

HUD PD&R Housing Market Profiles

Oxnard-Thousand Oaks-Ventura, California

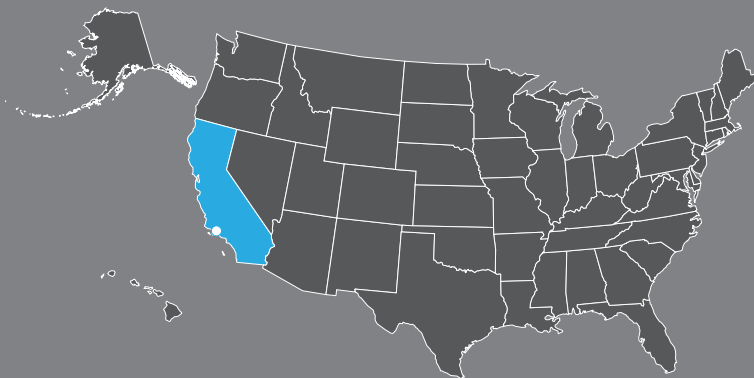


Quick Facts About Oxnard-Thousand Oaks-Ventura

Oxnard, California

By Mildred Jara Ramirez | As of November 1, 2021

- Current sales market conditions: tight
- Current rental market conditions: tight
- The Port of Hueneme, the only deep-water cargo seaport between the cities of Los Angeles and San Francisco, has an annual economic impact of \$1.7 billion and supports more than 15,800 direct, indirect, induced, and related jobs (The Port of Hueneme Oxnard Harbor District, 2020). During fiscal year 2020, 1.62 million tons of cargo—including automobiles, fresh produce, liquid fertilizer, and military cargo—were transported through the Port of Hueneme.



Overview

The Oxnard-Thousand Oaks-Ventura, CA Metropolitan Statistical Area (hereafter, Ventura metropolitan area) is coterminous with Ventura County. It is located along the Pacific coast in southern California and is bounded by Santa Barbara County to the west, Kern County to the north, and Los Angeles County to the east. Naval Base Ventura County (NBVC), the largest employer in the metropolitan area, provides stable employment and has an annual economic impact of \$2 billion (Ventura County 2040 General Plan, September 2020). In addition to NBVC, the tourism industry is an important component of the economic base of the Ventura metropolitan area. With 43 miles of coastline, two islands—Anacapa and San Nicolas, which are part of the eight California Channel Islands—and multiple state and national parks, the metropolitan area is a center for tourism. In 2019, tourism supported more than 17,000 jobs in the Ventura metropolitan area and generated nearly \$1.83 billion in travel spending, a 1-percent increase compared with 2018 (Visit California). Countermeasures enacted in mid-March 2020 to slow the spread of COVID-19 had a substantial impact on the tourism industry, reducing travel-related spending by nearly 50 percent to \$916.80 million in 2020.

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- As of November 1, 2021, the estimated population of the Ventura metropolitan area is nearly 839,200, representing an average annual decline of 2,400, or 0.3 percent, since 2017 (U.S. Census Bureau population estimates as of July 1 and estimates by the analyst). By comparison, the population increased by an average of 3,500, or 0.4 percent, a year from 2010 to 2017.
- The population of the Ventura metropolitan area has declined since 2017 due to increasing levels of net out-migration and slowing net natural change (resident births minus resident deaths), averaging 5,000 and 2,550 people

a year, respectively. By comparison, from 2010 to 2017, net out-migration and net natural change averaged 1,400 and 4,900 people a year, respectively.

- Increasingly high housing costs have contributed to net out-migration since 2010. Maricopa County in Arizona and Clark County in Nevada, where housing prices are at least 38 percent lower than in the Ventura metropolitan area, are the top two counties where net out-migration from the metropolitan area has been concentrated (U.S. Census Bureau Migration Flows, 2015-2019 American Community Survey [ACS], 5-year data).

