

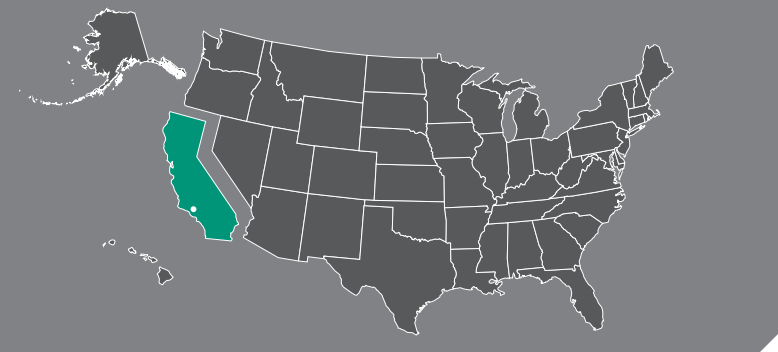
HUD PD&R Housing Market Profiles

Oxnard-Thousand Oaks-Ventura, California



Quick Facts About Oxnard-Thousand Oaks-Ventura

- **Current sales market conditions: tight.**
- **Current apartment market conditions: tight.**
- **Naval Base Ventura County is an important component of the economy of, and is the largest employer in, Ventura County. In 2010, the most recent data available, the base contributed \$2 billion to the county's economy (*Naval Base Ventura County Economic Impact and Community Involvement*).**



By Ikuko J. Nakano | As of January 1, 2016

Overview

The Oxnard-Thousand Oaks-Ventura, CA Metropolitan Statistical Area (hereafter, the Oxnard-Thousand Oaks-Ventura metropolitan area) is coterminous with Ventura County. In addition to hosting the defense industry, the metropolitan area is home to biotechnology industries, high-technology businesses, tourism, agriculture, and a national forest. During the 3 months ending December 2015, nonfarm payrolls grew at a 2.5-percent pace, and manufacturing was the only sector to lose jobs from the same period in 2014.

- As of January 2016, the population of the Oxnard-Thousand Oaks-Ventura metropolitan area is estimated at 849,300, an average annual increase of 4,500, or 0.5 percent, since April 2010.
- Net natural increase (resident births minus resident deaths) and international in-migration has accounted for all the population growth since 2010, offsetting domestic out-migration averaging 1,550 people annually from 2010 through 2014 (the most recent data available). The high cost of housing was the primary reason for the out-migration, which began in 2010. Approximately 61 percent of out-migrants moved to another county in California, and the remaining 39 percent moved to another state.
- The estimated economic impact of agricultural production in the metropolitan area was \$2.1 billion during 2014, the most recent data available (*Ventura County's Crop and Livestock Report 2014*), a 2-percent increase from 2013.



PD&R

Employment in eight of the nine service-providing sectors increased in the Oxnard-Thousand Oaks-Ventura area during the fourth quarter of 2015.

	3 Months Ending		Year-Over-Year Change	
	December 2014 (thousands)	December 2015 (thousands)	Absolute (thousands)	Percent
Total nonfarm payrolls	296.1	303.4	7.3	2.5
Goods-producing sectors	45.6	44.6	-1.0	-2.2
Mining, logging, and construction	15.1	15.1	0.0	0.0
Manufacturing	30.4	29.5	-0.9	-3.0
Service-providing sectors	250.6	258.8	8.2	3.3
Wholesale and retail trade	53.4	53.7	0.3	0.6
Transportation and utilities	6.3	6.7	0.4	6.3
Information	5.5	5.7	0.2	3.6
Financial activities	18.5	18.8	0.3	1.6
Professional and business services	36.0	39.5	3.5	9.7
Education and health services	40.8	41.8	1.0	2.5
Leisure and hospitality	35.3	37.4	2.1	5.9
Other services	9.9	9.9	0.0	0.0
Government	44.9	45.2	0.3	0.7
	(percent)	(percent)		
Unemployment rate	6.4	5.4		

