

CITY OF SIMI VALLEY

Quarterly Economic Review

Welcome to the Simi Valley Quarterly Review, an economic snapshot of valuable information pertaining to the Simi Valley and Ventura County area. As there is always a delay in the reporting of most economic data, the statistics presented are affiliated with the second quarter (April-June) of 2013.

TABLE OF CONTENTS

Commercial Real Estate	1
Residential Real Estate	2
Apartment Rentals	3
Film Permits	3
Sales Tax	3
Unemployment	4
Employment	5

Commercial/Industrial Tenant Improvement by Type

Q2, 2013 Type	Square Footage
Restaurant	
Retail	38,628
Office	78,329
Manufacturing/Warehouse	77,926
Total	194,883

Residential Building Permit Activity Q1, 2013



421

COMMERCIAL REAL ESTATE

Tenant Improvements/Alterations

Commercial and Industrial construction continue to improve as businesses relocate or expand operations within the City of Simi Valley.

- In Q2, 2013, a total of 65 tenant improvements were performed resulting in 194,883 of remodeled square footage. In comparison, Q1, 2013 had a total of 59 tenant improvement projects for the second quarter.
- Meggit Safety Systems Inc. and Walmart were two of the largest tenant improvement projects for the second quarter.

Vacancy Rates

- Vacancy Rates during Q2, 2013 for Retail decreased while Industrial and Office vacancy increased when compared to Q1, 2013 and Q2, 2012.
- Available Rates during Q2, 2013 for Retail decreased while Industrial and Office availability rates increased when compared to Q1, 2013 and Q2, 2012.
- The average vacancy rate (2006 to current quarter) is 5.1% for retail, 6.2% for industrial and 6.3% for office.

Simi Valley Vacancy Rates



Total Vacancy rates refers to space in existing buildings that are vacant and immediately available for direct labor lease, for sublease or sale.

Available Rates

- The average available rate (2006 to current quarter) is 6.7% for retail, 12.3% for industrial, and 12.2% for office.



Source: CoStar Group

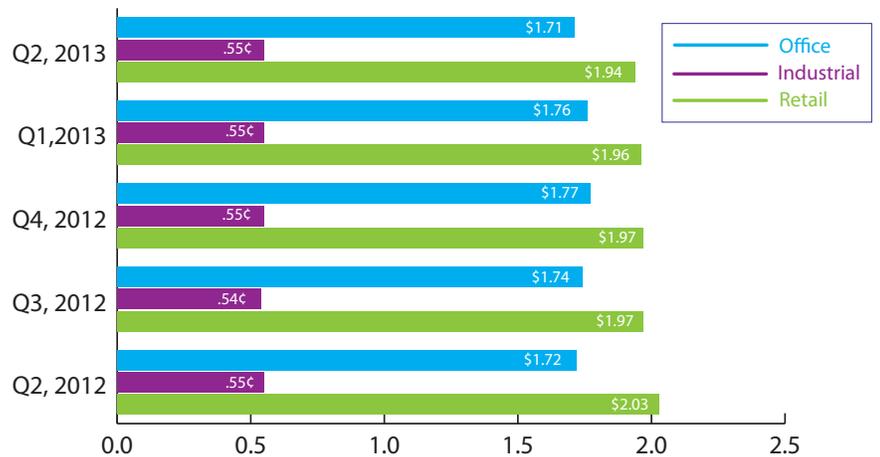
Available Rates refer to all space that is currently marketed for occupancy, includes space which may be currently occupied or which may be under construction or renovation.

Preliminary Q2, 2013 Asking Rents

Type	Asking Rent
Retail	\$1.71 NNN psf
Industrial	\$0.55 NNN psf
Office	\$1.94 Full Service

