



MULTIFAMILY REPORT

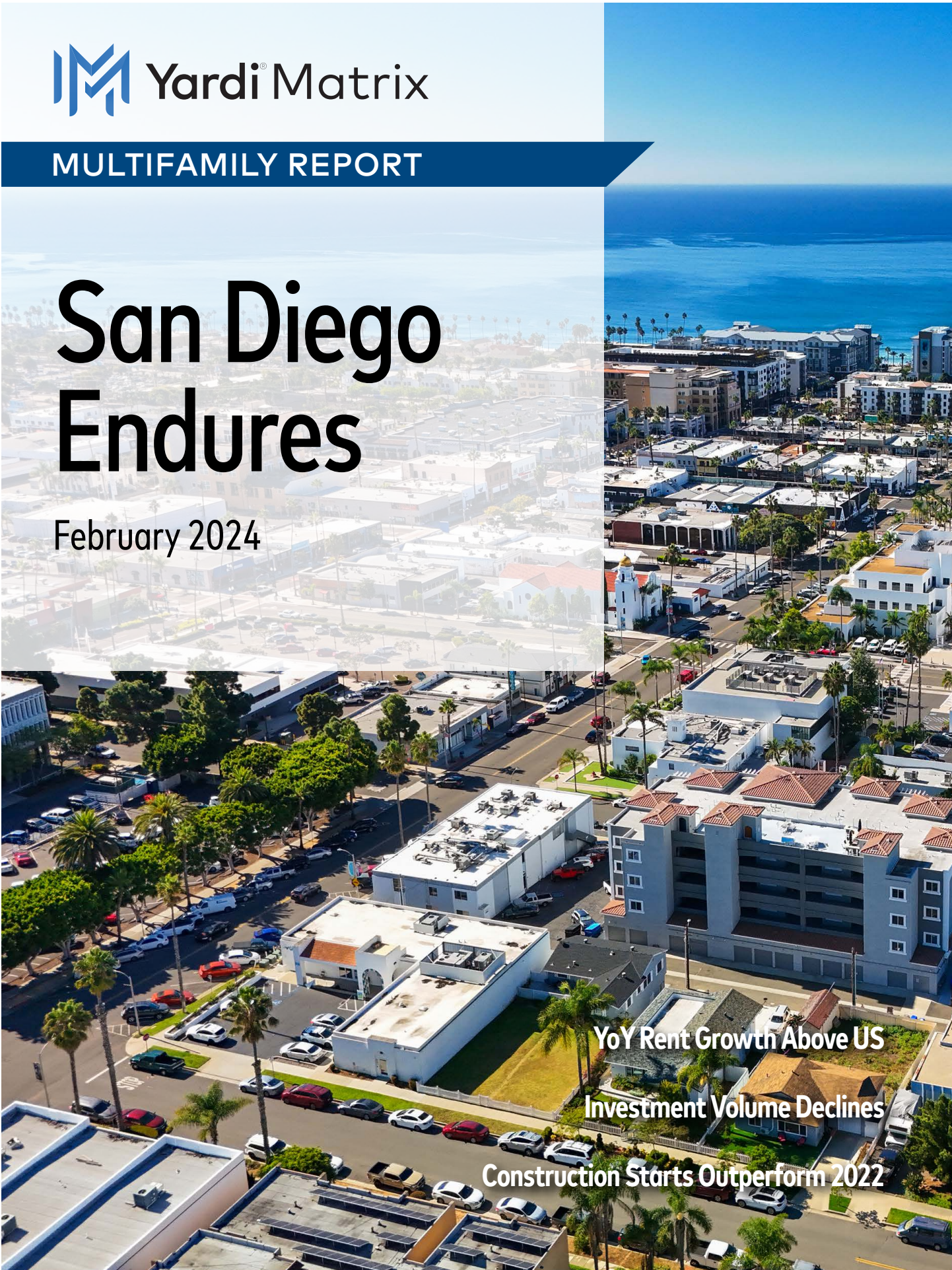
# San Diego Endures

February 2024

**YoY Rent Growth Above US**

**Investment Volume Declines**

**Construction Starts Outperform 2022**



# SAN DIEGO MULTIFAMILY



## Rent Growth Slows, New Starts Hold

As economic turmoil cleared slightly toward the second half of last year, San Diego rents were already feeling seasonal downward pressure. Rates contracted 0.3% on a trailing three-month basis through December—on par with the U.S.—to an average of \$2,709. Year-over-year, San Diego fared better than many other major markets in 2023, with rents up 1.4%, 110 basis points above the national figure.

Unemployment reached 4.2% as of November 2023, up 50 basis points since the start of the year. This was the metro's highest rate since January 2022, as the high cost of capital slowed the pace of business. Still, San Diego was on better footing than California, which clocked in at 4.9%. In the 12 months ending in October, San Diego added 26,500 net jobs, a 2.2% expansion. After outpacing the national rate for the first nine months of the year, the trend shifted as 2024 drew closer. The metro's top performers were leisure and hospitality (11,100 jobs) and education and health services (10,100 jobs), while professional and business services lost 3,800 positions.

San Diego added 2,925 units to its inventory in 2023, which represented 1.5% of total stock, 90 basis points behind the nation. This was in line with the overall trend, but San Diego stood out in one category—4,907 units broke ground in 2023, almost 700 apartments more than 2022's total.

## Market Analysis | February 2024

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### Recent San Diego Transactions

#### Waterleaf



City: Vista, Calif.  
Buyer: MIG Real Estate  
Purchase Price: \$174 MM  
Price per Unit: \$381,579

#### Sunset Villa



City: Chula Vista, Calif.  
Buyer: Floit Properties  
Purchase Price: \$28 MM  
Price per Unit: \$181,818

#### Pacific Cove



City: San Diego  
Buyer: Herndon Capital Partners  
Purchase Price: \$18 MM  
Price per Unit: \$225,309