

Land Use & Housing

California finds itself in the throes of a housing crisis. The chief problem is affordability, especially in desirable and prosperous areas like Ventura County. With demand outstripping supply, home prices and rents have been on a long upward trajectory, and the results include longer commutes from sprawling exurbs, young people driven out of state by the cost of living and rising homelessness in our biggest cities.

Our county presents unique challenges in this crisis. With abundant acreage devoted to farms and ranches, national forest and coastline, much of the county is off limits to development, either by necessity or by choice. The political equilibrium across the county resists large-scale development, and that resistance is codified in SOAR, or Save Open Space and Agricultural Resources, a set of laws that give voters the final say on most development projects planned for open space or farmland.

Natural disasters pose another obstacle to providing enough housing. In December 2017, the Thomas Fire tore through

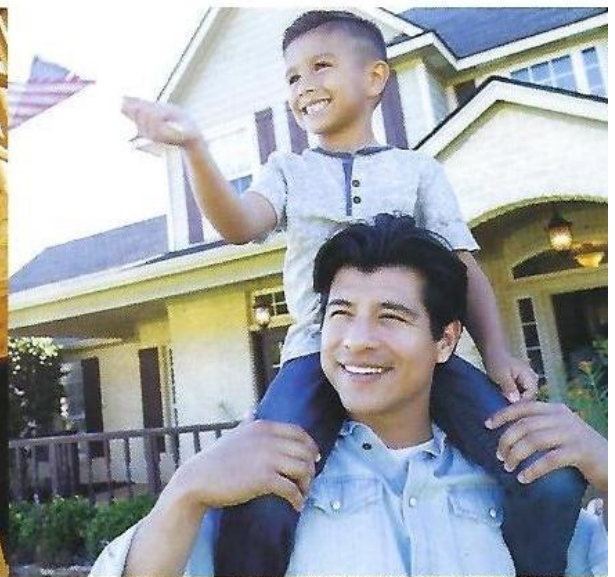
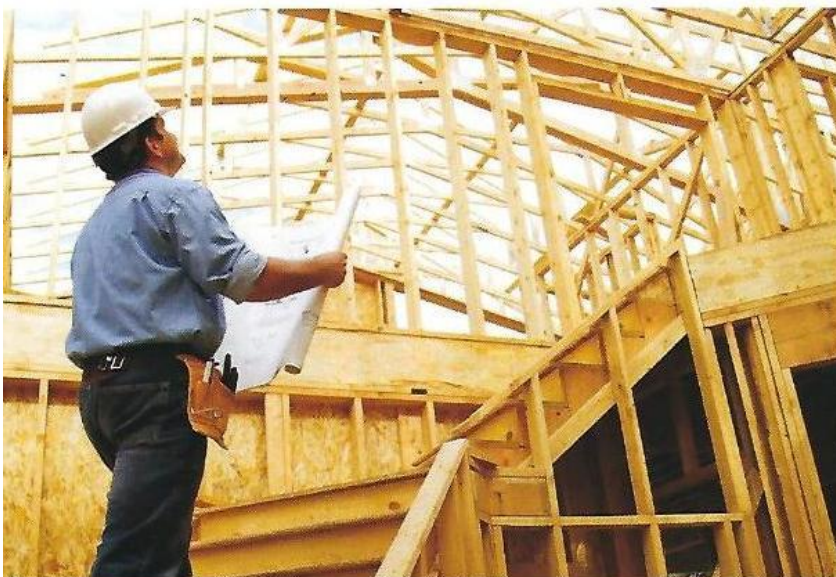
western Ventura County, destroying hundreds of homes in Ventura and the upper Ojai. In November 2018, the Hill and Woolsey fires hit eastern Ventura County, burning hundreds of dwellings in Oak Park, Thousand Oaks and Malibu. More

than 2,500 structures were lost in these blazes, most of them single family homes. Rebuilding will take years, and in the meantime a region already suffering a housing shortage, will be squeezed harder.

Despite these challenges, some progress is being made. Ventura County's housing starts — the number of new homes permitted to be built — reached a 12-year high in 2017. There has been a flurry of apartment construction in recent years in Ventura, Oxnard and Camarillo, with more proposed in the near future. Cities from Thousand Oaks

to Ventura are planning downtown areas with improved access to transit, housing and jobs, aiming to create truly walkable neighborhoods. Perhaps, when future State Of The Region reports are written, 2019 will be seen as a tipping point, a time when our communities began to seriously address the housing crisis.

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Acres of Urban and Built-Up Land

WE DON'T SPRAWL LIKE WE USED TO

What is the measure?

