

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of September 1 – 30, 2008

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*Amended May 6, 2010**



Overview

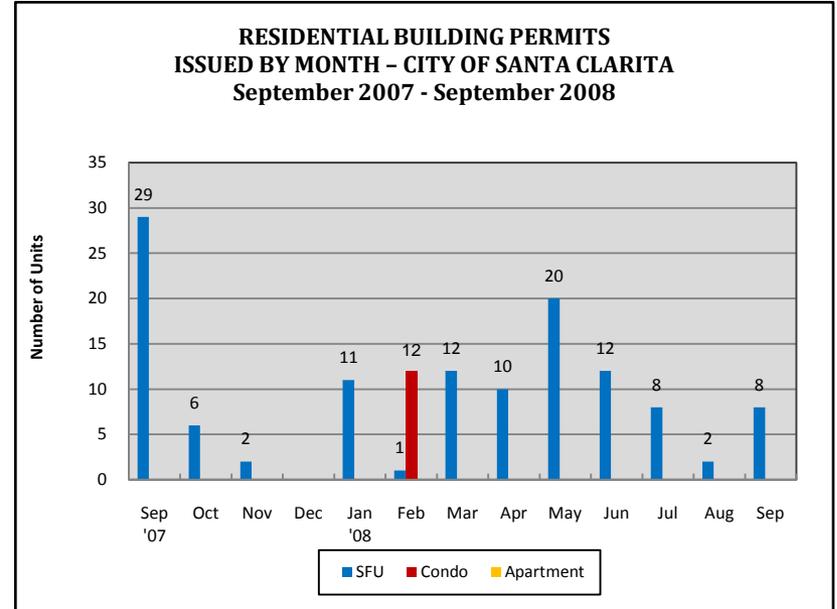
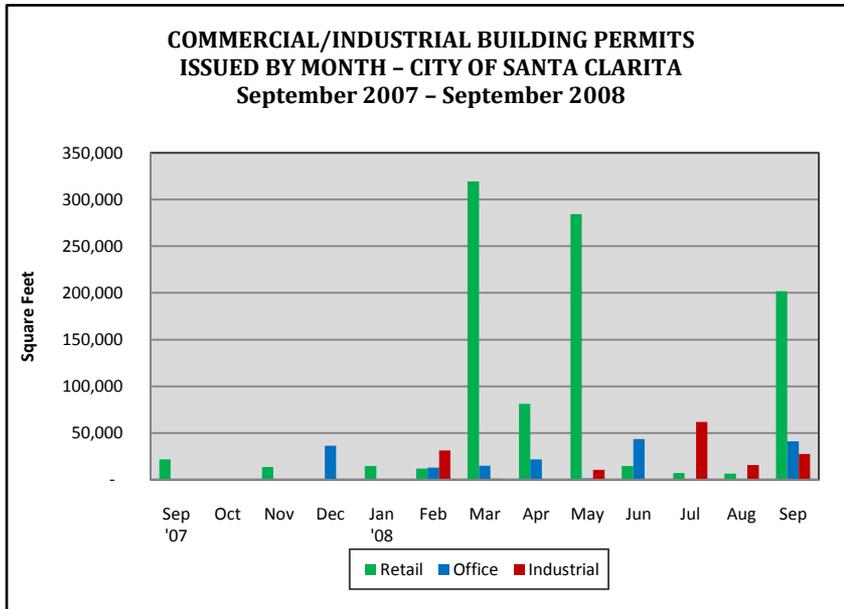
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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

