



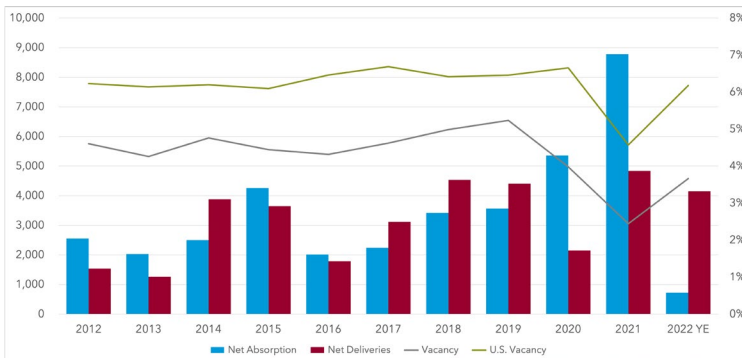
### MULTIFAMILY MARKET OVERVIEW

CONNOR MACOMBER, *Jr. Associate*

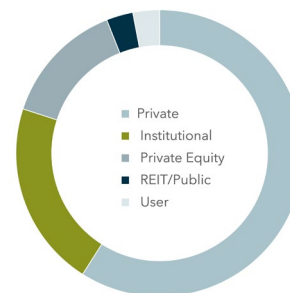
Multifamily vacancy rate is trending at 3.7%. Rents are up 4.9% year-over-year coming off the 12-month peak of 14% at the end of Q1 2022. The current construction pipeline of 7,300 units will not affect the vacancy rate due to the constant demand to live in San Diego. Price/unit increased by 15% across the country and 26% for San Diego County. Cap rates decreased nationwide from low 5%'s down to high 4%'s. Cap rates fell from 3.9% in 2021 to 3.845% in 2022. With rental rates increasing at a slower pace, investors are experiencing utilities, labor, and appliances increasing at a greater rate. Slower rent increases and higher expenses are narrowing the gap between the top and bottom lines, thus further creating strains on cap rates and ultimately bid vs asking prices on for sale multifamily.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Absorption Units	724	1,834	4,632	7,417	8,779
▲ Vacancy Rate	3.7%	3.4%	2.8%	2.6%	2.4%
▼ Asking Rent/Unit (\$)	\$2,321	\$2,357	\$2,349	\$2,258	\$2,206
▲ Under Construction Units	7,276	7,171	8,119	8,432	7,876
▲ Inventory Units	272,298	272,002	270,668	269,094	268,149

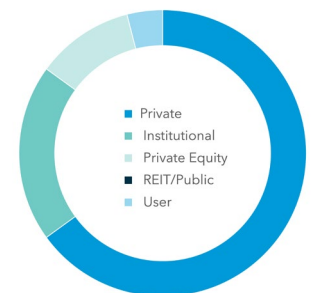
#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### SALE BY BUYER TYPE



#### SALE BY SELLER TYPE



\*\*Sale by Buyer' and Sale by Seller' Data is comprised of data from the previous 12 months.

TOP SALE TRANSACTIONS	SALE PRICE	NUMBER OF UNITS	BUYER / SELLER
5353 Baltimore Drive La Mesa, CA	\$141,000,000 \$347,291 Per Unit	406	WRPV XIV Veranda La Mesa LLC Pur Veranda, LLC
8798 Spectrum Center Boulevard San Diego, CA	\$184,600,000 \$487,071 Per Unit	379	Domain San Diego Apartments Owner MCREf Kearny Mesa, LLC
310 Del Sol Drive San Diego, CA	\$183,765,000 \$651,649 Per Unit	282	Bradbury/Felix Investors LLC T&C Lot 2 LLC

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME	TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Blackstone Inc.	\$363,145,000	Interstate Equities Corporation	\$193,300,000
Sekisui House	\$148,250,250	Bridge Investment Group	\$169,250,000
Island Capital Group LLC	\$128,870,118	Rockwood Capital	\$164,800,000
G.W. Williams Co.	\$127,700,000	Pacific Life Insurance Company	\$148,250,250
Jefferies	\$122,500,000	Waterton	\$141,000,000

