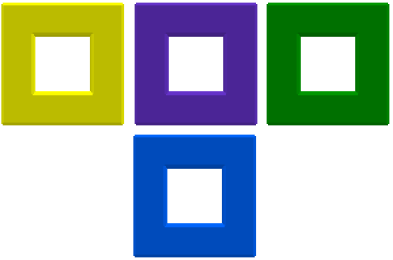




Quarterly Market Trend Analysis for Economic Development in Cerritos

City of Cerritos  
**Economic Profile**  
**Spring 2014**



*A City With Vision*



# ECONOMIC PROFILE



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2010 Winner  
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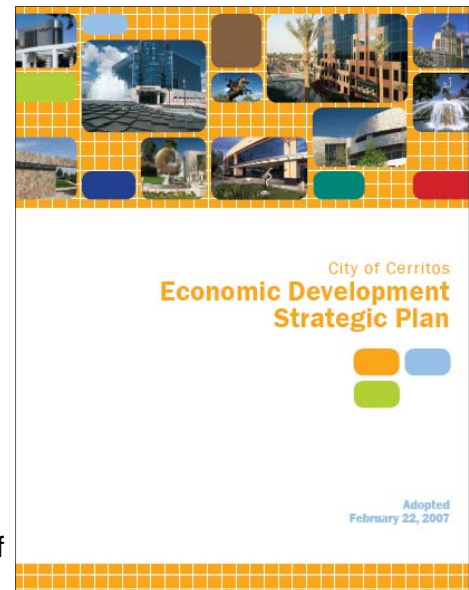
# Introduction

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 in expanding 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

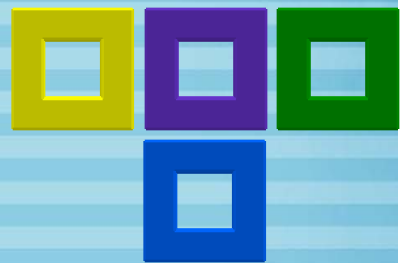
BAR-1: Identify the "best customers" among existing Cerritos businesses and initiate an outreach program.

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

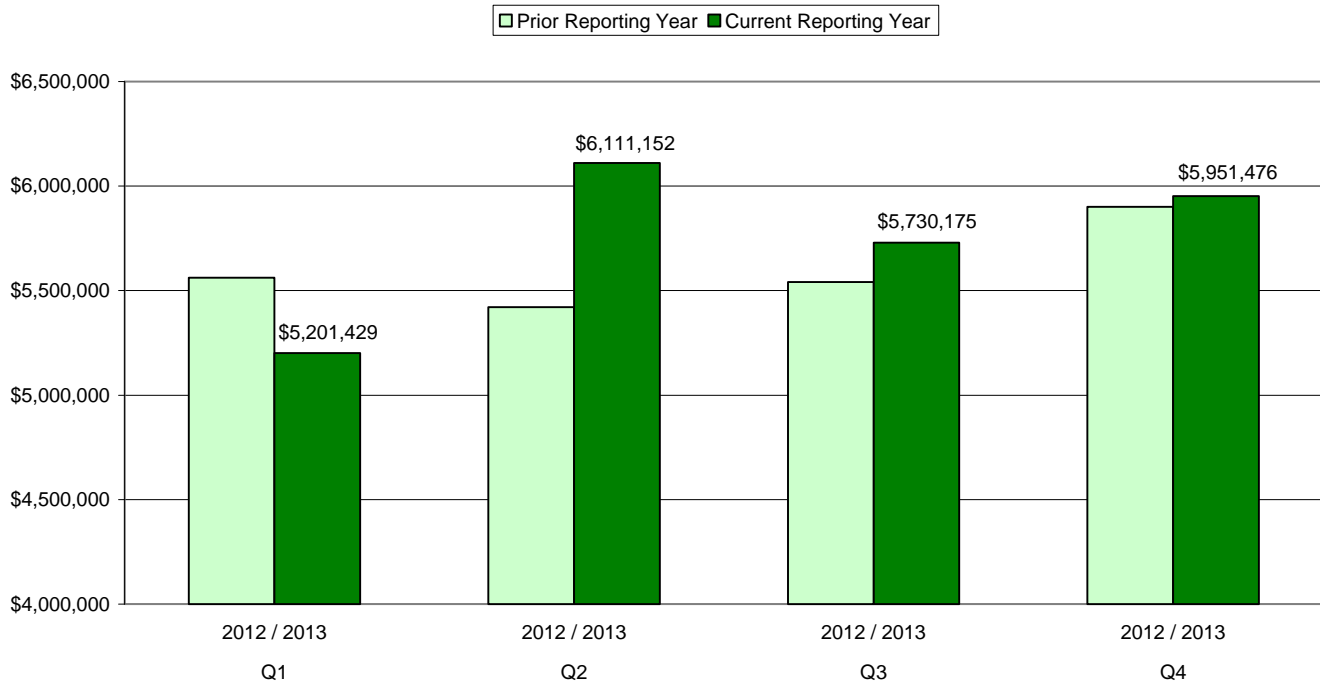


# Major Revenues

## Sales Tax

For 2013-Q4, businesses in the City generated \$5,951,476 in sales tax revenue, which is a 1% increase (\$49,841) over the same quarter in 2012. Over the past four quarters, the average sales tax revenue was \$5.6 million, with no significant decrease, with the exception of the first quarter. Please note that sales tax reporting is one quarter behind and the data presented herein is the most current available.

### Sales Tax Revenue – Calendar Year



From 2005 through 2009, annual sales tax revenue decreased from \$24,818,712 to \$16,695,608, resulting in 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, which is an increase of \$1,567,259. In calendar year 2013, the City experienced another increase of 2.5% (\$569,570).

### Sales Tax Revenue from the Past Nine Calendar Years

<b>2005</b>	<b>2006</b>	<b>2007</b>
\$24,818,712	\$23,948,949 ↓	\$23,115,557 ↓
<b>2008</b>	<b>2009</b>	<b>2010</b>
\$20,431,957 ↓	\$16,695,608 ↓	17,266,497 ↑
<b>2011</b>	<b>2012</b>	<b>2013</b>
\$18,833,756 ↑	\$22,424,662 ↑	\$22,994,232 ↑

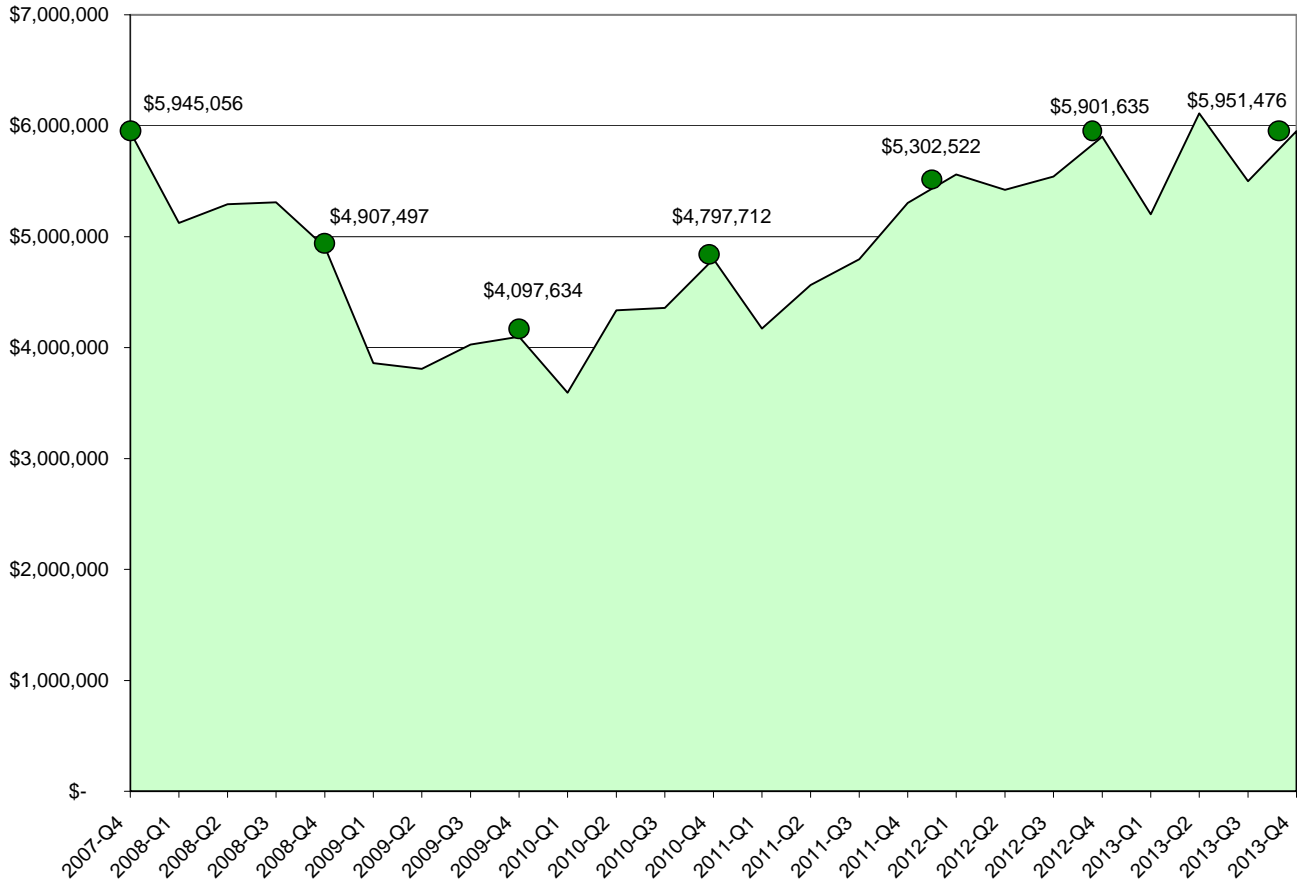
**TREND ANALYSIS: ↑ Increase**

# Major Revenues

## Sales Tax

Based on a trend analysis, quarterly sales tax has gradually increased from a low of \$4 million in 2009-Q4 to its current level of \$5.9 million in 2013-Q4, which is a slight increase from 2012-Q4. The trend line indicates an increase in sales tax revenue in a quarter-per-quarter comparison starting from 2009-Q4 to 2013-Q4.

**Fourth Quarter Trend Analysis**



**Fourth Quarter Analysis**

A trend analysis of sales tax on a quarter by quarter basis is another method to measure consumer confidence. In 2010-Q4, sale tax revenue was at \$4.7 million and has progressively increased to a high of \$5.9 million for 2013-Q4, with an increase of \$1,153,764.

2010-Q4	2011-Q4	2012-Q4	2013-Q4
\$4,797,712	\$5,302,522	\$5,901,635	\$5,951,476

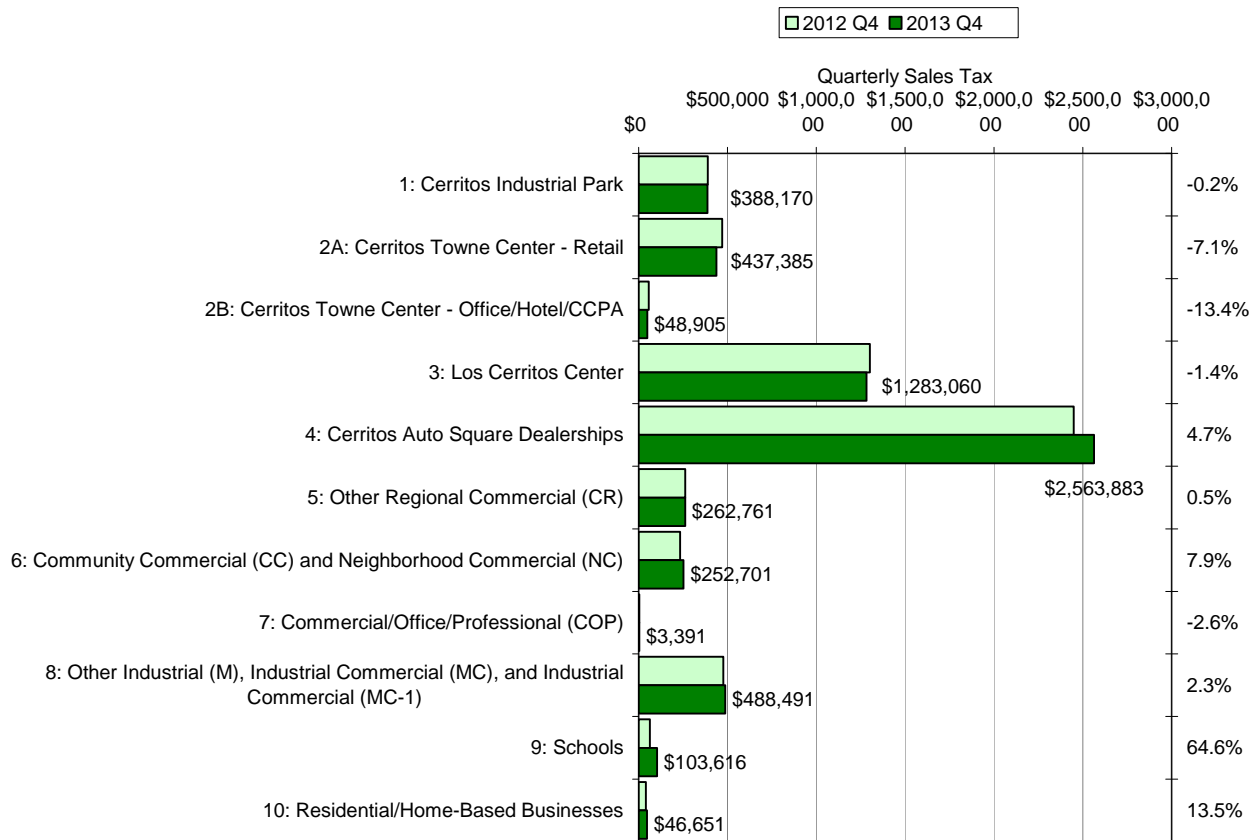
**TREND ANALYSIS: ↑ Increase**

# Major Revenues

## Sales Tax

For 2013-Q4, the Cerritos Auto Square generated the highest amount of sales tax at \$2.5 million (4.7% increase from the previous year), of all City business sectors. Additionally, six sectors experienced sales tax increase ranging from 0.5% (Other Regional Commercial) to 64.6% (Schools). In contrast, five sectors experienced a decline in sales tax revenue ranging from -0.2% (Cerritos Industrial Park) to -13.4% (Cerritos Towne Center-Office/Hotel/CCPA).

