

# 2007 San Diego Real Estate Forecast

Compliments of:  
**Machelle Richardson**

## 2007 The Transition Year = Return to Normal

"The real estate market will pretty much stay the current course. The first two or three quarters of this year will be the tail end of the ugliness," said Ryan Ratcliff, economist at the UCLA Anderson Forecast. "Things will pick up before the end of 2007." This sentiment was reinforced by Gary Zimmerman, senior economist with the Federal Reserve Bank of San Francisco, who believes that the residential market should pick up by the end of the year, after it "flushes out" any excess inventory.

DataQuick Information System's John Karevoll predicts that 2007 will be a return to a normal market, which means that sales and prices are in the middle of the grid "historically." He believes, by Spring, the market will be more in balance between buyers and sellers.

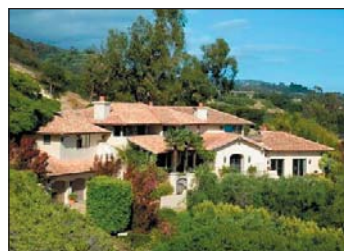
Let's review what happened in 2006 in 5 key sectors and what forecasters are predicting for the coming year.

Home Price and Sales statistics are from DataQuick Information systems, Union-Tribune (1/16/2007), Roger Showley: 2006 Housing Decline Paints Uneven Picture

### SAN DIEGO MEDIAN HOME PRICES

|                     |           |       |                |
|---------------------|-----------|-------|----------------|
| Resale Houses       | \$554,000 | +0.9% | from 2005-2006 |
| Resale Condos       | \$390,000 | -0.5% | from 2005-2006 |
| New Houses&Condos   | \$444,000 | -6.7% | from 2005-2006 |
| All Houses & Condos | \$490,000 | -0.8% | from 2005-2006 |

| Area                    | '05<br># of sales | '06 | '05<br>median price—resale homes | '06         | %<br>change |
|-------------------------|-------------------|-----|----------------------------------|-------------|-------------|
| Rancho Santa Fe (92067) | 149               | 120 | \$2,850,000                      | \$2,690,000 | -5.6%       |
| Rancho Santa Fe (92091) | 39                | 33  | \$2,300,000                      | \$2,562,500 | +11.4       |
| Del Mar (92014)         | 138               | 107 | \$1,500,000                      | \$1,460,000 | -2.7%       |
| Carmel Valley (92130)   | 475               | 399 | \$1,050,000                      | \$1,028,000 | -2.1%       |
| Solana Beach (92075)    | 87                | 87  | \$1,125,500                      | \$1,200,000 | +6.6%       |
| Encinitas (92024)       | 547               | 432 | \$840,000                        | \$802,500   | -4.5%       |
| Cardiff (92007)         | 130               | 107 | \$860,000                        | \$850,000   | -1.2%       |
| Carlsbad NW (92008)     | 215               | 172 | \$735,000                        | \$725,000   | -1.4%       |
| Carlsbad SE (92009)     | 535               | 392 | \$775,000                        | \$770,000   | -6%         |
| Carlsbad NE (92010)     | 160               | 119 | \$659,500                        | \$655,000   | -.7%        |
| Carlsbad SW (92011)     | 266               | 183 | \$836,000                        | \$827,500   | -1.0%       |
| La Jolla (92037)        | 363               | 304 | \$1,750,000                      | \$1,700,000 | -2.9%       |



It is important to remember that the 2006 overall annual median price (\$490,000) for new and resale homes has nearly **tripled** since 1996 when the median price was \$169,000. In 2000, the overall median price for a home in San Diego County was \$234,000 and increased 15-20% annually through 2005.

Prediction: Prices should hold. CAR is predicting a drop of 2%. One economist, Michael Carney, economist with Real Estate Research Council @ Cal Poly Pomona, predicts prices will fall 5% as buyers wait on sidelines. Marney Cox, chief economist at SANDAG, concurs. Housing Predictor.com (Clickpress, 1/5/07)) predicts that San Diego home prices will drop more than 13% in 2007, more than any other California county.

## NUMBER OF SALES

|                          |        |            |
|--------------------------|--------|------------|
| <b>Resale Houses</b>     | 21,760 | Down 22.9% |
| <b>Resale Condos</b>     | 8,881  | Down 29.8% |
| <b>New Houses/Condos</b> | 11,481 | Down 20.8% |
| <b>All Houses/Condos</b> | 42,122 | Down 23.9% |

Predictions: There will be a 7% decrease in the number of sales in 2007, according to Leslie Appleton-Young, Chief Economist with the California Association of Realtors. She says the number of unsold homes has diminished since summer, but the market still has to absorb some of the homes for sale left over from 2006 before the sales count levels off. She feels we are almost there.

*Note: Carlsbad was the only zip code (92011) in which the number of attached and detached sold listings was greater in 2006 than 2005.*

## INVENTORY – Single Family Homes

| <b>Avg. # of days on the market</b> | <b>2005</b> | <b>2006</b> |
|-------------------------------------|-------------|-------------|
| San Diego                           | 52 days     | 67 days     |

This is the market’s wild card, according to Delores Conway, with Casden Real Estate Economic Forecast at USC. “For now, sellers are choosing not to compete with builders of new homes who have been lowering prices and offering concessions. Typically the number of resale homes goes up in spring which could force prices downward.” She says that there will be a big surge in inventory only if the job market turns negative.

