



# Santa Clarita Economic Snapshot

## May 2010

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Created by the City of Santa Clarita  
Economic Development Division



# Overview

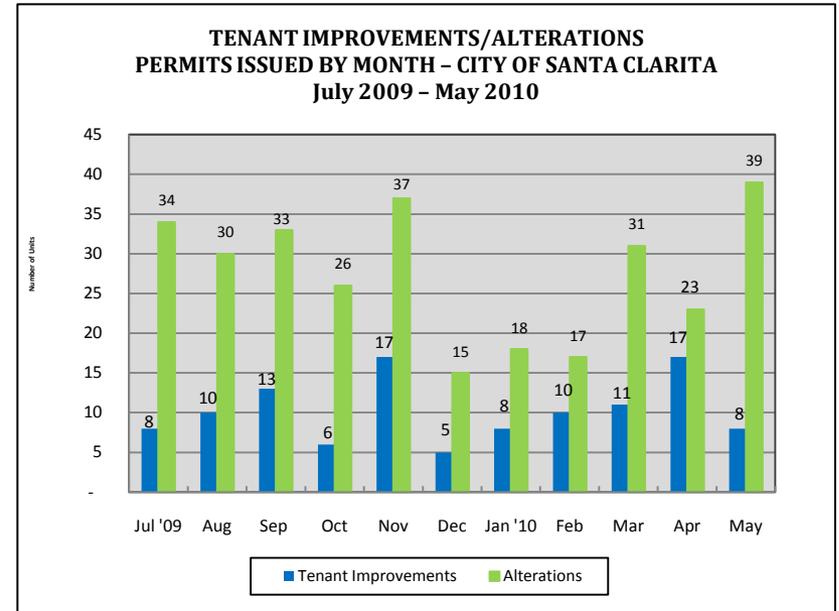
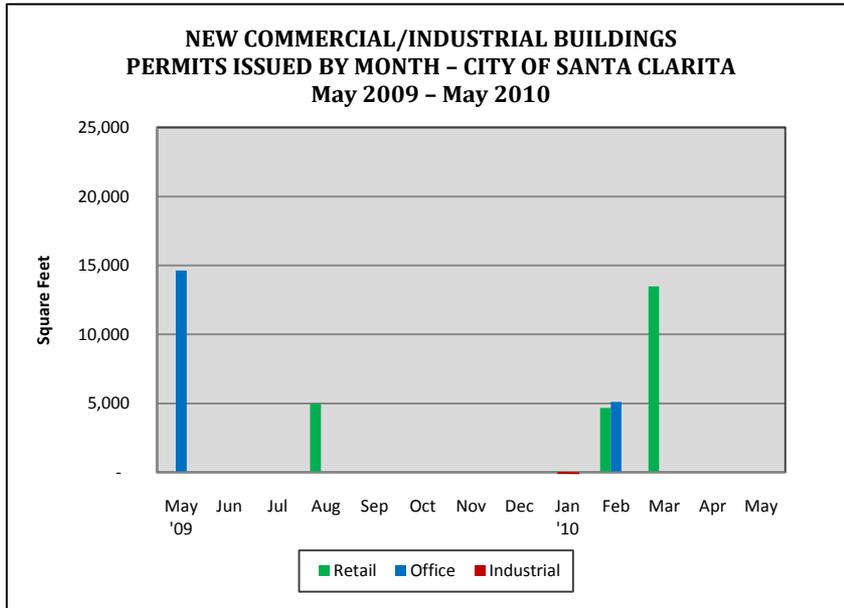
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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

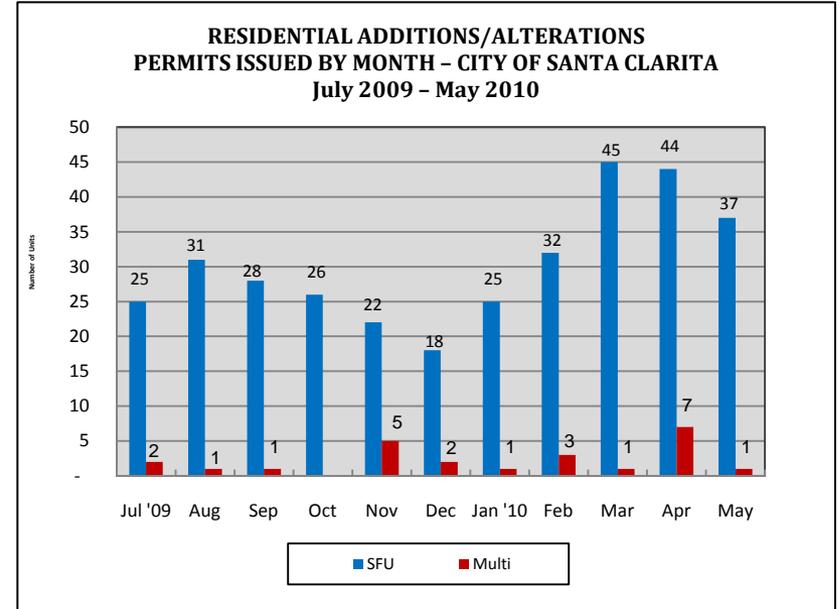
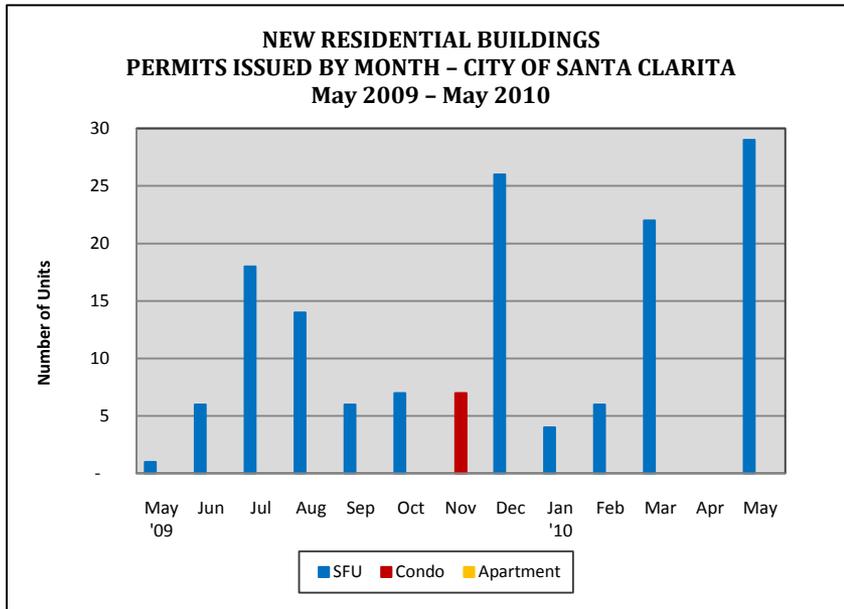
- No new permits for retail, office, or industrial buildings were issued in May 2010 by the City of Santa Clarita compared to 2 permits for office space in May 2009.

## Tenant Improvements/Alterations

- A total of 8 building permits for tenant improvements were issued in May 2010, down 53% from 17 permits in April 2010.
- In May 2010, a total of 39 commercial alterations were permitted of which 15 or 38% were for fire protection equipment, 13 or 33% were for signage, 2 or 5% were for tents, and the remaining 9 or 23% were for other miscellaneous purposes including antenna, racks, canopies, fences/gates, foundation, and windows/doors/skylights.

