

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of November 1 – 30, 2008

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Overview

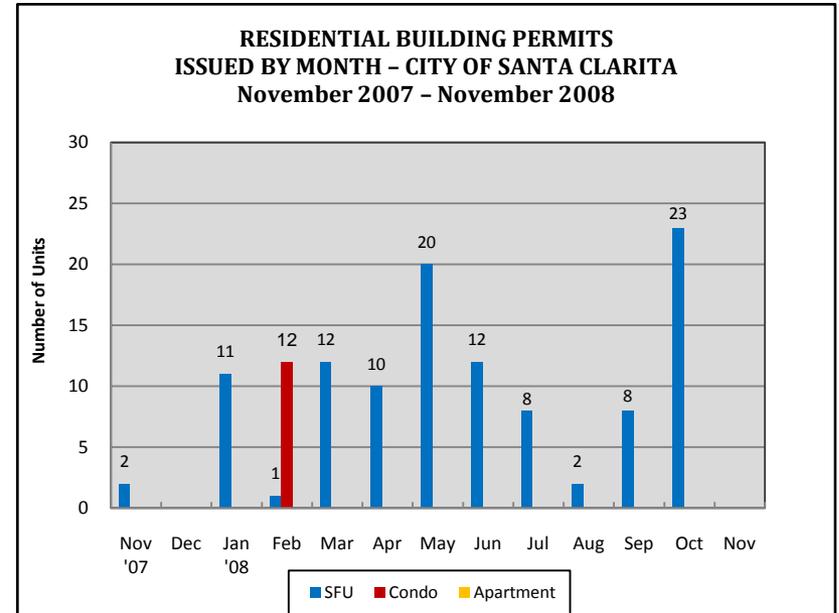
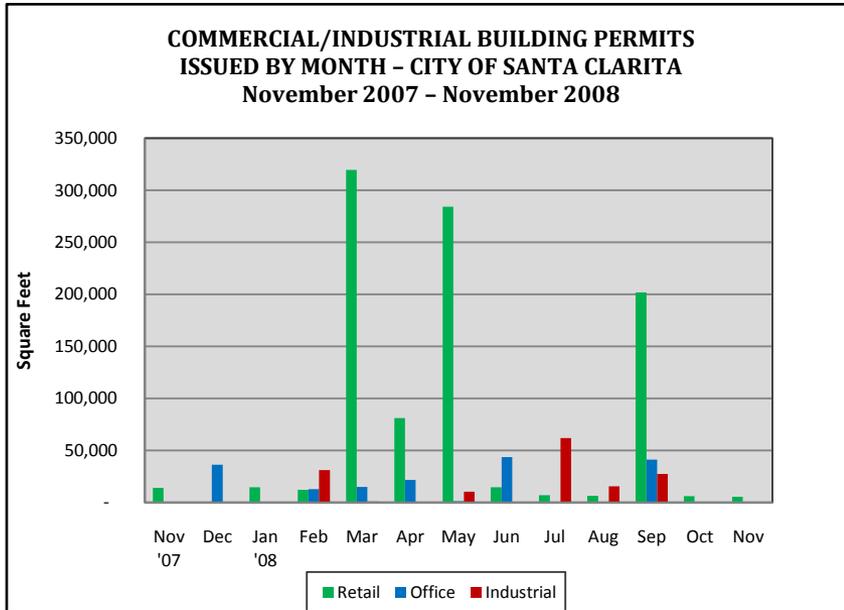
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

Indicators being tracked include:

- Residential, Commercial and Industrial Building permits issued;
- 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;
- Unemployment rates;
- The consumer price index measuring inflation

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

Permits Issued



Permits

- 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 is not included in this data.

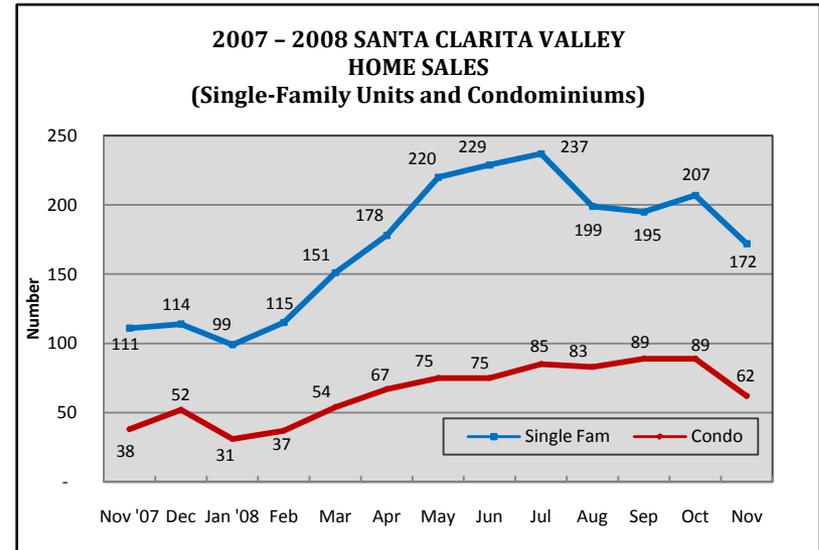
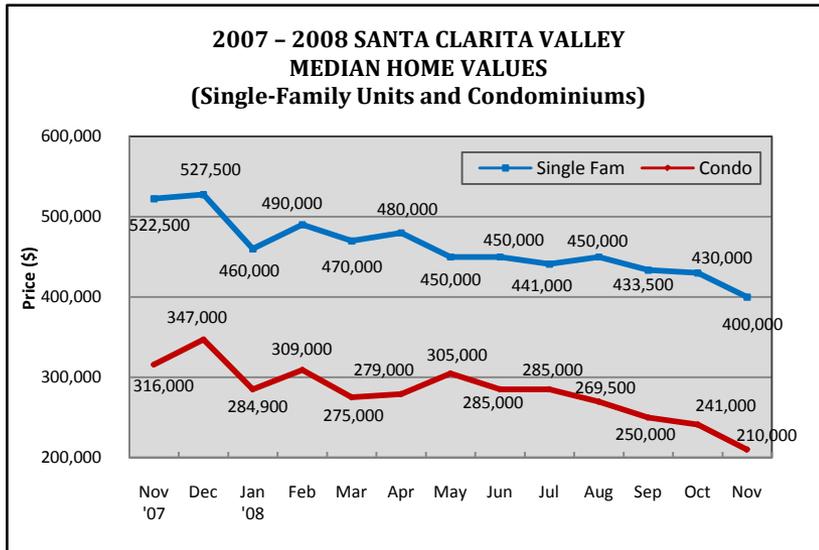
Commercial/Industrial Permits

