

Quarterly Market Trend Analysis for Economic Development in Cerritos

# City of Cerritos Economic Profile Spring 2015

*A City With Vision*



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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 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, Housing, 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."

The publication of the *Economic Profile* is a business attraction and retention effort by the Cerritos' City Council and it illustrates the City's commitment to economic development in order to continue to provide high-quality services to the public. With this in mind, the City is proud to present this quarterly report for the residents of Cerritos, businesses, developers, and other outside business professionals to attract new businesses and to grow the local economy.



Carol Chen  
Mayor



George Ray  
Mayor Pro Tem



Jim Edwards  
Councilmember



Mark Pulido  
Councilmember



Naresh Solanki  
Councilmember

# Economic Development Commission

The Economic Development Commission acts in an advisory capacity to the City Council on the needs of existing businesses and the availability of economic development opportunities and resources. The Commission is responsible for providing input on business retention, business expansion, business marketing issues and technology related issues.

Additionally, the Commission reviews the *Economic Profile* on a quarterly basis and provides guidance on a variety of issues including revenues, housing, employment, and commercial real estate. The Commissioners, which are appointed by the City Council, have a diverse business background and provide a unique perspective on economic development issues facing the City.

Regular meetings of the Economic Development Commission are held at 7:00 p.m. on the second Tuesday of the month, in February, May, August and November at the City Hall Council Chambers.

The Commission members include:

Dan Padelford  
Chair

Rosalinda Law  
Vice Chair

Robert Buell  
Commissioner

Richard Alegria  
Commissioner

Carmelita Lampino  
Commissioner

# Major Economic Indicators—Nationwide

The Bureau of Labor Statistics (BLS) is a unit of the United States Department of Labor and serves as the principal fact-finding agency for the United States Government in the broad field of labor and statistics. The BLS is a governmental statistical agency that collects, processes, analyzes, and disseminates essential statistical data to the American public, the United States Congress, other Federal agencies, State and local governments, business, and labor representatives.

On a monthly basis, the BLS produces a brief economic “snapshot” of the United States economy on their website, which includes economic indicators from a variety of sectors. These economic indicators help business professionals to gauge the economy and assists in creating policies and strategies to stimulate economic growth. Below is the most recent economic “snapshot” from the BLS.

Although this *Economic Profile* serves as a “snapshot” for the City of Cerritos’ local economy, economic indicators, as provided below, provide an overview and comparison between the City and the United States.

## Brief Overview of the United States Economy

### Consumer Price Index (CPI):

+0.2% in Mar 2015

As a widely used measure of inflation, the Consumer Price Index measures price movements of major groups of goods and services. The CPI presents price changes on food, energy, housing, apparel, transportation, medical care, recreation, and education.

### Unemployment Rate:

5.5% in Mar 2015

Current unemployment rate for the United States.

### Payroll Employment:

+126,000(p) in Mar 2015

The number of new persons added to the payroll at the Federal level.

### Average Hourly Earnings:

+\$0.07(p) in Mar 2015

Increase or decrease in average hourly earnings.

### Producer Price Index - Final Demand:

+0.2%(p) in Mar 2015

A measurement of the average changes in prices received by domestic producers for their output.

### Employment Cost Index (ECI):

+0.6% in 4th Qtr of 2014

A quarterly report from the U.S. Department of Labor that measures the growth of employee compensation (wages and benefits). The index is based on a survey of employer payrolls in the final month of each quarter. The ECI tracks movement in the cost of labor, including wages, fringe benefits and bonuses for employees at all levels of a company.

### U.S. Import Price Index:

-0.3% in Mar 2015

A measurement of the average changes in prices of goods and services that are imported to the United States.

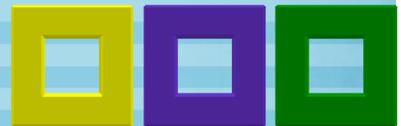
### U.S. Export Price Index:

+0.1% in Mar 2015

A measurement of the average changes in prices of goods and services that are exported from the United States.



# Major Revenues



# Major Revenues

## Sales Tax

For 2014-Q4, businesses in the City generated \$6,124,568 in sales tax revenue, which is a 7% increase (\$394,393) over the same quarter in 2013. Over the past four quarters, the average sales tax revenue was \$5.7 million. The increase in the fourth quarter may indicate strong holiday sales and an increase in consumer spending. Please note that sales tax reporting is one quarter behind and the data presented herein is the most current data available.

### Sales Tax Revenue – Calendar Year



From 2011 through 2014, annual sales tax revenue increased from \$18,833,756 to \$22,238,546, resulting in a 23% increase. Additionally, sales tax revenue increased in 2014 after remaining at the \$22 million level for 2012 and 2013.

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

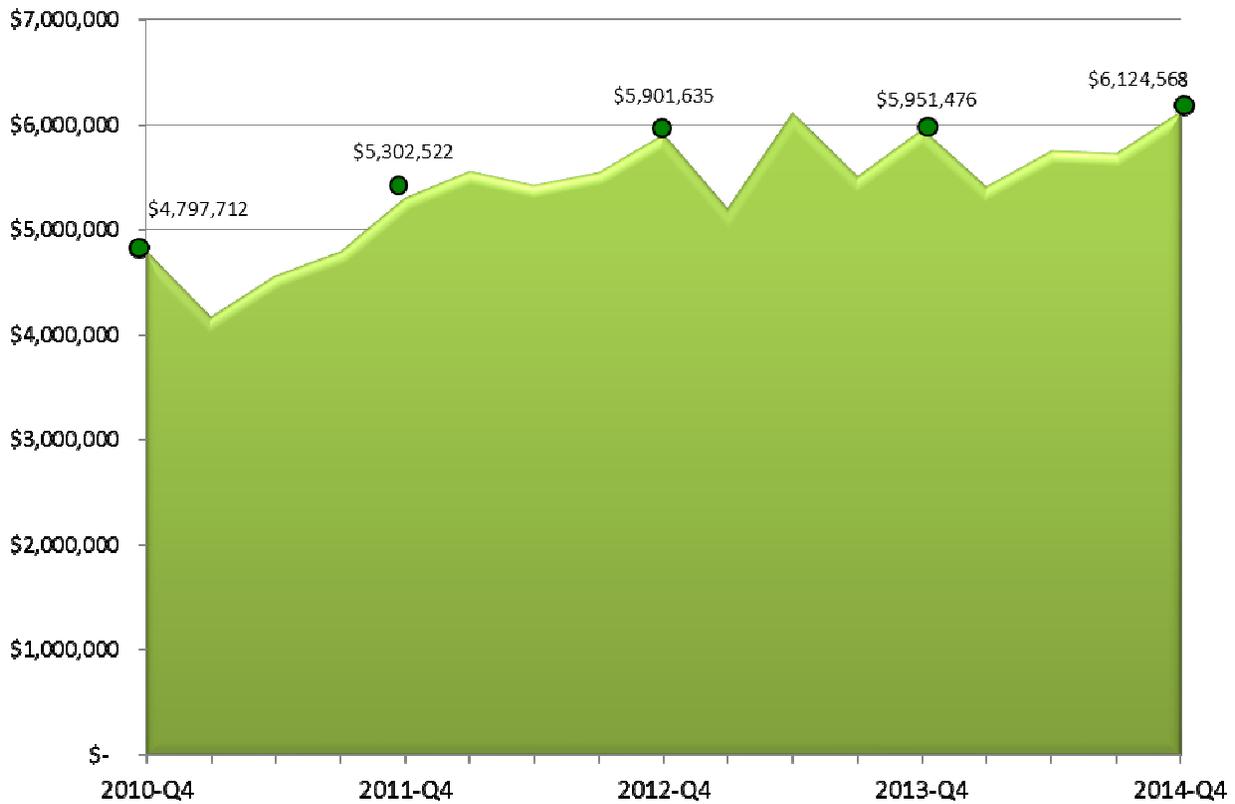
2011	2012	2013	2014
\$18,833,756	\$22,424,662 ↑	\$22,994,391 ↑	23,238,546 ↑

# Major Revenues

## Sales Tax – Fourth Quarter Analysis

Based on a trend analysis, quarterly sales tax has gradually increased from a low of \$4.7 million in 2010-Q4 to its current level of \$6.1 million in 2014-Q4. The trend line indicates an increase in sales tax revenue in a quarter-per-quarter comparison starting from 2010-Q4 to 2014-Q4. Sales tax revenue remained constant at \$5.5 million for three quarters starting in 2011-Q4 and then increased to \$6.1 million in 2014-Q4. The continued growth in sales tax revenue can be attributed to renovations and increased construction activity at the Cerritos Auto Square, the Los Cerritos Center, and other shopping centers throughout the City.

**Fourth Quarter Trend Analysis**



**Fourth Quarter Analysis**

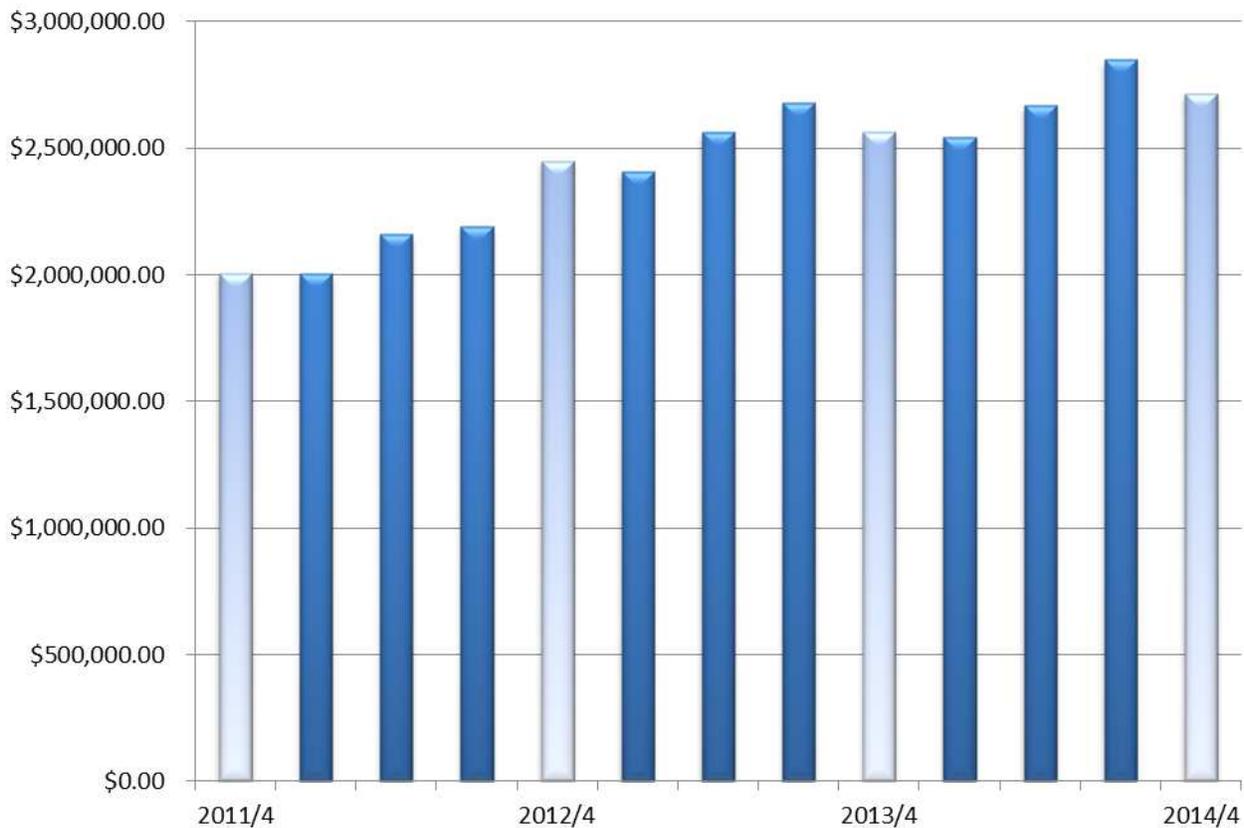
2010-Q4	2011-Q4	2012-Q4	2013-Q4	2014-Q4
\$4,797,712	\$5,302,522 ↑	\$5,901,635 ↑	\$5,901,476 ↓	\$6,124,568 ↑

# Major Revenues

## Sales Tax – Cerritos Auto Square

The Cerritos Auto Square generated the greatest amount of sales tax of any business sector in the City in 2014-Q4 (\$2.7 million). In a quarter-to-quarter comparison, 2014-Q4 (\$2.7 million) increased from 2013-Q4 (\$2.5 million) or an increase of \$151,567, which equates to 6%. Additionally, 2014-Q4 was higher than 2012-Q4 and 2011-Q4. This trend analysis indicates an increase in auto sales and a recovering local economy. Ongoing renovations and upgrades to dealerships located at the Cerritos Auto Square, an effective marketing campaign by the Auto Dealers Association, and an increase in consumer confidence may be contributing factors in the increase of auto sales.