Economic Conditions

Economic conditions in the Ventura metropolitan area are improving following the recession resulting from the COVID-19 pandemic. The gradual easing of restrictions on businesses and subsequent full reopening of the economy in June 2020 have contributed to partial job recovery in the Ventura metropolitan area during the past 18 months. From May 2020 through October 2021, nonfarm payroll jobs increased by 35,000, accounting for 72 percent of the 48,800 jobs lost in March and April 2020 (not seasonally adjusted). By comparison, in the nation, 92 percent of the jobs lost during March and April 2020 have been recovered as of October 2021. Before the pandemic, nonfarm payrolls in the Ventura metropolitan area increased by an average of 4,100 jobs, or 1.4 percent, annually from 2011 through 2019.

During the 3 months ending October 2021 —

- Nonfarm payrolls averaged 299,300 jobs, increasing by 12,600 jobs, or 4.4 percent, compared with the 3 months ending October 2020, with gains in all 11 payroll sectors. By comparison, in the state of California and the nation, jobs rose 5.5 and 4.1 percent, respectively.
- The leisure and hospitality sector led job growth, rising by 4,400 jobs, or 15.2 percent, from the same period a year ago. Job gains in the accommodation and food services industry were strong, partly because capacity restrictions on businesses including restaurants and hotels were lifted, increasing by 3,500 jobs, or 13.5 percent, compared with

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During the 3 months ending October 2021, job gains in the Ventura metropolitan area occurred in all 11 nonfarm payroll sectors.

	3 Months Ending		Year-Over-Year Change	
	October 2020 (Thousands)	October 2021 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	286.7	299.3	12.6	4.4
Goods-Producing Sectors	43.1	44.5	1.4	3.2
Mining, Logging, & Construction	17.6	17.8	0.2	1.1
Manufacturing	25.5	26.7	1.2	4.7
Service-Providing Sectors	243.7	254.9	11.2	4.6
Wholesale & Retail Trade	47.6	47.8	0.2	0.4
Transportation & Utilities	6.1	6.3	0.2	3.3
Information	3.6	3.9	0.3	8.3
Financial Activities	15.7	15.9	0.2	1.3
Professional & Business Services	42.2	44.2	2.0	4.7
Education & Health Services	48.2	49.4	1.2	2.5
Leisure & Hospitality	29.0	33.4	4.4	15.2
Other Services	7.7	8.4	0.7	9.1
Government	43.6	45.5	1.9	4.4
Unemployment Rate	8.7%	5.5%		

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



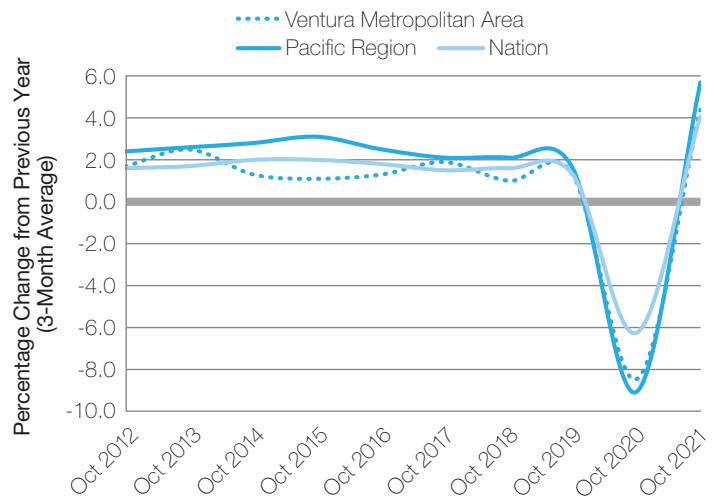
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a decline of 7,300 jobs, or 21.9 percent, during the 3 months ending October 2020.

- Nonfarm payrolls in the education and health services sector, the largest sector in the metropolitan area, accounting for 17 percent of all nonfarm payrolls, grew by 1,200 jobs, or 2.5 percent, from a year ago. The new construction and opening of Clinicas del Camino Real, Inc. Karen R. Burnham Health Center in the city of Oxnard in mid-2021 partially contributed to job additions in the education and health services sector.
- The unemployment rate in the Ventura metropolitan area averaged 5.5 percent, down from 8.7 percent during the 3 months ending October 2020 but up from a recent low of 3.6 percent during the 3 months ending October 2019.

