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## FIRST QUARTER 2021: GOOD FOR SAN DIEGO JOB-SEEKERS & REALTORS®

Not to be too Pollyannish, but things seem to be going rather well in the nation and, of course, San Diego.

The United States job count gained 916,000 and a total of 1.6 million in the first quarter of 2021. We are still a few million shy of recovery from COVID, but are moving in the right direction.

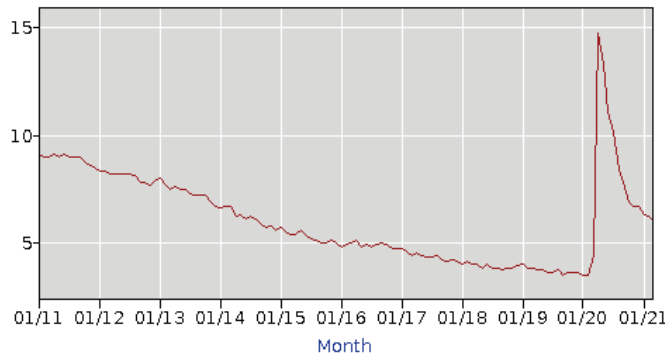
And the unemployment rate declined to 6%. Not a home run, but moving in the right direction as well. With summer coming, more jobs should materialize in leisure and hospitality and that's where the major losses occurred.

### New Jobs United States 1st Quarter 2021

Month	Jobs
January	233,000
February	468,000
March	916,000
<b>Total</b>	<b>1,617,000</b>

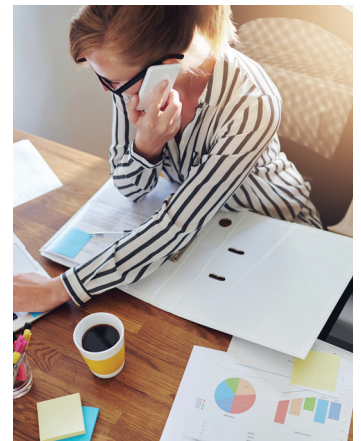
### Unemployment Rate United States March 2020-2021

Month	Unemployment Rate
March 2020	4.4%
April 2020	14.8%
Year End 2020	6.7%
March 2021	6.0%



Unemployment Rate - through 1st Quarter 2021

Source: BLS



## San Diego Job Market Update

The March numbers haven't been released yet, but in the first two months of the year, San Diego County gained 31,900 jobs. Not so bad, because that is usually what we gain in an entire year.

### New Jobs San Diego County January -February 2021

February	1,383,500
January	1,351,600
<b>Gain</b>	<b>31,900</b>



San Diego's unemployment rate is still marginally above the national rate, but that's due to our heavy reliance on the leisure and hospitality industries. We're still down more than 130,000 jobs from last February.

San Diego Economy February 2020-February 2021		
Month	Total Employment	% Unemployment
Feb-20	1,515,200	3.2%
Apr-20	1,317,500	15.0%
Feb-21	1,383,500	7.2%
Difference btn. February 2020 and February 2021	(131,700)	



I am uncertain of the effect of government funding on the unemployment rate. When I drive through shopping centers (in an effort to determine real retail vacancy rates), I find that many, if not most, of the stores have "help wanted" signs in the windows.

So there is a disconnect there. I wonder, if government unemployment benefits were curbed, if many of those jobs would suddenly be filled. Just a thought.

