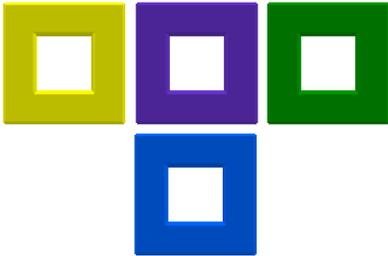




Quarterly Market Trend Analysis for Economic Development in Cerritos

City of Cerritos  
**Economic Profile**  
**2012-Q1**



*A City With Vision*



# ECONOMIC PROFILE



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2010 Winner  
Most Business-Friendly City Award

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# Introduction

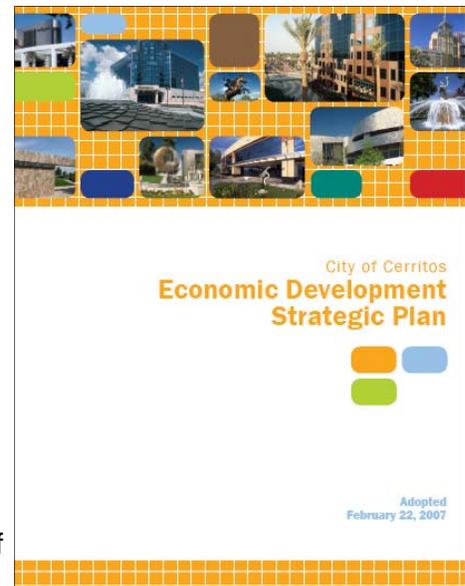
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The Cerritos *Economic Profile* is a report that is prepared on a quarterly basis to conduct market trend analysis and to develop strategies for the City's Business Retention and Expansion (BRE) Program. The BRE program was created in order to identify 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 on 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

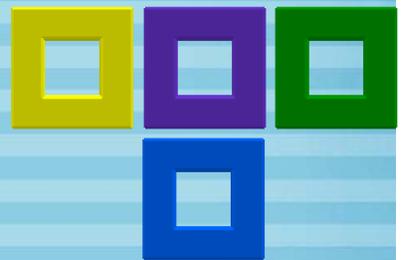
BAR-1: Identify the "best customers" among existing Cerritos businesses and initiate an outreach program.

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

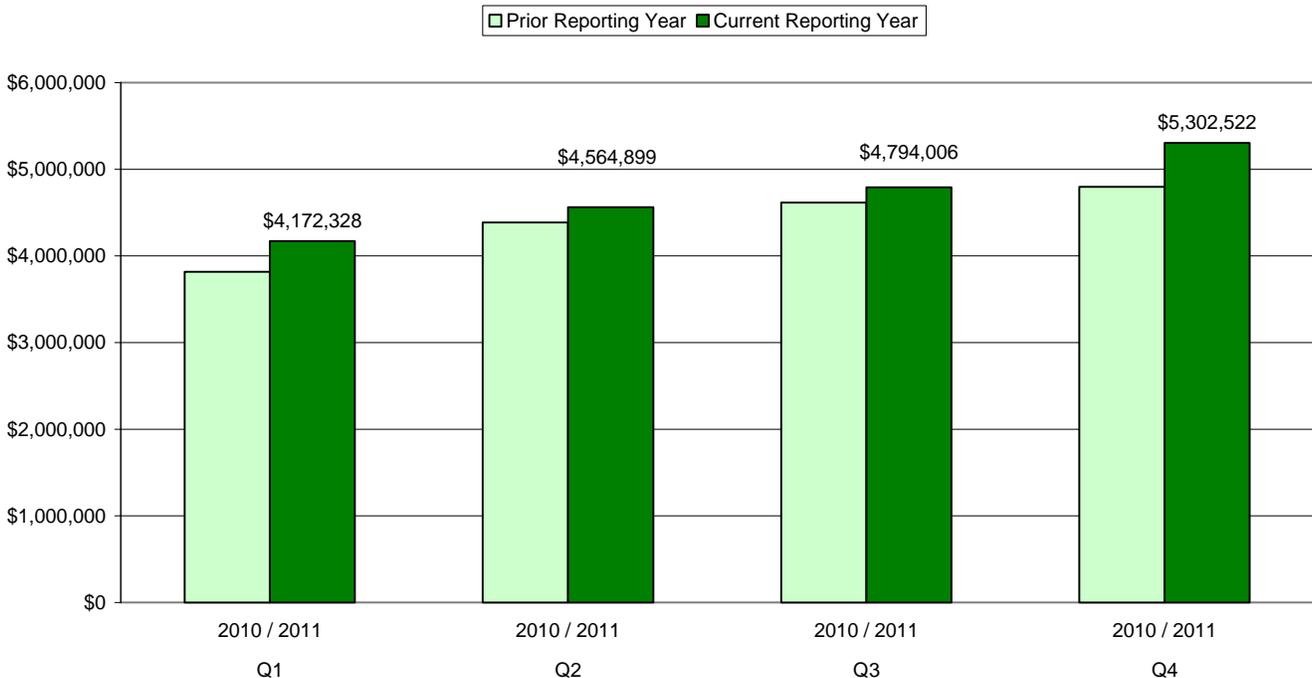


# Major Revenues

## Sales Tax

For 2011-Q4, businesses in the City generated \$5,302,522 in sales tax revenue, which is a 7% increase (\$504,810) over the same quarter in 2010. In a quarter by quarter comparison, sales tax revenue increased each quarter from 2011-Q1 to 2011-Q4. This continued increase in sales tax revenue may indicate that the economy is beginning to show signs of recovery. Sales tax revenue from the past four quarters (2010-Q1 to 2011-Q4) has remained constant with an average of \$4.4 million dollars per quarter.

**Sales Tax Revenue – Calendar Year**



Beginning in 2006, the City's sales tax revenues over the past six calendar years have declined, with the exception of calendar year 2010 and 2011. From 2005 through 2009, sales tax revenue decreased from \$24,818,712 to \$16,695,608, equaling a 33% decrease. However, in 2010, sales tax revenue increased by \$570,889 equaling a 9% increase from 2009. Additionally, sales tax increased once again in 2011 by 9% from 2010 (\$1,567,259).

**Sales Tax Revenue from the Past Six Calendar Years**

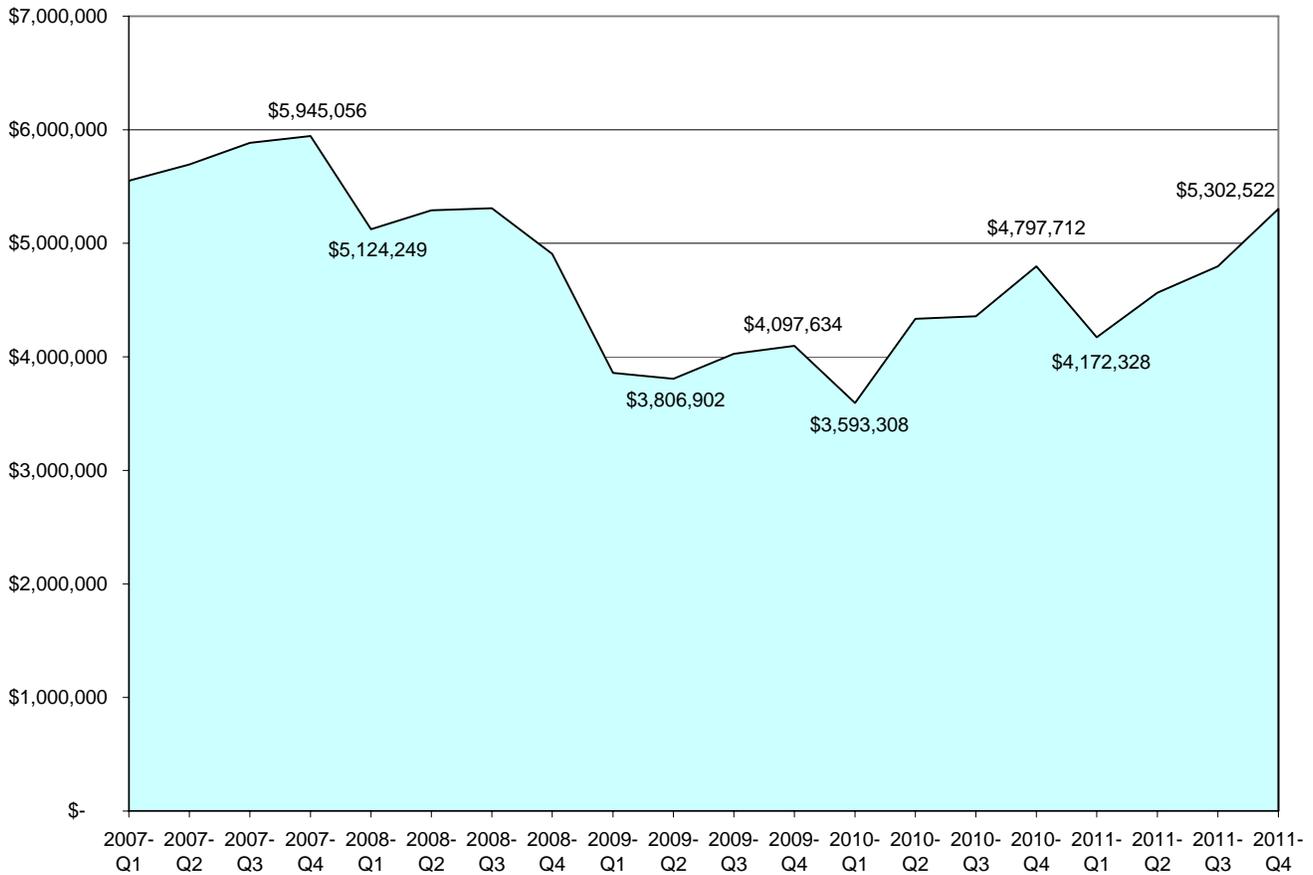
<b>2004</b>	<b>2005</b>	<b>2006</b>
\$24,139,942	\$24,818,712 ↑	\$23,948,949 ↓
<b>2007</b>	<b>2008</b>	<b>2009</b>
\$23,115,557 ↓	\$20,431,957 ↓	\$16,695,608 ↓
<b>2010</b>	<b>2011</b>	
17,266,497 ↑	\$18,833,756 ↑	

**TREND ANALYSIS: ↑ Increase**

# Major Revenues

## Sales Tax

In 2007-Q4, sales tax was at a high of \$5.9 million dollars; however, with the Great Recession, sales tax declined to a low of \$3.5 million in 2010-Q1. Based on a trend analysis, sales tax has gradually increased from \$3.5 million in 2010-Q1 to \$5.3 million in 2011-Q4 (\$1,709,214 increase), which is a positive sign for the local economy. In fact, 2011-Q4 reached \$5.3 million dollars, which is equivalent to sales tax revenue from 2008-Q3. Additionally, 2011-Q4 is the first quarter to achieve sales tax revenue above the \$5 million threshold since 2008-Q3.



### Fourth Quarter Analysis

A trend analysis of fourth quarter sales tax is another indicator of consumer confidence due to holiday shopping in November and December. An increase in the fourth quarter sales tax in a year to year comparison may indicate an increase in consumer confidence. For example, in 2011-Q4, sales tax increased from 2010-Q4 by \$505,350, in 2009-Q4 by \$1,204,888 and in 2008-Q4 by \$395,025.

2008-Q4	2009-Q4	2010-Q4	2011-Q4
\$4,907,497	\$4,097,634 (↓)	\$4,797,712 (↑)	\$5,302,522 (↑)

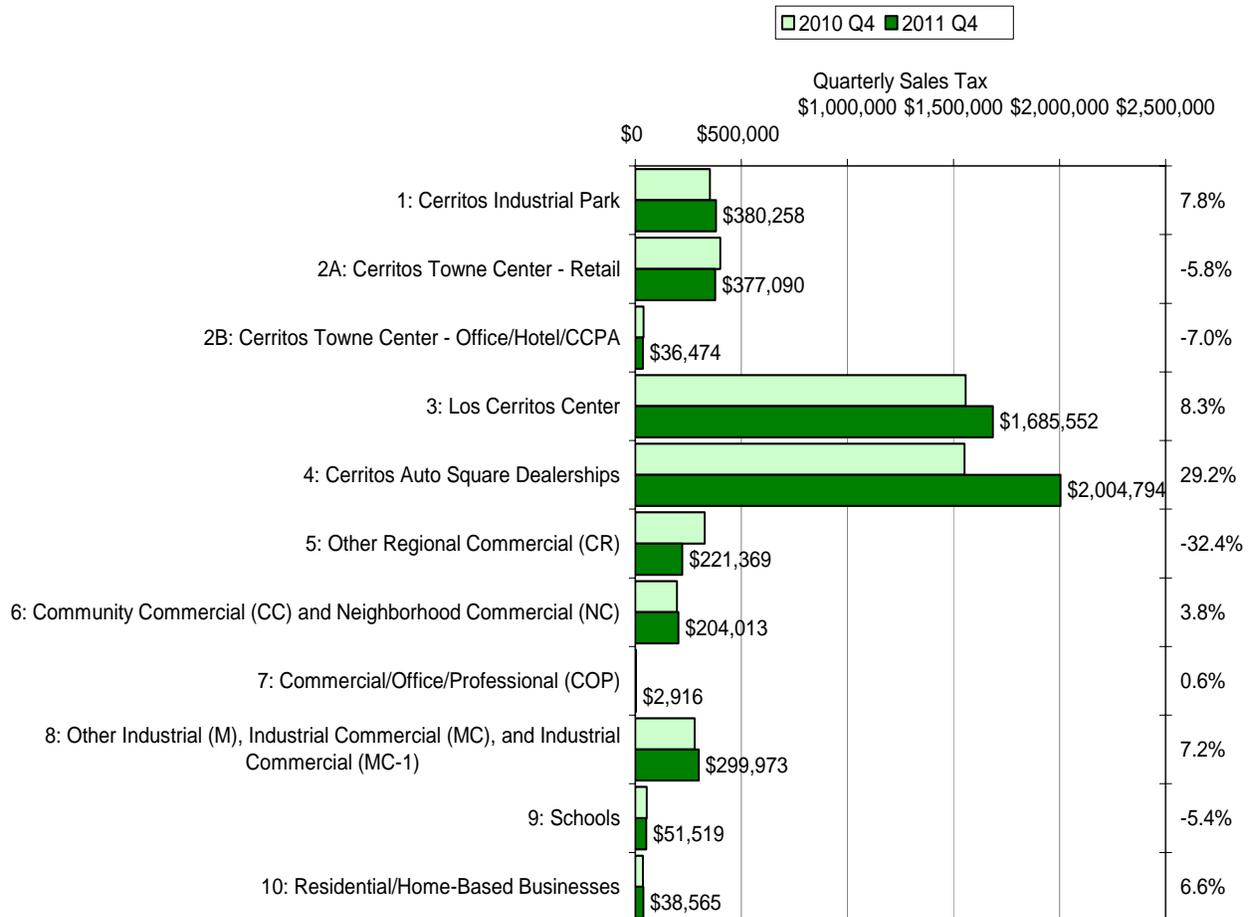
**TREND ANALYSIS: ↑ Increase**

# Major Revenues

## Sales Tax

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 2011-Q4, the Cerritos Auto Square generated the most sales tax at approximately \$2,004,794 which is a 29% increase from the same quarter last year. The Los Cerritos Center generated the second highest sales tax at approximately \$1,685,552, which is an 8% increase over FY 2010-Q4. The Cerritos Industrial Park generated \$380,258. The Cerritos Towne Center, which includes a retail and office component, combined to generate the fourth highest sales tax revenue at \$413,564. During this quarter, the Cerritos Auto Square (29%) and the Los Cerritos Center (8%) were the only business sectors that experienced a significant increase in sales tax revenue from the previous year.

