

Oxnard-Thousand Oaks-Ventura, California



U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of February 1, 2013



Housing Market Area



The Oxnard-Thousand Oaks-Ventura Housing Market Area (HMA) (hereafter, the Ventura County HMA) is coterminous with Ventura County and is located along the Pacific coast of southern California, with Los Angeles County to the south and Santa Barbara County to the north. For purposes of this report, the HMA includes two submarkets: East Ventura County, where major industries are biotechnology and financial services, and West Ventura County, where major industries are government and agriculture.

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Summary

Economy

The economy of the Ventura County HMA began to recover in 2011 after 4 years of job losses. Total payroll jobs increased by 2,900, or 1.0 percent, to 306,300 jobs, during the 12 months ending January 2013. The education and health services and the leisure and hospitality sectors led nonfarm payroll job gains, with 900 and 700 jobs, or 2.6 and 2.2 percent, respectively. During the same period, farm payrolls increased by 1,100 jobs, or 4.2 percent, to 27,200 jobs. Job growth averaging 1.3 percent annually is expected during the 3-year forecast period.

Sales Market

The sales housing market in the HMA is currently tight, with an estimated vacancy rate of 0.9 percent. During the 12 months ending January 2013, total home sales increased 27 percent

(Hanley Wood, LLC). Demand is estimated for 3,550 new homes during the forecast period (Table 1). The 560 homes currently under construction and a portion of the estimated 7,050 other vacant units in the HMA that may re-enter the market will satisfy some of the demand.

Rental Market

The rental housing market in the HMA is balanced to tight, with an overall vacancy rate of 3.7 percent, down from 4.8 percent in April 2010. During the fourth quarter of 2012, the apartment vacancy rate in the HMA was 3.3 percent, down from the 3.9-percent rate recorded during the fourth quarter of 2011 (Reis, Inc.). During the forecast period, demand is estimated for 1,600 rental units (Table 1). The 860 units currently under construction will satisfy some of the forecast demand.

Table 1. Housing Demand in the Ventura County HMA,* 3-Year Forecast, February 1, 2013, to February 1, 2016

	Ventura County HMA*		East Ventura County Submarket		West Ventura County Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	3,550	1,600	1,025	680	2,525	920
Under construction	560	860	120	40	440	820

*Oxnard-Thousand Oaks-Ventura HMA.

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of February 1, 2013. A portion of the estimated 7,050 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Economic Conditions

The economy of the Ventura County HMA is continuing a recovery that began in January 2011 after 4 years of job losses. During the 12 months ending January 2013, total payroll jobs averaged 306,300, an increase of 2,900 jobs, or 1.0 percent, compared with the number of jobs recorded during the previous 12-month period (Table 2). Despite recent job gains, total payrolls remain 14,500 jobs fewer than the peak of 320,800 jobs recorded during the 12 months

ending January 2007. From 2007 through 2010, as a result of the slowing home sales market, an average of 5,875 jobs, or 1.9 percent, were lost in the HMA annually; approximately 63 percent of job losses occurred in the construction subsector and the professional and business services sector. During that period, the construction subsector declined by an annual average of 2,300 jobs, or 11.2 percent, and the professional and business services sector lost an average of 1,375 jobs, or 3.5 percent, annually. During the 12 months ending January 2013, employment growth in the HMA reduced the unemployment rate to 9.0 percent, down from 10.0 percent a year earlier. By comparison, the unemployment rate averaged 5.1 percent annually from 2000 through 2006. Figure 1 shows trends in the labor force, resident employment, and the unemployment rate from 2000 through 2012.

Nonfarm payrolls have improved since 2011, with average annual gains of 3,100 jobs, or 1.1 percent, primarily because of job growth in the leisure and hospitality and the education and health services sectors. During the same period, these two sectors added an average of 1,400, and 1,300 jobs, or 4.4 and 3.8 percent, respectively. During the 12 months ending January 2013, the leisure and hospitality sector added 700 jobs, a 2.2-percent increase compared with the number of jobs recorded in that sector during the previous 12-month period. The economic impact of direct travel spending during 2010 totaled \$1.3 billion, up 7.0 percent from 2009 (most recent data available; California Travel and Tourism Commission). By comparison, travel spending fell more than 11 percent in 2009.

The largest industries in the HMA include biotechnology and mortgage lending, which are predominant in

Table 2. 12-Month Average Payroll Jobs in the Ventura County HMA,* by Sector

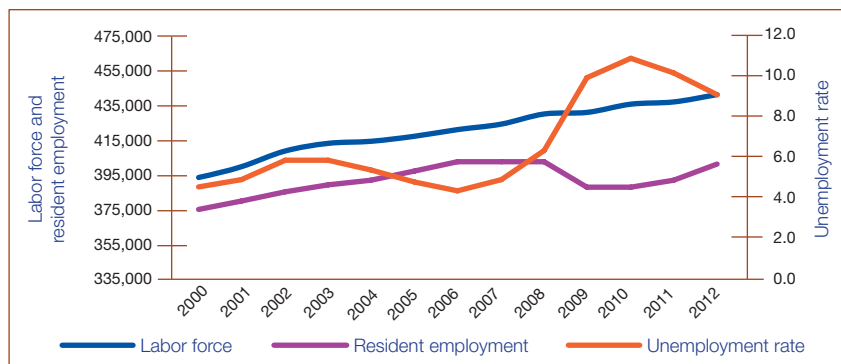
	12 Months Ending January 2012	12 Months Ending January 2013	Percent Change
Total payroll jobs	303,400	306,300	1.0
Total farm payroll jobs	26,100	27,200	4.2
Total nonfarm payroll jobs	277,300	279,100	0.6
Goods-producing sectors	43,000	42,800	-0.5
Mining, logging, & construction	12,900	13,000	0.8
Manufacturing	30,200	29,700	-1.7
Service-providing sectors	234,300	236,400	0.9
Wholesale & retail trade	49,300	49,700	0.8
Transportation & utilities	5,600	5,700	1.8
Information	4,900	4,900	0.0
Financial activities	19,800	19,300	-2.5
Professional & business services	34,300	34,800	1.5
Education & health services	34,500	35,400	2.6
Leisure & hospitality	32,500	33,200	2.2
Other services	9,300	9,500	2.2
Government	44,100	43,900	-0.5

*Oxnard-Thousand Oaks-Ventura HMA.

