

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of September 1 – 30, 2009

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*Amended May 12, 2010**



Overview

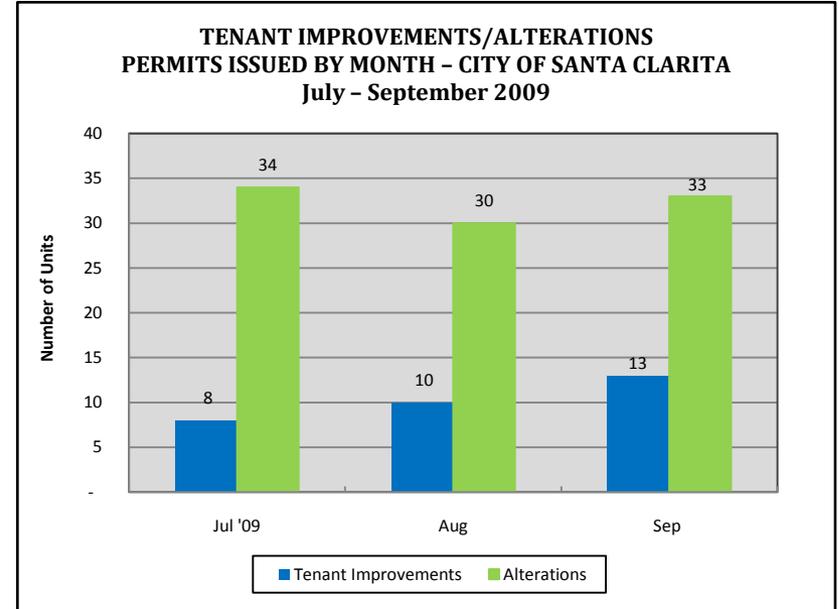
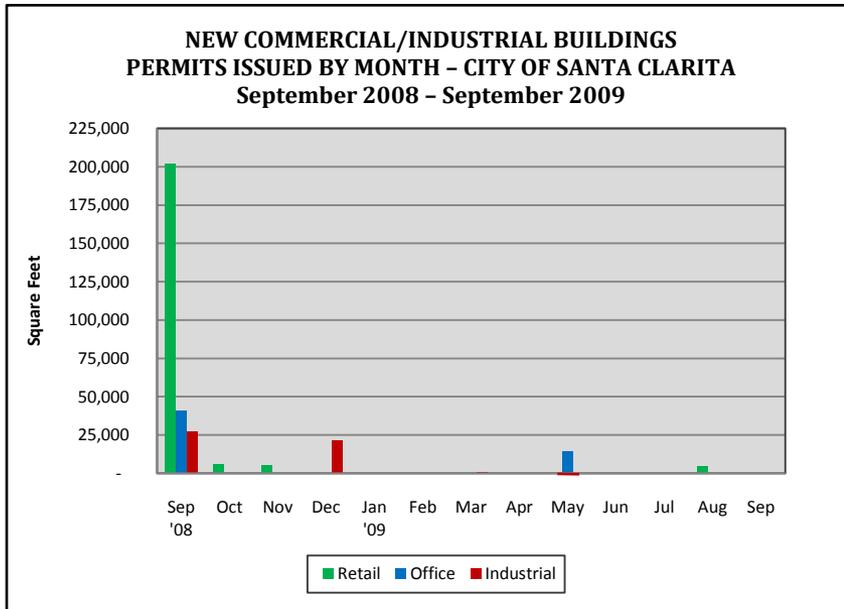
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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

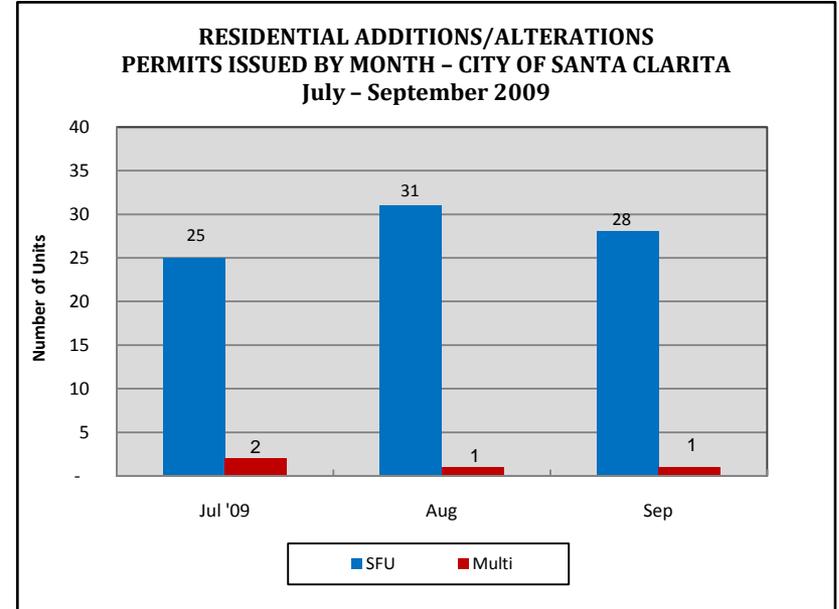
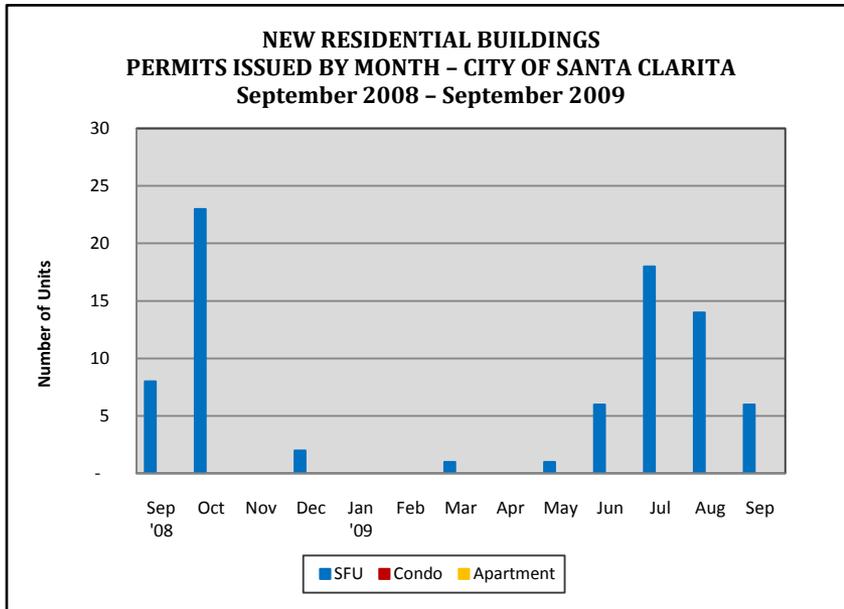
- No permits for new non-residential buildings were issued in September 2009 by the City of Santa Clarita compared to the 12 permits in September 2008 of which 9 were for retail use, 2 were for industrial space, and 1 was for office space.

