

Economic Profile

Quarterly Market Trend Analysis for Economic Development in Cerritos

City of Cerritos



Spring 2011

A City With Vision

Economic Profile



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Economic Profile

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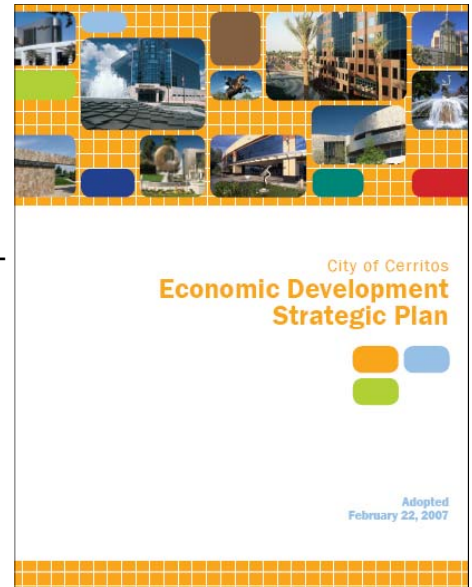
Introduction

The Cerritos *Economic Profile* is a report that is prepared on a quarterly basis to conduct market trend analysis and to develop strategies for the City's Business Retention and Expansion (BRE) Program. The BRE program was created in order to identify business climate issues and individual actions that would improve upon the operating conditions of existing businesses. It also provides the mechanism by which to identify "at risk" businesses and respond to their specific needs.

The development of the BRE was identified in the City of Cerritos Economic Development Strategic Plan (EDSP), which was adopted by the Cerritos City Council in 2007. As identified in the EDSP, Goal BAR-1 recommends that the City identify the "best customers" among existing Cerritos businesses and initiate an outreach program. In addition, Goal BAR-7 recommends that staff dedicate resources to track market trends.

With this in mind, this *Economic Profile* is a product of the EDSP and complements the BRE by tracking market trends for the preparation of economic development strategies. The *Economic Profile* will assist City staff in responding proactively to the ever changing business climate. In addition, this report supports the City's commitment to creating a business-friendly environment in which quality jobs may grow and prosper. The report will also assist the City to expand its tremendous success with its economic base, by identifying growth industries as well as declining industries in need of reinvigoration.

The *Economic Profile* is comprised of several sections, which includes Major Revenues, Employment, Unemployment and Commercial Real Estate. The statistical data is compiled from a wide variety of sources, such as the California Employment Development Department, Cerritos' Finance Division, and several real estate publications. The quarterly report provides a wealth of information and will be used by City staff to monitor the economic profile of the City in order to develop precise strategies to improve the business climate in Cerritos. The *Economic Profile* is the first of its kind in the local Gateway Cities region and it illustrates the commitment of Cerritos to its tradition of being "A City with Vision."



Mission Statement

The mission of the Cerritos Economic Profile is for the City of Cerritos to think strategically towards economic development in order to foster a healthy local economy, maintain the City's strong fiscal position and to be proactive and adapt to the changing business climate.

Select Strategic Plan Goals

BAR-1: Identify the "best customers" among existing Cerritos businesses and initiate an outreach program.

BAR-6: Use a targeted approach to business attraction.

BAR-5: Maintain a proactive approach to addressing the needs of important businesses that might be looking to relocate out of Cerritos.

BAR-7: Dedicate staff resources to tracking market trends.

Major Revenues



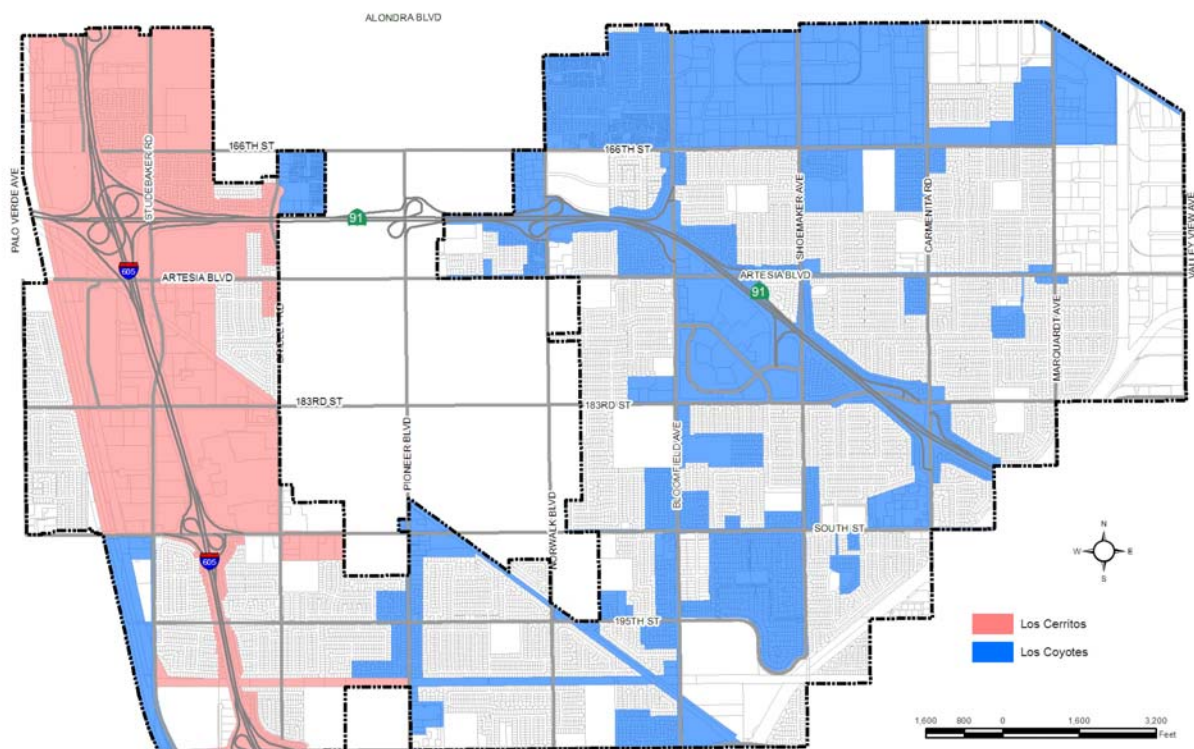
Redevelopment Tax Increment

The Cerritos Redevelopment Agency has historically been a major source of funding for a variety of public improvements and other projects that have enhanced the economic capacity of the community. Redevelopment agencies have certain powers and a dedicated revenue source – tax increment financing – to assist in revitalizing neighborhoods and business districts.

In Cerritos, redevelopment has helped fund public facilities and infrastructure improvements and has facilitated major job-producing developments locating in Cerritos. The most important role redevelopment serves in Cerritos is the generation of revenues in the form of tax increment that can be used to finance redevelopment activities. Once a redevelopment project area is formed, a portion of future property taxes generated within the specified redevelopment project area known as tax increment is directed to pay for redevelopment activities. The tax increment allocations received by the Cerritos Redevelopment Agency (“Agency”) are based only on future increases in the assessed values of properties within the Redevelopment Area. This works on the assumption that as a redevelopment agency invests in a project area, it will attract new private investment, which in turn will increase property values and tax revenues.

Cerritos has two (2) redevelopment project areas: Los Cerritos and Los Coyotes. Los Cerritos is located in the western section of the City and Los Coyotes is located in the central section of the City.

Cerritos Redevelopment Project Areas

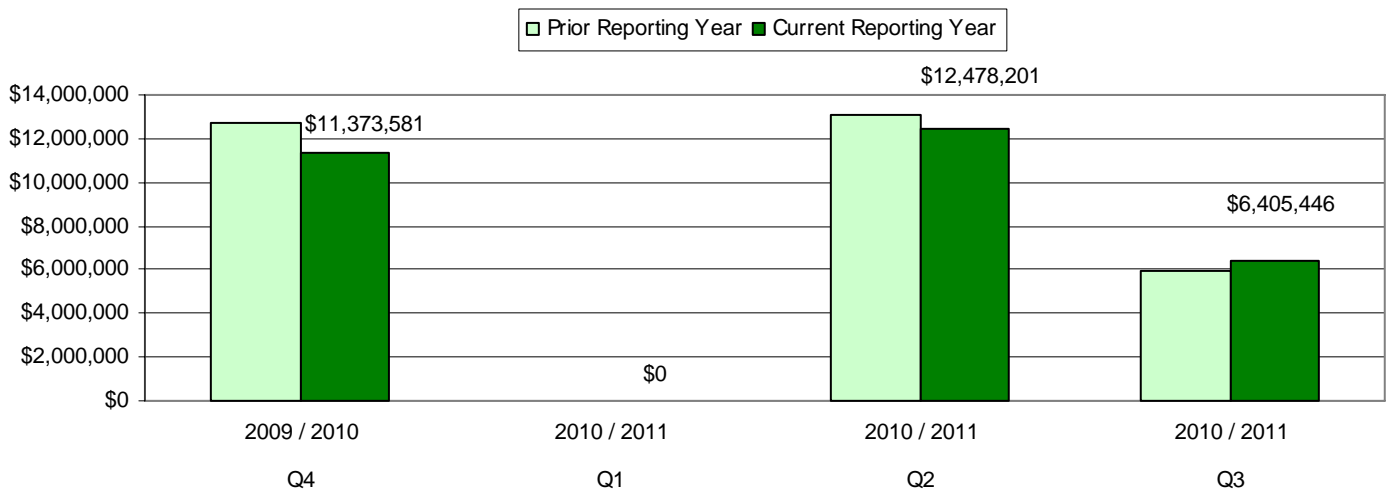


Sources: City of Cerritos Finance Division, GIS Division

Redevelopment Tax Increment

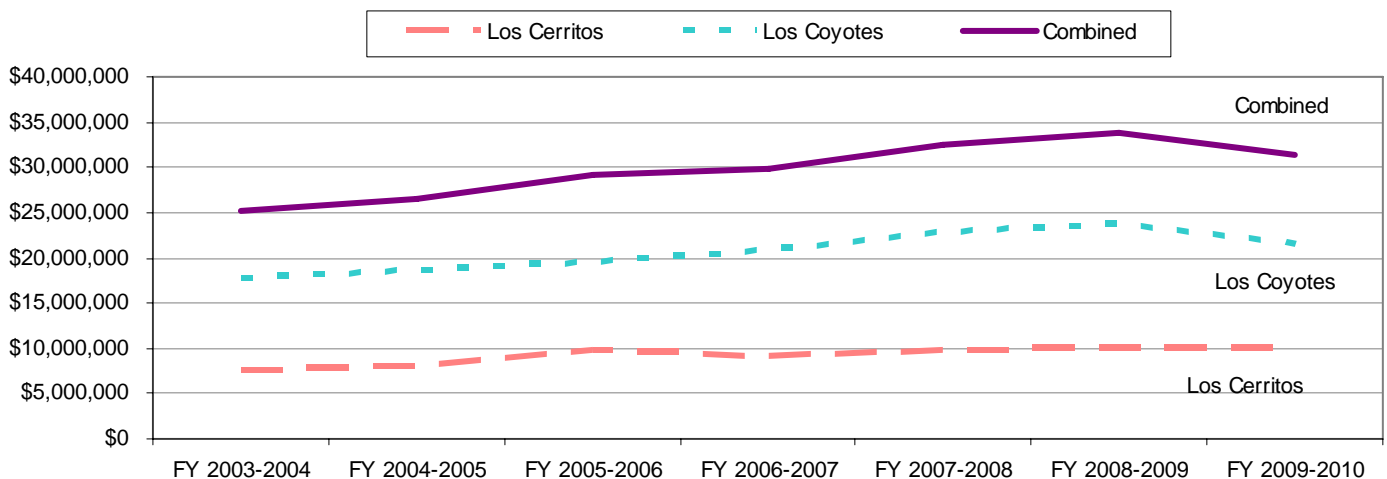
As mentioned, the City has two redevelopment project areas: Los Coyotes and Los Cerritos. These two areas comprise major regional commercial centers including the Cerritos Towne Center, the Los Cerritos Center and the Cerritos Auto Square. In 2011 Q-3, the Cerritos Redevelopment Agency's tax increment revenue has increased. The Redevelopment Agency received \$6,405,446 in tax increment revenue for the third quarter of FY 2010-2011, which is a \$418,139 increase from the previous year. Tax increment for quarter one and quarter three is always lower because taxes are collected on February 1st (second quarter) and November 1st (fourth quarter) of each year by the Los Angeles County Office of the Assessor. Any late payments submitted to the Los Angeles County Assessor's Office are recorded in quarter one or in quarter three.

Cerritos Redevelopment Agency Tax Increment Revenue



The combined tax increment revenue from the Los Cerritos and Los Coyotes project areas has increased by 20% from \$25,106,032 in FY 2003-2004 to \$31,362,844 in FY 2009-2010. The Los Coyotes project area generates more revenue than the Los Cerritos project area. In FY 2009-2010, the Los Coyotes project area generated \$21,386,086 and Los Cerritos generated \$9,976,757 (\$31,362,844 combined).

