



MAY 2020

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MAY FLOWERS TO COME

Perhaps April showers (which were voluminous) will bring May flowers, both horticulturally and economically as well. The economy is difficult to capture in statistical terms because the numbers are typically not available until the end of the month. But, here are a few indicators: The layoff notices have subsided as shown in this exhibit:

LAYOFF NOTICES

Perhaps as important for the resale housing industry is that the "white collar" and well-paying jobs had minimal layoffs. Unfortunately, the hourly and minimum wage workers took the "Big Hurt."

And the Feds have been pouring mega-bucks into the County. Most hourly or minimal wage personnel received at least a \$1,200 check along with \$500 for each child.

The big number is the Payroll Protection Plan that has allowed small businesses to stay in business. Numbers were not yet available for our County, but in the State of California there were 320,156 loans made to date, a total of \$33.2 billion.

The average loan is \$79,000 and it is "forgivable" as long as 80% is used for payroll and the employees are retained for two months. That's nice.

Layoff Notices by Job Type San Diego County March-April 2020

Type	March	April
Big Hurt		
Restaurants & Bars	16,627	1,559
Hospitality	14,188	1,811
Arts, Entertainment & Recreation	7,773	2,218
Retail	4,308	6,548

Little Hurt		
Manufacturing	561	1,093
Professional Services/Consulting	299	586
Finance/Insurance	117	499
Construction	272	77
Health Care	1,343	656



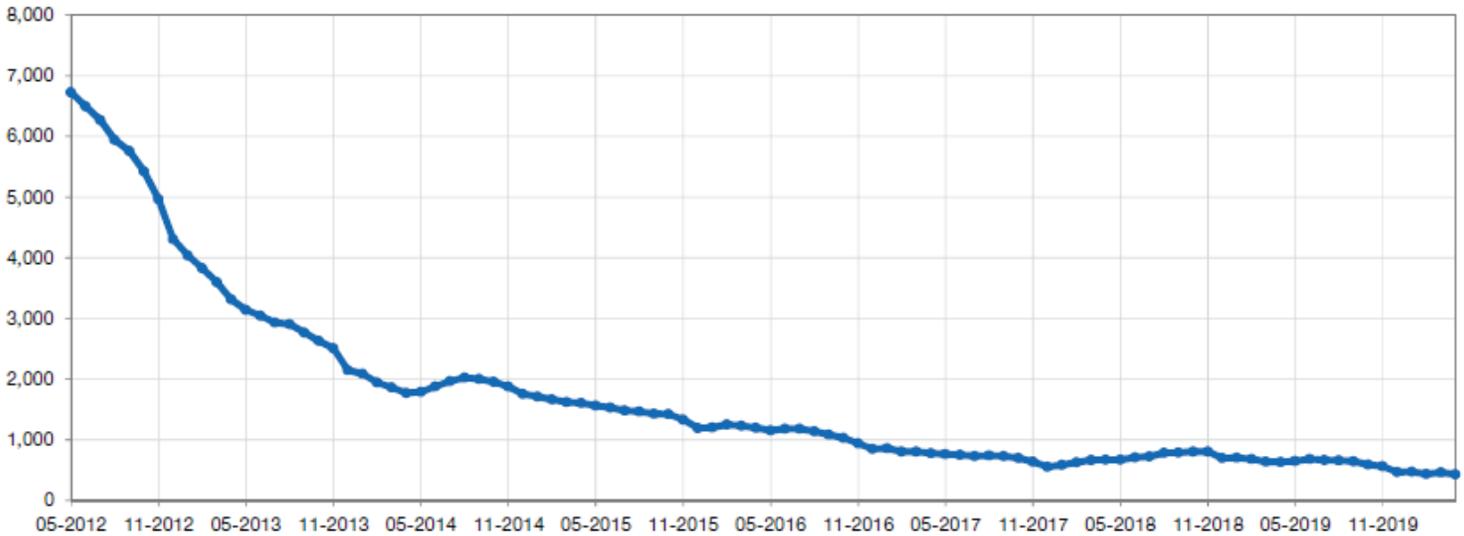
San Diego Real Estate

INVENTORY OF LENDER MEDIATED PROPERTIES IN SAN DIEGO COUNTY

Now let's turn to the real estate business.

First, a happiness slide: Remember when we would get statistics on foreclosed homes every week. Now we don't even talk about them.