One sign of a bottoming market is the number of homes listed on Sandicor Inc’s Multiple Listing Service, which peaked at nearly 23,000 in August 2006 before falling nearly 30% to 16,300 in early January 2007. At the height of the market frenzy in Spring 2004, the number was as low as 3,083. Whenever there is over 5 months inventory there is a downward pressure on prices. There are signs that inventory has peaked, mortgage applications are up, and housing prices are stabilizing.

## FINANCING

Interest rates will likely stay within 1% of current levels (6% for a 30-year fixed mortgage) through 2007. Some mortgage experts are predicting that a 30-year fixed mortgage will reach 6.5% by the end of this year. Douglas Duncan, chief economist for the Mortgage Bankers Association, said he expects rates to increase mid-to-late 2008.

## NEW CONSTRUCTION

The number of building permits issued in San Diego in 2006 was down approximately 30% from 2005. It is predicted that there will be 10,000 building permits issued in 2007, down 1,000 from 2006. The percentage of permits for *attached* homes has risen dramatically over the last 6 years. Russ Valone, MarketPointe Realty Advisors, points out that “after production of condos and town



houses edged up to 15 % of new housing in 2000, the attached-home share of the market in San Diego soared to 26% in 2001, to 43% in 2003, to 62% in 2004 and to 69% last year.”

Alan Nevin, MarketPointe Realty Advisors, predicts a slow-down in high-rise urban building and less focus on affordable entry-level housing, which is not as profitable.

In 2006, San Diego County construction firms lost a total of 5,000 jobs, more than 5 percent of their work force, and real estate firms cut 500 positions in December alone, according to the California Employment Development Department.

## ADDITIONAL ECONOMIC INDICATORS

### Positives:

- 1) Tourism is one of San Diego’s strongest markets and economic indicators. The hotel industry is doing very well with an occupancy rate of 78.3%.
- 2) Unemployment is at 3.9 %, well below the state level of 4.5% and the national level of 4.6 % (Marney Cox, San Diego Metropolitan, Jan. 2007).
- 3) The commercial real estate market has shown considerable strength in San Diego and will offset economic losses in the residential markets.
- 4) San Diego ranked #5 in the 2007 National Apartment Index compiled by Marcus & Millichap Real Estate Investment Brokerage Company. This index determines the lowest rental apartment vacancy rate in the nation as well as the strongest growth in rents throughout the year. Others in the top 5 included New York (#1) Orange County (#2) Oakland (#3) Las Vegas (#4).
- 5) San Diego has been given a vote of confidence by the mega-developer, The Irvine Company, which has spent nearly \$1 billion to buy six top-quality office towers, including One America plaza, Symphony towers, and Wells Fargo Plaza. This year, Irvine purchased a 1.5 acre \$60 million site on the corner of Broadway and Pacific Highway. It sees a bright future for downtown San Diego.

### Negatives:

- 1) San Diego County added approximately 25,000 new jobs in 2005 and 15,000-20,000 jobs in 2006. 30% of the job growth was real estate-related. Only 13,000-15,000 jobs are forecasted for 2007, primarily due to the slowdown in real estate and our slumping manufacturing industry. This is a weakening in our economy, but NOT a recession!
- 2) Condo conversions: 2006 marked the first foreclosure of a large condo conversion project, a 280-unit complex in Oceanside developed by Maisel-Presley, one of San Diego’s largest and most active condo converters. There is now a glut of conversion units on the market – “5,987 units in 115 projects - almost a two-year supply,” according to Peter Dennehy with The Sullivan Group Real Estate Advisors. While converters are feeling pain from the housing slowdown, many are expected to ride out this down cycle and they have the deep pockets to do so.
- 3) Most of the time, real estate is a function of the overall economy: job creation, GDP, interest rates. Now the roles are reversed and real estate is the prime mover of the economy. Alan Gin, publisher of USD’s Index of Leading Indicators for San Diego County, says that San Diego’s economy has been outperforming the nation’s economy since 1999. He does not believe that San Diego will outperform the rest of the state and the nation in 2007. He says that the weak housing market will hurt the local economy in 3 ways:
  - 1) slow or negative job growth in construction and real estate-related jobs
  - 2) weaker consumer spending due to lower home equity
  - 3) reserve wealth effect – people feel poorer as the value of their home declines

He feels there may be a pick-up in the second half of the year, especially if interest rates and inventory continue to go down.

- 4) High oil and gas prices are always a concern. For every 10-cent increase in oil/gas prices, it takes \$7 million from our local economy. Money spent on gas/oil is money that could be spent in other sectors.
- 5) We still have an affordability crisis in California. Our median home price is twice the national median.

## Positive and Negative:

San Diego is mostly a biotech city (there are 500 life sciences firms) and, thanks to Qualcomm, a tech-centric city, says Bud Leedom, publisher of the "California Stock Newsletter." Venture capital pumped \$1.06 billion into San Diego in 2006, with the biggest percentage going to biotechnology and medical-device companies, but "investors have become wary of channeling money into high-risk areas such as biotechnology, which can reap large profits from successful drugs or fall by the wayside from too many failed attempts," says Alan Aiello, president of Evergreen Wealth Management in La Jolla. A largely Democratic Congress is less likely to support drug industry-favored legislation than its Republican counterparts, though the corporations involved in stem-cell research could benefit.

