

PRICES DROP MODESTLY FOR SINGLE FAMILY HOMES; MARKET REMAINS STRONG (PAGES 2–3)

NUMBER OF FORECLOSURES ESSENTIALLY FLAT IN THE REGION (PAGE 4)

UNEMPLOYMENT GROWS FOR THE FIRST TIME IN 2016 (PAGE 4)

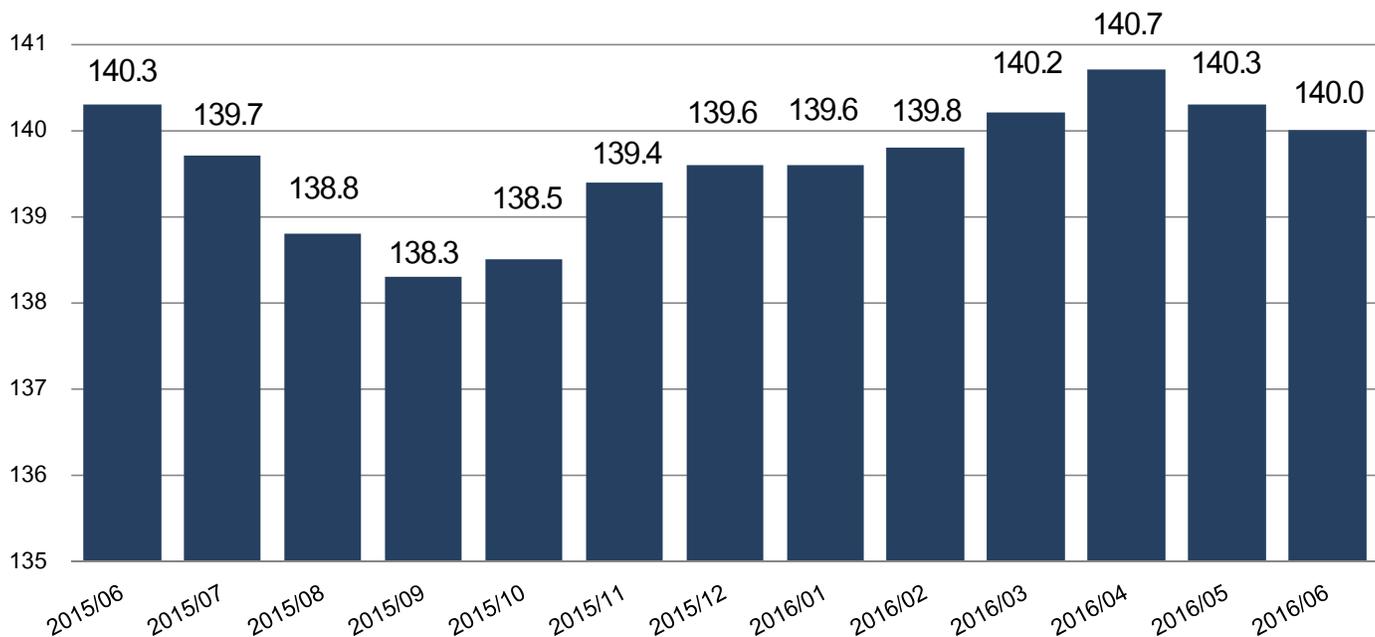
GAS PRICES CONTINUE TO CLIMB IN THE REGION AS PRICES INCREASE NATIONWIDE (PAGE 5)

ECONOMIC INDICATORS



COUNTY OF SAN DIEGO—OFFICE OF FINANCIAL PLANNING JULY 2016

INDEX OF LEADING ECONOMIC INDICATORS



Source: University of San Diego Burnham-Moores Center for Real Estate; compiled by the San Diego Regional Chamber of Commerce

USD INDEX OF LEADING ECONOMIC INDICATORS

The University of San Diego (USD) Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County declined 0.2 percent to 140.0 in June. The Index reached its highest level in almost a decade in April 2016. Since that time, the Index has dropped for two consecutive months in June and July. According to July's Index report, "economists usually look for three consecutive changes in a leading index to signal a potential turning point in an economy. For now, the outlook remains for solid growth in the local economy through the end of 2016. While the two declines have not been large, the forecast for the early part of 2017 could be called into question depending on the result of next month's report."

