

2017 Los Angeles County and Ventura County Economic Outlook



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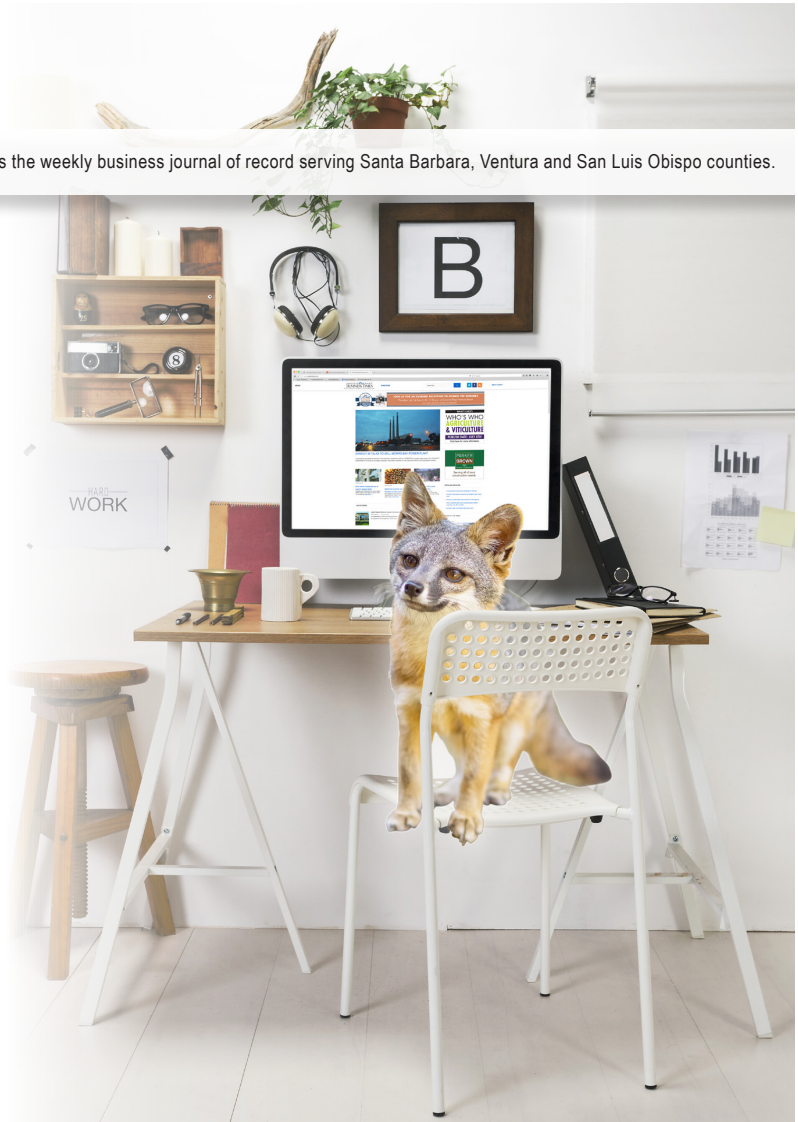
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The 2017 Los Angeles County and Ventura County Economic Outlook

Volume 18 • Number 1

February 2017

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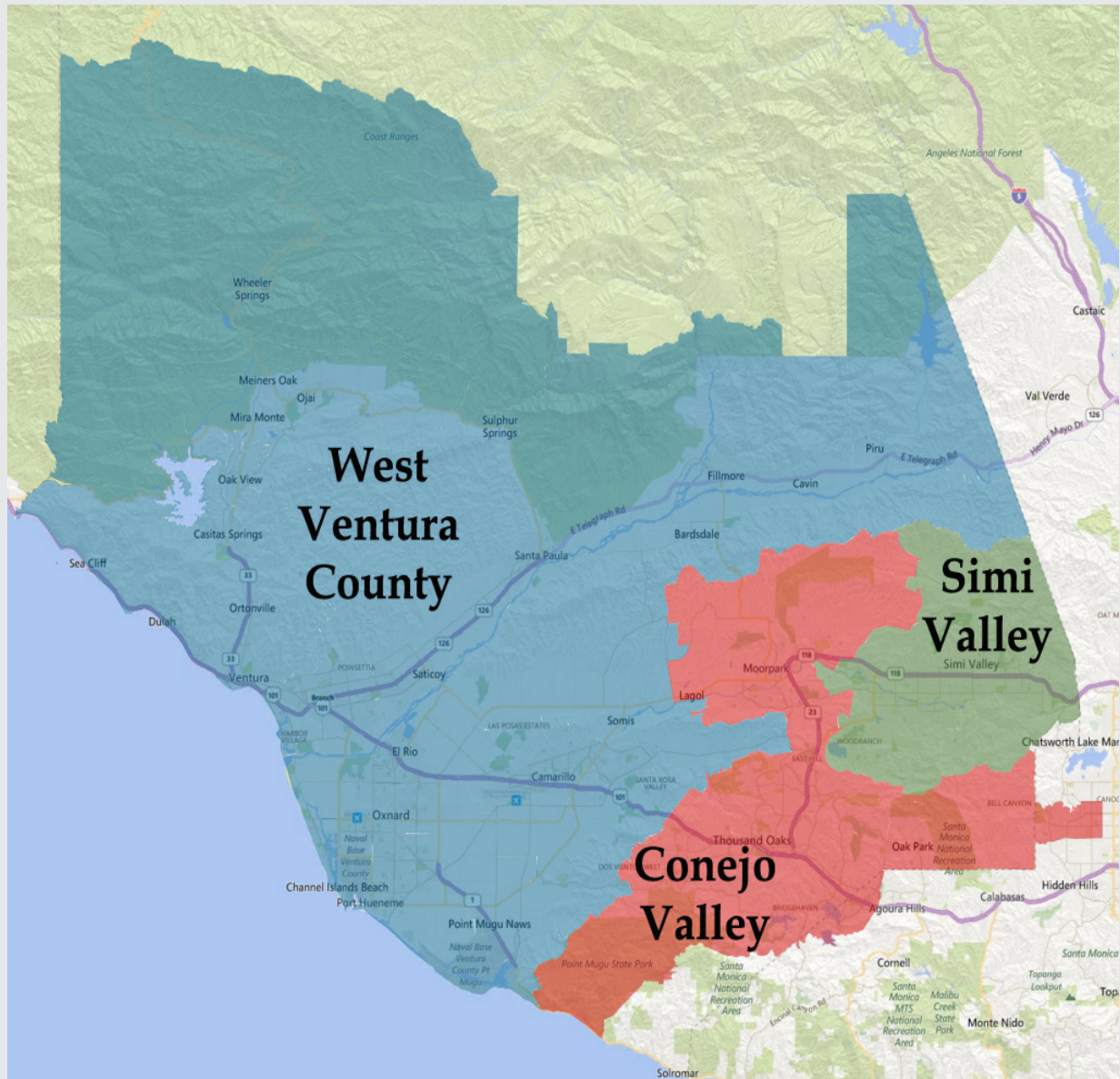
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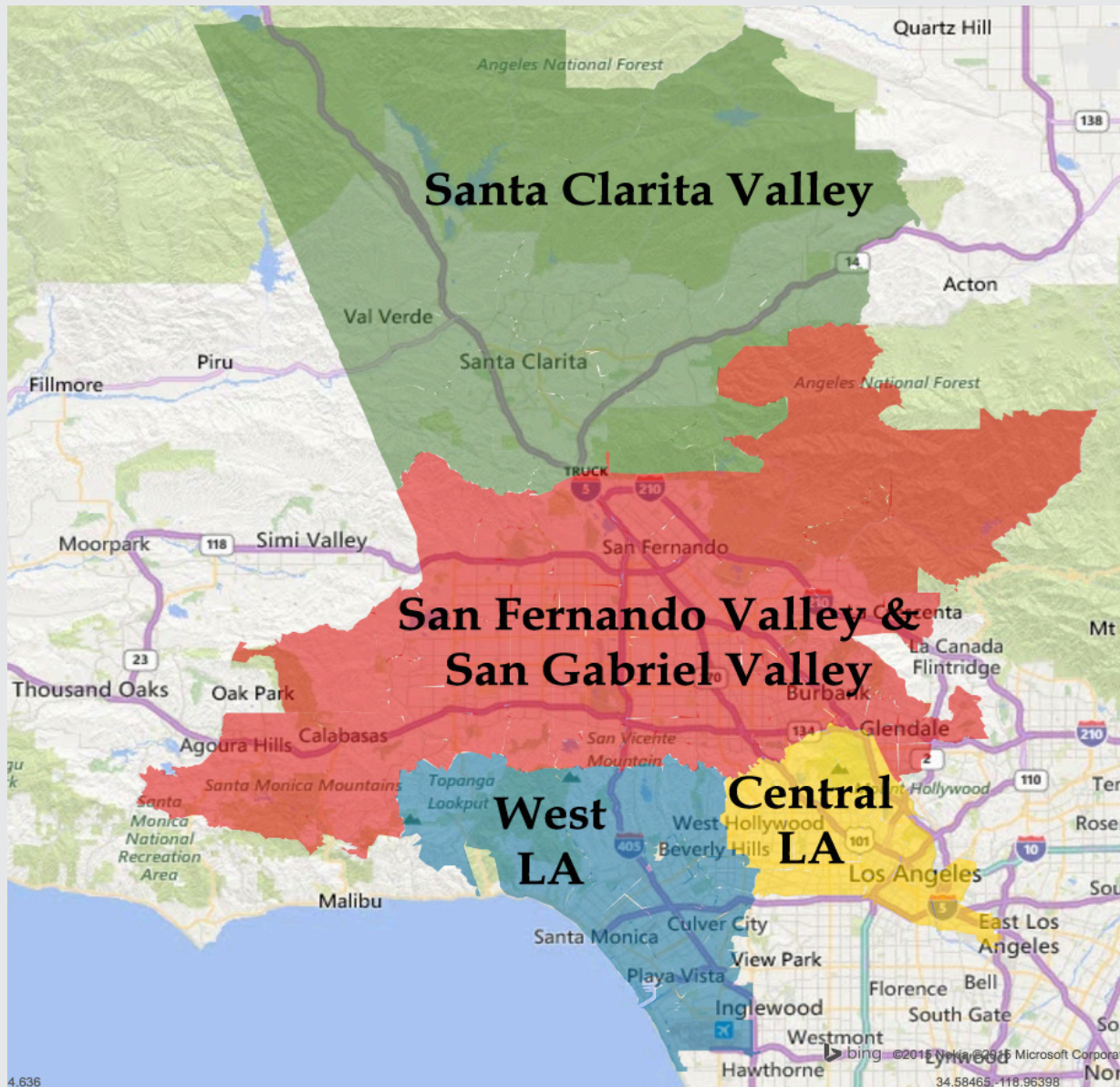
Ventura County Submarkets



In this report, our analysis of Ventura County focuses on three primary submarkets.

- In this report, our analysis of Ventura County focuses on three primary submarkets.
- Simi Valley.
 - The Conejo Valley, including Moorpark.
 - West Ventura County, which includes the City of Ventura, Oxnard, Camarillo, Port Hueneme, and Fillmore.

Los Angeles County Submarkets



In this report, our analysis of Los Angeles County focuses on four primary submarkets.

- West Los Angeles, which stretches from Pacific Palisades to the LAX area, and from Culver City to Beverly Hills/Century City.
- Central Los Angeles, which encompasses the region from Universal City to Downtown, including West Hol-

lywood, Korea Town, Los Feliz, and the Mid Wilshire corridor.

- The entire San Fernando Valley and the area within the San Gabriel Valley that lies northwest of Pasadena.
- The Santa Clarita Valley, including Valencia, Castaic, Newhall, and Stevenson Ranch.

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EXECUTIVE SUMMARY

Why is Trumponomics bullish for the economy?

California

Ventura County

Los Angeles County

Summary



Executive Summary

Trumponomics and the Economies of Los Angeles and Ventura Counties

Mark Schniepp
January 28, 2017

Though the growth numbers for real GDP were relatively anemic in 2016, other economic indicators conveyed the message of a much healthier full employment economy. Here in the state, job creation was exceptional again, especially in the higher paying sectors of technology, engineering, and finance. Furthermore, the anticipated onset of Trumponomics may actually produce accelerated growth in 2017 and the GDP forecast reflects in part this likelihood.

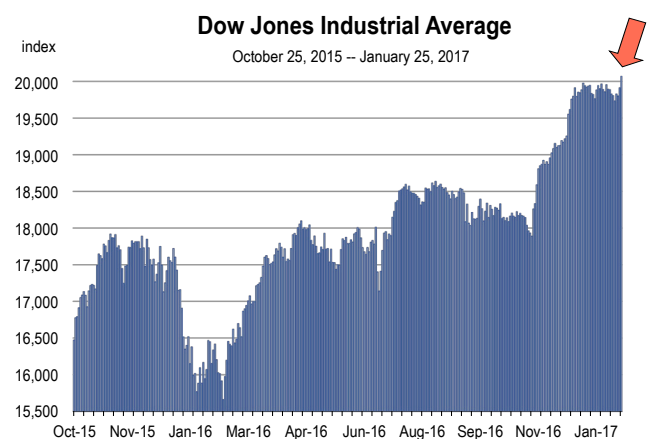
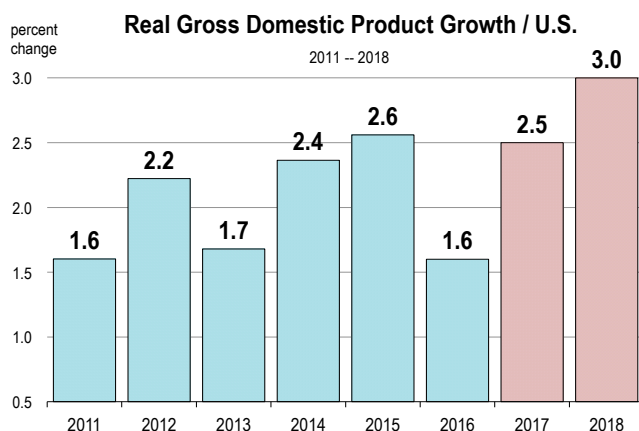
Why is Trumponomics bullish for the economy?

Because spending on defense, homeland security and infrastructure were key campaign promises by the Donald. And cuts in personal and corporate income taxes—also key

components of the president's expectations in 2017—are supported by a Republican Congress. This extent of fiscal policy could prove meaningful in how it impacts the American economy in 2017 and especially in 2018.

To date, the “Trump Rally” in the stock market is holding. The sharp rise in market valuations began the day after the election and pushed the annual 2016 rate of return on the Dow Jones Industrial Average to 13.4 percent. Prior to the rally, the Dow was up 6.0 percent on the year.

The construction of the Great Wall could cost an estimated \$25 billion and would employ between 50 and 100 thousand construction



The Dow Jones average eclipsed the long-awaited 20,000 point threshold on January 25, 2017. All major market indices are now at record highs.



The Great Wall would allegedly run the length of the U.S.-Mexican border from San Diego to Brownsville, Texas. The total distance is 1,954 miles. However, given natural barriers along the way, only about 1,000 miles of wall would have to be built. Between 50,000 and 100,000 construction workers would be needed on the project which could last up to 5 years.

workers for a number of years. Other infrastructure projects throughout the nation would ultimately do the same. Tax cuts would induce increased business investment on equipment, and consumer spending on autos, other durables, and goods and services in general.

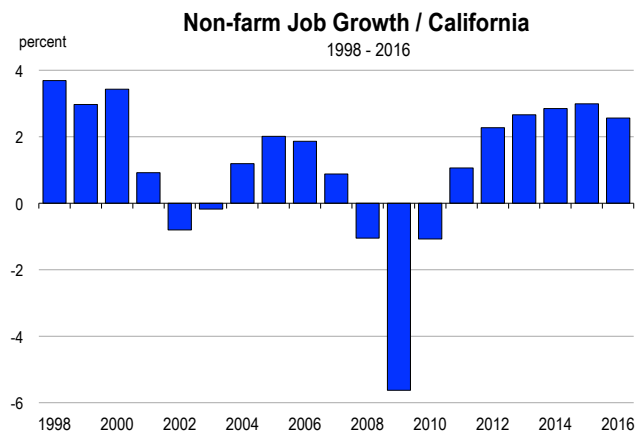
Employment growth: Is more needed?

Employment growth is slowing down, but only because the unemployment rate can't go much lower. The indicator is now at what economists call the "full employment" level, meaning that almost everyone who wants a job already has

a job, and there are fewer idle workers for companies to hire. The rate of job growth can now slow down to a pace just fast enough to absorb new labor force entrants. This would principally include graduating high school seniors, college graduates, and immigrants.

The Job Market in California

California is still creating a large number of jobs, especially at this point in the business cycle. The Great Recession ended more than 7 years ago, but ongoing hiring continues to exceed anything we've witnessed in the last 15 years. Professional, technical, and scientific service firms are the most prominent contributor to this



job growth. Bay Area tech companies are still at the forefront, but a range of high-skill sectors are expanding across many metro regions.

Statewide hiring is also strong at hospitals and doctors' offices, as well as local government agencies, while a stronger real estate environment has brought back thousands of construction jobs.

Real Estate

Rising interest rates would lower cap rates and increase housing payments. Returns on commercial real estate acquisitions would decline. However, a rollback of rules under

Dodd-Frank, the major financial services reform law enacted after the mortgage crisis, might well lead to an increase in lending on both the residential and commercial sides.

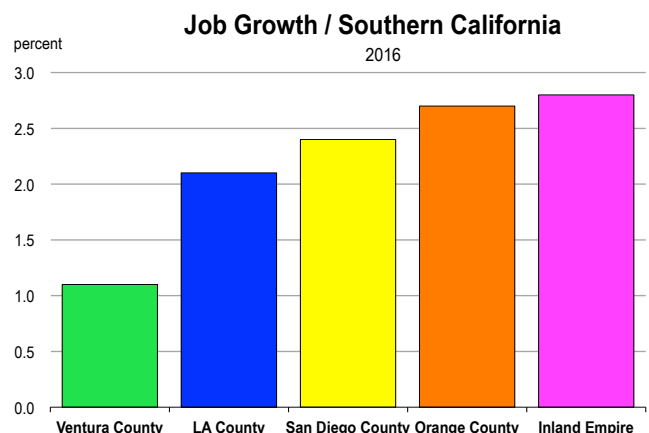
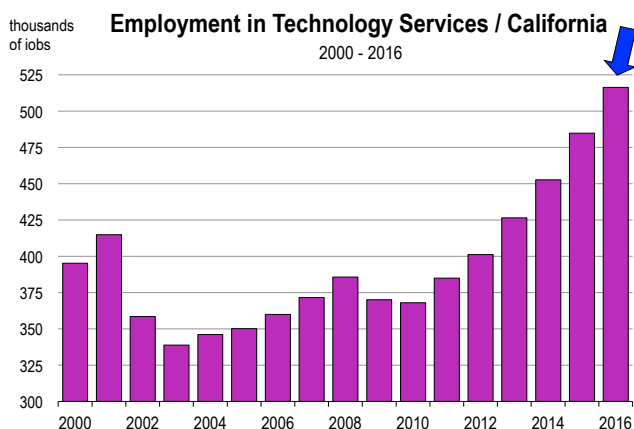
Housing is probably not going to be adversely impacted under Trumponomics, unless economic growth accelerates, inflation expands faster than expected and the Fed follows with tighter monetary policy.

Higher interest rates will be the new normal, but the speed at which they'll increase isn't clear. The forecast for the average 30-year fixed-rate mortgage is 4.7 percent in 2017, up from 3.9 percent in the 4th quarter of 2016.

Ventura County

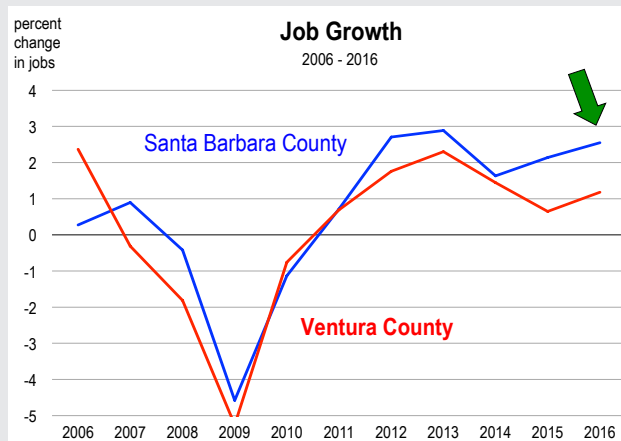
The Ventura County economy continues to expand, but at a much slower pace than the rest of Southern California. This is particularly true of the job market, where several key industries are underperforming.

In 2016, job creation accelerated in Ventura County, but was significantly below the statewide average, and was slower than every other County in Southern California.



Santa Barbara County

Job creation in the Santa Barbara County economy has been stellar since 2012, creating thousands of jobs in healthcare, education, leisure & hospitality, and technology. Santa Barbara County job growth has exceeded job growth in Ventura County every year since 2012 and last year, the margin was the widest on record. The Santa Barbara County labor market rose by 2.5 percent, compared to 1.2 percent for Ventura County.

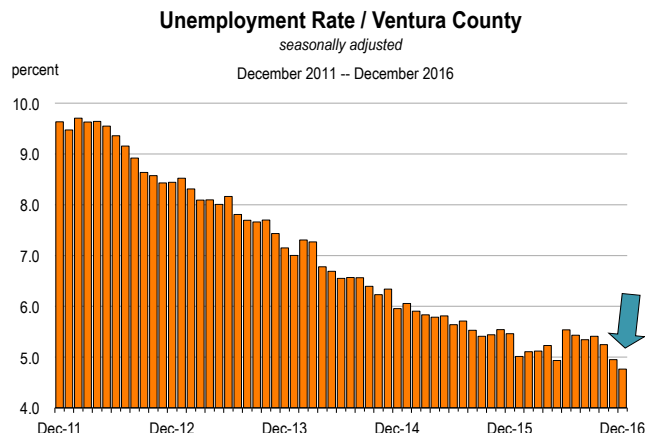
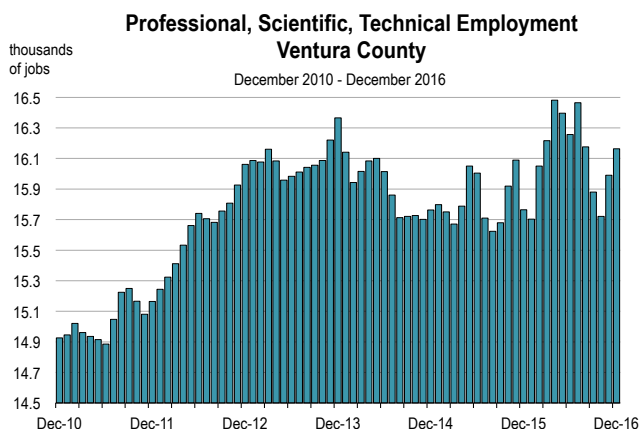


The financial sector, having never rebounded from the 2008 crisis, is still shedding jobs. Retail hiring is weak, and the professional services industry is failing to create the kinds of high-skilled positions that are abundant in other regions of the state.

A major contributing factor has been SOAR, which was recently extended to the year 2050. SOAR, which effectively prevents Ventura County from utilizing open space for commercial or residential or recreational uses,

limits the region's growth potential and creates the stigma of an unfriendly environment for business.

The Ventura County unemployment rate is now at 4.8 percent. It is at the "full employment" level. This means there is little slack in the labor force, making worker recruitment a nightmare for local companies. If the local labor force is unable to provide job candidates, then workers must be recruited from areas outside the county, resulting in more traffic on the 101 Freeway or Route 23.



Commercial Real Estate

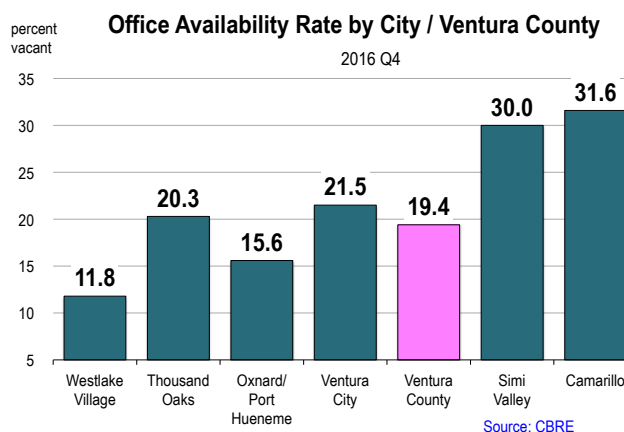
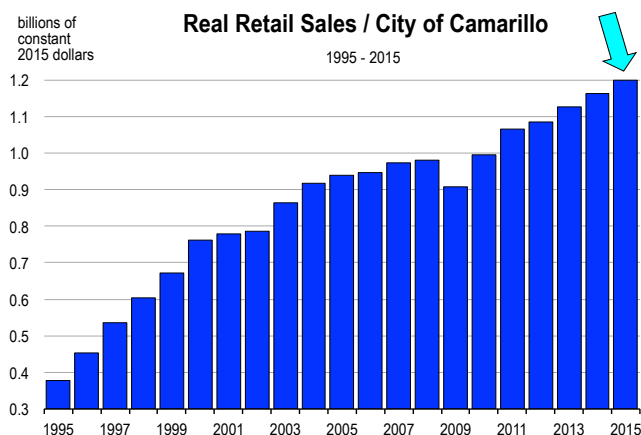
Industrial space is tight across Southern California, and the market has improved in Ventura County. Aside from Camarillo and Moorpark, all cities are in relatively healthy shape.

Countywide, more than 19 percent of all office space is available, while Camarillo and Simi Valley have shown almost no improvement over time. The lack of office using job creation is the principal factor for persistently high availability rates in the office market. Compounding this situation is the trend toward “open office” floor plans, which allow firms to squeeze workers into smaller and smaller spaces.

The Retail Climate

Consumer spending is expanding in Ventura County, but inflation-adjusted sales are still below their 2005 peak. Because much more shopping is occurring online, local stores have not recaptured all of their former activity.

The retail sector in Camarillo is one of the best performing markets in the County. Because of



the significant retail infrastructure developed over the last 10 years, sales continue to set new records each year. With more jobs, income, and visitor travel in Ventura County, the Camarillo retail market is expected to produce another record high in 2017.

Residential Real Estate

Existing home sales have begun to level off in Ventura County, but prices are rising at a moderate rate. Household formation has been weak, leading to less housing demand than expected, but a relative lack of new supply has contributed to sustained price increases. The median selling price is now at its highest level in 9 years at \$637,000 for a detached single family home. Price appreciation in 2016 was 4.7 percent.

Apartment demand is very strong because the millennial generation is currently the largest generation in the population, and their preference is to rent.

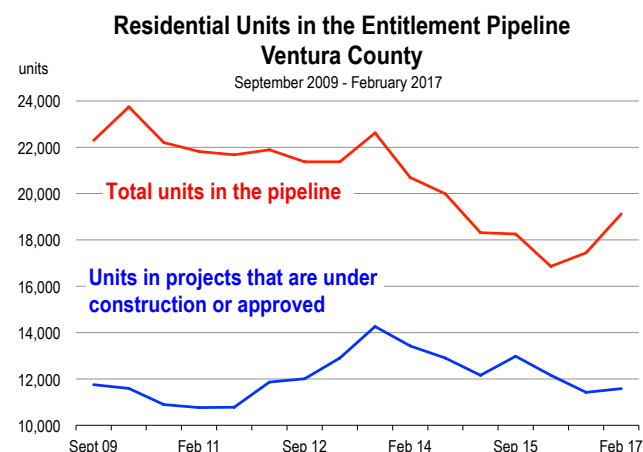
The apartment vacancy rate in the county is extraordinarily tight at 2.7 percent this year. This

rate of vacancy has not changed much since mid-2013. Consequently, average apartment rents are currently at an all time high throughout Ventura County.

New Housing

Predictably, new housing production remains austere across Ventura County. In 2016, 1,272 new units were started – a level that is still short of population growth.

East Area 1 and the Springville Specific Plan represent the largest housing projects in the County. Neither have broken ground yet. It does appear that more new homes will start this year and in 2018 but the threat of both higher interest rates and higher home prices are likely to slow



The residential pipeline of projects has recently increased for the first time since 2008. There are now 19,000 units in the entitlement process throughout Ventura County.

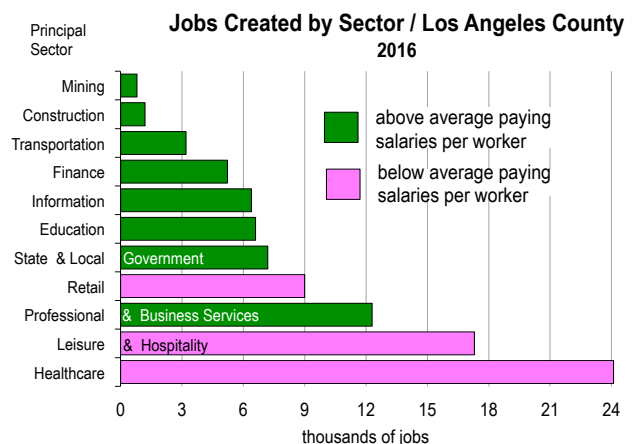
demand. At particular price points however, more new housing will provide needed inventory for both entry level and move up buyers.

Additions to the housing supply may also help to ease price increases for all homes across the region.

Los Angeles County

Los Angeles County labor markets produced another surge of jobs in 2016, totaling 88,000. This was the second biggest year for job creation since 1988. The largest occurred in 2012 with 90,000 new jobs.

About half the jobs created are in the higher paying sectors of the Los Angeles County economy. The other half are dominated by lower paying healthcare jobs and leisure/hospitality industry jobs.



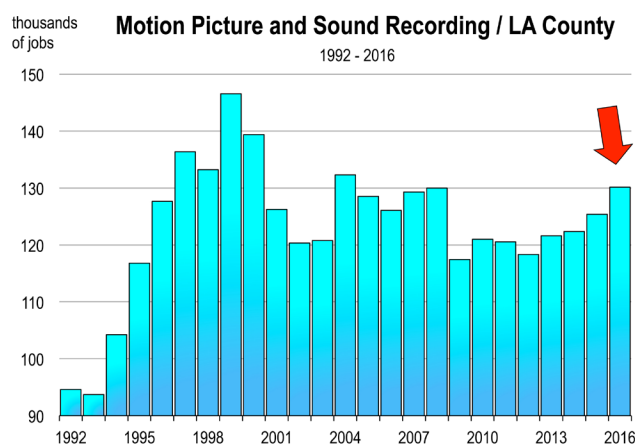
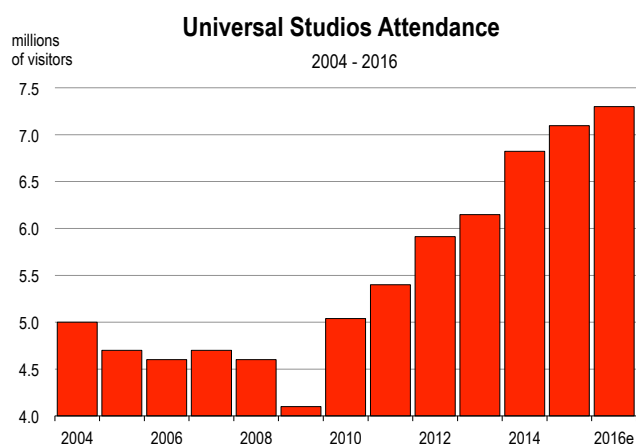


Los Angeles Times, January 3, 2017, online at www.latimes.com

Healthcare employment boomed in 2016 along with the number of workers needed to accommodate the surge in restaurant visits and general tourism in the county. Total visitor attendance at theme parks like Magic Mountain and Universal Studios is now at an all time high.

The 2010-to-present economic expansion in Los Angeles County is a renaissance for the region. All principal economic indicators have moved

higher including notable sectors where Los Angeles has a comparative advantage: motion picture production and tourism.



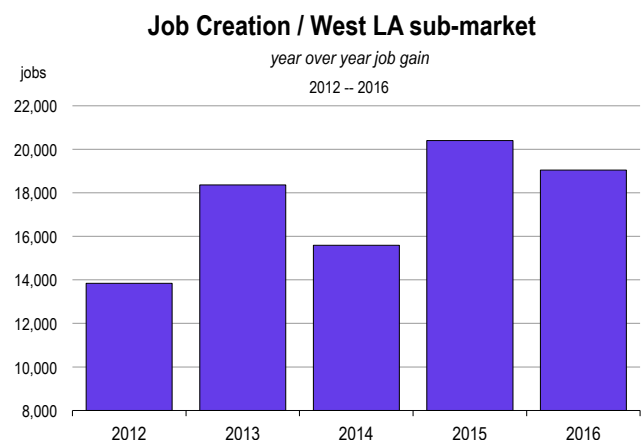
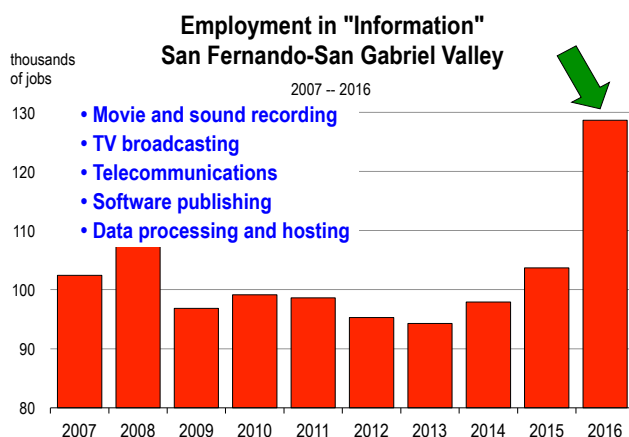
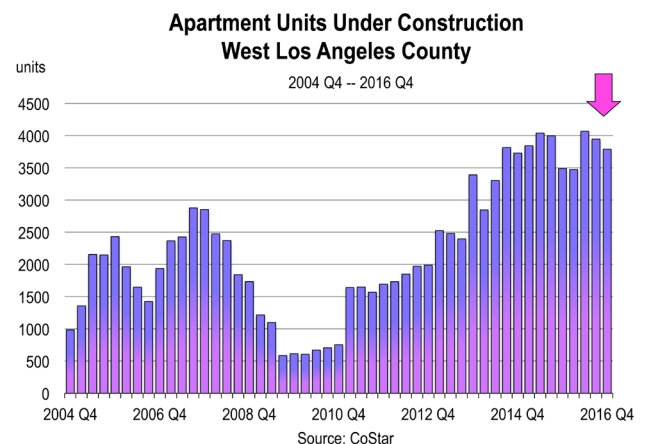
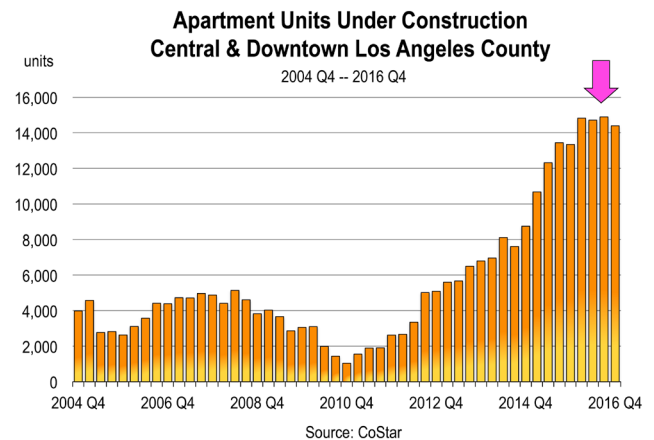
Employment in this sector is increasing again in tandem with the number of permitted on-location shoot days. Shoot days for television shows rose 4.8 percent in 2016 and feature film activity soared 12 percent, mostly occurring in the final calendar quarter of the year.¹

¹ <http://www.latimes.com/business/hollywood/la-fi-ct-la-film-productions-20170117-story.html>

Furthermore, investment in new structures has soared throughout the county. The substantial production of apartment units especially in Central LA is finally providing the necessary injection of housing in the metro area that is revitalizing downtown Los Angeles. This is also true in the West LA region that includes Santa Monica, Marina del Rey, Playa Vista, Century City, and Culver City.

In the San Fernando Valley, the job base has surged in the all important “information” sector which includes movie and sound recording, data processing, TV broadcasting and software publishing. The salary for information jobs averaged \$92,000 per worker in 2016.

This same industry is also dominant in the West LA sub-region where more than 10,000 information jobs have been created since 2012. Worker salaries in this sector averaged \$204,308 in 2016. Regarding the overall labor market in West LA, the creation of jobs has been especially prolific over the last 5 years, adding more than 80,000 new positions.



Region	Availability at year end 2016	
	Office Market	Industrial Market
	– percent of total space –	
San Fernando Valley	10.2	3.3
Santa Clarita Valley	11.2	6.2
Antelope Valley	11.8	2.5
West LA	10.4	2.5
Cental/Downtown LA	9.9	4.9
Los Angeles County	9.7	3.3

Source: Xceligent, January 2017

Commercial real estate continues to tighten. Consequently, there has been substantial investment in new commercial and industrial structures in the County in 2015 and 2016. The availability rate for the office market ended calendar year 2016 at 9.7 percent. Available industrial space is even more scarce with the current rate at just 3.3 percent.

Summary

The economies of Southern California, as well as others across the state, are expanding rapidly and creating large numbers of jobs. Ventura County, by comparison, is lagging its neighbors, held back by company departures and unfortunate policy decisions that impact economic growth. Los Angeles County on the other hand, is creating an extraordinary number of jobs in professional business services, leisure and hospitality, and state and local government.

As “full employment” conditions are reached in many regions of the state, including Ventura County, wages will rise more quickly, leading

to more consumer spending. At the same time, almost everyone who wants a job will already have a job, making it difficult for companies to continue hiring at the current rate.

Increased business activity is leading to tighter markets for commercial real estate. This is especially true of the industrial market in Los Angeles County where the vacancy rate is a scant 2.5 percent. The Office market in Los Angeles County has completely recovered from the Great Recession. Vacancy stands at 7.2 percent and quoted lease rates are at all time record levels.

Housing prices are rising at a moderate rate across the region, appreciating more quickly in Ventura County where very few new units have been built. The National Association of Realtors alleges that housing demand is only expected to increase in 2017. Furthermore, we are certain that current construction trends are not sufficient to match population growth. Demand for apartments is especially high, as the Millennial generation reaches peak renter age.

We are currently near the top of the economic cycle. There is no recession in sight. Policies of the Trump Administration, if approved by Congress, may actually produce accelerated growth for the U.S. economy in 2017 and 2018. With high probability, expect at least another 12-18 months of a healthy economy in California, Los Angeles County and Ventura County.

THE FORECAST

The California Economy

Los Angeles County

The Ventura County Economy

Disturbing Trends in the Ventura County Forecast



The 2017 Forecast

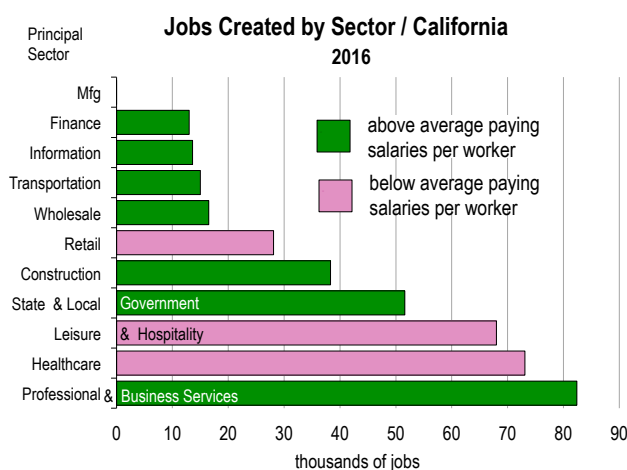
California, Los Angeles and Ventura Counties

The California Economy

The California economy continues to grow faster than the U.S. and this includes more than just the Bay Area economies. Job growth in Orange County, San Diego County, Los Angeles County, the Inland Empire, and the central coast counties all exceeds U.S. job growth. Furthermore, many of those jobs are in sectors which pay substantially higher than the average salary for all California jobs.

The forecast for employment growth in California during 2017 calls for a substantial slowdown from the 2016 pace. The state created 418,000 jobs in 2016. However, job creation is forecast to moderate to 260,000 jobs next year, a 1.8 percent growth rate.

Why? Because the state economy is now at full employment. Recruiting is much more difficult, especially for skilled workers, and that means wages and salaries are moving higher. With higher wages and salaries, firms will be looking towards technology rather than people to accommodate expected business growth.



The leading sector of growth is professional business services which is a composite of a variety of sub-sectors. However, the largest contributor (63 percent) is professional, scientific and technical services with an average salary of nearly twice the average for all jobs in California.

California Forecast Summary

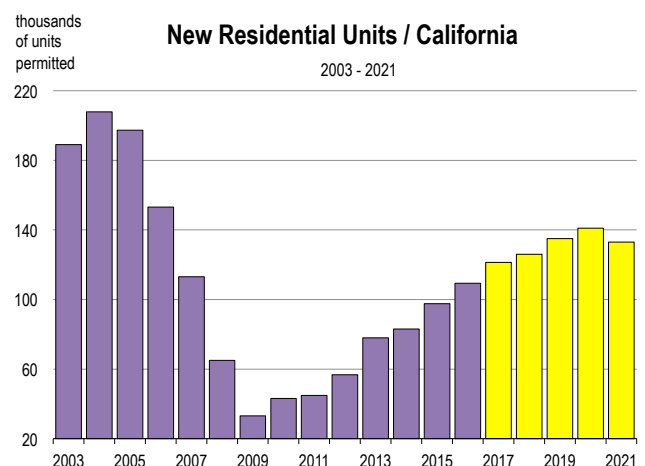
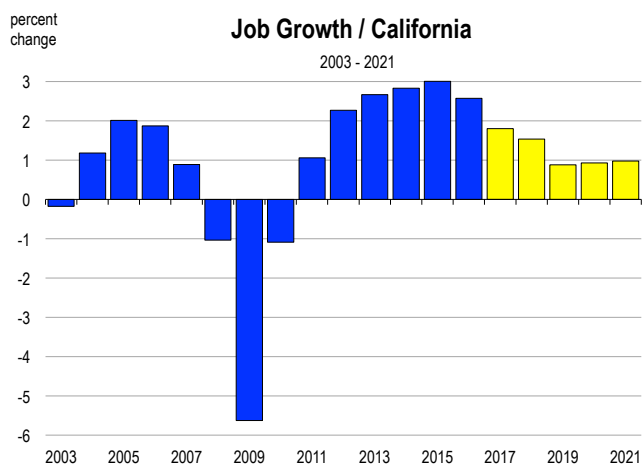
	2015A	2016E	2017F
Employment Growth	3.0%	2.6%	1.8%
Unemployment rate	6.2%	5.4%	5.1%
Personal Income Growth	6.4%	4.0%	6.2%
Population Growth	0.9%	0.9%	1.0%
Inflation (%)	1.5%	2.3%	3.0%
New Housing (units)	97,700	102,700	118,900

A = actual, E = estimated F = forecast

Higher rates of pay translate into higher rates of household income and total personal income. Personal income is dominated by wage and salary income, but it also includes dividend income, rental income, proprietor or self employed income, and transfer payments. Personal income is forecast to rise sharply in 2017 and 2018.

Home building continues to increase in the forecast for California, but the pace is still

very modest. Limited housing production will constrain population growth in the state and result in higher prices for housing that is either purchased for home ownership or rented. The development pipeline for apartment projects has broadened over the last 5 years and most of the new housing that will be started in 2017 and 2018 are apartments in the principal cities of Los Angeles, San Francisco, Oakland, Sacramento, San Jose, and San Diego.

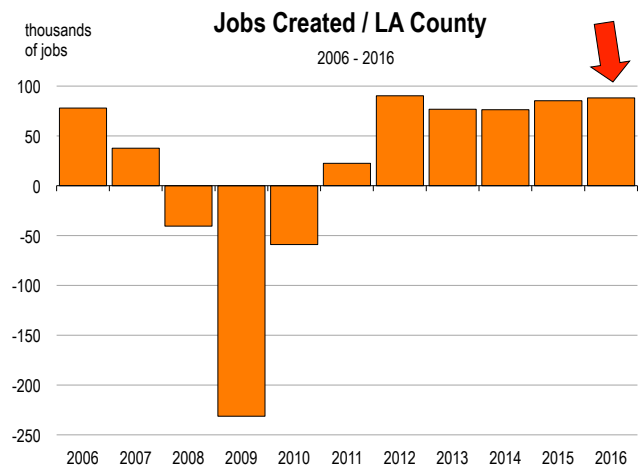


Los Angeles County

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The largest sector of job creation was Leisure & Hospitality, followed by the Professional and Business Services industry. There was a relatively broad based contribution of jobs from all areas of the local economy, except for manufacturing and wholesale trade where total employment is contracting.

The Los Angeles County forecast for 2017 is consistent with the projected statewide slowdown in employment, though another year of economic expansion is called for. Household incomes will go higher. Credit conditions are forecast to continue easing for all home buyers though interest rates are now, and will go, higher along with inflation.



Los Angeles County Forecast Summary

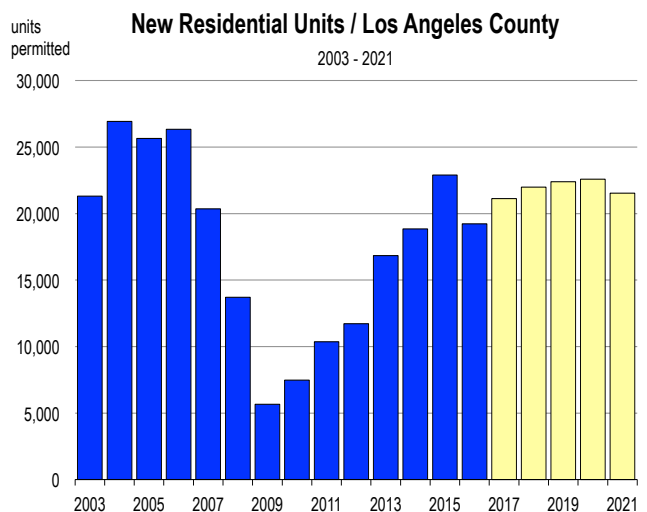
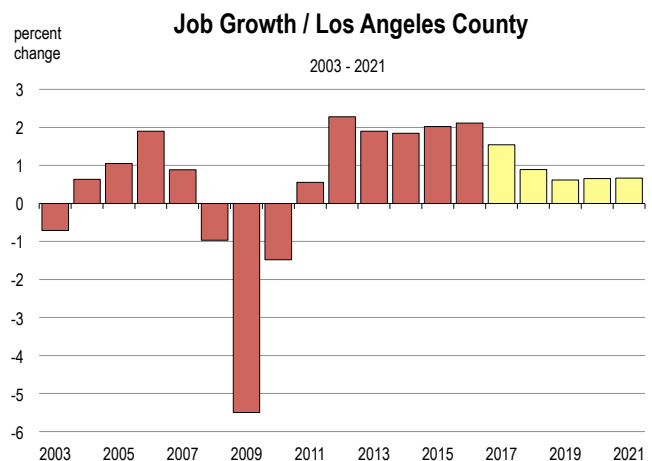
	2015A	2016E	2017F
Employment Growth	2.0%	2.1%	1.1%
Unemployment rate	6.7%	5.1%	4.8%
Personal Income Growth	5.0%	5.2%	5.3%
Population Growth	0.6%	0.4%	0.4%
Inflation (%)	0.9%	1.9%	2.5%
New Housing (units)	22,892	19,232	21,128

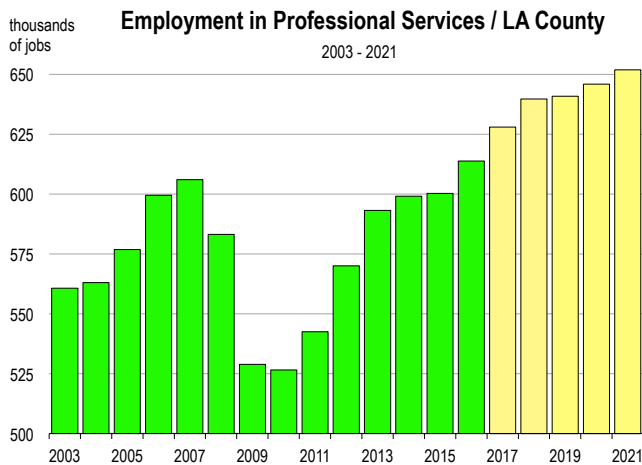
A = actual, E = estimated F = forecast

Employment in the professional business services sector has been especially impressive throughout Los Angeles County. And these jobs are largely office using. Consequently, the utilization of office space will continue to improve as further creation of professional and technical service jobs is projected over the forecast horizon.

There are particular regions of Los Angeles County that have largely contributed to a vibrant regional economy within Los Angeles County. In particular, the West and Central regions of LA, the San Fernando Valley, and the Santa Clarita Valley have produced higher rates of job growth which has resulted in much greater utilization of office and industrial space in these communities.

