SAN GABRIEL VALLEY
ECONOMIC PARTNERSHIP

2012
SAN GABRIEL VALLEY
ECONOMIC FORECAST & REGIONAL OVERVIEW

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

LAEDC

30 YEARS Celebrating Economic Development Leadership

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

THE ECONOMIC ENVIRONMENT 3

The U.S. Economy 3
The California Economy 5
The Los Angeles Economy 8

SAN GABRIEL VALLEY ECONOMIC INDICATORS 10

Population 10
Employment 11
Income and Wages 12
Business Establishments 12
Business Sales/Shipments/Revenues 13

SAN GABRIEL VALLEY ECONOMIC DRIVERS 15

Higher Education 15
Health Care 16
Professional and Business Services 16
International Trade/Goods Movement 17
Korea-U.S. Free Trade Agreement 18
Manufacturing 19
Retail Trade 20
Tourism and Hospitality 21
Residential Real Estate 22
Nonresidential Real Estate 24

STATISTICAL TABLES 26

Cultural and Infrastructure Assets 40

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EXECUTIVE SUMMARY

Covering over 400 square miles of eastern Los Angeles County, the San Gabriel Valley is bounded by its namesake 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 SR-60 (Pomona) freeway on the south, and the Los Angeles/San Bernardino county line to the east. Its population of 1.44 million is larger than that of 51 of California's 58 counties. Its 30 cities represent more than a third of the municipalities in Los Angeles County.[1] Its population and industries are as diverse as any geographic area in California.

The ***San Gabriel Valley Economic Forecast and Regional Overview*** offers a snapshot of the region's resources, tracks its recent economic performance heading into and coming out of the Great Recession, and summarizes the economic outlook over the forecast period 2012 and 2013. The findings contained in this report serve as valuable background for business people, government officials, and households as they plan and make decisions about the forecast period and beyond.

After three years of coping with losses associated with the Great Recession, the San Gabriel Valley regional economy turned the corner in 2011 with small but welcome gains across an array of indicators. The gains were somewhat better than those of Los Angeles County as a whole, but lagged the larger improvements that took place at the national level.

A long-established region of Los Angeles County, the population of the San Gabriel Valley is typically quite stable. However, the region experienced a loss of 26,150 persons between 2005 and 2010, equivalent to a 1.8% decline. By 2011, the region began to recover those losses with the population climbing by 5,700 or 0.4%. Additional increases of the same magnitude are expected in 2012 and 2013.

The turnaround in population was accompanied by gains in jobs and worker payrolls, both of which contracted during the recession. Having peaked at nearly 650,000 jobs in 2008, the region lost over 50,000 jobs and fell below 600,000 in 2010. The region experienced a modest gain of 5,700 jobs as the county, state, and national economies eked out a slight uptick in 2011. More improvement is in store this year and next. Still, it will be at least mid-decade before the labor market fully recovers the job losses and surpasses the 650,000 mark once again. In the same vein, worker payrolls, which declined during the recession from a peak of $28 billion in 2008 to a low of $26.3 billion in 2010,

[1] There are 30 incorporated cities in the Valley, plus several unincorporated territories. The information in this report does not include the city of Montebello as the LAEDC considers it part of the "Gateway Cities" area of the county. However, the San Gabriel Valley Economic Partnership includes all 31 cities aligning with the San Gabriel Valley Council of Government.

staged a 2.2% recovery in 2011 to $26.9 billion, and is expected to surpass the previous peak by the year 2013.

Most of the fourteen industry sectors in the San Gabriel Valley added jobs in 2011. Jobs in health services increased the most, followed by wholesale trade, leisure and hospitality, public administration, and transportation and utilities. On the other hand, professional and business services cut employment in 2011, along with retail trade and financial activities.

As the jobs and income picture brightens, taxable retail sales will regain lost ground. Having reached a peak before the onset of the recession, taxable retail sales fell by over 20% from a high of $16.1 billion in 2006 to a cyclical low of $12.7 billion. Solid gains in 2010 and 2011 should give way to more modest increases in the next two years, but it will be at least 2015 before taxable retail sales will once again eclipse the $16 billion threshold.

Recovery in the housing sector will take a number of years, with the existing home market expected to lead the new home market and new home construction. The overhang of distressed properties will continue over the next two years, but will decline relative to the non-distressed market where a long overdue increase in activity should ensue. The year 2012 will be a transition year for the existing home market, and a better economic outlook should foster increased stability. New homes and housing permits will be much slower to recover. Housing permits in 2010 fell to just one-fifth of the peak achieved earlier in the decade. To be sure, housing permits will continue the turnaround that began in 2011, but it will be the second half of this decade before the number of units approaches the previous peak.

All in all, the San Gabriel Valley regional economy will continue on the track of slow growth and recovery in 2012 and 2013. This is a conservative outlook, and the economic trajectory for the region will depend largely on the performance of the overall national economy. If the national economy accelerates more quickly than expected, the region should experience faster growth as well. It may be years before the region is fully mended, but the economy is headed in the right direction, a reassuring observation for households and businesses alike after so many years of decline and distress.

THE ECONOMIC ENVIRONMENT

The U.S. Economy

GDP grew just 3.0% in 2010 and a meager 1.7% last year.

The economy gained momentum in late 2011 and early 2012, and finally appears to be growing at a more sustained rate. Gross Domestic Product (GDP) grew at a modest 3.0% annualized rate in the last quarter of 2011, job gains have exceeded 200,000 per month on a consistent basis, and the U.S. unemployment rate fell from 9.1% to 8.3% in the span of six months. Meanwhile, despite concerns about the price of gasoline, the rate of inflation remained near the historic average, and should remain so through much of the year.

Economists divide the post-recession part of an economic cycle into two parts: recovery and expansion. Recovery refers to GDP growth from the point where the economy hits bottom (the trough) to the point where GDP gets back to the previous peak level. The economy moves into the expansion phase when the level of GDP surpasses the previous peak. Based on that definition, the economy entered the expansion phase of the economic cycle in the third quarter of 2011 and has continued to grow since then.

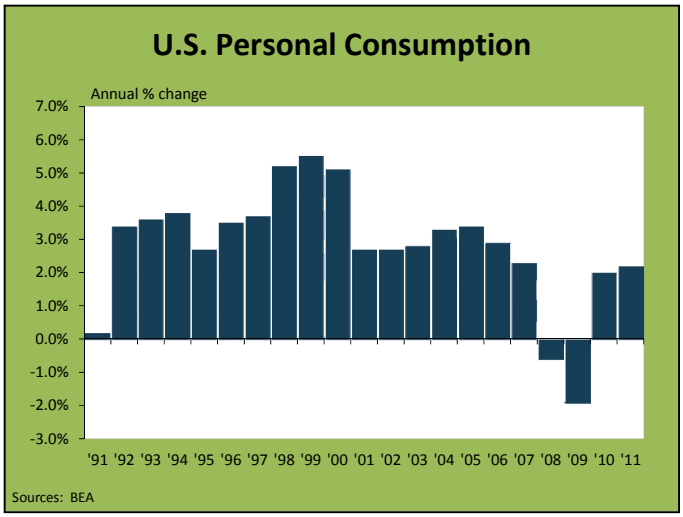
So why do businesses and consumers still "feel" that the recession has not ended, and that the economy has not recovered, much less moved into expansion? There are complicated answers to this question, but a few simple observations make the point.

First, the economy is growing but at a slower rate than is typical of this point in an economic cycle. Since 1970, the growth rate of GDP has averaged 2.8%. However, the growth rate usually ramps up to above-average rates exceeding 4.0% in post-recession years. Not so this time. GDP grew just 3.0% in 2010 and a meager 1.7% last year.

Second, weak economic growth has produced only anemic gains in the labor market. Even with the recent decline to 8.3%, the unemployment rate remains well above the long-run "normal" unemployment rate, which is probably somewhere around 6.0%.

Third, with uncertainty about their jobs, declines in the value of their assets (both real estate and financial), and tight credit, households have spent tentatively. This is a problem because the consumer sector makes up 70% of economic activity. So if households are slow to ramp up their spending, the economy will continue on its slow

growth trajectory and improvement in the labor market and elsewhere in the economy will remain painfully slow.



What role will fiscal and monetary policy play in 2012? Significant changes in federal fiscal policy tools, such as changes in government spending and changes in tax policy, probably will be stymied by concerns with the budget deficit in this election year. Meanwhile, the monetary policy tools at the disposal of the Federal Reserve Bank can work only indirectly through the still fragile and recovering financial system, and will likely do little to accelerate growth. In short, the private sector part of the economy will have to make its way through the year on its own with little help from economic policy.

Looking ahead over the next two years, the consumer sector will be front and center. Consumer spending contracted through the recession, but turned around in the past two years with meager annual gains of 2.0% in 2010 and 2.2% last year. Consumer spending is expected to exhibit much needed growth of approximately 2.0% annually in 2012 and 2013, driven by growth in real disposable (after tax and adjusted for inflation) personal income of just over 1.0%.

Businesses have been poised to grow for at least two years. They pared payrolls and other expenses during the recession, and stand ready to expand production if demand accelerates. To be sure, businesses are spending. Business spending on equipment and software turned around in 2010 with a 14.6% increase, and rose again in 2011 by 10.3%. Firms are expected to increase their spending in 2012, contributing to expansion in the overall economy. Significantly, more spending should occur across a wide swath of the economy, with increased outlays on computers and peripherals, industrial equipment, transportation equipment, and structures in health care, manufacturing, utilities, and mining. This is yet another sign that more sectors of the economy are headed in the right direction.

Consumer spending is expected to exhibit much needed growth of approximately 2.0% annually in 2012 and 2013.

Even as the private sector improves, federal, state, and local government will continue to face challenges. Efforts to reduce the federal budget deficit will partially offset hard-earned gains in the private sector, as will yet another year of painful budget cuts at the state and local level. Meanwhile, the global economy should expand at a slower pace in 2012 compared with last year, in part due to slower growth in China and an outright recession in many European economies.

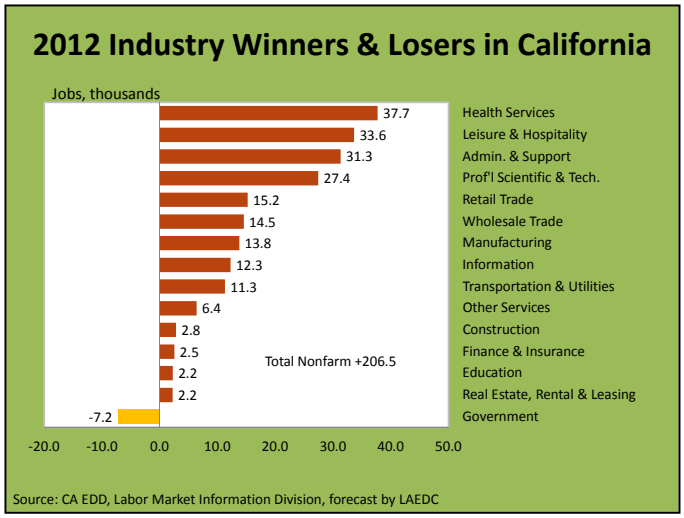
Overall, the U.S. economy should expand somewhat faster than last year with GDP growth in 2012 and 2013 in the 2.0% range. The labor market will respond with modest gains in nonfarm jobs and slight improvement in the unemployment rate, personal income will rise, and inflation will stay in check.

There are risks that could slow down the economy. First, European sovereign debt problems and the consequent austerity programs will force at least two European countries (Italy and Spain) and possibly more into recession in 2012. Second, a slowdown in fast-growing Asian economies, especially China, is underway. The European situation and the slowdown in Asia are both likely to check growth in the U.S., but not cause recession. The third risk is an oil price spike. An oil price spike perennially makes any list of economic risks, and is an immediate concern. As of this writing, it appears that oil and gasoline prices will peak by mid-year in 2012 and may put a dent in consumer discretionary spending, but probably will not tip the overall economy into recession.

This is a conservative forecast. If consumers genuinely sense that the economy is doing better – that their own circumstances are improving – the economy and labor market could exceed the forecast. By year-end, most consumers and businesses should sense that the economy is well on its way, even if at a slower than desired pace.

The California Economy

Like the U.S., California's labor market registered gains for all of 2011, albeit at an uneven pace during the course of the year. On an annual basis, the state unemployment rate fell modestly from 12.4% in 2010 to 11.8% in 2011. After languishing around 12% for over two and a half years, the monthly unemployment rate fell from 12.1% in August to 11.1% by December. Clearly, the labor market was beginning to improve as 2011 drew to a close.



Similarly, California's 193,900 annual gain in nonfarm jobs from 2010 to 2011 was a welcome turn around in the market after three successive years of job losses totaling 1.3 million jobs. In a rare instance of California outperforming the nation, the state's 1.4% annual gain edged out the national labor market's 1.2% gain.

Across the major industries within the state, 2011 brought some much needed relief after years of job losses. Most, but not all, industries in the state registered gains, with the largest percentage increases coming in Information, Education, and Administrative and Support Services.

However, Real Estate and Leasing, Government, and Management of Enterprises, and Other Services saw continued job losses, but on a smaller scale than in previous years.

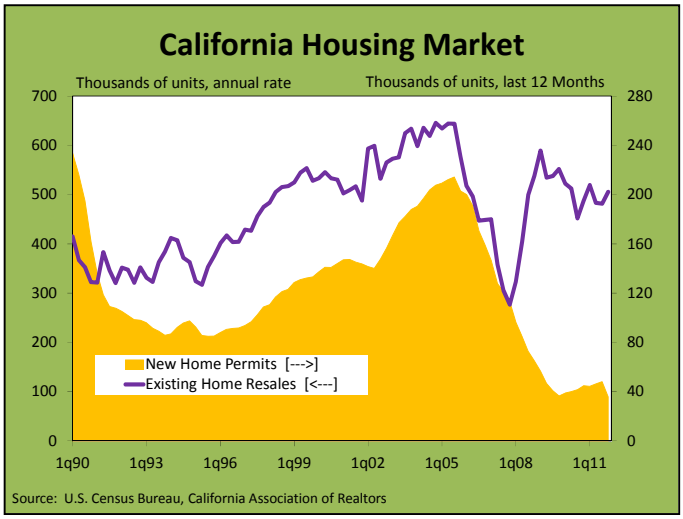
In looking ahead to the rest of this year and the next, more of the state's leading industries will experience growth:

California's **technology sector** has a mixed outlook. Business demand for technology products has been strong over the past two years, and is expected to rise at a healthy pace over the next two years. Sales of consumer technology products have also done well in the post-recession years. But concerns have been growing regarding the defense-related aerospace sector. Proposed cuts in the federal budget along with automatic cuts that have been triggered by the Supercommittee's failure to come up with $1.3 trillion in discretionary cuts last fall have created uncertainty about the future of defense-related programs. It remains to be seen how anticipated cuts in federal defense spending will affect programs in the state.

