

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of April 1 – 30, 2009

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Overview

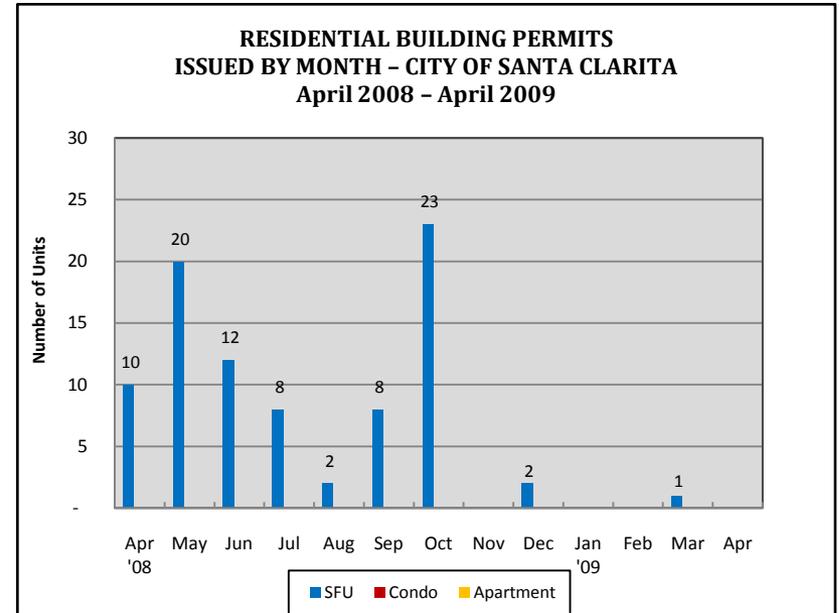
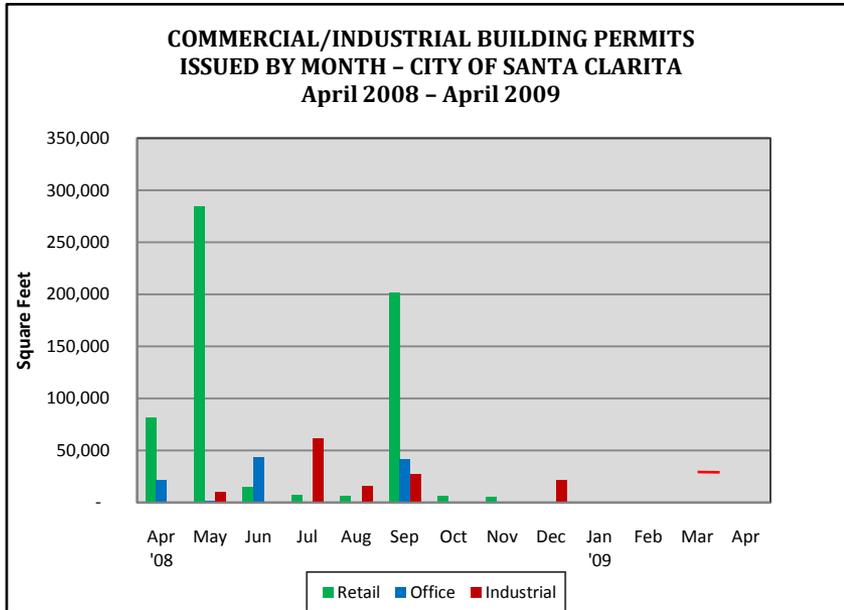
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

Indicators being tracked include:

- Residential, Commercial and Industrial Building permits issued;
- Certificate of Occupancy 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;
- The economic impact of the film industry on Santa Clarita;
- Types of filming in 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;
- Stock prices of local companies in Santa Clarita;
- Unemployment rates;
- The consumer price index measuring inflation

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

Permits Issued



Commercial/Industrial Permits

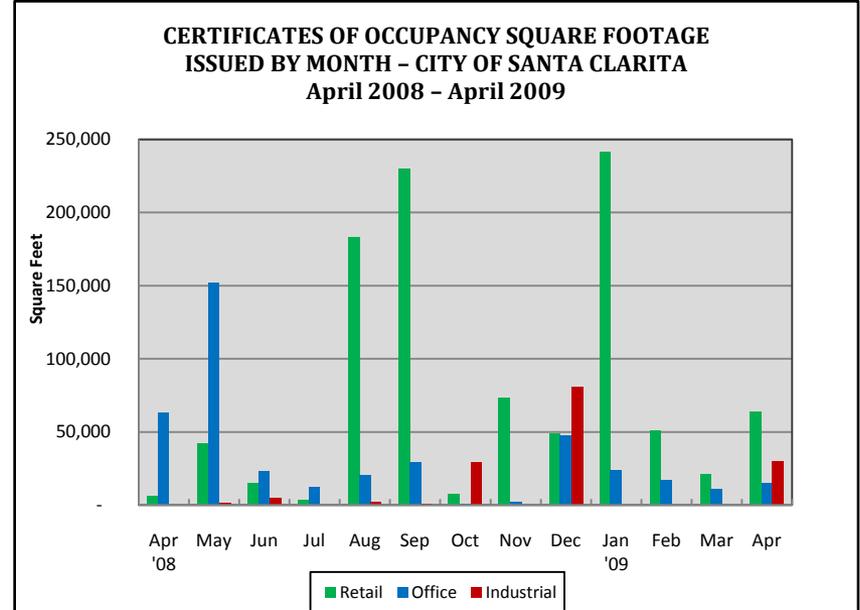
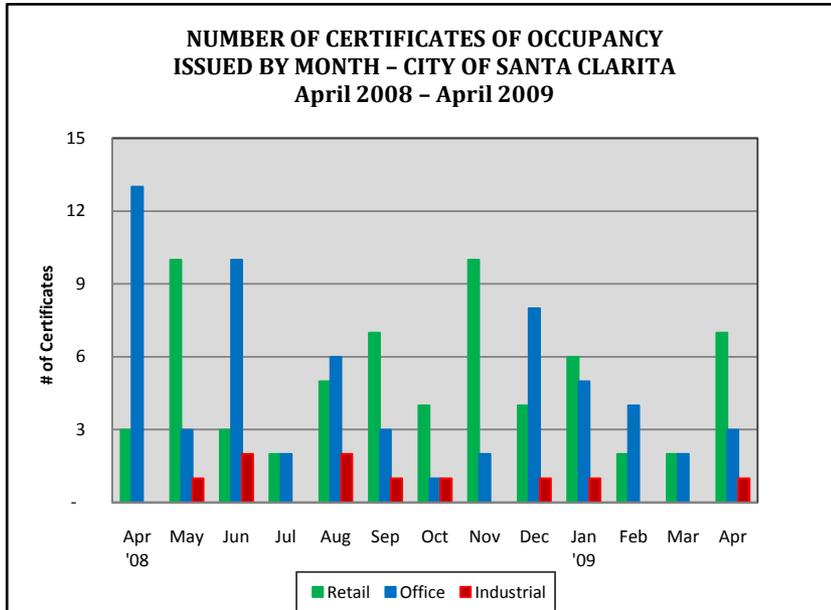
- No non-residential building permits were issued in April 2009 by the City of Santa Clarita compared to 15 permits in April 2008 of which 10 were for retail use and 5 were for office space.
- A total of 102,861 square feet of building permits were issued in April 2008 of which 79% was for retail use and 21% was for office space.