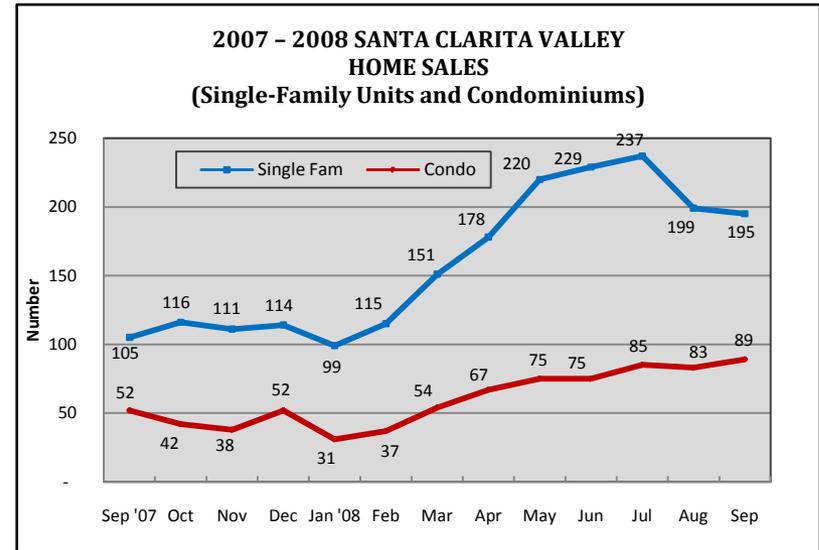
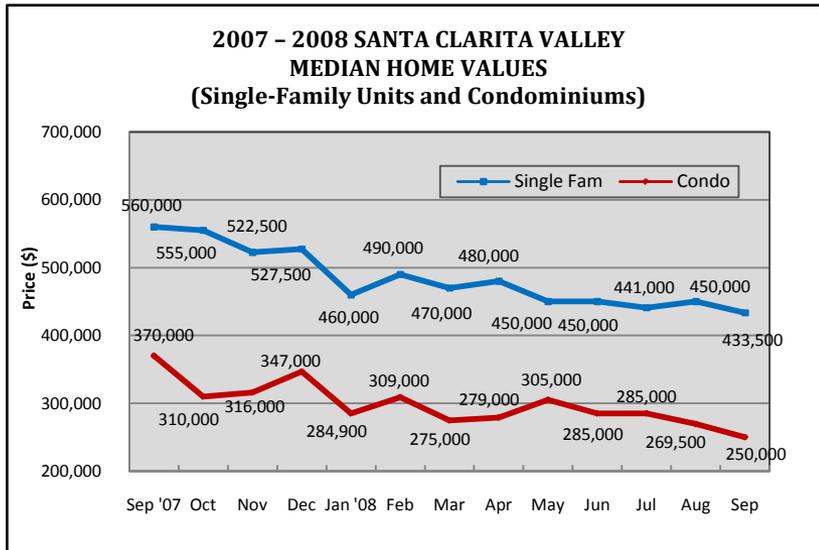
Reports are generated monthly. Periodically, more detailed data are available quarterly or annually.

Permits Issued



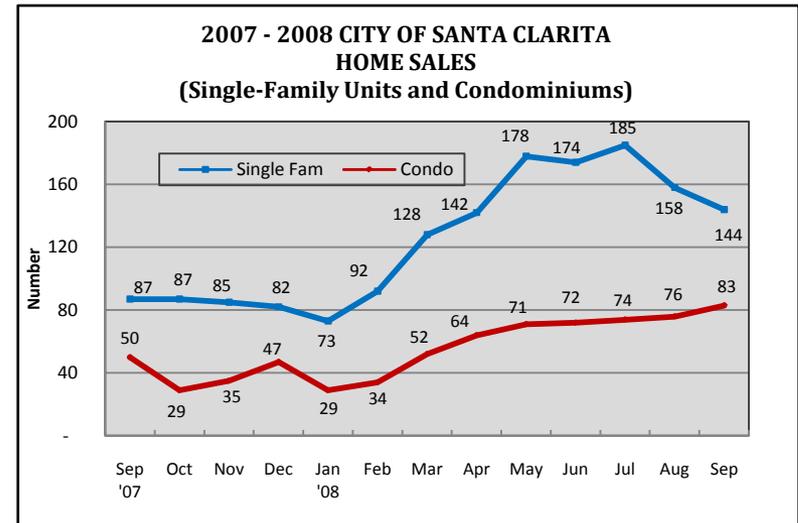
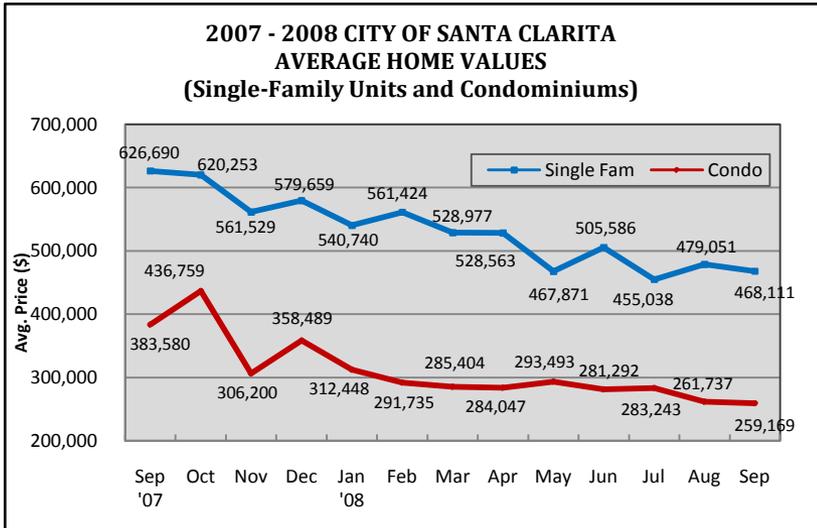
- A total of 12 building permits building permits for retail, office, and industrial use were issued in September 2008 by the City of Santa Clarita compared to only 2 in August.
- In September 2008, a total of 270,533 square feet were permitted of which 75% was for retail space, 15% was for office space, and 10% was for industrial use. In the previous month of August, a total 22,026 square feet were permitted of which 70% was industrial and 30% was retail.
- In September 2008, 8 single-family permits were issued while no permits for condominiums or apartments were issued, up 300% from 2 permits in August and down 72% from September 2007.