The measure is the amount of land in Ventura County devoted to urban purposes, defined as developed to a density of at least one residential or commercial unit for every 1.5 acres.

Why is the measure important?

If developers and governments want to meet the demand for housing, jobs and other expansion in our region, they have two choices: Increase the density of land already urbanized or zone more rural land for urbanization. Developing rural land decreases the amount of farmland and open space, threatens the viability of the agricultural industry and could harm our environment and rob us of places for outdoor recreation. On the other hand, refusing to develop rural land puts pressure on our existing urban spaces, and the public and elected officials frequently reject increasing density in those areas.



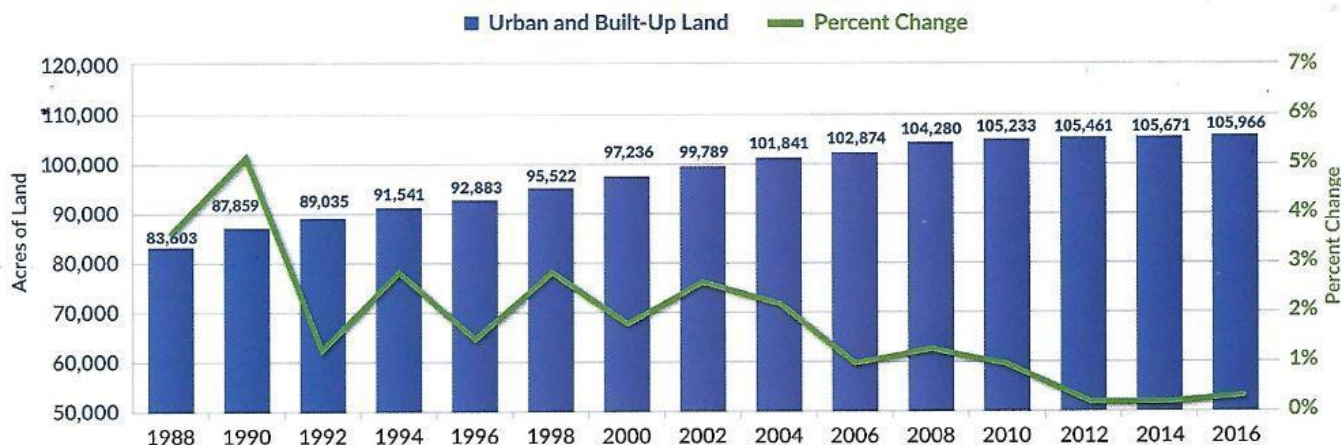
How are we doing?

The urbanization of Ventura County slowed after the Great Recession of 2008. Between 2010 and 2016, the last year for which data is available, the county developed just 733 acres, an increase of 0.7 percent over six years. That brought the total to 105,966 acres of urban and built-up land in Ventura County in 2016, or about 10,000 acres more than the amount of harvested agricultural land.

Even during the last real estate boom, in the early 2000s, Ventura County's urbanization proceeded relatively slowly. The county peaked at adding 2.6 percent to its inventory of developed acres between 2000 and 2002, which was similar to the growth rate the county saw during the recession of the early 1990s. The last true building boom in Ventura County was in the late 1980s when the county developed 4,256 acres of rural land between 1988 and 1990, an increase of 5.1 percent.

Politics appears to matter at least as much as economics when it comes to urbanization. The development rate of rural land slowed noticeably after 1995 when Ventura County voters passed growth control laws collectively known as Save Open Space and Agricultural Resources or SOAR. In 2016, voters extended these measures through 2050, so it seems unlikely Ventura County will see 1980s-style sprawl development anytime soon.

Acres of Urban and Built-Up Land and Percent Change in Ventura County (1988 - 2016)



New Housing Starts

RECENT BUMP IN NEW HOME PERMITS

What is the measure?

The measure known as “housing starts” is the number of building permits issued each year by local governments for new housing units. It does not necessarily reflect the number of new homes actually built in a given year.

Why is the measure important?

Ventura County's housing shortage is undeniable and by many measures is worsening. Apart from the years following the crash of 2008, home prices consistently have risen faster than inflation for decades. Rents are climbing fast, too, and apartment vacancy rates are low. The way to meet rising demand is to build new housing, and that requires building permits.

How are we doing?

