



Santa Clarita Economic Snapshot

April 2010

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Created by the City of Santa Clarita
Economic Development Division



Overview

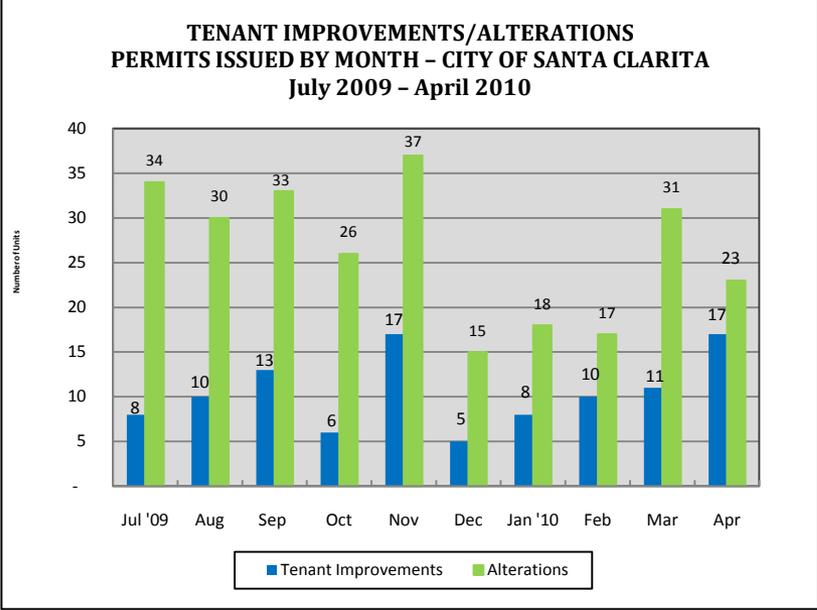
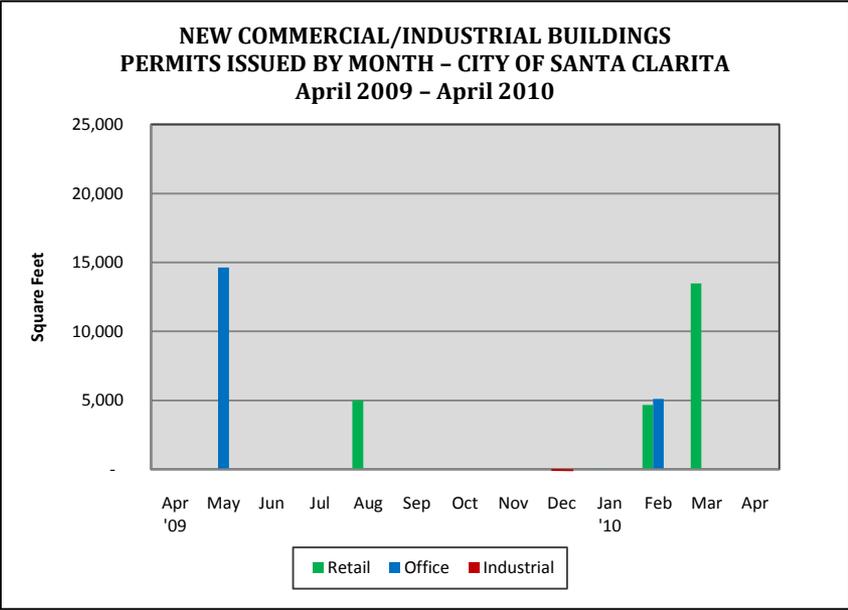
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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;
- Apartment vacancy rates and average asking rents;
- Number of notice of defaults recorded in Santa Clarita;
- Economic impact of the film industry on Santa Clarita;
- Types of filming in Santa Clarita;
- Average room rate and occupancy rate of local hotels;
- Amount of sales tax revenue and transient occupancy tax generated;
- Vacancy rates for the office, commercial and retail sectors and available square footage;
- Stock prices of local companies in Santa Clarita;
- Unemployment rates; 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

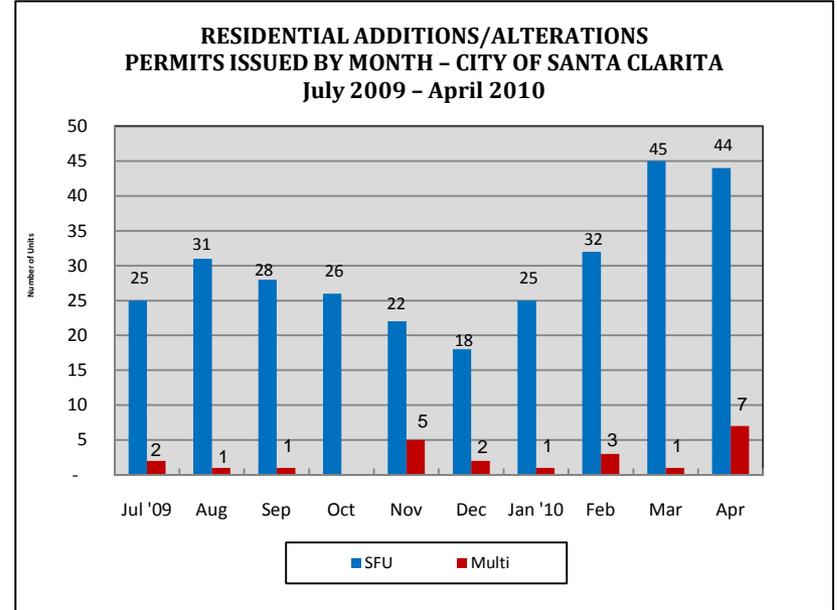
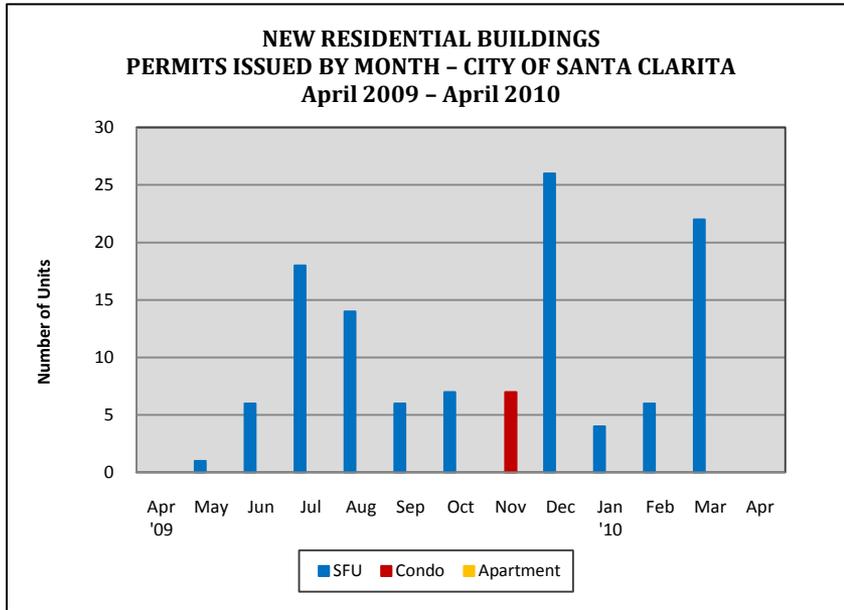
- No new permits for retail, office, or industrial buildings were issued in April 2010 by the City of Santa Clarita as was the case in April 2009.

