

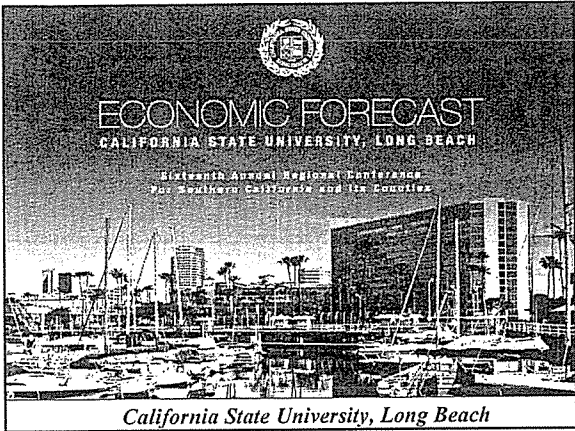
**EXHIBIT “22”**

California State University, Long Beach  
Sixteenth Annual Regional  
*Economic Forecast Conference*  
*For Southern California and its Counties*  
May 13, 2010

**Jane J. Netherton** is Chair of the Board of governors for California State University, Long Beach, as well as a member of the University's Foundation Board. Ms. Netherton is President and Chief Executive Officer of International City Bank and has held this position since 1986. She is very active in the Long Beach community, having chaired and served on many boards. Ms. Netherton is currently serving on the Boards of the Long Beach Area Convention & Visitors Bureau, Downtown Long Beach Associates, Long Beach Community Foundation, and the Special Olympics of Southern California.

**Lisa M. Grobar** is a Professor of Economics at California State University, Long Beach, and serves as Director of the CSULB Economic Forecast Project. Dr. Grobar received her Ph.D. from the University of Michigan. She is a regional economist with a specialization in the California economy. Her professional writings have appeared in a wide variety of scholarly journals as well as numerous other publications. Dr. Grobar is recognized as an expert on the Southern California economy and is frequently quoted in the national and regional media concerning regional economic trends. Along with Dr. Magaddino, she has served as a consultant to cities, regional economic partnerships, and development firms.

**Joseph P. Magaddino** is Chair and Professor of Economics as well as a senior researcher with the Economic Forecast Project at California State University Long Beach. He was instrumental in creating the graduate program in Global Logistics at Long Beach. Dr. Magaddino serves on the executive committee of Metrans, a Department of Transportation Research Center and as a director of the Long Beach Area Chamber of Commerce. Dr. Magaddino received his doctorate at Virginia Tech. As a senior research economist with the Economic Forecast Project, he specializes in the study of city and sub-county economies. He and his colleague have provided annual economic forecasts of the regional economy as well as for the City of Long Beach, City of Santa Monica, and the South Bay Economic Partnership. He has served as a consultant to a number of private and public enterprises.




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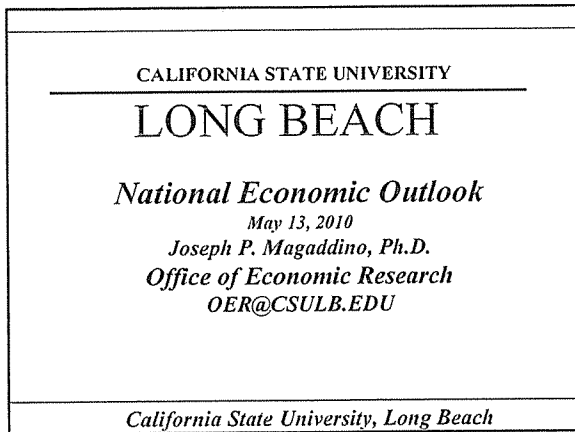
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***Recessions Compared***

Recession	Duration (months)	Depth (percent)	Unemployment (percent)
1929-33	43	-36.2	25.4
1937-38	13	-10.0	20.0
1973-75	16	-3.19	8.6
1990-91	8	-1.4	6.8
2001	8	0.7	5.5
2007-09	20	-3.7	9.5

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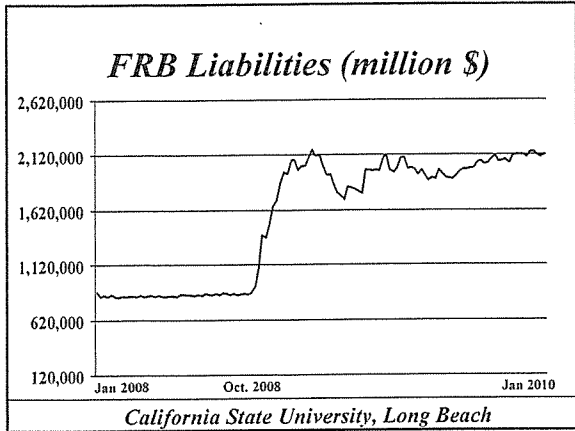
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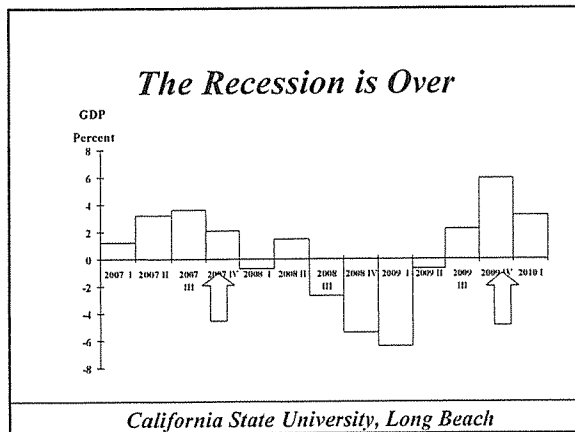
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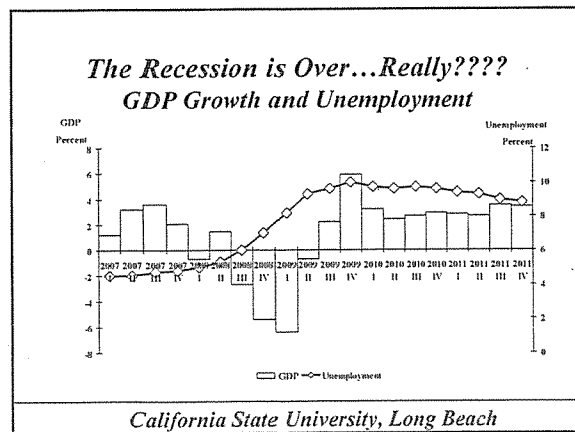
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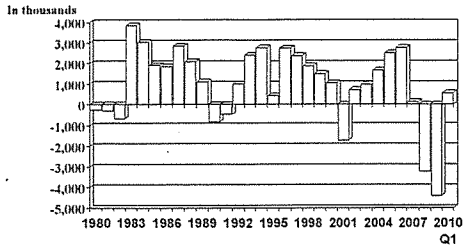
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### Changes in Employment [1980-2010 Q1]



