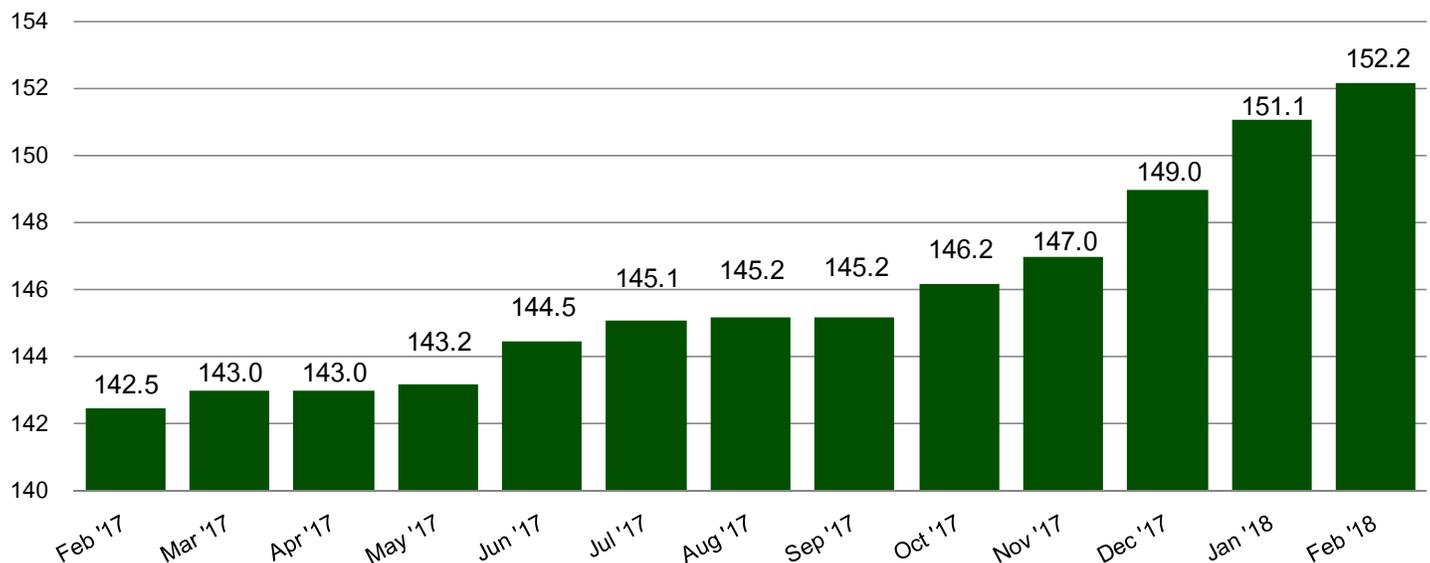


ECONOMIC INDICATORS

COUNTY OF SAN DIEGO—OFFICE OF FINANCIAL PLANNING FEBRUARY 2018



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

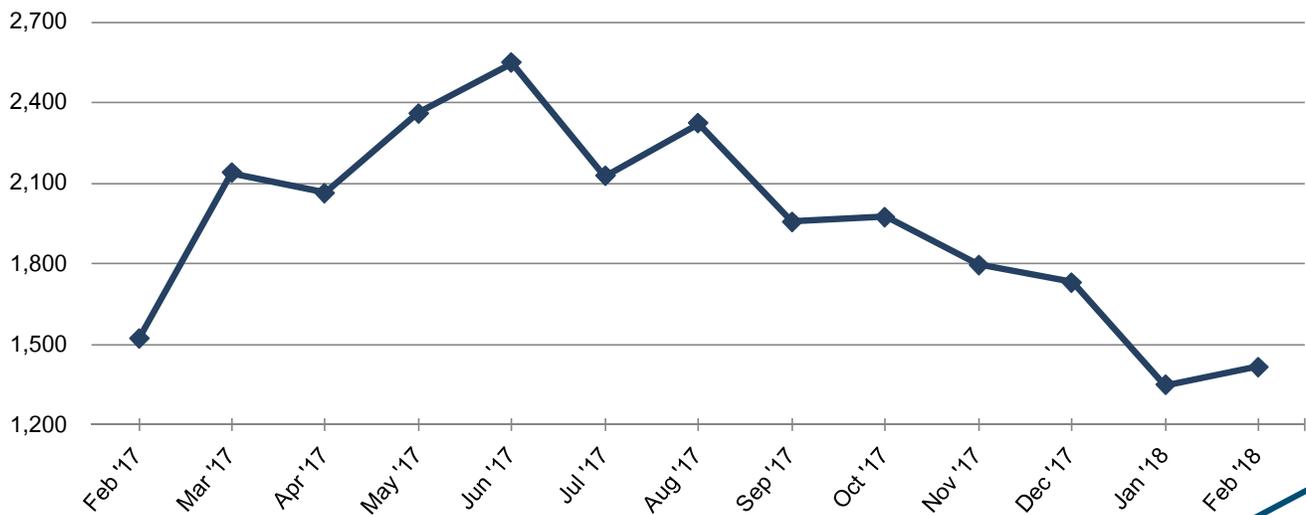
The University of San Diego (USD) Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County rose 0.7% in February, with gains in 6 of the Index's 7 components. "The only thing that prevented a third consecutive month with all components up was a decline in local stock prices," February's Index Report noted, continuing, "With February's increase, the USD Index has now advanced or remained unchanged for 16 consecutive months. For the second month in a row, it... hit a new all-time high. As a result, there [was] no change from the previously reported outlook for the local economy: positive growth... at least through the end of 2018."

Nonetheless, February's decline in local stock prices marked the first decrease in this Index component seen since August 2017. The Index Report commented, "February saw great volatility in the stock market, with the Dow Jones Industrial Average falling more than 1,000 points in a day twice during the month. This affected local stocks, even though most San Diego companies are smaller ones that trade in the over-the-counter market."

