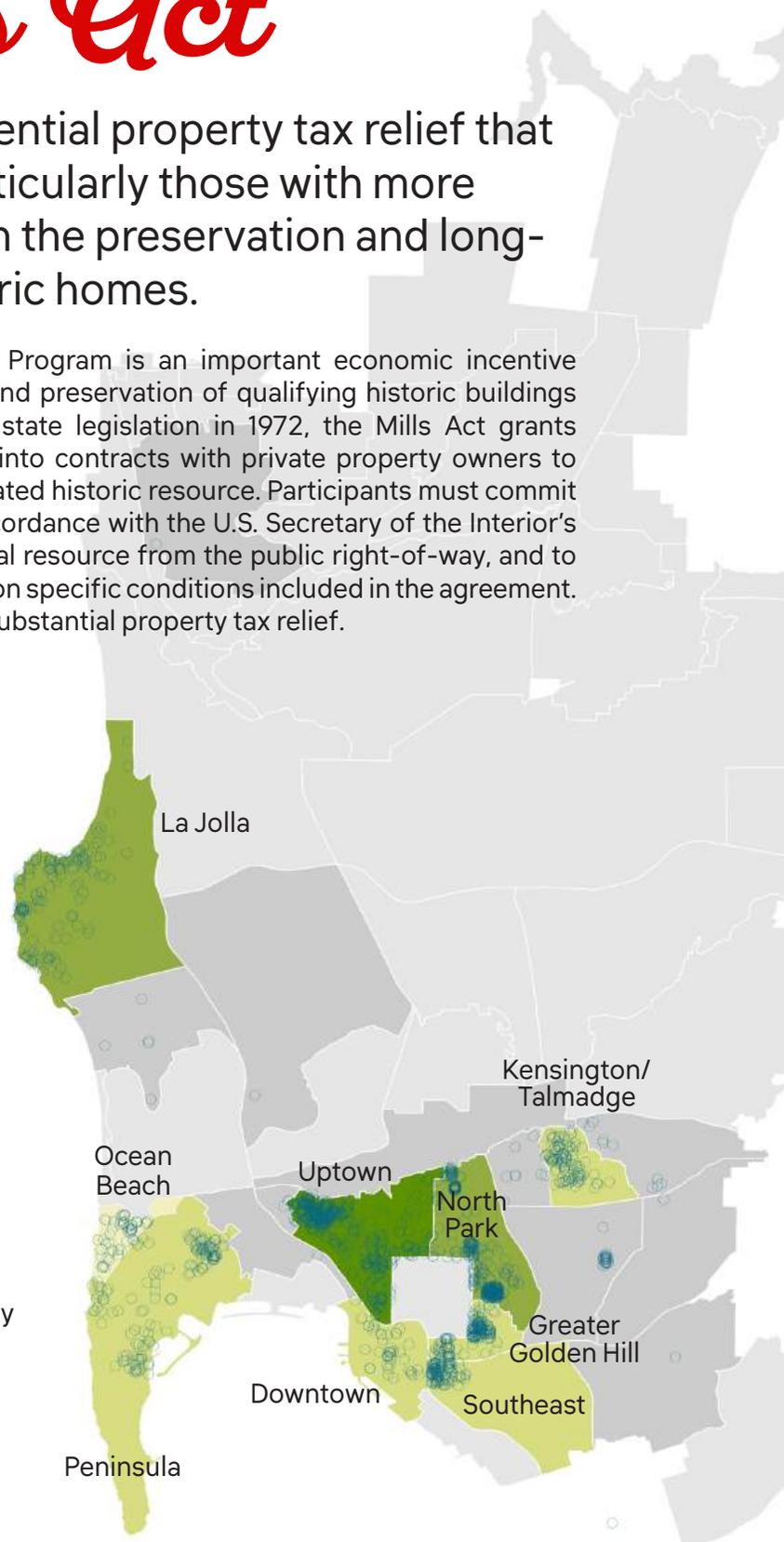
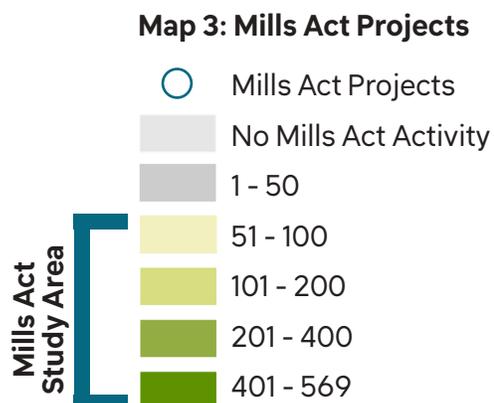
San Diego's older housing stock (residential units built before 1970) makes up 33% of the city's total housing units. These units are a crucial component of Naturally Occurring Affordable Housing (NOAH). Block groups with a concentration of older housing provide a notably more affordable environment for renters, with nearly 52% of rental units being affordable to those earning less than 80% of the City's median income. Older housing promotes housing equity by demonstrating greater accessibility for minority homebuyers, reflected in higher homeownership rates for Black and Hispanic households. Maintaining this existing stock is critical to providing quality and affordable housing across income levels.