Tenant Improvements/Alterations

- A total of 17 building permits for tenant improvements were issued in April 2010, up 55% from 11 permits in March 2010.
- In April 2010, a total of 23 commercial alterations were permitted of which 10 or 44% were for signage, 3 each or 13% were for fire protection equipment and tents, 2 or 9% were for trash enclosures, and the remaining 5 or 22% 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



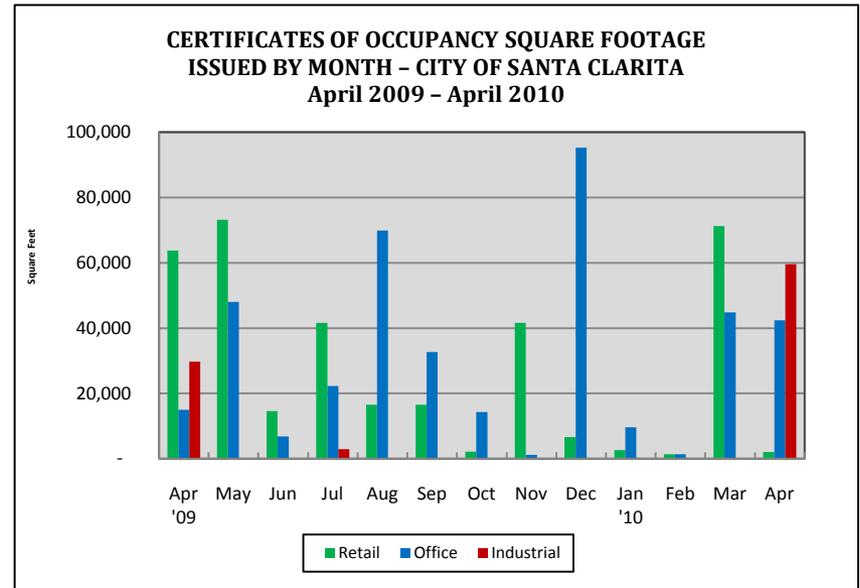
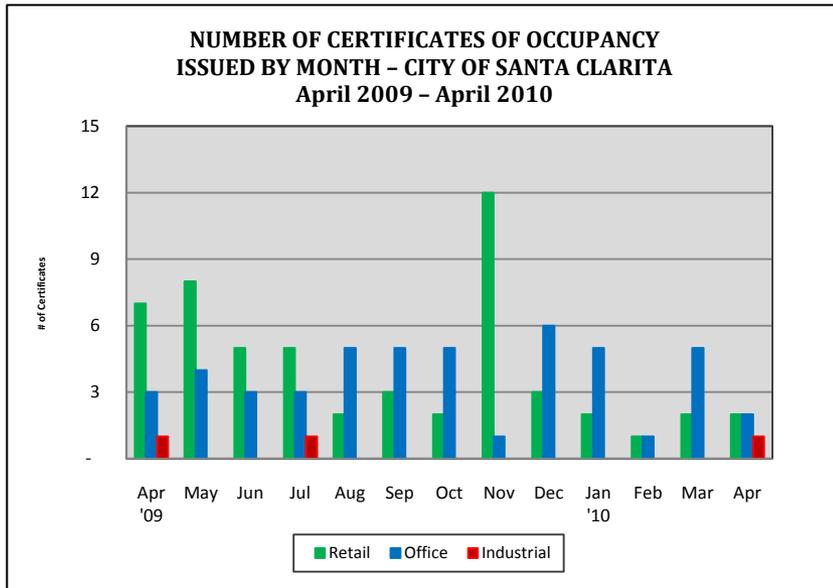
New Residential Buildings

- No new permits for residential property were issued in April 2010 by the City of Santa Clarita, the same as in April 2009.

Residential Additions/Alterations

- A total of 51 residential permits for additions and alterations were issued in April 2010 of which 86% or 44 were for single-family residences and the remaining 14% or 7 permits were for multi-family residences.
- Of the additions/alterations in April 2010, 27% were for patio covers, 20% for block walls, 10% each for photovoltaic, pool/spas, and fire protection equipment, 4% each for roofs, accessory buildings, fireplaces/chimneys, and foundations, and 8% were for other miscellaneous items.

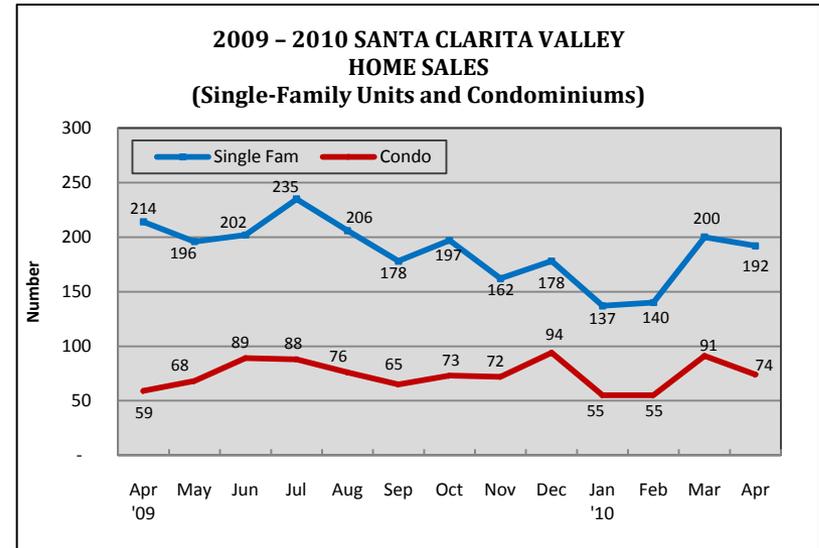
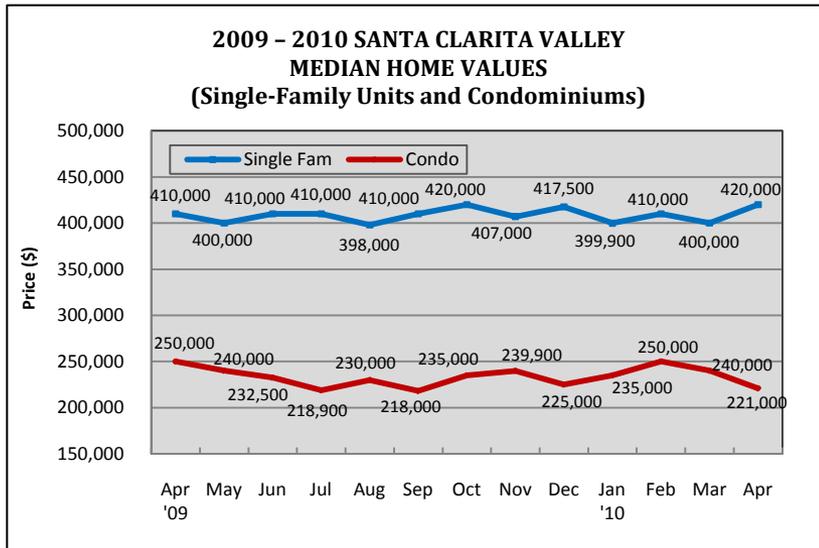
Commercial/Industrial Certificates of Occupancy Issued



- In April 2010, a total of 5 Certificates of Occupancy were issued of which 2 each were for retail and office space and 1 was for industrial space. These 5 Certificates represented a decrease of 55% from 11 Certificates of Occupancy in April 2009.
- Certificates of Occupancy for April 2010 represented a total of 104,057 square feet of which 57% was for industrial space, 41% was for office space, and 2% was for retail space. This represented a 4% decrease from the 108,431 square feet of Certificates of Occupancy for retail, office, and industrial space issued in April 2009.

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 home values continue to fluctuate while sales decreased.

