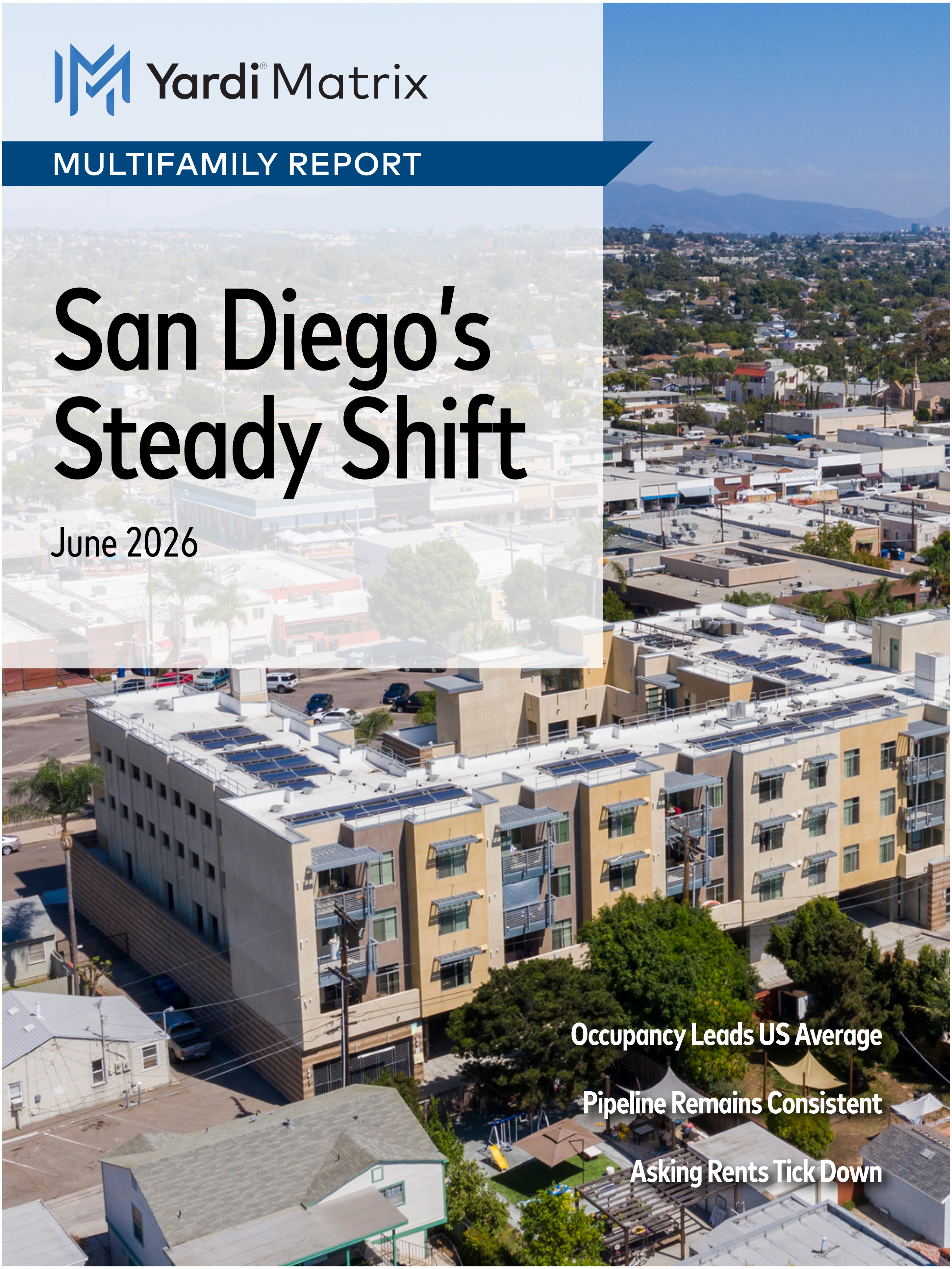
Yardi Matrix

MULTIFAMILY REPORT

San Diego's Steady Shift

June 2026



Occupancy Leads US Average

Pipeline Remains Consistent

Asking Rents Tick Down

Yardi Matrix

Rents Slide, Supply Pace Holds Steady

San Diego weathered economic pressures coming out of the first quarter, as both the wider real estate valuation reset and significant supply growth pressured the market. Average advertised asking rents slid 0.1%, on a trailing three-month basis through April, to an average of $2,718, 30 basis points below the U.S. figure. The market's average occupancy in stabilized assets ticked down 30 basis points year-over-year, to 95.9% as of March, still above the 94.2% national figure, which slid 50 basis points over 12 months.