Residential Permits

- No residential permits were issued in April 2009 compared to 10 permits for single-family units in April 2008.

Only permits for new buildings or new shell structures are included in the data on this page. Permits for electrical, mechanical, sewer, or plumbing work are not included in this data.

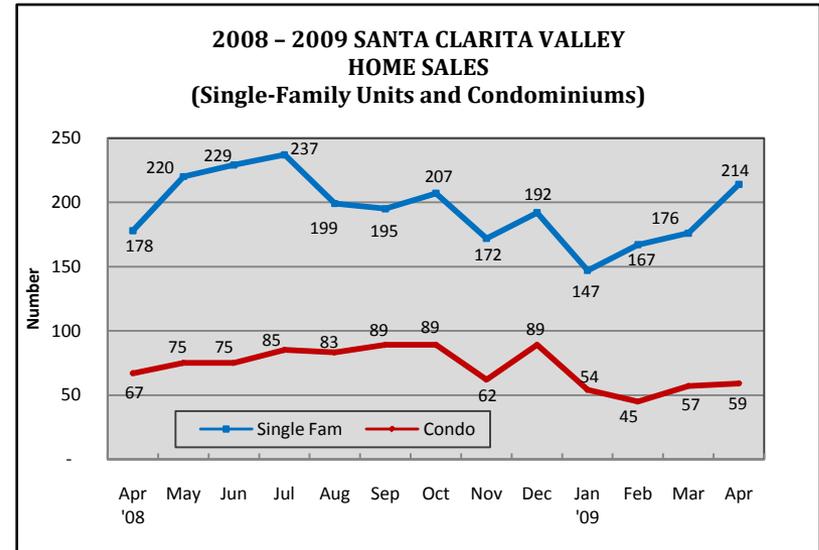
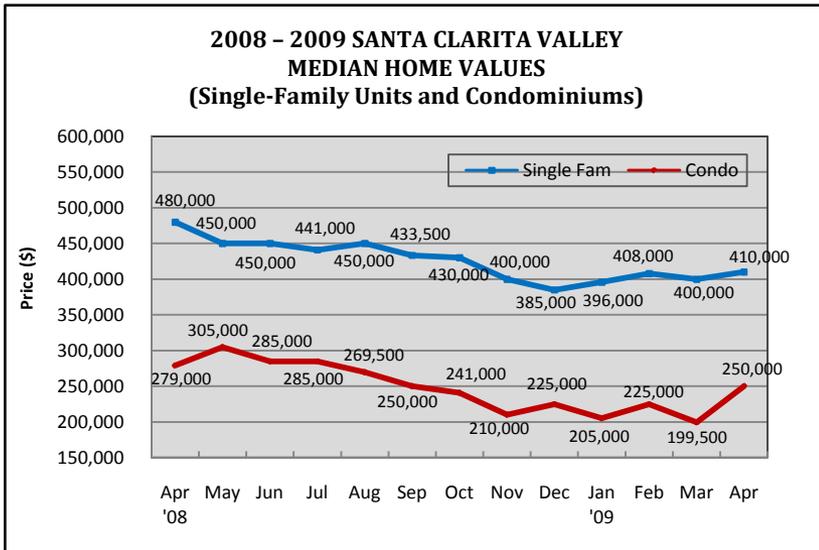
Commercial/Industrial Certificates of Occupancy Issued



- In April 2009 a total of 11 Certificates of Occupancy were issued of which 7 were for retail use, 3 were for office space, and 1 was for industrial use, down 31% from 16 Certificates of Occupancy in April 2008.
- Certificates of Occupancy for April 2009 represented a total of 108,431 square feet of which 59% was for retail space, 27% was for industrial use, and 14% was for office space. This represented a 56% increase from the 69,576 square feet in April 2008.

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.