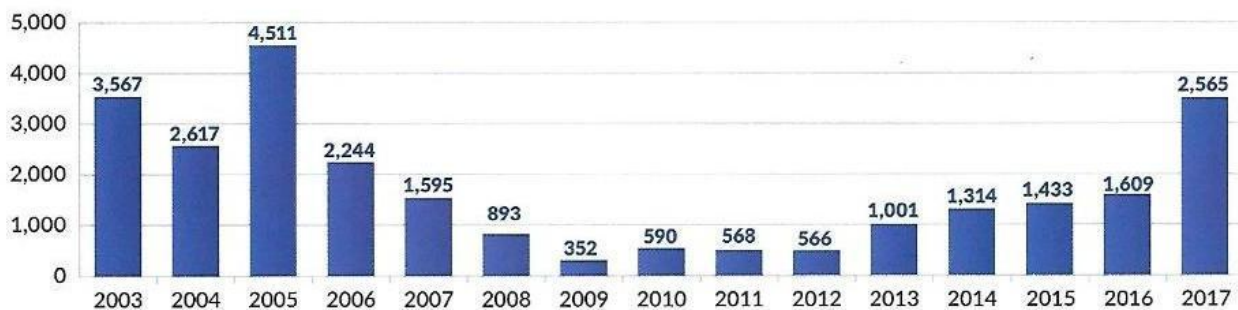
It took a decade but in 2016 and 2017 Ventura County seemed to turn a corner toward building more housing. In 2017, agencies issued 2,565 permits for new housing units, the highest number since 2005 and the fifth year in a row of year-to-year growth in housing starts. Recent figures remain far below the early 2000s boom, when the county frequently topped 3,000 housing starts, peaking at 4,511 in 2005.

For a decade, housing starts fell behind our population growth. Between the start of 2010 and the end of 2015, Ventura County's population grew by 31,853, according to the California Department of Finance. Since approximately three people occupy the average household, the county would need to add more than 10,000 units to accommodate those additional residents. But during that time, building permits were issued for 5,472 new homes.

In 2016 and 2017, new building permits of 4,174 more than kept pace with population growth of 5,112 residents or roughly 1,700 new homes. We still have plenty of catching up to do to make up for the deficits incurred between 2006 and 2015.



New Housing Units Permitted in Ventura County (2003 - 2017)



Homeownership Rate

HOMEOWNERS TO THE EAST, RENTERS TO THE WEST

What is the measure?

The measure is the percentage of homes occupied by their owners rather than by renters.

Why is the measure important?

Promoting home ownership has been a goal of public policy-makers and private financial institutions for generations. Home ownership helps families build wealth, and owning a home often fosters connection to the neighborhood and community.

Owning a home also has drawbacks, and many economists believe it is a troubling sign if the homeownership rate climbs too high. Buying a home is a major financial risk. Families no longer able to pay their rent can look for a cheaper apartment; homeowners who fall behind on their mortgages and are unable to sell can lose their homes and see their savings evaporate and credit ruined. Owning a home also makes people less mobile; if a homeowner loses her job, it's harder to relocate for employment than it would be for a renter.

How are we doing?

Despite the high price of homes in Ventura County, people here are more likely than the average Californian to own their

home. In 2017, the homeownership rate in the county was 63.2 percent, higher than the statewide rate of 54.5 percent and about the same as the national rate of 63.8 percent.

Homeownership rates dropped nationwide after the real estate crash of 2008 and continued to decline during the recovery. In Ventura County, the rate fell from nearly 70 percent in 2005 to 65.8 percent in 2011 and 63.2 percent in 2017.

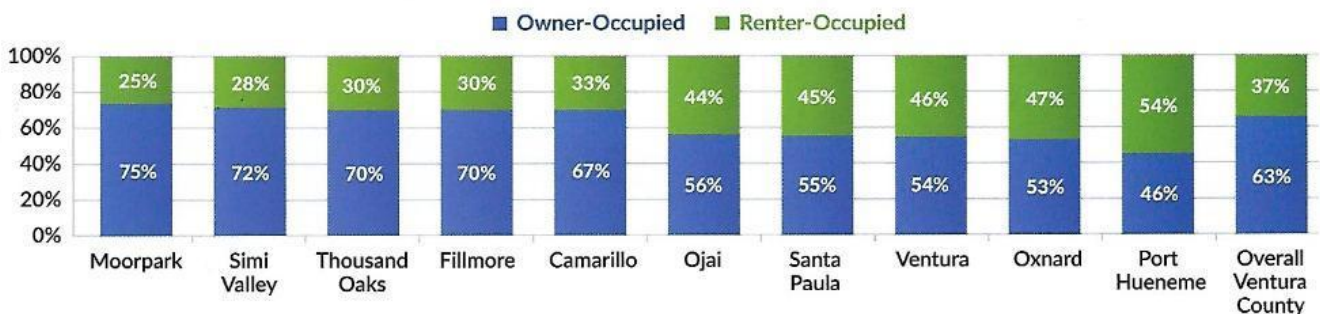
Ventura County's homeownership rate is higher than other Southern California counties — with the exception of Riverside County, where home prices run much lower than Ventura County.

