

# Coastal Housing Partnership 2008 Employee Housing Survey

## Introduction

The Coastal Housing Survey is an annual survey conducted to assess the need for housing by workers employed at the largest companies and organizations on the South Coast. There are a total of 70 members of the Coastal Housing Partnership.

These organizations employ an estimated 35,000 workers, or about 26 percent of the total South Coast workforce. The 2008 survey was conducted between November 2007 and January 2008. A total of 28 organizations participated in the annual survey. Exactly 2,894 completed surveys were collected and analyzed. Highlights of the survey are summarized here.

## Key Findings

### Where do South Coast workers live?

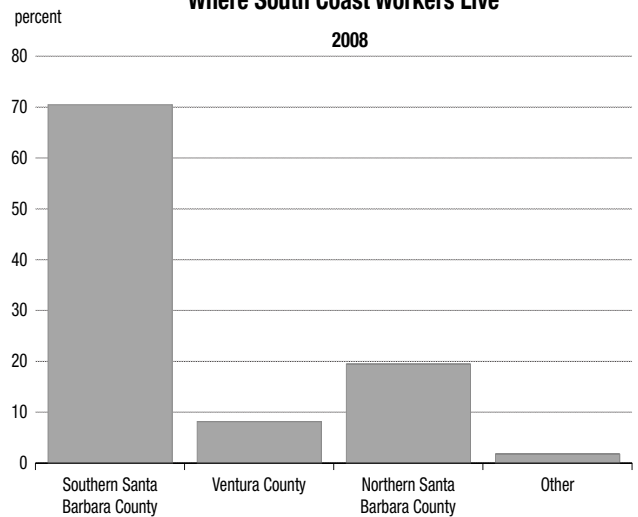
Our sample of respondents this year indicates that 70 percent of all South Coast workers live on the South Coast, implying that 30 percent do not. The percentage of workers who live on the South Coast has declined from 75 percent in 2006, and has varied between 69 and 75 percent since 2003. The percentage of workers who live in Ventura has steadily declined from 13 percent in 2003, to 8 percent in 2008.

**Where South Coast Workers Live  
2008**

| <u>Place of Residence</u>     | <u>Percent of Total</u> |
|-------------------------------|-------------------------|
| Southern Santa Barbara County | 70.5                    |
| Ventura County                | 8.2                     |
| Northern Santa Barbara County | 19.5                    |
| Other                         | 1.8                     |
| <b>Total</b>                  | <b>100.0</b>            |

Source: 2008 Coastal Housing Partnership Survey

**Where South Coast Workers Live  
2008**



## Commuting

Average commuting time and distance have declined slightly over the past few years for South Coast workers. The average commute distance is now 16 miles compared to 18 miles in 2004 and 2005. The average commute time is now 22 minutes, down from 25 minutes in 2005 and 2006.

For workers who live in the South Coast, the average commute distance is only 7 miles. For workers residing in Northern Santa Barbara or Ventura County, however, the average one-way commute distance is 46 miles. Northern Santa Barbara includes Santa Ynez, Buellton, Lompoc, and Santa Maria. For the 2 percent of South Coast workers who reside outside of these areas, the average commute distance is 80 miles – though this distance has declined by 30 percent since 2004. Families who live on the South Coast are, on average, less likely to have children under the age of 18 at home.

This result is due in part to the fact that 48 percent of South Coast residents are renters, as opposed to 30 percent in Ventura and 25 percent in Northern Santa Barbara County. Renters are typically younger and do not yet have families. This result also supports the notion that workers with families tend to move away from the South Coast to buy more affordable family housing in Ventura County, Lompoc, and Santa Maria.