### Geographic Sectors

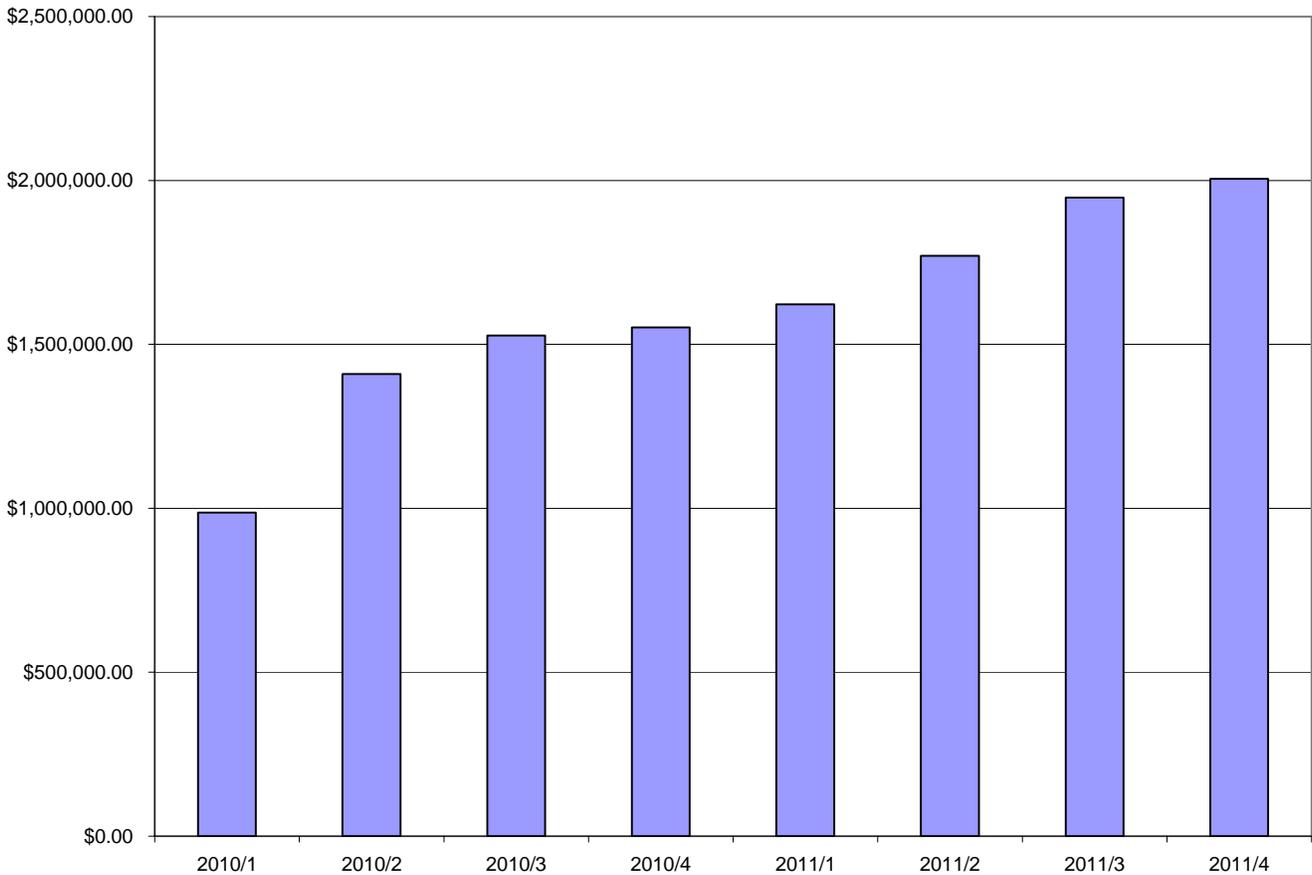


# Major Revenues

## Sales Tax

The Cerritos Auto Square generated the greatest amount of sales tax in the City in 2011-Q4 and experienced an increase from the previous quarter. In addition, sales tax revenue has steadily increased since 2010-Q1 (103% increase). The trend analysis indicates an increase in auto sales and a recovering local economy. The addition of two dealerships that opened in 2010 and an increase in consumer confidence may have contributed to the increased auto sales.

**Cerritos Auto Square**



2010-Q1 to 2011-Q4

Average: \$1,602,520

Sales tax has consistently increased with no decrease since 2010-Q1. This increasing slope on the bar chart for two years illustrates a positive sign for the Cerritos Auto Square.

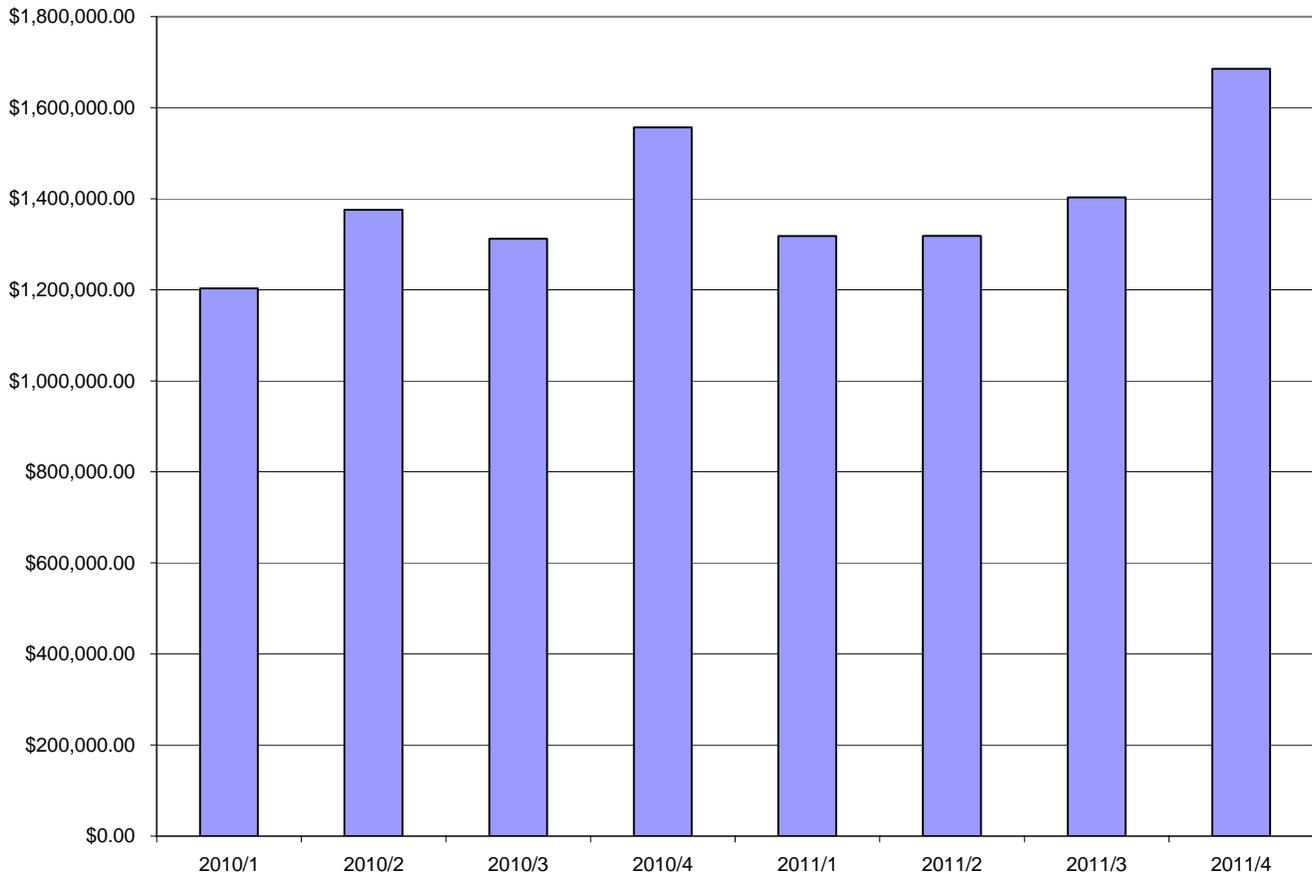
**TREND ANALYSIS: ↑ Increase**

# Major Revenues

## Sales Tax

The Los Cerritos Center generated the second greatest amount of sales tax revenue for the City's General Fund at \$1.6 million dollars in 2011-Q4. Based on the trend analysis, sales tax revenue remained constant from the previous quarters. Since 2010-Q1, sales tax revenue at the Los Cerritos Center has remained relatively constant at approximately \$1.3 million dollars per quarter (average).

### Los Cerritos Center



2010-Q1 to 2011-Q4

Average: \$1,396,614

Sales tax at the Los Cerritos Center has increased since 2010-Q1; however, sales tax has remained relatively constant from 2011-Q1 to 2011-Q4 (with the exception of the fourth quarter that corresponds with holiday sales). Additionally, sales tax for the period did not go below \$1.2 million (2010-Q1), which was the lowest level in seven quarters.

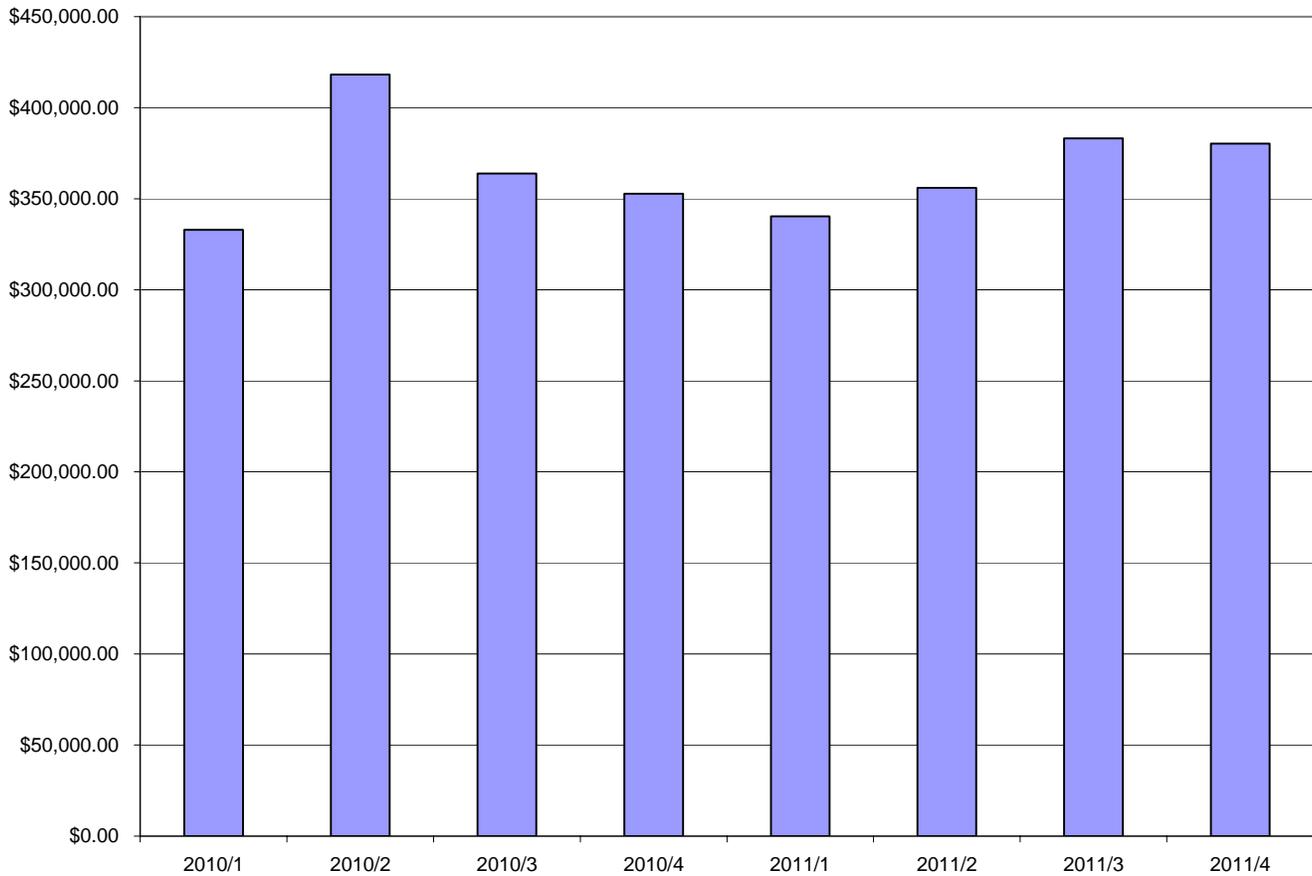
**TREND ANALYSIS: → Constant**

# Major Revenues

## Sales Tax

The Cerritos Industrial Park is the third highest sales tax generator in Cerritos. The Cerritos Industrial Park generated \$380,258 in 2011-Q4, which is an 8% increase from 2010-Q4. Based on the trend analysis, sales tax revenue decreased from a high in 2010-Q2; however, sales tax revenues have remained constant from 2010-Q3 to 2011-Q4.

