



# QUARTERLY ECONOMIC REPORT

RIVERSIDE & SAN BERNARDINO COUNTIES, CALIFORNIA

VOL. 25 NO. 4

OCTOBER 2013

\$5.00

## INLAND EMPIRE CITY PROFILE 2013

*John E. Husing, Ph.D.*

**H**ow have the Inland Empire's 52 cities performed in the past year? The Annual Inland Empire City Profile (*Exhibits 1 & 2*) provides information to answer this question. The sources are the most recently available data for population, taxable sales, assessed valuation, bank deposits, housing prices and volumes, income and poverty.

**Population.** From 2000-2013, the CA Finance Department reports that the Inland Empire added 1,075,807 people to reach 4,331,333, up 33.0%. The gain represented 26.3% of California's population growth. In the year from 2012 to 2013, the area added 37,441 people. Eleven cities have over 100,000 people, led by Riverside (311,955) and San Bernardino (212,639) followed by Fontana (200,974) and Moreno Valley (198,129). Jurupa Valley (97,246) will be next to reach 100,000. The smallest cities were Needles (4,912), Indian Wells (5,081) and Big Bear Lake (5,111). Five cities added over 50,000 people from 2000-2013: Fontana (72,046), Murrieta (61,550), Riverside (56,789), Victorville (56,339) and Moreno Valley (55,750). Four cities have added under 1,000 people: Needles (82), Grand Terrace (644), Canyon Lake (816), Calimesa (955). Two cities shrank: Big Bear Lake (-327) and Blythe (-859).

Of California's 482 cities, the Inland Empire's five largest places ranked (*not shown*): Riverside (12<sup>th</sup>), San Bernardino (17<sup>th</sup>), Fontana (20<sup>th</sup>), Moreno Valley (22<sup>nd</sup>) and Rancho Cucamonga (26<sup>th</sup>). The housing slowdown reduced population growth from 2012-2013. Still, the area had four of the state's 25 fastest growth rates (*not shown*): Lake Elsinore (4.2%, 3<sup>rd</sup>), Indio (4.0%, 5<sup>th</sup>), Desert Hot Springs (2.7%, 14<sup>th</sup>) and Beaumont (2.1%, 22<sup>nd</sup>). Four cities ranked in the top 25 in absolute growth: Indio (3,095, 15<sup>th</sup>), Lake Elsinore (2,247, 20<sup>th</sup>), Rancho Cucamonga (1,906, 23<sup>rd</sup>) and Corona (1,838; 25<sup>th</sup>).

**Taxable Retail Sales.** Taxable sales are a major revenue source for cities that is now recovering from the steep downturn. The CA Board of Equalization reports the data quarterly, a year after they occur. Hintersliter DeLlamas provides data within three months. In calendar year 2012, San Bernardino County's sales rose 7.4% to \$29.3 billion. Riverside County's sales increased 8.9% to \$27.9 billion (*Exhibit 1*). The combined Inland Empire growth (8.1%) was well above that of California (6.8%). In the first half of 2013, inland sales expanded by another 6.8%. If that continues for all of 2013, the inland area will reach \$61.2 billion in sales, putting it just above the 2006 record of \$61.1 billion.

All but four Inland Empire cities had gains in 2012 retail sales. Ontario (\$5.81 billion) and Riverside (\$4.22 billion) had the most sales, followed by Corona (\$2.89 billion), Temecula (\$2.52 billion) and Fontana (\$2.49 billion). San Bernardino (\$2.44 billion) fell to sixth followed by Rancho Cucamonga (\$2.27 billion). Chino (\$1.57 billion) was eighth ahead of Victorville (\$1.50 billion) and Palm Desert (\$1.45 billion). Of the 48 cities with expanding sales, the largest percentage gains were in Canyon Lake (16.4%), Blythe (13.4%), Chino (11.3%) and Fontana (10.3%). Declines occurred in Adelanto (-3.4%), Indian Wells (-7.2%), Needles (-5.9%) and Grand Terrace (-12.8%).

Per capita sales reveal how well sales taxes finance city services for each resident. In 2012, the leaders were Ontario (\$34,942), Big Bear Lake (\$32,309), Palm Desert (\$29,099), Barstow (\$28,635) and Montclair (\$25,274). Canyon Lake (\$1,371), Adelanto (\$3,288), Highland (\$3,526), Wildomar (\$3,722) and Twentynine Palms (4,158) were the weakest [*Note: prisoners not in per capita calculations*].

