

The San Diego Coastal Home Buyer's Guide

Your step-by-step roadmap to buying near the water in San Diego County

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Edition: [MONTH YEAR]. Market figures and rules change. Confirm current details with your agent, lender, and escrow officer before making decisions.

Welcome

Buying a home in coastal San Diego is exciting, and it's also different from buying almost anywhere else. Prices are high, competition can be stiff, and coastal properties come with their own questions: flood zones, bluff stability, saltwater wear, insurance availability, and California Coastal Commission rules.

This guide walks you through the process in the order you'll experience it, from getting your finances ready to getting your keys. It's written for first-time and move-up buyers, and it flags the coastal-specific issues that catch people off guard.

Part 1: The Big Picture

Where the market stands

San Diego County is one of the most expensive housing markets in the country.

- The California Association of REALTORS® reported a county median price of about **\$1.085 million** for existing single-family homes in June 2026, up roughly 6% from a year earlier.
- CAR's second-quarter 2026 affordability data showed only about **17% of San Diego County households** could afford the county's median-priced single-family home.
- Condos and townhomes are generally more accessible than single-family homes, which is why many first-time coastal buyers start there.

What this means for you: Prices vary enormously by neighborhood. A condo in an inland-adjacent coastal community and an oceanfront home in La Jolla or Del Mar are different markets entirely. Your agent can pull current neighborhood-level numbers for the areas you're considering.

Coastal San Diego at a glance

Each coastal community has its own personality, price range, and quirks. A few examples (your agent can tailor this section):

Area	General character
North County Coastal (Oceanside, Carlsbad, Encinitas, Solana Beach, Del Mar)	Beach-town lifestyle, strong schools in many areas, wide range from condos to luxury estates
La Jolla / Pacific Beach / Mission Beach	Walkable beach living, condos and older cottages, active rental market in some areas, strong seasonal crowds
Point Loma / Ocean Beach	Established neighborhoods, bay and ocean views, military presence, mix of older homes and newer builds
Coronado	Island community with a small-town feel, premium pricing, unique transportation and flood considerations
South Bay Coastal (Imperial Beach, Chula Vista bayfront)	Generally more accessible price points, developing waterfront areas

[Agent: add your own neighborhood notes, price ranges, and favorite spots here.]

Part 2: Your Buying Timeline

Most purchases follow roughly this path:

- 1 Get financially ready** (now)
- 2 Get pre-approved** (before you tour)
- 3 Choose your agent and sign a buyer representation agreement**
- 4 Search and tour homes**
- 5 Make an offer**
- 6 Open escrow and enter the contingency period** (inspections, appraisal, loan approval, disclosures)
- 7 Final walkthrough**
- 8 Close escrow and get your keys**

A typical purchase takes about **30 to 45 days from accepted offer to closing**, though cash deals can be faster and complicated loans or properties can take longer.

Part 3: Get Your Finances Ready

Know your credit

Your credit score affects your interest rate and loan options. Check your reports for free at **AnnualCreditReport.com** and dispute errors early, since corrections can take weeks. Avoid opening

new credit lines or making large purchases before and during escrow.

Down payment options

- **Conventional loans** can allow as little as 3 to 5% down for qualified buyers, though a larger down payment can lower your monthly cost and mortgage insurance.
- **FHA loans** allow lower down payments and more flexible credit requirements, but loan limits and mortgage insurance rules apply.
- **VA loans** can offer zero down for eligible veterans and service members. This matters in San Diego, home to a large military community.
- **Jumbo loans** are used when the loan amount exceeds conforming limits, which is common in coastal San Diego. Jumbo loans often have stricter credit, reserve, and down payment requirements.

Because limits and programs change, ask your lender what applies to your price range right now.

Down payment assistance

California and local programs sometimes offer assistance to eligible buyers, including programs run by CalHFA and the San Diego Housing Commission. Eligibility depends on income, purchase price, and other factors. Ask your lender or visit the program websites to see what's currently available.

Pre-qualification vs. pre-approval

- **Pre-qualification** is a rough estimate based on information you provide.
- **Pre-approval** means a lender has verified your income, assets, and credit. It carries real weight with sellers.

In coastal San Diego, an offer without a pre-approval letter is rarely taken seriously. Get pre-approved before you start touring.

