



Santa Clarita Economic Snapshot

April 2011

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Created by the City of Santa Clarita
Economic Development Division



Overview

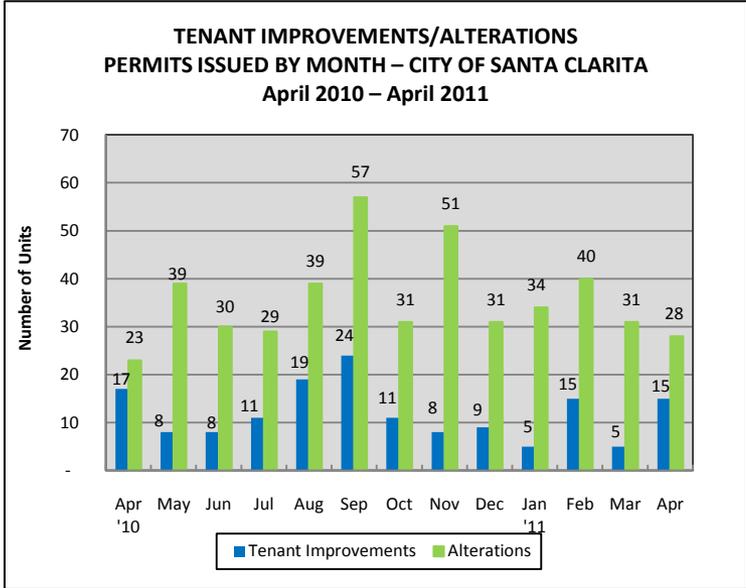
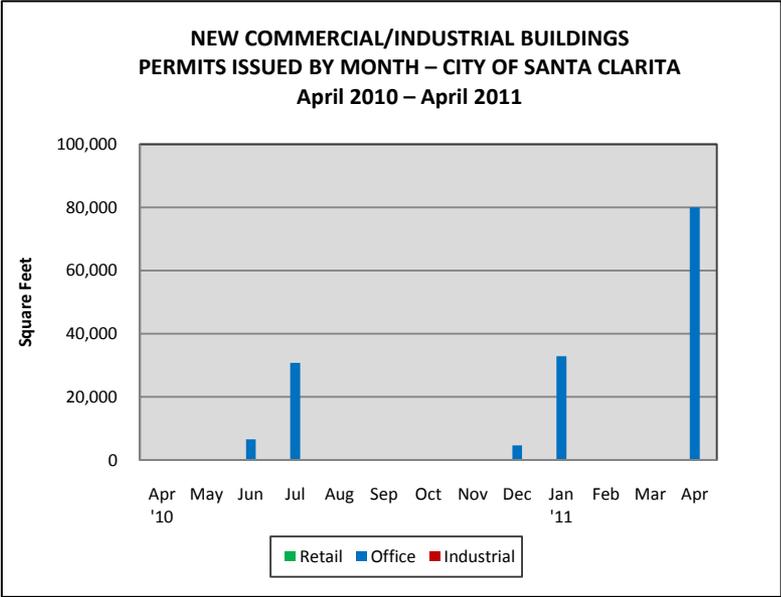
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

Indicators being tracked include:

- Residential, Commercial and Industrial building permits issued for new buildings as well as alterations, improvements, and additions;
- Certificates of Occupancy issued;
- Median value of single-family homes and condominiums;
- Total number of single-family homes and condominiums sold;
- Average number of days on the market and inventory levels for single-family homes;
- Number of notice of defaults recorded in Santa Clarita;
- Apartment vacancy rates and average asking rents;
- Transient occupancy tax generated;
- Average room rate and occupancy rate of local hotels;
- Economic impact of the film industry on Santa Clarita;
- Number of film permits and types of filming in Santa Clarita;
- Amount of sales tax revenue generated;
- Vacancy rates for the office, commercial and retail sectors and available square footage;
- Jobs created/retained and tax savings in Enterprise Zone;
- Unemployment rates;
- Employment and wages in the City of Santa Clarita; and,
- Consumer price index measuring inflation.

Reports are generated monthly. Periodically, more detailed data are available quarterly or annually.

Commercial Permits Issued



New Commercial/Industrial Buildings

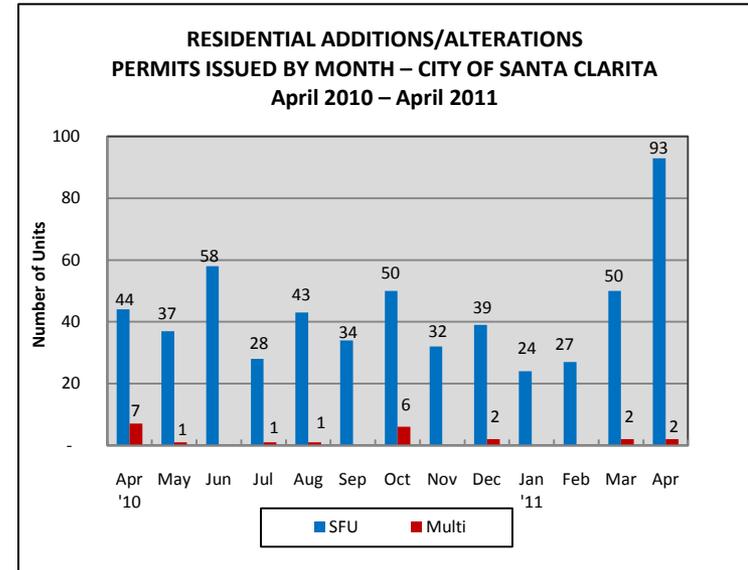
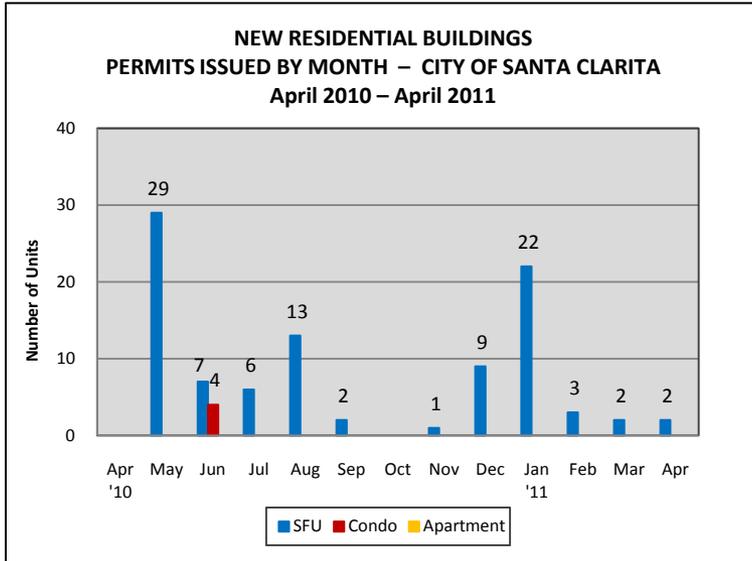
- One new permit for 79,969 square feet of office space at Henry Mayo Newhall Memorial Hospital was issued in April 2011 by the City of Santa Clarita, compared to no new permits in April 2010 for retail, office or industrial space.

Tenant Improvements/Alterations

- A total of 15 building permits for tenant improvements were issued in April 2011, up 200% from the 5 permits in March 2011 yet down 12% from the 17 permits in April 2010.
- In April 2011, a total of 28 permits for commercial alterations were issued, down 10% from the 31 permits in March 2011 yet up 22% from the 23 commercial alterations in April 2010.
- Of the 28 commercial alterations permitted in April 2011, 13 or 46% were for signage, 5 or 18% were for fire protection equipment, 3 or 11% were for tents, and the remaining 7 or 25% were for other miscellaneous purposes.

A new building permit is issued when a new structure is being built. A tenant improvement permit is issued when a new business moves into an existing space. An alteration permit is issued when businesses makes changes to the space they currently occupy.