Employment growth stood at 0.5% through December, trailing the U.S. average by 10 basis points. The metro gained 5,500 jobs last year, with a few sectors registering growth, led by education and health services (15,100 positions). Six sectors lost 17,200 jobs combined, with professional and business services taking the largest hit (-6,200). Unemployment was relatively tight at 4.3% in March, on par with the U.S. figure, according to preliminary Bureau of Labor Statistics data. Recent local milestones include the new outpatient pavilion at the UCSD Hillcrest health-care campus redevelopment and IQHQ's first life science lease within its $1.9 billion RaDD district.

Supply growth maintained momentum in early 2026, with developers adding 2,204 units through April. Another 11,703 units were under construction, while our latest estimate points to more than 8,000 units coming online this year.

Market Analysis | June 2026

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 x14006

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

Author

Tudor Scolca-Seușan
Senior Associate Editor

On the cover: Photo by MattGush/iStockphoto.com

Recent San Diego Transactions

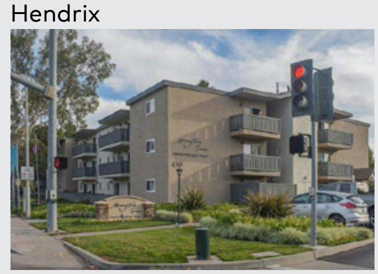
Windsor Mission Valley

City: San Diego
Buyer: GID
Purchase Price: $149 MM
Price per Unit: $486,972

The Resort at Encinitas Luxury

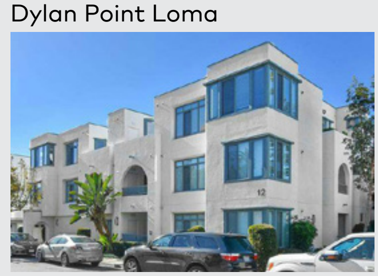
City: Encinitas, Calif.
Buyer: Fairfield Residential
Purchase Price: $110 MM
Price per Unit: $561,199

Hendrix



City: Escondido, Calif.
Buyer: Eagle Real Estate Group
Purchase Price: $95 MM
Price per Unit: $290,491

Dylan Point Loma

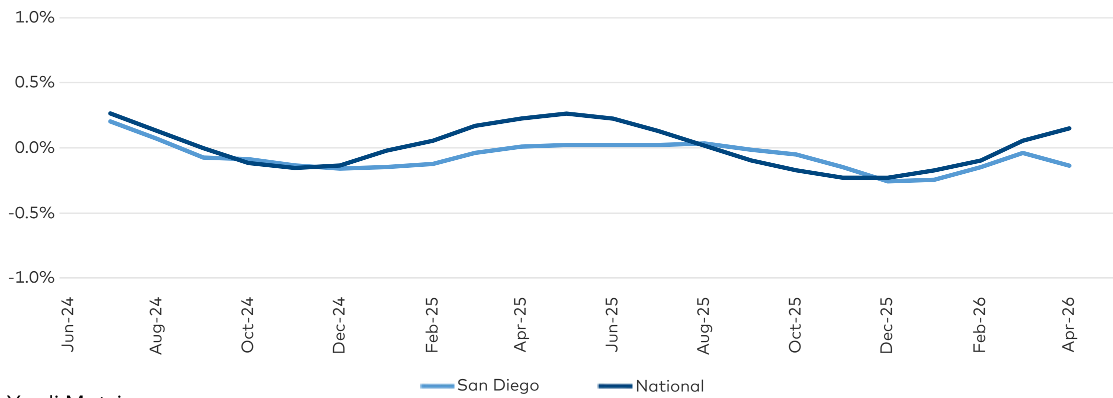


City: San Diego
Buyer: MG Properties
Purchase Price: $91 MM
Price per Unit: $505,555

