

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of July 1 – 31, 2008

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*Amended May 6, 2010**



Overview

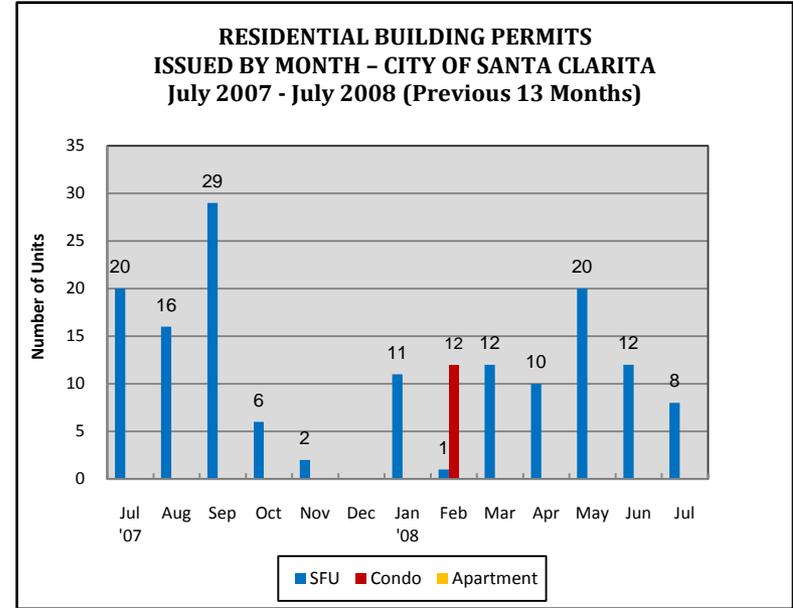
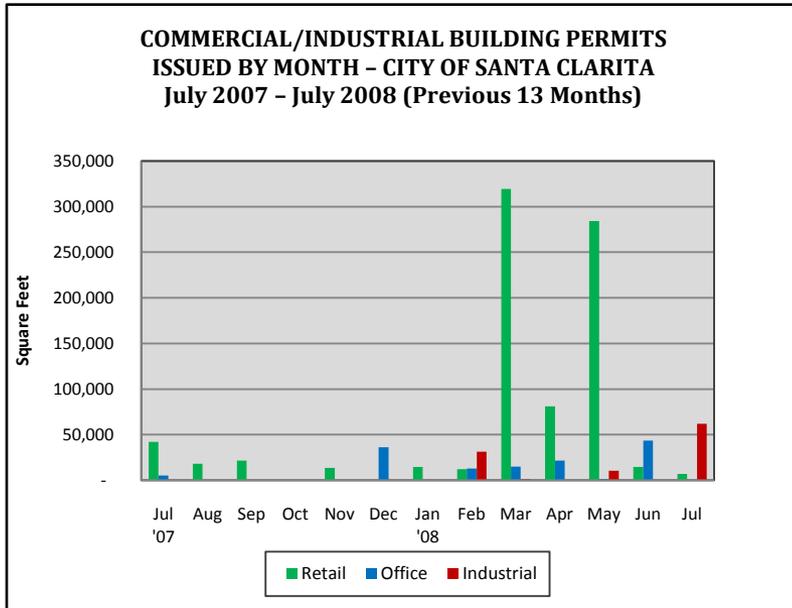
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

Indicators being tracked include:

- Residential, Commercial and Industrial Building permits issued;
- The median value of single-family homes and condominiums;
- The total number of single-family homes and condominiums sold;
- Average number of day on the market for single-family homes;
- Number of notice of defaults recorded in Santa Clarita;
- Average apartment rental rates;
- The economic impact of the film industry on Santa Clarita;
- The average room rate and occupancy rate of local hotels;
- The amount of sales tax revenue and transient occupancy tax generated;
- The vacancy rates for the office, commercial and retail sectors and available square footage