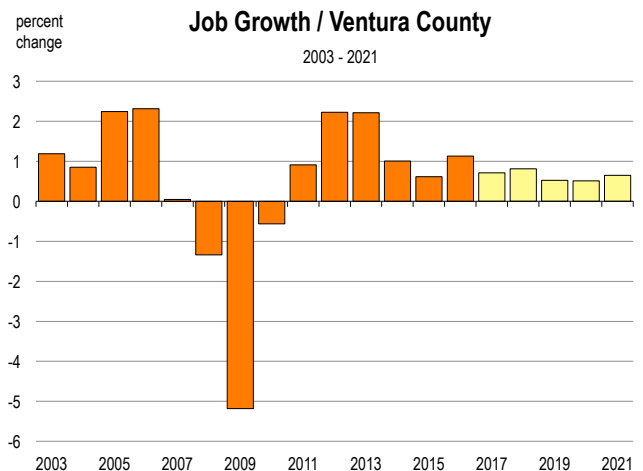
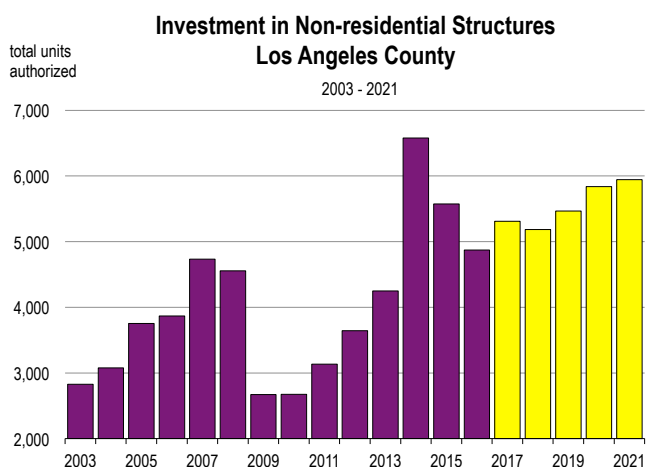
The greater Los Angeles County office vacancy rate sank to 10.3 percent at the end of 2016. Industrial vacancy is currently at a scant 2.3 percent. More industrial product is currently underway in the county along with some office and thousands of apartment units, especially in the downtown area.





The Ventura County Economy

The forecast for Ventura County is consistent with its adjacent neighbor to the east. The 2017 outlook is an extension of 2016 though employment growth slows further in tandem with the rest of the state's economy. Employment and income growth are much slower in Ventura County than for Los Angeles County or the broader state economy. Much of this is due to the lack of internal growth stifled by an inordinate number of company defections from Ventura County or downsizings. A continuation of this would produce a further drag on job growth in 2017 and 2018.



The lack of housing prevents new in-migration into the county and home prices continue to rise. The lack of new in-migration into the county slows down population growth, which rose by 0.5 percent in 2015 and 0.3 percent in 2016. The forecast has population expanding at an annual rate of 0.4 percent in 2017.

Ventura County Forecast Summary

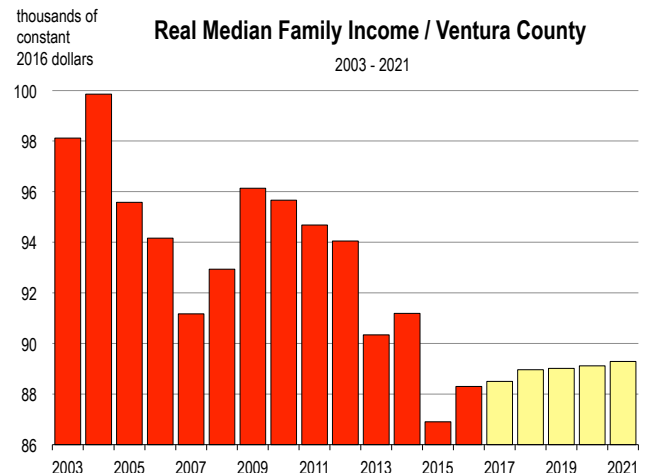
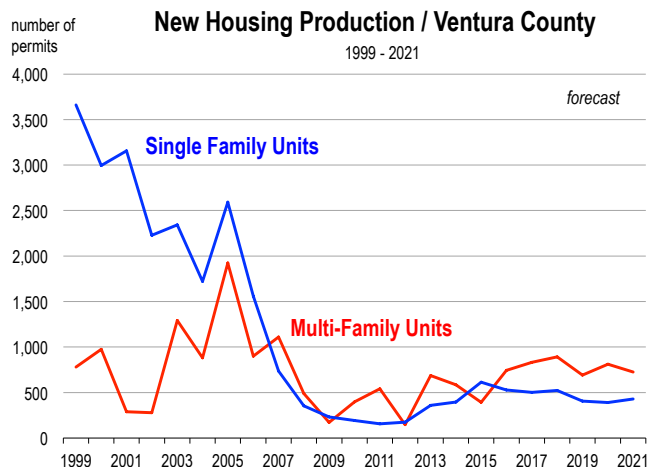
	2015A	2016E	2017F
Employment Growth	0.7%	1.2%	0.8%
Unemployment rate	5.7%	5.2%	4.9%
Personal Income Growth	4.2%	3.3%	4.2%
Population Growth	0.5%	0.3%	0.4%
Inflation (%)	0.9%	1.9%	2.5%
New Housing (units)	1,009	1,272	1,336

A = actual, E = estimated F = forecast

Slowing population growth poses a problem with hiring, because now there is little if any slack in the resident labor force from which to recruit workers. The unemployment rate in December 2016 was 4.8 percent. Nearly everyone that wants a job has a job. Furthermore, due to the lack of job creation in Ventura County, many jobs for many residents are located in Santa Barbara and Los Angeles Counties.

Recent increases in wage income are helping to break the fall of inflation adjusted family income. Real median family income does move slightly higher over the next few years, but the forecast of slower job growth will be a limiting factor.

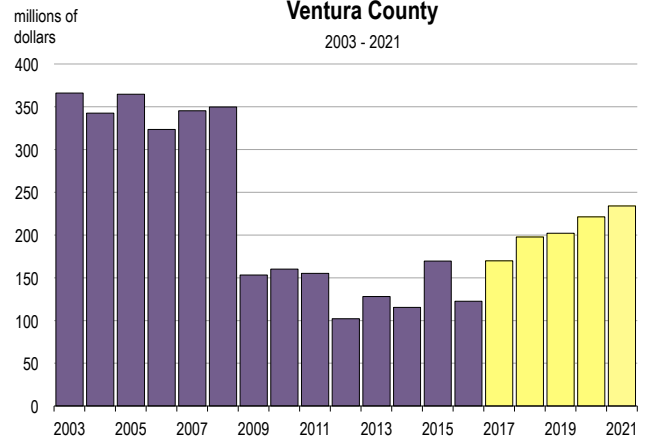
The rate of vacancy in the office markets of Ventura County has gradually improved over



time, though is still high compared to the Los Angeles, Orange County, and Inland Empire markets. The forecast for new commercial and industrial structures shows some improvement, due to an entitlement pipeline that includes 17.7 million square feet of non-residential space, of which 15.0 million is currently approved.

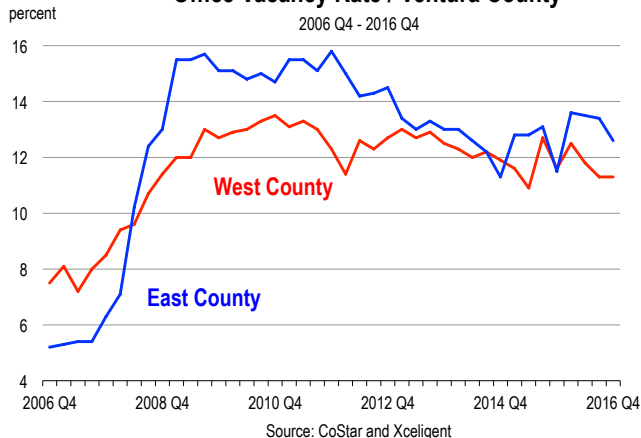
The demand for existing housing remains relatively constant in 2017. Inventory constraints limit choice and therefore the volume of sales. Median selling values for all homes in the county rose 6.2 percent in 2015 and 4.7 percent in 2016. Home values will continue to rise in 2017 because inventory will remain tight and demand for homes will increase. Home prices are forecast to rise another 6.5 percent in 2017.

Investment in Non-residential Structures Ventura County

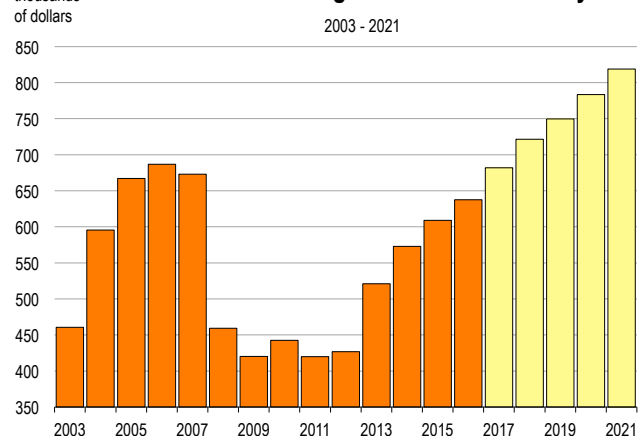


The renewal of SOAR in November 2016 ensures a slower growth economy constrained by the lack of housing and high home prices, relative to the adjacent Los Angeles market.

Office Vacancy Rate / Ventura County

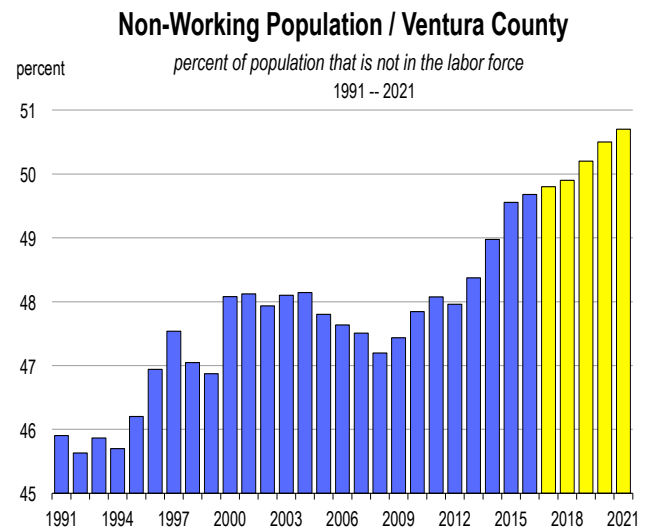


Median Home Selling Price / Ventura County



Disturbing Trends in the Ventura County Forecast

- Consistent with recent history, there is less job creation forecast for Ventura County than all of its Southern California neighbors, including Santa Barbara County.
- The principal workforce population as a percent of the total population is declining at a more rapid pace in Ventura County than in the rest of California. The inverse of this statistic is the population of Ventura County that is



Los Angeles County Economic Forecast Summary

2011- 2016 History, 2017- 2021 Forecast

Year	Population (people)	Population (growth rate)	Net Migration (people)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)
2011	9,902,593	0.79	2,899	3,244	10,362	\$126
2012	9,991,159	0.89	17,344	3,254	11,715	\$135
2013	10,056,433	0.65	-5,254	3,267	16,850	\$140
2014	10,123,688	0.67	-4,183	3,279	18,841	\$147
2015	10,192,374	0.68	-3,651	3,292	22,892	\$152
2016	10,278,957	0.85	13,336	3,308	17,245	\$156
2017	10,360,020	0.79	8,934	3,322	19,208	\$163
2018	10,435,690	0.73	3,883	3,338	20,082	\$169
2019	10,505,480	0.67	-1,330	3,355	20,571	\$176
2020	10,567,610	0.59	-7,834	3,373	20,661	\$182
2021	10,627,000	0.56	-9,519	3,391	19,584	\$188

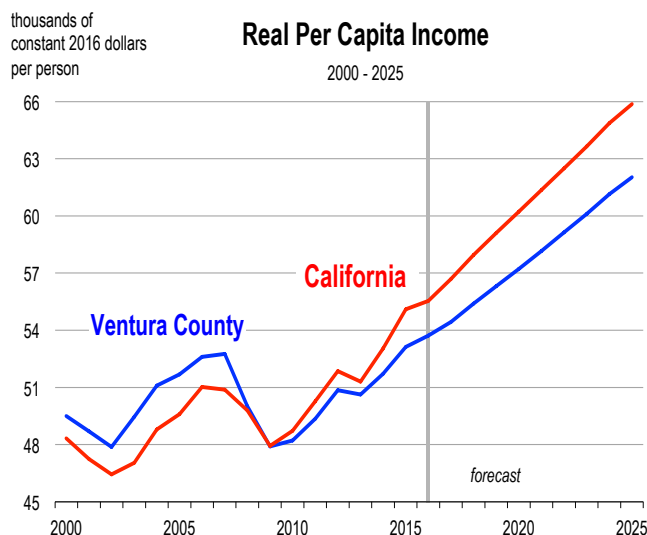
– employment (thousands of jobs) –

Year	Total Wage & Salary	Non-farm Job Growth (%)	Construction	Manufacturing	Transportation, Utilities	Wholesale & Retail Trade
2011	3,951	0.6	105	367	152	599
2012	4,041	2.3	109	367	155	613
2013	4,118	1.9	116	368	157	624
2014	4,194	1.9	120	364	163	635
2015	4,279	2.0	126	361	170	647
2016	4,381	2.4	130	355	175	657
2017	4,430	1.1	136	358	177	664
2018	4,458	0.6	141	360	178	666
2019	4,486	0.6	144	362	179	669
2020	4,514	0.6	145	362	180	671
2021	4,541	0.6	144	362	180	673

Source: California Economic Forecast, February 2017

non-working by choice. It has been rising since the Great Recession and will eclipse 50 percent over the next few years.

- The 25 to 44 year old population has been sliding precipitously since 2003 at a much more rapid pace than the rest of California.
- Average income per person, adjusted for inflation, has fallen behind California in recent years. Over the next 5 years, average income per person continues to lag and even diverge from the California average.



Los Angeles County Economic Forecast Summary

2011 - 2016 History, 2017 - 2021 Forecast

Year	Personal Income (billions)	Real per Capita Income (dollars)	Inflation Rate (Percent change in regional CPI)	Median Home Selling Price (dollars)	Existing Home Sales (Index)	Unemployment Rate (percent)
2011	\$442	\$48,018	2.7	316,000	74,269	12.2
2012	\$476	\$50,255	2.0	330,000	83,773	10.9
2013	\$478	\$49,648	1.1	412,000	84,242	9.7
2014	\$500	\$50,840	1.3	455,000	76,203	8.2
2015	\$525	\$52,551	0.9	485,500	81,174	6.7
2016	\$552	\$53,702	2.1	516,087	79,307	4.9
2017	\$581	\$54,575	2.8	540,205	83,794	4.8
2018	\$610	\$55,343	2.7	562,502	83,497	5.0
2019	\$640	\$56,336	2.4	583,187	84,566	5.0
2020	\$671	\$57,453	2.3	603,680	86,031	5.1
2021	\$704	\$58,588	2.3	625,572	87,267	5.0

– employment (thousands of jobs) –

Year	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2011	210	543	192	677	395	565
2012	212	570	192	699	416	557
2013	213	593	196	702	441	551
2014	211	599	198	721	467	556
2015	214	600	203	742	488	566
2016	219	615	210	779	508	571
2017	219	619	211	793	515	576
2018	222	620	213	802	521	577
2019	222	623	215	811	527	579
2020	223	626	217	820	532	580
2021	223	630	219	830	539	582

Source: California Economic Forecast, February 2017

Ventura County Economic Forecast Summary

2011- 2016 History, 2017 - 2021 Forecast

Year	Population (people)	Population (growth rate)	Net Migration (people)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)
2011	831,810	0.82	803	267.5	697	\$8.1
2012	836,787	0.60	-542	268.3	322	\$8.6
2013	842,796	0.72	846	269.3	1,048	\$8.9
2014	847,972	0.61	101	270.6	981	\$9.2
2015	852,964	0.59	-103	271.8	1,009	\$9.5
2016	858,998	0.71	920	273.3	954	\$9.8
2017	864,502	0.64	538	274.0	1,284	\$10.3
2018	870,269	0.67	745	275.2	1,250	\$10.7
2019	875,884	0.65	536	276.4	993	\$11.2
2020	881,072	0.59	70	277.4	1,125	\$11.6
2021	886,396	0.60	153	278.4	1,052	\$12.1

– employment (thousands of jobs) –

Year	Total Wage & Salary	Non-farm Job Growth (%)	Construction	Manufacturing	Transportation, Utilities	Wholesale & Retail Trade
2011	277	0.7	11.3	30.6	5.5	48.8
2012	282	1.8	11.8	29.9	5.7	49.9
2013	289	2.3	12.6	29.9	5.9	51.4
2014	293	1.4	13.7	30.6	6.0	52.0
2015	295	0.7	14.2	30.4	6.0	52.3
2016	298	1.2	14.7	30.1	6.0	52.3
2017	301	0.8	14.9	29.6	6.0	52.8
2018	303	0.8	15.2	29.4	6.1	53.1
2019	305	0.5	15.1	29.4	6.1	53.4
2020	307	0.7	15.0	29.5	6.1	53.7
2021	309	0.7	15.2	29.5	6.1	54.0

Source: California Economic Forecast, February 2017

Ventura County Economic Forecast Summary**2011 - 2016 History, 2017 - 2021 Forecast**

Year	Personal Income (billions)	Real per Capita Income (dollars)	Median Home Selling Price (dollars)	Existing Home Sales (index)	Inflation Rate (Percent change in regional CPI)	Unemployment Rate (percent)
2011	\$38.2	\$49,429	350,000	8,464	2.7	10.3
2012	\$40.4	\$50,924	360,000	10,076	2.0	9.1
2013	\$40.9	\$50,701	429,000	9,804	1.1	7.9
2014	\$42.7	\$51,799	466,000	9,109	1.3	6.6
2015	\$44.2	\$52,863	495,000	10,761	0.9	5.7
2016	\$46.0	\$53,549	519,750	10,686	2.1	5.1
2017	\$48.2	\$54,245	547,882	11,157	2.8	4.7
2018	\$50.5	\$54,919	578,253	11,430	2.7	4.9
2019	\$52.7	\$55,653	600,101	11,617	2.4	5.0
2020	\$55.0	\$56,411	622,243	11,866	2.3	5.0
2021	\$57.3	\$57,206	643,357	12,053	2.3	4.9

– employment (thousands of jobs) –

Year	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2011	20.4	33.3	4.9	36.3	31.4	44.4
2012	19.6	34.9	5.2	38.2	32.8	43.6
2013	18.9	36.3	5.2	40.4	33.8	43.6
2014	18.7	35.1	5.3	41.6	34.8	44.0
2015	17.8	34.7	5.1	42.7	35.9	45.3
2016	17.4	35.3	4.9	43.6	37.5	46.3
2017	17.1	35.8	5.0	44.4	38.0	46.6
2018	17.5	36.0	4.9	45.1	38.4	46.7
2019	17.5	36.2	5.0	45.9	38.7	46.9
2020	17.4	36.4	5.0	46.7	39.2	47.0
2021	17.1	36.8	5.0	47.5	39.7	47.1

Source: California Economic Forecast, February 2017

DEMOGRAPHICS

Demographic Update

Demographic Forecast



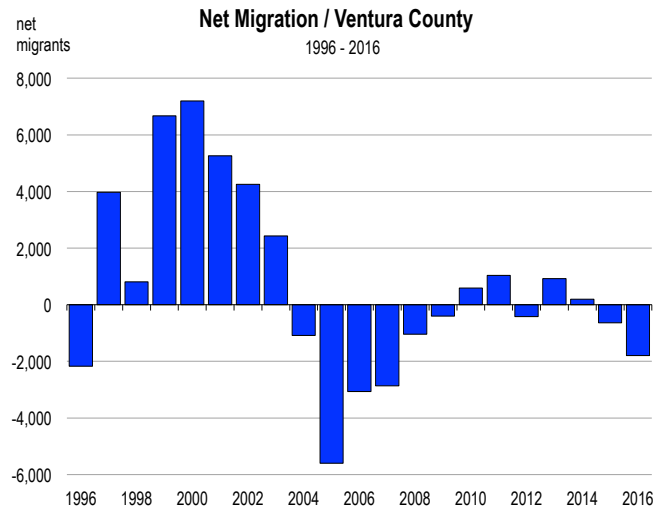
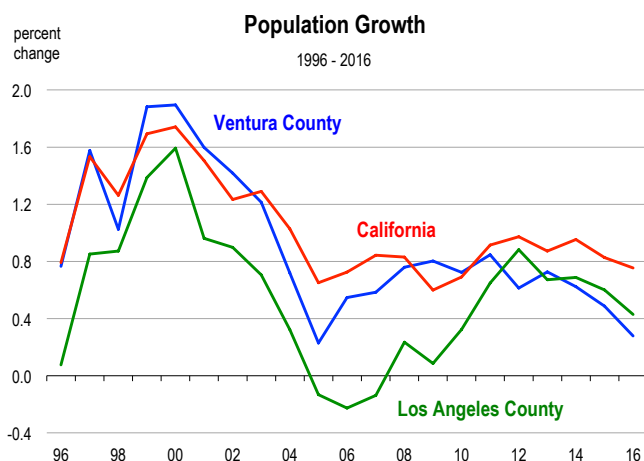
Demographic Update

Population Growth

In Ventura County and Los Angeles County, population growth continues to fall short of the statewide average. In fact, population growth has been decelerating, led by higher levels of out-migration. In 2016, almost 2,000 net migrants left Ventura County, while more than 15,000 left LA County.

The Sacramento Valley and Central Valley, where real estate is cheap and job growth is plentiful, grew more quickly than other regions. This represents a change from recent years, when the Bay Area was outpacing the rest of the state by considerable margins. It now appears that high home prices have finally pushed people to more affordable areas of the state.

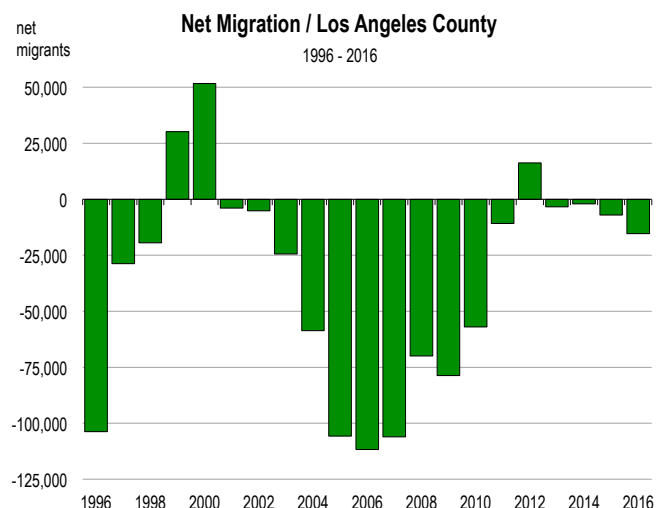
Southern California grew more slowly than all other major California regions. And Ventura and LA counties grew more slowly than all other parts of Southern California. Why? Because (1) housing affordability is running away in L.A. County and (2) job growth has been substandard in Ventura County.



Population Growth by Region 2015-2016

Region	2016 Population	2015-2016 % Change
Sacramento Area	2,458,135	1.2
Central Valley	4,208,003	1.0
Bay Area	7,680,709	0.9
Central Coast	1,444,648	0.8
Southern California	22,261,707	0.6
Riverside County	2,360,727	1.4
Imperial County	187,157	1.0
San Bernardino County	2,147,933	0.8
San Diego County	3,300,891	0.8
Orange County	3,181,371	0.6
Los Angeles County	10,229,245	0.4
Ventura County	854,383	0.3
California	39,354,432	0.8

Source: California Department of Finance



Household Income

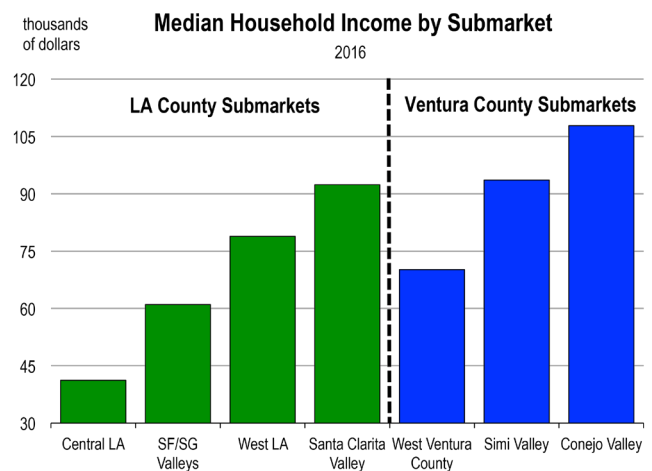
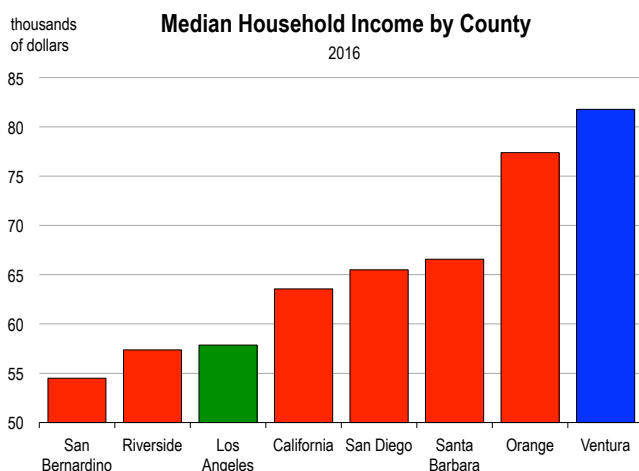
In Ventura County, incomes tend to be much higher than across California. In 2016, the median Ventura County household earned approximately \$82,000, compared to \$64,000 for the median household statewide.

In Los Angeles County, the median income is relatively low at just \$58,000, but there is substantial variation across submarkets. West

LA and the Santa Clarita Valley are relatively affluent, while Central LA has a median household income of just \$41,000.

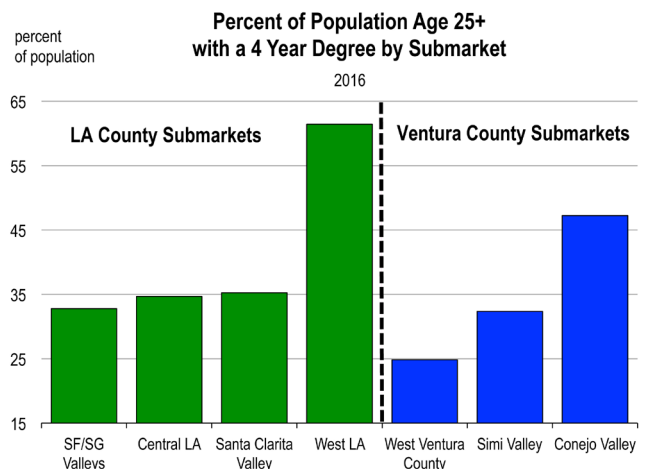
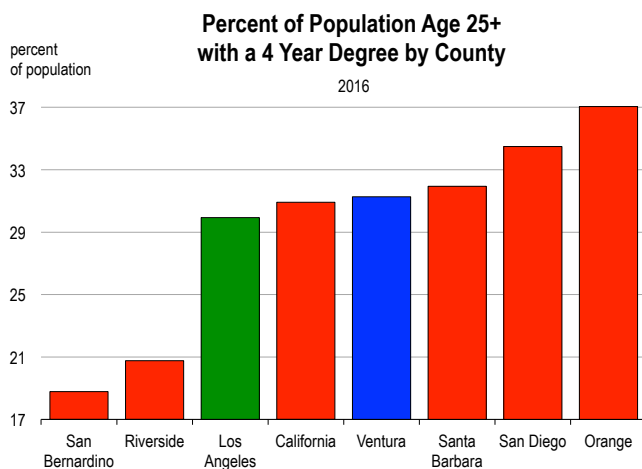
Education

In Ventura County, approximately 31 percent of the population aged 25 and older has obtained at least a four-year college degree. In LA County, almost 30 percent has a four-year degree.

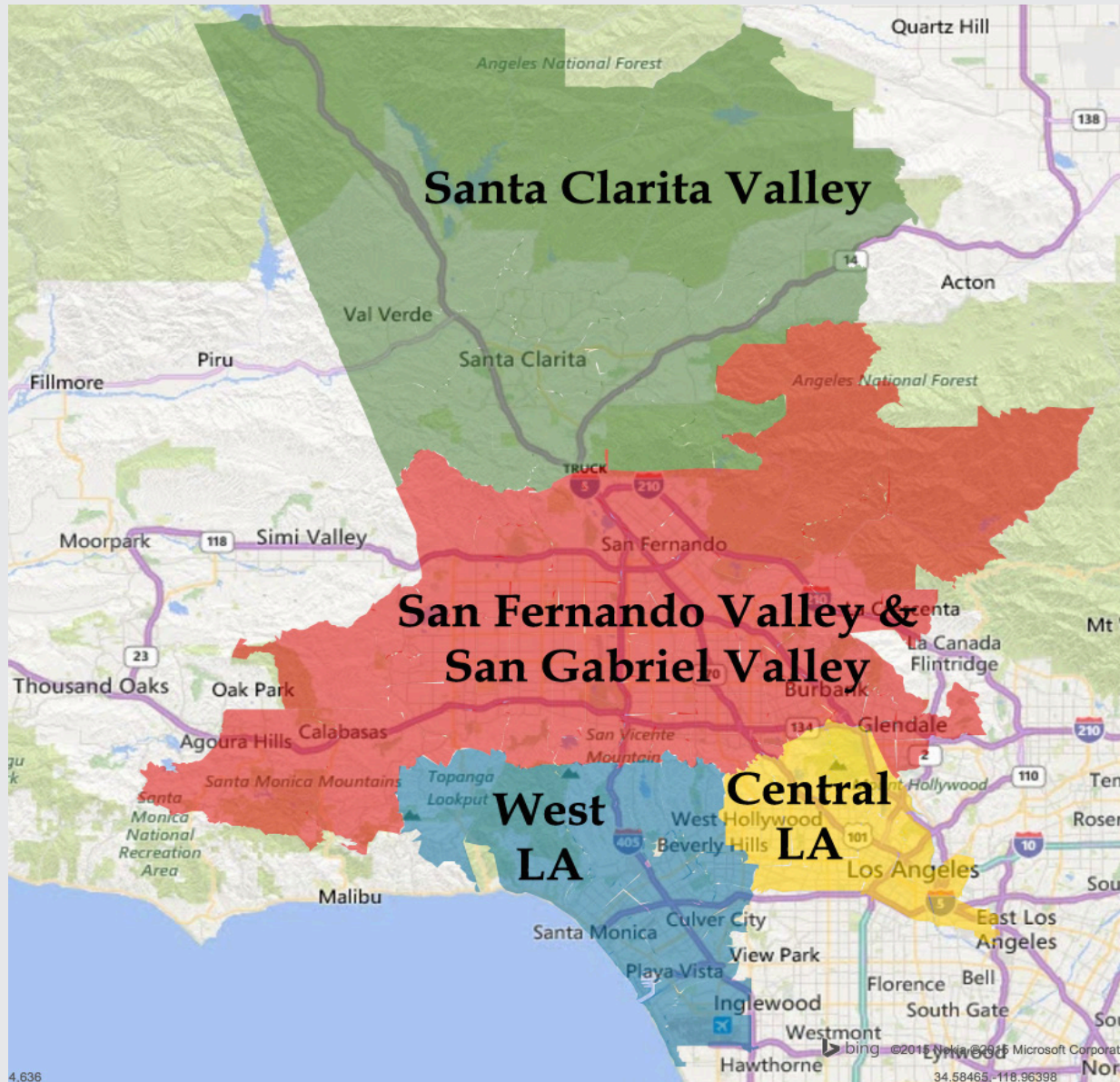


The most highly educated counties in Southern California continue to be San Diego and Orange, while San Bernardino and Riverside counties remain well below the statewide average. Within our primary submarkets, West LA is the

most highly educated by a wide margin. Here, more than 61 percent of the population has obtained at least a four-year degree. Almost 15 percent has a master's degree, while 12 percent has a professional or doctoral degree.



Los Angeles County Submarkets



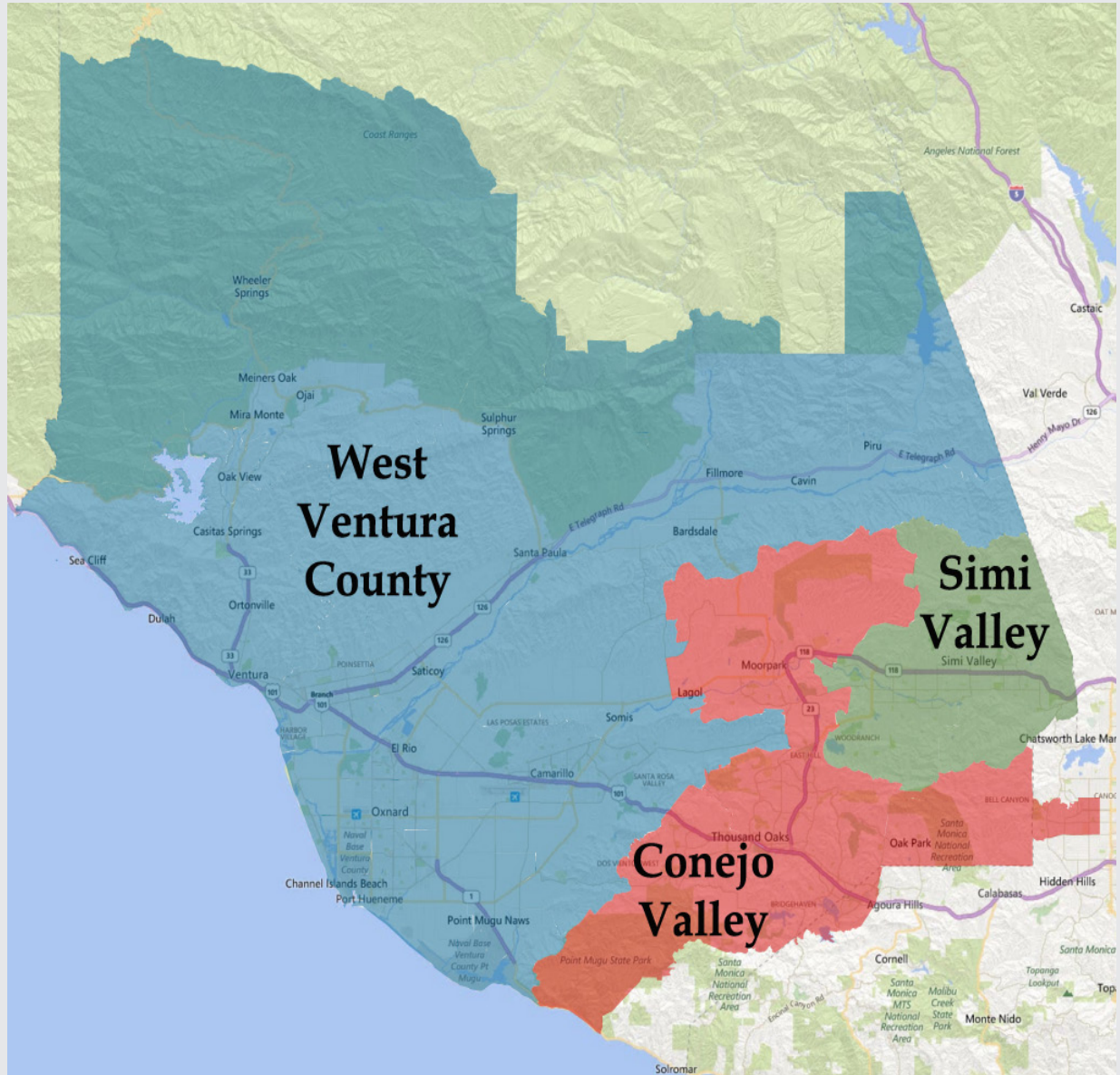
In this report, our analysis of Los Angeles County focuses on four primary submarkets.

- West Los Angeles, which stretches from Pacific Palisades to the LAX area, and from Culver City to Beverly Hills/Century City.
- Central Los Angeles, which encompasses the region from Universal City to Downtown,

including West Hollywood, Korea Town, Los Feliz, and the Mid Wilshire corridor.

- The entire San Fernando Valley and the area within the San Gabriel Valley that lies northwest of Pasadena.
- The Santa Clarita Valley, including Valencia, Castaic, Newhall, and Stevenson Ranch.

Ventura County Submarkets

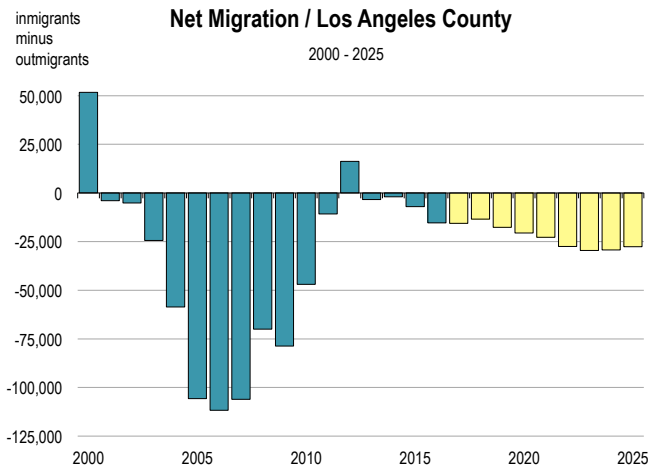
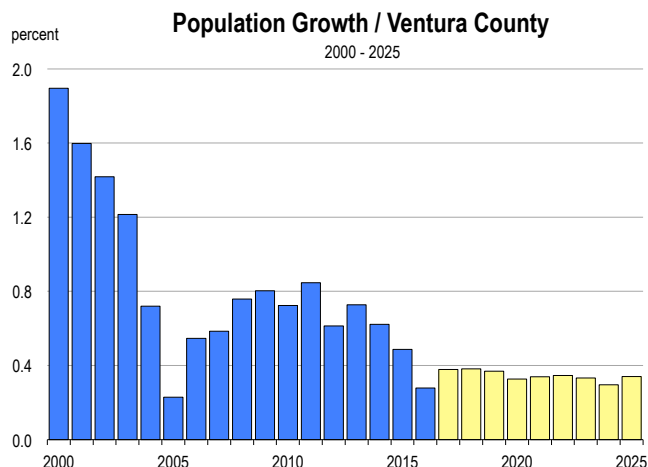
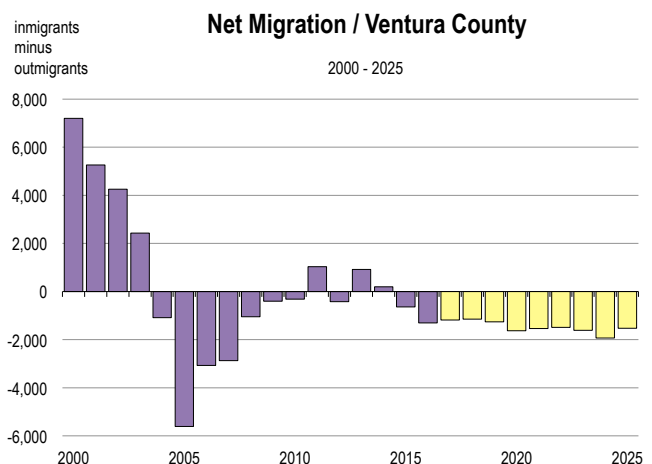
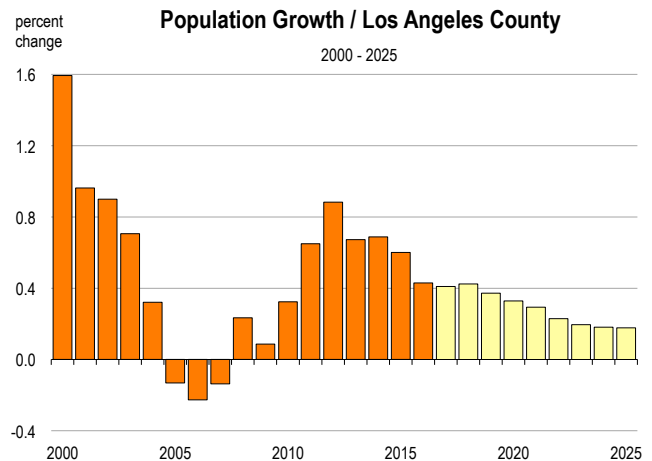


In this report, our analysis of Ventura County focuses on three primary submarkets.

- Simi Valley.
- The Conejo Valley, including Moorpark.
- West Ventura County, which includes the City of Ventura, Oxnard, Camarillo, Port Hueneme, and Fillmore.

Demographic Forecast

- Population growth will decelerate in both LA County and Ventura County. Through 2021, growth will be between 0.2 and 0.4 percent annually.
- Out-migration will be a primary cause of slow population growth. In both counties, net migration will be negative over the forecast horizon.
- By 2021, the total population of LA County will surpass 10.4 million people. Gains will be concentrated Downtown, where a large number of new housing units are being produced, and in the Santa Clarita Valley.
- The total population of Ventura County will approach 870,000 by 2021. Growth is likely to be strongest in the West County, where housing is more affordable, and where new units will be constructed in larger numbers.



Demographic Forecast	LA County & Ventura County		History 2015-2016, Forecast 2017-2021				
	2015	2016	2017	2018	2019	2020	2021
Ventura County							
Population	852,013	854,383	857,618	860,893	864,072	866,897	869,838
% change	0.5	0.3	0.4	0.4	0.4	0.3	0.3
Births	10,288	10,316	10,373	10,460	10,560	10,661	10,768
Deaths	5,661	5,878	5,955	6,038	6,122	6,207	6,290
Natural Increase	4,627	4,438	4,417	4,422	4,438	4,454	4,478
Net Migration	-641	-1,305	-1,183	-1,147	-1,259	-1,629	-1,537
Less than 5	55,026	54,849	54,922	55,025	55,107	55,126	55,115
5 to 17 (K-12 age)	144,358	143,670	143,087	142,499	142,071	141,901	141,739
18 to 24	87,451	86,077	84,656	83,392	82,205	80,978	80,113
25 to 34	121,226	121,383	121,623	121,776	121,925	121,590	121,227
35 to 44	113,237	113,104	113,731	114,605	115,414	116,101	116,912
45 to 54	114,824	114,139	113,191	111,984	110,714	109,860	109,357
55 to 64	102,195	103,945	105,425	106,597	107,438	107,708	107,388
65 to 74	65,400	68,089	70,727	73,288	76,019	78,919	81,529
75 to 84	32,748	33,356	34,335	35,670	37,003	38,344	39,894
85 and over	15,547	15,772	15,921	16,056	16,175	16,370	16,564
Total Housing Stock	285,808	287,080	288,352	289,688	291,102	292,201	293,402
Number of Households	271,829	273,307	274,336	275,596	276,929	277,965	279,097
Persons per household	3.13	3.13	3.13	3.12	3.12	3.12	3.12
Employed Population	405,350	407,580	409,646	411,409	412,828	413,866	415,352
% of Population Employed	47.6	47.7	47.8	47.8	47.8	47.7	47.8
Real Median Family Income*	86,907	88,300	88,501	88,962	89,015	89,116	89,289
Los Angeles County							
Population	10,185,487	10,229,245	10,271,160	10,314,700	10,353,090	10,387,110	10,417,600
% change	0.6	0.4	0.4	0.4	0.4	0.3	0.3
Births	128,522	121,718	121,607	121,354	120,775	119,653	118,612
Deaths	60,907	63,438	64,079	64,374	64,725	65,065	65,339
Natural Increase	67,615	58,280	57,527	56,980	56,050	54,588	53,273
Net Migration	-7,022	-15,372	-15,609	-13,441	-17,660	-20,572	-22,781
Less than 5	666,683	668,981	673,157	676,921	676,187	674,555	671,957
5 to 17 (K-12 age)	1,667,167	1,660,261	1,654,356	1,649,906	1,651,336	1,657,070	1,663,403
18 to 24	1,028,610	1,005,722	981,124	959,710	939,134	916,168	895,967
25 to 34	1,526,411	1,530,399	1,531,059	1,528,765	1,526,414	1,516,694	1,504,101
35 to 44	1,421,480	1,421,695	1,429,364	1,440,095	1,448,713	1,456,720	1,467,974
45 to 54	1,396,131	1,396,961	1,392,642	1,383,352	1,371,592	1,364,308	1,358,836
55 to 64	1,189,467	1,213,451	1,233,646	1,252,707	1,266,828	1,274,170	1,275,260
65 to 74	731,744	763,857	795,383	826,685	860,399	897,100	930,125
75 to 84	375,200	382,008	392,538	406,675	420,852	435,910	452,772
85 and over	182,594	185,910	187,891	189,885	191,636	194,417	197,204
Total Housing Stock	3,487,434	3,504,061	3,523,293	3,544,421	3,566,412	3,588,808	3,611,396
Number of Households	3,292,474	3,308,396	3,321,756	3,340,578	3,359,403	3,378,740	3,398,327
Persons per household	3.09	3.09	3.09	3.09	3.08	3.07	3.07
Employed Population	4,674,840	4,803,900	4,876,093	4,921,245	4,954,653	4,989,561	5,024,917
% of Population Employed	45.9	47.0	47.5	47.7	47.9	48.0	48.2

Source: California Economic Forecast, February 2017

*constant 2016 dollars

EMPLOYMENT AND INCOME

Employment



Unemployment



Average Salaries



The Largest Employers in Ventura County



Labor Market Outlook



Employment

The California labor market is expanding rapidly. It has been more than seven years since the last recession, and job growth is still above 2 percent in most counties – a very encouraging performance so deep into the business cycle.

Some parts of Southern California are experiencing similar results, including Orange County, San Diego County, Santa Barbara County, and the Inland Empire.

Los Angeles and Ventura counties, however, have started to lag behind.

Ventura County

Job growth continues to be slow in Ventura County, and was virtually non-existent during the second half of 2016.

Performance varied across the major sectors. The leisure and hospitality industry – primarily hotels, restaurants, and bars – generated the

California outpacing U.S. on job growth, unemployment falls to 5.3%



By Natalie Kiroff, Contact Reporter

MAY 20, 2016, 12:30 PM

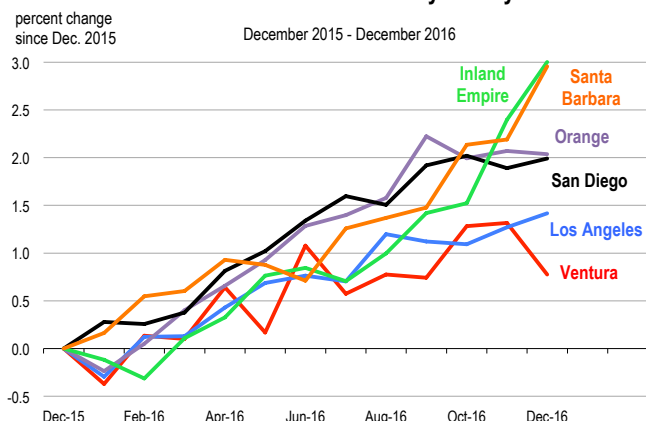
California employers picked up hiring in April, adding 59,600 jobs during the month, according to state data released Friday. Unemployment, which has been steadily declining, reached 5.3%, inching closer to the national unemployment rate of 5%, the Employment Development Department reported. April marked the lowest unemployment rate for the state since June 2007.

Los Angeles Times, May 20, 2016, online

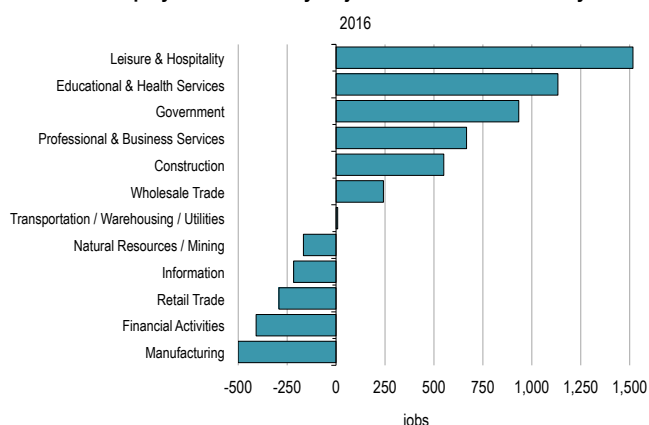
largest number of new jobs in 2016, and was responsible for almost half of total countywide job creation.

The leisure sector has also expanded rapidly across most of California, as a stronger economy has led to higher spending at restaurants and near-record performance in hotels and motels. Many of the new jobs have been in “fast casual” eateries (think Chipotle), as consumers transition away from traditional fast food.

