

CITY OF SAN MARCOS COMMUNITY PROFILE



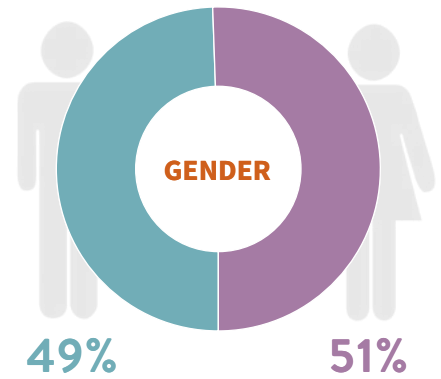
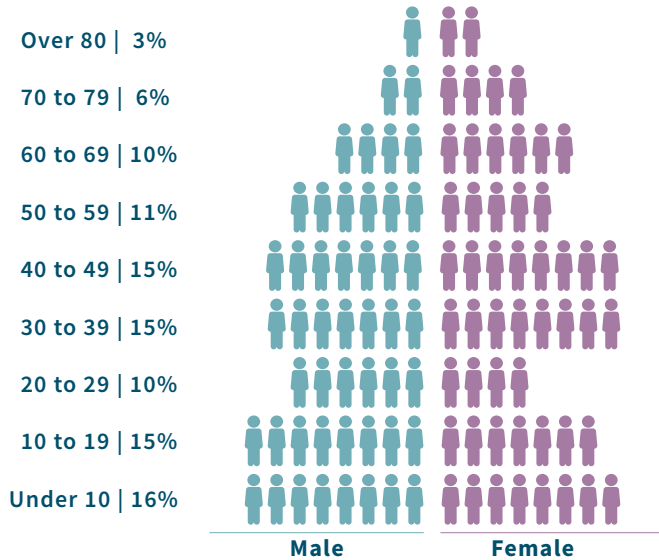
SAN MARCOS
DISCOVER LIFE'S POSSIBILITIES



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AT A GLANCE

With a population of **93,585**, San Marcos has the smallest, yet fastest growing population along the 78 Corridor. The city's population has grown by more than 16 percent since 2012, outpacing the other four cities along the Corridor by at least four percent.



Source: ACS 1-Year Estimates, 2021

AGE BREAKDOWN

The city's median age of **37.6** makes San Marcos the third youngest city along the 78 Corridor. Vista and Escondido are leading as the youngest median age cities respectively. Similar to the region, the city's median age has remained relatively stable, hovering near mid 30's with only slight fluctuations each year.

The largest share of the city's population — 30 percent — is between 30 and 49 years old. This large share illustrates San Marcos' ample workforce, productivity, innovation, and attractiveness to firms. San Marcos has also seen the greatest changes in population among those that are young, age 10 to 19, increasing by 14.2 percent since 2010, and among those 65+, growing 43.7 percent since 2010.

~ 1% of Total POP

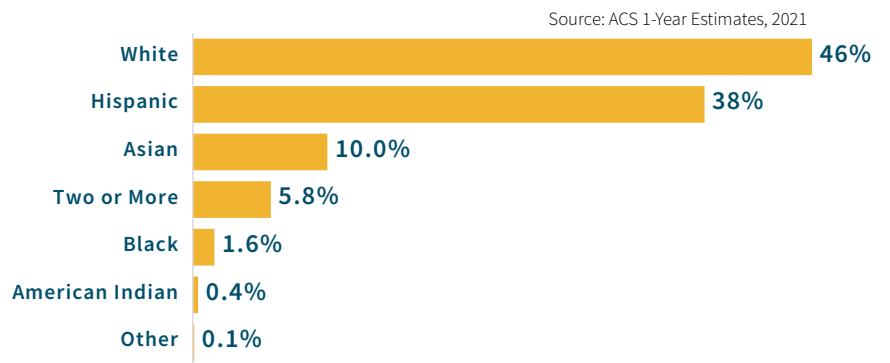
Source: ACS 1-Year Estimates, 2021



RACE & ETHNICITY

Similar to the region as a whole, San Marcos is a majority-minority city, meaning that no single race or ethnic groups comprises more than 50 percent of the total population.

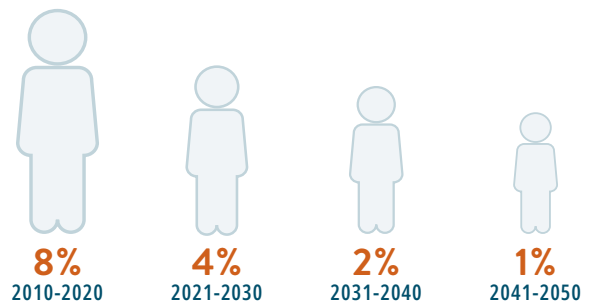
In 2020, **46 percent** of the city's population was White, with another **38 percent** being Hispanic. Although this split closely resembles the region, San Marcos has a higher percentage of whites and lower percentage- 3.6 percentage points - of Hispanics.



Source: ACS 1-Year Estimates, 2021

COUNTY-WIDE POPULATION GROWTH TRENDS

Between 2010 and 2022, the County's population grew by 251,453 people. Looking forward, the County's population growth is projected to slow, growing by an additional **7 percent** - approximately 226,821 people - by 2050.



Department of Finance P-2A Population Projections, 2022

PART 2: SOCIOECONOMICS

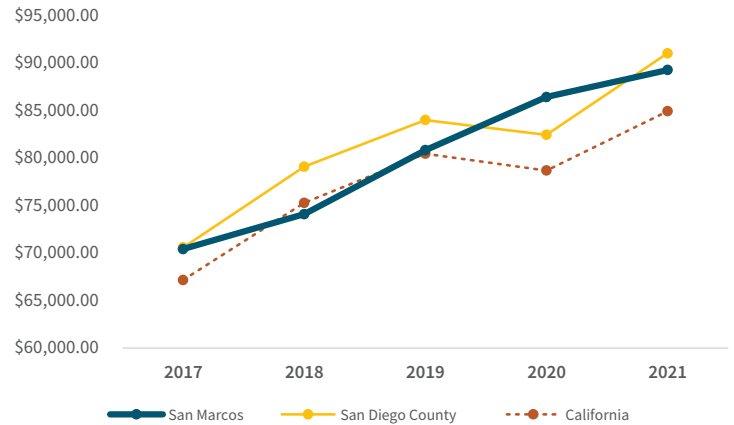
HOUSEHOLD INCOME

MEDIAN HOUSEHOLD INCOME

With a median household income of **\$89,239**, San Marcos has the second highest median household income along the 78 Corridor.

San Marcos median income grew by \$2,831 between 2020 and 2021.