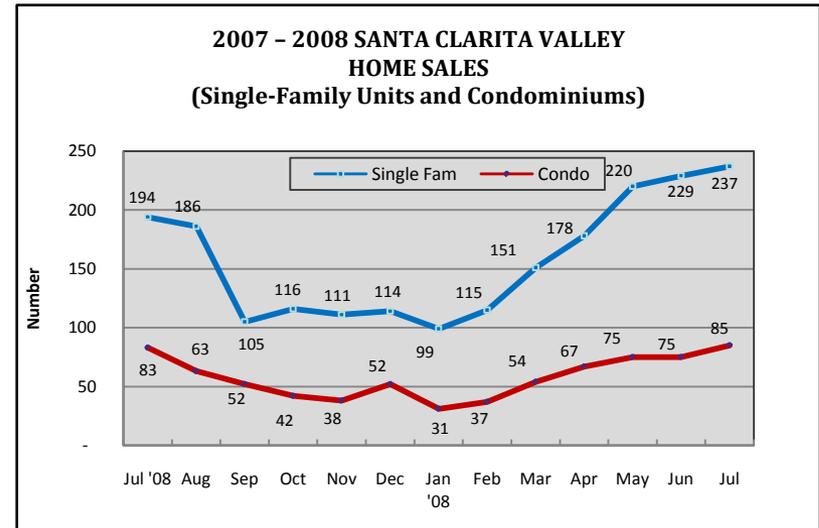
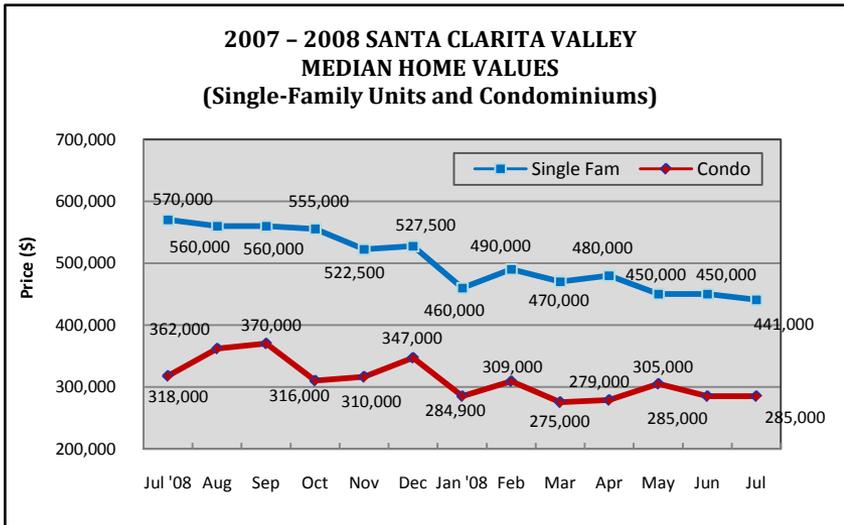
Reports are generated monthly. Periodically, more detailed data are available quarterly or annually.

Permits Issued



- Only three building permits for retail, office, and industrial use were issued in July 2008 by the City of Santa Clarita the same as in June 2008.
- In July 2008, a total of 69,004 square feet were permitted of which 62,004 square feet or 90% was for industrial use and 7,000 square feet or 10% for retail space. In the previous month of June, a total 58,329 square feet were permitted of which 75% was office and 25% was retail. In comparison, 47,413 square feet were permitted in July 2007 of which 89% was retail and 11% was for office space.
- In July 2008, 8 single-family permits were issued while no permits for condominiums or apartments were issued. This was down from 12 single-family permits in June 2008 and 20 single-family permits in July 2007.

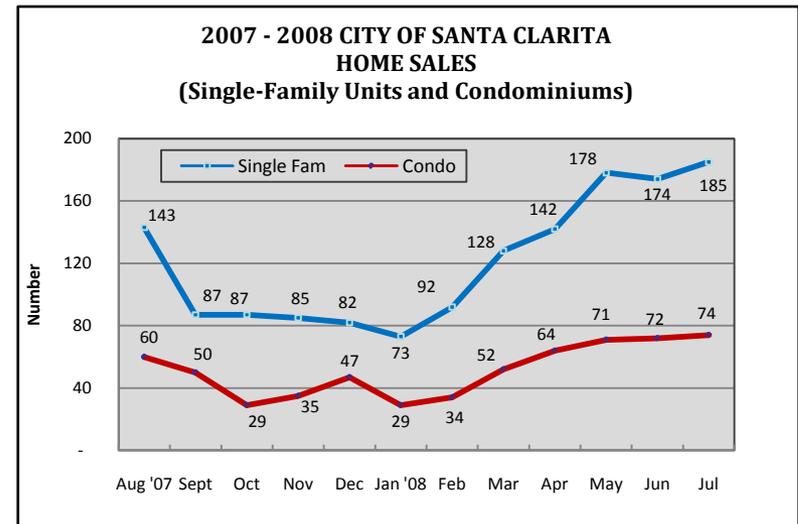
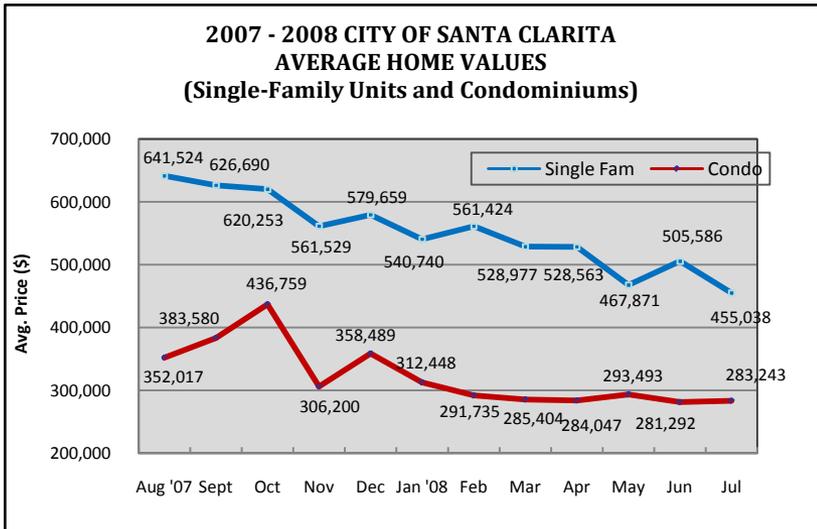
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