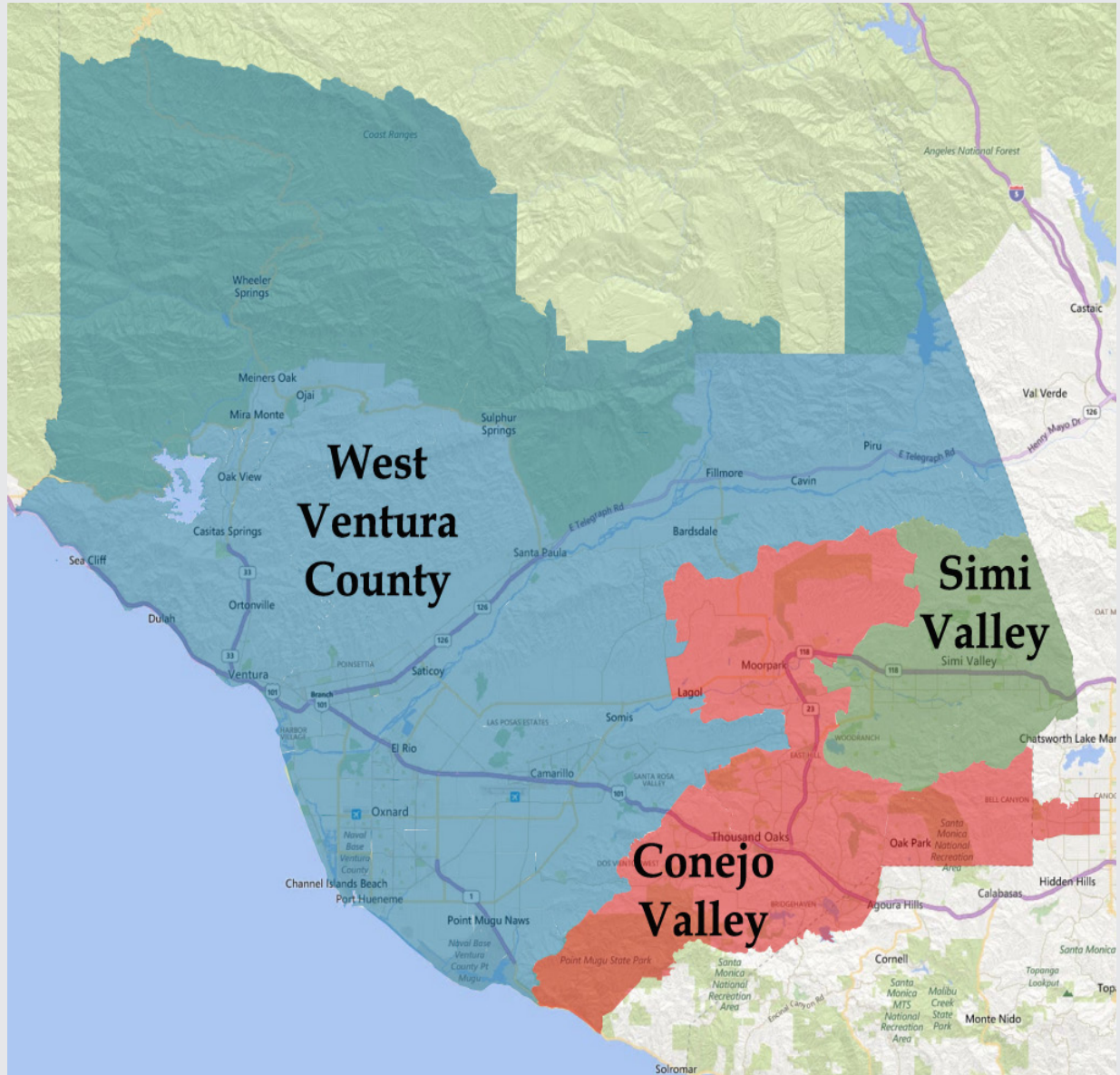
Non-Farm Job Growth by County



Employment Growth by Major Sector / Ventura County



Ventura County Submarkets



In this report, our analysis of Ventura County focuses on three primary submarkets.

- Simi Valley.
- The Conejo Valley, including Moorpark.
- West Ventura County, which includes the City of Ventura, Oxnard, Camarillo, Port Hueneme, and Fillmore.

The financial services industry continued to contract in 2016, marking the fifth consecutive year of job losses. Losses were observed in all subsectors – banking, insurance, and real estate – as financial functions moved to other counties or were automated away.

The Ventura County labor market can be divided into three main regions: Simi Valley, the Conejo Valley, and West County.

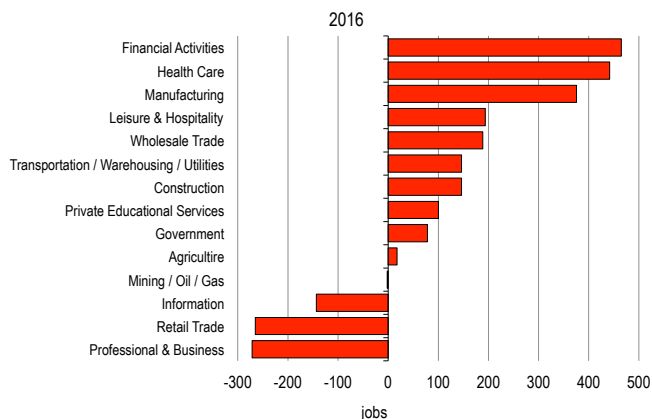
Conejo Valley

The Conejo Valley has been responsible for a large portion of countywide growth, but this subsector began to struggle in mid 2016.

The professional business industry and the retail sector showed considerable weakness. Losses the professional business sector were concentrated in scientific, technical, and related firms – a major concern for the region, as these are typically high skill, high wage jobs.

But some portions of the Conejo Valley labor market are still strong. Despite countywide

Employment Growth by Major Sector / Conejo Valley



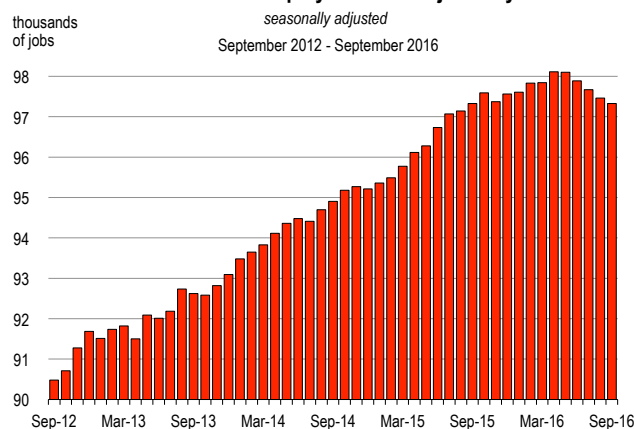
losses in financial services, banking and insurance firms in the Conejo Valley have been expanding, and were on pace to generate 500 new jobs in 2016. Other leading industries were health care and manufacturing.

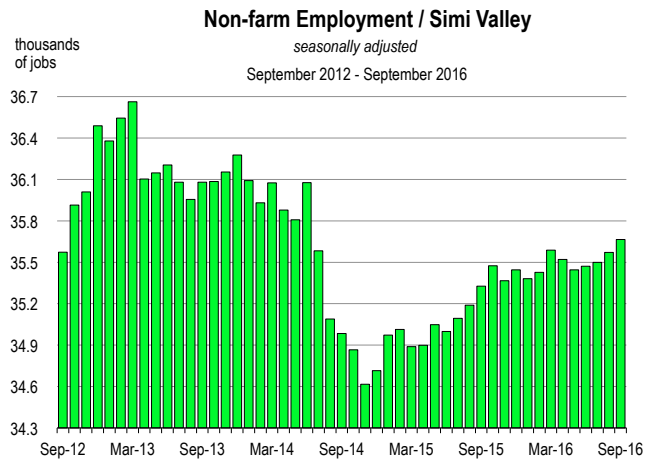
Of particular note is recent gains at Amgen. Amgen laid off more than 650 workers in 2014, but these layoffs have now ended, and the employee headcount at Amgen actually increased in 2016, eliminating the drag it had placed on the broader manufacturing industry.

Simi Valley

Simi Valley was at the epicenter of Ventura County's financial services bust, where almost 3,000 finance jobs have been lost since early 2012. With the dissolution of Countrywide Financial, the relocation of 1,200 jobs at Farmers Insurance, and the layoffs of more than 500 workers at Bank of America, the financial activities sector has weighed heavily on region-wide employment levels.

Non-farm Employment / Conejo Valley

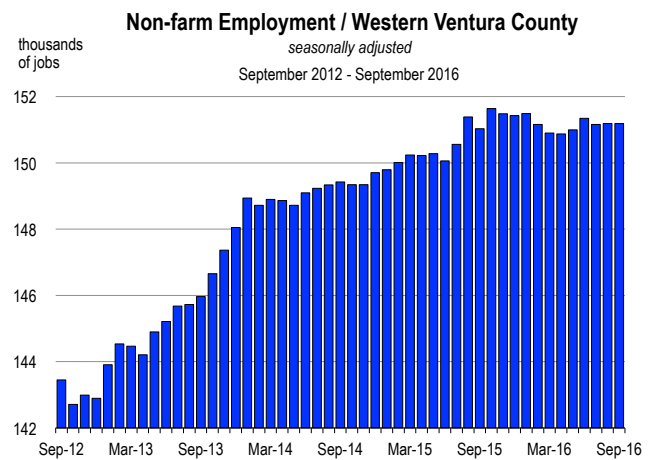




But even outside of finance, Simi Valley has struggled to create jobs. In 2016 the leading engine of growth was construction – which failed to generate even 200 new jobs. Weakness in Simi Valley is a major contributing factor to the county's struggling labor market.

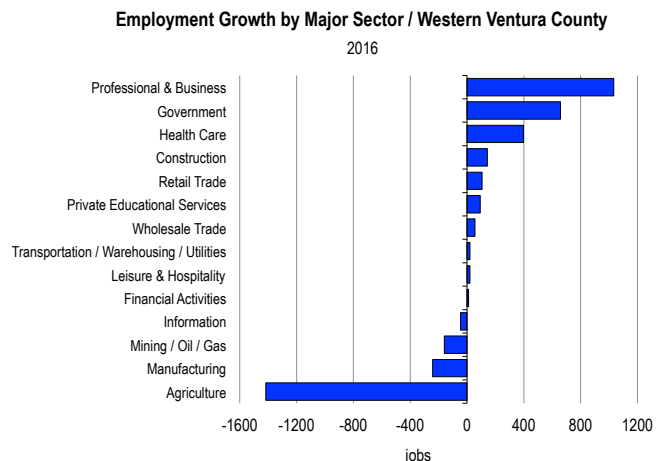
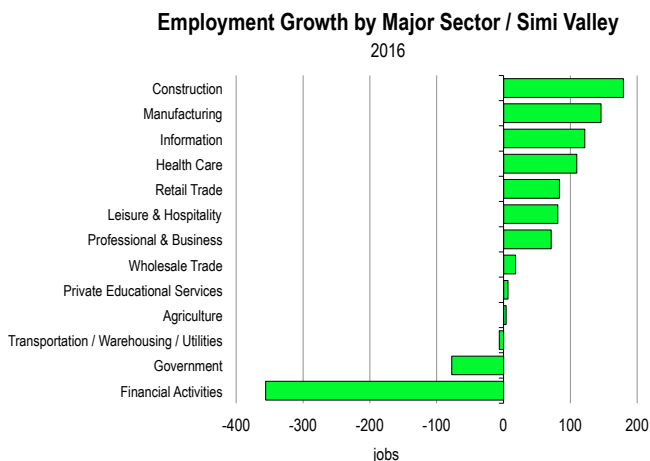
West Ventura County

In West Ventura County, non-farm job creation has been slow. The largest gains were in the government sector, where schools have been



hiring and where county government offices have been expanding.

Over the past year, the West County has lost a considerable number of jobs in two industries – energy and agriculture. Energy-related jobs began to disappear in early 2015, when the global price of oil began its free fall. Since this time, the West County has lost more than 200 energy sector jobs. In agriculture, more than 2,200 jobs have been lost, a decline of almost 10 percent.



Principal Layoffs and Company Closures				Ventura County		2014 - 2016	
Year	Effective Date	Company	Location	Total worker Layoffs	Status	Totals for Calendar Year	
2014	1/19/14	Bank of America	Simi Valley	117	Layoffs perm		
	1/19/14	Bank of America	Simi Valley	44	Layoffs perm		
	1/24/14	Solarworld Industries	Camarillo	59	Closure perm		
	3/31/14	Corelogic Tax Services	Simi Valley	81	Closure perm		
	4/13/14	Bank of America	Simi Valley	77	Layoffs perm		
	4/30/14	Amgen	TO	252	Layoffs perm		
	5/11/14	Bank of America	Simi Valley	30	Layoffs perm		
	5/16/14	Dignified Transition Solutions	Westlake Village	82	Closure perm		
	8/8/14	Amgen	TO	59	Layoffs perm		
	10/26/14	Bank of America	Simi Valley	36	Layoffs perm		
	10/26/14	Bank of America	Simi Valley	36	Layoffs perm		
	12/22/14	Amgen	TO	349	Layoffs perm		1,222
2015	3/16/15	OSI Electronics	Camarillo	118	Layoffs perm		
	4/26/15	Bank of America	Simi Valley	114	Layoffs perm		
	7/10/15	MAC Berry Farms LLC	Camarillo	90	Layoffs perm		
	7/31/15	Rio Mesa Farms	Santa Paula	61	Closure perm		
	7/31/15	Rio Mesa Farms	Somis	74	Closure perm		
	10/2/15	Aerotek	Oxnard	58	Layoffs perm		
	10/22/15	Haas Automation	Oxnard	6	Layoffs perm		
	11/30/15	Kythera Biopharmaceuticals	Westlake Village	117	Layoffs perm		
	12/7/15	General Dynamics	TO	55	Closure perm		693
2016	1/1/16	Alma Farms	Camarillo	73	Closure perm		
	1/4/16	Kitson	Camarillo	13	Closure perm		
	3/18/16	Coastal Green Vegetable	Oxnard	88	Closure perm		
	3/31/16	Urban Lending Solutions	Westlake Vilage	192	Closure perm		
	4/1/16	Suchman	Camarillo	16	Closure perm		
	5/1/16	Baxalta	TO	100	Layoffs perm		
	6/19/16	Bank of America	Simi Valley	40	Layoffs perm		
	6/19/16	Bank of America	Simi Valley	50	Layoffs perm		
	7/31/16	Mandalay Berry Farms	Oxnard	565	Closure perm		1,137
Total layoffs 2014 through July 2016.....				3,052			

Source: State of California, EDD, WARN system

http://www.edd.ca.gov/jobs_and_training/Layoff_Services_WARN.htm

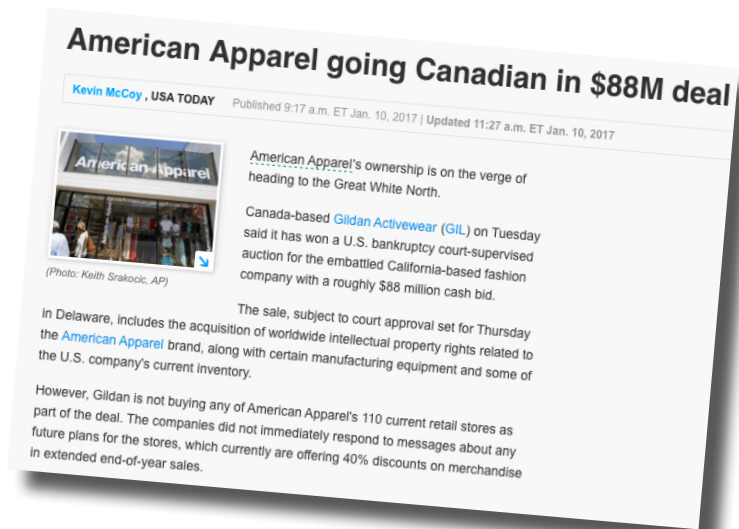
Los Angeles County

Job growth was moderate in L.A. County last year. Approximately 88,000 jobs were created – maintaining a trend that has been in place for the past 5 years.

Most major sectors created jobs last year, and the healthcare industry was the clear leader. Healthcare has been growing rapidly across the state, and especially in L.A. County.

Job creation has also been prolific in leisure and hospitality, generating 13,000 new jobs. Similar to the rest of California, many of these jobs have been in “fast casual” eateries, which feature low cost, high quality options at affordable prices (such as Chipotle). Fast casual establishments were responsible for more than half of all new restaurant jobs last year.

The sector with the largest losses was manufacturing. In particular, apparel manufacturing plants continue to shed the most positions. Due to rising business costs, including increases in the minimum wage, and to falling prices in the market for clothing and

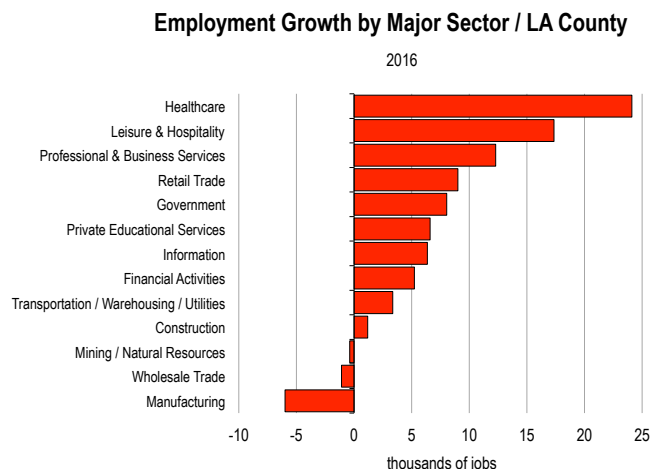
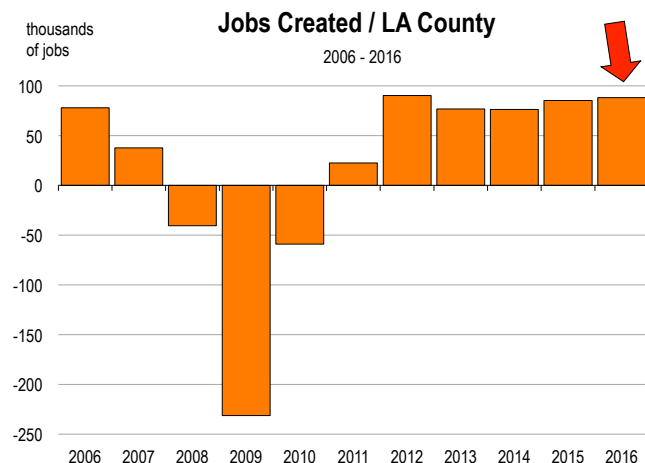


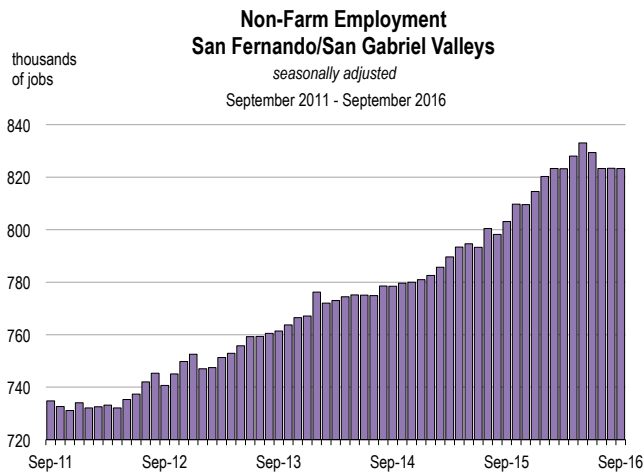
USA Today, January 10th, 2017, online

accessories, a new wave of outsourcing to low-cost locations has taken hold. The next company to move may be American Apparel, which was sold in January to Canadian company Gildan Activewear.

San Fernando and San Gabriel Valleys

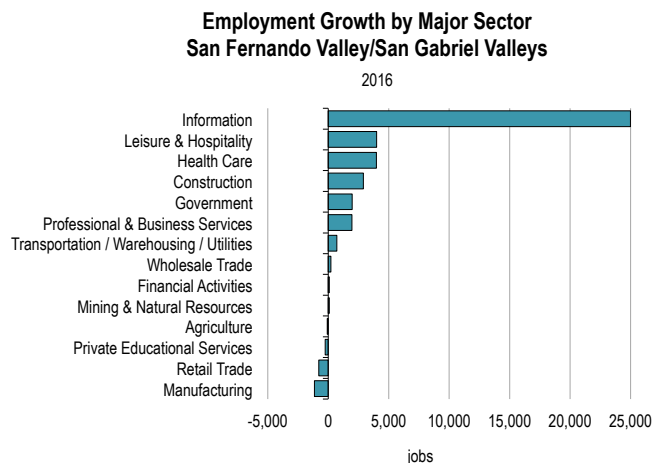
Despite a weak 3rd quarter, job creation has been prolific in the San Fernando and San Gabriel Valleys. During 2016 more than 30,000 jobs were gained in this submarket – an expansion of more than 4 percent.





Most of these new jobs were found in the information sector, which went parabolic over the past year. In Los Angeles County, the information sector is dominated by movie and TV companies, software development and data processing firms, and telecommunications companies.

The telecommunications industry remains in a prolonged pattern of decline, but the TV/movie and software/data sectors are on a tear. Much attention has been paid to the “Silicon Beach” that has formed in West LA, but the San Fernando Valley is also participating in the tech expansion, creating a large number of high-paying jobs.

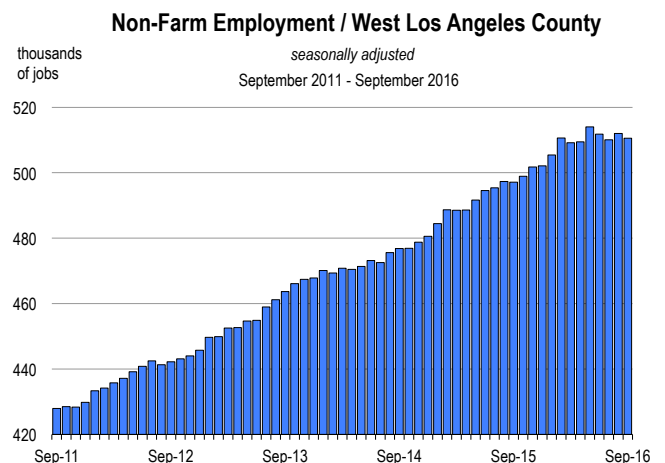


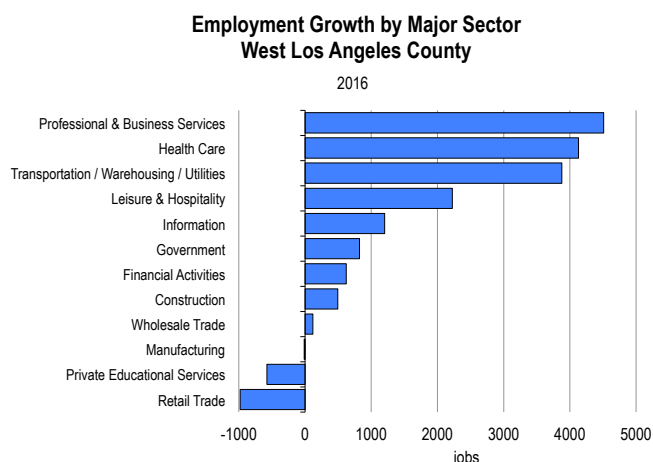
West Los Angeles

West LA has also experienced a meaningful expansion of the labor market, with growth of almost 20,000 jobs in 2016. Some of the most notable trends have been in the technology, marketing, and business consulting subsectors, which have generated a combined total of 3,400 jobs.

Another 3,900 jobs were gained in an industry with a slightly lower profile – transportation and distribution. Air travel at Los Angeles International Airport increased by more than 4 million passengers in 2015, and by another 6.5 million in 2016, leading to a spate of hiring within the airport and at its many contractors and suppliers.

Another major source of jobs has been delivery companies like UPS and FedEx. The rise of online shopping has made direct-to-consumer shipping of retail goods much more popular, and the pace has only accelerated with the introduction of new express options like Amazon’s same-day delivery.





Noteworthy is the struggling retail sector. Following a weak 2015, West LA retailers shed almost 1,000 jobs in 2016.

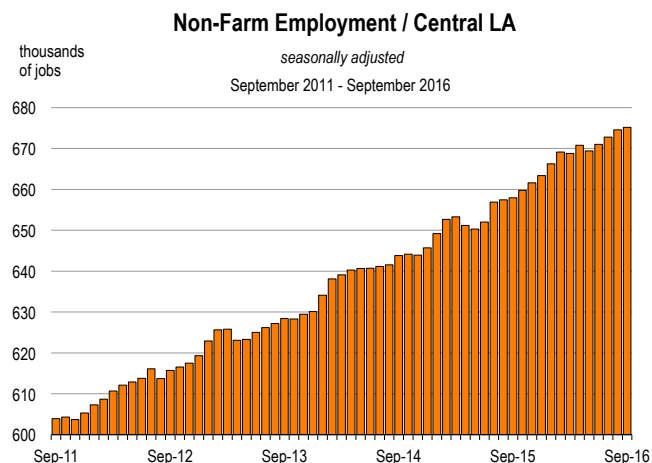
Central Los Angeles

Recent job gains have been healthy in Central LA, with large increases in the healthcare sector. The Central LA region is home to a number of prominent healthcare providers, including Shriners Hospital for Children, Hollywood Presbyterian, Keck Hospital of USC,

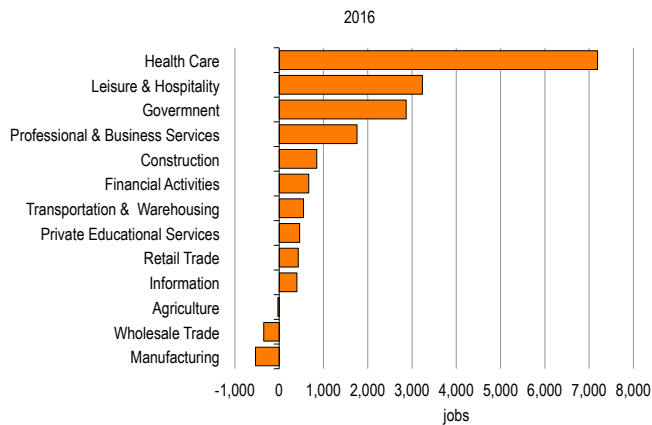
and the L.A. County-USC Medical Center. For the healthcare sector, almost a third of all countywide growth was observed in the Central LA submarket.

Central LA restaurants, bars, and hotels have also performed well, as the Downtown region continues its transformation into a destination center.

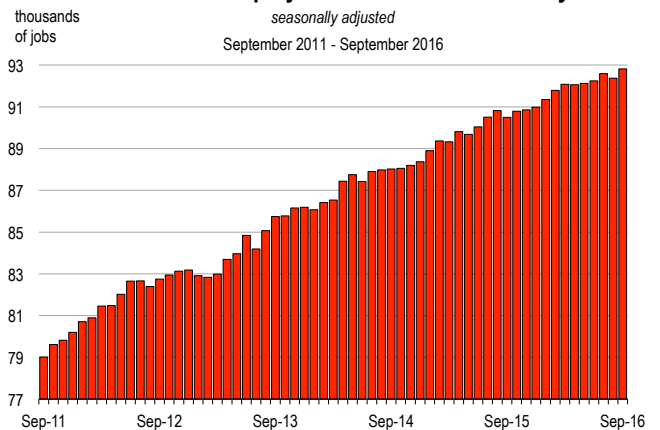
The new wave of outsourcing at apparel manufacturing has hit the Downtown region especially hard, leading to job losses in both the production and wholesaling of clothes and accessories.



Employment Growth by Major Sector / Central LA



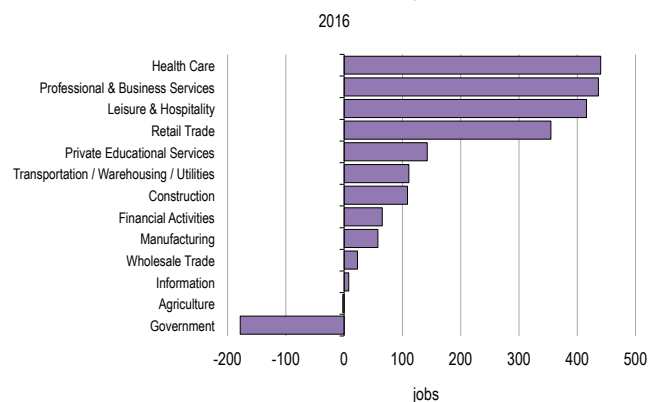
Non-Farm Employment / Santa Clarita Valley



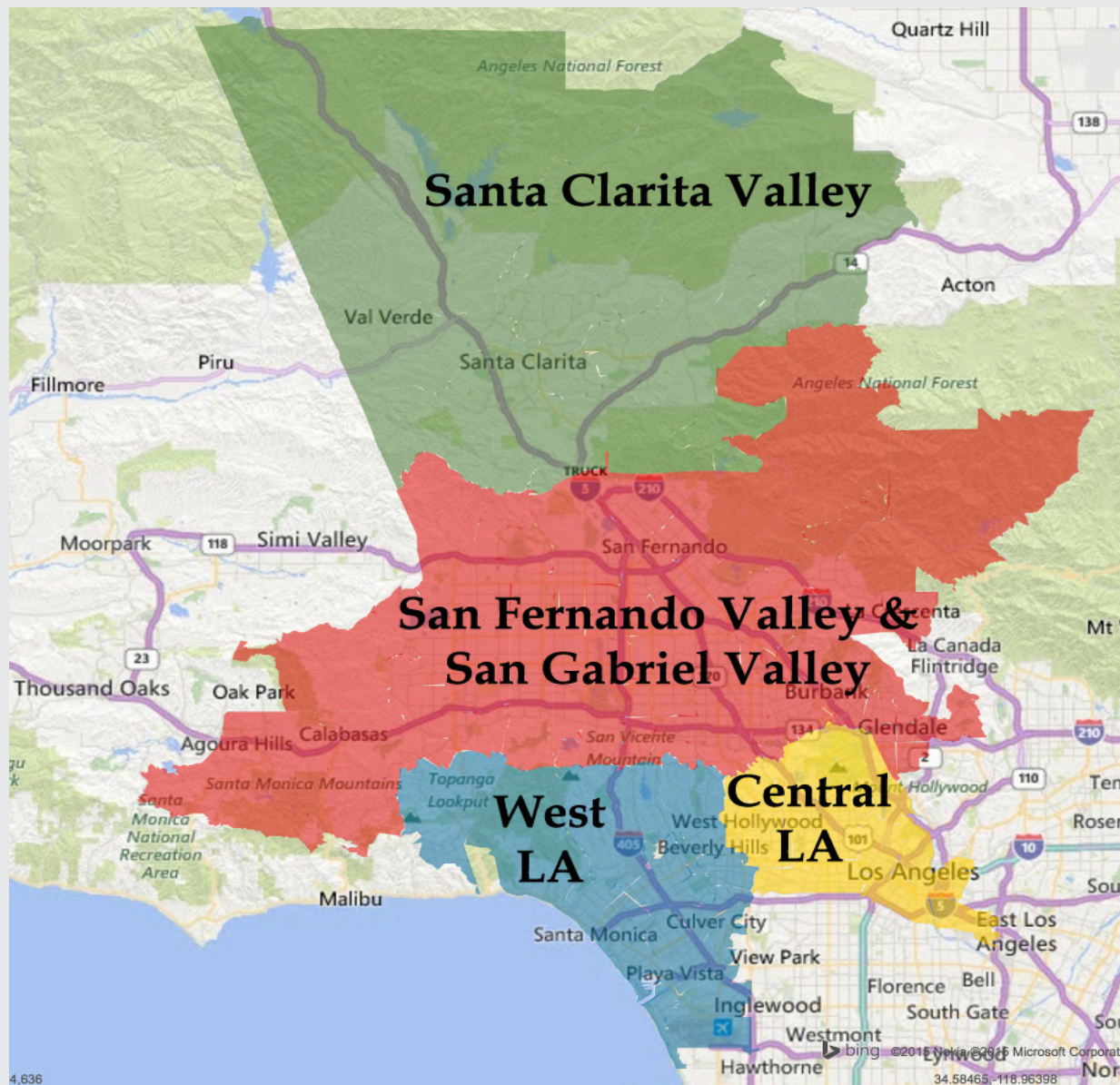
Santa Clarita Valley

The pace of population growth in the Santa Clarita Valley has accelerated over the last few years, and aside from Downtown, the region is one of the most rapidly changing in LA County. In order to meet the needs of these new residents, the region is generating lots of new jobs in food service and retail, as well as healthcare and transportation services. However, overall job creation has been slower than West LA, Central LA, and the San Fernando/San Gabriel Valleys.

**Employment Growth by Major Sector
Santa Clarita Valley**



Los Angeles County Submarkets



In this report, our analysis of Los Angeles County focuses on four primary submarkets.

- West Los Angeles, which stretches from Pacific Palisades to the LAX area, and from Culver City to Beverly Hills/Century City.
- Central Los Angeles, which encompasses the region from Universal City to Downtown, including West

Hollywood, Korea Town, Los Feliz, and the Mid Wilshire corridor.

- The entire San Fernando Valley and the area within the San Gabriel Valley that lies northwest of Pasadena.
- The Santa Clarita Valley, including Valencia, Castaic, Newhall, and Stevenson Ranch.



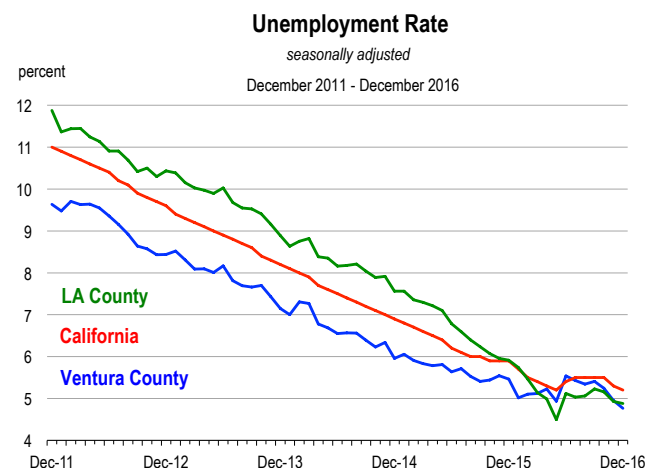
Fortune, January 18th, 2017, online

While Fed Chair Yellen says the U.S. is close, we believe full employment has already been attained because hiring has become difficult and salaries are rising faster than previously.

Unemployment

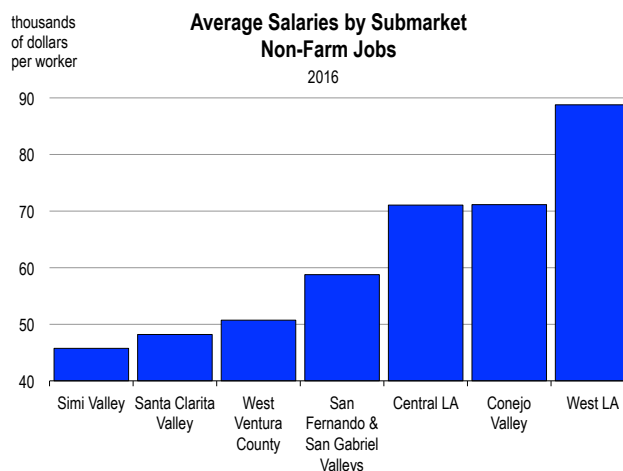
- The improvement in the unemployment rate has stalled in Ventura and LA Counties, as well as across the state.
- In December 2016, the California unemployment rate was 5.2 percent on a seasonally adjusted basis. Ventura County had an unemployment rate of 4.8 percent, and LA County clocked in at 4.9 percent.
- Across Southern California, and in many other parts of the state, labor markets are near “full employment” conditions.
- In a full employment scenario, almost everyone who wants a job can get a

job, which generally occurs when the unemployment rate falls below 5 percent.



Average Salaries

- Considering our focus on the submarkets of LA County and Ventura County, employees in West LA earn the highest salaries by a considerable margin. With an average wage of \$88,800, this is one of the highest-earning areas of the state.
- West LA has a large presence in several high-paying sectors, such as finance, law, information, and technology. In each of these industries, workers in West LA earn salaries north of \$100,000.
- West LA is also home to high-value companies in the entertainment industry. In most jurisdictions across the country, the arts and entertainment sector pays salaries that are much lower than average, but in West L.A. the typical worker earns more than \$175,000.
- The Conejo Valley also employs a large number of high-earning individuals. Particularly noteworthy is the manufacturing sector, where the average compensation is close to \$150,000. The Conejo Valley manufacturing industry is highly concentrated in pharmaceutical production that includes Amgen and Baxalta.



Average Salaries by Submarket	Ventura and LA Counties						2016
Industry	West Ventura County	Conejo Valley	Simi Valley	San Fernando & San Gabriel Vallies			Central LA
				Santa Clarita Valley	West LA		
--- dollars per worker ---							
Agriculture, forestry, fishing and hunting	33,926	32,235	N/A	36,592	39,738	N/A	45,303
Mining	87,421	52,120	N/A	N/A	174,336	N/A	N/A
Utilities	102,153	131,835	N/A	107,113	95,803	117,685	N/A
Construction	63,627	61,455	53,545	56,945	54,765	72,501	69,419
Manufacturing	62,040	149,046	63,784	61,967	67,337	86,075	48,850
Wholesale trade	62,442	110,462	65,839	64,404	71,137	91,275	54,728
Retail Trade	33,515	34,278	34,092	31,225	35,356	45,295	38,481
Transportation and Warehousing	48,242	82,153	39,195	62,917	49,616	63,229	45,282
Information	52,983	105,401	50,095	50,300	84,126	204,308	113,626
Finance and insurance	70,244	110,255	66,598	76,263	99,625	220,812	151,319
Real estate and rental and leasing	54,800	81,621	56,614	46,883	59,925	85,722	72,649
Professional and technical services	76,048	75,170	77,729	67,736	84,732	126,928	109,812
Management of companies and enterprises	97,784	144,283	121,858	70,083	141,014	158,615	115,131
Administrative and waste services	38,558	64,968	42,636	31,185	42,964	53,507	45,938
Educational services	39,783	40,537	33,078	32,994	44,172	51,862	41,902
Health care and social assistance	56,876	62,854	49,193	50,679	39,697	51,900	65,855
Arts, entertainment, and recreation	28,906	31,834	29,395	21,822	111,969	175,230	118,220
Accommodation and food services	20,840	22,552	18,607	18,784	21,476	30,438	26,706
Other services, except public administration	34,866	31,792	28,672	30,343	35,800	38,999	44,585
Total, non-farm industries	50,702	71,118	45,729	48,205	58,771	88,763	71,031
Total, all industries	48,652	70,909	45,729	45,823	58,446	88,763	71,021

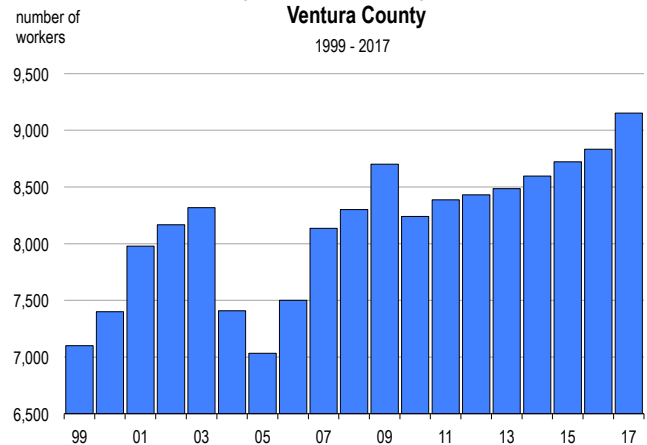
Source: Labor Market Information Division, State of California, and California Economic Forecast

Largest Employers in Ventura County

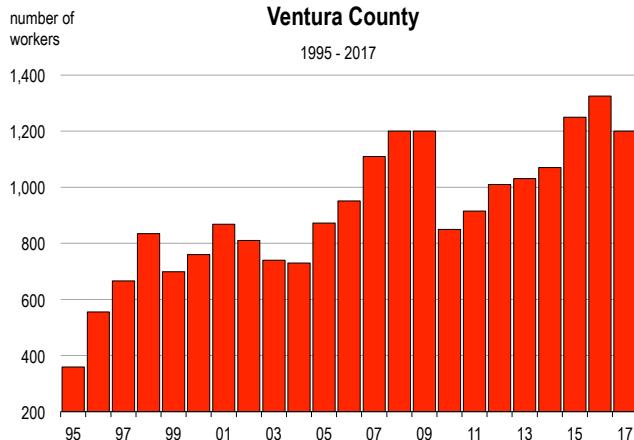
We conduct our employment survey by telephone each January. The information is carefully limited to the number of workers physically employed at locations within Ventura County. We have maintained this survey as an ongoing annual effort since 1994.

- Employment at the 50 largest organizations totaled 68,069 workers this year and 67,779 workers last year, representing an increase of 270 employees and a gain of 0.4 percent.
- The 10 largest employers accounted for 44,036 jobs, which is approximately two thirds of all jobs in our survey. Seven of the 10 largest employers are public entities.
- Public organizations recognized a gain of 933 employees over the last year – an increase of 2.4 percent.
- The largest public increases occurred at the County of Ventura, Simi Valley Unified School District, and CSU Channel Islands.
- The largest private companies lost 663 workers this year. Most of this decrease was observed at Verizon, as most of its Ventura County operations were sold to Frontier Communications. Outside of Verizon, the largest private firms lost only 57 jobs.
- Several private organizations had considerable downsizings, including Los Robles Regional Medical Center, SAGE Publications, Haas Automation, and Baxalta.

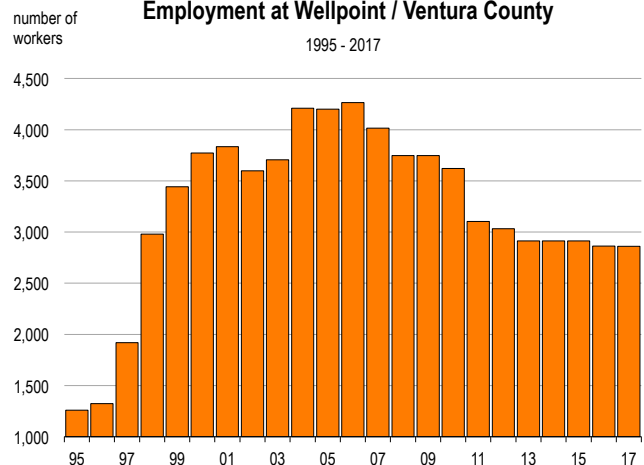
**Employment at The County of Ventura
Ventura County**
1999 - 2017



**Employment at Haas Automation
Ventura County**
1995 - 2017



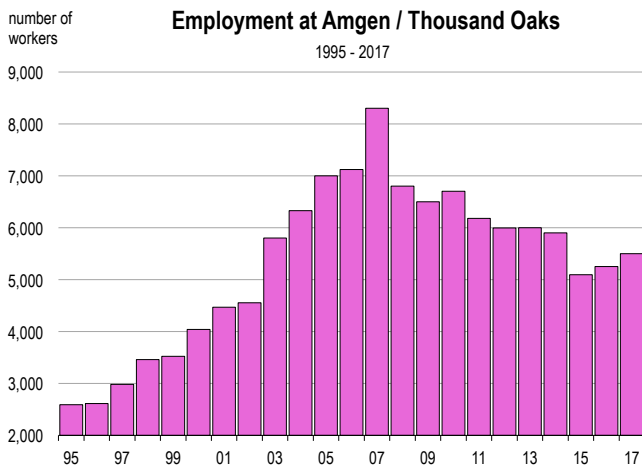
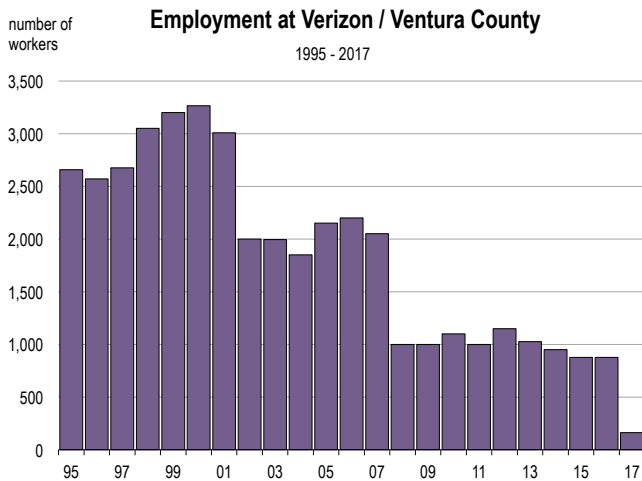
Employment at Wellpoint / Ventura County
1995 - 2017



Top Employers		Ventura County			January 2017	
Rank	Company or Organization	Location	2016	2017	change 2016 to 2017	Percent Change
Public		– headcount of employees –				
1	Naval Base of Ventura	Oxnard	14,210	14,210	0	0.0
2	County of Ventura	Countywide	8,833	9,151	318	3.6
5	Simi Valley Unified School District	Simi Valley	2,436	2,737	301	12.4
7	Conejo Valley Unified School District	Thousand Oaks	1,958	1,999	41	2.1
9	Ventura Unified School District	Countywide	1,885	1,834	-51	-2.7
10	Ventura Community College District	Countywide	1,701	1,741	40	2.4
12	Oxnard Union School District	Oxnard	1,420	1,463	43	3.0
14	Air National Guard	Point Mugu	1,200	1,200	0	0.0
15	Moorpark Unified School District	Moorpark	1,243	1,169	-74	-6.0
18	City of Oxnard	Oxnard	950	1,000	50	5.3
19	CSU Channel Islands	Camarillo	750	975	225	30.0
23	Moorpark Community College	Moorpark	661	666	5	0.8
25	City of Buena Ventura	Ventura	598	601	3	0.5
27	City of Thousand Oaks	Thousand Oaks	527	566	39	7.4
31	City of Simi Valley	Simi Valley	520	513	-7	-1.3
Public Total			38,892	39,825	933	2.4
Private		– headcount of employees –				
3	Amgen	Newbury Park	5,250	5,500	250	4.8
4	Wellpoint	Countywide	2,863	2,860	-3	-0.1
6	Community Memorial Hospital of San Buenaventura	Ventura	2,000	2,100	100	5.0
8	Dignity Health	Oxnard/Camarillo	1,904	1,904	0	0.0
11	Los Robles Medical Center	Thousand Oaks	1,700	1,500	-200	-11.8
13	Haas Automation	Oxnard	1,325	1,200	-125	-9.4
16	Baxalta	Thousand Oaks	1,200	1,080	-120	-10.0
17	Penny Mac	Moorpark	1,013	1,013	0	0.0
20	Simi Valley Hospital & Health Care	Simi Valley	915	947	32	3.5
21	California Lutheran University	Thousand Oaks	850	880	30	3.5
22	Pashan Management Corp.	Oxnard	868	854	-14	-1.6
24	Lost Arrow Corporation	Ventura	558	620	62	11.1
26	Skyworks	Newbury Park	600	600	0	0.0
28	Kaiser Permanente	Countywide	544	544	0	0.0
29	Waterway Plastics	Oxnard	543	543	0	0.0
30	Hi-Temp Insulation	Camarillo	533	538	5	0.9
32	Teledyne Technologies	Thousand Oaks	450	450	0	0.0
33	SAGE Publications	Thousand Oaks	634	447	-187	-29.5
34	Pentair Pool Products	Moorpark	400	440	40	10.0
35	CalAmp Corp.	Oxnard	419	419	0	0.0
36	Raypak	Oxnard	391	396	5	1.3
37	Procter & Gamble Paper Products	Oxnard	328	328	0	0.0
38	Harbor Freight Tools	Camarillo	320	320	0	0.0
39	Move Inc.	Westlake Village	317	317	0	0.0
40	Mission Produce	Oxnard	201	291	90	44.8
41	CoorsTek	Ventura	267	268	1	0.4
42	ARC Industries	Camarillo	243	262	19	7.8
43	PTI Technologies	Oxnard	260	260	0	0.0
44	Dole Berry Co.	Oxnard	245	245	0	0.0
45	EJ Harrison and Sons	Ventura	211	211	0	0.0
46	Boskovich Farms, Inc.	Oxnard	204	200	-4	-2.0
47	Technicolor Video Services	Camarillo	200	200	0	0.0
48	Workrite Uniforms	Oxnard	188	188	0	0.0
49	Verizon	Westlake Village	769	163	-606	-78.8
50	Ventura County Star	Camarillo	194	156	-38	-19.6
Private Total			28,907	28,244	-663	-2.3
Total, Public and Private			67,799	68,069	270	0.4

Source: California Economic Forecast, January 2017

- Another company to remove jobs from Ventura County was J.D. Power & Associates, which moved its office to L.A. County, taking all 280 jobs with it. Because J.D. Power is no longer operational in Ventura County, it was not included on our top 50 list.
- Several private firms had large increases, including Amgen, Community Memorial Hospital of San Buenaventura, and Mission Produce.