Looking South: Mexico has a significant impact on San Diego. As pointed out by The London Group Realty Advisors, "Most of the San Diego's remaining vacant land lies near the border... Mexicans annually expend \$4 billion on retail goods in San Diego County and there is a growing frenzy of Americans purchasing vacation homes along the Baja Peninsula." The new president, Felipe Calderon, is off to a good start but there have been kidnappings and killings in Tijuana, environmental problems, a long and unpredictable border wait, and illegal entry issues. Illegal immigrants are entwined in the local economy and stricter enforcement of illegal immigration laws could deprive San Diego of a much-needed workforce.

## KEEPING THINGS IN PERSPECTIVE

- 1) **MEDIA DRAMA** - George Chamberlin, executive editor of The Daily Transcript and local TV and radio commentator points out that, when there is a 25% correction in gold and oil, it is called a correction. When there is a 5% decline in real estate, it is called a bursting bubble. In reality, this is a normal, healthy correction based on people's reluctance to buy.
- 2) **FORECLOSURE FEARS** - A RealtyTrac survey has shown that foreclosures are on the rise - in San Diego, California, and the nation. In San Diego County, the number of recorded notices of defaults was 8,816 in 2006 versus 3,933 in 2005. But, as George Chamberlin notes, "...only one-tenth of 1% of all homes in California was re-purchased by the bank...In 2006, there were 636 REO's in California, 1743 in Georgia (which has 1/10 the population of California), and 4,122 in Ohio."
- 3) **APPRECIATE THE APPRECIATION** - George Chamberlin reminds us that the best house in Pittsburgh sells for \$115,000 and will be the same price 10 years from now. San Diego housing will increase in value over time because of the desirability of the location and because we have limited supply.
- 4) **THE LAW OF SUPPLY AND DEMAND** - Vista is totally built out; Carlsbad is 90% built out. Supply is limited and demand will grow.
- 5) **CALIFORNIA RULES** - Did you know that one out of every 8 U.S. residents lives in California? No wonder a lot of national housing news seems to center on California.

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Dramatic photo taken from one of the worst storms in San Diego history!

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### Compliments of:



## **Machele Richardson**

Coldwell Banker Previews Specialist



Coldwell Banker  
6015 Paseo Delicias  
Rancho Santa Fe, CA 92067

# Home prices for 2006

Home prices in San Diego County fell 0.8 percent last year, posting an overall median of \$490,000. The median price for each category represents the midpoint of all sales, with half below and half above that price. The sales volumes

include nearly all transactions filed with the county recorder during the year. The new home category comprises newly built single-family houses and condominiums, as well as apartments that were

converted into condominiums. To find out more, log onto DataQuick Information Systems at [www.dqnews.com](http://www.dqnews.com) or the Union-Tribune's Web site, [realestate.uniontrib.com/area\\_homesales/index.php](http://realestate.uniontrib.com/area_homesales/index.php).