### Sales Tax by Sector Comparative Analysis for 2013-Q4



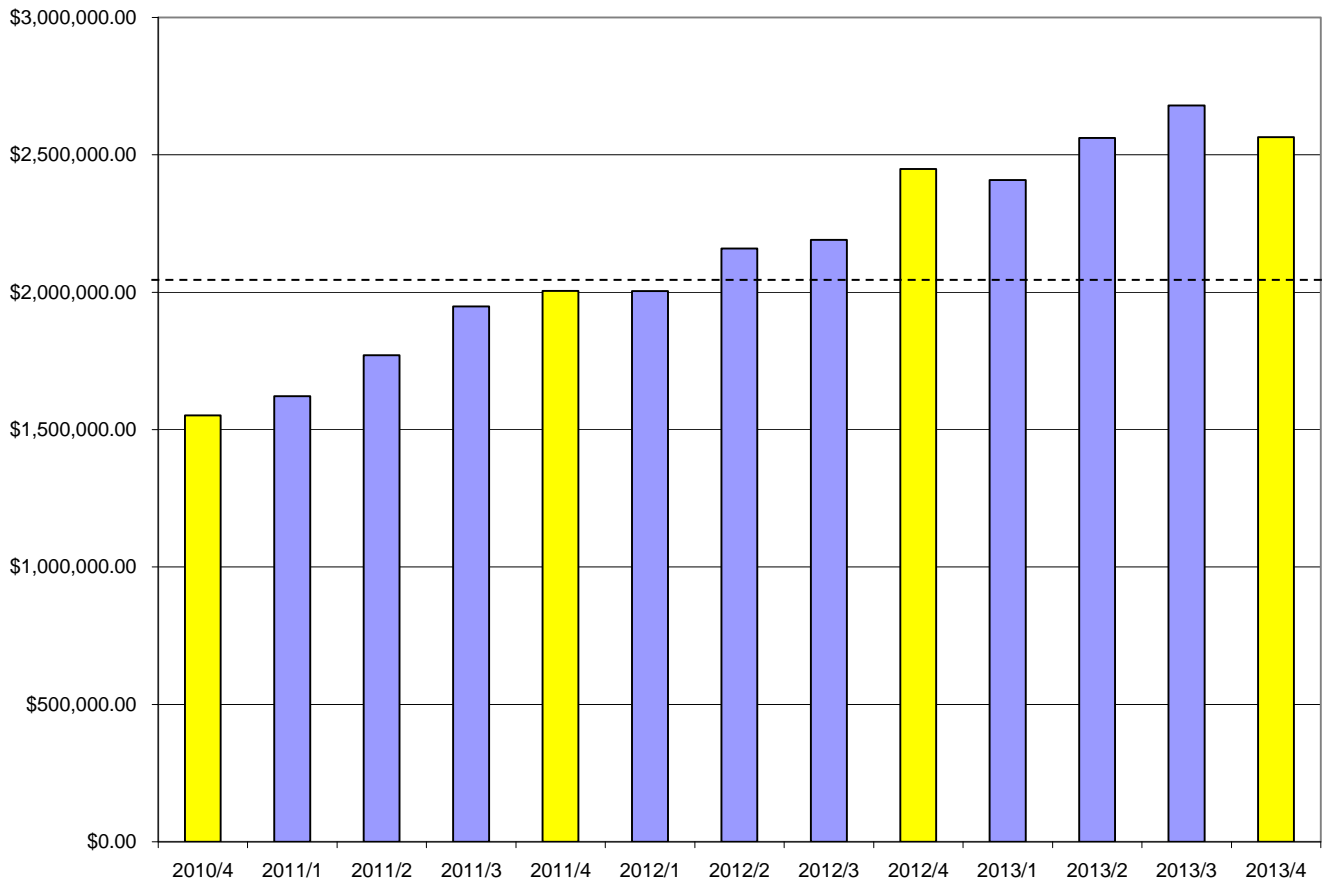


# Major Revenues

## Sales Tax

The Cerritos Auto Square generated the greatest amount of sales tax of any business sector in the City in 2013-Q4 (\$2.5 million). In a quarter-to-quarter comparison, 2013-Q4 increased from 2012-Q4 by 5%. This trend analysis indicates an increase in auto sales and a recovering local economy. Ongoing renovations and upgrades to dealerships in the Auto Square, an effective marketing campaign by the Auto Dealers Association and an increase in consumer confidence may have been contributing factors in the increase of auto sales.

**Cerritos Auto Square**



2010-Q4 to 2013-Q4

Average: \$2,147,125

Auto sales generated sales tax has consistently increased in a quarter by quarter comparison of fourth quarter sales. This increasing slope on the bar chart for the past four years illustrates a positive sign for the Cerritos Auto Square. For example, in a quarter-to-quarter comparison of sales tax revenue, 2012-Q4 was 22% higher than 2011-Q4. Additionally, 2011-Q4 was 29% higher than 2010-Q4.

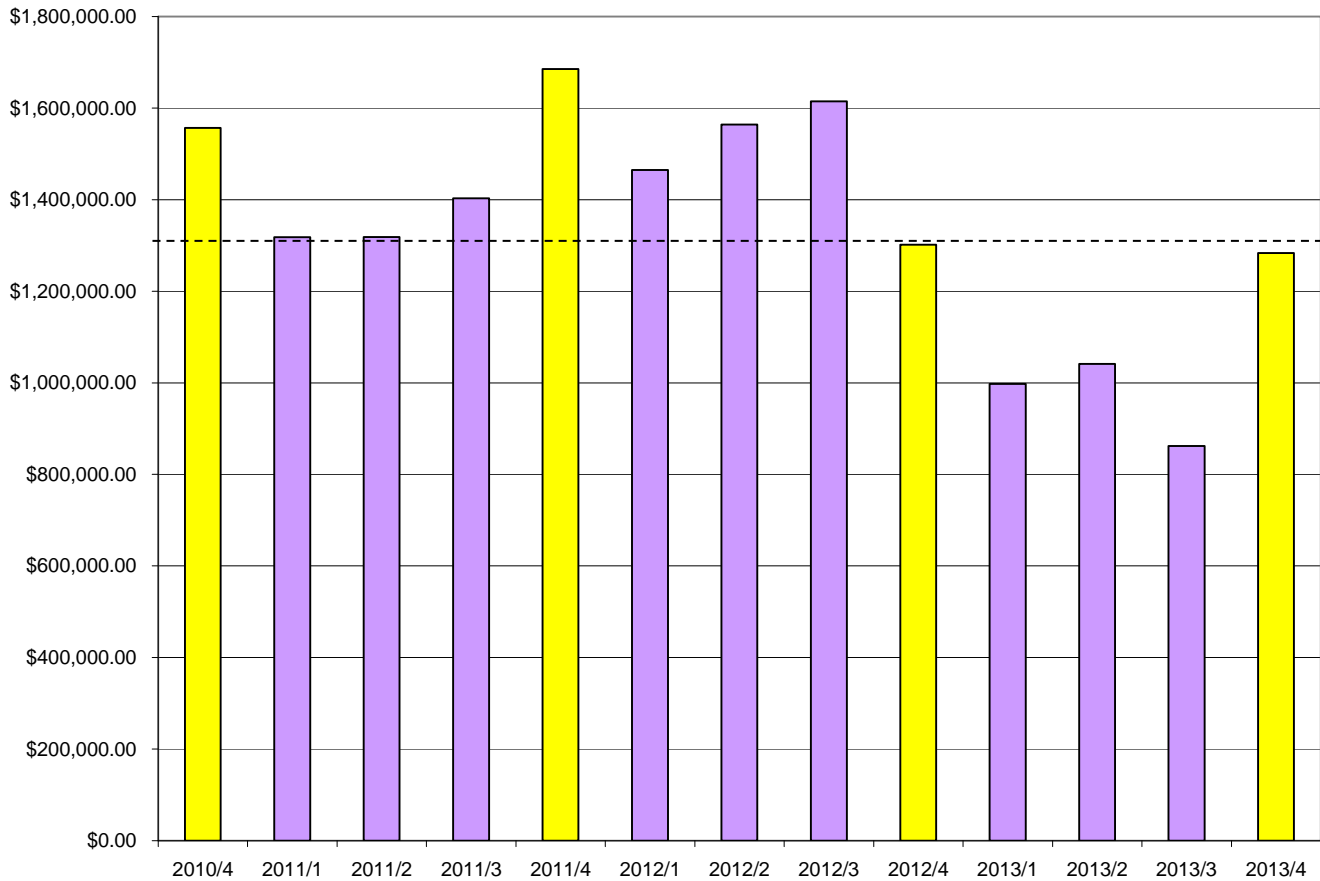
**TREND ANALYSIS: ↑ Increase**

# Major Revenues

## Sales Tax

The Los Cerritos Center generated the second greatest amount of sales tax revenue for the City's General Fund at \$1.2 million in 2013-Q4. Based on the trend analysis, sales tax revenue has decreased from 2012-Q4. However, sales tax revenue at the Los Cerritos Center has averaged approximately \$1.3 million dollars per quarter from 2010-Q4 to 2013-Q4 (with the exception of seasonal increases that correspond with fourth quarter holiday sales).

**Los Cerritos Center**



2010-Q4 to 2013-Q4

Average: \$1,339,395

A trend analysis (quarter-to-quarter comparison of sales tax revenue) from 2012-Q4 to 2013-Q3 indicates a decrease in sales tax revenue and may be attributed to the vacancy at the former Nordstrom building on the southwest corner of the Center and an increase in internet sales. However, sales tax for 2013-Q4 was higher than the past three quarters in 2013, which is consistent with City-wide fourth quarter sales tax data.

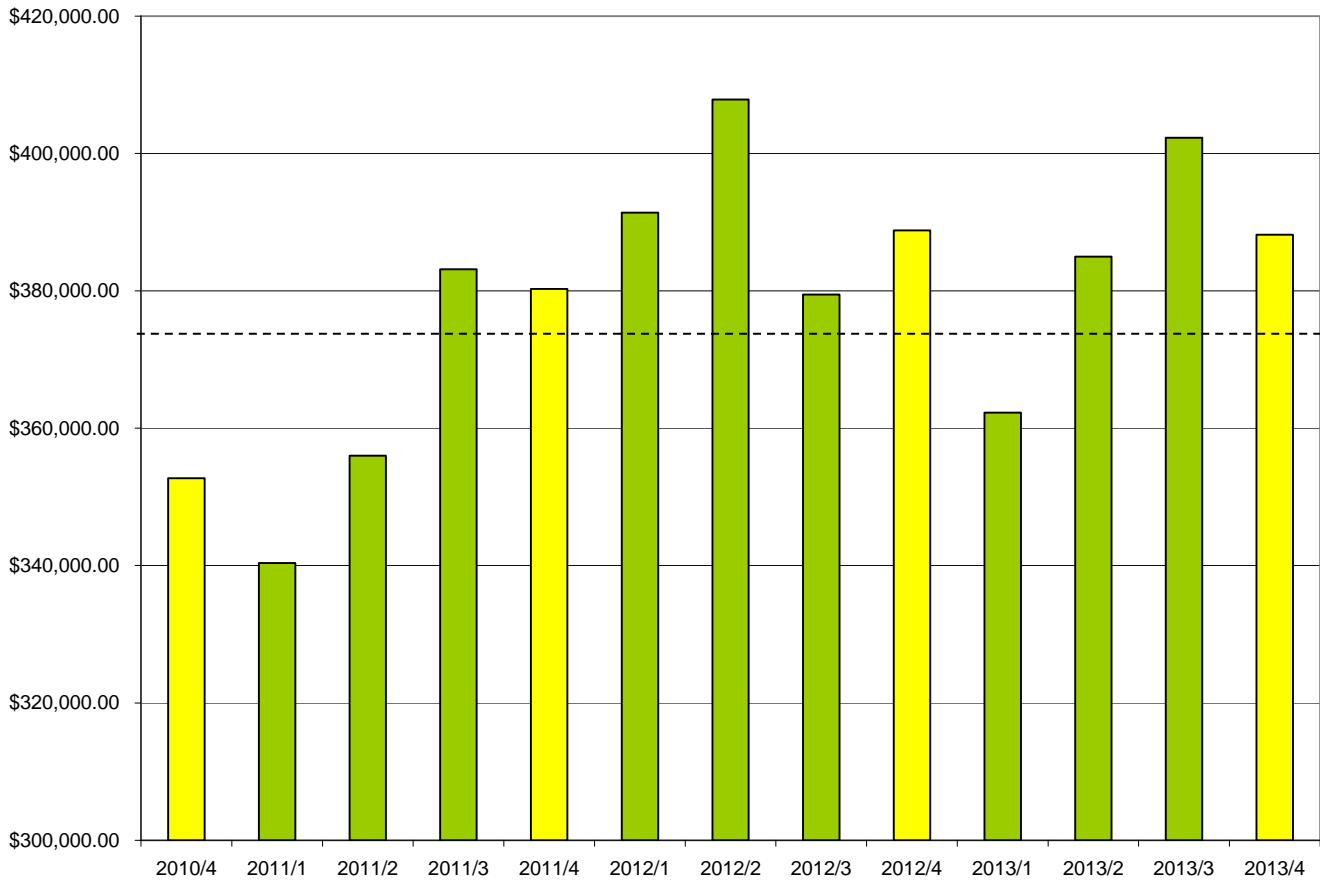
**TREND ANALYSIS: ↓ Decrease**

# Major Revenues

## Sales Tax

The Cerritos Industrial Park is one of the highest sales tax generators in Cerritos. The Cerritos Industrial Park generated \$388,169 in 2013-Q4, which is a 0.2% decrease from 2012-Q4. Based on the trend analysis, sales tax revenue has remained relatively constant throughout the review period with no significant changes.

**Cerritos Industrial Park**



2013-Q4 to 2013-Q4

Average: \$378,290

In a quarter-to-quarter trend analysis, sales tax revenue has remained relatively constant. Over 13 quarters, the average sales tax for the industrial park was \$378,290, with a low of \$340,363 in 2011-Q1 and a high of \$407,846 in 2012-Q2.

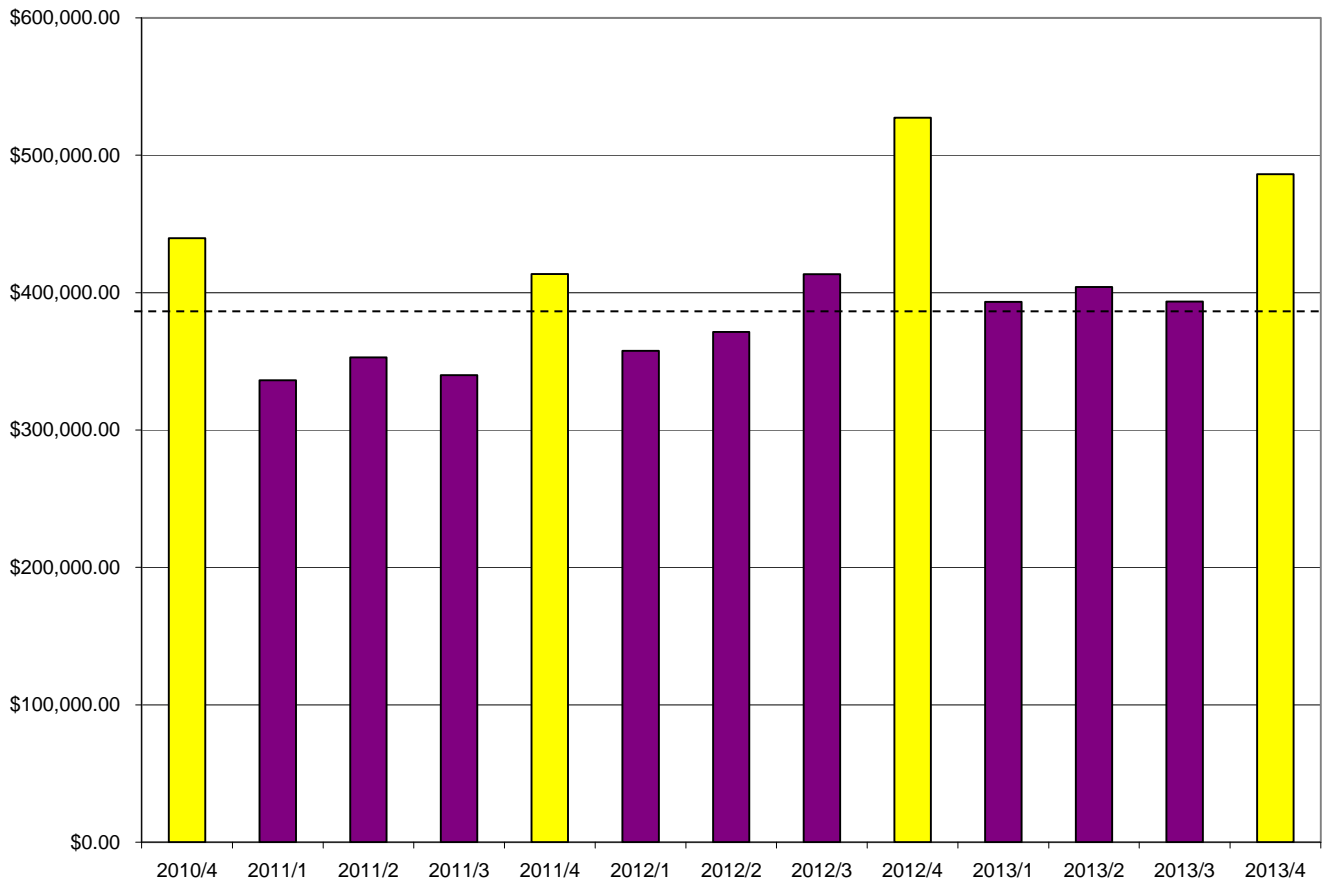
**TREND ANALYSIS: → Constant**

# Major Revenues

## Sales Tax

Sales tax revenue at the Cerritos Towne Center was \$486,290 for 2013-Q4, which is a decrease of 8% from 2012-Q4. Based on a trend analysis from 2010-Q4 to 2013-Q4, the Cerritos Towne Center has not experienced any significant changes in sales tax revenue, outside of seasonal fourth quarter increases.

