



AVG RENTS COUNTYWIDE: Studios: **\$1,612** | 1Bdrm: **\$1,970** | 2Bdrm: **\$2,433** | 3Bdrm: **\$2,842**

CURRENT MARKET CONDITIONS:

- ✔ **UNEMPLOYMENT:** 3.1% in July, down from 6.4% last year.
- ✔ **RENT:** Rents are up 2.3% the last month and 20.8% YoY.
- ✔ **INFLATION:** Nationally at 9.1% (midyear 2022), highest level in four decades.

VACANCY RATES BY REGION:

EAST COUNTY	0.9 percent
NORTH COUNTY	1.8 percent
CITY OF SAN DIEGO	0.9 percent
SOUTH BAY	1.3 percent
COUNTYWIDE TOTAL	1.3 percent

SAN DIEGO COUNTY SALES STATS (5 - 50 Units) January 1, 2022- June 30, 2022:



	AVG CAP	AVG GRM	# of Sales	AVG \$/Unit
NORTH COASTAL:	3.44%	17.86	14	\$460,223
NORTH INLAND:	3.38%	18.30	8	\$370,000
CENTRAL COASTAL:	2.68%	18.01	24	\$534,817
CENTRAL SAN DIEGO:	3.80%	16.43	75	\$370,112
EAST COUNTY:	3.86%	15.12	26	\$274,525
SOUTH BAY:	3.79%	16.57	23	\$293,635

SAN DIEGO COUNTY APARTMENT MARKET PERSPECTIVE: August 2022

The San Diego Apartment Market has been one of the best performing in the country over the last few years. Impressive statistics demonstrate strength such as 20.8% rent growth over the past 12 months (highest among Los Angeles, Inland Empire, and Orange County), and an AVG Price/Unit of \$371K (up from \$331K last year).

The San Diego economy has also posted strong numbers with unemployment at 3.1% in May and it continues to trend downward with 104,300 jobs added over a 12-month span. In fact, every sector of our economy has experienced YoY job growth except for manufacturing. With talks of recession swirling around in the media daily, it should provide some comfort to know that the San Diego job market is tighter than ever moving forward through the end of the year.

In summary, overarching tailwinds from inflation and rising interest rates are causing a "flight to quality" with strong demand for core locations throughout the county. These macroeconomic challenges will deliver blows to pricing in tertiary multifamily markets, however phenomenal rent growth and extremely low vacancy rates countywide create a strong outlook to the future. San Diego's transaction volume through April (\$731M) is on pace to keep up with last year's record (\$3.7B). In addition, with only 911 apartments added to the market this year and only 8,445 in the pipeline, demand continues to outweigh supply.

Market Data Collected from PwC, Yardi Matrix, CoStar, Bureau of Labor Statistics and the San Diego Union Tribune. Sales Data Statistics are provided via CoStar Comps: 5-50 Units from 1/1/2022 - 6/30/2022. Rent and vacancy data collected from the Southern California Rental Housing Association's Spring 2022 Survey. This information is for discussion purposes only and we believe to be reliable however, we make no representations or warranties, expressed or implied, as to the accuracy of the information.

THE APARTMENT MARKET SPECIALISTS

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