

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of February 1 – 28, 2009

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Overview

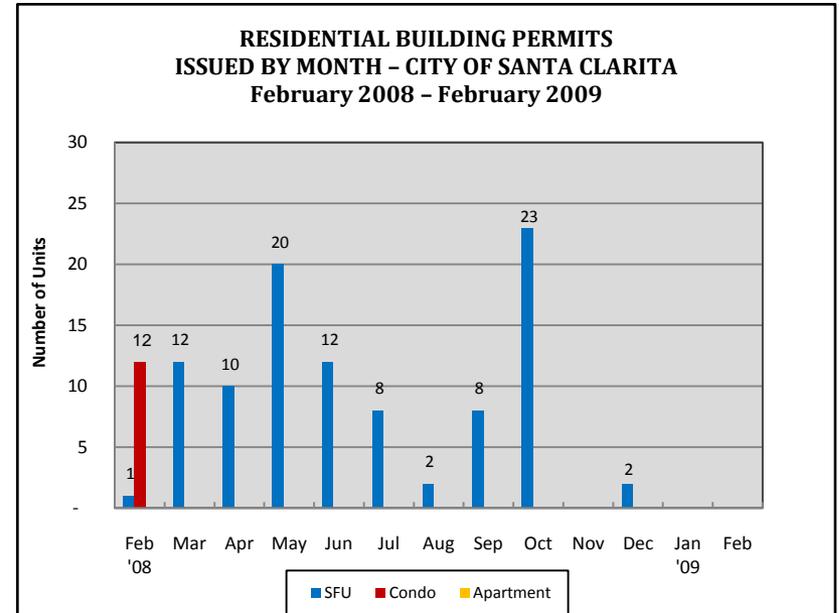
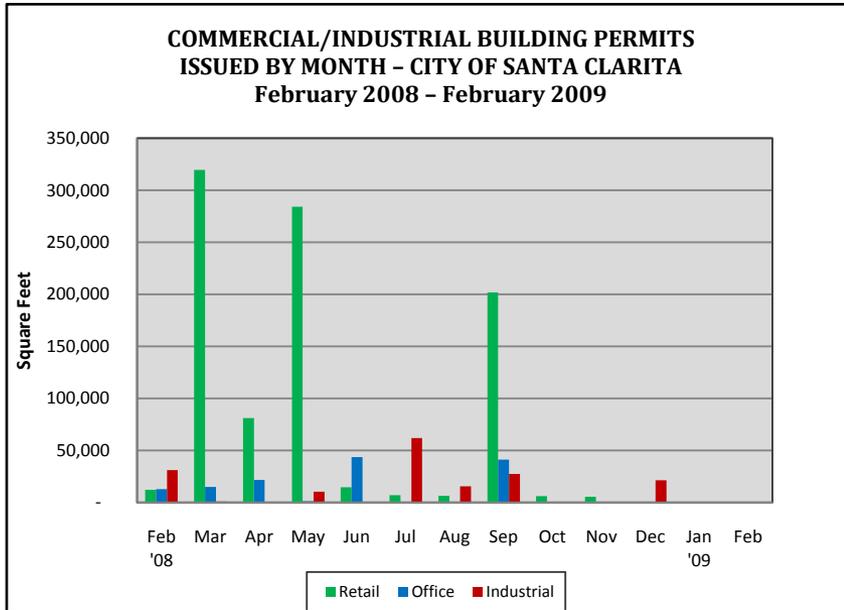
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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

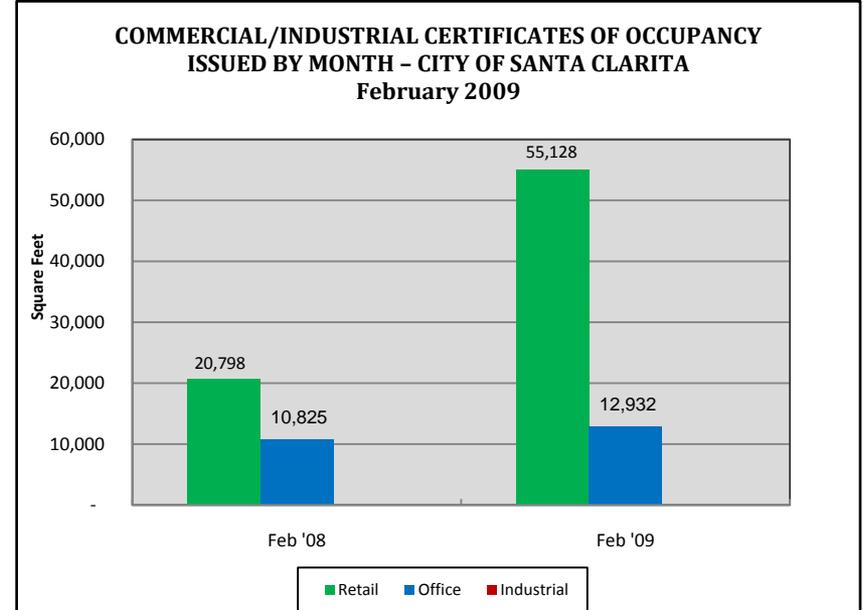
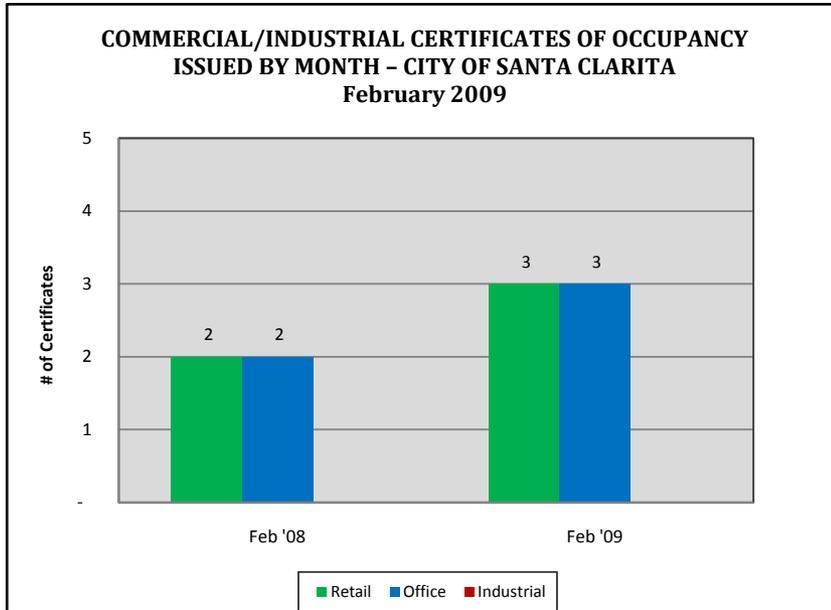
- No building permits for retail, office, and industrial use were issued in February 2009 by the City of Santa Clarita compared to 2 permits each for retail, office, and industrial use in February 2008.
- Although no square feet were permitted in February 2009, a total of 56,003 square feet were permitted in February 2008 of which 56% was for industrial use, 23% was for office space, and 22% was for retail use.