RENT TRENDS

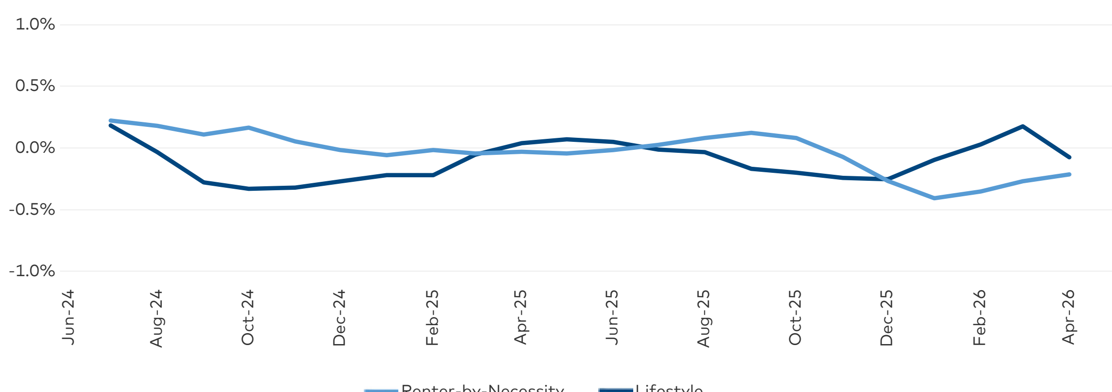
- San Diego advertised asking rents slid 0.1%, on a trailing three-month (T3) basis through April, to $2,718 or 30 basis points below the U.S. rate. San Diego T3 rent movement has been either flat or in the red for 20 consecutive months as of April, pressured by strong supply over the past two years. Year-over-year, asking rents were down 1.2%, while the U.S. figure slid 0.2%.
- Advertised asking rents in the working-class Renter-by-Necessity segment ticked down 0.2%, on a T3 basis through April, to an average of $2,351, for the sixth consecutive month of contractions. Rents in the upscale Lifestyle segment were down 0.1% through April, to $3,171. In 2025, RBN rents marked a three-month period of tepid gains, while the Lifestyle segment registered just two T3 upticks.
- The overall occupancy in stabilized assets ticked down 30 basis points year-over-year through March, to 95.9%, still above the 94.2% national average. RBN occupancy fell 40 basis points, to 96.0%, while the Lifestyle average slid 20 basis points, to 95.8%.
- Although San Diego's overall advertised asking rent was down year-over-year through April, there were a few bright spots among the 33 submarkets tracked by Yardi Matrix. Notably, rents in San Dieguito were up 3.6%, to $3,018, followed by Peninsula (1.7% to $2,429), Del Mar (1.5% to $3,765, also the most expensive submarket), National City (1.4% to $2,026) and Oceanside (1.3% to $2,568). The Coastal submarket saw the steepest contraction, down 3.2% to $3,048.

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 employment growth stood at 0.5% as of December 2025, just 10 basis points below the U.S. average. The metro started 2025 at a low 0.3% and, although it trailed the national figure throughout the year, it improved in the second and third quarters, peaking at 0.7%.
- The area's unemployment rate stood at a relatively tight 4.3% in March, flat year-over-year and on par with the national rate, according to preliminary data from the BLS. Metro San Diego unemployment fared better than California, which clocked in at 5.3% as of March.
- Metro San Diego gained 5,500 net jobs in 2025, as six sectors recorded losses, which were offset by growth across four others. Education and health services led, adding 15,100 net jobs, followed by government (4,100). Six sectors lost 17,200 positions combined, with professional and business services taking the biggest hit (-6,200 positions).
- San Diego's position as a major life sciences hub continues to attract major investments and development. IQHQ landed its first life science tenant at its $1.9 billion RaDD project last year. The first phase of the 15-year planned redevelopment of the UCSD Hillcrest health-care campus redevelopment has been completed, with the addition of a new outpatient pavilion.

San Diego Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	276,9	17,5%
90	Government	266,9	16,8%
70	Leisure and Hospitality	205,5	13,0%
80	Other Services	58,4	3,7%
50	Information	19,9	1,3%
40	Trade, Transportation and Utilities	229,8	14,5%
55	Financial Activities	69,5	4,4%
30	Manufacturing	108,5	6,8%
15	Mining, Logging and Construction	87,2	5,5%
60	Professional and Business Services	261,5	16,5%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- San Diego's population recorded a steep contraction between 2020 and 2021, losing some 27,000 people.
- However, the most recent U.S. Census data points to stabilization after that, as the metro added 9,647 residents between 2021 and 2025.

