

COMPREHENSIVE MARKET ANALYSIS REPORTS



Policy Development & Research

# Analysis of the San Diego, California

## Housing Market As of July 1, 2005



ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

## **Foreword**

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the "as-of" date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to the as-of date of the analysis—July 1, 2005 (Current date)—and from the Current date to a Forecast date—July 1, 2008. In the analysis, 1990 and 2000 refer to the dates of the decennial census—April 1 unless specified otherwise. This analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 Census, 2000 Census, Current date, and Forecast date. For purposes of this analysis, the forecast period is 36 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in the demand-supply relationship given the market conditions on the as-of date of the analysis. This analysis was prepared by Ikuo Nakano, the Division's field economist in HUD's Los Angeles Field Office, based on fieldwork conducted in June 2005. Questions regarding the findings and conclusions of the analysis may be addressed to Mr. Nakano at 213-534-2464 and at [ikuo\\_j.\\_nakano@hud.gov](mailto:ikuo_j._nakano@hud.gov).

## **Housing Market Area**

The San Diego Housing Market Area (HMA), defined as San Diego County, California, is coterminous with the San Diego-Carlsbad-San Marcos metropolitan statistical area. The HMA is bordered by Mexico on the south, Imperial County on the east, Orange County on the north, and the Pacific Ocean on the west. Carlsbad, Vista, El Cajon, Escondido, Oceanside, Chula Vista, and San Diego are the major cities in the HMA. San Diego is the largest city in the HMA, followed by Chula Vista and Oceanside. For the purpose of this analysis, the HMA is divided into two submarkets: North San Diego County, which includes newer cities such as Carlsbad and Vista, and Greater San Diego, which includes older cities such as San Diego, Chula Vista, and El Cajon.

## **Summary**

During the early 1990s, the San Diego HMA economy grew very slowly, but between 1997 and the Current date the economy grew at a fairly consistent and moderate pace. The strength of the diversified economy of the HMA has kept the unemployment rate below the rate for California as a whole. Since 1990, population growth in the HMA has been moderate. In the 1990s, strong net natural increase (resident births minus resident deaths) and in-migration were often offset by out-migration.

Since 1997, increased employment growth and population gains from in-migration have created strong demand for housing in the HMA. The annual rate of employment growth between 2000 and the Current date was 16,200, or 1.4 percent.

Currently, the HMA sales market is tight and the rental market is balanced. The strong demand for new and existing sales housing reflects employment gains, net migration, and low mortgage rates. Multifamily construction started to increase in 1999 and continued into the 2000s.

Over the next 3 years, conditions in the sales and rental housing markets are expected to tighten as demand from growth in employment, population, and households continues to exceed the rate of construction. During the 3-year forecast period ending July 1, 2008, the number of households will increase by 17,800 annually. To satisfy anticipated household growth and create reasonably balanced demand-supply conditions, the annual housing production volume needed during this forecast period is estimated to be 12,400 units of sales housing and 6,400 units of rental housing.

## **Economy of the Area**

The economy of the San Diego HMA remains one of the strongest in California with a 4.4-percent average unemployment rate as of the 12 months ending June 2005, one of the lowest rates in the state. The current level of unemployment is down significantly from the 7.9-percent rate recorded during the recession in 1993.

Defense/aerospace, government, tourism, scientific research and development services, and healthcare-related employment provide a strong economic base for the HMA. Sharp

HealthCare, with 12,900 employees, is the leading nongovernment employer in the HMA. Scripps Health and Kaiser Permanente are the second and third leading private employers in the HMA, with 10,500 and 6,100 workers, respectively. Naval Base Coronado, including North Island Naval Air Station, is the leading government employer, with a combined civilian workforce of about 30,000 employees. Unlike Orange County to the north, where more than 20 percent of the residents commute outside the county for work, less than 4 percent of the residents in the HMA work outside the HMA. Tables 1 and 2 present employment trends from 1990 through June 2005.