The Ventura metropolitan area is home to NBVC, a naval installation that operates out of three facilities—Point Mugu, Port Hueneme, and San Nicolas Island. NBVC has approximately 18,800 personnel, including nearly 6,950 active-duty and reserve employees and 5,800 civilian employees (Defense Manpower System, September 2020). In May 2021, a \$10.4 million project, which deepened the channel used to enter Port Hueneme, was completed. This project increased the depth of the harbor from 35 to 40 feet in depth, allowing the port to receive larger vessels. The deepening project is expected to have an economic impact of \$28 million in revenue and create 560 local jobs. Another project at NBVC is the construction of the \$53 million Coast Guard Air Station Ventura at Point Mugu. Construction began in July 2021 and is scheduled for completion in August 2023. Once complete, 82 personnel are expected to be stationed at the air station. In addition, a dredging project at NBVC is expected to begin in October 2022 and to create 282 permanent jobs once complete.

During the 3 months ending October 2021, nonfarm payroll jobs in the Ventura metropolitan area grew at a slower rate than in the Pacific region but faster than in the nation.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Ventura Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Naval Base Ventura County	Government	18,776
Amgen Inc.	Professional & Business Services	5,000
Bank of America Corporation	Financial Activities	3,800

Notes: Excludes local school districts. Data include military personnel, who are generally not included in nonfarm payroll survey data.

Source: Moody's Analytics

Sales Market Conditions

Sales housing market conditions in the Ventura metropolitan area are currently tight due to a limited inventory of homes for sale. The sales vacancy rate is estimated at 0.7 percent, down from 1.4 percent in April 2010. As of October 2021, a 1.3-month supply of homes was available for sale in the metropolitan area, down from a 1.7-month supply in October 2020 (CoreLogic, Inc.). Elevated demand for homes has resulted in a substantial increase in home sales (including new and existing homes), which totaled 12,450 homes sold during the 12 months ending October 2021, a 26-percent increase from the 9,875 homes sold a year earlier (Zonda). The surge in home sales has led to a reduction in the available existing inventory, contributing to a sharp increase in the average home sales price during the past year. During the 12 months ending

October 2021, the average sales price increased 15 percent, to \$852,500, compared with a 9-percent increase during the previous 12-month period.

The percentage of home loans in the Ventura metropolitan area that were seriously delinquent (90 or more days delinquent or in foreclosure) or transitioned into real estate owned (REO) status fell to 1.6 percent in September 2021 from 3.4 percent in September 2020; however, the rate is higher than the recent low of 0.5 percent in March 2020 (CoreLogic, Inc.). The decline in the rate has occurred as the economy has been recovering following the economic downturn caused by the COVID-19 pandemic. The September 2021 rate in the Ventura metropolitan area was below the 1.9-percent rate for California and the 2.5-percent rate for the nation.

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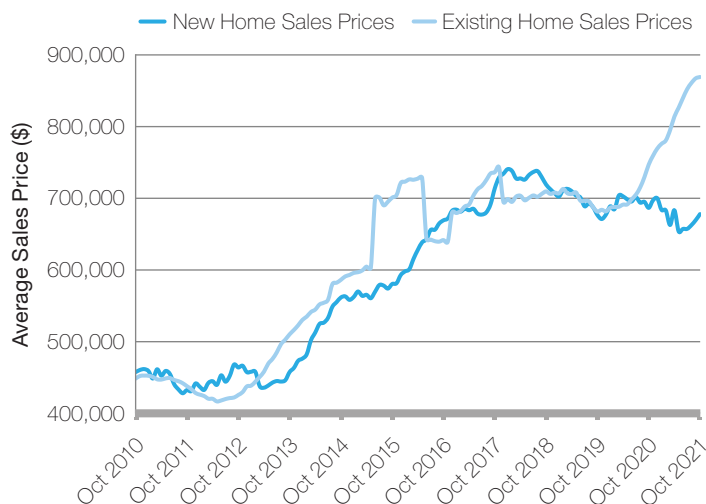
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During the 12 months ending October 2021 —

