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INDICATIONS THAT WE'VE STARTED ON THE ROAD TO RECOVERY

As Americans, we have a tendency to dwell on the negative, a habit abetted by the media. I, for one, prefer to look at the positive aspects, particularly those relating to the economy.

For instance, we routinely publish the "unemployment rate." What if, instead, we publish the "employment rate." Yes, in May, the County had a 15% unemployment rate, but we also had an 85% employment rate. We have been spoiled for the past several years because our employment rate has been 97%, a remarkable achievement.

Here in San Diego County, there are more than 1.3 million civilians at work and 110,000 uniformed in the military receiving paychecks. Together, they make our economy viable.

Drilling down to employment by category reveals an interesting story to be told. Virtually half of all the job losses have been in the leisure and hospitality trade. The other categories of major employment have had relatively small losses.

Civilian Employment Rate San Diego County January thru April 2020

Month	Total Employment (excluding military)	Employment Rate
January	1,540,000	96.7%
February	1,544,300	96.8%
March	1,509,100	95.8%
April	1,312,100	85.0%

Source: U.S. Bureau of Labor Statistics



Employment Statistics

There are several indications that we are in a healing process. For instance, initial unemployment claims nationally have plummeted since late March. In late March, one week claims totaled 6,867,000 and in the last week in May: 1,877,000.

Job Losses by Category Wage and Salary Employment San Diego County March and April 2020

Category	March	April	Change	% of Losses
Total	1,494,000	1,299,000	195,000	
Leisure and Hospitality	192,900	96,700	96,200	49.3%
Construction	80,200	75,700	4,500	2.3%
Manufacturing	117,100	111,200	5,900	3.0%
Government	252,900	246,300	6,600	3.4%
Professional & Business Services	259,500	243,800	15,700	8.1%
Education & Health Services	219,600	197,600	22,000	11.3%
Trade, Transportation & Utilities	218,800	191,300	27,500	14.1%

Initial Unemployment Claims United States

Week	(000)
21-Mar	3,307
28-Mar	6,867
4-Apr	6,615
11-Apr	5,237
18-Apr	4,442
25-Apr	3,867
2-May	3,176
9-May	2,687
16-May	2,446
23-May	2,126
30-May	1,877

And jobs have bounced back. After losing a massive 22 million jobs nationally in April, May employment added 3.8 million, so America is going back to work.



Source: Bureau of Labor Statistics

Employment Statistics



Total Employment United States January-May 2020

Month	Total Jobs	Change
January	158,714	
February	158,759	45
March	155,772	(2,987)
April	133,403	(22,369)
May	137,242	3,839

Source: Bureau of Labor Statistics

And in California, Pandemic Unemployment Assistance Claims have fallen dramatically in the past few weeks.

The conversation about a recovery inevitably revolves about whether this will be a “U” (long and drawn out) or a “V” (quick turnaround) recession. It is my contention that it will be a “V.” I’ll take a longer look at that in the July issue.

Pandemic Unemployment Assistance Claims California May 2-30 2020

2-May	399,898
9-May	1,148,937
16-May	699,745
23-May	110,115
30-May	85,747

Source: CA Employment Dev. Department



COVID-19 Statistics

Since COVID is responsible for messing up our wonderful economy, I thought I'd bring you up to date on COVID in San Diego County.

First, and perhaps foremost, is that COVID in this county has been most brutal for folks over 60, comprising 87.4% of all deaths. Equally disturbing is the fact that an estimated 50% of the deaths have been in nursing homes.

From a slightly brighter side, if you are under age 60, the chances of you contracting COVID are mighty low.

Lastly, let's take a look at Confirmed COVID Cases by ZIP Code in San Diego County. There are 90 ZIPS in the County and 12 of them have half of the confirmed cases. Of the 12, almost all are south of I-8.