**Cerritos Industrial Park**



2010-Q1 to 2011-Q4

Average: \$413,950

Sales tax has increased since 2010-Q1; however, sales tax has remained constant from 2010-Q3 to 2011-Q4. Additionally, sales tax for the period did not go below \$332,902 (2010-Q1), which was the lowest level in eight quarters.

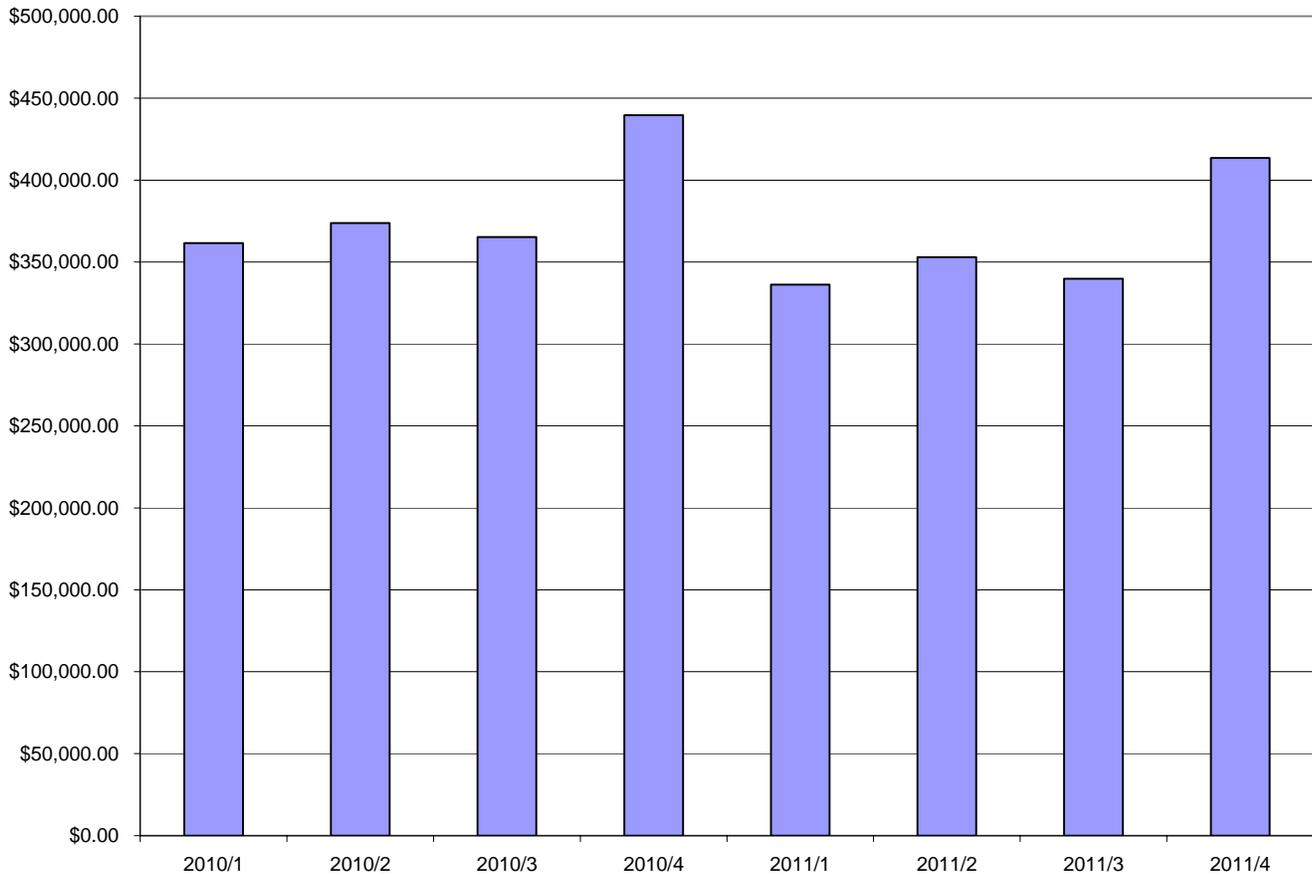
**TREND ANALYSIS: → Constant**

# Major Revenues

## Sales Tax

Sales tax revenue at the Cerritos Towne Center was \$413,563 for 2011-Q4, which is a decrease of 6% from 2010-Q4. However, based on a trend analysis, sales tax revenues have remained constant from 2010-Q1 to 2011-Q4 (with the exception of an increase in 2010-Q4 and 2011-Q4 that corresponds with fourth quarter holiday sales).

### Cerritos Towne Center



2010-Q1 to 2011-Q4

Average: \$429,267

Sales tax has remained fairly constant since 2010-Q1 with an average of \$429,267 per quarter. The Cerritos Towne Center has not experienced a significant decrease in revenues over several quarters.

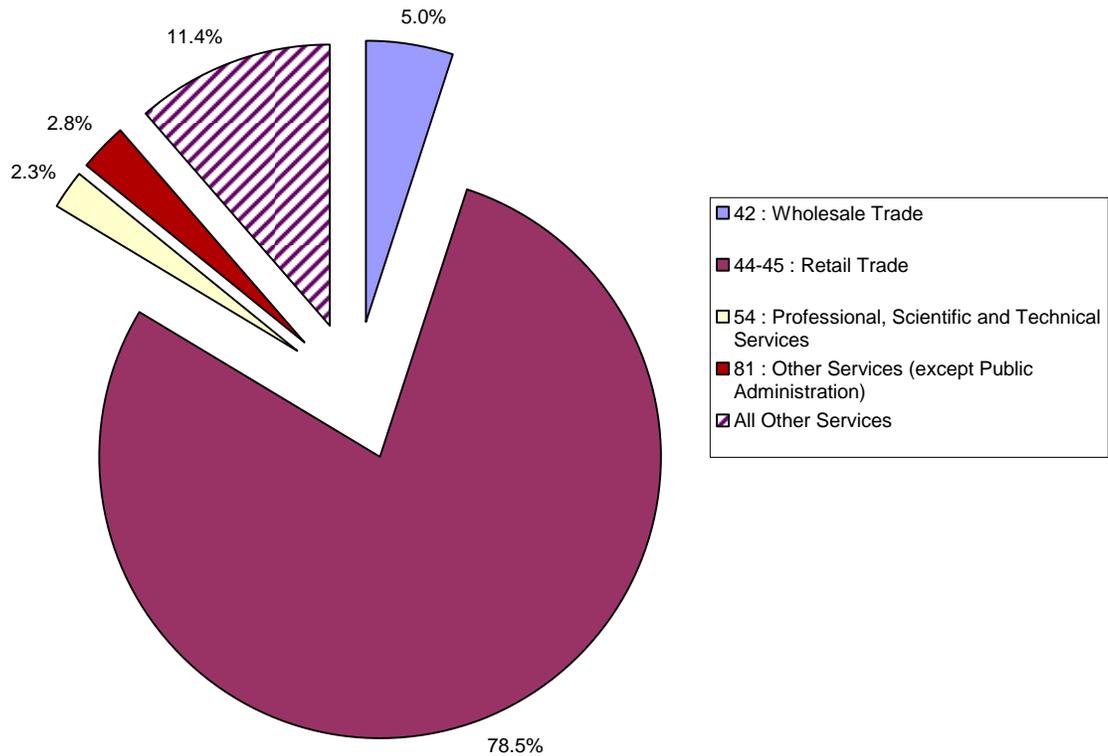
**TREND ANALYSIS: → Constant**

# Major Revenues

## Sales Tax – Top Five Generators

Staff 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 in 2011-Q4 is the Retail Trade industry, which generates 78.5% 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 (11.4%) followed by Wholesale Trade (5%). Other Services (except Public Administration) is fourth (2.8%) and Professional and Technical Services is fifth (2.3%).

**Top Five Sales Tax Generating Industries – 2011-Q4**



**Top Five Sales Tax Generating Industries**

2011 Quarter	Retail Trade	All Other Industries	Wholesale Trade	Other Services (except Public Administration)	Professional, Scientific and Technical Services
2011-Q1	\$3,309,995	\$349,922	\$258,643	\$141,819	\$109,339
2011-Q2	\$3,470,171	\$546,097	\$277,822	\$153,128	\$117,679
2011-Q3	\$3,712,602	\$442,163	\$277,845	\$146,353	\$114,690
2011-Q4	\$4,160,315	\$604,751	\$266,916	\$147,332	\$123,206
<b>Total</b>	<b>\$14,653,083</b>	<b>\$1,942,933</b>	<b>\$1,081,266</b>	<b>\$588,632</b>	<b>\$464,914</b>

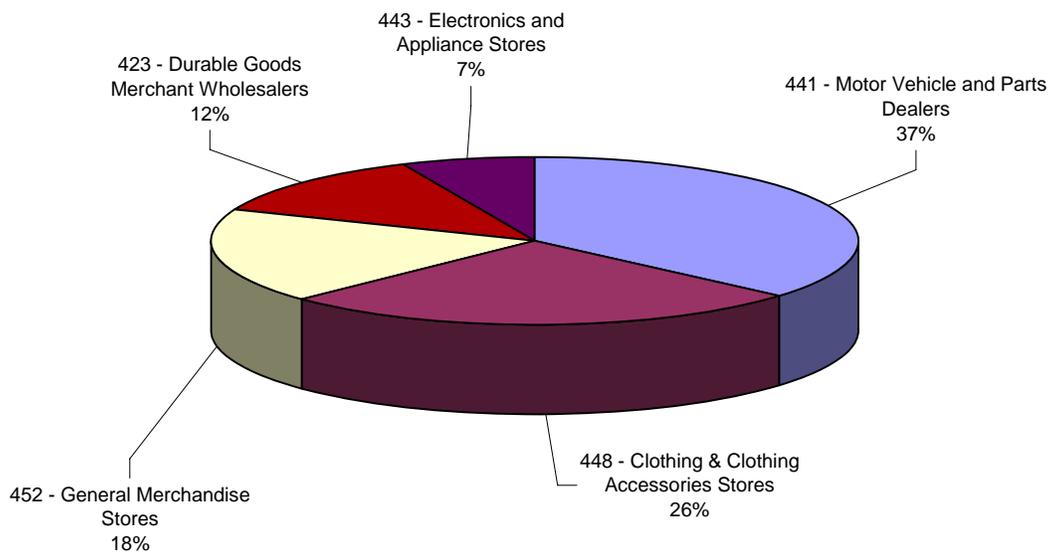
\*North American Industry Classification System

# Major Revenues

## Sales Tax – Top Five Generators

As mentioned in the previous page of this report, Retail Trade generates 78.5% of the City's sales tax. Staff has identified the top five (5) 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 37% of retail sales and is the top sales tax generator. Clothing and Clothing Accessories Stores make up 26%, General Merchandise Stores makes up 18% of retail sales, while Durable Goods Merchant Wholesalers make up 12%. Finally, Electronics and Appliance Stores make up 7% of retail sales.

**Top Retail Trade Industries by NAICS Code - 2011-Q4**



**Top Five Retail Trade Sales Tax Generating Industries**

2011 Quarter	441 Motor Vehicles and Parts Dealers	448 Clothing & Clothing Accessories Stores	423 Durable Goods Merchant Wholesalers	452 General Merchandise Stores	443 Electronics and Appliance Stores
2011-Q1	\$603,824	\$348,795	\$315,937	\$226,532	\$107,733
2011-Q2	\$663,831	\$386,264	\$338,444	\$244,464	\$121,142
2011-Q3	\$745,670	\$403,858	\$337,057	\$243,353	\$112,219
2011-Q4	\$706,504	\$514,903	\$239,578	\$354,448	\$130,366
<b>Total</b>	<b>\$2,719,829</b>	<b>\$1,653,820</b>	<b>\$1,231,016</b>	<b>\$1,068,798</b>	<b>\$471,460</b>

