

1 INLAND EMPIRE CITY PROFILE																		
City	Population				Taxable Retail Sales				Assessed Valuation			Financial Deposits						
	2009	Rank	2000-2009 Change	Rank	FY 2007-2008 (mil)	Rank	% Chg.	Per Capita	Rank	FY 2009-2010 (mil)	Rank	Per Capita	Rank	FY 2007-2008 (mil)	Rank	%Chg.	Per Capita	Rank
SAN BERNARDINO COUNTY																		
Adelanto	28,265	35	10,135	25	\$129	41	-2.7%	\$4,819	43	\$1,761	38	\$65,162	34	\$50	46	-0.2%	\$1,857	46
Apple Valley	69,861	19	15,622	19	\$446	30	8.6%	\$6,408	40	\$5,048	21	\$72,262	27	\$572	21	0.2%	\$8,206	33
Barstow	24,213	38	3,094	40	\$584	25	-2.6%	\$24,516	7	\$1,301	43	\$53,715	43	\$255	32	-3.8%	\$10,623	21
Big Bear Lake	6,255	46	817	47	\$173	39	-5.9%	\$27,880	4	\$3,021	30	\$483,031	3	\$208	36	-4.1%	\$33,425	3
Chino	84,173	13	17,005	17	\$1,490	10	1.1%	\$20,658	10	\$8,936	13	\$121,039	8	\$1,628	9	-9.6%	\$22,311	9
Chino Hills	78,725	15	11,938	23	\$496	27	-0.3%	\$6,323	41	\$8,864	14	\$112,590	12	\$777	16	0.7%	\$9,891	24
Colton	51,684	23	4,022	36	\$762	20	-23.2%	\$14,774	16	\$2,760	32	\$53,393	44	\$242	33	-11.4%	\$4,689	39
Fontana	189,021	3	60,093	1	\$2,323	6	0.8%	\$12,399	27	\$13,923	5	\$73,659	25	\$831	15	-4.2%	\$4,415	40
G. Terrace	12,484	43	858	46	\$88	45	2.8%	\$7,024	37	\$805	45	\$64,519	35	\$109	42	-0.5%	\$8,775	29
Hesperia	88,184	12	25,594	9	\$605	24	-9.0%	\$6,930	38	\$4,915	23	\$55,739	42	\$623	19	-10.6%	\$7,103	36
Highland	52,372	22	7,747	31	\$139	40	8.5%	\$2,658	47	\$2,936	31	\$56,060	41	\$117	41	8.6%	\$2,246	44
Loma Linda	22,619	39	3,391	39	\$316	32	9.5%	\$14,026	19	\$1,648	39	\$72,841	26	\$316	30	2.5%	\$14,027	15
Montclair	36,964	30	3,915	38	\$1,097	13	-12.3%	\$29,806	3	\$2,567	34	\$69,443	30	\$342	28	-4.7%	\$9,262	27
Needles	5,793	47	963	44	\$43	47	-7.3%	\$7,404	35	\$351	48	\$60,531	37	\$61	45	1.2%	\$10,523	22
Ontario	173,188	6	15,181	21	\$5,606	1	-0.7%	\$32,476	1	\$19,253	3	\$111,168	14	\$1,793	6	-3.3%	\$10,373	23
R. Cucamonga	177,736	5	49,993	3	\$2,303	7	-3.7%	\$13,384	23	\$19,850	2	\$114,011	11	\$1,672	7	-7.8%	\$9,662	25
Redlands	71,646	18	8,055	30	\$990	15	-9.8%	\$13,871	21	\$6,874	18	\$95,940	16	\$1,827	5	-8.2%	\$25,551	7
Rialto	100,022	11	8,140	29	\$1,111	12	6.0%	\$11,207	28	\$5,861	20	\$58,595	39	\$391	27	-12.7%	\$3,927	41
San Bdn	204,483	2	19,101	14	\$2,705	4	-11.7%	\$13,710	22	\$11,146	10	\$56,419	40	\$2,704	2	-6.3%	\$13,697	17
29 Palms	30,832	33	16,068	18	\$88	44	1.7%	\$2,899	46	\$824	44	\$26,725	48	\$64	43	-2.5%	\$2,081	45
Upland	75,035	16	6,642	32	\$970	16	-4.2%	\$12,995	24	\$6,935	17	\$92,428	18	\$1,436	11	-1.7%	\$19,181	12
Victorville	109,441	8	45,412	4	\$1,795	8	-13.1%	\$17,636	14	\$7,352	16	\$70,361	28	\$1,226	13	-8.8%	\$11,887	18
Yucaipa	51,317	25	10,110	26	\$241	35	-2.5%	\$4,716	44	\$3,530	28	\$68,785	31	\$427	25	4.5%	\$8,326	32
Yucca Valley	21,239	41	4,374	35	\$299	33	2.9%	\$14,168	18	\$1,480	40	\$69,701	29	\$476	23	-7.6%	\$22,445	8
SB County	2,060,950		350,811		\$29,459		-5.3%	\$14,600		\$170,605		\$83,883		\$18,553		-5.7%	\$9,158	
RIVERSIDE COUNTY																		
Banning	28,457	34	4,895	33	\$213	36	-14.3%	\$7,576	34	\$1,893	36	\$66,516	32	\$420	26	-4.6%	\$14,855	14
Beaumont	32,403	32	21,019	12	\$265	34	1.5%	\$8,466	32	\$3,033	29	\$93,595	17	\$174	38	2.5%	\$5,449	38
Blythe	21,329	40	864	45	\$174	38	-1.7%	\$12,442	26	\$712	46	\$52,095	46	\$130	39	-3.8%	\$9,400	26
Calimesa	7,498	45	359	48	\$54	46	5.5%	\$7,285	36	\$627	47	\$83,603	19	\$223	35	2.6%	\$29,893	4
Canyon Lake	11,128	44	1,176	43	\$12	48	-2.0%	\$1,134	48	\$1,388	42	\$124,763	7	\$40	48	-10.8%	\$7,892	34
Cathedral City	52,447	21	9,800	28	\$748	21	-13.0%	\$14,402	17	\$3,970	27	\$75,689	23	\$179	37	-14.2%	\$3,435	42
Coachella	41,000	29	18,276	15	\$324	31	4.5%	\$8,034	33	\$1,813	37	\$44,216	47	\$50	47	9.8%	\$1,223	48
Corona	148,597	7	23,631	10	\$3,264	3	-8.6%	\$22,247	8	\$16,531	4	\$111,248	13	\$1,662	8	-4.2%	\$11,259	20
Dsrt Hot Spr.	26,552	37	9,970	27	\$94	42	-0.9%	\$3,627	45	\$1,394	41	\$52,519	45	\$229	34	-10.9%	\$8,743	30
Hemet	74,361	17	15,549	20	\$929	17	-7.7%	\$12,689	25	\$4,663	24	\$62,712	36	\$1,553	10	-15.9%	\$21,045	10
Indian Wells	5,093	48	1,277	42	\$93	43	-10.4%	\$18,575	11	\$4,929	22	\$967,753	1	\$334	29	2.4%	\$66,236	1
Indio	82,230	14	33,114	8	\$718	22	-11.9%	\$8,863	31	\$6,702	19	\$81,498	21	\$749	17	-13.2%	\$9,179	28
Lk Elsinore	50,267	26	21,337	11	\$690	23	-6.2%	\$13,929	20	\$4,101	25	\$81,588	20	\$435	24	-9.9%	\$8,713	31
La Quinta	43,778	28	20,084	13	\$791	19	-1.8%	\$18,516	12	\$11,864	8	\$271,002	4	\$601	20	2.8%	\$13,899	16
Moreno Vly.	186,301	4	43,922	7	\$1,236	11	-4.7%	\$6,756	39	\$11,235	9	\$60,306	38	\$1,025	14	-7.3%	\$5,553	37
Murrieta	100,714	10	56,432	2	\$1,045	14	-7.7%	\$10,493	30	\$10,112	11	\$100,407	15	\$724	18	-3.6%	\$7,231	35
Norco	27,160	36	3,003	41	\$485	28	-8.8%	\$21,315	9	\$2,629	33	\$115,469	10	\$268	31	0.1%	\$11,764	19
Palm Desert	51,509	24	10,354	24	\$1,558	9	-2.8%	\$30,745	2	\$13,475	6	\$261,614	5	\$2,253	3	4.3%	\$44,100	2
Palm Springs	47,601	27	4,796	34	\$842	18	-2.5%	\$17,900	13	\$9,793	12	\$205,734	6	\$1,363	12	-2.9%	\$28,812	5
Perris	54,323	20	18,134	16	\$561	26	-3.2%	\$10,523	29	\$4,082	26	\$75,150	24	\$126	40	-7.8%	\$2,340	43
Rancho Mirage	17,180	42	3,931	37	\$472	29	-7.5%	\$27,785	5	\$8,300	15	\$483,127	2	\$489	22	0.5%	\$28,638	6
Riverside	300,430	1	45,264	5	\$4,490	2	-9.7%	\$15,262	15	\$23,942	1	\$79,986	22	\$5,434	1	7.4%	\$18,340	13
San Jacinto	36,477	31	12,698	22	\$196	37	39.5%	\$5,520	42	\$2,398	35	\$65,729	33	\$63	44	74.9%	\$1,763	47
Temecula	102,604	9	44,888	6	\$2,470	5	-7.4%	\$24,727	6	\$12,004	7	\$116,989	9	\$2,024	4	3.8%	\$19,994	11
Riv County	2,107,653		562,266		\$27,729		-6.6%	\$13,431		\$211,285		\$102,198		\$21,735		-1.1%	\$10,454	
Inl. Empire	4,168,603		913,077		\$57,188		-6.0%	\$14,009		\$381,890		\$91,611		\$40,289		-3.3%	\$9,815	

