SAN DIEGO, CA

2024 MARKET AT A GLANCE

OCCUPANCY RATE
(Q4 2024)
96.1%
DOWN 10 BPS YOY

EFFECTIVE RENT
(Q4 2024)
$2,938
UP 3.4% YOY

RENT SHARE OF WALLET
(Q4 2024)
32.4%
UP 20 BPS YOY

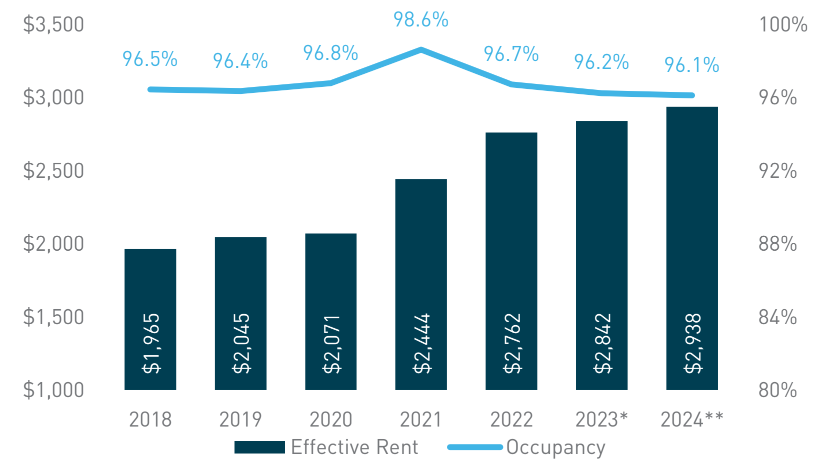
Thriving Tourism Industry Supports Employment and Apartment Demand

Tourism heavily supports the metro's economy as San Diego welcomes roughly 28.8 million visitors annually and is a top U.S. travel destination. In July 2023, San Diego came in first across all top 25 markets for hotel occupancy. Group and corporate travel regaining momentum is a promising sign for 2024 as the city's convention and meeting demand continues to recover. As tourism booms, the leisure and hospitality sector is projected to expand the most compared to all other sectors, adding 9,300 net jobs to local payrolls in 2024. Gains are also expected in the finance and healthcare industries. These additions will boost leasing activity, with 5,791 projected net move-ins by the end of the year, up from 1,782 net units absorbed in 2023. Also facilitating the rise in leasing will be 6,387 estimated units to be delivered by year-end. With the record amount of inventory flooding the market in the upcoming year, occupancy is predicted to drop 10 basis points. Despite this, metrowide occupancy will be at a healthy level and on par with the 10-year, pre-pandemic average, resting at 96.1% at the end of 2024. The Downtown San Diego/Coronado submarket will be the designated hotspot this year, accounting for 42% of the market's incoming inventory and 40% of metro demand. The submarket's popularity is underpinned by young professionals' attraction to San Diego's healthy local economy. In 2024 and beyond, substantial office development across downtown could bring more renters to the submarket as these buildings open.

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 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

