



MULTIFAMILY REPORT

San Diego Endures

February 2024

YoY Rent Growth Above US

Investment Volume Declines

Construction Starts Outperform 2022

SAN DIEGO MULTIFAMILY



Rent Growth Slows, New Starts Hold

As economic turmoil cleared slightly toward the second half of last year, San Diego rents were already feeling seasonal downward pressure. Rates contracted 0.3% on a trailing three-month basis through December—on par with the U.S.—to an average of \$2,709. Year-over-year, San Diego fared better than many other major markets in 2023, with rents up 1.4%, 110 basis points above the national figure.

Unemployment reached 4.2% as of November 2023, up 50 basis points since the start of the year. This was the metro's highest rate since January 2022, as the high cost of capital slowed the pace of business. Still, San Diego was on better footing than California, which clocked in at 4.9%. In the 12 months ending in October, San Diego added 26,500 net jobs, a 2.2% expansion. After outpacing the national rate for the first nine months of the year, the trend shifted as 2024 drew closer. The metro's top performers were leisure and hospitality (11,100 jobs) and education and health services (10,100 jobs), while professional and business services lost 3,800 positions.

San Diego added 2,925 units to its inventory in 2023, which represented 1.5% of total stock, 90 basis points behind the nation. This was in line with the overall trend, but San Diego stood out in one category—4,907 units broke ground in 2023, almost 700 apartments more than 2022's total.

Market Analysis | February 2024

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Tudor Scolca-Seuşan

Associate Editor

Recent San Diego Transactions

Waterleaf



City: Vista, Calif.
Buyer: MIG Real Estate
Purchase Price: \$174 MM
Price per Unit: \$381,579

Sunset Villa



City: Chula Vista, Calif.
Buyer: Floit Properties
Purchase Price: \$28 MM
Price per Unit: \$181,818

Pacific Cove



City: San Diego
Buyer: Herndon Capital Partners
Purchase Price: \$18 MM
Price per Unit: \$225,309