

## SAN DIEGO MSA | MULTIFAMILY | YE 2022 REPORT

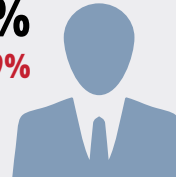
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10+ UNIT PROPERTIES	YE 2022	INCREASE/DECREASE	YE 2021
<b>Total Sales Volume</b>	<b>\$3.68B</b>	<b>-29.4%</b>	<b>\$5.21B</b>
AVERAGE	<b>Price/Unit</b>	<b>19.8%</b>	<b>\$310,027</b>
	<b>Price/SF</b>	<b>23.1%</b>	<b>\$358.56</b>
	<b>Year Built</b>	<b>No Change</b>	<b>1974</b>
<b>Average Rent</b>	<b>\$2,320</b>	<b>5.2%</b>	<b>\$2,205</b>
<b>Occupancy Rate</b>	<b>96.4%</b>	<b>-1.2%</b>	<b>97.6%</b>
<b>Units Delivered</b>	<b>5,088</b>	<b>-14.3%</b>	<b>5,940</b>

**3,282,250**  **POPULATION**  
2022\*

**3.2%**  
-0.9%



**UNEMPLOYMENT**  
YE 2022\*

**3.1%**



**EMPLOYMENT GROWTH**  
YE 2022\*

**\$95,415**



**MEDIAN HH INCOME**  
2022\*


**\$85,621**



**GDP PER CAPITA**  
2022\*

### ABI GEONEWS: SAN DIEGO MSA - SELECT NEWS

CONTINUED ON PAGE 05

 Amazon keeps growing in San Diego and Tijuana. Chances are it won't stop



Apple Increasing San Diego Footprint



Balance Returning to San Diego Housing Market

**7,963**  
Units (10+)



**UNDER CONSTRUCTION**  
COSTAR; YARDI







**320,079**  
Units (10+)



**TOTAL INVENTORY**  
ABI RESEARCH; COSTAR; YARDI

\* Forecasted

# SAN DIEGO MSA - PER CITY ANALYSIS

SAN DIEGO MSA QUICK STATS	*MEDIAN HH INCOME	10+ UNIT PROPERTIES	
		TOTAL INVENTORY	UNDER CONSTRUCTION
 San Diego MSA	\$95,415	320,079	7,963
 North County Coastal	\$119,000	34,477	577
 North County Inland	\$94,700	48,300	293
 East County	\$87,400	47,004	166
 South Bay	\$76,600	43,581	933
 Metro San Diego	\$101,000	143,529	6,096

\* Forecasted

## SAN DIEGO MSA - PER SUBMARKET ANALYSIS

RENT & OCCUPANCY STATS

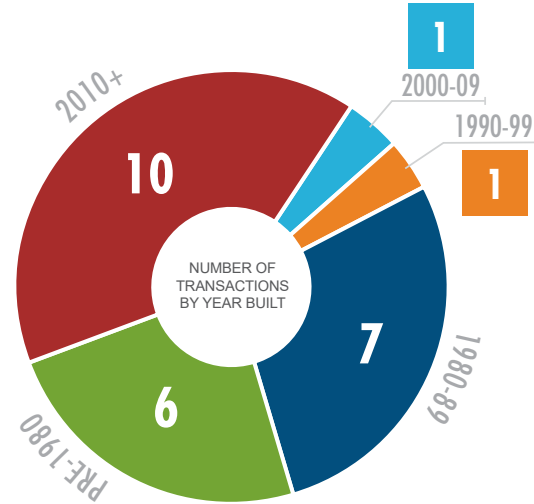
SALES DATA (100+)

SALES DATA (10-99)

	North County Coastal	North County Inland	East County	South Bay	Metro San Diego
Average Rent (YE 2022)	\$2,413	\$1,991	\$1,875	\$2,072	\$2,432
% Change (y-o-y)	6.5%	6.6%	6.2%	6.0%	3.2%
Occupancy Rate (YE 2022)	97.4%	97.4%	97.0%	95.9%	96.1%
% Change (y-o-y)	-0.4%	-1.0%	-1.1%	-2.9%	-0.8%
Units Delivered (YE 2022, 100+)	40	322	240	1,588	2,898
Total Sales Volume (YE 2022, 100+)	\$293,500,000	\$247,200,000	\$344,250,000	\$258,854,098	\$1,277,622,500
Total Sales Volume (YE 2021, 100+)	\$323,700,000	\$867,390,863	\$550,360,500	\$118,810,500	\$1,380,018,835
% Change (y-o-y)	-9.3%	-71.5%	-37.5%	117.9%	-7.4%
Avg P/U (YE 2022, 100+)	\$455,745	\$371,729	\$347,026	\$456,533	\$390,830
Avg P/U (YE 2021, 100+)	\$404,625	\$348,070	\$253,156	\$219,208	\$386,885
% Change (y-o-y)	12.6%	6.8%	37.1%	108.3%	1.0%
Total Sales Volume (YE 2022, 10-99)	\$76,305,686	\$117,884,517	\$239,544,273	\$145,208,103	\$683,306,741
Total Sales Volume (YE 2021, 10-99)	\$103,998,561	\$276,384,544	\$573,861,274	\$306,658,000	\$713,785,700
% Change (y-o-y)	-26.6%	-57.3%	-58.3%	-52.6%	-4.3%
Avg P/U (YE 2022, 10-99)	\$340,650	\$345,702	\$285,172	\$286,407	\$365,600
Avg P/U (YE 2021, 10-99)	\$368,789	\$261,480	\$238,413	\$252,810	\$312,106
% Change (y-o-y)	-7.6%	32.2%	19.6%	13.3%	17.1%

