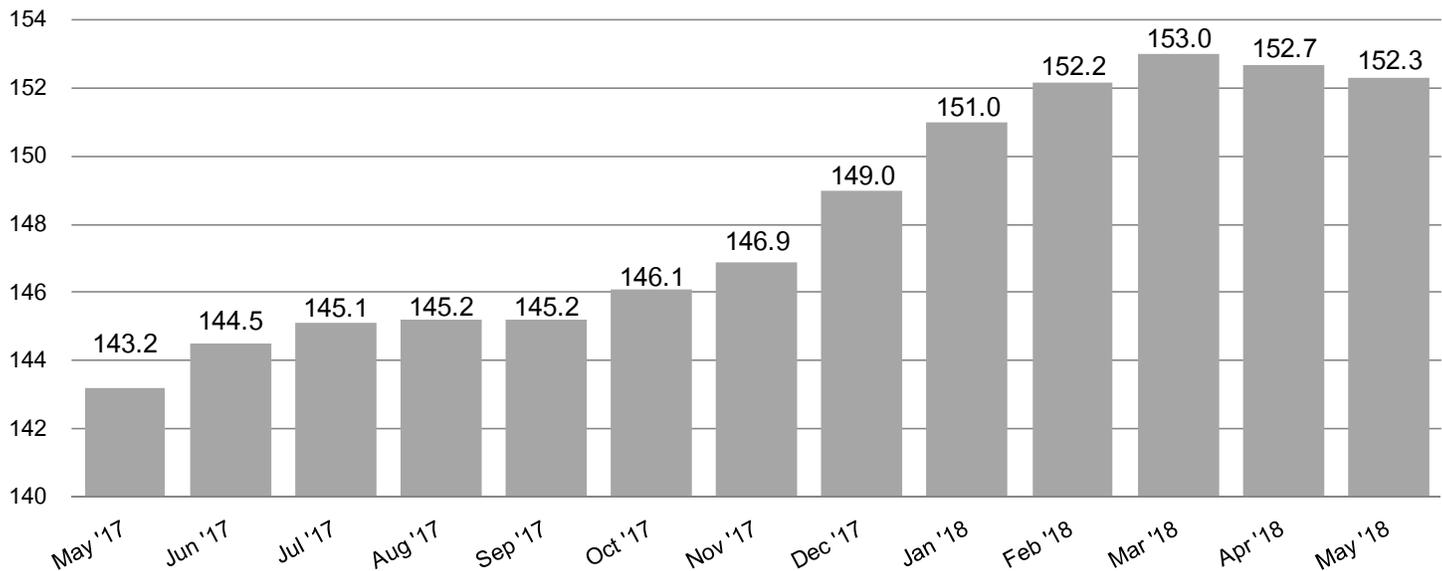


ECONOMIC INDICATORS

COUNTY OF SAN DIEGO—OFFICE OF FINANCIAL PLANNING MAY 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

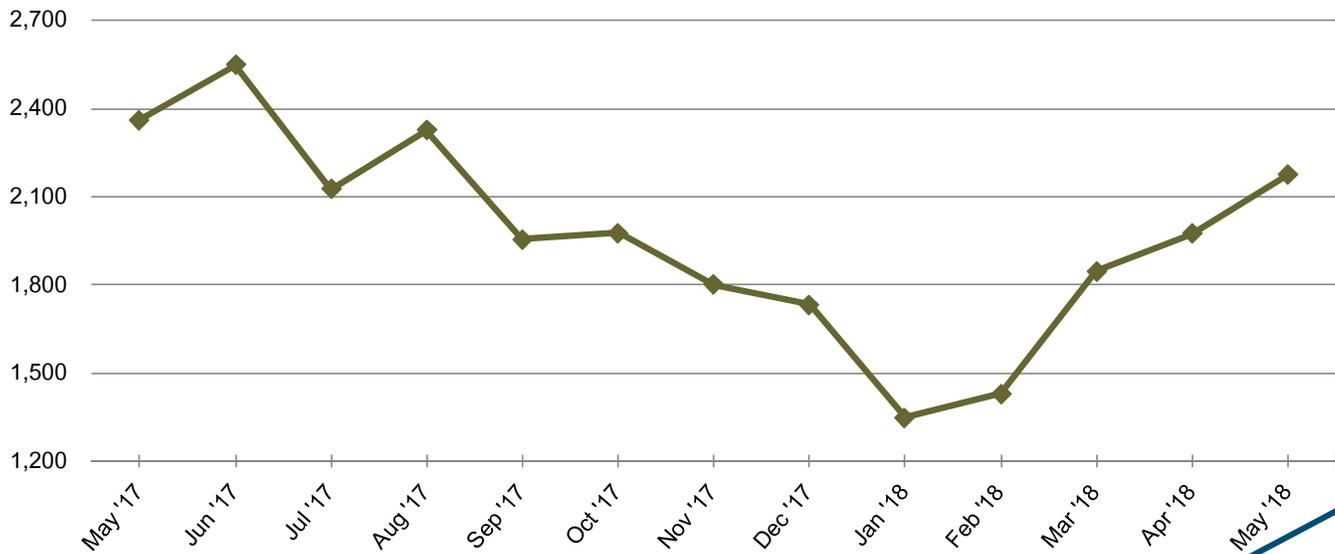
The University of San Diego (USD) Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County dropped 0.2% in May, marking the Index's second consecutive loss since July 2016. Commenting on May's results, the May Index Report stated, "...economists usually look for three moves in the same direction for a leading index to indicate a turning point in the economy. This hasn't happened yet, so the outlook for the local economy remains positive for now. But any number of things could adversely affect San Diego's economy, including rising gas prices, rising interest rates, high housing prices,...a trade war leading to barriers against San Diego companies, local government budget problems, increased taxes on some San Diegans due to the 2017 tax reforms, and turmoil in the health care markets as elements of the Affordable Care Act are eliminated. Each of these will have a negative impact on the local economy; whether collectively they are enough to derail the strong growth that has been experienced remains to be seen."