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



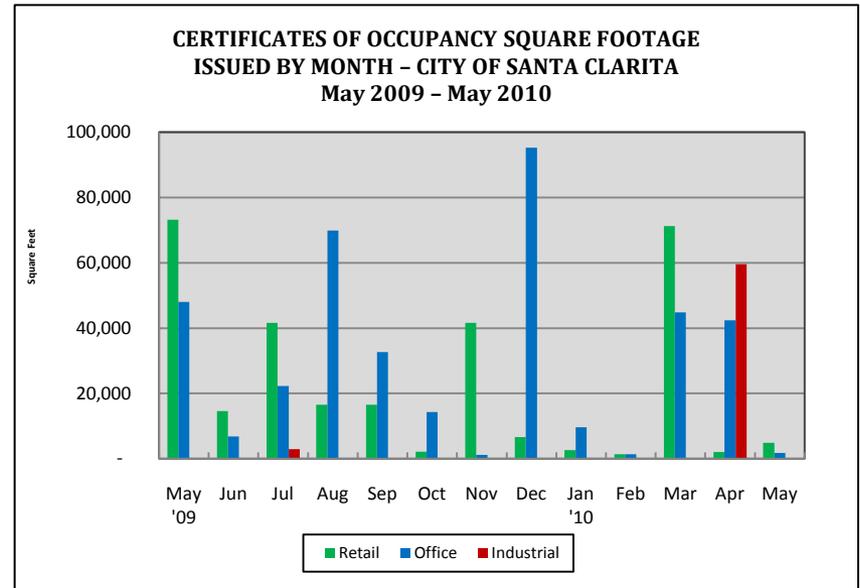
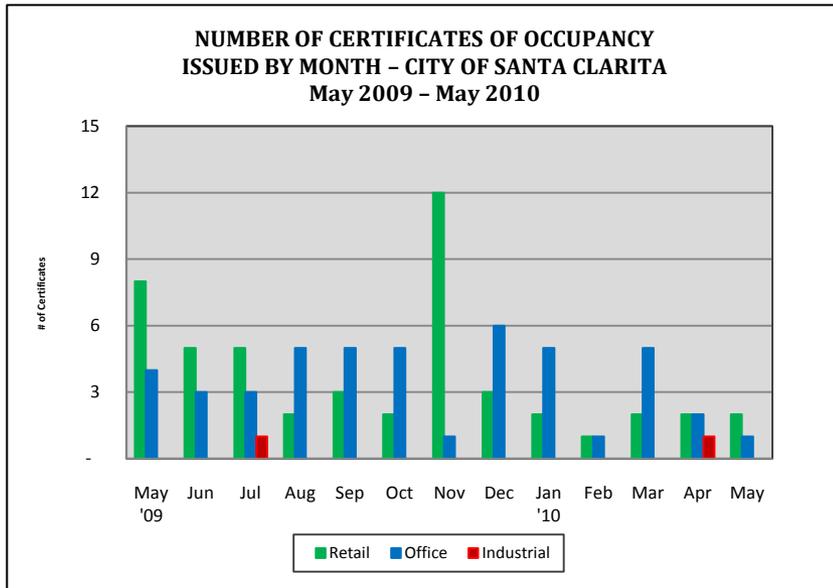
## New Residential Buildings

- A total of 29 new permits for single-family residential properties were issued in May 2010 by the City of Santa Clarita, compared to 1 permit for a single-family residence in May 2009.

## Residential Additions/Alterations

- A total of 38 residential permits for additions and alterations were issued in May 2010 of which 97% or 37 were for single-family residences and the remaining 3% or 1 permit was for a multi-family residence.
- Of the additions/alterations in May 2010, 29% were for patio covers, 21% for photovoltaic, 13% for block walls, 8% each for roofs, windows/doors/skylights, and fireplaces/chimneys, 4% for pool/spas, and the remaining 8% were for other miscellaneous items.

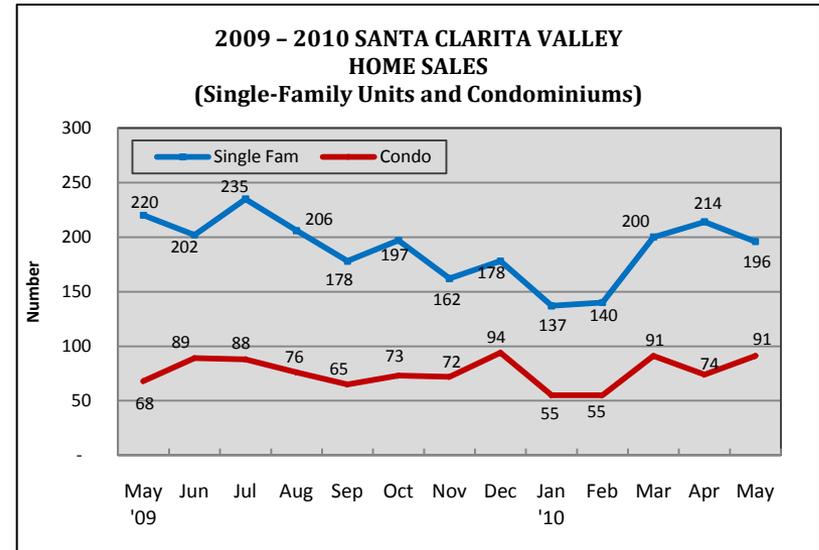
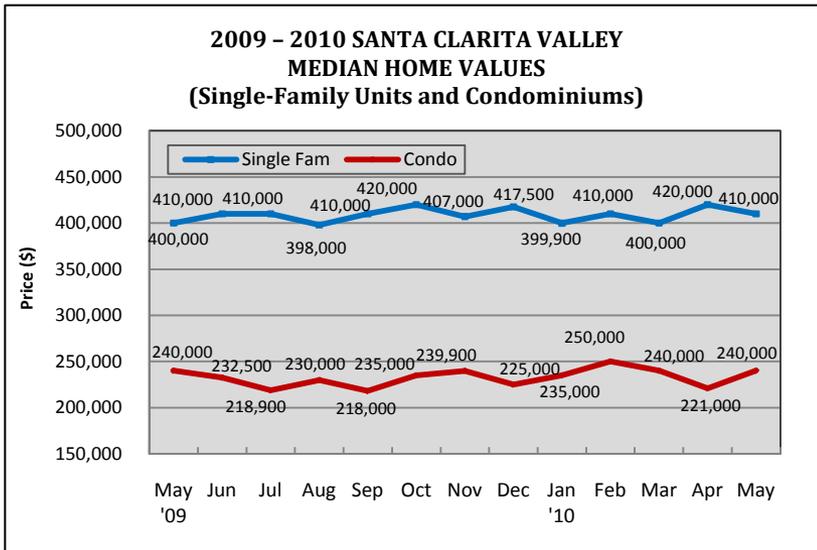
# Commercial/Industrial Certificates of Occupancy Issued



- In May 2010, a total of 3 Certificates of Occupancy were issued of which 2 were for retail space and 1 was for office space. These 3 Certificates represented a decrease of 75% from 12 Certificates of Occupancy in May 2009.
- Certificates of Occupancy for May 2010 represented a total of 6,548 square feet of which 74% was for retail space and 26% was for office space. This represented a 95% decrease from the 121,240 square feet of Certificates of Occupancy for retail and office space issued in May 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.