- In the Santa Clarita Valley (inclusive of the City of Santa Clarita), home values continued to trend downward from one year ago, whereas sales have trended upward since January 2008.
- Single-family median home values slipped slightly to \$441,000 in July 2008 from \$450,000 in June 2008 and also dropped compared to \$570,000 in July 2007.
- Condominium prices remained flat at \$285,000 in July 2008, the same as June 2008; however, this is a drop of 10% from July 2007.
- The number of single-family homes and condominiums have continued to trend upward since January 2008. A total of 237 single-family homes sold, up 3% from 229 homes in June 2008 and up 22% from 194 homes in July 2007.
- A total of 85 condos sold in July 2008, up 13% from 75 in June 2008 and relatively comparable to the 83 condos sold in July 2007.

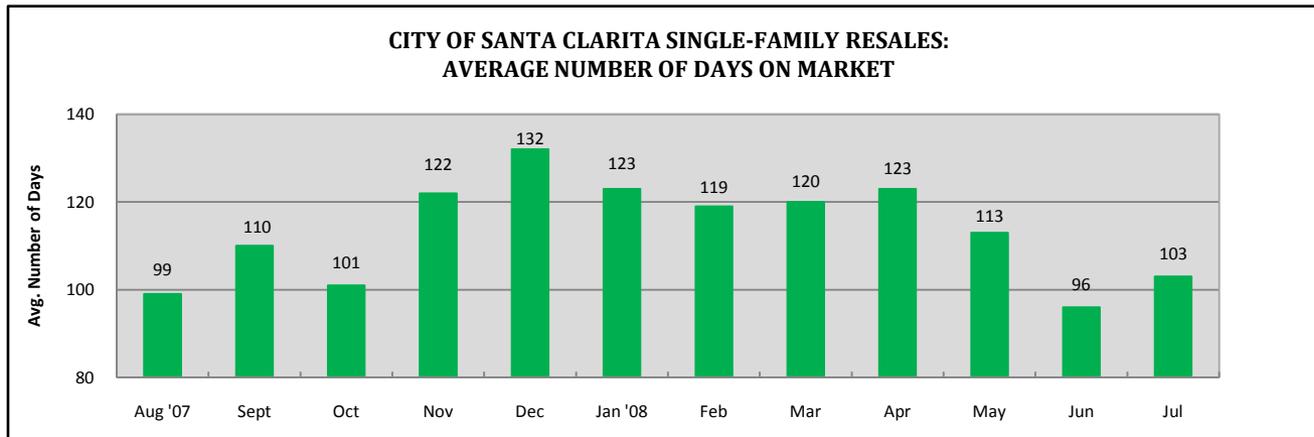
City of Santa Clarita Housing Market

(Data available back to August 2007)



- The number of single-family homes sold in the City of Santa Clarita in July 2008 rose compared to sales in June, while prices decreased.
- Single-family average home values in July 2008 were \$455,000 while those of condominiums were \$283,400.
- In the City of Santa Clarita, sales rose 6% to 185 single-family homes in July 2008 from June, and condominium sales rose 3% to 74 units during the same time period.

