

Colliers International Multi-Family MARKET REPORT



▶ Conclusions

SELLERS: Good Pricing

BUYERS: Financing readily available at very good rates.

San Diego County

The continuing story for San Diego County Multi-Family is rising rents, albeit at a slower pace.

Rental rates are up approximately 2% over the past 6 months and about 6% over the past 12 months. The overall vacancy rate shows a small uptick to 2.83% countywide. Sub-market vacancy rates, though, ranged from a low of 1.69% in East County to a high of 5.41% in the Central San Diego & surrounding area.

Average sales price per unit is up at \$188,000.00 per unit, but a close look at the stats over the past approximately 18 months, shows a slight flattening of this figure. Again, this is most likely due to a higher proportion of sales of lower quality buildings in B/C areas.

Somewhat surprising, proposed new development appears to be dropping at 6,416 units countywide.

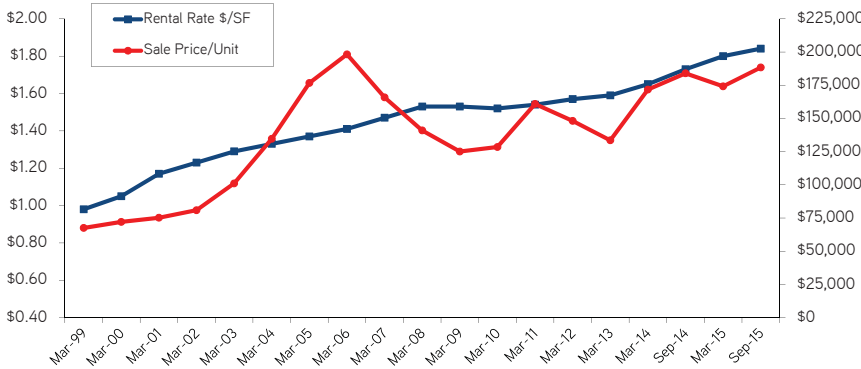
What is driving this market?

No big surprise here. Low mortgage rates and limited new supply are at play. Rent affordability appears to be starting to play a role.

IN CONCLUSION – Still a good market overall.

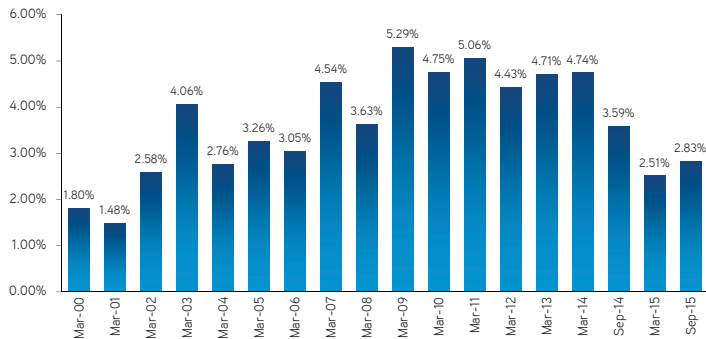
NOTE: CALCULATIONS BASED ON CHANGE OVER THE PAST 6 MONTH PERIOD.

San Diego County

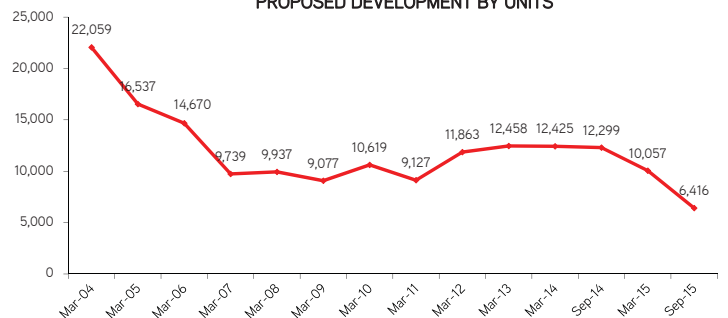


Period Ending	Rental Rate/SF	Sales Price Per Unit
March-05	\$1.37	\$176,683
March-06	\$1.41	\$198,226
March-07	\$1.47	\$165,820
March-08	\$1.53	\$140,952
Sept-08	\$1.56	\$136,466
March-09	\$1.53	\$125,063
Sept-09	\$1.53	\$118,492
March-10	\$1.52	\$128,476
Sept-10	\$1.52	\$171,468
March-11	\$1.54	\$160,857
Sept-11	\$1.57	\$112,845
March-12	\$1.57	\$148,122
Sept-12	\$1.58	\$135,177
March-13	\$1.59	\$133,528
Sept-13	\$1.69	\$198,836
March-14	\$1.65	\$171,738
Sept-14	\$1.73	\$183,946
March-15	\$1.80	\$174,153
Sept-15	\$1.84	\$188,358