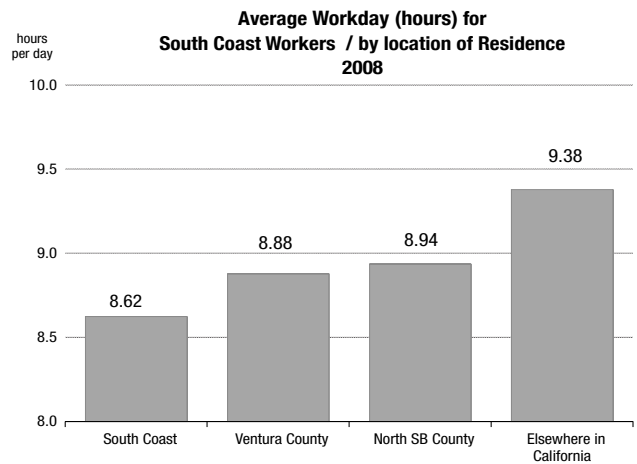
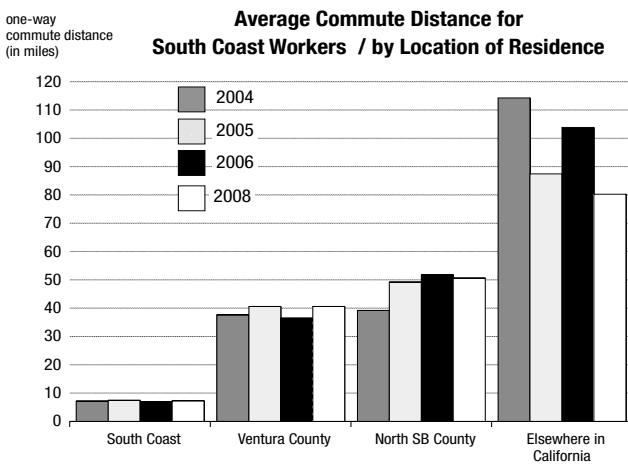
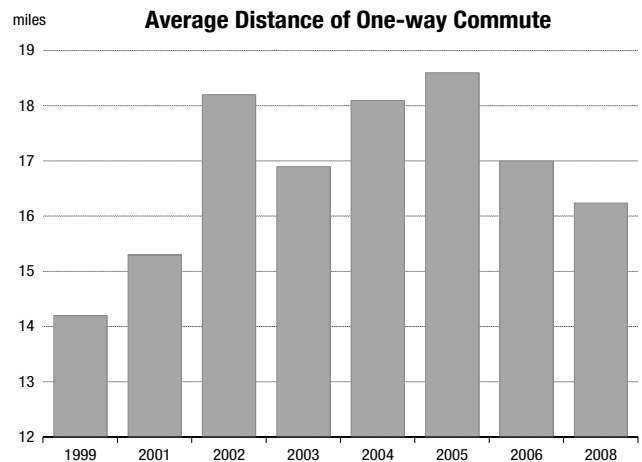
More workers who commute to their South Coast jobs are bringing their kids with them to go to school near their work place. In 2006, 20 percent of all commuting workers had their kids attend schools closer to their work. This year, 25 percent of commuting workers have their kids attend schools closer to their work.

Commuting increases the length of the workday for most workers. The average workday is 16 minutes longer for workers residing in Ventura County, and 19 minutes longer for workers residing in Northern Santa Barbara County.

### Families with Children 2008

| Place of Residence            | Percent of Families With Children |
|-------------------------------|-----------------------------------|
| South Coast                   | 33.2                              |
| Ventura County                | 44.5                              |
| Northern Santa Barbara County | 50.1                              |
| Other place                   | 31.5                              |