# 100+ UNIT MULTIFAMILY PROPERTY ANALYSIS

	YE 2022	INCREASE/DECREASE	YE 2021
<b>Total Sales Volume</b>	<b>\$2.42B</b>	<b>-25.3%</b>	<b>\$3.24B</b>
<b>AVERAGE Price/Unit</b>	<b>\$394,562</b>	<b>16.6%</b>	<b>\$338,411</b>
<b>AVERAGE Price/SF</b>	<b>\$444.11</b>	<b>18.9%</b>	<b>\$373.61</b>
<b>AVERAGE Year Built</b>	<b>1996</b>	<b>+11 Yrs</b>	<b>1985</b>



## TOP 3 TRANSACTIONS BY PRICE/UNIT (100+)



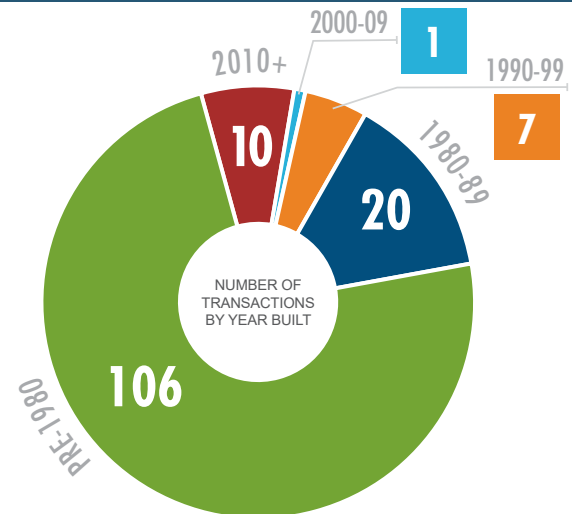
- Jefferson Pacific Beach**  
San Diego, 172 Units | \$113,000,000  
\$656,977/unit | \$666.39/SF | Built 2020
- The Rylan**  
Vista, 126 Units | \$72,500,000  
\$575,397/unit | \$526.72/SF | Built 2020
- Avana La Jolla**  
San Diego, 312 Units | \$168,500,000  
\$540,064/unit | \$677.64/SF | Built 1986

YE 2022 Transactions by Year Built

	# of Transactions	Avg Price/Unit	Avg Price/SF
<b>2010+</b>	<b>10</b>	<b>\$405K</b>	<b>\$387</b>
<b>2000-09</b>	<b>1</b>	<b>\$515K</b>	<b>\$558</b>
<b>1990-99</b>	<b>1</b>	<b>\$208K</b>	<b>\$993</b>
<b>1980-89</b>	<b>7</b>	<b>\$395K</b>	<b>\$500</b>
<b>Pre-1980</b>	<b>6</b>	<b>\$371K</b>	<b>\$488</b>

# 10 - 99 UNIT MULTIFAMILY PROPERTY ANALYSIS

	YE 2022	INCREASE/DECREASE	YE 2021
<b>Total Sales Volume</b>	<b>\$1.26B</b>	<b>-36.1%</b>	<b>\$1.97B</b>
<b>AVERAGE Price/Unit</b>	<b>\$333,840</b>	<b>22.5%</b>	<b>\$272,521</b>
<b>AVERAGE Price/SF</b>	<b>\$436.45</b>	<b>29.8%</b>	<b>\$336.31</b>
<b>AVERAGE Year Built</b>	<b>1970</b>	<b>-2 Yrs</b>	<b>1972</b>



