



## Multi-Family Market Report

# San Diego - CA

PREPARED BY



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**MULTI-FAMILY MARKET REPORT**

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# Overview

San Diego Multi-Family

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
<b>2,172</b>	<b>5,383</b>	<b>3.9%</b>	<b>2.2%</b>

Schools, businesses, and just about every other venture have transitioned into a new normal to combat the spread of the coronavirus. And along the way, San Diego has shown remarkable resiliency with demand in 2020 reaching the highest level recorded in the past decade, buoyed by absorption in the suburbs in the second half of the year.

Rents have recovered and San Diego has posted one of the strongest rent recoveries of major markets in the country after the precipitous fall following the initial shutdown orders last spring. All property classes have enjoyed steady growth after bottoming out during what is typically the strongest leasing season. That came after demand completely recovered in the fall, although suburban communities in areas such as Chula Vista and North County have propelled leasing activity as renter preferences have shifted to larger apartments and more affordable rentals. Stabilized occupancies have picked up in the suburbs while falling in Downtown San Diego and UTC.

San Diego remains serially undersupplied, and the current pipeline will do little to alleviate that stress. San

Diego's pipeline should not apply too much upward pressure on the region's vacancy rate because construction starts in 2020 fell to their lowest level since 2013 – which was before Downtown became the focus of apartment developers. And with neighborhood opposition as strong as ever to encroaching density, a surge in development is unexpected, even as community plan updates across the region have added the potential for more than 70,000 new housing units.

Given so many economic uncertainties, not to mention regulatory burdens, deal flow has cooled off significantly since the onset of the pandemic. Only about half as many buildings traded in in the past year compared with the prior 12 months as market participants wait out the pandemic when credit loosens and an eviction moratorium falls off. Even so, Downtown San Diego recorded its highest level of sales volume in history during 2020 as national investors targeted several of the submarket's newest communities. Those deals, and another on Coronado, propelled sales volume in 20Q4 to more than \$1.2 billion, the highest quarterly total in a decade.

## KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	48,336	8.2%	\$2,572	\$2,545	289	34	8,010
3 Star	84,566	3.1%	\$1,916	\$1,908	213	43	727
1 & 2 Star	129,859	2.9%	\$1,476	\$1,470	158	0	0
<b>Market</b>	<b>262,761</b>	<b>3.9%</b>	<b>\$1,902</b>	<b>\$1,890</b>	<b>660</b>	<b>77</b>	<b>8,737</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.3%	4.5%	4.1%	5.4%	2009 Q3	2.5%	2000 Q2
Absorption Units	5,383	1,933	3,399	5,102	2020 Q4	(1,700)	2009 Q2
Delivered Units	2,172	2,317	3,336	5,128	2015 Q1	237	2011 Q2
Demolished Units	16	96	93	341	2009 Q3	0	2019 Q3
Asking Rent Growth (YOY)	2.2%	2.8%	2.6%	7.1%	2015 Q3	-2.6%	2009 Q4
Effective Rent Growth (YOY)	2.2%	2.8%	2.7%	6.8%	2015 Q3	-2.8%	2009 Q4
Sales Volume	\$2.2 B	\$1.6B	N/A	\$3B	2018 Q1	\$478.5M	2009 Q4

After demand cratered last spring following the initial shutdown orders, demand roared back to life in the second half of 2020, extending the summer leasing season through the end of the year. It nearly doubled typical absorption over that stretch.

As demand surged, demand patterns shifted across the region. There was a noticeable uptick in absorption in the suburbs, where occupancies increased during the year at the expense of costlier job nodes in UTC and Downtown.

Stabilized occupancies fell by more than 2 basis points in Downtown during 2020, while they dipped by more than 300 basis points in UTC.

In Downtown, new communities such as the Merian have performed well during their lease-up, which has averaged more than 25 units of absorption per month. But that has come at the expense of older communities in Downtown as renters chase up to eight weeks of free rent for those new units.

But what attracted many renters to Downtown – a bustling nightlife filled with cultural amenities and restaurants, bars, theaters, and baseball games, remains a shell of its pre-covid life. Tangentially, office leasing has also cratered in Downtown San Diego amid the pandemic.

Renters may also be hesitant to live in a dense urban setting in high-rise towers and have instead turned to more affordable suburban areas of the region, especially since so many office workers are currently untethered to the physical location of their job. Those suburban rentals

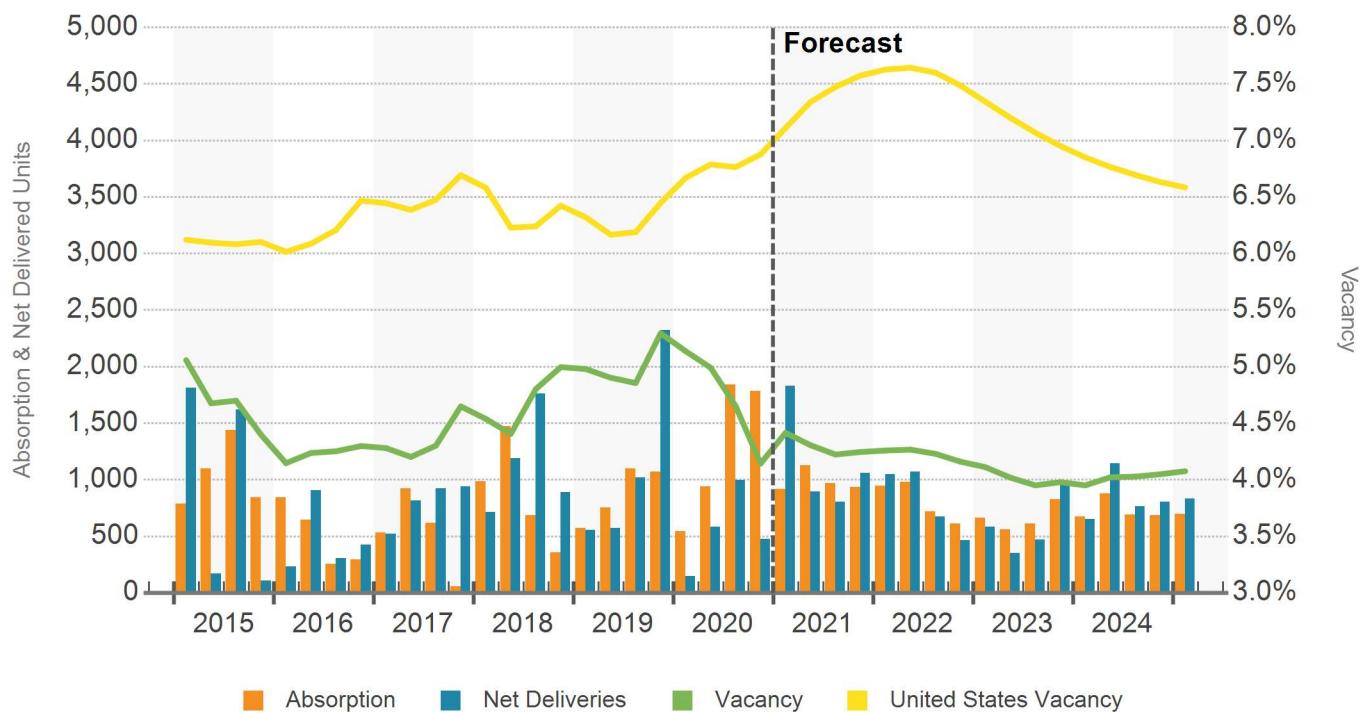
provide more interior space to work from home and exterior green space, at a steep discount to UTC or Downtown.

But a further drag on demand in costlier submarkets, where units are often filled with renters by choice, are record-low interest rates. And although for sale inventory for single-family homes is excruciatingly low, many renters are choosing homeownership over apartment rentals.

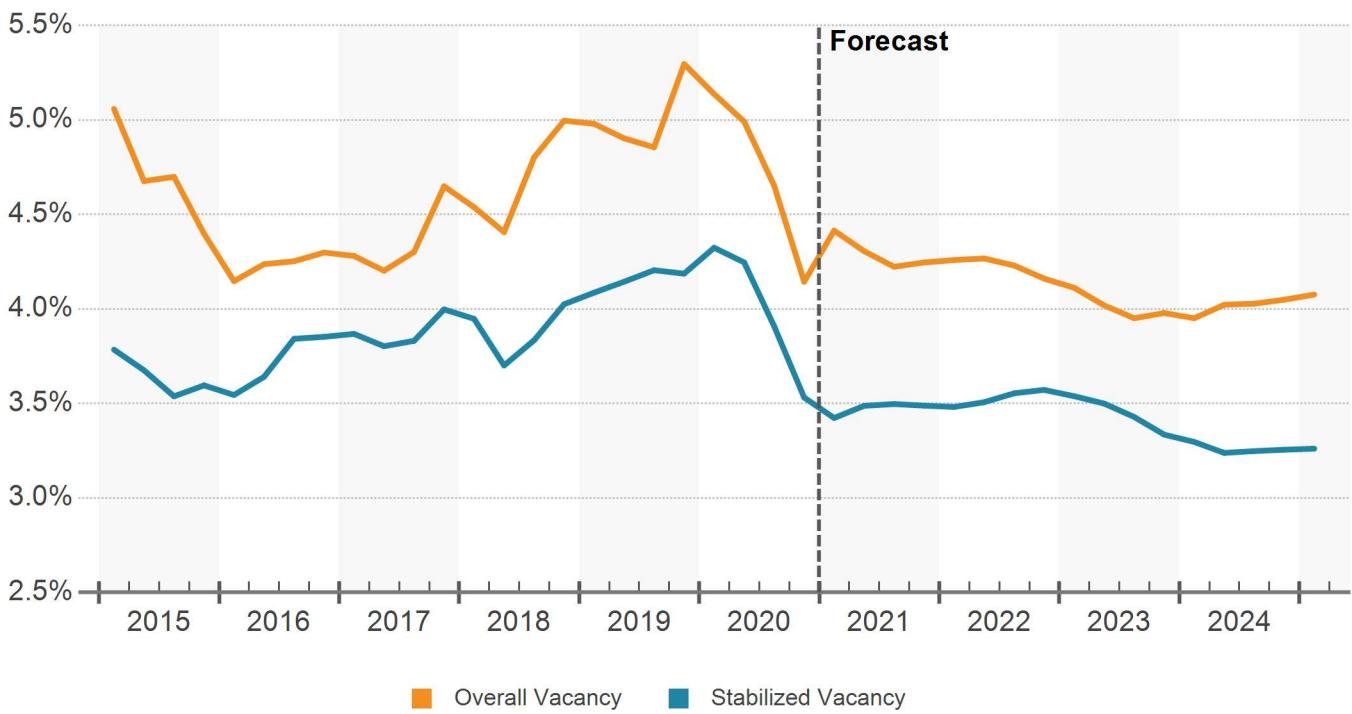
More affordable and suburban submarkets including Chula Vista, East County, and National City posted their strongest absorption tallies in three years in 2020. Chula Vista, in particular, recorded its strongest demand in a decade over the past 12 months, exceeding more than 1,000 units. But those same interior submarkets could encounter their own hurdles. The demographics are heavily weighted toward workers employed in industries most impacted by the recession. And although the county has re-opened to varying degrees, lingering effects from the shutdown are likely to persist. Many of these interior cities still have unemployment levels above 10%, and an eviction moratorium is helping to keep many in place.

But workers of all ages are attracted to San Diego because it is firmly cemented as a bastion of high tech and life science research. Firms such as Northrop Grumman, Amazon, and Apple are expanding here and will add hundreds of new tech positions, especially in the UC San Diego area. These jobs have faced fewer headwinds from the pandemic even as economic dislocation hangs over the region.