Residential Permits Issued



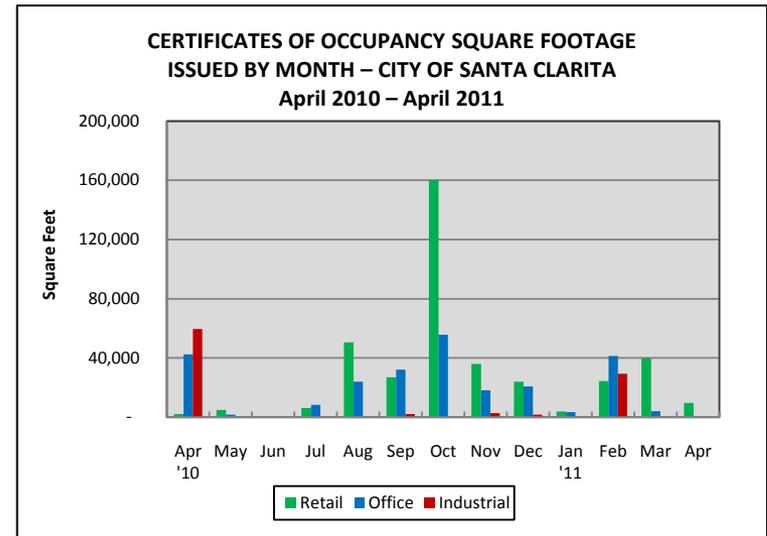
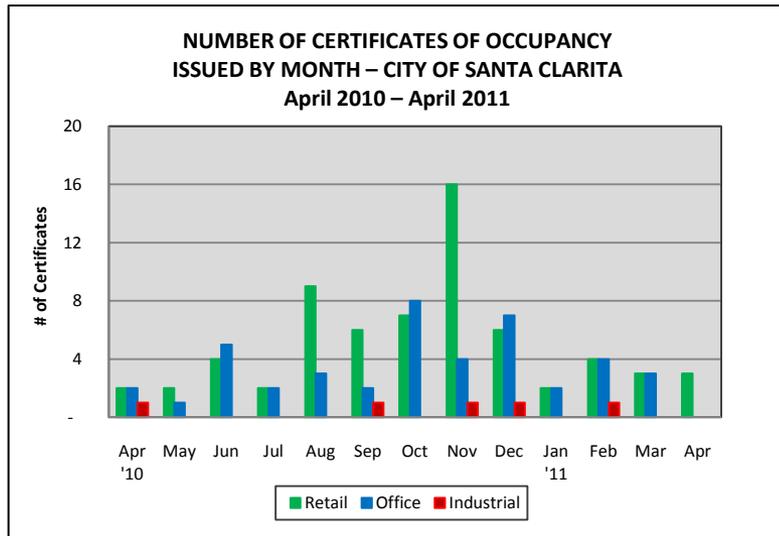
New Residential Buildings

- Two new single-family residential permits were issued in April 2011 by the City of Santa Clarita, compared to no new residential permits issued in April 2010.

Residential Additions/Alterations

- A total of 95 residential permits for additions and alterations were issued in April 2011, up 86% from the 51 residential permits for additions and alterations issued in April 2010.
- Almost all, 93 or 98% of the residential permits for additions and alterations issued in April 2011 were for single-family units, compared to 86% of the residential permits for additions and alterations in April 2010.
- Of the additions/alterations in April 2011, 35% were for photovoltaic, 17% were for patio covers, 14% each were for roofs and block walls, 9% were for pools/spas, 3% were for fireplaces/chimneys, and 2% each were for decks, mezzanines/lofts, windows/doors/skylights, and other miscellaneous items.

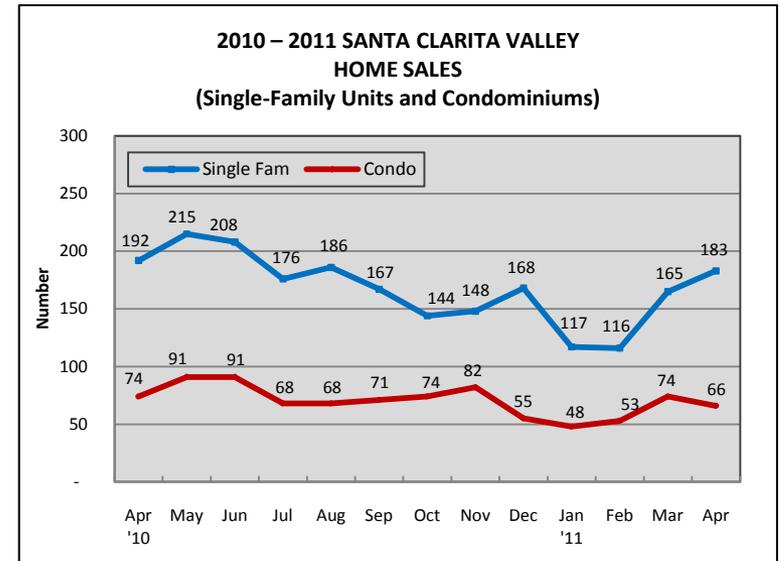
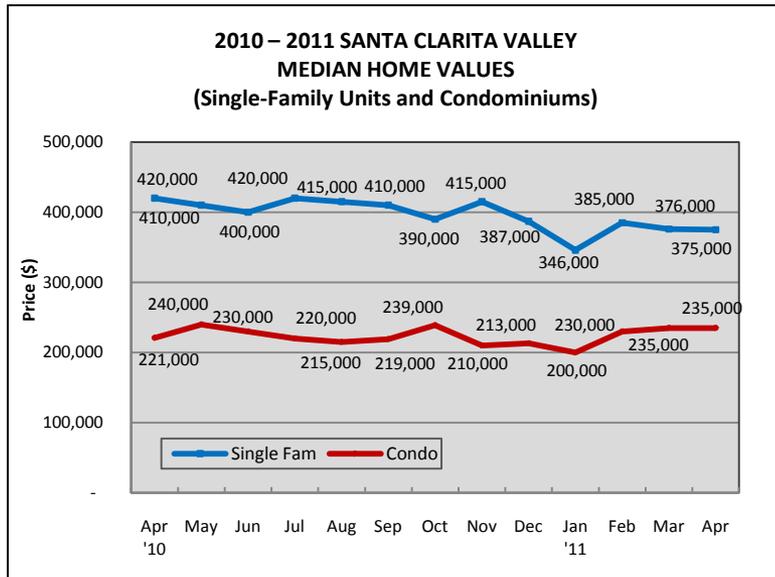
Commercial/Industrial Certificates of Occupancy Issued



- In April 2011, a total of 3 Certificates of Occupancy were issued, all of which were for retail space. These 3 Certificates of Occupancy represented a decrease of 40% from 5 Certificates of Occupancy in April 2010.
- Certificates of Occupancy for April 2011 represented a total of 9,704 square feet of retail space. This represented a significant 91% decrease from the 104,057 square feet of Certificates of Occupancy for retail, office, and industrial space issued in April 2010.

Certificates of Occupancy are issued prior to any building or structure being occupied and are required for all businesses in the City of Santa Clarita. A Certificate of Occupancy ensures the safety of occupants and the public by certifying the building meets the requirements for the occupancy group of the proposed business, California Building Codes, and local ordinances governing construction and occupancy.

Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



In the Santa Clarita Valley (inclusive of the City of Santa Clarita), single-family sales volume appears to have rebounded to levels in the late Summer of 2010 while values flattened from the previous month.