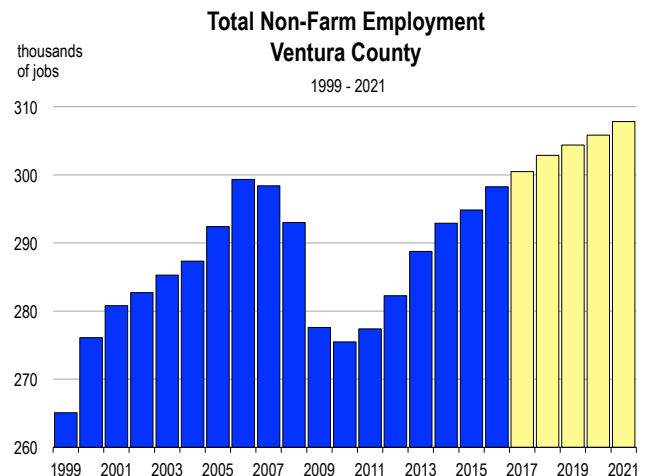
The Labor Market Outlook

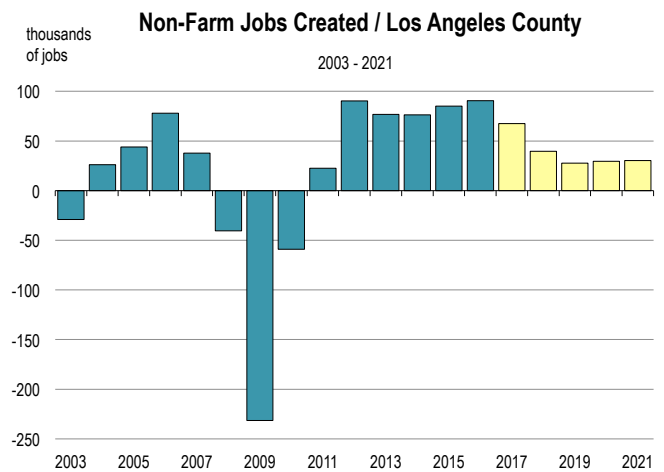
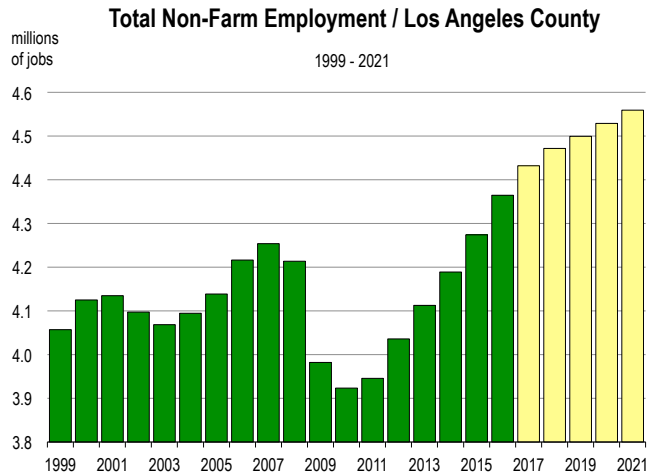
The labor market is tightening, with most regions of California approaching “full employment” conditions. As we continue to move further into the business cycle, and as the number of unemployed workers shrinks, job creation will decelerate but wages will rise more quickly.

Ventura County job creation will slow to 0.7 percent in 2017 and 0.8 percent in 2018. In LA County, job growth is forecast at 1.5 percent and 0.9 percent, respectively.

The private healthcare and education sector will account for almost a third of all new jobs created in L.A. County, while professional services, leisure services, and government will also contribute significantly. Outside of the mining industry and the federal government sector, declines are not expected in any major industries.

Job growth in Ventura County will also be led by private healthcare and education, as well as professional and business services.



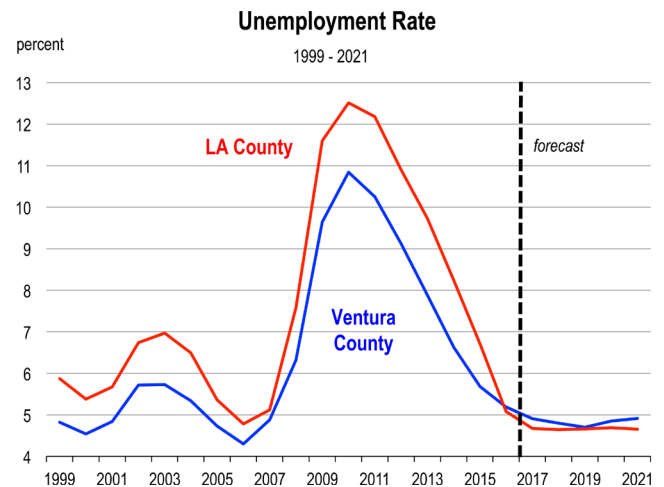
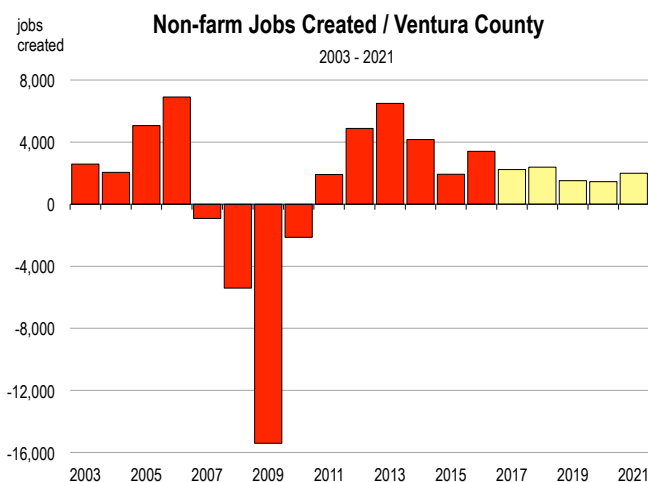


Construction, retail trade, and leisure services will also generate new jobs for a substantial number of workers.

The unemployment rate will not improve much from the levels observed in December 2016. In LA County, the unemployment rate will average

4.7 percent for the 2017 calendar year. In Ventura County, it will average 5.0 percent.

Tighter labor conditions will lead to faster wage gains, with average earnings increasing by 3 to 5 percent annually through 2018.



Labor Market and Income Forecast Ventura County			History 2015-2016		Forecast 2017-2021		
	2015	2016	2017	2018	2019	2020	2021
Sector	– thousands of jobs –						
Farm	26.5	26.7	26.8	27.1	27.3	27.5	27.7
Mining	1.0	0.9	0.8	0.8	0.8	0.8	0.8
Construction	14.2	14.7	15.1	15.1	15.4	15.4	15.7
Manufacturing	30.4	30.0	30.0	30.1	30.0	29.8	29.8
Nondurable	11.7	12.0	11.8	11.6	11.4	11.2	11.1
Durable	18.7	18.0	18.2	18.5	18.6	18.5	18.7
Transportation & Utilities	6.0	6.0	6.0	6.1	6.1	6.1	6.1
Wholesale/Retail Trade	52.3	52.2	52.6	53.1	53.5	53.8	54.1
Retail	39.7	39.4	39.8	40.2	40.6	40.9	41.2
Wholesale	12.6	12.8	12.9	12.9	12.9	12.9	12.9
Financial Activities	17.8	17.4	17.0	17.0	16.7	16.3	15.9
Professional Services	34.7	35.2	35.9	36.2	36.3	36.6	36.9
Information	5.1	4.9	4.8	4.8	4.9	4.9	4.9
Healthcare & Education	42.7	43.9	44.5	45.2	45.9	46.7	47.4
Leisure & Recreation	35.9	37.3	37.6	38.2	38.5	39.0	39.5
Other Services	9.6	9.6	9.7	9.7	9.8	9.8	9.8
Government	45.3	46.3	46.4	46.5	46.5	46.6	46.7
Federal	7.1	7.4	7.6	7.6	7.6	7.6	7.6
State & Local	38.2	38.9	38.8	38.9	38.9	39.0	39.1
Total Wage & Salary	321.3	325.0	327.3	329.9	331.6	333.3	335.5
percent change	0.6	1.1	0.7	0.8	0.5	0.5	0.6
Total Wage & Salary Jobs Created	2.0	3.6	2.3	2.7	1.7	1.7	2.2
Self-employed Proprietors	113.0	115.2	117.3	119.2	121.1	123.0	124.8
Employed Population	405.4	407.6	409.6	411.4	412.8	413.9	415.4
percent change	0.4	0.6	0.5	0.4	0.3	0.3	0.4
Unemployment Rate (percent)	5.7	5.2	5.0	5.0	4.9	5.0	4.9
Income							
Average earnings per worker --- dollars per worker or person ---							
current dollars	63,155	65,366	67,814	70,705	73,226	76,082	78,902
constant 2016 dollars	64,345	65,366	66,209	67,443	68,561	69,550	70,464
Average per capita income							
current dollars	52,152	53,719	55,758	58,077	60,151	62,590	65,121
constant 2016 dollars	53,135	53,719	54,439	55,397	56,319	57,216	58,157
--- billions of dollars ---							
Total Personal Income	44.4	45.9	47.8	50.0	52.0	54.3	56.6
percent change	4.2	3.3	4.2	4.6	4.0	4.4	4.4

source: California Economic Forecast, February 2017

Labor Market and Income Forecast	Los Angeles County			History 2015-2016		Forecast 2017-2021	
	2015	2016	2017	2018	2019	2020	2021
Sector	– thousands of jobs –						
Farm	5.0	5.0	5.0	4.9	4.9	4.9	4.9
Mining	3.9	3.5	3.4	3.3	3.3	3.2	3.3
Construction	126.1	127.9	129.6	130.5	131.4	132.4	132.3
Manufacturing	360.8	354.6	356.2	357.4	359.0	359.7	359.8
Nondurable	158.4	155.3	157.0	156.7	160.2	163.0	165.1
Durable	202.4	199.3	199.3	200.7	198.8	196.7	194.7
Transportation & Utilities	170.4	173.8	176.1	179.9	181.0	181.1	180.8
Wholesale/Retail Trade	647.4	655.1	659.1	661.1	663.6	665.8	667.7
Retail	420.5	429.3	432.7	434.1	436.0	437.5	438.9
Wholesale	227.0	225.9	226.4	226.9	227.6	228.3	228.9
Financial Activities	214.2	219.4	220.5	222.6	223.9	224.5	226.1
Professional Services	600.3	613.8	628.0	639.7	640.9	645.9	651.9
Information	202.7	209.0	210.5	212.0	213.9	215.7	217.5
Healthcare & Education	742.2	774.0	798.3	806.4	815.8	825.2	834.8
Leisure & Recreation	488.1	505.7	514.2	520.2	525.6	531.3	537.6
Other Services	151.7	153.5	155.2	156.7	157.8	159.0	160.3
Government	566.4	574.3	581.2	582.0	583.4	585.4	587.4
Federal	47.4	48.2	48.6	47.9	47.4	47.2	47.1
State & Local	519.0	526.1	532.6	534.1	536.0	538.1	540.2
Total Wage & Salary	4,279.2	4,369.7	4,437.2	4,476.8	4,504.5	4,534.0	4,564.3
percent change	2.0	2.1	1.5	0.9	0.6	0.7	0.7
Total Wage & Salary Jobs Created	84.9	90.5	67.5	39.6	27.7	29.5	30.3
Self-employed Proprietors	1,634.4	1,667.1	1,707.6	1,748.9	1,790.9	1,833.7	1,877.4
Employed Population	4,674.8	4,803.9	4,876.1	4,921.2	4,954.7	4,989.6	5,024.9
percent change	1.4	2.8	1.5	0.9	0.7	0.7	0.7
Unemployment Rate (percent)	6.7	5.1	4.7	4.6	4.7	4.7	4.7
Income							
Average earnings per worker			--- dollars per worker or person ---				
current dollars	68,366	70,486	73,247	76,319	79,292	82,790	86,336
constant 2016 dollars	69,655	70,486	71,514	72,797	74,240	75,682	77,103
Average per capita income							
current dollars	51,773	53,626	56,153	58,664	61,057	63,959	66,988
constant 2016 dollars	52,749	53,626	54,824	55,956	57,167	58,467	59,824
			--- billions of dollars ---				
Total Personal Income	527.3	548.6	576.8	605.1	632.1	664.3	697.9
percent change	5.5	4.0	5.1	4.9	4.5	5.1	5.0

source: California Economic Forecast, February 2017

RESIDENTIAL REAL ESTATE

The Existing Home Market

The New Home Market

The Ventura County Apartment Market

Housing Market Forecast



The Existing Home Market

Ventura County

In Ventura County, home prices continue to rise at a moderate rate. On a year-over-year basis, prices climbed by 3 to 5 percent during the last quarter of 2016.

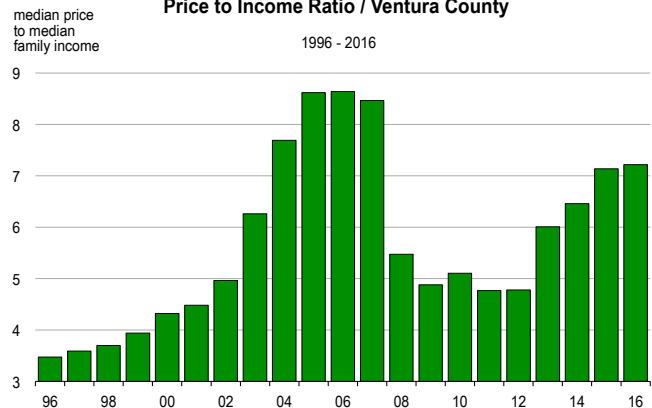
As of December 2016, the median selling price for existing single-family homes was \$627,580.

By some measures, housing affordability is becoming stretched. The price-to-income ratio is now 7.2, which is categorically higher than any time outside of 2003-2007. The typical mortgage payment on the median-priced home has climbed above \$2,400. However, because interest rates remain exceptionally low, many households can

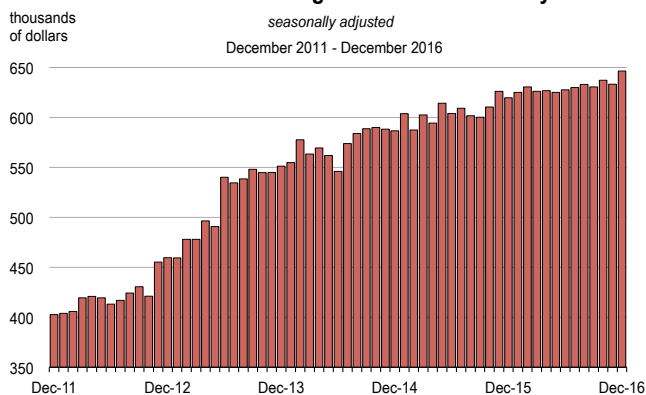
still purchase a home without exceeding typical affordability guidelines.

Sales volumes rose during the first half of the year, but have been in decline since. For the calendar year, sales were down slightly when compared to 2015.

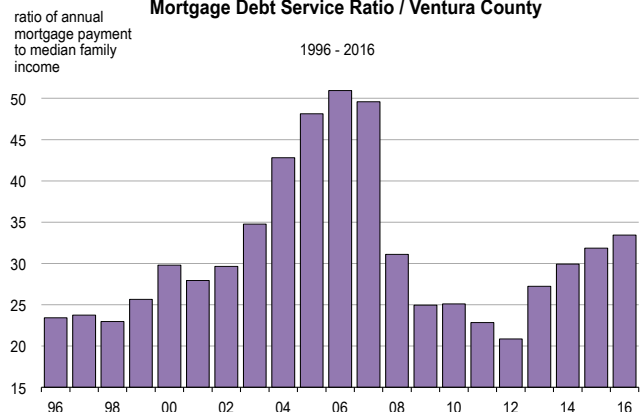
Price to Income Ratio / Ventura County



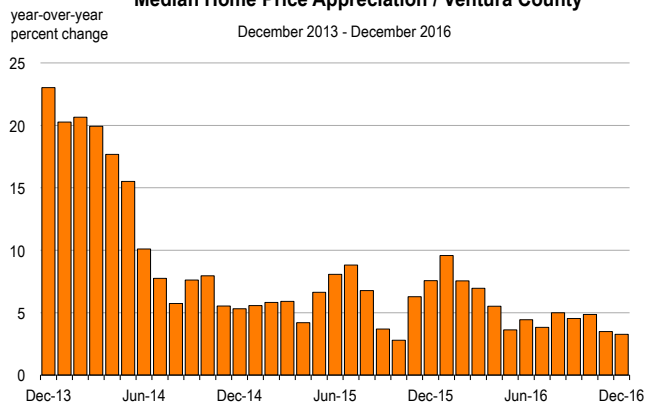
Median Home Selling Price / Ventura County



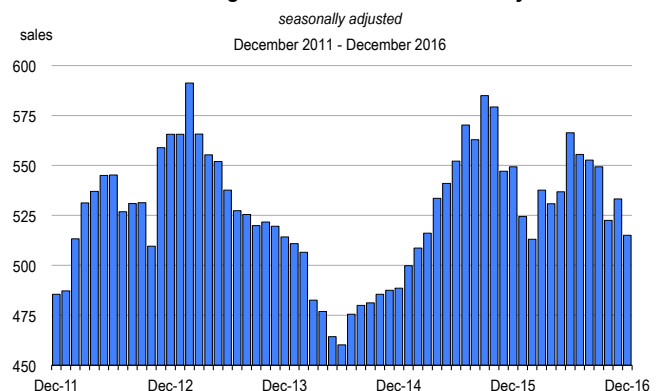
Mortgage Debt Service Ratio / Ventura County



Median Home Price Appreciation / Ventura County



Existing Home Sales / Ventura County



Median Single-Family Home Selling Price Selected California Counties: December 2015 - December 2016

	Dec. 2015 Home Sales	Dec. 2016 Home Sales	Percent Change	Dec. 2015 Median Price	Dec. 2016 Median Price	% Change	% Change from Peak	% Change from Trough
Southern California								
	— dollars —							
Inland Empire	3,098	3,172	2.4	\$300,130	\$320,970	6.9	-17.6	112.8
Los Angeles County	3,763	3,646	-3.1	\$502,750	\$519,280	3.3	-17.0	108.7
Orange County	1,421	1,447	1.8	\$700,000	\$745,000	6.4	-3.9	68.5
San Diego County	1,909	1,853	-2.9	\$530,000	\$568,000	7.2	-8.7	73.8
North Santa Barbara County	170	159	-6.5	\$418,500	\$385,100	-8.0	-19.8	87.9
South Santa Barbara County	79	86	8.9	\$1,100,000	\$1,112,750	1.2	-28.9	63.1
Ventura County	543	434	-20.1	\$601,910	\$627,580	4.3	-11.7	74.5
Northern California								
Alameda County	848	735	-13.3	\$731,500	\$755,000	3.2	6.4	138.6
Sacramento County	1,535	1,462	-4.8	\$296,500	\$314,940	6.2	-20.2	95.5
San Francisco County	197	188	-4.6	\$1,204,000	\$1,315,210	9.2	35.3	107.8
Santa Clara County	876	739	-15.7	\$920,000	\$965,000	4.9	11.6	116.9
California	33,813	33,611	-0.6	\$489,770	\$509,060	3.9	-14.4	107.6

Source: California Association of Realtors, CoreLogic, and
California Economic Forecast

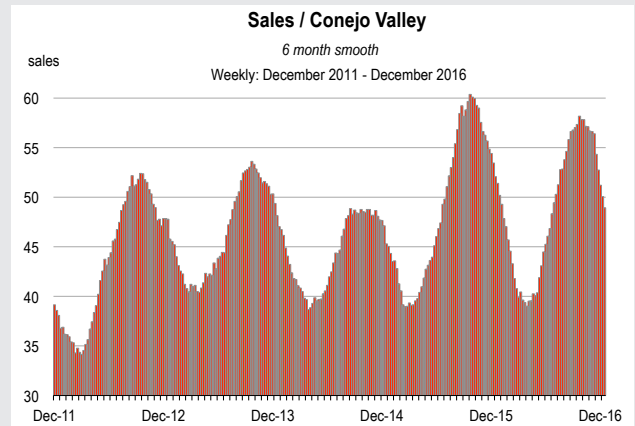
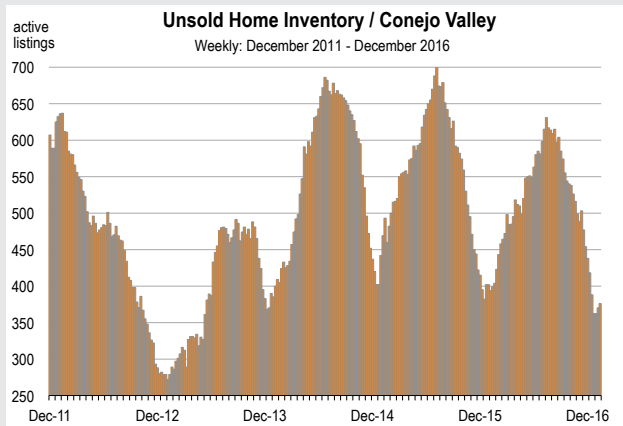
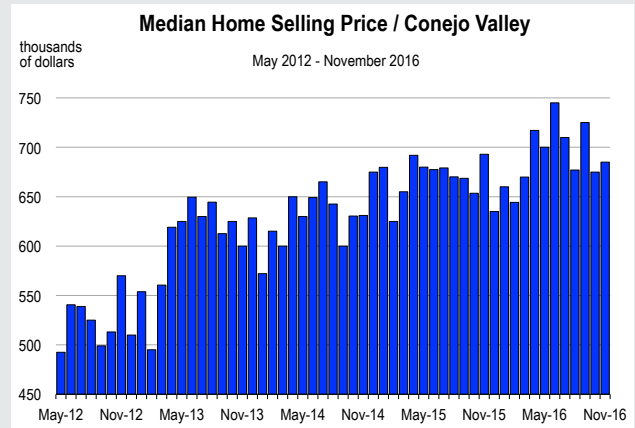
Median Home Selling Price, by Area Ventura County and Southern Santa Barbara County 2011 - 2016							
Area	2011	2012	2013	2014	2015	2016	% change 2015 to 2016
Ventura County							
	<i>– dollars –</i>						
Camarillo	385,100	379,500	456,500	485,500	517,000	560,400	8.4
Fillmore	251,700	256,600	293,000	328,800	383,300	366,000	-4.5
Santa Paula	213,000	240,100	327,700	352,100	335,500	400,900	19.5
Ojai	430,600	445,500	514,300	581,900	588,000	654,500	11.3
Oxnard	279,200	286,700	339,100	363,900	399,100	428,600	7.4
Port Hueneme	214,900	201,400	271,200	282,800	319,300	326,200	2.2
Ventura	334,500	355,500	410,600	452,500	467,500	498,900	6.7
Moorpark	444,200	442,600	512,200	575,600	558,600	604,700	8.3
Simi Valley	356,500	356,800	415,300	448,700	474,900	501,300	5.6
Thousand Oaks	477,200	471,400	568,600	571,400	627,800	637,200	1.5
Newbury Park	484,600	474,600	539,000	598,300	623,100	653,500	4.9
Westlake	692,200	712,200	813,300	853,600	909,900	1,049,500	15.3
Southern Santa Barbara County							
Carpinteria	535,500	587,500	645,000	775,000	715,000	729,500	2.0
Montecito	1,787,500	1,817,000	2,225,000	2,600,000	2,700,000	2,600,000	-3.7
Santa Barbara	680,000	659,000	820,000	920,000	964,500	1,025,000	6.3
Goleta	575,000	563,000	700,000	729,500	775,000	797,500	2.9
Hope Ranch	1,950,000	2,115,000	2,375,000	2,706,250	3,342,500	2,850,000	-14.7

Source: Corelogic, Santa Barbara Association of Realtors®,
and the California Economic Forecast

Note: data includes all sales, attached and detached, new and used

The Conejo Valley

- In the Conejo Valley, sales volumes declined slightly in 2016, dropping below 2,500.
- Prices continued to climb. In the Conejo Valley, prices are rising at the same rate as the broader county – about 3 to 5 percent on a year-over-year basis.
- In November 2016, the median home sold for \$685,000.
- Inventory levels are falling again, and were down by more than 10 percent in 2016. At the end of the year, only 362 active properties were on the market.



Home Inventory Statistics

Conejo Valley

Winter 2015-16 - Winter 2016-17

	October 2015 - January 2016	October 2016 - January 2017	percent change
Median Sold Price	660,000	689,500	4.5
Total Sales	553	569	2.9
Total Active Residential Listings	399	376	-5.8
Average Days on Market	59	56	-5.1
Months of Inventory	2.7	2.5	-7.4

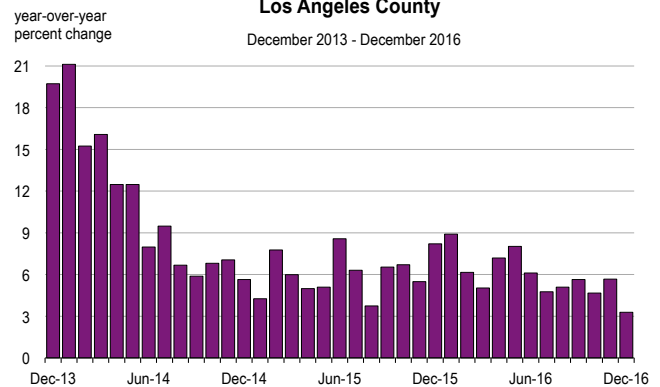
Source: Dilbeck Real Estate

Los Angeles County

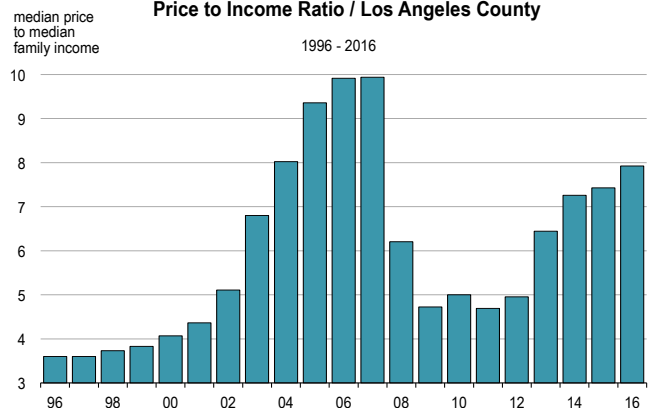
Home prices in LA County have been climbing at approximately the same rate for the past two years, although gains decelerated throughout the second half of 2016. As of December, the median home sold for \$519,280.

In LA County, homes are even less affordable than in Ventura County. The price-to-income ratio now stands at 7.9 – extremely high by historical standards. And even with low interest rates, housing costs are becoming prohibitively expensive. For the median priced home, the typical mortgage payment is currently \$1,900, which accounts for 37 percent of the median family income in LA County. Families with median-level incomes may not be able to purchase a typical home.

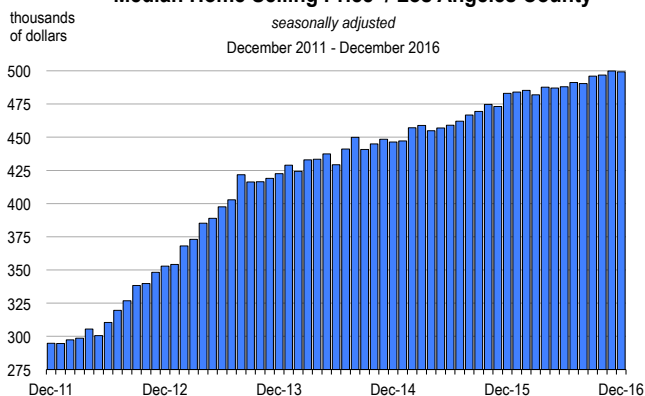
**Median Home Price Appreciation
Los Angeles County**



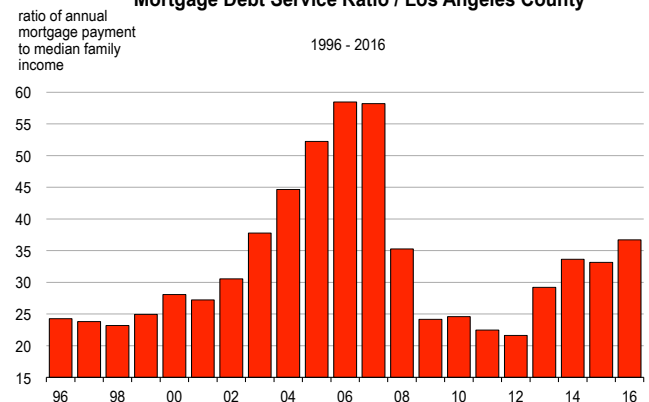
Price to Income Ratio / Los Angeles County



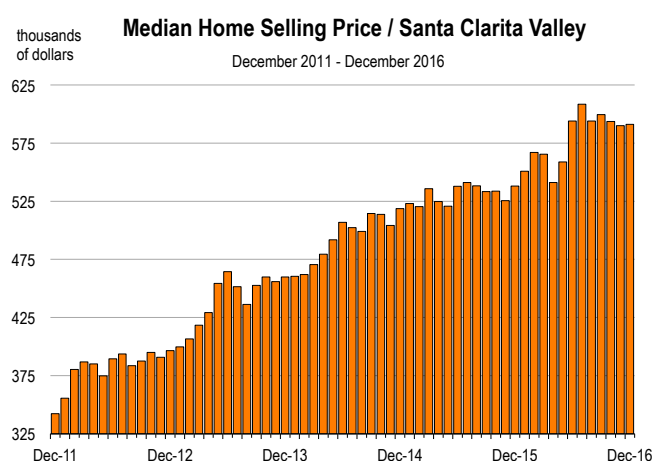
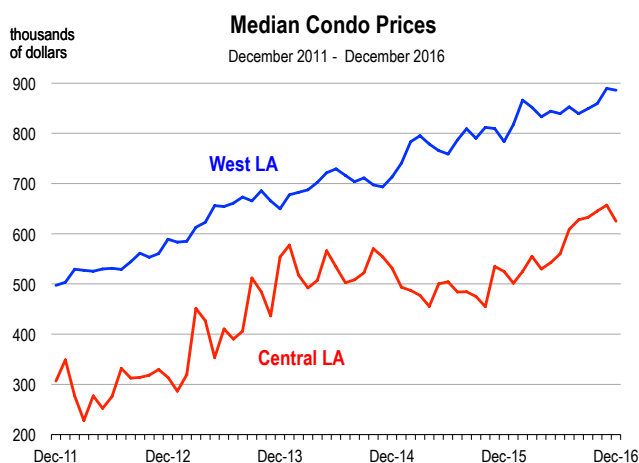
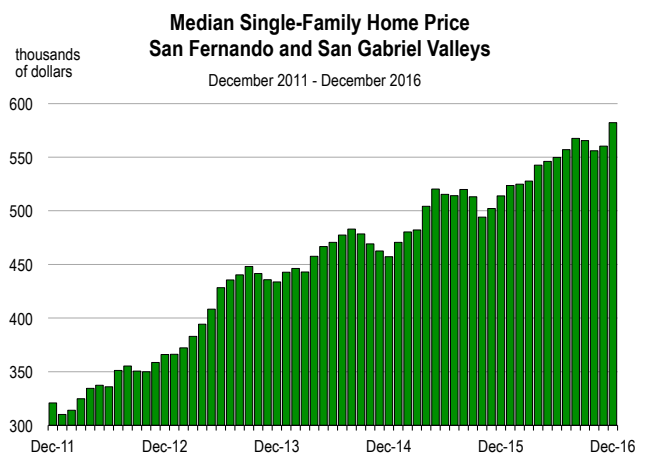
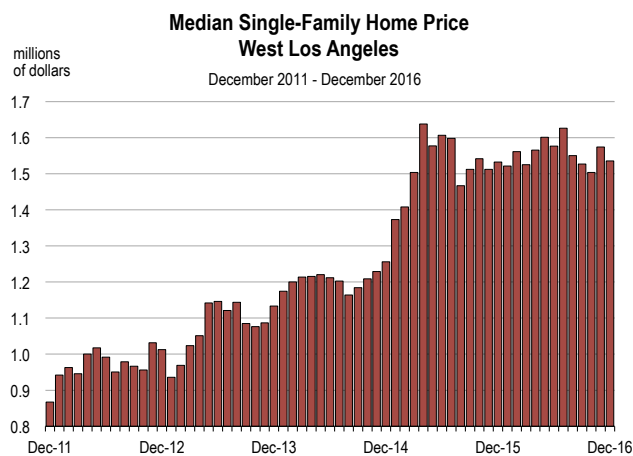
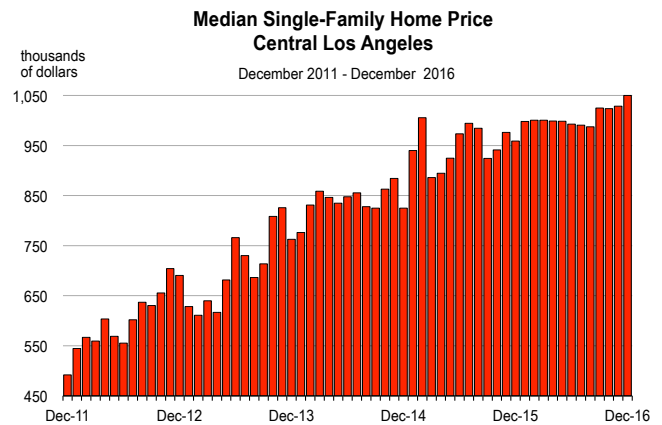
Median Home Selling Price / Los Angeles County



Mortgage Debt Service Ratio / Los Angeles County



- Home prices vary considerable across our primary submarkets of LA County.
- In West Los Angeles, the median single-family home sells for \$1.5 million. This is higher than several notoriously expensive markets like Santa Barbara and Westlake.
- The median West L.A. condo now sells for \$886,000.
- Over the past 18 months, price appreciation has been minimal for West L.A. single family homes, but has been substantial for condos.



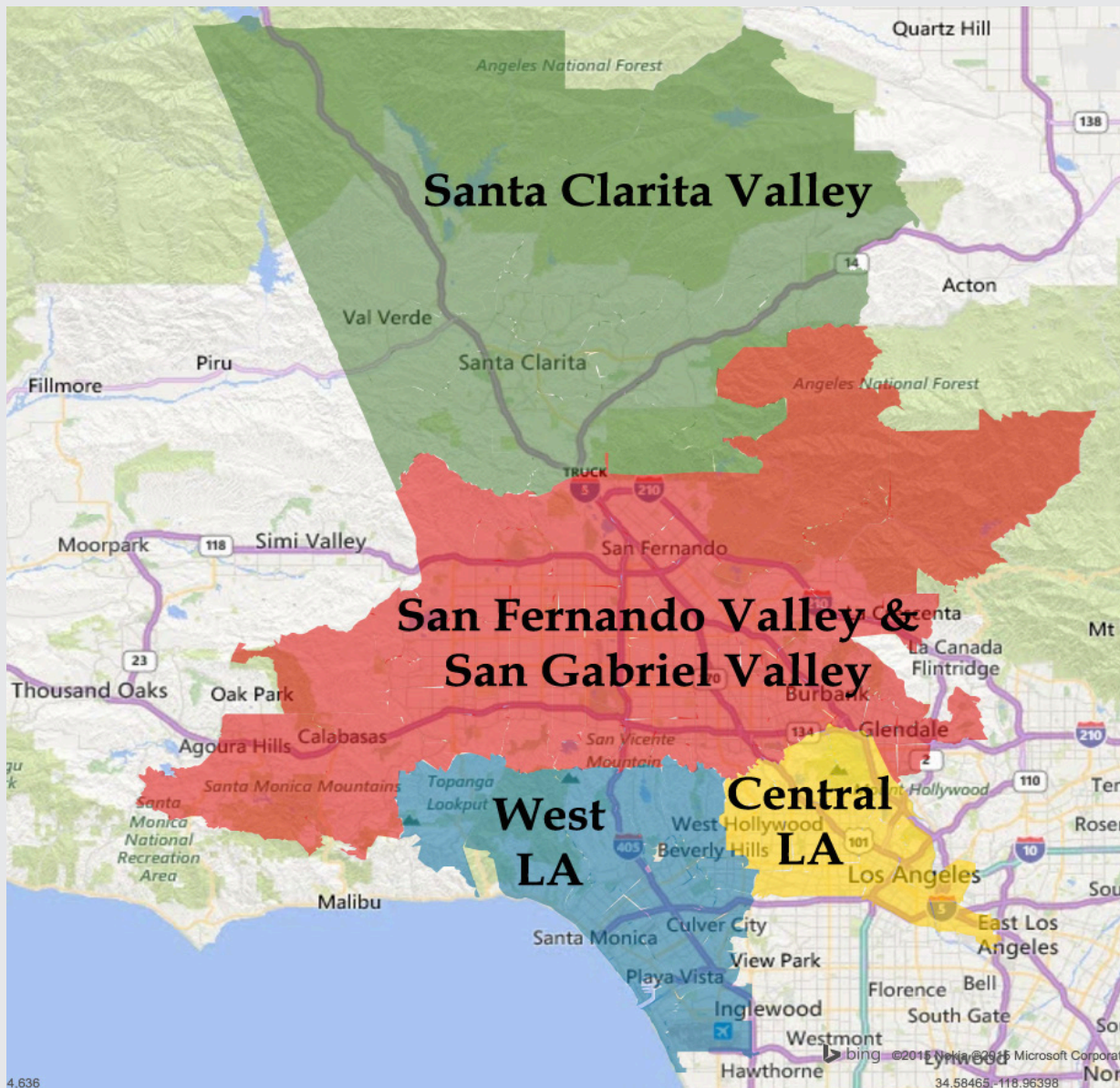
- Single-family home values are still rising in the San Fernando and San Gabriel Valleys, climbing to \$582,000 by late 2016.
- In the Santa Clarita Valley, the typical home now sells for \$591,000.
- After flat lining during the first half of 2016, selling values began to rise again for Central L.A. single-family homes.
- Price appreciation for Central L.A. condos has been parabolic. Over the course of 2016 prices spiked from \$525,000 to \$625,000 – an increase of almost 20 percent.

Median Home Selling Price, by Area Los Angeles County							2011 - 2016
Area	2011	2012	2013	2014	2015	2016	% change 2015 to 2016
West LA							
	– dollars –						
Agoura Hills	544,500	551,600	646,900	635,400	695,100	715,700	3.0
Beverly Hills	1,707,100	1,986,700	1,820,900	2,082,000	2,290,900	2,496,900	9.0
Culver City	429,900	446,100	534,000	590,200	648,100	763,000	17.7
Marina Del Rey	632,300	633,000	785,200	851,700	933,700	1,019,700	9.2
Pacific Palisades	1,498,500	1,748,000	1,934,900	2,327,300	2,443,500	2,343,800	-4.1
Playa Del Rey	394,600	387,100	484,100	564,500	566,300	610,100	7.7
Santa Monica	849,700	933,400	986,600	1,131,400	1,203,600	1,361,700	13.1
Venice	926,800	985,100	1,263,500	1,446,400	1,546,900	1,744,000	12.7
Central LA							
Studio City	690,800	718,200	838,200	942,100	984,700	1,024,000	4.0
West Hollywood	651,100	674,200	720,300	817,600	900,500	887,200	-1.5
San Fernando & San Gabriel Valleys							
Burbank	429,500	439,000	522,400	577,800	602,100	663,700	10.2
Calabasas	937,100	976,100	1,112,700	1,243,500	1,115,200	1,366,900	22.6
Chatsworth	365,600	371,600	421,500	457,200	495,000	514,700	4.0
Glendale	431,900	448,700	521,200	550,000	612,900	657,100	7.2
North Hollywood	316,400	315,200	400,800	448,200	483,900	519,100	7.3
Northridge	363,600	355,100	441,000	475,600	517,200	582,800	12.7
San Fernando	229,100	233,500	289,100	328,200	352,800	393,900	11.6
Sherman Oaks	564,400	594,500	681,100	762,900	771,700	905,700	17.4
Van Nuys	322,700	315,200	412,400	449,200	484,200	519,700	7.3
Woodland Hills	421,800	442,600	571,900	638,300	646,800	682,800	5.6
Santa Clarita Valley							
Canyon County	287,400	274,700	350,200	383,600	412,500	452,800	9.8
Castaic	338,200	346,500	392,300	421,500	450,900	477,800	6.0
Newhall	246,300	219,700	284,000	333,000	352,600	382,200	8.4
Santa Clarita	344,900	353,100	422,200	450,000	468,600	505,200	7.8
Stevenson Ranch	462,700	479,200	581,900	652,200	620,400	688,500	11.0
Valencia	350,900	356,100	413,400	481,700	482,300	487,900	1.2
Los Angeles City	316,200	363,800	491,000	560,600	616,700	679,100	10.1

Source: Corelogic, Santa Barbara Association of Realtors®,
and the California Economic Forecast

Note: data includes all sales, attached and detached, new and used

Los Angeles County Submarkets



In this report, our analysis of Los Angeles County focuses on four primary submarkets.

- West Los Angeles, which stretches from Pacific Palisades to the LAX area, and from Culver City to Beverly Hills/Century City.
- Central Los Angeles, which encompasses the region from Universal City to Downtown, including West

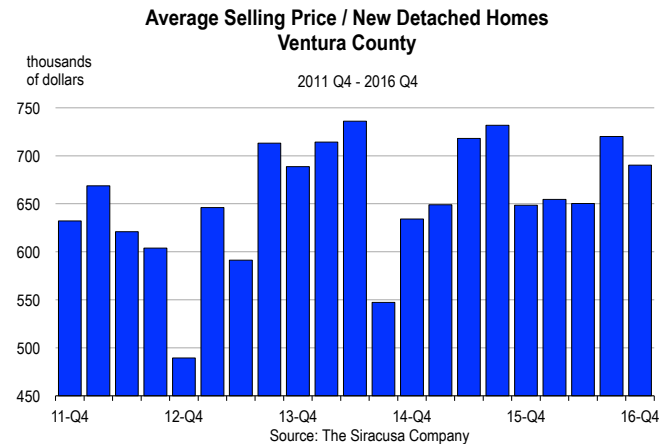
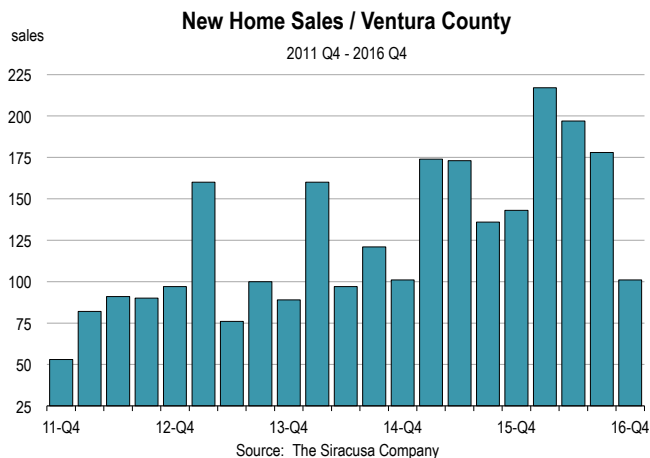
Hollywood, Korea Town, Los Feliz, and the Mid Wilshire corridor.

- The entire San Fernando Valley and the area within the San Gabriel Valley that lies northwest of Pasadena.
- The Santa Clarita Valley, including Valencia, Castaic, Newhall, and Stevenson Ranch.

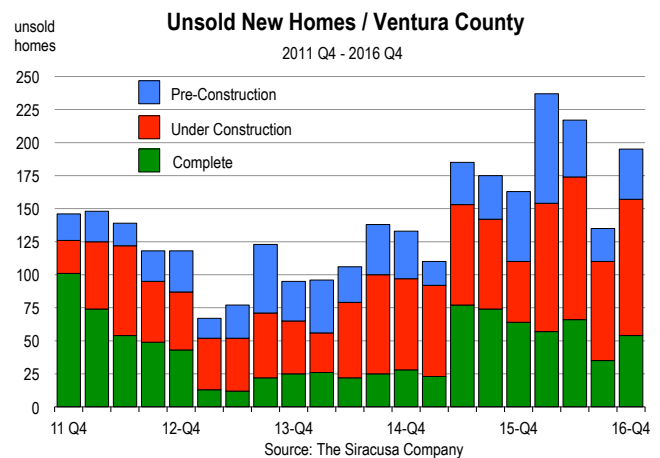
The Ventura County New Home Market

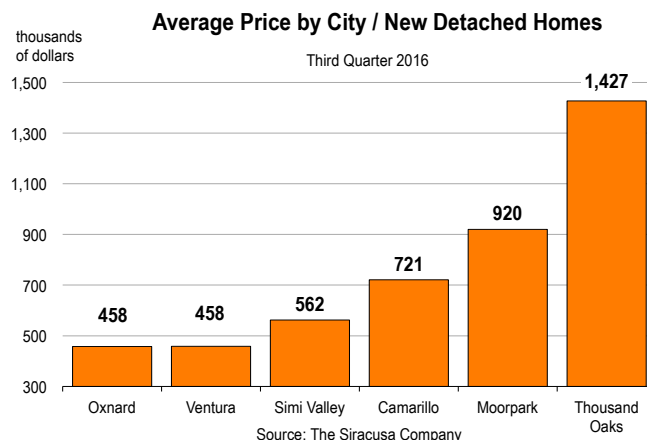
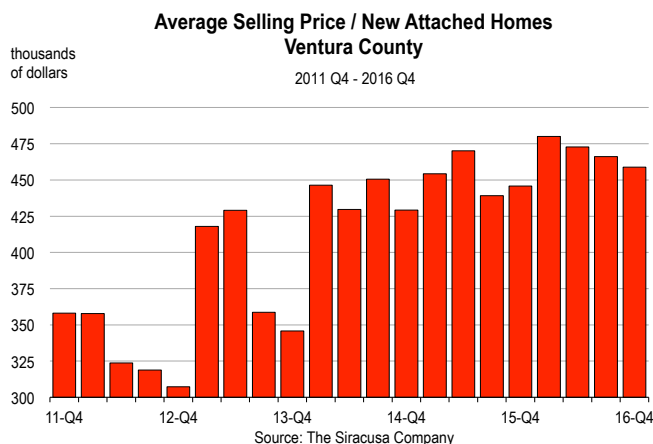
Ventura County

- Sales of new homes are down sharply since the beginning of the year. In the fourth quarter of 2016, only 101 new homes were sold, compared to 217 in the first quarter.
- Despite lackluster sales at the end of the year, total sales for all of 2016 were relatively healthy. A total of 693 new homes sold during 2016, compared to 626 during the previous year.
- Oxnard had more sales than any other city over the past four quarters. In general, activity was higher in the West County than in Simi Valley or the Conejo Valley.
- As of December 31, 2016, there were 195 unsold new homes. Most were under construction, but the backlog of completed homes appears to be rising.



- Unsold inventory rose during 2016, and is now higher than almost any point since the 2006-2009 period.
- In the fourth quarter of 2016, the average price for detached single-family homes was \$690,269.
- For attached homes, the average price in the fourth quarter was \$458,908.
- Prices for detached homes were highest in Thousand Oaks, where they exceeded \$1.4 million. Prices were lowest in Oxnard and Ventura, where new homes can be purchased for less than \$500,000.





The Ventura County Apartment Market

VC Rent Growth Slows, Despite Strong Demand

By Dawn Dyer

President, Dyer-Sheehan Group, Inc.

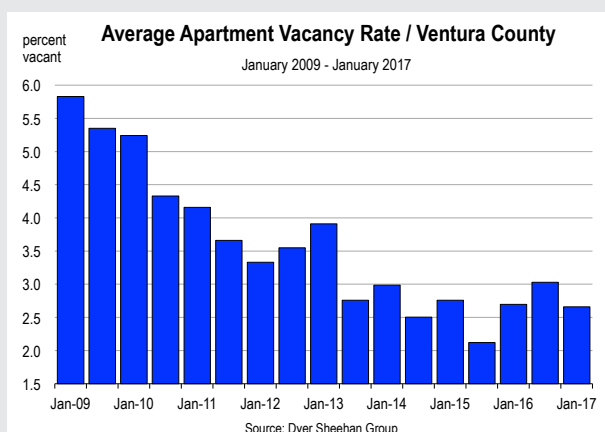
Apartments are on a roll. Demand remains robust at national, state, and local levels; resulting in seven consecutive years of rent growth. Job creation has been slow but steady, leading to increased household formation and more demand for housing. Demographic trends continue to fuel the need for more diverse housing options, and apartments are the natural choice for a growing array of lifestyles.

In spite of substantial new apartment construction, absorption is occurring at record levels. Nationally, leasing rates in 2016

were the third strongest year on record with 329,000 units rented, eclipsing 2015's net move-in total by 24 percent. And yet, despite this strong demand, U.S. rent growth slowed to 3.8 percent last year, with affordability, as well as competition from new units, becoming an issue in some areas.

The Ventura County rental market mirrored national trends in 2016. Demand remained strong with a countywide vacancy rate of just 2.66 percent; but rent appreciation slowed to 3.6 percent, down from 8.4 percent in 2015. Even with slower rent growth, Ventura County remains one of the most expensive rental markets in the nation.

Average Ventura County rents rose to \$1,822/month in January 2017, compared with the national average rent of \$1,248. Countywide rents have soared 34.9 percent since the end

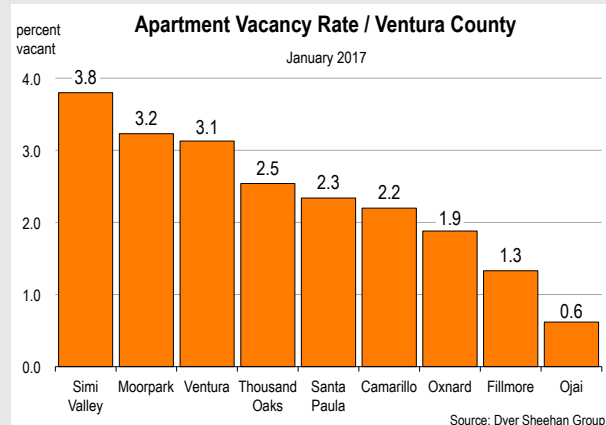


of the Great Recession in January 2010, up \$471/month.

Apartment demand continues to exceed supply; but wage growth has been slow, contributing to a moderation in rent appreciation. Ventura County has significantly lagged the rest of the state and the region in job creation since 2013; and most new jobs have been in lower wage sectors that don't support our high housing costs.

It's becoming increasingly difficult for our local workforce to afford housing. Based on the suggested ratio paying no more than 35 percent of income for housing, renters would need to earn nearly \$67,000/year (or \$33.50/hour) to qualify for the average two bedroom apartment in Ventura County (\$1,953/month). Currently, many residents are paying as much as 50 percent of their income for rent, or combining households to share costs.