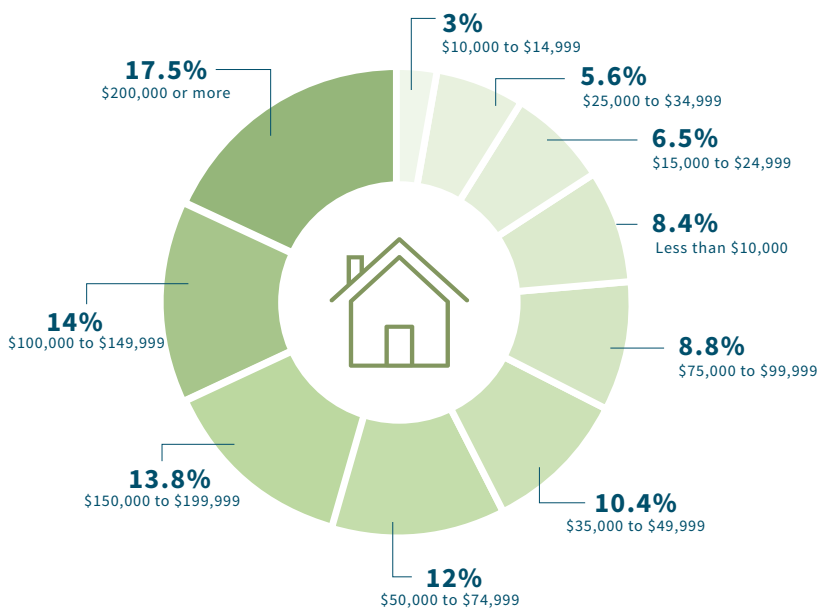
MEDIAN HOUSEHOLD INCOME



Source: ACS 1-year estimate, 2017-2021
Note: Figures in 2020 inflation adjusted dollars

SAN MARCOS MEDIAN HH INCOME GROWTH (2017-2021)

27%



Source: ACS 1 Year Estimate, 2021

INCOME GROUPS

In 2020, approximately 34 percent of households made less than \$60,000, with the remaining 66 percent earning more than \$50,000.

\$89K MEDIAN HH INCOME

SHARE OF POPULATION LIVING IN POVERTY

Poverty thresholds are defined by the federal government and vary by family size. In 2020, the poverty threshold for a family of four was \$27,750.

San Marcos has an overall poverty rate of 10 percent which is less than the state average of **12.3** percent, and the county rate of 10.6 percent.

	San Marcos	San Diego County	California	
BY AGE	Under 18 years	5.6%	12.2%	15.8%
	18 to 34 years	10.5%	13.1%	13.1%
	35 to 64 years	10.2%	8.6%	10.2%
	65 years +	17.3%	9.5%	11.1%
BY EDUCATIONAL ATTAINMENT*	Less than high school graduate	19.9%	18.9%	19.9%
	High school graduate	23.8%	12.9%	13.1%
	Some college	10.9%	9.5%	10.1%
	Bachelor's degree +	6.7%	4.9%	5.3%

Source: ACS 1 Year Estimate, 2021
*Data refers to portion of the population 25 or higher.

TALENTED WORKFORCE

San Marcos is home to a talented, diverse and well-educated workforce. Bachelor's Degree attainment in the city exceeded **48 percent**, just 1 percentage point shy of the San Diego region and second among the five 78 Corridor cities.

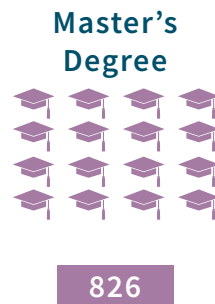
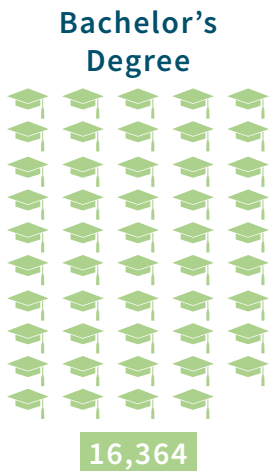
20.3%
SOME COLLEGE
NO DEGREE

48%
BACHELOR'S DEGREE
OR HIGHER

26.4%
GRADUATE OR PROFESSIONAL
DEGREE OR HIGHER

DEGREE HOLDERS BY DEGREE TYPE SAN MARCOS RESIDENTS 25 YEARS+

25.1K
DEGREE
HOLDERS



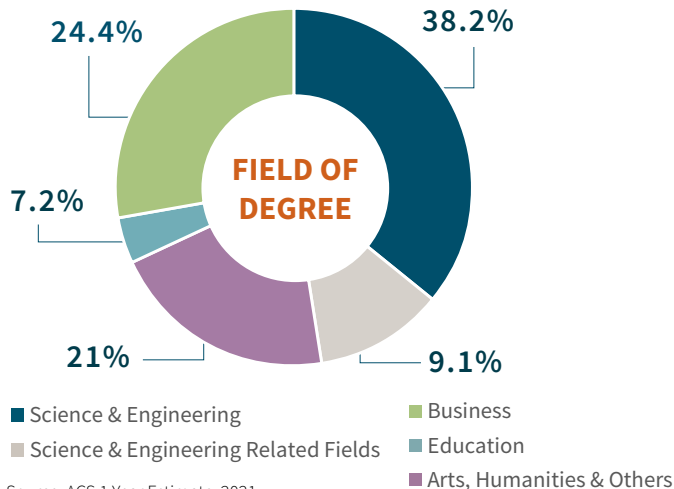
61.2K SAN MARCOS RESIDENTS
25 YEARS OR OLDER

Source: ACS 5-Year Estimate, 2020, Lightcast, 2022

ZOOMING IN ON DEGREES

Nearly half — roughly **38 percent** — of degree holders specialize in science, engineering or related fields. Science and Engineering is most popular in the 40 to 64 age group while Science and Engineering Related Fields are most common among the 65+ age group.

Age groups ranging from 40 to 65+ tend to favor science and engineering related fields and business fields of degrees and humanities fields of degree.



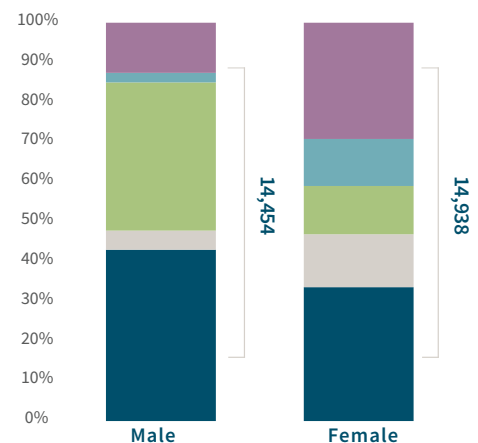
Source: ACS 1 Year Estimate, 2021

FIELD OF DEGREE BY AGE

	25-39 years	40-64 years	65+ years	Total
Science & Engineering	3,785	6,281	1,166	11,232
Science & Engineering Related Fields	299	920	1,468	2,687
Business	2,248	4,467	468	7,183
Education	617	817	678	2,112
Arts, Humanities & Other	1,907	3,360	911	6,178
Total	8,940	15,845	4,691	29,392

Source: ACS 5-Year Estimate, 2021

FIELD OF DEGREE BY GENDER



PART 2: SOCIOECONOMICS

TALENT PIPELINE

EDUCATIONAL PIPELINE

Home to **7** academic institutions, San Marcos is responsible for more than 14 percent of the San Diego region's total academic program completions. In 2021, local institutions conferred more than 11,100 program completions and certificates. The education hub of North County, collectively responsible for 86 percent of local completions, California State University San Marcos and Palomar College are the major talent producing institutions in the city.



