

# San Diego County

Below are excerpts from our commercial appraisal reports. Our typical analysis, although not presented, includes relevant commercial and residential construction activities for the market area. This is supplemented with market reports for the specific property type, verified localized data within the competitive trade area, as well as market participant surveys.

## Population/Demographic Characteristics

As of 2008, San Diego County population totaled 3,072,574, increasing annually by 32,343 persons or 1.15% per year since 2000. The population of San Diego County is expected to grow to nearly 3,185,886 residents by 2013, representing an increase of 3.69% over the 2008 figure according to ERSI. San Diego County has 1,079,548 households with an average household size of 2.74 persons per dwelling. The County's average per capita income is \$30,003 with a median household income of \$61,499; its socio-economic characteristics are at par relative to the State of California as 40.1% of the households have income levels below \$50,000 and 24.5% of the households have income levels over \$100,000. Income distribution is presented in the following table:

<b>HOUSEHOLD INCOME DISTRIBUTION</b>		
Income Level	California	San Diego County
Less than \$25,000	18.5%	16.8%
\$25,000-50,000	22.2%	23.3%
\$50,000-100,000	33.3%	35.4%
\$100,000-150,000	13.8%	13.8%
Above \$150,000	12.3%	10.7%
Total	100%	100%

Source: ERSI Business Information Systems

## Housing

According to the California Department of Finance, there were a total of 1,138,857 housing units in San Diego County as of January 1, 2008, up 98,708 units since 2000 which is an annual increase of 1.19%. Single-family residences represent the bulk of the housing stock with 59.61% of all units, with annual increases of 0.61% or 6,296 units since 2000. The multi-family dwellings total 409,978 units, with an annual increase of 4.36%, while mobile homes total 47,882 units, with annual changes of 0.089%. Over the same time frame, occupancy has increased 2.22% to 2.79 persons per household.

## Construction Activities

Building permit valuation in San Diego County for the residential sector, which includes both single-family homes and multiple-family dwellings, began its upward trend in the mid-1990s, peaking in 2004 at \$3.49 billion with 17,306 residential units. Residential construction activity in San Diego County from 2000 to 2007 totaled \$22.53 billion with single family representing 72.83% of the total permit valuation, followed by multi-family dwellings representing 27.17%. Over the same time frame, 116,403 units were added to the residential inventory with 63,398 single family dwellings and the remainder of 121,937 units developed as multi-family dwellings. In 2007, relative to the prior year, the county's residential building permit valuation declined by -23.40%, with single family dwellings declining by -26.30% with single family dwellings declining by -34.56%.

Non-residential construction activities in San Diego County from 2000 to 2007 totaled \$6.21 billion. Most of the construction activity was related to office buildings with 25.33% of the total permit valuation, followed by new retail stores representing 18.68%. The least actives were the service station and hotel/motel sectors with 0.68% and 9.98% of the county permit valuation. In 2007, relative to the prior year, non-residential building permit valuation declined by -24.27%. Within the commercial sectors, the following changes were noted: hotel/motel sector increased by 5.50%; service station sector increased by 0.08%; office building sector increased by 40.97%; new retail store sector increased by 13.86%; industrial sector increased by 15.14%; Historical construction activities for the various commercial sectors (retail, office, industrial, hotel/motel, and service stations) are presented in the following chart.