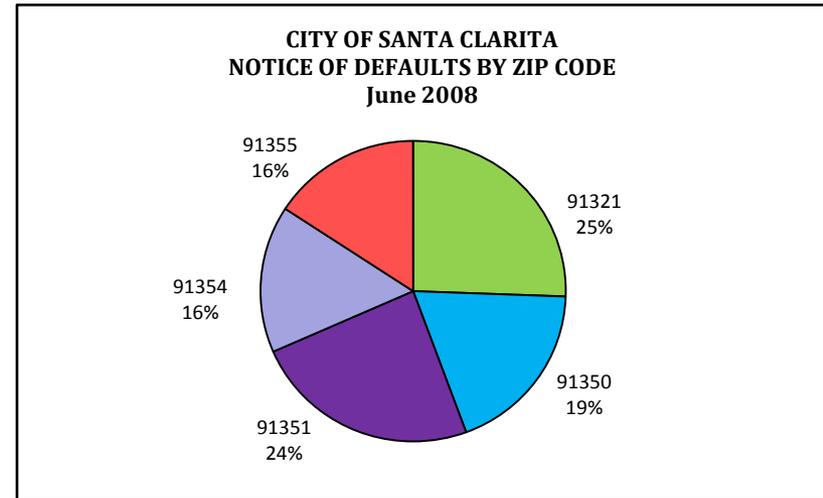
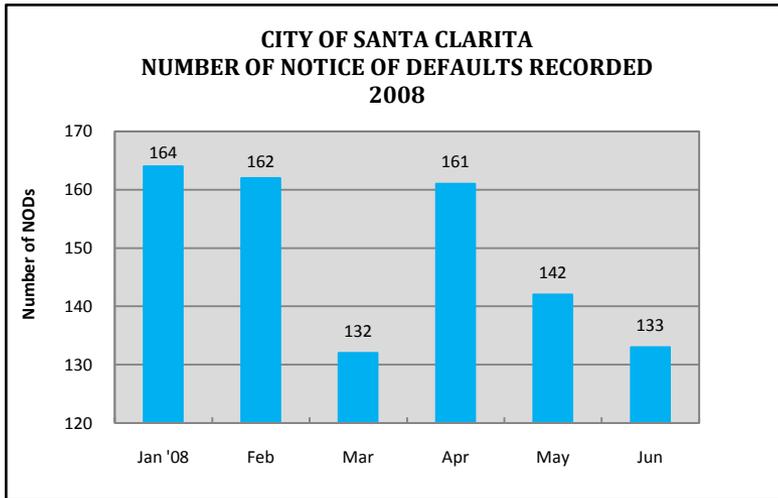
Average Number of Days on Market



- Another indicator of the strength of the housing market is average days on the market. A large number of days indicates homeowners are having a harder time selling their homes.
- The City of Santa Clarita's housing market was at its weakest in December 2007 when it took an average 132 days or close to 4.5 months to sell.
- In July 2008, homes were on the market for an average 103 days or less than 3.5 months, comparable to that in October 2007. These levels remain relative low compared to levels seen during the Winter and Spring.

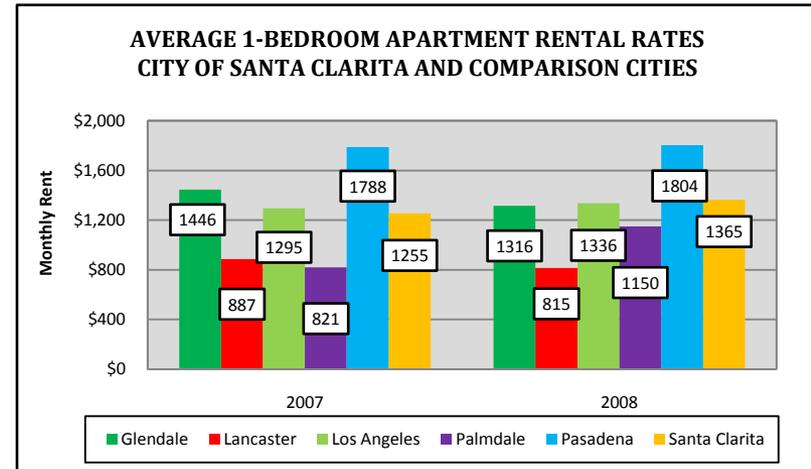
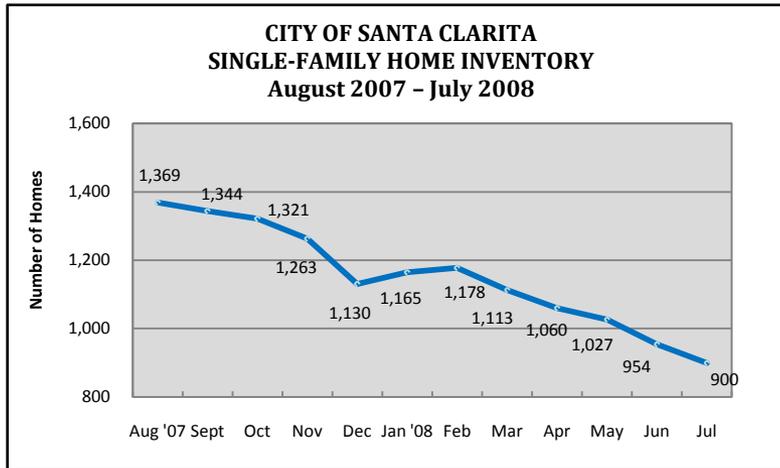
City of Santa Clarita: Notice of Defaults