- A total of 2 building permits for retail use were issued in November 2008 by the City of Santa Clarita compared to 1 permit in October for retail use and compared to 2 permits the previous November.
- In November 2008, a total of 5,411 square feet were permitted of which 100% was for retail space. In the previous month of October, a total 6,143 square feet were permitted of all of it was also for retail space, and 13,978 retail space was permitted in November 2007.

Residential Permits

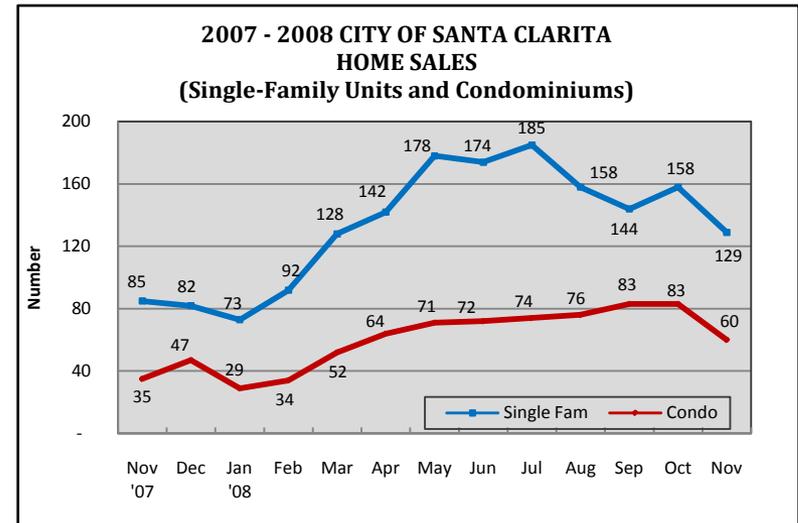
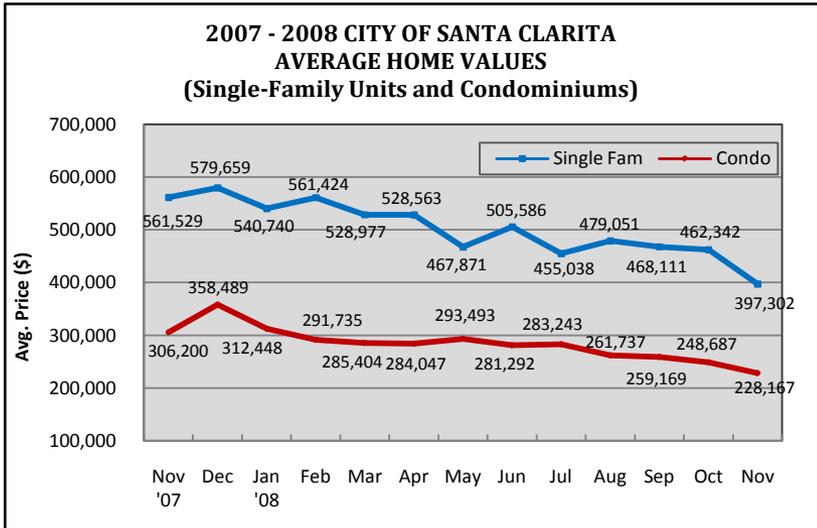
- In November 2008, no residential permits were issued, down from 23 permits for single-family units in October and 2 single-family units in November 2007.

