

Riverside 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, Riverside County population totaled 2,172,920, increasing annually by 78,442 persons or 5.08% per year since 2000. The population of Riverside County is expected to grow to nearly 2,671,131 residents by 2013, representing an increase of 22.93% over the 2008 figure according to ERSI. Riverside County has 698,130 households with an average household size of 3.06 persons per dwelling. The County's average per capita income is \$23,119 with a median household income of \$55,098; its socio-economic characteristics are notably less affluent than the State of California as 45.4% of the households have income levels below \$50,000 and a small percentage of 7.2% of the households with income levels in excess of \$150,000. Income distribution is presented in the following table:

HOUSEHOLD INCOME DISTRIBUTION		
Income Level	California	Riverside County
Less than \$25,000	18.5%	20.5%
\$25,000-50,000	22.2%	24.9%
\$50,000-100,000	33.3%	36.8%
\$100,000-150,000	13.8%	10.6%
Above \$150,000	12.3%	7.2%
Total	100%	100%

Source: ERSI Business Information Systems

Housing

According to the California Department of Finance, there were a total of 773,331 housing units in Riverside County as of January 1, 2008, up 188,657 units since 2000 which is an annual increase of 4.03%. Single-family residences represent the bulk of the housing stock with 70.60% of all units, with annual increases of 3.15% or 18,400 units since 2000. The multi-family dwellings total 127,740 units, with an annual increase of 4.23%, while mobile homes total 86,426 units, with annual changes of 0.605%. Over the same time frame, occupancy has increased 2.42% to 3.06 persons per household.

Construction Activities

Building permit valuation in Riverside 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 2005 at \$6.65 billion with 34,134 residential units. Residential construction activity in Riverside County from 2000 to 2007 totaled \$35.12 billion with single family representing 93.30% of the total permit valuation, followed by multi-family dwellings representing 6.70%. Over the same time frame, 193,473 units were added to the residential inventory with 165,841 single family dwellings and the remainder of 70,674 units developed as multi-family dwellings. In 2007, relative to the prior year, the county's residential building permit valuation declined by -49.97%. with single family dwellings declining by 52.82% with multi-family dwellings declining by 40.47%.

Non-residential construction activities in Riverside County from 2000 to 2007 totaled \$6.64 billion. Most of the construction activity was related to new retail stores with 37.34% of the total permit valuation, followed by industrials representing 17.51%. The least actives were the service station and hotel/motel sectors with 0.53% and 2.20% of the county permit valuation. In 2007, relative to the prior year, non-residential building permit valuation declined by -16.98%. Within the commercial sectors, the following changes were noted: hotel/motel sector increased by 1.79%; service station sector increased by 0.22%; office building sector increased by 21.13%; new retail store sector increased by 36.67%; industrial sector increased by 17.43%; Historical construction activities for the various commercial sectors (retail, office, industrial, hotel/motel, and service stations) are presented in the following chart.