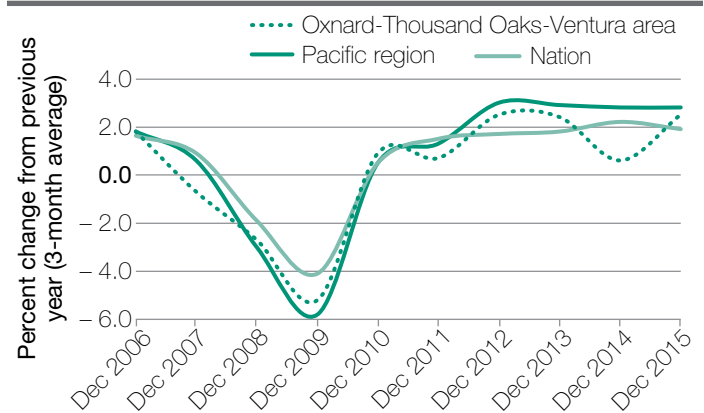
Note: Numbers may not add to totals because of rounding.
Source: U.S. Bureau of Labor Statistics

Economic Conditions

The Great Recession, which began nationally in the fourth quarter of 2007, had an immediate effect on economic conditions in the Oxnard-Thousand Oaks-Ventura metropolitan area. In the fourth quarter of 2007, the metropolitan area recorded a decline of 0.7 percent in total nonfarm payrolls, or 1,950 jobs, compared with employment during the fourth quarter of 2006. During the same period, both the Pacific region and the nation gained 0.6 percent in nonfarm payroll jobs. In the metropolitan area, nonfarm payrolls declined from 2007 through 2010 by an average of 6,025 jobs annually. Recovery began in 2011, and nonfarm payroll jobs in the metropolitan area grew from 280,300 in the fourth quarter of 2011 to 303,400 in the fourth quarter of 2015. The average number of jobs in the fourth quarter of 2015 was 0.8 percent higher than the number in the fourth quarter of 2006, prior to the Great Recession. Increased employment in construction, health care, and tourism has contributed significantly to the economic recovery in the metropolitan area. Since 2010, the greatest percentage gains in nonfarm payrolls have occurred in the construction subsector and in the education and health services and the leisure and hospitality sectors, which reported average annual growth rates of 4.6, 3.5, and 3.4 percent, respectively. The average unemployment rate for the fourth quarter of 2015 was 5.4 percent, down from 6.4 percent during the fourth quarter of 2014 and 10.7 percent during the fourth quarter of 2010,

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During the fourth quarter of 2015, nonfarm payroll growth in the Oxnard-Thousand Oaks-Ventura area surpassed growth for the nation but remained slower than growth in the Pacific region.



Note: Nonfarm payroll jobs.
Source: U.S. Bureau of Labor Statistics

Largest employers in the Oxnard-Thousand Oaks-Ventura area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Naval Base Ventura County	Government	20,050
Amgen, Inc.	Professional and business services	5,800
Bank of America	Financial activities	3,800

Note: Excludes local school districts.
Source: economy.com

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the highest rate before the recovery began. The unemployment rate for the Oxnard-Thousand Oaks-Ventura metropolitan area during the fourth quarter of 2015 was above the national rate of 4.8 percent, as it was during the fourth quarter of 2010, when the national rate was 9.2 percent.

During the fourth quarter of 2015—

- Nonfarm payrolls increased to an average of 303,400 jobs, an increase of 7,300 jobs, or 2.5 percent, following an increase of 1,850 jobs, or 0.6 percent, during the same period a year earlier.