\*North American Industry Classification System

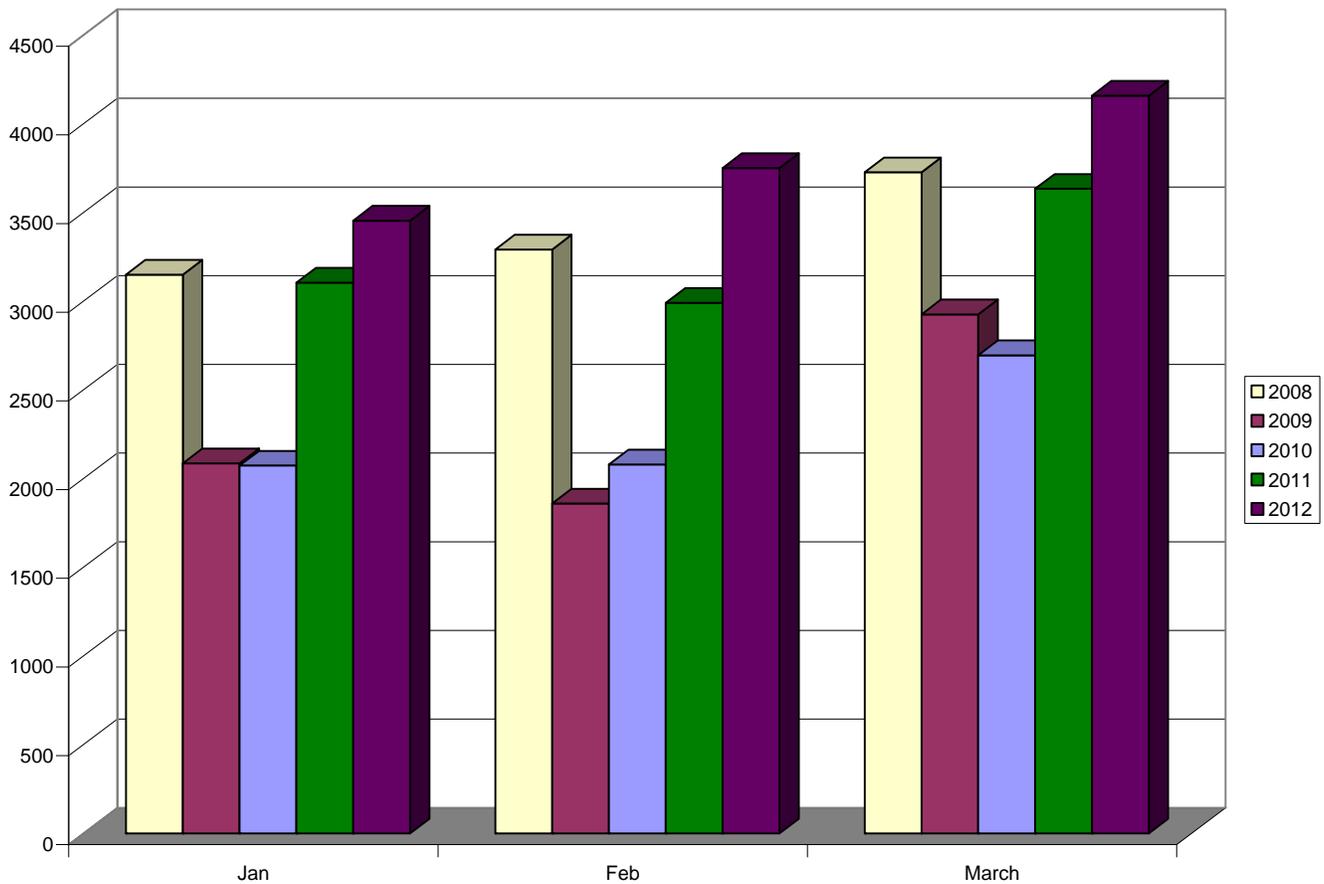
# Major Revenues

## 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 2012-Q1, sales increased in January 2012, February 2012 and March 2012 from the previous year. In fact, sales were higher than in 2008, 2009, 2010 and 2011. In January 2012, a total of 3,455 cars were sold, which is a 11% increase over January 2011. In addition, a total of 3,751 cars were sold in February 2012 (25% increase) and 4,160 cars were sold in March 2012 (14% increase).

**Number of Vehicles Sold in Cerritos Auto Square, Five Year Period**



**Cars Sold in 2012-Q1**

January	February	March
3,455	3,751	4,160

**TREND ANALYSIS: ↑ Increase**

# Major Revenues

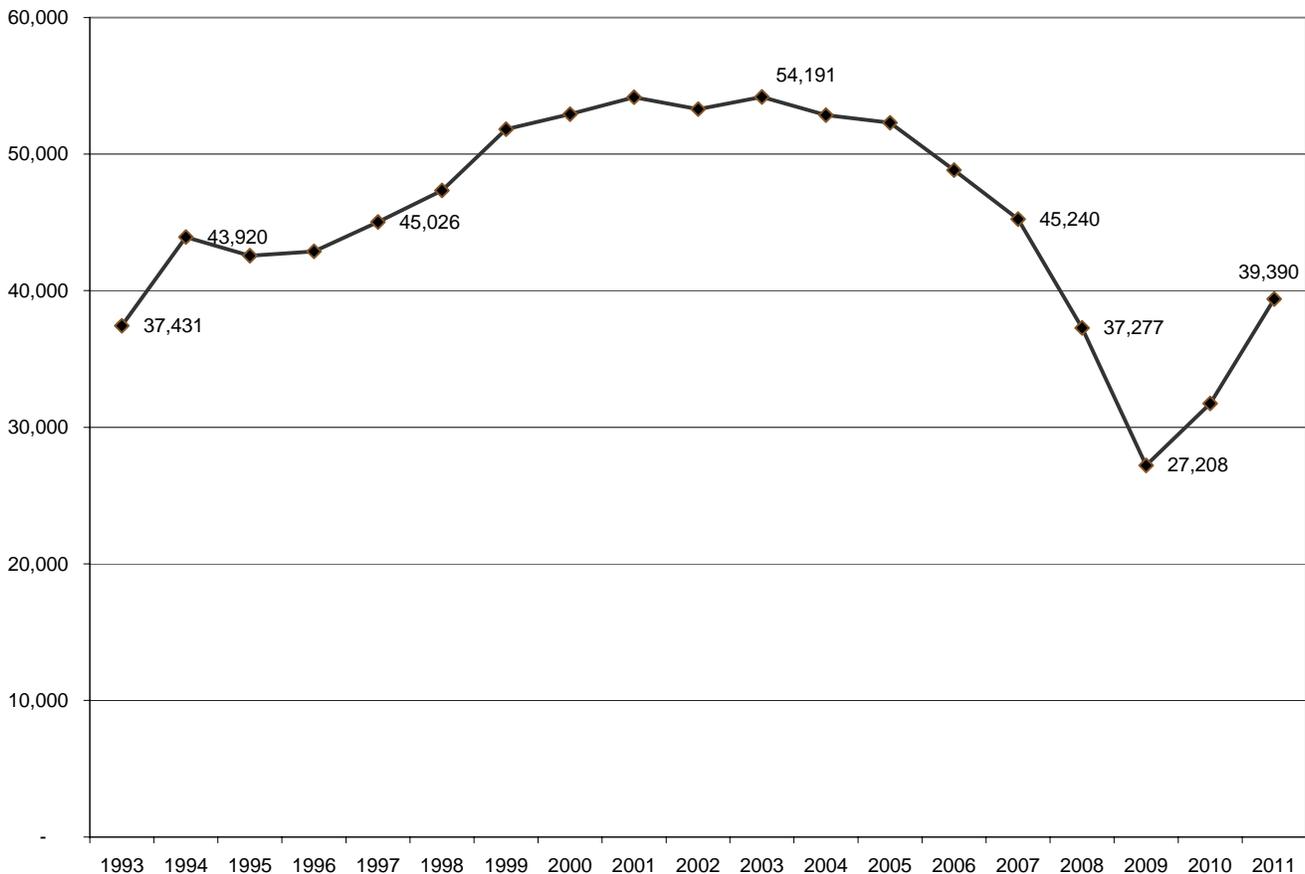
## Auto Sales

The Cerritos Auto Dealers Association has been compiling data since 1993 in order to conduct annual sales comparisons. From 1993 to 2011, a total of 860,391 cars have been sold, equating to an annual average of 45,284 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 2011. In fact, there was a 24% increase in auto sales from 2010 to 2011 (a total of 7,643 more cars were sold). This is two years in a row that total annual sales exceeded sales totals from the previous year (2010 and 2011).

1993	1994	1995	1996	1997
37,431	43,920	42,556	42,879	45,026
1998	1999	2000	2001	2002
47,341	51,825	52,925	54,164	53,288
2003	2004	2005	2006	2007
54,191	52,857	52,290	48,836	45,240
2008	2009	2010	2011	
37,277	27,208	31,747	39,390	

**Trend Analysis – 1993 to 2011**

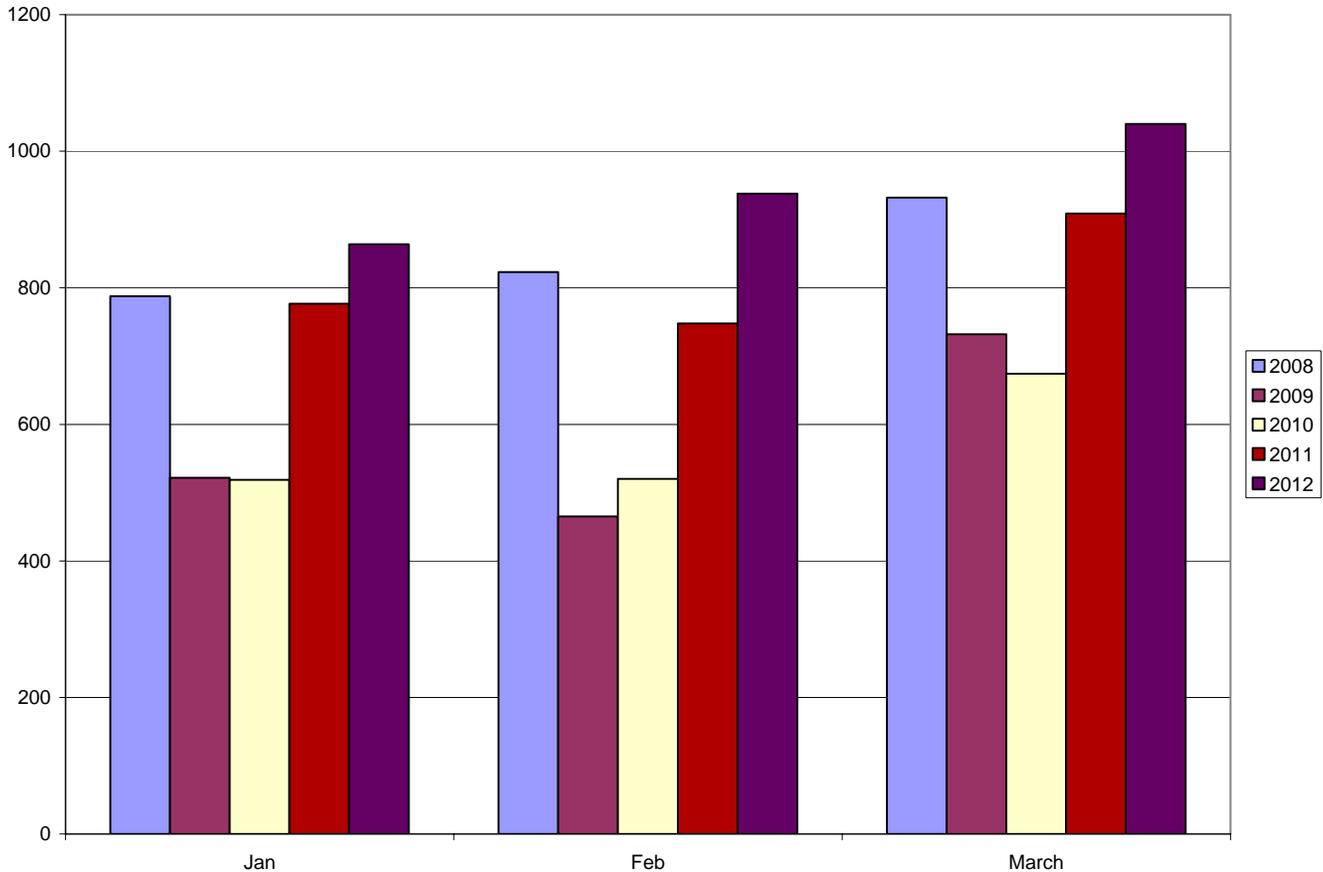


# Major Revenues

## Auto Sales

Based on a trend analysis, weekly averages for 2012-Q1 exceeded weekly averages for 2011-Q1, 2010-Q1, 2009-Q1 and 2008-Q1. March 2012 experienced the highest number of weekly average sales in comparison from the previous four years. This increase in weekly sales averages is a positive sign for the Cerritos Auto Square.

**Weekly Averages – 2008-Q1 to 2012-Q1**



**Weekly Average 2012-Q1**

- January 2012 (864 cars sold)
- February 2012 (938 cars sold)
- March 2012 (1,040 cars sold)

**Weekly Average 2011-Q1**

- January 2011 (777 cars sold)
- February 2011 (748 cars sold)
- March 2011 (909 cars sold)

**Weekly Average 2010-Q1**

- January 2010 (519 cars sold)
- February 2010 (520 cars sold)
- March 2010 (674 cars sold)

**Weekly Average 2009-Q1**

- January 2009 (522 cars sold)
- February 2009 (465 cars sold)
- March 2009 (732 cars sold)

**Weekly Average 2008-Q1**

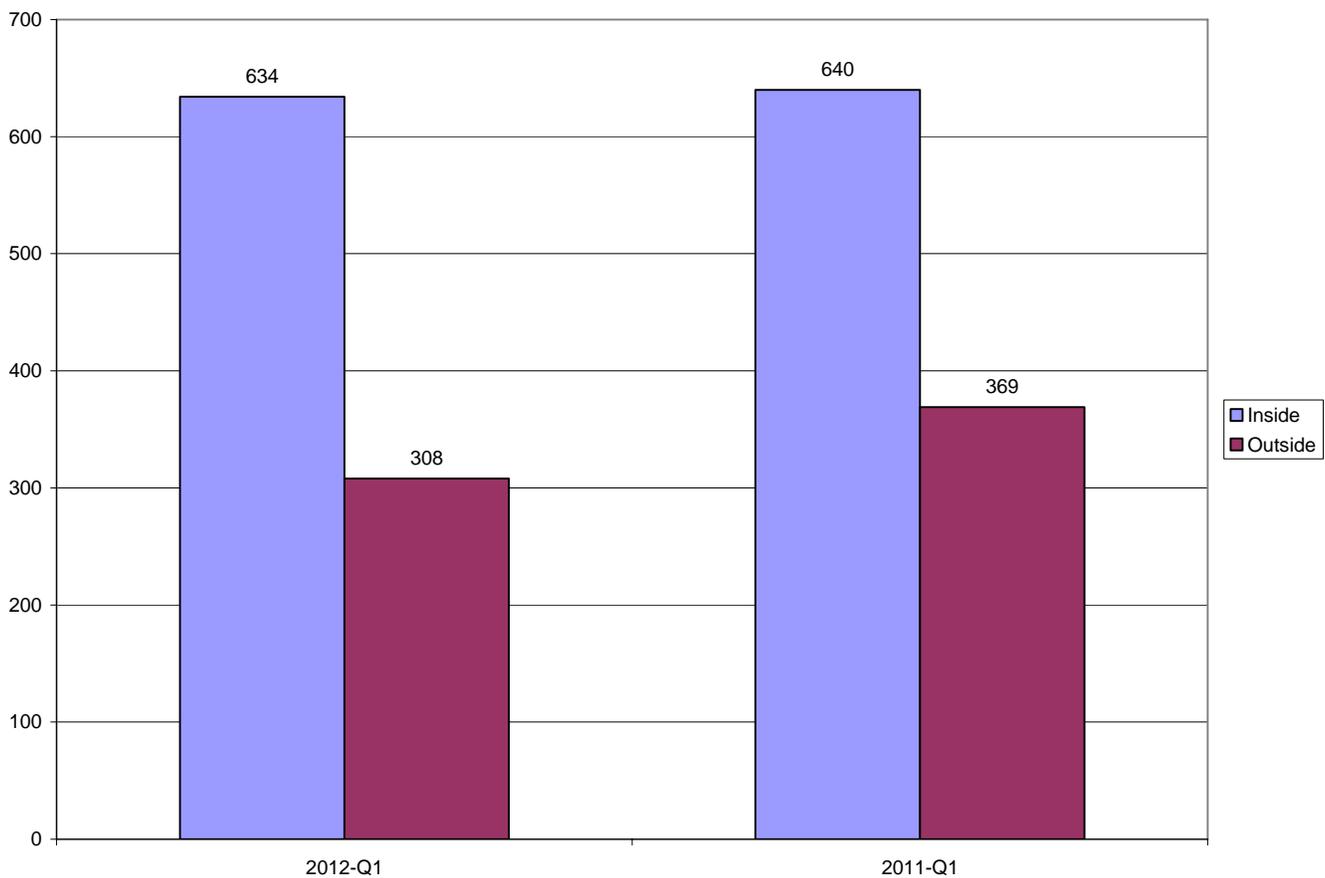
- January 2008 (788 cars sold)
- February 2008 (823 cars sold)
- March 2008 (932 cars sold)

# Major Revenues

## Business License

The tracking of new and renewal of business licenses is one method of forecasting business growth in the City. For 2012-Q1, a total of 942 new and renewal of business licenses were processed by the City's Business License Division. In Cerritos, there are a higher proportion of businesses that have a City business license that are located outside the City boundaries. These businesses are largely made up of contractors, which are required to have a City issued business license; however, their business offices are not located within the City's jurisdictional boundaries. In 2012-Q1, the City experienced a 7% decrease in the issuance of new and renewal of business licenses.