**Cerritos Auto Square**



2011-Q4 to 2014-Q4

Average: \$2,446,042

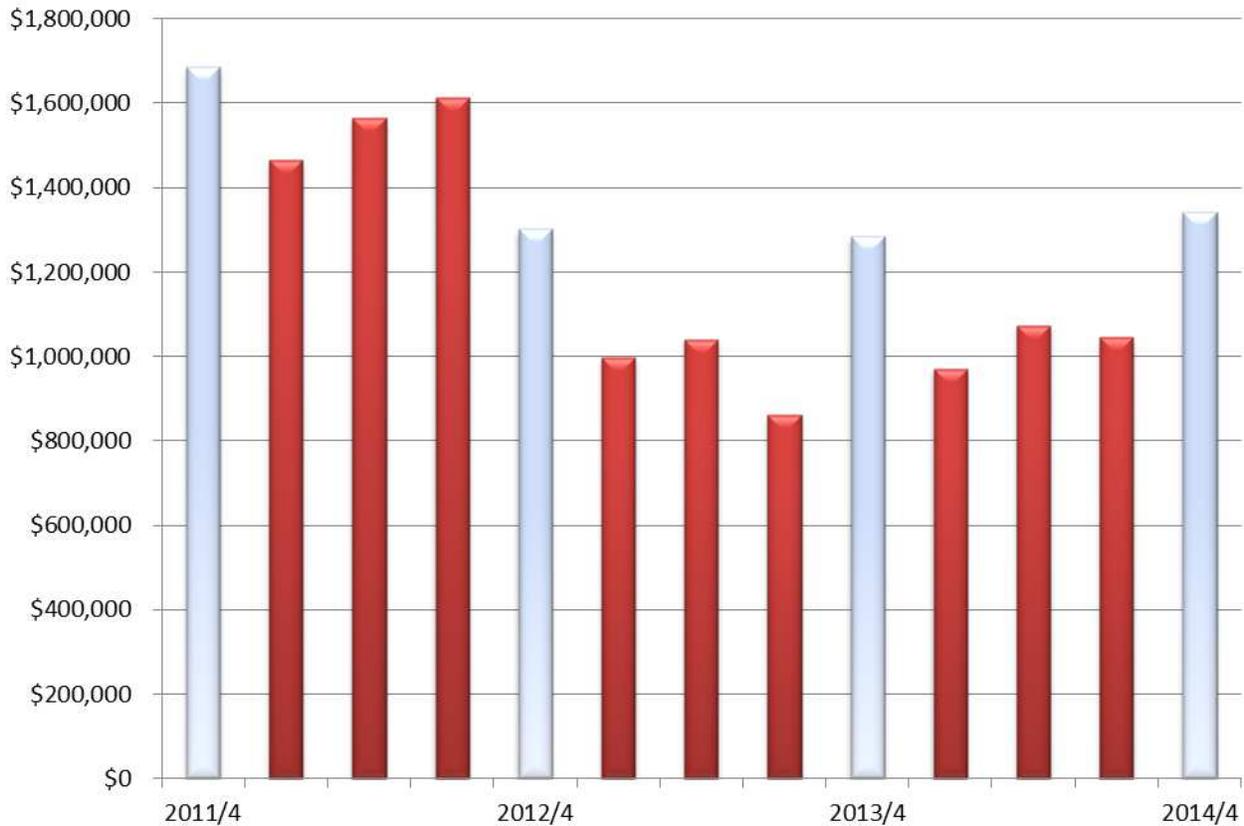
2011-Q4	2012-Q4	2013-Q4	2014-Q4
\$2,004,794	\$2,448,236 ↑	\$2,563,883 ↑	\$2,715,450 ↑

# Major Revenues

## Sales Tax – Los Cerritos Center

In 2014-Q4, the Los Cerritos Center generated the second highest amount of sales tax revenue for the City’s General Fund at \$1,341,744. Based on the trend analysis, sales tax revenue increased 5% from 2013-Q4 (\$58,685 increase). Additionally, sales tax revenue at the Los Cerritos Center has averaged approximately \$1.2 million dollars per quarter from 2011-Q4 to 2014-Q4 (with the exception of seasonal increases that correspond with fourth quarter holiday sales).

**Los Cerritos Center**



2011-Q4 to 2014-Q4

Average: \$1,249,653

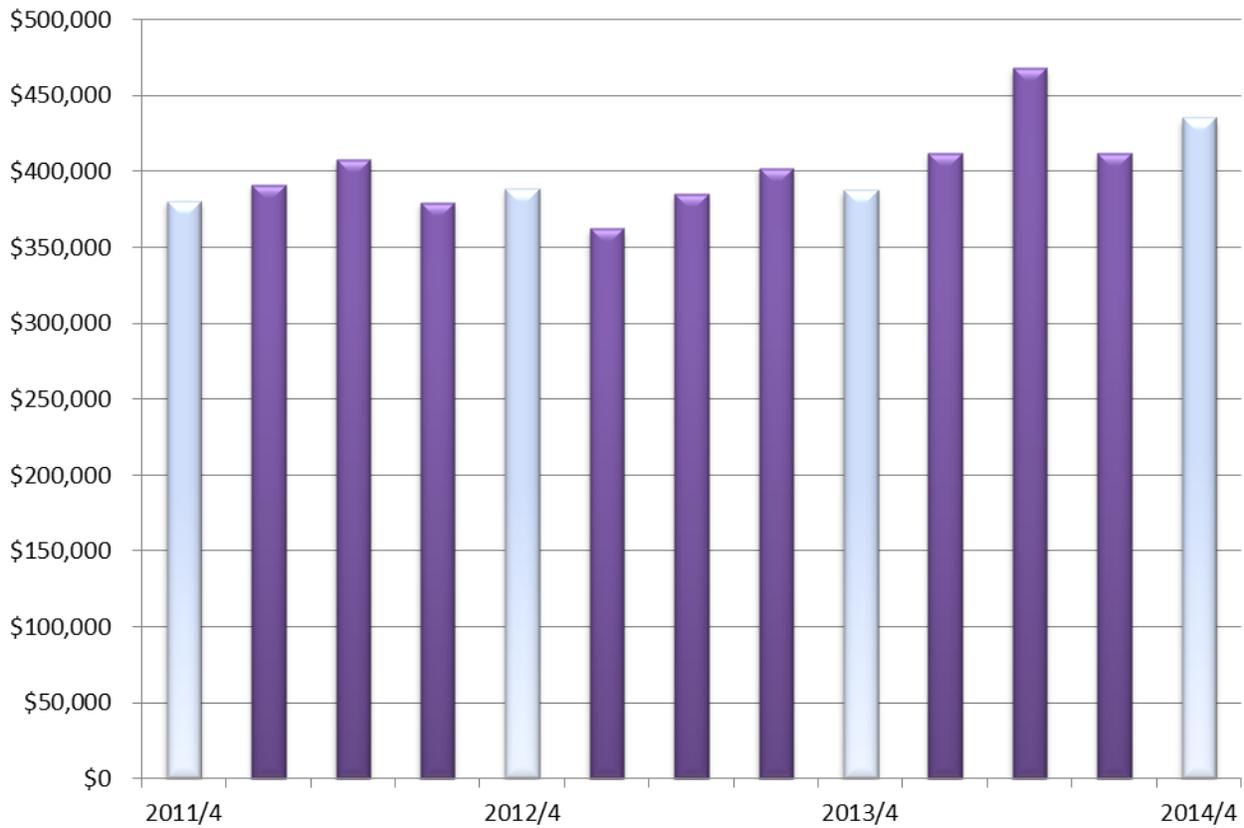
2011-Q4	2012-Q4	2013-Q4	2014-Q4
\$1,685,552	\$1,301,524 ↓	\$1,283,060 ↓	\$1,341,744 ↑

# Major Revenues

## Sales Tax – Cerritos Industrial Park

The Cerritos Industrial Park is the third highest sales tax generator in Cerritos. The Cerritos Industrial Park generated \$435,501 in 2014-Q4, which is a 12% increase from 2013-Q4 (\$388,169). Based on the trend analysis, sales tax revenue has remained relatively constant throughout the review period with no significant changes, with the exception of a significant increase in 2014-Q2. However, 2014-Q4 had the highest quarter in sales tax revenue at the Cerritos Industrial Park over the past three years.

**Cerritos Industrial Park**



2011-Q4 to 2014-Q4

Average: \$401,002

2011-Q4	2012-Q4	2013-Q4	2014-Q4
\$380,258	\$388,809 ↑	\$388,169 ↓	\$435,501 ↑

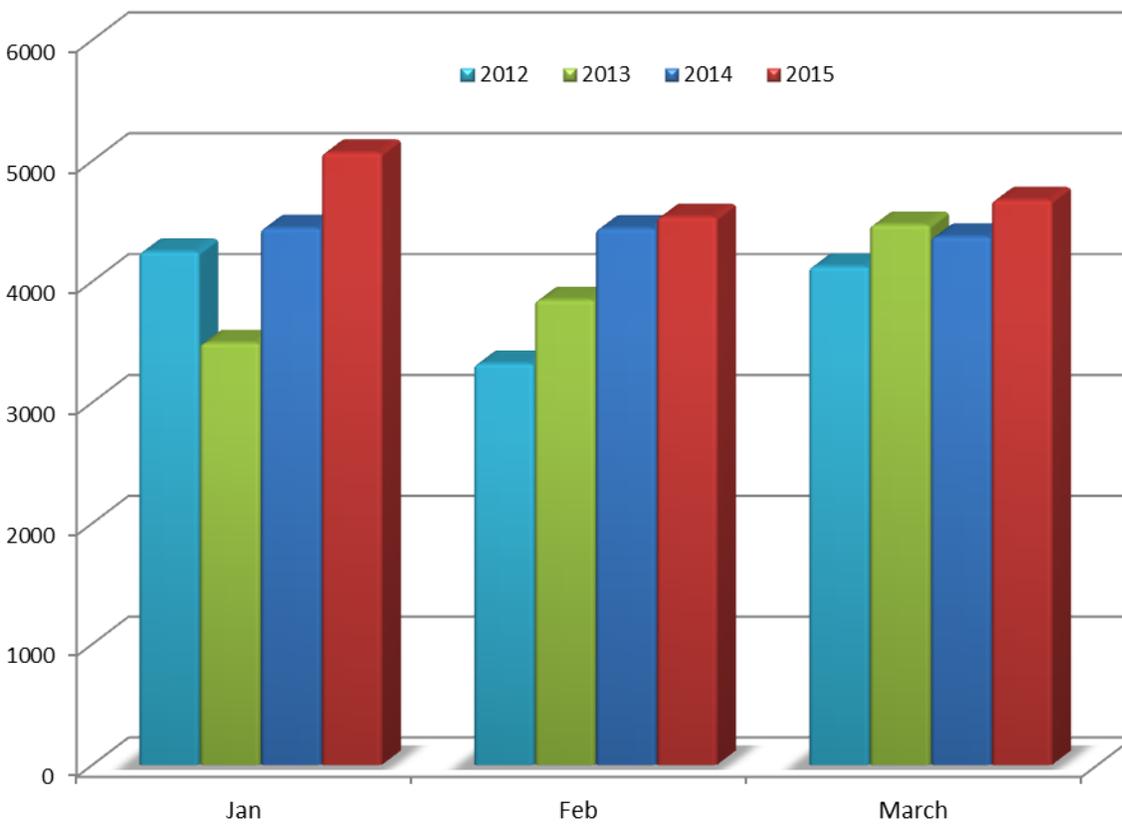
# Major Revenues

## 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 each year.

For 2015-Q1, sales increased in January, February, and March from the previous year, averaging approximately 4,759 vehicles sold per month. Overall, sales were higher for 2015-Q1 (14,278) in comparison to 2014-Q1 (12,229), a difference of 2,049 cars. Additionally, January 2015 reported the highest auto sales over the past four years.