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



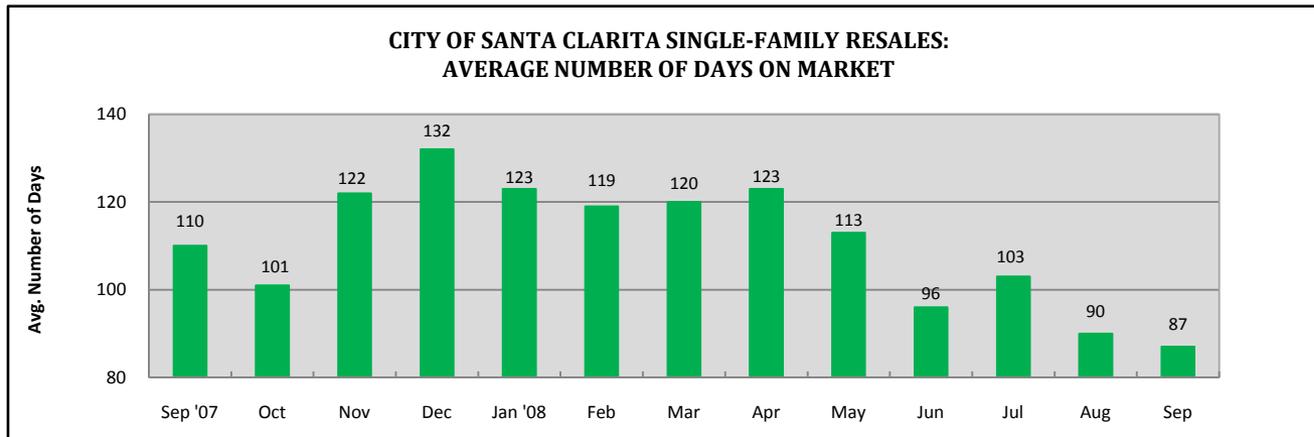
- In the Santa Clarita Valley (inclusive of the City of Santa Clarita), home values continue to fall due in part to the foreclosed properties being sold at lower prices. Sales have trended upward since January 2008, although appear to be tapering off in the past couple of months.
- Single-family median home values slipped 4% to \$433,500 in September 2008 from \$450,000 in August and down 23% from September 2007.
- Condominium prices dropped 7% to \$250,000 in September 2008 from August, and 32% from the previous September.
- The number of single-family home sales appear to have peaked in July 2008 at 237 homes. A total of 195 single-family homes sold in September 2008, down 2% from August yet up 86% from one year ago. Condominium sales were up 7% to 89 condos sold in September from August and up 71% from the previous September.

City of Santa Clarita Housing Market



- Single-family average prices decreased in September 2008 from August, and remain lower than prices in September 2007.
- Single-family average home values in September 2008 were \$468,100 or 2% below August and 25% below September 2007. Condominium prices dropped to \$259,200 in September 2008 or 1% from August and 32% from the previous September.
- The number of single-family homes sold in the City of Santa Clarita in September 2008 dropped compared to sales in August, yet remains above sales in September 2007
- In the City of Santa Clarita, sales dropped 9% to 144 single-family homes in September 2008 from August, and condominium sales rose 9% to 83 units during the same time period.