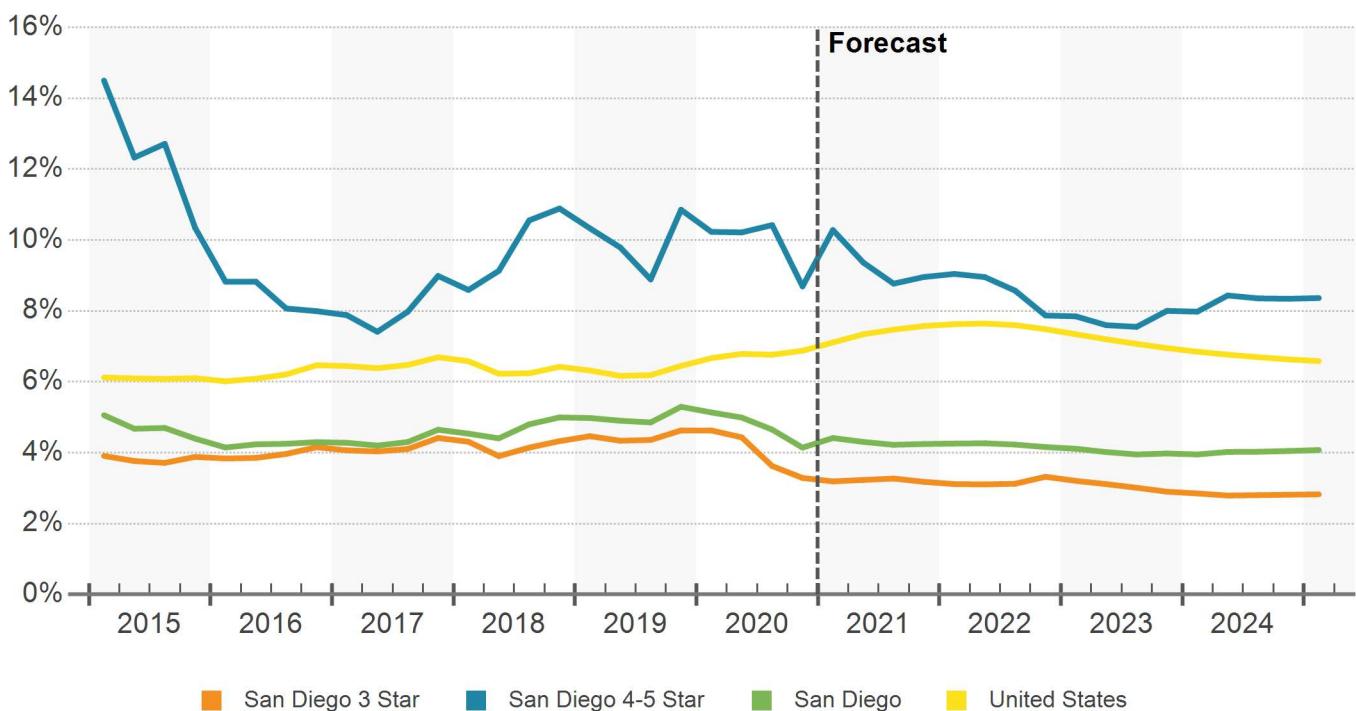
## ABSORPTION, NET DELIVERIES & VACANCY



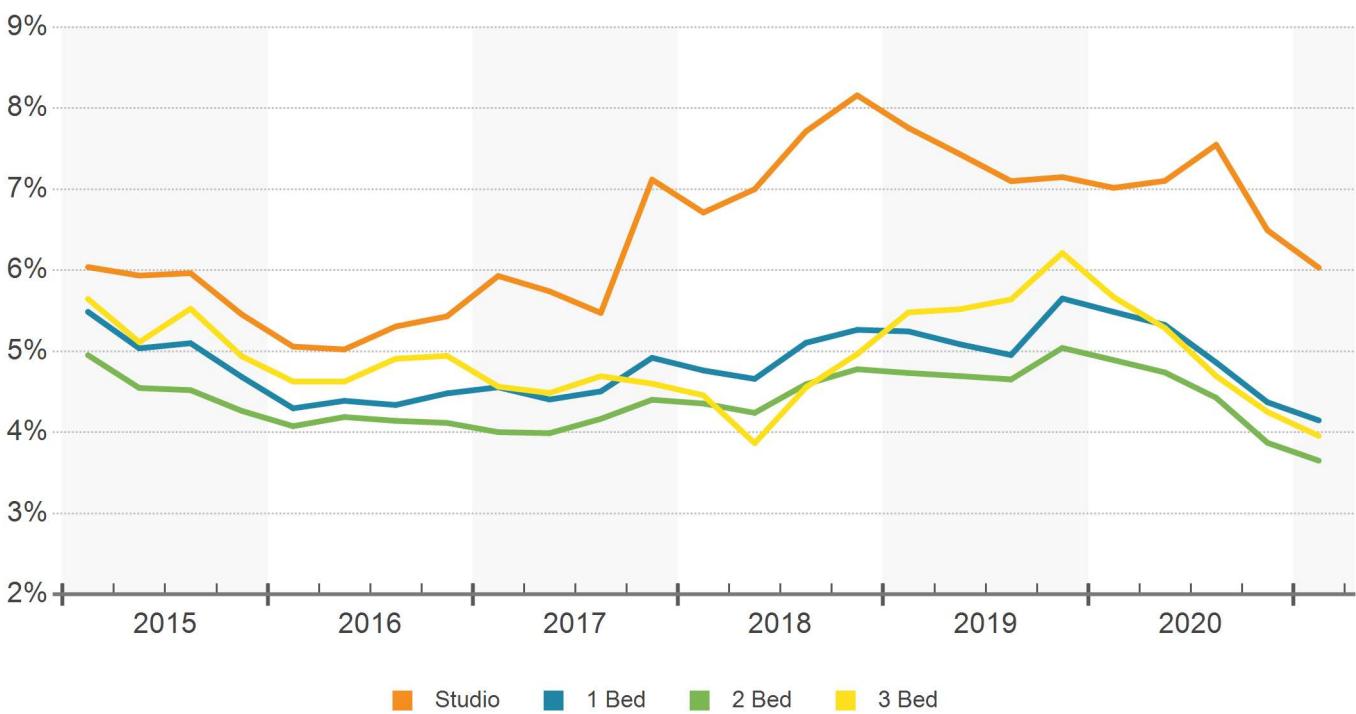
## OVERALL & STABILIZED VACANCY



### VACANCY RATE



### VACANCY BY BEDROOM



An eviction moratorium remains in place in San Diego. That prevents landlords from evicting tenants who are either unable or unwilling to pay their rents while a state of emergency is in place. That is just one of several regulatory burdens that landlords have had to shoulder during the pandemic.

Seasonality also had little impact on rents in 20Q4 as typically happens. Rents actually rose in the fourth quarter across the county by nearly a half-percent, with that momentum carrying over to 21Q1 which is on pace for rents to grow at a similar rate.

With demand patterns shifting to the suburbs, one-bedroom units have benefited. The average one-bedroom in the suburbs rents for a roughly \$700/month discount compared to Downtown or UTC. Even Mission Valley's new one-bedrooms offer a \$200/month discount on average to those areas.

Across the county, few submarkets with rents above \$2,000/month recorded rent gains in the past year, with Mission Valley leading that pack. Downtown, where rents fell more than 1% following the initial shutdown orders, recovered quickly, and rents grew 2% in the second half

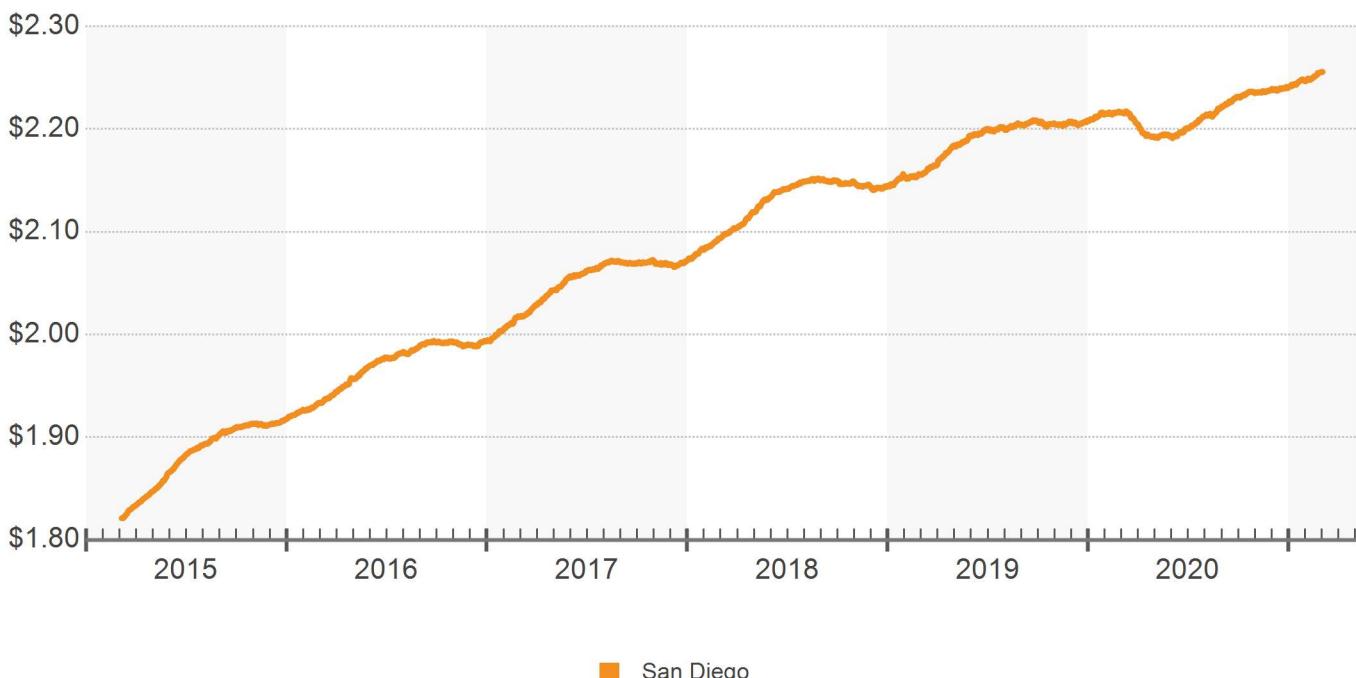
of last year and growth is largely flat year over year.

But affordable suburban areas where demand has been strongest amid the pandemic, Chula Vista, East County, and North County, headline the leaderboard for annual rent growth. And while none of them are quite at the level of the five-year average, they each have proven resilient and add further burden to renters seeking apartments in San Diego's most affordable areas.

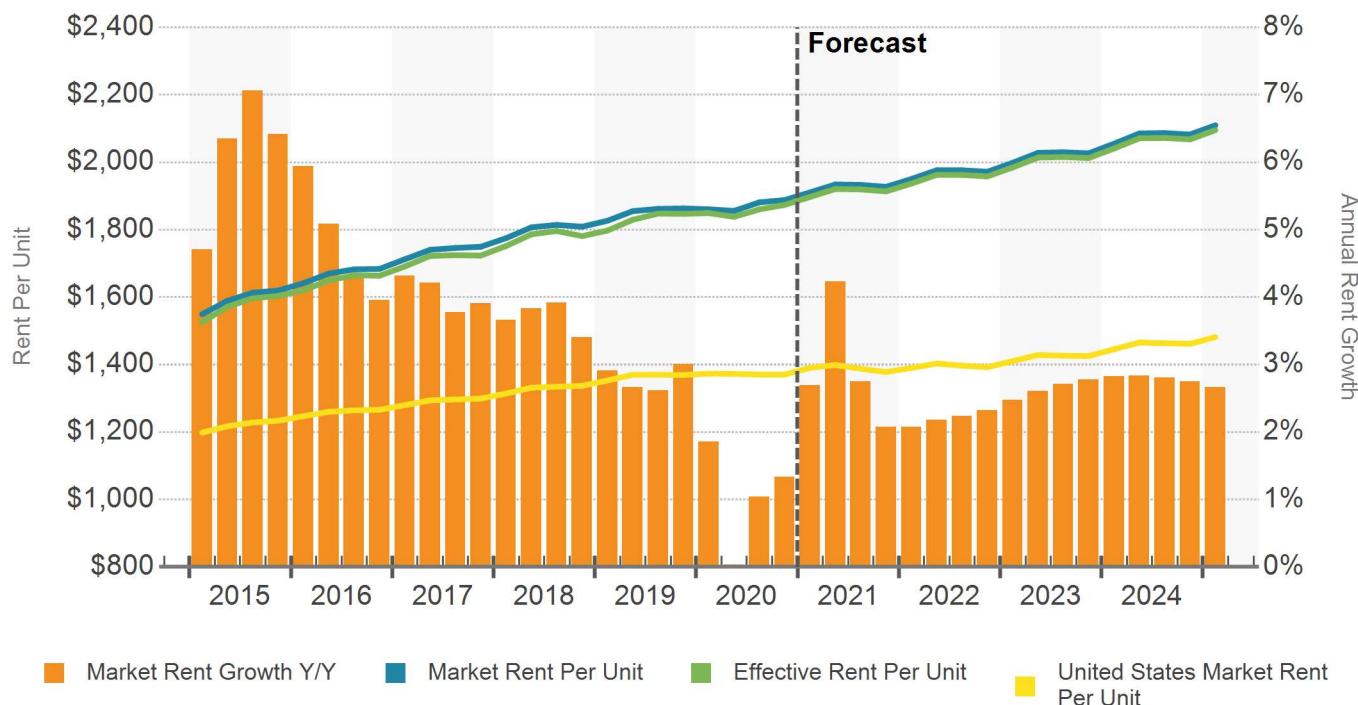
The level of concessions has steadily fallen over the past several months but are offered much more extensively in Downtown compared with the suburbs. New communities in Downtown are still offering up to eight weeks free on longer leases, while renters can get six weeks in Mission Valley or a month in the Balboa Park neighborhoods. That is a shift from recent history, especially in Balboa Park where few new communities offer significant rebates.

The concessions that were offered early in the pandemic for renewals have largely fallen off, although many renters are renewing their lease without receiving a bump in their rent.