Source: 2008 Coastal Housing Partnership Survey



## Home Ownership

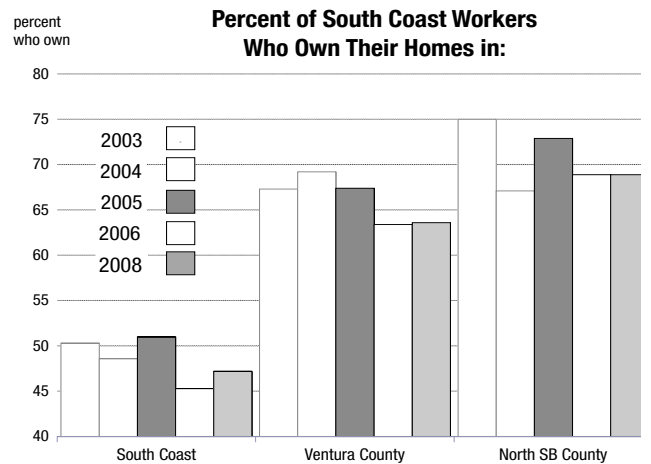
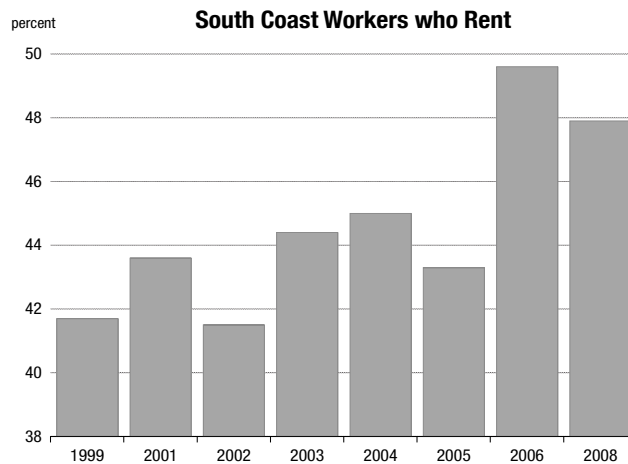
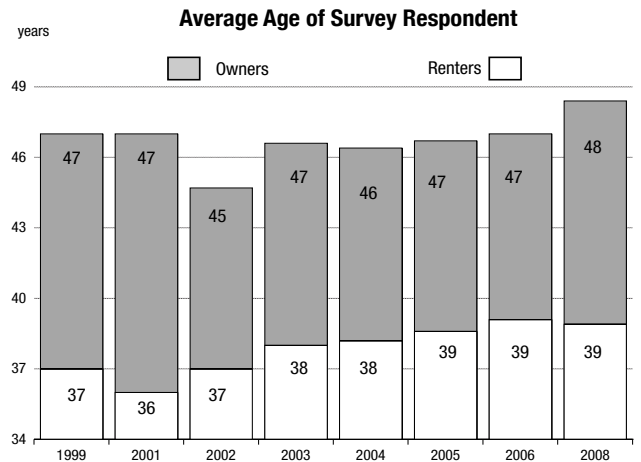
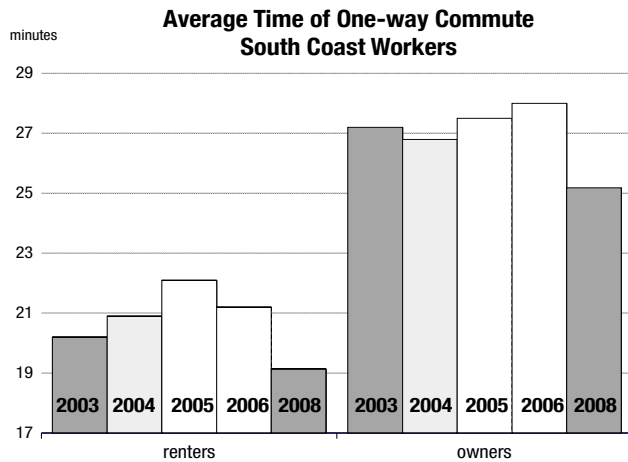
Fifty-three percent of South Coast workers own their own home in 2008, while 47 percent of workers rent. The percentage of renters has decreased 2 percent from 2006, though it has risen 6 percent over the last 5 years. This high “rent-to-own percentage” is a direct result of the expensive Santa Barbara housing market.

For South Coast workers who live in Ventura County, the homeownership rate is 64 percent. For workers living in the North County, it's 69 percent. Home ownership in Ventura and Northern Santa Barbara County is becoming more difficult; the percent of South Coast workers who own their own homes in Ventura and Northern Santa Barbara County has fallen 4 and 6 percent respectively since 2003. The percent of South Coast homeowners has fallen 3 percent since 2003.

The average age of survey respondents is 48 year for homeowners, and 39 years for renters. The average age has remained relatively constant over time with a slight aging trend beginning in 2004.

## Mode of Travel

Most South Coast workers still travel to work in a single occupancy vehicle, though this number has fallen by nearly 10 percent in the last four years – likely due to the increasingly high price of gas. Seventy-two percent responded that “Driving alone” was their most frequent mode of travel to work. This year's survey also shows a clear upward trend in the number of people who ride their bike, or take the bus to work. Six percent of respondents now ride the bus, compared to 3 percent in 2003, and 5 percent now ride their bike, compared to 2 percent in 2004. The number of people that carpool has fluctuated over time and is currently around 12 percent of commuters. As South Coast workers find more suitable housing in distant communities, commuting by car or vanpooling becomes more desirable, providing those opportunities exist.