San Diego vs. National Population

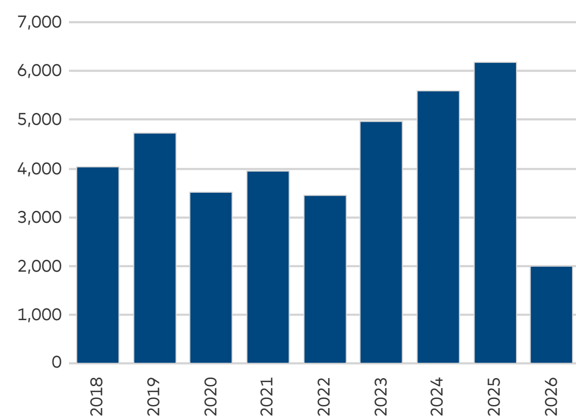
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
San Diego	3,316,073	3,323,970	3,296,317	3,289,701

Source: U.S. Census

SUPPLY

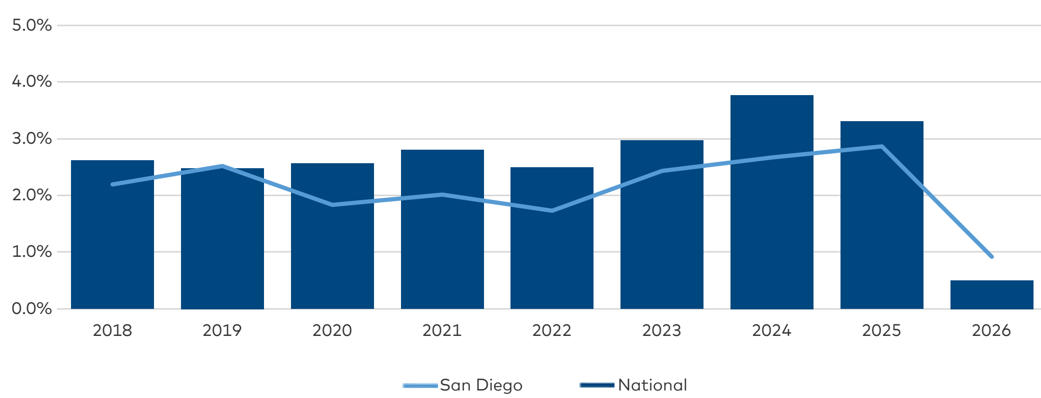
- San Diego's supply pipeline comprised 11,703 units under construction as of April, along with another 44,000 apartments in the planning and permitting stages. Most of the units underway (72.4%) are in Lifestyle projects, while 22.0% are in fully affordable developments—noticeably above the 16.8% national share. The remaining units are in RBN projects.
- San Diego developers added 2,204 units to the market's inventory in the first four months of the year. This was equivalent to 0.9% of existing stock and nearly double the U.S. average. Completions increased 68.8% compared to the same period last year, bucking nationwide trends. The metro's deliveries have consistently increased over the past three years, with almost 19,000 units completed since January 2023.
- This year is slated to heavily outperform the decade average (4,549 units) as well, with 8,044 units expected to come online in 2026, should market conditions remain favorable.
- A total of 1,884 units across seven projects broke ground year-to-date through April, in line with the eight projects and 1,414 units recorded during the same period last year.
- Kearny Mesa remains a development magnet, partly due to fewer residential constraints and available land via adaptive reuse. As of April, the submarket had 2,734 units underway. Central San Diego came in second (2,350), while Escondido (827) rounded out the top three.
- AMLI Residential completed the largest project of the year through April: AMLI Aero, a 442-unit community in Kearny Mesa, developed on a former industrial site.