June's decline was primarily attributable to a drop in help wanted advertising although there were smaller drops in resi-

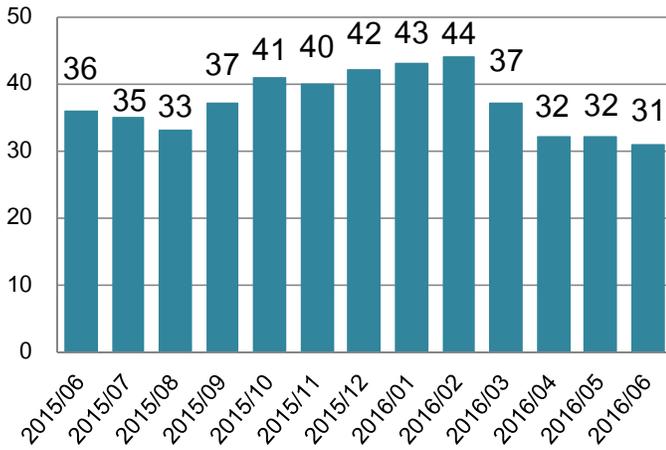
dential units authorized by building permits, mostly single-family homes. Initial claims for unemployment insurance also fell in June along with consumer confidence, which declined for the eighth consecutive month according to July's Index report.

June's results also show some gains, namely in local stock prices and the outlook for the national economy. The region's economy also reported modest wage and salary employment growth in the first half of 2016, compared to the same period in 2015. The greatest job growth was seen in the health care; leisure and hospitality; government; administrative, support, and waste services; construction and manufacturing employment sectors. Another positive in June was an increase in the national Index of Leading Economic Indicators, the second in three months, which points to a generally positive outlook for the national economy.

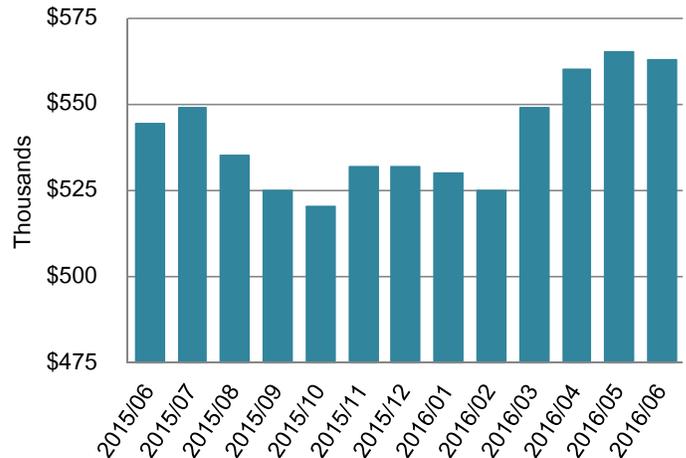
EXISTING SINGLE FAMILY HOME SALES (SEASONALLY ADJUSTED)



AVERAGE NUMBER OF DAYS ON MARKET EXISTING SINGLE FAMILY HOME SALES



MEDIAN PRICE OF EXISTING SINGLE FAMILY HOME



Source (all charts this page): San Diego Association of REALTORS; compiled by the San Diego Regional Chamber of Commerce

HOUSING MARKET: EXISTING SINGLE FAMILY HOMES

June activity in the housing market saw 2,389 existing single family homes sold in the region, an increase of 2.0 percent from the 2,343 homes sold in May. These results continue a positive 2016 trend in the number of single family home sales in the region. This year continues to lag the prior year, with June sales 7.3 percent less than the 2,578 homes sold in June of 2015.

