

# Housing Market Profile

Pacific • HUD Region IX



## Oxnard-Thousand Oaks-Ventura, California

The Oxnard-Thousand Oaks-Ventura metropolitan area, coterminous with Ventura County, is located along the Pacific coast of Southern California, northwest of Los Angeles County. The major industries in the metropolitan area include the military, biotechnology, and financial services. The largest employers are Naval Base Ventura County (NBVC), Amgen Inc., and Bank of America Corporation, with approximately 19,000, 6,200, and 4,000 employees, respectively. As of January 1, 2013, the population was estimated at 839,500, reflecting an average annual increase of 5,875, or 0.7 percent, since April 2010. Population growth averaged 3,925 people, or 0.5 percent, annually from July 1, 2004, through July 1, 2008, when employment conditions were weaker and net out-migration averaged 3,475 people annually. Since 2009, net in-migration has averaged 170 people annually.

The economy of the metropolitan area began to recover in 2011 after 4 years of job losses. During the 12 months ending November 2012, nonfarm payrolls increased by 1,300 jobs to an average of 275,900 jobs, a 0.5-percent gain compared with the number of jobs recorded during the previous 12 months. Payrolls in the metropolitan area decreased by an average of 6,125 jobs, or 2.1 percent, annually from 2006 through 2010, led by job losses in the construction subsector and the professional and business services sector, before rebounding with a gain of 1,400 jobs, or 0.5 percent, in 2011. The greatest payroll gains during the 12 months ending November 2012 were in the leisure and hospitality and the professional and business services sectors, which grew by 1,750 and 1,400 jobs, or 5.6 and 4.2 percent, respectively. Area tourism began to improve in 2010. According to the most recent data available from the California Travel & Tourism Commission, the economic impact of direct travel spending during 2010 totaled \$1.3 billion, up 7 percent from 2009. By comparison, travel spending fell more than 11 percent in 2009 from a year earlier.

The greatest nonfarm payroll decline during the 12 months ending November 2012 occurred in the education and health services sector, which decreased by 1,700 jobs, or 5.2 percent, because of Medicare regulatory changes that reduced hospital admissions. Layoffs occurred at hospitals throughout the metropolitan area, including St. John's

Regional Medical Center and Community Memorial Health System, which eliminated 50 positions each. The largest employment sector in the metropolitan area, the government sector, accounts for approximately 16 percent of nonfarm payrolls. The government sector recorded a decline of 200 jobs, or 0.2 percent, to 44,700 jobs during the 12 months ending November 2012. Of those losses, 90 percent were in the federal government subsector, excluding the Department of Defense. NBVC is the largest employer in the area, with an estimated 5,000 military and 14,000 civilian personnel. According to a 2010 economic impact study by the Workforce Investment Board of Ventura County, the military base has a \$1.7 billion annual impact on the economy of the metropolitan area. During the 12 months ending November 2012, the average unemployment rate was 9.1 percent, down from 10.1 percent during the previous 12-month period.

The sales housing market in the Oxnard-Thousand Oaks-Ventura metropolitan area is currently tight, with an estimated vacancy rate of 0.9 percent, down from 1.4 percent in April 2010. Low interest rates and increased investor purchases led to stronger demand for single-family homes. According to data from Hanley Wood, LLC, new and existing home sales increased by 1,475 homes, or 18 percent, to 9,600 homes sold during the 12 months ending November 2012. This total was an improvement from the average of 8,475 homes sold annually from 2007 through 2011, but it was significantly below the average of 14,050 homes sold annually from 2005 through 2006. During the 12 months ending November 2012, the average sales price remained unchanged from a year earlier, at \$435,500. By comparison, the average home sales price was \$499,100 from 2007 through 2011 and \$670,600 from 2005 through 2006. According to LPS Applied Analytics, as of December 2012, 4.4 percent of homes loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), down from 6.2 percent a year earlier.

Based on preliminary data, single-family home construction, as measured by the number of homes permitted, decreased in the metropolitan area. During the 12 months ending November 2012, approximately 230 single-family homes were permitted, a 15-percent decline from the previous 12 months. By comparison, an average of 270 homes were permitted annually from 2008 through 2011. RiverPark, a 700-acre, master-planned, mixed-used development in the city of Oxnard, is currently under construction. Nearly 2,000 of the planned 2,500 single-family homes and townhomes are complete. Prices for single-family



homes start at \$390,000 and for townhomes at \$240,000. The development is expected to be complete within the next 6 years.

The rental housing market in the Oxnard-Thousand Oaks-Ventura metropolitan area is currently tight, partly because of low levels of apartment completions since 2009. According to Axiometrics Inc., in the third quarter of 2012, the apartment vacancy rate was 4.3 percent, down from 4.6 percent a year earlier. The average effective rent increased nearly 5 percent during the same period, to about \$1,600. According to preliminary permits data, during the 12 months ending November 2012, approximately 360 multifamily units were permitted compared with the 210 permitted during the previous 12 months. Multifamily

construction activity is also well above the average of 270 units permitted annually from 2009 through 2011, but it is still significantly below the average of 1,025 units permitted annually from 2003 through 2008. An estimated 1,275 rental units are currently under construction in the metropolitan area, including the 272-unit The Artisan in the city of Oxnard, with rents starting at \$1,515 for one-bedroom units, \$1,785 for two-bedroom units, and at a price to be determined for three-bedroom units. The project broke ground in August 2011 and is expected to be complete by the second quarter of 2013. The metropolitan area has a strong military presence, but military housing units managed by private firms primarily meet the current housing demand.