May's result was based on declines in three of the Index's components. Residential units authorized by building permits reported a third month of decline, "although May's decrease was the smallest of the three," the Report commented. Also contributing were both of the Index's labor components. While initial claims for unemployment insurance reported its first increase in nine months, this had a negative effect on the Index. Help wanted advertising also reported a second month of negative results.

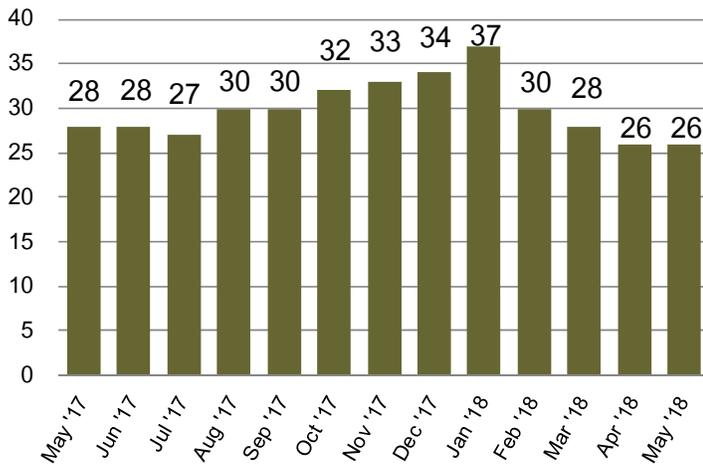
On the positive side, consumer confidence saw 23 months of consecutive increases. Local stock prices also climbed in May after ups and downs throughout 2018 to date.

For the second consecutive month, counter to the local Index results, the national Index of Leading Economic Indicators reported an increase, its 21st consecutive month of growing or unchanged results. The Index Report commented, "The national labor market continues in full employment territory, with the unemployment rate at 3.8% and 223,000 jobs created in May. GDP growth continues to be sluggish, with the third and final estimate of growth for the first quarter coming in at 2.0%, which was down from the 'advance' and second estimates of 2.3% and 2.2% respectively, and from 2.9% in the fourth quarter of 2017."