## TOP 3 TRANSACTIONS BY PRICE/UNIT (10-99)



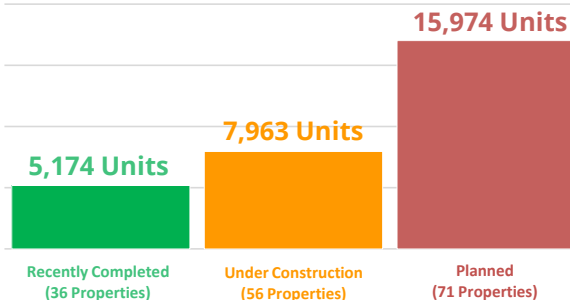
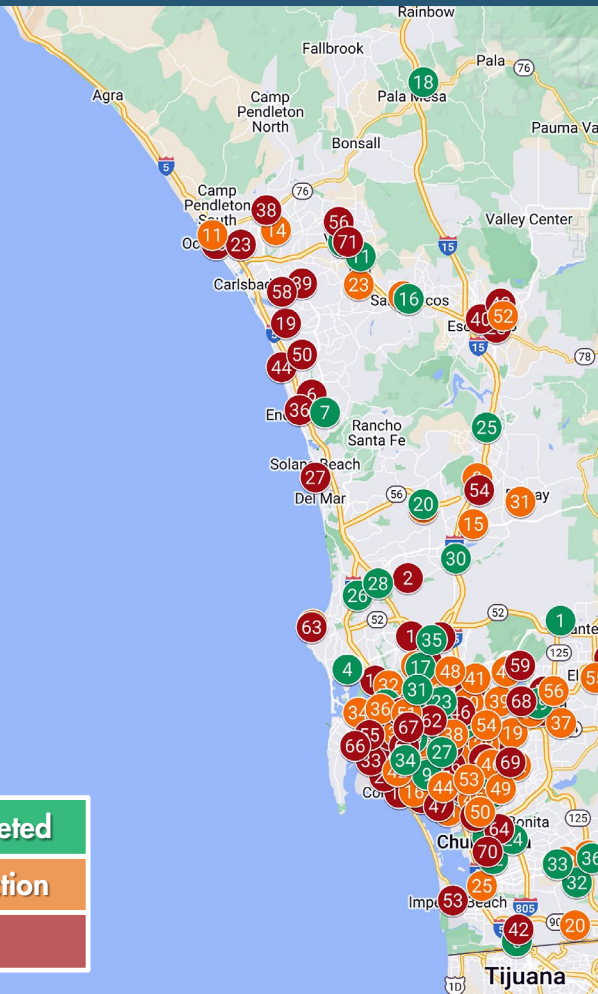
- Nimitz Crossing**  
San Diego, 36 Units | \$30,000,000  
\$833,333/unit | \$937.50/SF | \$647.77/SF
- Lofts on Laurel**  
San Diego, 21 Units | \$17,000,000  
\$809,524/unit | \$647.77/SF | Built 2018
- Carlton Oaks**  
Santee, 10 Units | \$7,159,000  
\$715,900/unit | \$484.47/SF | Built 2022

YE 2022 Transactions by Year Built

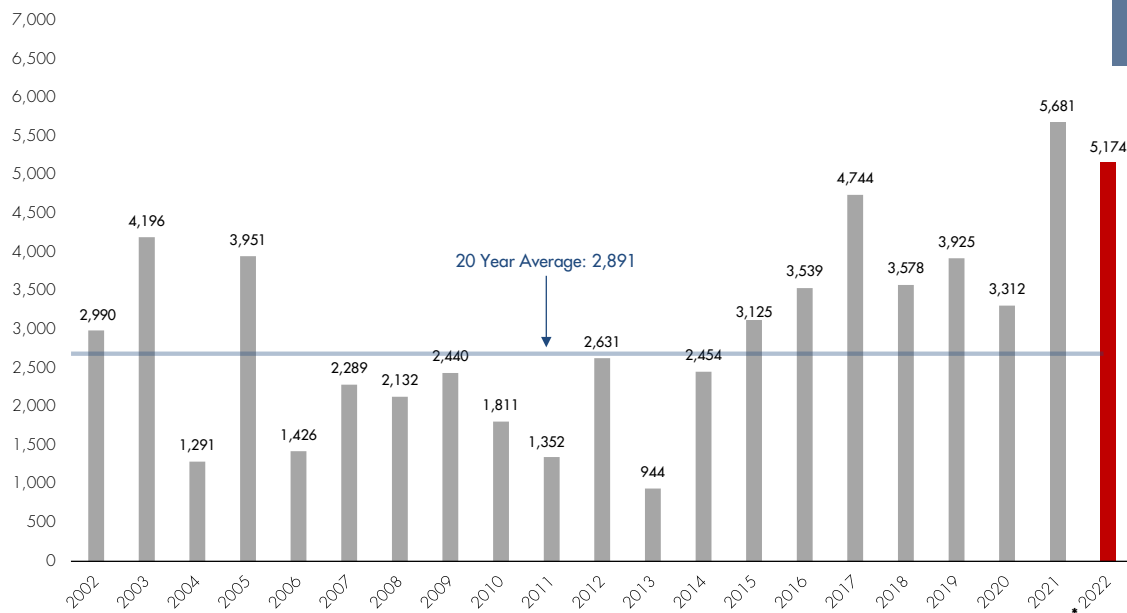
	# of Transactions	Avg Price/Unit	Avg Price/SF
<b>2010+</b>	<b>10</b>	<b>\$497K</b>	<b>\$715</b>
<b>2000-09</b>	<b>1</b>	<b>\$308K</b>	<b>\$376</b>
<b>1990-99</b>	<b>7</b>	<b>\$250K</b>	<b>\$273</b>
<b>1980-89</b>	<b>20</b>	<b>\$353K</b>	<b>\$400</b>
<b>Pre-1980</b>	<b>106</b>	<b>\$308K</b>	<b>\$422</b>