San Diego Completions (as of April 2026)



Source: Yardi Matrix

San Diego vs. National Completions as a Percentage of Total Stock (as of April 2026)

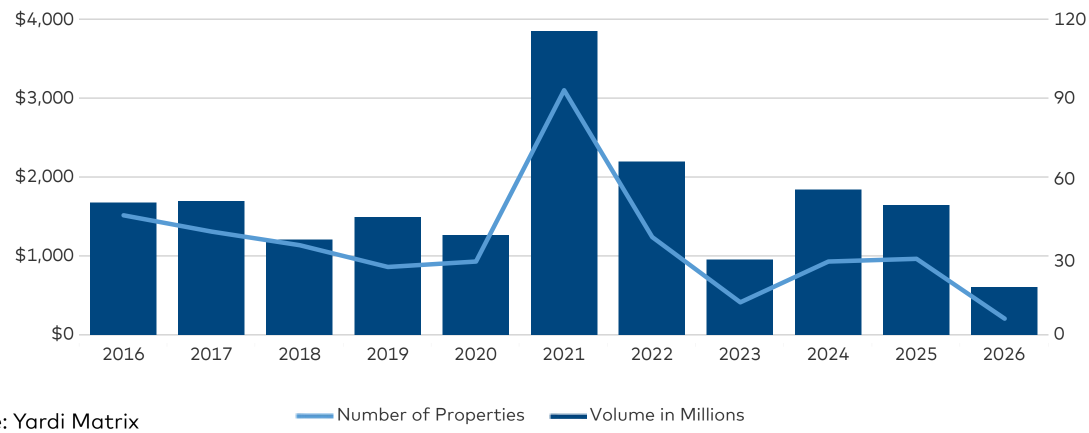


Source: Yardi Matrix

TRANSACTIONS

- San Diego investors closed nine single-asset multifamily transactions year-to-date through April, totaling $609 million. Of these, four involved Lifestyle properties and five were for RBN assets. The total slid 22.6% compared to the same period of last year, as the nationwide pricing reset continues to exert pressure. The previous two years were in line or above the decade's annual average ($1.8 billion), but current economic conditions could see volume temper in the second half of 2026.
- The average per-unit price for the first four months of this year reached $380,814, virtually flat from 2025. However, the price gap between asset classes remained elevated, with Lifestyle trading at an average of $513,247, while RBN clocked in at $282,570 per unit.
- A single deal in Kearny Mesa represented the submarket's entire deal volume and was San Diego's largest sale this year through April. GID paid $148.5 million to R&V Management for Windsor Mission Valley, a 305-unit, 2018-completed asset.

San Diego Sales Volume and Number of Properties Sold (as of April 2026)



Source: Yardi Matrix

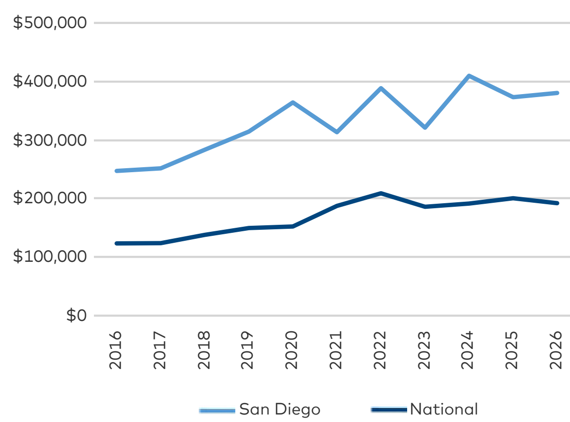
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Del Mar	238
Oceanside	233
San Marcos	163
Kearny Mesa	149
Peninsula	122
San Dieguito	110
Central San Diego	102