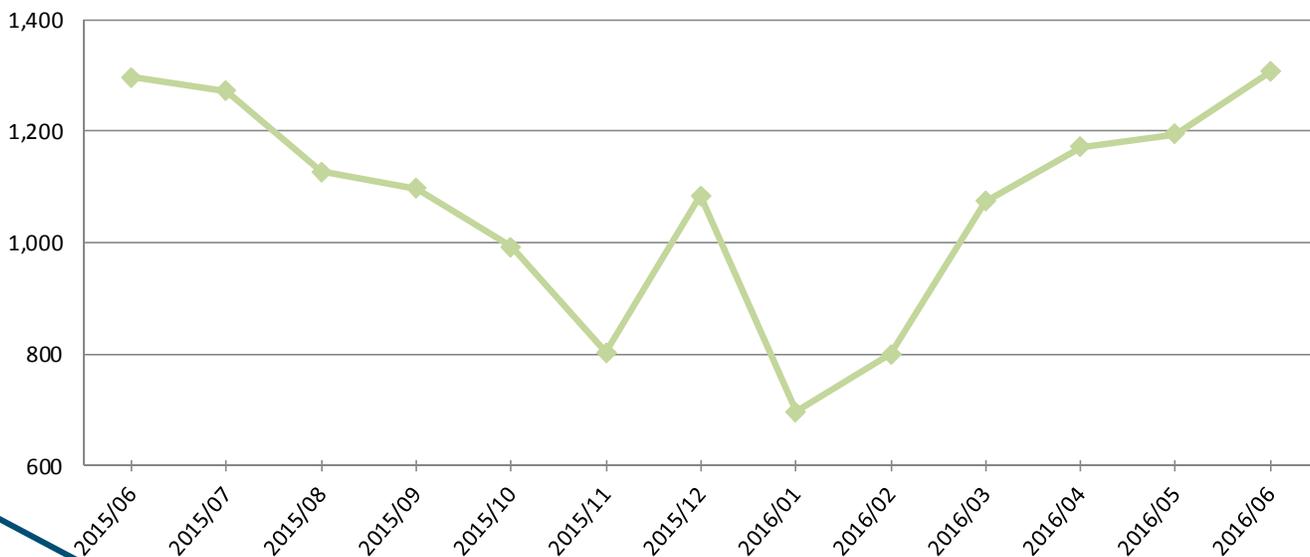
On average, homes that sold in San Diego County in June were on the market for 31 days. This is 1 day shorter than May's 32-day average market time, and remains less than

the 36-day average market time recorded in June 2015.

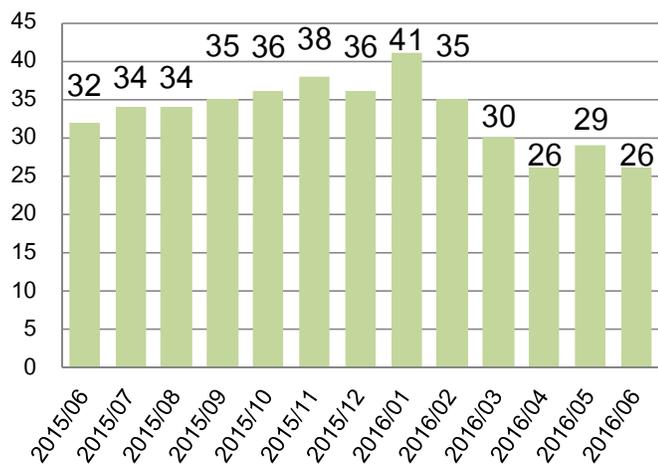
In June the median price of an existing detached single family home in San Diego County dropped to \$563,000, a decrease of 0.4 percent from the May median price of \$565,000. Yet, June's median price was up 3.4 percent compared to the median price of \$544,500 in June 2015.

June's results may indicate modestly slowing growth in the local single family housing market. The increase in sales volume is not as great as earlier in the year. Also, although modest, June's decline in median price is the first decline since January 2016. Nonetheless, the decreasing market time appears to reveal ongoing demand from the region's buyers.