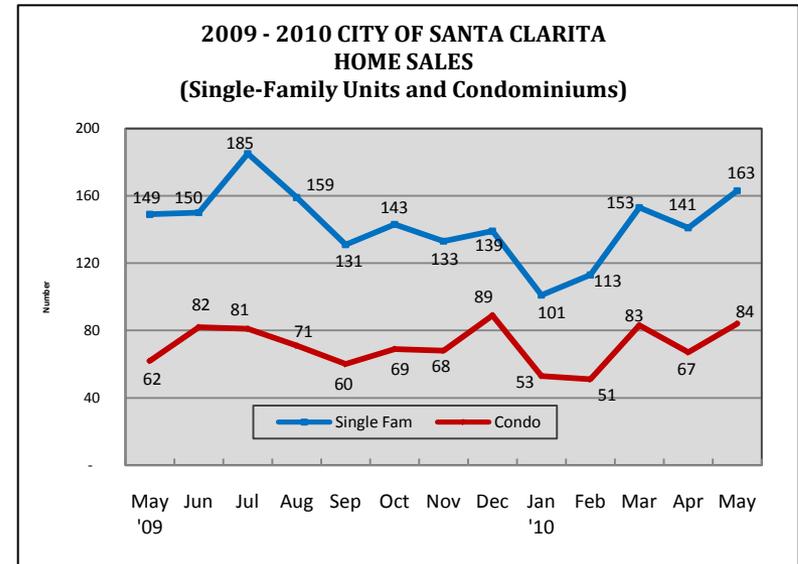
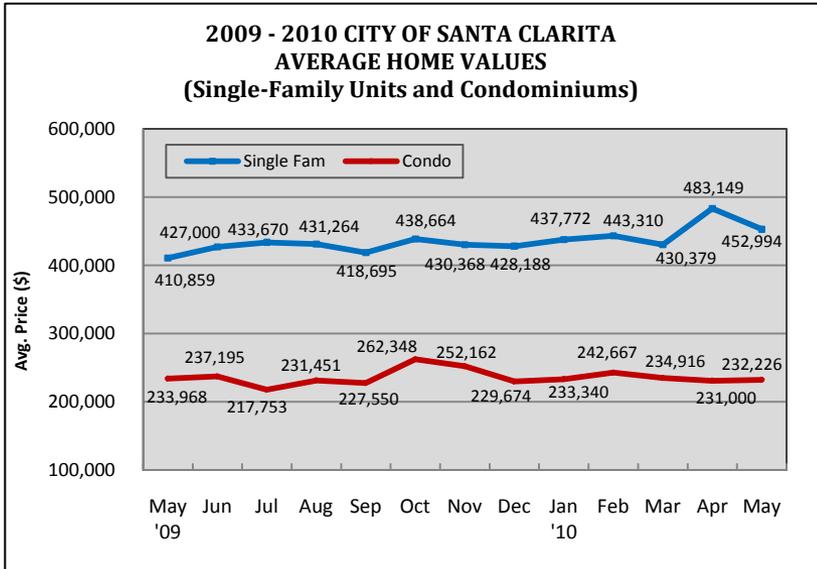
## Single-Family Homes

- Single-family median home values decreased 2% to \$410,000 in May 2010 from \$420,000 in April 2010, and were 3% higher than May 2009.
- A total of 192 single-family homes sold in April 2010, down 4% from March 2010, and down 10% from one year ago.

## Multi-Family Homes/Condominiums

- Condominium prices increased 9% to \$240,000 in May 2010 from \$221,000 in April 2010, and were the same as in May 2009.
- Condominium sales rose 23% to 91 sales in May 2010 from 74 homes condominiums sold in April 2010, and increased 34% from May 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.

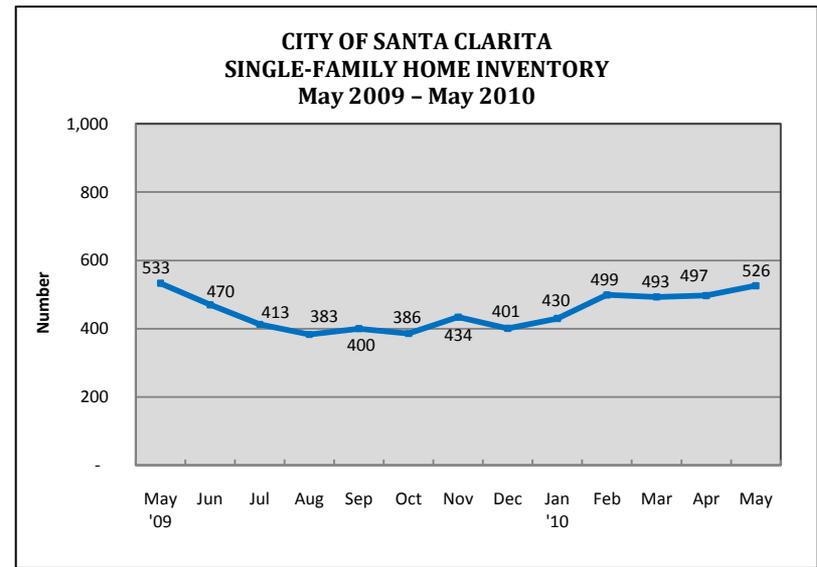
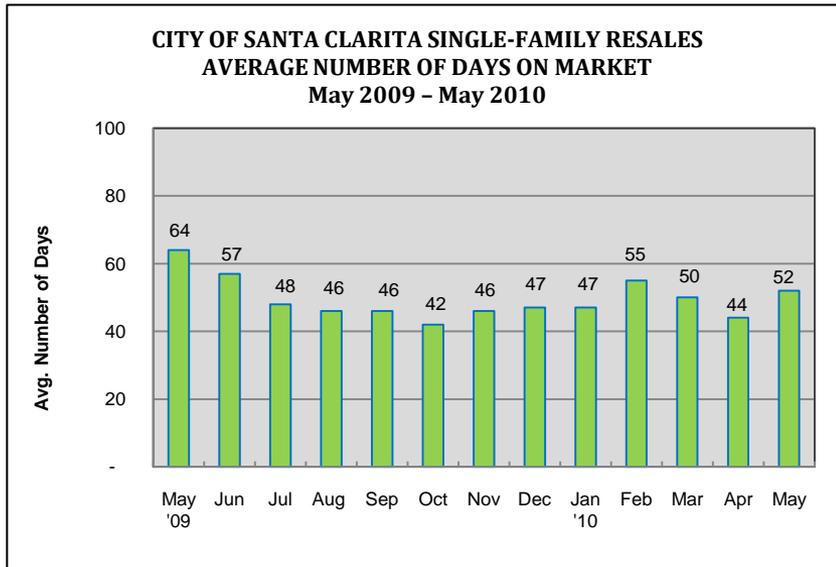
## Single-Family Homes

- Single-family average home values in May 2010 in the City of Santa Clarita were \$453,000 or 6% below April 2010, yet 10% above May 2009.
- In the City of Santa Clarita, sales increased 16% to 163 single-family homes in May 2010 from April 2010, and were 9% higher than sales in May 2009.

