

BUSINESS

Tom York on Business: San Diego Eclipses San Francisco as Least Affordable City



by Tom York
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House is for sale in San Carlos area. Photo by Chris Stone

Yet another report pretty much states the obvious to those in the market for a new home here. San Diego is now the least affordable city in the country based on a survey by Texas-based real estate market researcher [OJO Labs](#).

The survey found that San Diego has surpassed San Francisco to become the nation's least affordable metro area. Indeed, San Diego blew past both Baghdad by the Bay and Los Angeles when comparing the median home price to local incomes.

The median selling price in San Diego climbed 14% in January to \$764,000, bringing the city's unaffordability score — a ratio of home price to household income — to 8.1. The national ratio hovers round 4.5.

Los Angeles and smaller Mobile, AL, Pensacola, FL and Boise, ID, rounded out the short list of the least affordable metro areas in the United States.

The median annual home price increase dropped significantly when compared to December but is still high. Home sales rose 10.5% year-over-year in January to \$376,730, a significant drop from the 14.9% annual increase in December.

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Home affordability is not the only place where San Diego is setting new records, as reported widely last week. The region has set a new record price for a gallon of gasoline.

The average price of a gallon of regular unleaded self-serve gas in the county stood at \$4.726 at mid-month, according to a report from the **AAA**.

That number bested a 10-year record of \$4.725, which was set back on October 2012 during a rapid-runup in pump prices.

The AAA said the average price rose 15 times in 16 days during the first part of the month, increasing 10.2 cents, based on data collected from the Oil Price Information Service.

The price at the pump rose more than 3 cents last week, and more than 10 cents over the past month.

Meanwhile, in a related report, petroleum market research outfit **Stillwater Associates** said San Diego suffers from high gas prices because of very high gas taxes statewide. An

analysis from the Irvine-based transit fuel consulting company that California consumers pay \$1.19 per gallon in taxes and fees.

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Back to housing. One factor in the price of a new home is the availability of affordable undeveloped tracts for builders. Orange County residential real estate researcher [Zonda](#) has released its fourth quarter 2021 **New Home Lot Supply Index**, which finds that the availability of lots for new home construction tightened year-over-year nationwide.

San Diego was tops on the list of 30 markets Zonda surveyed—with a 27% increase for the quarter compared to the year ago quarter. San Diego is on a long list of “significantly undersupplied” markets.

The index is based on the number of vacant single-family developed lots and the rate at which they are purchased for new home construction.

“The efforts to develop lots are hamstrung by the same factors influencing homebuilding: a lack of workers, the supply chain challenges, and governmental delays,” wrote **Ali Wolf**, the company’s chief economist, in a news release.

Nationwide, the index came in at 38.9 for the quarter, a 27.8% decrease from a year ago. It went flat for the first time since the start of the pandemic, likely representing a turning point for new home inventory as we go through 2022.

A continued labor shortage combined with supply chain disruptions and governmental delays are all slowing down the transformation of tracts into new homes, Wolf said.

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Despite ever-rising home prices and apartment rental rates, San Diego is still on the list of those seeking to relocated to more desirable surroundings.

San Diego ranked among the top five cities in a recent survey in terms of places that

people want to move to. New York City topped the list based on representative sample of 25,700 Americans. The survey, conducted by market researcher [Omnitrak](#), found that San Diego ranked second, just behind the Big Apple.

In fact, a vast number of Americans would like to move to the Big Apple, apparently. Six out of seven surveyed said New York is the top city where they would like to relocate.

Other cities rounding out the top five are Los Angeles, Nashville and Seattle.

Omnitrak, specializing in tourism and resident sentiment, does research for Orlando, Houston, San Diego, Honolulu, and other destinations.

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San Diego-based **Koji**, a startup that hosts a virtual store for apps used by creators, said it has launched an “integrated crypto wallet” for creators and subscribers that use Koji inside **Instagram**, **TikTok**, and other social networks. No browser extensions or app installs are needed.

The startup recently raised \$20 million in a Series B funding round led by **Jump Capital**, with participation from **HBSE Ventures**, **Electric Feel Ventures**, **Visary Capital**, **Metaversal** and **University Growth Fund**, among other individuals and venture funds.

Koji says its apps open directly within a social media app without requiring downloads and installs, so they are not subject to app store taxes.

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Finally, a couple of North County news items.

Poseidon Resources, which runs Carlsbad’s desalination plant, has selected [Odin Construction Solutions](#) to do the excavation for the Otay River Estuary Restoration Project at the San Diego Bay National Wildlife Refuge.

This project, in tandem with the **U.S. Fish and Wildlife Service**, is aimed at restoring 125

acres of wetlands for the benefit of migratory seabirds and shorebirds and other salt marsh-dependent species.

Poseidon received a Coastal Development Permit from the **California Coastal Commission** for this restoration project almost a year ago.

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Allbirds, a worldwide sustainable shoe and apparel retailer, recently opened a new store in Carlsbad. It is the brand's second store in the region and the 37th in the group.

The 2,810 square foot site features products using natural materials and fibers in place of oil-based synthetic fibers.

Tom York is a Carlsbad-based independent journalist who specializes in writing about business and the economy. If you have news tips you'd like to share, send them to tom.york@gmail.com.

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