## Central San Diego

| Place                      | ZIP code | RESALE        |              |             |             |       |              |              |            |             |        | NEW                        |              |             |             |        | ANNUAL TOTAL               |              |             |             |        |
|----------------------------|----------|---------------|--------------|-------------|-------------|-------|--------------|--------------|------------|-------------|--------|----------------------------|--------------|-------------|-------------|--------|----------------------------|--------------|-------------|-------------|--------|
|                            |          | SINGLE-FAMILY |              |             |             |       | CONDOMINIUMS |              |            |             |        | SINGLE-FAMILY/CONDOMINIUMS |              |             |             |        | SINGLE-FAMILY/CONDOMINIUMS |              |             |             |        |
|                            |          | No. sold '05  | No. sold '06 | Median '05  | Median '06  | Chng. | No. sold '05 | No. sold '06 | Median '05 | Median '06  | Chng.  | No. sold '05               | No. sold '06 | Median '05  | Median '06  | Chng.  | No. sold '05               | No. sold '06 | Median '05  | Median '06  | Chng.  |
| Allied Gardens, Del Cerro  | 92120    | 288           | 271          | \$581,000   | \$560,000   | -3.6% | 145          | 90           | \$338,000  | \$305,000   | -9.8%  | 219                        | 12           | \$334,000   | \$259,500   | -22.3% | 652                        | 373          | \$444,000   | \$489,000   | 10.1%  |
| City Heights               | 92105    | 409           | 326          | \$406,000   | \$411,000   | 1.2%  | 141          | 66           | \$250,000  | \$243,500   | -2.6%  | 149                        | 29           | \$275,000   | \$345,500   | 25.6%  | 699                        | 421          | \$347,000   | \$380,000   | 9.5%   |
| Clairemont                 | 92117    | 498           | 393          | \$547,500   | \$532,500   | -2.7% | 104          | 74           | \$388,000  | \$342,500   | -11.7% | 46                         | 45           | \$351,000   | \$345,000   | -1.7%  | 648                        | 512          | \$508,000   | \$489,000   | -3.7%  |
| College                    | 92115    | 569           | 470          | \$490,000   | \$500,000   | 2.0%  | 218          | 103          | \$312,500  | \$309,000   | -1.1%  | 235                        | 217          | \$275,000   | \$279,000   | 1.5%   | 1,022                      | 790          | \$403,000   | \$414,000   | 2.7%   |
| Coronado                   | 92118    | 165           | 115          | \$1,498,750 | \$1,605,000 | 7.1%  | 161          | 108          | \$962,000  | \$1,072,500 | 11.5%  | 17                         | 22           | \$1,050,000 | \$815,000   | -22.4% | 343                        | 245          | \$1,225,000 | \$1,299,000 | 6.0%   |
| Downtown                   | 92101    | 15            | 4            | \$731,250   | \$750,000   | 2.6%  | 773          | 576          | \$597,500  | \$589,500   | -1.3%  | 1199                       | 623          | \$501,000   | \$405,000   | -19.2% | 1,987                      | 1,203        | \$540,000   | \$494,000   | -8.1%  |
| Encanto                    | 92114    | 719           | 507          | \$435,500   | \$440,000   | 1.0%  | 5            | 4            | \$280,000  | \$295,000   | 5.4%   | 22                         | 13           | \$275,000   | \$445,000   | 61.8%  | 746                        | 524          | \$430,000   | \$439,000   | 2.1%   |
| Golden Hill                | 92102    | 193           | 167          | \$425,000   | \$440,000   | 3.5%  | 65           | 38           | \$299,000  | \$292,500   | -2.2%  | 45                         | 32           | \$311,500   | \$311,000   | -0.2%  | 303                        | 237          | \$381,000   | \$399,000   | 4.7%   |
| Hillcrest                  | 92103    | 178           | 152          | \$849,500   | \$805,000   | -5.2% | 251          | 166          | \$467,500  | \$456,000   | -2.5%  | 220                        | 99           | \$554,000   | \$420,000   | -24.2% | 649                        | 417          | \$602,000   | \$575,000   | -4.5%  |
| Mission Hills              |          |               |              |             |             |       |              |              |            |             |        |                            |              |             |             |        |                            |              |             |             |        |
| Kensington, Normal Hts.    | 92116    | 281           | 237          | \$565,000   | \$533,500   | -5.6% | 145          | 95           | \$343,000  | \$326,500   | -4.8%  | 123                        | 149          | \$285,000   | \$286,000   | 0.4%   | 549                        | 481          | \$444,000   | \$416,000   | -6.3%  |
| La Jolla                   | 92037    | 363           | 304          | \$1,750,000 | \$1,700,000 | -2.9% | 452          | 305          | \$625,000  | \$685,000   | 9.6%   | 360                        | 178          | \$500,000   | \$538,250   | 7.7%   | 1,175                      | 787          | \$934,000   | \$1,044,000 | 11.8%  |
