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EXPENDITURES RISE, UNEMPLOYMENT FALLS, SD REAL ESTATE BOOMS

Real Personal Consumption Expenditures grew at a 70-year record rate in the third quarter. Other economic indicators are also strong, with durable goods orders increasing last month and existing home sales and permits for new homes climbing at rates not seen in more than a decade.

Initial Unemployment Claims continued to decline, down 89% since the peak in late March.

The nation's unemployment rate has declined to 6.9%, not quite down to the pre-COVID percentage, but positive nonetheless:

Unemployment rates were not equal for all ethnicities. The Hispanic and black populations were hardest hit but are recovering on a dependable basis. Let's hope the trend continues.

Initial Unemployment Claims United States

Week	(000)
21-Mar	3,307
28-Mar	6,867
2-May	3,176
25-Jul	1,205
31-Oct	738

% Decline from March 28	-89.0%
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Source: Bureau of Labor Statistics
(not seasonally adjusted)

Unemployment by Ethnicity United States February 2020-October 2020

Ethnicity	February	April	October
White	3.1%	13.8%	6.0%
Black	6.7%	16.4%	10.8%
Hispanic	4.4%	18.5%	8.8%
Asian	2.5%	14.3%	7.6%

U.S. Dept. of Labor

Unemployment Rate United States March-October 2020

Month	Unemployment Rate
March	4.4%
April	14.7%
September	7.9%
October	6.9%



San Diego Economic Update

In San Diego, we went from virtually no unemployment to 15% in April and have gradually worked our way back to 9%. The leisure and hospitality industries continue to suffer while the white-collar jobs return to normalcy.

San Diego Economy February-September 2020

Month	Total Employment	% Unemployment
February	1,544,265	3.2%
April	1,317,500	15.0%
July	1,379,500	12.4%
September	1,419,100	9.0%

U.S. Bureau of Labor Statistics



THE REAL ESTATE BONANZA

Residential real estate in the U.S. doesn't seem to care about COVID or unemployment, except maybe in New York City, where residential real estate sales plummeted more than 50% since last year, and sales of commercial properties were down 43%. And real estate broker confidence is down 47% in the past year.

This past month, San Diego County had the second highest percentage of bidding wars in the U.S. (Salt Lake City was first). In San Diego County, 73% of all homes for sale received multiple offers.

Let's take a look at San Diego County. Pure glee!

October closed sales tallied 3,379, almost tying July's 3,406 as the best month of closings this year.

Closed Sales Existing Homes San Diego County January-October 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
May	1,218	569	1,787
June	1,867	920	2,787
July	2,241	1,165	3,406
August	2,178	1,142	3,320
Sept	1,814	925	2,739
October	2,190	1,189	3,379



Source: SDAR

Through October, sales are slightly behind 2019, but given the COVID interruption, I think the total closings are exceptionally good.

The key indicators are rather stunning! Prices received as percent of the original list price was 100% -- nice! The days on market were down to 21 days for detached product and 19 days for attached product. And finally, the month's supply of inventory is a remarkably low 1.3 for detached product and 1.6 for attached product.

The month's supply of inventory has been edging downward for the past few years.

Closed Sales SDAR Thru October 2019-2020

Year	Detached	Attached	Total
2019	26,956	12,935	39,891
2020	24,991	12,290	37,281

Source:SDAR

The upshot of the declining inventory is inevitably a change in prices. Whether it is PlayStations, Rolexes, toilet paper or homes, Econ 101 dictates a change in prices. In the past year, single family home prices increased 15% and attached homes grew by 13%.

Median Home Prices - Closed Sales October 2019 - October 2020

Month	Detached	Attached
2019	\$655,000	\$ 424,303
2020	\$755,000	\$ 479,500
Oct. 2019-Oct 2020	\$ 100,000	\$ 55,197
% Change	15.3%	13.0%

Source: SDAR

I remain uncertain how long this dearth of product can persist, and really don't know how prices can continue to rise, but it is heartening to know that while COVID may have had a crippling effect on many parts of the economy, in San Diego it has acted as a generator of home sales and pricing.