Residents of eastern Ventura County are likelier to own their homes than people in the western part of the county. Moorpark had the county's highest homeownership rate in 2017, at 75 percent, followed by Simi Valley at 72 percent and Thousand Oaks and Fillmore, both at 70 percent. Camarillo had the lowest rate, at 46 percent, followed by Oxnard, Ventura, Santa Paula and Ojai, which were all between 54 and 56 percent.

Homeownership Rate by County (2013 - 2017)



Percentage of Owners and Renters in Ventura County (2017)



Median Home Price

HOME VALUES NEARING 2006 PEAK

What is the measure?

The measure is the median price of all homes sold each year in Ventura County, including new and existing houses and condominiums. The median is the point at which half of all sales were for higher values, and half were for lower values.

Why is the measure important?

Home values are important to people who own homes and those who want to buy them. When prices rise, homeowners see their net worth balloon along with their home equity, and renters see the dream of home ownership slip away. When prices drop, homeowners lose equity and can find it hard to sell their homes, while people looking to buy benefit as more homes come into their price range.

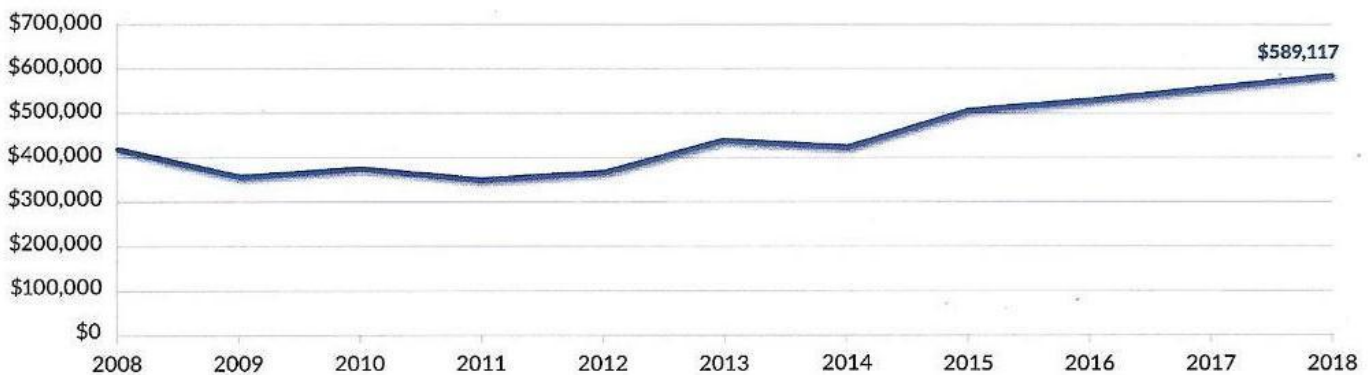
How are we doing?

Ventura County's median home price hit \$589,117 in 2018, which is 6.7 percent higher than the year before and the fourth straight year of rising prices.

Prices in 2018 approached their peaks from the last real estate boom, when the median price in Ventura County topped \$600,000 in 2006. That peak was followed by five years of steep decline, bottoming out at \$356,408 in 2011.

Home prices in February 2019 were lowest in Port Hueneme, which had a median sale price of \$325,000, and highest in Westlake Village, where the median sale was for \$1.1 million. Oak Park, Newbury Park, Thousand Oaks and Ojai were all near the top, with prices above \$700,000. At the low end, Oxnard and Santa Paula joined Port Hueneme with medians below \$500,000.

Ventura County Median Home Price, Annual Average (2008 - 2018)



Ventura County Median Home Price by Community (February 2018 - 2019)



Apartment Rents

FEWER VACANCIES WHILE RENTS STEADILY CLIMB

What are the measures?

The measures are average rents and vacancy rates in market-rate apartment buildings in Ventura County, as tracked by Dyer Sheehan Group. For vacancy rates, a weighted average of all apartments is used, regardless of size.

Why are the measures important?

Tens of thousands of households in Ventura County rent their homes. Rent is almost always their biggest monthly expense, and the type of home they can afford is often dictated by the ups and downs of the rental market.

How are we doing?

Apartment rents in Ventura County have skyrocketed. In July 2014, the average rent for a two-bedroom apartment was \$1,479; in July 2018, it hit \$2,089, a 41.2 percent climb in four years. That came after nearly a decade of stagnation; the average rent in 2014 was \$17 per month more than in 2005, which amounts to a decrease when adjusted for inflation.