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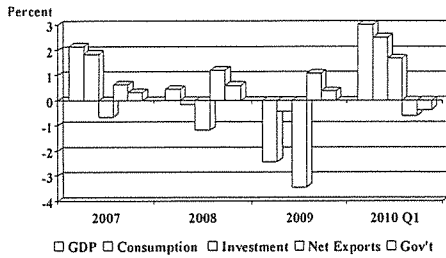
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### Contributions to GDP



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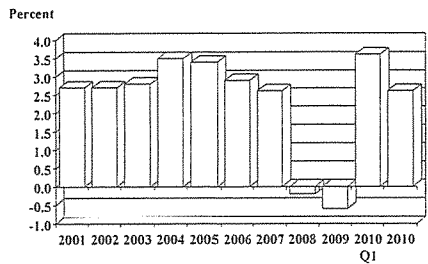
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### Consumption Rebounds



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## *Why such a Cautious Outlook for Consumers?*

- High unemployment
- Little or no income growth
- Reduced wealth, especially housing
- Tight credit

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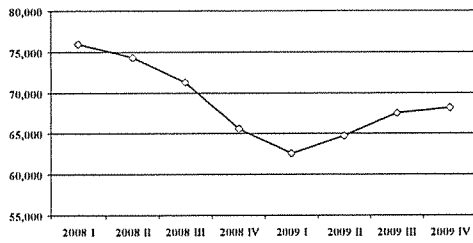
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## *Household Net Worth [in billion \$]*



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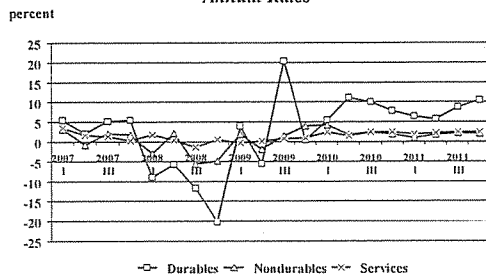
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## *Consumption Expenditures Annual Rates*



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## *Investment Expenditures*

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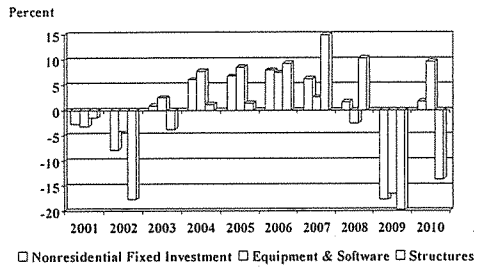
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## *Nonresidential Investment*



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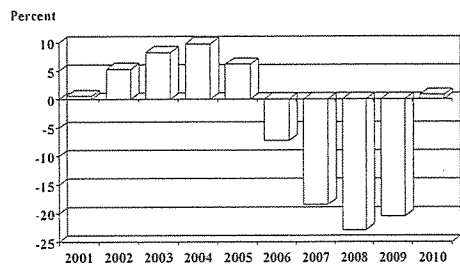
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## *Residential Fixed Investment*



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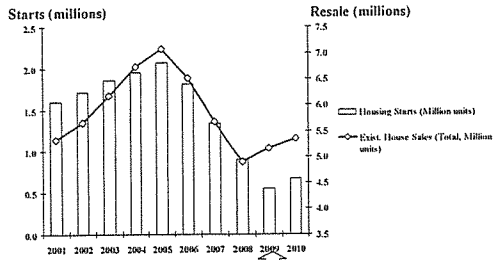
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### Housing Starts & Existing Home Sales



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### International Trade

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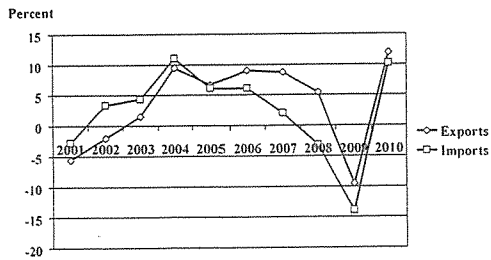
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### Exports & Imports



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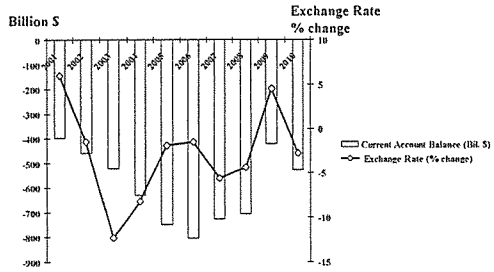
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## Trade Deficit & the Dollar



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## Government Expenditures

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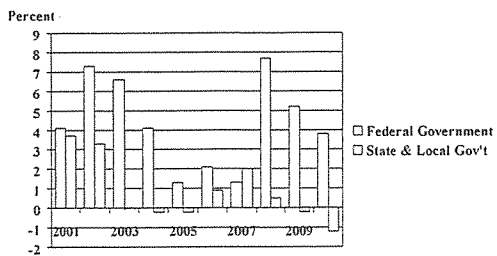
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## Government Expenditures



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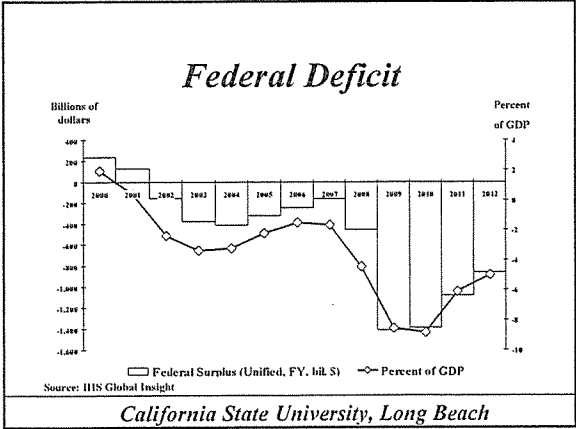
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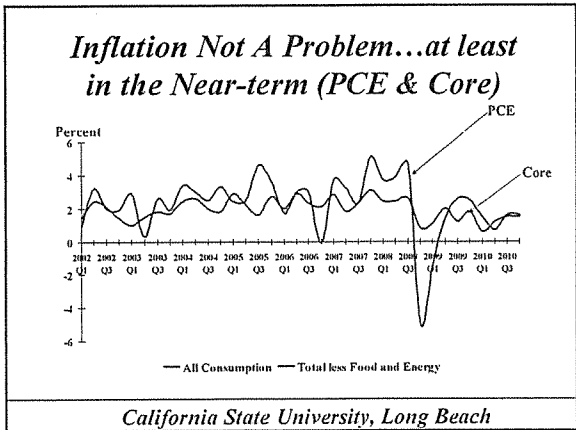
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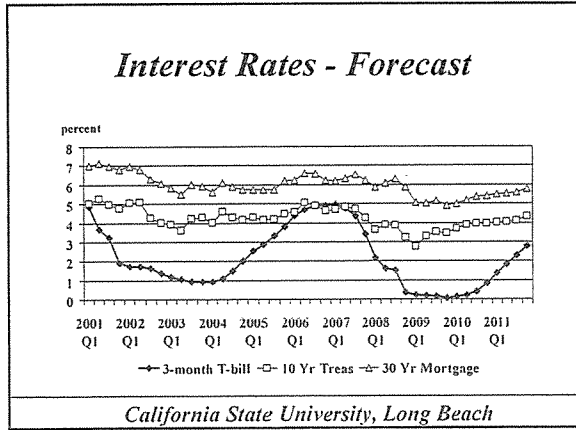
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*National Outlook*