## Multi-Family/Condominiums

- Condominium prices rose less than 1% to \$232,200 in May 2010 from April 2010, yet decreased 1% from May 2009.
- Condominium sales rose 25% to 84 units in the City of Santa Clarita in May 2010 from April 2010, and rose 35% from May 2009.

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

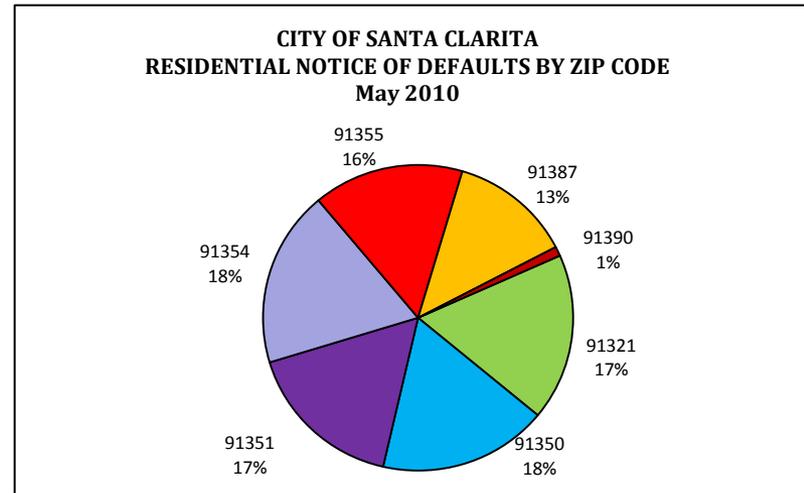
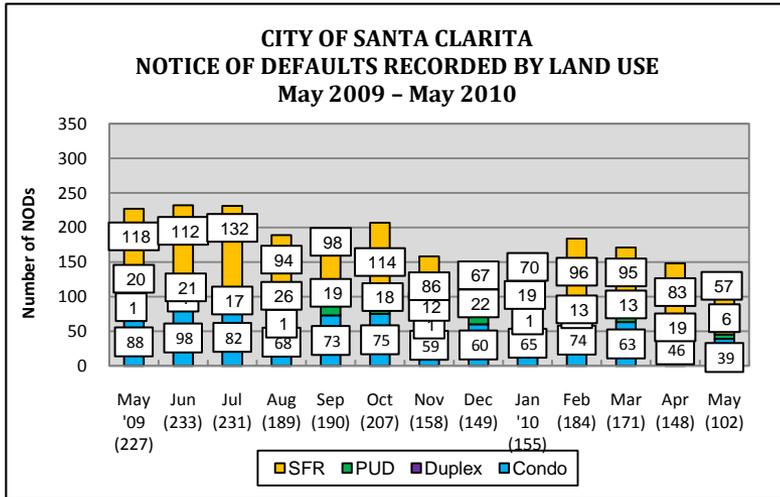


The City of Santa Clarita's housing market is stronger than one year ago when homes took an average 64 days or approximately 2.1 months to sell.

- In May 2010, homes were on the market for an average 52 days or 1.7 months, comparable to levels during early Spring 2010.
- Single-family inventory levels rose 5% in May 2010 to 526 homes from 497 in April 2010, yet were 1% below inventory levels in May 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)



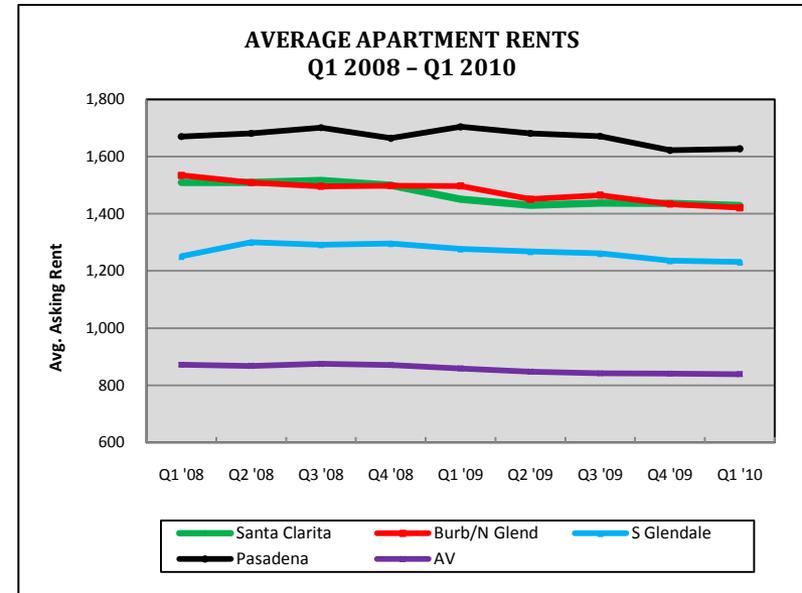
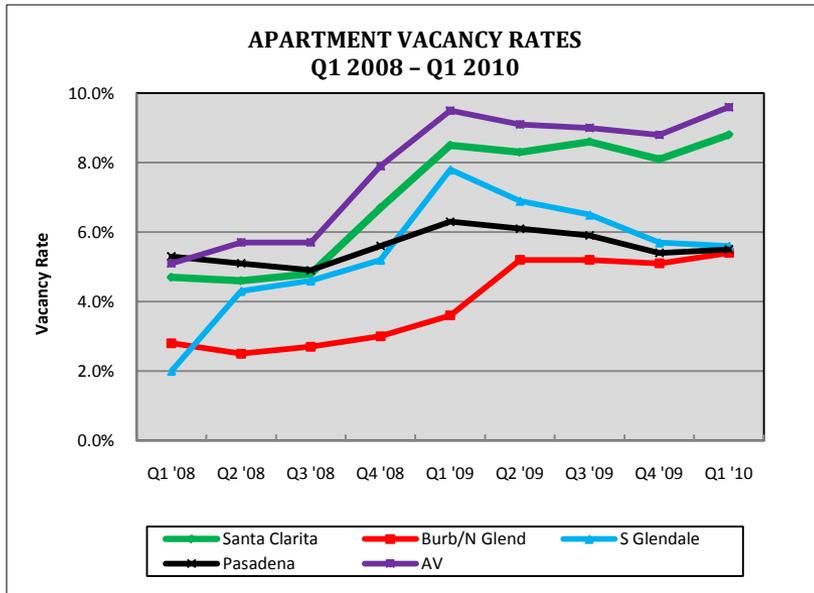
Notice of defaults have been trending downward from one year ago.

