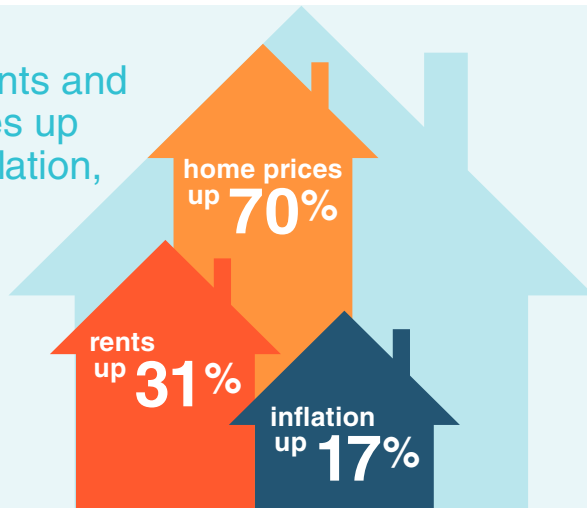


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Regional leaders have expressed alarm about the shrinking availability and increasing cost of housing in the San Diego region for years. Many feel that the county faces a housing crisis. While our beautiful weather and high quality of life bind people to the region, it's more than demand for housing that has resulted in the current situation. A look at the data from the last 50 years shows a dramatic decline in the number of new homes built. Housing growth has failed to keep up with the demands of a growing population and economy. As a result, prices have steadily risen, reducing the amount of affordable housing on the market and putting the dream of buying a home out of reach for most of the population.

San Diego rents and housing prices up more than inflation, 2009–2017

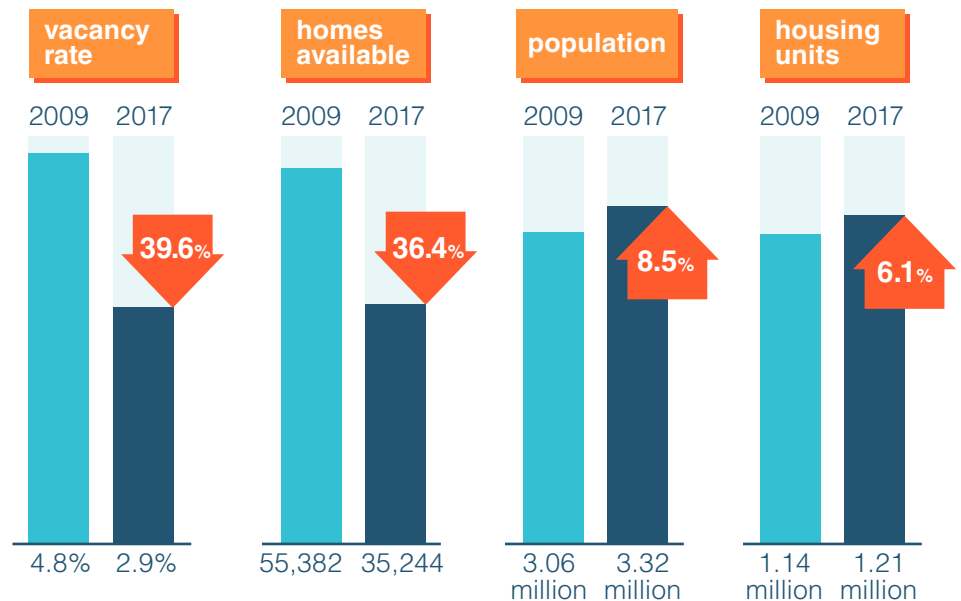


One in four San Diego households can buy an average priced (\$580,000) home in the region