	2009	2010	2011
GDP Growth	-2.4	2.9	3.0
Inflation [CPI]	-0.3	1.8	1.9
Unemployment	9.3	9.0	8.3
Imports	-13.9	10.2	7.1

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*Summary*

- The recession has ended and a sustainable recovery is underway
- Unemployment has peaked but will be a persistent problem in years to come
- The Fed will begin to raise rates in November 2010 and thereafter
- The housing market appears to have hit bottom, although the housing recovery remains fragile

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*Longer-term Concerns*

- The Fed and its Exit Strategy
- The Federal Deficit
- Global Imbalances

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### *What is the Fed's Exit Strategy?*

- Wind down special lending facilities – this started in 2009
- Sell off assets to shrink monetary base
- Pay interest on commercial bank deposits - slow down bank lending activity
- Other measures to drain reserves from the banking sector

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### *The Risk of Inflation*

- Fed may manage economy perfectly and avoid future problems but:
  - Its ability to do this unproved
- Risk is higher than normal over medium term
- Expectations of inflation will start to rise as economy improves
- These expectations will push interest rates higher

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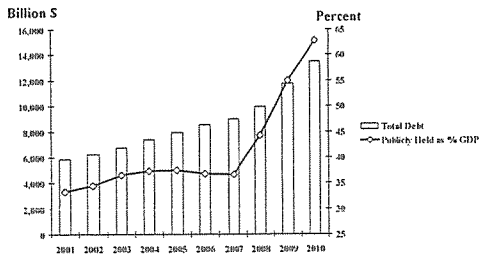
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### *Federal Debt*



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*Composition of Real GDP Growth*

<i>Period</i>	<i>Average GDP</i>	<i>Consump Exp</i>	<i>Gov't Exp</i>	<i>Share C &amp; G</i>
1950-87	3.72	63.4%	18.8%	81.2%
1988-97	3.05	64.9%	7.4%	72.3%
1998-2007	3.02	82.5%	13.9%	96.4%

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*Thank You*

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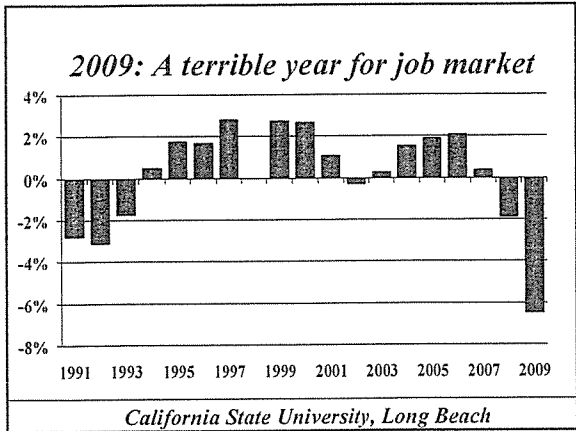
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LONG BEACH

*Southern California Regional  
Economic Forecast*

*Lisa M. Grobar, Ph.D.  
Director, CSULB Economic Forecast Project  
Office of Economic Research*

*California State University, Long Beach*




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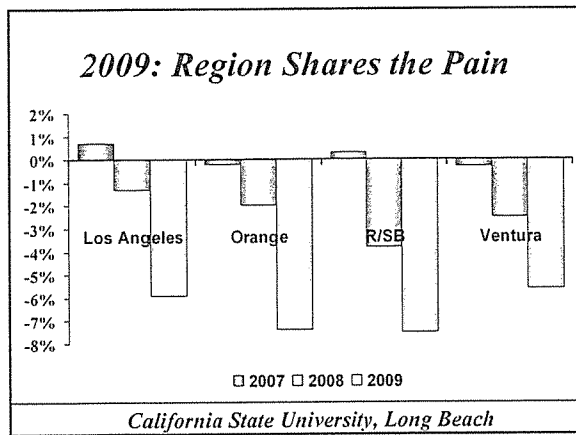
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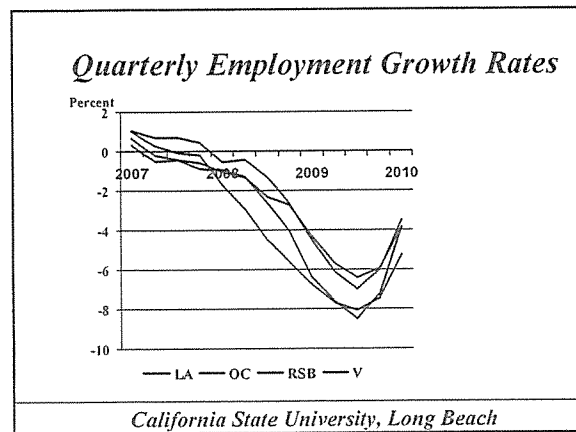
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*Forecast Summary*

- 2010 - Better, but not good**
- 2011 - Positive job growth!**
- 2012 - Healthy economic growth**

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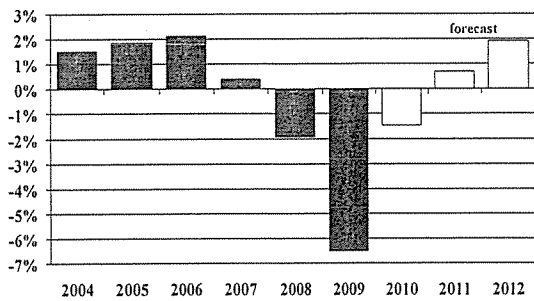
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*Total Nonfarm Employment Growth*



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*The downturn began with housing-related sectors*

- Since 2006, the region has lost 188,000 construction jobs and 82,000 jobs in financial services
- It will take more than a decade for these sectors to return to 2006 peak employment levels