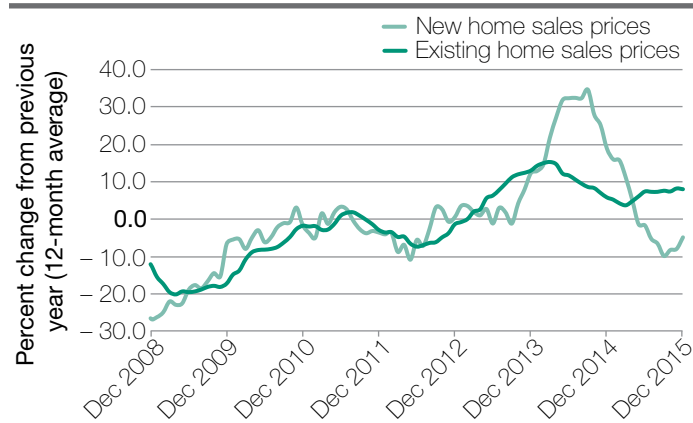
Sales Market Conditions

Sales housing market conditions in the Oxnard-Thousand Oaks-Ventura metropolitan area are currently tight because of a lack of available land. Most of the vacant land in the metropolitan area is owned by the government or protected by the Save Open Space and Agricultural Resources initiative. In the past 12 months, total home sales and existing home sales prices were up, and the share of mortgage loans in the foreclosure process was down. In December 2015, 1.7 percent of mortgage loans were 90 or more days delinquent, were in foreclosure, or had transitioned into real estate owned status compared with 1.8 percent in December 2014. The corresponding rates during December 2015 were 2.0 percent for California and 4.1 percent for the nation (Black Knight Financial Services, Inc.).

During the 12 months ending December 2015—

- Sales of new and existing homes increased 37 and 16 percent, to 600 and 9,600, respectively, from the 12 months ending December 2014 (Metrostudy, A Hanley Wood Company, with adjustments by the analyst).

Existing home sales prices in the Oxnard-Thousand Oaks-Ventura area have increased since early 2013, but new home prices declined during the 12 months ending December 2015.



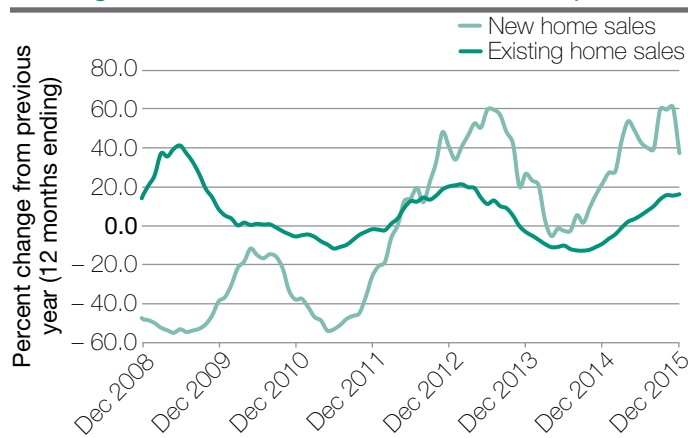
Note: Includes single-family homes, townhomes, and condominiums.
Source: Metrostudy, A Hanley Wood Company, with adjustments by the analyst

- The largest job growth was in the professional and business services sector, which added 3,500 jobs, up 9.7 percent from the fourth quarter of 2014, to 39,500 jobs. Growth in this sector was spurred by a 15.5-percent increase in the professional, scientific, and technical services subsector.
- Increased tourist spending supported growth in the leisure and hospitality sector, which added 2,100 jobs, a gain of 5.9 percent. Tourist expenditures increased from \$1.2 billion in 2010 to \$1.4 billion in 2014, the most recent data available (Visit California).

- The average sales price for existing homes rose by \$45,300, or 8 percent, to \$609,000, up from \$563,700 during the 12 months ending December 2014. Existing home sales prices have recovered from a low of \$413,600 during 2011 but remain below the high of \$691,100 in 2007.
- The average sales price of a new home was \$595,100, a 5-percent decrease from \$625,700 during the previous 12 months. The average new home price is 17 percent less than the average of \$734,200 for the 12-month period ending December 2006, the highest price recorded before the recession.
- The metropolitan areas to which people are out-migrating include Riverside County, California; Las Vegas-Henderson-Paradise, Nevada; and Phoenix-Mesa-Scottsdale, Arizona, where the average new home sales prices were \$422,100, \$356,300, and \$345,900, respectively, during the 12 months ending December 2015.
- New and existing condominium sales represented 18 percent of total home sales, the same as during the 12-month period ending December 2014 and similar to the 19-percent average from 2005 through 2013.