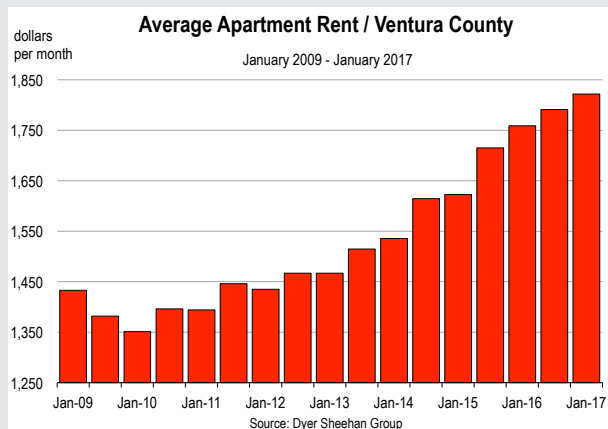
DSG's January 2017 Apartment Survey identified a wide range in performance between properties, unit types, and communities within Ventura County.



The tightest rental market in the county was Ojai, with a vacancy rate of just 0.62 percent, followed closely by Fillmore at 1.33 percent, and Oxnard/Pt. Hueneme at 1.88 percent. Simi Valley recorded the highest vacancy rate, at 3.8 percent, while Moorpark and Ventura were slightly above the countywide trend with vacancy rates of 3.23 percent and 3.13 percent respectively.

Rent appreciation in 2016 varied dramatically, with flat or declining rents in select cases, even as rents for some unit types grew much faster than the norm. Overall average rents in Moorpark jumped to \$2,063, up 8.7 percent from January 2016. Three bedroom units in Moorpark soared 13.7 percent over the prior year, but one bedroom rents were up only 6.7 percent.

Overall rent growth in Fillmore, at 5.6 percent, was also stronger than the countywide average, and one bedroom units jumped 9.3 percent. Thousand Oaks/Westlake also surpassed countywide appreciation, with overall rents up 4.8 percent, and rent

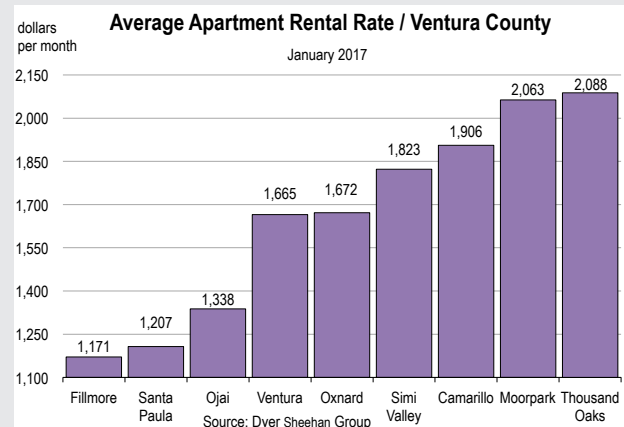


appreciation for both two and three bedroom units in the 6.3 percent-6.5 percent range.

The Overall Average Rent in Camarillo in January 2017 was \$1,906, up 7.7 percent from the prior year, with bumps in one and two bedroom units of 8.8 percent and 8.4 percent respectively.

Rent growth in some areas of the county was more modest. The City of Ventura was the only county market where the overall rent remained basically flat in 2016 (down \$2 to \$1,665/month). However, Ventura had higher than average growth over the prior two years, when overall rent jumped 16.2 percent from January 2014-2016.

Ojai and Simi Valley both reported overall rent appreciation of 1.7 percent, although rents for smaller units (studios and one bedrooms) grew much more rapidly in both communities, reflecting emerging trends in rental housing.



Local apartment development is expected to increase this year, with numerous projects in the pipeline, but we don't anticipate that multi-family will be overbuilt in Ventura County. Demand continues to outpace supply, especially in high barrier to entry locations like coastal California. The vacancy rate may creep up slightly as new projects become available, but we expect it to remain below 4 percent.

Rent growth will continue to be constrained by incomes, but the overall average rent in Ventura County will rise as new units are added to the supply. Barring a shock to the economy, we expect rent growth of 3.5 – 4 percent again this year.

For more information, or to order your complete copy the January 2017 Ventura County Apartment Market Survey, visit www.DyerSheehan.com or call Dawn at (805) 653-8100.

Housing Market Forecast

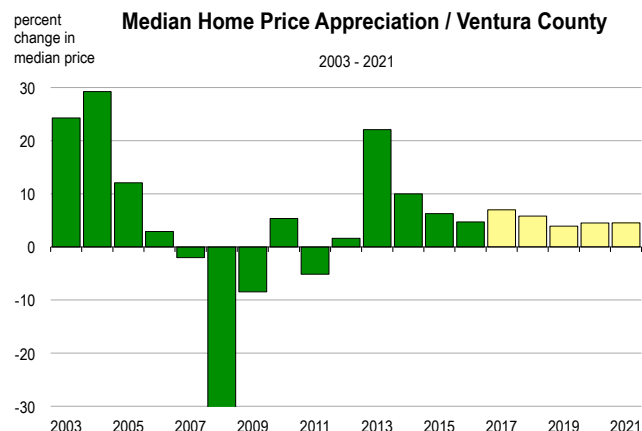
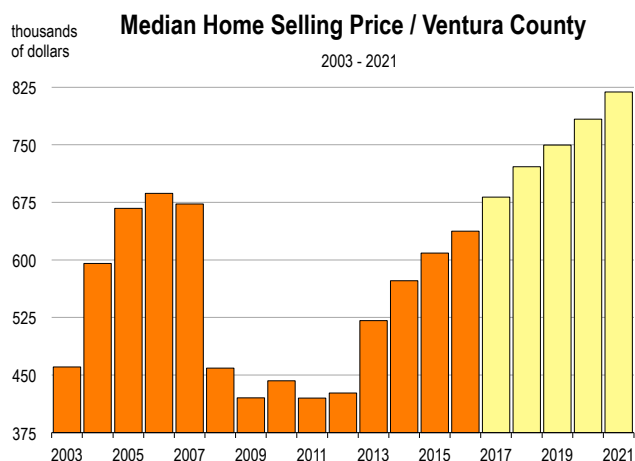
Housing affordability is becoming an issue for many households. Despite stellar job growth and rising incomes, rising home prices have pushed some potential buyers out of the market. This is especially true in Los Angeles County, where traditional affordability measures have risen to troublesome levels.

Southern California continues to face a critical lack of housing supply, and the current development pipeline is not sufficient for expected population growth. As a result, prices will continue to march higher.

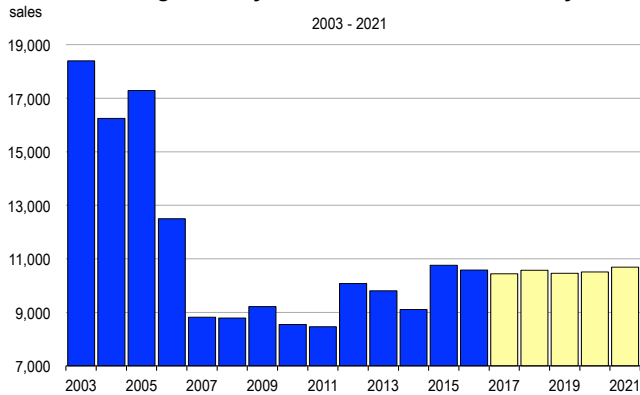
Mortgage rates remain near historic lows, but will eventually increase. The U.S. economy continues to strengthen and the labor market is getting tight. This should lead to higher rates of inflation, which will pass through to interest rates. In addition, it is expected that the Fed will continue to raise overnight rates, which will influence longer-term yields.

- Selling values will increase by 6.5 percent in Ventura County in 2017, and by 5.5 percent in L.A. County.
- Across California, price appreciation will be 5.2 percent.
- Average mortgage rates will rise to 4.5 percent in 2017 and 5.8 percent in 2018.
- Home sales will rise by a meaningful amount in L.A. County, exceeding 85,000 transactions for the calendar year. Sales will decline slightly in Ventura County, and will struggle to increase at all over the forecast period.

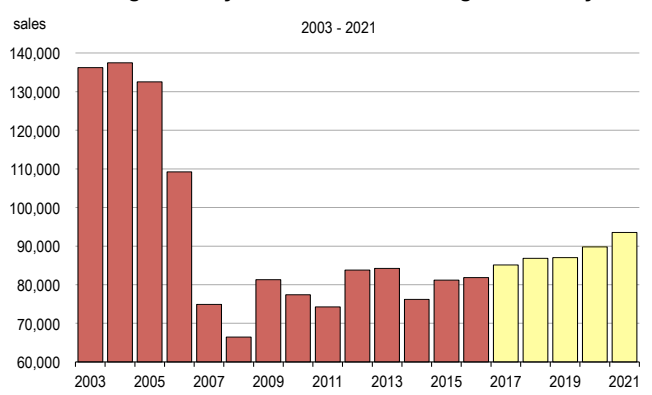
Author's Note: We wish to thank Chuck Lech of Dilbeck Real Estate in Westlake Village for making much more specific information available to us in our analysis of the Conejo Valley Real Estate Market.



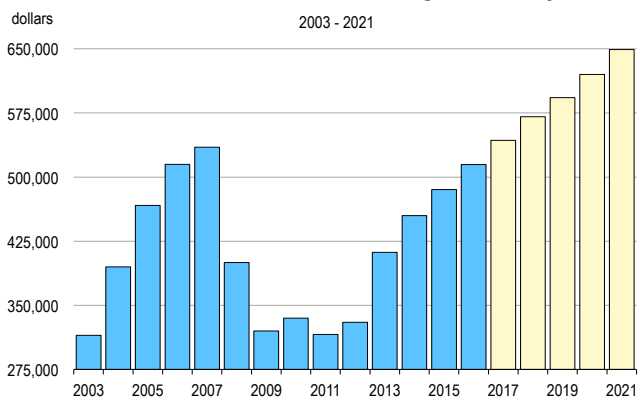
Single-Family Home Sales / Ventura County



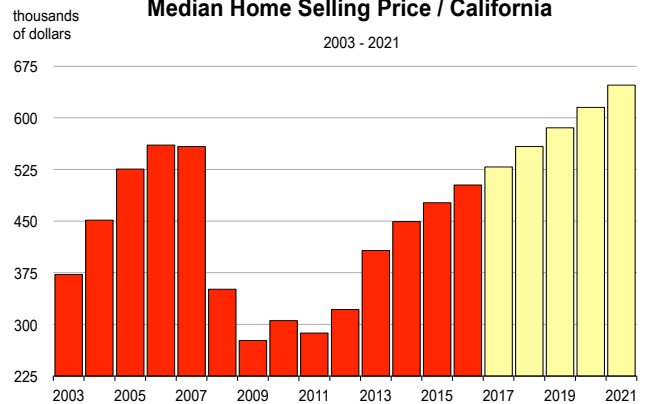
Single-Family Home Sales / Los Angeles County



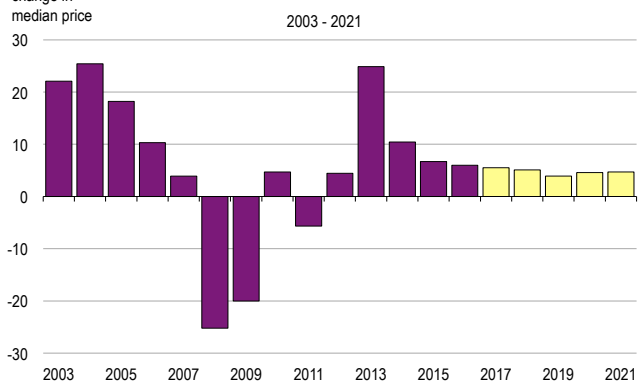
Median Home Price / Los Angeles County



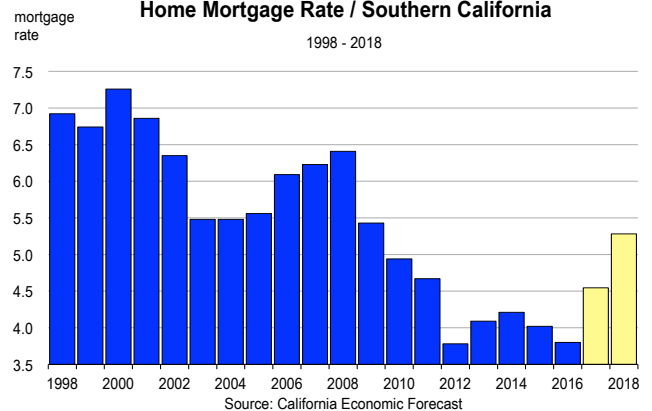
Median Home Selling Price / California



**Median Home Price Appreciation
Los Angeles County**



Home Mortgage Rate / Southern California



Home Sales, Prices, and Interest Rates			Ventura and Los Angeles Counties		History 2015-2016 Forecast 2017-2021		
	2015	2016	2017	2018	2019	2020	2021
Median Home Selling Price							
Ventura County							
					--dollars--		
current dollars	608,794	637,356	681,839	721,424	749,636	783,395	818,814
percent change	6.3	4.7	6.5	5.8	3.9	4.5	4.5
constant 2016 dollars	620,267	637,356	665,706	688,133	701,876	716,129	731,252
percent change	5.3	2.8	4.4	3.4	2.0	2.0	2.1
Los Angeles County							
current dollars	485,500	514,630	542,968	570,608	592,916	620,062	649,185
percent change	6.7	6.0	5.5	5.1	3.9	4.6	4.7
constant 2016 dollars	494,649	514,630	530,121	544,277	555,141	566,821	579,763
percent change	5.7	4.0	3.0	2.7	2.0	2.1	2.3
California							
current dollars	476,723	502,464	528,653	558,300	585,511	615,180	647,528
percent change	6.1	5.4	5.2	5.6	4.9	5.1	5.3
U.S. Existing							
current dollars	279,411	289,780	299,052	308,622	318,498	328,690	339,208
percent change	4.8	3.7	3.2	3.2	3.2	3.2	3.2
U.S. New							
current dollars	301,047	308,289	310,521	312,081	312,946	313,900	315,232
percent change	4.6	2.4	0.7	0.5	0.3	0.3	0.4
Existing Home Sales							
					--sales--		
Ventura County	10,761	10,578	10,440	10,573	10,460	10,509	10,689
percent change	18.1	-1.7	-1.3	1.3	-1.1	0.5	1.7
Los Angeles County	81,174	81,823	85,119	86,838	87,015	89,799	93,538
percent change	6.5	0.8	4.0	2.0	0.2	3.2	4.2
Conventional Mortgage Rate							
					--percent--		
Southern California	4.0	3.8	4.5	5.3	5.0	6.0	7.1
Nation	3.9	3.6	4.4	5.8	5.9	6.1	6.3
Inflation							
					--percent change in the consumer price index--		
Southern California	0.9	1.9	2.4	2.4	1.9	2.4	2.4
California	1.5	2.3	3.0	3.1	2.9	2.8	2.8
Nation	0.1	1.3	2.5	2.7	2.9	2.9	2.8

Source: California Economic Forecast, February 2017

COMMERCIAL REAL ESTATE

Ventura County Industrial Market

Ventura County Office Market

Ventura County Retail Market

Los Angeles County Industrial Market

Los Angeles County Office Market

Los Angeles County Retail Market

The Commercial Mortgage Outlook for 2017



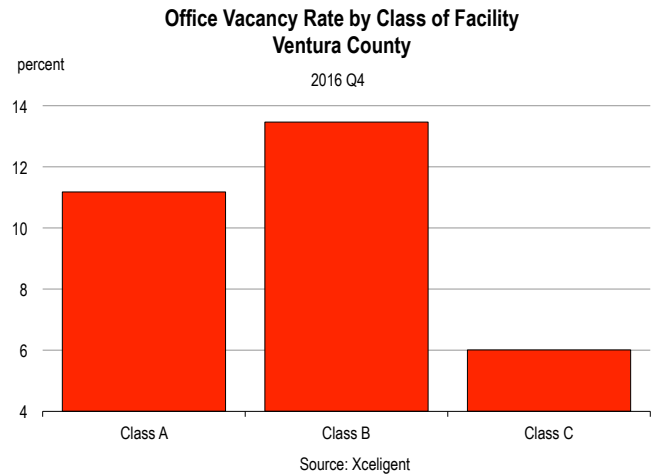
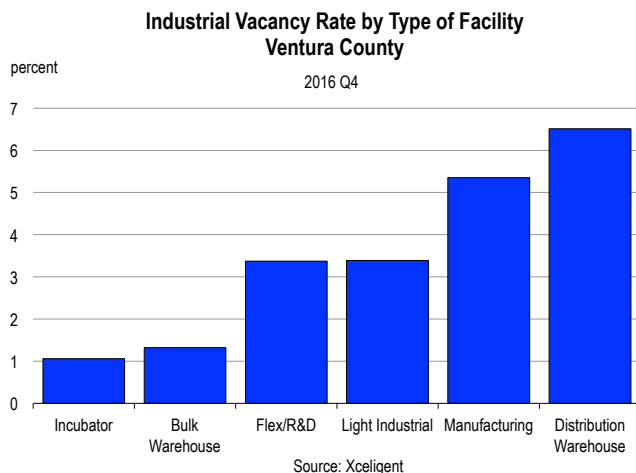
Commercial Real Estate

Ventura County Overview

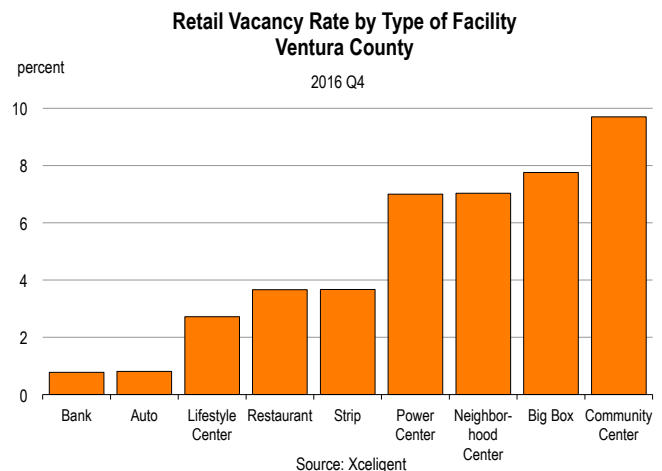
The Ventura County commercial market continues to rally. Vacancy rates are improving across most major sectors and submarkets.

By historical comparison, the industrial market is tight. Only once in the last 25 years has the vacancy rate been this low, and never has it been so low across nearly all submarkets. At the end of 2016, conditions were exceptionally tight for incubator and bulk warehouse space.

The office market remains the primary weak spot. Vacancy rates softened throughout 2016, with meaningful deterioration in Simi Valley and the City of Ventura. Conditions were least competitive in Class B buildings, where more than 2 million square feet of space was vacant at year's end.



The retail market improved markedly, with lots of absorption in Oxnard and Thousand Oaks. Virtually no bank or automotive spaces were vacant in the fourth quarter, and only minimal space was idle at lifestyle centers, restaurants, and strip malls.



Ventura County Industrial Market

By Paul Farry

Vice President, CBRE

The Ventura County Industrial market continued to experience robust growth throughout 2016. Vacancy rates in building product (less than 100,000 sq. ft.) continued to drop through 2016 with even more limited inventory within the Oxnard plain.

Currently there is a tight supply of inventory for sale, which has resulted in the continuous push of sale prices. Except for larger buildings, lease rates have improved slightly with fewer concessions being offered by landlords. Although vacancy rates increased by 1.8 percent from 3Q'16 to 4Q'16, current negotiations of approximately 500,000 square feet of larger buildings are underway.

Average asking rental rates for the region decreased slightly in 4Q'16 to \$0.66 per sq. ft. Rents are projected to return to an upward trend over the next two years, mainly driven by demand for small buildings (50,000 sq. ft. and below) and lack of new construction.

Investment interest has been strong since 2014, and we expect to see a few multi-tenant investment buildings with very strong buyer demand. Earlier this year, a \$30 million portfolio and a 480,000 square foot campus facility were sold indicating continued investor interest within the Oxnard Plain.

There is very little opportunity in our market with current owners being optimistic regarding

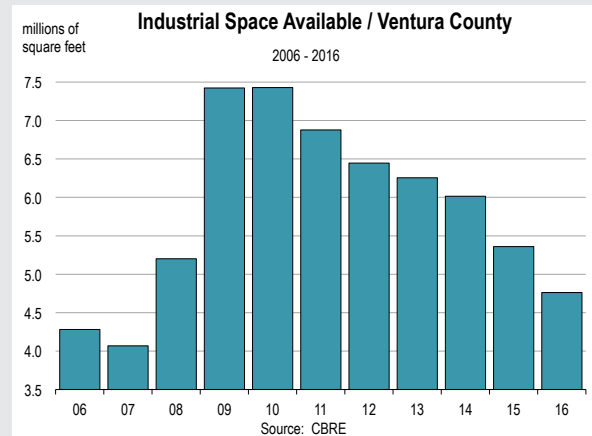
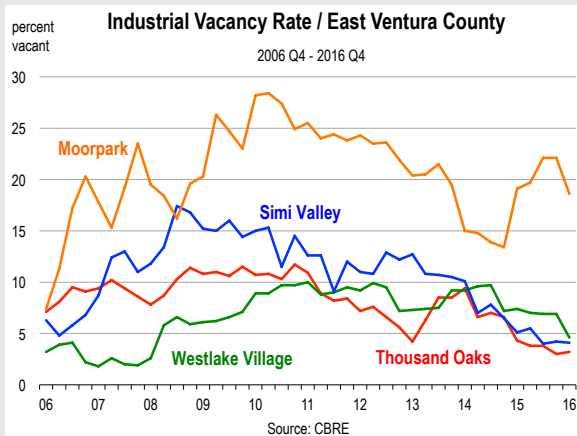
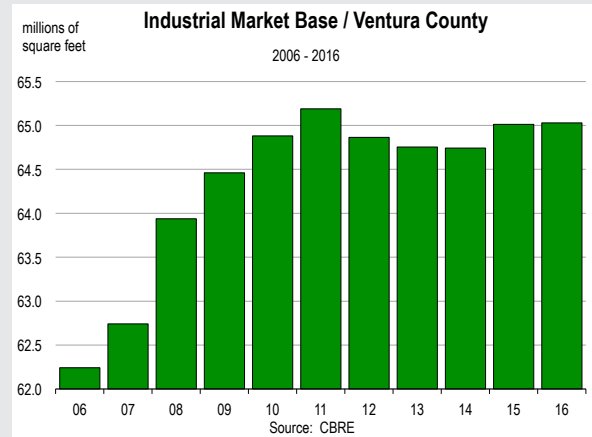
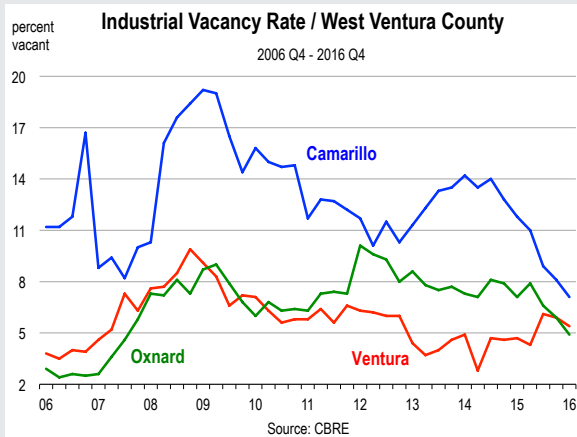
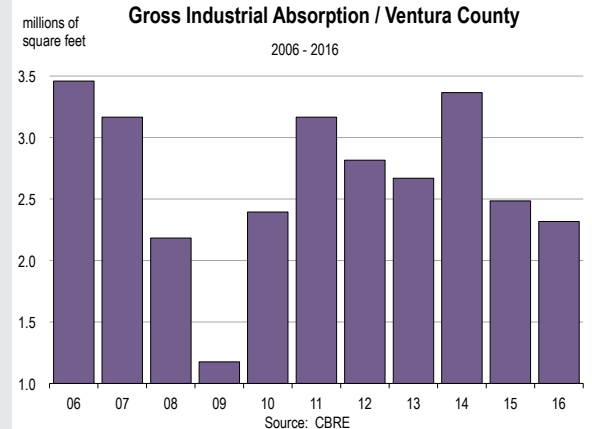
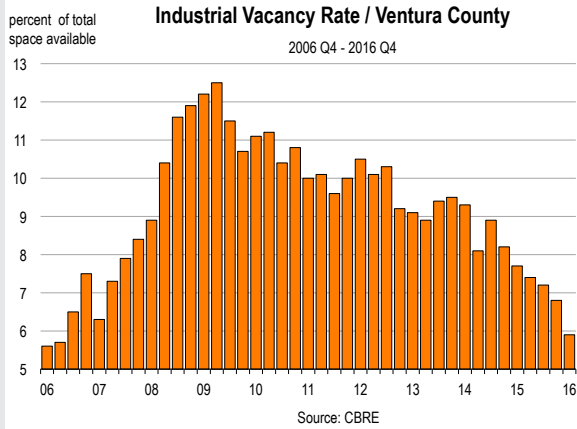
future values, and with others holding onto performing assets. Cap rates have continued to slowly compress even though rental rates have not increased significantly.

New future development plans include one ground up building being constructed in Oxnard that is about 30,000 sq. feet. followed by another 58,000 sq. foot building that will be built in Camarillo in 2017. Four new buildings are also being built by Overton Moore in Simi Valley. Construction is slated to break ground near the end of 2016 and early 2017.

The Sares-Regis Group purchased 29 acres of land at the Conejo Spectrum Business Park and plans to build more than 500,000 sq. ft. of industrial space across nine buildings. The buildings will range from 37,000 to 93,000 sq. ft. and are scheduled to be completed early 4Q'17.

Key indications reveal that 2017 is headed on a strong track. Current leasing and sales activity have indicated a steady push into the new year. Investors are finding it difficult to locate quality property to exchange into high priced real estate from the L.A. Basin.

Given the low availability rate and the 1.2 percent vacancy rate of the San Fernando Valley, users are starting to look at Ventura County as an ideal location for some of the larger tenants in the market. In analyzing the logistics of the current market, we are optimistic that the future will have more migration of tenants from the Greater San Fernando Valley and Greater L.A. areas.



Ventura County Office Market

by Tom Dwyer, Michael Slater, Caroline Bigelow, and Andres Uribe
CBRE

Investment sales were the hot topic for 2016, with approximately \$300 million trading last year in a 19 million square foot market. Investors were bullish on values, purchasing assets with post-recession full service rents averaging \$2.29 per sq. ft. coupled with average sale pricing of \$171 per sq. ft.

Conejo Valley year-end vacancy was 13.9 percent with approximately 180,000 sq. ft. of positive net absorption, of which Westlake Village alone absorbed 162,000 sf. ft. in 2016.

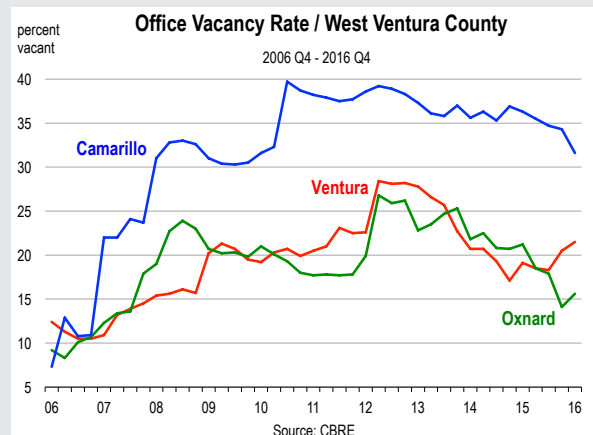
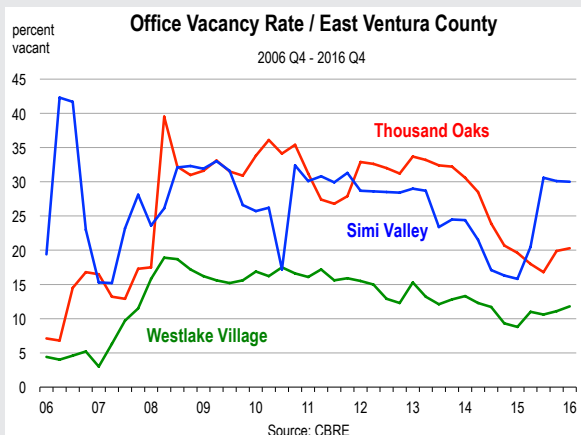
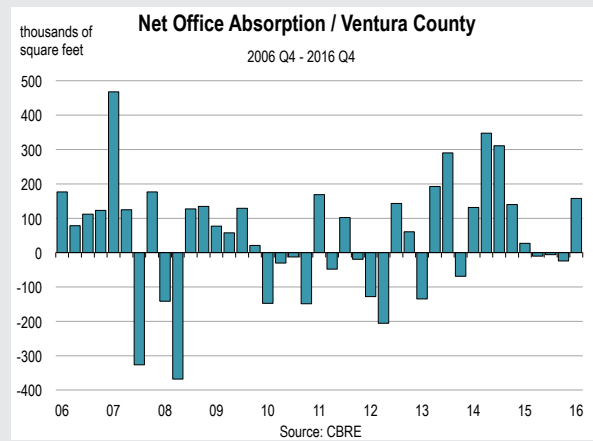
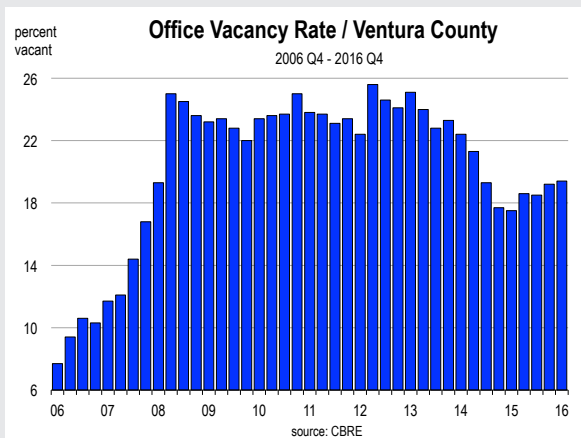
Westlake Village Class A full service rents averaged \$2.71 per sq. ft. and Conejo Valley Class A full service rents averaged \$2.41 per sq. ft. West Ventura County remained at 23.2 percent vacant with negative 80,000 sq. ft. of absorption and the average full service rent was \$2.07 per sq. ft.

Leasing activity in 2016 remained sluggish throughout the market. The big news was

Penny Mac renewing their lease in Moorpark totaling 141,000 sq. ft. and leasing 60,000 sq. ft. in Westlake Village. In addition, Coty, Inc. elected to relocate from Woodland Hills and executed a long term 96,944 sq. ft. lease in the former Countrywide headquarters building in Calabasas.

2017 Forecast

CBRE anticipates asking rents to increase by 4 percent due to rising costs in construction and operating expenses. Demand for office space will decrease throughout the year and the vacancy rate in Class A product will increase as office occupiers will relocate to lower cost alternatives, which have recently been renovated, to offset rising employment costs. The investment sales volume will also decrease in this submarket of California due to lack of stabilized product.



Ventura County Retail Market

by David Rush

Vice President, CBRE

In 2016 retail moved forward with slow and cautious growth. Vacancies have lowered slightly, there are new deals with tenants expanding within the region and from other regions, while seeing the collapse of another industry, sporting goods, due to the powerful combination of internet sales and giant box retailers.

Shopping center sales, with low interest rates and redevelopments, helped to boost and strengthen the market. Following the beginning of a market turn that started in 2012, we saw most of the available boxes and some of the vacant shops fill, but with the shuffling of grocery stores and vacating of 6 sporting goods boxes in Ventura County, we took a small step backwards. The big concern for retail expansion continues to be employment, housing for first time homeowners, and availability of funds for small and mid-size businesses.

So let's take a closer look at what has been transpiring in the retail sector.

Vacancy rates County wide were slightly down year to year, from their fourth quarter 2015 of 6.6 percent to 5.1 percent for the fourth quarter 2016. Looking inside the numbers, though, tells a consistent story across the County as the vacancy dropped over a percentage point from 5.8 percent to 4.6 percent in the East County and dropped nearly two percentage points from 7.4 percent down to 5.6 percent in the West County.

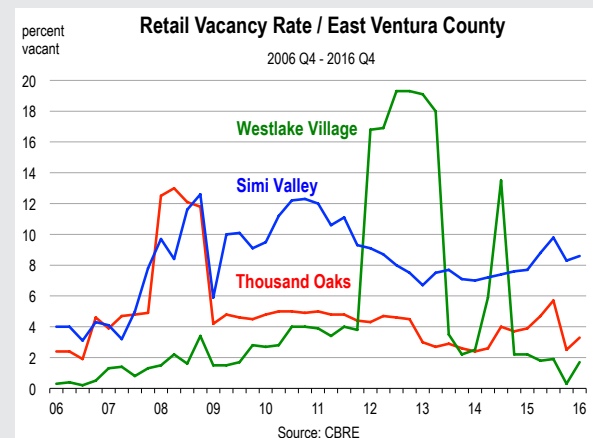
Landlords are giving fewer incentives compared to the last few years. With these incentives lowered, activity has continued, and rents have increased, due mostly to ability of shop owners to access capital.

There was quite a bit of new activity in 2016, but 2017 will be a little slower, at least in the beginning of the year.

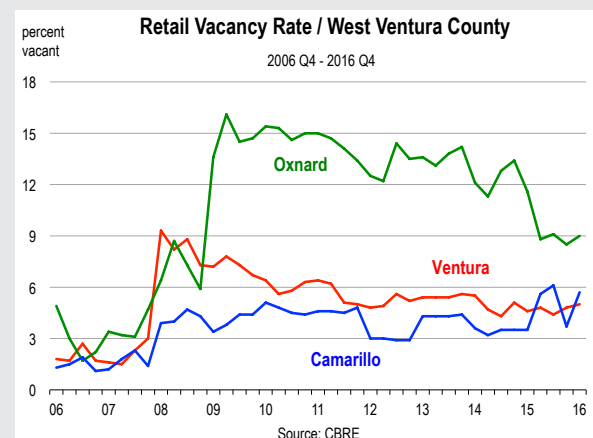
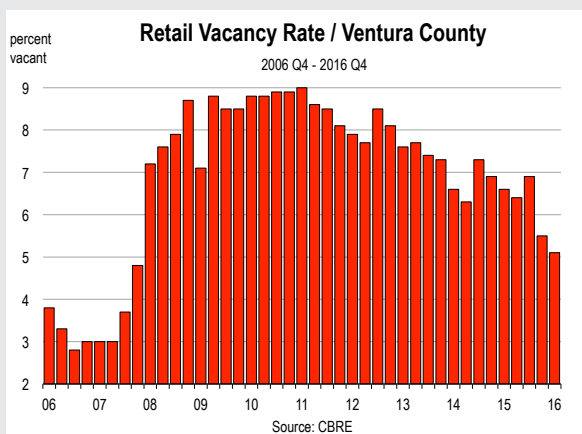
The Target anchored shopping center opened in 2015 in Westlake Village, and is now seasoned and remains fully leased after its first full year. Sears redevelopment took a hit losing Sports Authority after just a few months, but DSW and Nordstrom Rack continue strong. Westlake Plaza has finished a major renovation and added some additional space and is now

100 percent leased. The re-development of North Ranch Gateway in Westlake Village is now complete and leasing is moving along swiftly. One of the major re-developments close to completion is the Kmart Center in South Oxnard, with Smart & Final, LA Fitness and several other tenants. Anticipated openings/completion is Spring 2017.

The concern in retail now is the grocery and sporting goods sectors. With the 2016 departure of Fresh & Easy and Haggen, we've seen several of those spaces gobbled up by CVS, Smart & Final and Gelson's. The challenge for 2017 will be to fill the remaining vacant grocery stores and backfill six sporting

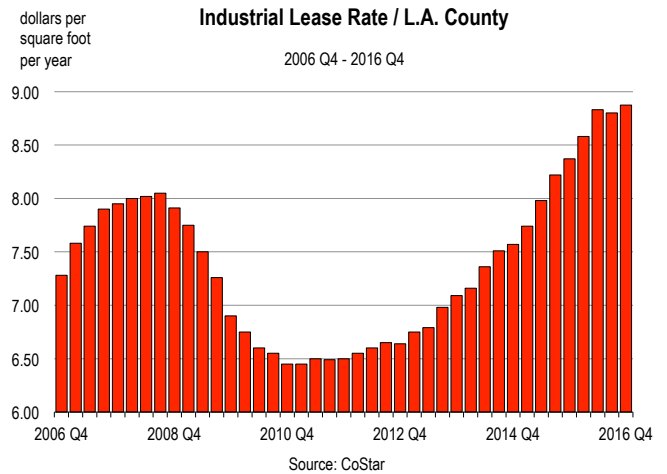
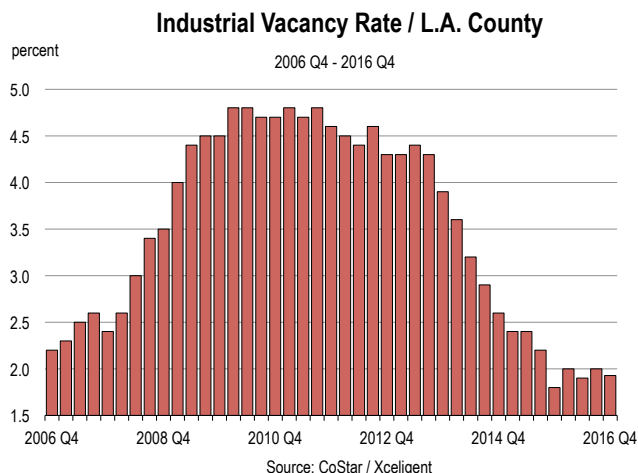


goods stores. There is activity on these stores but we'll need to wait a few months to see them fill.

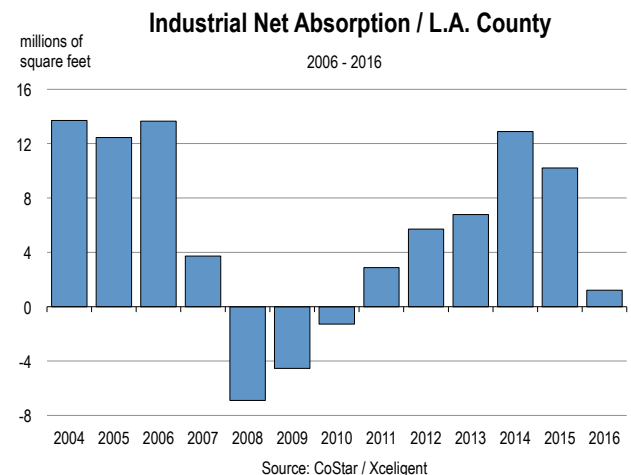


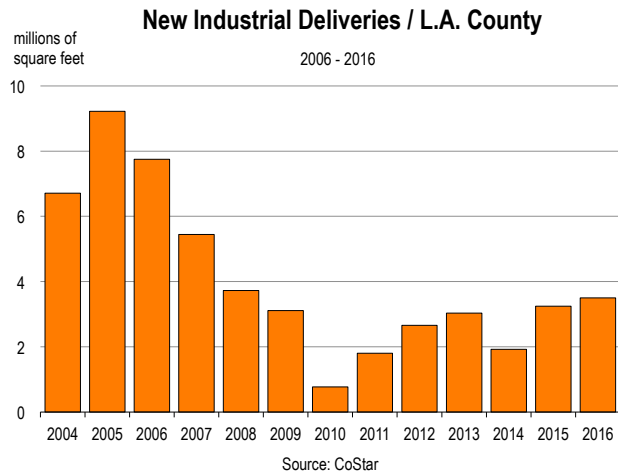
LA County Industrial Market

- The LA County industrial market remains extraordinarily tight.
- Vacancy rates softened during 2016, but remained below 2 percent.
- Lease rates increased sharply until early 2016. Then, over the final three quarters of the year, lease rates largely held steady.
- The average industrial property now leases for more than \$8.80 per square foot per year. Flex space goes for more than \$18 per square foot per year, while warehouse space leases for approximately \$8.50.
- With vacancy rates already very low, net absorption was limited to 1.2 million square feet.



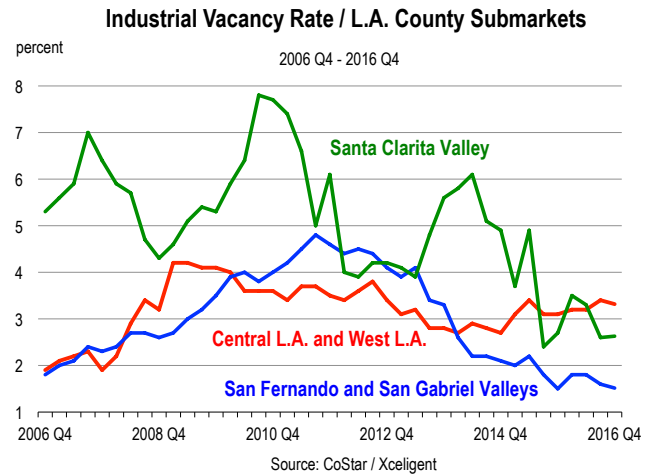
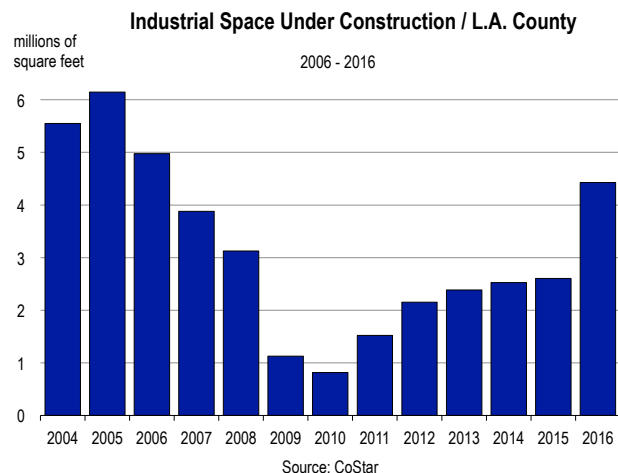
- Approximately 3.5 million square feet of new space was delivered to the market in 2016.
- New deliveries are increasing slowly, and have so far been hampered by the small number of projects started each year.
- Going into 2017 and 2018, delivery of new space should increase by a meaningful amount. There was a large jump in space under construction last year, and as these proj-



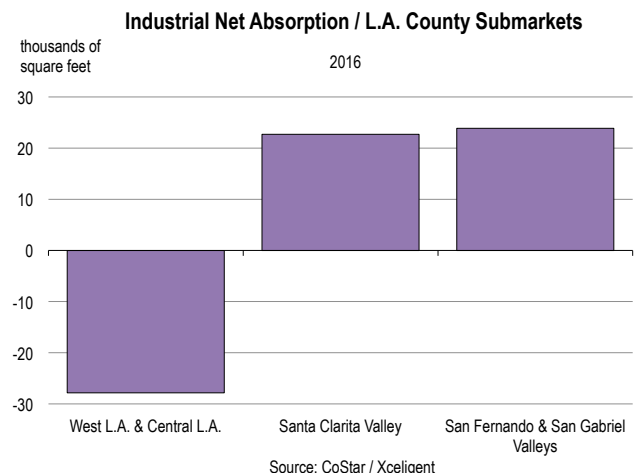


ects are completed, the total market base will expand as well.

- The vacancy rate rose in the Santa Clarita Valley in early 2016, but the market made steady progress throughout the remainder of the year.
- Vacancy rates largely held constant in the San Fernando & San Gabriel Valleys, but deteriorated slightly in Central LA and West LA

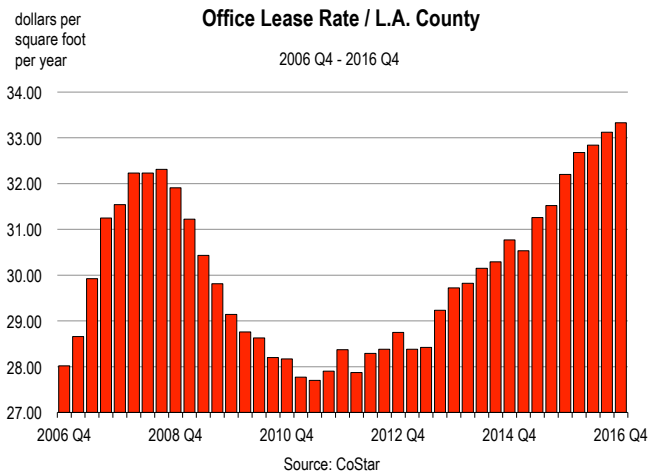


- Net absorption was strongest in the Santa Clarita, San Fernando, and San Gabriel Valleys, but was still low at just over 20,000 square feet.
- Net absorption was negative in West LA and Central LA

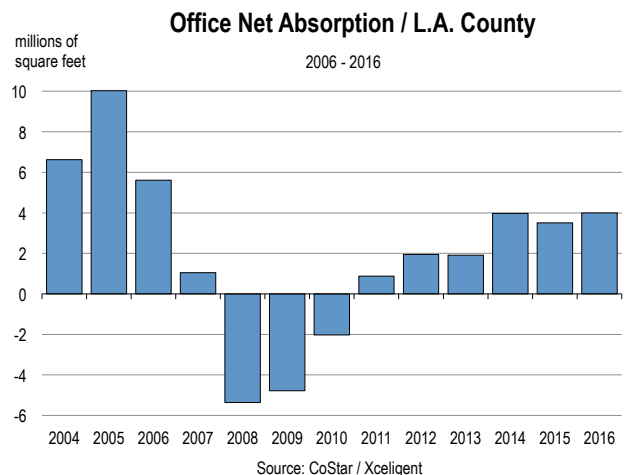
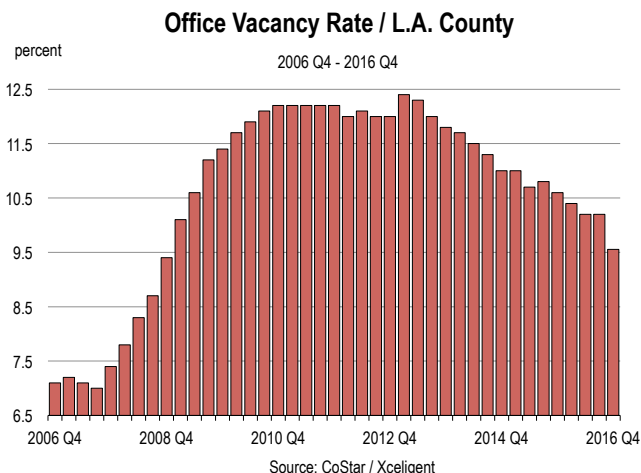


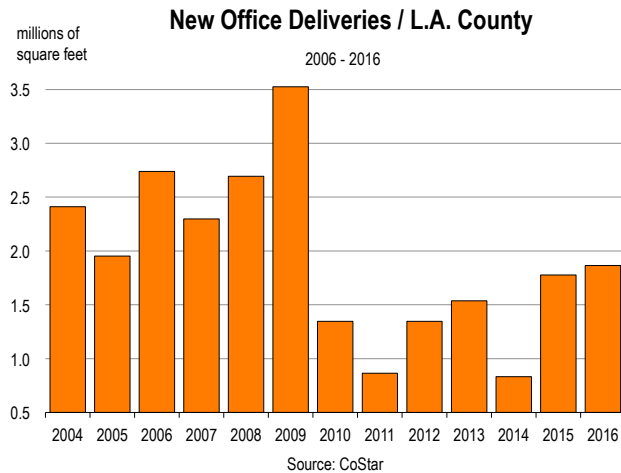
LA County Office Market

- Improvement is still underway in the LA County office market, and utilization is slowly returning to normal levels.
- Lease rates continue to rise sharply, increasing by 3 percent to 5 percent on a year-over-year basis.
- The typical office now leases for more than \$33 per square foot per year. Class A facilities lease for a premium of approximately 20 percent.
- Countywide net absorption has been consistently in a range of 3.5 million to 4.0 million square feet.
- New deliveries to the market are slowly trending up, with almost 2 million square feet delivered last year.

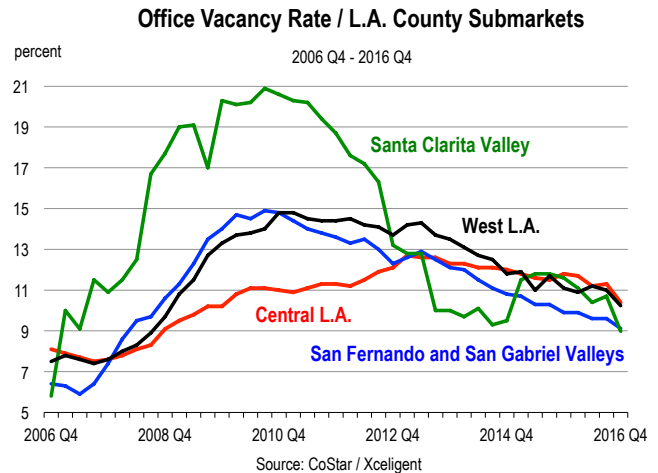


- CoStar expects that almost 4 million square feet of new space will be delivered in 2017, with the majority currently unleased.
- The amount of office space under construction moderated in 2016, but only slightly.



