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ARG MARKET RESEARCH · ADVISOR INTERVIEW

The Oceanside Coast, Block by Block

What two brokers who trade it are seeing in 2026

Rents near the pier are still climbing while most of San Diego has gone flat. Parking now moves price per door. Master-metered buildings scare off buyers. We sat down with the advisors behind many of the coastal Oceanside sales of the last six years.

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FROM THE CONVERSATION

30%+
Rent growth in coastal Oceanside over five years

3–5%
Typical vacancy, beach to east of I-5

$2,800
Renovated one-bedroom near the pier, no in-unit laundry

40–50%
Down payment that hedges a low going-in cap rate

Advisor estimates from recent ARG transactions, not published statistics.

The market

0:43 **How long have you worked coastal Oceanside?**

ANGELO Since 2020, so a little over six years. In that time I've handled what I estimate is at least half of the multifamily sales in coastal Oceanside, which for us means west of Coast Highway to the beach.

1:15 **Tell us about a recent Oceanside deal you're proud of.**

ANGELO I represented the buyer on a five-parcel, 22-unit portfolio on South Myers Street, including two development lots. My buyer made modest improvements and then resold the parcels individually within about 18 months. Counting both sides, it came to ten transactions.

Every piece went to a different kind of buyer. One was a 1031 exchange buyer coming from East County who wanted coastal appreciation, and my client traded into her property because he wanted more cash flow. The five-unit went to a builder planning a three-story project within ten years, essentially a covered land play. Another parcel went to an investor coming out of industrial buildings. The two lots went to a developer who entitled nine three-story row homes with rooftop decks and garage parking.

3:39 **How has coastal Oceanside changed since you started, and what has that meant for rents?**

ANGELO When I started, the coast here didn't have the upscale appeal it has now. Two resort hotels went up right next to the pier, and they changed how people see the whole area. The city also rezoned the area by the pier to allow denser building, so you've seen larger apartment projects go up, and infill builders buying 7,000 to 9,000 square foot lots and putting four for-sale homes on each, selling for over $1 million apiece.

By my estimate, coastal rents are up at least 30% over the last five years. Over the last twelve months rents have been flat in most San Diego markets, and they're still rising here.

> You're paying a premium for the zip code in Carlsbad. I think you get more for your money in Oceanside.
>
> ANGELO LA BRUNA

5:57 **Oceanside or Carlsbad for a small apartment building: what does a buyer gain and give up?**

ANGELO Carlsbad still commands a premium per unit. There's about as much development in Carlsbad Village as on the Oceanside coast, but I think Oceanside has better value and more runway.

JAMES I don't see Oceanside ever catching Carlsbad on price per unit. If Oceanside goes up, Carlsbad goes up with it. And both still rent roughly 15% below Pacific Beach, Ocean Beach and La Jolla, which are denser, with more jobs and a bigger renter pool. Investors who've been in this business a long time still remember the old Oceanside. The investors who arrived in the last ten years see the opportunity, and they're probably right.

8:54 **How does vacancy on the beach compare with inland Oceanside?**

JAMES I'd split it into three submarkets: west of Coast Highway, just east of Coast Highway, and east of the 5.

ANGELO Vacancy is about the same in all three, probably 3 to 5%. The difference is rent, and landlords being realistic about where the market is. A building on South Myers we just sold had a full renovation and all the deferred maintenance done. It's getting $2,800 for a one-bedroom with no in-unit laundry and no ocean view. A couple of years ago that would have been unheard of.

JAMES That owner did an excellent rehab and worked hard for those rents. It's an outlier. Unrenovated units one street closer to the beach on South Pacific are getting $1,600 to $1,700. Rents on unrenovated product are flat. If you really dial in the quality, there's a market for it.

Buying

15:04 **What's the most common mistake buyers make on the Oceanside coast?**

ANGELO Getting too caught up in the going-in cap rate. When in-place rents are $1,600 or $1,700, a coastal deal can look like a low-3% cap, and buyers pass and miss the upside. One way to manage that is leverage. With 40 to 50% down on a coastal building that has rent upside, you've built a buffer for whatever rates look like when you refinance. And you own the asset everyone wants, even in a downturn. Buyers will take fewer units and a lower cap to be on the coast.

