Los Angeles County &
Southern California Regional Forecast
LAEDC Annual Economic Forecast & Industry Outlook

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The Kyser Center for Economic Research, LAEDC
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Overview

- State As Regional Backdrop
- Regional Economy
- Key Industries
- Real Estate
- Summary and Outlook
State and Regional Economies
California Employment

Source: EDD Labor Market Information Division; forecast by LAEDC
CA Nonfarm Job Growth

Month to month changes in thousands, seasonally adjusted

Dec. 2011: +28,900

Recession Job Losses: 1.0 million
Since January 2010: +330 thousand

Source: U.S. Bureau of Labor Statistics
California Personal Income & Retail Sales

Total Personal Income

Taxable Retail Sales Growth

Source: California Board of Equalization, Dept. of Commerce; estimate & forecast by the LAEDC
Job Trends by California Metro Area

Annual percentage change in nonfarm jobs

Dec. 2011: CA +1.7%, +242.0 thousand jobs

- San Jose: 3.0%
- Bakersfield: 2.5%
- San Diego: 2.2%
- San Francisco: 2.1%
- Riverside: 2.0%
- Stockton: 1.9%
- Orange County: 1.8%
- Ventura: 1.7%
- Sacramento: 0.8%
- Los Angeles: 0.3%
- Fresno: 0.2%
- Oakland: 0.1%
- Modesto: -1.3%

Source: CA Employment Development Department
Los Angeles County Employment

Source: EDD Labor Market Information Division; forecast by LAEDC
Orange County Employment

Source: EDD Labor Market Information Division; forecast by LAEDC
Riverside-San Bernardino Area Employment

Source: EDD Labor Market Information Division; forecast by LAEDC
Ventura County Employment

Source: EDD Labor Market Information Division; forecast by LAEDC
L.A. Five-County Industries

Annual average change

Source: CA Employment Development Department
L.A. Five-County Industries

Annual average change

Source: CA Employment Development Department
L.A. County Industry Winners and Losers

Annual percent change in employment

Dec. 2011: Total +0.3%, +12,000 jobs

-5.0%  0.0%  5.0%  10.0%

Education: 5.5%
Information: 2.6%
Retail Trade: 2.0%
Prof., Sci. & Technical Services: 1.4%
Construction: 1.3%
Admin. & Support Services: 0.7%
Health Care & Social Assistance: 0.3%
Leisure & Hospitality: -0.1%
Manufacturing: -1.0%
Government: -1.0%
Wholesale Trade: -1.3%
Transport., Warehouse. & Util.: -1.5%
Finance & Insurance: -1.9%

Source: CA Employment Development Department
Orange County Industry Winners and Losers

Annual percent change in employment

Dec. 2011: Total +1.8%, +24,600 jobs

Admin. & Support Services: 6.6%
Education: 4.3%
Leisure & Hospitality: 4.3%
Prof., Sci. & Technical Services: 2.5%
Retail Trade: 2.4%
Health Care & Social Assistance: 2.3%
Construction: 1.7%
Wholesale Trade: 1.4%
Manufacturing: 0.7%
Government: 0.7%
Information: 0.0%
Transport., Warehouse. & Util.: -0.7%
Finance & Insurance: -2.5%

Source: CA Employment Development Department
Riverside-San Bernardino Industry Winners and Losers

Annual percent change in employment

Dec. 2011: Total +2.0%, +22,900 jobs

- Admin. & Support Services: 11.1%
- Wholesale Trade: 6.9%
- Health Care & Social Assistance: 3.9%
- Transport., Warehouse. & Util.: 3.8%
- Leisure & Hospitality: 2.1%
- Government: 2.0%
- Information: 1.9%
- Finance & Insurance: 1.2%
- Manufacturing: 1.0%
- Retail Trade: 0.5%
- Construction: 0.4%
- Prof., Sci. & Technical Services: -8.7%
- Education: -14.0%

Source: CA Employment Development Department
Ventura County Industry Winners and Losers

Annual percent change in employment

Dec. 2011: Total +1.7%, +4,600 jobs

- Admin. & Support Services: -5.3%
- Leisure & Hospitality: -6.0%
- Government: -6.4%
- Information: 3.8%
- Wholesale Trade: 3.3%
- Manufacturing: 2.2%
- Finance & Insurance: 1.8%
- Retail Trade: 1.1%
- Transport., Warehous. & Util.: 0.0%
- Education & Health Services: 6.2%
- Prof., Sci. & Technical Services: 4.2%
- Construction: 6.4%
- Admin. & Support Services: 10.1%