Notes: Based on 12-month averages through January 2012 and January 2013. Numbers may not add to totals because of rounding.

Source: California Employment Development Department

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Ventura County HMA,* 2000 Through 2012



*Oxnard-Thousand Oaks-Ventura HMA.

Source: California Employment Development Department

the East Ventura County submarket, and defense and agriculture, which are predominant in the West Ventura County submarket. Table 3 provides a list of the major employers in the HMA. Major private-sector employers in the East Ventura County submarket include Amgen Inc., Bank of America, N.A., and Anthem Blue Cross. Approximately 6,200 workers are employed at Amgen Inc.; however, the company cut almost 700 jobs at the Thousand Oaks headquarters location in 2007 for financial reasons and an additional 230 research and development jobs in 2011 as part of a departmentwide restructuring. The second largest employer in the East Ventura County submarket, Bank of America, N.A., employs 4,800 workers. The bank's presence in the HMA

expanded after the \$2 billion acquisition of the Countrywide Financial Corporation in July 2008. In January 2013, Bank of America eliminated about 50 positions at the Mortgage Legacy Asset Servicing Center, which deals with defaults and foreclosures, because of the declining number of delinquent loans that the bank now services. During the 12 months ending January 2013, the financial activities sector lost 500 jobs, a 2.5-percent decrease.

The government sector is the largest nonfarm payroll sector in the HMA, accounting for approximately 14 percent of total payroll jobs (Figure 2). During the 12 months ending January 2013, the sector recorded a decline of 200 jobs, or 0.5 percent, and one-half of those losses were in the federal government subsector, excluding the Department of Defense. Naval Base Ventura County is the leading employer in the West Ventura County submarket and the HMA, with an estimated 5,000 military and 14,000 civilian personnel. Although the Defense Base Closure and Realignment Commission recommended a net loss of 1,500 military and civilian personnel at the base by the end of 2011, a total of only 400 personnel were relocated to Naval Air Weapons Station China Lake in neighboring Kern County. Naval Base Ventura County has a \$1.7 billion annual impact on the local economy (2010 economic impact study; Workforce Investment Board of Ventura County).

Agriculture is also a significant component of the West Ventura County submarket's economic base, and it accounted for an average of 27,200 farm jobs during the 12 months ending January 2013, an increase of 1,100 jobs, or 4.2 percent. Farm jobs, which remain a stable source of employment

Table 3. Major Employers in the Ventura County HMA*

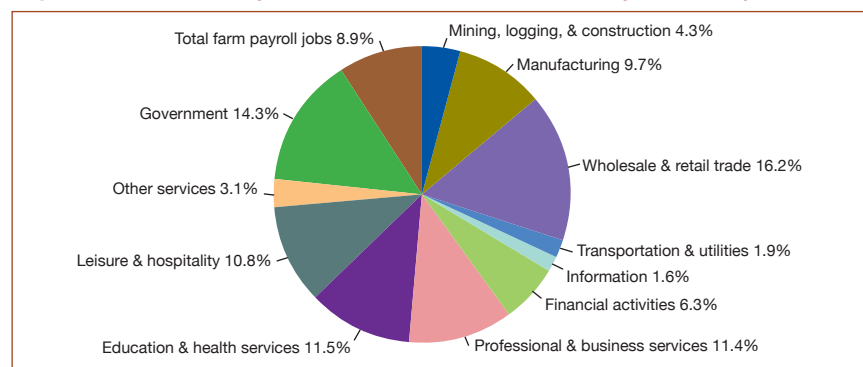
Name of Employer	Nonfarm Payroll Sector	Number of Employees
Naval Base Ventura County	Government	19,000
County of Ventura	Government	8,375
Amgen Inc.	Professional & business services	6,200
Bank of America, N.A.	Financial activities	4,800
Anthem Blue Cross	Education & health services	3,625
WellPoint, Inc.	Financial activities	3,100
Community Memorial Health System	Education & health services	2,025
St. John's Regional Medical Center	Education & health services	2,000
Los Robles Hospital & Medical Center	Education & health services	1,475
Farmers Insurance Group	Professional & business services	1,200

*Oxnard-Thousand Oaks-Ventura HMA.

Note: Excludes local school districts.

Source: City and county comprehensive annual financial reports, 2011

Figure 2. Current Payroll Jobs in the Ventura County HMA,* by Sector



*Oxnard-Thousand Oaks-Ventura HMA.

Note: Based on 12-month averages through January 2013.