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



**Cars Sold in 2015-Q1**

January	February	March
5,067	4,536	4,675

2015-Q1 Total: 14,278  
 2014-Q1 Total: 12,229  
 Difference: (+2,049)

# Major Revenues

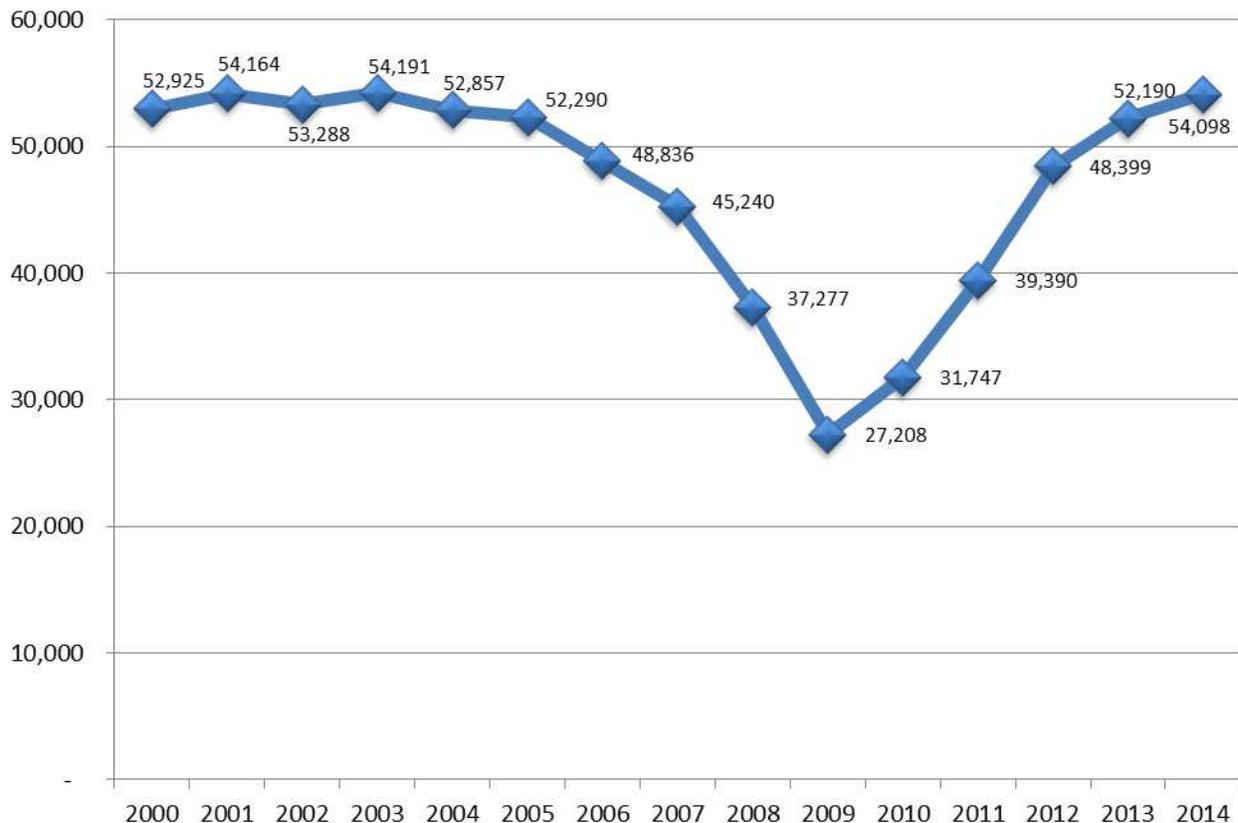
## Auto Sales – Annual Totals

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 2014 over sales in 2013. In fact, there was a 4% increase in auto sales from 2013 to 2014 with a total of 1,908 more cars sold. The 2014 year marks a total of five years in a row that total annual sales exceeded sales totals from the previous year (2010, 2011, 2012, 2013 and 2014).

<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>		
37,431	43,920	42,556	42,879	45,026		
<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>		
47,341	51,825	52,925	54,164	53,288		
<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>		
54,191	52,857	52,290	48,836	45,240		
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
37,277	27,208	31,747	39,390	48,399	52,190	54,098

**Trend Analysis – 1993 to 2014**

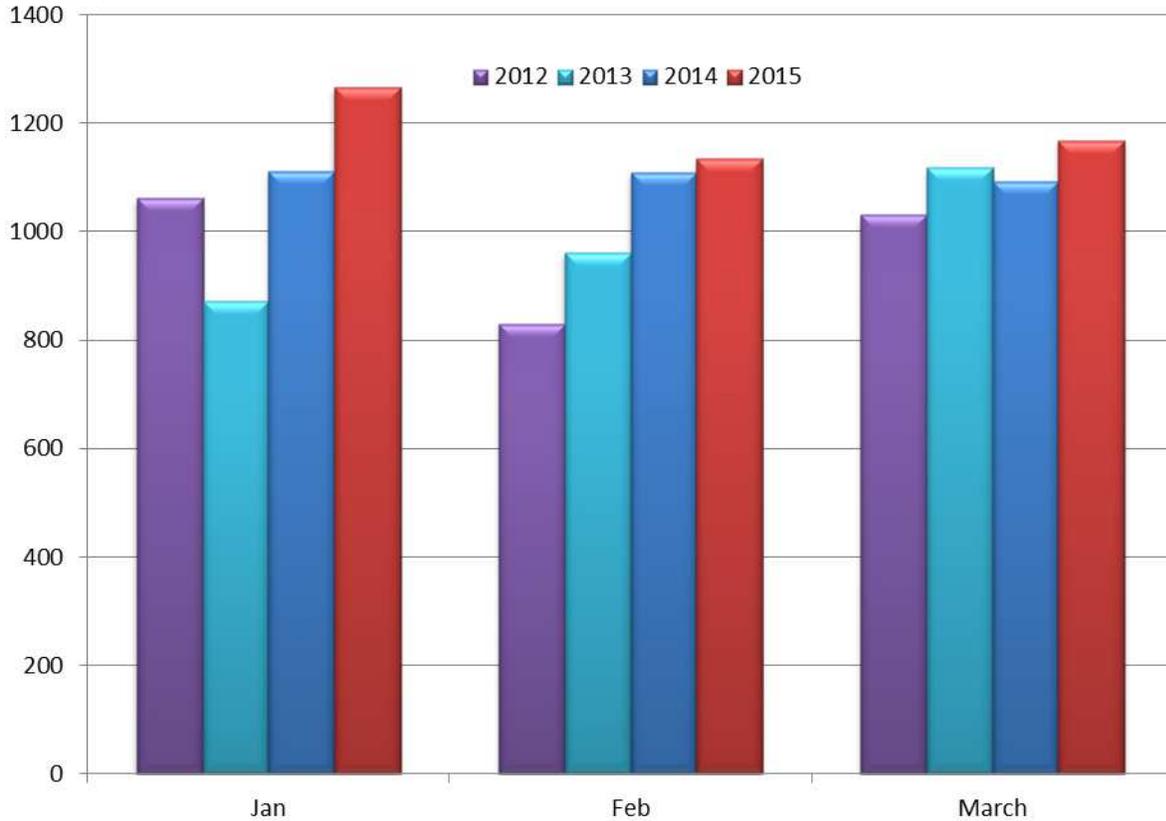


# Major Revenues

## Auto Sales – Weekly Averages

Based on a trend analysis, weekly sale averages for January 2015, February 2015, and March 2015 exceeded weekly averages for the same month for 2012, 2013 and 2014. The Auto Square is experiencing robust weekly sales averages for the first quarter and is indicating that consumers are willing to purchase more durable goods, such as automobiles.

**Weekly Averages: 2012-Q1 to 2015-Q1**



**Weekly Averages: 2012-Q1 to 2015-Q1**

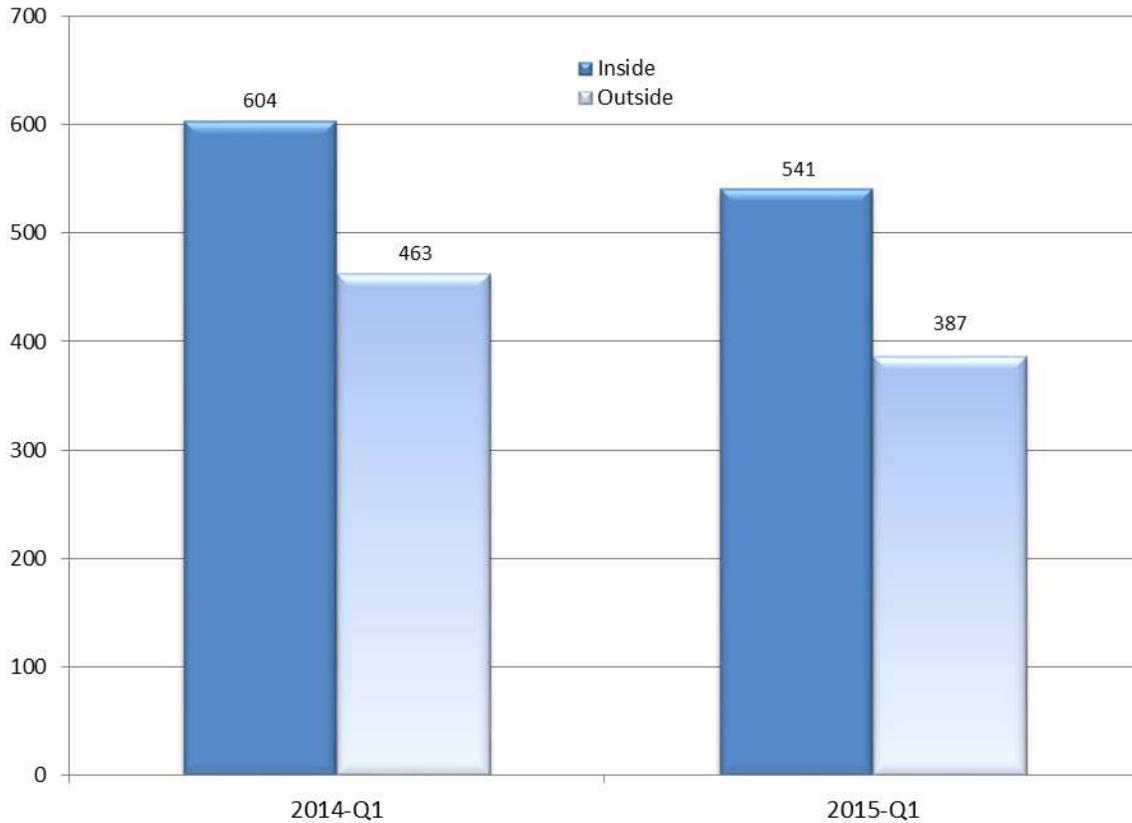
	January	February	March	Q1 Total
2012-Q1	864	938	1,040	<b>2,842</b>
2013-Q2	1,084	1,006	1,047	<b>3,137</b>
2014-Q1	829	1,046	1,183	<b>3,058</b>
2015-Q1	1,267	1,134	1,169	<b>3,570</b>

# Major Revenues

## Business License

The tracking of new and renewed business licenses is one method of forecasting business growth in the City. For 2015-Q1, a total of 928 new and renewal business licenses were processed by the City, which is a decrease of 13% from 2014-Q1 (1,067 new and renewal of business licensed processed). This decrease of 139 licenses may be attributed to stores that open during the holiday season and then close in the beginning of the first quarter. 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. Although there was a slight decrease in the total number of licenses issued, the City generated \$240,118 in businesses license fees for the General Fund during 2015-Q1.

