

# San Gabriel Valley Economic Partnership

## Economic Outlook

Friday, November 14, 2008 • Pacific Palms Resort, Industry

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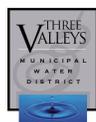
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# San Gabriel Valley Economic Partnership's **ECONOMIC OUTLOOK BREAKFAST**

Friday, November 14, 2008 | Pacific Palms Resort, Industry

## **Forecast update**

on the state, regional & local  
**economies**

## **Real estate forecast**

Where are we?  
What lies ahead?

### **EVENT PROGRAM**

8:30 a.m. Registration and Networking

9:00 a.m. Welcome, Opening Remarks and Breakfast

#### **HENRY NUNEZ**

*Chair, San Gabriel Valley Economic Partnership  
President/Owner, Henry Nunez Real Estate Co.*

9:20 a.m. Speaker Presentations

#### **JACK KYSER**

*Senior Vice President and Chief Economist  
Los Angeles County Economic Development Corporation*

#### **NANCY SIDHU**

*Vice President and Senior Economist for the Kyser Center for Economic Research  
Los Angeles County Economic Development Corporation*

#### **STEVE JOHNSON**

*Director  
Metrostudy Southern California Region*

10:10 a.m. Question and Answer Session

10:30 a.m. Closing Remarks

## SPEAKERS



### JACK KYSER

*Senior Vice President and Chief Economist for the Kyser Center for Economic Research*

#### **Los Angeles County Economic Development Corporation**

Called the "guru of the Los Angeles economy" by the Los Angeles Business Journal, Mr. Kyser is responsible for interpreting and forecasting economic trends in the Los Angeles region (Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties), and for analyzing the major industries of the region. Utilizing this information, he helps develop job retention and creation strategies for Los Angeles County. Mr. Kyser's advice is frequently sought by business, government and the media.

The Los Angeles County Economic Development Corporation (LAEDC) is a private, not for profit membership organization whose mission is leadership in the retention and creation of jobs and economic base in the Los Angeles area. Mr. Kyser's analytical research work and insightful knowledge of the regional economy has helped to elevate the LAEDC to recognition as the pre-eminent source of economic information and forecasts on Southern California. In late 2007, the LAEDC named its research function "the Kyser Center for Economic Research."

Prior to joining the LAEDC, Mr. Kyser was chief economist for the Los Angeles Area Chamber of Commerce. He has also worked for Security Pacific National Bank, First Interstate Bank, and the Union Pacific Railroad in Omaha, Nebraska, where he was transportation economist. He also taught economics at the University of Nebraska - Omaha, and served as a business reporter and commentator for radio station KVNO, also in Omaha. Mr. Kyser serves on the economics advisors panel for the California Chamber of Commerce. He is also a past president of the Los Angeles chapter of the National Association for Business Economics; a member of Lambda Alpha - a land economics fraternity; and on the board of directors for the Building Owners & Managers Association of Greater Los Angeles, and the City Club on Bunker Hill.



### NANCY SIDHU

*Vice President and Senior Economist for the Kyser Center for Economic Research*

#### **Los Angeles County Economic Development Corporation**

Dr. Sidhu analyzes and prepares forecasts of national, regional and industry trends for the LAEDC's economic publications and delivers speeches to audiences throughout California. She is also a highly valued member of the LAEDC's economic consulting team, which serves both public- and private-sector clients. Just prior to joining the LAEDC, Dr. Sidhu was Vice President and Senior Economist for Bank of America, where she was responsible for the economic analysis of selected industries and the Southern California region. She gave regular economic updates to the leadership team of the Southern California Regional

Bank-of which she was a member. Commercial bankers and credit policymakers around the globe relied upon her insights regarding economic trends affecting the metals, chemicals, electric utilities, automotive, machinery, and construction industries. Previously, Dr. Sidhu served as Vice President and Economist for Security Pacific National Bank, where she was responsible for the Bank's U.S. economic and interest rate forecast.

In earlier years, Dr. Sidhu served as an Associate Professor of Economics at Northeastern Illinois University in Chicago, teaching economics and statistics. Then she spent a decade with Inland Steel Industries as an industry economist and corporate planner in the Commercial Research and Strategic Planning departments. She prepared economic and strategic analyses and forecasts of metal-using industries (automotive, appliance, machinery, rail transportation, construction), supplier industries (electric utilities, metallurgical coke), and the steel industry itself. Upon moving to Los Angeles, Dr. Sidhu joined Toyota Motor Sales USA, Inc. as Senior Planning Administrator, preparing economic and automotive industry forecasts to guide the company's sales planning process.

Active in her profession, Dr. Sidhu is Associate Editor of Business Economics. She chairs the Economic Advisory Council of the California Chamber of Commerce. She also is a member of the American Economic Association, the National Association of Business Economics (NABE), and the CFA Society of Los Angeles (CFALA). She has served as President of NABE's Chicago and Los Angeles chapters. She currently is a member of the Teaching Faculty in the CFA Review Program, sponsored by CFALA and the University of Southern California.



### STEVE JOHNSON

*Director*

#### **Metrostudy Southern California Region**

Steve Johnson is responsible for both the strategic Real Estate Information Systems and the Real Estate Consulting Practice which is highly recognized for assisting a wide array of clients with strategic thinking for real estate. For over 30 years, Mr. Johnson has functioned as an advisor to homebuilders, developers, financial institutions, public agencies and private investors throughout the Western United States. Widely recognized for his creative contributions to many successful projects, his capabilities include development strategies for unimproved land, multi family, adult communities, and commercial properties.

Mr. Johnson frequently speaks as an expert in regards to the rapidly urbanizing markets throughout Southern California and his insight is perceived by his peers to be most relevant for his understanding of today's changing demographics as they relate to the future housing needs of the region. He is frequently quoted in the Wall Street Journal, Los Angeles Times, Riverside Press Enterprise and many other periodicals. Recently he has appeared on CNN and on PBS. In addition Mr. Johnson is a frequent speaker at numerous economic councils and seminars throughout the year. His office is in Riverside, California.

Prior to joining Metro Study, Mr. Johnson was formerly a co-founder of Meyers Research Group where he functioned as the Chief Operating Officer managing the day to day operations as well as the merger of regional acquired companies into a national research company with over 300 employees in 25 states.



***2008-2009 Economic Overview & Forecast***  
***- San Gabriel Valley -***

**The Headlines:**

- ▮ Recession through much of 2009
- ▮ Mixed trends in the economic base
- ▮ Prolonged housing market crisis
- ▮ Sagging retail sales

**November 2008**



*Prepared for the San Gabriel Valley Economic Partnership  
by the Los Angeles County Economic Development Corporation  
Kyser Center for Economic Research*

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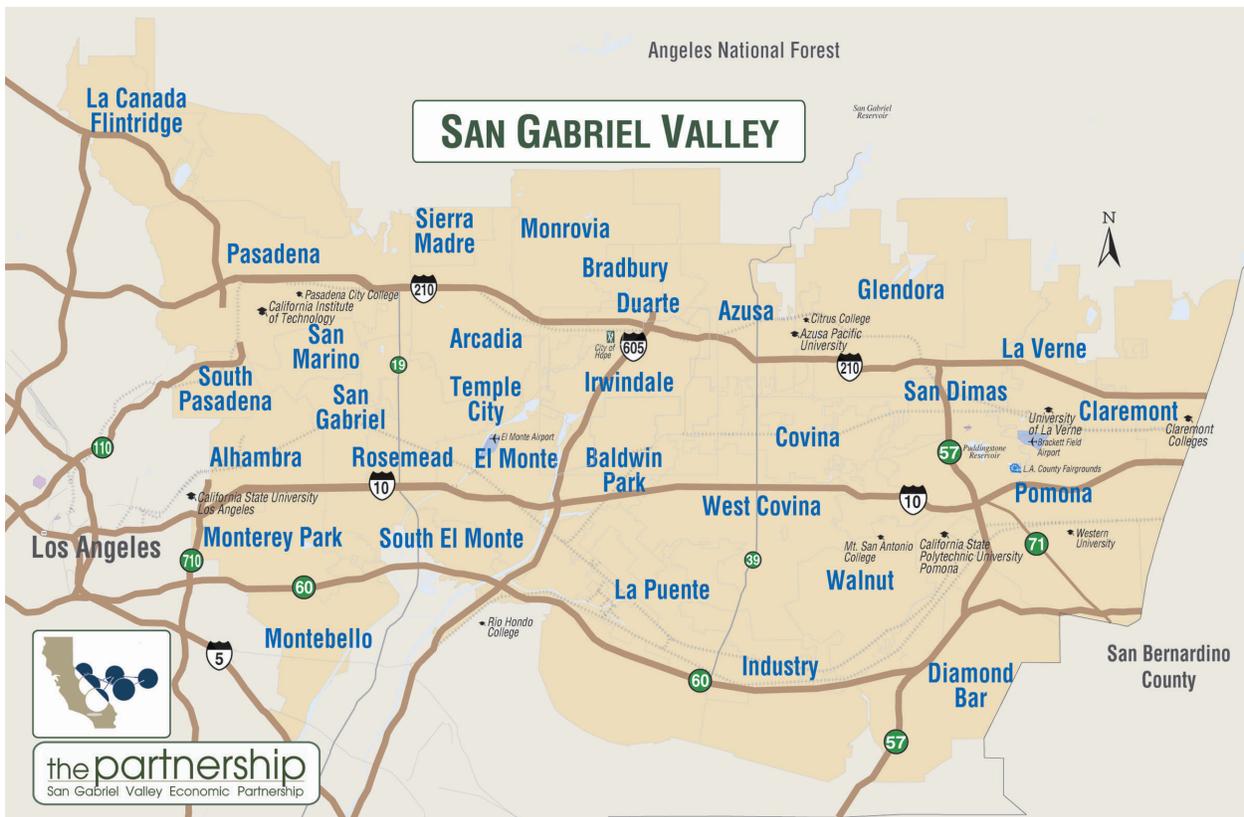
The information herein does not include the City of Montebello as it is considered a city within the Gateway Cities; however, the San Gabriel Valley Economic Partnership includes all 31 cities aligning with the San Gabriel Valley Council of Governments.

Written by Jack Kyser, Nancy D. Sidhu, Ph.D., and Candice Flor Hynek  
Research support by Shannon Sedgwick

## DEFINING THE SAN GABRIEL VALLEY

Covering over 400 square miles of eastern Los Angeles County, the San Gabriel Valley is bounded by the San Gabriel Mountains on the north, the cities of Pasadena, South Pasadena and Monterey Park on the west, the crest of the foothills that run south of and parallel to the SR-60 (Pomona) freeway on the south, and the Los Angeles/San Bernardino county line to the east. There are 30 incorporated cities in the valley, plus several large areas of unincorporated territory which include some distinct communities. (The information in this report does not include the City of Montebello as it is considered a city within the Gateway Cities; however, the San Gabriel Valley Economic Partnership includes all 31 cities aligning with the San Gabriel Valley Council of Governments.)

It must be acknowledged that accurate and comprehensive analysis of discrete portions of a county is difficult, and that the full scope of activity in some business sectors may be undercounted. Nevertheless, we have combined traditional tools of economic analysis along with anecdotal information to develop this overview and forecast.



### **Infrastructure Assets**

Seven freeways or expressways serve the San Gabriel Valley, including: the 210 or Foothill Freeway, the 110 or Pasadena Freeway (the first in all of Southern California), the 10 or San Bernardino Freeway, the 605 or San Gabriel River Freeway, the 60 or Pomona Freeway, the 57 or Orange Freeway, and the 71 or Chino Valley Freeway (formerly the Corona Expressway -- in LA County, it is really a highway with at-grade crossings). Sections of the 10, 210, and 605 have carpool lanes, and the 10 has a combined busway/carpool lane between Downtown LA and El Monte. Carpool lanes are being added on the SR-60 between I-605 and SR-57. This project is scheduled for

completion in 2010. The 710 or Long Beach Freeway sticks its toe into the western San Gabriel Valley, ending just north of the 10 freeway in Alhambra.

The San Gabriel Valley is one of the few areas in Los Angeles County that is fairly well served by rail commuter/mass transit. The heavy rail Metrolink San Bernardino Line delivers long-distance commuters to Downtown L.A.'s Union Station, with stops at Claremont, Pomona, Covina, Baldwin Park, and El Monte. The Riverside Line runs through the southern portion of the Valley and stops at Downtown Pomona and City of Industry.