Source: CA Employment Development Department
Key Industries
Total Cargo Handled at L.A. & L.B. Ports

Thousands of TEU’S

Dec. 2011: 1,159,400 TEU’s; +2.1%

Source: Port of Los Angeles and Long Beach
Motion Picture & Sound Recording Jobs in L.A. County

Employment in thousands

Dec. 2011: 137,000 Jobs

Source: CA Employment Development Department
Hotel Occupancy Rates

L.A. County: Dec. 2011: 62.8% Occupancy Rate; +2.7 Annual P.P.

Source: PKF Consulting
Apparel Manufacturing Labor Market in Southern California

Jobs, Thousands

Annual Wages, $Thousands

L.A. County Employment
So Cal. Annual Wages

Sources: CA EDD. LMID

*Annual wage for 2011 based on 1H2011
U.S. Clothing & Clothing Accessories Retail Sales

Yearly % Change

Source: Census Bureau
Defense Aircraft Orders & Shipments

Source: Aerospace Industries Association
Boeing & Airbus Net Orders

Source: Boeing & Airbus Company Websites
Real Estate
Los Angeles County New & Existing Homes Sales

Homes sold, median price in thousands

Dec. 2011: 6,591 Homes Sold; $305,000 Median Price

Source: DataQuick
Orange County
New & Existing Homes Sales

Homes sold, median price in thousands

Dec. 2011: 2,572 Homes Sold; $400,000 Median Price

Source: DataQuick
Riverside County
New & Existing Homes Sales

Homes sold, median price in thousands

Dec. 2011: 3,584 Homes Sold; $194,000 Median Price

Source: DataQuick
San Bernardino County
New & Existing Homes Sales

Homes sold, median price in thousands

Dec. 2011: 2,418 Homes Sold; $150,000 Median Price

Source: DataQuick
Median Price to Median HH Income Ratio

Average Over Years Shown: 6:1 Ratio

SOURCE: California Association of REALTORS
Proportion of First-Time Homebuyers

SOURCE: California Association of REALTORS
L.A. 5-County Apartment Vacancy & Average Rental Rates

Note: For apartments with more than 100 units

Source: Real Facts/California Real Estate Research Council
Notices of Default in SoCal

3Q2011: 18,557 Units

Sources: Real Estate Research Council, County Records
Residential Building Permits Issued in Los Angeles County

Permits issued, thousands

Source: Construction Industry Research Board; forecast by LAEDC
Residential Building Permits Issued in Orange County

Source: Construction Industry Research Board; forecast by LAEDC
Residential Building Permits Issued in the Inland Empire

Permits issued, thousands

Source: Construction Industry Research Board; forecast by LAEDC
Residential Building Permits Issued in Ventura County

(Permits issued, thousands)

Source: Construction Industry Research Board; forecast by LAEDC
Office Vacancy Rates in Southern California

Source: Grubb & Ellis Research Services
Industrial Vacancy Rates in Southern California

Source: Grubb & Ellis Research Services
Summary & Outlook
# 2012 Employment Growth by County

<table>
<thead>
<tr>
<th>County</th>
<th>2012 Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles County</td>
<td>22,700</td>
</tr>
<tr>
<td>Orange County</td>
<td>20,000</td>
</tr>
<tr>
<td>Riverside and San Bernardino Area</td>
<td>16,300</td>
</tr>
<tr>
<td>Ventura County</td>
<td>4,700</td>
</tr>
<tr>
<td><strong>LA 5-County Region</strong></td>
<td><strong>63,700</strong></td>
</tr>
</tbody>
</table>
2012 Employment Growth by Industry

Los Angeles 5-County Region: Jobs, thousands
Total 2012 forecasted nonfarm employment growth: 63,700 jobs

- Health Care & Social Asst. 13.8
- Leisure & Hospitality 10.2
- Retail Trade 9.4
- Admin & Support Srvs 7.9
- Manufacturing 7.5
- Educational Services 5.3
- Information 4.6
- Tranport. & Utilities 4.6
- Wholesale Trade 4.5
- Prof, Sci & Tech Srvs 3.7
- Finance & Insurance 1.8
- Other Services 1.3
- Real Estate, Rental & Leasing 1.0
- Mgmt. of Enterprises 0.1
- Natual Resources 0
- Construction -0.9
Los Angeles County
2012 Industry Winners & Losers