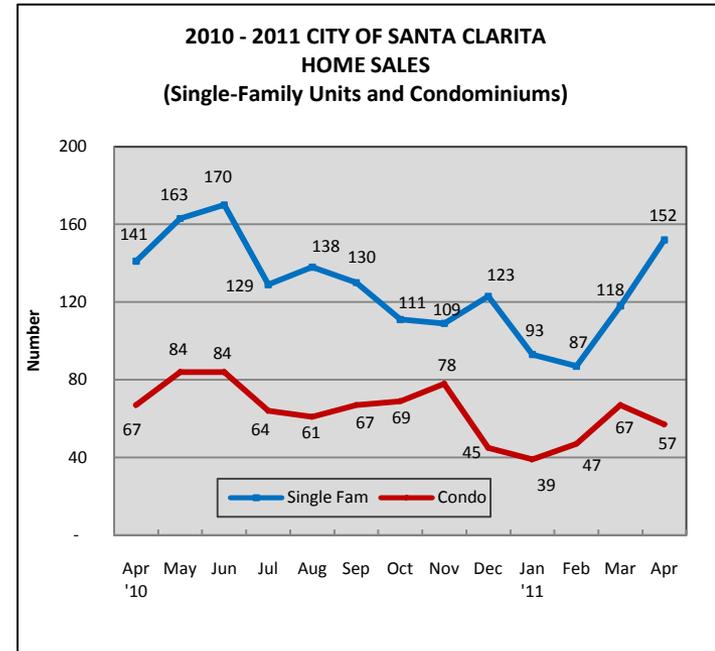
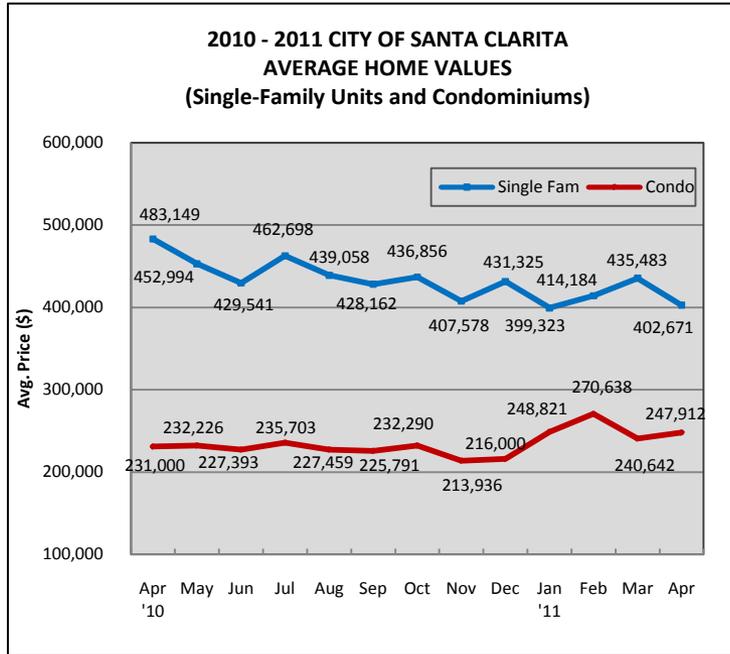
Single-Family Homes

- Single-family median home values decreased less than 1% to \$375,000 in April 2011 from \$376,000 in March 2011, and were 11% below the median home value of \$420,000 in April 2010.
- A total of 183 single-family homes sold in April 2011, up 11% from 165 homes sold in March 2011, yet down 5% from one year ago.

Multi-Family Homes/Condominiums

- Condominium prices remained unchanged at \$235,000 in April 2011 from March 2011, yet were up 6% from values in April 2010.
- Condominium sales fell 11% to 66 sales in April 2011 from 74 sales in March 2011 and from the 74 sales in April 2010.

City of Santa Clarita Housing Market



In the City of Santa Clarita, average home values continue to fluctuate while sales volume has increased.

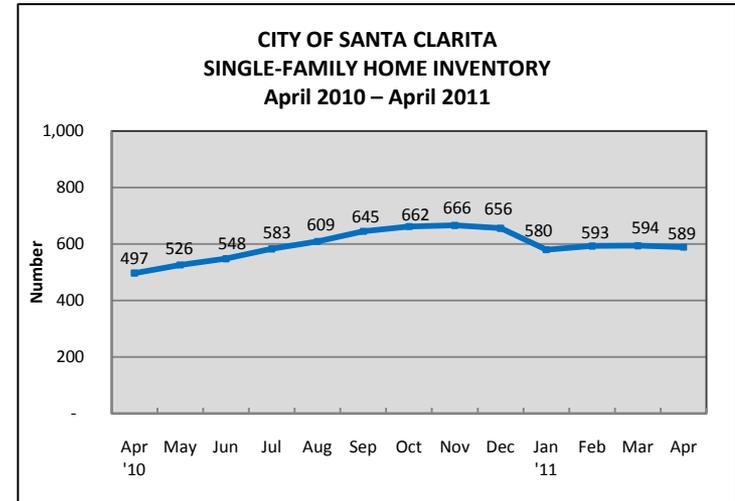
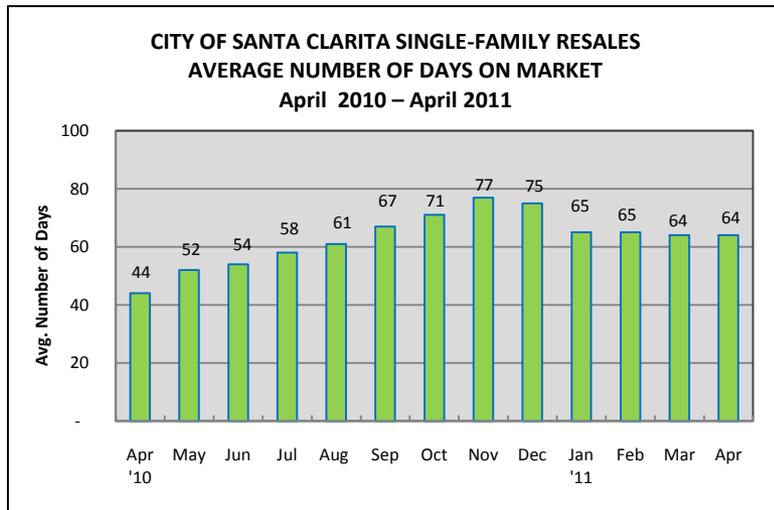
Single-Family Homes

- Single-family average home values in April 2011 were \$402,700 or 8% below March 2011, and 17% below April 2010.
- Sales rose 29% to 152 single-family homes in April 2011 from March 2011, and were 8% higher than sales in April 2010.

Multi-Family/Condominiums

- Condominium prices rose 3% to \$247,900 in April 2011 from March 2011, and rose 7% from April 2010.
- Condominium sales decreased 15% to 57 units in the City of Santa Clarita in April 2011 from March.

City of Santa Clarita Housing Market: Average Days on Market & Inventory Levels

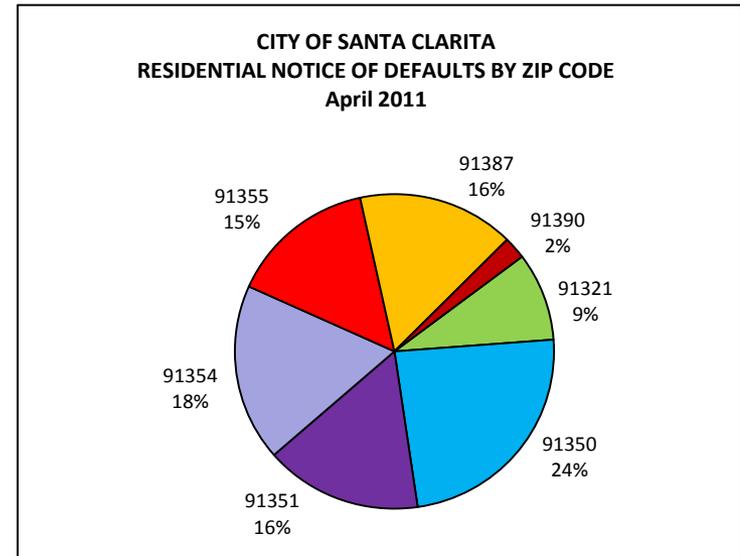
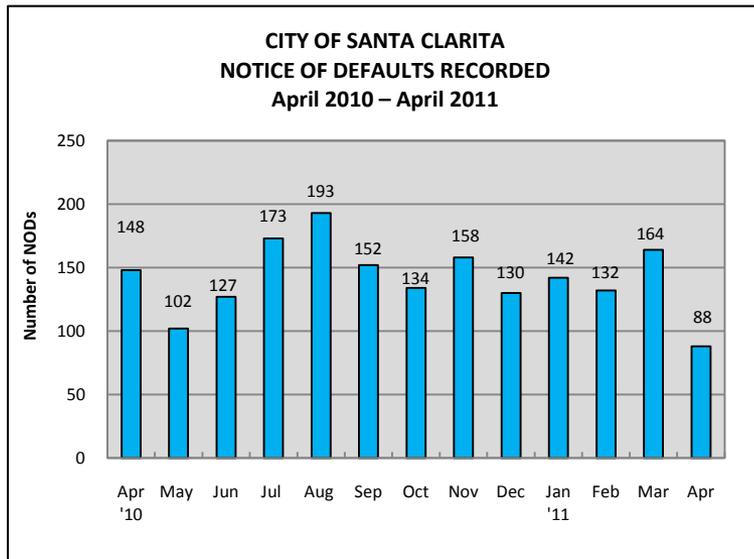


The City of Santa Clarita’s housing market has improved from Fall 2010 as it now takes fewer days for homes to sell, yet inventory levels have been level the past couple of months.