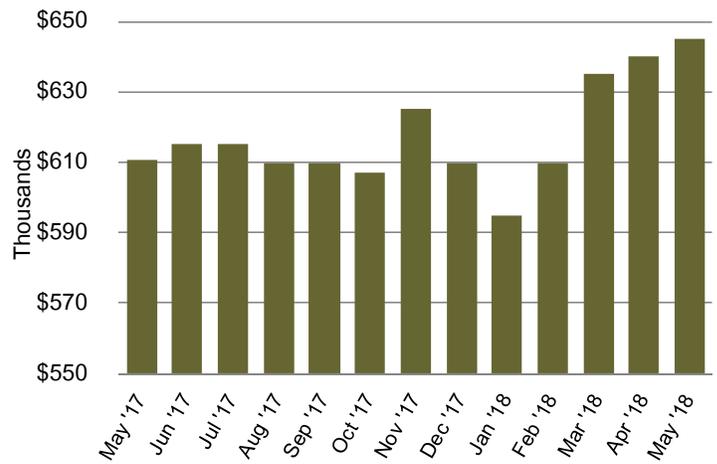
EXISTING SINGLE FAMILY HOME SALES (SEASONALLY ADJUSTED)



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

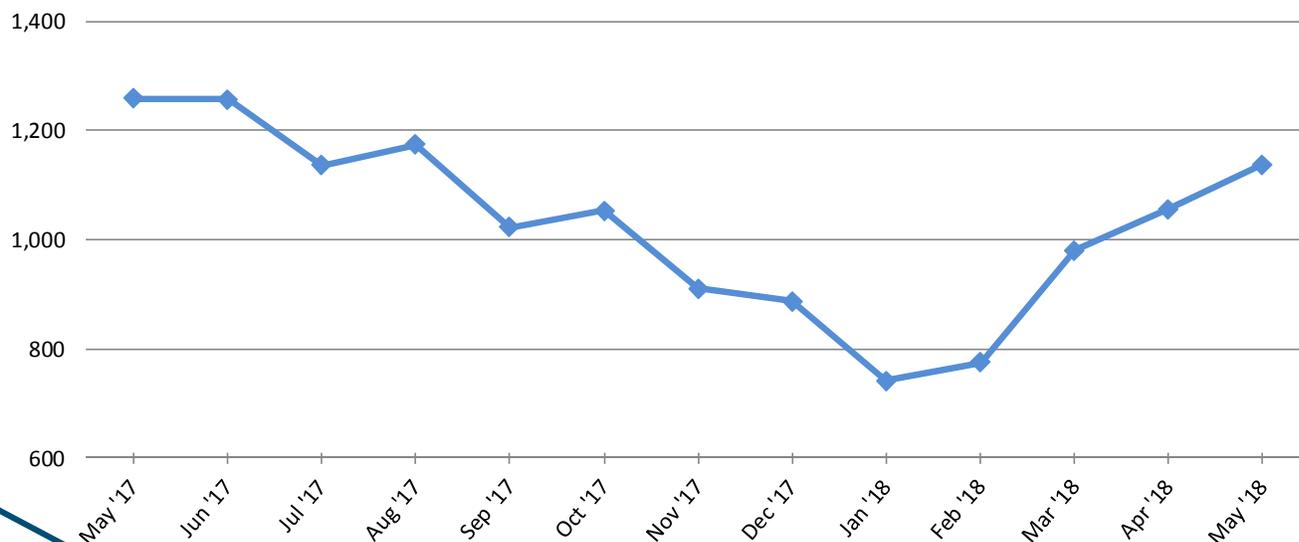
In May, the region's housing market reported 2,174 existing single family homes sold, an increase of 10.1% from the 1,975 homes sold in April. However, sales activity in this market sector was down compared to one year ago, with a 8.0% decrease from the 2,362 single family homes sold in May of 2017.

On average, single family homes in the region were on the market for 26 days in May, unchanged from April's result. May's average market time was a decrease of 2 days from the 28-day market time seen one year prior in May of 2017.

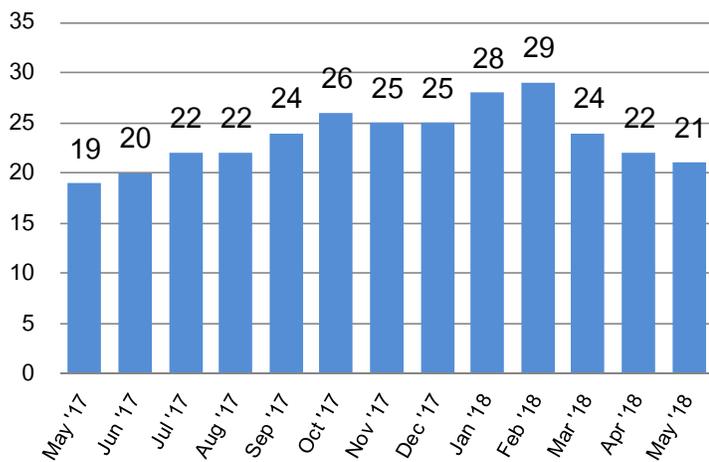
In May the median price of an existing detached single family home grew 0.8% to \$645,000. May's median price was up modestly from April's price of \$640,000. May's reported median price was up 5.6% compared to one year ago in May of 2017 when the median price was \$610,750.

