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Los Angeles County Metro Area Plan

# **Appendix E: Market Study**

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Los Angeles, CA 90012



LOS ANGELES COUNTY

EXISTING CONDITIONS REPORT:  
Metro Area Plan

Socioeconomic Review and Market Assessment

December 2021

Prepared by



**Pro Forma**  
Advisors LLC

and

**DUDEK**



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# 1 Existing Conditions Introduction and Overview

## 1.1 Project Overview

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Los Angeles County (County) is currently preparing the Metro Area Plan (Area Plan), which is one of 11 planning areas in the County. The Planning Area framework was adopted via the County's 2015 General Plan Update to effectively plan and regulate development in unincorporated areas across the nation's most populous County. There are seven unincorporated communities within the Metro Planning Area (Metro Area)<sup>1</sup> – West Athens - Westmont, West Rancho Dominguez – Victoria, Willowbrook, East Rancho Dominguez, Walnut Park, Florence-Firestone, and East Los Angeles. The Area Plan provides a once-in-a-generation opportunity for community members to share their vision for the area's future and provide input on the community's long-term goals and development opportunities.

This report analyzes socioeconomic and real estate market dynamics in the Metro Area.<sup>2</sup>

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<sup>1</sup> This report only presents information for unincorporated areas with the Metro Area Plan.

<sup>2</sup> Some of the socioeconomic data used in this analysis is provided by ESRI Business Analyst (ESRI). ESRI's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts throughout the United States. The ESRI data was utilized for two main reasons: (1) The 2020 Census data was not available at the time the market data was gathered and (2) two of the neighborhoods' geographies (Willowbrook and West Athens-Westmont) did not match to their respective Census-designated place geographies. For these reasons, the ESRI 2021/2026 socioeconomic data was utilized to ensure consistent comparisons among all the areas analyzed herein.

## 2 Summary

### 2.1 Introduction

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This report summarizes the socioeconomic and real estate market conditions and trends that will shape medium-<sup>3</sup> to long-term<sup>4</sup> growth opportunities in the greater Metro Area. The primary purpose of this socioeconomic review and market assessment is to inform, for planning purposes, the area's overall land use policy with respect to the type of development and land uses that could be effectively targeted during the planning horizon.

It is important to note that in the context of long-term planning, short-term market cycles have less relevance given the Area Plan's planning horizon which will stretch to 2035.<sup>5</sup> The conclusions discussed throughout this report are based on long-term data projections and an understanding of economic and market dynamics affecting the community and region. This report has been prepared for the County by Pro Forma Advisors as a sub-consultant to Dudek in support of the County's Area Plan planning process.

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<sup>3</sup> Five to 10 years.

<sup>4</sup> Over 10 years.

<sup>5</sup> This would include the short-term impacts of COVID-19

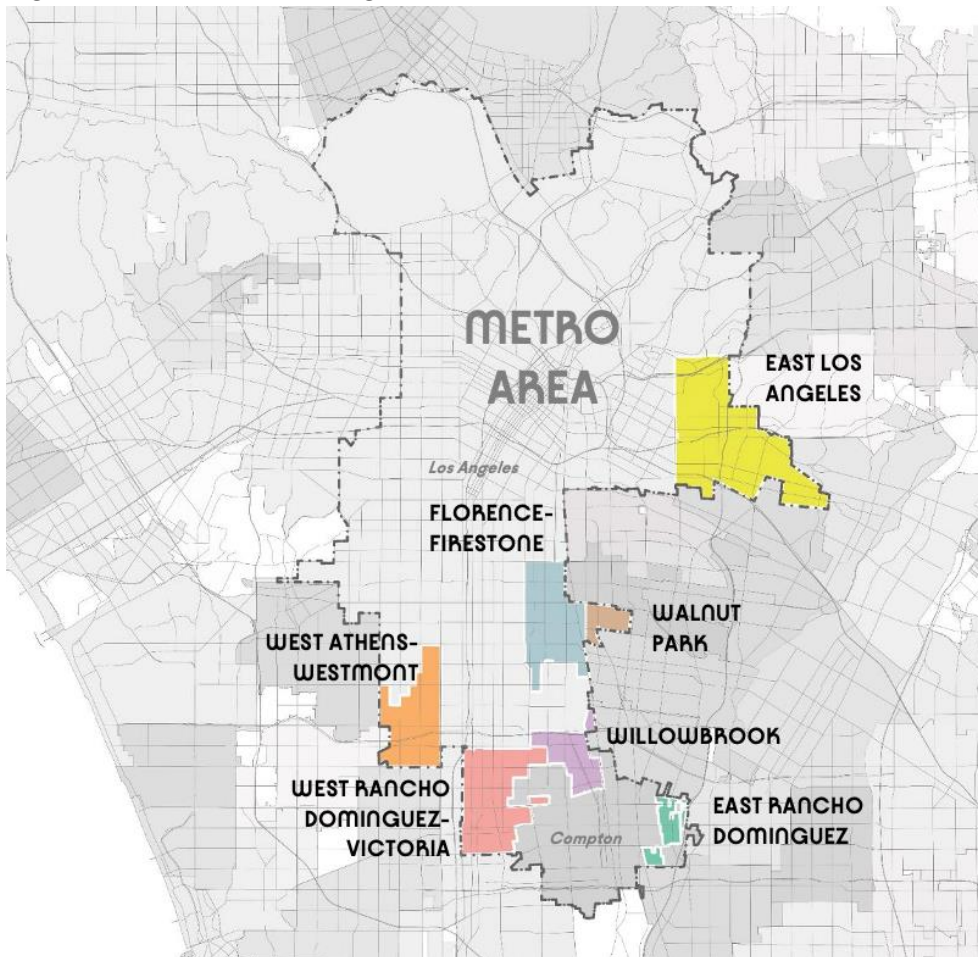


## 2.2 Summary of Findings

### CURRENT LAND USE

Excluding roads and other infrastructure, the unincorporated communities within the Metro Area has 16.8 square miles of publicly and privately held land within a total land area of 21.25 square miles. Residential land uses make up the majority of land in the community area, representing 64.0 percent of the total land and 63.5 percent of the built space. Commercial uses (inclusive of both retail and office) represent about 7.0 percent of the total land and 12.5 percent of the built space due to the highest floor area ratio among any of the land uses. The remaining land is comprised of industrial development, which occupies 11.9 percent of the land and 20.5 percent of the built space. A map of the Area Plan communities is presented below in Figure 2-1.

Figure 2-1: Metro Planning Area



Source: Dudek

## SOCIOECONOMIC FACTORS INFLUENCING DEVELOPMENT

Based on a review of historic and projected socioeconomic trends for the community, the following provides a summary of key issues to consider for future land use planning from a socioeconomic perspective.

### Growth

All but four communities within the Metro Area experienced population and housing growth at a rate below the region average. However, given that the communities are largely built out, the number of new housing units delivered since 2000 has been low in absolute terms.

### Ethnic Composition

The Metro Area is dominated by individuals identifying as being Latino/a and Black. While existing demographics do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities, and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the area's ethnic composition might impact future land use decisions.

### Employment Base

Since 2002, the Metro Area experienced employment growth at a rate faster than County. A significant number of jobs that support "Industrial" serving employment located within the Area Plan communities have been lost since 2002. There is a strong base of employment in many other industry clusters. Examples would include the public administration cluster near the Atlantic and Civic Center stations in East Los Angeles as well as many other areas that have a higher concentration of educational services and health care industries such as the cluster in Willowbrook near the Martin Luther King Jr. Outpatient Center and Charles R. Drew University of Medicine and Science. Since 2002, the area added over 14,500 jobs in the Metro Area. However, overall, the communities within the Metro Area tend to have more jobs requiring lower levels of education and thus tend to pay less than the countywide average.

### Retail Leakage

The Metro Area communities appear to experience retail expenditure leakage to neighboring areas in the region, or "retail leakage" due to the newer, large format re-

tailers located in other areas of the County. The Metro Area could recapture nearly 500,000 square feet of neighborhood serving retail development over the next 20 plus years. To help the Metro Area to be economically viable over the long-term, the County should strive to continue expanding its retail base by creating a more diverse local serving retail environment to increase the market capture from its households within the community.

### Long-Term Land Use Demand

The following provides context regarding future development potential, given the anticipated market demand for various land uses as discovered in the market analysis. As shown below, an order-of-magnitude demand estimate for residential, retail, office land uses have been made for the Metro Area through 2035.

Table 2-1 represents the target range of development that could be attracted over the Area Plan planning horizon. Based on the economic development goals of the County, a more aggressive capture of demand could be warranted. As such, these estimates should be considered preliminary for planning purposes.

Table 2-1: Demand Analysis Summary (2021 – 2035)

	Target (Rounded)
Housing (Units)	13,900
Market Rate	3,900
Affordable	9,900
Retail (Square Feet)	499,600
Office (Square Feet)	184,500

Source: Pro Forma Advisors

Please see the Appendix for select socioeconomic indicators that compare the communities to each other as well as with the collective Metro Area.

A further economic development analysis should continue to explore these topics within the framework of long-term community planning objectives. Key preliminary findings as it relates to long-term land use demand are presented below:

- Future residential development could include various forms of multi-family housing that are in limited supply in the region: New housing delivered in various forms would speed absorption and differentiate the Metro Area from other areas in the region, while still being consistent with the area's cultural attributes. A focus on 3-4 story stacked flats, row houses, and perhaps smaller units could attract younger first-time buyers or renters that wanted the benefit of light rail access in the region. These housing development prototypes are in line with current trends and tend to attract individuals that desire more local services within a close walking distance (i.e., urban versus suburban environment). Given the current market demographics, providing affordable housing units would benefit both the local and regional area.
- New commercial retail development would help activate the planning area: A focus on a mix of desired uses to move towards a pedestrian-oriented environment consistent with communities within the Area Plan. There is a need for more neighborhood-serving retail options<sup>6</sup>, which appear to be largely deficient from most of the areas analyzed within the Area Plan.
- Potential for employment generating development is limited: Given the competitive submarket dynamics and forecasted employment growth in the region, potential for office development is limited within the near-term planning horizon. Alternatively, office could be encouraged to be delivered within live/work housing product.
- Underperforming industrial development could be further examined to transition to other more compatible flex-industrial or light industrial land uses with existing and potential future residential land development in the Metro Area. Additionally, flex- or light-industrial development more appropriate to attract growing biotech, clean, or other industrial uses should be encouraged.

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<sup>6</sup> Retail development that provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood.

### 3 Appendix

#### SOCIOECONOMIC INDICATORS

Table 3-1: Economic Summary

	East Los Angeles	East Rancho Dominguez	Florence Firestone	Walnut Park	West Athens Westmont	West Rancho Dominguez Victoria	Willowbrook	Metro Area
Median HH Income (2021)	\$49,200	\$53,800	\$44,600	\$54,900	\$41,800	\$60,300	\$50,100	\$48,900
Median Housing Price (2021)	\$489,900	\$388,200	\$469,000	\$466,800	\$519,300	\$444,200	\$391,500	\$469,900
Residents Spending over 30% on Housing (2019)	49%	53%	55%	48%	61%	46%	56%	53%
In-Community Jobs (2018)	23,352	717	7,457	1,010	3,843	15,829	3,295	55,503
In-Community Job Change (2002-2018)	7,545	441	2,457	262	2,177	555	1,079	14,586
Employment to Population Ratio (2020)	46.5%	43.1%	42.4%	45.1%	44.1%	44.9%	44.2%	44.7%

Source: ESRI Business Analyst, US Census

**Table 3-2: Demographic Summary (2021)**

	East Los Angeles	East Rancho Dominguez	Florence Firestone	Walnut Park	West Athens Westmont	West Rancho Dominguez Victoria	Willowbrook	Metro Area
Population	126,191	15,281	65,020	16,239	41,088	22,243	21,131	310,857
Housing Units	32,385	3,245	15,032	3,793	13,528	6,683	5,219	80,458
Average Household Size	4.1	5.0	4.6	4.4	3.3	3.6	4.6	4.1
Housing Tenure								
Rent (%)	66%	50%	65%	49%	65%	64%	59%	61%
Own (%)	34%	50%	35%	51%	35%	36%	41%	39%
Median Age	29.9	27.5	27.8	31.7	31.9	34.5	27.8	29.7
Population Density (per Square Mile)	16,961	18,500	18,646	21,623	12,909	5,593	13,226	14,566
Hispanic Origin	97%	84%	91%	98%	49%	48%	77%	84%
Percent with High School Education or Higher	54%	55%	47%	50%	71%	70%	58%	56%

Source: ESRI Business Analyst

## EXISTING LAND USE AND BUILT ENVIRONMENT

Table 3-3: Existing Land Use and Improvements (2020)

	East Los Angeles	East Rancho Dominguez	Florence Firestone	Walnut Park	West Athens Westmont	West Rancho Dominguez Victoria	Willowbrook	Metro Area
<b>Built Space (SF)</b>								
Commercial	5,736,652	332,599	2,141,408	550,009	1,323,968	881,655	678,766	11,645,057
Industrial	2,770,243	3,785	2,492,749	0	122,948	13,524,299	225,455	19,139,479
Residential	20,320,898	2,686,398	9,768,114	3,384,935	11,097,109	7,440,557	4,575,577	59,273,588
Other	1,361,229	114,298	461,299	54,355	508,188	460,553	297,058	3,256,980
<b>Total</b>	<b>30,189,022</b>	<b>3,137,080</b>	<b>14,863,570</b>	<b>3,989,299</b>	<b>13,052,213</b>	<b>22,307,064</b>	<b>5,776,856</b>	<b>93,315,104</b>
<b>Land</b>								
Commercial	0.46	0.04	0.26	0.04	0.14	0.16	0.06	1.17
Industrial	0.29	0.00	0.31	0.01	0.01	1.34	0.04	2.00
Residential	3.57	0.53	1.74	0.51	1.79	1.48	1.15	10.77
Other	1.26	0.02	0.43	0.01	0.56	0.38	0.22	2.88
<b>Total</b>	<b>5.58</b>	<b>0.59</b>	<b>2.75</b>	<b>0.58</b>	<b>2.49</b>	<b>3.36</b>	<b>1.47</b>	<b>16.82</b>

Source: Los Angeles County Assessor

## LAND USE DEMAND

Table 3-4: Land Use Demand Summary (2021 - 2035)

	East Los Angeles	East Rancho Dominguez	Florence Firestone	Walnut Park	West Athens Westmont	West Rancho Dominguez Victoria	Willowbrook	Metro Area
Housing (Units)	5,200	700	2,900	600	2,400	1,000	1,200	13,900
Market Rate	1,500	200	800	200	600	300	400	3,900
Affordable	3,700	500	2,100	400	1,800	600	800	9,900
Retail (Square Feet)	184,800	23,400	83,400	29,100	111,000	24,000	43,900	499,600
Office (Square Feet)	109,800	1,800	15,300	10,500	34,900	9,100	3,500	184,500

Source: Pro Forma Advisors

Note: Totals may not add due to rounding.



LOS ANGELES COUNTY

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# 1 Existing Conditions Introduction and Overview

## 1.1 Project Overview

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Los Angeles County (County) is currently preparing the Metro Area Plan (Area Plan), which is one of 11 planning areas in the County. The Planning Area framework was adopted via the County's 2015 General Plan Update to effectively plan and regulate development in unincorporated areas across the nation's most populous County. There are seven unincorporated communities within the Metro Area Plan – West Athens - Westmont, West Rancho Dominguez – Victoria, Willowbrook, East Rancho Dominguez, Walnut Park, Florence-Firestone, and East Los Angeles. The Area Plan provides a once-in-a-generation opportunity for community members to share their vision for the area's future and provide input on the community's long-term goals and development opportunities.

## 1.1 Purpose of the Existing Conditions Report

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This Existing Conditions Report represents the first major step in the process of updating the Area Plan. This report provides information on existing socioeconomic and market conditions in the Area Plan and its surrounding areas as well as an analysis of growth prospects and land demand. The Existing Conditions Report is used as a basis for:

- Facilitating community input on planning issues and visions during community workshops;
- Preparing alternative land use planning scenarios; and
- Formulating policies and implementation actions for the General Plan.

The focus is on resources, trends, and critical concerns to frame decision-making for the long-term physical development of the community. This report analyzes socioeconomic and real estate market dynamics in East Los Angeles (Existing Conditions Report).

## 2 Summary

### 2.1 Introduction

---

This report summarizes the socioeconomic and real estate market conditions and trends that will shape medium-<sup>1</sup> to long-term<sup>2</sup> growth opportunities in East Los Angeles and the greater Metro Planning Area (Metro Area).<sup>3</sup> The primary purpose of this socioeconomic review and market assessment is to inform, for planning purposes, the area's overall land use policy with respect to the type of development and land uses that could be effectively targeted during the planning horizon.

It is important to note that in the context of long-term planning, short-term market cycles have less relevance given a planning horizon stretching to 2035.<sup>4</sup> The conclusions discussed throughout this report are based on long-term data projections and an understanding of economic and market dynamics affecting the community and region. This report has been prepared for the County by Pro Forma Advisors as a sub-consultant to Dudek in support of the County's General Plan Area Plan update process.

### 2.2 Summary of Findings

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The following key findings are provided to give a sense of future land use demand as well a review of key issues impacting future development in the city. These issues are explored from the socioeconomic and market perspective.

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<sup>1</sup> Five to 10 years.

<sup>2</sup> Over 10 years.

<sup>3</sup> This report only presents information for unincorporated areas.

<sup>4</sup> This would include the short-term impacts of COVID-19.



## SOCIOECONOMIC FACTORS INFLUENCING DEVELOPMENT

Based on a review of historic and projected socioeconomic trends for the community, the following provides a summary of key issues to consider for future land use planning from a socioeconomic perspective.

### Growth

East Los Angeles is one of four communities within the Metro Area that have experienced population and housing growth at a rate below the region average. Given the community is largely built out, the number of new housing units delivered since 2000 has also been well below the Metro Area and County.

### Ethnic Composition

East Los Angeles has over 95 percent of its community identifying with being Hispanic and Latino/a. While existing demographics do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities, and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the area's ethnic composition might impact future land use decisions.

### Employment Base

East Los Angeles has experienced employment growth at a rate faster than the Metro Area and County. The majority of jobs located in the community that have been lost since 2002 are in industries that support "Industrial" serving employment. There is a strong base of employment in many core industries. Since 2002 the area added over 7,500 community-based jobs representing 17 percent of all new jobs in the Metro Area. However, overall, the less educated in-place employees and residents tend to have jobs that pay less than the countywide average income.

### Retail Leakage

The community appears to experience retail expenditure leakage to neighboring areas in the region or "retail leakage" due to the newer, large format retailers located in other areas of the County. Based on the analysis, the community could recapture 2.1 square feet per household for neighborhood serving retail development.<sup>5</sup>For the

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<sup>5</sup> Retail development that provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood.

community to be economically viable over the long-term it should strive to continue expanding its retail base by creating a more diverse local serving retail environment to increase the market capture from its households within the community. It should be noted that the community exports food and beverage demand from its cluster of food and beverage offerings.

### Long-Term Land Use Demand

The following provides context regarding future development potential, given the anticipated market demand for various land uses as discovered in the market analysis. As shown below, an order-of-magnitude demand estimate for residential, retail, office land uses have been made for East Los Angeles through 2035.

This represents the target range of development that could be attracted over the Area Plan horizon. Based on the economic development goals of the County, a more aggressive capture of demand could be warranted. As such, these estimates should be considered preliminary for planning purposes.

Table 2-1: Demand Analysis Summary (2021 – 2035)

	Target (Rounded)
Housing (Units)	5,200
Market Rate	1,500
Affordable	3,700
Retail (Square Feet)	184,800
Office (Square Feet)	109,800

Source: Pro Forma Advisors

## 3 Geography and Land Use Overview

The following section presents a brief overview of East Los Angeles in relation to other geographical areas referred to within this report. It also summarizes existing land uses. A community's core assets such as open space, proximity to regional freeways, and reputation within the region are important attributes that impact future development and shape long-term land use planning.

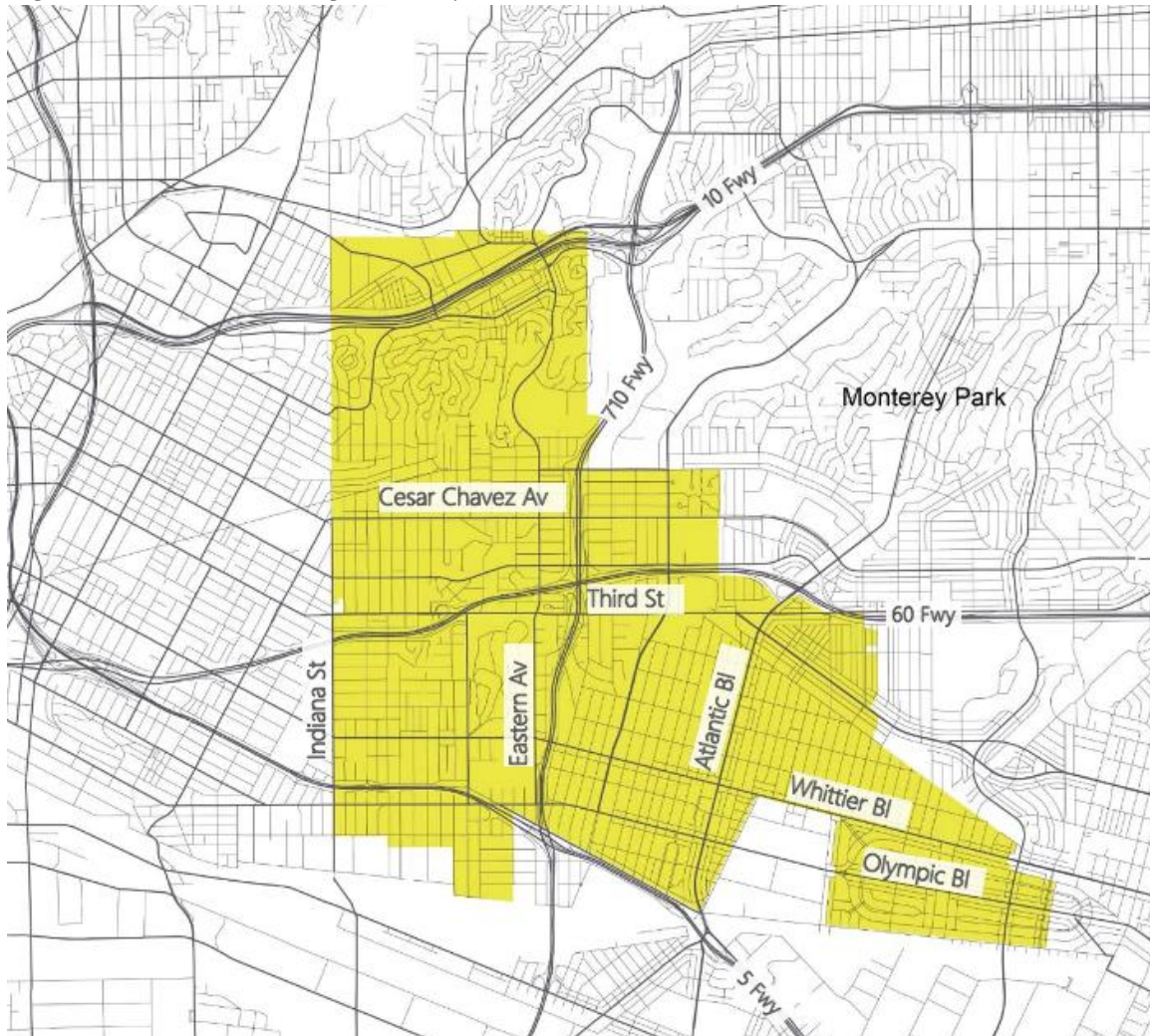
### 3.1 Location Overview

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Located near the center of the County, East Los Angeles is approximately 7.44 square miles in size and is the largest Area Plan community area. East Los Angeles is an unincorporated community and also a census designated place. For the purpose of this analysis, the area is generally bounded by Interstate 10 to the North, Indiana Street to the East, and Interstate 5 and Olympic Boulevard to the South. Major North/South thoroughfares include Interstate 710, Eastern Avenue, and Atlantic Boulevard. Major East/West thoroughfares include State Highway 60, Caesar Chavez Avenue, Third Street, Whittier, and Olympic Boulevards. Key locational assets include its notoriety as an ethnic enclave for Hispanic and Latino/a residents with a rich identity for food and culture.

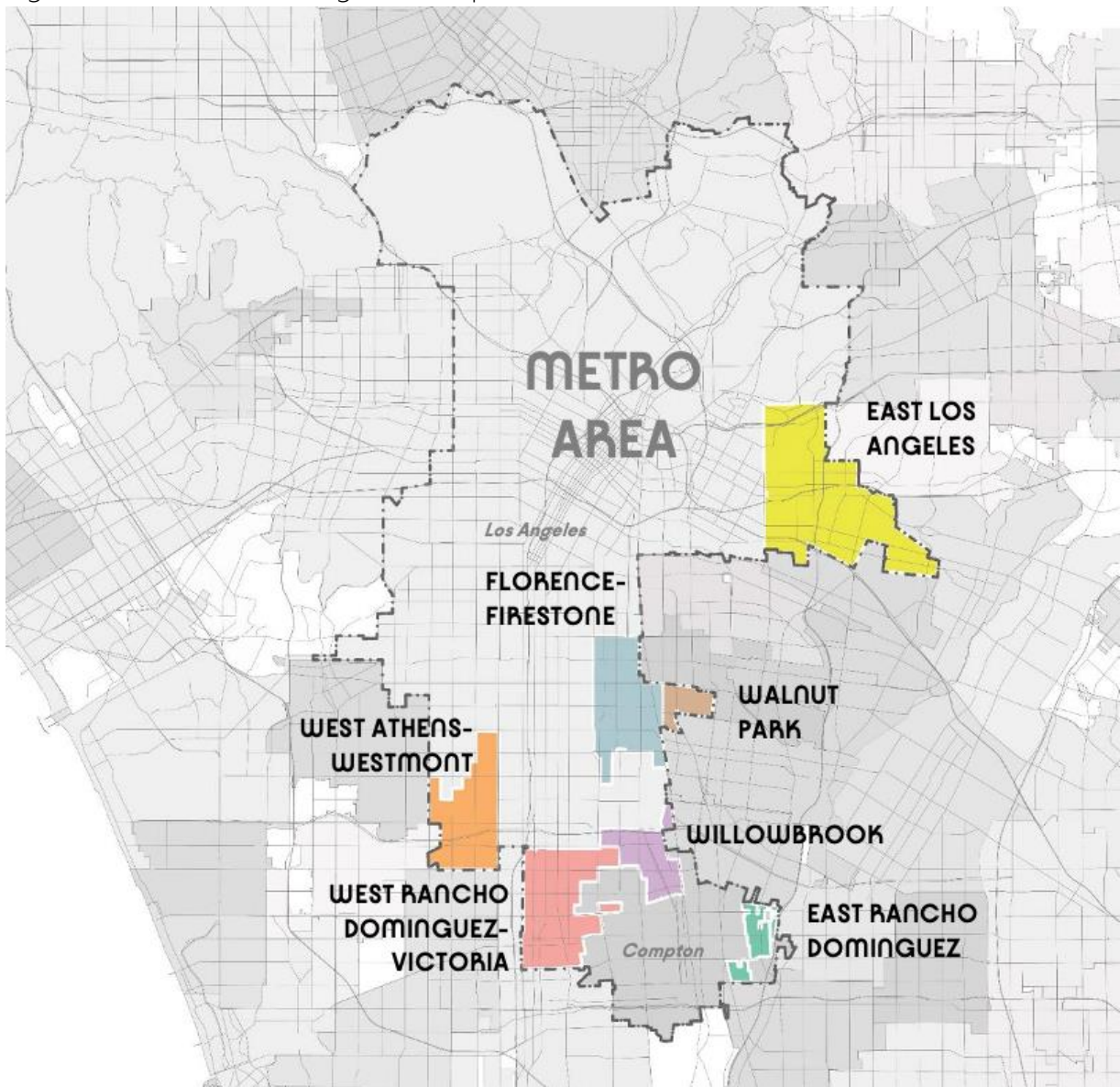
East Los Angeles is one of seven communities within the larger Metro Area. It represents approximately 35 percent of the total Metro Area land area.

Figure 3-1: East Los Angeles Map



Source: Dudek

Figure 3-2: Metro Planning Area Map



Source: Dudek

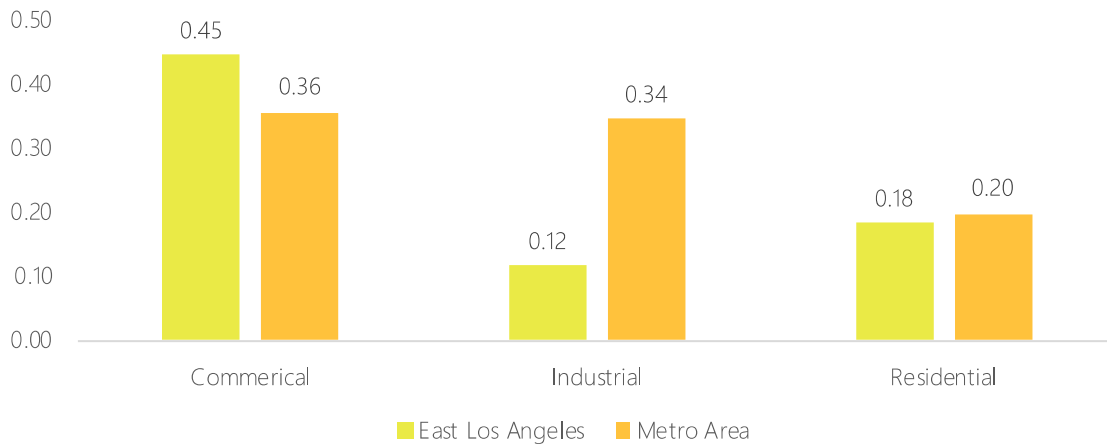
### 3.2 Current Land Use

Excluding roads and other infrastructure, East Los Angeles has 5.58 square miles of publicly and privately held land. Residential land uses make up the majority of land in the community area, representing 64.0 percent of the total land and 67.3 percent of the built space. Commercial uses (inclusive of both retail and office) represent about 8.3 percent of the total land and 19.0 percent of the built space due to the highest floor area ratio (FAR) among any of the land uses. The remaining land is comprised of industrial development and other land uses (including government, institutional, etc.). As it relates to the larger Metro Area, East Los Angeles represents:

- 49.3 percent of the of the commercial development;
- 14.5 percent of the industrial development; and
- 34.3 percent of the residential development.

The distribution of land use has a fairly consistent relationship to the Metro Area with higher-than-normal commercial land use development and much lower proportional amount of industrial development and land.

Figure 3-3: FAR Comparison by Land Use



Source: Los Angeles County Assessor

Table 3-1: Land Use (2020)

	East Los Angeles		Metro Area		East Los Angeles/Metro Area	
	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)
Total						
Commercial	5,736,652	0.46	11,645,057	1.17	49.3%	39.4%
Industrial	2,770,243	0.29	19,139,479	2.00	14.5%	14.4%
Residential	20,320,898	3.57	59,273,588	10.77	34.3%	33.1%
Other	1,361,229	1.26	3,256,980	2.88	41.8%	43.7%
Total	30,189,022	5.58	93,315,104	16.82	32.4%	33.2%
Percent of Total/Index						
Commercial	19.0%	8.3%	12.5%	7.0%	152.3	118.7
Industrial	9.2%	5.1%	20.5%	11.9%	44.7	43.4
Residential	67.3%	64.0%	63.5%	64.0%	106.0	99.9
Other	4.5%	22.6%	3.5%	17.1%	129.2	131.8

Source: Los Angeles County Assessor

### 3.3 Transportation Access

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From a regional perspective, East Los Angeles is easily accessible from California State Route 60 (Pomona Freeway) and Interstates 10, 710, and 5 (See Figure 3-4). Given its central location within the larger Los Angeles Metropolitan Statistical Area, it is estimated that there are over 10 million people living within a 30-mile radius, which includes major job centers. East Los Angeles is also within a relatively short driving distance from Los Angeles International airport (LAX) as well as two shipping ports (Port of Los Angeles and Long Beach). The community also hosts three light rail stations (Atlantic, Civic Center, and Maravilla Stations) along the Los Angeles Metro L Line (formerly Gold) that connects the city of Azusa to downtown Los Angeles.

As of the last available data, in fiscal year 2019, the Atlantic Station, which has the highest ridership, had an average of approximately 2,000 daily boardings (Figure 3-5) and represents the 40<sup>th</sup> highest utilized Metro station. Overall, total ridership of the Metro system (bus and rail) has decreased since fiscal year 2010 with a peak ridership in fiscal year 2014 (475.5 million). However, the existing light rail infrastructure is viewed as a significant asset for the community and could be leveraged for future development. The upcoming Eastside Extension will create additional transit stops to the east and could increase the number of people frequenting the community, thus creating additional market opportunities in the future.

### 3.4 Key Takeaways

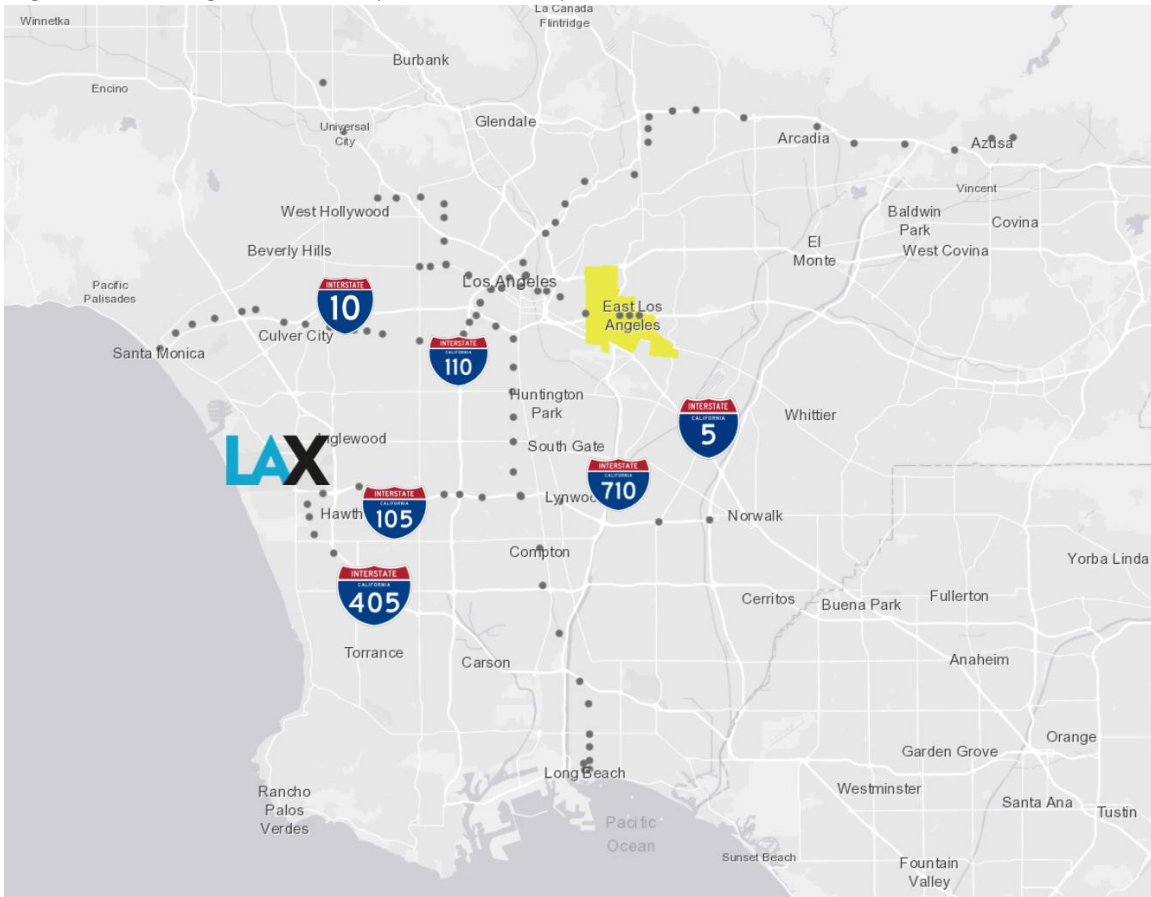
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The following includes a bullet point summary of key takeaways from the section:

- The predominant land use in East Los Angeles is residential, but the area represents a third of all commercial development in the MAP region;
- East Los Angeles is centrally located within Los Angeles County and is easily accessible from Downtown Los Angeles;
- The community benefits from excellent regional freeway access; and
- Significant community assets in the form of three light rail transit stops along the Metro L Line, which connects Azusa to Downtown Los Angeles.

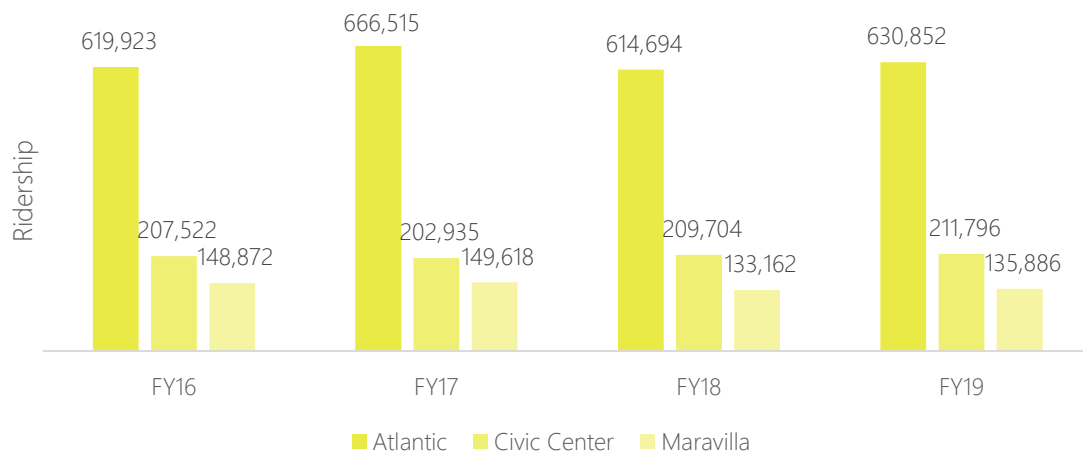


Figure 3-4: Regional Transportation Map



Source: ESRI Business Analyst; METRO, Pro Forma Advisors

Figure 3-5: Metro Ridership (FY2016 – FY2019)



Source: METRO

## 4 Socioeconomic Analysis

The future market demand for different land uses in East Los Angeles will be influenced by regional economic forces and market trends. This section analyzes the historic and projected socioeconomic trends for East Los Angeles, the Metro Area, and County that most influence land use potentials for future development. The following section provides summary level information on key population, household age, race and ethnic, and educational attainment trends that may affect future land use planning.<sup>6</sup>

### 4.1 Demographic Trends

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The following section provides summary level information on key population and household, age, ethnic, and educational trends that may affect future land use planning in the community.

#### POPULATION AND HOUSEHOLDS

According to the U.S. Census between 2000 and 2010, East Los Angeles gained approximately 650 residents. Since 2000, East Los Angeles's overall population growth has grown slower than the Metro Area and County. However, it still remains the most populous community in the Metro Area.

Focusing on more recent population trends, ESRI Business Analysis estimates that the area's population will decrease by approximately 600 over the next five years keeping the population growth essentially flat. Average household size is anticipated to stay high, with an average household size of 4.1. This household size is significantly higher than the County average (3.0).

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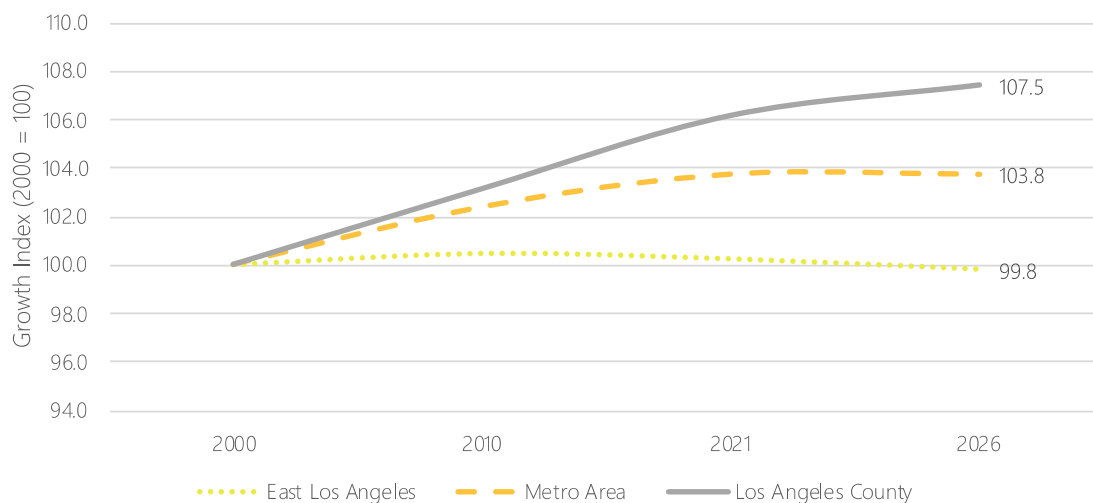
<sup>6</sup> Some of the socioeconomic data used in this analysis is provided by ESRI Business Analyst (ESRI). ESRI's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts throughout the United States. The ESRI data was utilized for two main reasons: (1) The 2020 Census data was not available at the time the market data was gathered and (2) two of the neighborhoods' geographies (Willowbrook and West Athens-Westmont) did not match to their respective Census-designated place geographies. For these reasons, the ESRI 2021/2026 socioeconomic data was utilized to ensure consistent comparisons among all the areas analyzed herein.

Table 4-1: Population and Household Trends

	2000	2010	2021(e)	2026(e)
<b>Population</b>				
East Los Angeles	125,856	126,500	126,191	125,604
Metro Area	299,561	306,772	310,857	310,826
Los Angeles County	9,519,135	9,818,605	10,108,711	10,229,558
<b>Households</b>				
East Los Angeles	30,291	30,816	30,675	30,436
Metro Area	72,637	74,630	75,285	75,023
Los Angeles County	3,133,720	3,241,204	3,328,361	3,366,546
<b>Household Size</b>				
East Los Angeles	4.1	4.1	4.1	4.1
Metro Area	4.1	4.1	4.1	4.1
Los Angeles County	3.0	3.0	3.0	3.0

Source: ESRI Business Analyst

Figure 4-1: Population Growth Index



Source: ESRI Business Analyst

## AGE

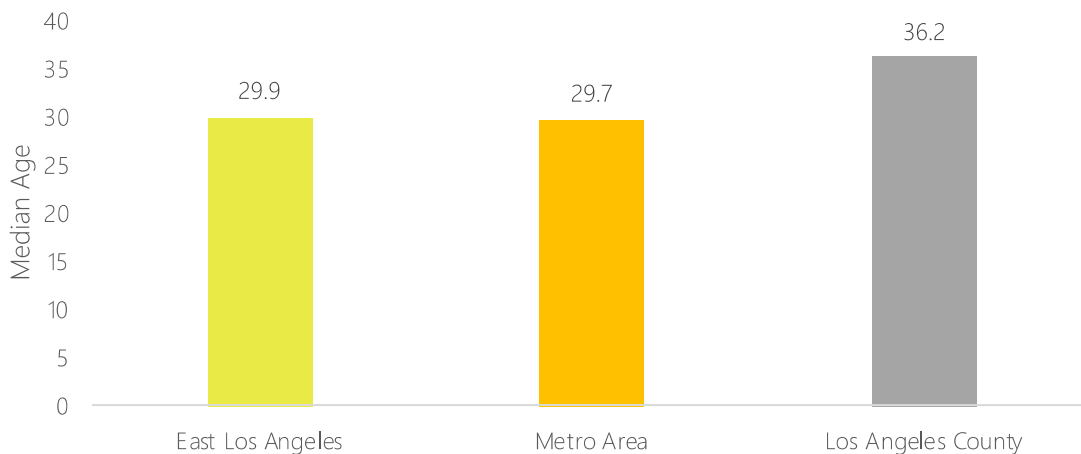
East Los Angeles’s median age is 29.9 (Figure 4-2), which is slightly older than the Metro Area’s median age (29.7) and younger than the County’s median age (36.2). By analyzing age cohorts (Table 4-2), the area has an underrepresentation of age groups over 35 years. Conversely, there is an overrepresentation of age cohorts under 35 years old, whose shares are higher than County. A younger population, comprised of large numbers of families, will have unique implications for future land use planning.

Table 4-2: Age Distribution by Geography (2021)

	East Los Angeles	Metro Area	Los Angeles County	East Los Angeles/ Metro Area	East Los Angeles/ County
Children/Young Adults (Under 24)	40.8%	41.1%	31.9%	99.2	127.8
Young Workers (25 to 34)	17.4%	17.5%	16.3%	99.3	106.6
Family Formation (35 to 54)	24.1%	23.4%	25.9%	102.9	93.0
Empty Nesters (55 to 74)	13.8%	14.4%	19.9%	95.7	69.3
Seniors (75+)	3.9%	3.5%	5.9%	111.3	66.0

Source: ESRI Business Analyst

Figure 4-2: Median Age by Geography (2021)



Source: ESRI Business Analyst

## RACE AND ETHNICITY

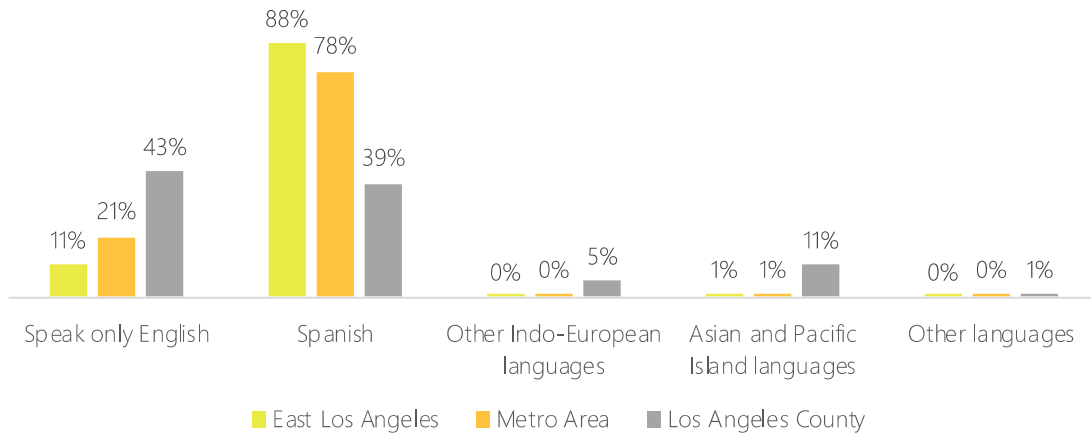
While race and ethnic composition do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the ethnic composition of the community's population might impact future land use decisions. East Los Angeles has a higher relative share of residents identifying as "American Indian alone," "some other race alone," and of "Hispanic origin." The high Hispanic and Latino/a population composition is comparable to other areas within the Metro Area (but twice as high as the County) and 73 percent report that they speak Spanish at home.

Table 4-3: Population by Race/Ethnicity (2021)

	East Los Angeles	Metro Area	Los Angeles County	East Los Angeles/ Metro Area	East Los Angeles/ County
White Alone	50.3%	38.6%	48.5%	130.3	103.7
Black Alone	0.6%	14.3%	8.2%	4.2	7.3
American Indian Alone	1.1%	0.9%	0.7%	122.2	157.1
Asian Alone	1.0%	0.7%	15.1%	142.9	6.6
Pacific Islander Alone	0.1%	0.1%	0.3%	100.0	33.3
Some Other Race Alone	43.7%	42.0%	22.4%	104.0	195.1
Two or More Races	3.3%	3.4%	4.9%	97.1	67.3
Hispanic Origin	97.3%	83.8%	48.9%	116.1	199.0

Source: ESRI Business Analyst

Figure 4-3: Language Spoken at Home (2019)



Source: US Census

## EDUCATION

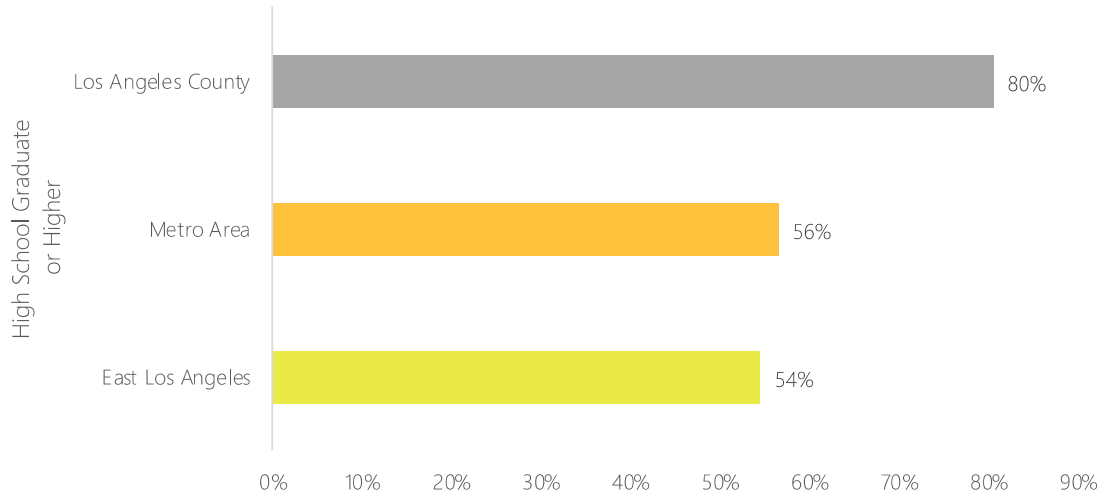
Levels of educational attainment are lower in both East Los Angeles and the Metro Area, in comparison to the Countywide. For the population age 25 and older, 46 percent of the residents report a “less than high school education,” which is over twice as high as the Countywide statistic. Similarly, there is an underrepresentation of community residents with “some college, associate degree” or a “bachelor’s degree or higher. If examining the percent of residents with a high school graduate or higher level of education, East Los Angeles and the Metro Area both significantly under the Countywide educational attainment level of 80 percent with a high school degree or higher.

Table 4-4: Population 25+ by Educational Attainment (2021)

	East Los Angeles	Metro Area	Los Angeles County	East Los Angeles/ Metro Area	East Los Angeles/ County
Less than High School graduate	46%	44%	20%	104.6	233.8
High School Graduate (w/ equivalency)	24%	25%	21%	96.1	118.4
Some College, Associate Degree	20%	22%	25%	92.7	80.2
Bachelor's Degree or higher	10%	9%	35%	106.6	28.1

Source: ESRI Business Analyst

Figure 4-4: Percent of Population 25+ with High School Degree (2021)



Source: ESRI Business Analyst

## 4.2 Key Demographic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- East Los Angeles has had relatively no population growth over the last two decades.
- The community has a high percentage of families<sup>7</sup>, with larger household sizes and a younger population.
- The area is almost entirely comprised of people identifying as Hispanic and Latino/a.
- East Los Angeles has over two times the expected share of residents with less than a high school education compared to the education attainment of the population 25 or older in the County.

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<sup>7</sup> The US Census and ESRI define a family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

### 4.3 Economic Trends

The following section provides summary level information on various aspects of employment and industry composition that will impact the demand for future commercial land in the community.

#### HOUSEHOLD INCOME

East Los Angeles's median household income is approximately \$49,200, which is slightly higher than the Metro Area (\$48,900) and lower than the County (\$74,500). The household income projections, provided by ESRI Business Analyst, suggest that the community median income should rise at a rate consistent with the Metro Area and County over the next five years (2021 – 2026). The incomes of East Los Angeles's households tend to be more concentrated in household income cohorts below \$75,000. Consistent with a lower median and average household income, there is a smaller share of household's making over \$100,000 in compared with the larger County region.

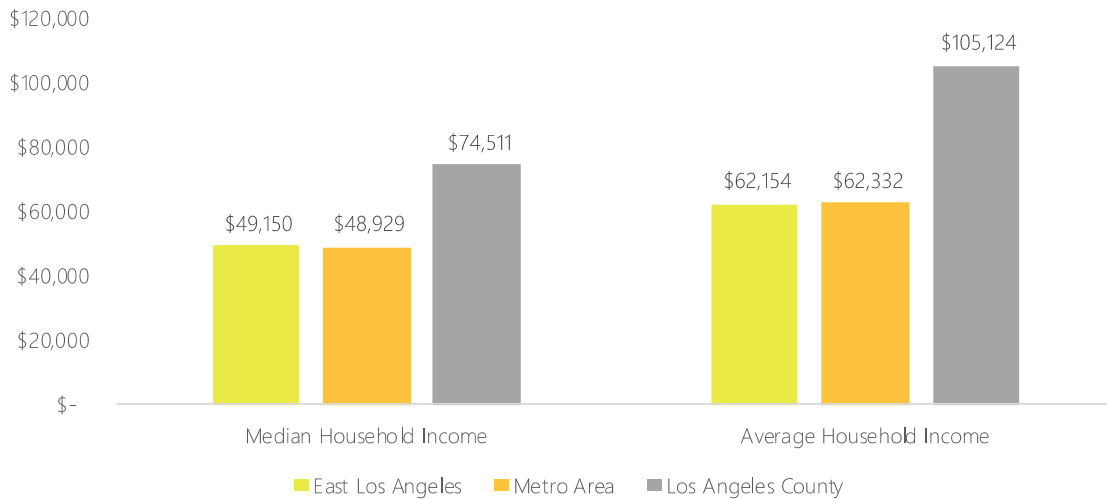
Table 4-5: Household Income by Income Cohort (2021)

	East Los Angeles	Metro Area	Los Angeles County	East Los Angeles/ Metro Area	East Los Angeles/ County
<\$15,000	11.8%	13.7%	9.7%	86.1	121.6
\$15,000 - \$24,999	11.0%	11.3%	7.4%	97.3	148.6
\$25,000 - \$34,999	11.5%	10.8%	7.3%	106.5	157.5
\$35,000 - \$49,999	16.4%	15.1%	10.1%	108.6	162.4
\$50,000 - \$74,999	19.6%	19.1%	15.8%	102.6	124.1
\$75,000 - \$99,999	12.8%	12.2%	12.7%	104.9	100.8
\$100,000 - \$149,999	11.7%	12.2%	17.1%	95.9	68.4
\$150,000 - \$199,999	3.2%	3.6%	8.6%	88.9	37.2
\$200,000	2.1%	2.0%	11.5%	105.0	18.3

Source: ESRI Business Analyst



Figure 4-5: Median and Average Household Income (2021)



Source: ESRI Business Analyst

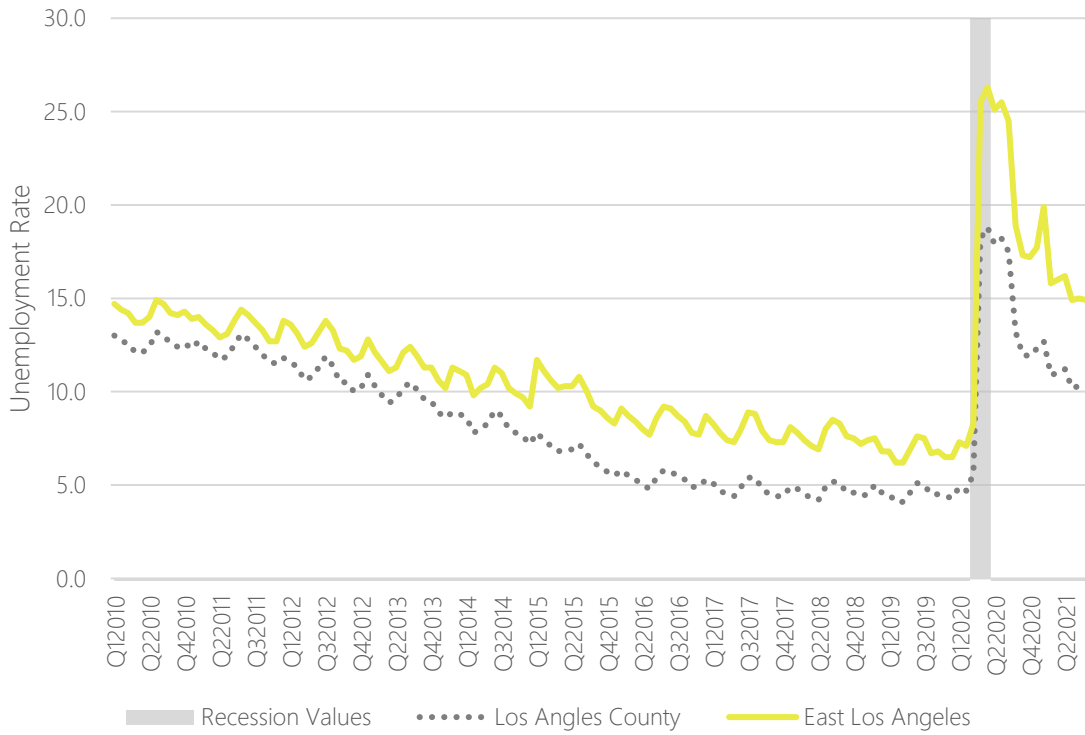
## EMPLOYMENT

Employment is examined in terms of unemployment rates, jobs (in-place employment), worker area profile, and industry composition. A critical barometer in evaluating demand for commercial office and industrial (workplace) real estate is employment growth. The following tables and graphs highlight relevant employment trends and forecasts. Sectoral (industry) analysis lends insight into industry growth and contraction patterns in a given geography.

As of the second quarter of 2021 East Los Angeles’s unemployment rate had fallen to 14.9 percent, down from a peak of 26.3 percent in the second quarter of 2020. The area has typically remained above the County’s unemployment rate in pre- and post-recession times. During the last COVID related recession, the community’s employment spiked significantly, potentially due to the loss of jobs within lower paid, less skilled jobs or industries that were more adversely impacted by mandated business closures.

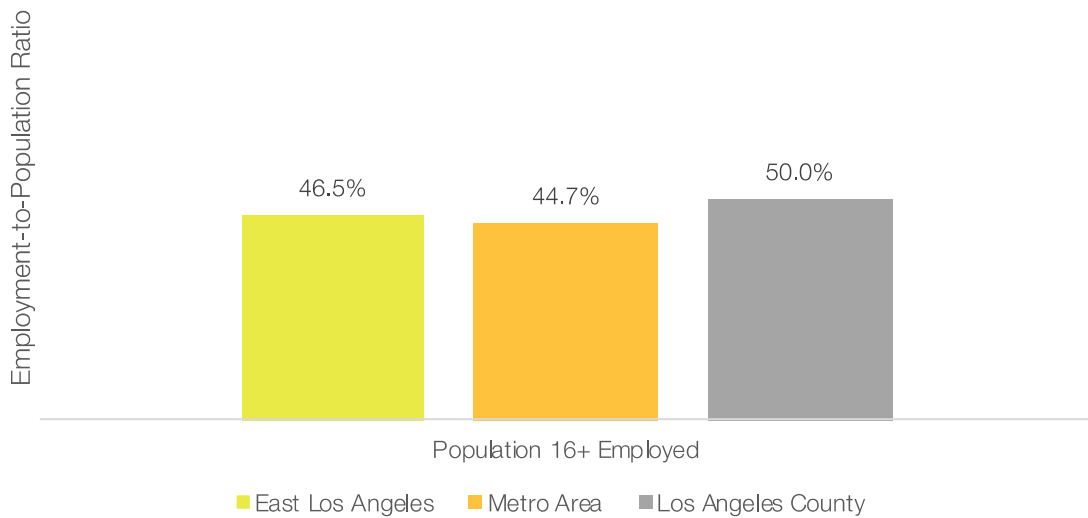
It is estimated that 46.5 percent of the population over 16 years of age are in the labor force. This is slightly higher than the Metro Area and approximately 3.5 percentage points lower than the County labor force participation.

Figure 4-6: Unemployment Rate (2021)



Source: CA EDD, CA Department of Finance

Figure 4-7: Labor Force (2021)



Source: CA EDD, CA Department of Finance

## IN-PLACE EMPLOYMENT

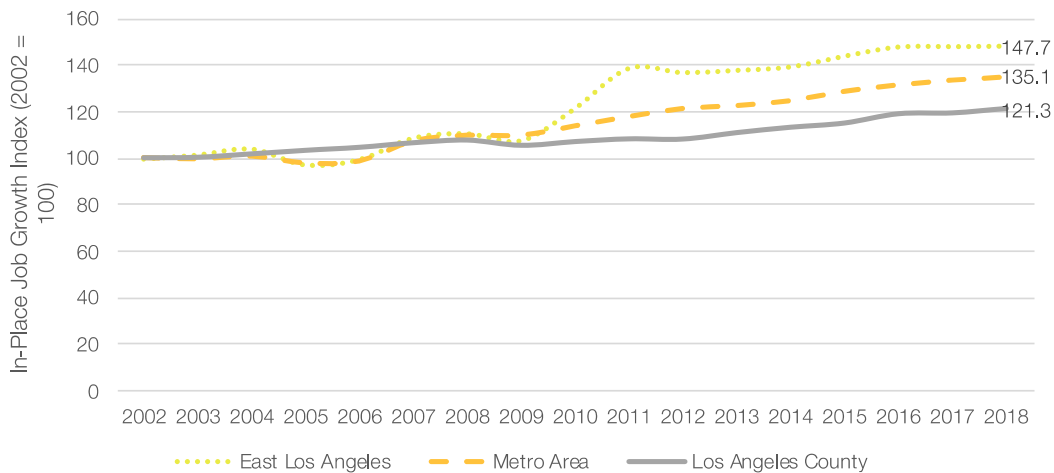
### Jobs

The previously provided information regarding income, unemployment, and the area’s labor force are based on the community’s residents. The following analysis examines jobs located in the community that may or may not be held by community residents. An evaluation of the primary “in-place” employment is important as it impacts the range of demand that can be projected for future commercial serving land uses.

Primary jobs<sup>8</sup> rose from 2002 to 2018, leading up to the COVID-19 related recession. In fact, East Los Angeles saw a relative increase in job growth between 2010 to 2018 compared to both the MAP region and County, whereas before 2010 the job growth tended to be in line with the larger areas.

Based on the OnTheMap employment data, approximately 11 percent of the area’s in-place employment is from residents that both live and work in the community. Similar to other areas within the County, East Los Angeles has a high number of its residents commuting long distances to work. There were approximately 23,350 primary jobs in the community in 2018, which is the most recent year of the Quarterly Census of Employment and Wages in-place employment data available for analysis.

Figure 4-8: In-Place Employment Index (2002 - 2018)



Source: US Census (OnTheMap)

<sup>8</sup> A total job is defined as all jobs, which include all public or private sector jobs (potentially more than one job per worker). For example, if a person had two part-time jobs, then the primary job would be the highest paying job for that worker. Typically there is not significant variation in primary and total jobs except in economies with significant portions of the labor force engaged in part-time employment (e.g. tourist economies).

Table 4-6: Employment Efficiency (2018)

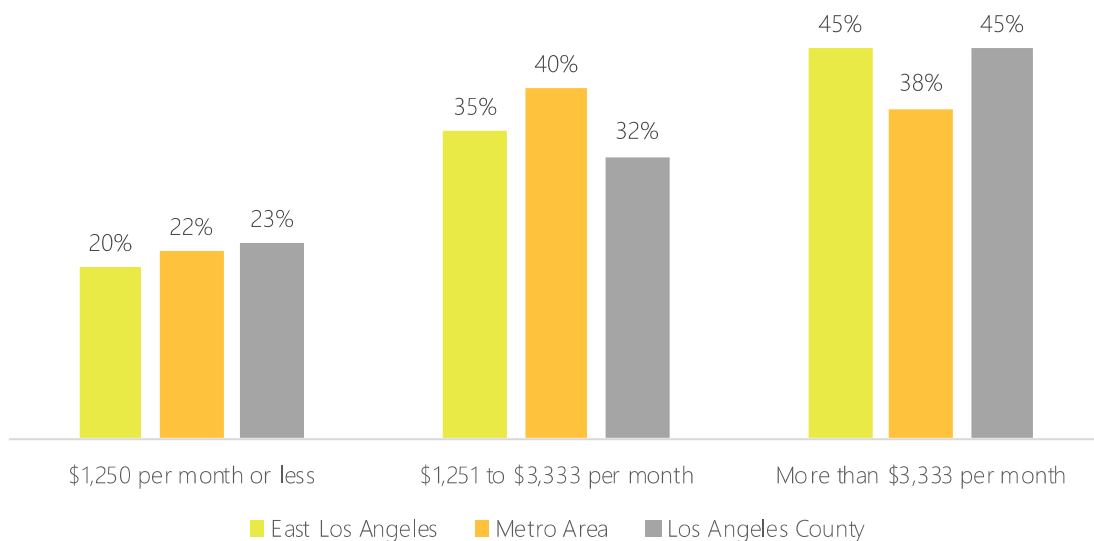
	East Los Angeles	Metro Area	Los Angeles County
In-Place Jobs	23,352	55,365	4,685,637
Employed and Living in the Area (Resident Workers)	11%	12%	77%
Employed and Living Outside the Area (In-Place Employees)	89%	89%	23%

Source: US Census (OnTheMap)

### Worker Area Profile

An evaluation of primary jobs in East Los Angeles reveals some noteworthy characteristics. Unlike the area's resident age distribution, the employment base does not deviate much from observed County ratios of jobs by age. Unlike the rest of the County, East Los Angeles's in-place employment consists of generally lower paying jobs. As shown, the allocation of job wages is generally consistent with the County. Notably, the presence of higher paying jobs in East Los Angeles is a positive indicator. However, the educational attainment of in-place jobs in the area tends to be lower than County, but generally in line with the MAP region.

Figure 4-6: In-Place Employment by Earnings (2018)



Source: US Census (OnTheMap)

Table 4-7: In-Place Employment by Educational Attainment (2018)

	East Los Angeles	Metro Area	Los Angeles County	East Los Angeles/Metro Area	East Los Angeles/ Los Angeles County
Less than high school	22%	24%	16%	93.2	138.6
High school or equivalent, no college	16%	17%	16%	93.4	101.6
Some college or Associate degree	23%	22%	23%	103.6	101.3
Bachelor's degree or advanced degree	20%	18%	24%	115.8	85.8
Educational attainment not available	18%	19%	22%	95.7	84.9

Source: US Census (OnTheMap)

### Location Quotient Analysis

The location quotient (LQ) is a tool that measures the relative concentration of different industries in specific localities relative to a larger level of geography. In most cases, the LQ would compare a county to a state or national level of employment concentration. However, it is useful to get a proxy for relative employment concentration among industries within a sub-regional level geography. The calculation helps evaluate East Los Angeles's strength or weakness in a given industry, relative to the County as a whole. A concentrated (high) LQ means that a given industry is represented more than one would expect, given its total level of employment. The following describes the LQ:

- LQ > 1.0 means that an industry is more concentrated in East Los Angeles than in the County.
- LQ < 1.0 means that an industry is less concentrated in East Los Angeles than in the County.
- LQ = 1.0 means that an industry is equally concentrated in East Los Angeles as in the County.

Because industries with a LQ greater than one indicates relatively high production of a particular service, it is likely that some amount of that industry is being exported. Employment in that industry (or the portion of employment that causes the LQ to exceed 1.0) is then assigned to the economic base and is given credit for supporting the economy as a whole. Conversely, if an industry has a LQ less than one, it is assumed to be a local-serving or non-basic industry. For economic development purposes, it is often useful to focus on the outlier industries with a LQ greater than 1.25 or less than

0.75. The assumption is that industries falling within 0.75 and 1.25 are probably producing at levels sufficient to meet local demand in the local area. For example, a high concentration in the Educational Services, Health Care, and Public Administration industries reflects the area's assets such as Kaiser Permanente and the East Los Angeles Civic Center cluster.

Table 4-8: In-Place Employment Change by Industry (2002, 2018)

Industry	East Los Angeles (2002)	East Los Angeles (2018)	Numeric Change (2002 - 2018)	Location Quotient
Agriculture, Forestry, Fishing and Hunting	15	8	-7	0.38
Mining, Quarrying, and Oil and Gas Extraction	0	2	2	0.20
Utilities	66	53	-13	0.37
Construction	517	404	-113	0.54
Manufacturing	2,930	1,731	-1,199	1.00
Wholesale Trade	864	590	-274	0.50
Retail Trade	1,774	1,704	-70	0.77
Transportation and Warehousing	466	191	-275	0.19
Information	35	109	74	0.07
Finance and Insurance	154	240	86	0.32
Real Estate and Rental and Leasing	93	273	180	0.60
Professional, Scientific, and Technical Services	434	373	-61	0.23
Management of Companies and Enterprises	40	41	1	0.12
Admin. & Support, Waste Mgmt. and Remediation	548	1,808	1,260	1.20
Educational Services	442	2,667	2,225	1.41
Health Care and Social Assistance	2,945	5,762	2,817	1.54
Arts, Entertainment, and Recreation	11	53	42	0.10
Accommodation and Food Services	1,194	1,825	631	0.81
Other Services (excluding Public Administration)	1,606	618	-988	0.77
Public Administration	1,673	4,900	3,227	6.25
<b>Total</b>	<b>15,807</b>	<b>23,352</b>	<b>7,545</b>	<b>1.00</b>

Source: US Census (OnTheMap)

## 4.4 Key Economic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- East Los Angeles households tend to have lower incomes than that of households countywide.
- The community typically has a higher percent of unemployment than is observed in the County. In times of recession, unemployment tends to increase at a higher rate than the County.
- Between 2002 and 2018, East Los Angeles's in-place jobs have grown at a faster rate than both the Metro Area and the County.
- A number of industries are clustered in the area (Educational Services, Health Care, and Public Administration industries) will help facilitate future job growth in the community.
- In-place jobs tend to have wages consistent with the countywide average with educational levels lower than the countywide jobs.
- The existing healthcare and public administration cluster near the Atlantic and Civic Center stations provide in-place job stability in the community. It is important to continue to preserve and foster the ongoing job growth within these industries to provide a stable workforce within the community.

## 5 Real Estate Market

The following provides an overview of historic trends for residential, office, and retail land uses.<sup>9</sup> Historic market trends have been examined to more accurately determine the potential for future land uses and associated development desired in the Metro Area General Plan Update. Once again, trends for the community, Metro Area, and County have been analyzed for comparison purposes. Various recognized submarket area<sup>10</sup> definitions are used in the commercial real estate analysis. It is important to note that this analysis does not attempt to replace the County's Housing Element or any prior planning. Rather, it is provided to include additional and updated market information.

### 5.1 Residential

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Demand for residential housing will be a byproduct of employment and population growth throughout the County. The following sections examine the regional market conditions for rental and for-sale residential properties as well as more localized information pertaining to residential potential in the community.

#### INVENTORY

According to ESRI Business Analyst, East Los Angeles has approximately 32,400 housing units, which represent about 40 percent of the Metro Area. Examining building permit data for the County over the last 10 years (Figure 5-1), an average of 11,000 units were delivered annually with approximately 80 percent of permits being 5 or more multi-family units in the unincorporated areas.

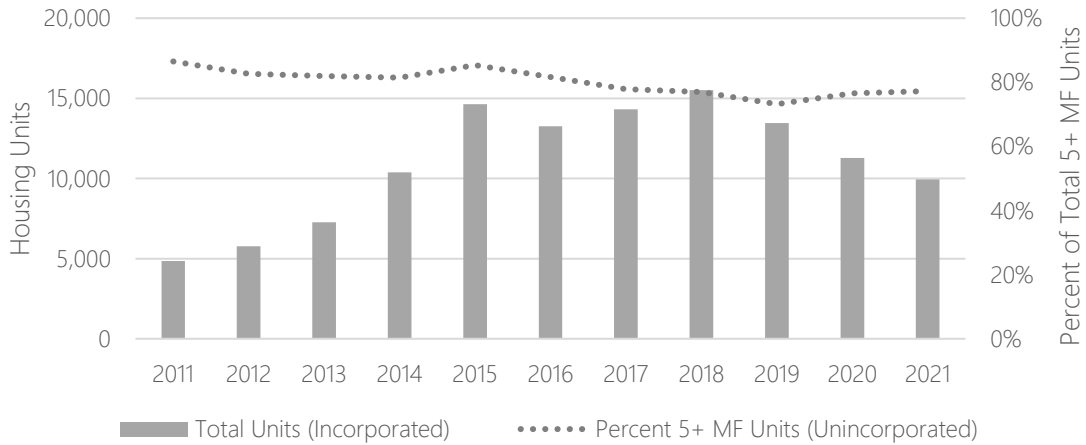
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<sup>9</sup> Pro Forma Advisors has not analyzed the market for future industrial uses as it appears to be inconsistent with the MAP vision. Future analysis may explore strategies to transition underperforming industrial land to more compatible land uses within the MAP communities.

<sup>10</sup> Submarket areas are specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set or peer group.



Figure 5-1: Building Permit Data (2011 - 2021)

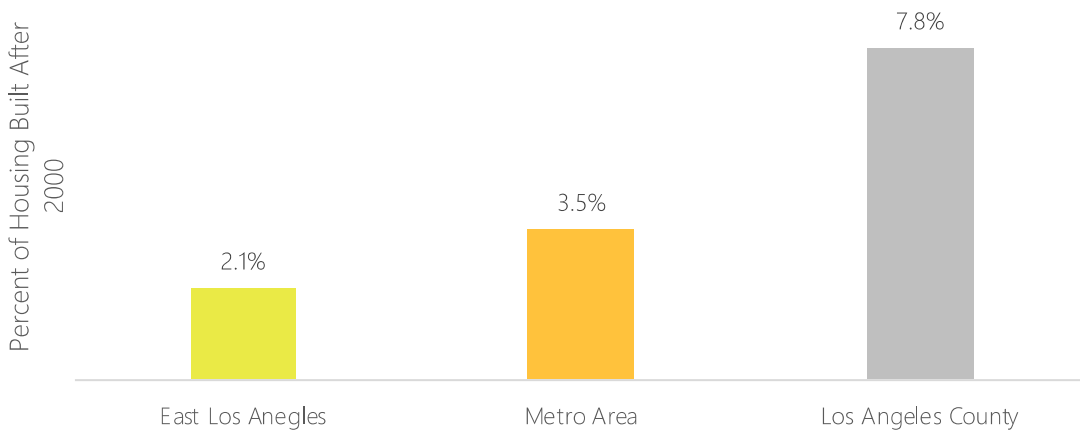


Source: Los Angeles County

### AGE

Approximately 86 percent of the housing was built before 1970. Over the next three decades an additional 12 percent of housing was constructed. As such, East Los Angeles has experienced minimal new residential development since 2010. In fact, approximately two percent of all housing stock was built after 2000 (Figure 5-2). This is significantly lower than the new housing development trends in the County. Furthermore, the community has added housing at a slightly lower rate in comparison to the Metro Area.

Figure 5-2: Housing Built Since 2000 (Relative to Total Housing Stock)

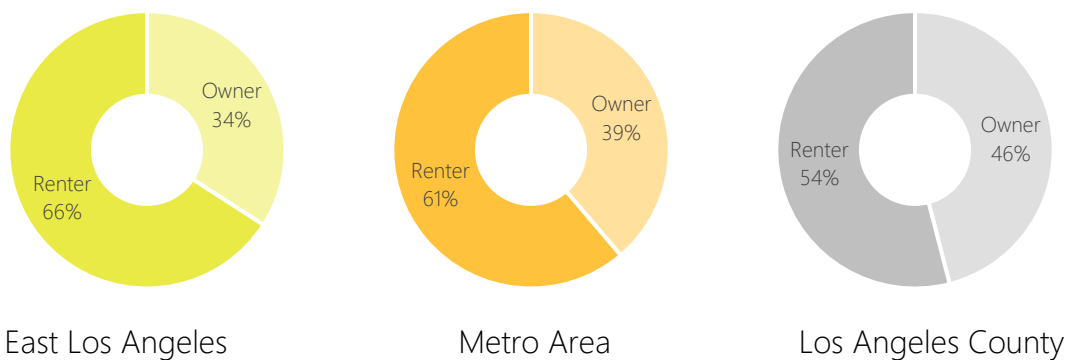


Source: US Census

## TENURE

East Los Angeles has a larger share of renter-occupied housing in comparison to the County (Figure 5-3). Based on 2019 estimates, approximately 34 percent of the housing is owner-occupied. This ratio of owner-to-renter is lower than the Metro Area, with more of its residents in renter occupied housing units. Housing vacancy characteristics do not show much variability from the Metro Area or County, where vacant properties typically make up a small percent of the housing stock.

Figure 5-3: Housing Tenure

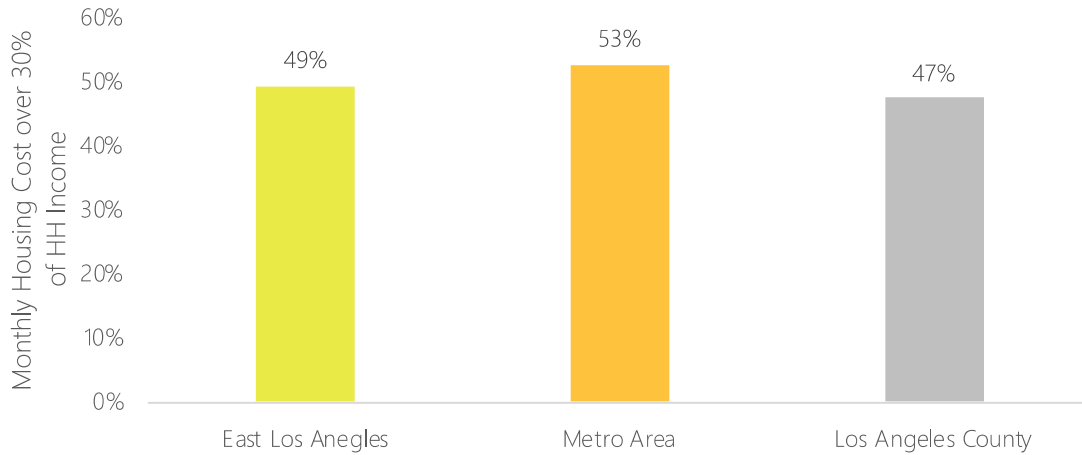


Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## COST BURDEN

The larger share of renters in East Los Angeles and the Metro Area has implications for the financial stability of residents, as renters do not grow wealth through home ownership, have typically lower household incomes, and are subject to sometimes unpredictable rent increases or eviction. Furthermore, apartment owners may defer maintenance and can target lower income renters who have few options in the marketplace. This impacts both quality of life of occupants and can contribute to the community's perception in the County. Approximately 49 percent of households in East Los Angeles pay more than 30 percent of their household incomes toward rent, which is commonly recognized as the share of household income beyond which rent becomes prohibitively expensive and affects other household expenditures.

Figure 5-4: Monthly Housing Cost Over 30 Percent of Income



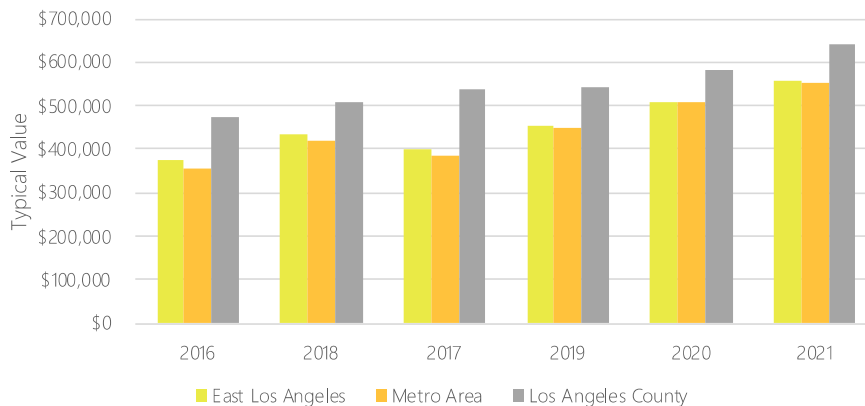
Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## PRICING

### For-Sale Pricing

In 2021, the typical condominium price in East Los Angeles was approximately \$557,000, which is \$82,000 less than the County (\$639,000). However, the compound annual growth rate (CAGR) for the community's for-sale housing has been 8.1 percent per year over the last five years. This rate is lower than the Metro Area (9.2 percent), but higher than the County CAGR of 6.3 percent since 2016. The community, like the County, has seen marked for-sale housing pricing increases as interest rates have remained low and housing production has not kept pace with demand.

