Demand Moderates Following a Near-Record First Half

▼ 95.8%	▼ 64	▲ 975	▲ $2,895
Occupancy Rate	Net Absorption (Units)	Completed Units	Avg. Rent Per Unit Per Month

Note: Arrows indicate change from previous quarter.
Source: CBRE Econometric Advisors, Q3 2026.

MARKET HIGHLIGHTS

— Occupancy decreased by 20 basis points quarter-over-quarter (Q-o-Q) to 95.8%, though the figure remained above the three-year average of 95.6%.

— Historically, Q3 has been San Diego's second-strongest demand period, but for a second consecutive year, demand was muted: 64 units of positive net absorption were recorded, the lowest total since Q3 2025.

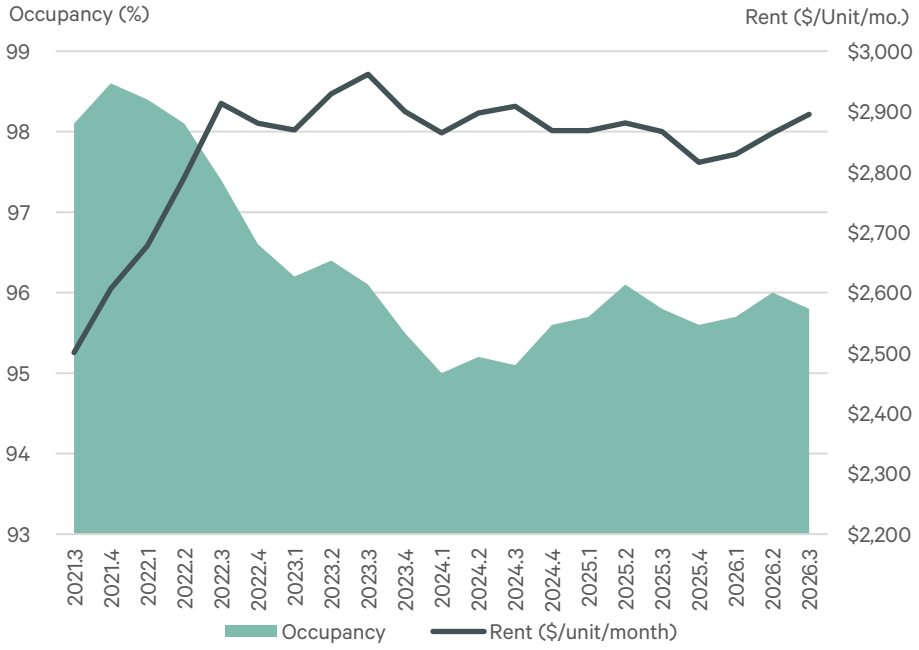
— Six of the county's 13 submarkets posted positive net absorption in Q3, led by Carlsbad/Encinitas/Del Mar (182 units), La Jolla/University City (166 units), and Far North San Diego (159 units).

— While the metropolitan area gained 975 new units, exceeding the 687 units delivered in Q2, new inventory remained well below the pace of 2021-2025, when an average of 1,243 units per quarter came online.

— Rents continued to inch higher, rising by 1.1% Q-o-Q to $2,895 per month per unit, while year-over-year, the average asking rent increased 1%, from $2,867 per month per unit in Q3 2025.

— Thanks to two large-scale portfolio sales, $1.36 billion in multifamily sales were recorded in Q3, the highest quarterly sum since Q4 2021. The average price per unit rose to $422,020, a 1.2% Q-o-Q increase.

FIGURE 1: Occupancy and Average Rent Per Unit Per Month



Source: CBRE Econometric Advisors, Q3 2026.