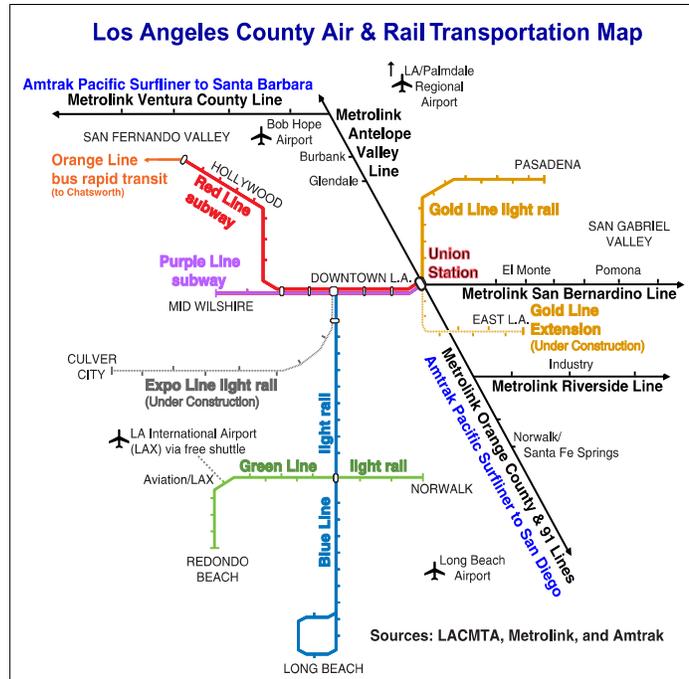
The Metro's Gold Line light rail runs up the Arroyo Seco out of Downtown Los Angeles to Pasadena, then east along the median of the 210 freeway almost to Arcadia. There are plans to extend this line further east when funding is available -- a right of way is already in place. The proposed 24-mile Foothill Extension, scheduled for completion in 2014 (with the segment to Azusa opening in 2009), will extend the Gold Line to Montclair in San Bernardino County. From there, riders can connect with the Metrolink San Bernardino Line. There is support for extending the Gold Line all the way to the LA/Ontario International Airport, including from the Mayor of the City of Los Angeles. This would make the airport even more attractive to San Gabriel Valley residents.

The San Gabriel Valley also has two area-wide bus systems, Metro and Foothill Transit, which serve the San Gabriel Valley and connect its communities with key destinations such as Downtown L.A. Foothill Transit is a joint powers authority of the twenty-one member cities in the San Gabriel and Pomona valleys and is the largest municipal bus service in the L.A. region behind the Metro.

There are concerns that both the rail and bus systems are too "Downtown-focused" and do not serve other working populations as well. With the Gold Line Foothill Extension, more commuters will get mass transit service to the key employment centers in San Gabriel Valley such as Pasadena, Pomona, Irwindale, and Baldwin Park.

Two main lines of the Union Pacific Railroad transit the Valley. They are important freight routes between the ports, Downtown L.A., and the rail yards in Colton (in San Bernardino County).

Just to the east of the Los Angeles County line is the LA/Ontario International Airport (ONT). It offers transcontinental and some international service, and also serves as a hub for UPS's Asian service. About 9 miles to the west of Pasadena is the Bob Hope Airport (BUR, formerly the Burbank-Glendale-Pasadena Airport), which offers airline service to a variety of destinations. JetBlue and Southwest are major carriers at the facility. Brackett Field, a general aviation airport with two runways, is in La Verne. El Monte Airport has a single 3,995-ft runway.



## **Intellectual and Cultural Assets**

Education is a major asset of the San Gabriel Valley. Four-year university institutions include the California Institute of Technology (Cal Tech); the University of La Verne; Azusa Pacific University; California State Polytechnic University, Pomona (Cal Poly Pomona); and the Claremont Colleges, a cluster of eight schools. The Art Center College of Design in Pasadena has an international reputation for auto design, but it is also strong in other creative disciplines. There are three community colleges in the Valley (Citrus, Mt. San Antonio, and Pasadena City), plus two San Gabriel Valley-adjacent community colleges (East Los Angeles and Rio Hondo). Just west of San Gabriel Valley are California State University, Los Angeles and the USC Keck School of Medicine. Cal Tech has been successful in spinning off companies in both technology and bio-medicine. Many of these companies stay in the immediate area.

Some unique research activities take place in San Gabriel Valley, including the City of Hope Medical Center (cancer research) and the Jet Propulsion Laboratory (JPL), which is operated by Cal Tech on behalf of NASA. In addition, San Gabriel Valley is home to two internationally recognized museums, the Norton Simon in Pasadena and the Huntington Library, Art Collections, and Botanical Gardens in San Marino. In February 2008, the new Chinese Garden, Liu Fang Yuan (“garden of flowing fragrance”), opened at the Huntington Library. There are several other museums in San Gabriel Valley as well. Many of the colleges have performing arts programs. The historic Pasadena Playhouse offers plays and musicals throughout the year.



Huntington Library & Gardens

On the quality of life side of the ledger, San Gabriel Valley contains several very large parks and recreational areas. There is the Fairplex in Pomona, which is the home of the Los Angeles County Fair every September as well as many other events. In addition, the County Fair also offers horse racing. There are the Raging Waters amusement park, the Irwindale Speedway, and Santa Anita Park (horse racing) in Arcadia. The Santa Anita Park was chosen to host the 2008 and 2009 Breeders’ Cup World Championships. It will be the first time in Breeders’ Cup Championship history to have the event on the same site for two consecutive years. Right across the street from Santa Anita Park is the LA County Arboretum. The Descanso Gardens is a hidden treasure located in La Cañada Flintridge. Pasadena hosts the annual Tournament of Roses. Finally, resident of San Gabriel Valley have quick access to the San Gabriel Mountains, although drought conditions have put limits on some activities.



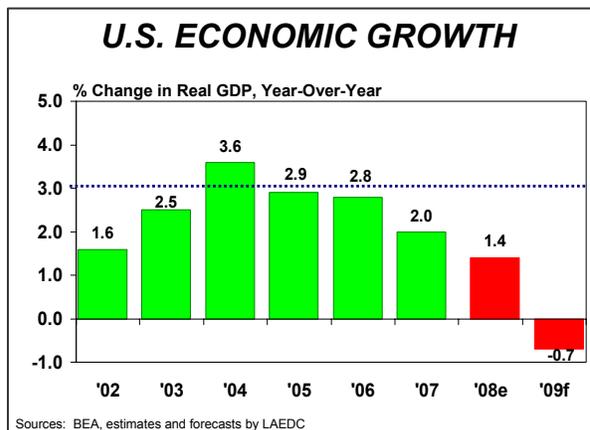
Santa Anita Park

## THE OVERALL ECONOMIC ENVIRONMENT

### The U.S. Economy

After a healthy expansion between 2003 and 2006, the U.S. economy slowed in 2007 and entered recession in 2008. The nation's unemployment rate increased from 4.5% in early 2007 to 6.1% in September 2008 and is headed higher. Nonfarm employment peaked in December, 2007, but more than 800,000 jobs have disappeared since then. Corporate layoff announcements ensure that more employment cutbacks will occur in coming months.

Inflation accelerated in 2008, rising from a 4.0% annual rate in 4<sup>th</sup> quarter 2007 to 5.3% in the third quarter. Soaring energy prices were the primary culprit, but food prices increased as well. Oil prices have collapsed in recent months, and costs of gasoline and diesel fuels fell sharply. It seems likely that high inflation won't play an important role in next year's economic situation.



We don't yet know how deep the current recession will be nor how long it will last. Indeed, economists are not even sure when the recession began. Gross domestic product (GDP) declined in the 4<sup>th</sup> quarter 2007 and then grew by +0.9% (annual rate) in the first quarter and by +2.8% in the second quarter. Third quarter GDP relapsed again, to -0.3%, and most information for September was quite downbeat, setting off alarm bells in Washington and Wall Street. GDP looks likely to decline again in the fourth quarter (perhaps by -2.1%); so the year 2008 will end up growing by about +1.5%. The current LAEDC national forecast has the economy continuing in recession during the first quarter of 2009 (-1.8%) and bottoming in the second quarter (-0.2%). Growth will revive somewhat--to +1.4% and +1.9%--in the last two quarters of 2009. Employment levels will fall throughout the rest of this year and next. More than 1.5 million jobs will be lost by the end of 2009, and the nation's unemployment rate will climb--averaging 7.5% during fourth quarter 2009.

The ongoing downturn in housing activity has been the primary brake on the national economy in 2007-08, accompanied by an inventory adjustment in the automotive sector and somewhat slower growth in business investment spending. Housing is not expected to hit bottom before mid-2009, if then. And light vehicle sales will be damped even more than they already are by consumers' general lack of confidence (who wants to take on more debt if one's job is at risk) and—more to the point—difficulty in financing new car and truck purchases. Still, a few sectors will act as offsets. Consumer spending for services will provide underlying stability. In addition, net exports will continue to improve, and government spending will continue to grow. A modest improvement in inflation is expected in 2009, a rate of 2.2% compared to 4.4% in 2008.

Global capital markets have been severely destabilized since July-August 2007. Rising delinquencies in subprime mortgages were the original source of the problems. However, many lenders and investors have become reluctant to provide capital to all but the most creditworthy borrowers, lest the new loans or securities suffer the same fate as subprime mortgages. The credit pinch is worst in the short-term markets for U.S. dollars in Europe and asset-backed commercial

paper; in both cases, interest-rate spreads above (safe-and –secure) U.S. Treasury securities have soared to unheard of levels. Also, a number of large and small real estate, M&A (merger and acquisition) and LBO (leveraged buyout) deals have broken down due to lack of lender/buyer interest, rising credit standards and limited access to market-based funding sources. The U.S. Treasury, the Federal Reserve Bank and other central banks are pouring hundreds of billions of dollars into various banks and financial companies. However, months will have to pass before capital markets settle down into whatever is the new reality, and volatility in financial markets will recur periodically as investors have a heightened awareness of their own risk-tolerance (or lack thereof).

Downside risks to the economy have increased appreciably. The supply of new mortgage capital has shrunk, further deepening the housing downturn. More worrisome, nonfinancial businesses are being impacted as lenders are restricting other types of credit as well. In addition to direct lending activities, the Federal Reserve has eased monetary policy. The Fed's target short-term interest rate, the fed funds rate, has fallen by four-fifths, from 5.25% in July 2007 to just 1.00% in October 2008. Long-term Treasury rates fell by more than 1.3% points during the same period. However, long-term credit spreads to Treasuries widened at the same time for all non-Treasury borrowers, but especially for speculative, "high yield" bonds. Thus, most private-sector borrowers are paying higher interest bills than they were before the subprime debacle began.

### **The California Economy**

California's economy has been severely impacted by the economic and financial crises of 2007 and 2008. And it's not over yet: the state will be battling recession over much of 2009. Nonfarm employment will decline by -0.5% during 2008, and a further decline of -1.0% is forecast for 2009. To date, the largest job losses have come in construction, retail trade, banking and finance, and manufacturing. California industries adding jobs include health services, government, professional, scientific & technical services, leisure & hospitality, and private education. Going forward the same industries remain at risk. In addition, businesses in other industries likely will reduce hiring in an effort to preserve cash flows.

Activity in the state's housing sector is shrinking fast. New homebuilding will decline further in 2009. Across the state, builders have large inventories of unsold homes that must be disposed of before much new construction can start up again. Meanwhile, the resale housing market will be coping with the large and growing numbers of foreclosures. These homes are being sold by lenders at very low prices. They represent an opportunity to would-be buyers, who are rushing to purchase them, but have caused prices of all homes to decline. Much of the pain will be continue to be concentrated in the inland areas of the state. While activity was decent during most of 2008, nonresidential construction will be weak in 2009 due to high and rising vacancy rates for retail, office and industrial space as well as difficulty in obtaining financing for new development. In turn, declining construction will reduce demand for construction products like lumber, windows and doors, roofing tile, furniture and appliances.