Workers who live in the North County are most likely to commute to work by car or vanpool. More than 19 percent of all North County residents car-pooled to work, and nearly 40 percent either car-pooled or rode the bus to work. South Coast residents are the least likely group to car-pool or ride the bus, though this number has increased by over 3 percent since 2006.

The home environment of commuters is undeniably altered by the time lost due to commuting. The average commuter in 2008 spent 100 minutes per day commuting to and from work in the South Coast. Clearly, this is time that could be better spent on activities closer to home.

Commuting South Coast workers give up many activities in their community, especially volunteer work and participation in their kid's sports and other community activities. Only 21 percent of all commuting workers responded that they did not forego any activity due to their commute time to work, and nearly half said that their commute kept them from serving for a non-profit organization.

### If You Commute: What Community Activities do You Give Up Due to Your Commute?

| Responses | Activity Foregone                                | Percent of Commuters |
|-----------|--|----------------------|
| 286       | Serving in Non-Profit Organization               | 44.1                 |
| 211       | Greater participation in kid's sports activities | 32.5                 |
| 263       | Participating in your kid's community activities | 40.5                 |
| 197       | Volunteering time                                | 30.4                 |
| 137       | Nothing  | 21.1                 |
| 2,245     | Not Applicable                                   |                      |
| 649       | Total number of respondents who commute          |                      |

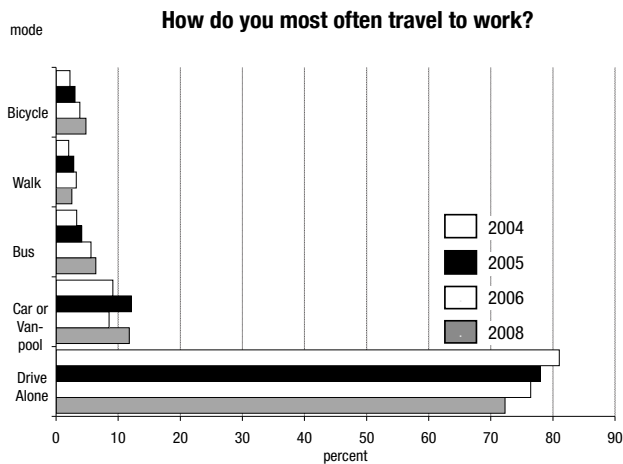
\*Respondents could select all activities that applied

Source: 2008 Coastal Housing Partnership Survey

### Mode of Transportation (Percentage of Residents)

| Residents of                  | Drive Alone | Car/Van Pool | Take a Bus |
|-------------------------------|-------------|--------------|------------|
| South Coast                   | 77.5        | 7.6          | 3.6        |
| Ventura County                | 67.4        | 19.5         | 8.9        |
| Northern Santa Barbara County | 65.4        | 19.2         | 12.1       |

Source: 2008 Coastal Housing Partnership Survey



### Average Time Spent Commuting One-Way to Work By Non-South Coast Residents

| Year | Minutes |
|------|---------|
| 2003 | 46.5    |
| 2004 | 47.4    |
| 2005 | 53.2    |
| 2006 | 57.2    |
| 2008 | 49.9    |

Source: 2008 Coastal Housing Partnership Survey

## Home Ownership and Satisfaction

Fifty-six percent of renters said that they would consider leaving the area if they were unable to purchase a home in the area. This disturbing trend has been an issue in the survey throughout the years, and clearly demonstrates the speculative disposition of the South Coast labor force.

South Coast workers who own housing are generally satisfied with their current housing situation, although that satisfaction level has declined in recent years. In 2004, about 6 percent of homeowners were dissatisfied with their current housing situation; in 2006 and 2008 (the last two years the survey was conducted), the level of dissatisfaction was in excess of 10 percent. These are the highest levels of owner dissatisfaction since 1999.

Renters remain more dissatisfied with their housing situation, albeit at lower levels than 2006. Thirty-seven percent of South Coast workers who rent indicated they were either “dissatisfied” or “very dissatisfied” with their housing. This is an improvement over the 2006 survey when 40 percent indicated dissatisfaction. However, it still represents a large portion of the workforce.