*Continued on page 2*

**1 INLAND EMPIRE CITY PROFILE**

City	Population				Taxable Retail Sales				Assessed Valuation				Financial Deposits					
	2013	Rank	2000-2013 Change	Rank	2013 (mil)	Rank	% Chg.	Per Capita	Rank	July 1, 2013 (mil)	Rank	% Chg.	Per Capita	Rank	2012 (mil)	Rank	Per Capita	Rank
<b>SAN BERNARDINO COUNTY</b>																		
Adelanto	31,289	37	13,159	22	\$102	45	-3.4%	\$3,288	49	\$1,603	42	4.7%	51,244	44	\$74	49	\$2,368	47
Apple Valley	70,436	21	16,197	20	\$473	28	0.3%	\$6,745	37	\$4,602	25	2.5%	65,341	31	\$573	21	\$8,213	31
Barstow	23,168	43	2,049	43	\$661	22	8.4%	\$28,635	4	\$1,143	47	-4.6%	49,327	46	\$253	35	\$11,037	21
Big Bear Lake	5,111	50	(327)	49	\$165	40	3.6%	\$32,309	2	\$2,907	32	-0.1%	568,857	2	\$225	37	\$44,436	3
Chino	79,873	17	12,705	23	\$1,569	8	11.3%	\$21,731	7	\$9,083	14	3.2%	125,032	8	\$1,262	11	\$17,568	13
Chino Hills	76,033	18	9,246	30	\$619	26	4.6%	\$8,168	33	\$9,343	12	3.3%	122,881	9	\$1,103	13	\$14,629	15
Colton	52,956	26	5,294	36	\$519	27	1.1%	\$9,840	27	\$2,600	36	0.1%	49,100	47	\$238	36	\$4,536	41
Fontana	200,974	3	72,046	1	\$2,491	5	10.3%	\$12,439	21	\$13,989	5	2.9%	69,604	26	\$915	16	\$4,603	40
G. Terrace	12,270	47	644	47	\$73	47	-12.8%	\$5,971	40	\$788	49	3.0%	64,195	32	\$98	46	\$8,052	33
Hesperia	91,400	13	28,810	12	\$728	19	8.0%	\$7,988	34	\$4,479	26	4.3%	49,004	48	\$506	23	\$5,574	38
Highland	53,926	25	9,301	29	\$190	38	1.8%	\$3,526	48	\$2,804	33	3.1%	52,001	43	\$160	40	\$2,989	45
Loma Linda	23,476	42	4,248	39	\$345	32	-0.2%	\$14,733	14	\$1,614	41	1.8%	68,743	27	\$308	31	\$13,209	17
Montclair	37,311	35	4,262	38	\$940	14	2.9%	\$25,274	5	\$2,607	35	2.4%	69,885	25	\$318	29	\$8,584	30
Needles	4,912	52	82	48	\$32	49	-5.9%	\$6,459	39	\$307	52	-1.7%	62,545	35	\$46	51	\$9,498	26
Ontario	166,866	6	8,859	31	\$5,812	1	9.1%	\$34,942	1	\$19,064	3	3.0%	114,245	14	\$2,119	3	\$12,803	18
R. Cucamonga	171,058	5	43,315	7	\$2,268	7	5.5%	\$13,608	16	\$20,191	2	3.2%	120,463	10	\$1,742	8	\$10,549	23
Redlands	69,813	22	6,222	35	\$941	13	6.0%	\$13,523	17	\$6,958	18	3.2%	99,659	16	\$1,901	4	\$27,448	5
Rialto	101,275	11	9,393	28	\$879	17	1.2%	\$8,714	31	\$5,918	23	3.9%	58,431	36	\$370	26	\$3,698	42
San Bdn	212,639	2	27,257	14	\$2,443	6	6.9%	\$11,926	24	\$10,695	10	3.7%	52,030	42	\$1,753	7	\$8,602	29
29 Palms	26,084	41	11,320	25	\$108	44	0.9%	\$4,158	46	\$802	48	-1.8%	30,741	52	\$263	34	\$10,316	24
Upland	74,907	19	6,514	34	\$890	16	0.1%	\$11,915	25	\$7,295	16	3.1%	97,383	17	\$1,429	10	\$19,247	8
Victorville	120,368	8	56,339	4	\$1,504	9	5.1%	\$13,244	18	\$6,658	19	2.7%	58,221	37	\$1,003	15	\$8,956	27
Yucaipa	52,549	27	11,342	24	\$247	36	6.2%	\$4,734	43	\$3,437	31	1.8%	65,412	30	\$299	33	\$5,767	37
Yucca Valley	21,030	44	4,165	40	\$264	35	3.2%	\$12,585	20	\$1,340	45	-1.1%	63,731	33	\$397	25	\$19,033	9
<b>SB County</b>	<b>2,076,274</b>		<b>366,135</b>		<b>\$29,332</b>		<b>7.4%</b>	<b>\$14,349</b>		<b>\$167,498</b>		<b>3.0%</b>	<b>81,606</b>		<b>\$17,720</b>		<b>\$8,722</b>	
<b>RIVERSIDE COUNTY</b>																		
Banning	30,170	38	6,608	33	\$164	41	4.1%	\$5,688	41	\$1,670	40	4.8%	57,978	38	\$301	32	\$10,576	22
Beaumont	39,776	33	28,392	13	\$331	33	4.2%	\$8,395	32	\$2,789	34	5.0%	70,114	24	\$314	30	\$8,166	32
Blythe	19,606	45	(859)	50	\$165	39	13.4%	\$12,933	19	\$611	50	2.9%	49,516	45	\$146	41	\$11,232	20
Calimesa	8,094	49	955	45	\$60	48	3.8%	\$7,467	35	\$582	51	3.1%	71,931	23	\$163	39	\$20,552	7
Canyon Lake	10,768	48	816	46	\$15	50	16.4%	\$1,371	50	\$1,397	43	5.6%	129,728	7	\$79	47	\$7,401	35
Cathedral City	52,337	28	9,690	27	\$637	24	5.0%	\$12,202	23	\$3,513	30	5.1%	67,116	29	\$175	38	\$3,382	44
Coachella	42,784	32	20,060	18	\$296	34	2.3%	\$6,974	36	\$1,376	44	6.0%	32,158	51	\$77	48	\$1,859	50
Corona	156,823	7	31,857	11	\$2,894	3	6.6%	\$18,562	10	\$16,215	4	2.8%	103,395	15	\$1,891	5	\$12,298	19
Dsrt Hot Spr.	27,828	39	11,246	26	\$128	42	12.0%	\$4,594	44	\$1,208	46	6.1%	43,393	50	\$140	42	\$5,114	39
Eastvale	57,251	23	NA	NA	NA	NA	NA	NA	NA	\$6,611	20	7.4%	115,467	12	\$134	43	\$2,437	46
Hemet	80,877	16	22,065	16	\$857	18	7.1%	\$10,631	26	\$4,280	27	4.6%	52,915	41	\$1,442	9	\$18,092	11
Indian Wells	5,081	51	1,265	44	\$79	46	-7.2%	\$15,562	13	\$4,729	24	3.3%	930,692	1	\$332	27	\$66,279	1
Indio	81,393	15	32,277	10	\$710	20	9.3%	\$9,003	29	\$6,970	17	11.2%	86,622	19	\$515	22	\$6,728	36
Jurupa Valley	97,246	12	NA	NA	NA	NA	NA	NA	NA	\$6,163	21	5.8%	63,376	34	\$18	52	\$189	52
Lk Elsinore	55,430	24	26,500	15	\$651	23	2.6%	\$11,991	22	\$3,990	28	5.2%	71,974	22	\$402	24	\$7,641	34
La Quinta	38,401	34	14,707	21	\$696	21	2.2%	\$18,165	12	\$10,727	9	4.4%	279,335	4	\$710	18	\$18,732	10
Menifee	82,292	14	39,223	8	\$437	29	3.7%	\$5,358	42	\$6,149	22	6.4%	74,719	20	\$698	19	\$8,738	28
Moreno Vly.	198,129	4	55,750	5	\$1,309	11	11.7%	\$6,623	38	\$10,986	8	3.7%	55,451	39	\$715	17	\$3,659	43
Murrieta	105,832	9	61,550	2	\$1,012	12	4.8%	\$9,583	28	\$10,067	11	4.7%	95,118	18	\$1,024	14	\$9,800	25
Norco	26,626	40	2,469	42	\$424	30	10.1%	\$18,633	11	\$2,589	37	3.7%	115,040	13	\$323	28	\$14,114	16
Palm Desert	49,949	29	8,794	32	\$1,449	10	4.7%	\$29,099	3	\$12,385	6	3.3%	247,951	5	\$2,722	2	\$55,339	2
Palm Springs	45,712	30	2,907	41	\$928	15	5.4%	\$20,358	9	\$9,213	13	4.9%	201,548	6	\$1,148	12	\$25,483	6
Perris	70,963	20	34,774	9	\$622	25	6.5%	\$8,803	30	\$3,861	29	5.0%	54,409	40	\$117	44	\$1,675	51
Rancho Mirage	17,639	46	4,390	37	\$379	31	1.2%	\$21,512	8	\$7,309	15	2.2%	414,338	3	\$632	20	\$36,219	4
Riverside	311,955	1	56,789	3	\$4,221	2	5.0%	\$13,619	15	\$22,864	1	2.9%	73,466	21	\$4,914	1	\$15,991	14
San Jacinto	45,217	31	21,438	17	\$197	37	2.2%	\$4,377	45	\$2,105	39	4.6%	46,560	49	\$104	45	\$2,332	48
Temecula	104,879	10	47,163	6	\$2,522	4	6.7%	\$24,219	6	\$12,318	7	4.9%	117,452	11	\$1,841	6	\$18,021	12
Wildomar	33,174	36	19,110	19	\$123	43	5.2%	\$3,722	47	\$2,264	38	4.1%	68,250	28	\$61	50	\$1,885	49
<b>Riv County</b>	<b>2,255,059</b>		<b>709,672</b>		<b>\$27,925</b>		<b>8.9%</b>	<b>\$12,514</b>		<b>\$205,690</b>		<b>4.0%</b>	<b>91,744</b>		<b>\$21,257</b>		<b>\$9,649</b>	
<b>Inl. Empire</b>	<b>4,331,333</b>		<b>1,075,807</b>		<b>\$57,257</b>		<b>8.1%</b>	<b>\$25,690</b>		<b>\$373,188</b>		<b>3.5%</b>	<b>86,898</b>		<b>\$60,116</b>		<b>\$14,197</b>	