During the 1990s, the HMA experienced periods of both employment loss and employment growth. Nonfarm employment declined 6,500 a year from 1990 to 1993, primarily because of job losses in the construction and durable goods manufacturing sectors. In 1994, total nonfarm employment began to improve, but it was still 1.2 percent below the 1990 level. From 1997 to 1999, nonfarm employment grew at an improved rate of 49,300 jobs a year, or 4.7 percent.

From 2000 to the Current date, job growth continued, but at a significantly slower rate than during the latter part of the 1990s. The annual rate of employment growth between 2000 and the Current date slowed to 16,400 jobs, or 1.4 percent. The slower rate was caused by the nationwide high technology/Internet recession that started in 2001. Since 2000, job growth has been distributed among a variety of sectors. During the current 12-month period, nonfarm employment in the HMA averaged a total of 1,267,700, a gain of 18,600 jobs, or 1.5 percent, compared with the previous 12 months.

Service-providing employment accounts for more than 84 percent of nonfarm jobs. The largest service-providing sector is trade, transportation, and utilities, which accounts for more than 17 percent of all nonfarm jobs. This sector averaged 1,073,400 jobs during the current 12-month period and managed a 2.6-percent average annual increase since 1990, mainly due to employment gains in the wholesale and retail trades. Since 1990, employment in the professional and business services sector rose an average 4.6 percent annually, or 5,700 jobs, and currently totals about 206,300 jobs. The leisure and hospitality sector and the education and health services sector, averaged annual increases of 2.9 percent or 4,000 jobs and 3.1 percent or 2,600 jobs, respectively, since 1990.

The North San Diego County submarket economy depends on civilian and military employment at Camp Pendleton, state and local government employment, and tourism. Camp Pendleton is the largest Marine Corps facility in the Western United States with 25,000 civilian and 35,000 military personnel. Tourists are drawn to the North San Diego County submarket by miles of beaches, the mild climate, and Legoland amusement park. More than 7,000 students attend California State University at San Marcos, also contributing to the economy of the North San Diego County submarket.

Major corporations and educational facilities characterize the Greater San Diego submarket. Sharp HealthCare, Scripps Health, Kaiser Permanente, Sempra Energy, SBC, Qualcomm, and Jack in the Box are located in this submarket. The University of California at San Diego provides more than 23,000 jobs and is the largest nonmilitary

employer in the HMA. The U.S. Navy, with more than 29,000 civilian jobs, is the largest military employer in the submarket and the HMA.

Based on anticipated improvements in the local, state, and national economies, total nonfarm employment is expected to increase by approximately 18,900 jobs annually through the Forecast date, representing an annual increase of 1.4 percent, the same as the annual gain between 2000 and the Current date. Most of the new jobs are expected to be in construction, biotechnology, retail trade, local government, and professional and business services.

## **Household Incomes**

According to HUD's Economic and Market Analysis Division, the median family income in the San Diego HMA is estimated to be \$63,400 in 2005. Since 2000, the median family income in the HMA has grown at a 3.1-percent annualized rate, compared with the 3.4-percent average annual gain that occurred in the 1990s.

## **Population**

As of July 1, 2005, the population of the San Diego HMA was estimated to be 3,077,000, an average annual gain of 1.7 percent since the 2000 Census. This rate was higher than the average annual gain of 1.2 percent between 1990 and 2000. Table 3 presents the population trends from 1990 through the Forecast date for the HMA and its two submarkets.

Based on annual data from the State of California Center of Health Statistics and the Department of Finance, the increase in population in the HMA from 1991 to 1996 resulted primarily from net natural increase (resident births minus resident deaths). During that period, net natural increase averaged 30,600 people a year and net out-migration averaged 3,900 people a year. In-migration was offset by the large domestic out-migration caused by the recession and the ensuing slow growth in employment. From 1997 to the Current date, net natural increase declined to an annual average of 25,900 people and accounted for about 60 percent of the total population change. During the same period, as employment opportunities improved, average annual net migration increased to 15,400 people.

