



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.

## Market Analysis | February 2026

### Contacts

#### Jeff Adler

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

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x14006

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

#### Tudor Scolca-Seuşan

Senior Associate Editor

### 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

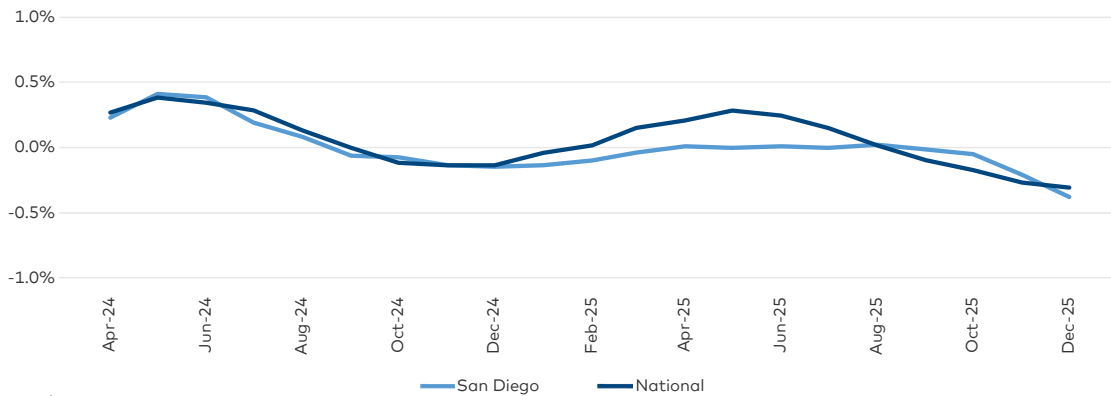


City: La Mesa, Calif.  
Buyer: Pathfinder Partners  
Purchase Price: \$22 MM  
Price per Unit: \$239,130

## RENT TRENDS

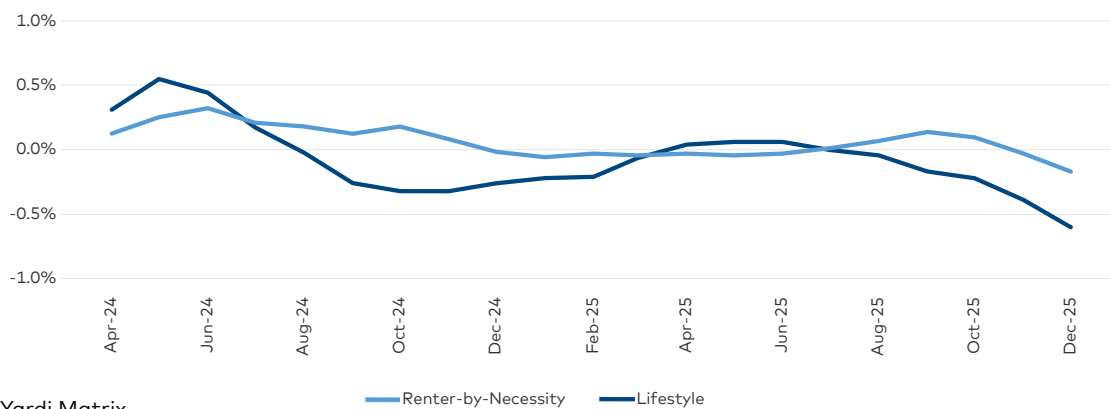
- ▶ San Diego advertised asking rents contracted 0.4%, on a trailing three-month (T3) basis through December, down 10 basis points below the U.S. rate to an average of \$2,718. This was the second month of contractions for the metro, preceded by an eight-month period of flat growth. Rents were also down 1.2% year-over-year through December. Some improvement is expected for San Diego in 2026, as the latest forecast expects year-over-year rent movement to increase by roughly 120 basis points.
- ▶ The working-class Renter-by-Necessity segment remained the better performer, with T3 rents down 20 basis points through December, to \$2,382, while a steeper decline was recorded in the upscale Lifestyle segment, which was down 0.6%, to \$3,133.
- ▶ Overall occupancy for stabilized assets ticked down just 10 basis points year-over-year, to 96.1% as of November, 150 basis points above the national average. The figure for both quality segments ticked down by the same amount—Lifestyle to 95.9% and RBN to 96.3%. Leasing momentum remained steady across the market, even with more than 10,000 units combined added in 2024 and 2025.
- ▶ A few bright spots remained among San Diego's 33 submarkets for year-over-year advertised asking rent growth. Gains were led by San Diego (up 4.1%, to \$3,019), Peninsula (1.3%, to \$2,43) and Del Mar (0.7%, to \$3,774)—which was also the most expensive submarket. Oceanside (0.6%, to \$2,568) and Chula Vista (0.5%, to \$2,253) rounded out the top five.