Figure 5-5: Typical Condominium Value



Source: Zillow

### For-Rent Pricing

According to the US Census, the typical monthly rental price (all units) is \$1,134 in East Los Angeles. This typical monthly rent is lower than the County and slightly lower than the Metro Area. Similar to the for-sale housing, rental rates in the County have increased because of increased demand for housing. For-rent housing demand, unlike for-sale housing, may reflect evolving market preferences, affordability, or scrutiny on for-sale home mortgage lending standards. In general, the Metro Area's rental housing stock prices have not kept pace with the County due to a lack of new development, which often drives market prices up through higher quality and amenities.

Figure 5-6: Typical Monthly Rent (Median Gross Rent)



Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

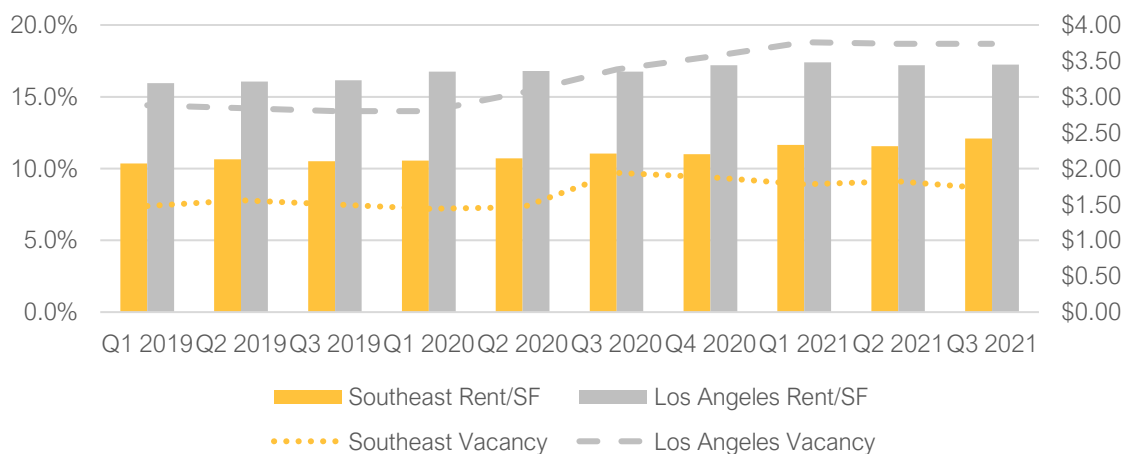
## 5.2 Office

Market potentials for office development within East Los Angeles will be a function of the particular attributes of the available land, adjacent land uses, and the regional economy and office market. Although the Los Angeles office market is comprised of many submarkets, each with potentially a distinct tenant profile, office space is typically highly substitutable, such that the potentials in any given market are determined by the strength of the regional office market. Thus, development activity, absorption, vacancy rates, and change in rental rates follow very similar patterns in most of the Los Angeles submarkets. East Los Angeles falls within what is known as the “Southeast office market”.

### FUNDAMENTALS

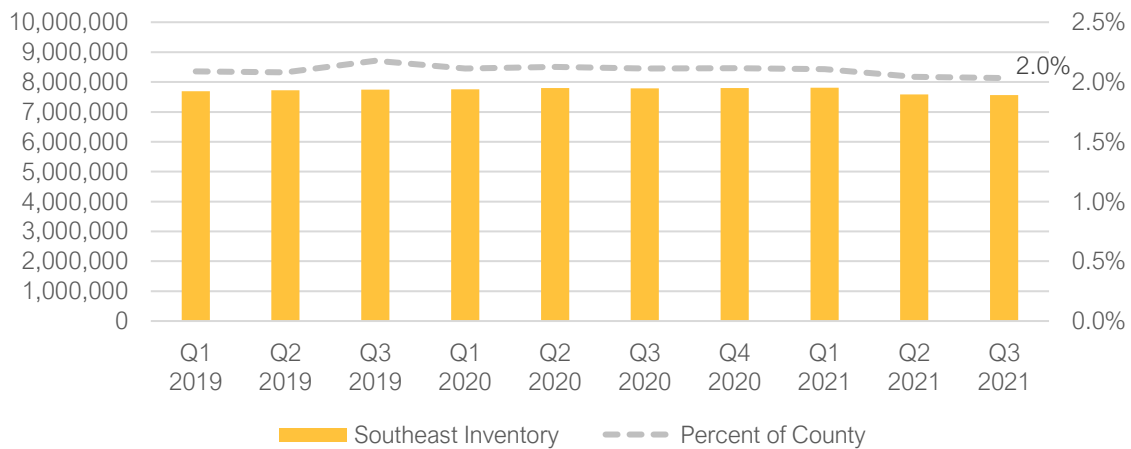
The Southeast office market has 7.5 million square feet of existing office space, which has decreased by approximately 132,500 square feet since Quarter 1 of 2019. Historically, this submarket has represented approximately 2.0 percent of the total County office market. The office vacancy rates have been lower than the larger County area over recent years. However, other submarkets have delivered high quality Class A space that often has a high vacancy rate because it is in the process being leased. As reflected in the average asking rent, the Southeast area has lagged behind the average asking monthly rent largely due to its older office developments, most of which were delivered decades ago.

Figure 5-7: Regional Office Inventory (2019 - 2021)



Source: CoStar

Figure 5-8: Regional Office Trends (2019 – 2021)



Source: CoStar

### LOCAL MARKET CONDITIONS

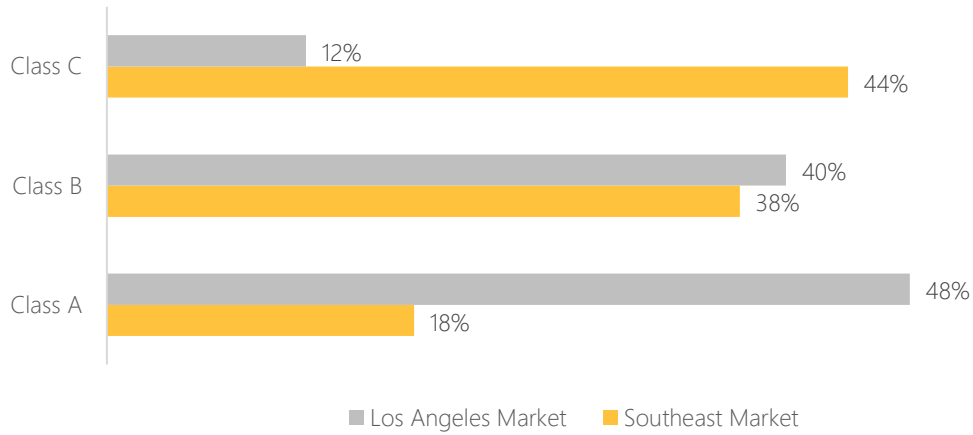
The Southeast submarket has a significantly higher percent of Class C office space and relatively few Class A office developments. Once again, the County Assessor data was used to better understand the contemporary amount of commercial office development in the community.

Examples of office development include:

- Office Buildings; and
- Professional Building.

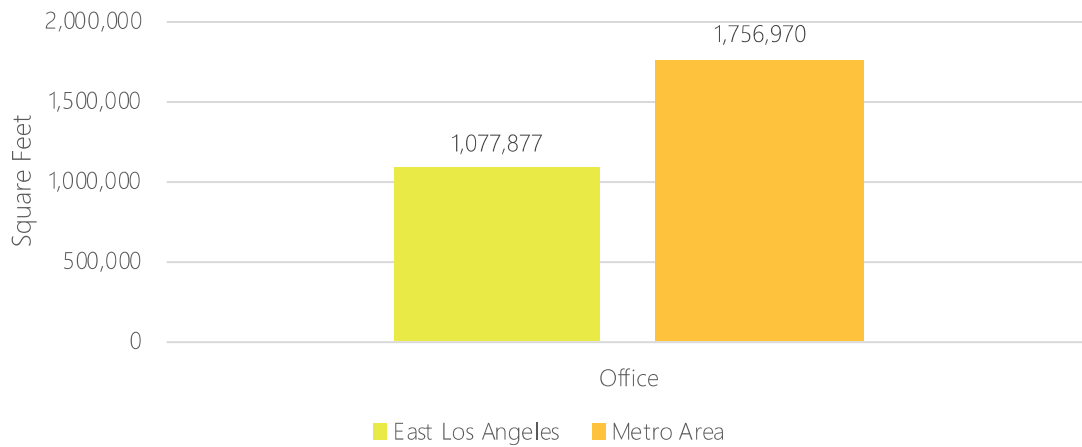
In total, there is an estimated 1.0 million square feet of commercial office space, as defined above, which is 61 percent of the Metro Area’s 1.8 million square feet of commercial office development.

Figure 5-9: Office Inventory Comparison by Asset Class



Source: CoStar

Figure 5-10: Community and Metro Area Office Inventory (2020)



Source: Los Angeles County Assessor

## 5.3 Retail

---

The retail sector occupies a prominent place in the economy because such a large portion of the United States' economic activity depends on consumer spending. The sales of retail goods and services generate a large number of jobs that provide employment for individuals across a wide range of skill and income levels. Retail real estate markets are more subject to obsolescence and more locally based than either commercial office or industrial markets.

### FUNDAMENTALS

Although historical data is incomplete for East Los Angeles, it is likely that the retail market parallels that of the Greater Southeast market area with annual rents around \$25-30 NNN/year/square foot. Asking rents have historically been significantly below the larger County area. Vacancies have remained low with a rate consistent or lower than the larger County trend. In total, there is an estimated 7.3 million square feet of shopping center<sup>11</sup> space in the Southeast submarket, which is about 5.5 percent of the total County inventory.

---

<sup>11</sup> Shopping centers consist of the following:

General Retail: Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don't meet any of the more detailed use descriptions.

Mall: Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store, with a minimum GLA of 100,000 square feet, as the major drawing power.

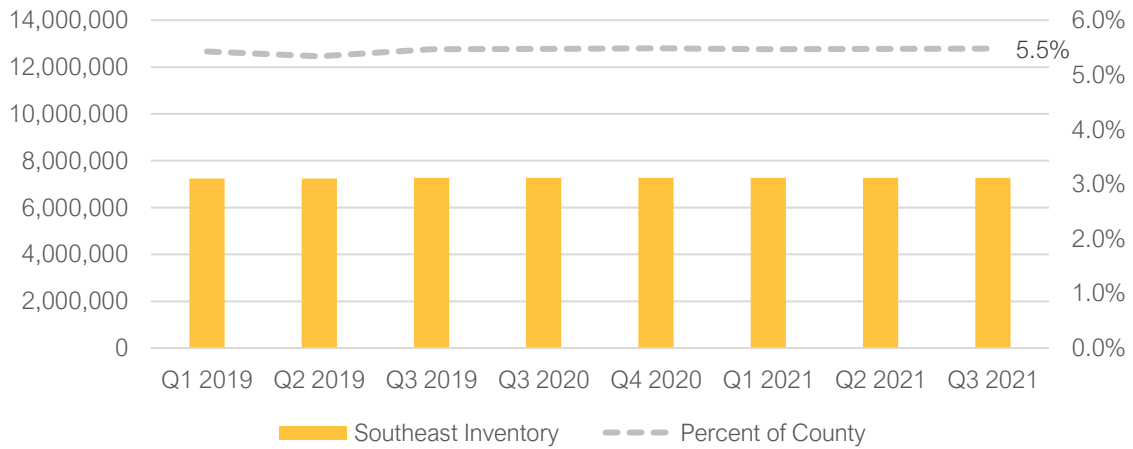
Power Center: Typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants 250,000–600,000 square feet.

Shopping Center: The combined retail center types of Community Center, Neighborhood Center and Strip Center, which have a range of 50,000 – 350,000 square feet with limited anchors.

Specialty Center: The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center; which have a special market orientation and are unique in the market area.

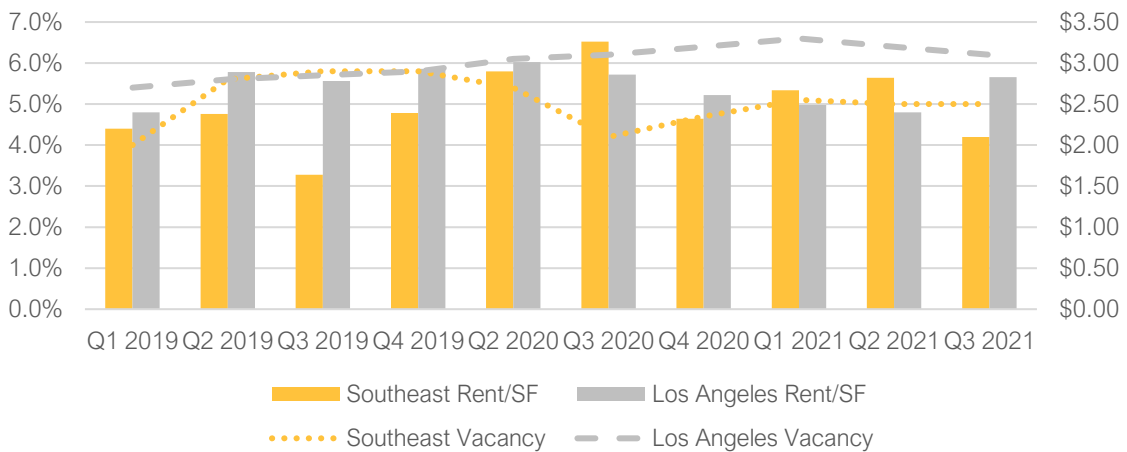


Figure 5-11: Regional Retail Inventory (2019 - 2021)



Source: CoStar

Figure 5-12: Regional Retail Trends (2019 – 2021)



Source: CoStar

## LOCAL MARKET CONDITIONS

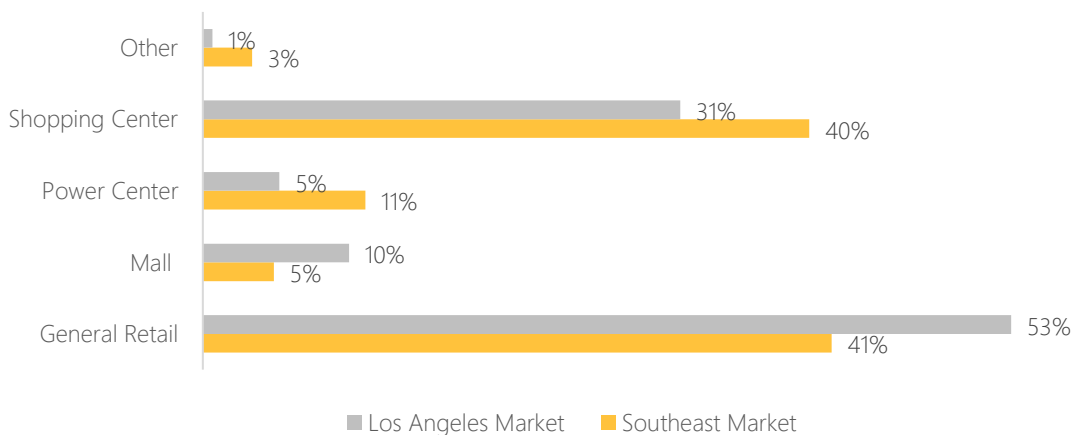
While the Southeast submarket has a relatively consistent share of retail space by major retail development type, the local inventory in East Los Angeles is dominated by non-shopping center oriented development. The County Assessor data was used to better understand the contemporary amount of commercial retail development in the community. Specifically, the amount of retail that would provide goods to community residents.

Examples of these types of retailers include:

- Restaurants/Non-grocery Food and Beverage;
- Supermarkets/Grocery;
- General Stores;
- Shopping Centers; and
- Department Stores.

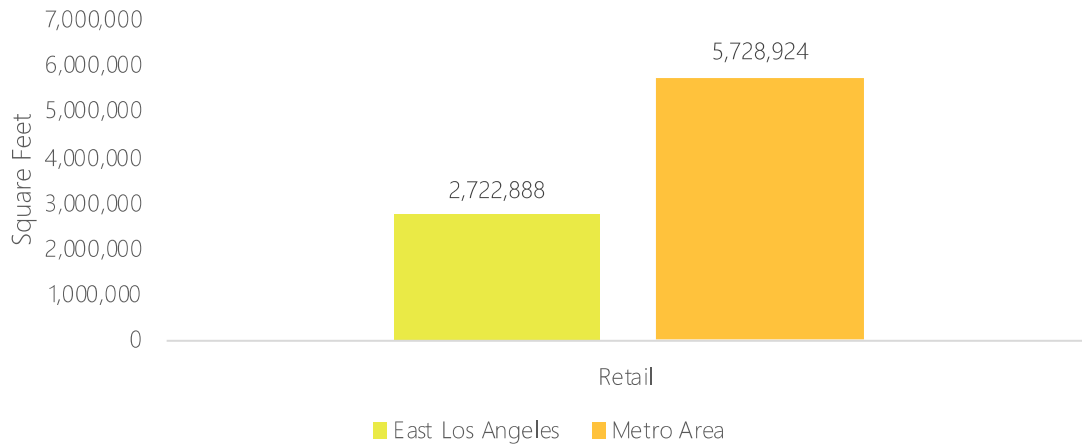
In total, there is an estimated 2.7 million square feet of commercial retail space, as defined above, which is 47.5 percent of the Metro Area’s 5.7 million square feet of commercial retail development.

Figure 5-13: Retail Inventory Comparison by Asset Class



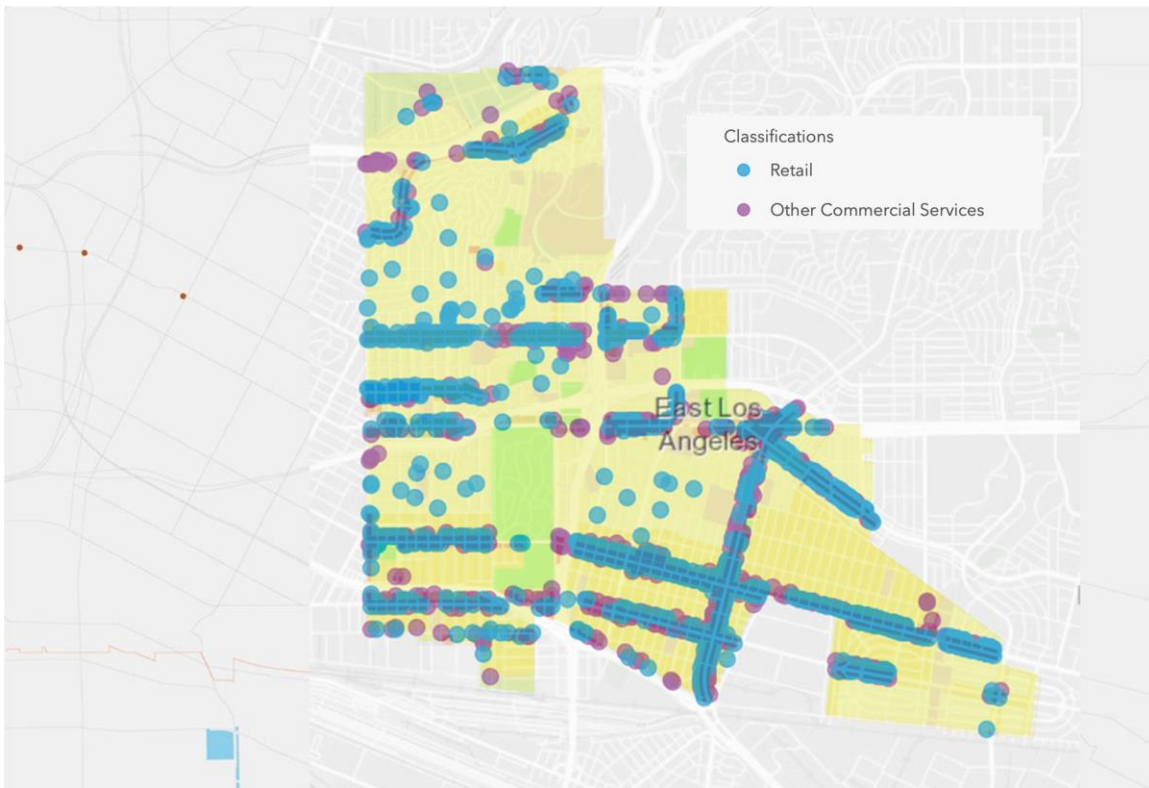
Source: CoStar

Figure 5-14: Community and Metro Area's Retail Inventory (2020)



Source: Los Angeles County Assessor

Figure 5-15: Community Retail Inventory Map (2020)



Source: Los Angeles County Assessor

## 6 Long-Term Land Use Demand

The following section provides long-term land use demand projections for the community. Given that specific sites and development opportunities will generate various levels of demand, the following is intended to give broad parameters regarding the potential level of new development in the city. From this, development and land use opportunities can be evaluated to determine the required level of site capture (e.g. market demand) and if it is reasonable to plan for within the next 15 years.

### 6.1 Residential

---

Area Plan residential projections are based on household estimates from ESRI and SCAG. The low range is based on historic growth (0.8 percent CAGR), the target growth is based on projected growth for all unincorporated areas in the County (1.2 percent CAGR), while the high growth reflects the adjusted SCAG projections using 2021 ESRI data. For planning purposes, a growth scenario between the target and high-range projection appears warranted unless the County desires creating higher density mixed-use residential development at key development opportunities adjacent to transit, as available in some MAP communities.

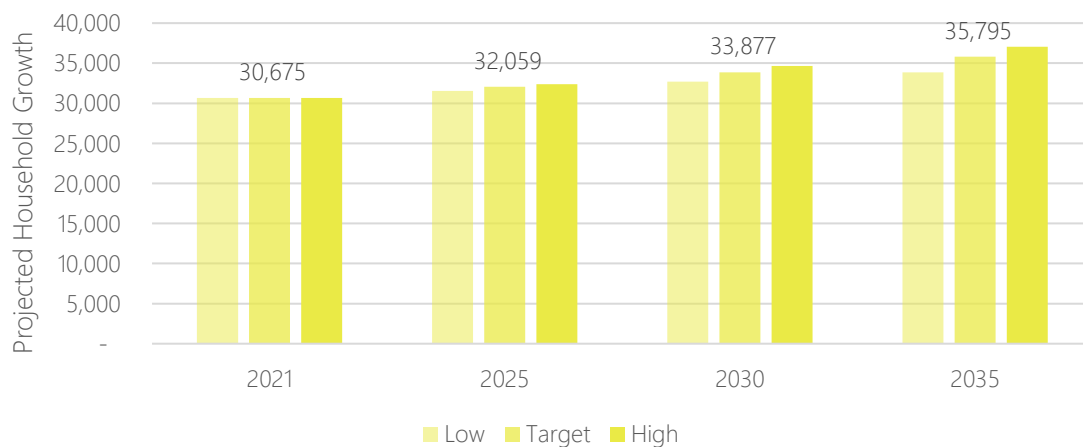
The total demand for new households was then further adjusted to account for a likely distribution of market rate and affordable housing units. In general it is assumed 30 percent of the units are market while 70 percent are affordable throughout the Metro Area.

Table 6-1: Housing Demand by Time Period (2021 - 2035)

	2021-2025	2025-2030	2030-2035	2021-2035
<b>East Los Angeles (Multi-Family Units)</b>				
Market Rate	393	515	544	1,452
Affordable	992	1,302	1,374	3,668
Total	1,384	1,817	1,918	5,120
<b>Metro Area (Multi-Family Units)</b>				
Market Rate	1,055	1,393	1,480	3,928
Affordable	2,670	3,525	3,746	9,941
Total	3,725	4,918	5,226	13,869
<b>East Los Angeles/MAP Region (Percent of Total)</b>				
Market Rate	37.2%	37.0%	36.8%	37.0%
Affordable	37.2%	36.9%	36.7%	36.9%
Total	37.2%	48.8%	51.5%	36.9%

Source: Pro Forma Advisors

Figure 6-1: Housing Demand Scenarios – Occupied Housing Units (2021 – 2035)



Source: Pro Forma Advisors

## 6.2 Office

---

The demand for office space in the County and MAP region will be based on demand created by new jobs in industries that require office space. Given the recent flexibility in an employee’s ability to work “remotely” the future demand for office space is somewhat speculative given that the required amount of space, in square feet, could change dramatically if people continue to work from home. Leading up to the global pandemic, office serving jobs have occupied less and less space on a per employee basis.

As noted in the office market analysis, there is relatively little office serving space in the Metro Area. The demand analysis uses California Employment Development Department 10-year projections by industry to estimate Countywide demand for industries that utilize office space. The total office space demand was then adjusted for office development under construction and structural vacancy. In total, it is estimated that 2.4 million square feet of office will be developed in the County per year and the Metro Area could capture its “fair share” or current allocation of office space, which is less than 0.5 percent of the Countywide total.

For general planning purposes, a range was provided based on a higher target and high range based on a more aggressive capture assumption. The total office demand would be limited but could be delivered in the community in the planning horizon.

Table 6-2: Office Demand (2021 - 2035)

	2021 - 2035 (Square Feet)		
	Low	Target	High
East Los Angeles	87,800	109,800	131,700
Metro Area	147,600	184,500	221,400
Los Angeles County Market	2,160,000	2,400,000	2,640,000

Source: Pro Forma Advisors

## 6.3 Retail

---

The retail demand model is based on a combination of existing spending assumed to be “leaking” outside the community as well as an assumed future capture of new resident spending. To estimate the retail surplus/leakage, potential sales (demand) from East Los Angeles’s residents and employees were estimated using the gross disposable income and typical worker spending, while taxable sales (supply) were estimated using information from ESRI business analyst. Finally, an adjustment of sales to supportable square feet was made, based on an estimate of sales productivity levels that could support new higher quality development.

New resident spending was determined using an average household income of \$100,000 for market rate units and \$60,000 for affordable units (2021 dollars). The spending was adjusted to reflect a household spend per capita based on County pro rata retail sales adjusted by income.<sup>12</sup> A further assumption was made that assumed the community could capture 30 percent of new retail sales, which reflects typical spending for local serving retail development.

A low retail demand estimate reflects the total recapture of lost sales and a high retail demand estimates reflects the recapture of lost sales plus demand from new households. In total, East Los Angeles has 184,500 square feet of retail demand over the next 15-years.

---

<sup>12</sup> Review of the Bureau of Labor Statistics’ Consumer Expenditure Study as well as the Board of Equalization Sales and Use tax reports.

Table 6-2: Retail Demand (2021 - 2035)

	Commercial Retail Recapture Estimate (2021)	New Retail De- mand from Household Growth	Total Commercial Re- tail Demand	Low	High
East Los Angeles (Square Feet)					
Retail Trade	62,800	103,700	166,500	62,800	166,500
Food and Drink	0	18,300	18,300	0	18,300
Total	62,800	122,000	184,800	62,800	184,800
Metro Area (Square Feet)					
Retail Trade	158,100	281,350	439,450	158,100	439,450
Food and Drink	10,500	49,650	60,150	10,500	60,150
Total	168,600	331,000	499,600	168,600	499,600
East Los Angeles/Metro Area (Percent of Total)					
Retail Trade	39.7%	36.9%	37.9%	39.7%	37.9%
Food and Drink	0.0%	36.9%	30.4%	0.0%	30.4%
Total	37.2%	36.9%	37.0%	37.2%	37.0%

Source: Pro Forma Advisors



## 6.4 Key Takeaways

---

The following includes a bullet point summary of key takeaways from the section:

- The larger share of renters in East Los Angeles and the MAP region has implications for the financial stability of residents, as renters do not grow wealth through home ownership, have typically lower household incomes, and are subject to sometimes unpredictable rent increases or eviction. Furthermore, approximately 49 percent of households in East Los Angeles pay more than 30 percent of their household incomes toward rent, which is commonly recognized as the share of household income beyond which rent becomes prohibitively expensive and affects other household expenditures.
- Multi-family housing development should be encouraged at market and affordable levels within the community. Given the East Los Angeles transit stations asset, additional consideration could be given for higher density development oriented around transit.
- Retail demand is moderately strong. Careful consideration should be given to community serving neighborhood retail shopping center development or retail that will support the existing core of Food and Beverage offerings by extending the length of stay and shopping patterns.
- Office demand is moderate and could be delivered within live/work housing product as well as traditional office development.

## 7 Appendix

### 7.1 Sources

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Listed in report order:

[Los Angeles County Assessor](#)

[ESRI Business Analyst](#)

[METRO](#)

[US Census](#)

[California Employment Development Department](#)

[California Department of Finance](#)

[US Census \(OnTheMap\)](#)

[Los Angeles County \(Building Permit Data\)](#)

[Zillow](#)

[CoStar](#)

## 7.2 Demographic Data (ESRI)

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LOS ANGELES COUNTY

EXISTING CONDITIONS REPORT:  
East Rancho Dominguez

Socioeconomic Review and Market Assessment

December 2021

Prepared by



and

**DUDEK**



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# 1 Existing Conditions Introduction and Overview

## 1.1 Project Overview

---

Los Angeles County (County) is currently preparing the Metro Area Plan (Area Plan), which is one of 11 planning areas in the County. The Planning Area framework was adopted via the County's 2015 General Plan Update to effectively plan and regulate development in unincorporated areas across the nation's most populous County. There are seven unincorporated communities within the Metro Area Plan – West Athens - Westmont, West Rancho Dominguez – Victoria, Willowbrook, East Rancho Dominguez, Walnut Park, Florence-Firestone, and East Los Angeles. The Area Plan provides a once-in-a-generation opportunity for community members to share their vision for the area's future and provide input on the community's long-term goals and development opportunities.

## 1.1 Purpose of the Existing Conditions Report

---

This Existing Conditions Report represents the first major step in the process of updating the Area Plan. This report provides information on existing socioeconomic and market conditions in the Area Plan and its surrounding areas as well as an analysis of growth prospects and land demand. The Existing Conditions Report is used as a basis for:

- Facilitating community input on planning issues and visions during community workshops;
- Preparing alternative land use planning scenarios; and
- Formulating policies and implementation actions for the Area Plan.

The focus is on resources, trends, and critical concerns to frame decision-making for the long-term physical development of the community. This report analyzes socioeconomic and real estate market dynamics in East Rancho Dominguez (Existing Conditions Report).

## 2 Summary

### 2.1 Introduction

---

This report summarizes the socioeconomic and real estate market conditions and trends that will shape medium-<sup>1</sup> to long-term<sup>2</sup> growth opportunities in East Rancho Dominguez and the greater Metro Planning Area (Metro Area).<sup>3</sup> The primary purpose of this socioeconomic review and market assessment is to inform, for planning purposes, the area's overall land use policy with respect to the type of development and land uses that could be effectively targeted during the planning horizon.

It is important to note that in the context of long-term planning, short-term market cycles have less relevance given a planning horizon stretching to 2035.<sup>4</sup> The conclusions discussed throughout this report are based on long-term data projections and an understanding of economic and market dynamics affecting the community and region. This report has been prepared for the County by Pro Forma Advisors as a sub-consultant to Dudek in support of the County's Area Plan process.

### 2.2 Summary of Findings

---

The following key findings are provided to give a sense of future land use demand as well a review of key issues impacting future development in the community. These issues are explored from the socioeconomic and market perspective.

#### SOCIOECONOMIC FACTORS INFLUENCING DEVELOPMENT

Based on a review of historic and projected socioeconomic trends for the community, the following provides a summary of key issues to consider for future land use planning from a socioeconomic perspective.

---

<sup>1</sup> Five to 10 years.

<sup>2</sup> Over 10 years.

<sup>3</sup> This report only presents information for unincorporated areas.

<sup>4</sup> This would include the short-term impact of COVID-19.

## Age

The community's population is young with a high composition of families with higher-than-average household sizes (5.0 people per household). This population's growth and transition into the labor force will provide unique challenges for the area if those children desire to live where they grew up. The market created from this demographic shift might require changes in the area's housing stock to provide opportunities for residents. Alternatively, changes in their housing preferences could create opportunities for other families wanting to move into the community.

## Ethnic Composition

East Rancho Dominguez has a higher relative share of residents identifying as "Black alone," "some other race alone," and Latino/a. While changing demographics do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities, and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the projected ethnic composition of the area's population might impact future land use decisions. Ethnic diversity is an attribute that may shape specific commercial and residential preferences.

## Employment Base

East Rancho Dominguez has experienced employment growth at a rate faster than the Metro Area and County. The majority of the jobs located in the community that have been lost since 2002 are in industries that support "Industrial" serving employment. There is a strong base of employment in many core industries. Since 2002, the area added over 440 community jobs representing three percent of all new jobs in the Metro Area. However, overall, the less educated in-place employees and residents tend to have jobs that pay less than the countywide average income.

## Retail Leakage

The community appears to experience retail expenditure leakage to neighboring areas in the region, or "retail leakage" due to the newer, large format retailers located in other areas of the County. Based on the analysis, the community could recapture 2.5

square feet per household for neighborhood serving retail development.<sup>5</sup> For the community to be economically viable over the long-term it should strive to continue expanding its retail base by creating a more diverse local serving retail environment to increase the market capture from its households within the community.

#### Long-Term Land Use Demand

The following provides context regarding future development potential, given the anticipated market demand for various land uses as discovered in the market analysis. As shown below, an order-of-magnitude demand estimate for residential, retail, office land uses have been made for East Rancho Dominguez through 2035.

This represents the target range of development that could be attracted over the Area Plan horizon. Based on the economic development goals of the County, a more aggressive capture of demand could be warranted. As such, these estimates should be considered preliminary for planning purposes.

Table 2-1: Demand Analysis Summary (2021 – 2035)

	Target (Rounded)
Housing (Units)	700
Market Rate	200
Affordable	500
Retail (Square Feet)	23,400
Office (Square Feet)	1,800

Source: Pro Forma Advisors

<sup>5</sup> Retail development that provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood.

## 3 Geography and Land Use Overview

The following section presents a brief overview of East Rancho Dominguez in relation to other geographical areas referred to within this report. It also summarizes existing land uses. A community's core assets such as open space, proximity to regional free-ways, and reputation within the region are important attributes that impact future development and shape long-term land use planning.

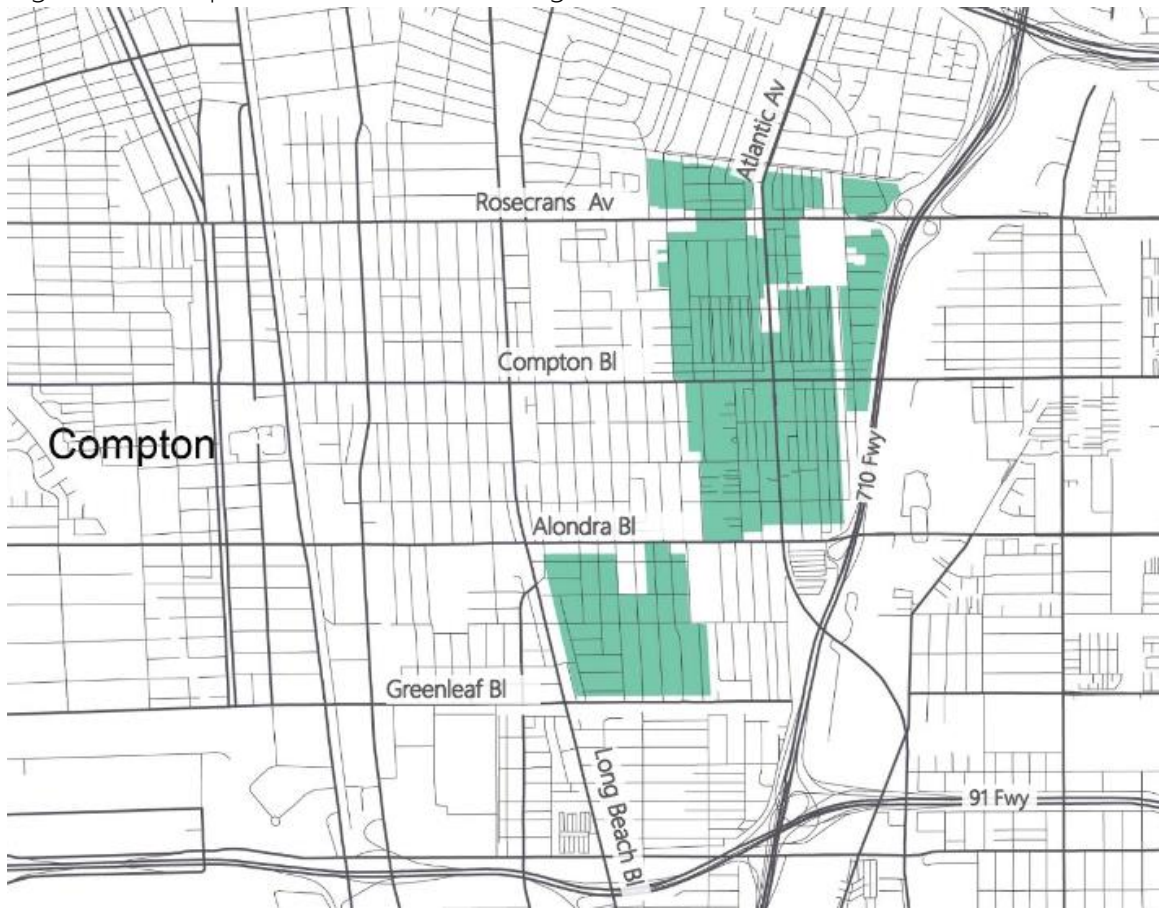
### 3.1 Location Overview

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Located near the center of the County, East Rancho Dominguez is approximately 0.82 square miles in size. East Rancho Dominguez is an unincorporated community and also a census designated place. For the purpose of this analysis, the area is generally bounded by Rosecrans Avenue to the North, Interstate 710 freeway to the East, and Greenleaf Boulevard to the South. Major North/South thoroughfares include Atlantic Avenue and Interstate 710. Major East/West thoroughfares include Rosecrans Avenue, Compton Boulevard, and Alondra Boulevard. A key locational asset includes the East Rancho Dominguez Park and Community Center.

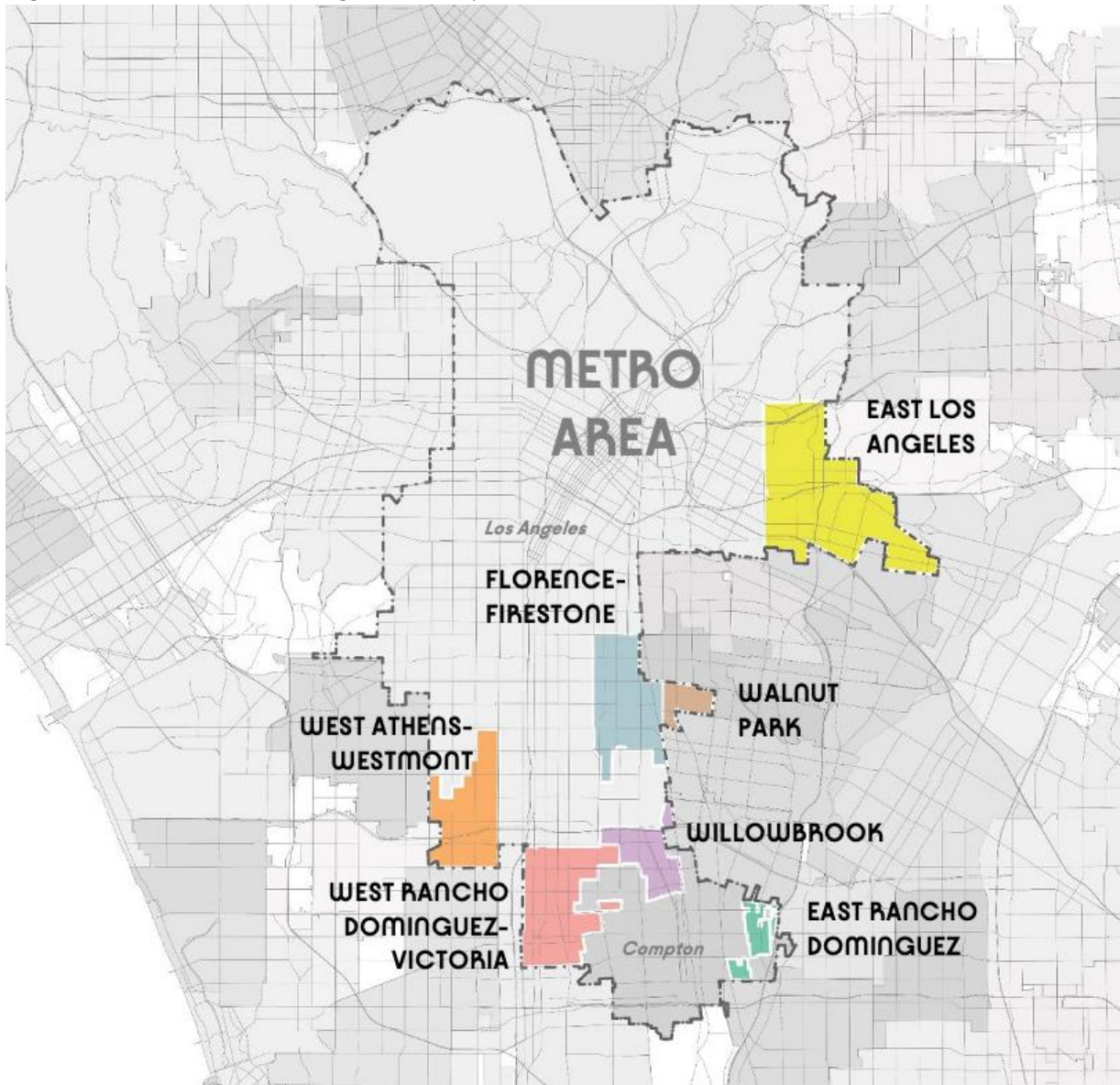
East Rancho Dominguez is one of seven communities within the larger Metro Area. It represents approximately four percent of the total Area Plan land area.

Figure 3-1: Map of East Rancho Dominguez



Source: Dudek

Figure 3-2: Metro Planning Area Map



Source: Dudek



### 3.2 Current Land Use

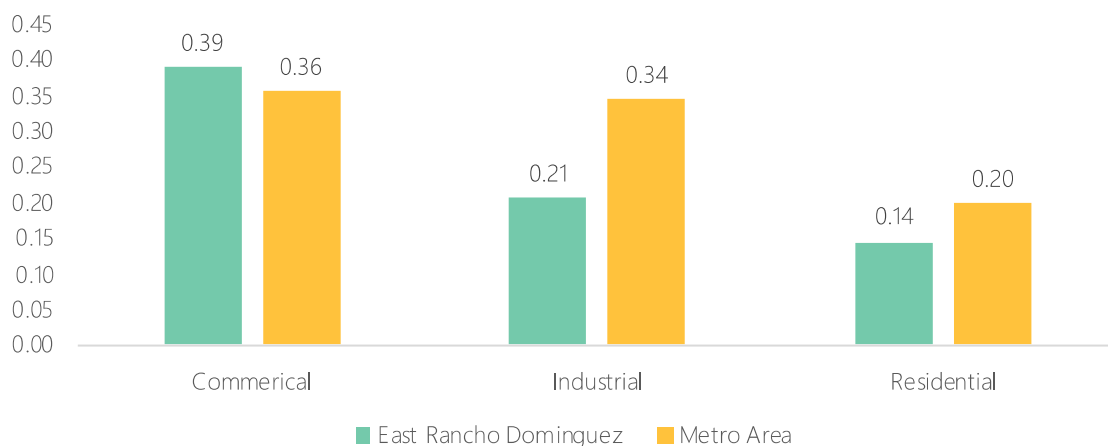
Excluding roads and other infrastructure, East Rancho Dominguez has 0.59 square miles of publicly and privately held land. Residential land uses make up the majority of land in the community area, representing 89.9 percent of the total land and 85.6 percent of the built space. Commercial uses (inclusive of both retail and office) represent about 7.0 percent of the total land and 10.6 percent of the built space due to the highest floor area ratio (FAR) among any of the land uses. The remaining land is comprised of industrial development and other land uses (including government, institutional, etc.).

As it relates to the larger Metro Area, East Rancho Dominguez represents:

- 2.9 percent of the of the commercial development;
- 0.0 percent of the industrial development; and
- 4.5 percent of the residential development.

The distribution of land use has a fairly consistent relationship to the Metro Area with higher than normal residential and other land use development and much lower proportional amount of industrial development and land.

Figure 3-3: FAR Comparison by Land Use



Source: Los Angeles County Assessor

**Table 3-1: Land Use (2020)**

	East Rancho Dominguez		Metro Area		East Rancho Dominguez /Metro Area	
	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)
<b>Total</b>						
Commercial	332,599	0.04	11,645,057	1.17	2.9%	3.5%
Industrial	3,785	0.00	19,139,479	2.00	0.0%	0.1%
Residential	2,686,398	0.53	59,273,588	10.77	4.5%	4.9%
Other	114,298	0.02	3,256,980	2.88	3.5%	0.6%
<b>Total</b>	<b>3,137,080</b>	<b>0.59</b>	<b>93,315,104</b>	<b>16.82</b>	<b>3.4%</b>	<b>3.5%</b>
<b>Percent of Total/Index</b>						
Commercial	10.6%	7.0%	12.5%	7.0%	85.0	100.7
Industrial	0.1%	0.2%	20.5%	11.9%	0.6	1.7
Residential	85.6%	89.9%	63.5%	64.0%	134.8	140.3
Other	3.6%	2.9%	3.5%	17.1%	104.4	16.9

Source: Los Angeles County Assessor

### 3.3 Transportation Access

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From a regional perspective, East Rancho Dominguez is easily accessible from Interstate 105 and 710. Given its central location within the larger Los Angeles Metropolitan Statistical Area it is estimated that there are over 10 million people living within a 30-mile radius, which includes major job centers. The East Rancho Dominguez is also within a relatively short distance from Los Angeles International airport (LAX) as well as two shipping ports (Port of Los Angeles and Long Beach).

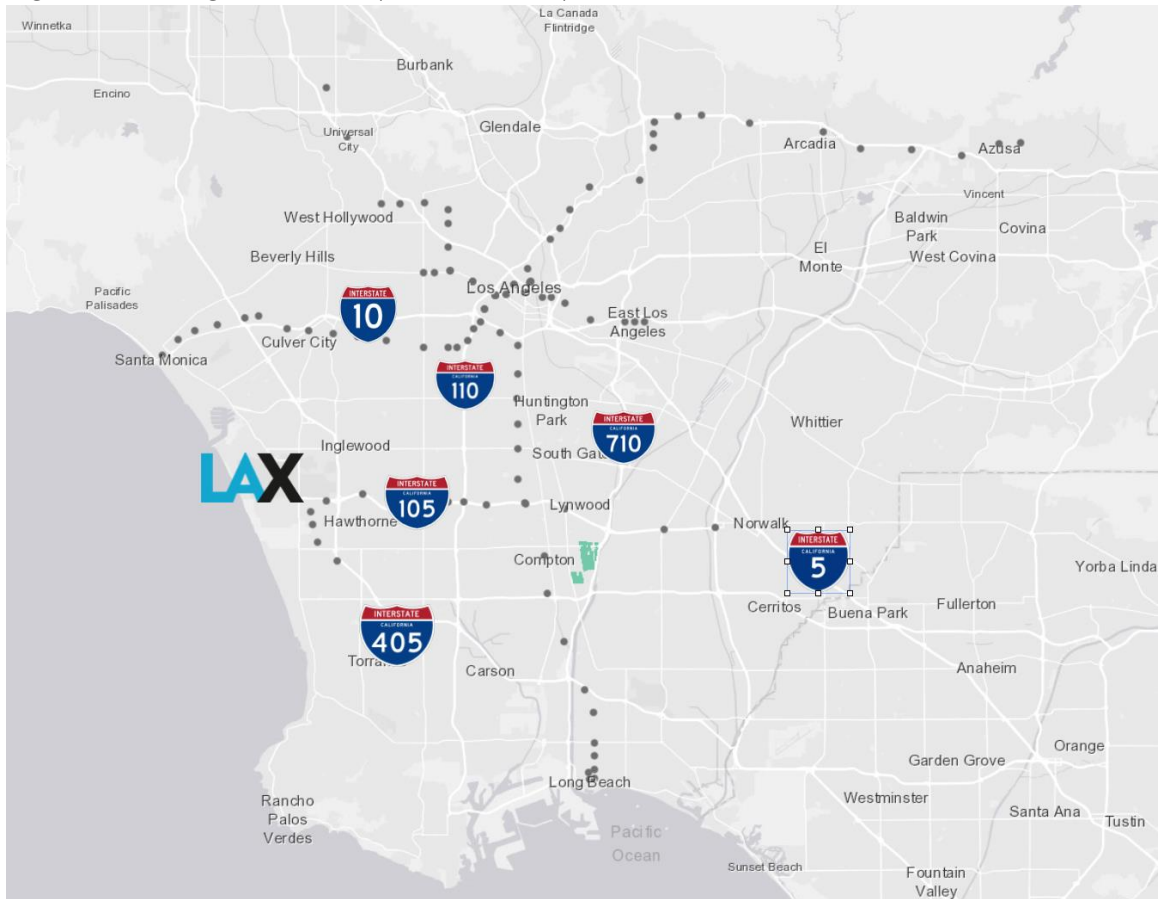
### 3.4 Key Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- Land use patterns are dominated by residential development;
- East Rancho Dominguez is centrally located and is located approximately 18 miles south of from Downtown; and
- The community benefits from excellent regional freeway access.

Figure 3-4: Regional Transportation Map



Source: ESRI Business Analyst; METRO, Pro Forma Advisors

## 4 Socioeconomic Analysis

The future market demand for different land uses in East Rancho Dominguez will be influenced by regional economic forces and market trends. This section analyzes the historic and projected socioeconomic trends for East Rancho Dominguez, the Metro Area, and County that most influence land use potentials for future development. The following section provides summary level information on key population, household age, race and ethnic, and educational attainment trends that may affect future land use planning.<sup>6</sup>

### 4.1 Demographic Trends

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The following section provides summary level information on key population and household, age, ethnic, and educational trends that may affect future land use planning in the community.

#### POPULATION AND HOUSEHOLDS

According to the U.S. Census between 2000 and 2010, East Rancho Dominguez gained approximately 1,300 new residents. Since 2000, East Rancho Dominguez's overall population growth has grown faster than the Metro Area and County. However, in absolute terms the growth is low due to the fact that area is largely built out and there are limited current opportunities for housing development.

Focusing on more recent population trends, ESRI Business Analysis estimates that the area's population will be flat over the next five years. Average household size is anticipated to stay high, with an average household size of 5.0. This household size is significantly higher than the County average (3.0).

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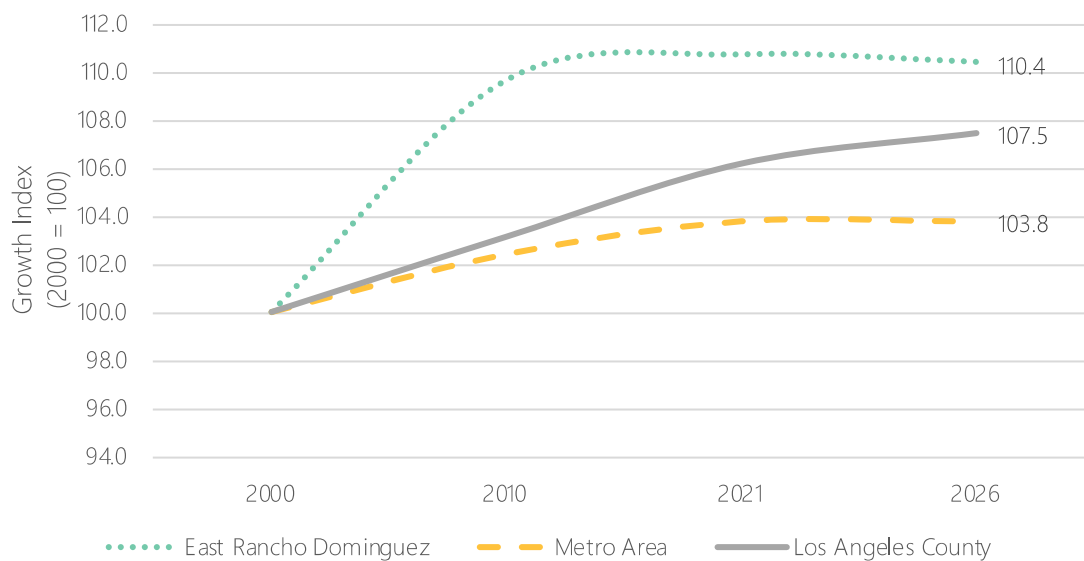
<sup>6</sup> Some of the socioeconomic data used in this analysis is provided by ESRI Business Analyst (ESRI). ESRI's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts throughout the United States. The ESRI data was utilized for two main reasons: (1) The 2020 Census data was not available at the time the market data was gathered and (2) two of the neighborhoods' geographies (Willowbrook and West Athens-Westmont) did not match to their respective Census-designated place geographies. For these reasons, the ESRI 2021/2026 socioeconomic data was utilized to ensure consistent comparisons among all the areas analyzed herein.

Table 4-1: Population and Household Trends

	2000	2010	2021(e)	2026(e)
<b>Population</b>				
East Rancho Dominguez	13,807	15,135	15,281	15,238
Metro Area	299,561	306,772	310,857	310,826
Los Angeles County	9,519,135	9,818,605	10,108,711	10,229,558
<b>Households</b>				
East Rancho Dominguez	2,748	2,996	3,015	2,999
Metro Area	72,637	74,630	75,285	75,023
Los Angeles County	3,133,720	3,241,204	3,328,361	3,366,546
<b>Household Size</b>				
East Rancho Dominguez	5.0	5.0	5.0	5.0
Metro Area	4.1	4.1	4.1	4.1
Los Angeles County	3.0	3.0	3.0	3.0

Source: ESRI Business Analyst

Figure 4-1: Population Growth Index



Source: ESRI Business Analyst

## AGE

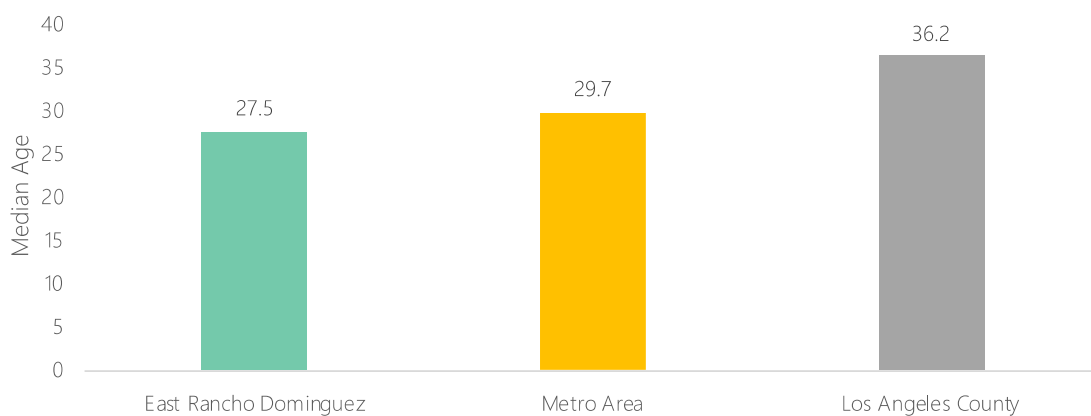
East Rancho Dominguez’s median age is 27.5 (Figure 4-2), which is younger than both the MAP region’s median age (29.7) and County’s median age (36.2). By analyzing age cohorts (Table 4-2), the area has an underrepresentation of age groups over 35 years. Conversely, there is a significant overrepresentation of age cohorts under 35 years old, whose shares are significantly higher than County. A considerably younger population, comprised of large numbers of families, will have unique implications for future land use planning.

Table 4-2: Age Distribution by Geography (2021)

	East Rancho Dominguez	Metro Area	Los Angeles County	East Rancho Dominguez/ Metro Area	East Rancho Dominguez/ County
Children/Young Adults (Under 24)	45.1%	41.1%	31.9%	109.5	141.1
Young Workers (25 to 34)	18.2%	17.5%	16.3%	103.8	111.4
Family Formation (35 to 54)	22.0%	23.4%	25.9%	93.8	84.8
Empty Nesters (55 to 74)	12.5%	14.4%	19.9%	86.6	62.7
Seniors (75+)	2.3%	3.5%	5.9%	65.6	38.9

Source: ESRI Business Analyst

Figure 4-2: Median Age by Geography (2021)



Source: ESRI Business Analyst

## RACE AND ETHNICITY

While race and ethnic composition do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the ethnic composition of the community's population might impact future land use decisions. East Rancho Dominguez has a higher relative share of residents identifying as "Black alone," "some other race alone," and "Hispanic." The area's composition of those of those identifying as black alone is over 2.5 times the County. The Hispanic and Latino/a population composition is comparable to other areas within the Metro Area with over 77 percent reporting that they speak Spanish at home.

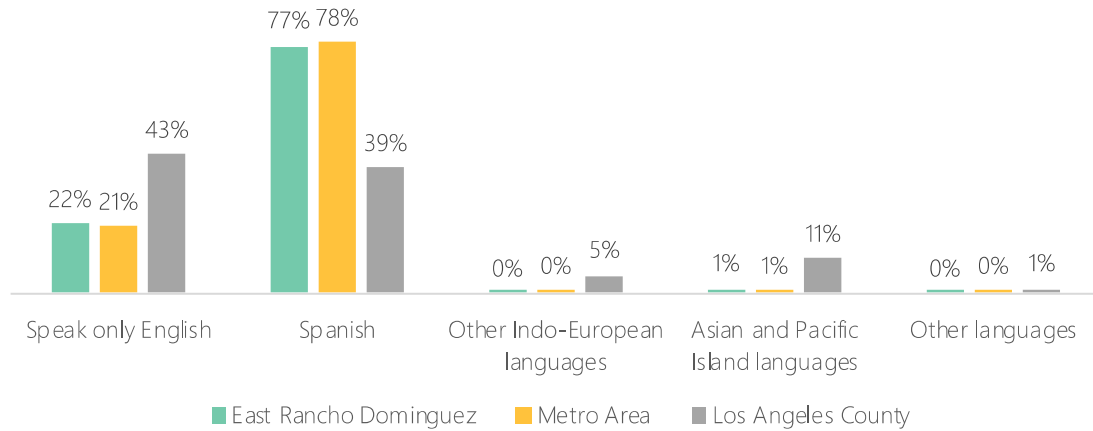
Table 4-3: Population by Race/Ethnicity (2021)

	East Rancho Doming uez	Metro Area	Los Angeles County	East Rancho Dominguez/ Metro Area	East Rancho Dominguez/ County
White Alone	32.5%	38.6%	48.5%	73.5	60.0
Black Alone	14.4%	14.3%	8.2%	156.9	262.2
American Indian Alone	0.8%	0.9%	0.7%	88.9	114.3
Asian Alone	0.3%	0.7%	15.1%	7.0	2.6
Pacific Islander Alone	0.7%	0.1%	0.3%	100.0	66.7
Some Other Race Alone	47.8%	42.0%	22.4%	125.4	200.4
Two or More Races	3.4%	3.4%	4.9%	75.6	63.3
Hispanic Origin	83.5%	83.8%	48.9%	103.6	157.7

Source: ESRI Business Analyst



Figure 4-3: Language Spoken at Home (2019)



Source: US Census

## EDUCATION

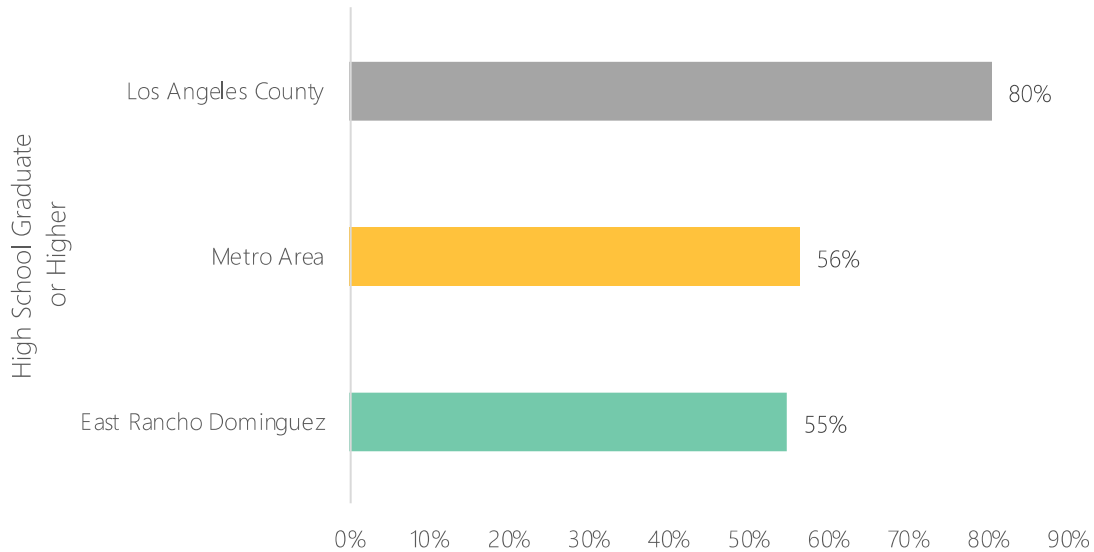
Levels of educational attainment are lower in both East Rancho Dominguez and the Metro Area, in comparison to the larger County area. For the population 25 and older, 45 percent of the residents report a “less than high school education,” which is over twice as high as the County. Similarly, there is an underrepresentation of community residents with “some college, associate degree” or a “bachelor’s degree or higher. If examining the percent of residents with a high school graduate or higher level of education, East Rancho Dominguez and the Metro Area both significantly under the Countywide educational attainment level of 80 percent.

Table 4-4: Population 25+ by Educational Attainment (2021)

	East Rancho Dominguez	Metro Area	Los Angeles County	East Rancho Dominguez/Metro Area	East Rancho Dominguez/County
Less than High School graduate	45%	44%	20%	103.7	231.8
High School Graduate (w/ equivalency)	30%	25%	21%	118.9	146.6
Some College, Associate Degree	19%	22%	25%	87.7	75.9
Bachelor's Degree or higher	5%	9%	35%	59.3	15.7

Source: ESRI Business Analyst

Figure 4-4: Percent of Population 25+ with High School Degree (2021)



Source: ESRI Business Analyst

## 4.2 Key Demographic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- East Rancho Dominguez has had moderate to high population growth compared to the County, but low in absolute terms.
- The community has a high percentage of families<sup>7</sup>, with larger household sizes and a younger population.
- The area is largely comprised of people identifying as Hispanic and Latino/a and Black.
- East Rancho Dominguez has over two times the expected share of residents with less than a high school education compared to the education attainment of the population 25 or older in the County.

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<sup>7</sup> The US Census and ESRI define a family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

### 4.3 Economic Trends

The following section provides summary level information on various aspects of employment and industry composition that will impact the demand for future commercial land in the community.

#### HOUSEHOLD INCOME

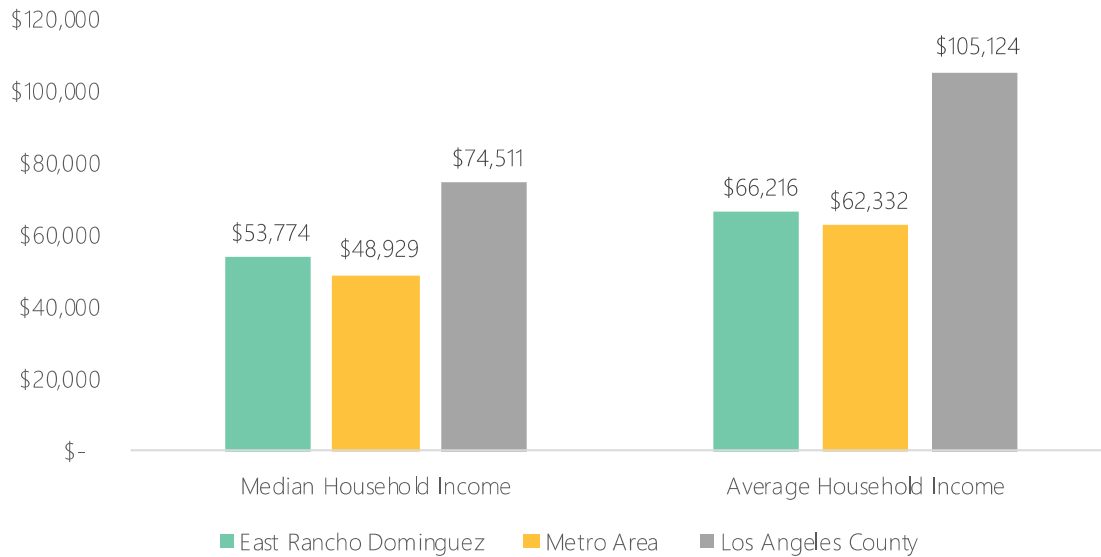
East Rancho Dominguez's median household income is approximately \$53,800, which is higher than the Metro Area (\$48,900) and lower than the County (\$74,500). The household income projections, provided by ESRI Business Analyst, suggest that the community median income should rise at a rate consistent with the Metro Area and County over the next five years (2021 – 2026). The incomes of East Rancho Dominguez's households tend to be more concentrated in household income cohorts below \$75,000. Consistent with a lower median and average household income, there is a smaller share of household's making over \$75,000 compared with the larger County region.

Table 4-5: Household Income by Income Cohort (2021)

	East Rancho Dominguez	Metro Area	Los Angeles County	East Rancho Dominguez/ Metro Area	East Rancho Dominguez/ County
<\$15,000	8.8%	13.7%	9.7%	64.2	90.7
\$15,000 - \$24,999	10.6%	11.3%	7.4%	93.8	143.2
\$25,000 - \$34,999	9.7%	10.8%	7.3%	89.8	132.9
\$35,000 - \$49,999	15.5%	15.1%	10.1%	102.6	153.5
\$50,000 - \$74,999	24.4%	19.1%	15.8%	127.7	154.4
\$75,000 - \$99,999	10.6%	12.2%	12.7%	86.9	83.5
\$100,000 - \$149,999	13.9%	12.2%	17.1%	113.9	81.3
\$150,000 - \$199,999	4.8%	3.6%	8.6%	133.3	55.8
\$200,000	1.7%	2.0%	11.5%	85.0	14.8

Source: ESRI Business Analyst

Figure 4-5: Median and Average Household Income (2021)



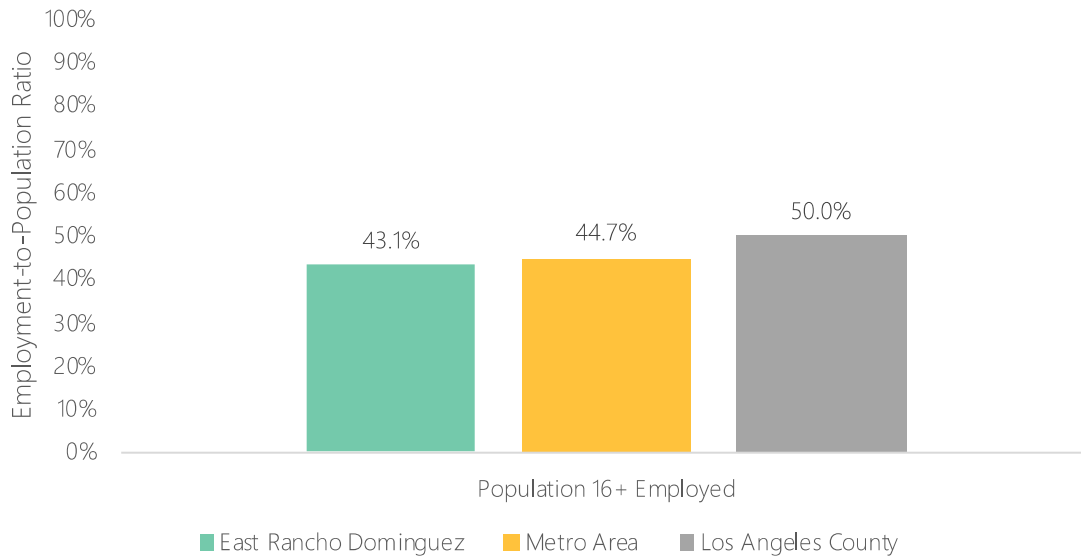
Source: ESRI Business Analyst

## EMPLOYMENT

Employment is examined in terms of unemployment rates, jobs (in-place employment), worker area profile, and industry composition. A critical barometer in evaluating demand for commercial office and industrial (workplace) real estate is employment growth. The following tables and graphs highlight relevant employment trends and forecasts. Sectoral (industry) analysis lends insight into industry growth and contraction patterns in a given geography.

There is no data available for unemployment at the community level. It is estimated that 43.1 percent of the population over 16 years of age are in the labor force. This is slightly lower than the Metro Area and approximately seven percentage points lower than the County labor force participation.

Figure 4-7: Labor Force (2021)



Source: CA EDD, CA Department of Finance

## IN-PLACE EMPLOYMENT

### Jobs

The previously provided information regarding income, unemployment, and the area's labor force are based on the community's residents. The following analysis examines jobs located in the community that may or may not be held by community residents. An evaluation of the primary "in-place" employment is important as it impacts the range of demand that can be projected for future commercial serving land uses.

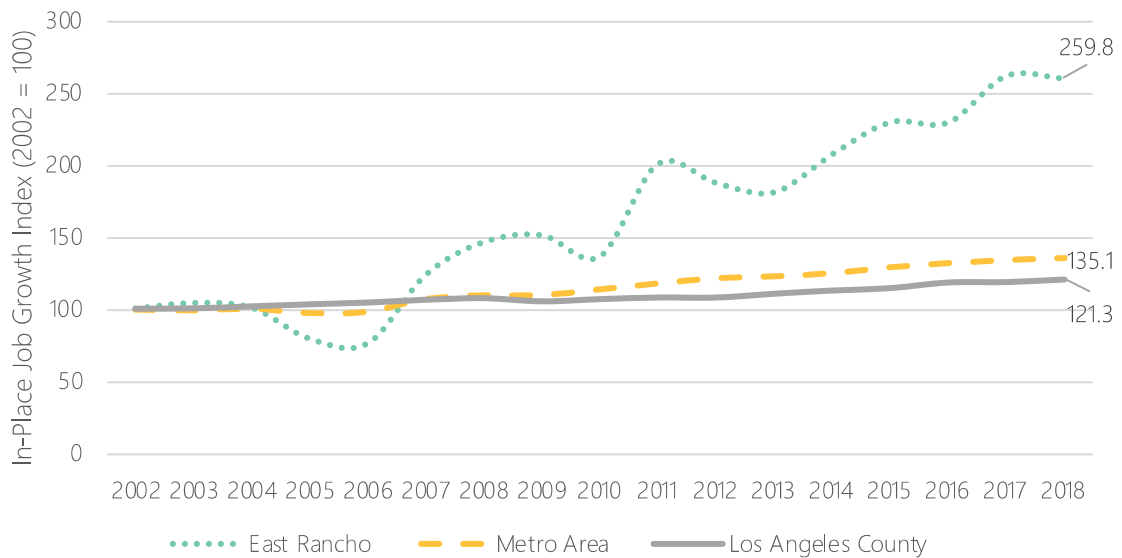
Primary jobs<sup>8</sup> rose from 2002 to 2018, leading up to the COVID-19 related recession. In fact, East Rancho Dominguez saw a relative increase in job growth between 2006 to 2018 compared to both the Metro Area and County, whereas before 2006 the job growth tended to be consistent with or below the larger areas.

Based on the OnTheMap employment data, approximately 11 percent of the area's in-place employment is from residents that both live and work in the community. Similar to other areas within the County, East Rancho Dominguez has a high number of its residents commuting long distances to work. There were approximately 720 primary

<sup>8</sup> A total job is defined as all jobs, which include all public or private sector jobs (potentially more than one job per worker). For example, if a person had two part-time jobs, then the primary job would be the highest paying job for that worker. Typically there is not significant variation in primary and total jobs except in economies with significant portions of the labor force engaged in part-time employment (e.g. tourist economies).

jobs in the community in 2018, which is the most recent year of the Quarterly Census of Employment and Wages in-place employment data available for analysis.

Figure 4-8: In-Place Employment Index (2002 - 2018)



Source: US Census (OnTheMap)

Table 4-6: Employment Efficiency (2018)

	East Rancho Dominguez	Metro Area	Los Angeles County
In-Place Jobs	717	55,365	4,685,637
Employed and Living in the Area (Resident Workers)	11%	12%	77%
Employed and Living Outside the Area (In-Place Employees)	89%	89%	23%

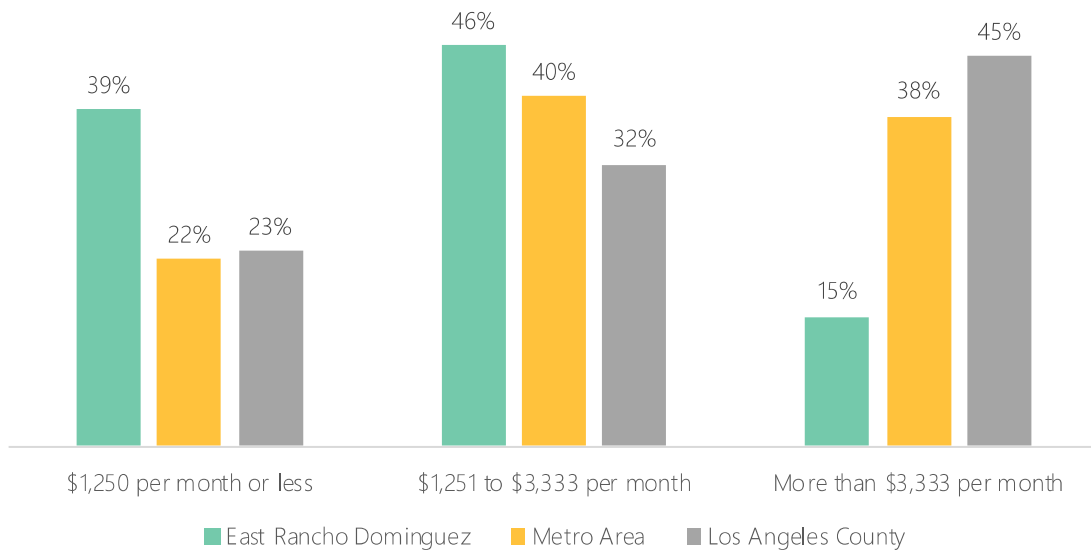
Source: US Census (OnTheMap)

### Worker Area Profile

An evaluation of primary jobs in East Rancho Dominguez reveals some noteworthy characteristics. Unlike the area's resident age distribution, the employment base does not deviate much from observed County ratios of jobs by age. Unlike the County, East Rancho Dominguez's in-place employment consists of generally lower paying jobs. As shown, the percentage of lower paying jobs yielding \$1,250 per month or less are almost 40 percent of all jobs located in East Rancho Dominguez compared with less

than one-quarter of the jobs in the County. The lack of a presence of higher paying jobs in East Rancho Dominguez is a negative indicator. Similarly, the educational attainment of in-place jobs in the area tend to be lower than County, but generally in line with the Metro Area.

Figure 4-6: In-Place Employment by Earnings (2018)



Source: US Census (OnTheMap)

Table 4-7: In-Place Employment by Educational Attainment (2018)

	East Rancho Dominguez	Metro Area	Los Angeles County	East Rancho Dominguez/Metro Area	East Rancho Dominguez/Los Angeles County
Less than high school	28%	24%	16%	119.8	178.2
High school or equivalent, no college	18%	17%	16%	105.2	114.4
Some college or Associate degree	19%	22%	23%	83.1	81.3
Bachelor's degree or advanced degree	10%	18%	24%	57.6	42.7
Educational attainment not available	25%	19%	22%	129.8	115.1

Source: US Census (OnTheMap)

## Location Quotient Analysis

The location quotient (LQ) is a tool that measures the relative concentration of different industries in specific localities relative to a larger level of geography. In most cases, the LQ would compare a county to a state or national level of employment concentration. However, it is useful to get a proxy for relative employment concentration among industries within a sub-regional level geography. The calculation helps evaluate East Rancho Dominguez's strength or weakness in a given industry, relative to the County as a whole. A concentrated (high) LQ means that a given industry is represented more than one would expect, given its total level of employment. The following describes the LQ:

- LQ > 1.0 means that an industry is more concentrated in East Rancho Dominguez than in the County.
- LQ < 1.0 means that an industry is less concentrated in East Rancho Dominguez than in the County.
- LQ = 1.0 means that an industry is equally concentrated in East Rancho Dominguez as in the County.

Because industries with a LQ greater than one indicates relatively high production of a particular service, it is likely that some amount of that industry is being exported. Employment in that industry (or the portion of employment that causes the LQ to exceed 1.0) is then assigned to the economic base and is given credit for supporting the economy as a whole. Conversely, if an industry has a LQ less than one, it is assumed to be a local-serving or non-basic industry. For economic development purposes, it is often useful to focus on the outlier industries with a LQ greater than 1.25 or less than 0.75. The assumption is that industries falling within 0.75 and 1.25 are probably producing at levels sufficient to meet local demand in the local area. There is a high concentration in the Educational Services and Health, Retail Trade, and Construction industries. These three industries represent approximately 84 percent of the total employment and a similar share of in-place employment growth between 2002 and 2018.



**Table 4-8: In-Place Employment Change by Industry (2002, 2018)**

Industry	East Rancho Dominguez (2002)	East Rancho Dominguez (2018)	Numeric Change (2002 - 2018)	Location Quotient
Agriculture, Forestry, Fishing and Hunting	0	0	0	0.00
Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0.00
Utilities	0	0	0	0.00
Construction	11	85	74	3.68
Manufacturing	26	40	14	0.75
Wholesale Trade	3	5	2	0.14
Retail Trade	59	176	117	2.60
Transportation and Warehousing	0	1	1	0.03
Information	0	0	0	0.00
Finance and Insurance	0	0	0	0.00
Real Estate and Rental and Leasing	0	2	2	0.14
Professional, Scientific, and Technical Services	6	5	-1	0.10
Management of Companies and Enterprises	0	0	0	0.00
Admin. & Support, Waste Mgmt. and Remediation	4	4	0	0.09
Educational Services	0	8	8	0.14
Health Care and Social Assistance	154	344	190	2.99
Arts, Entertainment, and Recreation	0	0	0	0.00
Accommodation and Food Services	3	35	32	0.51
Other Services (excluding Public Administration)	10	12	2	0.49
Public Administration	0	0	0	0.00
<b>Total</b>	<b>276</b>	<b>717</b>	<b>441</b>	<b>1.00</b>

Source: US Census (OnTheMap)

## 4.4 Key Economic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- East Rancho Dominguez households tend to have lower incomes than the County.
- Between 2002 and 2018, East Rancho Dominguez’s in-place jobs have grown at a faster rate than both the Metro Area and the County.
- A number of industries are clustered in the area (Educational Services and Health, Retail Trade, and Construction) and will help facilitate future job growth in the community. However, given the low total number of jobs and reliance on three industries, the lack of diversity could be problematic with macro changes in the economy.
- In-place jobs tend to have lower wages and educational level as compared with the countywide average.

## 5 Real Estate Market

The following provides an overview of historic trends for residential, office, and retail land uses.<sup>9</sup> Historic market trends have been examined to more accurately determine the potential for future land uses and associated development desired in the Area Plan General Plan Update. Once again, trends for the community, Metro Area, and County have been analyzed for comparison purposes. Various recognized submarket area<sup>10</sup> definitions are used in the commercial real estate analysis. It is important to note that this analysis does not attempt to replace the County's Housing Element or prior planning. Rather, it is provided to include additional and updated market information.

### 5.1 Residential

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Demand for residential housing will be a byproduct of employment and population growth throughout the County. The following sections examine the regional market conditions for rental and for-sale residential properties as well as more localized information pertaining to residential potential in the community.