Institution	Total Completions
California State University San Marcos	4,257
Palomar College	4,487
University of St. Augustine for Health of Sciences	1,531
Palomar Institute of Cosmetology	95
Smith Chason College WCUI School of Medical Imaging	Local Data Not Yet Available
Pima Medical Institute San Marcos	389
University of Saint Katherine	51

Source: Lightcast, 2023

IN-DEMAND ACADEMIC FIELDS

The top five degree fields account for nearly **70 percent** of all local program completions. Leading the way is Liberal Arts and Sciences, accounting for 1,439 degrees. The following programs prepare graduates for a wide array of occupations within the life science industry, environmental science, various types of engineering (electrical, civil, industrial, software, mechanical), aeronautics, and architecture.

PROGRAM COMPLETIONS ACROSS TOP 5 DEGREE FIELDS, 2021

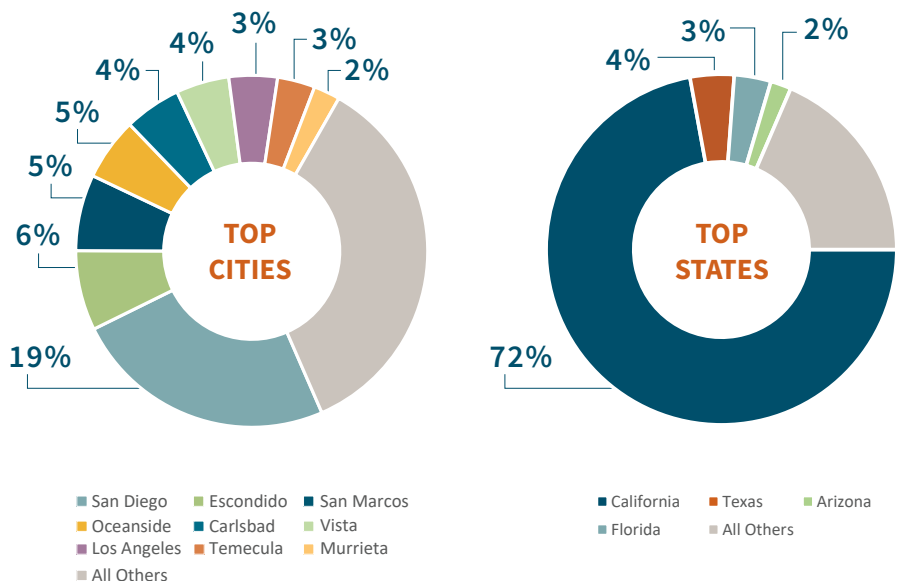


Source: Lightcast, 2022

WHERE THE TALENT GOES

As of 2022, there are **83,000+** professional profiles across the U.S. of people who identify as alumni from the city's academic institutions. Although the vast majority — 72 percent — of these alumni chose to remain in the state, San Marcos' graduates are employed across the nation and in a wide array of occupations.

Top occupations held by San Marcos alumni include Chief executives, physical therapists, general operations managers, and registered nurses.

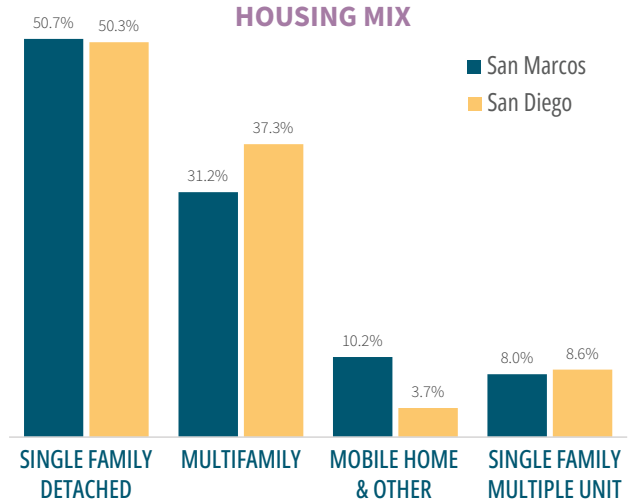


Source: Lightcast, 2022
 Note: Data excludes United Education Institute College San Marcos alumni profiles.

HOUSING STOCK

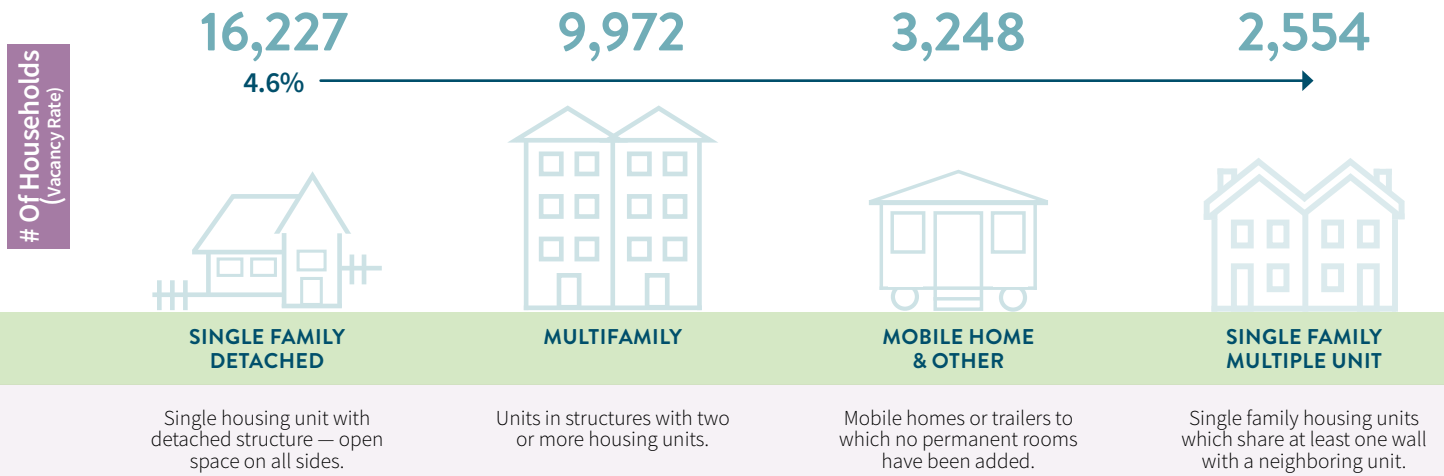
In 2022, there were **32,000** housing units in San Marcos, nearly half of which were single family detached homes. The housing stock mix is geared toward single family detached homes throughout the City, similar to the ratio of the county overall. Residential vacancy rates are roughly two thirds of the county rates. Almost two thirds of residents own their home in San Marcos- 62 percent.

Growth in housing stock generally correlates with increases in job creation and population. With more opportunities for new development as compared to other cities throughout the region, San Marcos has seen both its population and housing stock increase at a faster rate than the region as a whole.