**Cerritos Towne Center**



2010-Q4 to 2013-Q4

Average: \$402,223

Sales tax has remained fairly constant from 2010-Q4 to 2013-Q4 with an average of \$402,223 per quarter. Based on a trend analysis in a quarter-to-quarter comparison of sales tax revenue, 2013-Q4 was slightly lower than 2012-Q4, but higher than 2011-Q4 (18%) and 2010-Q4 (11%).

**TREND ANALYSIS: → Constant**

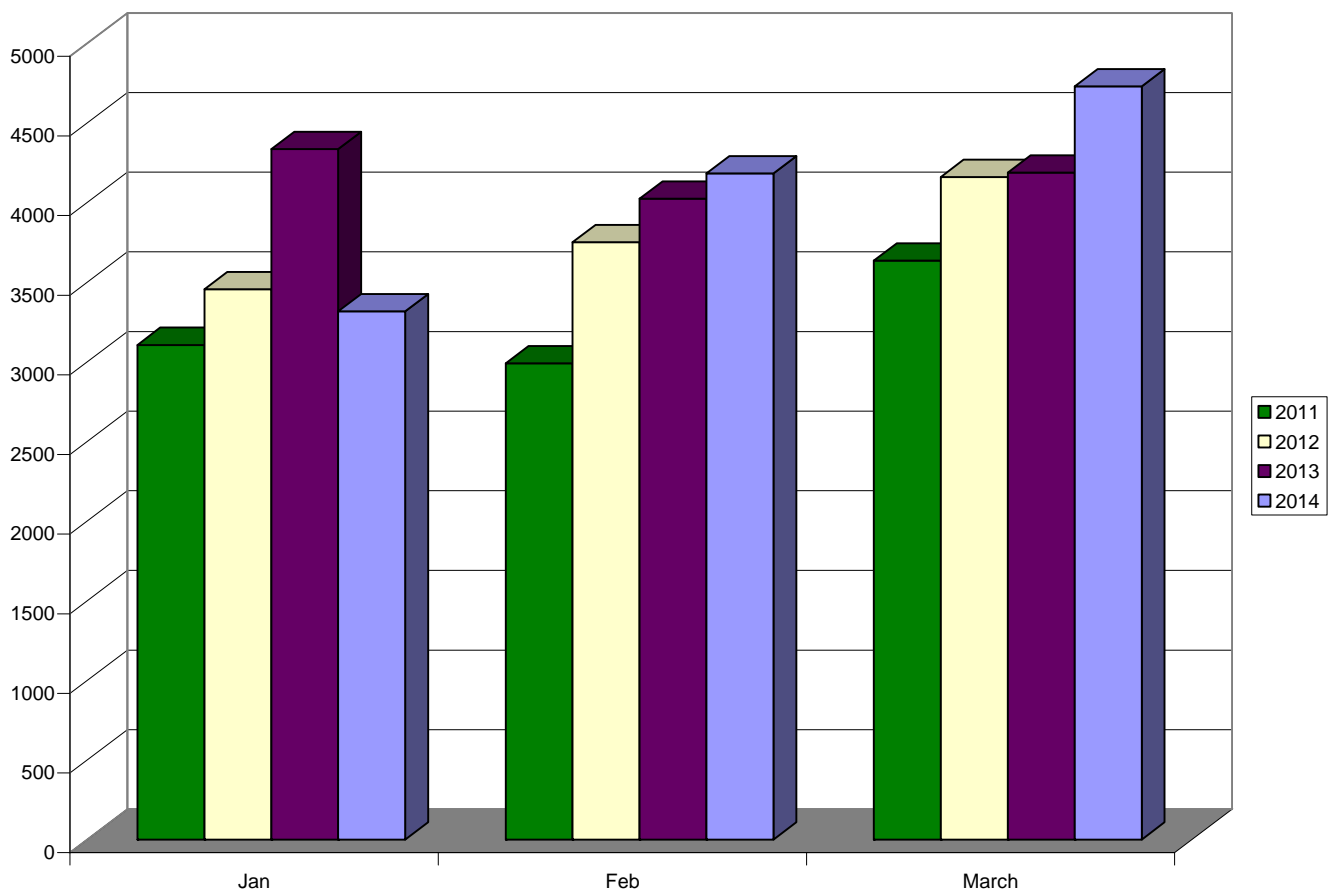
# Major Revenues

## 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 former Cerritos Redevelopment Agency, the Cerritos Auto Square generates approximately half of the City's sales tax revenue.

For 2014-Q1, sales increased in January and March from the previous year averaging approximately 4,076 vehicles sold per month. Overall, sales were lower for 2014-Q1 from 2013-Q1 (a difference of 319 cars); however, sales remained higher than in 2011 and 2012.

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



**Cars Sold in 2014-Q1**

January	February	March
3,316	4,183	4,730

2014-Q1 Total: 12,229  
 2013-Q1 Total: 12,548  
 Difference: (-319)

**TREND ANALYSIS: ↑ Increase**

# Major Revenues

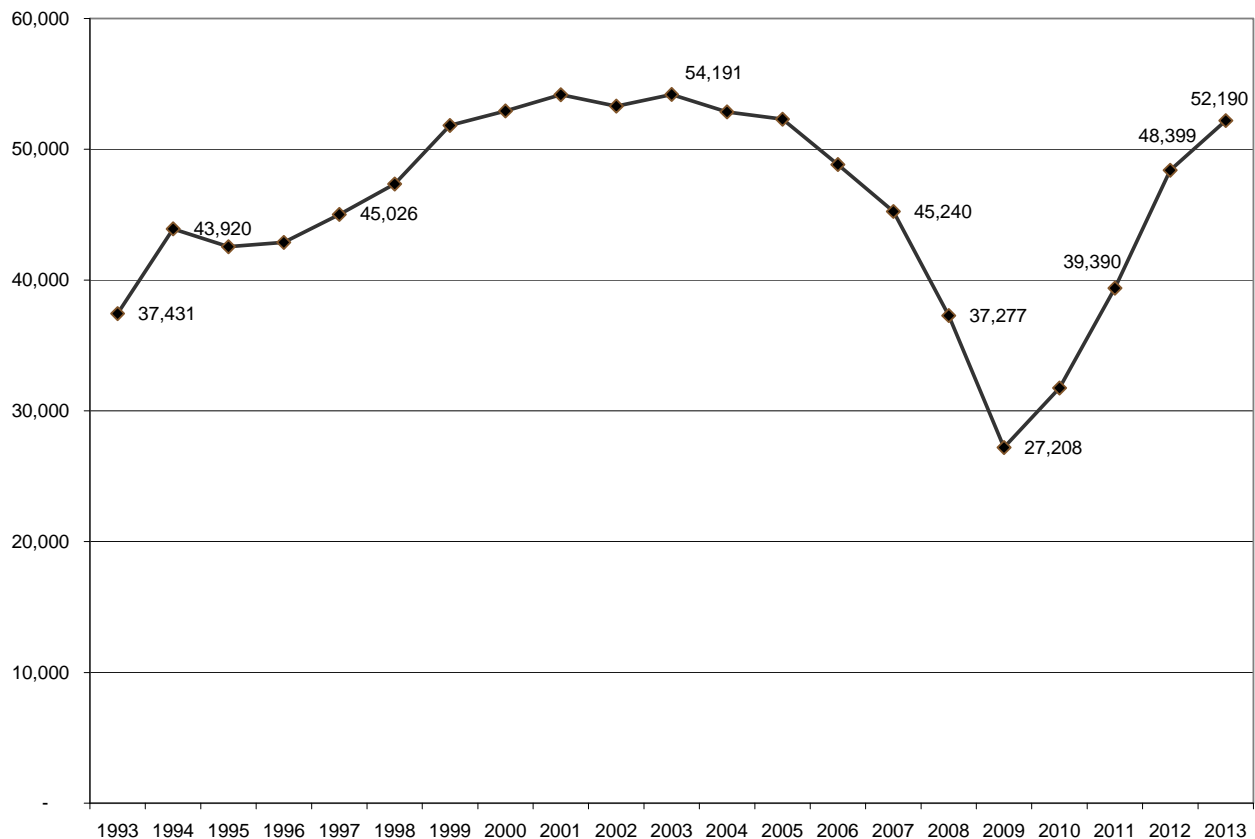
## Auto Sales

The Cerritos Auto Dealers Association has been compiling data since 1993 in order to conduct annual sales comparisons. From 1993 to 2013, a total of 960,980 cars have been sold, equating to an annual average of 45,761 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 another significant increase in sales in 2013 over sales in 2012. In fact, there was an 8% increase in auto sales from 2012 to 2013 with a total of 3,791 more cars sold. The 2013 year marks a total of four years in a row that total annual sales exceeded sales totals from the previous year (2010, 2011, 2012 and 2013).

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	2012	2013
37,277	27,208	31,747	39,390	48,399	52,190

**Trend Analysis – 1993 to 2013**

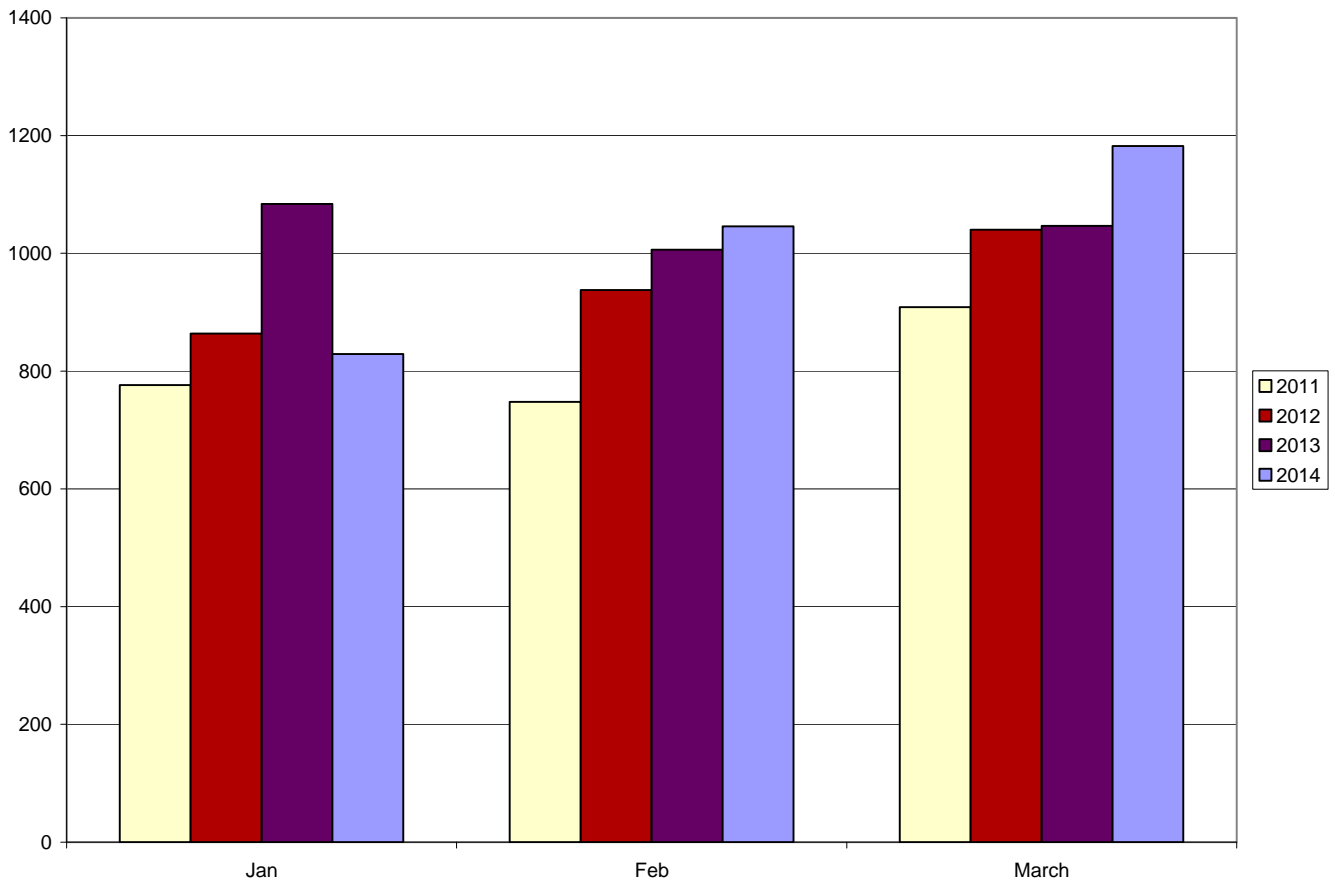


# Major Revenues

## Auto Sales

Based on a trend analysis, weekly sale averages for 2014-Q1 exceeded weekly averages for the first quarter for 2011, 2012 and 2013 (with the exception of January 2013). In addition, March 2014 experienced the highest number of weekly average sales within the review period with 1,183 cars sold.