#### INVENTORY

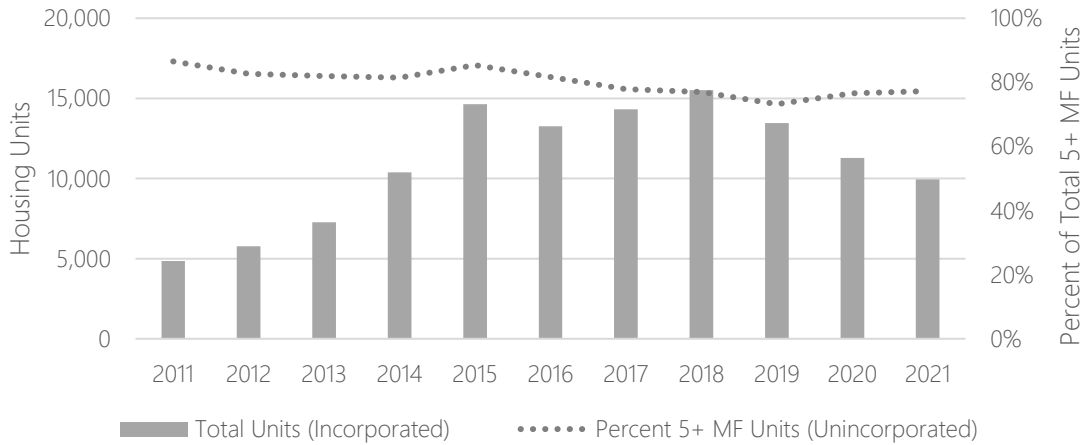
According to ESRI Business Analyst, East Rancho Dominguez has approximately 3,250 housing units, which represent about 4.0 percent of the MAP region. Examining building permit data for the County over the last 10 years (Figure 5-1), an average of 11,000 units were delivered annually with approximately 80 percent of permits being 5 or more multi-family units in the unincorporated areas.

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<sup>9</sup> Pro Forma Advisors has not analyzed the market for future industrial uses as it appears to be inconsistent with the MAP vision. Future analysis may explore strategies to transition underperforming industrial land to more compatible land uses within the MAP communities.

<sup>10</sup> Submarket areas are specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set or peer group.

Figure 5-1: Building Permit Data (2011 - 2021)

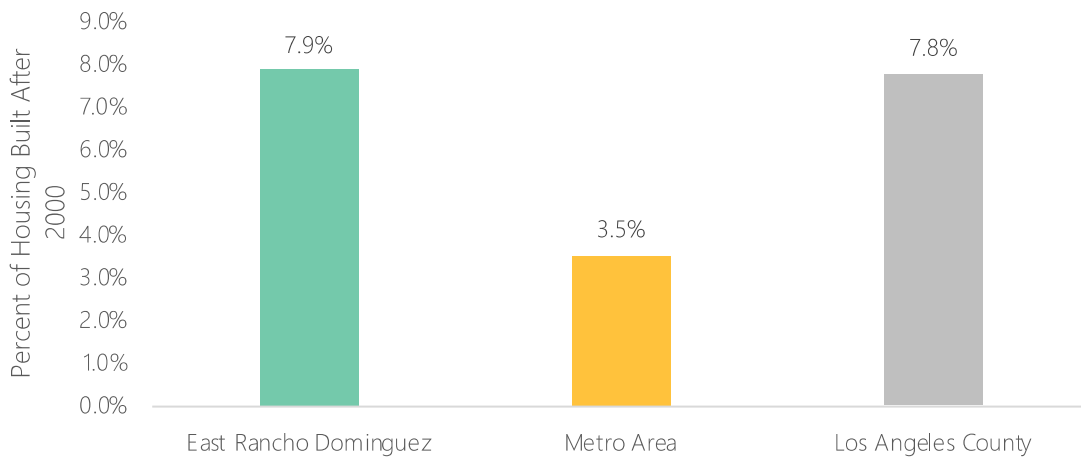


Source: Los Angeles County

### AGE

Approximately 80 percent of the housing was built before 1970. Over the next three decades an additional 12 percent of housing was constructed. East Rancho Dominguez has experienced new residential development since 2000 at a rate consistent with the County and over twice as high as the Metro Area (Figure 5-2). However, in absolute terms the number of new housing units delivered is relatively low (350 units).

Figure 5-2: Housing Built Since 2000 (Relative to Total Housing Stock)

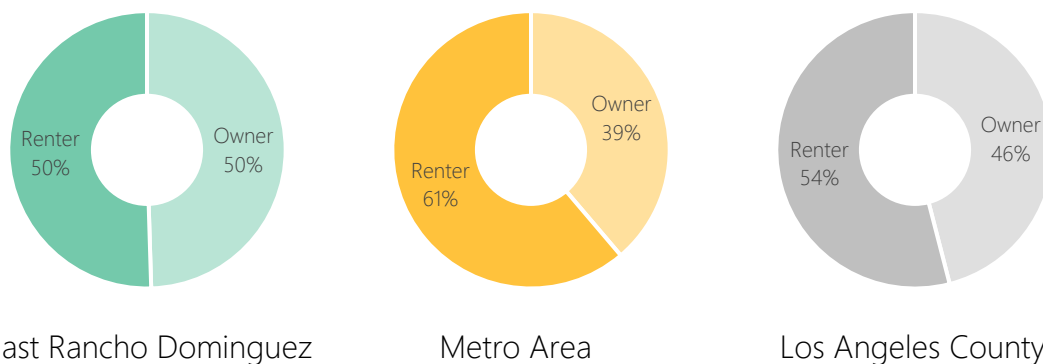


Source: US Census

## TENURE

East Rancho Dominguez has a smaller share of renter-occupied housing in comparison to the County. Based on 2019 estimates, approximately 50 percent of the housing is renter-occupied. The ratio of owner-to-renter is higher than with the Metro Area with a larger number of residents living in owner-occupied homes. Housing vacancy characteristics do not show much variability from the Metro Area or County, where vacant properties typically make up a small percent of the housing stock.

Figure 5-3: Housing Tenure

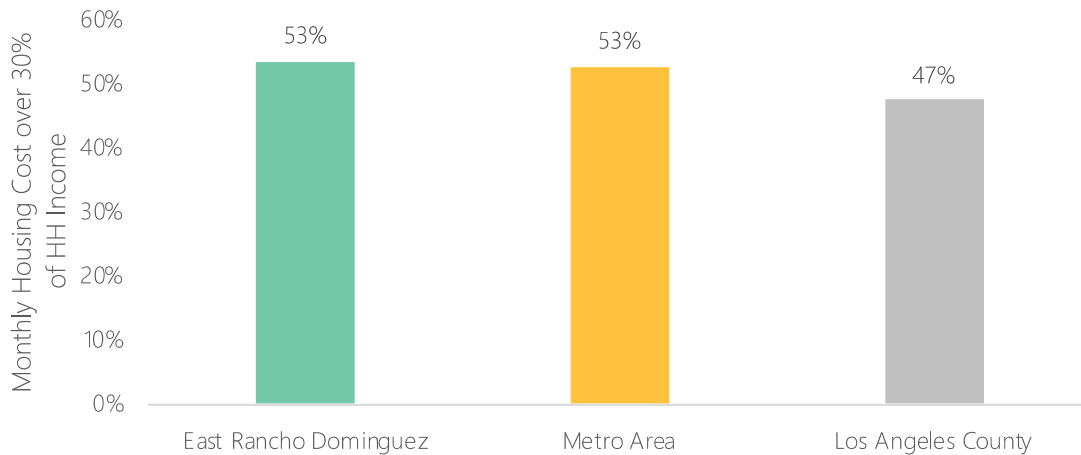


Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## COST BURDEN

Renters in East Rancho Dominguez and the Metro Area have implications for the financial stability of residents, as renters do not grow wealth through home ownership, have typically lower household incomes, and are subject to sometimes unpredictable rent increases or eviction. Furthermore, apartment owners may defer maintenance and can target lower income renters who have few options in the marketplace. This impacts both quality of life of occupants and can contribute to the community's perception in the County. Approximately 53 percent of households in East Rancho Dominguez pay more than 30 percent of their household incomes toward rent, which is commonly recognized as the share of household income beyond which rent becomes prohibitively expensive and affects other household expenditures.

Figure 5-4: Monthly Housing Cost Over 30 Percent of Income



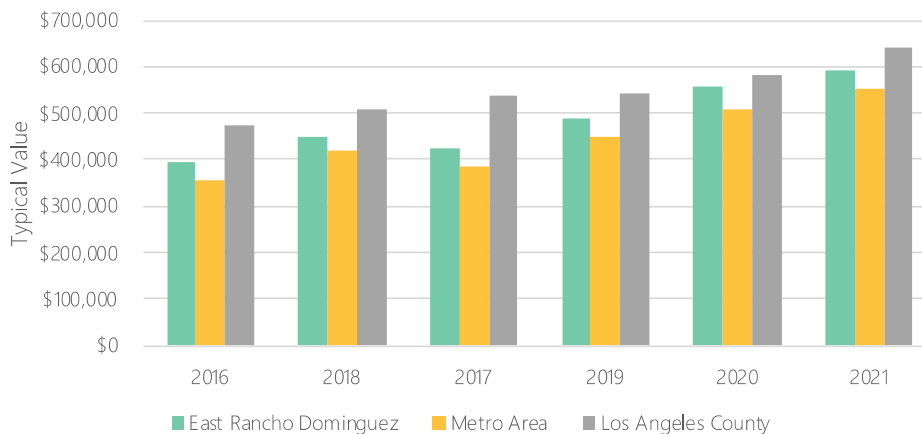
Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## PRICING

### For-Sale Pricing

In 2021, the typical condominium price in East Rancho Dominguez was approximately \$557,000, which is \$82,000 less than the County (\$639,000). However, the compound annual growth rate (CAGR) for the community's for-sale housing has been 8.4 percent per year over the last five years. This rate is lower than the Metro Area (9.2 percent), but higher than the County CAGR of 6.3 percent since 2016. The community, like the County, has seen marked for-sale housing pricing increases as interest rates have remained low and housing production has not kept pace with demand.

Figure 5-5: Typical Condominium Value

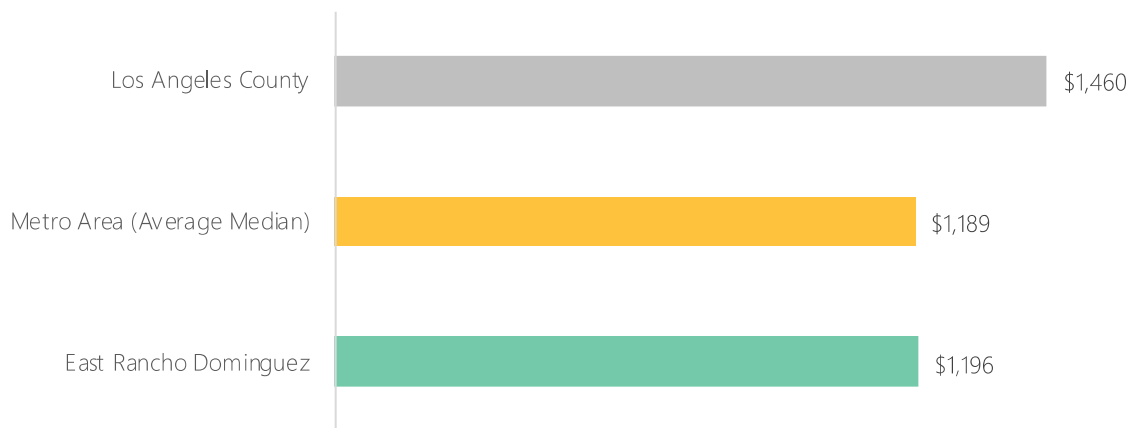


Source: Zillow

### For-Rent Pricing

According to the US Census, the typical monthly rental price (all units) is \$1,196 in East Rancho Dominguez. This typical monthly rent is lower than the County consistent with the Metro Area. Similar to the for-sale housing, rental rates in the County have increased because an increased demand for housing. For-rent housing demand, unlike for-sale housing, may reflect evolving market preferences, affordability, or scrutiny on for-sale home mortgage lending standards. In general the Metro Area's rental housing stock prices have not kept pace with the County due to a lack of new development, which often drives market prices up through higher quality and amenities.

Figure 5-6: Typical Monthly Rent (Median Gross Rent)



Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

### Pipeline Development

There are no significant residential developments known to be under construction.

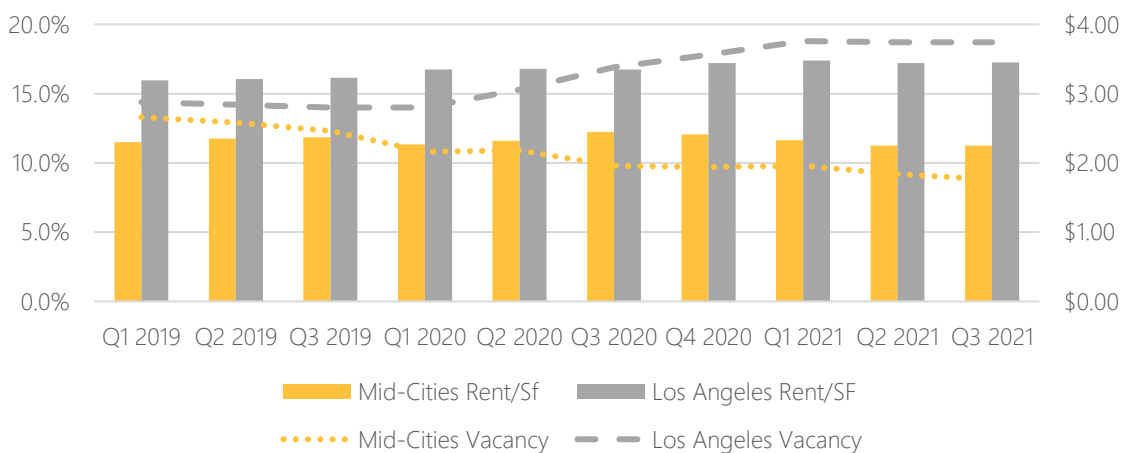
## 5.2 Office

Market potentials for office-related development within East Rancho Dominguez will be a function of the particular attributes of the available land, adjacent land uses, and the regional economy and office market. Although the Los Angeles office market is comprised of many submarkets, each with potentially a distinct tenant profile, office space is typically highly substitutable, such that the potentials in any given market are determined by the strength of the regional office market. Thus, development activity, absorption, vacancy rates, and change in rental rates follow very similar patterns in most of the Los Angeles submarkets.

### FUNDAMENTALS

The Mid-Cities office market has 8.6 million square feet of office space, which has decreased by approximately one million square feet since Quarter 1 of 2019. Historically, the submarket has represented approximately 2.5 percent of the total County office market. The office vacancy rates have been lower than the larger County area over recent years. However, other submarkets have delivered high quality Class A space that often has a high vacancy rate because it is in the process being leased. As reflected in the average asking rent, the Mid-Cities area has lagged behind the average asking monthly rent largely due to its older office developments, most of which were delivered decades ago.

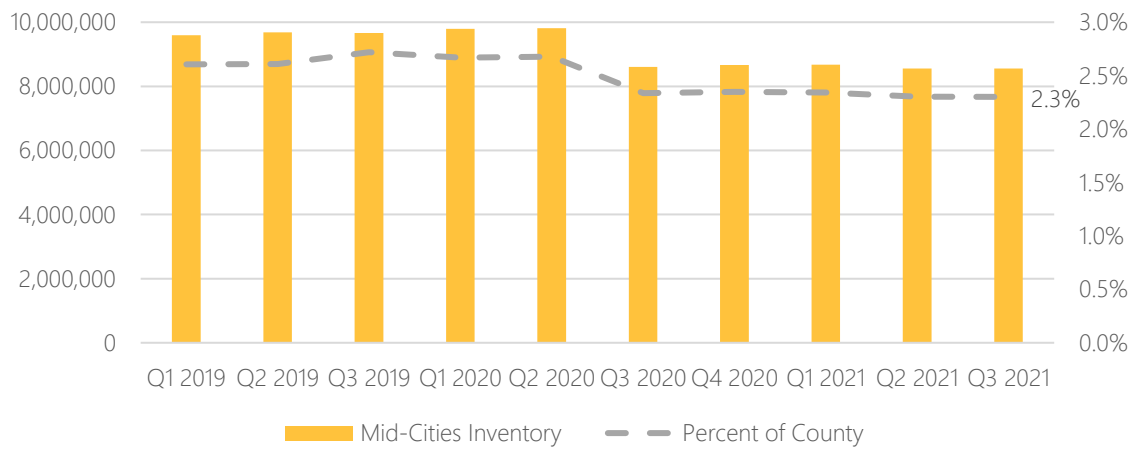
Figure 5-7: Regional Office Inventory (2019 - 2021)



Source: CoStar



Figure 5-8: Regional Office Trends (2019 – 2021)



Source: CoStar

### LOCAL MARKET CONDITIONS

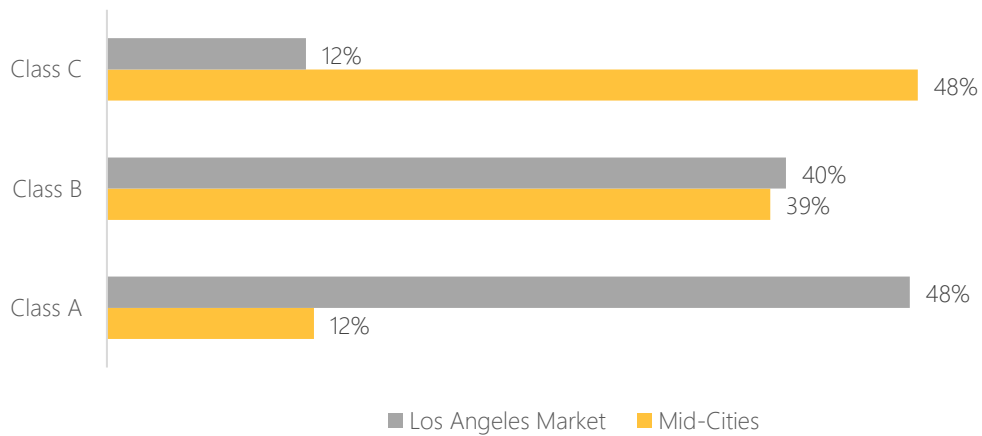
The Mid-Cities submarket has a significantly higher percent of Class C office space and relatively few Class A office developments. Once again, the County Assessor data was used to better understand the contemporary amount of commercial office development in the community.

Examples of office development include:

- Office Buildings; and
- Professional Building.

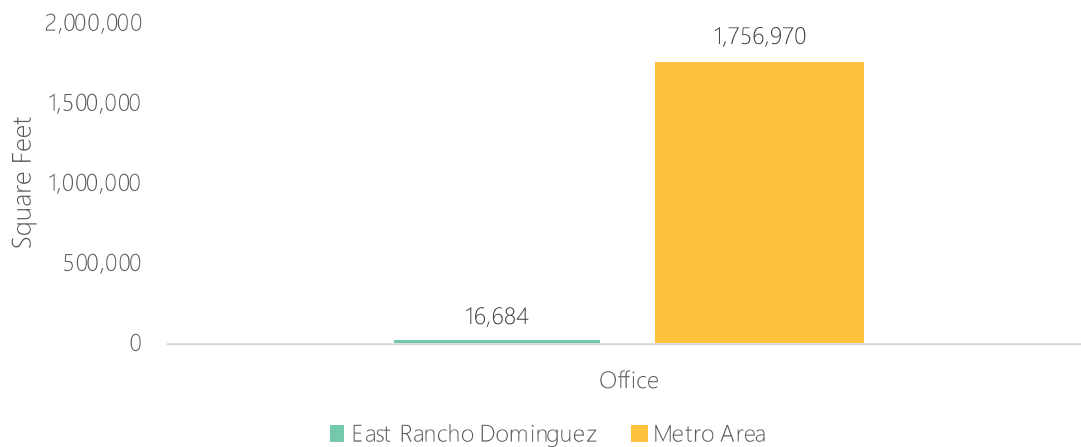
In total, there is an estimated 17,000 square feet of commercial office space, as defined above, which is less than one percent of the Metro Area’s 1.8 million square feet of commercial office development.

Figure 5-9: Office Inventory Comparison by Asset Class



Source: CoStar

Figure 5-10: Community and Area Plan Office Inventory (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant office developments known to be under construction.

## 5.3 Retail

---

The retail sector occupies a prominent place in the economy because such a large portion of the United States' economic activity depends on consumer spending. The sales of retail goods and services generate a large number of jobs that provide employment for individuals across a wide range of skill and income levels. Retail real estate markets are more subject to obsolescence and more locally based than either commercial office or industrial markets.

### FUNDAMENTALS

Although historical data is incomplete for East Rancho Dominguez, it is likely that the retail market parallels that of the Greater Mid-Cities market area with annual rents around \$19-26 NNN/year/square foot. Asking rents have historically been significantly below the larger County area. Vacancies, on the other hand, have remained low with a rate consistent with the larger County trend. In total, there is an estimated 12 million square feet of shopping center<sup>11</sup> space in the Mid-Cities submarket, which is about 9 percent of the total County inventory.

---

<sup>11</sup> Shopping centers consist of the following:

General Retail: Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don't meet any of the more detailed use descriptions.

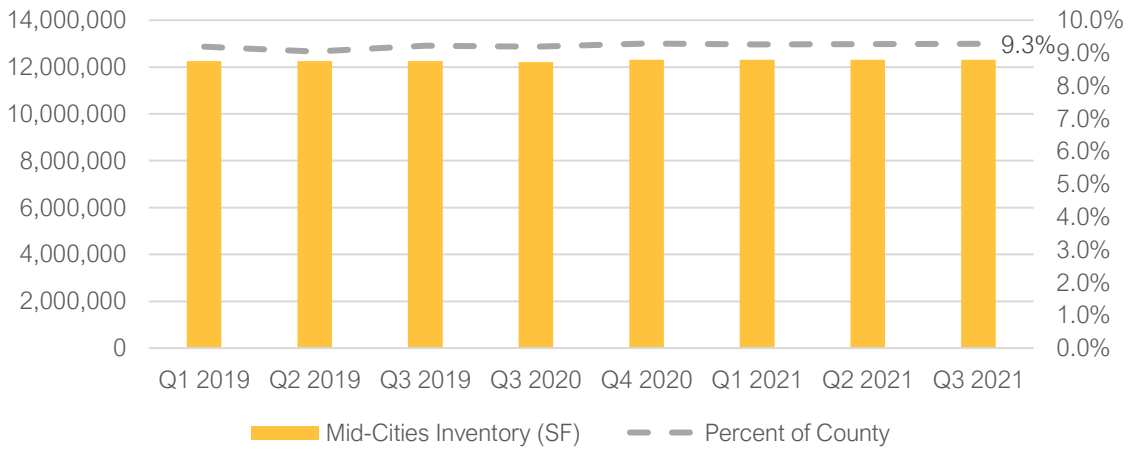
Mall: Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store, with a minimum GLA of 100,000 square feet, as the major drawing power.

Power Center: Typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants 250,000–600,000 square feet.

Shopping Center: The combined retail center types of Community Center, Neighborhood Center and Strip Center, which have a range of 50,000 – 350,000 square feet with limited anchors.

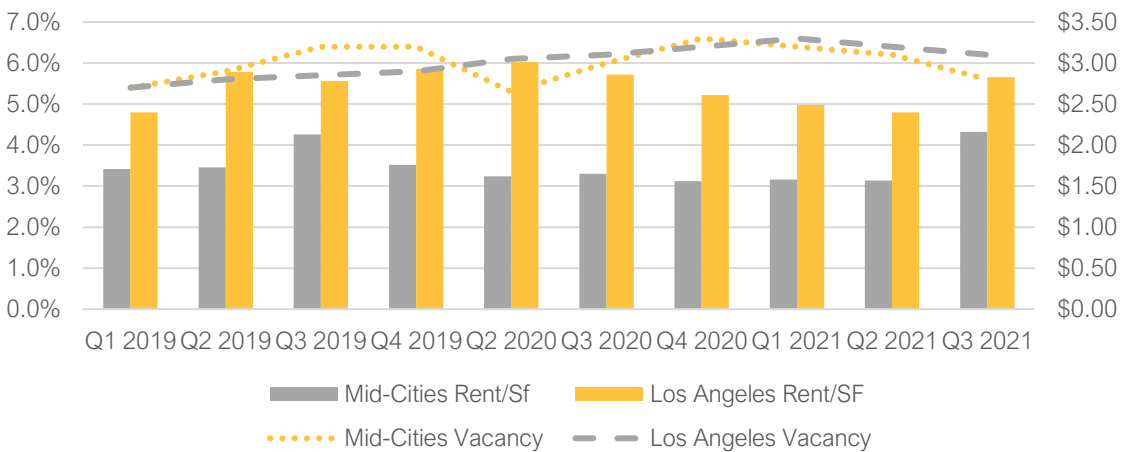
Specialty Center: The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center; which have a special market orientation and are unique in the market area.

Figure 5-11: Regional Retail Inventory (2019 - 2021)



Source: CoStar

Figure 5-12: Regional Retail Trends (2019 – 2021)



Source: CoStar

## LOCAL MARKET CONDITIONS

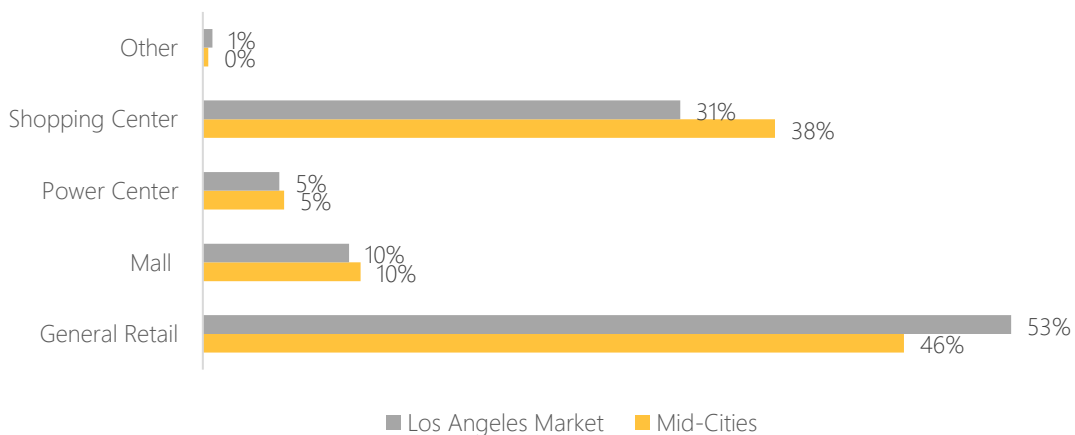
While the Mid-Cities submarket has a relatively consistent share of retail space by major retail development type, the local inventory in East Rancho Dominguez is dominated by non-shopping center oriented development. The County Assessor data was used to better understand the contemporary amount of commercial retail development in the community. Specifically, the amount of retail that would provide goods to community residents.

Examples of these types of retailers include:

- Restaurants/Non-grocery Food and Beverage;
- Supermarkets/Grocery;
- General Stores;
- Shopping Centers; and
- Department Stores.

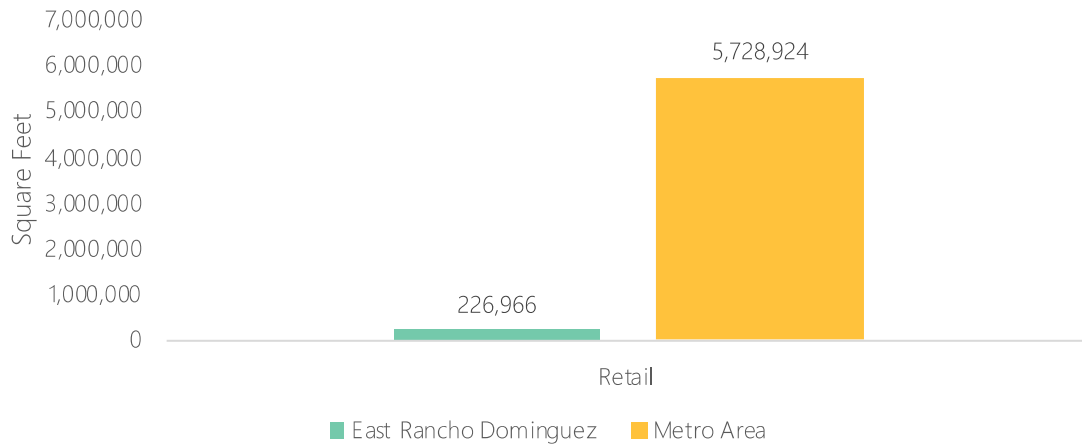
In total, there is an estimated 227,000 square feet of commercial retail space, as defined above, which is 4.0 percent of the Metro Area’s 5.7 million square feet of commercial retail development.

Figure 5-13: Retail Inventory Comparison by Asset Class



Source: CoStar

Figure 5-14: Community and MAP Retail Inventory (2020)



Source: Los Angeles County Assessor

Figure 5-15: Community Retail Inventory Map (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant retail developments known to be under construction.

## 6 Long-Term Land Use Demand

The following section provides long-term land use demand projections for the community. Given that specific sites and development opportunities will generate various levels of demand, the following is intended to give broad parameters regarding the potential level of new development in the city. From this, development and land use opportunities can be evaluated to determine the required level of site capture (e.g. market demand) and if it is reasonable to plan for within the next 15 years.

### 6.1 Residential

---

Area Plan residential projections are based on household estimates from ESRI and SCAG. The low range is based on historic growth (0.8 percent CAGR), the target growth is based on projected growth for all unincorporated areas in the County (1.2 percent CAGR), while the high growth reflects the adjusted SCAG projections using 2021 ESRI data. For planning purposes, a growth scenario between the target and high-range projection appears warranted unless the County desires creating higher density mixed-use residential development at key development opportunities adjacent to transit, as available in some Area Plan communities.

The total demand for new households was then further adjusted to account for a likely distribution of market rate and affordable housing units. In general, it is assumed 30 percent of the units are market while 70 percent are affordable throughout the Metro Area.

Table 6-1: Housing Demand by Time Period (2021 - 2035)

	2021-2025	2025-2030	2030-2035	2021-2035
<b>East Rancho Dominguez (Multi-Family Units)</b>				
Market Rate	54	73	78	205
Affordable	130	174	187	491
Total	185	246	265	696
<b>Metro Area (Multi-Family Units)</b>				
Market Rate	1,055	1,393	1,480	3,928
Affordable	2,670	3,525	3,746	9,941
Total	3,725	4,918	5,226	13,869
<b>East Rancho Dominguez/MAP Region (Percent of Total)</b>				
Market Rate	5.2%	5.2%	5.3%	5.2%
Affordable	4.9%	4.9%	5.0%	4.9%
Total	5.0%	6.6%	7.1%	5.0%

Source: Pro Forma Advisors

Figure 6-1: Housing Demand Scenarios – Occupied Housing Units (2021 – 2035)



Source: Pro Forma Advisors



## 6.2 Office

The demand for office space in the County and Metro Area will be based on demand created by new jobs in industries that require office space. Given the recent flexibility in an employee’s ability to work “remotely” the future demand for office space is somewhat speculative given that the required amount of space, in square feet, could change dramatically if people continue to work from home. Leading up to the global pandemic, office serving jobs have occupied less and less space on a per employee basis.

As noted in the office market analysis, there is relatively little office serving space in the Metro Area. The demand analysis uses California Employment Development Department 10-year projections by industry to estimate Countywide demand for industries that utilize office space. The total office space demand was then adjusted for office development under construction and structural vacancy. In total, it is estimated that 2.4 million square feet of office will be developed in the County per year and the Metro Area could capture its “fair share” or current allocation of office space, which is less than 0.5 percent of the Countywide total.

For general planning purposes, a range was provided based on a higher target and high range based on a more aggressive capture assumption. Given the total demand, office development is unlikely in the community in the planning horizon without a non-market driven intervention or relocation of a build-to-suit tenant.

Table 6-2: Office Demand (2021 - 2035)

	2021 - 2035 (Square Feet)		
	Low	Target	High
East Rancho Dominguez	1,400	1,800	2,100
MAP Region	147,600	184,500	221,400
Los Angeles County Market	2,160,000	2,400,000	2,640,000

Source: Pro Forma Advisors

## 6.3 Retail

---

The retail demand model is based on a combination of existing spending assumed to be “leaking” outside the community as well as an assumed future capture of new resident spending. To estimate the retail surplus/leakage, potential sales (demand) from East Rancho Dominguez’s residents and employees were estimated using the gross disposable income and typical worker spending, while taxable sales (supply) were estimated using information from ESRI business analyst. Finally, an adjustment of sales to supportable square feet was made, based on an estimate of sales productivity levels that could support new higher quality.

New resident spending was determined using an average household income of \$100,000 for market rate units and \$60,000 for affordable units (2021 dollars). The spending was adjusted to reflect a household spend per capita based on County pro rata retail sales adjusted by income.<sup>12</sup> A further assumption was made that assumed the community could capture 30 percent of new retail sales, which reflects typical spending for local serving retail development.

A low retail demand estimate reflects the total recapture of lost sales and a high retail demand estimates reflects the recapture of lost sales plus demand from new households. In total, East Rancho Dominguez has a limited amount of retail demand over the next 15-years.

---

<sup>12</sup> Review of the Bureau of Labor Statistics’ Consumer Expenditure Study as well as the Board of Equalization Sales and Use tax reports.

Table 6-2: Retail Demand (2021 - 2035)

	Commercial Retail Recapture Estimate (2021)	New Retail De- mand from Household Growth	Total Commercial Re- tail Demand	Low	High
East Rancho Dominguez (Square Feet)					
Retail Trade	5,400	13,600	19,000	5,400	19,000
Food and Drink	2,000	2,400	4,400	2,000	4,400
Total	7,400	16,000	23,400	7,400	23,400
Metro Area (Square Feet)					
Retail Trade	158,100	281,350	439,450	158,100	439,450
Food and Drink	10,500	49,650	60,150	10,500	60,150
Total	168,600	331,000	499,600	168,600	499,600
East Rancho Dominguez/Metro Area (Percent of Total)					
Retail Trade	3.4%	4.8%	4.3%	3.4%	4.3%
Food and Drink	19.0%	4.8%	7.3%	19.0%	7.3%
Total	4.4%	4.8%	4.7%	4.4%	4.7%

Source: Pro Forma Advisors

## 6.4 Key Takeaways

The following includes a bullet point summary of key takeaways from the section:

- Multi-family housing development should be encouraged at market and affordable levels within the community.
- Retail demand is limited. Careful consideration should be given to community serving neighbor retail shopping center development.
- Office demand is not sufficient to plan for substantial new development.

## 7 Appendix

### 7.1 Sources

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Listed in report order:

[Los Angeles County Assessor](#)

[ESRI Business Analyst](#)

[US Census](#)

[California Employment Development Department](#)

[California Department of Finance](#)

[US Census \(OnTheMap\)](#)

[Los Angeles County \(Building Permit Data\)](#)

[Zillow](#)

[CoStar](#)

## 7.2 Demographic Data (ESRI)

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LOS ANGELES COUNTY

EXISTING CONDITIONS REPORT:  
Florence-Firestone

Socioeconomic Review and Market Assessment

December 2021

Prepared by



**Pro Forma**  
Advisors LLC

and

**DUDEK**



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# 1 Existing Conditions Introduction and Overview

## 1.1 Project Overview

---

Los Angeles County (County) is currently preparing the Metro Area Plan (Area Plan), which is one of 11 planning areas in the County. The Planning Area framework was adopted via the County's 2015 General Plan Update to effectively plan and regulate development in unincorporated areas across the nation's most populous County. There are seven unincorporated communities within the Metro planning area (Metro Area)<sup>1</sup> – West Athens - Westmont, West Rancho Dominguez – Victoria, Willowbrook, East Rancho Dominguez, Walnut Park, Florence-Firestone, and East Los Angeles. The Area Plan provides a once-in-a-generation opportunity for community members to share their vision for the area's future and provide input on the community's long-term goals and development opportunities.

## 1.1 Purpose of the Existing Conditions Report

---

This Existing Conditions Report represents the first major step in the process of updating the Area Plan. This report provides information on existing socioeconomic and market conditions in the Area Plan and its surrounding areas as well as an analysis of growth prospects and land demand. The Existing Conditions Report is used as a basis for:

- Facilitating community input on planning issues and visions during community workshops;
- Preparing alternative land use planning scenarios; and
- Formulating policies and implementation actions for the Area Plan.

The focus is on resources, trends, and critical concerns to frame decision-making for the long-term physical development of the community. This report analyzes socioeconomic and real estate market dynamics in Florence-Firestone (Existing Conditions Report).

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<sup>1</sup> This report only presents information for unincorporated areas.

## 2 Summary

### 2.1 Introduction

---

This report summarizes the socioeconomic and real estate market conditions and trends that will shape medium-<sup>2</sup> to long-term<sup>3</sup> growth opportunities in Florence-Firestone and the greater Metro Area. The primary purpose of this socioeconomic review and market assessment is to inform, for planning purposes, the area's overall land use policy with respect to the type of development and land uses that could be effectively targeted during the planning horizon.

It is important to note that in the context of long-term planning, short-term market cycles have less relevance given a planning horizon stretching to 2035.<sup>4</sup> The conclusions discussed throughout this report are based on long-term data projections and an understanding of economic and market dynamics affecting the community and region. This report has been prepared for the County by Pro Forma Advisors as a sub-consultant to Dudek in support of the County's General Plan Area Plan update process.

### 2.2 Summary of Findings

---

The following key findings are provided to give a sense of future land use demand as well a review of key issues impacting future development in the city. These issues are explored from the socioeconomic and market perspective.

#### SOCIOECONOMIC FACTORS INFLUENCING DEVELOPMENT

Based on a review of historic and projected socioeconomic trends for the community, the following provides a summary of key issues to consider for future land use planning from a socioeconomic perspective.

---

<sup>2</sup> Five to 10 years.

<sup>3</sup> Over 10 years.

<sup>4</sup> This would include the short-term impacts of COVID-19.

## Age

The community's population is young with a high composition of families with higher-than-average household sizes (4.6 people per household). This population's growth and transition into the labor force will provide unique challenges for the area if those children desire to live where they grew up. The market created from this demographic shift might require changes in the area's housing stock to provide opportunities for residents. Alternatively, changes in their housing preferences could create opportunities for other families wanting to move into the community.

## Ethnic Composition

Florence-Firestone has over 91 percent of its community identifying as Hispanic and Latino/a. While existing demographics do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities, and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the area's ethnic composition might impact future land use decisions.

## Employment Base

Florence-Firestone has experienced employment growth at a rate faster than the Metro Area and County. The majority of jobs located in the community that have been lost since 2002 are in industries that support "Industrial" serving employment. There is a strong base of employment in many core industries. Since 2002, the area added over 2,500 community-based jobs representing 17 percent of all new jobs in the Metro Area. However, overall, the less educated community employees and residents tend to have jobs that pay less than the countywide average income.

## Retail Leakage

The community appears to experience retail expenditure leakage to neighboring areas in the region, or "retail leakage" due to the newer, large format retailers located in other areas of the County. Based on the analysis, the community could recapture 1.1 square feet per household for neighborhood serving retail development.<sup>5</sup> For the community to be economically viable over the long-term it should strive to continue expanding its retail base by creating a more diverse local serving retail environment to increase the market capture from its households within the community.

---

<sup>5</sup> Retail development that provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood.

## Long-Term Land Use Demand

The following provides context regarding future development potential, given the anticipated market demand for various land uses as discovered in the market analysis. As shown below, an order-of-magnitude demand estimate for residential, retail, office land uses have been made for Florence-Firestone through 2035.

This represents the target range of development that could be attracted over the Area Plan horizon. Based on the economic development goals of the County, a more aggressive capture of demand could be warranted. As such, these estimates should be considered preliminary for planning purposes.

Table 2-1: Demand Analysis Summary (2021 – 2035)

	Target (Rounded)
Housing (Units)	2,900
Market Rate	800
Affordable	2,100
Retail (Square Feet)	83,400
Office (Square Feet)	15,300

Source: Pro Forma Advisors

## 3 Geography and Land Use Overview

The following section presents a brief overview of Florence-Firestone in relation to other geographical areas referred to within this report. It also summarizes existing land uses. A community's core assets such as open space, proximity to regional free-ways, and reputation within the region are important attributes that impact future development and shape long-term land use planning.

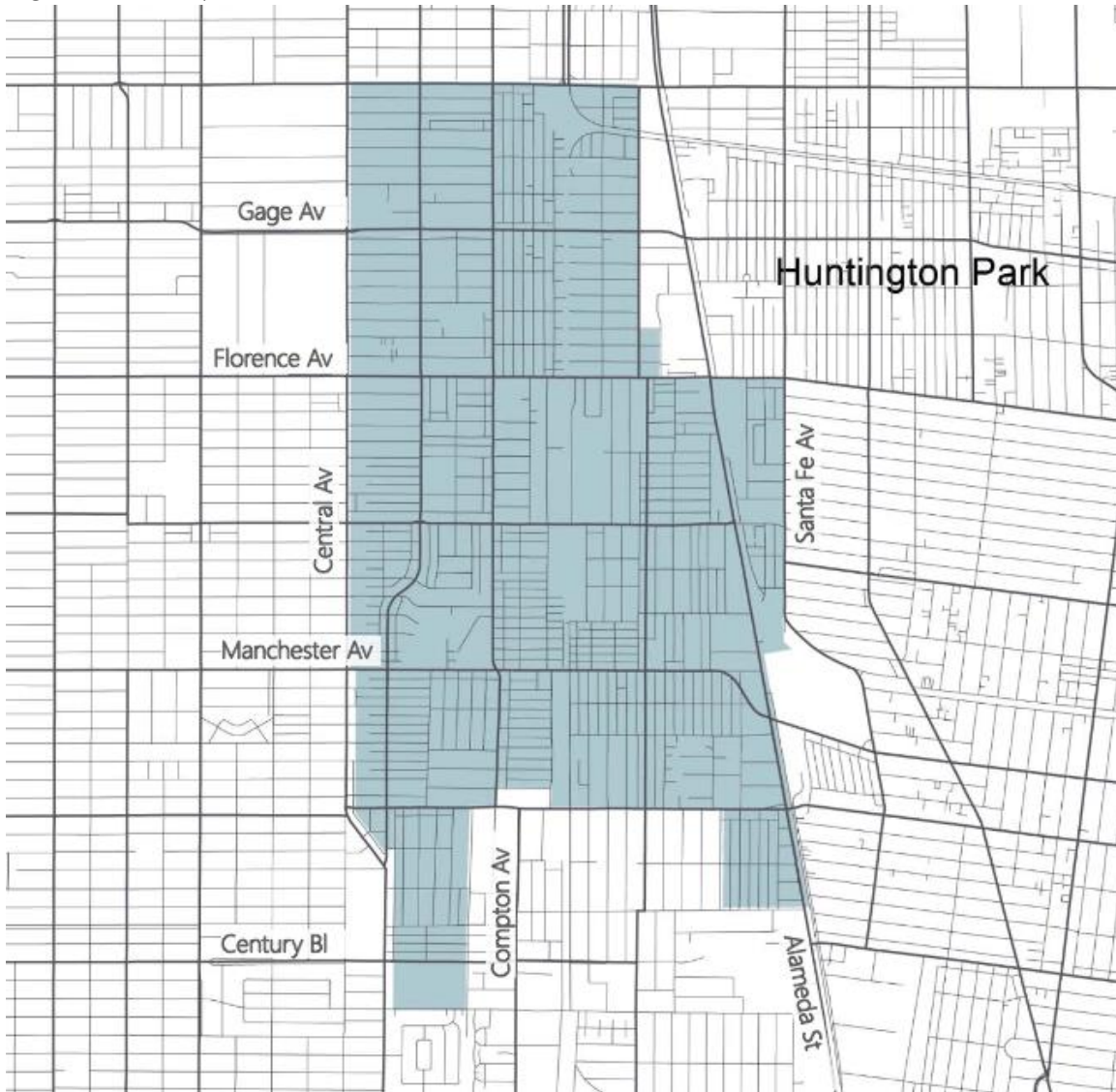
### 3.1 Location Overview

---

Located near the center of the County, Florence-Firestone is approximately 3.49 square miles in size. Florence-Firestone is an unincorporated community and also a census designated place (also referred to as Florence-Graham). For the purpose of this analysis, the area is generally bounded by Slauson Avenue to the North, Alameda Street to the East, East 92<sup>nd</sup> Street to the South, and Central Avenue to the West. Key locational assets include many parks and recreation facilities including the Mary Bethune, Ted Watkins Memorial, Leon Washington, and Franklin D Roosevelt parks. Florence-Firestone is one of seven communities within the larger Metro Area. It represents approximately 16 percent of the total Area Plan land area.

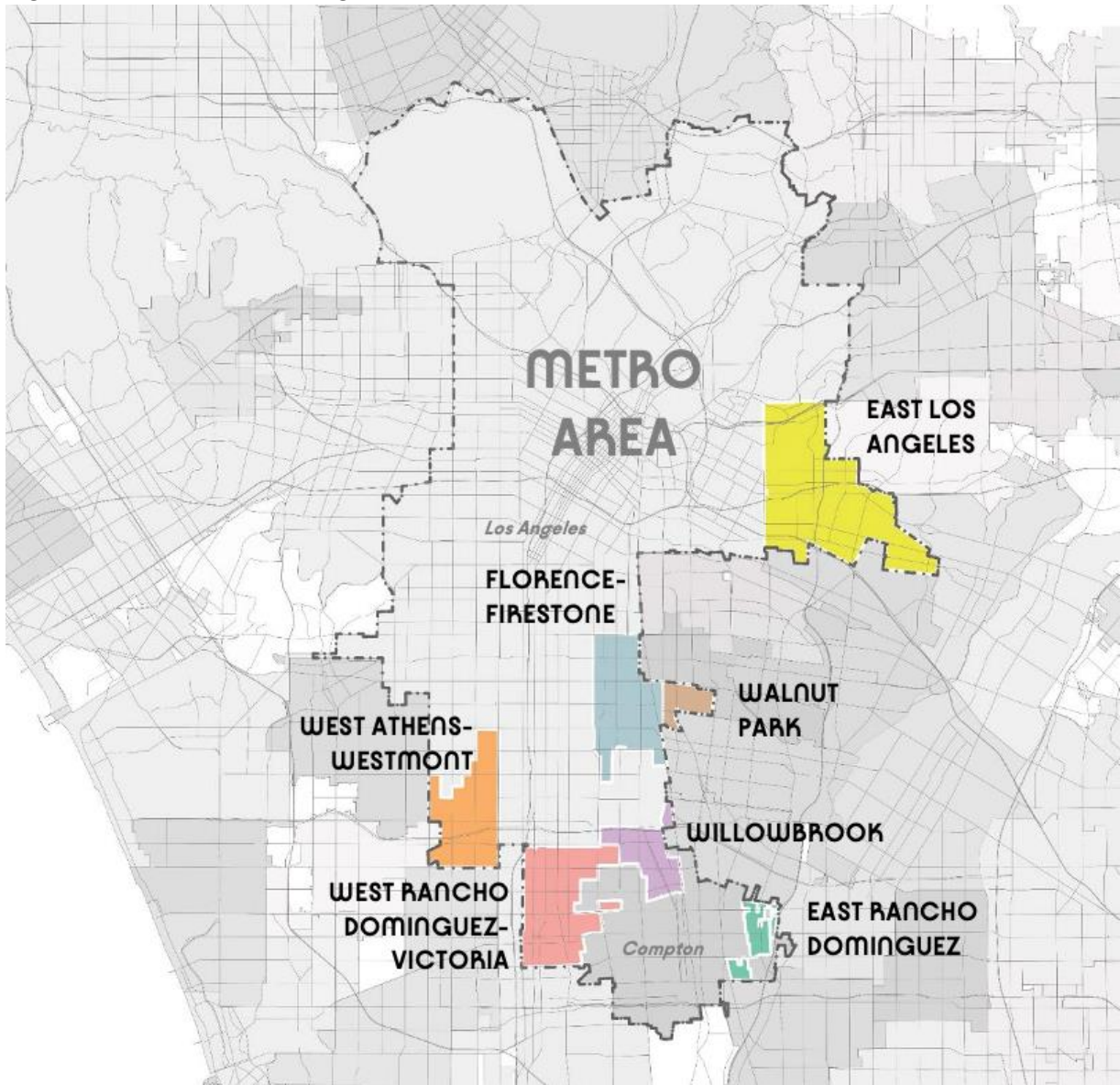


Figure 3-1: Map of Florence-Firestone



Source: Dudek

Figure 3-2: Metro Planning Area



Source: Dudek

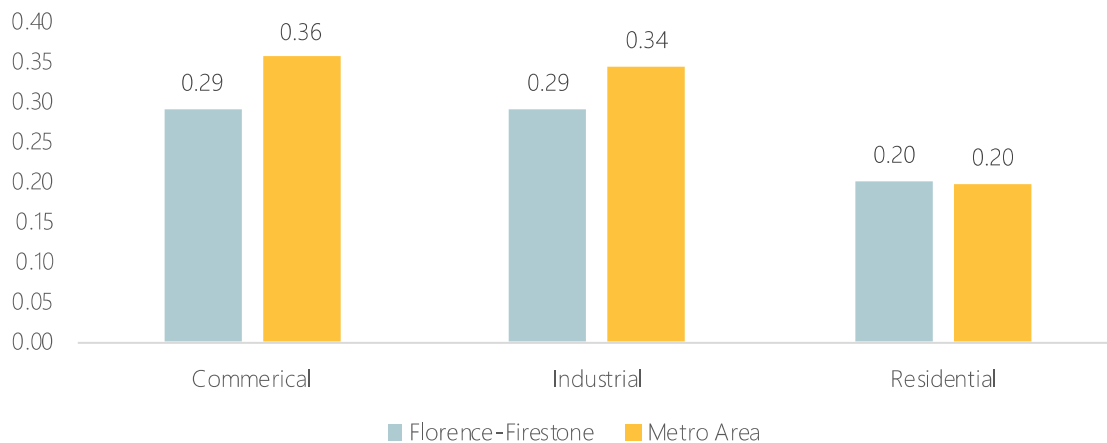
### 3.2 Current Land Use

Excluding roads and other infrastructure, Florence-Firestone has 2.75 square miles of publicly and privately held land. Residential land uses make up the majority of land in the community area, representing 63.5 percent of the total land and 65.7 percent of the built space. Commercial uses (inclusive of both retail and office) represent about 9.6 percent of the total land and 14.4 percent of the built space due to the highest floor area ratio (FAR) among any of the land uses. The remaining land is comprised of industrial development and other land uses (including government, institutional, etc.). As it relates to the larger Metro Area, Florence-Firestone represents:

- 18.4 percent of the of the commercial development;
- 13.0 percent of the industrial development; and
- 16.5 percent of the residential development.

The distribution of land use has a fairly consistent relationship to the Metro Area with higher-than-normal commercial land use development.

Figure 3-3: FAR Comparison by Land Use



Source: Los Angeles County Assessor

Table 3-1: Land Use (2020)

	Florence-Firestone		Metro Area		Florence-Firestone/Metro Area	
	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)
Total						
Commercial	2,141,408	0.26	11,645,057	1.17	18.4%	22.5%
Industrial	2,492,749	0.31	19,139,479	2.00	13.0%	15.4%
Residential	9,768,114	1.74	59,273,588	10.77	16.5%	16.2%
Other	461,299	0.43	3,256,980	2.88	14.2%	14.9%
Total	14,863,570	2.75	93,315,104	16.82	15.9%	16.3%
Percent of Total/Index						
Commercial	14.4%	9.6%	12.5%	7.0%	115.4	137.9
Industrial	16.8%	11.2%	20.5%	11.9%	81.8	94.3
Residential	65.7%	63.5%	63.5%	64.0%	103.5	99.2
Other	3.1%	15.6%	3.5%	17.1%	88.9	91.4

Source: Los Angeles County Assessor

### 3.3 Transportation Access

---

From a regional perspective, Florence-Firestone is easily accessible from Interstate 110. Given its central location within the larger Los Angeles Metropolitan Statistical Area it is estimated that there are over 10 million people living within a 30-mile radius, which includes major job centers. Florence-Firestone is also within a relatively short distance from Los Angeles International airport (LAX) as well as two shipping ports (Port of Los Angeles and Long Beach). The community also has three light rail stations (Florence, Firestone, Slauson Stations) along the Los Angeles Metro A Line (Blue) that connects Long Beach to downtown Los Angeles.

As of the last available data, in fiscal year 2019, the Florence Station, which has the highest annual ridership, had an average of approximately 3,200 daily boardings (Figure 3-5) and represents the 22<sup>nd</sup> highest utilized Metro station. Overall, total ridership of the Metro system (bus and rail) has decreased since fiscal year 2010 with a peak ridership in fiscal year 2014 (475.5 million). However, the existing light rail infrastructure is viewed as a significant asset for the community and could be leveraged for future development.

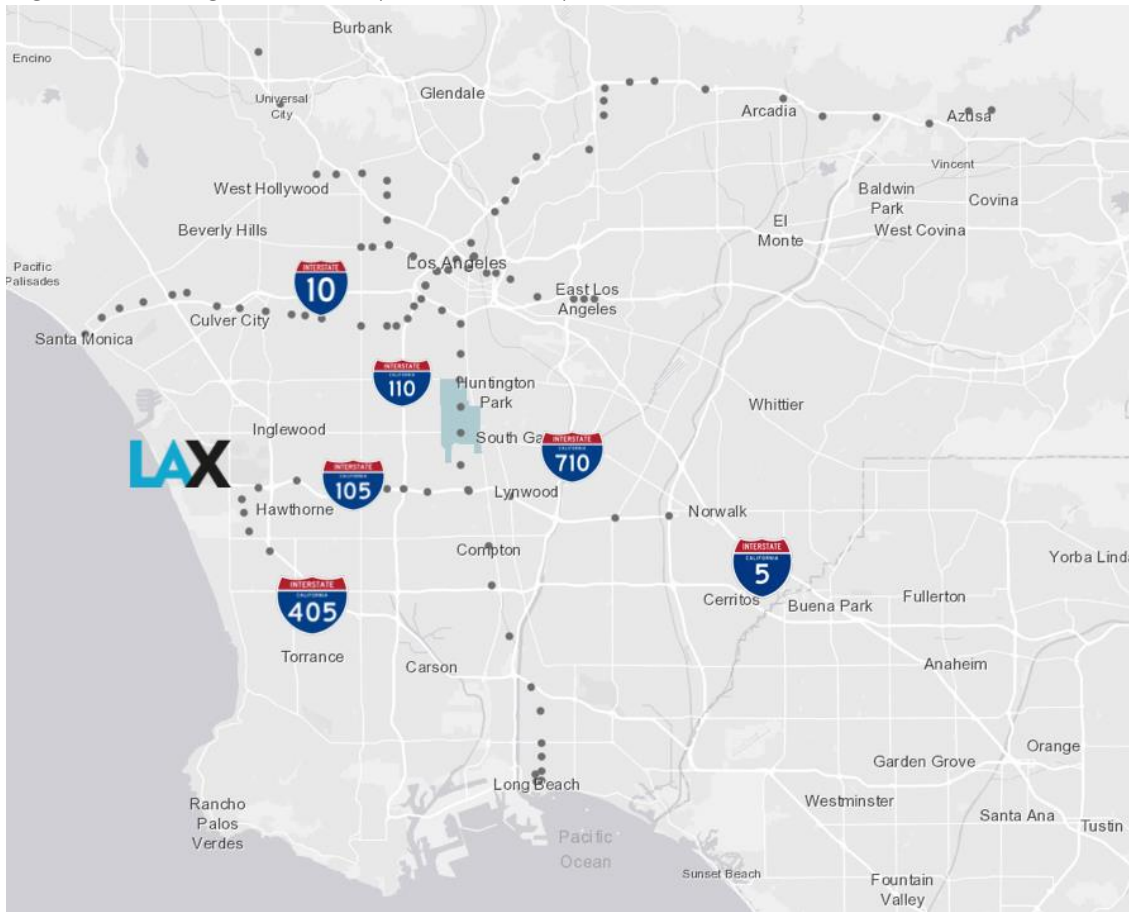
### 3.4 Key Takeaways

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The following includes a bullet point summary of key takeaways from the section:

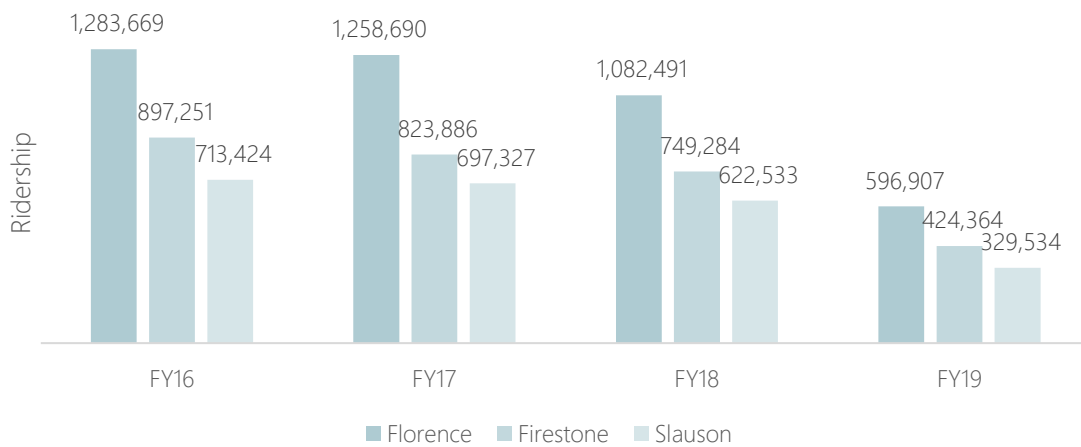
- Land use patterns are dominated by residential development;
- Florence-Firestone is centrally located and is located approximately 10 miles south of Downtown;
- The community benefits from regional freeway access; and
- Has a significant community asset in light rail transit stops along the Metro A Line, which connects Long Beach to Downtown Los Angeles.

Figure 3-4: Regional Transportation Map



Source: ESRI Business Analyst; METRO, Pro Forma Advisors

Figure 3-5: Metro Ridership (FY2016 – FY2019)



Source: METRO

## 4 Socioeconomic Analysis

The future market demand for different land uses in Florence-Firestone will be influenced by regional economic forces and market trends. This section analyzes the historic and projected socioeconomic trends for Florence-Firestone, the Metro Area, and County that most influence land use potentials for future development. The following section provides summary level information on key population, household age, race and ethnicity, and educational attainment trends that may affect future land use planning.<sup>6</sup>

### 4.1 Demographic Trends

---

The following section provides summary level information on key population and household, age, ethnic, and educational trends that may affect future land use planning in the community.

#### POPULATION AND HOUSEHOLDS

According to the U.S. Census, between 2000 and 2010, Florence-Firestone gained approximately 3,200 residents. Since 2000, Florence-Firestone's overall population growth has grown faster than the Metro Area and County. However, in absolute terms the growth is low due to the fact that area is largely built out and there are limited current opportunities for housing development.

Focusing on more recent population trends, ESRI Business Analyst estimates that the area's population will increase by approximately 240 people over the next five years. Average household size is anticipated to stay high, with an average household size of 4.6. This household size is significantly higher than the County average (3.0).

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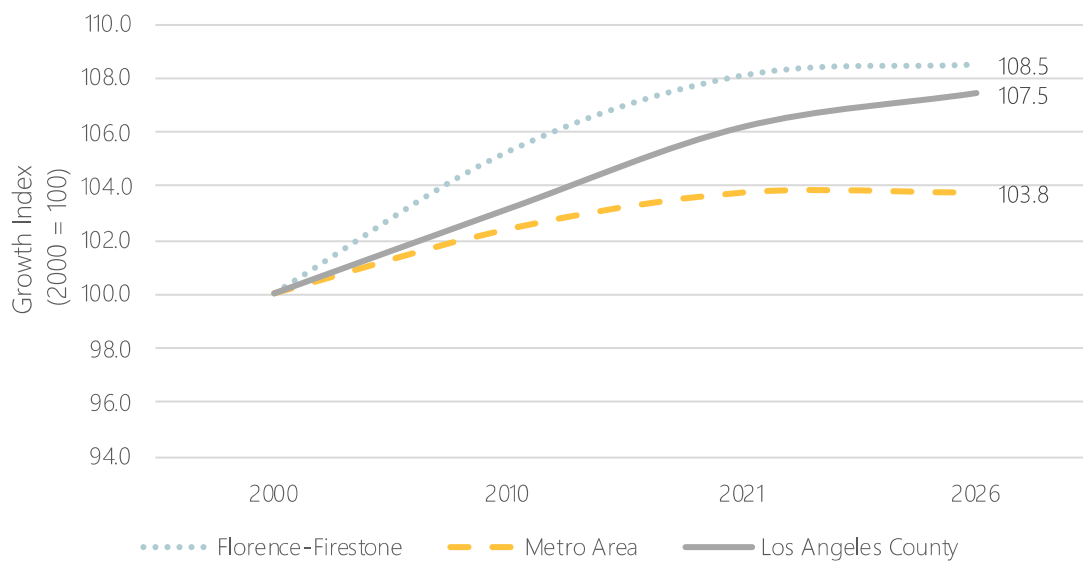
<sup>6</sup> Some of the socioeconomic data used in this analysis is provided by ESRI Business Analyst (ESRI). ESRI's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts throughout the United States. The ESRI data was utilized for two main reasons: (1) The 2020 Census data was not available at the time the market data was gathered and (2) two of the neighborhoods' geographies (Willowbrook and West Athens-Westmont) did not match to their respective Census-designated place geographies. For these reasons, the ESRI 2021/2026 socioeconomic data was utilized to ensure consistent comparisons among all the areas analyzed herein.

Table 4-1: Population and Household Trends

	2000	2010	2021(e)	2026(e)
<b>Population</b>				
Florence-Firestone	60,151	63,323	65,020	65,263
Metro Area	299,561	306,772	310,857	310,826
Los Angeles County	9,519,135	9,818,605	10,108,711	10,229,558
<b>Households</b>				
Florence-Firestone	13,347	13,889	14,163	14,167
Metro Area	72,637	74,630	75,285	75,023
Los Angeles County	3,133,720	3,241,204	3,328,361	3,366,546
<b>Household Size</b>				
Florence-Firestone	4.5	4.6	4.6	4.6
Metro Area	4.1	4.1	4.1	4.1
Los Angeles County	3.0	3.0	3.0	3.0

Source: ESRI Business Analyst

Figure 4-1: Population Growth Index



Source: ESRI Business Analyst



## AGE

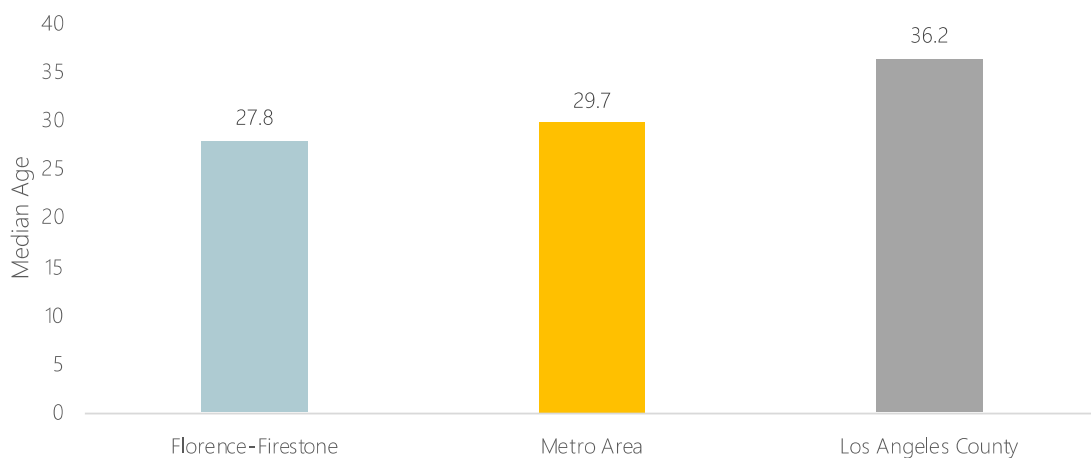
Florence-Firestone’s median age is 27.8 (Figure 4-2), which is younger than both the Metro Area’s median age (29.7) and the County’s median age (36.2). By analyzing age cohorts (Table 4-2), the area has an underrepresentation of age groups over 35 years. Conversely, there is a significant overrepresentation of age cohorts under 35 years old, whose shares are significantly higher than County. A considerably younger population, comprised of large numbers of families, will have unique implications for future land use planning.

Table 4-2: Age Distribution by Geography (2021)

	Florence-Firestone	MAP Region	Los Angeles County	Florence-Firestone/ MAP Region	Florence-Firestone/ County
Children/Young Adults (Under 24)	44.6%	41.1%	31.9%	108.5	139.8
Young Workers (25 to 34)	18.0%	17.5%	16.3%	102.9	110.4
Family Formation (35 to 54)	22.9%	23.4%	25.9%	97.9	88.4
Empty Nesters (55 to 74)	12.2%	14.4%	19.9%	84.7	61.3
Seniors (75+)	2.2%	3.5%	5.9%	62.9	37.3

Source: ESRI Business Analyst

Figure 4-2: Median Age by Geography (2021)



Source: ESRI Business Analyst

## RACE AND ETHNICITY

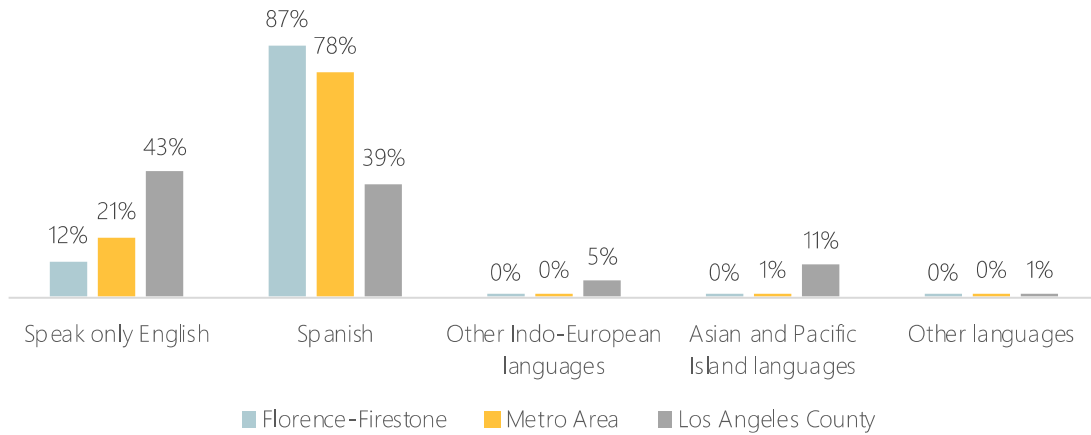
While race and ethnic composition do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the ethnic composition of the community's population might impact future land use decisions. Florence-Firestone has a higher relative share of residents identifying as "Black alone," "some other race alone," and "Hispanic." The high Hispanic and Latino/a population composition is comparable to other areas within the Metro Area (but nearly twice as high as the County) and 87 percent report that they speak Spanish at home.

Table 4-3: Population by Race/Ethnicity (2021)

	Flor- ence- Firestone	MAP Region	Los Angeles County	Florence- Firestone/ MAP Region	Florence- Firestone/ County
White Alone	37.9%	38.6%	48.5%	98.2	78.1
Black Alone	8.4%	14.3%	8.2%	58.7	102.4
American Indian Alone	0.7%	0.9%	0.7%	77.8	100.0
Asian Alone	0.2%	0.7%	15.1%	28.6	1.3
Pacific Islander Alone	0.0%	0.1%	0.3%	0.0	0.0
Some Other Race Alone	49.1%	42.0%	22.4%	116.9	219.2
Two or More Races	3.6%	3.4%	4.9%	105.9	73.5
Hispanic Origin	91.0%	83.8%	48.9%	108.6	186.1

Source: ESRI Business Analyst

Figure 4-3: Language Spoken at Home (2019)



Source: US Census

## EDUCATION

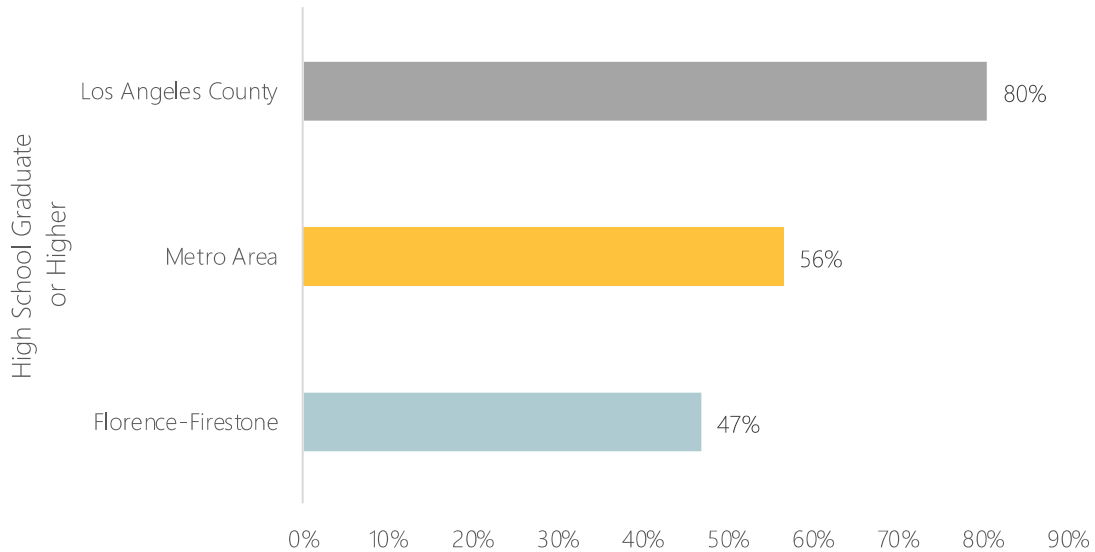
Levels of educational attainment are lower in both Florence-Firestone and the Metro Area, in comparison to the larger County area. For the population 25 and older, 53 percent of the residents report a “less than high school education,” which is almost three times as high as the County. Similarly, there is an underrepresentation of community residents with “some college, associate degree” or a “bachelor’s degree or higher. If examining the percent of residents with a high school degree or higher level of education, Florence-Firestone and the Metro Area both fall significantly below the Countywide educational attainment level of 80 percent.

Table 4-4: Population 25+ by Educational Attainment (2021)

	Flor- ence- Fire- stone	Metro Area	Los Ange- les County	Florence- Firestone/ Metro Area	Florence- Firestone/ County
Less than High School graduate	53%	44%	20%	122.2	273.3
High School Graduate (w/ equivalency)	24%	25%	21%	93.3	115.0
Some College, Associate Degree	17%	22%	25%	77.2	66.8
Bachelor's Degree or higher	6%	9%	35%	67.0	17.7

Source: ESRI Business Analyst

Figure 4-4: Percent of Population 25+ with High School Degree (2021)



Source: ESRI Business Analyst

## 4.2 Key Demographic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- Florence-Firestone has had moderate population growth compared to the County, but low in absolute terms.
- The community has a high percentage of families<sup>7</sup>, with larger household sizes and a younger population.
- The area is almost entirely comprised of people identifying as Hispanic and Latino/a.
- Florence-Firestone has almost three times the expected share of residents with less than a high school education compared to the education attainment of the population 25 or older in the County.

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<sup>7</sup> The US Census and ESRI define a family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

### 4.3 Economic Trends

The following section provides summary level information on various aspects of employment and industry composition that will impact the demand for future commercial land in the community.

#### HOUSEHOLD INCOME

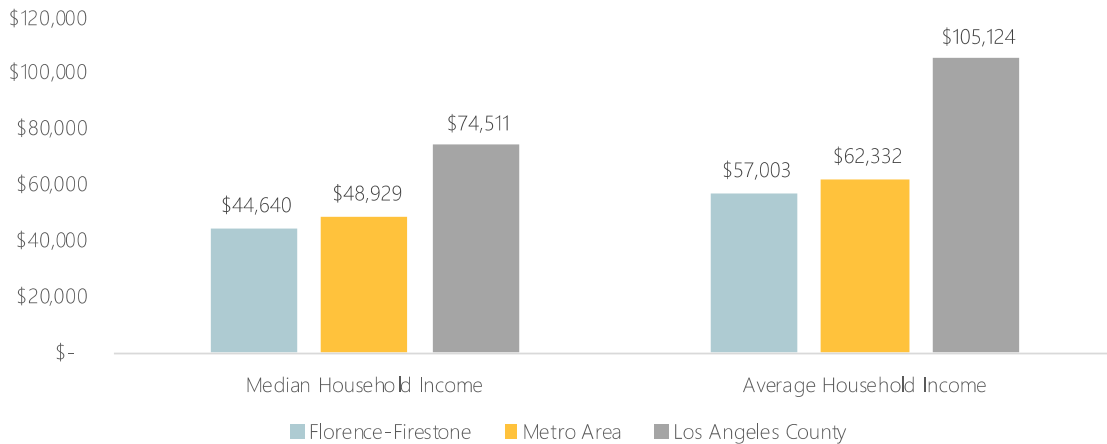
Florence-Firestone's median household income is approximately \$44,600, which is slightly lower than the Metro Area (\$48,900) and lower than the County (\$74,500). The household income projections, provided by ESRI Business Analyst, suggest that the community median income should rise at a rate consistent with the Metro Area and County over the next five years (2021 – 2026). The incomes of Florence-Firestone's households tend to be more concentrated in household income cohorts below \$50,000. Consistent with a lower median and average household income, there is a smaller share of household's making over \$75,000 in compared with the larger County region.

Table 4-5: Household Income by Income Cohort (2021)

	Florence-Firestone	Metro Area	Los Angeles County	Florence-Firestone/ Metro Area	Florence-Firestone/ County
<\$15,000	13.6%	13.7%	9.7%	99.3	140.2
\$15,000 - \$24,999	13.1%	11.3%	7.4%	115.9	177.0
\$25,000 - \$34,999	11.8%	10.8%	7.3%	109.3	161.6
\$35,000 - \$49,999	16.1%	15.1%	10.1%	106.6	159.4
\$50,000 - \$74,999	18.8%	19.1%	15.8%	98.4	119.0
\$75,000 - \$99,999	11.0%	12.2%	12.7%	90.2	86.6
\$100,000 - \$149,999	11.6%	12.2%	17.1%	95.1	67.8
\$150,000 - \$199,999	3.0%	3.6%	8.6%	83.3	34.9
\$200,000	1.0%	2.0%	11.5%	50.0	8.7

Source: ESRI Business Analyst

Figure 4-5: Median and Average Household Income (2021)



Source: ESRI Business Analyst

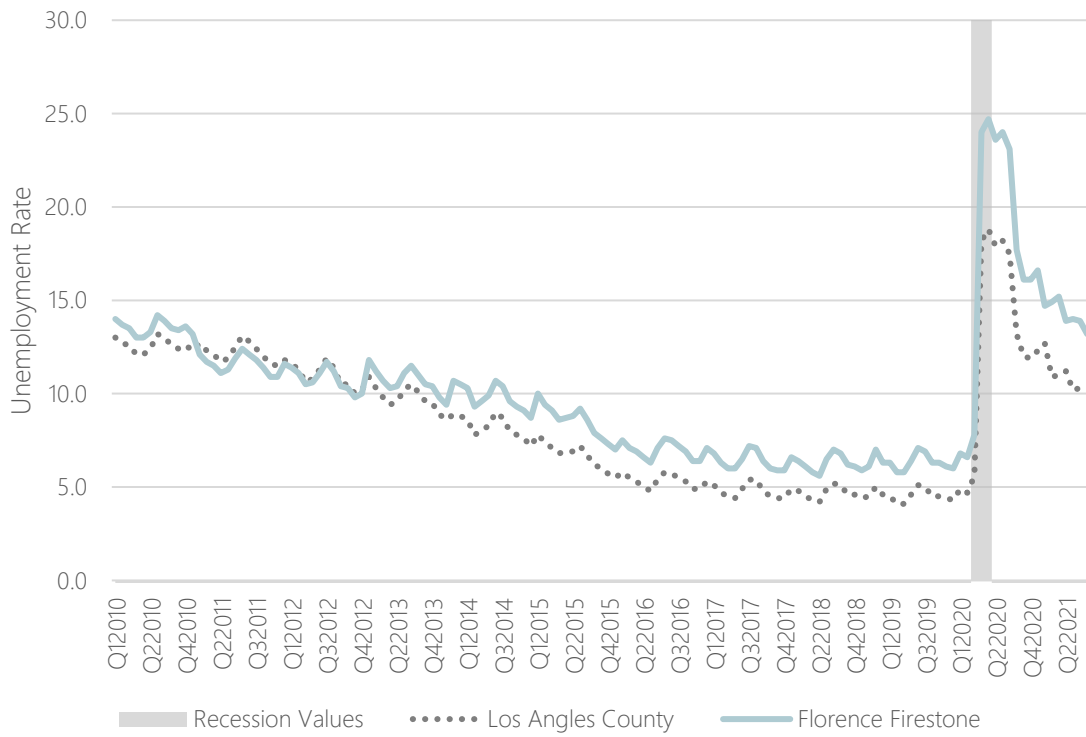
## EMPLOYMENT

Employment is examined in terms of unemployment rates, jobs (in-place employment), worker area profile, and industry composition. A critical barometer in evaluating demand for commercial office and industrial (workplace) real estate is employment growth. The following tables and graphs highlight relevant employment trends and forecasts. Sectoral (industry) analysis lends insight into industry growth and contraction patterns in a given geography.

As of the second quarter of 2021 Florence-Firestone’s unemployment rate had fallen to 13.2 percent, down from a peak of 24.7 percent in the second quarter of 2020. The area has typically remained above the County’s unemployment rate in pre- and post-recession times. During the last COVID-19 related recession, the community’s unemployment spiked significantly, potentially due to the loss of jobs within lower paid, less skilled jobs or industries that were more adversely impacted by mandated business closures.

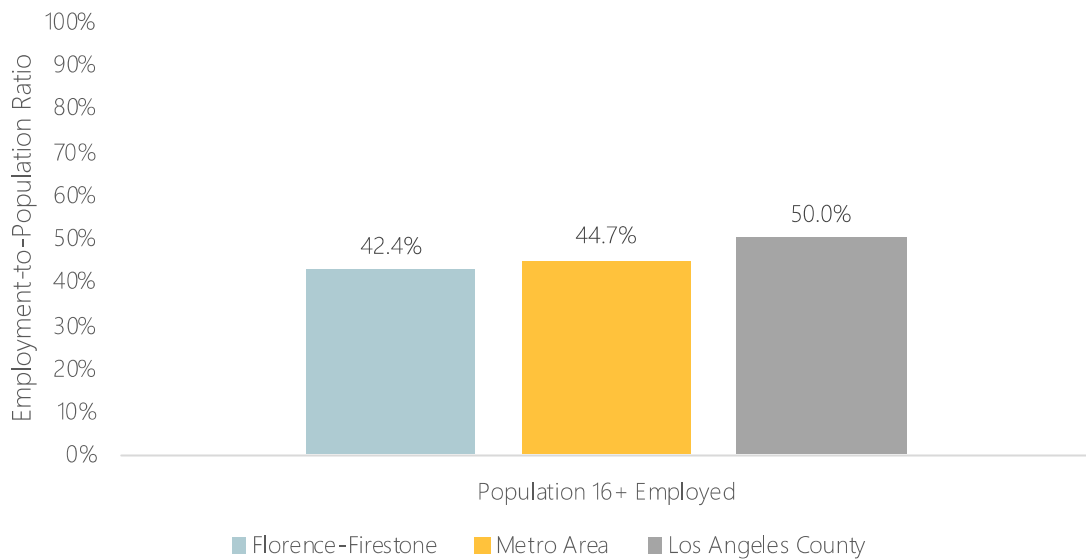
It is estimated that 42.4 percent of the population over 16 years of age are in the labor force. This is slightly lower than the Metro Area and approximately 7.5 percentage points lower than the County labor force participation.

Figure 4-6: Unemployment Rate (2021)



Source: CA EDD, CA Department of Finance

Figure 4-7: Labor Force (2021)



Source: CA EDD, CA Department of Finance

## IN-PLACE EMPLOYMENT

### Jobs

The previously provided information regarding income, unemployment, and the area’s labor force are based on the community’s residents. The following analysis examines jobs located in the community that may or may not be held by community residents. An evaluation of the primary “in-place” employment is important as it impacts the range of demand that can be projected for future commercial serving land uses.

Primary jobs<sup>8</sup> rose from 2002 to 2018, leading up to the COVID-19 related recession. In fact, Florence-Firestone saw a relative increase in job growth between 2009 to 2018 compared to both the Metro Area and County, whereas before 2009 the job growth tended to be in line with the larger areas.