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



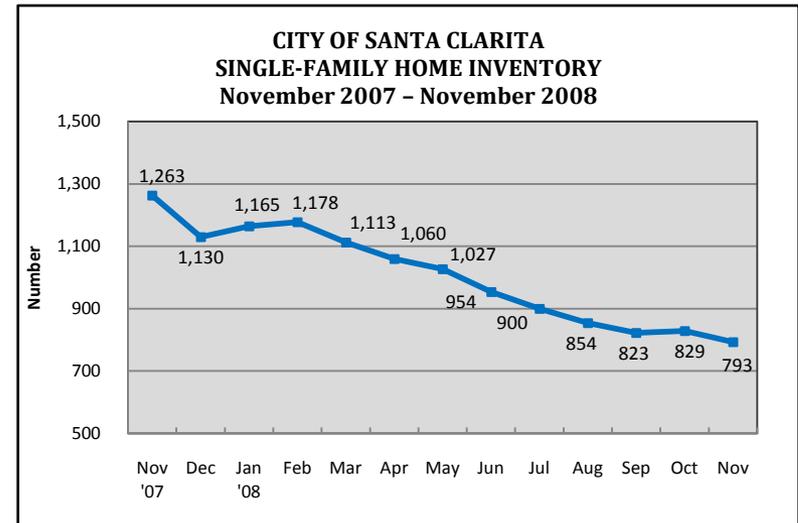
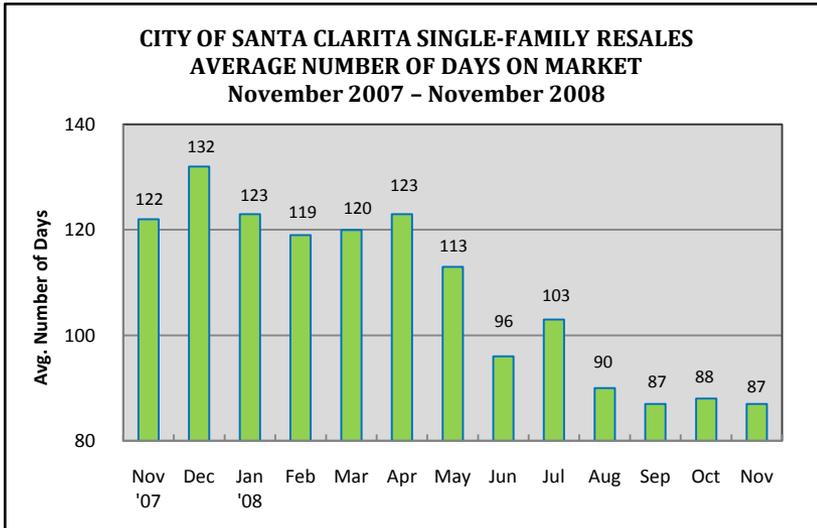
- In the Santa Clarita Valley (inclusive of the City of Santa Clarita), home values continue to fall and at a faster pace than earlier in the year.
- Sales have trended upward since January 2008, although returned to levels seen in the Spring.
- Single-family median home values dropped 7% to \$400,000 in November 2008 from \$430,000 in October and down 23% from November 2007.
- Condominium prices dropped 13% to \$210,000 in November 2008 from October, and 34% from November 2007.
- The number of single-family home sales appear to have peaked for the year in July 2008 at 237 homes. A total of 172 single-family homes sold in November 2008, down 17% from October, yet up 55% from one year ago. Condominium sales fell to 62 condos sold in November, down 30% from October yet up 63% from November 2007.

City of Santa Clarita Housing Market



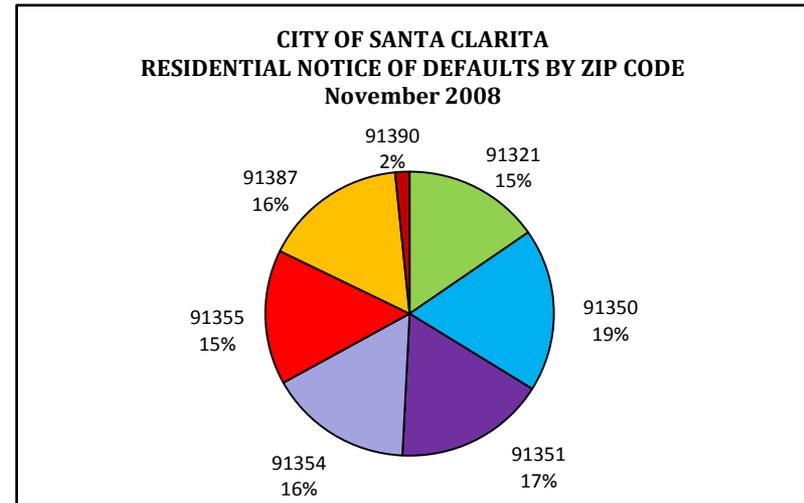
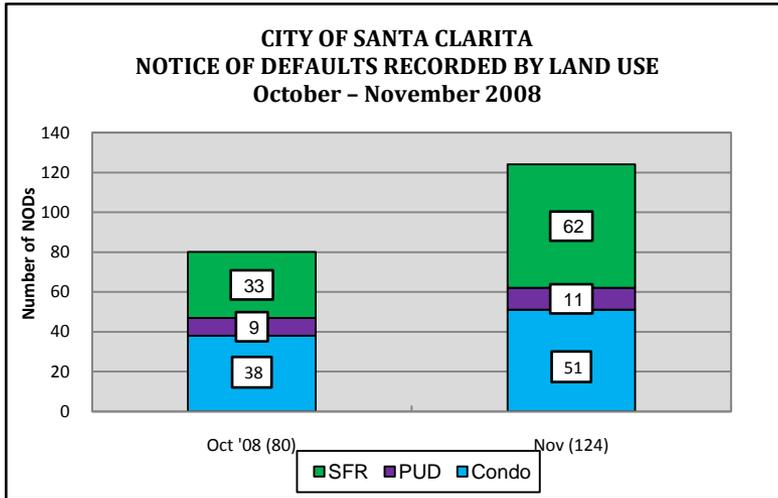
- Single-family average prices dropped in November 2008 from October, and remain lower than prices in November 2007.
- Single-family average home values in November 2008 in the City of Santa Clarita were \$397,300 or 14% below October and 29% below November 2007. Condominium prices dropped to \$228,200 in November 2008 or 8% from October and 25% from November 2007.
- The number of single-family homes sold in the City of Santa Clarita in November 2008 decreased compared to sales in October and remains above sales in November 2007.
- In the City of Santa Clarita, sales dropped 18% to 129 single-family homes in November 2008 from October, and condominium sales volume dropped 28% to 60 units during the same time period.