**Weekly Averages – 2011-Q1 to 2014-Q1**



### Weekly Average 2014-Q1

- January 2014 (829 cars sold)
- February 2014 (1,046 cars sold)
- March 2014 (1,183 cars sold)

### Weekly Average 2013-Q1

- January 2013 (1,084 cars sold)
- February 2013 (1,006 cars sold)
- March 2013 (1,047 cars sold)

### Weekly Average 2012-Q1

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

### Weekly Average 2011-Q1

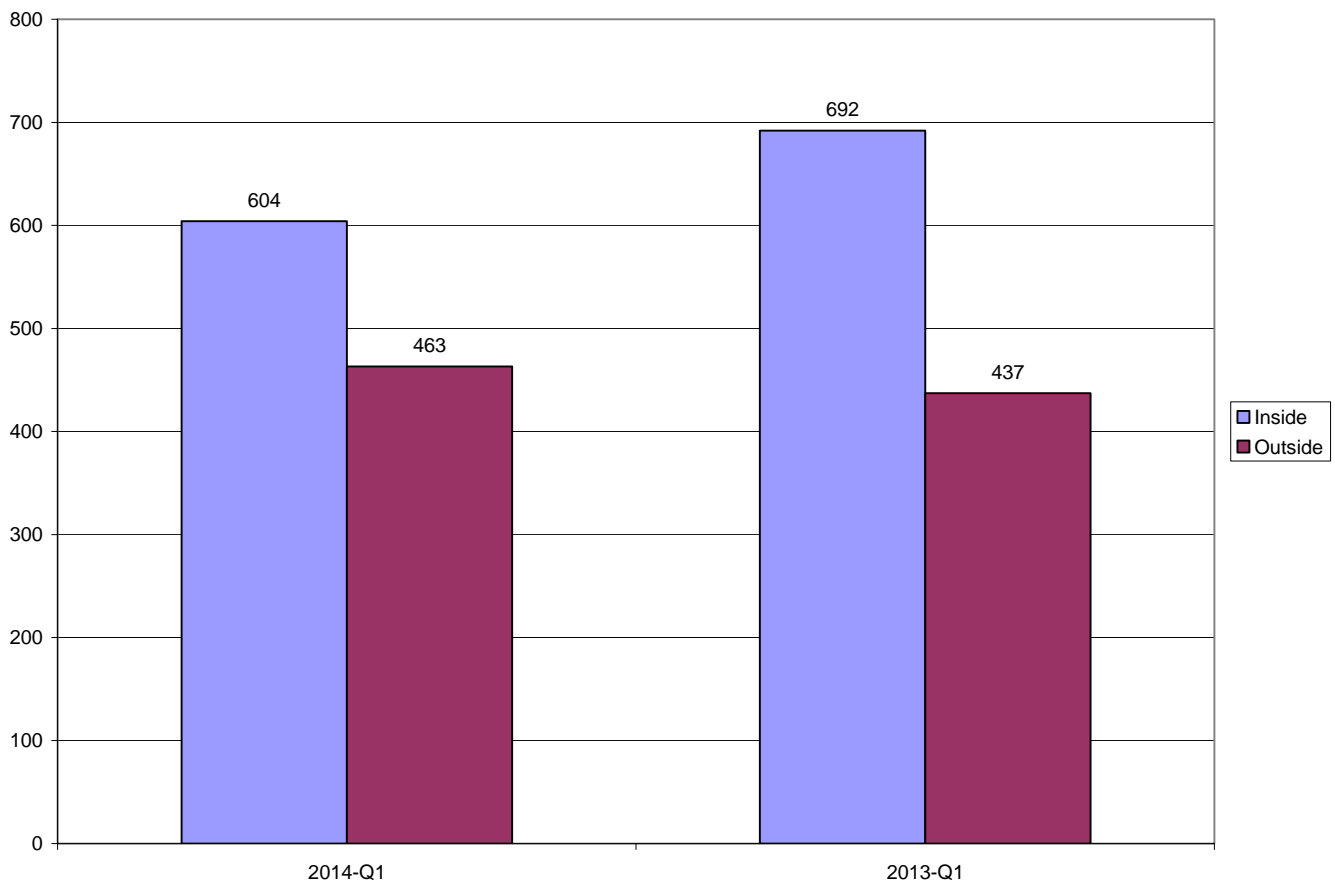
- January 2011 (777 cars sold)
- February 2011 (748 cars sold)
- March 2011 (909 cars sold)

# Major Revenues

## Business License

The tracking of new and renewed business licenses is one method of forecasting business growth in the City. For 2014-Q1, a total of 1,067 new and renewal business licenses were processed by the City, which generated \$253,467 in license revenue for the City. 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, who are required to have a City issued business license; however, their business offices are not located within the City's jurisdictional boundaries. In 2014-Q1, the City experienced a 6% decrease (reduction of 62 licenses) in the issuance of new and renewal of business licenses from 2013-Q1.

**2014-Q1 New and Renewal of Business Licenses – Located in Cerritos and Located Outside Cerritos**



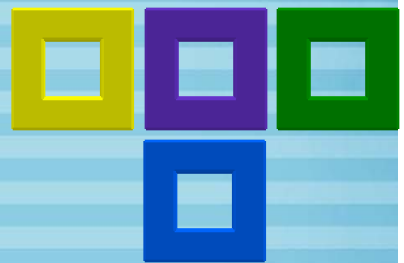
**2014-Q1 New and Renewal of Business Licenses**

2014-Q1 Total New and Renewal of Business Licenses: 1,067  
2013-Q1 Total New and Renewal of Business Licenses: 1,129  
Difference: (-62)

**TREND ANALYSIS: ↓ Decrease**



# Unemployment



# Unemployment

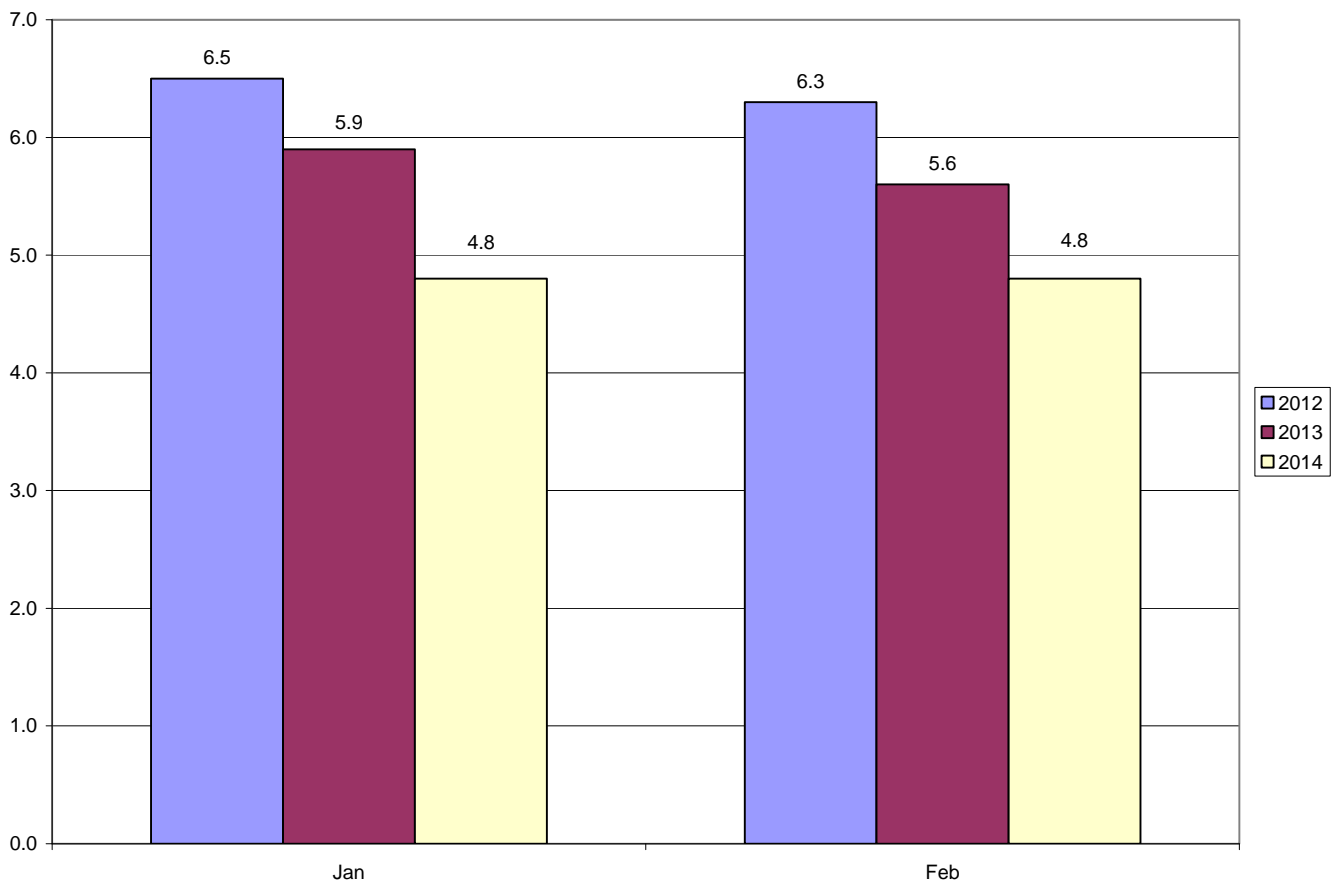
## Current Rate

According to the Federal Bureau of Labor and Statistics, the unemployment rate among Cerritos residents in February 2014 was approximately 4.8%, which is a decrease from February 2013 (5.6%) and February 2012 (6.3%). In addition, the unemployment rate has decreased each month in January and February from 2012 to 2014. However, the unemployment rate was constant at 4.8% in January 2014 and February 2014. This reduction in the unemployment rate is a positive sign for the local economy and an indicator of potential increased consumer confidence. (Please note that March 2014 data was not available at the time of the preparation of this report.)

### Quarterly Unemployment Rate

May 2013	August 2013	November 2013	February 2014
5.0%	5.5%	5.1%	4.8%

Unemployment Rate – Quarterly Comparison  
2012 to 2014



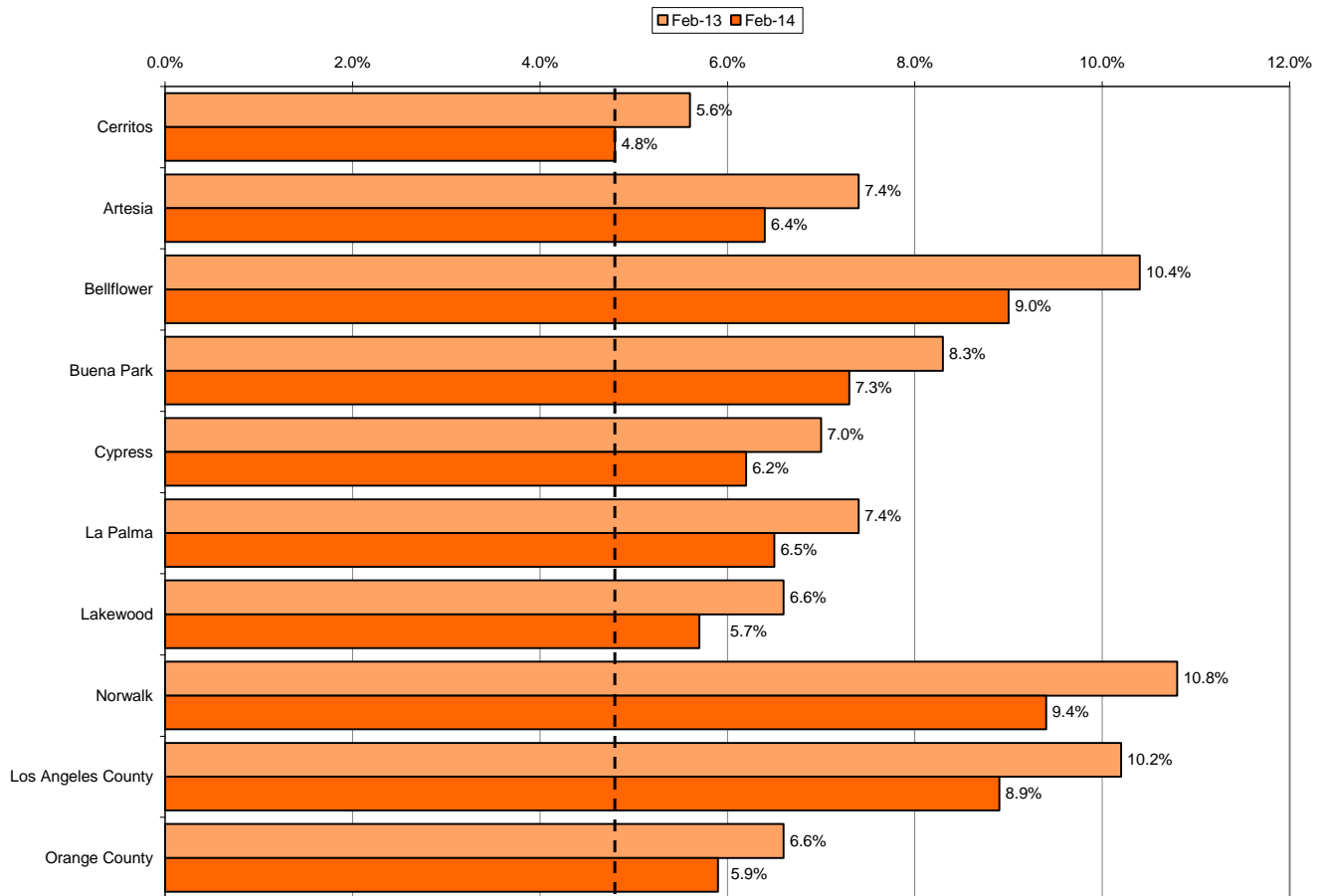
**TREND ANALYSIS: ↓ Decrease**

# Unemployment

## Surrounding Cities, County and State

According to the California Employment Development Department, the unemployment rate among Cerritos residents in February 2014 was approximately 4.8%, which is the lowest unemployment rate among surrounding cities. Additionally, the Cerritos unemployment rate is lower than Los Angeles County (8.9%) and Orange County (5.9%).