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

City	EXISTING HOMES						NEW HOMES						INCOME					
	2008 Volume	07-08 Rank	2009 2nd Q %Chg	2009 2nd Q Median P	08-09 Rank	2009 %Chg	2009 Pmt.	2008 Volume	07-08 Rank	2009 2nd Q %Chg	2009 2nd Q Median P	08-09 Rank	2009 %Chg	2009 Pmt.	2007 Median	2007 Rank	2007 (mil.)	2007 Rank
SAN BERNARDINO COUNTY																		
Adelanto	608	25	163.2%	\$77,000	45	-48.7%	\$399	125	22	-22.9%	\$197,000	36	-15.5%	\$1,021	\$42,210	38	\$297	45
Apple Valley	1,069	15	51.8%	\$99,636	41	-47.9%	\$516	181	18	-24.2%	\$203,818	32	-26.6%	\$1,056	\$48,946	28	\$1,437	18
Barstow	254	41	-17.5%	\$52,500	48	-59.6%	\$272	19	39	-66.3%	\$200,000	34	-43.5%	\$1,036	\$39,564	40	\$399	39
Big Bear Lk	324	36	-10.0%	\$304,500	10	-1.8%	\$1,578	8	44	38.2%	\$285,000	19	-62.1%	\$1,477	\$42,512	37	\$168	47
Chino	471	31	19.8%	\$296,411	11	-18.2%	\$1,536	359	9	-43.4%	\$351,743	9	-14.2%	\$1,822	\$70,283	11	\$1,558	15
Chino Hills	577	26	-6.0%	\$415,000	3	-11.7%	\$2,150	67	28	-67.4%	\$675,000	3	-15.8%	\$4,625	\$100,371	2	\$2,436	10
Colton	436	32	33.7%	\$115,000	36	-46.5%	\$596	6	45	-85.2%	NA	NA	NA	NA	\$42,665	36	\$830	27
Fontana	2,775	4	79.3%	\$199,397	20	-31.9%	\$1,033	441	7	-52.0%	\$332,859	14	-18.3%	\$1,725	\$61,752	14	\$3,269	4
G. Terrace	87	45	24.3%	\$195,500	21	-32.6%	\$1,013	10	43	-74.4%	NA	NA	NA	NA	\$68,098	12	\$308	44
Hesperia	1,443	11	65.3%	\$95,000	42	-46.6%	\$492	10	42	-92.6%	\$115,000	40	-54.1%	\$596	\$48,244	30	\$1,487	17
Highland	519	28	22.1%	\$148,500	29	-44.5%	\$769	46	31	-58.5%	\$345,000	11	3.0%	\$1,787	\$54,153	22	\$1,061	25
Loma Linda	124	43	36.3%	\$285,000	13	-8.1%	\$1,477	76	27	-63.2%	NA	NA	NA	NA	\$52,272	24	\$588	32
Montclair	250	42	51.5%	\$215,000	17	-28.3%	\$1,114	43	33	-21.8%	\$323,000	15	-24.9%	\$1,673	\$56,147	17	\$552	33
Needles	20	48	-62.3%	\$58,250	47	-56.5%	\$302	0	48	NA	NA	NA	NA	\$32,431	48	\$110	48	
Ontario	879	19	20.1%	\$201,597	19	-29.7%	\$1,044	187	16	70.0%	\$348,957	10	-11.4%	\$1,808	\$55,781	18	\$2,916	7
R. Cucamonga	320	38	-0.9%	\$336,916	6	-15.2%	\$1,746	32	34	-52.8%	\$471,580	5	-43.0%	\$3,231	\$78,452	5	\$4,712	2
Redlands	528	27	-9.3%	\$231,084	16	-29.1%	\$1,197	94	25	-51.2%	\$335,667	12	-9.7%	\$1,739	\$61,641	15	\$2,067	12
Rialto	1,059	16	50.6%	\$136,541	32	-41.0%	\$707	46	30	87.0%	\$203,000	33	-33.8%	\$1,052	\$49,255	27	\$1,521	16
San Bdn	2,698	6	32.1%	\$90,166	43	-51.7%	\$467	251	14	-47.6%	\$293,516	18	-19.8%	\$1,521	\$38,987	41	\$2,998	6
29 Palms	262	40	1.6%	\$77,000	46	-43.0%	\$399	31	35	-68.0%	\$219,000	31	28.8%	\$1,135	\$38,614	42	\$366	41
Upland	473	30	-2.7%	\$355,144	5	-16.9%	\$1,840	44	32	22.9%	\$915,000	2	154.7%	\$6,269	\$65,531	13	\$2,109	11
Victorville	1,626	10	100.7%	\$110,847	38	-38.2%	\$574	678	3	-45.3%	\$195,265	37	-23.9%	\$1,012	\$48,462	29	\$1,665	14
Yucaipa	496	29	7.8%	\$214,250	18	-23.5%	\$1,110	95	24	-68.4%	\$238,250	28	-40.4%	\$1,234	\$55,693	19	\$1,215	24
Yucca Valley	392	34	-2.5%	\$100,000	40	-35.5%	\$518	24	37	-52.6%	\$241,500	26	0.6%	\$1,251	\$38,204	43	\$405	38