Residential Permits

- Similarly, no permits for residential units were issued in February 2009 compared to 1 permit for single-family units and 12 permits for condominium units in February 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.

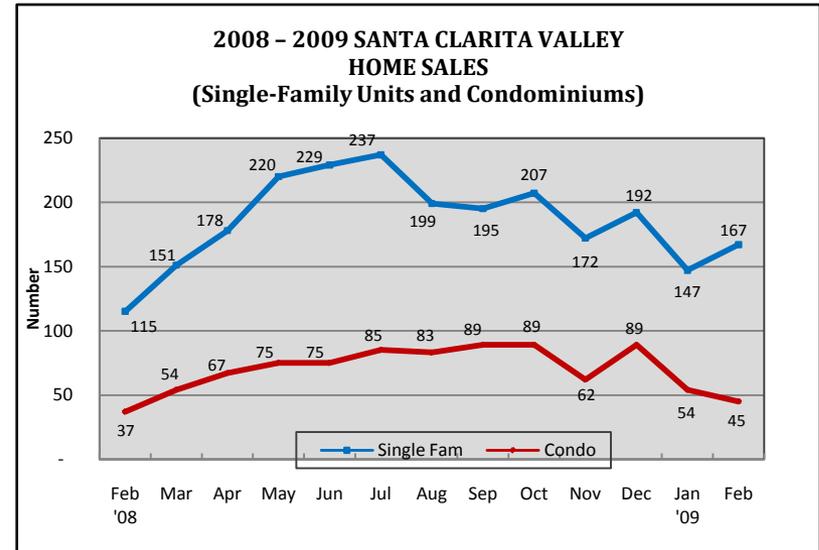
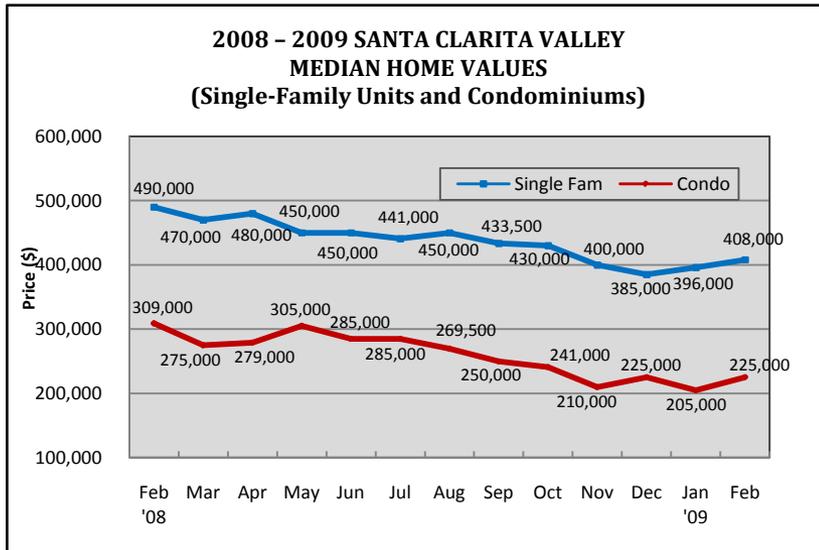
Certificates of Occupancy Issued



- In February 2009 a total of 6 Certificates of Occupancy were issued of which 3 were for retail use and 3 were for office use, up 50% from 4 Certificates of Occupancy in February 2008.
- Certificates of Occupancy for February 2009 represented a total of 68,060 square feet of which 81% was for retail space and 19% was for office space. This represented a 115% increase from the 31,623 square feet in February 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.