Each submarket in the HMA includes major population centers. In 2005, Oceanside, Escondido, Carlsbad, and Vista had populations of 175,100; 141,400; 95,100; and 94,100, respectively, and are the largest cities in the North San Diego County submarket. San Diego, Chula Vista, and El Cajon with populations of 1,305,700; 217,500; and 97,700, respectively, in 2005, are the largest cities in the Greater San Diego submarket.

The forecast annual population growth rate for the HMA is estimated to be 1.8 percent, a result of increasing net migration. The population of the HMA is expected to total 3,243,100 by the Forecast date. North San Diego County population will grow at a 2.7-percent annual rate, or 22,500, almost twice as fast as the 1.4-percent annual rate, or 32,850, in Greater San Diego.

## **Households**

The rate of change in household growth in the San Diego HMA has been slower than the change in population. Between 1990 and 2000, annual household growth in the HMA averaged 10,727 households, or an annual increase of 1.1 percent. As with population growth, household growth was slower during the 1990s because of the low level of net migration. An estimated 1,073,100 households are in the HMA as of the Current date, reflecting an average annual increase of 14,950 households, or 1.5 percent, since 2000. Table 3 presents the trends in households from 1990 through the Forecast date for the HMA and its two submarkets.

Based on the rate of population growth expected as a result of employment increases and continued net migration, forecast figures indicate that the number of households will increase at a faster rate than previously. During the 3-year forecast period, the number of households in the HMA is expected to increase by 17,800 annually, or 1.6 percent, to 1,126,500 as of July 1, 2008. The North San Diego County submarket will experience the faster rate of household formation during the forecast period.

## **Housing Inventory**

Between 1990 and 2000, the total housing inventory in the San Diego HMA grew moderately, averaging gains of approximately 9,400 units a year. The number of households, however, grew faster than the total housing inventory. During the same period, the number of owner-occupied units increased an average of 7,400 units annually, and renter-occupied units increased an average of 3,300 units a year. The number of vacant housing units declined by approximately 13,350 during the 10-year period. The housing inventory in the HMA has grown by approximately 15,700 units annually since the 2000 Census to an estimated 1,122,600 housing units as of the Current date. Table 4 presents housing inventory, tenure, and vacancy for the 1990 and 2000 Censuses and the Current date for the HMA and its submarkets.

Single-family building permit activity in the HMA has varied considerably from year to year, following the cycle of the local economy. In 1990, building permits were issued for 10,175 single-family units. From 1991 through 1996, single-family building permit activity averaged 4,900 units annually. The lower level of activity in the early 1990s reflects the recession and a drop in demand for homes. Builders dropped out of the market as new and existing home prices fell in the early 1990s. From 1997 to the Current date, the average number of single-family building permits increased to 9,800 a year as builders reentered the market due to the improving local economy and rising home prices. The slowdown in growth of the local and regional economies and problems in the high technology, communications, and tourism employment sectors that started in 2001 did not significantly affect single-family development.

Multifamily building permit activity has also followed the economy. From 1989 through 1990, multifamily building permit activity averaged more than 8,400 units a year. From 1991 through 1998, multifamily permit activity dropped to an annual average of 2,100 units. The recession caused the initial declines in the early 1990s. The low amount of

multifamily permit activity during 1997 and 1998, however, resulted from builders devoting their resources to building fast-selling, single-family homes instead of multifamily units. From 1999 to the Current date, multifamily permit activity increased to and average of 6,500 units a year because of increased demand for condominiums.

In the Greater San Diego submarket, multifamily building permit activity averaged 5,700 units a year from 2000 to the Current date, or approximately 81 percent of the total multifamily activity in the HMA during the period. Multifamily developers are attracted to the Greater San Diego submarket because it contains most of the employment base for the HMA. Redevelopment activities near the ocean have attracted middle to upper end renters back to the downtown area of the city of San Diego.