| Linda Vista                | 92111    | 270           | 231          | \$530,000   | \$517,500   | -2.4% | 224          | 160          | \$410,000  | \$369,000   | -10.0% | 65                         | 17           | \$296,000   | \$292,000   | -1.4%  | 559                        | 408          | \$455,000   | \$450,000   | -1.1%  |
| Logan Hts.                 | 92113    | 209           | 174          | \$379,000   | \$395,000   | 4.2%  | 21           | 11           | \$300,000  | \$305,000   | 1.7%   | 42                         | 81           | \$310,000   | \$397,000   | 28.1%  | 272                        | 266          | \$362,000   | \$392,000   | 8.3%   |
| Mira Mesa                  | 92126    | 622           | 418          | \$525,000   | \$500,000   | -4.8% | 449          | 264          | \$360,000  | \$335,000   | -6.9%  | 156                        | 39           | \$345,000   | \$320,000   | -7.2%  | 1,227                      | 721          | \$442,000   | \$430,000   | -2.7%  |
| Mission Bch., Pacific Bch. | 92109    | 212           | 174          | \$882,500   | \$870,000   | -1.4% | 377          | 257          | \$580,000  | \$540,000   | -6.9%  | 161                        | 75           | \$415,000   | \$430,000   | 3.6%   | 750                        | 506          | \$630,000   | \$637,000   | 1.1%   |
| Mission Valley             | 92108    | NA            | 1            | NA          | \$394,000   | 0.0%  | 492          | 303          | \$350,000  | \$360,000   | 2.9%   | 121                        | 86           | \$575,000   | \$470,000   | -18.3% | 613                        | 390          | \$394,000   | \$384,000   | -2.5%  |
| Morena                     | 92110    | 134           | 94           | \$675,000   | \$660,000   | -2.2% | 256          | 155          | \$376,000  | \$376,500   | 0.1%   | 5                          | 71           | \$1,175,000 | \$408,000   | -65.3% | 395                        | 320          | \$488,000   | \$467,000   | -4.3%  |
| North Park                 | 92104    | 277           | 264          | \$552,500   | \$530,000   | -4.1% | 204          | 119          | \$328,000  | \$319,000   | -2.7%  | 84                         | 93           | \$327,500   | \$340,000   | 3.8%   | 565                        | 476          | \$438,000   | \$440,000   | 0.5%   |
| Ocean Beach                | 92107    | 158           | 149          | \$780,000   | \$750,000   | -3.8% | 97           | 67           | \$446,000  | \$470,000   | 5.4%   | 29                         | 41           | \$425,000   | \$406,000   | -4.5%  | 284                        | 257          | \$630,000   | \$622,000   | -1.3%  |
| Paradise Hills             | 92139    | 301           | 201          | \$460,000   | \$455,000   | -1.1% | 155          | 76           | \$353,000  | \$349,000   | -1.1%  | 70                         | 36           | \$319,500   | \$289,000   | -9.5%  | 526                        | 313          | \$410,000   | \$410,000   | 0.0%   |
| Point Loma                 | 92106    | 195           | 173          | \$891,000   | \$935,000   | 4.9%  | 30           | 31           | \$575,000  | \$550,000   | -4.3%  | 52                         | 11           | \$837,000   | \$389,000   | -53.5% | 277                        | 215          | \$847,000   | \$852,000   | 0.6%   |
| San Carlos                 | 92119    | 237           | 176          | \$550,000   | \$549,500   | -0.1% | 158          | 111          | \$328,500  | \$300,000   | -8.7%  | 6                          | 1            | \$590,000   | \$704,000   | 19.3%  | 401                        | 288          | \$463,000   | \$454,000   | -1.9%  |
| Scrapps Rch.               | 92131    | 420           | 315          | \$750,000   | \$735,000   | -2.0% | 333          | 213          | \$453,000  | \$435,500   | -3.9%  | 145                        | 129          | \$956,000   | \$1,170,000 | 22.4%  | 898                        | 657          | \$673,000   | \$723,000   | 7.4%   |
| Serra Mesa                 | 92123    | 189           | 160          | \$522,250   | \$500,000   | -4.3% | 137          | 74           | \$355,000  | \$397,500   | 12.0%  | 217                        | 14           | \$504,000   | \$480,250   | -4.7%  | 543                        | 248          | \$473,000   | \$468,000   | -1.1%  |
| Sorrento Val.              | 92121    | 39            | 37           | \$817,500   | \$800,000   | -2.1% | 67           | 23           | \$507,000  | \$466,750   | -7.9%  | 9                          | 5            | \$814,500   | \$433,000   | -46.8% | 115                        | 65           | \$636,000   | \$654,000   | 2.8%   |
| Terrasanta                 | 92124    | 190           | 162          | \$650,000   | \$630,000   | -3.1% | 156          | 104          | \$444,000  | \$427,000   | -3.8%  | 3                          | 2            | \$570,500   | \$332,500   | -41.7% | 349                        | 268          | \$557,000   | \$549,000   | -1.4%  |
| University City            | 92122    | 180           | 120          | \$720,000   | \$705,500   | -2.0% | 287          | 222          | \$455,250  | \$415,000   | -8.8%  | 238                        | 290          | \$339,000   | \$319,000   | -5.9%  | 705                        | 632          | \$484,000   | \$426,000   | -12.0% |
| TOTAL                      |          | 7,311         | 5,795        | \$545,000   | \$535,000   | -1.8% | 5,903        | 3,815        | \$420,000  | \$419,500   | -0.1%  | 4,038                      | 2,410        | \$423,000   | \$375,000   | -11.3% | 17,252                     | 12,020       | \$474,000   | \$466,000   | -1.7%  |