Source: CoStar Group

Asking Rents



Source: CoStar Group

RESIDENTIAL REAL ESTATE ACTIVITY

Simi Valley Single Family Home & Condominium Sales Data

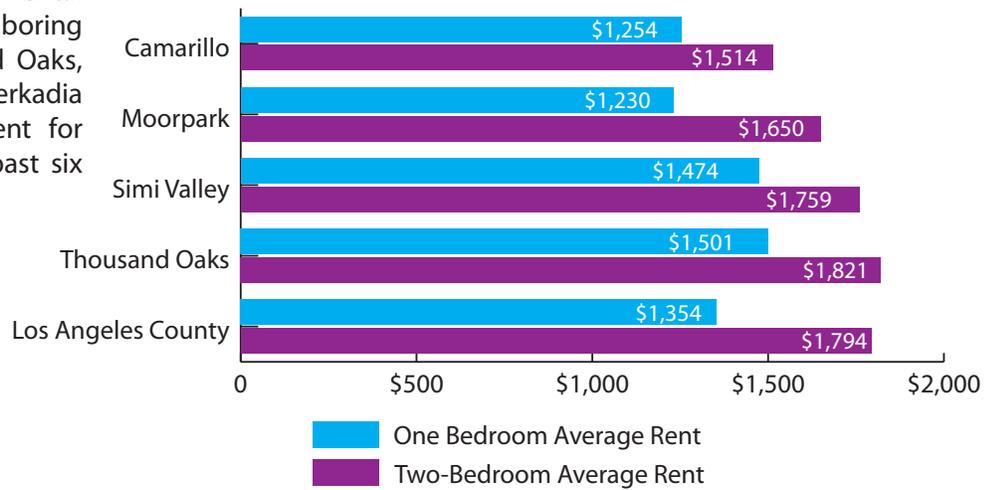
- The median home value has increased to **\$450,000** for the Q2, 2013 period, an increase of **15.71%** from the median home value of \$388,900 for Q2, 2012
- A total of 319 single-family homes were sold during the Q2, 2013 period, a decrease of **12.00%** when compared to home sales of 363 during Q2, 2012
- The median condominium value increased to **\$310,000** for the Q2, 2013 period, an increase of **45.19%** when compared to the median condominium value of \$213,500 for Q2, 2012.
- A total of 76 condominiums were sold during the Q2, 2013 period, down **9.52%** from 84 condominium sales in Q2, 2012

Source: Area Market Survey, Local Multiple Listing Service

APARTMENT RENTALS

Average apartment rents for a one and two-bedroom unit in Simi Valley amounted to \$1,474 and \$1,759 respectively for Q2, 2013, and rental rates vary when compared with neighboring communities such as Moorpark, Thousand Oaks, and Camarillo. According to Hendricks-Berkadia Apartment Guide, the average asking rent for Ventura County stayed at \$1,452 for the past six months after three years of rising rents.

Asking Rents, Q2, 2013



Source: RentJungle.com, findthedata.com, apartmentupdate.com

FILM PERMITS AND PERCENTAGE OF FILMING DAYS

The City of Simi Valley encourages filming projects within the City and recognizes the economic benefits it provides to our community.

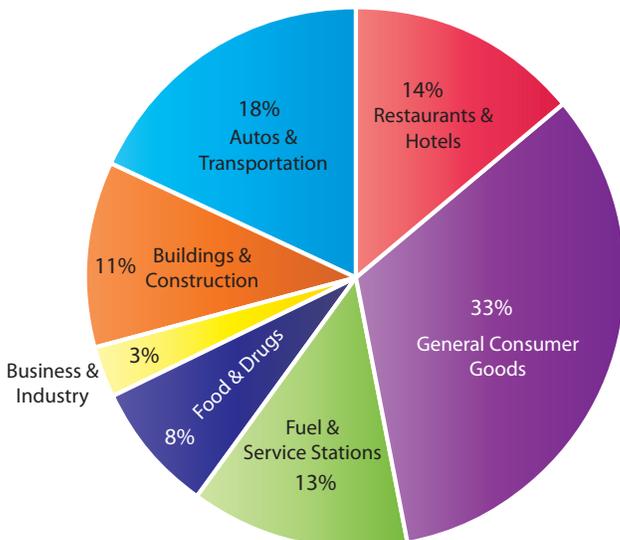
- In Q2, 2013, 24 film permits were issued, an increase from the 16 permits issued in Q2, 2012.
- The 24 permits represent a total of 40 filming days in Simi Valley for the quarter, up from 33 days in Q2, 2012.
- Q2, 2013 film days include: 27 for television shows and movies, 2 for student films, 6 for commercials, and 2 for reality television shows, and 3 for photo-shoots.

SALES TAX - CITY OF SIMI VALLEY

Sales Tax currently represents a significant source of income to fund City services and serves as a measure to evaluate local market conditions.

