

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of August 1 – 31, 2009

Published on October 16, 2009

*Amended May 12, 2010**



Overview

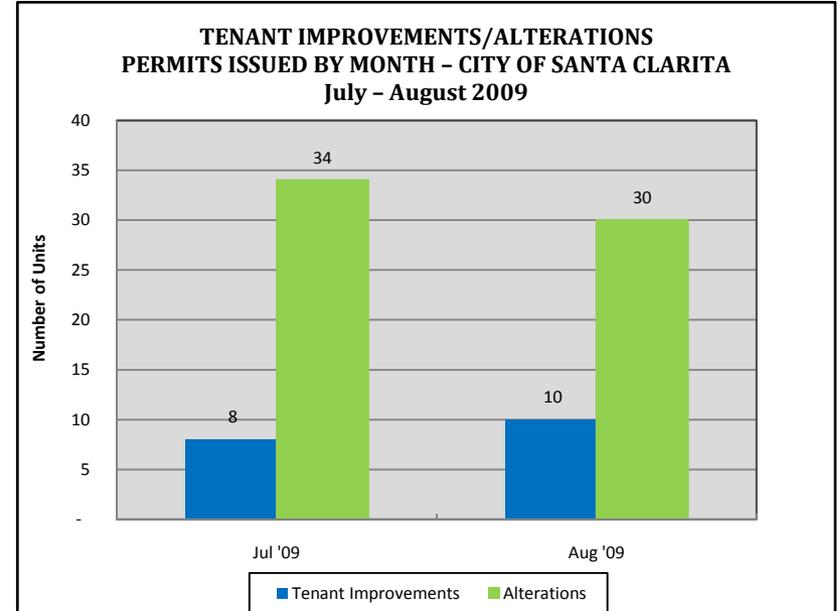
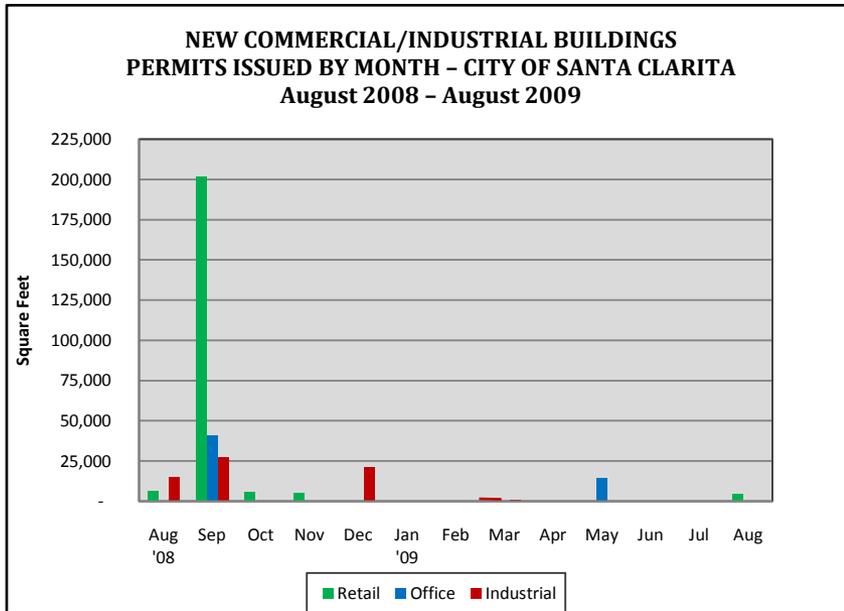
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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;
- The median value of single-family homes and condominiums;
- The total number of single-family homes and condominiums sold;
- Average number of days 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; and,
- The 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

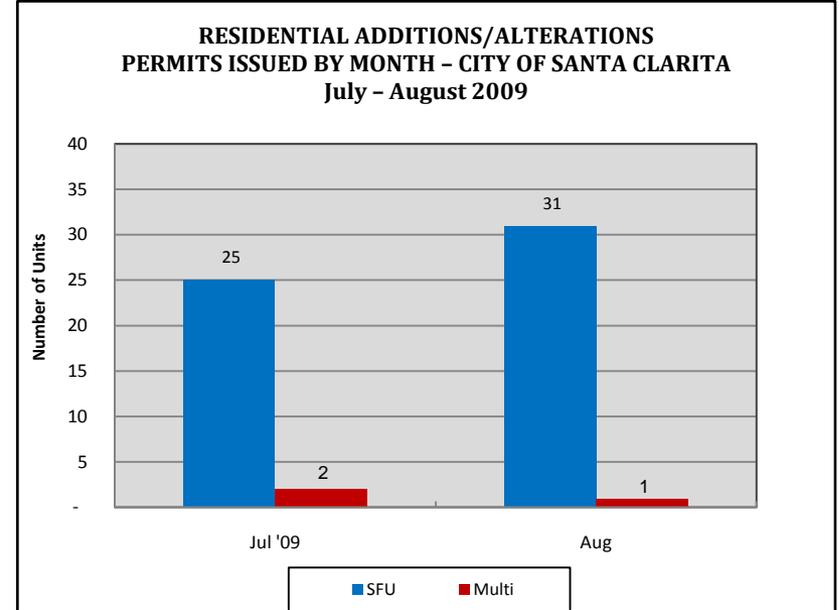
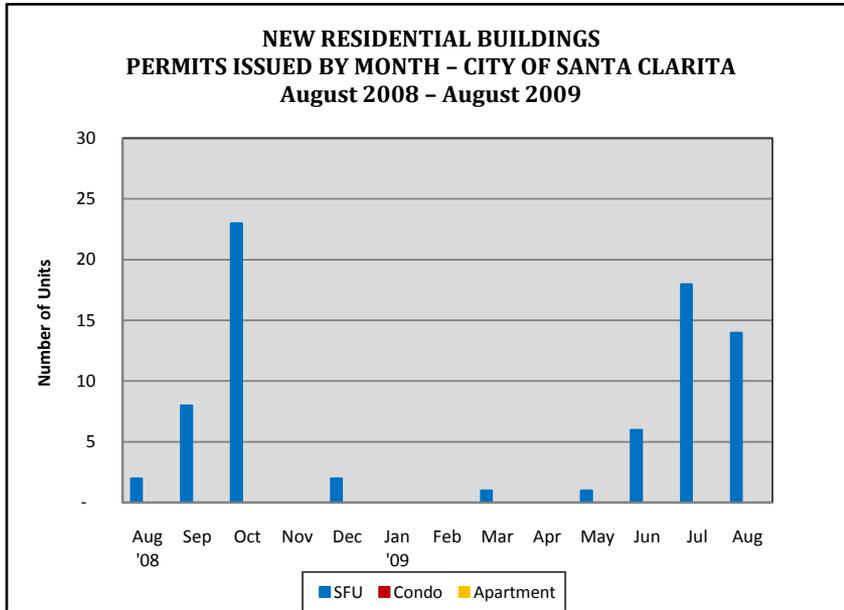
- Two permits for new retail buildings were issued in August 2009 by the City of Santa Clarita comparable to the 2 permits in August 2008 of which 1 was for retail use and 1 was for industrial space.

