

If you are considering selling your apartment building, please call me for a confidential evaluation.

# Colliers International Multi-Family MARKET REPORT



## San Diego County

Average per unit prices show a statistical decline of about 6%, to \$161,000 per unit over the past 6 months. This decline is not particularly meaningful since the previous period showed a sharp spike up.

Clearly, the trend line is up over the past 18 months and some of the decline from the 2006 peak has been reversed. Typical cap rates are now generally in the range of 4.5% to 7%; still relatively wide. Higher quality properties and locations have again benefitted the most. Proposed new development continues its slow descent.

### ▶ Conclusions

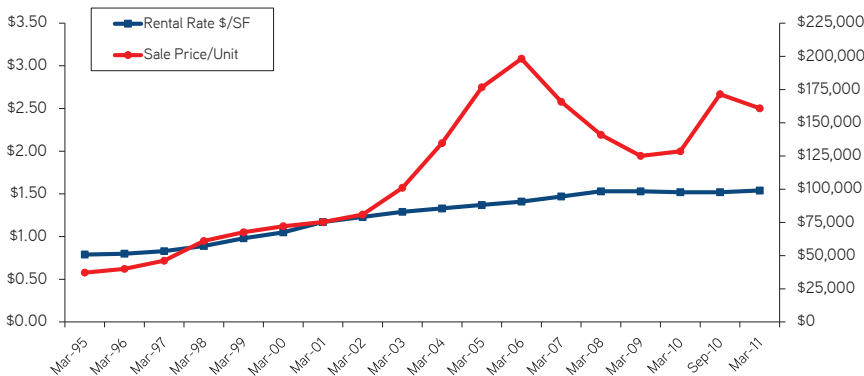
**SELLERS:** Good Pricing. Strong Buyer Interest.

**BUYERS:** Good Time to Buy and Finance at Historically Low Rates.

### WHAT KIND OF MARKET ARE WE IN?

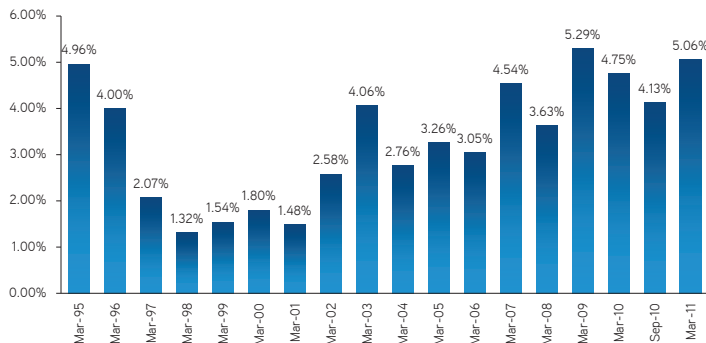
We are currently in a market that is good for Buyers and Sellers. For Buyers, the rent dynamics going forward appear to be good. Rents are up slightly ( $\pm 1.2\%$  over 6 months) and vacancy rates are stable at around 5%. For Sellers, the recent increase in Buyer interest has resulted in some cap rate compression (lower) and better prices. Availability of very desirable low rate financing (sub 5% range) is facilitating sales.

### San Diego County

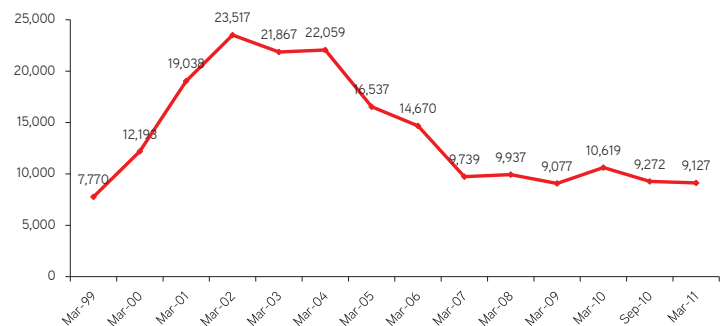


Period Ending	Rental Rate/SF	Sales Price Per Unit
March-00	\$1.05	\$72,094
March-01	\$1.17	\$75,216
March-02	\$1.23	\$80,864
March-03	\$1.29	\$101,043
March-04	\$1.33	\$134,671
March-05	\$1.37	\$176,683
March-06	\$1.41	\$198,226
March-07	\$1.47	\$165,820
Sept-07	\$1.50	\$144,924
March-08	\$1.53	\$140,952
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

### SAN DIEGO VACANCY RATES



### PROPOSED DEVELOPMENT BY UNITS



**Peter Scepanovic**  
 Senior Vice President  
 Direct 760.930.7940 Lic#00530832  
 peter.scepanovic@colliers.com

5901 Priestly Drive, Suite 100  
 Carlsbad, CA 92008  
 Tel: 760.438.8950 Fax: 760.438.8925

The information contained above and herein was obtained from sources deemed reliable. While the information provided is believed accurate, no warranties or representations, expressed or implied, are made to the accuracy of the information contained herein, and same is submitted subject to errors or omissions. Source: Costar Comps, MarketPointe Realty Advisors.

