



MULTIFAMILY REPORT

# San Diego Hoists The Sails

Summer 2021

**Investment Activity Off to Better Start**

**Developers Favor Upscale Projects**

**Construction Keeps Steady Pace**

# SAN DIEGO MULTIFAMILY



## San Diego Rights the Ship

San Diego's multifamily market is overperforming by coastal city standards, with rents and occupancy up significantly, despite pandemic-driven woes. Rents were up 0.6% on a trailing three-month basis as of April, to an overall average of \$2,056. Meanwhile, occupancy increased 50 basis points year-over-year, to 96.2% as of March.

Although San Diego employment was still down 9.1% year-over-year through February, the construction sector is a beacon of positivity. The sector recorded the addition of 1,600 jobs through the interval, up 1.9%. Unemployment stood at 6.9% according to March preliminary data, already on a downward path since January, when the rate was 8.0%. Apart from money coming in through the CARES Act, the city of San Diego has rolled out a small business relief fund to aid the local economy.

Investment activity for the first four months of the year stood at \$201 million, roughly doubling the sales recorded same time last year. Development activity held strong despite health crisis-driven lockdowns and restrictions, with deliveries this year expected to come in close to the metro's five-year average. Some 8,960 units were under construction as of April, while another 39,000 units were in the planning and permitting stages.

## Market Analysis | Summer 2021

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### Recent San Diego Transactions

#### Vantage Pointe



City: San Diego  
Buyer: Brookfield Properties  
Purchase Price: \$313 MM  
Price per Unit: \$460,236

#### The Resort at Encinitas



City: Encinitas, Calif.  
Buyer: Interstate Equities Corp.  
Purchase Price: \$94 MM  
Price per Unit: \$480,301

#### Villa Del Sol



City: San Diego  
Buyer: 29th Street Capital  
Purchase Price: \$49 MM  
Price per Unit: \$242,768

#### The Cove La Mesa



City: La Mesa, Calif.  
Buyer: Bridge Investment Group  
Purchase Price: \$43 MM  
Price per Unit: \$325,188