Tenant Improvements/Alterations

- A total of 10 building permits for tenant improvements were issued in August 2009, up 25% from 8 permits in July 2009.
- In August 2009, a total of 30 commercial alterations were permitted of which 12 or 40% were for signage, 7 or 23% were for fire protection equipment, 3 or 10% were for tents, and 8 or 27% 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 are currently in.

Residential Permits Issued



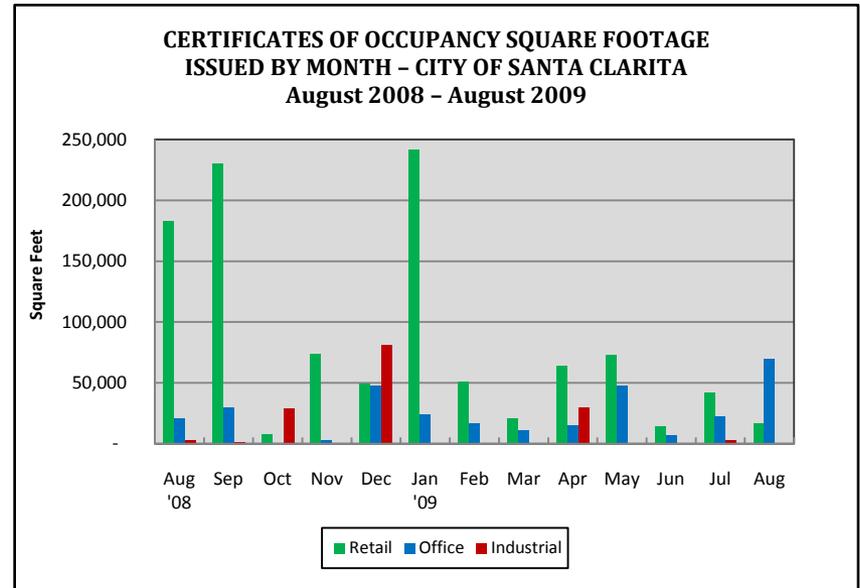
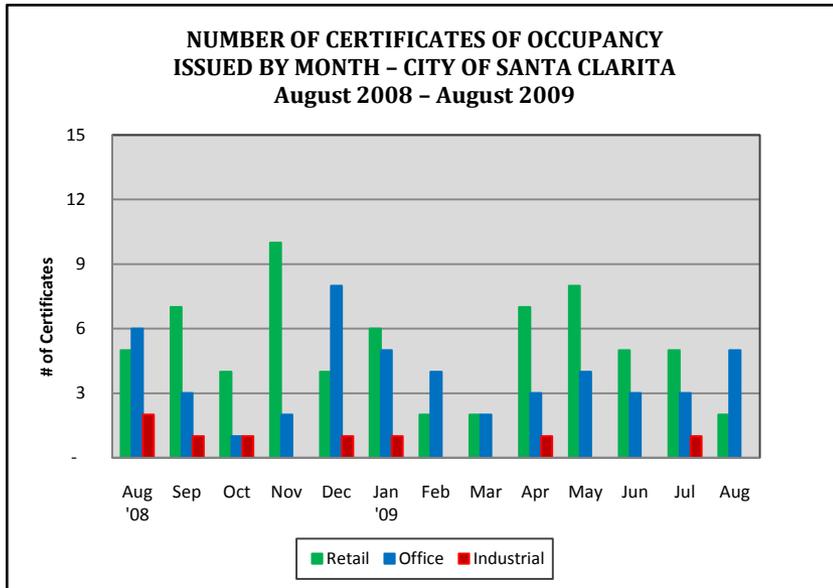
New Residential Buildings

- A total of 14 permits for new single-family residential buildings were issued for new homes in August 2009 by the City of Santa Clarita compared to 2 permits for single-family units in August 2008.

Residential Additions/Alterations

- A total of 32 residential permits for additions and alterations were issued in August 2009 of which 31 or 97% were for single-family units and the remaining 1 or 3% was for multi-unit residences.
- Of the additions/alterations in August 2009, 25% were for patio covers, 22% each were for pools/spas and block walls, 13% were for roofs, and the remaining 19% were for lofts, decks, and other miscellaneous items.

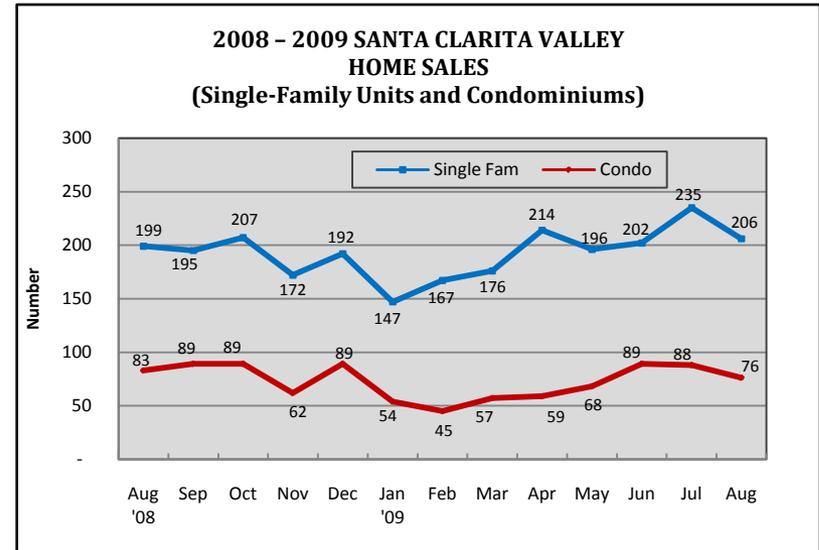
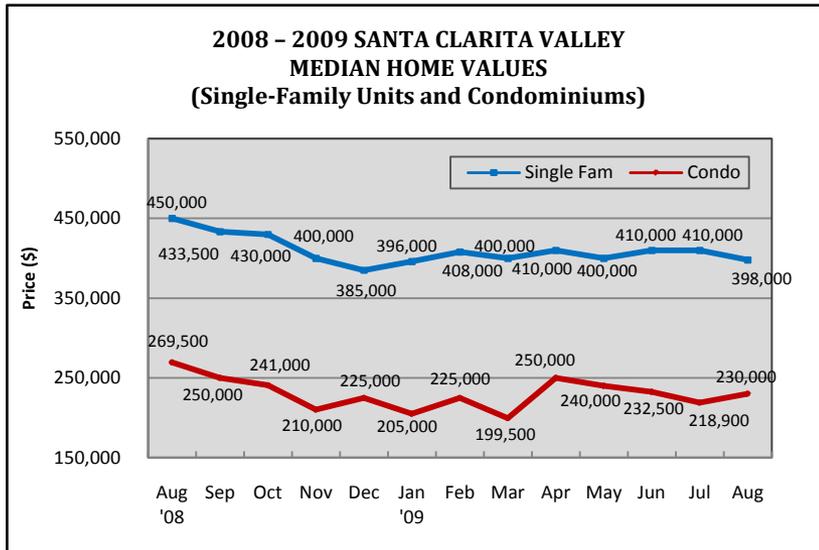
Commercial/Industrial Certificates of Occupancy Issued