Deaths by Age Group COVID 19 San Diego County as of 6.1.2020

Age Group	%
Under 40	1.8%
40-59	10.8%
60+	87.4%
Total	100.0%

% of Deaths in Nursing Homes	50.0%
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Source: San Diego County
Communicable Disease Registry

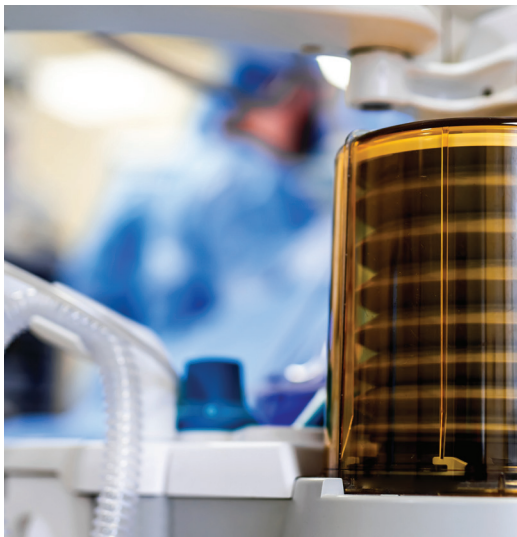
COVID-19 By ZIP Code Confirmed Cases Top Dozen ZIPS San Diego County as of June 1, 2020

ZIP	Area	Area	So. Of I-8	No.
92173	San Ysidro	South County	x	312
92154	Otay Mesa/Eastlake	South County	x	676
91950	National City	South County	x	380
91911	Sunbow, Otay Mesa West	South County	x	466
91910	Chula Vista	South County	x	353
92105	South Park	SE San Diego	x	235
92113	Shelltown, Logan Hts.	SE San Diego	x	297
92114	Bay Terrace, Valencia Park	SE San Diego	x	245
92020	El Cajon	East County		284
92021	Blossom Valley, Fletcher Hills	East County		232
92102	Market Street Corridor	East of D/T	x	171
92103	Hillcrest	Hillcrest	x	111

Total Top 12			3,762
Total County (90 ZIP Codes)			7,385
% in Top 12			51%

Source: County Dept. of Public Health

Another remarkable statistic is the comparison of COVID deaths in California compared to New York/New Jersey. NY/NJ has about the same population as Southern California, but has had almost ten times as many deaths. And the scientists have no idea why.



COVID Deaths NY and California as of June 1 2020

Area	Population	Deaths	COVID Deaths Per 1,000,000
New York/New Jersey	18,471,319	32,630	1.77
Northern California	7,675,807	451	0.06
Southern California	21,931,878	3,423	0.02

San Diego County Real Estate

THINGS ARE DEFINITELY LOOKING UP!

Closings were down from April and certainly not as good as March. Everybody knows that.

But Pending Sales in May blossomed. Pending sales in May were 58% higher than in April. And the April-May average mirrors that of the first three months of the year.

Closed Sales January-May 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

Pending Sales January-May 2020

Month	Detached	Attached	Total
January	1,589	922	2,511
February	1,759	955	2,714
March	1,590	755	2,345
April	1,313	591	1,904
May	2,005	1,010	3,015

Average April-May	1,659	801	2,460
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And three of my favorite indicators are holding steady: (1) Percentage of Original List Price Received; (2) Days on Market Until Sale and (3) Months Supply of Inventory. All looking good. Yes, we would all like to see a much larger inventory and that may happen in June or July, but for now it's a tight, tight market.



Key Indicators Existing Homes Sales May 2020

Category	Detached	Attached
% of Original List Price Received	98.1%	98.7%
Days on Market Until Sale	24	22
Months Supply of Inventory	1.7	1.9

Source: SDAR

As you might suspect, the decline in inventory has been most prevalent in the lower price ranges. The detached inventory under \$750,000 has almost dropped in half.

Overall, I am convinced that the economy and especially real estate are moving in the right direction. There is definitely light at the end of the tunnel and it's not a train coming toward us.

Inventory of Homes for Sale by Price Range San Diego County as of May 2020

Price Range	Detached		
	No. Homes		5/20 as % of 5/19
	May-19	May-20	
Under 500,000	583	251	43%
\$500,000-750,000	1,622	788	49%
\$750,000-1,000,000	925	512	55%
Over \$1,000,000	1,817	1,325	73%

Attached		
No. Homes		5/20 as % of 5/19
May-19	May-20	
1,062	701	66%
547	439	80%
247	222	90%
347	365	105%



Spotlight On Coastal Carlsbad

This month, we place a spotlight on Coastal Carlsbad.

