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California Is Now Generating More Jobs, But Lacks The Skilled Labor Force

California adds 1 million jobs! Well, almost. How about 954,000 jobs in one year. That's one out of every seven new jobs in the United States and far more than Texas and Florida combined. We're on a roll. It appears that our big problem is having enough skilled workers to fill all the positions that require a college degree. The Public Policy Institute of California states that we will have a skill gap of 1.5 million jobs by 2030. The science, technology, engineering, and mathematics (STEM) jobs will dominate the high-paying jobs in San Diego County for many decades to come.

The two categories that require the most educated persons are professional/business services and education services, and they continue to expand at a very favorable clip.

Meanwhile, on the national scene, the U.S. added more than 7 million jobs over the past year and that has driven down unemployment rates to a very favorable 3.8%.

Unfortunately, inflation rages on, with little relief in sight -- due mainly to an imbalance in supply/demand of oil-based goods, chip shortages and transportation snafus. Don't look for relief until 2023. But life goes on, especially in San Diego.

Employment by Categories California Year End 2020-2021

Category	Dec-20	Dec-21	Change	% Change
Leisure & Hospitality	1,326,700	1,742,900	416,200	31.4%
Professional & Business Services	2,611,100	2,775,900	164,800	6.3%
Education & Health Services	2,734,800	2,823,600	88,800	3.2%
Trade, Transportation & Utilities	2,941,600	3,024,300	82,700	2.8%
Government	2,403,400	2,454,200	50,800	2.1%
Manufacturing	1,246,900	1,274,700	27,800	2.2%
Construction	881,100	891,000	9,900	1.1%
Financial Activities	810,000	814,500	4,500	0.6%

Source: Bureau of Labor and Statistics (BLS.gov)

Payroll Employment California Year End 2020-2021

Year	No. Jobs
2021	15,937,900
2022	16,892,300

Change	954,400
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Source: BLS.gov

Total Employment United States February 2021-2022

Month	Employment
Feb-21	150,367,000
Feb-22	157,722,000

Change	7,355,000
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Source: BLS.gov

Unemployment Rate United States February 2021-2022

Month	Rate
Feb-21	6.2%
Feb-22	3.8%

Source: BLS.gov



SAN DIEGO REAL ESTATE

Although I typically focus on the residential side of things, I thought I would just say a few words about the commercial real estate world.

The commercial real estate world is doing rather well, particularly the industrial sector. The overall countywide industrial vacancy rate is now 3.2%, the lowest in two decades.

The strongest activity is in the Otay Mesa area along the 905 Freeway. In that corner of the market, there are 8 million square feet of industrial space, either recently completed, under construction or planned.

The largest projects are Amazon's 3.2-million-square-foot distribution center and a 700,000-square-foot facility under construction across the street from one another. And there is more across the border.

Overall, the Otay Mesa region is blossoming with employment opportunities. The 8 million square feet of industrial space will create more than 25,000 jobs. The Amazon distribution center has already hired 1,900 people.

Industrial Development Otay Mesa

Fiscal Years:	Square Feet of Industrial		
	2021-2022	2022-2023	Total
Recently Completed	1,351,043		1,351,043
Under Construction	1,696,045		1,696,045
Planned		1,068,519	1,068,519
Amazon Distribution Ctr	3,200,000		3,200,000
Amazon Facility		700,000	700,000
Total Sq.Ft.	3,200,000	1,768,519	8,015,607

Vacancy Rate Industrial Property San Diego County

Year	Vacancy Rate
2019	5.6%
2020	5.1%
2021	3.2%



Existing Home Sales

Now let's turn to the residential side of the local real estate market. Business has slowed down slightly. Comparing February 2021 to February 2022, closings were down 11%.

The disappearance of homes and condominiums priced under \$500,000 is the major culprit in the decline in sales. In the detached sector, only 3% of homes sold were under \$500,000. Notably, however, the sales of homes priced over \$1.0 million were up 38%.

Closed Sales San Diego County Feb 2021-Feb 2022

Type	Total	Detached	Attached
February 2021	5,002	3,130	1,872
February 2022	4,448	2,835	1,613
Change 2021-2022	(554)	(295)	(259)
% Change 2021-2022	-11%	-9%	-14%

Source: SDAR

**Market Market Indicators
San Diego Inventory
Feb 2021-Feb 2022**

Indicator	Feb-21	Feb-22
Detached		
Days on Market Until Sale	27	23
Inventory of Homes for Sale	1,989	1,153
Months' Supply of Inventory	1.0	0.6
Attached		
Days on Market Until Sale	29	19
Inventory of Homes for Sale	1,137	555
Months' Supply of Inventory	1.0	0.5

Source: SDAR

As usual, the months' supply of inventory is negligible for both detached and attached housing with barely a half months' supply of inventory. The inventory of homes for sale has cratered. The attached housing inventory has been halved in the past year.

