



LOS ANGELES COUNTY QUARTERLY FORECAST

JANUARY 2023

THE LOS ANGELES REPORT

A CLOSER LOOK AT THE REAL ESTATE MARKETS

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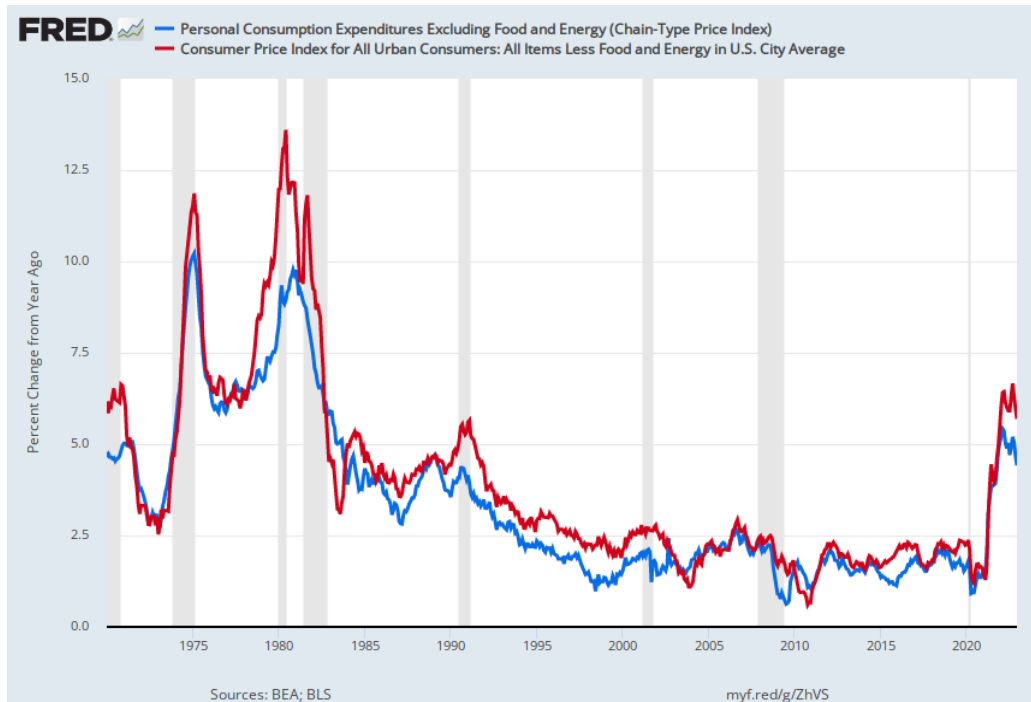
U.S. Economic Overview

Since March 2022, the Federal Reserve has raised its monetary policy instrument (Federal Funds Rates) at the unprecedented speed of 4% to combat high inflation. As a result, the good news is that we have seen high inflation starting to decline as shown in Figure 1 (year-over-year core inflation rates excluding volatile food and energy prices). Core personal consumption expenditures (PCE) inflation declined from the peak of 5.4% in March 2022 to 4.4% in December 2022. The bad news is that the current inflation level is still way too high (the highest since the early 1980s). Although Wall Street is predicting that the interest rates should be declining in 2023, it is unlikely the Fed will make the same call.

The main reason is that the Fed does not want to repeat its mistakes of the 1970s. The Fed had raised interest rates to control inflation in the early years of that decade. During the 1973 recession, the Fed started to cut interest rates rapidly. As shown in Figure 2, the real interest rates (Federal Fund Rates minus core PCE inflation rates) dropped to negative territories quickly. As a consequence, the inflation monster revived and raged for the rest of the '70s. What the Fed is likely to do is to repeat what they did in the 1980s: kept the real interest rates at least at 2.5% level. Note that the current real estate rates are still negative.

We suggest that the Fed will need to reach 2% real interest rates to stop this tightening cycle. In other words, if core PCE inflation is 3%, the nominal federal fund rate should be at 5%. Because of this, the Fed will probably continue to raise the interest rates. Even if core inflation drops to 2%, the Fed would keep the inter rates at the current level of 4%.

Figure 1. Year-over-year Core Inflation Rates of Personal Consumption Expenditures (PCE) and Consumer Price Index (CPI)



We have predicted that given rising interest rates and inverted yield curves (Figure 3), it is likely to see a mild recession in 2023 or in 2024. However, the GDP growth rate in 2022Q4 was 2.9% and job market numbers are all showing a picture of normal growth and expansion. Note that the recessions in the 1970s or in 2008 were induced by shocks (energy shocks or the Lehman Brothers' downfall) intertwined with an environment of high inflation and rising interest rates. That said, in these two years, if we are lucky to avoid such shocks, we could avoid a recession and have a soft landing. If we are not lucky, a shock could easily turn our economic growth to a downturn with rising unemployment and reduced production.

Figure 2. Short-term Real Interest Rates, Federal Fund Rates Minus Core PCE Inflation Rates

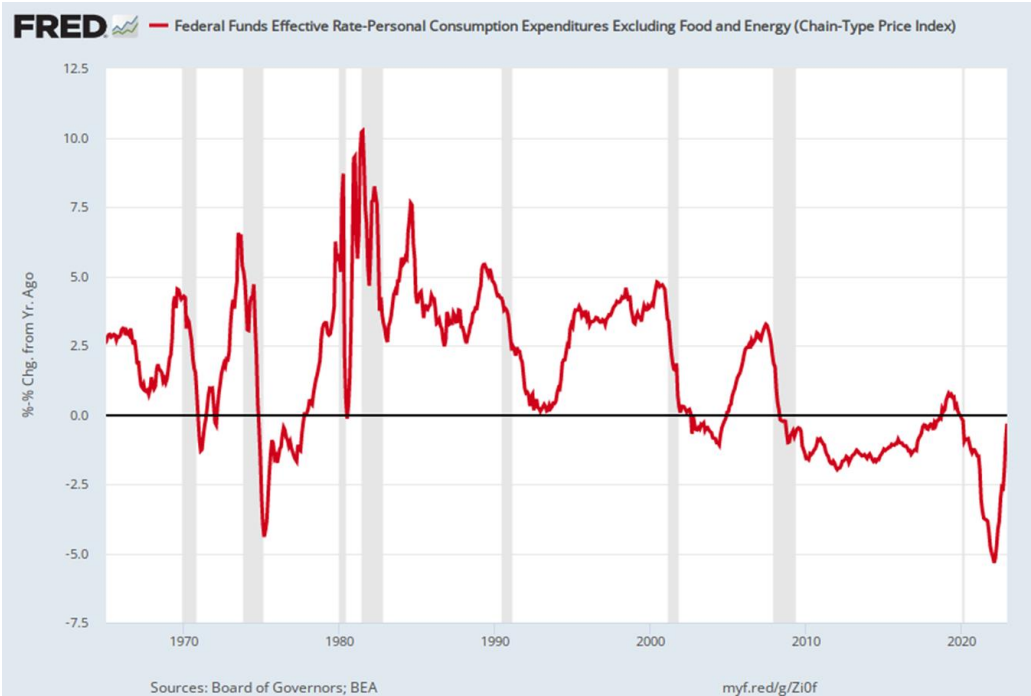
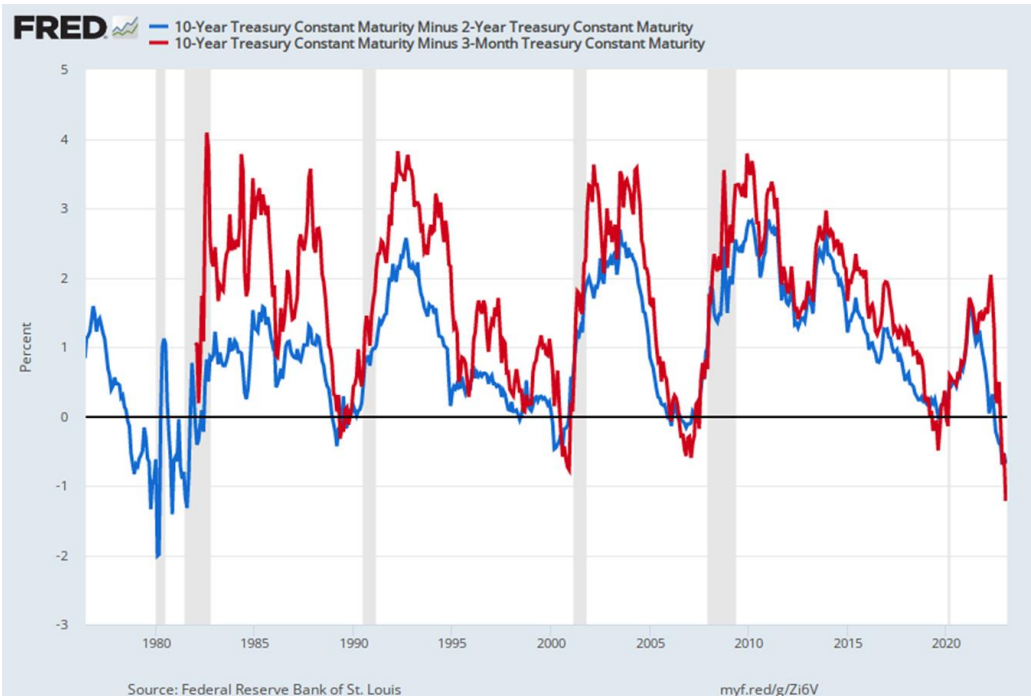


Figure 3. Interest Rate Spreads between the 10-Year and Short-Term Treasury Yields