Thousand Oaks, Moorpark, Camarillo and Simi Valley posted the county's highest rents in 2018, averaging above \$2,000 per month for all unit sizes. The lowest monthly rents were in Fillmore, at \$1,216, and Santa Paula, at \$1,293.

While rents are high, vacancy rates in Ventura County are quite low. The countywide rate was 2.37 percent in July 2018, down from 3.02 percent a year earlier. It dropped in 2015 as rents went up, after a few years of floating between 3.5 percent and 4 percent. The rate here consistently falls below the national vacancy rate of around 7 percent for rental housing, according to the U.S. Census Bureau.



Average Ventura County Two Bedroom Apartment Rents & Weighted Average Vacancy (July 2005 - 2018)



Average Monthly Apartment Rent - All Unit Sizes (July 2015 - 2018)



Housing Affordability

BUYING A HOME MOSTLY A DREAM

What is the measure?

The measure is the percentage of households who can afford to buy the county's median-priced home. The calculation assumes a 10 percent down payment and a 30-year mortgage at prevailing interest rates. If the mortgage payment is less than 30 percent of the household's income, the home is considered affordable.

Why is the measure important?

Ventura County's home prices are relatively high, but they are only half of the home-buying equation. The affordability index measures the true cost of buying a home, because it factors in upkeep expenses. If people who live and work in Ventura County cannot afford to buy here, they might move farther from their jobs — worsening traffic and air quality. They might leave the region altogether. Or they might stretch their budgets to buy, putting themselves at risk of foreclosure.

How are we doing?

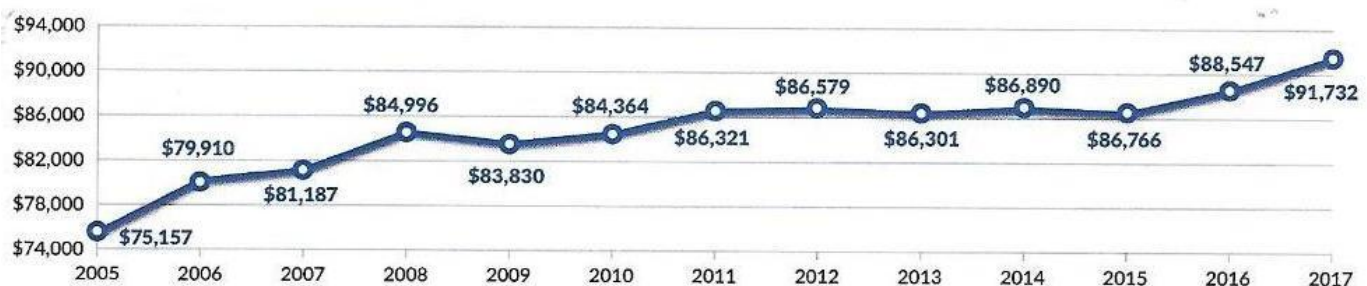
Our median family income has been rising in recent years but not enough to keep pace with increasing home prices. In 2018, just 28 percent of Ventura County residents could afford the county's median-priced home, down from 47 percent in 2012.

Ventura County's affordability rate mirrored California as a whole, but measured about half the national rate of 53 percent. In Southern California, higher-wage, higher-cost counties like Ventura, Los Angeles and Orange scored lower in affordability than lower-wage, lower-cost counties like Riverside and San Bernardino. In other words, our higher wages fail to offset our higher housing costs.

Housing Affordability Index (Q3, 2012 - 2017)



Median Family Income in Ventura County (2005 - 2017)



Time Spent Commuting

LONG COMMUTES, AND GETTING LONGER

What is the measure?

The measure is the one-way time it takes Ventura County residents to get to their jobs.

Why is the measure important?

Commuting is a drain on productivity and quality of life; every minute on the road is time not spent on work, leisure, exercise, sleep or with family. Long commutes — whether they result from living farther away from work or encountering more congestion on the roads — worsen traffic and degrade the environment, as idling cars release more air pollutants per mile than moving ones.

How are we doing?

On the edge of a major metropolitan area, Ventura County lacks its own robust job market, potentially forcing county residents into lengthy commutes. In 2017, more than 134,000 county residents, about 35 percent of the employed population, commuted longer than half an hour.



This chart shows our commutes are getting longer. Fewer people have short commutes of 24 minutes or less, while the number of workers with commutes over 25 minutes has grown significantly since 2014.

Travel Time to Work in Ventura County (2014 - 2017)