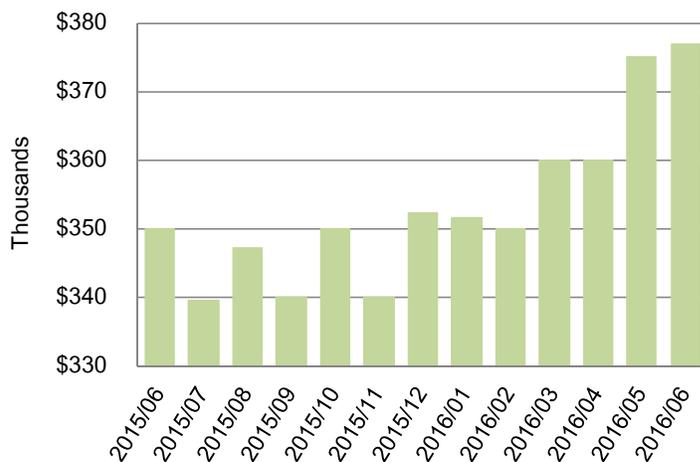
EXISTING ATTACHED HOME SALES (SEASONALLY ADJUSTED)



AVERAGE NUMBER OF DAYS ON MARKET EXISTING ATTACHED HOME SALES



MEDIAN PRICE OF EXISTING ATTACHED HOME



Source (all charts this page): San Diego Association of REALTORS; compiled by the San Diego Regional Chamber of Commerce

HOUSING MARKET: EXISTING ATTACHED HOMES

In June, the number of existing attached homes sold in San Diego County was 1,306, an increase of 9.3 percent from the 1,195 homes sold in the month of May and marking the fifth consecutive month of increased sales in attached homes. June's results were a modest 0.7 percent higher than the 1,297 existing attached homes sold in June of last year.

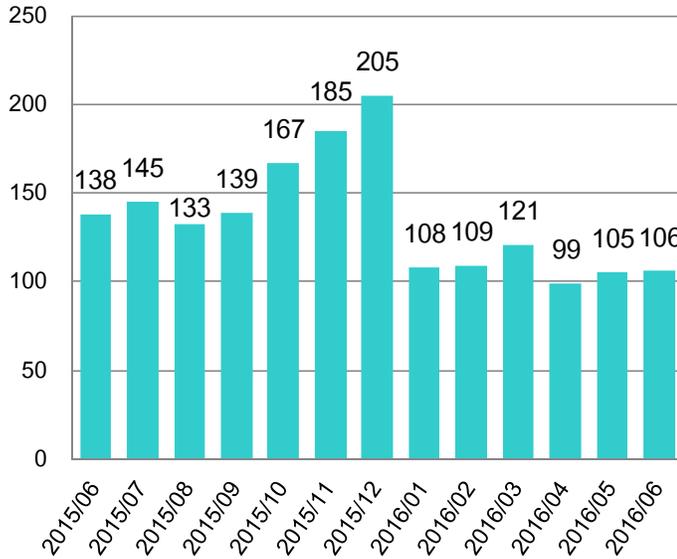
On average, existing attached homes sold in San Diego County in June were on the market for 26 days, 3 days less than the 29-day market time recorded in May and 6 days

shorter than the 32-day average market time recorded in May of last year.

In June the median price of an existing attached home in the region was \$377,000, a modest increase of 0.5 percent compared to the May median price of \$375,000. June's median price is 7.7 percent greater than the price recorded in June 2015 of \$350,000 and, for the second consecutive month, is the highest reported in the past 12 months.

June's results seem to indicate continued strong demand from buyers in the market for attached homes, with trends of increasing sales and prices coupled with decreasing market time over the past three months.

NUMBER OF FORECLOSURES (TRUSTEE'S DEEDS)



Source: InnoVest Resource Management; compiled by the San Diego Regional Chamber of Commerce

HOUSING MARKET: FORECLOSURES

The number of foreclosures (Trustee's Deeds) in San Diego County during the month of June was 106, a modest increase of 1.0 percent from the 105 foreclosures reported in the month of May, and a significant drop of 23.2 percent from the 138 foreclosures reported one year ago in June of 2015.