Tax Increment Revenue for Past 5 Fiscal Years Ending

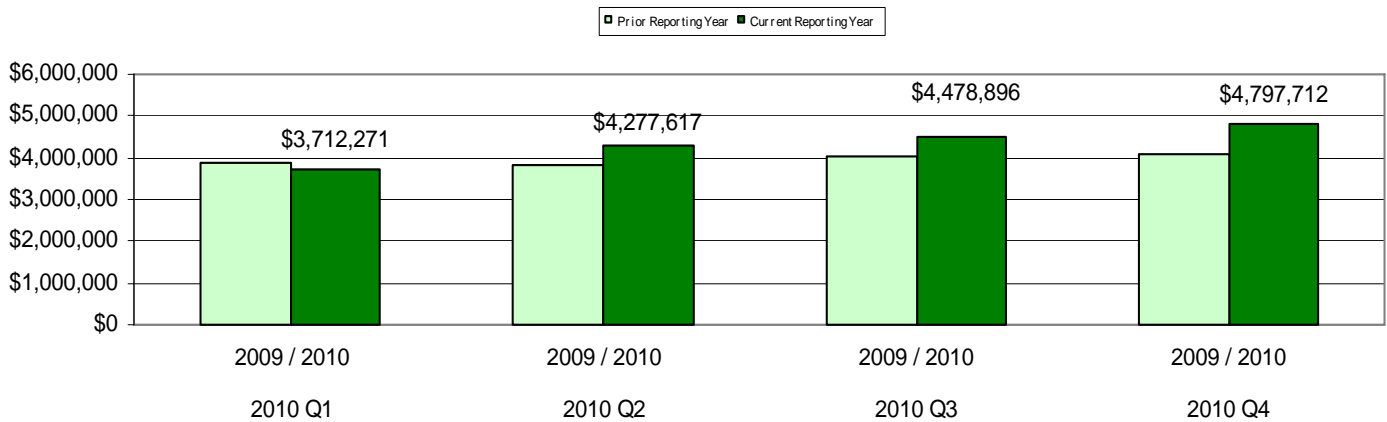


Sources: City of Cerritos Finance Division, GIS Division

Sales Tax

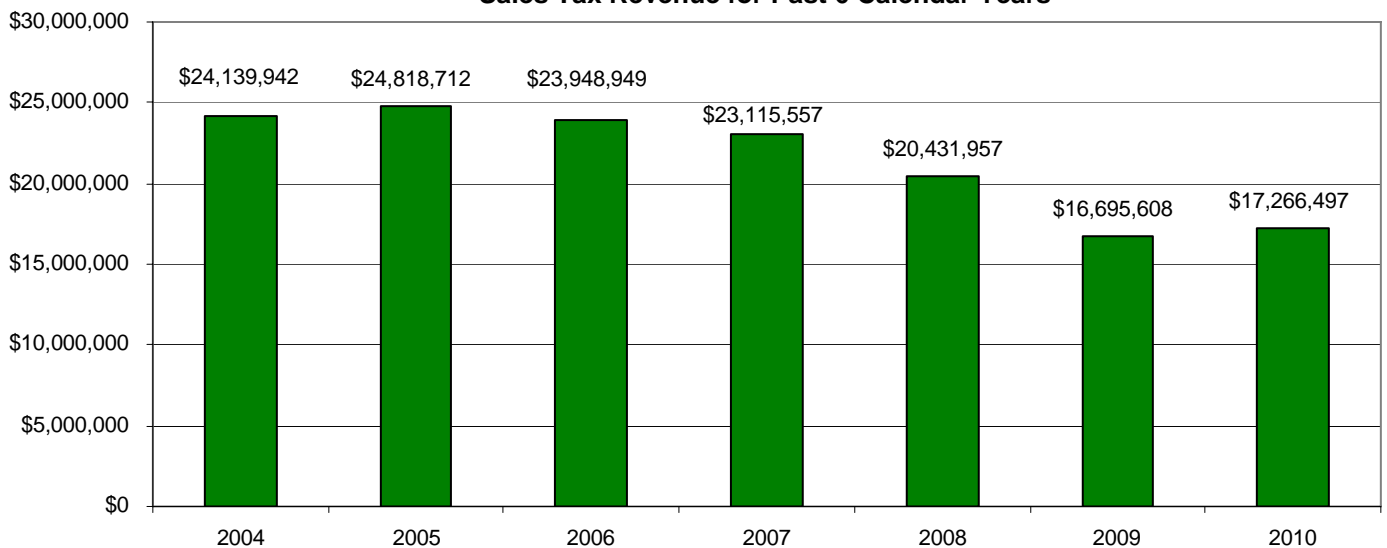
For 2010-Q4, businesses in the City generated \$4,797,712 in sales tax revenue, which is a 17% increase (\$700,078) over the same quarter in 2009. In 2010, sales tax increased in quarter two, quarter three, and quarter four from the previous year. This increase in sales tax revenue for three straight quarters in 2010 may indicate that the economy is beginning to show signs of recovery.

Sales Tax Revenue



Beginning in 2006, the City's sales tax revenues over the past six calendar years have declined. From 2005 through 2009, sales tax revenue decreased from \$24,818,712 to \$16,695,608, or a 33% decrease. However, in 2010, sales tax revenue increased by \$507,889 or a nine percent increase from 2009. This is the first increase in sales tax revenue since 2005 and may indicate that the local economy is recovering from the Great Recession.

Sales Tax Revenue for Past 6 Calendar Years

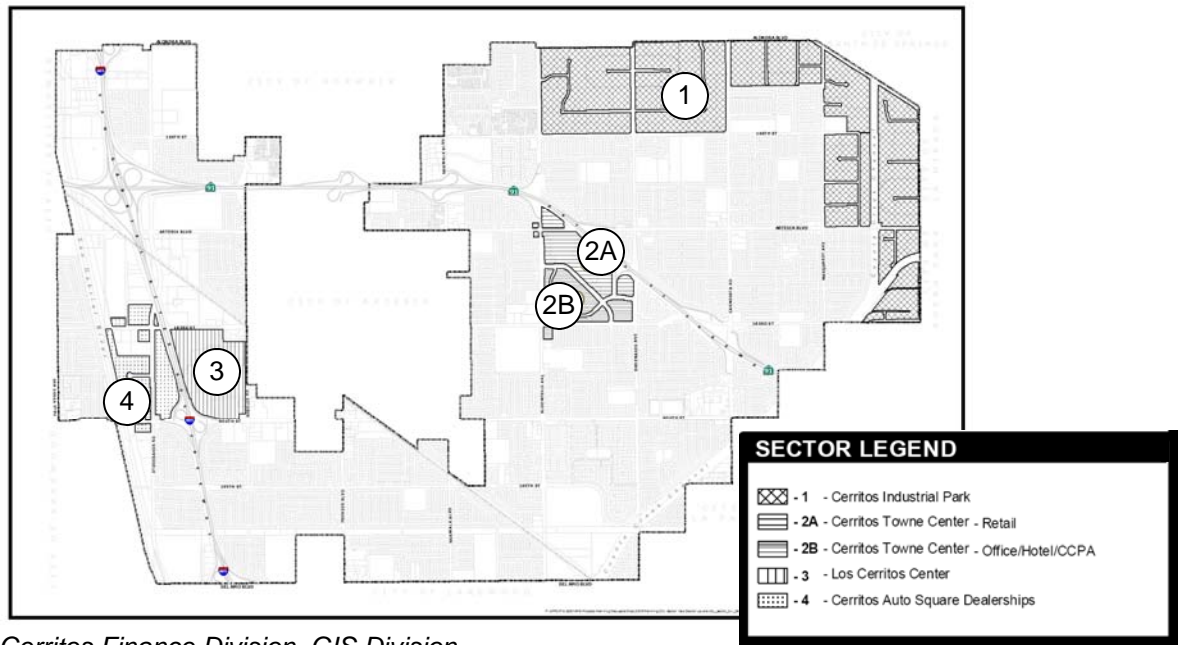
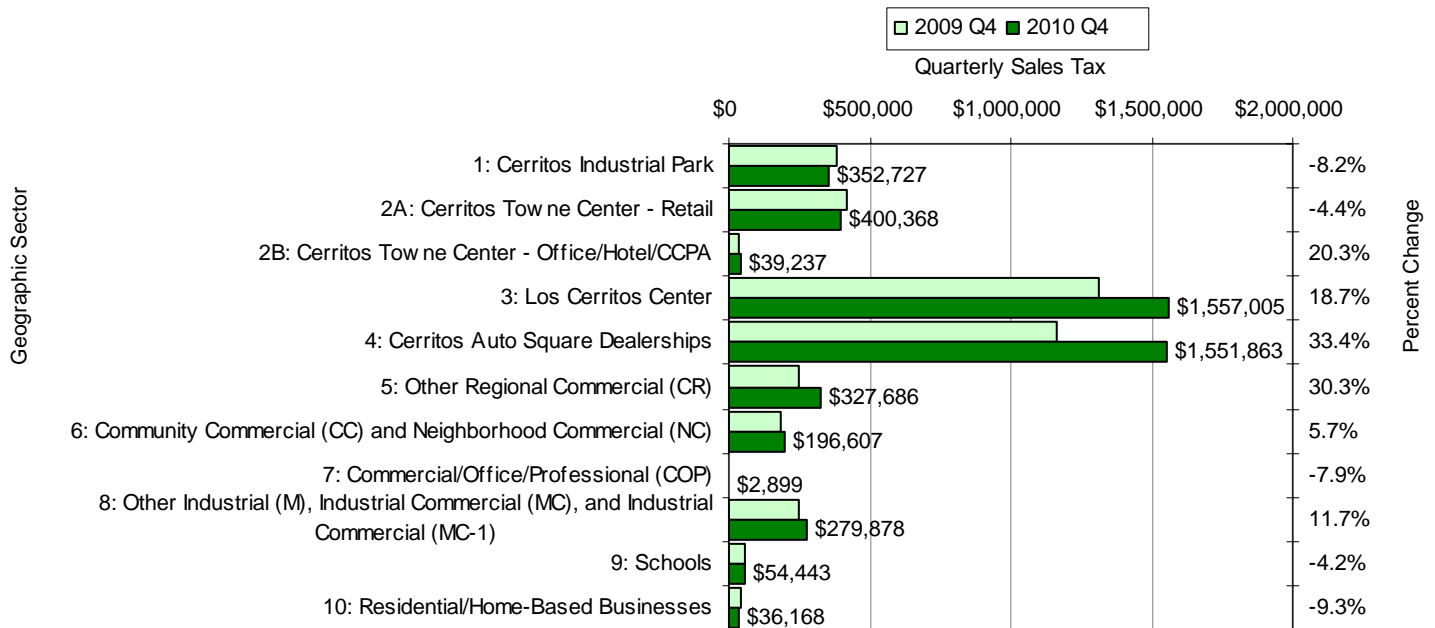


Source: City of Cerritos Finance Division

Sales Tax by Geographic Sector

The City of Cerritos is home to four major areas of business activity: Cerritos Industrial Park, Cerritos Towne Center, Los Cerritos Center and Cerritos Auto Square. Businesses are also found in other commercial and industrial zones throughout the City. For 2010-Q4, Los Cerritos Center generated the most sales tax at approximately \$1,557,005 (18.7% increase) from FY 2009-2010. The Cerritos Auto Square generated the second highest sales tax at approximately \$1,551,863 (33.4% increase from FY 2009-2010). The Cerritos Towne Center, which includes a retail and office component combined to generate \$439,605. The Cerritos Industrial Park generated the fourth highest sales tax revenue at \$352,727. During the quarter, the City experienced a significant increase in sales tax revenue for the two major areas of business activity: Los Cerritos Center and Cerritos Auto Square.

Cerritos Geographic Sectors

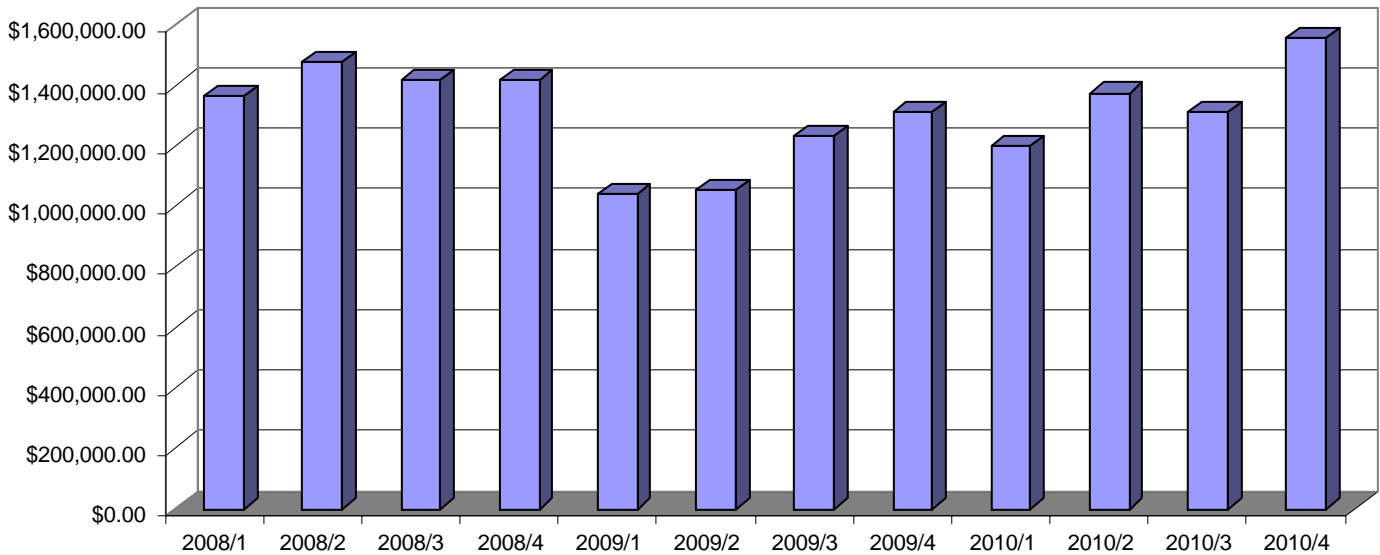


Source: City of Cerritos Finance Division, GIS Division

Sales Tax by Geographic Sector

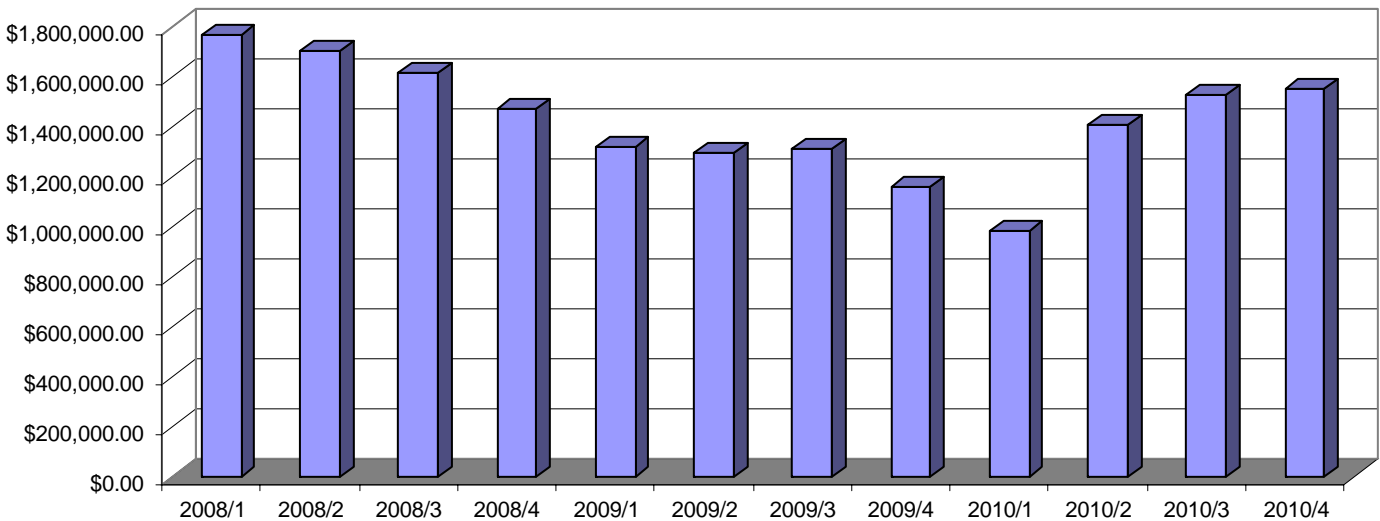
The Los Cerritos Center generated the greatest amount of sales tax revenue for the City's General Fund at \$1.5 million dollars in 2010-Q4. Based on the trend analysis, sales tax revenue has slowly increased since 2009-Q1. In fact, sales tax revenue for 2010-Q4 exceeded sales tax revenue from 2008-Q2. This trend analysis indicates an improving local economy. This increase in sales tax may be attributed to the recent expansion at the Los Cerritos Center, which included a larger Nordstrom's and a new Apple Store.