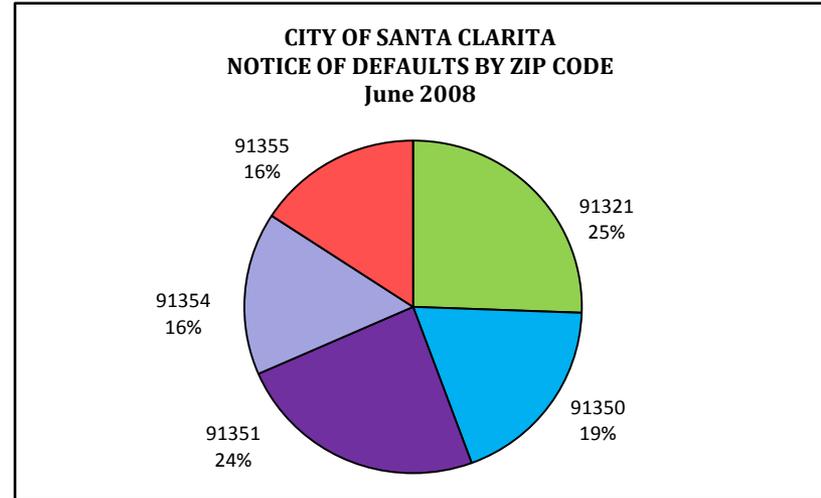
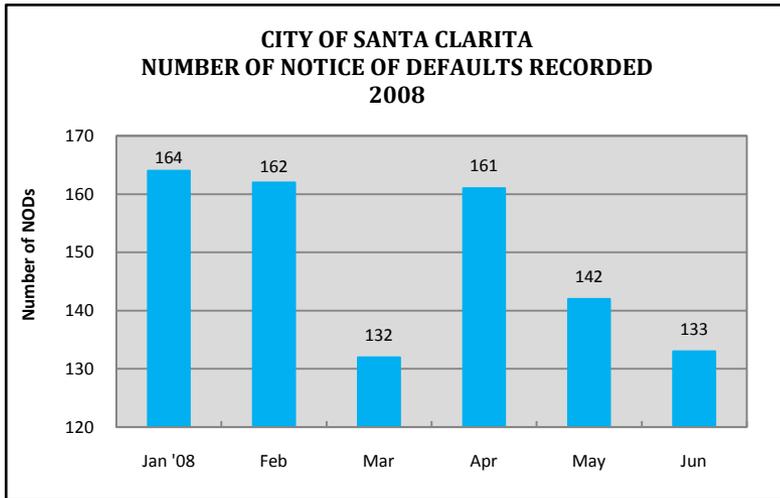
Average Number of Days on Market



- 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 homes took an average 132 days or close to 4.5 months to sell.
- In September 2008, homes were on the market for an average 87 days or almost 3.0 months. This is the lowest level seen in the past year.

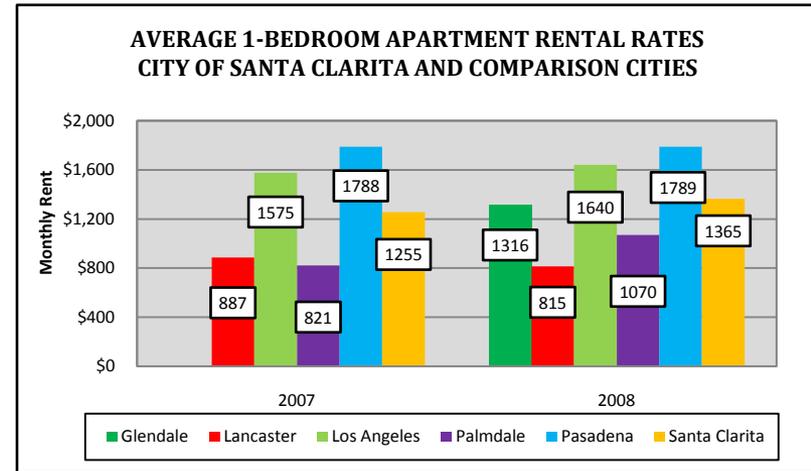
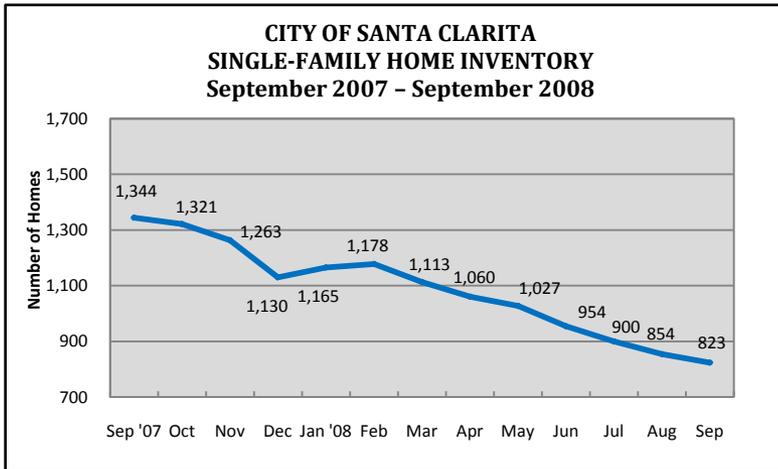
City of Santa Clarita: Notice of Defaults

(Most recent valid data available.)



