

# Colliers International Multi-Family MARKET REPORT



## ▶ Conclusions

**SELLERS:** Strong Pricing

**BUYERS:** More product appears to be coming on line at today's higher prices.

## San Diego County

The big story for San Diego County Multi-Family is rising rents. Rental rates are up approximately 4% over the past 6 months and 9% over the past 12 months. Contributing to the strong rental market is an overall vacancy rate of 2.51%, the lowest we have seen since March 2001, 14 years ago.

Average sales price per unit remains strong, but generally reflects sales of lesser quality buildings. In other words, the average price per unit, which has been generally flat over the past year, increasingly reflects sales of buildings of lower quality. Rehabbing/upgrading of buildings by new owners typically yields a nice "pop" in rents.

Proposed new development appears to be dropping at 10,057 units countywide, approximately 18% lower than the last reporting period, 6 months ago.

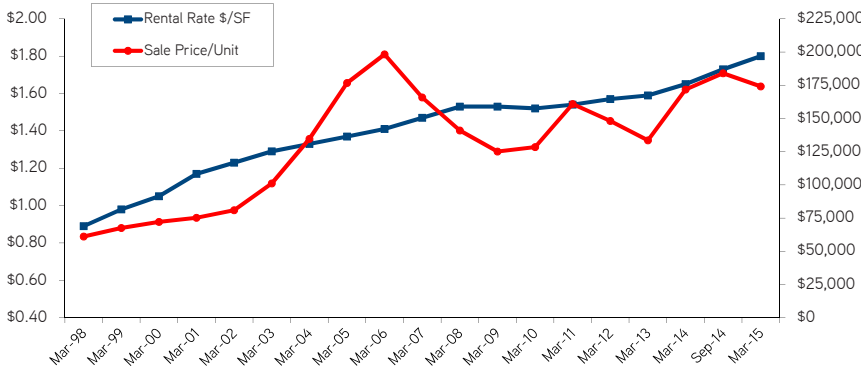
## What is driving this market?

Simply said, this market is driven by increased number of renters, limited new supply, and historically low mortgage rates.

**IN CONCLUSION** – The multi-family rental market continues to be very strong.

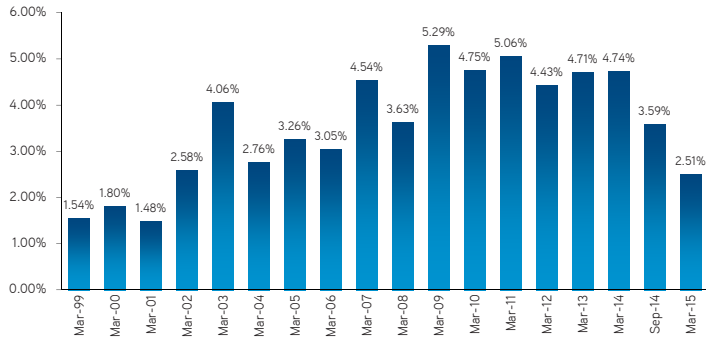
NOTE: CALCULATIONS BASED ON CHANGE OVER THE PAST 6 MONTH PERIOD.

## San Diego County

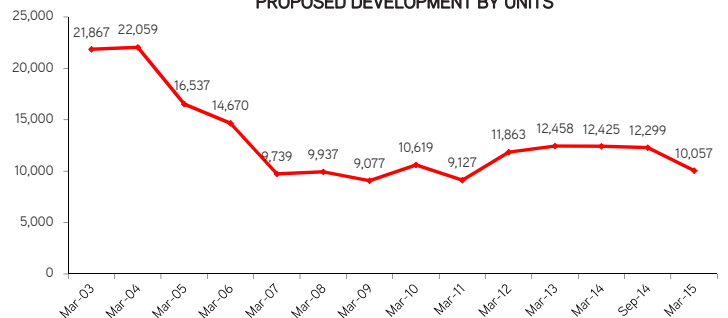


Period Ending	Rental Rate/SF	Sales Price Per Unit
March-04	\$1.33	\$134,671
March-05	\$1.37	\$176,683
March-06	\$1.41	\$198,226
March-07	\$1.47	\$165,820
March-08	\$1.53	\$140,952
Sept-08	\$1.56	\$136,466
March-09	\$1.53	\$125,063
Sept-09	\$1.53	\$118,492
March-10	\$1.52	\$128,476
Sept-10	\$1.52	\$171,468
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