Tenant Improvements/Alterations

- A total of 13 building permits for tenant improvements were issued in September 2009, up 30% from 10 permits in August 2009.
- In September 2009, a total of 33 commercial alterations were permitted of which 14 or 42% were for fire protection equipment, 9 or 27% were for signage, 3 or 9% were for tents, and 7 or 21% 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



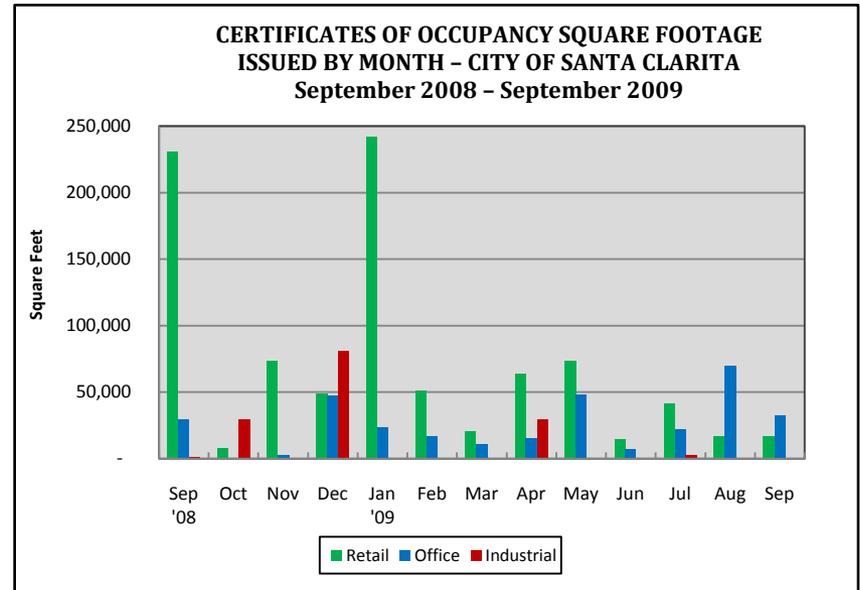
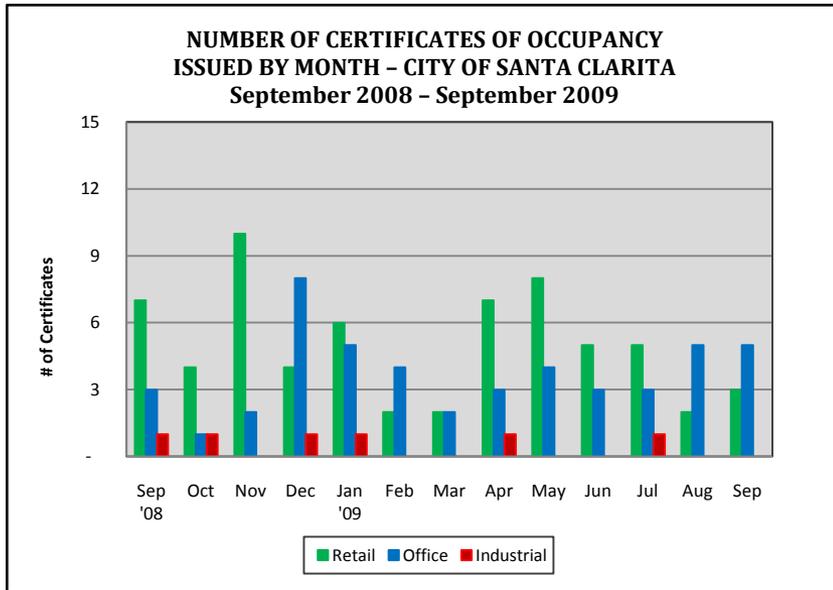
New Residential Buildings

- A total of 6 permits for new single-family residential buildings were issued for new homes in September 2009 by the City of Santa Clarita compared to 8 permits for single-family units in September 2008.

Residential Additions/Alterations

- A total of 29 residential permits for additions and alterations were issued in September 2009 of which 28 or 97% were for single-family units and the remaining 1 or 3% was for multi-unit residences.
- Of the additions/alterations in September 2009, 21% each were for block walls and patio covers, 14% were for pools/spas, and 45% were for windows/doors/skylights, roofs, decks, and other miscellaneous items.