Source: U.S. Bureau of Labor Statistics

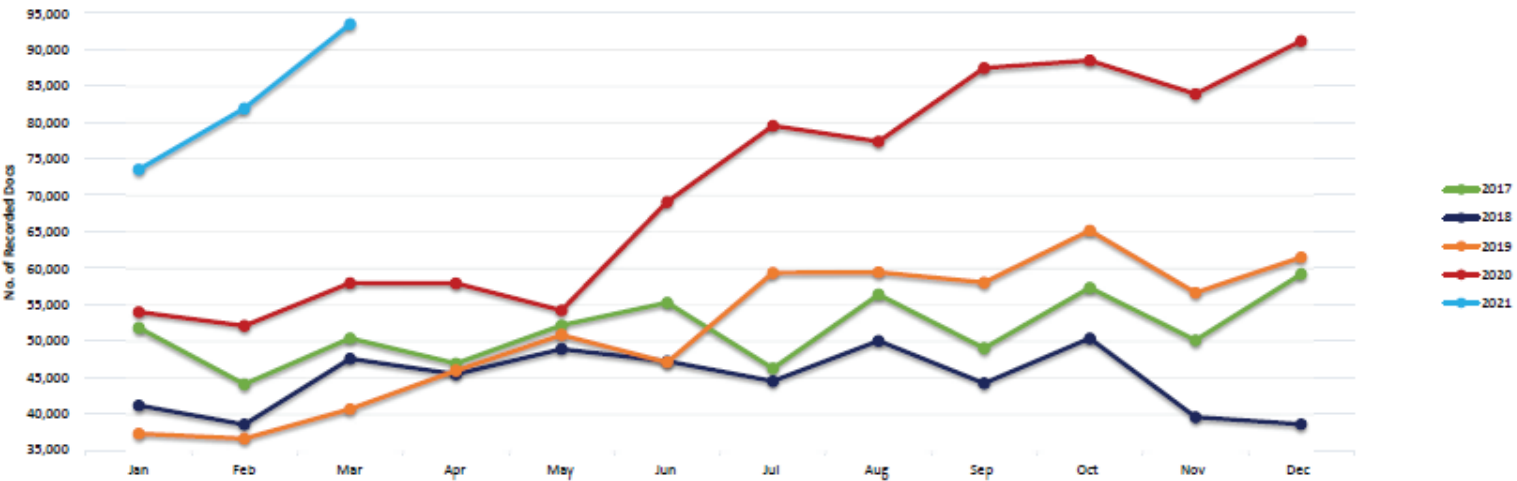
An interesting indicator of the activity in real estate and business is the average number of daily recorded documents by the San Diego County Assessor. Starting early last year, the numbers ballooned to an unprecedented high. This year so far, the numbers are even more impressive. Through March, the number of recordings per day topped 4,100, up 68% over 2019.

Take a look at the light blue line on the left, representing the average number of daily recorded documents in the county. Off the charts, almost.

Average Number of Daily  
Recorded Documents Statistics  
San Diego County Records  
2017-2021

Year	Daily Docs.	Index
2017	2,475	1.00
2018	2,144	0.87
2019	2,474	1.00
2020	3,398	1.37
2021	4,148	1.68

Total Number of Recorded Documents  
(2017-Current)





# Real Estate Market Update

Residential construction is off to a very good start. The first two months of this year are ahead of the first two months of last year. That is a very good sign for the economy.

## Residential Building Permits San Diego County Jan-Feb 2020-2021

Annual	No. of Units		
	Total	Single Family	Multi-Family (1)
<b>2020</b>			
Jan-Feb	1,169	642	527
<b>2021</b>			
Jan-Feb	1,727	478	1,249

(1) condominium and rental  
Source: U.S. Census



And in the resale market, things are humming (but you know that!). In the first quarter of this year, sales totaled 8,173 for detached and attached homes, up 10% over last year.

## Closed Sales SDAR 1st Quarter 2020-2021

Year	Detached	Attached	Total
2020	4,821	2,616	7,437
2021	5,092	3,081	<b>8,173</b>

Source: SDAR

And things look pretty good for next month, too. At the end of March, pending sales were up nearly 53% from a year ago. Detached home pending sales were up 41% and attached pendings were up 77%. That augurs rather well for closed sales in April.

## No. of Sales Pending End of Month - March 2020-2021

Year	Total	Detached	Attached
2020	2,435	1,649	786
2021	3,720	2,328	1,392
<b>Change</b>	<b>1,285</b>	<b>679</b>	<b>606</b>
<b>% Change</b>	<b>52.8%</b>	<b>41.2%</b>	<b>77.1%</b>

Source: SDAR

And then there's the real problem. The months' supply of inventory is down to 7-tenths of a month. I'm not sure if I have ever seen it this low. And the key indicators are interesting. The percent of the listing price is over 100%. I wonder if there is room to push prices still higher, because the average days on market are basically three weeks or less.

## Months Supply of Inventory February 2020-2021

July	Detached	Attached
2020	2.1	2.2
2021	0.7	0.7

Source: SDAR

## Key Indicators Existing Homes Sales San Diego County March 2020-2021

Category	Detached	Attached
% of Original List Price Received	103.3%	101.8%
Days on Market Until Sale	21	24
Months Supply of Inventory	0.7	0.7

Source: SDAR



The other somewhat scary statistic is the change in price of detached homes, up 20.7% from a year ago. That rate of increase is three times the increase of detached homes for 2019-2020, and double that of attached homes.

I know the math is right, but there's something terribly unbalanced with the market – something that can only be cured with an expansion of the inventory – and I don't know how to do that.