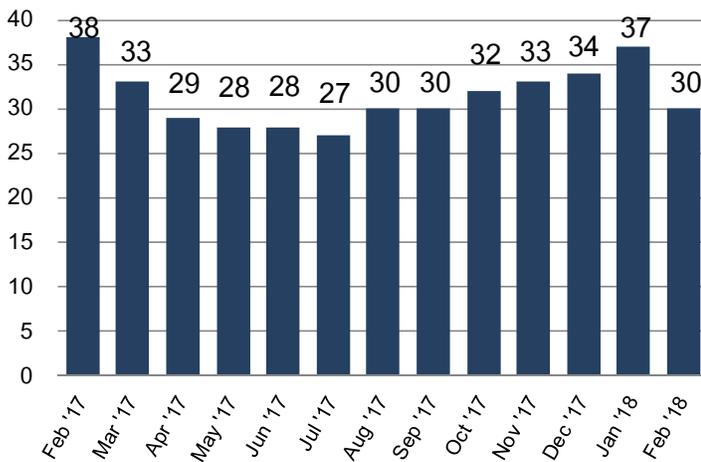
Notable among the Index components that saw increases in February were residential units authorized by building permits, which continued to grow but at a slower pace than was seen over the previous two months. Also, both labor market indicators were up, with initial claims for unemployment insurance showing its largest increase since March 2015 and help wanted advertising reporting gains for the fourth consecutive month. Additionally, consumer confidence was up for the 20th month in a row.

The outlook for the national economy remained positive, with the national Index of Leading Economic Indicators reporting an increase for 17 of the past 18 months. Of concern was the rate of growth in the nation's gross domestic product (GDP). The Index Report commented, "GDP growth continue[d] to lag behind historic standards. For 2017, real GDP increased by 2.3 %, which [was] higher than the 1.6% growth of 2016 but well below the 3.5% average growth rate from the post-World War II period to the start of the Great Recession."

