SAN DIEGO, CA

2025 MARKET AT A GLANCE

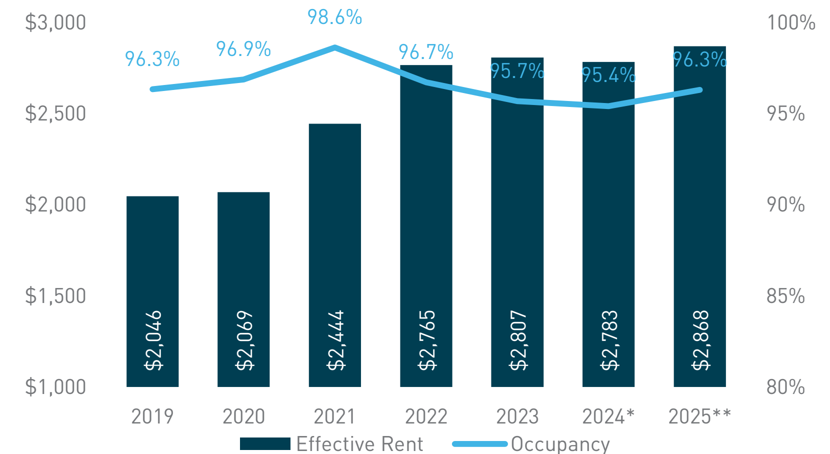
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
96.3%	$2,868	32.3%
UP 90 BPS YOY	UP 3.1% YOY	UP 10 BPS YOY

Record High Demand Supports Healthy Apartment Fundamentals

San Diego's apartment fundamentals in 2025 are stellar across the board. By the end of 2025, occupancy across the metro will rise 90 basis points to 96.3%, outperforming the Los Angeles, San Francisco-Oakland, and San Jose metro. It will also be above the San Diego's 10-year, pre-pandemic average. Meanwhile, effective rent is projected to increase 3.1% year over year, a significant improvement from 2024. Healthy occupancy and effective rent growth can be attributed to the record amount of demand forecast for the year. More than 9,900 net units are expected to be absorbed, outpacing the previous high of 9,500 net-move ins during 2021 and the record number of units coming online in 2025. A significant share of the metro's forecast net leasing activity is from the Northwest San Diego submarket. In 2025, net absorption is projected to reach over 2,000 units, up from 2024 when only 647 units were absorbed. Northwest San Diego's inventory is set to expand by 5.2% to facilitate the climbing leasing activity. The submarket has found increased interest from young professionals who desire to live in coastal neighborhoods such Pacific Beach, Ocean Beach, Mission Beach, and Mission Bay. Northwest San Diego also offers residents a central location between San Diego's employment hubs: it's north of Downtown San Diego, south of Sorrento Valley and University of California San Diego, and west of Kearny Mesa. San Diego is expected to post a larger number of new jobs in 2025 than the year prior. By year-end, 12,300 jobs are forecast to be added to payrolls across the metro, compared to 11,400 last year.

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 2024 are projected values. 2025 figures are forecast projections.

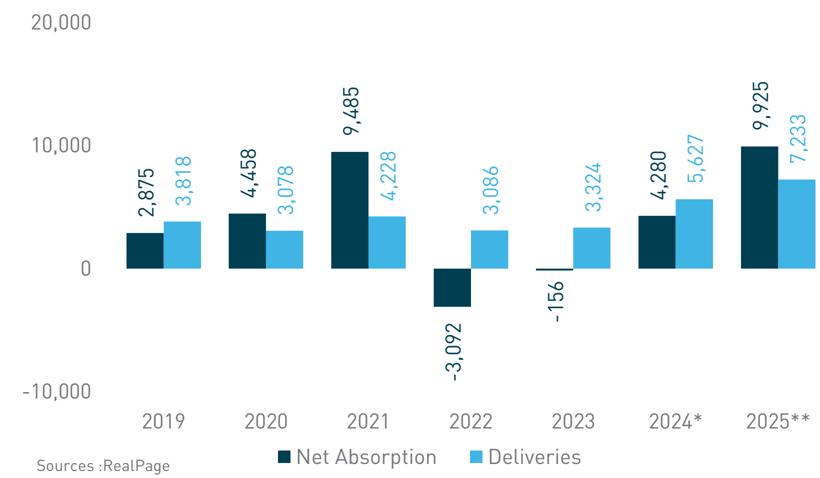
APARTMENT TRENDS



Source: RealPage

*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.