- A total of 102 NODs were recorded in May 2010 in the City of Santa Clarita. The level of NODs is the lowest seen in the past year, and is down 55% from the level in May 2009.
- Of the May 2010 NODs, 56% or 57 were on single-family residences while 38% or 39 were on condominium properties, and 6% or 6 NODs were on PUDs. In comparison, in May 2009, 52% were on single-family homes, 39% were on condominiums, 9% were on PUDs, and less than 1% were on duplexes.
- In May 2010, approximately 18% each of the NODs were recorded in the 91350 and 91354 zip codes followed by 17% each in 91321 and 91357, and 16% in 91355. Next, 13% were recorded in 91387. The remaining 1% was in 91390.
- Close to one-third or 32% of the NODs were on homes that previously sold in the \$200,000 - \$349,999 range while 29% sold in the \$350,000 - \$499,999 range. Additionally, 15% sold in the \$500,000 - \$599,999 range, 10% sold for at least \$600,000, and 8% sold for below \$200,000. The price range was unknown for the remaining 6%. In May 2010, 40% of the NODs were on homes that had previously sold below \$350,000 compared to 41% in April 2010 and 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

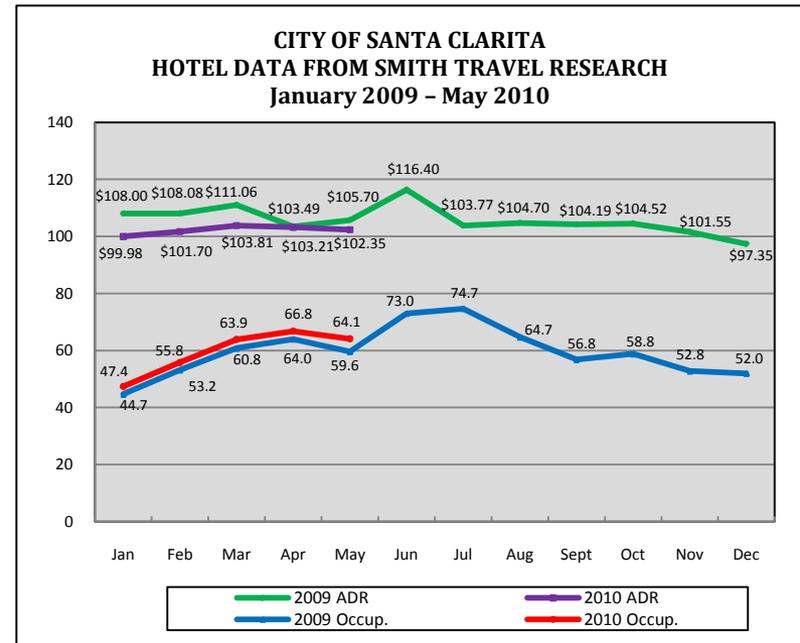
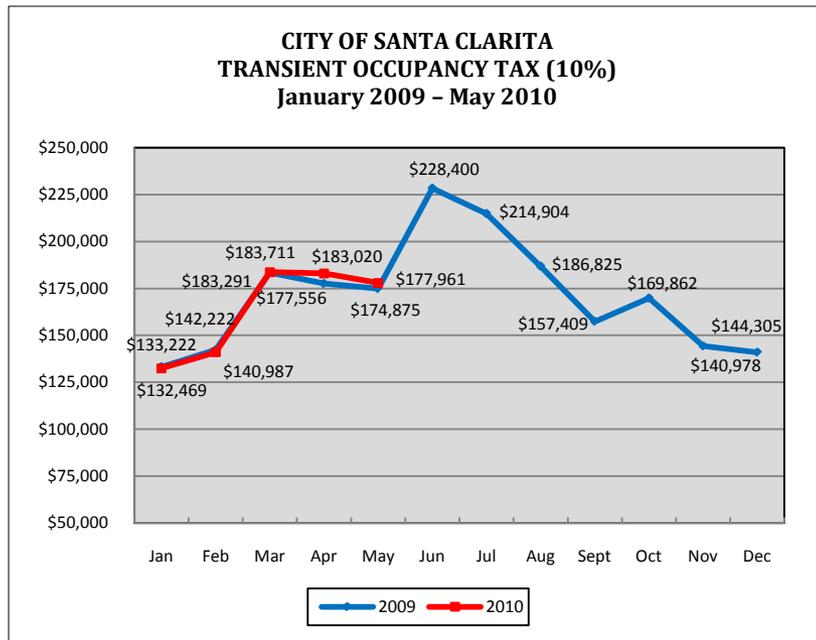
- The apartment vacancy rate during First Quarter 2010 in Santa Clarita was 8.8%, which is slightly higher than the Fourth Quarter vacancy rate of 8.1%, and higher than the 8.5% vacancy rate during First Quarter 2009.
- In comparison, vacancy rates in Santa Clarita have remained below that of Antelope 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

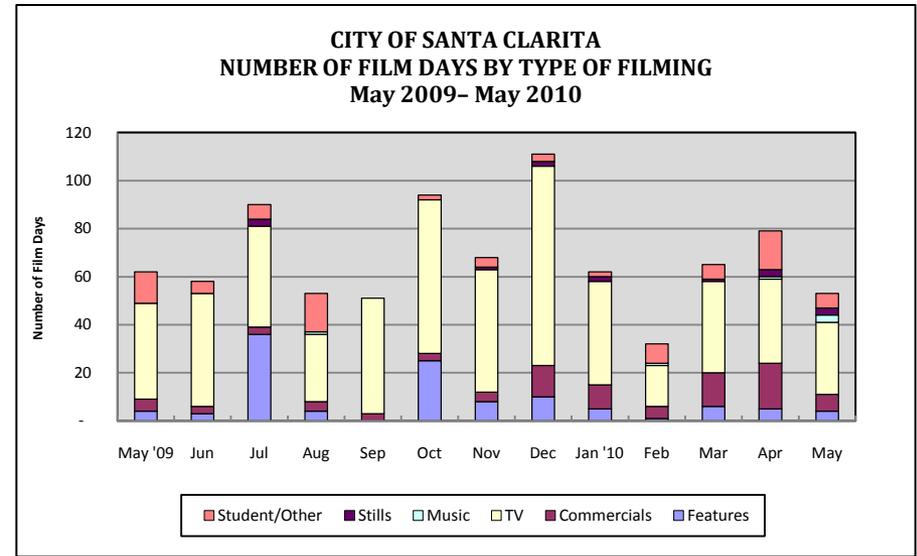
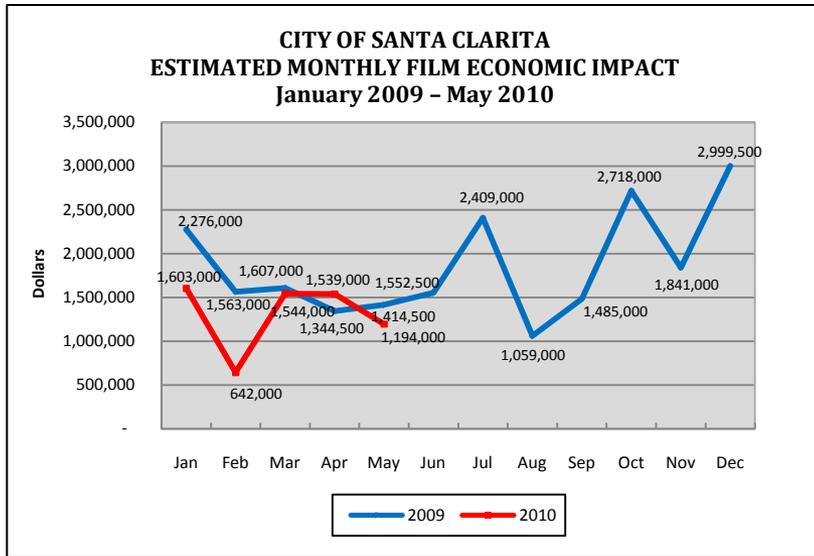
- In May 2010, the City of Santa Clarita collected \$177,961 in TOT, up 1.8% from \$174,875 in May 2009.
- Collectively for May 2010 year-to-date, the City received \$818,148 in TOT, up 0.9% from the same time period in 2009.