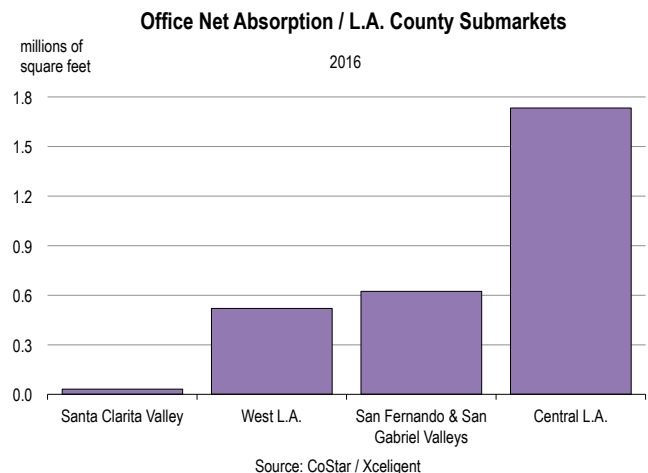
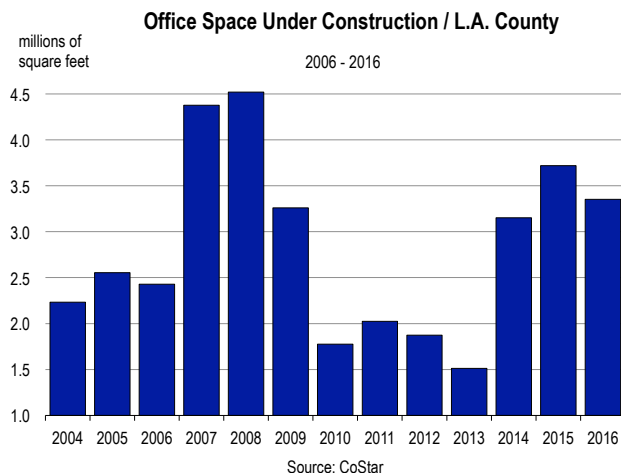


- There are a number of prominent office projects in the development pipeline, but most are still awaiting approval. If approval is granted, they could expand the region's office capacity but a meaningful amount.
- Vacancy rates have converged across our primary submarkets. The tightest conditions were observed in the Santa Clarita, San Fernando,



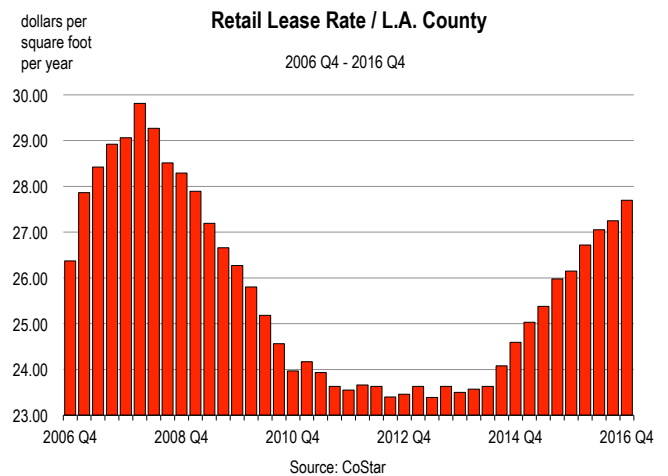
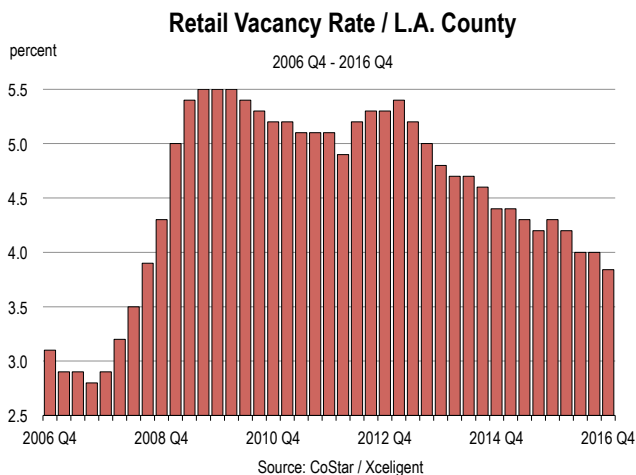
and San Gabriel Valleys, but vacancy rates in all submarkets were under 11 percent.

- Net absorption was impressive in the Central LA market, where the revitalization of the Downtown region has attracted new office-using firms.

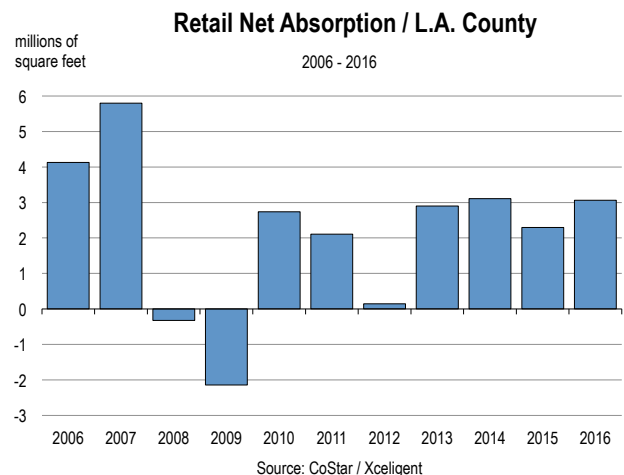


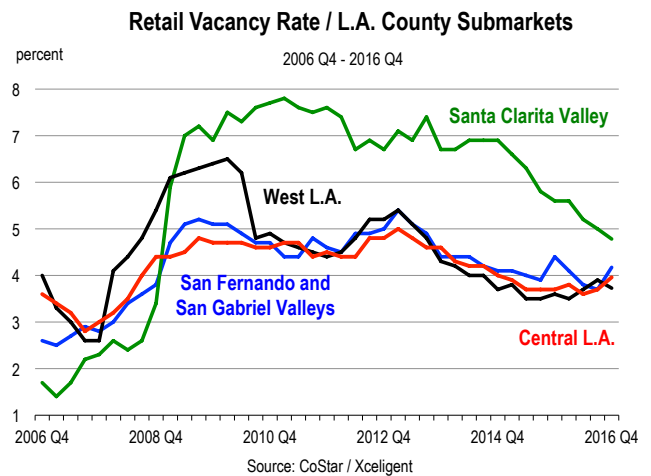
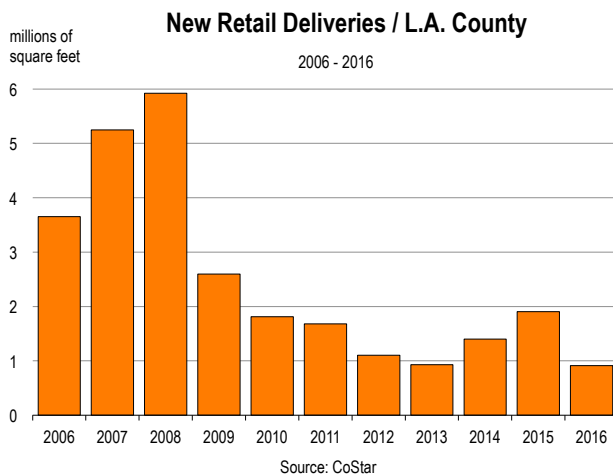
LA County Retail Market

- The retail vacancy rate is now below 4 percent and conditions continue to tighten.
- Net absorption has been above 2 million square feet for the past four years, and has been particularly robust in Central LA and the San Fernando and San Gabriel Valleys.
- After bottoming at approximately \$23.50 per square foot, lease rates have jumped substantially over the past two years, and are now approaching \$28 per square foot.
- Lease rates are rising most quickly in shopping malls, where they now top \$54 per square foot.



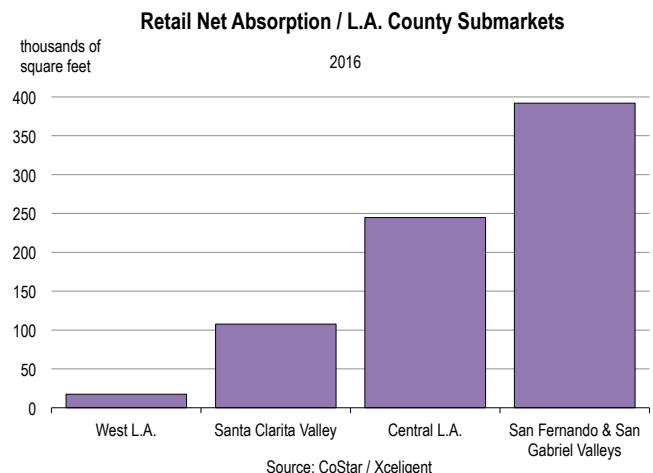
- Deliveries to the market remain sparse. CoStar expects just 1.8 million square feet to be delivered in 2017.





- In the new development pipeline, most of the major retail projects are in our Central LA sub-market, and primarily Downtown.

- In 2016, there were no real weak spots among our primary submarkets. In each, the vacancy rate was under 5 percent, and most were close to 4 percent.



The Commercial Mortgage Outlook for 2017

by Douglas Scott
Principal, The Alison Company

In the ebullient optimism of President Trump's plans to take the brakes off the economy, the Dow Jones Industrial Average has topped 20,000.

With the expectation of higher GDP growth and some inflation, the 10 year Treasury yield has surged by 0.5 percent since the election to its current level of 2.50 percent.

As long as two years ago, economists expected the Federal Reserve to raise short term interest rates by about half a percent per year.

This year looks like that prediction will finally come true as the Fed chairwoman has spoken of raising rates "a few times a year through 2019."

That will likely translate to a 50 bp to 75 bp increase in short term interest rates and a

commensurate increase in longer term rates over the coming year.

Life insurance company lenders are currently pricing 10 year fixed interest rates at 180 bp to 240 bp over the 10 year Treasury, with banks typically pricing them at anywhere from 250 bp to 400 bp over the 10 year Treasury for 10 year fixed rate loans.

"Quantitative easing" by the Federal Reserve has given banks and borrowers the ability to refinance and stabilize properties which might otherwise have been in default, as well as finance ever higher asset values and ever lower capitalization rates.

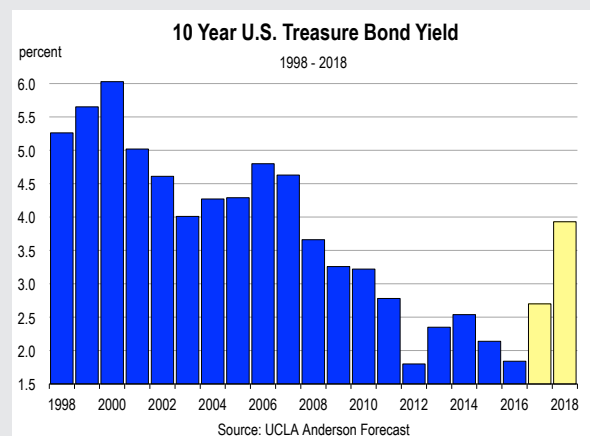
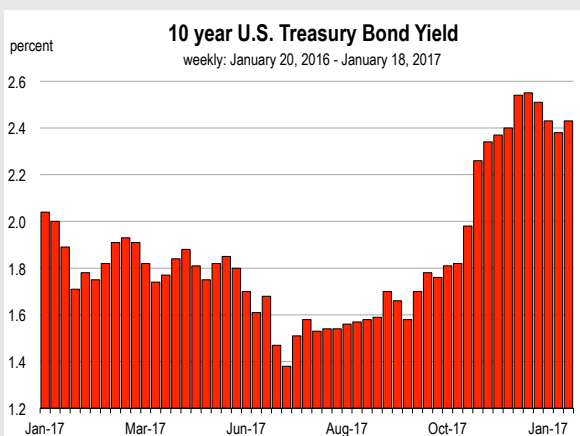
This massive liquidity in the market and a more robust economy should continue to prop up higher valuations in commercial real estate over the coming year.

It should also be noted that the CMBS market refinanced just \$76 billion of the \$198 billion of CMBS debt that was issued in 2006 and which matured in 2016.

The CMBS market is currently struggling with market volatility and the Dodd Frank risk retention rule, which took effect at the end of the year. The market expectation is for \$65 to \$85 billion in new CMBS issuance in 2017. Commercial banks should once again pick up most of that slack in CMBS loans coming due

as well as from the significant increase in new construction.

In this rising rate market, life insurance companies, while conservative in their underwriting, should remain the lenders of choice for those borrowers desiring long term fixed rate mortgages or wishing to fix the interest rate as much as eight months prior to funding.



NEW REAL ESTATE DEVELOPMENT

Ventura County Residential Development

Ventura County Commercial and Industrial Development

LA County Development

The Outlook for New Development



Ventura County Residential Development

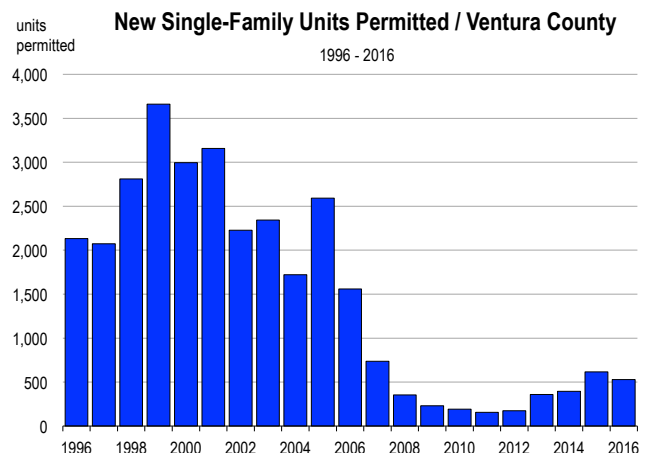
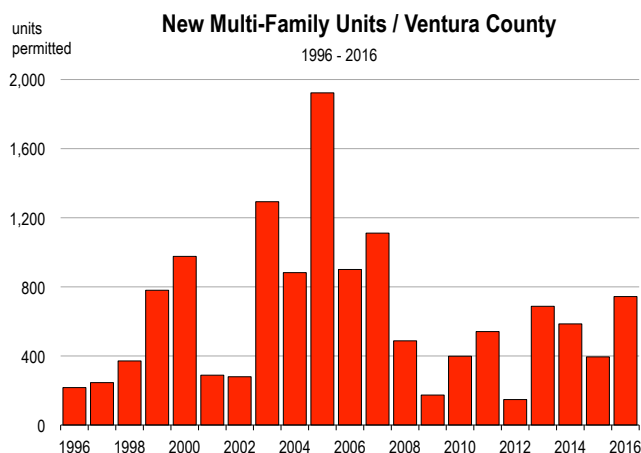
Housing production accelerated slightly in 2016, largely the result of increased production of multifamily units. In total, 1,272 residential units were permitted during the year, compared to 1,009 in 2015.

Single-family production declined slightly in 2016. The most precipitous reductions were observed in Oxnard and Moorpark, where total activity fell by more than half. By contrast, most other cities were characterized by larger amounts of single-family activity.

Multifamily permitting accelerated in 2016, led by almost 500 permits in Oxnard. The second half of the year brought two new complexes in Oxnard – each approximately 200 units – which accounted for much of the production during the year.

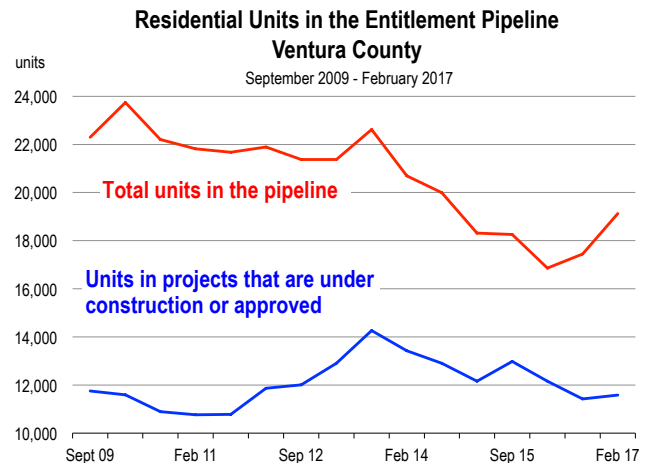
New Residential Housing Units, by City	Ventura County							2010 - 2016
	2010	2011	2012	2013	2014	2015	2016	
Camarillo	4	1	2	206	299	98	128	
Fillmore	1	4	15	24	39	42	33	
Moorpark	60	10	10	89	178	164	79	
Ojai	5	5	2	7	0	3	2	
Oxnard	160	340	84	432	295	229	529	
Port Hueneme	8	10	35	44	5	0	0	
Ventura City	174	199	2	4	24	274	252	
Santa Paula	94	21	12	41	2	11	4	
Simi Valley	20	21	69	57	11	63	195	
Thousand Oaks	35	38	49	89	51	75	80	
Total Ventura County	590	697	322	1,048	981	1,009	1,272	

Source: CIRB



New Development in 2017

There are currently 11,579 residential units in projects that have been approved in Ventura County. In total, 5,465 of these units are associated with projects that are currently under construction. Residential projects not yet entitled total 7,543 units. There are a grand total of 19,122 units formally in the development pipeline, an increase of more than 2,200 units from February 2016.



Camarillo

Village at the Park

Village at the Park is a 1,040 unit master planned community consisting of nine single-family neighborhoods, a 92-unit apartment complex, and 131,935 square feet of commercial space. The improvements to the Calleguas Creek adjacent to the development are completed. This allowed the remaining 146 single family detached units to complete grading and for the pads and streets to be improved. These 146 units are now complete. 66 were constructed by DR Horton and 77 were built by Standard Pacific.



Village at the Park

New Development Summary Ventura County

February 2017

Total Residential Units

Location	Pending	Approved	Total
Ventura	1508	2,437	3,945
Oxnard	1,468	2280	3,748
Camarillo	273	1,914	2,187
Fillmore	603	750	1,353
Santa Paula	0	2,032	2,032
Moorpark	1,982	585	2,567
Thousand Oaks	469	305	774
Simi Valley	1,240	1,276	2,516
Total West County	3,852	9,413	13,265
Total East County	3,691	2,166	5,857
Total County	7,543	11,579	19,122

Summary Status of Residential Development

Units in projects under construction	5,465
Units approved/not under construction	6,114
Units pending approval	7,543

Source: California Economic Forecast

Village Gateway

Adjacent to Village at the Park at the former Imation site, the city has approved the Fairfield Residential Apartment Community for the development of a 620 unit apartment complex named Village Gateway. It includes three planned developments. FF Realty has received approval for the construction of 368 and 82 rental apartment units that are currently in plan check. Another project by Hawkeye Investments has been approved for 87 for-sale condominiums.

Springville Specific Plan

The Springville Specific Plan calls for the development of up to 1,350 residential units at a site directly north of the 101 Freeway, between Las Posas Road and Central Avenue. The General Plan, Specific Plan, zoning, and EIR have been approved. Individual projects have been approved. These include: KB Home (130 townhomes), Fore Properties (apartments, and affordable senior apartments), and Elacora (315 residential units including single- family and townhomes). Construction of C&C Development Company (60 affordable apartments) was completed at the end of 2016. Construction of AMLI (a 384-unit apartment complex) was previously completed. Construction for Elacora, KB Home, and Fore Properties is currently underway. Issuance of building permits began by Elacora at the end of 2015. Rancho Associates still has properties pending approval from the city council.

Teso Robles Townhomes

Teso Robles Townhomes project by Comstock Homes will develop 129 for-sale units (116 market-rate and 13 moderate-income units) that will include a combination of two- and three-bedroom units on an 8.66-acre site. The project site is located to the north of the U.S. Highway 101/Ventura Freeway, at the southwest corner of Verdugo Way and Camino Ruiz, in the RPD-15U (Residential Planned Development, 15 units per acre) zone. The development includes 22 two- and three-story buildings with a minimum of four to a maximum of seven attached units per structure. In addition to townhome units, the project includes a recreation area. The Planning Commission approved this project on April 7, 2015. Construction is anticipated to begin in Spring 2017.

Fillmore

The Heritage Valley Parks Specific Plan

The Heritage Valley Parks Specific Plan (750 units) borders Highway 126 on the North and the Santa Clara River on the South. The project is being built in three phases (1A, 1B, and 2).

Hearthstone took over Phase 1B and 2. Comstock Homes has been contracted by Hearthstone to construct Phase 1B (166 units). There will be a total of 74 detached condos known as Oakhaven. 49 out of the 74 certificates of occupancy were issued as early as March 2016.

There are 92 single-family detached units, known as Iron Horse, that have been in plan check since March 2016. As of January 2017, 6 out of 92 building permits have been issued to Comstock Homes. Finished lots were ready for vertical construction in the last quarter of 2016 and 50 percent of the homes will have solar power panels installed.

Williams homes completed the last 6 units in Phase 1A and it is now complete. Grading is underway on Phase 2, which consists of 459 homes. The developer is currently in the process of revising the original Phase 2 tracts maps from 2002. The planning commission is expecting conceptual approval by June 2017



Heritage Valley Parks Plan

Moorpark

Moorpark Highlands

Moorpark Highlands Specific Plan (685 homes), located at Spring Road and Charles Street, was developed by Pardee Homes (now Tri-Pointe Homes) as master developer, with Richmond American, KB Homes and Toll Brothers also building homes in this project.

The project has six neighborhoods: Magnolia Lane (95 units), Shenandoah (78 units), Cherry

Hill (145 units), Waverly Place (102 Units), Living Smart (133 units), and The Pinnacle (132 Units). 670 homes, including all homes in the Magnolia Lane, Shenandoah, Cherry Hill, Living Smart, and Waverly Place neighborhoods, have been completed. Homes in the Pinnacle (by Toll Brothers), are still being built.

Hitch Ranch

Hitch Ranch Specific Plan is a residential project being developed by Hitch Ranch Owners, located north of Poindexter Road, between Gabbert and Casey Roads. The proposal is for 235 single-family homes and 520 townhouses and detached condominiums. An Environmental Impact Report is currently being prepared for this project.

Meridian Hills

Meridian Hills, a 248-home development was started by William Lyon Homes with 65 homes built west of Walnut Canyon Road at Meridian Hills Drive. K. Hovnanian Homes has completed 135 homes and more homes are currently under construction. Sales began in the Spring of 2015 and continue today.

Oxnard

RiverPark

The RiverPark Specific Plan has a total of 3,003 residential units comprised of 1,951 dwelling units for sale and 1,052 high-density apartment units. The project is nearly complete with only 72 dwelling units under construction. Presently, K.Hovnanian Homes and Corona RiverPark Westerly have active sales programs in the Shorewalk Homes and Veranda communities.



RiverPark Master Plan

The Village Specific Plan

The Village Specific Plan (also known as the Wagon Wheel project) is a mixed-use development proposed for the 64-acre Wagon Wheel site in Oxnard. Oxnard CRFL Partners, LLC are the owners of the project. The project includes 1,500 residential dwellings (townhomes, live/work townhomes, mid-rise and high-rise condominiums, and apartments), 50,000 square feet of “Main Street” retail, parks and open space, and a transportation center.



Ventura County Star, July 16, 2014, front page

The first phase of the project broke ground in 2013, and 120 of the 219 affordable units have been completed and are occupied. On site retail buildings have been demolished as of

the second quarter of 2016. The next phase of development is under construction and includes 219 apartments and 13,000 sq ft of retail space. Council review of a tract map and supplemental environmental report were approved in July 2015.

Teal Club Specific Plan

The Teal Club Specific Plan, has been placed on hold. Following receipt of public comments on the Draft EIR and in response to inquiries from the school district the project was put on hold. Work on the revised project and environmental document will begin in the first quarter of 2017. The current plan consists of a total of 990 units in a mix of single family detached homes, for-sale and rental multifamily units, along with a village commercial component and ten acres of Business Research Park land. A 20-acre community park plus a public use was previously proposed and considered within the project plan and EIR. There are also 37,000 square feet designated for Commercial/Retail.

The principal landowners within the Specific Plan area, the Borchard Family, are undertaking the entitlement process. The first EIR hearing has occurred, and the draft EIR is being updated to address a potential property acquisition by the School District. The project is on hold until this issue is resolved.

Seabridge

Seabridge is located at the southwest corner of Wooley Road and Victoria Avenue. There are 708 total units approved: 276 single family detached homes and 432 apartments. All single-family units are completed and occupied.

The two multifamily buildings were sold to Big Star Builders, Sherman Oaks. The portion of the project on Wolley Road is currently under construction and the Victoria Avenue development is in under construction.

The last phase of 64 residential units were sold to the Oxnard school district that will seek to build a K-5 elementary school and a small city park. The school site may yet be sold for 64 more units, which is part of the overall 708. The commercial side of the project is also complete.

BeachWalk

The Beachwalk Development is located on the northeast corner of the intersection of Harbor Boulevard and West Fifth Street and is frequently known as the North Shore Development. The residential development project consists of a 90 acre site that is bounded by Harbor Boulevard to the west, the Reliant Energy Canal to the north and east, and West Fifth Street to the south. Entitlements in effect include 183 single family homes and 109 detached condominium type homes for a total of 292 dwelling units.

Site improvements will include community amenities that will consists of recreational facilities, open space for bicycle and pedestrian trails, and open preservation areas with natural landscape habitats. MPL Property Holdings, LLC (SunCal/Argent) is currently satisfying development conditions relating to on-site and off-site improvements, soil remediation, and vegetation restoration program.

Santa Paula

East Area I

A master-planned community project to be implemented by Limoneira Lewis Community Builders LLC is located on the eastern edge of Santa Paula, north of Hallock and Telegraph Rd. This 500-acre site, known as East Area I,



Ventura County Star, April 4, 2016, page 3A

is called “Harvest at Limoneira” and includes a specific plan, which allows for up to 1,500 residential units to include single-family homes and multifamily residences, new schools, parks and civic areas. The project will be completed in 4 phases.

It is anticipated that Phase 1 infrastructure and grading will commence in the first quarter of 2017 with finished lots available to builders mid to late 2017.

Adams Canyon

The Adams Canyon project is to be comprised of 495 luxury homes, a golf course, and a resort hotel. The project site, which is located off Foothill Road, was brought into the City's Urban Restriction Boundary (CURB) through a voters' initiative. However, no development plans have been submitted to the City nor has the property been annexed into the city.

Simi Valley

Runkle Canyon

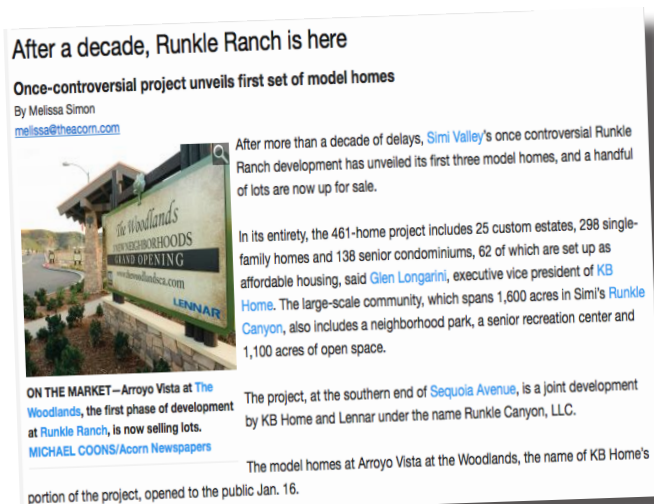
Runkle Canyon, located at the southern end of Sequoia Avenue, is being developed by Runkle Canyon, LLC, a partnership of KB Home and Lennar. It is expected to produce 461 total housing units: 298 single family residences, 25

custom homes, and 138 senior town homes. Currently, there are 5 detached single-family house models under construction by KB Home and 5 models under construction by Lennar Homes. The building construction plans are approved by the city and the developer has not yet pulled building permits for the senior condominiums. The building construction plans for the senior condominiums are approved but building permits have not yet been obtained. The project is expected to be completed by late 2019. Approximately 90 building permits have been obtained to construct the single-family detached homes.

Lost Canyons Golf Club

Lost Canyons Golf Club is located along the south and north sides of Lost Canyon Drive, west of Tapo Canyon Road. The gated-residential development with up to 364 detached single-family homes is situated on a site that is currently occupied by two public golf courses. The golf course in the Tapo Canyon portion will be modified as a private course, while the other course in the Dry Canyon portion will be replaced by homes.

The next step in the development process is to obtain permits from the U.S. Army Corps, California Fish and Game, and Regional Water Quality Control, as well as selecting a builder to begin the first phase of construction. The project received approval of a 3-year time extension extending the entitlements to August 13, 2019.



Simi Valley Acorn, February 12, 2016, online

The Westerly

Landsea Group, based in Nanjing, China has purchased the Madera Village property and the project has been renamed as “The Westerly.” The project is 209-market rate Row-Townhomes at a Residential High Density. The project went to the Neighborhood Council in December 2016 and the environmental document is being prepared. The project could go in front of the Planning Commission as soon as late February.

North Canyon Ranch

North Canyon Ranch is a single family and multifamily development located north of the Simi Valley Town Center mall. The project could include 215 total units.

The site is in the County, but within the City’s sphere and urban restriction boundary, so annexation will be required. The General Plan designation for this area is medium density and much of the site will remain undeveloped as it is subject to the City’s hillside ordinance.

The plans were resubmitted to the City for review in June 2016. The project has completed its redesign and is pending final geotechnical review. Studies are required to complete the EIR and are expected to occur in the spring.

Thousand Oaks

1200 Newbury Rd.

1200 Newbury, LLC is developing a 55-unit project at 1200 Newbury Road. The project consists of 55 townhouses and is currently under construction. The townhouses are currently underway and the first units are expected to be available during the second quarter of 2017.

Academy Village

Academy Village, led by Zephyr Development, is a proposed Multi-Level Senior Living project on 30 acres in Newbury Park at the north terminus of Academy Drive. The project will consist of 470 units, of that 351 will be apartments, villas, and townhomes. Academy Village will include independent living, assisted living, skilled nursing, and memory care.

The project is currently in the pre-application process with no current timeframe of progression.

Ventura

The Harbor Project

Sondermann Ring Partners’ Harbor Project will consist of 270 apartments, 30 live work units,

an approximately 21,300 square-foot 3-story commercial/retail building, a public promenade, project and public coastal access parking, and a 2-acre waterfront view park. The project will also include 104 public boating slips, and a 7,406 square-foot recreation building for resident use.

The project is located near the Ventura Harbor adjacent to Anchors Way and Navigator Drive. Plans were submitted in July 2015 for plan check with Building and Safety. The developer broke ground at the end of 2016.

Parklands

The Parklands (499 units) is being developed by Westwood Communities. It will consist

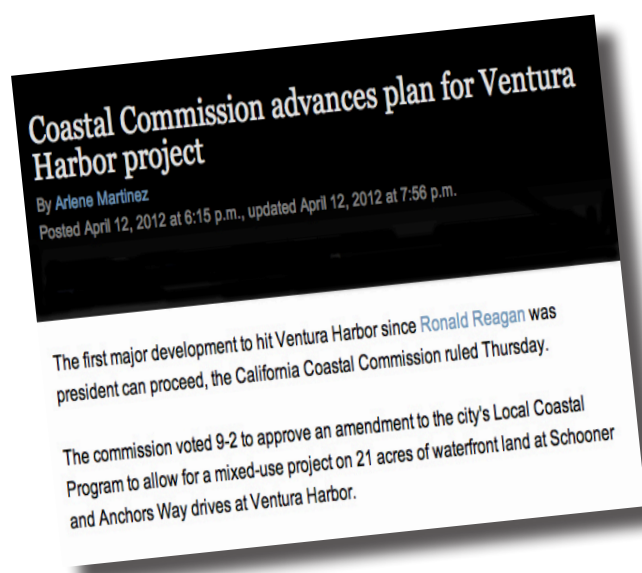
of 216 single-family detached homes, 110 condominiums, and 173 apartments. The project is located at the southwest corner of Telegraph Road and Wells Road.

The Design Review Committee has approved the formal Design Review application for phase 1 and final approval has been given for the 173 apartments, which began construction in the fourth quarter of 2015. Phases 2 and 3, the detached homes and condominiums segment of the project still need approval from the Design Review Committee.

Ravello Holdings

Ravello Holdings is developing this project that will consist of 306 residential units, 5,000 square feet of community space and 5,000 square feet of commercial space. The project is located at North Bank and Johnson Drive.

The City of Ventura worked with the owners on revised plans in response to the Design Review Committee and Planning Commission and the project went to the Design Review Committee on August 17, 2016. The Design Review Committee confirmed that the revisions were consistent with the Housing Approval Program. The project is currently in environmental review, and will have to go back through design review and the planning commission. Approval is optimistically expected by the end of 2017.



Ventura County Star Online, April 12, 2012

Principal Residential Projects in Ventura County, by City**February 2017**

Project Name/Developer	Units *	Description	Status
Camarillo			
Springville Specific Plan	1,350	Single Family Homes, Townhomes, and Apartments	Approved
Village Gateway	620	Apartments and Condominiums	Plan Check
Camarillo Village Homes, LLC	285	Single Family Homes	Approved
Mission Oaks Townhomes	129	Townhouses	Under Construction
Fillmore			
Heritage Valley Parks	750	Single Family Homes	Phase 1B under construction, phase 2 is grading
Balden Ranch Company	205	Mixed Residential	Conceptual, no application submitted
North Fillmore Specific Plan Area	150	Single Family Homes	Pending, tentative tract map expires in 2018
Fillmore Meadows	104	Townhomes	Awaiting City Council meeting in March 2017
Moorpark			
Hitch Ranch	755	Single Family and Multifamily Homes	EIR underway
Moorpark Highlands	685	Single Family Homes	Under Construction
Aldergate Investment, LLC	390	Senior Retirement Community	In Review Process
Pacific Communities	283	Single Family Homes	In Review Process
Meridian Hills	248	Single Family Homes	Under Construction
Essex Moorpark, L.P.	200	Apartments	In Review Process
Oxnard			
Teal Club Specific Plan	990	SF, Townhomes, Condominiums	On hold
Seabridge	432	Apartments	Under Construction
Beachwalk	292	183 Single Family homes, 109 Condominiums	Plan Check
RiverPark	285	Single Family Homes and Senior Living Facility	Under Construction
Skyview Apartment Complex	240	Affordable Apartments	Plan Check
"The Village" Wagon Wheel	219	Apartments	Under Construction
Ventura/ Vineyard	152	Mixed Residential	Under Construction
Last Cortes Phase 1	144	Apartments	Plan check
Victoria/Hemlock	116	Condominiums	Under Construction
Santa Paula			
East Area 1	1,500	Single and Multifamily Residences	Approved, grading expected in Q1 2017
Adams Canyon	495	Luxury Homes	Approved, no development plans submitted
Simi Valley			
Runkle Canyon	461	Single Family Homes and Townhouses	Under Construction
Lost Canyons Golf Club	364	Single Family Homes	Approved
Alamo/Tapo Mixed Use	326	Apartments	Incomplete Application
North Canyon Ranch	215	Single and Multifamily Residences	EIR underway
Smith Road Senior Apartments	250	Senior Affordable Apartments	Incomplete Application
The Westerly	207	Condominium Units	EIR underway
Thousand Oaks			
Academy Village	351	Apartments and townhomes	Pre-application
1200 Newbury, LLC	55	Townhouses	Under Construction
Mainstreet Architects	45	Apartments	Under Construction
Jon Freidman	40	Apartments	Approved
Ventura			
Parklands (Phases 2 & 3)	326	216 detached homes; 110 attached homes	All Planning Approvals
Ravello Holdings	306	Apartments	EIR underway
The Harbor Project	300	Apartments	Under Construction
Ventura Downtown Housing	255	Apartments	All Planning Approvals
Broome (The Grove)	250	Townhouses and Apartments	In Planning Process
Northbank	198	Mixed Residential	In Planning Process
Parklands (Phase 1)	173	Apartments	Under Construction
The Farm	165	131 Single Family Homes, 34 Townhouses	All Planning Approvals
Solana Heights	156	120 Single Family Homes 36 Condominiums	All Planning Approvals
Island View Apartments	154	Apartments	Under Construction

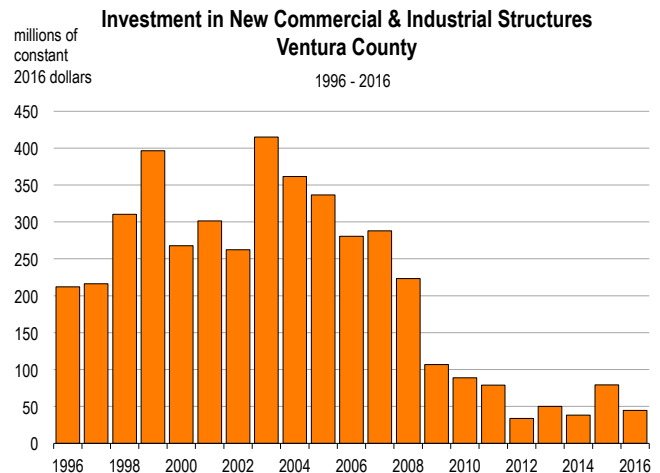
*units remaining to be built and sold

Source: California Economic Forecast

Ventura County Commercial and Industrial Development

Commercial and industrial production slowed in 2016. All of this slowdown occurred in the commercial sector, and was primarily the result of much less activity in new retail structures. Production has also been low – and borderline anemic – in office and industrial buildings, although a \$4.6 million industrial project was permitted in Thousand Oaks.

Most of the new commercial and industrial investment has occurred in the Thousand Oaks, Ventura City, and Oxnard.



Total Commercial & Industrial Building Permit Value, by City				Ventura County		2010 - 2016	
City	2010	2011	2012	2013	2014	2015	2016
--- thousands of dollars ---							
Camarillo	1,950	2,291	3,508	3,168	8,766	2,309	606
Fillmore	43	574	347	263	2,062	2,007	477
Moorpark	1,122	878	4,781	35	149	2,068	1,590
Ojai	3,285	305	611	1,035	881	2,321	1,402
Oxnard	18,177	19,624	9,408	13,206	3,541	7,383	10,319
Port Hueneme	57	82	55	0	0	0	690
Ventura City	6,671	6,742	3,386	521	463	20,795	10,452
Santa Paula	586	3,310	1,325	1,619	4,149	3,824	4,411
Simi Valley	17,058	7,948	3,254	3,644	9,875	1,394	1,051
Thousand Oaks	16,255	8,614	5,896	26,762	12,956	38,792	16,059
Total Ventura County	80,403	73,482	32,189	48,219	37,251	77,805	44,612

Source: CIRB

New Development in 2017

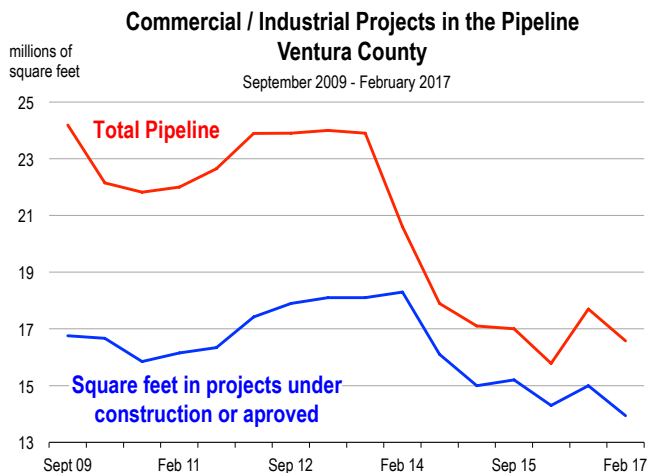
As of February 2017, approved industrial space totaled 9.0 million square feet in Ventura County, with an additional 2.1 million square feet pending. Approved commercial space totaled 5.0 million square feet with 547,000 square feet million pending.

The total amount of non-residential space in the pipeline, represented by pending and approved projects, is 16.6 million square feet, which is up by 5 percent from year ago levels.

Camarillo

Camarillo Center Drive

The Camarillo Center Drive project is composed of four multi-tenant industrial buildings totaling 129,016 square feet on a 10.79-acre site. The site is located on the south side of Camarillo Center Drive, to the west of Factory Stores Drive, and east of Las Posas Road in the LM (Limited Manufacturing) Zone. The approved project is a companion application to the previous tentative tract to subdivide the approved multi-tenant industrial project into 37 industrial condominium units.



New Development Summary Ventura County

February 2017

Industrial Square Feet

Location	Pending	Approved	Total
Ventura	10,200	338,372	348,572
Oxnard	460,118	5,819,856	6,279,974
Camarillo	0	550,612	550,612
Fillmore	1,600,000	115,000	1,715,000
Santa Paula	0	0	0

Moorpark	0	1,249,450	1,249,450
Thousand Oaks	22,400	590,840	613,240
Simi Valley	0	308,435	308,435

Total West County	2,070,318	6,823,840	8,894,158
Total East County	22,400	2,148,725	2,171,125
Total County	2,092,718	8,972,565	11,065,283

Commercial Square Feet

Location	Pending	Approved	Total
Ventura	250,561	245,457	496,018
Oxnard	105,000	3,340,929	3,445,929
Camarillo	116,481	554,224	670,705
Fillmore	0	0	0
Santa Paula	0	0	0

Moorpark	0	93,398	93,398
Thousand Oaks	4,980	414,258	419,238
Simi Valley	70,000	317,411	387,411

Total West County	472,042	4,140,610	4,612,652
Total East County	74,980	825,067	900,047
Total County	547,022	4,965,677	5,512,699

Total Industrial and Commercial Square Feet

	Pending	Approved	Total
Total West County	2,542,360	10,964,450	13,506,810
Total East County	97,380	2,973,792	3,071,172
Total County	2,639,740	13,938,242	16,577,982

Summary Status of Commercial & Industrial Development	
Square feet in projects under construction	1,223,975
Square feet approved/not under construction	12,714,267
Square feet in planning (not yet approved)	2,639,740

Source: California Economic Forecast



Amara Concept

<http://www.primestor.com/leasing/amara#>

The applicant has not submitted the plans for the projects for review. The projects were recently given an automatic extension of time in accordance with State Assembly Bill “AB 116”. The new expiration date of the projects is September 14, 2017.

Amara

This project used to be called Paseo Camino Real until Springville Camarillo Owner, LLC took over the development from Selleck Properties in 2014. A modification to the site plan has been approved for a shopping center with up to 499,000 square feet of building area. The name of the shopping center will be called Amara.

Fillmore

The Fillmore Business Park Master Plan

The Fillmore Business Park allows for the construction of more than 1.6 million square feet of industrial and commercial development. Highway 126 and the Santa Clara River bound the vacant 90-acre site on the North and South, and C Street and Sespe Creek bound it on the East and West.

A tentative tract map for 26 acres of the park, known as Perry Ranch, has been completed.



*Fillmore Business Park Concept,
Fillmore Gazette, July 21, 2010*

A few properties have been foreclosed on, and there is still no timeline for construction.

Perry Ranch is planned for 480,000 square feet of commercial and or industrial space, and as of January 2017, the property is currently up for auction and will include the \$6 million Mello-Roos. The property owner is losing the property since the tract map is expiring.

Ventura County approved a new county fire station on the site, 15,000 square feet on 3 acres, which has been under construction since October 2017 and is expected to be finished by the end of 2017.

The City of Fillmore is to amend the Business Park Master Plan to revise the infrastructure fee appendix. Rotorcraft Support, currently based at the Van Nuys Airport has submitted their application for building their new headquarters at the Business Park. The development application consists of an 115,000 square foot industrial structure on a 10-acre site in the park. On September 13th 2016, the city council approved the Rotorcraft project. The Developer has submitted partial construction plans, and plan check is expected by March 2017.

Moorpark

Patriot Commerce Center

The Patriot Commerce Center, developed by M.W. Ossola & Associates, is an approximate 350,000 square-foot master planned business park located at 858-893 Patriot Drive in Moorpark. Phase one, which consists of a 21,676 square foot office/medical building as well as 141,568 square feet of industrial/R&D buildings and condominiums have been sold.

Construction has begun on the second phase, which would consist of approximately 80,000 square feet of additional industrial/R&D buildings and condominiums.

North Hills Industrial Park

A-B Properties is developing an industrial business park consisting of 17 one-acre lots. The project is located north of the Union Pacific railroad tracks and west of Gabbert Road. The Union Pacific Railroad encroachment permit to secure the utility crossing is in process. A new Development Agreement and a new Tentative Map were approved by the City Council in early 2013. The entire project is currently for sale.

Moorpark West Studios

Trilliad Development, Inc. and PEGH Investments LLC, have proposed the nation's largest independent movie and television studio filming complex. This \$150 million project is set to be located on 42 acres on the west edge of Moorpark. Plans currently include 12



Moorpark West Studios

soundstages, two office buildings, a conference center, and several industrial support buildings. The developer has completed the access bridges to allow crossing from LA Avenue to the property and is currently working on securing permits from Caltrans for widening of Los Angeles Avenue adjacent to the project site.

Oxnard

Sakioka Farms Specific Plan

Sakioka Farms (8.1 million SF) is located on the southeast corner of 101 and Rice Avenue. The proposed specific plan calls for a 2.6 million square foot business park and 5.5 million square feet of light industrial buildings. The EIR process is complete and the Oxnard Planning Commission recommended approval. The specific plan has been approved, although no housing has been approved. No development has been officially proposed, but there has

been recent discussion of a possible initial development of one parcel on Del Norte.

Simi Valley

West Simi Business Center

The West Simi Business Center (167,417 SF) is being developed by the C.A. Rasmussen Company. The project will consist of six buildings, with individual light industrial rental spaces with accessory offices that will range from 1,200 to 8,500 square feet. In September 2013, the City Council reaffirmed the planning commission's approval of the project. This development is approved and Rasmussen Company has 3 years from the date of approval to begin construction at their discretion. This entitlement approval may be extended by an additional 3 years. The developer has filed for modification because they want to adjust grades and biological conditions of the project due to the existing drought. Permits have been issued to begin construction on a sewer main to serve the site. Construction is not expected within the near future. The West Simi Business Center will be located on Quimisa Drive.

Thousand Oaks

Conejo Spectrum

Sares-Regis Group is developing a 9-building industrial park totaling 508,660 square feet. Sares-Regis took over the project from Sheridan Ebbert Development in April 2016. The buildings will range from 37,000 to 93,000 square feet and are scheduled to be completed in the fourth quarter of 2017.

Hilton Hotel

T M Mian and Associates, located in Calabasas, has proposed the development of a Hilton, a new four-story hotel at the intersection of Figueroa & Harbor Boulevard in Ventura. The proposed hotel would be 156,160 square feet and would contain 160 rooms while 3,300 square feet would be reserved for commercial development.

The developers submitted a formal application for entitlements in December 2015. The project is currently in environmental review, and approval is expected by the end of 2017.