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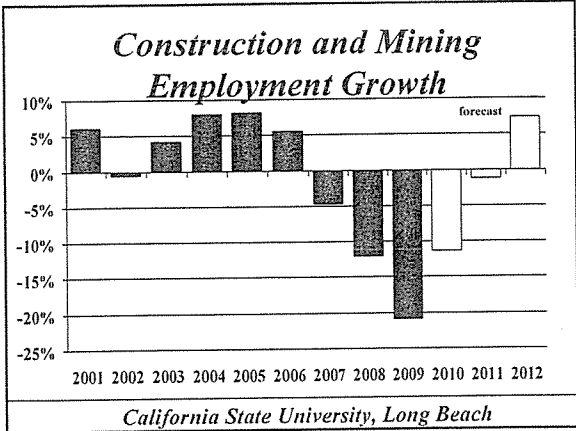
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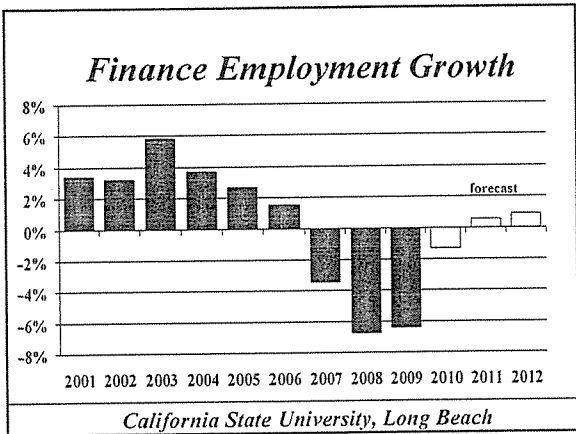
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*In 2009 the downturn spread more broadly*

- Cyclical sectors all see large downturn as national recession worsens
- Retail particularly hard-hit with the decline in consumer spending

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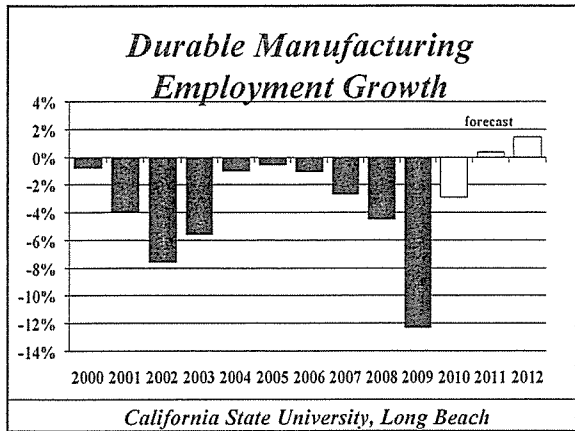
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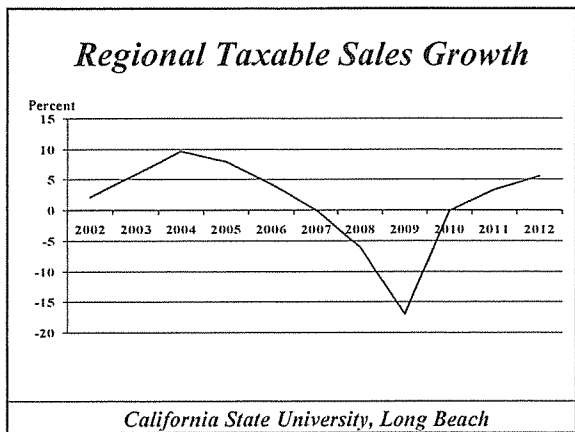
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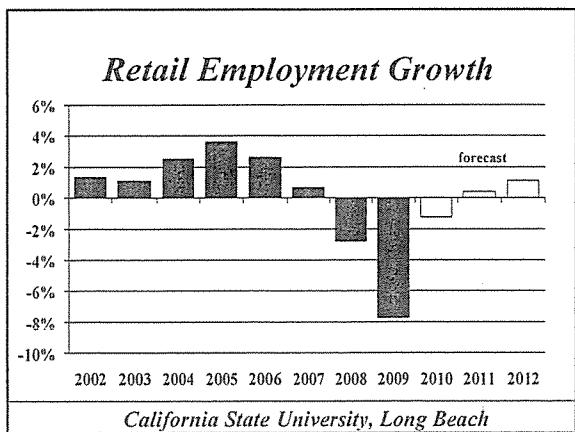
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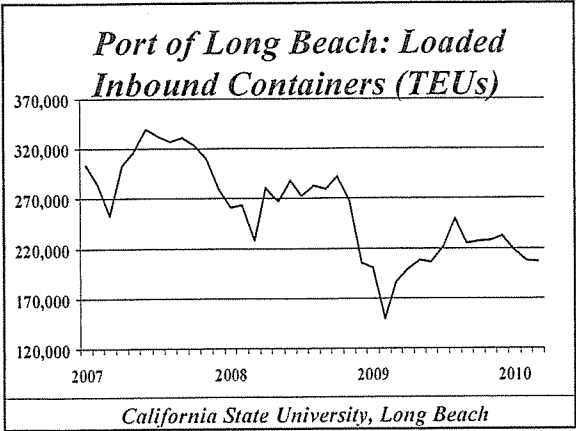
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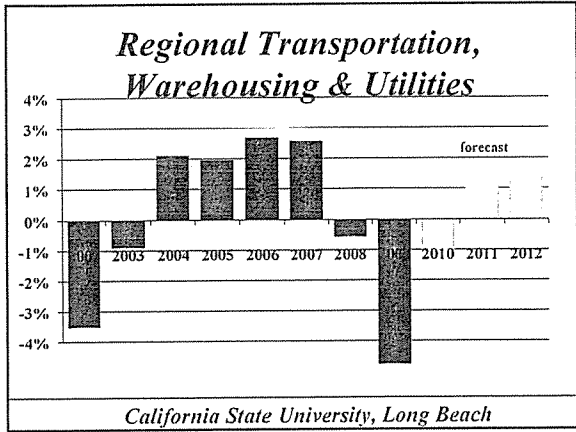
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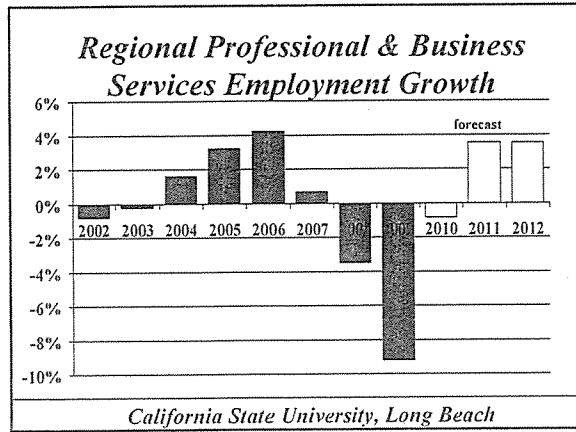
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## *Areas of Growth for 2010*