## Occupancy and Average Daily Revenue

- Smith Travel Research reported hotel occupancy in the City of Santa Clarita was 64% in May 2010, higher than the reported occupancy of 60% in May 2009.
- An average of 565 rooms of 882 available in the City were sold in May 2010 compared to 526 rooms of 882 available rooms in May 2009.
- In comparison, occupancy rates at hotels nationwide in May 2010 were at 59%, up 7% from May 2009.
- While occupancy rates increased nationwide, average daily revenue remained unchanged at \$97.50, suggesting total revenue collected nationwide in May 2010 remained unchanged from May 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.

# On-Location Filming in The City of Santa Clarita

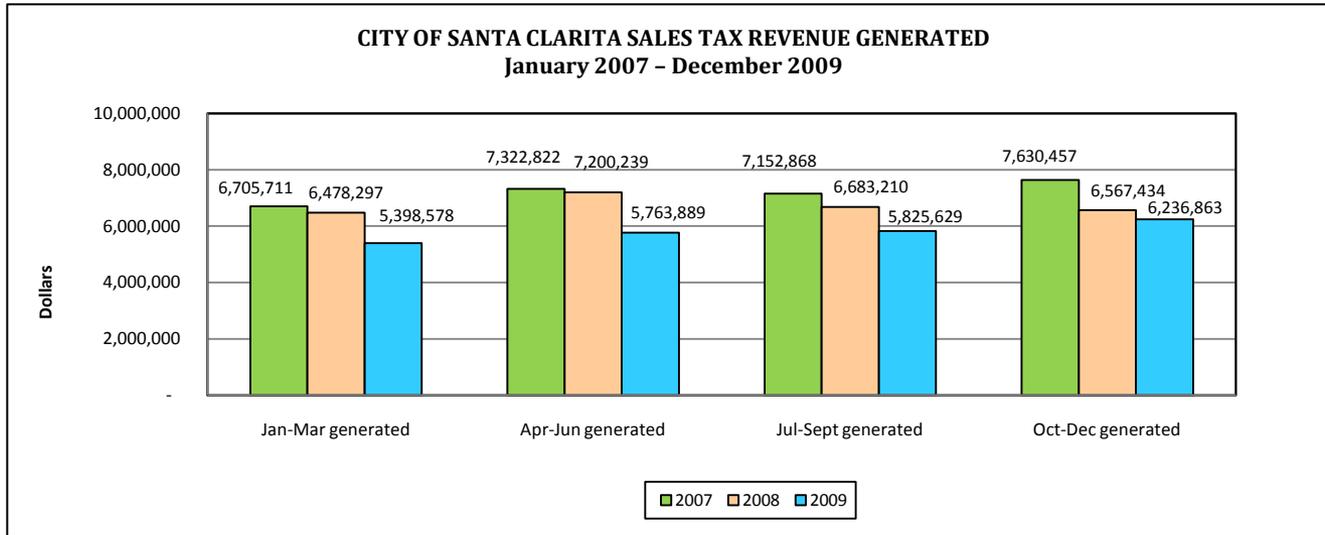


- Most productions are working on reduced budgets and as a result are spending more time in studios rather than on-location filming. The City does not track the activity of studio filming. Locally based productions such as NCIS and Justified generally film in studios and do not film on-location.
- The Economic Impact from location filming for May 2010 of \$1,194,000 was 15% below the impact in May 2009 of \$1,414,500.
- In May 2010 a total of 19 film permits were issued within the City of Santa Clarita, up 19% from 16 permits issued in May 2009.
- There were a total of 53 filming days in May 2010, down 15% from 62 filming days in May 2009.
- May 2010 film days included: 57% for television shows, 13% for commercials, 11% for student/other projects, 8% for features, and 6% each for music video production and still 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)



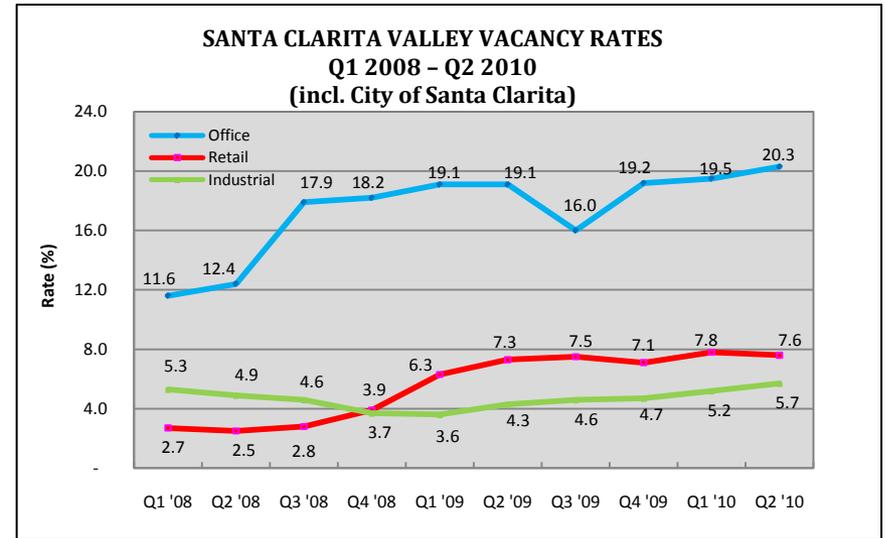
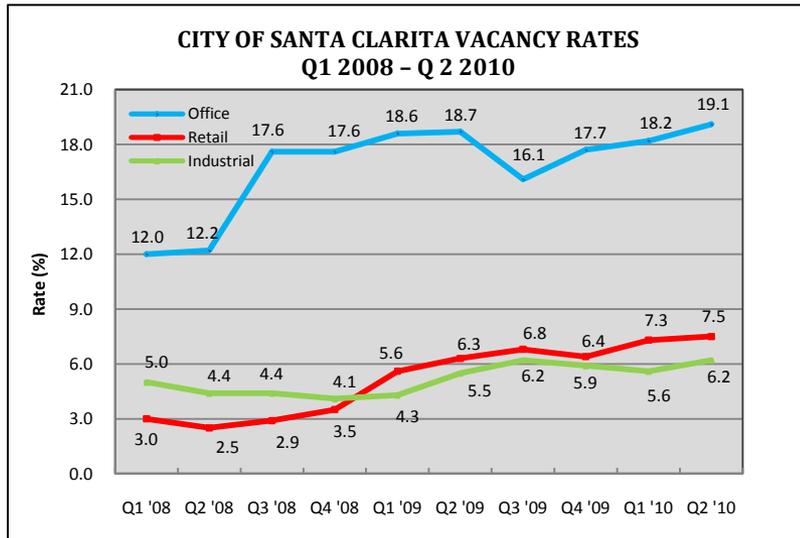
As the economy continued to weaken in 2009, decreases in sales tax generated were reported.