SB County	21,141		29.8%	\$134,000		-42.7%	\$694	3,355		-46.4%	\$290,000		-7.9%	\$1,503	\$54,093		\$39,831	
RIVERSIDE COUNTY																		
Banning	424	33	42.3%	\$110,000	39	-44.9%	\$570	23	38	-30.6%	NA	NA	NA	NA	\$40,073	39	\$546	34
Beaumont	632	23	81.1%	\$190,000	22	-23.5%	\$984	759	2	-21.8%	\$244,500	23	-21.1%	\$1,267	\$46,703	32	\$546	35
Blythe	79	46	-37.3%	\$130,000	35	-30.9%	\$674	28	36	-36.4%	\$241,250	27	-20.9%	\$1,250	\$36,883	44	\$390	40
Calimesa	53	47	0.0%	\$187,500	23	-28.6%	\$971	0	47	NA	NA	NA	NA	\$56,531	16	\$226	46	
Canyon Lake	321	37	54.3%	\$180,000	25	-39.4%	\$933	58	29	-36.0%	NA	NA	NA	NA	\$84,324	3	\$408	37
Cathedral City	648	22	32.0%	\$154,955	28	-34.1%	\$803	19	40	-79.0%	\$302,500	17	-26.2%	\$1,567	\$43,792	33	\$921	26
Coachella	335	35	219.0%	\$143,000	30	-29.6%	\$741	176	19	-48.5%	\$182,500	38	-27.0%	\$946	\$35,797	46	\$334	43
Corona	3,718	3	103.1%	\$291,489	12	-20.6%	\$1,510	1,060	1	-47.0%	\$400,733	8	-9.2%	\$2,076	\$75,497	7	\$4,086	3
Dsrt Hot Spr.	812	20	96.1%	\$84,794	44	-41.6%	\$439	175	20	-24.1%	\$180,000	39	-6.7%	\$933	\$36,379	45	\$364	42
Hemet	2,049	7	103.5%	\$112,409	37	-36.7%	\$582	182	17	-62.3%	\$228,333	29	-22.2%	\$1,183	\$33,924	47	\$1,318	20
Indian Wells	113	44	-23.6%	\$630,000	1	-29.2%	\$4,317	15	41	-10.9%	\$2,175,000	1	193.7%	\$14,903	\$116,718	1	\$477	36
Indio	1,288	14	96.3%	\$165,031	27	-32.2%	\$855	600	4	-41.1%	\$243,951	24	-22.1%	\$1,264	\$47,708	31	\$1,255	22
Lk Elsinore	1,376	12	150.6%	\$166,214	26	-34.4%	\$861	268	12	-65.1%	\$243,271	25	-25.7%	\$1,260	\$55,179	21	\$790	28
La Quinta	903	17	5.0%	\$312,500	7	-35.6%	\$1,619	268	13	-47.8%	\$528,955	4	-11.8%	\$3,624	\$74,452	10	\$1,305	21
Moreno Vly.	3,739	2	152.1%	\$139,226	31	-35.0%	\$721	353	10	-25.5%	\$267,887	20	-12.5%	\$1,388	\$55,604	20	\$3,075	5
Murrieta	2,700	5	124.4%	\$237,497	15	-21.4%	\$1,230	220	15	-44.1%	\$265,882	21	-35.7%	\$1,378	\$74,775	9	\$2,505	9
Norco	274	39	20.7%	\$363,750	4	-23.4%	\$1,885	2	46	78.2%	NA	NA	NA	NA	\$81,182	4	\$672	30
Palm Desert	675	21	-4.5%	\$307,232	8	-24.2%	\$1,592	93	26	-43.4%	\$253,519	22	-21.7%	\$1,313	\$51,999	25	\$1,737	13
Palm Springs	611	24	-10.8%	\$307,152	9	-31.0%	\$1,591	125	23	-62.4%	\$308,800	16	-32.5%	\$1,600	\$43,615	34	\$1,358	19
Perris	1,663	9	162.7%	\$135,965	33	-36.4%	\$704	305	11	-53.2%	\$199,274	35	-26.6%	\$1,032	\$49,675	26	\$786	29
Rancho Mirage	1,352	13	22.6%	\$597,500	2	-20.0%	\$4,094	375	8	-48.5%	\$419,250	6	-22.3%	\$2,873	\$76,242	6	\$1,245	23
Riverside	4,018	1	51.5%	\$184,383	24	-33.2%	\$955	505	6	-52.3%	\$401,365	7	-16.7%	\$2,079	\$54,099	23	\$6,282	1
San Jacinto	883	18	171.7%	\$130,576	34	-34.5%	\$677	149	21	-64.2%	\$227,000	30	-10.9%	\$1,176	\$42,772	35	\$592	31
Temecula	1,904	8	69.5%	\$249,824	14	-22.0%	\$1,294	578	5	-42.4%	\$335,298	13	-5.5%	\$1,737	\$75,335	8	\$2,542	8
Riv County	32,481		77.5%	\$172,000		-36.3%	\$891	7,345		-46.2%	\$275,000		-18.8%	\$1,425	\$55,881		\$46,309	
Inl. Empire	53,622		55.0%	\$155,300		-39.4%	\$805	10,700		-46.3%	\$279,200		-15.6%	\$1,447	\$54,991		\$86,141	