# COMPLETED CONSTRUCTION

## SAN DIEGO MSA CONSTRUCTION PIPELINE – YE 2022



## SAN DIEGO MULTIFAMILY CONSTRUCTION PIPELINE YE 2022



**TOTAL UNIT INVENTORY**  
 10+ UNIT PROPERTIES: **320,079**  
 100+ UNIT PROPERTIES: **197,139**

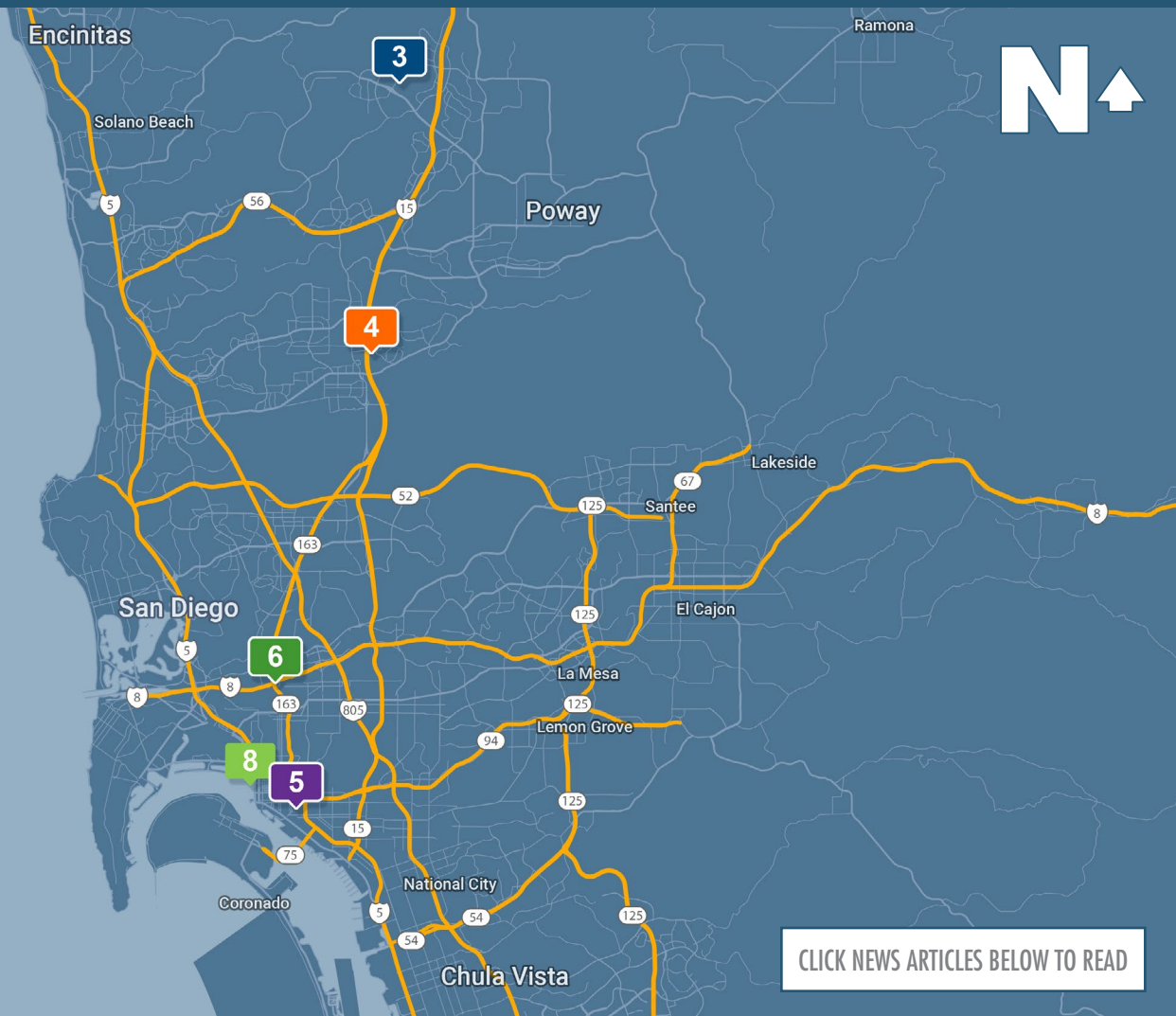
**RECENTLY COMPLETED**  
 TOTAL # OF UNITS: **5,174**  
 TOTAL # OF PROPERTIES: **36**

**UNDER CONSTRUCTION**  
 TOTAL # OF UNITS: **7,963**  
 TOTAL # OF PROPERTIES: **56**

**PLANNED**  
 TOTAL # OF UNITS: **15,974**  
 TOTAL # OF PROPERTIES: **71**

\* Project Units Delivered. Project units delivered is based on when the total project is completed, not as individual buildings/units are delivered