Based on the OnTheMap employment data, approximately nine percent of the area’s in-place employment is from residents that both live and work in the community. Similar to other areas within the County, Florence-Firestone has a high number of its residents commuting long distances to work. There were approximately 7,500 primary jobs in the community in 2018, which is the most recent year of the Quarterly Census of Employment and Wages in-place employment data available for analysis.

Figure 4-8: In-Place Employment Index (2002 - 2018)



Source:

US Census (OnTheMap)

<sup>8</sup> A total job is defined as all jobs, which include all public or private sector jobs (potentially more than one job per worker). For example, if a person had two part-time jobs, then the primary job would be the highest paying job for that worker. Typically there is not significant variation in primary and total jobs except in economies with significant portions of the labor force engaged in part-time employment (e.g. tourist economies).



Table 4-6: Employment Efficiency (2018)

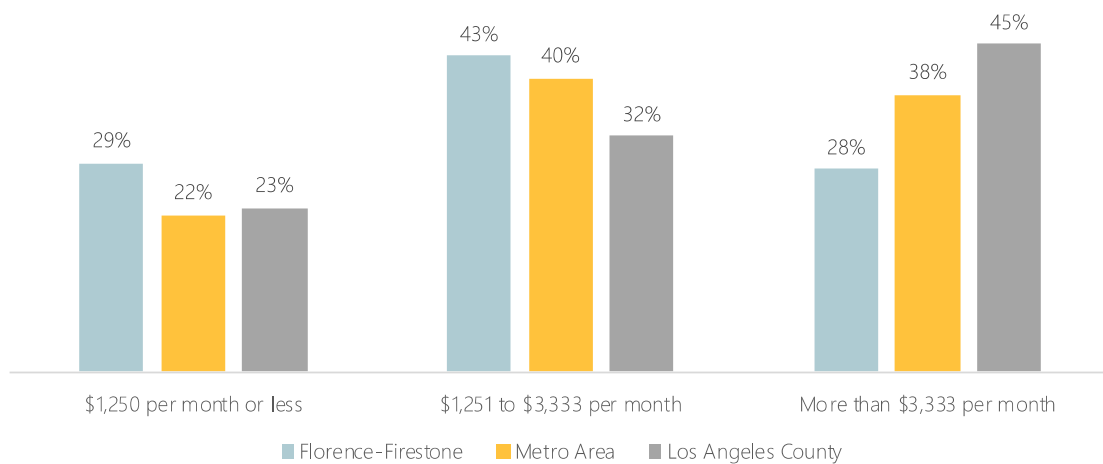
	Florence-Firestone	Metro Area	Los Angeles County
In-Place Jobs	7,457	55,365	4,685,637
Employed and Living in the Area (Resident Workers)	9%	12%	77%
Employed and Living Outside the Area (In-Place Employees)	91%	89%	23%

Source: US Census (OnTheMap)

### Worker Area Profile

An evaluation of primary jobs in Florence-Firestone reveals some noteworthy characteristics. Unlike the area's resident age distribution, the employment base does not deviate much from observed County ratios of jobs by age. Unlike the County, Florence-Firestone's in-place employment consists of generally lower paying jobs. As shown, the percentage of lower paying jobs yielding \$1,250 per month or less are almost 30 percent of all jobs located in Florence-Firestone compared with less than one-quarter of the jobs in the County. The lack of a presence of higher paying jobs in Florence-Firestone is a negative indicator. Similarly, the educational attainment of in-place jobs in the area tends to be lower than County, but generally in line with the Metro Area.

Figure 4-6: In-Place Employment by Earnings (2018)



Source: US Census (OnTheMap)

Table 4-7: In-Place Employment by Educational Attainment (2018)

	Florence- Firestone	Metro Area	Los Ange- les County	Florence- Firestone/Metro Ar- ea	Florence- Firestone/ Los Angeles County
Less than high school	25%	24%	16%	107.3	159.6
High school or equivalent, no college	16%	17%	16%	93.5	101.8
Some college or Associate degree	19%	22%	23%	84.8	82.9
Bachelor's degree or advanced degree	15%	18%	24%	87.4	64.8
Educational attainment not available	24%	19%	22%	126.2	112.0

Source: US Census (OnTheMap)

### Location Quotient Analysis

The location quotient (LQ) is a tool that measures the relative concentration of different industries in specific localities relative to a larger level of geography. In most cases, the LQ would compare a county to a state or national level of employment concentration. However, it is useful to get a proxy for relative employment concentration among industries within a sub-regional level geography. The calculation helps evaluate Florence-Firestone's strength or weakness in a given industry, relative to the County as a whole. A concentrated (high) LQ means that a given industry is represented more than one would expect, given its total level of employment. The following describes the LQ:

- LQ > 1.0 means that an industry is more concentrated in Florence-Firestone than in the County.
- LQ < 1.0 means that an industry is less concentrated in Florence-Firestone than in the County.
- LQ = 1.0 means that an industry is equally concentrated in Florence-Firestone as in the County.

Because industries with a LQ greater than one indicates relatively high production of a particular service, it is likely that some amount of that industry is being exported. Employment in that industry (or the portion of employment that causes the LQ to exceed 1.0) is then assigned to the economic base and is given credit for supporting the economy as a whole. Conversely, if an industry has a LQ less than one, it is assumed to be a local-serving or non-basic industry. For economic development purposes, it is often useful to focus on the outlier industries with a LQ greater than 1.25 or less than

0.75. The assumption is that industries falling within 0.75 and 1.25 are probably producing at levels sufficient to meet local demand in the local area. There is a high concentration in the Educational, Other Services, and Retail Trade industries.

Table 4-8: In-Place Employment Change by Industry (2002, 2018)

Industry	Florence-Firestone (2002)	Florence- Firestone (2018)	Numeric Change (2002 - 2018)	Location Quotient
Agriculture, Forestry, Fishing and Hunting	0	0	0	0.00
Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0.00
Utilities	1	0	-1	0.00
Construction	87	203	116	0.84
Manufacturing	1,648	698	-950	1.27
Wholesale Trade	505	407	-98	1.07
Retail Trade	1,064	1,781	717	2.53
Transportation and Warehousing	200	276	76	0.86
Information	6	17	11	0.03
Finance and Insurance	23	120	97	0.50
Real Estate and Rental and Leasing	8	11	3	0.08
Professional, Scientific, and Technical Services	32	85	53	0.17
Management of Companies and Enterprises	0	0	0	0.00
Admin. & Support, Waste Mgmt. and Remediation	79	232	153	0.48
Educational Services	20	1,066	1046	1.76
Health Care and Social Assistance	219	1,361	1142	1.14
Arts, Entertainment, and Recreation	0	2	2	0.01
Accommodation and Food Services	215	658	443	0.92
Other Services (excluding Public Administration)	823	358	-465	1.39
Public Administration	0	182	182	0.73
<b>Total</b>	<b>4,930</b>	<b>7,457</b>	<b>2,527</b>	<b>1.00</b>

Source: US Census (OnTheMap)

## 4.4 Key Economic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- Florence-Firestone households tend to have lower incomes than the County.
- The community typically has a higher percent of unemployment than is observed in the County. In times of recession, unemployment tends to increase at a higher rate than the County.
- Between 2002 and 2018, Florence-Firestone's in-place jobs have grown at a faster rate than both the Metro Area and the County.
- In-place jobs tend to have lower wages and educational level as compared with the countywide average.

## 5 Real Estate Market

The following provides an overview of historic trends for residential, office, and retail land uses.<sup>9</sup> Historic market trends have been examined to more accurately determine the potential for future land uses and associated development desired in the Metro planning area. Once again, trends for the community, Metro Area, and County have been analyzed for comparison purposes. Various recognized submarket area<sup>10</sup> definitions are used in the commercial real estate analysis. It is important to note that this analysis does not attempt to replace the County's Housing Element or prior planning. Rather, it is provided to include additional and updated market information.

### 5.1 Residential

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Demand for residential housing will be a byproduct of employment and population growth throughout the County. The following sections examine the regional market conditions for rental and for-sale residential properties as well as more localized information pertaining to residential potential in the community. It is important to note that this analysis does not attempt to replace the City's Housing Element. Rather, it is provided to include additional and updated market information.

#### INVENTORY

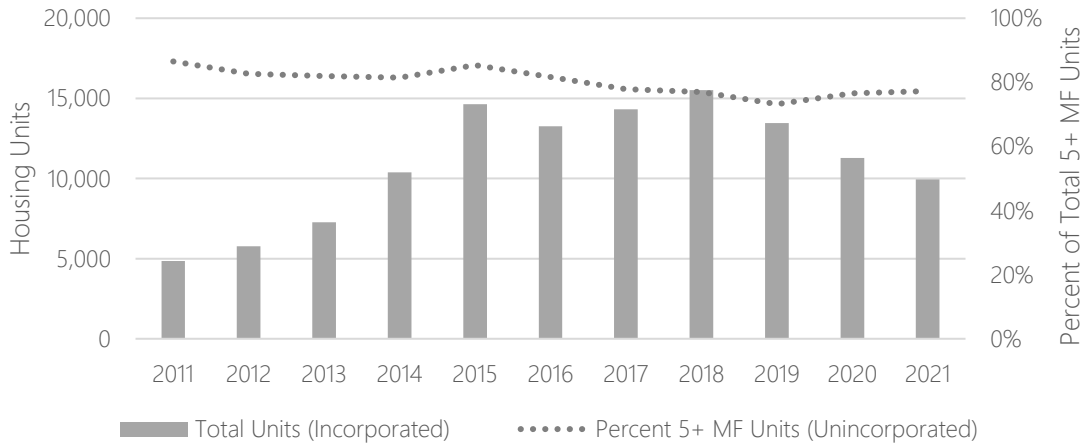
According to ESRI Business Analyst, Florence-Firestone has approximately 15,000 housing units, which represent about 18.7 percent of the housing in the Metro Area. Examining building permit data for the County over the last 10 years (Figure 5-1), an average of 11,000 units were delivered annually with approximately 80 percent of permits being 5 or more multi-family units in the unincorporated areas countywide.

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<sup>9</sup> Pro Forma Advisors has not analyzed the market for future industrial uses as it appears to be inconsistent with the MAP vision. Future analysis may explore strategies to transition underperforming industrial land to more compatible land uses within the MAP communities.

<sup>10</sup> Submarket areas are specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set or peer group.

Figure 5-1: Building Permit Data (2011 - 2021)

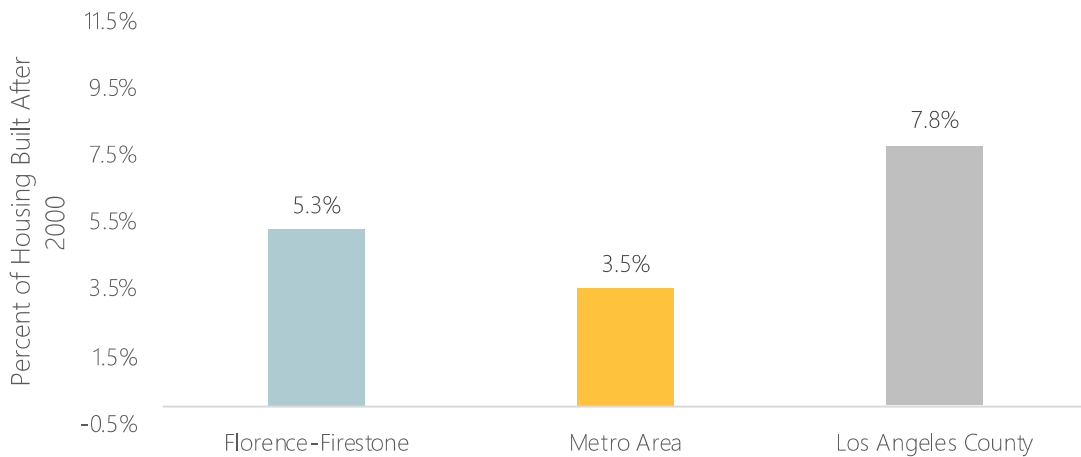


Source: Los Angeles County

### AGE

Approximately 77 percent of the housing in Florence-Firestone was built before 1970. Over the next three decades an additional 17 percent of housing was constructed. Florence-Firestone has experienced minimal new residential development since 2010. In fact, approximately five percent of all housing stock was built after 2000 (Figure 5-2). This is lower than the development trends countywide. However, the community has added housing at a higher rate than the Metro Area.

Figure 5-2: Housing Built Since 2000 (Relative to Total Housing Stock)

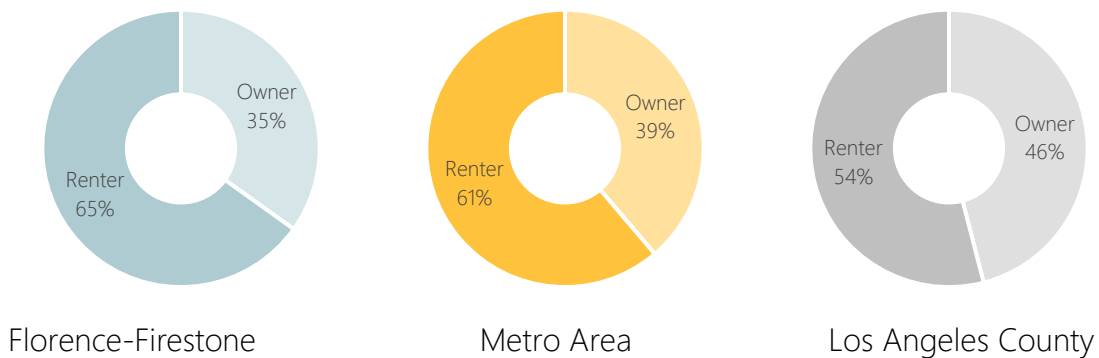


Source: US Census

## TENURE

Florence-Firestone has a larger share of renter-occupied housing in comparison to the rest of the County (Figure 5-3). Based on 2019 estimates, approximately 35 percent of the housing is owner-occupied. This ratio of owner-to-renter is lower than the Metro Area with a higher percentage of residents living in renter occupied housing units. Housing vacancy characteristics do not show much variability from the Metro Area or County, where vacant properties typically make up a small percent of the housing stock.

Figure 5-3: Housing Tenure

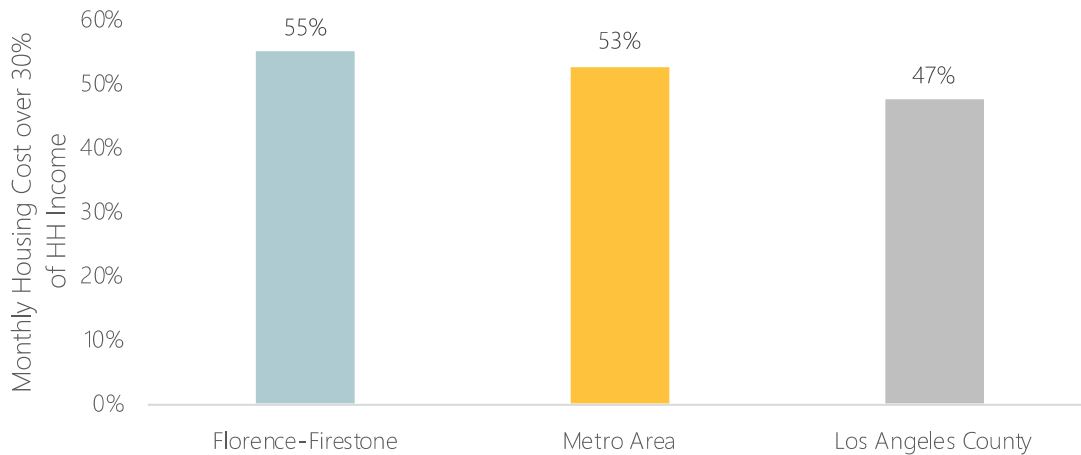


Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## COST BURDEN

The larger share of renters in Florence-Firestone and the Metro Area has implications for the financial stability of residents, as renters do not grow wealth through home ownership, have typically lower household incomes, and are subject to sometimes unpredictable rent increases or eviction. Furthermore, apartment owners may defer maintenance and can target lower income renters who have few options in the marketplace. This impacts both quality of life of occupants and can contribute to the community's perception in the County. Approximately 55 percent of households in Florence-Firestone pay more than 30 percent of their household incomes toward rent, which is commonly recognized as the share of household income beyond which rent becomes prohibitively expensive and affects other household expenditures.

Figure 5-4: Monthly Housing Cost Over 30 Percent of Income



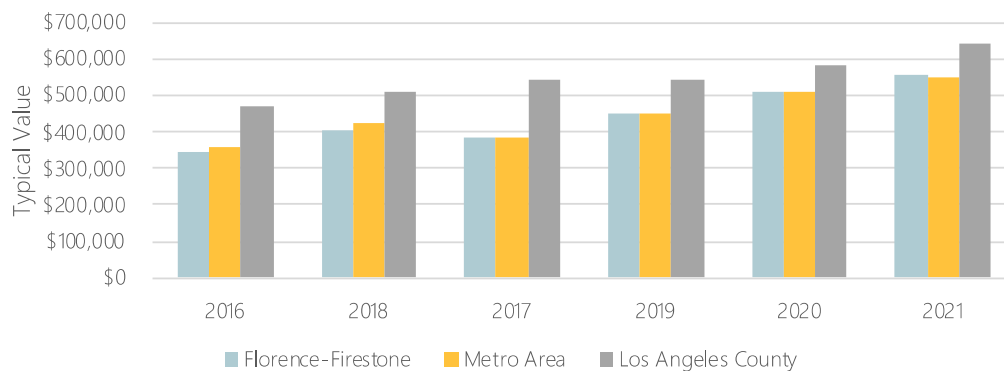
Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## PRICING

### For-Sale Pricing

In 2021, the typical condominium price in Florence-Firestone was approximately \$558,000, which is \$81,000 less than the County (\$639,000). However, the compound annual growth rate (CAGR) for the community's for-sale housing has been 10.2 percent per year over the last five years. This rate is higher than the Metro Area (9.2 percent), but significantly higher than the County CAGR of 6.3 percent since 2016. The community, like the County, has seen marked for-sale housing pricing increases as interest rates have remained low and housing production has not kept pace with demand.

Figure 5-5: Typical Condominium Value



Source: Zillow



### For-Rent Pricing

According to the US Census, the typical monthly rental price (all units) is \$1,173 in Florence-Firestone. This typical monthly rent is lower than the County and slightly higher than the Metro Area. Similar to the for-sale housing, rental rates in the County have increased because of increased demand for housing. For-rent housing demand, unlike for-sale housing, may reflect evolving market preferences, affordability, or scrutiny on for-sale home mortgage lending standards. In general, the Metro Area's rental housing stock prices have not kept pace with the County due to a lack of new development, which often drives market prices up through higher quality and amenities.

Figure 5-6: Typical Monthly Rent (Median Gross Rent)



Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

### Pipeline Development

There are no significant residential developments known to be under construction.

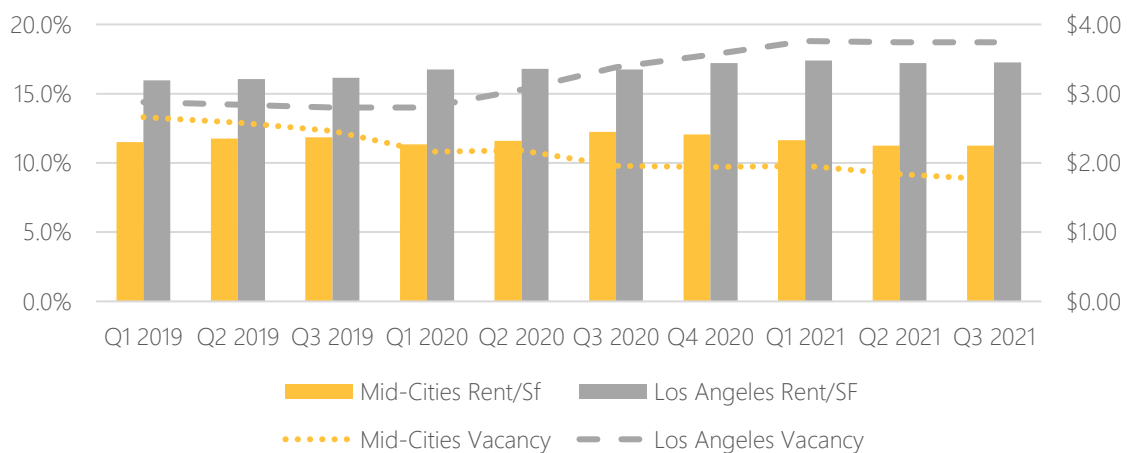
## 5.2 Office

Market potentials for office-related development within Florence-Firestone will be a function of the particular attributes of the available land, adjacent land uses, and the regional economy and office market. Although the Los Angeles office market is comprised of many submarkets, each with potentially a distinct tenant profile, office space is typically highly substitutable, such that the potentials in any given market are determined by the strength of the regional office market. Thus, development activity, absorption, vacancy rates, and change in rental rates follow very similar patterns in most of the Los Angeles submarkets.

### FUNDAMENTALS

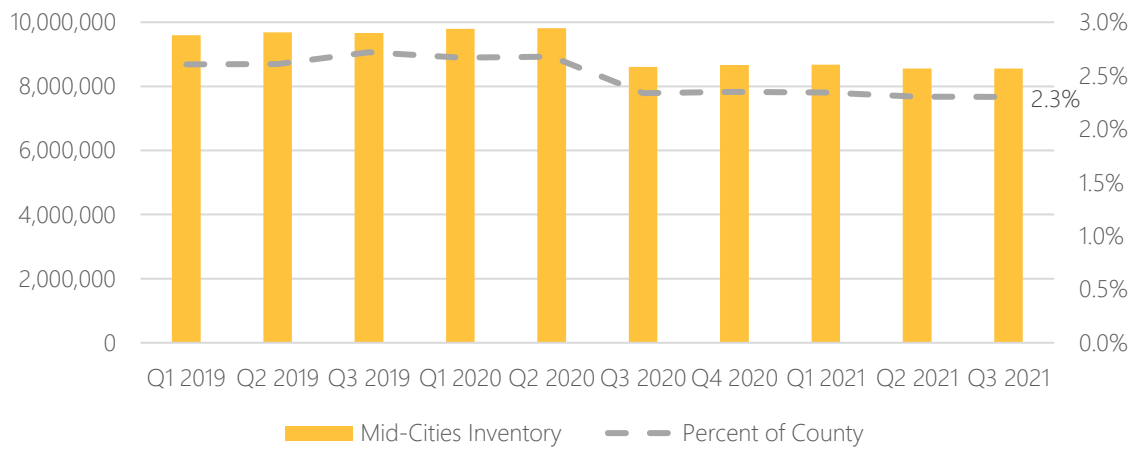
The Mid-Cities office market has 8.6 million square feet of office space, which has decreased by approximately one million square feet since Quarter 1 of 2019. Historically, the submarket has represented approximately 2.5 percent of the total County office market. The office vacancy rates have been lower than the larger County area over recent years. However, other submarkets have delivered high quality Class A space that often has a high vacancy rate because it is in the process being leased. As reflected in the average asking rent, the Mid-Cities area has lagged behind the average asking monthly rent largely due to its older office developments, most of which were delivered decades ago.

Figure 5-7: Regional Office Inventory (2019 - 2021)



Source: CoStar

Figure 5-8: Regional Office Trends (2019 – 2021)



Source: CoStar

### LOCAL MARKET CONDITIONS

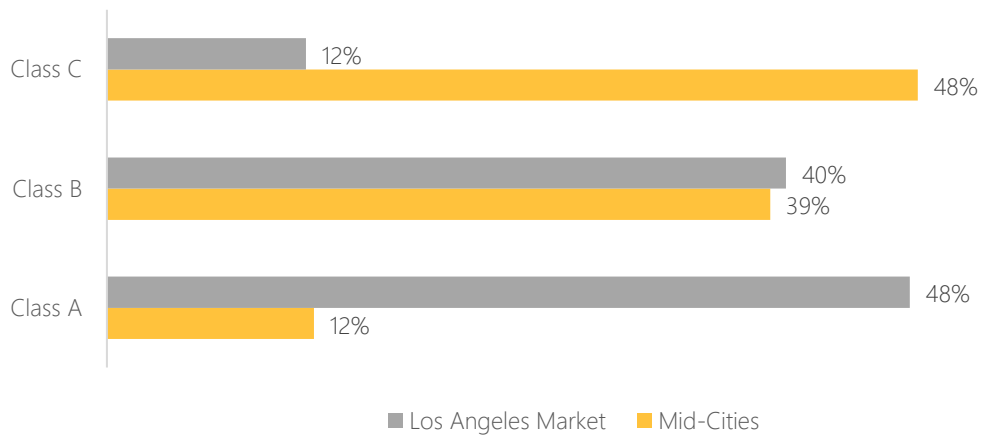
The Mid-Cities submarket has a significantly higher percent of Class C office space and relatively few Class A office developments. Once again, the County Assessor data was used to better understand the contemporary amount of commercial office development in the community.

Examples of office development include:

- Office Buildings; and
- Professional Building.

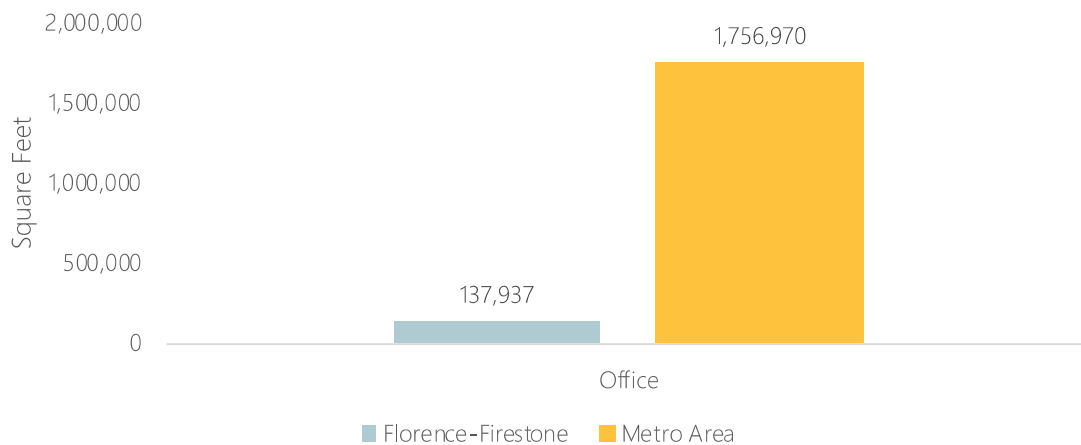
In total in Florence-Firestone, there is an estimated 138,000 square feet of commercial office space, as defined above, which is 7.9 percent of the Metro Area’s 1.8 million square feet of commercial office development.

Figure 5-9: Office Inventory Comparison by Asset Class



Source: CoStar

Figure 5-10: Community and Metro Area Office Inventory (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant office developments known to be under construction.

## 5.3 Retail

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The retail sector occupies a prominent place in the economy because such a large portion of the United States' economic activity depends on consumer spending. The sales of retail goods and services generate a large number of jobs that provide employment for individuals across a wide range of skill and income levels. Retail real estate markets are more subject to obsolescence and more locally based than either commercial office or industrial markets.

### FUNDAMENTALS

Although historical data is incomplete for Florence-Firestone, it is likely that the retail market parallels that of the Greater Mid-Cities market area with annual rents around \$19-26 NNN/year/square foot. Asking rents have historically been significantly below the larger County area. Vacancies, on the other hand, have remained low with a rate consistent with the larger County trend. In total, there is an estimated 12 million square feet of shopping center<sup>11</sup> space in the Mid-Cities submarket, which is about 9 percent of the total County inventory.

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<sup>11</sup> Shopping centers consist of the following:

General Retail: Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don't meet any of the more detailed use descriptions.

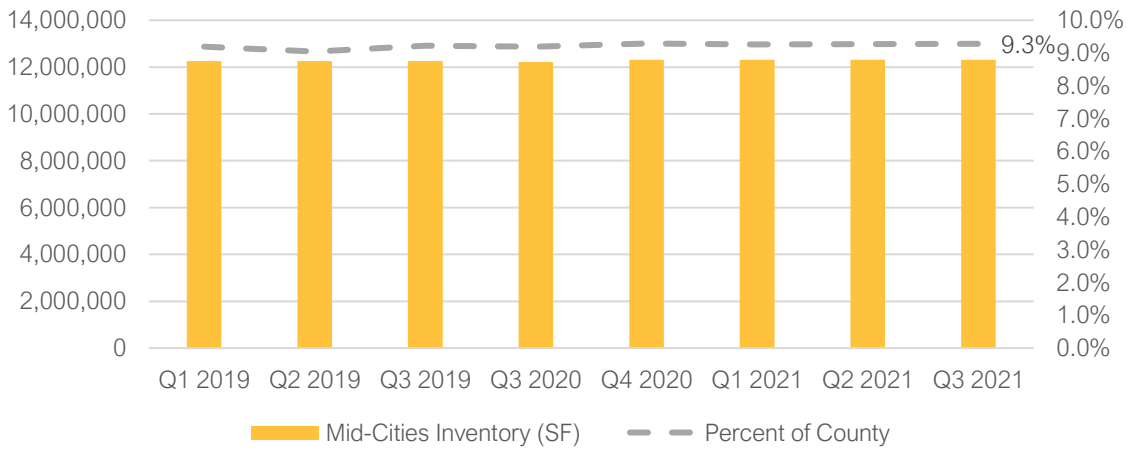
Mall: Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store, with a minimum GLA of 100,000 square feet, as the major drawing power.

Power Center: Typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants 250,000–600,000 square feet.

Shopping Center: The combined retail center types of Community Center, Neighborhood Center and Strip Center, which have a range of 50,000 – 350,000 square feet with limited anchors.

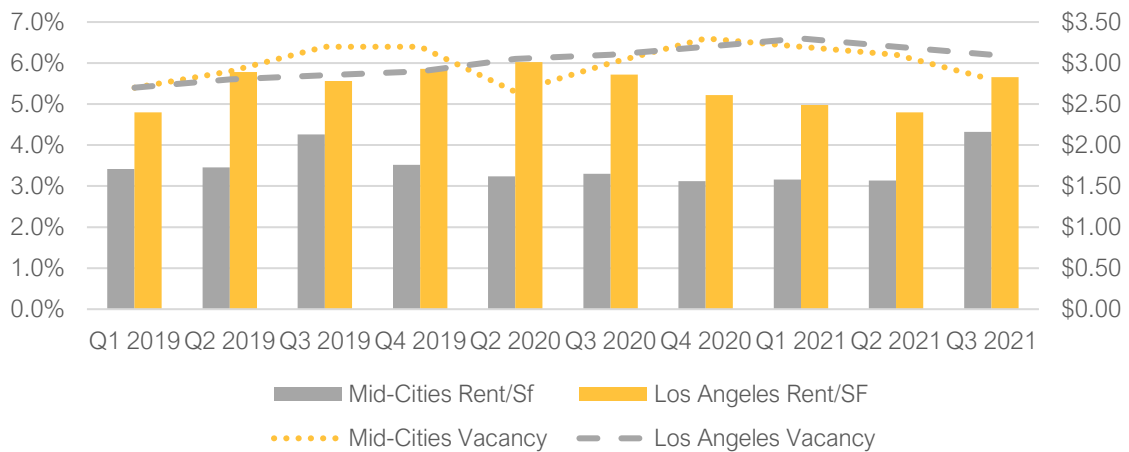
Specialty Center: The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center; which have a special market orientation and are unique in the market area.

Figure 5-11: Regional Retail Inventory (2019 - 2021)



Source: CoStar

Figure 5-12: Regional Retail Trends (2019 – 2021)



Source: CoStar

## LOCAL MARKET CONDITIONS

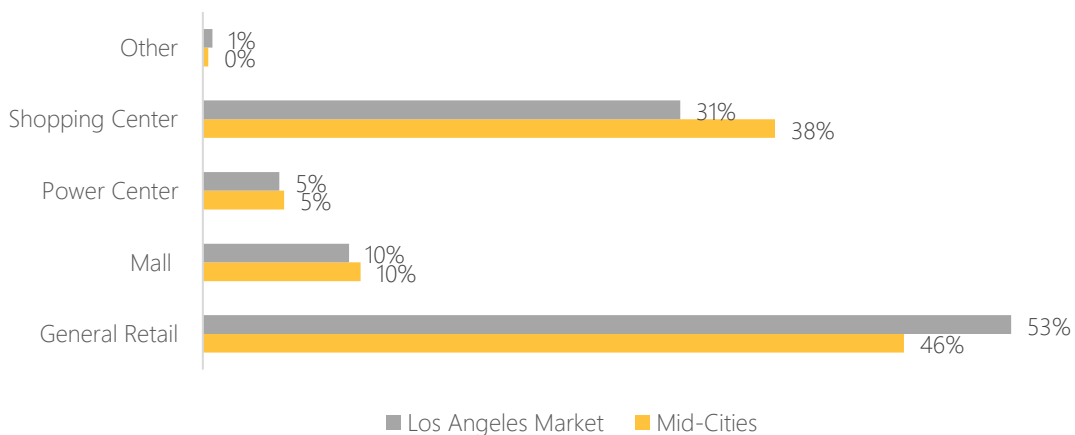
While the Mid-Cities submarket has a relatively consistent share of retail space by major retail development type, the local inventory in Florence-Firestone is dominated by non-shopping center oriented development. The County Assessor data was used to better understand the contemporary amount of commercial retail development in the community. Specifically, the amount of retail that would provide goods to community residents.

Examples of these types of retailers include:

- Restaurants/Non-grocery Food and Beverage;
- Supermarkets/Grocery;
- General Stores;
- Shopping Centers; and
- Department Stores.

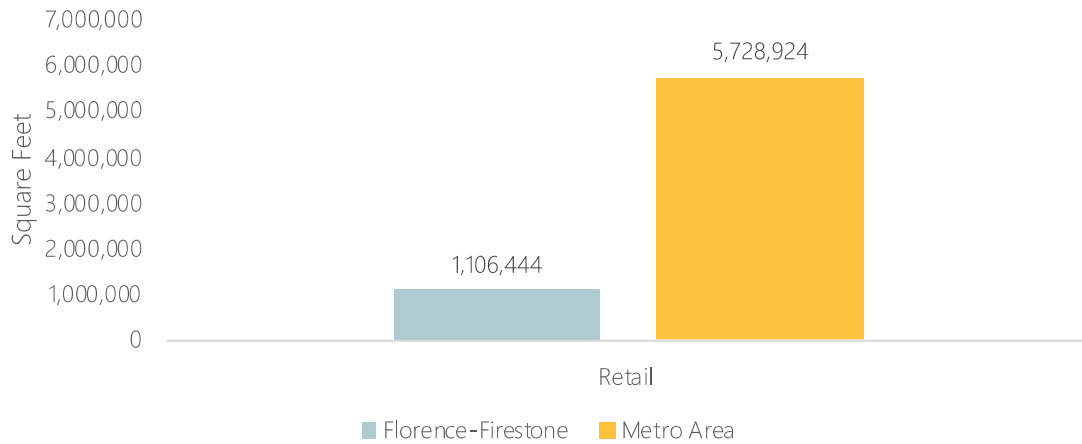
In total, there is an estimated 1.1 million square feet of commercial retail space, as defined above, which is 19.3 percent of the Metro Area’s 5.7 million square feet of commercial retail development.

Figure 5-13: Retail Inventory Comparison by Asset Class



Source: CoStar

Figure 5-14: Community and Metro Area Retail Inventory (2020)



Source: Los Angeles County Assessor

Figure 5-15: Community Retail Inventory Map (2020)



Source: Los Angeles County Assessor

Pipeline Development

There are no significant retail developments known to be under construction.



## 6 Long-Term Land Use Demand

The following section provides long-term land use demand projections for the community. Given that specific sites and development opportunities will generate various levels of demand, the following is intended to give broad parameters regarding the potential level of new development in the city. From this, development and land use opportunities can be evaluated to determine the required level of site capture (e.g. market demand) and if it is reasonable to plan for within the next 15 years.

### 6.1 Residential

---

Area Plan residential projections are based on household estimates from ESRI and SCAG. The low range is based on historic growth (0.8 percent CAGR), the target growth is based on projected growth for all unincorporated areas in the County (1.2 percent CAGR), while the high growth reflects the adjusted SCAG projections using 2021 ESRI data. For planning purposes, a growth scenario between the target and high-range projection appears warranted unless the County desires creating higher density mixed-use residential development at key development opportunities adjacent to transit, as available in some Area Plan communities.

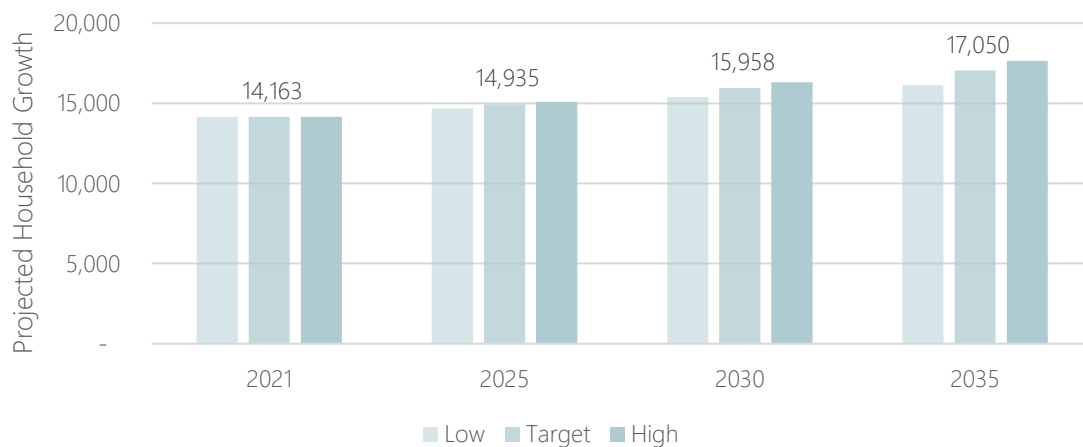
The total demand for new households was then further adjusted to account for a likely distribution of market rate and affordable housing units. In general, it is assumed 30 percent of the units are market while 70 percent are affordable throughout the Metro Area.

Table 6-1: Housing Demand by Time Period (2021 - 2035)

	2021-2025	2025-2030	2030-2035	2021-2035
<b>Florence-Firestone (Multi-Family Units)</b>				
Market Rate	201	266	284	750
Affordable	571	757	808	2,137
Total	772	1,023	1,092	2,887
<b>Metro Area (Multi-Family Units)</b>				
Market Rate	1,055	1,393	1,480	3,928
Affordable	2,670	3,525	3,746	9,941
Total	3,725	4,918	5,226	13,869
<b>Florence-Firestone/Metro Area (Percent of Total)</b>				
Market Rate	19.0%	19.1%	19.2%	19.1%
Affordable	21.4%	21.5%	21.6%	21.5%
Total	20.7%	27.5%	29.3%	20.8%

Source: Pro Forma Advisors

Figure 6-1: Housing Demand Scenarios – Occupied Housing Units (2021 – 2035)



Source: Pro Forma Advisors

## 6.2 Office

The demand for office space in the County and Metro Area will be based on demand created by new jobs in industries that require office space. Given the recent flexibility in an employee’s ability to work “remotely” the future demand for office space is somewhat speculative given that the required amount of space, in square feet, could change dramatically if people continue to work from home. Leading up to the global pandemic, office serving jobs have occupied less and less space on a per employee basis.

As noted in the office market analysis, there is relatively little office serving space in the Metro Area. The demand analysis uses California Employment Development Department 10-year projections by industry to estimate Countywide demand for industries that utilize office space. The total office space demand was then adjusted for office development under construction and structural vacancy. In total, it is estimated that 2.4 million square feet of office will be developed in the County per year and the Metro Area could capture its “fair share” or current allocation of office space, which is less than 0.5 percent of the Countywide total.

For general planning purposes, a range was provided based on a higher target and high range based on a more aggressive capture assumption. Given the total demand, office development is unlikely in the community in the planning horizon without a non-market driven intervention or relocation of a build-to-suit tenant.

Table 6-2: Office Demand (2021 - 2035)

	2021 - 2035 (Square Feet)		
	Low	Target	High
Florence-Firestone	12,200	15,300	18,300
Metro Area	147,600	184,500	221,400
Los Angeles County Market	2,160,000	2,400,000	2,640,000

Source: Pro Forma Advisors

## 6.3 Retail

---

The retail demand model is based on a combination of existing spending assumed to be “leaking” outside the community as well as an assumed future capture of new resident spending. To estimate the retail surplus/leakage, potential sales (demand) from Florence-Firestone’s residents and employees were estimated using the gross disposable income and typical worker spending, while taxable sales (supply) were estimated using information from ESRI business analyst. Finally, an adjustment of sales to supportable square feet was made, based on an estimate of sales productivity levels that could support new higher quality.

New resident spending was determined using an average household income of \$100,000 for market rate units and \$60,000 for affordable units (2021 dollars). The spending was adjusted to reflect a household spend per capita based on County pro rata retail sales adjusted by income.<sup>12</sup> A further assumption was made that assumed the community could capture 30 percent of new retail sales, which reflects typical spending for local serving retail development.

A low retail demand estimate reflects the total recapture of lost sales and a high retail demand estimates reflects the recapture of lost sales plus demand from new households. In total, Florence-Firestone has a limited amount of retail demand over the next 15-years.

---

<sup>12</sup> Review of the Bureau of Labor Statistics’ Consumer Expenditure Study as well as the Board of Equalization Sales and Use tax reports.

Table 6-2: Retail Demand (2021 - 2035)

	Commercial Retail Recapture Estimate (2021)	New Retail De- mand from Household Growth	Total Commercial Re- tail Demand	Low	High
Florence-Firestone (Square Feet)					
Retail Trade	15,100	57,800	72,900	15,100	72,900
Food and Drink	300	10,200	10,500	300	10,500
Total	15,400	68,000	83,400	15,400	83,400
Metro Area (Square Feet)					
Retail Trade	158,100	281,350	439,450	158,100	439,450
Food and Drink	10,500	49,650	60,150	10,500	60,150
Total	168,600	331,000	499,600	168,600	499,600
Florence-Firestone/Metro Area (Percent of Total)					
Retail Trade	9.6%	20.5%	16.6%	9.6%	16.6%
Food and Drink	2.9%	20.5%	17.5%	2.9%	17.5%
Total	9.1%	20.5%	16.7%	9.1%	16.7%

Source: Pro Forma Advisors

## 6.4 Key Takeaways

The following includes a bullet point summary of key takeaways from the section:

- Multi-family housing development should be encouraged at market and affordable levels within the community. Given the three transit station assets in the community, additional consideration could be given for higher density development oriented around transit.
- Retail demand is moderate. Careful consideration should be given to community-serving neighbor retail shopping center development.
- Office demand is not sufficient to plan for substantial new development.

## 7 Appendix

### 7.1 Sources

---

Listed in report order:

[Los Angeles County Assessor](#)

[ESRI Business Analyst](#)

[METRO](#)

[US Census](#)

[California Employment Development Department](#)

[California Department of Finance](#)

[US Census \(OnTheMap\)](#)

[Los Angeles County \(Building Permit Data\)](#)

[Zillow](#)

[CoStar](#)

## 7.2 Demographic Data (ESRI)

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LOS ANGELES COUNTY

EXISTING CONDITIONS REPORT:  
Walnut Park

Socioeconomic Review and Market Assessment

December 2021

Prepared by



and

**DUDEK**





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# 1 Existing Conditions Introduction and Overview

## 1.1 Project Overview

---

Los Angeles County (County) is currently preparing the Metro Area Plan (Area Plan), which is one of 11 planning areas in the County. The Planning Area framework was adopted via the County's 2015 General Plan Update to effectively plan and regulate development in unincorporated areas across the nation's most populous County. There are seven unincorporated communities within the Area Plan – West Athens - Westmont, West Rancho Dominguez – Victoria, Willowbrook, East Rancho Dominguez, Walnut Park, Florence-Firestone, and East Los Angeles. The Area Plan provides a once-in-a-generation opportunity for community members to share their vision for the area's future and provide input on the community's long-term goals and development opportunities.

## 1.1 Purpose of the Existing Conditions Report

---

This Existing Conditions Report represents the first major step in the process of updating the Area Plan. This report provides information on existing socioeconomic and market conditions in the Metro Planning Area (Metro Area)<sup>1</sup> and its surrounding areas as well as an analysis of growth prospects and land demand. The Existing Conditions Report is used as a basis for:

- Facilitating community input on planning issues and visions during community workshops;
- Preparing alternative land use planning scenarios; and
- Formulating policies and implementation actions for the General Plan.

The focus is on resources, trends, and critical concerns to frame decision-making for the long-term physical development of the community. This report analyzes socioeconomic and real estate market dynamics in Walnut Park (Existing Conditions Report).

---

<sup>1</sup> This report only presents information for unincorporated areas with the Metro Area Plan.

## 2 Summary

### 2.1 Introduction

---

This report summarizes the socioeconomic and real estate market conditions and trends that will shape medium-<sup>2</sup> to long-term<sup>3</sup> growth opportunities in Walnut Park and the greater Metro Area. The primary purpose of this socioeconomic review and market assessment is to inform, for planning purposes, the area's overall land use policy with respect to the type of development and land uses that could be effectively targeted during the planning horizon.

It is important to note that in the context of long-term planning, short-term market cycles have less relevance given a planning horizon stretching to 2035.<sup>4</sup> The conclusions discussed throughout this report are based on long-term data projections and an understanding of economic and market dynamics affecting the community and region. This report has been prepared for the County by Pro Forma Advisors as a sub-consultant to Dudek in support of the County's General Plan Area Plan update process.

### 2.2 Summary of Findings

---

The following key findings are provided to give a sense of future land use demand as well a review of key issues impacting future development in the city. These issues are explored from the socioeconomic and market perspective.

#### SOCIOECONOMIC FACTORS INFLUENCING DEVELOPMENT

Based on a review of historic and projected socioeconomic trends for the community, the following provides a summary of key issues to consider for future land use planning from a socioeconomic perspective.

---

<sup>2</sup> Five to 10 years.

<sup>3</sup> Over 10 years.

<sup>4</sup> This would include the short-term impacts of COVID-19

## Growth

Walnut Park is one of four communities within the Metro Area that have experienced population and housing growth at a rate below the region average. Given the community is largely built out, the number of new housing units delivered since 2000 has also been well below the Metro Area and County.

## Ethnic Composition

Walnut Park has over 98 percent of its community identifying with being Hispanic and Latino/a. While existing demographics do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities, and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the area's ethnic composition might impact future land use decisions.

## Employment Base

Walnut Park has experienced employment growth at a rate faster than the Metro Area and County. There is a strong base of employment in many core industries. Since 2002 the area added over 260 jobs within the community representing two percent of all new jobs in the Metro Area. However, overall, the less educated community employees and residents tend to have jobs that pay less than the countywide average income.

## Retail Leakage

The community appears to experience retail expenditure leakage to neighboring areas in the region, or "retail leakage" due to the newer, large format retailers located in other areas of the County. Based on the analysis, the community could recapture 3.8 square feet per household for neighborhood serving retail development.<sup>5</sup> For the community to be economically viable over the long-term it should strive to continue expanding its retail base by creating a more diverse local serving retail environment to increase the market capture from its households within the community.

---

<sup>5</sup> Retail development that provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood.



## Long-Term Land Use Demand

The following provides context regarding future development potential, given the anticipated market demand for various land uses as discovered in the market analysis. As shown below, an order-of-magnitude demand estimate for residential, retail, office land uses have been made for Walnut Park through 2035.

This represents the target range of development that could be attracted over the Area Plan horizon. Based on the economic development goals of the County, a more aggressive capture of demand could be warranted. As such, these estimates should be considered preliminary for planning purposes.

**Table 2-1: Demand Analysis Summary (2021 – 2035)**

	Target (Rounded)
Housing (Units)	600
Market Rate	200
Affordable	400
Retail (Square Feet)	29,100
Office (Square Feet)	10,500

Source: Pro Forma Advisors

## 3 Geography and Land Use Overview

The following section presents a brief overview of Walnut Park in relation to other geographical areas referred to within this report. It also summarizes existing land uses. A community's core assets such as open space, proximity to regional freeways, and reputation within the region are important attributes that impact future development and shape long-term land use planning.

### 3.1 Location Overview

---

Located near the center of the County, Walnut Park is approximately 0.75 square miles in size. Walnut Park is an unincorporated community and also a census designated place. For the purpose of this analysis, the area is generally bounded by Florence Avenue to the North, State Street to the East, Santa Ana Street to the South, and Santa Fe Avenue to the West. A Major North/South thoroughfare is Pacific Boulevard, which also serves as its primary retail corridor.

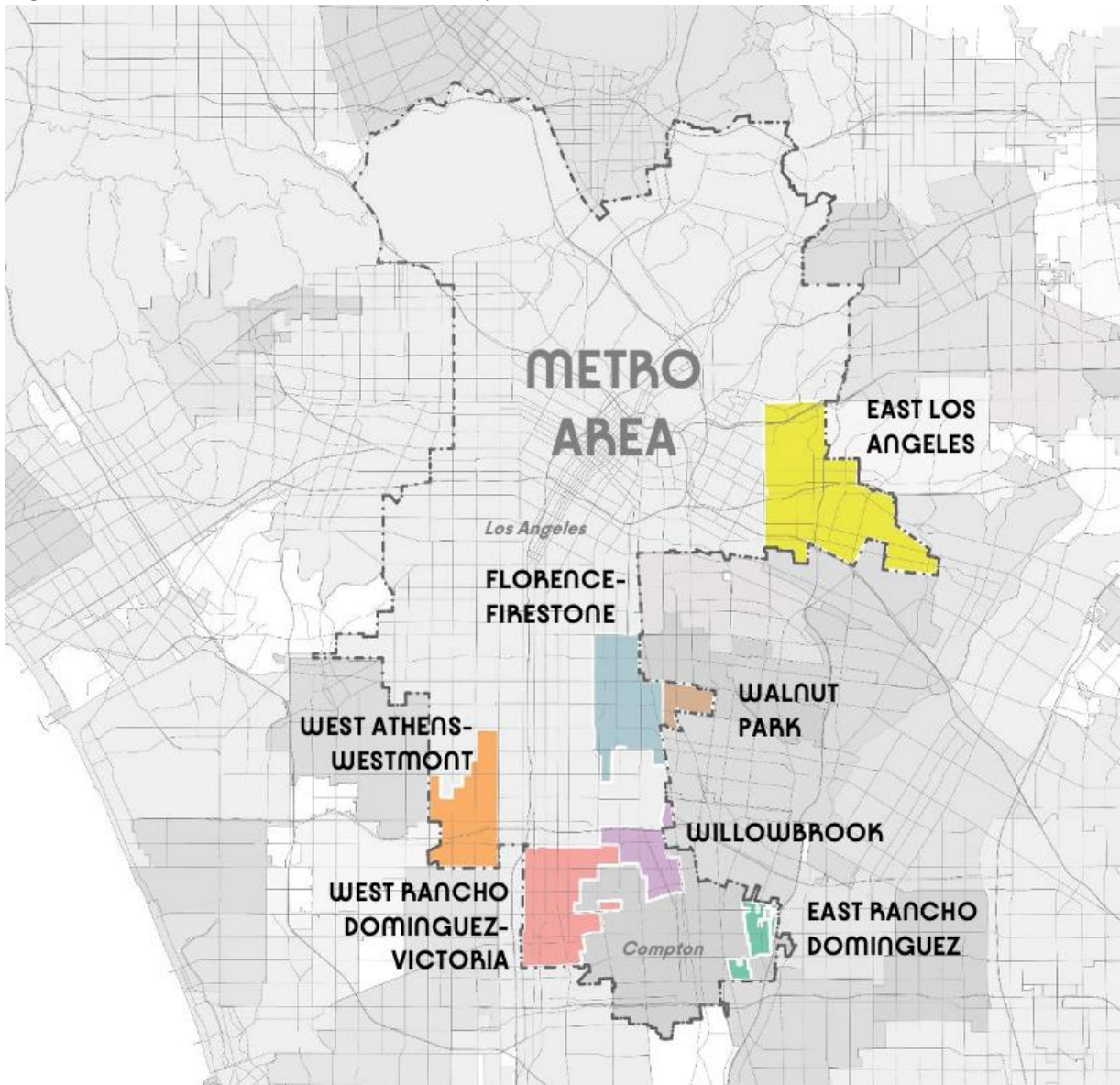
Walnut Park is one of seven communities within the larger Metro Area. It represents approximately four percent of the total Area Plan land area.

Figure 3-1: Community Planning Area Map



Source: Dudek

Figure 3-2: Metro Area Plan Area Map



Source: Dudek

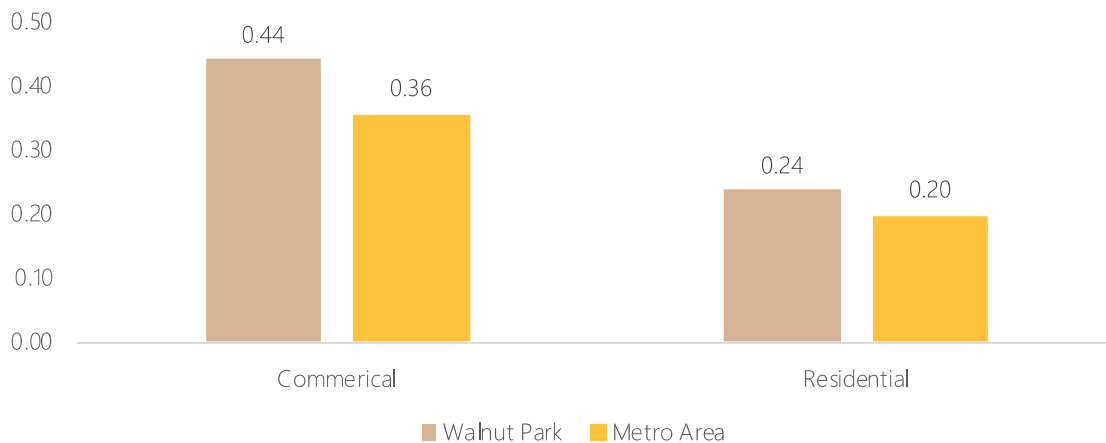
### 3.2 Current Land Use

Excluding roads and other infrastructure, Walnut Park has 0.58 square miles of publicly and privately held land. Residential land uses make up the majority of land in the community area, representing 88.6 percent of the total land and 84.9 percent of the built space. Commercial uses (inclusive of both retail and office) represent about 7.8 percent of the total land and 13.8 percent of the built space due to the highest floor area ratio (FAR) among any of the land uses. The remaining land is comprised of industrial development and other land uses (including government, institutional, etc.). As it relates to the larger Metro Area, Walnut Park represents:

- 4.7 percent of the commercial development; and
- 5.7 percent of the residential development.

The distribution of land use has a fairly consistent relationship to the Metro Area with higher than normal residential and other land use development and much lower proportional amount of industrial development and land.

Figure 3-3: FAR Comparison by Land Use



Source: Los Angeles County Assessor

**Table 3-1: Land Use (2020)**

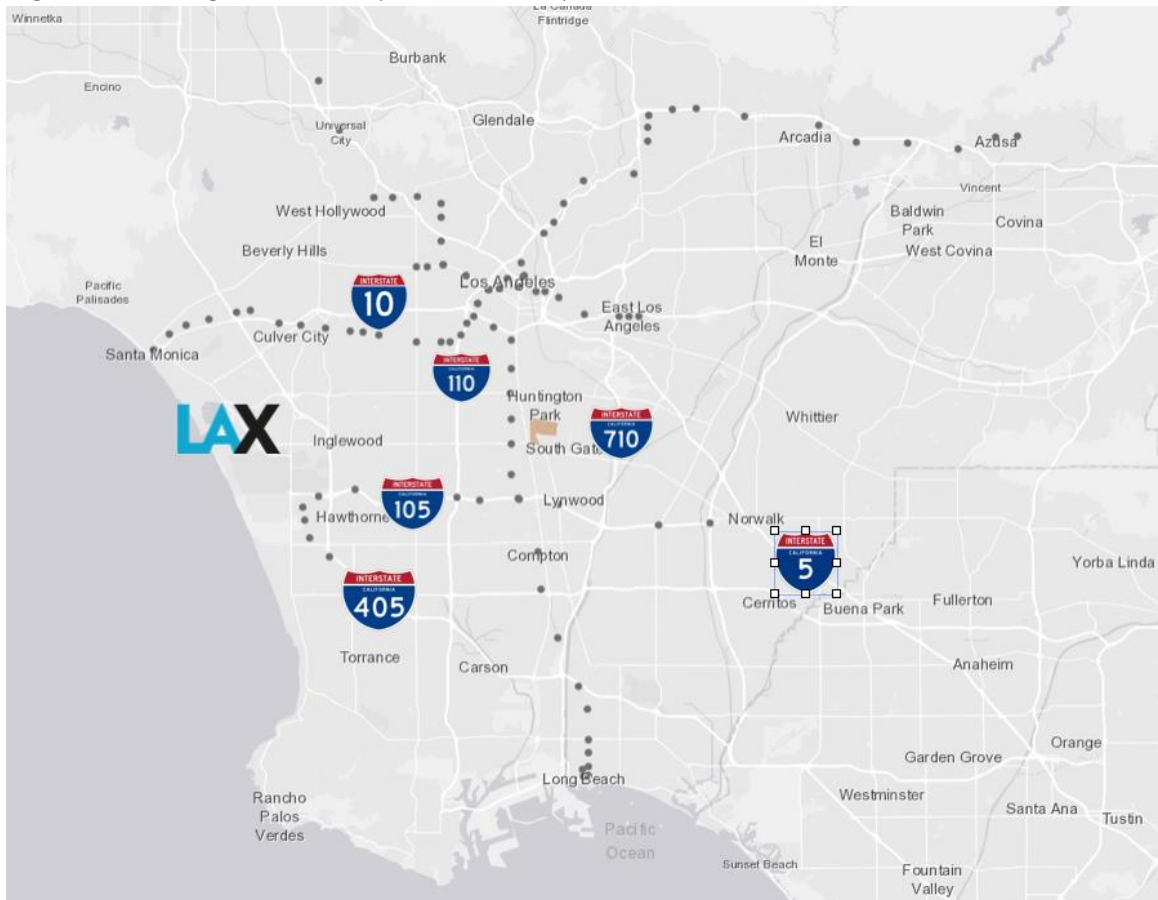
	Walnut Park		Metro Area		Willow/Metro Area	
	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)
Total						
Commercial	550,009	0.04	11,645,057	1.17	4.7%	3.8%
Industrial	0	0.01	19,139,479	2.00	0.0%	0.3%
Residential	3,384,935	0.51	59,273,588	10.77	5.7%	4.7%
Other	54,355	0.01	3,256,980	2.88	1.7%	0.5%
Total	3,989,299	0.58	93,315,104	16.82	4.3%	3.4%
Percent of Total/Index						
Commercial	13.8%	7.8%	12.5%	7.0%	110.5	111.1
Industrial	0.0%	1.0%	20.5%	11.9%	-	8.6
Residential	84.9%	88.6%	63.5%	64.0%	133.6	138.4
Other	1.4%	2.6%	3.5%	17.1%	39.0	15.1

Source: Los Angeles County Assessor

### 3.3 Transportation Access

From a regional perspective, Walnut Park is located between Interstate 10 and 110 freeways. Given its central location within the larger Los Angeles Metropolitan Statistical Area, it is estimated that there are over 10 million people living within a 30-mile radius, which includes major job centers. Walnut Park is also within a relatively short distance from Los Angeles International airport (LAX) as well as two shipping ports (Port of Los Angeles and Long Beach). In addition, it is adjacent to the Alameda Corridor, a major transportation route between the ports and downtown Los Angeles.

Figure 3-4: Regional Transportation Map



Source: ESRI Business Analyst; METRO, Pro Forma Advisors

### 3.4 Key Takeaways

---

The following includes a bullet point summary of key takeaways about Walnut Park from this section:

- Land use patterns are dominated by residential development;
- Walnut Park is centrally located and is located approximately 8.5 miles south of Downtown; and
- The community benefits from excellent regional freeway access.



## 4 Socioeconomic Analysis

The future market demand for different land uses in Walnut Park will be influenced by regional economic forces and market trends. This section analyzes the historic and projected socioeconomic trends for Walnut Park, the Metro Area, and County that most influence land use potentials for future development. A summary of key population, household age, race and ethnicity, and educational attainment trends that may affect future land use planning is also provided.<sup>6</sup>

### 4.1 Demographic Trends

---

#### POPULATION AND HOUSEHOLDS

Based on the U.S. Census, between 2000 and 2010, Walnut Park lost 240 residents. Since 2000, Walnut Park's overall population growth has been slower than the Metro Area and County. Overall growth is low due to the fact that area is largely built out and there are limited current opportunities for housing development.

Focusing on more recent population trends, ESRI's Business Analyst application estimates that the area's population will remain flat over the next five years. Average household size is anticipated to stay high, with an average household size of 4.4. This household size is significantly higher than the County average (3.0).

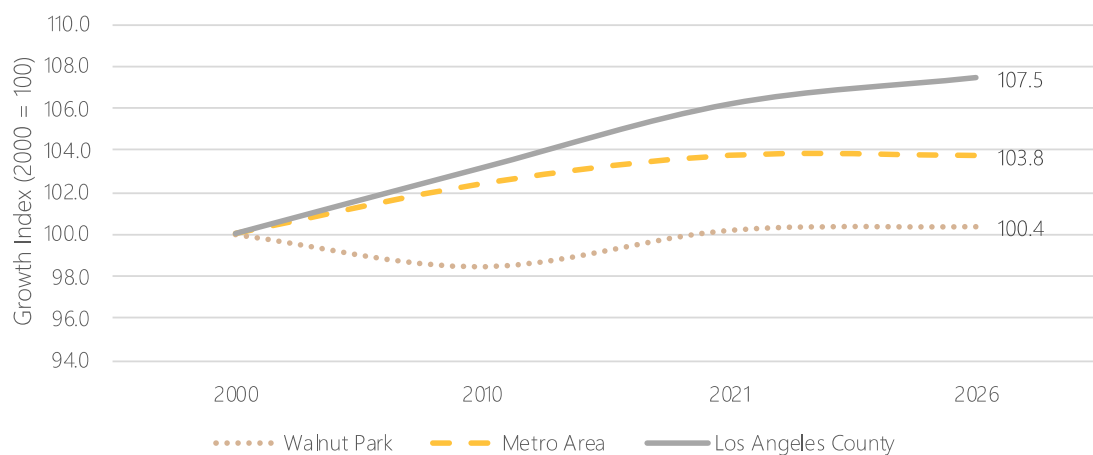
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<sup>6</sup> Some of the socioeconomic data used in this analysis is provided by ESRI Business Analyst (ESRI). ESRI's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts throughout the United States. The ESRI data was utilized for two main reasons: (1) The 2020 Census data was not available at the time the market data was gathered and (2) two of the neighborhoods' geographies (Willowbrook and West Athens-Westmont) did not match to their respective Census-designated place geographies. For these reasons, the ESRI 2021/2026 socioeconomic data was utilized to ensure consistent comparisons among all the areas analyzed herein.

**Table 4-1: Population and Household Trends**

	2000	2010	2021(e)	2026(e)
<b>Population</b>				
Walnut Park	16,207	15,966	16,239	16,266
Metro Area	299,561	306,772	310,857	310,826
Los Angeles County	9,519,135	9,818,605	10,108,711	10,229,558
<b>Households</b>				
Walnut Park	4,317	4,661	4,824	4,848
Metro Area	72,637	74,630	75,285	75,023
Los Angeles County	3,133,720	3,241,204	3,328,361	3,366,546
<b>Household Size</b>				
Walnut Park	4.5	4.4	4.4	4.4
Metro Area	4.1	4.1	4.1	4.1
Los Angeles County	3.0	3.0	3.0	3.0

Source: ESRI Business Analyst

**Figure 4-1: Population Growth Index**


Source: ESRI Business Analyst

## AGE

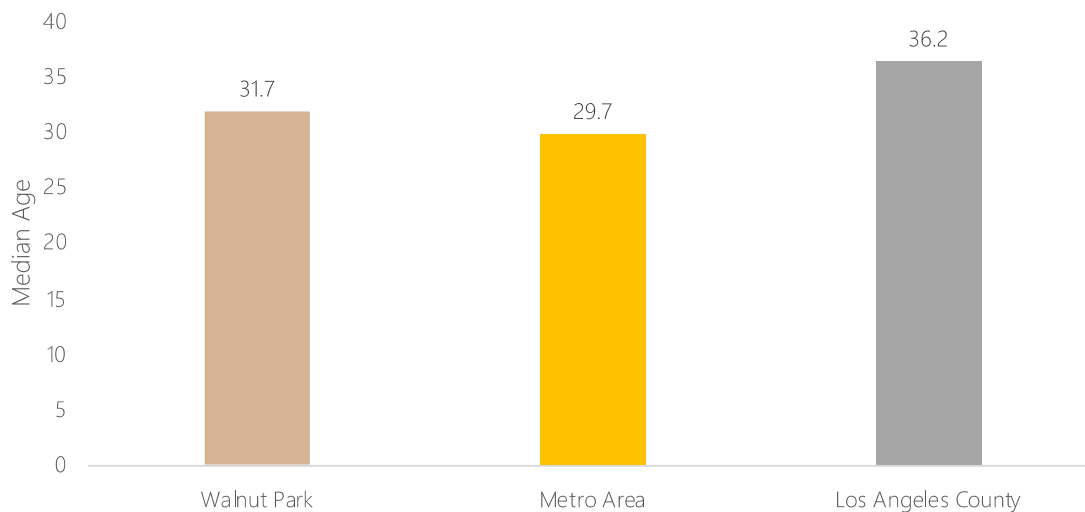
The median age of community members in Walnut Park is 31.7 (Figure 4-2), which is older than the Metro Area (29.7) and younger than the County (36.2). By analyzing age cohorts (Table 4-2), the area has an underrepresentation of age groups over 35 years. Conversely, there is a slightly higher overrepresentation of age cohorts under 35 years old, whose shares are slightly higher than the County.

**Table 4-2: Age Distribution by Geography (2021)**

	Walnut Park	Metro Area	Los Angeles County	Walnut Park/Metro Area	Walnut Park/County
Children/Young Adults (Under 24)	38.2%	41.1%	31.9%	92.9	119.6
Young Workers (25 to 34)	17.3%	17.5%	16.3%	98.8	106.0
Family Formation (35 to 54)	25.1%	23.4%	25.9%	107.2	96.8
Empty Nesters (55 to 74)	15.6%	14.4%	19.9%	108.2	78.3
Seniors (75+)	3.8%	3.5%	5.9%	108.5	64.3

Source: ESRI Business Analyst

Figure 4-2: Median Age by Geography (2021)



Source: ESRI Business Analyst

## RACE AND ETHNICITY

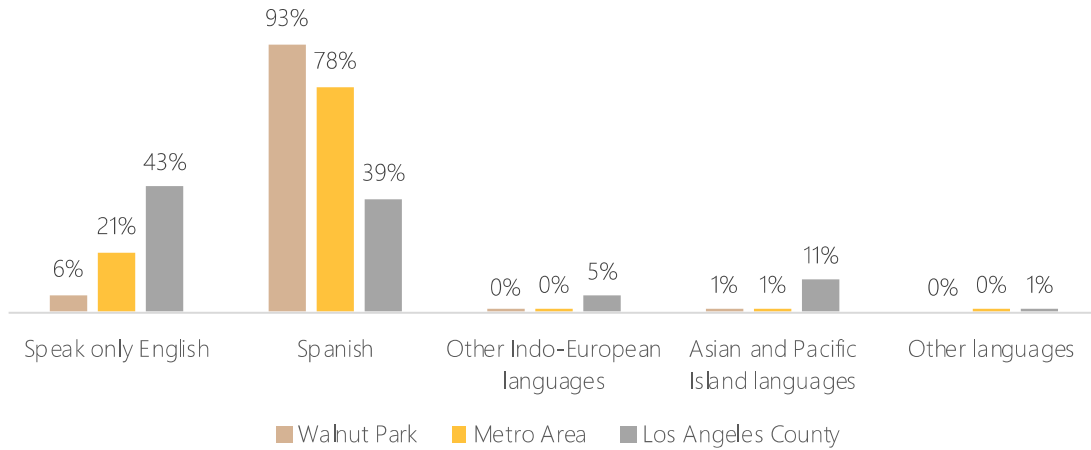
While race and ethnic composition do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the ethnic composition of the community's population might impact future land use decisions. Walnut Park has a higher relative share of residents identifying as "American Indian alone," "some other race alone," and of "Hispanic origin." The high number of individuals identifying as Hispanic and Latino/a is comparable to other areas within the Metro Area (but twice as high as the County) and 93 percent of this population report that they speak Spanish at home.

**Table 4-3: Population by Race/Ethnicity (2021)**

	Walnut Park	Metro Area	Los Angeles County	Walnut Park/Metro Area	Walnut Park/County
White Alone	56.5%	38.6%	48.5%	146.4	116.5
Black Alone	0.4%	14.3%	8.2%	2.8	4.9
American Indian Alone	1.6%	0.9%	0.7%	177.8	228.6
Asian Alone	0.6%	0.7%	15.1%	85.7	4.0
Pacific Islander Alone	0.0%	0.1%	0.3%	0.0	0.0
Some Other Race Alone	37.6%	42.0%	22.4%	89.5	167.9
Two or More Races	3.3%	3.4%	4.9%	97.1	67.3
Hispanic Origin	97.6%	83.8%	48.9%	116.5	199.6

Source: ESRI Business Analyst

Figure 4-3: Language Spoken at Home (2019)



Source: US Census

## EDUCATION

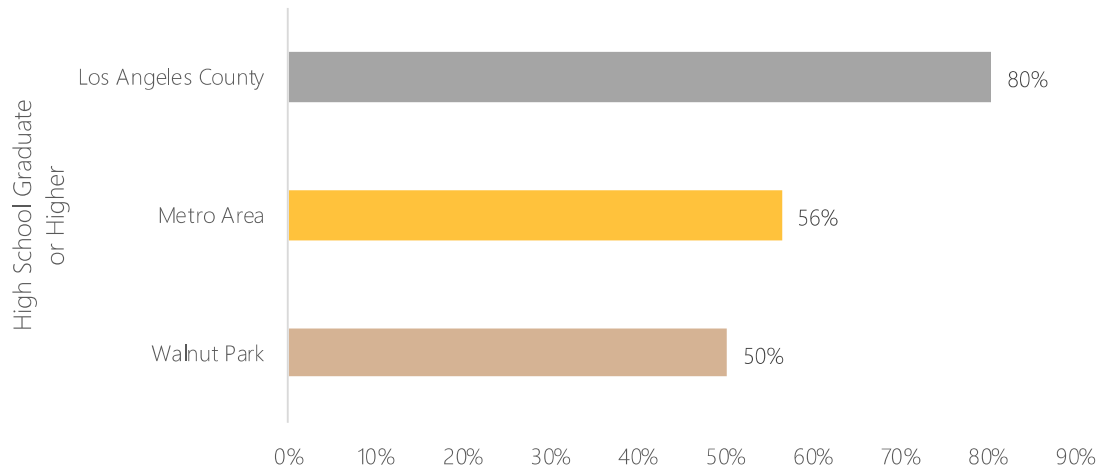
Levels of educational attainment are lower in both Walnut Park and the Area Plan area, in comparison to the larger County area. For the population 25 and older, 50 percent of the residents report a “less than high school education,” which is 2.5 times as high as the County. Similarly, there is an underrepresentation of community residents with “some college, associate degree” or a “bachelor’s degree or higher. If examining the percent of residents with a high school graduate or higher level of education, Walnut Park and the Metro Area are both significantly under the Countywide educational attainment level of 80 percent.

**Table 4-4: Population 25+ by Educational Attainment (2021)**

	Walnut Park	Metro Area	Los Angeles County	Walnut Park/ Metro Area	Walnut Park/ County
Less than High School graduate	50%	44%	20%	114.0	254.9
High School Graduate (w/ equivalency)	21%	25%	21%	80.7	99.5
Some College, Associate Degree	20%	22%	25%	91.8	79.4
Bachelor's Degree or higher	10%	9%	35%	105.5	27.8

Source: ESRI Business Analyst

Figure 4-4: Percent of Population 25+ with High School Degree (2021)



Source: ESRI Business Analyst

## 4.2 Key Demographic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- Walnut Park has had moderate population growth compared to the County, but low in absolute terms.
- The community has a high percentage of families<sup>7</sup>, with larger household sizes and a younger population.
- The area is almost entirely comprised of people identifying as Hispanic and Latino/a.
- Walnut Park has 2.5 times the expected share of residents with less than a high school education compared to the education attainment of the population 25 or older in the County.

---

<sup>7</sup> The US Census and ESRI define a family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

### 4.3 Economic Trends

The following section provides summary level information on various aspects of employment and industry composition that will impact the demand for future commercial land in the community.

#### HOUSEHOLD INCOME

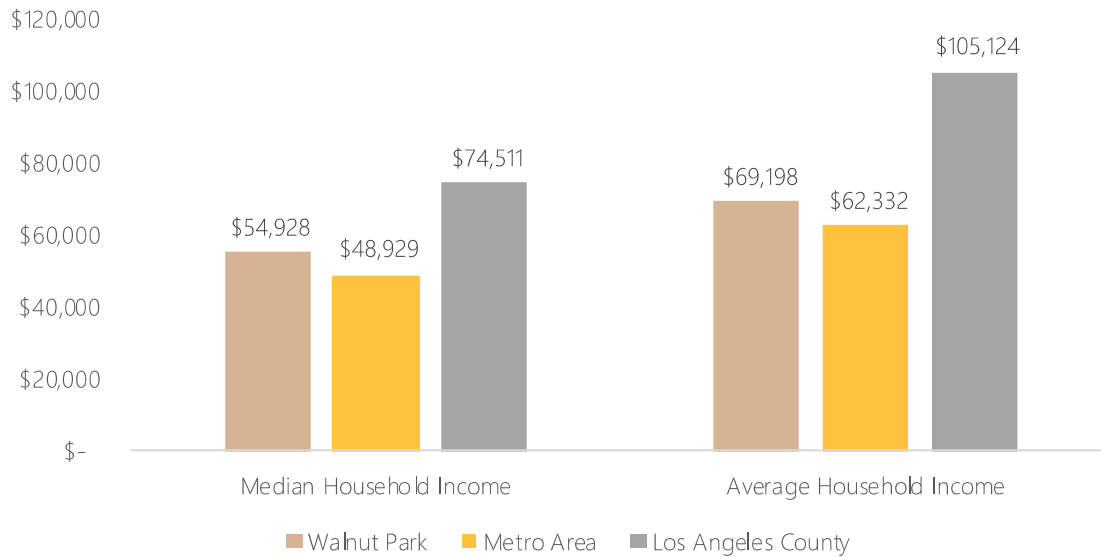
Walnut Park's median household income is approximately \$55,000, which is higher than the Metro Area (\$48,900) and lower than the County (\$74,500). The household income projections, provided by ESRI Business Analyst, suggest that the community median income should rise at a rate consistent with the Metro Area and County over the next five years (2021 – 2026). The incomes of Walnut Park's households tend to be more concentrated in household income cohorts below \$75,000. Consistent with a lower median and average household income, there is a smaller share of household's making over \$100,000 in compared with the larger County region.

**Table 4-5: Household Income by Income Cohort (2021)**

	Walnut Park	Metro Area	Los Angeles County	Walnut Park/ Metro Area	Walnut Park/ County
<\$15,000	6.3%	13.7%	9.7%	46.0	64.9
\$15,000 - \$24,999	12.7%	11.3%	7.4%	112.4	171.6
\$25,000 - \$34,999	9.7%	10.8%	7.3%	89.8	132.9
\$35,000 - \$49,999	15.3%	15.1%	10.1%	101.3	151.5
\$50,000 - \$74,999	21.4%	19.1%	15.8%	112.0	135.4
\$75,000 - \$99,999	13.8%	12.2%	12.7%	113.1	108.7
\$100,000 - \$149,999	13.7%	12.2%	17.1%	112.3	80.1
\$150,000 - \$199,999	4.3%	3.6%	8.6%	119.4	50.0
\$200,000	2.7%	2.0%	11.5%	135.0	23.5

Source: ESRI Business Analyst

Figure 4-5: Median and Average Household Income (2021)



Source: ESRI Business Analyst

## EMPLOYMENT

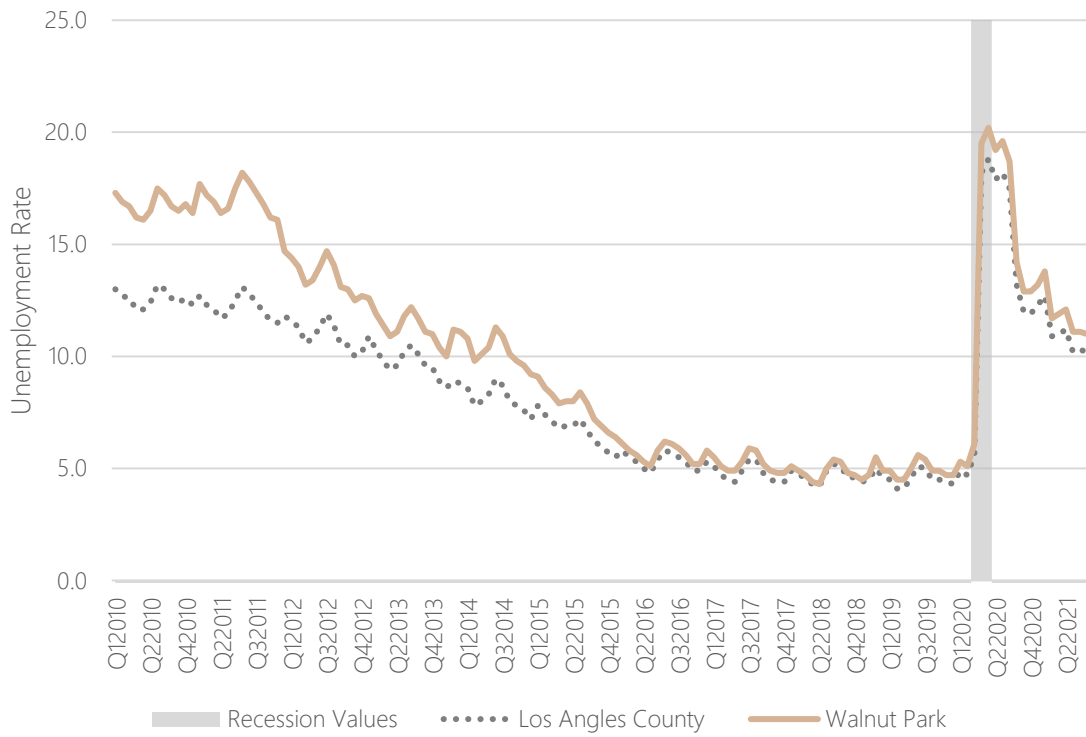
Employment is examined in terms of unemployment rates, jobs (in-place employment), worker area profile, and industry composition. A critical barometer in evaluating demand for commercial office and industrial (workplace) real estate is employment growth. The following tables and graphs highlight relevant employment trends and forecasts. Sectoral (industry) analysis lends insight into industry growth and contraction patterns in a given geography.

As of the second quarter of 2021 Walnut Park's unemployment rate had fallen to 11.0 percent, down from a peak of 20.2 percent in the second quarter of 2020. The area has typically remained above the County's unemployment rate in pre- and post-recession times. During the last COVID related recession, the community's employment spiked significantly but at a rate consistent with the County suggesting relative stability in the face of an economic crisis.

It is estimated that 45.1 percent of the population over 16 years of age are in the labor force. This is slightly higher than the Metro Area and approximately 5 percentage points lower than the County labor force participation.