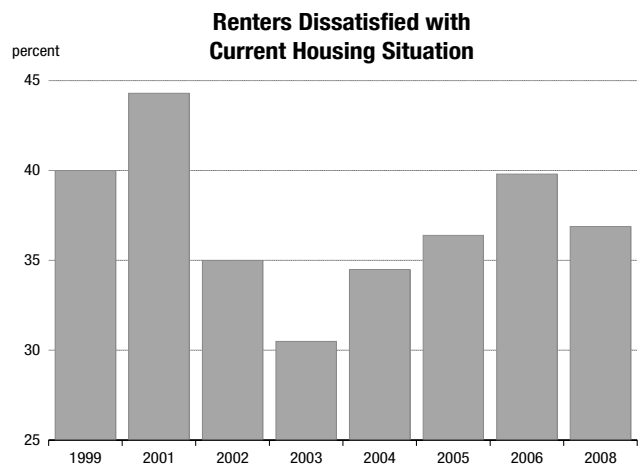
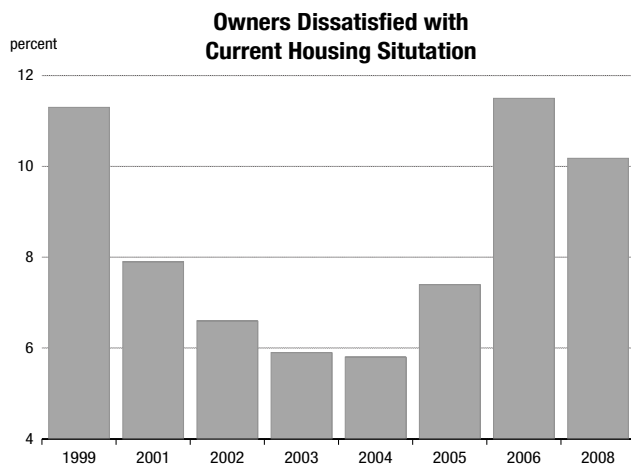
Apartment vacancies have remained very tight in Santa Barbara over the past few years; the 2007 vacancy rate was a mere 0.63 percent. Goleta, Santa Maria, and Lompoc have

slightly looser rental markets ranging from 3 to 6 percent. However, there are more condos now being rented due to the problematic housing market this year. The survey responses may reflect a slightly easier rental market in Santa Barbara County. In all areas, rental rate inflation is 4 to 6 percent per year – fairly constant with inflation.

## Buying a House

Purchasing a home along the South Coast has long been difficult, due to both affordability and availability. In recent years, homeownership has become even more challenging as the nation’s housing crisis has not had a significant impact on prices or availability in Santa Barbara County. Survey respondents have increasingly indicated in recent years that they have not been able to find homes locally that meet their requirements.

This is demonstrated by the record low number of owners (19 percent) who claim to have been able to find a home that suits their requirements. Less than 8 percent of renters are able to find suitable housing, and, as a whole, under 14 percent of South Coast workers who are looking for homes to purchase have been able to find suitable housing in 2008. This result is off its all-time lows in 2001 and 2002, but still illustrates a labor force with three-quarters of its workers in housing they consider inappropriate for their needs.



A greater number of South Coast workers have been considering the purchase of a new home in recent years. In 2008, 65 percent of South Coast workers who reside in Ventura County answered “yes” or “maybe” when asked if considering purchasing a home. 48 percent of Southern Santa Barbara County residents answered “yes” or “maybe” to the same question. Despite these seemingly high percentages of workers who are considering a home purchase, workers who are actively considering purchasing a home in Santa Barbara County, Ventura County, or Santa Ynez are at all-time lows, implying that a majority of these workers are considering moving away from the South Coast.

The number of respondents actively looking to Ventura County for housing has fallen sharply since the initial survey. Since 2004, less than 20 percent of all respondents who

were looking to purchase a home were considering Ventura County, and this year, less than 10 percent of respondents were considering a purchase in Ventura County. Allegedly, the reason is because median home selling values have leaped in Ventura County since 1999, rising from \$257,000 to a peak of \$710,000 in 2006. Although the median price has receded to the high \$500,000 levels in recent months, Ventura is still a relatively high-priced area.