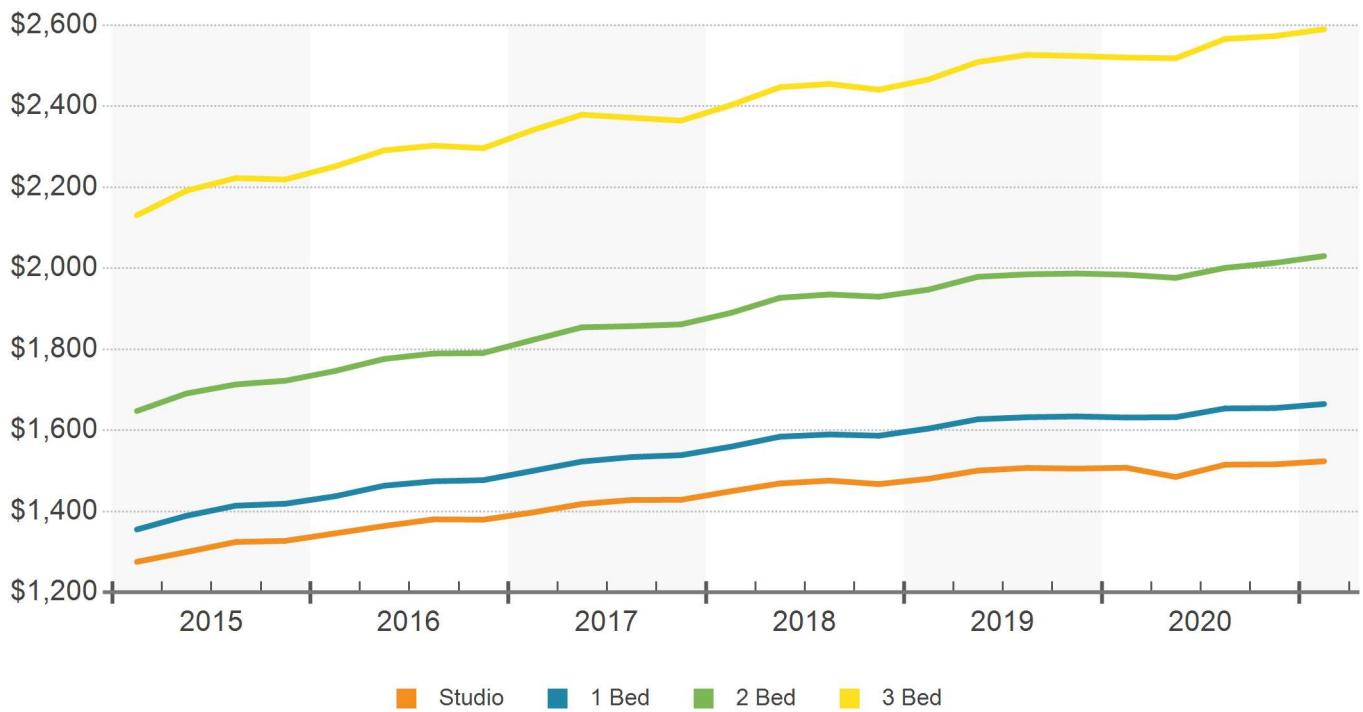
### DAILY ASKING RENT PER SF



## MARKET RENT PER UNIT &amp; RENT GROWTH



## MARKET RENT PER UNIT BY BEDROOM



## 4 &amp; 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses									Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other		
<b>San Diego</b>	\$0.85	\$0.80	\$0.85	\$0.84	\$1.28	\$1.74	\$0.37	\$1.60	\$0.12	\$0.16	\$0.72	<b>\$9.33</b>	
Balboa Park	\$0.81	\$0.70	\$0.80	\$0.90	\$1.30	\$1.72	\$0.35	\$1.64	\$0.11	\$0.13	\$0.57	<b>\$9.03</b>	
Chula Vista/Imperial...	\$0.81	\$0.83	\$0.80	\$0.90	\$1.30	\$1.72	\$0.35	\$1.64	\$0.15	\$0.13	\$0.57	<b>\$9.20</b>	
Coronado/Point Loma	\$0.85	\$0.53	\$0.69	\$0.65	\$1.14	\$2.50	\$0.46	\$1.43	\$0.13	\$0.09	\$0.35	<b>\$8.82</b>	
Downtown San Diego	\$0.81	\$0.70	\$0.80	\$0.90	\$1.30	\$1.72	\$0.35	\$1.64	\$0.11	\$0.13	\$0.57	<b>\$9.03</b>	
East San Diego/EI...	\$0.81	\$1.22	\$0.80	\$0.98	\$1.45	\$1.72	\$0.35	\$1.64	\$0.11	\$0.27	\$1.73	<b>\$11.08</b>	
La Jolla/UTC	\$0.82	\$0.61	\$0.68	\$0.66	\$1.14	\$2.28	\$0.50	\$1.58	\$0.12	\$0.09	\$0.35	<b>\$8.83</b>	
Mission Valley/Nort...	\$0.84	\$0.50	\$0.70	\$0.68	\$1.18	\$2.58	\$0.47	\$1.25	\$0.13	\$0.12	\$0.50	<b>\$8.95</b>	
National City/South...	\$0.81	\$0.73	\$0.80	\$0.90	\$1.30	\$1.72	\$0.35	\$1.64	\$0.14	\$0.13	\$0.57	<b>\$9.09</b>	
North County	\$0.77	\$0.55	\$0.64	\$0.74	\$1.10	\$1.27	\$0.31	\$1.66	\$0.14	\$0.13	\$0.57	<b>\$7.88</b>	
North I-15 Corridor	\$1.19	\$1.29	\$1.52	\$1.11	\$1.50	\$1.05	\$0.29	\$1.77	\$0.08	\$0.27	\$1.16	<b>\$11.23</b>	
North Shore Cities	\$0.75	\$0.55	\$0.58	\$0.73	\$1.10	\$1.31	\$0.31	\$1.65	\$0.14	\$0.13	\$0.57	<b>\$7.82</b>	
South I-15 Corridor	\$0.86	\$1.16	\$1.11	\$0.82	\$1.37	\$1.24	\$0.34	\$1.89	\$0.08	\$0.26	\$0.89	<b>\$10.02</b>	

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

## 3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses									Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other		
<b>San Diego</b>	\$0.73	\$0.65	\$0.77	\$0.81	\$1.22	\$1.20	\$0.23	\$1.38	\$0.12	\$0.17	\$0.77	<b>\$8.05</b>	
Balboa Park	\$0.75	\$0.63	\$0.75	\$0.83	\$1.24	\$1.30	\$0.26	\$1.37	\$0.11	\$0.13	\$0.58	<b>\$7.95</b>	
Chula Vista/Imperial...	\$0.74	\$0.65	\$0.76	\$0.86	\$1.24	\$1.32	\$0.26	\$1.39	\$0.14	\$0.12	\$0.54	<b>\$8.02</b>	
Coronado/Point Loma	\$0.80	\$0.51	\$0.66	\$0.63	\$1.10	\$1.50	\$0.40	\$1.30	\$0.12	\$0.09	\$0.34	<b>\$7.45</b>	
Downtown San Diego	\$0.74	\$0.63	\$0.76	\$0.84	\$1.24	\$1.31	\$0.25	\$1.39	\$0.11	\$0.12	\$0.54	<b>\$7.93</b>	
East San Diego/EI...	\$0.72	\$0.98	\$0.76	\$0.96	\$1.38	\$1.02	\$0.12	\$1.35	\$0.10	\$0.29	\$1.49	<b>\$9.17</b>	
La Jolla/UTC	\$0.61	\$0.48	\$0.65	\$0.60	\$1.10	\$1.39	\$0.47	\$1.29	\$0.11	\$0.09	\$0.33	<b>\$7.12</b>	
Mission Valley/Nort...	\$0.79	\$0.38	\$0.65	\$0.59	\$1.08	\$1.35	\$0.38	\$1.11	\$0.12	\$0.09	\$0.33	<b>\$6.87</b>	
National City/South...	\$0.74	\$0.64	\$0.76	\$0.86	\$1.24	\$1.30	\$0.25	\$1.38	\$0.13	\$0.12	\$0.54	<b>\$7.96</b>	
North County	\$0.71	\$0.52	\$0.61	\$0.70	\$1.04	\$1.16	\$0.15	\$1.55	\$0.13	\$0.12	\$0.54	<b>\$7.23</b>	
North I-15 Corridor	\$0.63	\$0.40	\$1.42	\$0.83	\$1.19	\$0.89	\$0.19	\$1.40	\$0.08	\$0.25	\$1.11	<b>\$8.39</b>	
North Shore Cities	\$0.68	\$0.52	\$0.55	\$0.69	\$1.05	\$1.22	\$0.18	\$1.54	\$0.13	\$0.12	\$0.54	<b>\$7.22</b>	
Outlying San Diego...	\$0.74	\$1.00	\$0.76	\$1.00	\$1.41	\$0.97	\$0.13	\$1.35	\$0.10	\$0.34	\$1.61	<b>\$9.41</b>	
Poway/Santee/Ram...	\$0.77	\$0.99	\$0.76	\$1.04	\$1.44	\$0.99	\$0.15	\$1.37	\$0.10	\$0.37	\$1.64	<b>\$9.62</b>	
South I-15 Corridor	\$0.80	\$0.71	\$1.13	\$0.80	\$1.33	\$1.03	\$0.23	\$1.54	\$0.08	\$0.25	\$0.90	<b>\$8.80</b>	

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

## 1 &amp; 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
<b>San Diego</b>	\$0.65	\$0.47	\$0.72	\$0.65	\$1.07	\$0.99	\$0.20	\$0.99	\$0.10	\$0.13	\$0.62	<b>\$6.59</b>
Balboa Park	\$0.70	\$0.48	\$0.71	\$0.56	\$1.20	\$1.11	\$0.24	\$1.15	\$0.10	\$0.11	\$0.51	<b>\$6.87</b>
Chula Vista/Imperial...	\$0.67	\$0.61	\$0.72	\$0.80	\$1.12	\$1.23	\$0.24	\$0.80	\$0.13	\$0.11	\$0.51	<b>\$6.94</b>
Coronado/Point Loma	\$0.70	\$0.52	\$0.62	\$0.59	\$1.09	\$0.96	\$0.26	\$1.16	\$0.11	\$0.09	\$0.33	<b>\$6.43</b>
Downtown San Diego	\$0.71	\$0.51	\$0.72	\$0.58	\$1.22	\$1.15	\$0.24	\$1.17	\$0.10	\$0.11	\$0.51	<b>\$7.02</b>
East San Diego/El...	\$0.69	\$0.42	\$0.72	\$0.62	\$1.00	\$0.83	\$0.11	\$0.78	\$0.09	\$0.14	\$0.92	<b>\$6.32</b>
La Jolla/UTC	\$0.58	\$0.44	\$0.62	\$0.56	\$1.06	\$0.89	\$0.27	\$1.07	\$0.10	\$0.08	\$0.32	<b>\$5.99</b>
Mission Valley/Nort...	\$0.70	\$0.36	\$0.62	\$0.57	\$1.06	\$0.90	\$0.26	\$1.10	\$0.12	\$0.08	\$0.32	<b>\$6.09</b>
National City/South...	\$0.71	\$0.57	\$0.72	\$0.71	\$1.18	\$1.21	\$0.24	\$0.86	\$0.11	\$0.11	\$0.51	<b>\$6.93</b>
North County	\$0.50	\$0.48	\$0.60	\$0.64	\$1.01	\$1.01	\$0.14	\$1.25	\$0.12	\$0.12	\$0.55	<b>\$6.42</b>
North I-15 Corridor	\$0.51	\$0.29	\$1.20	\$0.73	\$0.92	\$0.69	\$0.17	\$1.06	\$0.07	\$0.24	\$1.05	<b>\$6.93</b>
North Shore Cities	\$0.50	\$0.49	\$0.54	\$0.63	\$1.03	\$1.04	\$0.16	\$1.28	\$0.12	\$0.11	\$0.49	<b>\$6.39</b>
Outlying San Diego...	\$0.71	\$0.42	\$0.72	\$0.64	\$1.02	\$0.72	\$0.12	\$0.73	\$0.09	\$0.17	\$0.98	<b>\$6.32</b>
Poway/Santee/Ram...	\$0.73	\$0.42	\$0.72	\$0.64	\$1.00	\$0.74	\$0.15	\$0.74	\$0.09	\$0.16	\$0.99	<b>\$6.38</b>
South I-15 Corridor	\$0.53	\$0.30	\$0.94	\$0.65	\$0.92	\$0.72	\$0.18	\$1.25	\$0.08	\$0.23	\$0.80	<b>\$6.60</b>

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Last year did little to improve San Diego's housing picture when only 2,200 delivered, and the pipeline is not expected to improve that outlook anytime soon. Construction starts were the fewest since 2013. And while the city approved a blueprint that would triple housing production annually to meet state-mandated goals, from 4,000 to 13,500, the previous decade fell short of its goal by more than 50%.

The city council passed a measure in March 2019 that overhauled the city's minimum parking requirements for dense, urban housing. The plan eliminated the need to build off-street parking for communities built close to transit priority areas, both trolley and bus routes, with the expectation that it will increase density and lower rents. The policy also set a maximum of one parking space per unit for new Downtown projects.

The majority of new inventory is being built in Downtown and Mission Valley. The Merian, a 20Q3 delivery in the East Village, came to market offering six weeks free on 12-month leases and tacked on another two weeks for a 16-month lease. The Holland Partner project was built at a cost of roughly \$650,000/unit. It has averaged leasing roughly 25 units per month since delivering. Even with the possibility of oversupply, regional, national, and international developers are expected to continue breaking ground on new projects in the submarket. One of those was R&V Management's first downtown community, Block A at Makers Quarter in 20Q2.