Source: Dataquick, U.S. Census Bureau, Economics & Politics, Inc. Mortgage payments based on 3% down, 30-year term at 5.07% rate (7.875% for jumbo loans).

(\$1,134) were the weakest [Note: prison populations not in per capita calculations].

Assessed Valuation. Assessed valuation is important since property taxes can be a major revenue source. In 2008, values were seriously impacted by declining home prices. In mid-2009, San Bernardino County's valuation was \$171 billion, down -6.2%. Riverside County's was \$211 billion, down -10.8%. For cities, assessed valuation tends to follow population and industrial development as seen in the five top inland cities: Riverside (\$23.9 billion), Rancho Cucamonga (\$19.9 billion), Ontario (\$19.3 billion), Corona (\$16.5 billion) and Fontana (\$13.9 billion). Though San Bernardino is second in population and has an industrial base, its low home values put its valuation (\$11.1 billion) at just tenth. Of these cities, only Ontario did not see a drop in its valuation from 2008-2009.

Assessed value per capita measures the ability of property taxes to support services for each city resident. Here, home values played a major role. The Coachella Valley had five of the six top cities, led by Indian Wells (1st, \$967,753) and Rancho Mirage (2nd, \$483,127). Three smaller cities did well: Big Bear Lake (3rd, \$483,031), Canyon Lake (7th, \$124,763) and Norco (10th, \$115,469), as did three communities near the coastal counties: Chino (8th, \$121,039), Temecula (9th, \$116,989) and Rancho Cucamonga (10th, \$114,011). By contrast, four East SB Valley cities remained in the bottom group: Rialto (39th, \$58,595), San Bernardino (40th, \$56,419), Highland (41st, \$56,060), and Colton (44th, \$53,393). Outlying desert cities were among the lowest: Hesperia (42nd, \$55,739), Barstow (43rd, \$53,715), Desert Hot Springs (45th, \$52,519), Blythe (46th, \$52,095), Coachella (47th, \$44,216), and Twentynine Palms (48th, \$26,725).

Financial Deposits. Financial deposits are the only available indicator of local wealth since there is no local measure of stock market investments. In 2008, Inland Empire's deposits by city from HighLine Data showed a decreased of -3.3% to \$40.3 billion. Riverside County deposits fell -1.1% to \$21.7 billion; San Bernardino County's dropped -5.7% to \$18.6 billion.

The county seats had the most deposits: Riverside (\$5.43 billion) and San Bernardino (\$2.70 billion), followed by Palm Desert (\$2.25 billion). Temecula (\$2.02 billion) and Redlands (\$1.83 billion) led Ontario (\$1.79 billion) and Rancho Cucamonga (\$1.67 billion). From 2007-2008, deposits rose in only 17 of 48 cities led by San Jacinto (74.9%), Coachella (9.8%) and Highland (8.6%). The largest declines were in Hemet (-15.9%), Cathedral City (-14.2%), and Indio (-13.2%). Coachella Valley cities had the highest deposits per capita led by Indian Wells (\$66,236) and Palm Desert (\$44,100). Big Bear Lake (\$33,425) ranked third, followed by Calimesa (\$29,893) and Palm Springs (\$28,812).

Home Sales Volumes. Dataquick provides home deed recordings by zip code using county recorders' data. In 2008 sales generally started to grow again as foreclosures drove sales volumes. San Bernardino County's 2008 **existing home sales** recordings rose 29.8% to 21,141 units; Riverside County saw an increase of 77.5% to 32,481 (Exhibit 2). Except for Ontario (879, 19th) and San Bernardino (2,928, 6th), the largest cities had the highest existing home sales. The leaders were Riverside (4,018), Moreno Valley (3,739), Corona (3,718), Fontana (2,775) and Murrieta (2,700). Several Riverside

County cities had triple digit growth led by Coachella (219.0%), San Jacinto (171.7%), Moreno Valley (152.1%) and Lake Elsinore (150.6%). Adelanto (163.2%) was the only San Bernardino County city seeing this. The largest declines were in outlying Needles (-62.5%) and Blythe (-37.3%). Riverside County's 2008 **new home sales** fell -46.2% to 7,345 units; San Bernardino County saw a drop of -46.4% to 3,355. Six cities exceeded 500 sales: Corona (1,060), Beaumont (759), Victorville (678), Indio (600), Temecula (578) and Riverside (505). Only 4 of 48 cities had increased new home sales: Ontario (70.0% to 187), Rialto (87.0% to 46), Upland (22.9% to 44) and Norco (78.2% to 2).

Home Prices. From second quarter 2008-2009, Riverside County's **median existing home price** fell -36.3% to \$172,000; San Bernardino County's declined -42.7% to \$134,000. The highest prices were in Indian Wells (\$630,000), Rancho Mirage (\$597,500), Chino Hills (\$415,000), Norco (\$363,750) and Upland (\$355,144). Outlying desert cities were the lowest: Twentynine Palms (\$77,000), Needles (\$58,250) and Barstow (\$52,500). Every city's prices fell, led by Barstow (-59.6%), Needles (-56.5%) and San Bernardino (-51.7%). San Bernardino County's **median new home price** fell -7.9% to \$290,000; Riverside County's declined -18.8% to \$275,000. The highest prices were in Indian Wells (\$2,175,000), Upland (\$915,000), Chino Hills (\$675,000), La Quinta (\$528,955) and Rancho Cucamonga (\$471,580). Under \$200,000 were: Hesperia (\$115,000), Desert Hot Springs (\$180,000), Coachella (\$182,500) and Victorville (\$195,265), Adelanto (\$197,000) and Perris (\$199,274). Eight cities had no new home sales.