# ABI GEONEWS: SAN DIEGO MSA - SELECT NEWS



**Regional San Diego**  
San Diego County tackles housing shortage with general plan changes

**Regional Trammell Crow Residential**  
Developer Looks To Boost Apartment Supply in Busy San Diego Neighborhood

**Regional San Diego**  
For-Sale Housing Market Hits a Snag But Rents Rising

**8 The Michaels Organization**  
San Diego Taps The Michaels Organization to Provide Housing in Downtown Redevelopment

**3 Amazon**  
Amazon keeps growing in San Diego and Tijuana. Chances are it won't stop

**Regional San Diego**  
California Gov. Signs Landmark Duplex and Lot-Split Legislation into Law

**4 San Diego**  
Court upholds density bonus law that exempts certain housing projects from local restrictions

**Regional San Diego**  
San Diego Apartment Demand Accelerates, Bucking National Trend

**5 Downtown San Diego**  
Residential Towers Proliferate in Downtown San Diego

**Regional San Diego**  
Balance Returning to San Diego Housing Market

**6 Apple**  
Apple Increasing San Diego Footprint

**Regional San Diego**  
San Diego County's housing future: Building up, not out



By: JAMES HALL

ABI DIRECTOR OF RESEARCH

# MULTIFAMILY INVESTMENT ACTIVITY REMAINS STRONG, DESPITE FED PIVOT AND INFLATIONARY PRESSURE

## A PERIOD OF REFLECTION AND WHAT'S A FED PIVOT?

It was a tumultuous year for global capital markets, and asset prices, which had to contend with a broad array of geopolitical and economic headwinds. The year began with plenty of tailwinds and optimism, as Federal stimulus, and relief efforts to counteract the coronavirus enabled a sharp rebound in economic activity. The U.S. recovery outpaced all its major trading partners, except China, as its coordinated expansionary fiscal and monetary response facilitated one of the strongest economic recoveries in history.

The U.S. Congress, and the Federal Reserve (the Fed), responded in force to support the economy and mitigate the negative effects the pandemic-induced recession posed on the population, and broader economy. The recession was a unique

economic shock, and presented a challenge to policymakers. Specifically, it made greater demands on both fiscal and monetary policy, which triggered the need for closer domestic macroeconomic policy coordination.

The National Bureau of Economic Research (NBER), the acknowledged arbiter of business-cycle dating, determined that the recession (the period from the previous high – to the trough) lasted only two months: March and April 2020. However, the steps taken by federal, state, and local officials to mitigate the spread of the virus limited economic activity, leading to a sudden and deep recession with millions of jobs lost. During this period, the economy shrank 29.9%, the fastest quarter-over-quarter contraction since the Great Depression. Comparatively, at the height of the Financial Crisis / “Great Recession” (08-09), the economy contracted by 8.5% in Q3 2008.

The robust fiscal support was the backdrop to this demand-driven recovery; however, unlike the Financial Crisis (08-09), lackluster demand for U.S. Treasuries led to a greater reliance and use of Central Bank balance sheets. To prevent financial market disruptions from intensifying the economic damage, governments around the world coordinated extraordinary macroeconomic measures to offset the global economic capitulation that occurred. Government-induced lockdowns, uncertainty, and an incalculable human and economic toll led to unprecedented levels of support by central banks and governments. In the U.S., the scale and speed of the fiscal response, totaling more than \$5 trillion, or more than 20% of GDP, was facilitated by the Fed. It's this critical relationship, and expansion of policy that helped the U.S. fare better than most of its trading partners.

The recovery, which began in the second half of 2020, highlighted a long-standing economic issue: the supply chain, and supply-side shortfalls within the economy. As the demand-driven recovery took hold, a supply and demand imbalance caused inflationary pressure to emerge across the economy.

Initially, landlords were concerned that lower median household income, coupled with high unemployment, would lead to higher evictions and vacancy rates. However, renewal rates – which had been climbing steadily since 2010 – were boosted in 2020 as many renters were unwilling or unable to relocate due to the COVID-19 pandemic. As a result, vacancy rates remained stable in 2020, increasing just 0.2% to 6.6%. Data sourced from the RealPage platform indicates that 53.3% of renters with leases expiring in July 2020 chose to renew their lease and stay put, rather than move out – the highest recorded renewal rate in history for July.

Since people always need housing, the multifamily market has historically outperformed other commercial real estate classes. In contrast, the office and retail sector, which ebbs and flows dramatically with supply-and-demand cycles, underperformed. However, the multifamily market typically remains stable

and often continues to grow when other parts of the market constrict. Development activity across the U.S. has increased over the past 5 years, growing at an average rate of 2.2% per year. This compares to an average growth rate of 1.6% between 2005 and 2022. Although elevated, the dearth of construction between 2010 and 2012 has meant that the total inventory levels are still below the optimum level.