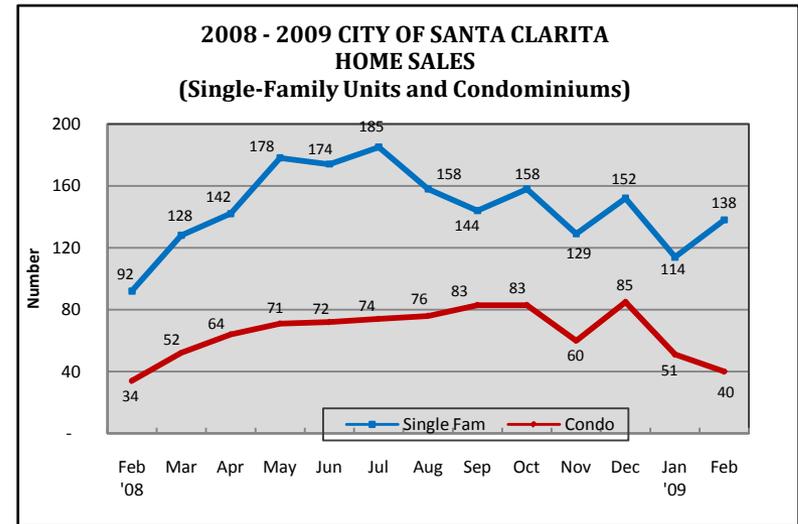
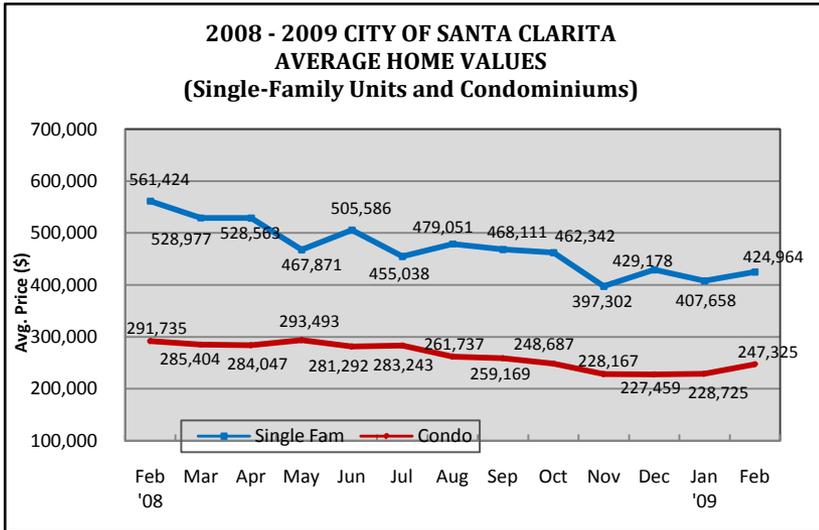
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



In the Santa Clarita Valley (inclusive of the City of Santa Clarita), home values have begun to increase while sales have trended upward since February 2008.

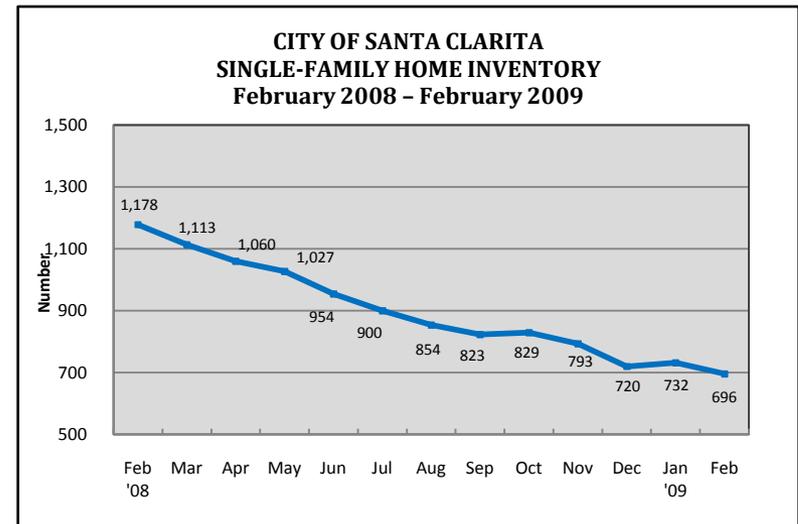
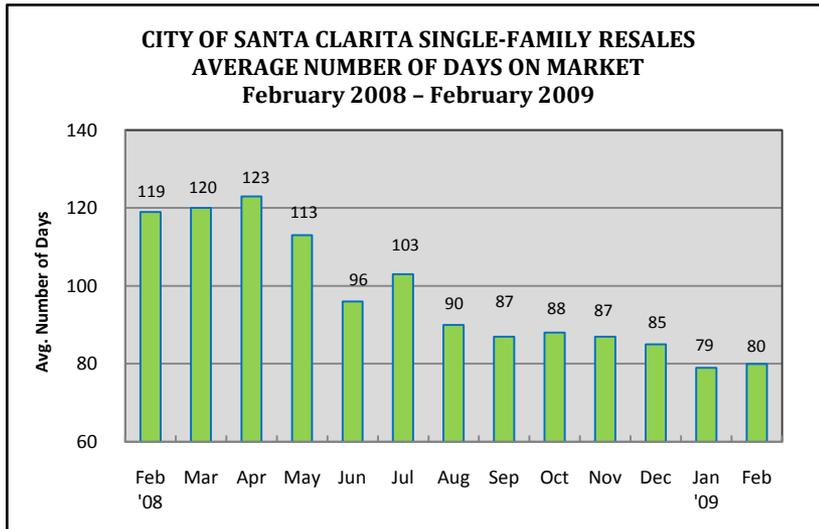
- Single-family median home values rose 3% to \$408,000 in February 2009 from \$396,000 in January 2009, yet have dropped 17% from February 2008.
- Condominium prices increased 10% to \$225,000 in February 2009 from January 2009 and dropped 27% from February 2008.
- The number of single-family home sales peaked in July 2008 at 237 homes. A total of 167 single-family homes sold in February 2009, up 14% from January 2009, and up 45% from one year ago. Condominium sales fell to 45 sales in February 2009, down 17% from January 2009, yet up 22% from February 2008.