Inventory of Lender-Mediated Properties in San Diego County



When we look at closed sales the past four months, it turns out that March was a super month and April looks pretty much like January and February. Not so bad.

There are a few indicators that are both bitter and sweet. On the sweet side, virtually all the sales were closed at their original listing price. A second sweet note is that the homes are selling faster. The days on market has declined substantially.

The bitter is the month's supply of inventory. It's down to under 2 months and that's almost a little scary.

Days on Market Until Sale Detached and Attached Homes January-April 2020

Month	Detached	Attached
January	40	36
February	34	32
March	26	24
April	22	21

Closed Sales January-April 2020

Month	Detached	Attached	Total
January	1,381	720	2,101
February	1,415	807	2,222
March	1,746	933	2,679
April	1,405	675	2,080

Source: SDAR

And there is a remarkably small inventory of homes priced under \$750,000. It's certainly no secret that listings are in short supply and that potential sellers are just plain afraid of letting folks into their homes. Hopefully, as COVID-19 subsides, the open houses and caravans will resurface. Finally, on the COVID-19 situation, San Diego is in better shape than most of the rest of the country.

Months of Inventory by Price Range Detached and Attached Homes April 2019-April 2020

Month	Detached		Attached	
	April 2019	April 2020	April 2019	April 2020
\$250,000-\$500,000	1.4	0.9	1.7	1.2
\$500,000-\$750,000	2.0	1.1	2.5	2.0
\$750,000-1,000,000	2.9	1.3	4.5	3.4
\$1,000,000-1,250,000	2.7	1.9	5.4	5.1
\$1,250,000-\$2,000,000	4.5	3.0	7.2	7.6
\$2,000,000-5,000,000	9.3	6.5	10.3	10.1
\$5,000,000+	15.8	14.7	7.9	9.0



COVID-19 Statistics

COVID STATISTICS IN SAN DIEGO COUNTY VS. OTHER MAJOR CITIES

From an age standpoint, 88% of deaths in San Diego County are folks over age 60, 20% of whom are were in nursing homes.

California has taken COVID-19 very seriously. As a result, our deaths have been relatively minor. With a population of 20 million, Southern California has had but 1,700 deaths. The New York metropolitan area, with the same population as Southern California, has had more than 10 times as many deaths. We're blessed.

I'm projecting that things will start to get a lot better in June as retailers open their doors once more.

And the demand for existing homes is very strong. People really want things to return to normal so they can buy and sell again. Get ready for good times again!

Deaths by Age Group COVID 19 San Diego County as of 4.16.2020

Age Group	%
Under 40	3.3%
40-59	8.4%
60+	88.3%
Total	100.0%

Deaths by COVID-19 U.S., California and San Diego

Locale	Total Deaths - 2019	COVID Deaths as of 5.5.2020	COVID as % of Total Deaths
United States	2,800,000	68,565	2.45%
California	263,000	2,172	0.83%
San Diego	22,000	150	0.68%

Source: Census.gov, Johns Hopkins Covid Map



Deaths Major U.S. Centers COVID 19 as of 5.5.2020

Area	Deaths
Total U.S.	68,565
% in NY/NJ Metro	28%

Major Hubs

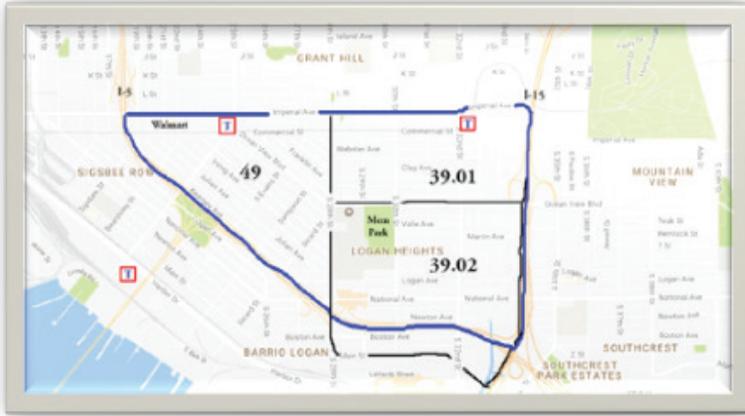
NY/NJ	18,909
Detroit (Wayne Co.)	1,893
New Orleans (Orleans and Jefferson Parishes)	849
Seattle	618
Philadelphia	638
Chicago (Cook Co.)	1,786
Los Angeles Metro (6 Counties)	1,696
Northern California (9 Counties)	309
Total	26,698

% in Major Hubs	39%
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Source: John Hopkins University

San Diego County Spotlight: Logan Heights

This month we spotlight a micro-area of the City of San Diego: Logan Heights. It is a small area, consisting of three Census tracts, and sandwiched between Grant Hill/Sherman Heights and Barrio Logan.