**Unemployment Rate – Surrounding Cities and Comparable Cities  
February 2014**



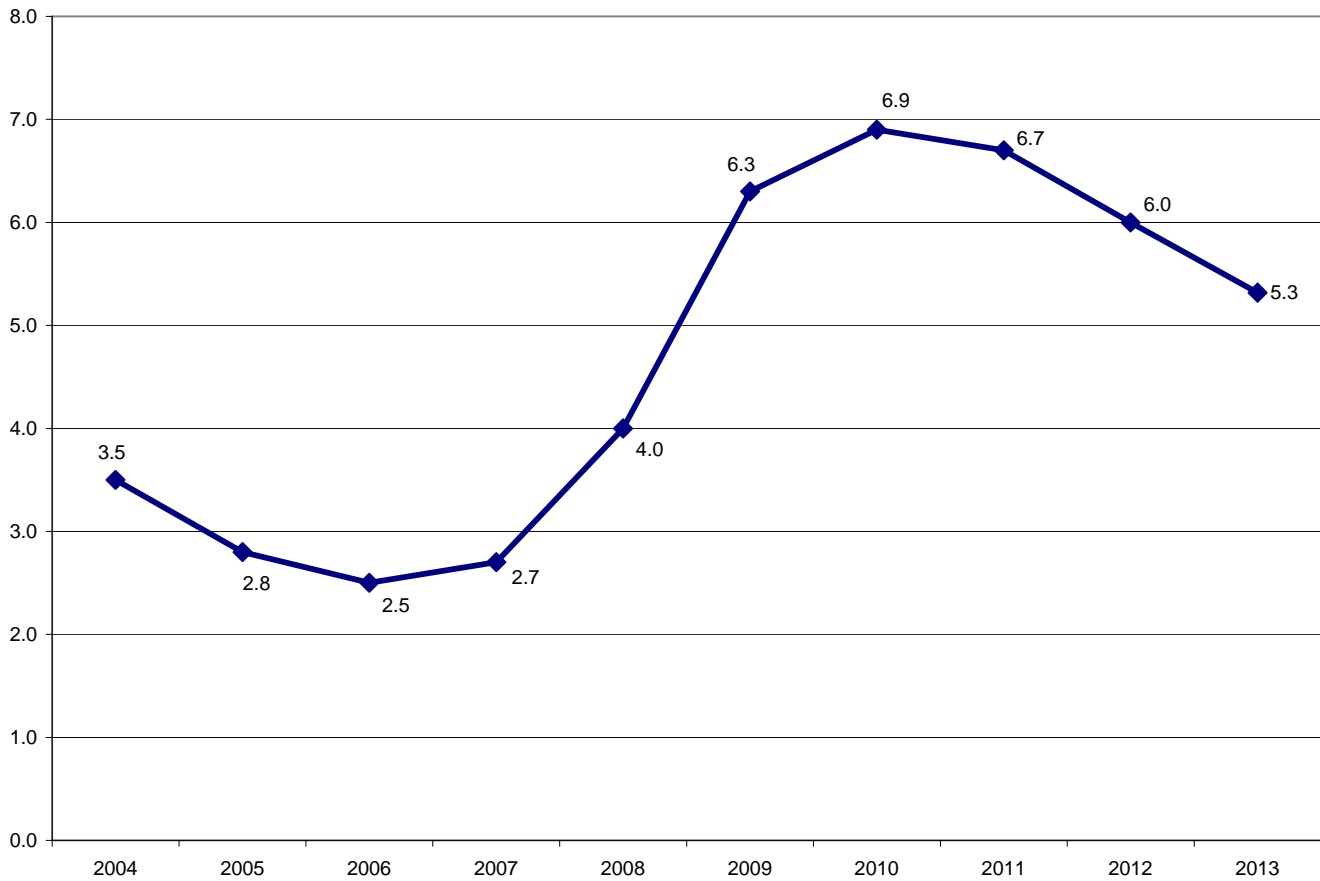
**TREND ANALYSIS: ↓ Decrease**

# Employment

## Cerritos – Annual Unemployment Rate

In 2004, Cerritos had an unemployment rate of 3.5%, which then decreased to a low of 2.5% in 2006. However, with the Great Recession beginning in 2008, the unemployment rate increased to a high of 6.9% in 2010. Since 2010, the unemployment rate has steadily decreased. Currently, the unemployment rate is at 4.8% (February 2014). For calendar year 2013, the average annual unemployment rate for Cerritos was 5.3%, which was lower than the four previous years.

**Average Annual Unemployment Rate**



**Average Annual Unemployment Rate**

<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
3.5%	2.8%	2.5%	2.7%	4.0%
<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
6.3%	6.9%	6.7%	6.0%	5.3%

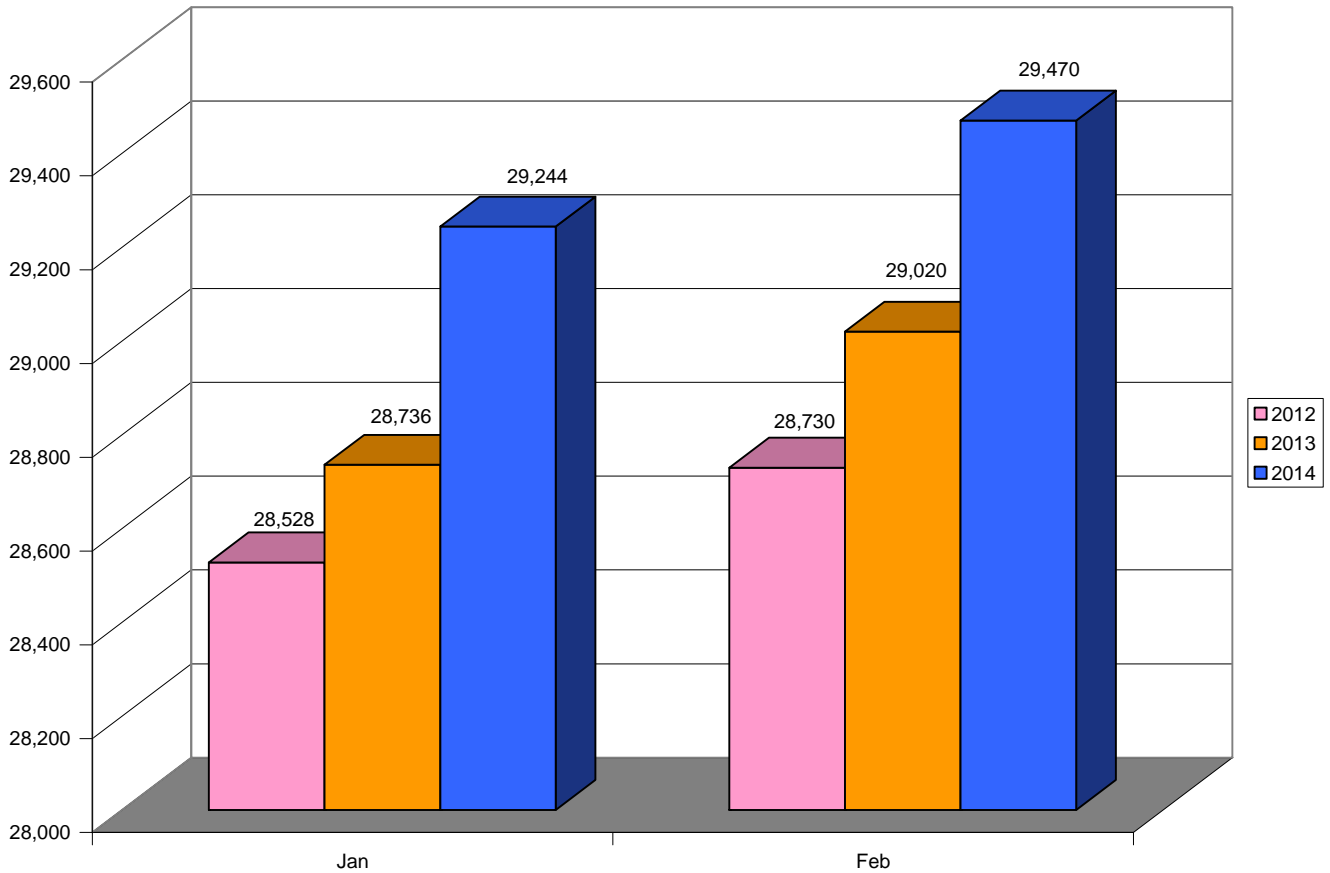
**TREND ANALYSIS: ↓ Decrease**

# Employment

## Cerritos – Labor Force

According to the United States Bureau of Labor and Statistics, labor force refers to the sum of all employed and unemployed individuals in the economy. In Cerritos, there were 29,470 persons as of February 2014 in the local workforce, an increase of 450 persons from the same month last year. Based on a trend analysis, the labor force in the City has increased from January 2012 through February 2014 from the previous years.

**Labor Force – Cerritos**



**Annual Average Cerritos Labor Force**

2003	2004	2005	2006	2007
28,520	28,618	28,826	29,133	29,478

2008	2009	2010	2011	2012	2013
29,498	28,709	28,597	28,725	28,520	29,254

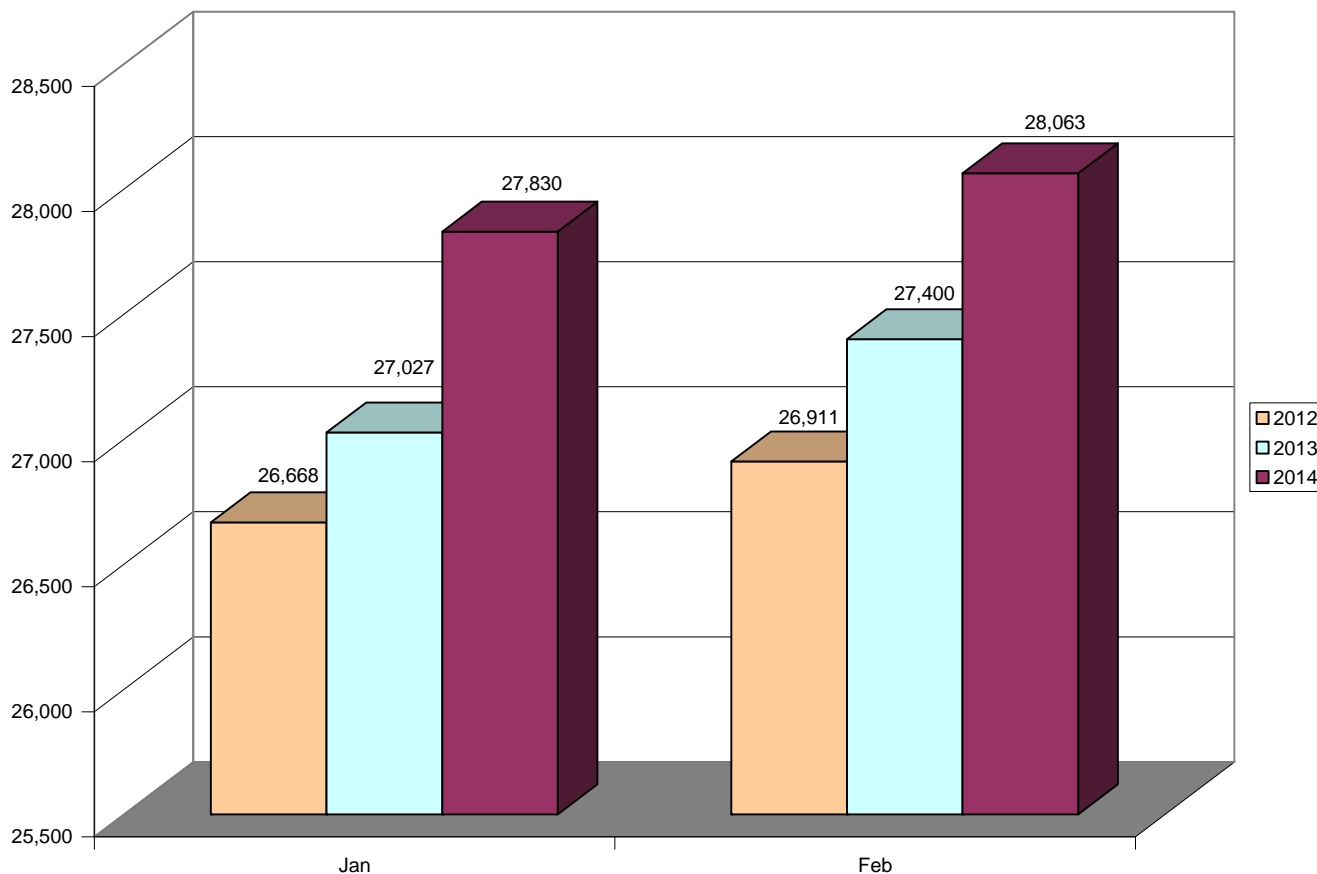
**TREND ANALYSIS: ↑ Increase**

# Employment

## Employment in Cerritos

There were 28,063 jobs in February 2014 within the City that employ both Cerritos residents and persons that reside outside of Cerritos. Based on the trend analysis, employment from February 2013 through February 2014 has increased by 663 jobs. Additionally, employment has increased each month in a year-to-year comparison with 2012 and 2013, which indicates that the local economy is growing.

**Employment – Cerritos**



**Annual Average Employment in Cerritos**

2003	2004	2005	2006	2007
27,457	27,624	28,008	28,397	28,688

2008	2009	2010	2011	2012	2013
28,315	26,887	26,615	26,786	26,800	27,699

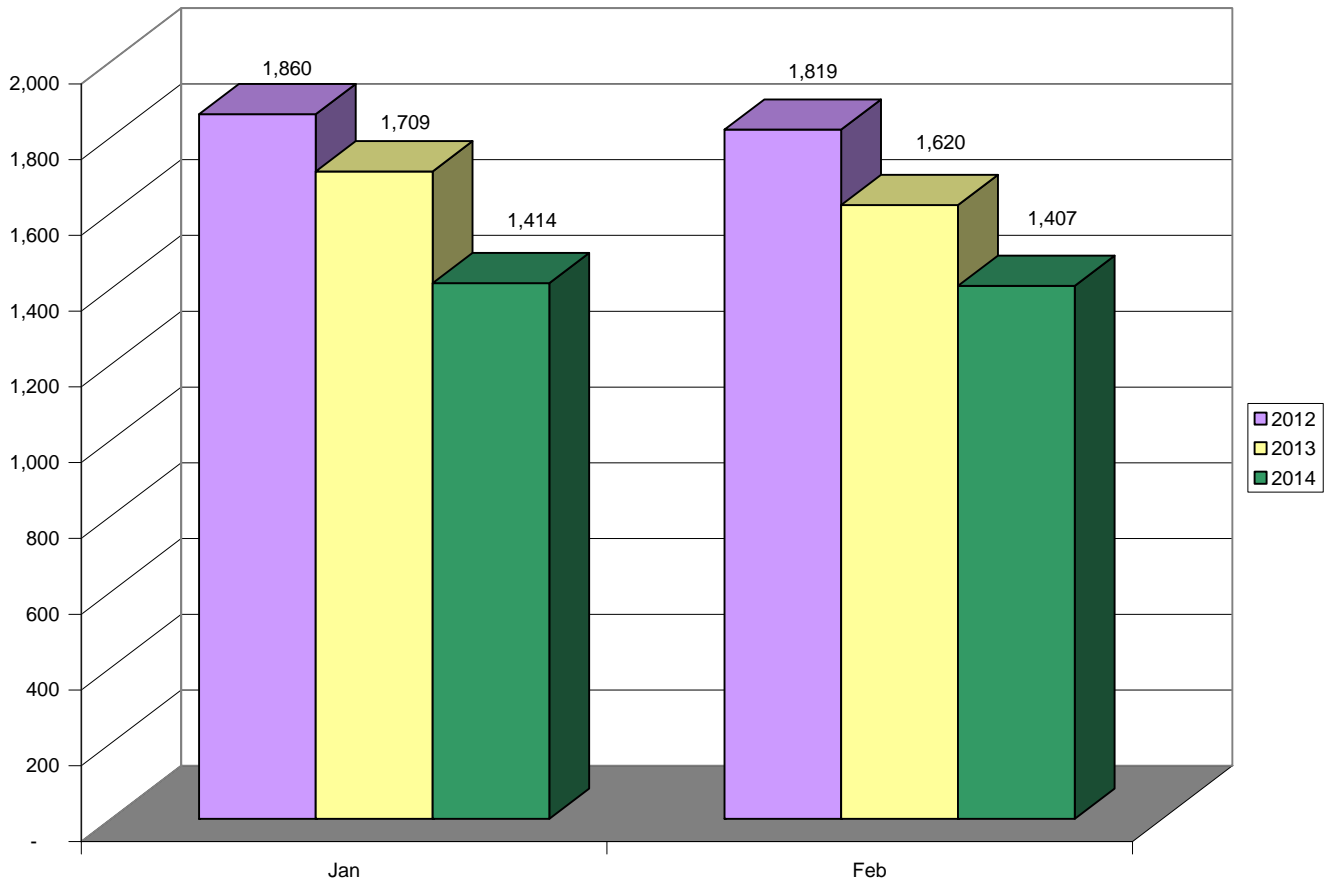
**TREND ANALYSIS: ↑ Increase**

# Unemployment

## Unemployment in Cerritos

According to the United States Bureau of Labor and Statistics, the number of individuals unemployed is calculated with the following formula:  $\text{unemployment} = \text{labor force} - \text{employment}$ . Based on the data from February 2014, there are currently 1,407 (4.8%) individuals unemployed in Cerritos, which is a decrease of 213 persons from February 2013. Additionally, unemployment has decreased in a year-to-year comparison from 2012 through 2014 for January and February.