- 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



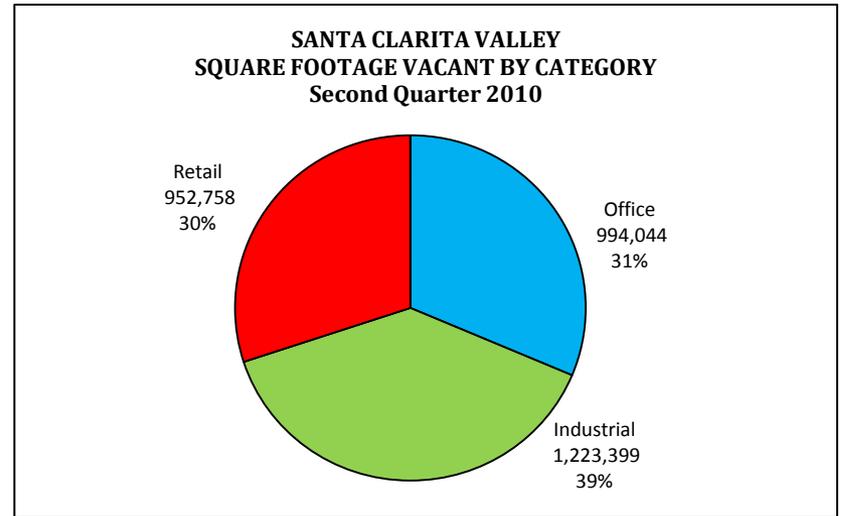
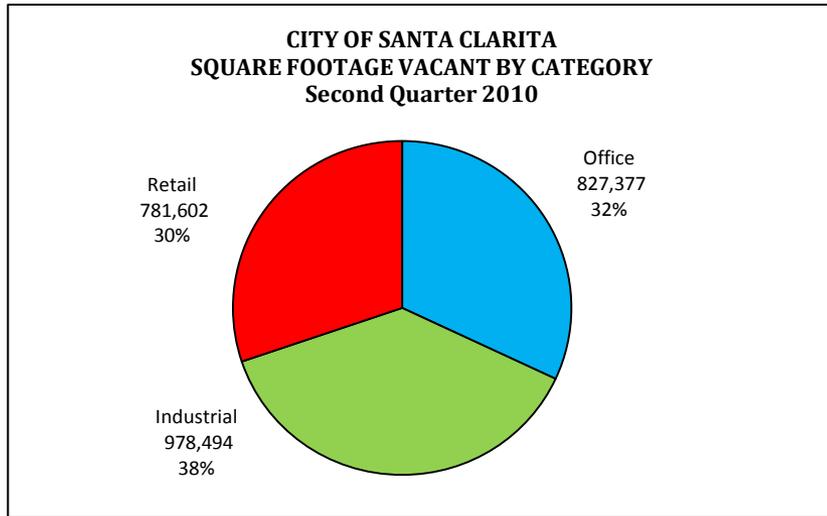
## City of Santa Clarita

- 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 19.1% while the retail and industrial vacancy rates were 7.5% and 6.2, 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 7.6% and 5.7%, respectively.

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



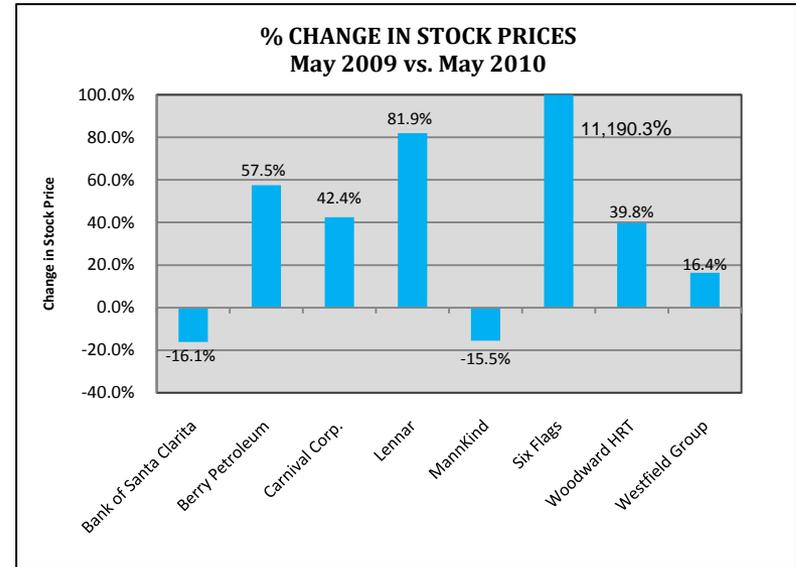
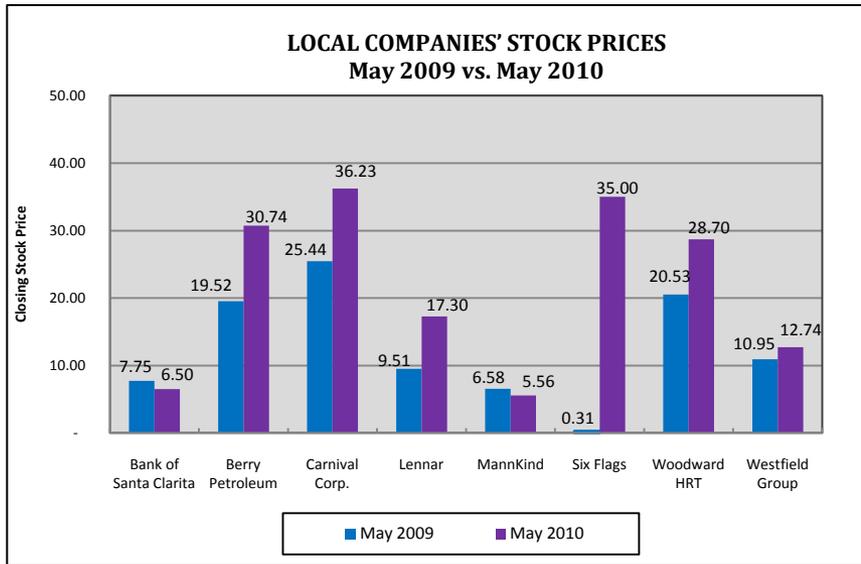
## **City of Santa Clarita**

- 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 8.9% or 2,527,403 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 38% is industrial space, 32% 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 8.2% or 3,132,784 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 39% is industrial, 31% is office space, and 30% is retail space.