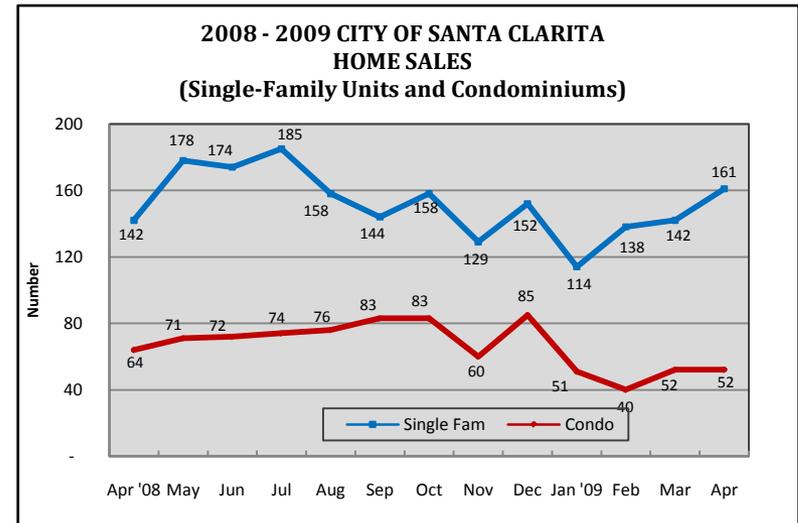
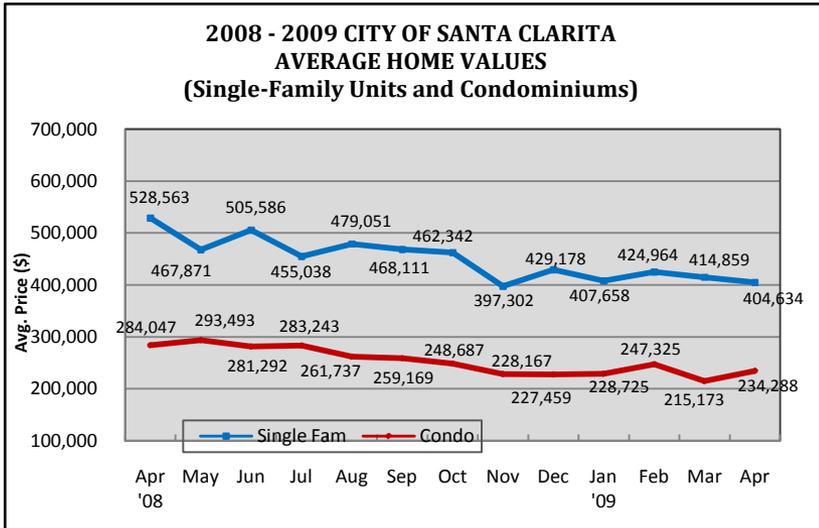
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



In the Santa Clarita Valley (inclusive of the City of Santa Clarita), home values continue to fluctuate while sales of single-family homes have trended upward since April 2008.

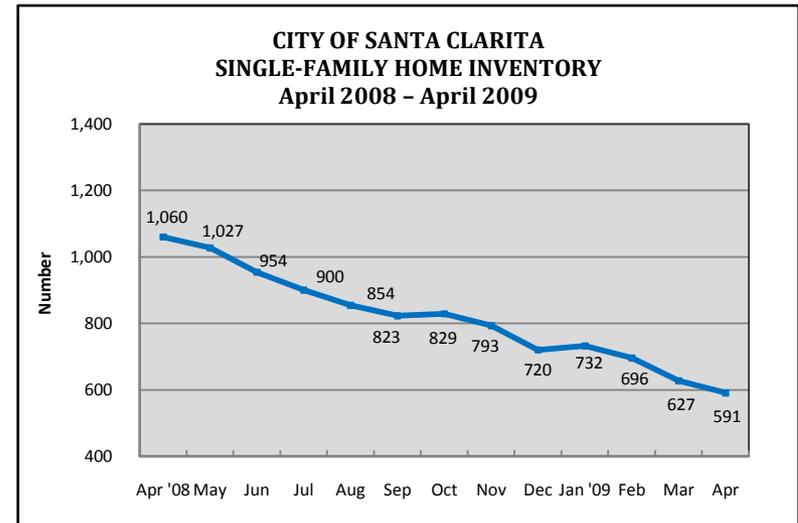
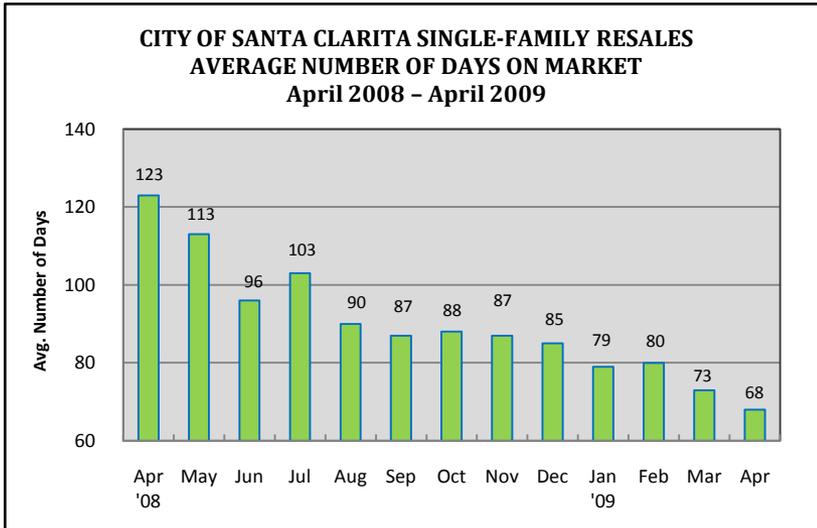
- Single-family median home values rose 3% to \$410,000 in April 2009 from \$400,000 in March 2009, and have dropped 15% from April 2008.
- Condominium prices increased 25% to \$250,000 in April 2009 from March 2009 and dropped 10% from April 2008.
- The number of single-family home sales peaked in July 2008 at 237 homes. A total of 214 single-family homes sold in April 2009, up 22% from March 2009, and up 20% from one year ago. Condominium sales rose to 59 sales in April 2009, up 4% from March 2009, yet down 12% from April 2008.

City of Santa Clarita Housing Market



- Single-family average prices dropped in April 2009 from March 2009, and remain lower than prices in April 2008.
- Single-family average home values in April 2009 in the City of Santa Clarita were \$404,600 or 2% below March 2009 and 23% below April 2008. Condominium prices rose 9% to \$234,300 in April 2009 from March 2009. Furthermore, condominium prices in April 2009 were 18% lower than prices in April 2008.
- The number of single-family homes sold in the City of Santa Clarita in April 2009 increased compared to sales in March 2009 and remain above sales levels in April 2008
- In comparison, condominium sales in April 2009 were comparable to sales in March 2009, and below sales in April 2008.
- In the City of Santa Clarita, sales increased 13% to 161 single-family homes in April 2009 from March 2009, and condominium sales volume remained at 52 units during the same time period.