International trade plays an important role in driving the California economy. Imports and exports through California's three customs districts expanded at a relatively strong pace in 2011 with an 11.2% increase in the value of two-way trade, with similar growth in both imports and exports, and should increase at a moderate pace in 2012 and 2013.

California's **tourism industry** improved in nearly every part of the state last year, with gains in occupancy rates, room rates, and room revenue. Tourism industry revenues should rise modestly in 2012, as the general economy improves and the pace of business and leisure travel quickens. Intra-state travel also is likely to show steady improvement.

After falling to a low of 371,800 jobs during the recession of 2009, **agricultural** employment came back over the last two years. Farm related jobs totaled 379,700 in 2011, roughly on par with the 10-year average of 379,400 jobs. Farm receipts experienced back-to-back increases over the past two years, with an 8.6% gain in 2010 and a 9.7% year-to-date gain through November 2011. Weather will play its usual role in determining how this sector, a key source of export income, will fare in 2012 and 2013.



While it will be at least two years before the **housing market** fully recovers, 2012 will mark a transition point on the road to recovery. For most households, the price of existing homes is what counts. Existing home prices fell

across much of the state in year-to-year terms throughout 2011, but held steady in month-to-month comparisons through much of the year. The mix of sales has already tilted away from distressed sales (bank-owned REO sales and short sales) in favor of non-distressed sales, a trend that should continue in 2012. Existing home prices in many parts of the state could firm up with genuine improvement in the economy, mainly through heightened demand for homes. But this also depends on the flow of properties through the foreclosure pipeline, which has been fairly steady for over two years, the availability of mortgage money, and some easing in qualifying standards.

It is the new home market where the potential for large job gains resides. At present, it is difficult to justify building new homes when recently built homes are on the market as short sales or REO sales at a fraction of the cost of new construction. New home prices continue to struggle, and new home construction has languished at very low levels for years. Total housing permits, which declined from just shy of 213,000 at the peak of the most recent cycle to 47,000 in 2011, should improve over the next two years but will remain below long run levels.

Beyond these near-term market considerations, weakness in new home construction will probably collide with an increase in new household formation in the coming years, which will set the state up for a housing shortage at some point in the second half of the decade.

Nonresidential construction appears to be slightly ahead of the curve in making a comeback when compared with residential construction. Nonresidential construction permits fell by more than half from the 2007 peak levels of $27.3 billion to a recession low of $10.9 billion in 2009. Following a small 3.1% turnaround in 2010, nonresidential permits surged by 16.3% to $13.0 billion last year. Modest gains are expected this year and next, with a 7.5% gain slated for 2012 and a 9.3% increase expected the following year. The state will continue to receive American Reinvestment and Recovery Act (ARRA) funds for a number of construction projects, but that support should provide less of a stimulus as ARRA winds down further in 2012.

As for **state and local government**, budget woes will continue for at least two more years, forcing cuts in services while spurring efforts by government agencies to find new sources for funds. While most private sector industry segments will add jobs over the next two years, more cuts in state and local government jobs seem imminent.

Overall, California should experience modest improvement in economic conditions over the forecast period, with employment growing by 1.5% and adding over 200,000 jobs this year, and by 1.8% next year, which is equivalent to nearly 260,000

jobs. For 2012, the unemployment rate will average 11.1%, with further improvement to 10.3% in 2013. The economy will continue to heal but the process will be uncomfortably long.

The Los Angeles County Economy

Los Angeles was hit hard by the Great Recession. Over 350,000 jobs were lost and the unemployment rate rose to 13%. Nevertheless, the county saw job gains in both the important education sector and the health services sector throughout the recession. Los Angeles County has participated unevenly in the economic gains of the past two years, and a recovery has lagged behind the state as a whole.

The Los Angeles economy eked out a slight improvement of 0.4% in nonfarm jobs last year, but several industries are poised for growth over the forecast period as the national economy continues to expand and recovery takes a firmer hold in the state economy.

International trade activity finished 2011 just behind the prior year, but only because of a strong finish in December. With gradual improvement in the national economy, trade gains are in store for the year ahead as are increases in jobs. However, there are concerns about the impact of slower global economic growth on trade coming through the ports and the airports.

Entertainment industry activity has increased as well, with overall film production rising modestly last year after a large rebound in 2010. More motion pictures and commercials were filmed locally in 2011, but television pilots and shows declined slightly. Motion picture and sound recording jobs got off to a bumpy start in 2012, falling in January to the lowest monthly total in the last five years. This increases the likelihood that this sector may fall below expectations for this year.

Tourism also has turned up with new hotels downtown and in Hollywood drawing more business and leisure travelers. Occupancy rates averaged better than 70% in 2010, room rates rose 5.6% over 2010, and room revenue rose 12% over 2010. The sector should see more gains in 2012 and 2013.

Private education jobs grew throughout the recession, and the sector is poised for continued growth over the forecast period. A number of local universities have national, if not global, recognition that can play an important role in attracting the region's next generation of highly trained workers. This sector also includes private K-12 schools and job training institutions that attract workers and those seeking training for better jobs.

Healthcare services also added jobs during the course of the recession, and should see job gains continue this year and next. While many medical professionals serve the local population, university/teaching hospitals also attract patients from out of the area. Good hospitals attract excellent physicians, and L.A. County has some of the best. Healthcare reform has lent uncertainty to this sector's future.

Retail sales will respond to improving conditions for households, with a marginal uptick in retail sales and employment in 2011 giving way to somewhat faster growth in 2012 and 2013.

Major **construction projects** will support the Los Angeles economy this year. Partly funded by the federal government, LAX, Metro, and the two ports all have significant construction programs underway. Other projects are in progress elsewhere in the county, notably the new courthouse building in Long Beach. Overall, construction activity will take time to recover but even a modest rise in job counts will be welcome.

Local government finance will remain a big concern as it was during the recession and in the years since. The state's chronic budget problems have hurt school district, city and county budgets. More layoffs and service cuts are expected in 2012, but jobs should turn slightly positive in 2013.

The largest employment gains during 2012 will come in health services, education, information, and leisure & hospitality.

Overall, the Los Angeles County economy will gain steam, but at a painfully slow pace. The unemployment rate will edge down over the next two years. Total nonfarm employment in the county added 15,600 jobs in 2011 and should see an additional 22,700 jobs this year, but it will take years for the county to return to the four million nonfarm job threshold that marked most of the last decade. Still, progress will be made with this year's 0.6% increase in employment to be followed by a stronger 1.2% performance in 2013.

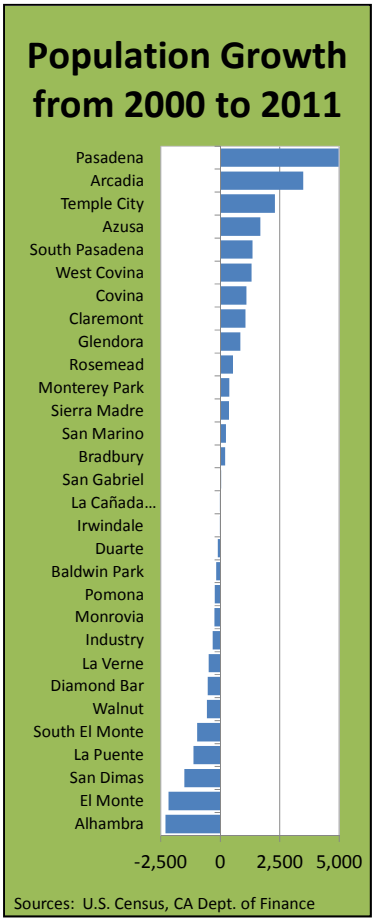
Numerically, the largest employment gains during 2012 will come in: health services (+5,400 jobs), education (+4,800 jobs), information (+4,100 jobs), and leisure and hospitality (+3,900 jobs). Budget problems will force government entities to shed more jobs (-3,200 jobs) and private-sector job cuts will come in construction (-3,300 jobs).

Total personal income in the county grew by an estimated 4.6% in 2011, and is expected to grow by approximately 3.0% this year and next.

SAN GABRIEL VALLEY ECONOMIC INDICATORS

Population

The San Gabriel Valley population encompasses 1.44 million residents, according to the U.S. Census and California Department of Finance estimates for 2011 (not including the unincorporated areas). Total population in the San Gabriel Valley has changed little in recent years. Since 2000, the population has grown by less than 1% in the incorporated cities, compared to over 3% in Los Angeles County and over 10% in California. Pasadena, Arcadia, Temple City, Azusa, and South Pasadena had modest growth in population, while Alhambra, El Monte, and San Dimas experienced a decline in population. The unincorporated areas of the Valley have 285,730 residents according to the 2010 U.S. Census (2011 estimates are not yet available). Including the unincorporated areas, if it were a county, the San Gabriel Valley would be the seventh largest in California, just behind Santa Clara County.



According to the California Department of Finance, the most populous cities in the San Gabriel Valley in 2011 were Pomona (149,243 residents); Pasadena (138,915 residents); El Monte (113,785 residents); and West Covina (106,400 residents). The population in Pomona peaked in 2006, but has since fallen by 1.9%. West Covina and El Monte experienced a similar trend, except these cities peaked in 2004 and 2005, respectively. Pasadena's population, meanwhile, has increased by 2.7% since 2008.

The San Gabriel Valley's population is diverse in race and ethnicity. According to the 2010 Census, Hispanics/Latinos made up the largest ethnic group with a total of 775,400 residents in the Valley. There are ten cities where Hispanic/Latinos are the majority. The Hispanic/Latino population is most heavily concentrated in Pomona, El Monte, Baldwin Park and La Puente, but is well represented in most communities throughout the region.

Asians are the next largest group with a total population in the San Gabriel Valley of 471,200 persons. The Asian population was the fastest growing over the past decade, increasing by 21.0% since 2000. There are nine cities in the San Gabriel Valley where Asians are a majority, including Monterey Park, Arcadia, Rosemead, San Gabriel, and Walnut. Cities with a majority Asian population are rare in the United States.

Whites made up the third largest group in the San Gabriel Valley with a total 2010 population of 370,200, a decline of 19.5% since the 2000 Census. Nearly half of the 61,300 African Americans in the San Gabriel Valley reside in Pasadena or Pomona. The remaining group (35,700 persons) includes Native Americans, Hawaiians, Pacific Islanders and persons who identify themselves as being of two or more races.

Employment

Employment in the San Gabriel Valley increased to an estimated 602,900 in 2011, up by 0.9% from 2010. Yet employment in the region is still down by 46,700 jobs (-7.2%) compared with 2008.

San Gabriel Valley health services and wholesale industries created the most jobs in 2011.

Nine of the fourteen industries in the San Gabriel Valley added jobs in 2011. Jobs in health services increased the most, adding 2,263 new jobs. Wholesale trade was also a major source of employment in 2011, with employment in the industry increasing by 1,252 jobs. Leisure and hospitality (+776 jobs), public administration (+773 jobs), and transportation and utilities (+627 jobs) were also major contributors. Positive net hiring in construction (+209 jobs) occurred for the first year since 2006, while information (+148 jobs), which includes newspapers and motion pictures, was positive for the first time since 2002. Professional and business services cut employment by 1,903 jobs in 2011 and retail trade shed 974 jobs.

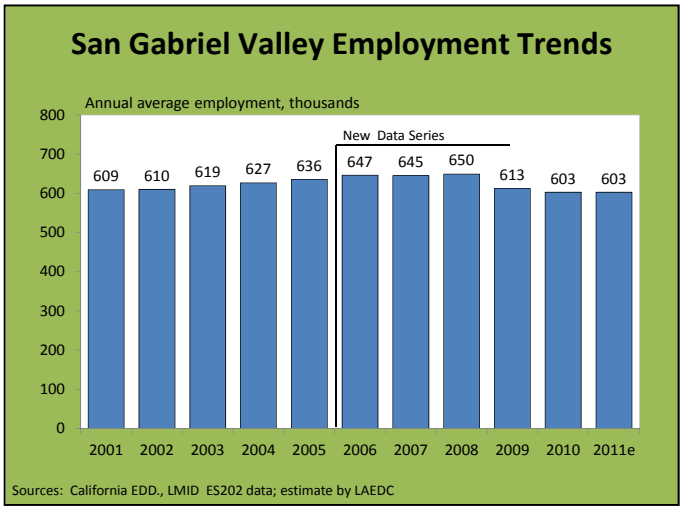
Total employment in 2011 is about where it was in 2001, yet industry job allocation has changed over the decade. Manufacturing was the main source of employment in 2001, providing 94,000 jobs (15.5% of total employment). By 2011, manufacturing became the sixth highest source of employment, providing 55,600 jobs (9.2% of total employment). San Gabriel Valley manufacturing employment decreased by 41.0% from 2001 to 2011, compared to a 28.6% decline for the U.S. as a whole over the same period. Cities in the San Gabriel Valley with a strong manufacturing base have struggled to create new types of jobs: Baldwin Park (15.2% unemployment rate in 2011), El Monte (15.0%), La Puente (14.3%), and Pomona (13.5%).

Meanwhile, health services in the San Gabriel Valley became the primary source of employment. In 2001, jobs in health services totaled 63,700 (10.5% of total employment), and increased to 86,000 jobs by 2011 (14.3%). The 35.2% increase in health services employment in the San Gabriel Valley from 2000 to 2011 was much greater than the 26.7% increase for the United States as a whole. Cities with a strong health services presence have performed relatively better. These cities include Duarte (8.6% unemployment rate in 2011), Monrovia (10.7%), and Pasadena (9.3%). The former two cities benefit from City of Hope, while the latter benefits from Huntington Memorial Hospital.