Source: California Employment Development Department

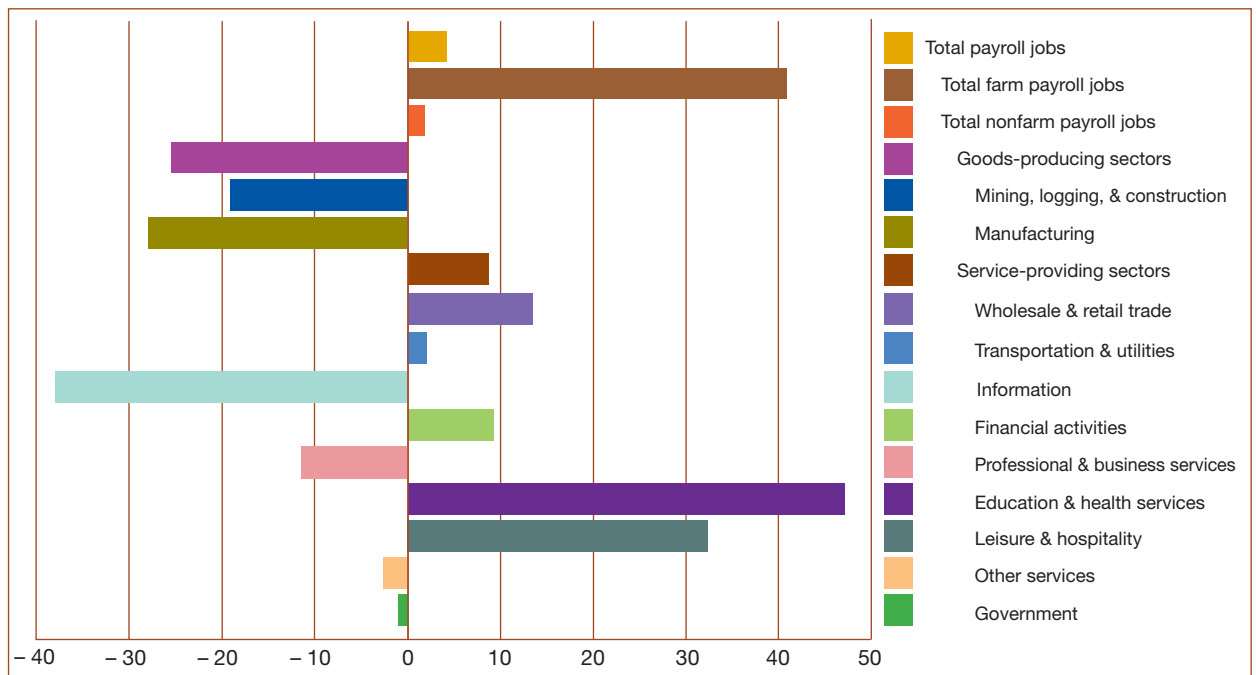
in the HMA (State of California Employment Development Department), increased almost every year from 2002 through 2012, when nonfarm sectors in the HMA experienced declines. The gross value of agriculture in the county during 2011, particularly in crops such as strawberries and raspberries, totaled \$1.84 billion (County of Ventura Agricultural Commissioner). Houweling's Tomatoes, a greenhouse tomato grower in the city of Camarillo, plans to build two additional hydroponic greenhouses during the summer of 2014. The two-stage expansion will add an estimated 200 to 250 employees during each phase of construction for a total of 400 to 500 additional farm employees when the expansion is complete in 2016. Figure 3 shows the percentage change in sector growth from 2000 to the current date.

Although employment opportunities exist within the HMA, a considerable number of residents who live in the

HMA depend on neighboring Los Angeles and Santa Barbara Counties for employment. During 2010, 44 percent of residents in the East Ventura County submarket commuted to jobs in Los Angeles County, and 28 percent of West Ventura County submarket residents commuted to jobs in either Los Angeles County or Santa Barbara County (Census Bureau). The difference in commuting patterns between the submarkets is a result of their proximity to Los Angeles County.

During the 3-year forecast period, total payrolls are expected to increase at an average annual rate of 1.3 percent, or by 5,800 jobs a year. Continued development in the agriculture industry will lead to total farm payroll job growth during the forecast period, particularly in the West Ventura County submarket, as crop producers make the transition to clean energy technology.

Figure 3. Sector Growth in the Ventura County HMA,* Percentage Change, 2000 to Current



*Oxnard-Thousand Oaks-Ventura HMA.

Note: Current is based on 12-month averages through January 2013.

Source: California Employment Development Department

Population and Households

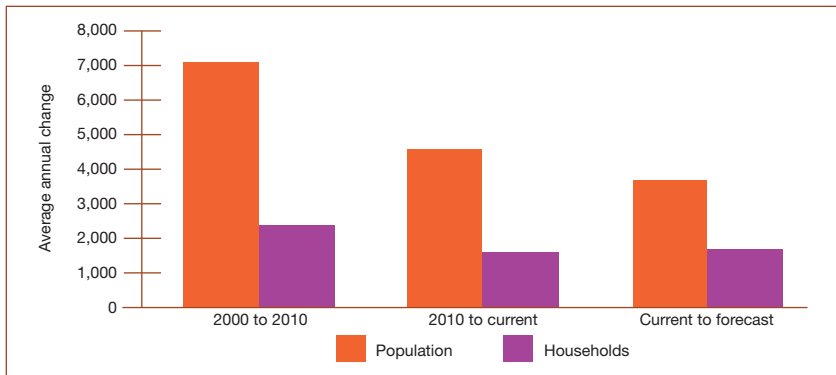
As of February 1, 2013, the population of the Ventura County HMA was estimated at 836,200, representing an average annual gain of 4,550, or 0.5 percent, since April 2010 (Figure 4). Since 2000, net natural change (resident births minus deaths) has accounted for all of the population growth in the HMA, because an average of 3,850 people migrated out of the HMA annually from 2000 through 2012. During the housing boom, younger households and retirees migrated out of the HMA, primarily from the East Ventura County submarket, for more affordable housing areas in California and other states. As a result, out-migration

from the HMA averaged 2,725 people annually from July 1, 2003, through July 1, 2008. When housing prices in the HMA began to decline in 2009, net out-migration slowed to an average of 1,025 people annually from July 1, 2009, through the current date (Figure 5).