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs, thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Nonfarm</td>
<td>+22.7</td>
</tr>
<tr>
<td>Health Services</td>
<td>5.4</td>
</tr>
<tr>
<td>Education</td>
<td>4.8</td>
</tr>
<tr>
<td>Information</td>
<td>4.1</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>3.9</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>3.5</td>
</tr>
<tr>
<td>Admin. &amp; Support</td>
<td>2.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.8</td>
</tr>
<tr>
<td>Prof'l Scientific &amp; Tech.</td>
<td>1.2</td>
</tr>
<tr>
<td>Transportation &amp; Utilities</td>
<td>1.2</td>
</tr>
<tr>
<td>Other Services</td>
<td>0.7</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>0.7</td>
</tr>
<tr>
<td>Real Estate, Rental &amp; Leasing</td>
<td>0.3</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>0.0</td>
</tr>
<tr>
<td>Government</td>
<td>-3.2</td>
</tr>
<tr>
<td>Construction</td>
<td>-3.3</td>
</tr>
</tbody>
</table>

Source: CA EDD, Labor Market Information Division, forecast by LAEDC
Orange County 2012 Industry Winners & Losers

Source: CA EDD, Labor Market Information Division, forecast by LAEDC
Riverside-San Bernardino Area
2012 Industry Winners & Losers

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs, thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Nonfarm</td>
<td>+16.3</td>
</tr>
<tr>
<td>Health Services</td>
<td>4.5</td>
</tr>
<tr>
<td>Admin. &amp; Support</td>
<td>3.7</td>
</tr>
<tr>
<td>Transportation &amp; Utilities</td>
<td>2.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2.6</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>2.4</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>2.3</td>
</tr>
<tr>
<td>Construction</td>
<td>1.5</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1.1</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>0.4</td>
</tr>
<tr>
<td>Information</td>
<td>0.3</td>
</tr>
<tr>
<td>Other Services</td>
<td>0.1</td>
</tr>
<tr>
<td>Real Estate, Rental &amp; Leasing</td>
<td>0.1</td>
</tr>
<tr>
<td>Education</td>
<td>0.0</td>
</tr>
<tr>
<td>Prof'l Scientific &amp; Tech.</td>
<td>-1.0</td>
</tr>
<tr>
<td>Government</td>
<td>-4.4</td>
</tr>
</tbody>
</table>

Sources: CA EDD, Labor Market Information Division, forecast by LAEDC
## Ventura County 2012 Industry Winners & Losers

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs, thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Nonfarm</td>
<td>+4.7</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1.1</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>0.8</td>
</tr>
<tr>
<td>Admin. &amp; Support</td>
<td>0.7</td>
</tr>
<tr>
<td>Health Services</td>
<td>0.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.5</td>
</tr>
<tr>
<td>Prof'l Scientific &amp; Tech.</td>
<td>0.4</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>0.3</td>
</tr>
<tr>
<td>Information</td>
<td>0.2</td>
</tr>
<tr>
<td>Transportation &amp; Utilities</td>
<td>0.1</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>0.1</td>
</tr>
<tr>
<td>Other Services</td>
<td>0.0</td>
</tr>
<tr>
<td>Real Estate, Rental &amp; Leasing</td>
<td>0.0</td>
</tr>
<tr>
<td>Construction</td>
<td>-0.2</td>
</tr>
<tr>
<td>Government</td>
<td>-0.5</td>
</tr>
</tbody>
</table>

Source: CA EDD, Labor Market Information Division, forecast by LAEDC
## 2012 Top Five Industries by Employment Growth

<table>
<thead>
<tr>
<th>Industry</th>
<th>Los Angeles County</th>
<th>Orange County</th>
<th>Riverside/ San Bernardino</th>
<th>Ventura County</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Health Services</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>2) Leisure and Hospitality</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>3) Retail Trade</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>4) Administrative and Support Services</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>5) Manufacturing</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>
Regional Outlook

- Slow growth in 2012
- Mixed performance across sectors
- Growth despite R.E. woes & fiscal situation

Thank You!