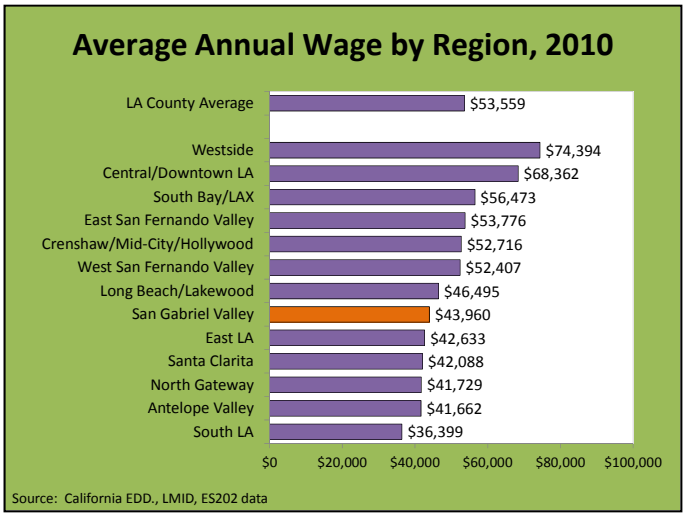
Establishments in the San Gabriel Valley are expected to bring in 4,300 new workers in 2012 as the economic recovery gathers momentum. Total employment is expected to rise to 607,200 this year. Economic expansion in the San Gabriel Valley will continue to be modest this year and next due to the severity of the housing collapse and the subsequent ripple effects that spread to the construction, financial activities and manufacturing industries.

Income and Wages

San Gabriel Valley regional payrolls totaled an estimated $26.9 billion in 2011, up by 2.2%, or $640 million from 2010. The increase in 2011 was the largest since 2007. Much of the growth comes from rising job counts, while some is due to inflation. Total payrolls are expected to increase 2.2% to $27.5 billion in 2012.

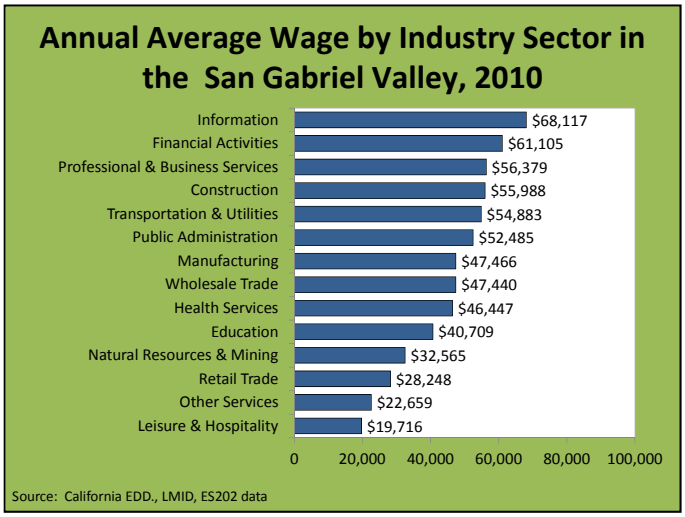


The average annual wage in 2010 in the San Gabriel Valley was $43,960. Compared with the rest of Los Angeles County, the San Gabriel Valley ranked eighth among the 13 regions of the county tracked by the LAEDC. Average wages in the San Gabriel Valley remain lower than Los Angeles County average wages in nearly all industries, with construction being the only exception.



The average wage for the San Gabriel Valley education and health services industries was $45,308 in 2010, 7.1% lower than the Los Angeles County average. Los Angeles County wages in the education and health services industries range from $36,316 in South Los Angeles to $61,969 in Crenshaw/Mid-City/Hollywood.

In professional business services, another key industry, the average wage for San Gabriel Valley workers was $56,379, 12.0% lower than the county average. Los Angeles County wages in professional and business services range from $39,693 in Santa Clarita to $87,836 in Westside.



Construction is the only industry where the San Gabriel Valley average wage of $55,988 was higher than the Los Angeles County average wage of $53,414. Los Angeles County wages in construction range from $40,505 in South Los Angeles to $72,249 in Central/Downtown Los Angeles.

Business Establishments

There were 38,507, business establishments in the San Gabriel Valley in 2010 (excluding “other services”). There are many entrepreneurial professionals in the San Gabriel

Valley. The 6,515 professional and business services establishments include architects, engineers, and design related firms. Health services ranked second in terms of establishments by industry, with 4,820 establishments. There are many physicians and dental offices, nursing and residential care facilities, and social assistance/child care facilities in the San Gabriel Valley.

Several San Gabriel Valley industries account for a sizeable percentage of the Los Angeles County total. The San Gabriel Valley contains 4,669 wholesale trade establishments, 23.8% of Los Angeles County total. Warehouses and distribution centers are conveniently located in cities near the intersection of the 60 and 605 freeways; between the north end of the Alameda Corridor and eastbound railroad service. The construction industry in the San Gabriel Valley has 18.9% of the county's total construction industry business establishments. San Gabriel Valley manufacturing and retail trade establishments each represent over 17% of the total establishments in those industries in L.A. County.

Business Sales and Revenues[2]

The LAEDC used the most recent (2007) Economic Census to identify the key industry sectors, measured by dollar value of sales or shipments, and their role in the cities of the San Gabriel Valley. Sometimes, concentrating only on employment as a measure of the health of an industry can be misleading. Gains in productivity, whether through technological progress or more highly skilled workers, can result in fewer employees, but more output and higher revenues. The manufacturing industry is a prime example of an industry where employment is declining, but the value of output is rising.

The Economic Census provided information on the following sectors:

- Administrative support and waste management
- Health care and social assistance
- Hospitality and leisure
- Manufacturing
- Other services
- Professional, scientific and technical services
- Real estate
- Retail trade

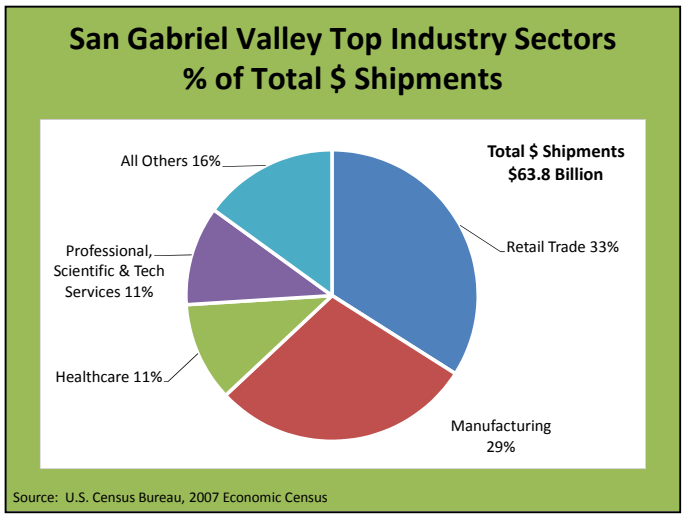
[2] Note: This section is based on results from the 2007 Economic Census, which included data for business sales, shipments and revenues for the cities and unincorporated areas of the Valley. Because the Economic Census is conducted on a five-year cycle by the U.S. Census Bureau, the next economic census will cover the year 2012, but results will not be released until 2014. Thus, the following information on the sales, shipments and revenues of the region's businesses is unchanged from last year.

Based on these eight sectors, total business revenues for the San Gabriel Valley in 2007 were $63.8 billion. While this figure predates the recession, it is reasonable to assume a decline in total revenues during the downturn with varying degrees of improvement amongst the industry sectors over the course of the recovery period. At the same time, it is likely the distribution of business revenues across industries and cities has remained largely intact.

Business firms in the San Gabriel Valley generate over $63.8 billion in annual revenues.

The highest sales figures were found in the retail trade and manufacturing sectors, which represented about 62% of the total available San Gabriel Valley figures.[3] The next most prominent sectors were health care and social assistance, and professional, scientific and technical services followed by hospitality and leisure, and administrative support and waste management.

The City of Industry had the highest business revenues ($11.2 billion) of all the cities in the San Gabriel Valley. Not surprisingly, manufacturing and retail trade were the two leading sectors in the City of Industry. Pasadena was a very close second with total business revenues of $11.1 billion, with revenues mainly coming from professional, scientific and technical services, followed by retail trade and health care. Together, these two cities (with about 8.0% of the total population) represented 35% of total business revenues in the San Gabriel Valley. El Monte, San Dimas, Irwindale, West Covina, Arcadia and Alhambra led amongst the remaining cities in the valley. (*For additional detail, see Table 8 in the appendix*)



[3] In some instances, when an industry is dominated by one or a small number of firms in a particular geographic area, data are suppressed by the Census Bureau to avoid disclosing data for individual companies.

SAN GABRIEL VALLEY ECONOMIC DRIVERS

Having coped with severe job losses over the past few years, the San Gabriel Valley experienced slightly positive job growth overall in 2011 with a handful of industry sectors accounting for the gains. Several industries continued to post job losses in 2011, but at a considerably slower rate compared with 2009 and 2010 (*see appendix table 4*). The San Gabriel Valley has seven significant economic drivers: higher education, healthcare, professional and business services, international trade, manufacturing, retail trade and tourism. Housing and commercial real estate are also important components of the region's economy. Additionally, the San Gabriel Valley has a considerable number of people employed in public administration jobs.

Higher Education

The San Gabriel Valley's universities and community colleges number among the region's most valuable assets. The Valley is home to a number of educational institutions, which play an important role in attracting the region's next generation of highly trained workers and entrepreneurs. This sector also includes vocational training institutions that attract new workers and those seeking training for better jobs.

Four-year postsecondary institutions include the California Institute of Technology, the University of LaVerne, Azusa Pacific University, California State Polytechnic University Pomona and the Claremont Colleges. The Art Center College of Design in Pasadena has an international reputation for automotive design and is strong in other creative disciplines as well. There are also three community colleges in the Valley (Citrus, Mt. San Antonio and Pasadena City).

The presence of major learning institutions in the Valley has fostered a number of business start-ups, many of which stay in the area. Research and development activities support medical device and biomed firms. Spin-offs, particularly from Cal Tech and Cal Poly Pomona, have made important contributions to the green economy in areas of technology that include electric batteries, electric car charging stations, solar panels and nano-technology.

Still, many in the local business community report they cannot find workers with the necessary skill sets to fill the kinds of jobs being created in the Valley. Business leaders, universities and community colleges need to work together to close this "skills gap". Boosting educational attainment is a clear imperative for the medium- and long-run health of the economy.

Employment growth in higher education will continue in 2012 and 2013, although publically funded institutions will be impacted by the ongoing budget crisis in Sacramento.

Health Care

The health services industry is one of the leading segments of the San Gabriel Valley economy. The Valley's health care industry will continue to expand and add jobs this year and next. This trend is driven by demographics (population growth, an aging population, retiring baby boomers, increasing life expectancy) and the expansion of healthcare reform. One can also expect more households to have a greater ability to afford insurance and medical treatment as their finances improve along with the rest of the economy.

While many medical professionals in the region serve the local population, facilities such as the City of Hope also attract patients from outside the area. In addition to providing treatment, other important sources of economic growth are medical research and the production of medical instruments.

Healthcare reform has lent uncertainty to this sector's future. The Affordable Health Care Act is prompting providers to focus on driving down costs and increasing efficiency. Many practitioners will delay long-term investment decisions until the scope of Medicare and other reforms are known.

Professional and Business Services

The outlook for professional and business services is improving. This diverse industry sector posted small gains in 2010 and 2011 but should see stronger growth this year and next. The advertising industry has perhaps the best growth prospects. Many companies have built up large cash reserves and will be investing a portion of those reserves in advertising to stimulate consumer demand and to build market share. Much of the growth in the advertising industry will depend on increases in consumer spending.

The Valley's architectural and engineering firms should see some improvement this year. Commercial real estate is experiencing an upturn in buy/sell activity and developers are dusting off plans they shelved when the financial crisis hit. However, access to capital through private lenders and the loss of redevelopment funds may hold back some projects.

An interesting development in this sector is a growing number of professionals that are striking out on their own. Perhaps as a result of being laid off during the recession and subsequent weak job growth, more architects, engineers and persons

The Nonprofit Sector in Los Angeles County & the San Gabriel Valley

When studying local area economies, most attention is devoted to the entire private sector of the economy without drawing a distinction between the for-profit sector and the nonprofit sector. The nonprofit sector encompasses a variety of organizations including foundations, charitable groups, fraternal societies and trade associations to name just a few. Also included in these numbers are nonprofit private educational institutions and hospitals.

Here is some perspective on the size of the non-profit sector, derived from an extract of data on Exempt Organizations that is available from the IRS:

There were **30,528** registered nonprofit organizations in Los Angeles County, accounting for **18.9%** of all organizations in the state of California. Collectively, these organizations reported **$43.3** billion in total revenue, equivalent to nearly **8.0%** of Los Angeles gross county output.

There were **6,295** registered nonprofits in the 30 incorporated cities of the San Gabriel Valley, corresponding to **20.6%** of the county total. These organizations reported **$11.6** billion in total revenue, which is equivalent to **26.8%** of nonprofit revenues in all of Los Angeles County. By comparison, the San Gabriel Valley accounts for just **14.6%** of the total county population.

in various design fields are going into business for themselves. Supported by strong educational resources and local workforce development programs, these entrepreneurs are a potential source of new job formation in the professional, high tech and creative industries.

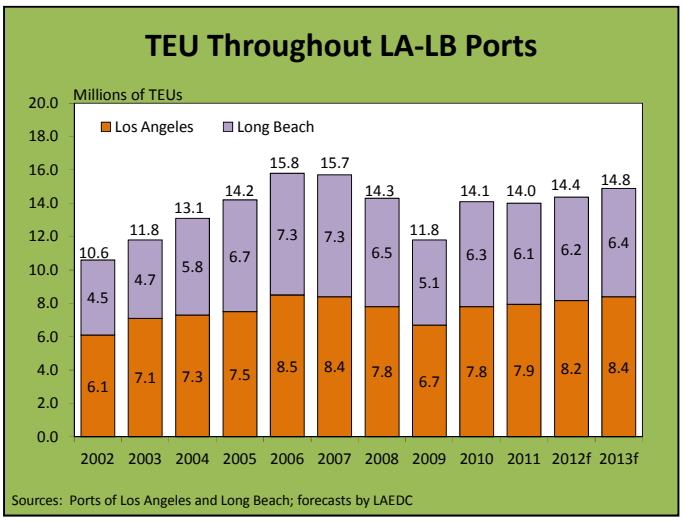
International Trade/Goods Movement

The Port of Los Angeles and Port of Long Beach maintained their top two rankings in the U.S. during 2011, handling a total of 14.0 million.