**2015-Q1 New and Renewal of Business Licenses – Located in Cerritos and Located Outside Cerritos**

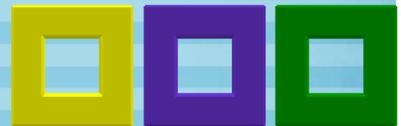


### 2015-Q1 New and Renewal of Business Licenses

2014-Q1 Total New and Renewal of Business Licenses: 1,067  
2015-Q1 Total New and Renewal of Business Licenses: 928  
Difference: (139)  
2015-Q1 Total Revenue: \$240,118



# Unemployment



# Unemployment

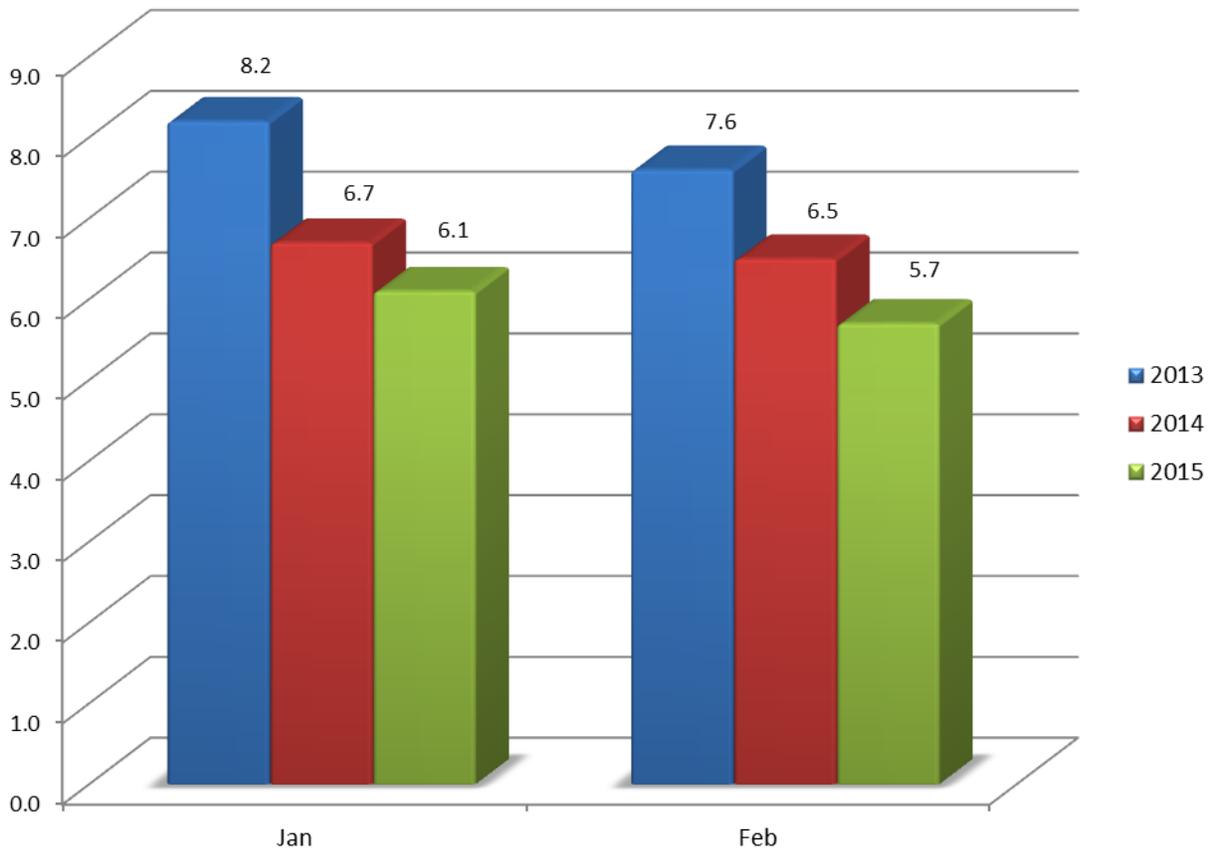
## Current Rate

According to the Federal Bureau of Labor and Statistics, the unemployment rate among Cerritos residents in January 2015 (6.1%) and February 2015 (5.7%) were lower than the previous two years. For example, the unemployment rate for February 2014 was 6.5% and February 2013 was at 7.6%. Additionally, no month experienced a significant increase in the unemployment rate over a three year period. This reduction in the unemployment rate is a positive sign for the local economy and an indicator of potential increased consumer confidence and businesses are hiring more persons.

### Quarterly Unemployment Rate

May 2014	August 2014	November 2014	February 2015
4.3%	4.6%	4.3%	5.7%

Unemployment Rate – Quarterly Comparison  
2013 to 2015

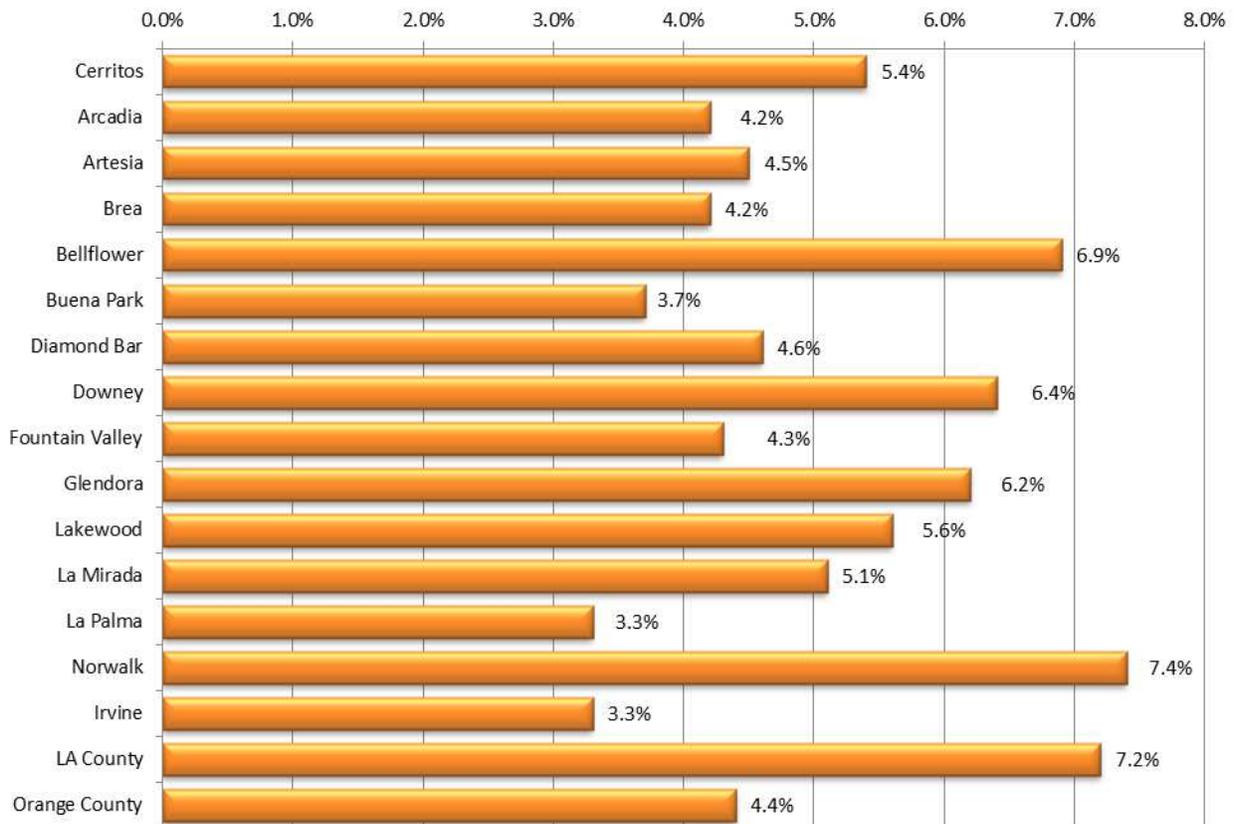


# Unemployment

## Surrounding Cities, Comparable Cities, and Counties

According to the California Employment Development Department, the unemployment rate among Cerritos residents in March 2015 was approximately 5.4%, which is the lower than adjacent cities, such as Lakewood, Bellflower, and Norwalk. The Cerritos unemployment rate was slightly higher than comparable cities in Los Angeles County and Orange County. However, the Cerritos unemployment rate is lower than Los Angeles County average of 7.2%; however, higher than and Orange County average of 4.4%.

**Unemployment Rate – Surrounding Cities and Comparable Cities  
March 2015\***



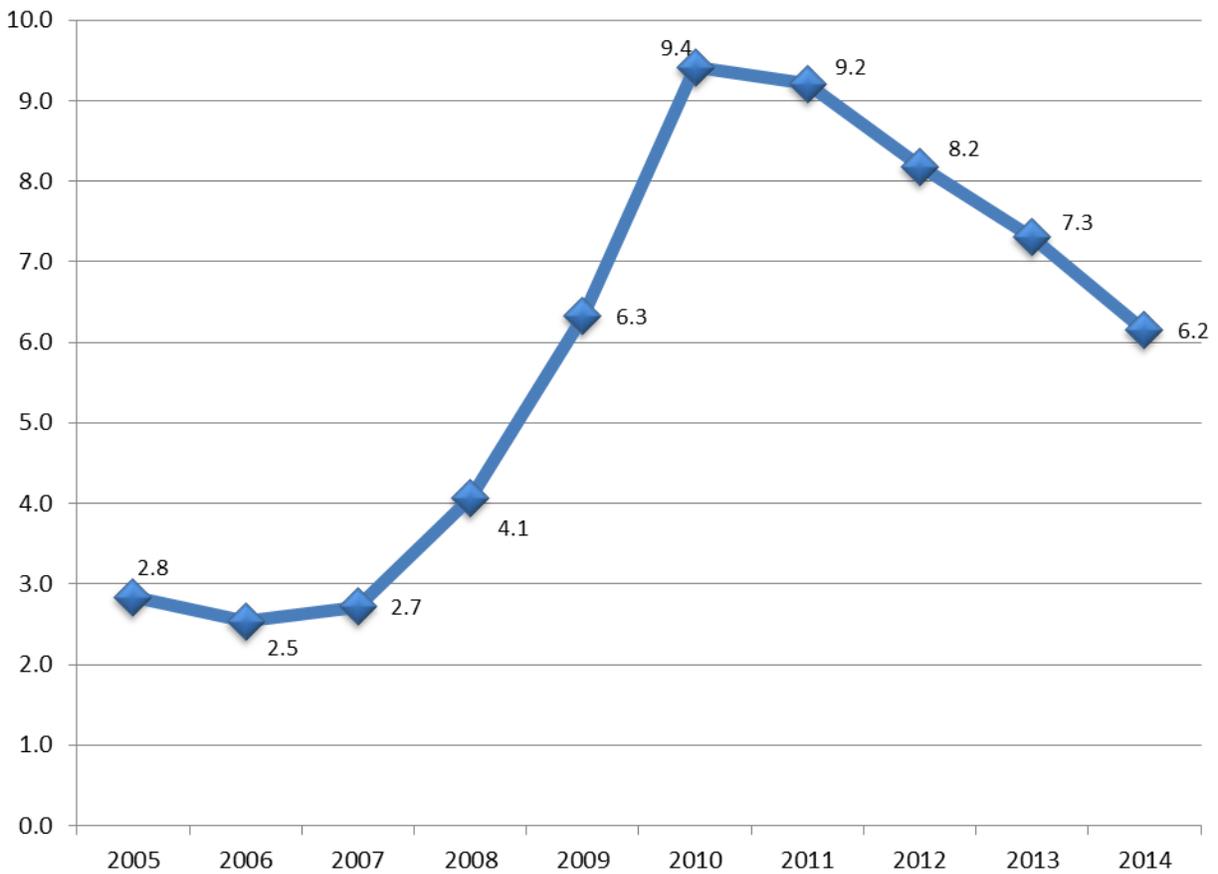
\*Please note that March 2015 numbers are preliminary based on the State of California Employment Development Department.

# Employment

## Annual Unemployment Rate

In 2010, the City's unemployment rate reached a high of 9.4% and has decreased four straight years. Although the unemployment rate in Cerritos in 2014 was 6.2%, currently the unemployment rate is at 5.7% (February 2015) and the average unemployment rate from January 2015 to February 2015 is 5.9%, which is lower than the average unemployment rate for 2014 (6.2%). This decrease may be attributed to the increased construction activity at the Los Cerritos Center and remodeling efforts at the Best Plaza Shopping Center.