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



- 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 November 2008, homes were on the market for an average 87 days or almost 3.0 months, almost one month lower than the 122 days in November 2007. The average amount of time before homes sell has approximately 3.0 months since August 2008.
- Single-family inventory levels remain lower from one year ago. Resale inventory levels dropped 4% in November 2008 to 793 homes from 829 in October, and they were 37% below inventory levels in November 2007.

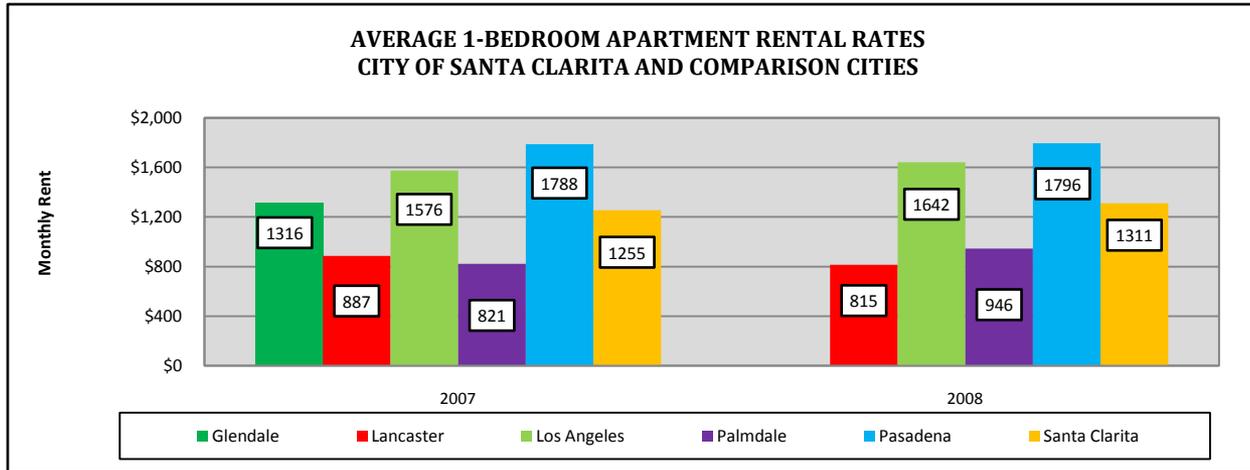
City of Santa Clarita: Notice of Defaults (NODs)



- A total of 124 NODs were recorded in November 2008 in the City of Santa Clarita, up 55% from 80 in October.
- Of the November NODs, 50% or 62 were on single-family residences while 41% or 51 were on condominium properties and the remaining 9% or 11 NODs were on PUDs.
- A higher increase in NODs among single-family homes was seen from October to November at 88% compared to a 34% increase in NODs among condominium owners during this time period.
- Close to one-third or 31% of the NODs were on homes that previously sold in the \$200,000 - \$349,999 range, while 27% sold in the \$350,000 - \$499,999 range, 14% for at least \$600,000, 13% were below \$200,000, and 12% in the \$500,000 - \$599,999 range. The price range was unknown for the remaining 2%. This suggests that homeowners who received NODs in November were not in the City's luxury home market, but rather the mid-level market.

