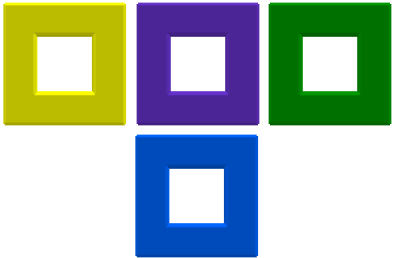




Quarterly Market Trend Analysis for Economic Development in Cerritos

City of Cerritos
Economic Profile
Winter 2014



A City With Vision



ECONOMIC PROFILE



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2010 Winner
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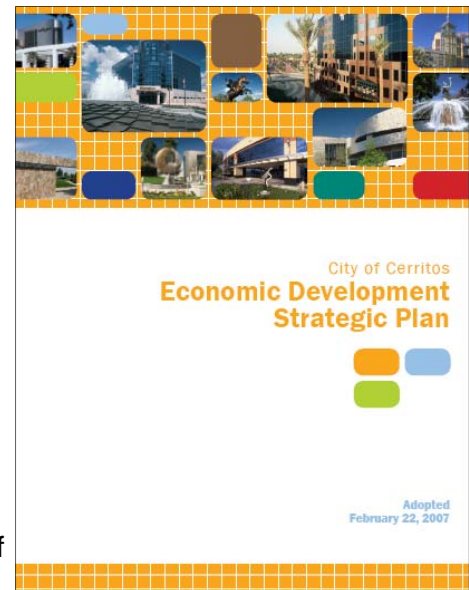
Introduction

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 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

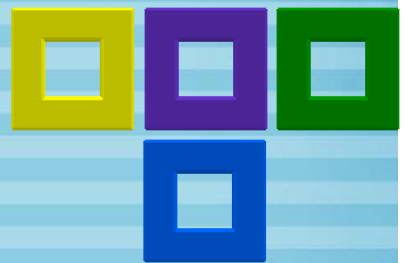
BAR-1: Identify the "best customers" among existing Cerritos businesses and initiate an outreach program.

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

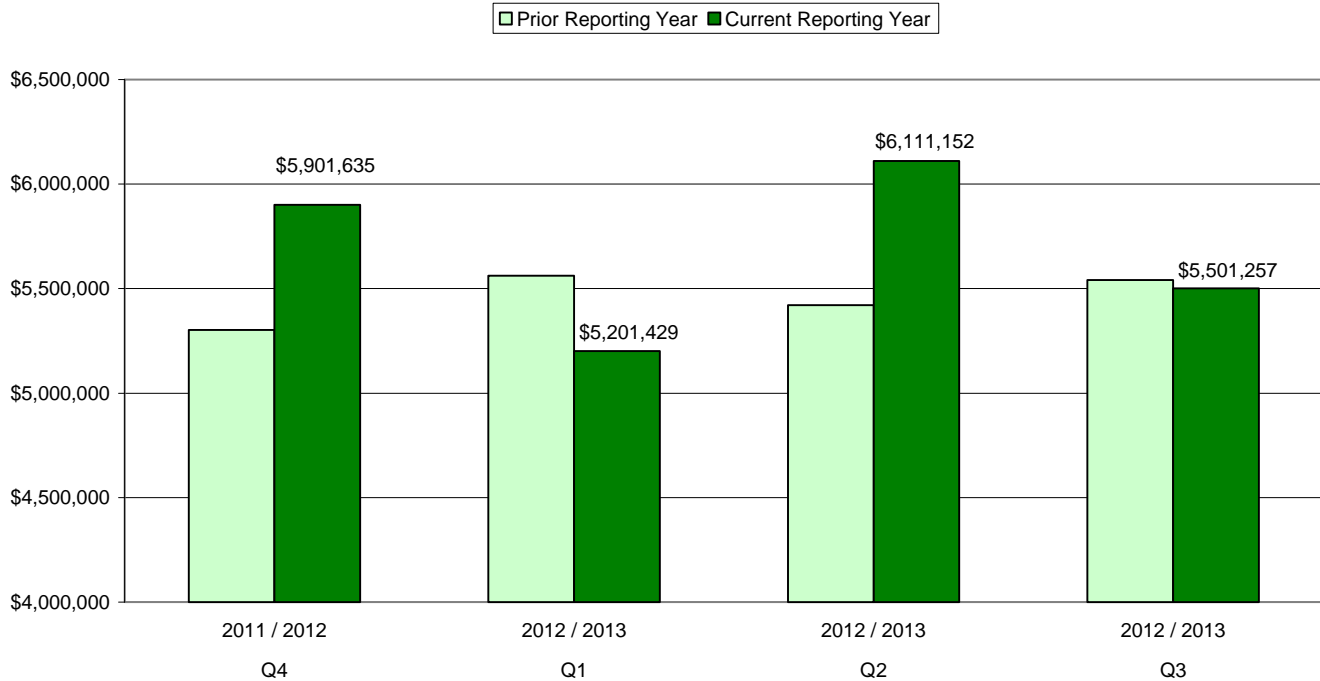


Major Revenues

Sales Tax

For 2013-Q3, businesses in the City generated \$5,501,257 in sales tax revenue, which is a 1% decrease (\$39,229) over the same quarter in 2012. Over the past four quarters, the average sales tax revenue was \$5.6 million. (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 2012, the City experienced another increase by 22% (\$4,099,421).

Sales Tax Revenue from the Past Six Calendar Years

2004	2005	2006
\$24,139,942	\$24,818,712 ↑	\$23,948,949 ↓
2007	2008	2009
\$23,115,557 ↓	\$20,431,957 ↓	\$16,695,608 ↓
2010	2011	2012
17,266,497 ↑	\$18,833,756 ↑	\$22,424,662 ↑

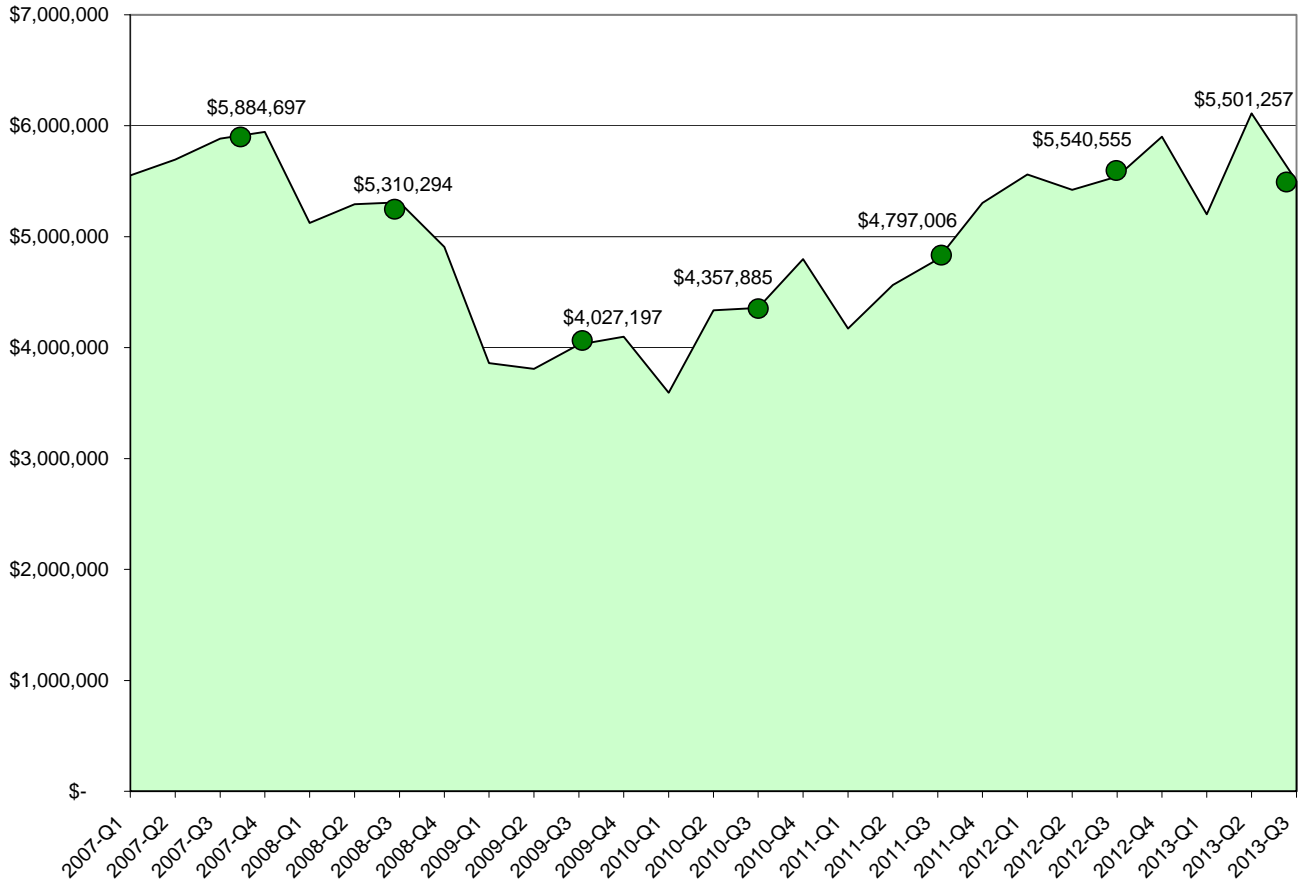
TREND ANALYSIS: ↑ Increase

Major Revenues

Sales Tax

Based on a trend analysis, quarterly sales tax has gradually increased from a low of \$4 million in 2009-Q3 to its current level of \$5.5 million in 2013-Q3, which is a slight decrease from 2012-Q3. The trend line indicates an increase in sales tax revenue in a quarter-per-quarter comparison starting from 2009-Q3 to 2013-Q3.

Third Quarter Trend Analysis



Third Quarter Analysis

A trend analysis on a quarter by quarter (sales tax) basis is another method to measure consumer confidence. In 2010-Q3, sale tax revenue was at \$4.3 million and has progressively increased to a high of \$5.5 million for 2013-Q3 (\$1,143,372 increase).

2010-Q3	2011-Q3	2012-Q3	2013-Q3
\$4,357,885	\$4,797,006	\$5,540,555	\$5,501,257

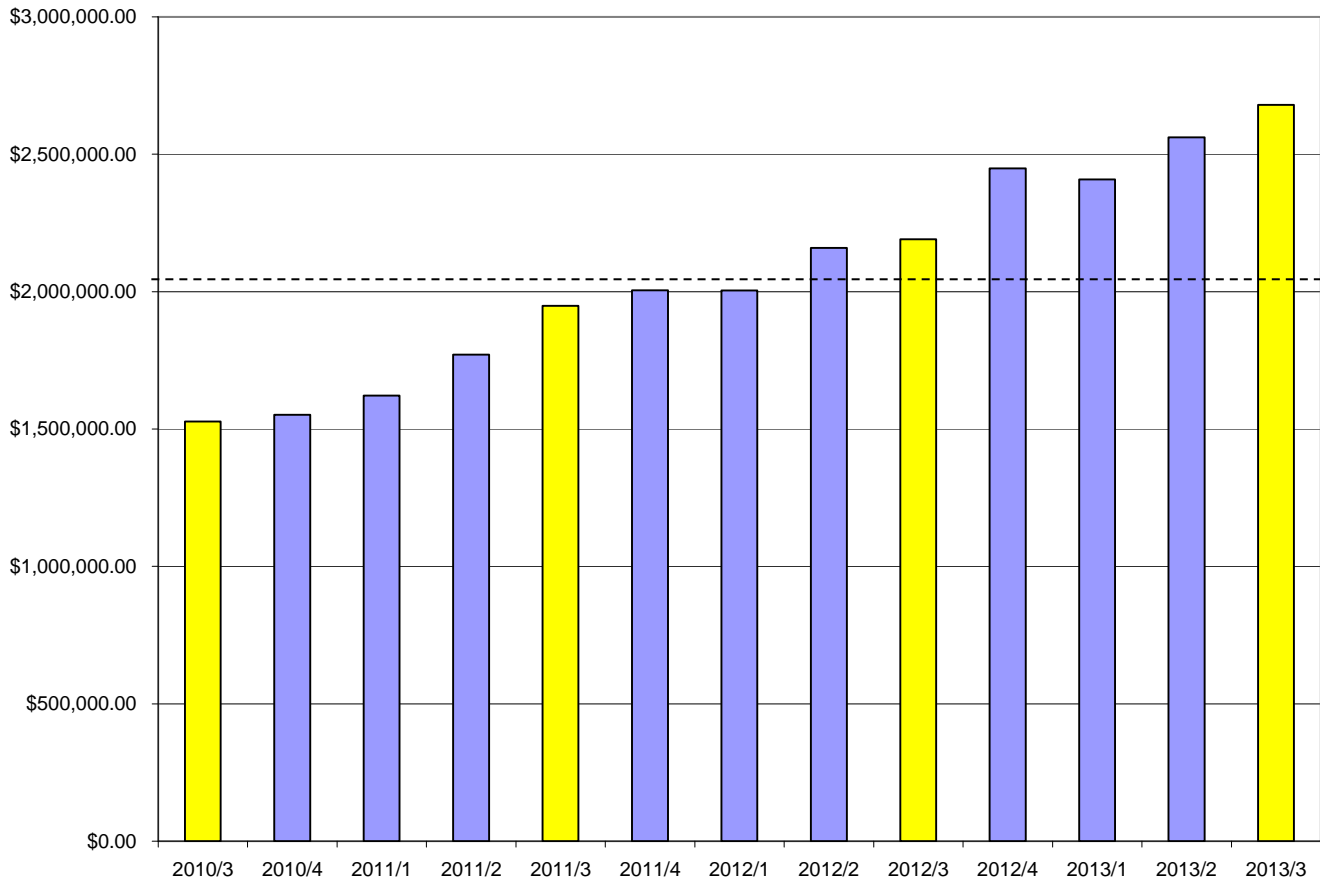
TREND ANALYSIS: ↑ Increase

Major Revenues

Sales Tax

The Cerritos Auto Square generated the greatest amount of sales tax in the City in 2013-Q3 (\$2.6 million). In a quarter-to-quarter comparison, 2013-Q3 increased from 2012-Q3 by 22%. 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 contributed to the increased auto sales.