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Market Overview

FIGURE 2: Market Statistics by Submarket

Market	Inventory (Units)	Rent Per Unit Per Month	Completions (Units)	Completions (12 mos)	Net Absorption (Units)	Net Absorption (12 mos)	Vacancy Rate (%)
Total Market	332,893	$2,895	975	6,392	64	6,076	4.2
Carlsbad/Encinitas/Del Mar	19,201	$3,556	273	707	182	645	3.4
Chula Vista/Imperial Beach	34,679	$2,742	0	727	(243)	556	4.7
Downtown San Diego/Coronado	26,900	$3,172	0	348	(240)	287	7.1
El Cajon/Santee/Lakeside	25,947	$2,306	0	19	(6)	(37)	4.0
Escondido	15,710	$2,324	0	43	(51)	(76)	4.2
Far North San Diego	20,149	$3,024	228	699	159	780	3.1
La Jolla/University City	18,183	$3,430	0	0	166	296	2.0
La Mesa/Spring Valley	17,369	$2,548	0	0	(57)	(78)	4.4
Mid-City/National City	55,792	$2,423	346	1,150	34	896	3.9
Northeast San Diego	20,835	$3,022	48	550	37	495	4.5
Northwest San Diego	43,113	$2,764	80	1,397	(79)	1,258	4.5
Oceanside	18,127	$2,707	0	166	(105)	57	4.3
Vista/San Marcos	16,888	$2,658	0	586	43	606	3.5

Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 3: Market Statistics by Building Vintage

Year Built	Avg Rent	% Rent Growth (Y-o-Y)	Occupancy Rate (%)	Occupancy Change (Y-o-Y)
Built 1960s	$2,398	-0.8%	96.5	-0.1%
Built 1970s	$2,480	-0.1%	96.6	0.0%
Built 1980s	$2,632	1.0%	96.6	0.1%
Built 1990s	$3,032	1.3%	96.1	-0.1%
Built 2000s	$3,076	1.1%	96.1	-0.3%
Built 2010s	$3,314	2.1%	96.2	0.4%
Built 2020-present	$3,505	0.8%	94.1	0.9%

Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 4: Market Statistics by Unit Type

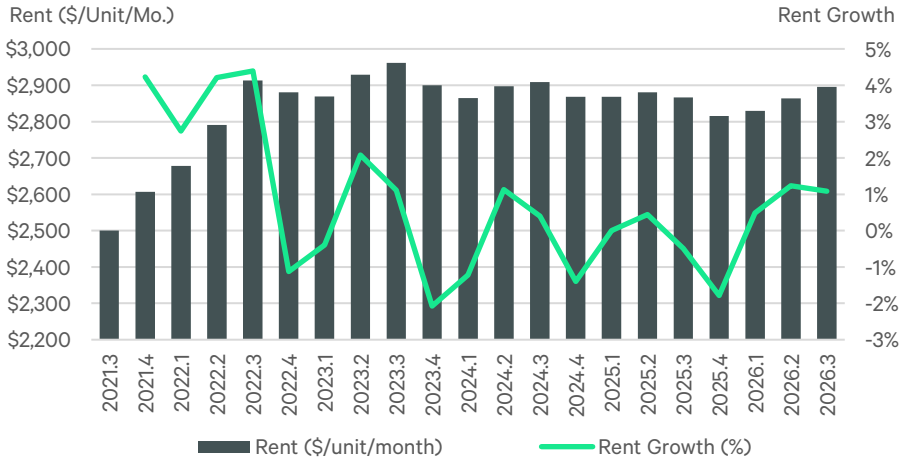
Unit Type	Avg. Rent	% Rent Growth (Y-o-Y)
Studio	$2,233	-0.5%
1 Bedroom	$2,545	1.8%
2 Bedroom	$3,138	2.1%
3 Bedroom	$4,012	3.0%

Source: CBRE Econometric Advisors, Q3 2026.

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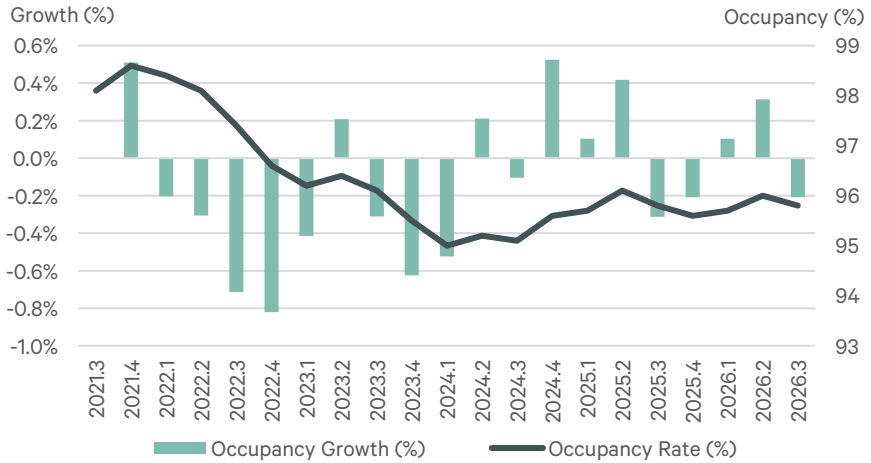
Average Rents and Occupancy