Condominiums are an important part of the market for sales housing in the HMA. In 1990, 34,081 owner-occupied condominium units, or 12.7 percent of total owner-occupied units, were in the HMA. By 2002, 91,500 units, or 15.6 percent, of owner-occupied units were condominiums. The increasing proportion of owner-occupied condominiums reflects the rapid increase in single-family detached home prices and the relative affordability of condominiums. Currently, approximately 72 percent of the condominiums in the HMA are owner occupied. Condominiums are also an important source of rental units in the HMA. Currently, more than 35,000 condominiums are renter occupied. Table 5 presents residential building permit activity for the San Diego HMA and its two submarkets from 1990 to June 2005.

Manufactured housing continues to be a very small component of the housing market in the HMA. In 1990, manufactured housing represented 4.8 percent of the total housing stock. By 2000, manufactured housing represented less than 4.3 percent of the total housing stock. As the prices of conventionally built homes continued to rise from 2000 to the Current date, homebuyers turned to manufactured homes. Between 2000 and the Current date, the number of manufactured homes increased by 13,900 units and now represents 5.2 percent of the total housing stock.

## **Housing Vacancy**

The trend in vacancy rates in the San Diego HMA reflects strong housing market conditions since the mid-1990s. The 1990 Census reported an owner vacancy rate of 2 percent. This rate increased in the early 1990s with the weak economy as owners put their homes on the market and foreclosures increased. The weak sales market of the early 1990s disappeared by the mid-1990s. As the economy improved, so did home values and housing market conditions. By 2000, the owner vacancy rate was 1.3 percent. As of the Current date, the owner vacancy rate is estimated to be 0.8 percent. In 1990, the rental vacancy rate was 6.2 percent. The improved job market and increased household growth from the mid-1990s resulted in a 3.2-percent rental vacancy rate in 2000. The rental vacancy rate is 4.9 percent as of the Current date. The rate increase mainly reflects the increase in apartment construction during the early 2000s. The absorption of these newly completed high-rent apartments was slowed by low mortgage interest rates and more liberal qualifying standards that enabled many renters to become homeowners. Table 4

presents the housing inventory, occupancy, and vacancy characteristics for the HMA and its two submarkets from 1990 to the Current date.

## **Sales Market Conditions**

Home sales, like the economy in the HMA, have fluctuated significantly since the 1980s. During the late 1980s, the economy was booming, new and existing homes sales averaged more than 52,000 annually, and prices increased each year through 1989 at double-digit rates. As the economy began declining in 1990, sales fell dramatically. The median price for new and existing homes was \$209,600 in 1990. Between 1990 and 1996, new and existing home sales averaged only 28,500 annually, and the median price of a new and existing home declined slightly to \$207,600. Demand increased in the second half of the 1990s because of the improvement in the local economy. The annual average number of sales increased to approximately 43,800 between 1997 and 1999. The median price increased to \$256,200 by 1999.

Despite the downturn in the economy from 2000 through 2002, the sales market remained quite strong, with annual sales averaging approximately 50,100. Between 2000 and 2002, the median price for new and existing homes increased from \$289,700 to \$362,400. Sales during the current 12-month period averaged only 4,850 a month compared with 5,250 a month for the previous 12-month period. The current median price for new and existing homes in the HMA is \$500,000. The sales market for homes selling for less than the median price is very strong throughout the HMA, typically selling within 30 days. Homes priced above \$500,000 are still selling well, but at a slower pace than in the last year.

Condominiums continue to be an important factor in the San Diego HMA sales market. In addition to newly constructed condominiums, 7,000 rental units in the HMA have been converted to condominiums since 2002. More than 1,300 of these conversions occurred during the first half of 2005. The current median price of an existing condominium is \$390,000, which represents a 4-percent increase in the median price of \$375,000 during the current 12-month period. Condominiums are about 30 percent less expensive than single-family detached homes and currently represent about 34 percent of total home sales in the HMA.

Manufactured homes increased by an average of 2,600 units a year between 2000 and the Current date. Most new manufactured homes sell for less than \$100,000. Sales of manufactured homes in the forecast period will be constrained by the supply of available spaces.

Large-scale developments in both submarkets are limited by the lack of approved subdivision lots. More than 200 square miles of land area in North San Diego County are taken up by Camp Pendleton. Builders in Greater San Diego tend to build smaller developments on infill lots or tear down existing units. As demand for homes has increased and the supply of approved developable land has decreased, prices for lots have increased significantly.