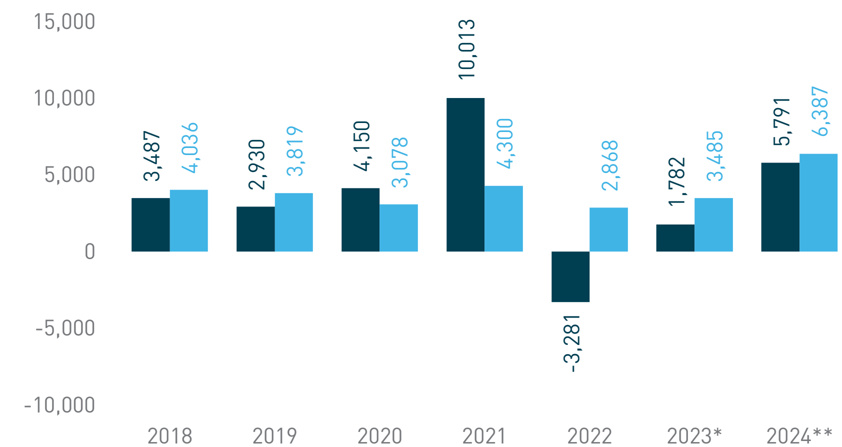


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

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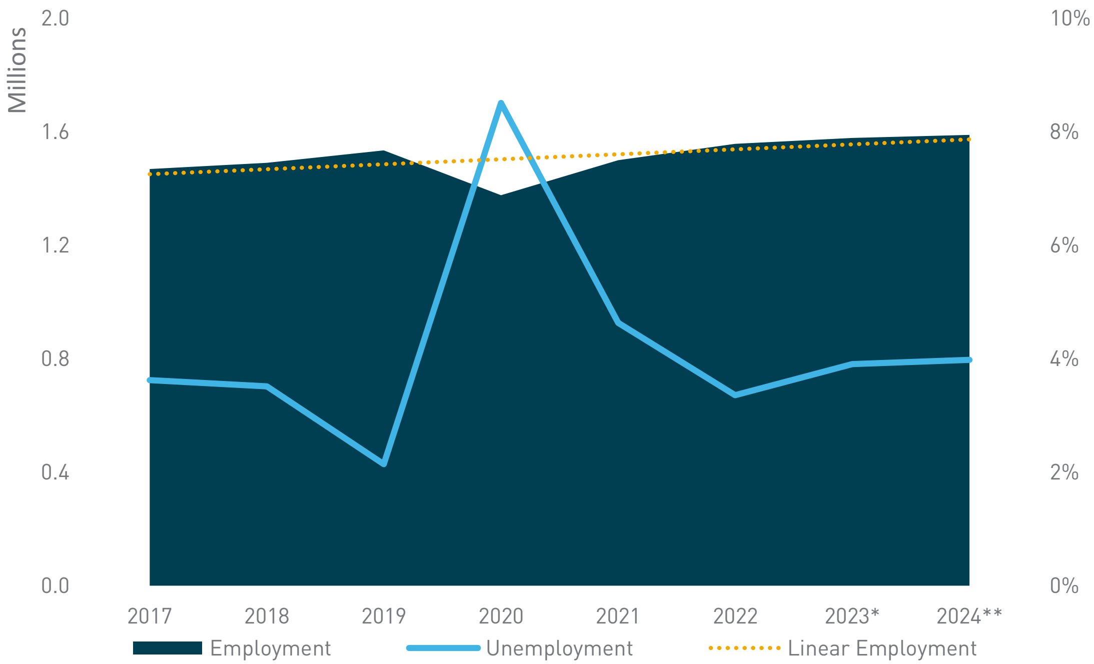
BERKADIA®

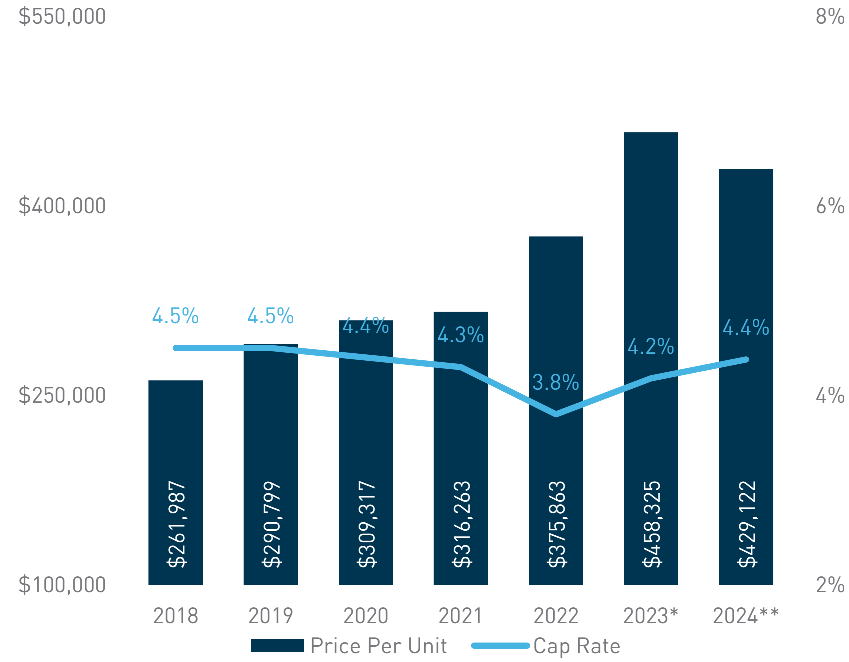
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)
1,589,400	4.0%	$108,907
UP 0.7% YOY	UP 10 BPS YOY	UP 2.7% YOY

PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
$429,122	4.4%
DOWN 6.4% YOY	UP 20 BPS YOY