Mission Valley has more than 6% of its inventory under construction. Holland Partners' 840-unit Society will not only be one of the largest transit-oriented developments when it delivers but also one of the biggest communities in the region. It broke ground in 2019, and its first units should be ready by 2021. The nine trolley stops and

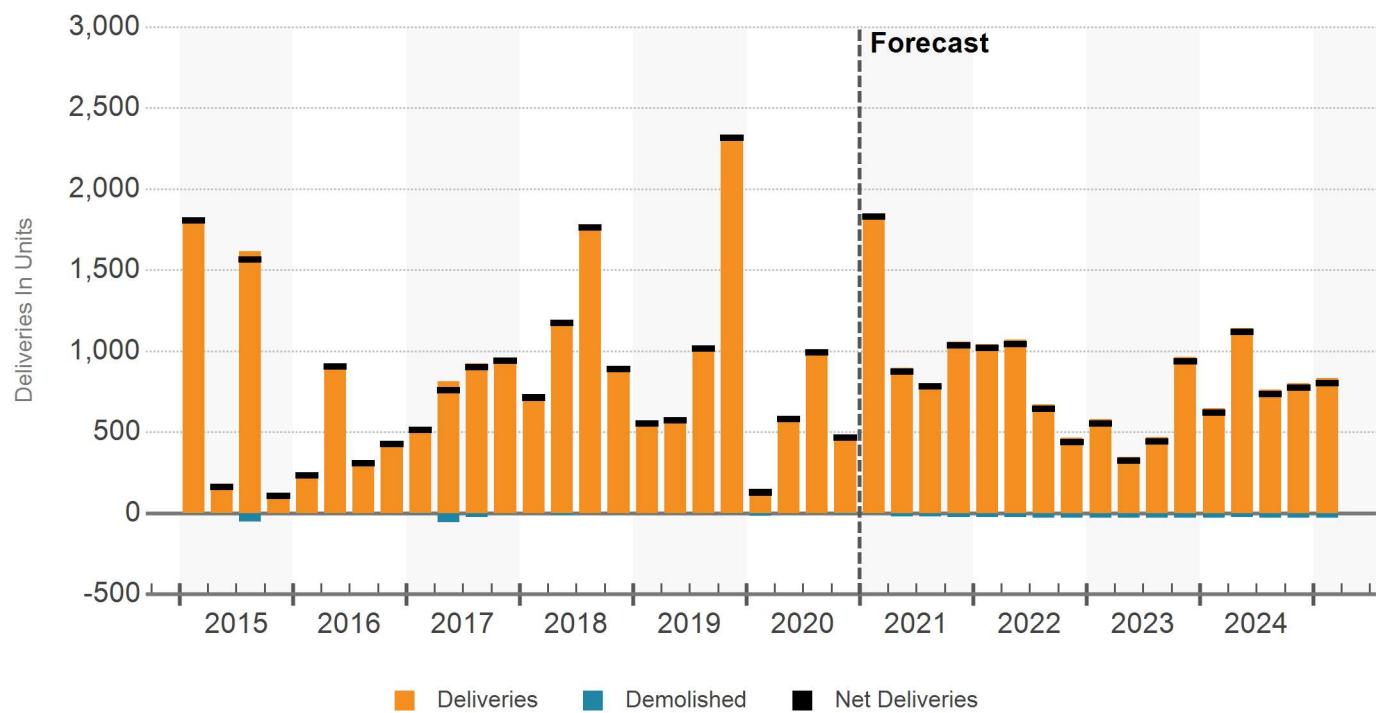
eventual connection to UTC's job hub could increase demand here once the Trolley's Blue Line finishes. The development is estimated to cost roughly \$500 million, or nearly \$600,000/unit.

The Dinerstein Companies broke ground on Witt Mission Valley in 20Q3. It is across the street from the Millennium, since rebranded Metro Mission Valley after R&V Management purchased it from Dinerstein. More than half of the units will consist of studios and one-bedrooms. The development will include rooftop solar panels intended to generate enough energy to power 50% of residential consumption. It is expected to deliver in mid-2022.

Several master plans are currently under review or have recently been updated to add more density. The Midway District's update increases housing by upwards of 10,000 units. Other areas include the Morena Corridor, the Balboa Avenue Station Area in Pacific Beach, Linda Vista, Old Town, Mission Valley, and Kearny Mesa, to name a few. Mission Valley's, alone, adds more than 28,000 housing units. Since 2014, updates have added the capacity for more than 74,000 additional housing units in San Diego, although the likelihood of all of those units being built is remote.

An often exhaustive entitlement process (entitling a property for higher densities can often drag on for years, and permitting fees can run upwards of 40% of the development cost), neighborhood opposition to increased density, and the generally high cost of development are all barriers to outsized growth. With these added costs, workforce housing becomes extremely difficult to pencil out, which is why more than 90% of stock in the past decade has consisted of luxury units.

### DELIVERIES & DEMOLITIONS

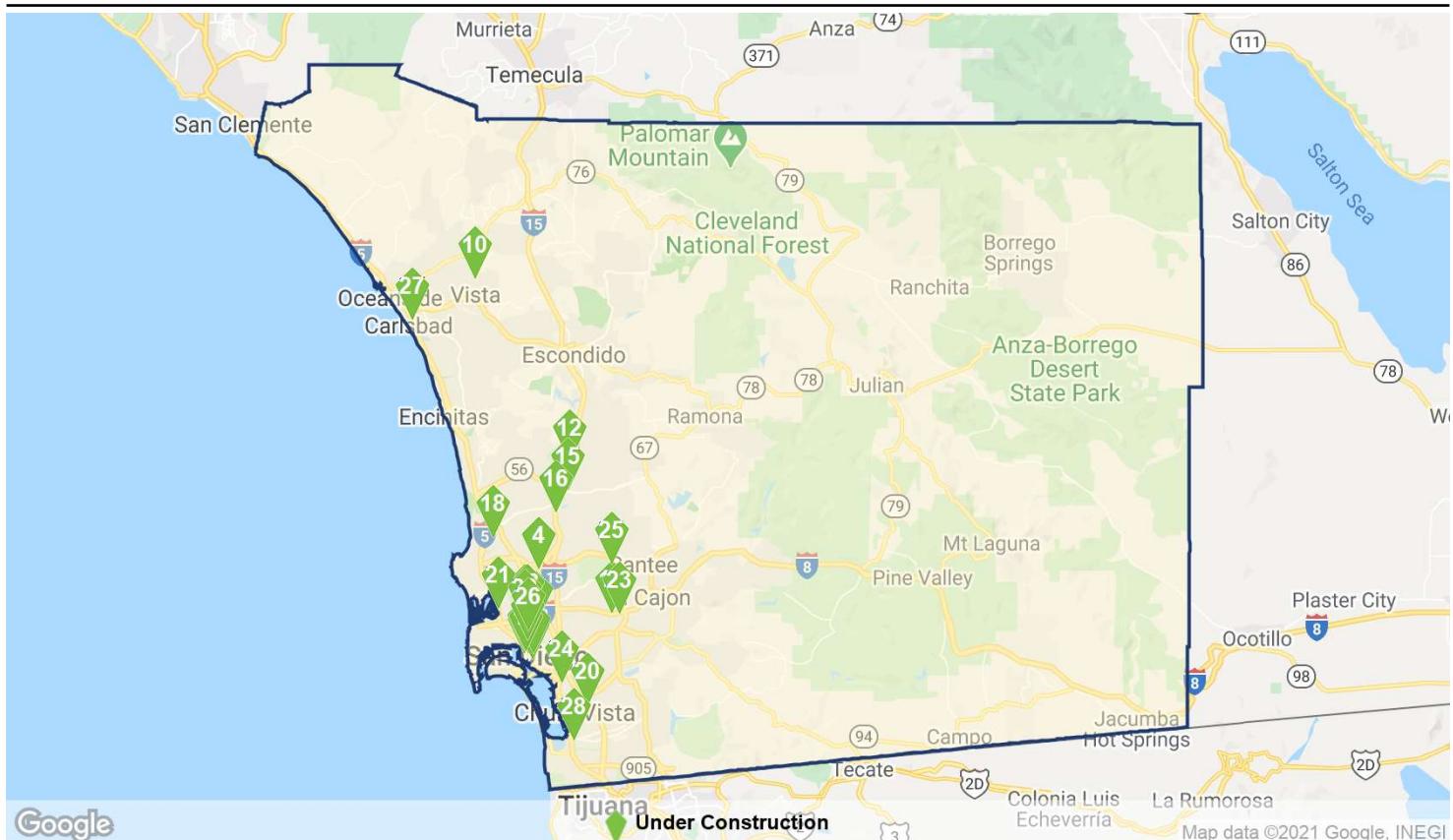


# Under Construction Properties

San Diego Multi-Family

Properties	Units	Percent of Inventory	Avg. No. Units
43	8,680	3.3%	202

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 <a href="#">The Society Bradbury</a> 610 Del Sol Dr N	★★★★★	840	6	Jul 2019	Apr 2021	- Holland Partner Group
2 <a href="#">11th &amp; Broadway</a> 909 11th Ave	★★★★★	618	32	Oct 2018	Oct 2021	Pinnacle International Pinnacle International
3 <a href="#">Diega</a> 702 Broadway	★★★★★	617	41	Aug 2018	Apr 2021	Bosa Development Bosa Development
4 <a href="#">Vive Lux</a> 8620 Spectrum Rd	★★★★★	442	7	Aug 2019	Oct 2021	Sunroad Holding Corporation Sunroad Holding Corporation
5 <a href="#">The Courthouse Project</a> 220 W Broadway	★★★★★	431	37	Jul 2020	Jun 2024	Holland Partner Group Holland Partner Group
6 <a href="#">Simone</a> 1401 Union St	★★★★★	395	36	Dec 2020	Oct 2023	AAA Management LLC Trammell Crow Residential
7 <a href="#">Winslow</a> 4353 Park Blvd	★★★★★	379	7	Jan 2021	Feb 2023	Lennar Multifamily Communities Lennar Multifamily Communities

# Under Construction Properties

San Diego Multi-Family

## UNDER CONSTRUCTION

Property Name/Address		Rating	Units	Stories	Start	Complete	Developer/Owner
8	<a href="#">Modera San Diego</a> 241 14th St	★★★★★	368	7	Nov 2018	Apr 2021	Mill Creek Residential Trust LLC Mill Creek Residential Trust LLC
9	<a href="#">Block A at Makers Quart...</a> 1508 15th St	★★★★★	368	7	Apr 2020	Jan 2022	Wermers Companies R&V Management
10	<a href="#">Persea</a> 1333 N Santa Fe Ave	★★★★★	305	3	Jul 2019	Apr 2021	Orion Pacific LLJ Ventures
11	<a href="#">Alexan Gallerie</a> 375 Camino De La Reina	★★★★★	284	7	Oct 2019	Apr 2021	Trammell Crow Residential Comp... Trammell Crow Residential
12	<a href="#">The Courtyards Pacific V...</a> 10977 Pacific Point Pl	★★★★★	277	-	Jan 2020	Aug 2021	- Lennar
13	<a href="#">Witt Mission Valley</a> 588 Camino Del Rio N	★★★★★	277	5	Jul 2020	May 2022	The Dinerstein Companies The Dinerstein Companies
14	<a href="#">Hanover 3rd &amp; A</a> 1301 3rd Ave	★★★★★	270	21	Mar 2020	Dec 2022	- The Hanover Company
15	<a href="#">Scripps Mesa Joint Occup...</a> 10380 Spring Canyon Rd	★★★★★	264	2	Aug 2020	Sep 2022	Monarch Group San Diego Unified School District
16	9850 Carroll Canyon Rd	★★★★★	260	-	Jun 2019	Sep 2022	Sudberry Properties, Inc. Sudberry Properties, Inc.
17	<a href="#">Jefferson La Mesa</a> 4969-4999 Baltimore Ave	★★★★★	230	4	May 2020	Jun 2022	JPI/TDI JPI/TDI
18	<a href="#">LUX UTC - Tower B</a> 4200 Brooke Ct	★★★★★	225	-	Dec 2019	Jan 2022	Garden Homes Garden Homes
19	<a href="#">525 Olive Tower</a> 501 Olive Rd	★★★★★	205	20	Dec 2020	Apr 2022	Greystar Real Estate Partners Greystar Real Estate Partners
20	<a href="#">Bonita Glen</a> Bonita Glen Dr	★★★★★	170	3	Dec 2020	Dec 2022	Silvergate Development, LLC Silvergate Development, LLC
21	<a href="#">The Seaton</a> 1579 Morena Blvd	★★★★★	150	3	Jul 2020	Jun 2021	Fairfield Residential Fairfield Residential
22	<a href="#">Camden Hillcrest</a> 4311 3rd Ave	★★★★★	132	4	Sep 2019	Apr 2021	Camden Property Trust Camden Property Trust
23	<a href="#">The Haven</a> 8585 La Mesa Blvd	★★★★★	130	3	Mar 2019	Apr 2021	Silvergate Development, LLC Blum & Co Inc
24	<a href="#">8th &amp; B</a> 130 E 8th St	★★★★★	127	6	Jan 2021	May 2022	Malick Infill Development Protea Properties
25	<a href="#">7941 Mission Gorge Rd</a>	★★★★★	113	3	Oct 2019	Aug 2021	Davisson Enterprises Davisson Enterprises
26	<a href="#">Mode</a> 635 Robinson Ave	★★★★★	112	7	Nov 2020	Jan 2022	Greystar Real Estate Partners Greystar Real Estate Partners
27	<a href="#">Carlsbad Village Lofts</a> 1044 Carlsbad Village Dr	★★★★★	106	2	Jan 2021	Aug 2021	AVRP Studios R&V Management
28	<a href="#">Anita Street Apartments</a> 748-760 Anita St	★★★★★	96	-	Mar 2021	Sep 2022	Wakeland Housing and Develop... Wakeland Housing and Develop...

Amid an eviction moratorium, lingering high unemployment among many renters-by-necessity, a rent cap, and shifting demand patterns, deal flow has fallen to the lowest level since the height of the Great Recession over the past year. About half as many sales recorded in San Diego as in a typical year. But that does not mean that investors will not jump at the opportunity to invest in the market - 2020 finished off the year on a high note after quarterly sales volume exceeded \$1.2 billion in 20Q4, highlighted by one of the largest foreign investments in San Diego apartments in years.

Market pricing reached \$340,000/unit across the county in 2020, while market cap rates contracted modestly year over year to a record low, matching Los Angeles. And the average market price per door is only a hair below L.A. But the plurality of properties sold for between \$210,000 and \$280,000/unit over the past 12 months, with well-located suburban assets still offering higher cap rates relative to coastal areas amid the pandemic. Roughly 40% of trades sold in the 4% to 5% cap rate range in the past year.