The state's economy will get some needed support from the high tech sector, the agricultural industry, and aerospace. Tourism activity is expected to fall back, as business travel drops and the number of overseas visitors falls. However, a lot of Californians will stay close to home for their 2009 vacations, which should limit the decline.

All of the state's businesses—from small to medium-size to large—will feel the impact of sticky credit markets. Financing for ordinary business transactions has become difficult to find and more costly, and some deals likely will fall through. The businesses most at risk tend to operate near the financial edge, often borrowing large sums for working capital. Many retailers fit this description, and some will find themselves struggling for survival. Declining retail sales also have unhappy implications for government finance (lower sales tax revenue) as well as building owners (unexpected vacancies).

All levels of government will soon feel the budget pinch if they aren't already. The state's problems get the most attention, but many cities and counties also depend on sales tax revenues. As budget shortfalls loom, higher fees and reductions in services are likely.

### **The Los Angeles County Economy**

Los Angeles County's economy also got caught in 2008's economic whirlwinds, with nonfarm employment expected to decline by -0.4% during 2008. To date, health services, government, leisure & hospitality and private education are the only sectors adding workers to their payrolls. Meanwhile, employment has shrunk in retail trade, construction, finance & insurance, international trade, and the manufacturing sector. The headwinds will continue to blow in 2009; so the County's employment outlook anticipates more job losses, for an overall decline of -1.0%.

Though the construction sector is less important in L.A. County than in the state, housing will continue to be a drag here, with declining activity in the new construction market and declining prices in the resale markets. Moreover, nonresidential construction activity will be weak, due to rising office and retail vacancy rates as well as the difficulty in obtaining financing for new projects. However, a number of ongoing major construction projects, both public and private, already have the requisite funds in place and will provide a boost to the industry in 2009.

International trade activity at the County's two ports will continue to decline through much of 2009. This weakness has reduced employment counts as well as the demand for industrial real estate in the county.

On the upside, things should look a little brighter for another of the County's major industries – motion picture and TV production. 2008 was a disappointing year, disrupted by labor problems, with strikes both real and threatened. The situation seems to be clearing up, and the number of feature films produced should increase over the course of 2009. Additional support should come from classic aerospace, with a number of large programs underway in the County.

Like the nation and state, Los Angeles County will find 2009 tumultuous, but the outlook should look a little brighter towards year-end.

## SAN GABRIEL VALLEY ECONOMIC DRIVERS

There are six significant economic drivers in the San Gabriel Valley. Economic trends over the 2008 through 2009 period are going to be mixed.

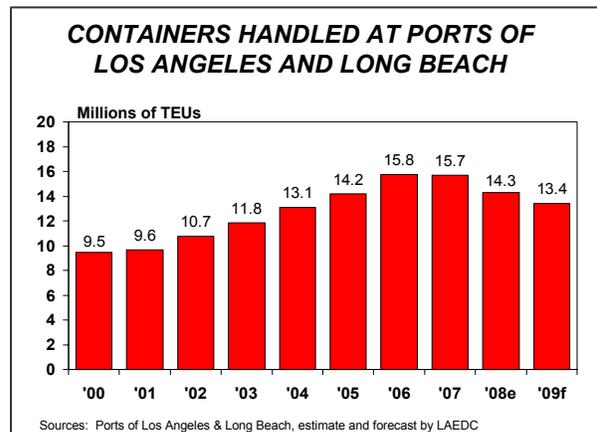
**Higher education** is a very strong suit for the San Gabriel Valley, and has quite favorable growth prospects in 2008-2009. The portfolio of majors is quite broad, from auto design to bio-medicine to engineering and hospitality.

**Health care** is one of the fastest growing industries in the area. The customer base for health care continues to expand, due both to population growth as well as the aging of the baby boom. Prospects for the **bio-medical** industry are also bright. A lot of research comes out of both Cal Tech and the City of Hope. However, the industry continues to struggle with cost issues and a shortage of nurses, as well as the state's seismic retrofitting requirements for hospitals.

The outlook for **professional and business services** is mixed. Accounting and legal services should continue to grow, reflecting both the continued litigious environment in California, as well as fallout from the subprime and financial industry debacles. Scientific research and development is also set for continued growth, and San Gabriel Valley has a significant base in this activity. Architecture and engineering firms are well positioned (three major A&E firms are headquartered in Pasadena), with lots of infrastructure work in the pipeline, as well as the state's rapidly growing focus on being "green." However, privately financed projects could be delayed due to funding issues.

Prospects for **tourism** look fair at best. Foreign economies are slowing, and U.S. businesses are cutting travel budgets. Still, many of the tourists coming to San Gabriel Valley will come mostly from elsewhere in California. The western end of San Gabriel Valley has good visibility thanks to Pasadena's annual Tournament of Roses and its museums. Pasadena expanded its convention center, which in tandem with facilities at the Fairplex should boost the number of trade shows and business meetings in San Gabriel Valley once the economic recovery begins. The Breeders' Cup Championship will be held at the Santa Anita Park for two consecutive years.

**International trade** activity will decline in 2008 and 2009, reflecting efforts by U.S. businesses to bring their inventories in line with the slowdown in the U.S. and global economies. On the upside, San Gabriel Valley's trade-related businesses benefit from its large Asian population that provides some unique connections "back home." There is a significant cluster of trade and logistics firms along the SR-60 Pomona Freeway in the City of Industry. However, San Gabriel Valley's logistics industry is dealing with a shrinking supply of land on which to build large new facilities.



**Manufacturing** in San Gabriel Valley will continue to see a steady erosion of jobs. However, job counts are not a good measure of the health of this sector, as many manufacturers are outsourcing more functions and using more temporary help. Nonetheless, attention needs to be paid to this sector, a big employer in San Gabriel Valley.

## **Net Results for San Gabriel Valley**

San Gabriel Valley's total employment will contract in 2008 through 2009. The forecast is a decline of -1.5% in 2008 and a reduction of -0.6% in 2009. Household income will be pinched and retail sales are expected to fall. Construction of new homes will decline further.

**Table 1: San Gabriel Valley Economic Indicators**

	Population (Incorporated Cities Only)	Total Employment	Payroll of Workers (\$ mil.)	Housing Unit Authorizations (Incorporated Cities Only)	Taxable Retail Sales (\$ mil.) (Incorporated Cities Only)
2000	1,425,596	595,804	20,170	1,848	12,098.0
2001	1,446,410	609,304	20,759	2,384	12,600.9
2002	1,469,710	610,436	21,471	2,186	13,079.9
2003	1,492,060	619,268	22,630	3,125	13,812.4
2004	1,509,400	626,632	24,071	2,149	14,928.8
2005	1,525,800	635,616	25,309	2,282	15,749.9
2006	1,524,400	646,651	26,845	1,985	16,139.6
2007	1,530,500	645,351	27,750	2,254	16,152.3
2008e	1,535,300	635,435	28,046	1,451	15,747.8
2009f	1,538,800	631,935	28,427	1,150	15,591.0

Sources: California Dept. of Finance; California Employment Development Department, ES202 data; Construction Industry Research Board; and California Board of Equalization; estimates and forecasts by LAEDC.

# SAN GABRIEL VALLEY ECONOMIC INDICATORS

## Population

The San Gabriel Valley's population will see continued slow but steady growth, with 1,532,096 people living in the incorporated cities on January 1, 2008. The San Gabriel Valley does have several unincorporated areas with a good-sized resident count. They would add at least another 230,000 people to the population number. This would make San Gabriel Valley's population comparable to the Las Vegas metro area in size.

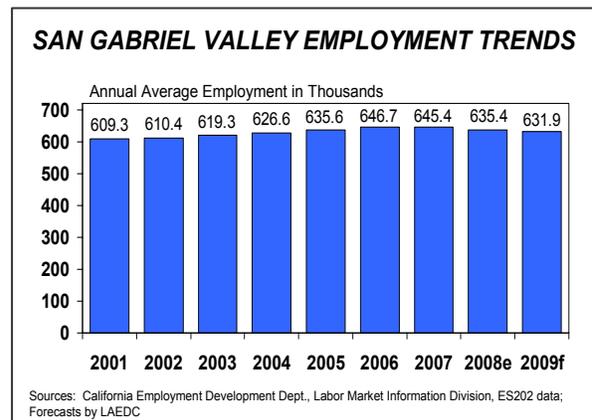
As of Jan. 1, 2008, the most populous cities in San Gabriel Valley were Pomona (163,405; +13,932 residents since the 2000 Census); Pasadena (148,126; +14,190 residents since the 2000 Census); El Monte (126,053; +10,088 residents since the 2000 Census); and West Covina (112,666; +7,586 residents since the 2000 Census). (See Table 2 on page 16 for details)

Both Pasadena and Pomona are moving towards higher density housing development, with Pasadena setting the pace in transit-oriented developments (TOD). Other communities along the proposed Gold Line Foothill Extension are studying the performance of Pasadena's TODs and designing their own such projects next to future stations.

## Employment

As the U.S. economy goes through a recession, the San Gabriel Valley will also experience negative employment growth over the forecast period. (See Table 4 on page 18)

There will be mixed trends in employment among the largest industry sectors. On the positive side, the largest industry sector in San Gabriel Valley, Education and Health Services, will continue to add jobs over the forecast period, with over 100,500 jobs in 2008 and more than 103,000 jobs in 2009. Wholesale Trade employment will also advance, rising by +2.1% to almost 43,800 employees in 2008, and over 44,000 in 2009. Employment in Transportation and Utilities is expected to grow by more than +5.0% in both 2008 and 2009.



Employment in the rest of the industry sectors supporting San Gabriel Valley started to decline in 2007. Further deterioration of employment is expected in Manufacturing and Construction, with job losses of -4,500 workers and -2,400 workers, respectively in 2008. The bad news will persist through 2009. Additional job losses are expected in Professional and Business Services (includes engineering, scientific, and technical research), which are among San Gabriel Valley's strong suits are forecast to fall by -2,800 workers in 2008 and by -1,200 workers in 2009. However, there are professions within this industry with optimistic outlook.

Fallout from the subprime mess and the ensuing global financial crisis has shaken the Financial Services sector, and San Gabriel Valley was not immune to this crisis. Its exposure to the crisis was re-emphasized on July 11, 2008 when IndyMac Bancorp, headquartered in Pasadena, failed and was taken over by the FDIC. At the time, it was the fourth largest bank failure in U.S. history. The

successor bank is now called IndyMac Federal Bank, FSB. Job losses in financial services will continue, with a forecast of more than -1,500 jobs lost in 2008 and 2009.

The Information sector (includes regular and software publishing, motion picture and sound recording, broadcasting, telecommunications, and ISP providers) has been on the decline as well; in particular the newspaper groups in the area which have been downsizing. In the San Gabriel Valley more than 1,300 jobs were lost in 2007. Unfortunately, more job losses will be seen in the Information sector for the remainder of 2008 and through 2009, declining by -12.4% in both years.

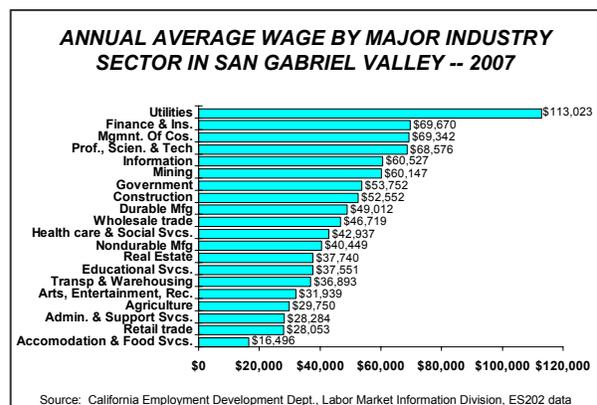
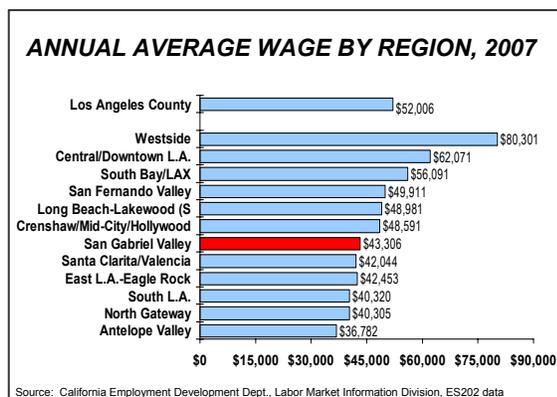
There were 41,412 business establishments in the San Gabriel Valley at the end of 2007. The largest number, 6,866 establishments, was in Professional and Business Services. Education and Health Services came in second with 5,131 establishments. Wholesale Trade had a large presence with 4,937 establishments, which reflects San Gabriel Valley's key position as a center for logistics / international trade in Southern California. Following close behind was Retail Trade with 4,870 establishments. (See Table 5 on page 19)

### Income and Wages

Payroll data for the workers employed in San Gabriel Valley establishments are available for sub-county areas. While the concept does not include any dividends or business proprietor income, it is a handy data set for determining the wealth of the region. The ES202 data from California Employment Development Department show that the total regional payroll exceeded \$27.8 billion in 2007.