The City of Carlsbad, with 115,000 population, is the most affluent and educated major city in the County. Almost 80% of the adult population has been to college. The median household income is \$108,000.

Education Levels City of Carlsbad & San Diego County

Degree	Carlsbad	SD County
Master's Degree or Higher	25%	15%
Bachelor's Degree	29%	22%
Some College or Associates Degree	25%	31%
Total	79%	68%

Source: Census.gov



Carlsbad ranks in the top 10% of American cities for being a great place to live, including having the best schools and being a great place to raise a family.

Top 10% of American Cities Carlsbad California

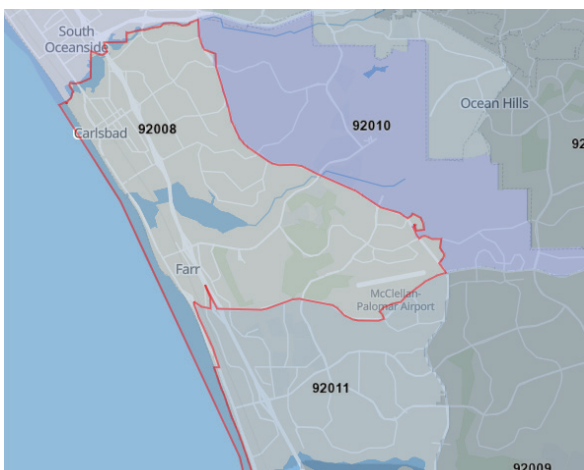
Best Places to Raise a Family
Best Places to Live in America
Best Suburbs for Young Professionals
Places with the Best Public Schools
Healthiest Cities
Best Cities to Retire



And Carlsbad has a substantially higher percent of owner-occupied homes than the County: 64% in Carlsbad compared to 53% in the County. The two ZIP codes I am focusing on in this newsletter are the two that lie along the ocean: 92008 and 92011:

The two ZIPS account for one-third of Carlsbad's population. As most of the recent homebuilding has been away from the coast, the percent of the population living in the coastal ZIPS has declined from 47% in the 2010 Census.

Let's look at the recent activity in the real estate market. The coastal ZIPS, as usual, have the highest prices in a city.



Median Home Prices City of Carlsbad and Beaches May 2020

Area	Detached	Attached
Carlsbad	\$ 858,000	\$ 618,000

Housing Units		
ZIP 92008	\$ 1,465,000	\$ 680,000
ZIP 92011	\$ 1,109,125	\$ 650,000

Spotlight On Coastal Carlsbad

In the first five months of the year, sales in the two ZIPs are down, but not too dramatically. The good news is that pending sales in 92008 and 92011 both look positive based on the May statistics.

Closed Sales Coastal Carlsbad ZIP 92008 & 92011 Thru May 2019 & 2020

92008

Year	Detached	Attached	Total
2019	72	38	110
2020	55	34	89

92111

Year	Detached	Attached	Total
2019	96	45	141
2020	70	35	105

Pending Sales Coastal Carlsbad ZIP 92008 & 92011 May 2019 & May 2020

92008

Month	Detached	Attached	Total
2019	14	9	23
2020	14	14	28

92111

Month	Detached	Attached	Total
2019	15	13	28
2020	24	4	28

Source: SDAR

And the key indicators are in line with the rest of the County. There's just not enough inventory to satisfy the large number of potential buyers that are just waiting to find their next home.

Key Indicators Coastal Carlsbad ZIP 92008 & 92011 Existing Homes Sales May 2020

Category	Detached	Attached
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92008

% of Original List Price Received	96.0%	97.1%
Days on Market Until Sale	36	45
Months Supply of Inventory	2.3	4.9

92011

% of Original List Price Received	97.5%	98.4%
Days on Market Until Sale	20	19
Months Supply of Inventory	2.5	2.2



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