- In April 2011, homes were on the market for an average 64 days or 2.1 months, compared to 2.6 months in Fall 2010 and compared to 1.5 months in April 2010.
- Single-family inventory levels slipped slightly in April 2011 at 589 homes from March 2011, yet were 19% above inventory levels in April 2010.

Another indicator of the strength of the housing market is average days on the market. A larger number of days indicates homeowners are having a harder time selling their homes.

City of Santa Clarita: Notice of Defaults (NODs)

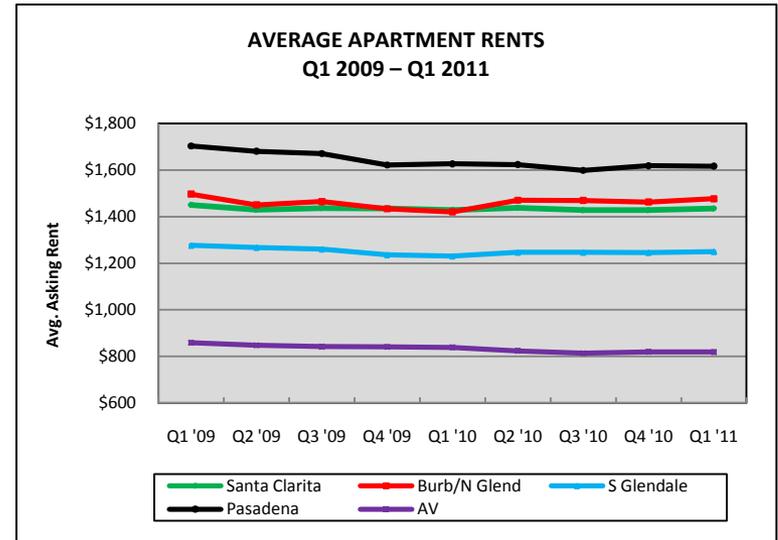
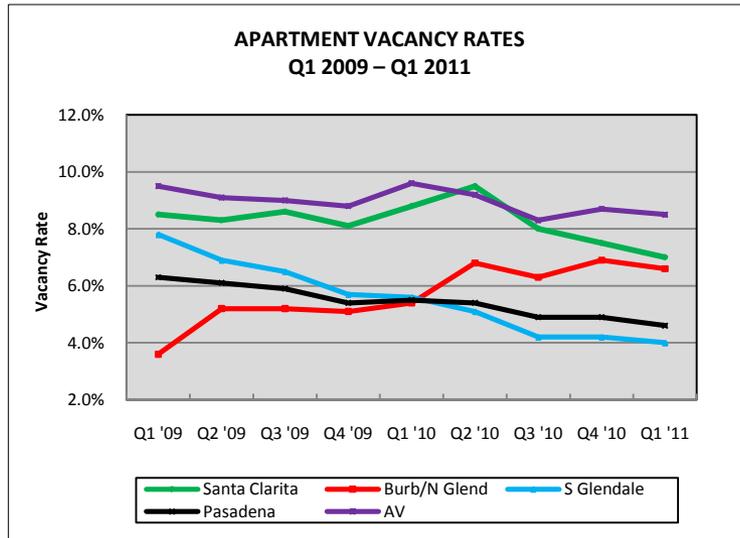


Notice of defaults were lower from one year ago, and at the lowest level in the past 13 months.

- A total of 88 NODs were recorded in April 2011 in the City of Santa Clarita. The level of NODs is down 41% from the level in April 2010, and down 46% from March 2011.
- In April 2011, approximately 24% of the NODs were recorded in the 91350 zip code followed by 18% in 91354, 16% each in 91351 and 91387, 15% in 91355, and 9% in 91321. The remaining 2% were in 91390.
- More than one-fourth or 28% of the NODs were on homes that previously sold \$350,000 - \$499,999 range while 25% sold in the \$200,000 - \$349,999 range and 16% sold below \$200,000. Additionally, 15% sold in the \$500,000 - \$599,999 range and 11% sold for at least \$600,000. The price range was unknown for the remaining 5%.

Apartments: Vacancies & Average Rents

(Updated Quarterly)



Apartment Vacancy Rates

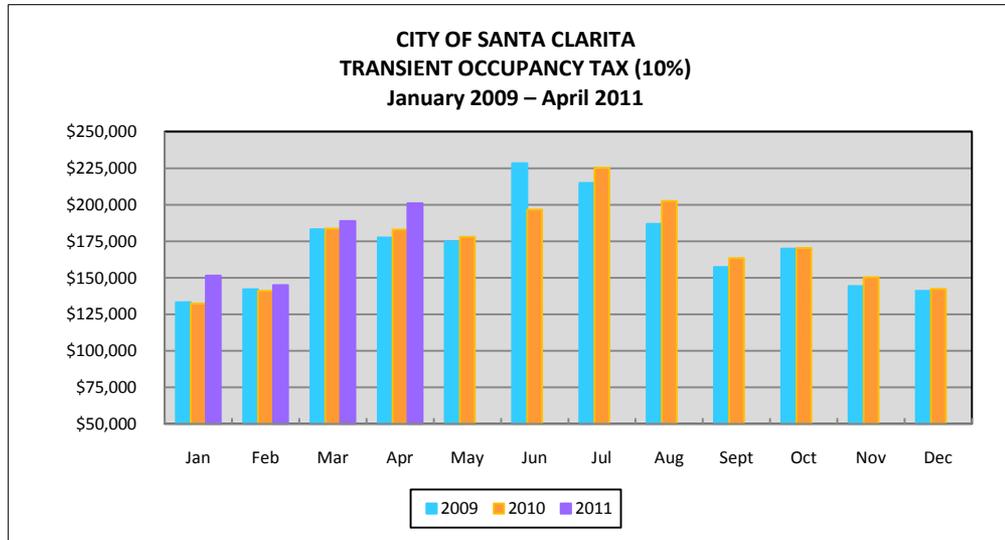
- The apartment vacancy rate during First Quarter 2011 in Santa Clarita was 7.0%, which is lower than the Fourth Quarter vacancy rate of 7.5% as well as the 8.8% vacancy rate during First Quarter 2010.
- In comparison, vacancy rates in Santa Clarita exceeded vacancy rates in Burbank/North Glendale, Pasadena, and South Glendale/Highland Park areas.
- Santa Clarita's vacancy rate during First Quarter 2011 was higher than the rates of 4.5% for the Los Angeles metro area, 5.3% for the Western U.S., and 6.2% for the entire U.S.

Average Rental Rates

- Average rents in Santa Clarita of \$1,435 during First Quarter 2011 were slightly higher than the \$1,429 average rent during First Quarter 2010, and tend to be comparable to those in the Burbank/North Glendale area yet below those found in Pasadena.
- For studios and 1-bedroom apartments, rents in Santa Clarita are lower than those in the Los Angeles metro area by \$5 and \$28, respectively. Rents in Santa Clarita are lower than those in Los Angeles for two- and three-bedroom apartments by \$165 and \$249, respectively.

Apartment data are released quarterly. Second Quarter 2011 data will be available in the June 2011 economic snapshot.

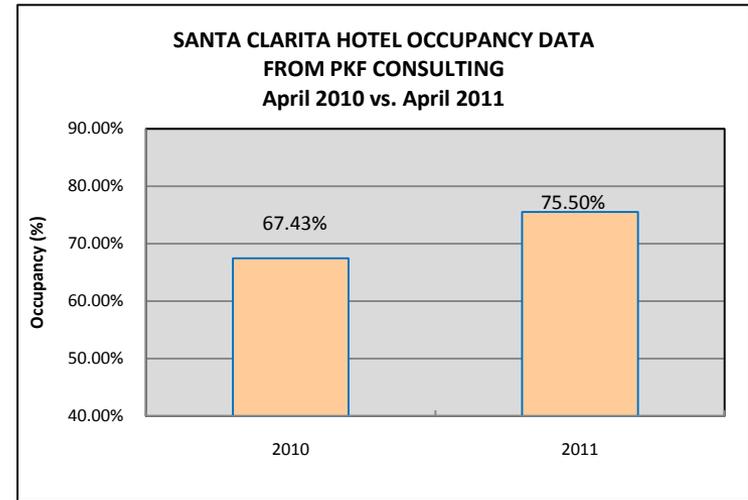
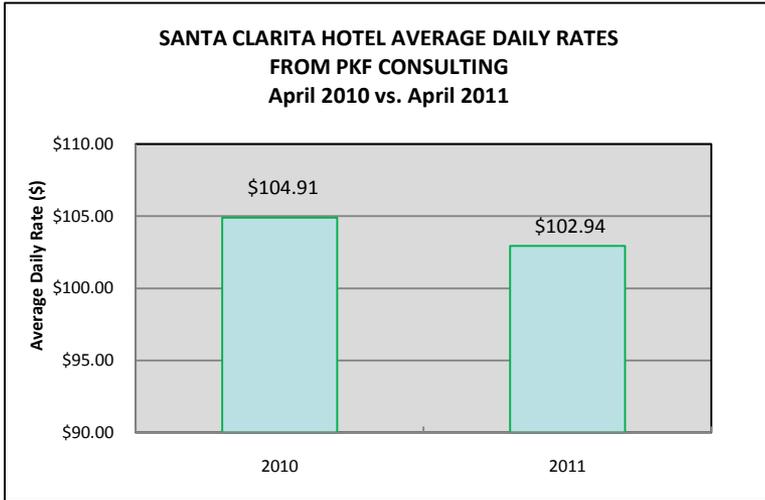
Tourism: Transient Occupancy Tax