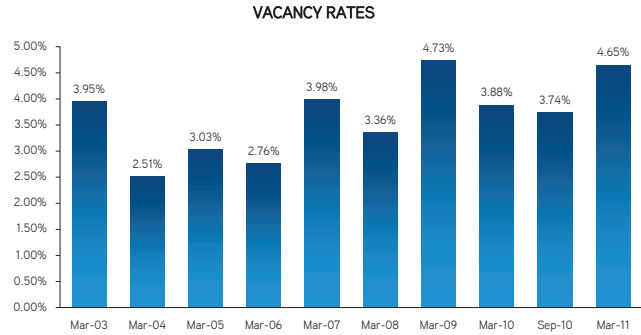
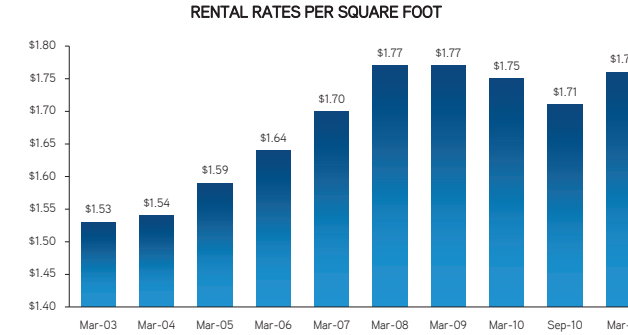
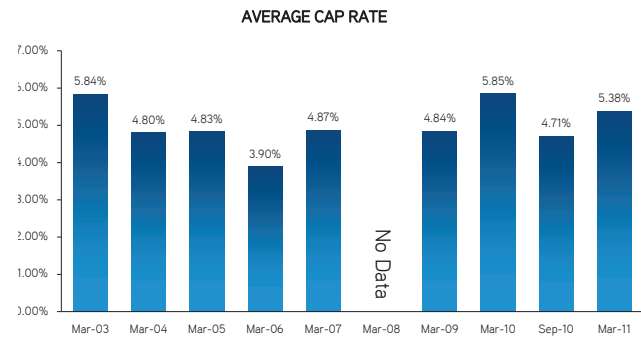
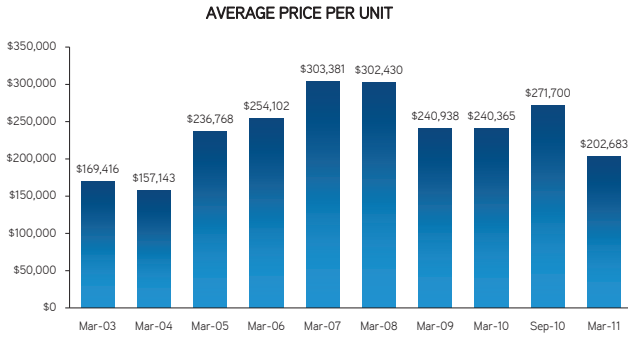


## San Diego Coastal:

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 ..... -25.4%
- Average Rental Rate Per Square Foot ..... +2.9%

March 2010 to September 2010

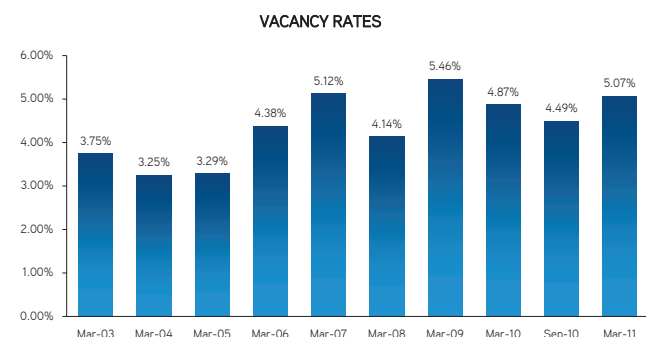
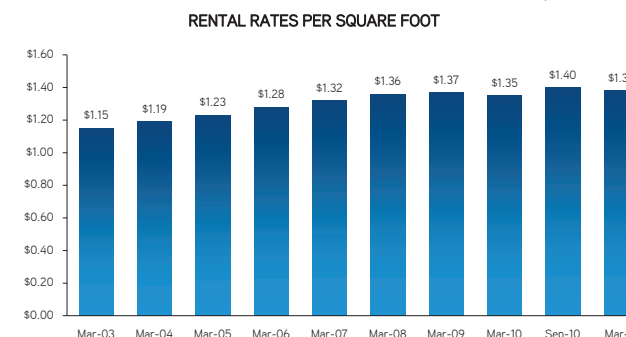
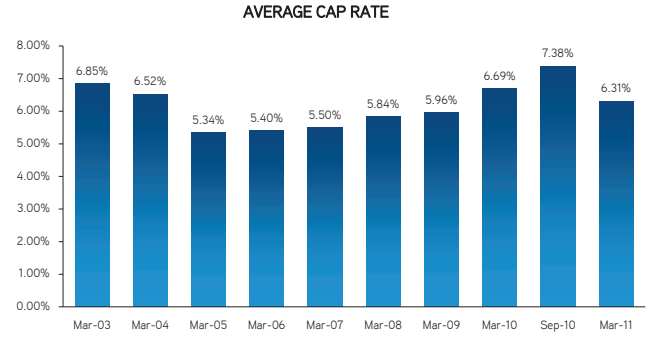
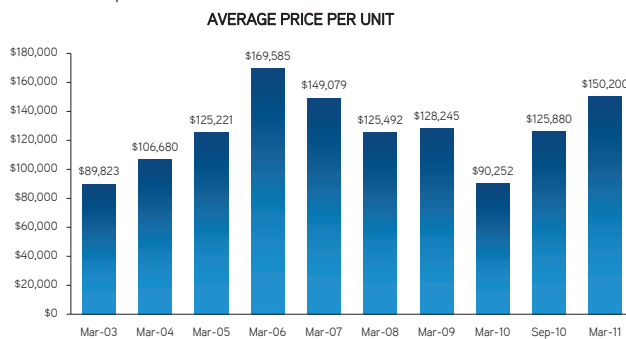


## Highway-78 Corridor:

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

- Average Sales Price Per Unit ..... +19.3%
- Average Rental Rate Per Square Foot ..... -1.4%

March 2010 to September 2010



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.