**2012-Q1 New and Renewal of Business Licenses – Located in Cerritos and Located Outside Cerritos**



**2012-Q1 New and Renewal of Business Licenses**

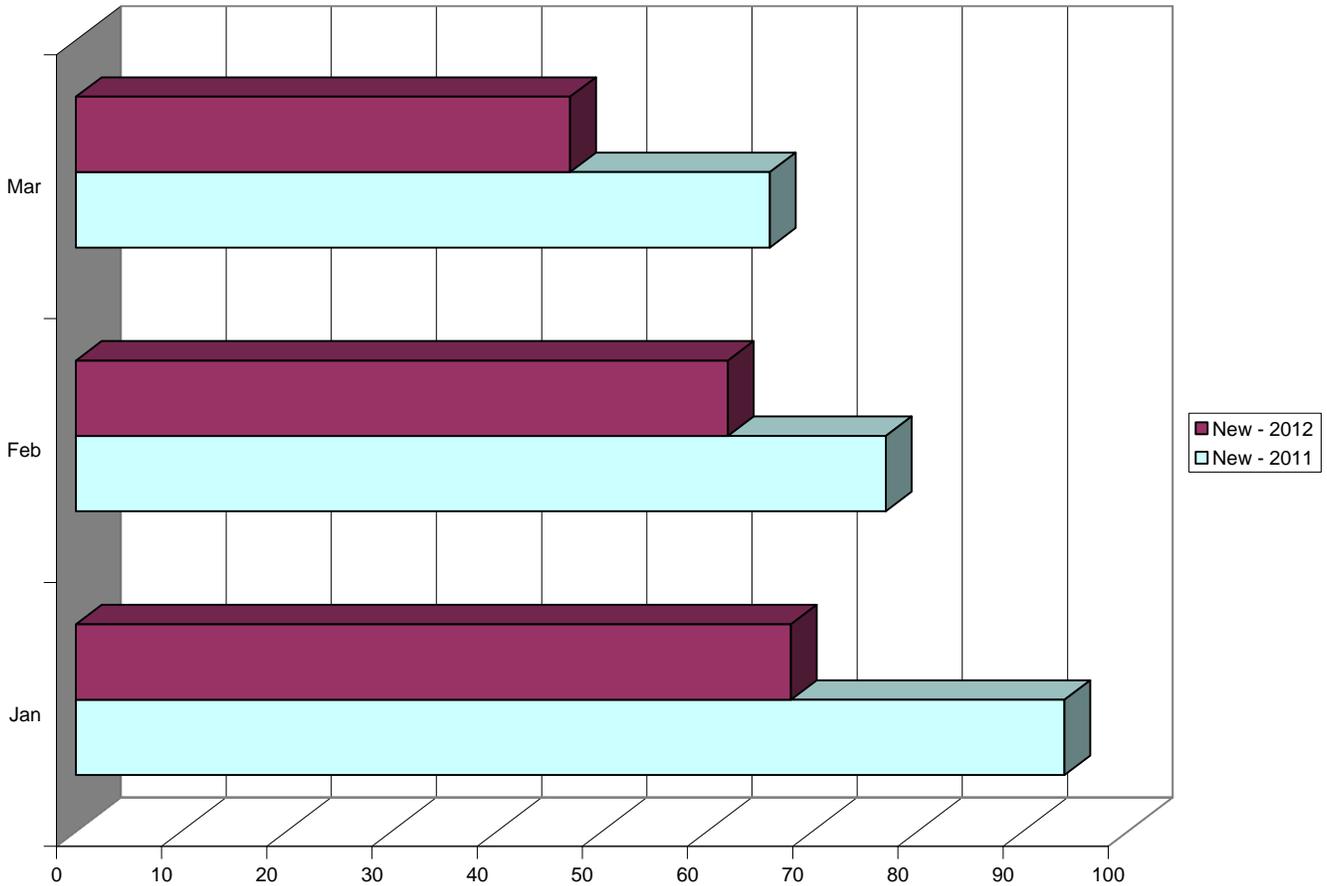
Location	January	February	March
Inside Cerritos	237	225	172
Outside Cerritos	108	105	95
<b>Total</b>	<b>345</b>	<b>330</b>	<b>267</b>

**2012-Q1 Total New and Renewal of Business Licenses: 942**  
**2011-Q1 Total New and renewal of Business Licenses: 1,009**

# Major Revenues

## Business License

Based on data from the City's Business License Division, the City processed 177 new business licenses for 2012-Q1, which is a 25% decrease from 2011-Q1. Additionally, each month in 2012-Q1 experienced a decrease in new business licenses.



**New Business License Decrease/Increase from 2011 to 2012**

Jan	Feb	Mar	Apr	May	June
28% ↓	19% ↓	29% ↓			
July	Aug	Sept	Oct	Nov	Dec

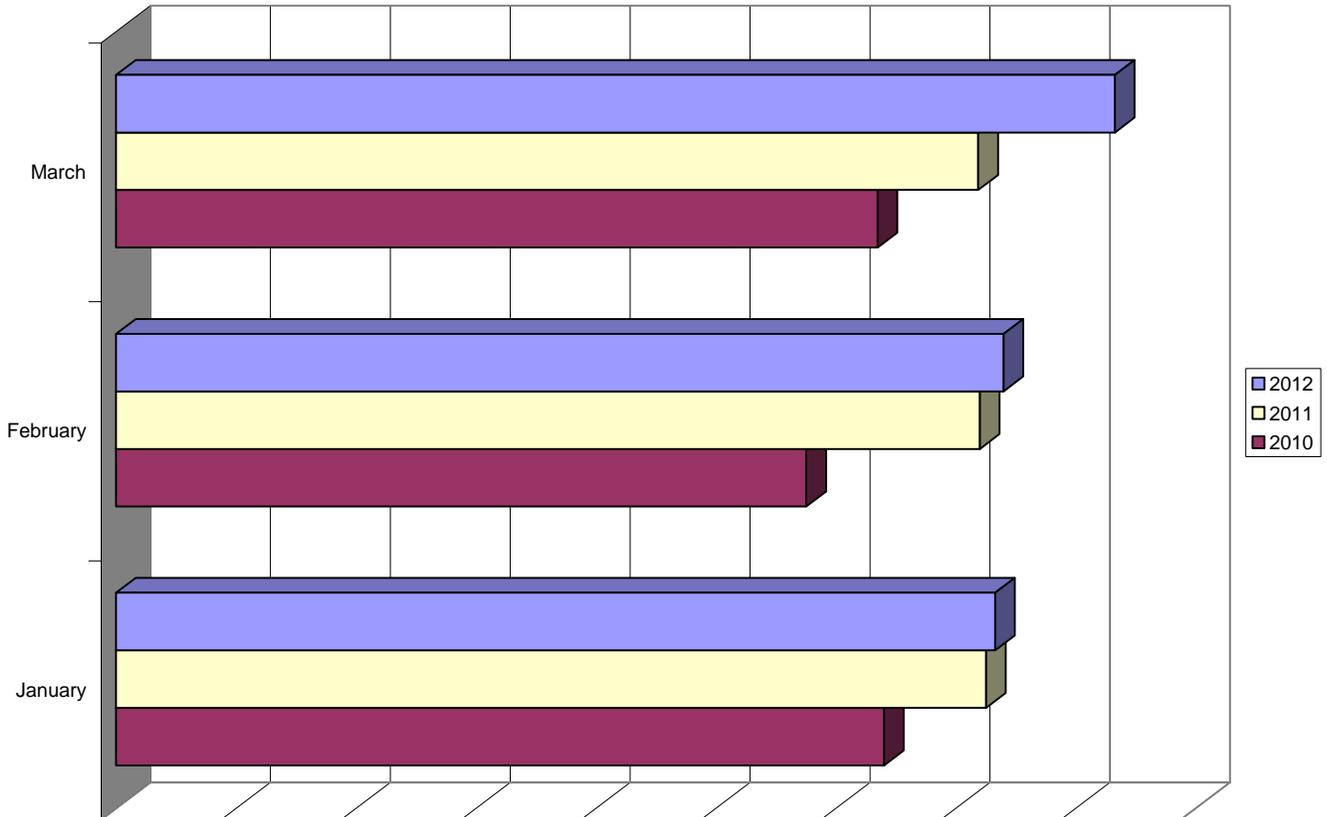
**TREND ANALYSIS: ↓ Decrease**

# Major Revenues

## Los Cerritos Center

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 was the second largest sales tax generator in the City for 2012-Q1. In 2012-Q1, the Los Cerritos Center experienced an increase in visitor traffic in January, February and March from the previous year.

**Monthly Visitors – Los Cerritos Center**



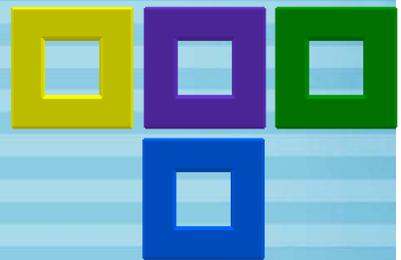
\*At the request of Macerich, the Los Cerritos Center property management company, the actual numbers of monthly visitors are not provided. The bar graphs represent the percentage gain or loss from 2011 to 2012.

**Monthly Traffic—Percentage Gain/Loss from 2011 to 2012**

January	February	March
1% ↑	3% ↑	16% ↑

**TREND ANALYSIS: ↑ Increase**

# Unemployment

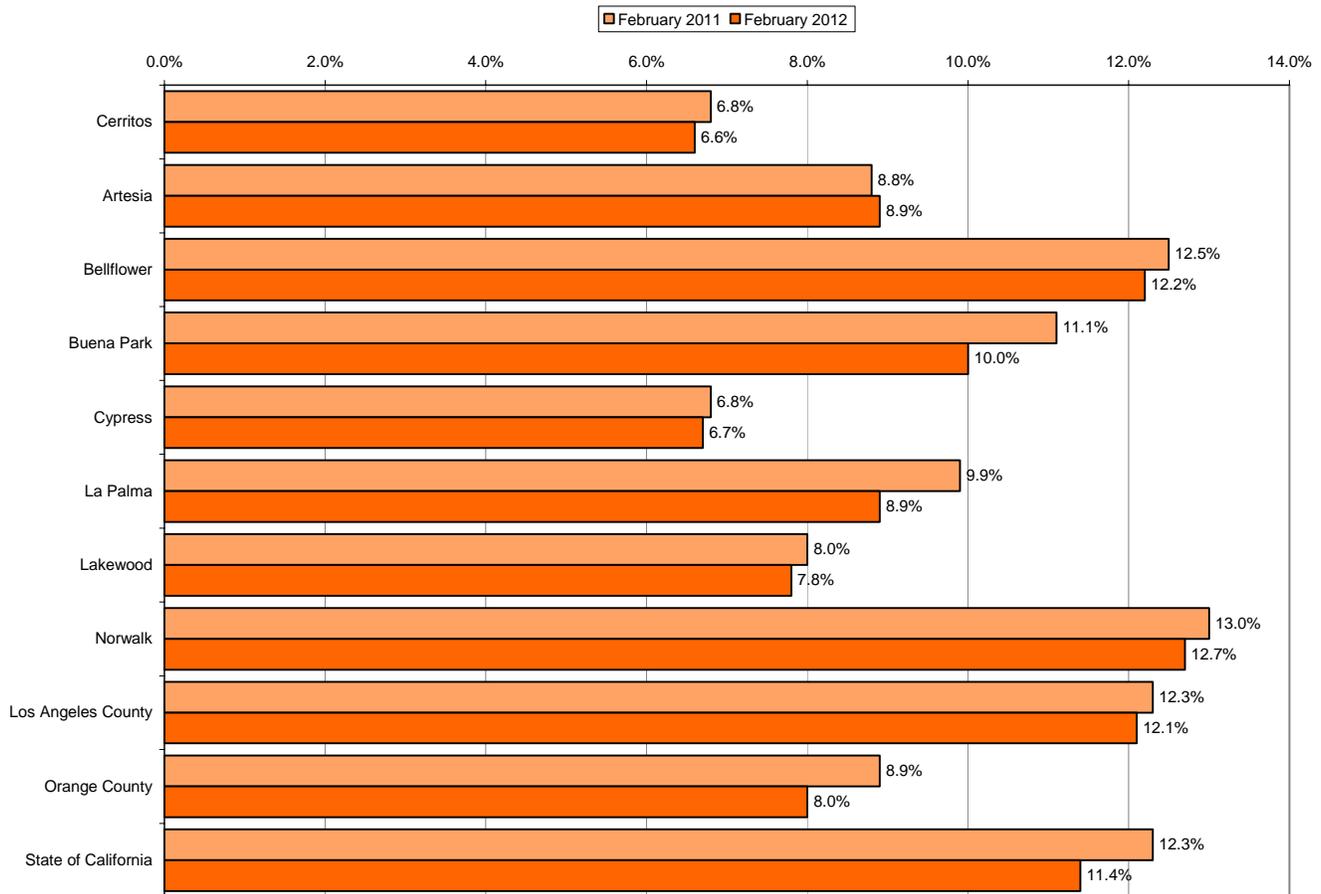


# Unemployment

## Surrounding Cities

According to the California Employment Development Department, the unemployment rate among Cerritos residents in December 2011 was approximately 6.6%, which is the lowest unemployment rate among surrounding cities. Cerritos unemployment rate has remained constant for several quarters. Cypress has the second lowest unemployment rate at 6.7%. In addition, the Cerritos unemployment rate is lower than Los Angeles County (12.1%), Orange County (8%) and the State of California (11.4%). All surrounding cities have remained constant or have experienced a slight decline in their unemployment rate.