City of Santa Clarita Housing Market



- Single-family average prices rose in February 2009 from January 2009, and remain lower than prices in February 2008.
- Single-family average home values in February 2009 in the City of Santa Clarita were \$425,000 or 4% above January 2009 and 24% below February 2008. Condominium prices rose 8% to \$247,300 in February 2009 from January 2009. However, prices in February 2009 were 15% lower than prices in February 2008.
- The number of single-family homes sold in the City of Santa Clarita in February 2009 increased while condominium sales decreased compared to sales in January 2009, yet remain above sales in February 2008.
- In the City of Santa Clarita, sales increased 21% to 138 single-family homes in February 2009 from January 2009, and condominium sales volume fell 22% to 40 units during the same time period.

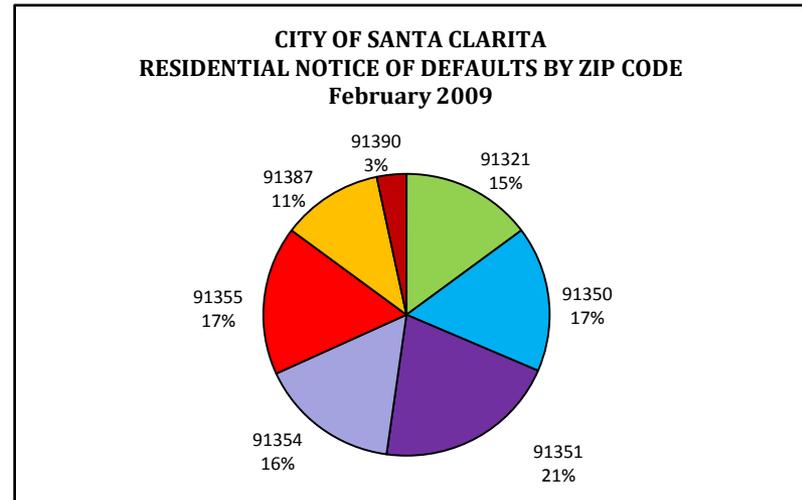
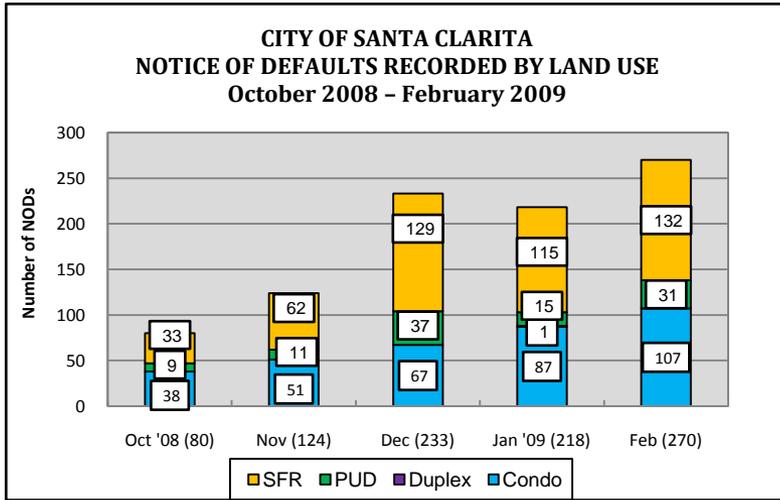
City of Santa Clarita Housing Market: Average Days on Market & Inventory Levels



- The City of Santa Clarita's housing market is stronger than one year ago when homes took an average 119 days or approximately 4 months to sell.
- In February 2009, homes were on the market for an average 80 days or 2.7 months, comparable to the level seen in January 2009.
- Single-family inventory levels reached a record low. Resale inventory levels fell 5% in February 2009 to 696 homes from 732 in January 2009, and were 41% below inventory levels in February 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.

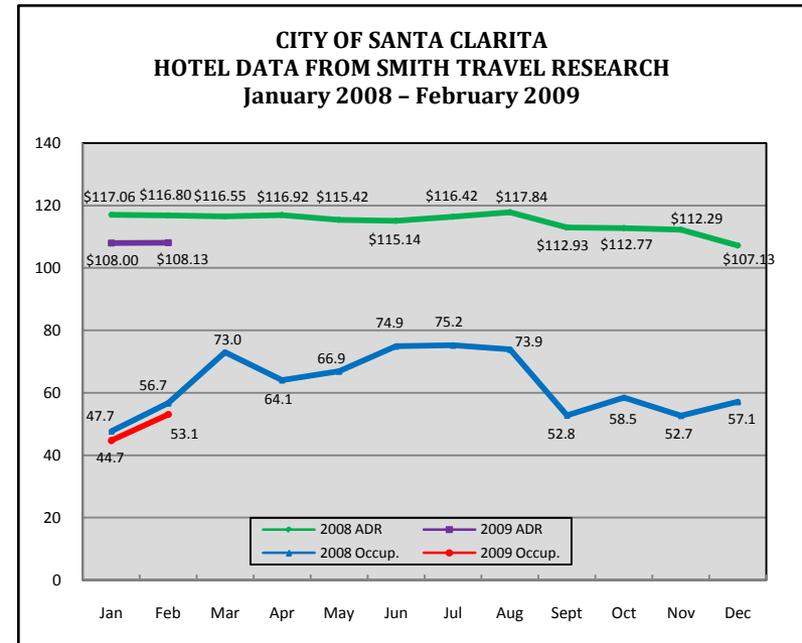
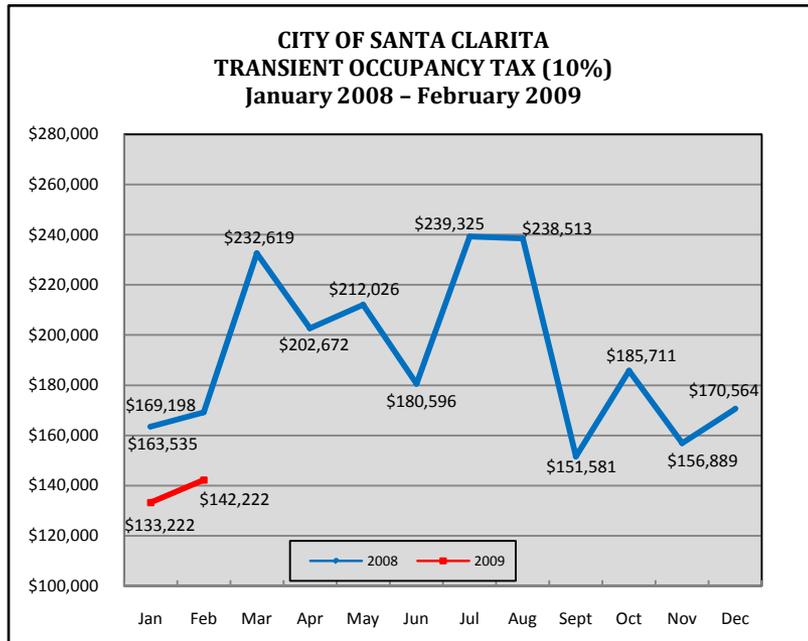
City of Santa Clarita: Notice of Defaults (NODs)