# The Mills Act

The Mills Act provides essential property tax relief that empowers residents—particularly those with more limited means—to invest in the preservation and long-term viability of their historic homes.

The Mills Act Historic Property Contract Program is an important economic incentive program in California for the restoration and preservation of qualifying historic buildings by private property owners. Created by state legislation in 1972, the Mills Act grants local governments the authority to enter into contracts with private property owners to guarantee the preservation of their designated historic resource. Participants must commit to maintaining their historic building in accordance with the U.S. Secretary of the Interior's Standards, provide visibility of the historical resource from the public right-of-way, and to improve or rehabilitate the property based on specific conditions included in the agreement. In exchange, the property owner receives substantial property tax relief.

While the Mills Act has been utilized all over the City of San Diego, there are a number of Community Plan Districts (CPDs) that have seen a higher concentration of activity (i.e. more than 50 Mills Act properties). These include: Downtown, Greater Golden Hill, La Jolla, Mid-City, Kensington-Talmadge, North Park, Ocean Beach, Peninsula, Southeastern San Diego, and Uptown. Almost 95% of all Mills Act properties are located in these nine CPDs. The following demographic analysis only takes into consideration the nine CPDs with more than 50 Mills Act properties.



The state Mills Act is widely recognized as an effective tool for protecting historic homes and commercial buildings. However, its role as a housing tool in lower income neighborhoods goes underappreciated.

San Diego adopted the Mills Act in 1995. It is the only affordability tool available in San Diego that specifically targets historic, owner-occupied housing. Since its adoption, over 1,900 historic properties have received Mills Act tax reductions. Overall, 59% of Mills Acts projects have happened outside of historic districts.

**Table 7: Mills Act Agreements by Historic District (2023)**

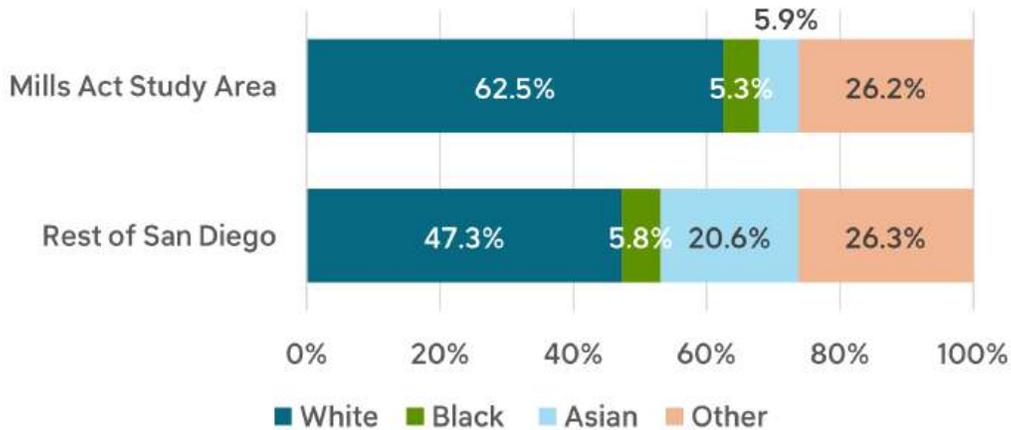
	Count	% of residents that are non-White	% of households making less than the City's median
Arnold and Choate's - North Florence Heights (NR)	35	12.4%	44.0%
Burlingame	140	21.1%	51.4%
Cabrillo Freeway	1	--	--
Chinese/Asian Thematic	1	23.9%	41.5%
El Pueblo Ribera	7	--	--
Fort Stockton Line	53	18.8%	23.7%
Gaslamp Quarter*	16	23.9%	41.5%
Greater Golden Hill	26	47.2%	78.1%
Grant Hill Park	8	64.0%	61.6%
Heart of Bankers Hill (NR)	21	31.5%	41.2%
Inspiration Heights (NR)	20	15.5%	32.9%
Islenair	25	65.6%	75.0%
Melhorn & Son*	7	22.8%	57.8%
Mission Hills	59	18.8%	23.7%
North Park Dryden	44	15.5%	58.9%
Ocean Beach Cottage Emerging	57	24.8%	54.2%
Sherman Heights	103	48.3%	79.0%
Shirley Ann Place*	19	22.8%	57.8%
South Park	110	32.2%	37.6%
Spalding Place	1	--	--
Talmadge Park Estates (NR)	5	33.1%	34.6%
Valle Vista Terrace	28	29.7%	48.3%
Outside Historic District Boundaries	1,131	--	--
TOTAL	1,917	--	--