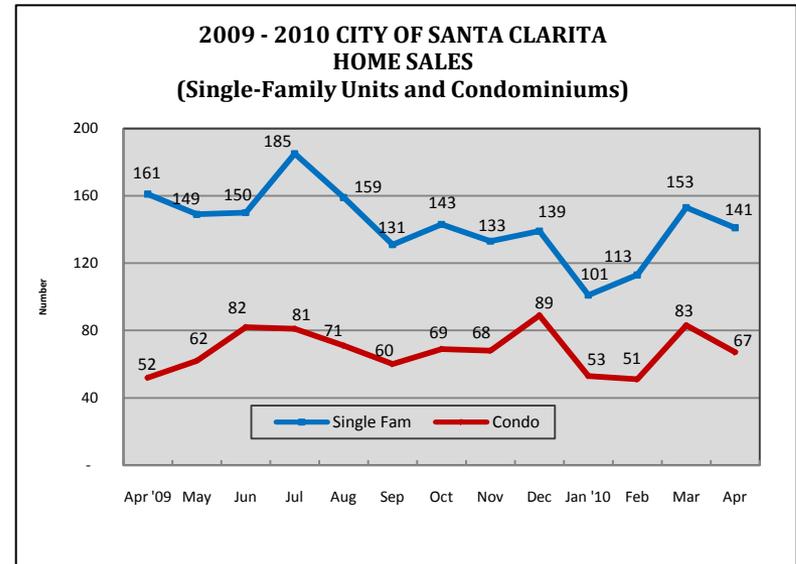
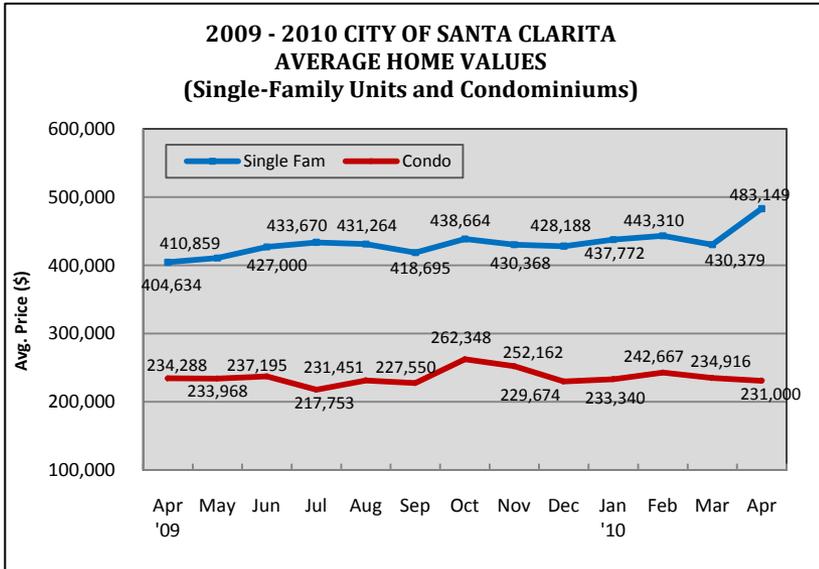
Single-Family Homes

- Single-family median home values increased 5% to \$420,000 in April 2010 from \$400,000 in March 2010, and were 2% higher from April 2009.
- A total of 192 single-family homes sold in April 2010, down 4% from March 2010, and down 10% from one year ago. Sales have slowed in part due to tighter inventory levels and the end of federal tax credits for home purchases.

Multi-Family Homes/Condominiums

- Condominium prices decreased 8% to \$221,000 in April 2010 from \$240,000 in March 2010, and were 12% lower than in April 2009.
- Condominium sales dropped 19% to 74 sales in April 2010 from 91 homes condominiums sold in March 2010, yet increased 25% from April 2009.

City of Santa Clarita Housing Market



In the City of Santa Clarita, home values and sales volume have trended upward over the past six months.

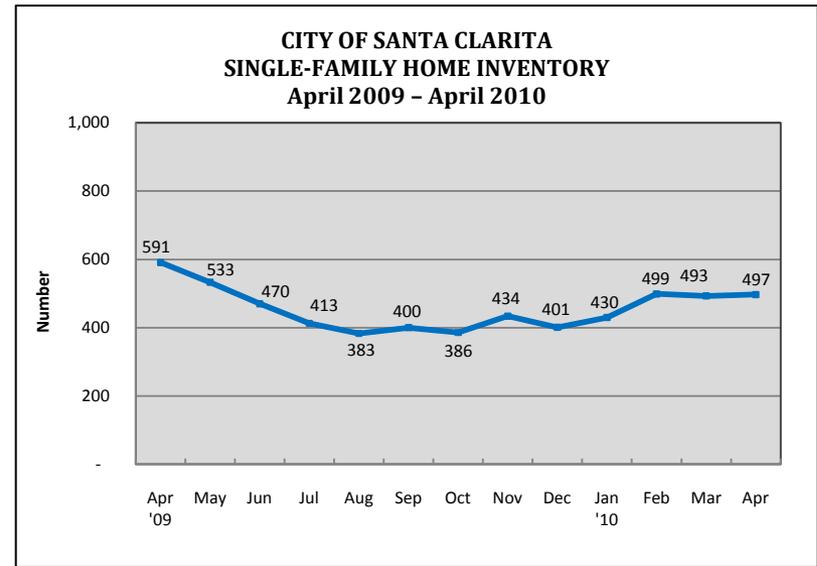
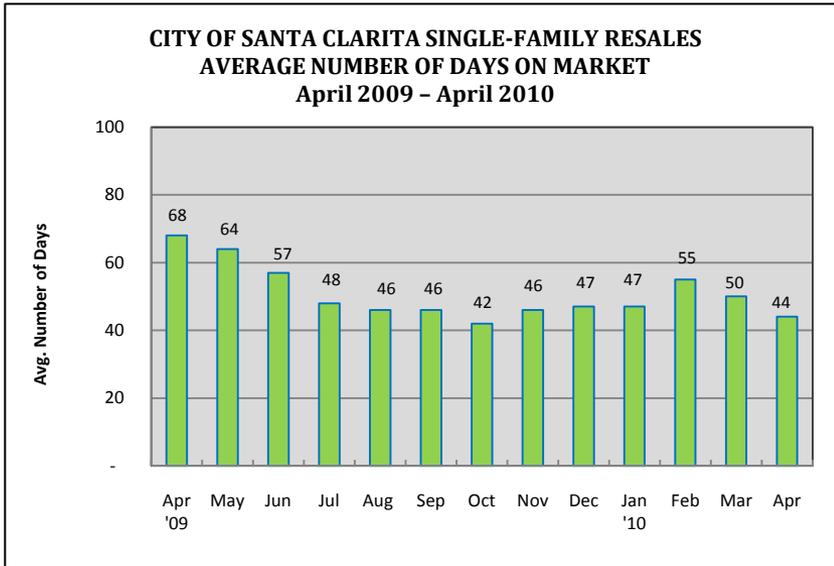
Single-Family Homes

- Single-family average home values in April 2010 in the City of Santa Clarita were \$483,100 or 12% above March 2010 and 19% above April 2009.
- In the City of Santa Clarita, sales decreased 8% to 141 single-family homes in April 2010 from March 2010, and were 12% lower than sales in April 2009.

Multi-Family/Condominiums

- Condominium prices dropped 2% to \$231,000 in April 2010 from March 2010, and decreased 1% from April 2009.
- Condominium sales fell 19% to 67 units in the City of Santa Clarita in April 2010 from March 2010, yet rose 29% from April 2009.