**Average Annual Unemployment Rate**



**Average Annual Unemployment Rate**

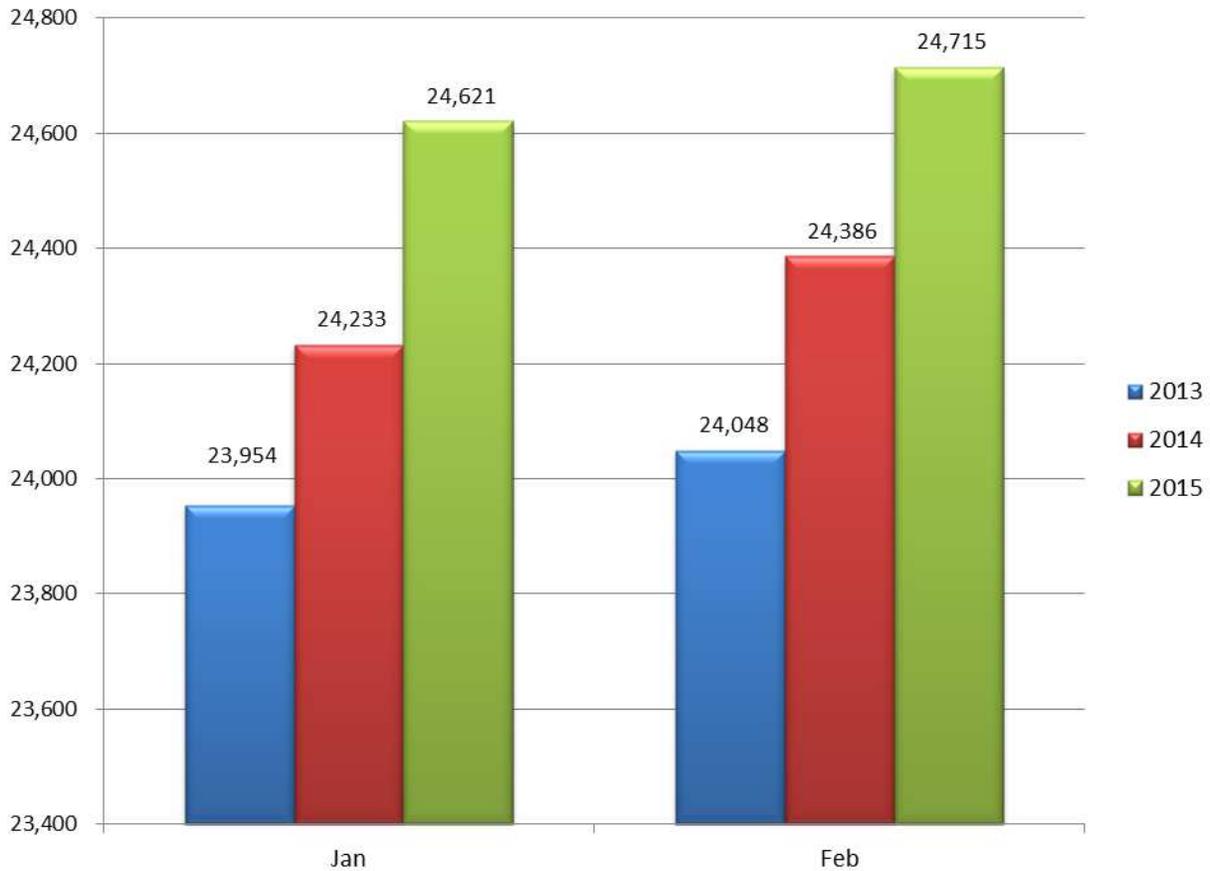
2009	2010	2011	2012	2013	2014
6.3%	6.9%	6.7%	6.0%	5.4%	6.2%

# Employment

## 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 24,715 persons as of February 2015 in the local workforce, an increase of 329 persons from February 2014 (24,386). Based on a trend analysis, the labor force in the City has remained consistent at approximately 24,000 persons.

**Labor Force – Cerritos**



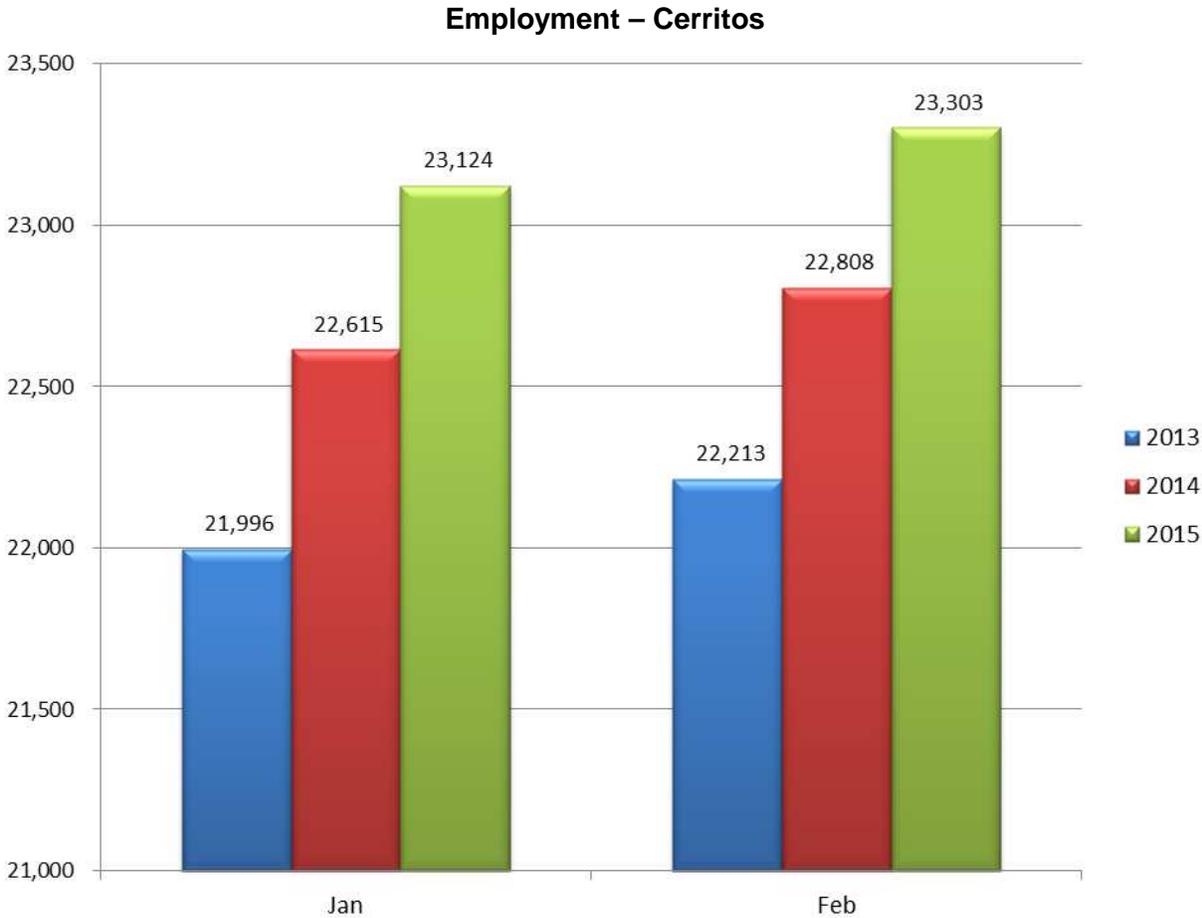
**Annual Average Cerritos Labor Force**

2010	2011	2012	2013	2014
23,841	23,885	23,845	24,187	24,502

# Employment

## Employment in Cerritos

There were 23,303 jobs in February 2015 within the City that employ both Cerritos residents and persons that reside outside of Cerritos. Based on a trend analysis, employment from February 2013 through February 2015 increased by 1,090 persons, which accounts to a 5% increase. Additionally, employment continues to increase over the past four years, with 21,595 jobs in 2010 and 22,996 jobs in 2014. Based on a first quarter trend analysis, employment remained constant from January 2015 (23,124 persons) through February 2015 (23,303 persons)



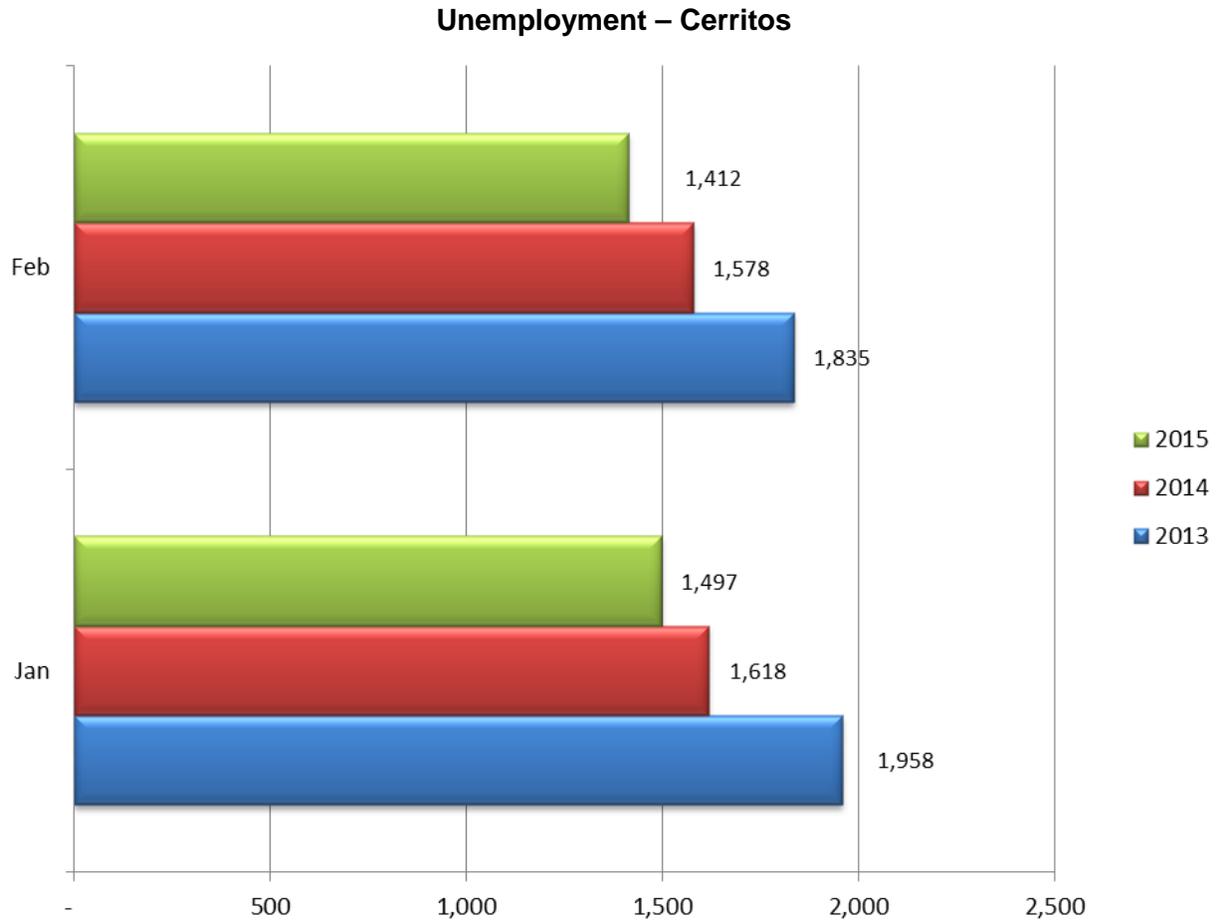
### Annual Average Employment in Cerritos

2010	2011	2012	2013	2014
21,595	21,684	21,896	22,422	22,996

# 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 2015, there are currently 1,412 (5.7%) individuals unemployed in Cerritos, which is a decrease of 166 persons from February 2014 (1,578). The average annual unemployment in Cerritos in 2014 was 1,506.