- In August 2009 a total of 7 Certificates of Occupancy were issued of which 5 were for office space and 2 were for retail use, down 30% from 10 Certificates of Occupancy in August 2008.
- Certificates of Occupancy for August 2009 represented a total of 86,455 square feet of which 81% was for office space and 19% retail space. This represented a 58% decrease from the 206,202 square feet of retail, office, and industrial space issued in August 2008.

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.

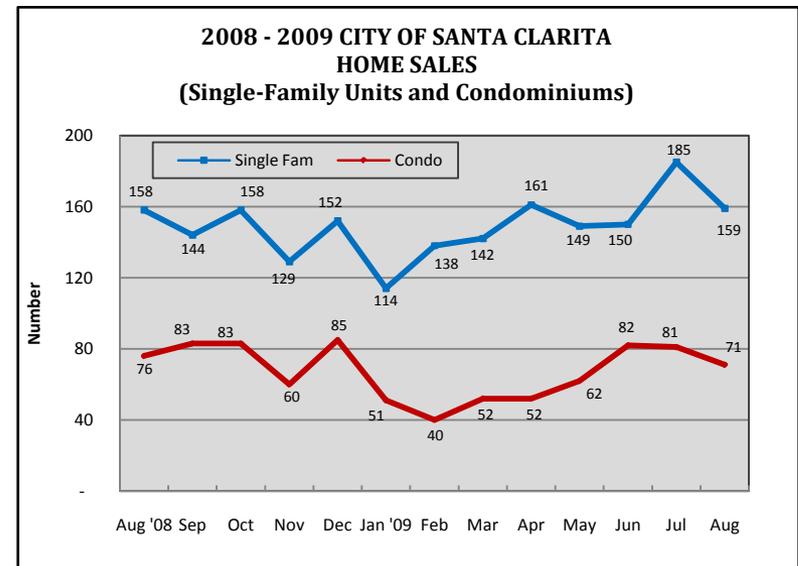
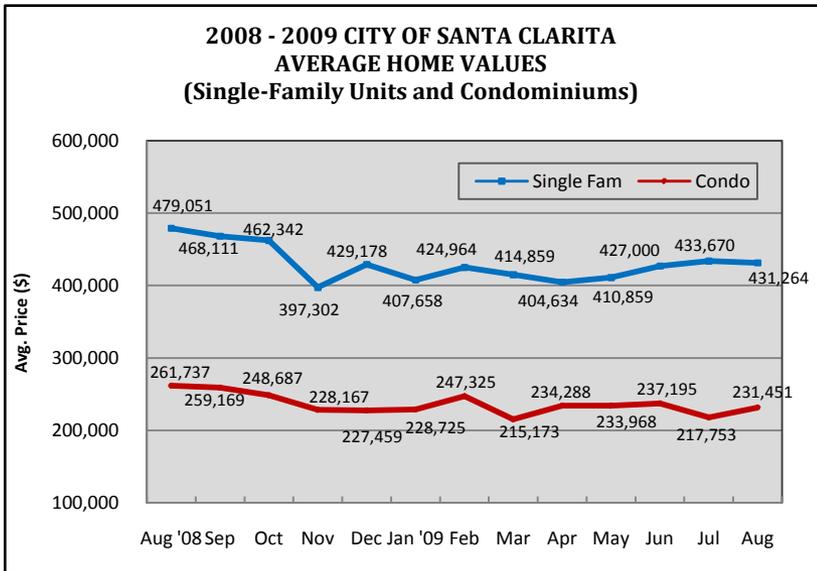
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



In the Santa Clarita Valley (inclusive of the City of Santa Clarita), single-family home values have been holding steady while sales have been fluctuating.

- Single-family median home values slipped 3% to \$398,000 in August 2009 from \$410,000 in July 2009, and were 12% lower than August 2008.
- Condominium prices increased 5% to \$230,000 in August 2009 from \$218,900 in July 2009, and were 15% lower than August 2008.
- A total of 206 single-family homes sold in August 2009, down 12% from July 2009, yet up 4% from one year ago. Condominium sales slipped to 76 sales in August 2009, down 14% from July 2009 and down 8% from August 2008.