The population of the East Ventura County submarket is currently estimated at 326,700, reflecting an average annual increase of 1,475 people, or 0.5 percent, since April 2010. Roughly 78 percent of the residents in this submarket live in the cities of Thousand Oaks and Simi Valley. Out-migration from July 2004 through July 2009 was primarily to adjacent Kern and San Diego Counties and to Arizona, Nevada, and Texas because of more affordable housing options in those areas (Internal Revenue Service migration data). The difference in average sales prices ranged from \$91,000 less in San Diego County to \$414,700 less in Texas than the average sales price in the East Ventura County submarket from 2005 (the earliest data available) through 2009 (Hanley Wood, LLC). Net out-migration slowed to an average of 1,175 people annually from 2010 through the current date as home sales moderated and prices declined.

From April 2010 to the current date, the population of the West Ventura County submarket increased by an average of 3,075 people, or 0.6 percent, annually, to a current estimate of 509,500. Nearly 70 percent of the population in the submarket lives in the cities of Ventura and Oxnard. Unlike the net out-migration that occurred in the East Ventura County submarket during the 2000s, net migration was positive into West Ventura County because home prices in the

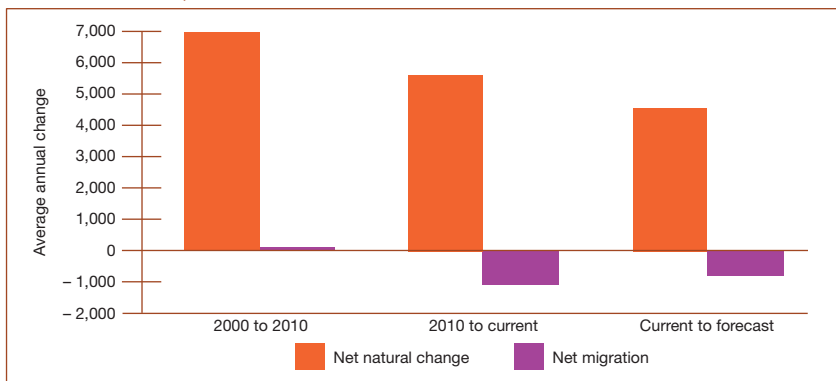
Figure 4. Population and Household Growth in the Ventura County HMA,* 2000 to Forecast



*Oxnard-Thousand Oaks-Ventura HMA.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Ventura County HMA,* 2000 to Forecast



*Oxnard-Thousand Oaks-Ventura HMA.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

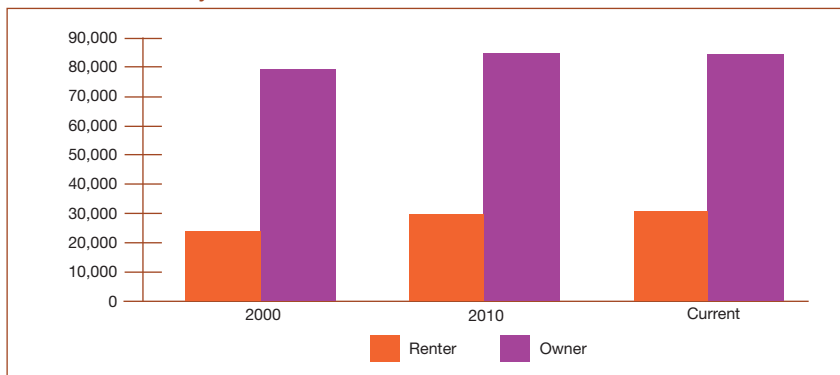
submarket were relatively more affordable. From 2000 through 2012, an average of 580 people migrated into the submarket annually.

Population growth is expected to be slower in the HMA during the forecast period as families continue to migrate out of the East Ventura County submarket for more affordable housing choices. Population growth in the HMA is forecast to increase by an average of 3,700 people, or 0.4 percent, annually; growth in the East Ventura County submarket is forecast to

average an annual increase of 530 people, or 0.2 percent, and growth in the West Ventura County submarket is estimated to average an annual increase of 3,175 people, or 0.6 percent.

Since April 2010, the number of households in the HMA has increased from 266,920 to a current estimate of 271,300, an average annual increase of 1,550 households, or 0.6 percent. During the same period, households in the East Ventura County submarket increased to 114,400, reflecting an average annual increase of 460 households, or 0.4 percent (Figure 6), and households in the West Ventura County submarket increased to 156,900, an average annual increase of 1,075 households, or 0.7 percent, since April 2010 (Figure 7). Homeownership rates, however, fell by roughly 1.0 percentage point in both submarkets from 2010 to the current date; in the East submarket, the homeownership rate fell from 74.4 to 73.4 percent, and, in the West submarket, the rate fell from 58.6 to 57.5 percent during the same period. Tables DP-1 through DP-3 at the end of this report provide information on homeownership rates in the HMA and in each submarket from 2000 to the current date. During the forecast period, households are expected to increase by an annual average of 1,600, or 0.6 percent, with an average annual addition of 530 households, or 0.5 percent, in the East Ventura County submarket and an average annual addition of 1,075 households, or 0.7 percent, in the West Ventura County submarket.