- Existing home sales in the Ventura metropolitan area totaled 11,350, reflecting a 24-percent increase from the 9,150 homes sold during the previous 12-month period; by comparison, existing home sales declined 3 percent during the 12 months ending October 2020 (Zonda). Existing home sales were generally stable from 2015 through 2019, averaging 9,675 homes sold annually.
- The average sales price for existing homes was \$869,200, up 16 percent from the \$746,900 average sales price a year earlier and 25 percent higher than the average annual sales price of \$697,100 from 2015 through 2019.
- New home sales totaled 1,075 homes, a 46-percent increase from the 740 new homes sold during the previous 12-month period and nearly 54 percent higher than the average of 700 homes sold annually from 2015 through 2019.
- The average sales price for a new home was \$678,300, approximately 1 percent below the \$687,000 average sales price a year ago and relatively unchanged from the 12 months ending October 2019. The average new home sales price has been generally stable since 2016.

New home construction, as measured by the number of single-family homes permitted, has remained below the recent peak in 2017 despite low levels of existing for-sale inventory. Policies such as the Save Open Space and Agricultural Resource (SOAR) initiative—which requires a public vote to convert agricultural,

The average existing home sales price in the Ventura metropolitan area has been increasing sharply since late 2019.

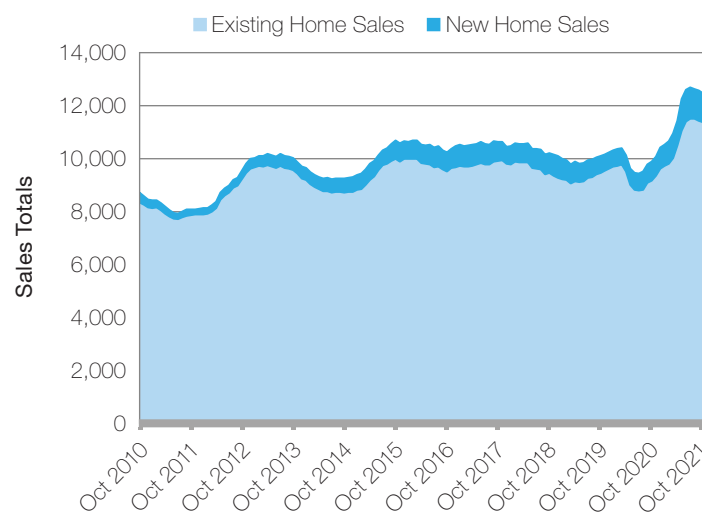


Note: Prices are for single-family homes, townhomes, and condominiums.
Source: Zonda

rural, and open space lands into housing developments—have reduced the amount of available land for construction and have contributed to low levels of single-family homebuilding. In 2017, however, construction of the first phase of Harvest at Limoneira began and was the first large-scale master-planned community to obtain enough public votes to build on agricultural land since the SOAR initiative was established.

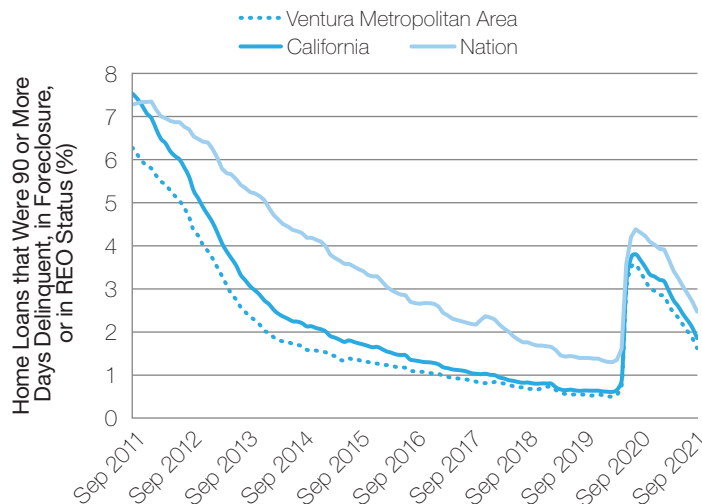
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Sales of new and existing homes in the Ventura metropolitan area are at the highest levels in more than a decade.