Source: CA Finance Dept., E-5 Population Report; CA Bd. of Equalization, Taxable Retail Sales; San Bernardino/Riverside Co. Assessors' Offices, Thompson Reuters

## 2 INLAND EMPIRE CITY PROFILE

City	EXISTING HOMES						NEW HOMES						INCOME				
	2012 Volume	2011-12 Rank	2011-12 %Chg	2013 3rd Q Median P	2012-13 Rank	2012-13 %Chg	2012 Volume	2011-12 Rank	2011-12 %Chg	2013 2nd Q Median P	2012-13 Rank	2012-13 %Chg	2011 Median	2011 Rank	2011 (mil.)	2011 Rank	Poverty People
<b>SAN BERNARDINO COUNTY</b>																	
Adelanto	574	35	-11.7%	\$119,000	48	25.9%	58	22	45.0%	\$176,500	41	-0.7%	\$41,475	40	\$350	46	30.0%
Apple Valley	1,416	13	5.4%	\$146,692	44	28.1%	112	15	10.9%	\$232,667	29	32.8%	\$51,258	26	\$1,529	19	17.3%
Barstow	337	43	-3.2%	\$65,000	51	25.0%	12	38	200.0%	\$102,000	43	45.7%	\$43,456	37	\$444	40	20.3%
Big Bear Lk	469	37	19.0%	\$290,000	20	28.9%	6	45	50.0%	NA	NA	NA	\$31,541	49	\$112	50	23.4%
Chino	668	32	12.5%	\$369,755	11	26.5%	221	7	166.3%	\$419,938	15	6.5%	\$59,749	20	\$1,723	15	13.8%
Chino Hills	834	26	26.4%	\$549,500	3	28.7%	25	33	4.2%	\$856,000	3	18.9%	\$93,736	3	\$2,425	10	6.3%
Colton	466	39	-6.6%	\$160,000	41	23.1%	6	43	-14.3%	\$75,000	45	-42.1%	\$37,042	44	\$746	31	26.9%
Fontana	2,607	4	-9.4%	\$287,094	21	30.3%	188	11	58.0%	\$431,913	12	26.2%	\$64,202	15	\$3,514	4	15.5%
G. Terrace	146	49	53.7%	\$255,000	25	30.8%	9	40	800.0%	NA	NA	NA	\$64,337	14	\$347	47	5.8%
Hesperia	1,406	14	-16.3%	\$148,000	43	34.5%	45	26	-2.6%	\$191,000	40	9.1%	\$42,298	38	\$1,391	21	22.7%
Highland	663	33	5.2%	\$225,000	29	25.0%	8	42	-50.1%	\$205,000	36	-24.1%	\$52,674	24	\$1,058	27	20.7%
Loma Linda	179	48	17.0%	\$297,500	18	24.0%	1	51	NA	NA	NA	NA	\$57,774	21	\$709	33	11.5%
Montclair	258	46	14.7%	\$310,000	17	35.5%	1	49	-90.9%	NA	NA	NA	\$48,812	29	\$540	38	19.2%
Needles	36	52	-16.3%	\$47,500	52	-60.1%	1	50	NA	NA	NA	NA	\$30,139	50	\$96	51	29.8%
Ontario	1,101	20	0.5%	\$291,101	19	28.0%	51	25	-26.0%	\$343,500	22	25.9%	\$49,713	28	\$2,728	8	22.8%
R. Cucamonga	1,683	10	21.1%	\$434,599	4	26.9%	197	10	62.9%	\$534,600	7	5.0%	\$70,836	9	\$4,713	2	7.5%
Redlands	756	28	14.7%	\$311,944	16	25.1%	41	30	8.6%	\$420,000	14	71.1%	\$66,577	13	\$2,323	11	12.7%
Rialto	1,168	17	-9.2%	\$229,589	28	33.5%	20	34	-62.6%	\$195,000	39	-2.5%	\$45,415	33	\$1,310	25	20.8%
San Bdn	2,876	3	-6.7%	\$175,746	39	28.3%	170	13	44.0%	\$371,851	18	16.6%	\$35,118	47	\$2,734	7	31.9%
29 Palms	296	45	22.8%	\$73,500	50	18.5%	8	41	-66.3%	\$196,000	38	5.4%	\$41,117	41	\$395	42	15.0%
Upland	648	34	11.5%	\$427,978	5	17.6%	42	29	-15.7%	\$566,188	6	78.2%	\$59,780	18	\$2,090	12	13.8%
Victorville	1,792	9	-14.2%	\$152,200	42	23.7%	130	14	-34.8%	\$214,400	32	29.2%	\$45,847	31	\$1,620	16	31.0%
Yucaipa	681	31	2.1%	\$255,000	24	27.8%	44	28	-2.7%	\$402,750	17	11.3%	\$59,779	19	\$1,316	24	10.7%
Yuca Valley	558	36	-2.1%	\$123,250	47	31.1%	11	39	-28.7%	\$200,000	37	37.9%	\$42,288	39	\$395	43	19.0%
<b>SB County</b>	<b>25,420</b>		<b>-0.3%</b>	<b>\$205,000</b>		<b>24.2%</b>	<b>1,451</b>		<b>21.0%</b>	<b>\$390,500</b>		<b>29.3%</b>	<b>\$51,247</b>		<b>\$36,214</b>		<b>19.3%</b>
<b>RIVERSIDE COUNTY</b>																	
Banning	468	38	-2.7%	\$177,000	38	41.6%	6	44	50.0%	\$63,000	46	-41.4%	\$36,509	45	\$599	37	18.7%
Beaumont	867	25	-6.9%	\$222,000	30	26.7%	228	6	16.9%	\$265,000	26	12.5%	\$69,151	10	\$971	30	10.4%
Blythe	123	50	6.0%	\$95,500	49	22.4%	3	46	0.0%	\$100,000	44	NA	\$43,472	36	\$300	48	21.4%
Calimesa	87	51	11.5%	\$220,000	32	19.9%	1	52	NA	\$150,000	42	-57.0%	\$44,911	34	\$188	49	10.1%
Canyon Lake	425	41	2.2%	\$315,000	15	46.5%	3	47	0.0%	NA	NA	NA	\$80,145	5	\$369	45	4.9%
Cathedral City	772	27	0.9%	\$216,000	33	31.7%	32	32	10.3%	\$207,250	34	-1.3%	\$46,282	30	\$980	29	19.4%
Coachella	375	42	-21.7%	\$145,000	45	9.8%	34	31	-30.6%	\$237,750	28	50.5%	\$40,299	43	\$433	41	28.8%
Corona	3,123	2	6.3%	\$398,603	8	27.7%	617	1	6.6%	\$510,002	8	22.3%	\$80,557	4	\$4,078	3	11.1%
Dsrt Hot Spr.	730	30	-22.5%	\$133,645	46	39.6%	12	37	71.4%	\$207,000	35	125.0%	\$32,260	48	\$372	44	26.2%
Eastvale	1,252	15	2.6%	\$415,874	6	24.1%	177	12	-40.6%	\$502,760	9	27.7%	\$113,154	1	\$1,607	17	3.4%
Hemet	1,673	11	-2.4%	\$161,808	40	32.2%	97	16	0.9%	\$232,063	30	11.1%	\$29,679	51	\$1,381	22	23.7%
Indian Wells	192	47	20.0%	\$825,000	1	25.0%	16	35	60.0%	\$1,225,000	2	-17.6%	\$111,078	2	\$492	39	4.4%
Indio	1608	12	-6.2%	\$220,869	31	30.1%	220	8	28.7%	\$298,375	25	27.2%	\$41,082	42	\$1,463	20	22.7%
Lk Elsinore	1022	24	-5.4%	\$277,470	23	22.7%	85	17	10.9%	\$421,040	13	30.0%	NA	NA	NA	NA	15.2%
Jurupa Valley	1,140	18	-12.0%	\$251,502	26	32.2%	268	5	56.7%	\$319,899	24	20.5%	\$61,250	16	\$997	28	14.5%
La Quinta	1216	16	-0.1%	\$365,000	12	23.1%	67	21	-4.3%	\$707,000	4	143.8%	\$67,444	11	\$1,373	23	9.0%
Menifee	1815	8	9.7%	\$231,307	27	30.9%	335	4	-2.9%	\$321,926	23	21.7%	\$56,735	22	\$1,817	14	8.2%
Moreno Vly.	2,455	5	-11.8%	\$211,503	34	28.2%	51	24	-41.9%	\$210,800	33	-18.4%	\$53,018	23	\$3,278	5	20.6%
Murrieta	2,127	6	4.0%	\$327,762	14	26.8%	435	3	59.8%	\$366,279	19	20.2%	\$72,496	8	\$2,859	6	5.8%
Norco	331	44	11.1%	\$390,000	9	20.6%	1	48	-66.0%	\$413,000	16	NA	\$79,279	6	\$648	36	11.9%
Palm Desert	1,051	23	10.3%	\$328,270	13	15.9%	75	20	20.3%	\$346,988	21	35.4%	\$50,267	27	\$1,954	13	8.2%
Palm Springs	1,053	22	17.8%	\$403,783	7	8.2%	55	23	-9.3%	\$688,250	5	23.7%	\$45,418	32	\$1,564	18	14.9%
Perris	1,136	19	-20.7%	\$198,887	36	30.9%	75	19	6.9%	\$263,875	27	16.6%	\$36,229	46	\$703	35	36.5%
Rancho Mirage	456	40	4.6%	\$587,500	2	13.6%	13	36	-19.8%	\$1,321,500	1	156.6%	\$76,261	7	\$1,119	26	11.4%
Riverside	3,665	1	2.1%	\$281,263	22	30.3%	206	9	29.2%	\$447,722	11	35.5%	\$51,331	25	\$6,004	1	20.5%
San Jacinto	743	29	-15.4%	\$177,196	37	25.8%	44	27	-0.5%	\$216,452	31	11.0%	\$44,851	35	\$707	34	17.4%
Temecula	2,057	7	8.0%	\$371,598	10	22.5%	500	2	7.2%	\$480,947	10	39.8%	\$66,869	12	\$2,483	9	11.6%
Wildomar	1067	21	-8.6%	\$204,000	35	33.3%	82	18	-16.5%	\$350,909	20	30.3%	\$60,125	17	\$716	32	11.4%
<b>Riv County</b>	<b>32,193</b>		<b>-1.6%</b>	<b>\$265,000</b>		<b>28.6%</b>	<b>3,640</b>		<b>12.6%</b>	<b>\$339,500</b>		<b>16.1%</b>	<b>\$52,883</b>		<b>\$31,245</b>		<b>16.8%</b>
<b>Inl. Empire</b>	<b>57,613</b>		<b>-1.1%</b>	<b>\$237,257</b>		<b>26.3%</b>	<b>5,091</b>		<b>14.9%</b>	<b>\$354,702</b>		<b>20.1%</b>	<b>\$52,112</b>		<b>\$67,459</b>		<b>17.7%</b>