Overall growth in the region's single family home sector appears sustained from April's results, marking a significant increase in sales coupled with a modest increase in median sales price and an unchanged market time.

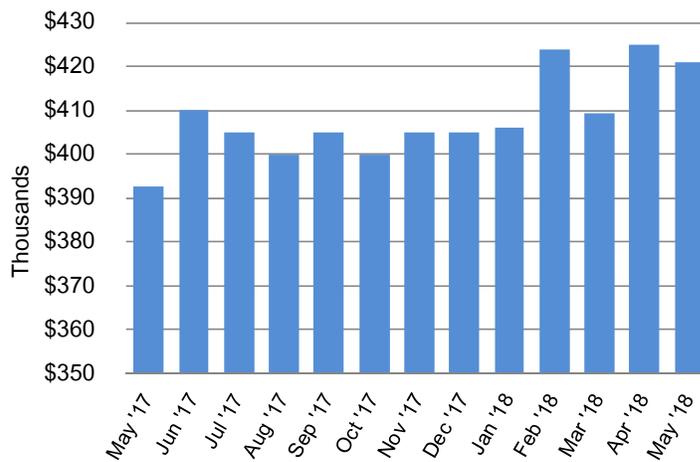
EXISTING ATTACHED HOME SALES (SEASONALLY ADJUSTED)



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 May grew 7.7% to 1,137, up from the 1,058 existing attached homes sold in April. However, May's results were down 9.6% from the 1,258 attached homes sold one year ago in May 2017.

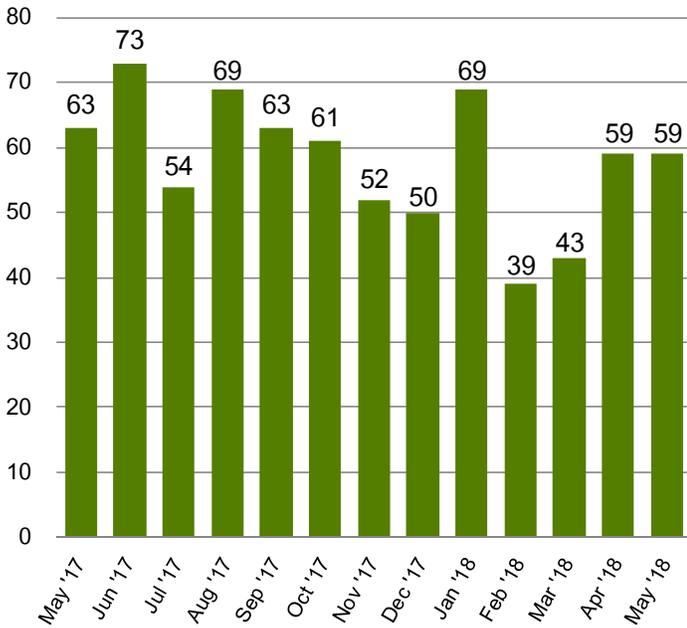
On average, existing attached homes sold in San Diego County in May were on the market for 21 days, marking a 1-day decrease from the 22-day market time seen in April. May's results were 2 days greater than the 19-day average

market time seen one year prior in May of 2017.

In May, the median price of an existing attached home in the region declined 0.9% to \$421,000, down from April's median price of \$425,000. Nonetheless, May's median price for attached homes was an increase of 7.3% from the median price of \$392,500 reported one year ago in May 2017.

May's results appear to show continued activity in the region's attached home sector, with increasing sales and falling market time. Many will be watching to see whether the modest drop in median price of attached homes signals a trend.

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 was unchanged in May, from the 59 foreclosures reported in April. May's foreclosure results were 6.3% below the 63 foreclosures reported one year ago in May of 2017.