Source: Department of Finance E-5 Estimates, 2022

HOUSEHOLDS BY HOUSING TYPE

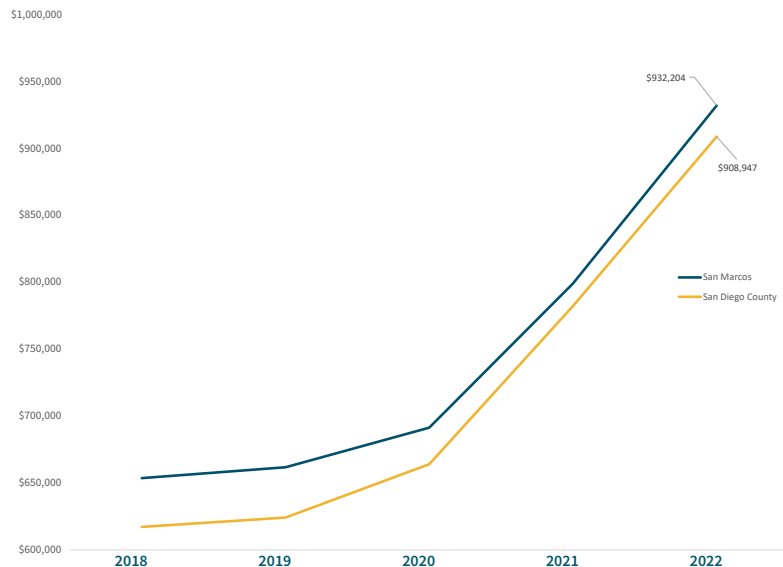


Source: Department of Finance E-5 Estimates, 2022

HOME PRICES

Home prices have seen tremendous growth over the past few years. San Marcos' housing market saw a four year price appreciation just one percentage point lower than the county - 43 percent. At the end of 2022, the median home price stood at \$932,204 — just above the county mean of \$908,947. Home prices in San Marcos are the second highest among the 78 Corridor's five cities.

SAN MARCOS MEAN HOME PRICES



Note: Home prices reflect the annual calculated mean of closed transactions of single family detached homes.

PART 4: THE ECONOMY

EMPLOYMENT

ECONOMY AT A GLANCE

San Marcos boasts a robust and diverse economic base. With **41,000+** jobs, more than **4,000** businesses, and annual totaling **\$6** billion. San Marcos is an economic powerhouse and major player in North County's economic landscape.

JOBS
41,800
2023

UNEMPLOYMENT RATE
3.7%
2023

GROSS REGIONAL PRODUCT
\$6.01B
2022

BUSINESSES
4,292
2023

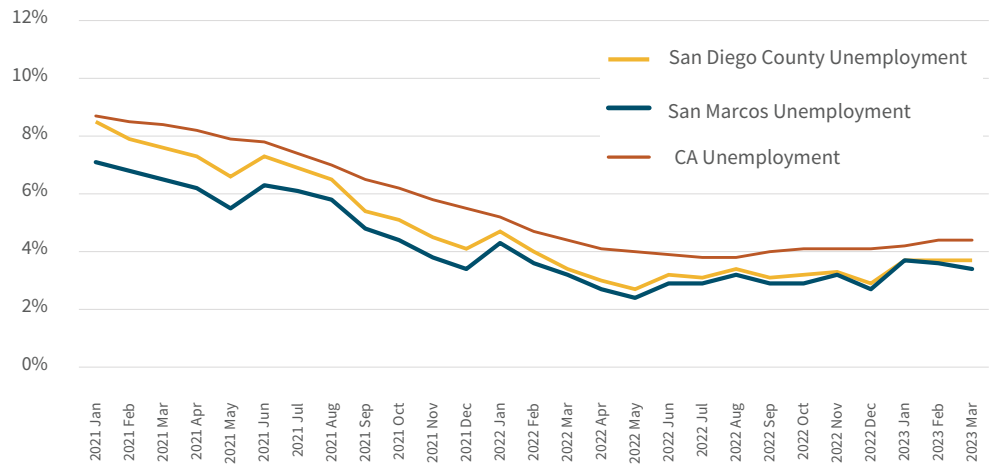
MEDIAN INCOME
\$89,239
2021

Source: EDD 2021, Lightcast 2021, City of San Marcos 2022, ACS 5-Year Estimates 2020

UNEMPLOYMENT

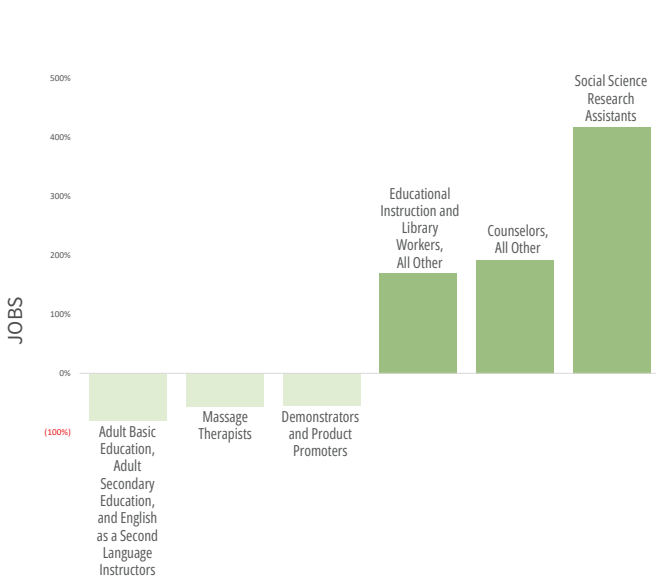
Claiming an average unemployment rate of **3** percent in 2022, San Marcos' job market has come a long way in stabilizing after the COVID related economic downturn. When measured in average unemployment rates, the City weathered uncertainty better than the region and state. As of 2021, San Marcos' unemployment rate has demonstrated resilience, remaining well below the state and county unemployment averages.