Source: Dataquik, U.S. Census Bureau, Economics & Politics, Inc.

**Assessed Valuation.** Assessed valuation is important since property taxes are also a major municipal revenue source with values now beginning to turnaround. On July 1, 2013, San Bernardino County's valuation was \$167.5 billion, up 3.0%. Riverside County's was \$205.7 billion, up 4.0%. For cities, assessed valuation tends to follow industrial and housing development. The top five cities saw small growth or were unchanged from 2012: Riverside (\$22.9 billion; 2.9%), Rancho Cucamonga (\$20.2 billion; 3.2%), Ontario (\$19.1 billion; 3.0%), Corona (\$16.2 billion; 2.8%) and Fontana (\$14.0 billion; 2.9%). Though San Bernardino is second in population and has an industrial base, its low home values put its valuation (\$10.7 billion; 3.7%) at just tenth. All but 5 of 52 cities saw their FY 2014 assessed valuation increase led by Indio (11.2%), Eastvale (7.4%) and Menifee (6.4%). The weakest were Barstow (-4.6%) and Twentynine Palms (-1.8%).

Assessed value per capita measures the ability of property taxes to support city services for each resident. Here, five Coachella Valley cities continued to be strong led by Indian Wells (\$930,692) and third ranked Rancho Mirage (\$414,338) followed by La Quinta (\$279,339), Palm Desert (\$247,951) and Palm Springs (\$201,548). Two smaller cities did well: 2<sup>nd</sup> ranked Big Bear Lake (\$568,857) and 7<sup>th</sup> ranked Canyon Lake (\$129,728). Ranked 8<sup>th</sup> to 10<sup>th</sup> were cities near Los Angeles County: Chino (\$125,032), Chino Hills (\$122,881) and Rancho Cucamonga (\$120,463). Three East SB Valley cities were weak: San Bernardino (42<sup>nd</sup>, \$52,030), Highland (43<sup>rd</sup>, \$52,001) and Colton (47<sup>th</sup>, \$49,100). Outlying desert cities ranked in the bottom tier: Desert Hot Springs (50<sup>th</sup>, \$43,393), Coachella (51<sup>st</sup>, \$32,158) and Twentynine Palms (52<sup>nd</sup>, \$30,741). The exception was San Jacinto (49<sup>th</sup>, \$46,560).

