

# San Diego homebuilding at a 15-year high

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By Phillip Molnar March 9, 2022 5:15 AM PT For subscribers

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San Diego County homebuilding was up in 2021. Pictured: Construction crews work at the Lucca single-family homes in the Cota Vera community development in Chula Vista.

(Eduardo Contreras/The San Diego Union-Tribune)

**Building permits show San Diego County constructed 10,188 homes in 2021. That's the most in 15 years. But here's why it's nowhere near demand.**

San Diego County built more than 10,000 homes in 2021, something that hasn't happened in 15 years.

There were 10,188 building permits pulled last year, up 7 percent from 2020, said data released Wednesday by the Real Estate Research Council of Southern California. Construction was primarily led by new apartments, spurred on by the biggest rent increases in at least 20 years.

San Diego wasn't alone, with homebuilding up across California increasing 12 percent year over year. Analysts said the biggest motivation for more building was historic rent and home price growth, as well as statewide legislation aimed at making multifamily building easier.

"When there is tremendous demand, someone will try to meet that demand," said Lori Holt Pfeiler, CEO of the San Diego County Building Industry Association.

She said the latest numbers don't mean she is jumping for joy — she estimates the region would need 20,000 new units a year to keep up with demand — but that it was encouraging to see an increase. Pfeiler said the heightened demand for new housing motivated developers to do whatever it took to get projects approved by governing bodies and take advantage of density bonus laws.

As of December, the median home price in San Diego County was \$743,000, said CoreLogic/DQNews, an annual increase of 15.2 percent. Rent closed out the fourth quarter at an average \$2,174 a month, said CoStar, an increase of 13.7 percent in a year. It was the most rent has ever increased annually in San Diego County say CoStar records going back to 2000.

There were 6,662 multifamily permits pulled in 2021, an increase of 5 percent from the previous year. The figure includes townhouses and condos, but is mainly apartments. The biggest apartment projects to open last year were the 455-unit The Society Bradbury complex in Mission Valley, the 368-unit Modera San Diego building and the 333-unit Broadway Towers, both in East Village.

Nathan Moeder, principal with local real estate analysts London Moeder Advisors, said local efforts to make it easier to build have made a difference. One example he gave was the Complete Communities program from the city of San Diego, passed in 2020.