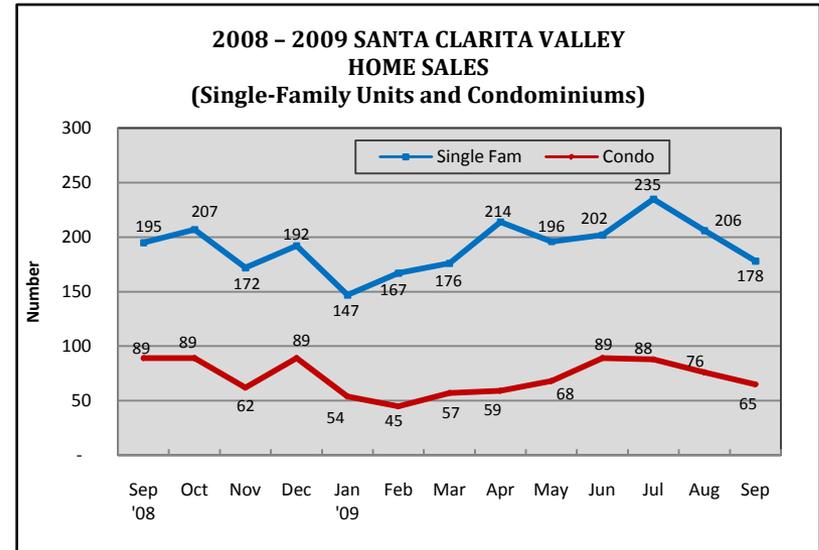
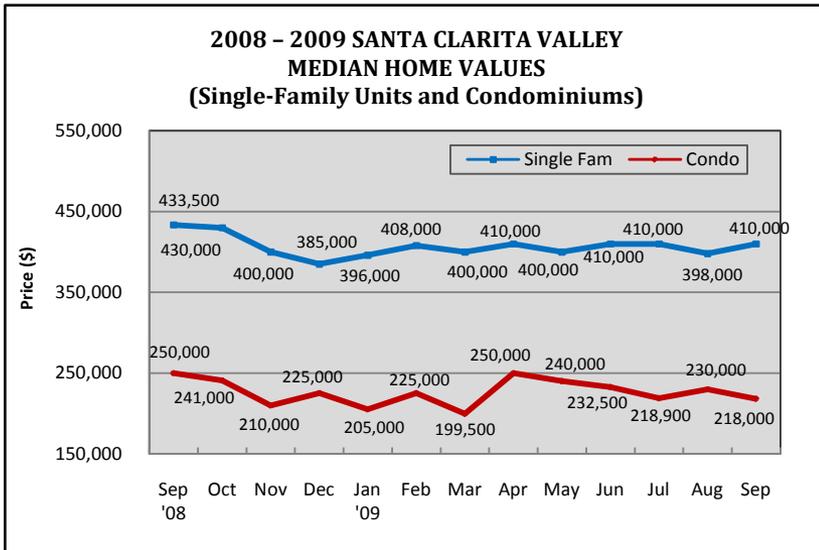
Commercial/Industrial Certificates of Occupancy Issued



- In September 2009 a total of 8 Certificates of Occupancy were issued of which 5 were for office space and 3 were for retail use, down 27% from 11 Certificates of Occupancy in September 2008.
- Certificates of Occupancy for September 2009 represented a total of 49,263 square feet of which 66% was for office space and 34% retail space. This represented an 81% decrease from the 261,117 square feet of retail, office, and industrial space issued in September 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.

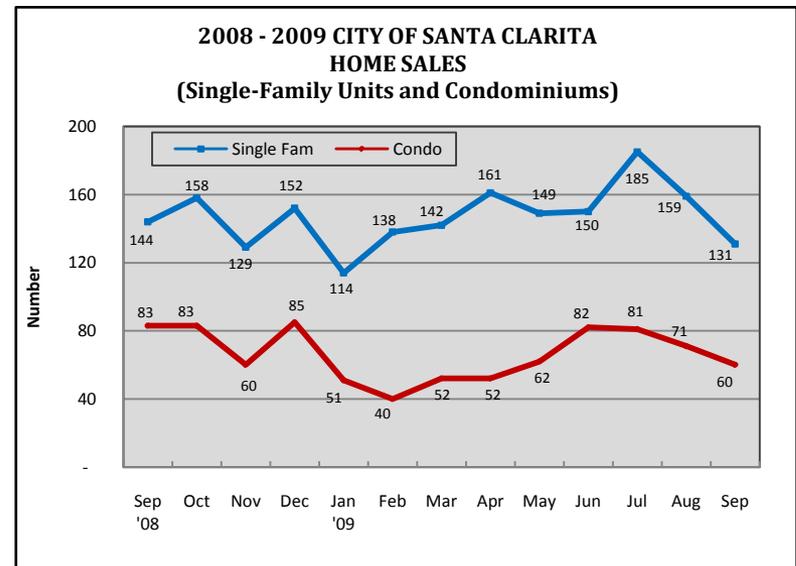
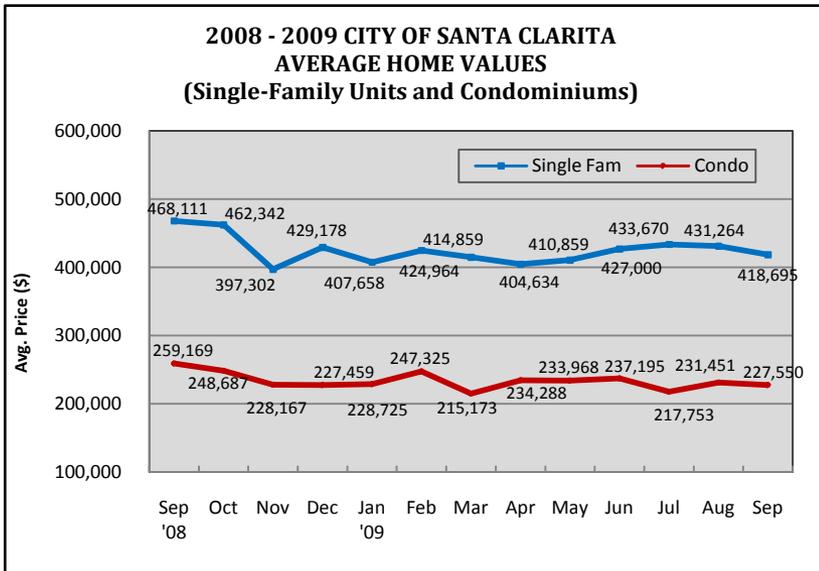
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



In the Santa Clarita Valley (inclusive of the City of Santa Clarita), single-family home values and sales continue to fluctuate.