FIGURE 5: Rent Change Q-o-Q and Average Rent Trend



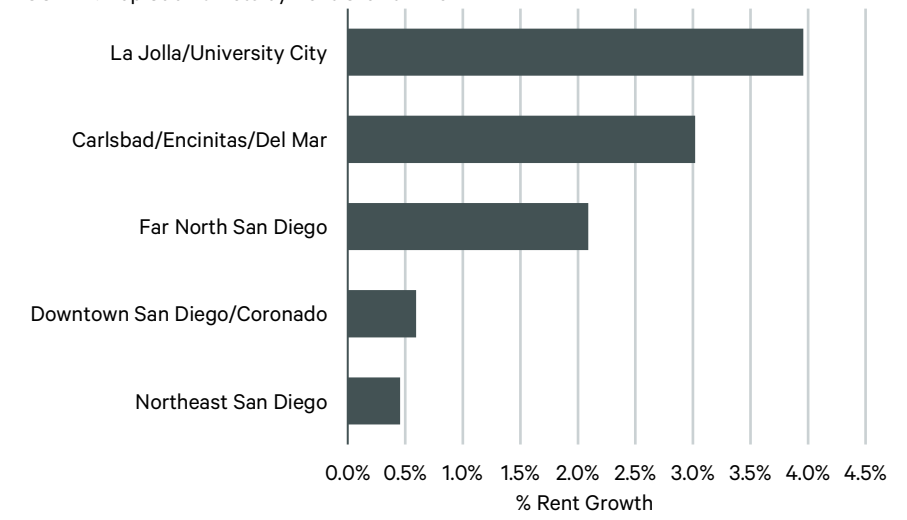
Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 6: Occupancy Change Q-o-Q and Occupancy Rate Trend



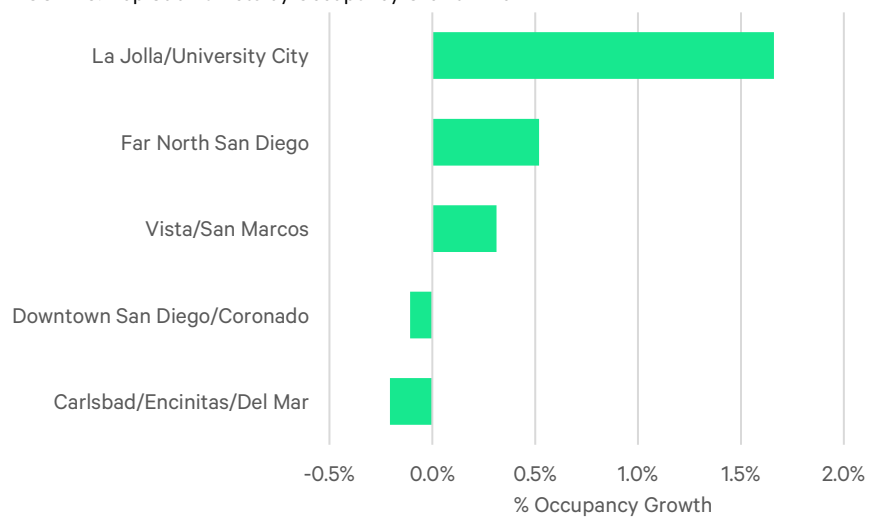
Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 7: Top Submarkets by Rent Growth Y-o-Y



Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 8: Top Submarkets by Occupancy Growth Y-o-Y

