



MULTIFAMILY REPORT

# San Diego's Timely Surge

November 2022

Rent Gains Moderate, Still High

Construction Receives a Boost

Per-Unit Prices Soar



# SAN DIEGO MULTIFAMILY



## Rate Growth Cools Slightly, Pipeline Picks Up Pace

In line with nationwide trends, San Diego multifamily is returning to more sustainable levels of growth after an unprecedented bull run that lasted about a year-and-a-half. The average San Diego rate was up just 30 basis points on a trailing three-month basis as of September, exactly 12 months after the figure hit a 2.2% high. On a year-over-year basis, San Diego rents were up 14.5%, still outpacing the 9.4% national figure. And while the occupancy rate in stabilized assets dropped 30 basis points in a year, it remained high, at 97.6% as of August.

Metro San Diego recovered most of the jobs lost during the early stages of the pandemic, just 15,000 positions short of the figure recorded in early 2020. Unemployment stood at a tight 3.4% as of August, down 130 basis points since the beginning of the year and outperforming the state's 4.1% rate. Leisure and hospitality, one of the area's main economic drivers, led job gains in the 12 months ending in July, adding 26,300 positions, as overall air travel and the number of overnight visitors inch closer to pre-pandemic values.

A total of 2,472 apartments were delivered in San Diego during the first three quarters of 2022, with an additional 7,593 units under construction as of September. Meanwhile, \$1.4 billion in assets traded across the metro at a per-unit price of \$394,036, significantly above both the national average and the figure recorded during the same time frame last year.

## Market Analysis | November 2022

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### Recent San Diego Transactions

#### Forest Park at Fletcher Hills



City: El Cajon, Calif.  
Buyer: Bridge Investment Group  
Purchase Price: \$121 MM  
Price per Unit: \$357,988

#### The Heritage



City: San Diego  
Buyer: The Green Cities Co.  
Purchase Price: \$119 MM  
Price per Unit: \$515,217

#### Celsius



City: Lemon Grove, Calif.  
Buyer: Cameron Brothers  
Construction  
Purchase Price: \$43 MM  
Price per Unit: \$509,524

#### Carriage Road



City: Poway, Calif.  
Buyer: F&F Income Properties  
Purchase Price: \$19 MM  
Price per Unit: \$365,385