Cerritos Auto Square



2010-Q3 to 2013-Q3

Average: \$2,067,382

Auto sales generated sales tax has consistently increased for the third quarter since 2010-Q3. 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-Q3 was 12% higher than 2011-Q3. Additionally, 2011-Q3 was 28% higher than 2010-Q3.

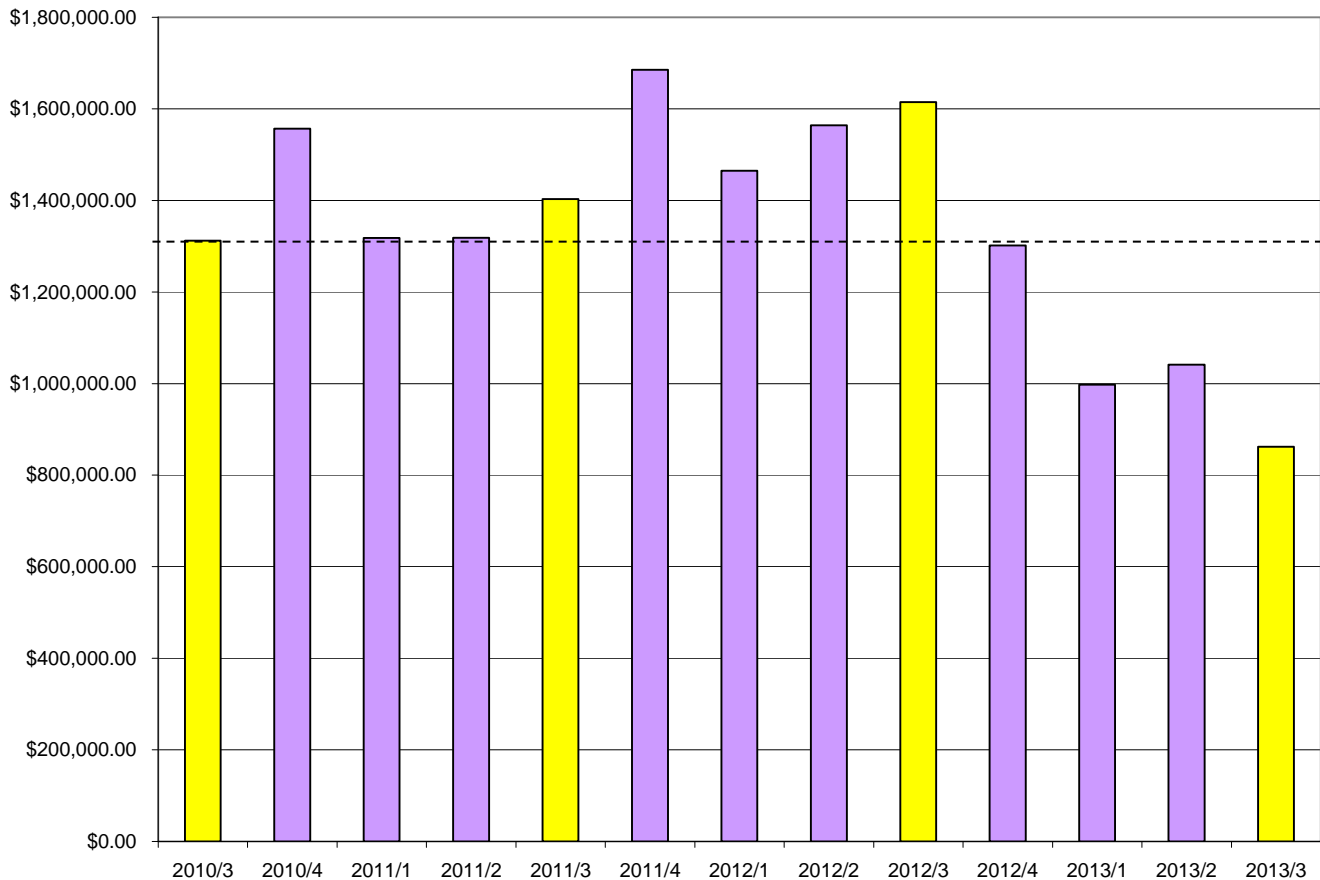
TREND ANALYSIS: ↑ Increase

Major Revenues

Sales Tax

The Los Cerritos Center generated the second greatest amount of sales tax revenue for the City's General Fund at \$861,945 in 2013-Q3. Based on the trend analysis, sales tax revenue has decreased from the previous quarters and 2013-Q3 decreased by 47% from 2012-Q3 (\$752,801). However, sales tax revenue at the Los Cerritos Center has averaged approximately \$1.3 million dollars per quarter from 2010-Q3 to 2013-Q3 (with the exception of seasonal increases that correspond with fourth quarter holiday sales).

Los Cerritos Center



2010-Q3 to 2013-Q3

Average: \$1,341,626

A trend analysis (quarter-to-quarter comparison of sales tax revenue) from 2012-Q3 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. Additionally, in 2013-Q3, attendance at the Los Cerritos Center decreased in July 2013 (-4%) and September 2013 (-6%).

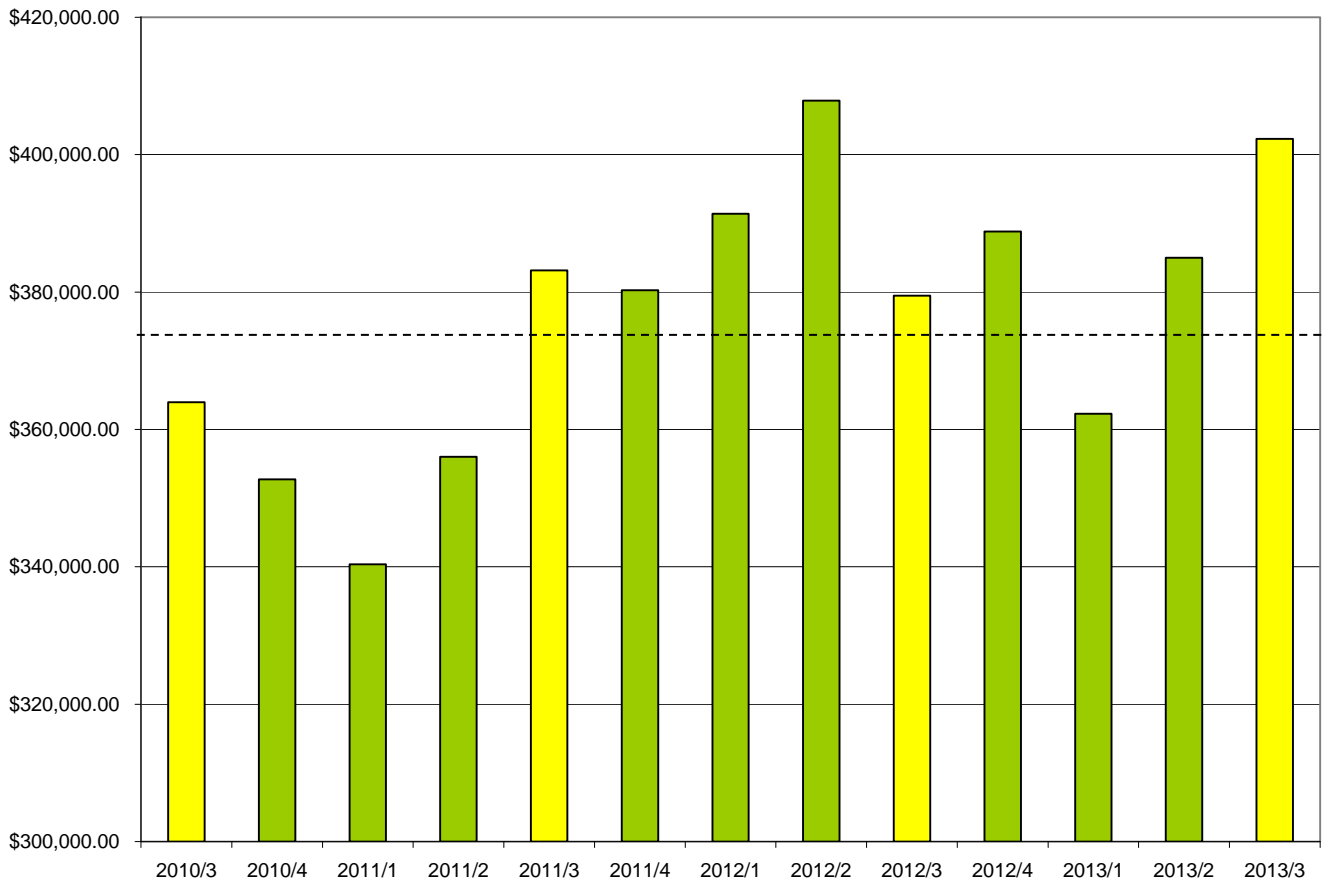
TREND ANALYSIS: ↓ Decrease

Major Revenues

Sales Tax

The Cerritos Industrial Park is one of the highest sales tax generators in Cerritos. The Cerritos Industrial Park generated \$402,295 in 2013-Q3, which is a 6% increase from 2012-Q3. Based on the trend analysis, sales tax revenue has remained relatively constant throughout the review period with no significant decrease.

Cerritos Industrial Park



2013-Q3 to 2013-Q3

Average: \$376,427

In a quarter-to-quarter trend analysis, sales tax revenue has remained relatively constant. Over 13 quarters, the average sales tax was \$376,427, with a low of \$340,000 in 2011-Q1 and a high of \$410,000 in 2012-Q2.

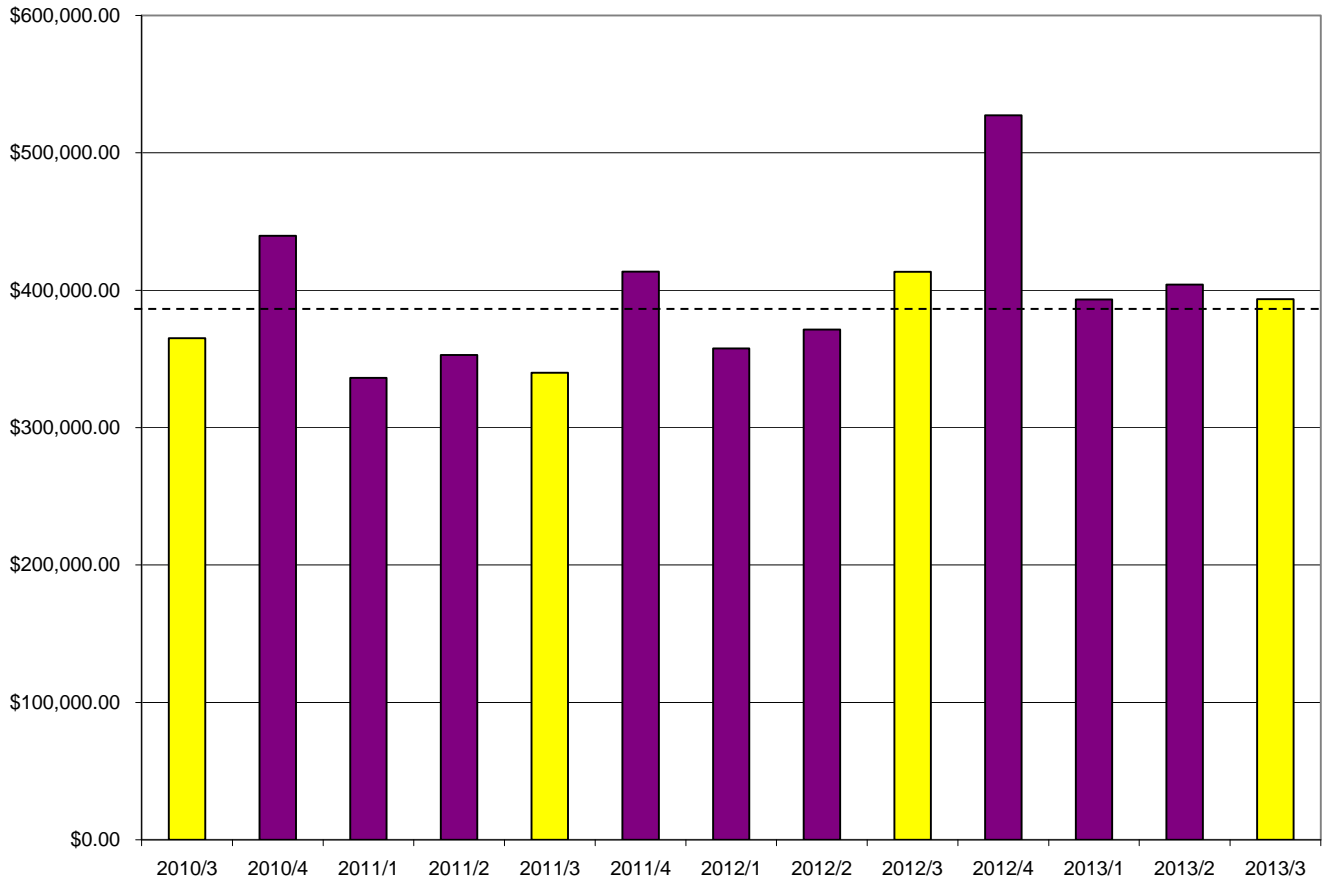
TREND ANALYSIS: → Constant

Major Revenues

Sales Tax

Sales tax revenue at the Cerritos Towne Center was \$393,455 for 2013-Q3, which is a decrease of 5% from 2012-Q3. Based on a trend analysis from 2010-Q3 to 2013-Q3, the Cerritos Towne Center has not experienced any significant decrease in sales tax revenue (outside of seasonal fourth quarter increases).

Cerritos Towne Center



2010-Q3 to 2013-Q3

Average: \$392,906

Sales tax has remained fairly constant from 2010-Q3 to 2013-Q3 with an average of \$392,906 per quarter. Based on a trend analysis in a quarter-to-quarter comparison of sales tax revenue, 2013-Q3 was slightly lower than 2012-Q3, but higher than 2011-Q3 and 2010-Q3.