**Unemployment Rate – Surrounding Cities**



**Annual Unemployment Rate - Cerritos**

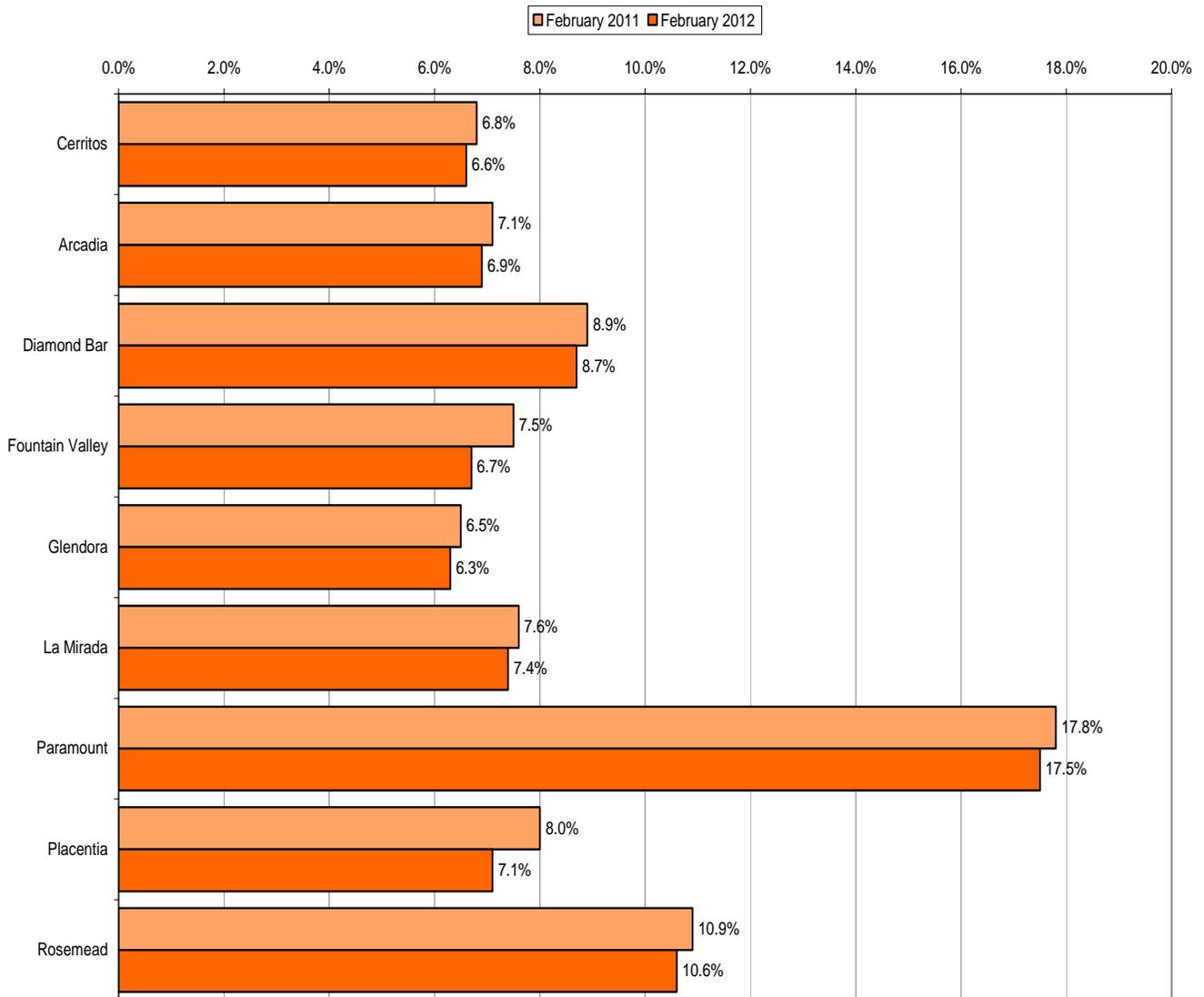
2011-Q2 May 2011	2011-Q3 August 2011	2011-Q4 December 2011	2012-Q1 February 2012
6.7%	7.0%	6.3%	6.6%

**TREND ANALYSIS: → Constant**

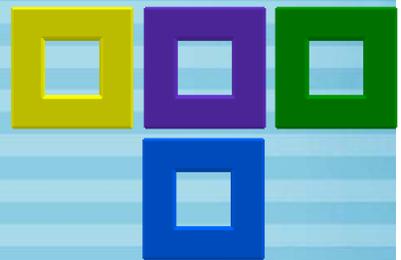
# Unemployment

## Regional Comparison

In a regional comparison with cities in Los Angeles County and Orange County, Cerritos unemployment rate is still lower than most cities. In a regional comparison, Glendora had the lowest unemployment rate at 6.3%, which is similar to Cerritos unemployment rate of 6.6%. Paramount had the highest unemployment rate at 17.5%, which is significantly above the county and state unemployment rate.



# Commercial Real Estate

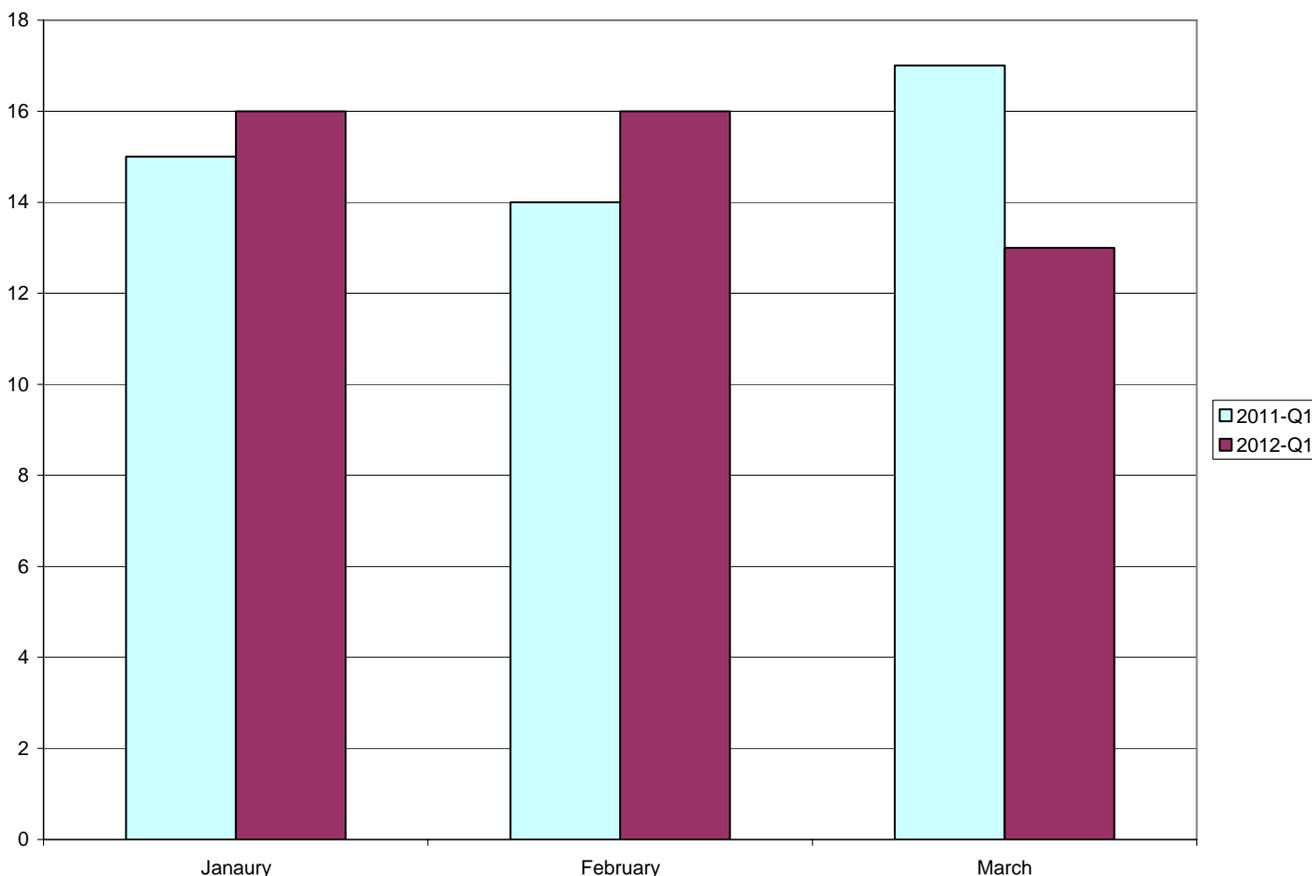


# Commercial Real Estate

## Certificate of Occupancy

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 are indications that the local economy is growing. For 2012-Q1, CO's increased in January and February from a year ago. A total of 45 CO's were processed in 2012-Q1, a decrease of only one from 2011-Q1 (46 CO's were processed).

**Certificates of Occupancy for 2012-Q1**



**Certificate of Occupancy – 2012**

Jan	Feb	Mar	Apr	May	June
16 ↑	16 ↑	13 ↓			
July	Aug	Sept	Oct	Nov	Dec

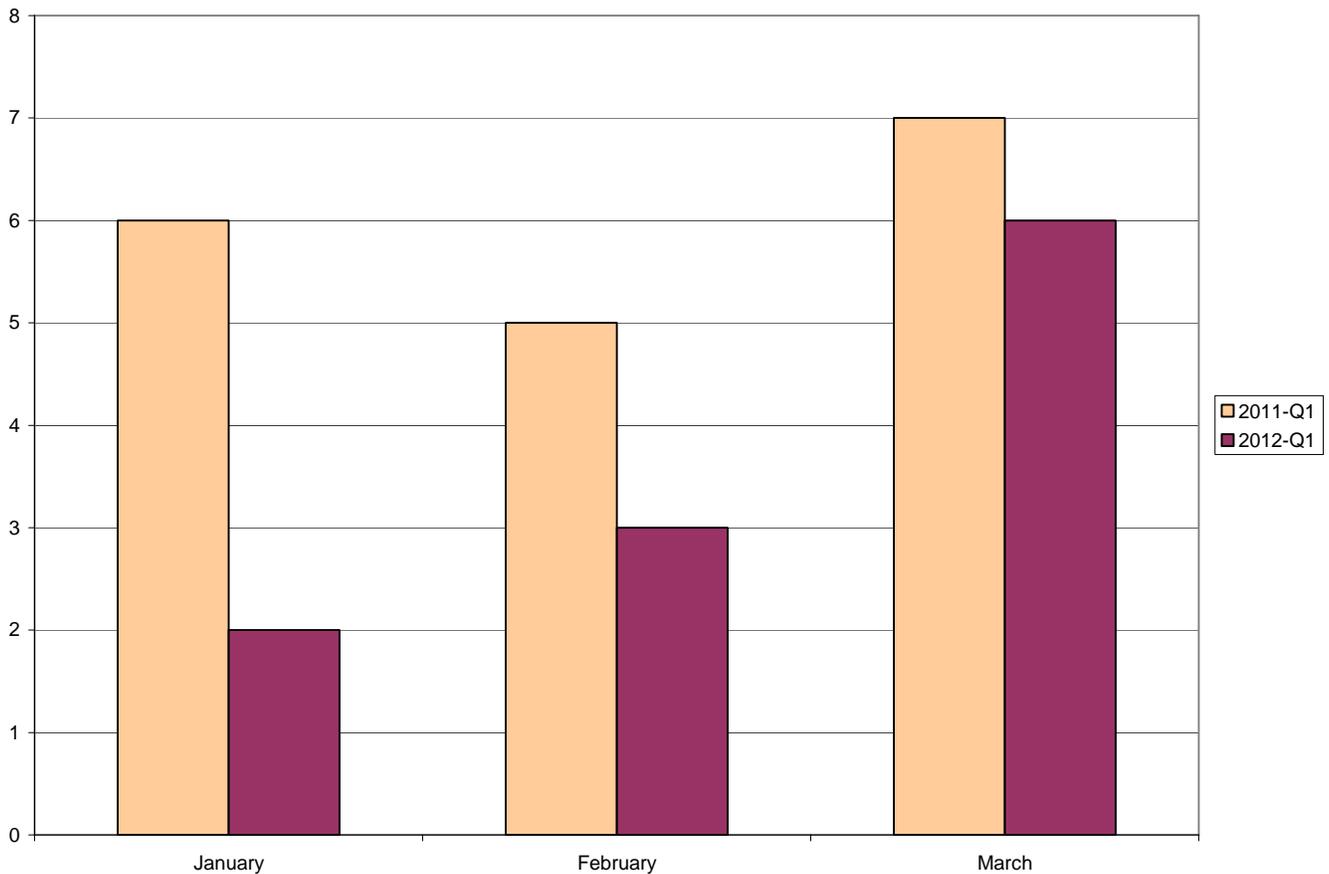
**TREND ANALYSIS: ↑ Increase**

# Commercial Real Estate

## Tenant Improvement

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 2012-Q1, tenant improvements decreased each month from the previous year. A total of 11 TI's were processed in 2012-Q1, a decrease from 2011-Q1 (18 TI's were processed).