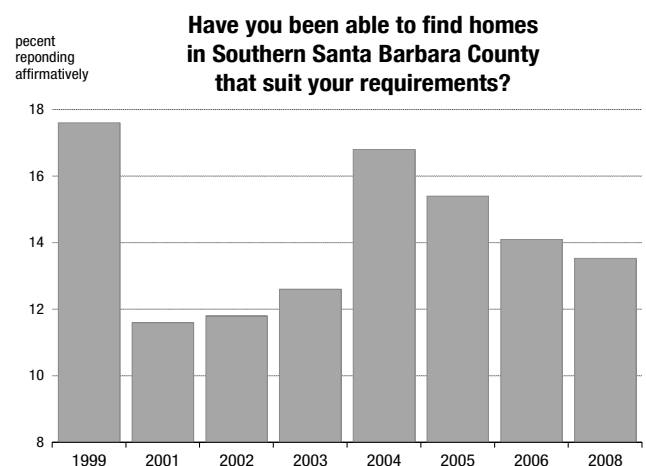
There has been a significant decline in the percentage of active buyers on the South Coast who are considering purchasing a home in Northern Santa Barbara County. In 2004, 35 percent of respondents said they were considering a purchase in the North County; that number has since fallen to just 12 percent.

| Residents of               | Residents' Response                   |      |       |
|----------------------------|---------------------------------------|------|-------|
|                            | When Asked if Considering a Purchase: |      |       |
|                            | Yes                                   | No   | Maybe |
| South Coast                | 20.4                                  | 28.0 | 48.4  |
| Ventura County             | 30.9                                  | 33.9 | 64.8  |
| North Santa Barbara County | 20.8                                  | 32.5 | 53.3  |

Source: 2008 Coastal Housing Partnership Survey

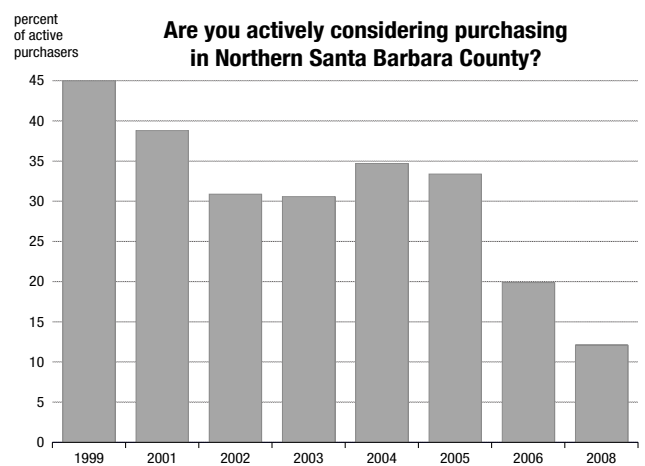
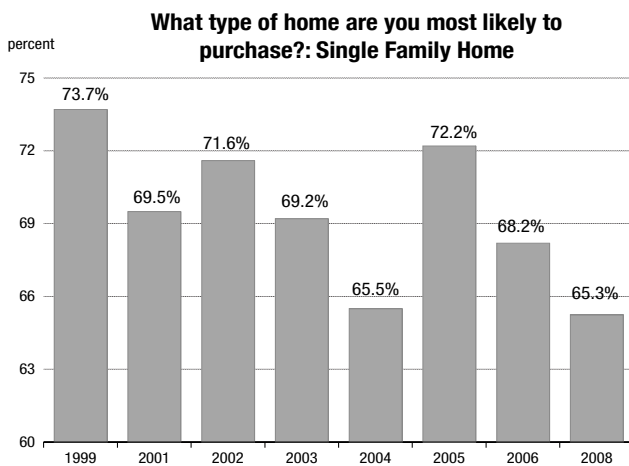
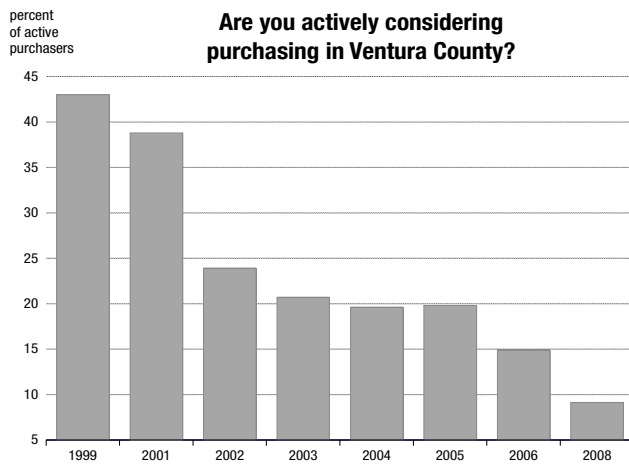
| Are You Actively Looking to Purchase a Home in: |      |      |      |      |       |
|---|------|------|------|------|-------|
|   | 2003 | 2004 | 2005 | 2006 | 2008  |
| South Coast                                     | 48.9 | 45.6 | 46.8 | 38.1 | 31.2  |
| Santa Ynez Valley                               | 10.5 | 10.8 | 9.7  | 4.1  | 6.96  |
| North Santa Barbara                             | 30.6 | 34.7 | 33.4 | 19.9 | 12.10 |
| Ventura County                                  | 20.7 | 19.6 | 19.8 | 14.9 | 9.13  |
| Santa Barbara or Ventura                        | 69.6 | 65.2 | 66.6 | 53.0 | 40.33 |