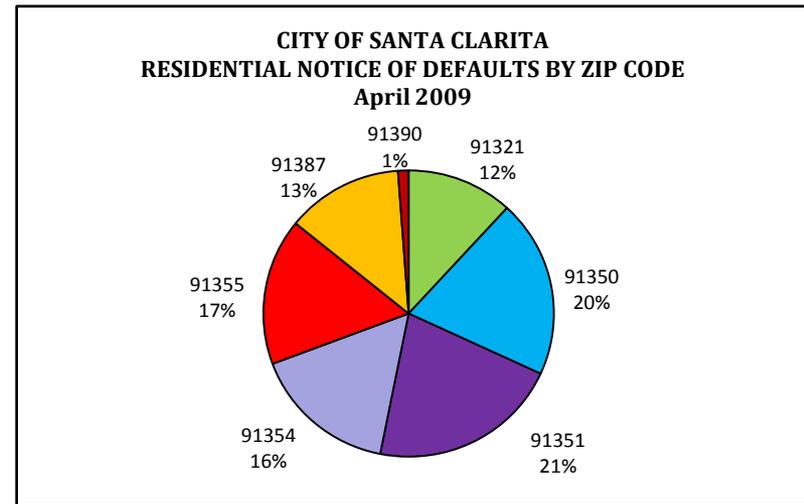
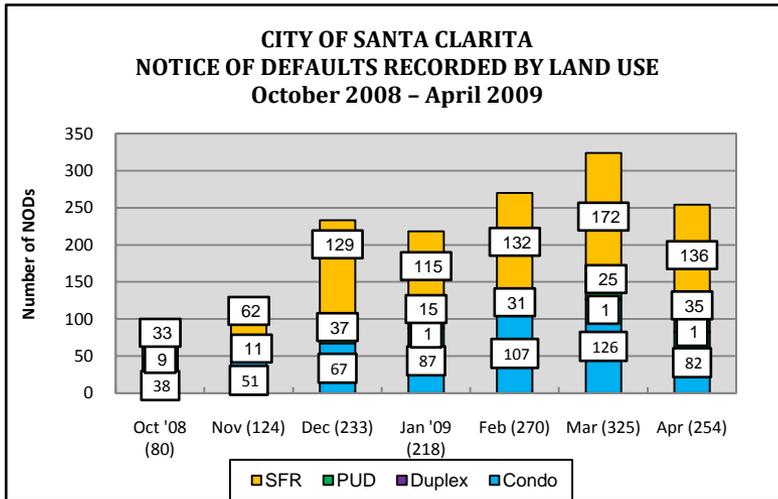
City of Santa Clarita Housing Market: Average Days on Market & Inventory Levels



- The City of Santa Clarita's housing market is stronger than one year ago when homes took an average 123 days or approximately 4 months to sell.
- In April 2009, homes were on the market for an average 68 days or 2.3 months, the lowest level seen in the past year.
- Single-family inventory levels reached a record low. Resale inventory levels fell 6% in April 2009 to 591 homes from 627 in March 2009, and were 44% below inventory levels in April 2008.

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.

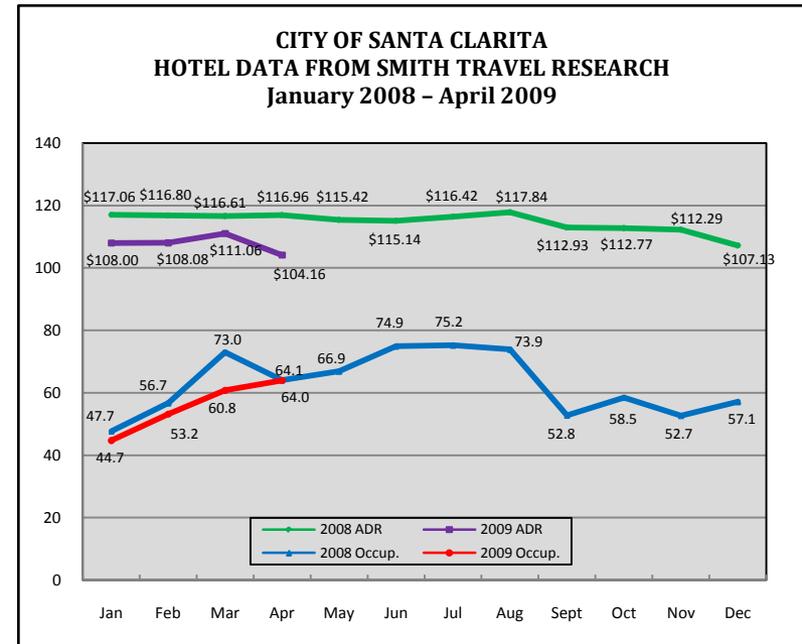
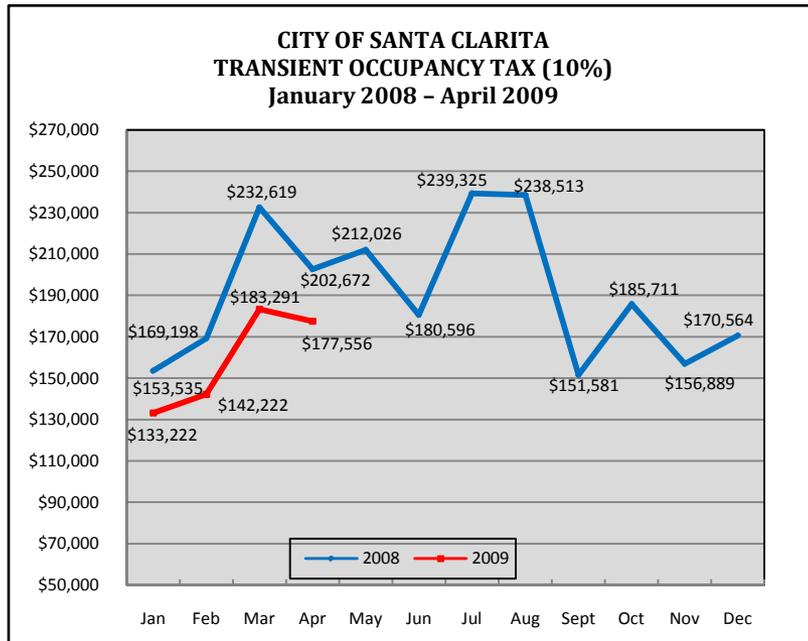
City of Santa Clarita: Notice of Defaults (NODs)



