

## MARKET AT A GLANCE



OCCUPANCY RATE

96.3%

Up 30 bps since 1Q19



EFFECTIVE RENT

\$2,051

Up 3.6% since 1Q19



DELIVERIES

766

Units YTD

## MARKET IMPACT ANALYSIS

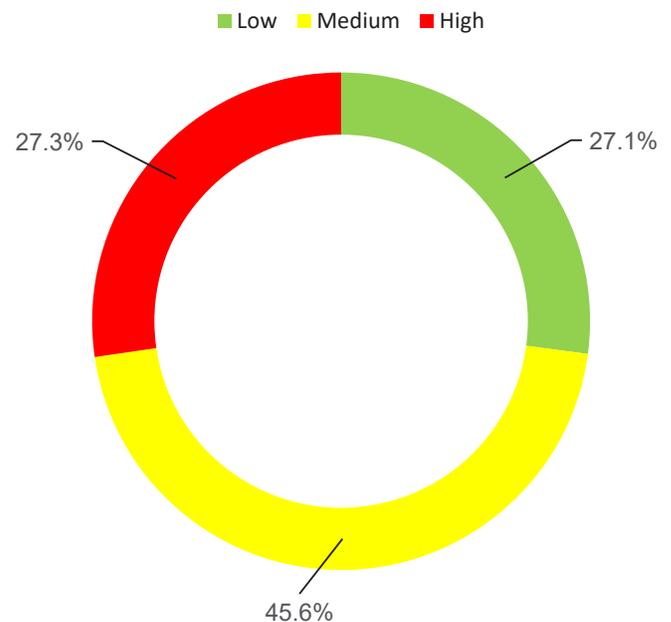
### VULNERABLE INDUSTRIES EXACERBATE ECONOMY DURING OUTBREAK

The battle to stem the spread of COVID-19 has shuttered or drastically limited many companies across San Diego. According to the San Diego Regional Economic Development Corporation, about 43% of firms have closed permanently or temporarily shut down operations. The region's economy is especially impacted by a disproportionate share of most vulnerable industries, including service as well as arts and entertainment. Collectively, these businesses have been in a tailspin since mid-March when Mayor Kevin Faulconer issued an executive order limiting gatherings, and closing bars and restaurant dining. Revenue impacts for these vulnerable industries will likely continue for the next three months, effecting around 350,000 workers at high risk for permanent layoffs or reduced hours. Furthermore, 95% of San Diego businesses have fewer than 50 employees, putting those businesses at greater risk of not staying afloat through the pandemic. The city enacted a temporary eviction moratorium, lasting through May 31. Tenants must demonstrate a substantial decrease in income or medical expenses caused by COVID-19 to qualify. It does not relieve a tenant of their requirement to pay rent or restrict a landlord from recovering rent at a future time. Location will be key for finding investment opportunities in the San Diego market. Properties near technology and life science employers like Qualcomm and Booz Allen Hamilton should see minimal to moderate disruptions of rent payments.

### INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
<b>LOW</b>		
Agriculture, forestry, fishing, & hunting	0.8%	1.1%
Finance & insurance	3.7%	4.7%
Health care & social assistance	14.6%	16.0%
Information	1.8%	2.2%
Transportation & warehousing	2.4%	4.4%
Utilities	0.4%	0.4%
Wholesale trade	3.5%	4.7%
<b>Total</b>	<b>27.1%</b>	<b>33.4%</b>
<b>MEDIUM</b>		
Administrative & waste services	6.9%	7.4%
Educational services	2.3%	2.3%
Manufacturing	9.2%	10.1%
Mining, quarrying, & oil & gas extraction	0.0%	0.5%
Other services, except public administration	4.2%	3.6%
Professional & technical services	11.6%	7.5%
Retail trade	11.4%	12.2%
<b>Total</b>	<b>45.6%</b>	<b>43.6%</b>
<b>HIGH</b>		
Accommodation & food services	13.8%	11.1%
Arts, entertainment, & recreation	2.4%	1.9%
Construction	6.8%	6.1%
Management of companies & enterprises	1.9%	1.9%
Real estate & rental & leasing	2.4%	1.8%
Unclassified	0.0%	0.1%
<b>Total</b>	<b>27.3%</b>	<b>23.0%</b>

### JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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