During the pandemic, the multifamily market outperformed the broader market in 2020 and 2021, bolstered by economic stimulus from the federal government. Average asking rents increased 0.7% in 2020 to \$1,411 per month, as Federal programs ensured accommodative actions by landlords. The CARES Act established a 120-day eviction moratorium for evictions based on non-payment of rent for certain covered properties. The stated purpose of the order was to prevent the further spread of COVID-19, specifically by preventing homelessness and overcrowded housing conditions resulting from evictions. According to the National Multifamily Housing Council (NMHC), the share of households meeting their rent obligations ranges between 93% and 95% for each month since the initial U.S. outbreak, in most months off no more than two percentage points from pre-pandemic levels.

Inflation is surging at the fastest rate in more than four decades, with the Consumer Price Index (CPI) up 6.5% over the past year, while the Personal Consumption Expenditure (PCE) price index up 5.0% by year-end 2022. The headline inflation rate broke the congressionally mandated 2% threshold in April 2021 and has remained above that threshold since. As nationwide inflation became entrenched within the economy, landlords began to increase asking rents, after maintaining rental rates throughout 2020. Average asking rents increased 11.0% in 2021 to \$1,566 per month; despite this rapid increase in rents, the vacancy rate dropped 180 bps to 4.9%. Single-family home prices skyrocketed due to a supply shortage. Would-be homeowners were priced out of the market, which led to a surge in the demand for multifamily units. As COVID-19



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restrictions became relaxed globally, rental demand, coupled with strong construction, led to an increase in the vacancy rate. The vacancy rate increased 140 bps to 6.3% as higher asking rents reduced demand for multifamily units.

To combat inflation, the Fed began unwinding its balance sheet, and increasing interest rates (“a Fed Pivot” - reversing the course of interest rate policy) in March 2022; while Congress passed the Infrastructure Investment and Jobs Act Bill (Infrastructure Bill), in November 2021. The bill outlines a plan to invest \$1.2 trillion over the next 5 years into key infrastructure projects across the nation. It is estimated that the bill will create 1.2 million jobs per year.

In March 2022, the Fed began reversing the course of monetary policy, unwinding its \$8.9 trillion balance sheet after years of “easy money”, while increasing interest rates to combat inflation. By year-end 2022 the Fed had reduced its balance sheet by roughly \$414 billion. During this period, the Fed also increased the ‘effective’ Federal Funds Rate (EFFR) from 0.0% - 0.25% to 4.25% - 4.50%. This represents the fastest interest rate hike in the history of the Fed. Interest rate hikes are a key tool of monetary policy as the increase in rates suppresses demand by increasing borrowing costs. However, the increase in borrowing costs also impacts the Federal government, or more specifically, Congress. Currently the U.S. pays \$562 billion a year in interest alone. The extensive use of fiscal and monetary policy during the pandemic limits the U.S. government.

By the end of 2022, the global bond market saw its 6th worst performing year since 1701 (the first period of accurate bond data historically). The rate at which the Fed increased interest rates is truly unprecedented. However, year-end data is showing positive signs for the economy. The World Bank, and other major institutions; including, Goldman Sachs and BlackRock have warned about stagflation risks. This appeared to be a real concern in the first-half of 2022; however, this risk appears to have been abated in the second half of 2022.

The U.S. economy expanded 2.9% in the final quarter of 2022, compared to the previous quarter, after contracting in the first two quarters of 2022. Additionally, employers added 4.5 million non-farm jobs over the previous 12-month period, as the unemployment rate reached pre-pandemic levels, declining 40 bps to 3.5%. Inflation appears to have been subdued too, declining 250 bps to 6.5% since peaking in June 2022. Although this remains well above the 2% threshold, the strong downward trend will cause the Fed to reduce its rate of future hikes. Based on this, we foresee the Fed only increasing rates by 25 bps at its next two FOMC meetings, with the headline Federal Funds Rate reaching 4.75% - 5.00% by year-end 2023.

## TRAJECTORY OF NATIONAL ECONOMICS AND THE FUNDAMENTALS OF THE SAN DIEGO MSA:

During 2022, inflation remained a leading concern across the nation; however, the impact of inflation varied across the United States. Nationwide, inflation increased at an annual rate of 6.5% at the end of YE 2022. According to the Bureau of Labor Statistics, the Western Region of the country, which includes the San Diego Metropolitan area (MSA), recorded a 6.2% increase in prices compared to the same period last year, which is down roughly 2% from Q3 2022. The State of California ranks amongst the top 10 highest year-over-year change in prices, as the 13% state inflation growth over the past 24 months has increased the cost of living by \$9,953 per year.

The San Diego MSA remains entrenched in inflation, though consumer prices eased both locally and nationally last quarter. The San Diego MSA has consistently reported strong labor force growth over the past decade. This has driven demand for labor, which increased 3.2% over the previous 12-months, or by 48,400 employees, reducing the unemployment rate of the San Diego Metropolitan area from by 0.9% at year-end.

