

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 third quarter (July-September) of 2013.

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Commercial/Industrial Tenant Improvement by Type

Q3, 2013 Type	Square Footage
Restaurant	4,406
Retail	35,837
Office	13,755
Manufacturing/Warehouse	17,805
Total	71,803

Residential Building Permit Activity Q3, 2013



685

City of Simi Valley
Economic Development Division
(805) 583-6701

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 Q3, 2013, a total of 79 tenant improvements were performed resulting in 71,803 of remodeled square footage. In comparison, Q2, 2013 had a total of 65 tenant improvement projects for the second quarter.
- The Neighborhood Market was the largest tenant improvement project for the third quarter.

Vacancy Rates

- Vacancy Rates during Q3, 2013 for Retail, Industrial, and Office increased when compared to Q2, 2013; of the three, Retail vacancy presented the only decrease when comparing current to Q3, 2012.
- Available Rates during Q3, 2013 increased slightly for both the Office and Retail sectors with Industrial declining minimally when compared to Q2, 2013; of the three, Office available rates presented the only increase when comparing current to Q3, 2012.
- The five-year average vacancy rate is 6.27% for retail, 7.59% for industrial and 8.4% for office.

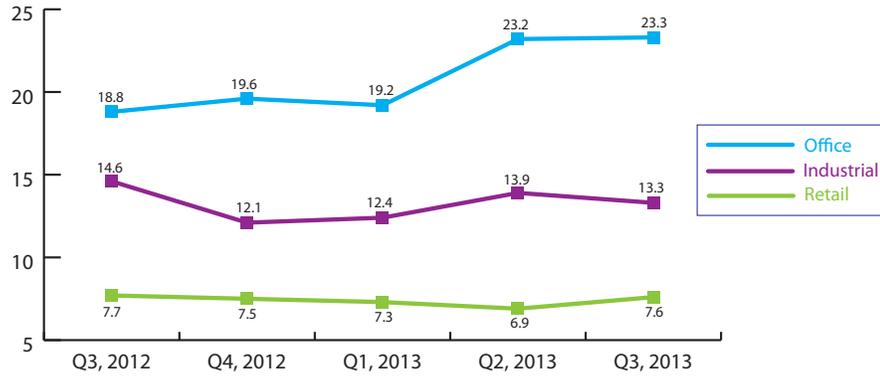
Simi Valley Vacancy Rates



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 five-year average available rate is 8.49% for retail, 15.49% for industrial, and 17.70% for office.



Source: CoStar Group

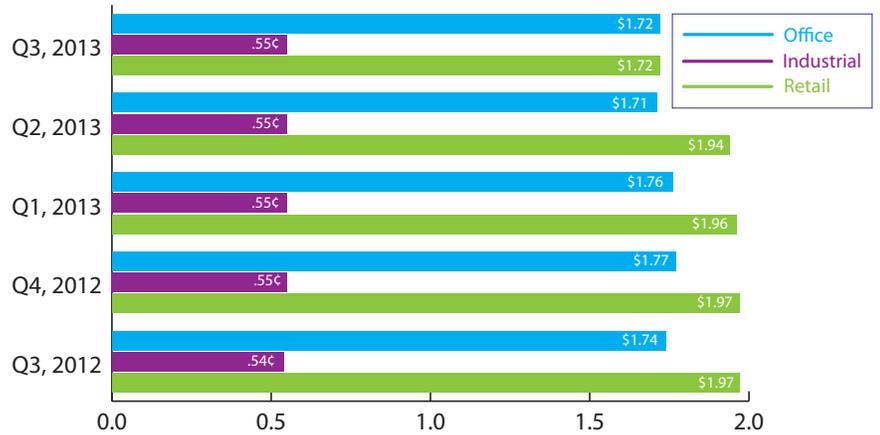
Available Rates refer to all space that is currently marketed for occupancy, includes space which may be currently occupied or which may be under construction or renovation.

Preliminary Q3, 2013 Asking Rents

Type	Asking Rent
Retail	\$1.72 NNN psf
Industrial	\$0.55 NNN psf
Office	\$1.72 Full Service