Figure 6. Number of Households by Tenure in the East Ventura County Submarket, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Figure 7. Number of Households by Tenure in the West Ventura County Submarket, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market—East Ventura County Submarket

The home sales market in the East Ventura County submarket is currently tight, with an estimated vacancy rate of 0.8 percent compared with 1.0 percent as of April 2010. Home sales market conditions began to stabilize in 2011 after experiencing average annual declines of 21 percent from 2005 through 2008. Home sales picked up slightly in 2009, partly because of the first-time homebuyer tax credit program, but it declined in 2010 following the expiration of the credit in May. Since 2011, low interest rates and investor purchases have led to an increase in single-family home sales. During the 12 months ending January 2013, existing home sales in the East Ventura County submarket increased 28 percent, to 3,225 homes, compared with the number sold during the same 12 months a year ago (Hanley Wood, LLC). By comparison, existing home sales averaged 2,525 annually from 2007 through 2011. The increase in existing home sales during the 12 months ending January 2013 was driven by regular resales rather than REO (Real Estate Owned) sales, because regular resales increased 43 percent to 2,525 homes. During the 12 months ending January 2013, REO sales declined 7.0 percent to 700 homes sold; REO sales constituted 22 percent of all existing single-family sales during the most recent 12-month period compared with 31 percent during the 12 months ending January 2012 and compared with 33 percent at its peak in 2008. During the 12 months ending January 2013, the average existing sales price remained unchanged at \$467,000. The existing sales price remains significantly below the average annual peak of \$659,700 that was recorded from

2005 through 2007. As of January 2013, 4.3 percent of home loans in the HMA were 90 days or more delinquent, were in foreclosure, or transitioned into REO, down from 6.2 percent in January 2012 (LPS Applied Analytics). By comparison, in January 2013, the national rate was 7.0 percent and the statewide rate was 4.9 percent.

By contrast to increasing existing home sales, during the 12 months ending January 2013, sales of new homes in the East Ventura County submarket declined by 4.0 percent to 100 homes sold. By comparison, new home sales averaged 520 homes from 2005 through 2007. The average sales price of a new home in the submarket during the 12 months ending January 2013 declined 12 percent to \$446,300 compared with \$508,600 during the previous 12-month period. The average new home sales price has declined 42 percent since peaking at \$864,900 from 2005 through 2007.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, increased to 120 homes permitted during the 12 months ending January 2013 compared with 90 homes permitted during the previous 12-month period. Although construction activity has increased recently, construction remains well below peak levels. From 2000 through 2005, an average of 1,150 homes was permitted annually. The issuance of single-family building permits began to slow in 2006, and that reduction continued through 2007 at an average of 450 annually before declining significantly from 2008 through 2011, when an average of 100 units was permitted annually because of the sluggish economy and

Housing Market Trends

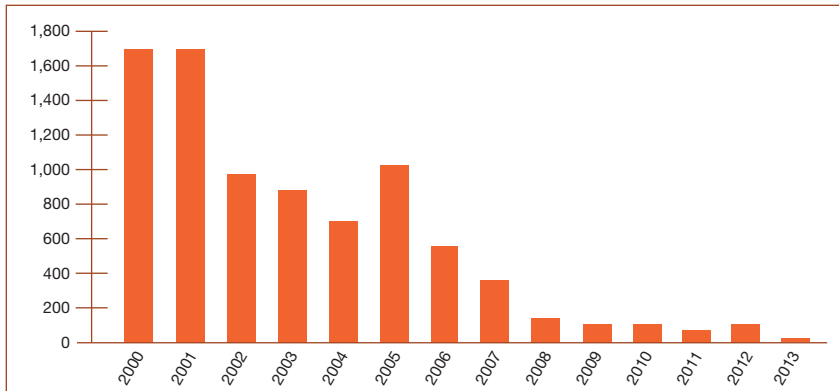
Sales Market—East Ventura County Submarket *Continued*

slow new home sales (Figure 8). Simi Valley and Thousand Oaks account for most of the residential development that has been completed since 1970 in the East Ventura County submarket. The MarketPlace in Simi Valley is a 72-unit townhome

development currently under construction, with prices ranging from \$386,900 to \$489,900, and almost one-half of all units are currently sold. Completion for the entire development is expected by May 2014.

During the next 3 years, demand in the East Ventura County submarket is estimated for 1,025 new homes. Unlike the West Ventura County submarket, most of the large parcels of vacant land available for residential construction are not located on federal forests or controlled by the military; however, some of the land will be constrained by the Guidelines for Orderly Development and Save Open Space and Agriculture Resources (SOAR) initiatives, which limit residential building outside city boundaries without a public vote. Demand is expected to be stronger during the second and third years of the forecast period. The 120 homes currently under construction and a portion of the estimated 7,050 other vacant units in the HMA that may reenter the market will satisfy some of the forecast demand. Prices for new units currently start at \$290,000, and demand is greatest for homes priced between \$350,000 and \$399,999 (Table 4).

Figure 8. Single-Family Building Permits Issued in the East Ventura County Submarket, 2000 to 2013



Notes: Includes townhomes. Includes data through January 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the East Ventura County Submarket, February 1, 2013, to February 1, 2016

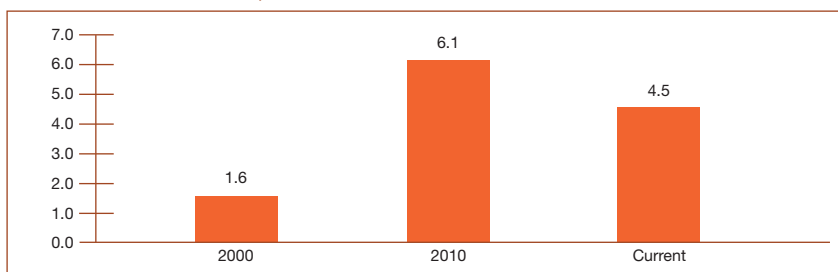
Price Range (\$)		Units of Demand	Percent of Total
From	To		
290,000	349,999	100	10.0
350,000	399,999	460	45.0
400,000	449,999	260	25.0
450,000	499,999	150	15.0
500,000	and higher	50	5.0

Note: The 120 homes currently under construction and a portion of the estimated 1,550 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Rental Market—East Ventura County Submarket

Figure 9. Rental Vacancy Rates in the East Ventura County Submarket, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Rental housing market conditions in the East Ventura County submarket are currently balanced, with an overall rental vacancy rate of 4.5 percent, down from 6.1 percent in April 2010 (Figure 9). During the fourth quarter of 2012, the apartment vacancy rate in the submarket was 3.3 percent, down from the 4.1-percent rate recorded during the fourth quarter of

Housing Market Trends

Rental Market—East Ventura County Submarket *Continued*

2011 (Reis, Inc.). In 2006, increased conversions of owner-occupied condominiums and single-family homes into rental units resulted in the apartment vacancy rate rising to around 5 percent. By comparison, from 2000 through 2005, apartment vacancy rates ranged from 2.5 to 3.5 percent. Apartment vacancy rates began to decline in 2010, however, as increasing foreclosure activity shifted homeowners into renters.