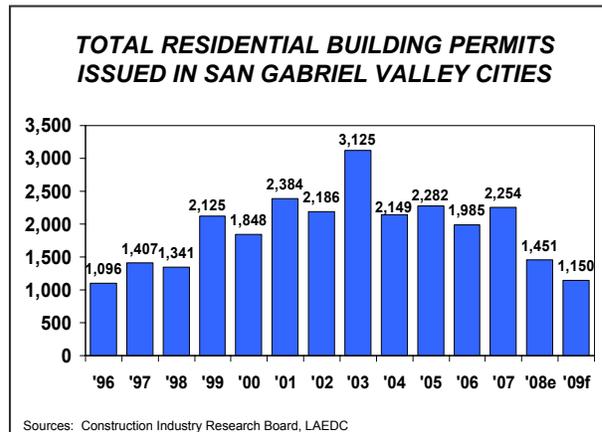
How does San Gabriel Valley compare to the rest of the regions of Los Angeles County in average annual wages? It ranks seventh among the thirteen regions of Los Angeles County (as defined by the LAEDC), with a 2007 average wage of \$43,306.

A closer look of the break down by major industry sector gives a better picture of the average annual wage of the workforce in San Gabriel Valley. As of 2007, the highest-earning industry sector was Financial Services at \$62,591 (several firms have headquarters operations in the San Gabriel Valley). However, this sector has been recording job losses reflecting turmoil caused by the subprime lending mess. Transportation and Utilities came in second at \$60,628, considerably higher than Los Angeles County's average annual wage for this industry at \$52,558. Within this group, the Utilities sector had an average wage of \$113,023 while Transportation and Warehousing had an average wage of \$36,893 (Note: Edison International is headquartered in Rosemead). The Information sector came in third at \$60,526. The Construction industry's average annual wage in San Gabriel Valley at \$52,552 was also higher than Los Angeles County's average for this industry at \$51,034. (See Table 6 on page 19 for details)



## **Residential Real Estate**

New homebuilding in the San Gabriel Valley has declined quite a bit in 2008, reflecting not only the turmoil in the overall homebuilding sector but also the credit crunch, which continues to limit lending on all types of loans. The foreclosure rate soared in all parts of Los Angeles County adding to the already high unsold inventory. New residential construction in San Gabriel Valley is forecast to decline by about -36% in 2008 and by -21% in 2009. A slow recovery is not expected until the latter half of 2009. Supply of available land where one can build is limited in the region so whenever larger sites become available, there is a spirited competition and heated debates about the proposed uses. (See Table 7 on page 20 for details)



Home prices in the San Gabriel Valley vary widely from low-end to high-end. High-end homes in communities of La Cañada Flintridge, San Marino, and South Pasadena typically enjoy modest home appreciation but like the communities of Sierra Madre and Bradbury had too few sales for statistically acceptable estimates of median prices. Available data as of July 2008 show the highest median home prices were in Arcadia (\$633,000), San Gabriel (\$585,000), Temple City (\$550,000), Claremont (\$549,000), Altadena (\$540,000), Walnut (\$522,500), Rowland Heights (\$519,000), and Pasadena (\$670,000). Some cities such as San Gabriel have seen many large "mansions" displacing more modest-looking single-family homes, while other cities have been more resistant to such trends.

The lower-end communities experienced the largest home price declines over the past year after spectacular annual gains in 2001-2006. The city of Pomona's median home price fell by -38% to \$246,000 in 2008. La Puente's median home price declined to \$295,000 (-36%) and Hacienda Heights median home price fell by -43% to \$345,000. These communities are close to the more industrial areas of San Gabriel Valley. However, anybody who bought their homes five years ago and did not take on subprime/hybrid-type mortgages, are still enjoying significant price appreciation of their homes. (See Table 8 on page 21)

Home price declines are being posted in many of San Gabriel Valley's cities. The weakness will continue over the forecast period. Foreclosure rates are expected to stay elevated and could potentially get worse if the job market continues to deteriorate. Though activity in home sales has picked up in the second half of 2008, most of these transactions were distressed sales (bank-owned). This trend will continue through 2009.

## Nonresidential Real Estate

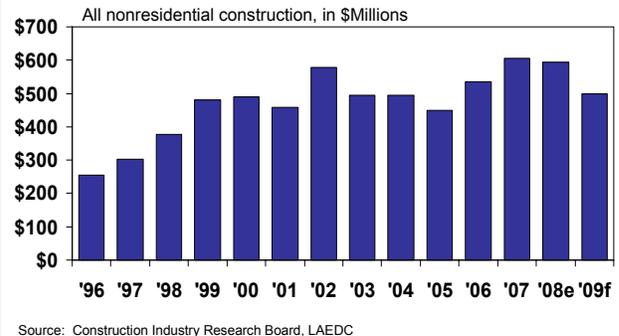
San Gabriel Valley's nonresidential real estate market started to feel the economic distress earlier in the year when vacancy rates in both office and industrial markets started rising. By the end of the third quarter of 2008, the office vacancy rate was 7.7% and is expected to climb further as office-space-using companies in Information, Finance, and Professional and Business Services continue to lay off workers. However, San Gabriel Valley's office vacancy rate remains well below L.A. County's 14.1% vacancy rate. The overall sentiment from businesses is "wait and see," which suggests sluggish space absorption through at least mid-2009.

The industrial market, though creeping up a bit, was still considered tight with a vacancy rate of 2.5% at the end of third quarter 2008, slightly above L.A. County's average vacancy rate of 2.3%. The outlook for the remainder of 2008 through 2009 does not look very rosy. Consumer demand will continue to soften, reducing imports, which means consolidation or subleasing of newly empty space, pushing vacancy rates higher. Long-term, large industrial buildings will still be considered hot commodities, given the San Gabriel Valley's strategic location between the ports, LA/Ontario International Airport, and the large cluster of distribution facilities in the western Inland Empire. (See Table 10 on page 23 for details)

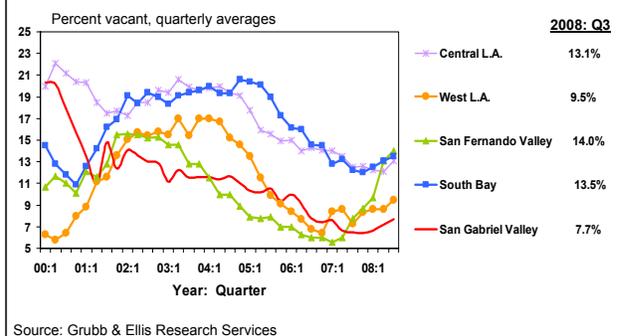
Several companies expanded in the San Gabriel Valley area during the first half of 2008 including the Williams-Sonoma Distribution Center (City of Industry), Maersk Distribution Services Inc. (City of Industry), Singing Machine Co. (City of Industry, karaoke machine manufacturer), and International Medication System (El Monte).

New nonresidential construction has run at significant levels in San Gabriel Valley's incorporated cities, with a total permit value of \$605 million in 2007. However, the slowing economy has dampened the demand for new construction during 2008. The estimated total value is expected to decline to \$594 million and will fall further in 2009. (See Table 11 on page 24 for details)

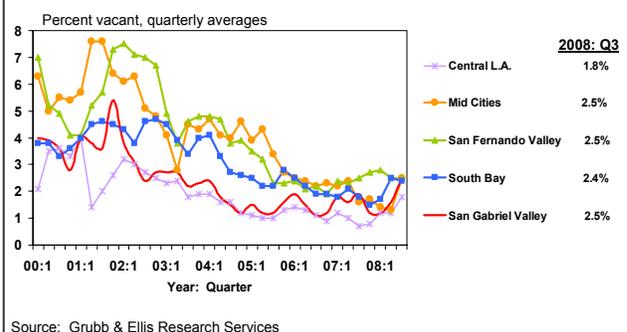
### VALUE OF NONRESIDENTIAL BUILDING PERMIT ISSUED IN SAN GABRIEL VALLEY CITIES



### OFFICE VACANCY RATES LOS ANGELES COUNTY BY AREA



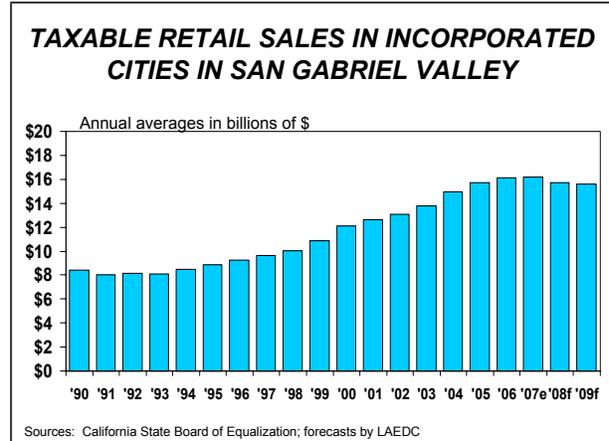
### INDUSTRIAL VACANCY RATES LOS ANGELES COUNTY BY AREA



## **Retail**

The retail industry has a big presence in San Gabriel Valley. The region's total taxable retail sales represent 17% of L.A. County's total. Taxable retail sales in San Gabriel Valley's incorporated cities will fall in both 2008 and 2009. Sales will decline by -2.5% to just over \$15.7 billion in 2008. In 2009, sales will weaken by -1.0% to \$15.5 billion. Cities with auto dealership will see steeper declines.

By city, Pasadena sets the pace in San Gabriel Valley, with taxable retail sales of well over \$2.3 billion. However, five other cities are players with sales volumes of more than \$1 billion a year: Alhambra, El Monte, Industry, Pomona, and West Covina. (See Table 12 on page 25 for details)

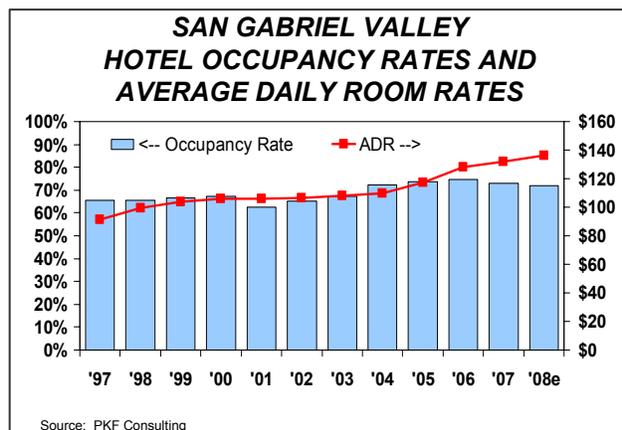


Recent changes in the retail industry (mergers and store closings) have had a noticeable impact in the region, and some large retail spaces are still sitting vacant. However, a number of new developments are underway. The most visible is Caruso Affiliated's 830,000-s.f. upscale lifestyle center adjacent to the Santa Anita Race Track in Arcadia. "The Shops at Santa Anita" is scheduled for completion in 2009. Not to be outdone, Westfield Santa Anita, an existing mall next to the Santa Anita Race Track, has also received approval for its own 100,800-s.f. expansion plan titled "The Promenade."

Several cities in San Gabriel Valley have redeveloped their older downtown areas with much success. The best examples are Pasadena ("Old Town"), Alhambra, Monrovia, and South Pasadena. Pomona is also working on revitalizing its downtown, which has an advantage of having a Metrolink Station. Azusa is also looking at its potential.