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New home sales in the Oxnard-Thousand Oaks-Ventura area have increased since August 2014, and existing home sales have increased since April 2015.



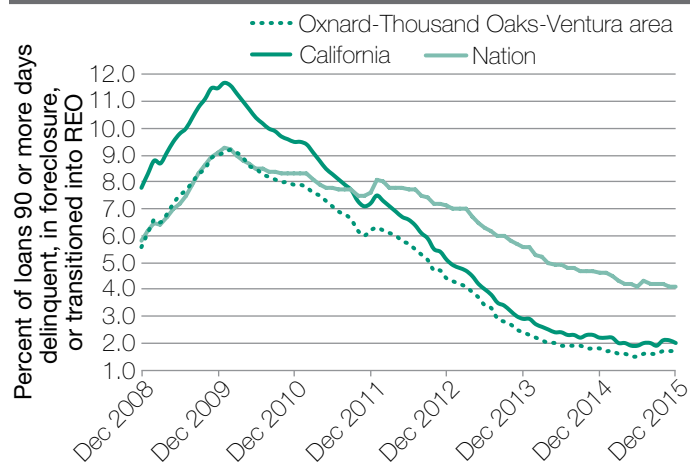
Note: Includes single-family homes, townhomes, and condominiums.
Source: Metrostudy, A Hanley Wood Company, with adjustments by the analyst

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Single-family home construction activity, as measured by the number of single-family homes permitted, decreased during the 12 months ending December 2015 and remained well below the level permitted during the peak years from 2000 through 2005.

- During the 12 months ending December 2015, 210 single-family homes were permitted (preliminary data), down 61 percent from the 540 homes permitted during the 12 months ending December

The percentage of seriously delinquent loans and REO properties in the Oxnard-Thousand Oaks-Ventura area has been declining since 2010.



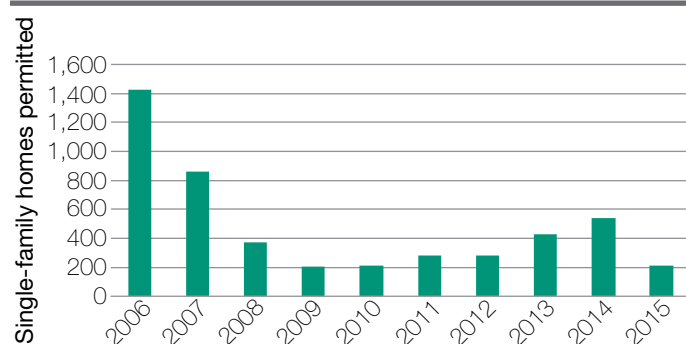
REO = real estate owned.

Source: Black Knight Financial Services, Inc.

2014. From 2007 through 2013, the number of single-family homes permitted averaged 380 annually, 73 percent fewer than the 1,425 homes permitted in 2006.

- New home sales prices vary throughout the metropolitan area. New two- to four-bedroom single-family homes at The Bridges at Fillmore in the city of Fillmore start at \$341,990. Three- to six-bedroom single-family homes at Arroyo Vista at The Woodlands in the city of Simi Valley range from \$722,990 to \$898,990. New three- to five-bedroom single-family homes at The Pinnacle at Moorpark Highlands in the city of Moorpark start at \$944,990.

Single-family permitting in the Oxnard-Thousand Oaks-Ventura area declined in 2015 after increasing in 2014.



Note: Includes preliminary data from January 2015 through December 2015.