17:22 **What about the building itself? What mistakes do you see?**

JAMES Buying a building with no parking is the biggest one, or taking parking away to add ADUs. If you plan to hold forever, fine. If you plan to sell in two or three years, you've shrunk your buyer pool, no matter how nice the property is.

ANGELO We saw it on the South Myers portfolio. The buildings with some parking sold between $425,000 and $490,000 a door. Buildings nearby on better streets, some with ocean views but no parking at all, are drawing noticeably lower per-door offers. For tenants and buyers alike, parking has gone from a premium to close to a requirement.

JAMES With this much inventory, everyone has options, so buyers and renters go over everything with a fine-tooth comb. Things people overlooked when rates were low, like parking, in-unit laundry and unit size, are deal-breakers now. Buy a building the way you'd buy a business: ask how your product compares with the competition down the street.

36:36 **How common are master-metered buildings on the coast, and what does a utility bill-back actually recover?**

ANGELO Coastal Oceanside is the only place I consistently see them. A lot of the small 1950s and '60s studio and one-bedroom buildings on South Pacific, Coast Highway and Myers were built with one electric meter and one gas meter. Owners usually run a ratio utility billing system (RUBS), prorated by the number of people on each lease. That typically recovers up to about 80% of electric, gas and water. I haven't seen anyone get 100%.

JAMES Buyers hate it. Residents push back, especially if you start it mid-lease, and it's management-intensive. We recently heard of a 60-unit deal where the buyer liked the property and the price but walked, because the on-site manager who ran the billing was leaving.

ANGELO If I bought one, I'd work with the utility to individually meter the units, even if it took a year. It's easier to manage, and much easier to sell.

> When things are good, you can't lose sight of what the tenant wants. The tenant pays the rent, and the rent drives the value.
>
> JAMES V. CARTER

Selling

24:09 **What's the first thing you'd tell an Oceanside owner who has held for 20 years and is thinking about selling?**

ANGELO Bring your rents up if they're low. Long-time owners usually are. For covered units, AB 1482 allows increases of up to 8.2% in the San Diego region for increases taking effect on or after August 1, 2026. That has a real effect on the going-in cap rate a buyer sees. And upgrade the electrical panels.

JAMES Run the building as if it's always for sale: market rents, pride of ownership, deferred maintenance handled. If only 20% of the windows are new, a buyer starts asking what else wasn't finished. Sometimes the best move is to take a year to get ready.

ANGELO The hardest deal to sell is the in-between one. Value-add buyers won't pay you for half the work, and turnkey buyers don't want to finish it. Either take the renovation to the finish line or leave it for the next owner.

45:09 **When would you tell an owner to hold instead?**

ANGELO It comes down to your goals. If you're exchanging and buying in the same market, there's no real downside. If you just want a number and to cash out, it's a hard time unless the property really stands out.

JAMES Price on its own is never the reason. Sell to simplify, to go from active to passive, or to exchange and restart depreciation. We talk a lot of owners out of selling. Often a third-party manager solves the problem. And clean books make the eventual sale easier: if you can't produce a T-12, you lose a good share of today's buyers, and you invite a price renegotiation in escrow.

If price is your only goal, it's never really the right time to sell.
Sell because you're trying to reach a goal.

JAMES V. CARTER

51:24 **How much does pricing strategy matter right now?**

JAMES When a client takes our pricing advice and we have a full due diligence package ready alongside the offering memorandum, in our experience we usually sell at or above asking. On a three-unit on Oliver Avenue in Pacific Beach, we priced slightly below the expected range, drew more than ten offers, and sold $200,000 over asking.

ANGELO Price is a function of competition. With inventory well above normal, the properties priced right are the ones that stand out. The ones listed 5 to 10% high are the ones sitting for months.

Five takeaways

Rents	Renovated coastal product is still gaining rent while most of San Diego is flat. Unrenovated rents are flat.
Parking	Close to a requirement now. It moves price per door more than an ocean view.
Leverage	40–50% down turns a thin going-in cap rate into a long-term coastal hold.
Meters	Master-metered buildings scare buyers. Individual metering pays off at sale.
Pricing	Price to create competition, and release full due diligence with the offering.

Own a building on the Oceanside coast?
Get a broker opinion of value built on recent coastal trades, including off-market sales.

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