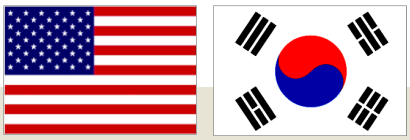
The 2011 trade figures for the San Pedro Bay Ports were weaker than expected, primarily on the import side, although exports did exceptionally well. Import growth started to taper off in the second quarter of 2011 due to the disasters in Japan, higher oil prices, and the euro zone debt crisis. Moreover, the normal holiday peak season was not nearly as strong this year because retailers restocked inventories much less aggressively.

Loaded inbound containers declined marginally by 0.2% at the San Pedro Bay ports in 2011, even as total loaded containers rose by 1.9%, led mainly by loaded outbound containers at the Port of Los Angeles. Overall, the local ports experienced a decline of 0.7% in total (loaded and empty) containers in 2011.

The Port of Los Angeles and Port of Long Beach maintained their top two rankings in the U.S. during 2011, handling a total of 14.0 million containers (down from 14.1 million containers in 2010). The Los Angeles Customs District (LACD) maintained its number one position in the U.S. in 2011 with a two-way trade value of $387 billion. The Port of Los Angeles remained the top port in the nation with regards to total container traffic with 7.9 million containers, while the Port of Long Beach maintained its number two ranking with a total of 6.1 million containers.



The outlook for 2012 is positive (although there are many significant risks lingering this year including the European sovereign debt crisis, oil prices, and the slowdown in China) as the global economy continues to recover albeit at a slower pace. The Asian economies are once again expected to lead the way with higher rates of growth compared with the economies of Europe and North America. This bodes well for trade volumes at the local ports. However, the Asian economies are not projected to see the growth rates they experienced over the last two years as they face lower exports and high inflation rates. Still, the LACD's top five trading partners are all projected to post growth rates of 3% or higher with the exception of Japan.



Korea-US Free Trade Agreement

The Korea-US Free Trade Agreement (KORUS FTA) is one of three free trade agreements (FTAs) that were approved by Congress in October 2011, the others being the Colombia and Panama Free Trade Agreements. The KORUS FTA is by far the most critical of the three from an economic impact standpoint, and is the most commercially significant FTA since the North American Free Trade Agreement (NAFTA) was completed in 1994.

The new FTA will eliminate tariffs and duties on over 95% of consumer and industrial products within three to five years of the implementation date (March 15, 2012). In fact, nearly 80% of consumer and industrial goods became duty free immediately. The majority of any additional tariffs will be eliminated within 10 years. Negotiators expect U.S. exports to South Korea to grow by $11 billion just from the elimination of tariffs. The removal of non-tariff barriers will boost U.S. exports to South Korea by several more billions of dollars. Also, the agreement would prevent trade barriers from being created in the future.

Next, the KORUS FTA would create multiple opportunities for U.S. exports of both goods and services. On the goods side, it opens the world's twelfth largest economy and its sizable middle class of consumers to American made goods. On the services side, the agreement opens up South Korea's $580 billion services market to American companies. Many U.S. industries have the much to gain from this trade agreement, notably entertainment, machinery, equipment, agriculture, aerospace, automotive, education, electronics, health care, medical, metals, transportation and telecommunications. All of these industries have a substantial presence in the Los Angeles region and should benefit greatly from the passage of this FTA in the coming years.

The implementation of the KORUS FTA was particularly well timed for early 2012. A Korea-European Union (EU) FTA went into effect in July 2011, putting the U.S., California, and our local economies at a competitive disadvantage. The KORUS FTA goes a long way toward offsetting the negative impact of the Korea-EU agreement on two-way trade between the U.S. and South Korea.

A New Era for South Korea-Los Angeles Customs District (LACD) Trade Ties

Impact of the Korea-US Free Trade Agreement (KORUS FTA) on our Local Economy

The biggest beneficiaries of the free trade agreement with South Korea will be the ports of Los Angeles and Long Beach as two-way trade volumes increase. The majority of all U.S.-South Korea trade is handled by the ports of Los Angeles and Long Beach, and South Korea is the ports' second largest trading partner based on TEU volume. Total two-way trade on a value basis between the Los Angeles Customs District (LACD) and South Korea represents almost 30% of total U.S.-South Korea trade, and South Korea is the LACD's third largest trading partner, while the LACD is South Korea's largest trading partner among U.S. customs districts. In addition to increased port activity, downstream local trade-related industries will benefit as well.

The FTA should boost most if not all of the LACD's top exports: IT machinery, electrical machinery, chemicals, beef, medical equipment, aircraft engines and parts, and cotton. Removal of trade barriers can lead to dramatic results for the local trade sector. For example, beef exports surged over the past few years as non-tariff barriers were reduced by the South Korean government. The LACD was a primary beneficiary with 60% of U.S. meat exports going through the local ports. In the same vein, the local entertainment industry will benefit from this FTA due to provisions for greater intellectual property protection and enforcement for film, software, music, and videos. The agreement should also boost manufacturing exports (particularly machinery and equipment). The FTA will support our local professional and business services industry (including finance, accounting, and legal) by lifting many non-tariff barriers.

The KORUS FTA is the first free trade agreement between the U.S. and a large Asian economy. It sets the foundation and the framework for a larger prospective trade agreement called the Trans-Pacific Partnership (TPP) Agreement between the U.S. and potentially nine other Pacific nations, including Japan (our second largest trading partner). The completion of the TPP would benefit the local economy more than any other area in the U.S.

The San Gabriel Valley will directly benefit from the increased trade between South Korea and the LACD as business activity will pick up. In addition, the transportation and real estate industries will be positively impacted as more goods are moved from the local ports to distribution centers and warehouses throughout the San Gabriel Valley and the Inland Empire in order to make their way to other parts of the nation.

International trade and the goods movement process are an important part of the San Gabriel Valley economy. Over the past year truck traffic on the 710 and 60 freeways from the San Pedro Bay ports has increased. Businesses are seeing higher sales volumes and signs on the ground indicate more containers are shipping with full loads. This corridor is the main artery for trains and trucks to transport goods to the San Gabriel Valley and to the Inland Empire where vacancy rates for distribution centers and warehouses have declined as a result (San Gabriel Valley 3.5% and Inland Empire 6.3%). The increase in business and transportation activity is a positive sign for the San Gabriel Valley economy, and is expected to continue over the next year as both employment and retail sales improve.

The Valley has very strong cultural and business ties to the Asia-Pacific region. The region's large Asian population provides a significant economic advantage to the San Gabriel Valley. The majority of the Chinese community in Los Angeles County lives in the San Gabriel Valley and this provides a high comfort level for Chinese business people moving into the area. As China continues to play a leading role on the global economic stage, two-way trade between the Los Angeles Customs District and China will expand, and more Chinese firms will consider the San Gabriel Valley as a location for U.S. investment. Chinese investment into Los Angeles County is expected to increase in the coming years and the San Gabriel Valley will be one of the main beneficiaries. The overall economic impact of international trade to the Valley is substantial and as two-way trade flows grow, so will business and economic activity in the San Gabriel Valley. The linkages between trade and foreign direct investment will present real additional economic benefits for years to come for the San Gabriel Valley due to its demographic advantages.

Chinese investment into Los Angeles County is expected to increase in the coming years and the San Gabriel Valley will be one of the main destinations.

Manufacturing

Manufacturing activity in the San Gabriel Valley should stabilize in 2012. There are several growth industries in the Valley that are either reporting steady employment or are hiring additional workers. One is food processing. Most food related firms are doing fairly well, especially those that have tapped into Southern California's enthusiastic embrace of Asian and Hispanic foods. The medical device and biomed industries are benefiting from close proximity to major R&D facilities, particularly along the 210 high-tech corridor. Aerospace contractors that specialize in the manufacture of gears, fasteners, and circuits are generally optimistic in spite of announced defense department budget cuts. The Valley also has a large contingent of fabricated metal products manufacturing firms. These are primarily small machine shops employing five to twenty people doing contract work for the aerospace, medical device and defense industries. Many have reported a pickup in orders over the past few months. Firms producing products for the green economy have also been expanding.

There are a number of advantages for manufacturing firms in the San Gabriel Valley. One is the sheer size and diversity of the local market. Southern California is a great market testing ground for new products. High quality educational facilities and workforce development programs are a resource for skilled workers. The region also has significant geographic and infrastructure advantages. Served by the region's freeways, rail and air, the San Gabriel Valley functions as a gateway to the ports and the broader Southern California region.

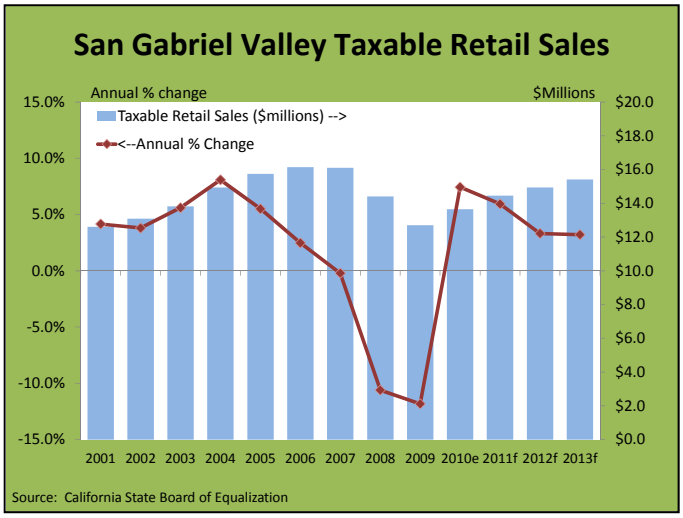
Retail Trade

The U.S. retail sector performed strongly in 2011 and will continue to improve in 2012. While the retail industry employs a significant number of people, retail spending is also an important gauge of consumer confidence and their willingness to spend. Since consumer spending accounts for approximately 70% of the U.S. economy, retail sales are closely tracked. Additionally, retails sales and use taxes are an important source of local government revenue.

Taxable retail sales peaked in the SGV in 2006 at $16.1 billion. In 2011, taxable retails are expected to reach $14.4 billion.

There were fewer store closings last year and the retailers who survived the downturn have adapted to the post-recession environment where consumers are focused on necessary rather than discretionary purchases. The outlook is also improving for the retail scene in the San Gabriel Valley. Taxable retail sales in the incorporated cities of the Valley peaked in 2006 at $16.1 billion. Taxable retail sales trended down over the next three years and bottomed out in 2009 at $12.7 billion. The LAEDC estimates taxable retail sales increased on average by 5.9% to $14.4 billion in 2011 and will grow by an additional 3.3% in 2012 to $14.9 billion.

Consumers are feeling better about the short-term economic and the labor market outlooks. Cost-conscious consumers are flocking to discount retailers. Home improvement centers are benefiting from pent-up demand for home maintenance and improvement projects. Auto sales have snapped back smartly and people are frequenting restaurants more often. Luxury retailers are also doing well as their affluent clientele tends to be more insulated from the ups and downs of the economy. Mid-level retailers are still experiencing difficulties as middle income shoppers shift their spending to discount retailers.



Mirroring the rebound in other commercial property types, leasing and occupancy of malls and shopping centers is slowly improving. Across the county, retail vacancy rates are stable at neighborhood centers, but are up a bit at malls. Although sales trends have been encouraging, this has yet to translate into demand for

more space. High vacancy rates are creating opportunities for non-traditional tenants to move into high quality retail space in good locations. These kinds of tenants include fitness centers, day care centers, cooking schools and even churches. The retail real estate market will post modest progress this year. Growth will vary by sector and region. The areas that were hit hardest by the housing crisis and are saddled with too much supply will be slower to regain lost ground.

Ranking the cities in the Valley by taxable retail sales, Pasadena was number one in 2010, with estimated taxable retail sales of $2.3 billion[4]. This was up by 7.4% compared with 2009, and surpassed the prerecession peak reached in 2007 by 1.5%. Retail sales in Pasadena are spread over a wide range of sectors from auto dealerships to restaurants to sporting goods, florists, and health and personal care. Cities further down in the rankings tend to have heavier concentrations in specific types of retailers such as auto dealerships, furniture and appliances stores, and general merchandise stores.

Pasadena was followed by the City of Industry with estimated taxable retail sales in 2010 of $1.2 billion. This was shy the 2007 peak of $1.8 billion by 30.1%. West Covina was third in taxable retail sales in the Valley with estimated 2010 sales of $1.0 billion, up from 2009's bottom, but still down by 16.7% from the peak level achieved in 2007. Rounding out the top five were Alhambra with estimated sales of $969.2 million in 2010 and El Monte at $955.1 million.

Tourism and Hospitality

Occupancy rates above 70% are considered "full" occupancy.

Travel and tourism in the San Gabriel Valley continued to improve in 2011 and is in a considerably better position than it was during the recession and early stages of recovery. The lodging market in the Valley is supported by strong fundamentals. The region is home to world class cultural attractions, a wide range of entertainment options and a number of large and important corporations. As a whole, Los Angeles County hosted a record 26.9 million visitors last year, a 4.2% increase over the previous year. Tourist and business travelers spent $15.2 billion in 2011, an increase of 7.8% over 2010, also a record high.

Because people are feeling more secure about their employment and income prospects, more of them are deciding to take vacations again. Corporate travel budgets have also loosened up. The San Gabriel Valley in particular has benefited from an influx of international travelers, mainly Asians. The average hotel occupancy rate for the San Gabriel Valley in 2011 was an estimated 71.9%, which was up from 66.5% in 2010. The average daily room rate ticked up to $119.49 from an average of $118.52 during 2010, but still has a lot of ground to make up – in 2008, the average

[4] Taxable retail sales by city are published by the California Board of Equalization. At the time of this writing only annual figures through 2009 were available. Figures for 2010 are estimates based on the first three quarters of 2010.

daily room rate was $136.17. The most critical measure to hoteliers is revenue per available room (RevPAR). In 2011, this was estimated at $85.92 which was up by 9.0% compared with 2010, but still well below the $95.57 (-9.1%) figure posted in 2006.