- Health Services
- Information
- Federal Government

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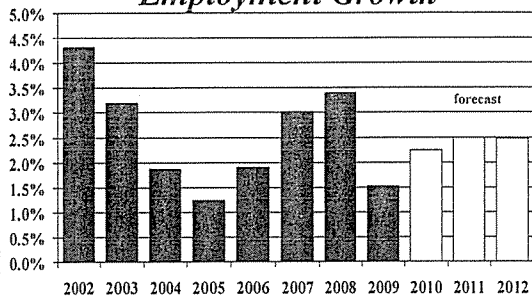
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### *Health Services Employment Growth*



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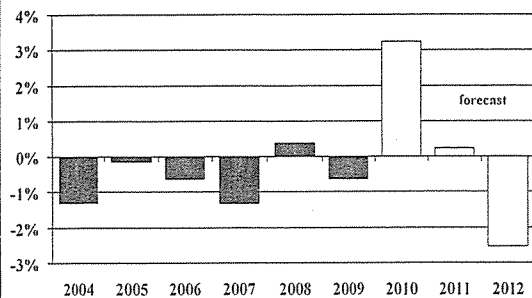
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### *Federal Government Employment*



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*Regional Economy Summary*

- The region is starting to pull out of recession
- Annual job losses continue this year (but quarterly gains beginning in Q3)
- Conditions will improve significantly in 2011, with positive job growth
- A return to healthy job formation in 2012

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*Economic Outlook  
Los Angeles County*

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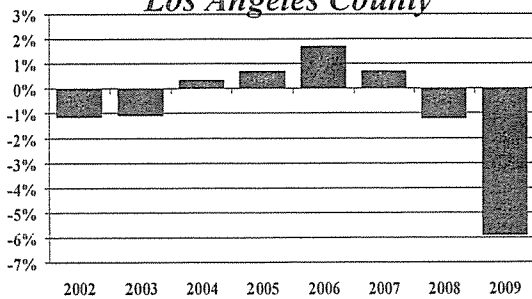
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*Total Nonfarm Employment  
Los Angeles County*



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### California Film Incentives

- Last year CA allocated \$500 million in tax credits through 2014
- As of January the program used up the first 2 years of funding
- Employment in LA County motion pictures up 10,000 from year-ago
- But program is out of money until next fiscal year

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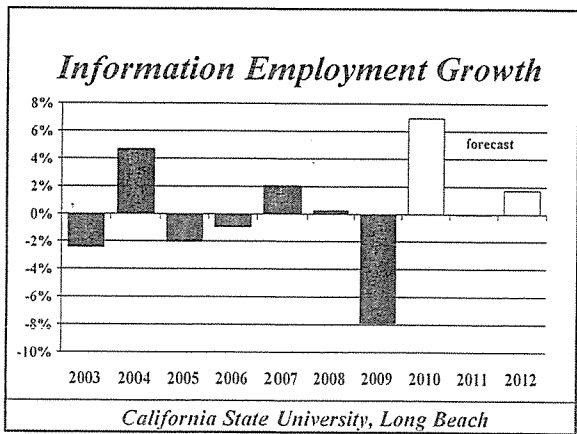
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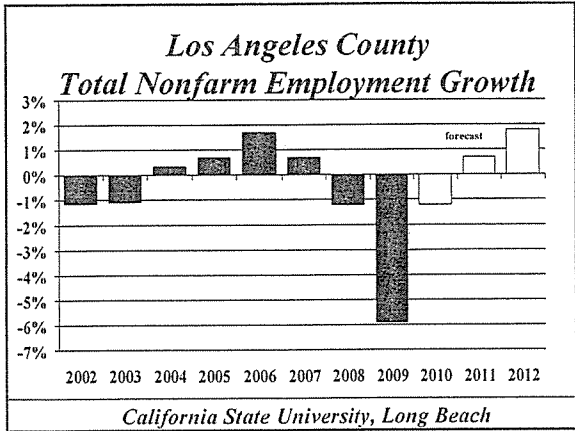
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**Economic Outlook**  
**Orange County**

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**Orange County**

- Professional and Business services will lead Orange County out of the recession
- We expect Orange County to be the best-performing economy in the region in 2011-2012

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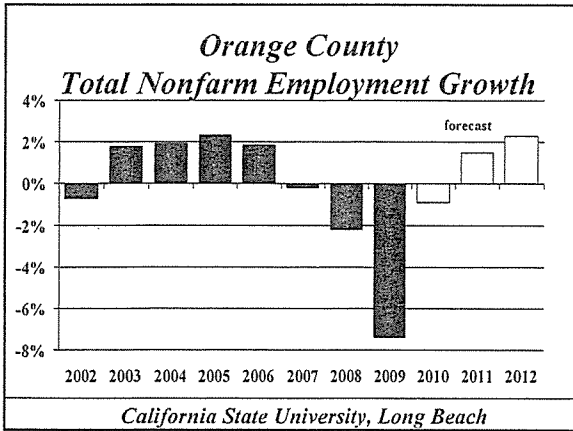
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*Economic Outlook*  
*Riverside/San Bernardino*

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*Riverside/San Bernardino*

- This area hit very hard by sub-prime crisis
- As a result, the housing market will take longer to recover and will continue to be a drag on the economy through 2011.