- A total of 254 NODs were recorded in April 2009 in the City of Santa Clarita, down 22% from 325 in March 2009.
- Of the April NODs, 54% or 136 were on single-family residences while 32% or 82 were on condominium properties and 14% or 35 NODs were on PUDs. An additional one was for a duplex.
- The number of NODs among single-family homes in April 2009 was 21% lower than levels in March 2009, while the number of NODs on condominiums rose 35% and NODs on PUDs increased 40% during the same time period.
- More than one-fourth each or 29% of the NODs were on homes that previously sold in the \$350,000 - \$499,999 range and 26% were in the \$200,000 - \$349,999 range, while 15% sold in the \$500,000 - \$599,999 range, and 13% each were at least \$600,000 and less than \$200,000. The price range was unknown for the remaining 4%. This suggests the majority of homeowners who received NODs in April were not in the City's luxury home market, but rather continue to be in the mid-level market.

A PUD is a unit or building owned by an individual who reside there and the common space is owned by others in the association for benefit of all owners. An "SFR" is a single-family residence.

Tourism: TOT* & Hotel Occupancy



Transient Occupancy Tax (TOT)

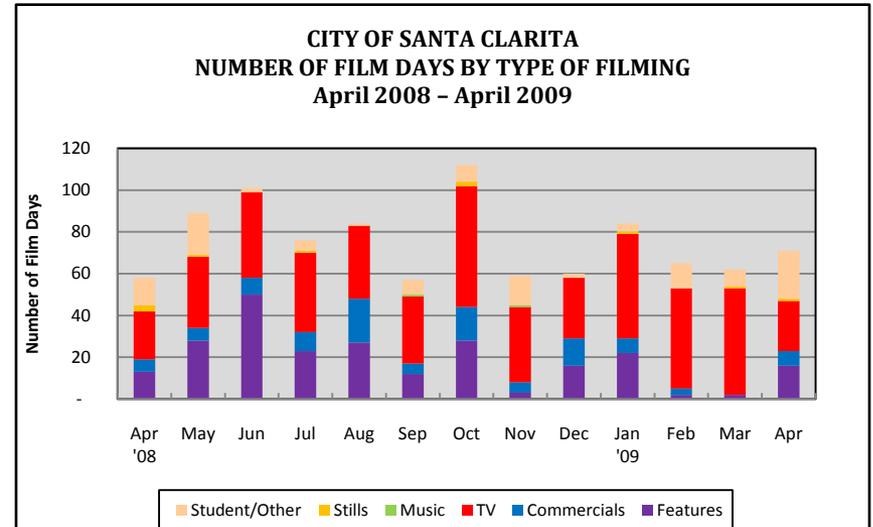
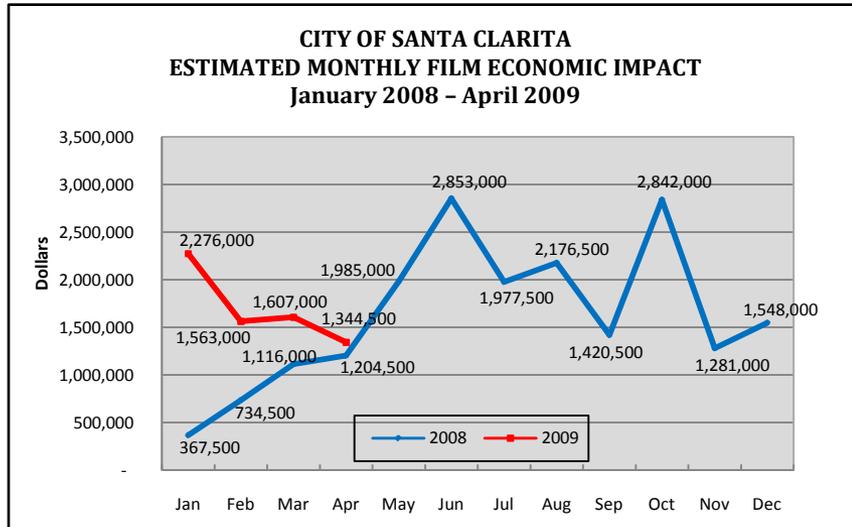
- In April 2009, the City of Santa Clarita collected \$177,556 in TOT, down 12% from \$202,672 in April 2008.
- During the January – April 2009 time frame, the City of Santa Clarita collected \$636,291 in TOT, down 16% from the same time period in 2008.

Occupancy

- Smith Travel Research reports hotel occupancy in the City in April 2009 was 64%, comparable to the reported occupancy in April 2008.
- An average of 564 rooms of 882 available in the City were sold in April 2009 compared to 565 rooms of 882 available rooms in April 2008.
- In comparison, occupancy rates at hotels nationwide in April 2009 were at 56%, down 11% from April 2008.

* Note: Errors in the reporting of TOT were detected and TOT has been appropriately restated for January – June 2008 and December 2008 – April 2009. City hotels include: Super 8, Travelodge, Hyatt, Holiday Inn, Embassy Suites, Best Western, and Courtyard by Marriott.