- In April 2011, the City of Santa Clarita collected \$200,909 in TOT, up 9.8% from \$183,020 in April 2010.
- This year-over-year increase in TOT follows a 3.1% increase in TOT from \$177,556 in April 2009 to April 2010.
- On a year-to-date (YTD) basis, TOT increased 7.2% to \$686,104 for April 2011 YTD from \$640,187 in April 2010 YTD.

City hotels include: Super 8, Santa Clarita Motel, Travelodge, Hyatt, Holiday Inn, Embassy Suites, Best Western, and Courtyard by Marriott.

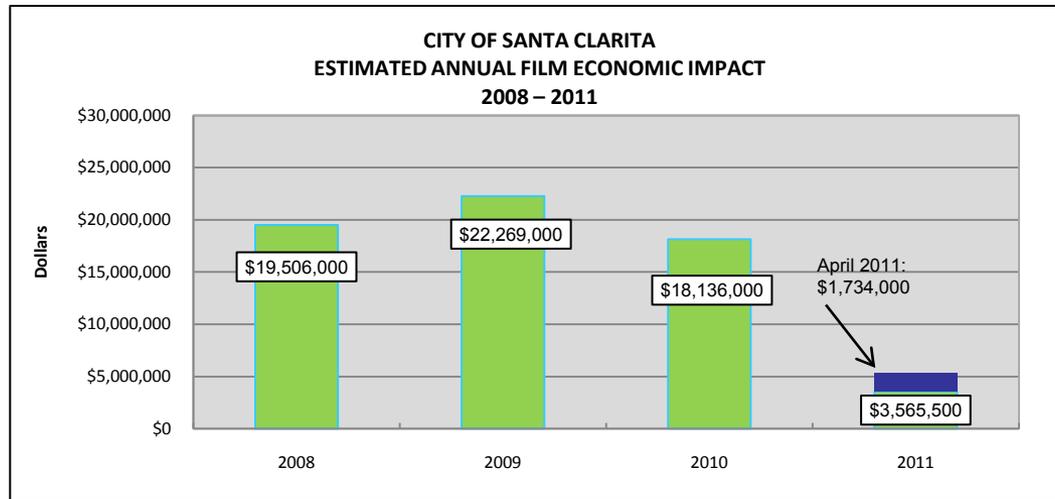
Tourism: Hotel Occupancy



Occupancy and Average Daily Rate (ADR)

- Average daily rates slipped 2% to \$102.94 in April 2011 in Santa Clarita from the previous April. In contrast, average daily rates in the Los Angeles area increased 5% to \$149.64 from the previous year.
- PKF Consulting reported hotel occupancy in Santa Clarita was 75% in April 2011 or 12% higher than the reported occupancy of 67% in April 2010.
- In comparison, occupancy rates at hotels in the Los Angeles area in April 2011 were at 74%, up 5% from 70% in April 2010.

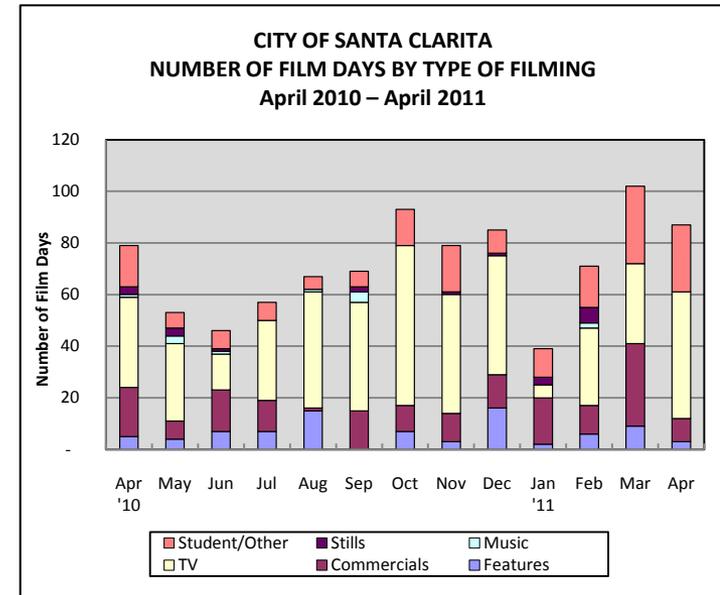
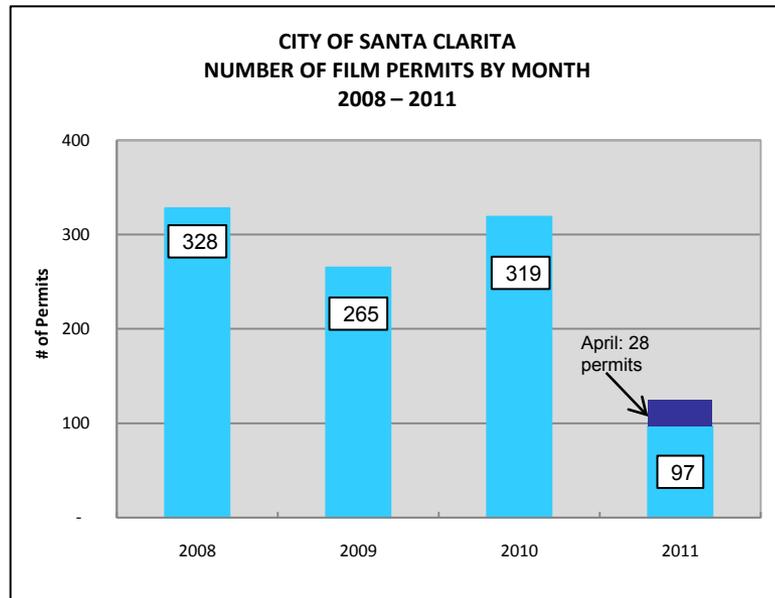
On-Location Filming in The City of Santa Clarita



- The Economic Impact from location filming for April 2011 of \$1,734,000 was 13% above the impact in April 2010 of \$1,539,000.
- The economic impact from location filming in April 2011 was up 44% above the impact in April 2008 at \$1,204,500.
- Despite the increase in April 2011 from the previous April, the economic impact for April 2011 YTD is down less than 1% to \$5,299,500 from \$5,328,000 in April 2010 YTD. However, the year-to-date economic impact is up 55% from \$3,422,500 in April 2008 YTD.
- Most productions are working on reduced budgets and as a result are spending more time in studios rather than on-location filming. The City does not track the activity of studio filming.

Estimated economic impact is the estimated money spent by production companies at local businesses including, but not limited to, location rental, food/catering, hotels, gas, expendables, building supplies, and arts & crafts supplies. Data contained on this page includes the economic impact of on-location filming only and does not include filming completed in studios or soundstages.