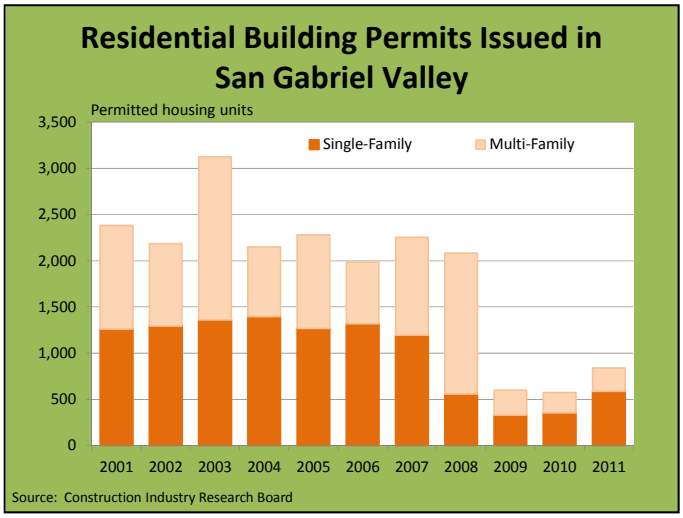
Looking at the various sub-markets in the Valley, the best performance last year in terms of RevPAR was turned in by Pasadena with an estimated 2011 figure of $114.88. This was up by 8.8% from 2010, but down from a recent high in 2006 of $128.66 (-9.4%). The 2011 occupancy rate in Pasadena was 77.1% compared with 70.2% in 2010, although the average daily room rate edged down by 0.9%.

Looking ahead in 2012, the travel and tourism industry will continue to improve although visitor counts will start to level off. Consumers and business travel planners remain budget-cautious which will keep some pressure on hotels. Travelers are hitting the road again, but they are still focused on deals and continue to demand low room rates. Mobile devices and social media allow consumers to constantly receive targeted offers and to siphon pricing power away from hotels. The Valley's hotels will have to work hard to counter entrenched visitor expectations for bargain room rates and extra amenities. Rising occupancy rates and limited new supply should help.

Residential Real Estate

New home building in the San Gabriel Valley saw little in the way of recovery in 2011, but was up from the record low levels posted in 2009 and 2010. Last year, 840 housing units were permitted compared with just 573 units in 2010 (an increase of 46.6%). In 2011, 586 permits were issued for single-family residences (or 69.8% of the total), while 254 permits were issued for new townhomes and condos. Compared with 2003's peak level of 3,125 units, permits for new home construction in 2011 were down by 73.1%.

Housing activity will continue to improve, albeit slowly in 2012, rising to about 1,100 units, but will remain at low levels over at least the next two years. In more normal times, the current line-up of low mortgage interest rates and near record home affordability would point to a resurgence in the housing market. However, these are not normal times. The large inventory of foreclosures and distressed resale properties continues to exert downward pressure on home prices. It simply does not make sense to build new homes given the large number of distressed properties in the existing-home market.



On the demand side, potential home buyers continue to hesitate for a number of reasons. While individuals are feeling more confident about the economy in general and the labor market in particular, many remain wary of taking on mortgage debt or of losing the flexibility afforded by renting. There is also a large pool of existing homeowners who owe more on their mortgage than their home is worth in today's market and thus, are unable to sell. Those who are ready to make the leap into a new (or resale home), will find that credit conditions remain restrictive for all but the best qualified buyers. Higher credit score requirements and larger down payments are the new normal.

According to the Real Estate Research Council of Southern California, 176 new housing units were unsold in the San Gabriel Valley at the end of 2011 compared with the year-end 2007 peak of 401 units. There were 65 unsold multi-family units (condos and townhouses) and 111 unsold single-family homes. Inventories of both unsold new and existing homes are actually quite lean. Normally, this would be considered a good thing because low levels of available housing stock should exert upward pressure on prices. However, in today's housing market, homeowners who would like to sell may be keeping their homes off the market because of low prices. On the demand side, the shortage of inventory may be discouraging potential buyers who cannot find a home with the attributes they desire.

In 2011, the median home price in Pomona was $195,000. In San Marino, the median home price was $1.25 million.

The lack of available land for new housing developments continues to constrain growth in the Valley's residential construction sector, especially for single-family homes. On the other hand, interest in high density housing (medium and high-rise condos and apartments) is growing. Urban neighborhoods are experiencing something of a renaissance as people reconsider the trade-off between larger, affordable homes in bedroom communities versus long (and with rising gas prices, more costly) commutes to work. New types of urban development are giving individuals and families more options. Transit-oriented developments (TODs) are convenient to public transportation, and mixed-use developments help create pedestrian or bike friendly environments by combining space for living, retail and entertainment. Pasadena, in particular, has been a leader in TODs, and with the expansion of the Metro Gold Line, the communities of Arcadia, Azusa, West Covina and Monrovia are pushing forward with their own plans for TOD and mixed-use housing developments.

Home prices in the Valley are still depressed from the inflated levels reached prior to the 2007 housing crisis. Home prices fell in 2011 compared with 2010 throughout much of the Valley. Remember, though, that home prices received a boost from the home buyer tax incentives in 2010, so the year-over-year decline in 2011 is somewhat distorted. Still, there are several factors continuing to exert downward pressure on home prices. First and foremost is the large overhang of foreclosures and short sales. Existing home sales still include a high concentration of distressed

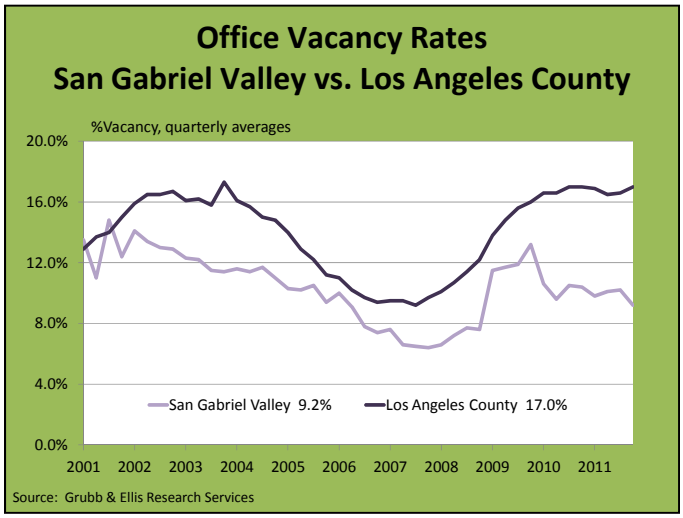
and foreclosed properties which skews sales to the low end of the market. The result is a drop in median price. Nonetheless, there were some notable exceptions last year. The cities of Diamond Bar, Duarte, Pasadena, San Gabriel and South Pasadena all experienced an increase in median price during 2011 versus 2010. Additionally, the month-to-month changes in median prices for many communities in Southern California are starting to show some signs of stability, which is encouraging.

The housing market is still working its way through a long-term correction. Given fairly low inventories of homes in the mid- to moderate-price range in the Valley, low mortgage interest rates and affordable prices, 2012 should be a year of transition for the Valley's housing market. On the other hand, one might also point out that this appeared to be true last year at this time. The difference now is stronger economic growth, improvement in the labor markets and higher levels of consumer confidence. Gains this year will stem from improvements in other segments of the economy, particularly stronger job and income growth, and increased household formation. Pent up demand for housing is building. At some point, population growth and young people striking out on their own will reignite demand for housing in the San Gabriel Valley.

Nonresidential Real Estate

The market for nonresidential real estate in the San Gabriel Valley is on a stabilizing trend. Demand for office space is up, reflecting an uptick in hiring and near record low levels of new construction, but most leasing activity is still concentrated in renewals, which quite often involve less space. For the time being, the office market will remain tilted in favor of tenants. High rates of space availability encourage renters to trade up and to demand greater concessions from landlords eager to keep buildings occupied.

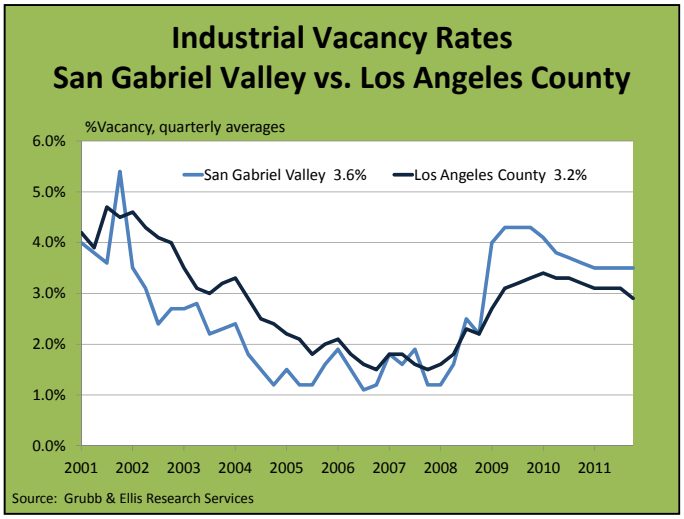
By the fourth quarter of 2011, the office vacancy rate in the Valley was 9.2%, well below the 17.0% vacancy rate recorded for all of Los Angeles County. In 2011, net absorption for the region was 166,125 square feet (i.e. more office space was taken up than given back) and at the close of the year, no significant new office space was under construction. The Valley's office vacancy rate will continue to improve in 2012 as the labor markets strengthen and companies that use office space increase the their pace of hiring. On the other hand, office lease rates declined again during the fourth quarter of last year. But, as the demand for office space grows, paired with the lack of new construction, lease rates should stabilize during the first half of the year and remain flat through the rest of 2012.



The San Gabriel Valley's industrial vacancy rate has held steady for four quarters (through the fourth quarter of 2011) at 3.5%. The vacancy rate spiked at 4.3% for three quarters in 2009 and has been slowly ticking down. At the end of 2008, the Valley's industrial vacancy rate was just 1.2%. As of the fourth quarter of 2011, there were no new industrial projects under construction. The Valley's industrial real estate market also recorded positive net absorption in 2011 (358,965 square feet). Class A asking rents for wholesale/distribution properties held steady at $0.42 per square foot during the final two quarters of 2011 after declining from an average rate of $0.46 per square foot posted in the second quarter of last year. The average industrial vacancy rate across Los Angeles was 2.9% making it the tightest industrial real estate market in the nation.

The Valley's industrial vacancy rate held steady over most of 2011 and will likely see additional, if modest improvement 2012. As supply tightens this year, especially for larger Class A warehouse/distribution properties, rental rates and lease terms should start to tick back up. The strong rebound in international trade and, to a lesser extent manufacturing, has certainly been a major factor in helping the Valley's industrial real estate market to recover. The Valley's geographic location and transportation links are competitive advantages for the region making it an attractive location for industrial space users.

During the recession, users of both office and industrial space took advantage of rising vacancy rates and lower rents to upgrade to better space or gain concessions for tenant improvements from landlords desperate to keep office buildings and industrial facilities occupied. In spite of the slow pace of economic recovery, some firms are expanding and others are moving into the region. Recent leases signed in the Valley include manufacturing facilities for Eden Equipment Company (292,296 square feet) and Structural Composites Industries (173,200 square feet). Both firms are located in Pomona.



STATISTICAL TABLES

Table 1: San Gabriel Valley Economic Indicators

Year	Population*	Total Employment	Payroll of Workers ($millions)	Housing Permits (Units)*	Taxable Retail Sales ($millions)*
2000	1,425,592	595,804	20,170	0	12,098.0
2001	1,435,303	609,304	20,759	2,384	12,600.9
2002	1,445,869	610,436	21,471	2,186	13,079.9
2003	1,455,240	619,268	22,630	3,125	13,812.4
2004	1,457,348	626,632	24,071	2,149	14,928.8
2005	1,455,123	635,616	25,309	2,282	15,749.9
2006	1,443,917	646,651	26,845	1,985	16,139.6
2007	1,435,782	645,351	27,750	2,254	16,105.7
2008	1,441,386	649,568	27,926	2,084	14,398.4
2009	1,430,755	612,864	26,355	599	12,696.3
2010	1,428,972	597,233	26,260	573	13,640.0
2011e	1,434,684	602,900	26,900	840	14,450.0
2012f	1,438,100	607,200	27,500	1,100	14,930.0
2013f	1,443,000	616,100	28,500	1,300	15,410.0

*Incorporated Cities Only

Sources: U.S. Census Bureau; California Dept. of Finance; California Employment Development Dept., Labor Market Information Division, ES 202 data; Construction Industry Research Board; California Board of Equalization; estimates and forecasts by LAEDC

