



JIM DESMOND
SUPERVISOR, FIFTH DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

AGENDA ITEM

DATE: **October 21, 2025**

06

TO: Board of Supervisors

SUBJECT

**PUTTING SAN DIEGANS FIRST: SUPPORTING LOCAL HOMEBUYERS OVER
FOREIGN INVESTORS (DISTRICTS: ALL)**

OVERVIEW

Homeownership is the cornerstone of the American Dream. It provides not just a safe and stable place to live, but also a pathway for creating generational wealth. More importantly, homeownership tends to create strong, close-knit communities, which positively impacts the overall wellbeing of our county's social fabric. Yet for many working families and young adults, especially here in the County of San Diego (County), this dream is slipping further out of reach. Soaring housing prices, limited inventory, and intense competition – made worse by expanding government regulations and broader market forces - keep homeownership increasingly unattainable for those who live, work, and are trying to raise families here.

To put this into perspective, consider the typical age of a first-time homebuyer. In 2025, the national average is 38 years old, up from 33 in 2020 - a 15% increase in just five years. In the County, the situation is even more dire, with only 8% of young adults under the age of 35 owning a home. Unfortunately, this is anything but surprising when the median price of a home in the County has surpassed \$900,000 (August 2025). To afford a mortgage at this price, a household would need to secure roughly \$180,000 for a traditional 20% downpayment and earn \$180,000 annually to comfortably make the loan payment. The County's median income, however, is just \$130,800. This price-to-income gap is locking an entire generation of San Diegans out of homeownership.

Making matters worse, foreign buyers - many of whom don't reside in the U.S. - have been increasingly targeting single-family homes across the country as investment opportunities, with California among the top states for speculation. According to the National Association of Realtors, international home purchases have increased by 44% compared to last year, totaling roughly \$56 billion in sales. Of those, 15% were in California. This is not just a market trend... It's fundamentally a fairness issue that needs to be addressed. San Diegans should not have to compete with international speculators from other countries for the very housing that make up our neighborhoods.

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Other states are experiencing similar trends and are already responding to the challenge. For example, since 2023 Florida, Texas and Georgia passed laws restricting or prohibiting foreign real estate purchases, typically under certain conditions such as when located near military sites. In these instances, the threat goes beyond displacing locals from homeownership opportunities – these measures are also meant to protect sensitive national security assets from intelligence gathering, espionage and other maligned actions by our nation’s adversaries. In the County, this should make perfect sense to us; San Diego has a significant military presence with major naval and marine bases such as Naval Air Station North Island and Camp Pendleton, the Marine Corps Recruit Depot, Naval Base San Diego and various other training, medical and logistics centers.

However, in places like Florida and Oklahoma, full bans have also taken effect, prohibiting specific adversarial countries from investing in real estate, regardless of proximity to military installations. By July of this year, 30 states across the county have either proposed or enacted similar measures. The trend of foreign investment is real, and legislation is evolving throughout the U.S. in response. It’s time for California to join this growing movement.

While homeownership is becoming less accessible for young families and residents of the County, it’s time for the County to explore additional solutions. Today’s proposal directs the Chief Administrative Officer (CAO) to lobby the State of California, by adding to our legislative agenda support for state-wide bans and/or restrictions on foreign investment in entry-level and single-family housing, particularly when located near sensitive military installations and other critical infrastructure. Additionally, today’s proposal directs the CAO to study and report back on strategies that would prioritize residents of the County in the homebuying process, while remaining consistent with federal and state housing laws. Possible solutions could include adjustments to the County's first-time homebuyer program(s), establishing local limits on international investments in entry-level and single-family homes, or other similar mechanisms. The Board of Supervisors (Board) should be focused on equipping residents of the County with a competitive edge in the homebuying process, before opening the doors to foreign investment. Today’s proposal will help guide and maintain that focus.

RECOMMENDATION(S)
SUPERVISOR JIM DESMOND

1. Direct the Chief Administrative Officer (CAO) to lobby the State of California, by adding to our legislative agenda support for state-wide bans and/or restrictions on foreign investment in entry-level and single-family housing. This may include but is not limited to:
 - a. Full ban within 10 miles of military installations/facilities and critical infrastructure such as power, water and other vital utilities.
 - b. Full ban on sanctioned foreign entities and/or foreign adversaries of the United States of America.

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- c. Establish purchase restrictions, such as limiting the number of single-family residential units a foreign investor may hold at a time (e.g., a single unit).
- 2. Direct the CAO to conduct a feasibility study and report back to the Board within 120 days with local options to prioritize residents of the County in homeownership opportunities. This may include, but is not limited to:
 - a. Expanding and/or establishing programs that support local first-time homebuyers, to help close the growing home price-to-income gap.
 - b. Expanding and/or establishing programs that limit foreign investment in local entry-level and single-family housing, to the extent permissible by law.

