



MARKET AT A GLANCE



OCCUPANCY RATE **95.9%**
Down **80 bps** since 2Q19



EFFECTIVE RENT **\$1,968**
Up **0.4%** since 2Q19

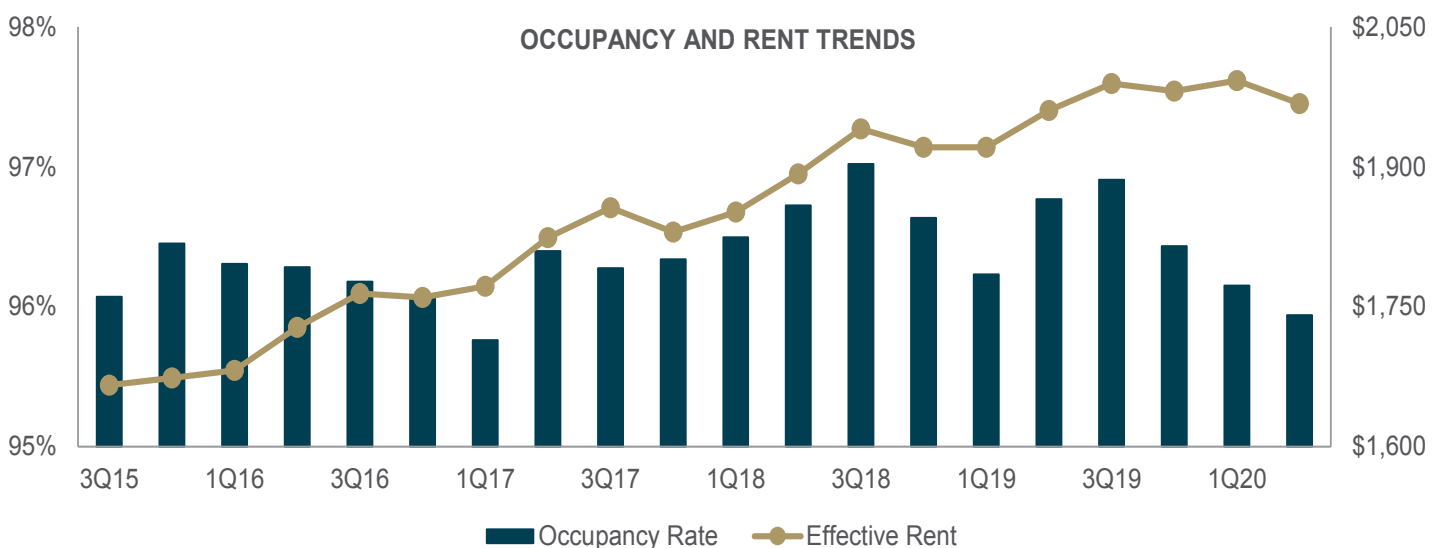


RENT PAYMENT TRACKER (July 1-6) **83.5%**
Down **390 bps** since June 1-6

OCCUPANCY AND RENT TRENDS

APARTMENT FUNDAMENTALS SUBDUED AMID ECONOMIC STARTS AND STOPS

California's early shelter-in-place order, the temporary disruption to San Diego's robust hospitality trade, and the early closure of large, university-influenced submarkets created muted apartment fundamentals in the second quarter of 2020. At an average of \$1,968 per month, effective rent dipped 1.2% March to June. Apartment rental payments of 83.5% in the period of July 1 to 6 came under the rate recorded in the previous month during the same time. It should be noted though, that the holiday weekend may have caused some sluggishness in recording payments. Average occupancy in San Diego contracted 20 basis points to 95.9%. Hardest hit was the La Jolla/University City submarket, home to UC San Diego where most students left the area due to in-person classroom closures. Occupancy declined 280 basis points quarter over quarter in this student housing-dominated neighborhood, ending June 2020 at 93.1%. On the economic front, businesses across Greater San Diego partially rebounded in May 2020, as a net 13,400 workers were rehired, pushing up payrolls 1.0% from April. Many leisure and hospitality businesses sidelined due to the coronavirus lockdown brought back 6,200 workers in May, the sector with the largest jobs gain.