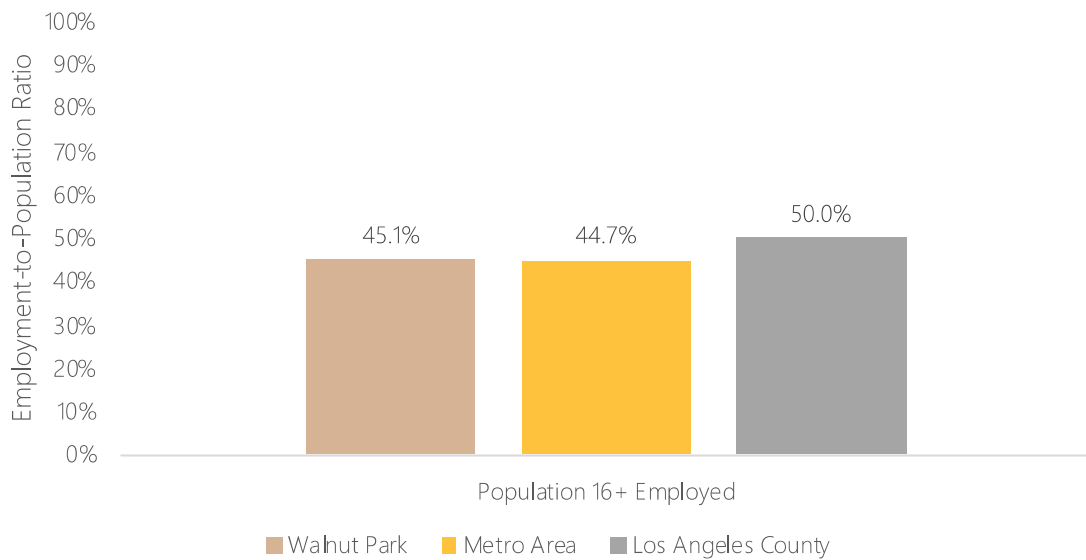


Figure 4-6: Unemployment Rate (2021)



Source: CA EDD, CA Department of Finance

Figure 4-7: Labor Force (2021)



Source: CA EDD, CA Department of Finance

## IN-PLACE EMPLOYMENT

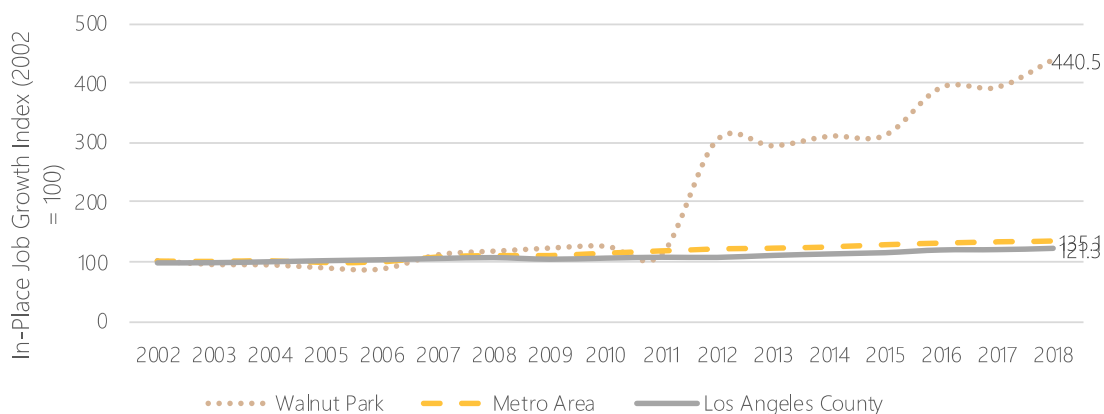
### Jobs

The previous section provided information regarding income, unemployment, and the area’s labor force are based on the community’s residential population. The following analysis examines jobs located in the community that may or may not be held by community residents. An evaluation of the primary “in-place” employment is important as it impacts the range of demand that can be projected for future commercial serving land uses.

Primary jobs<sup>8</sup> rose from 2002 to 2018, leading up to the COVID-19 related recession. In fact, Walnut Park saw a relative increase in job growth between 2011 to 2018 compared to both the Metro Area and County, whereas before 2011, the job growth was consistent with the larger areas.

Based on the OnTheMap employment data, approximately 13.0 percent of the area’s in-place employment is from residents that both live and work in the community. Similar to other areas within the County, Walnut Park has a high number of its residents commuting long distances to work. There were approximately 1,000 primary jobs in the community in 2018, which is the most recent year of the Quarterly Census of Employment and Wages in-place employment data available for analysis.

Figure 4-8: In-Place Employment Index (2002 - 2018)



Source: US Census (OnTheMap)

<sup>8</sup> A total job is defined as all jobs, which include all public or private sector jobs (potentially more than one job per worker). For example, if a person had two part-time jobs, then the primary job would be the highest paying job for that worker. Typically there is not significant variation in primary and total jobs except in economies with significant portions of the labor force engaged in part-time employment (e.g. tourist economies).

**Table 4-6: Employment Efficiency (2018)**

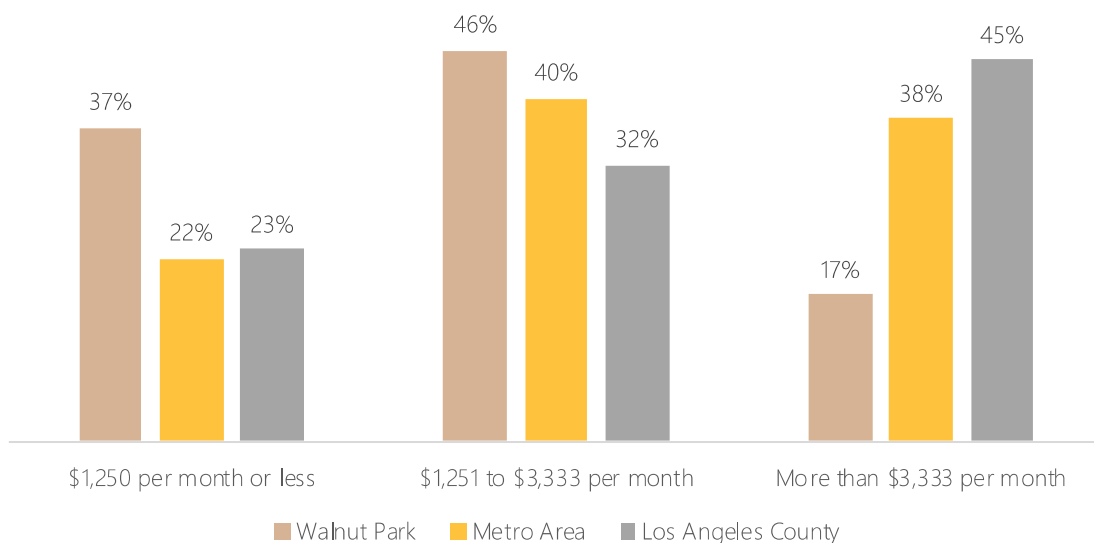
	Walnut Park	Metro Area	Los Angeles County
In-Place Jobs	1,010	55,365	4,685,637
Employed and Living in the Area (Resident Workers)	13%	12%	77%
Employed and Living Outside the Area (In-Place Employees)	87%	89%	23%

Source: US Census (OnTheMap)

### Worker Area Profile

An evaluation of primary jobs in Walnut Park reveals some noteworthy characteristics. Unlike the area's resident age distribution, the employment base does not deviate much from observed County ratios of jobs by age. Unlike the County, Walnut Park's in-place employment consists of generally lower paying jobs. As shown, the percentage of lower paying jobs yielding \$1,250 per month or less are almost 40 percent of all jobs located in Walnut Park compared with less than one-quarter of the jobs in the County. The lack of a presence of higher paying jobs in Walnut Park is a negative indicator. Similarly, the educational attainment of in-place jobs in the area tend to be lower than County, but generally in line with the Metro Area.

Figure 4-6: In-Place Employment by Earnings (2018)



Source: US Census (OnTheMap)

**Table 4-7: In-Place Employment by Educational Attainment (2018)**

	Walnut Park	Metro Area	Los Angeles County	Walnut Park/Metro Area	Walnut Park/Los Angeles County
Less than high school	30%	24%	16%	129.3	192.3
High school or equivalent, no college	16%	17%	16%	91.7	99.8
Some college or Associate degree	18%	22%	23%	82.1	80.2
Bachelor's degree or advanced degree	12%	18%	24%	69.5	51.5
Educational attainment not available	23%	19%	22%	120.7	107.0

Source: US Census (OnTheMap)

### Location Quotient Analysis

The location quotient (LQ) is a tool that measures the relative concentration of different industries in specific localities relative to a larger level of geography. In most cases, the LQ would compare a county to a state or national level of employment concentration. However, it is useful to get a proxy for relative employment concentration among industries within a sub-regional level geography. The calculation helps evaluate Walnut Park's strength or weakness in a given industry, relative to the County as a whole. A concentrated (high) LQ means that a given industry is represented more than one would expect, given its total level of employment. The following describes the LQ:

- LQ > 1.0 means that an industry is more concentrated in Walnut Park than in the County.
- LQ < 1.0 means that an industry is less concentrated in Walnut Park than in the County.
- LQ = 1.0 means that an industry is equally concentrated in Walnut Park as in the County.

Because industries with a LQ greater than one indicates relatively high production of a particular service, it is likely that some amount of that industry is being exported. Employment in that industry (or the portion of employment that causes the LQ to exceed 1.0) is then assigned to the economic base and is given credit for supporting the economy as a whole. Conversely, if an industry has a LQ less than one, it is assumed to be a local-serving or non-basic industry. For economic development purposes, it is often useful to focus on the outlier industries with a LQ greater than 1.25 or less than 0.75. The assumption is that industries falling within 0.75 and 1.25 are probably

producing at levels sufficient to meet local demand in the local area. There are high concentrations of Transportation and Warehousing, Finance and Insurance, Health Care and Social Assistance, and Accommodations and Food Services.

**Table 4-8: In-Place Employment Change by Industry (2002, 2018)**

Industry	Walnut Park (2002)	Walnut Park (2018)	Numeric Change (2002 - 2018)	Location Quotient
Agriculture, Forestry, Fishing and Hunting	0	0	0	0.00
Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0.00
Utilities	7	8	1	1.28
Construction	12	6	-6	0.18
Manufacturing	8	3	-5	0.04
Wholesale Trade	3	6	3	0.12
Retail Trade	217	82	-135	0.86
Transportation and Warehousing	2	119	117	2.73
Information	2	0	-2	0.00
Finance and Insurance	64	73	9	2.23
Real Estate and Rental and Leasing	3	0	-3	0.00
Professional, Scientific, and Technical Services	30	37	7	0.54
Management of Companies and Enterprises	6	3	-3	0.20
Admin. & Support, Waste Mgmt. and Remediation	31	43	12	0.66
Educational Services	0	86	86	1.05
Health Care and Social Assistance	213	370	157	2.29
Arts, Entertainment, and Recreation	0	0	0	0.00
Accommodation and Food Services	121	159	38	1.64
Other Services (excluding Public Administration)	29	15	-14	0.43
Public Administration	0	0	0	0.00
<b>Total</b>	<b>748</b>	<b>1,010</b>	<b>262</b>	<b>1.00</b>

Source: US Census (OnTheMap)

## 4.4 Key Economic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- Walnut Park households tend to have lower incomes than the County.
- The community unemployment rates are consistent with the County, suggesting relative economic stability.
- Between 2002 and 2018, Walnut Park's in-place jobs have grown at a faster rate than both the Metro Area and the County.
- A number of industries are clustered in the area (Transportation and Warehousing, Finance and Insurance, Health Care and Social Assistance, and Accommodations and Food Services) and will help facilitate future job growth in the community.
- In-place jobs tend to have lower wages and educational level as compared with the countywide average.

## 5 Real Estate Market

The following provides an overview of historic trends for residential, office, and retail land uses.<sup>9</sup> Historic market trends have been examined to more accurately determine the potential for future land uses and associated development desired in the Area Plan General Plan Update. Once again, trends for the community, Metro Area, and County have been analyzed for comparison purposes. Various recognized submarket area<sup>10</sup> definitions are used in the commercial real estate analysis. It is important to note that this analysis does not attempt to replace the County's Housing Element or prior planning. Rather, it is provided to include additional and updated market information.

### 5.1 Residential

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Demand for residential housing will be a byproduct of employment and population growth throughout the County. The following sections examine the regional market conditions for rental and for-sale residential properties as well as more localized information pertaining to residential potential in the community.

#### INVENTORY

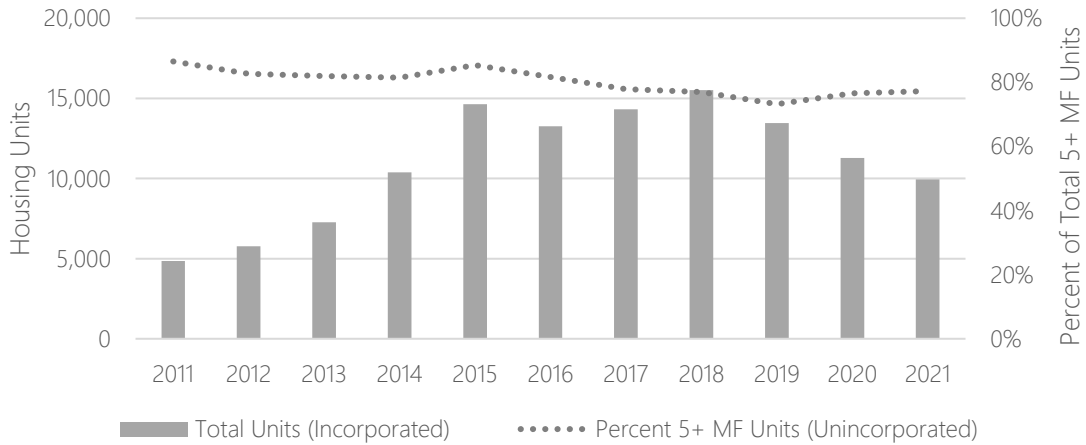
According to ESRI Business Analyst, Walnut Park has approximately 3,800 housing units, which represent about 4.7 percent of the Metro Area. Examining building permit data for the County over the last 10 years (Figure 5-1), an average of 11,000 units were delivered annually countywide with approximately 80 percent of permits being 5 or more multi-family units in the unincorporated areas.

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<sup>9</sup> Pro Forma Advisors has not analyzed the market for future industrial uses as it appears to be inconsistent with the MAP vision. Future analysis may explore strategies to transition underperforming industrial land to more compatible land uses within the MAP communities.

<sup>10</sup> Submarket areas are specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set or peer group.

Figure 5-1: Building Permit Data (2011 - 2021)

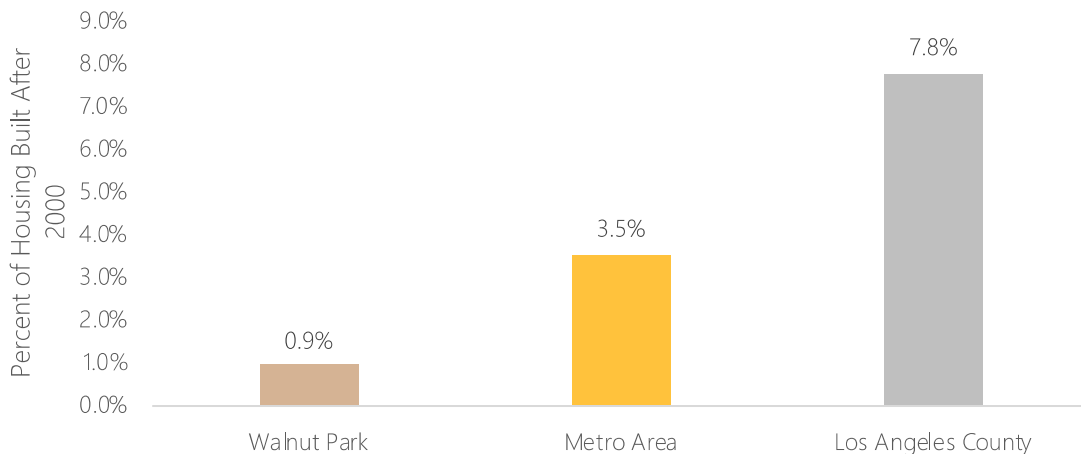


Source: Los Angeles County

### AGE

Approximately 90 percent of the housing was built before 1970. Over the next three decades an additional 9 percent of housing was constructed. Walnut Park has experienced minimal new residential development since 2010. In fact, less than one percent of all housing stock was built after 2000 (Figure 5-2). The lack of new development reflects the prior lack of new population growth in the area.

Figure 5-2: Housing Built Since 2000 (Relative to Total Housing Stock)



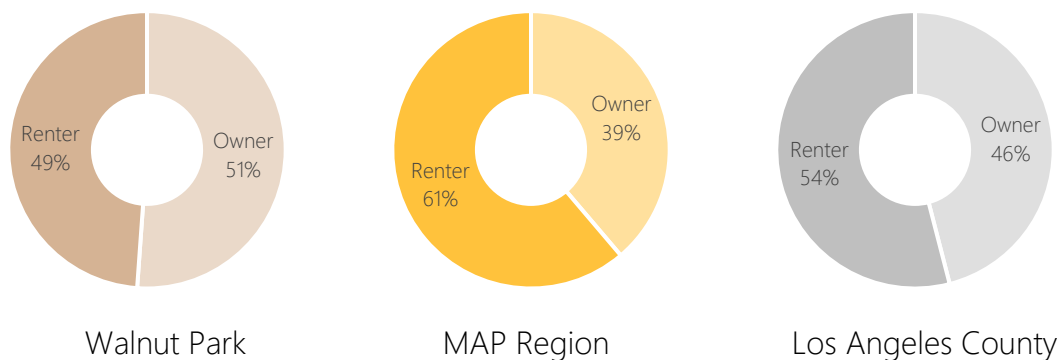
Source: US Census



## TENURE

Walnut Park has a smaller share of renter-occupied housing in comparison to the County. Based on 2019 estimates, approximately 49 percent of the housing is renter-occupied. This ratio of owner-to-renter is higher than the Metro Area suggesting a higher percent of residents living in owner occupied homes. Housing vacancy characteristics do not show much variability from the Metro Area or County, where vacant properties typically make up a small percent of the housing stock.

Figure 5-3: Housing Tenure

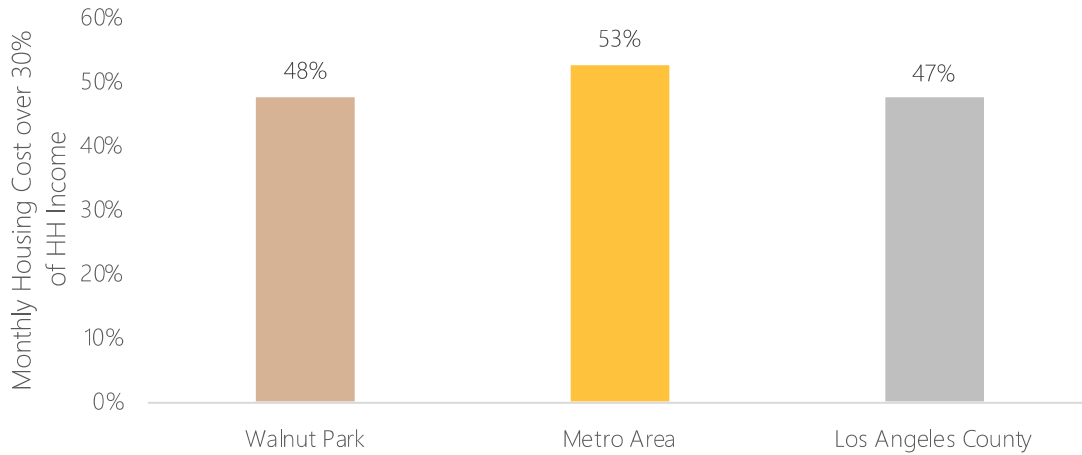


Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## COST BURDEN

The larger share of for-rent housing in the Metro Area has implications for the financial stability of residents, as renters do not grow wealth through home ownership, have typically lower household incomes, and are subject to sometimes unpredictable rent increases or eviction. Furthermore, apartment owners may defer maintenance and can target lower income renters who have few options in the marketplace. This impacts both quality of life of occupants and can contribute to the community's perception in the County. Approximately 48 percent of households in Walnut Park pay more than 30 percent of their household incomes toward rent, which is commonly recognized as the share of household income beyond which rent becomes prohibitively expensive and affects other household expenditures.

Figure 5-4: Monthly Housing Cost Over 30 Percent of Income



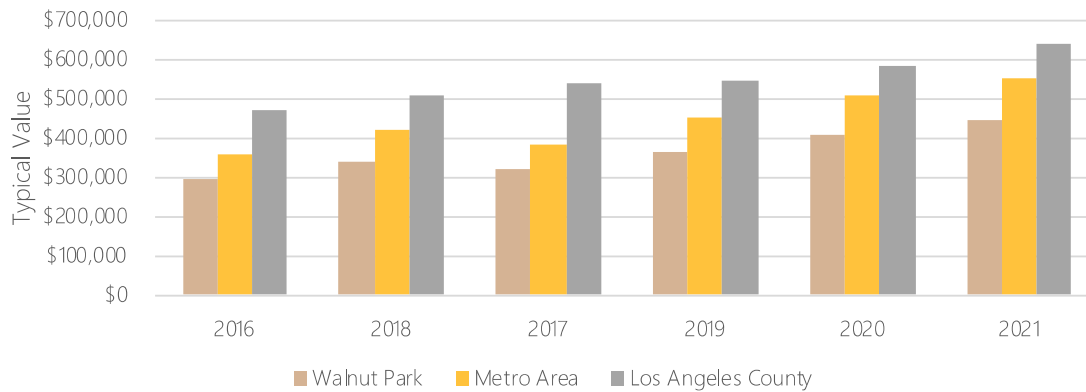
Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## PRICING

### For-Sale Pricing

In 2021, the typical condominium price in Walnut Park was approximately \$443,000, which is \$196,000 less than the County (\$639,000). However, the compound annual growth rate (CAGR) for the community's for-sale housing has been 8.5 percent per year over the last five years. This rate is lower than the Metro Area (9.2 percent), but higher than the County CAGR of 6.3 percent since 2016. The community, like the County, has seen marked for-sale housing pricing increases as interest rates have remained low and housing production has not kept pace with demand.

Figure 5-5: Typical Condominium Value



Source: Zillow

## For-Rent Pricing

According to the US Census, the typical monthly rental price (all units) is \$1,152 in Walnut Park. This typical monthly rent is lower than the County and slightly less than the Map region. Similar to the for-sale housing, rental rates in the County have increased because an increased demand for housing. For-rent housing demand, unlike for-sale housing, may reflect evolving market preferences, affordability, or scrutiny on for-sale home mortgage lending standards. In general, the Metro Area's rental housing stock prices have not kept pace with the County due to a lack of new development, which often drives market prices up through higher quality and amenities.

Figure 5-6: Typical Monthly Rent (Median Gross Rent)



Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## Pipeline Development

There are no significant residential developments known to be under construction.

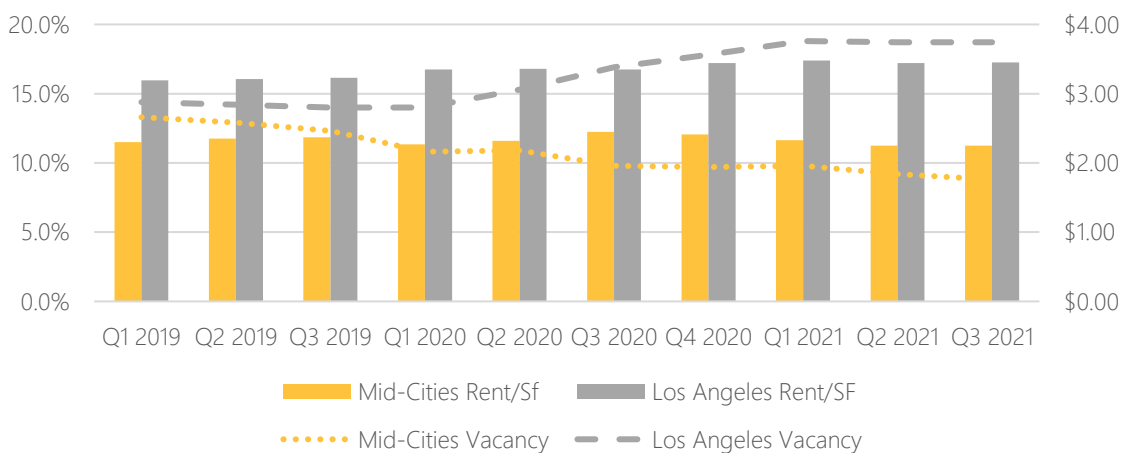
## 5.2 Office

Market potentials for office-related development within Walnut Park will be a function of the particular attributes of the available land, adjacent land uses, and the regional economy and office market. Although the Los Angeles office market is comprised of many submarkets, each with potentially a distinct tenant profile, office space is typically highly substitutable, such that the potentials in any given market are determined by the strength of the regional office market. Thus, development activity, absorption, vacancy rates, and change in rental rates follow very similar patterns in most of the Los Angeles submarkets.

### FUNDAMENTALS

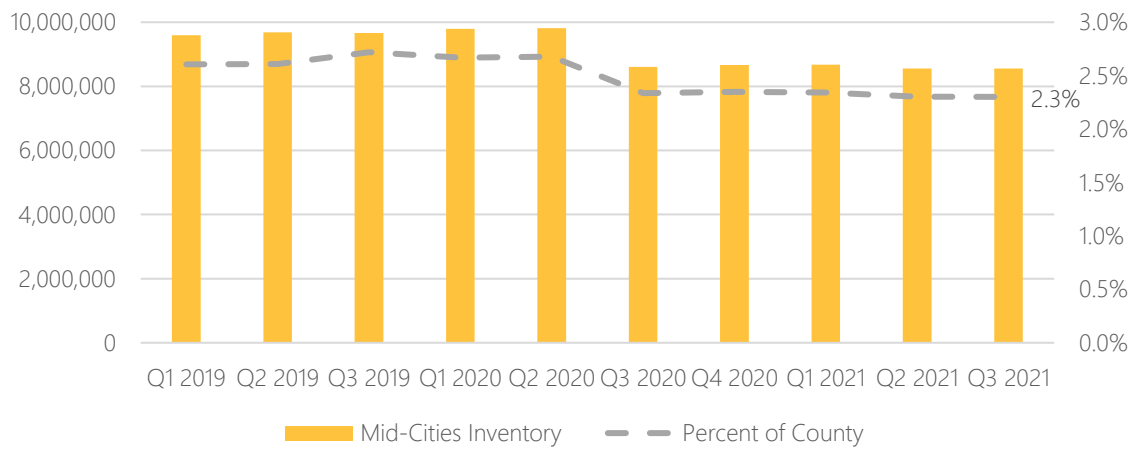
The Mid-Cities office market has 8.6 million square feet of office space, which has decreased by approximately one million square feet since Quarter 1 of 2019. Historically, the submarket has represented approximately 2.5 percent of the total County office market. The office vacancy rates have been lower than the larger County area over recent years. However, other submarkets have delivered high quality Class A space that often has a high vacancy rate because it is in the process being leased. As reflected in the average asking rent, the Mid-Cities area has lagged behind the average asking monthly rent largely due to its older office developments, most of which were delivered decades ago.

Figure 5-7: Regional Office Inventory (2019 - 2021)



Source: CoStar

Figure 5-8: Regional Office Trends (2019 – 2021)



Source: CoStar

### LOCAL MARKET CONDITIONS

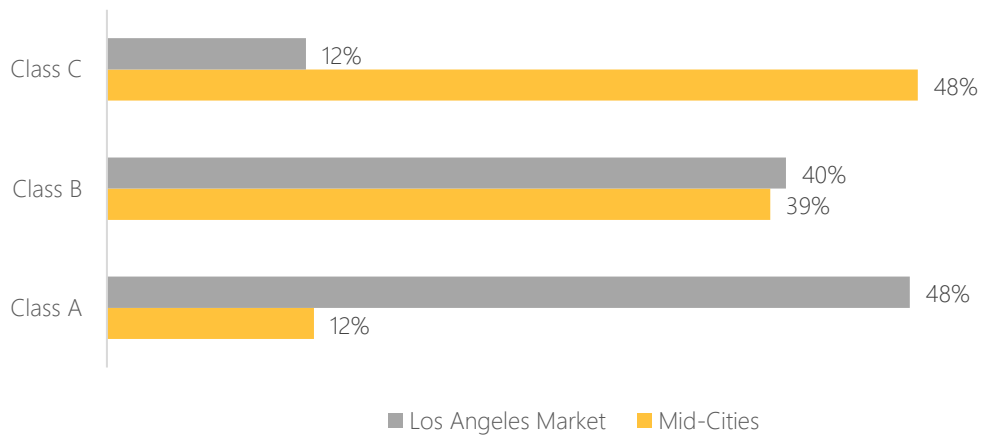
The Mid-Cities submarket has a significantly higher percent of Class C office space and relatively few Class A office developments. Once again, the County Assessor data was used to better understand the contemporary amount of commercial office development in the community.

Examples of office development include:

- Office Buildings; and
- Professional Building.

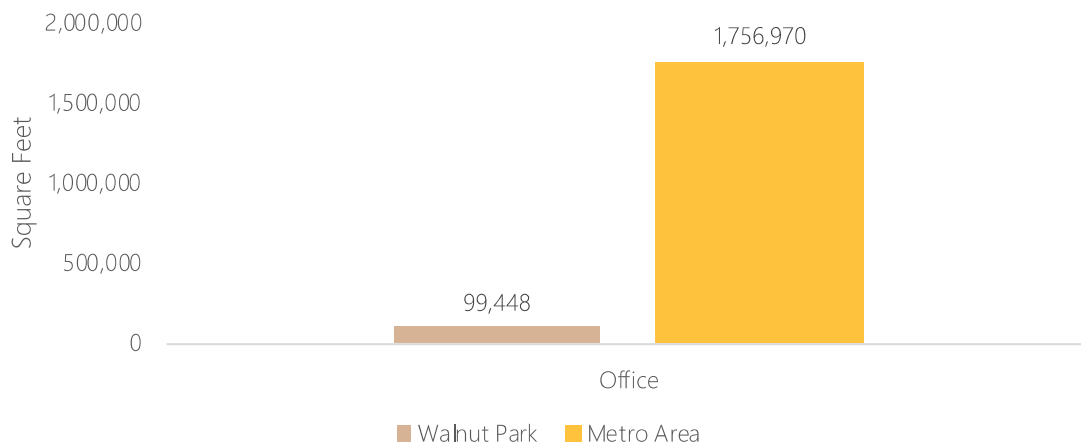
In total, there is an estimated 99,500 square feet of commercial office space, as defined above, which is 6.0 percent of the Metro Area’s 1.8 million square feet of commercial office development.

Figure 5-9: Office Inventory Comparison by Asset Class



Source: CoStar

Figure 5-10: Community and Metro Area Office Inventory (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant office developments known to be under construction.

## 5.3 Retail

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The retail sector occupies a prominent place in the economy because such a large portion of the United States' economic activity depends on consumer spending. The sales of retail goods and services generate a large number of jobs that provide employment for individuals across a wide range of skill and income levels. Retail real estate markets are more subject to obsolescence and more locally based than either commercial office or industrial markets.

### FUNDAMENTALS

Although historical data is incomplete for Walnut Park, it is likely that the retail market parallels that of the Greater Mid-Cities market area with annual rents around \$19-26 NNN/year/square foot. Asking rents have historically been significantly below the larger County area. Vacancies, on the other hand, have remained low with a rate consistent with the larger County trend. In total, there is an estimated 12 million square feet of shopping center<sup>11</sup> space in the Mid-Cities submarket, which is about 9 percent of the total County inventory.

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<sup>11</sup> Shopping centers consist of the following:

General Retail: Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don't meet any of the more detailed use descriptions.

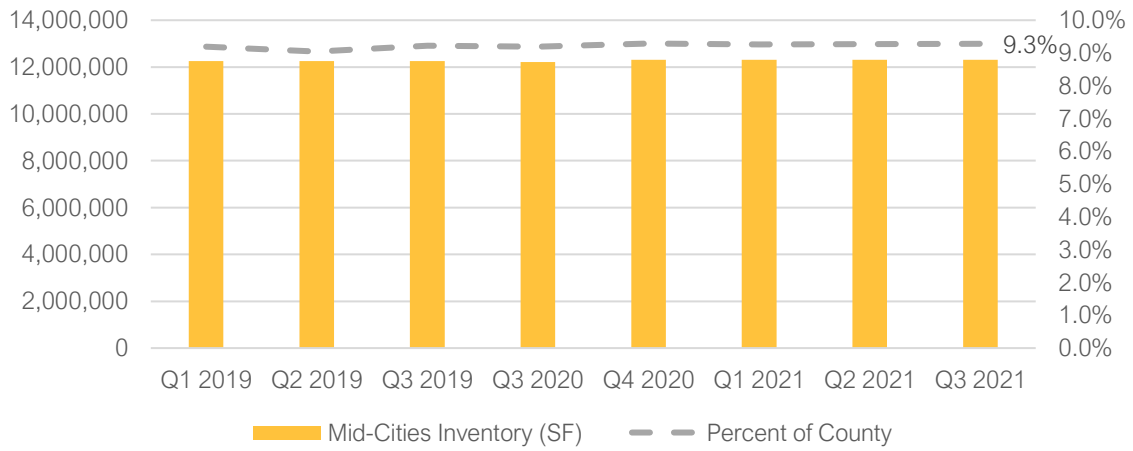
Mall: Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store, with a minimum GLA of 100,000 square feet, as the major drawing power.

Power Center: Typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants 250,000–600,000 square feet.

Shopping Center: The combined retail center types of Community Center, Neighborhood Center and Strip Center, which have a range of 50,000 – 350,000 square feet with limited anchors.

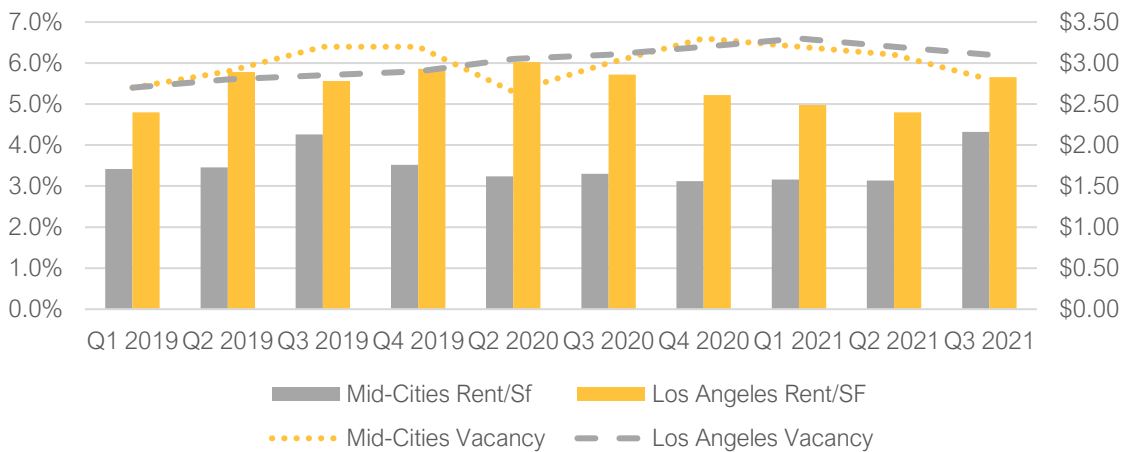
Specialty Center: The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center; which have a special market orientation and are unique in the market area.

Figure 5-11: Regional Retail Inventory (2019 - 2021)



Source: CoStar

Figure 5-12: Regional Retail Trends (2019 – 2021)



Source: CoStar



## LOCAL MARKET CONDITIONS

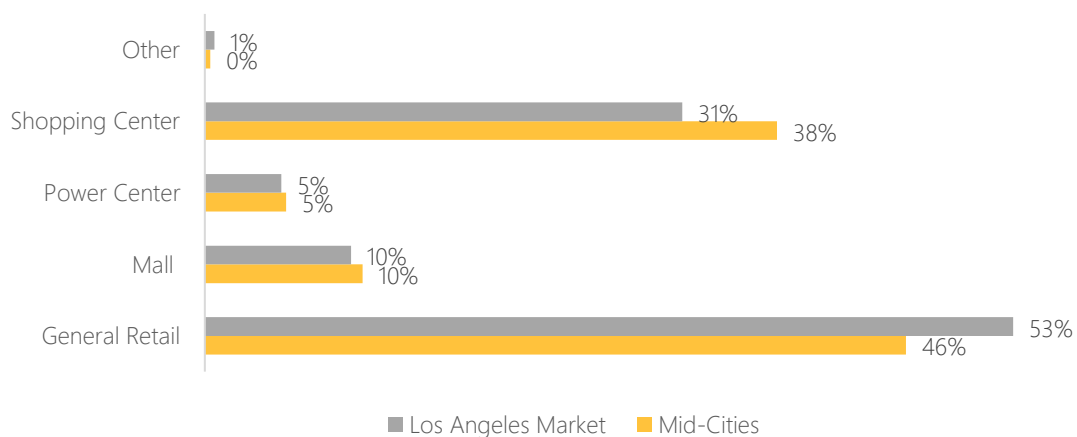
While the Mid-Cities submarket has a relatively consistent share of retail space by major retail development type, the local inventory in Walnut Park is dominated by non-shopping center oriented development. The County Assessor data was used to better understand the contemporary amount of commercial retail development in the community. Specifically, the amount of retail that would provide goods to community residents.

Examples of these types of retailers include:

- Restaurants/Non-grocery Food and Beverage;
- Supermarkets/Grocery;
- General Stores;
- Shopping Centers; and
- Department Stores.

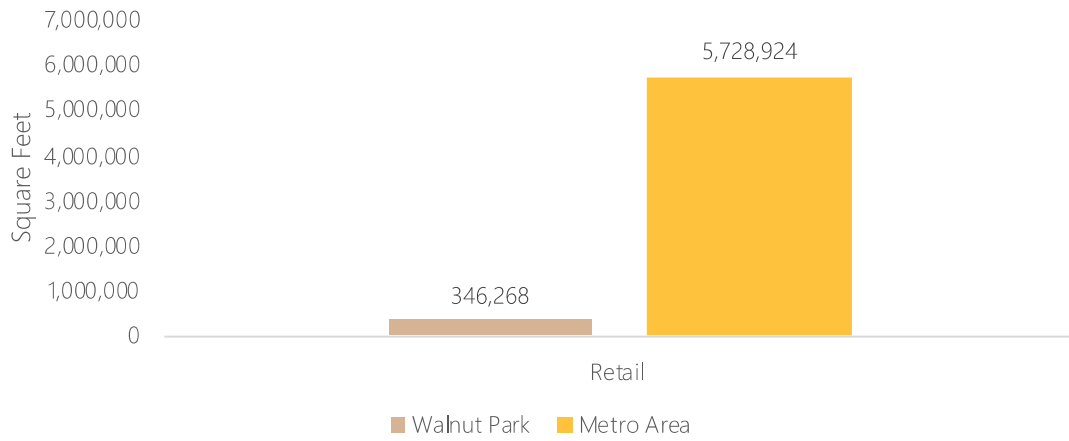
In total, there is an estimated 346,000 square feet of commercial retail space, as defined above, which is 5.7 percent of the Metro Area's 5.7 million square feet of commercial retail development.

Figure 5-13: Retail Inventory Comparison by Asset Class



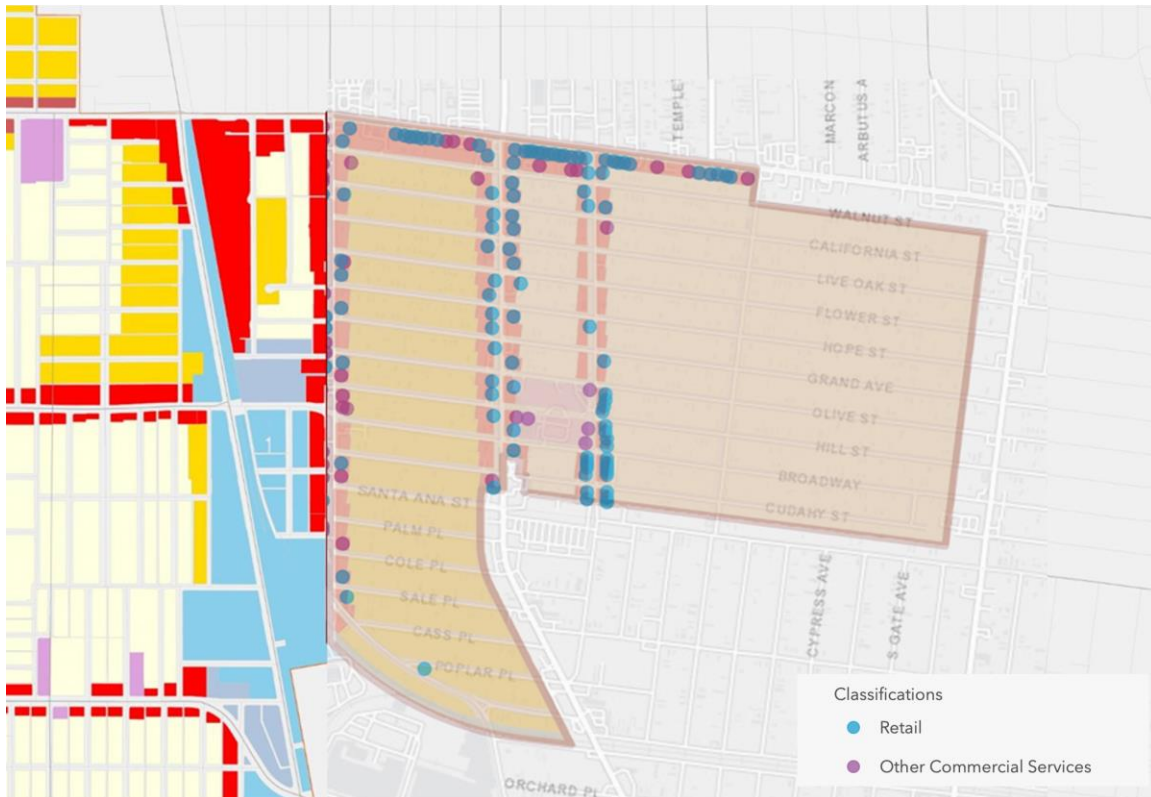
Source: CoStar

Figure 5-14: Community and Metro Area Retail Inventory (2020)



Source: Los Angeles County Assessor

Figure 5-15: Community Retail Inventory Map (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant retail developments known to be under construction.

## 6 Long-Term Land Use Demand

The following section provides long-term land use demand projections for the community. Given that specific sites and development opportunities will generate various levels of demand, the following is intended to give broad parameters regarding the potential level of new development in the city. From this, development and land use opportunities can be evaluated to determine the required level of site capture (e.g. market demand) and if it is reasonable to plan for within the next 15 years.

### 6.1 Residential

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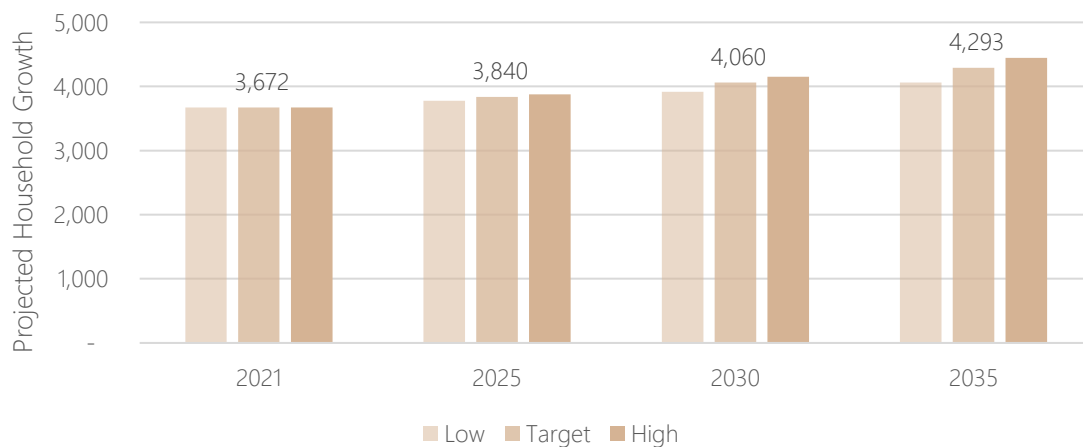
Area Plan residential projections are based on household estimates from ESRI and SCAG. The low range is based on historic growth (0.8 percent CAGR), the target growth is based on projected growth for all unincorporated areas in the County (1.2 percent CAGR), while the high growth reflects the adjusted SCAG projections using 2021 ESRI data. For planning purposes, a growth scenario between the target and high-range projection appears warranted unless the County desires creating higher density mixed-use residential development at key development opportunities adjacent to transit, as available in some Area Plan communities.

The total demand for new households was then further adjusted to account for a likely distribution of market rate and affordable housing units. In general, it is assumed 30 percent of the units are market while 70 percent are affordable throughout the Metro Area.

**Table 6-1: Housing Demand by Time Period (2021 - 2035)**

	2021-2025	2025-2030	2030-2035	2021-2035
<b>Walnut Park (Multi-Family Units)</b>				
Market Rate	55	72	76	202
Affordable	113	149	157	419
Total	168	220	233	621
<b>Metro Area (Multi-Family Units)</b>				
Market Rate	1,055	1,393	1,480	3,928
Affordable	2,670	3,525	3,746	9,941
Total	3,725	4,918	5,226	13,869
<b>Walnut Park/Metro Area (Percent of Total)</b>				
Market Rate	5.2%	5.1%	5.1%	5.1%
Affordable	4.2%	4.2%	4.2%	4.2%
Total	4.5%	5.9%	6.2%	4.5%

Source: Pro Forma Advisors

**Figure 6-1: Housing Demand Scenarios – Occupied Housing Units (2021 – 2035)**


Source: Pro Forma Advisors

## 6.2 Office

The demand for office space in the County and Metro Area will be based on demand created by new jobs in industries that require office space. Given the recent flexibility in an employee’s ability to work “remotely” the future demand for office space is somewhat speculative given that the required amount of space, in square feet, could change dramatically if people continue to work from home. Leading up to the global pandemic, office serving jobs have occupied less and less space on a per employee basis.

As noted in the office market analysis, there is relatively little office serving space in the Metro Area. The demand analysis uses California Employment Development Department 10-year projections by industry to estimate Countywide demand for industries that utilize office space. The total office space demand was then adjusted for office development under construction and structural vacancy. In total, it is estimated that 2.4 million square feet of office will be developed in the County per year and the Metro Area could capture its “fair share” or current allocation of office space, which is less than 0.5 percent of the Countywide total.

For general planning purposes, a range was provided based on a higher target and high range based on a more aggressive capture assumption. Given the total demand, office development is unlikely in the community in the planning horizon without a non-market driven intervention or relocation of a build-to-suit tenant.

**Table 6-2: Office Demand (2021 - 2035)**

	2021 - 2035 (Square Feet)		
	Low	Target	High
Walnut Park	8,400	10,500	12,600
Metro Area	147,600	184,500	221,400
Los Angeles County Market	2,160,000	2,400,000	2,640,000

Source: Pro Forma Advisors

## 6.3 Retail

---

The retail demand model is based on a combination of existing spending assumed to be “leaking” outside the community as well as an assumed future capture of new resident spending. To estimate the retail surplus/leakage, potential sales (demand) from Walnut Park’s residents and employees were estimated using the gross disposable income and typical worker spending, while taxable sales (supply) were estimated using information from ESRI business analyst. Finally, an adjustment of sales to supportable square feet was made, based on an estimate of sales productivity levels that could support new higher quality.

New resident spending was determined using an average household income of \$100,000 for market rate units and \$60,000 for affordable units (2021 dollars). The spending was adjusted to reflect a household spend per capita based on County pro rata retail sales adjusted by income.<sup>12</sup> A further assumption was made that assumed the community could capture 30 percent of new retail sales, which reflects typical spending for local serving retail development.

A low retail demand estimate reflects the total recapture of lost sales and a high retail demand estimates reflects the recapture of lost sales plus demand from new households. In total, Walnut Park has a limited amount of retail demand over the next 15-years.

---

<sup>12</sup> Review of the Bureau of Labor Statistics’ Consumer Expenditure Study as well as the Board of Equalization Sales and Use tax reports.

**Table 6-2: Retail Demand (2021 - 2035)**

	Commercial Retail Recapture Estimate (2021)	New Retail De- mand from Household Growth	Total Commercial Re- tail Demand	Low	High
Walnut Park (Square Feet)					
Retail Trade	13,300	12,750	26,050	13,300	26,050
Food and Drink	800	2,250	3,050	800	3,050
Total	14,100	15,000	29,100	14,100	29,100
Metro Area (Square Feet)					
Retail Trade	158,100	281,350	439,450	158,100	439,450
Food and Drink	10,500	49,650	60,150	10,500	60,150
Total	168,600	331,000	499,600	168,600	499,600
Walnut Park/Metro Area(Percent of Total)					
Retail Trade	8.4%	4.5%	5.9%	8.4%	5.9%
Food and Drink	7.6%	4.5%	5.1%	7.6%	5.1%
Total	8.4%	4.5%	5.8%	8.4%	5.8%

Source: Pro Forma Advisors

## 6.4 Key Takeaways

The following includes a bullet point summary of key takeaways from the section:

- Multi-family housing development should be encouraged at market and affordable levels within the community.
- Retail demand is limited. Careful consideration should be given to community serving neighbor retail shopping center development.
- Office demand is not sufficient to plan for substantial new development.

## 7 Appendix

### 7.1 Sources

---

Listed in report order:

[Los Angeles County Assessor](#)

[ESRI Business Analyst](#)

[US Census](#)

[California Employment Development Department](#)

[California Department of Finance](#)

[US Census \(OnTheMap\)](#)

[Los Angeles County \(Building Permit Data\)](#)

[Zillow](#)

[CoStar](#)



## 7.2 Demographic Data (ESRI)

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LOS ANGELES COUNTY

EXISTING CONDITIONS REPORT:  
West Athens-Westmont

Socioeconomic Review and Market Assessment

December 2021

Prepared by



**Pro Forma**  
Advisors LLC

and

**DUDEK**



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# 1 Existing Conditions Introduction and Overview

## 1.1 Project Overview

---

Los Angeles County (County) is currently preparing the Metro Area Plan (Area Plan), which is one of 11 planning areas in the County. The Planning Area framework was adopted via the County's 2015 General Plan Update to effectively plan and regulate development in unincorporated areas across the nation's most populous County. There are seven unincorporated communities within the Metro Planning Area (Metro Area)<sup>1</sup> – West Athens - Westmont, West Rancho Dominguez – Victoria, Willowbrook, East Rancho Dominguez, Walnut Park, Florence-Firestone, and East Los Angeles. The Area Plan provides a once-in-a-generation opportunity for community members to share their vision for the area's future and provide input on the community's long-term goals and development opportunities.

## 1.1 Purpose of the Existing Conditions Report

---

This Existing Conditions Report represents the first major step in the process of creating the Area Plan. This report provides information on existing socioeconomic and market conditions in West Athens-Westmont and its surrounding areas as well as an analysis of growth prospects and land demand. The Existing Conditions Report is used as a basis for:

- Facilitating community input on planning issues and visions during community workshops;
- Preparing alternative land use planning scenarios; and
- Formulating policies and implementation actions for the General Plan.

The focus is on resources, trends, and critical concerns to frame decision-making for the long-term physical development of the community.

---

<sup>1</sup> This report only presents information for unincorporated areas with the Metro Area Plan.



## 2 Summary

### 2.1 Introduction

---

This report summarizes the socioeconomic and real estate market conditions and trends that will shape medium-<sup>2</sup> to long-term<sup>3</sup> growth opportunities in West Athens-Westmont and the greater Metro Area. The primary purpose of this socioeconomic review and market assessment is to inform, for planning purposes, the area's overall land use policy with respect to the type of development and land uses that could be effectively targeted during the planning horizon.

It is important to note that in the context of long-term planning, short-term market cycles have less relevance given a planning horizon stretching to 2035.<sup>4</sup> The conclusions discussed throughout this report are based on long-term data projections and an understanding of economic and market dynamics affecting the community and region. This report has been prepared for the County by Pro Forma Advisors as a sub-consultant to Dudek in support of the County's General Plan Area Plan update process.

### 2.2 Summary of Findings

---

The following key findings are provided to give an order of magnitude sense of future land use demand as well a review of key issues impacting future development in the city. These issues are explored from the socioeconomic and market perspective.

#### SOCIOECONOMIC FACTORS INFLUENCING DEVELOPMENT

Based on a review of historic and projected socioeconomic trends for the community, the following provides a summary of key issues to consider for future land use planning from a socioeconomic perspective.

---

<sup>2</sup> Five to 10 years.

<sup>3</sup> Over 10 years.

<sup>4</sup> This would include the short-term impacts of COVID-19.

## Growth

West Athens-Westmont is one of four communities within the Metro Area that have experienced population and housing growth at a rate below the regional average. Given the community is largely built out, the number of new housing units delivered since 2000 has also been well below the Metro Area and County.

## Ethnic Composition

West Athens-Westmont has a diverse population with approximately 50 percent of its population identifying as Black. Less than 50 percent identify as being Hispanic and Latino/a compared with 84 percent in the larger Metro Area. While existing demographics do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities, and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the projected ethnic composition of the area's population might impact future land use decisions.

## Employment Base

West Athens-Westmont has experienced employment growth at a rate faster than the Metro Area and County. There is a strong base of employment in many core industries. Since 2002 the area added nearly 2,200 community-based jobs representing 15 percent of all new jobs in the Metro Area. However, overall, the less educated community-based employees and residents tend to have jobs that pay less than the countywide average.

## Retail Leakage

The community appears to experience retail expenditure leakage to neighboring areas in the region, or "Retail Leakage" due to the newer, large format retailers located in other areas of the County. Based on the analysis, the community could recapture 4.4 square feet per household for neighborhood serving retail development.<sup>5</sup> For the community to be economically viable over the long-term, it should strive to continue expanding its retail base by creating a more diverse local serving retail environment to increase the market capture from its households within the community.

---

<sup>5</sup> Retail development that provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood.

## Long-Term Land Use Demand

The following provides context regarding future development potential, given the anticipated market demand for various land uses as discovered in the market analysis. As shown below, an order-of-magnitude demand estimate for residential, retail, office land uses have been made for West Athens-Westmont through 2035.

This represents the target range of development that could be attracted over the Area Plan horizon. Based on the economic development goals of the County, a more aggressive capture of demand could be warranted. As such, these estimates should be considered preliminary for planning purposes.

Table 2-1: Demand Analysis Summary (2021 – 2035)

	Target (Rounded)
Housing (Units)	2,400
Market Rate	600
Affordable	1,800
Retail (Square Feet)	111,000
Office (Square Feet)	34,900

Source: Pro Forma Advisors

## 3 Geography and Land Use Overview

The following section presents a brief overview of West Athens-Westmont in relation to other geographical areas referred to within this report. It also summarizes existing land uses. A community's core assets such as open space, proximity to regional free-ways, and reputation within the region are important attributes that impact future development and shape long-term land use planning.

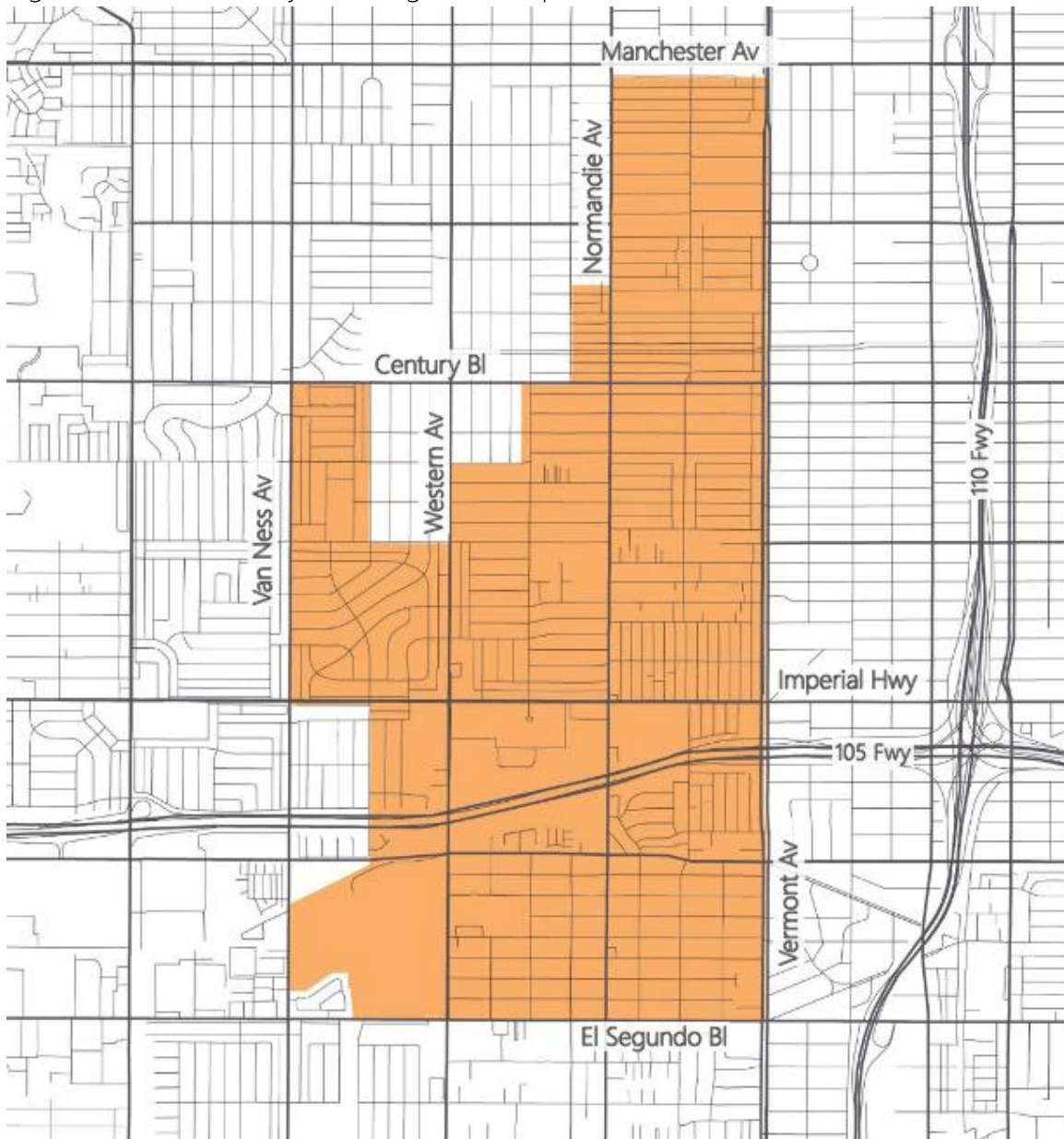
### 3.1 Location Overview

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Located near the center of the County, West Athens-Westmont is approximately 3.18 square miles in size. West Athens-Westmont is an unincorporated community and also a census designated place. For the purpose of this analysis, the area is generally bounded by Manchester Avenue to the North and Van Ness Avenue to the West, El Segundo Boulevard to the South, and Vermont Avenue to the East. Major North/South thoroughfares include Western Avenue, Normandie Avenue, and Vermont Avenue. Major East/West thoroughfares include Century Boulevard, Imperial Highway, and El Segundo Boulevard. Key locational assets include the Los Angeles Southwest College with approximately 8,000 students and the Chester L. Washington Golf Course.

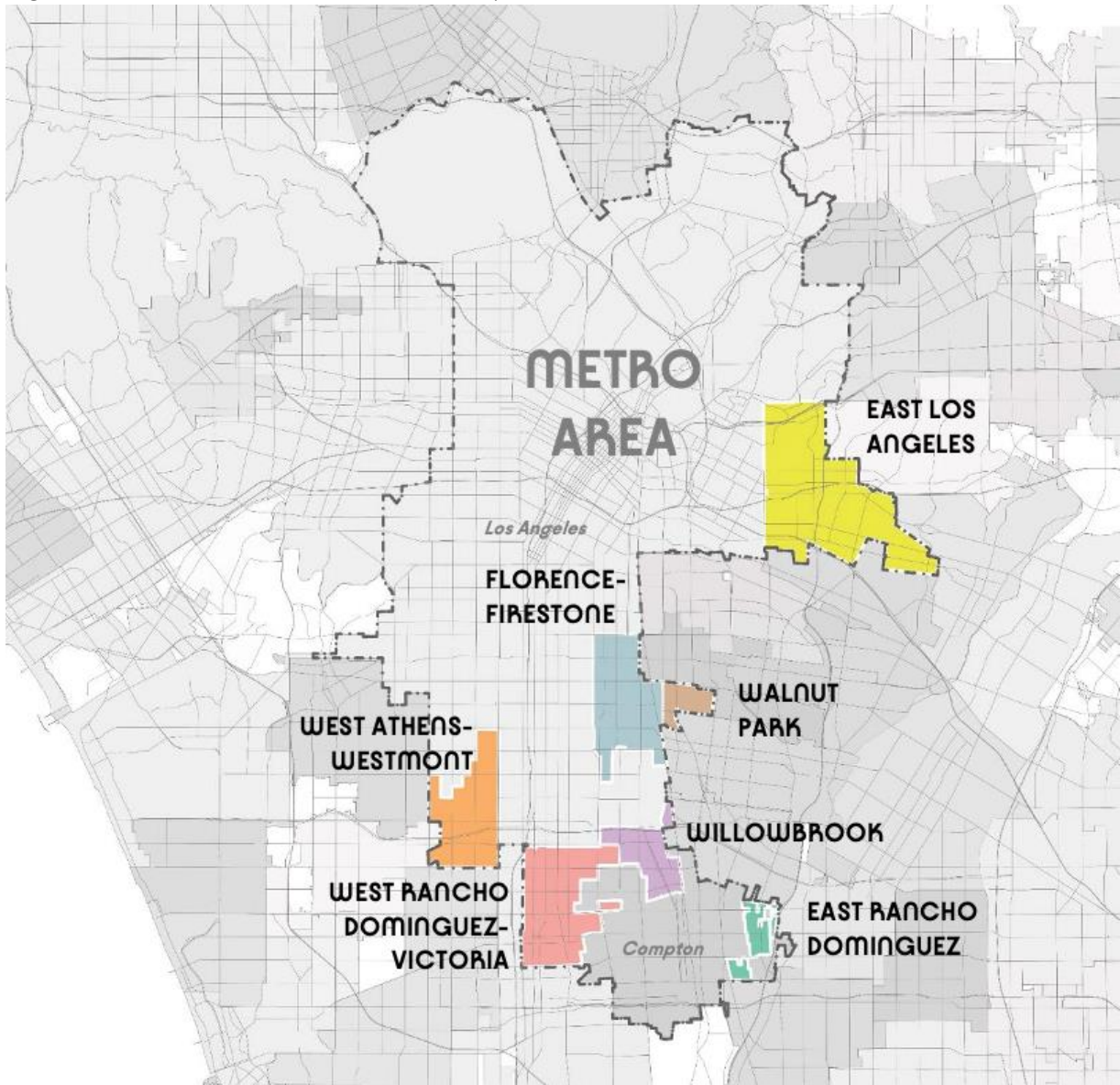
West Athens-Westmont is one of seven unincorporated communities within the larger Metro Area. It represents approximately 15 percent of the total Area Plan land area.

Figure 3-1: Community Planning Area Map



Source: Dudek

Figure 3-2: Metro Area Plan Area Map



Source: Dudek

### 3.2 Current Land Use

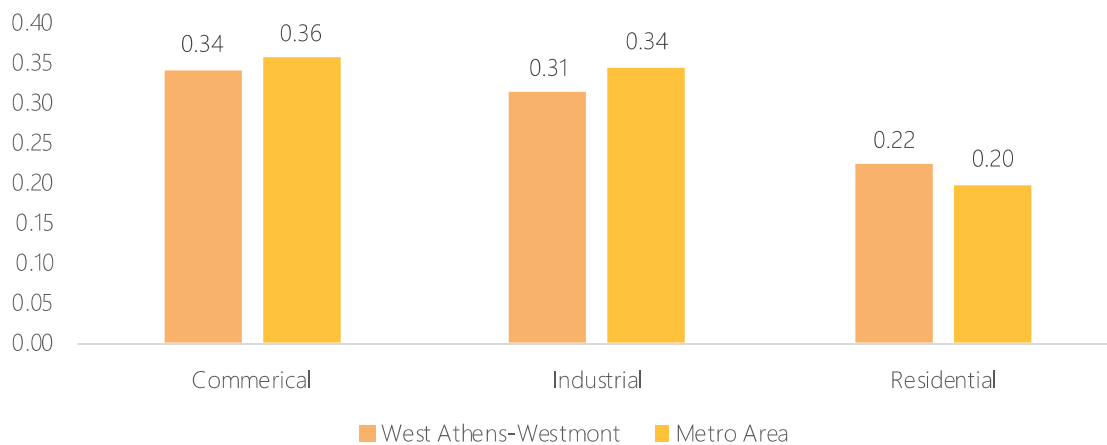
Excluding roads and other infrastructure, West Athens-Westmont has 2.49 square miles of publicly and privately held land. Residential land uses make up the majority of land in the community area, representing 71.6 percent of the total land and 85.0 percent of the built space. Commercial uses (inclusive of both retail and office) represent about 5.6 percent of the total land and 10.1 percent of the built space due to the highest floor area ratio (FAR) among any of the land uses. The remaining land is comprised of industrial development and other land uses (including government, institutional, etc.).

As it relates to the larger Metro Area, West Athens-Westmont represents:

- 11.4 percent of the of the commercial development;
- 0.6 percent of the industrial development; and
- 18.7 percent of the residential development.

The distribution of land use has a fairly consistent relationship to the Metro Area with higher than normal residential and other land use development and much lower proportional amount of industrial development and land.

Figure 3-3: FAR Comparison by Land Use



Source: Los Angeles County Assessor

Table 3-1: Land Use (2020)

	West Athens-Westmont		Metro Area		West Athens-Westmont /Metro Area	
	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)
Total						
Commercial	1,323,968	0.14	11,645,057	1.17	11.4%	11.8%
Industrial	122,948	0.01	19,139,479	2.00	0.6%	0.7%
Residential	11,097,109	1.79	59,273,588	10.77	18.7%	16.6%
Other	508,188	0.56	3,256,980	2.88	15.6%	19.3%
Total	13,052,213	2.49	93,315,104	16.82	14.0%	14.8%
Percent of Total/Index						
Commercial	10.1%	5.6%	12.5%	7.0%	81.3	79.8
Industrial	0.9%	0.6%	20.5%	11.9%	4.6	4.8
Residential	85.0%	71.6%	63.5%	64.0%	133.8	111.8
Other	3.9%	22.2%	3.5%	17.1%	111.6	129.9

Source: Los Angeles County Assessor



### 3.3 Transportation Access

---

From a regional perspective, West Athens-Westmont is easily accessible from Interstate 105 and 110. Given its central location within the larger Los Angeles Metropolitan Statistical Area it is estimated that there are over 10 million people living within a 30-mile radius, which includes major job centers. West Athens-Westmont is also within a relatively short distance from Los Angeles International airport (LAX) as well as two shipping ports (Port of Los Angeles and Long Beach). The community also has a light rail station (Vermont/Athens Station) along the Los Angeles Metro C Line (formerly Green Line) that connects Redondo Beach to Norwalk.

As of the last available data, in fiscal year 2019, the Vermont/Athens Station had an average of approximately 2,050 daily boardings (Figure 3-5) and represents the 49<sup>th</sup> highest utilized Metro station. Overall, total ridership of the Metro system (bus and rail) has decreased since fiscal year 2010 with a peak ridership in fiscal year 2014 (475.5 million). However, the existing light rail infrastructure is viewed as a significant asset for the community and could be leveraged for future development.

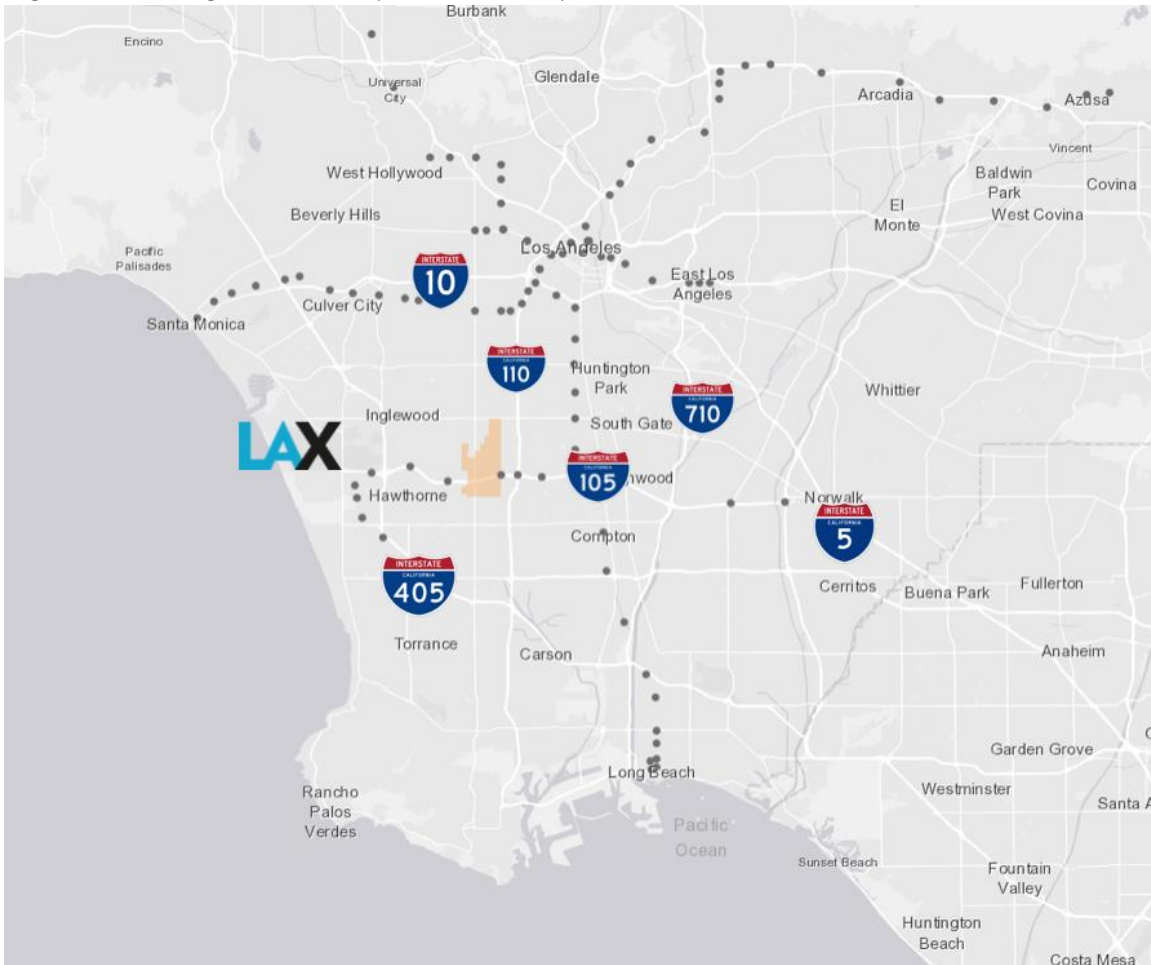
### 3.4 Key Takeaways

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The following includes a bullet point summary of key takeaways from the section:

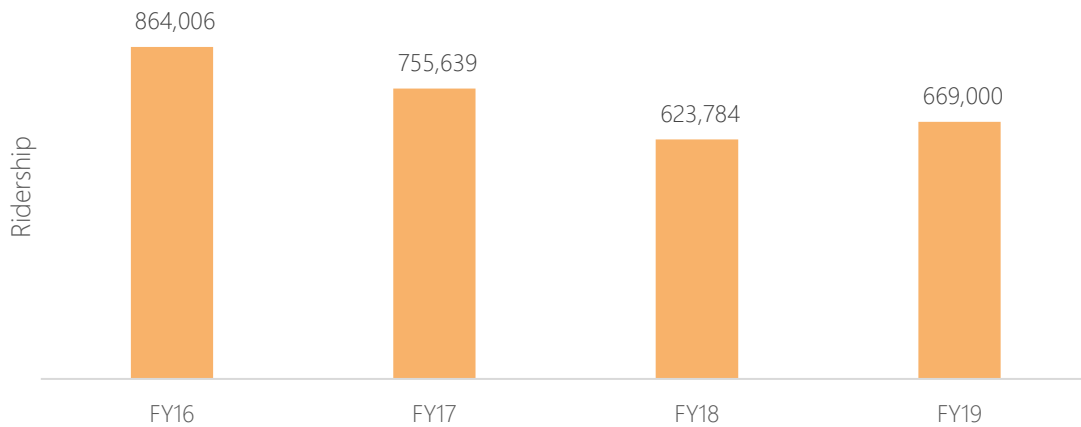
- Land use patterns are dominated by residential development;
- West Athens-Westmont is centrally located and is located approximately 12 miles south of Downtown;
- The community benefits from excellent regional freeway access; and
- Has a significant community asset in a light rail transit stop along the Metro C Line (formerly Green Line), which connects Redondo Beach to Norwalk.

Figure 3-4: Regional Transportation Map



Source: ESRI Business Analyst; METRO, Pro Forma Advisors

Figure 3-5: Metro Ridership (FY2016 – FY2019)



Source: METRO

## 4 Socioeconomic Analysis

The future market demand for different land uses in West Athens-Westmont will be influenced by regional economic forces and market trends. This section analyzes the historic and projected socioeconomic trends for West Athens-Westmont, the Metro Area, and County that most influence land use potentials for future development. The following section provides summary level information on key population, household age, race and ethnic, and educational attainment trends that may affect future land use planning.<sup>6</sup>

### 4.1 Demographic Trends

---

The following section provides summary level information on key population and household, age, ethnic, and educational trends that may affect future land use planning in the community.

#### POPULATION AND HOUSEHOLDS

Between the 2000 Census and the 2010, West Athens-Westmont lost approximately 120 residents. Since 2000, West Athens-Westmont's overall population growth has grown slower than the Metro Area and County. The growth is flat due to the fact that area is largely built out and there are limited current opportunities for greenfield housing development.

Focusing on more recent population trends, ESRI Business Analysis estimates that the area's population will remain flat over the next five years. Average household size is anticipated to stay high, with an average household size of 3.3. This household size is slightly higher than the County average (3.0).

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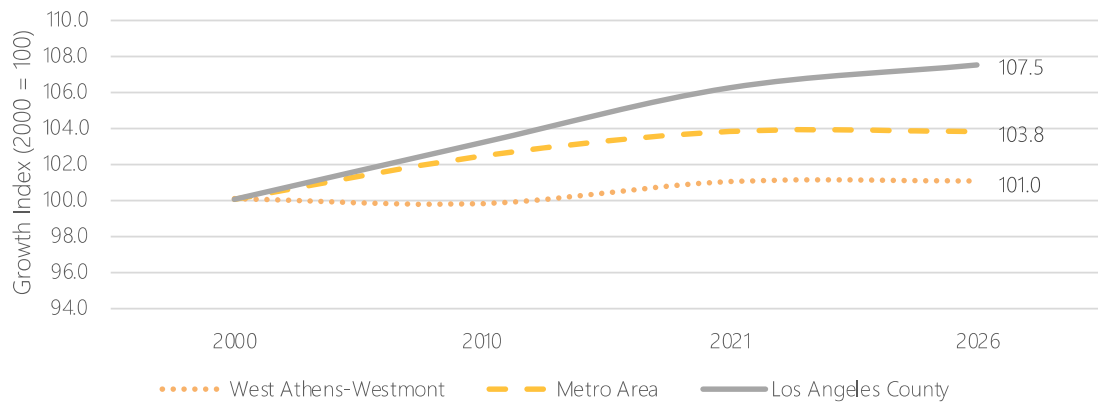
<sup>6</sup> Some of the socioeconomic data used in this analysis is provided by ESRI Business Analyst (ESRI). ESRI's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts throughout the United States. The ESRI data was utilized for two main reasons: (1) The 2020 Census data was not available at the time the market data was gathered and (2) two of the neighborhoods' geographies (Willowbrook and West Athens-Westmont) did not match to their respective Census-designated place geographies. For these reasons, the ESRI 2021/2026 socioeconomic data was utilized to ensure consistent comparisons among all the areas analyzed herein.

Table 4-1: Population and Household Trends

	2000	2010	2021(e)	2026(e)
<b>Population</b>				
West Athens-Westmont	40,699	40,582	41,088	41,099
Metro Area	299,561	306,772	310,857	310,826
Los Angeles County	9,519,135	9,818,605	10,108,711	10,229,558
<b>Households</b>				
West Athens-Westmont	11,827	12,220	12,375	12,344
Metro Area	72,637	74,630	75,285	75,023
Los Angeles County	3,133,720	3,241,204	3,328,361	3,366,546
<b>Household Size</b>				
West Athens-Westmont	3.4	3.3	3.3	3.3
Metro Area	4.1	4.1	4.1	4.1
Los Angeles County	3.0	3.0	3.0	3.0

Source: ESRI Business Analyst

Figure 4-1: Population Growth Index



Source: ESRI Business Analyst

## AGE

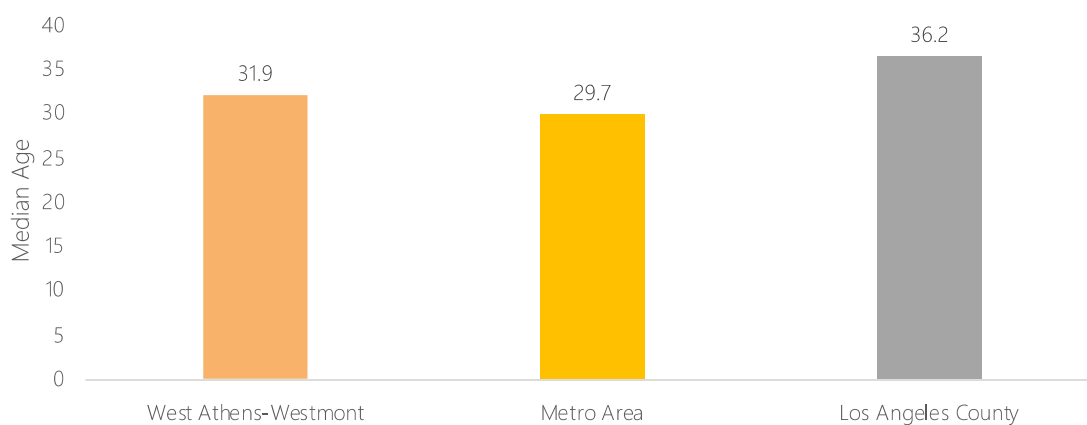
West Athens-Westmont’s median age is 31.9 (Figure 4-2), which is older than the Metro Area (29.7) and younger than the County (36.2). By analyzing age cohorts (Table 4-2), the area has a slightly higher share of Children/Young Adults in comparison to the County. Compared to the MAP Region, however, the area has a larger concentration of older residents (over 55 years of age). Compared to other areas within the Metro Area the West Athens-Westmont’s age distribution more closely resembles the County.

Table 4-2: Age Distribution by Geography (2021)

	West Athens-Westmont	Metro Area	Los Angeles County	West Athens-Westmont/Metro Area	West Athens-Westmont/County
Children/Young Adults (Under 24)	38.1%	41.1%	31.9%	92.5	119.2
Young Workers (25 to 34)	16.5%	17.5%	16.3%	94.1	101.0
Family Formation (35 to 54)	23.0%	23.4%	25.9%	98.1	88.6
Empty Nesters (55 to 74)	18.0%	14.4%	19.9%	124.8	90.3
Seniors (75+)	4.5%	3.5%	5.9%	128.3	76.1

Source: ESRI Business Analyst

Figure 4-2: Median Age by Geography (2021)



Source: ESRI Business Analyst

## RACE AND ETHNICITY

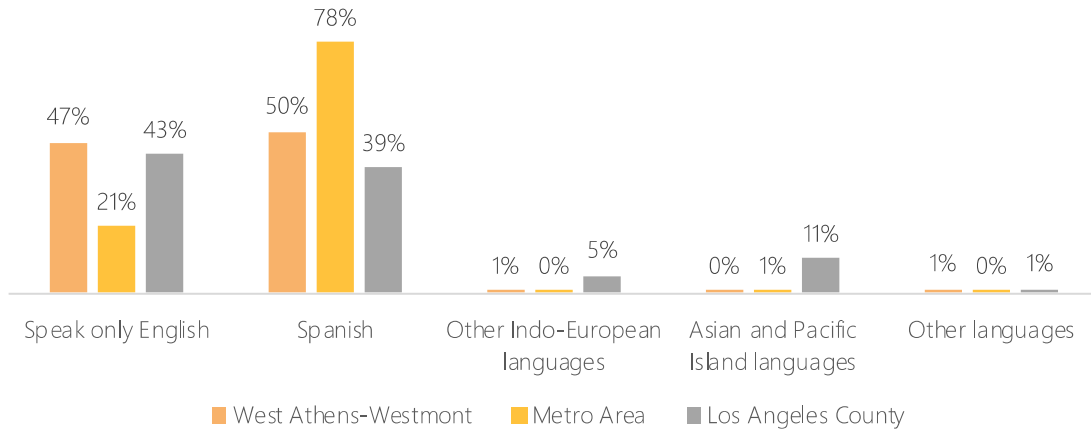
West Athens-Westmont has a diverse population. While race and ethnic composition do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the ethnic composition of the community's population might impact future land use decisions. West Athens-Westmont has a significantly higher share of residents identifying as "Black alone." The concentration of those identifying as Black is over three times and nearly six times as high as the Metro Area and the County, respectively. Unlike other areas in the Metro Area that predominately identify as Hispanic and Latino/a, the community's Hispanic and Latino/a population reflects the larger County norms. This is also reflected in the fact that there is a relatively even split of speaking English or Spanish at home.