EQUITY IMPACT STATEMENT

Rapidly rising home prices have disproportionately impacted young adults and working-class families across San Diego County. Prioritizing homeownership for those who live and work here will help close generational wealth gaps, strengthen neighborhood stability, and reduce displacement. Today's proposal allows the County to advocate for and examine policy solutions that promote fairness and opportunity for local families and residents.

SUSTAINABILITY IMPACT STATEMENT

Stabilizing homeownership for residents of the County supports long-term community resilience and economic sustainability.

FISCAL IMPACT

Funds for the actions requested are included in the Fiscal Year 2025-26 Operational Plan based on existing staff time in the Health and Human Services Agency based on various funding sources. There will be no change in net General Fund costs and no additional staff years. There may be fiscal impacts associated with future related recommendations, which staff would return to the Board for consideration and approval.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

In 1970, the average cost of a home was about three times the average annual income in the United States. Fast forward to 2025 and that ratio has exploded. Homes now cost *more than seven times* the average income. Meanwhile, rents have increased at nearly the same pace, and the number of first-time homebuyers has dropped considerably as prices continue to outpace wage gains. At the same time, mounting student loan debt and rising inflation - especially in the

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years that have followed the Covid-19 pandemic - have sidelined millions of would-be first-time homebuyers.

In San Diego County, the situation is even more alarming. As of 2025, the median home price in the region surpassed \$900,000, making it one of the least affordable markets in the country. With such high prices, fewer than 17% of households in the County can afford to buy a home. This is an urgent crisis. If something isn't done, our society will increasingly be made-up of the "haves" and "have nots," where only the wealthiest are able to afford homes and the rest will either face increasing rents with no hope of lasting generational wealth, or be forced out of the state. Without intervention, the American Dream may altogether disappear for the middle class.

As if the situation isn't bleak enough, compounding this issue is the fact that foreign investors continue to target our limited housing stock as investment opportunities. According to the National Association of Realtors, foreign buyers made up an increasing share of U.S. home sales in 2024 and 2025, purchasing more than 34,000 properties nationwide. Notably, 15% of those sales occurred in California, which has long been a top target for foreign investment. One major advantage that foreign buyers often have is the ability to make all-cash purchases. This is a common trend, particularly with investors from China, where 71% of homes purchased in the U.S. (2024) were made entirely with cash. In many cases, these homes were priced at over \$1.2 million per transaction. Rather than serving as primary residences, these properties are often used as vacation homes or rental properties. While attracting foreign investment may often be a boon for our economy, when it targets single-family housing it brings with it multiple negative consequences, such as reducing available housing inventory, increasing prices across the board, and displacing local residents who might have otherwise been in the market.

As the gap between home affordability and income continues to widen, states and local governments across the country are beginning to explore new policies designed to protect their housing markets for area residents. From limiting foreign investment in certain housing sectors and near military installations, to expanding affordable housing options, governments are searching for solutions to ensure homeownership remains within reach for their own citizens. For instance, on July 16, 2024 (17), this Board took a significant step by passing the item *"Fighting Back Against Corporate Homebuyers and Wall Street Landlords."* This item directly addressed the concerning rise of U.S.-based corporations purchasing large numbers of residential properties, which often drive-up housing prices and push out local families from homeownership opportunities. Additionally, the item addressed more specific issues such as corporate price gouging, rent-fixing and other anti-competitive practices that may be negatively impacting renters and would-be homeowners. By passing this item and directly taking aim at corporate investment speculation in our housing market, this Board has already shown willingness to protect local residents from unfair advantages when it comes to entry-level homeownership.

It's in this spirit that today's proposal is being brought forward. We must continuously take a proactive approach to safeguarding homeownership opportunities for local residents, particularly for young families and first-time homebuyers, as they represent the future of our

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County. By exploring additional policy solutions that support first-time homebuyers and limit the influence of foreign investment in the entry-level end of the housing market, today's item will help ensure existing and future generations have a fair shot at achieving the American Dream in the County of San Diego.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

This action supports the County's 2025–2030 Strategic Plan initiatives of Equity, Community and Sustainability. By examining ways to prioritize homeownership for local residents, today's action promotes financial inclusion, long-term housing affordability, and overall stability and well-being for families throughout the County.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jim Desmond', written in a cursive style.

JIM DESMOND
Supervisor, Fifth District

ATTACHMENT(S)
N/A