(Most recent valid data available.)



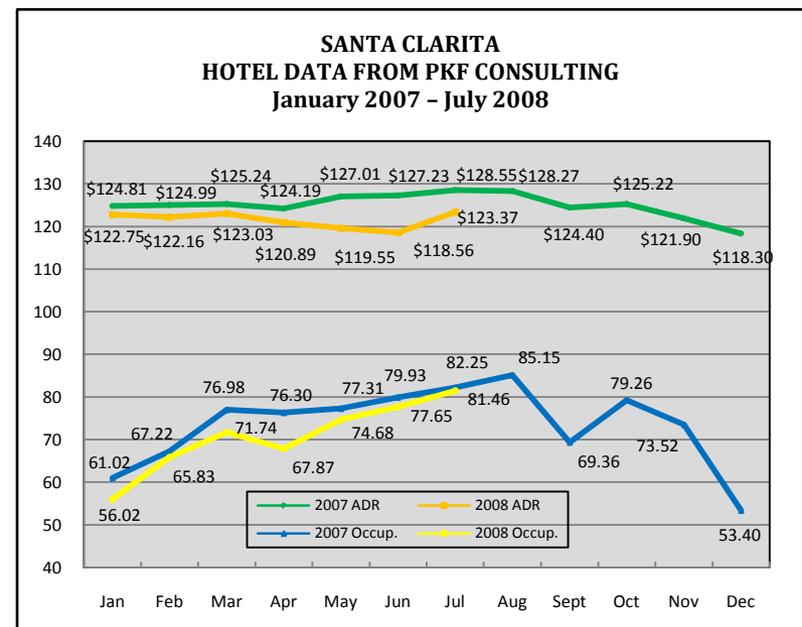
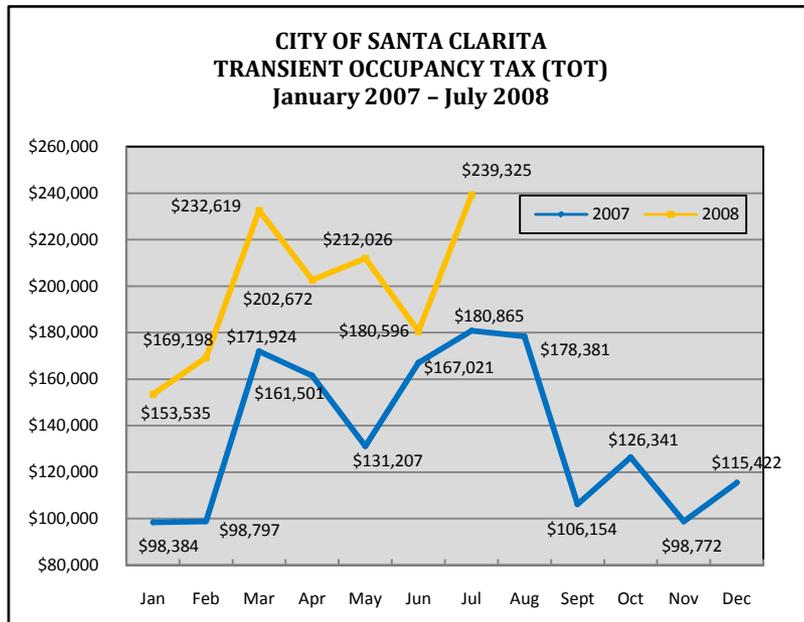
- For June 2008 year-to-date, a total of 894 notice of defaults (NODs) have been recorded in the City of Santa Clarita.
- A total of 133 NODs were seen in June or 6% lower than in May.
- Of the June NODs, 28% were delinquent more than 4 months, while 22% were delinquent 4 months, 44% were delinquent for 3 months, and 6% were delinquent less than 3 months.
- One-fourth each or 25% and 24% were recorded in zip codes 91321 and 91351, respectively, followed 19% in 91350 and 16% each in 91354 and 91355.