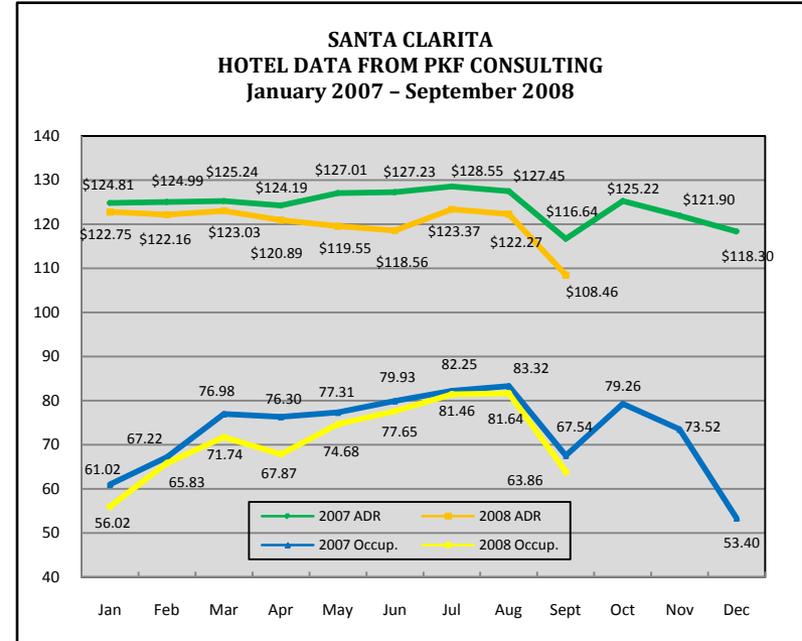
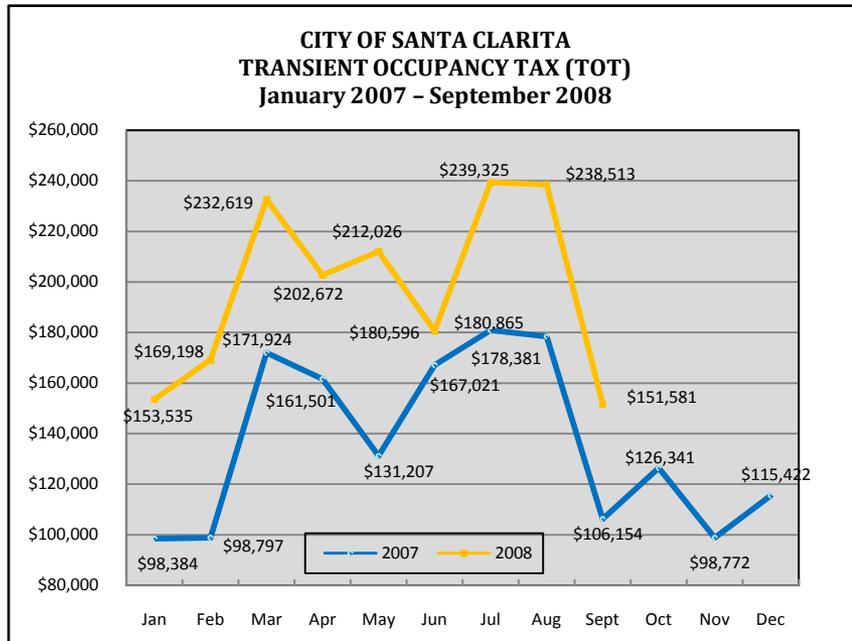
- For June 2008 year-to-date, a total of 894 notice of defaults (NODs) have been recorded in the City of Santa Clarita.
- A total of 133 NODs were seen in June or 6% lower than in May.
- Of the June NODs, 28% were delinquent more than 4 months, while 22% were delinquent 4 months, 44% were delinquent 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 continue to fall. In September 2008, resale inventory levels dropped 4% to 823 homes from 854 in August and declined 39% from September 2007.
- Santa Clarita's average apartment rental rates increased from \$1,255 for a 1-bedroom unit in 2007 to \$1,365 in September 2008, according to the most recent data.