Lower prices and mortgages mean Inland Empire homes cost less per month in 2009. Using 3% down, 30-year FHA financing at a 5.07% interest rate (7.875% jumbo), Exhibit 2 shows each city's median home payment in second quarter 2009, including points, fees, taxes and insurance. In San Bernardino County, payments were \$694 on its \$134,000 median **existing home** versus \$1,098 in 2008 and \$1,932 in 2007. In Riverside County, they were \$891 on its \$172,000 median existing home versus \$1,258 in 2008 and \$2,144 in 2007.

Income. The income levels in 42 of 48 inland cities with over 20,000 people are from the 2005-2007 American Community Survey. Levels in six small cities were estimated based upon similar places. The highest median incomes were in Indian Wells (\$116,718), Chino Hills (\$100,371), Canyon Lake (\$84,324), Norco (\$81,182) and Rancho Cucamonga (\$78,452). For comparison, Beverly Hills was \$82,669. Total personal income was led by Riverside (\$6.3 billion), Rancho Cucamonga (\$4.7 billion), Corona (\$4.1 billion), Fontana (\$3.3 billion) and Moreno Valley (\$3.1 billion).

Most Prosperous? Which Inland Empire cities are the most economically prosperous? Summing city rankings for *per capita* retail sales, *per capita* assessed value, *per capita* financial deposits, as well as absolute population growth, median income and median price of all homes, plus jobs:housing balances could yield a perfect score of 7 for seven first places or a worst score of 336 from seven 48th places. The best 10 scores on these criteria were: Indian Wells (58), Temecula (58), Rancho Mirage (59), La Quinta (62), Chino (64), Corona (68), Palm Desert (71), Rancho Cucamonga (75), Norco (91), Ontario (95). ■

INLAND EMPIRE EMPLOYMENT ... Recession Continues

In August 2009, the CA Employment Development Department estimated that the Inland Empire was down 71,900 jobs $-5.9%$ from August 2008 (*Exhibit 3*). For the first eight months of the year, the average lost was 77,350 (*Exhibit 4*). That represented the worst economic performance in at least 44 years. The August 2009 region's 14.5% unemployment rate was the highest level in the Inland Empire's modern history. The 259,200 unemployed people is 2.89 times the region's average in this decade.

CLEAN WORK, GOOD PAY: -3,300 JOBS (-1.7%)

Since August 2008, the Inland Empire's highest paying sectors lost 3,300 jobs $(-1.7%)$. With the census being organized, federal and state government added 100 positions $(0.3%)$. Higher education and the utilities were flat. Management and professions lost 200 jobs $(-0.4%)$. Mining dropped 300 $(-25.0%)$ with the construction depression. Local government felt the impact of cutback in sales and property taxes and state revenues, down 2,900 jobs $(-3.5%)$.

CLEAN WORK, MODERATE PAY: -7,700 JOBS (-2.6%)

With less money coming into the Inland Empire's economy, sectors that primarily pay moderate incomes to white collar workers lost 7,700 jobs $(-2.6%)$. Health care was up 1,800 jobs $(1.8%)$ as out-patient offices and hospitals grew. Publishing/information lost 1,100 positions $(-7.5%)$ as its long term decline continued. K-12 education lost 1,800 jobs $(-1.8%)$ with lower enrollment and lost state funding. Administrative support fell by 3,900 jobs $(-9.4%)$ with the economy's general shrinkage. The financial sector lost 2,700 people $(-5.9%)$ due to the impact of the mortgage crisis.

DIRTY WORK, MODERATE PAY: -40,600 (-13.0%)

From August 2008-2009, the Inland Empire's blue collar sectors that fundamentally drive its economy lost 40,600 jobs $(-13.0%)$. Wholesale trade lost 2,400 jobs $(-4.9%)$ and transportation and warehousing dropped 4,600 $(-7.1%)$ with the

3 INLAND EMPIRE EMPLOYMENT INFORMATION June-August, 2009

Sector	Jun-09	Jul-09	Aug-09	Aug-08	08-09 Change	% Change
Federal & State	39,400	39,600	39,100	39,000	100	0.3%
Higher Education	16,700	14,300	14,000	14,000	0	0.0%
Utilities	5,900	5,900	5,900	5,900	0	0.0%
Mgmt & Professions	53,400	53,700	53,900	54,100	(200)	-0.4%
Mining	900	900	900	1,200	(300)	-25.0%
Local Government	81,400	80,900	80,700	83,600	(2,900)	-3.5%
Clean Work, Good Pay	197,700	195,300	194,500	197,800	(3,300)	-1.7%
Health Care	103,000	103,000	103,500	101,700	1,800	1.8%
Publish, telecom, Other	13,500	13,400	13,500	14,600	(1,100)	-7.5%
Education	108,700	96,700	95,500	97,300	(1,800)	-1.8%
Financial Activities	43,000	43,300	43,100	45,800	(2,700)	-5.9%
Admin. Support	39,900	39,300	37,500	41,400	(3,900)	-9.4%
Clean Work, Moderate Pay	308,100	295,700	293,100	300,800	(7,700)	-2.6%
Wholesale Trade	47,000	46,800	47,000	49,400	(2,400)	-4.9%
Transport & Warehouse	60,100	59,700	59,800	64,400	(4,600)	-7.1%
Manufacturing	94,800	93,900	93,100	106,000	(12,900)	-12.2%
Construction	71,900	71,600	71,500	92,200	(20,700)	-22.5%
Dirty Work, Moderate Pay	273,800	272,000	271,400	312,000	(40,600)	-13.0%
Amusement	17,200	16,700	16,600	15,600	1,000	6.4%
Social Assistance	14,400	14,200	14,300	14,300	0	0.0%
Agriculture	23,100	15,600	13,100	13,200	(100)	-0.8%
Consumer Services	40,000	39,900	39,500	40,400	(900)	-2.2%
Accommodation	14,000	13,800	13,800	15,300	(1,500)	-9.8%
Eating & Drinking	94,600	93,000	93,000	96,200	(3,200)	-3.3%
Employment Agcy	41,100	41,500	42,800	46,200	(3,400)	-7.4%
Retail Trade	153,600	153,200	153,600	165,800	(12,200)	-7.4%
Lower Paying Jobs	398,000	387,900	386,700	407,000	(20,300)	-5.0%
Total, All Industries	1,177,600	1,150,900	1,145,700	1,217,600	(71,900)	-5.9%
Civilian Labor Force	1,804,000	1,806,500	1,792,200	1,798,500	(6,300)	-0.4%
Employment	1,553,800	1,544,600	1,533,000	1,632,000	(99,000)	-6.1%
Unemployment	250,200	262,000	259,200	166,500	92,700	55.7%
Unemployment Rate	13.9%	14.5%	14.5%	9.3%	5.2%	