City of Santa Clarita Housing Market



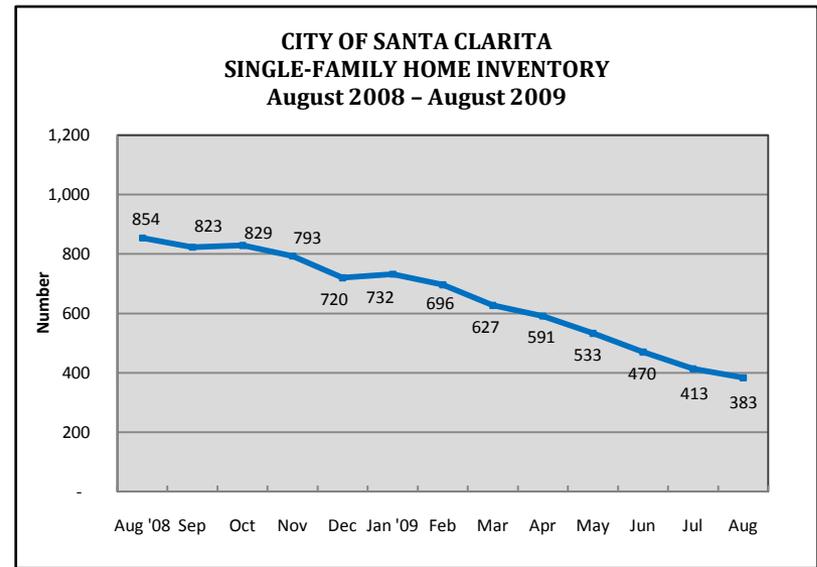
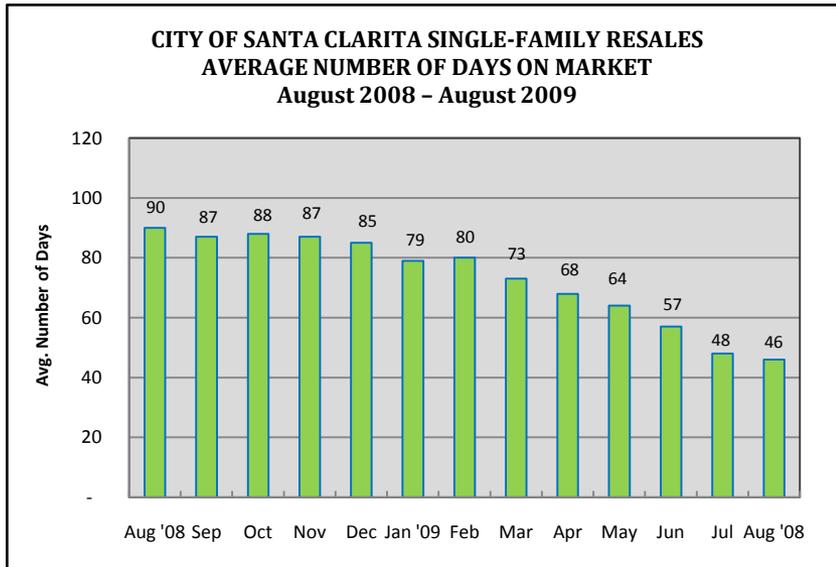
Single-family average prices held steady in August 2009 from July 2009, yet remain lower than prices in August 2008.

- Single-family average home values in August 2009 in the City of Santa Clarita were \$431,300 or 1% below July 2009 and 10% below August 2008.
- The number of single-family homes sold in the City of Santa Clarita in August 2009 dropped compared to sales in July 2009 and were comparable to sales levels in August 2008.
- In the City of Santa Clarita, sales fell 14% to 159 single-family homes in August 2009 from July 2009.

Condominium average prices rose in August 2009 from July 2009, yet remain lower than prices in August 2008.

- Condominium prices increased 6% to \$231,500 in August 2009 from July 2009, yet dropped 12% from August 2008.
- Sales volume of condominiums in the City of Santa Clarita in August 2009 were lower than sales in July 2009, as well as in August 2008.

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

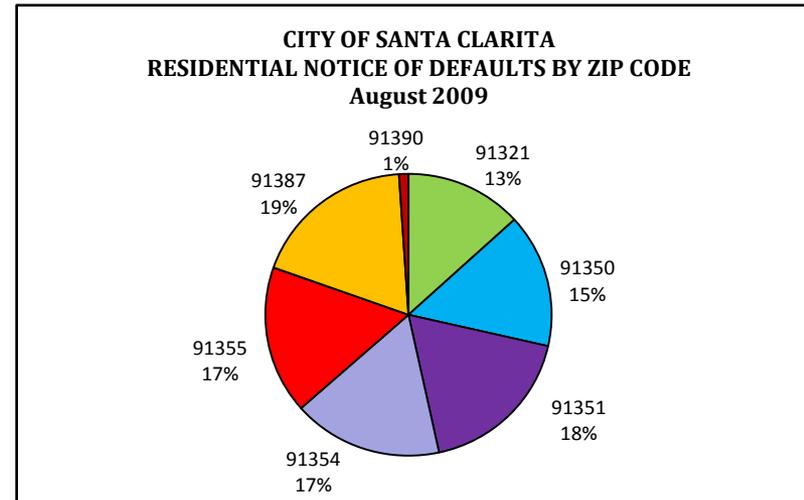
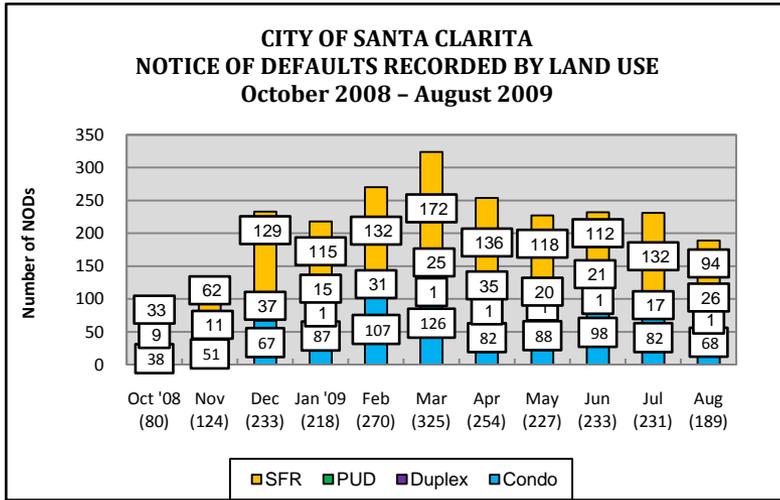


The City of Santa Clarita's housing market is stronger than one year ago when homes took an average 90 days or approximately 3.0 months to sell.

- In August 2009, homes were on the market for an average 46 days or 1.5 months, the lowest level seen in the past year.
- Single-family inventory levels reached a record low. Resale inventory levels fell 7% in August 2009 to 383 homes from 413 in July 2009, and were 55% below inventory levels in August 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.