SAN DIEGO VACANCY RATES



PROPOSED DEVELOPMENT BY UNITS



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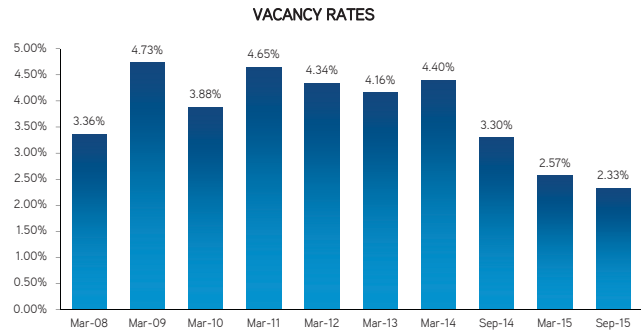
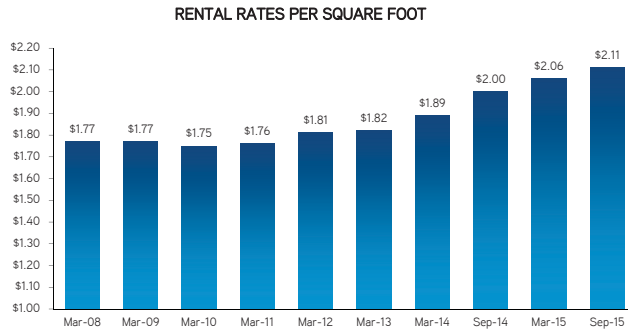
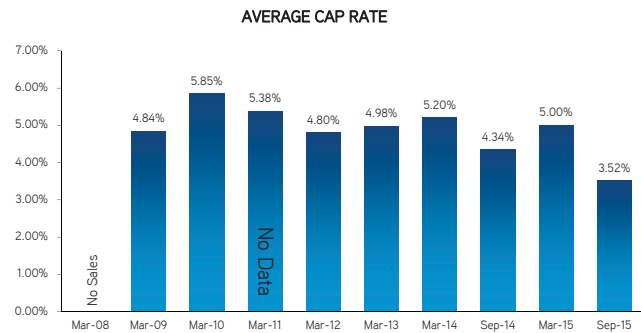
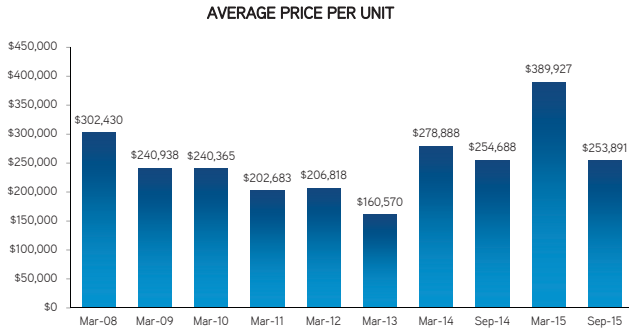


San Diego Coastal:

Carlsbad, La Costa, Cardiff, Del Mar, Leucadia, Encinitas, Solana Beach, La Jolla, Pacific Beach, University City, Torrey Pines, Ocean Beach, Mission Beach, Coronado, Carmel Valley, Point Loma, Rancho Santa Fe.

- Average Sales Price Per Unit-34.9% ■ Calculations based on change over the past six month period
- Average Rental Rate Per Square Foot+2.8%

April 2014 to September 2014

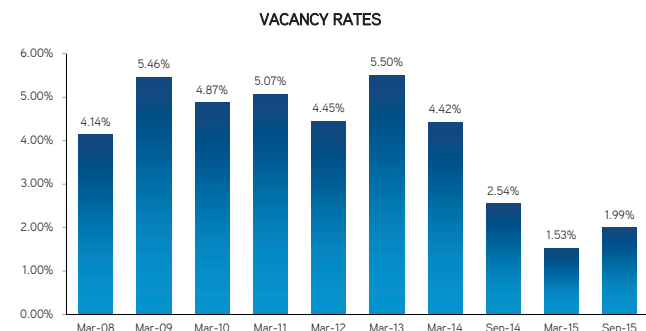
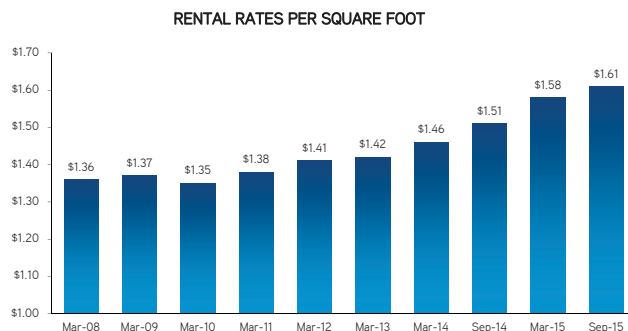
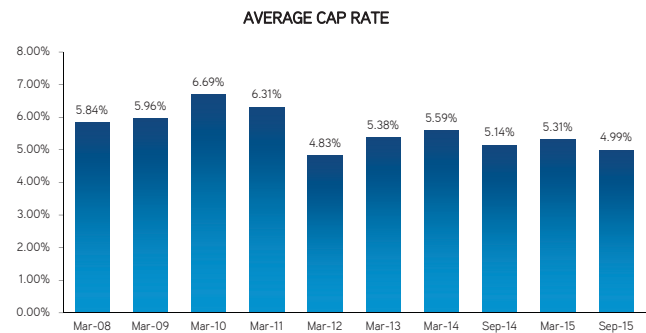
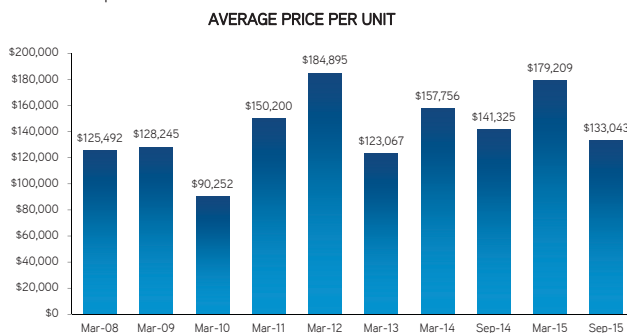


Highway-78 Corridor:

Oceanside, San Luis Rey, Vista, Fallbrook, Escondido, Bonsall, Valley Center, San Marcos.

- Average Sales Price Per Unit -25.8% ■ Calculations based on change over the past six month period
- Average Rental Rate Per Square Foot+2.1%

April 2014 to September 2014



Source: Sales and cap rate data derived from Costar Comps, 10+ units in areas as listed above.
 Rental/vacancy data provided by MarketPointe. Current data is for the last 6 month period for similar geographic areas.