REGIONAL EMPLOYMENT

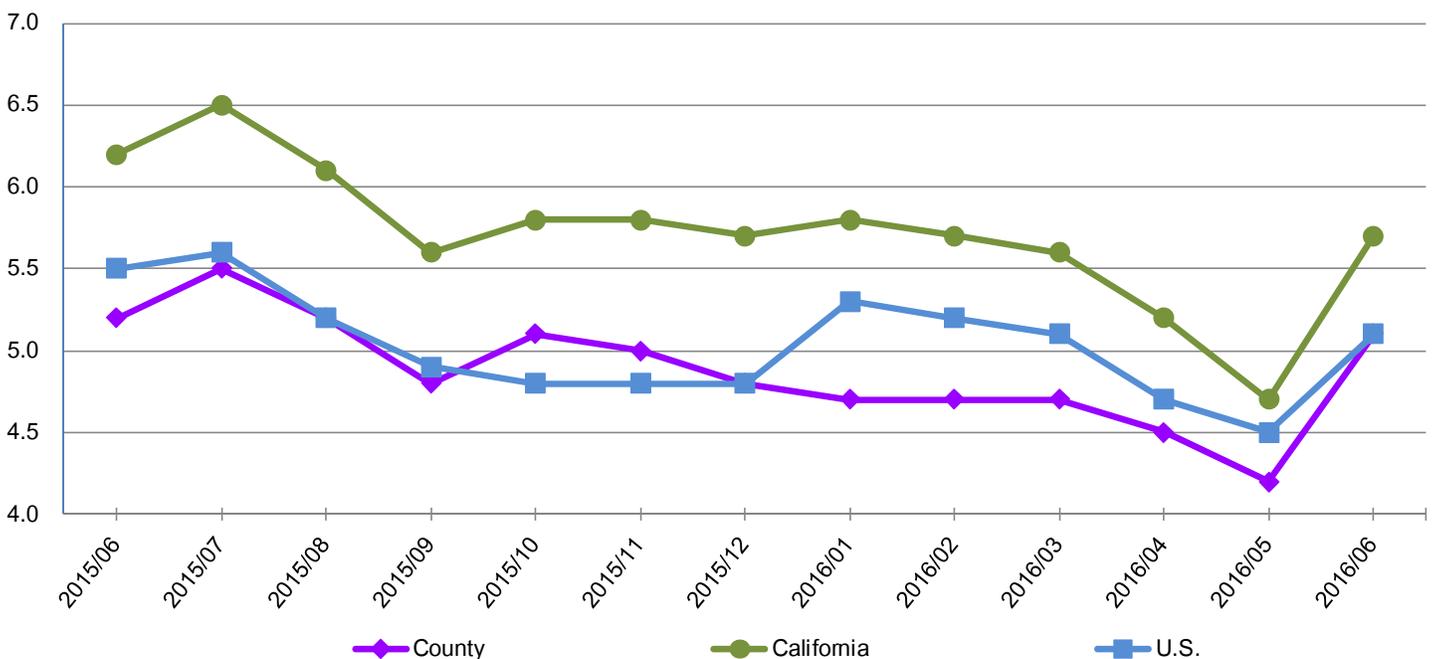
The seasonally unadjusted unemployment rate in San Diego County climbed to 5.1 percent in June from the 4.2 percent rate reported in May, marking the first increase after seven months of unchanged or decreasing unemployment in the region. June's local unemployment rate remains just below the 5.2 percent rate recorded one year ago in June 2015. June's results are lower than the State and match the national unemployment rates reported for June this year.

Statewide, the seasonally unadjusted unemployment rate jumped to 5.7 percent in June, compared to May's unemployment rate reported at 4.7 percent. June's results end a four-month run of falling unemployment in California, although June's rate remains below the 6.2 percent unemployment rate the State recorded one year ago in June of 2015.

Nationally, the seasonally unadjusted unemployment rate increased to 5.1 percent in June, up from the 4.5 percent unemployment rate reported in May, but still lower than the 5.5 percent unemployment rate in the U.S. from one year ago in June of 2015.