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

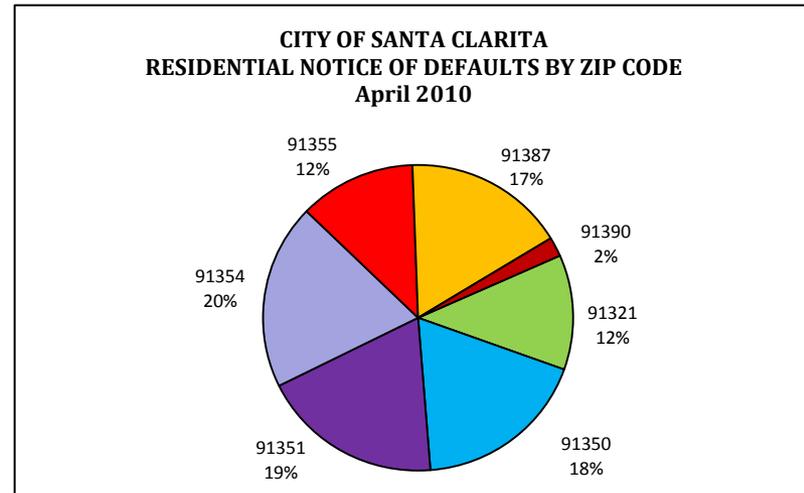
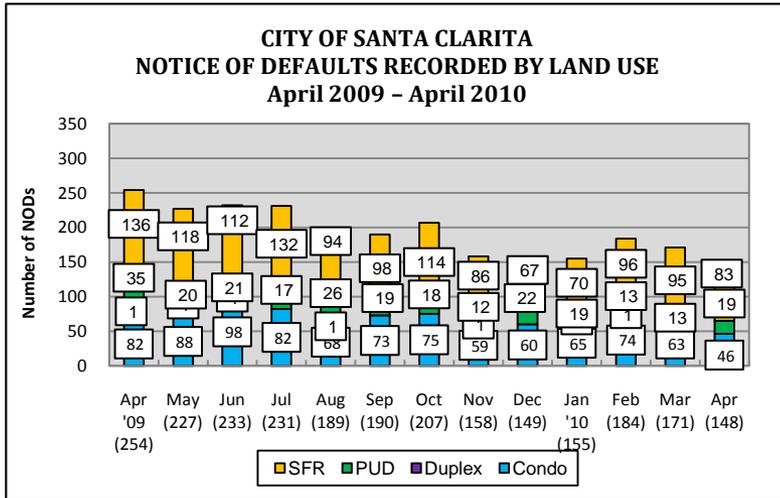


The City of Santa Clarita’s housing market is stronger than one year ago when homes took an average 68 days or approximately 2.2 months to sell.

- In April 2010, homes were on the market for an average 44 days or 1.5 months, comparable to levels since in late Summer and early Fall 2009.
- Single-family inventory levels rose 1% in April 2010 to 497 homes from 493 in March 2010, and were 16% below inventory levels in April 2009.

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)



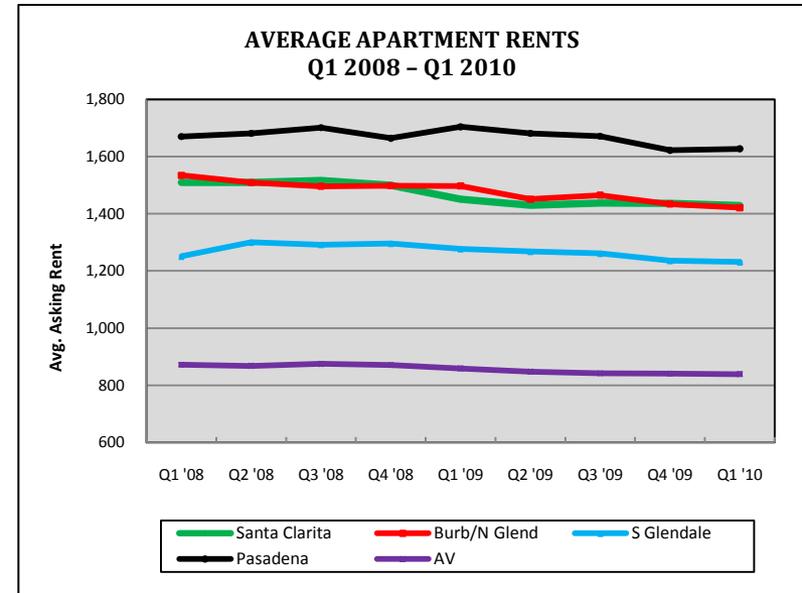
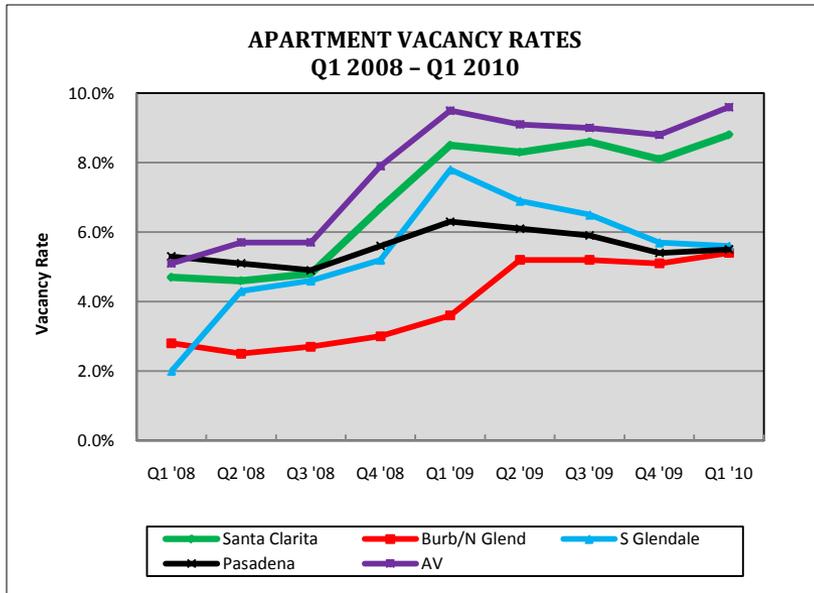
Notice of defaults have been trending downward from one year ago.

- A total of 148 NODs were recorded in April 2010 in the City of Santa Clarita. The level of NODs is comparable to the level seen in December 2009, and is down 42% from the level in April 2009.
- Of the April 2010 NODs, 56% or 83 were on single-family residences while 31% or 46 were on condominium properties, and 13% or 19 NODs were on PUDs. In comparison, in April 2009, 54% were on single-family homes, 32% were on condominiums, 14% were on PUDs, and less than 1% were on duplexes.
- In April 2010, approximately 20% of the NODs were recorded in the 91354 zip code followed by 19% in 91351 and 18% in 91350. Next, 17% were recorded in 91387 and 12% each were in 91321 and 91355. The remaining 2% were in 91390.
- Close to one-third or 32% of the NODs were on homes that previously sold in the \$350,000 - \$499,999 range while 30% sold in the \$200,000 - \$349,999 range. Additionally, 12% sold below \$200,000 while 10% each sold for at least \$600,000 and were in the \$500,000 - \$599,999 range. The price range was unknown for the remaining 7%. In April 2010, 41% of the NODs were on homes that had previously sold below \$350,000 compared to 49% in March 2010.

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. A "condo" is a condominium or townhouse. A "duplex" is a two-unit residential home.