HISTORICAL UNEMPLOYMENT RATE

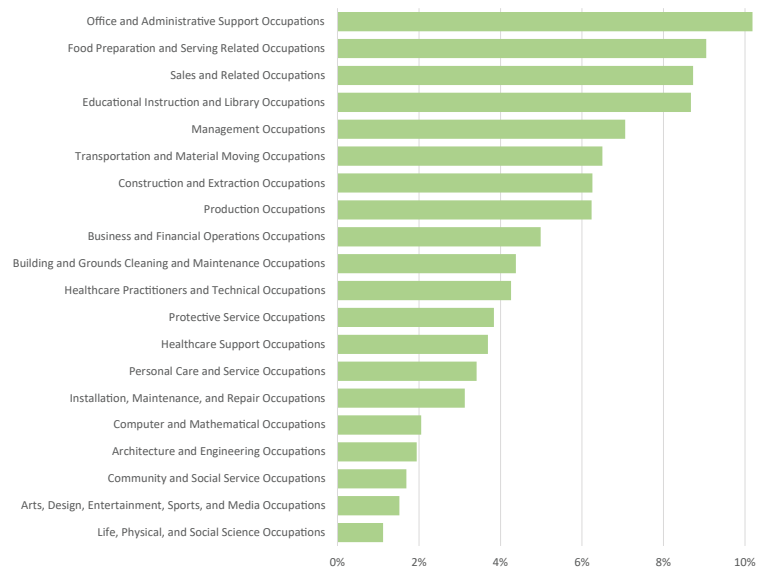


Source: U.S. Bureau of Labor Statistics, 2023

GROWING & DECLINING OCCUPATIONS, 2016-21



EMPLOYED RESIDENTS BY OCCUPATION

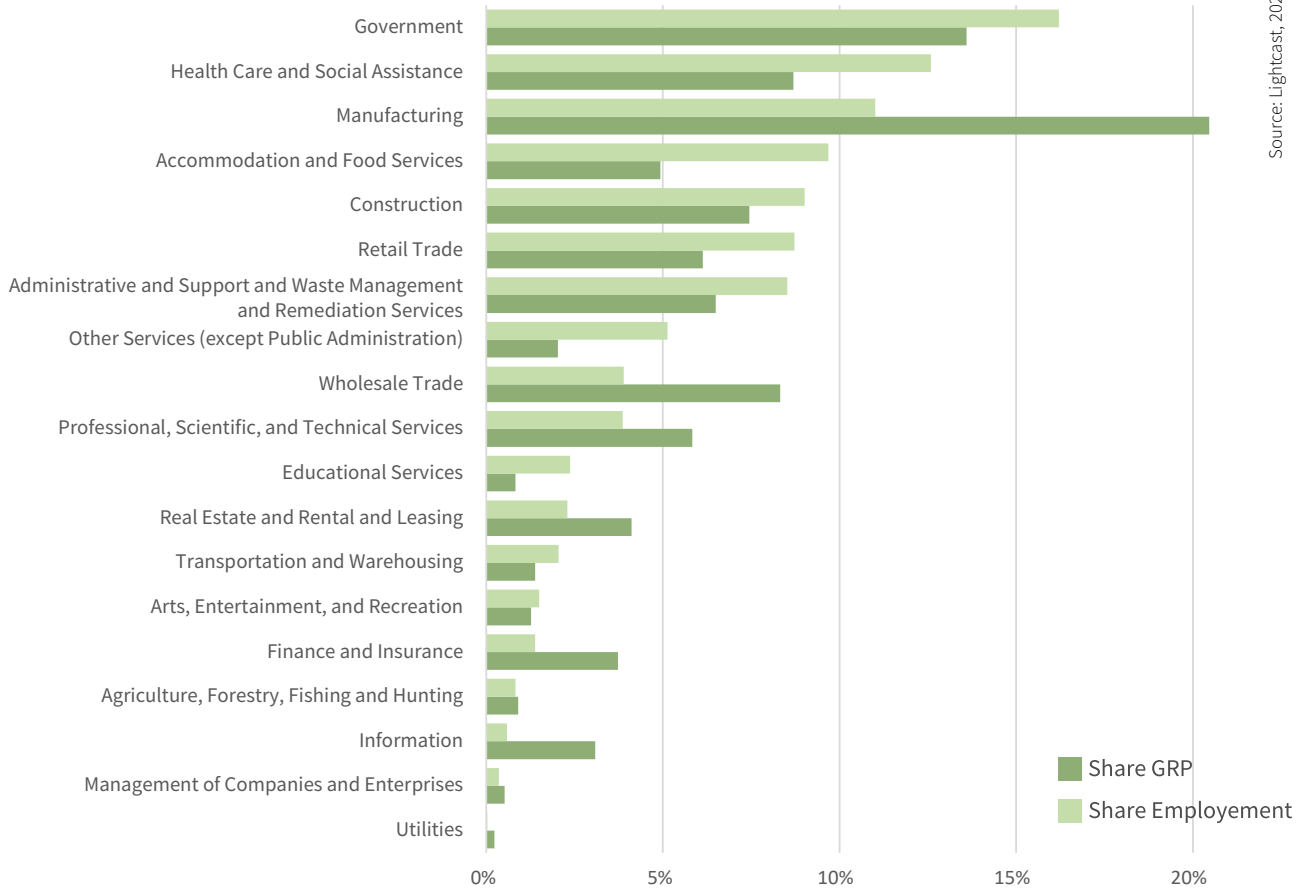


Source: Lightcast, 2017-2022

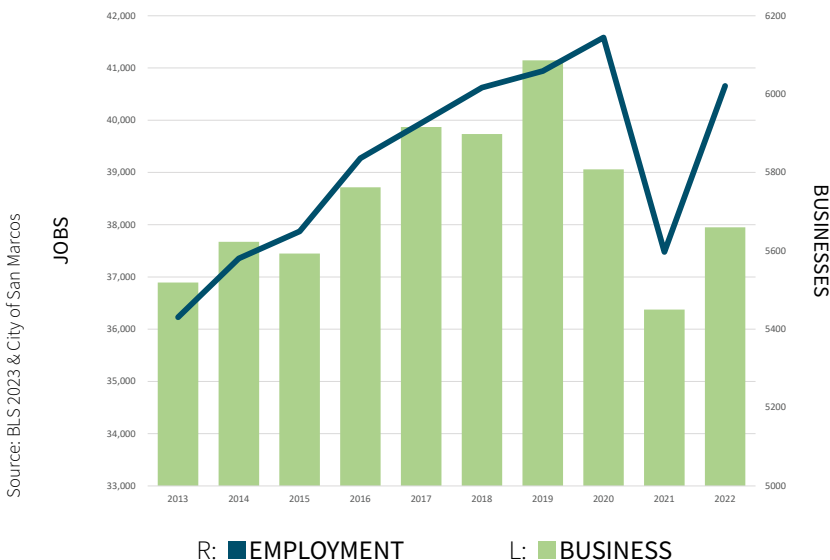
ECONOMIC PLAYERS

The city's economy totaled **\$6.01** billion in 2022. Today, manufacturing is the largest sector of the city's economy by Gross Regional Product, accounting for roughly 20 percent of GRP and 11 percent of employment.

EMPLOYMENT & GRP CONTRIBUTION BY SECTOR



BUSINESSES & EMPLOYMENT TRENDS



STRONG BUSINESS PRESENCE

Today the city is home to more than **4,200** business establishments. While employment declined sharply during the COVID related recession, the overall business count in San Marcos remained relatively stable. Local firms' resiliency has been a key to San Marcos' growth and continued economic dominance.

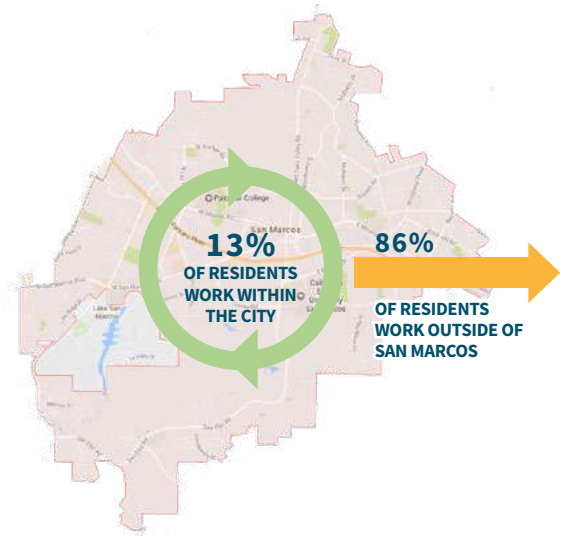
Business license data reflected in this chart illustrates all licenses applications per fiscal year. Applications are inclusive of out of city licenses, at home licenses, and brick and mortar establishments.