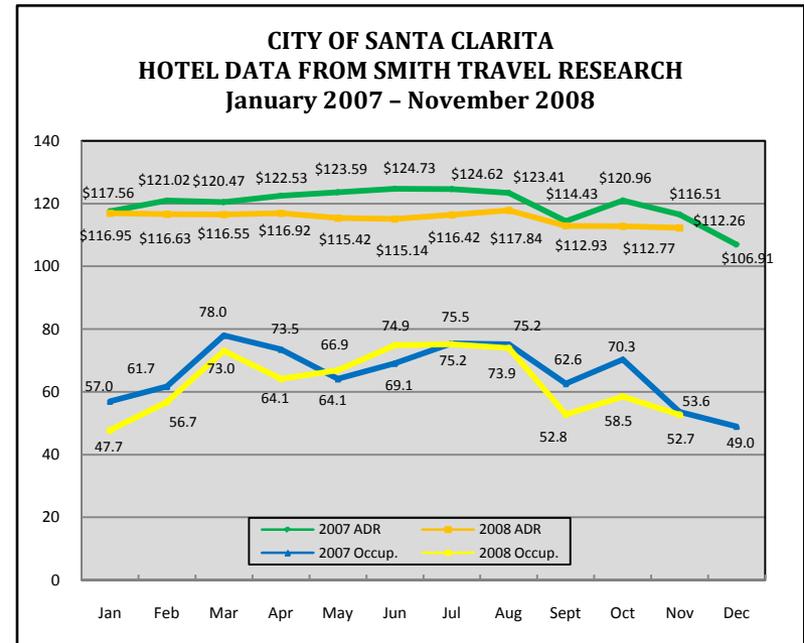
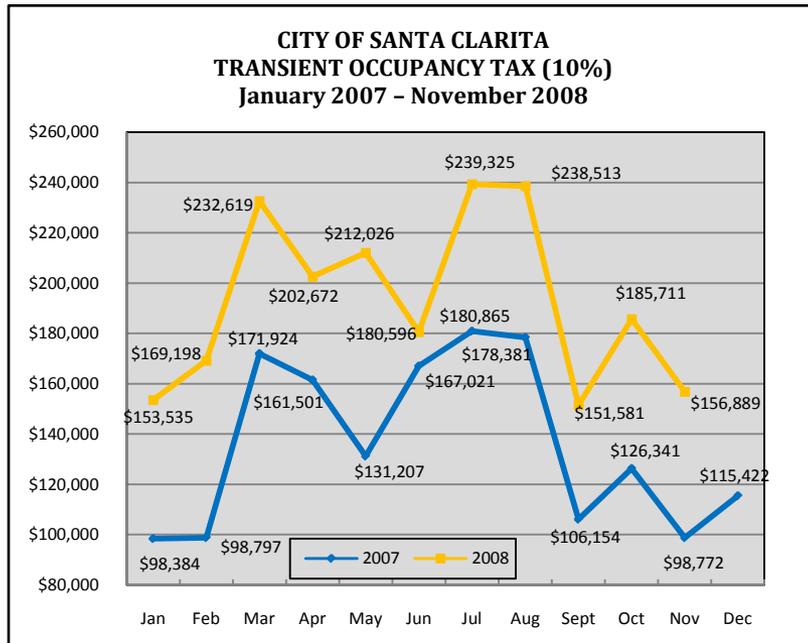
A PUD is a unit or building owned by an individual who reside there and the common space is owned by others in the association for benefit of all owners. An "SFR" is a single-family residence.

City of Santa Clarita Rental Rates



- Santa Clarita's average apartment rental rates increased 4% from \$1,255 for a 1-bedroom unit in 2007 to \$1,311 in November 2008, according to the most recent data.

Tourism: Hotel Occupancy & TOT*



Transient Occupancy Tax (TOT)

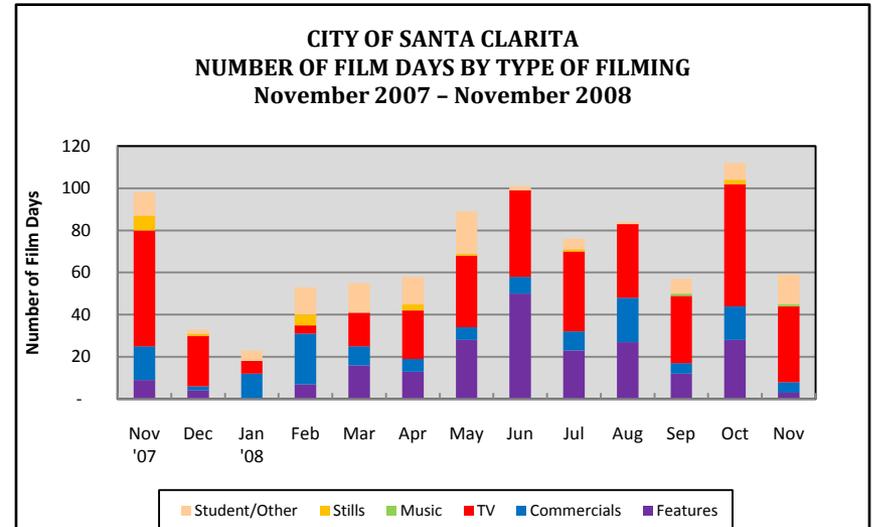
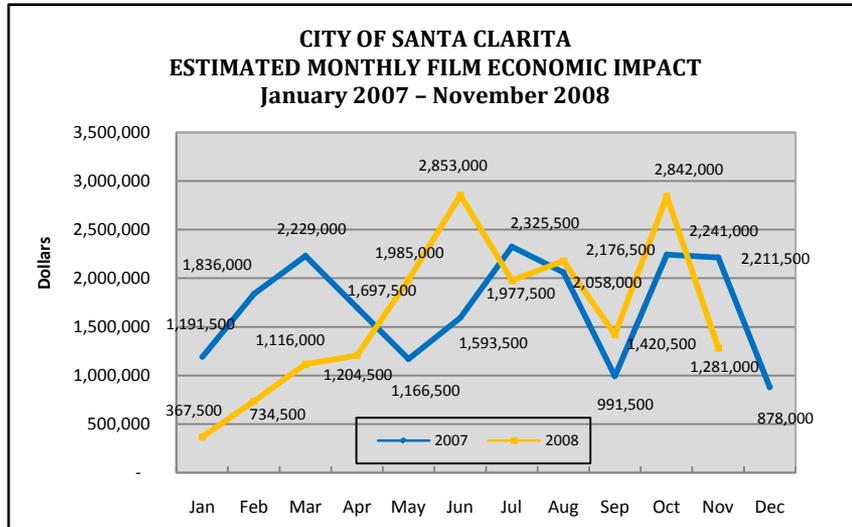
- In November 2008, the City of Santa Clarita collected \$156,899 in TOT, up 59% from \$98,772 in November 2007.
- The City collected \$2,122,665 in TOT for November 2008 year-to-date (YTD), representing a 40% increase from the previous year.