Tenant Improvements for 2012-Q1



Tenant Improvements – 2012

Jan	Feb	Mar	Apr	May	June
2	3	6			
July	Aug	Sept	Oct	Nov	Dec

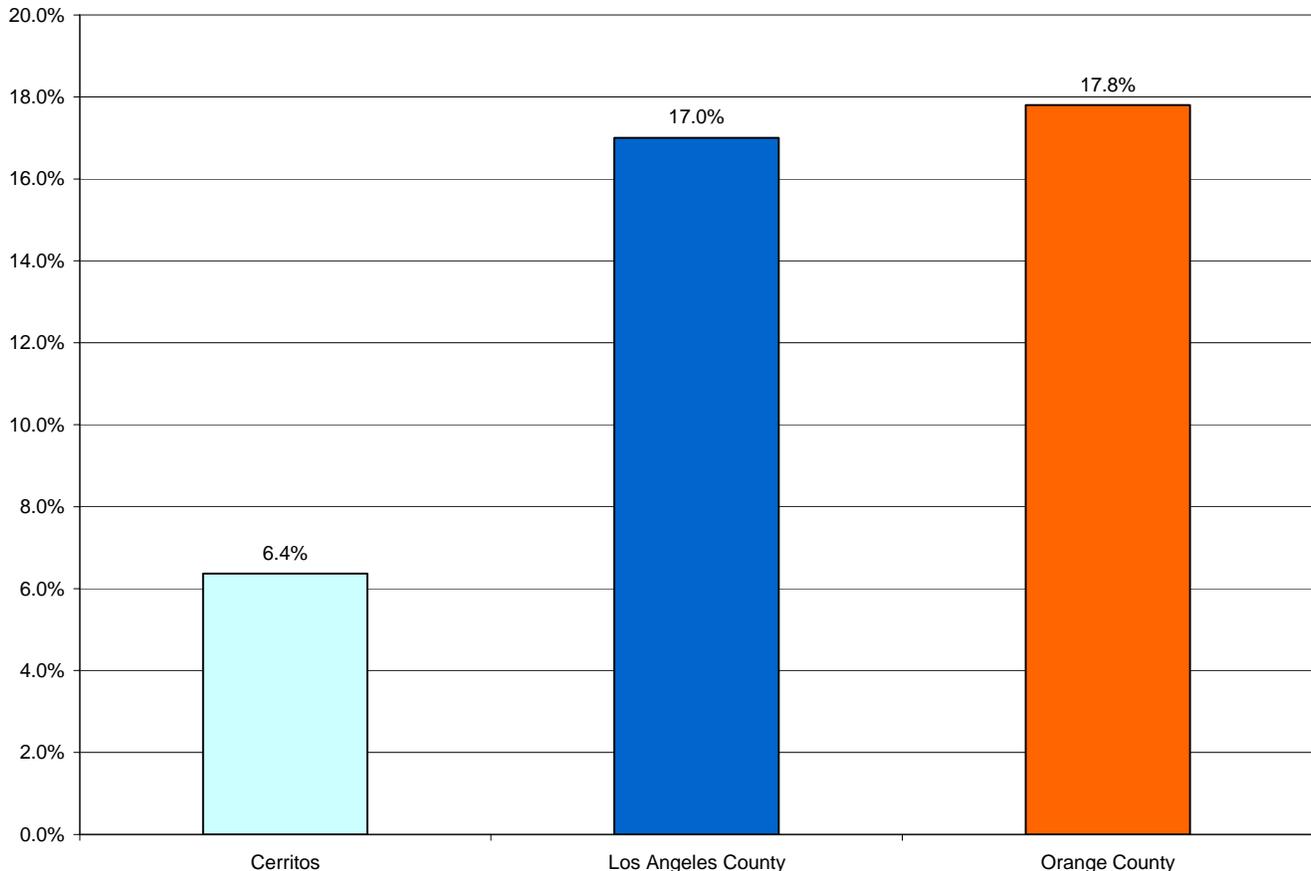
**TREND ANALYSIS: ↓ Decrease**

# Commercial Real Estate

## Regional Office Vacancy Rates

Cerritos' office market vacancy rate is lower than those in Orange County and Los Angeles County. In 2012-Q1, the office market vacancy rate in Cerritos was 6.4%, which is lower than Los Angeles County (17%) and Orange County (17.8%). Cerritos office vacancy rate has increased from a low of 3% in 2010-Q4 to 6% in 2012-Q1.

**Office Vacancy Rate**



## Cerritos Retail Vacancy Rate

Based on available data, Cerritos has a retail vacancy rate of 0.4%. This low vacancy rate indicates that retail space is in great demand in Cerritos. In addition, Cerritos' strategic location along the 91 and 605 Freeways contribute toward a greater demand for retail space. The Cerritos Towne Center and Los Cerritos Center are located along these freeways and consumers have easy access to these centers for their retail shopping needs. The low vacancy rate of 0.4% has remained constant since 2010-Q1.

2011 Q-1	2011 Q-2	2011 Q-3	2011 Q-4	2012-Q1
0.3%	0.4%	0.4%	0.3%	0.4%

**TREND ANALYSIS: → Constant**

# Commercial Real Estate

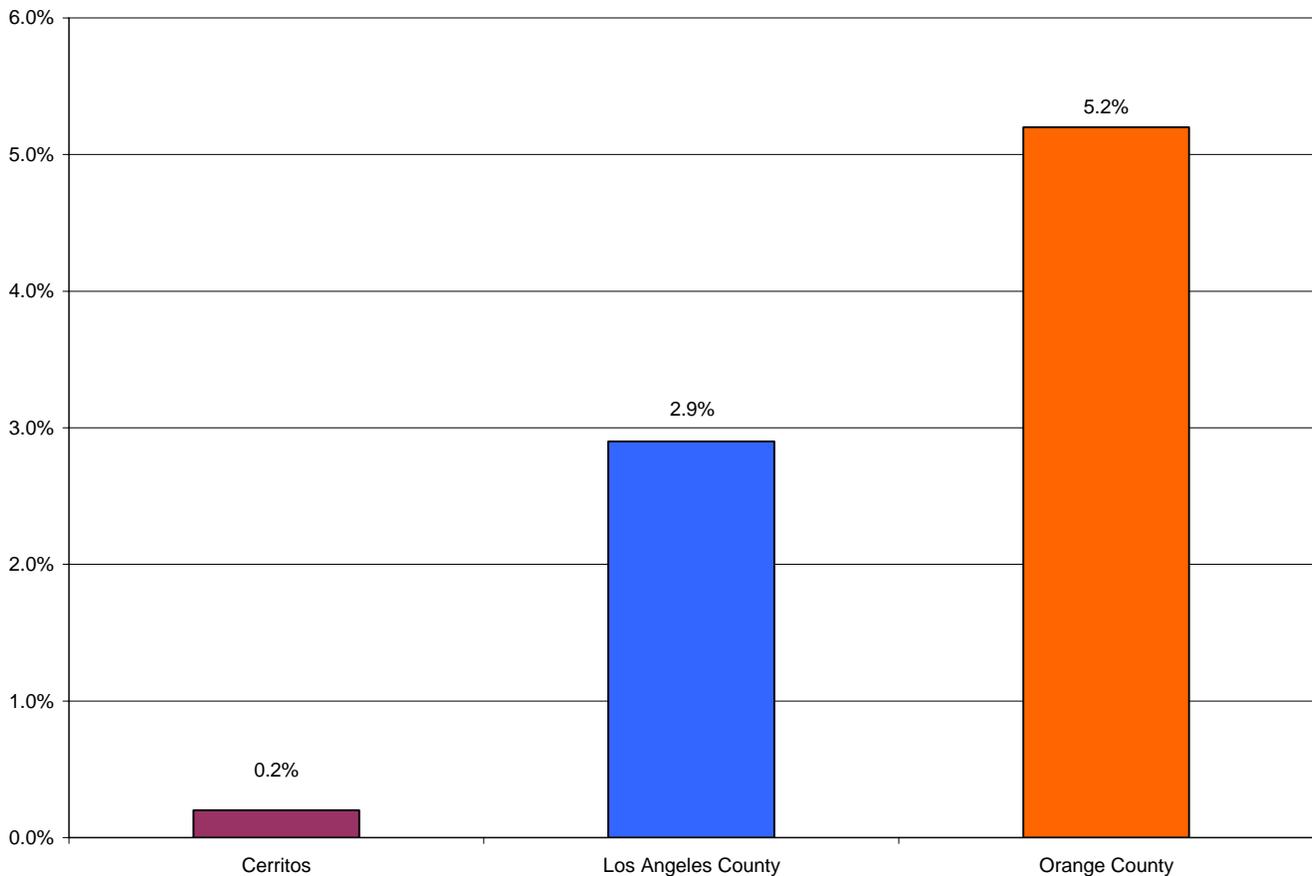
## Cerritos Vacancy Rates

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 30,000 square feet of vacant industrial space, which equates to 0.2% of the total available citywide industrial space. In addition, the City has approximately 90,559 square feet of vacant office space (6% of the total office space in Cerritos) and approximately 16,514 square feet of available retail space (0.4% 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	30,000	0.2%
Office	1,422,575	90,559	6%
Retail	4,685,788	16,514	0.4%
Total	20,449,552	137,073	0.6%

### Commercial Real Estate—Industrial Vacancy Rates



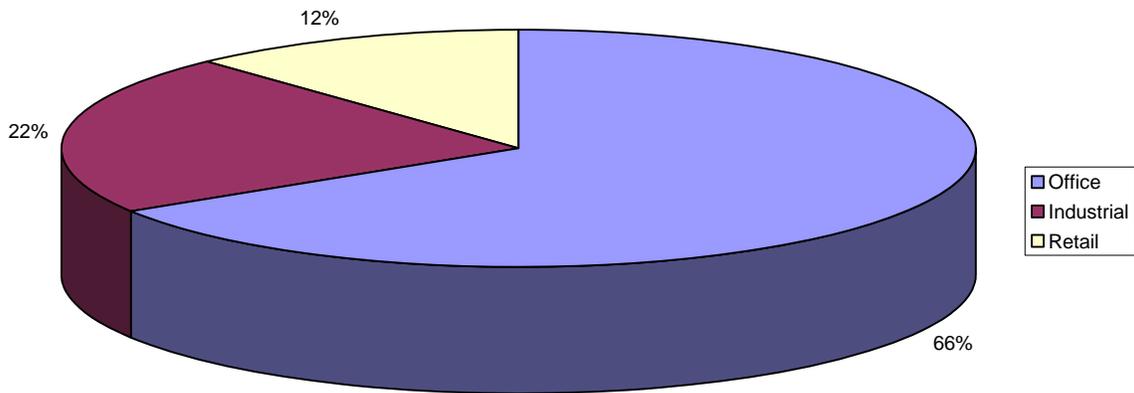
# Commercial Real Estate

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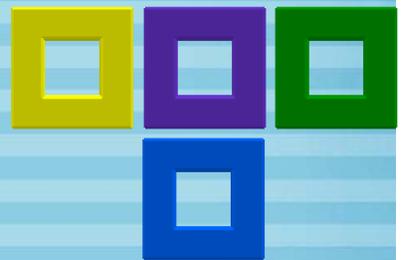
Based on data from 2009-Q3 to 2012-Q1, industrial vacancy rates in Cerritos have decreased by approximately 98%, which may be an indicator that new industrial businesses are locating to the City. In 2009-Q3, the industrial vacancy rate was at 10.7% and in 2011-Q1 the industrial vacancy rate was at 0.2%. (Note: Industrial vacant space in Cerritos includes a greater proportion of warehousing and distribution businesses, which require large facilities. Therefore, a single vacancy may contribute a large amount of square footage to the overall vacancy rate.)

## Vacancy Breakdown by Use

In Cerritos, there is approximately 137,073 square feet of total vacant space (0.6%) for 2012-Q1. Within the total available space, 66% (90,559 square feet) is available for office use, 22% (30,000 square feet) is available for industrial use and 12% (16,514 square feet) is available for retail use.