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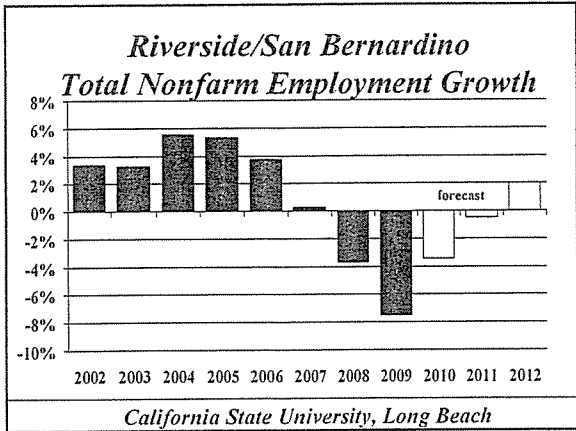
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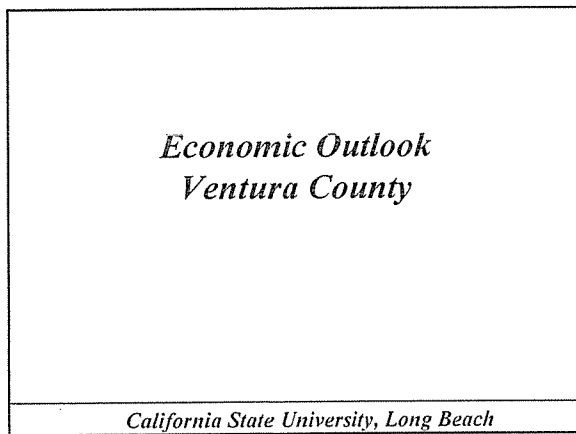
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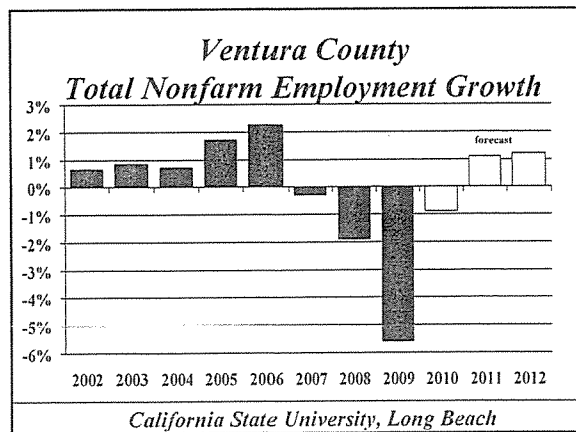
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## *The Housing Market*

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## *The Regional Housing Market*

- Coastal areas bottomed out in 2009
- Median price up, but mostly reflecting more higher-priced homes in the mix
- Our view: it looks like the beginning of a recovery for the coastal areas
- But 2010 could see a “bumpy ride” as federal tax credits expire in April

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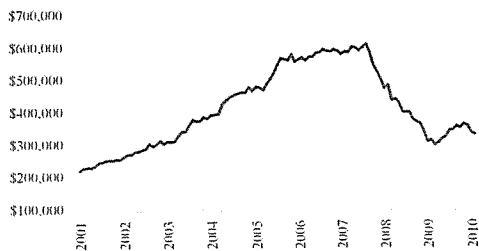
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## *Los Angeles County Median Price*



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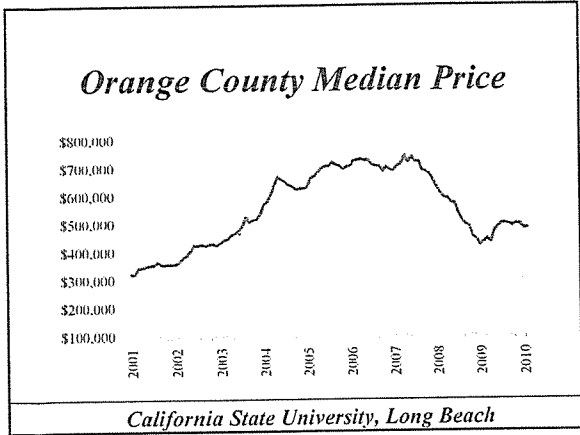
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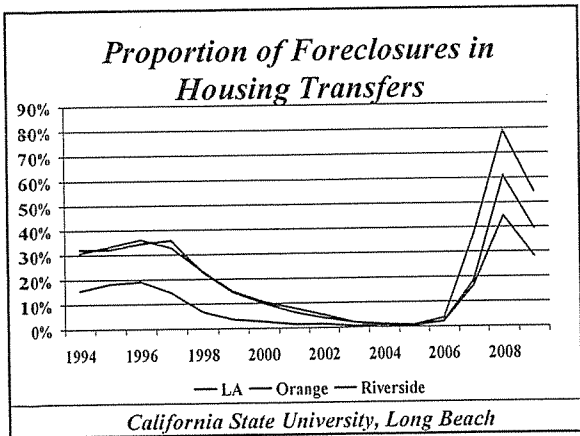
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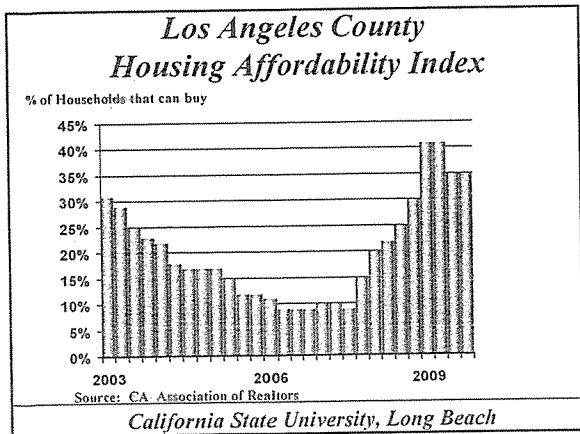
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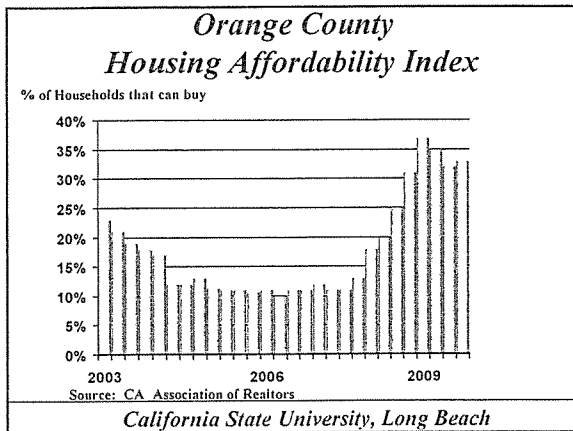
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### Housing Market in Near Term

- Credit is slowly easing
- The mix of homes is starting to shift back toward higher-priced homes, causing median price to rise
- True appreciation has been much smaller
- Once recovery gets underway, median price increases will reflect true appreciation

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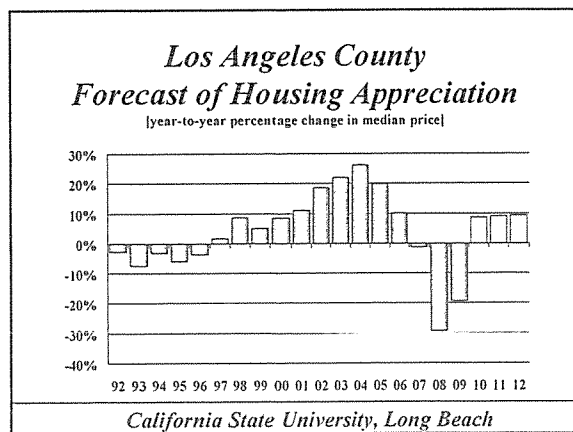
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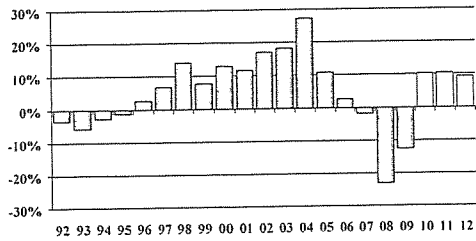
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**Orange County**  
**Forecast of Housing Appreciation**