REGIONAL EMPLOYMENT

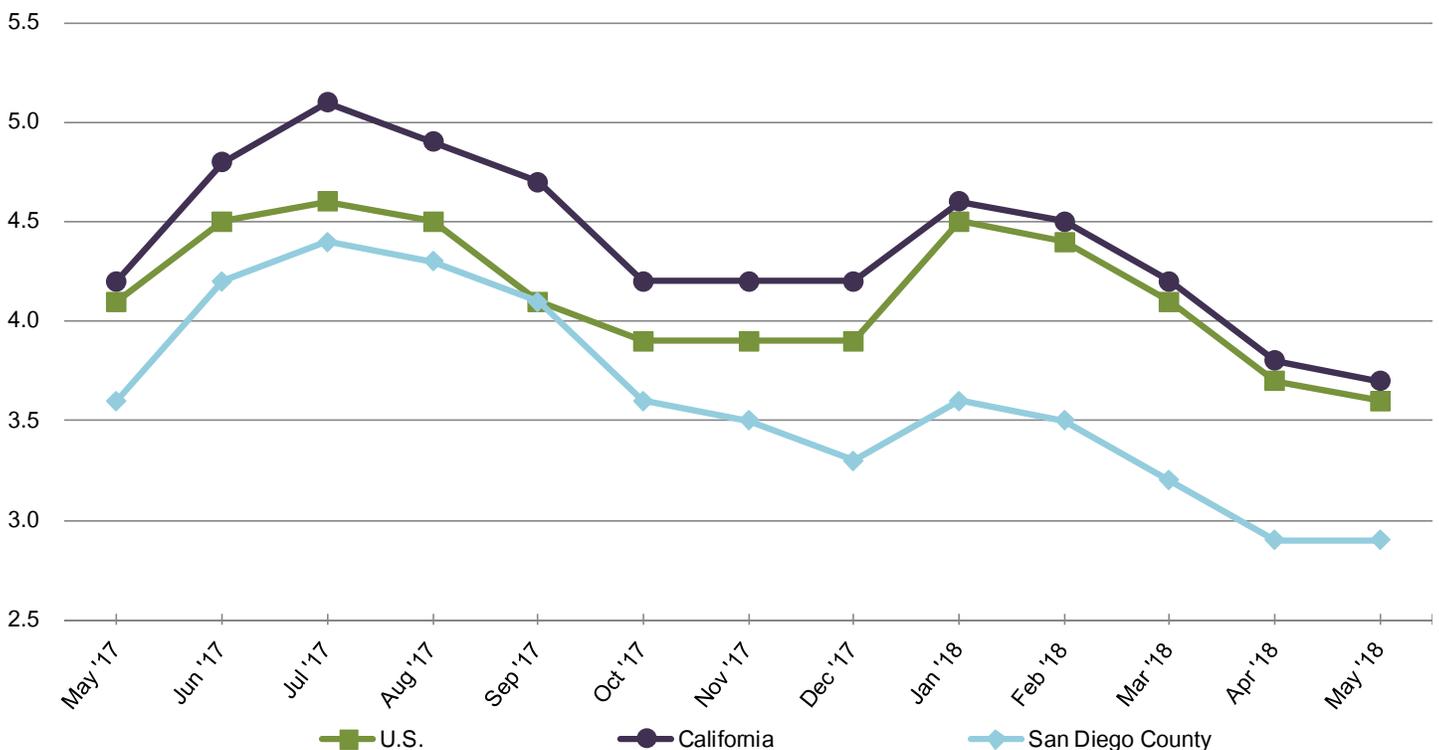
The seasonally unadjusted unemployment rate in San Diego County was unchanged at 2.9% in May, matching April's move below 3.0%. The region's unemployment rate in May remained below both the State and national rates reported in the same month. Additionally, May's regional unemployment rate was 0.7% lower than the 3.6% rate recorded one year ago in May of 2017.

Statewide, the seasonally unadjusted unemployment rate dropped 0.1% to 3.7% in May, down from the 3.8% unemployment rate California reported in the month of April. The State's unemployment rate was higher than both the regional and U.S. unemployment rates again in May. Further, the Statewide unemployment rate in May was 0.5% below the 4.2% rate California recorded one year ago in May of 2017.

Nationally, the seasonally unadjusted unemployment rate also declined, by 0.1% to 3.6% in May, down from the 3.7% unemployment rate the nation reported in April. May's national unemployment rate was also 0.5% below the 4.1% unemployment rate recorded in the U.S. last May of 2017.