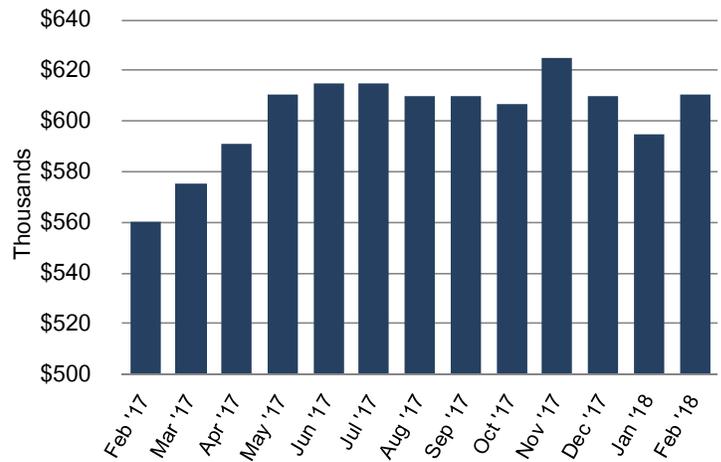
EXISTING SINGLE FAMILY HOME SALES (SEASONALLY ADJUSTED)



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

In February, the region's housing market reported 1,417 existing single family homes sold, an increase of 5.3% from the 1,346 homes sold in January. Activity in this market sector was down compared to one year ago, with a 6.7% decrease from the 1,519 single family homes sold in February of 2017.

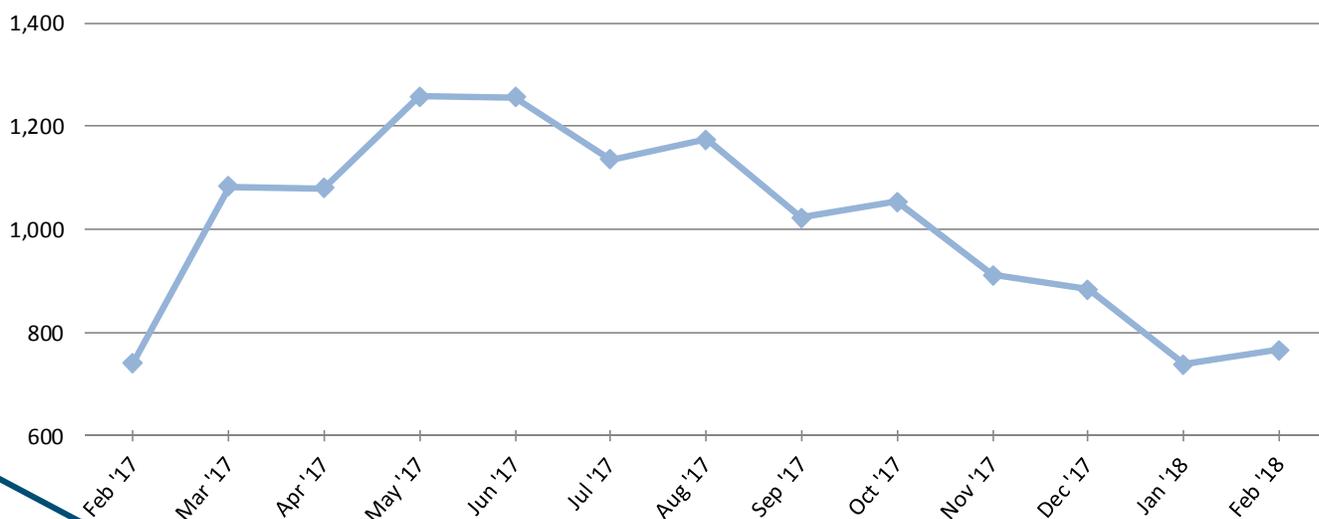
On average, homes were on the market for 30 days in February, down a full week from the 37-day market time seen in January. February's decline in average market time follows six consecutive months of increasing or unchanged market

time in this sector. February's market time was a decrease of 8 days from the 38-day market time seen one year prior in February of 2017.

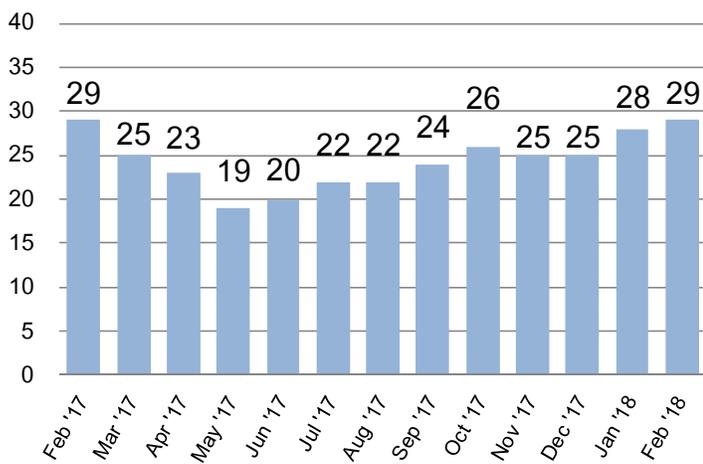
In February the median price of an existing detached single family home grew 2.7% to \$610,500. February's median price was up from January's price of \$594,500. February's reported median price was up 9.0% compared to one year ago in February 2017 when the median price was \$560,000.