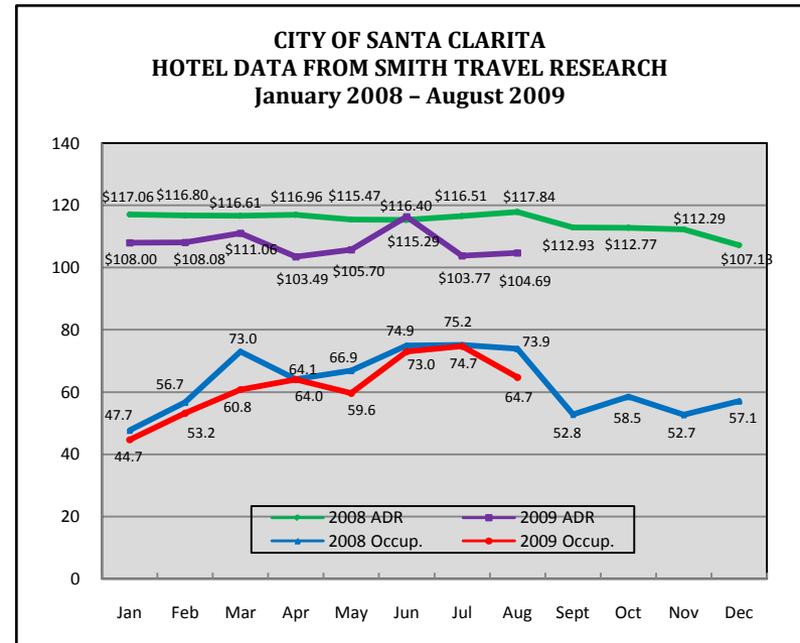
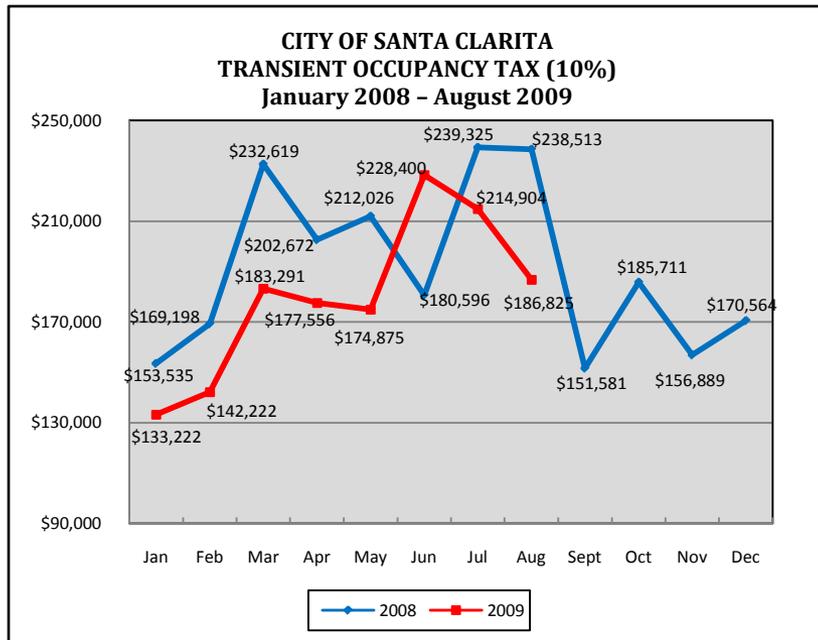
City of Santa Clarita: Notice of Defaults (NODs)



- A total of 189 NODs were recorded in August 2009 in the City of Santa Clarita, down 18% from 231 in July 2009.
- Of the August NODs, 50% or 94 were on single-family residences while 36% or 68 were on condominium properties and 14% or 26 NODs were on PUDs.
- The number of NODs among single-family homes in August 2009 was 29% lower than levels in July 2009 and the number of NODs on condominiums dropped 17%, while NODs on PUDs decreased 53% during the same time period.
- In August 2009, a greater share of NODs were reported in zip codes 91355 and 91351 compared to July 2009 at 9% and 16%, respectively, while fewer NODs were seen in zip code 91354 at 21% in July 2009.
- Approximately one-third or 32% of the NODs were on homes that previously sold in the \$200,000 - \$349,999 range while 30% were in the \$350,000 - \$499,999 range. Additionally, 13% of homes sold in the \$500,000 - \$599,999 range and 10% each sold at both extremes of either less than \$200,000 or at least \$600,000. The price range was unknown for the remaining 5%. This suggests the majority of homeowners who received NODs in August were not in the City's luxury home market, but rather continue to be in the mid-level market. However, NODs in the luxury market appears to be growing.

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.

Tourism: TOT* & Hotel Occupancy



Transient Occupancy Tax (TOT)

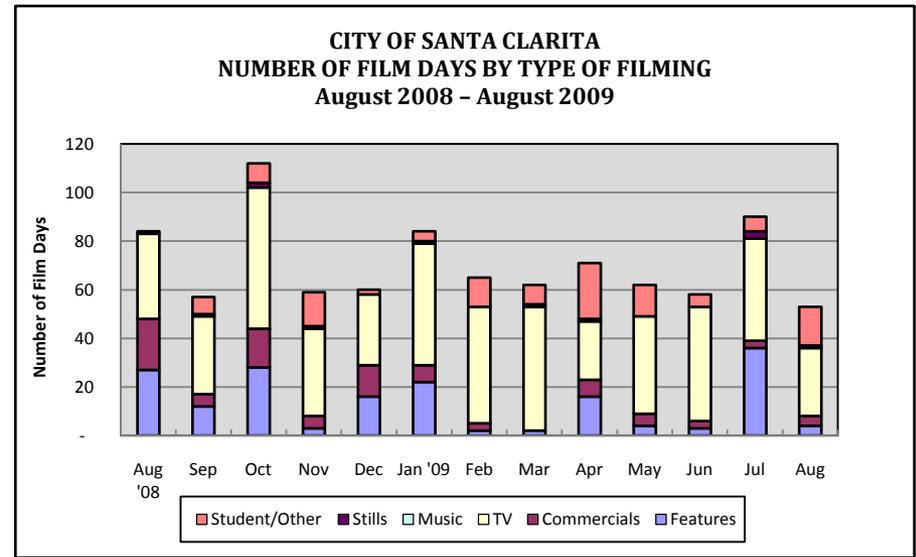
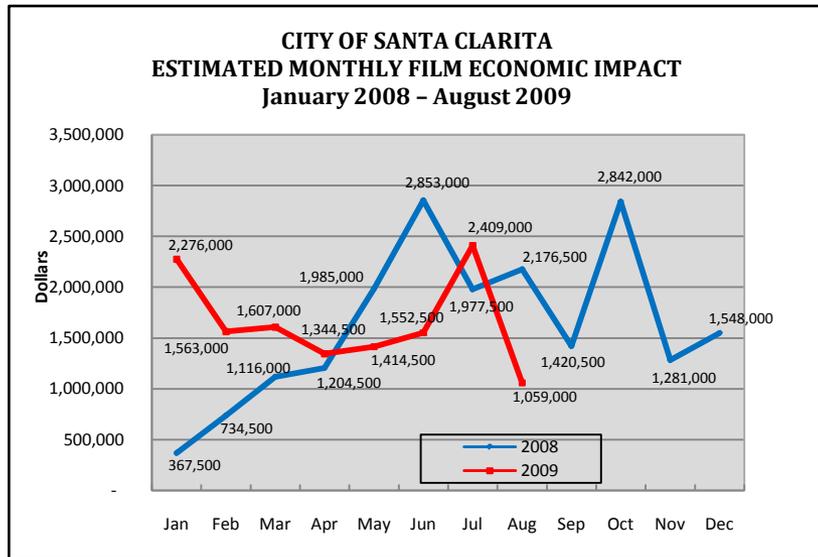
- In August 2009, the City of Santa Clarita collected \$186,825 in TOT, down 22% from \$238,513 in August 2008.
- During the January – August 2009 time frame, the City of Santa Clarita collected \$1,441,295 in TOT, down 12% from the same time period in 2008.

