



## MULTIFAMILY REPORT

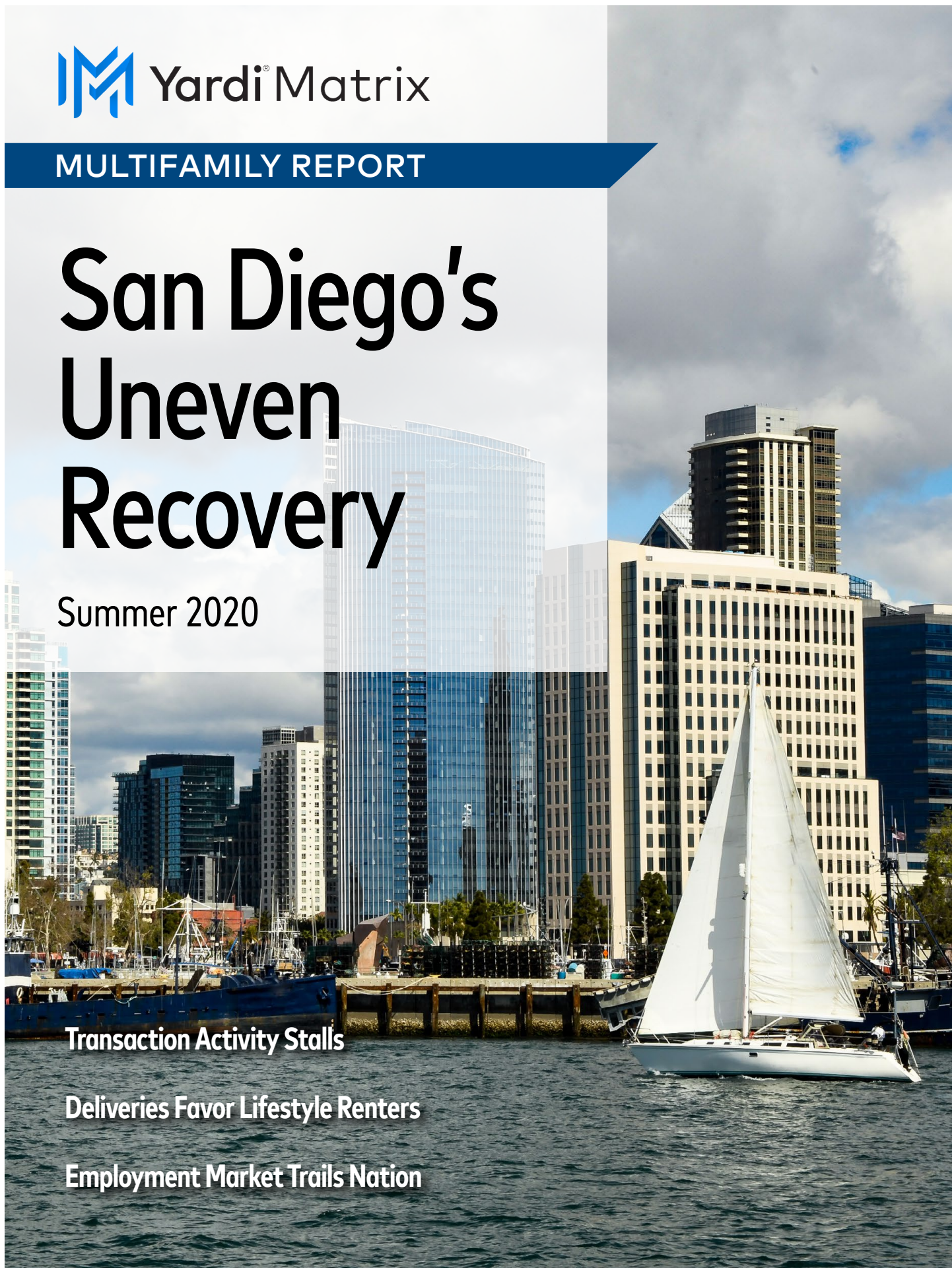
# San Diego's Uneven Recovery

Summer 2020

**Transaction Activity Stalls**

**Deliveries Favor Lifestyle Renters**

**Employment Market Trails Nation**



# SAN DIEGO MULTIFAMILY



## Rents Hit Tailwinds Amid Economic Volatility

San Diego's multifamily sector has not lost its shine. After five months of contractions, the metro's rents rebounded with a 0.2% increase to \$1,987, on a trailing three-month basis through August, while the U.S. rate remained flat at \$1,463 during the same period. Meanwhile, the metro's occupancy rate in stabilized properties dropped 70 basis points to 95.6% in the 12 months ending in July.

Initial unemployment claims filed across the state between mid-March and the end of August exceeded 8.1 million, and San Diego registered historic highs in April and May, hitting the 15.0% mark. The jobless rate slid to 13.8% in June, while preliminary July data pointed to further improvement, clocking in at 12.3%. Professional and business services—San Diego's largest sector—shrank by only 2.5% in the 12 months ending in June, faring better than San Francisco. In the meantime, Gov. Gavin Newsom has extended the state's eviction moratorium through January.

Following last year's cycle peak for deliveries, developers added 1,748 units this year through August, with an additional 8,581 apartments underway. Deals nearly came to a halt in San Diego this year, with transactions totaling just \$129 million in the first eight months of 2020. By comparison, nearly \$1.6 billion in multifamily assets traded across the metro in 2019.

## Market Analysis | Summer 2020

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### Recent San Diego Transactions

#### Serena Vista



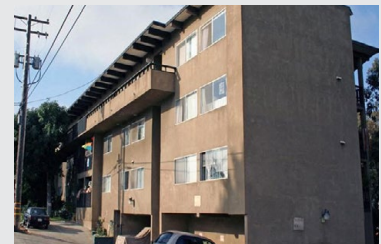
City: La Mesa, Calif.  
Buyer: Universe Holdings  
Purchase Price: \$34 MM  
Price per Unit: \$313,182

#### Southern Highlands



City: National City, Calif.  
Buyer: Lincoln Avenue Capital  
Purchase Price: \$22 MM  
Price per Unit: \$146,358

#### Citra



City: San Diego  
Buyer: Interstate Equities Corp.  
Purchase Price: \$18 MM  
Price per Unit: \$304,583

#### Tribeca on Mollison



City: El Cajon, Calif.  
Buyer: Swanson Real Estate  
Services  
Purchase Price: \$16 MM  
Price per Unit: \$235,294