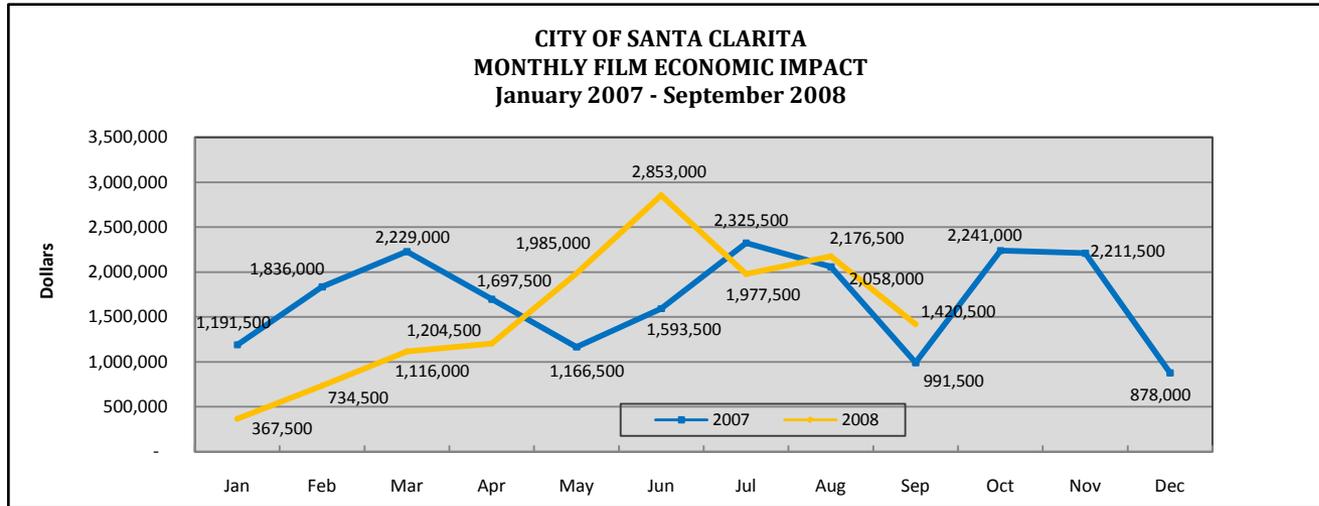
Tourism: Hotel Occupancy & TOT*



- Transient Occupancy Tax (TOT) of \$151,581 in September 2008 was 43% higher than the TOT reported in September 2007 of \$106,154.
- The City collected a total of \$1,780,065 in TOT for September 2008 year-to-date (YTD) or 38% more than the \$1,294,234 collected in TOT for September 2007 YTD.
- According to the latest *Trends* report from PKF Consulting, the Santa Clarita Valley enjoyed an occupancy rate of 64% in September 2008, somewhat lower than the overall Los Angeles average of 75% and 5% lower than the 68% occupancy in September 2007.
- Similarly, in the Los Angeles area, occupancy rates are down 5% to 75% in September 2008 compared to 79% the previous September.

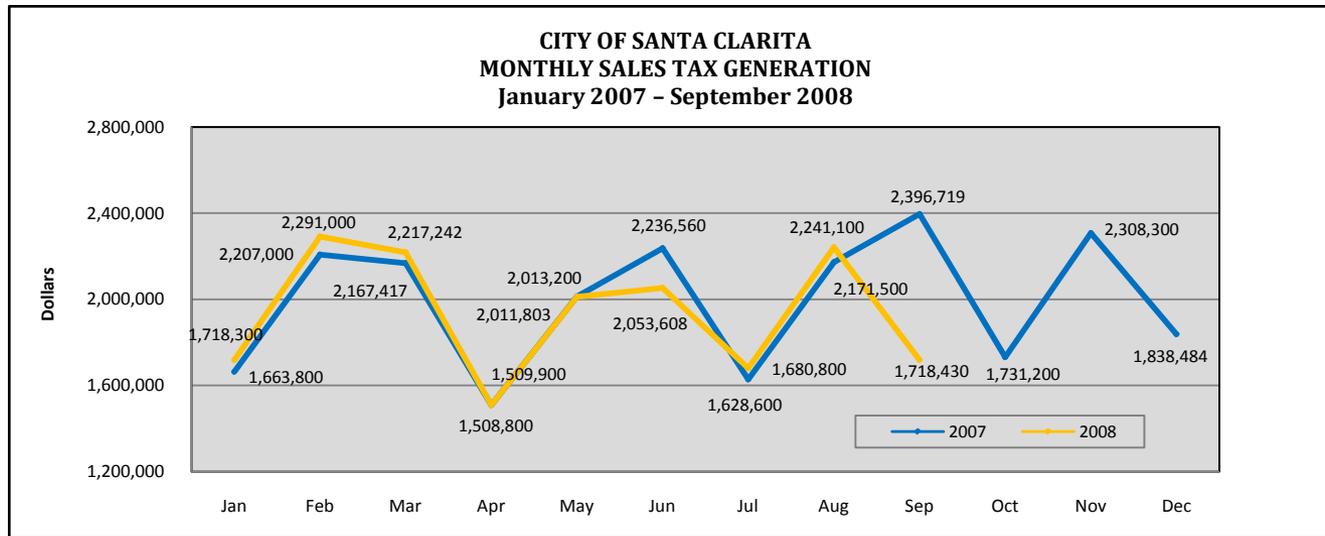
* Note: Errors in the reporting of TOT were detected and TOT has been appropriately restated for January – September 2008.