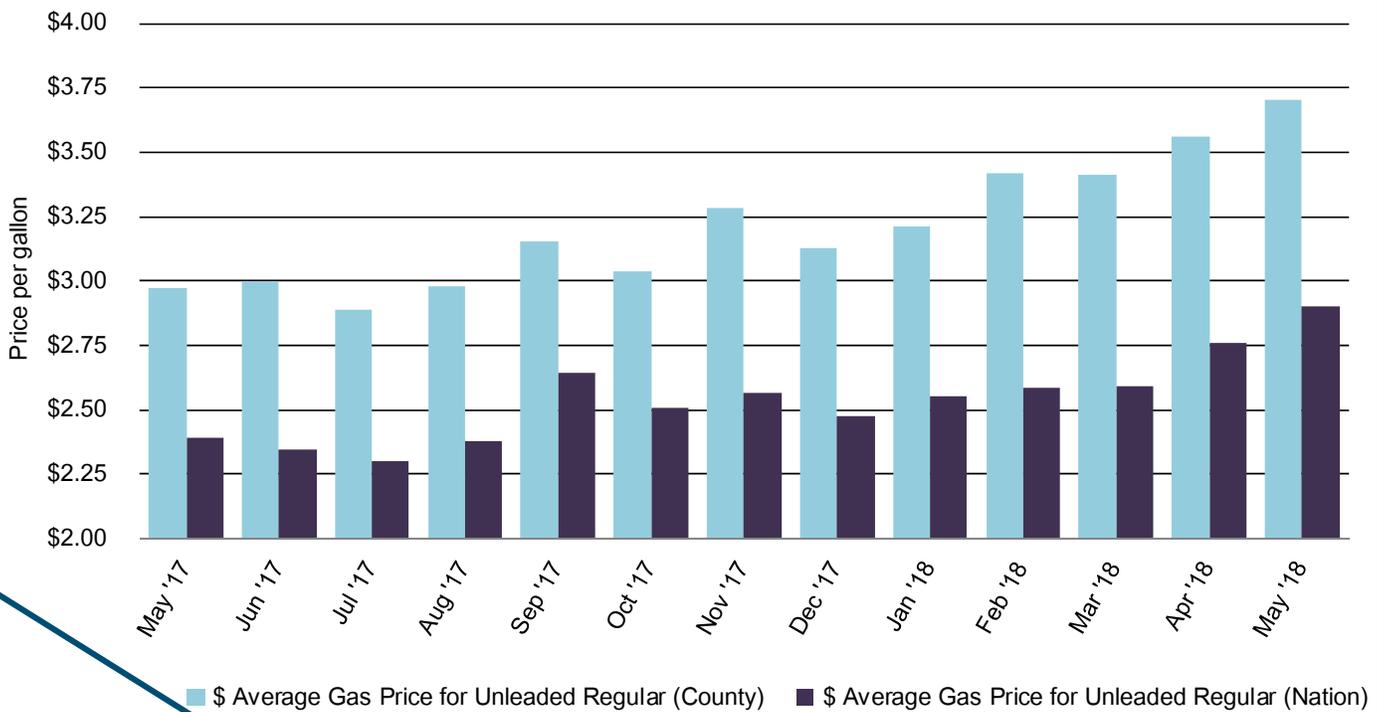
Although at a slower rate than in the previous month, May's declines in unemployment rates mark four consecutive months of decreases in seasonally unadjusted unemployment rates at the national, State and regional levels.

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 climbed 4.0% in May to \$3.70, up from April's price of \$3.56 per gallon. May's regional average price was a staggering 24.5% higher than the average price of \$2.97 recorded at the same time last year in May of 2017.

Gas prices also jumped at the national level in May, with the national average price per gallon of unleaded regular gasoline growing 5.2% to \$2.90 from April's price of \$2.76. Similar to local prices, May's average unleaded gasoline price per gallon in the nation was 21.3% above the national average price per gallon of \$2.39 recorded one year ago in May of 2017.

After a dip in March, gas prices continued to climb skyward in May. Locally, the average price of unleaded regular gasoline per gallon has remained over the \$3.00 mark for 9 of the past 12 months, while at the national level the average price per gallon of unleaded regular gasoline was greater than \$2.50 for 8 months over the past year.

Consumers and businesses will be watching these price increases carefully as the peak summer driving months approach.

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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County of San Diego, Office of Financial Planning
 1600 Pacific Highway, Room 352 (MS: A-5)
 San Diego, CA 92101
 (619) 531-5177

For more information contact:

nicole.temple@sdcounty.ca.gov