COMMUTER PATTERNS

Roughly **13 percent** of San Marcos' residents live and work within the city while **45 percent** of residents work along the 78 Corridor. The overwhelming majority — 86 percent — are employed within San Marcos but live in other areas of the region. A small minority commute beyond county boundaries for work.

Nearly one-fifth of San Marcos residents commute to major regional employment centers within the City of San Diego, including Downtown and the Golden Triangle Area, the area bounded by interstates 5 and 805 and route 52. The other four cities along the 78 corridor capture nearly 30 percent of San Marcos residents commuting outside of the city for work.

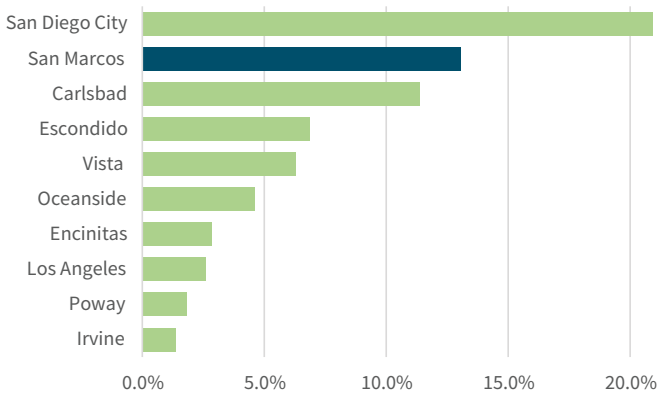
INFLOW & OUTFLOW OF WORKERS



Source: LEHD On the Map, 2019

EMPLOYED RESIDENTS COMMUTE LESS THAN 10 MILES FOR WORK. **45.8%**

TOP 10 EMPLOYMENT DESTINATIONS FOR SAN MARCOS RESIDENTS

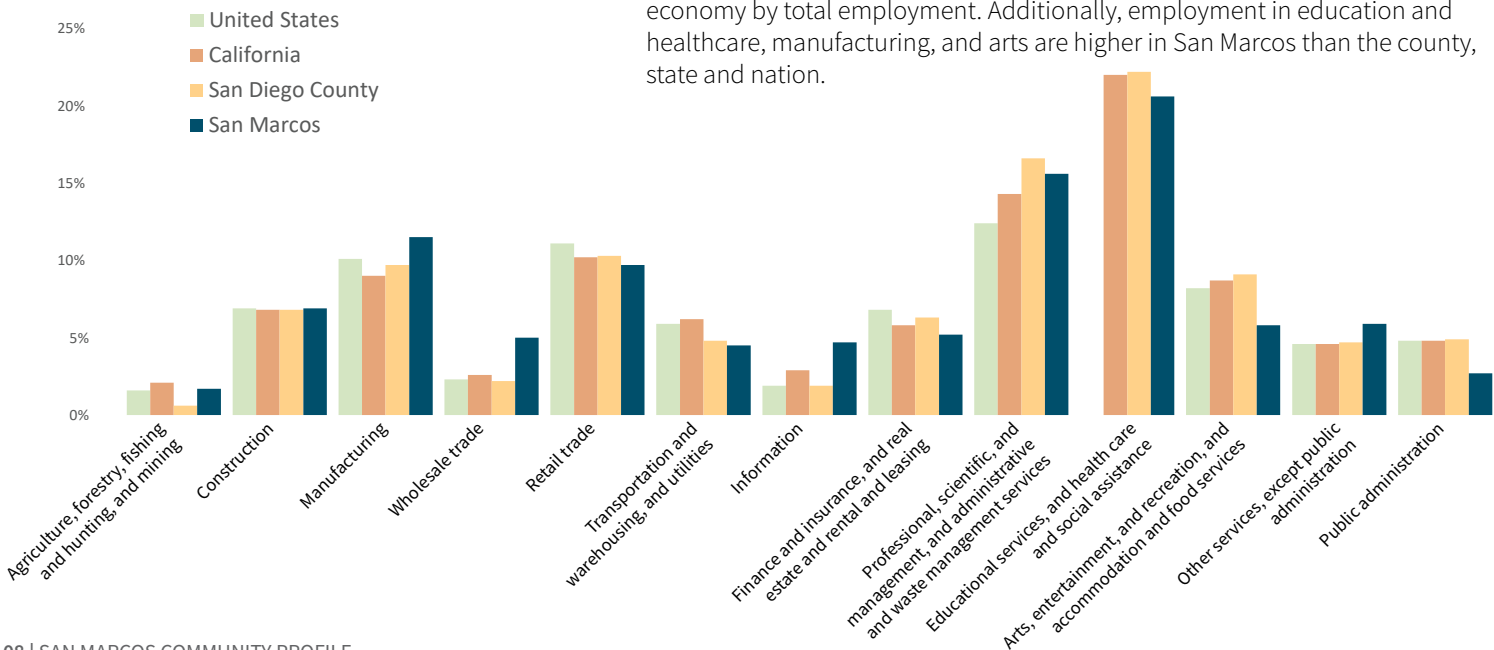


Source: LEHD On the Map, 2019

45% OF WORKERS AT SAN MARCOS BUSINESSES LIVE ALONG THE 78 CORRIDOR

TOTAL EMPLOYMENT BY INDUSTRY

Total employment by industry varies significantly and depends on region's strengths, weaknesses, opportunities, and threats. Education and healthcare, professional services, and manufacturing are three industries leading the City's economy by total employment. Additionally, employment in education and healthcare, manufacturing, and arts are higher in San Marcos than the county, state and nation.