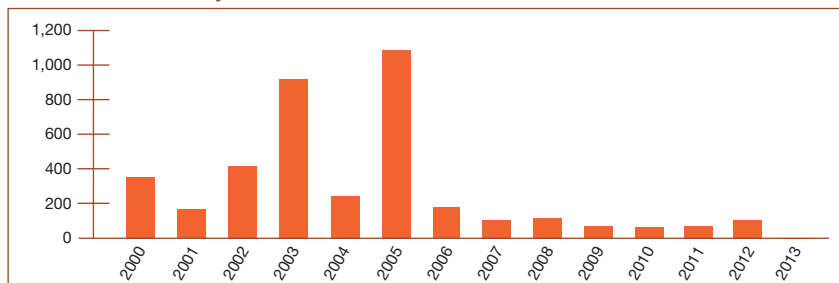
The average market rent in the submarket was \$1,550 during the fourth quarter of 2012, reflecting a 3-percent increase compared with the average market rent of \$1,500 during the fourth quarter of 2011. The apartment vacancy rate was 3.4 percent in Thousand Oaks during the fourth quarter of 2012, down from 4.2 percent during the fourth quarter of 2011 (Reis, Inc.). During the same period, the average market rent increased almost 4.0 percent to \$1,600. During the fourth quarter of 2012, the apartment vacancy rate in Simi Valley and Moorpark fell from 3.9 to 3.2 percent, and the average market rent increased 2.0 percent to \$1,475. As of February 1,

2013, average starting rents for new units in the submarket are estimated at \$1,300, \$1,650, and \$2,100 for one-, two-, and three-bedroom units, respectively.

Multifamily construction activity in the submarket remains significantly less than the peak levels recorded during 2003 and 2005. During the 12 months ending January 2013, the number of multifamily units permitted totaled 60 units compared with 50 units during the 12 months ending January 2012 (preliminary data). Multifamily building activity peaked in 2003 and 2005, when 910 and 1,075 permits were issued, respectively (Figure 10). From 2006 through 2008, multifamily construction activity declined to an annual average of 120 units; construction declined further from 2009 through 2011, when an average of only 40 units were permitted annually. Recent developments include a 36-unit senior apartment complex, located within the Market Place townhome project in the city of Simi Valley. Three-fourths of the units are reserved for low-income seniors, with maximum initial rents of \$820 for one-bedroom units and \$912 for two-bedroom units. The project was completed in 2012 and was fully occupied as of the current date.

Demand for 680 new rental units is expected during the 3-year forecast period. The 40 units currently under construction will satisfy a portion of the demand. Table 5 shows estimated demand for new market-rate rental housing in the submarket, categorized by rent level and number of bedrooms.

Figure 10. Multifamily Building Permits Issued in the East Ventura County Submarket, 2000 to 2013



Notes: Excludes townhomes. Includes data through January 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the East Ventura County Submarket, February 1, 2013, to February 1, 2016

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
1,300 to 1,499	290	1,650 to 1,849	220	2,100 or more	70
1,500 or more	50	1,850 or more	55		
Total	340	Total	270	Total	70

Notes: Numbers may not add to totals because of rounding. The 40 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Sales Market—West Ventura County Submarket

The sales housing market in the West Ventura County submarket is tight, with a current estimated vacancy rate of 1.0 percent, down from 1.7 percent in April 2010. Since 2012, low interest rates and investor purchases have led to an increase in single-family home sales in the submarket. During the 12 months ending January 2013, new and existing home sales increased 16 percent to 6,400 homes sold (Hanley Wood, LLC). By comparison, from 2007 through 2011, new and existing home sales in the submarket averaged 5,800 homes sold annually, rising above 6,000 home sales only in 2009, in part because of the first-time home-buyer tax credit program. Although improving, current home sales remain 69 percent less than the peak of 10,800 new and existing homes sold during 2005. Similar to the trend in the East Ventura County submarket, the increase in existing sales during the 12 months ending January 2013 was driven by regular resales rather than REO sales. REO sales declined 18 percent to 1,500 homes sold during the 12 months ending January 2013; REO sales constituted 24 percent of all existing single-family sales during the most recent 12-month period compared with 33 percent during the 12 months ending January 2012. REO

sales peaked at an average of 47 percent from 2008 through 2009. During the 12 months ending January 2013, the average sales price for a new and existing home in the West Ventura submarket was \$432,100, an increase of 5 percent from the same period a year ago. Current sales prices are 54 percent less than the annual peak of \$666,100 recorded from 2005 through 2007.