### San Diego vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

### San Diego Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- ▶ San Diego's employment growth stood at 0.7% year-over-year through September 2025, 10 basis points behind the national average. The metro's rate remained at this level for the third consecutive month, maintaining an upward trend from the previous two quarters. This was the highest job growth recorded in San Diego in 17 months.
- ▶ Unemployment clocked in at 4.6% in November last year, just 10 basis points higher than the national figure, according to preliminary data from the BLS. The metro's rate remained virtually on par year-over-year, with some improvement over the previous three months.
- ▶ Over the 12-month period ending in September, San Diego added 11,300 net jobs. Education and health services (12,900 jobs), government (8,000) and leisure and hospitality (2,500) were the top performers. Six sectors lost 12,700 positions combined, with professional and business services (-6,500) recording the steepest losses.
- ▶ San Diego's development was highlighted in major projects shaping up in 2025 as well, including the opening of the new Terminal 1 at San Diego International Airport, part of a multiphase, \$3.8 billion modernization program. On the Chula Vista Bayfront, the Gaylord Pacific Resort & Convention Center's first phase was completed, part of a 535-acre redevelopment effort.

### San Diego Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	270.7	17.4%
90	Government	259.6	16.7%
70	Leisure and Hospitality	205.6	13.2%
80	Other Services	58.1	3.7%
15	Mining, Logging and Construction	89.7	5.8%
50	Information	19.9	1.3%
40	Trade, Transportation and Utilities	219.4	14.1%
55	Financial Activities	69.1	4.4%
30	Manufacturing	109.1	7.0%
60	Professional and Business Services	257.7	16.5%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- ▶ From 2021 to 2022, San Diego lost 6,616 residents, for a 0.2% contraction. Meanwhile, the U.S. population increased 0.4%.
- ▶ The latest estimates from the U.S. Census Bureau points to a 12,000-resident increase from 2023 to 2024.