Documents your lender will ask for

- Recent pay stubs and W-2s (or two years of tax returns and profit-and-loss statements if self-employed)
- Recent bank and investment statements
- Photo ID
- Information about debts and obligations
- Gift letters if family is helping with your down payment

Budget beyond the mortgage payment

Your monthly cost includes more than principal and interest. Plan for:

- **Property taxes**
- **Homeowners insurance** (see the coastal insurance section below)
- **HOA dues**, which are common for condos and many coastal communities

- **Flood insurance**, if required or advisable
 - **Maintenance**, with coastal salt air and humidity creating faster wear on paint, metal, decks, and windows
 - **Utilities**
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Part 4: Understanding California Costs

Property taxes

California's Proposition 13 sets the base property tax rate at about **1% of the assessed value**, plus voter-approved local bonds and assessments. Total effective rates in San Diego County commonly land somewhere above 1%, and often higher in areas with special assessments.

- Your assessed value generally resets to your **purchase price** when you buy.
- Expect a **supplemental tax bill** after closing that reflects the difference between the prior assessed value and your purchase price. Many buyers are caught off guard by this, so budget for it.
- **Mello-Roos** and special assessment districts can add significant annual costs, especially in newer developments. Always ask whether a property is in one.

Closing costs

Buyer closing costs in California typically run roughly **2% to 3% of the purchase price**, not including your down payment. They can include:

- Lender fees and loan origination
- Appraisal
- Escrow and title fees
- Prepaid items (property tax, homeowners insurance, and prepaid interest)
- Recording fees
- Home inspection and other inspections

Transfer taxes in California are customarily paid by the seller, though this is negotiable.

Earnest money deposit

When your offer is accepted, you'll deposit earnest money into escrow, commonly around **3% of the purchase price** in California, though it varies. It's credited toward your down payment or closing costs at closing. You can lose it if you back out outside the protections of your contingencies, so understand those terms.

How California escrow works

California transactions generally use a **neutral escrow company** (rather than attorneys) to hold funds and documents, coordinate with the title company, and handle the closing. Your agent will help

you choose or confirm an escrow company.

Part 5: Working With an Agent

The buyer representation agreement

Under California rules and the national NAR settlement changes, your agent must have you sign a **written buyer representation agreement**, and it must be in place no later than when you make an offer (and in many cases before touring homes). The agreement should spell out:

- The services your agent will provide
- **How your agent will be paid**, including the amount or rate
- How long the agreement lasts
- Whether the arrangement is exclusive

A few things to know:

- **Compensation is negotiable.** Sellers may offer to pay some or all of your agent's fee, but this is not guaranteed. Your agreement should explain what happens if the seller doesn't cover it.
- You are **not required to sign** a representation agreement just to attend an open house.
- Read the agreement carefully, ask questions, and make sure you understand the term and any cancellation provisions before signing.

What a good agent does for you

- Explains local neighborhoods, trends, and pricing
 - Spots coastal-specific red flags
 - Writes competitive, protective offers
 - Coordinates inspections, negotiations, and deadlines
 - Connects you with trusted lenders, inspectors, and specialists
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Part 6: Searching for the Right Home

Needs vs. wants

Before you tour, write two lists.

Must-haves (non-negotiable): budget ceiling, minimum bedrooms, commute limits, parking, pet-friendly requirements.

Nice-to-haves: ocean view, outdoor space, walkability, a garage, updated kitchen.

Coastal buyers often discover they must trade something: size for location, view for condition, or a yard for walkability. Knowing your priorities makes those trade-offs easier.

Coastal-specific things to evaluate

Distance and elevation. Proximity to the water affects price, but it also affects insurance, maintenance, and risk. Ask how close the property is to the bluff edge, shoreline, or a flood zone.

Flood zones. Properties near the coast, bays, lagoons, and rivers may be in FEMA-designated flood zones. If you have a federally backed mortgage on a home in a high-risk flood zone, flood insurance is typically required. Check the FEMA flood map and ask your insurance agent for a quote before you commit.

Bluff and slope stability. Coastal bluffs erode, and some properties sit on or near unstable slopes. If a home is near a bluff, ask for geotechnical reports, past erosion history, and any permits for stabilization work. Consider hiring a geotechnical engineer.

Salt air and moisture wear. Look for corroded metal, deteriorated window frames, peeling paint, rotted wood, and rusted fixtures. These can be signs of deferred maintenance that costs more in coastal environments.

Sea level rise and long-term risk. Local planning agencies and the Coastal Commission have published guidance on sea level rise. It may not change your decision, but it's worth knowing for long-term ownership and resale.

Noise, crowds, and parking. Beach communities can be loud and busy, especially in summer. Visit at different times of day and on weekends.

Short-term rental rules. If you're counting on rental income, **verify the local rules**. Short-term rental regulations vary by city and neighborhood, and some areas restrict or prohibit them. HOAs may also impose their own limits.