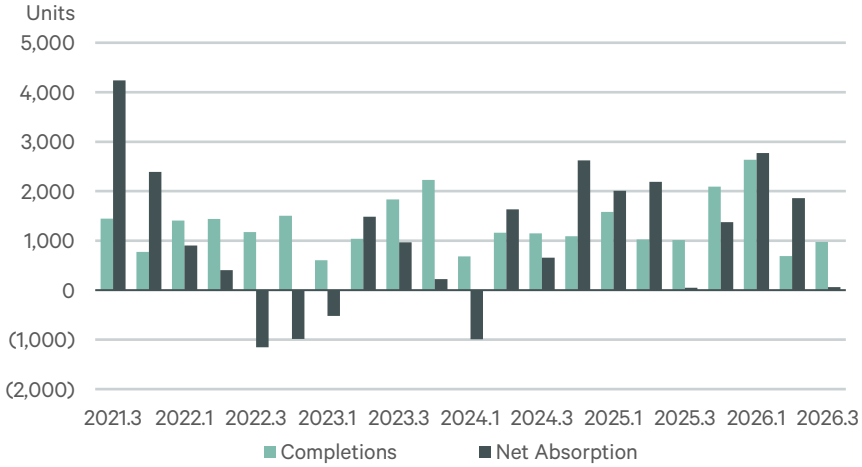


Source: CBRE Econometric Advisors, Q3 2026.

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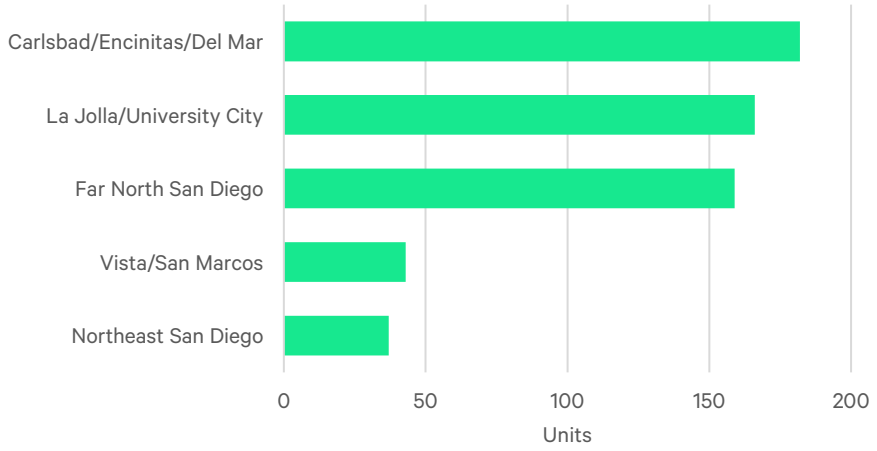
Construction, Net Absorption, and Detail by Inventory Type

FIGURE 9: Completions and Net Absorption



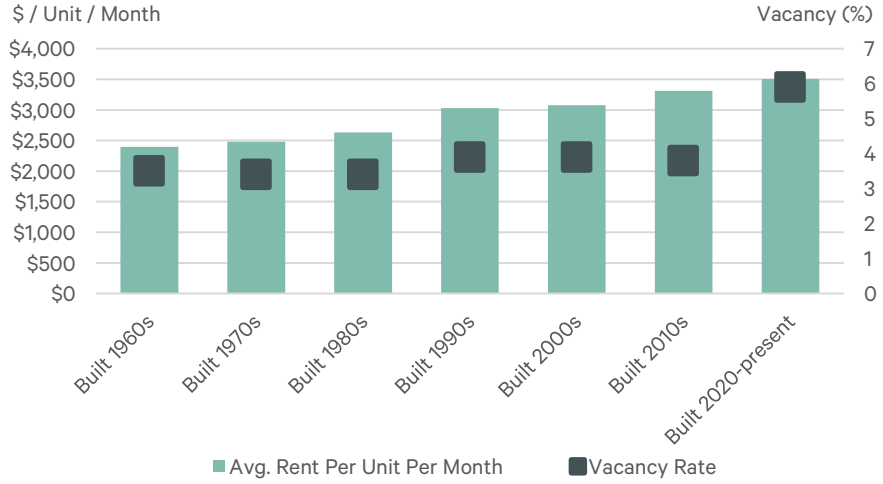
Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 10: Top Submarkets by Net Absorption