TREND ANALYSIS: → Constant

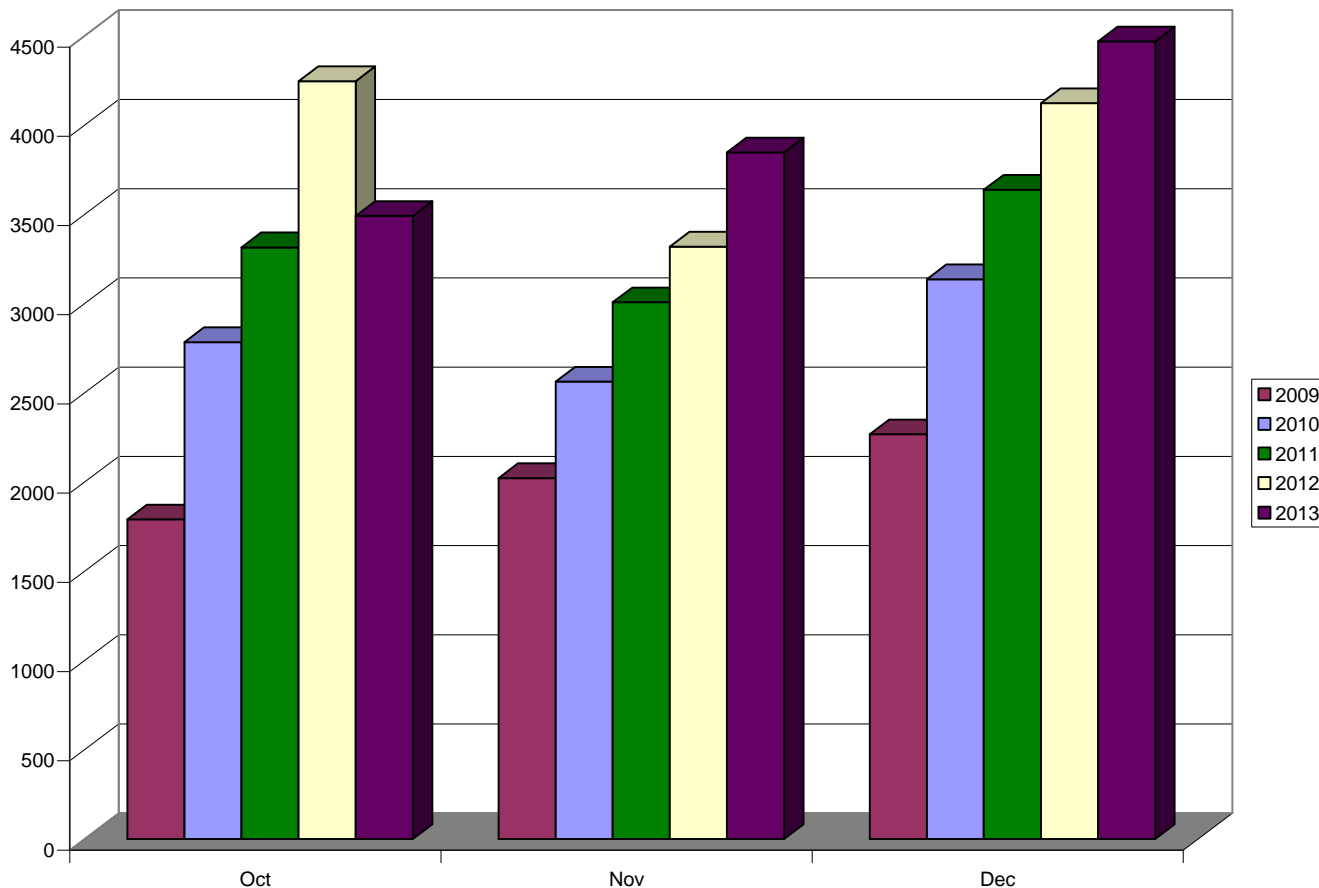
Major Revenues

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 2013-Q4, sales increased in October, November and December from the previous year averaging approximately 3,937 vehicles sold per month. Overall, sales are higher than in previous years for the fourth quarter and the Auto Square has experienced a significant increase in sales since 2009.

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



Cars Sold in 2013-Q4

October	November	December
3,492	3,848	4,470

2013-Q4 Total: 11,810
 2012-Q4 Total: 11,691
 Difference: (+119)

TREND ANALYSIS: ↑ Increase

Major Revenues

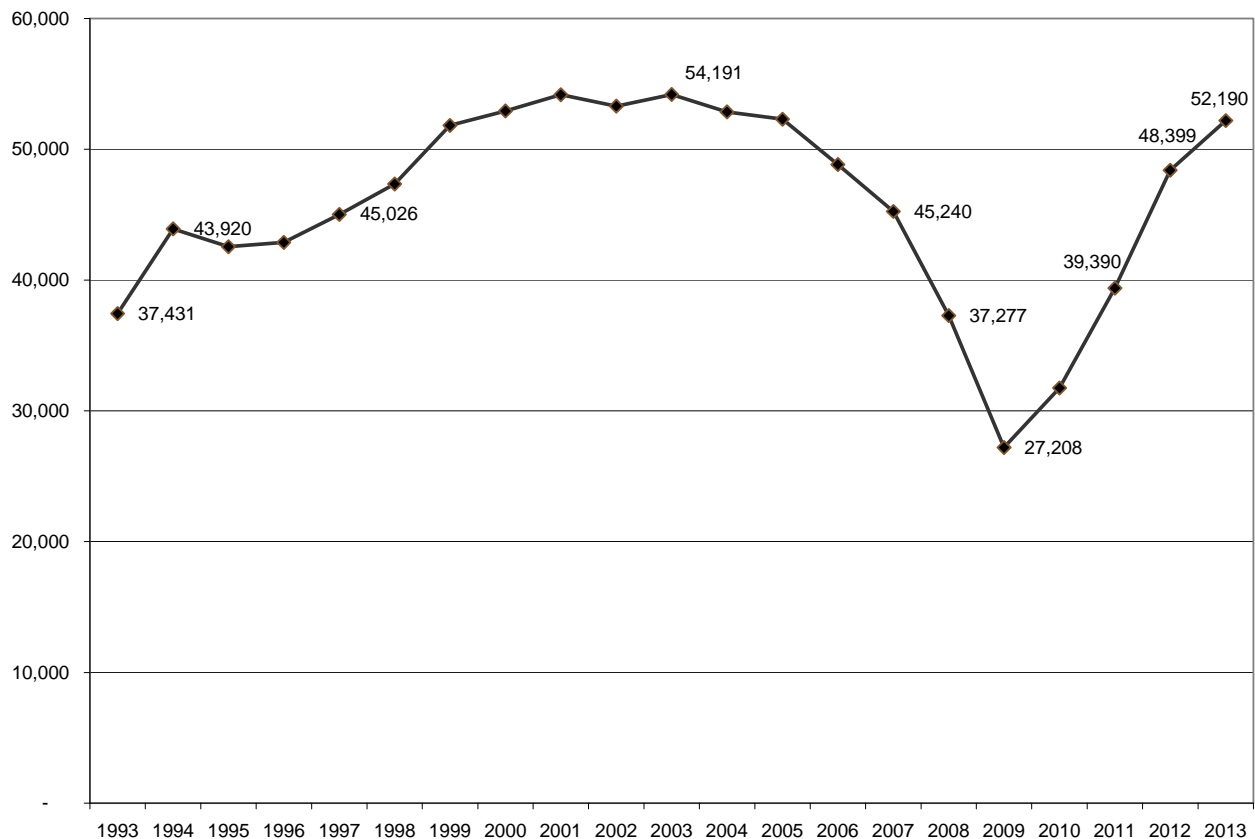
Auto Sales

The Cerritos Auto Dealers Association has been compiling data since 1993 in order to conduct annual sales comparisons. From 1993 to 2012, a total of 908,790 cars have been sold, equating to an annual average of 45,440 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 (a total of 3,791 more cars were sold). This is 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

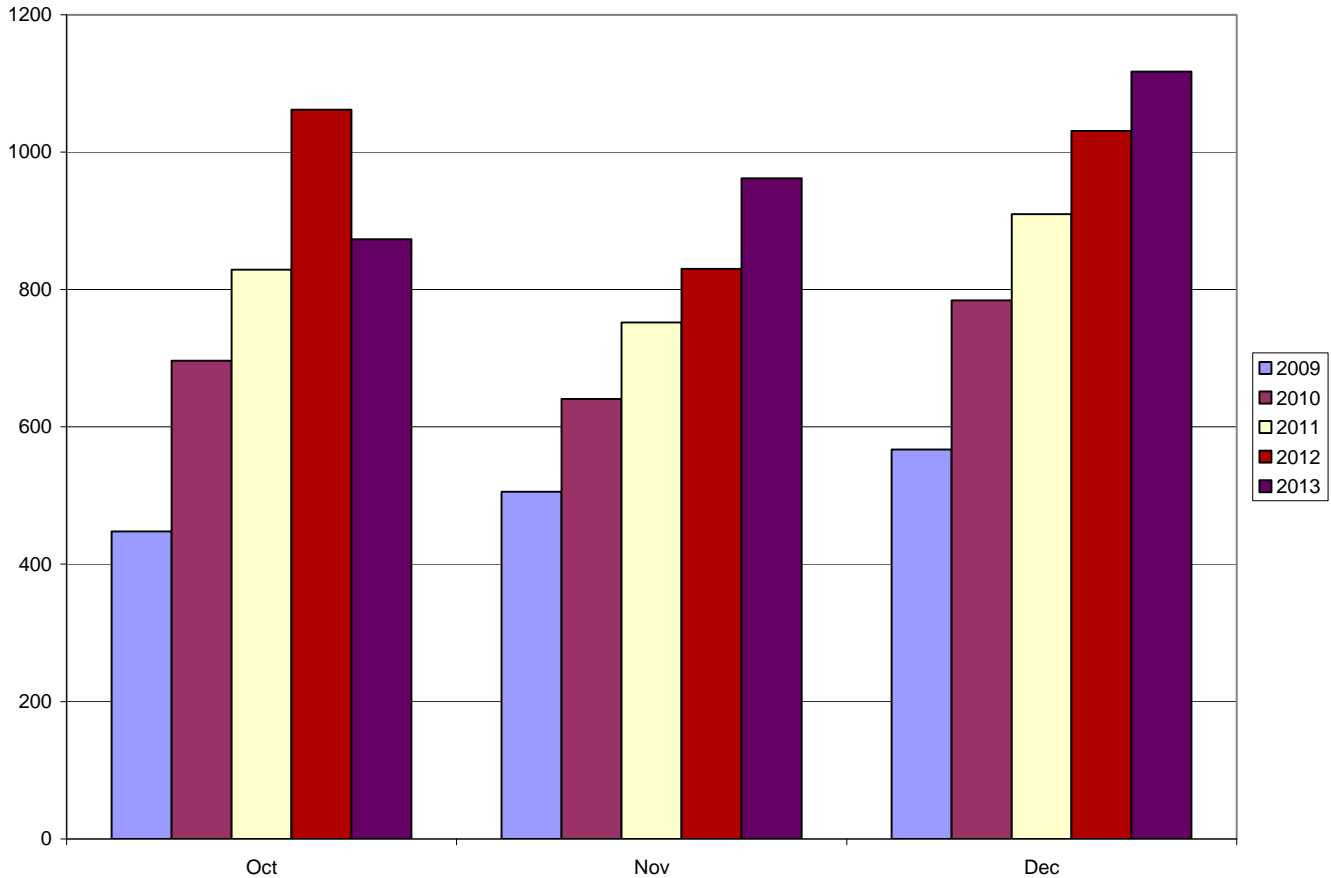


Major Revenues

Auto Sales

Based on a trend analysis, weekly sales averages for 2013-Q4 exceeded weekly averages for the fourth quarter for 2009, 2010, 2011 and 2012 (with the exception of October 2012). In addition, December 2013 experienced the highest number of weekly average sales within the review period. Overall, 2013-Q4 experienced a 1% increase in weekly sales averages over the same period in 2012.

Weekly Averages – 2009-Q4 to 2013-Q4



Weekly Average 2013-Q4

- October 2013 (873 cars sold)
- November 2013 (962 cars sold)
- December 2013 (1,118 cars sold)

Weekly Average 2012-Q4

- October 2012 (1,062 cars sold)
- November 2012 (830 cars sold)
- December 2012 (1,031 cars sold)

Weekly Average 2011-Q4

- October 2011 (829 cars sold)
- November 2011 (752 cars sold)
- December 2011 (910 cars sold)

Weekly Average 2010-Q4

- October 2010 (696 cars sold)
- November 2010 (641 cars sold)
- December 2010 (784 sold)