## **Rental Market Conditions**

Currently, the overall rental market in the San Diego HMA is balanced. The current rental vacancy rate in the HMA is 4.9 percent. Rental vacancies are lowest in units built before 1980. The pre-1980 units have a current vacancy rate of less than 3 percent. Units built in the 1980s have a vacancy rate of about 3 percent. The highest vacancy rate is in units built after 1999, which have a vacancy rate of more than 5 percent. The vacancy rate of the pre-1980 units is lower because the rents are about \$600 less than the post-1999 units.

Greater San Diego has a wider range of rents compared with the newer stock of rental units in North San Diego County. About 80 percent of the rental units in Greater San Diego were built before 1980 compared with about 40 percent in North San Diego County. The current vacancy rate is 5 percent in Greater San Diego and 4.5 percent in North San Diego County. Rents increased 3 percent during the current 12-month period compared with the previous 12-month period. In the HMA, the average rent for a two-bedroom/two-bath unit in a newly completed Class A development is approximately \$1,400.

Both the military and college students add to the overall demand for housing, especially rental units, in the HMA. The military and/or its private contractors control about 16,000 rental units, both on base and off base. The waiting lists for military housing range from 6 months to more than a year depending on the bedroom size. The two major universities in the HMA, the University of California at San Diego and California State University at San Diego, have 25,300 and 33,000 students, respectively. Approximately 11,000 of these students live in campus housing. The remainder are in the private housing market.

The supply of assisted rental housing for low- and very-low-income renters is extremely limited in the San Diego HMA. Occupancy rates of 100 percent and waiting lists of several years at subsidized projects are typical. The inventory of project-based rental assistance through HUD programs totals 9,636 units: 5,247 units for families and 4,389 units for seniors and people with disabilities. Greater San Diego contains more than 92 percent of the project-based assisted units. In addition to managing project-based units, six local housing authorities administer about 25,600 Section 8 rental vouchers in the HMA. Two of these housing authorities operate 1,514 conventional public housing units in the HMA. North San Diego County and Greater San Diego contain 38 and 96 units, respectively, of U.S. Department of Agriculture Rural Development multifamily rental housing units.

Tax credit financing plays an important role in rental housing production for low-income households in the HMA. An estimated 3,200 completed low-income rental units in the HMA were financed using low-income housing tax credits (LIHTCs); about 70 of these units are for seniors. Most tax credit units were constructed after 1990. North San Diego County contains 56 percent of the current units. The vacancy rate for tax credit units is less than 3 percent. Of the 450 LIHTC units in the pipeline, approximately 50 will be built in North San Diego County and should be available by the end of the forecast period.

## **Forecast Housing Demand**

The principal factor of demand for additional housing is forecast household growth. In addition, units lost because of demolition and other causes will need to be replaced. Based on anticipated household growth and current market conditions, estimates indicate a demand for approximately 56,400 new housing units during the 3-year forecast period ending July 1, 2008. This demand would be met successfully by the annual construction of an estimated 12,400 units of sales housing and 6,400 market-rate rental units.

Table 6 presents a tabular summary of total rental qualitative demand in the HMA. The distribution of forecast demand for market-rate rental units by bedroom size was based on the distribution of renter households by size, the distribution of the rental inventory as of the 2000 Census, trends in housing production since the 2000 Census, current pipeline activity, and market conditions.

**Table 1**  
**Labor Force and Employment**  
**San Diego HMA**  
**1990 to June 2005**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Labor Force	1,216	1,206	1,214	1,219	1,227	1,225	1,238	1,275	1,313	1,352
Employment	1,159	1,130	1,125	1,123	1,140	1,147	1,172	1,220	1,267	1,310
Unemployment	56	76	89	96	87	78	67	55	46	42
Rate (%)	4.6	6.3	7.3	7.9	7.1	6.4	5.4	4.3	3.5	3.1

	2000	2001	2002	2003	2004	Previous 12 Mos. <sup>a</sup>	Current 12 Mos. <sup>b</sup>
Labor Force	1,379	1,411	1,450	1,470	1,493	1,479	1,503
Employment	1,325	1,352	1,375	1,394	1,423	1,405	1,437
Unemployment	54	59	74	76	71	74	66
Rate (%)	3.9	4.2	5.1	5.2	4.7	5.0	4.4

<sup>a</sup> Ending June 2004.