The Los Angeles Economy

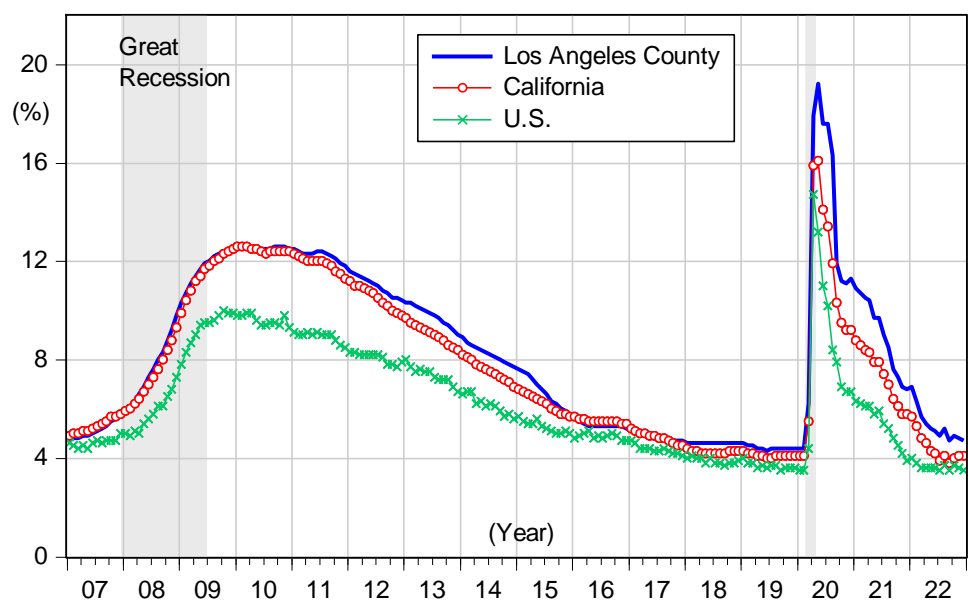
In December 2022, L.A.'s unemployment rate dropped to 4.7% versus California's 4.1% and the U.S.'s 3.5% (Figure 4). All three seem to be hitting the bottom of the unemployment rates, indicating that each economy has almost reached full employment. Figure 5 shows the percentage change of household survey employment since February 2020, which captures all employment and not just payroll jobs. We can see that L.A. has had a declining employment (-5.8% compared to the pre-pandemic peak) in employment compared to California (-1.6%) and the nation, which has returned to pre-pandemic levels.

Based on Yu's recent analysis¹, the following factors could contribute to the declining employment and the relatively higher unemployment rate in L.A.: (1) domestic outmigration and the lack of international immigration, (2) lower human capital, (3) higher cost of living, (4) higher job share in the health care & social assistance and accommodation & food services sectors (see Figure 8). The labor force in L.A. has seen some ebb and flow over the past two years (Figure 6). Now, the L.A. labor force is back to the 2015 level. In part due to reason (1) above. Figure 7 illustrates that payroll job growth has been declining slowly over the past six months. L.A. payroll job numbers are about 1.5% below their pre-pandemic level.

To see how sector job shares changed during the pandemic in the U.S. and L.A., consider Figure 8, which presents the U.S.'s sector job share in December 2019 (blue circle) and December 2022 (blue bar) against L.A.'s for the same months (orange circle and yellow bar respectively). L.A.'s health care and social services sector has an increased share. L.A.'s leisure and hospitality sector lost the most percentage points compared to other sectors in L.A. and more than the U.S. leisure and hospitality sector. This is because of L.A.'s greater dependence on international tourism. L.A.'s transportation, warehousing, and utilities sector increased its share. L.A.'s information sector share, heavily dependent upon entertainment production and much larger than the national average, increased its share. The professional and management sector, a high-paying sector, also had an increased share.

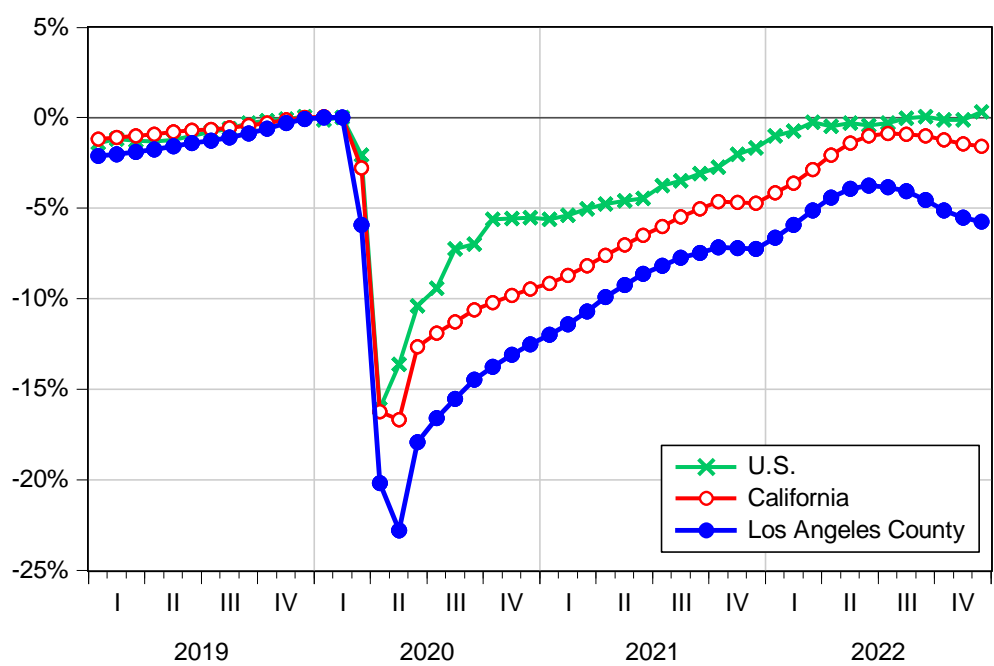
¹ William Yu, "What Explains the Variation in Unemployment Rates Across the United States?" September 2022, UCLA Anderson Forecast Quarter Report.

Figure 4. Unemployment Rates in Los Angeles County, California, and the U.S.



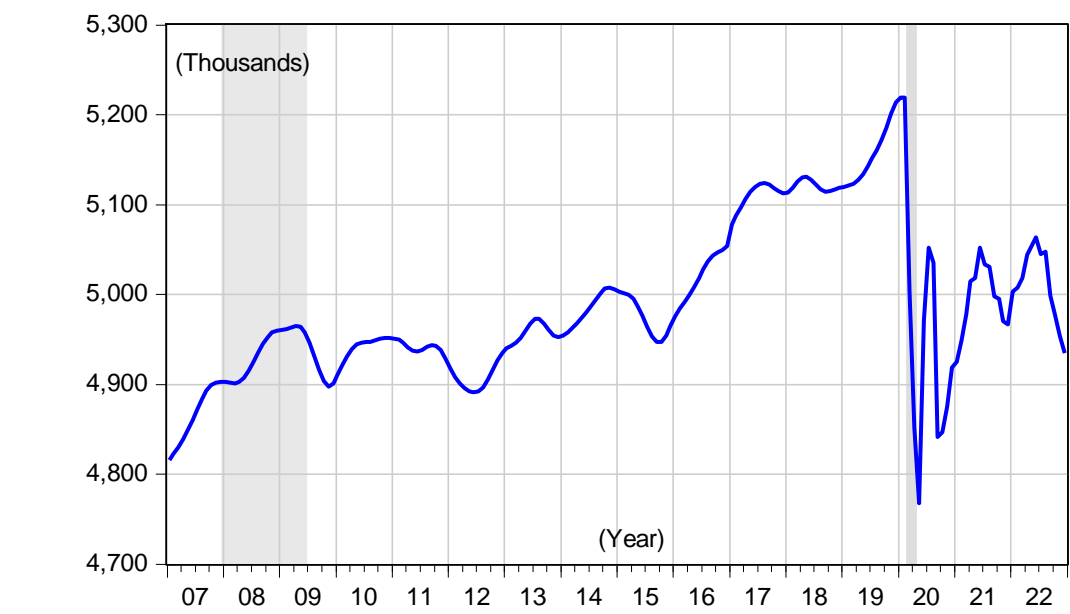
Sources: California Employment Development Department and Bureau of Labor Statistics

Figure 5. Household Survey Employment
(Percentage Change Since February 2020)



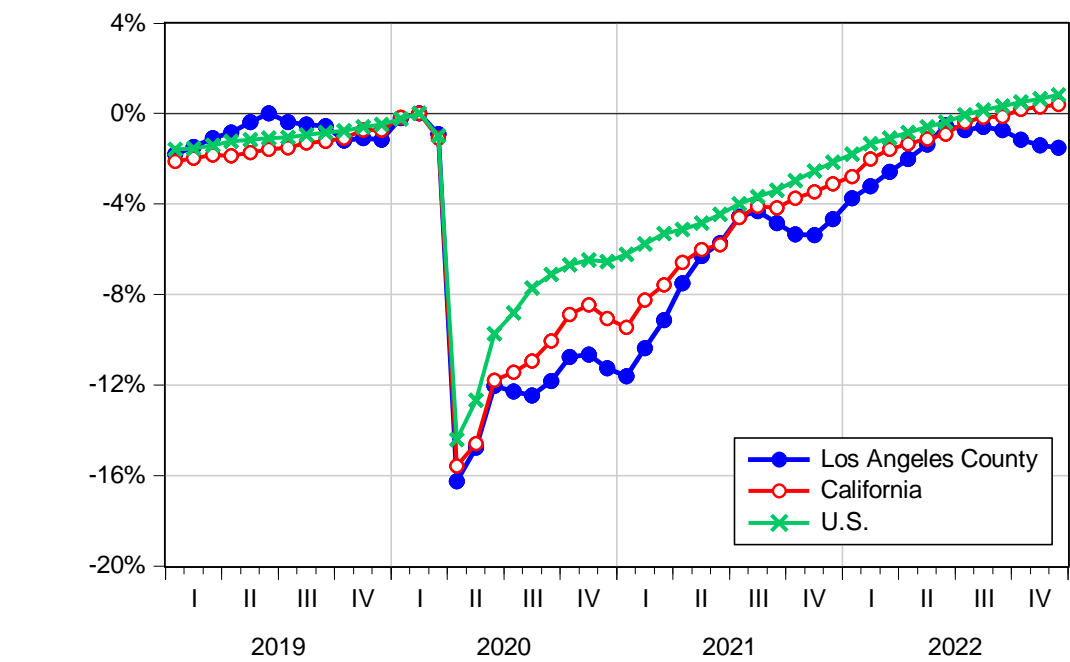
Sources: California Employment Development Department and Bureau of Labor Statistics