Weekly Average 2009-Q4

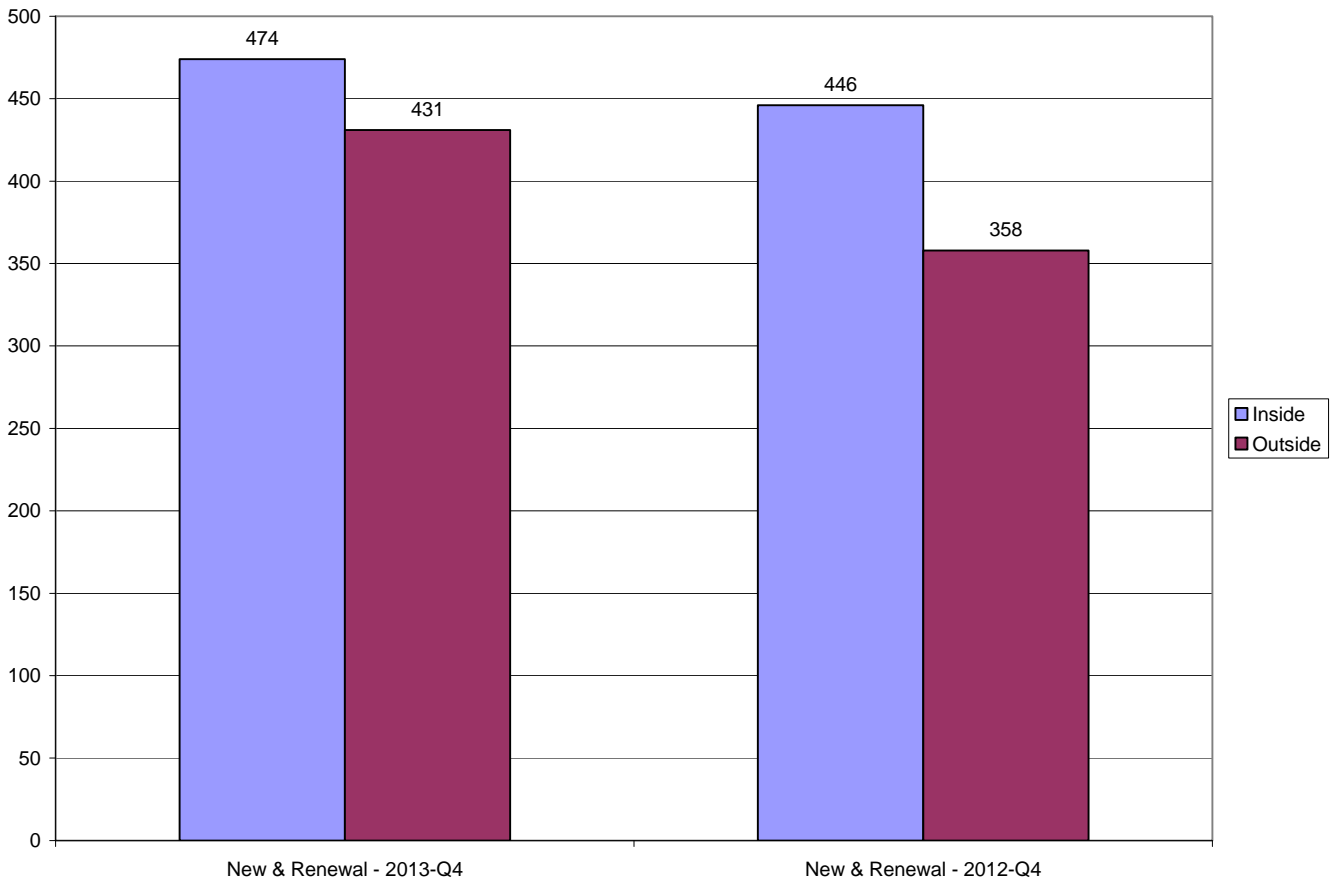
- October 2009 (448 cars sold)
- November 2009 (506 cars sold)
- December 2009 (567 cars sold)

Major Revenues

Business License

The tracking of new and renewed business licenses is one method of forecasting business growth in the City. For 2013-Q4, a total of 905 new and renewal business licenses were processed by the City, which generated \$206,433 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 2013-Q4, the City experienced a 13% increase (+101) in the issuance of new and renewal of business licenses from 2012-Q4.

2013-Q3 New and Renewal of Business Licenses – Located in Cerritos and Located Outside Cerritos



2013-Q4 New and Renewal of Business Licenses

2013-Q4 Total New and Renewal of Business Licenses: 905
2012-Q4 Total New and Renewal of Business Licenses: 804
Difference: (+101)

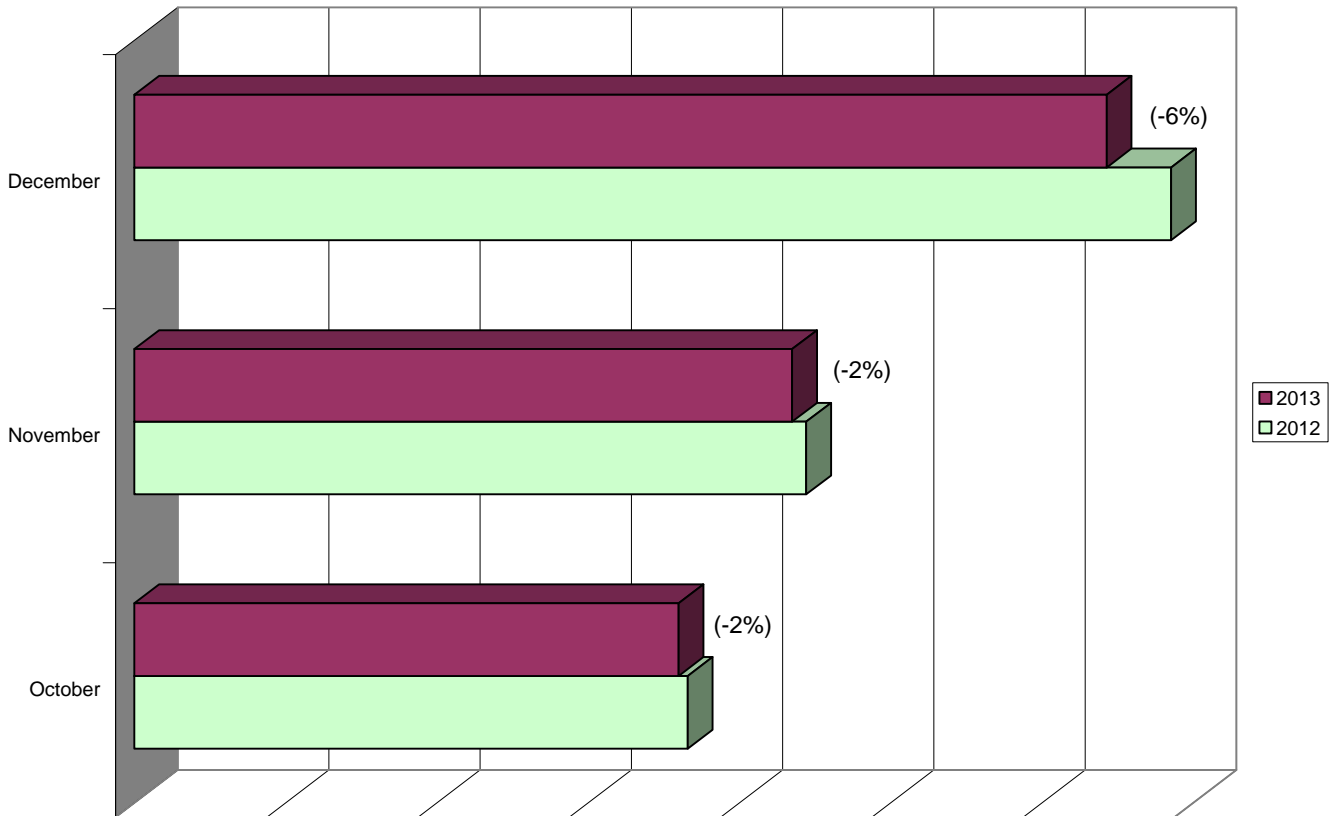
TREND ANALYSIS: ↑ Increase

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 is historically the second largest sales tax generator in the City. For 2013-Q4, the Center experienced an approximate overall decrease of 4% in monthly visitors from 2012-Q4.

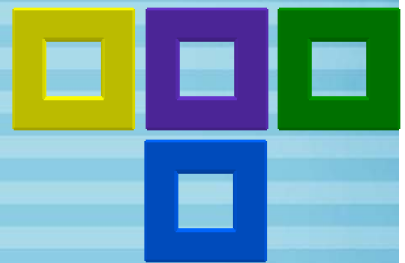
Monthly Visitors – Los Cerritos Center



*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 2012 to 2013.

TREND ANALYSIS: ↓ Decrease

Unemployment



Unemployment

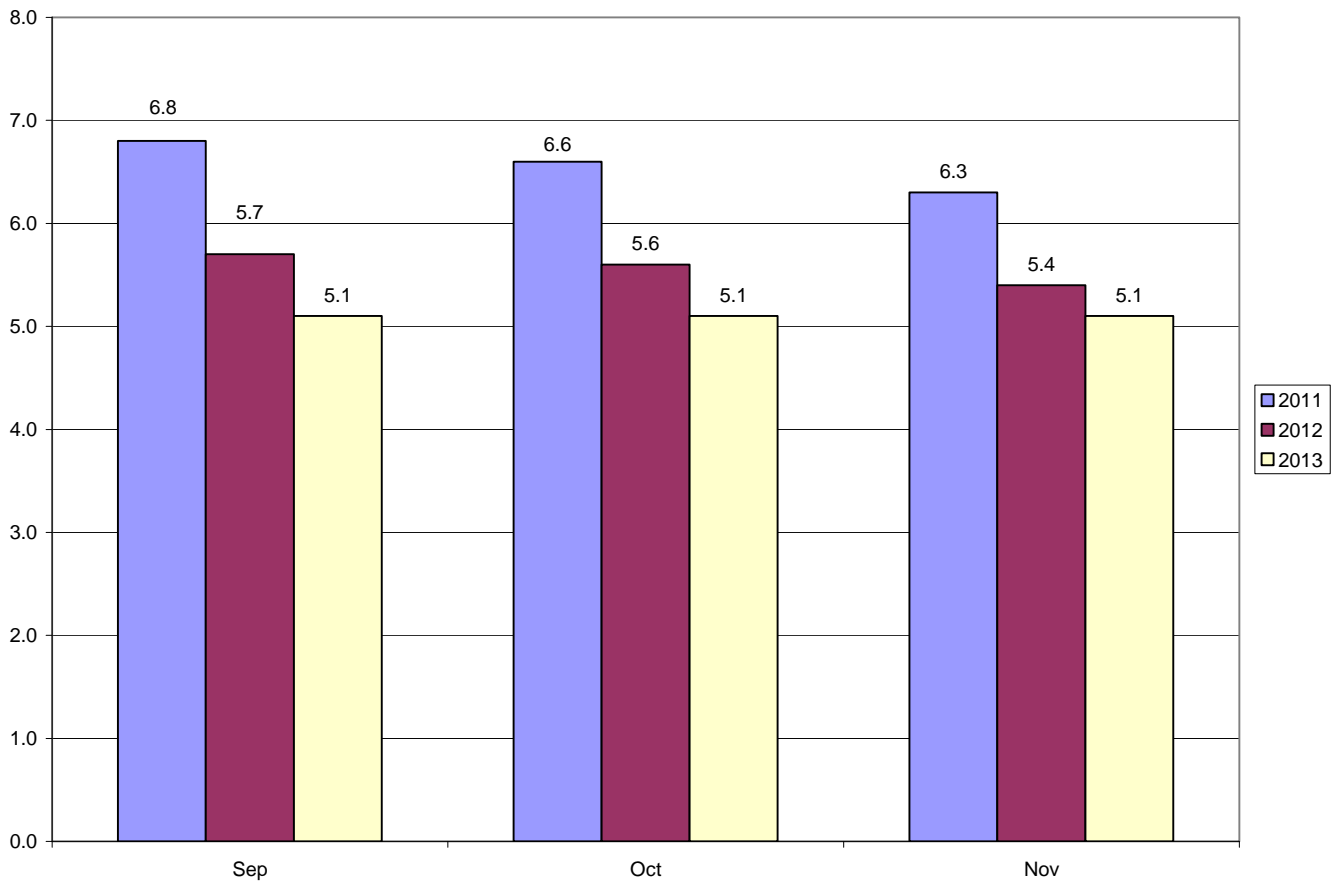
Current Rate

According to the Federal Bureau of Labor and Statistics, the unemployment rate among Cerritos residents in November 2013 was approximately 5.1%, which is a decrease from November 2012 (5.4%) and November 2011 (6.3%). In addition, the unemployment rate has decreased each month in September through November from 2011 to 2013. This reduction in the unemployment rate is a positive sign for the local economy and an indicator of potential increased consumer confidence.

Quarterly Unemployment Rate

February 2013	May 2013	August 2013	November 2013
5.6%	5.0%	5.5%	5.1%

Unemployment Rate – Quarterly Comparison
2011 to 2013



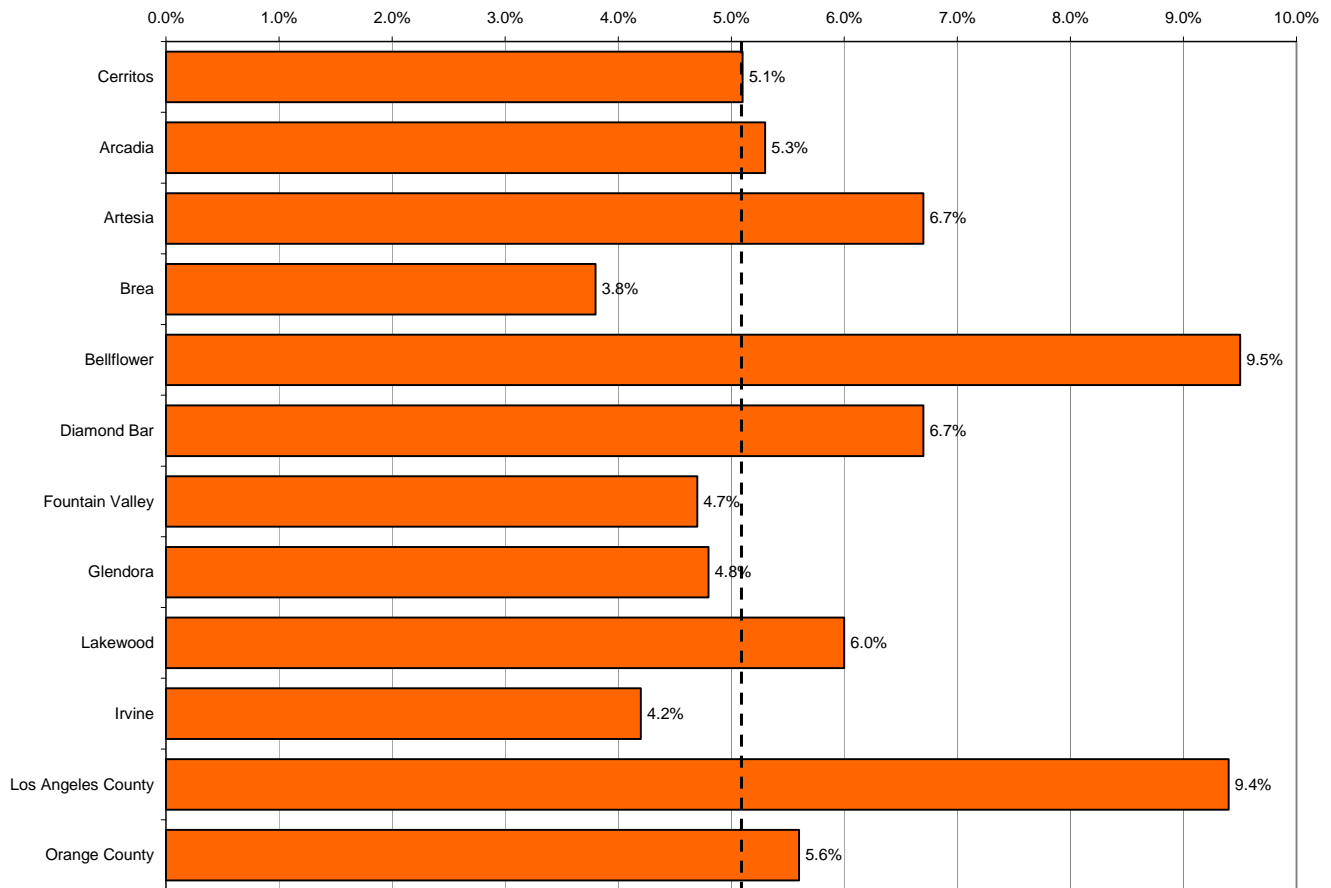
TREND ANALYSIS: ↓ Decrease

Unemployment

Surrounding Cities, County and State

According to the California Employment Development Department, the unemployment rate among Cerritos residents in November 2013 was approximately 5.1%, which is the lowest unemployment rate among surrounding cities. Cerritos unemployment rate was lower than Arcadia (5.3%), Artesia (6.7%), Bellflower (9.5%), Diamond Bar (6.7%) and Lakewood (6.0%). The cities of Brea (3.8%), Fountain Valley (4.7%), Glendora (4.8%) and Irvine (4.2%) had lower unemployment rates. Additionally, the Cerritos unemployment rate is lower than Los Angeles County (9.4%) and Orange County (5.6%).