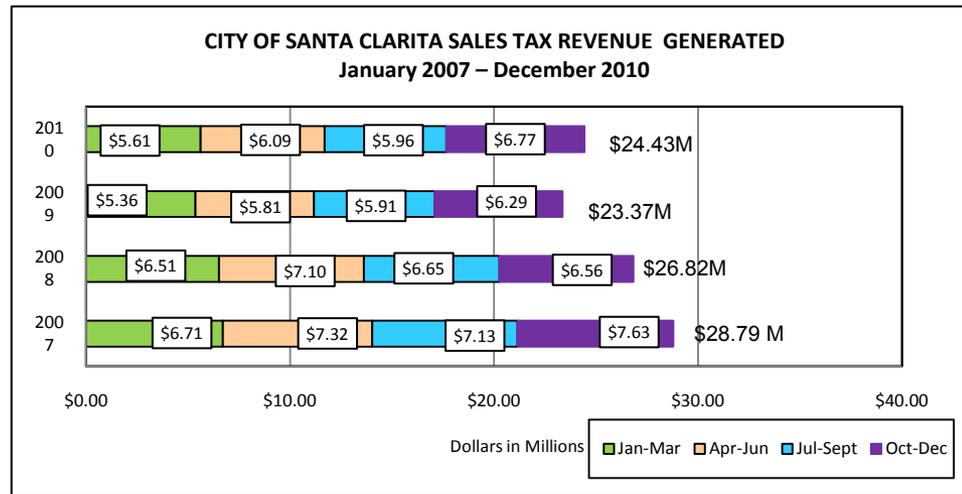
On-Location Filming in The City of Santa Clarita



- In April 2011 a total of 28 film permits were issued within the City of Santa Clarita, down 7% from the 30 permits issued in April 2010.
- A total of 125 film permits were issued for April 2011 year-to-date, up 14% from 110 film permits issued during April 2010 year-to-date.
- There were a total of 87 filming days in April 2011, up 10% from 79 filming days in April 2010.
- April 2011 film days included: 56% for television shows, 30% for student/other projects, 10% for commercials, and 4% for features. No filming for music/video production or stills occurred in April 2011 in the City of Santa Clarita.

City of Santa Clarita Sales Tax

(Updated Quarterly)



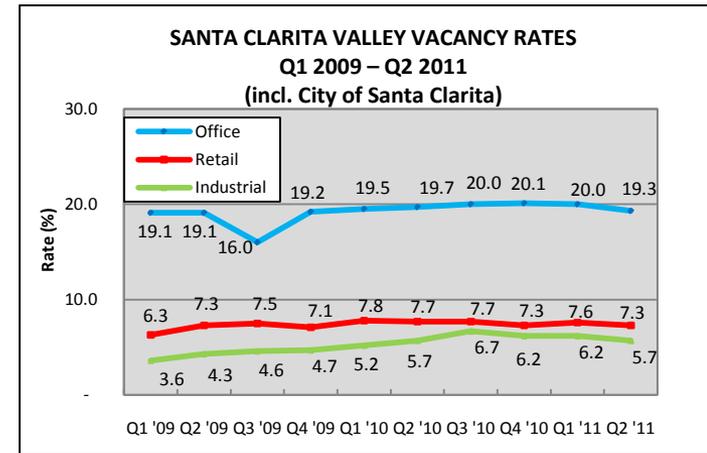
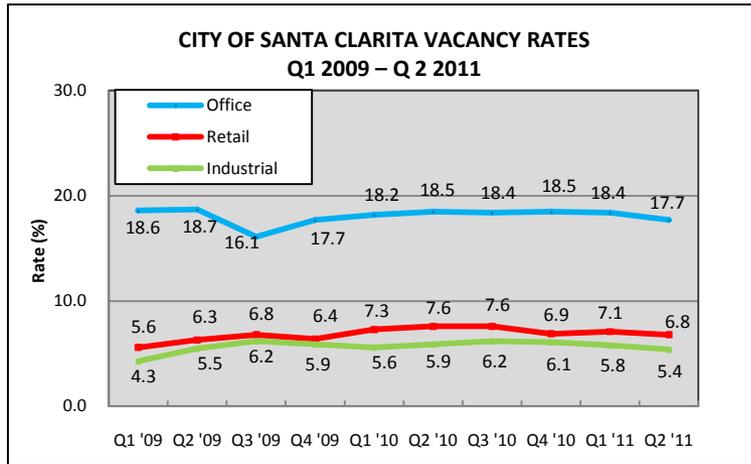
Sales tax generated in Fourth Quarter 2010 was above that generated during the Fourth Quarter 2009.

- In October – December 2010, a total of \$6.77 million in sales tax revenue was generated, up 7.7% from \$6.29 million generated in October – December 2009, but down 11.2% from the high of \$7.63 million in Fourth Quarter 2007.

The sales tax figures presented in this slide are adjusted for economic data, by removing retroactive payments with an absolute value of \$5,000 or more into the quarter the sale was generated.

Second Quarter 2009 and 2010 and Third Quarter 2009 were restated due to retroactive payments. Sales tax revenue is presented quarterly. The most current update is for Fourth Quarter 2010. First Quarter 2011 data will be published in the June 2011 Economic Snapshot. The sales tax figures contained in this slide represent Point of Sale revenue received only and does not include State and County pool allocations.

Commercial Vacancy Rates: City of Santa Clarita and Santa Clarita Valley



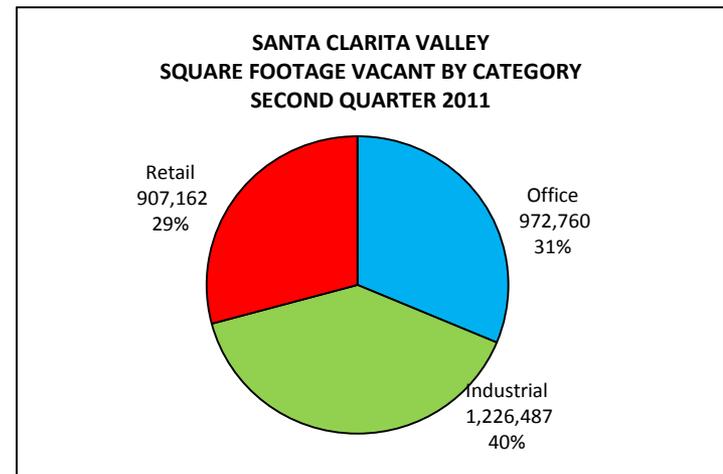
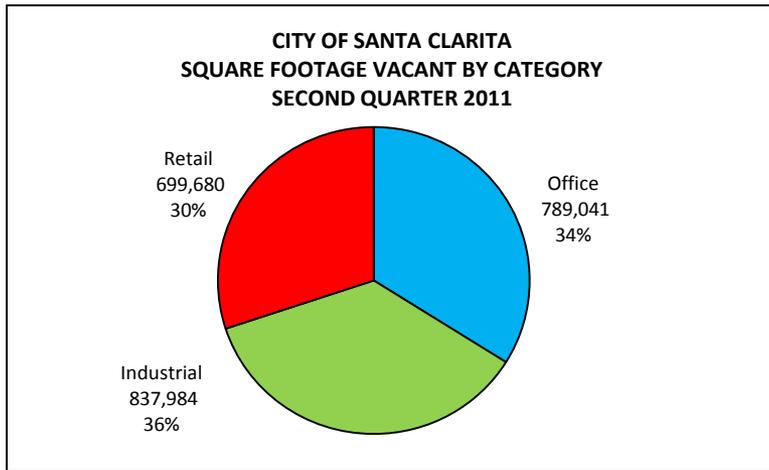
City of Santa Clarita

- In the City of Santa Clarita, office, retail, and industrial vacancy rates began decreasing in Second Quarter 2011 from the previous quarter.
- During Second Quarter 2011, the City's office vacancy rate was 17.7% and retail and industrial vacancy rates were 6.8% and 5.4%, respectively.
- In contrast, office, retail, and industrial vacancy rates increased in Second Quarter 2010 from the previous quarter to 18.5%, 7.6%, and 5.9%, respectively.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley (including the City), office, retail, and industrial vacancy rates decreased slightly in Second Quarter 2011 from the previous quarter.
- The Santa Clarita Valley's office vacancy rate was 19.3%, and retail and industrial vacancy rates were 7.3% and 5.7%, respectively.