New home developments in the West Ventura County submarket are generally built on infill parcels, redeveloped land, and former agricultural land within city boundaries. Land outside city boundaries is limited by the Los Padres National Forest, other local and state government-owned land, and the SOAR initiatives. The Guidelines for Order Development initiative limits housing developments to within a city's "sphere of influence," and the SOAR initiative makes it difficult to convert agricultural land outside established city boundaries into housing developments by requiring a public vote. Although both guidelines are county-wide initiatives, housing development is more limited in the West Ventura County submarket because of the large amount of land owned by the military, protected by national forests, and currently used for agricultural purposes. Middle-income homebuyers are

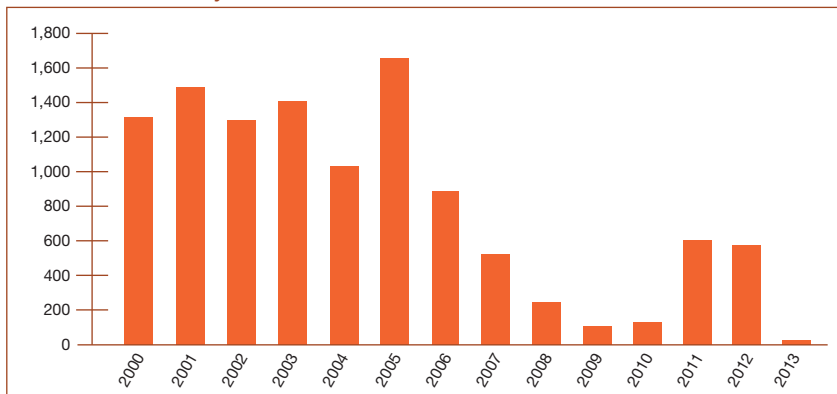
Housing Market Trends

Sales Market—West Ventura County Submarket *Continued*

attracted to this submarket because of relatively affordable housing prices compared with home prices in Santa Barbara and Los Angeles Counties and the East Ventura County submarket.

Single-family homebuilding activity in the submarket, as measured by the number of single-family homes permitted, increased 22 percent to 470 homes during the 12 months ending January 2013 compared with 370 homes permitted during the previous 12-month period (Figure 11). Single-family building activity peaked from 2000 through 2005, when an average of 1,350 homes were permitted.

Figure 11. Single-Family Building Permits Issued in the West Ventura County Submarket, 2000 to 2013



Notes: Includes townhomes. Includes data through January 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 6. Estimated Demand for New Market-Rate Sales Housing in the West Ventura County Submarket, February 1, 2013, to February 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
250,000	299,999	880	35.0
300,000	349,999	510	20.0
350,000	399,999	630	25.0
400,000	449,999	250	10.0
450,000	499,999	130	5.0
500,000	and higher	130	5.0

Note: The 440 homes currently under construction and a portion of the estimated 5,500 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

The RiverPark development is a \$750 million, master-planned community currently under construction in a redevelopment area of the city of Oxnard. As of the current date, 2,000 single-family homes, townhomes, and apartments are complete and are almost completely sold out; the sales price for single-family homes starts at \$360,000 and for townhomes starts at \$264,000. Construction was halted in 2008 because of economic conditions but resumed in 2012; completion of the remaining 1,200 units is expected during the next 5 to 6 years. In addition to residential units, the development includes an elementary school and a middle school, 14 parks, and a large commercial component. The Collection at RiverPark is a 600,000-square-foot, open-air shopping center that is walking distance from the residential units, and it houses retailers such as Whole Foods Market, Century Theatres, and REI. Construction on the retail component is expected to be complete by March 2013 and is about 40 percent occupied as of the current date.

Demand in the West Ventura County submarket is estimated for 2,525 new homes during the 3-year forecast period. As in the East Ventura County submarket, demand is expected to be stronger during the second and third years of the forecast period as an increasing number of renters begins to make the transition into homeownership. The 440 homes currently under construction and a portion of the estimated 7,050 other vacant units in the HMA that may reenter the market will satisfy some of the forecast demand. Demand is greatest for homes priced between \$250,000 and \$299,999 (Table 6).

Rental Market—West Ventura County Submarket

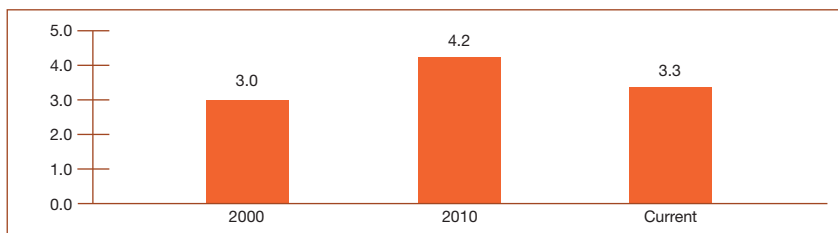
The rental housing market in the West Ventura County submarket is currently tight. The overall rental vacancy rate was 3.3 percent in February 2013, down from 4.2 percent in April 2010 (Figure 12). During the fourth quarter of 2012, the apartment vacancy rate in the submarket was 3.3 percent, down from 3.8 percent during the fourth quarter of 2011 (Reis, Inc.). An influx of condominium and single-family home conversions to rentals and a preference for those types of units, which began in 2008, resulted in higher apartment vacancy rates than were experienced during 2000 through 2007. From 2000 through 2007, the apartment vacancy rate ranged from 2.0 to 3.5 percent, and from 2008 through 2009, rates ranged from 5.0 to 5.5

percent. Since 2010, the apartment vacancy rate has declined because of the significant foreclosure activity that occurred in 2010, which shifted homeowners into renters.

The average market rent was \$1,275 during the fourth quarter of 2012, reflecting a 2.0-percent increase compared with the average market rent of \$1,250 during the fourth quarter of 2011 (analyst's estimates). As of February 1, 2013, average starting rents for new units in the submarket were \$1,100 for studio units, \$1,250 for one-bedroom units, \$1,400 for two-bedroom units, and \$2,000 for three-bedroom units. During the fourth quarter of 2012 the apartment vacancy rate was 3.9 percent in San Buenaventura (Ventura), down from 4.7 percent during the fourth quarter of 2011 (Reis, Inc.). During the same period, the average market rent increased 2.0 percent to \$1,325. The apartment vacancy rate in Oxnard fell from 3.4 to 3.0 percent during the fourth quarter of 2012, and the average market rent increased 2.0 percent to \$1,250.

