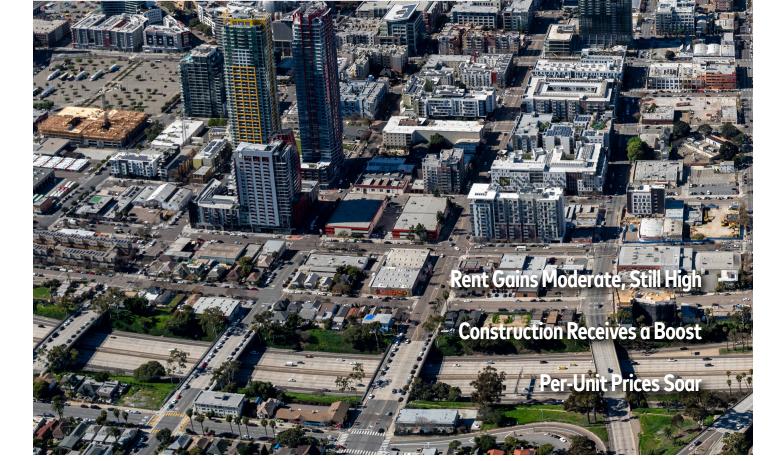


MULTIFAMILY REPORT

San Diego's Timely Surge

November 2022



SAN DIEGO MULTIFAMILY



Rate Growth Cools Slightly, Pipeline Picks Up Pace

In line with nationwide trends, San Diego multifamily is returning to more sustainable levels of growth after an unprecedented bull run that lasted about a year-and-a-half. The average San Diego rate was up just 30 basis points on a trailing three-month basis as of September, exactly 12 months after the figure hit a 2.2% high. On a year-over-year basis, San Diego rents were up 14.5%, still outpacing the 9.4% national figure. And while the occupancy rate in stabilized assets dropped 30 basis points in a year, it remained high, at 97.6% as of August.

Metro San Diego recovered most of the jobs lost during the early stages of the pandemic, just 15,000 positions short of the figure recorded in early 2020. Unemployment stood at a tight 3.4% as of August, down 130 basis points since the beginning of the year and outperforming the state's 4.1% rate. Leisure and hospitality, one of the area's main economic drivers, led job gains in the 12 months ending in July, adding 26,300 positions, as overall air travel and the number of overnight visitors inch closer to pre-pandemic values.

A total of 2,472 apartments were delivered in San Diego during the first three quarters of 2022, with an additional 7,593 units under construction as of September. Meanwhile, \$1.4 billion in assets traded across the metro at a per-unit price of \$394,036, significantly above both the national average and the figure recorded during the same time frame last year.

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Recent San Diego Transactions

Forest Park at Fletcher Hills



City: El Cajon, Calif. Buyer: Bridge Investment Group Purchase Price: \$121 MM Price per Unit: \$357,988

The Heritage



City: San Diego Buyer: The Green Cities Co. Purchase Price: \$119 MM Price per Unit: \$515,217

Celsius



City: Lemon Grove, Calif. Buyer: Cameron Brothers Construction Purchase Price: \$43 MM Price per Unit: \$509,524

Carriage Road



City: Poway, Calif. Buyer: F&F Income Properties Purchase Price: \$19 MM Price per Unit: \$365,385