Figure 6. Labor Force in Los Angeles County



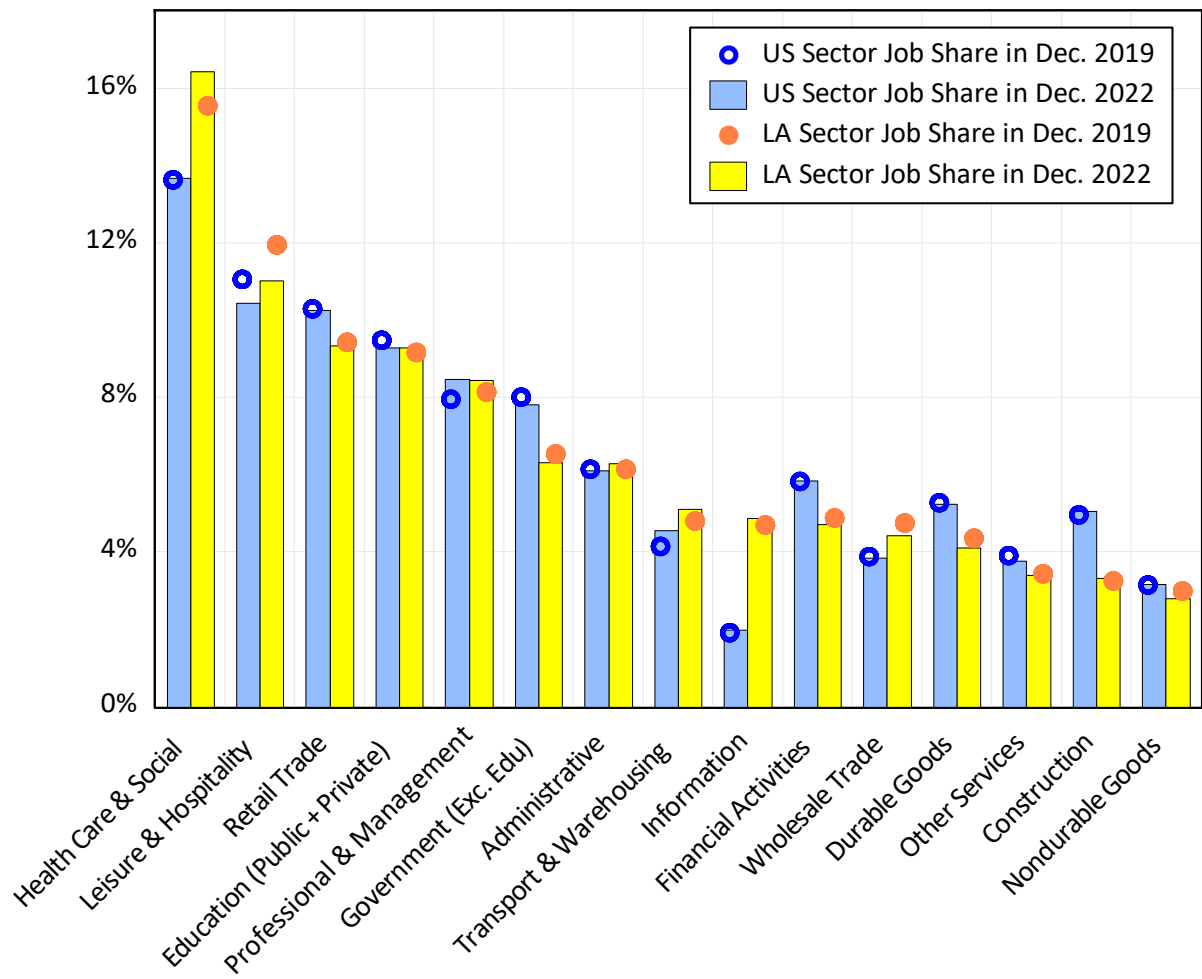
Source: California Employment Development Department

Figure 7. Nonfarm Payroll Jobs
(Percentage Change Since February 2020)



Sources: California Employment Development Department (EDD) and Bureau of Labor Statistics

Figure 8. Sector Job Shares in the U.S. and L.A., December 2019 and December 2022



Sources: California Employment Development Department (EDD) and Bureau of Labor Statistics

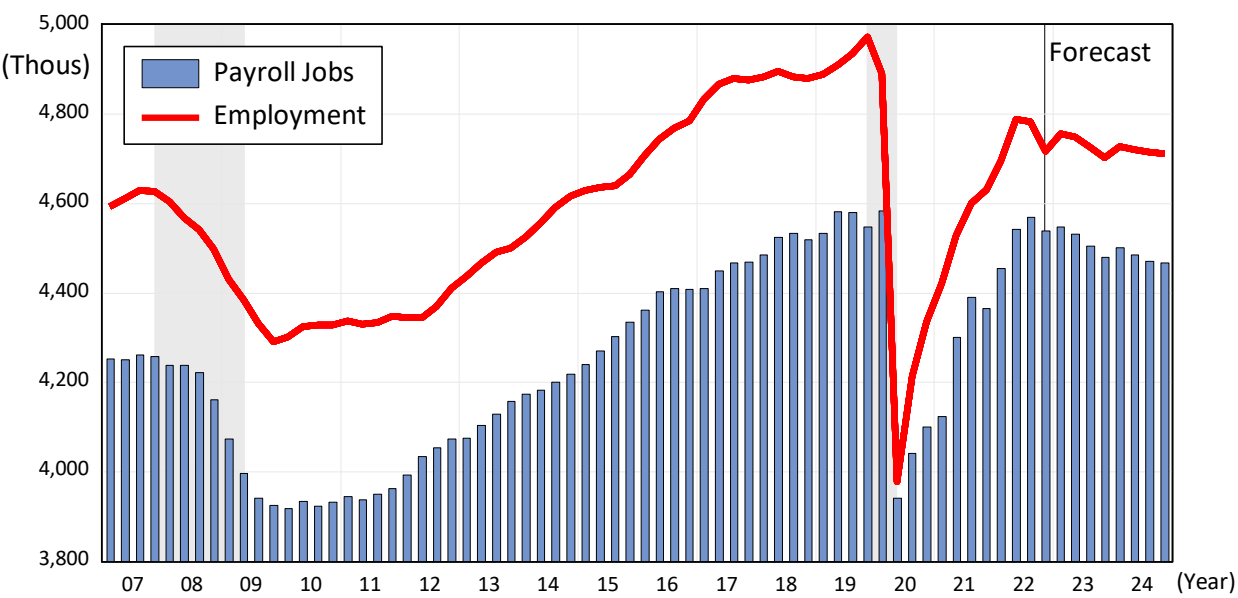
Short-term Forecast for Los Angeles County

As mentioned earlier, the tightening money cycle by the Fed is likely to bring a recession to the nation and L.A. in 2023 or 2024. The upside risk to this forecast is that supply side constraints significantly improve, in particular for the energy sector as the Fed stops its interest rate hikes in the near future. In general, we forecast a slightly negative growth of employment and jobs over the next two years (Figure 9). We also forecast L.A. inflation will remain elevated through 2023.

We forecast the following for the Los Angeles County economy:

- **The unemployment rate** peaked at 18% in 2020 Q2 when the official pandemic recession ended. It is forecast to increase to an annual average of 5% in 2023 and 5.4% in 2024. Prior to the pandemic (2019 Q4) it was 4.4%.
- **Nonfarm payroll jobs** plunged by 8.7% in 2020 and recovered by 3.1% and 5.6% in 2021 and 2022. We forecast it will decline by 0.2% in 2023 and decline by 0.8% in 2024, reaching 4.48 million by the end of 2023 and 4.47 million by the end of 2024. Prior to the pandemic (2019 Q4), nonfarm payroll employment in Los Angeles County was 4.55 million.
- **Total employment**, including the self-employed, is forecast to decline to 4.7 million by the end of 2023 and to 4.71 million by the end of 2024. Prior to the pandemic (2019 Q4), total employment in Los Angeles County was 4.97 million.
- **Real personal income** is estimated to decrease by 5% in 2022, to decrease by 1.5% in 2023, and to increase by 0.3% in 2024. With the Fed's aggressive tightening monetary policy, we forecast that high inflation will come down gradually. Our forecast of inflation is 4.1% in 2023 (Q4 to Q4) and 3.1% in 2024 (Q4 to Q4). Nominal personal income growth is estimated to be 2.6% in 2023 and 3.4% in 2024.
- **Nominal taxable sales** declined by 8.4% in 2020 and increased by 21.9% and 11.6% in 2021 and 2022. We forecast they will increase by 1.9% in 2023 and increase by 2.3% in 2024. Nominal taxable sales are forecast to reach \$220 billion by the end of 2023 and \$227 billion by the end of 2024.

Figure 9. History and Forecast of Los Angeles County Employment



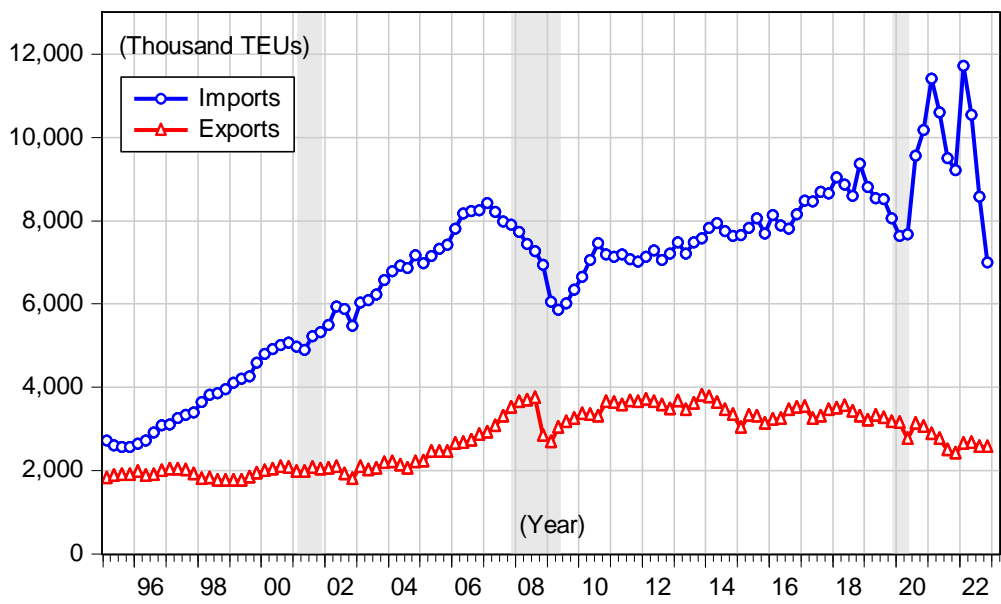
Sources: California Employment Development Department and UCLA Anderson Forecast

Appendix A: Los Angeles Airport and Seaport Activity

Los Angeles' seaports and LAX are handling inbound cargo volumes that substantially declined over the past three quarters. This reflects the fact that domestic demand for goods has been declining. For example, real retail sales and food services in the U.S. have dropped from \$236 billion in April 2022 to \$227 billion in December 2022. Figure A1 shows that the annualized seasonally adjusted import volume through the seaports of Los Angeles and Long Beach plunged in the past two quarters after the record high in 2022 Q1. Figure A2 shows air cargo through Los Angeles International Airport (LAX) including both domestic and international traffic. The volume of high-value and time-sensitive airborne freight arrivals through LAX has been contracting rapidly over the past two quarters.