Months Supply of Inventory October 2018-2020

July	Detached	Attached
2018	2.9	2.3
2019	2.1	2.2
2020	1.3	1.6

Source: SDAR



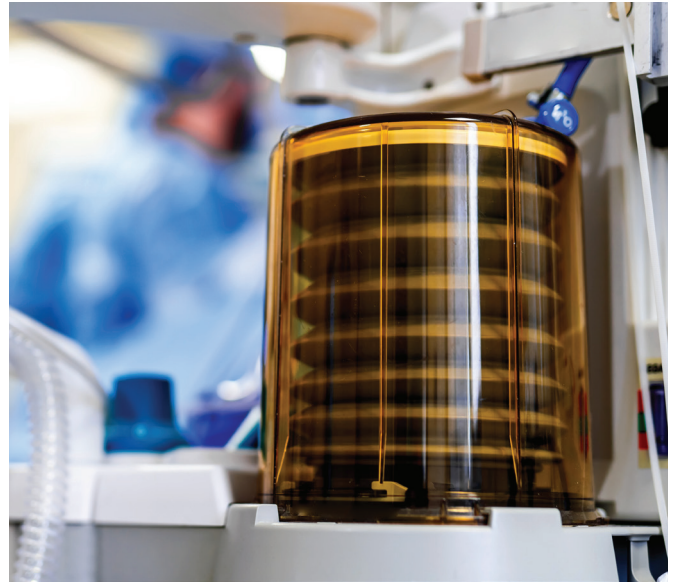
The COVID story

It just won't go away, but, with some consolation, San Diego County has continued to have a lower rate of death from COVID than California or the nation as a whole.

Deaths by COVID-19 U.S., California and San Diego as of November 1 2020

Locale	Total Deaths from all causes - 2019	COVID Deaths as of 11.1.2020	COVID as % of Total Deaths
United States	3,457,600	235,000	6.80%
California	263,000	17,754	6.75%
San Diego	22,000	904	4.11%

Source: Census.gov; Johns Hopkins Covid Map



Within San Diego County, the COVID death count continues to most heavily affect the senior part of the population with folks over age 50 accounting for 95% of the COVID deaths. The population under age 50 accounts for 68% of the cases but only 5% of the COVID deaths.



Deaths by Age Group COVID San Diego County as of November 1 2020

Age Range	COVID Deaths	% of Deaths	Population	% of Pop.
0-49	41	5%	2,304,587	68%
50-59	88	10%	415,194	12%
60-69	167	19%	347,609	10%
70-79	205	23%	201,339	6%
80+	397	44%	122,657	4%
	898	100%	3,391,386	100%

% of Deaths - Over Age 50	95%
% in Nursing Homes	40%

Source: SANDAG & SD County Health Dept.

spotlight On Alpine

The community of Alpine is the furthest east populated community in San Diego County, approximately 14 miles east of the City of El Cajon. El Cajon serves as the predominant retail and services center for Alpine residents.



According to the Census Bureau, Alpine has a population of 14,795 and 5,569 housing units, 75% of which are single-family homes. The median age in Alpine is somewhat above that of the County at 41.8 years, with 18% of the population over age 65. In terms of ethnicity, Alpine is nearly 82% non-Hispanic white, almost double that percentage of San Diego County. The median household income in Alpine is substantially higher than that of the County as a whole, at \$90,540.

Housing Inventory Community of Alpine and San Diego County 2017

Housing Type	Alpine	San Diego County
Single Family	3,920	613,113
Multi-family	1,351	538,722
Other	298	44,033
Total	5,569	1,195,868

% Single Family	70%	51%
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Tenure	Alpine	San Diego County
Owner-Occupied	72%	53%
Renter-Occupied	28%	47%

Median Price - Single Family Home	Alpine	San Diego County
	\$ 664,500	\$ 649,900

Source: 2017 American Community Survey & SD Association of Realtors



Demographics Community of Alpine and San Diego County 2017

Area:	Alpine	San Diego County
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Population	14,795	3,283,665
Median Age	41.8	35.4
% over age 65	18%	13%

Ethnicity	Alpine	San Diego County
White	81.9%	46.2%
Hispanic	11.2%	33.4%
Black	1.0%	4.7%
Other	5.9%	16.0%
Total	100.0%	100.3%
Median Household Income	\$ 90,540	\$ 70,588

Source: 2017 American Community Survey



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