

San Diego home price hits new record, nearing \$800K

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By Phillip Molnar March 15, 2022 5:15 AM PT For subscribers

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A townhouse for sale on Egret Street in Chula Vista in mid-March for \$675,000. The 1,719-square-foot home was purchased for \$600,000 in June 2021.

(Phillip Molnar/The San Diego Union-Tribune)

In February, continued low inventory pushed the median price to a record high.

San Diego's median home price hit a record \$775,000 in February as buyers shrugged off rising mortgage rates.

Local prices increased 15.2 percent in a year as of February, reported CoreLogic/DQNews on Tuesday. The number reflects a combination of new and resale condos, townhouses and single-family homes.

February's median — the point at which half the homes sold for more and half for less — is higher than the previous record of \$750,000 in January. San Diego wasn't alone, with almost all counties in Southern California hitting new price peaks.

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"Offers are still coming in way high," said Jan Ryan, a RE/MAX agent.

She said she put a 2,715-square-foot home in Ramona on the market in late February for \$899,000 and had seven offers in three days. All were above asking price for the single-family home, with the two highest at \$975,000. The property is now in escrow at that price.

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Ryan said she rarely hears buyers mention rising interest rates, which were an average 3.75 percent for a 30-year, fixed-rate mortgage, said Freddie Mac, up from 2.81 percent a year ago. Instead, she keeps meeting buyers that have been trying for months to get an offer accepted in a highly competitive environment and are more concerned with finally getting in a property.

The supply of homes for sale remained tight in February but inched up slightly from lows seen near the end of last year. There were 2,407 homes listed for sale from Jan. 31 to Feb. 27, said the Redfin Data Center, up from around 2,000 at the end of 2021.

Still, inventory is way down from historic norms. Around the same time in February last year, there were 3,517 homes for sale; 5,617 in 2020; 7,839 in 2019; 6,120 in 2018; and 6,182 in 2017.

Mark Goldman, a real estate analyst with C2 Financial Corp., said inventory is unlikely to increase much because sellers would find it hard to get a new property in the current environment. He said selling a San Diego home and moving out of the area is usually an option, but prices are rising everywhere and inventory is low across the nation.

"If I sold my house, where would I move to?" he said.

Nationwide prices were up 18.8 percent in a year as of December, its highest in 34 years of data, said the S&P CoreLogic Case-Shiller Indices. Nationwide for-sale home inventory was down more than 40 percent in January from two years earlier, Zillow said.

Goldman said he expected home prices would continue to rise, but likely at much slower pace than the last two years. Even if rising interest rates don't deter buyers, he said, it's likely that accelerating gas prices and inflation would give pause to some would-be buyers.

All home types were up in February. The median for a resale single-family house hit \$875,000, up from the previous peak of \$845,000 in January. Newly built homes (including single-family, condos and townhouses) were at a median of \$788,500 — not yet at the peak of \$812,500 set in October 2018 when there was an influx of luxury single-family homes for sale.

The resale condo median hit a new high of \$612,250, up from the peak of \$590,000 reached in November. It has seen the highest appreciation of any home type, up 21.2 percent in a year.

Samantha O'Brien, a real estate agent with PorchLight, said the days are gone of single-family homes being considered entry-level in San Diego — pushing buyers to try condos and townhouses. She noted the single-family home median was \$595,000 three years ago, even less than what many condos go for today.

"Now the standard-entry level is purchasing a condo for \$550,000 to \$600,000," she said.

O'Brien said she put a two-bedroom, two-bathroom condo on the market in February for \$439,000 and it got 10 offers all over asking. The 1,134-square-foot condo is now in escrow for \$490,000. It was purchased for \$305,000 in February 2020.

Here are some examples of homes that can be purchased around the median price in San Diego County:

- 2610 Torrey Pines Rd, Unit D27: An 1,160-square-foot La Jolla condo built in 1966 listed for \$774,900. It has two bedrooms and two bathrooms.
- 8707 Potrero St.: A single-family house listed for \$770,000 in east San Diego near Avondale Elementary School. Built in 1973, the 1,448-square-foot home has three bedrooms and two bathrooms.
- 2124 Front St, Unit 2: A 1,008-square-foot condo listed for \$775,000 in Bankers Hill. Built in 2019, it has two bedrooms and two bathrooms.
- 2238 Caminito Abruzzo: A 2,310-square-foot single-family home in Chula Vista's Eastlake neighborhood listed for \$770,000. It has four bedrooms and two bathrooms, and was built in 2005.

Price gains were up across Southern California in February. Riverside County was up the most annually, 20.3 percent, for a median of \$565,000.

It was followed by Orange County, up 20.1 percent for a median of \$985,000; San Bernardino County, 17.7 percent to \$485,000; Ventura County, up 16.2 percent to \$755,000; San Diego County with the 15.2 percent increase; and Los Angeles County, up 13.2 percent to

\$800,000.