- Single-family median home values increased 3% to \$410,000 in September 2009 from \$398,000 in August 2009, and were 5% lower than September 2008.
- Condominium prices decreased 5% to \$218,000 in September 2009 from \$230,000 in August 2009, and were 13% lower than September 2008.
- A total of 178 single-family homes sold in September 2009, down 14% from August 2009, and down 9% from one year ago. Condominium sales slipped to 65 sales in September 2009, down 14% from August 2009 and down 27% from September 2008.

City of Santa Clarita Housing Market



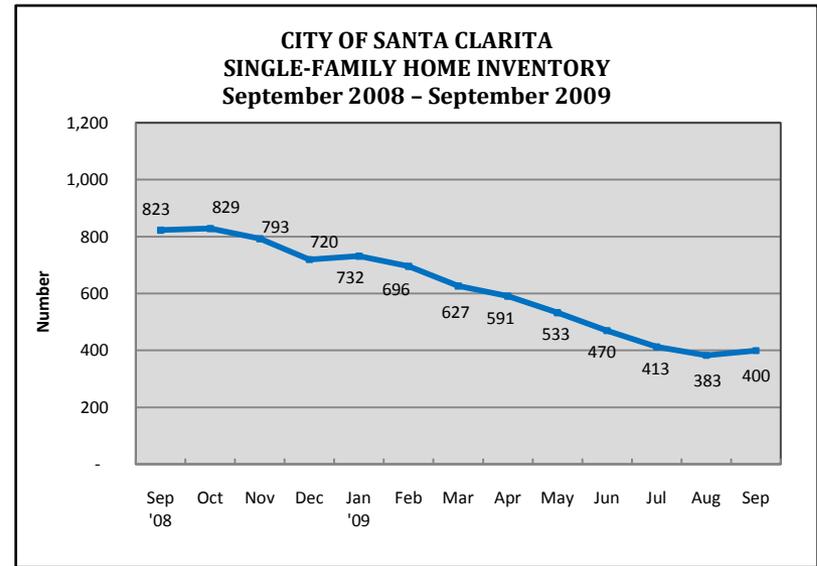
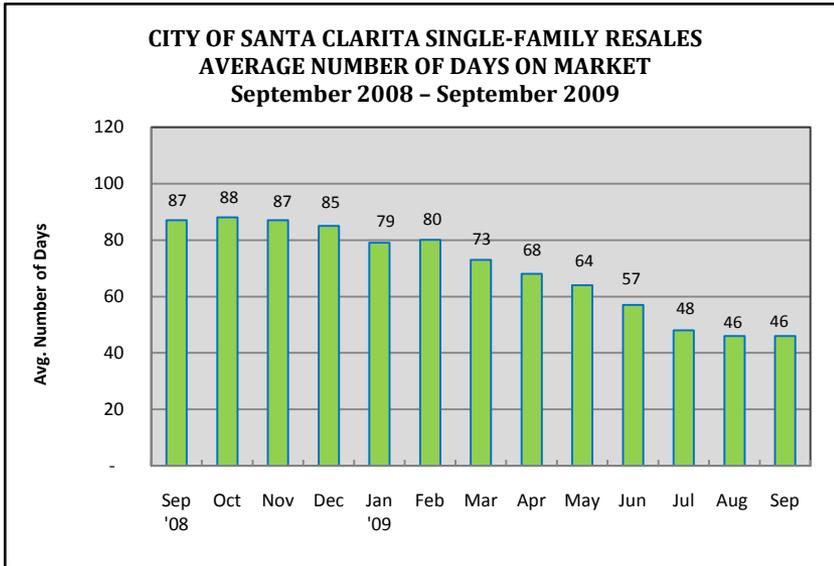
Single-family average prices slipped in September 2009 from August 2009, and remain lower than prices in September 2008.

- Single-family average home values in September 2009 in the City of Santa Clarita were \$418,700 or 3% below August 2009 and 11% below September 2008.
- In the City of Santa Clarita, sales fell 18% to 131 single-family homes in September 2009 from August 2009, and dropped 9% from September 2008.

Condominium average prices dropped in September 2009 from August 2009, and remain lower than prices in September 2008.

- Condominium prices decreased 2% to \$227,600 in September 2009 from August 2009, and dropped 12% from September 2008.
- Condominium sales dropped 15% to 60 units in the City of Santa Clarita in September 2009 from August 2009, and dropped 28% from September 2008.