## **Tourism and Hospitality**

Our best measures of travel and tourism activity are hotel occupancy rates, average daily room rates (ADR), and Revenue per Available Room (RevPAR). Data are reported by PKF Consulting for three areas in the San Gabriel Valley, and all are performing well. Pasadena should record an occupancy rate of 75.0% in 2008 (anything over 75% is considered full occupancy), while the ADR should hit \$168.52, resulting in RevPAR of \$126.31. Though the occupancy rate has been steady, the average daily room rate and RevPAR both increased in 2008. The Arcadia/Monrovia market should see the occupancy rate reach 72.0% in 2008, while the ADR should average \$138.28, resulting in RevPAR of \$98.87. The occupancy rate declined a bit due to an increase in the supply of rooms available. The average daily room rate has been steadily increasing over the past few years. The "San Gabriel Valley" (which excludes Pasadena and Arcadia/Monrovia) should see an occupancy rate of 70.0% while the ADR should average \$112.75, resulting in RevPAR of \$78.91. The occupancy rate of this market has been steady over the past few years, while the average daily room rate and RevPAR have been posting modest gains. (See Table 13 on page 26 for details)



Overall, the San Gabriel Valley hotel occupancy rates are expected to decline a bit in 2009 due to the slowing global economy and reduced business travel. Average daily room rates and RevPar for the region's hotels are expected to be flat to very modest increases.

A variety of factors drive travel & tourism in the San Gabriel Valley. The Tournament of Roses and Rose Bowl in Pasadena are always a big draw. People also come to the area to take advantage of the educational and cultural activities, and of course due to business (San Gabriel Valley can fairly be considered an international business center). In addition, the Santa Anita Park in Arcadia is hosting the 2008 and 2009 Breeders' Cup Championship.

Pasadena has undertaken an ambitious expansion of their convention center. The \$150 million project is expected to be completed in Spring 2009 and it includes a larger exhibition space and a new 25,000 sq. ft. ballroom. This will make the Center competitive for medium-sized business and trade shows. The 543-acre Fairplex in Pomona hosts many shows, besides the annual County Fair.

Many areas around the U.S. are focusing on "cultural tourism," and this could be an opportunity for the San Gabriel Valley, especially the western end. Institutions such as the Norton Simon Museum and the Huntington Library, Art Collection, and Botanical Gardens are well-known landmarks. Less well-known but also worth a visit are the L.A. County Arboretum in Arcadia and the Descanso Gardens in La Cañada Flintridge. The Jet Propulsion Laboratory's open house is also a holy grail for space enthusiasts.

## Conclusion

The economy will certainly be challenging in 2008-2009. In addition, the San Gabriel Valley needs to address a number of nagging issues, including:

- **Traffic congestion:** The Valley has both road and railroad congestion issues. Plans are being developed for truck lanes on the 60 freeway, though these may only bring short-term relief. The rail congestion issues are more complicated, as grade separations are complex and take time to approve and construct. Worse yet, there is a limited amount of money for these, and there is always a vigorous competition for funding. More optimistically, over \$750 million in grade separation projects have been approved for funding under Proposition 1B (the Trade Corridors Improvement Fund), which will provide a good start.
- **The ports:** As logistics is a major force in its economy, San Gabriel Valley's leaders have a vital interest in what happens at the ports of Long Beach and Los Angeles. Issues there include environmental remediation and increasing throughput at the steamship terminals.
- **A shortage of land** for economic development (not including retail development): San Gabriel Valley's inventory of developable land for industrial/logistics use is shrinking, especially sites on which large structures can be built. There is competition for this land from government agencies and from residential and retail developers. Officials like the tax flows from retail, but ignore the low quality of these jobs.
- **Housing:** Currently, the housing industry is in the midst of a severe shakeout. But in the long run, there is a looming shortage of affordable housing. Providing affordable housing in San Gabriel Valley will be difficult due to the shrinking inventory of land and its rising cost. Creative solutions (e.g., mixed-use) will have to be considered.
- **Communicating the unique assets** of San Gabriel Valley: While San Gabriel Valley's leaders have made an effort to tell the world about its unique array of cultural and educational assets, it has been a difficult task. But there should be no letting up, as San Gabriel Valley has an interesting story to tell. Getting the word out will benefit not only San Gabriel Valley but Los Angeles County as well.

###

## STATISTICAL TABLES

*Table 2: Population of Incorporated Cities and Unincorporated Areas of San Gabriel Valley*

City	2000 Census								
	4-1-2000	1-1-2001	1-1-2002	1-1-2003	1-1-2004	1-1-2005	1-1-2006	1-1-2007	1-1-2008
Alhambra	85,804	86,808	87,865	88,746	89,488	90,014	89,139	88,993	89,259
Arcadia	53,054	53,806	54,860	55,441	55,730	55,976	56,026	56,241	56,491
Azusa	44,712	45,238	46,084	47,089	48,051	48,233	48,204	48,379	48,743
Baldwin Park	75,837	77,198	78,310	79,444	80,134	80,728	80,814	80,831	81,281
Bradbury	855	865	893	919	935	944	940	932	948
Claremont	33,998	34,692	35,529	36,047	36,260	36,442	36,624	36,963	37,242
Covina	46,837	47,417	48,079	48,641	49,002	49,260	49,272	49,441	49,552
Diamond Bar	56,287	57,034	58,047	58,866	59,342	59,584	59,596	59,870	60,360
Duarte	21,486	21,752	22,093	22,343	22,524	22,696	22,951	22,991	22,953
El Monte	115,965	117,445	119,390	121,724	123,156	125,062	125,088	125,581	126,053
Glendora	49,415	50,156	50,799	51,388	51,851	52,055	52,089	52,265	52,362
Industry	777	783	790	795	799	801	801	801	798
Irwindale	1,446	1,463	1,477	1,488	1,487	1,492	1,555	1,647	1,724
La Cañada Flintridge	20,318	20,609	20,931	21,178	21,367	21,475	21,266	21,233	21,276
La Puente	41,063	41,581	42,122	42,571	42,951	43,091	43,073	43,095	43,256
La Verne	31,638	32,034	32,488	32,870	33,152	33,278	33,240	33,264	34,046
Monrovia	36,929	37,400	37,933	38,387	38,705	38,908	38,925	39,089	39,327
Monterey Park	60,051	61,400	62,583	63,301	63,771	64,216	64,250	64,258	64,434
Pasadena	133,936	135,511	138,742	141,974	143,658	145,285	145,834	146,452	148,126
Pomona	149,473	151,833	153,832	156,255	157,985	159,825	161,519	161,442	163,405
Rosemead	53,505	54,554	55,250	56,143	56,574	56,842	57,026	57,107	57,422
San Dimas	34,980	35,456	35,921	36,376	36,640	36,784	36,788	36,810	36,874
San Gabriel	39,804	40,340	40,920	41,500	41,812	42,117	42,231	42,455	42,762
San Marino	12,945	13,085	13,271	13,413	13,544	13,588	13,451	13,430	13,455
Sierra Madre	10,578	10,697	10,848	10,956	11,039	11,079	10,988	10,978	11,116
South El Monte	21,144	21,397	21,699	21,922	22,044	22,279	22,260	22,335	22,391
South Pasadena	24,292	24,662	24,982	25,233	25,456	25,629	25,620	25,678	25,792
Temple City	33,377	33,774	34,303	34,643	35,226	35,431	35,396	35,504	35,683
Walnut	30,004	30,378	30,874	31,369	31,601	31,704	32,080	32,117	32,299
West Covina	105,080	107,404	109,005	110,335	111,131	111,726	112,222	112,321	112,666
<b>Total Incorp. Cities</b>	<b>1,425,590</b>	<b>1,446,772</b>	<b>1,469,920</b>	<b>1,491,357</b>	<b>1,505,415</b>	<b>1,516,544</b>	<b>1,519,268</b>	<b>1,522,503</b>	<b>1,532,096</b>
<b>Unincorporated Areas</b>									
Altadena	42,610								
Avocado Heights	15,148								
Citrus Area	10,581								
East Pasadena	6,045								
East San Gabriel	14,512								
Hacienda Heights	53,122								
Rowland Heights	48,553								
South San Gabriel	7,595								
Valinda	21,776								
<b>Total SGV</b>	<b>1,645,532</b>								

Sources: California Dept. of Finance; U.S. Bureau of the Census

**Table 3: Housing Stock and Population in San Gabriel Valley**  
(Estimate as of 1/1/2008)

City	Population				Housing Units										Persons/ Household
	Total	In Households	Group Quarters	Total	Detached	Single Attached	Multiple 2 to 4	Multiple 5 or more	Mobile Homes	Total Occupied	% Vacant				
Alhambra	89,259	87,336	1,923	30,216	12,747	3,286	3,979	10,187	17	29,252	3.2	2.99			
Arcadia	56,491	55,910	581	20,304	11,857	1,730	1,493	5,198	26	19,469	4.1	2.87			
Azusa	48,743	46,794	1,949	13,588	6,293	1,769	1,477	3,460	589	13,103	3.6	3.57			
Baldwin Park	81,281	80,675	606	17,867	12,081	1,878	612	2,953	343	17,386	2.7	4.64			
Bradbury	948	948	0	333	331	0	2	0	0	304	8.7	3.12			
Claremont	37,242	31,800	5,442	12,139	8,463	919	635	2,109	13	11,847	2.4	2.68			
Covina	49,552	48,950	602	16,533	9,450	1,321	887	4,187	588	16,136	2.4	3.03			
Diamond Bar	60,360	60,242	118	18,380	12,937	2,531	823	1,756	333	18,066	1.7	3.34			
Duarte	22,953	22,463	490	6,948	4,343	874	224	1,278	229	6,775	2.5	3.32			
El Monte	126,053	124,783	1,270	28,817	15,499	3,391	2,023	6,498	1,406	28,065	2.6	4.45			
Glendora	52,362	51,349	1,013	17,354	12,639	1,094	699	2,079	843	17,024	1.9	3.02			
Industry	798	534	264	123	100	23	0	0	0	120	2.4	4.45			
Irwindale	1,724	1,722	2	430	369	16	13	24	8	414	3.7	4.16			
La Cañada Flintridge	21,276	21,086	190	7,069	6,562	200	132	175	0	6,902	2.4	3.06			
La Puente	43,256	43,224	32	9,711	6,370	642	344	2,246	109	9,512	2.1	4.54			
La Verne	34,046	32,821	1,225	11,428	7,604	597	736	728	1,763	11,211	1.9	2.93			
Monrovia	39,327	39,034	293	14,190	7,878	1,563	1,318	3,316	115	13,727	3.3	2.84			
Monterey Park	64,434	64,157	277	20,734	11,782	2,204	1,993	4,675	80	20,073	3.2	3.20			
Pasadena	148,126	144,608	3,518	57,274	24,875	5,282	4,668	22,376	73	54,853	4.2	2.64			
Pomona	163,405	157,546	5,859	41,264	24,713	3,343	3,330	8,173	1,705	39,447	4.4	3.99			
Rosemead	57,422	56,810	612	14,702	9,996	2,030	917	1,355	404	14,259	3.0	3.98			
San Dimas	36,874	35,665	1,209	12,600	7,582	2,100	357	1,618	943	12,258	2.7	2.91			
San Gabriel	42,762	42,007	755	13,251	7,117	1,223	1,159	3,708	44	12,920	2.5	3.25			
San Marino	13,455	13,448	7	4,453	4,417	19	8	9	0	4,282	3.8	3.14			
Sierra Madre	11,116	10,989	127	5,000	3,415	215	377	966	27	4,831	3.4	2.28			
South El Monte	22,391	22,373	18	4,774	2,984	458	233	595	504	4,669	2.2	4.79			
South Pasadena	25,792	25,605	187	11,001	5,101	646	1,118	4,122	14	10,623	3.4	2.41			
Temple City	35,683	35,172	511	11,921	9,657	802	421	983	58	11,578	2.9	3.04			
Walnut	32,299	32,259	40	8,624	8,159	119	46	300	0	8,486	1.6	3.80			
West Covina	112,666	111,858	808	32,816	21,361	2,812	1,570	6,725	348	32,155	2.0	3.48			
<b>Total of Incorp.</b>	<b>1,532,096</b>	<b>1,502,168</b>	<b>29,928</b>	<b>463,844</b>	<b>276,682</b>	<b>43,087</b>	<b>31,694</b>	<b>101,799</b>	<b>10,582</b>	<b>449,747</b>	<b>3.0</b>	<b>3.40</b>			
L.A. County Total	10,363,850	10,183,439	180,411	3,403,480	1,642,973	244,606	292,421	1,166,794	56,686	3,260,434	4.2	3.12			
SGV Share (%)	<b>14.8%</b>	<b>14.8%</b>	<b>16.6%</b>	<b>13.6%</b>	<b>16.8%</b>	<b>17.6%</b>	<b>10.8%</b>	<b>8.7%</b>	<b>18.7%</b>	<b>13.8%</b>					