Apartments: Vacancies & Average Rents

(Updated Quarterly)



Apartment Vacancy Rates

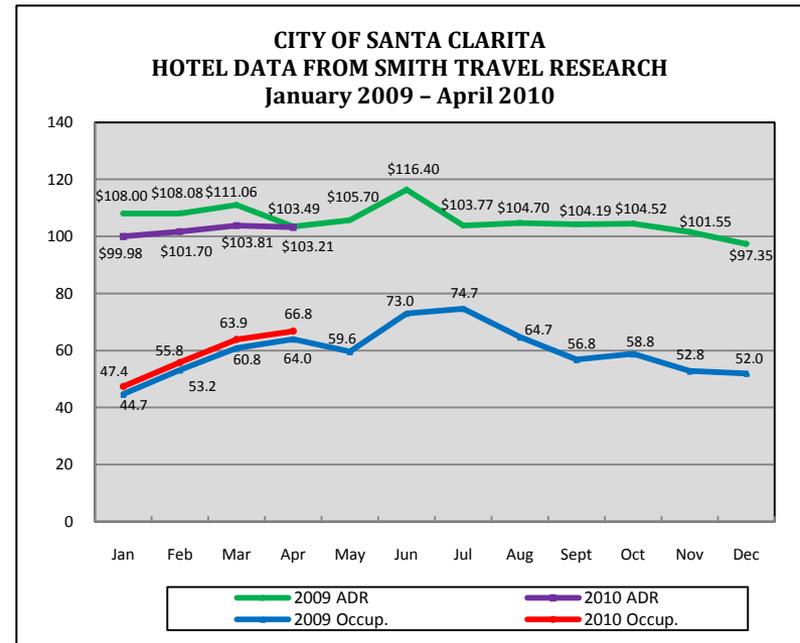
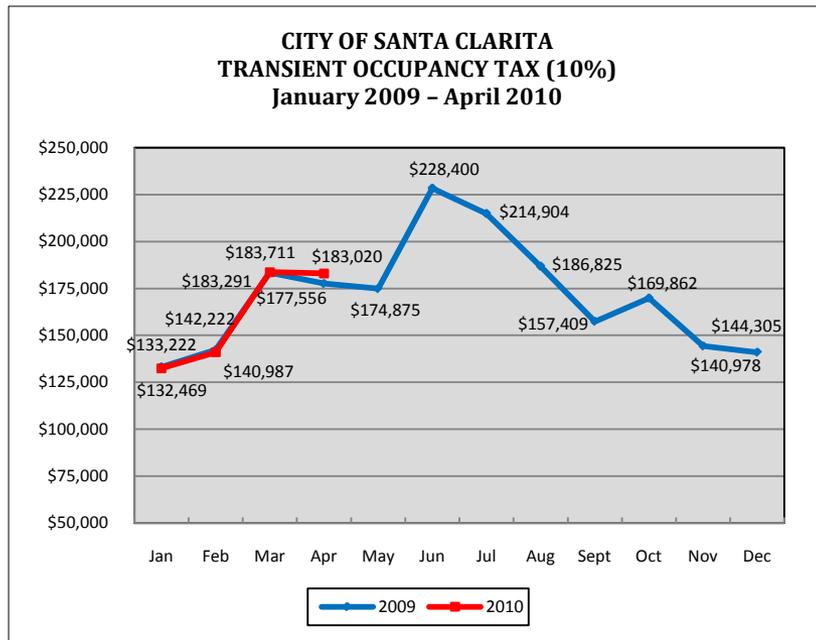
- The apartment vacancy rate during First Quarter 2010 in Santa Clarita was 8.8%, which is slightly higher than the Fourth Quarter vacancy rate of 8.1%, and higher than the 8.5% vacancy rate during First Quarter 2009.
- In comparison, vacancy rates in Santa Clarita have remained below that of Antelope Valley, yet above rates in Burbank/North Glendale, South Glendale/Highland Park, and Pasadena areas.
- Santa Clarita's vacancy rate during First Quarter 2010 was higher than the rates of 5.5% for the Los Angeles metro area, 7.0% for the Western U.S., and 8.0% for the entire U.S.

Average Rental Rates

- Average rents in Santa Clarita of \$1,429 during First Quarter 2010 were slightly lower than rents of \$1,451 during First Quarter 2009, and tend to be comparable to those in the Burbank/North Glendale area and 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 \$16 and \$30, respectively. Rents in Santa Clarita are lower than those in Los Angeles for two- and three-bedroom apartments by \$165 and \$227, respectively.

Apartment data are released quarterly. Second Quarter 2010 data will be available in the June 2010 economic snapshot.

Tourism: TOT & Hotel Occupancy



Transient Occupancy Tax (TOT) - preliminary

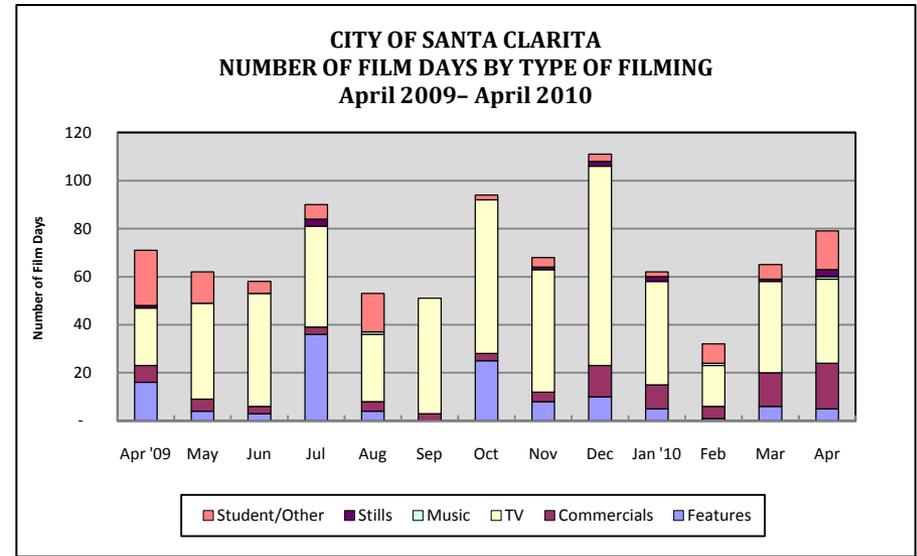
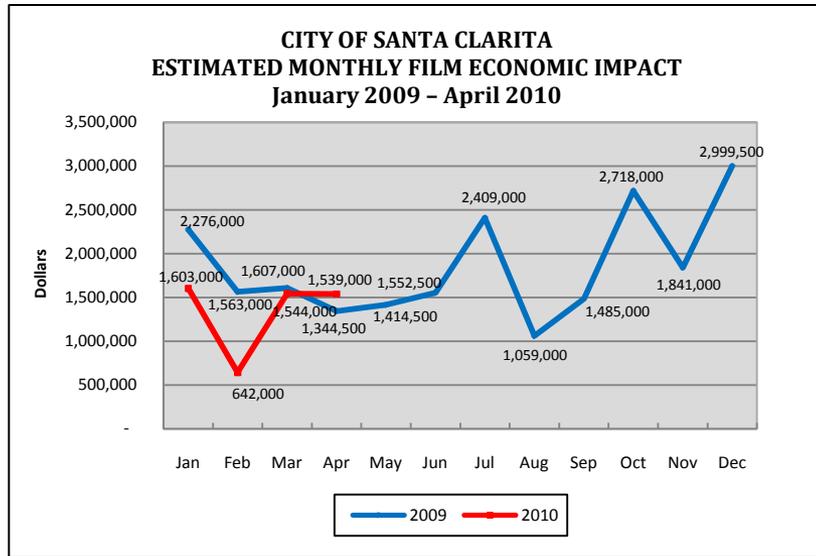
- In April 2010, the City of Santa Clarita collected \$183,020 in TOT, up 3.1% from \$177,556 in April 2009.
- Collectively for April 2010 year-to-date, the City received \$640,187 in TOT, up 0.6% from the same time period in 2009.