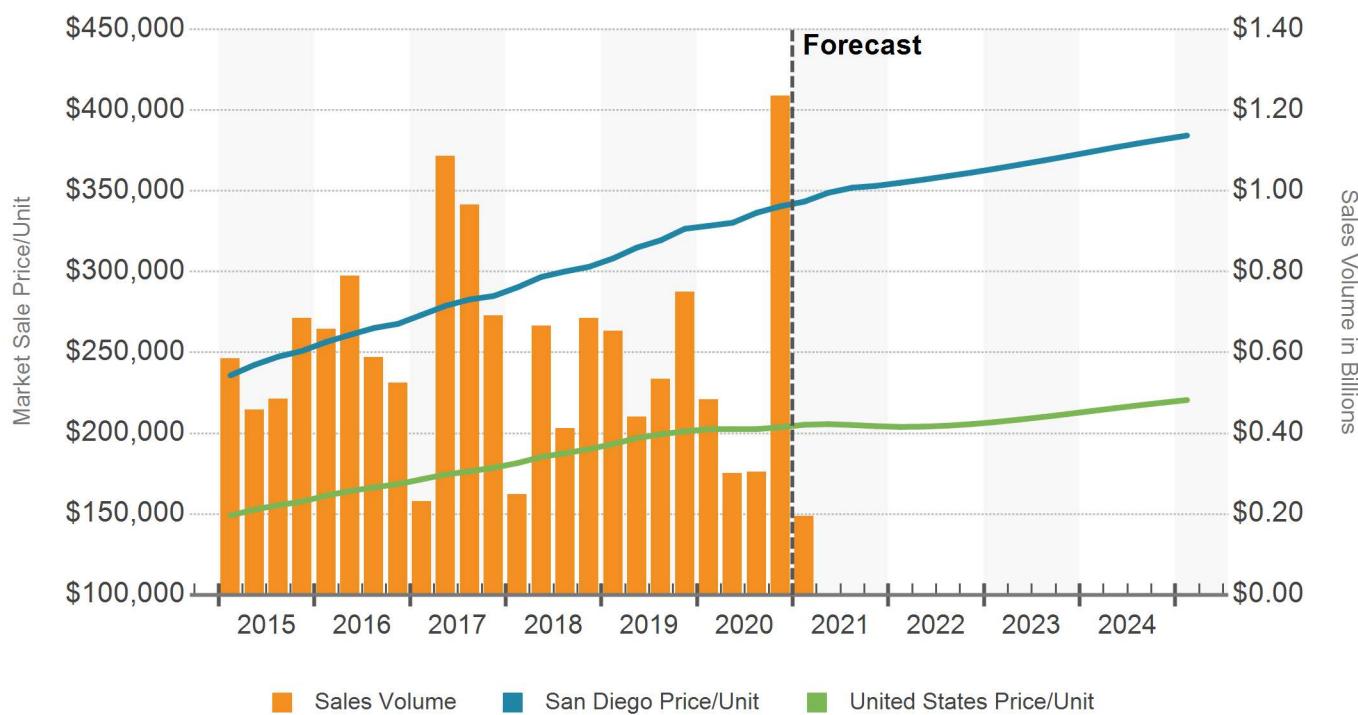
Even while the past year recorded a concerted movement of renters into more affordable suburban areas of San Diego, several of Downtown's newest communities sold during the year, in addition to one of the first communities to kick off the development spree there more than a decade ago. National investors and San Diego's largest apartment landlord all participated.

In 20Q3, R&V Management purchased the 2018 vintage AV8 for about \$70 million at a 4% cap rate. That was R&V Management's second investment in Downtown San Diego in 2020. Its first was for a former Jerome's Furniture in the East Village that was fully entitled for 368 apartments. They paid roughly \$28 million/acre for the site. R&V broke ground on that project in 20Q2 that was estimated to cost roughly \$100 million.

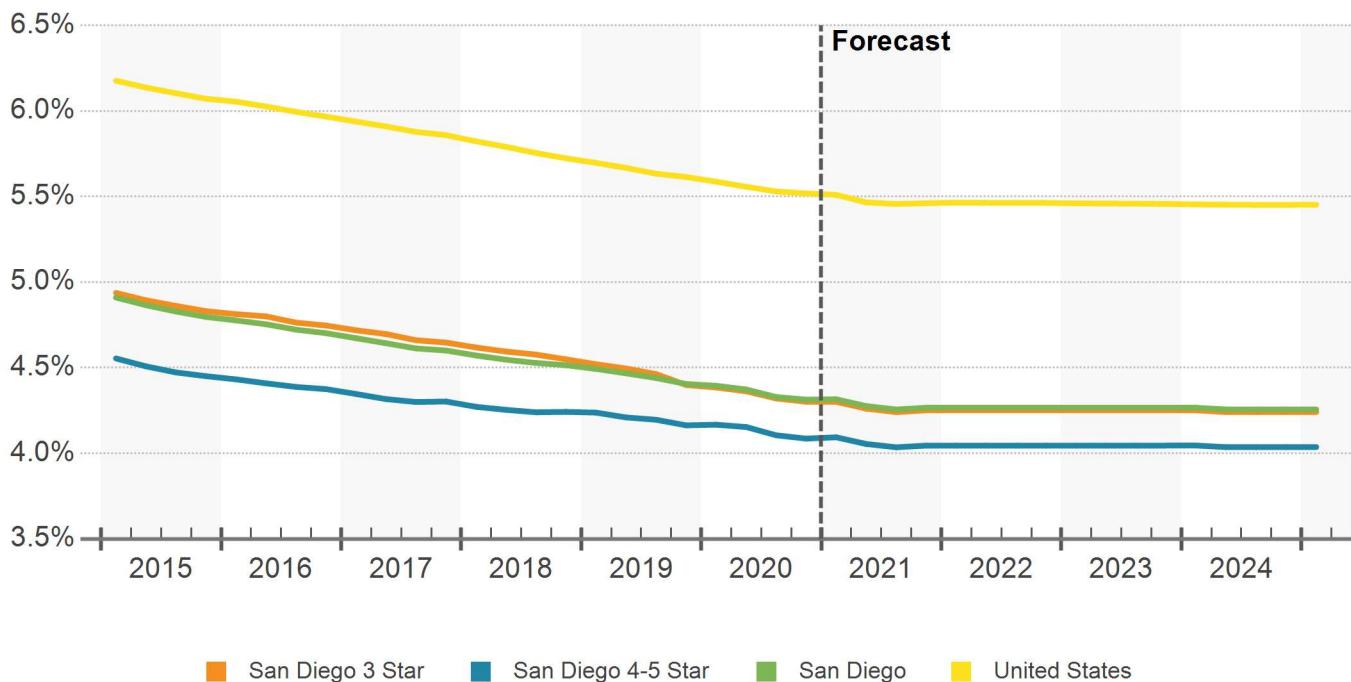
20Q4 was bookended by two deals in Downtown and started off when the equity fund TA Realty from Boston purchased Valentina by Alta for \$78 million, or more than \$700,000/door at a 4% cap rate. Rents averaged north of \$4/SF. The 110-unit property delivered in 2019, and Wood Partners sold the community after it stabilized. It is located on the edge of Little Italy on Pacific Highway. The year ended when Equity Residential sold its 2009-vintage tower, Vantage Pointe, for more than \$300 million to Brookfield Asset Management from Canada. Equity purchased the property a decade earlier after it was newly delivered for \$200 million. That was the largest single-asset sale to a foreign investor in San Diego in the past decade.

And just across the bay from Downtown on Coronado Island, Broadstone Coronado on the Bay sold at the end of 2020 for \$210 million, or roughly \$382,000/door. Abacus Capital Group purchased the community from PGIM Inc. PGIM purchased the property in 2013 for \$161.6 million and renovated it in 2017.

## SALES VOLUME & MARKET SALE PRICE PER UNIT



## MARKET CAP RATE



# Sales Past 12 Months

San Diego Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

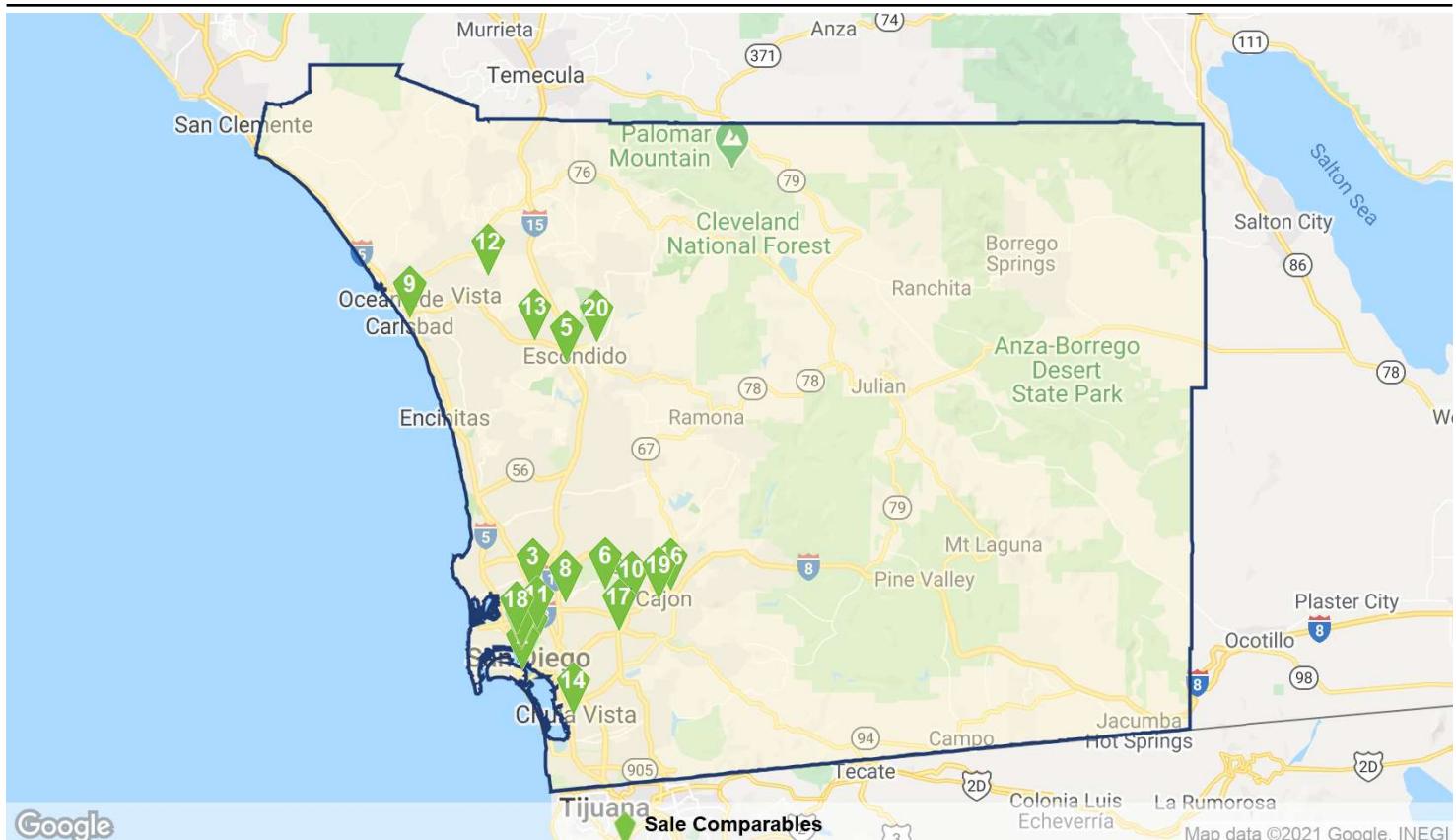
**299**

**\$289**

**\$7.4**

**4.0%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$650,000	\$7,415,629	\$2,700,000	\$312,500,000
Price/Unit	\$57,574	\$288,664	\$264,583	\$1,241,666
Cap Rate	2.4%	4.4%	4.3%	6.9%
Vacancy Rate At Sale	0%	4.0%	0%	80.0%
Time Since Sale in Months	0.2	5.7	5.1	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	4	25	9	679
Number of Floors	1	2	2	40
Average Unit SF	185	741	737	1,796
Year Built	1908	1966	1969	2020
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.2	★ ★ ★ ★ ★	★ ★ ★ ★ ★

# Sales Past 12 Months

San Diego Multi-Family

## RECENT SIGNIFICANT SALES

Property Name/Address	Property Information				Sale Information			
	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF
1 Vantage Pointe Apartments 1281 9th Ave	★★★★★	2009	679	0.4%	12/28/2020	\$312,500,000	\$460,235	\$429
2 Broadstone Coronado on the... 1515 2nd St	★★★★★	1970	549	4.7%	12/20/2020	\$209,500,000	\$381,602	\$364
3 The Modern 7901 Harmash St	★★★★★	1959	369	5.4%	10/9/2020	\$107,000,000	\$289,972	\$290
4 Valentina by Alta 1919 Pacific Hwy	★★★★★	2019	110	13.6%	10/19/2020	\$78,000,000	\$709,090	\$645
5 Hidden Cove Apartments 910 Del Dios Hwy	★★★★★	1983	452	2.9%	9/8/2020	\$75,024,714	\$165,983	\$416
6 Mission Trails 6975 Golfcrest Dr	★★★★★	1987	208	8.2%	12/23/2020	\$73,250,000	\$352,163	\$418
7 AV8 2155 Kettner Blvd	★★★★★	2018	129	9.3%	9/18/2020	\$70,100,000	\$543,410	\$663
8 Vora Mission Valley West 6161 Fairmont Ave	★★★★★	2019	383	8.4%	12/23/2020	\$66,132,500	\$172,669	\$394
9 Villas at Carlsbad 2600-2695 Kremeyer Cir	★★★★★	1966	102	0%	10/1/2020	\$40,800,000	\$400,000	\$521
10 Serena Vista 5810 Amaya Dr	★★★★★	1971	110	6.4%	3/5/2020	\$34,450,000	\$313,181	\$330
11 Park + Polk 4075 Park Blvd	★★★★★	2017	55	3.6%	6/11/2020	\$32,148,090	\$584,510	\$633
12 Casa Antigua Apartments 1215-1245 Palomar Pl	★★★★★	1973	128	1.6%	12/3/2020	\$29,750,000	\$232,421	\$267
13 The Avenue at San Marcos 502-514 E Barham Dr	★★★★★	1988	84	0%	2/11/2021	\$25,750,000	\$306,547	\$383
14 Royal Apartments 521 Park Way	★★★★★	1963	129	0%	3/20/2020	\$20,737,500	\$160,755	\$221
15 Sage Apartments 1920 E Grand Ave	★★★★★	1977	96	3.7%	4/13/2020	\$19,792,473	\$206,171	\$370
16 The Madison 1360 E Madison Ave	★★★★★	1976	110	0%	10/30/2020	\$19,000,000	\$172,727	\$293
17 Broadway Manor 8413 Broadway	★★★★★	1979	81	0%	5/8/2020	\$17,000,000	\$209,876	\$236
18 Overlook Pointe 1616 Guy St	★★★★★	1963	121	6.6%	6/15/2020	\$16,450,000	\$135,950	\$415
19 Tribeca on Mollison 520 S Mollison Ave	★★★★★	1977	68	0%	6/15/2020	\$16,000,000	\$235,294	\$281
20 Quail View Apartments 1960 E Grand Ave	★★★★★	1977	41	4.9%	4/13/2020	\$14,907,527	\$363,598	\$439

San Diego's unemployment rate moved in the wrong direction in the latest jobs report from the Bureau of Labor Statistics. The market's unemployment rate ended 2020 at 8%, up from 6.6% in November. That still compares favorably to California's state-wide unadjusted rate of 8.8% at the end of 2020.