**Financial Deposits.** Financial deposits are the only available indicator of local wealth since there is no local measure of stock market investments. In 2012, Thomas Reuters Bank Insight showed Inland Empire's deposits fell -11.2% to \$39.0 billion. Riverside County's deposits fell -12.6% to \$21.3 billion; San Bernardino County's fell -9.5% to \$17.7 billion.

Riverside (\$4.91 billion) had the most deposits followed by Palm Desert (\$2.72 billion). Ontario (\$2.12 billion) was next, ahead of Redlands (\$1.90 billion) and Corona (\$1.89 billion). Coachella Valley cities had the highest deposits per capita led by Indian Wells (\$66,279) and Palm Desert (\$55,339). Big Bear Lake (\$44,436) ranked 3<sup>rd</sup>, followed by Rancho Mirage (\$36,219), Redlands (\$27,448) and Palm Springs (\$25,483). The average for San Bernardino County was \$8,722. It was \$9,649 in Riverside County. It was \$9,649 in Riverside County.

**Home Sales Volumes.** Dataquick provides home deed recordings by zip code using county recorders' data. In 2012, sales again declined due to fear in the marketplace despite low interest rates and prices plus high affordability. San Bernardino County's 2012 **existing home sales** recordings fell -0.3% to 25,420 units; Riverside County's sales decreased by -1.6% to 32,193 sales (*Exhibit 2*). Except for Ontario (1,101, 20<sup>th</sup>), the largest cities had the most existing home sales. The five leaders were Riverside (3,665), Corona (3,123), San Bernardino (2,876), Fontana (2,607) and Moreno Valley (2,455). Thirty-three of 52 inland cities saw existing home sales growth. Grand Terrace's sales grew the fastest (53.7%) followed by Chino Hills (26.4%), Twentynine Palms (22.8%), Rancho Cucamonga (21.1%) and Indian Wells (20.0%). Sales declines occurred 21 of 52 inland cities. The biggest sales declines were in Desert Hot Springs (-22.5%), Coachella (-21.7%), Perris (-20.7%), Hesperia (-16.3%) and Needles (-16.3%).

Riverside County's 2012 **new home sales** rose 12.6% to 3,640 units; San Bernardino County saw a gain of 21.0% to 1,451. Sales exceeded 250 in Corona (617), Temecula (500), Murrieta (435) Menifee (335) and Jurupa Valley (268). Twenty-six of 52 cities had increased new home sales indicating life is returning to the markets.

They were led by Grand Terrace (800.0% to 9), Barstow (200.0% to 12), Chino (166.3% to 221), Desert Hot Springs (71.4% to 12) and Rancho Cucamonga (62.9% to 197).

**Home Prices.** From third quarter 2012-2013, Riverside County's **median existing home price** rose 28.6% to \$265,000; San Bernardino County's rose 24.2% to \$205,000. These homes were affordable to 49% of Riverside County's families and 56% of those in San Bernardino County. The highest 2013 prices were in Indian Wells (\$825,000), Rancho Mirage (\$587,500), Chino Hills (\$549,500), Rancho Cucamonga (\$434,599) and Upland (\$427,978). Several outlying desert cities again saw the lowest prices: Adelanto (\$119,000), Blythe (\$95,500), Twentynine Palms (\$73,500) Barstow (\$65,000) and Needles (\$47,500). Prices increased in 51 of 52 cities led by: Canyon Lake (46.5% to \$315,000), Banning (\$41.6% to \$177,000), Desert Hot Springs (39.6% to \$133,645), Montclair (35.5% to \$310,000) and Hesperia (34.5% to \$148,000).

San Bernardino County's **median new home price** third quarter 2013 rose 29.3% to \$390,500; Riverside County's increased 16.1% to \$339,500. The highest prices were in Rancho Mirage (\$1,321,500), Indian Wells (\$1,225,000), Chino Hills (\$856,000), La Quinta (\$707,000), and Palm Springs (\$688,250). At \$110,000 or less were: Barstow (\$102,000), Blythe (\$100,000), Colton (\$75,000) and Banning (\$63,000).

**Income.** The income levels for 21 cities of 65,000 or more are from the 2011 American Community Survey (ACS). Another 23 cities with 20,000-64,999 people are from the 2009-2011 American Community Survey. The eight cities under 20,000 people are from 2007-2011 data. The highest median incomes were in Eastvale (\$113,154), Indian Wells (\$111,078), Chino Hills (\$93,736), Corona (\$80,557) and Canyon Lake (\$80,145). For comparison, Costa Mesa was \$80,818. Total personal income was led by Riverside (\$6.00 billion), Rancho Cucamonga (\$4.71 billion) and Corona (\$4.08 billion). Fontana (\$3.51 billion) passed Moreno Valley (\$3.28 billion).

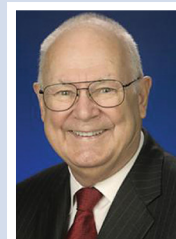
**Poverty.** Recently, there has been a focus on the share of the Inland Empire's population living in poverty. By county, the shares were 19.3% in San Bernardino and 16.8% in Riverside. Among cities, the highest shares were in Perris (36.5%), San Bernardino (31.9%), Victorville (31.0%), Adelanto (30.0%) and Coachella (28.8%). Of the 11 cities with over 100,000 people, six have more than 20% of their populations living in poverty. They included: San Bernardino (31.9%), Victorville (31.0%), Ontario (22.8%), Rialto (20.8%), Moreno Valley (20.6%) and Riverside (20.5%). In the other five major cities, the shares were under 16.0%.

**Most Prosperous?** Which Inland Empire cities are the most economically prosperous? Summing city rankings for *per capita* retail sales, *per capita* assessed value, *per capita* financial deposits, poverty rank, as well as absolute population growth, median income and median price of all homes, jobs:housing balance could yield a perfect score of 8 for eight first places or a worst score of 364 from eight 51<sup>st</sup> places. In 2013, the best 10 scores on these criteria were: Indian Wells (65), Eastvale (69), Temecula (76), Rancho Mirage (77), Rancho Cucamonga (79), La Quinta (80), Corona (85), Palm Desert (93), Chino Hills (103), Murrieta (103). ■

For further information on the economic analysis in the QER, visit Dr. John Husing's website at:

[www.johnhusing.com](http://www.johnhusing.com)

You'll also find pages on Dr. Husing's background, speaking engagements, downloadable presentations, adventures, and other items of interest.