Occupancy

- Smith Travel Research reports hotel occupancy in the City of Santa Clarita was 65% in August 2009, down from a 74% reported occupancy in August 2008.
- An average of 571 rooms of 882 available in the City were sold in August 2009 compared to 652 rooms of 882 available rooms in August 2008.
- In comparison, occupancy rates at hotels nationwide in August 2009 were at 61%, down 10% from August 2008.

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

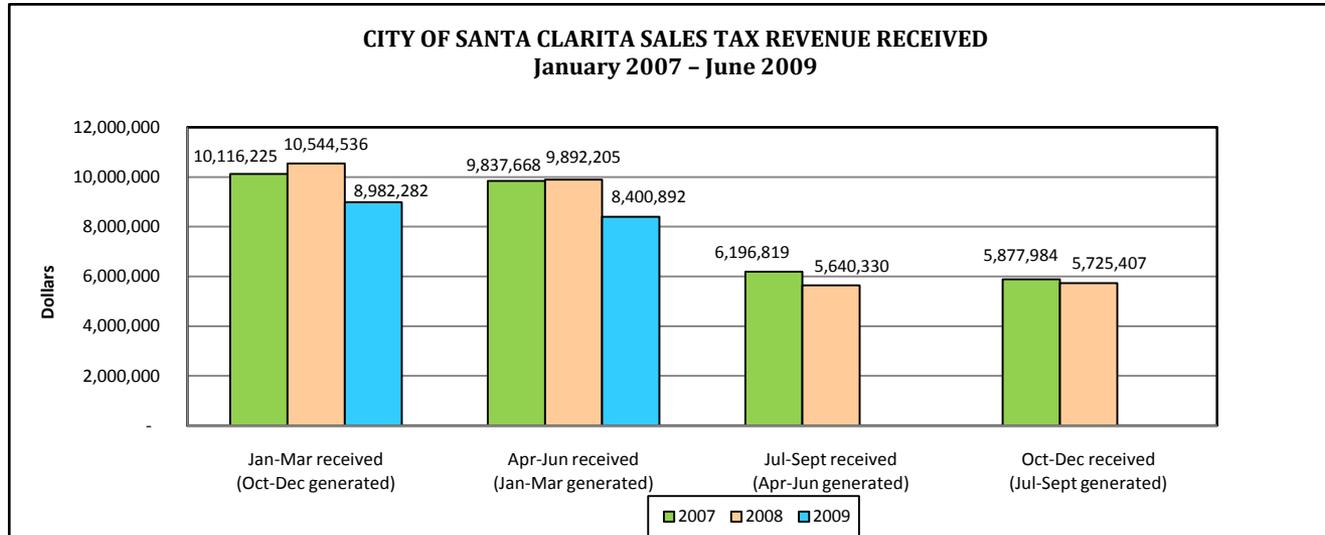


- The Economic Impact from location filming for August 2009 of \$1,059,000 was 51% below the impact in August 2008 of \$2,176,500.
- Moreover, the total Economic Impact from location filming in August 2009 year-to-date was \$13,225,500 or 7% above the impact of \$12,414,500 during the same time period in 2008.
- There were a total of 53 filming days in August 2009, down 37% from 84 filming days in August 2008.
- August 2009 film days included: 53% for television shows, 30% for student/other projects, 8% each for features and commercials, and 2% for music videos. No stills were shot in August 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)

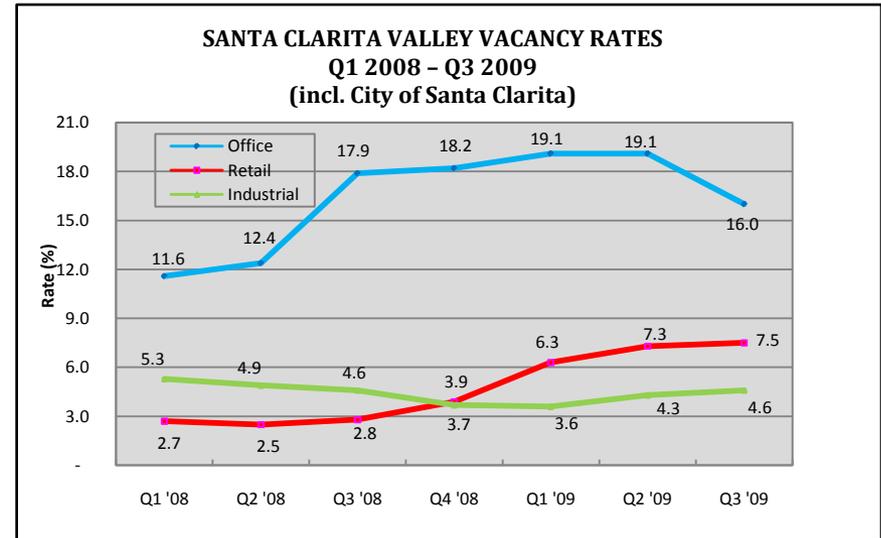
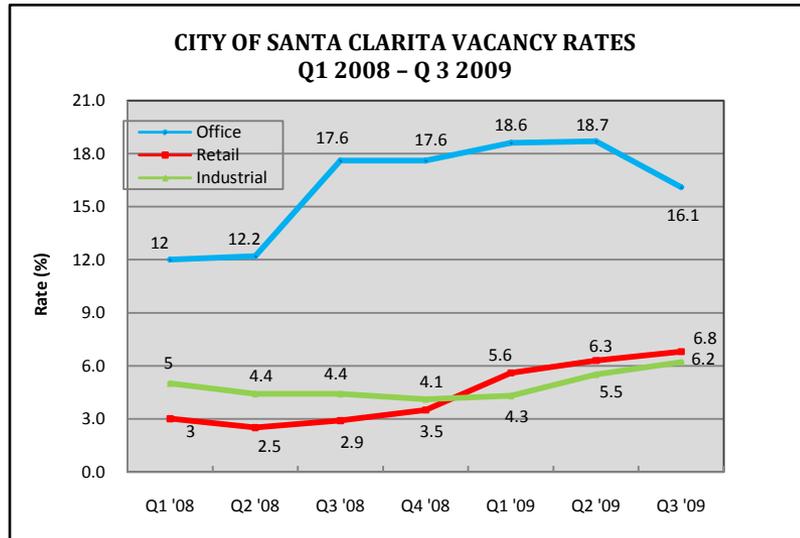


