



MULTIFAMILY REPORT

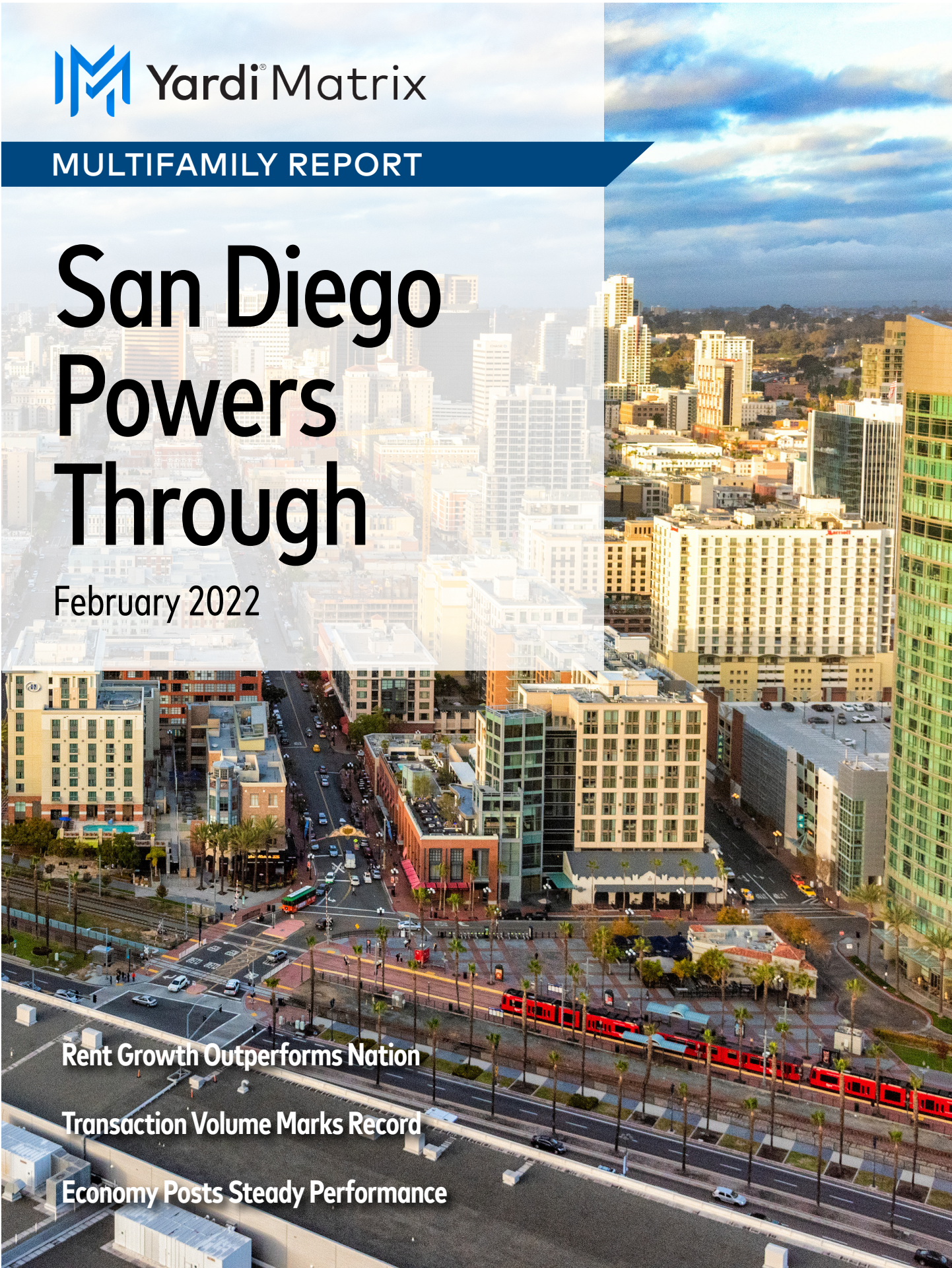
# San Diego Powers Through

February 2022

**Rent Growth Outperforms Nation**

**Transaction Volume Marks Record**

**Economy Posts Steady Performance**



# SAN DIEGO MULTIFAMILY



## Limited Supply Boosts Market Prospects

San Diego's multifamily market rebounded last year, sustained by strong demand paired with limited inventory expansion. This has led rents to rise 1.1% on a trailing three-month basis through December 2021, to \$2,370. Meanwhile, occupancy increased to 97.8% as of November, up 1.5% year-over-year, signaling one of the tightest rental markets in the country.

The unemployment rate in San Diego improved to 4.6% in November, a 340-basis-point improvement since January, according to preliminary data from the Bureau of Labor Statistics. The employment market gained 61,600 jobs in the 12 months ending in October, accounting for a 5.4% expansion, 10 basis points above the U.S. rate. The leisure and hospitality sector led gains (26,400 jobs), but it's the professional and business services and biotech sectors that are likely to continue driving growth. Announced company expansions include Apple, Google, Amazon and Walmart Labs.

Developers delivered just 2,797 units in 2021, marking the second-slowest year in a decade. Another 8,154 units were under construction going into 2022. Meanwhile, transaction volume marked a new high, surpassing \$2.7 billion last year, with investors most interested in value-add opportunities. Consequently, the average price per unit slid 5.4% year-over-year, to \$313,236.

## Market Analysis | February 2022

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### Recent San Diego Transactions

#### Latitude33



City: Escondido, Calif.  
Buyer: California Municipal Finance Authority  
Purchase Price: \$97 MM  
Price per Unit: \$489,899

#### Parkway Club



City: El Cajon, Calif.  
Buyer: Bridge Investment Group  
Purchase Price: \$87 MM  
Price per Unit: \$312,816

#### 4th + J



City: San Diego  
Buyer: Versity Investments  
Purchase Price: \$72 MM  
Price per Unit: \$425,893

#### Eighteen Ten State St.



City: San Diego  
Buyer: Boardwalk Investments Group  
Purchase Price: \$64 MM  
Price per Unit: \$650,505