Square Footage Vacant: City of Santa Clarita and Santa Clarita Valley



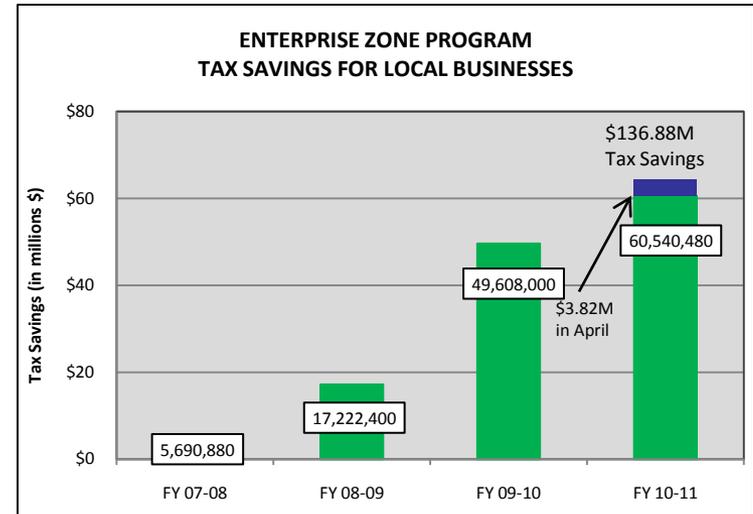
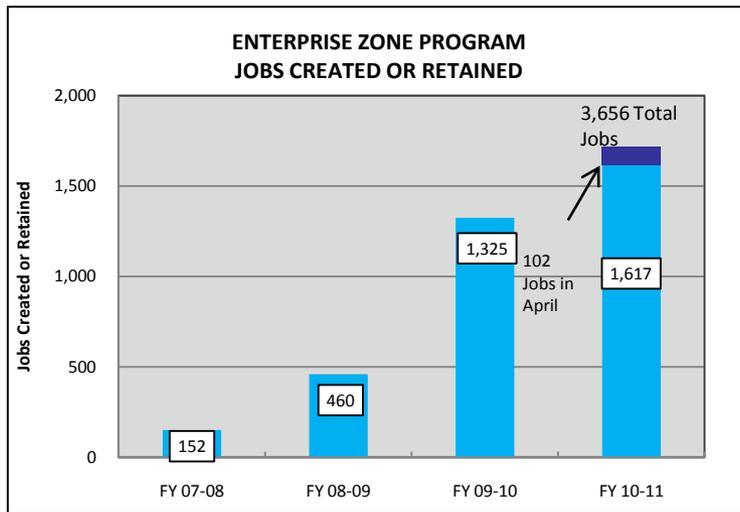
City of Santa Clarita

- Within the City of Santa Clarita there is a total of 30,422,399 existing square feet for businesses of which 51% is industrial, 34% is retail, and 15% is office space.
- Only 7.6% or 2,326,705 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 36% is industrial space, 34% is office, and 30% is retail space.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley there is a total of 38,857,333 existing square feet for businesses of which 55% is industrial, 32% is retail, and 13% is office space.
- Only 8.0% or 3,106,409 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 40% is industrial, 31% is office space, and 29% is retail space.

Enterprise Zone Program: Job Activity and Tax Savings

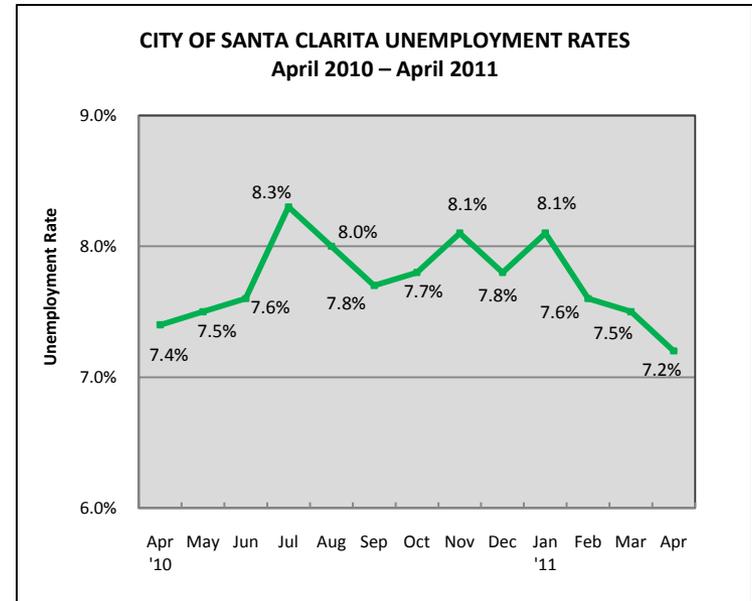
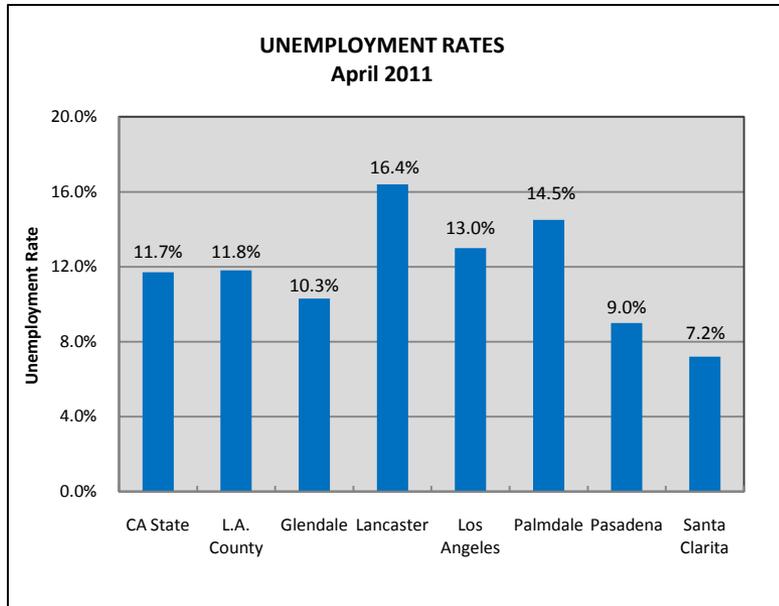


The Santa Clarita Valley Enterprise Zone is a program that saves businesses money by providing special tax incentives from the State of California to businesses.

- Since the City's designation as an Enterprise Zone in 2007, a total of 3,656 jobs have been created or retained, which represents a potential tax savings to local businesses of over \$136 million.
- In April 2011, 102 vouchers were issued for jobs created or retained as a result of the Enterprise Zone, representing approximately \$3.8 million in potential tax savings.

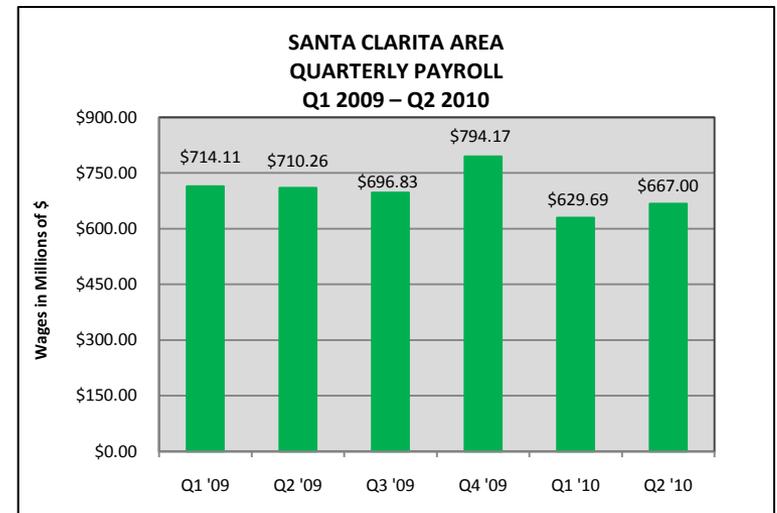
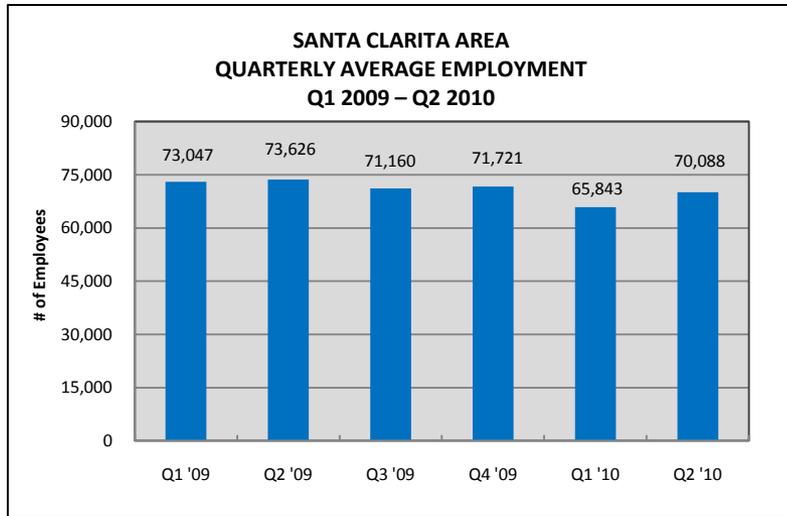
The City of Santa Clarita was awarded one of the State of California's 42 Enterprise Zone designations in 2007. The Enterprise Zone program provides tax incentives for businesses that locate in Santa Clarita and hire "qualified" employees or make "qualified" purchases. More information on the Enterprise Zone program can be located by visiting: <http://www.santaclaritavalleyez.com> or contacting the City's Economic Development Department at (661) 255-4347.