Nonfarm payrolls fell by 5,300 in San Diego between mid-November and mid-December. That's the first time since July's report that San Diego recorded losing jobs. But this came at a time when businesses typically ramp up hiring heading into the holidays. Retail sales fell by 0.7% in December after declining by 1.4% in November, which will likely lead to further dislocation in the retail market in 2021.

The leisure and hospitality sector is in an even deeper hole. It shed nearly 10,000 jobs in December, with accommodation and food services jobs accounting for the entirety of that decline. That sector has lost more than 25% of its employees in the past 12 months, or roughly 53,000 workers.

Five other sectors reported job losses during December, including government, manufacturing, education and health, financial activities and other services.

The construction sector was the clear winner in December. It added 3,200 workers to payrolls. Specialty contractors led the way. That may not be a surprise to many, especially with for-sale housing stock at excruciatingly low levels. Many area contractors have a backlog of assignments as many homeowners have taken to renovating and improving their homes due to the difficulty of finding a new one. There has also been an uptick in commercial development. Each of the retail, industrial, and office sectors had more square feet under construction at the end of 2020 compared with 12 months earlier.

Professional and business services and construction were the only employment sectors to add positions year over year. They added 9,100 and 3,200, respectively.

The San Diego region ended 2020 having shed 105,600 nonfarm jobs in the past 12 months. Although a wide distribution of a vaccine is expected in 2021, it will likely take longer than that for those jobs to return to the labor market.

Heading into the pandemic, San Diego's job market was on solid footing. More than 80 research institutes are located in San Diego, from Scripps Research Institute to Salk Institute for Biological Studies, in addition to five universities. This cluster of research in the Golden Triangle has created one of the strongest life science cores in the United States, and many of these companies and institutes are researching a vaccine for the coronavirus. Positions in the scientific and technical fields have driven recent job growth and the region and account for nearly 150,000 jobs. Furthermore, Scripps Health has five campuses across the metro and announced that it is spending \$2.6 billion on upgrades to its facilities, further bolstering San Diego as a destination for "medical tourism."

San Diego is also home to more than 143,000 active duty and civilian military employees. The defense industry accounts for more than 350,000 jobs in the region according to the San Diego Military Advisory Council. That is close to 25% of the economy. And the Navy's renewed focus on the Pacific theater of operation will result in a 60/40 split between the Pacific and Atlantic fleets, further solidifying San Diego's status as a major Navy hub.

It is also why San Diego has one of the largest concentrations of millennials in the country, accounting for 25% of the population.

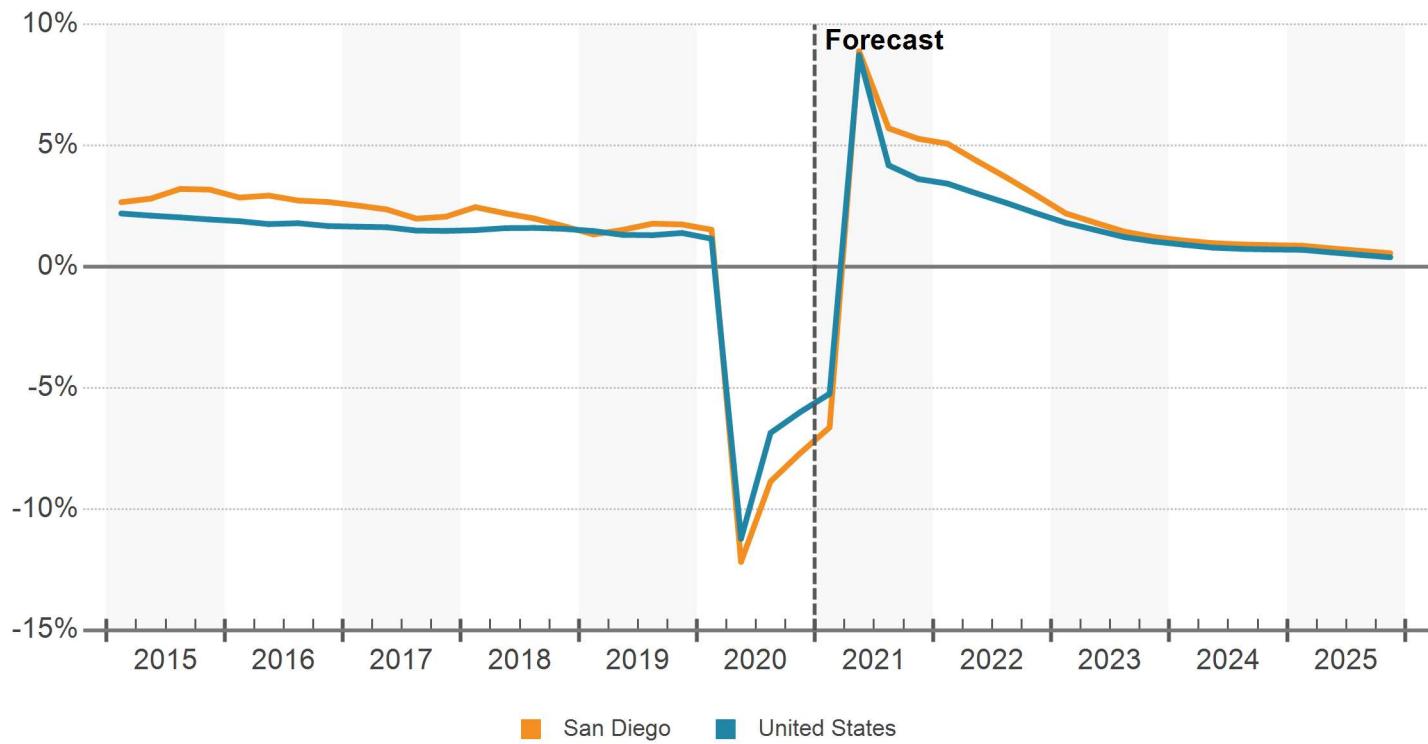
### SAN DIEGO EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	112	0.9	-4.60%	-3.94%	1.54%	0.59%	1.25%	0.50%
Trade, Transportation and Utilities	212	0.8	-4.70%	-2.97%	0.59%	0.86%	1.14%	0.60%
Retail Trade	137	0.9	-5.47%	-3.09%	0.43%	0.42%	1.56%	0.70%
Financial Activities	75	0.9	-3.46%	-1.01%	1.09%	1.29%	0.83%	0.74%
Government	228	1.1	-8.00%	-5.45%	-0.01%	-0.35%	1.58%	0.99%
Natural Resources, Mining and Construction	83	1.0	-1.81%	-3.35%	4.05%	2.60%	1.13%	1.12%
Education and Health Services	212	0.9	-4.22%	-3.79%	2.50%	1.57%	2.56%	1.84%
Professional and Business Services	258	1.3	-1.56%	-4.16%	2.31%	1.87%	1.01%	1.61%
Information	21	0.8	-10.89%	-6.50%	-1.52%	0.08%	3.49%	2.19%
Leisure and Hospitality	162	1.2	-20.39%	-17.83%	0.55%	0.37%	5.23%	4.33%
Other Services	48	0.9	-14.13%	-6.64%	0.01%	0.34%	3.02%	1.36%
<b>Total Employment</b>	<b>1,411</b>	<b>1.0</b>	<b>-6.95%</b>	<b>-5.47%</b>	<b>1.27%</b>	<b>0.92%</b>	<b>2.00%</b>	<b>1.47%</b>

Source: Oxford Economics

LQ = Location Quotient

### YEAR OVER YEAR JOB GROWTH



Source: Oxford Economics

### DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,364,795	330,710,469	0.5%	0.5%	0.8%	0.6%	0.6%	0.5%
Households	1,146,527	123,606,789	0.5%	0.4%	0.8%	0.7%	0.6%	0.5%
Median Household Income	\$88,984	\$69,275	4.7%	4.2%	4.1%	3.3%	2.1%	2.1%
Labor Force	1,537,757	160,825,781	-3.6%	-2.0%	0.2%	0.5%	0.7%	0.8%
Unemployment	7.6%	6.7%	4.3%	3.0%	-0.3%	-0.3%	-	-

Source: Oxford Economics

### POPULATION GROWTH



### LABOR FORCE GROWTH



### INCOME GROWTH

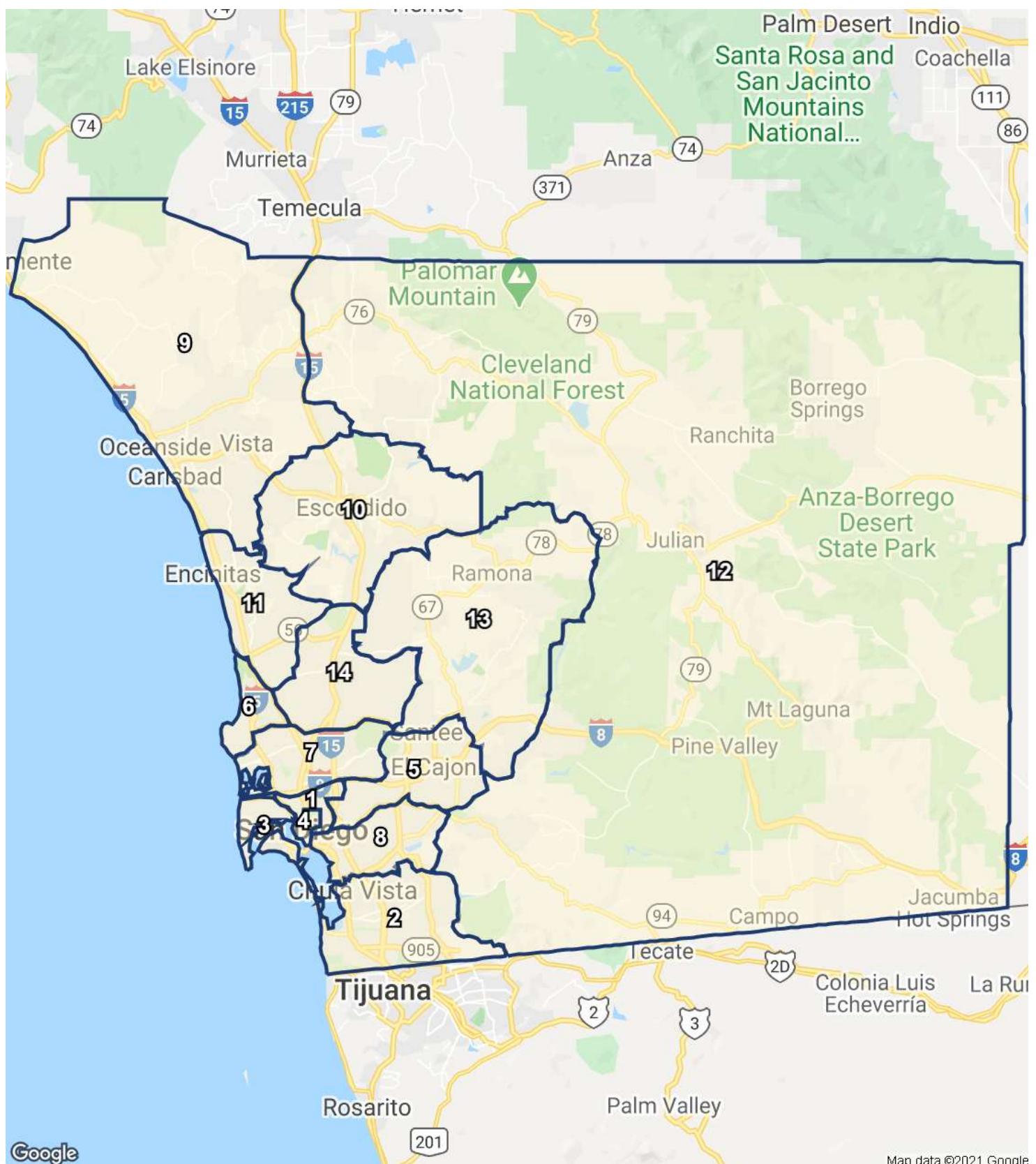


Source: Oxford Economics

# Submarkets

San Diego Multi-Family

## SAN DIEGO SUBMARKETS



Map data ©2021 Google

# Submarkets

San Diego Multi-Family

## SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	Balboa Park	2,954	29,641	11.3%	4	9	174	0.6%	5	11	963	3.2%	3
2	Chula Vista/Imperial Beach	862	29,257	11.1%	5	3	379	1.3%	3	2	213	0.7%	8
3	Coronado/Point Loma	680	9,090	3.5%	11	0	0	0%	-	1	24	0.3%	11
4	Downtown San Diego	148	12,250	4.7%	8	3	628	5.1%	1	10	3,195	26.1%	1
5	East San Diego/El Cajon	2,310	45,493	17.3%	1	1	10	0%	9	4	516	1.1%	5
6	La Jolla/UTC	158	11,936	4.5%	9	1	11	0.1%	8	2	256	2.1%	7
7	Mission Valley/North Cen...	1,100	33,509	12.8%	2	4	523	1.6%	2	6	2,318	6.9%	2
8	National City/South Central	880	15,509	5.9%	7	3	18	0.1%	7	1	48	0.3%	10
9	North County	895	31,871	12.1%	3	2	305	1.0%	4	2	350	1.1%	6
10	North I-15 Corridor	386	18,993	7.2%	6	1	126	0.7%	6	0	0	0%	-
11	North Shore Cities	188	7,913	3.0%	12	0	0	0%	-	0	0	0%	-
12	Outlying San Diego County	26	1,174	0.4%	14	0	0	0%	-	0	0	0%	-
13	Poway/Santee/Ramona	122	5,143	2.0%	13	0	0	0%	-	1	53	1.0%	9
14	South I-15 Corridor	64	10,982	4.2%	10	0	0	0%	-	3	801	7.3%	4