As the economy continued to weaken in 2009, decreases in sales tax receipts were reported.

- In April – June 2009, a total of \$8.40 million in sales tax revenue was received, down 15% from \$9.89 million received in April – June 2008.
- On April 1, 2009, a 1% sales tax increase went into effect, raising sales tax rate in Los Angeles County to 9.25%. This increase was passed by the State Legislature and is a statewide tax.

The sales tax figures contained in this slide represent Point of Sale revenue received only and does not include State and County pool allocations. Sales tax revenue is presented quarterly. The last update was in June 2009. The next update will be included in the September 2009 data.

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



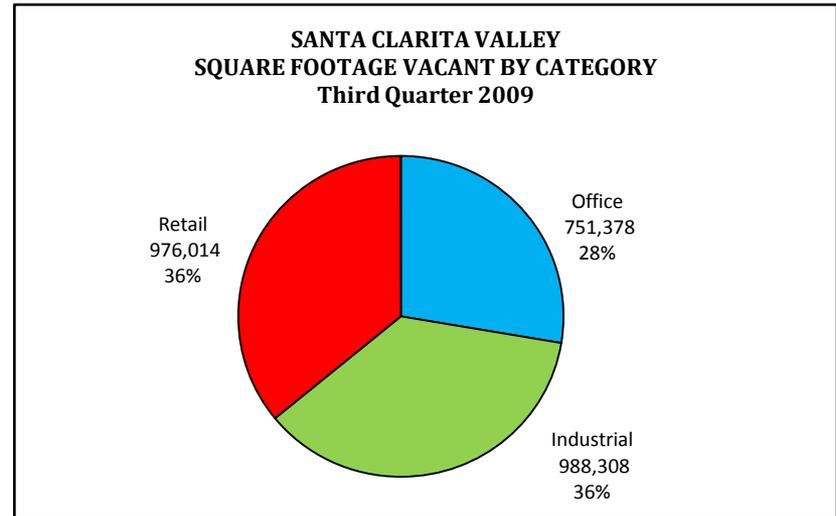
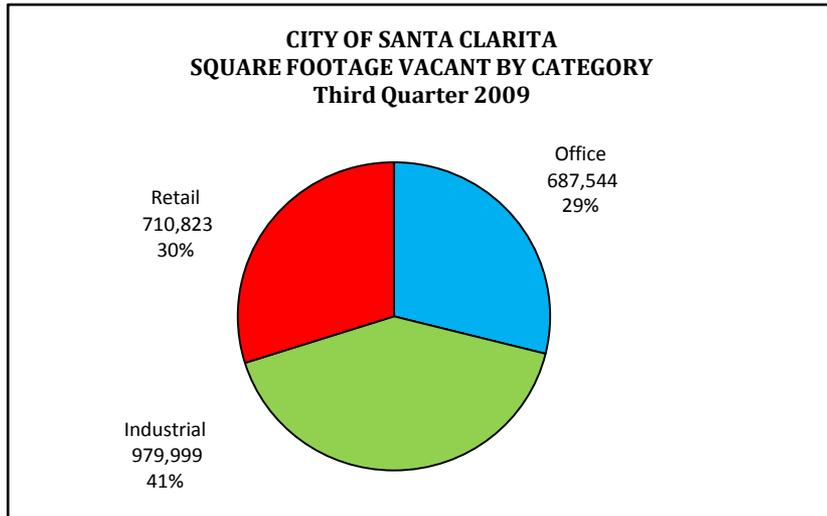
City of Santa Clarita

- In the City of Santa Clarita, retail and industrial vacancy rates increased in Third Quarter 2009, whereas, office vacancy rates declined. Retail vacancy rates increased the most in Third Quarter 2009 from the previous quarter.
- The City's office vacancy rate was 16.1% and the retail and industrial vacancy rates were 6.8% 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 slightly in Third Quarter 2009 while office rates dropped from the previous quarter.
- The Santa Clarita Valley's office and industrial vacancy rates were 16.0% and 4.6%, respectively, while the retail vacancy rate was 7.5%.