Source: CoStar Group

Asking Rents Q3, 2013



Source: CoStar Group

RESIDENTIAL REAL ESTATE ACTIVITY

Simi Valley Single Family Home & Condominium Sales Data

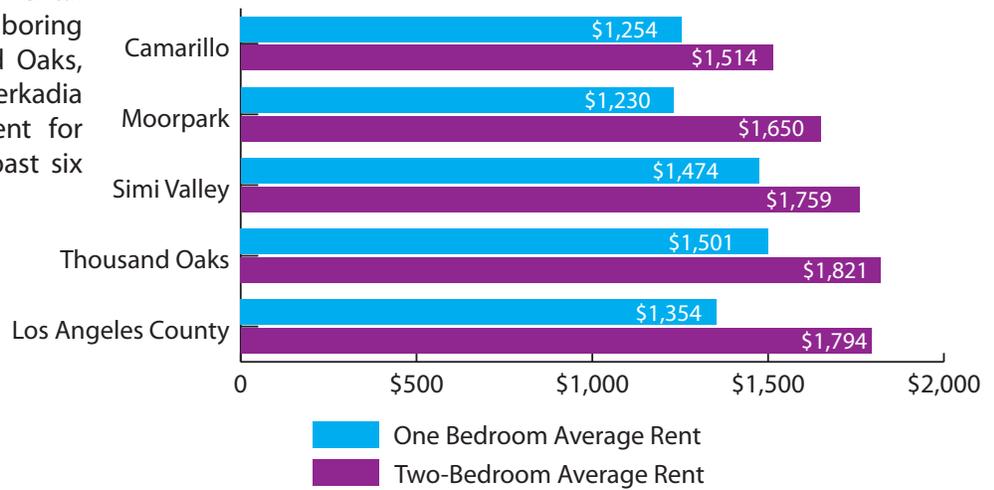
- The median home value has increased to **\$459,500** for the Q3, 2013 period, an increase of **21.40%** from the median home value of \$378,500 for Q3, 2012
- A total of 342 single-family homes were sold during the Q3, 2013 period, a decrease of **2.29%** when compared to home sales of 350 during Q3, 2012
- The median condominium value increased to **\$300,000** for the Q3, 2013 period, an increase of **25.52%** when compared to the median condominium value of \$239,000 for Q3, 2012.
- A total of 85 condominiums were sold during the Q3, 2013 period, down **7.61%** from 92 condominium sales in Q3, 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 Q3, 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, Q3, 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.

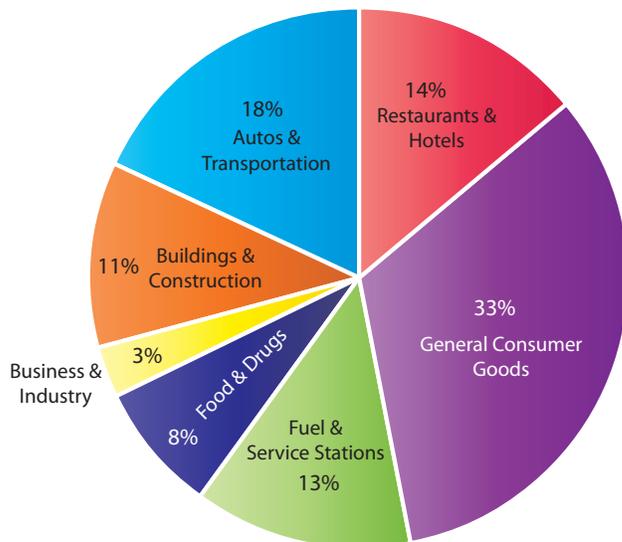
- In Q3, 2013, 14 film permits were issued, an increase from the 11 permits issued in Q3, 2012.
- The 14 permits represent a total of 70 filming days in Simi Valley for the quarter, up from 41 days in Q3, 2012.
- Q3, 2013 film days include: 27 for television shows and movies, 4 for commercials, and 39 for reality television shows.