Source: U.S. Census Bureau, Building Permits Survey

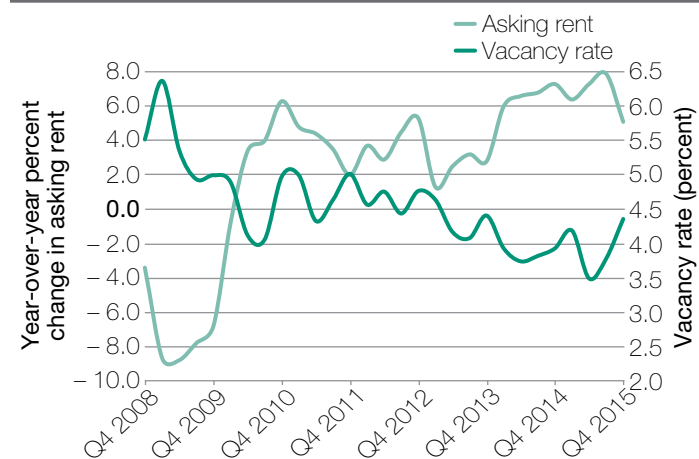
Apartment Market Conditions

The apartment market in the Oxnard-Thousand Oaks-Ventura metropolitan area is currently tight; apartment vacancy rates have remained below 5 percent since the first quarter of 2012. Rental vacancy rates are also low for single-family homes, which represent approximately 34 percent of the overall rental housing market but generally have higher rents for comparably sized units.

- The apartment vacancy rate was 4.4 percent in the fourth quarter of 2015, up from 3.9 percent during the fourth quarter of 2014 (Axiometrics Inc.).
- The average asking apartment rent increased more than 5 percent, to \$1,849, in the fourth quarter of 2015 from \$1,760 in the fourth quarter of 2014.
- Despite job growth, high rents are among the main reasons for domestic out-migration. Average asking rents in the metropolitan area have increased each year since the fourth quarter of 2009 after declining during 2009 as a result of the recession.

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Apartment asking rents in the Oxnard-Thousand Oaks-Ventura area have increased since the first quarter of 2010, and the vacancy rate has remained at or below 5 percent since the fourth quarter of 2011.



Source: Axiometrics Inc.

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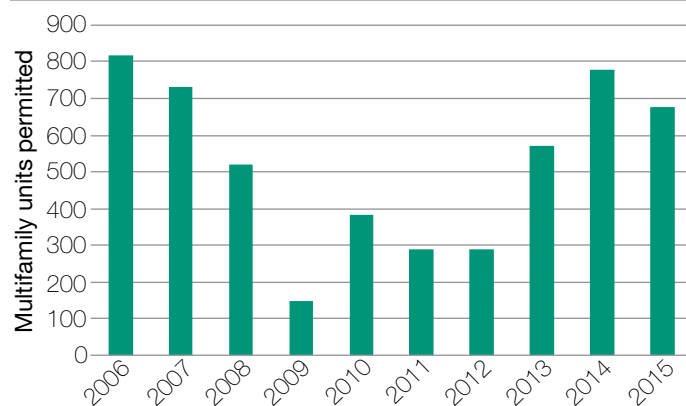
- People are out-migrating to areas with significantly lower rents, including Riverside County, California; Las Vegas-Henderson-Paradise, Nevada; and Phoenix-Mesa-Scottsdale, Arizona, where asking rents averaged \$1,335, \$877, and \$917, respectively, during the fourth quarter of 2015.

Multifamily construction activity, as measured by the number of units permitted, declined during 2015 following gains from 2012 to 2014.

- During the 12 months ending December 2015, multifamily construction totaled 680 units (preliminary data), down 13 percent from 2014. By comparison, multifamily permitting activity increased steadily from 290 units in 2012 to 780 units in 2014.
- Currently under construction are the Parklands and Island View apartments, both in the city of Ventura, with 173 and 154 units, respectively. Proposed rents at these properties are not yet available.
- The 235-unit Tempo RiverPark in Oxnard is currently in lease up. This complex has one-, two-, and three-bedroom units starting at \$1,780, \$2,130, and \$2,640, respectively.

- Another apartment complex currently in lease up is the 384-unit AMLI Spanish Hills in the city of Camarillo, with one-, two-, and three-bedroom apartments starting at \$1,874, \$2,213, and \$2,939, respectively.

Multifamily permitting in the Oxnard-Thousand Oaks-Ventura area declined in 2015 after increasing in 2014.



Note: Includes preliminary data from January 2015 through December 2015.

Source: U.S. Census Bureau, Building Permits Survey