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

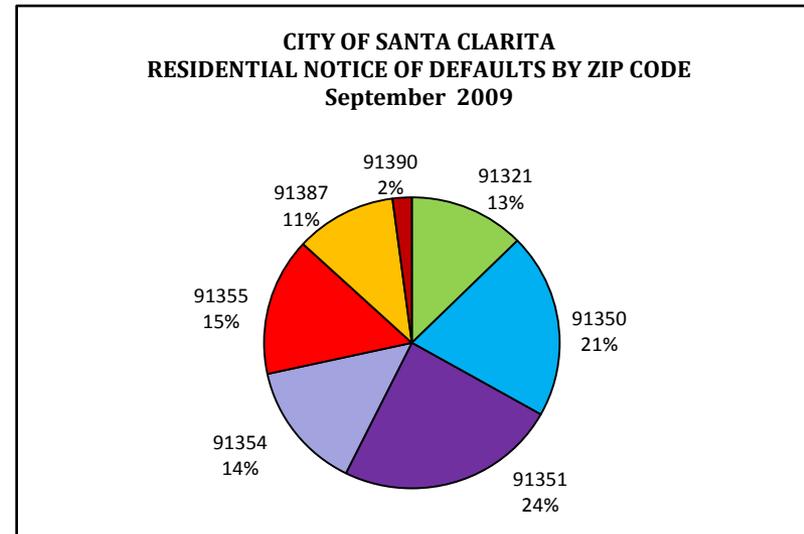
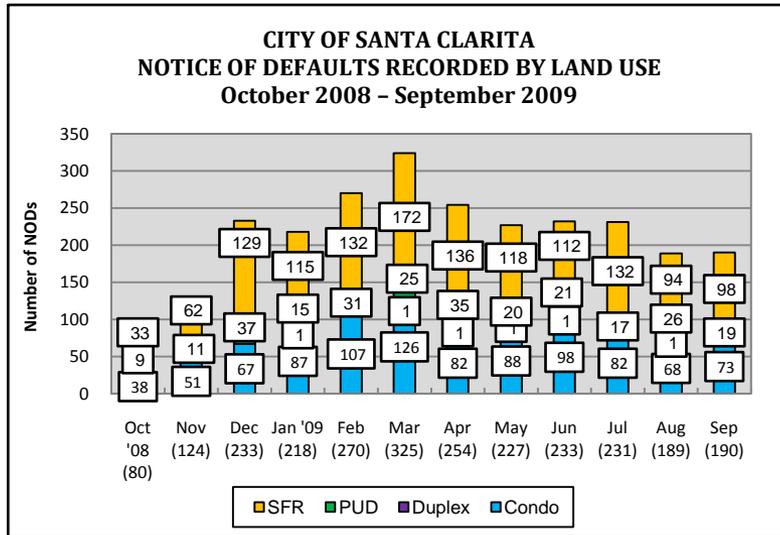


The City of Santa Clarita’s housing market is stronger than one year ago when homes took an average 87 days or approximately 3.0 months to sell.

- In September 2009, homes were on the market for an average 46 days or 1.5 months, comparable to levels the previous month and the lowest level seen in the past year.
- Single-family inventory levels increased slightly. Resale inventory levels rose 4% in September 2009 to 400 homes from 383 in August 2009, yet were 51% below inventory levels in September 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.

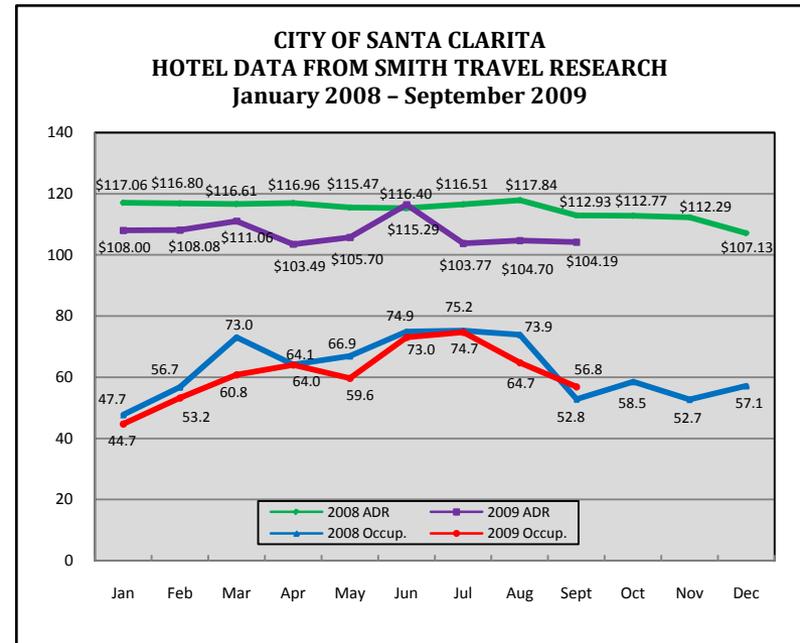
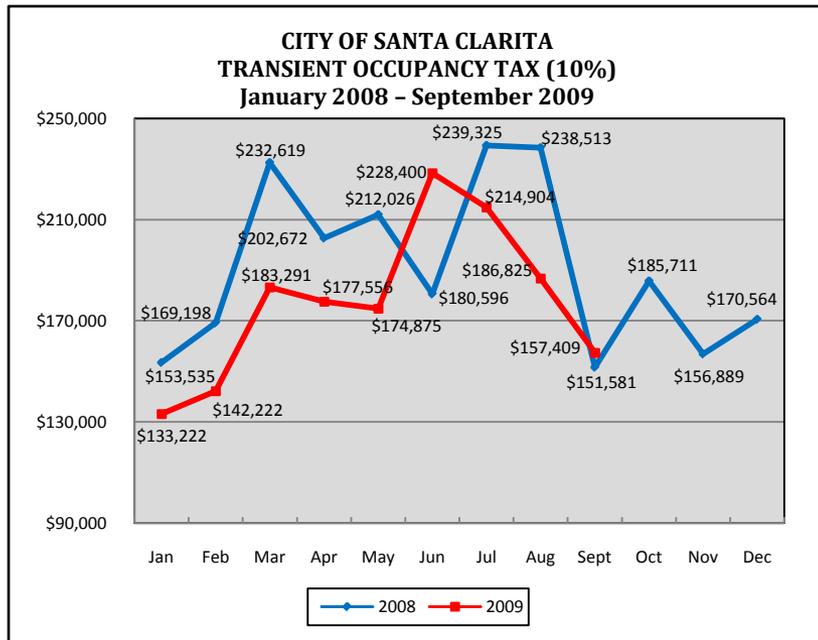
City of Santa Clarita: Notice of Defaults (NODs)