Occupancy and Average Daily Revenue

- Smith Travel Research reported hotel occupancy in the City of Santa Clarita was 67% in April 2010, higher than the reported occupancy of 64% in April 2009.
- An average of 589 rooms of 882 available in the City were sold in April 2010 compared to 564 rooms of 882 available rooms in April 2009.
- In comparison, occupancy rates at hotels nationwide in April 2010 were at 58%, up 5% from April 2009.
- Although occupancy rates increased nationwide, average daily revenue declined 1% to \$97.72, indicating total revenue collected nationwide in April 2010 declined from April 2009.

Note: Errors in the reporting of TOT were detected and TOT has been appropriately restated for January - May 2009 and January 2010. City hotels include: Super 8, Travelodge, Hyatt, Holiday Inn, Embassy Suites, Best Western, and Courtyard by Marriott.

Filming in The City of Santa Clarita

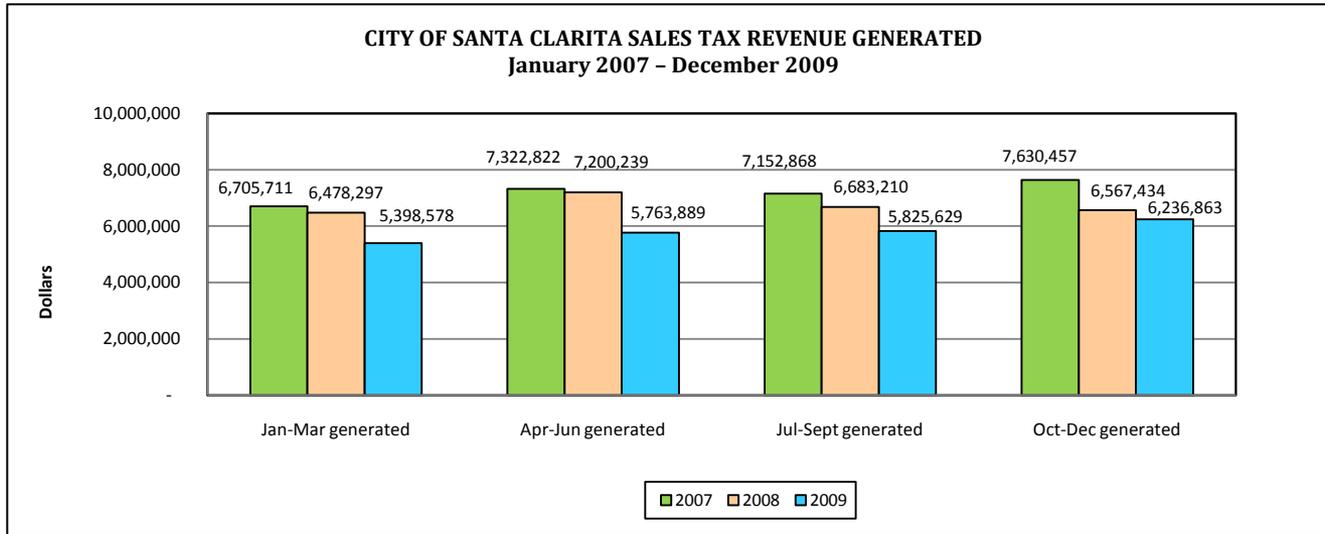


- The Economic Impact from location filming for April 2010 of \$1,539,000 was 14% above the impact in April 2009 of \$1,344,500.
- In April 2010 a total of 30 film permits were issued within the City of Santa Clarita, down 6% from 32 permits issued in April 2009.
- Most productions are working on reduced budgets and as a result are spending more time in studios rather than on-location filming.
- There were a total of 79 filming days in April 2010, up 11% from 71 filming days in April 2009.
- April 2010 film days included: 44% for television shows, 24% for commercials, 20% for student/other projects, 6% for features , 4% for still production, and 1% for music video production.

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.

City of Santa Clarita Sales Tax

(Updated Quarterly)



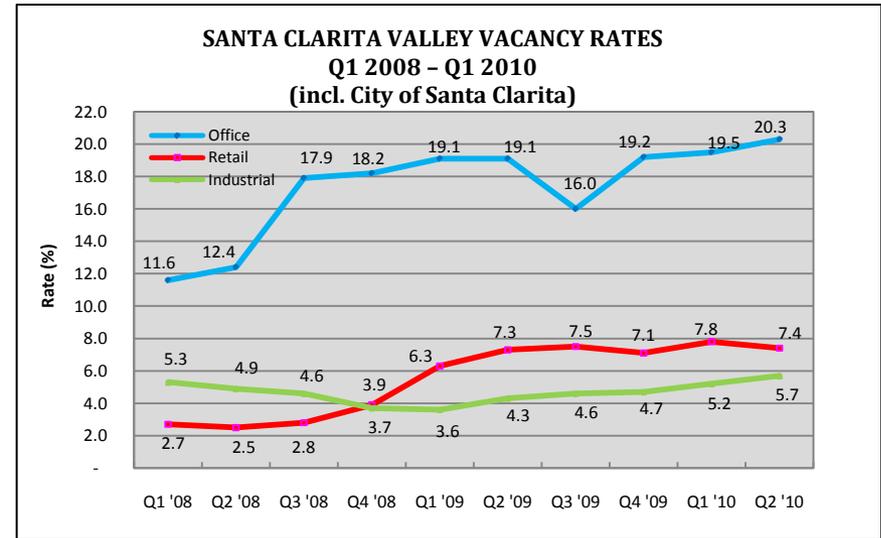
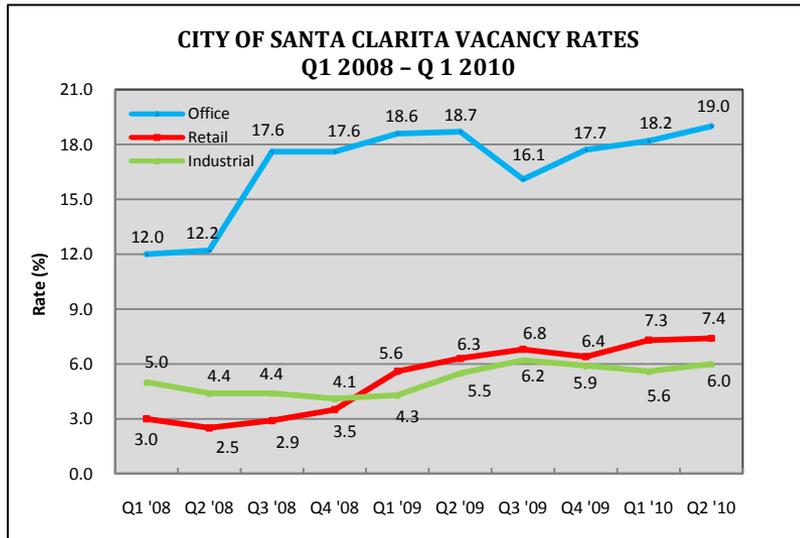
As the economy continued to weaken in 2009, decreases in sales tax generated were reported.

- In October – December 2009, a total of \$6.23 million in sales tax revenue was generated, down 5% from \$6.57 million generated in October – December 2008.
- A total of \$23.22 million in sales tax revenue was generated in 2009, down 14% from the \$26.93 million generated in 2008.

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.