**Unemployment Rate – Surrounding Cities and Comparable Cities
November 2013**



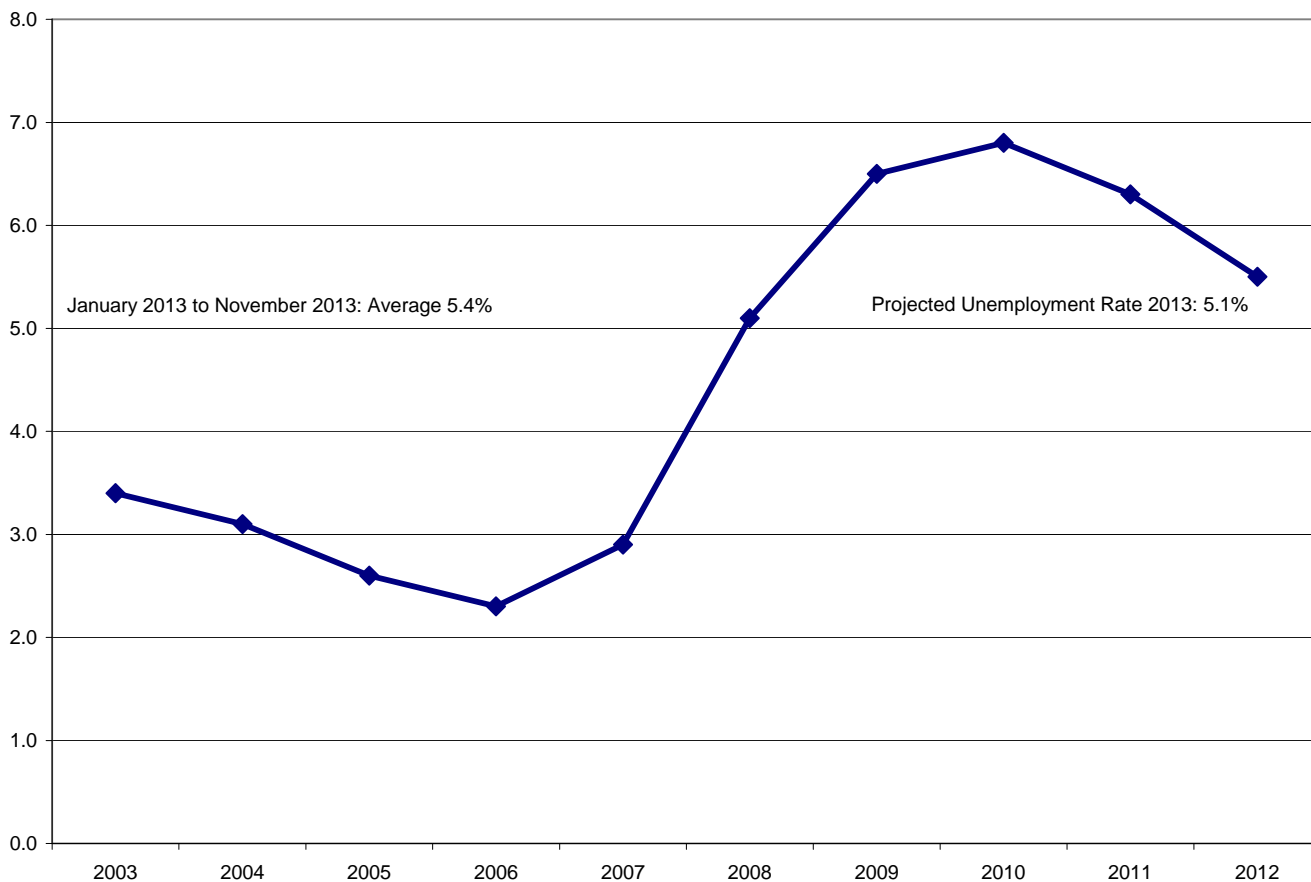
TREND ANALYSIS: ↓ Decrease

Employment

Cerritos – Annual Unemployment Rate

In 2003, Cerritos had an unemployment rate of 3.7%, which then decreased to a low of 2.5% in 2006. However, with the Great Recession starting 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 5.1% (November 2013). Based on trend analysis, the unemployment rate is expected to complete 2013 at 5.1%, and continue the trend towards an improving unemployment rate approaching pre-recession levels.

Average Annual Unemployment Rate



Average Annual Unemployment Rate

2003	2004	2005	2006	2007
3.7%	3.5%	2.8%	2.5%	2.7%
2008	2009	2010	2011	2012
4.0%	6.3%	6.9%	6.7%	6.0%

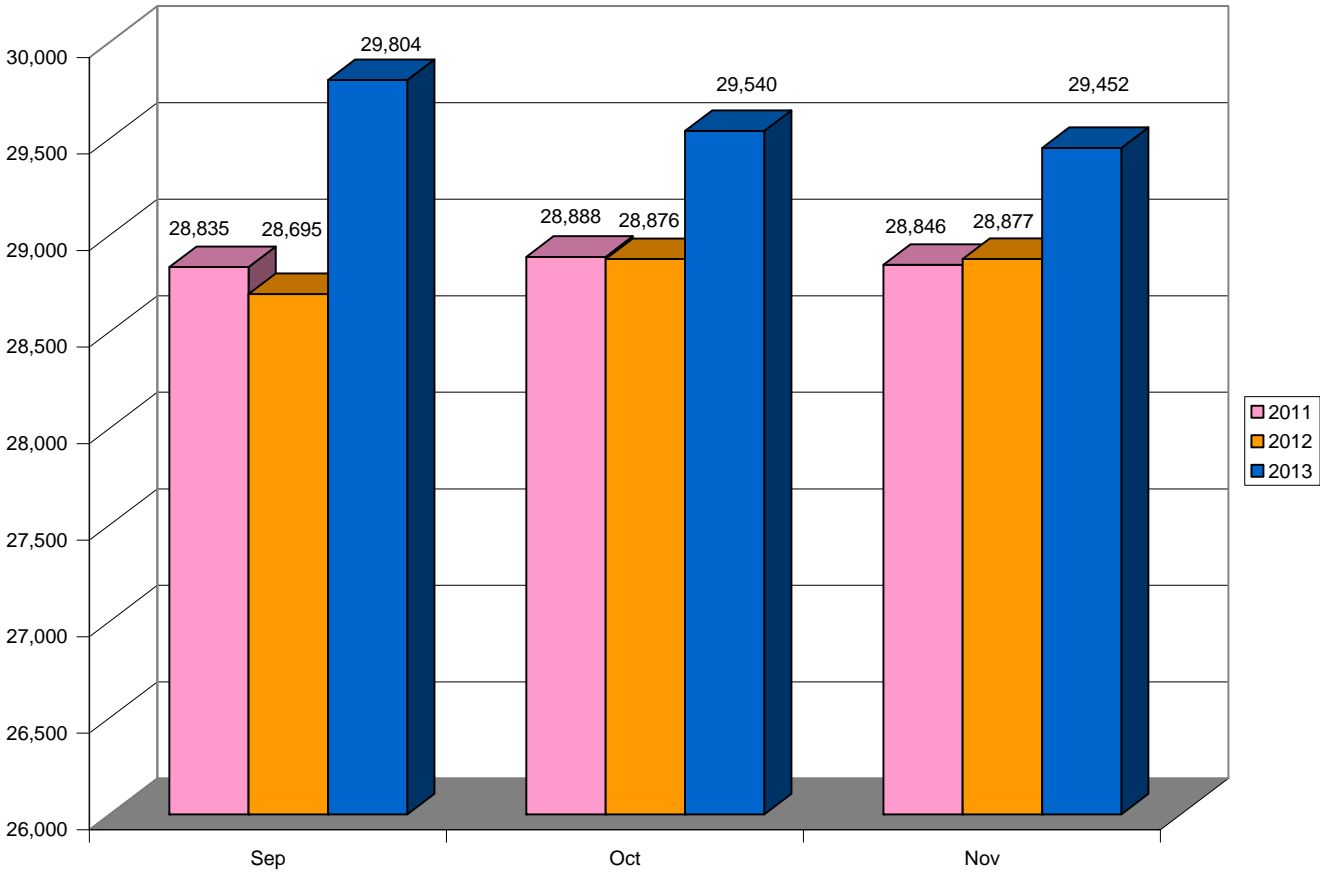
TREND ANALYSIS: ↓ Decrease

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 29,452 persons as of November 2013 in the local workforce (an increase of 575 persons from the same month last year). Based on a trend analysis, the labor force in the City has increased from September 2013 through November 2013 from the previous years (2011 and 2012).

Labor Force – Cerritos



Annual Average Cerritos Labor Force

2002	2003	2004	2005	2006	
28,615	28,520	28,618	28,826	29,133	
2007	2008	2009	2010	2011	2012
29,478	29,498	28,709	28,597	28,725	28,520

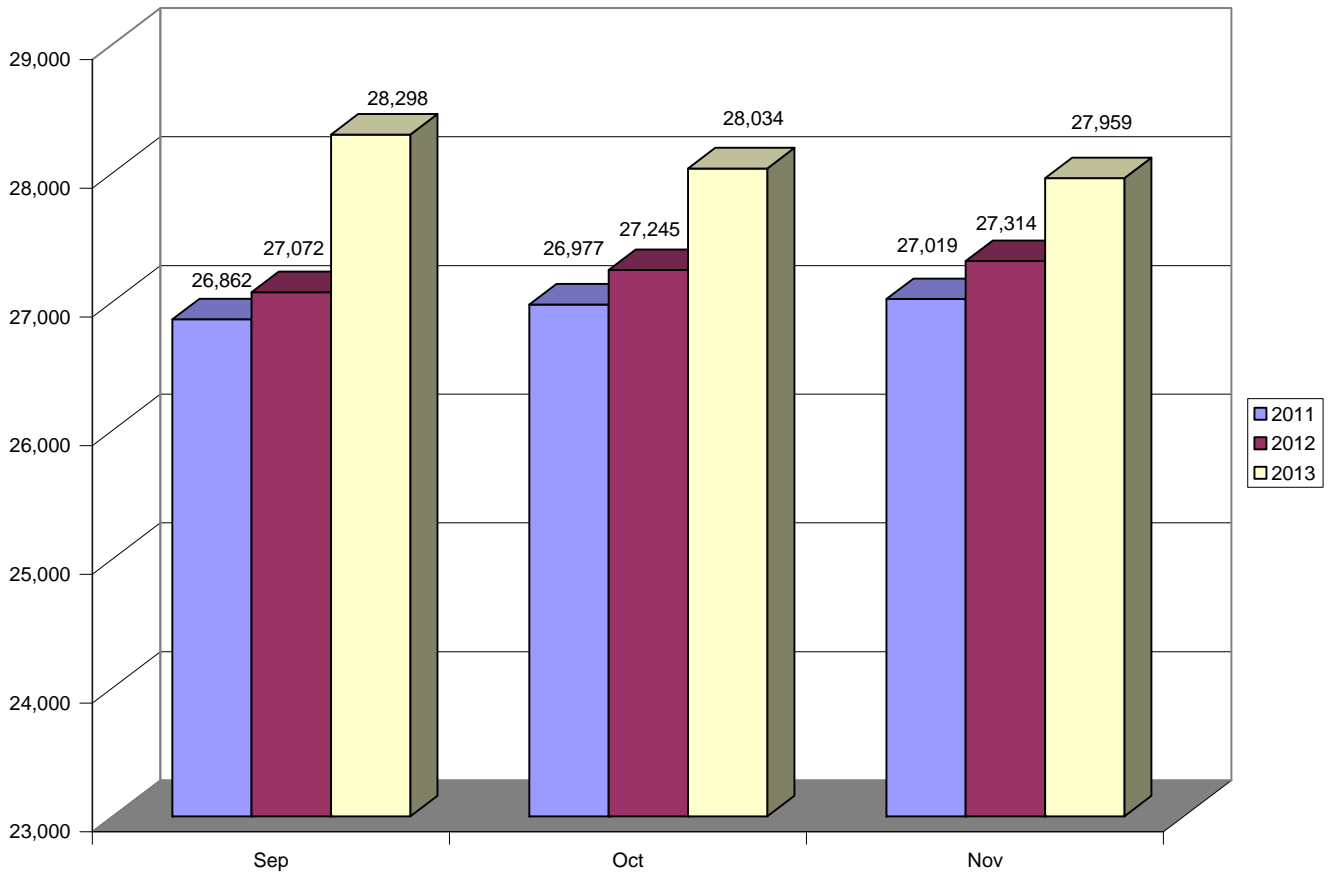
TREND ANALYSIS: ↑ Increase

Employment

Employment in Cerritos

There were 27,959 jobs in November 2013 within the City that employ both Cerritos residents and persons that reside outside of Cerritos. Based on the trend analysis, employment from November 2011 through November 2013 has increased by 940 jobs. Additionally, employment has increased each month in a year-to-year comparison with 2011 and 2012, which indicates that the local economy is growing.