**Unemployment – Cerritos**

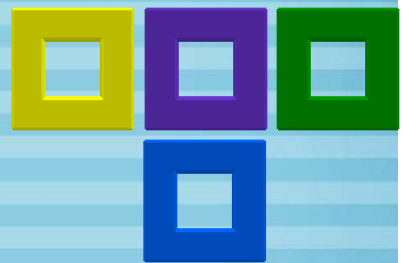


**Annual Average Unemployed in Cerritos**

<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	
1,063	994	818	736	790	
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
1,183	1,822	1,982	1,939	1,720	1,555

**TREND ANALYSIS: ↓ Decrease**

# Commercial Real Estate



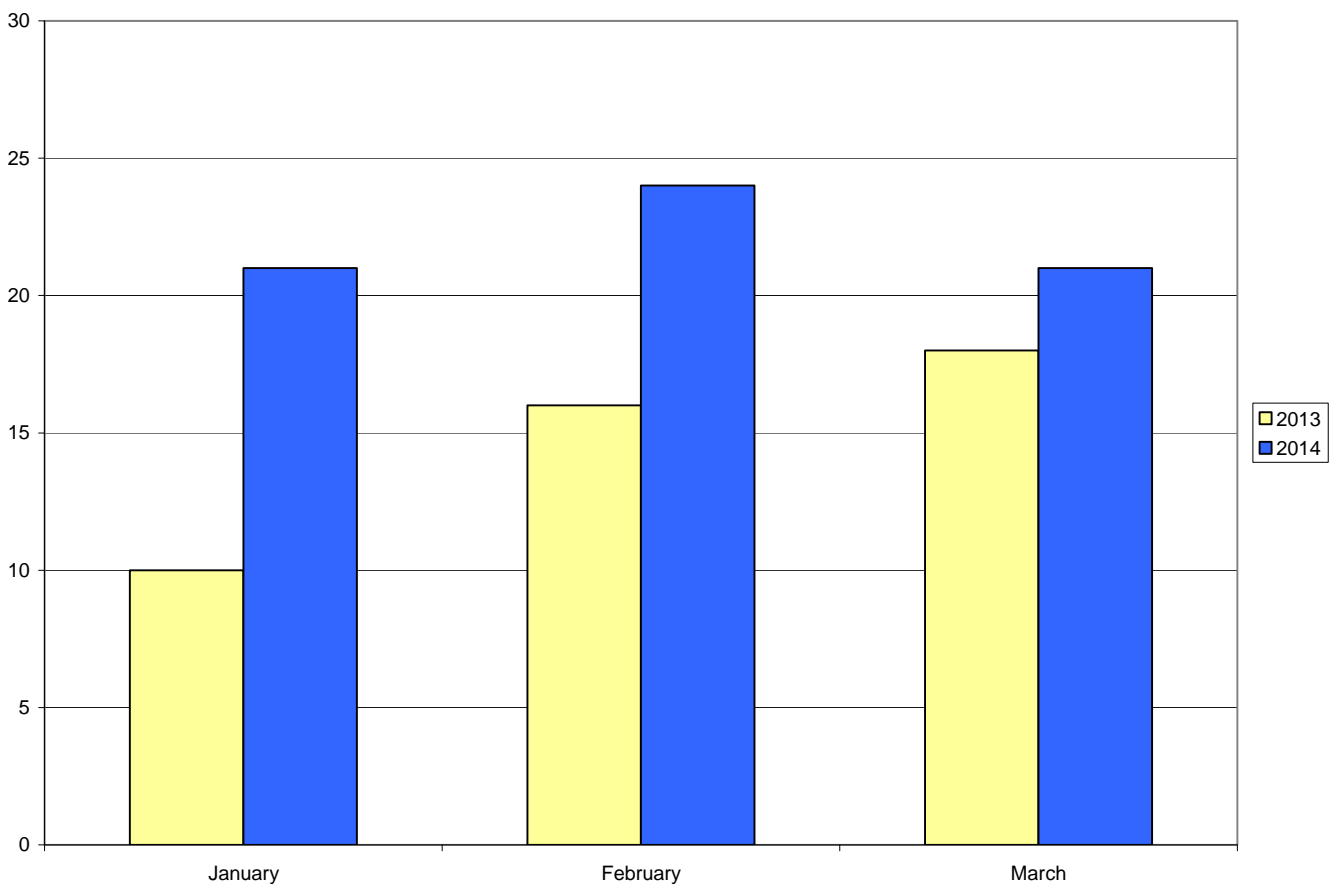


# Commercial Real Estate

## 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 2014-Q1, CO's increased from a year ago. A total of 66 CO's were processed in 2014-Q1, an increase of 22 (50% increase) from 2013-Q1, in which 44 CO's were processed.

**Certificates of Occupancy for 2014-Q1**



**Certificate of Occupancy – 2014**

Jan	Feb	Mar	Apr	May	June
21	24	21			
July	Aug	Sept	Oct	Nov	Dec

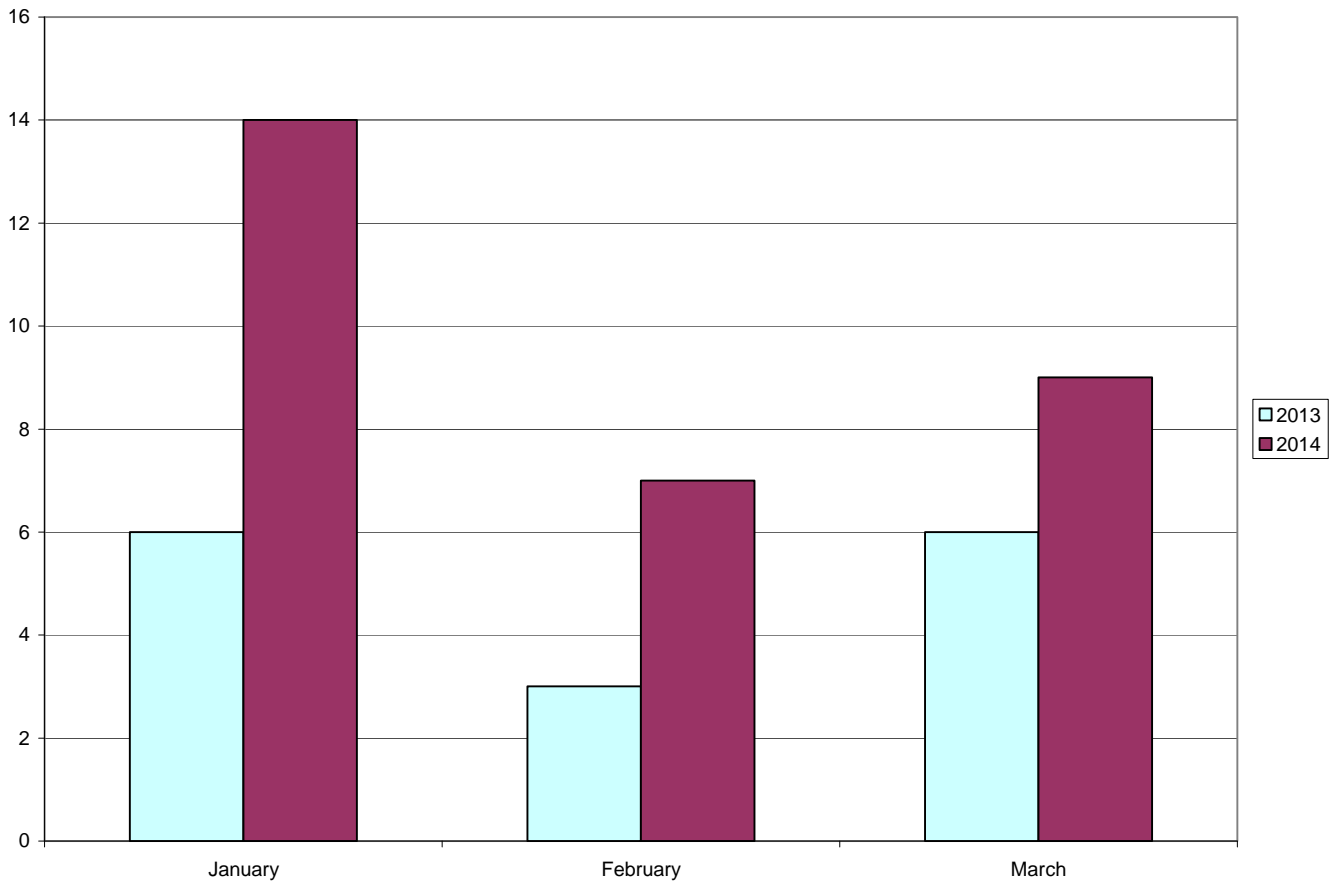
**TREND ANALYSIS: ↑ Increase**

# 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. A TI is an indicator of a new business starting in the City or an existing business expanding to meet their needs. For 2014-Q1, tenant improvements increased from the previous year. A total of 30 TI's were processed in 2014-Q1, an increase of 15 (100%) from 2013-Q1, in which 15 TI's were processed.

**Tenant Improvements for 2014-Q1**



**Tenant Improvements – 2014**

Jan	Feb	Mar	Apr	May	June
14	7	9			
July	Aug	Sept	Oct	Nov	Dec

**TREND ANALYSIS: ↑ Increase**

# Commercial Real Estate

## Cerritos Vacancy Rates

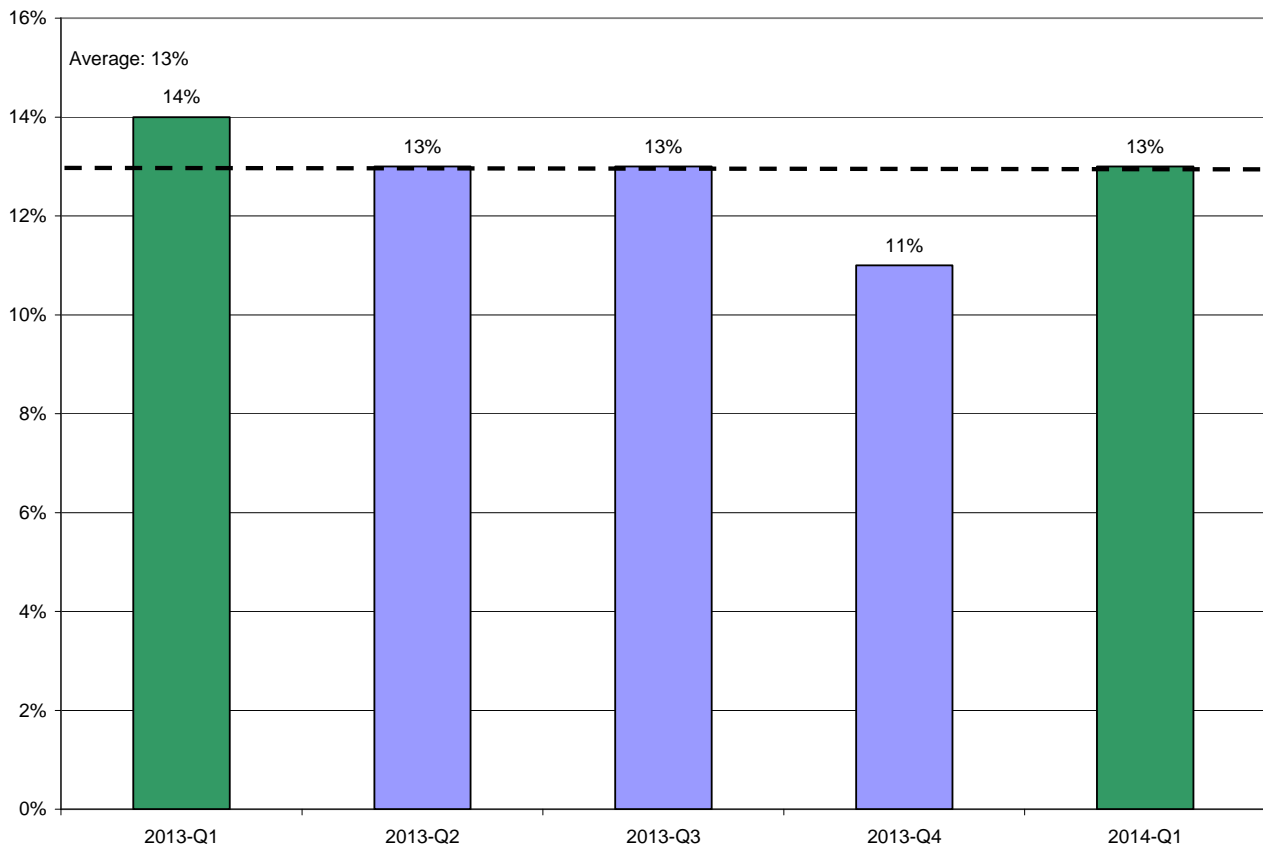
The City of Cerritos currently has a low vacancy rate when compared to the overall total available space for industrial, office, and retail uses. Currently, there is approximately 605,443 square feet of vacant industrial space, which equates to 4% of the total available citywide industrial space. Additionally, the City has approximately 189,895 square feet of vacant office space (13% of the total office space in Cerritos) and approximately 120,128 square feet of available retail space (3% of the total retail space in Cerritos). This equates to a total of 915,466 square feet of available commercial space in the City, which is equal to 4% of the total amount of commercial square footage within the City.

### Total Available and Vacant Space in Cerritos

Use	Total Space (Sq. Ft.)	Total Vacant Space (Sq. Ft.)	Percent (%) of Vacancy in Cerritos
Industrial	15,088,117	605,443	4%
Office	1,422,575	189,895	13%
Retail	4,685,788	120,128	3%
Total	21,196,480	915,466	4%

In 2014-Q1, the Cerritos office market vacancy rate was at 13%, which is a 1% decrease over 2013-Q1. Over the past five quarters, the City office vacancy rate averaged approximately 13%.