## INLAND EMPIRE EMPLOYMENT... Questionable Job Growth Figures!

In August 2013, the CA Employment Development Department (EDD) estimated that the Inland Empire gained 7,800 jobs or 0.7% from August 2012 (*Exhibit 3*), indicating employment growth has nearly stopped (*Exhibit 4*). However, the state's data is quite suspect. EDD included 8,463 private sector jobs less -663 public sector positions. However, two sectors appear grossly underestimated: construction (-3,400 jobs), employment agencies (-3,200). The area's August 2013 unemployment rate of 10.4% was down from 12.6% last year. The decline of -40,300 unemployed people included 30,000 who found jobs but -10,200 who quit looking.

### CLEAN WORK, GOOD PAY: -700 (-0.4%)

Higher paying inland sectors continued to show weakness. Since August 2012, they lost -700 jobs (-0.4%). Management and professions showed strength adding 1,500 jobs (3.3%) as construction related firms started planning new efforts. Utilities added 100 jobs (1.8%), while mining dropped -100 (-7.7%). Tight budgets hurt higher education which lost -300 jobs (-2.1%), as well as local government (-900; -1.2%) and federal and state agencies (-1,000; -2.6%). Here, the sequester played a role.

### CLEAN WORK, MODERATE PAY: +4,700 (1.7%)

Sectors paying moderate incomes to white collar workers were the Inland Empire's second strongest group, adding 4,700 jobs (1.7%). Health care continued growing, up 3,000 jobs (2.6%) with half the growth in out-patient care. K-12 education rebounded adding 1,700 positions (1.7%) as the state budget began to help. Both the financial sector and the publishing/information sectors were flat.

### DIRTY WORK, MODERATE PAY: -2,800 (-1.0%)

From August 2012-2013, the blue collar sectors that fundamentally drive the Inland Empire's economy lost -2,800 jobs (-1.0%). Distribution and transportation gained 4,000 jobs (3.4%) as fulfill-

### 3 INLAND EMPIRE EMPLOYMENT INFORMATION 2012-2013

Sector	Jun-13	Jul-13	Aug-13	Aug-12	12-13 Change	% Change
Mgmt & Professions	47,700	47,400	46,600	45,100	1,500	3.3%
Utilities	5,800	5,800	5,800	5,700	100	1.8%
Mining	1,200	1,200	1,200	1,300	(100)	-7.7%
Higher Education	17,300	14,600	14,300	14,600	(300)	-2.1%
Local Government	73,300	73,400	73,200	74,100	(900)	-1.2%
Federal & State	37,100	37,100	37,000	38,000	(1,000)	-2.6%
<b>Clean Work, Good Pay</b>	<b>182,400</b>	<b>179,500</b>	<b>178,100</b>	<b>178,800</b>	<b>(700)</b>	<b>-0.4%</b>
Health Care	116,500	116,700	117,900	114,900	3,000	2.6%
K-12 Education	114,400	97,700	104,100	102,400	1,700	1.7%
Publish, telecomm, Other	11,400	11,500	11,500	11,500	0	0.0%
Financial Activities	41,000	40,300	40,800	40,800	0	0.0%
<b>Clean Work, Moderate Pay</b>	<b>283,300</b>	<b>266,200</b>	<b>274,300</b>	<b>269,600</b>	<b>4,700</b>	<b>1.7%</b>
Distribution & Transportation	120,100	120,400	120,700	116,700	4,000	3.4%
Manufacturing	84,400	83,900	84,000	87,400	(3,400)	-3.9%
Construction	57,500	58,300	61,900	65,300	(3,400)	-5.2%
<b>Dirty Work, Moderate Pay</b>	<b>262,000</b>	<b>262,600</b>	<b>266,600</b>	<b>269,400</b>	<b>(2,800)</b>	<b>-1.0%</b>
Eating & Drinking	104,500	104,700	104,300	99,500	4,800	4.8%
Retail Trade	161,700	161,800	162,800	159,900	2,900	1.8%
Admin. Support	45,900	44,900	47,200	45,800	1,400	3.1%
Amusement	15,800	15,400	15,300	14,300	1,000	7.0%
Other Services	41,600	41,900	41,200	41,000	200	0.5%
Accommodation	14,200	14,000	14,000	13,800	200	1.4%
Agriculture	20,000	15,000	12,400	12,700	(300)	-2.4%
Social Assistance	14,500	13,900	13,800	14,200	(400)	-2.8%
Employment Agcy	33,500	33,100	34,500	37,700	(3,200)	-8.5%
<b>Lower Paying Jobs</b>	<b>451,700</b>	<b>444,700</b>	<b>445,500</b>	<b>438,900</b>	<b>6,600</b>	<b>1.5%</b>
<b>Total, All Industries</b>	<b>1,179,400</b>	<b>1,153,000</b>	<b>1,164,500</b>	<b>1,156,700</b>	<b>7,800</b>	<b>0.7%</b>
Civilian Labor Force	1,792,600	1,784,300	1,786,200	1,796,400	(10,200)	-0.6%
Employment	1,608,400	1,588,500	1,599,700	1,569,700	30,000	1.9%
Unemployment	184,200	195,800	186,500	226,800	(40,300)	-17.8%
Unemployment Rate	10.3%	11.0%	10.4%	12.6%	-2.2%	-17.3%

Source: Employment Development Department

ment centers like Amazon.com and firms handling international trade boosted the area. Manufacturing was off -3,400 positions (-3.9%) as California's lack of competitiveness impacted a sector that has grown nationally. A major oddity was the ostensible loss of -3,400 jobs in construction (-5.2%). These data appeared wrong since from January-June 2013, total construction permit valuation grew 27.6% indicating the sector was expanding.

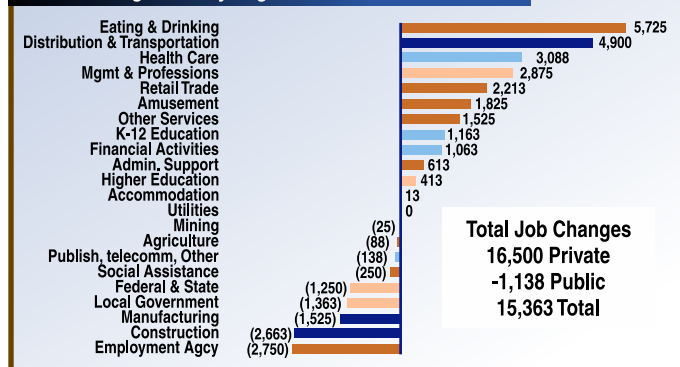
### LOWER PAYING JOBS: +6,600 (1.5%)

There was an increase of 6,600 jobs in lower paying sectors (1.5%) despite an estimate drop of -3,200 jobs (-8.5%) among employment agencies. That alleged fact also appeared to be wrong since this sector always grows in a recovery's early phase. Other than losses in agriculture (-300 jobs; -2.4%) and social assistance (-400; -2.8%), the other lower paying sectors each grew. They were led by eating and drinking (4,800; 4.8%), retailing (2,900; 1.8%), business administrative support (1,400; 3.1%) and amusement (1,000; 7.0%). Their performance also indicates that a stronger recovery is occurring in the Inland Empire's overall economic base than EDD's data suggests. Other services (200; 0.5%) and accommodation (200; 1.4%) also expanded.