Table 4-3: Population by Race/Ethnicity (2021)

	West Athens-Westmont	Metro Area	Los Angeles County	West Athens-Westmont/Metro Area	West Athens-Westmont/County
White Alone	17.1%	38.6%	48.5%	44.3	35.3
Black Alone	48.5%	14.3%	8.2%	339.2	591.5
American Indian Alone	0.5%	0.9%	0.7%	55.6	71.4
Asian Alone	0.7%	0.7%	15.1%	100.0	4.6
Pacific Islander Alone	0.1%	0.1%	0.3%	100.0	33.3
Some Other Race Alone	29.5%	42.0%	22.4%	70.2	131.7
Two or More Races	3.6%	3.4%	4.9%	105.9	73.5
Hispanic Origin	48.8%	83.8%	48.9%	58.2	99.8

Source: ESRI Business Analyst

Figure 4-3: Language Spoken at Home (2019)



Source: US Census

## EDUCATION

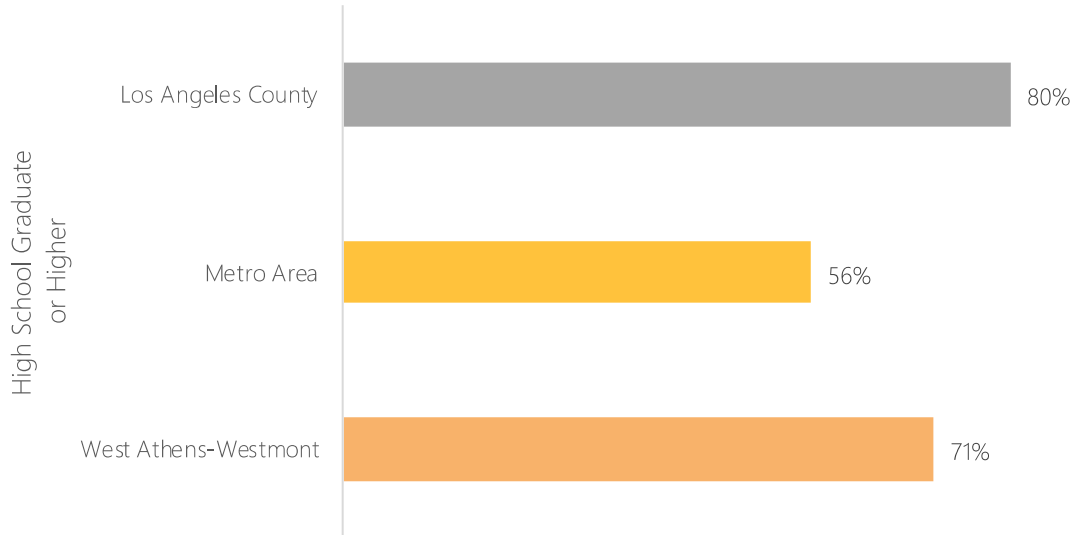
Levels of educational attainment are lower in both West Athens-Westmont and the Metro Area, in comparison to the larger County area. For the population 25 and older, 29 percent of the residents report a “less than high school education.” While this is higher than the County average, it is much lower than the Metro Area reflecting that like the residents, the area’s employees also have a higher level of education. If examining the percent of residents with a high school graduate or higher level of education, West Athens-Westmont is under the Countywide educational attainment level, but significantly higher than the Metro Area.

Table 4-4: Population 25+ by Educational Attainment (2021)

	West Athens-Westmont	Metro Area	Los Angeles County	West Athens-Westmont/Metro Area	West Athens-Westmont/County
Less than High School graduate	29%	44%	20%	66.1	147.7
High School Graduate (w/ equivalency)	29%	25%	21%	115.7	142.7
Some College, Associate Degree	30%	22%	25%	137.9	119.4
Bachelor's Degree or higher	12%	9%	35%	127.5	33.6

Source: ESRI Business Analyst

Figure 4-4: Percent of Population 25+ with High School Degree (2021)



Source: ESRI Business Analyst

## 4.2 Key Demographic Takeaways

---

The following includes a bullet point summary of key takeaways from the section:

- West Athens-Westmont has had flat population growth compared to the County.
- The community has slightly larger household sizes and a somewhat younger population in comparison to the County.
- The area is mostly comprised of people identifying as Black.
- West Athens-Westmont has the highest education level within the Metro Area and is more closely aligned to the County averages.



### 4.3 Economic Trends

The following section provides summary level information on various aspects of employment and industry composition sales that will impact the demand for future commercial land in the community.

#### HOUSEHOLD INCOME

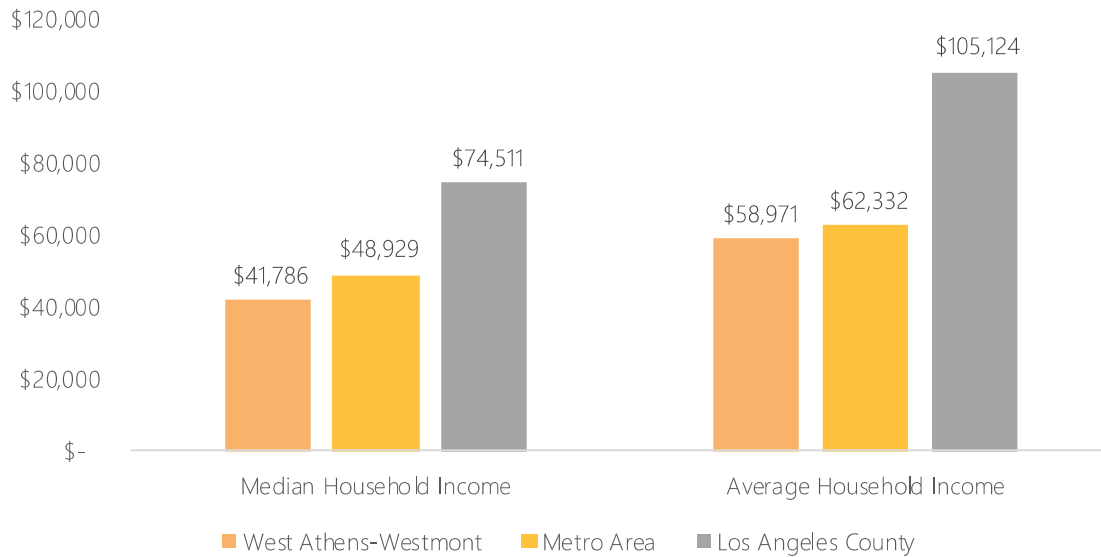
West Athens-Westmont's median household income is approximately \$41,800, which is lower than the Metro Area (\$48,900) and lower than the County (\$74,500). The household income projections, provided by ESRI Business Analyst, suggest that the community median income should rise at a rate consistent with the Metro Area and County over the next five years (2021 – 2026). The incomes of West Athens-Westmont's households tend to be more concentrated in household income cohorts below \$50,000. Consistent with a lower median and average household income, there is a smaller share of household's making over \$75,000 compared with the larger County region.

Table 4-5: Household Income by Income Cohort (2021)

	West Athens- Westmont	Metro Area	Los Angeles County	West Athens- Westmont/ Metro Area	West Athens- Westmont/ County
<\$15,000	21.4%	13.7%	9.7%	156.2	220.6
\$15,000 - \$24,999	11.2%	11.3%	7.4%	99.1	151.4
\$25,000 - \$34,999	10.3%	10.8%	7.3%	95.4	141.1
\$35,000 - \$49,999	13.3%	15.1%	10.1%	88.1	131.7
\$50,000 - \$74,999	16.0%	19.1%	15.8%	83.8	101.3
\$75,000 - \$99,999	11.3%	12.2%	12.7%	92.6	89.0
\$100,000 - \$149,999	10.7%	12.2%	17.1%	87.7	62.6
\$150,000 - \$199,999	3.1%	3.6%	8.6%	86.1	36.0
\$200,000	2.5%	2.0%	11.5%	125.0	21.7

Source: ESRI Business Analyst

Figure 4-5: Median and Average Household Income (2021)



Source: ESRI Business Analyst

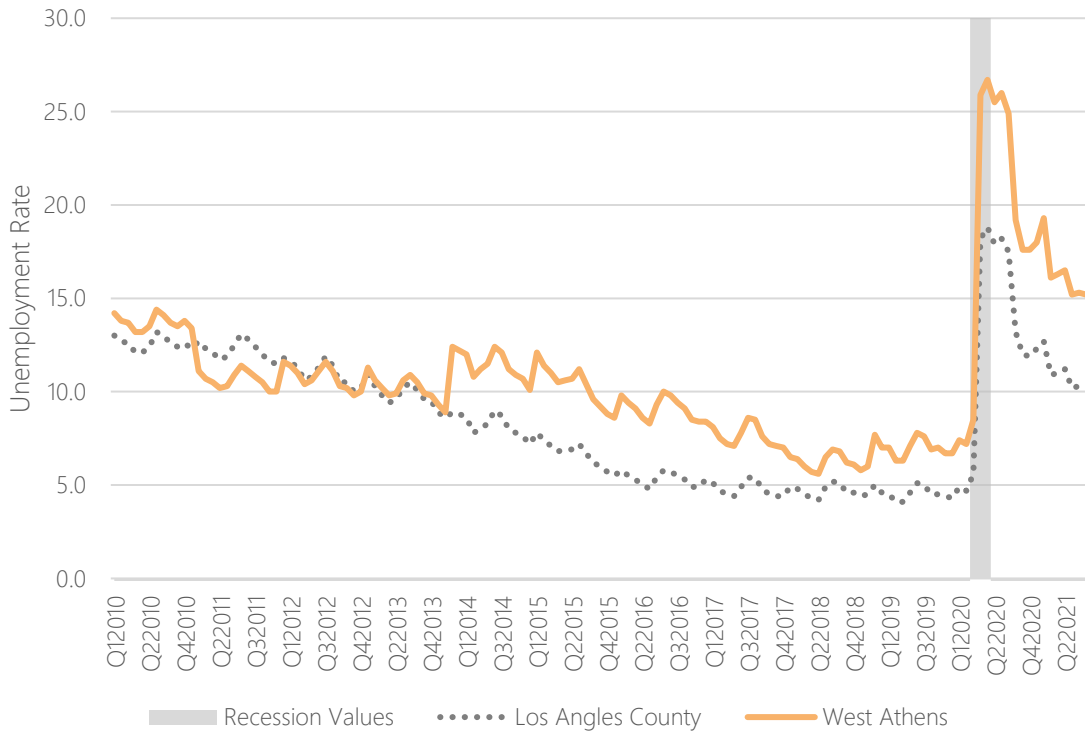
## EMPLOYMENT

Employment is examined in terms of unemployment rates, jobs (in-place employment), worker area profile, and industry composition. A critical barometer in evaluating demand for commercial office and industrial (workplace) real estate is employment growth. The following tables and graphs highlight relevant employment trends and forecasts. Sectoral (industry) analysis lends insight into industry growth and contraction patterns in a given geography.

As of the second quarter of 2021 West Athens-Westmont’s unemployment rate had fallen to 15.2 percent, down from a peak of 26.7 percent in the second quarter 2020. The area has typically remained above the County’s unemployment rate in pre- and post-recession times. During the last COVID related recession, the community’s employment spiked significantly, potentially due to the loss of jobs within lower paid, less skilled jobs or industries that were more adversely impacted by mandated business closures.

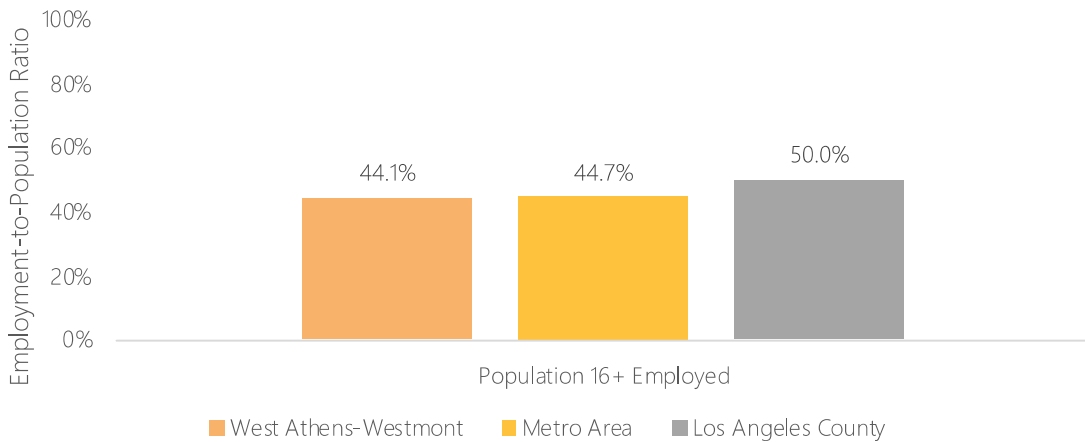
It is estimated that 44.1 percent of the population over 16 years of age are in the labor force. This is slightly lower than the Metro Area and approximately 6 percentage points lower than the County labor force participation.

Figure 4-6: Unemployment Rate (2021)



Source: CA EDD, CA Department of Finance

Figure 4-7: Labor Force (2021)



Source: CA EDD, CA Department of Finance

## IN-PLACE EMPLOYMENT

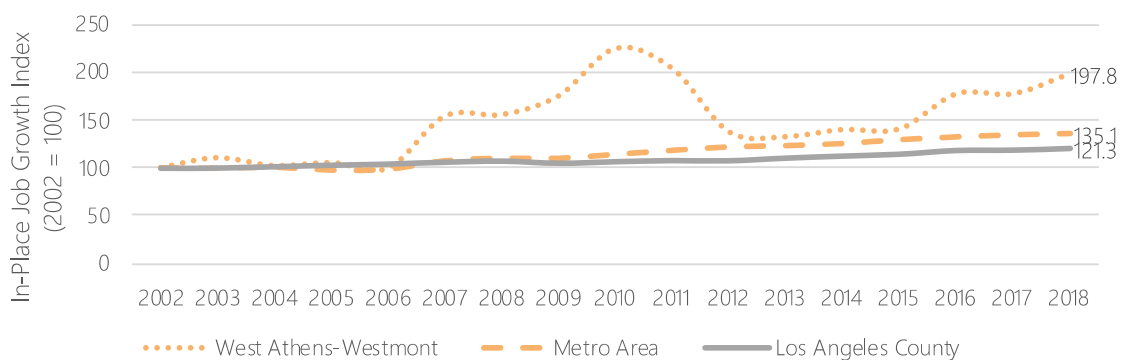
### Jobs

The previously provided information regarding income, unemployment, and the area’s labor force are based on the community’s residents. The following analysis examines jobs located in the community that may or may not be held by community residents. An evaluation of the primary “in-place” employment is important as it impacts the range of demand that can be projected for future commercial serving land uses.

Total jobs<sup>7</sup> rose from 2002 to 2018, leading up to the COVID-19 related recession. In fact, West Athens-Westmont saw a relative increase in job growth between 2006 to 2010 compared to both the Metro Area and County. From 2010 to 2012 the community experienced job losses and then grew at a rate consistent with the Metro Area and County between 2012 and 2015. Since 2015, the job growth has exceeded the larger areas.

Based on the OnTheMap employment data, approximately 13 percent of the area’s in-place employment is from residents that both live and work in the community. Similar to other areas within the County, West Athens-Westmont has a high number of its residents commuting long distances to work. There were approximately 3,800 primary jobs in the community in 2018, which is the most recent year of the Quarterly Census of Employment and Wages in-place employment data available for analysis.

Figure 4-8: In-Place Employment Index (2002 - 2018)



Source: US Census (OnTheMap)

<sup>7</sup> A total job is defined as all jobs, which include all public or private sector jobs (potentially more than one job per worker). For example, if a person had two part-time jobs, then the primary job would be the highest paying job for that worker. Typically there is not significant variation in primary and total jobs except in economies with significant portions of the labor force engaged in part-time employment (e.g. tourist economies).

Table 4-6: Employment Efficiency (2018)

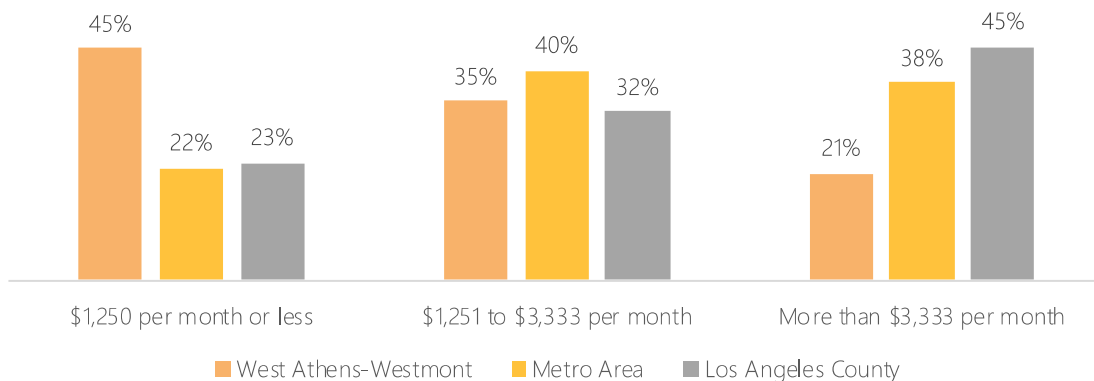
	West Athens-Westmont	Metro Area	Los Angeles County
In-Place Jobs	3,843	55,365	4,685,637
Employed and Living in the Area (Resident Workers)	13%	12%	77%
Employed and Living Outside the Area (In-Place Employees)	87%	89%	23%

Source: US Census (OnTheMap)

### Worker Area Profile

An evaluation of primary jobs in West Athens-Westmont reveals some noteworthy characteristics. Unlike the area's resident age distribution, the employment base does not deviate much from observed County ratios of jobs by age. Unlike the County's, West Athens-Westmont's in-place employment consists of generally lower paying jobs. As shown, the percentage of lower paying jobs yielding \$1,250 per month or less are almost one-half of all jobs located in West Athens-Westmont compared with less than one-quarter of the jobs in the County. The lack of a presence of higher paying jobs in West Athens-Westmont is a negative indicator. Similarly, the educational attainment of in-place jobs in the area tends to be lower than County, but generally in line with the Metro Area.

Figure 4-6: In-Place Employment by Earnings (2018)



Source: US Census (OnTheMap)

Table 4-7: In-Place Employment by Educational Attainment (2018)

	West Athens-Westmont	Metro Area	Los Angeles County	West Athens-Westmont/Metro Area	West Athens-Westmont/Los Angeles County
Less than high school	22%	24%	16%	92.0	136.8
High school or equivalent, no college	19%	17%	16%	109.9	119.6
Some college or Associate degree	25%	22%	23%	112.1	109.7
Bachelor's degree or advanced degree	16%	18%	24%	92.3	68.5
Educational attainment not available	18%	19%	22%	93.8	83.2

Source: US Census (OnTheMap)

### Location Quotient Analysis

The location quotient (LQ) is a tool that measures the relative concentration of different industries in specific localities relative to a larger level of geography. In most cases, the LQ would compare a county to a state or national level of employment concentration. However, it is useful to get a proxy for relative employment concentration among industries within a sub-regional level geography. The calculation helps evaluate West Athens-Westmont's strength or weakness in a given industry, relative to the County as a whole. A concentrated (high) LQ means that a given industry is represented more than one would expect, given its total level of employment. The following describes the LQ:

- LQ > 1.0 means that an industry is more concentrated in West Athens-Westmont than in the County.
- LQ < 1.0 means that an industry is less concentrated in West Athens-Westmont than in the County.
- LQ = 1.0 means that an industry is equally concentrated in West Athens-Westmont as in the County.

Because industries with a LQ greater than one indicates relatively high production of a particular service, it is likely that some amount of that industry is being exported. Employment in that industry (or the portion of employment that causes the LQ to exceed 1.0) is then assigned to the economic base and is given credit for supporting the economy as a whole. Conversely, if an industry has a LQ less than one, it is assumed to be a local-serving or non-basic industry. For economic development purposes, it is often useful to focus on the outlier industries with a LQ greater than 1.25 or less than

0.75. The assumption is that industries falling within 0.75 and 1.25 are probably producing at levels sufficient to meet local demand in the local area. There is a high concentration in the Educational Services and Health Care industries, with almost three times the expected concentration of jobs.

Table 4-8: In-Place Employment Change by Industry (2002, 2018)

Industry	West Athens- Westmont (2002)	West Ath- ens- Westmont (2018)	Numeric Change (2002 - 2018)	Location Quotient
Agriculture, Forestry, Fishing and Hunting	12	0	-12	0.00
Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0.00
Utilities	0	0	0	0.00
Construction	20	64	44	0.52
Manufacturing	62	39	-23	0.14
Wholesale Trade	11	23	12	0.12
Retail Trade	230	302	72	0.83
Transportation and Warehousing	11	20	9	0.12
Information	3	5	2	0.02
Finance and Insurance	9	20	11	0.16
Real Estate and Rental and Leasing	69	68	-1	0.91
Professional, Scientific, and Technical Services	14	62	48	0.24
Management of Companies and Enterprises	0	8	8	0.14
Admin. & Support, Waste Mgmt. and Remediation	33	31	-2	0.12
Educational Services	323	863	540	2.77
Health Care and Social Assistance	359	1,742	1,383	2.83
Arts, Entertainment, and Recreation	83	45	-38	0.50
Accommodation and Food Services	197	420	223	1.14
Other Services (excluding Public Administration)	230	131	-99	0.99
Public Administration	0	0	0	0.00
<b>Total</b>	<b>1,666</b>	<b>3,843</b>	<b>2,177</b>	<b>1.00</b>

Source: US Census (OnTheMap)

## 4.4 Key Economic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- West Athens-Westmont households tend to have lower incomes than the County.
- The community typically has a higher percent of unemployment than is observed in the County. In times of recession, unemployment tends to increase at a higher rate than the County.
- Between 2002 and 2018, West Athens-Westmont's in-place jobs have shown higher growths and declines in comparison to the Metro Area and County, but this volatility can also be explained given the relatively low total number of in-place jobs.
- A number of industries are clustered in the area (Educational Services and Health Care) and will help facilitate future job growth in the community.
- In-place jobs tend to have lower wages and educational level as compared with the County.



## 5 Real Estate Market

The following provides an overview of historic trends for residential, office, and retail land uses.<sup>8</sup> Historic market trends have been examined to more accurately determine the potential for future land uses and associated development desired in the MAP General Plan Update. Once again, trends for the community, Metro Area, and County have been analyzed for comparison purposes. Various recognized submarket area<sup>9</sup> definitions are used in the commercial real estate analysis. It is important to note that this analysis does not attempt to replace the County's Housing Element. Rather, it is provided to include additional and updated market information.

### 5.1 Residential

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Demand for residential housing will be a byproduct of employment and population growth throughout the County. The following sections examine the regional market conditions for rental and for-sale residential properties as well as more localized information pertaining to residential potential in the community.

#### INVENTORY

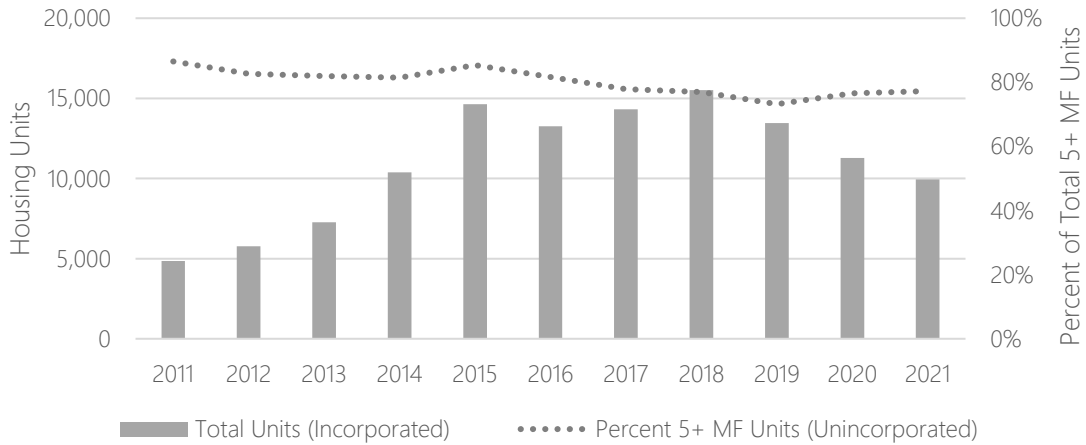
According to ESRI Business Analyst, West Athens-Westmont has approximately 13,580 housing units, which represent about 16.9 percent of the Metro Area. Examining building permit data for the County over the last 10 years (Figure 5-1), an average of 11,000 units were delivered annually with approximately 80 percent of permits being 5 or more multi-family units in the unincorporated areas.

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<sup>8</sup> Pro Forma Advisors has not analyzed the market for future industrial uses as it appears to be inconsistent with the MAP vision. Future analysis may explore strategies to transition underperforming industrial land to more compatible land uses within the MAP communities.

<sup>9</sup> Submarket areas are specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set or peer group.

Figure 5-1: Building Permit Data (2011 - 2021)

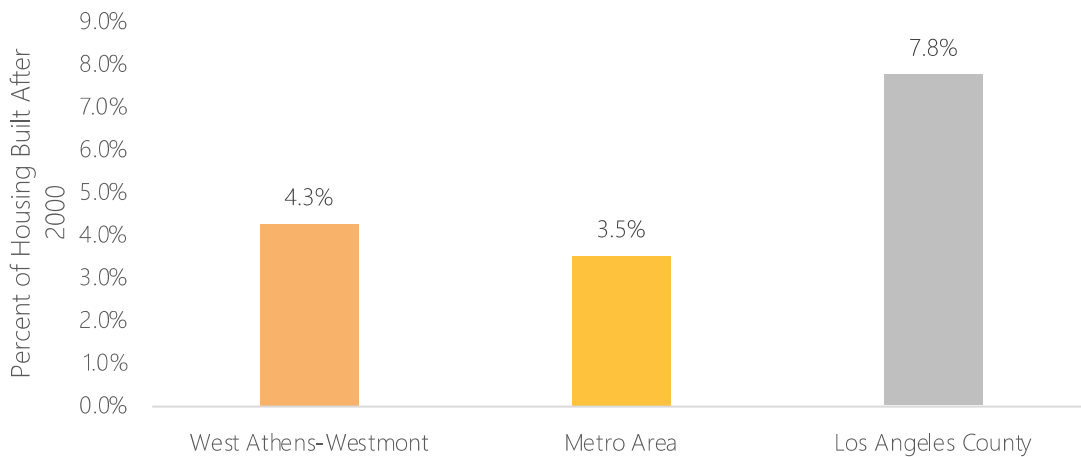


Source: Los Angeles County

### AGE

Approximately 81 percent of the housing was built before 1970. Over the next three decades an additional 15 percent of housing was constructed. West Athens-Westmont has experienced minimal new residential development since 2010. In fact, approximately four percent of all housing stock was built after 2000 (Figure 5-2). While lower than the development trends in the County, the community has added housing a higher share of new housing in comparison to the Metro Area.

Figure 5-2: Housing Built Since 2000 (Relative to Total Housing Stock)

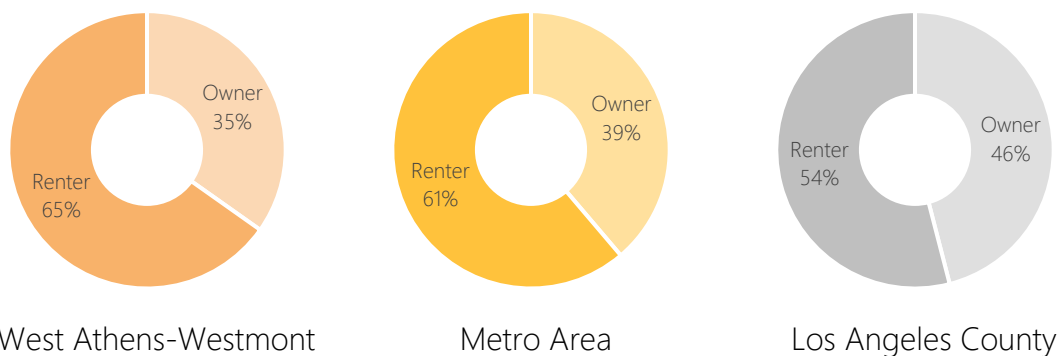


Source: US Census

## TENURE

West Athens-Westmont has a larger share of renter-occupied housing in comparison to the County. Based on 2019 estimates, approximately 35 percent of the housing is owner-occupied. This ratio of owner-to-renter is lower than the Metro Area, with a higher percent of residents living in renter occupied units. Housing vacancy characteristics do not show much variability from the Metro Area or County, where vacant properties typically make up a small percent of the housing stock.

Figure 5-3: Housing Tenure

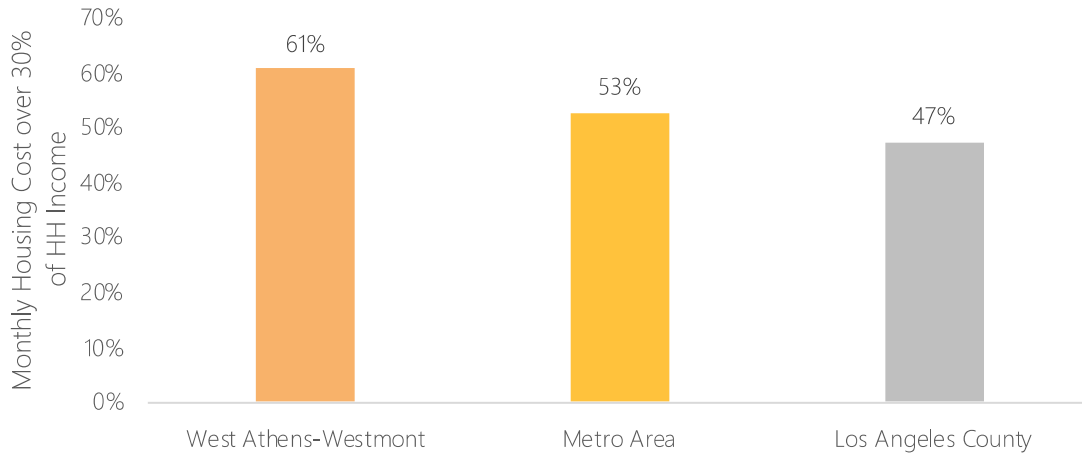


Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## COST BURDEN

The larger share of renters in West Athens-Westmont and the Metro Area has implications for the financial stability of residents, as renters do not grow wealth through home ownership, have typically lower household incomes, and are subject to sometimes unpredictable rent increases or eviction. Furthermore, apartment owners may defer maintenance and can target lower income renters who have few options in the marketplace. This impacts both quality of life of occupants and can contribute to the community's perception in the County. Approximately 61 percent of households in West Athens-Westmont pay more than 30 percent of their household incomes toward rent, which is commonly recognized as the share of household income beyond which rent becomes prohibitively expensive and affects other household expenditures.

Figure 5-4: Monthly Housing Cost Over 30 Percent of Income



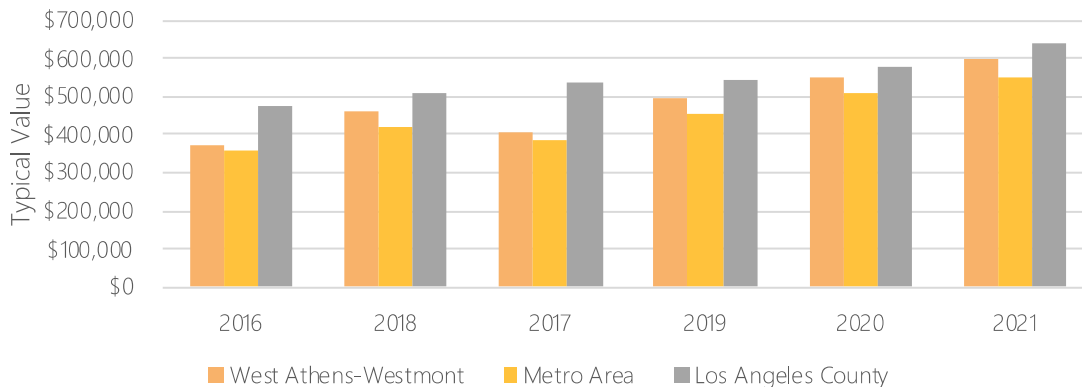
Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## PRICING

### For-Sale Pricing

In 2021, the typical condominium price in West Athens-Westmont was approximately \$558,000, which is \$81,000 less than the County (\$639,000). However, the compound annual growth rate (CAGR) for for-sale housing has been 10.1 percent per year over the last five years. This rate is higher than the Metro Area (9.2 percent), but significantly higher than the County CAGR of 6.3 percent since 2016. The community, like the County, has seen marked for-sale housing pricing increases as interest rates have remained low and housing production has not kept pace with demand.

Figure 5-5: Typical Condominium Value

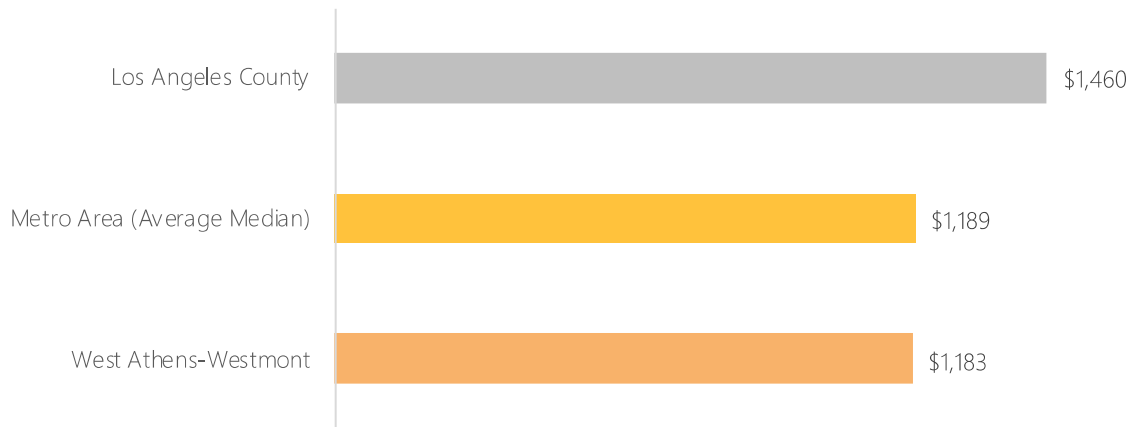


Source: Zillow

### For-Rent Pricing

According to the US Census, the typical monthly rental price (all units) is \$1,183 in West Athens-Westmont. This typical monthly rent is lower than the County and similar to the Map region. Similar to the for-sale housing, rental rates in the County have increased because an increased demand for housing. For-rent housing demand, unlike for-sale housing, may reflect evolving market preferences, affordability, or scrutiny on for-sale home mortgage lending standards. In general, the Metro Area’s rental housing stock prices have not kept pace with the County due to a lack of new development, which often drives market prices up through higher quality and amenities.

Figure 5-6: Typical Monthly Rent (Median Gross Rent)



Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

### Pipeline Development

There are no significant residential developments known to be under construction.

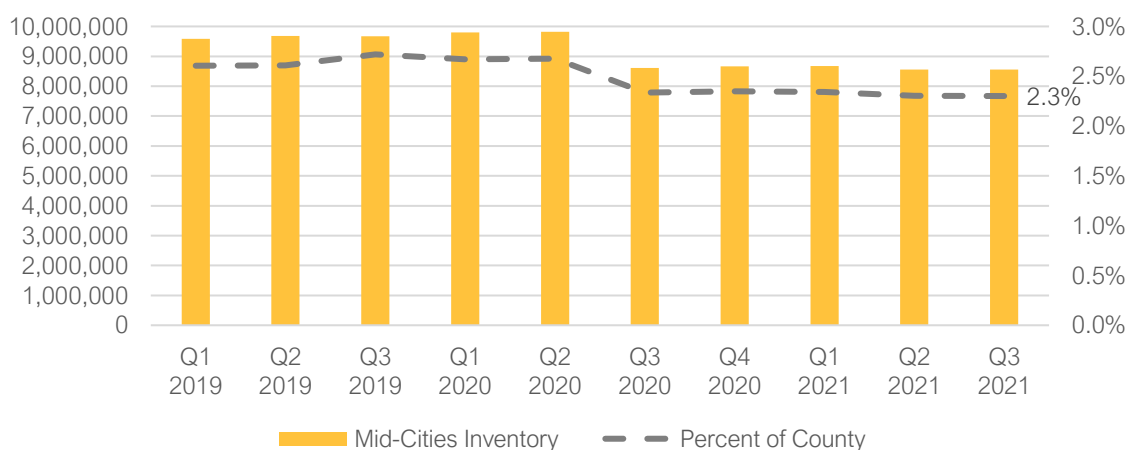
## 5.2 Office

Market potentials for office-related development within West Athens-Westmont will be a function of the particular attributes of the available land, adjacent land uses, and the regional economy and office market. Although the Los Angeles office market is comprised of many submarkets, each with potentially a distinct tenant profile, office space is typically highly substitutable, such that the potentials in any given market are determined by the strength of the regional office market. Thus, development activity, absorption, vacancy rates, and change in rental rates follow very similar patterns in most of the Los Angeles submarkets.

### FUNDAMENTALS

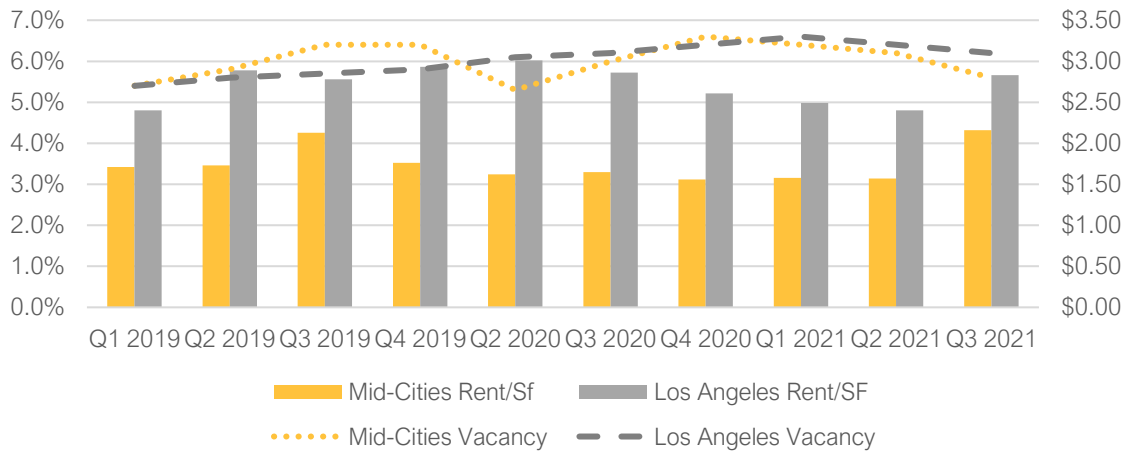
The Mid-Cities office market has 8.6 million square feet of office space, which has decreased by approximately one million square feet since Quarter 1 of 2019. Historically, the submarket has represented approximately 2.3 percent of the total County office market (Figure 5-7). The office vacancy rates have been slightly lower than the larger County area over recent years (Figure 5-8). However, other submarkets have delivered high quality Class A space that often has a high vacancy rate because it is in the process of being leased. As reflected in the average asking rent, the Mid-Cities area has lagged behind the average asking monthly rent largely due to its older office developments, most of which were delivered decades ago.

Figure 5-7: Regional Office Trends (2019 – 2021)



Source: CoStar

Figure 5-8: Regional Office Inventory (2019 - 2021)



Source: CoStar

### LOCAL MARKET CONDITIONS

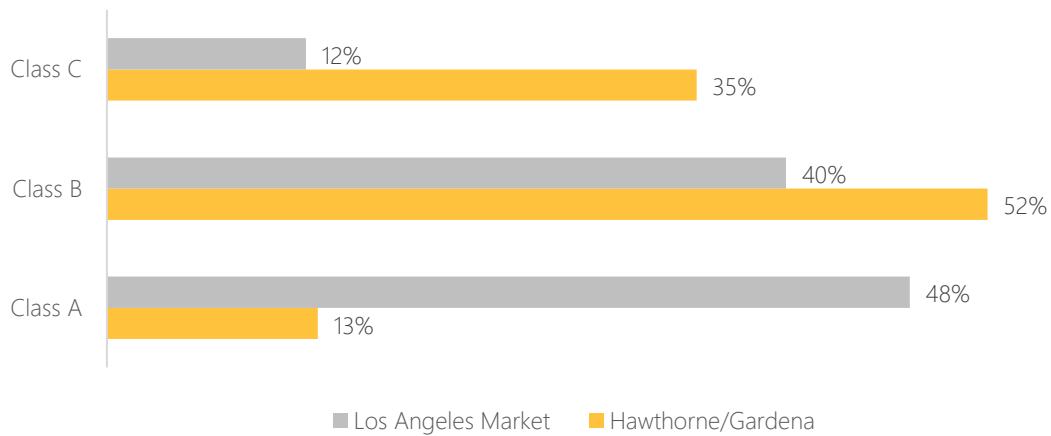
The Mid-Cities submarket has a significantly higher percent of Class C office space and relatively few Class A office developments. Once again, the County Assessor data was used to better understand the contemporary amount of commercial office development in the community.

Examples of office development include:

- Office Buildings; and
- Professional Building.

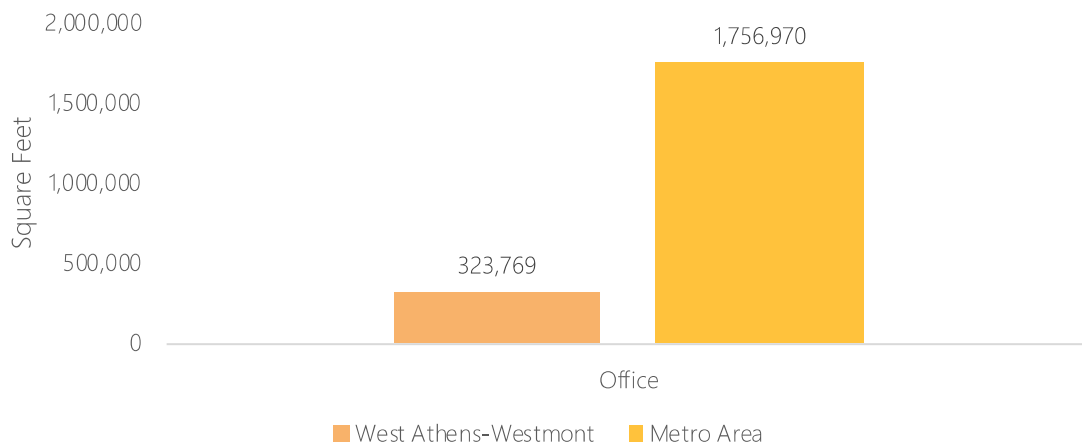
In total, there is an estimated 324,000 square feet of commercial office space, as defined above, which is 18.4 percent of the Metro Area’s 1.8 million square feet of commercial office development.

Figure 5-9: Office Inventory Comparison by Asset Class



Source: CoStar

Figure 5-10: Community and MAP Office Inventory (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant office developments known to be under construction.



## 5.3 Retail

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The retail sector occupies a prominent place in the economy because such a large portion of the United States' economic activity depends on consumer spending. The sales of retail goods and services generate a large number of jobs that provide employment for individuals across a wide range of skill and income levels. Retail real estate markets are more subject to obsolescence and more locally based than either commercial office or industrial markets.

### FUNDAMENTALS

Although historical data is incomplete for West Athens-Westmont, it is likely that the retail market parallels that of the Greater Mid-Cities market area with annual rents around \$37.50/\$42.50 NNN/year/square foot. Asking rents are above the County area due to portions of the submarket that fall within the South Bay Los Angeles cities. Vacancies, on the other hand, have remained low with a rate consistent with the larger County trend. In total, there is an estimated 12 million square feet of shopping center<sup>10</sup> space in the Mid-Cities submarket, which is about 9 percent of the total County inventory.

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<sup>10</sup> Shopping centers consist of the following:

General Retail: Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don't meet any of the more detailed use descriptions.

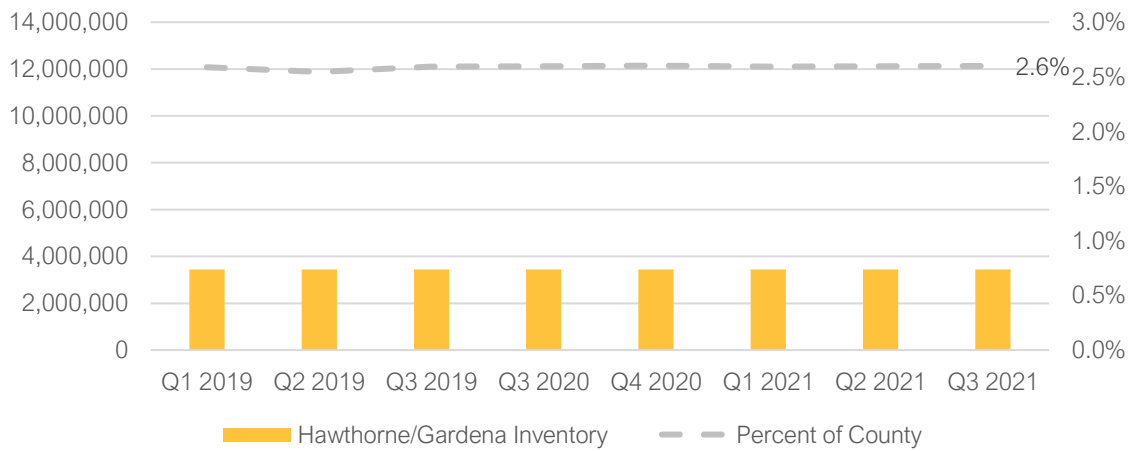
Mall: Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store, with a minimum GLA of 100,000 square feet, as the major drawing power.

Power Center: Typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants 250,000–600,000 square feet.

Shopping Center: The combined retail center types of Community Center, Neighborhood Center and Strip Center, which have a range of 50,000 – 350,000 square feet with limited anchors.

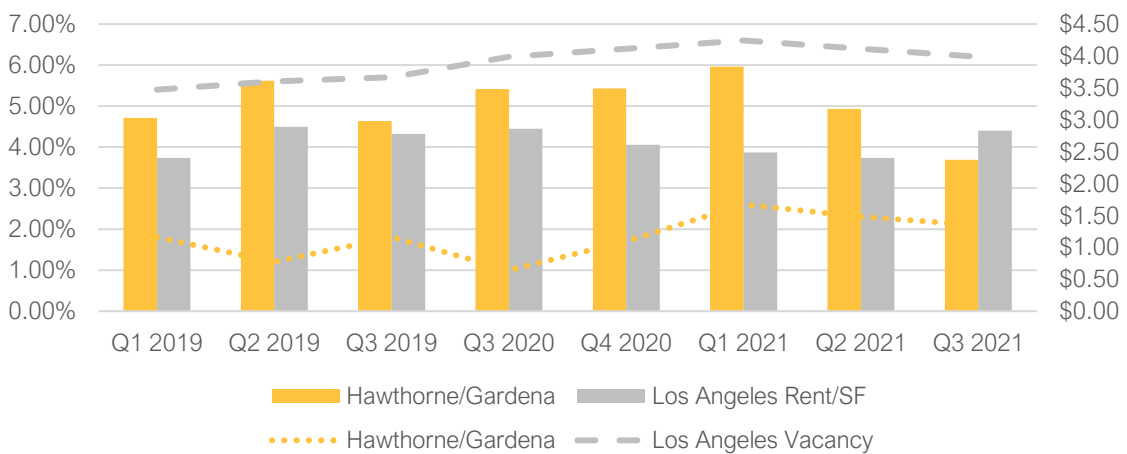
Specialty Center: The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center; which have a special market orientation and are unique in the market area.

Figure 5-11: Regional Retail Inventory (2019 - 2021)



Source: CoStar

Figure 5-12: Regional Retail Trends (2019 – 2021)



Source: CoStar

## LOCAL MARKET CONDITIONS

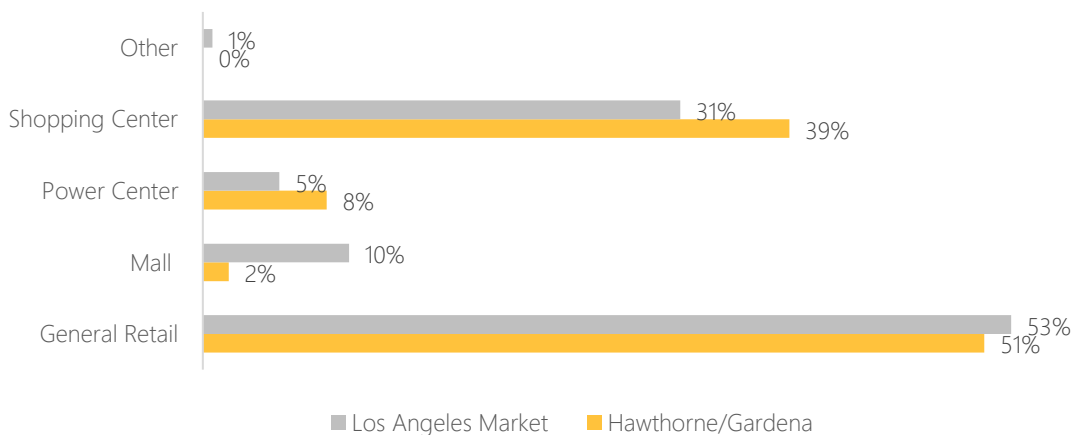
While the Mid-Cities submarket has a relatively consistent share of retail space by major retail development type, the local inventory in West Athens-Westmont is dominated by non-shopping center oriented development. The County Assessor data was used to better understand the contemporary amount of commercial retail development in the community. Specifically, the amount of retail that would provide goods to community residents.

Examples of these types of retailers include:

- Restaurants/Non-grocery Food and Beverage;
- Supermarkets/Grocery;
- General Stores;
- Shopping Centers; and
- Department Stores.

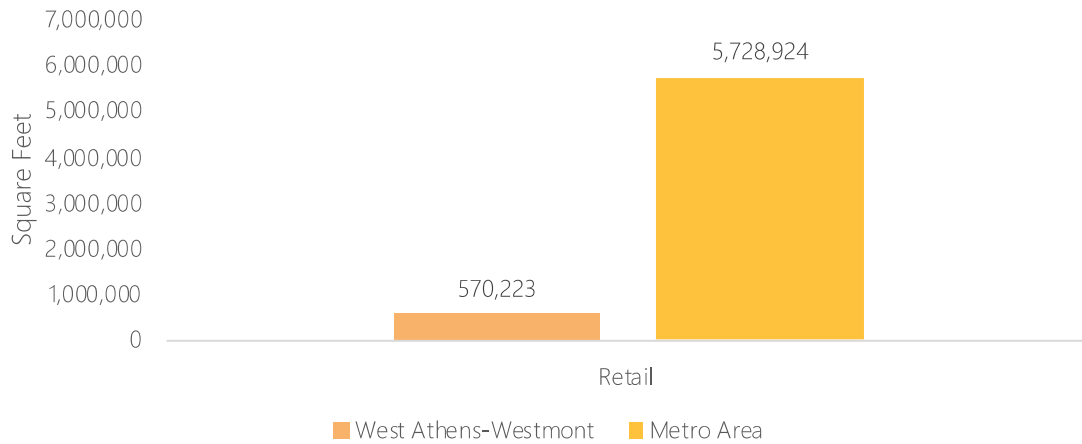
In total, there is an estimated 570,000 square feet of commercial retail space, as defined above, which is 10 percent of the Metro Area’s 5.7 million square feet of commercial retail development.

Figure 5-13: Retail Inventory Comparison by Asset Class



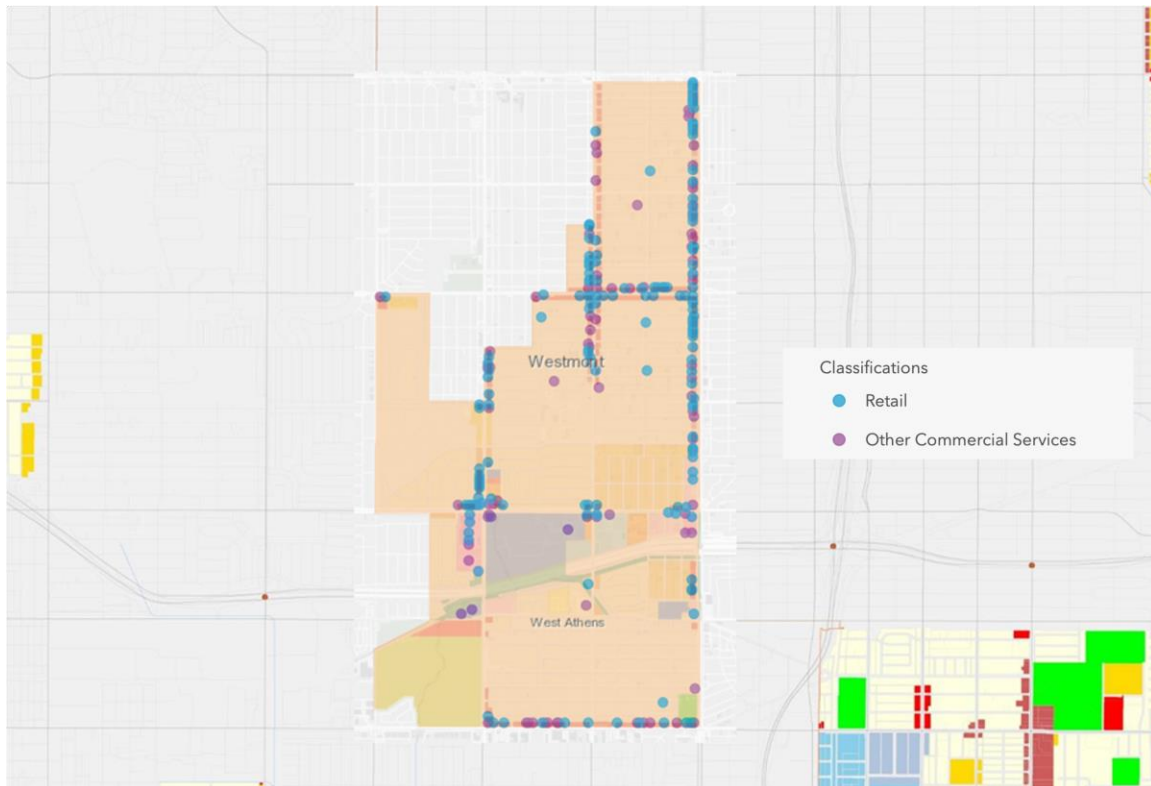
Source: CoStar

Figure 5-14: Community and Metro Area Retail Inventory (2020)



Source: Los Angeles County Assessor

Figure 5-15: Community Retail Inventory Map (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant retail developments known to be under construction.

## 6 Long-Term Land Use Demand

The following section provides long-term land use demand projections for the community. Given that specific sites and development opportunities will generate various levels of demand, the following is intended to give broad parameters regarding the potential level of new development in the city. From this, development and land use opportunities can be evaluated to determine the required level of site capture (e.g. market demand) and if it is reasonable to plan for within the next 15 years.

### 6.1 Residential

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MAP residential projections are based on household estimates from ESRI and SCAG. The low range is based on historic growth (0.8 percent CAGR), the target growth is based on projected growth for all unincorporated areas in the County (1.2 percent CAGR), while the high growth reflects the adjusted SCAG projections using 2021 ESRI data. For planning purposes, a growth scenario between the target and high-range projection appears warranted unless the County desires creating higher density mixed-use residential development at key development opportunities adjacent to transit, as available in some MAP communities.

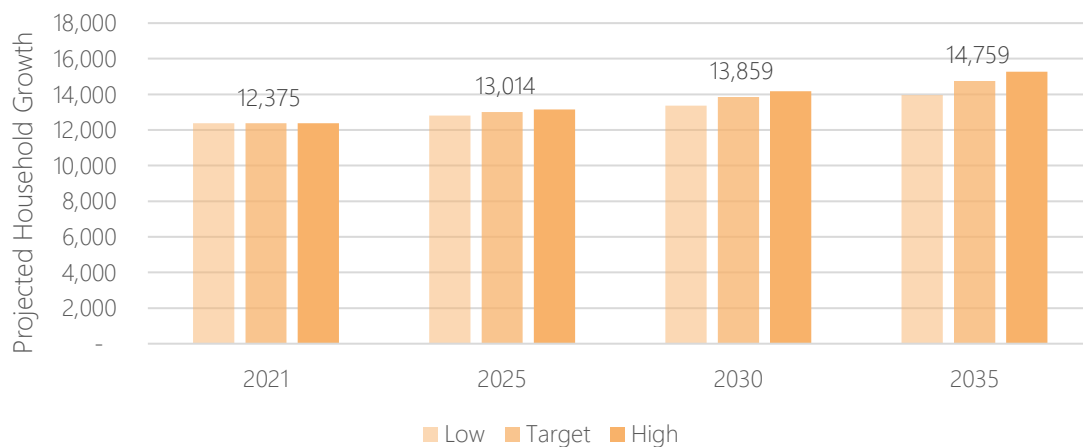
The total demand for new households was then further adjusted to account for a likely distribution of market rate and affordable housing units. In general, it is assumed 30 percent of the units are market while 70 percent are affordable throughout the Metro Area.

Table 6-1: Housing Demand by Time Period (2021 - 2035)

	2021-2025	2025-2030	2030-2035	2021-2035
<b>West Athens-Westmont (Multi-Family Units)</b>				
Market Rate	164	217	231	611
Affordable	475	628	669	1,773
Total	639	845	899	2,384
<b>Metro Area (Multi-Family Units)</b>				
Market Rate	1,055	1,393	1,480	3,928
Affordable	2,670	3,525	3,746	9,941
Total	3,725	4,918	5,226	13,869
<b>West Athens-Westmont/Metro Area (Percent of Total)</b>				
Market Rate	15.5%	15.6%	15.6%	15.6%
Affordable	17.8%	17.8%	17.9%	17.8%
Total	17.2%	22.7%	24.1%	17.2%

Source: Pro Forma Advisors

Figure 6-1: Housing Demand Scenarios – Occupied Housing Units (2021 – 2035)



Source: Pro Forma Advisors

## 6.2 Office

The demand for office space in the County and Metro Area will be based on demand created by new jobs in industries that require office space. Given the recent flexibility in an employee’s ability to work “remotely” the future demand for office space is somewhat speculative given that the required amount of space, in square feet, could change dramatically if people continue to work from home. Leading up to the global pandemic, office serving jobs have occupied less and less space on a per employee basis.

As noted in the office market analysis, there is relatively little office serving space in the Metro Area. The demand analysis uses California Employment Development Department 10-year projections by industry to estimate Countywide demand for industries that utilize office space. The total office space demand was then adjusted for office development under construction and structural vacancy. In total, it is estimated that 2.4 million square feet of office will be developed in the County per year and the Metro Area could capture its “fair share” or current allocation of office space, which is less than 0.5 percent of the Countywide total.

For general planning purposes, a range was provided based on a higher target and high range based on a more aggressive capture assumption. Given the total demand, limited traditional office development is possible in the community within the planning horizon.

Table 6-2: Office Demand (2021 - 2035)

	2021 - 2035 (Square Feet)		
	Low	Target	High
West Athens-Westmont	27,900	34,900	41,900
Metro Area	147,600	184,500	221,400
Los Angeles County Market	2,160,000	2,400,000	2,640,000

Source: Pro Forma Advisors

## 6.3 Retail

---

The retail demand model is based on a combination of existing spending assumed to be “leaking” outside the community as well as an assumed future capture of new resident spending. To estimate the retail surplus/leakage, potential sales (demand) from West Athens-Westmont’s residents and employees were estimated using the gross disposable income and typical worker spending, while taxable sales (supply) were estimated using information from ESRI business analyst. Finally, an adjustment of sales to supportable square feet was made, based on an estimate of sales productivity levels that could support new higher quality development.

New resident spending was determined using an average household income of \$100,000 for market rate units and \$60,000 for affordable units (2021 dollars). The spending was adjusted to reflect a household spend per capita based on County pro rata retail sales adjusted by income.<sup>11</sup> A further assumption was made that assumed the community could capture 30 percent of new retail sales, which reflects typical spending for local serving retail development.

A low retail demand estimate reflects the total recapture of lost sales and a high retail demand estimates reflects the recapture of lost sales plus demand from new households. In total, West Athens-Westmont has a moderate amount of retail demand over the next 15-years.

---

<sup>11</sup> Review of the Bureau of Labor Statistics’ Consumer Expenditure Study as well as the Board of Equalization Sales and Use tax reports.



Table 6-2: Retail Demand (2021 - 2035)

	Commercial Retail Recapture Estimate (2021)	New Retail De- mand from Household Growth	Total Commercial Re- tail Demand	Low	High
West Athens-Westmont (Square Feet)					
Retail Trade	48,900	48,450	97,350	48,900	97,350
Food and Drink	5,100	8,550	13,650	5,100	13,650
Total	54,000	57,000	111,000	54,000	111,000
Metro Area (Square Feet)					
Retail Trade	158,100	281,350	439,450	158,100	439,450
Food and Drink	10,500	49,650	60,150	10,500	60,150
Total	168,600	331,000	499,600	168,600	499,600
West Athens-Westmont/Metro Area(Percent of Total)					
Retail Trade	30.9%	17.2%	22.2%	30.9%	22.2%
Food and Drink	48.6%	17.2%	22.7%	48.6%	22.7%
Total	32.0%	17.2%	22.2%	32.0%	22.2%

Source: Pro Forma Advisors

## 6.4 Key Takeaways

The following includes a bullet point summary of key takeaways from the section:

- Multi-family housing development should be encouraged at market and affordable levels within the community. Given the Vermont/Athens Station asset, additional consideration could be given for higher density development oriented around transit.
- Retail demand is moderate. Careful consideration should be given to community serving neighbor retail shopping center development.
- Office demand is sufficient to plan for a limited amount of new development.

## 7 Appendix

### 7.1 Sources

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Listed in report order:

[Los Angeles County Assessor](#)

[ESRI Business Analyst](#)

[METRO](#)

[US Census](#)

[California Employment Development Department](#)

[California Department of Finance](#)

[US Census \(OnTheMap\)](#)

[Los Angeles County \(Building Permit Data\)](#)

[Zillow](#)

[CoStar](#)

## 7.2 Demographic Data (ESRI)

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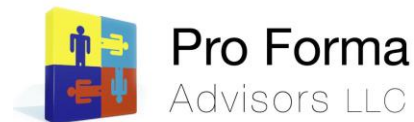
LOS ANGELES COUNTY

EXISTING CONDITIONS REPORT:  
West Rancho Dominguez-Victoria

Socioeconomic Review and Market Assessment

December 2021

Prepared by



and

**DUDEK**



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# 1 Existing Conditions Introduction and Overview

## 1.1 Project Overview

---

Los Angeles County (County) is currently preparing the Metro Area Plan (Area Plan), which is one of 11 planning areas in the County. The Planning Area framework was adopted via the County's 2015 General Plan Update to effectively plan and regulate development in unincorporated areas across the nation's most populous County. There are seven unincorporated communities within the Metro Area Plan – West Athens - Westmont, West Rancho Dominguez – Victoria, Willowbrook, East Rancho Dominguez, Walnut Park, Florence-Firestone, and East Los Angeles. The Area Plan provides a once-in-a-generation opportunity for community members to share their vision for the area's future and provide input on the community's long-term goals and development opportunities.

## 1.1 Purpose of the Existing Conditions Report

---

This Existing Conditions Report represents the first major step in the process of creating the Area Plan. This report provides spatial information on existing conditions in the Metro Planning Area (Metro Area)<sup>1</sup> and its surrounding areas as well as an analysis of growth prospects and land demand. The Existing Conditions Report is used as a basis for:

- Facilitating community input on planning issues and visions during community workshops;
- Preparing alternative land use planning scenarios; and
- Formulating policies and implementation actions for the General Plan.

The focus is on resources, trends, and critical concerns to frame decision-making for the long-term physical development of the community. This report analyzes socio-economic and real estate market dynamics in West Rancho Dominguez-Victoria (Existing Conditions Report).

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<sup>1</sup> This report only presents information for unincorporated areas.

## 2 Summary

### 2.1 Introduction

---

This report summarizes the socioeconomic and real estate market conditions and trends that will shape medium-<sup>2</sup> to long-term<sup>3</sup> growth opportunities in West Rancho Dominguez-Victoria and the greater Metro Area. The primary purpose of this socioeconomic review and market assessment is to inform, for planning purposes, the area's overall land use policy with respect to the type of development and land uses that could be effectively targeted during the planning horizon.

It is important to note that in the context of long-term planning, short-term market cycles have less relevance given a planning horizon stretching to 2035.<sup>4</sup> The conclusions discussed throughout this report are based on long-term data projections and an understanding of economic and market dynamics affecting the community and region. This report has been prepared for the County by Pro Forma Advisors as a sub-consultant to Dudek in support of the County's General Plan MAP update process.

### 2.2 Summary of Findings

---

The following key findings are provided to give a sense of future land use demand as well a review of key issues impacting future development in the city. These issues are explored from the socioeconomic and market perspective.

#### SOCIOECONOMIC FACTORS INFLUENCING DEVELOPMENT

Based on a review of historic and projected socioeconomic trends for the community, the following provides a summary of key issues to consider for future land use planning from a socioeconomic perspective.

---

<sup>2</sup> Five to 10 years.

<sup>3</sup> Over 10 years.

<sup>4</sup> This would include the short-term impacts of COVID-19.

## Growth

West Rancho Dominguez-Victoria is one of four communities within the Metro Area that have experienced population and housing growth at a rate below the region average. Given the community is largely built out, the number of new housing units delivered since 2000 has also been well below the Metro Area and County.

## Ethnic Composition

West Rancho Dominguez-Victoria has a diverse population with approximately 50 percent of its population identifying as Black. Less than 50 percent identify as being Hispanic and Latino/a compared with 84 percent in the larger Metro Area. While existing demographics do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities, and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the projected ethnic composition of the area's population might impact future land use decisions.

## Employment Base

West Rancho Dominguez-Victoria has experienced flat in-place employment since 2002, with a rate slower than the Metro Area and County. The area has the second highest employment base in the Metro Area. The majority of community jobs that have been lost since 2002 are in industries that support "Industrial" serving employment. There is a strong base of employment in many core industries. However, overall, the less educated in-place employees and residents tend to have jobs that pay less than the County. However, the significant base of industrial jobs appears to provide more middle-income wages than other areas within the Metro Area.

### Long-Term Land Use Demand

The following provides context regarding future development potential, given the anticipated market demand for various land uses as discovered in the market analysis. As shown below, an order-of-magnitude demand estimate for residential, retail, office land uses have been made for West Rancho Dominguez-Victoria through 2035.

This represents the target range of development that could be attracted over the Area Plan horizon. Based on the economic development goals of the County, a more aggressive capture of demand could be warranted. As such, these estimates should be considered preliminary for planning purposes.

Table 2-1: Demand Analysis Summary (2021 – 2035)

	Target (Rounded)
Housing (Units)	1,000
Market Rate	300
Affordable	600
Retail (Square Feet)	24,000
Office (Square Feet)	9,100

Source: Pro Forma Advisors

## 3 Geography and Land Use Overview

The following section presents a brief overview of West Rancho Dominguez-Victoria in relation to other geographical areas referred to within this report. It also summarizes existing land uses. A community's core assets such as open space, proximity to regional freeways, and reputation within the region are important attributes that impact future development and shape long-term land use planning.

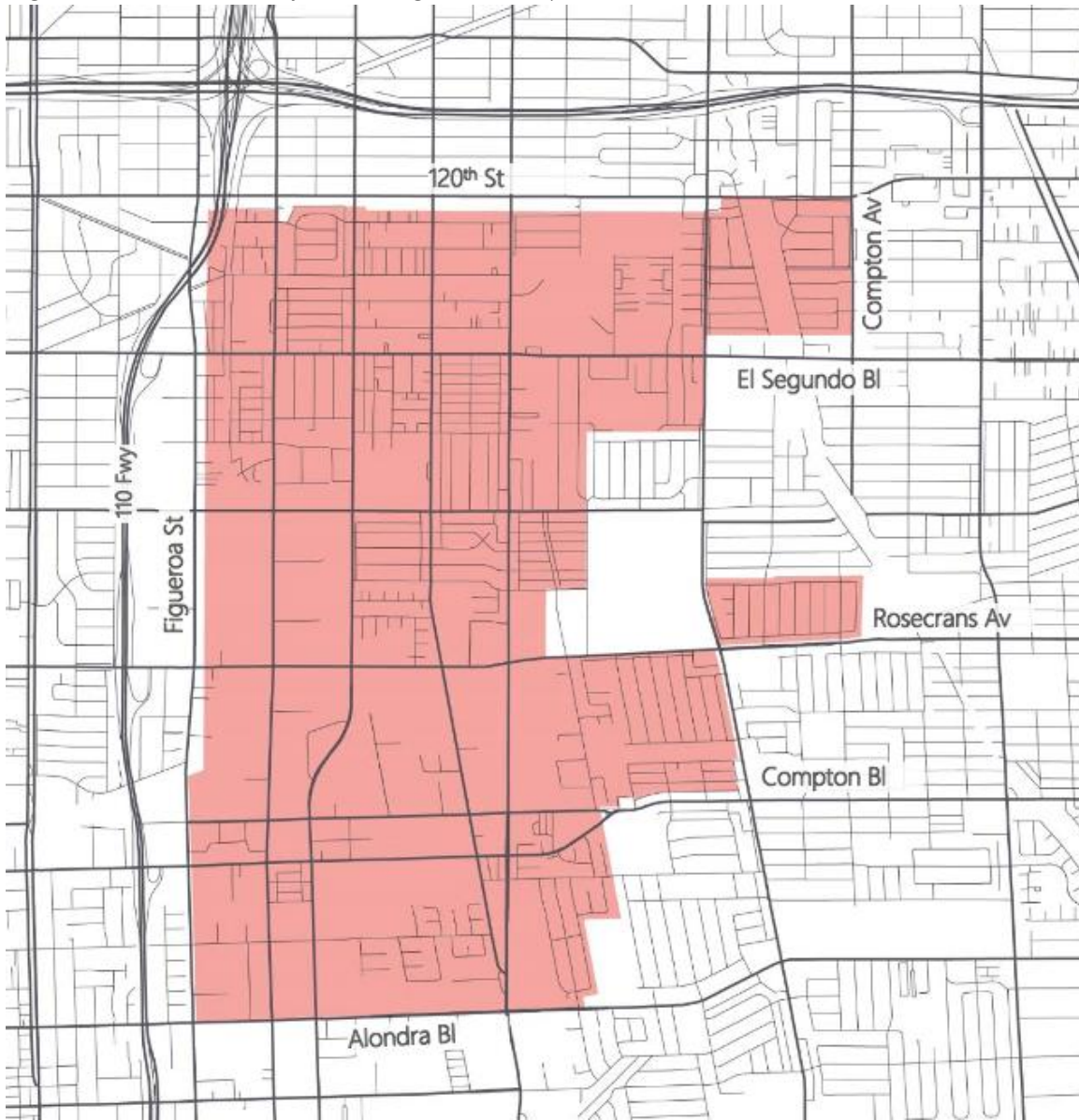
### 3.1 Location Overview

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Located near the center of the County, West Rancho Dominguez-Victoria is approximately 3.89 square miles in size. West Rancho Dominguez-Victoria is an unincorporated community and also a census designated place. For the purpose of this analysis, the area is generally bounded by 120<sup>th</sup> Street to the North, Figueroa Street to the West, and Alondra Boulevard to the South. A key locational asset is the Earvin "Magic" Johnson park.

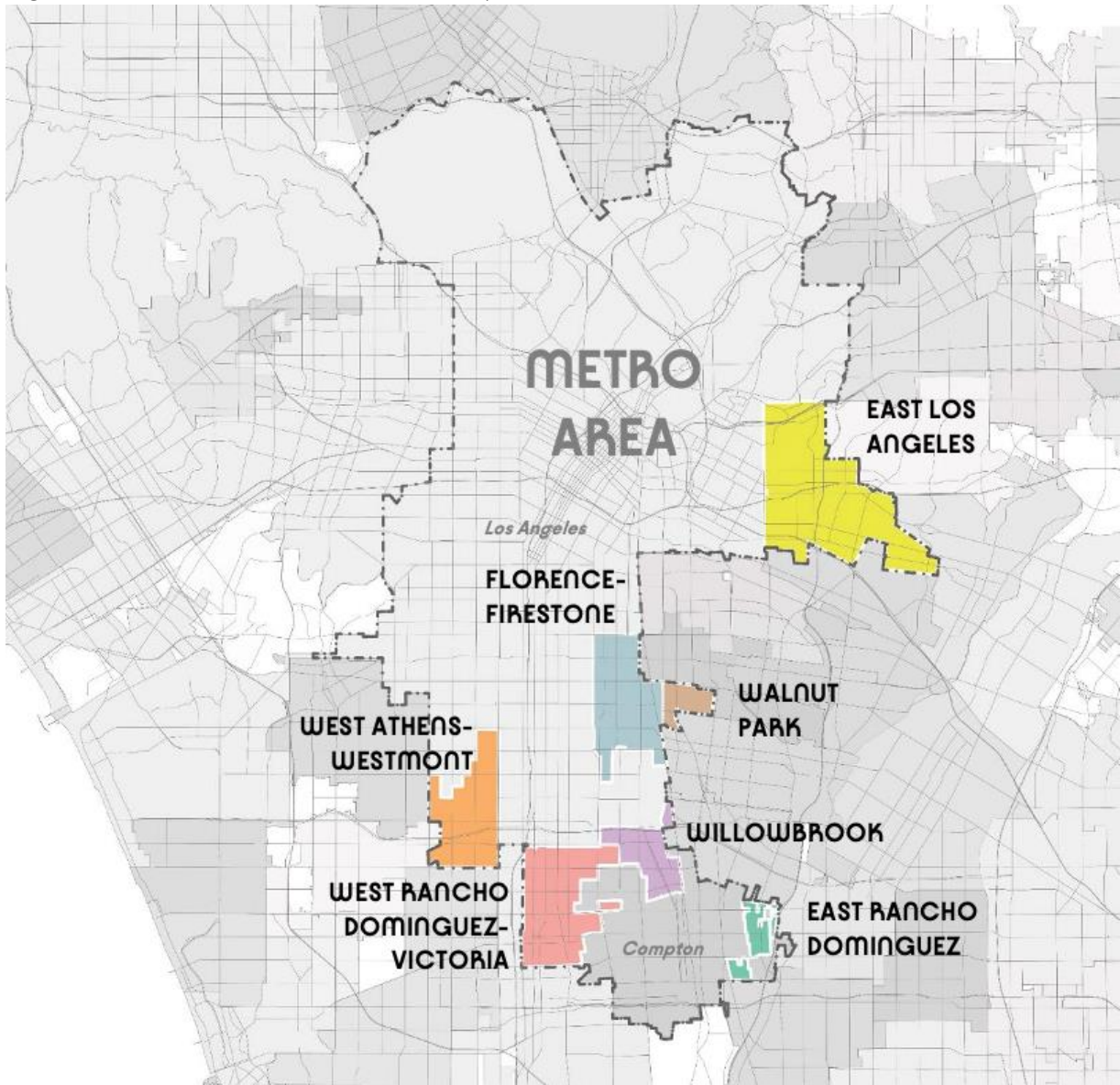
West Rancho Dominguez-Victoria is one of seven communities within the larger Metro Area. It represents approximately 18 percent of the total Area Plan land area.

Figure 3-1: Community Planning Area Map



Source: Dudek

Figure 3-2: Metro Area Plan Area Map



Source: Dudek



### 3.2 Current Land Use

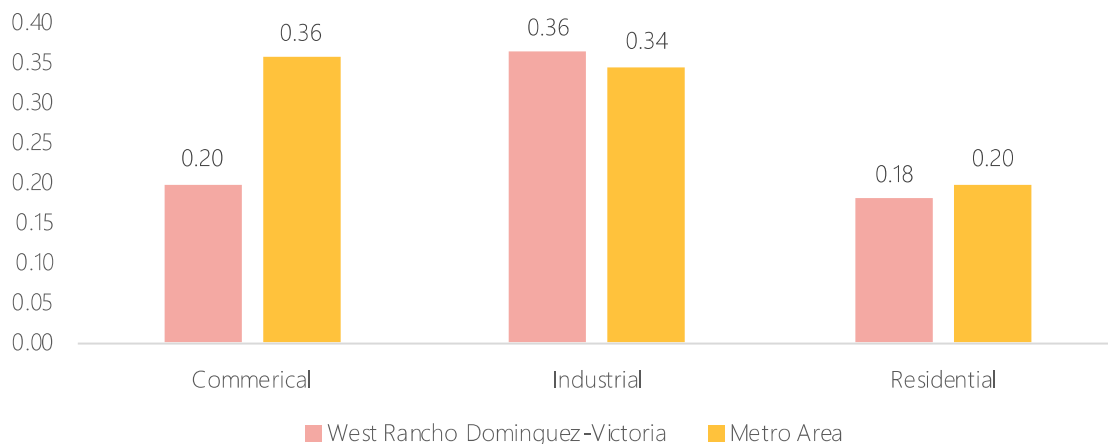
Excluding roads and other infrastructure, West Rancho Dominguez-Victoria has 3.36 square miles of publicly and privately held land. Residential land uses make up the majority of land in the community area, representing 44.2 percent of the total land and 33.4 percent of the built space. Commercial uses (inclusive of both retail and of-fice) represent about 4.0 percent of the total land and 4.8 percent of the built space due to the highest floor area ratio (FAR) among any of the land uses. The remaining land is comprised of industrial development, which unlike other areas in the Metro Area represent 60 percent of the built space and 40 percent of the land area, and other land uses (including government, institutional, etc.).

As it relates to the larger Metro Area, West Rancho Dominguez-Victoria represents:

- 7.6 percent of the of the commercial development;
- 70.7 percent of the industrial development; and
- 12.6 percent of the residential development.

The distribution of land use has a fairly consistent relationship to the Metro Area with higher than normal residential and other land use development and much lower proportional amount of industrial development and land.

Figure 3-3: FAR Comparison by Land Use



Source: Los Angeles County Assessor

Table 3-1: Land Use (2020)

	West Rancho Dominguez-Victoria		Metro Area		West Rancho/Metro Area	
	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)
Total						
Commercial	881,655	0.16	11,645,057	1.17	7.6%	13.6%
Industrial	13,524,299	1.34	19,139,479	2.00	70.7%	67.2%
Residential	7,440,557	1.48	59,273,588	10.77	12.6%	13.8%
Other	460,553	0.38	3,256,980	2.88	14.1%	13.0%
Total	22,307,064	3.36	93,315,104	16.82	23.9%	20.0%
Percent of Total/Index						
Commercial	4.0%	4.8%	12.5%	7.0%	31.7	68.1
Industrial	60.6%	39.9%	20.5%	11.9%	295.6	336.3
Residential	33.4%	44.2%	63.5%	64.0%	52.5	69.0
Other	2.1%	11.2%	3.5%	17.1%	59.2	65.3

Source: Los Angeles County Assessor

### 3.3 Transportation Access

From a regional perspective, West Rancho Dominguez-Victoria is easily accessible from Interstate 105 and 110. Given its central location within the larger Los Angeles Metropolitan Statistical Area it is estimated that there are over 10 million people living within a 30-mile radius, which includes major job centers. The West Rancho Dominguez-Victoria is also within a relatively short distance from Los Angeles International airport (LAX) as well as two shipping ports (Port of Los Angeles and Long Beach).