Table 2A: Population of Incorporated Cities of the San Gabriel Valley

City	Census 2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Census 2010	2011
Alhambra	85,757	86,153	86,499	86,702	86,771	86,541	84,944	84,096	83,551	83,221	83,089	83,450
Arcadia	53,054	53,669	54,640	55,158	55,388	55,521	54,473	55,607	55,707	55,975	56,364	56,548
Azusa	44,712	44,933	45,455	46,152	46,808	46,642	46,279	46,133	46,117	46,227	46,361	46,399
Baldwin Park	75,837	76,576	77,002	77,477	77,516	77,383	76,765	76,264	76,066	75,666	75,390	75,664
Bradbury	855	869	904	938	962	974	978	977	999	1,017	1,048	1,059
Claremont	33,998	34,418	34,955	35,186	35,116	34,981	34,856	34,903	34,850	35,259	34,926	35,053
Covina	46,837	47,184	47,622	47,978	48,137	48,147	47,924	47,871	47,701	47,726	47,796	47,931
Diamond Bar	56,287	56,508	56,927	57,173	57,082	56,703	56,110	55,789	55,610	55,379	55,544	55,766
Duarte	21,488	21,572	21,714	21,772	21,764	21,726	21,775	21,617	21,356	21,409	21,321	21,380
El Monte	115,965	116,235	116,785	117,764	117,851	118,295	116,901	115,996	114,920	114,434	113,475	113,785
Glendora	49,415	49,847	50,173	50,462	50,630	50,490	50,195	50,055	49,775	49,840	50,073	50,260
Industry	777	757	730	702	674	643	609	577	541	512	519	451
Irwindale	1,446	1,438	1,422	1,403	1,372	1,345	1,377	1,437	1,480	1,461	1,422	1,426
La Cañada Flintridge	20,318	20,491	20,696	20,832	20,912	20,892	20,562	20,412	20,313	20,249	20,246	20,301
La Puente	41,063	41,230	41,383	41,459	41,468	41,199	40,784	40,419	40,139	39,990	39,816	39,930
La Verne	31,638	31,745	31,875	31,944	31,916	31,702	31,333	31,035	31,449	31,234	31,063	31,153
Monrovia	36,929	37,071	37,235	37,334	37,299	37,114	36,754	36,548	36,369	36,407	36,590	36,686
Monterey Park	60,051	60,919	61,575	61,790	61,761	61,647	61,140	60,622	60,304	60,441	60,269	60,435
Pasadena	133,936	134,119	135,744	137,416	137,555	137,501	136,411	135,424	135,305	136,502	137,122	138,915
Pomona	149,473	150,428	150,841	151,731	151,938	152,106	152,166	150,513	150,865	149,935	149,058	149,243
Rosemead	53,505	54,145	54,398	54,867	54,880	54,677	54,405	54,045	53,849	53,877	53,764	54,034
San Dimas	34,980	35,115	35,194	35,274	35,166	34,906	34,516	34,153	33,789	33,596	33,371	33,465
San Gabriel	39,804	40,014	40,235	40,470	40,440	40,365	40,109	39,974	39,870	39,798	39,718	39,839
San Marino	12,945	13,039	13,188	13,298	13,397	13,397	13,220	13,163	13,136	13,107	13,147	13,185
Sierra Madre	10,578	10,662	10,786	10,872	10,932	10,939	10,820	10,782	10,881	10,881	10,917	10,948
South El Monte	21,144	21,166	21,199	21,162	21,026	20,982	20,690	20,497	20,257	20,326	20,116	20,174
South Pasadena	24,339	24,592	24,865	25,078	25,264	25,376	25,312	25,324	25,358	25,486	25,619	25,692
Temple City	33,377	33,679	34,145	34,433	34,965	35,087	34,979	35,024	35,098	35,284	35,558	35,673
Walnut	30,004	30,053	30,174	30,304	30,174	29,887	29,879	29,540	29,305	29,285	29,172	29,439
West Covina	105,080	106,676	107,508	108,109	108,184	107,955	107,651	106,985	106,426	106,231	106,098	106,400
Total	**1,425,592**	**1,435,303**	**1,445,869**	**1,455,240**	**1,457,348**	**1,455,123**	**1,443,917**	**1,435,782**	**1,431,386**	**1,430,755**	**1,428,972**	**1,434,684**

Source: California Department of Finance, E4 and E1 population estimates for cities 2001-2010 with 2000 and 2010 Census Counts (September 2011)
U.S. Census Bureau

Table 2B: Population of the Unincorporated Areas of San Gabriel Valley

Unincorporated areas	Census 2000	Census 2010
Altadena	42,610	42,777
Avocado Heights	15,148	15,411
Citrus Area	10,581	10,866
East Pasadena	6,045	6,144
East San Gabriel	14,512	14,874
Hacienda Heights	53,122	54,038
North El Monte	3,703	3,723
Rowland Heights	48,553	48,993
South San Gabriel	7,595	8,070
South San Jose Hills	20,218	20,551
Valinda	21,776	22,822
Total	**243,863**	**248,269**

Table 3: Housing Stock of the San Gabriel Valley

(Estimate as of 1/1/2011)

City	Total Population	Total Housing Units	Total Households	Vacant Units	Vacancy Rate
Alhambra	83,450	30,964	29,263	1,701	5.5%
Arcadia	56,548	20,695	19,601	1,094	5.3%
Azusa	46,399	13,359	12,690	669	5.0%
Baldwin Park	75,664	17,750	17,203	547	3.1%
Bradbury	1,059	403	356	47	11.7%
Claremont	35,053	12,173	11,624	549	4.5%
Covina	47,931	16,576	15,855	721	4.3%
Diamond Bar	55,766	18,476	17,900	576	3.1%
Duarte	21,380	7,254	7,013	241	3.3%
El Monte	113,785	29,066	27,811	1,255	4.3%
Glendora	50,260	17,795	17,157	638	3.6%
Industry	451	73	69	4	5.5%
Irwindale	1,426	390	374	16	4.1%
La Cañada Flintridge	20,301	7,088	6,848	240	3.4%
La Puente	39,930	9,761	9,451	310	3.2%
La Verne	31,153	11,688	11,263	425	3.6%
Monrovia	36,686	14,470	13,759	711	4.9%
Monterey Park	60,435	20,848	19,961	887	4.3%
Pasadena	138,915	60,178	55,851	4,327	7.2%
Pomona	149,243	40,712	38,502	2,210	5.4%
Rosemead	54,034	14,838	14,279	559	3.8%
San Dimas	33,465	12,507	12,031	476	3.8%
San Gabriel	39,839	13,240	12,545	695	5.2%
San Marino	13,185	4,477	4,330	147	3.3%
Sierra Madre	10,948	5,113	4,837	276	5.4%
South El Monte	20,174	4,711	4,569	142	3.0%
South Pasadena	25,692	11,118	10,467	651	5.9%
Temple City	35,673	12,122	11,611	511	4.2%
Walnut	29,439	8,808	8,586	222	2.5%
West Covina	106,400	32,705	31,596	1,109	3.4%
Total of Incorp. Cities	**1,434,684**	**469,358**	**447,402**	**21,956**	**4.7%**
County Total	**9,858,989**	**3,450,092**	**3,245,697**	**204,395**	**5.9%**
SGV % of County	**14.6%**	**13.6%**	**13.8%**	**10.7%**	

Source: California Department of Finance, Demographic Research Unit, E-5 Report

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

Industry Sector	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011e
Natural Resources & Mining	3,331	3,354	3,091	2,993	2,930	2,806	2,746	2,186	1,701	1,550	1,582
Construction	27,843	27,714	27,797	28,999	31,878	33,781	32,544	28,643	23,296	21,222	21,615
Manufacturing	94,233	86,212	82,009	78,338	74,696	72,295	69,825	66,977	59,303	55,391	55,600
Wholesale Trade	36,341	36,685	38,168	39,217	39,683	41,415	42,897	41,802	37,445	37,655	38,907
Retail Trade	67,005	68,275	71,095	73,142	75,923	78,192	78,518	77,138	70,856	69,850	68,876
Transportation & Utilities	18,940	18,685	18,517	17,703	19,055	19,774	21,125	22,260	21,927	19,719	20,347
Information	17,767	17,167	15,665	15,431	15,178	15,140	13,758	11,856	10,544	9,740	9,888
Financial Activities	34,283	35,424	39,741	41,523	44,272	45,687	45,562	42,137	38,540	36,073	35,865
Professional & Business Services	86,418	83,954	86,580	89,678	89,165	92,377	89,213	86,975	80,150	80,475	78,572
Education	21,475	22,535	22,104	22,969	23,394	23,506	21,503	19,962	20,158	20,282	20,830
Health Services	63,696	66,621	68,046	68,992	69,209	70,817	76,327	77,230	80,537	83,826	86,089
Leisure & Hospitality	52,230	53,146	56,081	57,398	59,608	61,641	61,525	62,118	59,389	57,689	58,465
Other Services*	20,807	21,186	21,518	21,567	21,933	21,708	21,824	38,725	40,213	38,107	38,229
Public Administration	64,851	69,307	69,036	68,550	68,541	67,468	67,544	68,224	66,525	63,659	64,432
Unclassified	83	170	107	132	149	42	440	3,337	2,283	1,995	3,603
San Gabriel Valley Total	**609,303**	**610,435**	**619,555**	**626,632**	**635,613**	**646,649**	**645,351**	**649,568**	**612,864**	**597,233**	**602,900**
Los Angeles County Total	4,073,600	4,026,800	3,982,900	3,996,500	4,024,200	4,092,500	4,122,100	4,070,700	3,824,100	3,769,000	3,785,400
% Share of Los Angeles County	**15.0%**	**15.2%**	**15.6%**	**15.7%**	**15.8%**	**15.8%**	**15.7%**	**16.0%**	**16.0%**	**15.8%**	**15.9%**

% Change From Prior Year		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011e
Natural Resources & Mining		0.7%	-7.8%	-3.2%	-2.1%	-4.2%	-2.1%	-20.4%	-22.2%	-8.9%	2.0%
Construction		-0.5%	0.3%	4.3%	9.9%	6.0%	-3.7%	-12.0%	-18.7%	-8.9%	1.9%
Manufacturing		-8.5%	-4.9%	-4.5%	-4.6%	-3.2%	-3.4%	-4.1%	-11.5%	-6.6%	0.4%
Wholesale Trade		0.9%	4.0%	2.7%	1.2%	4.4%	3.6%	-2.6%	-10.4%	0.6%	3.3%
Retail Trade		1.9%	4.1%	2.9%	3.8%	3.0%	0.4%	-1.8%	-8.1%	-1.4%	-1.4%
Transportation & Utilities		-1.3%	-0.9%	-4.4%	7.6%	3.8%	6.8%	5.4%	-1.5%	-10.1%	3.2%
Information		-3.4%	-8.7%	-1.5%	-1.6%	-0.3%	-9.1%	-13.8%	-11.1%	-7.6%	1.5%
Financial Activities		3.3%	12.2%	4.5%	6.6%	3.2%	-0.3%	-7.5%	-8.5%	-6.4%	-0.6%
Professional & Business Services		-2.9%	3.1%	3.6%	-0.6%	3.6%	-3.4%	-2.5%	-7.8%	0.4%	-2.4%
Education		4.9%	-1.9%	3.9%	1.8%	0.5%	-8.5%	-7.2%	1.0%	0.6%	2.7%
Health Services		4.6%	2.1%	1.4%	0.3%	2.3%	7.8%	1.2%	4.3%	4.1%	2.7%
Leisure & Hospitality		1.8%	5.5%	2.3%	3.9%	3.4%	-0.2%	1.0%	-4.4%	-2.9%	1.3%
Other Services*		1.8%	1.6%	0.2%	1.7%	-1.0%	0.5%	n/a	3.8%	-5.2%	0.3%
Public Administration		6.9%	-0.4%	-0.7%	0.0%	-1.6%	0.1%	1.0%	-2.5%	-4.3%	1.2%
San Gabriel Valley Total		**0.2%**	**1.5%**	**1.1%**	**1.4%**	**1.7%**	**-0.2%**	**0.7%**	**-5.7%**	**-2.6%**	0.9%
Los Angeles County Total		-1.1%	-1.1%	0.3%	0.7%	1.7%	0.7%	-1.2%	-6.1%	-1.4%	0.4%

*Note: Figures for 2008 forward are not directly comparable with earlier years due to industry coding changes

Sources: California Employment Development Department, Labor Market Information Division, ES202 data

Table 5: Establishments by Major Industry Sector, 2010

Industry Group	SGV	LA County	SGV % of LAC
Natural Resources & Mining	93	482	19.3%
Construction	2,437	12,921	18.9%
Manufacturing	2,361	13,445	17.6%
Wholesale Trade	4,669	19,618	23.8%
Retail Trade	4,558	26,166	17.4%
Transportation & Utilities	963	5,662	17.0%
Information	567	8,395	6.8%
Financial Activities	3,804	22,263	17.1%
Professional & Business Services	6,515	41,472	15.7%
Education	586	2,787	21.0%
Health Services	4,820	25,893	18.6%
Leisure & Hospitality	3,744	26,828	14.0%
Other Services	30,384	197,592	15.4%
Public Administration	951	5,598	17.0%
Unclassified	2,441	14,669	16.6%
Total	**68,891**	**423,790**	**16.3%**

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

Table 6: Average Wages by Major Industry Sector, 2010

Industry Group	SGV	LA County	% Difference SGV to LAC
Information	$68,117	$95,443	-28.6%
Financial Activities	61,105	80,629	-24.2%
Professional & Business Services	56,379	64,076	-12.0%
Construction	55,988	53,414	4.8%
Transportation & Utilities	54,883	56,343	-2.6%
Public Administration	52,485	59,081	-11.2%
Manufacturing	47,466	57,513	-17.5%
Wholesale Trade	47,440	58,590	-19.0%
Health Services	46,447	49,540	-6.2%
Education	40,709	47,510	-14.3%
Unclassified	39,166	61,118	-35.9%
Natural Resources & Mining	32,565	82,688	-60.6%
Retail Trade	28,248	32,934	-14.2%
Other Services	22,659	23,487	-3.5%
Leisure & Hospitality	19,716	32,779	-39.9%
Total	**$43,960**	**53,559**	**-17.9%**

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

Table 7: Unemployment Rate of Incorporated Cities of the San Gabriel Valley

City	2010	2011	%Change
Alhambra	10.9%	10.6%	-0.3%
Arcadia	7.3%	7.1%	-0.2%
Azusa	13.7%	13.3%	-0.4%
Baldwin Park	15.6%	15.3%	-0.3%
Bradbury	7.5%	7.4%	-0.1%
Claremont	6.7%	6.5%	-0.2%
Covina	8.9%	8.7%	-0.2%
Diamond Bar	9.1%	8.8%	-0.3%
Duarte	8.9%	8.6%	-0.3%
El Monte	15.5%	15.1%	-0.4%
Glendora	6.6%	6.4%	-0.2%
Industry	22.3%	21.7%	-0.6%
Irwindale	13.1%	12.7%	-0.4%
La Cañada Flintridge	4.9%	4.8%	-0.1%
La Puente	14.8%	14.4%	-0.4%
La Verne	7.3%	7.1%	-0.2%
Monrovia	11.1%	10.9%	-0.2%
Monterey Park	9.6%	9.3%	-0.3%
Pasadena	9.7%	9.4%	-0.3%
Pomona	14.0%	13.6%	-0.4%
Rosemead	11.1%	10.8%	-0.3%
San Dimas	7.4%	7.2%	-0.2%
San Gabriel	10.4%	10.1%	-0.3%
San Marino	5.8%	5.6%	-0.2%
Sierra Madre	3.9%	3.8%	-0.1%
South El Monte	15.9%	15.6%	-0.3%
South Pasadena	6.3%	6.1%	-0.2%
Temple City	8.2%	8.0%	-0.2%
Walnut	6.2%	6.0%	-0.2%
West Covina	11.1%	10.9%	-0.2%