- A total of 190 NODs were recorded in September 2009 in the City of Santa Clarita, comparable to the 189 in August 2009.
- Of the September NODs, 52% or 98 were on single-family residences while 38% or 73 were on condominium properties and 10% or 19 NODs were on PUDs.
- The number of NODs among single-family homes in September 2009 was 4% higher than levels in August 2009 and the number of NODs on condominiums increased 7%, while NODs on PUDs decreased 27% during the same time period.
- In September 2009, The greatest share of NODs were reported in zip codes 91351 and 91350 at 24% and 21%, respectively. Compared to NODs in August 2009, more NODs were reported in these two zip codes while the greatest decline was seen in zip code 91387.
- Approximately one-third or 30% of the NODs were on homes that previously sold in the \$350,000 - \$499,999 range while an additional 26% were in the \$200,000 - \$349,999 range . Additionally, 16% of homes sold for at least \$600,000, 12% sold for less than \$200,000, and 11% were in the \$500,000 - \$599,999 range. The price range was unknown for the remaining 5%. This suggests the majority of homeowners who received NODs in September 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)

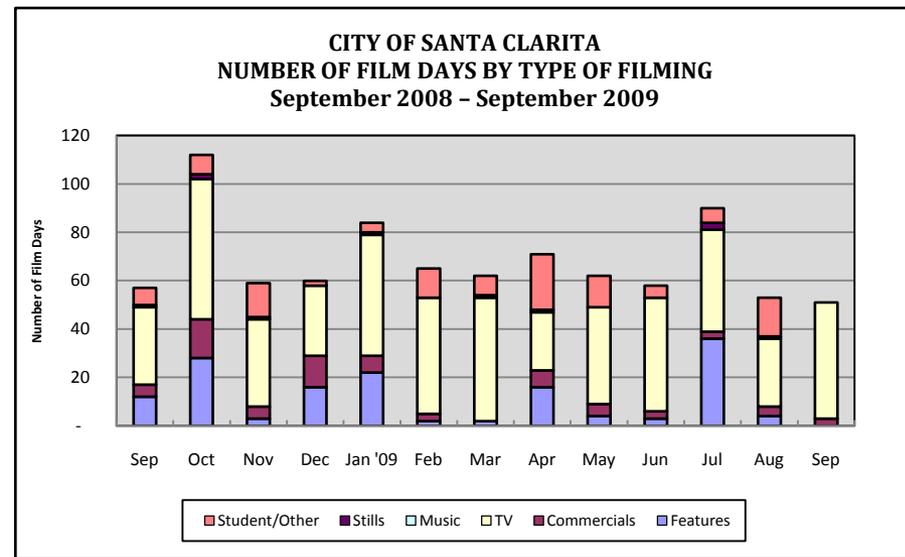
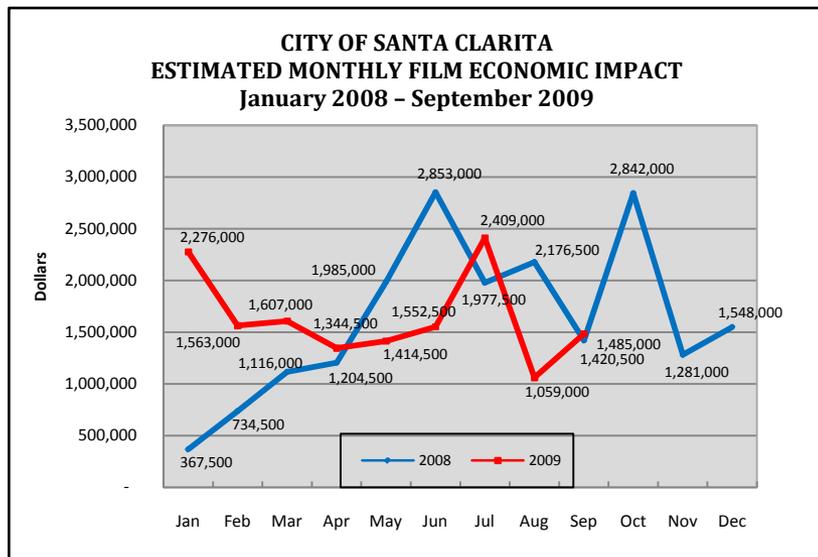
- In September 2009, the City of Santa Clarita collected \$157,409 in TOT, up 4% from \$151,581 in September 2008.
- During the January – September 2009 time frame, the City of Santa Clarita collected \$1,598,704 in TOT, down 10% from the same time period in 2008.

Occupancy

- Smith Travel Research reported hotel occupancy in the City of Santa Clarita was 57% in September 2009, up from a 53% reported occupancy in September 2008.
- An average of 501 rooms of 882 available in the City were sold in September 2009 compared to 466 rooms of 882 available rooms in September 2008.
- In comparison, occupancy rates at hotels nationwide in September 2009 were at 57%, down 6% from September 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