Employment – Cerritos



Annual Average Employment in Cerritos

2002	2003	2004	2005	2006	
27,581	27,457	27,624	28,008	28,397	
2007	2008	2009	2010	2011	2012
28,688	28,315	26,887	26,615	26,786	26,800

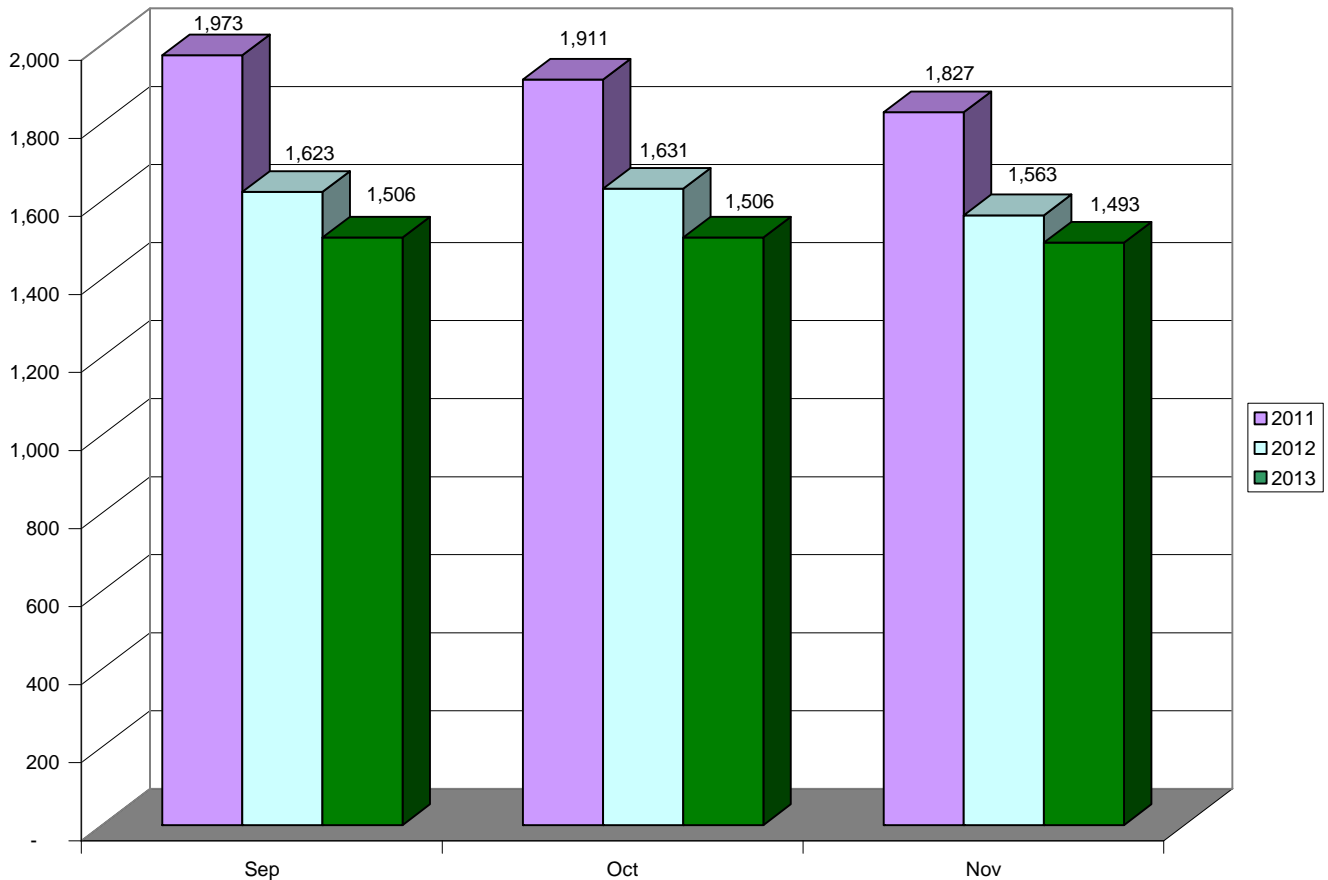
TREND ANALYSIS: ↑ Increase

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: (unemployment = labor force – employment). Based on the data from November 2013, there are currently 1,493 individuals (5.1%) unemployed in Cerritos, which is a decrease of 70 persons from November 2012. Additionally, unemployment has decreased in a year-to-year comparison. September 2013 (117 person decrease) and October 2013 (125 person decrease) experienced decreases from the previous year.

Unemployment – Cerritos

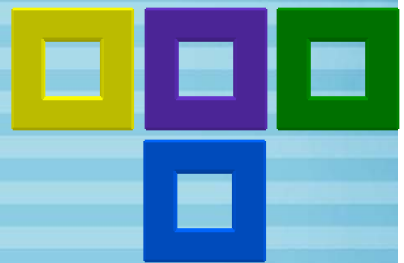


Annual Average Unemployed in Cerritos

2002	2003	2004	2005	2006	
1,034	1,063	994	818	736	
2007	2008	2009	2010	2011	2012
790	1,183	1,822	1,982	1,939	1,720

TREND ANALYSIS: ↓ Decrease

Commercial Real Estate

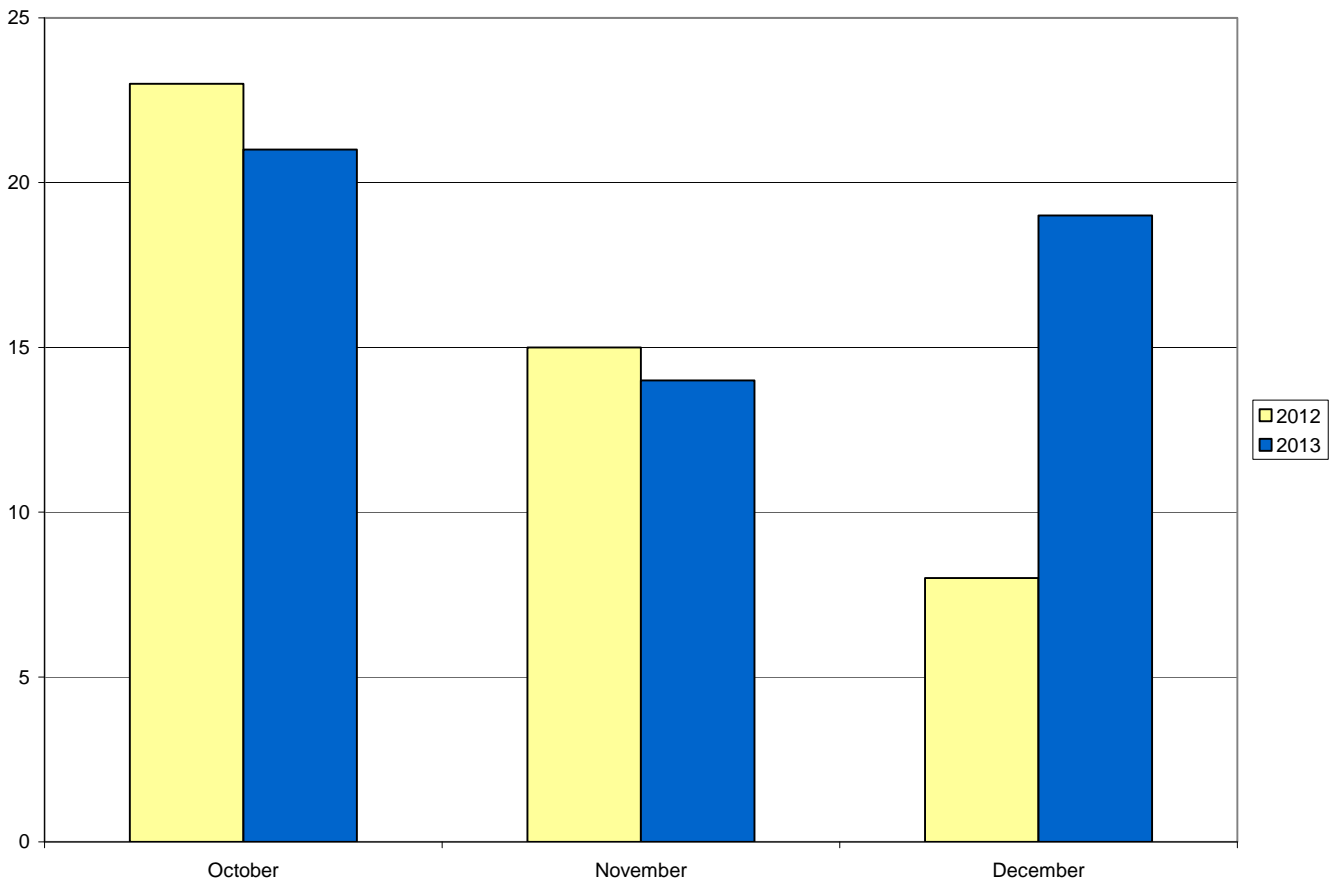


Commercial Real Estate

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 2013-Q4, CO's increased from a year ago. A total of 54 CO's were processed in 2013-Q4, an increase of 8 from 2012-Q4, in which 46 CO's were processed. In calendar year 2013, a total of 210 CO's were processed by the City.

Certificates of Occupancy for 2013-Q4



Certificate of Occupancy – 2013

Jan	Feb	Mar	Apr	May	June
10	16	18	12	15	27
July	Aug	Sept	Oct	Nov	Dec
24	20	14	21	14	19

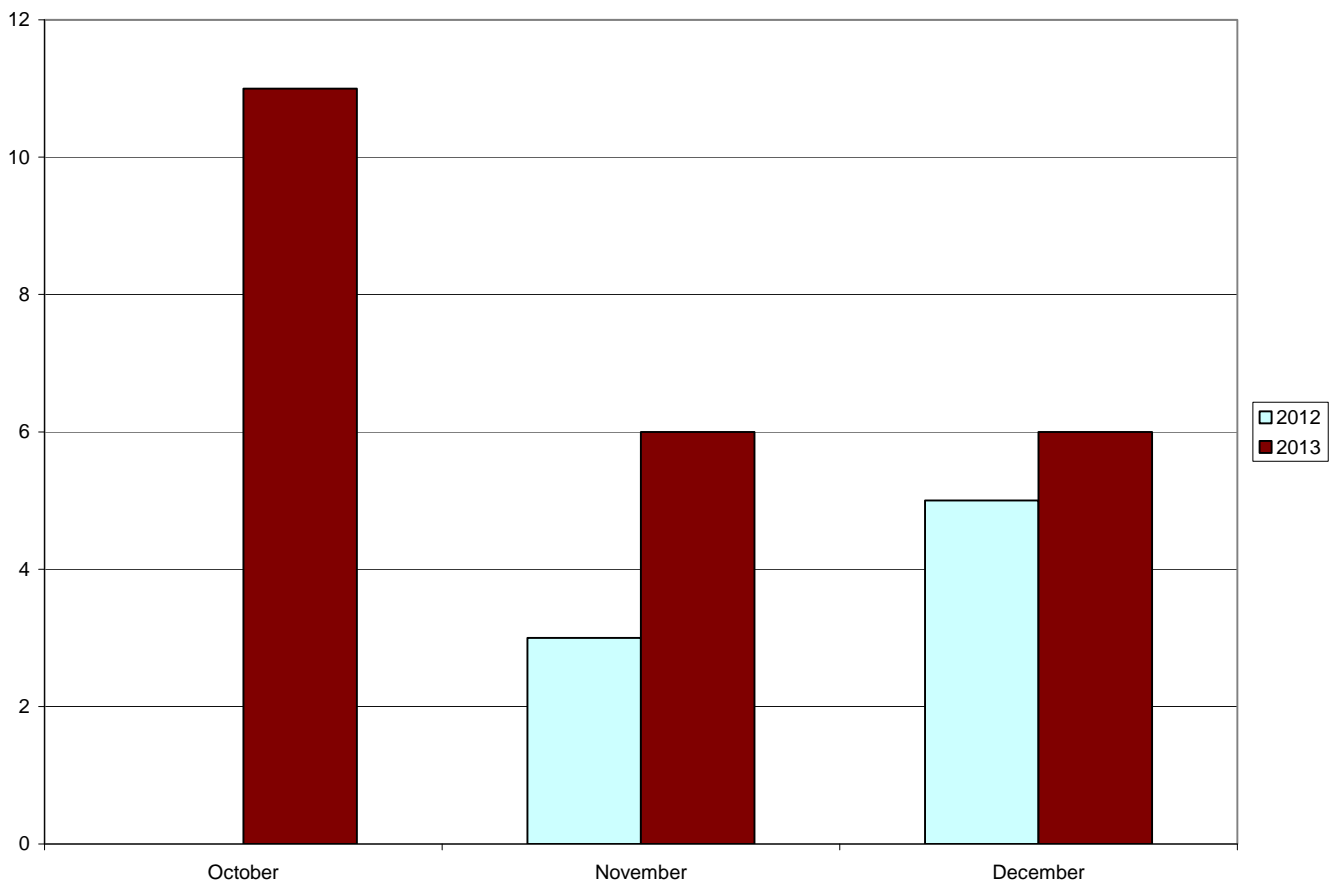
TREND ANALYSIS: ↑ Increase

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 2013-Q4, tenant improvements increased from the previous year. A total of 23 TI's were processed in 2013-Q4, an increase of 15 from 2012-Q4, in which 8 TI's were processed. In calendar year 2013, a total of 90 TI's were processed by the City. (Please note that zero TI's were processed in October 2012.)