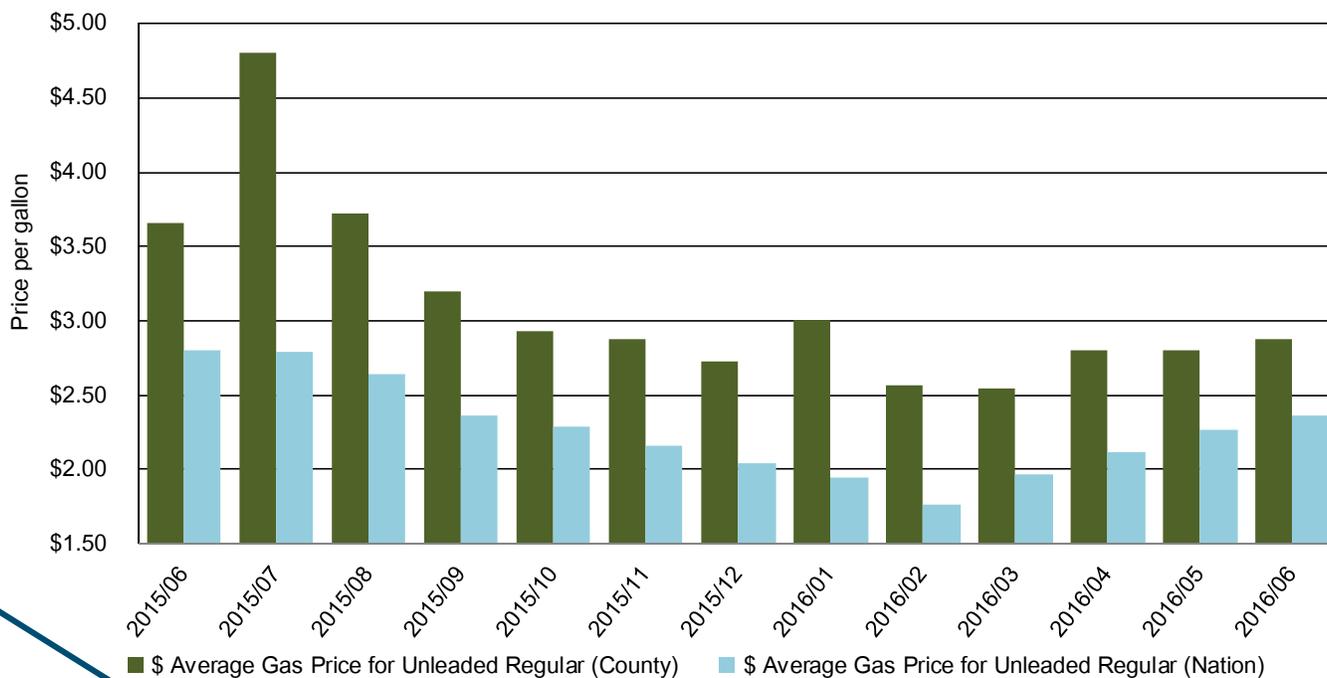
June's unemployment numbers reverse a trend of continued declines in unemployment in the region, State and nation that had been seen throughout 2016 to date.

UNEMPLOYMENT RATE (NOT SEASONALLY ADJUSTED)



Source: U.S. Bureau of Labor Statistics; compiled by the San Diego Regional Chamber of Commerce

AVERAGE GASOLINE PRICE



Source: American Automobile Association and U.S. Energy Information Administration; compiled by the San Diego Regional Chamber of Commerce

GASOLINE PRICES

The average price of unleaded regular gasoline per gallon in San Diego County in June 2016 climbed 2.7 percent to \$2.87 from the May average price of \$2.80. Although higher than the previous month, June's price is a 21.4 percent decrease from the average price in the region of \$3.65 recorded one year ago in June 2015. June's results counter two consecutive months of unchanged gas prices in the region, increasing costs for consumers and businesses alike.

Nationwide, gas prices continue to climb month-over-month. In June, the national average price per gallon of unleaded regular gasoline reached \$2.37. June 2016's price is 4.3 percent higher than in May when the price was at \$2.27. Nonetheless, June's national unleaded gas price per gallon is 15.6 percent below the national average price per gallon of \$2.80 recorded one year ago in June of 2015.

Gasoline prices in San Diego County and nationally appear to be on the increase during the peak summer travel season. Future months results will indicate whether this is a seasonal increase, or represents a longer-term trend of climbing fuel prices across the country.

MISSED LAST MONTH'S REPORT?

The Economic Indicators report is published monthly. If you've missed an issue, are looking for historical data, or additional economic measures not included in this report, the County of San Diego has got you covered.

Past issues of the Economic Indicators report, additional data and historical data since calendar year 2012 are available online at:

www.sandiegocounty.gov/content/sdc/fg3/reiindex.html

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