\* For the purposes of this report, Chinese/Asian Thematic District and Gaslamp have been aggregated; Fort Stockton Line and Mission Hills have been aggregated, and; Melhorn & Son and Shirley Ann Place have been aggregated.

## Race

In areas with a concentration of Mills Act properties, the population tends to be Whiter than the rest of the city. Overall, almost 63% of residents in high concentration Mills Act areas are White, compared to 47% in the rest of the city.

**Figure 40: Race in Mills Act Study Area (2023)**



Source: San Diego County Assessor's Office, 2024

## Income

Household income in Community Planning Districts with a high concentration of Mills Act properties largely mirrors the rest of the city of San Diego, though they have a slightly larger share of lower income households. Overall, 52% of the households in the study area have an annual income below \$100,000, compared to 47% in the rest of the city.

**Figure 41: Median Household Income (2023)**



Source: U.S. Census Bureau, "Household Income," ACS 5-year estimates, Table B19001, 2023



*"The City intends to support the repair and maintenance of existing homes within the City to ensure that households living in existing homes can live in safe and sanitary conditions and to reduce the potential for loss of existing units from the City's housing stock."*

- San Diego Housing Element, page 66



# *The Mills Act*

Overall, the Mills Act plays a significant role in supporting historic preservation in San Diego. While these neighborhoods are less racially diverse than the city as a whole, they also contain a slightly larger share of modest-income households. As San Diegans struggle with housing costs, the Mills Act offers a pathway for preserving both the historic character of these neighborhoods and the continued viability of homes occupied by households with more limited means.

# Environmental Benefit of Rehabilitation and Adaptive Reuse

The rehabilitation of historic buildings is a vital strategy for San Diego to meet its greenhouse gas reduction targets, as conserving embodied energy and avoiding demolition outperforms even high-efficiency new construction in total emissions.

In 2020, the San Diego City Council passed a resolution declaring a climate emergency and affirming the need for accelerated action to address the climate crisis. In accordance with international targets, the resolution cited that to limit global warming to 1.5 degrees Celsius above pre-industrial levels, cities need to significantly reduce their greenhouse gas (GHG) emissions by 2030 or earlier in order to subvert devastating climate impacts. In 2023, the city amended their General Plan with the Climate Action Plan, which outlines specific strategies for San Diego to reduce greenhouse gas emissions and reach net zero carbon emissions. The first strategy in the Climate Action Plan is the decarbonization of the built environment, and decarbonization requires a whole life cycle approach. Additionally, the Circular Economy section of the Plan calls for amending the construction and demolition regulations to establish a deconstruction requirement that would reduce demolition waste from construction and renovation, facilitate material reuse, and create jobs.

A building's lifetime carbon footprint reflects its combined embodied and operational emissions.<sup>9</sup>

- **Embodied emissions** are the amount of GHG that is emitted as a result of all the energy that goes into a material's production (extraction, manufacture) construction, maintenance, refurbishment and end-of-use (demolition, incineration, landfill, etc.) across the life cycle of the building.
- **Operational emissions** are the emissions generated through the function and maintenance of the building, such as electrifying and heating the building. Operational emissions begin on the first day the building is placed in service and accumulate over the life of the building.