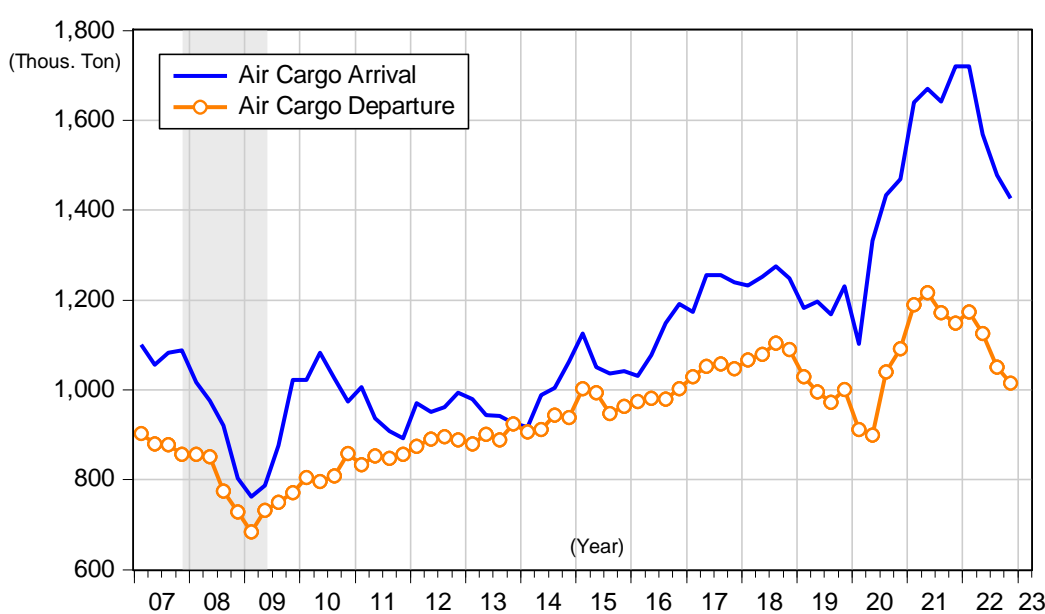
Figure A3 shows domestic and international passenger traffic, including both arrivals and departures, through LAX. The recovery of air traffic has stalled since 2022 Q2. As a whole, LAX air passenger traffic in 2022 Q4 is about 65% of the pre-pandemic peak level. Note that LAX air passenger traffic is a direct indicator of the L.A. tourism economy. As a result, leisure and hospitality jobs have yet to fully recover (Figure 8).

Figure A1. Los Angeles Seaport Traffic, Ports of Los Angeles and Long Beach Combined
(Thousand TEUs, Annualized, Seasonally Adjusted)



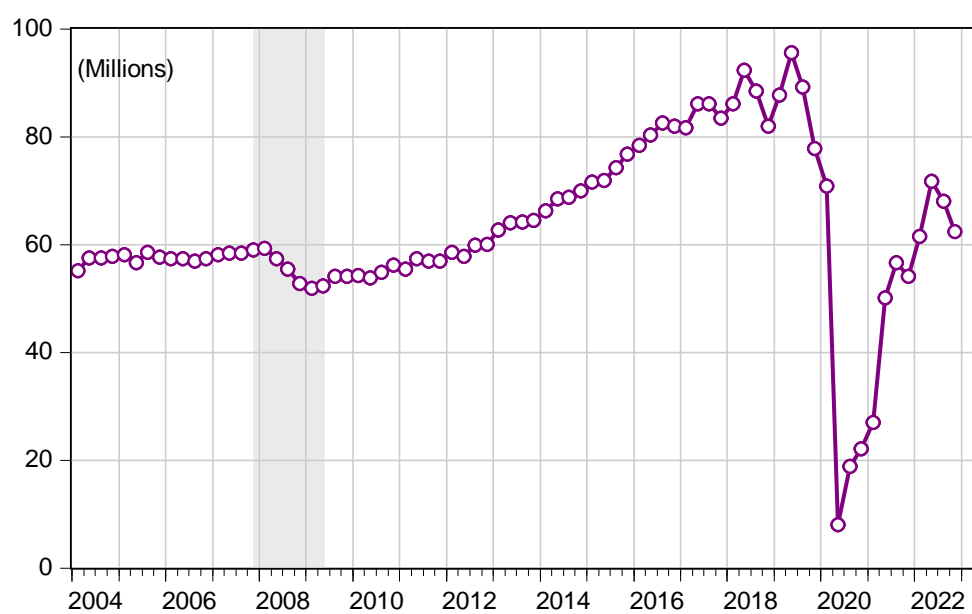
Sources: Ports of Los Angeles and Long Beach
Note: A “TEU” is a “twenty-foot equivalent,” a standard shipping container

Figure A2. Los Angeles Airport (LAX) Air Cargo
(Thousand Tons, Annualized, Seasonally Adjusted)



Source: LA World Airports

Figure A3. Los Angeles Airport (LAX) Passenger Traffic
(Arrival and Departure Combined, Annualized, Seasonally Adjusted, Scheduled Carriers)

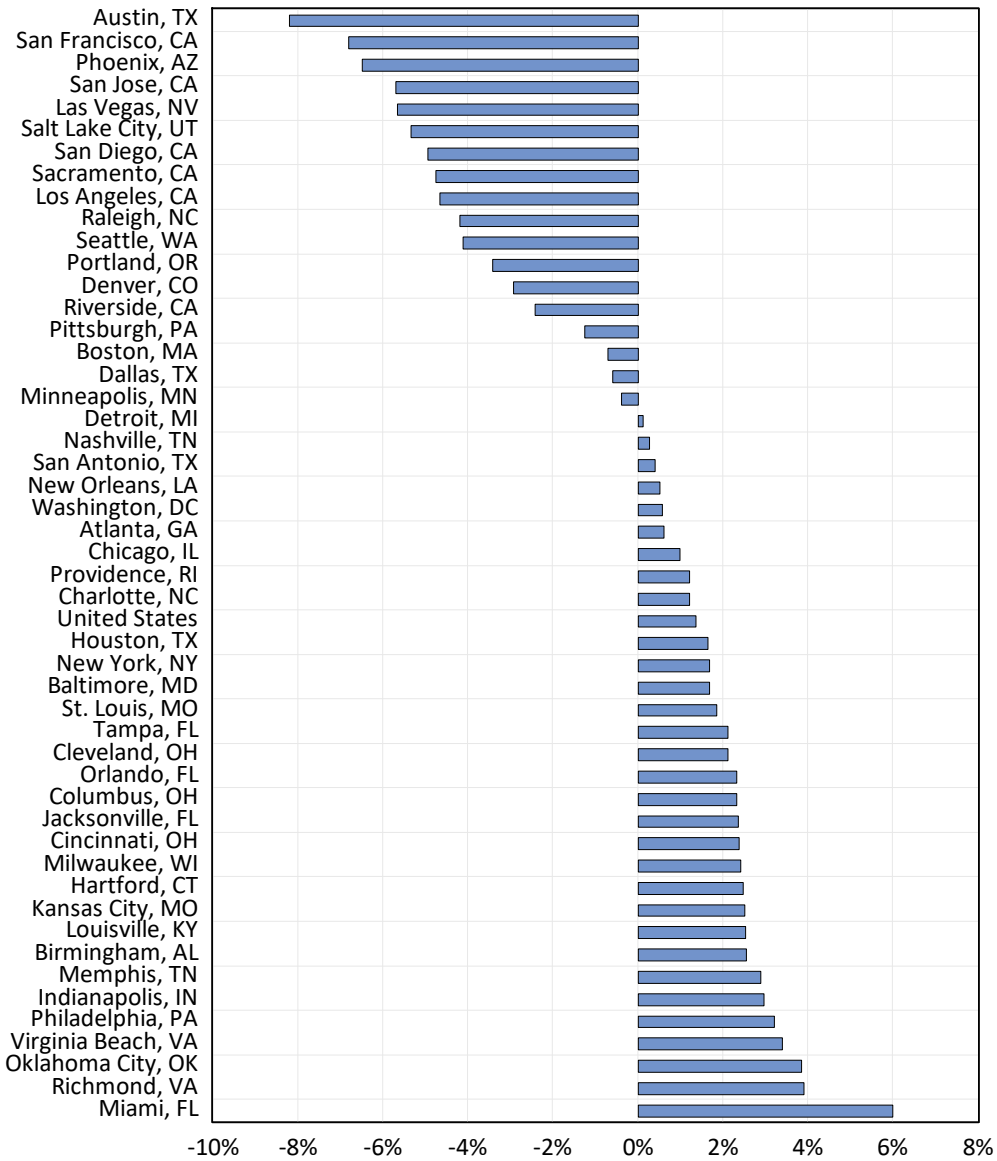


Source: LA World Airports

Appendix B: Los Angeles Construction and Housing Markets

With the 30-year mortgage rate staying at 6.1%, the housing markets have faced adjustment in prices and sales in 2022. Some metros are seeing their home prices dropping in recent months. Figure B1 shows the home price percentage change from June 2022 to December 2022 for the 50 largest metros. The top three metros with the most declines are Austin (-8.2%), San Francisco (-6.8%), and Phoenix (-6.5%), followed by many metros in California and other western states. The common feature of these metros is either their home prices are expensive or have increased rapidly in the past few years. Figure B2 shows that annualized housing starts have declined from 1.72 million in 2022 Q1 to 1.4 million in 2022 Q4. Figure B3 lists the residential building permit numbers in L.A. County. In contrast to the declining trend in the nation, over the past year, we saw continued elevation in multi-unit builds and increases in single-unit construction projects in L.A. One reason for L.A.'s robust housing starts activity has been the popularity of accessory dwelling units (ADUs) and the passage of SB9 and SB10.