### COMMENT

In late February each year, EDD must adjust its data to U.S. Bureau of Labor Statistics figures. Those data provide a more accurate view of hiring as they are based on actual company records of monthly hiring and payroll. The hint of the difference came when BLS showed the inland economy adding 35,060 jobs from March 2012-2013. That was 53.1% above EDD's estimate of 22,900. ■

### 4 INLAND EMPIRE GROWING & DECLINING SECTORS Average January-August 2012-2013



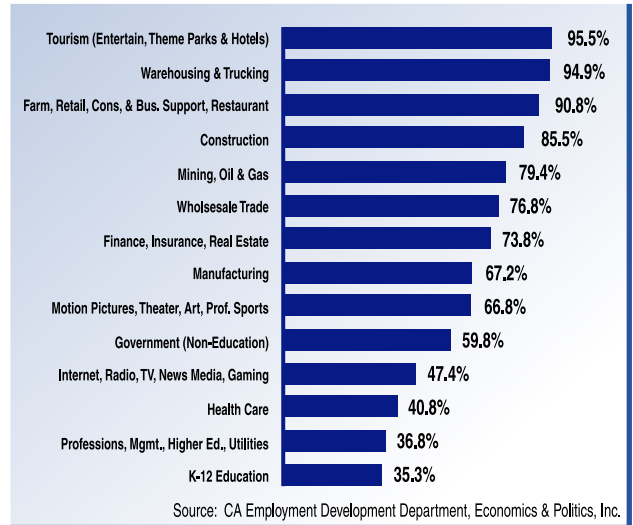
Source: CA Employment Development Department

## 5 MEDIAN PAY LEVEL BY SECTOR Inland Empire, 1st Quarter, 2013



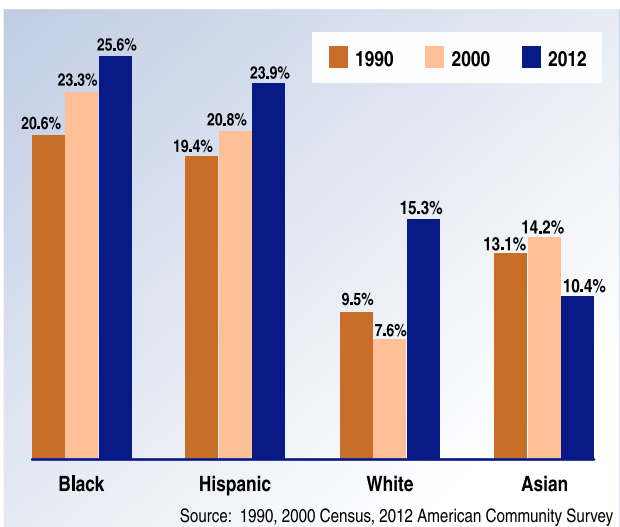
**Median Pay By Sector.** Median pay is where half a sector's workers earn more and half earn less. The Inland Empire's two highest paying private groups had medians of over \$60,000 a year. Government and K-12 education were next below them. In these sectors, most workers required advanced educations. The lowest paying two groups pay under \$30,000 and include sectors like restaurants, hotels and retailing. They require little education to start, but offer few middle class opportunities. In between are sectors like health care, manufacturing, logistics and construction with skill ladders leading to median pay between \$44,000-\$55,000. Each has many jobs without major educational requirements.

## 6 SHARE OF JOBS, HIGH SCHOOL OR LESS Inland Empire, By Sector, 2013



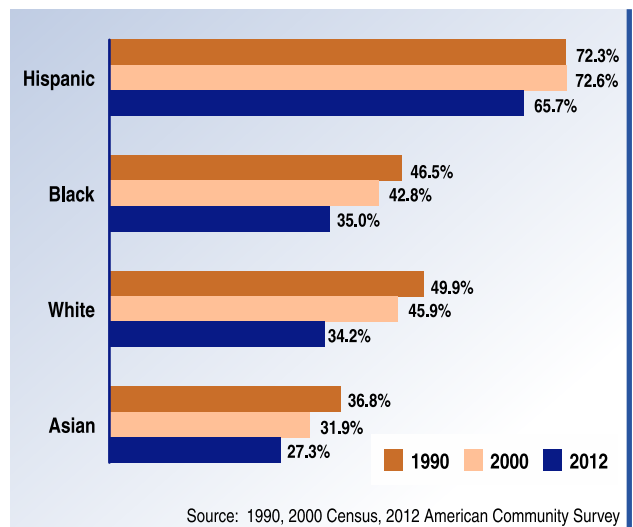
**Sectors Without Educational Barriers.** With over 46.7% of the Inland Empire's adults having high school or less schooling, the growth of sectors with limited educational barriers to entry is critical for local workers. The sectors offering over 75% of the marginally educated include two low paying sectors: tourism (95.5%) and the population serving group (90.8%). The balance of sectors dominated by jobs with minimal entry level qualifications are essentially blue collar: warehousing and trucking (94.9%), construction (85.5%), mining, oil/natural gas (79.4%) and wholesale trade (76.8%). Each has median pay of over \$43,000.

## 7 SHARE OF POPULATION LIVING IN POVERTY Inland Empire, By Ethnicity, 1990-2012



**Poverty.** A corrosive issue impacting the Inland Empire has been the rise of poverty in most segments of the population. Among African Americans, 20.6% lived below the poverty level in 1990. That reached 25.6% in 2012. A similar major increase has occurred among Hispanics who went from 19.4% in 1990 to 23.9% in 2012. The White population has been better off. Still, the share in poverty went from 9.5% in 1990 to 7.6% in 2000 before doubling to 15.3% by 2012. Asians have fared the best with the share in poverty dropping from 13.1% in 1990 to 10.4% in 2012.

## 8 SHARE OF ADULTS, HIGH SCHOOL OR LESS Inland Empire, By Ethnicity, 1990-2012



**High School or Less Schooling.** Most of the economic issues facing the Inland Empire stem from high shares of its population whose educations have not prepared them for today's workplace. Hispanics are in the toughest shape having gone from 72.3% with high school or less schooling in 1990 down to a still severe 65.7% in 2012. The Black population has improved more, dropping from 46.5% in 1990 to 35.0% today. A similar change occurred among Whites who went from 49.9% to 34.2%. Again, the Asian population is in the best shape with the marginally educated dropping from 36.8% to 27.3% in 2012.