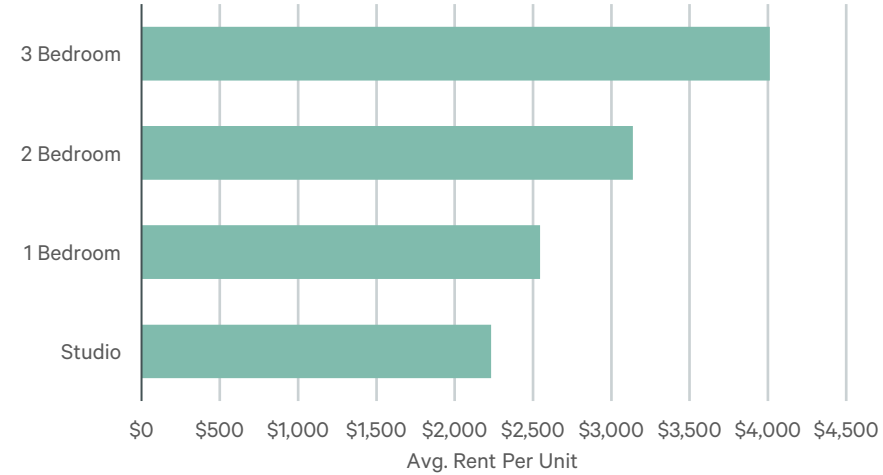
Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 11: Rent and Vacancy by Property Vintage



Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 12: Average Rent By Unit Size

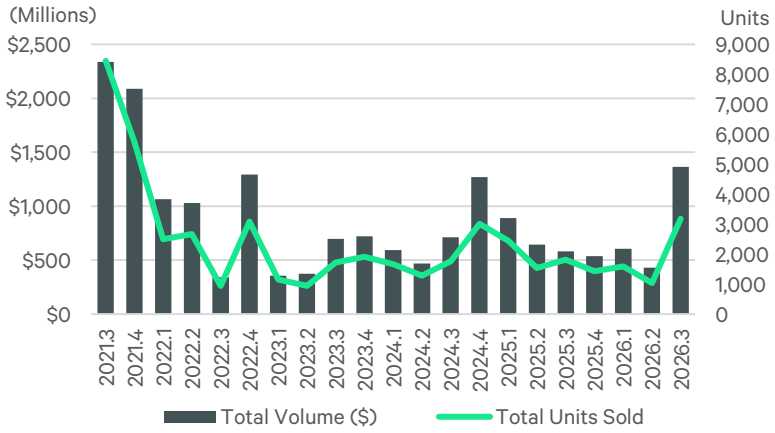


Source: CBRE Econometric Advisors, Q3 2026.

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Investment Sales

FIGURE 13: Multifamily Investment Sale Volume



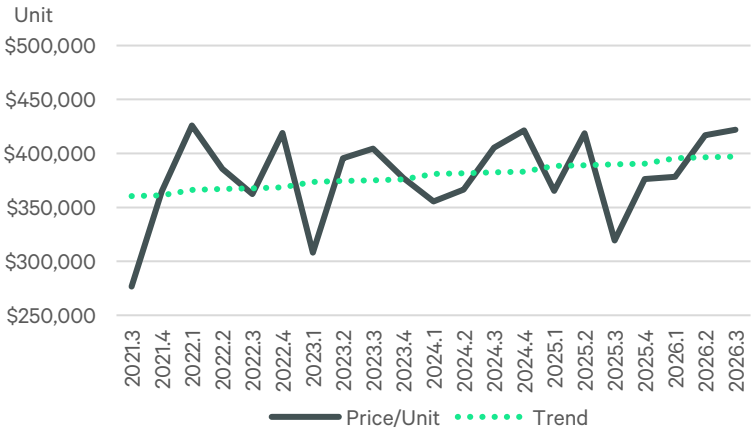
Source: MSCI Real Capital Analytics, CoStar, Q3 2026.

FIGURE 14: Q3 2026 Largest Sale Transactions by # of Units

Buyer	Property Name	City	Units	Sale Price	Price / Unit
BGO	West Apartments	San Diego	431	$342,039,924	$793,596
BlackRock	Sierra at Otay Ranch	Chula Vista	422	$196,000,000	$464,455
BlackRock	Camden Old Creek	San Marcos	350	$176,000,000	$502,857
BlackRock	Camden Tuscany	San Diego	160	$72,000,000	$450,000
BlackRock	Camden Hillcrest	San Diego	132	$73,000,000	$553,030
FPA Multifamily	625 Broadway	San Diego	232	$62,000,000	$267,241
GL Capital Partners	Gema Apartments	San Diego	230	$80,000,000	$347,826
Stratford Partners	Pacifica Palms Apartments	Escondido	189	$33,600,000	$177,778
BRIDGE Housing	Oakbrook Ridge	Spring Valley	128	$40,500,000	$316,406
TFT Capital I	Villa Capri	El Cajon	59	$13,250,000	$224,576

Source: MSCI Real Capital Analytics, CoStar, Q3 2026.

