

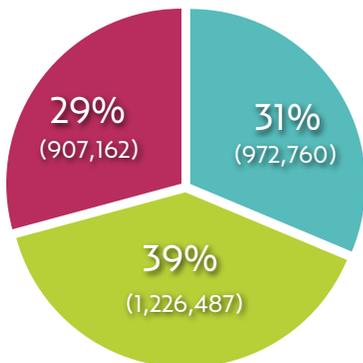
SANTA CLARITA VALLEY Economic Snapshot May 2011

a publication of the Santa Clarita Valley Economic Development Corporation

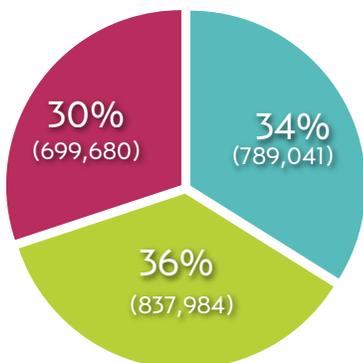
WHAT'S INSIDE

| | |
|-------------------------|---|
| Commercial Real Estate | 1 |
| Residential Real Estate | 2 |
| Employment | 3 |
| Enterprise Zone | 3 |
| Tourism | 4 |
| Film | 4 |
| Sales Tax | 5 |

Santa Clarita Valley (includes City)
Square Footage Vacancy - Q2 2011



City of Santa Clarita
Square Footage Vacancy - Q2 2011



● Office ● Industrial ● Retail

COMMERCIAL REAL ESTATE

New Permits

- No new permits for commercial space were issued in May 2011 by the City of Santa Clarita, down from one new permit issued in April 2011, but the same as May 2010.

Tenant Improvements/Alterations

- A total of 7 building permits for tenant improvements were issued in May 2011, down 53% from the 15 permits in April 2011 and down 13% from the 8 permits in May 2010.
- In May 2011, a total of 29 permits for commercial alterations were issued, up 4% from the 28 permits in April 2011, yet down 28% from the 39 commercial alterations in May 2010.

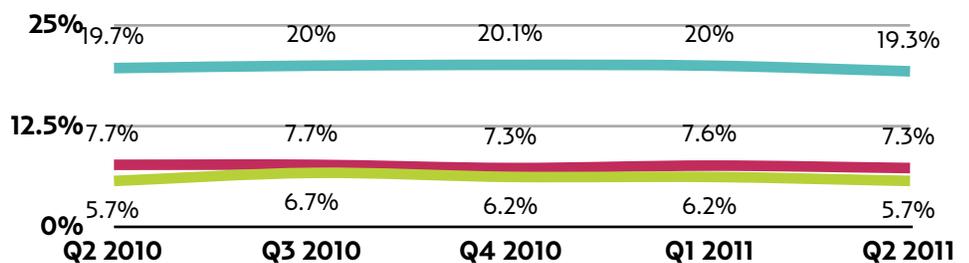
Certificates of Occupancy

- In May 2011, a total of 11 Certificates of Occupancy were issued, of which five were for retail, four were for office and two was for industrial space. This compares to three Certificates of Occupancy issued in May 2010.
- The Certificates of Occupancy issued in May 2011 represent a total of 46,791 square feet, of which 46% was for office, 34% was for industrial and the remaining 20% was for retail. This represents a significant increase from the 6,548 square feet covered in Certificate of Occupancies issued in May 2010.

Vacancy Rates

- In the entire Santa Clarita Valley (including the City) office, retail and industrial vacancy rates decreased in Second Quarter 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.
- 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.

Santa Clarita Valley Vacancy Rates



Economic Snapshot Presented By



Valencia Acura
Friendship



HEDMAN
PARTNERS
Certified Public Accountants



RESIDENTIAL REAL ESTATE ACTIVITY

City of Santa Clarita New Permit Activity

- One new single-family residential permits was issued in May 2011 by the City of Santa Clarita, compared to 29 permits issued in May 2010.

City of Santa Clarita Tenant Improvement/Alteration Activity

- A total of 74 building permits for additions and alterations were issued in May 2011, up 95% from permits issued in May 2010.