I anxiously await next month's numbers, and wish you a buoyant April.

## Median Home Prices - Closed Sales March 2019-2020-2021

Month	Detached	Attached
2019	\$ 629,900	\$ 420,000
2020	\$ 671,000	\$ 450,000
2021	\$ 810,000	\$ 515,000
<b>Change 2019-2020</b>	<b>\$ 41,100</b>	<b>\$ 30,000</b>
<b>% Change</b>	<b>6.5%</b>	<b>7.1%</b>
<b>Change 2020-2021</b>	<b>\$ 139,000</b>	<b>\$ 65,000</b>
<b>% Change</b>	<b>20.7%</b>	<b>14.4%</b>

Source: SDAR

# Spotlight On Escondido

Escondido is the fourth largest city in San Diego County, trailing Oceanside, Chula Vista and San Diego. Escondido is one of the older cities in the county, and, as such, has been substantially built out for several decades. Its current population is 151,000.

The median household income of Escondido is estimated at \$62,319 annually, approximately \$20,000 below that of the county's \$82,538. The county's income levels have increased faster than that of Escondido.

## Median Household Income City of Escondido and San Diego Co. 2000-2020

Year	Escondido	S.D. County
2000	\$ 42,567	\$ 47,268
2020	\$ 62,319	\$ 82,538
Change	\$ 19,752	\$ 35,270
% Change	46%	75%



## Employment In Escondido

According to the Bureau of Labor Statistics, there are approximately 61,000 people employed in the Escondido area.

The largest employer in the city is the Palomar Medical Center, with more than 3,000 employees. The Medical Center is 740,000 square feet in size and has 288 private single-patient rooms.

We should also mention that Kaiser Permanente has broken ground on a \$400 million hospital in the City of San Marcos, approximately a 10-minute drive from central Escondido.

## Housing In Escondido

The number of housing units in Escondido has changed by only 6.1% in the past 20 years as a result of the city's near build-out. San Diego County, by comparison, has increased its household count by 21.1% in that same timeframe.

The tenure has also remained stable with approximately half of the residents owning their home and half renting. In that respect, Escondido mirrors the county.

## Major employers City of Escondido 2020

Employer	No. Employees
Palomar Medical Center	3,045
Escondido Union School District	1,960
City of Escondido	1,101
Welk Group Hospitality	1,000
San Diego Safari Park	967
Escondido Union High School District	842
Bergelectric	802
Home Depot	350
Nordstrom	320
Toyota of Escondido	312
Vons	249
California Center for the Arts	220

## Resale Activity City of Escondido 2019-2020

	Area	Sales 2019	Sales 2020	Change	% Change
<b>Detached</b>					
92025	South	414	405	-9	-2.2%
92026	North	807	646	-161	-20.0%
92027	East	682	568	-114	-16.7%
92029	West	395	378	-17	-4.3%
<b>Total</b>		<b>2,298</b>	<b>1,997</b>	<b>-301</b>	<b>-13.1%</b>

<b>Attached</b>					
92025	South	221	152	-69	-31.2%
92026	North	221	152	-69	-31.2%
92027	East	138	124	-14	-10.1%
92029	West	18	24	6	33.3%
<b>Total</b>		<b>598</b>	<b>452</b>	<b>-146</b>	<b>-24.4%</b>

## Home Prices - Resale Activity City of Escondido 2019-2020

	Area	Sales 2019	Sales 2020	Change	% Change
<b>Detached</b>					
92025	South	\$ 600,000	\$ 651,000	\$51,000	8.5%
92026	North	\$ 565,000	\$ 615,000	\$50,000	8.8%
92027	East	\$ 515,000	\$ 565,000	\$50,000	9.7%
92029	West	\$ 776,500	\$ 777,500	\$ 1,000	0.1%
<b>Total Avg.</b>		<b>\$ 592,821</b>	<b>\$ 638,838</b>	<b>\$46,017</b>	<b>7.8%</b>

<b>Attached</b>					
92025	South	\$ 319,000	\$ 353,000	\$34,000	10.7%
92026	North	\$ 350,000	\$ 382,500	\$32,500	9.3%
92027	East	\$ 274,000	\$ 312,000	\$38,000	13.9%
92029	West	\$ 387,950	\$ 395,000	\$ 7,050	1.8%
<b>Total Avg.</b>		<b>\$ 322,147</b>	<b>\$ 353,903</b>	<b>\$31,755</b>	<b>9.9%</b>