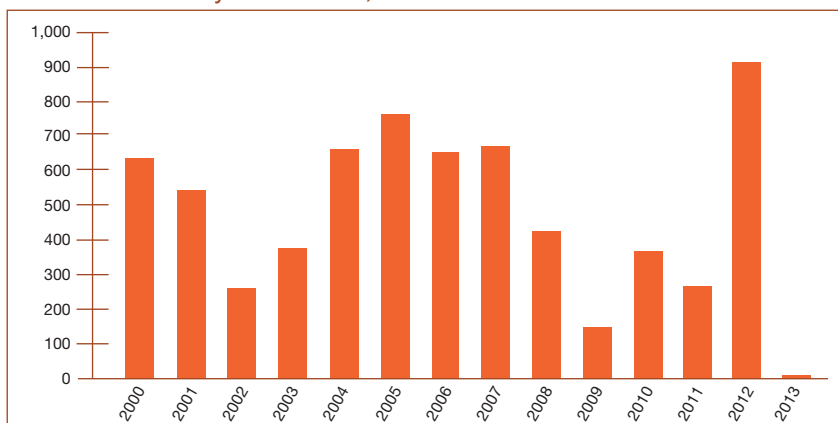
Multifamily construction activity increased significantly during the 12 months ending January 2013, increasing to 820 units from the 350 units permitted during the 12 months ending January 2012 (Figure 13). Multifamily building activity peaked in 2012 because of tightening rental markets and increasing rents. Multifamily building activity had previously peaked from 2004 through 2008, when an average of 630 units was permitted annually, but it declined to an average of 260 units permitted annually from 2009 through 2011. Completion of The Artisan Apartments, a 272-unit development,

Figure 12. Rental Vacancy Rates in the West Ventura County Submarket, 2000 to Current



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 13. Multifamily Building Permits Issued in the West Ventura County Submarket, 2000 to 2013



Notes: Excludes townhomes. Includes data through January 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Housing Market Trends

Rental Market—West Ventura County Submarket *Continued*

is expected for March 2013. Rents for one-bedroom, one-bath units range from \$1,515 to \$1,630; two-bedroom, two-bath units range from \$1,785 to \$1,930; and three-bedroom, two-bath unit rents are yet to be determined. In addition, the Mosaic Apartments, located within the RiverPark development, are currently under construction. The 224-unit complex is expected to be complete by the fall of 2013, with rents yet to be determined.

Demand for 920 new rental units is expected during the 3-year forecast period. The 820 units currently under construction will satisfy a portion of the demand. Although the military is a major presence in the West Ventura County submarket because of Naval Base Ventura County, military housing units managed by private firms primarily meet current housing demand. Table 7 shows estimated demand for new market-rate rental housing in the submarket, categorized by rent level and number of bedrooms.

Table 7. Estimated Demand for New Market-Rate Rental Housing in the West Ventura County Submarket, February 1, 2013, to February 1, 2016

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
1,100 or more	45	1,250 to 1,449	270	1,400 to 1,599	55	2,000 to 2,199	170
		1,450 or more	140	1,600 to 1,799	190	2,200 or more	20
				1,800 or more	30		
Total	45	Total	410	Total	280	Total	190

Notes: Numbers may not add to totals because of rounding. The 820 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Data Profiles

Table DP-1. Ventura County HMA* Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	374,920	388,147	401,200	0.3	1.6
Unemployment rate	4.5%	10.8%	9.0%		
Nonfarm payroll jobs	275,000	272,700	279,100	-0.1	1.1
Total population	753,197	823,318	836,200	0.9	0.5
Total households	243,234	266,920	271,300	0.9	0.6
Owner households	164,380	174,168	174,200	0.6	0.0
Percent owner	67.6%	65.3%	64.2%		
Renter households	78,854	92,752	97,050	1.6	1.6
Percent renter	32.4%	34.7%	35.8%		
Total housing units	251,712	281,695	283,600	1.1	0.2
Owner vacancy rate	0.9%	1.4%	0.9%		
Rental vacancy rate	2.6%	4.8%	3.7%		
Median Family Income	\$65,300	\$86,100	\$88,100	2.8	1.2

*Oxnard-Thousand Oaks-Ventura HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through January 2013. Median Family Incomes are for 1999, 2009, and 2011.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-2. East Ventura County Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	296,418	322,532	326,700	0.8	0.5
Total households	102,558	113,100	114,400	1.0	0.4
Owner households	78,902	84,100	83,950	0.6	-0.1
Percent owner	76.9%	74.4%	73.4%		
Rental households	23,656	29,000	30,400	2.1	1.7
Percent renter	23.1%	25.6%	26.6%		
Total housing units	104,540	117,591	118,000	1.2	0.1
Owner vacancy rate	0.6%	1.0%	0.8%		
Rental vacancy rate	1.6%	6.1%	4.5%		

Note: Numbers may not add to totals because of rounding.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-3. West Ventura County Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	456,779	500,786	509,500	0.9	0.6
Total households	140,676	153,820	156,900	0.9	0.7
Owner households	85,478	90,068	90,250	0.5	0.1
Percent owner	60.8%	58.6%	57.5%		
Rental households	55,198	63,752	66,650	1.5	1.6
Percent renter	39.2%	41.4%	42.5%		
Total housing units	147,172	164,104	165,600	1.1	0.3
Owner vacancy rate	1.2%	1.7%	1.0%		
Rental vacancy rate	3.0%	4.2%	3.3%		

Note: Numbers may not add to totals because of rounding.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 2/1/2013—Analyst’s estimates
Forecast period: 2/1/2013–2/1/2016—
Analyst’s estimates

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to www.huduser.org/publications/pdf/CMARtables_Oxnard-ThousandOaks-VenturaCA_13.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD’s Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to
www.huduser.org/publications/econdev/mkt_analysis.html.