It's an interesting area to watch as it evolves into a millennial community, following in the footsteps of Golden Hill and South Park.

- It has Two trolley stations;
- Direct access to I-5 and I-15 and the 54;
- It has a New Walmart neighborhood store;
- A growing number of food venues along Commercial Street and Imperial Avenue;
- A new library;
- Several parochial schools; and
- A decent supply of single family homes and some apartments (most of them less than a dozen units).

Its estimated current population is 13,571 and has a total of 3,629 homes and apartments.



Snapshot of Logan Heights Census Tract 39.01,39.02,49 2018

Population	13,571
Housing	
SFD	1,916
Single Family Attached	694
MF	1,019
Total	3,629

Sale Prices Single Family Detached Homes Logan Heights 2010-2020

Year	Price	Index
2010	\$ 160,500	n/a
2014	\$ 260,000	1.62
2016	\$ 330,000	2.06
2020	\$ 470,000	2.93

The Housing Market The First Four Months of the Year Logan Heights (92113) City of San Diego

Category	Single Family	
	Detached	Attached
Closed Sales	45	10
Pending Sales (end of April)	39	17
Median Sales Price	\$ 470,000	\$ 240,000
Days on Market Until Sale	35	27
Months Supply of Inventory	1.7	2.9

LOGAN HEIGHTS SALES STATISTICS

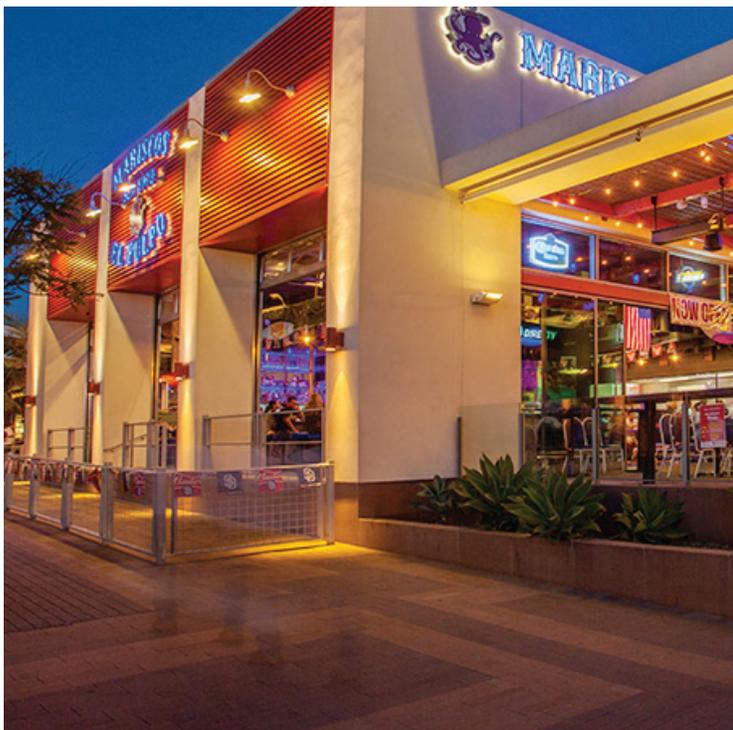
The single-family housing stock there is mostly one story and in the 1,000-1,500-square-foot range. Typical homeowners are 50+ years old. Over the past decade, the area has become increasingly popular because of its central location and an inventory of homes that lend themselves to renovation.

In 2010, the average resale home there was priced at \$160,500. Since then, the average price has almost tripled and is now \$470,000.

San Diego County Spotlight: Logan Heights

Through the first four months of this year, there have been 45 closings of detached homes and 10 attached. Pending sales of detached homes number 39 and attached 17. As with the rest of the County, the inventory of homes for sale is meager.

We anticipate that over the coming years, Logan Heights will gain in stature as a nice community to raise a family and will experience substantial revitalization.



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