

BURNHAM-MOORES

CENTER FOR REAL ESTATE
UNIVERSITY OF SAN DIEGO

Leading Economic Indicators Up Sharply in February

Note: A computer problem delayed the release of the January report. The tentative release date for next month's report is April 28.

March 31, 2011 -- The USD Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County rose 1.9 percent in February, following a 0.9 percent increase in January. February's increase was the largest one month increase ever in the Index and was powered by the largest monthly increase in building permits on record. Initial claims for unemployment insurance, consumer confidence, help wanted advertising, and the outlook for the national economy also had significant gains. Local stock prices registered the smallest gain, but that was enough to make February the second month in a row where all six components in the Index were positive.

With gains in January and February, the USD Index has now risen or been unchanged for nearly two years (23 consecutive months). February's record gain suggests a pickup in the pace of the local economic recovery, which has been slow. While the local economy has added almost 23,000 jobs since the depths of the recession in January 2010, that represents a (continued)

		JAN	FEB
	Index of Leading Economic Indicators The index for San Diego County that includes the components listed below Source: USD Burnham-Moores Center for Real Estate	+ 0.9%	+ 1.9%
	Building Permits Residential units authorized by building permits in San Diego County Source: Construction Industry Research Board	+ 2.62%	+ 5.11%
	Unemployment Insurance Initial claims for unemployment insurance in San Diego County, inverted Source: Employment Development Department	+ 1.07%	+ 2.00%
	Stock Prices San Diego Stock Exchange Index Source: <i>San Diego Daily Transcript</i>	+ 0.79%	+ 0.39%
	Consumer Confidence An index of consumer confidence in San Diego County, estimated Source: <i>San Diego Union-Tribune</i> , The Conference Board	+ 0.81%	+ 1.52%
	Help Wanted Advertising An index of online help wanted advertising in San Diego Source: Monster Worldwide	+ 0.06%	+ 1.01%
	National Economy Index of Leading Economic Indicators Source: The Conference Board	+ 0.17%	+ 1.55%

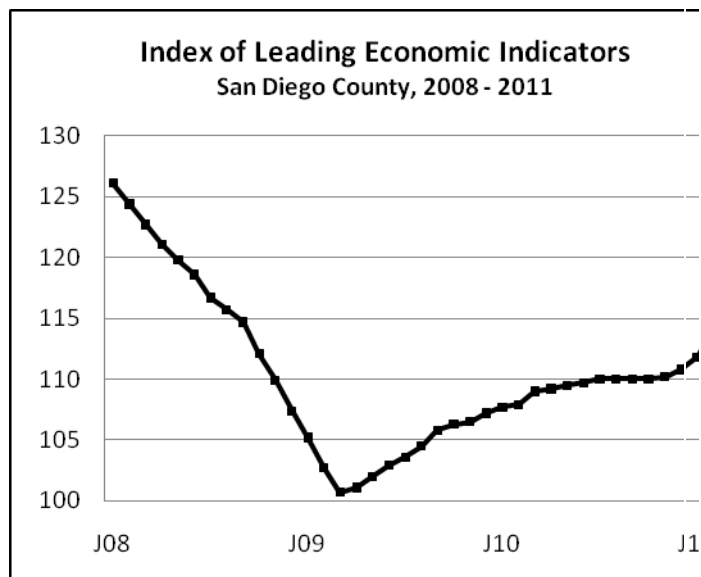
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recovery of less than 20 percent of the more than 122,000 jobs the local economy lost from the peak in December 2007. One result is that the local unemployment rate remains high, topping the 10 percent mark for 21 straight months through February.

Highlights: **Residential units authorized by building permits** more than doubled in the first two months of 2011 compared to the same period in 2010. Single-family units authorized were actually down through February, but there were more than five times the number of multi-family units authorized than was the case in 2010. . . Both labor market variables were strong in February, with **initial claims for unemployment insurance** hitting their best level since September of 2008 and **help wanted advertising** at its highest level since November of 2008. The net result was that the local unemployment rate fell to 10.1 percent in February, down from 10.4 percent in January. . . **Local consumer confidence** continues to rebound despite higher gas prices and a stubbornly high unemployment rate. Starting this month, changes in the national index of consumer expectations will be used to approximate local consumer confidence, as that data is no longer available. . . **Local stock prices** extended the gains seen at the end of 2010 and have now advanced for seven consecutive months. . . Prospects for the national economy remain positive, with the **national Index of Leading Economic Indicators** increasing for the eighth month in a row and 21st time in 23 months. The pace of national economic growth is slowly accelerating, with the GDP growing at a 3.1 percent annualized rate in the fourth quarter, up from 1.7 percent in the second quarter and 2.6 percent in the third quarter.

February's increase puts the USD Index of Leading Economic Indicators for San Diego County at 114.0, up from January's reading of 111.8. Revised data for building permits for December led to an upward revision of the previously reported increase of 0.3 percent to 0.5 percent and the level of the Index from to be revised from 110.7 to 110.8. Please visit the Website address given below to see the revised changes for the individual components. The values for the USD Index for the last year are given below:

		Index	% Change
2010	FEB	107.9	+0.2
	MAR	109.0	+1.0
	APR	109.2	+0.1
	MAY	109.5	+0.3
	JUN	109.7	+0.2
	JUL	110.0	+0.3
	AUG	110.0	+0.0
	SEP	110.0	+0.0
	OCT	110.0	+0.0
	NOV	110.2	+0.3
	DEC	110.8	+0.5
	2011	JAN	111.8
FEB		114.0	+1.9



For more information on the University of San Diego's Index of Leading Economic Indicators, please contact:

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