**Annual Average Unemployed in Cerritos**

2010	2011	2012	2013	2014
2,246	2,200	1,949	1,766	1,506



# Commercial Real Estate

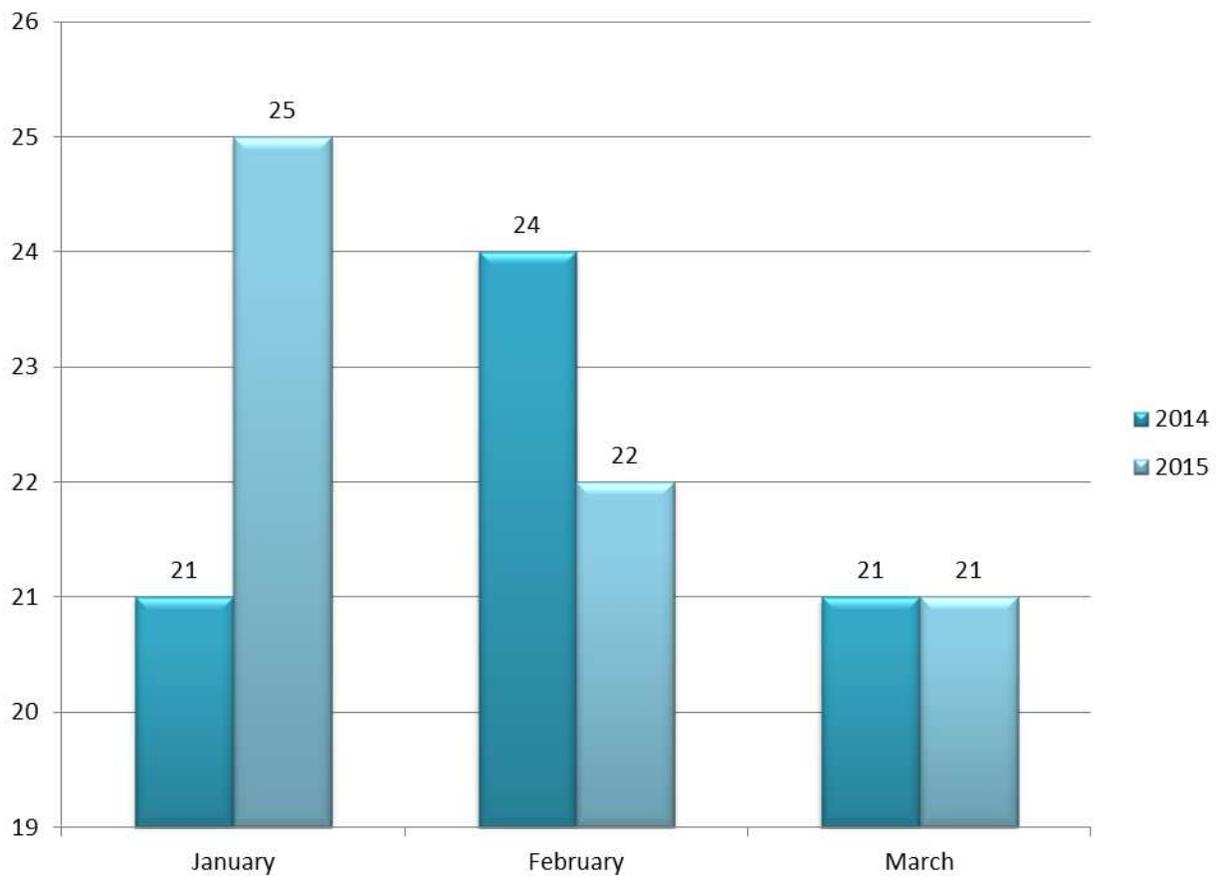


# Commercial Real Estate

## Certificate of Occupancy

The tracking of 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 2015-Q1, CO's increased slightly from a year ago. A total of 68 CO's were processed in 2015-Q1, an increase of two from 2014-Q1, in which 66 CO's were processed. This increase may be attributed to an increased in occupancy permits at the Los Cerritos Center. For 2015-Q1, 15 permits were issued and in 2014-Q1, 9 permits were issued.

**Certificates of Occupancy for 2015-Q1**



**Certificate of Occupancy – 2015**

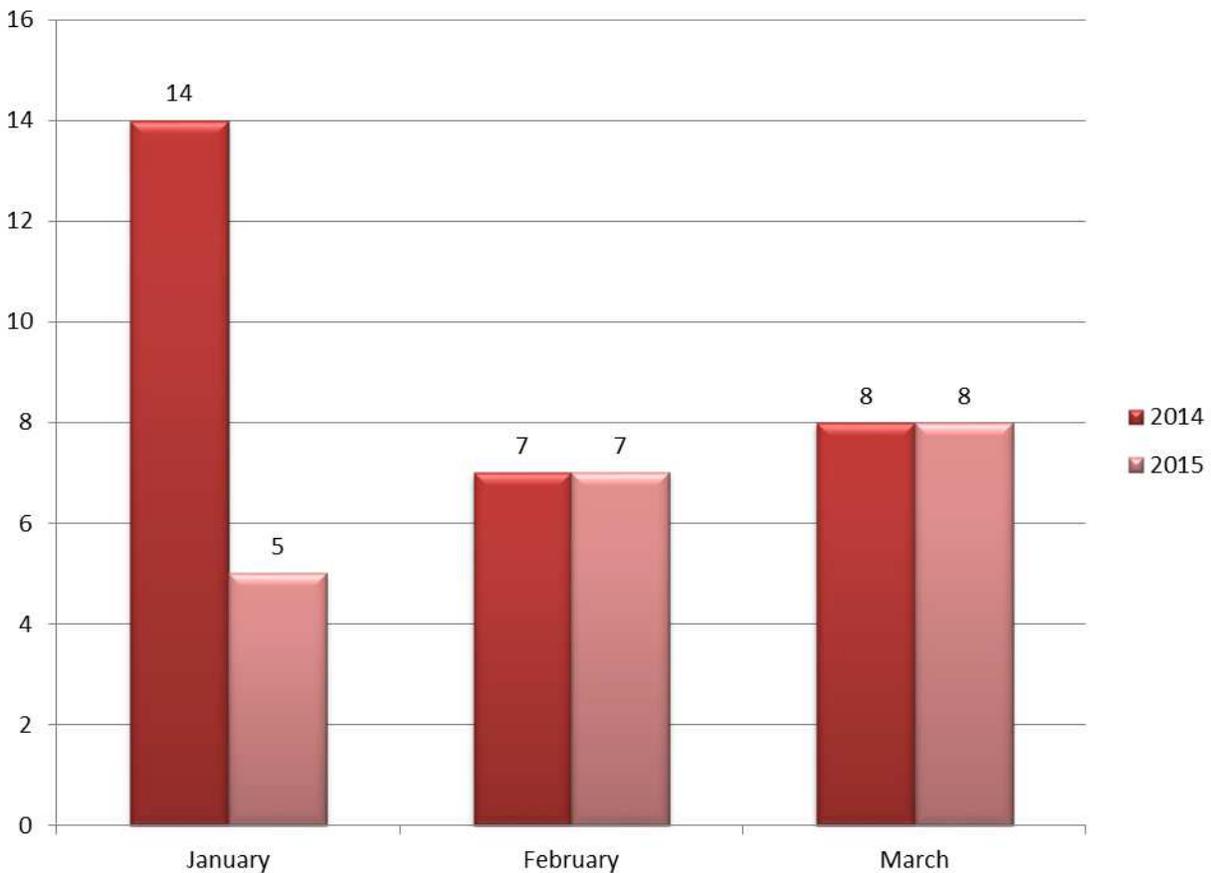
Jan	Feb	Mar	Apr	May	June
25	22	21			
July	Aug	Sept	Oct	Nov	Dec

# 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 2015-Q1, tenant improvements decreased from the previous year. A total of 20 TI's were processed in 2015-Q1, a decrease of 9 from 2014-Q1, in which 29 TI's were processed. This decrease may be attributed to TI's issued for new, large-scale projects in 2014-Q1, including the Los Cerritos Center (2 permits issued) and TI's for several new projects along South Street (5 permits issued).

**Tenant Improvements for 2015-Q1**



**Tenant Improvements – 2015**

Jan	Feb	Mar	Apr	May	June
5	7	8			
July	Aug	Sept	Oct	Nov	Dec

# Commercial Real Estate

## Total Vacancy in Cerritos

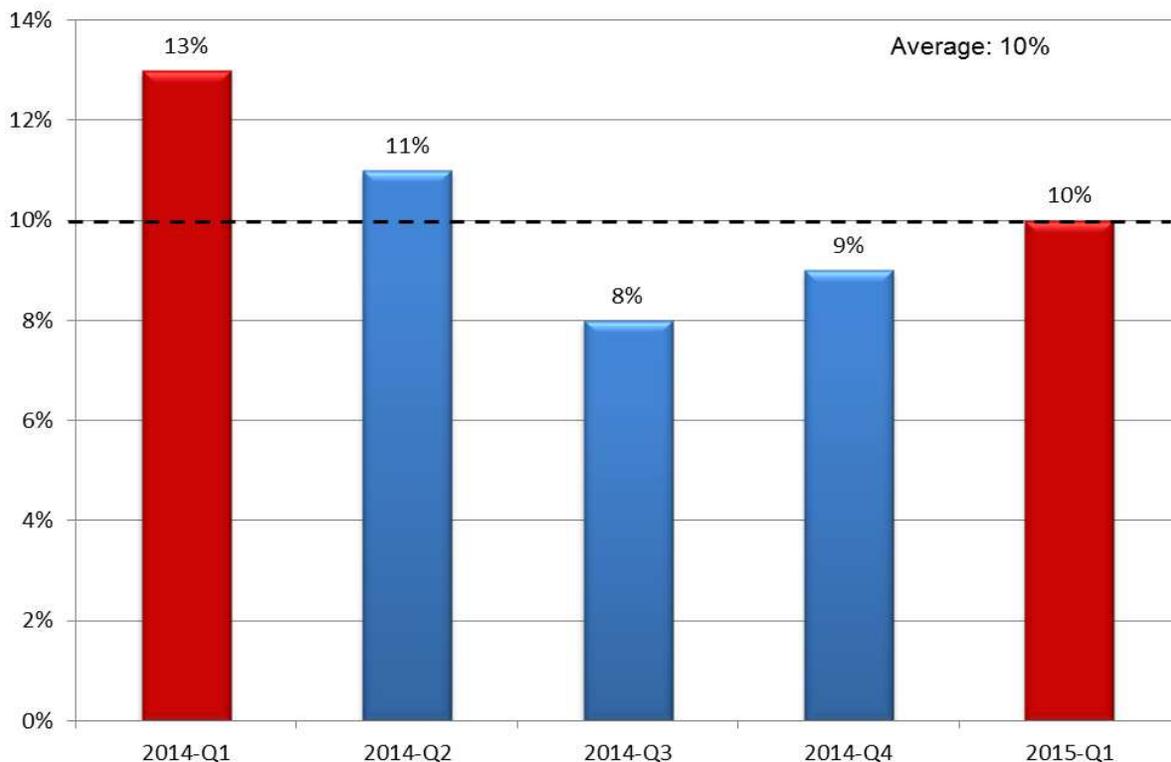
The City of Cerritos currently has a low vacancy rate when compared to the overall total available space for industrial, office, and retail uses. Currently, there is approximately 160,540 square feet of vacant industrial space, which equates to 1% of the total available citywide industrial space (15,088,117). Additionally, the City has approximately 136,766 square feet of vacant office space (10% of the total office space in Cerritos) and approximately 131,718 square feet of available retail space (3% of the total retail space in Cerritos). This equates to a total of 429,024 square feet of available commercial space in the City, which is equal to 2% of the total amount of commercial square footage within the City (21,196,480).

### 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	160,540	1%
Office	1,422,575	136,766	10%
Retail	4,685,788	131,718	3%
<b>Total</b>	<b>21,196,480</b>	<b>429,024</b>	<b>2%</b>

### Cerritos Office Vacancy Rates

As previously mentioned, in 2015-Q1, the Cerritos office market vacancy rate was at 10%, which is a decrease of 3% from 2014-Q1. Over the past five quarters, the City office vacancy rate averaged approximately 10%. The reduction in the office vacancy may be attributed to a decrease in the number of available spaces for lease.