Filming in The City of Santa Clarita

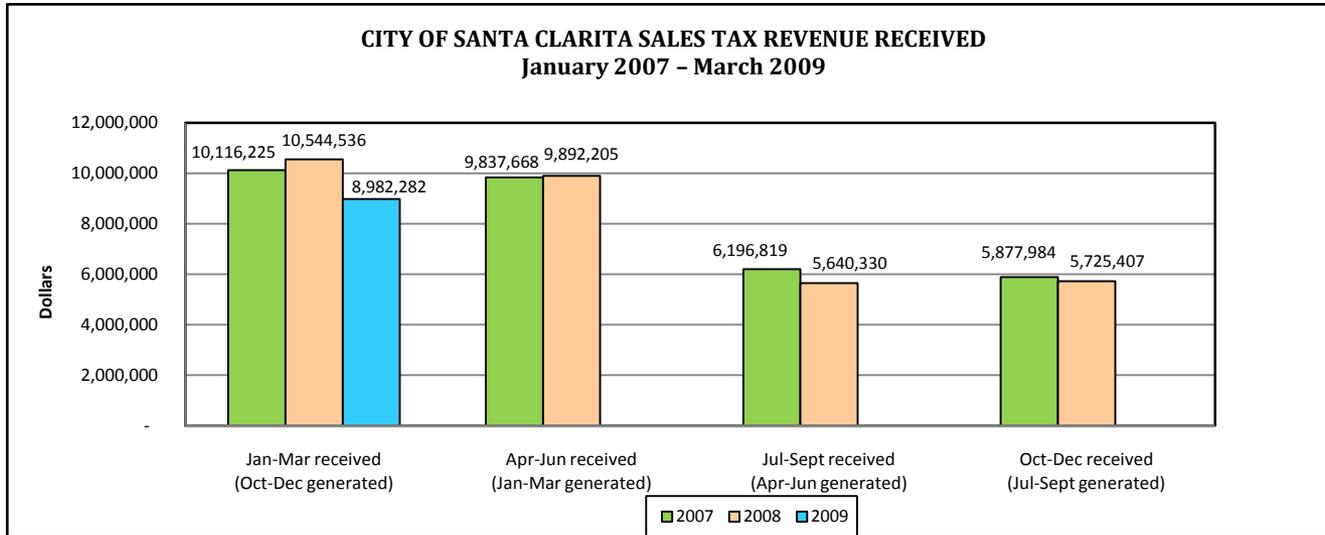


- The Economic Impact from location filming for April 2009 of \$1,344,500 was 12% above the impact in April 2008 of \$1,204,500.
- Consequently, the total Economic Impact from location filming in April 2009 year-to-date was \$6,790,500 or 98% above the impact of \$3,422,500 during the same time period in 2008.
- There were a total of 71 filming days in April 2009, up 22% from 58 filming days in April 2008.
- April 2009 film days included: 34% for television shows, 32% for student/other projects, 23% for features, 10% for commercials, and 1% for stills. No music videos were filmed in April 2009 in the City.

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.

City of Santa Clarita Sales Tax

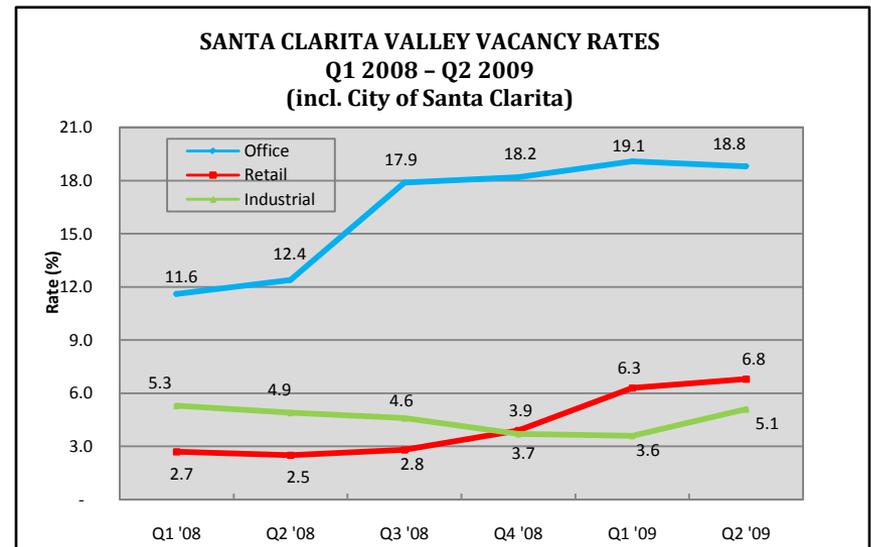
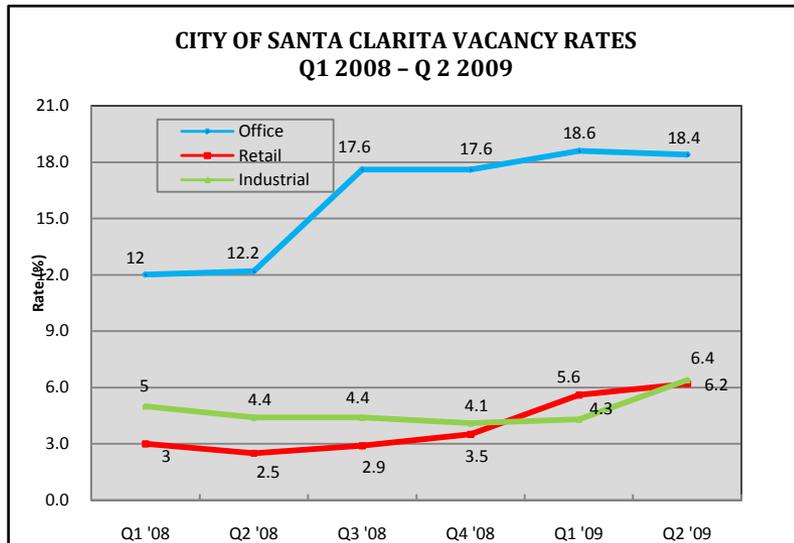
(Updated Quarterly)



- As the economy weakened in 2008, decreases in sales tax receipts were reported.
- In January – March 2009, a total of \$8.98 million in sales tax revenue was received, down 15% from \$10.54 million received in January – March 2008.

Sales tax revenue is presented quarterly through March 2009. Next update will be with June 2009 data.