Figure B1. Growth Rates of Zillow Median Home Prices from June to December 2022



Source: Zillow

Figure B2. U.S. Housing Starts
(Seasonally Adjusted Annual Rate)

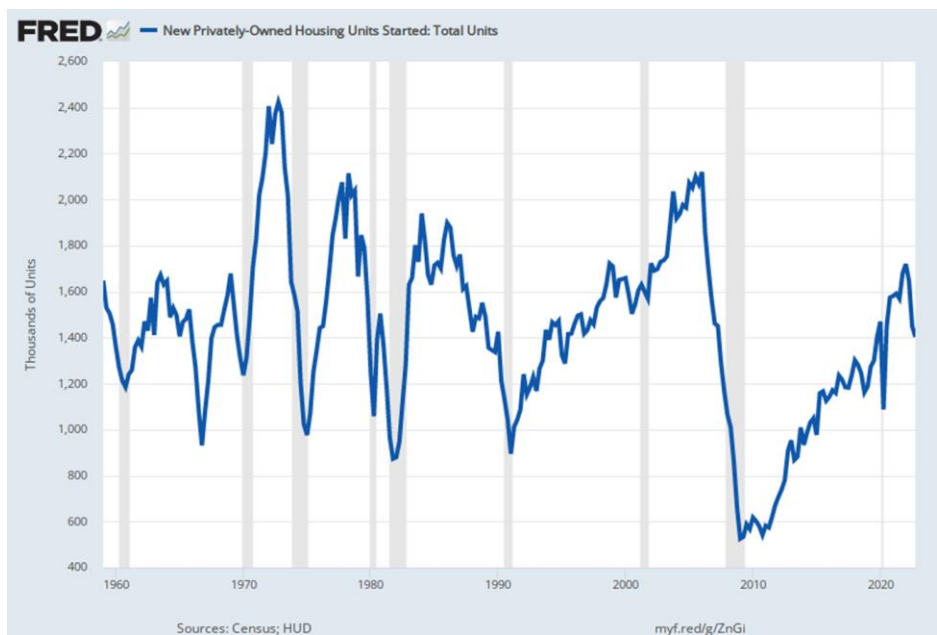
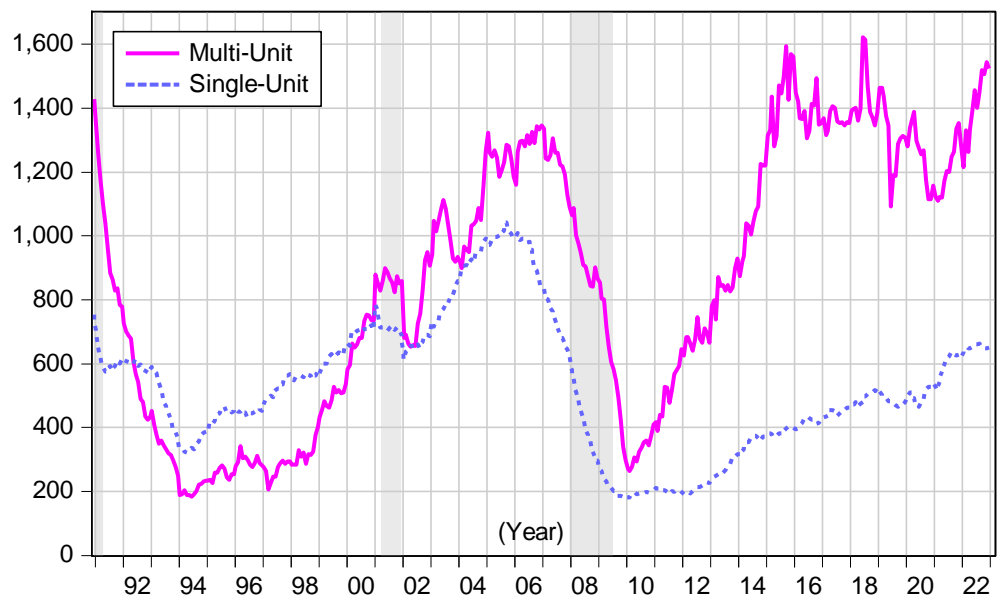


Figure B3. Los Angeles County New Residential Building Permits
(Monthly, 12-Month Moving Average)

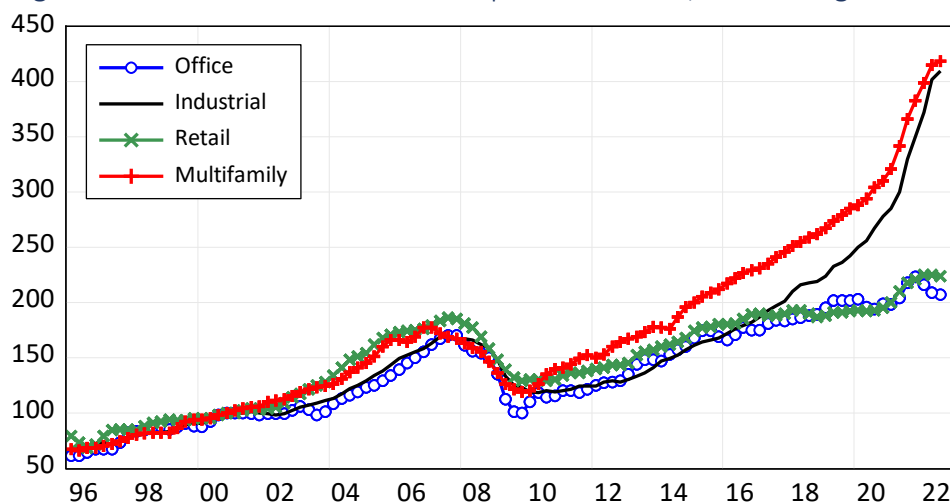


Source: Census Bureau

Appendix C: Commercial Real Estate Markets

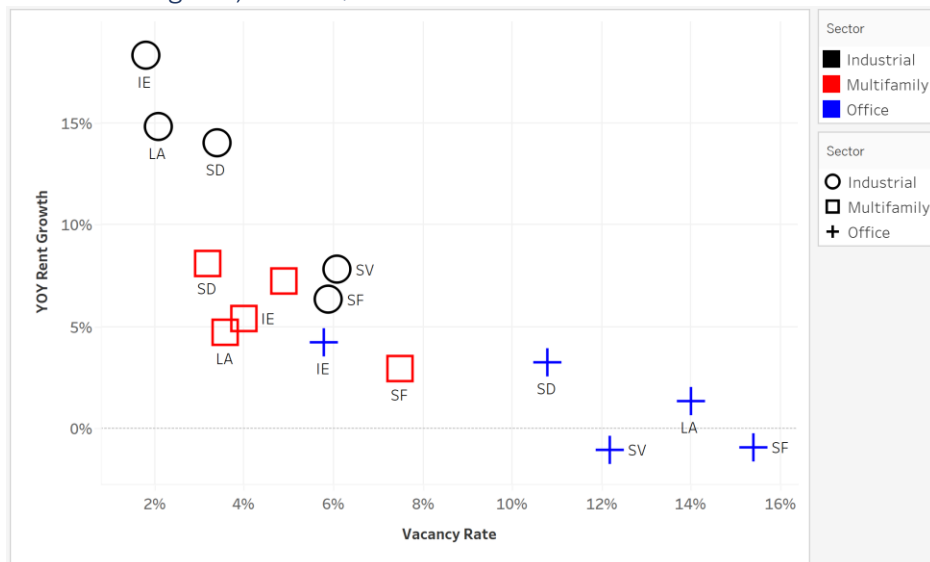
With rising interest rates, we are seeing the U.S. commercial real estate markets (Figure C1) curtailed in the industrial and multifamily sectors. The office and retail sectors have been weak due to the remote and flexible work, reducing the demand for the office space. Figure C2 displays three main sectors in commercial real estate in CA in 2022 Q3. We can see the industrial sector has done well, followed by multifamily. Inland Empire and San Diego, as a whole, had lower vacancy rates and higher rent growths over the past year.

Figure C1. CoStar U.S. Commercial Repeat-Sale Index, Value Weighted



Source: CoStar

Figure C2. Vacancy Rates and YOY Rent Growth of Commercial Real Estate Markets in Selected California Regions, 2022 Q3