Source: Yardi Matrix

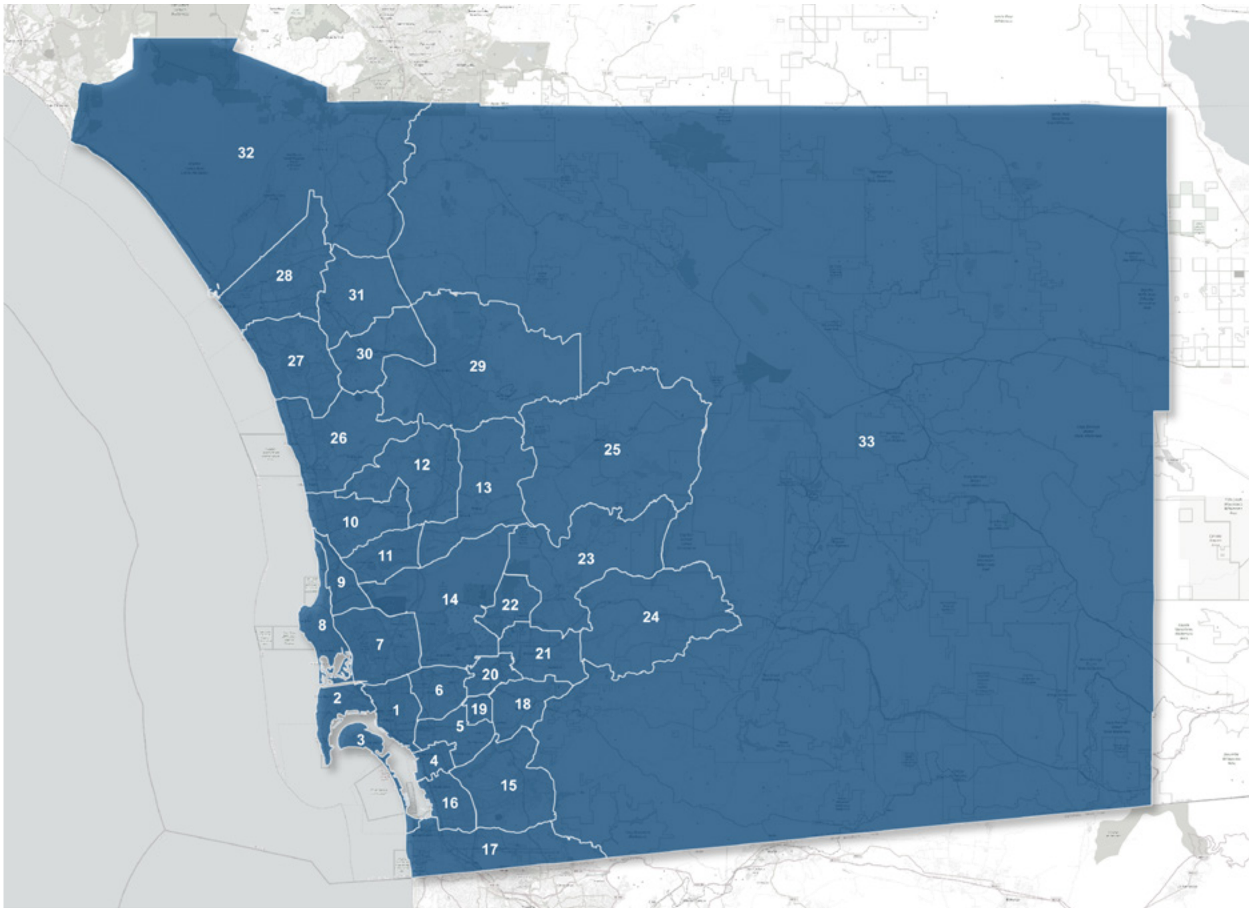
[1] From May 2025 to April 2026

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.

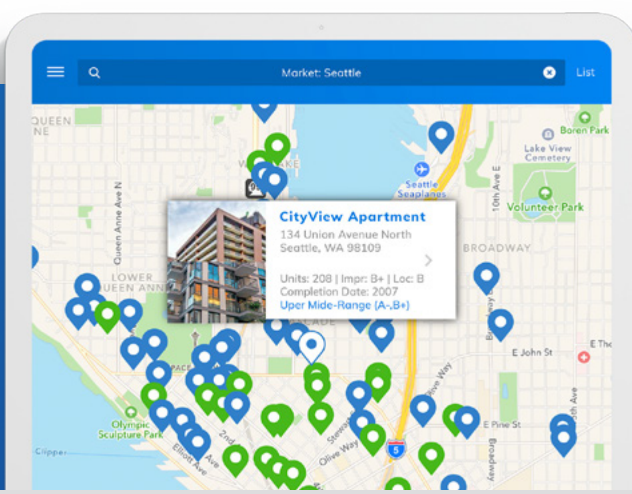
To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.

Yardi 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.**

YARDI

(800) 866-1144

Learn more at yardimatrix.com/**multifamily**

Contact us

©2026 Yardi Systems, LLC. All Rights Reserved. Yardi, the Yardi logo, and all Yardi product names are trademarks of Yardi Systems, LLC.

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.