### San Diego vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
San Diego	3,316,073	3,323,970	3,296,317	3,289,701

Source: U.S. Census

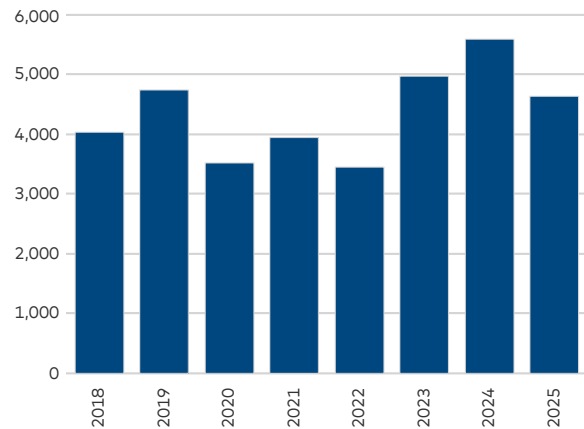
## SUPPLY

- ▶ Developers added a total of 4,638 units to San Diego’s inventory in 2025, 17.1% year-over-year. Completions represented 2.2% of existing stock, closing at 80 basis points below the national average. Supply additions in 2025 were on par with the metro’s performance in this cycle, as the annual average recorded since 2018 was 4,356 units. Roughly 5,000 units are expected to come online in 2026 across the metro, bucking nationwide slowdown trends.
- ▶ San Diego developers had 11,831 units under construction at the end of last year, along with another 45,000 units in the planning and permitting stages. More than two-thirds of all units underway were in Lifestyle projects, 26.1% were in fully affordable assets, while the remaining 2.4% were in the RBN segment.
- ▶ A total of 3,849 units broke ground in 2025 across 24 projects, down from the 4,394 units and 25 developments that started construction in 2024, indicating that activity is slowly winding down in San Diego as well.
- ▶ Two submarkets accounted for nearly half of all units underway. Growth was concentrated in the high-density core, Central San Diego (2,845 units) and Kearny Mesa (2,491 units), which has

an updated community plan focused on growth and mixed-use housing through 2050. Escondido (827 units), San Dieguito (650) and Mid-City (645) rounded out the top five.

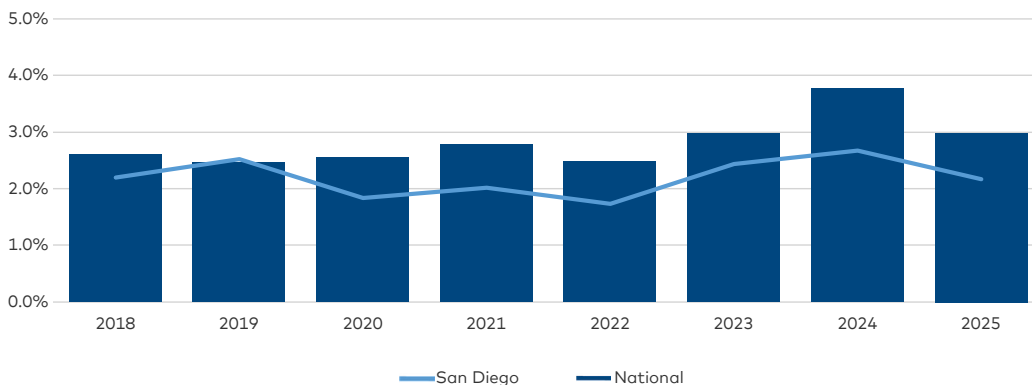
- ▶ Kearny Mesa also had the largest project underway—Trammell Crow Residential’s Alexan Camellia, a 531-unit community. The developer secured a \$151 million loan for the project, which is expected to come online later this year.

