

San Bernardino 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, San Bernardino County population totaled 2,085,155, increasing annually by 46,965 persons or 2.75% per year since 2000. The population of San Bernardino County is expected to grow to nearly 2,343,792 residents by 2013, representing an increase of 12.40% over the 2008 figure according to ERSI. San Bernardino County has 619,833 households with an average household size of 3.28 persons per dwelling. The County's average per capita income is \$20,598 with a median household income of \$53,528; its socio-economic characteristics are notably less affluent than the State of California as 46.6% of the households have income levels below \$50,000 and a small percentage of 6.4% 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	San Bernardino County
Less than \$25,000	18.5%	21.0%
\$25,000-50,000	22.2%	25.6%
\$50,000-100,000	33.3%	36.8%
\$100,000-150,000	13.8%	10.2%
Above \$150,000	12.3%	6.4%
Total	100%	100%

Source: ERSI Business Information Systems

Housing

According to the California Department of Finance, there were a total of 685,642 housing units in San Bernardino County as of January 1, 2008, up 84,273 units since 2000 which is an annual increase of 1.75%. Single-family residences represent the bulk of the housing stock with 73.67% of all units, with annual increases of 1.29% or 7,769 units since 2000. The multi-family dwellings total 129,035 units, with an annual increase of 2.07%, while mobile homes total 44,701 units, with annual changes of 0.476%. Over the same time frame, occupancy has increased 4.75% to 3.31 persons per household.

Construction Activities

Building permit valuation in San Bernardino 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 \$3.09 billion with 16,684 residential units. Residential construction activity in San Bernardino County from 2000 to 2007 totaled \$16.29 billion with single family representing 92.83% of the total permit valuation, followed by multi-family dwellings representing 7.17%. Over the same time frame, 95,393 units were added to the residential inventory with 80,823 single family dwellings and the remainder of 35,720 units developed as multi-family dwellings. In 2007, relative to the prior year, the county's residential building permit valuation declined by -49.09%, with single family dwellings declining by -50.48% with single family dwellings increasing by 38.65%.

Non-residential construction activities in San Bernardino County from 2000 to 2007 totaled \$6.45 billion. Most of the construction activity was related to industrials with 41.94% of the total permit valuation, followed by new retail stores representing 27.15%. The least actives were the service station and hotel/motel sectors with 0.53% and 2.74% of the county permit valuation. In 2007, relative to the prior year, non-residential building permit valuation declined by -19.91%. Within the commercial sectors, the following changes were noted: hotel/motel sector increased by 6.08%; service station sector increased by 0.53%; office building sector increased by 10.91%; new retail store sector increased by 32.44%; industrial sector increased by 32.43%; Historical construction activities for the various commercial sectors (retail, office, industrial, hotel/motel, and service stations) are presented in the following chart.

