340
PLEASANT WAY

BROKER OPINION OF VALUE

July 2026

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R-3-10 MULTIFAMILY ZONING | 12,182 SF LOT | BASE POTENTIAL UP TO 5 UNITS | DENSITY BONUS POTENTIAL

SAN MARCOS

CALIFORNIA · 92069

CBRE

01

THE PROPERTY

340 Pleasant Way is a multifamily development opportunity located in central San Marcos. The property consists of a two-bedroom, one-bathroom single-family residence of approximately **725 square feet**, built in 1940, situated on a **12,182 square foot lot**.

The property is zoned **R-3-10**, San Marcos' medium-density multifamily designation, which provides for development at **12.1 to 20 dwelling units per acre**. The City has indicated a base potential of **up to five residential units**, with additional upside available through state density bonus provisions.

This site represents a rare infill opportunity in a submarket defined by strong rental demand and limited supply of developable land. Neighboring parcels are already improved with multifamily product, and the location offers direct access to the State Route 78 corridor, Palomar College and California State University San Marcos.

With favorable zoning in place, an existing residence capable of generating income throughout the entitlement period, and few comparable sites available in the submarket, **340 Pleasant Way should be valued as a development site rather than as a single-family home.**

PROPERTY HIGHLIGHTS

Rare R-3-10 Infill Site

Medium-density multifamily zoning on a 12,182 square foot lot, with a City-indicated base potential of up to five units and further upside through density bonus provisions.

Established Multifamily Context

Neighboring parcels are already improved with multifamily product, supporting the case that the highest and best use of this site is more substantial than the existing residence.

Income Throughout Entitlement

The existing residence is rentable at an estimated $2,950 per month, allowing a buyer to carry the site with income while pursuing design and City approvals.

12,182 SF
Lot Size · 0.28 Acres

R-3-10
Base Zoning

12.1 – 20 DU/Acre
Permitted Density

Up to 5 Units
Base Unit Potential

$2,950 / Month
Est. Holding Income



Rear yard · lot depth



Frontage · Pleasant Way

02

SALES COMPARABLES

Every available comparable is zoned R-1. None conveys multifamily development rights.

UPDATED SFR COMPARABLES ±725 SF · Updated Condition	
Price Per Sq Ft	**≈$750**
Typical Lot Size	**±5,000 Sq Ft**
Zoning	**R-1**
Indicated Value	**≈$545,000**

NON-UPDATED SFR COMPARABLE ±725 SF · Original Condition	
Price Per Sq Ft	**$550**
Typical Lot Size	**±5,000 Sq Ft**
Zoning	**R-1**
Indicated Value	**≈$400,000**

LAND COMPARABLES 92069 Submarket	
Sale Price	**≈$300,000**
Lot Size	**±0.35 Acres**
Zoning	**R-1**
Acreage Benchmark	**$180,000 / Acre**

Residential Comparables Indicate: $400,000 – $545,000

Those comparables measure the house. They do not measure the lot. Nearly all sit on approximately 5,000 square foot R-1 parcels with no multifamily development potential — roughly 40% of the subject's 12,182 square foot site.

No R-3-zoned land sale was identified in the submarket. The closest infill land sale was R-1, and the only sizeable multi-home benchmark is a 10-acre site whose per-acre pricing reflects scale and horizontal development costs that do not transfer to a quarter-acre infill parcel.

Because no available comparable measures density, value must be tested on what a developer would pay per potential unit.

SUBJECT · 340 PLEASANT WAY — 12,182 SF Lot · R-3-10 Multifamily · Base Potential Up to 5 Units · Density Bonus Potential

03

PRICING RECOMMENDATION

Valued as a Home, the Property Is Underpriced

The residential comparables support roughly $400,000 to $545,000 for the improvement alone. Marketed on that basis, the R-3-10 density transfers to a buyer at no cost — which is the single largest risk to mispricing this asset.

A Developer Buys Density, Not Acreage

At the City's indicated five-unit base density, land basis per potential unit is the metric a developer underwrites before layering in construction, architecture, engineering, City fees, utilities, financing and parking. That basis, not price per square foot of house, sets the market for this site.

Priced to Capture Potential Without Assuming Approvals

$849,000 reflects the development rights while stopping short of pricing units that are indicated but not yet approved. It is a basis a developer can underwrite today, which is what generates competitive interest at launch.

RECOMMENDED POSITIONING

Expose the property on two tracks. Residential buyers see a home on an unusually large lot; developers see an R-3-10 infill site. Both audiences bidding is what protects the top of the range.

RARE R-3-10 DEVELOPMENT OPPORTUNITY · 12,182 SF LOT · UP TO 5 UNITS · EXISTING RESIDENCE PROVIDES HOLDING VALUE

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Unit count reflects the City's indicated base density only; no units are entitled, approved or permitted. Density bonus eligibility is potential and unverified. Rent is an estimate. This is a broker opinion of value, not an appraisal.

RECOMMENDED LIST PRICE

$849,000

$169,800

Land Basis Per Potential Unit

$69.69

Per Land Square Foot

WHAT THE ZONING ADDS

Marketed as a Home *Residential comparables, improvement only*	**$400,000 – $545,000**
Marketed as an R-3-10 Site *Development rights, up to 5 units*	**$849,000**

VALUE ADDED BY ZONING

+$304,000 – $449,000

This is the portion of value that disappears if the property is marketed as a 725 square foot home.