**San Diego Completions** (as of December 2025)



Source: Yardi Matrix

**San Diego vs. National Completions as a Percentage of Total Stock** (as of December 2025)

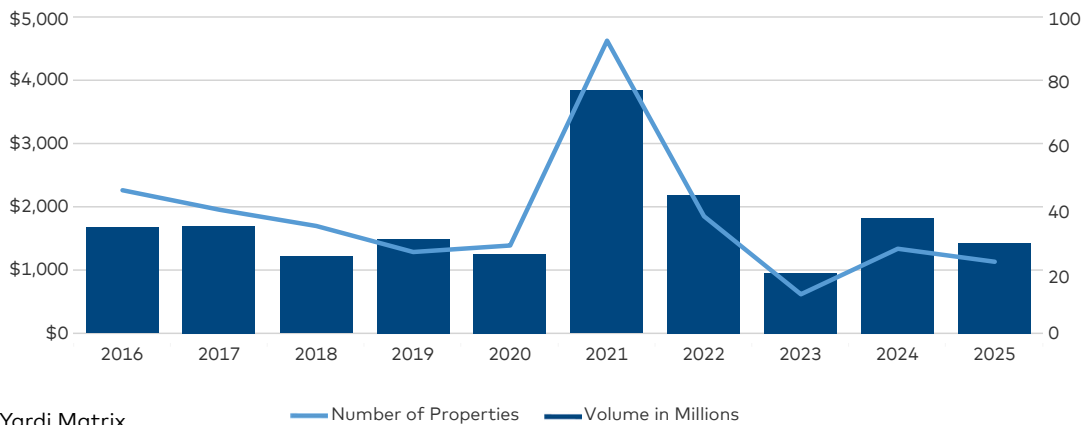


Source: Yardi Matrix

## TRANSACTIONS

- ▶ San Diego investors closed on 25 single-asset multifamily transactions in 2025 for a total of \$1.4 billion. Volume was down 21.9% year-over-year, as high interest rates and a less favorable market pressured activity. Over the decade ending in 2025, the average annual transaction total in San Diego clocked in at \$1.8 billion.
- ▶ The average price per unit was \$374,648 in 2025, down 9.3% year-over-year, but still ahead of the national figure, which ticked up 6.7% to \$205,495. San Diego investments were heavily tilted toward value-add plays, as 19 of the total assets that traded were RBN properties, for an average of \$284,155 per unit. Six Lifestyle properties changed hands at \$459,450 per unit.
- ▶ A few properties yielded high price tags, albeit all in the first half of the year. The largest transaction closed in January 2025—MG Properties paid \$309 million for the 718-unit Park 12 – The Collection, in Central San Diego. Greystar sold the asset, along with 45,000 square feet of retail.

### San Diego Sales Volume and Number of Properties Sold (as of December 2025)



Source: Yardi Matrix

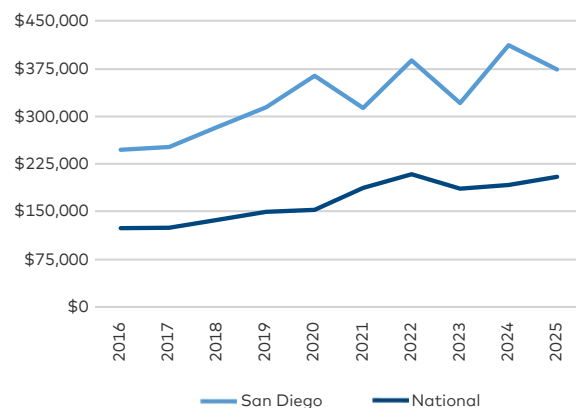
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Central San Diego	427
Sweetwater	257
Del Mar	238
San Dieguito	139
Kearny Mesa	68
El Cajon	59
Mid-City	58