<sup>b</sup> Ending June 2005.

Notes: Figures are in thousands.

Numbers may not add to totals due to rounding.

Source: California Employment Development Department—North American Industry Classification System (NAICS)

**Table 2**  
**Nonfarm Employment by Industry**  
**San Diego HMA**  
**1990 to June 2005 (1 of 2)**

Employment Sector	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total Nonfarm	966.6	962.6	947.7	947.0	955.3	978.5	1,006.2	1,054.3	1,105.5	1,152.9
Goods-Producing	184.2	169.3	157.2	147.6	147.7	151.6	157.1	169.3	184.5	190.2
Nat. Res. & Mining	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.4	0.3	0.3
Construction	60.2	49.7	44.6	41.0	41.8	44.5	46.5	51.9	60.2	67.0
Manufacturing	123.5	119.0	112.2	106.2	105.6	106.8	110.4	117.1	124.0	122.9
Durable Goods	100.6	95.8	86.5	79.0	77.3	79.5	82.9	87.8	93.6	92.4
Nondurable Goods	22.9	23.2	25.7	27.2	28.3	27.3	27.5	29.4	30.4	30.5
Service-Providing	782.4	793.3	790.5	799.4	807.6	826.9	849.1	885.0	921.0	962.7
Trade	147.4	145.4	142.5	144.5	145.7	148.9	150.9	158.9	159.4	165.0
Wholesale Trade	32.2	31.1	30.8	30.3	31.4	33.4	31.9	33.8	34.7	36.8
Retail Trade	115.2	114.3	111.7	114.2	114.3	115.5	119.0	125.1	124.7	128.2
Transport. & Utilities	24.1	26.7	26.2	26.6	27.2	26.9	27.6	28.8	28.6	29.2
Information	21.7	22.6	22.2	22.9	24.1	26.1	28.0	30.6	34.3	36.2
Financial Activities	65.3	63.8	61.1	61.5	58.6	57.3	59.0	62.3	66.0	70.4
Prof. & Bus. Svcs.	124.1	122.3	123.1	126.9	130.2	135.2	143.3	155.2	173.1	185.0
Edu. & Health Svcs.	84.1	88.7	92.9	93.3	95.4	97.5	99.0	102.9	107.1	112.2
Leis., Hosp., & Other	138.1	144.8	143.2	144.8	144.9	148.9	151.2	154.2	158.1	165.3
Government	177.4	178.9	179.3	179.1	181.5	186.1	190.1	192.0	194.5	199.3
Federal	49.2	47.1	45.4	44.3	45.4	45.7	45.8	44.6	43.3	42.5
State	28.1	29.2	29.2	29.8	30.2	31.1	31.3	31.3	32.2	33.6
Local	100.1	102.6	104.7	104.9	105.9	109.3	113.0	116.1	119.0	123.2

Notes: Figures are in thousands.  
 Numbers may not add to totals due to rounding.  
 Source: California Employment Development Department—NAICS