Filming in The City of Santa Clarita



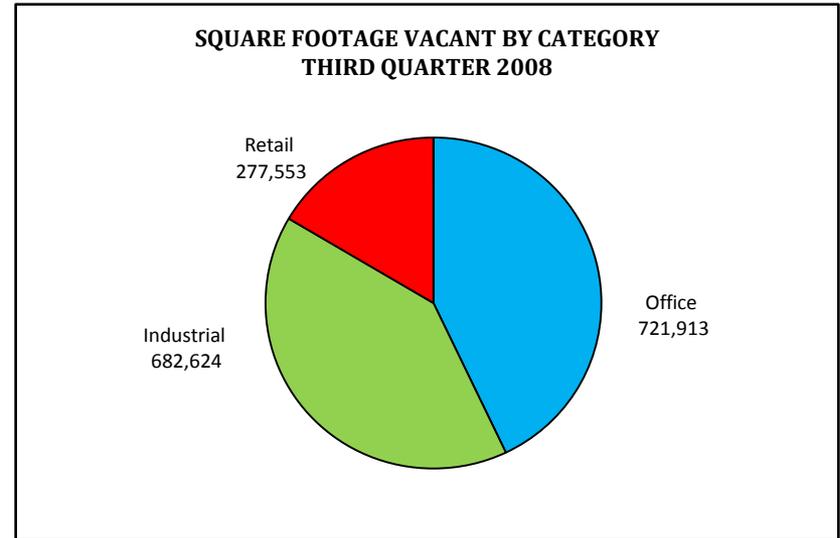
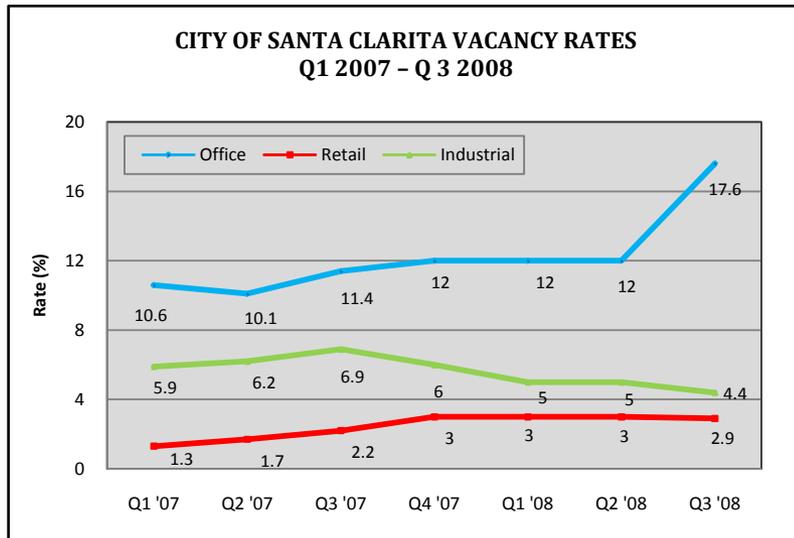
- During 2008, the film industry's economic impact on the City has been trending upward, and in fact substantially more dollars were brought in to the City in September 2008 than the previous September.
- In fact, the Film Economic Impact for September 2008 of \$1,420,500 was \$429,000 or 43% above the impact in September 2007 of \$991,500.
- In total, the film industry has generated \$13,835,000 in economic impact during September 2008 year-to-date (YTD), down 8% from \$15,089,000 during September 2007 YTD.