Los Cerritos Center



Cerritos Auto Square

The Cerritos Auto Square generated the second greatest amount of sales tax in 2010-Q4 and experienced an increase in each quarter for 2010. Sales tax revenue for 2010-Q4 was equivalent to sales tax revenue of 2008-Q4. The trend analysis also indicates an increase in auto sales and a recovering local economy. The addition of two new dealerships (Kia and Volkswagen) may have contributed to the increased auto sales.

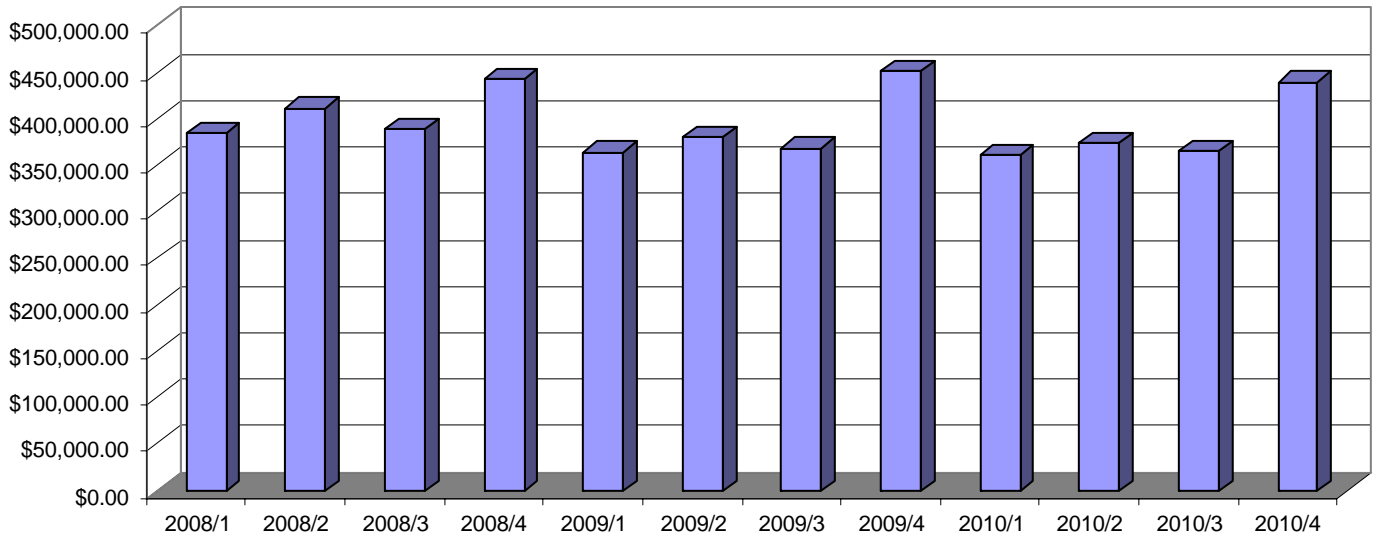


Source: City of Cerritos Finance Division, GIS Division

Sales Tax by Geographic Sector

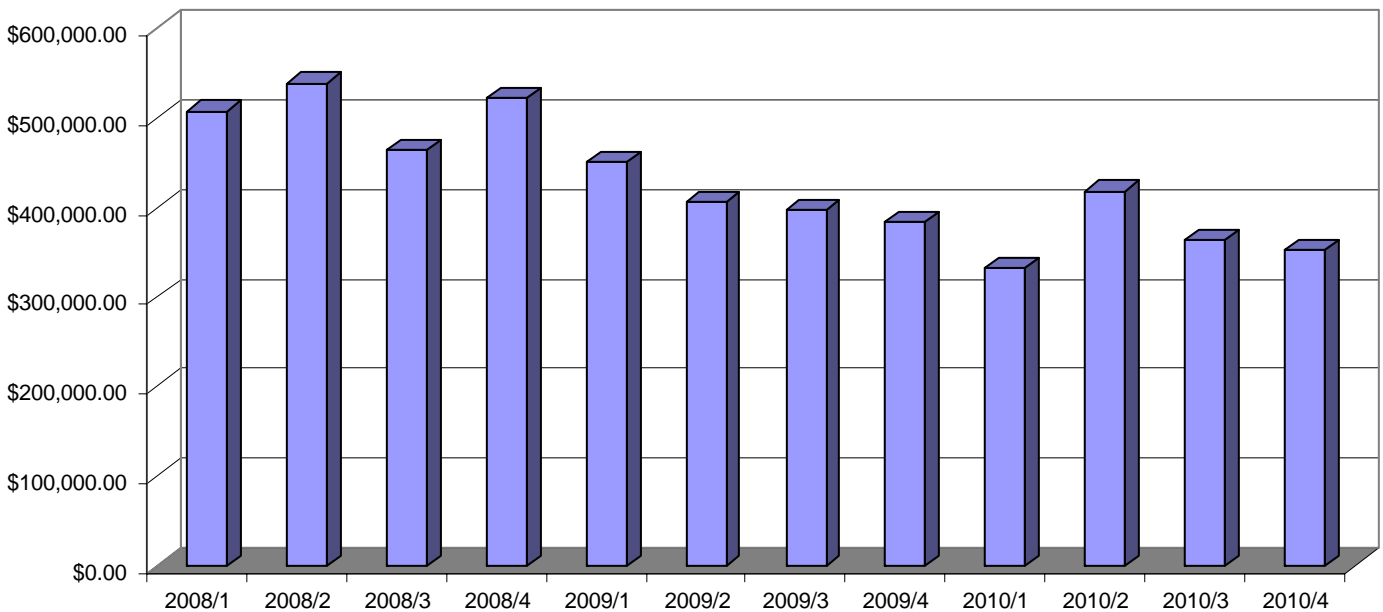
Sales tax revenue at the Cerritos Towne Center was \$439,605 for 2010-Q4, which is an increase from the previous quarters in 2010. However, sales tax data in the fourth quarter tends to be higher due to the holidays (compared to previous fourth quarters from previous years). The recent exterior remodel of the Towne Center with exterior seating areas and courtyard may have contributed to increased visitors and increased sales tax revenue.

Cerritos Towne Center



The Cerritos Industrial Park is the fourth highest sales tax generator in Cerritos. The Cerritos Industrial Park generated \$352,727 in 2010-Q4, which is a decrease from 2010-Q3. Based on the trend analysis, sales tax revenue continues to decrease from 2008-Q4 to 2011-Q4, with the exception of 2010-Q2.

Cerritos Industrial Park

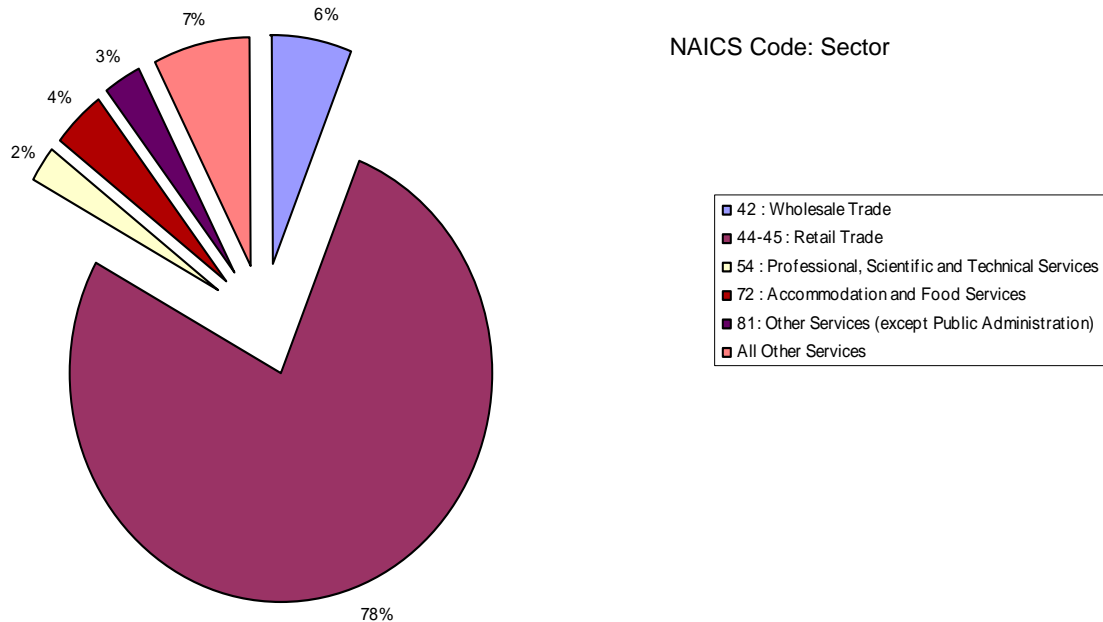


Source: City of Cerritos Finance Division, GIS Division

Sales Tax—Top Five Generators

Cerritos has identified the top five (5) sales tax generating business sectors or industries based on the NAICS* classification. The City's top sales tax generator is the Retail Trade industry, which generates 78% of Cerritos' total sales tax. Retail Trade includes major businesses in the Cerritos Auto Square, the Los Cerritos Center and the Towne Center. The second highest sales tax generator is All Other Industries (7%) followed by Wholesale Trade (6%). Accommodation and Food Services is the fourth highest (4%), Other Services (except Public Administration) is fifth (3%) and Professional and Technical Services is sixth (2%).

**Top Five Sales Tax Generating Industries
Fourth Quarter of 2010**



The following table provides an analysis of the top five sales tax generating industries and the sales tax generated by quarter.

Top Five Sales Tax Generating Industries

2010 Quarter	Retail Trade	All Other Industries	Wholesale Trade	Accommodation and Food Services	Other Services (except Public Administration)	Professional, Scientific and Technical Services
2010 Q1	\$2,610,898	\$325,258	\$221,799	\$199,015	\$128,251	\$108,087
2010 Q2	\$3,213,150	\$376,077	\$261,943	\$215,149	\$148,321	\$121,079
2010 Q3	\$3,256,081	\$260,048	\$251,613	\$207,332	\$152,351	\$117,480
2010 Q4	\$3,692,621	\$354,682	\$288,272	\$203,918	\$140,925	\$117,266
Total	\$12,772,750	\$1,316,065	\$1,023,627	\$825,414	\$569,848	\$463,912

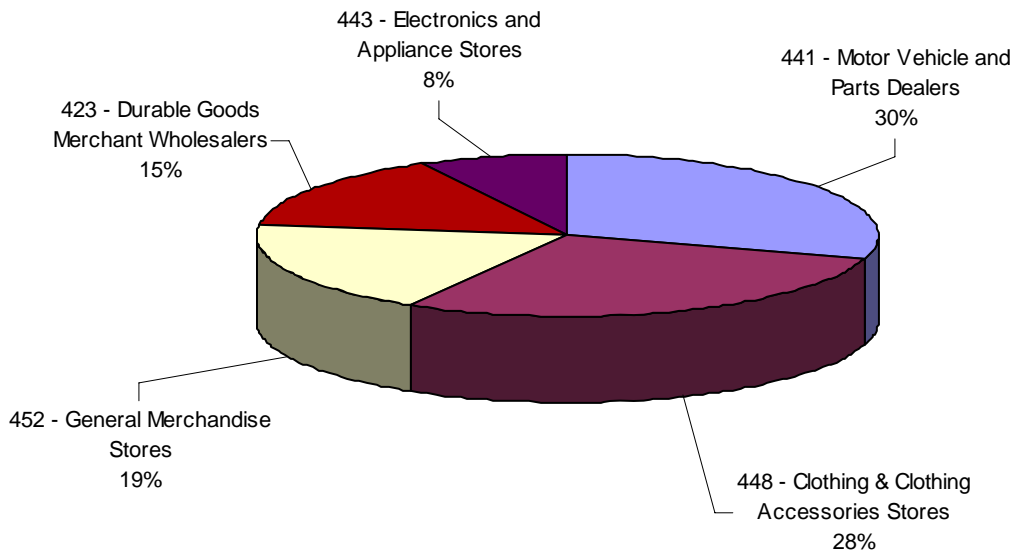
*North American Industry Classification System

Source: City of Cerritos Finance Division

Sales Tax—Top Five Generators

As mentioned in the previous page of this report, Retail Trade generates 78% of the City's sales tax. Cerritos has identified the top four (4) sales tax retail subsectors or industries within the Retail Trade sector based on the NAICS* classification. Retail Trade may include a wide variety of industries, such as auto sales, clothing, and general merchandise sales. In Cerritos, Motor Vehicles and Parts Dealers make up 30% of retail sales and is the top sales tax generator. Clothing and Clothing Accessories Stores make up 28%, General Merchandise Stores makes up 19% of retail sales, while Durable Goods Merchant Wholesalers make up 15% of retail sales.