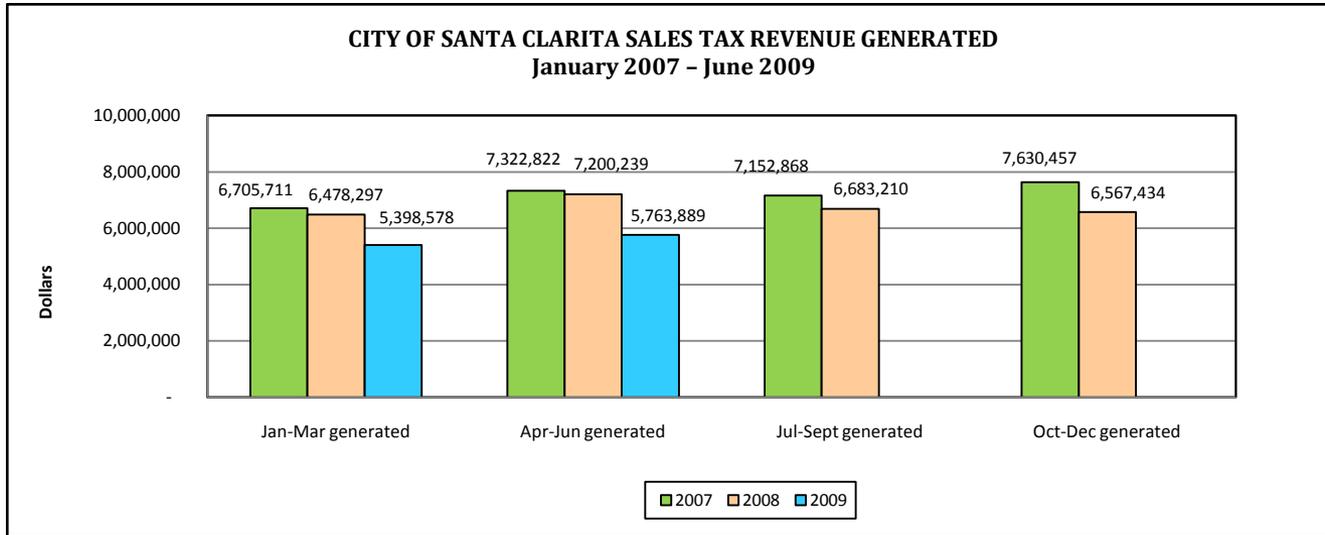


- The Economic Impact from location filming for September 2009 of \$1,485,000 was 5% above the impact in September 2008 of \$1,420,500.
- Moreover, the total Economic Impact from location filming in September 2009 year-to-date was \$14,710,500 or 6% above the impact of \$13,835,000 during the same time period in 2008.
- There were a total of 51 filming days in September 2009, down 11% from 57 filming days in September 2008.
- September 2009 film days included: 94% for television shows and 6% for commercials. No filming occurred on features, music videos, stills or student/other projects in September 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)



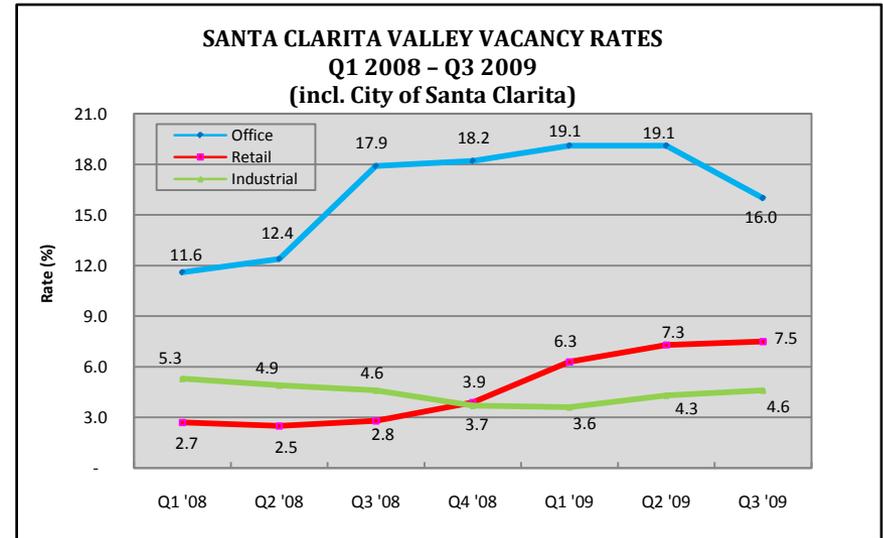
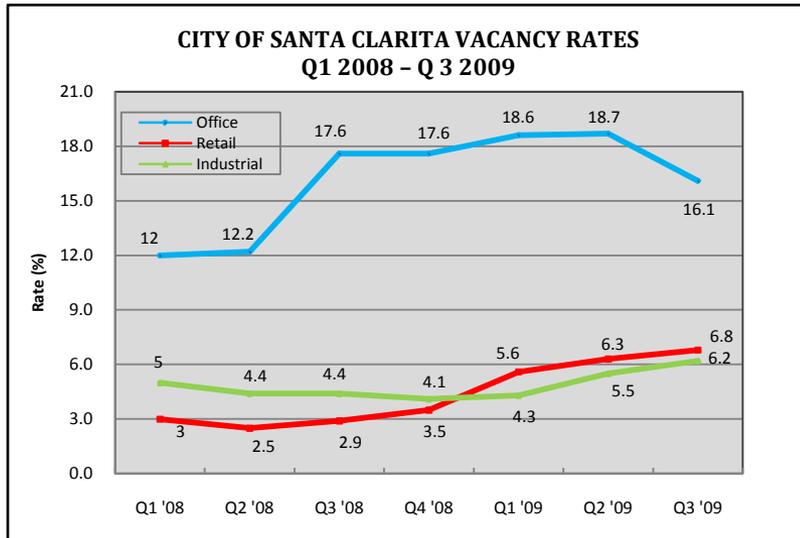
As the economy continued to weaken in 2009, decreases in sales tax generated were reported.

- In April – June 2009, a total of \$5.76 million in sales tax revenue was generated, down 20% from \$7.20 million generated in April – June 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.

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 current update was for Second Quarter 2009. The next update will included Third Quarter 2009 data.