Occupancy

- Smith Travel Research reports hotel occupancy in the City in November 2008 was 53%, comparable to 54% occupancy in November 2007.
- An average 465 rooms of 882 available in the City were sold in November 2008 compared to 473 rooms in November 2007.
- In comparison, occupancy rates at hotels nationwide in November 2008 were at 52%, down 11% from November 2007.
- For November 2008 YTD, the occupancy in the City was 63% or 5% below the occupancy rate for November 2007 YTD.

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

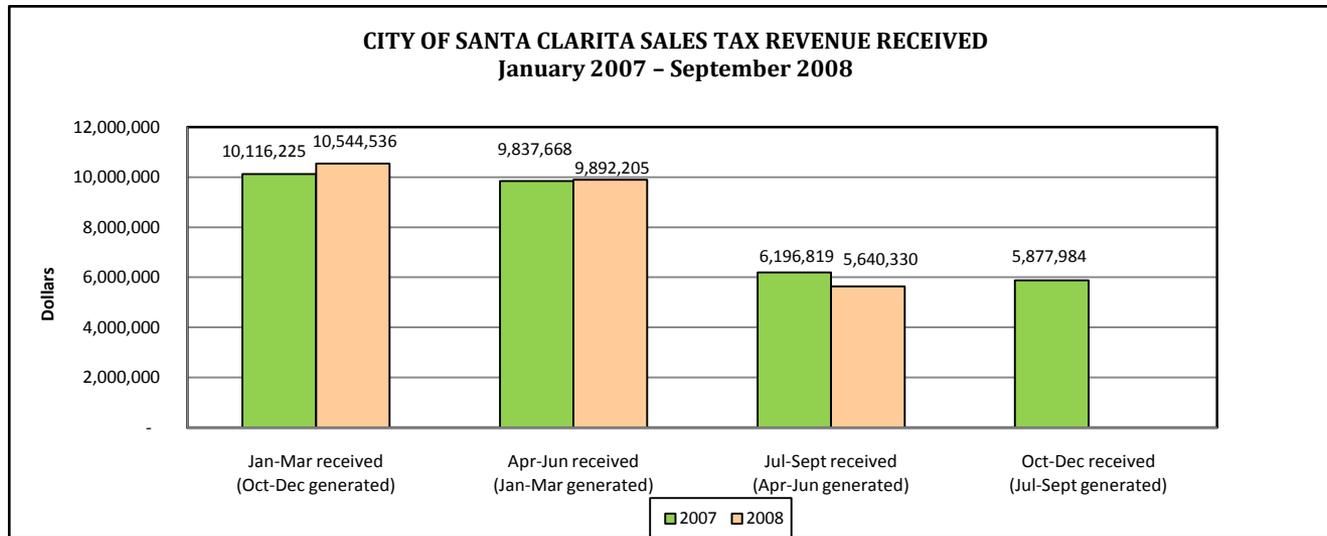
Filming in The City of Santa Clarita



- The Film Economic Impact for November 2008 of \$1,281,000 was 42% below the impact in November 2007 of \$2,211,500.
- Despite the Writer's Strike in early 2008, filming in Santa Clarita has generated an estimated \$17,958,000 in economic impact for November 2008 YTD, down 8% from \$19,541,500 for November 2007 YTD.
- There were a total of 59 filming days in November 2008, down 40% from 98 filming days in November 2007.
- November 2008 film days included: 61% for television shows, 24% for student/other projects, 9% for commercials, 5% for features, and 2% for music videos.
- The City of Santa Clarita saw a decrease in film days and economic impact in November as productions scaled back location filming. The City also lost one of its locally based shows, "The Riches", which was cancelled in 2008.

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.

