



MULTIFAMILY REPORT

San Diego's Equilibrium

February 2026

Employment Market Improves

Supply Expansion Steady

Asking Rents Continue to Decrease



SAN DIEGO MULTIFAMILY



Supply Stays Solid, Rents Tick Down

San Diego started 2026 with somewhat balanced fundamentals and on stronger footing than other California metros. Still, average advertised asking rent growth did not improve, with the rate ticking down 0.4%, on a trailing three-month basis through December, to \$2,718. This was 10 basis points below the U.S. average. Occupancy across stabilized assets remained solid, at 96.1% as of November, ahead of the 94.6% national figure.

Employment growth stood at 0.7% year-over-year through September, just 10 basis points below the national figure. This continued a trend in the metro, as the gap between its rate and the national figure narrowed over the previous three quarters. Meanwhile, unemployment reached 4.6% in November, according to preliminary data from the Bureau of Labor Statistics. Over the 12-month period ending in September, San Diego added 11,300 net jobs, with education and health services leading gains (12,900). A total of six sectors lost 12,700 positions combined. A few major projects reached milestones in 2025, including the opening of a new terminal at San Diego International Airport as part of a \$3.8 billion modernization plan.

Development activity did not slow down as quickly as it did in other metros, as San Diego had 11,831 units under construction at the beginning of the year. Completions in 2025 totaled 4,638 units, slightly above the cycle average.

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Recent San Diego Transactions

Canyon Villas



City: Chula Vista, Calif.
Buyer: Post Investment Group
Purchase Price: \$74 MM
Price per Unit: \$403,005

Palmilla



City: San Diego
Buyer: Bridge Investment Group
Purchase Price: \$58 MM
Price per Unit: \$285,714

Ocean Breeze Village



City: Oceanside, Calif.
Buyer: Mendridge
Purchase Price: \$24 MM
Price per Unit: \$333,333

The Fletcher



City: La Mesa, Calif.
Buyer: Pathfinder Partners
Purchase Price: \$22 MM
Price per Unit: \$239,130