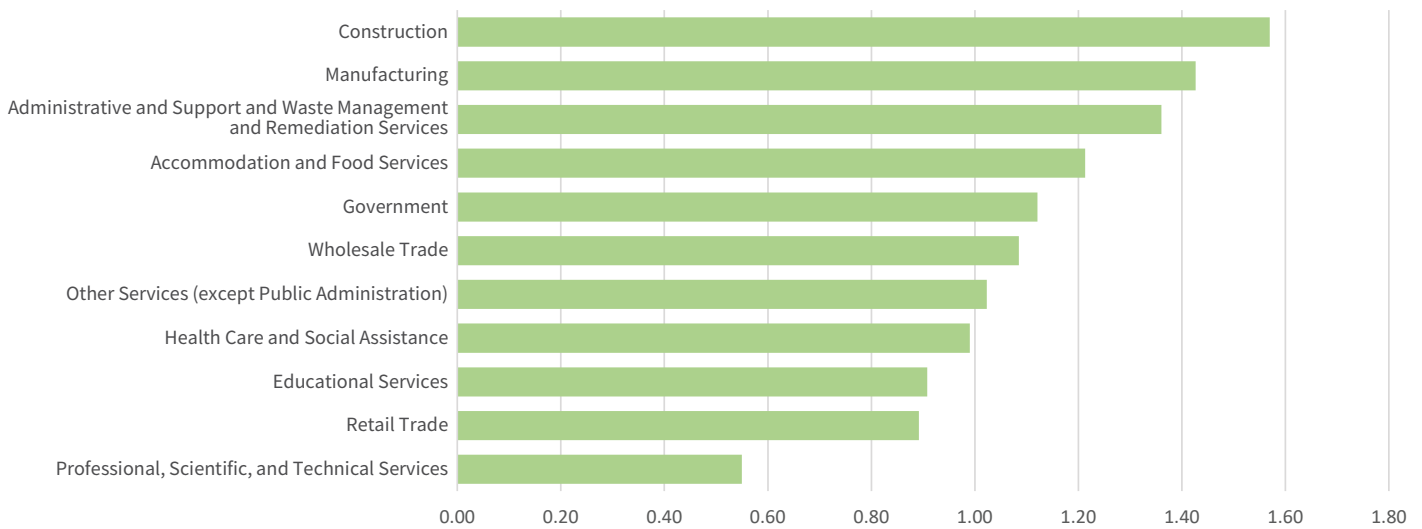


Source: American Community Survey 5-Year Estimates, 2022

LOCATION QUOTIENT

Location quotient (LQ) is a measure of relative concentration of an industry against a baseline (in this case the State of California). An LQ of 1.0 indicates an industry has the same relative concentration as the state. An LQ of 2.0 indicates that there are twice as many jobs in a particular industry as are found in the baseline comparison. Thus, in the case of San Marcos there are roughly one and half times as many construction jobs and 48 percent more manufacturing jobs in the City than can be found in the State of California.

SAN MARCOS INDUSTRY CONCENTRATION AGAINST CALIFORNIA



Source: Lightcast, 2022

CRIME RATES

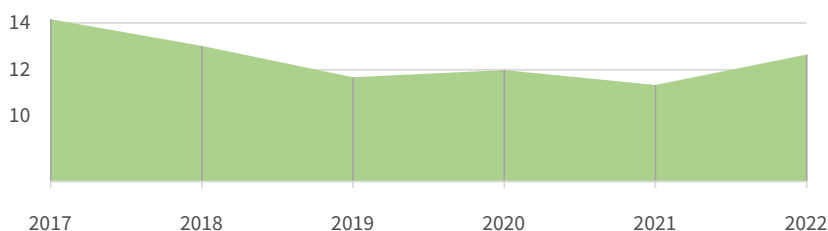
San Marcos has some of the lowest crime rates among the 18 incorporated cities in San Diego County.

This underscores a recent downward trend in San Marcos crime. The City's property crime rate is **10.57** percent — which is a **10 percent drop** since 2018. The City's overall crime rate is 12.65 percent — which is a 6 percent drop since 2018.

10%

DROP IN CITY'S
PROPERTY CRIME RATE

FBI INDEX CRIME RATES PER 1,000 POPULATION



Source: SANDAG CJ Bulletin, 2022

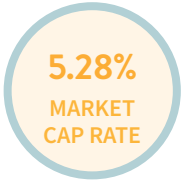
When compared to the county's incorporated cities, San Marcos has the second lowest overall property crime rate which includes non-violent crimes such as burglaries, auto thefts and vandalism. San Marcos also has the second lowest overall crime rate, which includes all violent and nonviolent crimes.



INVESTOR OUTLOOK



As North County’s commerce continues to grow and attract large firms, commercial real estate in San Marcos has seen a steady rise in property values. The **10 year average** commercial vacancy rate within the City is **7.38 percent**, the lowest vacancy rate of 4.95 percent was recorded in Q3, 2022.



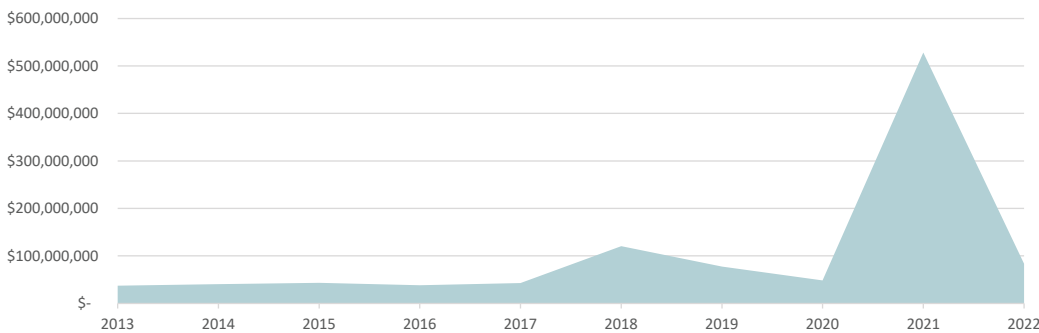
Market cap rates measure potential revenue and risk level for investment. General cap rates have a variety of factors that can influence the calculation but typically fluctuate between 3 and 10 percent. San Marcos’ 10 year average cap rate is **5.28 percent**, reflecting a medium rate of return.



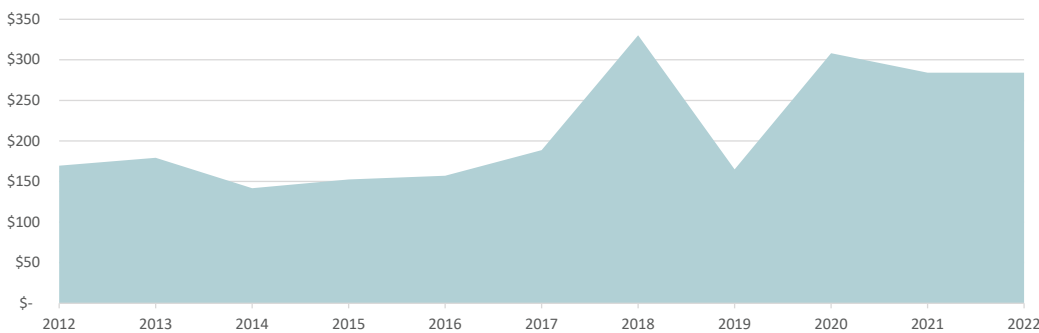
Annual rent growth is marked by expected trends in market rental rates over the time projected. The typical range of annual **rent growth** is between **1.4 and 5.3 percent**. San Marcos’ commercial real estate rent growth over a 10 year average is 4.5%, reflecting sustained growth in attractiveness of San Marcos real estate.