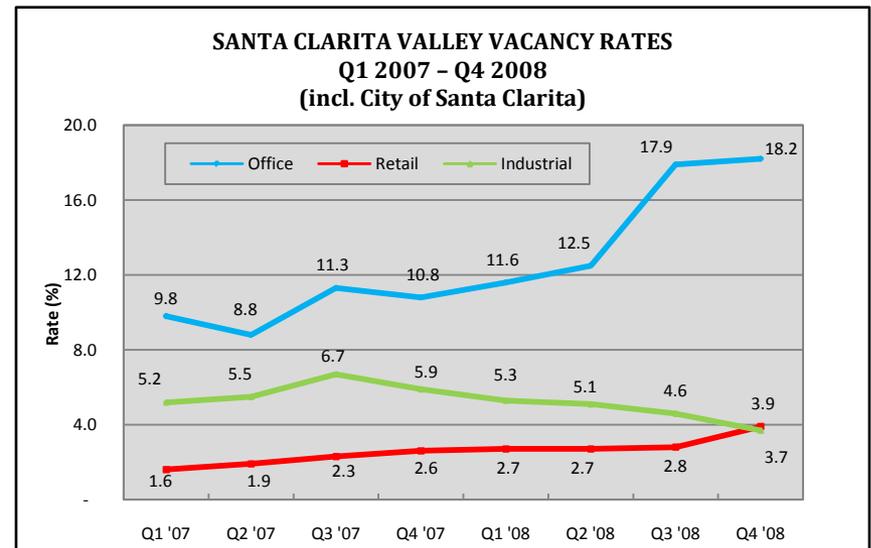
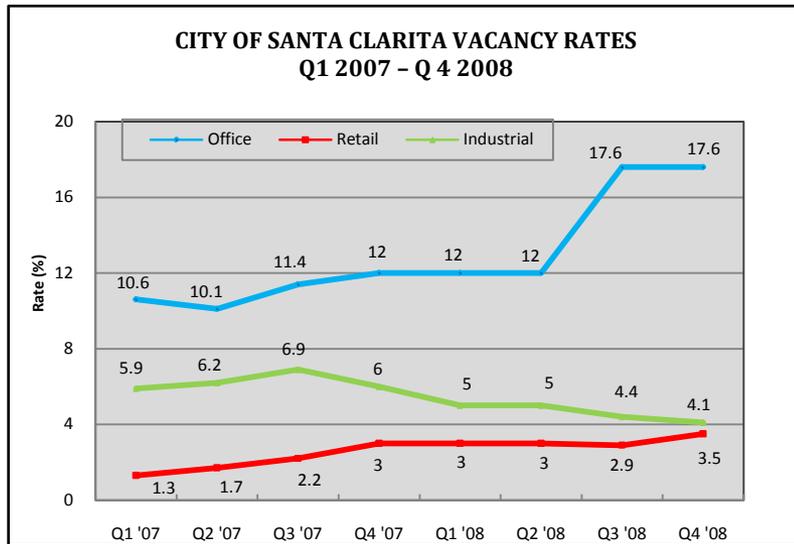
City of Santa Clarita Sales Tax



- As the economy weakens in 2008, decreases in sales tax receipts are being reported.
- In July – September 2008, a total of \$5.64 million in sales tax revenue was received, down 9% from \$6.20 million received in for July – September 2007.
- Through September 2008, sales tax revenue received is down 3% to \$17.44 million from \$17.99 million received for the first nine months in 2007.

Sales tax revenue is presented quarterly as data become available.

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



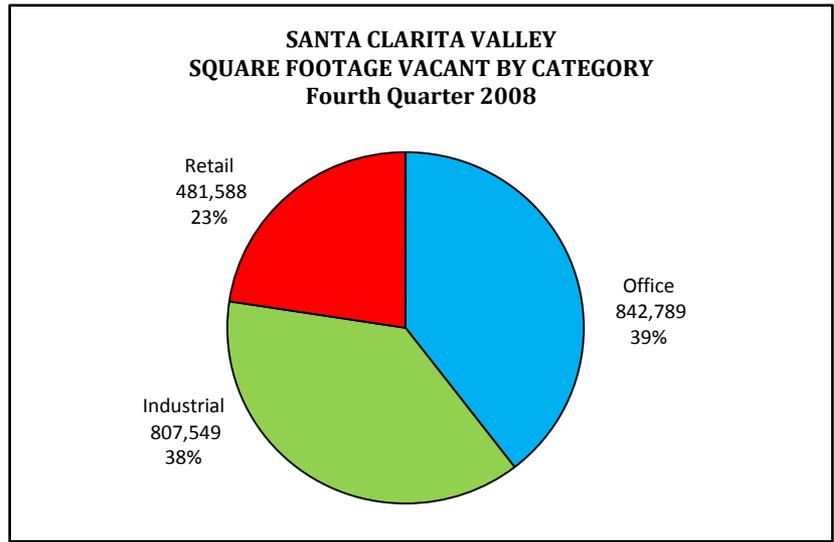
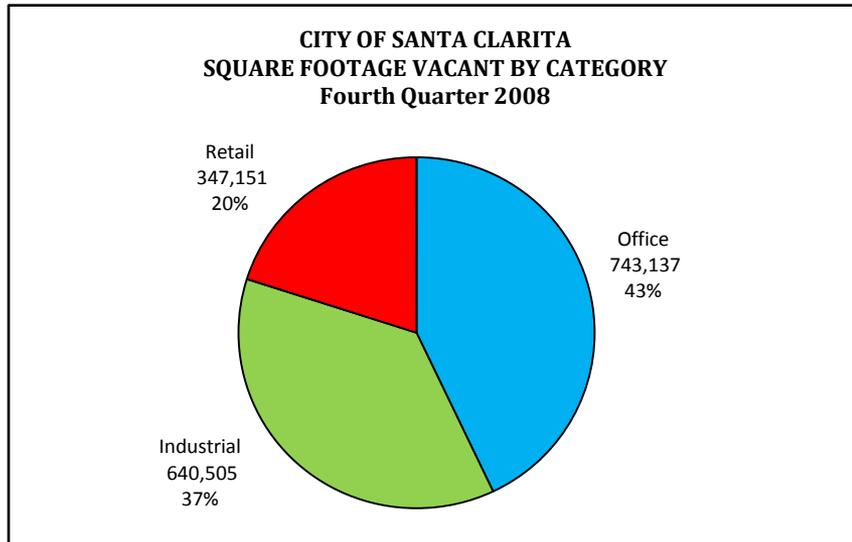
City of Santa Clarita

- In the City of Santa Clarita, office and retail vacancy rates increased in Fourth Quarter 2008, while industrial vacancy rates decreased because of both contraction of the market and new inventory.
- The City's office and retail vacancy rates are 17.6% and 3.5%, respectively, while the industrial vacancy rate is 4.1%.