City of Santa Clarita Sales Tax



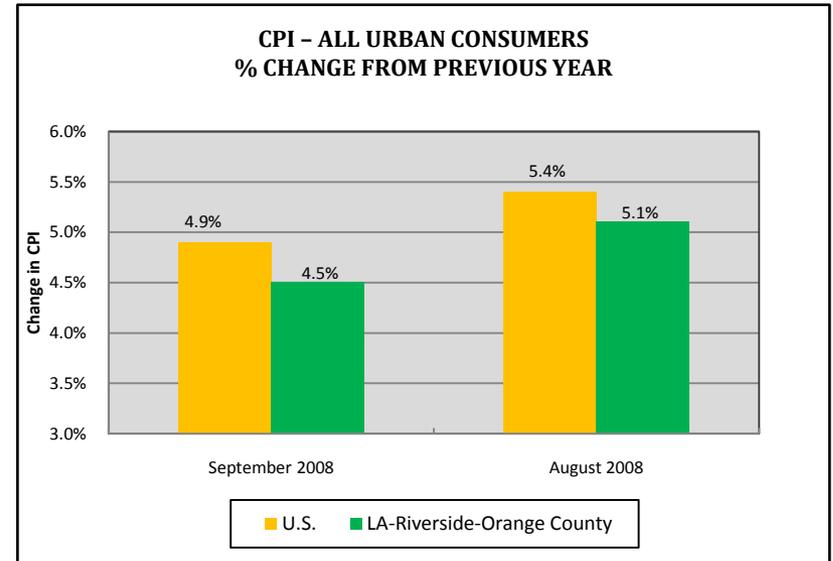
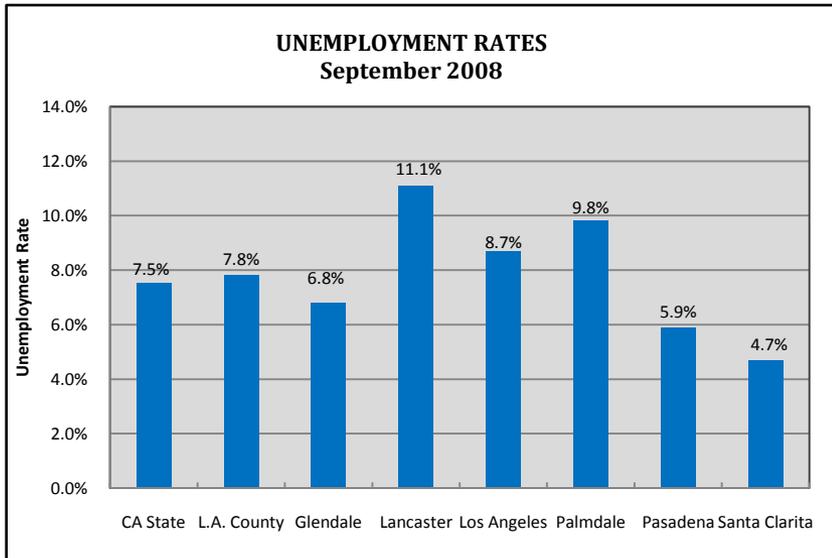
- Sales tax revenue in 2008 has been following a similar pattern as in 2007 and levels have been comparable every month except for most recently in September 2008 when a substantial dip was seen.
- Sales tax revenue of \$1.72 million from all sources in September 2008 was received, down 28% from \$2.40 million in September 2007.
- However, due to the lag in sales tax receipts, the data are best analyzed quarterly. Therefore, sales tax revenue for July – September 2008 reached \$5.64 million, down 9% from \$6.20 million during July – September 2007. Moreover, sales tax revenue during this time period reflects actual sales in the City during the second quarter months of April through June.

City of Santa Clarita Vacancy Rates



- Office vacancy rates increased in Third Quarter 2008, while industrial vacancy rates slipped slightly and retail held steady.
- The City's office and retail vacancy rates are 17.6% and 2.9%, respectively, while the industrial vacancy rate is 4.4%.
- 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 5.8% or 1,682,090 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 43% is office space, 41% is industrial space, and 17% is retail space.

Employment and Inflation



- Santa Clarita's unemployment rate was 4.7% in September 2008 compared to 7.8% for Los Angeles County and 7.5% statewide.
- Inflation for September 2008 among all urban consumers for Los Angeles-Riverside-Orange County of 4.5% was lower than the national rate of 4.9%, and lower than the rate of 5.1% in August 2008. This in part is attributable to the lower transportation and energy costs in September compared to those in August.

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