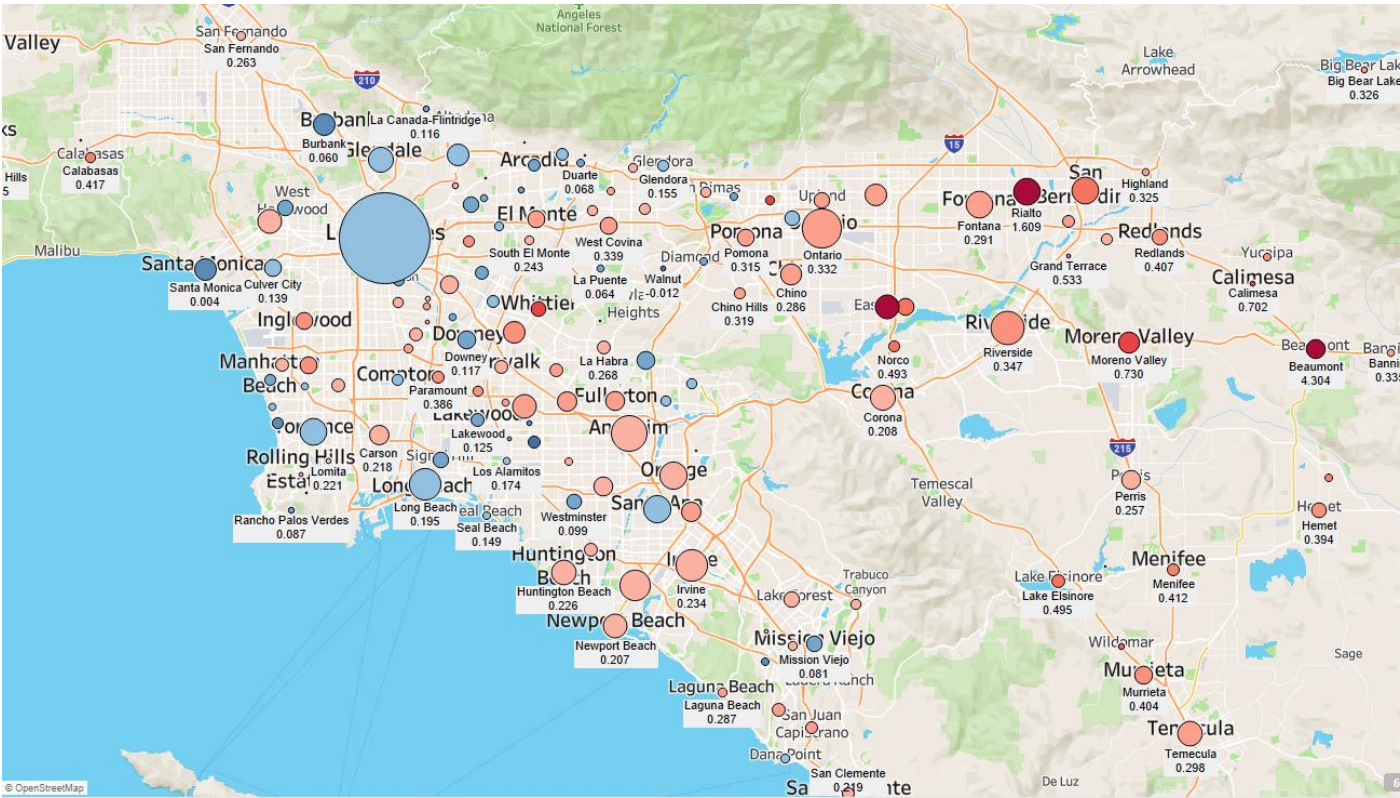


Source: National Association of Realtors

Appendix D: Taxable Sales Analysis

Figure and Table D1 show the nominal taxable sales growth rate between the first three quarters in 2019 and in 2022 by city in Southern California Counties. The size of the circle represents the size of the total taxable sales in 2022. The color of the circle represents the percentage change of taxable sales between 2019 and 2022, in which the red colors mean higher growth rates (higher than 20%) while blue colors represent lower growths (lower than 20%). We can see that many cities in Riverside and San Bernardino Counties had higher growth of taxable sales than those in Los Angeles and Orange Counties. This reflects the fact that over the course of the pandemic, we saw more net migration inflow and job growth in the Inland Empire than in coastal counties. Table D1 list the details of taxable sales in these cities across the pandemic period.

Figure D1. Nominal Taxable Sales Growth between Q1- Q3 2019 and Q1-Q3 2022 by City in Southern California



Source: California Department of Tax and Fee Administration

Table D1. Nominal Taxable Sales by City in Southern California

County	City	Taxable Sales Q1-Q3 2019 (\$Thous)	Taxable Sales Q1-Q3 2022 (\$Thous)	Growth Rate	County	City	Taxable Sales Q1-Q3 2019 (\$Thous)	Taxable Sales Q1-Q3 2022 (\$Thous)	Growth Rate
Riverside	Beaumont	342,144	1,814,718	430.4%	Orange	Villa Park	14,740	18,972	28.7%
Riverside	Eastvale	594,272	2,909,375	389.6%	Orange	Laguna Beach	364,900	469,674	28.7%
Los Angeles	Rolling Hills	312	1,466	369.9%	Los Angeles	Cerritos	2,204,571	2,837,294	28.7%
San Bernard	Rialto	1,404,676	3,664,497	160.9%	San Bernard	Chino	1,812,987	2,332,233	28.6%
Los Angeles	Hidden Hills	533	947	77.6%	San Bernard	Apple Valley	445,665	573,038	28.6%
Los Angeles	Whittier	663,974	1,150,907	73.3%	San Bernard	Rancho Cucamonga	2,007,151	2,579,096	28.5%
Riverside	Moreno Valley	1,342,182	2,321,694	73.0%	Los Angeles	Artesia	183,227	235,333	28.4%
Riverside	Calimesa	62,059	105,603	70.2%	Riverside	Palm Desert	1,270,889	1,629,757	28.2%
Los Angeles	Claremont	289,934	491,796	69.6%	San Bernard	Colton	676,608	867,639	28.2%
Riverside	Wildomar	129,189	203,431	57.5%	San Diego	Vista	1,127,362	1,444,422	28.1%
San Bernard	Needles	34,218	53,814	57.3%	San Diego	Coronado	226,147	289,274	27.9%
San Bernard	Adelanto	131,041	205,212	56.6%	San Diego	Carlsbad	2,367,293	3,026,243	27.8%
Riverside	RIVERSIDE COUNTY	29,400,258	45,483,082	54.7%	Orange	Laguna Niguel	729,551	929,620	27.4%
Riverside	Jurupa Valley	911,945	1,410,325	54.7%	Orange	Fullerton	1,465,689	1,864,695	27.2%
Riverside	Blythe	103,298	158,596	53.5%	Orange	ORANGE COUNTY	50,762,399	64,491,328	27.0%
San Bernard	Grand Terrace	52,681	80,751	53.3%	Orange	La Habra	713,272	904,612	26.8%
Riverside	Lake Elsinore	663,120	991,456	49.5%	San Bernard	Yucca Valley	243,433	308,233	26.6%
Riverside	Norco	488,270	728,889	49.3%	San Bernard	Loma Linda	576,090	729,362	26.6%
San Bernard	San Bernardino	2,394,999	3,548,043	48.1%	Los Angeles	South Gate	696,374	881,603	26.6%
Los Angeles	Avalon	63,059	92,332	46.4%	Los Angeles	San Fernando	350,998	443,169	26.3%
Riverside	San Jacinto	208,988	305,763	46.3%	Los Angeles	El Segundo	718,054	906,142	26.2%
San Bernard	SAN BERNARDINO COUNTY	30,466,463	44,177,007	45.0%	Los Angeles	Santa Clarita	2,401,426	3,027,351	26.1%
San Bernard	Hesperia	659,811	955,762	44.9%	Riverside	Desert Hot Springs	122,776	154,615	25.9%
Los Angeles	Calabasas	366,107	518,860	41.7%	Riverside	Perris	1,510,484	1,898,172	25.7%
Riverside	Menifee	570,745	805,755	41.2%	Los Angeles	LOS ANGELES COUNTY	125,255,354	157,331,778	25.6%
San Bernard	Redlands	897,976	1,263,723	40.7%	Los Angeles	Palmdale	1,346,275	1,689,144	25.5%
Riverside	Murrieta	1,204,579	1,691,686	40.4%	San Diego	Oceanside	1,365,763	1,712,013	25.4%
Los Angeles	Bellflower	409,402	574,558	40.3%	Los Angeles	Baldwin Park	417,773	522,169	25.0%
San Diego	Imperial Beach	85,754	119,673	39.6%	Los Angeles	Gardena	776,938	969,144	24.7%
Riverside	Hemet	816,377	1,138,258	39.4%	Orange	Stanton	277,989	346,222	24.5%
Los Angeles	Paramount	538,017	745,837	38.6%	Los Angeles	San Dimas	415,146	516,326	24.4%
Los Angeles	Malibu	254,361	351,262	38.1%	Los Angeles	South El Monte	342,122	425,385	24.3%
Los Angeles	Hawthorne	1,110,397	1,531,319	37.9%	San Diego	Encinitas	859,883	1,067,595	24.2%
Riverside	Indio	819,471	1,121,653	36.9%	Orange	Costa Mesa	3,922,976	4,861,263	23.9%
Riverside	Cathedral City	649,234	888,346	36.8%	Los Angeles	Beverly Hills	2,173,629	2,693,375	23.9%
Riverside	Palm Springs	965,243	1,318,463	36.6%	Orange	Orange	3,154,462	3,903,864	23.8%
Riverside	Coachella	253,905	344,362	35.6%	San Diego	Chula Vista	2,188,175	2,699,612	23.4%
Los Angeles	Inglewood	1,126,500	1,524,038	35.3%	Orange	Irvine	4,353,996	5,371,368	23.4%
San Bernard	Yucaipa	257,696	347,418	34.8%	Los Angeles	Maywood	122,426	150,907	23.3%
Riverside	Riverside	4,284,227	5,769,920	34.7%	Los Angeles	Norwalk	785,074	965,074	22.9%
Los Angeles	Santa Fe Springs	1,865,254	2,511,101	34.6%	Orange	Anaheim	5,437,482	6,678,090	22.8%
Los Angeles	Monterey Park	503,546	674,918	34.0%	San Diego	San Diego	18,894,455	23,198,222	22.8%
Los Angeles	West Covina	1,133,254	1,517,870	33.9%	Orange	Fountain Valley	814,598	999,766	22.7%
Riverside	Banning	176,139	235,095	33.5%	Orange	Rancho Santa Margarita	442,106	542,582	22.7%
San Bernard	Ontario	6,035,338	8,041,501	33.2%	San Diego	Escondido	2,394,021	2,936,185	22.6%
San Bernard	Victorville	1,500,929	1,995,858	33.0%	Orange	Huntington Beach	2,576,663	3,158,796	22.6%
Los Angeles	La Mirada	746,837	992,233	32.9%	Orange	Laguna Woods	60,695	74,399	22.6%
San Diego	Lemon Grove	356,035	472,163	32.6%	San Diego	Solana Beach	219,058	268,282	22.5%
Los Angeles	Lynwood	297,184	393,997	32.6%	Orange	Garden Grove	1,575,460	1,926,646	22.3%
San Bernard	Big Bear Lake	165,275	219,102	32.6%	Los Angeles	Lomita	123,713	151,078	22.1%
San Bernard	Highland	197,033	261,068	32.5%	Los Angeles	South Pasadena	139,925	170,868	22.1%
San Bernard	Upland	909,456	1,202,915	32.3%	Orange	San Clemente	641,778	782,296	21.9%
San Diego	SAN DIEGO COUNTY	44,619,703	58,944,986	32.1%	Los Angeles	Azusa	402,939	490,799	21.8%
San Bernard	Chino Hills	518,184	683,548	31.9%	Los Angeles	Carson	1,806,701	2,200,362	21.8%
San Diego	La Mesa	809,298	1,065,761	31.7%	Los Angeles	Rolling Hills Estates	76,600	93,081	21.5%
Los Angeles	Pomona	1,112,189	1,462,236	31.5%	San Bernard	Barstow	463,000	562,534	21.5%
Orange	San Juan Capistrano	568,059	744,144	31.0%	Los Angeles	Palos Verdes Estates	16,187	19,572	20.9%
Los Angeles	Sierra Madre	22,210	28,901	30.1%	Riverside	Corona	2,865,004	3,459,945	20.8%
Los Angeles	Bell	175,788	228,536	30.0%	Orange	Newport Beach	2,438,240	2,943,450	20.7%
Los Angeles	El Monte	1,144,283	1,486,017	29.9%	Los Angeles	Covina	591,254	712,291	20.5%
Riverside	Temecula	2,420,424	3,141,002	29.8%	Los Angeles	Huntington Park	431,394	519,673	20.5%
Orange	Buena Park	1,591,215	2,064,350	29.7%	Los Angeles	Commerce	1,381,179	1,663,661	20.5%
Riverside	La Quinta	601,713	779,163	29.5%	San Diego	National City	1,215,066	1,462,467	20.4%
Orange	Tustin	1,656,827	2,141,277	29.2%	Orange	Lake Forest	1,026,153	1,235,007	20.4%
San Bernard	Fontana	2,757,580	3,559,164	29.1%	Orange	Laguna Hills	366,171	440,110	20.2%
Los Angeles	Irwindale	249,909	322,326	29.0%	Los Angeles	Cudahy	70,962	85,206	20.1%