## SUBMARKET RENT

No.	Market	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Balboa Park	\$1,530	\$2.24	7	1.1%	\$1,522	\$2.23	7	1.3%	0.5%	6
2	Chula Vista/Imperial Beach	\$1,777	\$2.07	10	3.6%	\$1,767	\$2.06	10	3.4%	0.6%	5
3	Coronado/Point Loma	\$1,923	\$2.60	3	2.7%	\$1,909	\$2.59	3	2.8%	0.7%	3
4	Downtown San Diego	\$2,533	\$3.16	1	0.5%	\$2,489	\$3.10	1	0%	1.7%	1
5	East San Diego/El Cajon	\$1,541	\$1.95	11	3.0%	\$1,534	\$1.94	11	3.0%	0.4%	10
6	La Jolla/UTC	\$2,380	\$2.49	4	-2.4%	\$2,355	\$2.47	4	-2.9%	1.1%	2
7	Mission Valley/North Cen...	\$2,117	\$2.47	5	1.9%	\$2,103	\$2.45	5	2.2%	0.7%	4
8	National City/South Central	\$1,473	\$1.90	13	4.2%	\$1,468	\$1.89	13	4.6%	0.4%	12
9	North County	\$1,914	\$2.20	8	4.0%	\$1,905	\$2.19	8	4.2%	0.5%	7
10	North I-15 Corridor	\$1,860	\$2.11	9	3.3%	\$1,852	\$2.10	9	3.3%	0.4%	9
11	North Shore Cities	\$2,651	\$2.72	2	1.9%	\$2,640	\$2.71	2	2.2%	0.4%	11
12	Outlying San Diego County	\$1,622	\$1.90	14	2.3%	\$1,617	\$1.89	14	3.1%	0.3%	13
13	Poway/Santee/Ramona	\$1,663	\$1.92	12	3.1%	\$1,656	\$1.91	12	3.1%	0.4%	8
14	South I-15 Corridor	\$2,192	\$2.30	6	0.7%	\$2,185	\$2.29	6	0.7%	0.3%	14

# Submarkets

San Diego Multi-Family

## SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Balboa Park	1,034	3.5%	7	467	1.6%	5	0.3
2	Chula Vista/Imperial Beach	1,060	3.6%	8	958	3.3%	1	0.4
3	Coronado/Point Loma	383	4.2%	11	99	1.1%	11	-
4	Downtown San Diego	1,410	11.5%	14	903	7.4%	2	0.7
5	East San Diego/El Cajon	1,336	2.9%	6	460	1.0%	6	0
6	La Jolla/UTC	959	8.0%	13	(219)	-1.8%	14	-
7	Mission Valley/North Cen...	1,322	3.9%	10	892	2.7%	3	0.6
8	National City/South Central	389	2.5%	2	101	0.7%	10	0.2
9	North County	821	2.6%	3	768	2.4%	4	0.4
10	North I-15 Corridor	491	2.6%	4	406	2.1%	7	0.3
11	North Shore Cities	539	6.8%	12	357	4.5%	8	-
12	Outlying San Diego County	19	1.6%	1	11	0.9%	13	-
13	Poway/Santee/Ramona	141	2.7%	5	71	1.4%	12	-
14	South I-15 Corridor	402	3.7%	9	107	1.0%	9	-

# Appendix

## San Diego Multi-Family

### OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2025	279,170	3,319	1.2%	2,782	1.0%	1.2
2024	275,851	3,250	1.2%	2,927	1.1%	1.1
2023	272,601	2,253	0.8%	2,653	1.0%	0.8
2022	270,348	3,144	1.2%	3,243	1.2%	1.0
2021	267,204	4,520	1.7%	3,941	1.5%	1.1
YTD	262,761	77	0%	660	0.3%	0.1
2020	262,684	2,145	0.8%	5,102	1.9%	0.4
2019	260,539	4,469	1.7%	3,486	1.3%	1.3
2018	256,070	4,536	1.8%	3,489	1.4%	1.3
2017	251,534	3,107	1.3%	2,128	0.8%	1.5
2016	248,427	1,869	0.8%	2,028	0.8%	0.9
2015	246,558	3,646	1.5%	4,163	1.7%	0.9
2014	242,912	3,881	1.6%	2,509	1.0%	1.5
2013	239,031	1,254	0.5%	2,117	0.9%	0.6
2012	237,777	1,733	0.7%	2,699	1.1%	0.6
2011	236,044	2,076	0.9%	2,331	1.0%	0.9
2010	233,968	515	0.2%	1,151	0.5%	0.4
2009	233,453	1,739	0.8%	29	0%	60.0

### 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2025	64,305	3,428	5.6%	3,041	4.7%	1.1
2024	60,877	3,358	5.8%	2,880	4.7%	1.2
2023	57,519	2,363	4.3%	2,102	3.7%	1.1
2022	55,156	2,793	5.3%	3,143	5.7%	0.9
2021	52,363	4,061	8.4%	3,581	6.8%	1.1
YTD	48,336	34	0.1%	289	0.6%	0.1
2020	48,302	1,907	4.1%	2,776	5.7%	0.7
2019	46,395	3,661	8.6%	3,286	7.1%	1.1
2018	42,734	4,103	10.6%	2,974	7.0%	1.4
2017	38,631	2,925	8.2%	2,342	6.1%	1.2
2016	35,706	1,603	4.7%	2,276	6.4%	0.7
2015	34,103	3,565	11.7%	3,692	10.8%	1.0
2014	30,538	3,822	14.3%	2,156	7.1%	1.8
2013	26,716	1,446	5.7%	1,243	4.7%	1.2
2012	25,270	1,201	5.0%	1,298	5.1%	0.9
2011	24,069	1,948	8.8%	1,910	7.9%	1.0
2010	22,121	552	2.6%	578	2.6%	1.0
2009	21,569	1,608	8.1%	1,329	6.2%	1.2

# Appendix

## San Diego Multi-Family

### 3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2025	85,414	0	0%	(53)	-0.1%	0
2024	85,414	0	0%	74	0.1%	0
2023	85,414	0	0%	359	0.4%	0
2022	85,414	456	0.5%	319	0.4%	1.4
2021	84,958	435	0.5%	468	0.6%	0.9
YTD	84,566	43	0.1%	213	0.3%	0.2
2020	84,523	224	0.3%	1,359	1.6%	0.2
2019	84,299	808	1.0%	530	0.6%	1.5
2018	83,491	435	0.5%	491	0.6%	0.9
2017	83,056	265	0.3%	39	0%	6.8
2016	82,791	266	0.3%	25	0%	10.6
2015	82,525	135	0.2%	208	0.3%	0.6
2014	82,390	76	0.1%	107	0.1%	0.7
2013	82,314	69	0.1%	482	0.6%	0.1
2012	82,245	714	0.9%	1,344	1.6%	0.5
2011	81,531	215	0.3%	347	0.4%	0.6
2010	81,316	223	0.3%	443	0.5%	0.5
2009	81,093	274	0.3%	(89)	-0.1%	-

### 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2025	129,451	(109)	-0.1%	(206)	-0.2%	0.5
2024	129,560	(108)	-0.1%	(27)	0%	4.0
2023	129,668	(110)	-0.1%	192	0.1%	-
2022	129,778	(105)	-0.1%	(219)	-0.2%	0.5
2021	129,883	24	0%	(108)	-0.1%	-
YTD	129,859	0	0%	158	0.1%	0
2020	129,859	14	0%	967	0.7%	0
2019	129,845	0	0%	(330)	-0.3%	0
2018	129,845	(2)	0%	24	0%	-
2017	129,847	(83)	-0.1%	(253)	-0.2%	0.3
2016	129,930	0	0%	(273)	-0.2%	0
2015	129,930	(54)	0%	263	0.2%	-
2014	129,984	(17)	0%	246	0.2%	-
2013	130,001	(261)	-0.2%	392	0.3%	-
2012	130,262	(182)	-0.1%	57	0%	-
2011	130,444	(87)	-0.1%	74	0.1%	-
2010	130,531	(260)	-0.2%	130	0.1%	-
2009	130,791	(143)	-0.1%	(1,211)	-0.9%	0.1

### OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2025	11,706	4.2%	0.1	\$2,133	\$2.54	2.4%	(0.3)	\$2,118	\$2.52
2024	11,168	4.0%	0.1	\$2,082	\$2.48	2.7%	0	\$2,068	\$2.46
2023	10,845	4.0%	(0.2)	\$2,026	\$2.41	2.8%	0.5	\$2,012	\$2.40
2022	11,247	4.2%	(0.1)	\$1,972	\$2.35	2.3%	0.2	\$1,958	\$2.33
2021	11,345	4.2%	0.1	\$1,927	\$2.30	2.1%	0.7	\$1,914	\$2.28
YTD	10,308	3.9%	(0.2)	\$1,902	\$2.26	0.7%	(0.6)	\$1,890	\$2.25
2020	10,885	4.1%	(1.2)	\$1,888	\$2.25	1.3%	(1.7)	\$1,873	\$2.23
2019	13,795	5.3%	0.3	\$1,863	\$2.22	3.0%	(0.4)	\$1,847	\$2.20
2018	12,792	5.0%	0.3	\$1,809	\$2.15	3.4%	(0.5)	\$1,781	\$2.12
2017	11,693	4.6%	0.4	\$1,749	\$2.08	3.9%	(0.1)	\$1,723	\$2.05
2016	10,678	4.3%	(0.1)	\$1,684	\$2.00	4.0%	(2.5)	\$1,663	\$1.98
2015	10,843	4.4%	(0.3)	\$1,619	\$1.92	6.4%	2.9	\$1,603	\$1.90
2014	11,348	4.7%	0.5	\$1,522	\$1.81	3.6%	(0.1)	\$1,506	\$1.79
2013	9,957	4.2%	(0.4)	\$1,470	\$1.74	3.6%	0.9	\$1,456	\$1.73
2012	10,817	4.5%	(0.4)	\$1,418	\$1.68	2.8%	1.5	\$1,407	\$1.67
2011	11,783	5.0%	(0.2)	\$1,380	\$1.64	1.3%	1.3	\$1,372	\$1.63
2010	12,035	5.1%	(0.3)	\$1,362	\$1.62	0%	2.6	\$1,353	\$1.60
2009	12,670	5.4%	0.7	\$1,362	\$1.62	-2.6%	-	\$1,351	\$1.60

### 4 & 5 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2025	5,466	8.5%	0.2	\$2,844	\$2.90	2.1%	(0.3)	\$2,809	\$2.86
2024	5,079	8.3%	0.3	\$2,786	\$2.84	2.4%	(0.1)	\$2,751	\$2.81
2023	4,602	8.0%	0.1	\$2,721	\$2.77	2.5%	0.4	\$2,687	\$2.74
2022	4,341	7.9%	(1.1)	\$2,654	\$2.71	2.1%	0.2	\$2,621	\$2.67
2021	4,690	9.0%	0.3	\$2,600	\$2.65	1.8%	1.5	\$2,567	\$2.62
YTD	3,944	8.2%	(0.5)	\$2,572	\$2.62	0.7%	0.4	\$2,545	\$2.60
2020	4,198	8.7%	(2.2)	\$2,553	\$2.60	0.3%	(1.8)	\$2,517	\$2.57
2019	5,035	10.9%	0	\$2,544	\$2.60	2.1%	(0.3)	\$2,507	\$2.56
2018	4,653	10.9%	1.9	\$2,492	\$2.54	2.4%	(0.5)	\$2,427	\$2.48
2017	3,471	9.0%	1.0	\$2,434	\$2.48	2.9%	0.7	\$2,378	\$2.43
2016	2,854	8.0%	(2.3)	\$2,364	\$2.41	2.2%	(3.4)	\$2,322	\$2.37
2015	3,527	10.3%	(1.6)	\$2,312	\$2.36	5.7%	2.5	\$2,279	\$2.33
2014	3,648	11.9%	4.6	\$2,189	\$2.23	3.2%	(1.2)	\$2,155	\$2.20
2013	1,961	7.3%	0.4	\$2,121	\$2.16	4.3%	0.8	\$2,089	\$2.13
2012	1,757	7.0%	(0.8)	\$2,033	\$2.07	3.5%	2.0	\$2,014	\$2.05
2011	1,854	7.7%	(0.5)	\$1,965	\$2.00	1.5%	1.5	\$1,952	\$1.99
2010	1,815	8.2%	(0.3)	\$1,935	\$1.97	0%	4.0	\$1,919	\$1.96
2009	1,840	8.5%	0.7	\$1,936	\$1.97	-4.0%	-	\$1,912	\$1.95