- A total of 270 NODs were recorded in February 2009 in the City of Santa Clarita, up 24% from 218 in January 2009.
- Of the February NODs, 49% or 132 were on single-family residences while 40% or 107 were on condominium properties and 11% or 31 NODs were on PUDs.
- The number of NODs among single-family homes in February 2009 was 15% higher than levels in January 2009, while the number of NODs on condominiums rose 23% and NODs on PUDs rose 107% during the same time period.
- Approximately one-fourth or 23% each of the NODs were on homes that previously sold in the \$200,000 - \$349,999 and \$350,000 - \$499,999 ranges, while 20% sold in the \$500,000 - \$599,999 range and 14% each in the less than \$200,000 and at least \$600,000 ranges. The price range was unknown for the remaining 7%. This suggests the majority of homeowners who received NODs in February 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.

Tourism: TOT* & Hotel Occupancy



Transient Occupancy Tax (TOT)

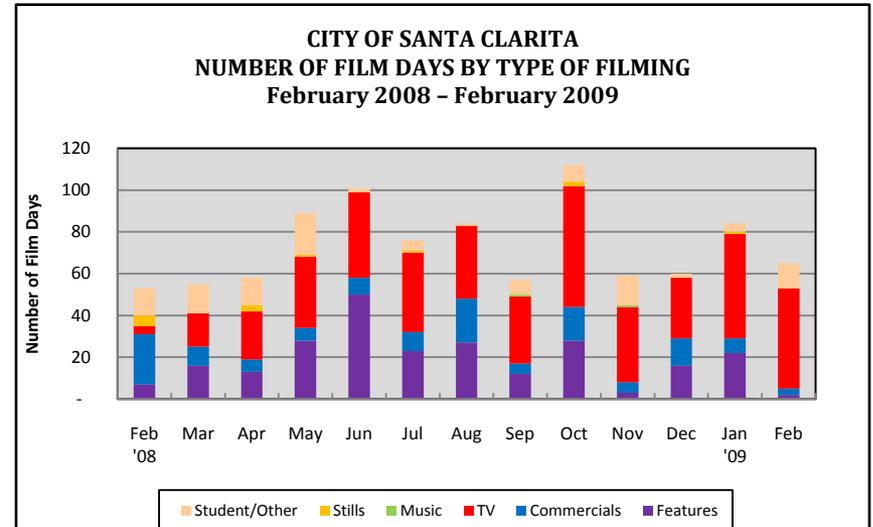
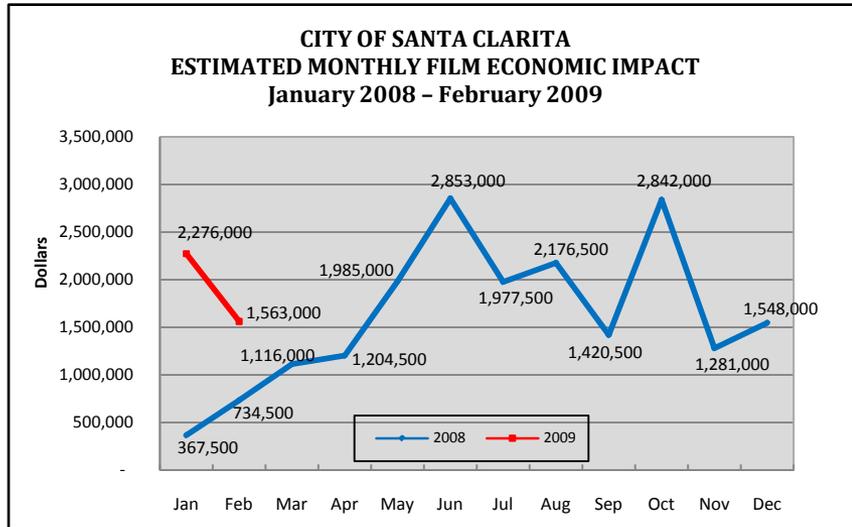
- In February 2009, the City of Santa Clarita collected \$142,222 in TOT, down 16% from \$169,198 in February 2008.
- During the January – February 2009 time frame, the City of Santa Clarita collected \$275,444 in TOT, down 17% from the same time period in 2008.

Occupancy

- Smith Travel Research reports hotel occupancy in the City in February 2009 was 53%, down from the reported 57% occupancy in February 2008.
- An average of 468 rooms of 882 available in the City were sold in February 2009 compared to 500 rooms of 882 available rooms in February 2008.
- In comparison, occupancy rates at hotels nationwide in February 2009 were at 53%, down 10% from February 2008.