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 Q3, 2013



Sales Tax



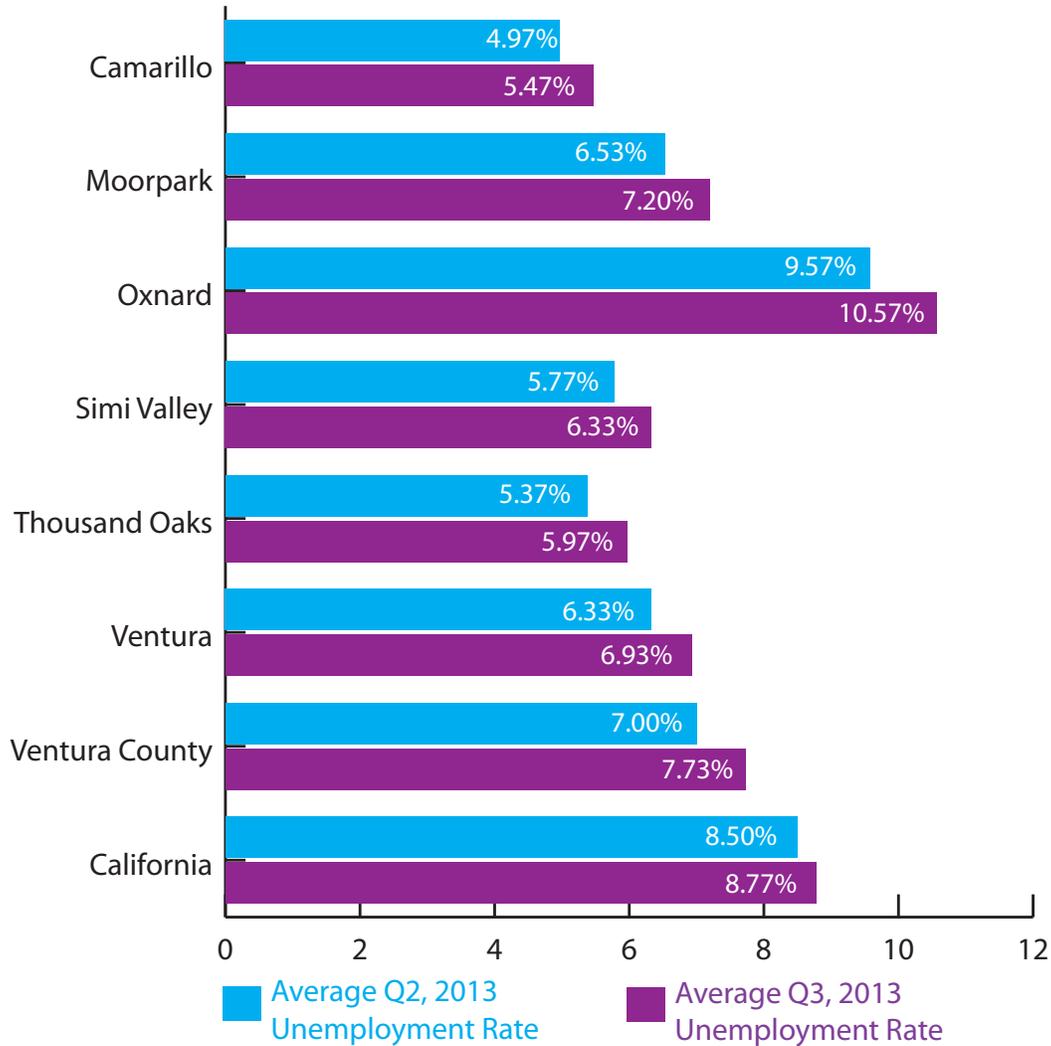
Source: City of Simi Valley

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 6.33% for the City in Q3, 2013 compared to 7.73% for Ventura County and 8.77% for California.
- The City's preliminary unemployment rate average is lower than the average for Q3, 2012 when the rate was 7.63%.
- 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
Q2, 2013/Q3, 2013**



(Data not seasonally adjusted)

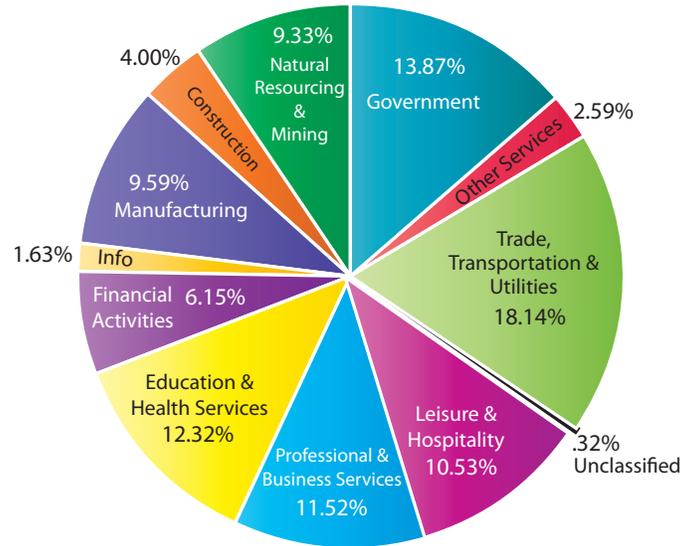
Source: California Employment Development Department

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.

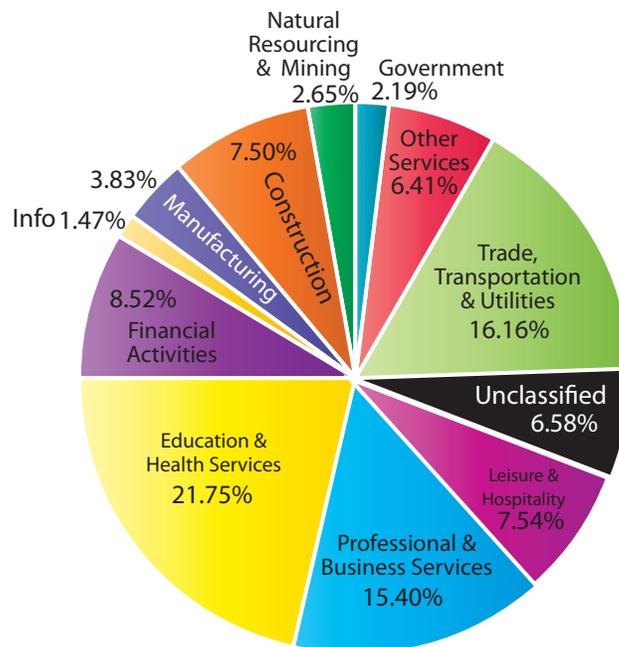
EMPLOYMENT - VENTURA COUNTY & CITY OF SIMI VALLEY

- The preliminary average for total employment in the City of Simi Valley for Q3, 2013 amounted to 66,611 jobs. Employment figures for Q3, 2013 decreased 1.90% when compared to the average of 67,899 jobs for Q2, 2013 and increased 2.42% when compared to the Q3, 2012 average of 65,034.
- 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 - Q1, 2013**



**Business by Industry
Ventura County - Q1, 2013**



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