## East County

| Place              | ZIP code | RESALE        |              |            |            |       |              |              |            |            |        | NEW                        |              |            |            |        | ANNUAL TOTAL               |              |            |            |        |
|--------------------|----------|---------------|--------------|------------|------------|-------|--------------|--------------|------------|------------|--------|----------------------------|--------------|------------|------------|--------|----------------------------|--------------|------------|------------|--------|
|                    |          | SINGLE-FAMILY |              |            |            |       | CONDOMINIUMS |              |            |            |        | SINGLE-FAMILY/CONDOMINIUMS |              |            |            |        | SINGLE-FAMILY/CONDOMINIUMS |              |            |            |        |
|                    |          | No. sold '05  | No. sold '06 | Median '05 | Median '06 | Chng. | No. sold '05 | No. sold '06 | Median '05 | Median '06 | Chng.  | No. sold '05               | No. sold '06 | Median '05 | Median '06 | Chng.  | No. sold '05               | No. sold '06 | Median '05 | Median '06 | Chng.  |
| Alpine             | 91901    | 245           | 199          | \$632,500  | \$660,000  | 4.3%  | 24           | 13           | \$317,500  | \$313,000  | -1.4%  | 28                         | 32           | \$752,000  | \$395,000  | -47.5% | 297                        | 244          | \$618,000  | \$607,000  | -1.8%  |
| Boulevard          | 91905    | 12            | 21           | \$369,000  | \$359,000  | -2.7% | NA           | NA           | NA         | NA         | 0.0%   | 2                          | 3            | \$280,000  | \$417,000  | 48.9%  | 14                         | 24           | \$356,000  | \$366,000  | 2.8%   |
| Campo              | 91906    | 48            | 32           | \$345,000  | \$357,500  | 3.6%  | NA           | NA           | NA         | NA         | 0.0%   | 99                         | 50           | \$389,500  | \$407,500  | 4.6%   | 147                        | 82           | \$375,000  | \$388,000  | 3.5%   |
| Descanso           | 91916    | 23            | 19           | \$482,500  | \$505,500  | 4.8%  | NA           | NA           | NA         | NA         | 0.0%   | NA                         | NA           | NA         | NA         | 0.0%   | 23                         | 19           | \$483,000  | \$506,000  | 4.8%   |
| El Cajon S         | 92019    | 490           | 338          | \$569,000  | \$560,000  | -1.6% | 178          | 135          | \$357,500  | \$349,500  | -2.2%  | 34                         | 21           | \$345,000  | \$298,000  | -13.6% | 702                        | 494          | \$505,000  | \$491,000  | -2.8%  |
| El Cajon N         | 92020    | 376           | 313          | \$484,000  | \$490,000  | 1.2%  | 109          | 66           | \$320,000  | \$282,000  | -11.9% | 240                        | 88           | \$261,000  | \$264,250  | 1.2%   | 725                        | 467          | \$386,000  | \$418,000  | 8.3%   |
| El Cajon E         | 92021    | 469           | 306          | \$485,000  | \$477,000  | -1.6% | 150          | 103          | \$328,000  | \$313,500  | -4.4%  | 80                         | 141          | \$475,000  | \$280,000  | -41.1% | 699                        | 550          | \$450,000  | \$396,000  | -12.0% |
| Jacumba            | 91934    | 8             | 9            | \$243,000  | \$242,500  | -0.2% | NA           | NA           | NA         | NA         | 0.0%   | NA                         | 1            | NA         | \$330,000  | 0.0%   | 8                          | 10           | \$243,000  | \$251,000  | 3.3%   |
| Jamul              | 91935    | 103           | 84           | \$775,000  | \$780,000  | 0.6%  | 1            | NA           | \$350,000  | NA         | 0.0%   | 2                          | 3            | \$840,000  | \$900,000  | 7.1%   | 106                        | 87           | \$772,000  | \$784,000  | 1.6%   |
| La Mesa, Mt. Helix | 91941    | 498           | 418          | \$525,000  | \$532,500  | 1.4%  | 103          | 65           | \$330,000  | \$290,000  | -12.1% | 51                         | 117          | \$795,000  | \$805,000  | 1.3%   | 652                        | 600          | \$515,000  | \$559,000  | 8.5%   |
| La Mesa, Grossmont | 91942    | 177           | 148          | \$494,500  | \$488,000  | -1.3% | 152          | 92           | \$335,000  | \$326,000  | -2.7%  | 21                         | 33           | \$370,500  | \$354,000  | -4.5%  | 350                        | 273          | \$418,000  | \$417,000  | -0.2%  |
| Lakeside           | 92040    | 394           | 298          | \$500,000  | \$489,000  | -2.2% | 86           | 56           | \$264,000  | \$246,750  | -6.5%  | 65                         | 42           | \$280,000  | \$278,750  | -0.4%  | 545                        | 396          | \$437,000  | \$432,000  | -1.1%  |
| Lemon Grove        | 91945    | 284           | 205          | \$443,500  | \$451,000  | 1.7%  | 13           | 13           | \$315,000  | \$293,000  | -7.0%  | 18                         | 11           | \$316,000  | \$304,000  | -3.8%  | 315                        | 229          | \$431,000  | \$435,000  | 0.9%   |
| Pine Valley        | 91962    | 34            | 22           | \$450,000  | \$475,000  | 5.6%  | NA           | NA           | NA         | NA         | 0.0%   | 2                          | NA           | \$312,500  | NA         | 0.0%   | 36                         | 22           | \$442,000  | \$475,000  | 7.5%   |
| Rancho San Diego   | 91978    | 100           | 85           | \$570,750  | \$519,773  | -8.9% | 32           | 25           | \$322,000  | \$303,000  | -5.9%  | 1                          | 2            | NA         | \$572,500  | 0.0%   | 133                        | 112          | \$507,000  | \$472,000  | -6.9%  |
| Santee             | 92071    | 503           | 363          | \$474,500  | \$464,000  | -2.2% | 301          | 166          | \$336,000  | \$335,000  | -0.3%  | 199                        | 88           | \$466,000  | \$492,500  | 5.7%   | 1,003                      | 617          | \$431,000  | \$433,000  | 0.5%   |
| Spring Valley      | 91977    | 685           | 512          | \$460,000  | \$475,000  | 3.3%  | 185          | 90           | \$330,000  | \$320,000  | -3.0%  | 21                         | 94           | \$600,000  | \$682,000  | 13.7%  | 891                        | 696          | \$436,000  | \$483,000  | 10.8%  |
| TOTAL              |          | 4,449         | 3,372        | \$492,500  | \$493,500  | 0.2%  | 1,334        | 824          | \$330,000  | \$315,000  | -4.5%  | 863                        | 726          | \$401,000  | \$400,000  | -0.2%  | 6,646                      | 4,922        | \$448,000  | \$450,000  | 0.4%   |

## North County Inland

| Place | ZIP code | RESALE        |              |            |            |       |              |    |  |  |  | NEW                        |  |  |  |  | ANNUAL TOTAL               |  |  |  |  |
|-------|----------|---------------|--------------|------------|------------|-------|--------------|----|--|--|--|----------------------------|--|--|--|--|----------------------------|--|--|--|--|
|       |          | SINGLE-FAMILY |              |            |            |       | CONDOMINIUMS |    |  |  |  | SINGLE-FAMILY/CONDOMINIUMS |  |  |  |  | SINGLE-FAMILY/CONDOMINIUMS |  |  |  |  |
|       |          | No. sold '05  | No. sold '06 | Median '05 | Median '06 | Chng. | No. sold '05 | No |  |  |  |                            |  |  |  |  |                            |  |  |  |  |