Tenant Improvements for 2013-Q4



Tenant Improvements – 2013

Jan	Feb	Mar	Apr	May	June
6	3	7	6	3	12
July	Aug	Sept	Oct	Nov	Dec
12	8	10	11	6	6

TREND ANALYSIS: ↑ Increase

Commercial Real Estate

Cerritos Vacancy Rates

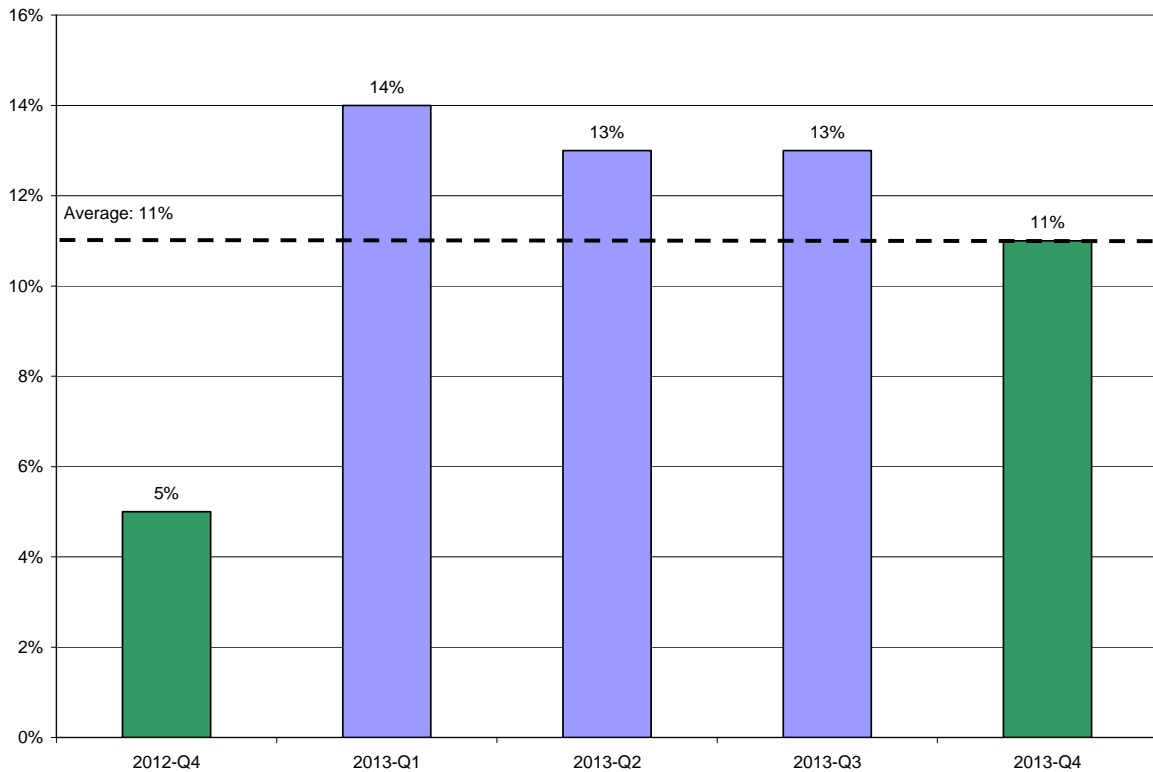
The City of Cerritos currently has a low vacancy rate when compared to the overall total available space for industrial, office, and retail uses. Currently, there is approximately 311,369 square feet of vacant industrial space, which equates to 2% of the total available citywide industrial space. Additionally, the City has approximately 153,910 square feet of vacant office space (11% of the total office space in Cerritos) and approximately 123,018 square feet of available retail space (3% of the total retail space in Cerritos). This equates to a total of 588,297 square feet of available commercial space in the City, which is equal to 3% 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	311,369	2%
Office	1,422,575	153,910	11%
Retail	4,685,788	123,018	3%
Total	21,196,480	588,297	3%

In 2013-Q4, the Cerritos office market vacancy rate was at 11%, which is a 2% decrease over the previous quarter. Over the past five quarters, the City office vacancy rate averaged approximately 11%.

Cerritos Office Vacancy Rates



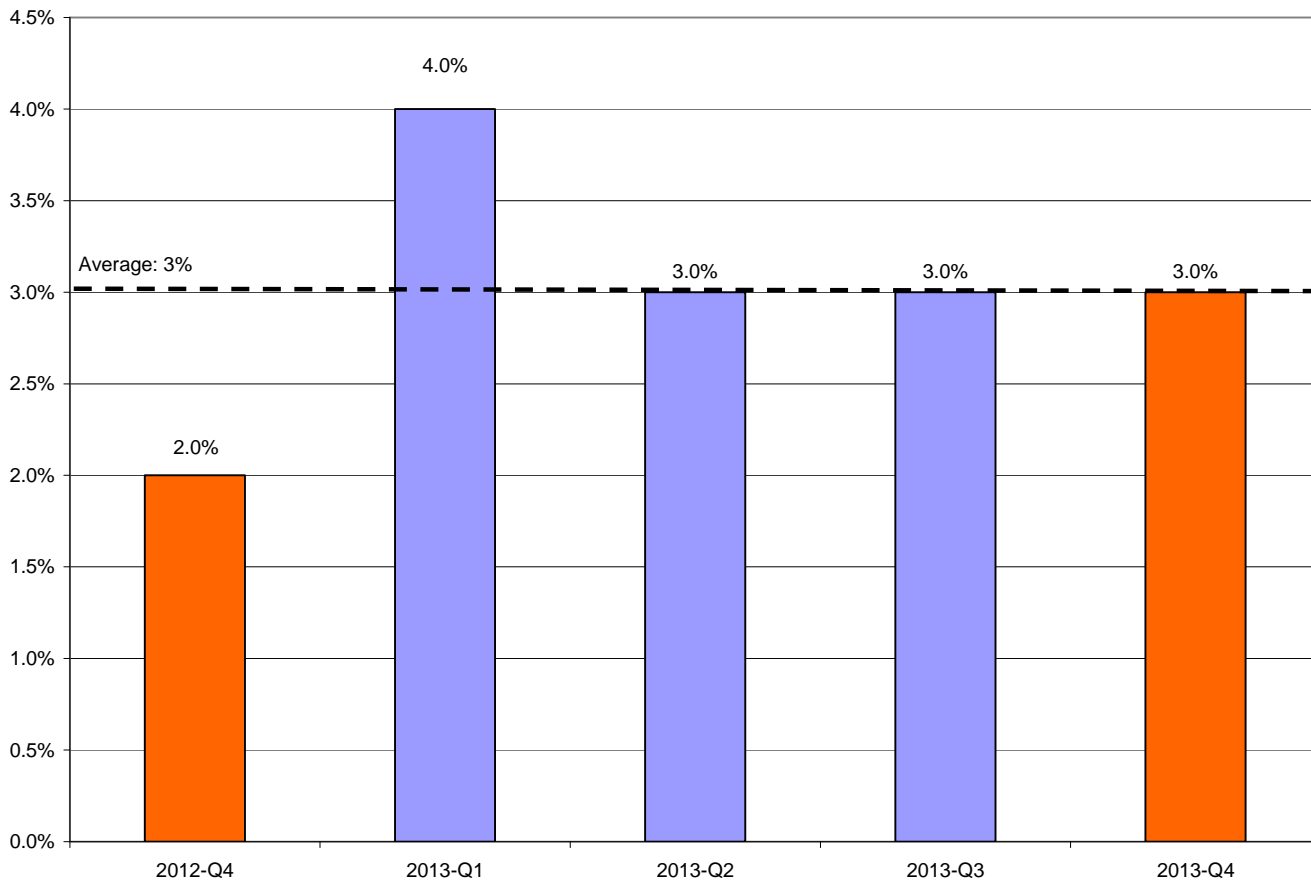
Commercial Real Estate

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 2013-Q4 (same as in 2013-Q2 and 2013-Q3). Based on a trend analysis, the retail vacancy rate has decreased from 4% in 2013-Q1 to its current level of 3% in 2013-Q4. Over the past five quarters, the average retail vacancy rate for the City is 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.

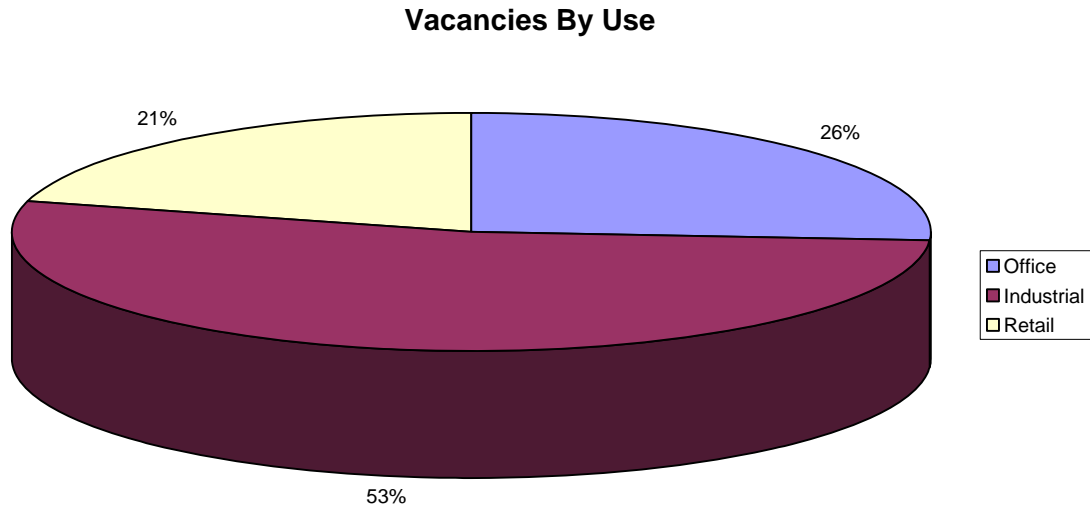
Cerritos Retail Vacancy Rate



Commercial Real Estate

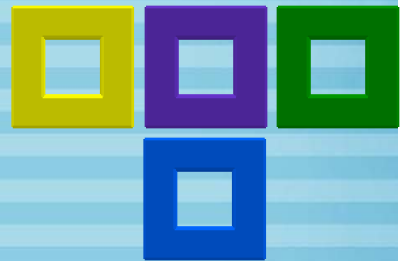
Cerritos Vacancy Rates – Vacancy Breakdown by Use

In Cerritos, there is approximately 588,297 square feet of total vacant commercial space (3%) (of the total available space) for 2013-Q4. Within the total available space, 21% (123,018 square feet) is available for retail use, 26% (153,910 square feet) is available for office use and 53% (311,369 square feet) is available for industrial use.



(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.)

Housing

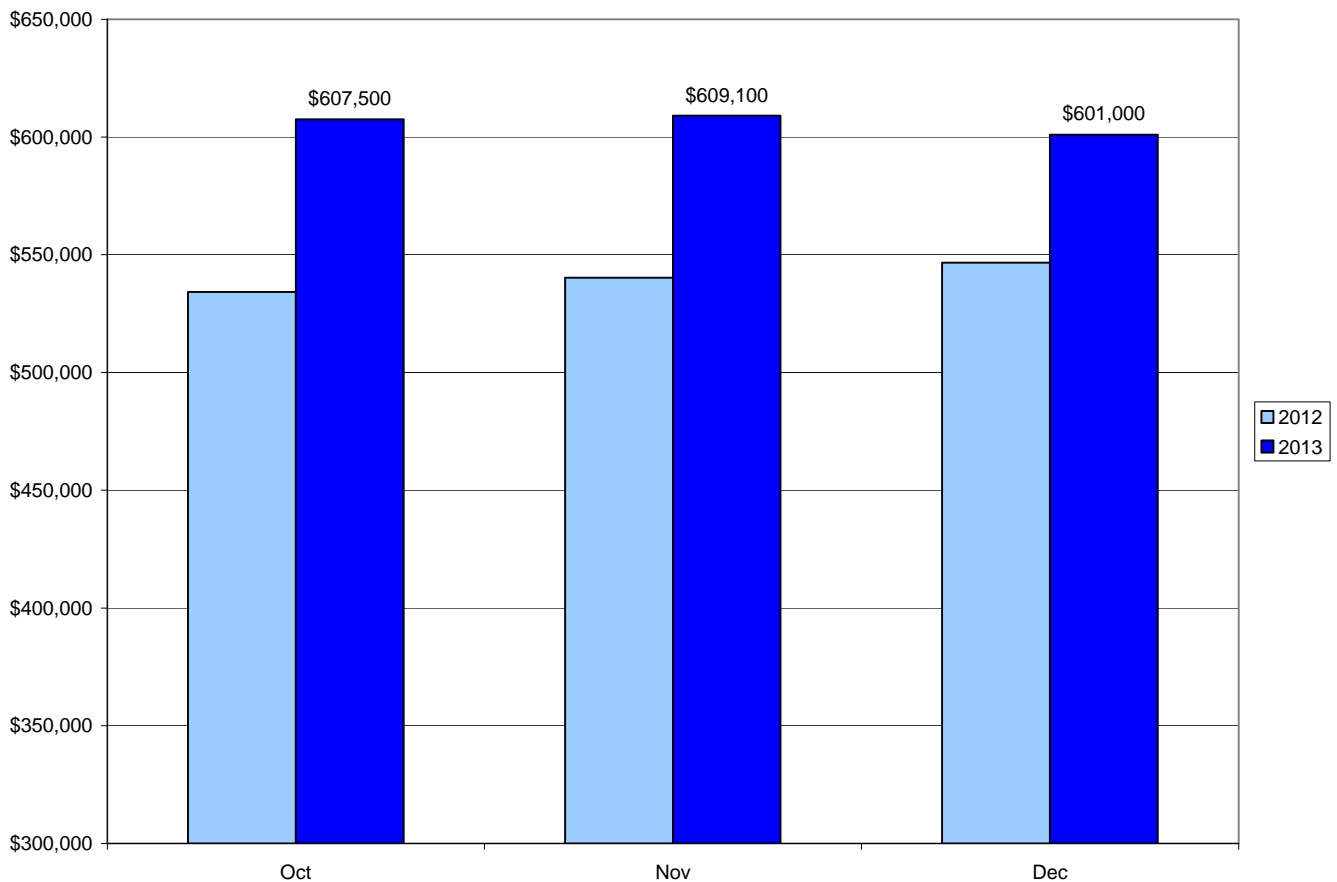


Housing

Single-Family Residential

For 2013-Q4, the average median home sales price in Cerritos was \$605,867. Housing prices in Cerritos increased throughout 2013-Q4 from a year ago. In fact, October 2013 experienced a 14% increase, November 2013 experienced a 13% increase and December 2013 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.