California Coastal Commission rules

Much of the San Diego coastline falls within the **Coastal Zone**, where additional rules can apply. Depending on the location, a **coastal development permit** may be required for certain remodels, additions, or exterior changes. If you plan to renovate, ask early whether the property is in the Coastal Zone and what approvals may be needed. Permits can add months and cost to a project.

Condos, townhomes, and HOAs

If you're considering a condo or townhome, request and review the **HOA documents** early, including:

- CC&Rs and bylaws
- Budget and reserve study
- Recent meeting minutes
- Any special assessments planned or in progress
- Pending or past litigation
- Rental, pet, and parking rules

Underfunded reserves and deferred maintenance (especially balconies, roofs, and waterproofing in oceanfront buildings) can lead to large special assessments.

Part 7: Homeowners Insurance in California

Insurance deserves its own section, because it has become one of the most important parts of buying in California.

What's happening

California's homeowners insurance market has been under strain from wildfire losses, rising rebuild costs, and regulatory challenges. Average premiums have risen significantly in recent years, and some insurers have restricted or stopped writing new policies in certain areas.

- The **California FAIR Plan**, the state's insurer of last resort, has grown substantially. It typically offers more limited coverage at higher cost, and many FAIR Plan customers also buy a separate "difference in conditions" policy to fill the gaps.
- The California Department of Insurance has been implementing its **Sustainable Insurance Strategy** to encourage insurers to expand coverage, and reports that FAIR Plan growth has been slowing in 2026 as more insurers return to the market. Availability may differ by address.

What to do as a buyer

- **Get insurance quotes early**, ideally *before* you remove your contingencies. Insurability and cost can affect whether a home makes sense for you.
 - Work with an independent insurance broker who can compare multiple carriers.
 - Ask about coverage for **earthquake** (not included in standard policies), **flood** (also separate), and **wildfire** where relevant. Parts of inland San Diego County have significant wildfire exposure even if the immediate coast is lower risk.
 - Ask the seller for the home's **claims history** (a "CLUE report"), since prior claims can affect insurability.
 - Remember that your lender will require proof of coverage before closing.
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Part 8: Making an Offer

Pricing your offer

Your agent will analyze **comparable sales** (recent sales of similar homes nearby) to determine what the property is worth. In coastal areas, comparables can vary widely based on view, lot, condition, and proximity to the water, so expert judgment matters.

What's in an offer

- Purchase price
- Earnest money deposit
- Down payment and financing terms
- Closing date

- **Contingencies** (see below)
- Requests for seller concessions or repairs
- Personal property included or excluded
- Any seller-provided disclosures you're requesting

Your contingencies

Contingencies are your protections. They let you cancel or renegotiate if something goes wrong. Common California contingencies include:

- **Inspection contingency:** your right to inspect the property and request repairs or cancel.
- **Appraisal contingency:** protects you if the home appraises below the purchase price.
- **Loan contingency:** protects you if your financing falls through.
- **Disclosure review:** time to review the seller's disclosures and reports.

California's standard purchase contract commonly provides **17 days** for these contingencies, but the timeline is negotiable. In competitive situations, buyers sometimes shorten or waive contingencies. **That increases your risk significantly.** Discuss the trade-offs with your agent before making that choice.

Competitive offers

In hot segments, you may compete with multiple offers. Strategies include a strong pre-approval, larger earnest money, shorter contingency periods, flexible closing dates, and a personal letter. (Note: be careful with anything that touches on personal characteristics in a letter; your agent will advise on what's appropriate under fair housing principles.) Know your limit and be ready to walk away if the terms stop making sense.

Part 9: Under Contract: Inspections, Disclosures, and Appraisal

Disclosures

California sellers must provide extensive disclosures, including:

- **Transfer Disclosure Statement (TDS)** covering known property conditions
- **Natural Hazard Disclosure (NHD)** report, which flags whether the property is in a flood zone, fire hazard zone, earthquake fault zone, or seismic hazard zone, among others
- **Lead-based paint disclosure** for homes built before 1978
- Information on any known neighborhood nuisances, HOA matters, and past repairs or permits

Read everything. Ask your agent to walk you through anything unclear.

Inspections to consider

Order inspections quickly, because contingency clocks are running.