FIGURE 15: Multifamily Investment Sale Price Per Unit



Source: MSCI Real Capital Analytics, CoStar, Q3 2026.

FIGURE 16: Q3 2026 Multifamily Investment Sales by Building Vintage

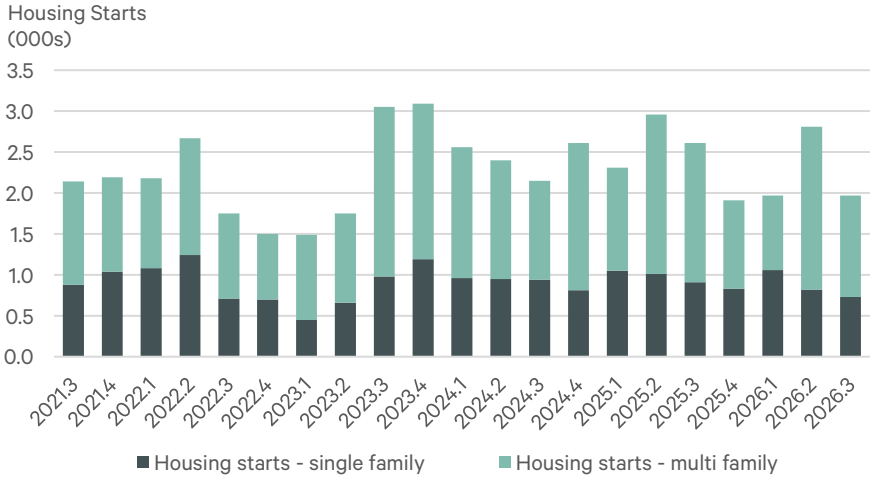
Year Built	Volume ($)	Property Count	Total Units	Avg. PPU
Pre-1960	$74,680,710	19	178	$419,555
1960s	$69,592,500	10	329	$211,527
1970s	$122,593,833	11	424	$289,136
1980s	$104,923,500	11	437	$240,010
1990s				
2000s	$550,224,713	12	1,234	$445,887
2010s	$2,000,000	1	5	$400,000
2020 - present	$438,000,000	2	563	$777,975
Grand Total	$1,362,015,256	66	3,170	$377,931

Source: MSCI Real Capital Analytics, CoStar, Q3 2026.

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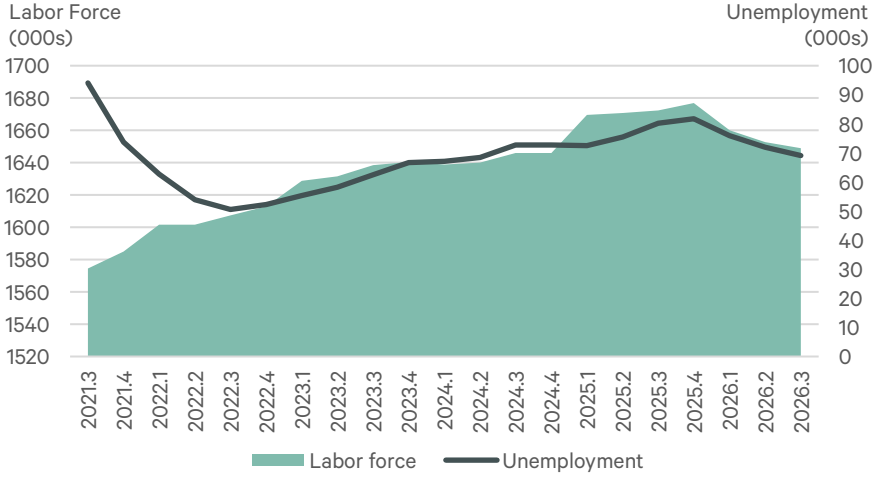
Economic Overview