<sup>9</sup> Building Materials and the Climate: Constructing a New Future, United Nations Environment Programme <https://wedocs.unep.org/items/effe9d8d-a949-4397-bed6-7afda856e261>



**Rehabilitation leverages the durability of original construction, avoids the emissions associated with demolition and new fabrication, and often requires far less new material input overall.**

Hotel Sandford, San Diego. Courtesy Heritage Architecture & Planning

The reuse and retrofitting of existing buildings is an extremely important strategy in any effort to reduce greenhouse gas emissions. The building operations and construction sector is by far the largest emitter of greenhouse gases, accounting for a staggering 37% of global emissions.<sup>10</sup> Existing buildings make up the majority of all buildings—in 2040, two-thirds of all buildings will be ones that exist today. To make a significant impact on global emissions, the building sector must reduce both operational emissions in existing buildings through building retrofits and energy efficient systems and reduce embodied emissions through rehabilitation, material reuse, and the use of low-carbon materials. Rehabilitation leverages the durability of original construction, avoids the emissions associated with demolition and new fabrication, and often requires far less new material input overall. As a result, historic rehabilitation often outperforms even high-efficiency new construction in terms of lifecycle GHG emission.

<sup>10</sup> Building Materials and the Climate: Constructing a New Future, United Nations Environment Programme <https://wedocs.unep.org/items/effe9d8d-a949-4397-bed6-7afda856e261>



# *Conserving Embodied Energy through Rehabilitation*

## The Granger Building

The Granger Building is an excellent illustration of the emissions consequences of rehabilitation compared to new construction. Located at 964 Fifth Avenue in San Diego's Gaslamp Quarter District, the building was constructed in 1904 and was originally home to a prominent bank, but it has served a variety of uses over its lifetime—including lodging animals destined for the San Diego Zoo in its basement in 1917. By 2018, the building was in significant disrepair, having experienced neglect and upper floor vacancy. It was purchased by Oram Holdings with the intention of developing a boutique hotel.<sup>11</sup>

The rehabilitation was not without its challenges, but the developers were able to design minimally invasive strategies to mitigate cost and conserve original materials. Previous plans had called for tearing out walls and rebuilding the building's interior structural system, but the developers sought a more budget friendly, lighter touch. Fortunately, the building had a favorable existing grid system and a convenient elevator system, making it easier to divide up the space for enough hotel rooms to make the project financially feasible. The team worked diligently to preserve any existing elements that could be saved while meeting fire and safety codes. They largely worked within the existing layout to efficiently stack modern mechanical, electrical, and plumbing systems.

<sup>11</sup> LPA, "Saving a Historic Landmark," accessed December 1, 2025. <https://lpadesignstudios.com/catalyst/saving-a-historic-landmark>

This minimally invasive approach had not only cost-saving impacts, but also environmental impacts. When calculating the operational and embodied emissions impact of doing nothing to the Granger Building, a sensitive rehabilitation like what was undertaken, a heavier rehabilitation that only preserves the facade, and an entirely brand-new building, there is a clear winner. The sensitive rehabilitation of the Granger Building preserved the embodied energy present in the building, while the window retrofits and system updates mitigated the building's operations emissions.<sup>12</sup>

**Table 8: Total Emissions from Rehab vs New Construction**

	Do Nothing	Reuse (Light Touch - Granger Building Rehabilitation)	Reuse (Heavy Touch, Significant Interior Replacement)	New Building (with low-carbon materials and efficient systems)
Embodied Emissions (Metric Tons CO <sub>2</sub> e, cradle to gate)	N/A	641	1,625	1,696
Operational Emissions (Metric Tons CO <sub>2</sub> e / 25 years)	7,009	6,002	6,002	6,002
Total Emissions (Metric Tons CO <sub>2</sub> e / 25 years)	7,009	6,643	7,628	7,698
<b>Total Emissions Intensity (kgCO<sub>2</sub>e/ft<sup>2</sup> / 25 years)</b>	<b>157</b>	<b>149</b>	<b>171</b>	<b>173</b>

Source: CARE (Carbon Avoided: Retrofit Estimator) Tool, an Architecture 2030 Project, 2025.

By preserving the original material in the Granger Building, the developers conserved the embodied emissions that went into its original construction and avoided the expenditure of new emissions through demolition and new construction.