# Stock Prices of Local Employers

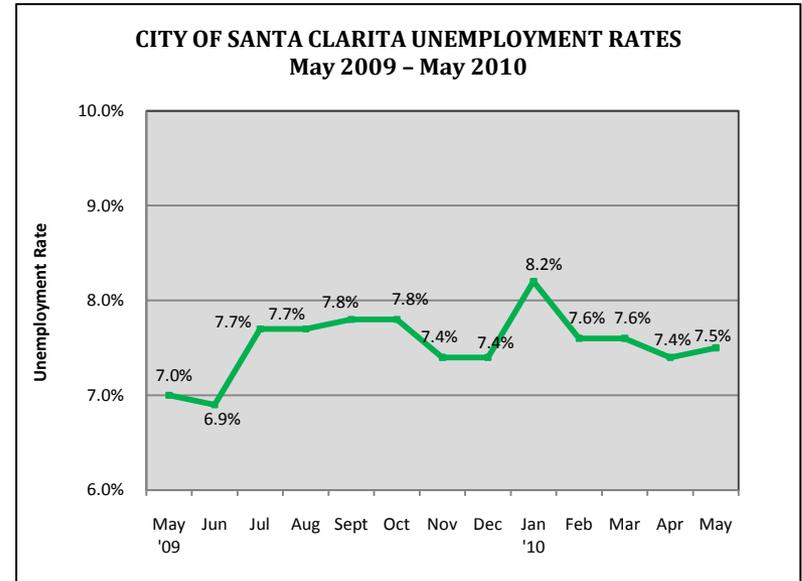
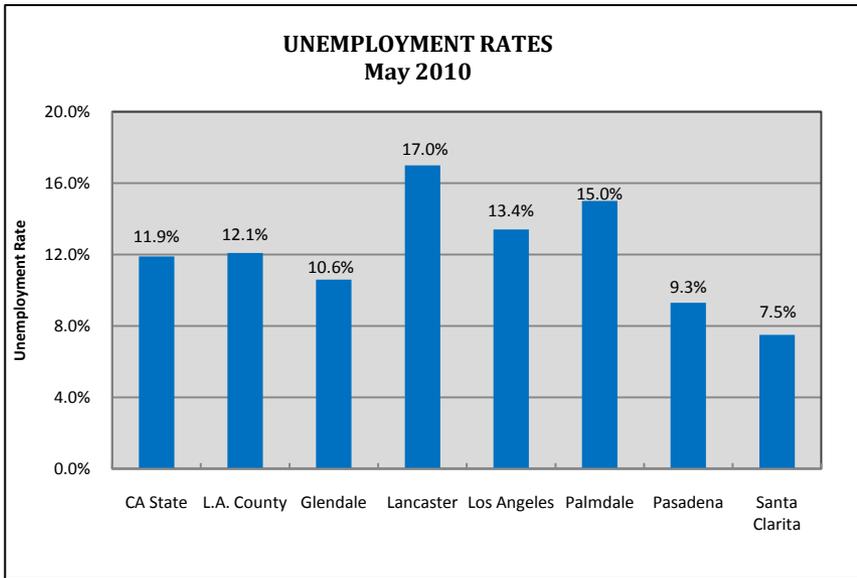


Stock prices for six of the eight companies in Santa Clarita whose stock prices are being tracked have increased year-over-year as has the entire stock market. Only stock prices of Bank of Santa Clarita and MannKind decreased during the time period represented.

- At the end of May 2010, the stock price of Carnival Corp. remained the highest at \$36.23 followed by that of Six Flags and Berry Petroleum at \$35.00 and \$30.74, respectively.
- The Dow rose 19% to 10,136.63 on May 28, 2010 from 8,500.33 on May 29, 2009 and was the eighth consecutive year-over-year increase at month-end.
- The stock price increases seen by Six Flags, Lennar, Berry Petroleum, Carnival Corporation, and Woodward HRT outperformed the increase of the entire market.
- The large increase seen in the stock price of Six Flags was due to its new financial structure.
- On April 30, 2009, Six Flags was delisted from the NYSE and traded 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. On May 3, 2010, Six Flags emerged from Chapter 11 restructuring and has since resumed trading on the NYSE under its previous call letters "SIX".

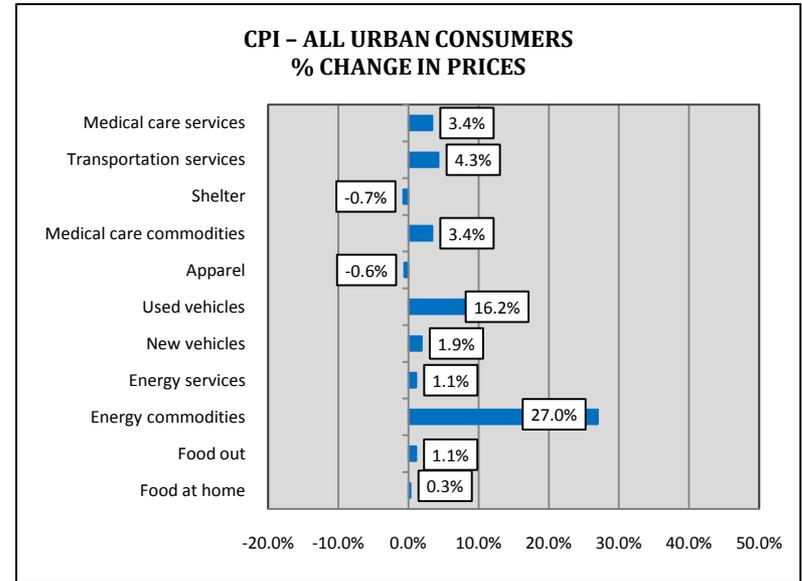
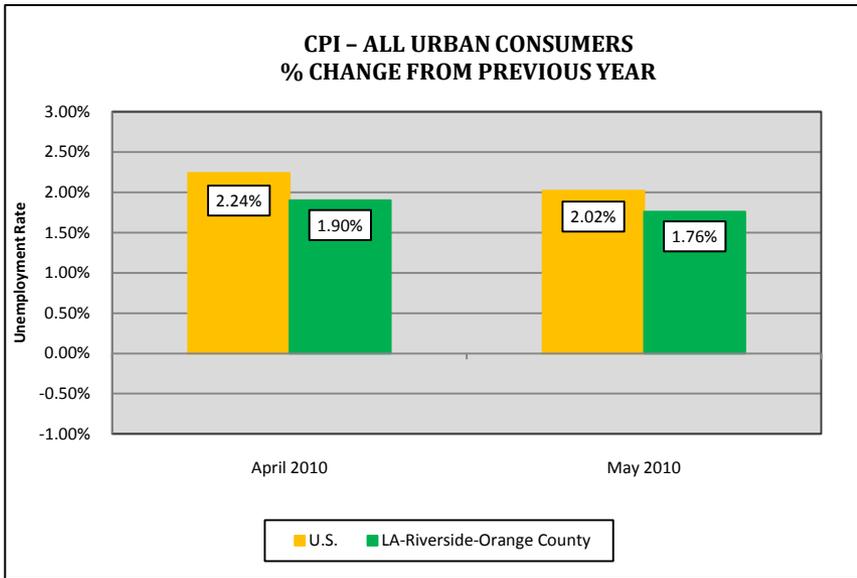
Closing stock prices on the last trading day of the month are shown in the graphs above. Call letters for each company are as follows: BSCA.OB (Bank of Santa Clarita), BRY (Berry Petroleum), CCL (Carnival Corp.), LEN (Lennar), MNKD (MannKind), SIXFQ.OB on May 29, 2009 and SIX on May 28, 2010 (Six Flags), WGOV (Woodward HRT), and WDC.ax (Westfield Group).

# Unemployment



- Santa Clarita's unemployment rate was 7.5% in May 2010 compared to 12.1% for Los Angeles County and 11.9% for the state.
- Unemployment in Santa Clarita in May 2010 of 7.5% was higher than the unemployment rate reported in May 2009 of 7.0%, and was slightly above the unemployment rate in April 2010.

# Inflation



- Year-over-year inflation for May 2010 among all urban consumers for Los Angeles-Riverside-Orange County increased 1.8% compared to the national increase of 2.0%. Inflation in the Los Angeles metro area is below inflation levels in April 2010.
- The higher inflation rate in May 2010 from one year ago reflects cost increases in almost all services and commodities with the exception of declines of 0.6% in apparel and 0.7% in shelter.
- The highest year-over-year increase was seen in energy commodities with gasoline increasing 27.0% and fuel oil increasing 27.1%.

# 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