

Los Angeles County

Below are excerpts from our commercial appraisal reports. Our typical analysis, although not presented, includes relevant commercial and residential construction activities for the market area. This is supplemented with market reports for the specific property type, verified localized data within the competitive trade area, as well as market participant surveys.

Population/Demographic Characteristics

As of 2008, Los Angeles County population totaled 10,242,874, increasing annually by 90,442 persons or 0.95% per year since 2000. The population of Los Angeles County is expected to grow to nearly 10,663,799 residents by 2013, representing an increase of 4.11% over the 2008 figure according to ERSI. Los Angeles County has 3,278,598 households with an average household size of 3.07 persons per dwelling. The County's average per capita income is \$26,347 with a median household income of \$55,476; its socio-economic characteristics are at par relative to the State of California as 45.6% of the households have income levels below \$50,000 and 21.7% of the households have income levels over \$100,000. Income distribution is presented in the following table:

HOUSEHOLD INCOME DISTRIBUTION		
Income Level	California	Los Angeles County
Less than \$25,000	18.5%	21.8%
\$25,000-50,000	22.2%	23.8%
\$50,000-100,000	33.3%	32.8%
\$100,000-150,000	13.8%	10.9%
Above \$150,000	12.3%	10.8%
Total	100%	100%

Source: ERSI Business Information Systems

Housing

According to the California Department of Finance, there were a total of 3,403,480 housing units in Los Angeles County as of January 1, 2008, up 132,574 units since 2000 which is an annual increase of 0.51%. Single-family residences represent the bulk of the housing stock with 55.33% of all units, with annual increases of 0.18% or 6,013 units since 2000. The multi-family dwellings total 1,459,215 units, with an annual increase of 2.44%, while mobile homes total 56,686 units, with annual changes of 0.002%. Over the same time frame, occupancy has increased 4.51% to 3.12 persons per household.

Construction Activities

Building permit valuation in Los Angeles County for the residential sector, which includes both single-family homes and multiple-family dwellings, began its upward trend in the mid-1990s, peaking in 2004 at \$4.84 billion with 26,935 residential units. Residential construction activity in Los Angeles County from 2000 to 2007 totaled \$31.21 billion with single family representing 61.19% of the total permit valuation, followed by multi-family dwellings representing 38.81%. Over the same time frame, 175,294 units were added to the residential inventory with 76,304 single family dwellings and the remainder of 215,049 units developed as multi-family dwellings. In 2007, relative to the prior year, the county's residential building permit valuation declined by -20.03%. with single family dwellings declining by 25.63% with multi-family dwellings declining by 20.90%.

Non-residential construction activities in Los Angeles County from 2000 to 2007 totaled \$14.14 billion. Most of the construction activity was related to new retail stores with 26.21% of the total permit valuation, followed by office buildings representing 19.11%. The least actives were the service station and hotel/motel sectors with 0.78% and 5.71% of the county permit valuation. In 2007, relative to the prior year, non-residential building permit valuation declined by -0.22%. Within the commercial sectors, the following changes were noted: hotel/motel sector increased by 13.98%; service station sector increased by 1.01%; office building sector increased by 29.21%; new retail store sector increased by 20.09%; industrial sector increased by 4.44%; Historical construction activities for the various commercial sectors (retail, office, industrial, hotel/motel, and service stations) are presented in the following chart.