Note: Sales are for single-family homes, townhomes, and condominiums.
Source: Zonda

The rate of seriously delinquent mortgages and REO properties in the Ventura metropolitan area rose sharply from April 2020 through August 2020 but has been declining since September 2020.

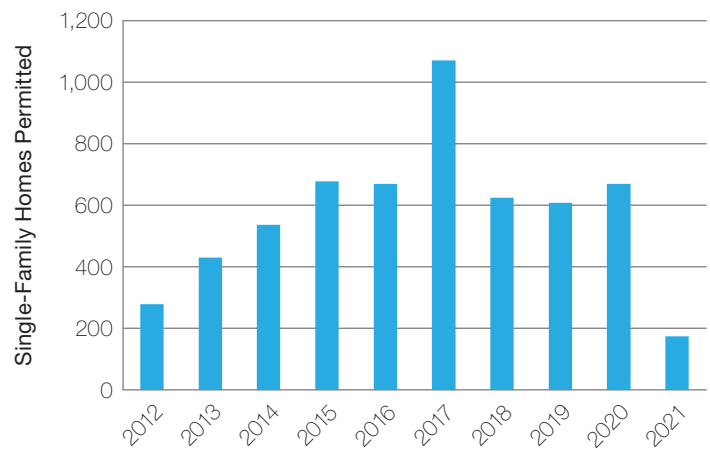


REO = real estate owned.
Source: CoreLogic, Inc.

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- During the 12 months ending October 2021, approximately 180 single-family homes were permitted, up 53 percent from the 120 homes permitted during the 12 months ending October 2020 (preliminary data, not all jurisdictions reporting).
- After reaching nearly 1,075 homes permitted in 2017, home sales construction slowed to an average of 630 homes permitted a year from 2018 through 2020. Despite this slowdown, single-family home construction was above the average of 520 homes permitted annually from 2012 through 2016.
- New home sales prices vary throughout the Ventura metropolitan area; however, a large portion of new home construction has been concentrated in cities where home prices are lower, such as Santa Paula. Three- to five-bedroom homes at Harvest at Limoneira, in the city of Santa Paula—which will include 596 homes in the first phase of construction—will range from 1,650 to 2,452 square feet in size and will have prices starting from the high \$500,000s.
- The Sycamore Grove master-planned community in the city of Simi Valley includes three communities—Sorrell, Cypress, and Acacia—of single-family homes and townhomes, which are currently in presale, with expected completion of model homes in January 2022. Sorrell will consist of 58 two-, three-, and four-bedroom townhomes with prices starting in

After reaching a peak during 2017, single-family home permitting in the Ventura metropolitan area was relatively limited from 2018 through 2020.



Note: Includes preliminary data from January 2021 through October 2021.

Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

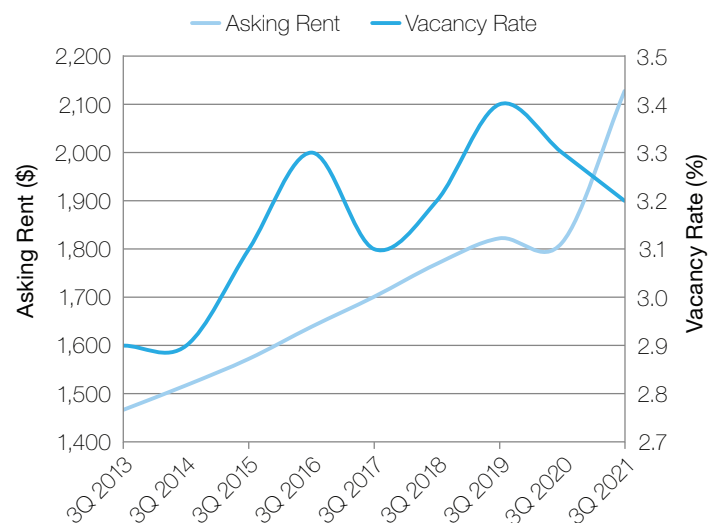
the upper \$600,000s, whereas Cypress will include 54 three- and four-bedroom single-family homes with prices starting in the low \$800,000s, and Acacia will include 52 three- and four-bedroom single-family homes with prices starting in the upper \$700,000s.