Source: California Department of Finance, Demographic Research Unit, E-5 report; LAEDC

**Table 4: Employment by Major Industry Sector in San Gabriel Valley**

Industry Sector	2001	2002	2003	2004	2005	2006	2007	2008e	2009f
Natural Resources & Mining	3,331	3,354	3,091	2,993	2,930	2,806	2,746	2,546	2,396
Construction	27,843	27,714	27,797	28,999	31,878	33,781	32,544	30,144	28,544
Manufacturing	94,233	86,212	82,009	78,338	74,696	72,295	69,825	65,325	62,825
Wholesale Trade	36,341	36,685	38,168	39,217	39,683	41,415	42,897	43,796	44,496
Retail Trade	67,005	68,275	71,095	73,142	75,923	78,192	78,518	77,768	77,268
Transportation & Utilities	18,940	18,685	18,517	17,703	19,055	19,774	21,125	22,328	23,628
Information	17,767	17,167	15,665	15,431	15,178	15,140	13,758	12,057	10,557
Financial Activities	34,283	35,424	39,741	41,523	44,272	45,687	45,562	44,487	43,987
Professional & Business Services	86,418	83,954	86,580	89,678	89,165	92,377	89,213	86,413	85,213
Education & Health Services	85,172	89,157	89,863	91,961	92,605	94,325	97,830	100,529	103,329
Leisure & Hospitality	52,230	53,146	56,081	57,398	59,608	61,641	61,525	61,024	61,224
Other Services	20,807	21,186	21,518	21,567	21,933	21,708	21,824	21,974	22,174
Public Administration	64,851	69,307	69,036	68,550	68,541	67,468	67,544	67,044	66,294
Unclassified	83	170	107	132	149	42	440	-	-
<b>San Gabriel Valley Total</b>	<b>609,304</b>	<b>610,436</b>	<b>619,268</b>	<b>626,632</b>	<b>635,616</b>	<b>646,651</b>	<b>645,351</b>	<b>635,435</b>	<b>631,935</b>
<b>Los Angeles County Total</b>	<b>4,082,000</b>	<b>4,034,600</b>	<b>3,990,800</b>	<b>4,004,100</b>	<b>4,031,600</b>	<b>4,100,100</b>	<b>4,123,600</b>	<b>4,102,982</b>	<b>4,061,952</b>
<b>% Share of San Gabriel Valley</b>	<b>14.9%</b>	<b>15.1%</b>	<b>15.5%</b>	<b>15.6%</b>	<b>15.8%</b>	<b>15.8%</b>	<b>15.7%</b>	<b>15.5%</b>	<b>15.6%</b>

Annual % Change	2002	2003	2004	2005	2006	2007	2008e	2009f
Natural Resources & Mining	0.7%	-7.8%	-3.2%	-2.1%	-4.2%	-2.1%	-7.3%	-5.9%
Construction	-0.5%	0.3%	4.3%	9.9%	6.0%	-3.7%	-7.4%	-5.3%
Manufacturing	-8.5%	-4.9%	-4.5%	-4.6%	-3.2%	-3.4%	-6.4%	-3.8%
Wholesale Trade	0.9%	4.0%	2.7%	1.2%	4.4%	3.6%	2.1%	1.6%
Retail Trade	1.9%	4.1%	2.9%	3.8%	3.0%	0.4%	-1.0%	-0.6%
Transportation & Utilities	-1.3%	-0.9%	-4.4%	7.6%	3.8%	6.8%	5.7%	5.8%
Information	-3.4%	-8.7%	-1.5%	-1.6%	-0.3%	-9.1%	-12.4%	-12.4%
Financial Activities	3.3%	12.2%	4.5%	6.6%	3.2%	-0.3%	-2.4%	-1.1%
Professional & Business Services	-2.9%	3.1%	3.6%	-0.6%	3.6%	-3.4%	-3.1%	-1.4%
Education & Health Services	4.7%	0.8%	2.3%	0.7%	1.9%	3.7%	2.8%	2.8%
Leisure & Hospitality	1.8%	5.5%	2.3%	3.9%	3.4%	-0.2%	-0.8%	0.3%
Other Services	1.8%	1.6%	0.2%	1.7%	-1.0%	0.5%	0.7%	0.9%
Public Administration	6.9%	-0.4%	-0.7%	0.0%	-1.6%	0.1%	-0.7%	-1.1%
<b>San Gabriel Valley Total</b>	<b>0.2%</b>	<b>1.4%</b>	<b>1.2%</b>	<b>1.4%</b>	<b>1.7%</b>	<b>-0.2%</b>	<b>-1.5%</b>	<b>-0.6%</b>

Sources: California Employment Development Department, Labor Market Information Division, ES202 data; estimates and forecasts by LAEDC

**Table 5: Establishments by Major Industry Sector, 2007**

Industry Sector	SGV	LA County	% Share of SGV
Natural Resources & Mining	108	520	20.7%
Construction	2,671	14,046	19.0%
Manufacturing	2,683	15,015	17.9%
Wholesale Trade	4,937	20,972	23.5%
Retail Trade	4,870	27,831	17.5%
Transportation & Utilities	961	5,851	16.4%
Information	569	8,684	6.5%
Financial Activities	4,266	24,727	17.3%
Professional & Business Services	6,866	42,602	16.1%
Education & Health Services	5,131	27,828	18.4%
Leisure & Hospitality	3,702	26,777	13.8%
Other Services	3,778	176,504	2.1%
Total Private Sector	40,540	391,357	10.4%
Public Administration	868	3,982	21.8%
Unclassified	4	2,234	0.2%
<b>Total</b>	<b>41,412</b>	<b>397,573</b>	<b>10.4%</b>

Source: California Employment Development Dept., Labor Market Information Division, ES202 data

**Table 6: Average Wages by Major Industry Sector, 2007**

Industry Sector	SGV	LA County
Natural Resources & Mining	\$25,815	\$62,140
Construction	52,552	51,034
Manufacturing	45,009	52,446
Wholesale Trade	46,719	53,789
Retail Trade	28,053	30,518
Transportation & Utilities	60,628	52,558
Information	60,526	85,298
Financial Activities	62,591	84,797
Professional & Business Services	49,211	58,784
Education & Health Services	41,751	44,814
Leisure & Hospitality	18,793	31,269
Other Services	29,252	22,650
Public Administration	49,700	56,064
Unclassified	35,678	41,918
<b>Total</b>	<b>\$43,306</b>	<b>\$52,006</b>

Source: California Employment Development Dept., Labor Market Information Division, ES202 data

**Table 7: Number of Residential Building Permits Issued in Incorporated Cities of San Gabriel Valley**

City	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008e
Alhambra	136	73	72	28	125	33	20	44	211	30	119	110
Arcadia	101	233	220	153	129	157	264	97	153	102	84	127
Azusa	0	26	22	63	131	151	164	11	4	53	170	2
Baldwin Park	29	41	99	30	61	161	74	136	31	79	28	11
Bradbury	5	4	8	5	4	3	1	2	0	6	6	6
Claremont	6	53	184	74	21	30	58	132	35	93	273	5
Covina	2	0	4	42	38	6	2	46	87	29	10	0
Diamond Bar	21	104	49	20	129	34	15	17	26	123	56	3
Duarte	7	82	68	10	17	10	22	8	21	1	4	32
El Monte	187	47	127	53	123	344	195	401	199	141	136	35
Glendora	14	6	46	39	10	56	39	20	84	24	44	343
Industry	6	1	0	3	0	0	0	6	1	0	0	3
Irwindale	0	5	0	0	0	0	0	0	33	9	1	0
La Cañada Flintridge	23	36	31	31	44	36	32	23	21	18	22	20
La Puente	1	6	8	9	8	18	20	35	25	20	23	16
La Verne	132	130	143	43	30	16	88	13	5	43	3	103
Monrovia	51	77	81	57	47	41	40	35	104	57	124	16
Monterey Park	43	95	282	65	107	77	111	57	159	68	56	228
Pasadena	164	74	52	666	728	552	1045	327	520	548	412	60
Pomona	58	23	76	28	247	96	269	328	194	162	351	108
Rosemead	23	38	32	51	101	30	65	74	50	87	74	25
San Dimas	19	6	50	25	46	12	15	10	9	9	5	32
San Gabriel	15	56	15	41	50	50	74	44	102	54	44	17
San Marino	10	3	4	9	2	7	8	5	6	5	2	5
Sierra Madre	4	9	4	8	3	5	7	58	2	6	19	1
South El Monte	1	4	2	4	3	3	40	7	18	52	5	1
South Pasadena	2	2	13	18	3	20	70	23	67	26	25	2
Temple City	74	35	104	169	93	81	117	69	68	87	68	50
Walnut	21	11	5	32	9	68	117	11	4	13	52	40
West Covina	252	61	324	72	75	89	153	110	43	40	38	50
<b>Total Incorp. Cities</b>	<b>1,407</b>	<b>1,341</b>	<b>2,125</b>	<b>1,848</b>	<b>2,384</b>	<b>2,186</b>	<b>3,125</b>	<b>2,149</b>	<b>2,282</b>	<b>1,985</b>	<b>2,254</b>	<b>1,449</b>

Note: Figures may be undercounted due to incomplete reporting.

Source: Construction Industry Research Board; estimates by the LAEDC

**Table 8: Median Price of Homes Sold by Community**  
(Data as of July each year)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Alhambra	\$ 175,000	\$ 170,000	\$ 184,000	\$ 197,500	\$ 230,909	\$ 289,000	\$ 400,000	\$ 453,000	\$ 505,000	\$ 512,000	\$ 429,000
Altadena	269,000	249,000	250,250	255,000	359,000	438,000	447,000	620,000	705,000	644,000	540,000
Arcadia	324,000	330,000	367,500	350,500	430,500	488,000	575,000	770,000	665,000	700,000	633,000
Azusa	124,000	121,250	137,000	162,500	198,000	243,000	323,500	393,000	415,000	425,000	305,000
Baldwin Park	121,500	126,000	140,250	162,000	182,000	224,000	307,500	380,000	440,000	398,500	280,000
Claremont	219,250	225,000	236,000	311,750	335,000	414,250	520,500	612,000	602,500	601,750	549,500
Covina	156,250	163,000	170,000	205,227	238,750	275,000	386,500	438,500	502,000	499,000	360,000
Diamond Bar	212,000	219,000	216,500	256,500	304,000	355,000	465,000	532,500	568,000	560,000	460,000
Duarte	151,000	144,250	145,000	178,500	210,000	261,000	330,000	460,500	505,000	435,000	356,500
El Monte	135,000	139,750	150,750	169,000	190,000	265,000	348,500	415,000	467,000	431,500	335,000
Glendora	187,000	210,000	210,000	260,000	286,000	345,000	415,000	525,000	551,000	560,000	452,500
Hacienda Heights	n/a	n/a	n/a	n/a	277,500	317,000	502,000	496,500	550,000	605,000	345,000
La Cañada Flintridge	455,000	657,500	655,000	662,500	659,000	835,000	1,075,000	1,250,000	n/a	1,400,000	n/a
La Puente	130,000	141,000	150,000	167,000	192,000	242,750	325,000	405,000	460,000	461,000	295,000
La Verne	227,500	230,250	236,250	254,750	314,750	377,500	434,500	509,000	542,000	570,000	454,000
Monrovia	200,000	215,000	233,500	250,000	327,000	350,500	435,000	506,000	599,000	542,000	488,000
Monterey Park	197,250	195,000	228,000	213,750	254,000	290,000	422,000	478,000	543,000	557,500	453,500
Pasadena	249,500	248,250	303,000	315,500	350,000	425,000	520,500	603,000	632,500	666,818	510,000
Pomona	110,000	120,000	125,000	150,000	173,000	215,000	300,000	377,750	415,000	395,000	246,000
Rosemead	157,500	162,000	173,000	190,955	249,000	272,500	368,000	452,500	489,000	458,500	400,000
Rowland Heights	n/a	n/a	n/a	n/a	270,000	338,000	490,000	500,000	590,000	522,500	519,000
San Dimas	200,000	219,000	255,000	229,750	315,500	352,500	428,000	514,500	535,000	485,000	422,250
San Gabriel	221,000	245,000	271,500	250,000	323,000	370,000	497,500	526,000	628,500	662,000	585,000
San Marino	580,000	602,000	760,000	717,409	n/a	910,000	1,200,750	n/a	n/a	n/a	n/a
Sierra Madre	297,500	389,000	320,750	301,500	n/a						
South El Monte	n/a	n/a	n/a	n/a	n/a	221,500	311,500	n/a	n/a	n/a	n/a
South Pasadena	309,500	298,000	319,500	407,500	n/a	n/a	n/a	n/a	n/a	850,000	n/a
Temple City	208,000	215,500	250,000	264,000	315,000	370,000	465,000	600,000	588,000	599,000	550,000
Walnut	230,000	237,000	291,250	324,250	366,000	412,000	546,000	600,000	575,000	622,000	522,500
West Covina	164,250	168,000	191,250	205,000	245,000	300,000	389,000	468,000	530,000	485,000	385,000

Note: For areas with small sample size, fluctuations in prices may reflect the difference in quality of the units sold rather than changes in market conditions.