Santa Clarita Valley Home Values & Sales

- In the Santa Clarita Valley (including the City of Santa Clarita), single-family sales volume and values regained ground lost from the beginning of the year.
- Single-family median home values increased 1% to \$379,000 in May 2011 from \$375,000 in April 2011, still lagging the \$410,000 median home value seen in May 2010.
- A total of 173 single family homes were sold in May 2011, 5% fewer than in April 2011 and 20% fewer than May 2010.
- Condominium values decreased 4% to \$225,000 in May 2011 from April 2011, down 6% from \$240,000 in May 2010.
- Condominium sales rose nearly 20% to 79 sales in May 2011 from April 2011, but were down 13% sales in May 2010.

City of Santa Clarita Home Values & Sales

- In the City of Santa Clarita, single-family home values and sales volume are nearing those seen in Spring 2010.
- Single-family average home values in May 2011 were \$419,700 or 4% above April 2011, yet 7% below May 2010.
- A total of 140 single family homes were sold in May 2011, down 8% from April 2011 and 14% below May 2010.
- Condominium prices slipped 6% to \$233,600 in May 2011 from April 2011, but are essentially flat from one year ago.
- Condominium sales volume rose 26% to 72 units in May 2011 from April 2011, but were down 14% from sales in May 2010.

APARTMENTS

Vacancies and Rents

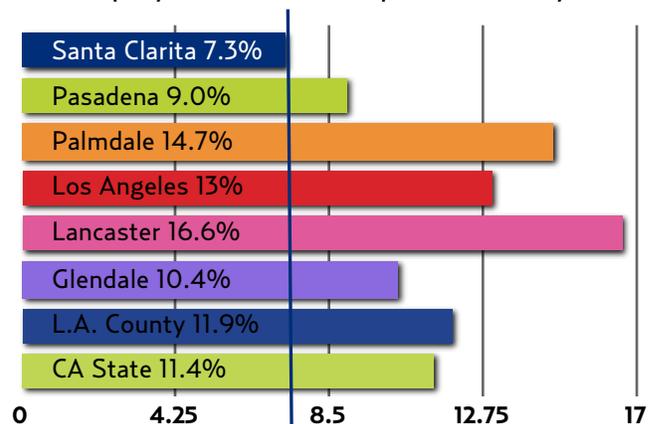
- The Apartment vacancy rate during Q1 2011 in Santa Clarita was 7.0%, which is lower than the Q4 rate of 7.5% and the Q1 2010 rate of 8.8%.
- Despite the downward trend, vacancy rates for Q4 2010 in Santa Clarita continue to exceed those in comparable L.A. Metro communities for the fourth consecutive quarter.
- Average apartment rents in Santa Clarita remain steady at \$1,435.

| | MAY 2011 | MAY 2010 | % Chg. |
|--|-----------|-----------|--------|
| Median Home Value | \$379,000 | \$410,000 | -7% |
| # of Single Family Homes Sold | 173 | 215 | -20% |
| Median Condominium Value | \$225,000 | \$240,000 | -6% |
| # of Condominiums Sold | 79 | 91 | -13% |
| Avg. Days on Market (Single-Family) (City) | 66 | 52 | 27% |
| Single-Family Home Inventory (City) | 577 | 526 | 10% |
| Apt. Vacancy Rate (Q1 2011 v. 2010) | 7.0% | 8.8% | -20% |
| Avg. Apt. Rents (Q1 2011 v. 2010) | \$1,435 | \$1,429 | 0.4% |
| NODs recorded | 102 | 102 | - |

UNEMPLOYMENT RATE

- The City of Santa Clarita's unemployment rate was 7.3% in May 2011 compared to 11.9% for Los Angeles County and 11.4% for California.
- Unemployment in Santa Clarita continues to remain low, currently sitting just a few tenths of a percent under the 7.5% rate one year ago.
- The SCVEDC continues to work with the City of Santa Clarita, College of the Canyons and the Santa Clarita WorkSource Center to attract jobs, create hiring opportunities and provide training programs for the region. For more information on the available programs contact or the SCVEDC at (661) 288-4400.