Single-Family Residential Home Sales Price in Cerritos - 2013-Q4



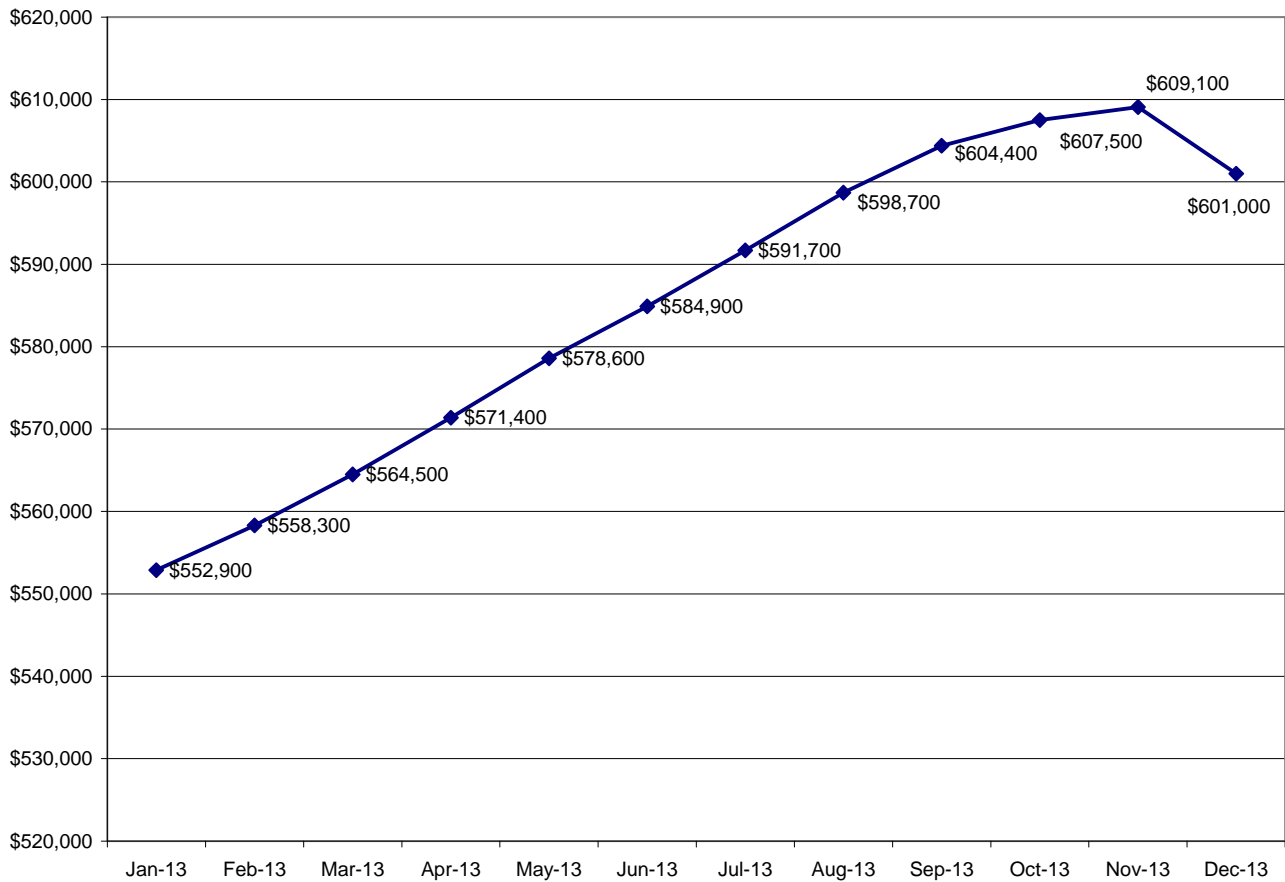
TREND ANALYSIS: ↑ Increase

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 \$552,900 in January 2013 and peaked to its high of \$609,100 in November 2013. 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 - January 2013 to December 2013



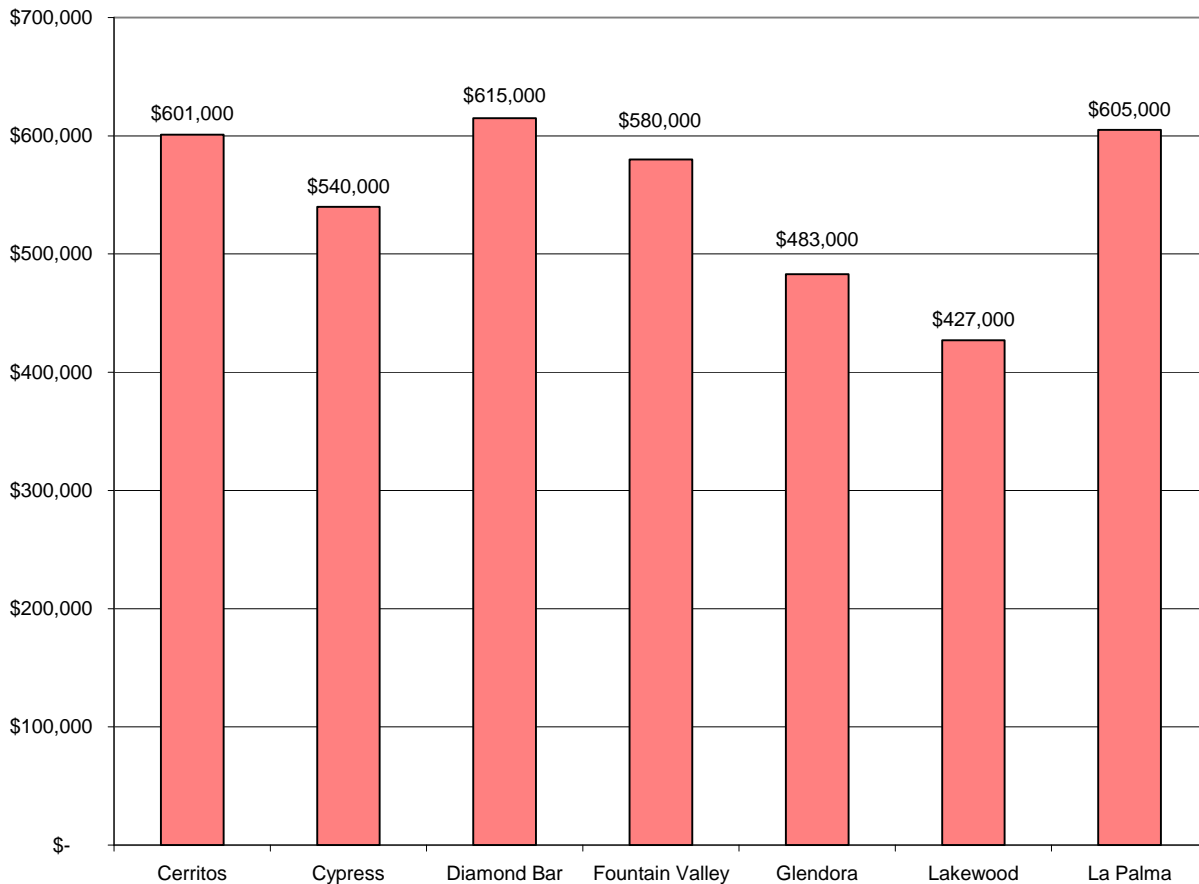
TREND ANALYSIS: ↑ Increase

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 December 2013 home sale prices, Cerritos home sale prices were \$601,000, which was higher than four comparable cities. Only the cities of Diamond Bar (\$615,000) and La Palma (\$605,000) had higher home sales prices than Cerritos for the month of December 2013.

Regional Comparison – December 2013



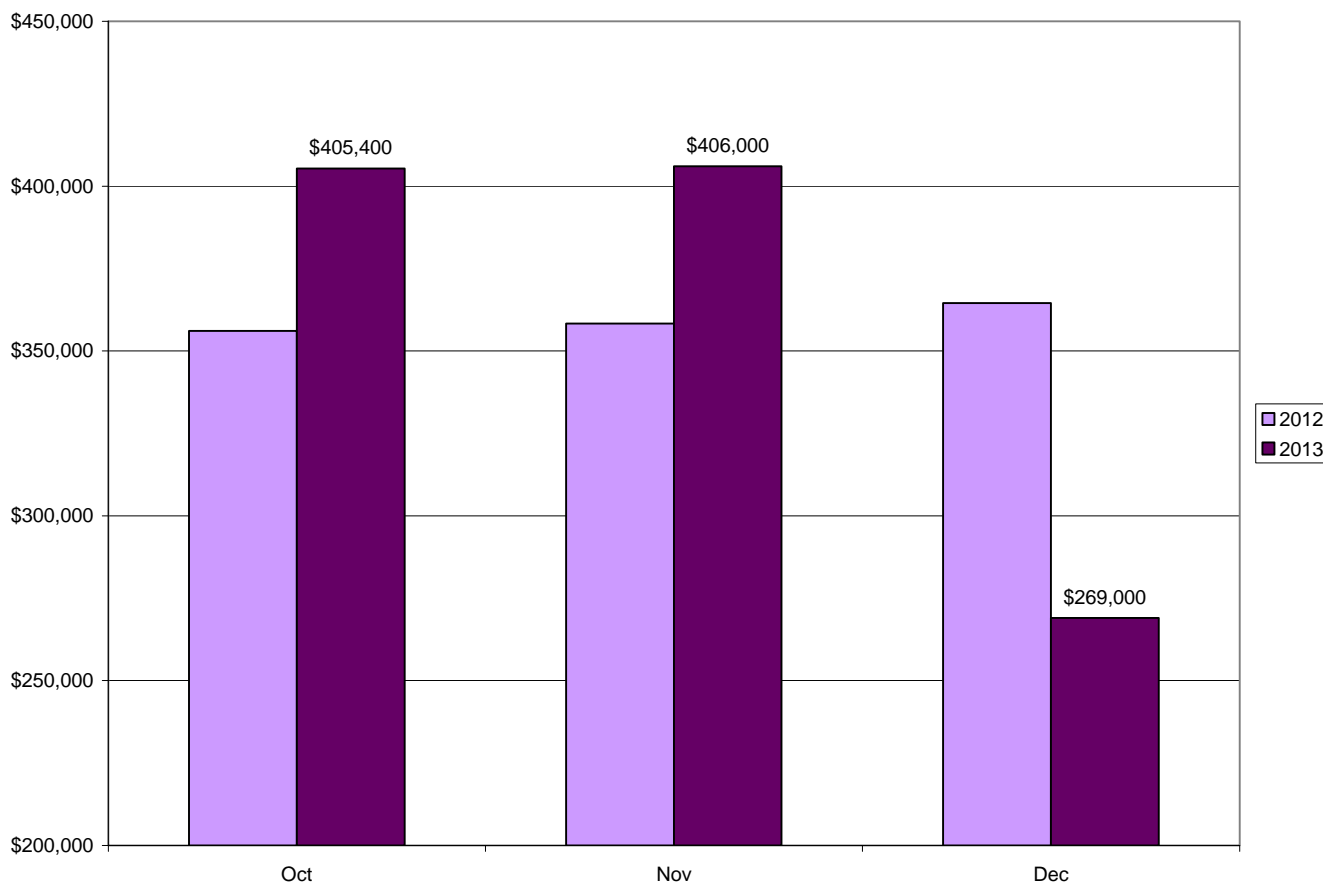
TREND ANALYSIS: ↑ Increase

Housing

Multi-Family Residential

Condominiums have a niche in housing between renting and owning single-family homes. For 2013-Q4, the average median condominium home sales price in Cerritos was \$360,133. Condominium sale prices in Cerritos increased in October and November 2013 and decreased in December 2013 from the previous year. In a regional comparison, the sale price of condominiums in Los Angeles County (\$380,000) and Orange County (\$375,000) were higher on average than in Cerritos (\$360,133).

Condominium Home Sales Price in Cerritos - 2013-Q4



Condominium Home Sale Prices – County Comparison for 2013-Q4

Cerritos	Los Angeles County	Orange County
\$360,133	\$380,000	\$375,000

TREND ANALYSIS: ↑ Increase

Statistical Summary

Economic Profile – Winter 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 Winter 2014.

Major Revenues

Sales tax revenue for the 2013-Q3 (calendar year) totaled \$5,501,257 which is a 1% decrease from the same quarter in 2012. The Cerritos Auto Square experienced an increase in auto sales (increase of 119 cars) for the fourth quarter of 2013 and for calendar year 2013 (increase of 3,791 cars).

In the fourth quarter of 2013, new business licenses and renewals increased 13% from a year ago. A total of 905 new and renewal of business licenses were processed (increase of +101). The Los Cerritos Center, which is traditionally the second largest sales tax generator, experienced a decrease of 4% in monthly visitors for 2013-Q4 from the previous year.

Unemployment/Employment

The unemployment rate among Cerritos residents is approximately 5.1%, 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 November 2013 was 29,452 and was constituted by 27,959 employed and 1,493 unemployed residents.

Commercial Real Estate

Cerritos currently has 588,297 square feet of vacant commercial space, which is approximately 3% of the total available commercial real estate space in Cerritos (21,196,480 sq. ft.). Of the total vacant space in Cerritos, 53% is industrial space (311,369 sq. ft.), 26% is office space (153,910 sq. ft.), and 21% is retail space (123,018 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 2013-Q4, tenant improvements/new buildings (TI) and certificates of occupancy (CO) increased from the previous year. In total, 90 TI were processed and 210 CO were processed for calendar year 2013.

Housing

For 2013-Q4, the single family median home sale price in Cerritos was approximately \$605,867. In a regional comparison, homes in Cerritos have maintained their values and were higher than most cities of comparable size and demographics. However, condominium sale prices decreased in December 2013.

Statistical Summary

Economic Profile – Winter 2013

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 at Cerritos Auto Square
- Annual sales of cars at the Cerritos Auto Square
- Single family home sale prices
- Employment
- New and renewal of business licenses
- Tenant Improvements/New Buildings
- Labor force
- Certificate of Occupancy

→ Constant

- Sales tax at the Cerritos Industrial Park

↓ Decrease

- Sales tax
- Sales tax at the Los Cerritos Center
- Unemployment (persons)
- Unemployment rate
- Multi-family home sale prices (December 2013)
- Visitors at the Los Cerritos Center

Data Sources

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

Zillow
www.zillow.com