**Top Retail Trade Industries
Fourth Quarter of 2010**



441 Motor Vehicle and Parts Dealers	448 Clothing & Clothing Accessories Stores	452 General Merchandise Stores	423 Durable Goods Merchant Wholesalers
\$530,017	\$506,847	\$338,508	\$266,290

*North American Industry Classification System

Source: City of Cerritos Finance Division

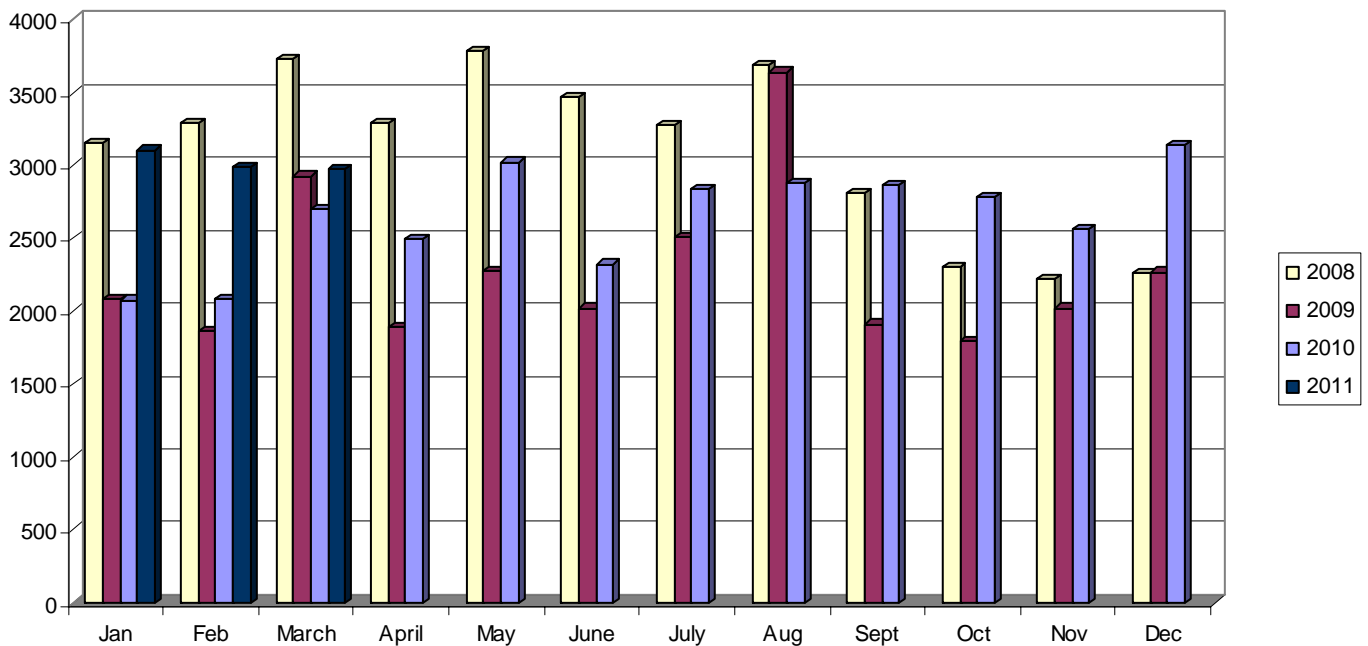
Auto Sales

Cerritos is well known for the Cerritos Auto Square—the world's first and most successful auto mall. With 23 dealerships, the Cerritos Auto Square is located on Studebaker Road off the 605 Freeway at South Street. Developed in the early 1980's in partnership with the City of Cerritos and the Cerritos Redevelopment Agency, the Cerritos Auto Square generates approximately half of the City's sales tax revenue.

For the first quarter of 2011, sales increased in January 2011, February 2011, and March 2011 from the previous year. In fact, in January 2011, a total of 1,032 more cars were sold than in January 2010 (50% increase). In February 2011, a total of 911 more cars were sold (44% increase) and in March 2011 a total of 279 more cars were sold (10% increase). Auto sales for 2011-Q1 are comparable to pre-recession sales of 2008-Q1, when the sales of automobiles were higher (10,170 cars sold in 2008 Q-1 and 9,071 cars were sold in 2001 Q1). The addition of two new dealerships (Kia and Volkswagen) may have contributed to the increase in auto sales.

Number of Vehicles Sold in Cerritos Auto Square, 3-Year Period

Cerritos Auto Square Sales



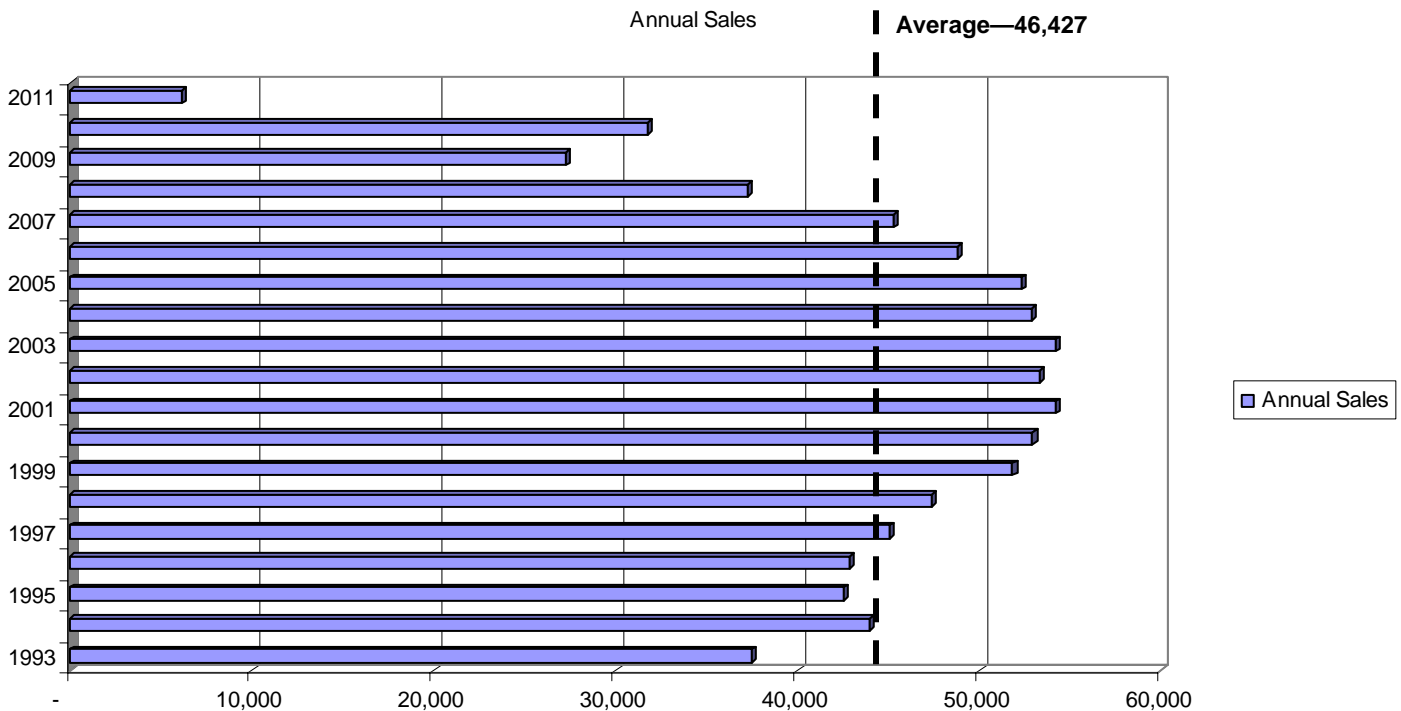
Source: Cerritos Auto Dealers Association

Auto Sales

The Cerritos Auto Dealers Association has been compiling data since 1993 in order to conduct annual sales comparisons. Since 1993, a total of 789,254 cars have been sold, equating to an annual average of 46,427 cars. Sales have fluctuated over the years from a low of 27,208 cars sold in 2009 to a high of 54,191 cars sold in 2003.

The Cerritos Auto Square experienced a significant increase in auto sales in 2010. In fact, there was a 17% increase in auto sales from 2009 to 2010 (a total of 4,539 more cars were sold). This is the first time since 2003 that annual sales exceeded sales totals of the previous year. The Auto Square is currently selling 46,427 (average) cars per year since 1993.

Number of Vehicles Sold in Cerritos Auto Square Since 1993



Annual Car Sales Since 1993

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
37,431	43,920	42,556	42,879	45,026	47,341	51,825	52,925	54,164	53,288	54,191	52,857	52,290
2006	2007	2008	2009	2010	2011*							
48,836	45,240	37,277	27,208	31,747	9,071							

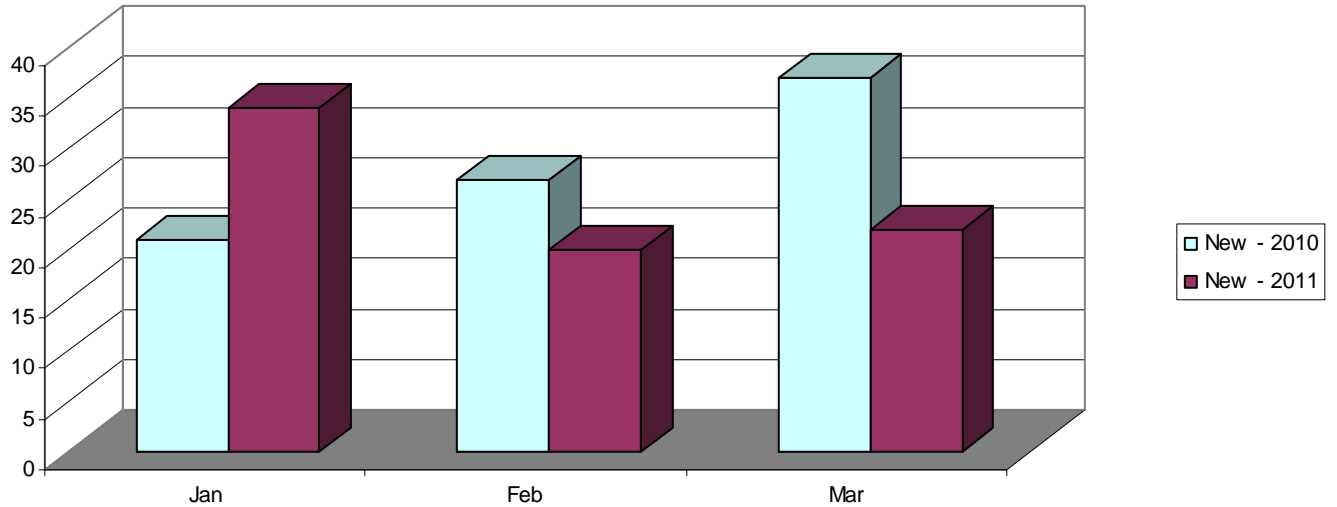
*Most recent data. Represent a portion of year not reflective of a 12 month period (year to date).

Source: Cerritos Auto Dealers Association

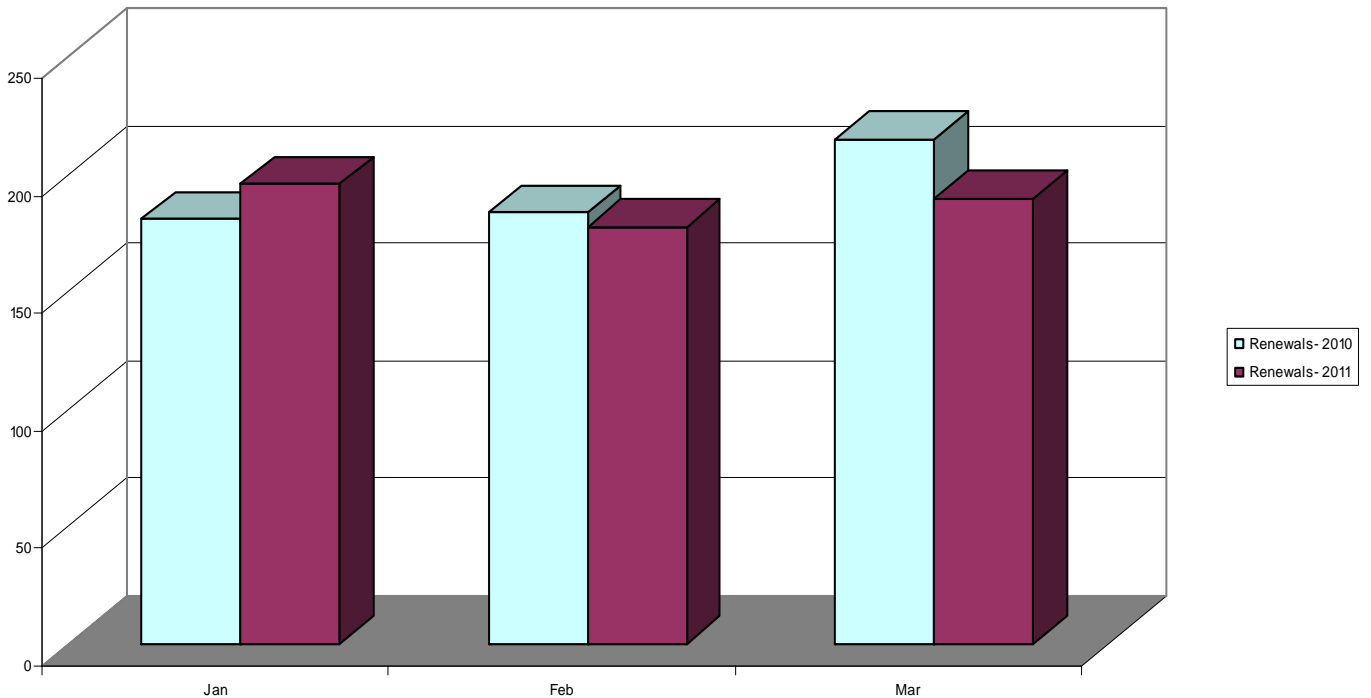
Business License

The tracking of business licenses is one method of forecasting business growth in the City. For the first quarter of 2011, new business licenses processed by the City's Finance Division increased in January 2011 in comparison to January 2010. However, new business licenses decreased in February 2011 and March 2011 from one year ago. Overall, new business licenses decreased in 2011-Q1 from 2010-Q1. Business license renewals also decreased for 2011-Q1. January 2011 experienced a slight increase in business renewals; however, February 2011 and March 2011 experienced a decrease in business license renewals from a year ago.

