

NEWS

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New San Diego Apartment Development Pushes an Increase in Vacancy Rate

San Diego County's institutional grade rental complexes experienced the highest six-month increase in vacancy rate since March of 1995. The reason for this is multifaceted. The for-sale conversion sector continued to attract price sensitive buyers, and with rental rates continuing to climb, a large number of potential buyers jumped off of the fence and entered the home ownership arena. Also the movement of renters from the institutional type of rental project to a single-unit rental home or townhome that a speculator turned landlord, decided to offer for rent. Another factor is the influx of rental units in the last six months, some 1,250 of them, where lease programs still have not yet hit their stride. Forty six percent of those new units are still vacant, resulting in an almost one half percent push in the overall vacancy rate.

According to **MarketPointe Realty Advisors' Rental Trends'** semi-annual survey the countywide vacancy rate of 4.54 percent climbed 2.7 percent higher than it was six months ago when the vacancy rate fell below 2 percent. Compared to a year ago when the vacancy rate was 3.05 percent, today's 4.54 percent vacancy rate has increased by nearly 1.5 percent.

The average monthly rental rate in San Diego County increased \$20 in the last six months to \$1,261 per month. The current rental rate average is nearly 2 percent higher than it was as of our September 2006 survey and has increased better than 4 percent in the last 12 months. This current rental rate increase is the largest annual increase seen since March of 2003 when average rents increased by almost 6 percent.

MarketPointe Realty Advisors Rental Trends is a semi-annual publication, and is considered the most comprehensive and detailed audit of apartment complexes throughout San Diego County, from an unbiased, yet knowledgeable source.

MarketPointe Realty Advisors provides comprehensive real estate databases and consulting services. The offices are located in San Diego and Orange County, with representation throughout California. Phone San Diego at 619-233-3781, Orange County at 714-528-2554, website is www.marketpointe/rental_trends.shtml.

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