

# SAN DIEGO, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

97.0%



DOWN 50 BPS YOY

Effective Rent

\$2,876



UP 4.2% YOY

Rent Share of Wallet

32.8%



UP 30 BPS YOY

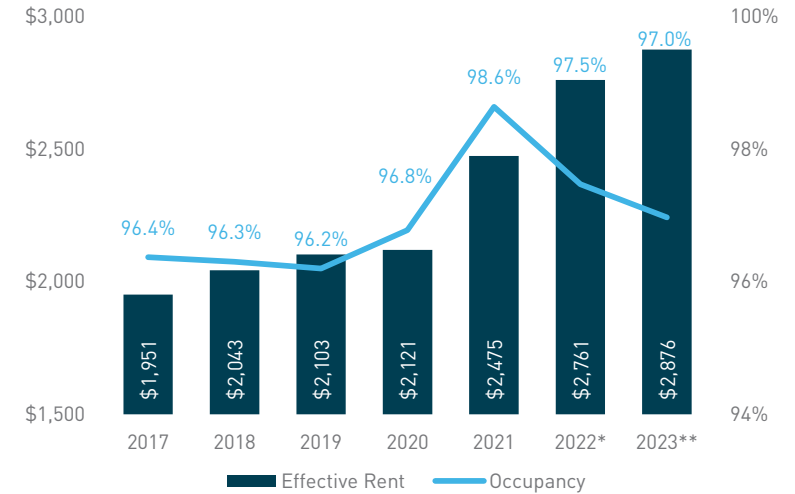
## Apartment Supply Wave to Hit San Diego In 2023, Facilitate Rising Leasing Activity

Multifamily deliveries throughout San Diego County have been relatively consistent over the past five years, with completions averaging just under 3,500 new units annually. That trend is expected to change in 2023, as developers are expected to add nearly 5,900 units countywide. Development is going to be primarily focused on the Downtown, Chula Vista/Imperial Beach, and Far North San Diego areas. High-rise projects in Downtown San Diego are bringing nearly 1,500 luxury units to some of the city's most sought-after neighborhoods, including the Ballpark District, Little Italy, and the Broadway corridor. With developable land at a premium in San Diego, developers looking to build new garden-style communities are focusing resources on outlying areas in both southern and northern San Diego County. All the 1,100 new deliveries in the Chula Vista/Imperial Beach submarket will be spread across four garden-style properties in Otay Mesa. With its proximity and relative affordability compared to other areas of San Diego, Otay Mesa and the South Bay are popular residential hubs for the over 34,500 employees and active-duty personnel attached to Naval Base San Diego. The largest Naval Base on the West Coast has seen an increase of roughly 6,000 ship-based sailors over the past two years, furthering demand for multifamily units in the area. Despite the influx of deliveries, occupancy would be 100 basis points over the average from the previous cycle. The addition of amenity-rich completions will support a 4.2% rise in effective rent, which is among the highest in the nation.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