Sales tax revenue is presented quarterly. The most current update is for Fourth Quarter 2009. First Quarter 2010 data will be published in the June 2010 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



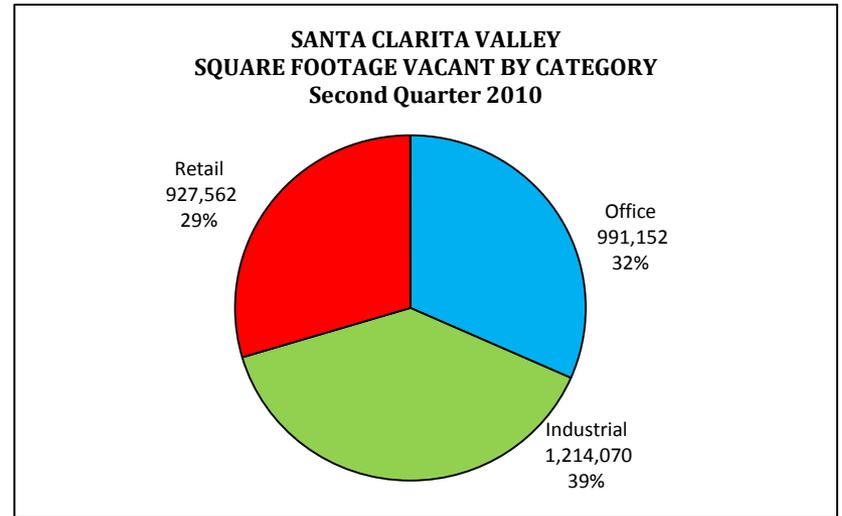
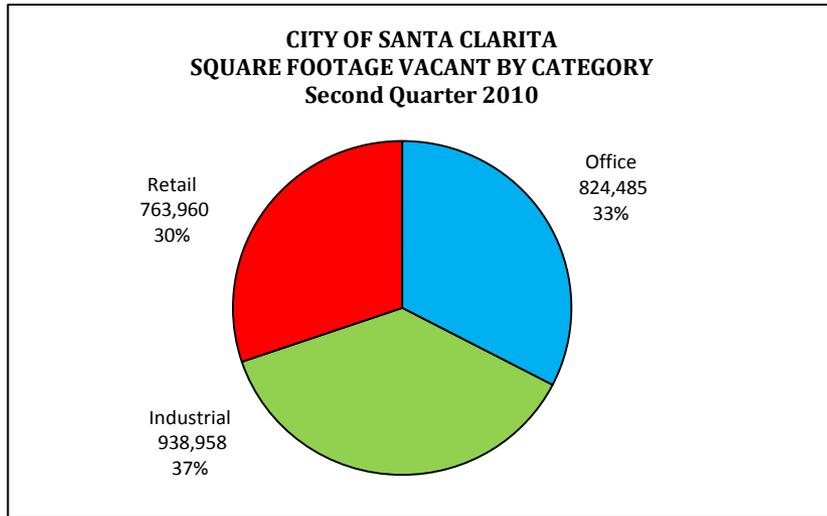
City of Santa Clarita

- In the City of Santa Clarita, office, retail, and industrial vacancy rates increased in Second Quarter 2010. Industrial vacancy rates increased the most in Second Quarter 2010 from the previous quarter.
- The City's office vacancy rate was 19.0% while the retail and industrial vacancy rates were 7.4% and 6.0, respectively.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley (including the City), office and industrial vacancy rates increased in Second Quarter 2010 from the previous quarter, while retail vacancy rates declined.
- The Santa Clarita Valley's office vacancy rate was 20.3%, while retail and industrial vacancy rates were 7.4% and 5.7%, respectively.

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



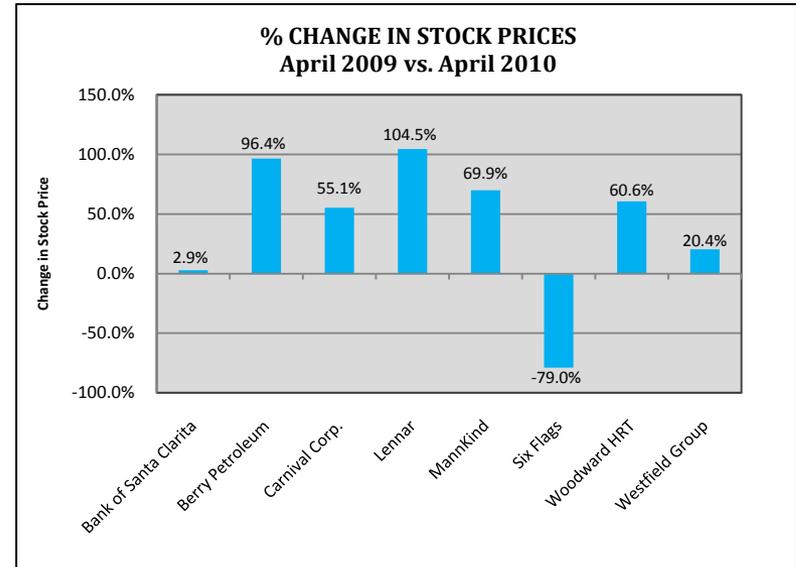
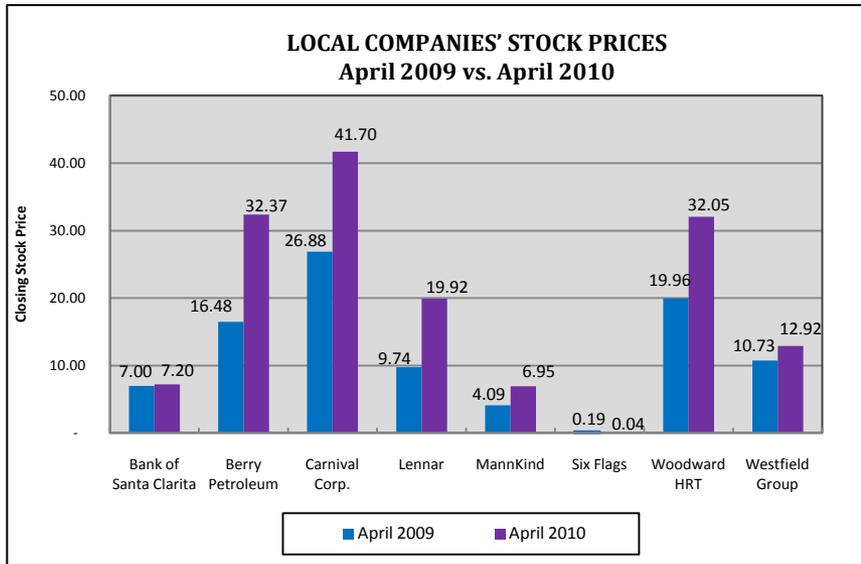
City of Santa Clarita

- Within the City of Santa Clarita there is a total of 28,963,711 existing square feet for businesses of which 53% is industrial, 34% is retail, and 13% is office space.
- Only 8.7% or 2,527,403 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 37% is industrial space, 33% is office space, and 30% 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 8.1% or 3,132,784 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 39% is industrial, 32% is office space, and 29% is retail space.