- **General home inspection** (essential)
- **Termite / wood-destroying organism inspection**, very common in California
- **Roof inspection**
- **Sewer lateral inspection**, especially for older homes
- **Foundation and structural**, and **geotechnical or soils** evaluation for bluff, hillside, or slope properties
- **Pool and spa inspection**, if applicable
- **Mold or moisture testing**, if signs of water intrusion exist
- **Permit and unpermitted work review**, since unpermitted additions are common in older coastal homes and can create problems for resale, insurance, and financing

The appraisal

Your lender will order an appraisal to confirm the home's value supports the loan. If it comes in **below the purchase price**, you can renegotiate, bring more cash to cover the gap, or cancel if you have an appraisal contingency.

Title and preliminary report

A title company will research the property's ownership history and issue a **preliminary title report** listing liens, easements, and other matters. Review it carefully. Coastal properties sometimes have **easements** for public beach access, utilities, or drainage that affect how you can use the land.

Locking your loan and finishing financing

Your lender will complete underwriting, ask for updated documents, and issue final loan approval (the "clear to close"). Respond to requests quickly and avoid financial changes until after closing.

Part 10: Closing

Final walkthrough

Within a few days before closing, you'll do a final walkthrough to confirm the property's condition, that agreed-upon repairs were completed, and that nothing was damaged or removed.

Signing and funding

- You'll sign loan and escrow documents with the escrow company, often in person or with a mobile notary.
- Before closing, you'll **wire your funds** or provide a cashier's check for your down payment and closing costs.

Wire fraud warning: Criminals impersonate title companies, escrow officers, and agents to steal closing funds. **Never wire money based on emailed instructions alone.** Always call the escrow company at a phone number you've independently verified to confirm wire instructions before sending anything.

Recording and possession

Your deal is closed when the deed is **recorded** with the county. Possession typically transfers at recording, unless you've agreed to a different arrangement. You get your keys, and you're a homeowner.

Part 11: After You Move In

- **File for the homeowners' exemption** with the San Diego County Assessor's office to reduce your taxable value if you live in the home as your primary residence.
 - **Watch for your supplemental tax bill** and budget for it.
 - **Update your address** with banks, insurers, DMV, and employers.
 - **Set up routine maintenance**, with extra attention to salt-air wear on exterior surfaces, HVAC, and metal fixtures.
 - **Review your emergency plan**, including earthquake preparedness, evacuation routes, and flood and fire readiness.
 - **Revisit your insurance annually** and shop the market, since options and rates are evolving.
 - **Keep records** of improvements and closing documents for tax purposes. Consult a tax professional about deductions and capital gains rules.
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Quick Reference Checklists

Before you start looking

- ☐ Check credit reports and fix errors
- ☐ Decide on a realistic budget, including taxes, insurance, and HOA
- ☐ Meet with a lender and get pre-approved
- ☐ Gather financial documents
- ☐ Interview agents and review the buyer representation agreement

While touring

- ☐ Note signs of water damage, corrosion, cracks, and settling
- ☐ Ask about flood zone, bluff proximity, and past claims
- ☐ Check parking, noise, and neighborhood at different times of day
- ☐ Ask about HOA fees, special assessments, and Mello-Roos
- ☐ Ask whether the property is in the Coastal Zone

After your offer is accepted

- ☐ Deposit earnest money on time

- [] Schedule inspections immediately
 - [] Get homeowners insurance quotes (and flood and earthquake, if relevant)
 - [] Review all disclosures and the preliminary title report
 - [] Track every contingency deadline
 - [] Keep your finances stable
 - [] Verify wire instructions by phone
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Glossary

Appraisal: An independent estimate of a home's value, required by lenders.

Buyer representation agreement: A written contract between you and your agent defining services and compensation.

Closing costs: Fees and prepaid items paid at the end of the transaction.

Contingency: A condition in your contract that lets you cancel or renegotiate if it isn't met.

Earnest money: A good-faith deposit held in escrow after your offer is accepted.

Escrow: A neutral third party that holds funds and documents until all conditions of the sale are met.

FAIR Plan: California's insurer of last resort, offering limited coverage to homeowners who cannot find standard insurance.

HOA: Homeowners association, which manages shared property and sets community rules.

Mello-Roos: A special tax district that funds local infrastructure and services, added to your property tax bill.

Natural Hazard Disclosure: A report identifying whether the property is in designated hazard zones.

Preliminary title report: A document listing ownership history, liens, and easements.

Pre-approval: A lender's verified commitment to lend up to a certain amount.

Supplemental tax bill: A bill reflecting the property tax adjustment after a change in ownership.

Ready to Take the Next Step?

Buying a coastal San Diego home is a big decision, and you don't have to figure it out alone. I'd be glad to talk through your goals, your budget, and the neighborhoods that fit your lifestyle.

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[Schedule your free buyer consultation >]

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