City of Santa Clarita Housing Market: Inventory and Rental Rates



- Single-family inventory levels reached a new low in July. In July 2008, resale inventory levels dropped 6% to 900 homes from 954 in June.
- Santa Clarita's average apartment rental rates increased from \$1,255 for a 1-bedroom unit in 2007 to \$1,365 in March 2008, according to the most recent data.

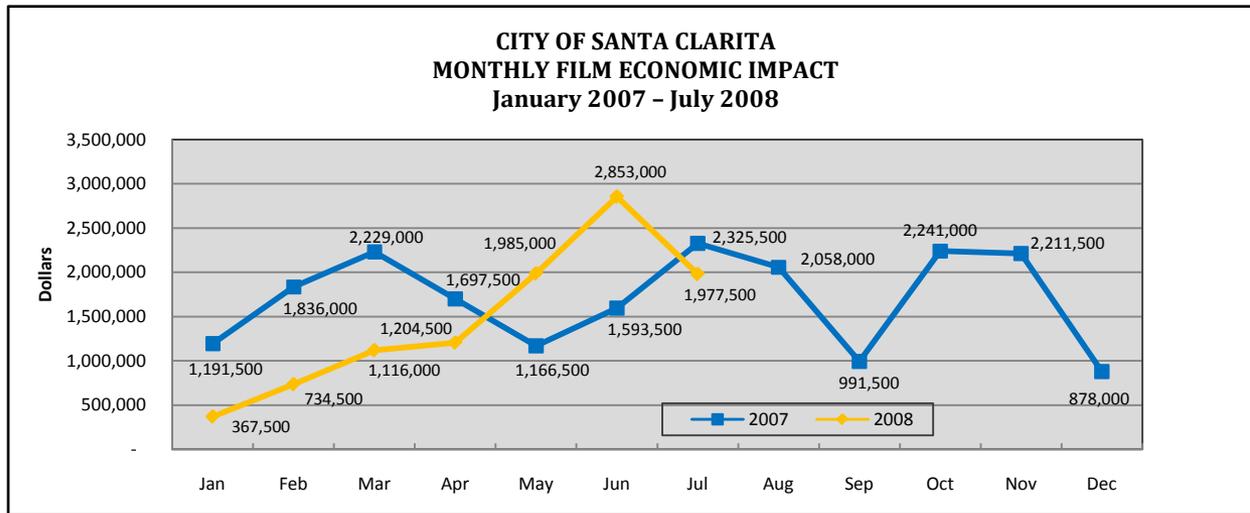
Tourism: Hotel Occupancy & TOT*



- Transient Occupancy Tax (TOT) of \$239,325 in July 2008 was 32% higher than the TOT reported in July 2007 of \$180,865.
- The City collected a total of \$1,389,971 in TOT for July 2008 year-to-date or 38% more than the \$1,009,699 collected in TOT during the same time period in 2007.
- According to the latest *Trends* report from PKF Consulting, the Santa Clarita Valley enjoyed an occupancy rate of 81% in July 2008, slightly above the overall Los Angeles average of 80% and a small decline when comparing occupancy from July 2007.

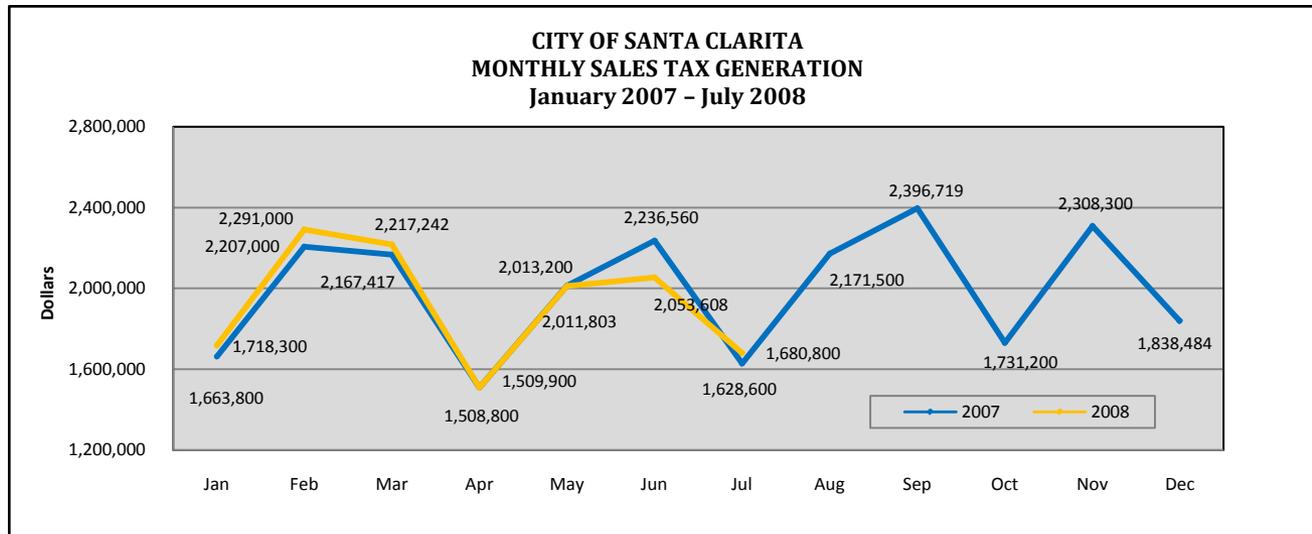
* Note: Errors in the reporting of TOT were detected and TOT has been appropriately restated for January - June 2008.