Overall activity in the region's single family home sector appeared to be picking up from January's results, with an increase in overall sales and median price along with falling market time. Whether this trend will continue throughout 2018 remains to be seen.

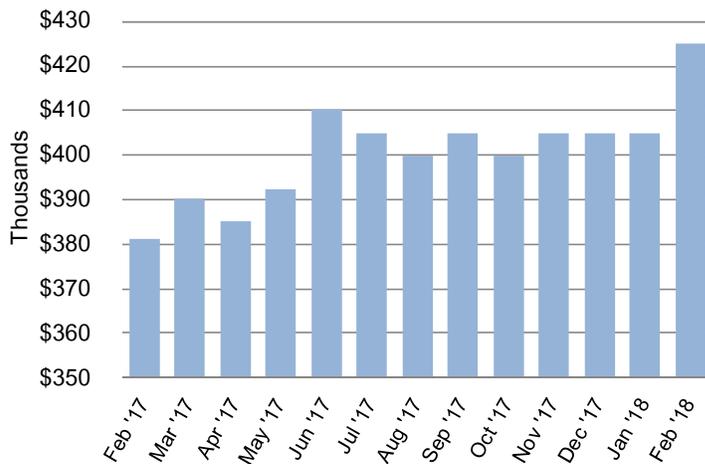
EXISTING ATTACHED HOME SALES (SEASONALLY ADJUSTED)



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

The number of existing attached homes sold in San Diego County in February grew by 3.7% to 766, up from the 739 existing attached homes sold in January. In addition, February's results were a 3.2% increase from the 742 attached homes sold one year ago in February 2017.

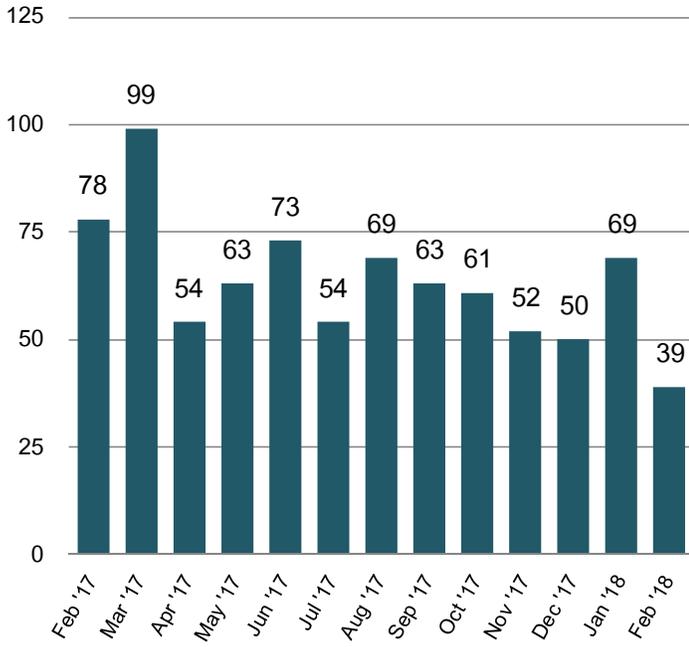
On average, existing attached homes sold in San Diego County in February were on the market for 29 days, marking a 1-day increase from the 28-day market time seen in January. February's results were unchanged from the 29-day mar-

ket time seen one year prior in February of 2017.

In February, the median price of an existing attached home in the region climbed 4.9% to \$424,950, up from January's median price of \$405,000. February's median price for attached homes was a sharp increase of 11.5% from the median price of \$381,000 reported one year ago in February 2017.

February activity in the region's attached home sector appears to counter the slowing trend in sales and prices that was seen in the second half of 2017.