# North County Coast

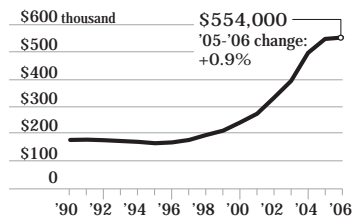
| Place         | ZIP code | SINGLE-FAMILY |                  |                  |             | CONDOMINIUMS |                  |                  |              | SINGLE-FAMILY/CONDOMINIUMS |                  |                  |             | SINGLE-FAMILY/CONDOMINIUMS |                  |                  |             |
|---------------|----------|---------------|------------------|------------------|-------------|--------------|------------------|------------------|--------------|----------------------------|------------------|------------------|-------------|----------------------------|------------------|------------------|-------------|
|               |          | No. sold '05  | Median '05       | Median '06       | Chng.       | No. sold '05 | Median '05       | Median '06       | Chng.        | No. sold '05               | Median '05       | Median '06       | Chng.       | No. sold '05               | Median '05       | Median '06       | Chng.       |
| Cardiff       | 92007    | 130           | \$860,000        | \$850,000        | -1.2%       | 48           | \$470,000        | \$431,000        | -8.3%        | 8                          | \$1,107,000      | \$1,253,250      | 13.2%       | 186                        | \$770,000        | \$792,000        | 2.9%        |
| Carlsbad NW   | 92008    | 215           | \$735,000        | \$725,000        | -1.4%       | 115          | \$506,000        | \$520,000        | 2.8%         | 161                        | \$506,000        | \$639,500        | 26.4%       | 491                        | \$606,000        | \$656,000        | 8.3%        |
| Carlsbad SE   | 92009    | 535           | \$775,000        | \$770,000        | -0.6%       | 399          | \$439,000        | \$420,000        | -4.3%        | 749                        | \$935,750        | \$916,000        | -2.1%       | 1,683                      | \$767,000        | \$756,000        | -1.4%       |
| Carlsbad NE   | 92010    | 160           | \$659,500        | \$655,000        | -0.7%       | 96           | \$420,000        | \$425,000        | 1.2%         | 114                        | \$651,250        | \$487,000        | -25.2%      | 370                        | \$595,000        | \$543,000        | -8.7%       |
| Carlsbad SW   | 92011    | 266           | \$836,000        | \$827,500        | -1.0%       | 178          | \$625,000        | \$562,500        | -10.0%       | 30                         | \$890,000        | \$1,208,000      | 35.7%       | 474                        | \$760,000        | \$825,000        | 8.6%        |
| Carmel Valley | 92130    | 475           | \$1,050,000      | \$1,028,000      | -2.1%       | 361          | \$555,000        | \$535,000        | -3.6%        | 526                        | \$591,500        | \$681,000        | 15.1%       | 1,362                      | \$742,000        | \$766,000        | 3.2%        |
| Del Mar       | 92014    | 138           | \$1,500,000      | \$1,460,000      | -2.7%       | 66           | \$705,000        | \$842,500        | 19.5%        | 9                          | \$1,100,000      | \$1,045,500      | -5.0%       | 213                        | \$1,237,000      | \$1,234,000      | -0.2%       |
| Encinitas     | 92024    | 547           | \$840,000        | \$802,500        | -4.5%       | 215          | \$506,000        | \$467,000        | -7.8%        | 36                         | \$1,132,750      | \$1,563,000      | 38.0%       | 798                        | \$763,000        | \$738,000        | -3.3%       |
| Oceanside S   | 92054    | 597           | \$523,000        | \$540,000        | 3.3%        | 337          | \$360,000        | \$375,000        | 4.2%         | 130                        | \$632,750        | \$391,000        | -38.2%      | 1,064                      | \$485,000        | \$466,000        | -3.9%       |
| Oceanside E   | 92056    | 986           | \$506,500        | \$512,000        | 1.1%        | 138          | \$339,500        | \$335,000        | -1.3%        | 108                        | \$329,500        | \$342,750        | 4.0%        | 1,232                      | \$472,000        | \$481,000        | 1.9%        |
| Oceanside N   | 92057    | 1,010         | \$510,000        | \$510,000        | 0.0%        | 331          | \$315,000        | \$310,000        | -1.6%        | 347                        | \$290,000        | \$670,000        | 131.0%      | 1,688                      | \$427,000        | \$488,000        | 14.3%       |
| Solana Beach  | 92075    | 87            | \$1,125,500      | \$1,200,000      | 6.6%        | 138          | \$700,000        | \$700,000        | 0.0%         | 12                         | \$1,165,500      | \$1,149,000      | -1.4%       | 237                        | \$880,000        | \$936,000        | 6.4%        |
| <b>TOTAL</b>  |          | <b>5,146</b>  | <b>\$635,000</b> | <b>\$640,000</b> | <b>0.8%</b> | <b>2,422</b> | <b>\$444,000</b> | <b>\$432,000</b> | <b>-2.7%</b> | <b>2,230</b>               | <b>\$750,000</b> | <b>\$755,000</b> | <b>0.7%</b> | <b>9,798</b>               | <b>\$614,000</b> | <b>\$622,000</b> | <b>1.3%</b> |