Filming in The City of Santa Clarita



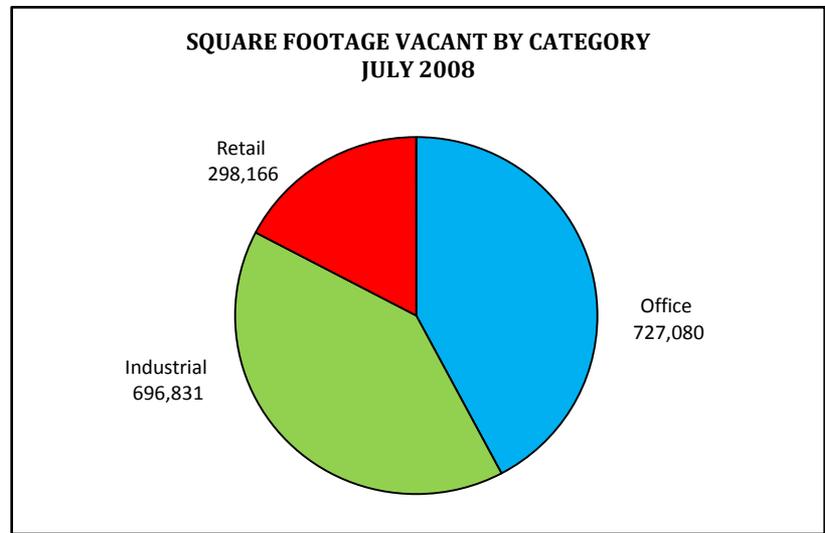
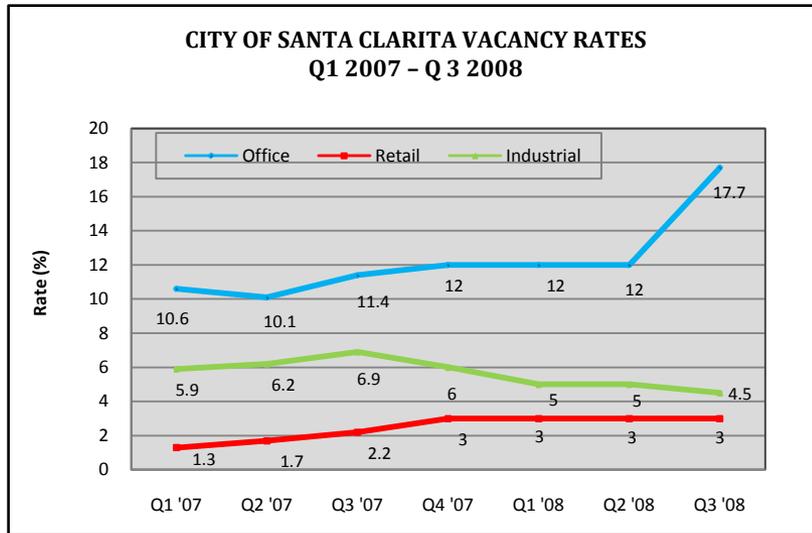
- During 2008, the film industry's economic impact on the City has been trending upward, although fewer dollars were brought in to the City in July 2008 than the previous July.
- In fact, the Film Economic Impact for July 2008 of \$1,977,500 was \$348,000 or 15% below the impact in July 2007 of \$2,325,500.