Source: CA Employment Development Department

shrinkage of the inland economy and slowdown of international imports through Southern California's ports. Manufacturing gave up 12,900 jobs $(-12.2%)$ with the recession and loss of construction clients. Construction fell by 20,700 jobs $(-22.5%)$ as both residential and non-residential building have nearly halted.

LOWER PAYING JOBS: -20,300 (-5.0%)

With fewer outside dollars entering the Inland Empire's economy, the recession spread throughout the local economy. The lower paying sectors that need consumer spending lost 20,300 jobs $(-5.0%)$. The consumer services group was off 900 positions $(-2.2%)$. Accommodation was down 1,500 jobs $(-9.8%)$. Eating & drinking gave up 3,200 jobs $(-3.3%)$. Employment agencies gave up 3,400 jobs $(-7.4%)$ as blue collar, office and retail firms needed fewer part time workers. Retailing lost 12,200 jobs $(-7.4%)$. Social assistance was flat. Agriculture lost 100 jobs due to greater efficiencies. Only amusement grew, adding 1,000 positions with the larger population and Indian gaming.

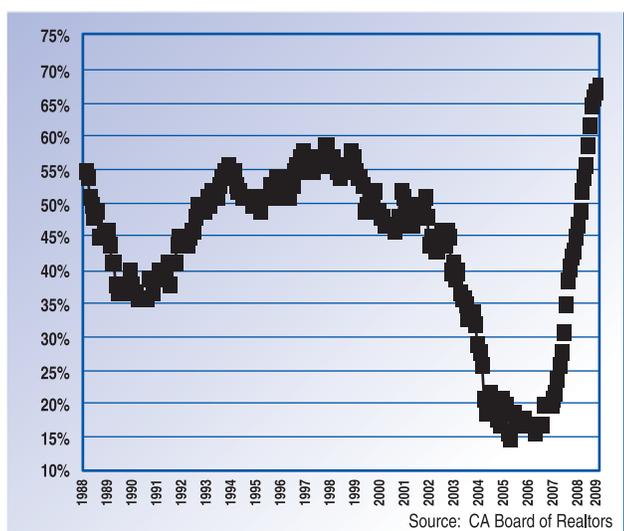
COMMENT.

The Inland Empire's 134,450 job loss in 2008 and 2009 is consistent with the economic decline brought on by the worst economic situation since the 1930s. The QER has estimated the annual 2009 loss at $-82,600$ jobs. That appears to be relatively accurate. ■

4 INLAND EMPIRE JOB CHANGE January-July Average Gain, 1984-2009

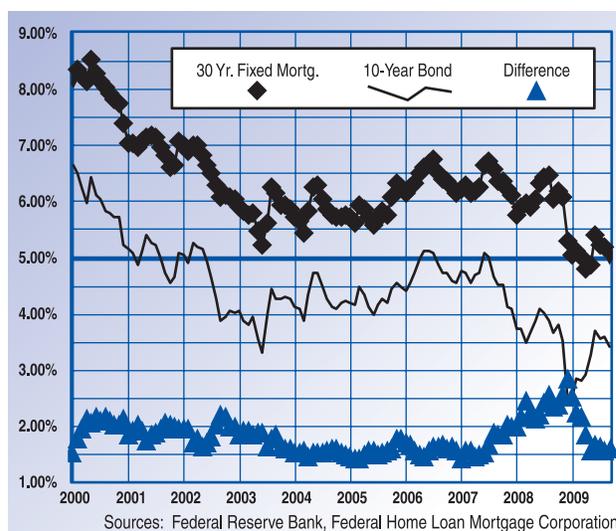


5 HOUSING AFFORDABILITY, INLAND EMPIRE
Share of Families Afford Median Priced Home



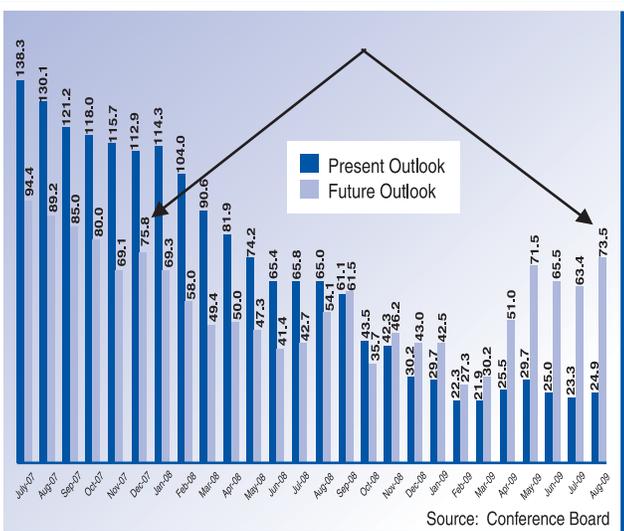
Housing Affordability. Using the CA Association of Realtors traditional affordability index, 68% of Inland Empire families can afford the area's median priced home. In effect, 68% can afford the bottom 50% of houses. That is up from just 15% in mid-2005. The previous high was 59% in late 1997. Normally, a percent this high would dictate a seller's market and rising prices. The difficulty remains the flow of foreclosures and tight credit markets. Still, this level of affordability likely means that the future flow of foreclosures will be purchased without further price declines.