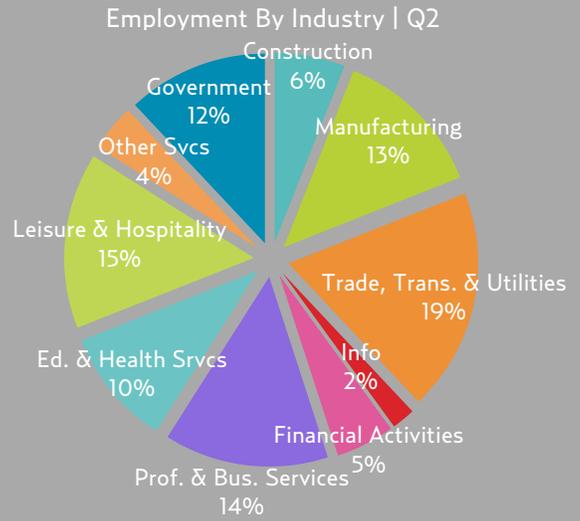
Unemployment Rate Comparison - May 2011



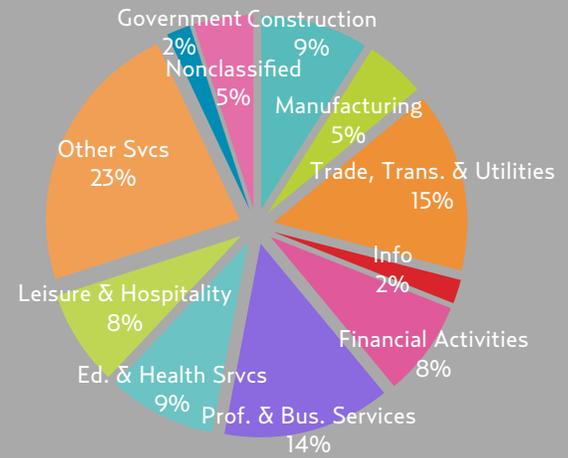
EMPLOYMENT | Santa Clarita Valley

- In the second quarter of 2010 there were a total of 5,870 establishments reporting employment and wages, up 1% from the 5,787 in second quarter of 2009.
- Total employment in the Santa Clarita area was down 5% to 70,088 jobs in the second quarter of 2010 from the same period in 2009.
- Employment fell during second quarter 2010 from the previous year in every sector except information and nonclassified, which rose 8% and 10% respectively.
- Quarter wages in the Santa Clarita area were down 6% to \$667 million in second quarter of 2010 from \$710.26 million in second quarter 2009.

Total Number Of Area Jobs And Payroll



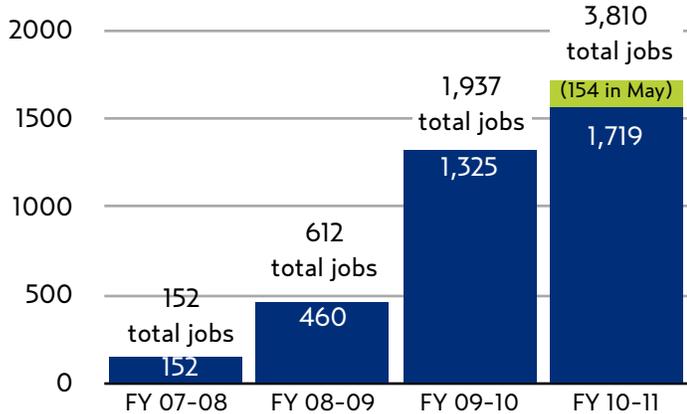
Share of Businesses By Industry | Q2 2010



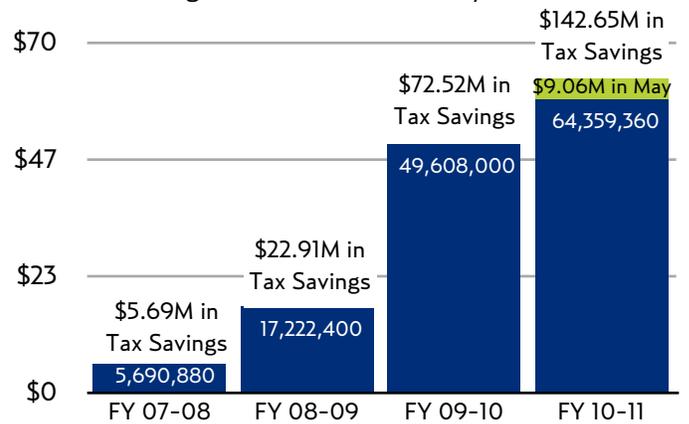
SANTA CLARITA VALLEY ENTERPRISE ZONE

For more information on the Santa Clarita Valley Enterprise Zone, visit www.scvedc.com/enterprise_zone

Job Created or Retained by Fiscal Year



Tax Savings for Local Businesses by Fiscal Year



TOURISM | Santa Clarita Valley

- PKF Consulting reported hotel occupancy in Santa Clarita was 77% in May 2011, higher than the reported occupancy of 67% in May 2010.
- In comparison, occupancy rates at hotels in Los Angeles County were at 75%, up 4% from May 2010.
- The year-over-year increase in occupancy rate in Santa Clarita was the second-highest in the region behind Long Beach.
- Local average daily room rates (ADR) decreased 5% in May 2011 to \$99.37 from the previous year.
- The region's ADR increased 6% to \$147.31 in May 2011 from the previous May.