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

Table 8: Business Sales/Shipments/Revenues in the San Gabriel Valley ($Thousands)

City/Area	Retail Trade	Manufacturing	Health Care & Social Asst.	Prof'l, Scientific & Tech Srvs.	Hospitality & Leisure	Admin, Support & Waste Mgmt.	Real Estate	Other Services	Total by City/Area
Industry	$3,572,436	$6,965,773	$85,923	$162,778	D	$235,104	$189,405	$37,669	$11,249,088
Pasadena	2,707,765	327,097	1,919,361	3,847,190	812,203	554,593	421,772	482,994	11,072,975
El Monte	2,140,421	806,705	190,337	72,096	83,954	97,938	46,590	60,437	3,498,478
San Dimas	542,022	1,850,885	173,471	343,565	96,503	59,307	70,481	66,782	3,203,016
Irwindale	65,718	2,562,719	D	94,542	34,123	174,600	37,442	D	2,969,144
West Covina	1,563,918	0	705,123	101,855	196,729	201,240	78,649	40,259	2,887,773
Arcadia	900,050	192,453	579,937	388,606	389,042	67,385	135,794	98,017	2,751,284
Alhambra	1,491,486	393,713	418,234	D	151,857	81,282	66,086	50,582	2,653,240
Monrovia	907,215	501,868	166,252	373,150	105,916	159,630	106,081	82,619	2,402,731
Azusa	426,971	1,444,554	24,729	6,989	47,255	98,985	30,948	27,886	2,108,317
Covina	765,297	393,679	280,340	79,455	100,424	90,938	75,747	75,507	1,861,387
Baldwin Park	643,851	383,007	590,416	9,091	66,504	63,889	20,864	16,284	1,793,906
Glendora	727,611	388,761	300,061	89,688	68,343	48,666	49,219	77,181	1,749,530
Monterey Park	477,170	165,829	440,820	181,881	109,299	180,964	58,954	58,617	1,673,534
Diamond Bar	391,890	319,455	110,214	199,233	76,150	334,260	53,734	68,466	1,553,402
South El Monte	329,807	908,879	81,439	18,606	25,248	19,144	7,473	47,473	1,438,069
Claremont	442,775	118,296	138,020	370,077	86,688	12,463	D	11,694	1,180,013
San Gabriel	440,444	0	285,719	40,118	79,686	34,583	75,248	44,724	1,000,522
Rosemead	453,872	191,395	108,331	26,234	105,089	13,959	13,493	33,715	946,088
La Verne	288,253	294,583	62,413	30,927	68,489	29,250	20,846	30,455	825,216
All Other Cities & Unincorporated Areas	2,431,462	189,340	618,817	382,314	536,354	347,835	308,203	185,067	4,999,392
Sector Totals:	**$21,710,434**	**$18,398,991**	**$7,279,957**	**$6,818,395**	**$3,239,856**	**$2,906,015**	**$1,867,029**	**$1,596,428**	**$63,817,105**

D: Withheld to avoid disclosing data for individual companies

*Note: Retail Trade sector sales in Industry include 36 "Nonstore" retail business establishments with revenues of about $1.75 billion
These are primarily "electronic shopping and mail-order houses"

Source: U.S. Census Bureau, 2007 Economic Census

Table 9: Number of Residential Building Permits Issued in the San Gabriel Valley

Total New Housing Units (Single Family + Multi-Family)

City	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011p
Alhambra	125	33	20	44	211	30	119	92	67	57	92
Arcadia	129	157	264	97	153	102	84	133	55	63	140
Azusa	131	151	164	11	4	53	170	4	3	35	129
Baldwin Park	61	161	74	136	31	79	28	11	24	10	62
Bradbury	4	3	1	2	0	6	6	5	1	3	2
Claremont	21	30	58	132	35	93	273	5	39	78	3
Covina	38	6	2	46	87	29	10	0	0	0	32
Diamond Bar	129	34	15	17	26	123	56	5	3	1	4
Duarte	17	10	22	8	21	1	4	32	1	0	37
El Monte	123	344	195	401	199	141	136	33	26	9	89
Glendora	10	56	39	20	84	24	44	346	161	22	3
Industry	0	0	0	6	1	0	0	3	2	4	0
Irwindale	0	0	0	0	33	9	1	0	1	0	0
La Canada Flintridge	44	36	32	23	21	18	22	17	15	11	17
La Puente	8	18	20	35	25	20	23	15	11	9	0
La Verne	30	16	88	13	5	43	3	102	6	2	2
Monrovia	47	41	40	35	104	57	124	181	4	8	0
Monterey Park	107	77	111	57	159	68	56	227	3	19	7
Pasadena	728	552	1045	327	520	548	412	549	24	56	25
Pomona	247	96	269	328	194	162	351	112	5	1	47
Rosemead	101	30	65	74	50	87	74	30	37	18	12
San Dimas	46	12	15	10	9	9	5	27	3	1	1
San Gabriel	50	50	74	44	102	54	44	10	11	11	1
San Marino	2	7	8	5	6	5	2	7	2	3	4
Sierra Madre	3	5	7	58	2	6	19	0	0	1	0
South El Monte	3	3	40	7	18	52	5	3	1	3	1
South Pasadena	3	20	70	23	67	26	25	5	2	1	7
Temple City	93	81	117	69	68	87	68	51	37	38	35
Walnut	9	68	117	11	4	13	52	35	34	44	84
West Covina	75	89	153	110	43	40	38	44	21	65	4
Total Incorporated Cities	**2384**	**2186**	**3125**	**2149**	**2282**	**1985**	**2254**	**2084**	**599**	**573**	**840**

Source: Construction Industry Research Board

Table 10: Median Price of Homes Sold by Community

(Data as of July each year, $thousands)

City	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Alhambra	197.50	230.91	289.00	400.00	453.00	505.00	512.00	438.00	402.00	417.50	410.00
Altadena	255.00	259.00	438.00	447.00	620.00	705.00	644.00	540.00	440.25	465.00	440.00
Arcadia	350.50	430.50	488.00	575.00	770.00	665.00	700.00	626.50	663.00	715.00	690.00
Azusa	162.50	198.00	243.00	323.50	393.00	410.00	425.00	305.00	257.00	275.00	260.00
Baldwin Park	162.00	182.00	224.00	307.50	380.00	440.00	398.50	280.00	230.00	232.50	225.00
Claremont	311.75	335.00	414.25	520.50	612.00	602.50	601.75	549.50	465.00	480.00	419.00
Covina	205.23	238.75	275.00	386.50	438.50	502.00	499.00	360.00	310.00	340.00	305.50
Diamond Bar	256.50	304.00	355.00	465.00	532.50	568.00	560.00	470.00	453.50	449.50	459.00
Duarte	178.50	210.00	261.00	330.00	460.50	505.00	435.00	378.00	283.50	309.50	312.50
El Monte	169.00	190.00	365.00	348.50	415.00	467.00	431.50	352.50	275.00	300.50	260.00
Glendora	260.00	286.00	345.00	415.00	525.00	551.00	560.00	452.50	405.00	350.00	427.00
Hacienda Heights	n/a	277.50	317.00	502.00	496.50	550.00	605.00	340.00	322.50	430.00	324.75
La Canada Flintridge	662.50	659.00	835.00	1,075.00	1,250.00	n/a	1,400.00	n/a	n/a	1,170.00	1,042.50
La Puente	167.00	192.00	242.75	325.00	405.00	460.00	461.00	295.00	222.00	279.00	236.50
La Verne	254.75	314.75	377.50	434.50	509.00	542.00	570.00	457.00	440.25	419.00	410.00
Monrovia	250.00	327.00	350.50	435.00	506.00	599.00	542.00	490.00	465.00	435.00	406.50
Monterey Park	213.75	254.00	290.00	422.00	478.00	543.00	557.50	478.50	405.00	497.00	415.00
Pasadena	315.50	350.00	425.00	520.50	603.00	632.50	666.82	534.00	510.00	499.00	543.50
Pomona	150.00	173.00	215.00	300.00	377.75	415.00	395.00	257.05	175.00	200.00	195.00
Rosemead	190.96	249.00	272.50	368.00	452.50	489.00	458.50	400.00	380.00	385.00	353.00
Rowland Heights	n/a	370.00	338.00	490.00	500.00	590.00	522.50	519.00	375.00	410.00	375.00
San Dimas	229.75	315.50	252.50	428.00	514.50	535.00	485.00	422.25	410.00	380.00	355.00
San Gabriel	250.00	323.00	370.00	497.50	526.00	628.50	662.00	562.50	478.00	515.00	516.50
San Marino *	717.41	n/a	910.00	1,200.75	n/a	n/a	n/a	n/a	n/a	1,510.50	1,255.00
Sierra Madre *	301.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	768.00	600.00
South El Monte	n/a	n/a	221.50	311.50	n/a	n/a	n/a	n/a	n/a	250.00	216.00
South Pasadena *	407.50	n/a	n/a	n/a	n/a	n/a	850.00	750.00	625.50	622.00	651.50
Temple City	264.00	315.00	370.00	465.00	600.00	588.00	599.00	545.00	545.00	562.50	558.50
Walnut	324.25	366.00	412.00	546.00	600.00	575.00	622.00	522.50	567.00	650.00	577.50
West Covina	205.00	245.00	300.00	389.00	468.00	530.00	485.00	385.00	350.00	350.00	320.00

Note: Many factors influence the prices of homes sold in a given period. For areas with small sample size, fluctuations in prices may reflect more of the difference in quality of the units sold rather than changes in market conditions.

* 2002 data for Sierra Madre & South Pasadena were August, 2002 data; for San Marino: June, 2002 data

Source: California Association of Realtors

Table 11: Annual Percent Change of Median Price of Homes Sold by Community

% change from prior year

City	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	06 -'11	01 -'11
Alhambra	7.3%	16.9%	25.2%	38.4%	13.3%	11.5%	1.4%	-14.5%	-8.2%	3.9%	-18.8%	107.6%
Altadena	1.9%	1.6%	69.1%	2.1%	38.7%	13.7%	-8.7%	-16.1%	-18.5%	5.6%	-37.6%	72.5%
Arcadia	-4.5%	22.8%	13.4%	17.8%	33.9%	-13.6%	5.3%	-10.5%	5.8%	7.8%	3.8%	96.9%
Azusa	18.6%	21.8%	22.7%	33.1%	21.5%	4.3%	3.7%	-28.2%	-15.7%	7.0%	-36.6%	60.0%
Baldwin Park	15.5%	12.3%	23.1%	37.3%	23.6%	15.8%	-9.4%	-29.7%	-17.9%	1.1%	-48.9%	38.9%
Claremont	32.1%	7.5%	23.7%	25.6%	17.6%	-1.6%	-0.1%	-8.7%	-15.4%	3.2%	-30.5%	34.4%
Covina	20.7%	16.3%	15.2%	40.5%	13.5%	14.5%	-0.6%	-27.9%	-13.9%	9.7%	-39.1%	48.9%
Diamond Bar	18.5%	18.5%	16.8%	31.0%	14.5%	6.7%	-1.4%	-16.1%	-3.5%	-0.9%	-19.2%	78.9%
Duarte	23.1%	17.6%	24.3%	26.4%	39.5%	9.7%	-13.9%	-13.1%	-25.0%	9.2%	-38.1%	75.1%
El Monte	12.1%	12.4%	92.1%	-4.5%	19.1%	12.5%	-7.6%	-18.3%	-22.0%	9.3%	-44.3%	53.8%
Glendora	23.8%	10.0%	20.6%	20.3%	26.5%	5.0%	1.6%	-19.2%	-10.5%	-13.6%	-22.5%	64.2%
Hacienda Heights	----	----	14.2%	58.4%	-1.1%	10.8%	10.0%	-43.8%	-5.1%	33.3%	-41.0%	----
La Canada Flintridge	1.1%	-0.5%	26.7%	28.7%	16.3%	----	----	----	----	----	----	57.4%
La Puente	11.3%	15.0%	26.4%	33.9%	24.6%	13.6%	0.2%	-36.0%	-24.7%	25.7%	-48.6%	41.6%
La Verne	7.8%	23.6%	19.9%	15.1%	17.1%	6.5%	5.2%	-19.8%	-3.7%	-4.8%	-24.4%	60.9%
Monrovia	7.1%	30.8%	7.2%	24.1%	16.3%	18.4%	----	-9.6%	-5.1%	-6.5%	-32.1%	62.6%
Monterey Park	-6.3%	18.8%	14.2%	45.5%	13.3%	13.6%	2.7%	-14.2%	-15.4%	22.7%	-23.6%	94.2%
Pasadena	4.1%	10.9%	21.4%	22.5%	15.9%	4.9%	5.4%	-19.9%	-4.5%	-2.2%	-14.1%	72.3%
Pomona	20.0%	15.3%	24.3%	39.5%	25.9%	9.9%	-4.8%	-34.9%	-31.9%	14.3%	-53.0%	30.0%
Rosemead	10.4%	30.4%	9.4%	35.0%	23.0%	8.1%	-6.2%	-12.8%	-5.0%	----	-27.8%	84.9%
Rowland Heights	----	----	-8.6%	45.0%	2.0%	18.0%	-11.4%	-0.7%	-27.7%	9.3%	-36.4%	----
San Dimas	-9.9%	37.3%	-20.0%	69.5%	20.2%	4.0%	-9.3%	-12.9%	-2.9%	-7.3%	-33.6%	54.5%
San Gabriel	-7.9%	29.2%	14.6%	34.5%	5.7%	19.5%	5.3%	-15.0%	-15.0%	7.7%	-17.8%	106.6%
San Marino *	-5.6%	----	----	32.0%	----	----	----	----	----	----	----	74.9%
Sierra Madre *	-6.0%	----	----	----	----	----	----	----	----	----	----	99.0%
South El Monte	----	----	----	----	----	----	----	----	----	----	----	----
South Pasadena *	27.5%	----	----	----	----	----	----	----	----	-0.6%	----	59.9%
Temple City	5.6%	19.3%	17.5%	25.7%	29.0%	-2.0%	1.9%	-9.0%	0.0%	3.2%	-5.0%	111.6%
Walnut	11.3%	12.9%	12.6%	32.5%	9.9%	-4.2%	8.2%	-16.0%	8.5%	14.6%	0.4%	78.1%
West Covina	7.2%	19.5%	22.4%	29.7%	20.3%	13.2%	-8.5%	-20.6%	-9.1%	0.0%	-39.6%	56.1%

