

Yardi® Matrix

Sturdy San Diego

Multifamily Report Fall 2019



Rent Growth Decelerates

Per-Unit Prices Continue to Rise

Occupancy Rate Remains Healthy

SAN DIEGO MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Robust Demand Sustains Multifamily Growth

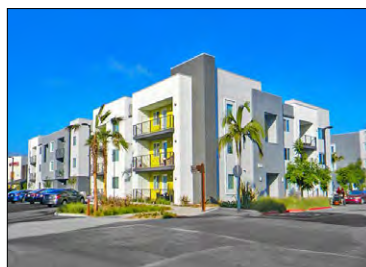
San Diego's multifamily market remained relatively strong going into 2019's last innings, boosted by population growth and a healthy, albeit slowing, economy. Housing demand continued on a high note, with supply one step behind. Meanwhile, rent growth softened slightly to 2.5% year-over-year as of October.

Employment growth was led by the professional and business services sector, which gained 7,700 positions in the 12 months ending in September 2019. The government sector followed, with 6,900 jobs. The ever-growing tech sector is further boosted by the University of California San Diego's economic impact, which is expected to reach \$12.9 billion yearly by 2032 for the county alone, according to a Tripp Umbach report.

Investment activity remained sturdy during 2019's first 10 months, with more than \$1.1 billion in assets trading as of October. Although apartment development stayed steady, the metro should have no trouble absorbing new stock due to the addition of jobs across the board, especially in high-paying sectors. As of October, more than 8,000 units were under construction metrowide. Rent growth is expected to remain relatively healthy going into 2020, boosted by positive demographic trends and an ongoing imbalance between supply and demand.

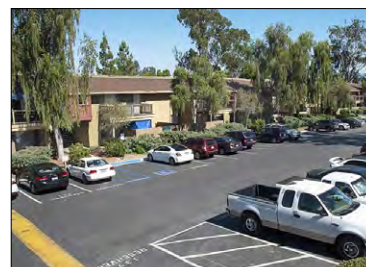
Recent San Diego Transactions

Alexan Millenia



City: Chula Vista, Calif.
Buyer: Barings
Purchase Price: \$131 MM
Price per Unit: \$423,948

Forest Park



City: El Cajon, Calif.
Buyer: LivCor
Purchase Price: \$88 MM
Price per Unit: \$261,360

Sunterra



City: Oceanside, Calif.
Buyer: IDEAL Capital Group
Purchase Price: \$66 MM
Price per Unit: \$276,041

Colonnade at Fletcher Hills



City: El Cajon, Calif.
Buyer: Blackstone Group
Purchase Price: \$39 MM
Price per Unit: \$282,978