Similarly new listings are off 16% from February 2021. And as might be expected, pending sales have subsided, following the downward path of new listings.

Fortunately, as I pointed out in recent issues of this newsletter, there are numerous new master-planned communities throughout San Diego County that will provide the growing employment base with both single-family detached and attaching housing, much of it at rational prices.

The new housing very often will be acquired by persons moving from other "for sale" housing, allowing the market to free up and provide the inventory needed to bolster an inventory-starved housing market.

**New Listings
Detached & Attached Homes
San Diego County
February 2021-February 2022**

New Listings	Feb-21	Feb-22	Change	% Change
Detached	2,130	1,762	368	-17.3%
Attached	1,222	1,044	178	-14.6%
Total	3,352	2,806	546	-16.3%

Source: SDAR

**Pending Sales
San Diego County
Feb 2021-Feb2022**

Type	Feb-21	Feb-22
Detached	1,819	1,718
Attached	1,123	987
Total	2,942	2,705

Source: SDAR

**Homes Sold
by Price Range
San Diego County
Rolling Twelve-Month Average
February 2021-February 2022**

Price Range	Detached			
	No. Homes		Change in Sales	
	2021	2022	No.	%
Under \$500,000	2,287	754	(1,533)	-67%
\$500,000-750,000	10,838	8,467	(2,371)	-22%
\$750,000-1,000,000	5,208	7,204	1,996	38%
Over \$1,000,000	5,927	8,153	2,226	38%
Total	24,260	24,578	318	1%
% Under \$500,000	9%	3%		

Source: SDAR

Price Range	Attached			
	No. Homes		Change in Sales	
	2021	2022	No.	%
Under \$500,000	7,486	5,742	(1,744)	-23%
\$500,000-750,000	3,707	5,194	1,487	40%
\$750,000-1,000,000	1,067	1,601	534	50%
Over \$1,000,000	867	1,352	485	56%
Total	13,127	13,889	762	6%
% Under \$500,000	57%	41%		

SPOTLIGHT ON VISTA



Vista was incorporated in 1963 but did not begin its growth spurt until 1979 when the 2,600-acre golf course anchored Shadowridge master-planned community started. Some 4,000 housing units have been developed there.

Along with Shadowridge, Vista can boast the 1,200-acre Vista Business Park, home to more than 800 companies and more than 20,000 employees. The business park was created in the early 1980s when Mitsui Fudosan bought the first 300 acres. Among the major employers there are Watkins Manufacturing, DJ Orthopedics and Zodiac Pool Systems.

On the entertainment side of the ledger, Vista has the Wave Waterpark, Moonlight Amphitheater, and AVO Playhouse.

From a demographic standpoint, Vista is substantially built out and currently has more than 100,000 residents. Its profile is generally younger families with an even mix of non-Hispanic and Hispanic residents.

The housing is a combination of single-family detached homes and apartments, with relatively few condominiums or mobile homes.



Demographic Profile City of Vista

Category	2010	2020	Change	% Change
Population	93,717	102,928	9,211	10%
Median Household Income	55,052	\$ 68,131	13,079	24%
Age Groups				
Under 18	27%	28%		
Over 65	10%	14%		
Median Age	31.8	33.8		
Ethnicity				
Non-Hispanic White	38,175	43,270	5,095	13.3%
Hispanic	45,379	46,867	1,488	3.3%
Asian	3,806	5,427	1,621	42.6%
Black	2,749	3,683	934	34.0%
Other	3,608	1,567	(2,041)	-56.6%
Total	93,717	100,814	7,097	7.6%

Source: SANDAG

Housing Overview City of Vista

Category	2010	2020	Change	% Change
No. Units	30,874	32,500	1,626	5.3%
Single Family Detached	14,842	15,588	746	5.0%
Single Family - Attached	2,486	2,364	(122)	-4.9%
Multi-Family	11,548	12,550	1,002	8.7%
Mobile Homes & Other	1,998	1,998	-	0.0%

Source: SANDAG



**Inventory of Homes for Sale
City of Vista
February 2021-2022**

ZIP	Feb-21	Feb-22	Change	% Change
92081	13	7	6	46%
92083	16	5	11	69%
92084	2	3	-1	-50%
Total	31	15	16	52%

Source: SDAR

Vista is one of the more modest-priced communities in San Diego County, although prices there are creeping up. The inventory of homes for sale is remarkably slim. Overall, Vista is a well-rounded community with a major supply of varied housing and numerous places of work, a good combination for a nice place to live.



**Median Price
Single Family Detached Homes
City of Vista
February 2021-2022**

ZIP	Feb-21	Feb-22	Change	% Change
92081	\$ 740,000	\$ 903,000	\$ 163,000	22%
92083	\$ 602,500	\$ 762,000	\$ 159,500	26%
92084	\$ 430,000	\$ 505,000	\$ 75,000	17%

Source: SDAR



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