Table 12: Nonresidential Vacancy Rates

		Office Vacancy Rates (%)		Industrial Vacancy Rates (%)	
Year	Qtr	San Gabriel Valley	Los Angeles County	San Gabriel Valley	Los Angeles County
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	10.7	1.6	1.8
	Q3	7.7	11.4	2.5	2.3
	Q4	7.6	12.2	2.2	2.2
2009	Q1	11.5	13.8	4.0	2.7
	Q2	11.7	14.8	4.3	3.1
	Q3	11.9	15.6	4.3	3.2
	Q4	13.2	16.0	4.3	3.3
2010	1Q	10.6	16.6	4.1	3.4
	2Q	9.6	16.6	3.8	3.3
	3Q	10.5	17.0	3.7	3.3
	4Q	10.4	17.0	3.6	3.2
2011	1Q	9.8	16.9	3.5	3.1
	2Q	10.1	16.5	3.5	3.1
	3Q	10.2	16.6	3.5	3.1
	4Q	9.2	17.0	3.5	2.9

Source: Grubb & Ellis Research Services

Table 13: Value of Nonresidential Building Permits Issued in the San Gabriel Valley

(All nonresidential construction, $millions)

City	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011p
Alhambra	33.9	37.3	32.1	24.3	21.5	10.2	31.0	21.4	8.3	6.4	39.9
Arcadia	16.7	8.7	29.3	27.1	12.0	32.0	19.1	42.3	28.1	9.0	22.3
Azusa	0.1	0.8	1.1	1.1	1.1	0.4	0.5	6.9	1.2	3.1	1.6
Baldwin Park	5.6	4.5	12.7	8.5	5.1	4.8	2.1	5.2	1.6	0.9	0.6
Bradbury	0.2	0.5	0.7	0.3	0.4	0.5	0.3	0.8	0.5	0.1	0.1
Claremont	8.5	8.3	16.8	12.7	16.5	27.5	11.8	20.3	42.7	36.3	31.0
Covina	5.7	48.9	8.2	10.4	4.9	6.0	20.2	11.3	6.9	20.4	7.1
Diamond Bar	23.6	6.8	5.6	3.8	19.6	10.3	13.1	5.0	6.0	6.9	7.8
Duarte	3.9	1.8	3.2	5.5	4.0	3.2	10.3	31.1	36.9	6.3	7.2
El Monte	21.0	21.4	14.6	98.7	9.3	14.9	28.9	28.8	14.6	21.9	10.0
Glendora	14.3	14.4	10.2	9.4	11.4	22.4	36.0	28.2	11.2	7.6	8.6
Industry	84.3	89.4	71.0	67.6	81.8	110.5	61.1	101.1	40.4	56.1	51.4
Irwindale	34.9	27.2	30.9	11.3	23.5	26.6	9.7	18.7	9.9	36.8	15.4
La Canada Flintridge	4.7	10.6	4.6	5.1	11.9	7.4	16.8	10.5	6.8	7.2	9.3
La Puente	1.7	1.9	2.4	4.8	2.2	0.9	1.5	7.1	3.2	0.5	0.4
La Verne	16.3	14.2	12.8	4.9	7.2	18.4	10.7	13.8	3.5	6.7	22.2
Monrovia	19.7	13.9	10.4	9.0	8.6	7.2	12.1	17.6	5.7	3.7	2.6
Monterey Park	7.5	10.1	8.7	9.1	13.3	6.3	7.8	6.6	11.5	9.2	6.9
Pasadena	77.4	114.6	132.2	70.5	100.0	88.8	140.6	67.8	53.7	67.7	83.0
Pomona	16.2	30.9	11.5	22.4	33.5	28.9	36.2	47.2	10.2	8.4	14.2
Rosemead	13.3	8.2	13.0	10.4	8.8	20.5	9.8	10.6	7.6	28.3	12.1
San Dimas	12.3	15.5	12.4	7.8	22.3	15.1	21.3	6.2	4.9	7.2	4.2
San Gabriel	3.8	42.1	13.4	45.6	5.6	6.9	7.5	3.6	5.1	2.4	1.5
San Marino	0.5	0.6	0.7	0.6	0.6	0.6	0.3	3.7	1.9	2.5	6.6
Sierra Madre	0.3	0.4	0.4	0.7	0.5	0.4	0.3	0.8	0.4	0.2	0.2
South El Monte	8.2	5.3	2.3	5.8	5.2	4.3	12.3	12.9	16.5	6.0	5.2
South Pasadena	3.2	11.5	14.1	1.9	2.8	3.9	9.6	4.6	3.0	1.9	2.0
Temple City	0.8	4.0	1.7	2.3	2.3	2.7	3.6	1.6	4.9	2.5	1.5
Walnut	1.6	12.1	6.1	1.4	0.9	1.0	2.7	1.0	5.3	0.6	0.4
West Covina	16.9	12.0	11.5	12.2	13.4	51.6	67.8	47.4	43.7	27.4	24.0
Total Incorporated Cities	**457.3**	**577.8**	**494.6**	**495.1**	**450.2**	**534.3**	**605.1**	**584.2**	**396.3**	**394.1**	**399.3**

Source: Construction Industry Research Board

Table 14: Taxable Retail Sales in the San Gabriel Valley

(Annual averages in $millions)

City \ Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010e
Alhambra	$917.6	$993.1	$959.0	$971.1	$1,034.5	$1,054.5	$1,065.2	$1,057.8	$997.2	$902.1	$969.2
Arcadia	524.7	536.4	540.0	592.1	639.1	700.3	717.9	736.7	712.2	665.9	$715.4
Azusa	236.8	232.5	244.7	264.7	297.1	319.6	340.8	346.0	330.1	273.2	$293.5
Baldwin Park	261.9	284.2	309.9	326.5	398.1	445.4	467.1	470.9	439.7	378.2	$406.3
Bradbury*	0.1	0.0	0.0	n/d	0.1	n/d	n/d	n/d	n/d	0.1	$0.1
Claremont	226.8	260.3	308.8	358.6	391.5	411.8	408.5	367.0	269.7	208.0	$223.5
Covina	517.8	535.3	526.0	603.4	677.4	705.5	705.5	691.9	612.5	515.5	$553.9
Diamond Bar	227.6	234.5	224.1	236.1	273.0	278.1	291.2	304.1	265.9	228.0	$245.0
Duarte	293.6	312.7	328.0	342.1	373.2	404.2	414.8	367.1	320.8	322.3	$346.2
El Monte	1,199.3	1,275.8	1,298.5	1,363.0	1,456.2	1,533.0	1,570.1	1,482.1	1,123.2	889.0	$955.1
Glendora	342.5	398.2	463.0	517.4	566.6	566.2	562.0	574.6	543.5	495.4	$532.2
Industry	1,326.7	1,405.8	1,483.1	1,501.8	1,595.2	1,703.9	1,750.0	1,764.3	1,482.6	1,147.2	$1,232.5
Irwindale	69.8	91.0	93.9	94.5	111.2	126.2	140.2	155.9	147.8	117.8	$126.5
La Canada-Flintridge	140.2	138.2	140.9	144.7	153.8	158.0	161.0	168.9	170.9	155.8	$167.4
La Puente	176.9	191.6	203.2	204.0	198.8	199.6	206.7	192.3	175.4	162.8	$174.9
La Verne	176.5	199.0	194.9	221.3	235.1	240.9	245.5	258.5	260.2	234.7	$252.2
Monrovia	519.7	549.4	570.6	595.3	646.6	659.4	662.5	626.4	568.8	501.5	$538.7
Monterey Park	255.9	292.6	311.0	327.0	341.4	354.7	366.3	350.1	309.5	265.8	$285.5
Pasadena	1,692.6	1,723.6	1,826.1	1,890.9	2,063.4	2,168.1	2,225.2	2,278.5	2,084.7	2,153.2	$2,313.2
Pomona	686.5	753.3	782.1	853.4	930.2	1,024.8	1,093.4	1,056.5	854.4	673.9	$723.9
Rosemead	217.8	213.2	230.3	236.9	253.5	266.5	256.1	313.1	328.4	306.6	$329.3
San Dimas	228.7	228.1	233.2	297.9	329.1	356.6	356.2	350.0	348.7	325.6	$349.8
San Gabriel	242.2	246.0	252.4	260.0	282.0	284.1	290.7	281.7	262.3	227.7	$244.6
San Marino	32.2	31.4	32.1	32.1	33.6	36.5	33.7	33.2	34.5	30.1	$32.3
Sierra Madre	14.3	14.3	13.5	14.1	15.9	17.2	18.5	20.7	20.5	18.5	$19.9
South El Monte	125.2	118.4	115.9	123.1	136.8	146.6	169.2	208.2	208.9	182.7	$196.2
South Pasadena	107.3	105.4	102.4	109.3	115.3	128.3	132.5	135.4	135.8	121.9	$131.0
Temple City	122.7	124.1	116.2	112.1	118.7	124.7	129.5	137.3	134.8	118.7	$127.5
Walnut	71.9	75.5	73.0	80.4	97.1	104.3	113.2	127.5	121.6	106.8	$114.7
West Covina	993.4	1,036.7	1,103.3	1,138.8	1,164.4	1,231.0	1,246.1	1,249.0	1,133.8	967.4	$1,039.2
Total Incoporated Cities	**12,098.0**	**12,600.9**	**13,079.9**	**13,812.4**	**14,928.8**	**15,749.9**	**16,139.6**	**16,105.7**	**14,398.4**	**12,696.3**	**13,640.0**

*Note: For years marked "n/d", Bradbury had too few firms to allow reporting without revealing confidential information.

Source: California State Board of Equalization

Table 15: Hotel Occupancy and Room Rates in the San Gabriel Valley

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

Year	Annual Room Supply	Annual Occupied Rooms	Occupancy Rate	Average Daily Rate	Annual % Change	RevPAR	Annual % Change
2005	890,235	613,610	68.9%	95.66	5.2%	65.94	11.4%
2006	890,235	625,580	70.3%	103.16	7.8%	72.49	9.9%
2007	890,235	592,383	66.5%	107.94	4.6%	71.82	-0.9%
2008	908,850	564,009	62.1%	109.93	1.8%	68.22	-5.0%
2009	915,055	511,342	55.9%	100.55	-8.5%	56.19	-17.6%
2010	915,055	555,325	60.7%	97.31	-3.2%	59.06	5.1%
2011e	938,415	621,073	66.2%	98.87	1.6%	65.43	10.8%

Pasadena

Year	Annual Room Supply	Annual Occupied Rooms	Occupancy Rate	Average Daily Rate	Annual % Change	RevPAR	Annual % Change
2005	609,185	461,120	75.7%	155.83	12.6%	117.96	8.5%
2006	609,185	469,037	77.0%	167.11	7.2%	128.66	9.1%
2007	609,185	460,390	75.6%	164.83	-1.4%	124.57	-3.2%
2008	609,185	448,858	73.7%	169.62	2.9%	124.98	0.3%
2009	609,185	395,372	64.9%	153.16	-9.7%	99.40	-20.5%
2010	609,185	427,654	70.2%	150.40	-1.8%	105.58	6.2%
2011e	609,185	469,704	77.1%	148.99	-0.9%	114.88	8.8%

Arcadia/Monrovia

Year	Annual Room Supply	Annual Occupied Rooms	Occupancy Rate	Average Daily Rate	Annual % Change	RevPAR	Annual % Change
2005	342,005	267,452	78.2%	101.88	7.2%	79.67	6.6%
2006	317,550	242,136	76.3%	119.44	17.2%	91.07	14.3%
2007	300,030	219,772	73.3%	134.53	12.6%	98.55	8.2%
2008	355,875	249,992	70.2%	135.31	0.6%	95.05	-3.6%
2009	355,875	241,362	67.8%	118.87	-12.1%	80.62	-15.2%
2010	355,875	267,441	75.2%	111.60	-6.1%	83.87	4.0%
2011e	355,875	277,882	78.1%	115.71	3.7%	90.35	7.7%

Total San Gabriel Valley

Year	Annual Room Supply	Annual Occupied Rooms	Occupancy Rate	Average Daily Rate	Annual % Change	RevPAR	Annual % Change
2005	1,841,425	1,342,182	72.9%	117.57	7.3%	85.70	8.0%
2006	1,816,970	1,336,753	73.6%	128.55	9.3%	94.57	10.4%
2007	1,799,450	1,272,545	70.7%	133.11	3.6%	94.14	-0.5%
2008	1,873,910	1,262,859	67.4%	136.17	2.3%	91.77	-2.5%
2009	1,880,115	1,148,076	61.1%	122.52	-10.0%	74.82	-18.5%
2010	1,880,115	1,250,420	66.5%	118.52	-3.3%	78.83	5.4%
2011e	1,903,475	1,368,659	71.9%	119.49	0.8%	85.92	9.0%

Source: PKF Consulting

San Gabriel Valley
CULTURAL and INFRASTRUCTURE Assets

CULTURAL

Education

California Institute of Technology
University of La Verne
Azusa Pacific University
California State Polytechnic University
Claremont Colleges
Art Center College of Design
Citrus College
Mt. San Antonio College
Pasadena City College

Research

Jet Propulsion Lab (JPL)
City of Hope Medical Center

Cultural & Entertainment

Norton Simon Museum
Huntington Library
Descanso Gardens
Los Angeles County Arboretum
San Gabriel Mission
Santa Anita Park
Tournament of Roses
Santa Anita Park

INFRASTRUCTURE

San Bernardino Freeway (I10)
Pomona Freeway (SR60)
Orange Freeway (SR57)
Long Beach Freeway (I710)
Foothill Freeway (I210/SR210)

Union Pacific Railroad
Metrolink San Bernardino
Metrolink Riverside
Metro Gold Line

Served by: Los Angeles International Airport - L.A. Ontario International Airport – Bob Hope Airport