Table D1. Nominal Taxable Sales by City in Southern California

County	City	Taxable Sales Q1-Q3 2019 (\$Thous)	Taxable Sales Q1-Q3 2022 (\$Thous)	Growth Rate
San Diego	Santee	908,365	1,089,151	19.9%
Los Angeles	Pico Rivera	622,776	746,176	19.8%
Orange	Placentia	426,512	510,566	19.7%
Orange	Dana Point	375,819	449,672	19.7%
Los Angeles	Bradbury	114	136	19.6%
Los Angeles	Lawndale	202,990	242,670	19.5%
Los Angeles	Long Beach	4,364,856	5,216,851	19.5%
Orange	Santa Ana	3,257,980	3,893,825	19.5%
San Diego	San Marcos	1,117,136	1,330,731	19.1%
Los Angeles	Monrovia	652,707	776,648	19.0%
San Bernardino	Twentynine Palms	85,145	101,255	18.9%
San Diego	El Cajon	1,693,971	2,009,782	18.6%
Los Angeles	Rosemead	355,873	422,060	18.6%
Los Angeles	Torrance	3,131,494	3,713,476	18.6%
San Bernardino	Montclair	876,237	1,036,290	18.3%
Los Angeles	Lancaster	1,447,438	1,709,266	18.1%
Los Angeles	Compton	567,116	668,662	17.9%
Orange	Los Alamitos	203,489	238,898	17.4%
San Diego	Poway	907,161	1,060,295	16.9%
Los Angeles	Los Angeles	36,962,629	43,084,276	16.6%
Los Angeles	Agoura Hills	292,352	340,601	16.5%
Los Angeles	Westlake Village	289,925	334,913	15.5%
Los Angeles	Glendora	581,301	671,126	15.5%
Orange	Seal Beach	261,103	299,927	14.9%
Los Angeles	Hermosa Beach	198,517	227,157	14.4%
Los Angeles	Culver City	1,324,919	1,509,271	13.9%
Los Angeles	Pasadena	2,289,086	2,605,338	13.8%
Orange	Yorba Linda	483,947	549,892	13.6%
Los Angeles	Glendale	2,873,156	3,252,814	13.2%
Riverside	Rancho Mirage	404,231	456,015	12.8%
Los Angeles	Lakewood	880,913	990,673	12.5%
Los Angeles	Arcadia	700,897	787,279	12.3%
Los Angeles	Hawaiian Gardens	64,043	71,847	12.2%
Los Angeles	Diamond Bar	345,058	386,526	12.0%
Los Angeles	La Verne	287,907	322,146	11.9%
Los Angeles	Downey	1,455,025	1,624,766	11.7%
Los Angeles	La Canada-Flintridge	193,389	215,817	11.6%
Los Angeles	West Hollywood	1,141,297	1,273,431	11.6%
Los Angeles	Vernon	575,940	642,553	11.6%
Orange	Brea	1,456,031	1,610,517	10.6%
Los Angeles	San Gabriel	264,206	292,067	10.5%
Los Angeles	Montebello	804,495	888,623	10.5%
Orange	Westminster	1,077,486	1,184,117	9.9%
Los Angeles	Manhattan Beach	589,873	648,137	9.9%
Los Angeles	Bell Gardens	206,723	227,033	9.8%
Los Angeles	Alhambra	1,098,203	1,201,322	9.4%
Los Angeles	Temple City	140,160	152,842	9.0%
Los Angeles	Rancho Palos Verdes	160,986	174,978	8.7%
Los Angeles	Industry	2,165,862	2,353,959	8.7%
Los Angeles	Signal Hill	1,260,732	1,369,501	8.6%
Orange	Mission Viejo	1,174,279	1,269,796	8.1%
Los Angeles	Duarte	362,442	387,091	6.8%
Riverside	Indian Wells	90,523	96,679	6.8%
Los Angeles	La Puente	212,288	225,854	6.4%
Los Angeles	Burbank	2,431,383	2,577,596	6.0%
Los Angeles	Redondo Beach	661,267	690,136	4.4%
San Diego	Del Mar	136,638	140,656	2.9%
Los Angeles	San Marino	31,398	32,316	2.9%
Orange	La Palma	149,436	151,821	1.6%
Orange	Aliso Viejo	387,818	389,751	0.5%
Los Angeles	Santa Monica	2,460,102	2,471,103	0.4%
Los Angeles	Walnut	145,872	144,161	-1.2%
Orange	Cypress	831,915	816,715	-1.8%
Los Angeles	La Habra Heights	3,233	2,912	-9.9%
Riverside	Canyon Lake	30,046	25,559	-14.9%

Source: California Department of Tax and Fee Administration

**Summary of the UCLA
Anderson Forecast for Los
Angeles County by Calendar
Year**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Personal Income and Taxable Sales											
Personal Income											
(Billion \$)	510.6	544.2	562.7	580.8	602.4	631.2	678.8	728.4	743.7	762.8	788.6
(%Change)	6.3	6.6	3.4	3.2	3.7	4.8	7.6	7.3	2.1	2.6	3.4
Real Personal Income											
(Billion 2012\$)	500.8	529.0	536.8	539.1	538.7	547.5	579.5	598.9	569.2	560.9	562.6
(%Change)	4.9	5.6	1.5	0.4	-0.1	1.7	5.8	3.4	-5.0	-1.5	0.3
Taxable Sales											
(Billion \$)	147.3	151.9	155.0	160.1	165.9	172.1	157.7	192.1	214.3	218.5	223.4
(%Change)	5.2	3.1	2.1	3.3	3.6	3.8	-8.4	21.8	11.6	1.9	2.3
Real Taxable Sales											
(Billion 2012\$)	144.5	147.6	147.9	148.6	148.3	149.3	134.6	157.8	164.0	160.6	159.4
(%Change)	3.8	2.1	0.2	0.5	-0.2	0.7	-9.9	17.3	3.9	-2.1	-0.8
Price Inflation											
Consumer Prices (%Change)	1.3	0.9	1.9	2.8	3.8	3.1	1.6	3.8	7.4	4.1	3.1
Employment and Labor Force (Household Survey, %Change)											
Employment	2.2	1.5	2.3	2.4	0.4	0.9	-11.6	4.4	4.4	-0.3	-0.3
Labor Force	0.5	-0.2	0.9	1.8	0.2	0.7	-3.6	0.6	0.4	-0.6	0.2
Unemployment Rate (%)	8.3	6.7	5.3	4.8	4.6	4.4	12.4	9.0	5.3	5.0	5.4
Nonfarm Employment (Payroll Survey, %Change)											
Total Nonfarm	1.9	2.2	2.5	1.2	1.5	1.0	-8.7	3.1	5.4	-0.2	-0.8
Natural Resources & Min.	-6.5	-8.0	-15.8	-16.8	-4.9	-0.4	-10.9	-4.9	-1.5	-28.8	-6.4
Construction	3.4	6.4	6.3	3.5	5.5	2.4	-2.2	2.2	3.6	-1.1	-0.6
Manufacturing	-1.2	-0.8	-2.0	-3.2	-2.2	-0.5	-7.5	-1.1	2.7	-0.0	-0.6
Nondurable Goods	-1.4	-1.5	-1.6	-6.0	-4.3	-2.4	-10.2	1.0	3.1	-1.6	-2.3
Durable Goods	-0.9	-0.3	-2.3	-1.0	-0.7	0.8	-5.6	-2.5	2.4	1.0	0.5
Tran., Warehousing & Utility	3.7	4.9	6.4	4.9	2.8	4.6	-2.4	3.1	6.2	0.6	-0.8
Trade	1.8	1.5	0.3	0.1	0.1	-1.5	-9.1	4.1	3.2	-0.5	-1.1
Information	0.9	4.3	10.5	-6.5	0.3	0.3	-11.5	12.0	7.4	-2.3	0.8
Financial Activities	-0.8	2.1	2.0	0.8	0.7	0.2	-4.9	-0.8	1.2	-0.9	-1.2
Professional & Bus. Servs.	1.1	0.4	1.6	1.6	3.1	2.3	-7.3	5.0	5.4	-1.7	-1.9
Educational & Health Servs.	2.6	2.9	3.6	3.6	2.6	2.7	-2.3	2.4	4.8	-0.4	-0.5
Leisure & Hospitality	5.7	4.9	4.8	2.9	2.3	2.0	-28.0	8.9	15.7	2.9	-0.0
Other Services	3.3	0.4	1.5	1.5	2.0	-0.3	-18.7	4.2	13.3	-1.1	0.1
Federal Government	-1.0	1.4	0.8	0.5	-1.5	0.2	5.9	-5.0	-1.2	-2.4	-2.9
State and Local Government	1.1	2.3	1.5	1.7	1.0	-0.7	-3.6	-1.8	1.4	0.9	-0.9
Nonfarm Employment (Payroll Survey, Thousand)											
Total Nonfarm	4193.2	4286.7	4395.9	4448.8	4515.3	4561.2	4166.2	4295.3	4526.0	4516.0	4481.1
Natural Resources & Min.	3.1	2.9	2.4	2.0	1.9	1.9	1.7	1.6	1.6	1.1	1.1
Construction	118.5	126.1	134.0	138.7	146.3	149.8	146.6	149.8	155.1	153.5	152.5
Manufacturing	372.3	369.3	362.0	350.3	342.5	340.7	315.1	311.7	320.0	319.8	317.9
Nondurable Goods	163.5	161.0	158.5	148.9	142.6	139.2	125.0	126.2	130.1	128.1	125.2
Durable Goods	208.9	208.3	203.5	201.4	199.9	201.5	190.1	185.5	189.8	191.7	192.7
Tran., Warehousing & Utility	169.2	177.5	188.8	198.1	203.6	212.9	207.8	214.2	227.4	228.8	227.1
Trade	635.2	644.6	646.6	647.4	647.9	638.2	579.9	603.5	623.0	619.6	612.9
Information	198.7	207.2	228.9	213.9	214.6	215.2	190.4	213.3	229.0	223.7	225.5
Financial Activities	211.2	215.6	219.8	221.6	223.2	223.6	212.6	210.8	213.4	211.6	209.2
Professional & Bus. Servs.	591.9	594.2	603.8	613.1	632.2	647.0	599.8	629.5	663.6	652.1	639.6
Educational & Health Servs.	722.6	743.3	769.9	797.5	817.9	839.9	820.2	839.7	880.1	876.3	872.2
Leisure & Hospitality	464.0	486.5	509.8	524.4	536.3	547.1	393.6	428.8	496.1	510.7	510.5
Other Services	150.5	151.0	153.3	155.7	158.8	158.4	128.7	134.1	151.9	150.2	150.4
Federal Government	46.7	47.3	47.7	48.0	47.3	47.3	50.1	47.6	47.1	45.9	44.6
State and Local Government	509.4	521.1	528.9	538.1	543.4	539.5	519.9	510.7	518.0	522.5	517.6
Construction Activity, Registered Autos and Population											
Residential Building Permits											
(Thous. Units)	18.8	23.5	21.3	21.7	22.5	21.5	20.4	22.8	25.8	19.7	19.5
Nonresidential Construction											
Real (Mil. 2012\$)	5785.7	4496.3	4317.7	4640.3	4775.4	4671.5	2664.9	1180.4	972.8	1212.2	1613.3
Nominal (Mil. \$)	6226.8	4939.5	4763.1	5245.7	5593.1	5659.7	3311.8	1514.2	1283.2	1648.1	2251.2
Registered Autos (Thous.)	6181.0	6360.6	6545.7	6659.1	6707.3	6724.0	6647.3	6452.3	6381.0	6397.9	6400.0
Net Immigration (Thous.)	-24.4	-23.7	-41.9	-60.6	-80.0	-92.4	-102.9	-130.9	-17.7	-8.7	-3.8
Population (Thous.)	10033.5	10077.3	10094.9	10092.4	10061.5	10011.6	9943.1	9829.5	9841.4	9857.3	9873.2
(%Change)	0.5	0.4	0.2	-0.0	-0.3	-0.5	-0.7	-1.1	0.1	0.2	0.2