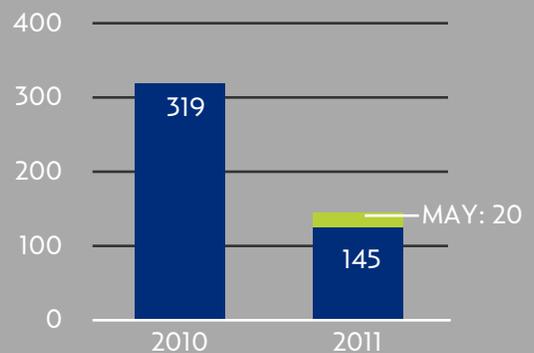
May 2011 Southern California Occupancy & Rate Summary

| TOURISM SUBREGION | OCCUPANCY RATE MAY 2011 | OCCUPANCY RATE MAY 2010 | ADR MAY 2011 | ADR MAY 2010 |
|---------------------|-------------------------|-------------------------|--------------|--------------|
| Santa Clarita | 76.52% | 66.52% | \$99.37 | \$104.90 |
| San Fernando Valley | 71.82% | 67.39% | \$125.59 | \$122.99 |
| Pasadena | 77.19% | 70.04% | \$143.96 | \$137.75 |
| Long Beach | 73.11% | 63.09% | \$131.30 | \$121.26 |
| San Gabriel Valley | 68.19% | 64.66% | \$95.32 | \$93.53 |
| Los Angeles Region | 76.52% | 66.52% | \$147.31 | \$139.46 |

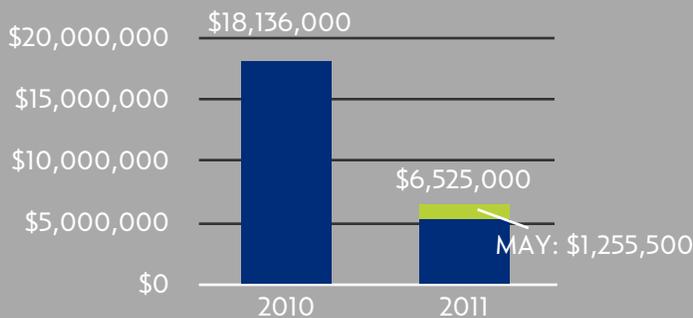
FILM | City of Santa Clarita

- In May 2011 a total of 20 film permits were issued within the City of Santa Clarita, up 5% from May 2010.
- Year to date, 145 film permits have been issued in 2011, up 12% from the same period in 2010.
- The 20 permits represent a total of 66 filming days in February 2011, up 25% from 53 filming days in May 2010.
- May 2011 film days included: 50% for television shows, 26% for student/other projects, 11% for commercials, 6% for music video production, 4% for stills and 3% for features.
- The estimated economic impact from location filming for May 2011 of \$1,255,500 was 5% above the \$1,194,000 in May 2010.
- Despite the May 2011 increase over previous year, the year-to-date economic impact, is down 20% to \$6,525,000 versus \$8,205,000 in 2010.

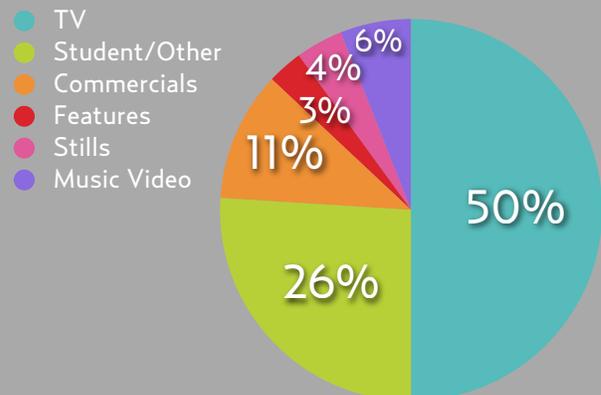
Number of Permits Issued



Estimated Economic Impact of Filming



Number of Film Days by Type of Filming



BOARD OF DIRECTORS

Executive Committee

Bill Kennedy – Co-Chairman
Wingspan Business Consulting

Don Fleming – Co-Chairman
Valencia Acura

Calvin Hedman – CFO
Hedman Partners

Dr. Dianne Van Hook – Secretary
College of the Canyons

John Shaffery
Poole & Shaffery, LLP

Larry Rasmussen
Spirit Holding, Inc.