- Sales Tax figures reported for Q2, 2013 amount to \$3,773,841, which are slightly lower when compared to Q1, 2013.
- Sales tax revenues for Q2, 2013 represents a 1.61% decrease from the \$3,835,942 generated in Q1, 2013 and 1.10% decrease from the \$3,815,760 when compared to Q2, 2012.

Sales Tax by Major Industry Groups Q2, 2013



Sales Tax



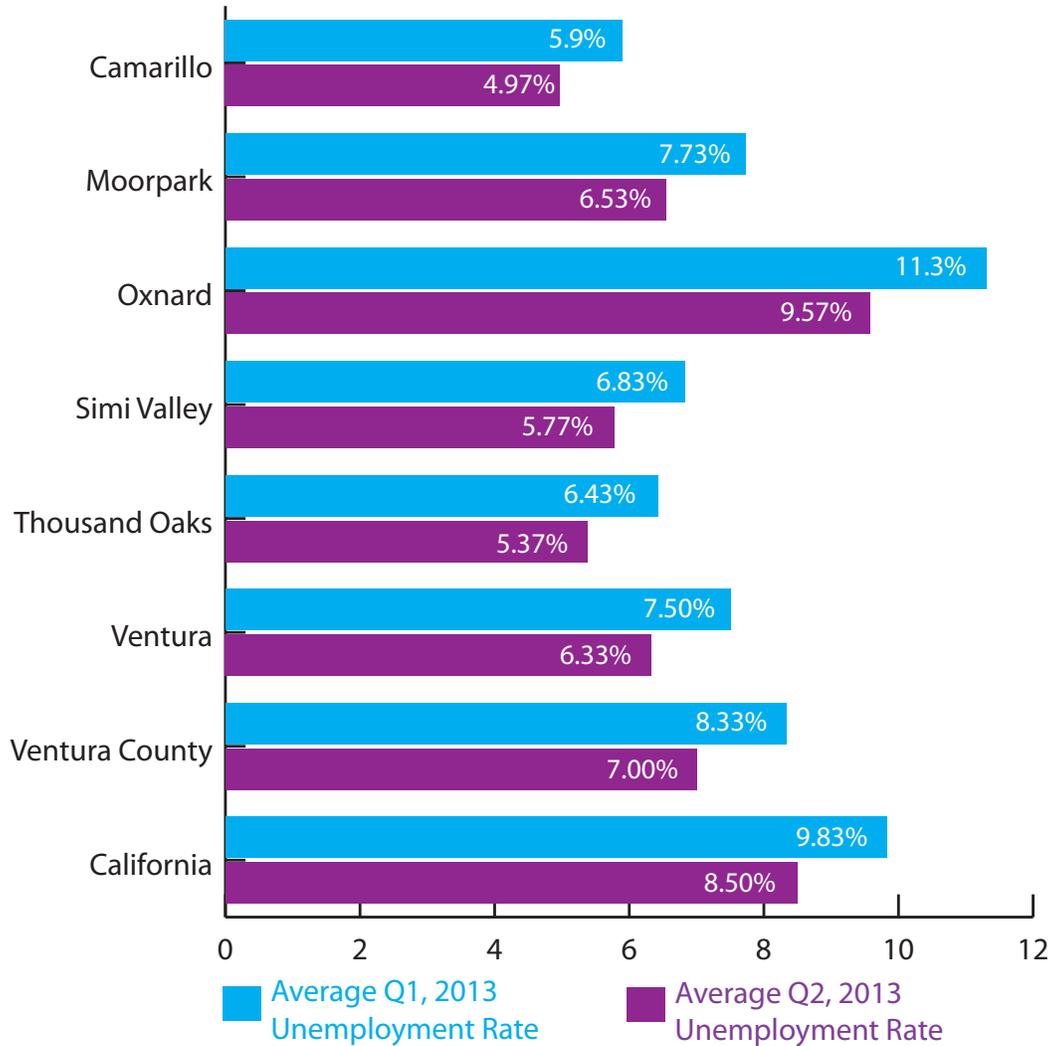
Source: City of Simi Valley

Note: Sales Tax revenue figures presented are adjusted for economic data, which removes retroactive payments of \$5,000 or more into the actual quarter the sale was initiated.

UNEMPLOYMENT RATE

- The preliminary unemployment rate averaged 5.77% for the City in Q2, 2013 compared to 7.00% for Ventura County and 8.50% for California.
- The preliminary unemployment rate average is lower than the average for Q2, 2012 when the rate was 7.23%.
- The Chamber of Commerce, the Ventura County Workforce Investment Board, the Simi Valley City Council and the Economic Development Division work diligently to attract employers, create hiring opportunities, and provide training programs for the area.