**Summary of the UCLA
Anderson Forecast for Los
Angeles County by Quarter**

	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4
Personal Income and Taxable Sales												
Personal Income												
(Billion \$)	743.3	745.0	744.5	741.9	751.3	759.6	766.9	773.4	779.7	785.7	791.6	797.3
(%Change)	2.1	0.9	-0.2	-1.4	5.2	4.5	3.9	3.5	3.3	3.1	3.0	2.9
Real Personal Income												
(Billion 2012\$)	581.6	570.9	564.5	559.7	560.2	560.7	561.1	561.5	561.9	562.3	562.8	563.4
(%Change)	-6.9	-7.2	-4.4	-3.4	0.4	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Taxable Sales												
(Billion \$)	214.0	218.3	213.2	211.7	215.6	218.4	219.6	220.2	221.0	222.2	223.9	226.5
(%Change)	33.0	8.3	-8.9	-2.8	7.5	5.3	2.3	1.0	1.4	2.2	3.1	4.8
Real Taxable Sales												
(Billion 2012\$)	167.4	167.3	161.7	159.7	160.8	161.2	160.7	159.9	159.2	159.0	159.2	160.0
(%Change)	21.3	-0.4	-12.7	-4.7	2.6	1.2	-1.3	-2.1	-1.5	-0.6	0.4	2.2
Price Inflation												
Consumer Prices (%Change)	9.6	8.7	4.4	2.0	4.8	4.1	3.6	3.2	3.0	2.8	2.6	2.5
Employment and Labor Force (Household Survey, %Change)												
Employment	5.8	8.2	-0.5	-5.5	3.4	-0.7	-2.0	-1.9	2.1	-0.5	-0.6	-0.2
Labor Force	2.6	3.6	-1.8	-5.9	2.8	0.0	-1.5	0.0	1.5	0.0	0.0	0.0
Unemployment Rate (%)	6.3	5.2	4.9	4.8	4.7	4.8	4.9	5.4	5.3	5.4	5.5	5.6
Nonfarm Employment (Payroll Survey, %Change)												
Total Nonfarm	8.4	8.0	2.5	-2.7	0.9	-1.6	-2.3	-2.2	1.8	-1.3	-1.3	-0.4
Natural Resources & Min.	3.0	9.2	-5.1	-6.8	-70.5	-5.0	-5.3	-6.1	-6.3	-6.8	-7.3	-8.1
Construction	10.4	2.9	4.9	-4.5	-1.7	-1.7	-1.4	-0.9	-0.4	-0.3	-0.1	-0.4
Manufacturing	5.6	7.2	-0.4	-1.5	0.3	-0.3	-0.8	-1.1	-0.1	-0.8	-0.6	-0.4
Nondurable Goods	4.6	7.7	2.3	-6.7	-0.6	-1.6	-2.7	-3.4	-1.0	-2.8	-2.3	-1.7
Durable Goods	6.3	6.9	-2.3	2.2	1.0	0.7	0.5	0.4	0.4	0.5	0.5	0.5
Tran., Warehousing & Utility	15.8	8.6	1.2	-4.2	1.6	1.3	0.8	0.1	-0.7	-1.5	-2.4	-3.4
Trade	7.9	10.4	-0.2	-10.2	7.4	-2.1	-2.9	-2.4	-0.5	0.0	0.1	-0.5
Information	-3.5	40.3	-3.9	-21.2	3.3	-0.0	-1.1	-1.2	0.8	2.0	3.0	3.8
Financial Activities	3.0	7.2	2.7	0.6	-2.3	-2.8	-3.2	-3.5	3.9	-2.2	-2.2	-2.3
Professional & Bus. Servs.	6.8	8.7	3.2	-2.3	-3.2	-3.6	-3.7	-3.7	1.3	-2.4	-2.1	-1.9
Educational & Health Servs.	7.6	5.8	5.4	2.5	-4.3	-3.0	-1.5	-0.6	-0.3	-0.2	0.2	1.5
Leisure & Hospitality	14.9	16.5	-0.7	2.2	10.3	1.4	-5.2	-6.3	16.3	-5.4	-6.8	-1.6
Other Services	11.7	18.5	16.2	-4.1	-7.4	-4.7	-2.8	-1.2	0.6	1.9	2.8	3.2
Federal Government	5.9	-4.9	-10.2	9.6	-3.1	-4.2	-4.7	-4.7	0.4	-3.5	-3.3	-3.2
State and Local Government	-1.2	2.8	2.9	0.6	1.0	0.3	-0.3	-0.8	-1.1	-1.3	-1.3	-1.3
Nonfarm Employment (Payroll Survey, Thousand)												
Total Nonfarm	4454.9	4541.5	4569.2	4538.4	4548.6	4530.8	4504.9	4479.8	4500.3	4485.8	4471.6	4466.6
Natural Resources & Min.	1.6	1.6	1.6	1.6	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.0
Construction	153.8	154.9	156.8	155.0	154.3	153.7	153.1	152.8	152.7	152.6	152.5	152.4
Manufacturing	316.3	321.8	321.5	320.3	320.5	320.3	319.7	318.8	318.7	318.0	317.5	317.2
Nondurable Goods	128.5	130.9	131.7	129.4	129.2	128.7	127.8	126.7	126.4	125.5	124.8	124.2
Durable Goods	187.8	190.9	189.8	190.8	191.3	191.6	191.9	192.1	192.3	192.5	192.8	193.0
Tran., Warehousing & Utility	224.1	228.8	229.5	227.1	228.0	228.7	229.2	229.3	228.9	228.0	226.6	224.7
Trade	615.8	631.2	630.9	614.1	625.2	622.0	617.4	613.7	612.9	613.0	613.2	612.4
Information	219.1	238.4	236.1	222.4	224.2	224.2	223.6	222.9	223.3	224.5	226.1	228.2
Financial Activities	209.9	213.6	215.0	215.3	214.1	212.5	210.8	208.9	210.9	209.7	208.6	207.4
Professional & Bus. Servs.	651.6	665.3	670.6	666.7	661.2	655.2	649.1	643.0	645.0	641.1	637.7	634.7
Educational & Health Servs.	863.7	875.9	887.6	893.1	883.3	876.7	873.3	872.0	871.4	871.1	871.6	874.8
Leisure & Hospitality	481.8	500.5	499.6	502.4	514.8	516.6	509.8	501.6	520.9	513.7	504.8	502.8
Other Services	144.7	151.0	156.8	155.2	152.2	150.4	149.3	148.9	149.1	149.8	150.8	152.0
Federal Government	47.9	47.3	46.0	47.1	46.7	46.2	45.7	45.1	45.2	44.8	44.4	44.0
State and Local Government	513.3	516.9	520.6	521.3	522.6	523.1	522.7	521.6	520.2	518.4	516.7	515.0
Construction Activity, Registered Autos and Population												
Residential Building Permits												
(Thous. Units)	24.1	29.6	26.7	22.8	20.9	19.9	19.2	18.8	18.8	19.3	19.8	20.0
Nonresidential Construction												
Real (Mil. 2012 \$)	1064.6	868.0	1156.4	802.3	811.4	1119.8	1383.9	1533.9	1513.4	1538.9	1639.9	1761.2
Nominal (Mil. \$)	1389.9	1141.4	1531.4	1069.9	1089.6	1514.4	1884.8	2103.4	2089.5	2139.0	2294.9	2481.5
Registered Autos (Thous.)	6374.6	6374.7	6382.7	6392.0	6397.2	6398.7	6398.2	6397.4	6397.7	6398.9	6400.8	6402.8
Net Immigration (Thous.)	-43.8	-22.0	-6.8	2.0	-11.4	-9.4	-7.7	-6.2	-6.1	-4.7	-3.0	-1.2
Population (Thous.)	9836.3	9839.5	9843.0	9846.7	9851.3	9855.3	9859.3	9863.3	9866.4	9870.7	9875.4	9880.4
(%Change)	0.9	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2