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



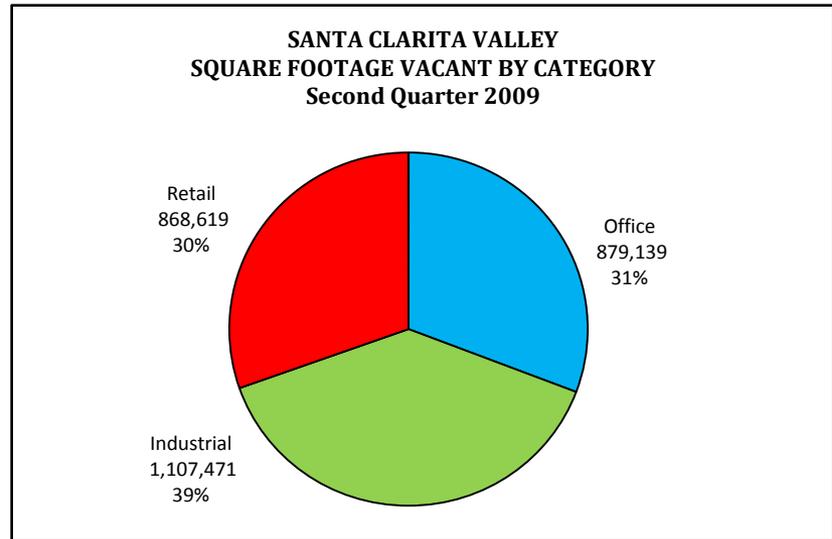
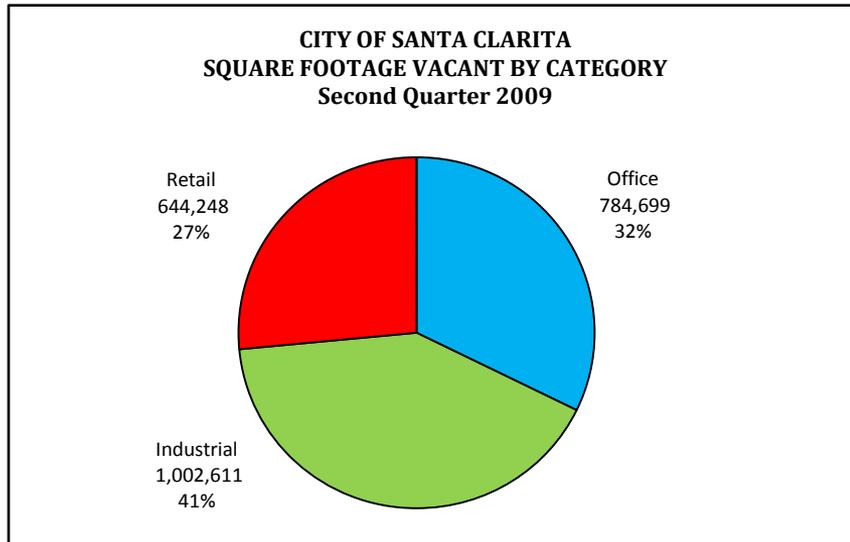
City of Santa Clarita

- In the City of Santa Clarita, retail and industrial vacancy rates increased in Second Quarter 2009 because of both contraction of the market and new inventory. Office vacancy rates slipped slightly in Second Quarter 2009. Industrial vacancy rates increased the most in Second Quarter 2009 from the previous quarter.
- The City's office vacancy rate was 18.4% and the industrial and retail vacancy rates were 6.4% and 6.2%, respectively.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley (including the City), industrial and retail vacancy rates increased in Second Quarter 2009 while office rates declined.
- The Santa Clarita Valley's office and retail vacancy rates were 18.8% and 6.8%, respectively, while the industrial vacancy rate was 5.1%.

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



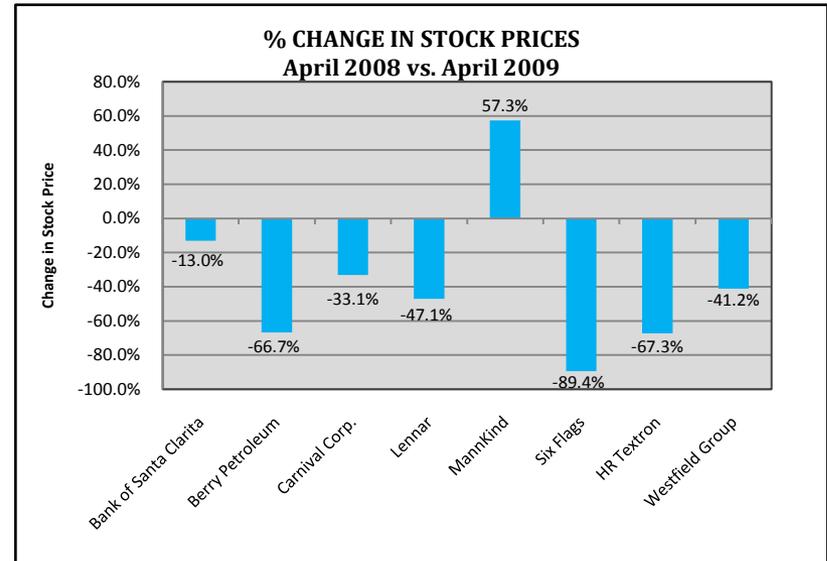
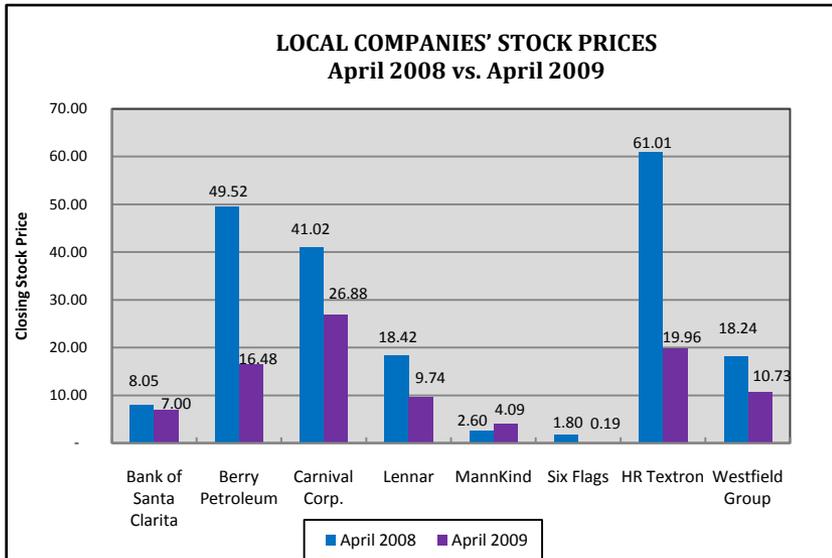
City of Santa Clarita

- Within the City of Santa Clarita there is a total of 28,963,711 existing square feet for businesses of which 53% is industrial, 34% is retail, and 13% is office space.
- Only 8.4% or 2,431,558 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 41% is industrial space, 32% is office space, and 27% is retail space.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley there is a total of 38,662,792 existing square feet for businesses of which 57% is industrial, 31% is retail, and 12% is office space.
- Only 7.4% or 2,855,229 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 39% is industrial space, 31% is office space, and 30% is retail space.

