



## FOR IMMEDIATE RELEASE

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## **NEW REPORT: AFFORDABILITY TO WORSEN BY 2020; MORE HOUSING NEEDED**

REALTORS® and Chamber's newly released *Housing Scorecard* audit of regional home building shows county only producing half the units needed to meet demand

**SAN DIEGO (July 13, 2017)** – A new analysis by the San Diego Regional Chamber of Commerce and Greater San Diego Association of REALTORS® (SDAR) finds the region's housing crisis is on track to get much worse by 2020, driving even more seniors and families out of the Golden State and hurting our local economy.

The "Housing Scorecard" compares the progress of each of the 18 cities and the County of San Diego in permitting the construction of new homes and provides an accurate depiction of how the housing market is impacting San Diegans.

"Time and again we hear from employers who say their employees and potential employees can't find housing they can afford," said Jerry Sanders, Chamber President and CEO. "For businesses in San Diego to continue to grow and create jobs we need to make sure our workforce can afford to live here."

Key findings of the Housing Scorecard include:

- The San Diego region as a whole is on pace to produce only 50 percent of units needed to accommodate population growth
- Of the four income categories – very low, low, moderate, and above moderate - only the "above moderate" category is seeing close to adequate production to meet the need
- The City of San Diego is by far producing the most units, although it is only on pace to produce 51 percent of new units by 2020
- Only four of the 18 cities are building enough units to meet the need: Coronado, Lemon Grove, San Marcos, and Vista

- Many cities have not built any units in the very low, low, or moderate income categories

What's important to note regarding construction across the four income categories is that while we have growing demand for housing at all income levels, the number of permits being issued for each land use authority are far from equally distributed across income categories. For example, Coronado is on track to issue 874 percent of the permits allocated to the city by 2020, however all of that development is in the "very low" and "above moderate" income categories. Coronado has not produced any units affordable to families earning "low" or "moderate" incomes. Additionally, while the total percentage of units permitted is impressive and substantial for Coronado, the 437 units represents only a slight impact on San Diego's regional housing market.

To explore the impact of the housing affordability problem, the Scorecard also looks at IRS information on migration in and out of San Diego and California. There are two key takeaways:

- Families and seniors are being pushed out of California
- California does not have the influx of Millennials that our competitor states do

"When San Diegans leave town, we lose part of our tax paying population and our community. And when housing is too expensive, businesses and jobs choose to go elsewhere," said San Diego Mayor Kevin L. Faulconer. "San Diegans literally can't afford to wait for their elected leaders to act. That's why we're putting forward policies for more middle-class housing and smart urban planning. For the future of our economy and our next generation, now is the time for action."

"While existing environmental regulations and government fees have contributed significantly to the lack of new residential construction, these are not the only factors that have virtually eliminated available housing throughout California," said Bob Kevane, SDAR Board President. "We must be forward thinking in our housing policies and consider proposals such as property tax portability, which would allow homeowners to transfer their property tax basis to a new residence, regardless of their age. This one change alone would result in an overall increase in property tax revenues to local jurisdictions and to the state, while stimulating a move-up housing market and opening several thousand units across California for first-time homebuyers."

Millennials represent an important and productive segment of the workforce, valuable to employers and the future of our economy. When there isn't enough housing to accommodate demand from this segment they are less likely to stay which creates a strain on employment and our local economy.

"The Housing You Matters coalition has been looking forward to the release of this

report,” said Mary Lydon, Project Consultant, Housing You Matters. “It is incredibly important to track the progress we’re making in an effort to chip away at the lack of housing supply. All cities need to participate in being a part of the housing affordability solution.”

The information used to compile the report is based on the Regional Housing Needs Assessment and Annual Housing Progress Reports completed by each land use authority.

The full Housing Scorecard is available at: [www.sdchamber.org/housing-scorecard](http://www.sdchamber.org/housing-scorecard)

#### **About The San Diego Regional Chamber**

The San Diego Regional Chamber is the hub for connections and collaboration among the regional business community, and uses that clout to advocate for public policies and candidates that support economic growth and the creation of jobs for all businesses. As the largest Chamber on the West Coast, representing approximately 2,500 businesses and an estimated 300,000 jobs, the San Diego Regional Chamber is fighting to make San Diego the most business-friendly region in California. For more information, please visit [SDChamber.org](http://SDChamber.org) or call 619-544-1300.

#### **About The Greater San Diego Association of REALTORS®**

With 14,000 members, the Greater San Diego Association of REALTORS® is the largest trade association in the county. We help our members, who adhere to a code of ethics and professional standards, sell more homes. We also help people realize the dream of home ownership, and we are dedicated to protecting private property rights. For more information visit [sdar.com](http://sdar.com).

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