Business Licenses—New



Business Licenses—Renewal

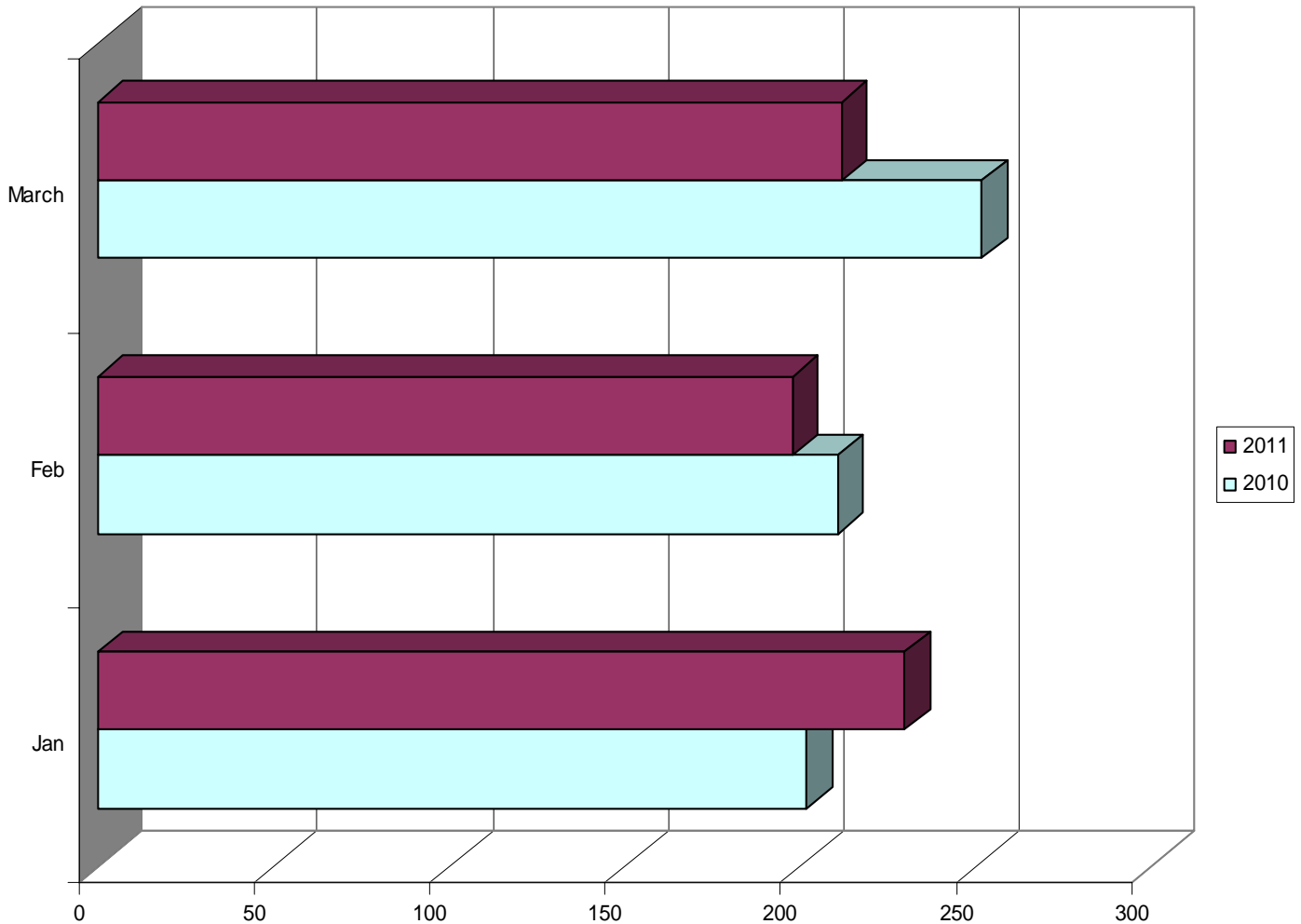


Source: City of Cerritos Finance Division

Business License

Based on data from the City's Finance Division, the City processed 640 business licenses in 2011-Q1, which equated to a four percent decrease from the previous year. In fact, the City experienced a six percent decrease in February 2011 and a sixteen percent decrease in March 2011 from the previous year.

Business Licenses—Total



Business Licenses—Increases/Decreases from 2010 to 2011

January 2011	February 2011	March 2011	April 2011	May 2011	June 2011
14% ↑	6% ↓	16% ↓			

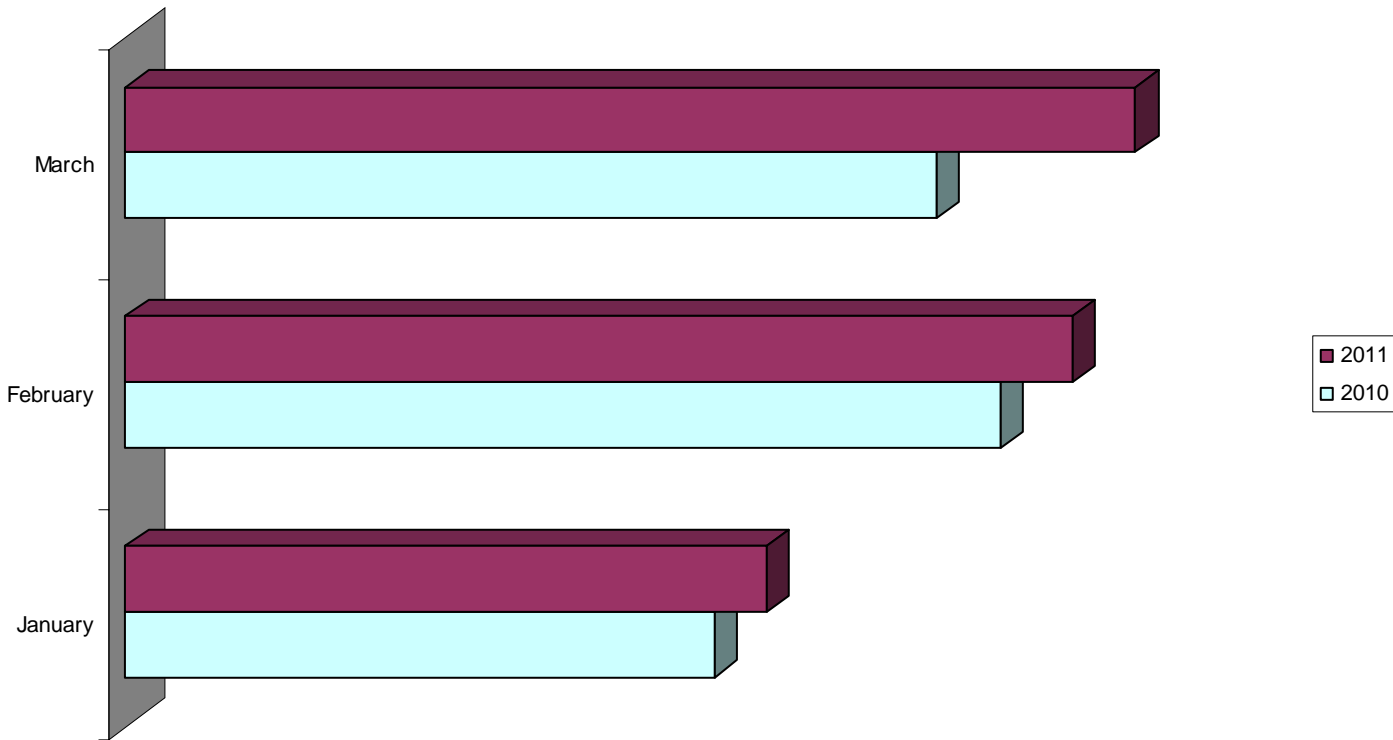
July 2011	August 2011	September 2011	October 2011	November 2011	December 2011

Source: City of Cerritos Finance Division

Los Cerritos Center—Monthly Visitors

The tracking of visitors at the Los Cerritos Center is another method of forecasting business growth and consumer confidence in retail sales. The Los Cerritos Center, which was the largest sales tax generator in the City for 2011-Q1, experienced an increase in visitors from the previous year. In fact, the 2011-Q1 experienced an increase in monthly visitors each month from the previous year. The increased number of visitors to the Los Cerritos Center indicated greater consumer confidence, which may translate to higher sales tax generation in the future.

Monthly Visitors— Los Cerritos Center*



*At the request of Macerich, the Los Cerritos Center property management company, the actual numbers of monthly visitors are not provided. The bar graphs represent the percentage gain or loss from 2010 to 2011.

Monthly Traffic—Percentage Gain from 2010 to 2011

January 2011	February 2011	March 2011	April 2011	May 2011	June 2011
13% ↑	25% ↑	13% ↑			
July 2011	August 2011	September 2011	October 2011	November 2011	December 2011

Source: Los Cerritos Center

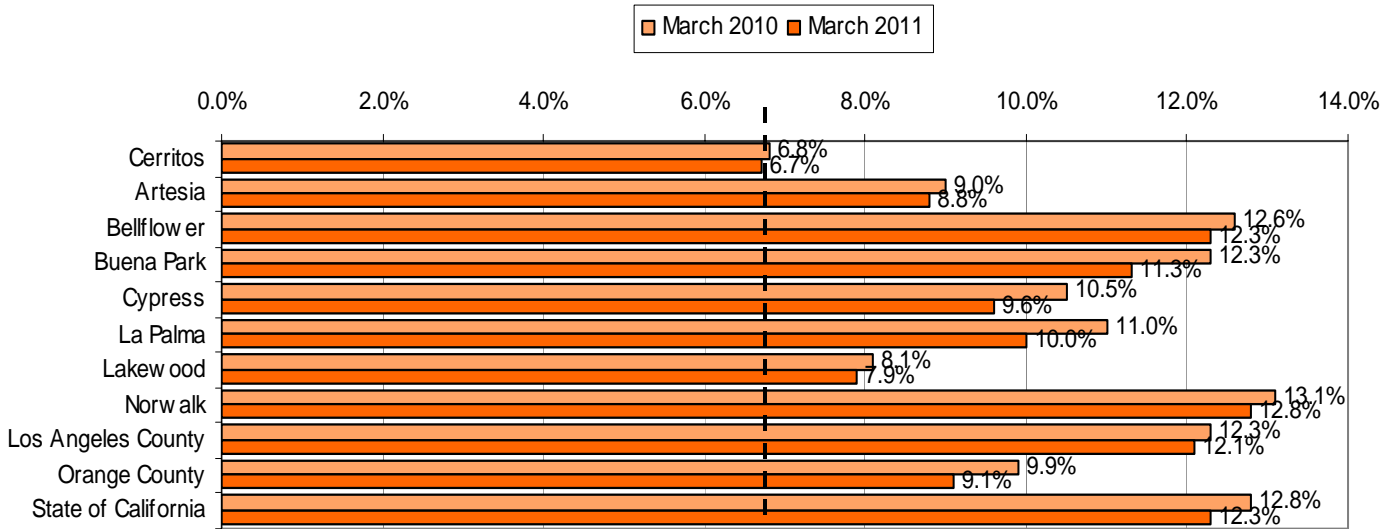
Unemployment



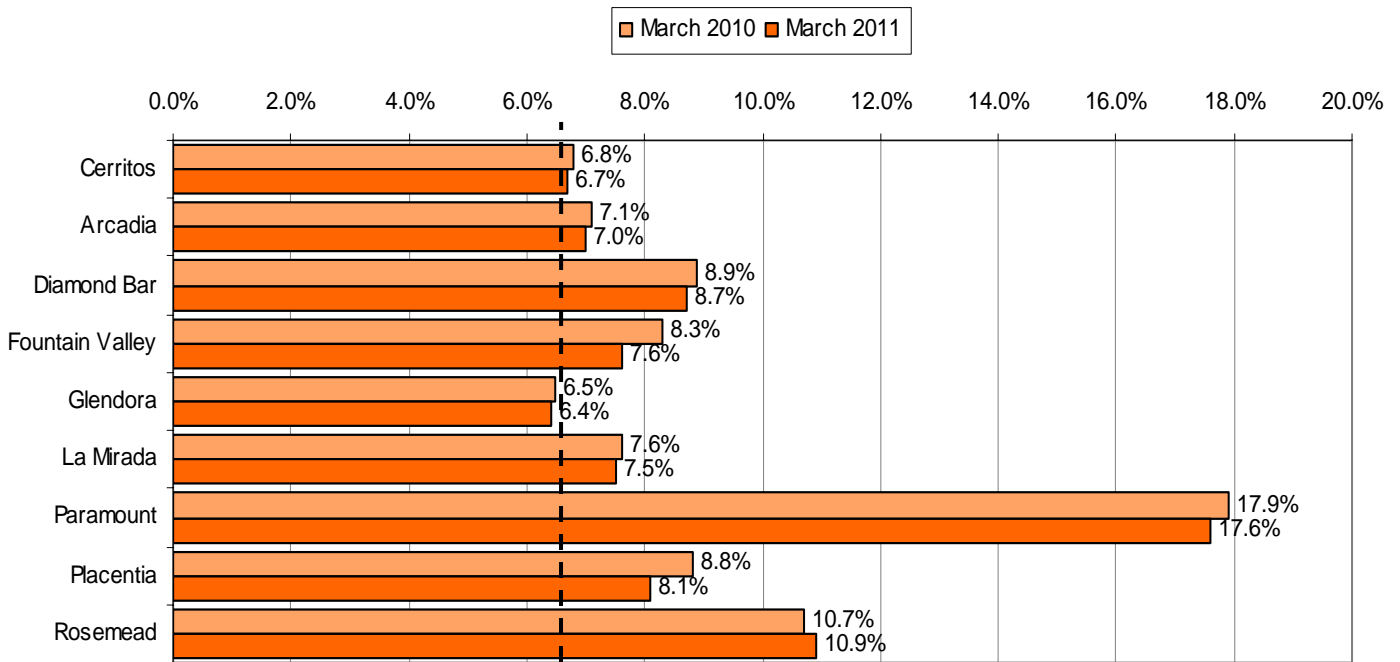
Unemployment

According to the California Employment Development Department, the unemployment rate among Cerritos residents in March 2011 was approximately 6.7%, which is the lowest unemployment rate among surrounding cities. Lakewood has the second lowest unemployment rate at 7.9%. In addition, the Cerritos unemployment rate is lower than Los Angeles County (12.1%), Orange County (9.1%) and the State of California (12.3%). In comparison to cities with similar size and/or demographics within the region, Cerritos also has one of the lowest unemployment rates. The City of Arcadia has a similar unemployment rate at 7%. In a regional comparison, Glendora has the lowest unemployment rate at 6.4% and Paramount has the highest unemployment rate at 17.6%.