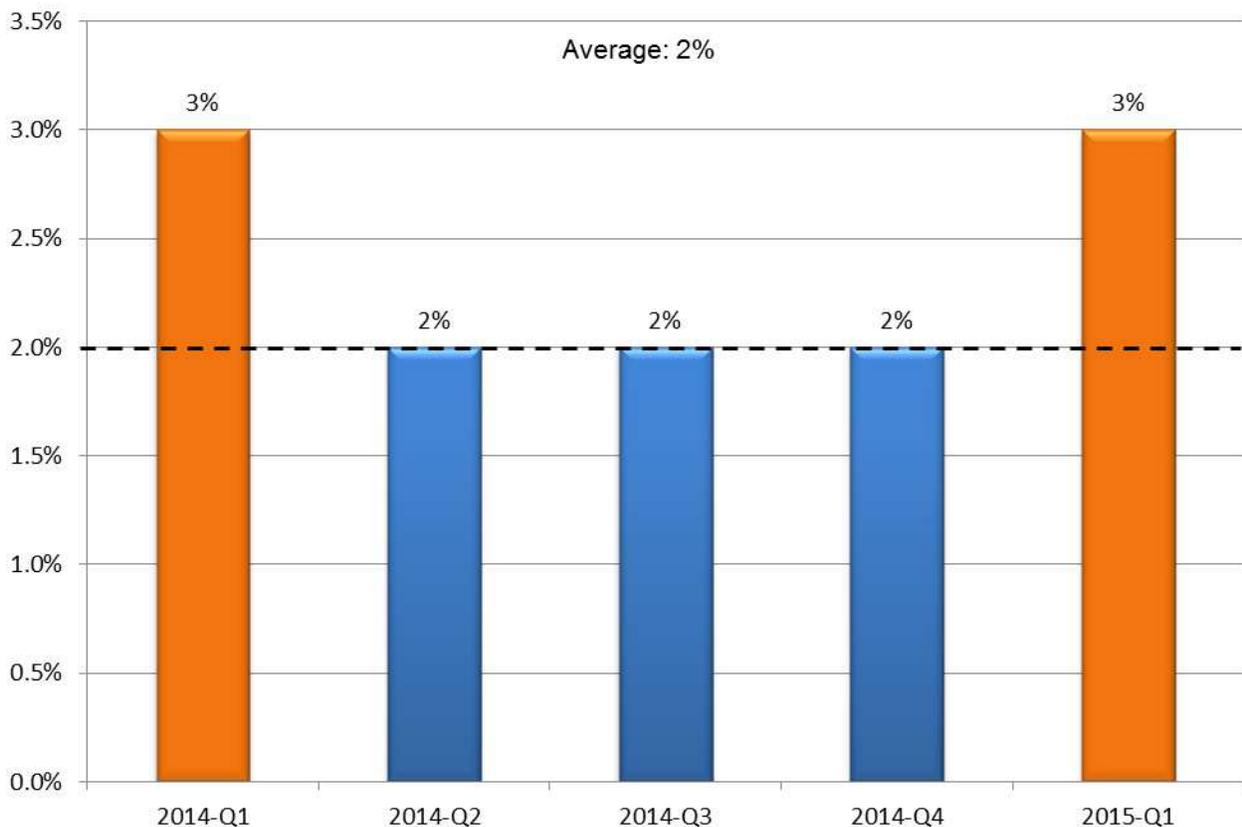


# Commercial Real Estate

## Retail 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% (131,718) for 2015-Q1, which is the same as 2014-Q1. Based on a trend analysis, the retail vacancy rate has remained at an average of 2% over the past five quarters.

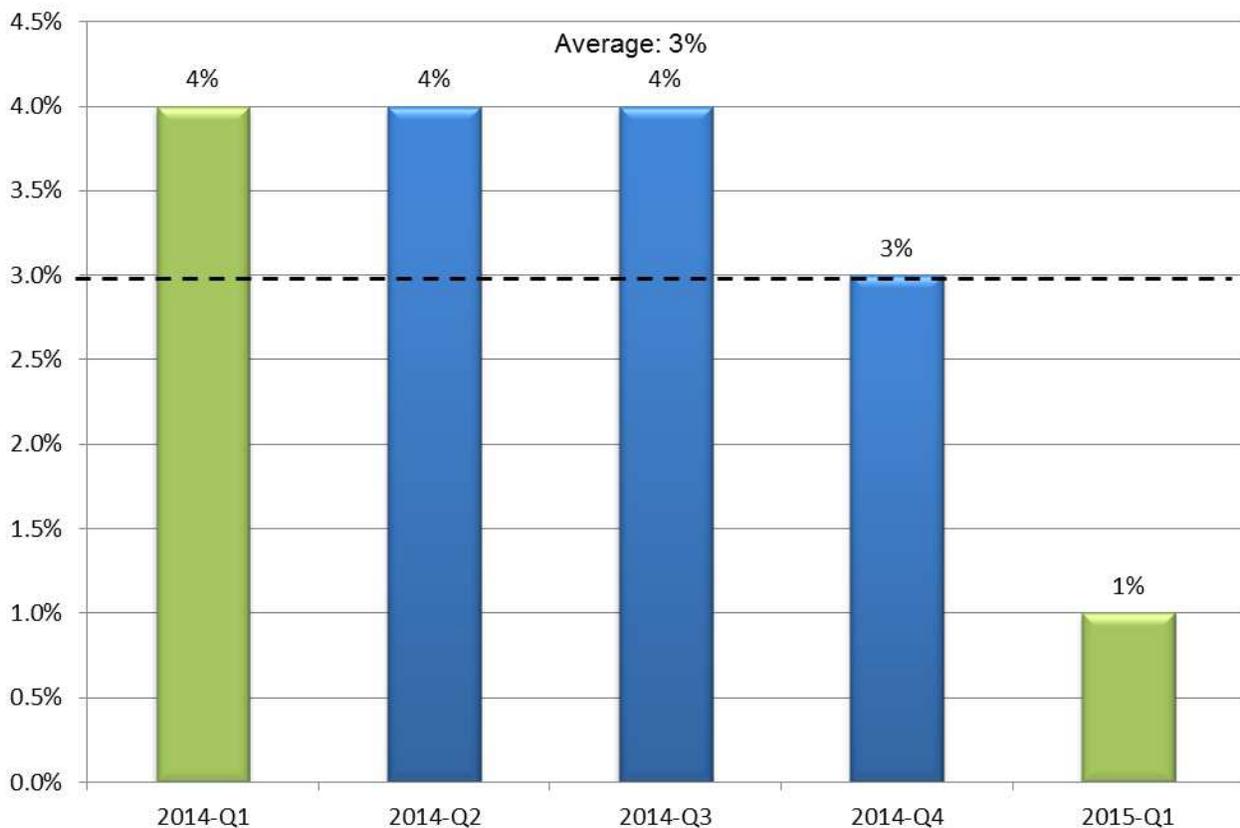
This low vacancy rate indicates that retail space is in great demand in Cerritos. In addition, Cerritos' strategic location along the 91 and 605 Freeways contribute toward a greater demand for retail space. The Cerritos Towne Center and Los Cerritos Center are located along these freeways providing consumers with easy access to these centers for their retail shopping needs.



# Commercial Real Estate

## Industrial 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 1% for 2015-Q1, which is a decrease from 2014-Q1. Based on a trend analysis, the industrial vacancy rate has decreased from high level of 4% in 2014-Q1 and then decreased in 2014-Q4 to 3% and finally decreased to the current rate of 1%. Based on available data from 2014-Q4, two large buildings ( $\pm 103,200$  and  $\pm 61,250$ ) are no longer listed as for sale or for lease, which resulted in a decrease in the industrial vacancy rate. Additionally, 23 new businesses opened at the Cerritos Industrial Park during 2015-Q1.



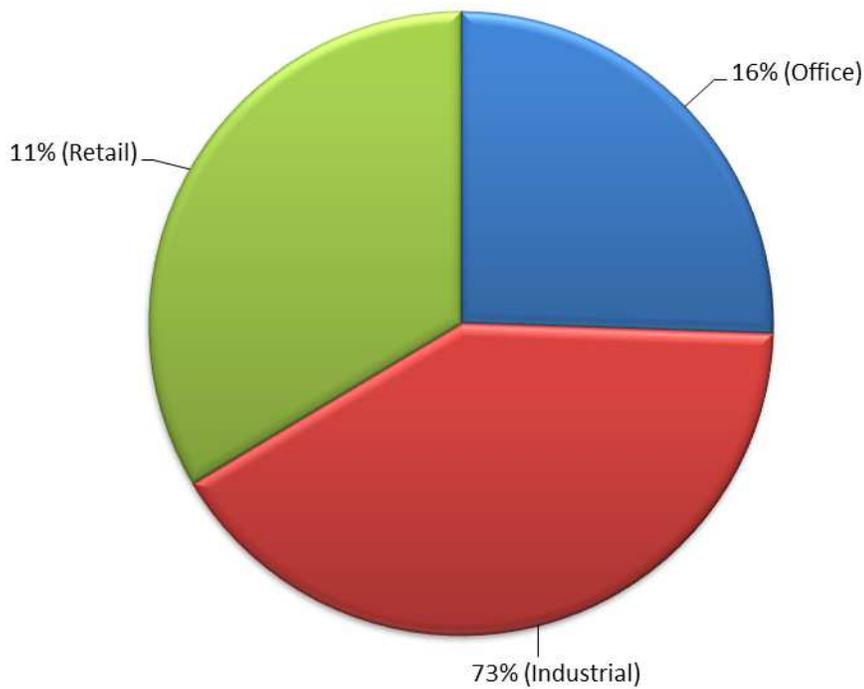
*(Note: Industrial vacant space in Cerritos includes a greater proportion of warehousing and distribution businesses, which require large facilities. Therefore, a single vacancy may contribute a large amount of square footage to the overall vacancy rate. Industrial vacancy rates are calculated using 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

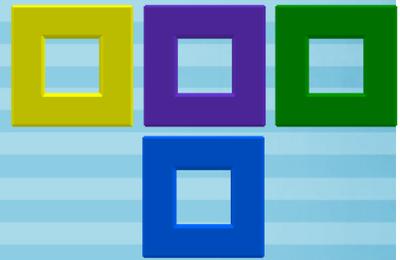
In Cerritos, there is approximately 429,024 square feet of total vacant commercial space (2%) of the total available space for 2015-Q1. Within the total available space, 73% (160,540 square feet) is available for industrial use, 16% (136,766 square feet) is available for office use, and 11% (131,718 square feet) is available for retail use.

**Vacancies By Use**





# Housing

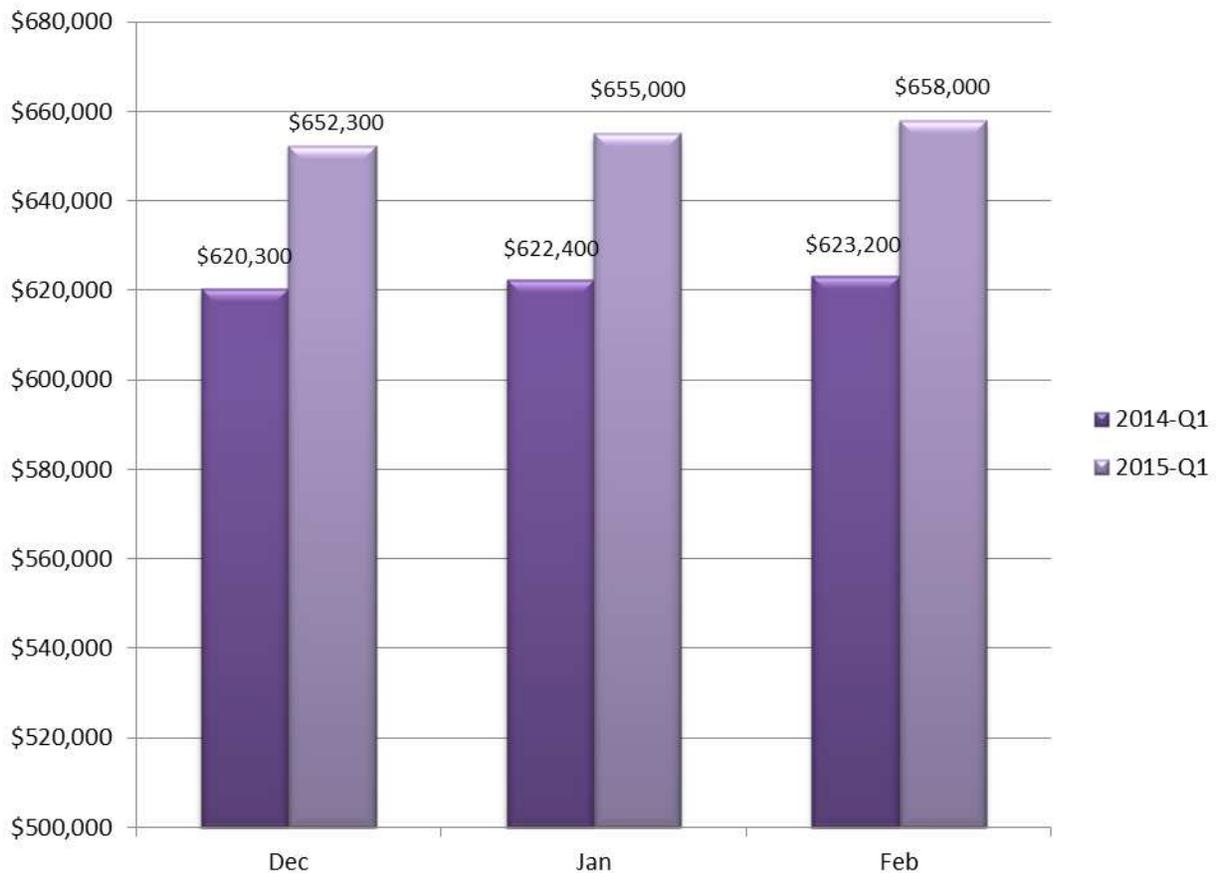


# Housing

## Single-Family Residential

For 2015-Q1, the average median home sales price in Cerritos was \$655,100. Housing prices in Cerritos increased 2015-Q1; in fact, December 2014 increased by 5.2%, January 2015 increased by 5.2%, and February 2015 increased by 5.6%. 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. Based on Zillow.com, properties (single-family and multi-family) in Cerritos were listed at median listing price of \$599,000 and then were sold at a median sale price of \$625,000, which indicates that properties are in demand in Cerritos during 2015-Q1.