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

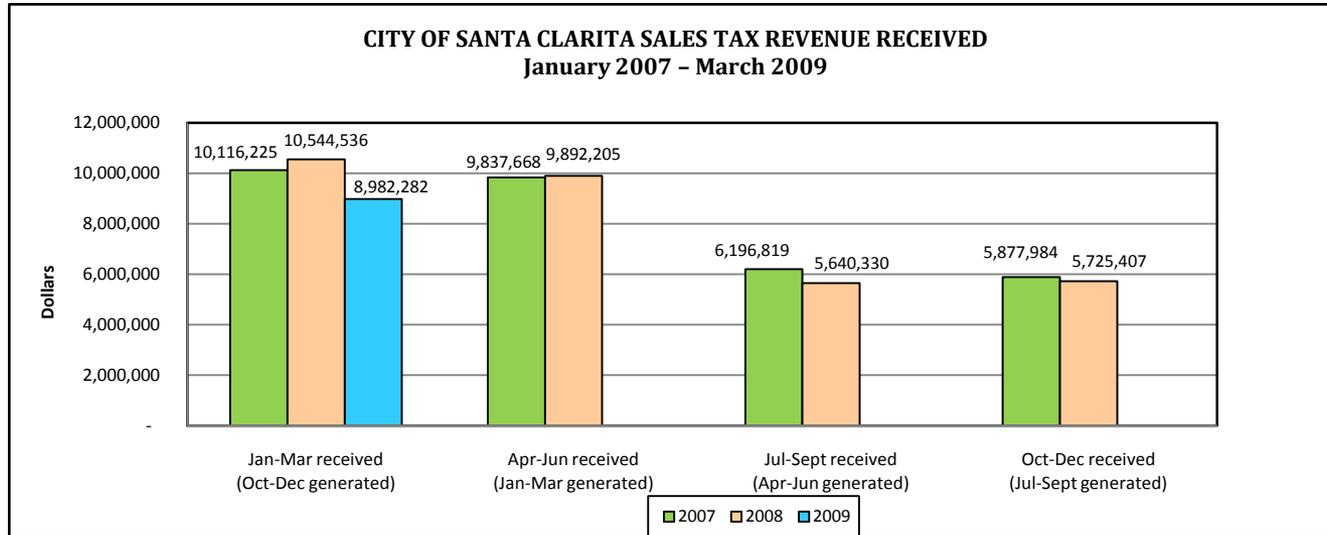


- The Economic Impact from location filming for February 2009 of \$1,563,000 was 113% above the impact in February 2008 of \$734,500. The significant increase is attributable to the Writer's Strike in early 2008.
- Consequently, the total Economic Impact from location filming in February 2009 year-to-date was \$3,839,000 or 248% above the impact of \$1,102,000 during the same time period in 2008.
- There were a total of 65 filming days in February 2009, up 23% from 53 filming days in February 2008.
- February 2009 film days included: 74% for television shows, 18% for student/other projects, 5% for commercials, and 3% for features.

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

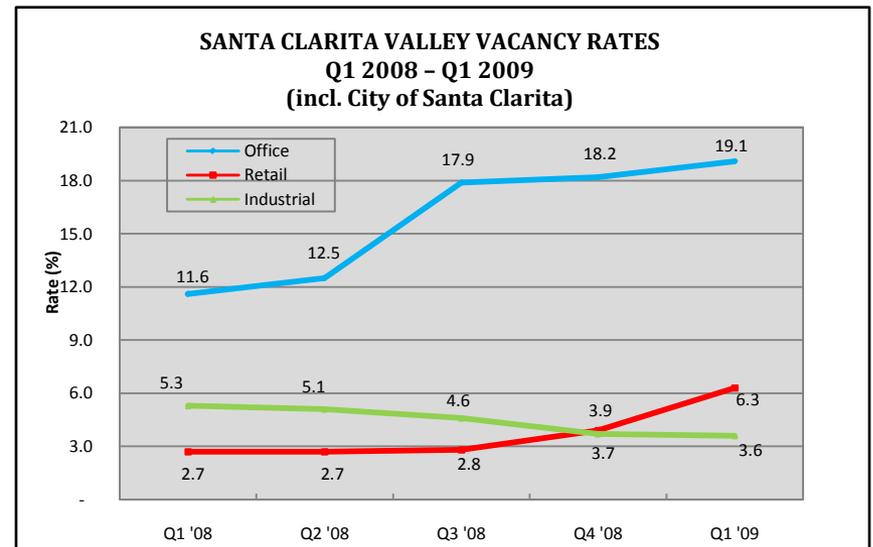
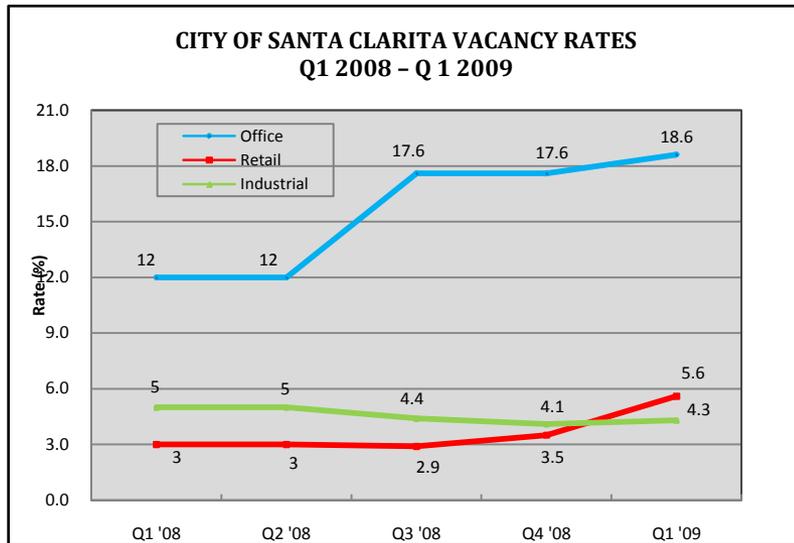
(Updated Quarterly)