FIGURE 17: Housing Starts



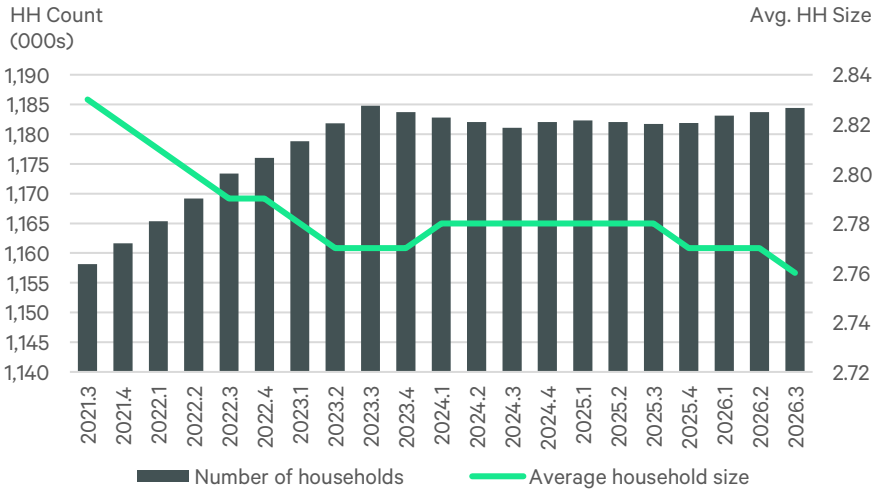
Source: Oxford Economics, Q3 2026.

FIGURE 18: Unemployment



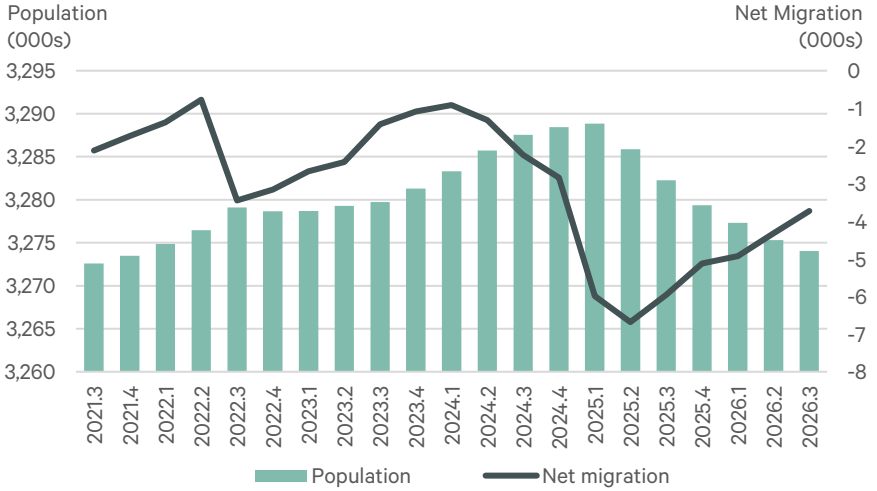
Source: Oxford Economics, Q3 2026.

FIGURE 19: Household Count & Average Size



Source: Oxford Economics, Q3 2026.

FIGURE 20: Total Population & Net Migration



Source: Oxford Economics, Q3 2026.

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Multifamily Definitions

— Stock units: Total count of market-rate, multifamily units in structures containing five or more units. Does not include condos.
— Occupied Stock: Total count of occupied multifamily units.
— Rentable Completions: Change in rentable stock from one period to the next due to the construction of new multifamily units. Only includes market-rate units in structures containing five or more units. Does not include condos. A structure is considered complete when 60% or more of the building has been occupied.
— Net Absorption: Change in occupied stock from one period to the next.
— Vacancy Rate %: Unoccupied units expressed as a percent of rentable stock.
— Average Rent: Rent $/unit/month, $/SF/month Average price for multifamily space. Estimated from a sample of institutionally managed, market-rate properties with five or more units. Does not include condos. Properties must appear in current and previous quarterly sample ("same-store") to count toward this average. Rent levels represent effective rates that account for the impact of concessions offered in the form of free-rent periods or prorated discounts. Other leasing incentives such as reduced deposits, amenity upgrades and merchandise giveaways are not accounted for in the effective rent calculations.

Market Definition

The San Diego market consists of San Diego County.

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