Sources :RealPage

*Projected **Forecast

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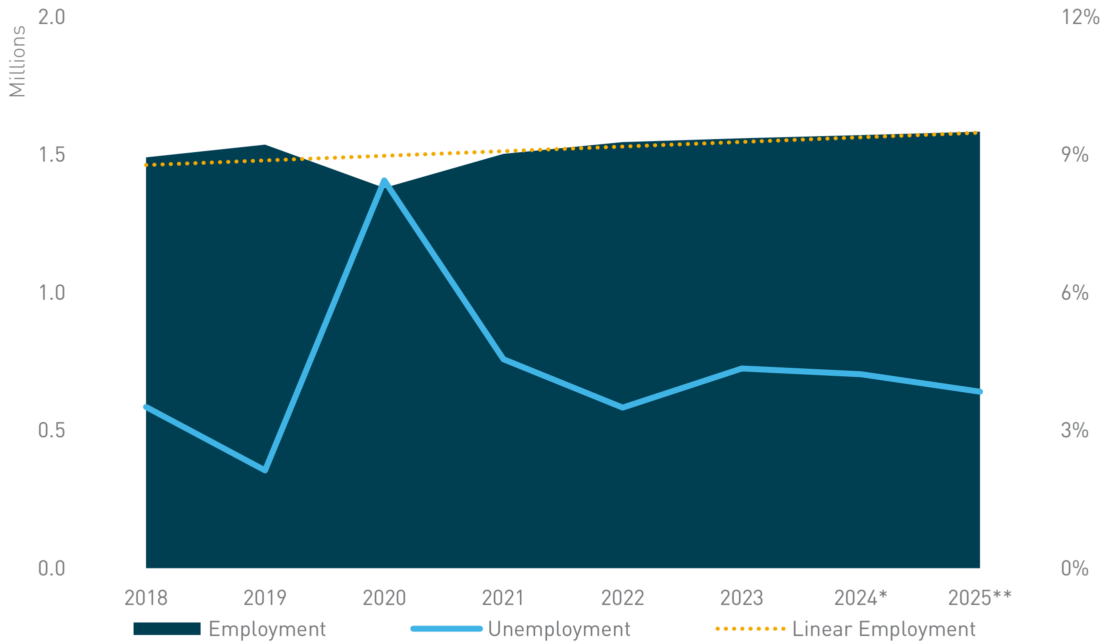
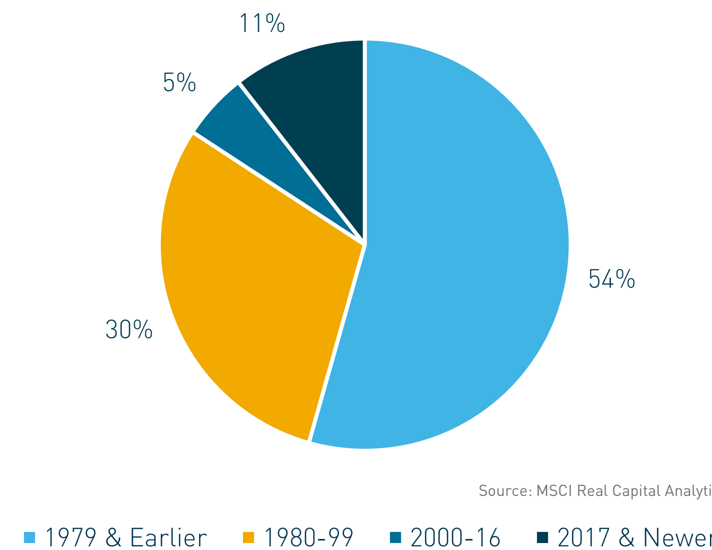
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



Source: MSCI Real Capital Analytics

*YTD through Oct.

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

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
1,584,100	3.8%	$106,585	$385,494	4.6%
UP 0.8% YOY	DOWN 40 BPS YOY	UP 2.8% YOY	DOWN 1.7% YOY	UP 70 BPS YOY