**Average Unemployment Rate Comparison
Q1, 2013/Q2, 2013**



(Data not seasonally adjusted)

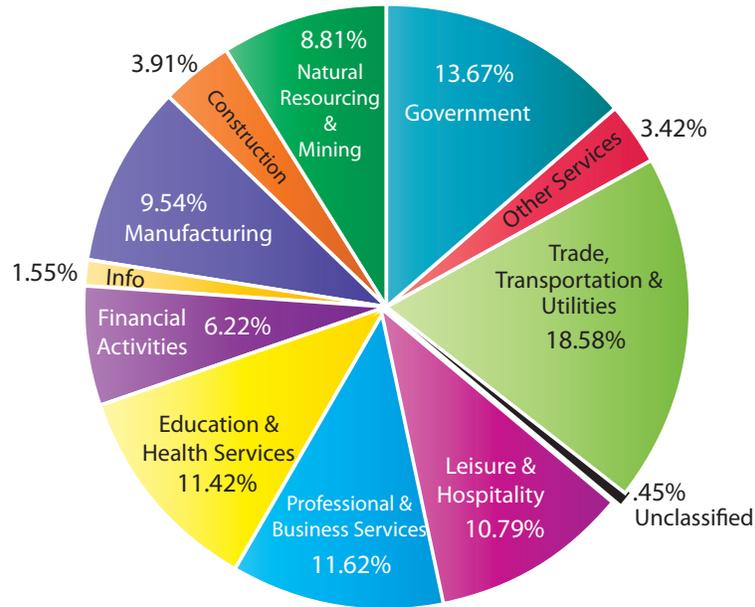
Source: California Employment Development Department

The East County Jobs and Career Center, located in Simi Valley, provides a variety of no cost, high value employment and training services to employers and job seekers. The East County Jobs and Career Center offers a variety of services to business owners and resources to job seekers who are entering or re-entering the workforce. And, all services are FREE! For more information regarding the East County Jobs and Career Center, call (805) 955-2282 or visit www.venturacountyjcc.org.

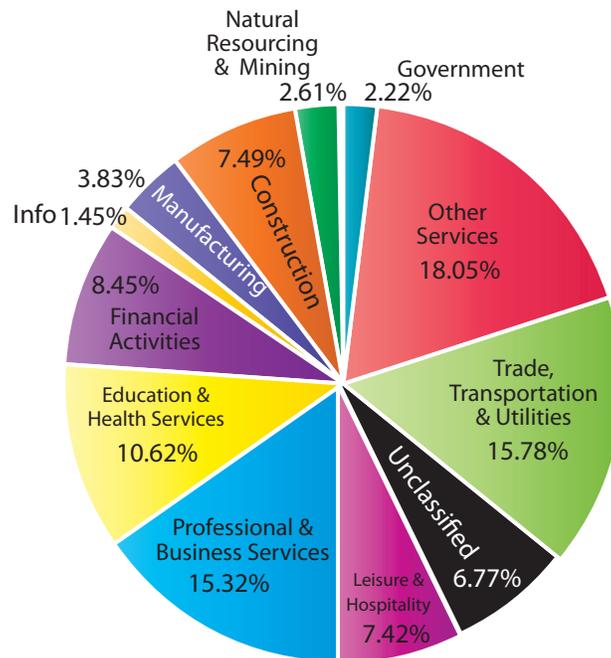
EMPLOYMENT - VENTURA COUNTY & CITY OF SIMI VALLEY

- The preliminary average for total employment in the City of Simi Valley for Q2, 2013 amounted to 67,913 jobs. Employment figures for Q2, 2013 increased 1.57% and 2.75% respectively when compared to the average of 66,927 jobs for Q1, 2013 and 66,096 jobs for Q2, 2012. .
- The Occupational Employment Survey reports that the mean annual wage for all occupations in Ventura County for Q1, 2013 was \$49,354 with a mean hourly wage of \$23.72.

Most Recent Employment by Industry Ventura County - Q4, 2012



Business by Industry Ventura County - Q4, 2012



Source: California Employment Development Department
 1) Quarterly Census of Employment and Wages
 2) Occupational Employment Statistics (OES) Survey