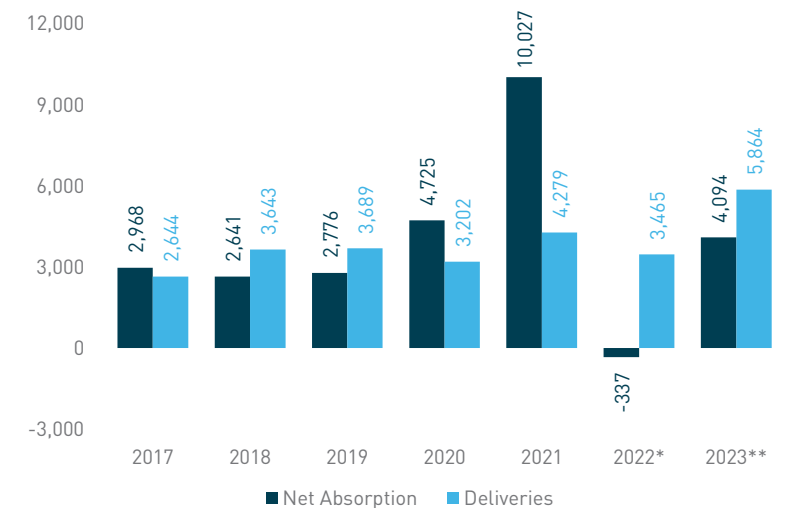
## Apartment Trends

Effective Rent & Occupancy



\*Projected \*\*Forecast

Absorption & Deliveries

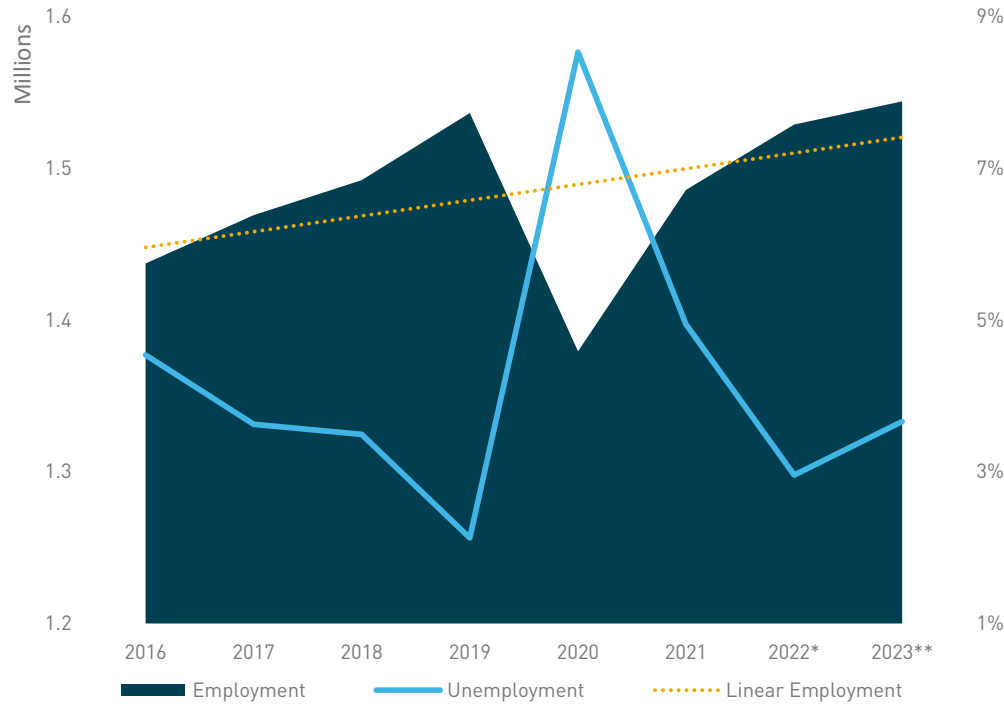


\*Projected \*\*Forecast

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## Employment Trends

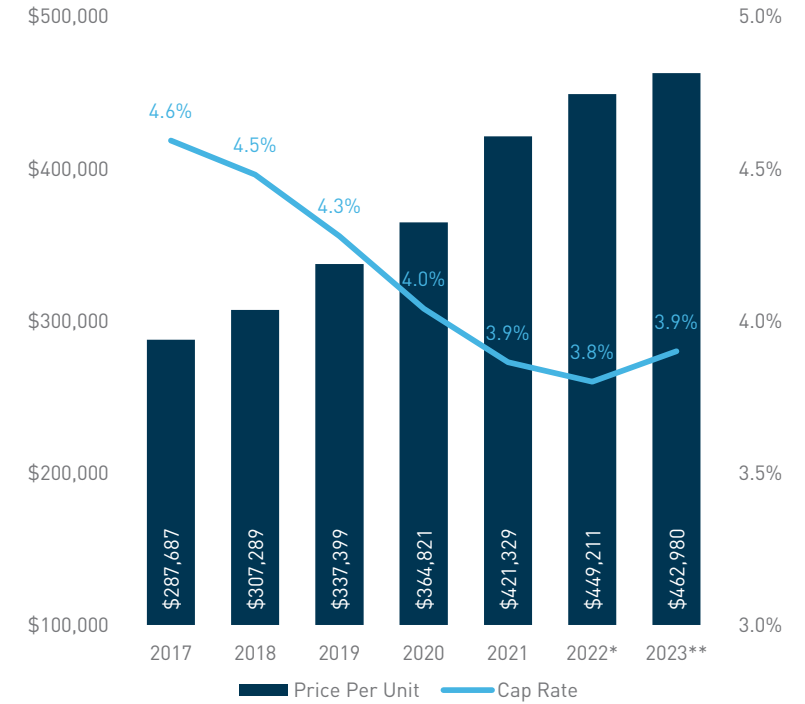
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,544,000</b></p> <p>↑</p> <p>UP 1.0% YOY</p>	<p>Unemployment</p> <p><b>3.7%</b></p> <p>↑</p> <p>UP 70 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$105,227</b></p> <p>↑</p> <p>UP 3.4% YOY</p>
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<p>Price Per Unit</p> <p><b>\$462,980</b></p> <p>↑</p> <p>UP 3.1% YOY</p>	<p>Cap Rate</p> <p><b>3.9%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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