**Table 2**  
**Nonfarm Employment by Industry**  
**San Diego HMA**  
**1990 to June 2005 (2 of 2)**

Employment Sector	2000	2001	2002	2003	2004	Previous 12 Mos. <sup>a</sup>	Current 12 Mos. <sup>b</sup>
Total Nonfarm	1,193.8	1,218.4	1,230.7	1,240.1	1,258.6	1,249.1	1,267.7
Goods-Producing	192.6	194.4	189.0	185.8	192.0	188.8	194.3
Nat. Res. & Mining	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Construction	69.7	75.1	76.4	80.2	87.4	84.2	89.9
Manufacturing	122.6	119.0	112.3	105.3	104.2	104.2	104.0
Durable Goods	92.2	89.3	84.7	78.8	77.9	77.9	78.0
Nondurable Goods	30.4	29.8	27.7	26.5	26.3	26.4	26.0
Service-Providing	1,001.2	1,024.0	1,041.7	1,054.3	1,066.6	1,060.3	1,073.4
Trade	172.9	177.1	179.3	182.4	186.2	184.8	187.0
Wholesale Trade	39.1	41.5	41.3	41.6	41.9	41.7	42.1
Retail Trade	133.8	135.6	138.0	140.8	144.3	143.1	145.0
Transport. & Utilities	29.8	32.0	29.3	27.3	28.4	28.0	28.5
Information	39.2	38.8	37.7	36.9	36.4	36.4	36.6
Financial Activities	71.2	72.0	75.0	79.9	81.6	81.0	81.8
Prof. & Bus. Svcs.	195.2	198.2	201.7	201.2	205.1	202.4	206.3
Edu. & Health Svcs.	115.3	116.0	119.7	121.8	121.3	122.2	121.6
Leis., Hosp., & Other	171.2	176.3	179.4	187.5	193.0	190.6	195.5
Government	206.6	213.8	219.7	217.3	214.7	214.9	216.2
Federal	42.1	40.2	40.1	40.1	39.5	39.9	39.1
State	35.0	36.1	37.7	38.1	38.1	38.2	38.0
Local	129.6	137.5	141.8	139.0	137.2	136.8	139.2

<sup>a</sup> Ending June 2004.

<sup>b</sup> Ending June 2005.

Notes: Figures are in thousands.

Numbers may not add to totals due to rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics—NAICS

**Table 3**  
**Population and Household Trends**  
**San Diego HMA**  
**April 1, 1990 to July 1, 2008**

	April 1, 1990	April 1, 2000	Current Date	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
<b>Population</b>										
San Diego HMA	2,498,016	2,813,833	3,077,000	3,243,100	31,582	1.2	50,150	1.7	55,350	1.8
North San Diego County	604,175	718,429	825,400	892,900	11,425	1.7	20,400	2.7	22,500	2.7
Greater San Diego	1,893,841	2,095,404	2,251,600	2,350,200	20,156	1.0	29,750	1.4	32,850	1.4
<b>Households</b>										
San Diego HMA	887,403	994,677	1,073,100	1,126,500	10,727	1.1	14,950	1.5	17,800	1.6
North San Diego County	209,898	243,192	273,000	293,600	3,329	1.5	5,700	2.2	6,850	2.5
Greater San Diego	677,505	751,485	800,100	832,900	7,398	1.0	9,250	1.2	10,950	1.3

Notes: Rate of change is calculated on a compound basis.  
Average annual changes rounded for comparison.

Sources: 1990 and 2000—U.S. Census Bureau  
Current and Forecast—Estimates by analyst

**Table 4**  
**Housing Inventory, Tenure, and Vacancy**  
**San Diego HMA**  
**1990, 2000, and July 1, 2005**

	San Diego HMA			North San Diego County			Greater San Diego		
	1990	2000	Current	1990	2000	Current	1990	2000	Current
<b>Total Housing Inventory</b>	946,240	1,040,149	1,122,600	227,407	256,088	285,600	718,833	784,061	837,000
<b>Occupied Units</b>	887,403	994,677	1,073,200	209,898	243,192	273,000	677,505	751,485	800,100
Owners	477,579	551,489	616,000	123,813	149,896	178,200	353,766	401,593	437,800
%	53.8	55.4	57.4	59.0	61.6	65.3	52.2	53.4	54.7
Renters	409,824	443,188	457,200	86,085	93,296	94,800	323,739	349,892	362,300
%	46.2	44.6	42.6	41	38.4	34.7	47.8	46.6	45.3
<b>Vacant Units</b>	58,837	45,472	49,400	17,399	12,896	12,600	41,438	32,576	36,900
For Sale	9,956	7,196	5,000	3,241	2,641	1,400	6,715	4,555	3,500
Rate (%)	2.0	1.3	0.8	2.6	1.7	0.8	1.9	1.1	0.8
For Rent	26,908	14,853	23,500	6,941	3,089	4,500	19,967	11,764	19,100
Rate (%)	6.2	3.2	4.9	7.5	3.2	4.5	5.8	3.3	5.0
Other Vacant	21,973	23,423	20,900	7,217	7,166	6,700	14,756	16,257	14,300