City of Santa Clarita Sales Tax



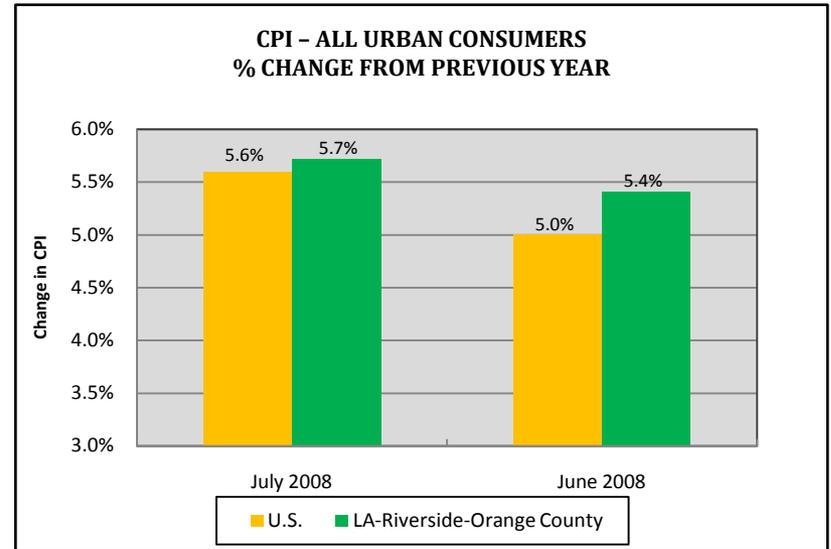
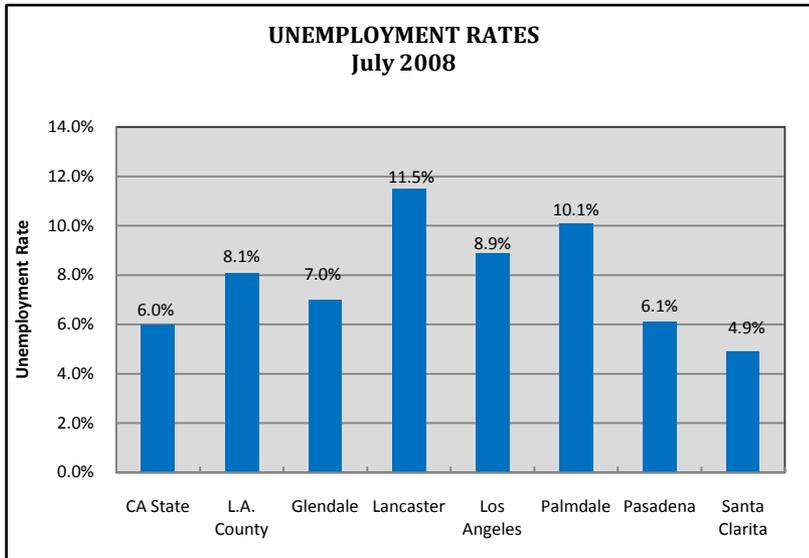
- Sales tax revenue in 2008 has been following the same pattern as in 2007 and levels have been comparable every month except for June 2008 when a small dip was seen.
- Sales tax revenue of \$1.68 million from all sources in July 2008 was reported, up 3% from \$1.63 million in July 2007.

City of Santa Clarita Vacancy Rates



- Office vacancy rates increased in Third Quarter 2008 as new office inventory came into the marketplace that has not yet been absorbed.
- The City's office and retail vacancy rates are 17.7% and 3%, respectively, while the industrial vacancy rate is 4.5%.
- Within the City there is a total of 28,963,711 existing square feet for businesses of which 53% is industrial, 34% is retail, and 13% is office space.
- Only 6% or 1,722,077 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 40% is industrial space, 42% is office space, and 17% is retail space.

Employment and Inflation



- Santa Clarita's unemployment rate was 4.9% in July 2008 compared to 8.1% for Los Angeles County and 6.0% statewide.
- Inflation for July 2008 among all urban consumers for Los Angeles-Riverside-Orange County of 5.7% was comparable to the national rate of 5.6%, and slightly higher than the rate of 5.4% in June 2008.

Data Sources

Sources:

Permits: City of Santa Clarita, Building and Safety Division

Housing Market: San Fernando Valley Association of Realtors

Apartment Rates: Apartmentratings.com

Notice of Defaults: Fidelity National Title, DataQuick in L.A. Times

Film Economic Impact: City of Santa Clarita, Film and Tourism Office

Hotel Data: PKF Consulting

Sales Tax Data: City of Santa Clarita, Finance Division

Vacancy Rates: CoStar Property

Unemployment Rate: CA Employment Development Department

Inflation Rate: Bureau of Labor Statistics