Surrounding Cities—Unemployment Rates



Regional Cities—Unemployment Rates



Source: California Employment Development Department

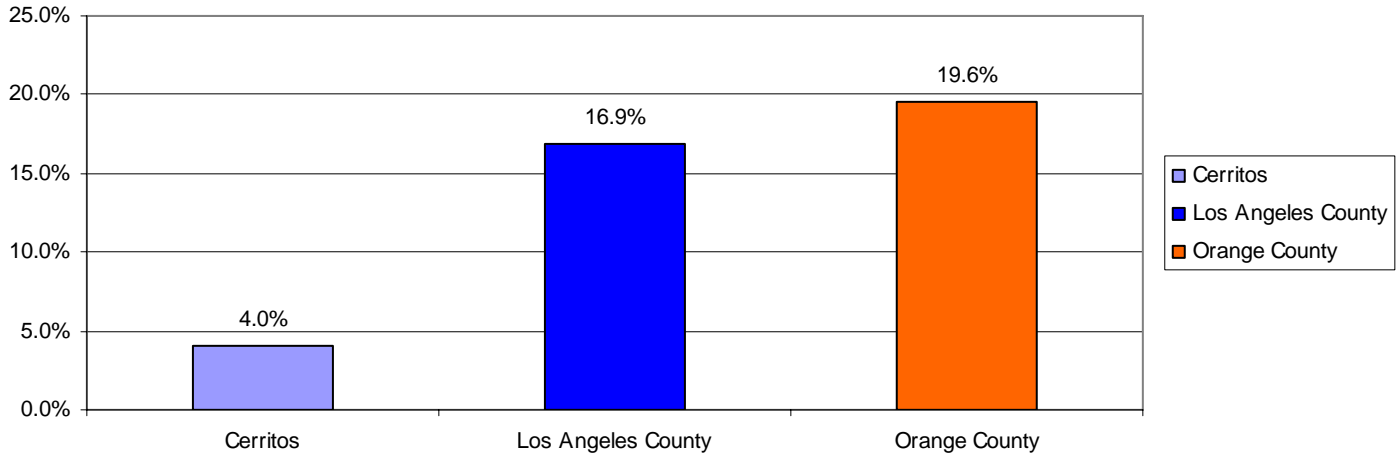
Commercial Real Estate



Vacancy Rate and Asking Rental Rate

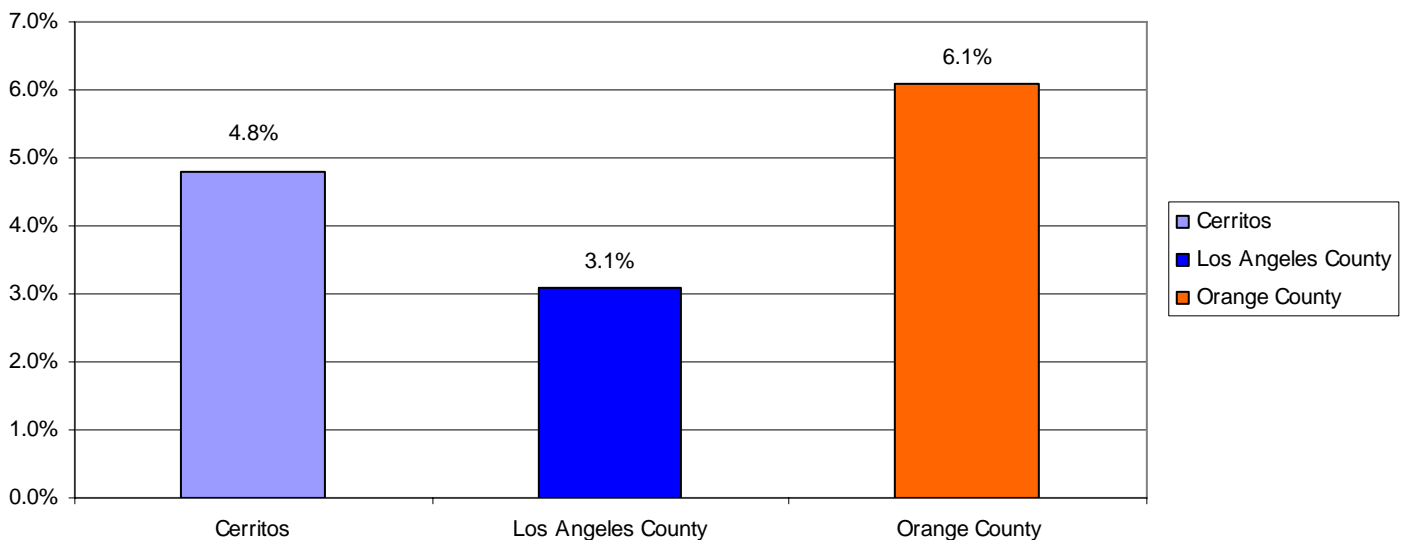
Cerritos' office market vacancy and rental rates are lower than those in Orange County and Los Angeles County. In 2011-Q1, the office market vacancy rate in Cerritos was 4%, which is lower than Los Angeles County (16.9%) and Orange County (19.6%). Cerritos has a low office market rental rate of \$2.16 per square foot, which is lower than Los Angeles County (\$2.95) and Orange County (\$2.18).

Regional Office Vacancy Rate—2011 Q1



Based on available data, Cerritos has a 4.8% industrial vacancy rate, which is higher than Los Angeles County (3.1%); however, lower than Orange County (6.1%). The current rental rate for industrial properties in Cerritos is at \$0.46 cents per square foot, which is the same for Los Angeles County (\$0.46) and lower than Orange County (\$0.50).

Industrial Vacancy Rate—2011 Q1



*Note: Cerritos vacancy and rental rate data were derived from listings of properties available for lease.

Sources: Grubb-Ellis and Rofo.com

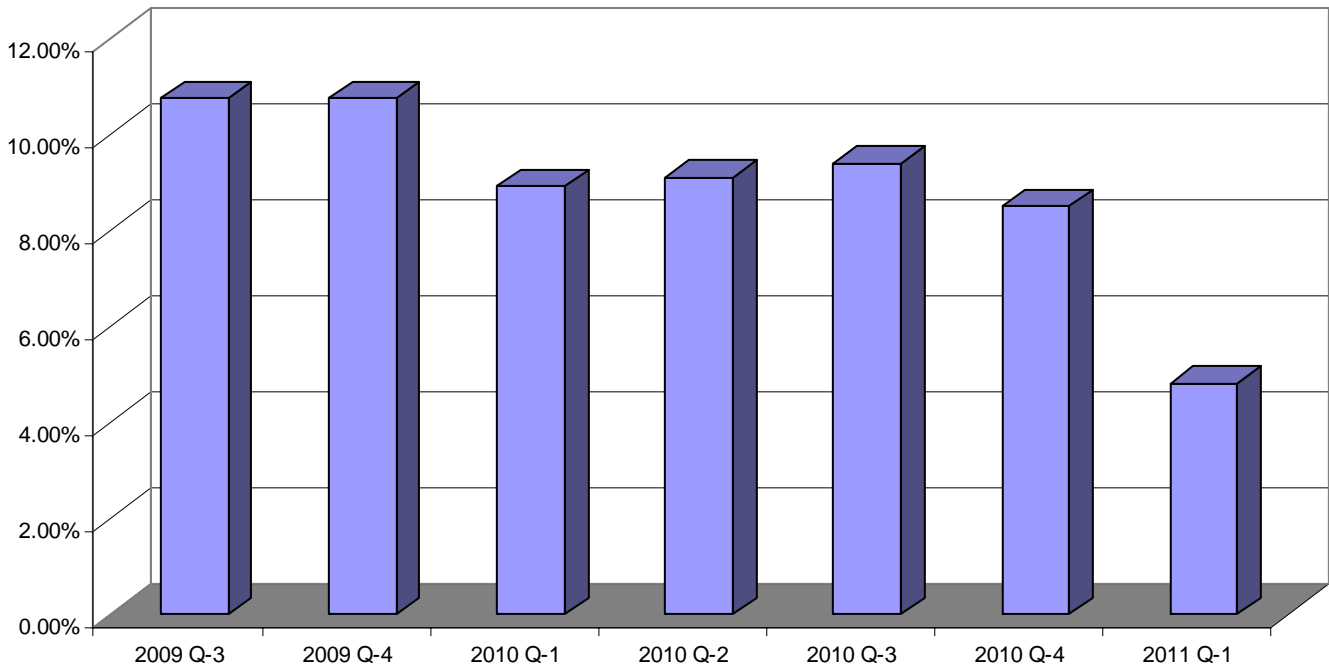
Total Vacancy in Cerritos

The City of Cerritos currently has a low vacancy rate when compared to the overall total available space for industrial, office, and retail uses. Currently, there is approximately 736,175 square feet of vacant industrial space, which equates to 4.8% of the total available commercial space in the City. In addition, the City has approximately 54,356 square feet of vacant office space (4% of the total office space in Cerritos) and approximately 13,769 square feet of available retail space (0.3% of the total retail space in Cerritos).

Total Available and Vacant Space in Cerritos

Use	Total Space (Sq. Ft.)	Total Vacant Space (Sq. Ft.)	Percent (%) of Vacancy in Cerritos
Industrial	15,185,149	736,175	4.8%
Office	1,422,575	54,356	4%
Retail	4,685,788	13,769	0.3%
Total	20,449,552	804,300	3.9%

Commercial Real Estate—Cerritos Industrial Rates



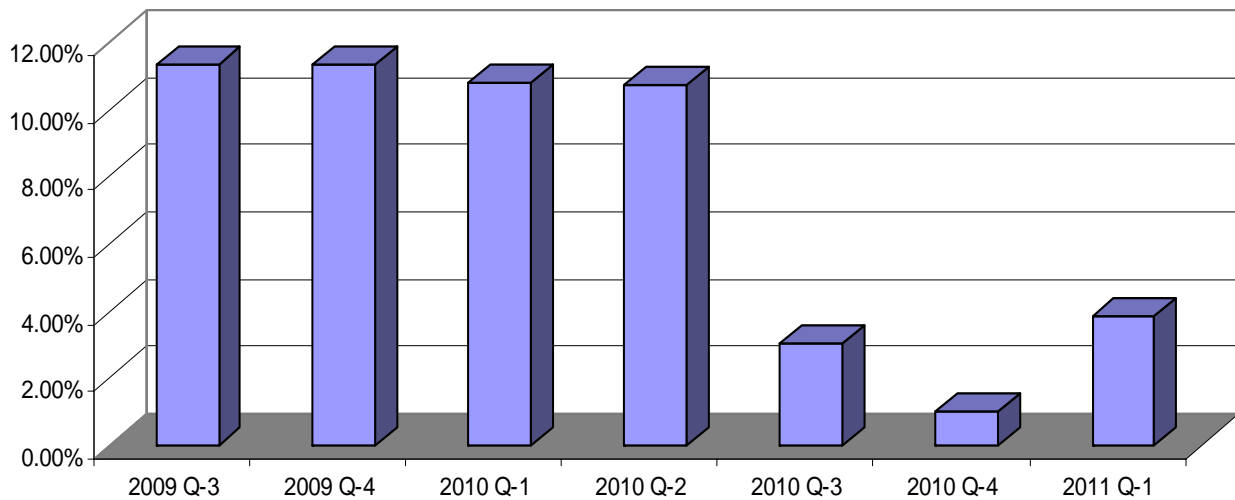
Based on data from 2009 Q-3 to 2011-Q1, industrial vacancy rates in Cerritos have decreased by approximately 55%, which may be an indicator that industrial businesses are locating to the City. In 2009-Q3, the industrial vacancy rate was at 10.7% and in 2011-Q1, the industrial vacancy rate was at 4.8%.

Sources: Grubb-Ellis and Rofo.com

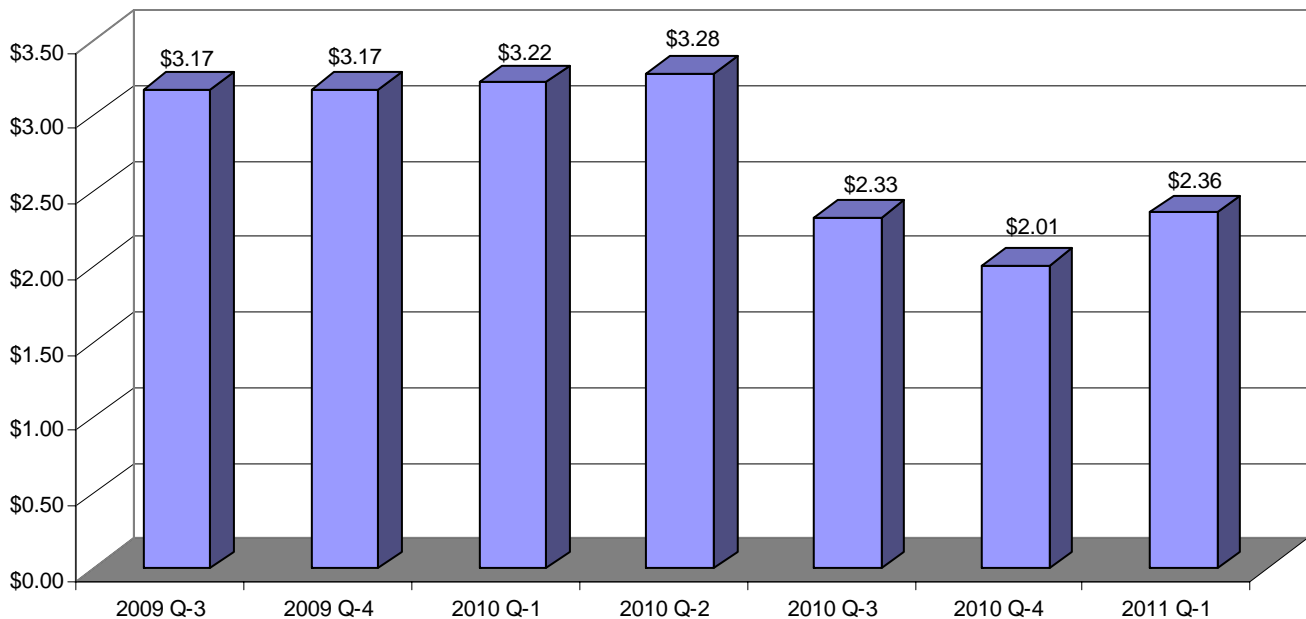
Office Vacancy and Retail Rental Rates

Based on the trend analysis, the Cerritos office vacancy rates has decreased since 2009-Q3 and decreased significantly in 2010-Q3 (66% decrease), which is a positive sign for the office sector. However, in 2011-Q1, the office vacancy rate increased from 1% to almost 3.8%.