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



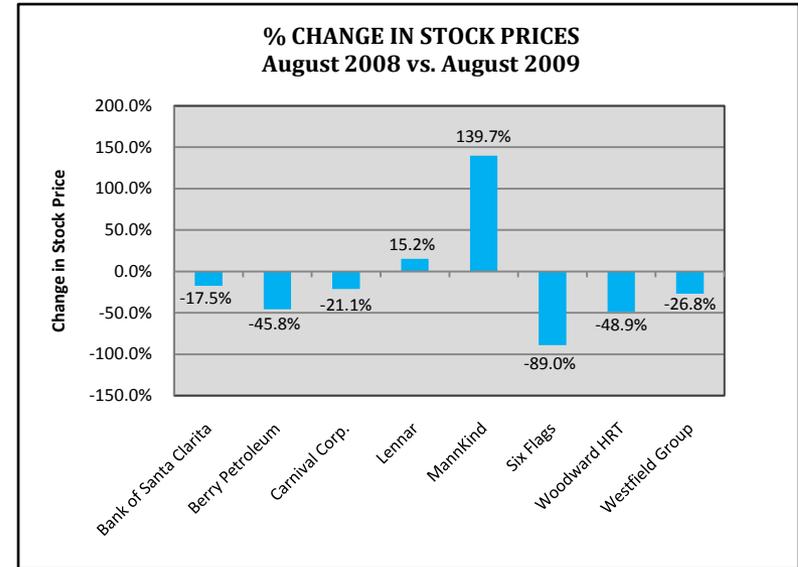
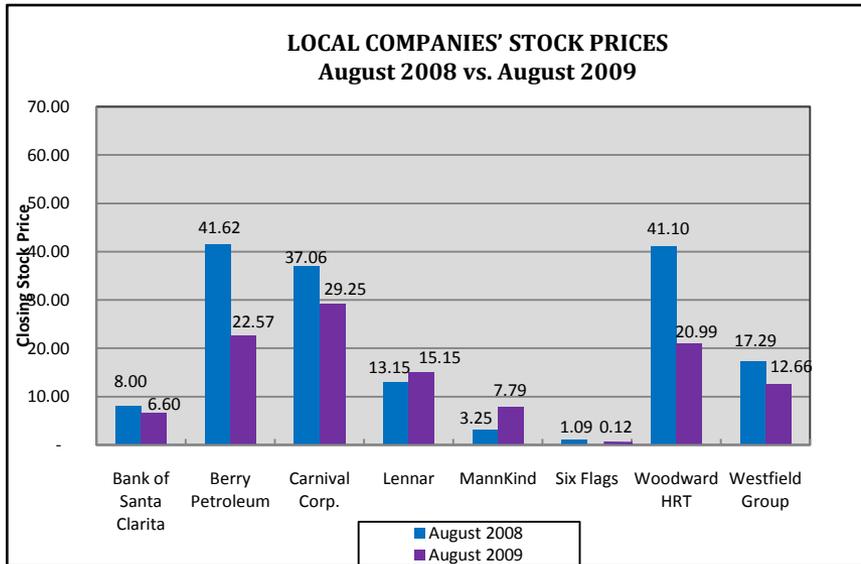
City of Santa Clarita

- 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 8.2% or 2,378,366 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 41% is industrial space, 30% is retail space, and 29% is office 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 7.0% or 2,715,700 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 36% each is industrial and retail space and the remaining 28% is office space.

Stock Prices of Local Employers

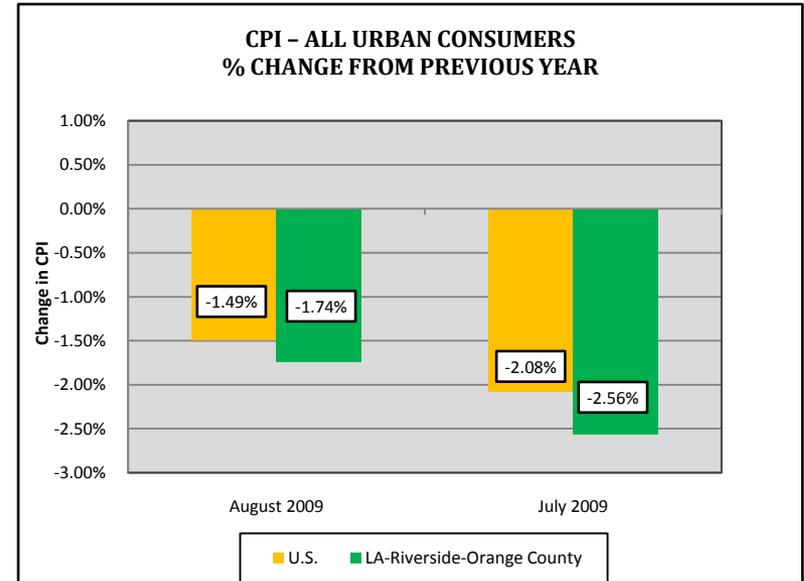
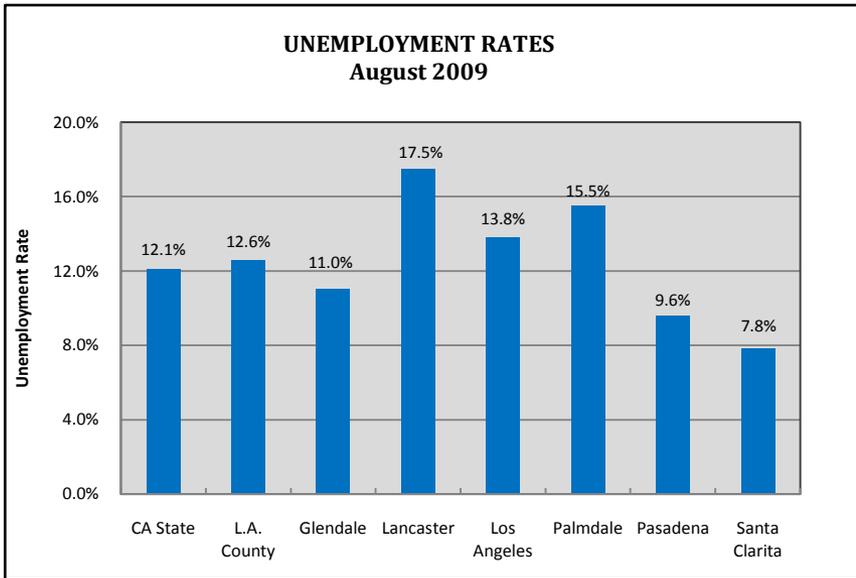


Stock prices for six of the eight companies in Santa Clarita whose stock prices are being tracked have declined year-over-year as has the entire stock market. Only stock prices of Lennar and MannKind increased during the time period represented.

- At the end of August 2009, the stock price of Carnival Corp. remained the highest at \$29.25.
- The Dow dropped 18% to 9,496.28 on August 31, 2009 from 11,543.55 on August 29, 2008.
- MannKind's stock price more than doubled in value during the time period represented and that of Lennar rose 15%
- Bank of Santa Clarita's stock price performance was comparable to that 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.
- Woodward HRT 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.

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), TXT for August 29, 2008 and WGOV for August 31, 2009 (HR Textron), and ASX.WDC.ax (Westfield Group).

Employment and Inflation



- Santa Clarita's unemployment rate was 7.8% in August 2009 compared to 12.6% for Los Angeles County and 12.1% statewide.
- Year-over-year inflation for August 2009 among all urban consumers for Los Angeles-Riverside-Orange County was down 1.7% compared to the national rate of down 1.5%. Inflation in the Los Angeles metro area was down by a greater amount in July 2009.
- The lower inflation rate from one year ago reflects the continued large declines in energy costs of 23%. Compared to one year ago, medical care services rose 3%, while transportation services and shelter costs rose 1% each, and apparel and food costs rose less than 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

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