NUMBER OF FORECLOSURES (TRUSTEE'S DEEDS)



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

HOUSING MARKET: FORECLOSURES

The number of foreclosures (Trustee's Deeds) in San Diego County dropped by nearly half, or 43.5%, to 39 in February, down from the 69 foreclosures reported in January. February's results were 50.0% below the 78 foreclosures reported one year ago in February of 2017.

REGIONAL EMPLOYMENT

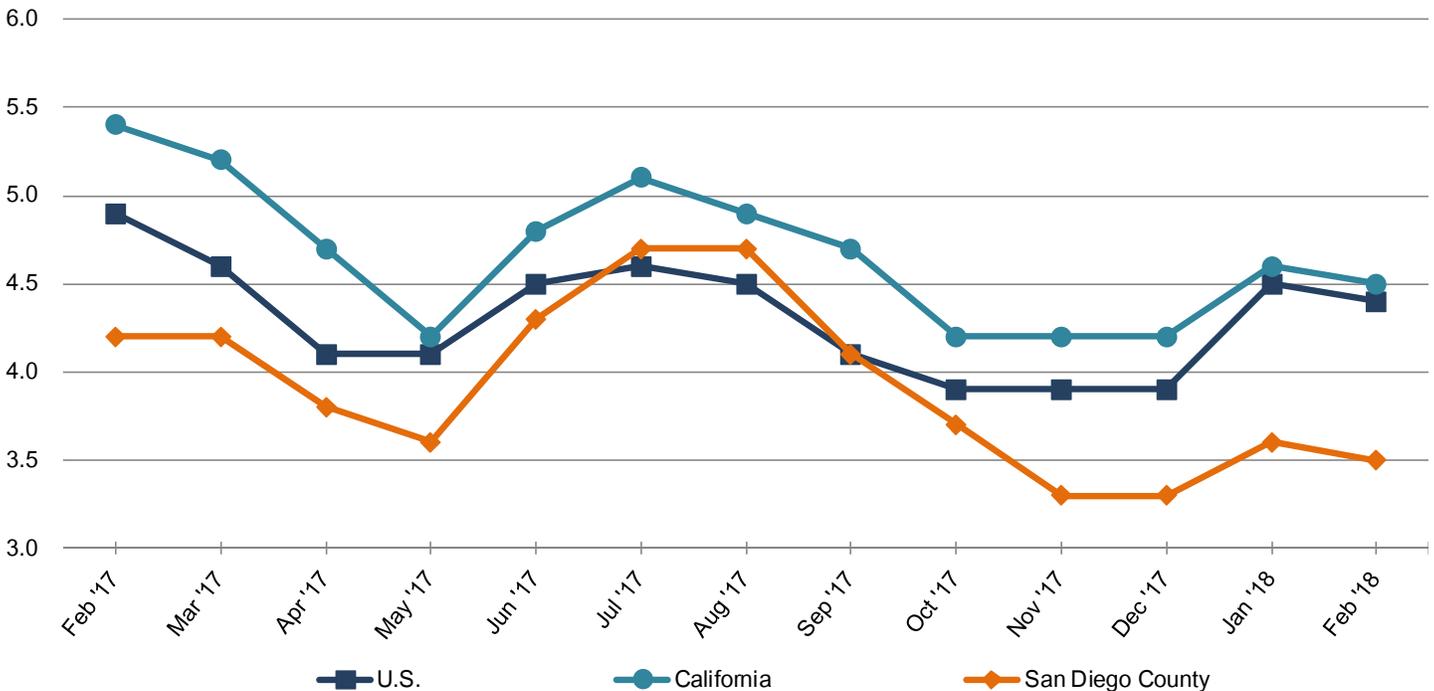
The seasonally unadjusted unemployment rate in San Diego County fell 0.1% to 3.5% in February, a decrease from January's rate of 3.6%. February's regional unemployment rate was 0.7% lower than the 4.2% rate recorded one year ago in February of 2017. Additionally, the region's unemployment rate in February was far below both the State and national rates.