Source: California Association of Realtors

**Table 9: Annual % Change of Median Price of Homes Sold by Community**

(Data as of July of each year)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	'03-'08	'98-'08
Alhambra	10.4%	-2.9%	8.2%	7.3%	16.9%	25.2%	38.4%	13.3%	11.5%	1.4%	-16.2%	48.4%	145.1%
Altadena	68.7%	-7.4%	0.5%	1.9%	40.8%	22.0%	2.1%	38.7%	13.7%	-8.7%	-16.1%	23.3%	100.7%
Arcadia	11.1%	1.9%	11.4%	-4.6%	22.8%	13.4%	17.8%	33.9%	-13.6%	5.3%	-9.6%	29.7%	95.4%
Azusa	0.0%	-2.2%	13.0%	18.6%	21.8%	22.7%	33.1%	21.5%	5.6%	2.4%	-28.2%	25.5%	146.0%
Baldwin Park	13.6%	3.7%	11.3%	15.5%	12.3%	23.1%	37.3%	23.6%	15.8%	-9.4%	-29.7%	25.0%	130.5%
Claremont	6.0%	2.6%	4.9%	32.1%	7.5%	23.7%	25.6%	17.6%	-1.6%	-0.1%	-8.7%	32.6%	150.6%
Covina	4.2%	4.3%	4.3%	20.7%	16.3%	15.2%	40.5%	13.5%	14.5%	-0.6%	-27.9%	30.9%	130.4%
Diamond Bar	15.2%	3.3%	-1.1%	18.5%	18.5%	16.8%	31.0%	14.5%	6.7%	-1.4%	-17.9%	29.6%	117.0%
Duarte	20.8%	-4.5%	0.5%	23.1%	17.6%	24.3%	26.4%	39.5%	9.7%	-13.9%	-18.0%	36.6%	136.1%
El Monte	4.7%	3.5%	7.9%	12.1%	12.4%	39.5%	31.5%	19.1%	12.5%	-7.6%	-22.4%	26.4%	148.1%
Glendora	10.8%	12.3%	0.0%	23.8%	10.0%	20.6%	20.3%	26.5%	5.0%	1.6%	-19.2%	31.2%	142.0%
Hacienda Heights						14.2%	58.4%	-1.1%	10.8%	10.0%	-43.0%	8.8%	
La Cañada Flintridge	-5.2%	44.5%	-0.4%	1.1%	-0.5%	26.7%	28.7%	16.3%					
La Puente	0.0%	8.5%	6.4%	11.3%	15.0%	26.4%	33.9%	24.6%	13.6%	0.2%	-36.0%	21.5%	126.9%
La Verne	29.3%	1.2%	2.6%	7.8%	23.6%	19.9%	15.1%	17.1%	6.5%	5.2%	-20.4%	20.3%	99.6%
Monrovia	22.7%	7.5%	8.6%	7.1%	30.8%	7.2%	24.1%	16.3%	18.4%		-10.0%	39.2%	144.0%
Monterey Park	11.8%	-1.1%	16.9%	-6.3%	18.8%	14.2%	45.5%	13.3%	13.6%	2.7%	-18.7%	56.4%	129.9%
Pasadena	14.8%	-0.5%	22.1%	4.1%	10.9%	21.4%	22.5%	15.9%	4.9%	5.4%	-23.5%	20.0%	104.4%
Pomona	2.8%	9.1%	4.2%	20.0%	15.3%	24.3%	39.5%	25.9%	9.9%	-4.8%	-37.7%	14.4%	123.6%
Rosemead	9.4%	2.9%	6.8%	10.4%	30.4%	9.4%	35.0%	23.0%	8.1%	-6.2%	-12.8%	46.8%	154.0%
Rowland Heights						25.2%	45.0%	2.0%	18.0%	-11.4%	-0.7%	53.6%	
San Dimas	5.5%	9.5%	16.4%	-9.9%	37.3%	11.7%	21.4%	20.2%	4.0%	-9.3%	-12.9%	19.8%	111.1%
San Gabriel	5.2%	10.9%	10.8%	-7.9%	29.2%	14.6%	34.5%	5.7%	19.5%	5.3%	-11.6%	58.1%	164.7%
San Marino	-3.7%	3.8%	26.2%	-5.6%			32.0%						
Sierra Madre		30.8%	-17.5%	-6.0%									
South El Monte													
South Pasadena	1.0%	-3.7%	7.2%	27.5%									
Temple City	10.1%	3.6%	16.0%	5.6%	19.3%	17.5%	25.7%	29.0%	-2.0%	1.9%	-8.2%	48.6%	164.4%
Walnut	7.7%	3.0%	22.9%	11.3%	12.9%	12.6%	32.5%	9.9%	-4.2%	8.2%	-16.0%	26.8%	127.2%
West Covina	7.4%	2.3%	13.8%	7.2%	19.5%	22.4%	29.7%	20.3%	13.2%	-8.5%	-20.6%	28.3%	134.4%

Source: California Association of Realtors

**Table 10: Nonresidential Vacancy Rates**

Year	Qtr	<u>Office</u>		<u>Industrial</u>	
		San Gabriel Valley	Los Angeles County	San Gabriel Valley	Los Angeles County
1997	Q1	18.0	16.7	6.1	6.7
	Q2	17.9	16.7	5.1	6.5
	Q3	17.0	15.9	5.0	6.0
	Q4	15.8	15.9	5.9	6.2
1998	Q1	13.0	15.7	5.5	5.3
	Q2	15.5	13.5	6.3	4.9
	Q3	12.0	15.6	5.8	5.2
	Q4	15.2	14.9	4.3	5.6
1999	Q1	13.5	13.5	6.9	5.4
	Q2	16.5	14.7	5.2	5.2
	Q3	17.0	13.9	5.3	4.1
	Q4	17.0	13.1	5.2	4.3
2000	Q1	20.3	12.7	4.0	4.1
	Q2	20.2	13.0	3.9	5.2
	Q3	17.9	12.4	3.6	4.0
	Q4	15.7	12.2	2.8	3.6
2001	Q1	13.5	12.9	4.0	4.2
	Q2	11.0	13.7	3.8	3.9
	Q3	14.8	14.0	3.6	4.7
	Q4	12.4	15.0	5.4	4.5
2002	Q1	14.1	15.9	3.5	4.6
	Q2	13.4	16.5	3.1	4.3
	Q3	13.0	16.5	2.4	4.1
	Q4	12.9	16.7	2.7	4.0
2003	Q1	12.3	16.1	2.7	3.5
	Q2	12.2	16.2	2.8	3.1
	Q3	11.5	15.8	2.2	3.0
	Q4	11.4	17.3	2.3	3.2
2004	Q1	11.6	16.1	2.4	3.3
	Q2	11.4	15.7	1.8	2.9
	Q3	11.7	15.0	1.5	2.5
	Q4	11.0	14.8	1.2	2.4
2005	Q1	10.3	14.0	1.5	2.2
	Q2	10.2	12.9	1.2	2.1
	Q3	10.5	12.2	1.2	1.8
	Q4	9.4	11.2	1.6	2.0
2006	Q1	10.0	11.0	1.9	2.1
	Q2	9.1	10.2	1.5	1.8
	Q3	7.8	9.7	1.1	1.6
	Q4	7.4	9.4	1.2	1.5
2007	Q1	7.6	9.5	1.8	1.8
	Q2	6.6	9.5	1.6	1.8
	Q3	6.5	9.2	1.9	1.6
	Q4	6.4	9.7	1.2	1.5
2008	Q1	6.6	10.1	1.2	1.6
	Q2	7.2	10.8	1.6	1.8
	Q3	7.7	14.1	2.5	2.3

Source: Grubb & Ellis Research Services

**Table 11: Value of Nonresidential Building Permits Issued in Incorporated Cities**  
(In \$1,000s)

City	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007e	2008e
Alhambra	16.2	7.4	9.8	17.6	33.9	37.3	32.1	24.3	21.5	10.2	31.0	21.9
Arcadia	7.2	9.2	41.9	26.1	16.7	8.7	29.3	27.1	12.0	32.0	19.1	39.1
Azusa	0.1	3.1	0.2	0.1	0.1	0.8	1.1	1.1	1.1	0.4	0.5	4.9
Baldwin Park	5.8	4.6	12.8	3.4	5.6	4.5	12.7	8.5	5.1	4.8	2.1	6.6
Bradbury	0.1	0.3	0.6	0.2	0.2	0.5	0.7	0.3	0.4	0.5	0.3	0.8
Claremont	13.2	7.6	10.1	10.5	8.5	8.3	16.8	12.7	16.5	27.5	11.8	22.6
Covina	27.3	7.0	6.5	10.4	5.7	48.9	8.2	10.4	4.9	6.0	20.2	15.4
Diamond Bar	9.3	6.3	32.2	6.2	23.6	6.8	5.6	3.8	19.6	10.3	13.1	2.2
Duarte	4.0	6.2	7.0	2.5	3.9	1.8	3.2	5.5	4.0	3.2	10.3	31.5
El Monte	12.9	15.5	24.6	18.3	21.0	21.4	14.6	98.7	9.3	14.9	28.9	30.5
Glendora	4.9	5.0	3.8	8.7	14.3	14.4	10.2	9.4	11.4	22.4	36.0	28.5
Industry	45.7	113.2	89.9	66.9	84.3	89.4	71.0	67.6	81.8	110.5	61.1	95.0
Irwindale	4.4	25.2	9.9	62.8	34.9	27.2	30.9	11.3	23.5	26.6	9.7	22.7
La Cañada Flintridge	5.7	3.1	2.7	8.5	4.7	10.6	4.6	5.1	11.9	7.4	16.8	12.0
La Puente	0.6	0.8	8.4	5.6	1.7	1.9	2.4	4.8	2.2	0.9	1.5	7.9
La Verne	7.3	6.1	8.7	14.7	16.3	14.2	12.8	4.9	7.2	18.4	10.7	13.9
Monrovia	8.3	4.4	19.7	18.9	19.7	13.9	10.4	9.0	8.6	7.2	12.1	18.6
Monterey Park	7.2	4.8	6.2	8.6	7.5	10.1	8.7	9.1	13.3	6.3	7.8	8.1
Pasadena	52.4	68.2	94.9	129.4	77.4	114.6	132.2	70.5	100.0	88.8	140.6	80.0
Pomona	26.4	14.6	34.9	24.0	16.2	30.9	11.5	22.4	33.5	28.9	36.2	50.9
Rosemead	4.5	10.0	15.8	8.6	13.3	8.2	13.0	10.4	8.8	20.5	9.8	10.5
San Dimas	7.2	19.5	17.9	4.6	12.3	15.5	12.4	7.8	22.3	15.1	21.3	6.6
San Gabriel	0.3	0.9	0.8	0.5	3.8	42.1	13.4	45.6	5.6	6.9	7.5	3.4
San Marino	0.5	0.5	0.6	0.5	0.5	0.6	0.7	0.6	0.6	0.6	0.3	2.4
Sierra Madre	0.3	0.8	0.3	0.3	0.3	0.4	0.4	0.7	0.5	0.4	0.3	0.9
South El Monte	3.1	5.3	8.9	5.5	8.2	5.3	2.3	5.8	5.2	4.3	12.3	12.2
South Pasadena	1.9	5.7	2.2	2.5	3.2	11.5	14.1	1.9	2.8	3.9	9.6	5.0
Temple City	1.3	2.1	3.0	2.2	0.8	4.0	1.7	2.3	2.3	2.7	3.6	2.5
Walnut	3.8	3.5	1.1	1.7	1.6	12.1	6.1	1.4	0.9	1.0	2.7	0.9
West Covina	21.0	17.5	6.2	21.0	16.9	12.0	11.5	12.2	13.4	51.6	67.8	35.7
<b>Total Incorp. Cities</b>	<b>302.8</b>	<b>378.2</b>	<b>481.8</b>	<b>490.6</b>	<b>457.3</b>	<b>577.8</b>	<b>494.6</b>	<b>495.1</b>	<b>450.2</b>	<b>534.3</b>	<b>605.1</b>	<b>593.5</b>

Note: Figures may be undercounted due to incomplete reporting. Data include additions and alterations.