Source: 2008 Coastal Housing Partnership Survey



This can be explained by the rapid increase in the median price of a home in the North County throughout 2005 and peaking in February of 2006 when the median price reached \$470,000. That value has since declined 37 percent to \$298,000 as of May 2008. It was \$350,000 in November at the time of the survey. Rapidly falling prices during the time of the survey likely discouraged potential buyers from seriously considering a home in the North County.

While down slightly from previous years, the type of home that potential buyers are looking for continues to be the traditional single family home. 65 percent of survey respondents indicated that they are most likely to purchase a detached home, rather than a condo or mobile home. The purchase of a condo remains to be the heavily favored second choice, as 22 percent of buyers suggest that they are most likely to purchase a condo.



## Summary

This year's results of the annual Employer Housing Survey extends some trends that have been in place since the commencement of the survey in 1999, and reverses others. Those trends that have reversed have resulted from changes in our local and national economies, such as the rising price of gasoline and the housing crisis.

In 2008, 48 percent of all South Coast workers are renters. This percentage is slightly lower than that of the 2006 survey, but continues the upward trend we have observed since the beginning of the survey. It is well known that home ownership in Santa Barbara County is more difficult than other counties because of the cost of housing. Only 52 percent of South Coast workers who live in the South Coast own their own homes.

There is a greater proportion of worker-households in Ventura and Northern Santa Barbara County with children. Clearly, local workers have found more suitable family housing outside the South Coast and have located there over time.

Both commute distances and commute time have declined from the 2006 survey. The average commute time being shorter may be a function of this year's survey sample that includes UCSB staff that have traditionally reported shorter commute distances. The reduction in average distance and commute time reported in the current survey is not that significant, and the average homeowner still spends nearly an hour (round-trip) driving to work.

The percentage of South Coast workers who are able to find a home that suit their requirements has been in decline since 2004, and is now less than 14 percent. Along with this disturbing information is the fact that workers who are seeking homes, now appear to be doing so outside of the Santa Barbara, Ventura, or Santa Ynez areas more so than ever. This indicates a workforce that is hesitant to remain in the area, likely due to the unaffordability of South Coast housing.

The principal mode of travel to work continues to be the single occupancy vehicle, although this number has materially declined over the past few years. Nonetheless, over 72 percent of all South Coast workers use this method to travel to work. Nearly 20 percent of all North Santa Barbara and Ventura residents now car or vanpool to work, while another popular mode of travel is the bus. The incidence of biking and taking the bus to work is a growing trend for South Coast workers; both percentages have doubled in recent years. The high price of oil and therefore gasoline is clearly reflected in South Coast worker's recent methods of travel.

Homeowners and renters continue to be dissatisfied with their housing situation at levels relatively constant with previous years. The percentage of renters who are dissatisfied is nearly four times that of dissatisfied owners. Renters' discontent with their housing situation likely stems from a very tight rental market, continually higher rents, and the need to commute for more affordable housing. Renters, more so than owners, are willing to leave their job and the area if they do not find suitable housing close to their work. This is a disturbing reality since a large percentage of South Coast workers rent their housing.