- 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



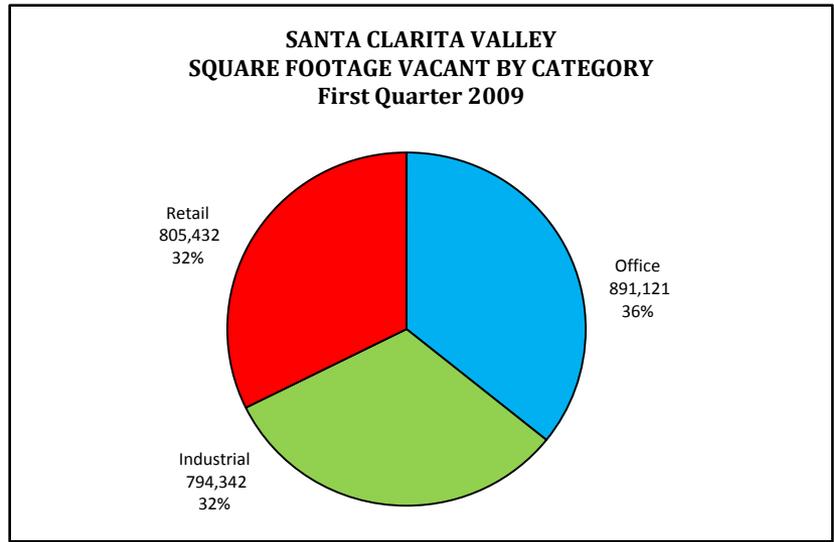
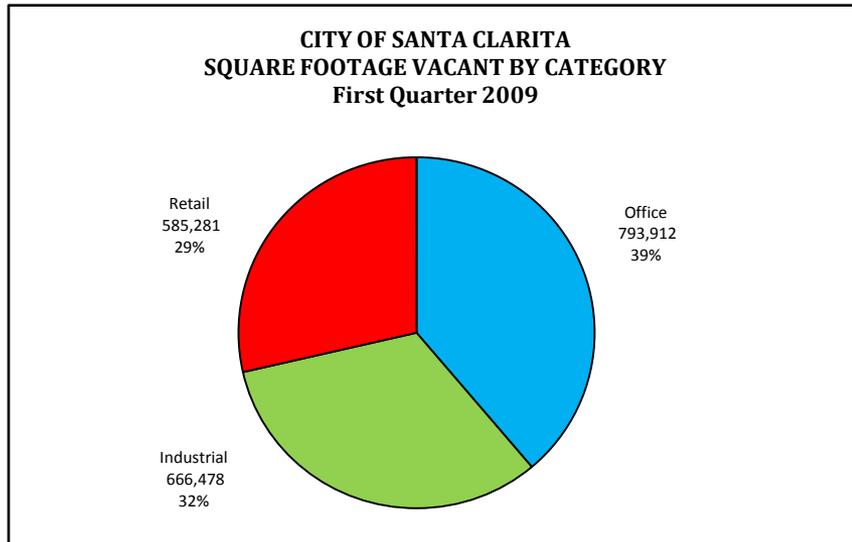
City of Santa Clarita

- In the City of Santa Clarita, office, retail, and industrial vacancy rates increased in First Quarter 2009 because of both contraction of the market and new inventory. Retail vacancy rates increased the most in First Quarter 2009 from the previous quarter.
- The City's office vacancy rate was 18.6% and the retail and industrial vacancy rates were 5.6% and 4.3%, respectively.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley (including the City), office and retail vacancy rates increased in First Quarter 2009 while industrial rates continue to decline.
- The Santa Clarita Valley's office and retail vacancy rates were 19.1% and 6.3%, respectively, while the industrial vacancy rate was 3.6%.

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



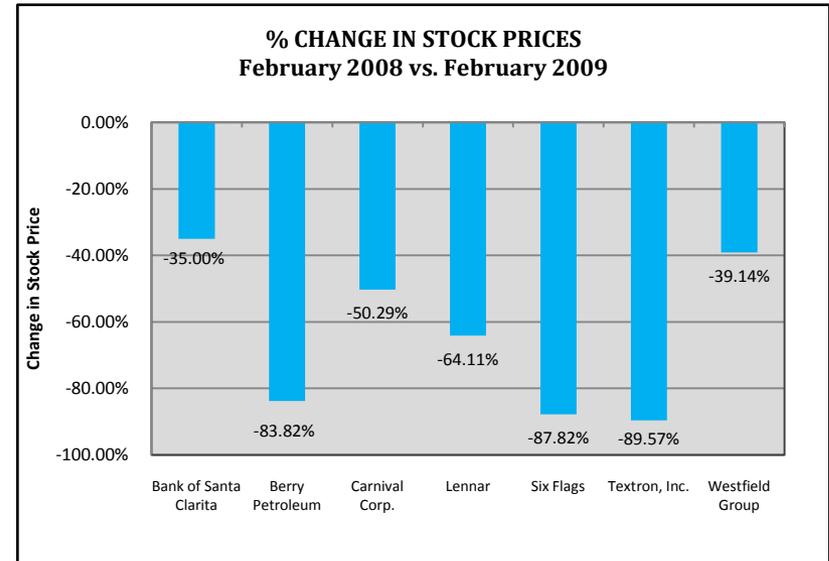
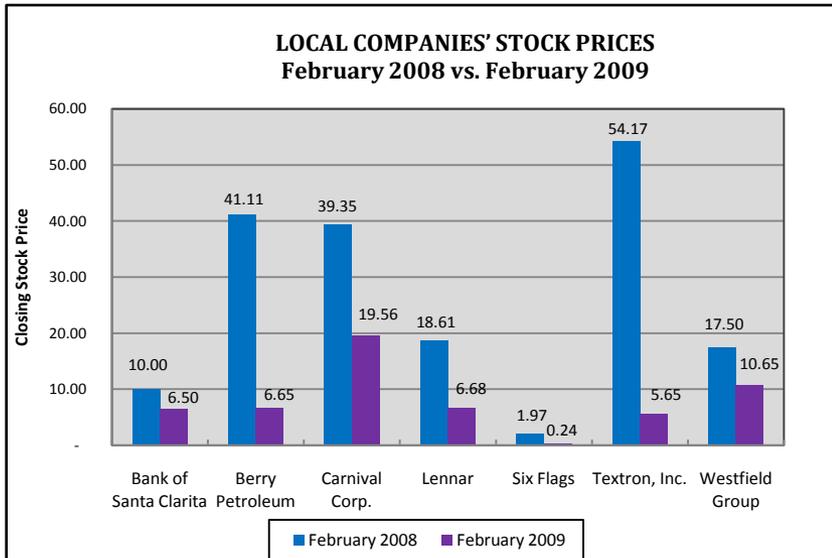
City of Santa Clarita