Source: Construction Industry Research Board; estimates by the LAEDC.

**Table 12: Taxable Retail Sales in Incorporated Cities of San Gabriel Valley**

(In millions of \$)

City \ Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008e
Alhambra	728.3	758.7	847.0	917.6	993.1	959.0	971.1	1,034.5	\$1,054.5	\$1,065.2	\$1,060.6	\$1,034.1
Arcadia	450.9	461.4	487.3	524.7	536.4	540.0	592.1	639.1	700.3	717.9	741.4	722.9
Azusa	211.5	210.2	229.9	236.8	232.5	244.7	264.7	297.1	319.6	340.8	344.1	335.5
Baldwin Park	174.9	194.4	219.6	261.9	284.2	309.9	326.5	398.1	445.4	467.1	471.7	459.9
Claremont	167.5	180.8	194.3	226.8	260.3	308.8	358.6	391.5	411.8	408.5	377.8	368.4
Covina	420.3	440.8	473.5	517.8	535.3	526.0	603.4	677.4	705.5	705.5	689.1	671.9
Diamond Bar	181.4	196.1	201.1	227.6	234.5	224.1	236.1	273.0	278.1	291.2	300.8	293.3
Duarte	204.6	204.0	232.9	293.6	312.7	328.0	342.1	373.2	404.2	414.8	364.1	355.0
El Monte	846.5	935.5	1,068.7	1,199.3	1,275.8	1,298.5	1,363.0	1,456.2	1,533.0	1,570.1	1,503.9	1,466.3
Glendora	274.5	293.1	319.5	342.5	398.2	463.0	517.4	566.6	566.2	562.0	561.9	547.8
Industry	1,185.0	1,142.2	1,188.0	1,326.7	1,405.8	1,483.1	1,501.8	1,595.2	1,703.9	1,750.0	1,786.4	1,741.7
Irwindale	40.1	49.8	56.6	69.8	91.0	93.9	94.5	111.2	126.2	140.2	148.7	145.0
La Cañada Flintridge	119.4	123.4	131.1	140.2	138.2	140.9	144.7	153.8	158.0	161.0	169.6	165.4
La Puente	149.4	155.1	170.0	176.9	191.6	203.2	204.0	198.8	199.6	206.7	193.6	188.8
La Verne	149.4	148.1	160.2	176.5	199.0	194.9	221.3	235.1	240.9	245.5	261.4	254.8
Monrovia	388.5	419.0	467.5	519.7	549.4	570.6	595.3	646.6	659.4	662.5	629.5	613.8
Monterey Park	211.7	214.6	230.9	255.9	292.6	311.0	327.0	341.4	354.7	366.3	346.8	338.1
Pasadena	1,376.4	1,452.7	1,596.8	1,692.6	1,723.6	1,826.1	1,890.9	2,063.4	2,168.1	2,225.2	2,297.1	2,239.7
Pomona	566.7	557.6	606.7	686.5	753.3	782.1	853.4	930.2	1,024.8	1,093.4	1,044.4	1,018.2
Rosemead	193.6	198.8	201.0	217.8	213.2	230.3	236.9	253.5	266.5	256.1	303.9	296.3
San Dimas	187.4	200.4	215.7	228.7	228.1	233.2	297.9	329.1	356.6	356.2	349.0	340.2
San Gabriel	210.9	216.3	227.8	242.2	246.0	252.4	260.0	282.0	284.1	290.7	279.7	272.7
San Marino	26.9	28.8	30.2	32.2	31.4	32.1	32.1	33.6	36.5	33.7	32.2	31.4
Sierra Madre	11.0	10.9	12.9	14.3	14.3	13.5	14.1	15.9	17.2	18.5	20.4	19.9
South El Monte	94.4	97.2	114.5	125.2	118.4	115.9	123.1	136.8	146.6	169.2	209.8	204.6
South Pasadena	95.1	93.4	98.5	107.3	105.4	102.4	109.3	115.3	128.3	132.5	135.5	132.1
Temple City	117.3	117.0	118.5	122.7	124.1	116.2	112.1	118.7	124.7	129.5	138.8	135.3
Walnut	67.9	64.7	70.6	71.9	75.5	73.0	80.4	97.1	104.3	113.2	132.1	128.8
West Covina	774.7	849.4	895.2	993.4	1,036.7	1,103.3	1,138.8	1,164.4	1,231.0	1,246.1	1,257.4	1,226.0
<b>Total Incorp. Cities</b>	<b>9,626.0</b>	<b>10,014.2</b>	<b>10,866.3</b>	<b>12,098.0</b>	<b>12,600.9</b>	<b>13,079.9</b>	<b>13,812.4</b>	<b>14,928.8</b>	<b>\$15,749.9</b>	<b>\$16,139.6</b>	<b>\$16,152.3</b>	<b>\$15,747.8</b>

Note: For certain years, Bradbury had too few firms for reporting without revealing confidential information.

Source: California State Board of Equalization; estimates by the LAEDC

**Table 13: Hotel Occupancy and Room Rates in San Gabriel Valley**

San Gabriel Valley (excluding Pasadena, Arcadia, and Monrovia)

	Annual Occupied Rooms	Occupancy Rate	Avg. Daily Room Rate	Annual % Change	RevPAR	Annual % Change
2002	435,064	56.8%	86.09	0.5%	\$48.93	
2003	500,848	61.9%	85.95	-0.2%	53.18	8.7%
2004	527,044	65.1%	90.90	5.8%	59.18	11.3%
2005	628,865	70.6%	95.79	5.4%	67.64	14.3%
2006	643,663	72.3%	103.09	7.6%	74.50	10.1%
2007	629,989	70.7%	109.47	6.2%	77.43	3.9%
2008e	636,289	70.0%	112.75	3.0%	78.91	1.9%

Pasadena

	Annual Occupied Rooms	Occupancy Rate	Avg. Daily Room Rate	Annual % Change	RevPAR	Annual % Change
2002	450,177	73.9%	133.40	-1.3%	\$98.58	
2003	451,272	74.1%	139.29	4.4%	103.18	4.7%
2004	478,778	78.6%	138.35	-0.7%	108.73	5.4%
2005	461,120	75.7%	155.83	12.6%	117.96	8.5%
2006	469,037	77.0%	167.11	7.2%	128.66	9.1%
2007	456,616	75.0%	162.42	-2.8%	121.74	-5.4%
2008e	456,616	75.0%	167.29	3.0%	125.40	3.0%

Arcadia/Monrovia

	Annual Occupied Rooms	Occupancy Rate	Avg. Daily Room Rate	Annual % Change	RevPAR	Annual % Change
2002	236,580	69.2%	93.68	4.8%	\$64.80	
2003	232,697	68.0%	94.02	0.4%	63.97	-1.3%
2004	268,949	78.6%	95.07	1.1%	74.76	16.9%
2005	267,452	78.2%	101.88	7.2%	79.67	6.6%
2006	242,136	76.3%	119.44	17.2%	91.07	14.3%
2007	228,781	76.3%	132.96	11.3%	101.39	11.3%
2008e	244,796	71.5%	138.28	4.0%	98.87	-2.5%

San Gabriel Valley Total

	Annual Occupied Rooms	Occupancy Rate	Avg. Daily Room Rate	Annual % Change	RevPAR	Annual % Change
2002	1,121,821	65.4%	106.68	0.6%	\$69.71	
2003	1,184,817	67.3%	107.85	1.1%	72.57	4.1%
2004	1,274,771	72.4%	109.60	1.6%	79.35	9.3%
2005	1,357,437	73.7%	117.39	7.1%	86.52	9.0%
2006	1,354,836	74.6%	128.18	9.2%	95.56	10.4%
2007	1,315,386	73.1%	131.94	2.9%	96.43	0.9%
2008e	1,337,701	71.9%	136.04	3.1%	97.80	1.4%

Source: PKF Consulting

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## ABOUT THE SAN GABRIEL VALLEY ECONOMIC PARTNERSHIP

### MISSION STATEMENT

To preserve and enhance the quality of life and the economic vitality of the San Gabriel Valley.

The San Gabriel Valley Economic Partnership (SGVEP) is a regional, not-for-profit corporation committed to the continued successful economic development of the San Gabriel Valley. A collaboration of business, local government, colleges and universities, the Partnership pursues this commitment through three key guiding principles:

#### Assist Business

The Partnership provides professional assistance to companies locating and expanding in the San Gabriel Valley while working proactively to retain existing employers.

- Provide business to business connections.
- Facilitate problem solving between business and government agencies.
- Provide economic and demographic information.
- Provide business access to the resources of the San Gabriel Valley.
- Partner with the Los Angeles County Economic Development Corporation to provide personal and confidential business assistance.
- Identify and share business opportunities.

#### Advocate Public Policy

The Partnership advocates public policies that create and sustain high quality in a region that is globally competitive.

- Support legislation and public policies that advance our mission.
- Provide forums for the discussion of issues of importance to the region.
- Communicate information and ideas that enhance the region's understanding of important issues.

#### Market the San Gabriel Valley

The Partnership works to create an image of the San Gabriel Valley as a region of innovation and opportunity enjoying a strategic location, diverse economic base, skilled workforce, comprehensive educational resources and high quality of life.

- Market the San Gabriel Valley through a comprehensive website and supporting collateral.
- Produce events that highlight the success and benefits of business investment in the region.
- Recognize and celebrate excellence and achievement in business and public institutions.

### OUR INVESTORS

The San Gabriel Valley Economic Partnership is a private, not-for-profit corporation funded totally by membership dues investments and special projects purchased by our "member customers". Our Board of Directors is comprised of key representatives from cities, colleges and universities, and businesses who have an investment in the economic stability of the region as a whole. While we welcome the participation and support of all businesses and residents, our focus is on the Valley as a regional economic entity. As such, we are uniquely positioned as a natural "Partner" with local chambers of commerce, many of whom have joined the Partnership as participating members.

### WHY IT IS IMPORTANT

As with a global economy, economic stability reaches beyond city and county boundaries. Increasingly, cities and businesses within the Valley have recognized that the development of the region as a whole will benefit individual communities as well as the businesses located there. The days of a city being totally self-contained are gone. Today, we recognize the need to work together for the long-term viability of our economic base and quality of life. For more information on how you can become involved in the individual projects of the San Gabriel Valley Economic Partnership, please call (626) 856-3400.

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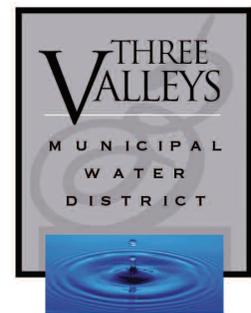
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