Unemployment



- Santa Clarita's unemployment rate was 7.2% in April 2011 compared to 11.8% for Los Angeles County and 11.7% for the state.
- Unemployment in Santa Clarita in April 2011 of 7.2% was lower than the unemployment rate reported in April 2010 and the lowest in the past 13 months.

Employment and Wages

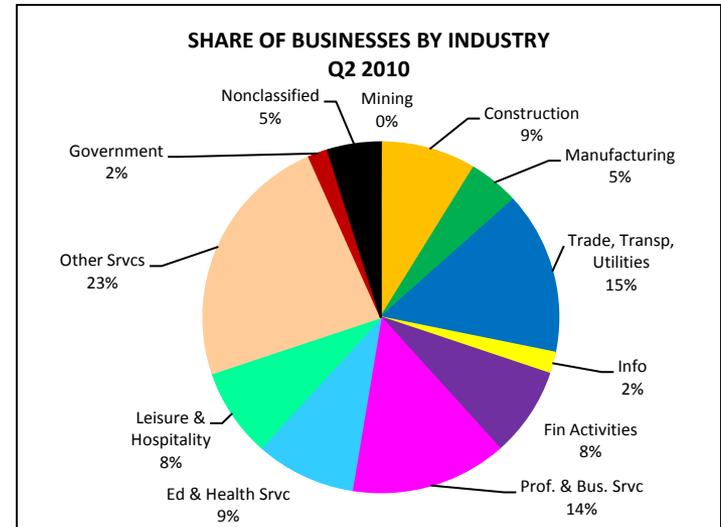
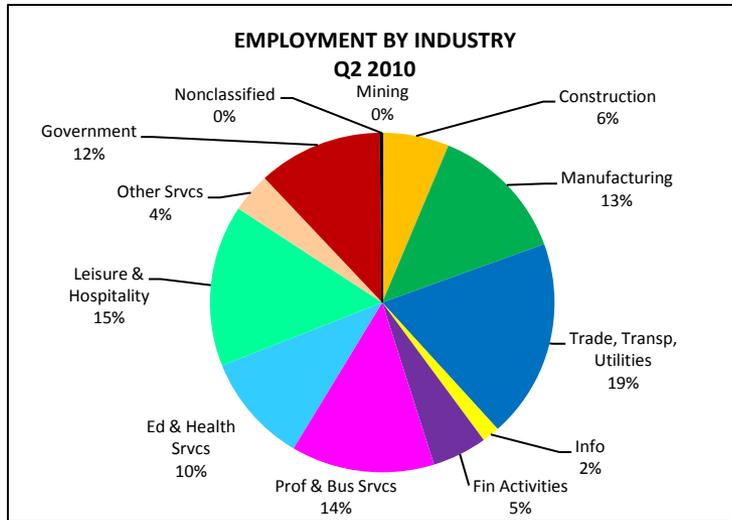


Employment as well as payroll in the Santa Clarita area have trended down from one year ago, yet increased slightly in Second Quarter 2010 from First Quarter 2010.

- In Second Quarter 2010 there were a total of 5,870 establishments reporting employment and wages, down 1% from the 5,787 establishments in Second Quarter 2009.
- Total employment in the Santa Clarita area was down 5% to 70,088 jobs in Second Quarter 2010 from the same time period in 2009.
- Employment fell during Second Quarter 2010 from the previous year in every sector except information and nonclassifiable which rose 8% and 10%, respectively, and education and health services which remained unchanged.
- Quarterly wages in the Santa Clarita area were down 6% to \$667.00 million in Second Quarter 2010 from \$710.26 in Second Quarter 2009.

Employment and wages are reported for the 11 industry super-sectors as defined by the California Employment Development Division. The data represent a census of companies located in the following zip codes 91321, 91350, 91351, 91354, 91355, 91387, and 91390, regardless of where employees reside. Updated data will be reported with the August 2011 economic report.

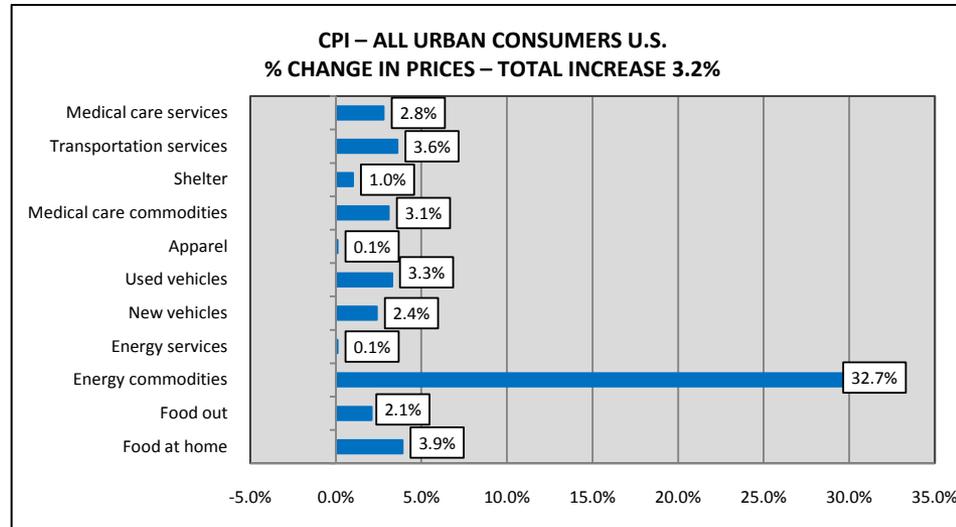
Employment by Industry



- Trade, transportation, & utilities account for 19% of employment in the Santa Clarita area, but only 15% of the businesses.
- Leisure & hospitality, professional & business services, and manufacturing, account for 15%, 14%, and 13%, respectively, of the number of people employed, yet only represent 8%, 14%, and 5% of the number of businesses, respectively.
- In contrast, other services (equipment repair, religious organizations, personal care, dry cleaning/laundrying, and gardening) account for 4% of the employment yet 23% of the businesses.
- Similarly, financial activities (finance, insurance, & real estate) account for 5% of the employment yet represent 8% of the businesses.
- Compared to Q2 2009, leisure & hospitality accounted for 14% of the employment compared to 15% during Q2 2010.
- In Q2 2009, professional & business services accounted for 15% of the businesses and other services accounted for 23% of the businesses compared to 14% and 23%, respectively in Q2 2010.

Employment and wages are reported for the 11 industry super-sectors as defined by the California Employment Development Division. The data represent a census of companies located in the following zip codes 91321, 91350, 91351, 91354, 91355, 91387, and 91390, regardless of where employees reside. Data are understated for all but other services, government, and nonclassifiable to protect the confidentiality of the data for subsectors with a small number of businesses. Updated data will be reported with the August 2011 economic report.

Inflation



- Year-over-year inflation for April 2011 among all urban consumers for Los Angeles-Riverside-Orange County increased 3.3% compared to the national increase of 3.2%. Inflation in the Los Angeles metro area is higher than year-over-year inflation level of 3.0% in March 2011.
- The higher inflation rate in April 2011 from one year ago reflects cost increases in all services and commodities.
- The highest year-over-year increase was seen in energy commodities with a 32.7% increase from the previous April.

Data Sources

Sources:

Permits / Certificate of Occupancy: City of Santa Clarita, Building and Safety Division

Housing Market: Southland Regional Association of Realtors

Notice of Defaults: First American RealQuest Pro

Apartment Data: Reis, Inc.

Film Data: City of Santa Clarita, Film and Tourism Office

Hotel Data: PKF Consulting

Sales Tax Data: California Board of Equalization data from City of Santa Clarita, Finance Division

Vacancy Rates: CoStar Property

Enterprise Zone: City of Santa Clarita, Economic Development Division

Unemployment Rate: CA Employment Development Department

Employment and Wages: CA Economic Development Department

Inflation Rate: Bureau of Labor Statistics