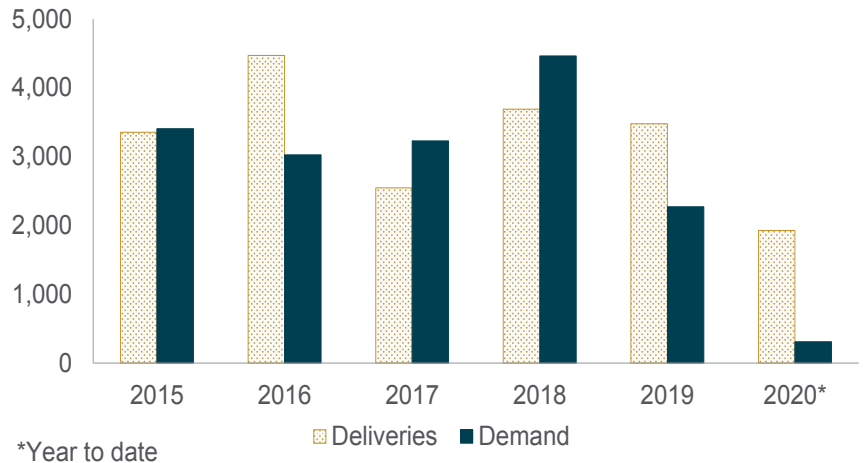
DELIVERIES AND DEMAND



DELIVERIES 1,926
Units YTD



NET ABSORPTION 308
Units YTD



ECONOMIC TRENDS

2019 3.2% **UNEMPLOYMENT*** 2020 15.4%
1,220 BPS CHANGE

2019 1.5m **EMPLOYMENT*** 2020 1.3m
-13.1% CHANGE

2019 29.5k **EXISTING SFH SALES**** 2020 26.4k
-10.5% CHANGE

2019 3.3m **POPULATION**** 2020 3.4m
0.4% CHANGE

2019 2.07% **10-YEAR TREASURY**** 2020 0.73%
-130 BPS CHANGE

*May; **June



SAN DIEGO

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

| SUBMARKET NAME | OCCUPANCY | | | EFFECTIVE RENT | | | NET ABSORPTION | | DELIVERED UNITS | |
|-----------------------------|--------------|--------------------|--------------------|----------------|--------------|--------------|----------------|------------|-----------------|--------------|
| | 2Q20 | Q-o-Q Change (BPS) | Y-o-Y Change (BPS) | 2Q20 | Q-o-Q Change | Y-o-Y Change | 2Q20 | Annual | 2Q20 | Annual |
| Carlsbad/Encinitas/Del Mar | 94.9% | -80 | -140 | \$2,471 | -3.5% | -2.4% | 32 | 310 | 204 | 608 |
| Chula Vista/Imperial Beach | 96.6% | 30 | -10 | \$1,860 | -0.4% | 0.8% | 281 | 298 | 175 | 343 |
| Downtown San Diego/Coronado | 93.6% | -50 | -150 | \$2,399 | -2.4% | -0.8% | 85 | 431 | 228 | 873 |
| El Cajon/Santee/Lakeside | 97.7% | 50 | 10 | \$1,606 | 0.1% | 2.1% | 123 | 26 | 0 | 0 |
| Escondido | 96.5% | 10 | -110 | \$1,688 | 0.4% | 4.1% | 111 | -62 | 94 | 108 |
| Far North San Diego | 96.1% | -50 | -10 | \$2,153 | -1.4% | -0.5% | 40 | 193 | 138 | 228 |
| La Jolla/University City | 93.1% | -280 | -350 | \$2,318 | -5.0% | -4.7% | -443 | -390 | 63 | 252 |
| La Mesa/Spring Valley | 97.1% | 80 | 70 | \$1,765 | -0.8% | 0.9% | 126 | 114 | 0 | 0 |
| Mid-City/National City | 97.1% | 0 | -80 | \$1,658 | 0.2% | 1.3% | -10 | -547 | 0 | 165 |
| Northeast San Diego | 95.2% | 0 | 20 | \$2,241 | -2.6% | -0.8% | -4 | 288 | 0 | 256 |
| Northwest San Diego | 95.9% | -10 | -150 | \$2,016 | 1.2% | 3.0% | -26 | -393 | 0 | 313 |
| Oceanside | 96.4% | -30 | -130 | \$1,844 | -2.2% | 0.7% | -58 | -114 | 0 | 118 |
| Vista/San Marcos | 95.5% | -30 | -30 | \$1,893 | -1.6% | -0.8% | 1 | 217 | 59 | 285 |
| TOTALS | 95.9% | -20 | -80 | \$1,968 | -1.2% | 0.4% | 258 | 372 | 961 | 3,549 |

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