Statewide, the seasonally unadjusted unemployment rate dropped 0.1% to 4.5% in February, down from the 4.6% unemployment rate California reported in January. Nonetheless, California's unemployment rate was higher than both the regional and U.S. unemployment rates. February's Statewide unemployment rate was nearly a full percentage point below the 5.4% rate California recorded one year ago in February of 2017.

Nationally, the seasonally unadjusted unemployment rate declined 0.1% to 4.4% in February, down from the 4.5% unemployment rate the nation reported in January. February's national unemployment rate was 0.5% below the 4.9% unemployment rate recorded in the U.S. last February of 2017.

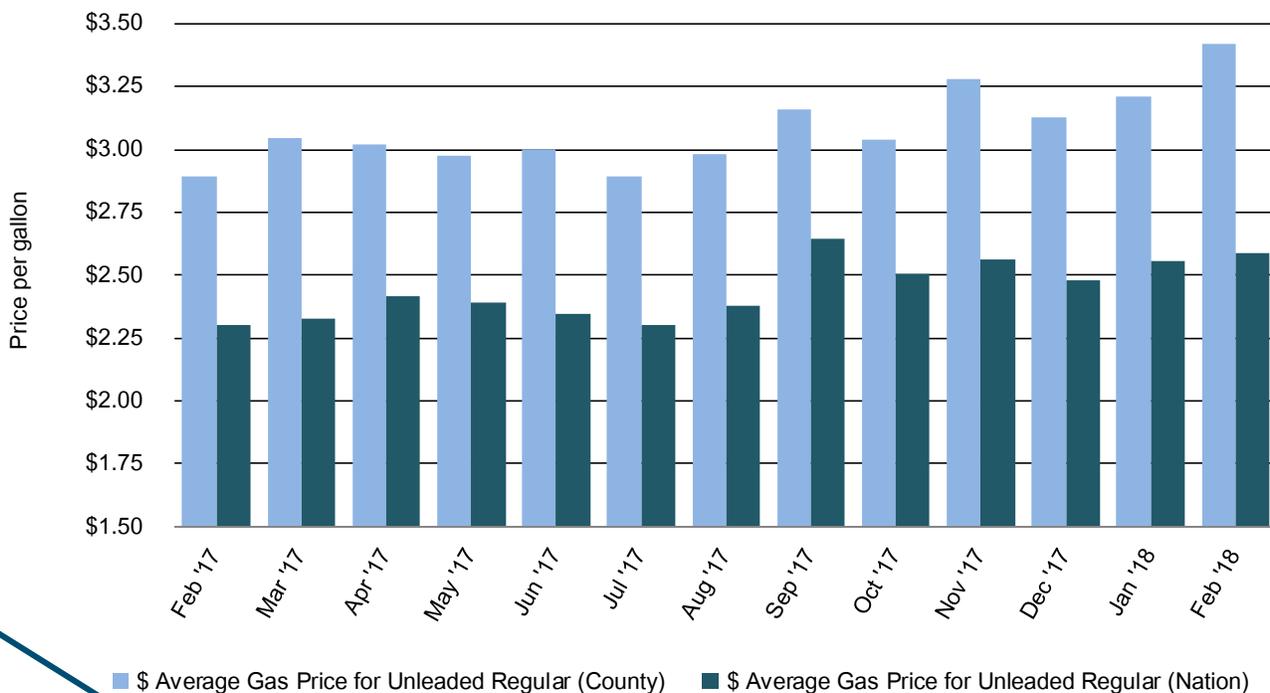
February's declines in unemployment rates counter January's across-the-board increase in seasonally unadjusted unemployment rates at the national, State and regional levels.

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 grew 6.6% in February to \$3.42, up from January's price of \$3.21 per gallon. Local gas prices have remained over the \$3.00 mark since September 2017. February's regional average price was 18.2% higher than the average price of \$2.90 recorded at the same time last year in February 2017.

Gas prices also climbed at the national level in February, with the national average price per gallon of unleaded regular gasoline growing 1.3% to \$2.59 in February, following January's price per gallon of \$2.56. February's average unleaded gasoline price per gallon in the nation was 12.3% above the national average price per gallon of \$2.30 recorded one year ago in February of 2017.

After falling locally and nationally in December 2017, gas prices have been on a generally upward trend. Consumers and businesses will be closely watching prices in 2018 to see if this pattern will continue throughout the year.

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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