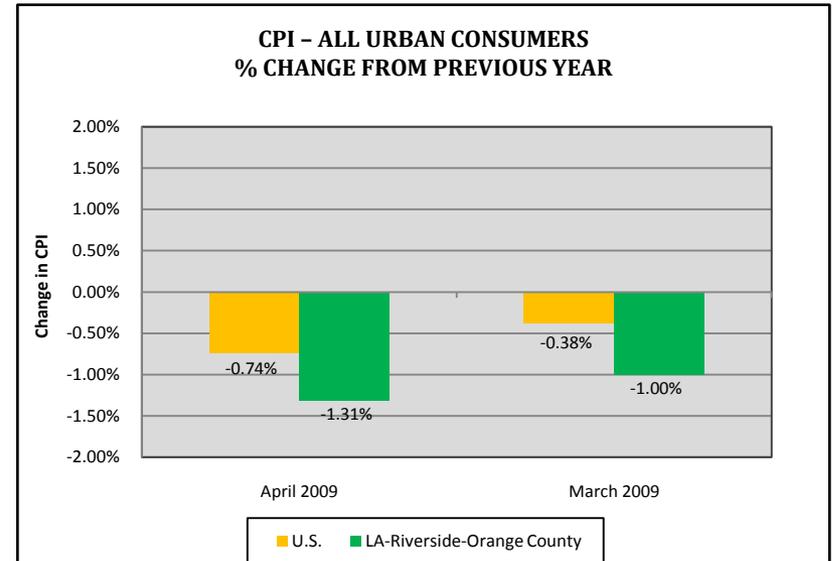
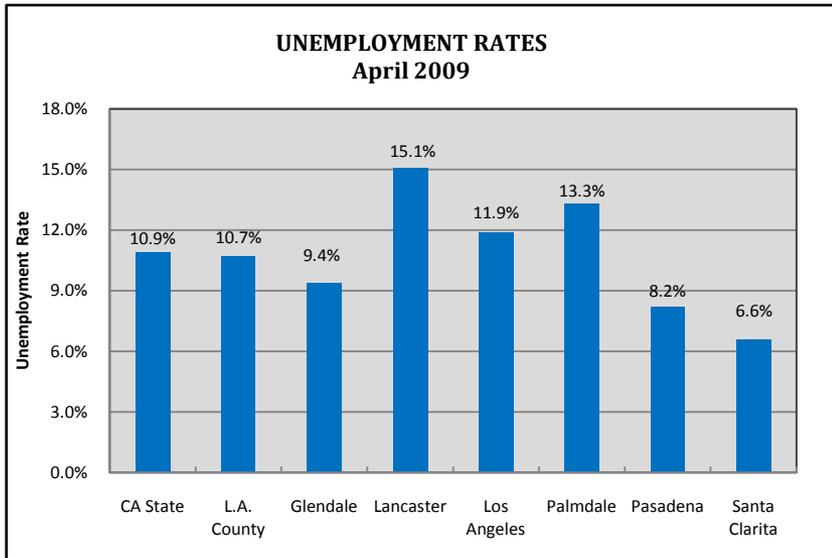
Stock Prices of Local Employers



- Stock prices for seven of the eight companies in Santa Clarita whose stock prices are being tracked have declined year-over-year as has the entire stock market. Only that of MannKind increased during this time period.
- At the end of April 2009, the stock price of Six Flags was the lowest at \$0.19 while that of Carnival Corp. was the highest at \$26.88.
- HR Textron became a wholly owned subsidiary of Woodward Governor Company on April 3, 2009. The price reflected in 2008 is for HR Textron's previous owner, Textron, Inc., and the 2009 stock price is for Woodward Governor Company.
- The Dow dropped 36.3% to 8,168.12 on April 30, 2009 from 12,820.13 on April 30, 2008.
- Only MannKind's stock price increased in value 57.3% during this time period.
- Bank of Santa Clarita and Carnival Corp. also outperformed the market with smaller declines from one year ago.

Closing stock prices on the last trading day of the month are shown in the graphs above. Call letters for each company are as follows: BSCA.OB (Bank of Santa Clarita), BRY (Berry Petroleum), CCL (Carnival Corp.), LEN (Lennar), MNKD (MannKind), SIX (Six Flags), TXT for April 30, 2008 and WGOV for April 30, 2009 (HR Textron), and ASX.WDS (Westfield Group).

Employment and Inflation



- Santa Clarita's unemployment rate was 6.6% in April 2009 compared to 10.7% for Los Angeles County and 10.9% statewide.
- Year-over-year inflation for April 2009 among all urban consumers for Los Angeles-Riverside-Orange County was down 1.3% compared to the national rate of down 0.74%. Inflation in the Los Angeles metro area was down by a comparable amount in March 2009.
- The lower inflation rate from one year ago reflects the continued large declines in energy and transportation costs of 25% and 13%, respectively. Compared to one year ago, education and communication costs, food and beverage prices, and medical care costs rose 3% each, while recreation costs and housing costs rose 1% each.

Data Sources

Sources:

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

Housing Market: San Fernando Valley Association of Realtors

Notice of Defaults: First American RealQuest Pro

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

Hotel Data: Smith Travel Research

Sales Tax Data: City of Santa Clarita, Finance Division

Vacancy Rates: CoStar Property

Stock Prices: Yahoo! Finance

Unemployment Rate: CA Employment Development Department

Inflation Rate: Bureau of Labor Statistics