Figure 3-4: Regional Transportation Map



Source: ESRI Business Analyst; METRO, Pro Forma Advisors

### 3.4 Key Takeaways

---

The following includes a bullet point summary of key takeaways from the section:

- Land use patterns are dominated by industrial development;
- West Rancho Dominguez-Victoria is centrally located and is located approximately 13 miles south of Downtown; and
- The community benefits from excellent regional freeway access.

## 4 Socioeconomic Analysis

The future market demand for different land uses in West Rancho Dominguez-Victoria will be influenced by regional economic forces and market trends. This section analyzes the historic and projected socioeconomic trends for West Rancho Dominguez-Victoria, the Metro Area, and County that most influence land use potentials for future development. The following section provides summary level information on key population, household age, race and ethnic, and educational attainment trends that may affect future land use planning.<sup>5</sup>

### 4.1 Demographic Trends

---

The following section provides summary level information on key population and household, age, ethnicity, and educational trends that may affect future land use planning in the community.

#### POPULATION AND HOUSEHOLDS

Between the 2000 Census and the 2010, West Rancho Dominguez-Victoria gained approximately 120 residents. Since 2000, West Rancho Dominguez-Victoria's overall population growth has grown slightly slower than the Metro Area and slower than the County. Growth has been limited due to the fact that the area is largely built out and there are limited current opportunities for housing development.

Focusing on more recent population trends, ESRI Business Analysis estimates that the area's population will be flat over the next five years. Average household size is anticipated to stay high, with an average household size of 3.6. This household size is significantly higher than the County average (3.0).

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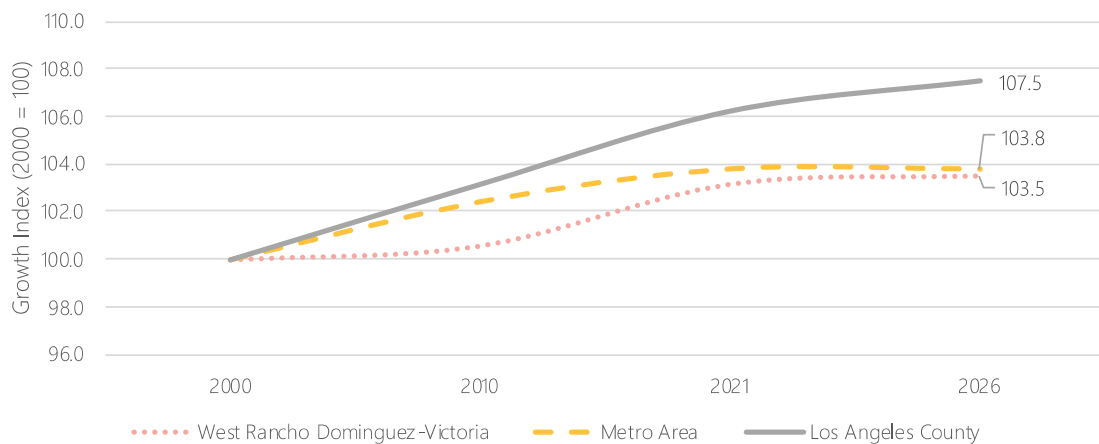
<sup>5</sup> Some of the socioeconomic data used in this analysis is provided by ESRI Business Analyst (ESRI). ESRI's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts throughout the United States. The ESRI data was utilized for two main reasons: (1) The 2020 Census data was not available at the time the market data was gathered and (2) two of the neighborhoods' geographies (Willowbrook and West Athens-Westmont) did not match to their respective Census-designated place geographies. For these reasons, the ESRI 2021/2026 socioeconomic data was utilized to ensure consistent comparisons among all the areas analyzed herein.

Table 4-1: Population and Household Trends

	2000	2010	2021(e)	2026(e)
<b>Population</b>				
West Rancho Dominguez	21,566	21,689	22,243	22,317
Metro Area Region	299,561	306,772	310,857	310,826
Los Angeles County	9,519,135	9,818,605	10,108,711	10,229,558
<b>Households</b>				
West Rancho Dominguez	6,058	5,974	6,081	6,077
Metro Area Region	72,637	74,630	75,285	75,023
Los Angeles County	3,133,720	3,241,204	3,328,361	3,366,546
<b>Household Size</b>				
West Rancho Dominguez	3.5	3.6	3.6	3.6
Metro Area Region	4.1	4.1	4.1	4.1
Los Angeles County	3.0	3.0	3.0	3.0

Source: ESRI Business Analyst

Figure 4-1: Population Growth Index



Source: ESRI Business Analyst

## AGE

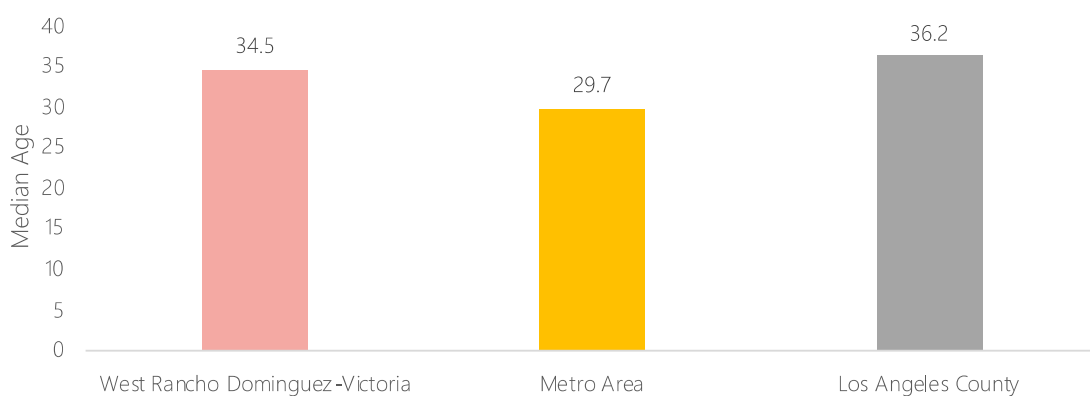
West Rancho Dominguez-Victoria’s median age is 34.5, which is older than the Metro Area’s median age (29.7) and slightly younger than the County’s median age (36.2). By analyzing age cohorts, the area has an underrepresentation of age groups over 35 years. Conversely, there is a slight overrepresentation of the age cohort under 25 years old, whose shares are slightly higher than County. Otherwise, the community mostly aligns to the County’s age distribution.

Table 4-2: Age Distribution by Geography (2021)

	West Rancho Dominguez-Victoria	Metro Area	Los Angeles County	West Rancho Dominguez-Victoria/Metro Area	West Rancho Dominguez-Victoria/County
Children/Young Adults (Under 24)	34.8%	41.1%	31.9%	84.6	109.0
Young Workers (25 to 34)	15.9%	17.5%	16.3%	90.8	97.4
Family Formation (35 to 54)	23.7%	23.4%	25.9%	101.2	91.4
Empty Nesters (55 to 74)	19.7%	14.4%	19.9%	136.7	98.9
Seniors (75+)	5.9%	3.5%	5.9%	168.4	99.9

Source: ESRI Business Analyst

Figure 4-2: Median Age by Geography (2021)



Source: ESRI Business Analyst

## RACE AND ETHNICITY

West Rancho Dominguez-Victoria has a diverse population. While race and ethnic composition do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the ethnic composition of the community's population might impact future land use decisions. West Rancho Dominguez-Victoria has a higher relative share of residents identifying as "Black alone," "some other race alone," and "Hispanic Origin." The concentration of those identifying as Black is approximately 3.5 times and over six times as high as the Metro Area and the County, respectively. Unlike other areas in the Metro Area that predominately identify as Latino/a, the community's Hispanic and Latino/a population reflects the larger County norms. This is also reflected in the fact that there is a relatively even split of speaking English or Spanish at home.

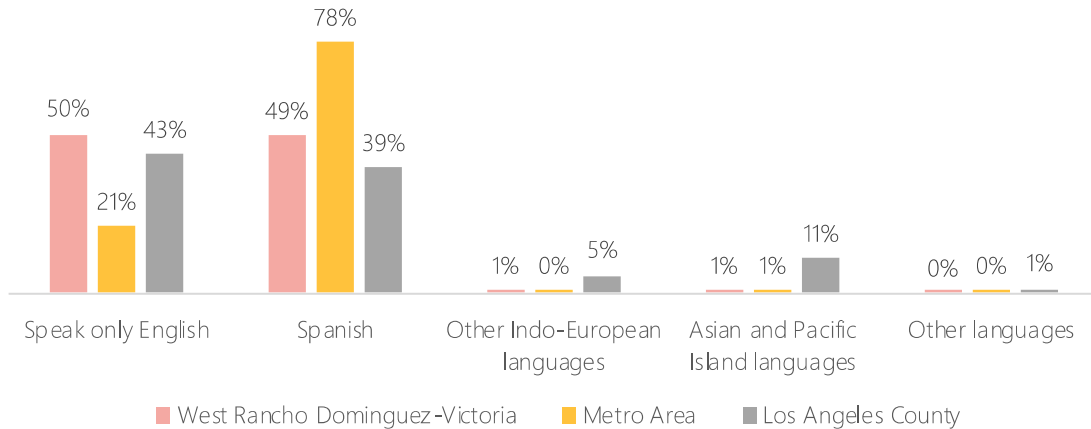
Table 4-3: Population by Race/Ethnicity (2021)

	West Rancho Dominguez- Victoria	Metro Area	Los Angeles County	West Rancho Dominguez- Victoria/ Metro Area	West Rancho Dominguez- Victoria/ County
White Alone	15.8%	38.6%	48.5%	40.9	32.6
Black Alone	49.4%	14.3%	8.2%	345.5	602.4
American Indian Alone	0.6%	0.9%	0.7%	66.7	85.7
Asian Alone	0.5%	0.7%	15.1%	71.4	3.3
Pacific Islander Alone	0.1%	0.1%	0.3%	100.0	33.3
Some Other Race Alone	30.5%	42.0%	22.4%	72.6	136.2
Two or More Races	3.2%	3.4%	4.9%	94.1	65.3
Hispanic Origin	48.3%	83.8%	48.9%	57.6	98.8

Source: ESRI Business Analyst



Figure 4-3: Language Spoken at Home (2019)



Source: US Census

## EDUCATION

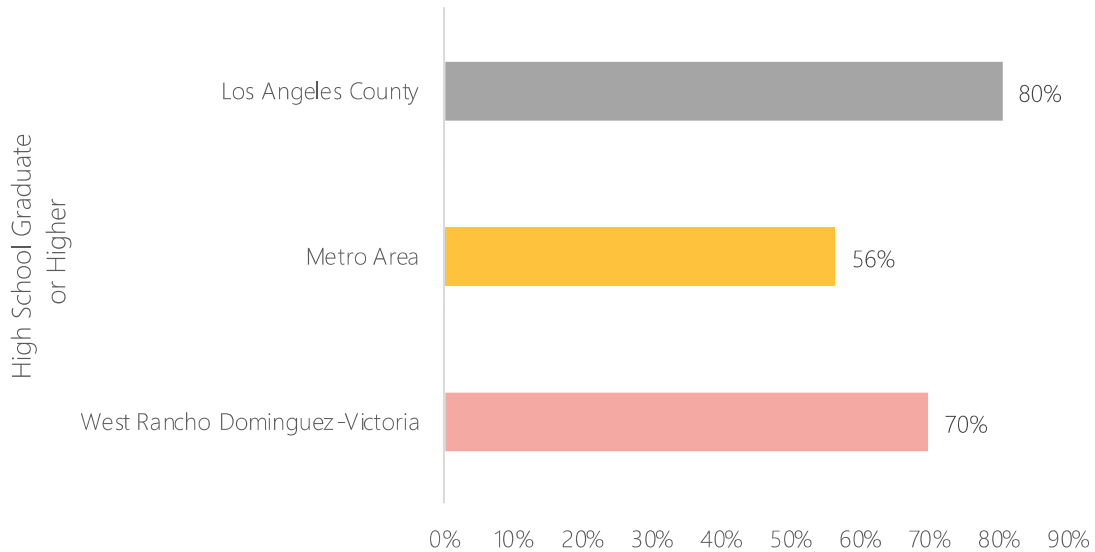
Levels of educational attainment are lower in both West Rancho Dominguez-Victoria and the Metro Area, in comparison to the larger County area. For the population 25 and older, 30 percent of the residents report a “less than high school education,” which is 1.5 times as high as the County. Similarly, there is an underrepresentation of community residents with “some college, associate degree” or a “bachelor’s degree or higher. If examining the percent of residents with a high school graduate or higher level of education, West Rancho Dominguez-Victoria is below the Countywide educational attainment level of 80 percent but significantly higher than the Metro Area (56 percent)

Table 4-4: Population 25+ by Educational Attainment (2021)

	West Rancho Dominguez-Victoria	Metro Area	Los Angeles County	West Rancho Dominguez-Victoria/Metro Area	West Rancho Dominguez-Victoria/County
Less than High School graduate	30%	44%	20%	69.3	154.9
High School Graduate (w/ equivalency)	25%	25%	21%	98.4	121.4
Some College, Associate Degree	32%	22%	25%	146.1	126.5
Bachelor's Degree or higher	13%	9%	35%	140.7	37.1

Source: ESRI Business Analyst

Figure 4-4: Percent of Population 25+ with High School Degree (2021)



Source: ESRI Business Analyst

## 4.2 Key Demographic Takeaways

The following includes a bullet point summary of key takeaways from the section:

- West Rancho Dominguez-Victoria has had moderate population growth compared to the County, but low in absolute terms.
- The community has a high percentage of families<sup>6</sup>, with larger household sizes and a younger population.
- The area is largely comprised of people identifying as Black.
- West Rancho Dominguez-Victoria has over 1.5 times the expected share of residents with less than a high school education compared to the education attainment of the population 25 or older in the County, but education levels significantly higher than the Metro Area.

<sup>6</sup> The US Census and ESRI define a family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

### 4.3 Economic Trends

The following section provides summary level information on various aspects of employment and industry composition that will impact the demand for future commercial land in the community.

#### HOUSEHOLD INCOME

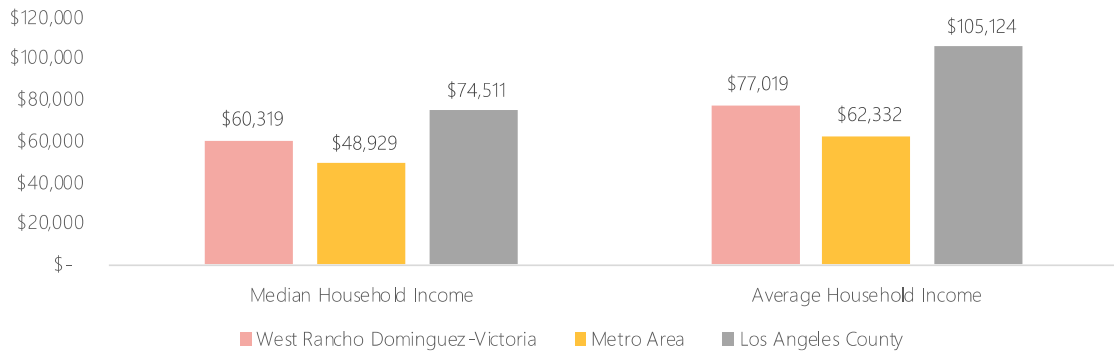
West Rancho Dominguez-Victoria's median household income is approximately \$60,300, which is significantly higher than the Metro Area (\$48,900) and lower than the County (\$74,500). The household income projections, provided by ESRI Business Analyst, suggest that the community median income should rise at a rate consistent with the Metro Area and County over the next five years (2021 – 2026). The incomes of West Rancho Dominguez-Victoria's households tend to be more concentrated in household income cohorts between \$50,000 and \$75,000 than the County. Consistent with a lower median and average household income, there is a smaller share of household's making over \$100,000 in compared with the larger County region, but higher than the Metro Area.

Table 4-5: Household Income by Income Cohort (2021)

	West Rancho Dominguez-Victoria	Metro Area	Los Angeles County	West Rancho Dominguez-Victoria/Metro Area	West Rancho Dominguez-Victoria/County
<\$15,000	12.9%	13.7%	9.7%	94.2	133.0
\$15,000 - \$24,999	9.2%	11.3%	7.4%	81.4	124.3
\$25,000 - \$34,999	6.6%	10.8%	7.3%	61.1	90.4
\$35,000 - \$49,999	11.0%	15.1%	10.1%	72.8	108.9
\$50,000 - \$74,999	20.2%	19.1%	15.8%	105.8	127.8
\$75,000 - \$99,999	13.9%	12.2%	12.7%	113.9	109.4
\$100,000 - \$149,999	15.8%	12.2%	17.1%	129.5	92.4
\$150,000 - \$199,999	6.7%	3.6%	8.6%	186.1	77.9
\$200,000	3.8%	2.0%	11.5%	190.0	33.0

Source: ESRI Business Analyst

Figure 4-5: Median and Average Household Income (2021)



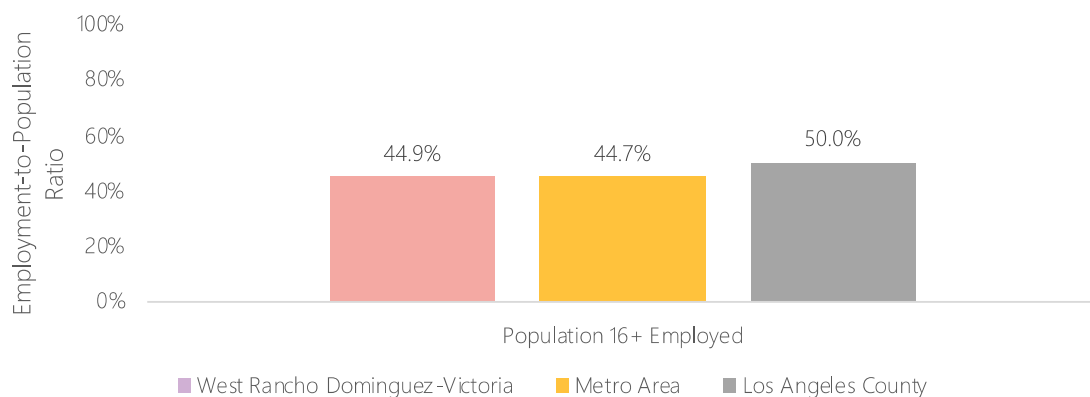
Source: ESRI Business Analyst

## EMPLOYMENT

Employment is examined in terms of unemployment rates, jobs (in-place employment), worker area profile, and industry composition. A critical barometer in evaluating demand for commercial office and industrial (workplace) real estate is employment growth. The following tables and graphs highlight relevant employment trends and forecasts. Sectoral (industry) analysis lends insight into industry growth and contraction patterns in a given geography.

There is no data available for unemployment at the community level. It is estimated that 44.9 percent of the population over 16 years of age are in the labor force, which is slightly lower than the Metro Area and approximately 6 percentage points lower than the County labor force participation.

Figure 4-7: Labor Force (2021)



Source: CA EDD, CA Department of Finance

## IN-PLACE EMPLOYMENT

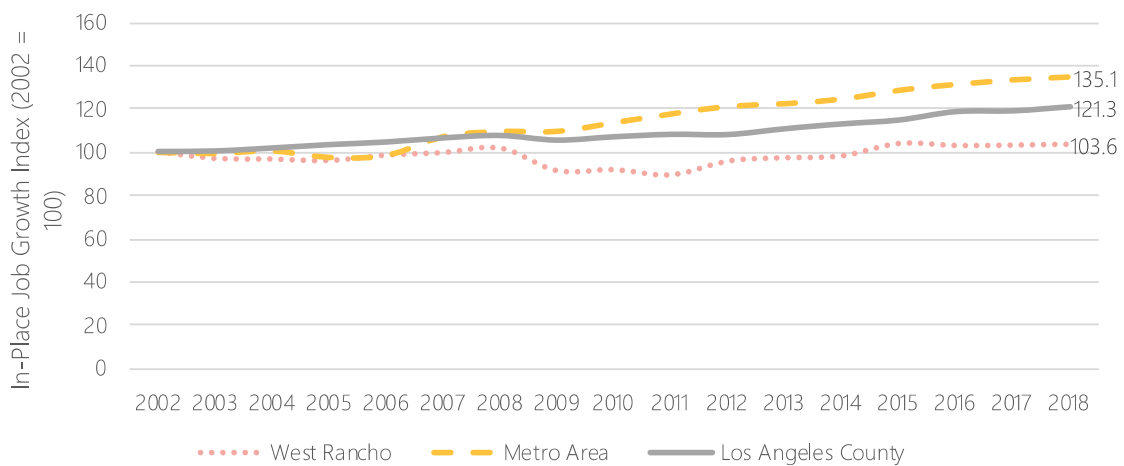
### Jobs

The previously provided information regarding income, unemployment, and the area’s labor force are based on the community’s residents. The following analysis examines jobs located in the community that may or may not be held by community residents. An evaluation of the primary “in-place” employment is important as it impacts the range of demand that can be projected for future commercial serving land uses.

Primary jobs<sup>7</sup> rose slightly from 2002 to 2018, leading up to the COVID-19 related recession. However, West Rancho Dominguez-Victoria saw relatively no in-place employment growth over the time period.

Based on the OnTheMap employment data, approximately three percent of the area’s in-place employment is from residents that both live and work in the community. Similar to other areas within the County, West Rancho Dominguez-Victoria has a high number of its residents commuting long distances to work. There were approximately 15,800 primary jobs in the community in 2018, which is the most recent year of the Quarterly Census of Employment and Wages in-place employment data available for analysis.

Figure 4-8: In-Place Employment Index (2002 - 2018)



Source: US Census (OnTheMap)

<sup>7</sup> A total job is defined as all jobs, which include all public or private sector jobs (potentially more than one job per worker). For example, if a person had two part-time jobs, then the primary job would be the highest paying job for that worker. Typically there is not significant variation in primary and total jobs except in economies with significant portions of the labor force engaged in part-time employment (e.g. tourist economies).

Table 4-6: Employment Efficiency (2018)

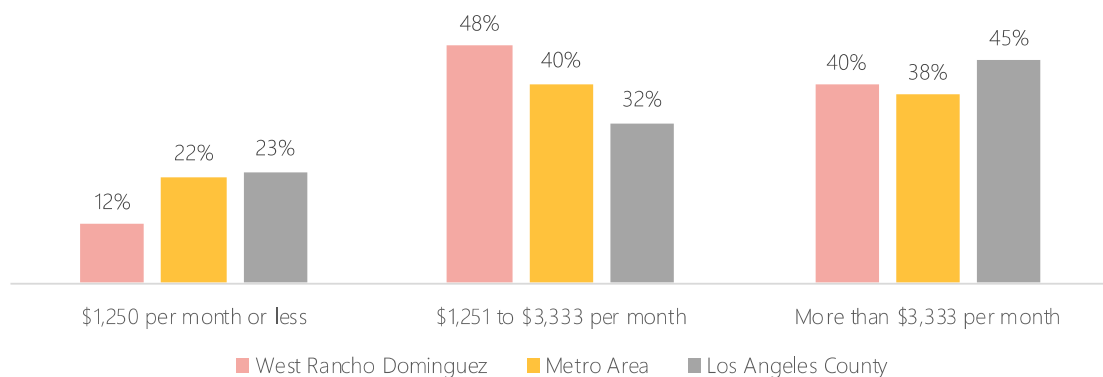
	West Ran- cho Dominguez- Victoria	Metro Area	Los Angeles County
In-Place Jobs	15,829	55,365	4,685,637
Employed and Living in the Area (Resident Workers)	3%	12%	77%
Employed and Living Outside the Area (In-Place Employees)	97%	89%	23%

Source: US Census (OnTheMap)

### Worker Area Profile

An evaluation of primary jobs in West Rancho Dominguez-Victoria reveals some noteworthy characteristics. Unlike the area's resident age distribution, the employment base does not deviate much from observed County ratios of jobs by age. As shown, the percentage of middle-income paying jobs yielding \$1,250 to \$3,333 per month or less are almost 50 percent of all jobs located in West Rancho Dominguez-Victoria. The lack of a presence of lower paying jobs in West Rancho Dominguez-Victoria is a positive indicator. Similarly, the educational attainment of in-place jobs in the area tends to be lower than County, but generally in line with the Metro Area.

Figure 4-6: In-Place Employment by Earnings (2018)



Source: US Census (OnTheMap)

Table 4-7: In-Place Employment by Educational Attainment (2018)

	West Rancho Dominguez-Victoria	Metro Area	Los Angeles County	West Rancho Dominguez-Victoria/Metro Area	West Rancho Dominguez-Victoria/Los Angeles County
Less than high school	26%	24%	16%	109.3	162.6
High school or equivalent, no college	19%	17%	16%	111.6	121.4
Some college or Associate degree	23%	22%	23%	100.9	98.6
Bachelor's degree or advanced degree	15%	18%	24%	87.5	64.9
Educational attainment not available	17%	19%	22%	88.6	78.5

Source: US Census (OnTheMap)

## Location Quotient Analysis

The location quotient (LQ) is a tool that measures the relative concentration of different industries in specific localities relative to a larger level of geography. In most cases, the LQ would compare a county to a state or national level of employment concentration. However, it is useful to get a proxy for relative employment concentration among industries within a sub-regional level geography. The calculation helps evaluate West Rancho Dominguez-Victoria's strength or weakness in a given industry, relative to the County as a whole. A concentrated (high) LQ means that a given industry is represented more than one would expect, given its total level of employment. The following describes the LQ:

- LQ > 1.0 means that an industry is more concentrated in West Rancho Dominguez-Victoria than in the County.
- LQ < 1.0 means that an industry is less concentrated in West Rancho Dominguez-Victoria than in the County.
- LQ = 1.0 means that an industry is equally concentrated in West Rancho Dominguez-Victoria as in the County.

Because industries with a LQ greater than one indicates relatively high production of a particular service, it is likely that some amount of that industry is being exported. Employment in that industry (or the portion of employment that causes the LQ to exceed 1.0) is then assigned to the economic base and is given credit for supporting the economy as a whole. Conversely, if an industry has a LQ less than one, it is assumed to be a local-serving or non-basic industry. For economic development purposes, it is often useful to focus on the outlier industries with a LQ greater than 1.25 or less than 0.75. The assumption is that industries falling within 0.75 and 1.25 are probably producing at levels sufficient to meet local demand in the local area. There are high concentration of jobs in the Construction, Manufacturing and Transportation, and Warehousing industries consistent with the large amount of industrial land uses in the area.



**Table 4-8: In-Place Employment Change by Industry (2002, 2018)**

Industry	West Rancho Dominguez-Victoria (2002)	West Rancho Dominguez-Victoria (2018)	Numeric Change (2002 - 2018)	Location Quotient
Agriculture, Forestry, Fishing and Hunting	41	37	-4	2.61
Mining, Quarrying, and Oil and Gas Extraction	3	0	-3	0.00
Utilities	8	23	15	0.23
Construction	1,664	1,477	-187	2.89
Manufacturing	7,787	6,267	-1,520	5.35
Wholesale Trade	1,775	1,471	-304	1.83
Retail Trade	632	599	-33	0.40
Transportation and Warehousing	1,438	2,505	1,067	3.66
Information	2	14	12	0.01
Finance and Insurance	34	32	-2	0.06
Real Estate and Rental and Leasing	25	49	24	0.16
Professional, Scientific, and Technical Services	142	282	140	0.26
Management of Companies and Enterprises	86	189	103	0.80
Admin. & Support, Waste Mgmt. and Remediation	474	868	394	0.85
Educational Services	51	393	342	0.31
Health Care and Social Assistance	303	1,117	814	0.44
Arts, Entertainment, and Recreation	49	40	-9	0.11
Accommodation and Food Services	450	332	-118	0.22
Other Services (excluding Public Administration)	310	132	-178	0.24
Public Administration	0	2	2	0.00
<b>Total</b>	<b>15,274</b>	<b>15,829</b>	<b>555</b>	<b>1.00</b>

Source: US Census (OnTheMap)

## 4.4 Key Economic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- West Rancho Dominguez-Victoria households tend to have higher incomes than the Metro Area.
- Between 2002 and 2018, West Rancho Dominguez-Victoria's in-place jobs have grown slower than the Metro Area and the County.
- In-place jobs tend to have higher middle-class wages and lower educational level as compared with the countywide average.

## 5 Real Estate Market

The following provides an overview of historic trends for residential, office, and retail land uses.<sup>8</sup> Historic market trends have been examined to more accurately determine the potential for future land uses and associated development desired in the Area Plan General Plan Update. Once again, trends for the community, Metro Area, and County have been analyzed for comparison purposes. Various recognized submarket area<sup>9</sup> definitions are used in the commercial real estate analysis. It is important to note that this analysis does not attempt to replace the County's Housing Element or prior planning. Rather, it is provided to include additional and updated market information.

### 5.1 Residential

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Demand for residential housing will be a byproduct of employment and population growth throughout the County. The following sections examine the regional market conditions for rental and for-sale residential properties as well as more localized information pertaining to residential potential in the community.

#### INVENTORY

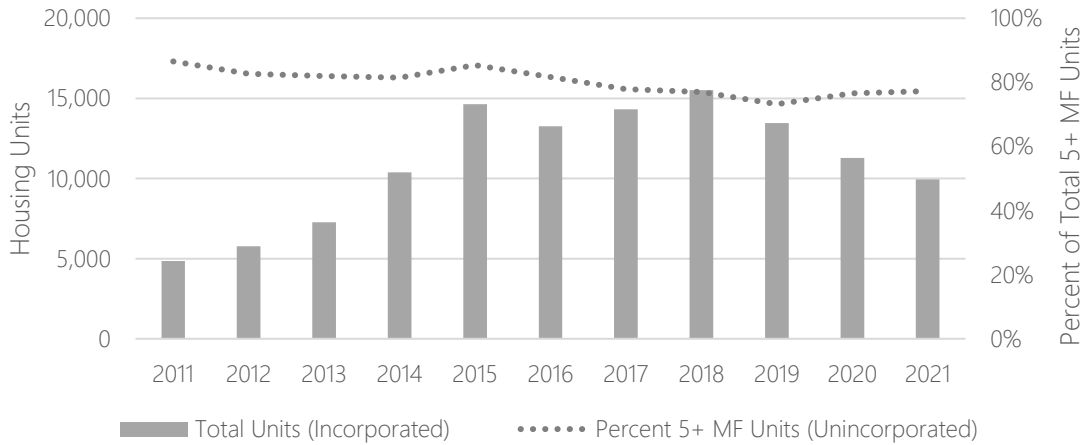
According to ESRI Business Analyst, West Rancho Dominguez-Victoria has approximately 6,700 housing units, which represent about 8.3 percent of the Metro Area. Examining building permit data for the County over the last 10 years (Figure 5-1), an average of 11,000 units were delivered annually with approximately 80 percent of permits being 5 or more multi-family units in the unincorporated areas.

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<sup>8</sup> Pro Forma Advisors has not analyzed the market for future industrial uses as it appears to be inconsistent with the MAP vision. Future analysis may explore strategies to transition underperforming industrial land to more compatible land uses within the MAP communities.

<sup>9</sup> Submarket areas are specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set or peer group.

Figure 5-1: Building Permit Data (2011 - 2021)

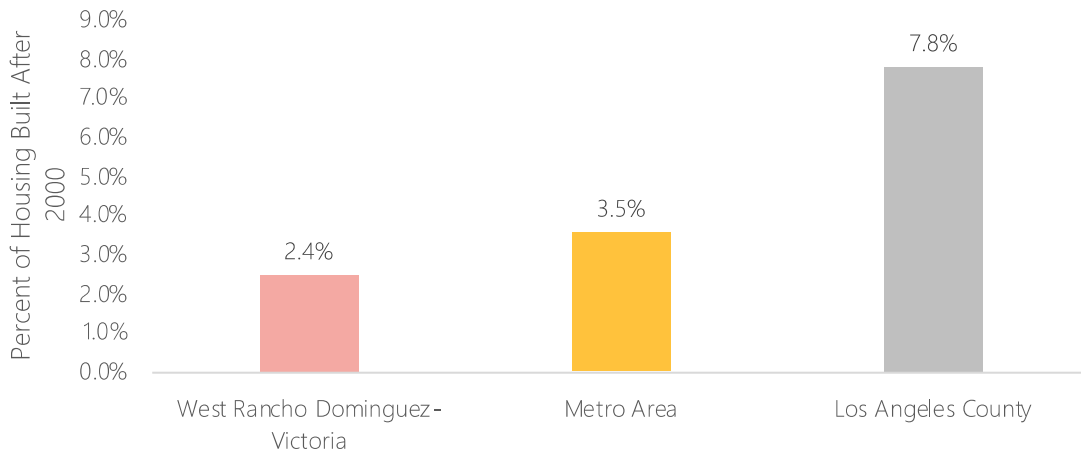


Source: Los Angeles County

### AGE

Approximately 84 percent of the housing was built before 1970. Over the next three decades 14 percent of housing was constructed. West Rancho Dominguez-Victoria has experienced minimal new residential development since 2010. In fact, approximately 2.5 percent of all housing stock was built after 2000 (Figure 5-2). This rate of new housing is below both the Metro Area and County.

Figure 5-2: Housing Built Since 2000 (Relative to Total Housing Stock)

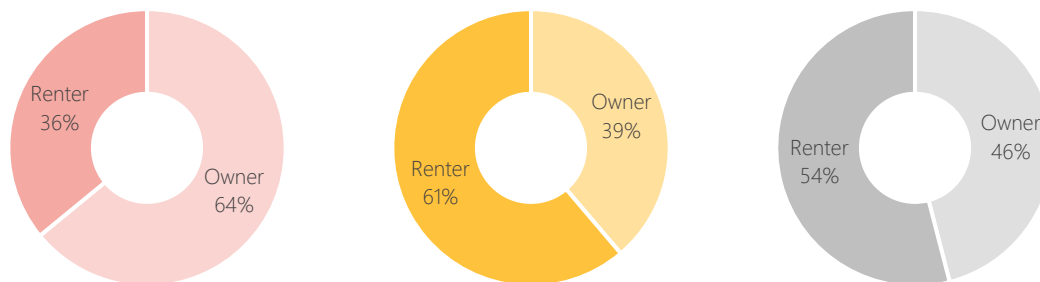


Source: US Census

## TENURE

West Rancho Dominguez-Victoria has a smaller share of renter-occupied housing in comparison to the County. Based on 2019 estimates, approximately 36 percent of the housing is renter-occupied. The ratio of owner-to-renter is higher than the Metro Area with a larger number of residents in owner occupied units. Housing vacancy characteristics do not show much variability from the Metro Area or County, where vacant properties typically make up a small percent of the housing stock.

Figure 5-3: Housing Tenure



West Rancho Dominguez-Victoria

Metro Area

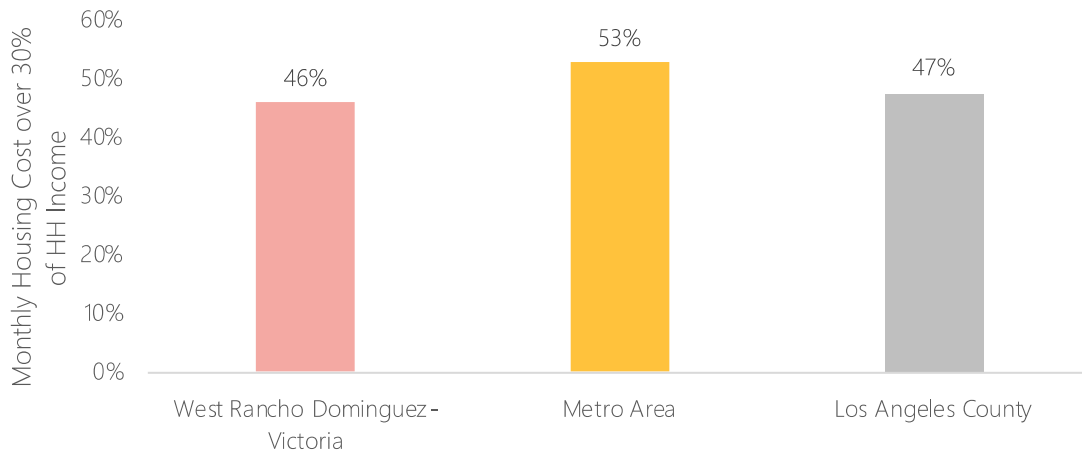
Los Angeles County

Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## COST BURDEN

The larger share of for-rent housing in the Metro Area has implications for the financial stability of residents, as renters do not grow wealth through home ownership, have typically lower household incomes, and are subject to sometimes unpredictable rent increases or eviction. Furthermore, apartment owners may defer maintenance and can target lower income renters who have few options in the marketplace. This impacts both quality of life of occupants and can contribute to the community's perception in the County. Approximately 46 percent of households in West Rancho Dominguez-Victoria pay more than 30 percent of their household incomes toward rent, which is commonly recognized as the share of household income beyond which rent becomes prohibitively expensive and affects other household expenditures.

Figure 5-4: Monthly Housing Cost Over 30 Percent of Income



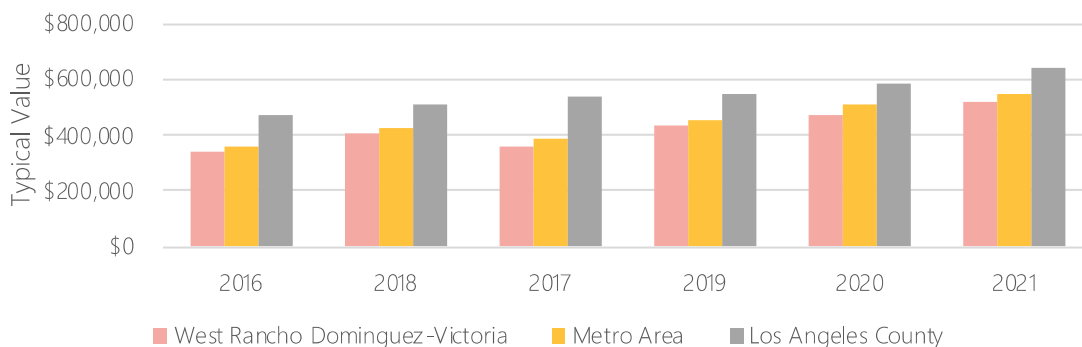
Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## PRICING

### For-Sale Pricing

In 2021, the typical condominium price in West Rancho Dominguez-Victoria was approximately \$517,000, which is \$122,000 less than the County (\$639,000). However, the compound annual growth rate (CAGR) for the community's for-sale housing has been 8.9 percent per year over the last five years. This rate is consistent with the Metro Area (9.2 percent), but significantly higher than the County CAGR of 6.3 percent since 2016. The community, like the County, has seen marked for-sale housing pricing increases as interest rates have remained low and housing production has not kept pace with demand.

Figure 5-5: Typical Condominium Value

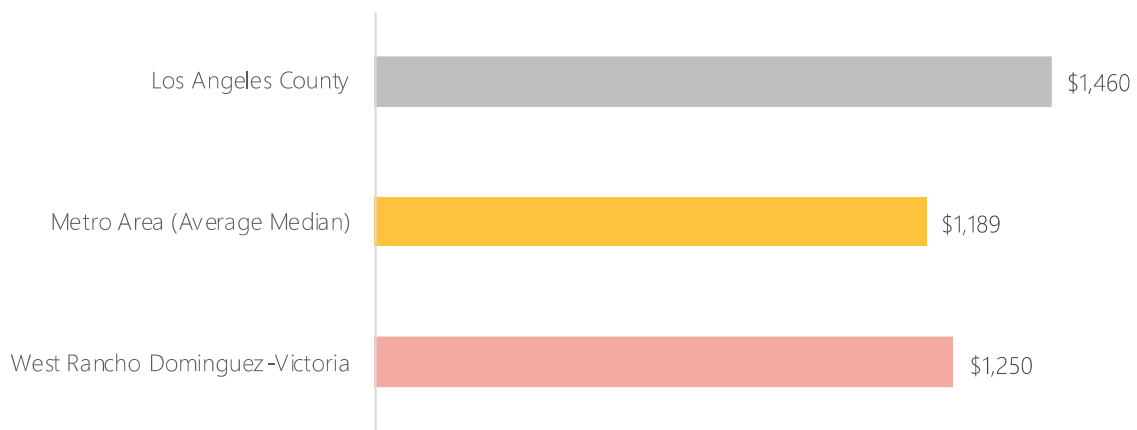


Source: Zillow

### For-Rent Pricing

According to the US Census, the typical monthly rental price (all units) is \$1,250 in West Rancho Dominguez-Victoria. This typical monthly rent is lower than the County and slightly higher than the Metro Area. Similar to the for-sale housing, rental rates in the County have increased because of an increased demand for housing. For-rent housing demand, unlike for-sale housing, may reflect evolving market preferences, affordability, or scrutiny on for-sale home mortgage lending standards. In general, the Metro Area’s rental housing stock prices have not kept pace with the County due to a lack of new development, which often drives market prices up through higher quality and amenities.

Figure 5-6: Typical Monthly Rent (Median Gross Rent)



Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

### Pipeline Development

There are no significant residential developments known to be under construction.

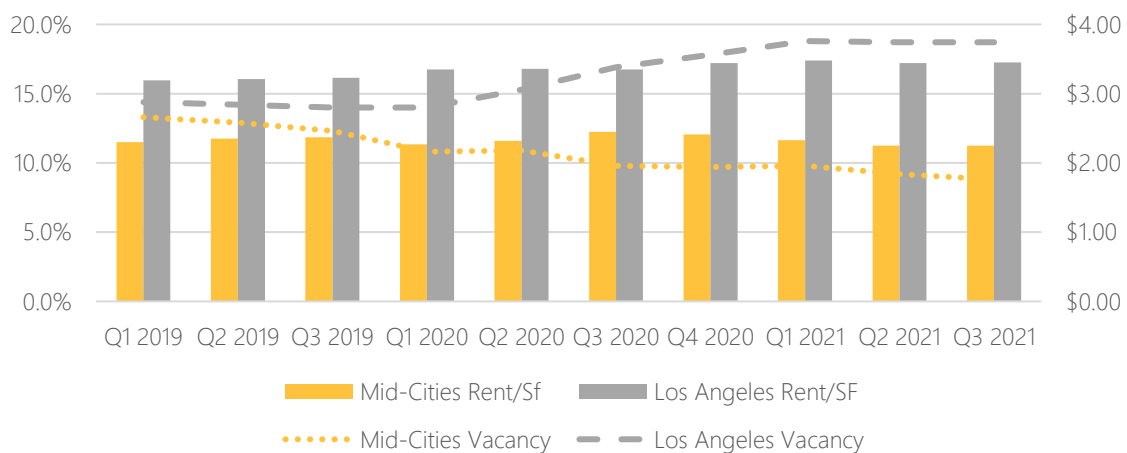
## 5.2 Office

Market potentials for office-related development within West Rancho Dominguez-Victoria will be a function of the particular attributes of the available land, adjacent land uses, and the regional economy and office market. Although the Los Angeles office market is comprised of many submarkets, each with potentially a distinct tenant profile, office space is typically highly substitutable, such that the potentials in any given market are determined by the strength of the regional office market. Thus, development activity, absorption, vacancy rates, and change in rental rates follow very similar patterns in most of the Los Angeles submarkets.

### FUNDAMENTALS

The Mid-Cities office market has 8.6 million square feet of office space, which has decreased by approximately one million square feet since Quarter 1 of 2019. Historically, the submarket has represented approximately 2.5 percent of the total County office market. The office vacancy rates have been lower than the larger County area over recent years. However, other submarkets have delivered high quality Class A space that often has a high vacancy rate because it is in the process being leased. As reflected in the average asking rent, the Mid-Cities area has lagged behind the average asking monthly rent largely due to its older office developments, most of which were delivered decades ago.

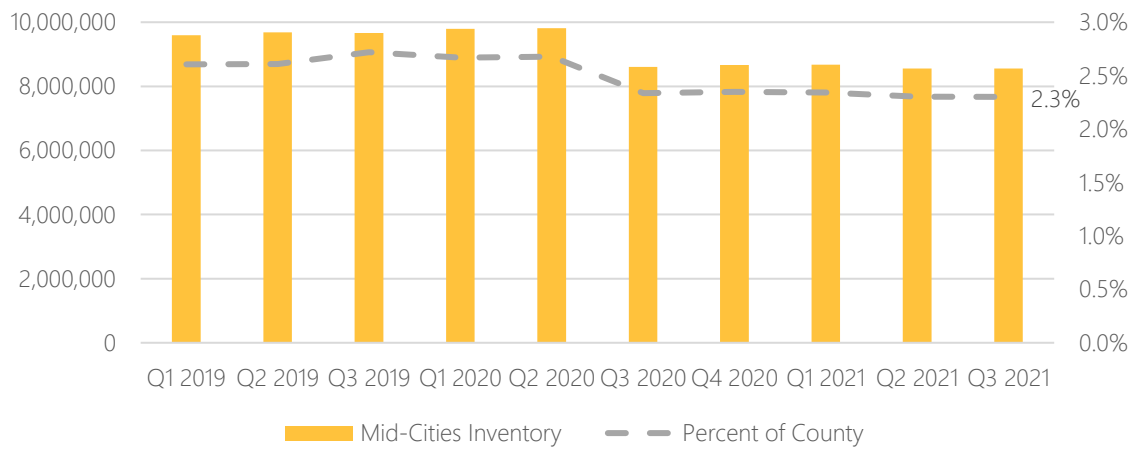
Figure 5-7: Regional Office Inventory (2019 - 2021)



Source: CoStar



Figure 5-8: Regional Office Trends (2019 – 2021)



Source: CoStar

#### LOCAL MARKET CONDITIONS

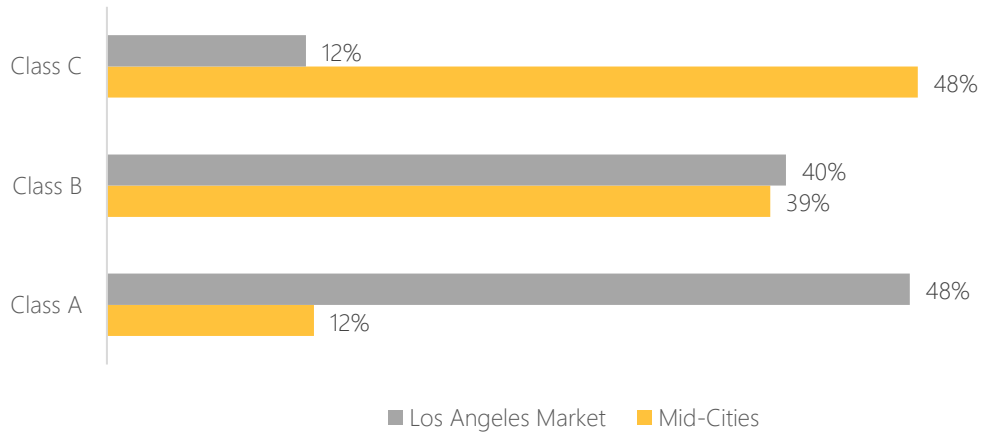
The Mid-Cities submarket has a significantly higher percent of Class C office space and relatively few Class A office developments. Once again, the County Assessor data was used to better understand the contemporary amount of commercial office development in the community.

Examples of office development include:

- Office Buildings; and
- Professional Building.

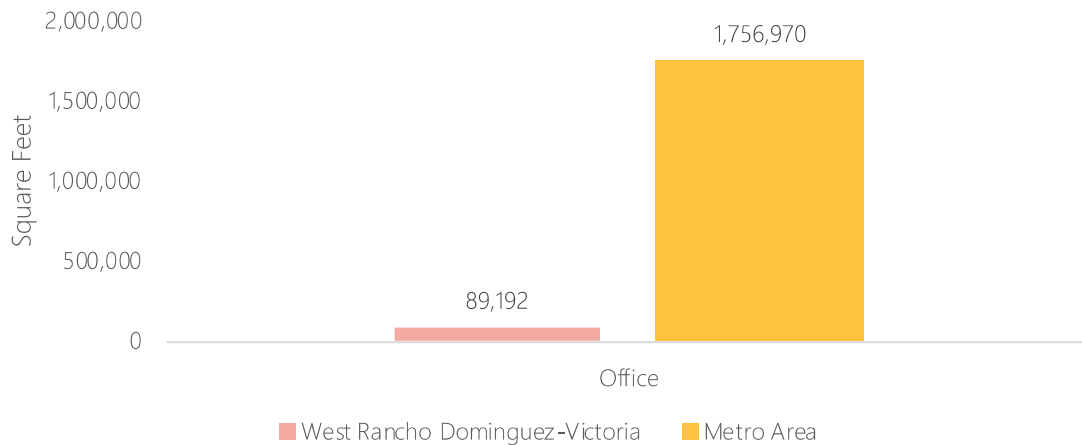
In total, there is an estimated 89,000 square feet of commercial office space, as defined above, which 5.1 percent of the Metro Area’s 1.8 million square feet of commercial office development.

Figure 5-9: Office Inventory Comparison by Asset Class



Source: CoStar

Figure 5-10: Community and Metro Area Office Inventory (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant office developments known to be under construction.

## 5.3 Retail

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The retail sector occupies a prominent place in the economy because such a large portion of the United States' economic activity depends on consumer spending. The sales of retail goods and services generate a large number of jobs that provide employment for individuals across a wide range of skill and income levels. Retail real estate markets are more subject to obsolescence and more locally based than either commercial office or industrial markets.

### FUNDAMENTALS

Although historical data is incomplete for West Rancho Dominguez-Victoria, it is likely that the retail market parallels that of the Greater Mid-Cities market area with annual rents around \$19-26 NNN/year/square foot. Asking rents have historically been significantly below the larger County area. Vacancies, on the other hand, have remained low with a rate consistent with the larger County trend. In total, there is an estimated 12 million square feet of shopping center<sup>10</sup> space in the Mid-Cities submarket, which is about 9 percent of the total County inventory.

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<sup>10</sup> Shopping centers consist of the following:

General Retail: Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don't meet any of the more detailed use descriptions.

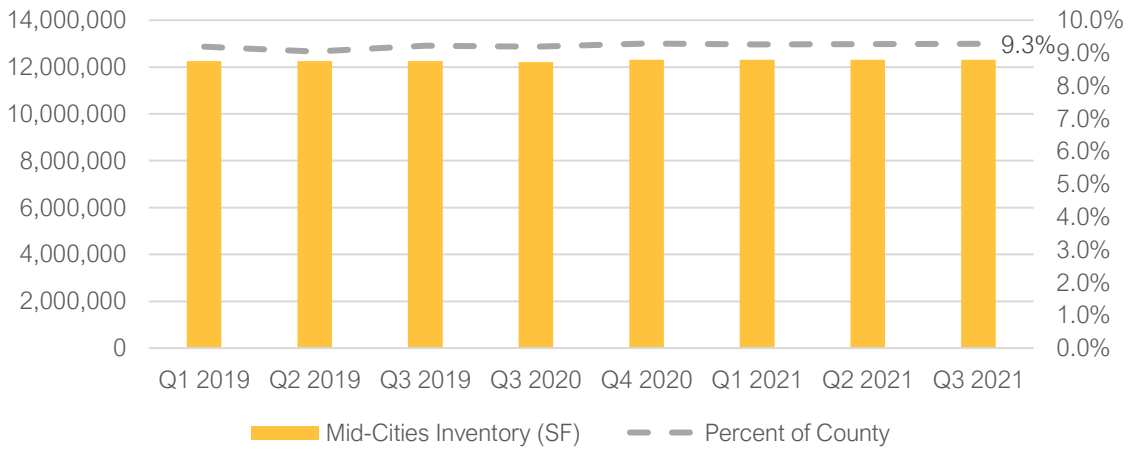
Mall: Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store, with a minimum GLA of 100,000 square feet, as the major drawing power.

Power Center: Typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants 250,000–600,000 square feet.

Shopping Center: The combined retail center types of Community Center, Neighborhood Center and Strip Center, which have a range of 50,000 – 350,000 square feet with limited anchors.

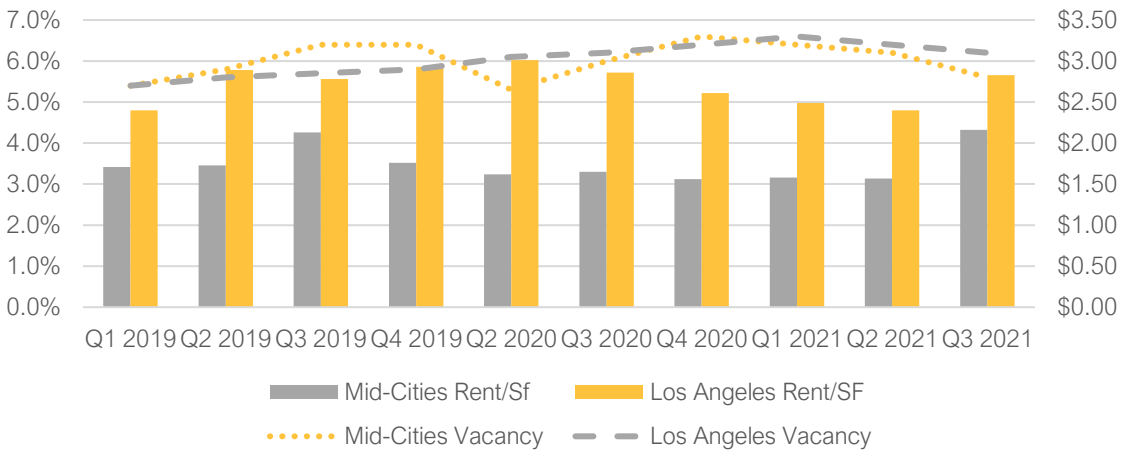
Specialty Center: The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center; which have a special market orientation and are unique in the market area.

Figure 5-11: Regional Retail Inventory (2019 - 2021)



Source: CoStar

Figure 5-12: Regional Retail Trends (2019 – 2021)



Source: CoStar

## LOCAL MARKET CONDITIONS

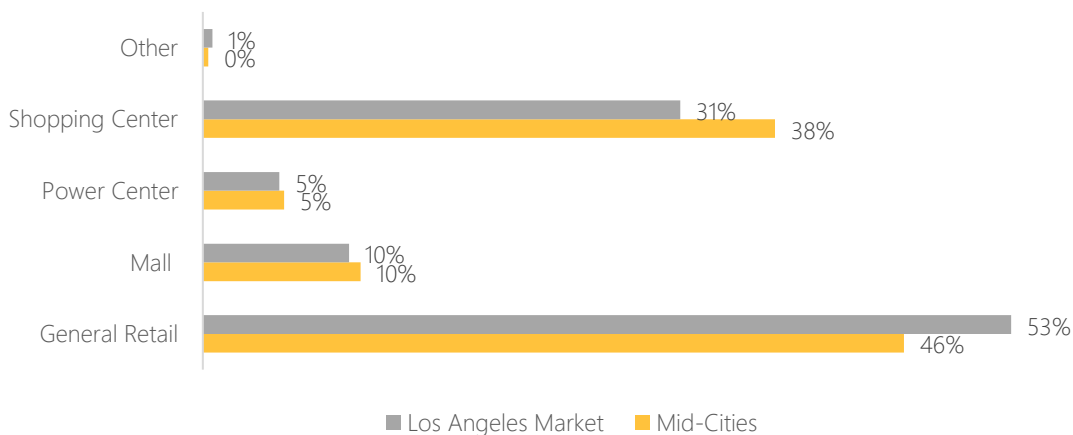
While the Mid-Cities submarket has a relatively consistent share of retail space by major retail development type, the local inventory in West Rancho Dominguez-Victoria is dominated by non-shopping center oriented development. The County Assessor data was used to better understand the contemporary amount of commercial retail development in the community. Specifically, the amount of retail that would provide goods to community residents.

Examples of these types of retailers include:

- Restaurants/Non-grocery Food and Beverage;
- Supermarkets/Grocery;
- General Stores;
- Shopping Centers; and
- Department Stores.

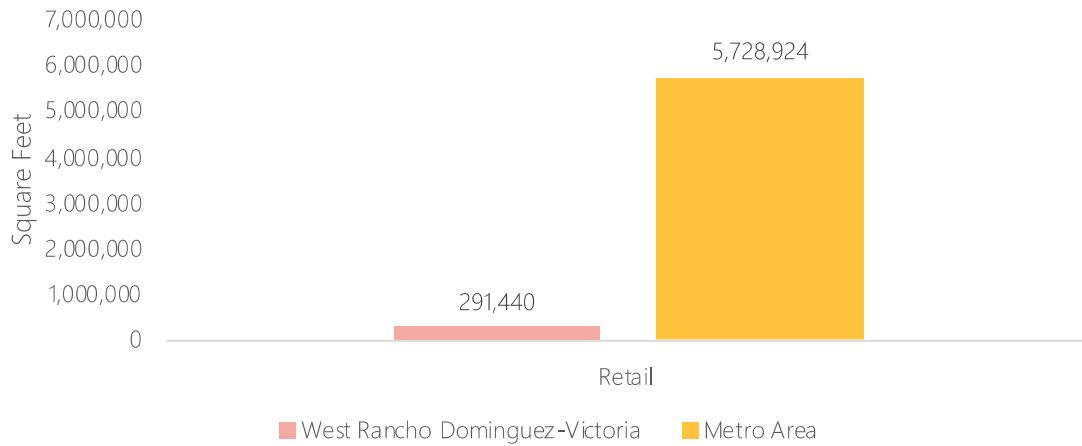
In total, there is an estimated 291,000 square feet of commercial retail space, as defined above, which is 5.1 percent of the Metro Area’s 5.7 million square feet of commercial retail development.

Figure 5-13: Retail Inventory Comparison by Asset Class



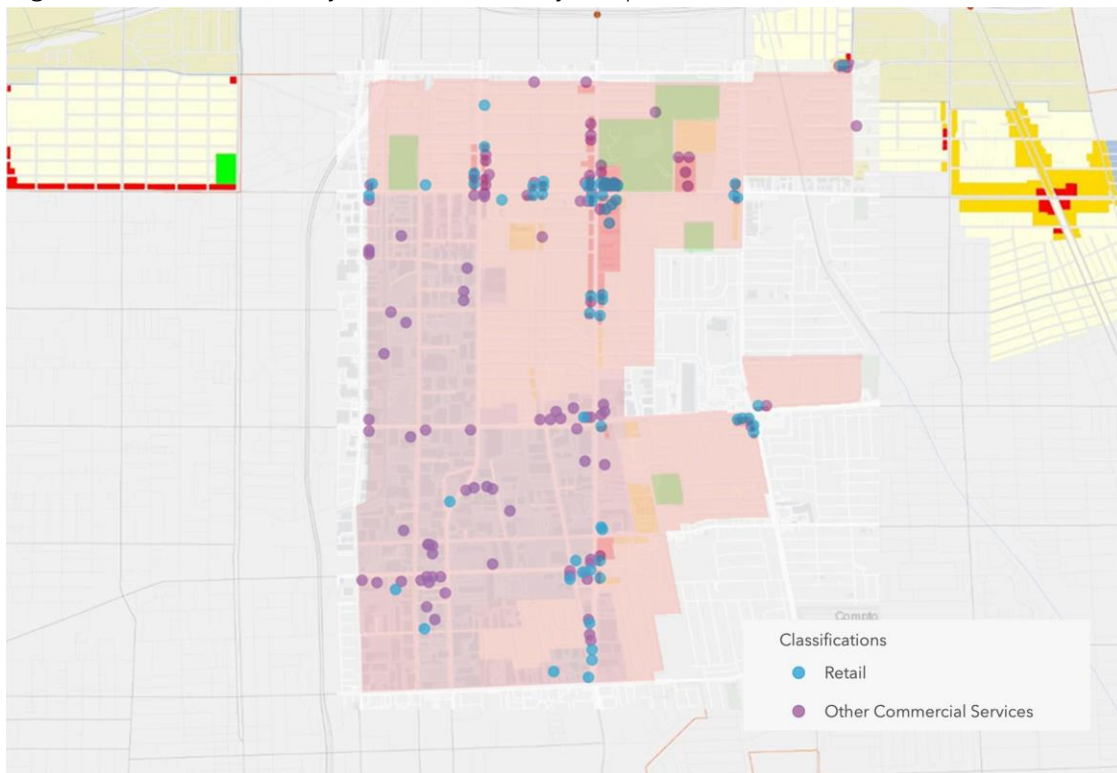
Source: CoStar

Figure 5-14: Community and Metro Area Retail Inventory (2020)



Source: Los Angeles County Assessor

Figure 5-15: Community Retail Inventory Map (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant retail developments known to be under construction.

## 6 Long-Term Land Use Demand

The following section provides long-term land use demand projections for the community. Given that specific sites and development opportunities will generate various levels of demand, the following is intended to give broad parameters regarding the potential level of new development in the city. From this, development and land use opportunities can be evaluated to determine the required level of site capture (e.g. market demand) and if it is reasonable to plan for within the next 15 years.

### 6.1 Residential

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Metro Plan residential projections are based on household estimates from ESRI and SCAG. The low range is based on historic growth (0.8 percent CAGR), the target growth is based on projected growth for all unincorporated areas in the County (1.2 percent CAGR), while the high growth reflects the adjusted SCAG projections using 2021 ESRI data. For planning purposes, a growth scenario between the target and high-range projection appears warranted unless the County desires creating higher density mixed-use residential development at key development opportunities adjacent to transit, as available in some Area Plan communities.

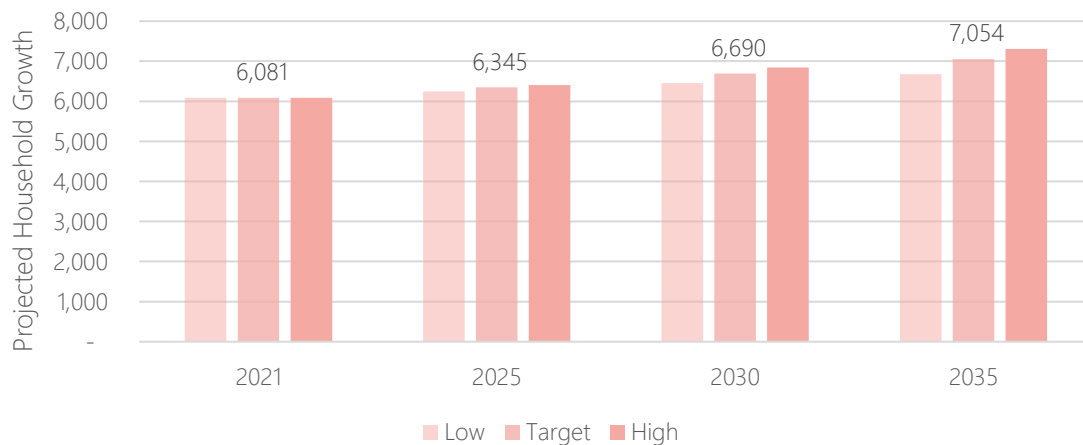
The total demand for new households was then further adjusted to account for a likely distribution of market rate and affordable housing units. In general, it is assumed 30 percent of the units are market while 70 percent are affordable throughout the Metro Area.

Table 6-1: Housing Demand by Time Period (2021 - 2035)

	2021-2025	2025-2030	2030-2035	2021-2035
<b>West Rancho Dominguez-Victoria (Multi-Family Units)</b>				
Market Rate	95	124	131	349
Affordable	169	222	233	624
Total	264	346	364	973
<b>Metro Area (Multi-Family Units)</b>				
Market Rate	1,055	1,393	1,480	3,928
Affordable	2,670	3,525	3,746	9,941
Total	3,725	4,918	5,226	13,869
<b>West Rancho Dominguez-Victoria/Metro Area (Percent of Total)</b>				
Market Rate	9.0%	8.9%	8.8%	8.9%
Affordable	6.3%	6.3%	6.2%	6.3%
Total	7.1%	9.3%	9.8%	7.0%

Source: Pro Forma Advisors

Figure 6-1: Housing Demand Scenarios – Occupied Housing Units (2021 – 2035)



Source: Pro Forma Advisors



## 6.2 Office

The demand for office space in the County and Metro Area will be based on demand created by new jobs in industries that require office space. Given the recent flexibility in an employee’s ability to work “remotely” the future demand for office space is somewhat speculative given that the required amount of space, in square feet, could change dramatically if people continue to work from home. Leading up to the global pandemic, office serving jobs have occupied less and less space on a per employee basis.

As noted in the office market analysis, there is relatively little office serving space in the Metro Area. The demand analysis uses California Employment Development Department 10-year projections by industry to estimate Countywide demand for industries that utilize office space. The total office space demand was then adjusted for office development under construction and structural vacancy. In total, it is estimated that 2.4 million square feet of office will be developed in the County per year and the Metro Area could capture its “fair share” or current allocation of office space, which is less than 0.5 percent of the Countywide total.

For general planning purposes, a range was provided based on a higher target and high range based on a more aggressive capture assumption. Given the total demand, office development is unlikely in the community in the planning horizon without a non-market driven intervention or relocation of a build-to-suit tenant.

Table 6-2: Office Demand (2021 - 2035)

	2021 - 2035 (Square Feet)		
	Low	Target	High
West Rancho Dominguez-Victoria	7,300	9,100	11,000
Metro Area	147,600	184,500	221,400
Los Angeles County Market	2,160,000	2,400,000	2,640,000

Source: Pro Forma Advisors

## 6.3 Retail

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The retail demand model is based on a combination of existing spending assumed to be “leaking” outside the community as well as an assumed future capture of new resident spending. To estimate the retail surplus/leakage, potential sales (demand) from West Rancho Dominguez-Victoria’s residents and employees were estimated using the gross disposable income and typical worker spending, while taxable sales (supply) were estimated using information from ESRI business analyst. Finally, an adjustment of sales to supportable square feet was made, based on an estimate of sales productivity levels that could support new higher quality.

New resident spending was determined using an average household income of \$100,000 for market rate units and \$60,000 for affordable units (2021 dollars). The spending was adjusted to reflect a household spend per capita based on County pro rata retail sales adjusted by income.<sup>11</sup> A further assumption was made that assumed the community could capture 30 percent of new retail sales, which reflects typical spending for local serving retail development.

A low retail demand estimate reflects the total recapture of lost sales and a high retail demand estimates reflects the recapture of lost sales plus demand from new households. In total, West Rancho Dominguez-Victoria has a limited amount of retail demand over the next 15-years.

---

<sup>11</sup> Review of the Bureau of Labor Statistics’ Consumer Expenditure Study as well as the Board of Equalization Sales and Use tax reports.

Table 6-2: Retail Demand (2021 - 2035)

	Commercial Retail Recapture Estimate (2021)	New Retail De- mand from Household Growth	Total Commercial Re- tail Demand	Low	High
West Rancho Dominguez-Victoria (Square Feet)					
Retail Trade	0	20,400	20,400	0	20,400
Food and Drink	0	3,600	3,600	0	3,600
Total	0	24,000	24,000	0	24,000
Metro Area (Square Feet)					
Retail Trade	158,100	281,350	439,450	158,100	439,450
Food and Drink	10,500	49,650	60,150	10,500	60,150
Total	168,600	331,000	499,600	168,600	499,600
West Rancho Dominguez-Victoria/Metro Area (Percent of Total)					
Retail Trade	0.0%	7.3%	4.6%	0.0%	4.6%
Food and Drink	0.0%	7.3%	6.0%	0.0%	6.0%
Total	0.0%	7.3%	4.8%	0.0%	4.8%

Source: Pro Forma Advisors

## 6.4 Key Takeaways

The following includes a bullet point summary of key takeaways from the section:

- Retail demand is limited. Careful consideration should be given to community serving neighbor retail shopping center development; and
- Office demand is not sufficient to plan for substantial new development.

## 7 Appendix

### 7.1 Sources

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Listed in report order:

[Los Angeles County Assessor](#)

[ESRI Business Analyst](#)

[US Census](#)

[California Employment Development Department](#)

[California Department of Finance](#)

[US Census \(OnTheMap\)](#)

[Los Angeles County \(Building Permit Data\)](#)

[Zillow](#)

[CoStar](#)

## 7.2 Demographic Data (ESRI)

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LOS ANGELES COUNTY

EXISTING CONDITIONS REPORT:  
Willowbrook

Socioeconomic Review and Market Assessment

December 2021

Prepared by



**Pro Forma**  
Advisors LLC

and

**DUDEK**



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# 1 Existing Conditions Introduction and Overview

## 1.1 Project Overview

---

Los Angeles County (County) is currently preparing the Metro Area Plan (Area Plan), which is one of 11 planning areas in the County. The Planning Area framework was adopted via the County's 2015 General Plan Update to effectively plan and regulate development in unincorporated areas across the nation's most populous County. There are seven unincorporated communities within the Metro Planning Area (Metro Area)<sup>1</sup> – West Athens - Westmont, West Rancho Dominguez – Victoria, Willowbrook, East Rancho Dominguez, Walnut Park, Florence-Firestone, and East Los Angeles. The Area Plan provides a once-in-a-generation opportunity for community members to share their vision for the area's future and provide input on the community's long-term goals and development opportunities.

## 1.1 Purpose of the Existing Conditions Report

---

This Existing Conditions Report represents the first major step in the process of creating the Area Plan. This report provides spatial information on existing conditions in the Area Plan and its surrounding areas as well as an analysis of growth prospects and land demand. The Existing Conditions Report is used as a basis for:

- Facilitating community input on planning issues and visions during community workshops;
- Preparing alternative land use planning scenarios; and
- Formulating policies and implementation actions for the General Plan.

The focus is on resources, trends, and critical concerns to frame decision-making for the long-term physical development of the community. This report analyzes socio-economic and real estate market dynamics in Willowbrook (Existing Conditions Report).

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<sup>1</sup> This report only presents information for unincorporated areas.

## 2 Summary

### 2.1 Introduction

---

This report summarizes the socioeconomic and real estate market conditions and trends that will shape medium-<sup>2</sup> to long-term<sup>3</sup> growth opportunities in Willowbrook and the greater Metro Area region. The primary purpose of this socioeconomic review and market assessment is to inform, for planning purposes, the area's overall land use policy with respect to the type of development and land uses that could be effectively targeted during the planning horizon.

It is important to note that in the context of long-term planning, short-term market cycles have less relevance given a planning horizon stretching to 2035.<sup>4</sup> The conclusions discussed throughout this report are based on long-term data projections and an understanding of economic and market dynamics affecting the community and region. This report has been prepared for the County by Pro Forma Advisors as a sub-consultant to Dudek in support of the County's General Plan Area Plan update process.

### 2.2 Summary of Findings

---

The following key findings are provided to give a sense of future land use demand as well a review of key issues impacting future development in the city. These issues are explored from the socioeconomic and market perspective.

#### SOCIOECONOMIC FACTORS INFLUENCING DEVELOPMENT

Based on a review of historic and projected socioeconomic trends for the community, the following provides a summary of key issues to consider for future land use planning from a socioeconomic perspective.

---

<sup>2</sup> Five to 10 years.

<sup>3</sup> Over 10 years.

<sup>4</sup> This would include the short-term impacts of COVID-19.

## Age

The community's population is young with a high composition of families with higher-than-average household sizes (4.6 people per household). This population's growth and transition into the labor force will provide unique challenges for the area if those children desire to live where they grew up. The market created from this demographic shift might require changes in the area's housing stock to provide opportunities for residents. Alternatively, changes in their housing preferences could create opportunities for other families wanting to move into the community.

## Employment Base

Willowbrook has experienced employment growth at a rate faster than the Metro Area and County. There is a strong base of employment in many core industries. Since 2002 the area added nearly 1,100 in-place jobs representing seven percent of all new jobs in the Metro Area. However, overall, the less educated in-place employees and residents tend to have jobs that pay less than the County.

## Retail Leakage

The community appears to experience retail expenditure leakage to neighboring areas in the region, or "retail leakage" due to the newer, large format retailers located in other areas of the County. Based on the analysis, the community could recapture 3.1 square feet per household for neighborhood serving retail development.<sup>5</sup> For the community to be economically viable over the long-term it should strive to continue expanding its retail base by creating a more diverse local serving retail environment to increase the market capture from its households within the community.

## Long-Term Land Use Demand

The following provides context regarding future development potential, given the anticipated market demand for various land uses as discovered in the market analysis. As shown below, an order-of-magnitude demand estimate for residential, retail, office/flex industrial land uses have been made for Willowbrook through 2035. This represents the target range of development that could be attracted over the Area Plan horizon. Based on the economic development goals of the County, a more ag-

---

<sup>5</sup> Retail development that provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood.

gressive capture of demand could be warranted. As such, these estimates should be considered preliminary for planning purposes.

Table 2-1: Demand Analysis Summary (2021 – 2035)

	Target (Rounded)
Housing (Units)	1,200
Market Rate	400
Affordable	800
Retail (Square Feet)	45,900
Office (Square Feet)	3,500

Source: Pro Forma Advisors

## 3 Geography and Land Use Overview

The following section presents a brief overview of Willowbrook in relation to other geographical areas referred to within this report. It also summarizes existing land uses. A community's core assets such as open space, proximity to regional freeways, and reputation within the region are important attributes that impact future development and shape long-term land use planning.

### 3.1 Location Overview

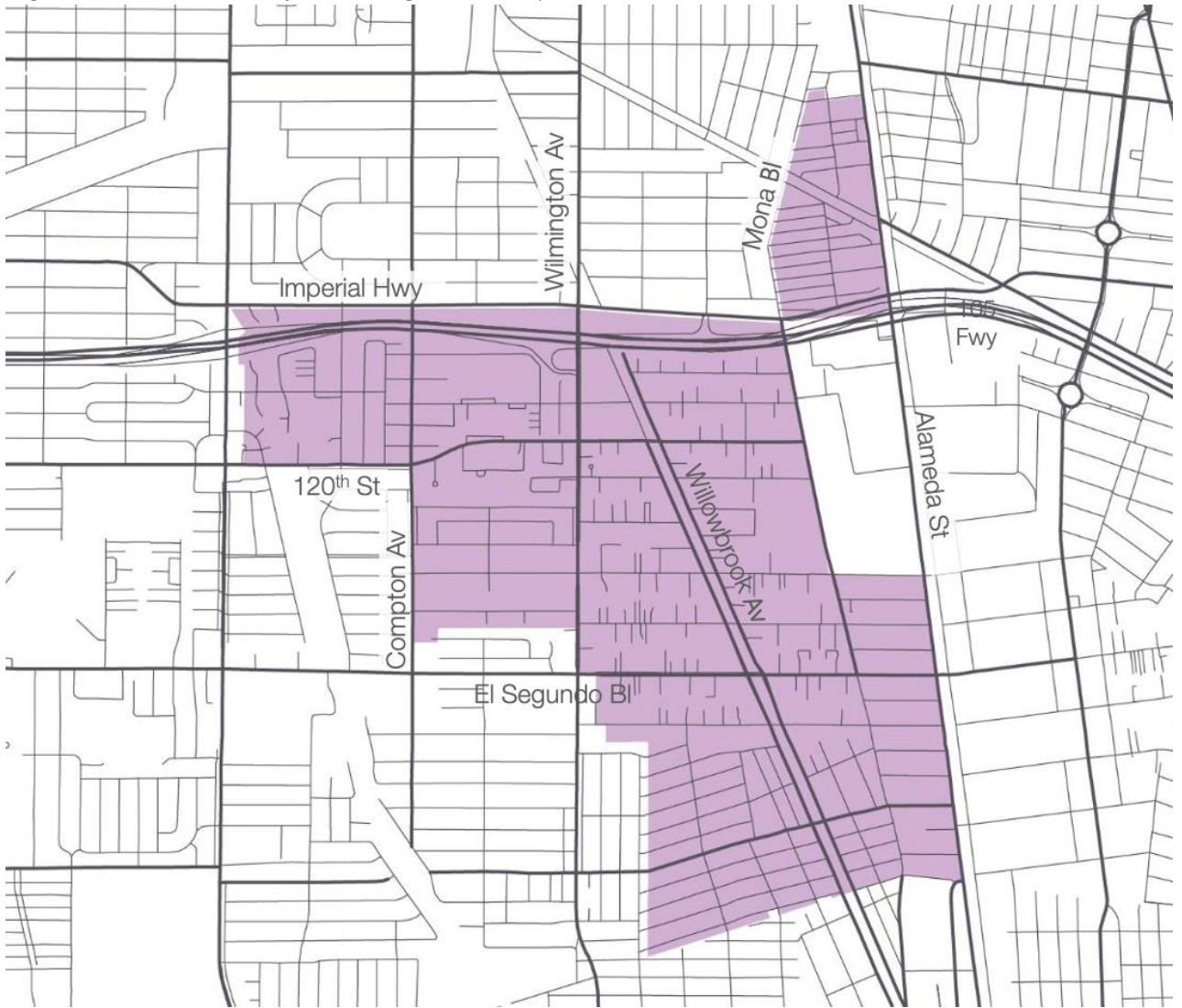
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Located near the center of the County, Willowbrook is approximately 1.68 square miles in size. Willowbrook is an unincorporated community and also a census designated place. For the purpose of this analysis, the area is generally bounded by Imperial Highway to the North and Alameda Street to the East. Major North/South thoroughfares include Willowbrook Avenue, Wilmington Avenue, and Compton Avenue. Major East/West thoroughfares include 120th Street and El Segundo Boulevard. Key locational assets include the Martin Luther King Jr. Outpatient Center and Charles R. Drew University of Medicine and Science, which oversees residency training programs, allied health programs, a medical education program, and various centers for health disparities research.

Willowbrook is one of seven communities within the larger Metro Area. It represents approximately eight percent of the total Area Plan land area.

