



Harry's Take

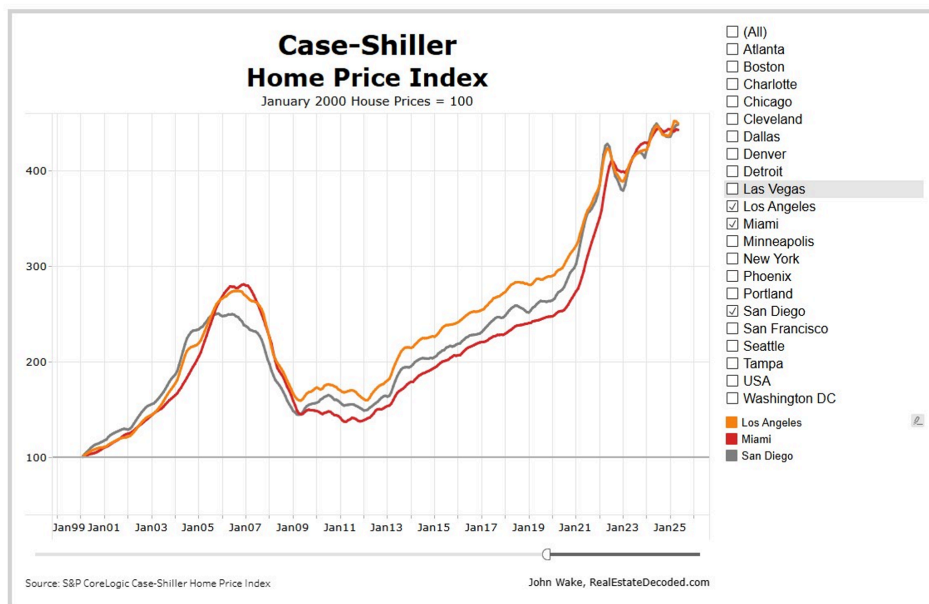
August 19, 2025

The Top 3 Bubble Cities Are Not New York or San Fran: LA, San Diego & Miami

This housing bubble has broken all the records, but especially for how looooong it has lasted. The first real estate bubble kicked in as the first tech stock-driven bubble was peaking and investors needed somewhere to go to keep the high going. The bubbly part of the larger real estate rally from 1990 into early 2006 was from early 2000 into early 2006. Investors got that taste from the Nasdaq rally that went uber-bubbly from late 1994 into early 2000, just 5.5 years... and that is typical for stock bubbles. The 1921 to 1929 stock rally went bubbly from late 1924 into late 1929. That was 5 years as is typical, and just a half-year shorter.

Just as 5 – 10 large cap tech stocks tend to dominate the stock bubbles, a small minority of the most attractive and land-restricted cities also do in real estate. If I knew little and someone asked me what I thought the most-bubbly cities were, I would think New York (especially Manhattan) and San Francisco... as their main city limits are so small and concentrated. And yes, both are very attractive cities for culture and entertainment. But this chart shows that the 3 most bubbly cities in the U.S. today are in order: L.A., San Diego and Miami... the most southerly with the best, and warmest weather and more land sprawl for development.

Top 3 Bubble Cities Not New York or San Fran: LA, San Diego & Miami



Source: <https://realestatedecoded.com/caseshiller/>

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People look at San Francisco's average temperatures and think. That's really nice and temperate. But they don't live there like I did for 22 years, and experience the cold, dark FOG that rolls in and out, especially in the summer! Hence, the old joke: "the coldest winter I ever experienced was a summer in San Francisco." It is the interaction between the sunny warm inland and the 55-degree very cold waters that creates that fog in San Francisco. And New York can actually be both a lot colder, and a bit hotter than Miami or L.A. despite being so far up north... thanks to the rising warm Gulf Stream which also keeps very northerly Great Britain temperate.

I'll look at this topic more in the September issue ahead, as well as why people should just stop fearing automation of jobs. It's precisely what makes us rich!

Harry

Got a question or comment? You can reach us at info@hsdent.com.

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