### Cerritos Office Vacancy Rates



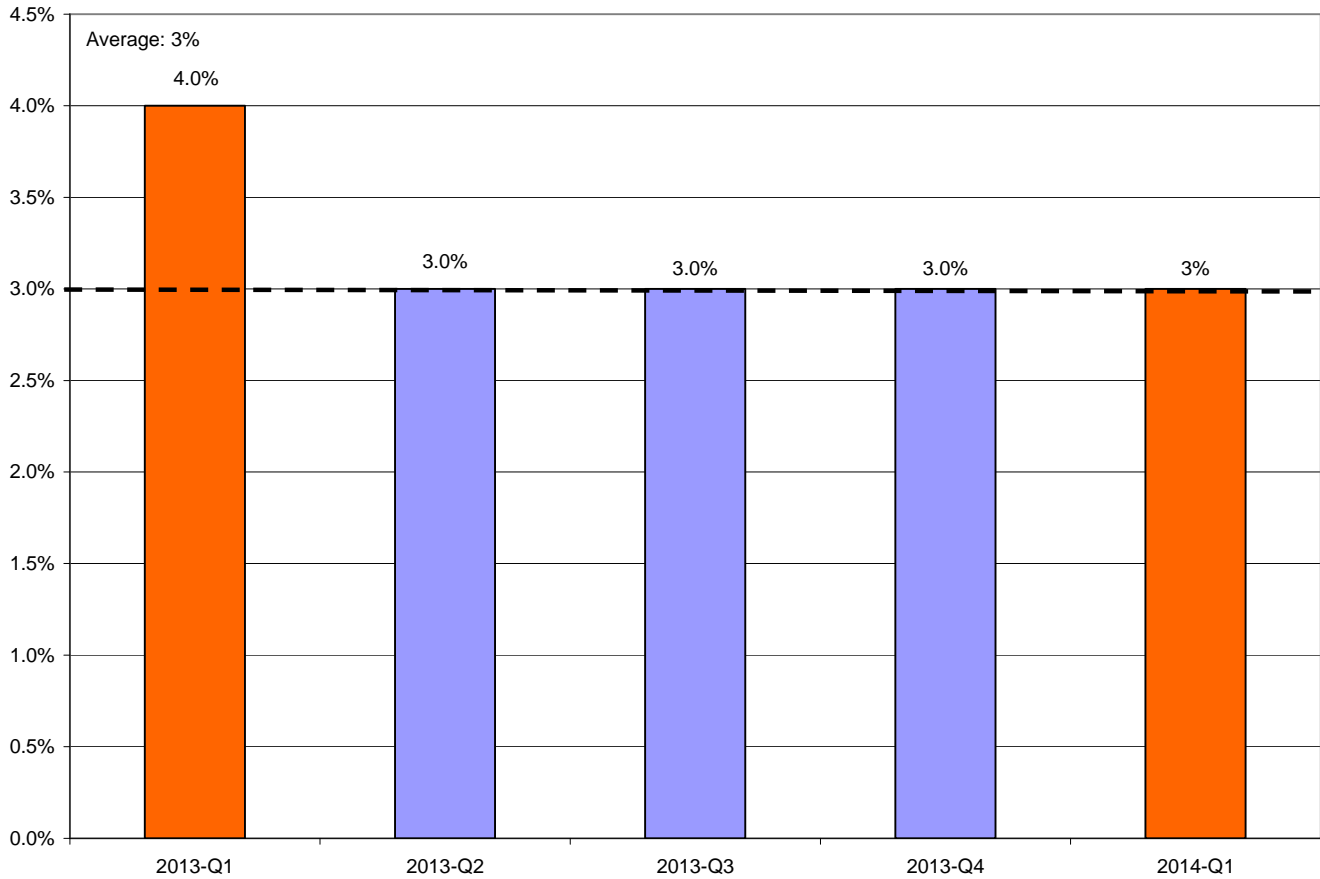
# Commercial Real Estate

## Cerritos Vacancy Rates

Cerritos currently has approximately 4,685,788 square feet of total retail space, which includes the Los Cerritos Center and the Cerritos Towne Center. Based on available data, Cerritos has a retail vacancy rate of 3% for 2014-Q1, which is a 1% decrease from 2013-Q1. Based on a trend analysis, the retail vacancy rate has remained at 3%. Over the past five quarters, the average retail vacancy rate for the City was 3%.

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 providing consumers with easy access to these centers for their retail shopping needs.

**Cerritos Retail Vacancy Rate**

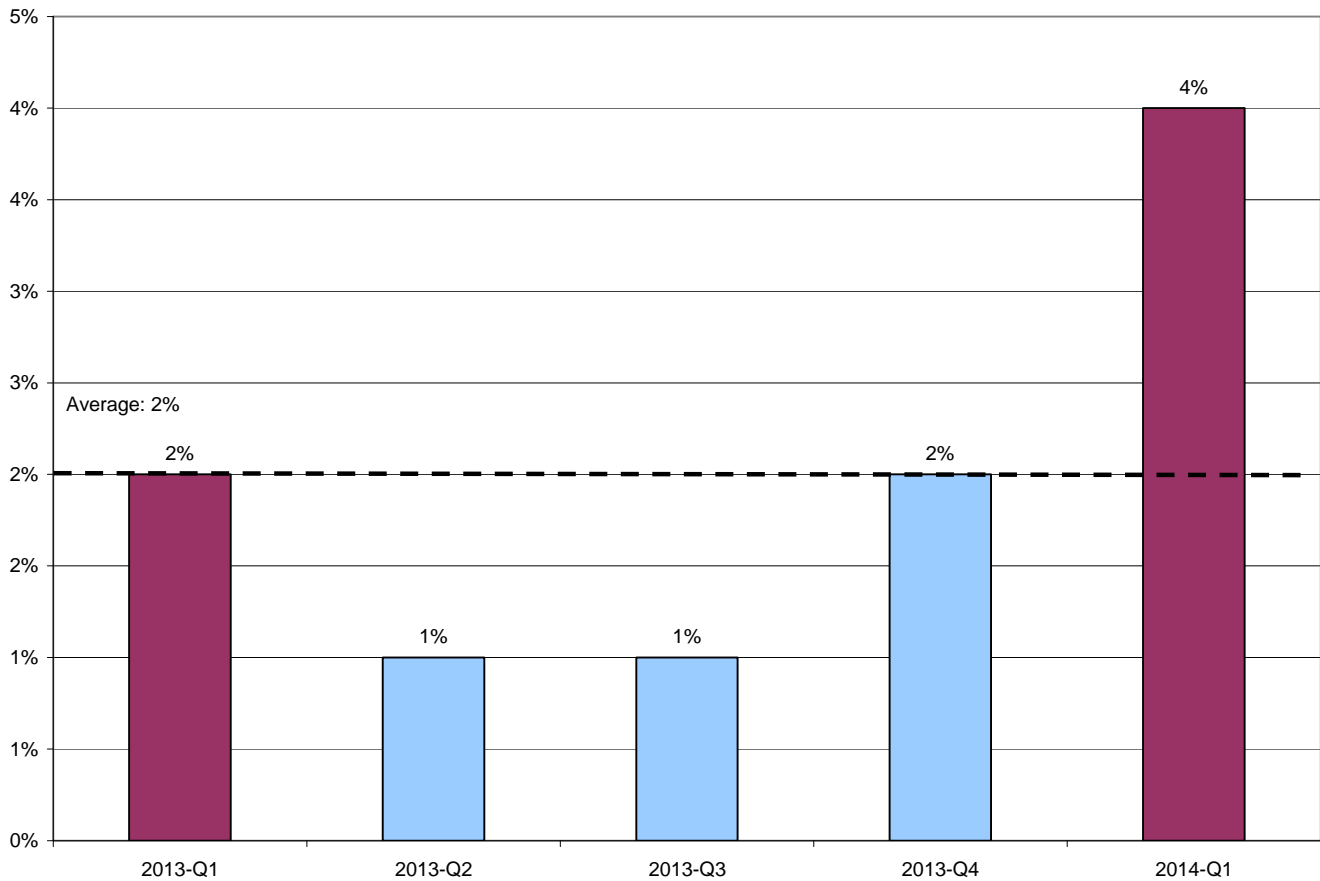


# Commercial Real Estate

## Cerritos Vacancy Rates

Cerritos currently has approximately 15,088,117 square feet of total industrial space, which includes the Cerritos Industrial Park. Based on available data, Cerritos had an industrial vacancy rate of 4% for 2014-Q1, which is higher than 2013-Q1. Based on a trend analysis, the industrial vacancy rate has increased from a low of 1 % in 2013-Q12 to its current level of 4% in 2014-Q1. Over the past five quarters, the average retail vacancy rate for the City was at 2%.

**Cerritos Industrial Vacancy Rate**



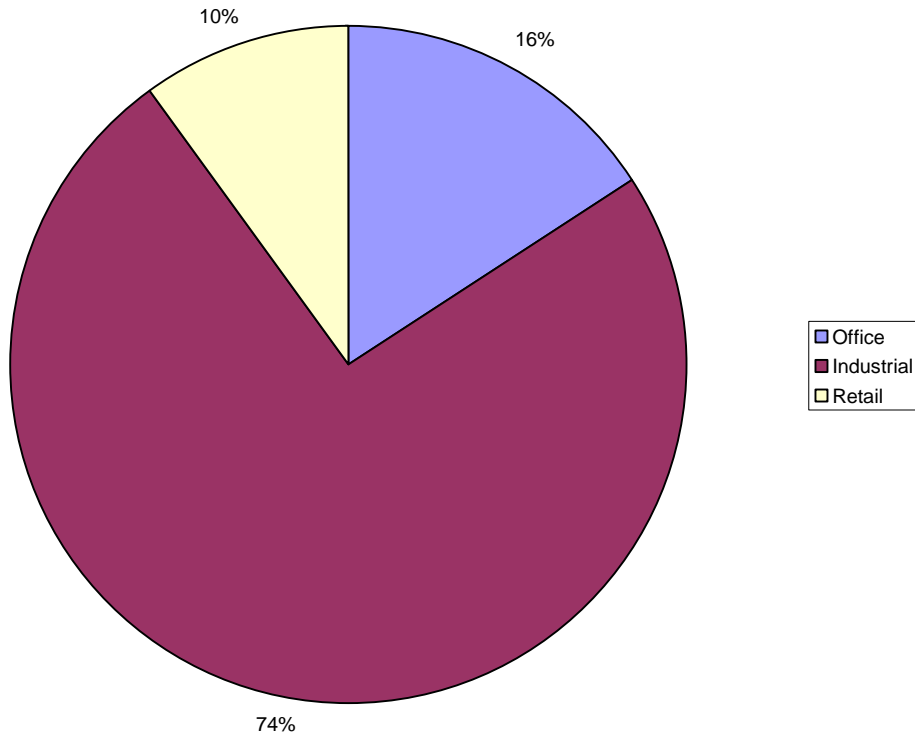
*(Note: Industrial vacant space in Cerritos includes a greater proportion of warehousing and distribution businesses, which require large facilities. Therefore, a single vacancy may contribute a large amount of square footage to the overall vacancy rate. Industrial vacancy rates are calculated using available data from Loop.net for properties that are available for lease. Further, there is a possibility of additional vacant industrial properties; however, these properties may not be available for lease or reported on Loop.net at the time of the preparation of this report.)*

# Commercial Real Estate

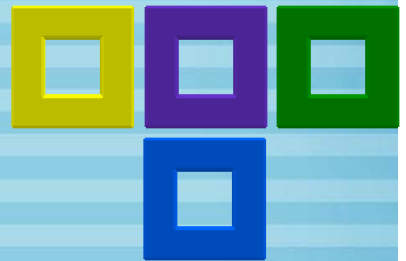
## Vacancy Breakdown by Use

In Cerritos, there is approximately 915,466 square feet of total vacant commercial space (4%) of the total available space for 2014-Q1. Within the total available space, 74% (605,443 square feet) is available for industrial use, 16% (189,895 square feet) is available for office use and 10% (120,128 square feet) is available for retail use.

Vacancies By Use



# Housing

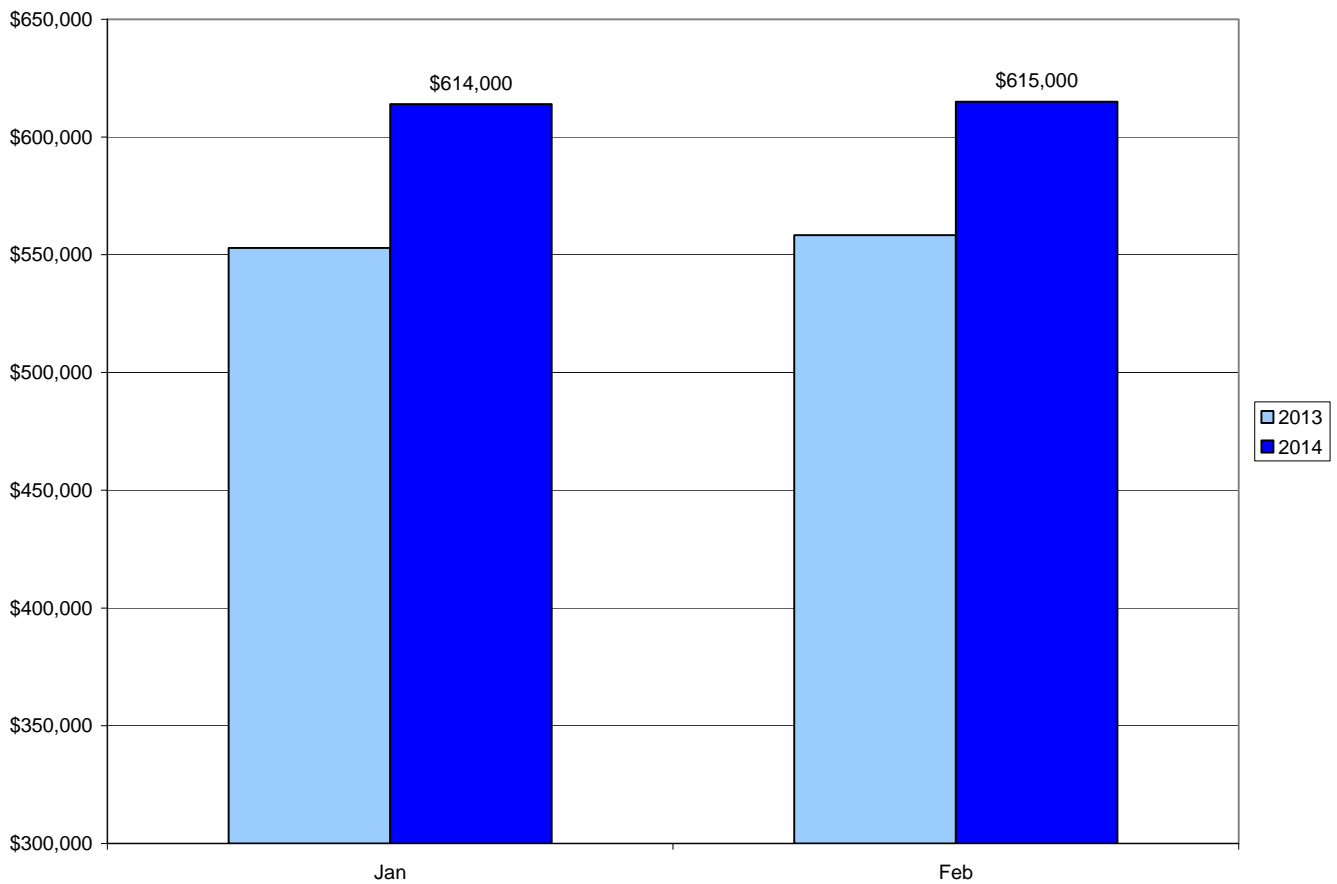


# Housing

## Single-Family Residential

For 2014-Q1, the average median home sales price in Cerritos was \$614,500. Housing prices in Cerritos increased from 2013-Q1; in fact, January 2014 experienced an 11% increase and February 2014 experienced a 10% increase from a year ago. The trend analysis for this quarter indicates that the sale price of single-family residential homes has increased and it is a positive indicator for the housing sector. (Please note that March 2014 data was not available at the time of the preparation of this report.)