6 30 YEAR MORTGAGE RATE & 10 YEAR BOND
2000-2009



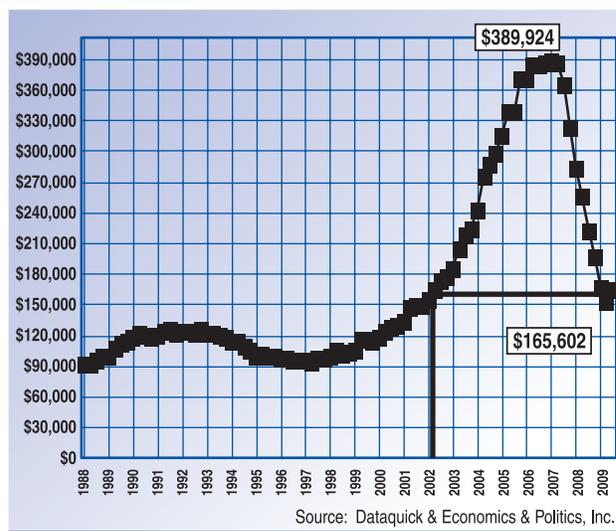
Interest Rates. Normally, the 30-year mortgage rate and the 10-year bond rate move together with the mortgage rate about 1.5% higher. That relationship broke down during the crisis period throughout 2008, as lenders demanded a higher risk premium from home buyers. For Freddie Mac conforming loans, that differential has nearly disappeared. In September 2009, the mortgage rate averaged 5.06%, near an historic low. The 30-year bond was 3.43% and the difference was 1.63%. This is another positive sign for the home market.

7 U.S. CONSUMER CONFIDENCE
Current & Future Outlook, July 2007-Present



Confidence. In August 2009, the future outlook measure of the Conference Boards Consumer Confidence index stood at 73.5 (100 = normal). While that is still a modest reading, it is close to the December 2007 level before the economy began losing jobs. It indicates that the U.S. public is beginning to believe better times are ahead (current outlook = 24.9). These views of the future are important to decisions on buying items like houses, autos and other consumer durables. Importantly, it indicates that some of the fears raised by the current downturn are dissipating.

8 PRICE TRENDS, EXISTING HOMES
Inland Empire, 1988-2009, Quarterly



Prices Stabilizing. Based upon preliminary data, the Inland Empire's median existing home price averaged \$165,602 in third quarter 2009. That would represent a gain of 6.6% from the second quarter and mark the first quarterly increase since the median price peaked at \$389,924 in first quarter 2007. The up-tick is likely the result of the market's extraordinary level of affordability and the increased number of buyers seeking homes. Of these, roughly 75% are families and 25% are investors. A firm bottom to prices appears to have been set.

9 SINGLE FAMILY HOME PRICES 2nd Quarter, 2008-2009			
County	2nd-08	2nd-09	% Chg.
NEW HOMES			
Riverside	\$338,500	\$275,000	-18.8%
San Bernardino	315,000	290,000	-7.9%
Los Angeles	435,000	400,000	-8.0%
Orange	468,000	474,000	1.3%
San Diego	472,500	460,000	-2.6%
Ventura	449,500	380,500	-15.4%
So. California	\$394,800	\$364,300	-7.7%
EXISTING HOMES			
Riverside	\$270,000	\$172,000	-36.3%
San Bernardino	234,000	134,000	-42.7%
Los Angeles	435,000	300,000	-31.0%
Orange	549,000	464,000	-15.5%
San Diego	417,500	330,000	-21.0%
Ventura	470,000	390,000	-17.0%
So. California	\$384,300	\$266,200	-30.7%

Source: Dataquick

10 HOME DEED RECORDINGS Inland Empire, 2nd Quarter, 2008-2009							
NEW HOMES				EXISTING HOMES			
Area	2nd-08	2nd-09	% Chg.	Area	2nd-08	2nd-09	% Chg.
SB Desert	23	29	26.1%	San Bernardino, Highland	529	1,236	133.6%
Redlands, Loma Linda, Yucaipa	51	43	-15.7%	Fontana, Rialto, Colton, GT	903	2,033	125.1%
Fontana, Rialto, Colton, GT	149	99	-33.6%	Victor Valley	1,039	2,261	117.6%
Chino, CHill, Mtcl, Ont, RC, Upl	288	175	-39.2%	Chino, CHill, Mtcl, Ont, RC, Upl	948	1,386	46.2%
San Bernardino, Highland	72	34	-52.8%	SB Desert	352	468	33.0%
Victor Valley	377	121	-67.9%	Redlands, Loma Linda, Yucaipa	301	359	19.3%
SB Mountains	17	4	-76.5%	SB Mountains	446	490	9.9%
SAN BDNO COUNTY	977	505	-48.3%	SAN BDNO COUNTY	4,518	8,233	82.2%
Murrieta, Temecula, L. Elsinore	322	307	-4.7%	Riverside Rural	461	829	79.8%
Riverside	109	88	-19.3%	Perris, Hemet, S. Jacinto	1,638	2,942	79.6%
Corona, Norco	263	193	-26.6%	Moreno Valley	714	1,247	74.6%
Beaumont, Banning, Calimesa	170	120	-29.4%	Riverside	886	1,515	71.0%
Perris, Hemet, S. Jacinto	517	311	-39.8%	Beaumont, Banning, Calimesa	259	398	53.7%
Moreno Valley	105	58	-44.8%	Coachella Valley	1,108	1,462	31.9%
Riverside Rural	248	119	-52.0%	Murrieta, Temecula, L. Elsinore	1,705	2,126	24.7%
Coachella Valley	231	105	-54.5%	Corona, Norco	1,049	1,227	17.0%
RIVERSIDE COUNTY	1,965	1,301	-33.8%	RIVERSIDE COUNTY	7,820	11,746	50.2%
INLAND EMPIRE	2,942	1,806	-38.6%	INLAND EMPIRE	12,338	19,979	61.9%

Source: Dataquick

HOME MARKETS: Finally Some Good News

In second quarter 2009, the Inland Empire recorded 20,259 *seasonally adjusted* existing and new home sales equal to mid-2002 levels. The volume was just below the 20,914 sales in the first quarter and was up 78.1% from the low in fourth quarter 2007 (*Exhibit 11*). Omitting adjustments for seasonal factors, there were 21,709 sales in second quarter 2009 versus 17,921 in the first. For the first six months of 2009, the inland region was responsible for 41.8% of all home sales in Southern California (*Mexican border to Ventura County*), a record.