Ken Pulskamp
City of Santa Clarita

Rosalind Wayman
Supervisor Michael D. Antonovich

William Sloan
California United Bank

Morris Thomas
The Signal

Greg McWilliams
Newhall Land

Roger Seaver
Henry Mayo Newhall Memorial Hospital

Tim Burkhart
Six Flags Magic Mountain

Arthur Sohikian
AVS Consulting

Board Members

Kerry Carmody
Providence Health & Services

Laurel Shockley
Southern California Edison

Casey Kirkman
AQMS Mayflower

Adam Gilbert
Disney Corporate Real Estate

Matt Reeser
Century 21 Real Estate

Chris Chase
Triple C Electric Inc.

Rick Robb
Valencia Travel Village

Thomas Dudley
Liberty Building Maintenance & Services

Michael Gibraltar
Valencia Country Club

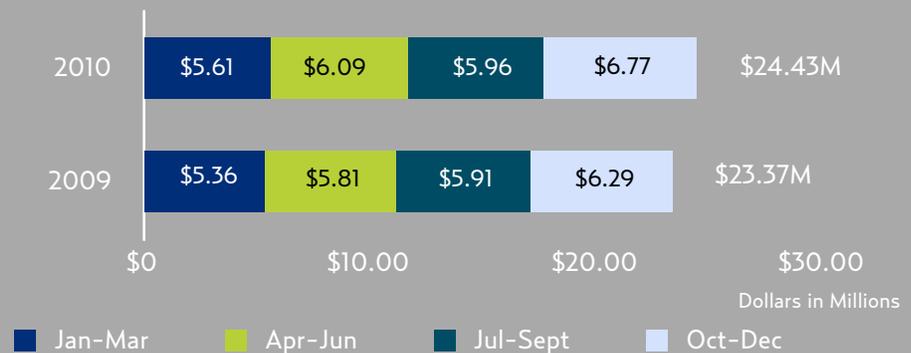
Joe Messina
Wildcat Business Group

Ken Wiseman
AMS Fulfillment

Mark Delmarter
Klassen Corporation

SALES TAX | City of Santa Clarita†

- Sales tax generated in Fourth Quarter 2010 was above that generated in during Fourth Quarter 2009.
- Total Fourth Quarter Sales Tax revenue was \$6.77 million, up 7.6% from the \$6.29 million generated in Fourth Quarter 2009.
- The sales tax revenue figures presented are adjusted for economic data, by removing retroactive payments of \$5,000 or more into the quarter the sale was generated.



REFERENCES

The Santa Clarita Valley Monthly Economic Snapshot is a publication of the Santa Clarita Valley Economic Development Corporation, using information provided by the following sources:

- City of Santa Clarita, Building & Safety Division
- Southland Association of Realtors
- First American RealQuest Pro
- Reis, Inc.
- City of Santa Clarita, Film & Tourism Office
- PKF Consulting
- California Board of Equalization Data from City of Santa Clarita, Finance Division
- CoStar
- City of Santa Clarita, Economic Development Division
- CA Employment Development Department
- Bureau of Labor Statistics

†Updated quarterly. The next update will in the June Economic Snapshot to be released August 2011.

ECONOMIC DEVELOPMENT NEWS from scvedc.org

- Santa Clarita Film Office Celebrates Prosperous Year KHTS 1220 AM
- LAEDC Released Mid-Year Review THE SIGNAL
- ACT Litigation Acquired for \$65 Million MONEYWATCH

SCVEDC NEWSLETTER

To join our bi-weekly "Economic Update" e-newsletter mailing list, email info@scvedc.org or call (661) 288-4400.

SANTA CLARITA VALLEY

Economic Development Corporation

scvedc.org | (661) 288-4400