Source: Yardi Matrix

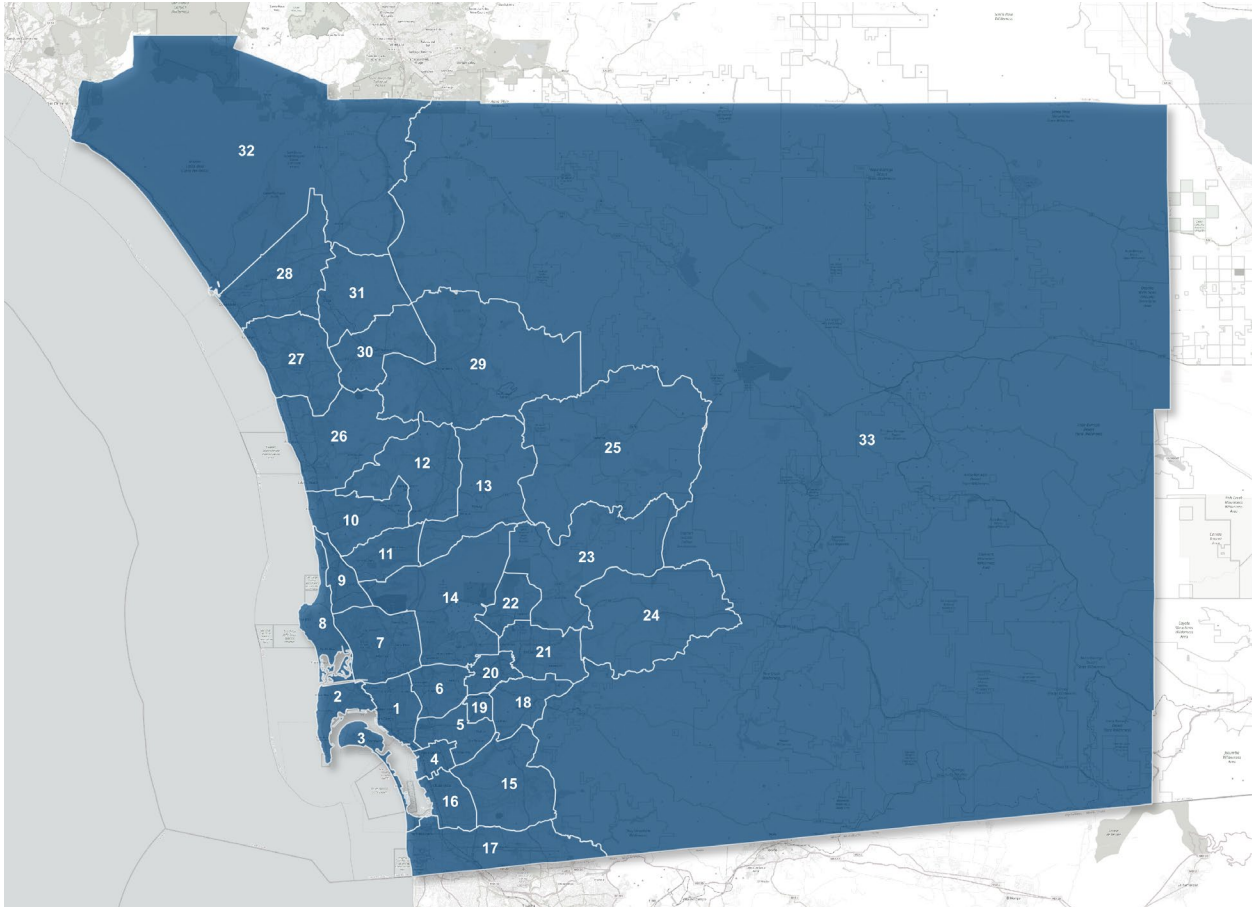
<sup>1</sup> From January 2025 to December 2025

### San Diego vs. National Sales Price per Unit



Source: Yardi Matrix

## SAN DIEGO SUBMARKETS



Area No.	Submarket
1	Central San Diego
2	Peninsula
3	Coronado
4	National City
5	Southeast San Diego
6	Mid-City
7	Kearny Mesa
8	Coastal
9	University
10	Del Mar
11	Mira Mesa
12	North San Diego
13	Poway
14	Elliot-Navajo
15	Sweetwater
16	Chula Vista
17	South Bay

Area No.	Submarket
18	Spring Valley
19	Lemon Grove
20	La Mesa
21	El Cajon
22	Santee
23	Lakeside
24	Alpine
25	Ramona
26	San Dieguito
27	Carlsbad
28	Oceanside
29	Escondido
30	San Marcos
31	Vista
32	Fallbrook
33	Outlying San Diego County

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- ▶ *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- ▶ *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- ▶ *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- ▶ *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- ▶ *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- ▶ *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit [www.yardimatrix.com](http://www.yardimatrix.com) or call Ron Brock, Jr., at 480-663-1149 x14006.





# Yardi<sup>®</sup> Matrix

Power your business  
with the industry's  
leading data provider



## MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily  
provides accurate data on  
nearly **23.5 million** units,  
covering over **92%** of the  
**U.S. population.**



(800) 866-1144

Learn more at [yardimatrix.com/multifamily](https://yardimatrix.com/multifamily)

Contact  
US



## DISCLAIMER

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

## COPYRIGHT NOTICE

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, LLC dba Yardi Matrix's Terms of Use (<http://www.yardimatrix.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, LLC. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, LLC, the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, LLC in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2026 Yardi Systems, LLC. All Rights Reserved.