## SAN DIEGO VACANCY RATES



## PROPOSED DEVELOPMENT BY UNITS



## Colliers Multi-Family Advisory Group



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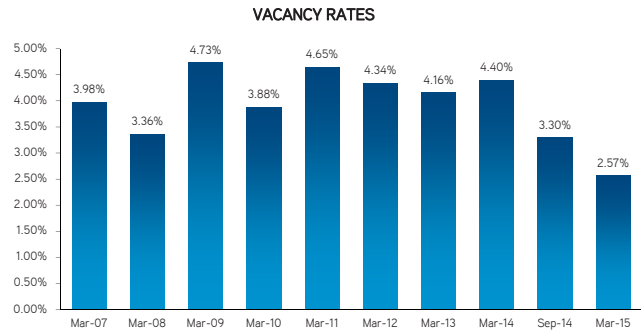
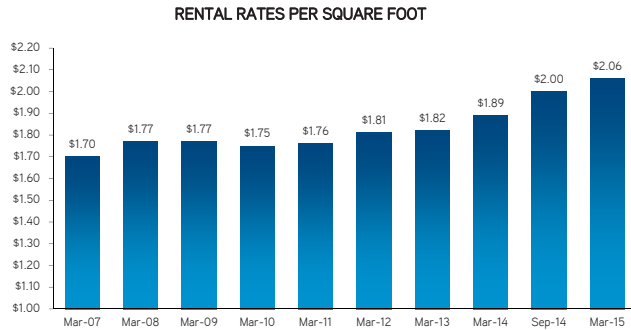
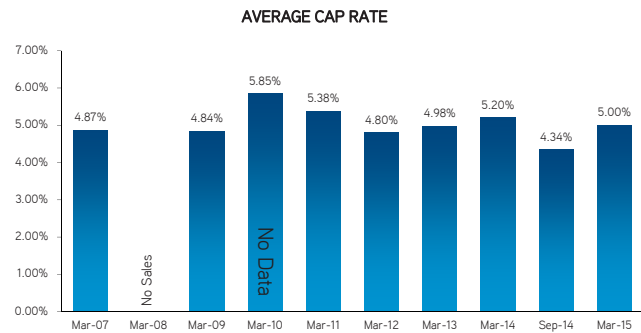
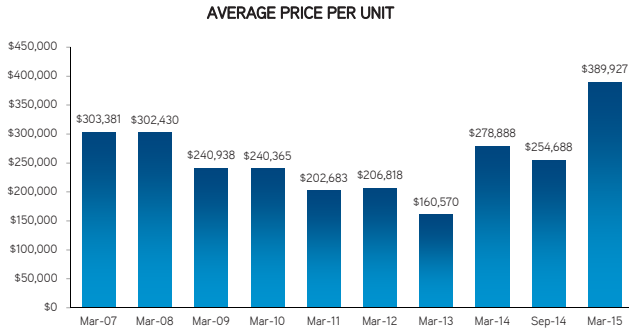


## San Diego Coastal:

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 ..... +53.1%    ■ Calculations based on change over the past six month period
- Average Rental Rate Per Square Foot ..... +2.9%

April 2014 to September 2014

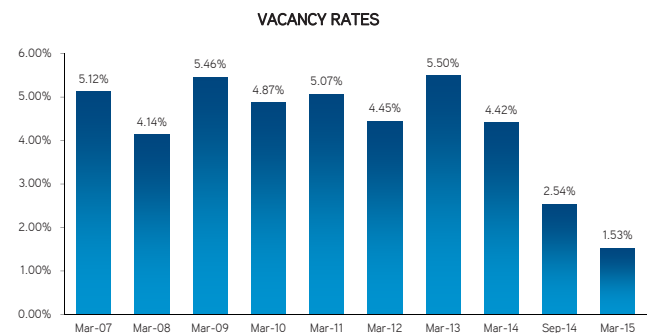
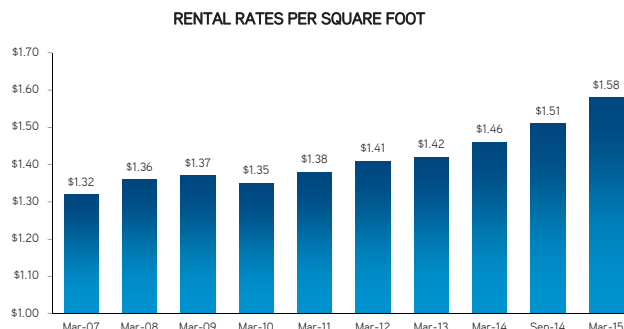
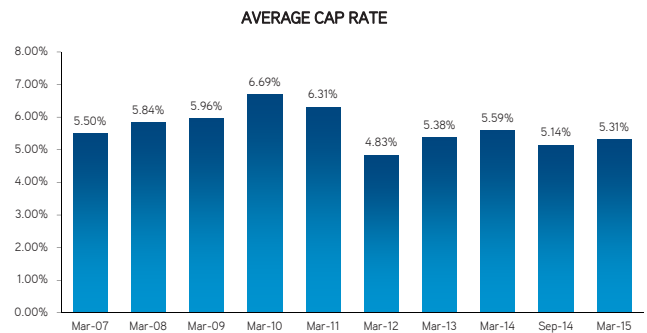
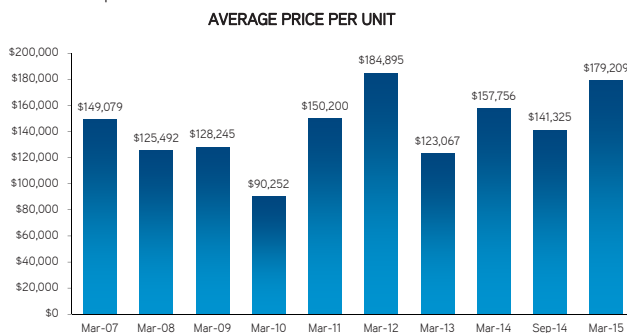


## Highway-78 Corridor:

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

- Average Sales Price Per Unit ..... +26.8%    ■ Calculations based on change over the past six month period
- Average Rental Rate Per Square Foot ..... +4.4%

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.