Stock Prices of Local Employers

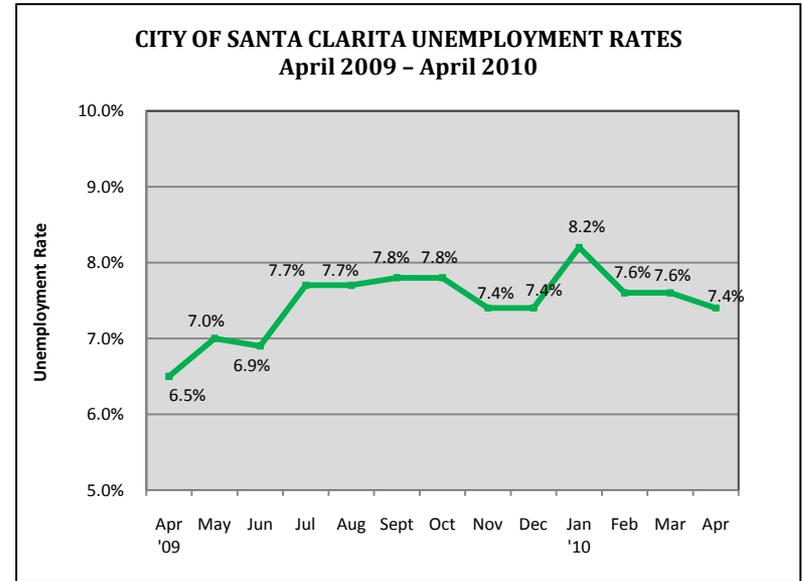
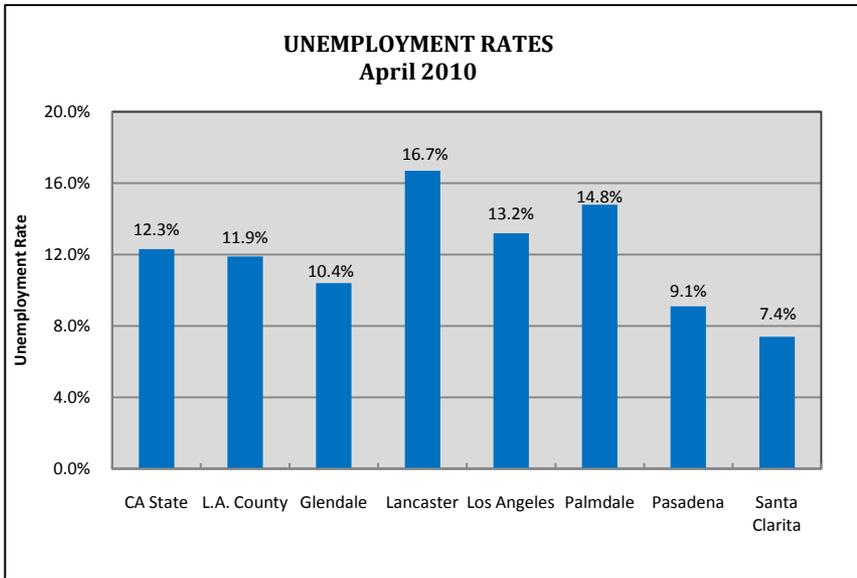


Stock prices for seven of the eight companies in Santa Clarita whose stock prices are being tracked have increased year-over-year as has the entire stock market. Only stock prices of Six Flags Magic Mountain decreased during the time period represented.

- At the end of April 2010, the stock price of Carnival Corp. remained the highest at \$41.70 followed by that of Berry Petroleum and Woodward HRT at \$32.37 and \$32.05, respectively.
- The Dow exceeded the 11,000 level in April and rose 35% to 11,008.61 on April 30, 2010 from 8,168.12 on April 30, 2009 and was the seventh consecutive year-over-year increase at month-end.
- The stock price increases seen by Lennar, Berry Petroleum, MannKind, Woodward HRT, and Carnival Corporation outperformed the increase of the entire market.
- On April 30, 2009, Six Flags was delisted from the NYSE and now trades on the over-the-counter (OTC) Bulletin Board due to failure to meet the NYSE's guidelines as a result of the company's high debt load on its balance sheet.

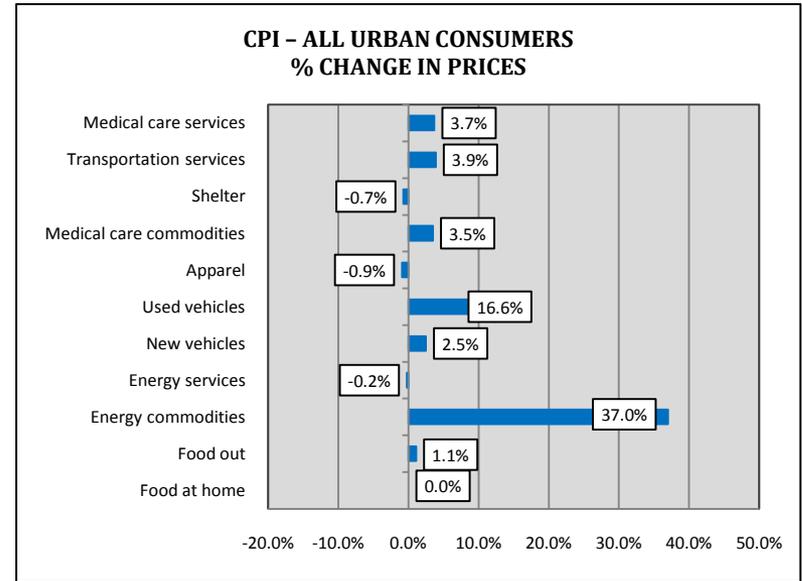
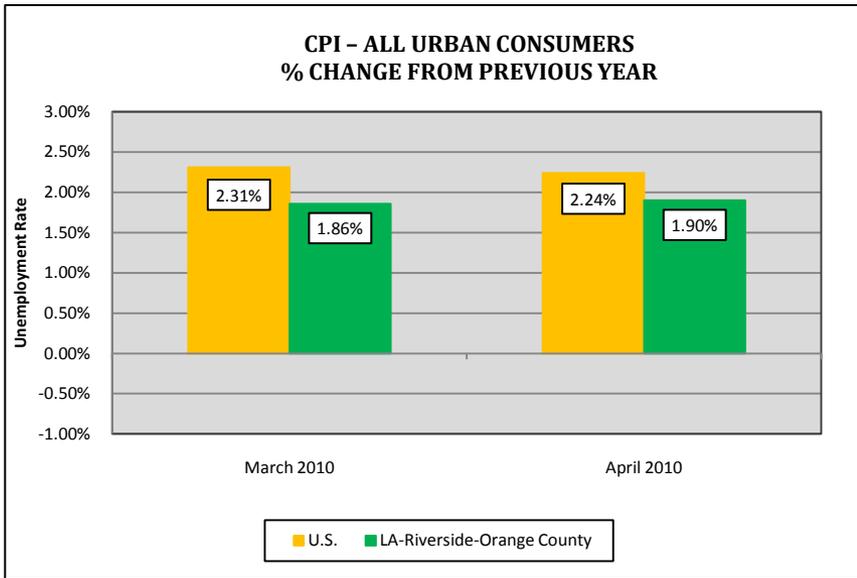
Closing stock prices on the last trading day of the month are shown in the graphs above. Call letters for each company are as follows: BSCA.OB (Bank of Santa Clarita), BRY (Berry Petroleum), CCL (Carnival Corp.), LEN (Lennar), MNKD (MannKind), SIXFQ.OB (Six Flags), WGOV (Woodward HRT), and WDC.ax (Westfield Group).

Unemployment



- Santa Clarita's unemployment rate was 7.4% in April 2010 compared to 11.9% for Los Angeles County and 12.3% for the state.
- Although unemployment in Santa Clarita in April 2010 of 7.4% was higher than the unemployment rate reported in April 2009 of 6.5%, the rate was lower compared to unemployment in March 2010.

Inflation



- Year-over-year inflation for April 2010 among all urban consumers for Los Angeles-Riverside-Orange County increased 1.9% compared to the national increase of 2.2%. Inflation in the Los Angeles metro area is above inflation levels in March 2010.
- The higher inflation rate in April 2010 from one year ago reflects cost increases in almost all services and commodities with the exception of declines of 0.9% in apparel, 0.7% in shelter, and 0.2% in energy services. No change was seen in prices of food at home.
- The highest year-over-year increase was seen in energy commodities with gasoline increasing 38.3% and fuel oil increasing 28.0%.

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

Apartment Data: Reis, Inc.

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

Hotel Data: Smith Travel Research

Sales Tax Data: California Board of Equalization data from 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