The San Diego MSA alone accounts for 8.7% of the total jobs in California, with nearly 1,545,000 individuals currently employed in the area. The metro has also contributed 7.2% of the state’s overall job growth in 2022, while the rest of the state experienced a similar trend, adding 675,000 jobs over the same timespan (BLS).

Despite total transaction volume declining 29.4%, to \$3.7 billion, the multifamily market remains strong. The average price per unit increased 19.8% over the previous 12-month period. This is partially due to interest rates, and prices which dampened demand across the city.

Rental rates increased 5.2% to \$2,320-a month at the end of 2022, compared to the same period last year. Growth slowed over the previous quarter, although up over the previous year,

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asking rents declining 1.5% in the final quarter of 2022. Although considerably higher than the average asking rents across the nation, this pales in comparison to the average cost of home ownership.

As rates increased over the past 12-month period, the average monthly cost of a single-family property rose to \$4,833. This monthly cost has decreased since interest rates peaked in early November. The rapid increase in standard monthly mortgages has begun pushing more residents towards renting, leaving 46% of properties in the metro area as renter-occupied (U.S. Census Reporter).

With this increase in the cost of living, the county has also been forced to institute increases in wages, beginning with a minimum wage increase of \$1.30 per hour to \$16.30 at the beginning of 2023. This minimum wage rate is among the highest in the country; however, the rental rates and median home prices' correlation make San Diego a highly unaffordable market for most.

At the beginning of 2022, the majority of the industries within the San Diego MSA saw between a 3-7% increase in wages, with the highest bump coming from the Business Services sector at 9.9%. Towards year-end, those figures have continued to migrate upward, and ended the year between a 5-10% growth rate over the previous 12 months. On a large scale, that type of wage growth is exponential; however, with the state inflation growing at a faster rate, the current cost of living is driving people out.

The San Diego MSA reported a decline in population of -0.1%, or 3,600 people last year. The natural population growth across the metropolitan area helps offset negative net migration. The lack of affordable housing bodes well for the multifamily market, as would-be buyers are pushed into rental units. Limited space has been a driving factor in new developments. As infill opportunities decline, the broader MSA has benefited, leading to extensive new development. There were approximately 320,000 existing units among 10+ unit properties at the end of 2022, with just under 8,000 units currently under construction at year-end (CoStar). This figure represents a 6.8% increase from Q3 2022 and will contribute to a near 2.5% increase in existing inventory at completion. While this is a sizable expansion, this is still far lower than many major metropolitan areas across the nation.

## ATTRACTIVENESS OF THE SAN DIEGO MSA:

What differentiates the San Diego Metropolitan Area and the state of California from the rest of the nation boils down to updated state legislation, a push towards affordability, and shifts in migration.

A high priority dilemma being addressed by officials in the State of California is their current housing inventory compared to demand from the general population. Vacancy rates in the San Diego MSA currently sit at 3.6% across the multifamily sectors (CoStar). Due to this decrease in availability, coupled with a lack of affordability, California witnessed its first negative population change in the history of the state.

In addition to negative net migration, California witnessed an exodus of companies in 2020. Tight COVID restrictions, restrictive legislation, and a less competitive labor market caused 54 companies with over 100 employees to relocate since 2020, with 12 of those companies leaving in 2022 alone (Build Remote). Although this would upset typical states, California is the fifth largest economy of the world, and this decline represents a tiny fraction of the greater economy. However, continued restrictive business requirements, legislation, and taxes have complicated business dynamics.

Back in the earlier parts of 2022, California legislators made a push to change the housing sector via upzoning changes, and the comprehensive CA SB 9. This piece of legislation allows homeowners to create additional housing units by subdividing an existing single-family lot. What this provides for the state of California is more access to rental and ownership options for working families who are otherwise priced out of the market. Through this process, homeowners must comply with all local zoning regulations, and their additions cannot amass more than four total units. In providing this additional housing, California legislators are addressing their ongoing affordability crisis by making multifamily dwellings more accessible in areas of the state that call for a higher population density.

Coupled with CA SB 9, San Diego will bring the Measure C coastal height regulations to a vote, with the hope of lifting the current 30-foot building limit in the area. The initial intention of the amendment is for the development of a proposed mixed-use community in the city's sports arena property, which will help to revitalize a section of the MSA that has been neglected for decades. While this is nice, this vote could also have additional implications on the multifamily sector, allowing for additional mid-rise and high-rise developments to take place in order to address the metro's need for housing.

It is estimated that the San Diego metro requires 20,000 housing units annually over the next decade, yet only permits an average of 10,000 units on a yearly basis. With the institution of these key pieces of legislation, San Diego has the ability to implement much needed additional housing units through vertical building, and the utilization

of pre-existing single-family lots. As these legislations are implemented and regulations loosen, investors will once again seize upon the upside and opportunity that the San Diego MSA has to offer.

Furthermore, alongside the White House’s Bipartisan Infrastructure Law, over \$16.3 billion dollars in funding will be making its way to California. As with many other areas receiving funding, the money will be utilized to rebuild and repair the state's infrastructure with the purpose of combating climate change with resilience and durability. A large majority of the expenses covered by this funding will be going towards road, bridge, and public transit repair. Other projects being covered will include clean water, affordable internet, and airport improvements.