The embodied emissions that would have been discarded had the Granger Building been demolished are equivalent to greenhouse gas emissions from:



**190,841 gallons** of gasoline consumed



**4,318,975 miles driven** by an average gas-powered passenger vehicle



**353 homes' electricity** use for one year



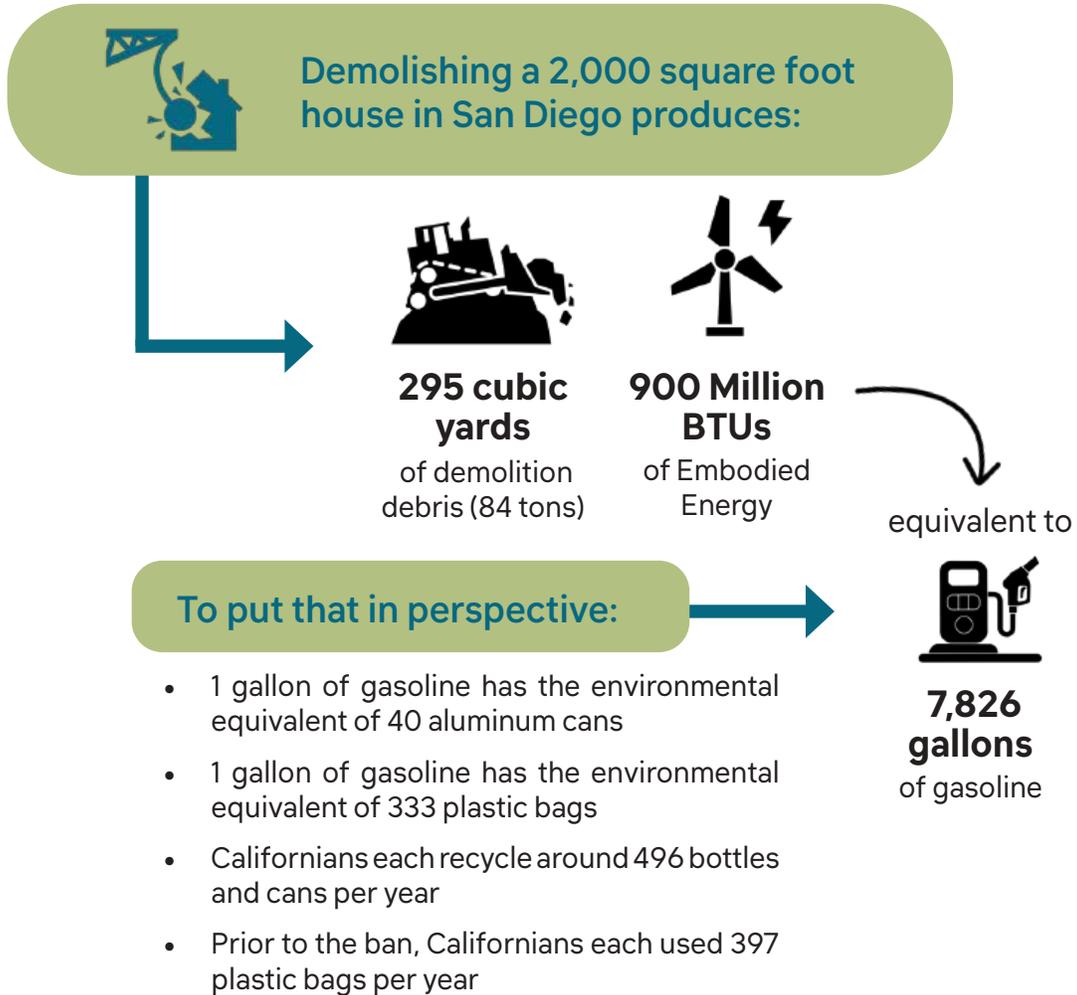
**137,116,448 smartphones** charged

Put another way, the preservation of the embodied carbon in the Granger's fabric is equivalent to greenhouse gas emissions avoided by **144,171 trash bags of waste recycled instead of landfilled**. It would require 1,701 acres of U.S. forests one year or 28,044 tree seedlings grown for 10 years to sequester the carbon that would have been released by demolishing in the Granger Building.

<sup>12</sup> Carbon dioxide equivalent (CO<sub>2</sub>e) is a standard unit of measurement used to compare the emissions of various greenhouse gases (GHGs)—such as methane and nitrous oxide—based on their global warming potential (GWP) relative to CO<sub>2</sub>.

## The Environmental Cost of Demolition

Californians care about the environment: nearly 80 percent of cans and bottles are recycled, and the state has enacted a nearly total ban on single use plastic bags. However, too often the demolition of a small, older home raises no environmental concerns.



### Therefore, throwing away that one house means:



Negating the environmental impact of the last **3,881,696 aluminum cans** that were recycled (or the recycling efforts of 7,826 Californians)



Wiping out the environmental benefit of the elimination of **2,606,058 plastic bags** that were not used (or the impact of 6,564 Californians foregoing plastic bags)

Recycling aluminum cans and not using plastic bags are both positive environmental actions. But every time an older home is thrown away, we have wasted not only a potential unit of affordable housing, we've also wasted the environmental efforts of thousands of San Diego citizens.