**Single-Family Residential Home Sales Price in Cerritos - 2015-Q1**



**Single Family Home Sale Prices – County Comparison for February 2015**

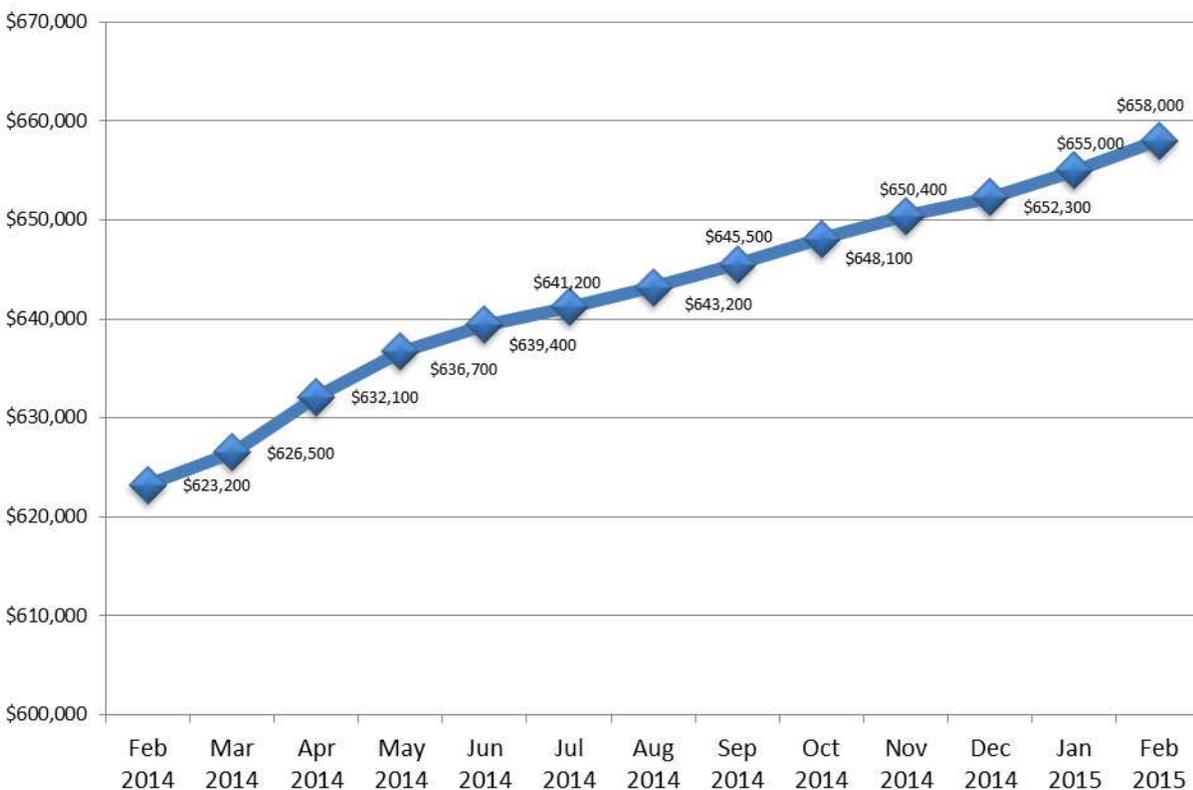
Cerritos	Los Angeles County	Orange County
\$658,000	\$510,000	\$657,000

# Housing

## Single-Family Residential – One Year Trend Line

Based on a one year trend line analysis, the average sale price for a single-family residential home in Cerritos was \$623,200 in February 2014 and peaked to its high of \$658,000 one year later in February 2015. Housing prices have gradually increased each month and remained above the \$623,000 sales price a year ago. 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 2014 to February 2015**



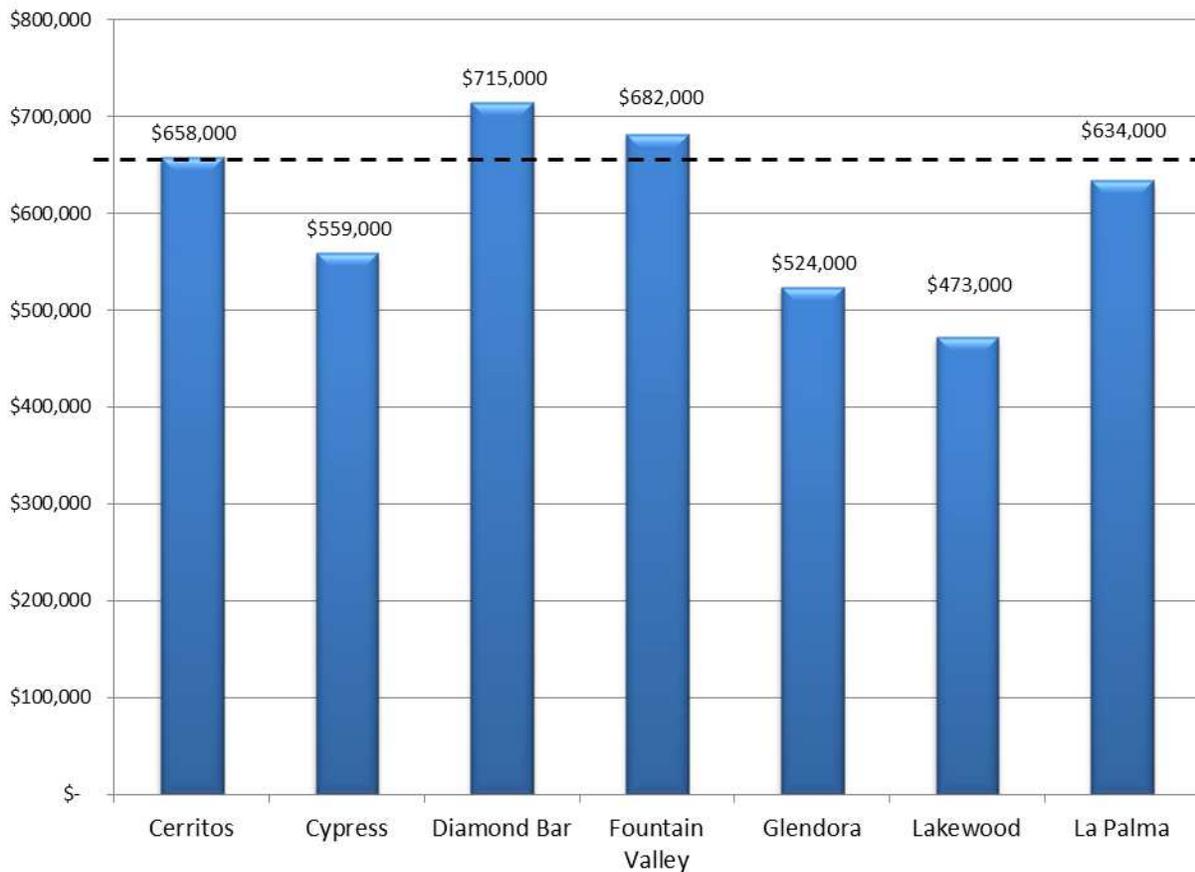
According to Zillow.com, properties in Cerritos are expected to increase 1.3% from February 2015 to February 2016. Additionally, according to Zillow's market health index, Cerritos is current a 9.3 out of 10 (very healthy). The market health index illustrates the current health of a region's housing market relative to other markets across the country. A market health index is based on up to 10 metrics including those capturing the past and projected evolution of home values, the prevalence of foreclosures, foreclosure re-sales, negative equity and delinquency, as well as whether homes are currently selling faster or slower than in the past.

# Housing

## Single-Family Residential – Regional Comparison

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 2015 home sale prices, Cerritos home sale prices were \$658,000, which was higher than four comparable cities. Of the sample cities, only the cities of Diamond Bar (\$715,000) and Fountain Valley (\$682,000) had a higher home sales price than Cerritos for the month of February 2015.

**Regional Comparison – February 2015**



# Housing

## Multi-Family Residential - Condominiums

Condominiums have a niche in housing between renting and owning single-family homes. For 2015-Q1, the average median condominium home sales price in Cerritos was \$457,867. Condominium sale prices in Cerritos increased in December 2014 by 13.7%, in January 2015 by 18% and in February 2015 by 21.7% from the previous year. In a regional comparison, Cerritos (\$462,500) was higher on average in comparison to Los Angeles County (\$434,000) and Orange County (\$430,000).

**Condominium Home Sales Price in Cerritos - 2015-Q1**



**Condominium Home Sale Prices – County Comparison for February 2015**

Cerritos	Los Angeles County	Orange County
\$462,000	\$434,000	\$430,000

# Statistical Summary

## Economic Profile – Spring 2015

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 2015.

### Major Revenues

Sales tax revenue for the 2014-Q4 (calendar year) totaled \$6,124,568 which is a 7% increase from the same quarter in 2013. Additionally, in a fourth quarter analysis, sales tax revenue increased from \$5.9 million (2013-Q4) to \$6.1 million (2014-Q4).

The Cerritos Auto Square generated the greatest amount of sales tax for the City in 2014-Q4, totaling \$2.7 million, which was a 6% increase from last year. The Los Cerritos Center generated the second highest sales tax at \$1.3 million, which was a 5% increase from last year. The third highest sales tax generator was the Cerritos Industrial Park at \$435,501.

In the first quarter of 2015, the Cerritos Auto Square sold a total of 14,278 cars, which was an increase of 2,049 cars from last year for the same quarter and an average of 4,758 cars sold per month. New business licenses and renewals decreased 13% from a year ago. A total of 928 new and renewal of business licenses were processed (decrease of 139).

### Unemployment/Employment

The unemployment rate among Cerritos residents is approximately 5.7% (February 2015), 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 2015 was 24,715 and was constituted by 23,303 employed and 1,412 unemployed residents.

### Commercial Real Estate

Cerritos currently has 429,024 square feet of vacant space, which is approximately 2% of the total available real estate space in Cerritos (21,196,480 sq. ft.). Of the total vacant space in Cerritos, 73% is industrial space (160,540 sq. ft.), 16% is office space (136,766 sq. ft.), and 11% is retail space (131,718 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.

### Housing

For 2015-Q1, the single family median home sale price in Cerritos was approximately \$655,100. 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 457,867.

# Data Sources

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## **Major Revenues**

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

## **Auto Sales**

Cerritos Auto Dealers Association

## **Employment/Unemployment**

California Employment Development Department  
United States Bureau of Labor and Statistics

## **Real Estate**

Loop.net

## **Housing**

Zillow