Perspective Color Rendering - Building 6
Conejo Spectrum
Thousand Oaks, California

SARES-REGIS Group
May 5, 2016 / Job #16022

Principal Commercial Projects in Ventura County, by City			February 2017
Project Name/Developer	Square Feet	Description	Project Status
Camarillo			
Amara	491,776	Commercial center	Approved
City of Camarillo	108,481	Bowling Alley and 2-Sheet Ice Rink	Inactive
Hiji Inv Co / TFR Inv Co	42,630	Commercial Mixed-Use Center	Approved
Moorpark			
Moorpark Hospitality	55,000	108-room Hotel	Approved
Kim Clement Center	21,644	Church	Approved
Oxnard			
Sakioka Farms	2,600,000	Business Park	Approved
Third Tower	300,000	15-Story Office Tower	Approved
Renovation Of Old Kmart Store	133,075	Renovation Of An Existing Shopping Center	Under Construction
Gold Coast Maintenance Facility	53,950	Maintenance Facility	Under Construction
Rancho Victoria Plaza Shopping Center	53,950	11 Commercial Buildings	Approved
Riverpark Pointe, LLC	45,000	Shopping Center	Proposed
Simi Valley			
Hampton Inn	200,000	103-Room Hotel	Approved
Meridian Assisted Living Facility	70,000	Assisted living facility	Application Submitted
Guardian Street Office Building	54,311	Three-Story Office Building	On hold
Thousand Oaks			
CSA Architects	146,957	Hotel	Approved
Rich Development	144,000	Retail	Approved
John O'Brien	103,301	Jaguar and Land Rover dealership	Approved
Ventura			
Hilton Hotel	156,160	160-Room Hotel	EIR underway
Marriot-Residence Inn	87,000	238-Room Hotel	In Plan check
Kaiser	72,000	Medical Center	Approved

Source: California Economic Forecast

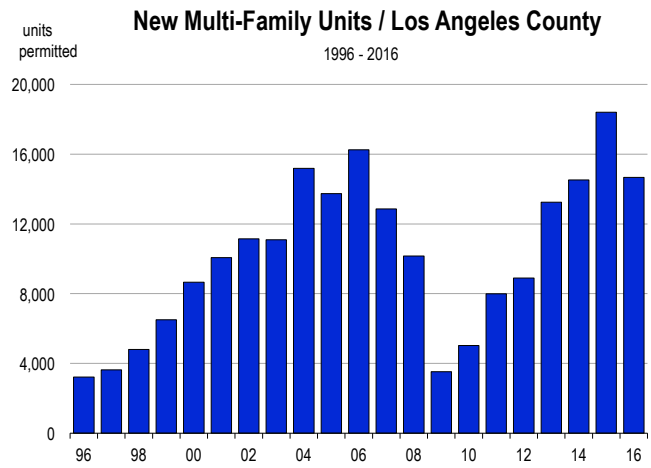
Principal Industrial Projects in Ventura County, by City			February 2017
Project Name/Developer	Square Feet	Description	Project Status
Camarillo			
Camarillo Center Drive	129,016	4 Buildings	Approved
PEGH Inv LLC, Trilliad Dev Inc	88,185	2 Unit Building	Approved
PEGH Inv LLC, Trilliad Dev Inc	70,615	2 Multi-Tenant Buildings	Approved
PEGH Inv LLC, Trilliad Dev Inc	68,200	2 Multi-Tenant Buildings	Approved
PEGH Inv LLC, Trilliad Dev Inc	56,450	2 Unit Building	Approved
Fillmore			
Fillmore Business Park	1,600,000	19 Industrial Buildings	Property for sale
Moorpark			
Morpark West Studios	559,450	TV and Movie Filming Complex	Approved
Patriot Commerce Center	350,000	Office/Industrial Park	Under Construction
North Hills	340,000	17 Buildings	Approved, project for sale
Oxnard			
Sakioka Farms	5,500,000	Light Industrial Building	Approved; No development proposed
Teal Club Specific Plan	435,600	Business/Research Park	On hold
Mission Produce	230,000	Reuse and Expansion of US Post Office	Under Construction
Gills Onions Plant Expansion	64,698	3 Buildings	Under Construction
Simi Valley			
West Simi Business Center	167,417	Multi-Tenant Industrial Park	Approved
Overton Moore Properties	141,018	4 Building Industrial Complex	Under Construction
Thousand Oaks			
Conejo Spectrum	508,660	9 Industrial Buildings	Completion 2017 Q4
Conejo Merchant, LTD	74,180	8 Industrial Buildings	Under Construction
Ventura			
FPA Land Dep/Victoria Corp C	158,984	7 Industrial Office Buildings	All Planning Approvals
Golf Course Self Storage	73,728	New Self Storage Facility	All Planning Approvals
Silver Bay Foods	62,000	Fish Processing Building	In Plan Check

Source: California Economic Forecast

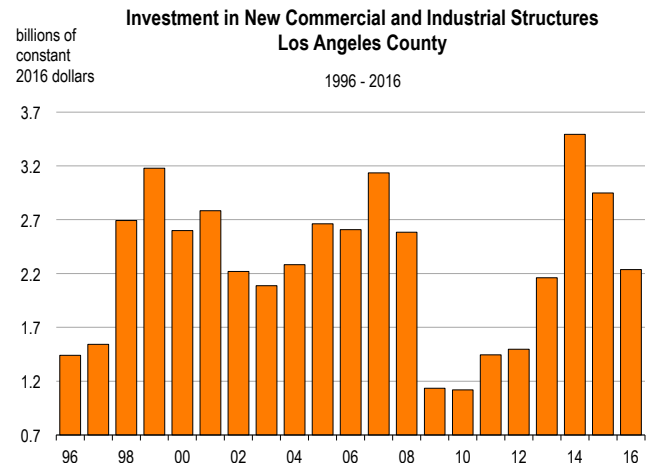
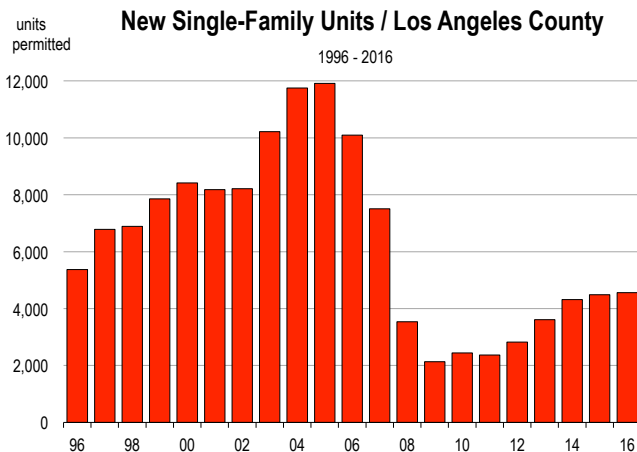
LA County Development

Residential activity decelerated slightly in L.A. County in 2016. There was a meaningful drop off in multifamily permits, which sunk to 19,323. Most of this decrease in multifamily permitting was within the City of Los Angeles, with a reduction of more than 2,000 units.

Within our primary submarkets, Glendale had the most meaningful increase, adding 576 more residential units than the previous year, while West Hollywood had a shortfall of 278 units compared to the previous year. Activity has also declined in the commercial and industrial sector. After peaking in 2014, when \$3.5 billion was invested in new structures, it appears that the commercial investment cycle may be waning.



While there were slight drawdowns in office and retail investment, a healthy amount of funding still poured into these sectors. More improvement, however, is desired in industrial investment, where demand is high and vacancy rates are low.



New Residential Units Permitted Los Angeles County, Cities Within Primary Submarkets 2007- 2016										
City	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
--- units permitted ---										
Agoura Hills	7	2	2	24	2	0	18	32	3	3
Beverly Hills	51	22	63	29	58	19	80	171	90	37
Burbank	184	319	15	18	23	26	7	27	25	289
Calabasas	8	2	2	75	2	61	3	15	23	25
City of Los Angeles	9,762	6,080	2,607	4,109	5,947	6,676	10,488	11,670	15,645	13,191
Culver City	5	13	1	3	28	6	3	5	11	15
Glendale	641	256	137	99	238	419	1,081	424	534	1,110
Hidden Hills	5	3	1	3	2	4	3	7	7	2
San Fernando	49	4	5	3	2	21	10	6	0	15
Santa Clarita	223	142	105	118	81	93	306	321	431	474
Santa Monica	633	201	104	302	395	707	80	112	68	24
West Hollywood	109	46	25	11	19	139	226	142	446	168
Los Angeles County Total	20,363	13,704	5,653	7,468	10,362	11,715	16,850	18,841	22,892	19,232

Source: Census, CIRB, and the California Economic Forecast

Los Angeles County

There are now more than 120,000 residential units in the development pipeline, along with more than 55 million square feet of commercial and industrial space.

Residential activity is high in the downtown region, where approximately 24,000 units are in some stage of the planning process. Many of these units are in luxury apartment and condo buildings that cater to young, successful professionals.

The Santa Clarita Valley represents the largest component of the countywide pipeline, containing more than 30,000 units. Most of these homes are part of the Newhall Ranch project, which could break ground by 2019 or 2020. Along the northern border of L.A. County,

just south of Kern County, the Centennial project (part of the Tejon Ranch plan) is expected to produce approximately 23,000 condos and single-family homes.

An additional 12,000 units are slated for the San Fernando Valley and San Gabriel Valley, while 7,000 units are in projects within Hollywood.

The non-residential development pipeline now contains more than 50 million square feet of space, along with approximately 10,000 hotel rooms.

Over the next 10 to 20 years, activity is expected to be strong in the Santa Clarita Valley and the Far Northern region bordering Kern County. These areas have two major



Downtown Los Angeles

development projects – Newhall Ranch and Centennial – which are expected to account for a combined total of 23.5 million square feet of office, industrial, and retail space.

More immediate projects tend to be concentrated in Downtown Los Angeles, where 9 million square feet are in the planning process. The largest Downtown project is ROW DTLA, where construction is underway on office and retail structures totaling 1.7 million square feet of space. Other large projects include 6AM, the

Parker Center Replacement, and the Broadway Trade Center. In total, Downtown L.A. is slated for 9 million square feet of development in the coming years.

Another 8 million square feet is slated for South Los Angeles, with an additional 5 million square feet in West Los Angeles, 4 million square feet in the San Fernando and San Gabriel Valleys, and 4 million square feet in Hollywood.



Santa Clarita Valley

Centennial – Tejon Ranch

Centennial represents the second largest residential project in California (behind Quay Ranch in the Central Valley). More than 23,000 homes and 14 million square feet of commercial development define this master planned community immediately south of the Kern County border.

The project has been in planning since 2003 and has run into serious opposition from a myriad of environmental groups. There are endangered species and flora issues to be reconciled. But in 2008, an agreement was reached between the developer and a coalition of environmental groups, giving this project a good chance to break ground

within the next 10 years.

Total build out of the project is expected to unfold over a 20-year horizon. The site will include:

- 12,800 single-family detached homes
- 6,200 attached condominiums and town homes
- 4,000 apartments
- 14 million square feet of office, business park, and retail space
- 8 elementary schools and 2 high schools
- 3 fire stations and a sheriff station
- 2 water recycling plants
- 2 transit centers and a community transit system

Source: http://la.curbed.com/archives/2012/02/tejon_ranch_project_could_affect_27_plants_and_animals.php#more



Tejon Ranch

Newhall Ranch

The largest project in California that appears close to ground breaking is the Newhall Ranch Project in the Santa Clarita Valley of Northern Los Angeles County. The project is being developed by the Newhall Land and Farming Company.

Together with two additional Newhall Land and Farming neighborhoods, the project totals 21,242 homes and 9.5 million square feet of commercial and industrial space.

As of late 2015, construction was slated to begin in 2018 and last through 2034. However, in November 2015 the EIR was invalidated by the California Supreme Court. Newhall Land plans to address the court's

concerns and move forward with the project. Construction is now expected to begin in 2019, with the first units delivered in 2020.

Newhall Ranch will be built within five distinct villages: Landmark, Mission, Homestead South, Homestead North and Potrero, each of which requires a separate EIR. Each village will have an array of detached and attached homes, commercial and business centers, schools, parks, public services and major open space.

In addition to the villages within the Newhall Ranch Specific Plan, three additional villages – Entrada South, Entrada North and Legacy (formerly Stevenson Ranch Phase 5) – will be developed by Newhall Land nearby. These projects are expected to provide a combined total of 5,000 additional homes.



Newhall Ranch

LA Warner Center

The LA Warner Center is located at the site of the now defunct Rocketdyne Propulsion & Power Plant, in the Woodland Hills neighborhood of Los Angeles. The project is being developed by United Technologies Corp.

On this 46 acre parcel, the developer envisions a “sustainable urban neighborhood” comprised of mid-rise and high-rise structures. Current project plans include:

- 4,000 residential units
- 240,000 square feet of assisted living space
- 1.2 million square feet of office space
- 200,000 square feet of retail space
- 155,000 square feet of hotel space
- 5 acres of park space and 310,000 square feet of civic and cultural facilities



Warner Center

6AM

6AM is a high-rise project in the Arts District of Downtown L.A. Developed by SunCal, the facilities will include:

- 1,736 residential units
 - 1,306 apartments
 - 430 condos
- Office space
- Retail Space
- Two hotels
- A charter school
- Two parks
- 23,000 square feet of space for artistic use

The project is still in the conceptual phase. SunCal will need to have the city make changes in the current zoning and the current general plan.

Sources:

1. <http://www.latimes.com/entertainment/arts/la-et-cm-herzog-de-meuron-los-angeles-20160920-snap-htmlstory.html>
2. <http://la.curbed.com/2016/9/24/13043488/58-story-towers-arts-district-6AM>



6AM Project

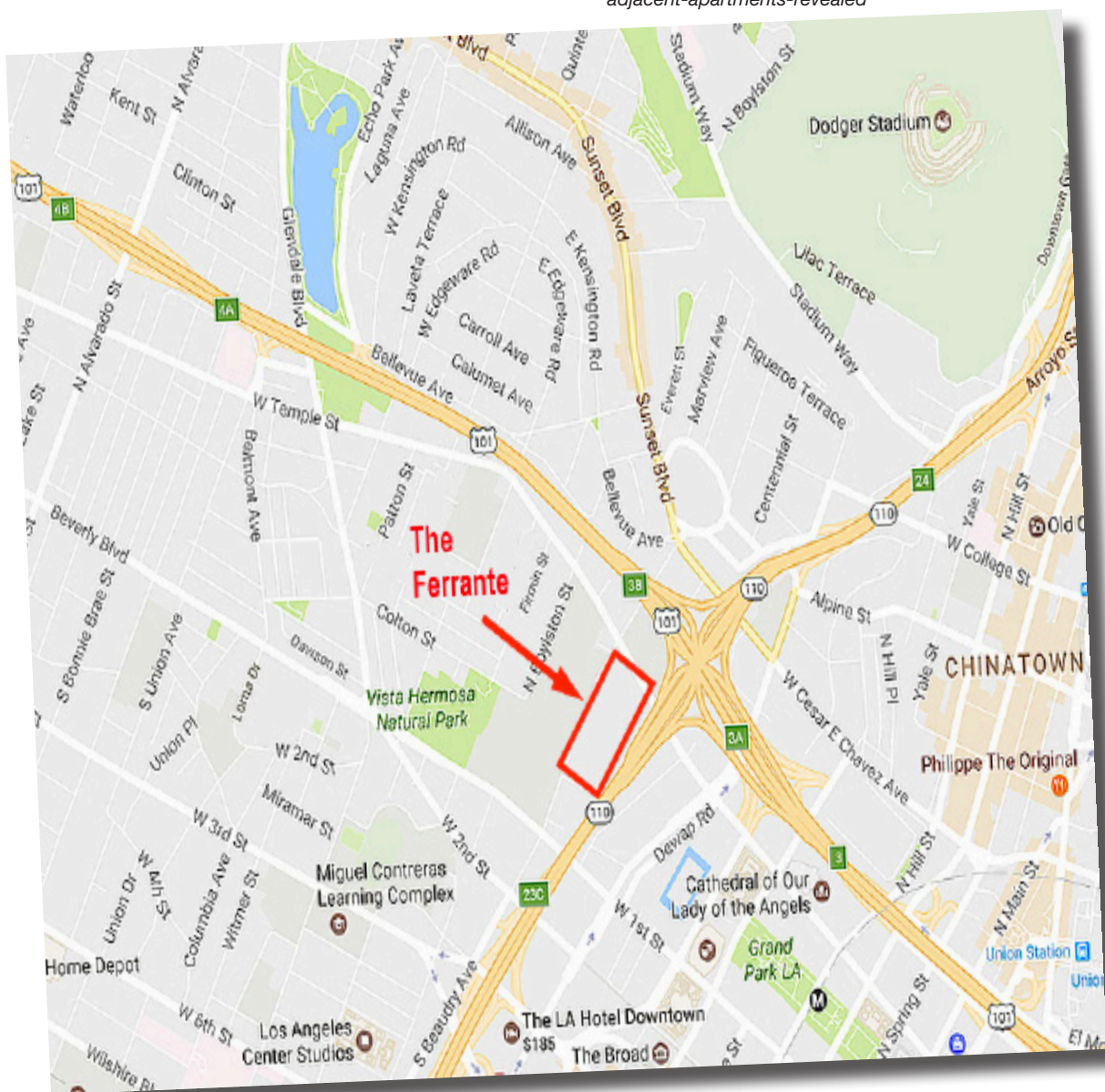
The Ferrante

Developer G.H. Palmer Associates has plans to construct 1,500 residential units, 30,000 square feet of retail space, and 187,000 square feet of recreational space in L.A.'s Westlake neighborhood. Before the project can begin, a 10 story office building and a 4 story parking structure would have to

be demolished. Although the developer anticipates completion of the project in 2018, this expectation appears much too optimistic and it's likely project completion will be delayed significantly.

Sources:

1. <http://la.curbed.com/2016/2/26/11117776/geoff-palmer-downtown-ferrante-plans>
2. <http://urbanize.la/post/geoff-palmers-latest-freeway-adjacent-apartments-revealed>



The Ferrante

Metropolis

Construction is underway on the first and second phases of the Metropolis mega-project, just north of L.A. Live, with all four towers now rising. The initial phase, comprising the 18-story, 350-room Hotel Indigo and a 38-floor condominium tower, is expected to be complete by the end of 2016. The second phase, which features two condo towers of 40 and 56 stories, broke ground in December 2015 and is scheduled for completion in 2018.

The project is being developed by the Chinese company Greenland. Amenities will include fitness centers, outdoor pools and small parks on top of several decks. The towers will sit on parking podiums that have two floors with more than 70,000 square feet of retail space along Francisco Street.

The project, which is bounded by the 110 Freeway and Eighth, Ninth and Francisco streets, is budgeted at more than \$1 billion.

Sources:

1. metropolislosangeles.com
2. http://www.ladowntownnews.com/development/fullspeed-ahead-the-latest-info-on-downtown-projects/article_d0225b06-d995-11e5-b531-6bb485e125eb.html



Metropolis

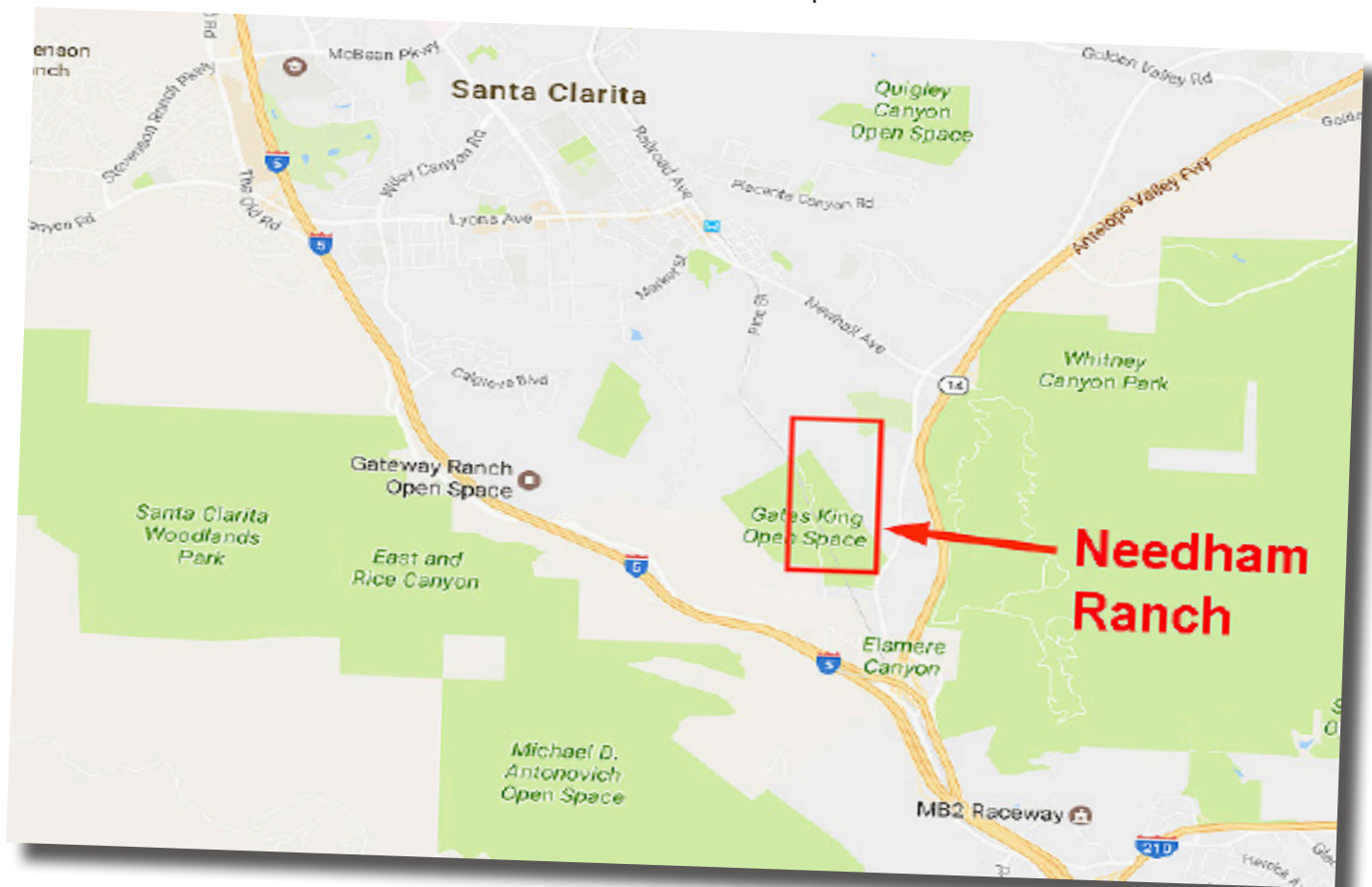
Needham Ranch

Needham Ranch is a subdivision of a 508-acre project site in the Santa Clarita Valley. It is currently the most significant industrial project in Los Angeles County.

The site contains sixty-eight lots for industrial/ business park use. There are also plans for three water towers and 200 acres of wilderness and open space.

The project's industrial plots would accommodate up to 4.2 million square feet of space. The project is under a 15-year development agreement that was approved on July 15, 2009.

Needham Ranch is fully entitled and all permits have been approved, and the applicants are currently in discussions with potential users and developers to begin the development process.



Needham Ranch

City of Champions Stadium

The City of Champions Stadium, which will be home to the Los Angeles Rams NFL team, has broken ground. Infrastructure work began in early 2015, and vertical construction began in November 2016.

The 298 acre project site will include a total of 3.6 million square feet of space, comprised of:

- 80,000 seat stadium
- 6,000 seat performance venue
- 2,500 residential units
- 1.5 million square feet of office and retail space

- 4 public parks
- 1 hotel

The Rams will begin playing NFL games in the stadium by 2019, and will host the Super Bowl in 2021. The stadium is also a component of Los Angeles' bid to host the 2024 Olympics, and may feature NCAA football and basketball postseason games.

Sources:

1. <http://www.latimes.com/entertainment/arts/architecture/la-et-cm-inglewood-stadium-design-20160208-column.html>
2. <http://www.latimes.com/sports/rams/la-sp-rams-ground-breaking-20161117-story.html>
3. <http://wavenewspapers.com/rams-to-break-ground-on-new-home/>



City of Champions Stadium

Crenshaw Plaza Redevelopment

Crenshaw Plaza, located in Baldwin Hills at Crenshaw Boulevard and W. Martin Luther King Jr. Boulevard, is being revitalized. In a project by Capri Capital Partners, this facility would be transformed into an “urban village,” and is being compared to the Americana center in Glendale. The new site would contain:

- 2 million SF retail and hotel
 - 14 story office building
 - 961 residential units
- 500 condos in 2 five-story buildings
- 461 apartments in 3 seven-story buildings

- 12-story hotel with 400 rooms
- 85,000 square foot grocery store

Plans for the project were compromised when Wal-Mart vacated its store front at the current Crenshaw Plaza facility, but the developers will attempt to attract other retailers to the space.

The project has not yet been approved, but the developers hope to complete all work by 2020.

Sources:

1. <http://la.curbed.com/2014/12/23/10008680/heres-the-huge-plan-to-turn-baldwin-hills-crenshaw-plaza-into-a>
2. <http://www.latimes.com/local/cityhall/la-me-crenshaw-mall-20160216-story.html>



Crenshaw Plaza Redevelopment

ROW DTLA

ROW DTLA is a large scale redevelopment of former industrial space in the heart of downtown Los Angeles and the Arts District. The facility will primarily consist of “creative” office space, luxury shopping brand stores, and high-end restaurants.

The project is planned in 9 separate buildings totaling 1.7 million square feet of space, located at 777 Alameda Street.

Developed by Atlas Capital Group, the project is partially complete, and has begun the leasing process. A number of retailers have already occupied part of the space, including

clothing brand American Apparel. In November and December of 2016, several pop-up shops opened for the holiday season.

Project details include:

- 1.3 million square feet of office space
- 200,000 square feet of commercial space
 - 100 unique retailers
 - 15 separate restaurants
- 30,000 square feet of art use
- 20,000 square feet of event space

Sources:

1. <http://la.curbed.com/2016/1/12/10847514/arts-districts-alameda-square-factories-to-be-reborn-as-massive-mixed>
2. <http://urbanize.la/post/first-look-row-dtla>
3. <http://www.rowdtla.com/retail>
4. <http://www.atlas-cap.com/portfolio/row-dtla.php>



ROW DTLA

Principal Residential Projects in Los Angeles County

December 2016

Project Name	Developer	Location	Units	Description	Status
Central Los Angeles					
6AM	SunCal	Downtown	1,736	Condos / Apts / Hotel / Office	Conceptual
Ferrante	G.H. Palmer Associates	Westlake	1,500	Apartments / Retail	Proposed
Metropolis Phase II	Greenland	Downtown	1,250	Condos / Retail	Under Construction
Boyle Heights Sears	Izek Shomof	Boyle Heights	1,030	Office and Retail	Approved
The Reef	TBD	South LA	1,000	Apartments / Condos	Approved
Crossroads Hollywood	Harridge Development	Hollywood	950	Multi-Family / Office / Retail / Hotel	Proposed
City Market	HansonLA	Downtown	945	Apartments / Office / Retail	Under Construction
TBD	Steve Riboli	Chinatown	920	Apartments / Retail	Proposed
Crescent Heights	Crescent Heights	Downtown	800	Condos	Proposed
College Station	Atlas Capital	Chinatown	770	Apartments / Retail	Proposed
Palladium Residences	TBD	Hollywood	731	Apartments	Approved
Onni Towers	Onni Group	Downtown	730	Multi-Family	Approved
MGA Entertainment HQ	Killefer Flammang Architects	Northridge	700	Apartments	Proposed
Lexington	DS Ventures	Hollywood	695	Apartments / Retail	Approved
Broadway Palace	GH Palmer Associates	Downtown	679	Apartments	Under Construction
W Hotel	Shenzhen Hazens	Downtown	650	Condos / Hotel	Construction 2017
Circa	Jamison Services/Hankey Grp.	Downtown	648	Condos / Retail	Under Construction
Central Plaza	CENTRAL PLAZA, LLC	Koreatown	641	Apartments / Commercial	Proposed
Sixth and Bixel	Holland Partner Group	Downtown	606	Apartments	Under Construction
520 Mateo Street	Camel Partners	Downtown	600	Condos / Commercial	Application submitted
Grand Hope Lofts	CIM Group	Downtown	526	Apartments	Under Construction
820 Olive Street	Onni Group	Downtown	516	Apartments	Under Construction
1120 Grand	Mack Urban & AECOM	Downtown	512	Condos / Retail	Under Construction
Blvd 6200 Phase 2	DLJ Real Estate Capital	Hollywood	507	Apartments / Retail	Under Construction
Oceanwide Plaza	Oceanwide Holdings	Downtown	504	Condos / Retail / Hotel	Under Construction
Millennium Hotel	Millennium Partners	Hollywood	492	Apartments / Office / Retail / Hotel	Approved
AVA Arts District	AvalonBay - Mark Janda	Downtown	475	Live-work units / Commercial	Application submitted
950 E Third	Legendary Development	Downtown	472	Apartments / Retail	Under Construction
Bunker Hill Towers	Essex	Downtown	456	Apartments (Renovation)	Approved
SB Omega	Barry Shy	Downtown	452	Apartments	Proposed
7th & Maple	Realm Group and Urban Offerings	Downtown	452	Apartments / Commercial	Proposed
4th and Broadway	SCG America	Downtown	450	Apartments / Retail	Under Construction
Eighth & Figueroa	Mitsui Fudosan America	Downtown	436	Apartments / Commercial	Proposed
The Grand	Related Cos.	Downtown	429	Apartments / Condos / Retail / Hotel	Approval under amendment
Polygon 308	Onni Group	Hollywood	429	Multi-Family / Commercial	Proposed
Beacon Tower	Equity Residential	Downtown	428	Apartments	Proposed
3545 Wilshire Boulevard	Jamison Services, Inc.	Koreatown	428	Apartments / Retail	Proposed
Bixel Tower	Career Lofts LLC	Downtown	422	Apartments / Hotel	Proposed
Onyx Phase II	Jade Enterprises	Downtown	410	Apartments	Under Construction
Onyx Phase I	Jade Enterprises	Downtown	410	Apartments	Under Construction
Design Village	Cohen Brothers Realty	West Hollywood	402	Apartments / Office / Retail / Hotel	Proposed
Medallion 2.0	Saeed Farkhondehpour	Downtown	400	Multi-Family	Proposed
Next on Sixth	Century West Partners	Koreatown	398	Apartments / Retail	Under Construction
255 Grand	Goldrich and Kest	Downtown	391	Apartments (Restoration)	Under Construction
TBD	Jade Enterprises	Downtown	379	Multi-Family / Offices	Proposed
Olympic Tower	Neman	Downtown	374	Multi-Family / Office / Retail / Hotel	Proposed
Vermont Corridor	Trammel Crow Company	Koreatown	373	Apartments	Pending
Sapphire	Jade Enterprises	Downtown	369	Apartments / Retail	Proposed
Fountain/Cahuenga	Cal-Coast Development	Hollywood	369	Multi-Family	Proposed
Altier	Carmel Partners	Downtown	363	Apartments / Retail	Under Construction
INDUSTRIAL STREET LOFTS	Camden	Downtown	360	Apartments	Proposed
Stationer's Tower	CoStar	Downtown	360	Condos / Retail	Proposed
La Plaza Cultura Village	Trammell Crow	Downtown	355	Apartments	Under Construction
G12	Astani	Downtown	347	Apartments	Under Construction
Park Fifth Phase II	MacFarlane Partners	Downtown	347	Apartments	Proposed
Wilshire Galleria	Harridge Development Group	Koreatown	335	Condos / Retail / Hotel	Proposed
Park Fifth Phase I	MacFarlane Partners	Downtown	313	Apartments	Under Construction
Metropolis Phase I	Greenland	Downtown	308	Condos / Hotel	Under Construction
Alexan	Trammell Crow Residential	Downtown	305	Apartments	Proposed, in appeal

Source: California Economic Forecast secondary research

Principal Residential Projects in Los Angeles County, *continued***December 2016**

Project Name	Developer	Location	Units	Description	Status
<i>Central Los Angeles, continued</i>					
732 S Spring	Holland Partners	Downtown	303	Apartments / Commercial	Under Construction
Hotel Cecil Redevelopment	Simon Baron	Downtown	301	Apartments / Hotel	Under Construction
Lucia Tower Site	Cimmarusti Holdings	Downtown	299	Multi-Family	Proposed
Southern California Flower Mkt.	TBD	Downtown	290	Apartments / Retail	Proposed
TBD	the Charles Company	Downtown	284	Apartments / Retail	Proposed
TBD	MCRT Investments, LLC	Hollywood	276	Multi-Family / Commercial	Proposed
8th and Spring Tower	Holland Partners	Downtown	275	Apartments	Under Construction
6200 Sunset	Hanover Company	Hollywood	270	Multi-Family	Proposed
Modera Argyle	Mill Creek Residential Trust	Hollywood	263	Apartments / Retail	Proposed
the Academy	Kilroy Realty	Hollywood	250	Apartments / Office / Retail	Approved
The Academy	Kilroy Realty	Hollywood	250	Multi-Family / Office / Retail	Proposed
the Seven	Pangea Development	Downtown	241	Multi-Family / Commercial	Proposed
920 S Hill	Barry Shy	Downtown	239	Condos	Proposed
7500 Sunset	Faring Capital	West Hollywood	236	Apartments / Retail	Approved
The Hill	940 Hill LLC	Downtown	234	Apartments / Commercial	Entitled, in appeal
6901 Santa Monica Boulevard	Onni Group	Hollywood	231	Apartments	Proposed
8150 Sunset Boulevard	Townscape Partners	West Hollywood	229	Apartments / Condos / Retail	Approved
TBD	801 SOUTH SPRING HLDNG LLC	Downtown	220	Apartments / Retail	Proposed
Hollywood & Gower	UDR, Inc.	Hollywood	220	Apartments / Retail	Proposed
1001 S Olive	Lennar Corporation	Downtown	201	Apartments	Under Construction
District Square	Charles Company	Baldwin Hills	200	Multi-Family / Retail	Seeking new entitlements
1133 S. Hope Street	Fulton Street Ventures	Downtown	200	Condos	Under Construction
Weddington Golf and Tennis	WEDDINGTON GOLF TENNIS LLC	Studio City	200	Apartments	Proposed
6220 Yucca	Champion Real Estate Company	Hollywood	180	Multi-Family / Commercial / Hotel	Proposed
Grand Residences	Shenglong Group	Downtown	161	Multi-Family	Proposed
Wilshire / Crescent Heights	Hanover Company	Central LA	158	Multi-Family	Approved
Premier on First (Phase I)	Cusumano Real Estate Group	Burbank	154	Multi-Family / Retail / Office	Approved
333 La Cienega	Rick Caruso	West Hollywood	154	Apartments / Retail	Approved
Ten50	Trumark Urban	Downtown	151	Condos	Under Construction
Broadstone Fairfax	Alliance Realty Partners	Mid City	149	Multi-Family / Retail	Under Construction
Wilshire Skyline	Hanover Company	Central LA	143	Multi-Family	Approved
Fifth and Hill	JMF Development	Downtown	142	Condos / Retail	Proposed
the Mansfield	Korda Group	Central LA	138	Apartments	Under Construction
1201 S Grand	Shenglong Group	Downtown	126	Condos	Proposed
TBD	Jamison Services, Inc.	Koreatown	123	Apartments	Proposed
TBD	Mateo Arts LLC	Downtown	113	Multi-Family / Commercial	Proposed
TBD	Tribune Co.	Downtown	107	Condos / Office / Retail	Proposed
2nd and Broadway	CA-LATS SOUTH LLC	Downtown	107	Condos / Offices	Proposed
<i>East Los Angeles</i>					
100 West Walnut	Lincoln Property Company & AMLI	Pasadena	475	Apartments / Office / Retail	Approved
<i>Far North County</i>					
Centennial	Tejon Ranch Corp.	North County	23,000	Single & Multi-Family / Office / Retail	Proposed
<i>Santa Clarita Valley</i>					
Newhall Ranch	Newhall Land	Santa Clarita	21,242	Single-Family / Condos / Commercial	EIR under revision
Northlake	TBD	Castaic	3,900	Single-Family	Pending Approval
Cherokee	Whittaker Bermite	Valencia	2,911	Mixed Development	Pending clean up
Vista Canyon	TBD	Canyon Country	1,100	Single & Multi-Family / Commercial	Grading nearly complete
River Village	Lennar / LB / Beazer	Valencia	580	Single-Family / Multi-Family	Under Construction
West Creek / West Hills	Lennar Homes	Valencia	579	Single-Family / Apartments	Under Construction
Five Knolls	Brookfield Homes	Canyon Country	499	319 Single-Family, 180 Multi-Family	Grading delayed
Golden Valley	TRIPonite	Canyon Country	499	404 Single-Family, 95 Condos	Infrastructure complete
Los Valles	SFI Los Valles Company LLC	Castaic	497	Single-Family	Draft EIR nearly ready
Tapia Ranch	DACA Castaic LLC	Castaic	405	Single-Family	On hold
Project 2	TBD	Castaic	274	Apartments	EIR process
Project 1	TBD	Castaic	236	Apartments	EIR process
Plum Ranch	Shappell / KB / Williams	Saugus	179	Single-Family	Under Construction
Penlon/ Trestles	Williams Homes	Canyon Country	137	Single-Family Detached Condos	Under Construction
Aidlin Hills	Lennar Homes	West of Stevenson Ranch	102	Single-Family / Multi-Family	Draft EIRs

Source: California Economic Forecast secondary research

Principal Residential Projects in Los Angeles County, *continued***December 2016****Project**

Name	Developer	Location	Units	Description	Status
San Fernando and San Gabriel Valleys					
LA Warner Center	United Technologies Corp.	Warner Center	4,000	Multi-Family / Retail / Office / Hotel	Proposed
North Hollywood Station	Trammell Crow & Greenland	North Hollywood	1,500	Multi-Family / Office / Retail	Proposed
Promenade 2035	Westfield Promenade	Warner Center	1,432	Apartments / Retail / Office / Hotel	Proposed
Burbank Town Center	Crown Realty & Development	Burbank	1,094	Apartments / Condos / Retail / Hotel	Proposed
NoHo West	Merlone Geier and GPI	North Hollywood	742	Apartments / Commercial	Proposed
The Millenium	Dinerstein Companies	Warner Center	707	Apartments	Under Construction
Sears Hollywood	CIM Group	Hollywood	700	Apartments / Retail	Under ammendment
Catalina Yachts Site	Weintraub Real Estate Group	Warner Center	621	Apartments	Proposed
ICON	Icon Company	Panorama City	432	Apartments / Retail	Approved
TBD	Fairfield Residential	Sylmar	370	Apartments	Proposed
FIRST STREET VILLAGE	CBA Partnership Architects	Burbank	261	Apartments / Retail	Proposed
Alexan South Echo	Trammell Crow Residential	Echo Park	200	Apartments	Under Construction
TBD	Gelt, Inc.	Tarzana	170	Apartments / Retail	Proposed
Miramar Hotel	Ocean Avenue, LLC	Santa Monica	160	Apartments / Retail / Hotel	Pending
1155 Olive	Mack Urban & AECOM	Downtown	154	Condos	Under Construction
TBD	Hartsook Grand, LLC	North Hollywood	61	Apartments	Proposed
South Los Angeles					
City of Champions Stadium	Wilson Meany and Stockridge	Inglewood	2,500	Multi-family / Commercial / Stadium	Under Construction
Jordan Downs Redevelopment	Housing Authority of Los Angeles	South LA	1,400	Townhouses / Retail	In demolition
Cumulus Transit	Carmel Partners	South LA	1,218	Apartments / Office / Retail	Approved
2222 Figueroa	2222 South Figueroa, LLC	South Central LA	1,063	Condos / Apartments / Retail	Proposed
New Wyvernwood	TBD	Boyle Heights	1,000	Condos / Apartments	Proposed
Crenshaw Plaza	Capri Capital Partners	Baldwin Hills	961	Multi-Family / Retail / Office / Hotel	Proposed
East Tower	Rockefeller Partners Architects	Long Beach	221	Apartments / Retail	Proposed
OceanAire	Togawa Martin Smith	Long Beach	216	Apartments	Under Construction
6250 Sunset	Essex Property Trust	Hollywood	200	Apartments / Retail	Proposed
West Los Angeles					
La Cienega / Jefferson Project	Carmel Partners	Culver City	1,218	Multi-Family / Office / Retail	Proposed
Marketplace Redevelopment	RREEF Real Estate	Marina del Rey	658	Apartments / Commercial	Proposed
Casden West LA	Casden West LA	West LA	595	Apartments / Retail	Pending
Martin Expo Center	The Martin family	West LA	516	Apartments / Office / Retail	Approved
Village at Howard Hughes Cntr.	Mill Creek Residential Trust	Westchester	375	Apartments / Commercial	Under Construction
The Millennium East Village	Dinerstein Cos.	Santa Monica	374	Multi-Family / Commercial	Under Construction
New Century Plaza	Woodbridge Capital Partners	Century City	290	Condos / Retail	Under Construction
Ten Thousand	Crescent Heights	Century City	283	Apartments	Under Construction
500 Broadway	DK Broadway, LLC	Santa Monica	262	Apartments / Commercial	Pending
One Beverly Hills	Athens Group	Beverly Hills	193	Condos / Hotel	Approved
Lorcan O'Herlihy Project	CIM Group	West LA	187	Apartments / Retail	Under Construction
11660 Santa Monica Blvd.	United Oil	West LA	166	Apartments / Retail	Proposed
6500 Sepulveda	IMT Capital	Van Nuys	160	Multi-Family	Proposed
1560 Lincoln	NMS Properties	Santa Monica	100	Multi-Family	Approved
Ocean Avenue	M. David Paul & Associates	Santa Monica	46	Apartments / Retail / Hotel	Pending
Total			112,976		

Source: California Economic Forecast secondary research

Principal Non-Residential Projects in Los Angeles County

December 2016

Project Name	Developer	Location	Square Feet	Hotel Rooms	Description	Status
<u>Central Los Angeles</u>						
ROW DTLA	Atlas Capital Group	Downtown	1,735,000		Office / Retail	Under Construction
Paramount Studios Expansion	Paramount Studios	Hollywood	1,400,000		Offices / Sound Stages	Approved
Design Village	Cohen Brothers	West Hollywood	1,170,000	250	Apartments / Office / Retail / Hotel	Proposed
6AM	SunCal	Downtown	860,000	TBD	Multi-Family / Hotel / Office	Conceptual
Parker Center Replacement	City of Los Angeles	Downtown	818,000		Office	Proposed
Broadway Trade Center	Spectra Company	Downtown	700,000	200	Office / Retail / Hotel	Under Construction
Boyle Heights Sears	Izek Shomof	Boyle Heights	599,000		Office / Retail	Approved
TBD	Tribune Co.	Downtown	541,244		Condos / Office / Retail	Proposed
2nd and Broadway	CA-LATS SOUTH LLC	Downtown	541,200		Condos / Office	Proposed
City Market	HansonLA	Downtown	520,000		Apartments / Office / Retail	Under Construction
Wilshire Grand	AC Martin	Downtown	395,000	900	Office / Retail / Hotel	Under Construction
LA Convention Center	TBD	Downtown	376,000		Commercial	Proposed
Icon at SBS	Hudson Pacific Properties	Hollywood	323,000		Office	Under Construction
Title Insurance Building	Rising Realty Partners	Downtown	320,000		Office Renovation	Proposed
Millennium Hotel	Millennium Partners	Hollywood	300,000	200	Apartments / Office / Retail / Hotel	Approved
Sears Hollywood	CIM Group	Hollywood	300,000		Apartments / Retail	Under amendment
Epic	Hudson Pacific Properties	Hollywood	300,000		Office / Other Commercial	Proposed
TBD	Silverstein Law Firm	Hollywood	300,000		Office	Approved
the Academy	Kilroy Realty	Hollywood	272,000		Apartments / Office / Retail	Approved
Crossroads Hollywood	Harridge Development	Hollywood	270,500	308	Multi-Family / Office / Retail / Hotel	Proposed
One Bunker Hill	Rising Realty Partners	Downtown	270,000		Commercial	Proposed
The Academy	Kilroy Realty	Hollywood	264,934		Multi-Family / Office / Retail	Proposed
Wilshire Curson	J.H. Snyder Company	Miracle Mile	250,000		Office	Construction 2017
Hotel Figueroa	Capital Hall Partners	Downtown	240,000	268	Hotel renovation	Under Construction
The Grand	Related Cos.	Downtown	215,000	305	Apartments / Condos / Retail / Hotel	Under amendment
Oscar Museum	Academy of Motion Pics	Central LA	208,000		Commercial	Under Construction
Oceanwide Plaza	Oceanwide Holdings	Downtown	160,000	183	Condos / Retail / Hotel	Under Construction
4th & Traction	Hudson Pacific Properties	Downtown	155,000		Commercial	Proposed
Nomad Hotel	Sydell Group	Downtown	151,632	250	Hotel redevelopment	Under Construction
TBD	Mateo Arts LLC	Downtown	132,700		Multi-Family / Commercial	Proposed
1601 Vine	J.H. Snyder Company	Hollywood	115,000		Office	Under Construction
Olympic Tower	Neman	Downtown	109,300	373	Multi-Family / Office / Retail / Hotel	Proposed
Lizard In	Lizard Capital	Downtown	105,000	176	Hotel	Proposed
Hotel Cecil Redevelopment	Simon Baron	Downtown	100,000	300	Apartments / Hotel	Under Construction
Cue	Hudson Pacific Properties	Hollywood	95,000		Office	Under Construction
W Hotel	Shenzhen Hazens	Downtown	80,000	250	Condos / Hotel	Construction 2017
LA Gateway	City Century / ShengLong	Downtown	75,000	650	Condos / Retail / Hotel	Under Construction
Metropolis Phase II	Greenland	Downtown	70,000		Condos / Retail	Under Construction
520 Mateo Street	Camel Partners	Arts District	60,000		Condos / Commercial	Application submitted
SoCal Flower Market	TBD	Downtown	60,000		Apartments / Retail	Proposed
Blvd 6200 Phase 2	DLJ Real Estate	Hollywood	60,000		Apartments / Retail	Under Construction
Polygon 308	Onni Group	Hollywood	60,000		Multi-Family / Commercial	Proposed
8150 Sunset Boulevard	Townscape Partners	West Hollywood	60,000		Apartments / Condos / Retail	Approved
College Station	Atlas Capital	Chinatown	51,000		Apartments / Retail	Proposed
Circa	Jamison Svcs / Hankey	Downtown	48,000		Condos / Retail	Under Construction
AVA Arts District	AvalonBay - Mark Janda	Downtown	45,500		Live-work units / Commercial	Application submitted
Onyx	Jade Enterprises	Downtown	42,200		Retail	Under Construction
Camden Hotel	Camden Property Trust	Hollywood	40,000		Retail	Under Construction
3545 Wilshire Boulevard	Jamison Services, Inc.	Koreatown	32,000		Apartments / Retail	Proposed
TBD	MCRT Investments	Hollywood	30,431		Multi-Family / Commercial	Proposed
Modera Argyle	Mill Creek Residential	Hollywood	30,000		Apartments / Retail	Proposed
7500 Sunset	Faring Capital	West Hollywood	30,000		Apartments / Retail	Approved
Ferrante	G.H. Palmer	Westlake	30,000		Apartments / Retail	Proposed
333 La Cienega	Rick Caruso	West Hollywood	29,500		Apartments / Retail	Approved
TBD	Jade Enterprises	Downtown	26,000		Multi-Family / Office	Proposed
Fifth and Hill	JMF Development	Downtown	25,000		Condos / Retail	Proposed
Lexington	DS Ventures	Hollywood	25,000		Apartments / Retail	Approved
950 E Third	Legendary Development	Downtown	22,000		Apartments / Retail	Under Construction

Principal Non-Residential Projects in Los Angeles County, *continued***December 2016**

Project Name	Developer	Location	Square Feet	Hotel Rooms	Description	Status
<u>Central Los Angeles, <i>continued</i></u>						
Sapphire	Jade Enterprises	Downtown	22,000		Apartments / Retail	Proposed
TBD	Steve Riboli	Chinatown	21,406		Apartments / Retail	Proposed
Next on Sixth	Century West Partners	Koreatown	20,000		Apartments / Retail	Under Construction
Central Plaza Redevelopment	CENTRAL PLAZA, LLC	Koreatown	18,454		Apartments / Commercial	Proposed
Stationer's Tower	CoStar	Downtown	15,000		Condos / Retail	Proposed
The Hill	940 Hill LLC	Downtown	14,000		Apartments / Commercial	Under appeal
7th & Maple	Realm / Urban Offerings	Downtown	13,655		Apartments / Commercial	Proposed
1120 Grand	Mack Urban & AECOM	Downtown	13,000		Condos / Retail	Under Construction
Eighth & Figueroa	Mitsui Fudosan America	Downtown	11,000		Apartments / Commercial	Proposed
Altier	Carmel Partners	Downtown	10,000		Apartments / Retail	Under Construction
TBD	801 SOUTH SPRING, LLC	Downtown	7,500		Apartments / Retail	Proposed
the Seven	Pangea Development	Downtown	7,300		Multi-Family / Commercial	Proposed
732 S Spring	Holland Partners	Downtown	7,200		Apartments / Commercial	Under Construction
6220 Yucca	Champion Real Estate	Hollywood	7,000	260	Multi-Family / Commercial / Hotel	Proposed
4th and Broadway	SCG America	Downtown	7,000		Apartments / Retail	Under Construction
Park Fifth	MacFarlane Partners	Downtown	7,000		Retail	Approved
TBD	the Charles Company	Downtown	6,300		Apartments / Retail	Proposed
Wilshire Galleria	Harridge Development	Koreatown	5,102	160	Condos / Retail / Hotel	Proposed
6250 Sunset	Essex Property Trust	Hollywood	4,700		Apartments / Retail	Proposed
Hollywood & Gower	UDR, Inc.	Hollywood	4,600		Apartments / Retail	Proposed
Broadstone Fairfax	Alliance Realty Partners	Mid City	4,300		Multi-Family / Retail	Under Construction
Fig + Pico	Lightstone	Downtown		1100	Hotel	Proposed
Millennium Biltmore	Millennium Biltmore Hotel	Downtown		683	Hotel renovation	Under Construction
Metropolis Phase I	Greenland	Downtown		350	Condos / Hotel	Under Construction
The Cambra at LA Live	Pacific Properties	Downtown		250	Hotel	Proposed
FREEHAND HOTEL	Sydell Group / Yucaipa	Downtown		200	Hotel renovation	Under Construction
Edition West Hollywood	Witkoff Group	West Hollywood		190	Hotel	Under Construction
AC Marriott Hotel	Candleberry Properties	Mid City		176	Hotel	Proposed
Downtown LA Proper Hotel	Kor Group	Downtown		148	Hotel	Under Construction
Bixel Tower	Career Lofts LLC	Downtown		143	Apartments / Hotel	Proposed
<u>East Los Angeles</u>						
100 West Walnut	Lincoln Property / AMLI	Pasadena	227,500		Apartments / Office / Retail	Approved
<u>Far North County</u>						
Centennial	Tejon Ranch Corp.	North County	14,000,000		Single & Multi-Family / Office / Retail	Proposed
<u>Santa Clarita Valley</u>						
Newhall Ranch	Newhall Land	Santa Clarita	9,500,000		Single-Family / Condos / Commercial	EIR under revision
Needham Ranch	TBD	Santa Clarita	4,200,000		Industrial	Tract map recorded
IAC Commerce Center	CBRE	Santa Clarita	1,300,000		Industrial	Grading completed
Vista Canyon	TBD	Santa Clarita	950,000		Residential / Commercial	Grading complete
Gateway V	TBD	Santa Clarita	650,000		Office / Industrial	Proposed
Mann Biomedical Park	Dale Donohue / Oaktree	Santa Clarita	600,000		Medical / Office	Application submitted
Disney ABC Studios	TBD	Santa Clarita	510,000		Movie studio	Approved
Henry Mayo Newhall Hospital	Henry Mayo Newhall	Santa Clarita	327,363		Hospital	Under Construction
Oak Ridge Industrial	TBD	Santa Clarita	300,000		Commercial / Industrial	Pending
TMC Master Plan	TBD	Santa Clarita	240,000		Campus extension	Approved
<u>San Fernando and San Gabriel Valleys</u>						
LA Warner Center	United Technologies	Warner Center	1,255,000		Multi-Family / Retail / Office / Hotel	Proposed
Promenade 2035	WESTFIELD	Warner Center	844,000	572	Apartments / Retail / Office / Hotel	Proposed
North Hollywood Station	Trammell Crow	North Hollywood	600,000		Multi-Family / Office / Retail	Proposed
Ikea	Ikea Property Inc.	Burbank	470,000		Retail	Completion late 2016
NoHo West	Merlone Geier / GPI	North Hollywood	300,000		Apartments / Commercial	Proposed
ICON	Icon Company	Panorama City	200,000		Apartments / Retail	Approved
Premier on First (Phase II)	Cusumano Group	Burbank	133,100	230	Retail / Hotel	Approved
Premier on First (Phase I)	Cusumano Group	Burbank	51,078		Multi-Family / Retail / Office	Approved
Burbank Town Center	Crown Realty	Burbank	47,420	200	Multi-Family / Retail / Hotel	Proposed
FIRST STREET VILLAGE	CBA Partnership Architects	Burbank	21,265		Apartments / Retail	Proposed
TBD	Gelt, Inc.	Tarzana	6,000		Apartments / Retail	Proposed

Principal Non-Residential Projects in Los Angeles County, *continued***December 2016**

Project Name	Developer	Location	Square Feet	Hotel Rooms	Description	Status
South Los Angeles						
City of Champions Stadium	WilsonMeany/Turner/Aecom	Inglewood	3,620,000	300	Multi-Family / Commercial / Stadium	Under Construction
Crenshaw Plaza	Capri Capital Partners	Baldwin Hills	2,233,000	400	Multi-Family / Retail / Office / Hotel	Proposed
The Waterfront	CenterCal Properties	Redondo Beach	500,000	120	Hotel / Other Commercial	Approved
District Square	Charles Company	Baldwin Hills	300,000		Multi-Family / Retail	Proposed
Cumulus Transit Project	Carmel Partners	South LA	300,000		Apartments / Office / Retail	Approved
Long Beach Civic Center	Penary-Edgemoor Civic	Long Beach	270,000		Office	Under Construction
Jordan Downs	Housing Authority of L.A.	South LA	120,000		Townhouses / Retail	In demolition
USC Village	USC	University Park	115,000		Commercial	Under Construction
LAFC Stadium	TBD	South LA	100,000		Retail / Office / Stadium	Under Construction
The Reef	TBD	South LA	67,000	208	Retail / Hotel	Approved
2222 Figueroa	2222 S. Figueroa, LLC	South Central	20,000		Condos/ Apartments / Retail	Proposed
East Tower	Rockefeller Partners	Long Beach	6,367		Apartments / Retail	Proposed
West Los Angeles						
20th Century Fox Studios	TBD	Century City	1,100,000		Commercial	Proposed
The Brickyard	Tishman Speyer	Playa Vista	425,000		Office	Under Construction
Westfield Century City	Westfield Group	Century City	422,000		Retail	Under Construction
Ocean Avenue	M. David Paul	Santa Monica	338,695	125	Apartments / Retail / Hotel	Pending
La Cienega / Jefferson Project	Carmel Partners	Culver City	300,000		Multi-Family / Office / Retail	Proposed
Culver City Creative (C3)	IDS Real Estate Group	Culver City	280,000		Office	Under Construction
One Culver City	Gensler	Culver City	260,000		Office	Proposed
Playa Vista Expansion	Vantage Property Investors	Playa Vista	250,000		Office	Under Construction
Martin Expo Center	The Martin family	West LA	249,000		Apartments / Office / Retail	Approved
Ivy Station	Lowe Enterprises	Culver City	246,000		Office / Retail	Approved
Pen Factory	Clarion / Lincoln Property	Santa Monica	222,000		Office	Under Construction
Sony Pictures Bldg.	Sony Pictures Studios	Culver City	220,000		Office	Under Construction
Santa Monica Gateway	Colorado Creative	Santa Monica	200,000		Office	Under Construction
Trident Center Expansion	Mccarthy Cook	West LA	200,000		Office	Proposed
(W)rapper	Samitaur Constructs	Culver City	150,000		Office	Proposed
Palisades Village	Rick Caruso	Pacific Palisades	125,000		Retail	Under Construction
New Century Plaza	Woodbridge Capital	Century City	93,000		Condos / Retail	Under Construction
Courtyard by Marriott Hotel	OTO Development LLC	Santa Monica	78,750	136	Hotel	Approved
500 Broadway	DK Broadway LLC	Santa Monica	65,200		Apartments / Commercial	Pending
11660 Santa Monica Blvd.	United Oil	West LA	55,000		Apartments / Retail	Proposed
Miramar Hotel	Ocean Avenue LLC	Santa Monica	49,384	280	Apartments / Retail / Hotel	Pending
Marketplace Redevelopment	RREEF Real Estate	Marina del Rey	27,300		Apartments / Commercial	Proposed
The Millennium East Village	Dinerstein Cos.	Santa Monica	25,000		Multi-Family / Commercial	Under Construction
Casden Wet LA	Casden Wet LA	West LA	15,000		Apartments / Retail	Pending
Lorcan O'Herlihy	CIM Group	West LA	15,000		Apartments / Retail	Under Construction
The Village at Howard Hughes	Mill Creek Residential	Westchester	1,500		Apartments / Commercial	Under Construction
Waldorf Astoria	Alagem Capital Group	Beverly Hills		170	Hotel	Under Construction
One Beverly Hills	Athens Group	Beverly Hills		134	Condos / Hotel	Approved
Total			65,667,580	11,148		

Source: California Economic Forecast secondary research

The Outlook for New Development

In Ventura County, housing production will not significantly increase from current levels. Between 2017 and 2021, a total of 6,200 permits will be issued, resulting in an annual production rate that is slightly above the recent trend.