Santa Clarita Valley (includes the City)

- Similarly, in the entire Santa Clarita Valley (including the City), office and retail vacancy rates increased in Fourth Quarter 2008 while industrial rates continue to decline.
- The Santa Clarita Valley's office and retail vacancy rates are 18.2% and 3.9%, respectively, while the industrial vacancy rate is 3.7%.
- With the exception of industrial vacancy rates, the City's office and retail vacancy rates remain below those of the entire Valley and any increases in vacancy rates are at a slower pace compared to increases in the Valley.

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



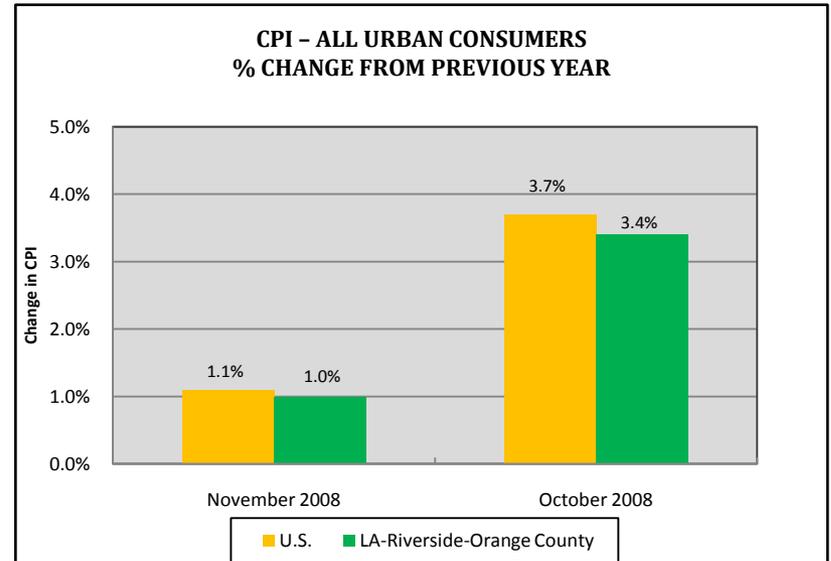
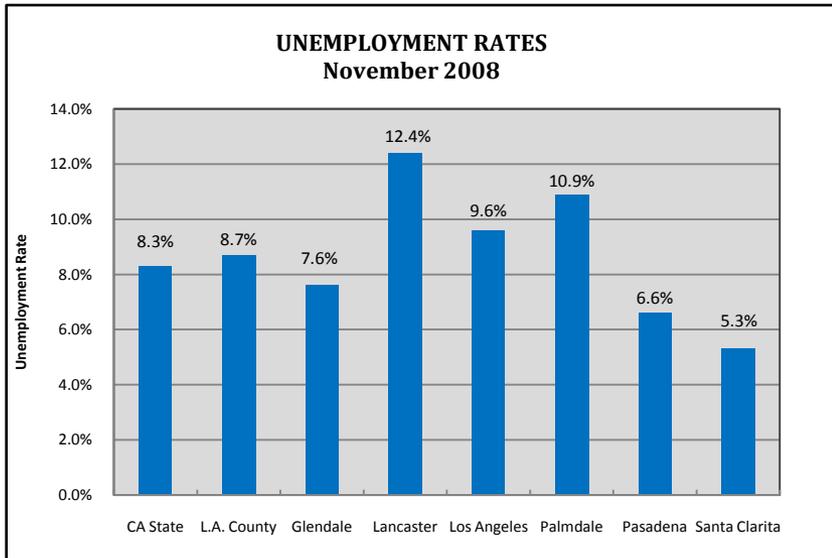
City of Santa Clarita

- 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 6.0% or 1,730,793 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 43% is office space, 37% is industrial space, and 20% 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 5.5% or 2,131,926 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 39% is office space, 38% is industrial space and 23% is retail space.

Employment and Inflation



- Santa Clarita's unemployment rate was 5.3% in November 2008 compared to 8.7% for Los Angeles County and 8.3% statewide.
- Year-over-year inflation for November 2008 among all urban consumers for Los Angeles-Riverside-Orange County of 1.0% was lower than the national rate of 1.1%, and lower than the rate of 3.4% in October 2008.
- The lower inflation rate from one year ago reflects the large decline in energy and transportation costs of 13% and 9%, respectively. Compared to one year ago, food and beverage prices rose 6%, while education and communication costs rose 4%, and housing and medical care costs each rose 3%.

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: 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

Unemployment Rate: CA Employment Development Department

Inflation Rate: Bureau of Labor Statistics