

San Luis Obispo 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 Luis Obispo County population totaled 266,309, increasing annually by 2,454 persons or 0.99% per year since 2000. The population of San Luis Obispo County is expected to grow to nearly 277,008 residents by 2013, representing an increase of 4.02% over the 2008 figure according to ERSI. San Luis Obispo County has 104,303 households with an average household size of 2.40 persons per dwelling. The County's average per capita income is \$29,349 with a median household income of \$54,904; its socio-economic characteristics are notably less affluent than the State of California as 45.7% of the households have income levels below \$50,000 and a small percentage of 7.7% 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 Luis Obispo County
Less than \$25,000	18.5%	20.8%
\$25,000-50,000	22.2%	24.9%
\$50,000-100,000	33.3%	36.8%
\$100,000-150,000	13.8%	9.8%
Above \$150,000	12.3%	7.7%
Total	100%	100%

Source: ERSI Business Information Systems

Housing

According to the California Department of Finance, there were a total of 116,171 housing units in San Luis Obispo County as of January 1, 2008, up 13,896 units since 2000 which is an annual increase of 1.70%. Single-family residences represent the bulk of the housing stock with 70.73% of all units, with annual increases of 1.22% or 1,251 units since 2000. The multi-family dwellings total 20,822 units, with an annual increase of 1.74%, while mobile homes total 12,120 units, with annual changes of 1.026%. Over the same time frame, occupancy has decreased -3.70% to 2.40 persons per household.

Construction Activities

Building permit valuation in San Luis Obispo 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 \$0.41 billion with 2,263 residential units. Residential construction activity in San Luis Obispo County from 2000 to 2007 totaled \$2.62 billion with single family representing 91.85% of the total permit valuation, followed by multi-family dwellings representing 8.15%. Over the same time frame, 14,696 units were added to the residential inventory with 12,417 single family dwellings and the remainder of 6,208 units developed as multi-family dwellings. In 2007, relative to the prior year, the county's residential building permit valuation declined by -40.23%, with single family dwellings declining by 42.98% and multi-family dwellings declining by 6.39%.

Non-residential construction activities in San Luis Obispo County from 2000 to 2007 totaled \$0.64 billion. Most of the construction activity was related to new retail stores with 32.91% of the total permit valuation, followed by office buildings representing 13.67%. The least actives were the service station and industrial sectors with 1.00% and 8.29% of the county permit valuation. In 2007, relative to the prior year, non-residential building permit valuation declined by -0.47%. Within the commercial sectors, the following changes were noted: hotel/motel sector increased by 11.70%; service station sector increased by 0.57%; office building sector increased by 16.69%; new retail store sector increased by 17.95%; industrial sector increased by 9.99%; Historical construction activities for the various commercial sectors (retail, office, industrial, hotel/motel, and service stations) are presented in the following chart.