# *Environmental Impact of Rehabilitation*

The environmental benefits of saving older buildings are substantial and often overlooked. Existing buildings embody enormous amounts of energy and carbon from their original construction, and retaining them avoids the immediate emissions generated by demolition, waste disposal, and new material production. When paired with thoughtful retrofits and modern building systems, older buildings can perform efficiently while maintaining the carbon already invested in their structure. In contrast, demolition erases this embodied energy in a single act, replacing it with new emissions that can take decades to offset through operational savings alone. Preserving and reusing older buildings are therefore one of the most practical and effective strategies for reducing greenhouse gas emissions in the built environment—conserving resources, minimizing waste, and aligning everyday development decisions with long-term climate goals.

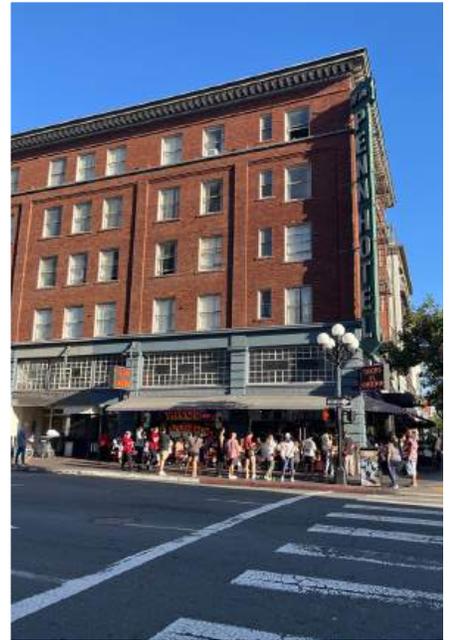
# Conclusion

San Diego's historic districts and older neighborhoods play a vital role in shaping the city's housing and its cultural, social, and economic landscape.

While historic districts and older neighborhoods comprise only a small fraction of the city's land and population, they have experienced accelerated growth and diversification over the past decade. Historic districts, once characterized by lower diversity and higher income, are now seeing significant increases in non-White and Hispanic populations, as well as dramatic growth in minority homeownership. This trend signals a positive shift toward greater equity and inclusion, with historic district residents wielding substantial annual spending power that anchors economic vitality within these communities.

Older housing stock, particularly in pre-1970 neighborhoods, continues to offer more affordable options for both renters and homeowners. These areas provide a higher proportion of units accessible to households earning below the city's median income, and minority households are more likely to achieve homeownership in older neighborhoods compared to newer developments. The affordability and accessibility of these homes, coupled with their smaller size and lower assessed values, underscore the importance of preserving older housing as a cornerstone of San Diego's comprehensive housing strategy.

Finally, the environmental impact of historic preservation is substantial. Sensitive rehabilitation projects, such as the Granger Building, demonstrate that conserving embodied energy and minimizing landfill waste can yield significant reductions in greenhouse gas emissions compared to new construction. These efforts align with the city's climate action and resiliency goals, reinforcing the value of adaptive reuse and thoughtful stewardship of historic assets. As San Diego continues to evolve, the lessons drawn from its historic districts and older housing stock offer a blueprint for fostering equity, affordability, and sustainability across the city.



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# *About PlaceEconomics*

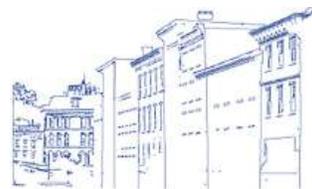
PlaceEconomics is a private sector economic development firm with over thirty years experience in the thorough and robust analysis of the economic impacts of historic preservation. This report was prepared and written by Donovan Rypkema, Katlyn Cotton, Alyssa Frystak, Dan Lu, and Rodney Swink. Rypkema is principal of PlaceEconomics, is a Washington, DC based real estate and economic development consulting firm. Cotton is the Associate Principal at PlaceEconomics and handled project management and graphic design. Frystak is the Director of Research and Data Analytics, and handled research methodologies and data collection. Dan Lu is a Research Associate and handled demographic analysis. Swink is the Senior Associate for Planning and Development and contributed to writing and stakeholder engagement.

# *the urban vitality* **BLUEPRINT**

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