In 2022, the San Diego City Council added a new neighborhood scoring system. With the influx of money coming into the state, the metro area has developed a potential method of delegation in order to better serve lower income areas. A commitment towards these areas was established years ago, but there was no method of shifting the focus away from wealthier areas. The new scoring system will help those areas get new libraries, fire stations, parks, and other infrastructure projects faster.

A specific infrastructure plan proposed last year is the Green Streets Clean Water Plan, which strives to treat runoff from areas such as streets, sidewalks, etc. By doing so, this project creates additional urban greening and supports walking, biking, and transit use, which in-turn supports economic, health, environmental, and community benefits. In addition, the state is already slated to spend an additional \$140 million on pure water projects alone, further emphasizing the need for clean water infrastructure.

Another upcoming critical infrastructure project is the State’s investment on reliable high-speed internet. Under the Infrastructure Investment and Jobs Act, the State of California is receiving \$100 million dollars to further

provide internet coverage across the area. This could help an additional 550,000 Californians who lack coverage as of right now. With the internet being a 21st Century necessity, this project has the ability to drive job growth within the San Diego MSA.

The San Diego Airport also received \$110 million dollars allocated towards the improvement of Terminal 1. This new construction will implement a “modern and efficient facility that will improve the airport experience” (Federal Aviation Administration). This project will also include new features that reduce aircraft taxi times, which in turn will further help in reducing greenhouse gas emissions. Following a 60.5% growth in passengers from 2021, the San Diego airport is making a conscious effort to inspire travel to and from the area.

Despite some demographic challenges, our outlook for San Diego remains optimistic. Limited development and in-fill opportunities will continue to drive investment and rental demand. Home price affordability remains one of the lowest in the nation, which will facilitate strong absorption rates regardless of construction growth, and rental rates. Proposed affordable housing legislation may impact long-term rental rates, but in the near-term, strong wage growth, and employment opportunities will drive investment growth and opportunities across the metro. 

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# ABI COMPARATIVE MARKET REVIEW: YE 2022



**SAN DIEGO**



**PHOENIX**



**TUCSON**



**LAS VEGAS**

DEMOGRAPHICS

RENT/OCCUPANCY/CONSTRUCTION

SALES

<b>Total Population (2022*)</b>	<b>3,282,250</b>	<b>5,002,682</b>	<b>1,059,178</b>	<b>2,324,288</b>
<b>Unemployment Rate (YE 2022*)</b>	<b>3.2%</b>	<b>3.0%</b>	<b>3.4%</b>	<b>5.6%</b>
<b>Employment Growth (y-o-y)</b>	<b>3.1%</b>	<b>4.0%</b>	<b>2.1%</b>	<b>4.9%</b>
<b>Median HH Income (2022*)</b>	<b>\$95,415</b>	<b>\$79,838</b>	<b>\$63,611</b>	<b>\$65,805</b>
<b>GDP Per Capita (2022*)</b>	<b>\$85,621</b>	<b>\$67,307</b>	<b>\$49,593</b>	<b>\$61,425</b>
<b>Rent (YE 2022)</b>	<b>\$2,320</b>	<b>\$1,691</b>	<b>\$1,273</b>	<b>\$1,499</b>
y-o-y % Increase/Decrease	<b>5.2%</b>	<b>3.5%</b>	<b>7.2%</b>	<b>2.8%</b>
<b>Occupancy (YE 2022)</b>	<b>96.4%</b>	<b>94.1%</b>	<b>94.1%</b>	<b>93.5%</b>
y-o-y % Increase/Decrease	<b>-1.2%</b>	<b>-1.8%</b>	<b>-2.3%</b>	<b>-2.3%</b>
<b>Total Inventory (10+)</b>	<b>320,079</b>	<b>392,886</b>	<b>100,657</b>	<b>228,176</b>
<b>Total Under Construction (10+)</b>	<b>7,963</b>	<b>39,191</b>	<b>800</b>	<b>13,560</b>
<b>Units Delivered (10+, YE 2022)</b>	<b>5,174</b>	<b>11,985</b>	<b>592</b>	<b>2,896</b>
<b>Total Sales Volume (YE 2022)</b>	<b>\$3.68B</b>	<b>\$14.22B</b>	<b>\$1.55B</b>	<b>\$3.71B</b>
y-o-y % Increase/Decrease	<b>-29.4%</b>	<b>-16.0%</b>	<b>-15.0%</b>	<b>-26.7%</b>
<b>Average P/U (YE 2022)</b>	<b>\$371,413</b>	<b>\$315,618</b>	<b>\$172,821</b>	<b>\$254,746</b>
y-o-y % Increase/Decrease	<b>19.8%</b>	<b>24.0%</b>	<b>9.4%</b>	<b>23.6%</b>

\* Forecasted

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