Rental Market Conditions

Rental housing market conditions in the Ventura metropolitan area are tight, unchanged from a year ago. Approximately 47 percent of renter households live in single-family attached or detached homes, while 38 percent live in multifamily buildings with five or more units, typically apartments; in 2010, the comparable figures were 46 and 39 percent (2010 and 2019 ACS, 1-year data).

- The overall rental vacancy rate, including single-family homes, mobile homes, and apartments, was estimated at 3.5 percent as of November 1, 2021, down from 4.8 percent in 2010.
- Apartment market conditions in the Ventura metropolitan area are tighter than the overall rental market, with a vacancy rate of 3.2 percent during the third quarter of 2021, down slightly from 3.3 percent a year earlier and from 3.4 percent during the third quarter of 2019 (Moody's Analytics REIS). During the third quarter of 2021, the average apartment asking rent increased 17 percent to \$2,128, up from \$1,813 during the third quarter of 2020.
- Apartment vacancy rates in the five Moody's Analytics REIS-defined market areas within the Ventura metropolitan area

The average apartment asking rent in the Ventura metropolitan area increased sharply during the third quarter of 2021.



3Q = third quarter.

Source: Moody's Analytics REIS

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ranged from 2.8 percent in both the Thousand Oaks market area and the Oxnard market area—where NBVC is located—to 4.9 percent in the San Buenaventura market area.

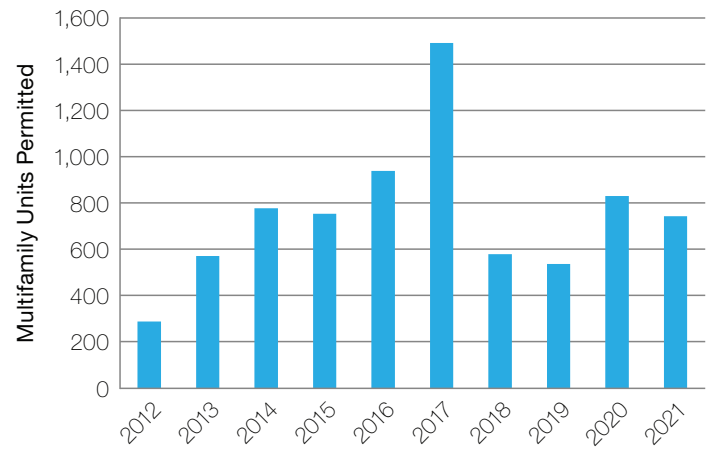
Average apartment rents ranged from \$2,007 in the Oxnard market area to \$2,184 in the Camarillo market area.

- Currently, the average single-family home rental vacancy rate is 3.8 percent. Vacancy rates have been relatively stable from 2016 through 2020, ranging from 3.4. to 3.9 percent (John Burns Real Estate Consulting). The median single-family rent is \$3,084, a 6 percent year-over-year increase.

Multifamily construction in the Ventura metropolitan area, as measured by the number of units permitted, slowed in 2018 and 2019 after peaking in 2017, but increased in 2020.

- During the 12 months ending October 2021, approximately 900 multifamily units were permitted, a 66-percent increase from 540 units permitted during the previous 12-month period (preliminary data, not all jurisdictions reporting).
- After averaging 820 units permitted a year from 2014 through 2016, multifamily permitting increased to a high of 1,500 in 2017 and subsequently declined to an average of 650 units a year from 2018 through 2020.
- Currently under construction are the 278-unit Tapo-Alamo apartments in the city of Simi Valley and the 142-unit 299 Thousand Oaks Boulevard development in the city of

Multifamily permitting in the Ventura metropolitan area rose during 2020 after declining in 2019.



Note: Includes preliminary data from January 2021 through October 2021.

Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

Thousand Oaks. Tapo-Alamo is expected to be complete by early 2024, and the completion of 299 Thousand Oaks Boulevard is expected in August 2022.

- Coastline Ventura, a 231-unit luxury apartment development in the city of Ventura, is currently in lease-up. Rents for one-, two-, and three-bedroom units start at \$3,195, \$3,545, and \$5,200, respectively.