SALES VOLUME



PRICE PER SQUARE FOOT

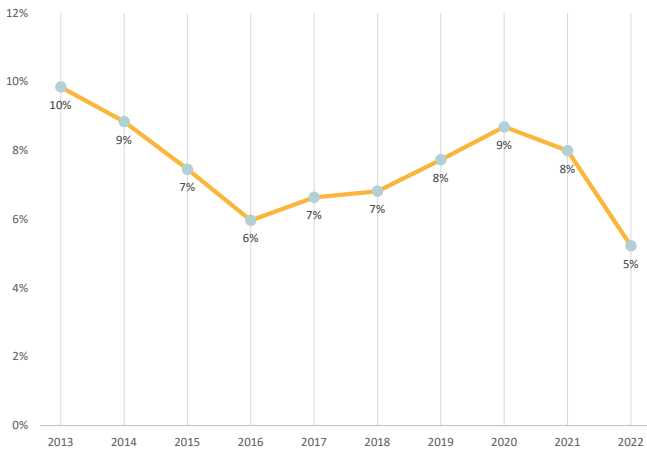


Although price per square foot calculations can vary depending on factors, understanding the metric can help investors understand the value of a commercial real estate investment. San Marcos’ average sales price per square foot has seen a steady rise over the past 10 years, marked at an average of \$248 per square foot.

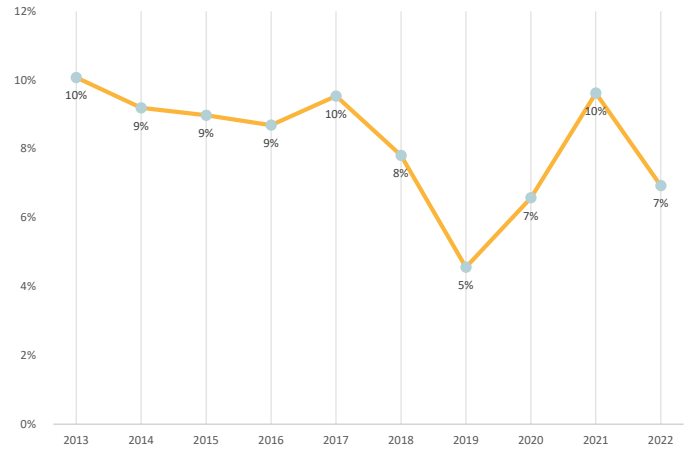
Source: CoStar, 2023

San Marcos average commercial vacancy rates have fluctuated between 8 and 10 percent over the past 10 years and are currently hovering around the lowest rate of the decade, 5 percent. San Marcos' average commercial availability also reflects one of the **lowest rates over the past 10 years**.

VACANCY RATE



AVAILABILITY RATE



Source: CoStar, 2023

Real estate values made significant gains throughout the COVID-19 pandemic. Commercial rent also saw price increases. Over the past 10 years average market rent in San Marcos has far exceeded asking rent, showing a strong demand for commercial property.

MARKET RENT & ASKING RENT PER SQ FT.



PART 6: QUALITY OF LIFE

DISCOVER SAN MARCOS

DISCOVER LIFE'S POSSIBILITIES

San Marcos is the birthplace of San Diego's most iconic craft beer company, Stone Brewing Co., as well as home to San Diego County's only California State University, CSU San Marcos. San Marcos continues to establish itself as an emerging force in North San Diego County. Known as both the education hub and healthcare hub, the City is advancing into a "drive-to destination." There are many amenities that provide a high quality of life to residents. San Marcos is rated nationally for being one of the safest college towns in

America as well as one of the best places to live for families with young children and aging parents. San Marcos Unified School District maintains its high ranking within the county, across multiple categories, including number one in safety and number one in athletics. The city boasts ample public space, robust recreational programming and an active senior center. North City's development of the new urban core downtown is advancing the City, transforming the landscape and dynamic for residents and visitors alike.

#20 OF 25 PLACES TO LIVE FOR FAMILIES.

Source: Fortune, 2022



#35 SAFEST COLLEGE TOWNS IN AMERICA.

Source: Safe Wise, 2022



SAN MARCOS UNIFIED SCHOOL DISTRICT RANKS 5TH IN THE COUNTY

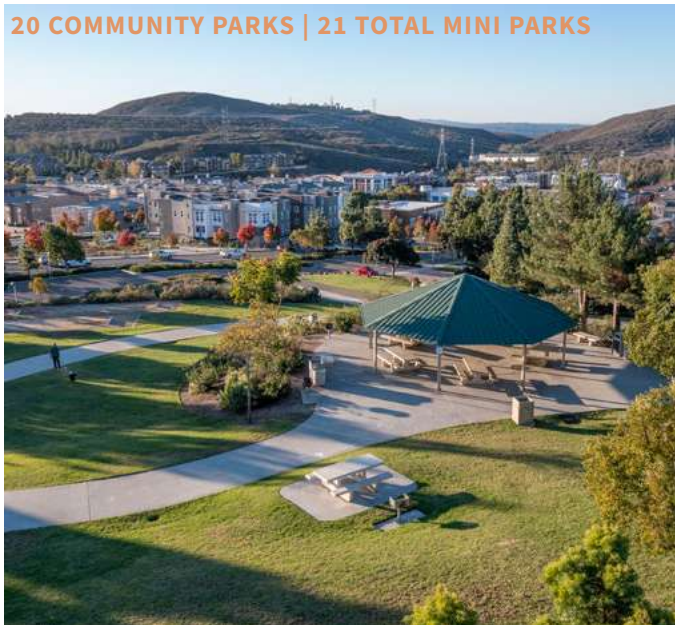
Source: Niche K-12 rankings, 2022



250+ ACRES OF PARK SPACES

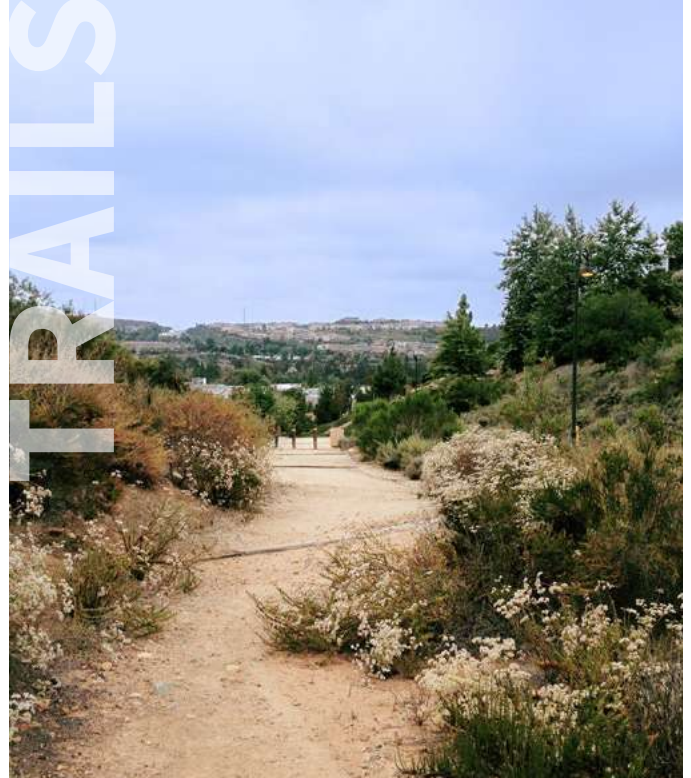
Source: City of San Marcos, 2022

20 COMMUNITY PARKS | 21 TOTAL MINI PARKS



72 MILES OF MULTI-USE TRAILS.

Source: City of San Marcos, 2022





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