Sources: 1990 and 2000—U.S. Census Bureau  
 Current—Estimates by analyst

**Table 5**  
**Residential Building Permit Activity**  
**San Diego HMA**  
**1990 to June 2005 (1 of 2)**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>San Diego HMA</b>										
Total	16,203	7,891	6,071	5,750	6,943	6,633	6,848	11,139	11,891	16,295
Single-family	10,175	5,365	3,812	4,229	5,236	4,765	5,831	8,236	9,012	10,070
Multifamily	6,028	2,526	2,259	1,521	1,707	1,868	1,017	2,903	2,879	6,225
<b>North San Diego County</b>										
Total	3,315	2,785	1,648	1,556	1,791	2,294	2,293	3,123	3,659	4,903
Single-family	2,087	2,204	1,495	1,443	1,612	1,724	2,072	3,059	3,372	3,803
Multifamily	1,228	581	153	113	178	570	221	64	287	1,100
<b>Greater San Diego</b>										
Total	12,417	5,106	4,423	4,194	5,152	4,339	4,555	8,016	8,232	11,392
Single-family	4,565	3,161	2,317	2,786	3,624	3,041	3,759	5,177	5,640	6,267
Multifamily	7,852	1,945	2,106	1,408	1,529	1,298	796	2,839	2,592	5,125

Source: U.S. Census Bureau, Building Permits Survey

**Table 5**  
**Residential Building Permit Activity**  
**San Diego HMA**  
**1990 to June 2005 (2 of 2)**

	2000	2001	2002	2003	2004	2005 <sup>a</sup>	Current 12 Mos. <sup>b</sup>
<b>San Diego HMA</b>							
Total	16,812	16,203	14,550	19,648	16,998	9,017	16,357
Single-family	10,241	10,175	9,739	11,175	10,513	4,436	8,534
Multifamily	6,572	6,028	4,811	8,473	6,485	4,581	7,823
<b>North San Diego County</b>							
Total	5,722	5,134	4,508	7,118	6,672	3,463	6,543
Single-family	4,944	4,524	3,987	4,817	4,850	2,675	4,999
Multifamily	779	610	521	2,301	1,822	788	1,544
<b>Greater San Diego</b>							
Total	11,090	11,069	12,530	12,530	10,326	5,554	9,814
Single-family	5,297	5,651	6,357	6,357	5,663	1,761	3,535
Multifamily	5,793	5,418	6,173	6,173	4,663	3,793	6,279

<sup>a</sup> January 2005 to June 2005.

<sup>b</sup> July 2004 to June 2005.

Source: U.S. Census Bureau, Building Permits Survey

**Table 6**  
**Estimated Qualitative Demand for New Market-Rate Rental Housing**  
**San Diego HMA**  
**July 1, 2005 to July 1, 2008**

One Bedroom		Two Bedrooms		Three Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
1,100	5,200	1,400	10,150	1,900	3,900
1,150	4,450	1,450	8,450	1,950	3,150
1,200	4,100	1,500	7,550	2,000	2,900
1,250	3,600	1,550	6,450	2,050	2,600
1,300	3,050	1,600	5,300	2,100	2,300
1,350	2,450	1,650	4,250	2,150	2,000
1,400	2,950	1,700	3,350	2,200	1,750
1,500	1,500	1,800	2,650	2,300	1,500
1,600	1,150	1,900	2,050	2,400	1,300
1,700	850	2,000	1,600	2,500	750
1,800	650	2,100	1,200	2,600	400
1,900	450	2,200	300	2,700	350
2,000	350	2,300	100	2,800	300
and higher		and higher		and higher	

Source: Estimate by analyst