Commercial Real Estate—Cerritos Office Vacancy Rate



Commercial Real Estate—Cerritos Retail Rental Rate



Based on trend analysis, the retail rental rate has decreased from 2009-Q3 to 2011-Q1 by approximately 26%, which is a positive incentive for businesses to consider and relocate to Cerritos. The most significant decrease in the retail rental rate was in 2010-Q4 (\$2.01).

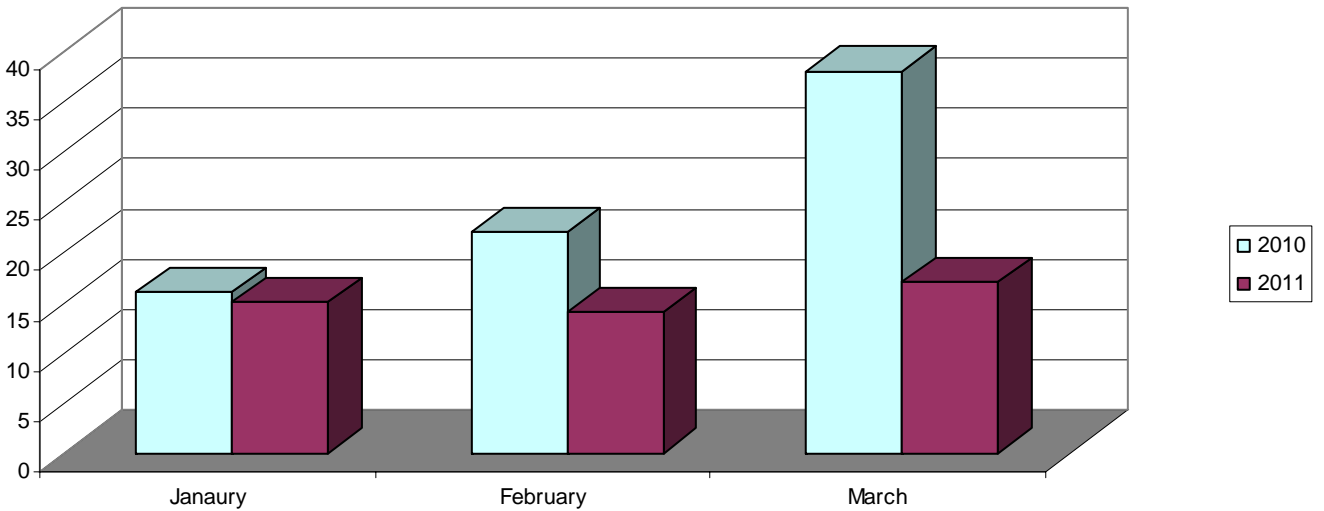
Sources: Grubb-Ellis and Rofo.com

Certificate of Occupancy

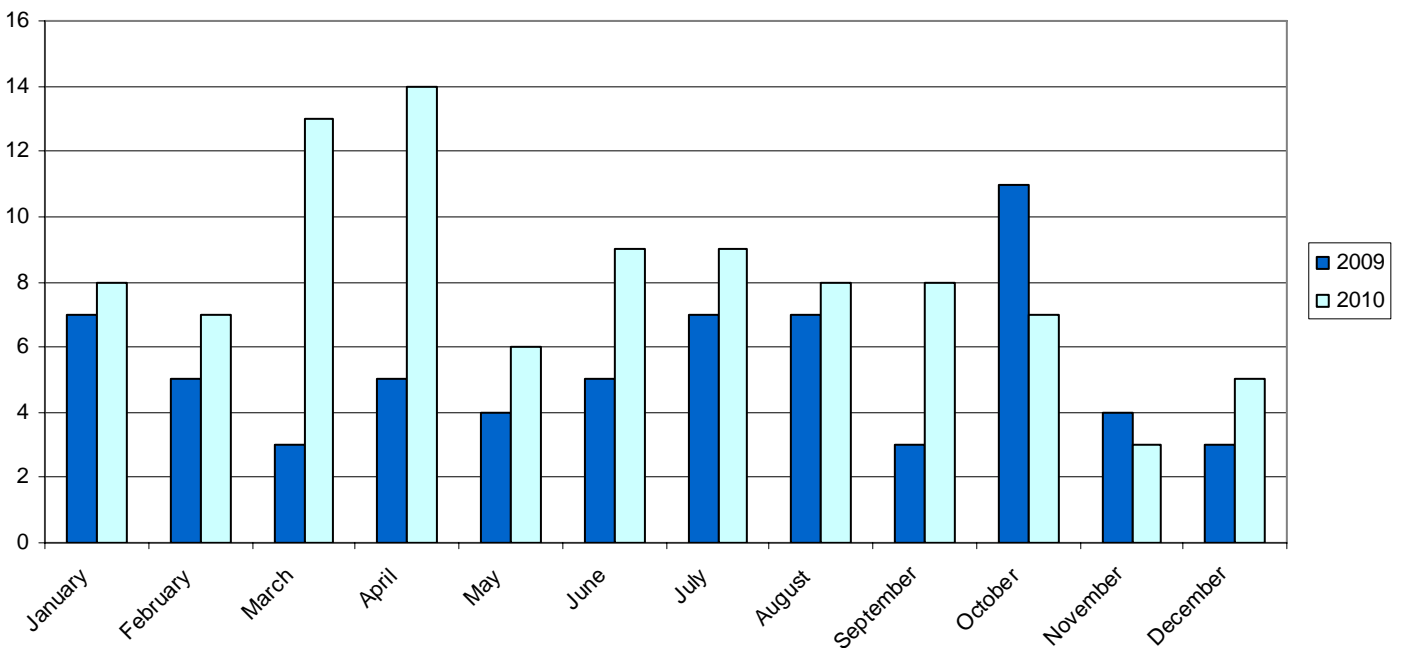
Commercial Real Estate—Construction Activity and Occupancy (Calendar Year)

The tracking of tenant improvements, new buildings, and the issuance of a Certificate of Occupancy (CO) is one method to determine the activity of commercial real estate in Cerritos. A CO is a required document issued by the City after the completion of construction and the final building department inspection for the purposes of authorizing occupancy. A high number of CO, new buildings, and tenant improvements is an indication that the local economy is growing. For 2010-Q1, CO's decreased every month in comparison from a year ago. This decrease in CO's indicates that new building construction has slowed for 2010-Q1 in Cerritos.

Certificate of Occupancy—2011-Q1



Certificate of Occupancy—2009 and 2010 Monthly Totals



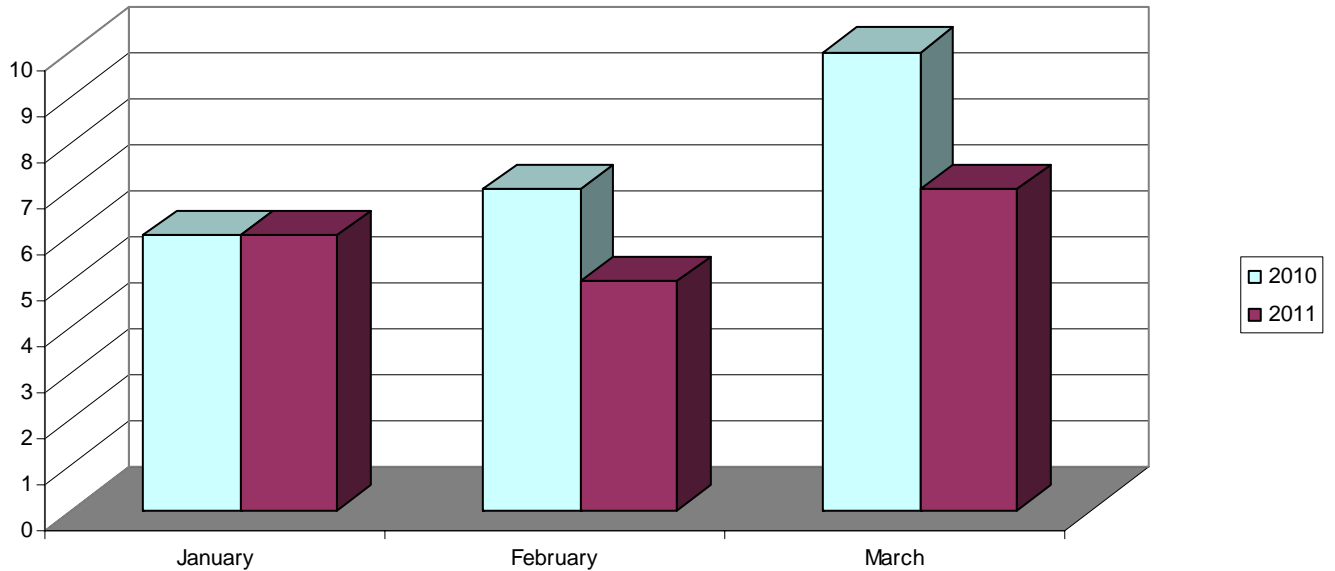
Sources: GIS Division, City of Cerritos

Tenant Improvements

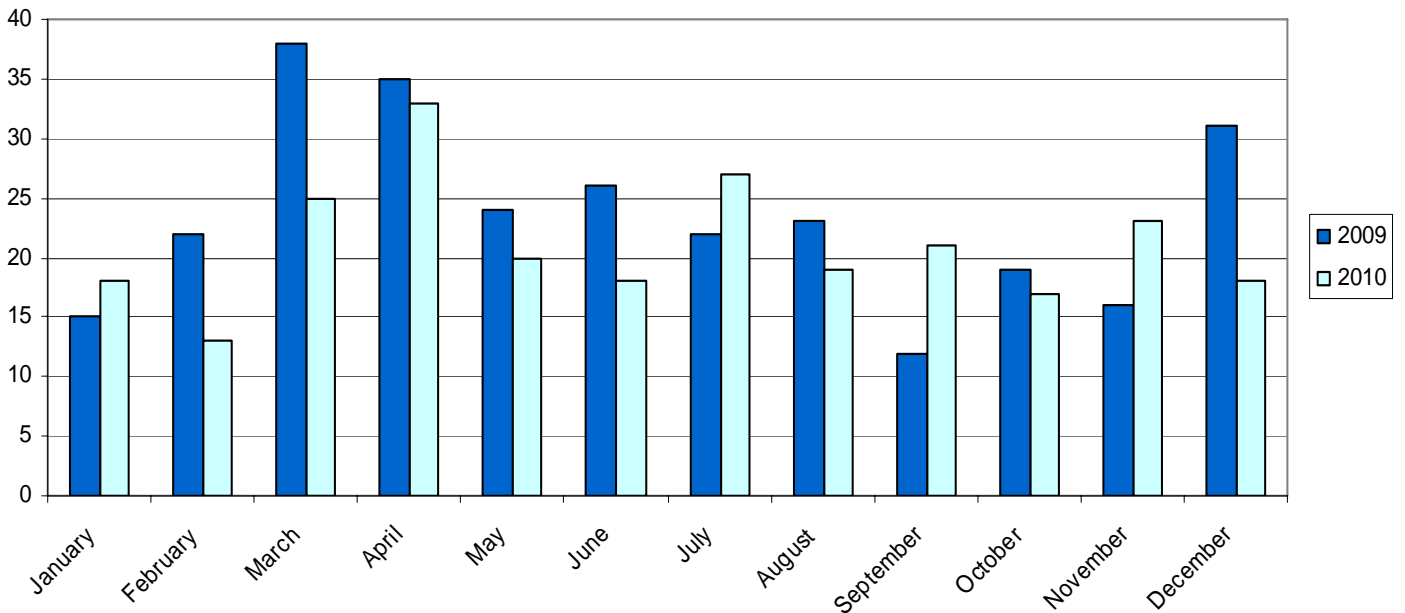
Commercial Real Estate—Construction Activity and Occupancy (Calendar Year)

A tenant improvement (TI) refers to changes made to the interior of a commercial or industrial property by its owner to accommodate the needs of a tenant such as the installation or relocation of interior walls or partitions, carpeting or other floor covering. A TI is an indicator of a new business starting in the City or an existing business expanding to meet their needs. For 2010-Q1, tenant improvements decreased in February and March from the previous year. January remained constant from the previous year.