- 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 7.1% or 2,045,671 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 39% is office space, 32% is industrial space, and 29% 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 6.4% or 2,490,895 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 36% is office space and 32% each is retail and industrial space.

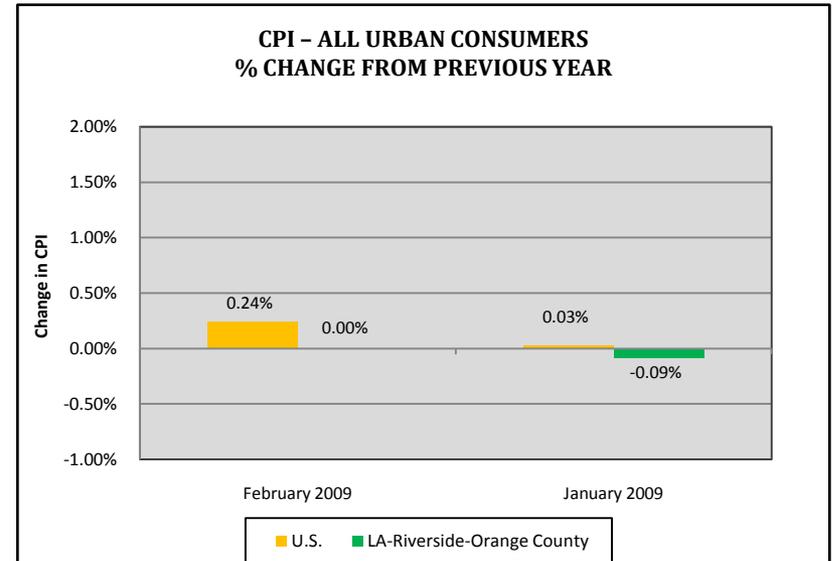
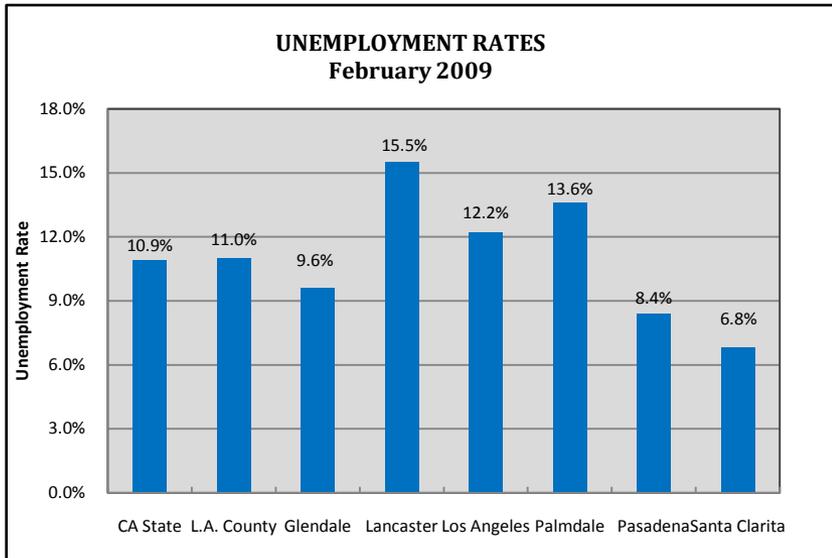
Stock Prices of Local Employers



- Stock prices for each of the seven companies in Santa Clarita whose stock prices are being tracked have declined year-over-year as has the entire stock market.
- At the end of February 2009, the stock price of Six Flags was the lowest at \$0.24 while that of Carnival Corp. was the highest at \$19.56.
- The Dow dropped 42.42% to 7,062.93 on February 27, 2009 from 12,266.39 on February 29, 2008.
- Only Westfield Group and Bank of Santa Clarita have outperformed the market with declines of 39.14% and 35.00%, respectively.

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), SIX (Six Flags), TXT (Textron, Inc.), and ASX.WDS (Westfield Group).

Employment and Inflation



- Santa Clarita's unemployment rate was 6.8% in February 2009 compared to 11.0% for Los Angeles County and 10.9% statewide.
- Year-over-year inflation for February 2009 among all urban consumers for Los Angeles-Riverside-Orange County was essentially absent compared to the national rate of 0.24%. Inflation in the Los Angeles metro area was 0.03% in January 2009.
- The lower inflation rate from one year ago reflects the continued large declines in energy and transportation costs of 19% and 11%, respectively. Compared to one year ago, food and beverage prices rose 5%, while education and communication costs rose 4%, medical care costs rose 3%, and housing costs rose 2%.

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