

# County Vacancy Rate Drops, More Rental Units Are Under Construction

*Tighter market emphasizes need for additional multi-family housing; average rent is \$1,321*

**SAN DIEGO (December 9, 2014)**---The countywide vacancy rate for rental units has dropped to 2.3 percent, and more rental units are being built to keep up with the higher demand, according to the [San Diego County Apartment Association's](#) (SDCAA) latest analysis.

The 2.3 percent vacancy rate (the percentage of units available for rent), down from 4.1 percent a year ago, confirms rental units are in high demand throughout San Diego County, mirroring national trends driven by the mortgage crisis. The demand also reflects the region's economic recovery and job growth, meaning more people are living on their own.

"It reflects the continued high demand for rental units and the need for more supply and fewer barriers to developing multi-unit housing in the region," said SDCAA Executive Director Alan Pentico. "According to SANDAG estimates, 83 percent of future growth in San Diego will live in multifamily housing."

Multifamily permits comprised 63 percent of the 4,079 building permits issued through July in San Diego County, according to the Building Industry Association of San Diego County. In and near Downtown San Diego, there are 26 multifamily projects that have either just opened, are under construction or are in the planning stages.

Additionally, SDCAA has seen a surge in rental property ownership as more people throughout the region invest in single-family homes rented as one or two units.

SDCAA's Fall 2014 Vacancy and Rental Rate Survey also broke down vacancy rates by region.

The vacancy rate in the City of San Diego is slightly lower at 2.2 percent, down from 3.4 percent this time last year.

Broken down by region, the vacancy rate in the South Bay is 2.4 percent, down from 5.6 percent a year ago. In East County it's 2.3 percent, down from 3.7. And in North County it's 2.5 percent, down from 4.4 percent.

The survey also found that the average rent on all unit types is \$1,321; for studio units it was \$812; \$1,066 for 1-bedroom units; \$1,463 for 2-bedroom units; and \$1,813 for units with three or more bedrooms.

A year ago, the average rent on all units was \$1,311. The average rent for studio units was \$861; \$1,161 for 1-bedroom units; \$1,397 for 2-bedroom units; and \$1,848 for units with three or more bedrooms.

Varying levels of responses in some ZIP codes make it difficult to pinpoint exactly what drives rent fluctuations. SDCAA recommends reviewing rents at the individual ZIP code levels when analyzing the survey data for trends.

SDCAA's Vacancy and Rental Rate Survey is a bi-annual analysis of thousands of rental properties, including apartment complexes and single-family homes, throughout San Diego County.

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**About SDCAA's Vacancy and Rental Rate Survey:** Done twice a year to provide a snapshot of industry conditions, it is the oldest and most comprehensive rental analysis of its kind in the San Diego region. The Fall 2014 survey was mailed in September to nearly 6,000 rental property owners and managers throughout San Diego County. More than 12,600 units are represented in the responses. Survey responses are solicited from a range of property sizes, ages and amenity levels in order to more closely reflect the wide variety of rental housing available to area residents. Because of the fluctuating response levels of this methodology, comparisons among survey periods do not necessarily reflect the performance of a particular sample of rental units over time.

**About SDCAA:** The San Diego County Apartment Association is a non-profit organization that has served the rental housing industry since 1919. SDCAA's 2,200 members are rental property owners, rental property managers and suppliers of goods and services to the rental housing industry. The overall improvement of the rental housing industry is a primary focus of SDCAA, which represents single-family rental homes to the largest multi-family rental communities. SDCAA provides a wide range of services to its members, including legislative advocacy, education and resident screening. You can follow SDCAA on [Twitter](#) and [Facebook](#).