[year-to-year percentage change in median price]



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**Summary**

- 2009 was the trough of this housing cycle
- Median home prices rise in Los Angeles and Orange County in 2010
- Sustained appreciation through 2012

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CALIFORNIA STATE UNIVERSITY

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**LONG BEACH**

*The Long Beach City Economy*  
May 13, 2010  
Joseph P. Magaddino, Ph.D.  
OER@CSULB.EDU

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*How Do We Measure Jobs?*

- ES-202 data from EDD
- Zip code data
- Establishment data, excludes self-employed
- Data lagged (most recent data 2009 II)

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*Long Beach Economy Overview*  
*2008 III-2009 II*

- 10,000 Establishments
- 200,500 Employees
- \$9.7 Billion Annual Payroll
- \$49,000 Payroll per Employee

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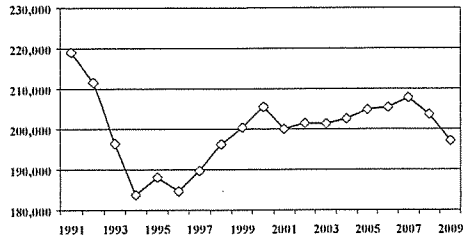
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**Long Beach  
Total Nonfarm Employment**



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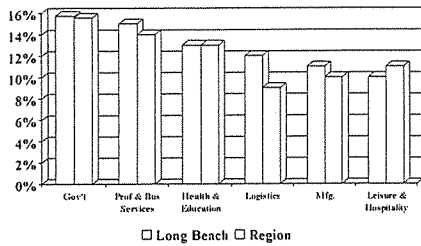
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**Dominant Sectors  
[80% of all jobs]**



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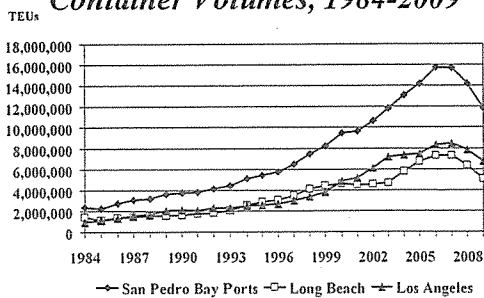
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**San Pedro Bay Ports  
Container Volumes, 1984-2009**



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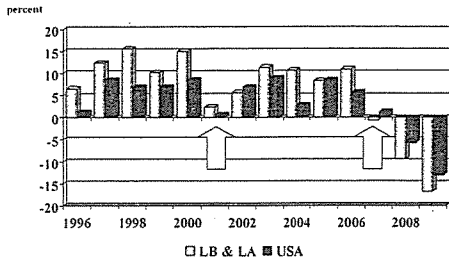
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### Rate of Growth in Container Traffic Twin Ports and Nation



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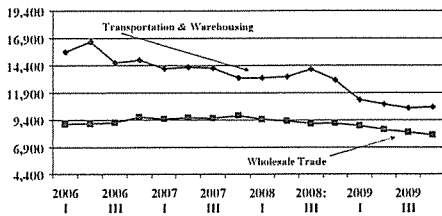
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### Transportation & Logistics



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### Logistics in Long Beach

Sector	Share of Logistics	Average Payroll
Support Activities for Transportation	39%	\$71,000
Warehousing & Storage	7%	\$37,000
Truck Transportation	9%	\$43,000
Wholesale Trade	36%	\$62,000

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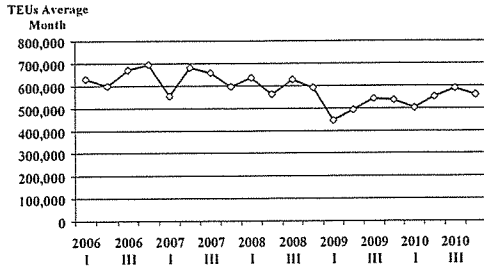
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### San Pedro Bay Inbound Loaded Containers



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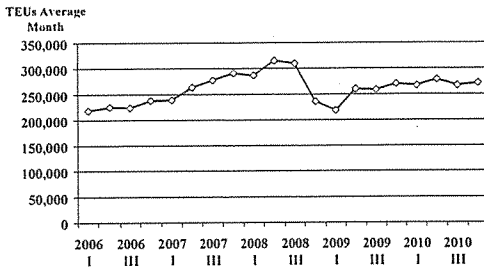
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### San Pedro Bay Outbound Loaded Containers



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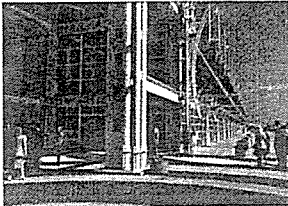
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### Long Beach Overnight Visitors



- Convention, business and leisure travelers account for 2 million person nights in Long Beach.

- Overnight visitors add about \$300 million in additional expenditures to the economy.

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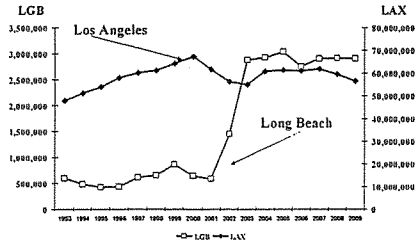
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### Airport Passenger Loads



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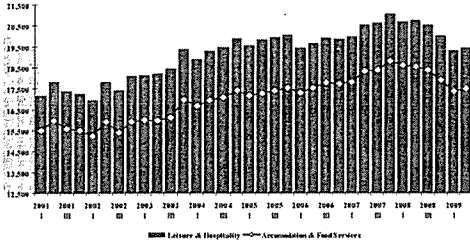
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### Leisure & Hospitality Employment



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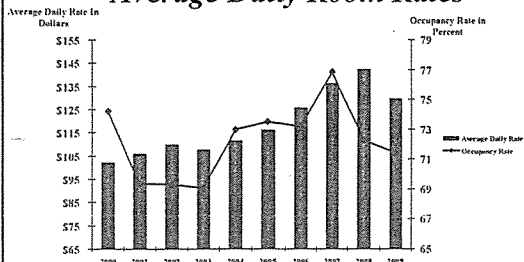
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### Long Beach Occupancy Rates & Average Daily Room Rates



Source: PKF Consulting

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### Lodging Markets Compared, 2009