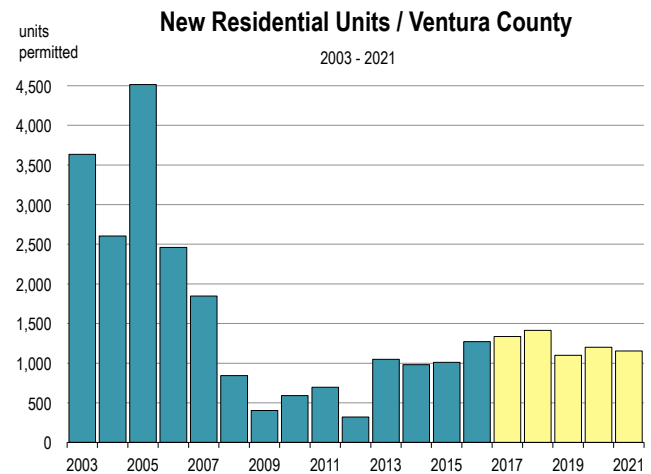
If current restrictions on new development remain in place, the county will not be able to produce the amount of housing needed to serve the population and sustain the workforce. Lack of development has led to higher housing densities, higher housing prices, and significantly more traffic on the 101 and the 123.

There is a general belief that limiting development activity will dampen population growth, which will ultimately reduce the need for more housing. However, the recent evidence shows that population has continued to grow, and instead of establishing new households, people simply fit more members into each home. This has produced overcrowding and higher home prices and apartment rents. Household sizes are now at the highest levels ever recorded in Ventura County.

The forecast actually has the average household size declining marginally over the next few years, as population growth is finally limited by housing growth and relatively lower levels of job growth.

Less housing has led to the condition that the workforce cannot be accommodated, and this results in less job creation.

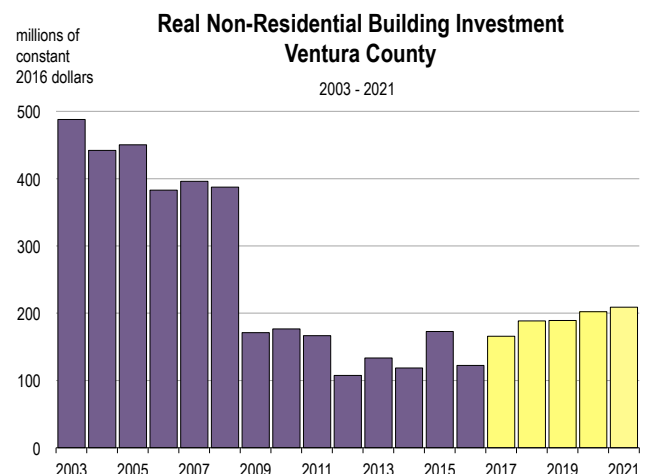
These manifestations of the lack of new development will continue to persist in Ventura County over the foreseeable future. Expect

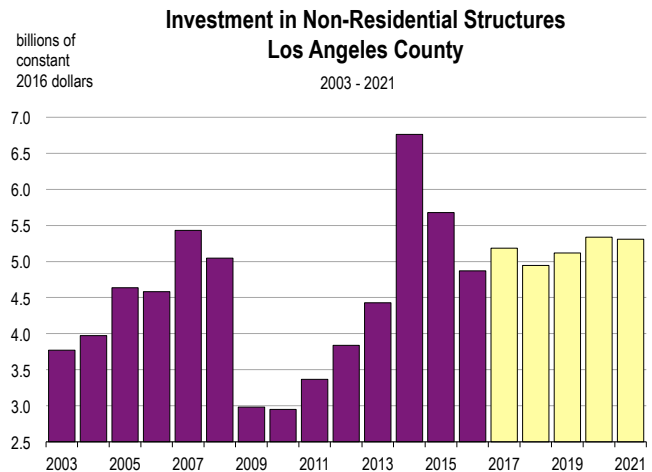
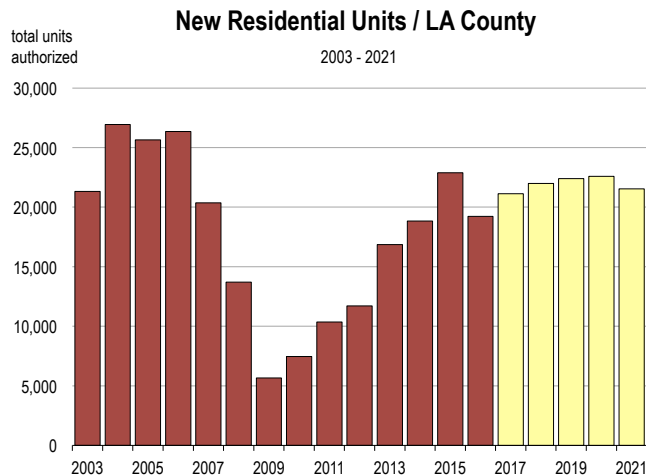


general low levels of housing and non-residential development, more commuting, more traffic, and higher home prices.

Non-residential investment in Ventura County will accelerate slightly, as a number of commercial and industrial projects break ground. However, total building activity will remain very low by historical standards.

Residential development activity will rise in LA, but not by large amounts. Approximately 110,000 will break ground over the next five years, most of which will be in multifamily projects. The county's single-family pipeline is primarily in master-planned communities that are years away from breaking ground, and will





not influence the building environment until after our forecast horizon.

peaked, and total investment in new structures will sum to approximately \$34 billion through 2021.

L.A. non-residential investment will flat line. The commercial and industrial cycle has already

New Development	Ventura and Los Angeles Counties		History 2015-2016, Forecast 2017-2021				
	2015	2016	2017	2018	2019	2020	2021
Ventura County							
-- number of units permitted --							
New Residential Development							
Single Family Units	615	528	503	522	406	390	429
Multiple Family Units	394	744	833	892	693	811	725
Total Units	1,009	1,272	1,336	1,414	1,099	1,201	1,154
-- thousands of units in place ---							
Total Housing Stock	285.8	287.1	288.4	289.7	291.1	292.2	293.4
-- millions of dollars ---							
Total Residential Investment	372	367	408	448	359	389	401
-- dollars ---							
Average Cost Per Unit	368,872	288,860	305,647	316,653	326,483	323,724	347,468
-- millions of dollars--							
Non-residential Development							
Comm & Industrial Investment	170	122	170	198	202	221	234
Los Angeles County							
--number of units permitted --							
New Residential Development							
Single Family Units	4,487	4,561	5,564	5,705	5,704	5,681	5,537
Multiple Family Units	18,405	14,671	15,564	16,286	16,693	16,907	15,999
Total Units	22,892	19,232	21,128	21,991	22,397	22,588	21,536
-- millions of units in place ---							
Total Housing Stock	3.5	3.5	3.5	3.5	3.6	3.6	3.6
-- billions of dollars ---							
Total Residential Investment	6.4	6.3	6.6	7.2	7.4	7.6	7.2
--- dollars ---							
Average Cost Per Unit	277,474	329,477	314,285	325,230	330,392	334,878	336,452
-- billions of dollars --							
Non-residential Development							
Comm & Industrial Investment	5.6	4.9	5.3	5.2	5.5	5.8	5.9

Source: California Economic Forecast, February 2017

QUALITY OF LIFE INDICATORS

Crime



Traffic



Quality of Education



Children Living in Poverty



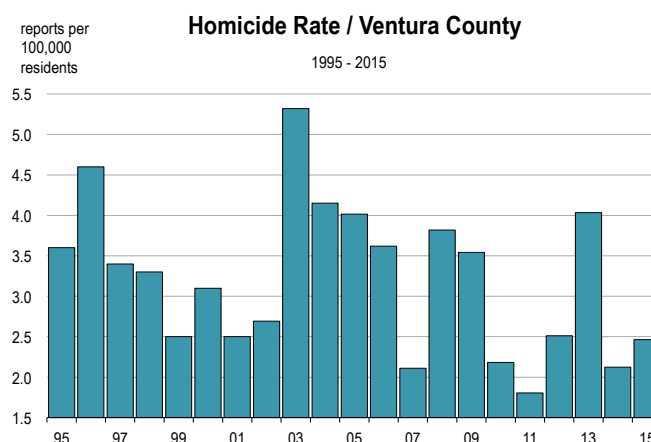
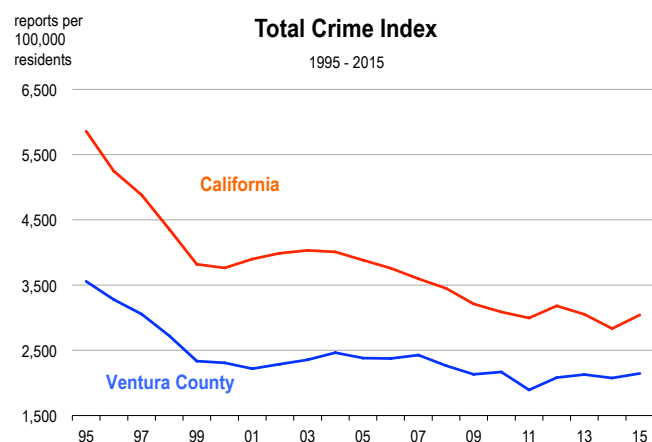
Quality of Life Indicators

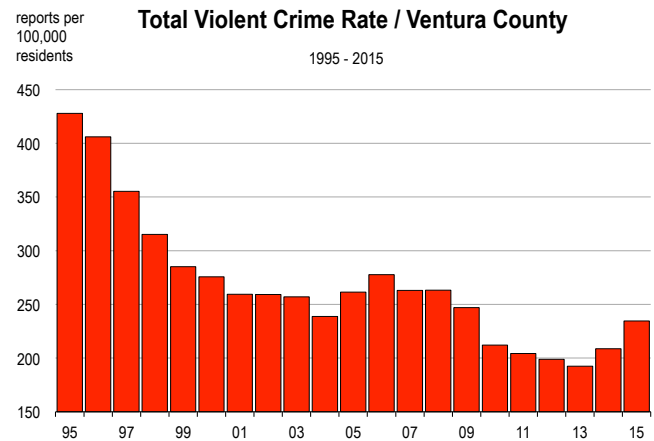
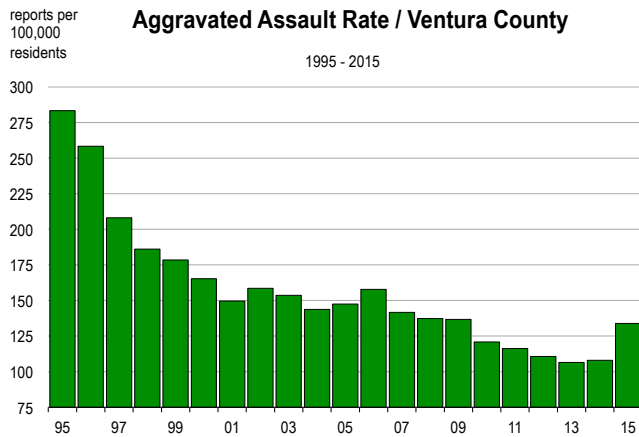
Crime

Areas of California can be compared to one another on the basis of the Total Crime Index. The Total Crime Index is the sum of the following crime categories: willful homicide, forcible rape, robbery, aggravated assault, burglary, motor vehicle theft, larceny and arson. The most recent information describes crime levels in 2015.

- Crime rates have held steady in Ventura County over the last half decade. In 2015, the crime rate was 2,146 (crime reports per 100,000 residents), which is much lower than the statewide rate of 3,042.

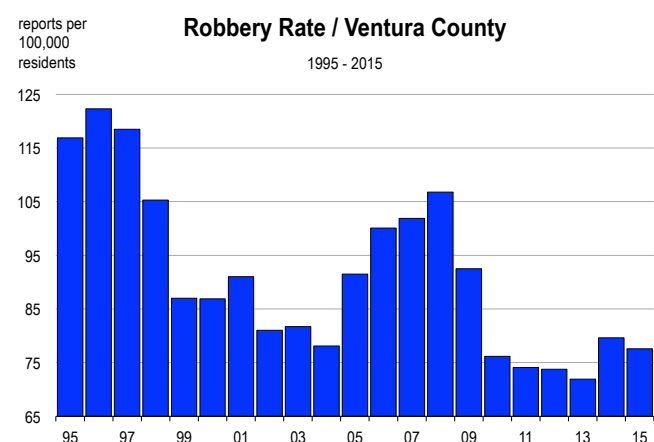
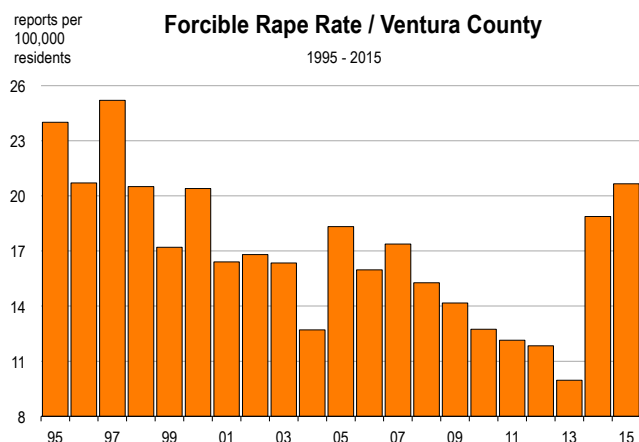
- In all major crime categories, Ventura County has fewer crime reports than the statewide average. It has half the rate of violent crime as broader California, and 40 percent less property crime.
- Over the past five years, property crime rates have improved, but violent crime rates have worsened – a trend that has been evident across most of the United States.
- The statistics appear to show a major increase in forcible rape. However, the definition of rape was widened to include some additional offenses in 2014. This was likely responsible for the large increase between 2013 and 2014.

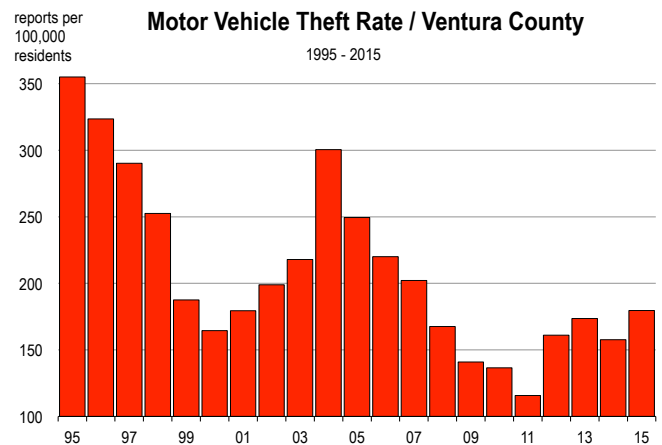
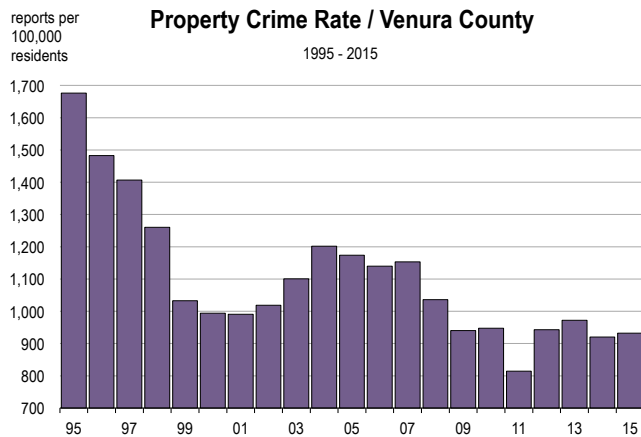




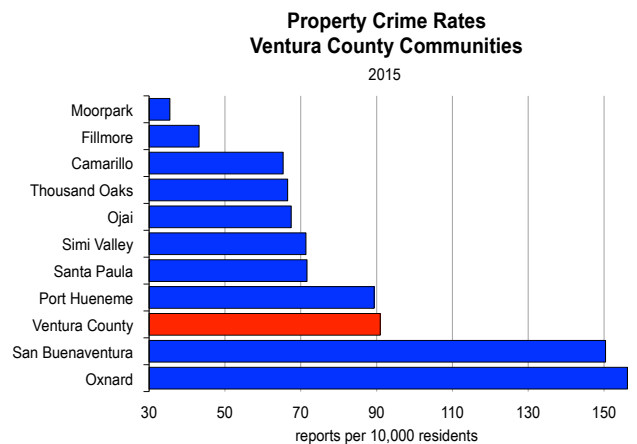
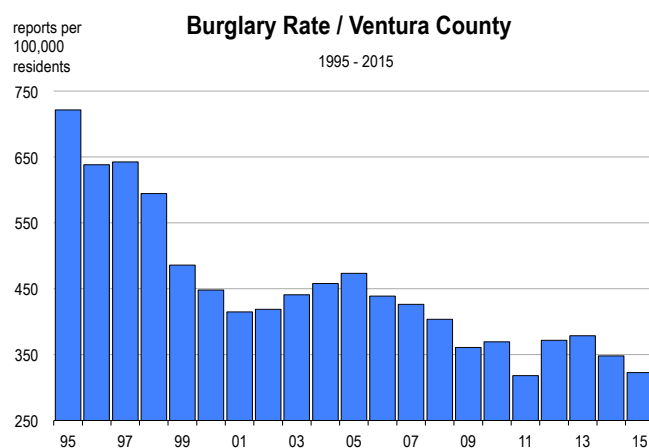
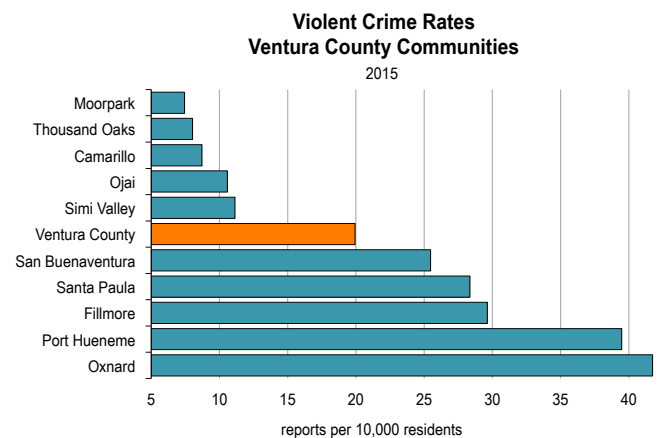
- The “safest” cities in the county are Thousand Oaks, Camarillo, Simi Valley, Moorpark, and Ojai. In 2015, these jurisdictions had the lowest rates of violent crime (willful homicide, forcible rape, robbery, aggravated assault), with fewer than 12 reports per 10,000 residents.

- Oxnard and Port Hueneme had the highest violent crime rates, each with more than 39 violent crimes per 10,000 residents.





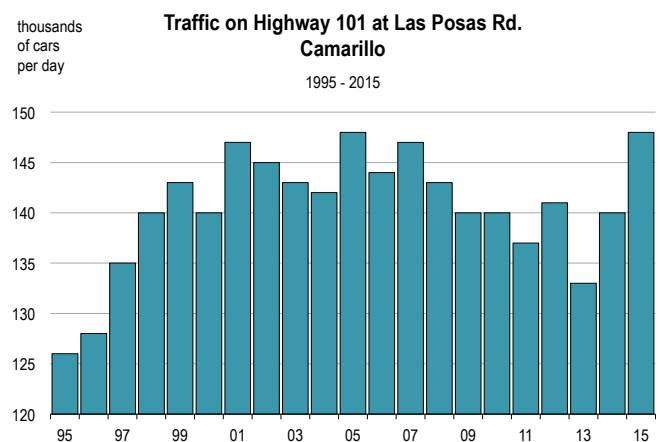
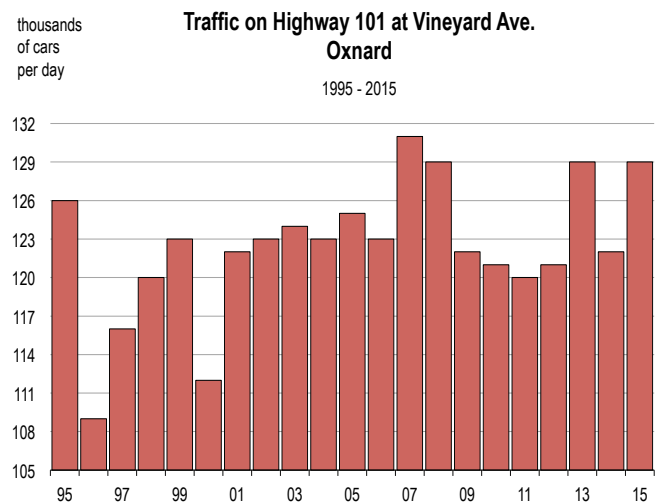
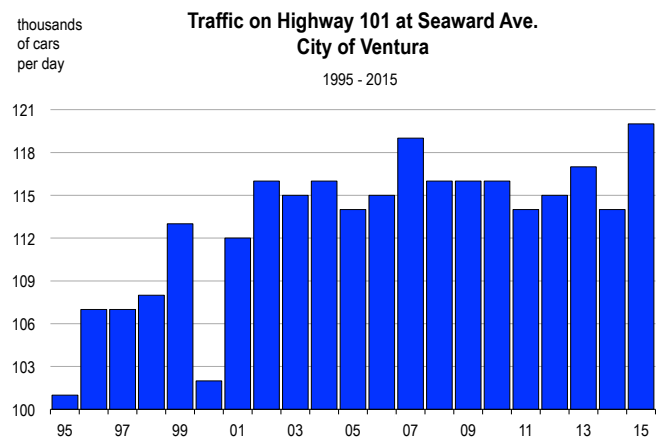
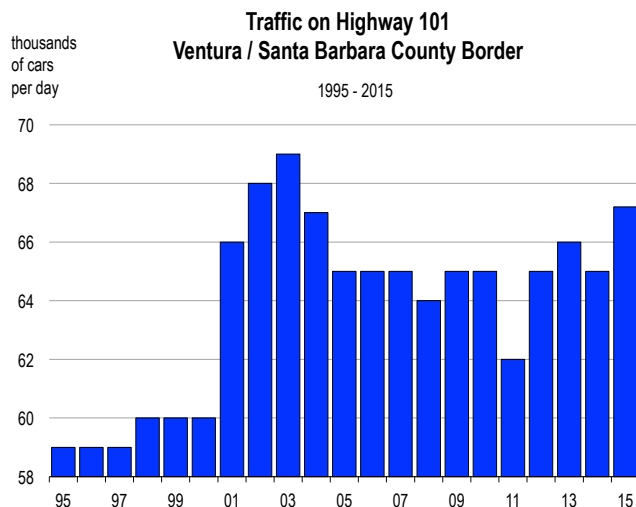
- Property crime rates were lowest in Moorpark and Fillmore, and were highest in Oxnard and San Buenaventura (Ventura City).



Traffic

Traffic counts reveal information about road usage, congestion, and economic and demographic trends. In general, traffic counts decline during periods of economic weakness and grow during periods of strength. This occurs for several reasons, including the increased transportation of goods, a larger number of individuals commuting to work, and higher disposable incomes that can be spent on transportation.

During the recession of 2007-2009, traffic counts declined dramatically across the nation, state, and county. But over the last three years traffic volumes have begun to recover, and are now well above the previous peak.



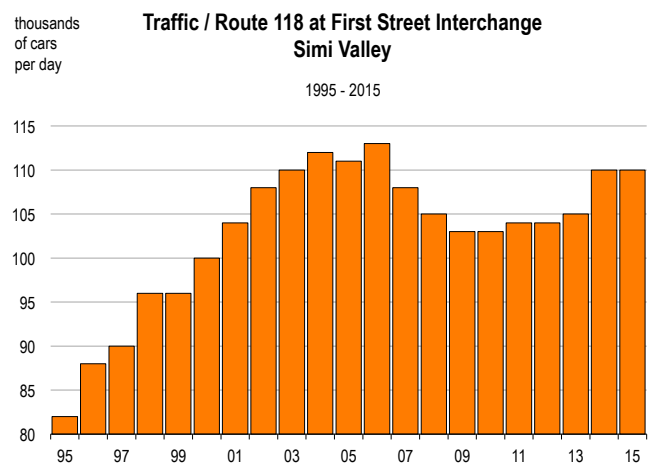
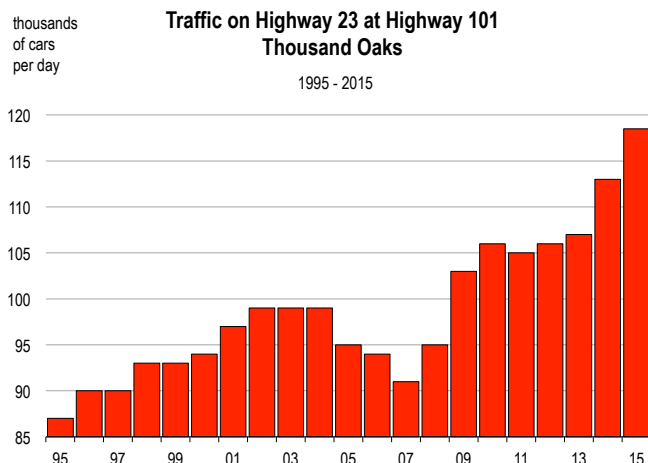
In this analysis, annual average daily traffic is the total traffic volume for the year divided by 365. The traffic count year runs from October 1 to September 30.

- In Ventura County, traffic counts rose sharply in 2015, the most recent year for which data is available. Part of this can be explained by continued job growth and not enough housing within the county, but it is also the result of increased commuting to other counties.

- Traffic increased most heavily in Camarillo, Oxnard, the City of Ventura, and Thousand Oaks.

- Traffic levels held steady in Simi Valley.

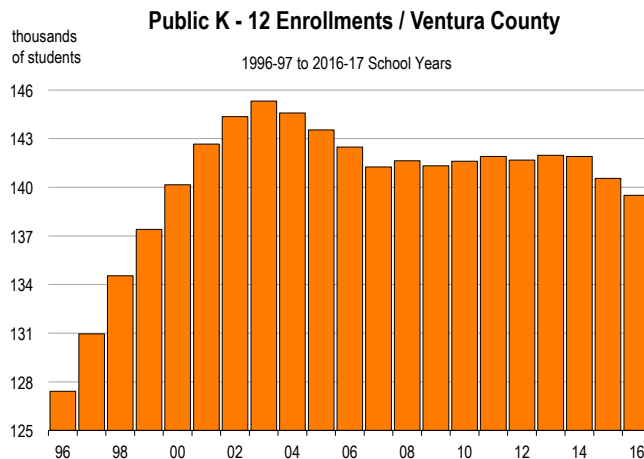
- Traffic volumes are also rising at the Santa Barbara-Ventura County line. Due to high home prices in South Santa Barbara County, more people are commuting from Ventura, Oxnard, and Camarillo, driving up daily car trips across the border.



Quality of Education

Enrollments

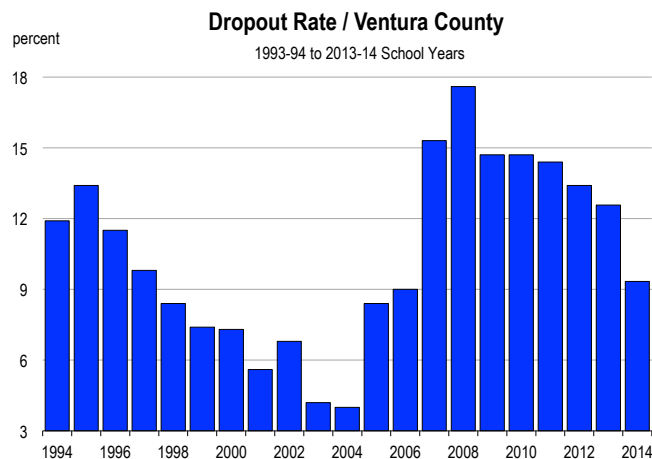
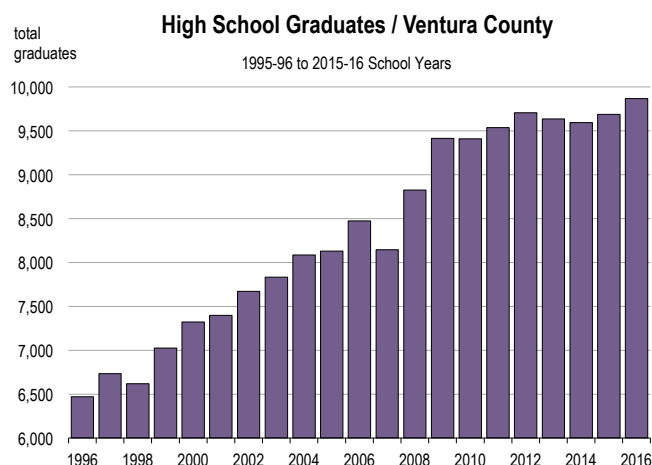
- During the 2016-17 school year, a total of 139,500 students were enrolled in Ventura County K-12 public schools.
- Over the past year, public enrollment in Ventura County declined by approximately 1,050 students.
- After remaining relatively constant for the last half decade, enrollment is now declining again. Through the 2024-25 school year, enrollment will continue to decline, falling to approximately 132,200 students.
- Enrollment levels are declining the most substantially in Simi Valley Unified, Ventura Unified, and Conejo Valley Unified.



- Only a few districts are still gaining students. These include Ocean View Elementary, Rio Elementary, and Oxnard Union High.
- Despite declining enrollments, the number of high school graduates is rising. Over the next decade, the number of graduates will continue to rise slowly, eventually surpassing 10,000 per year.

Public School Enrollment at Large Districts	Ventura County				2008-09 to 2015-16 School Years			
	– school year –							
	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
Conejo Valley Unified	21,655	21,199	21,901	20,772	20,595	20,142	19,727	19,365
Moorpark Unified	7,324	7,319	7,208	7,091	6,984	6,812	6,703	6,599
Oxnard Elementary	15,400	15,554	15,870	16,119	16,533	16,803	16,916	16,918
Oxnard High	16,885	16,856	16,676	16,790	16,780	16,876	17,148	17,271
Simi Valley Unified	20,855	20,303	20,340	19,979	18,984	18,353	17,821	17,233
Ventura Unified	17,371	17,506	17,509	17,429	17,402	17,430	17,366	17,125
Total County Enrollment	141,641	141,325	141,610	141,903	141,683	141,978	141,899	140,548

Source: California Department of Education and California Economic Forecast



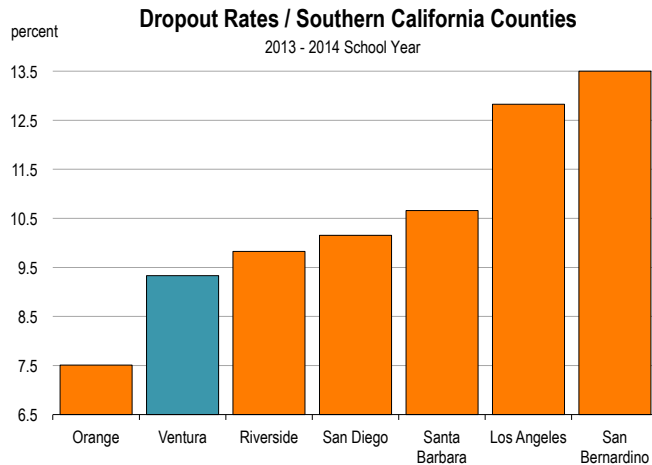
Dropout Rate

The rate at which students choose to dropout of school is an important indicator of how well schools are keeping students interested and preparing them for the workplace.

Teens who drop out of high school are unlikely to have the minimum skills and credentials necessary to function in today's increasingly technological workplace. The completion of high school is required for accessing post-secondary education and is a minimum qualification for most jobs. Additionally, a high school diploma leads to higher income and occupational status.

- The dropout rate is plummeting in Ventura County, and is now at its lowest point in many years.

- According to the data, the dropout rate in Ventura County increased substantially between 2004 and 2008. This was partially due to the recession – dropouts increase during times of economic weakness – but was primarily the result of stronger reporting standards. During this period, the State of California began to track dropouts with much better accuracy.
- With an adjusted dropout rate of 7.8 percent, Ventura County is near the average for Southern California. It has a slightly higher rate than Orange, Riverside, and Santa Barbara, and a much lower rate than L.A. and San Bernardino.



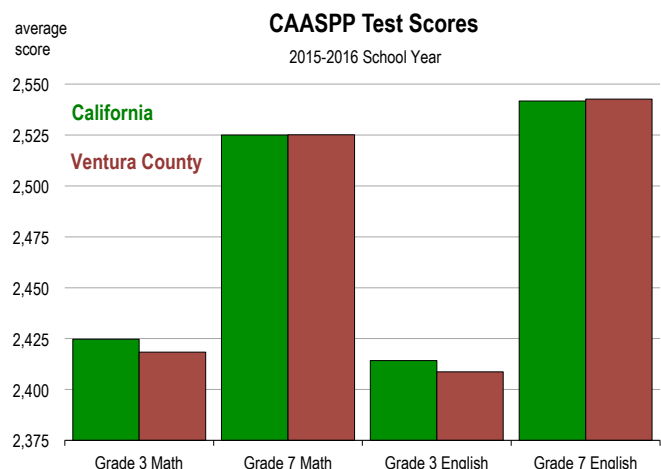
Academic Performance

Standardized testing has become an important measure of a school's academic performance. Standardized testing starts at the elementary school level where all students now take the California Assessment of Student Performance and Progress (CAASPP). It continues through high school where college bound students take the SAT.

Elementary School Testing

During the 2014-2015 school year, the state began to administer the CAASPP exams – a replacement system for the old California Standard Test (CST). In this system, students are awarded a score between 2,000 and 3,000 for each exam. This chapter (arbitrarily) presents scores for grades three and seven as representative of elementary and junior high scores.

- During the 2015-2016 school year, Ventura County students performed almost identically to students across California. However, there was considerable variation among districts within the County.
- The best performing district was Oak Park Unified. Oak Park students had the highest average score for the Math and English tests at both grade levels. And their scores outperformed the county average by a wide margin – at least 75 points on each test.
- Other top performing districts were Conejo Valley Unified and Moorpark Unified.
- Fillmore Unified had the lowest scores on the Math section, while Oxnard elementary had the lowest scores on the English portion. Other poor performers were Santa Paula Unified and Hueneme Elementary.



CAASPP Result	Ventura County		2015-2016 School Year	
District	Grade 3 Math	Grade 7 Math	Grade 3 English	Grade 7 English
---average scores---				
Briggs Elementary	2,410	2,491	2,413	2,528
difference from county average	-8	-35	5	-15
Conejo Valley Unified	2,455	2,588	2,455	2,588
difference from county average	37	63	46	45
Fillmore Unified	2,380	2,448	2,378	2,485
difference from county average	-38	-77	-31	-58
Golden Valley Charter	2,435	2,559	2,422	2,578
difference from county average	16	34	13	35
Hueneme Elementary	2,389	2,496	2,370	2,520
difference from county average	-29	-30	-39	-23
Mesa Union Elementary	2,437	2,567	2,434	2,570
difference from county average	18	42	25	27
Moorpark Unified	2,467	2,559	2,453	2,577
difference from county average	48	34	45	34
Mupu Elementary	2,410	2,568	2,427	2,571
difference from county average	-9	42	18	28
Oak Park Unified	2,493	2,609	2,485	2,617
difference from county average	75	84	77	74
Ocean View Elementary	2,448	2,567	2,437	2,574
difference from county average	30	42	28	31
Ojai Unified	2,424	2,530	2,416	2,534
difference from county average	5	5	7	-9
Oxnard Elementary	2,378	2,460	2,358	2,488
difference from county average	-40	-65	-50	-55
Pleasant Valley	2,450	2,549	2,448	2,577
difference from county average	32	23	39	34
Rio Elementary	2,406	2,487	2,388	2,514
difference from county average	-12	-39	-21	-29
Santa Paula Unified	2,388	2,488	2,382	2,492
difference from county average	-31	-37	-27	-50
Simi Valley Unified	2,429	2,540	2,425	2,554
difference from county average	10	15	16	11
Somis Union Elementary	2,431	2,528	2,402	2,548
difference from county average	12	3	-7	5
Ventura Unified	2,432	2,535	2,426	2,553
difference from county average	14	10	18	11
Ventura County Average	2,418	2,525	2,409	2,543
California Average	2,425	2,525	2,414	2,542

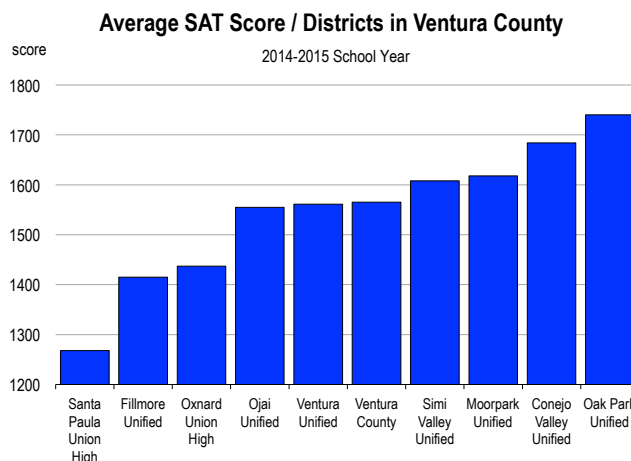
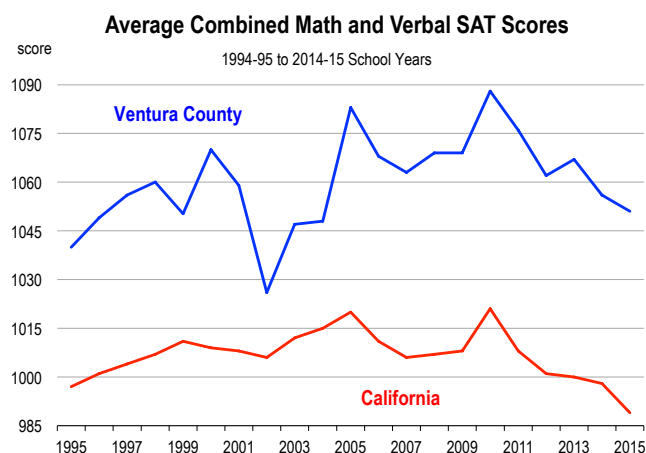
Source: California Department of Education

College Entrance Exam Performance

The (SAT) is a standardized test taken by juniors and seniors in high school, and is a requirement for attending 4-year colleges and universities.

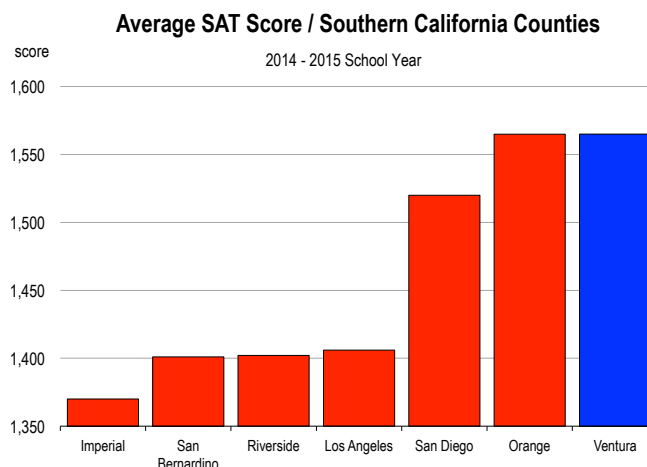
The highest attainable score on the new SAT is 2400. The previous SAT, which did not incorporate a writing section, was graded on a scale of 1600 points. In this analysis, we generally focus only on the math and verbal sections, since they have been in use for a much longer period of time.

- Average SAT Scores have plummeted in Ventura County. In 2010 the average combined score for the verbal and math sections was 1088. By 2015 it had fallen to 1051.
- A similar decline was observed across California.
- SAT scores are declining for a number of reasons. One primary factor is that more people are now going to college. More students are now taking the SAT, including many with below average grades, which



has dragged down the average SAT score nationwide.

- Despite falling scores, Ventura County students still outperform students across Southern California, as well as the entire state.
- Oak Park Unified recorded the highest average score at 1740, while Conejo Valley had the second highest score at 1684. These districts frequently outperform the rest of the county.
- The districts with the lowest average scores were Santa Paula Unified, Oxnard Union High, and Fillmore Unified. Each of these districts scored lower than the state average.



SAT Results by District		Ventura County		2014 -2015 School Year			
District / Aggregate	Enrollment	Grade 12 Students		Average Scores			Total
		Tested	Percent	Verbal	Math	Writing	
Conejo Valley Unified	1,850	1121	60.6	557	574	553	1684
Fillmore Unified	277	84	30.3	471	493	451	1415
Moorpark Unified	599	260	43.4	540	546	532	1618
Oak Park Unified	425	263	61.9	576	583	581	1740
Ojai Unified	209	93	44.5	521	529	505	1555
Oxnard Union High	4,124	1191	28.9	476	490	471	1437
Santa Paula Union High	407	145	35.6	416	431	421	1268
Simi Valley Unified	1,479	446	30.2	533	548	527	1608
Ventura Unified	1,371	554	40.4	525	524	512	1561
Ventura County	11,515	4,173	36.2	520	531	514	1565
State of California	496,901	210,706	42.4	489	500	484	1473

Source: California Department of Education

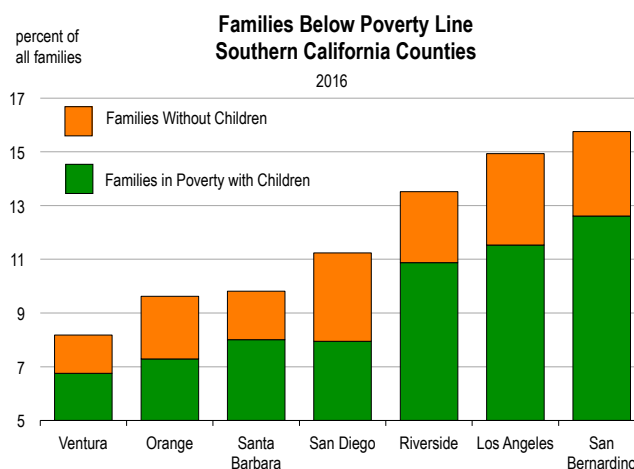
Children Living in Poverty

Children under 18 are much more likely than adults to be poor. For a family of four with two children, the 2016 federal poverty level was \$24,300. Being raised in poverty places children at higher risk for a wide range of problems. Research indicates that poor children are disproportionately exposed to risk factors that may impair the development process and contribute to poor academic achievement.

- In 2016, 8.2 percent of families in Ventura County were under the poverty level. A total of 6.8 percent had children. While still too high, Ventura County had the lowest rate of child poverty in Southern California.
- Across Southern California, San Bernardino County had the highest rate of children living

in poverty, followed by Los Angeles and Riverside Counties.

- Statewide, 12.6 percent of families were below the poverty level, and 9.8 percent had children.



Acknowledgements

This publication was distributed at the 40th semi-annual Los Angeles County and Ventura County Entrepreneur Economic Forecast Conference held on February 2, 2017, at the Hyatt Hotel in Westlake Village, California.

Speakers at the 2017 Entrepreneur Economic Forecast Conference:



Marc A. Doss, CFA, CFP
Regional Chief Investment Officer,
California & Nevada
Wells Fargo Private Bank
*"The U.S. Economy in a
Post-Election World"*



Monty Guild
Chief Investment Officer
Guild Investment Management
*"The Investment Outlook
for 2017"*



Mark Schniepp
Director
California Economic Forecast
*"The Outlook for California and the
Region Under Trumponomics"*



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We want to acknowledge Todd Shillington for his tireless efforts to promote this semi-annual conference series by informing the Ventura and Los Angeles County business communities about the importance of regional economic information in their business decisions. Todd can be reached at (805) 338-7908.