### 3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2025	2,457	2.9%	0.1	\$2,160	\$2.54	2.6%	(0.3)	\$2,150	\$2.52
2024	2,404	2.8%	(0.1)	\$2,105	\$2.47	2.9%	0	\$2,095	\$2.46
2023	2,478	2.9%	(0.4)	\$2,045	\$2.40	2.9%	0.5	\$2,036	\$2.39
2022	2,837	3.3%	0.1	\$1,988	\$2.33	2.4%	0.3	\$1,979	\$2.32
2021	2,701	3.2%	(0.1)	\$1,941	\$2.28	2.1%	0.4	\$1,932	\$2.27
YTD	2,614	3.1%	(0.2)	\$1,916	\$2.25	0.9%	(0.9)	\$1,908	\$2.24
2020	2,779	3.3%	(1.3)	\$1,900	\$2.23	1.8%	(2.0)	\$1,891	\$2.22
2019	3,902	4.6%	0.3	\$1,867	\$2.19	3.8%	(0.1)	\$1,855	\$2.18
2018	3,613	4.3%	(0.1)	\$1,799	\$2.11	3.9%	(0.3)	\$1,775	\$2.08
2017	3,668	4.4%	0.3	\$1,731	\$2.03	4.2%	(0.7)	\$1,706	\$2.00
2016	3,440	4.2%	0.3	\$1,661	\$1.95	5.0%	(2.5)	\$1,641	\$1.92
2015	3,204	3.9%	(0.1)	\$1,582	\$1.85	7.5%	3.2	\$1,567	\$1.84
2014	3,274	4.0%	0	\$1,472	\$1.73	4.3%	0.5	\$1,457	\$1.71
2013	3,306	4.0%	(0.5)	\$1,411	\$1.65	3.8%	0.9	\$1,400	\$1.64
2012	3,718	4.5%	(0.8)	\$1,360	\$1.59	2.8%	1.4	\$1,349	\$1.58
2011	4,348	5.3%	(0.2)	\$1,322	\$1.55	1.4%	1.3	\$1,314	\$1.54
2010	4,480	5.5%	(0.3)	\$1,304	\$1.53	0.1%	2.3	\$1,295	\$1.52
2009	4,699	5.8%	0.4	\$1,302	\$1.53	-2.2%	-	\$1,294	\$1.52

### 1 & 2 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2025	3,783	2.9%	0.1	\$1,671	\$2.24	2.6%	(0.3)	\$1,664	\$2.23
2024	3,685	2.8%	(0.1)	\$1,628	\$2.18	2.9%	0	\$1,622	\$2.17
2023	3,766	2.9%	(0.2)	\$1,582	\$2.12	2.9%	0.5	\$1,576	\$2.11
2022	4,069	3.1%	0.1	\$1,538	\$2.06	2.4%	0.2	\$1,531	\$2.05
2021	3,954	3.0%	0	\$1,501	\$2.01	2.3%	0.4	\$1,495	\$2.00
YTD	3,749	2.9%	(0.1)	\$1,476	\$1.96	0.6%	(1.3)	\$1,470	\$1.96
2020	3,907	3.0%	(0.7)	\$1,468	\$1.95	1.9%	(1.2)	\$1,461	\$1.94
2019	4,858	3.7%	0.3	\$1,441	\$1.92	3.0%	(0.8)	\$1,434	\$1.91
2018	4,527	3.5%	0	\$1,399	\$1.86	3.9%	(0.8)	\$1,390	\$1.85
2017	4,554	3.5%	0.1	\$1,347	\$1.79	4.6%	0	\$1,338	\$1.78
2016	4,384	3.4%	0.2	\$1,287	\$1.71	4.7%	(1.3)	\$1,280	\$1.70
2015	4,111	3.2%	(0.2)	\$1,230	\$1.63	6.0%	2.9	\$1,223	\$1.62
2014	4,425	3.4%	(0.2)	\$1,160	\$1.53	3.1%	0.5	\$1,154	\$1.52
2013	4,690	3.6%	(0.5)	\$1,125	\$1.48	2.6%	0.8	\$1,120	\$1.48
2012	5,342	4.1%	(0.2)	\$1,097	\$1.45	1.8%	1.0	\$1,090	\$1.44
2011	5,580	4.3%	(0.1)	\$1,077	\$1.42	0.9%	0.9	\$1,071	\$1.41
2010	5,740	4.4%	(0.3)	\$1,068	\$1.41	-0.1%	1.5	\$1,062	\$1.40
2009	6,130	4.7%	0.8	\$1,068	\$1.41	-1.5%	-	\$1,062	\$1.40

# Appendix

San Diego Multi-Family

## OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$390,452	266	4.3%
2024	-	-	-	-	-	-	\$381,932	260	4.3%
2023	-	-	-	-	-	-	\$371,457	253	4.3%
2022	-	-	-	-	-	-	\$361,349	246	4.3%
2021	-	-	-	-	-	-	\$353,112	240	4.3%
YTD	53	\$194.1M	0.3%	\$3,960,779	\$244,739	4.3%	\$342,334	233	4.3%
2020	304	\$2.3B	3.0%	\$7,766,250	\$292,678	4.4%	\$340,479	232	4.3%
2019	574	\$2.4B	3.1%	\$6,641,608	\$294,890	4.5%	\$326,555	222	4.4%
2018	500	\$2B	3.0%	\$6,133,441	\$260,019	4.4%	\$303,030	206	4.5%
2017	685	\$3B	4.3%	\$7,471,220	\$271,855	4.5%	\$284,940	194	4.6%
2016	512	\$2.6B	4.4%	\$6,126,937	\$234,036	4.8%	\$267,706	182	4.7%
2015	547	\$2.2B	4.6%	\$5,399,964	\$194,722	4.9%	\$250,983	171	4.8%
2014	455	\$1.6B	4.0%	\$4,312,391	\$167,472	5.2%	\$229,834	157	5.0%
2013	464	\$1.3B	3.2%	\$3,389,449	\$168,698	5.7%	\$211,104	144	5.2%
2012	407	\$1.1B	3.1%	\$3,425,291	\$149,868	6.2%	\$206,141	140	5.2%
2011	304	\$1.1B	3.1%	\$4,187,603	\$146,913	6.3%	\$196,546	134	5.2%
2010	227	\$832.8M	2.2%	\$4,102,263	\$161,889	6.6%	\$178,425	121	5.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$551,475	259	4.0%
2024	-	-	-	-	-	-	\$541,046	254	4.0%
2023	-	-	-	-	-	-	\$527,691	248	4.0%
2022	-	-	-	-	-	-	\$514,410	242	4.0%
2021	-	-	-	-	-	-	\$503,478	237	4.0%
YTD	1	\$1.6M	0.1%	\$1,554,500	\$57,574	-	\$488,872	230	4.1%
2020	8	\$705.5M	3.3%	\$88,192,426	\$439,315	4.0%	\$486,685	229	4.1%
2019	10	\$729.6M	3.9%	\$81,063,866	\$399,111	5.0%	\$467,664	220	4.2%
2018	8	\$641.2M	4.4%	\$91,603,714	\$344,745	4.0%	\$436,633	205	4.2%
2017	15	\$1.4B	8.7%	\$92,975,459	\$416,930	4.2%	\$413,805	194	4.3%
2016	8	\$535.1M	4.2%	\$66,893,563	\$358,198	4.5%	\$392,376	184	4.4%
2015	8	\$423.7M	3.4%	\$52,962,500	\$364,630	4.4%	\$370,476	174	4.5%
2014	4	\$180.3M	1.9%	\$60,100,000	\$316,872	4.6%	\$338,820	159	4.6%
2013	10	\$318.2M	4.0%	\$79,540,999	\$301,292	5.2%	\$311,384	146	4.8%
2012	8	\$238.5M	3.8%	\$119,250,000	\$250,525	4.5%	\$303,389	143	4.8%
2011	3	\$126.5M	2.4%	\$42,151,667	\$223,419	4.9%	\$287,607	135	4.8%
2010	5	\$319.3M	6.0%	\$63,865,000	\$239,914	6.2%	\$258,290	121	5.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### 3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$372,284	275	4.3%
2024	-	-	-	-	-	-	\$363,671	268	4.2%
2023	-	-	-	-	-	-	\$353,230	261	4.3%
2022	-	-	-	-	-	-	\$343,292	253	4.3%
2021	-	-	-	-	-	-	\$335,232	247	4.3%
YTD	4	\$39.9M	0.2%	\$9,986,000	\$259,377	3.9%	\$324,265	239	4.3%
2020	46	\$788.9M	3.2%	\$17,530,584	\$287,387	4.5%	\$322,499	238	4.3%
2019	58	\$570.5M	2.1%	\$12,965,621	\$320,859	4.5%	\$309,035	228	4.4%
2018	54	\$595.9M	2.7%	\$12,679,494	\$265,214	4.3%	\$280,924	207	4.5%
2017	91	\$708.8M	3.9%	\$11,074,547	\$216,816	4.8%	\$262,655	194	4.6%
2016	79	\$1.2B	6.1%	\$17,673,207	\$240,286	4.7%	\$246,719	182	4.7%
2015	94	\$974.5M	6.1%	\$13,168,731	\$192,586	4.9%	\$231,912	171	4.8%
2014	82	\$795.8M	5.5%	\$12,243,742	\$175,412	5.3%	\$212,935	157	5.0%
2013	54	\$421.2M	2.5%	\$9,358,970	\$204,344	5.4%	\$195,429	144	5.2%
2012	52	\$348.2M	2.8%	\$8,491,733	\$150,459	6.1%	\$190,498	141	5.2%
2011	46	\$613.8M	4.7%	\$13,640,628	\$160,730	6.1%	\$181,523	134	5.2%
2010	38	\$314M	2.3%	\$8,485,185	\$166,818	6.4%	\$164,456	121	5.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### 1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$329,651	265	4.4%
2024	-	-	-	-	-	-	\$322,054	259	4.4%
2023	-	-	-	-	-	-	\$312,859	252	4.4%
2022	-	-	-	-	-	-	\$304,073	245	4.4%
2021	-	-	-	-	-	-	\$296,936	239	4.4%
YTD	48	\$152.6M	0.5%	\$3,467,720	\$249,313	4.4%	\$287,633	231	4.4%
2020	250	\$827.7M	2.8%	\$3,364,606	\$231,006	4.4%	\$285,870	230	4.4%
2019	506	\$1.1B	3.4%	\$3,533,224	\$241,784	4.5%	\$273,959	220	4.5%
2018	438	\$774.6M	2.8%	\$2,827,030	\$213,390	4.4%	\$256,856	207	4.6%
2017	579	\$870.1M	3.3%	\$2,727,720	\$201,236	4.4%	\$241,034	194	4.7%
2016	425	\$806.5M	3.4%	\$2,364,985	\$184,376	4.8%	\$224,854	181	4.8%
2015	445	\$815.8M	4.0%	\$2,487,193	\$158,469	4.9%	\$209,225	168	4.9%
2014	369	\$645.3M	3.5%	\$2,095,182	\$141,022	5.2%	\$191,423	154	5.1%
2013	400	\$552.1M	3.5%	\$1,662,839	\$121,653	5.7%	\$175,845	141	5.3%
2012	347	\$502.6M	3.1%	\$1,827,569	\$125,583	6.2%	\$172,237	139	5.3%
2011	255	\$323.4M	2.2%	\$1,569,747	\$113,264	6.4%	\$165,044	133	5.3%
2010	184	\$199.5M	1.5%	\$1,239,022	\$103,305	6.6%	\$151,319	122	5.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

# Appendix

San Diego Multi-Family

## DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2025	-	279,171	4.2%	-	3,428	-	3,318	-	-
2024	-	275,853	4.0%	-	3,357	-	3,250	-	-
2023	-	272,603	4.0%	-	2,363	-	2,253	-	-
2022	-	270,350	4.2%	-	3,250	-	3,145	-	-
2021	-	267,205	4.2%	-	4,587	-	4,521	-	-
YTD	10,773	262,761	3.9%	3	77	3	77	43	8,737
2020	10,770	262,684	4.1%	28	2,196	26	2,169	44	8,410
2019	10,744	260,539	5.3%	40	4,463	39	4,457	50	7,114
2018	10,705	256,070	5.0%	36	4,550	34	4,536	64	7,595
2017	10,671	251,534	4.6%	25	3,202	14	3,113	57	8,004
2016	10,657	248,427	4.3%	19	1,869	19	1,869	50	7,543
2015	10,638	246,558	4.4%	19	3,704	15	3,640	29	4,967
2014	10,623	242,912	4.7%	16	3,925	13	3,881	25	5,148
2013	10,610	239,031	4.2%	10	1,515	0	1,254	24	5,861
2012	10,610	237,777	4.5%	8	1,915	1	1,733	18	5,117
2011	10,609	236,044	5.0%	7	2,178	(2)	2,076	12	4,503
2010	10,611	233,968	5.1%	7	785	(15)	515	10	3,507
2009	10,626	233,453	5.4%	15	2,073	1	1,739	10	2,488