Location	Daily Rate	Occupancy Rate	Revenue Per Room
Long Beach	-8.0%	-9.2%	-16.4%
LA Downtown	-8.4%	-13.3%	-20.6%
Anaheim	-7.5%	-7.0%	-14.0%
SD Downtown	-14.1%	-4.9%	-18.2%

Source: PKF Consulting

California State University, Long Beach

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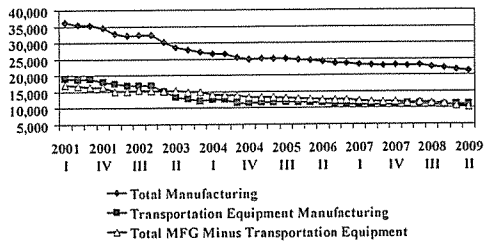
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### Manufacturing Employment



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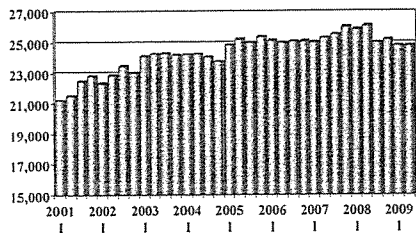
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### Long Beach Health Care, Social Assistance & Educational Services



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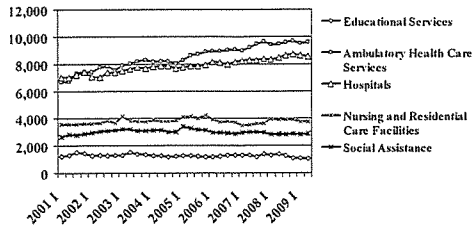
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### Composition of Health & Educational Services



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### Composition of Health Care, Educational & Social Assistance Services

- 4% educational services
- 37% ambulatory health care services
- 33% hospitals
- 15% nursing & residential care services
- 11% social assistance services

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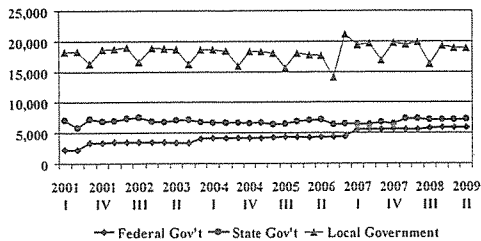
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### Government Employment



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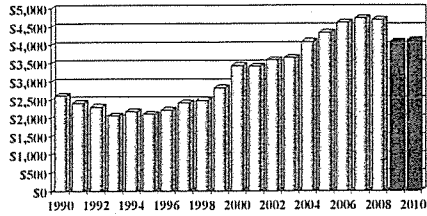
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### Long Beach Taxable Sales

[in \$1,000,000]



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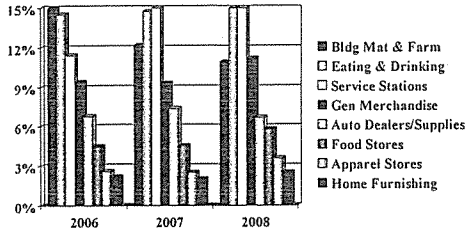
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### Composition of Taxable Sales City of Long Beach



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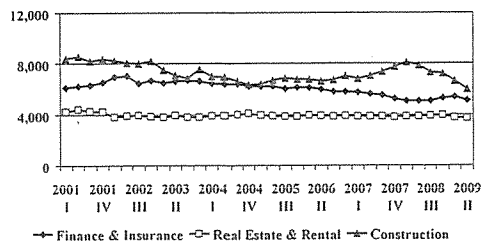
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### Housing Dependent Sectors



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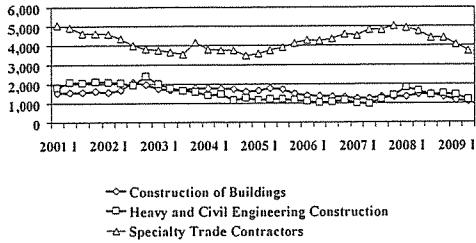
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### Construction Subsectors



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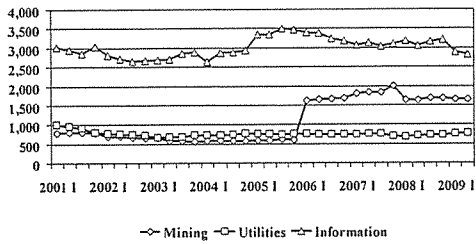
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### Mining, Utilities, & Information



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### Real Estate Markets

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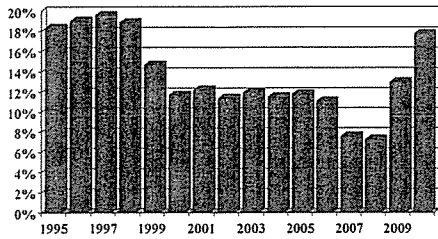
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*Office Space Direct Vacancy Rates  
City of Long Beach, Quarter 1*



Source: Cushman & Wakefield

*California State University, Long Beach*

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*Office Space  
Direct Vacancy by Area*



Source: Cushman & Wakefield

*California State University, Long Beach*

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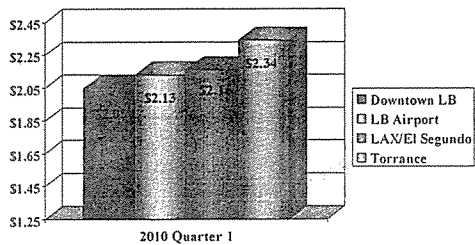
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*Office Space  
Rental Rates by Area*



Source: Cushman Wakefield

*California State University, Long Beach*

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## *Residential Housing*

*California State University, Long Beach*

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## *Median Home Prices Long Beach*

<i>Year</i>	<i>House</i>	<i>Condo</i>
2004	438,985	278,062
2005	525,477	343,400
2006	563,281	361,381
2007	563,224	359,314
2008	428,361	289,968
2009	388,044	230,279

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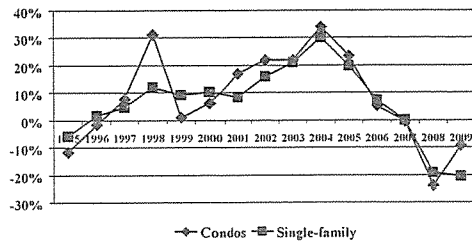
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## *Long Beach Housing Appreciation*



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*Summary*

- The Long Beach economy will begin its recovery in the second half of this year and add 2,100 jobs in 2011 and 1,700 jobs in 2012.
- Increases in the activity of the POLB will be an important source of job formation.
- While most of the city's employment sectors are improving, state and local government face increased challenges in 2010-11 FY.
- The 10-year construction project of the Middle Harbor Project will upgrade terminals, add capacity and be an important source of job growth as will the renovation of the Long Beach Airport.

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