## 9 SINGLE FAMILY HOME PRICES 3rd Quarter, 2011-2012

County	3rd-2012	3rd-2013	% Chg.
<b>NEW HOMES</b>			
Riverside	\$292,500	\$339,500	16.1%
San Bernardino	302,000	390,500	29.3%
Los Angeles	376,500	455,000	20.8%
Orange	613,000	707,000	15.3%
San Diego	460,500	514,500	11.7%
Ventura	344,000	412,000	19.8%
So. California	\$389,600	\$470,100	20.7%
<b>EXISTING HOMES</b>			
Riverside	\$206,000	\$265,000	28.6%
San Bernardino	165,000	205,000	24.2%
Los Angeles	350,000	450,000	28.6%
Orange	515,000	620,000	20.4%
San Diego	375,000	456,000	21.6%
Ventura	418,500	502,300	20.0%
So. California	\$328,300	\$408,500	24.4%

Source: Dataquick

## 10 HOME DEED RECORDINGS Inland Empire, 3rd Quarter, 2012-2013

NEW HOMES				EXISTING HOMES			
Area	3rd-12	3rd-13	% Chg.	Area	3rd-12	3rd-13	% Chg.
SB Desert	4	25	525.0%	San Bernardino, Highland	697	828	18.8%
San Bernardino, Highland	46	88	91.3%	SB Mountains	732	865	18.2%
Fontana, Rialto, Colton, GT	73	107	46.6%	SB Desert	455	527	15.8%
Chino, CHill, Mtcl, Ont, RC, Upland	147	197	34.0%	Redlands, Loma Linda, Yucaipa	412	475	15.3%
Victor Valley	105	90	-14.3%	Chino, CHill, Mtcl, Ont, RC, Upland	1,297	1,435	10.6%
SB Mountains	6	3	-50.0%	Victor Valley	1,261	1,360	7.9%
Redlands, Loma Linda, Yucaipa	35	1	-97.1%	Fontana, Rialto, Colton, GT	1,133	1,106	-2.4%
<b>SAN BDNO COUNTY</b>	<b>416</b>	<b>511</b>	<b>22.8%</b>	<b>SAN BDNO COUNTY</b>	<b>5,987</b>	<b>6,596</b>	<b>10.2%</b>
Beaumont, Banning, Calimesa	60	139	131.7%	Beaumont, Banning, Calimesa	347	386	11.2%
Coachella Valley	74	123	66.2%	Perris, Hemet, S. Jacinto, Menifee	1,705	1,883	10.4%
Perris, Hemet, S. Jacinto, Menifee	176	264	50.0%	Murrieta, Temecula, L. Elsinore, Wildomar	1,654	1,665	0.7%
Murrieta, Temecula, L. Elsinore, Wildomar	302	356	17.9%	Coachella Valley	1,211	1,192	-1.5%
Riverside Rural	67	77	14.9%	Riverside, Jurupa Valley	1,141	1,114	-2.4%
Corona, Norco, Eastvale	174	193	10.9%	Moreno Valley	640	605	-5.5%
Riverside, Jurupa Valley	65	45	-30.8%	Corona, Norco, Eastvale	974	904	-7.2%
Moreno Valley	9	6	-33.3%	Riverside Rural	584	515	-11.8%
<b>RIVERSIDE COUNTY</b>	<b>927</b>	<b>1,203</b>	<b>29.8%</b>	<b>RIVERSIDE COUNTY</b>	<b>8,256</b>	<b>8,264</b>	<b>0.1%</b>
<b>INLAND EMPIRE</b>	<b>1,343</b>	<b>1,714</b>	<b>27.6%</b>	<b>INLAND EMPIRE</b>	<b>14,243</b>	<b>14,860</b>	<b>4.3%</b>

Source: Dataquick

## HOME MARKETS: Finally Price Soars, Volume Flat!

In third quarter 2013, the Inland Empire recorded 15,757 *seasonally adjusted* existing and new home sales. Volume has now been essentially flat for three years (*Exhibit 11*). For the first nine months of 2013, the inland region was responsible for 33.0% of all home sales in Southern California (*Mexican border to Ventura County*). Meanwhile, the median existing home price in the two county area moved up to \$237,257 and is approaching the level of first quarter 2004. The new home price reached \$354,702, just above the third quarter 2004 level (*Exhibit 12*).

### SALES

Riverside County had 8,264 existing home sales in third quarter 2013, up 0.1% from 2012. As recordings come at the end of escrow, this included many second quarter sales. Beaumont, Banning, Calimesa had the highest percentage gain (386 units; 11.2%). The South I-215 area was the volume leader (1,883 sales; +10.4%). The county's 1,203 new home sales were up 29.8% from 2012 (*Exhibit 10*). Again, the Pass Area had the fastest growth (139 units, 131.7%). The Southwest county was the volume leader (356 sales; 17.9%).

San Bernardino County's existing home sales rose 10.2% to 6,596 units. San Bernardino-Highland had the fastest growth (828 sales, 18.8%). The Westend led in volume (1,435 sales; 10.6%). New home sales in third quarter 2013 rose 22.8% to 511 units. The small outlying desert market had the fastest growth (25 sales; 525.0%). The Westend led in volume (197 sales; 34.0%).

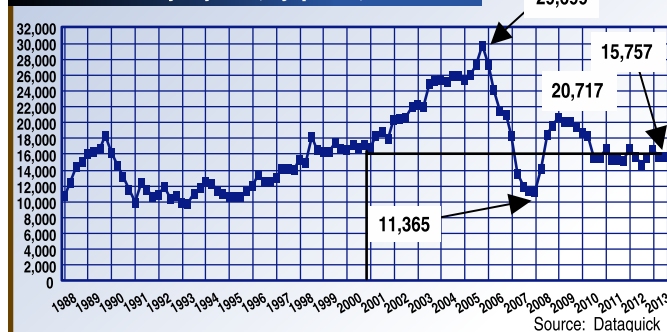
### PRICES

Riverside County's third quarter 2013 median new home price was \$339,500, up slightly from \$331,000 in the prior quarter and up 16.1% from 2012 (\$292,500) (*Exhibit 9*). The median existing home price was \$265,000, up 28.6% from \$206,000 in 2012 and above the prior quarter's \$255,000. San Bernardino County's median new home price was \$390,500, up 29.3% from 2012 (\$302,000) and above second quarter's \$355,000. Its existing median home price of \$205,000 was 24.2% above 2012 (\$165,000) up from second quarter's \$195,000. Southern California's new home price of \$470,100 was up 20.7% from 2012 (\$389,600). The region's existing home price of \$408,500 was up 24.4% from \$328,300 in 2012.

### SUMMARY

The lack of available homes for sale continues to hold existing home sales in check. However, soaring prices are beginning to coax sellers to voluntary offer their homes for sale. Affordability is again becoming an issue for home buyers, particularly in the region's coastal counties where less than 40% of families can now afford their county's median priced homes. This has historically driven buyers inland and will likely start to do so again. ■

## 11 ALL HOME SALES, INLAND EMPIRE Seasonally Adjusted, by quarter, 1988-2013



## 12 PRICE TRENDS, NEW & EXISTING HOMES Inland Empire, 1988-2013, Quarterly