Tenant Improvements—2010-Q1



Tenant Improvements—2009 and 2010 Monthly Totals



Sources: GIS Division, City of Cerritos

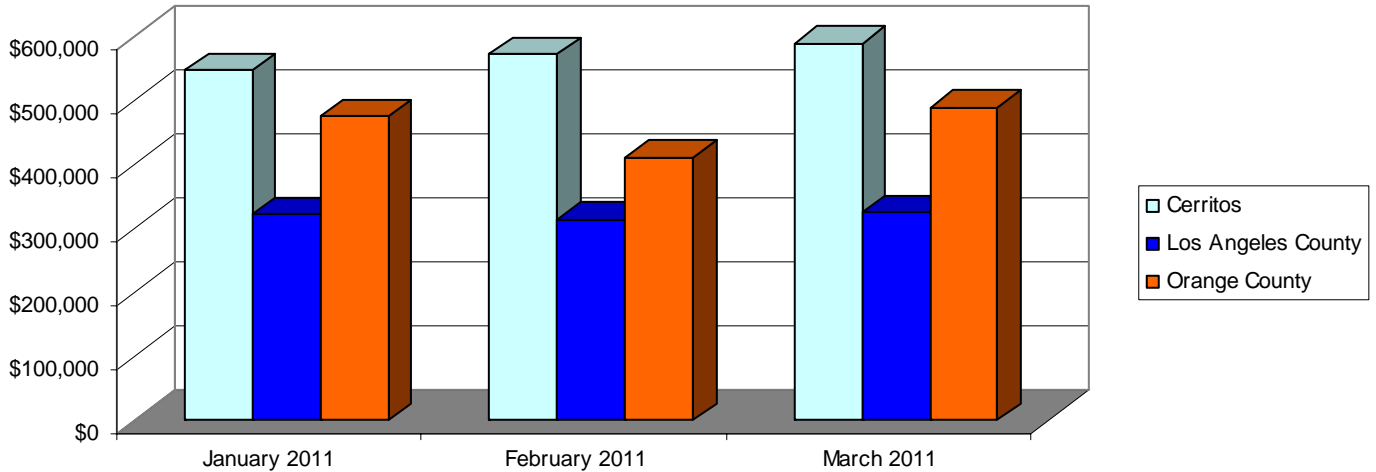
Housing



Single-Family Homes

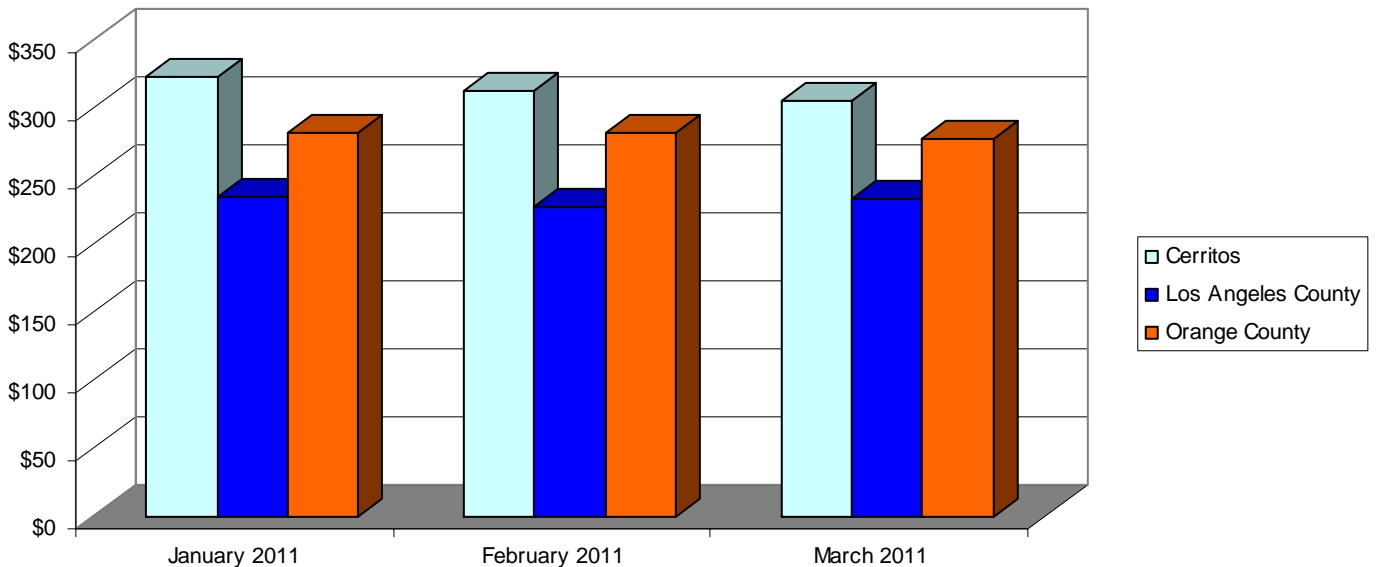
Median Home Sales Price—Single Family Residential

In Cerritos, the home price for 2011 Q-1 was \$590,000 (March 2011). In addition housing prices in Cerritos have increased from \$547,000 in January 2011 to \$590,000 in March 2011. Cerritos experienced an increase each month in 2011-Q1. In comparison, Cerritos has a higher median home price than Orange County (\$489,000 in March 2011) and Los Angeles County (\$325,000 in March 2011). Home prices in Los Angeles County stayed the same during the first quarter. In contrast, Orange County home prices experienced a decrease in February 2011 and an increase in March 2011.



Median Home Sales Price Per Square Foot—Single Family Residential

The median home sale price per square foot is higher in Cerritos as compared to Orange County and Los Angeles County. In Cerritos, the median home sale price per square foot for a single-family home is \$305. This is higher than both Orange County (\$277) and Los Angeles County (\$230), and is an indicator that homes in Cerritos are maintaining their value.

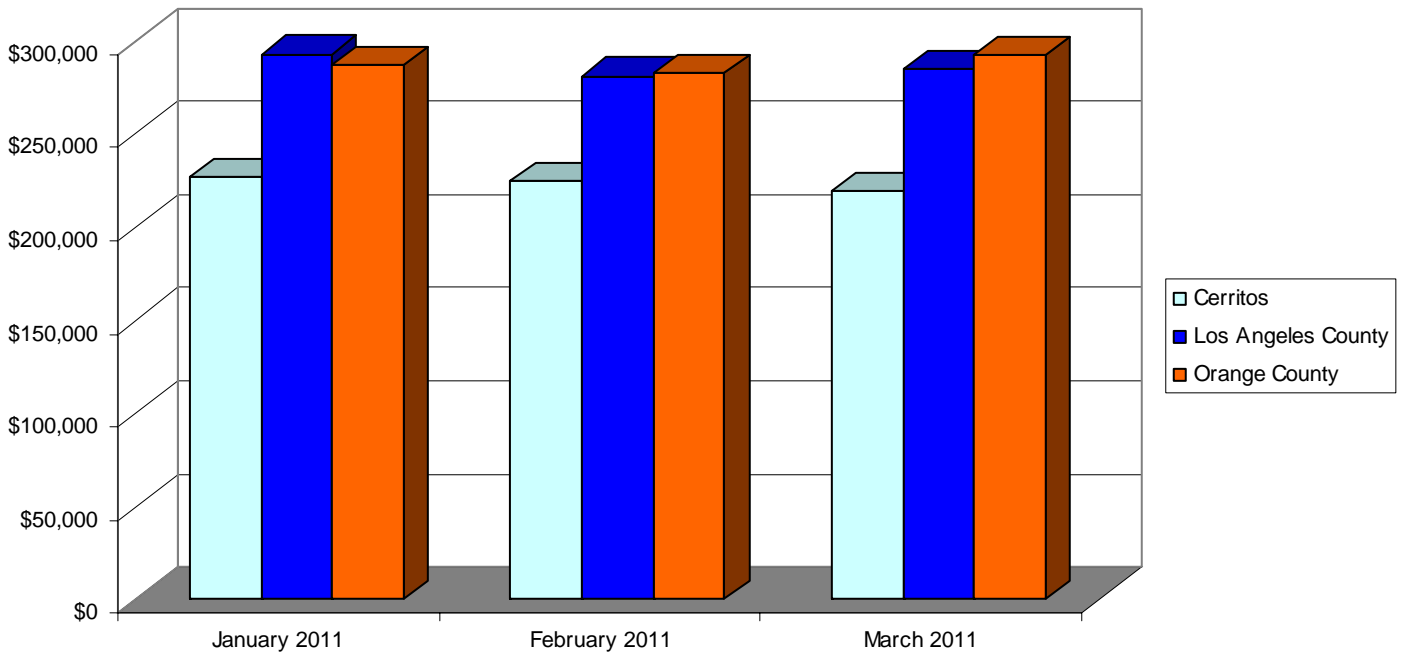


Source: DataQuick

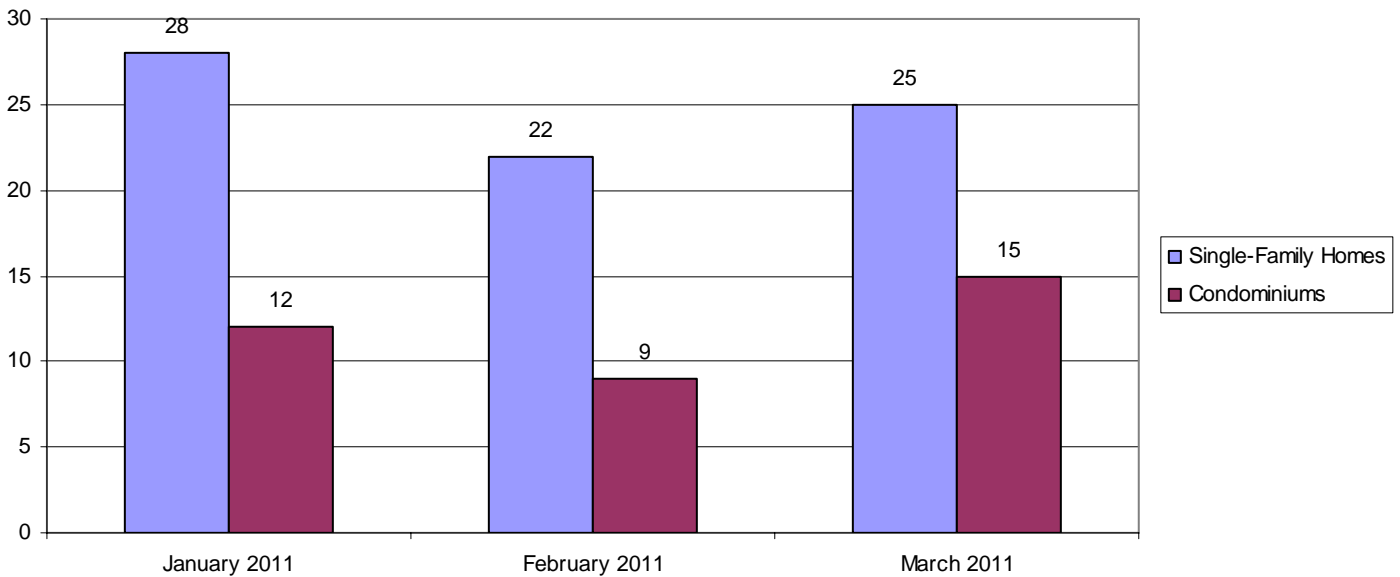
Condominiums

Median Home Sales Price—Condominiums

Condominiums have a niche in housing between renting and owning single-family homes. The median condominium sale price in Cerritos for March 2011 was \$219,000, which is lower than Orange County (\$292,000) and Los Angeles County (\$292,000). Condominiums prices have remained constant with no major fluxuations. In Cerritos, a total of 36 condominiums were sold and a total of 75 single family residential homes were sold in in 2011-Q1.



Total Number of Units Sold



Source: DataQuick

Statistical Summary

Based on the data analysis from a wide variety of sources, Cerritos maintains a relatively healthy economic base as compared to the region, despite the current nationwide economic decline. Below is a summary of the major findings of the Cerritos *Economic Profile* for Spring 2011.

Major Revenues

The City of Cerritos has two major revenue sources: redevelopment tax increment and sales tax. Both of these sources provide funding for a wide variety of service and infrastructure improvements. Redevelopment tax increment increased from the third quarter of FY 2009-2010 to third quarter FY 2010-2011. Tax increment revenue for the third quarter FY 2010-2011 was \$6,405,446, which is a \$418,139 increase from the third quarter FY 2009-2010. Sales tax revenue for the fourth quarter of 2010 (calendar year) totaled \$4,797,712 which is a 17% increase from the same quarter in 2010.

Cerritos has four major areas of business activity: Cerritos Industrial Park, Cerritos Towne Center, Los Cerritos Center and the Cerritos Auto Square. The Los Cerritos Center generated the most sales tax at \$1,557,005 (18.7% increase). The Cerritos Auto Square generated the second highest sales tax at \$1,551,863 (33.4% increase). Sales at the three major areas of business activity have experienced an increase in quarter 2010-Q4, with the exception of the Cerritos Industrial Park.

Based on a review of businesses by NAICS code, Retail Trade generates the greatest amount of revenue for the City of Cerritos. In fact, the City's 78% of sales tax comes from the retail sector, which includes the Cerritos Towne Center, the Los Cerritos Center and Cerritos Auto Square. Within the Retail Trade sector, the Motor Vehicles and Parts Dealers subsector generates the greatest percentage of sales tax for the City at 30%, Clothing and Clothing Accessories Stores generated 28%, and General Merchandise Stores generated 19%, and Durable Goods and Merchant Wholesalers generated 15%.

The Cerritos Auto Square experienced a significant increase in auto sales for the first quarter of 2011. In fact, all three months for 2011 experienced an increase in automobile sales from the first quarters of 2009 and 2010. In the first quarter 2011, new business licenses decreased in January 2011 and then decreased in February 2011 (6%) and March 2011 (16%) from a year ago.

Unemployment

The unemployment rate among Cerritos residents is approximately 6.7%, which is the lowest among its surrounding cities and one of the lowest in comparison to cities with similar size and/or demographics in the region. In addition, the Cerritos unemployment rate is lower than Los Angeles County (12.1%), Orange County (9.1%) and the State of California (12.3%).

Commercial Real Estate

Cerritos office vacancy rate of 4.0% is lower than Orange County (19.6%) and Los Angeles County (16.9%). Cerritos currently has a total vacancy of 804,300 square feet, which is approximately 3.9% of the total available real estate space in Cerritos (20,449,552 sq. ft.). Of the total vacant space in Cerritos, 91% is industrial space (736,175 sq. ft.), 4% is office space (54,356 sq. ft.), and 0.3% is retail space (13,769 sq. ft.). Industrial vacant space in Cerritos includes a greater proportion of warehousing and distribution businesses, which require large facilities. Due to the large amount of space required for industrial warehousing, a single vacancy may have a significant impact on available industrial space.

Statistical Trend Analysis

Housing

The single family home sale price in Cerritos was approximately \$590,000 in March 2011. The home sale price for a condominium is approximately \$219,000 for the same time period. Housing in Cerritos has maintained its values as compared to Los Angeles County and Orange County and housing prices have remained constant.

Statistical Trend Analysis

Based on statistical trend analysis of all economic sectors in the City, some industries are showing gains, some are remaining constant and others have experienced some decline. Below is a summary of some of the economic trends in Cerritos:

↑ Increase

- Redevelopment tax increment
- Sales tax for calendar year 2010
- Sales tax at the Los Cerritos Center
- Sales tax at the Cerritos Auto Square
- Auto sales at the Cerritos Auto Square
- Visitors at the Los Cerritos Center

→ Constant

- Housing in Cerritos
- Unemployment

↓ Decrease

- Business licenses
- Industrial vacancy rate
- Tenant Improvements/New Buildings
- Certificate of Occupancy

Data Sources

Major Revenues

City of Cerritos, Finance Division
City of Cerritos, GIS Division

Auto Sales

Cerritos Auto Dealers Association

Employment/Unemployment

California Employment Development Department
<http://www.labormarketinfo.edd.ca.gov>

Real Estate

Rofo
<http://www.rofo.com/Cerritos-Commercial-Real-Estate>

Grubb & Ellis
www.grubb-ellis.com

Housing

DataQuick
<http://www.dqnews.com/Charts/Monthly-Charts/LA-Times-Charts/ZIPLAT.aspx>