SALES

Riverside County had 11,746 existing home sales in second quarter 2009, up 50.2% from 2008. As recordings come at the end of escrow, this included many sales from the first quarter. Rural desert areas had the largest percentage gain rising to 829 units (79.8%). Perris, Hemet, San Jacinto was the volume leader (2,942; 79.6%). The county recorded 1,301 new home sales in second quarter 2009, off -33.8% from 2008 (*Exhibit 10*). Murrieta, Temecula, Lake Elsinore had smallest percentage decline, falling to 307 units (-4.7%). The area was also the volume leader ahead of Perris, Hemet, San Jacinto (311; -39.8%).

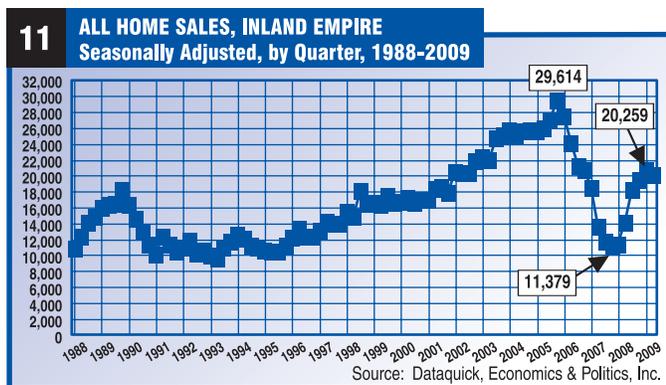
San Bernardino County's existing home sales rose 82.2% to 8,233 units from second quarter 2008-2009. The San Bernardino-Highland area had the largest percentage gain,

rising 133.6% to 1,236 units. The Victor Valley led in volume (2,261; 117.6%). The county's second quarter 2009 new home sales were down to 505 units, off -48.3% from 2008. Sales in the outlying deserts had the best performance, up 26.1% to 29 units. The volume leader was the area west of the I-15 freeway (175; -39.2%).

PRICES

Riverside County's second quarter 2009 median new home price was \$275,000, equal to the prior quarter but down-18.8% from 2008 (\$338,500) (*Exhibit 9*). Its second quarter 2009 median existing home price was \$172,000, down -36.3% from \$270,000 in 2008 and below the prior quarter's \$182,000. Preliminary data shows third quarter 2009 up to \$184,800. San Bernardino County's median new home price was \$290,000 in second quarter 2009, down -7.9% from 2008 (\$315,000) and below first quarter's \$300,000. Its existing median home price of \$134,000 was down -42.7% from 2008 (\$234,000) and down from first quarter's \$150,000. Preliminary data shows third quarter 2009 up to \$140,547. Southern California's second quarter 2009 new home price of \$364,300 was down -7.7% from 2008 (\$394,800). The region's existing home price of \$266,200 was off -30.7% from \$384,300 in 2008.

Note: The Inland Empire's median price for all homes is much cheaper than for Southern California's coastal counties. Differences ranging from \$141,000 in Los Angeles County to \$299,000 in Orange County (*not shown*).



Source: Dataquick, Economics & Politics, Inc.

THE FUTURE

With affordability at record levels, sales volumes rising, interest rates low and third quarter 2009 prices up, it appears that a firm floor has been put under the Inland Empire's housing market. Looking at the near term, at this affordability level, there should be sufficient demand to absorb the expected second wave of foreclosures from alt-A and option adjustable loans as well as some increase in new home production. The key will be the dissipation of consumer fears and the willingness of banks to lend. ■

SAN BERNARDINO ASSOCIATED GOVERNMENTS

ECONOMIC ACTIVITIES

Continued from front cover

SANBAG receives \$19.3 million in grants for Alternative Fuels Project

SANBAG received another ARRA grant for a Clean Cities Petroleum Reduction Technologies Project in the Transportation Sector. The \$10 million grant will go toward deploying 262 liquefied natural gas (LNG) trucks operated by J.B. Hunt Trucking throughout the southern California region.

The California Energy Commission subsequently awarded SANBAG \$9.3 million in additional funds for this project. Benefits abound for this project, including: displacement of more than 2.6 million gallons of petroleum annually; replacement of 13.19 million gallons of diesel fuel during the life of the program; reduction of greenhouse gas (GHG) emissions by more than 16.4 million pounds per year; reduction of more than 169 tons of NOx (nitrous oxide gas) emissions annually; and elimination of 2.9 tons of diesel particulate matter (PM) emissions per year.

This project is an example of the aggressive alternative fuel deployment programs needed to meet the nation's ambitious clean air and economic stimulus goals of the ARRA.

Transit and High Speed Rail Plans

SANBAG presented a draft Long Range Transit Plan (LRTP) to the public at a series of public information meetings in August. The Plan prioritizes goals and projects for transit (bus and rapid transit bus) growth and integrates land use and transportation strategies. The LRTP also meets legal mandates for planning and programming set by SB 375, the housing, land-use and air quality bill aimed at implementing GHG emission reduction goals.

The California High-Speed Rail Authority is seeking public input for an Environmental Impact Report/Statement (EIR/EIS) for the Los Angeles to San Diego route of the proposed California

High-Speed Train that will pass through the Inland Empire. For a list of the public information meetings, visit: www.cahigh-speedrail.ca.gov

Governor Schwarzenegger and federal, state, and local officials joined in an effort to show a united California as the state submitted a bid for \$4.7 billion in federal stimulus money for the California High-Speed Rail Authority on October 2. Because California voters passed a bond measure to help fund a high-speed rail project, the state can double the value of the federal dollars by providing matching funds. With the environmental review process currently underway, it positions the project in time for ground to be broken before the federal government's 2012 deadline. When funded, this project will provide nearly 130,000 jobs.

Inland Action, Inc., receives "Organization of the Year" Award

At the Annual Mobility 21 Summit held in Los Angeles in September, Inland Action, Inc. was honored as the Organization of the Year. Inland Action is a regional non-profit, non-partisan corporation of public-spirited citizens whose primary objective is to assist and encourage economic well-being in the Inland Empire. Members are strong advocates for transportation improvements in the Inland Empire and participate in regular advocacy trips to Washington, D.C. and Sacramento, CA. In 2009, Inland Action partnered with SANBAG and local governments to develop a transportation agenda for funding requests and legislative support. Inland Action President & CEO Carole Beswick accepted the award on behalf of the organization.

Deborah Robinson Barmack
SANBAG Executive Director



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