# South County

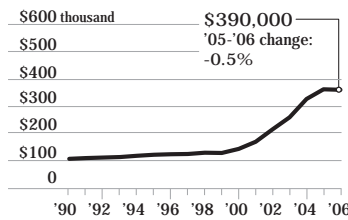
| Place                          | ZIP code | SINGLE-FAMILY |                  |                  |              | CONDOMINIUMS |                  |                  |              | SINGLE-FAMILY/CONDOMINIUMS |                  |                  |               | SINGLE-FAMILY/CONDOMINIUMS |                  |                  |              |
|--------------------------------|----------|---------------|------------------|------------------|--------------|--------------|------------------|------------------|--------------|----------------------------|------------------|------------------|---------------|----------------------------|------------------|------------------|--------------|
|                                |          | No. sold '05  | Median '05       | Median '06       | Chng.        | No. sold '05 | Median '05       | Median '06       | Chng.        | No. sold '05               | Median '05       | Median '06       | Chng.         | No. sold '05               | Median '05       | Median '06       | Chng.        |
| Bonita                         | 91902    | 171           | \$740,000        | \$735,000        | -0.7%        | 72           | \$360,000        | \$350,000        | -2.8%        | 9                          | \$461,500        | \$275,000        | -40.4%        | 252                        | \$621,000        | \$669,000        | 7.7%         |
| Chula Vista N                  | 91910    | 562           | \$560,000        | \$550,000        | -1.8%        | 258          | \$391,500        | \$375,000        | -4.2%        | 82                         | \$479,250        | \$492,500        | 2.8%          | 902                        | \$504,000        | \$508,000        | 0.8%         |
| Chula Vista S                  | 91911    | 579           | \$505,000        | \$500,000        | -1.0%        | 268          | \$350,000        | \$355,000        | 1.4%         | 18                         | \$256,000        | \$340,000        | 32.8%         | 865                        | \$452,000        | \$447,000        | -1.1%        |
| Chula Vista-E. Lake-Otay Ranch | 91913    | 636           | \$630,000        | \$611,750        | -2.9%        | 214          | \$400,000        | \$386,500        | -3.4%        | 566                        | \$637,500        | \$403,000        | -36.8%        | 1,416                      | \$598,000        | \$498,000        | -16.7%       |
| Chula Vista NE                 | 91914    | 207           | \$740,000        | \$742,500        | 0.3%         | 69           | \$438,000        | \$425,000        | -3.0%        | 426                        | \$802,250        | \$813,500        | 1.4%          | 702                        | \$748,000        | \$765,000        | 2.3%         |
| Chula Vista SE                 | 91915    | 314           | \$630,000        | \$635,500        | 0.9%         | 169          | \$449,250        | \$463,750        | 3.2%         | 908                        | \$601,000        | \$511,250        | -14.9%        | 1,391                      | \$589,000        | \$541,000        | -8.1%        |
| Imperial Beach                 | 91932    | 124           | \$518,000        | \$487,000        | -6.0%        | 73           | \$443,500        | \$450,250        | 1.5%         | 66                         | \$303,500        | \$348,000        | 14.7%         | 263                        | \$443,000        | \$456,000        | 2.9%         |
| National City                  | 91950    | 294           | \$425,000        | \$440,000        | 3.5%         | 52           | \$315,000        | \$345,000        | 9.5%         | 130                        | \$460,500        | \$530,000        | 15.1%         | 476                        | \$423,000        | \$464,000        | 9.7%         |
| Nestor                         | 92154    | 576           | \$510,000        | \$520,000        | 2.0%         | 205          | \$355,000        | \$364,000        | 2.5%         | 268                        | \$420,500        | \$649,500        | 54.5%         | 1,049                      | \$457,000        | \$516,000        | 12.9%        |
| San Ysidro                     | 92173    | 133           | \$510,000        | \$500,000        | -2.0%        | 119          | \$299,500        | \$297,500        | -0.7%        | 11                         | \$270,000        | \$260,000        | -3.7%         | 263                        | \$405,000        | \$406,000        | 0.2%         |
| <b>TOTAL</b>                   |          | <b>3,596</b>  | <b>\$565,000</b> | <b>\$557,500</b> | <b>-1.3%</b> | <b>1,499</b> | <b>\$378,000</b> | <b>\$375,000</b> | <b>-0.8%</b> | <b>2,484</b>               | <b>\$586,500</b> | <b>\$455,500</b> | <b>-22.3%</b> | <b>7,579</b>               | <b>\$487,000</b> | <b>\$495,000</b> | <b>-7.5%</b> |

# Yearly median prices

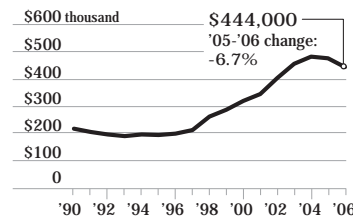
RESALE HOUSES



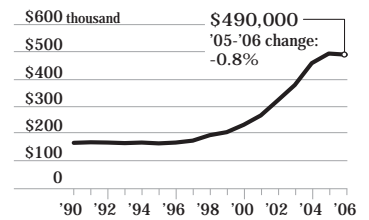
RESALE CONDOS



NEW HOUSES AND CONDOS

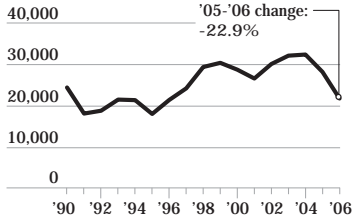


ALL HOUSES AND CONDOS

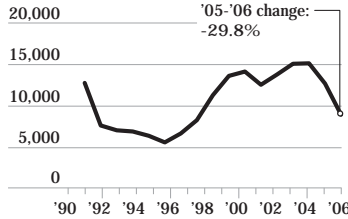


# Yearly sales

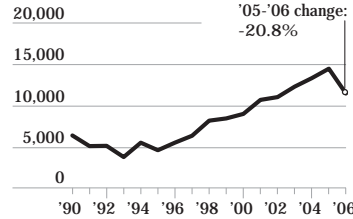
RESALE HOUSES



RESALE CONDOS



NEW HOUSES AND CONDOS



ALL HOUSES AND CONDOS