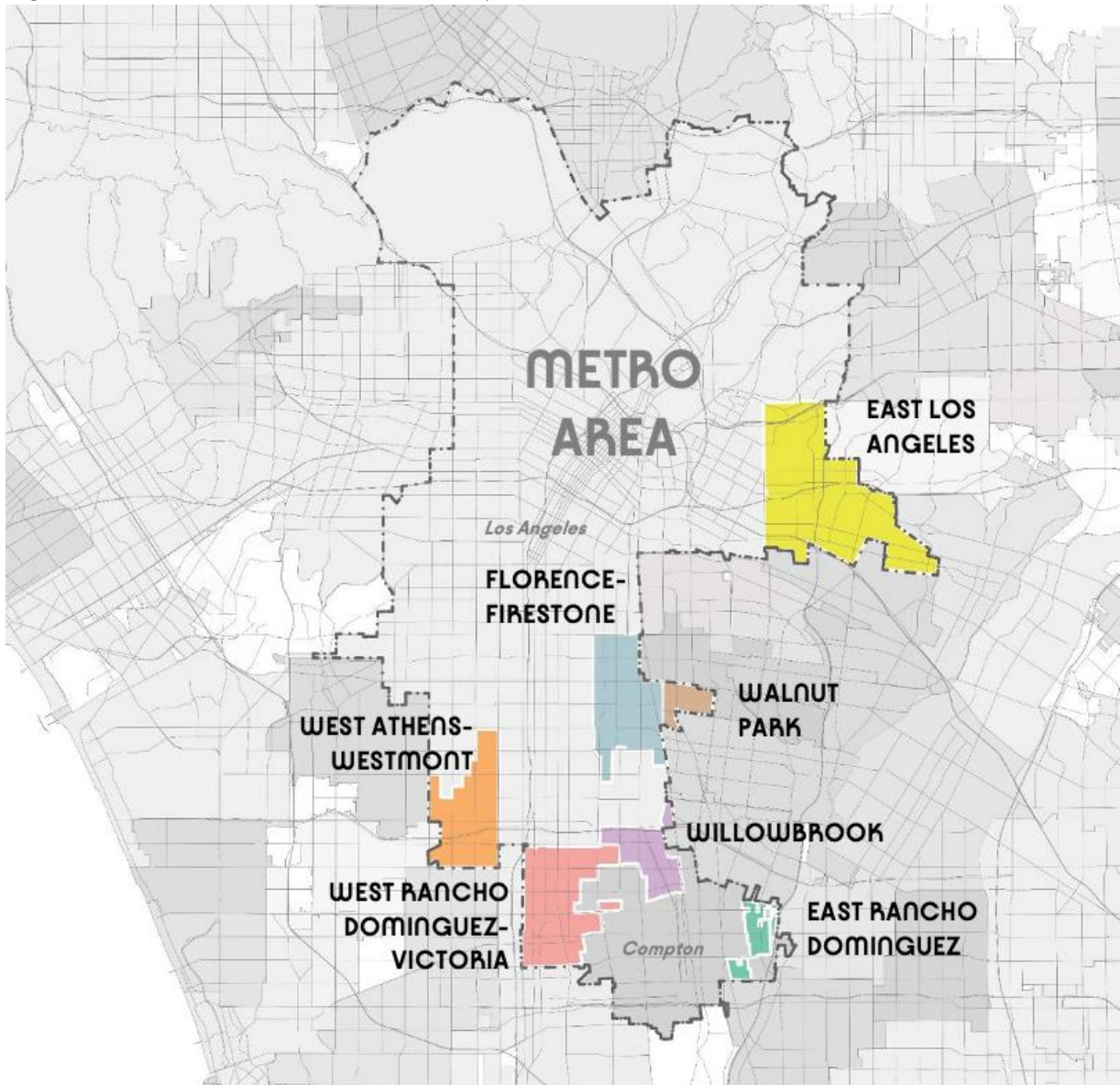


Figure 3-1: Community Planning Area Map



Source: Dudek

Figure 3-2: Metro Area Plan Area Map



Source: Dudek

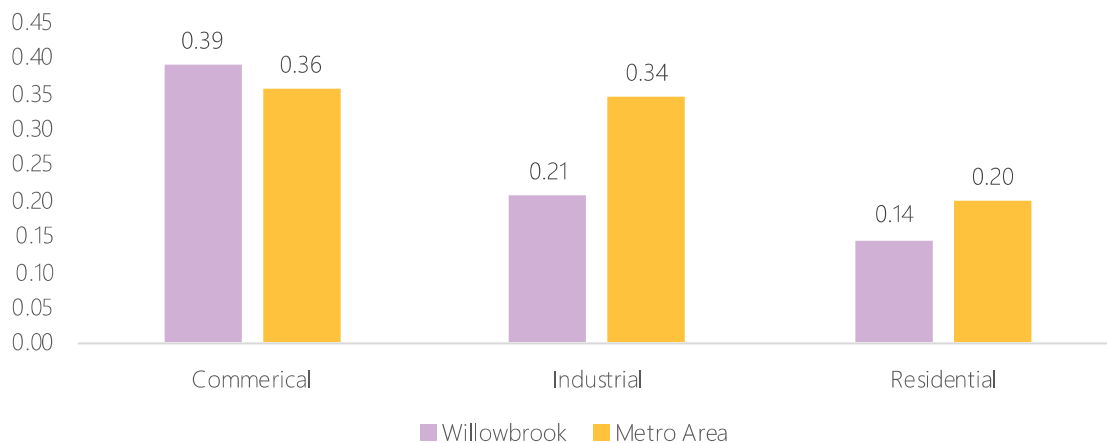
### 3.2 Current Land Use

Excluding roads and other infrastructure, Willowbrook has 1.47 square miles of publicly and privately held land. Residential land uses make up the majority of land in the community area, representing 77.8 percent of the total land and 79.2 percent of the built space. Commercial uses (inclusive of both retail and office) represent about 4.2 percent of the total land and 11.7 percent of the built space due to the highest floor area ratio (FAR) among any of the land uses. The remaining land is comprised of industrial development and other land uses (including government, institutional, etc.). As it relates to the larger Metro Area, Willowbrook represents:

- 5.8 percent of the of the commercial development;
- 1.2 percent of the industrial development; and
- 7.7 percent of the residential development.

The distribution of land use has a fairly consistent relationship to the Metro Area with higher than normal residential and other land use development and much lower proportional amount of industrial development and land.

Figure 3-3: FAR Comparison by Land Use



Source: Los Angeles County Assessor

Table 3-1: Land Use (2020)

	Willowbrook		Metro Area		Willowbrook/Metro Area	
	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)	Built Space (Square Feet)	Land (Square Miles)
Total						
Commercial	678,766	0.06	11,645,057	1.17	5.8%	5.3%
Industrial	225,455	0.04	19,139,479	2.00	1.2%	2.0%
Residential	4,575,577	1.15	59,273,588	10.77	7.7%	10.6%
Other	297,058	0.22	3,256,980	2.88	9.1%	7.8%
Total	5,776,856	1.47	93,315,104	16.82	6.2%	8.8%
Percent of Total/Index						
Commercial	11.7%	4.2%	12.5%	7.0%	94.2	60.9
Industrial	3.9%	2.7%	20.5%	11.9%	19.0	22.4
Residential	79.2%	77.8%	63.5%	64.0%	124.7	121.5
Other	5.1%	15.3%	3.5%	17.1%	147.3	89.2

Source: Los Angeles County Assessor

### 3.3 Transportation Access

---

From a regional perspective, Willowbrook is easily accessible from Interstate 105, 710, and I-110. Given its central location within the larger Los Angeles Metropolitan Statistical Area it is estimated that there are over 10 million people living within a 30-mile radius, which includes major job centers. Willowbrook is also within a relatively short distance from Los Angeles International airport (LAX) as well as two shipping ports. The community also has a light rail station (Willowbrook Station) along the Los Angeles Metro A Line (Blue) that connects Long Beach to downtown Los Angeles.

As of the last available data, in fiscal year 2019, the Willowbrook Station had an average of approximately 11,800 daily boardings (Figure 3-5) and represents the 6<sup>th</sup> highest utilized Metro station and the most utilized station in the Metro Area. Overall, total ridership of the Metro system (bus and rail) has decreased since fiscal year 2010 with a peak ridership in fiscal year 2014 (475.5 million). However, the existing light rail infrastructure is viewed as a significant asset for the community and could be leveraged for future development.

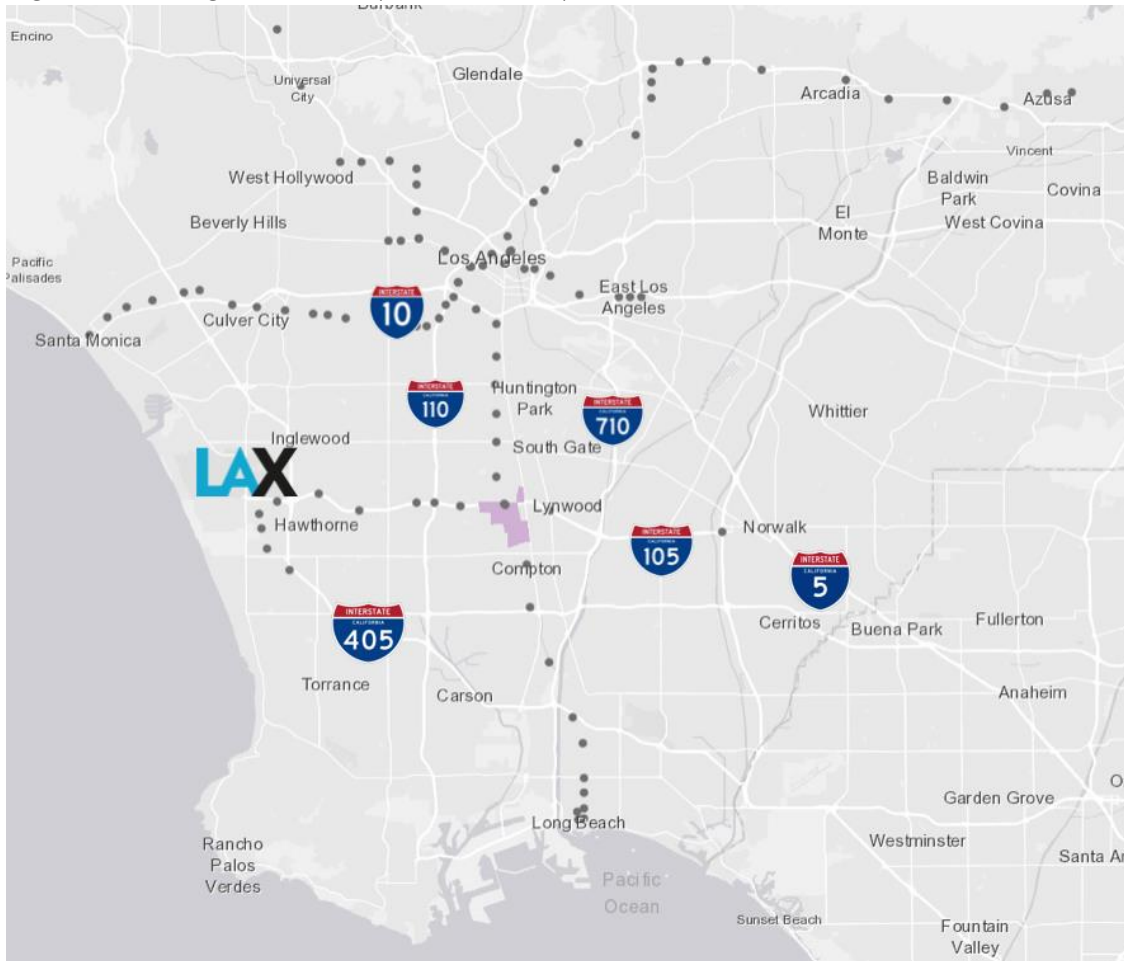
### 3.4 Key Takeaways

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The following includes a bullet point summary of key takeaways from the section:

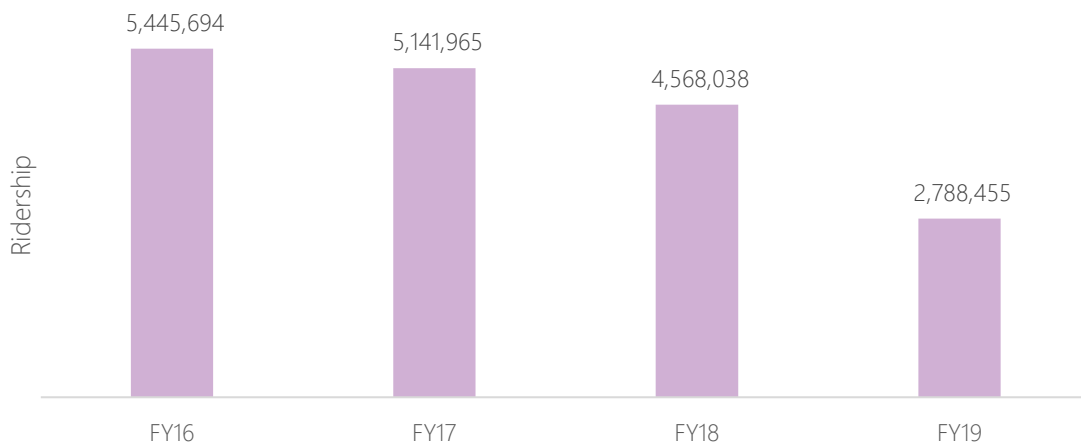
- Land use patterns are dominated by residential development;
- Willowbrook is centrally located and is located approximately 12 miles south of Downtown;
- The community benefits from excellent regional freeway access; and
- Has a significant community asset in a light rail transit stop along the Metro A Line (blue) connecting from Long Beach to Downtown Los Angeles.

Figure 3-4: Regional Transportation Map



Source: ESRI Business Analyst; METRO, Pro Forma Advisors

Figure 3-5: Metro Ridership (FY2016 – FY2019)



Source: METRO

## 4 Socioeconomic Analysis

The future market demand for different land uses in Willowbrook will be influenced by regional economic forces and market trends. This section analyzes the historic and projected socioeconomic trends for Willowbrook, the Metro Area, and County that most influence land use potentials for future development. The following section provides summary level information on key population, household age, race and ethnic, and educational attainment trends that may affect future land use planning.<sup>6</sup>

### 4.1 Demographic Trends

---

The following section provides summary level information on key population and household, age, ethnic, and educational trends that may affect future land use planning in the community.

#### POPULATION AND HOUSEHOLDS

Between the 2000 Census and the 2010, Willowbrook gained approximately 2,000 residents. Since 2000, Willowbrook's overall population growth has grown faster than the Metro Area and County. However, in absolute terms the growth is low due to the fact that area is largely built out and there are limited current opportunities for housing development.

Focusing on more recent population trends, ESRI Business Analysis estimates that the area's population will increase by approximately 220 over the next five years. Average household size is anticipated to stay high, with an average household size of 4.6. This household size is significantly higher than the County average (3.0).

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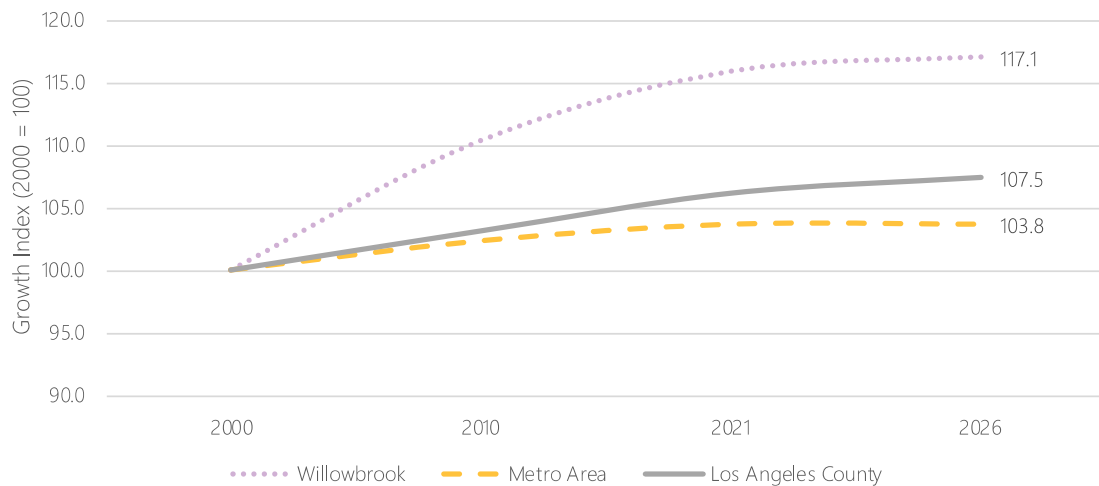
<sup>6</sup> Some of the socioeconomic data used in this analysis is provided by ESRI Business Analyst (ESRI). ESRI's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts throughout the United States. The ESRI data was utilized for two main reasons: (1) The 2020 Census data was not available at the time the market data was gathered and (2) two of the neighborhoods' geographies (Willowbrook and West Athens-Westmont) did not match to their respective Census-designated place geographies. For these reasons, the ESRI 2021/2026 socioeconomic data was utilized to ensure consistent comparisons among all the areas analyzed herein.

Table 4-1: Population and Household Trends

	2000	2010	2021(e)	2026(e)
<b>Population</b>				
Willowbrook	19,145	21,131	22,193	22,412
Metro Area	299,561	306,772	310,857	310,826
Los Angeles County	9,519,135	9,818,605	10,108,711	10,229,558
<b>Households</b>				
Willowbrook	4,317	4,661	4,824	4,848
Metro Area	72,637	74,630	75,285	75,023
Los Angeles County	3,133,720	3,241,204	3,328,361	3,366,546
<b>Household Size</b>				
Willowbrook	4.4	4.5	4.6	4.6
Metro Area	4.1	4.1	4.1	4.1
Los Angeles County	3.0	3.0	3.0	3.0

Source: ESRI Business Analyst

Figure 4-1: Population Growth Index



Source: ESRI Business Analyst



## AGE

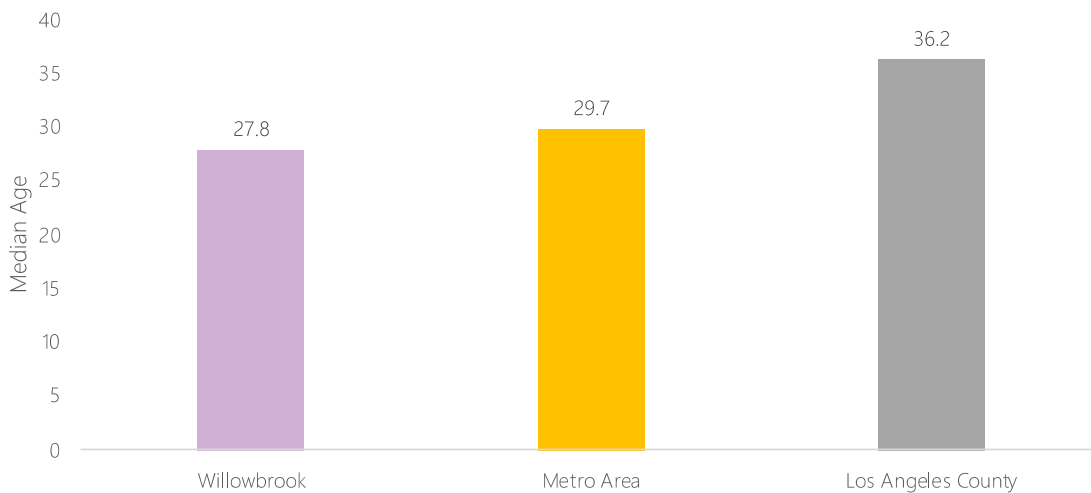
Willowbrook’s median age is 27.8, which is younger than both the Metro Area’s median age (29.7) and the County’s median age (36.2). By analyzing age cohorts, the area has an underrepresentation of age groups over 35 years. Conversely, there is a significant overrepresentation of age cohorts under 35 years old, whose shares are significantly higher than County. A considerably younger population, comprised of large numbers of families, will have unique implications for future land use planning.

Table 4-2: Age Distribution by Geography (2021)

	Willowbrook	Metro Area	Los Angeles County	Willowbrook/ Metro Area	Willowbrook/ County
Children/Young Adults (Under 24)	44.2%	41.1%	31.9%	107.4	138.4
Young Workers (25 to 34)	18.9%	17.5%	16.3%	107.9	115.8
Family Formation (35 to 54)	21.6%	23.4%	25.9%	92.2	83.3
Empty Nesters (55 to 74)	13.0%	14.4%	19.9%	90.2	65.3
Seniors (75+)	2.3%	3.5%	5.9%	65.6	38.9

Source: ESRI Business Analyst

Figure 4-2: Median Age by Geography (2021)



Source: ESRI Business Analyst

## RACE AND ETHNICITY

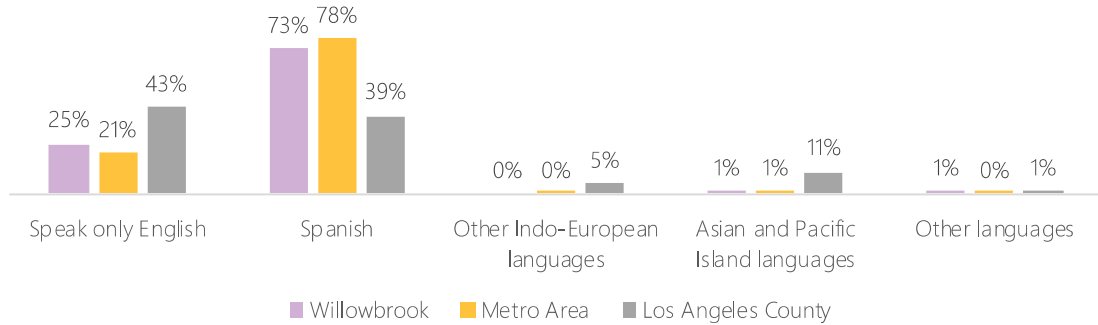
Willowbrook has a diverse population. While race and ethnic composition do not necessarily affect land use decisions, different cultures tend to have different preferences and priorities and may change the market orientation of some residential and non-residential land uses. As such, it is important to consider how the ethnic composition of the community's population might impact future land use decisions. Willowbrook has a higher relative share of residents identifying as "Black alone," "some other race alone," and "Hispanic." The Hispanic and Latino/a population composition is comparable to other areas within the Metro Area and over 73 percent report that they speak Spanish at home.

Table 4-3: Population by Race/Ethnicity (2021)

	Willowbrook	Metro Area	Los Angeles County	Willowbrook/Metro Area	Willowbrook/County
White Alone	29.1%	38.6%	48.5%	75.4	60.0
Black Alone	21.5%	14.3%	8.2%	150.3	262.2
American Indian Alone	0.8%	0.9%	0.7%	88.9	114.3
Asian Alone	0.4%	0.7%	15.1%	57.1	2.6
Pacific Islander Alone	0.2%	0.1%	0.3%	200.0	66.7
Some Other Race Alone	44.9%	42.0%	22.4%	106.9	200.4
Two or More Races	3.1%	3.4%	4.9%	91.2	63.3
Hispanic Origin	77.1%	83.8%	48.9%	92.0	157.7

Source: ESRI Business Analyst

Figure 4-3: Language Spoken at Home (2019)



Source: US Census

### EDUCATION

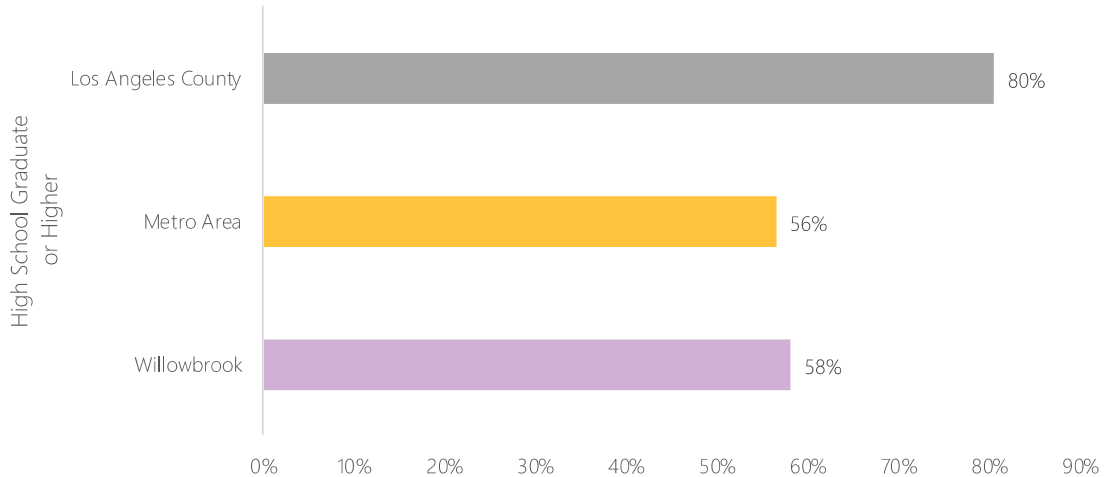
Levels of educational attainment are lower in both Willowbrook and the Metro Area, in comparison to the larger County area. For the population 25 and older, 42 percent of the residents report a “less than high school education,” which is over twice as high as the County. Similarly, there is an underrepresentation of community residents with “some college, associate degree” or a “bachelor’s degree or higher. If examining the percent of residents with a high school graduate or higher level of education, Willowbrook and the Metro Area both significantly under the Countywide educational attainment level of 80 percent.

Table 4-4: Population 25+ by Educational Attainment (2021)

	Willowbrook	Metro Area	Los Angeles County	Willowbrook/Metro Area	Willowbrook/County
Less than High School graduate	42%	44%	20%	96.3	215.4
High School Graduate (w/ equivalency)	31%	25%	21%	122.0	150.5
Some College, Associate Degree	19%	22%	25%	88.1	76.3
Bachelor’s Degree or higher	8%	9%	35%	84.6	22.3

Source: ESRI Business Analyst

Figure 4-4: Percent of Population 25+ with High School Degree (2021)



Source: ESRI Business Analyst

## 4.2 Key Demographic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- Willowbrook has had moderate population growth compared to the County, but low in absolute terms.
- The community has a high percentage of families<sup>7</sup>, with larger household sizes and a younger population.
- The area is largely comprised of people identifying as Hispanic and Latino/a and Black.
- Willowbrook has over two times the expected share of residents with less than a high school education compared to the education attainment of the population 25 or older in the County.

---

<sup>7</sup> The US Census and ESRI define a family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

### 4.3 Economic Trends

The following section provides summary level information on various aspects of employment and industry composition that will impact the demand for future commercial land in the community.

#### HOUSEHOLD INCOME

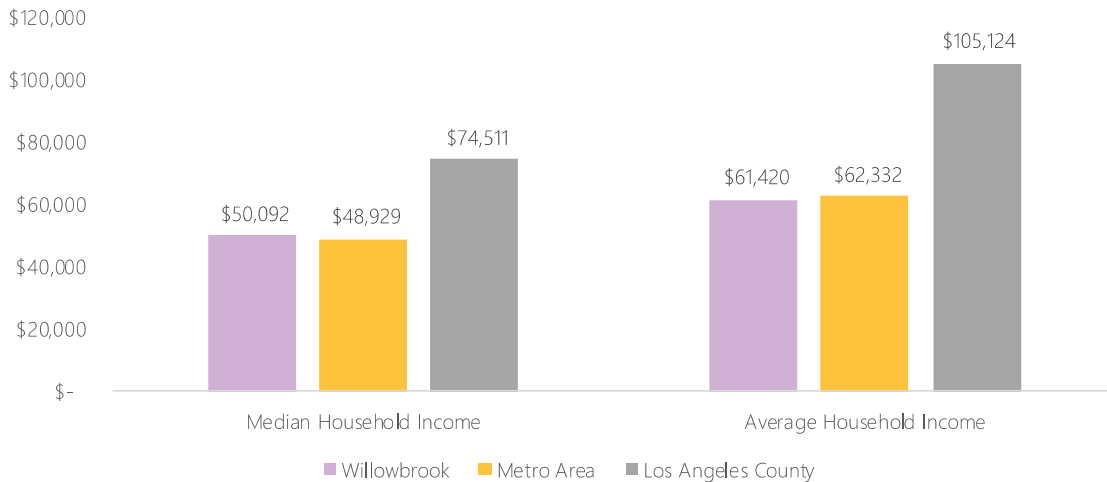
Willowbrook's median household income is approximately \$50,000, which is slightly higher than the Metro Area (\$48,900) and lower than the County (\$74,500). The household income projections, provided by ESRI Business Analyst, suggest that the community median income should rise at a rate consistent with the Metro Area and County over the next five years (2021 – 2026). The incomes of Willowbrook's households tend to be more concentrated in household income cohorts below \$35,000. Consistent with a lower median and average household income, there is a smaller share of household's making over \$100,000 in compared with the larger County region.

Table 4-5: Household Income by Income Cohort (2021)

	Willowbrook	Metro Area	Los Angeles County	Willowbrook/ Metro Area	Willowbrook/ County
<\$15,000	15.2%	13.7%	9.7%	110.9	156.7
\$15,000 - \$24,999	10.8%	11.3%	7.4%	95.6	145.9
\$25,000 - \$34,999	11.9%	10.8%	7.3%	110.2	163.0
\$35,000 - \$49,999	12.0%	15.1%	10.1%	79.5	118.8
\$50,000 - \$74,999	18.4%	19.1%	15.8%	96.3	116.5
\$75,000 - \$99,999	11.7%	12.2%	12.7%	95.9	92.1
\$100,000 - \$149,999	14.4%	12.2%	17.1%	118.0	84.2
\$150,000 - \$199,999	4.3%	3.6%	8.6%	119.4	50.0
\$200,000	1.2%	2.0%	11.5%	60.0	10.4

Source: ESRI Business Analyst

Figure 4-5: Median and Average Household Income (2021)



Source: ESRI Business Analyst

## EMPLOYMENT

Employment is examined in terms of unemployment rates, jobs (in-place employment), worker area profile, and industry composition. A critical barometer in evaluating demand for commercial office and industrial (workplace) real estate is employment growth. The following tables and graphs highlight relevant employment trends and forecasts. Sectoral (industry) analysis lends insight into industry growth and contraction patterns in a given geography.

As of the second quarter of 2021 Willowbrook’s unemployment rate had fallen to 17.5 percent, down from a peak of 30.2 percent in the second quarter of 2020. The area has typically remained above the County’s unemployment rate in pre- and post-recession times. During the last COVID related recession, the community’s employment spiked significantly, potentially due to the loss of jobs within lower paid, less skilled jobs or industries that were more adversely impacted by mandated business closures.

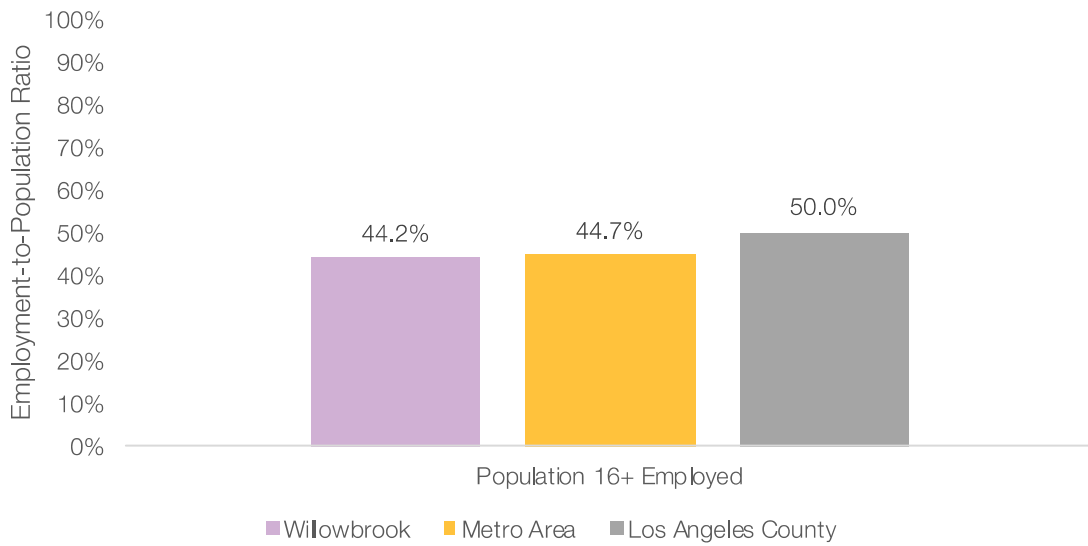
It is estimated that 44.2 percent of the population over 16 years of age are in the labor force. This is slightly lower than the Metro Area and approximately 6 percentage points lower than the County labor force participation.

Figure 4-6: Unemployment Rate (2021)



Source: CA EDD, CA Department of Finance

Figure 4-7: Labor Force (2021)



Source: CA EDD, CA Department of Finance

## IN-PLACE EMPLOYMENT

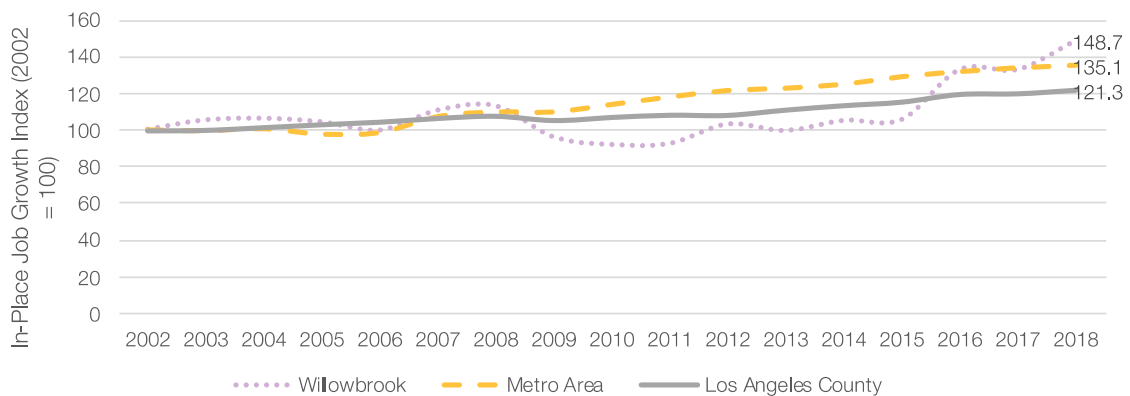
### Jobs

The previously provided information regarding income, unemployment, and the area’s labor force are based on the community’s residents. The following analysis examines jobs located in the community that may or may not be held by community residents. An evaluation of the primary “in-place” employment is important as it impacts the range of demand that can be projected for future commercial serving land uses.

Primary jobs<sup>8</sup> rose from 2002 to 2018, leading up to the COVID-19 related recession. In fact, Willowbrook saw a relative increase in job growth between 2015 to 2018 compared to both the Metro Area and County, whereas before 2015 the job growth tended to lag behind the larger areas.

Based on the OnTheMap employment data, approximately seven percent of the area’s in-place employment is from residents that both live and work in the community. Similar to other areas within the County, Willowbrook has a high number of its residents commuting long distances to work. There were approximately 3,300 primary jobs in the community in 2018, which is the most recent year of the Quarterly Census of Employment and Wages in-place employment data available for analysis.

Figure 4-8: In-Place Employment Index (2002 - 2018)



Source: US Census (OnTheMap)

<sup>8</sup> A total job is defined as all jobs, which include all public or private sector jobs (potentially more than one job per worker). For example, if a person had two part-time jobs, then the primary job would be the highest paying job for that worker. Typically there is not significant variation in primary and total jobs except in economies with significant portions of the labor force engaged in part-time employment (e.g. tourist economies).



Table 4-6: Employment Efficiency (2018)

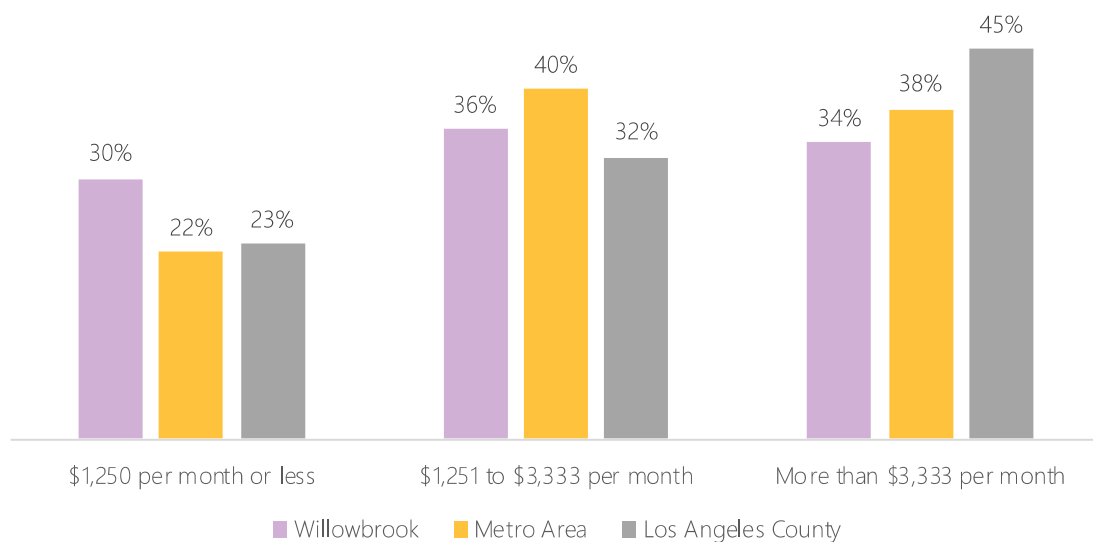
	Willowbrook	Metro Area Region	Los Angeles County
In-Place Jobs	3,295	55,365	4,685,637
Employed and Living in the Area (Resident Workers)	7%	12%	77%
Employed and Living Outside the Area (In-Place Employees)	93%	89%	23%

Source: US Census (OnTheMap)

### Worker Area Profile

An evaluation of primary jobs in Willowbrook reveals some noteworthy characteristics. Unlike the area's resident age distribution, the employment base does not deviate much from observed County ratios of jobs by age. Unlike the County, Willowbrook's in-place employment consists of generally lower paying jobs. As shown, the percentage of lower paying jobs yielding \$1,250 per month or less are almost a third of all jobs located in Willowbrook compared with less than one-quarter of the jobs in the County. The lack of a presence of higher paying jobs in Willowbrook is a negative indicator. Similarly, the educational attainment of in-place jobs in the area tends to be lower than County, but generally in line with the Metro Area.

Figure 4-6: In-Place Employment by Earnings (2018)



Source: US Census (OnTheMap)

Table 4-7: In-Place Employment by Educational Attainment (2018)

	Willowbrook	Metro Area	Los Angeles County	Willowbrook/Metro Area	Willowbrook/Los Angeles County
Less than high school	20%	24%	16%	83.5	124.2
High school or equivalent, no college	17%	17%	16%	95.9	104.3
Some college or Associate degree	22%	22%	23%	100.1	97.9
Bachelor's degree or advanced degree	18%	18%	24%	104.1	77.2
Educational attainment not available	23%	19%	22%	120.2	106.6

Source: US Census (OnTheMap)

### Location Quotient Analysis

The location quotient (LQ) is a tool that measures the relative concentration of different industries in specific localities relative to a larger level of geography. In most cases, the LQ would compare a county to a state or national level of employment concentration. However, it is useful to get a proxy for relative employment concentration among industries within a sub-regional level geography. The calculation helps evaluate Willowbrook's strength or weakness in a given industry, relative to the County as a whole. A concentrated (high) LQ means that a given industry is represented more than one would expect, given its total level of employment. The following describes the LQ:

- LQ > 1.0 means that an industry is more concentrated in Willowbrook than in the County.
- LQ < 1.0 means that an industry is less concentrated in Willowbrook than in the County.
- LQ = 1.0 means that an industry is equally concentrated in Willowbrook as in the County.

Because industries with a LQ greater than one indicates relatively high production of a particular service, it is likely that some amount of that industry is being exported. Employment in that industry (or the portion of employment that causes the LQ to exceed 1.0) is then assigned to the economic base and is given credit for supporting the economy as a whole. Conversely, if an industry has a LQ less than one, it is assumed to be a local-serving or non-basic industry. For economic development purposes, it is often useful to focus on the outlier industries with a LQ greater than 1.25 or less than 0.75. The assumption is that industries falling within 0.75 and 1.25 are probably pro-

ducing at levels sufficient to meet local demand in the local area. For example, a high concentration in the Educational Services and Health Care industries reflects the area's assets such as Martin Luther King Jr. Outpatient Center and Charles R. Drew University of Medicine and Science.

Table 4-8: In-Place Employment Change by Industry (2002, 2018)

Industry	Willowbrook (2002)	Willowbrook (2018)	Numeric Change (2002 - 2018)	Location Quotient
Agriculture, Forestry, Fishing and Hunting	0	0	0	0.00
Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0.00
Utilities	8	11	3	0.54
Construction	12	66	54	0.62
Manufacturing	192	233	41	0.96
Wholesale Trade	43	64	21	0.38
Retail Trade	118	235	117	0.75
Transportation and Warehousing	43	344	301	2.41
Information	2	0	-2	0.00
Finance and Insurance	10	8	-2	0.07
Real Estate and Rental and Leasing	11	0	-11	0.00
Professional, Scientific, and Technical Services	2	0	-2	0.00
Management of Companies and Enterprises	77	30	-47	0.61
Admin. & Support, Waste Mgmt. and Remediation	19	44	25	0.21
Educational Services	1182	1090	-92	4.08
Health Care and Social Assistance	95	714	619	1.35
Arts, Entertainment, and Recreation	1	0	-1	0.00
Accommodation and Food Services	303	435	132	1.38
Other Services (excluding Public Administration)	98	21	-77	0.19
Public Administration	0	0	0	0.00
<b>Total</b>	<b>2216</b>	<b>3295</b>	<b>1079</b>	<b>1.00</b>

Source: US Census (OnTheMap)

## 4.4 Key Economic Takeaways

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The following includes a bullet point summary of key takeaways from the section:

- Willowbrook households tend to have lower incomes than the County.
- The community typically has a higher percent of unemployment than is observed in the County. In times of recession, unemployment tends to increase at a higher rate than the County.
- Between 2002 and 2018, Willowbrook's in-place jobs have grown at a faster rate than both the Metro Area and the County.
- A number of industries are clustered in the area (Educational Services and Health Care) and will help facilitate future job growth in the community.
- In-place jobs tend to have lower wages and educational levels as compared with the countywide average.

## 5 Real Estate Market

The following provides an overview of historic trends for residential, office, and retail land uses.<sup>9</sup> Historic market trends have been examined to more accurately determine the potential for future land uses and associated development desired in the Metro Area General Plan Update. Once again, trends for the community, Metro Area, and County have been analyzed for comparison purposes. Various recognized submarket area<sup>10</sup> definitions are used in the commercial real estate analysis. It is important to note that this analysis does not attempt to replace the County's Housing Element or any prior planning. Rather, it is provided to include additional and updated market information.

### 5.1 Residential

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Demand for residential housing will be a byproduct of employment and population growth throughout the County. The following sections examine the regional market conditions for rental and for-sale residential properties as well as more localized information pertaining to residential potential in the community.

#### INVENTORY

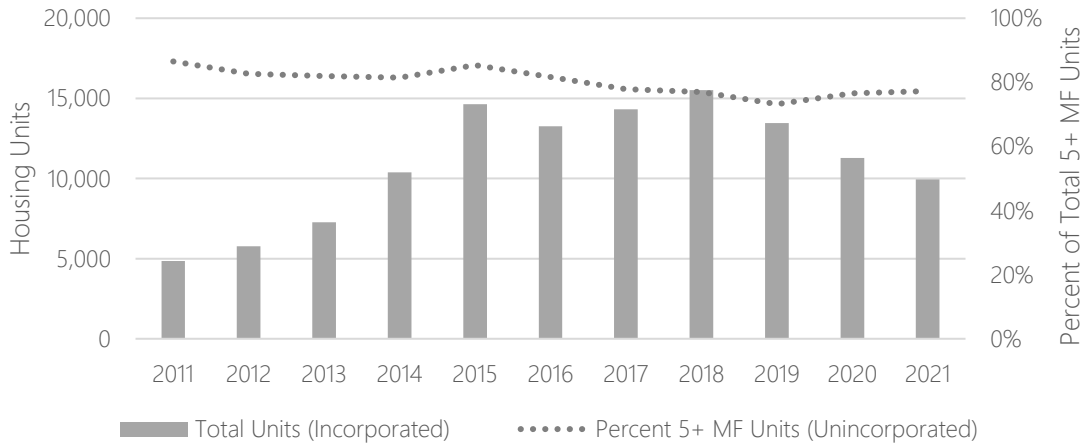
According to ESRI Business Analyst, Willowbrook has approximately 5,220 housing units, which represent about 6.5 percent of the Metro Area. Examining building permit data for the County over the last 10 years (Figure 5-1), an average of 11,000 units were delivered annually with approximately 80 percent of permits being 5 or more multi-family units in the unincorporated areas.

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<sup>9</sup> Pro Forma Advisors has not analyzed the market for future industrial uses as it appears to be inconsistent with the MAP vision. Future analysis may explore strategies to transition underperforming industrial land to more compatible land uses within the MAP communities.

<sup>10</sup> Submarket areas are specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set or peer group.

Figure 5-1: Building Permit Data (2011 - 2021)

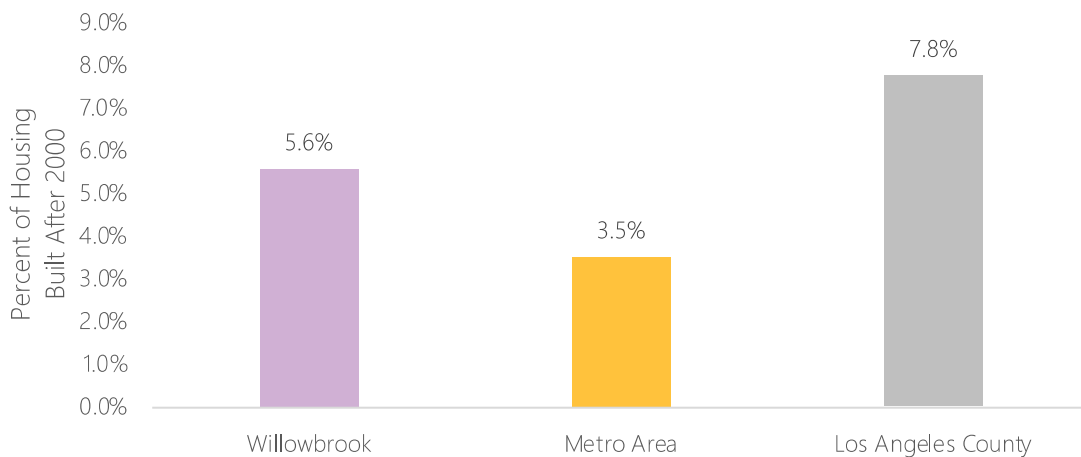


Source: Los Angeles County

### AGE

Approximately 66 percent of the housing was built before 1970. Over the next three decades 29 percent of housing was constructed, which makes its housing stocks one of the most recently developed in the Metro Area. However, like other Metro Area communities Willowbrook has experienced minimal new residential development since 2010. In fact, less than six percent of all housing stock was built after 2000. While this is lower than the development trends experienced in the County (7.8 percent), the community has added new housing at a higher rate in comparison to the Metro Area (3.5 percent) since 2000.

Figure 5-2: Housing Built Since 2000 (Relative to Total Housing Stock)

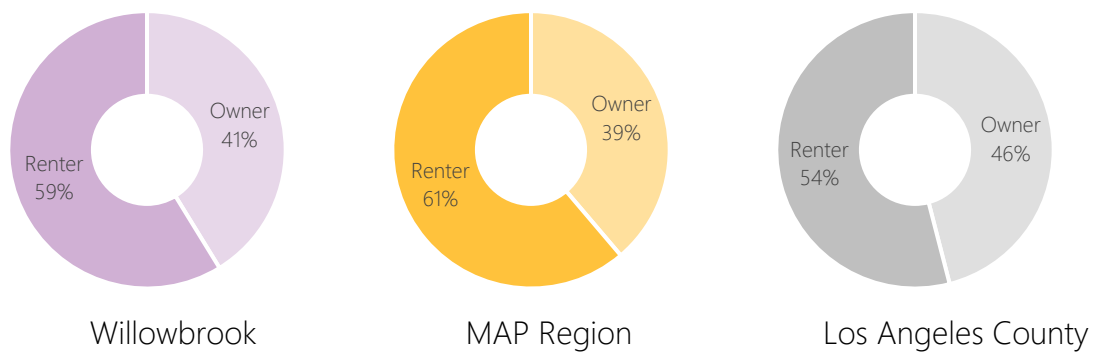


Source: US Census

## TENURE

Willowbrook has a larger share of renter-occupied housing in comparison to the County. Based on 2019 estimates, approximately 41 percent of the housing is owner-occupied. This ratio of owner-to-renter is generally consistent with the Metro Area with a slightly higher share of owner-occupied housing units. Housing vacancy characteristics do not show much variability from the Metro Area or County, where vacant properties typically make up a small percent of the housing stock.

Figure 5-3: Housing Tenure

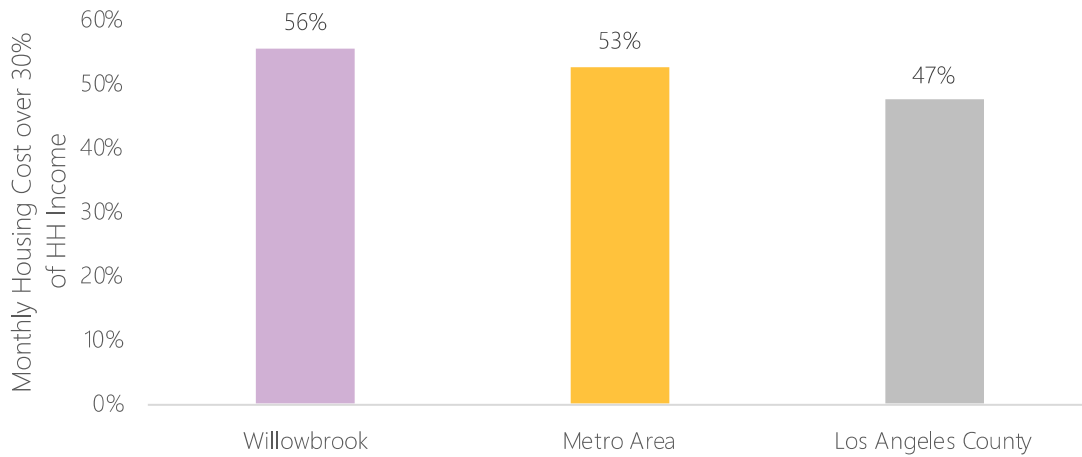


Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## COST BURDEN

The larger share of renters in Willowbrook and the Metro Area has implications for the financial stability of residents, as renters do not grow wealth through home ownership, have typically lower household incomes, and are subject to sometimes unpredictable rent increases or eviction. Furthermore, apartment owners may defer maintenance and can target lower income renters who have few options in the marketplace. This impacts both quality of life of occupants and can contribute to the community's perception in the County. Approximately 56 percent of households in Willowbrook pay more than 30 percent of their household incomes toward rent, which is commonly recognized as the share of household income beyond which rent becomes prohibitively expensive and affects other household expenditures.

Figure 5-4: Monthly Housing Cost Over 30 Percent of Income



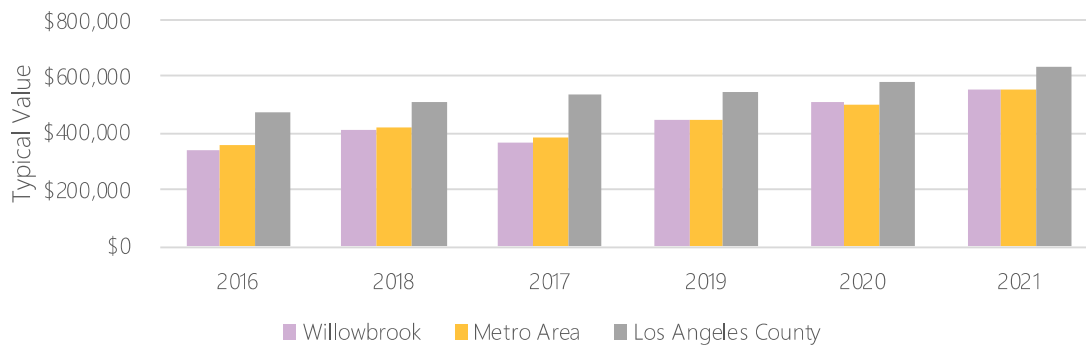
Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

## PRICING

### For-Sale Pricing

In 2021, the typical condominium price in Willowbrook was approximately \$556,000, which is \$83,000 less than the County (\$639,000). However, the compound annual growth rate (CAGR) for the community's for-sale housing has been 10.0 percent per year over the last five years. This rate is higher than the Metro Area (9.2 percent), but significantly higher than the County CAGR of 6.3 percent since 2016. The community, like the County, has seen marked for-sale housing pricing increases as interest rates have remained low and housing production has not kept pace with demand.

Figure 5-5: Typical Condominium Value



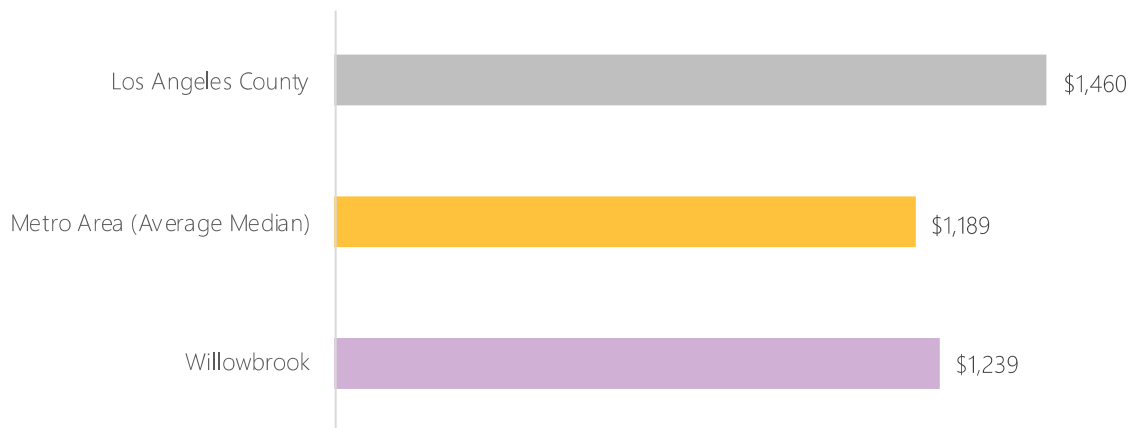
Source: Zillow



### For-Rent Pricing

According to the US Census, the typical monthly rental price (all units) is \$1,239 in Willowbrook. This typical monthly rent is lower than the County and slightly higher than the Metro Area. Similar to the for-sale housing, rental rates in the County have increased because of an increased demand for housing. For-rent housing demand, unlike for-sale housing, may reflect evolving market preferences, affordability, or scrutiny on for-sale home mortgage lending standards. In general, the Metro Area’s rental housing stock prices have not kept pace with the County due to a lack of new development, which often drives market prices up through higher quality and amenities.

Figure 5-6: Typical Monthly Rent (Median Gross Rent)



Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

### Pipeline Development

There are no significant residential developments known to be under construction.

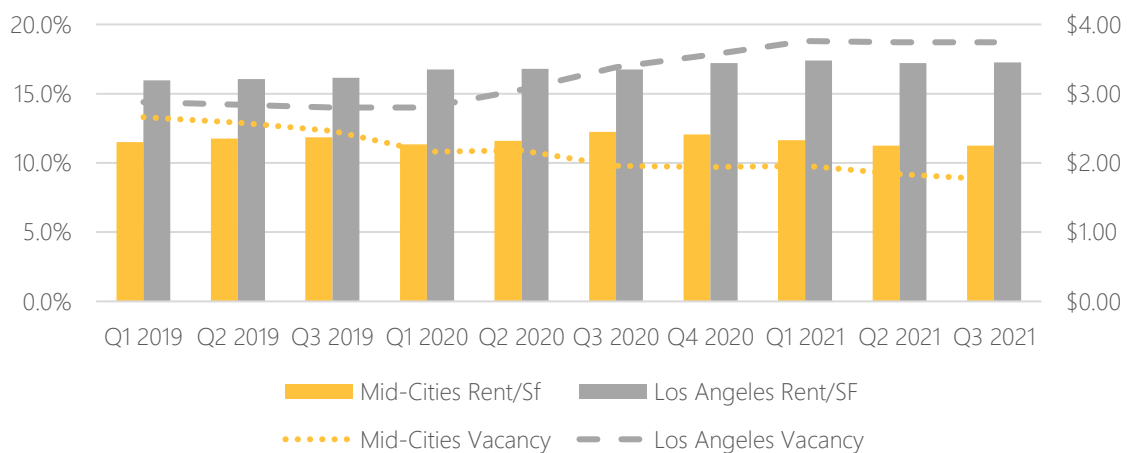
## 5.2 Office

Market potentials for office-related development within Willowbrook will be a function of the particular attributes of the available land, adjacent land uses, and the regional economy and office market. Although the Los Angeles office market is comprised of many submarkets, each with a potentially distinct tenant profile, office space is typically highly substitutable, such that the potentials in any given market are determined by the strength of the regional office market. Thus, development activity, absorption, vacancy rates, and change in rental rates follow very similar patterns in most of the Los Angeles submarkets.

### FUNDAMENTALS

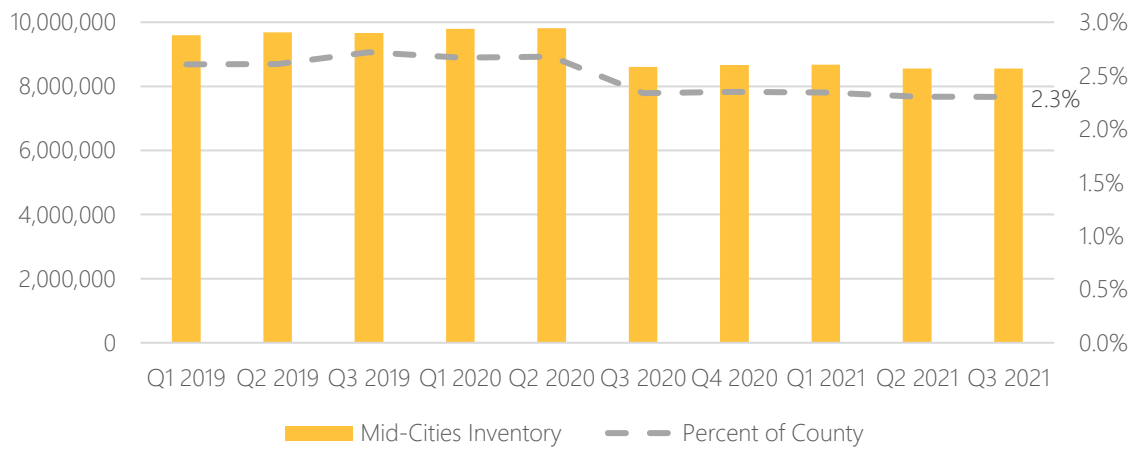
The Mid-Cities office market has 8.6 million square feet of office space, which has decreased by approximately one million square feet since Quarter 1 of 2019. Historically, the submarket has represented approximately 2.5 percent of the total County office market. The office vacancy rates have been lower than the larger County area over recent years. However, other submarkets have delivered high quality Class A space that often has a high vacancy rate because it is in the process being leased. As reflected in the average asking rent, the Mid-Cities area has lagged behind the average asking monthly rent largely due to its older office developments, most of which were delivered decades ago.

Figure 5-7: Regional Office Inventory (2019 - 2021)



Source: CoStar

Figure 5-8: Regional Office Trends (2019 – 2021)



Source: CoStar

### LOCAL MARKET CONDITIONS

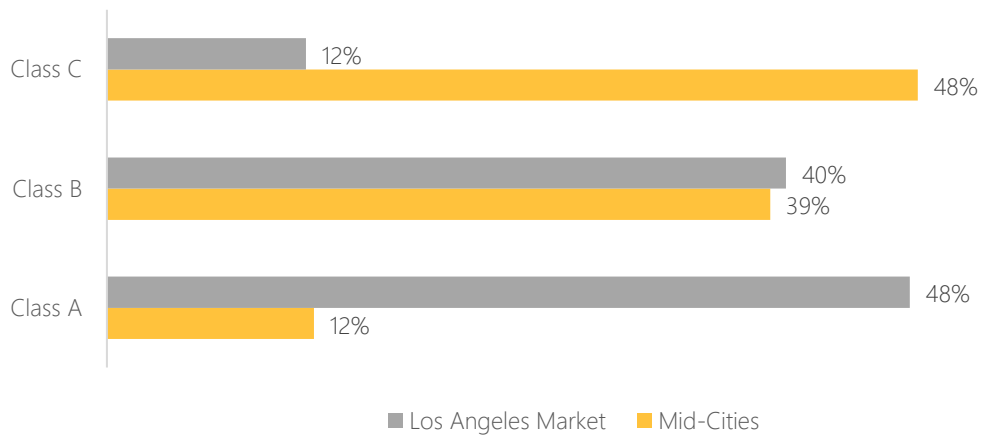
The Mid-Cities submarket has a significantly higher percent of Class C office space and relatively few Class A office developments. Once again, the County Assessor data was used to better understand the contemporary amount of commercial office development in the community.

Examples of office development include:

- Office Buildings; and
- Professional Building.

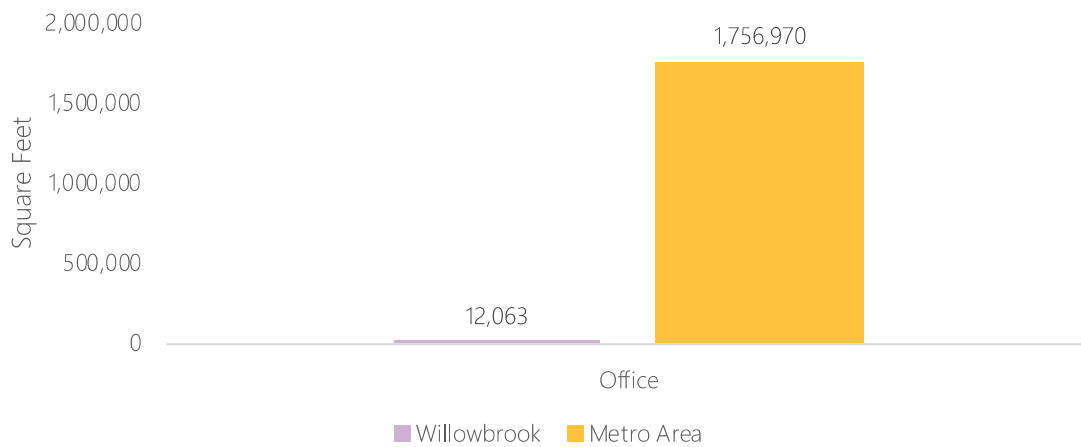
In total, there is an estimated 12,000 square feet of commercial office space, as defined above, which is less than one percent of the Metro Area’s 1.8 million square feet of commercial office development.

Figure 5-9: Office Inventory Comparison by Asset Class



Source: CoStar

Figure 5-10: Community and Metro Area Office Inventory (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant office developments known to be under construction.

## 5.3 Retail

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The retail sector occupies a prominent place in the economy because such a large portion of the United States' economic activity depends on consumer spending. The sales of retail goods and services generate a large number of jobs that provide employment for individuals across a wide range of skill and income levels. Retail real estate markets are more subject to obsolescence and more locally based than either commercial office or industrial markets.

### FUNDAMENTALS

Although historical data is incomplete for Willowbrook, it is likely that the retail market parallels that of the Greater Mid-Cities market area with annual rents around \$19-26 NNN/year/square foot. Asking rents have historically been significantly below the larger County area. Vacancies, on the other hand, have remained low with a rate consistent with the larger County trend. In total, there is an estimated 12 million square feet of shopping center<sup>11</sup> space in the Mid-Cities submarket, which is about 9 percent of the total County inventory.

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<sup>11</sup> Shopping centers consist of the following:

General Retail: Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don't meet any of the more detailed use descriptions.

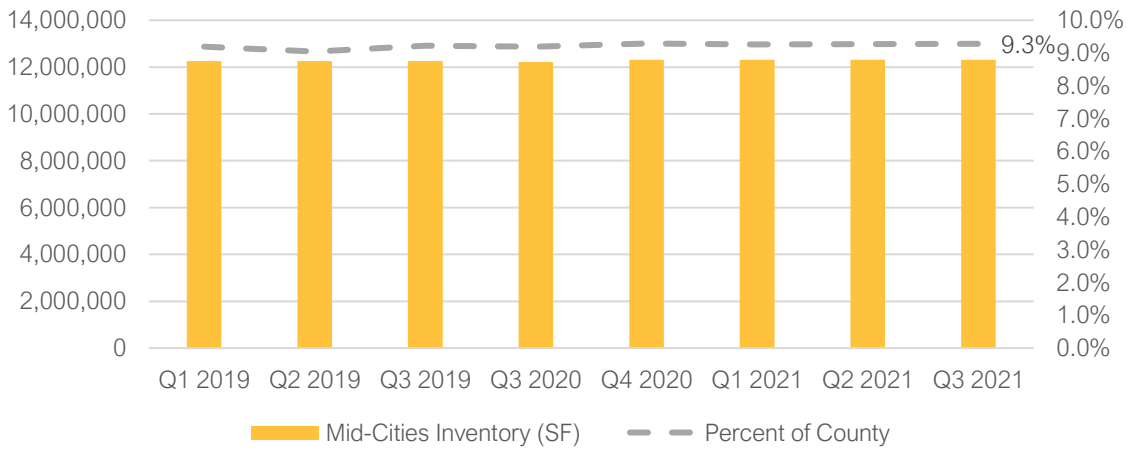
Mall: Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store, with a minimum GLA of 100,000 square feet, as the major drawing power.

Power Center: Typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants 250,000–600,000 square feet.

Shopping Center: The combined retail center types of Community Center, Neighborhood Center and Strip Center, which have a range of 50,000 – 350,000 square feet with limited anchors.

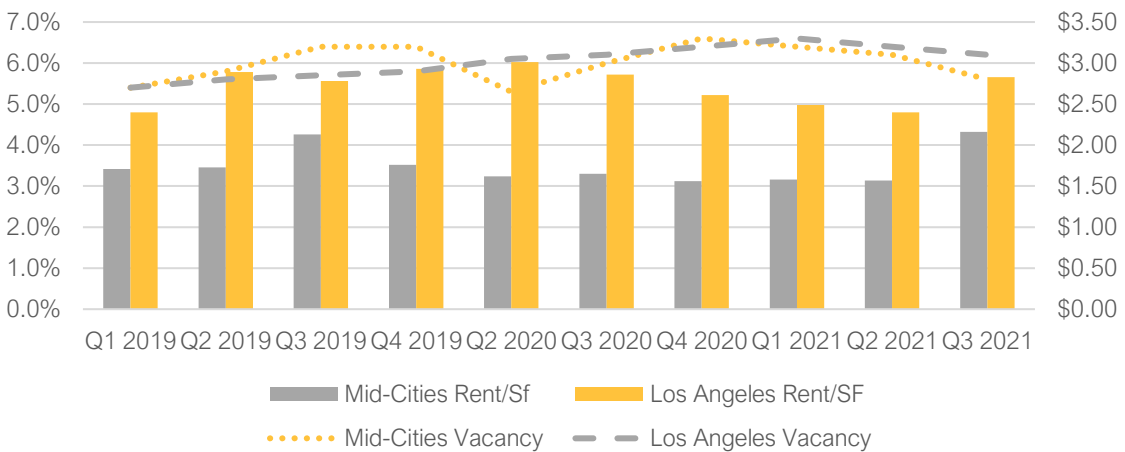
Specialty Center: The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center; which have a special market orientation and are unique in the market area.

Figure 5-11: Regional Retail Inventory (2019 - 2021)



Source: CoStar

Figure 5-12: Regional Retail Trends (2019 – 2021)



Source: CoStar

## LOCAL MARKET CONDITIONS

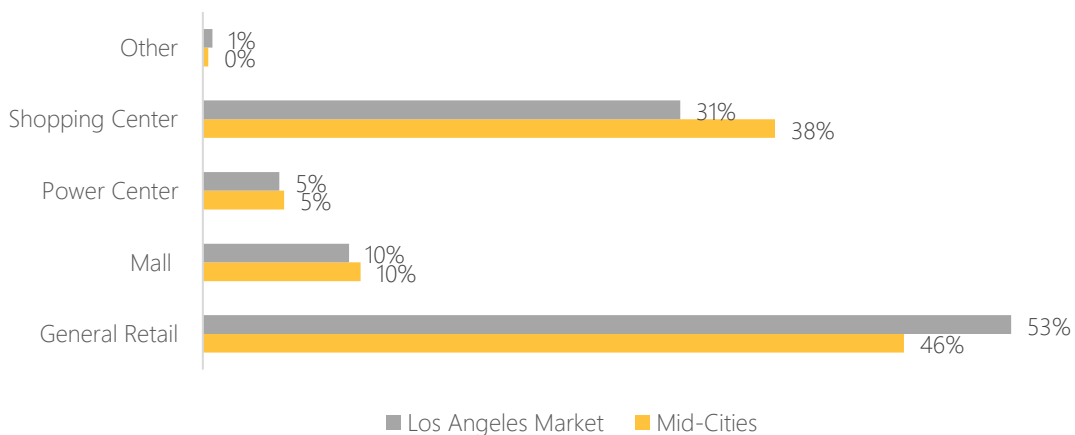
While the Mid-Cities submarket has a relatively consistent share of retail space by major retail development type, the local inventory in Willowbrook is dominated by non-shopping center oriented development. The County Assessor data was used to better understand the contemporary amount of commercial retail development in the community. Specifically, the amount of retail that would provide goods to community residents.

Examples of these types of retailers include:

- Restaurants/Non-grocery Food and Beverage;
- Supermarkets/Grocery;
- General Stores;
- Shopping Centers; and
- Department Stores.

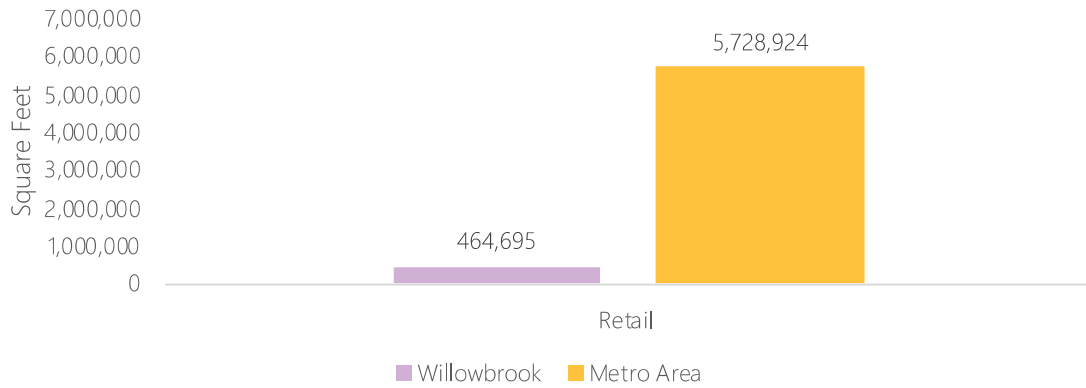
In total, there is an estimated 465,000 square feet of commercial retail space, as defined above, which is 7.8 percent of the Metro Area’s 5.7 million square feet of commercial retail development.

Figure 5-13: Retail Inventory Comparison by Asset Class



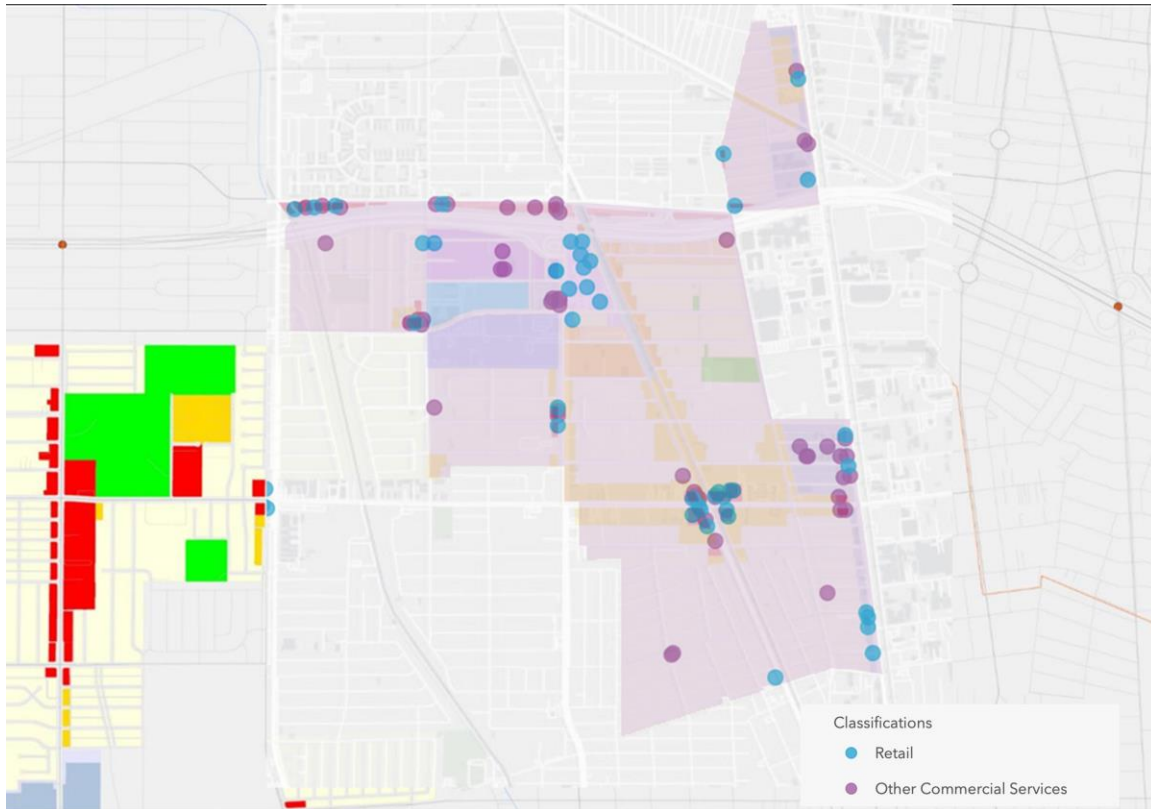
Source: CoStar

Figure 5-14: Community and Metro Area Retail Inventory (2020)



Source: Los Angeles County Assessor

Figure 5-15: Community Retail Inventory Map (2020)



Source: Los Angeles County Assessor

### Pipeline Development

There are no significant retail developments known to be under construction.



## 6 Long-Term Land Use Demand

The following section provides long-term land use demand projections for the community. Given that specific sites and development opportunities will generate various levels of demand, the following is intended to give broad parameters regarding the potential level of new development in the city. From this, development and land use opportunities can be evaluated to determine the required level of site capture (e.g. market demand) and if it is reasonable to plan for within the next 15 years.

### 6.1 Residential

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Area Plan residential projections are based on household estimates from ESRI and SCAG. The low range is based on historic growth (0.8 percent CAGR), the target growth is based on projected growth for all unincorporated areas in the County (1.2 percent CAGR), while the high growth reflects the adjusted SCAG projections using 2021 ESRI data. For planning purposes, a growth scenario between the target and high-range projection appears warranted unless the County desires creating higher density mixed-use residential development at key development opportunities adjacent to transit, as available in some Area Plan communities.

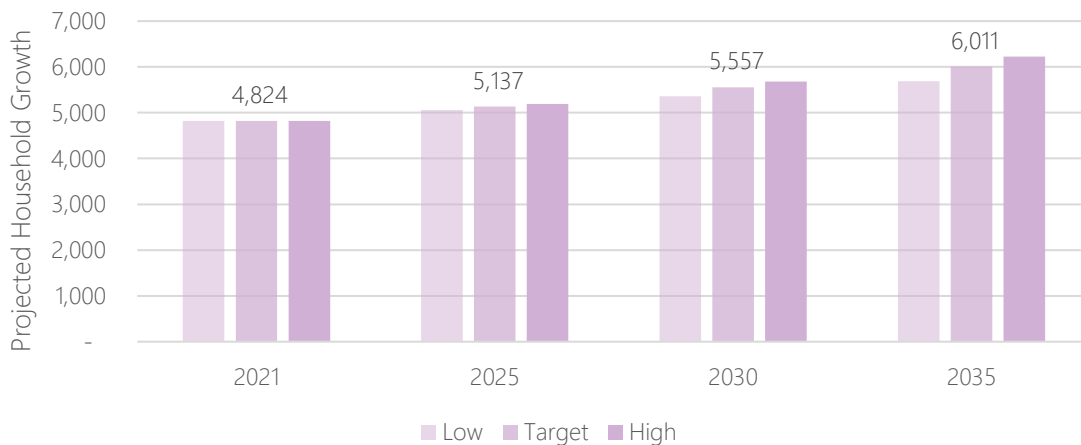
The total demand for new households was then further adjusted to account for a likely distribution of market rate and affordable housing units. In general, it is assumed 30 percent of the units are market while 70 percent are affordable throughout the Metro Area.

Table 6-1: Housing Demand by Time Period (2021 - 2035)

	2021-2025	2025-2030	2030-2035	2021-2035
<b>Willowbrook (Multi-Family Units)</b>				
Market Rate	94	127	137	358
Affordable	219	293	317	829
Total	313	420	454	1,187
<b>Metro Area(Multi-Family Units)</b>				
Market Rate	1,055	1,393	1,480	3,928
Affordable	2,670	3,525	3,746	9,941
Total	3,725	4,918	5,226	13,869
<b>Willowbrook/Metro Area (Percent of Total)</b>				
Market Rate	8.9%	9.1%	9.3%	9.1%
Affordable	8.2%	8.3%	8.5%	8.3%
Total	8.4%	8.5%	8.7%	8.6%

Source: Pro Forma Advisors

Figure 6-1: Housing Demand Scenarios – Occupied Housing Units (2021 – 2035)



Source: Pro Forma Advisors

## 6.2 Office

The demand for office space in the County and Metro Area will be based on demand created by new jobs in industries that require office space. Given the recent flexibility in an employee’s ability to work “remotely” the future demand for office space is somewhat speculative given that the required amount of space, in square feet, could change dramatically if people continue to work from home. Leading up to the global pandemic, office serving jobs have occupied less and less space on a per employee basis.

As noted in the office market analysis, there is relatively little office serving space in the Metro Area. The demand analysis uses California Employment Development Department 10-year projections by industry to estimate Countywide demand for industries that utilize office space. The total office space demand was then adjusted for office development under construction and structural vacancy. In total, it is estimated that 2.4 million square feet of office will be developed in the County per year and the Metro Area could capture its “fair share” or current allocation of office space, which is less than 0.5 percent of the Countywide total.

For general planning purposes, a range was provided based on a higher target and high range based on a more aggressive capture assumption. Given the total demand, office development is unlikely in the community in the planning horizon without a non-market driven intervention or relocation of a build-to-suit tenant.

Table 6-2: Office Demand (2021 - 2035)

	2021 - 2035 (Square Feet)		
	Low	Target	High
Willowbrook	2,800	3,500	4,200
Metro Area	147,600	184,500	221,400
Los Angeles County Market	2,160,000	2,400,000	2,640,000

Source: Pro Forma Advisors

## 6.3 Retail

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The retail demand model is based on a combination of existing spending assumed to be “leaking” outside the community as well as an assumed future capture of new resident spending. To estimate the retail surplus/leakage, potential sales (demand) from Willowbrook’s residents and employees were estimated using the gross disposable income and typical worker spending, while taxable sales (supply) were estimated using information from ESRI business analyst. Finally, an adjustment of sales to supportable square feet was made, based on an estimate of sales productivity levels that could support new higher quality development.

New resident spending was determined using an average household income of \$100,000 for market rate units and \$60,000 for affordable units (2021 dollars). The spending was adjusted to reflect a household spend per capita based on County pro rata retail sales adjusted by income.<sup>12</sup> A further assumption was made that assumed the community could capture 30 percent of new retail sales, which reflects typical spending for local serving retail development.

A low retail demand estimate reflects the total recapture of lost sales and a high retail demand estimates reflects the recapture of lost sales plus demand from new households. In total, Willowbrook has a limited amount of retail demand over the next 15-years.

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<sup>12</sup> Review of the Bureau of Labor Statistics’ Consumer Expenditure Study as well as the Board of Equalization Sales and Use tax reports.

Table 6-2: Retail Demand (2021 - 2035)

	Commercial Retail Recapture Estimate (2021)	New Retail De- mand from Household Growth	Total Commercial Re- tail Demand	Low	High
Willowbrook (Square Feet)					
Retail Trade	12,600	24,650	37,250	12,600	37,250
Food and Drink	2,300	4,350	6,650	2,300	6,650
Total	14,900	29,000	43,900	14,900	43,900
Metro Area (Square Feet)					
Retail Trade	158,100	281,350	439,450	158,100	439,450
Food and Drink	10,500	49,650	60,150	10,500	60,150
Total	168,600	331,000	499,600	168,600	499,600
Willowbrook/Metro Area(Percent of Total)					
Retail Trade	8.0%	8.8%	8.5%	8.0%	8.5%
Food and Drink	21.9%	8.8%	11.1%	21.9%	11.1%
Total	8.8%	8.8%	8.8%	8.8%	8.8%

Source: Pro Forma Advisors

## 6.4 Key Takeaways

The following includes a bullet point summary of key takeaways from the section:

- Multi-family housing development should be encouraged at market and affordable levels within the community. Given the Willowbrook Station asset, additional consideration could be given for higher density development oriented around transit.
- Retail demand is limited. Careful consideration should be given to community serving neighbor retail shopping center development.
- Office demand is not sufficient to plan for substantial new development.

## 7 Appendix

### 7.1 Sources

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Listed in report order:

[Los Angeles County Assessor](#)

[ESRI Business Analyst](#)

[METRO](#)

[US Census](#)

[California Employment Development Department](#)

[California Department of Finance](#)

[US Census \(OnTheMap\)](#)

[Los Angeles County \(Building Permit Data\)](#)

[Zillow](#)

[CoStar](#)

## 7.2 Demographic Data (ESRI)

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