**Single-Family Residential Home Sales Price in Cerritos - 2014-Q1**



**TREND ANALYSIS: ↑ Increase**

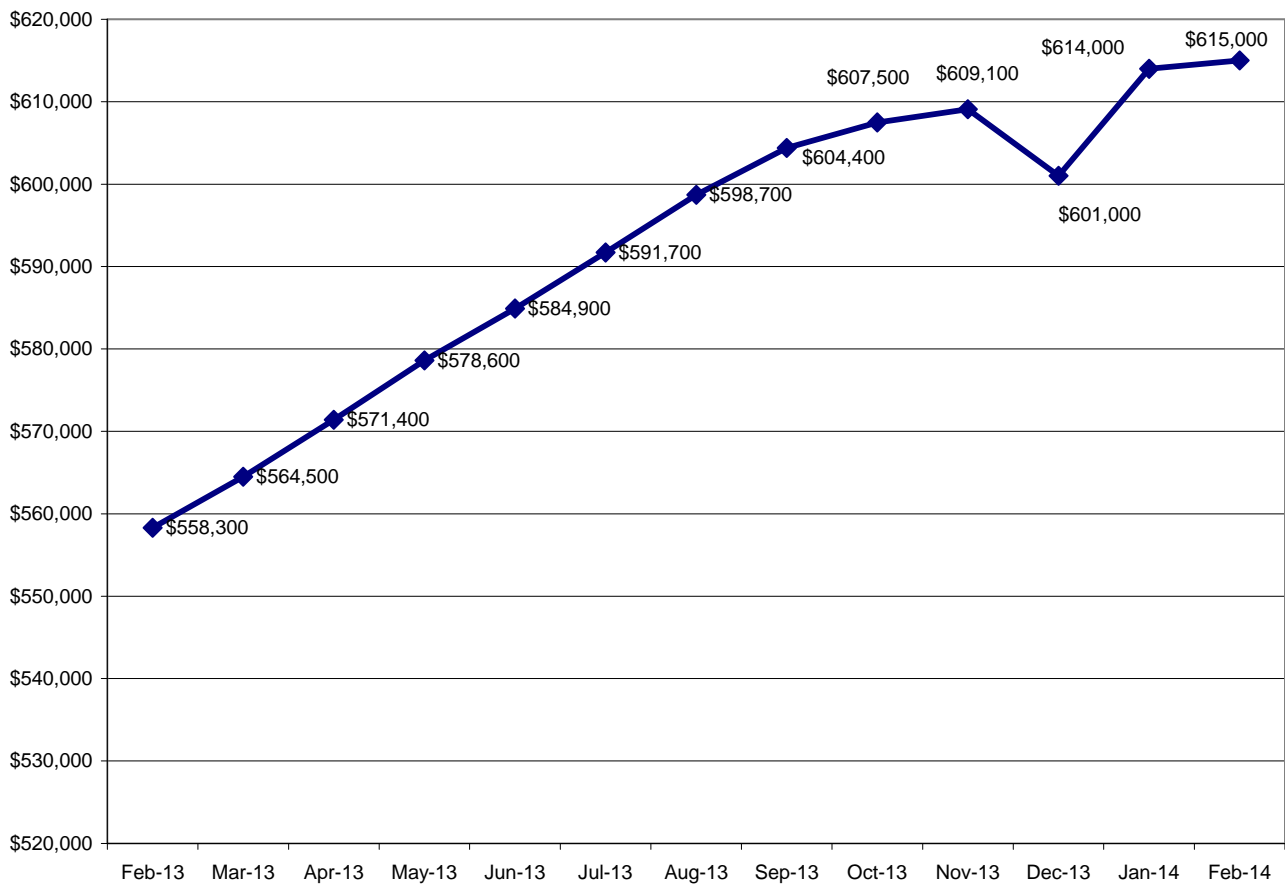


# Housing

## Single-Family Residential

Based on a one year trend line analysis, the average sale price for a single-family residential home in Cerritos was \$558,300 in February 2013 and peaked to its high of \$615,000 in February 2014. Housing prices have gradually increased each month with the exception of December 2013; however, December 2013 remained above the \$600,000 range. This significant increase over a one year period is a positive sign for the housing market in Cerritos.

**One Year Housing Sale Price Trend Line - February 2013 to February 2014**



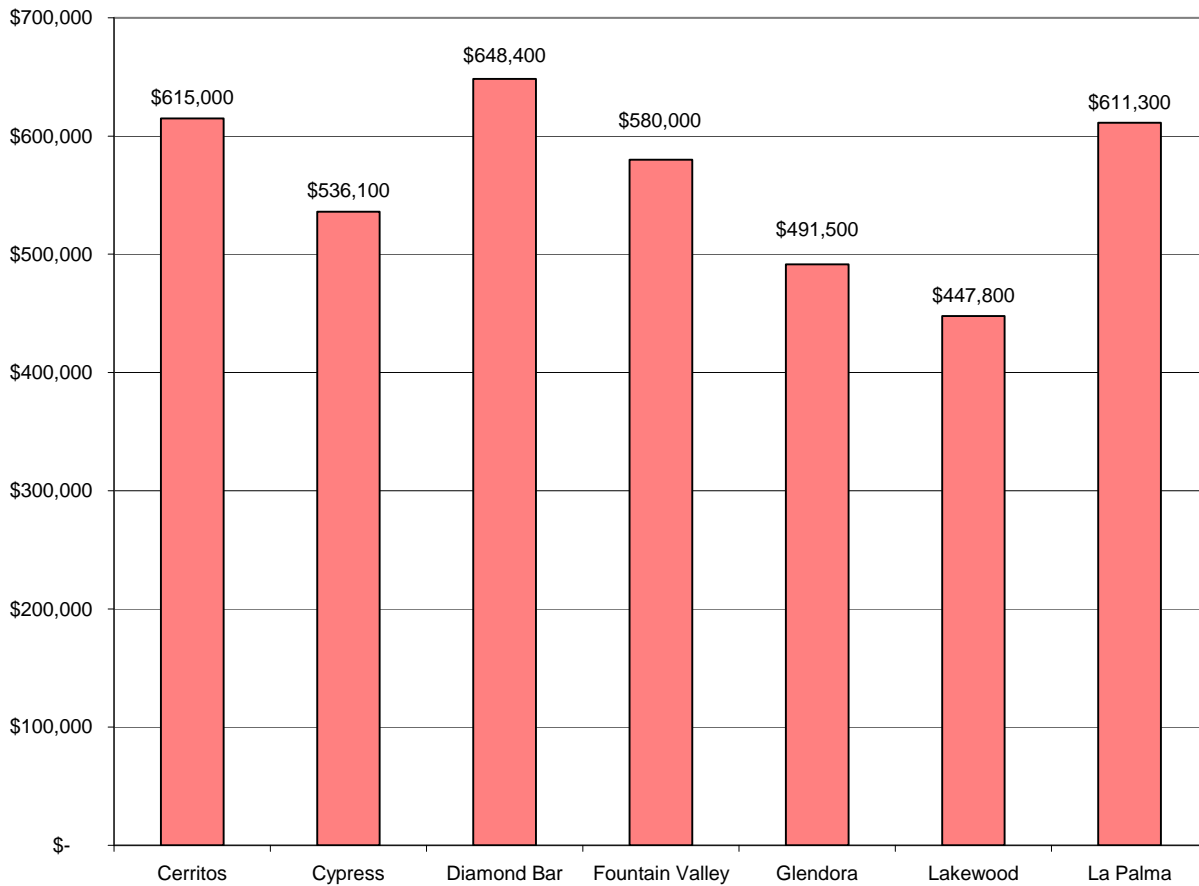
**TREND ANALYSIS: ↑ Increase**

# Housing

## Single-Family Residential

In a regional comparison, Cerritos' property values have maintained their value and are higher than most surrounding cities and regionally comparable cities. In a sample of February 2014 home sale prices, Cerritos home sale prices were \$615,000, which was higher than five comparable cities. Only the City of Diamond Bar (\$648,400) had a higher home sales price than Cerritos for the month of February 2014.

**Regional Comparison – February 2014**



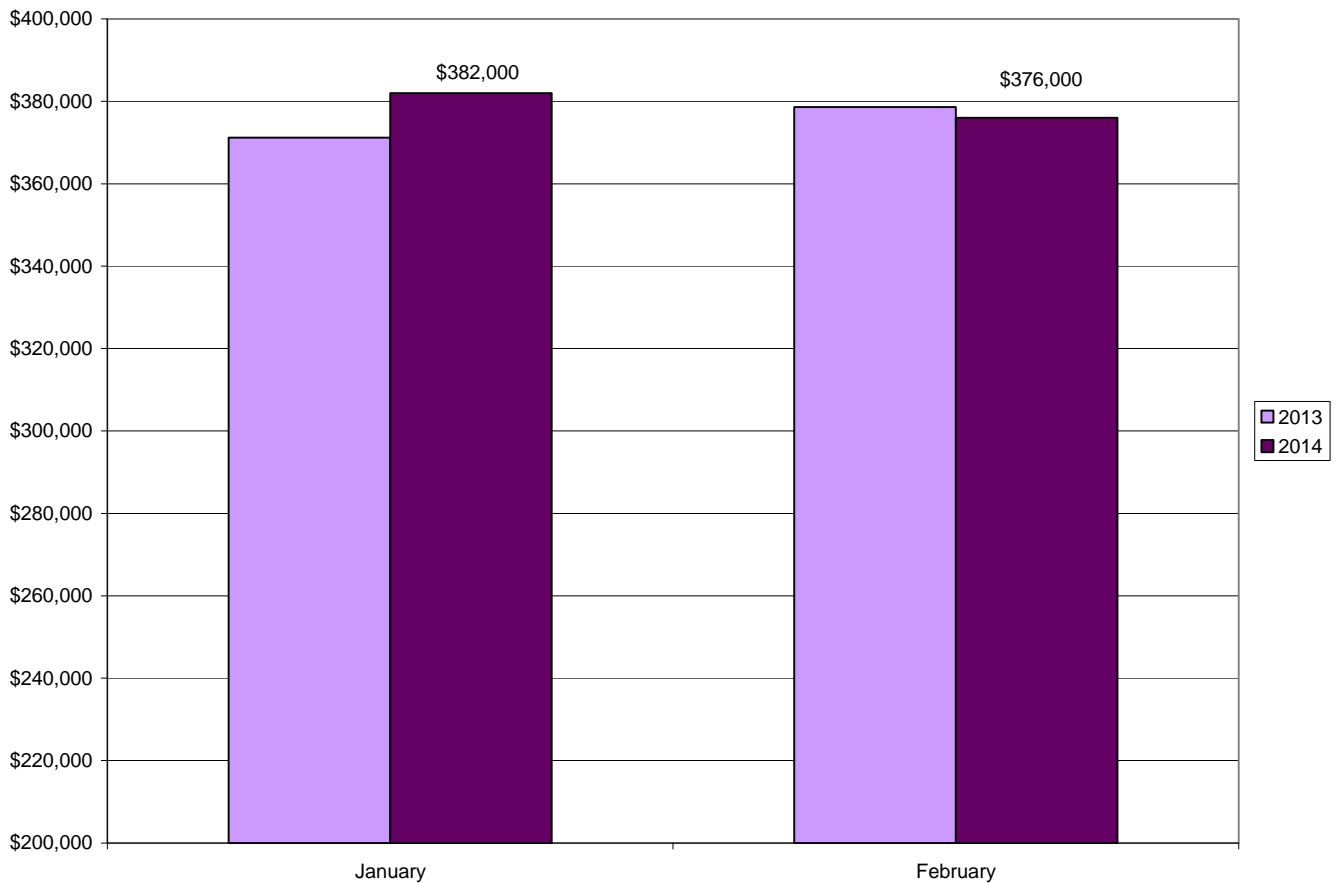
**TREND ANALYSIS: ↑ Increase**

# Housing

## Multi-Family Residential

Condominiums have a niche in housing between renting and owning single-family homes. For 2014-Q1, the average median condominium home sales price in Cerritos was \$379,000. Condominium sale prices in Cerritos increased in January 2014 (2.9%) and decreased in February 2014 (-0.7%) from the previous year. In a regional comparison, the sale price of condominiums in Los Angeles County (\$411,000) and Orange County (\$472,900) were higher on average than in Cerritos (\$376,000). (Please note that March 2014 data was not available at the time of the preparation of this report.)

**Condominium Home Sales Price in Cerritos - 2014-Q1**



**Condominium Home Sale Prices – County Comparison for February 2014**

Cerritos	Los Angeles County	Orange County
\$376,000	\$411,000	\$472,900

**TREND ANALYSIS: ↑ Increase**

# Statistical Summary

## Economic Profile – Spring 2014

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 slow nationwide economic recovery. Below is a summary of the major findings of the Cerritos *Economic Profile* for Spring 2014.

### Major Revenues

Sales tax revenue for the 2013-Q4 (calendar year) totaled \$5,951,476 which is a 1% increase from the same quarter in 2012. Additionally, for calendar year 2013, the City generated \$22.9 million, which is a 2.5% increase from 2012 (\$22.4 million in calendar year 2012).

The Cerritos Auto Square generated the greatest amount of sales tax for the City in 2013-Q4, totaling \$2.5 million, which was a 4.7% increase from last year. The Los Cerritos Center generated the second highest sales tax at \$1.2 million, which was a 1.4% decrease from last year.

In the first quarter of 2014, the Cerritos Auto Square sold a total of 12,229 cars, which was a decrease of 2.5% from last year for the same quarter and an average of 4,076 cars sold per month. New business licenses and renewals decreased 6% from a year ago. A total of 1,067 new and renewal of business licenses were processed (decrease of 62).

### Unemployment/Employment

The unemployment rate among Cerritos residents is approximately 4.8% (February 2014), 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. Additionally, the Cerritos labor force for February 2014 was 29,470 and was constituted by 28,063 employed and 1,407 unemployed residents.

### Commercial Real Estate

Cerritos currently has 915,466 square feet of vacant commercial space, which is approximately 4% of the total available commercial real estate space in Cerritos (21,196,480 sq. ft.). Of the total vacant space in Cerritos, 74% industrial space (605,443 sq. ft.), 16% is office space (189,895 sq. ft.), and 10% is retail space (120,128 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.

For 2014-Q1, tenant improvements/new buildings (TI) and certificates of occupancy (CO) increased from the previous year. A total of 30 TI's were processed (100% increase) and 66 CO's were processed (50%) increase.

### Housing

For 2014-Q1, the single family median home sale price in Cerritos was approximately \$614,500. In a regional comparison, homes in Cerritos have maintained their values and were higher than most cities of comparable size and demographics. Condominium sale prices remained constant at an average of \$379,000.

# Statistical Summary

## Economic Profile – Spring 2014

### 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 for calendar year 2013
- Sales tax for 2013-Q4
- Sales tax at Cerritos Auto Square
- Single family home sale prices
- Employment
- Tenant Improvements/New Buildings
- Labor force
- Certificate of Occupancy
- Industrial vacancy rate

#### → Constant

- Sales tax at the Cerritos Industrial Park
- Retail vacancy rate
- Office vacancy rate

#### ↓ Decrease

- Sales tax at the Los Cerritos Center
- Unemployment (persons)
- Unemployment rate
- New and renewal of business licenses

# 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>

United States Bureau of Labor and Statistics

## **Real Estate**

Loop.net

## **Housing**

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

Trulia  
[www.trulia.com](http://www.trulia.com)

Zillow  
[www.zillow.com](http://www.zillow.com)