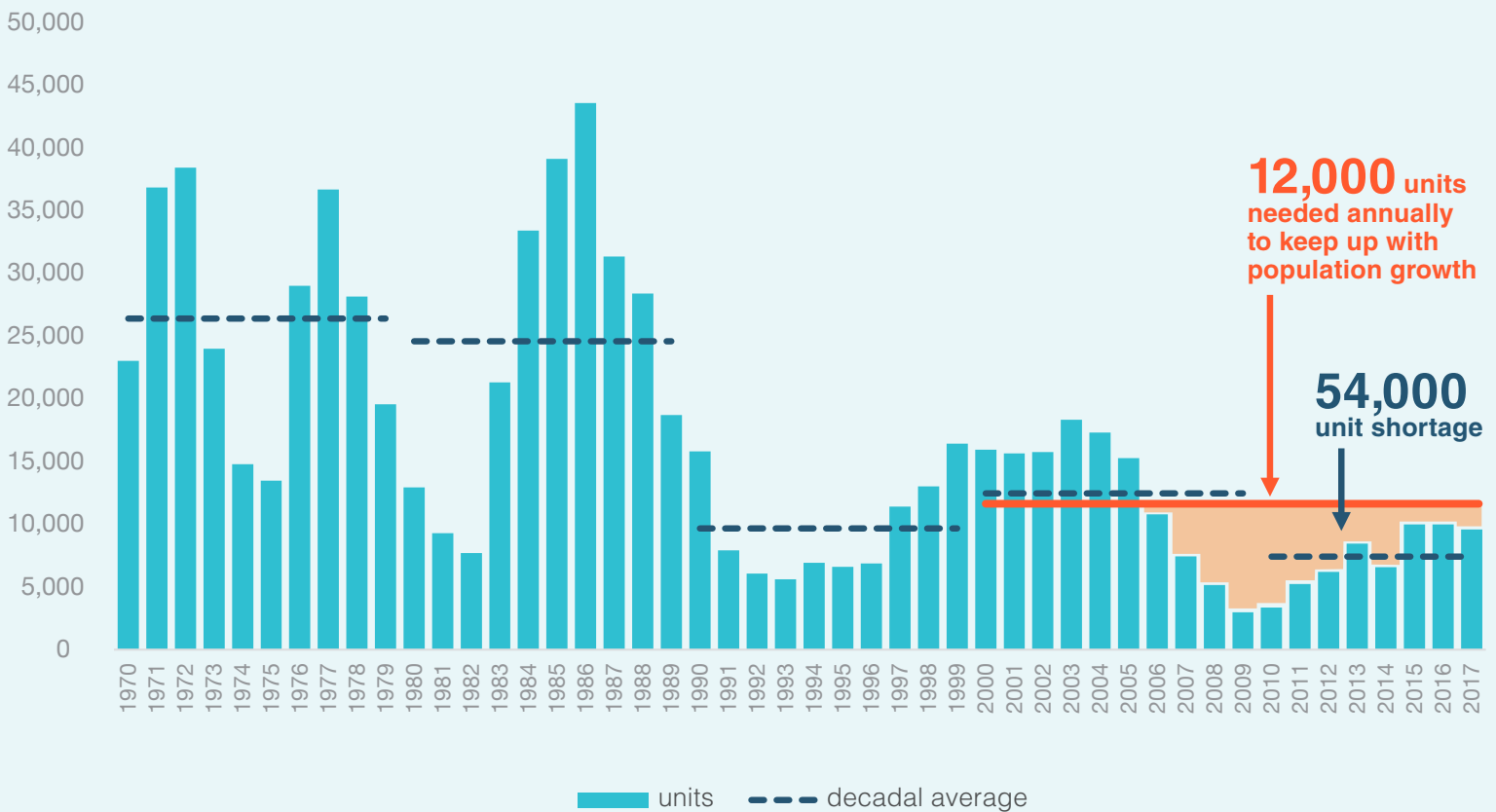
Fewer homes available for rent or sale in the San Diego region, 2009–2017

Healthy housing markets are traditionally expected to have vacancies which allow individuals to move closer to work or school, or to move to a smaller or larger residence, based upon their current need. While a healthy vacancy rate is generally considered to be around 5 percent, the vacancy rate across the region in 2017 was 2.9 percent.



In the 1970s and 1980s, the San Diego region built an average of about 25,000 new homes annually. However, the region has added fewer than 7,000 homes per year since 2006, when an average of 12,000 homes were needed annually just to keep up with population growth. This has resulted in a current shortage of 54,000 homes. Going forward, the San Diego region needs to build about 13,000 new homes annually to maintain a healthy housing market.

Number of new building permits issued in the San Diego region, 1970–2017



Sources: Economic Research Bureau, Greater San Diego Chamber of Commerce, Forecast Bulletin Economic Indicators (1970-1992), Real Estate Research Council of Southern California, Real Estate and Construction Report (1993-2017).

About infobits

SANDAG serves as the San Diego region’s clearinghouse for information and data. Infobits publish timely, relevant information as well as provide context on complex issues facing the region.

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