# Housing

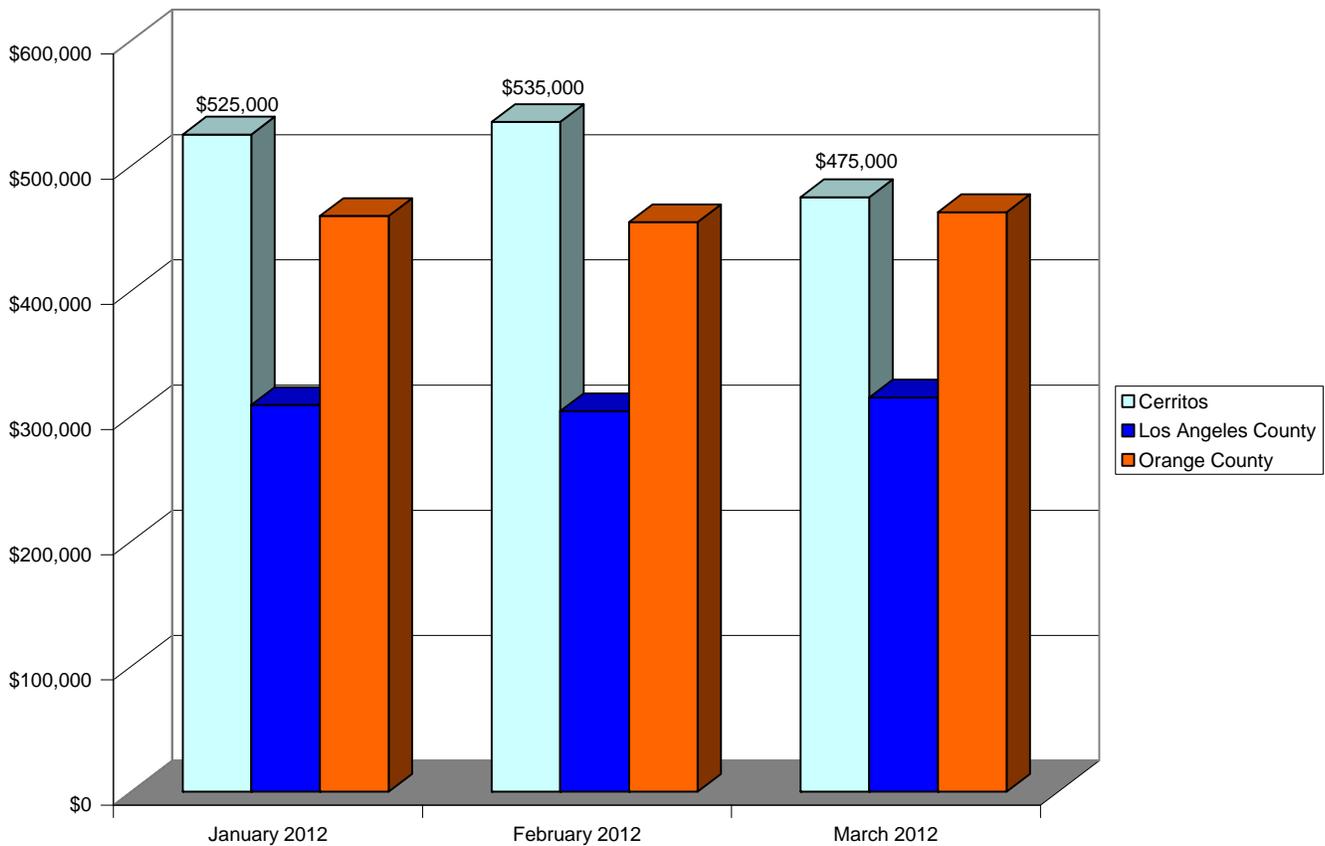


# Housing

## Single-Family Residential

For 2012-Q1, the average median home sales price in Cerritos was \$511,667. Housing prices in Cerritos have decreased for 2012-Q1 from \$525,000 in January 2012 to \$475,000 in March 2012. In comparison, Cerritos has a higher median home price than Orange County (\$459,333) and Los Angeles County (\$309,333). Housing prices have remained fairly constant for Los Angeles County and Orange County. A total of 48 single-family homes were sold in Cerritos for 2012-Q1.

**Single-Family Residential - 2012-Q1**



**Median Home Sales Price Per Square Foot—Single-Family Residential**

Month	Cerritos	Los Angeles County	Orange County
January 2012	\$297	\$222	\$253
February 2012	\$305	\$218	\$269
March 2012	\$295	\$222	\$271

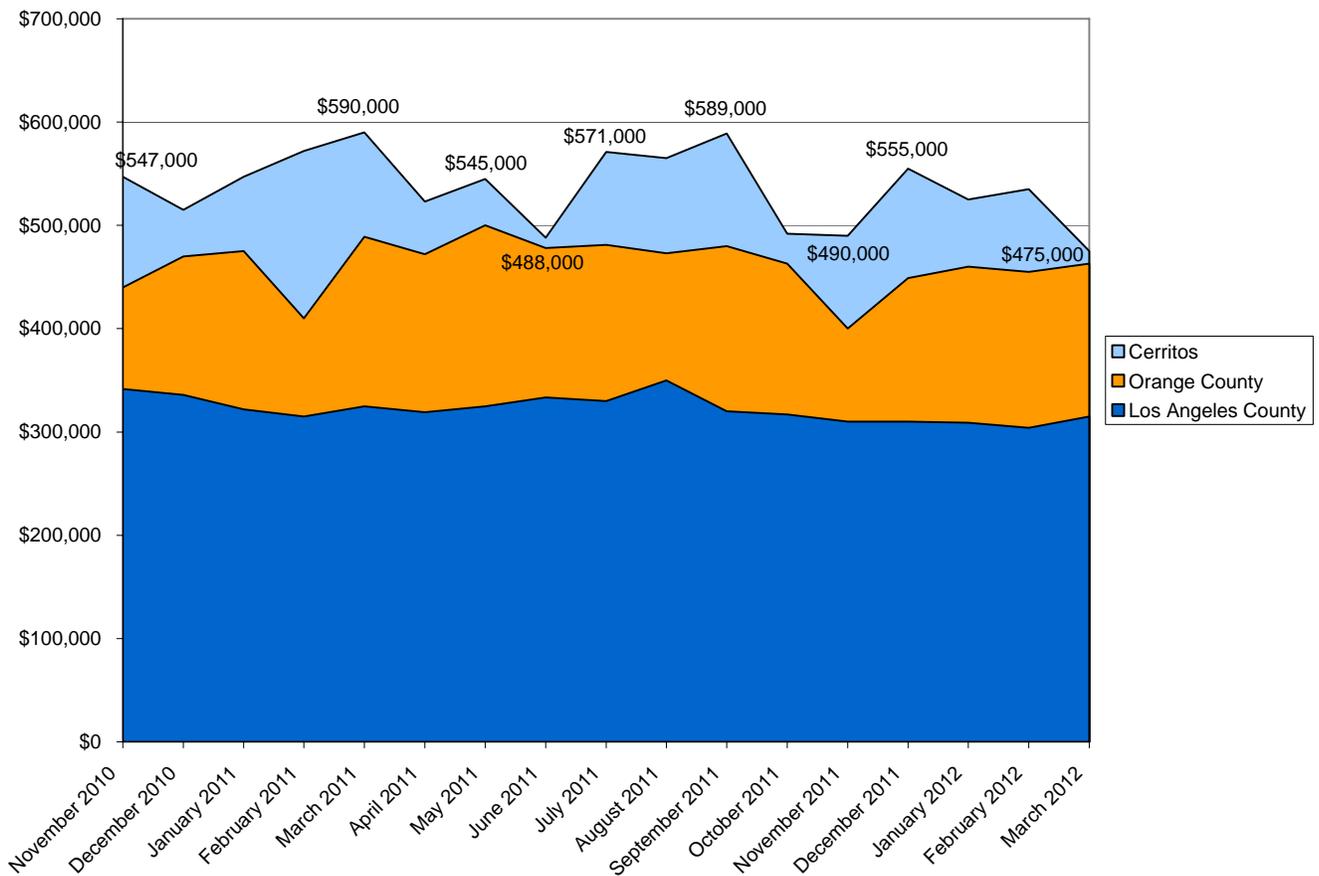
**TREND ANALYSIS: ↓ Decrease**

# Housing

## Single-Family Residential

Based on a trend line analysis, the average sale price for a single-family residential home in Cerritos was \$547,000 in October 2010 and peaked to a high of \$589,000 in September 2011. In 2012-Q1, sales of single residential homes have decreased to \$475,000 in March of 2012. However, homes in Cerritos have maintained their values in comparison to Los Angeles County and Orange County. Home values in Cerritos are still higher than in both counties.

**Trend Line - November 2010 to March 2012**

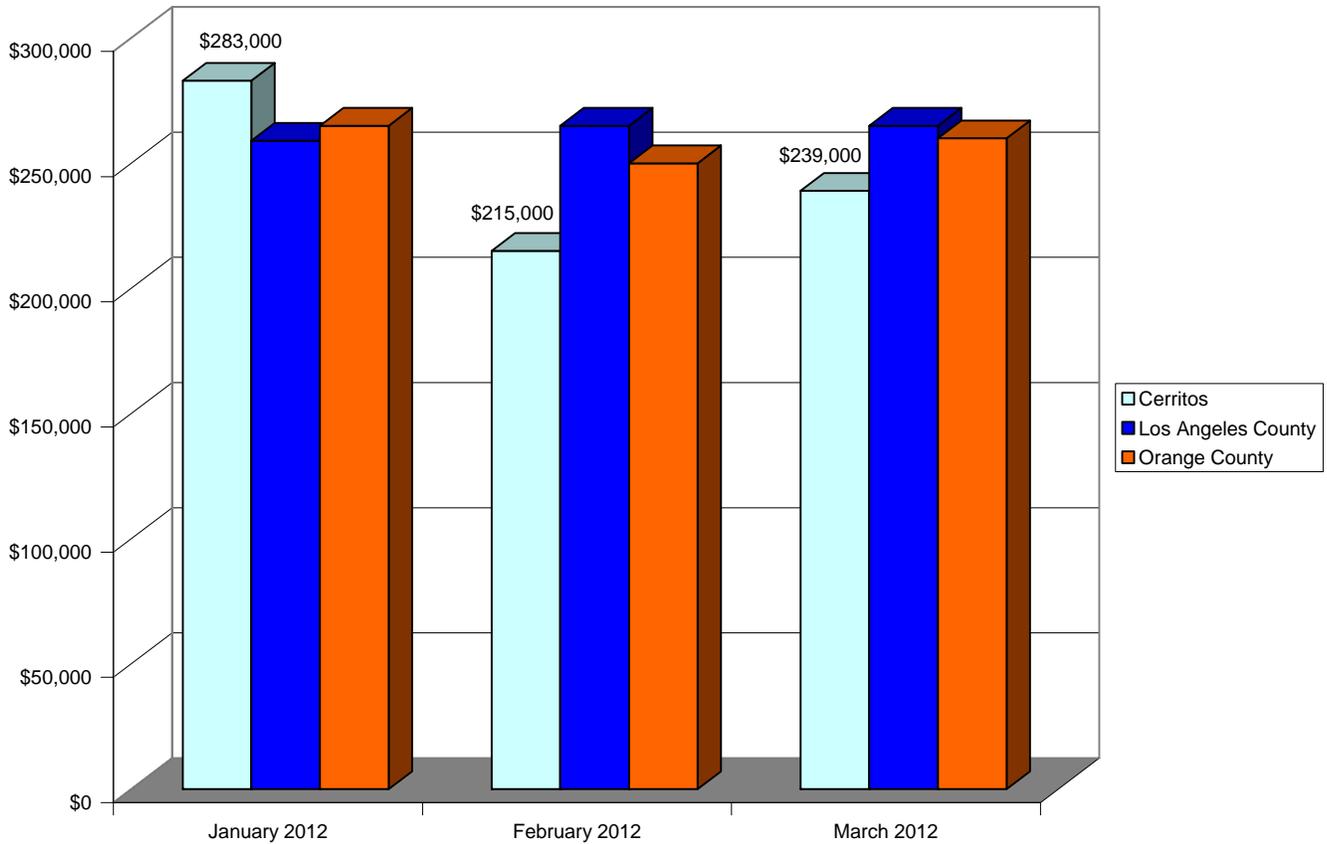


# Housing

## Condominiums

Condominiums have a niche in housing between renting and owning single-family homes. The median condominium sale price in Cerritos for 2012-Q1 was \$245,677, which is lower than Orange County (\$263,000) and Los Angeles County (\$258,333). Condominiums prices have remained constant in Cerritos for 2012-Q1. In Cerritos, a total of 19 condominiums were sold in 2012-Q1.

**Condominiums – 2012-Q1**



**Condominium Sales – 2012-Q1**

Month	January 2012	February 2012	March 2012	Total
Condominium	5	7	7	19

**TREND ANALYSIS: → Constant**

# Statistical Summary

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## Economic Profile 2012-Q1

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 2012-Q1.

### Major Revenues

Sales tax revenue for the 2012-Q1 (calendar year) totaled \$5,302,522, which is a 7% increase from the same quarter in 2011.

Cerritos has four major areas of business activity: Cerritos Industrial Park, Cerritos Towne Center, Los Cerritos Center and the Cerritos Auto Square. The Cerritos Auto Square generated the most sales tax at \$2,004,794. The Los Cerritos Center generated the second highest sales tax at \$1,685,552.

Based on a review of businesses by NAICS code, Retail Trade generates the greatest amount of revenue for the City of Cerritos. In fact, 78.5% of the City's 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 subsectors generate the greatest percentage of sales tax for the City at 37%, Clothing and Clothing Accessories Stores generated 26%, General Merchandise Stores generated 18%, Durable Goods and Merchant Wholesalers generated 12% and Electronics and Appliance Stores generated 7%.

The Cerritos Auto Square experienced another increase in auto sales for the first quarter of 2012. In fact, January 2012 (11%), February 2012 (25%) and March 2012 (14%) experienced increased auto sales from the previous year. In addition, weekly sales averages have increased from 2011-Q1 to 2012 Q-1.

In the first quarter 2012, new business licenses and renewals decreased 7% from a year ago. A total of 942 new and renewal of business licenses were processed.

The Los Cerritos Center experienced an increase in monthly visitors for 2012-Q1. In fact, attendance increased in January 2012 (1%), February 2012 (3%) and March 2012 (16%). This increase in the number of visitors to the Los Cerritos Center may be attributed to a healthier economy.

### Unemployment

The unemployment rate among Cerritos residents is approximately 6.6%, 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 (8%) and the State of California (11.4%).

### Commercial Real Estate

Cerritos office vacancy rate of 6.4% is lower than Orange County (17%) and Los Angeles County (17.8%). Cerritos currently has a total vacancy of 137,073 square feet, which is approximately 0.6% of the total available real estate space in Cerritos (20,449,552 sq. ft.). Of the total vacant space in Cerritos, 0.2% is industrial space (30,000 sq. ft.), 6% is office space (90,559 sq. ft.), and 0.4% is retail space (16,514 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 Summary

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## Economic Profile 2012-Q1

### Housing

For 2011-Q4, the single family median home sale price in Cerritos was approximately \$511,667. The home sale price for a condominium is approximately \$245,677 for the same time period. Housing in Cerritos has maintained its values as compared to Los Angeles County and Orange County; however, single-family homes experienced a small decline in 2012-Q-1.

### Statistical Trend Analysis—Cerritos

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

- Sales tax
- Auto sales at the Cerritos Auto Square
- Visitors at the Los Cerritos Center

#### → Constant

- Unemployment
- Retail vacancy rate
- Office vacancy rate
- Sales tax at the Los Cerritos Center, Cerritos Town Center and Cerritos Industrial Park

#### ↓ Decrease

- Business licenses
- Tenant Improvements/New Buildings
- Certificate of Occupancy
- Single-family home sales

# Data Sources

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## **Major Revenues**

City of Cerritos, Finance Division  
City of Cerritos, GIS Division  
Los Cerritos Center - Macerich

## **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](http://www.grubb-ellis.com)

## **Housing**

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