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



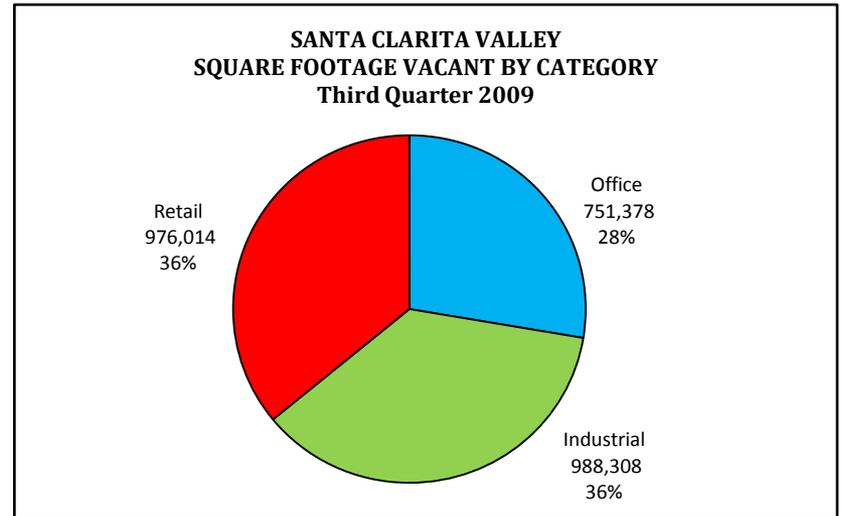
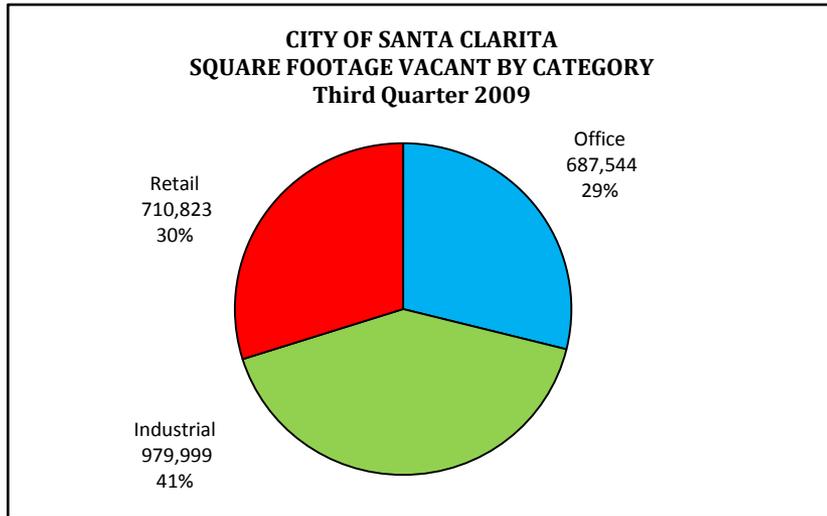
City of Santa Clarita

- 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



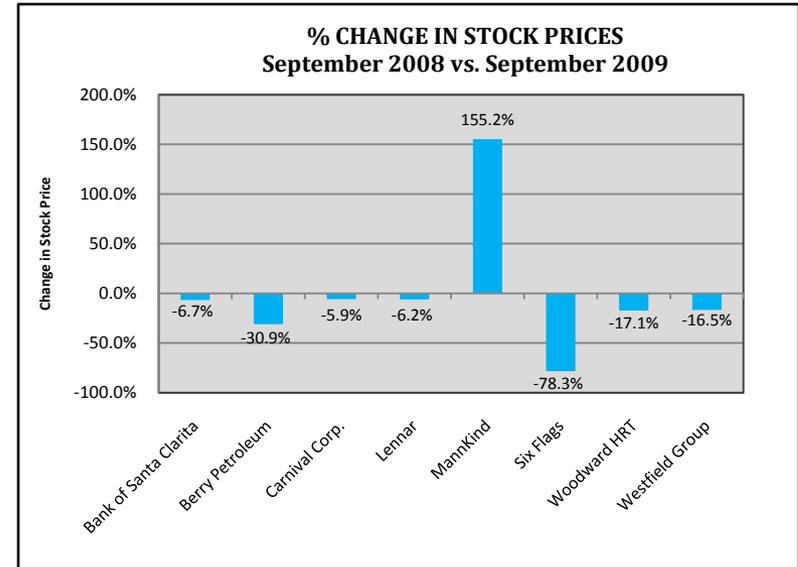
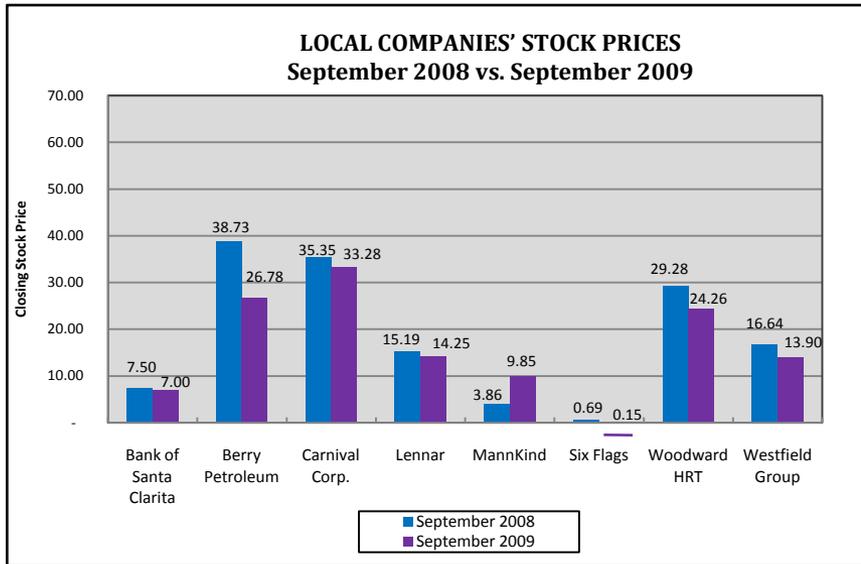
City of Santa Clarita

- 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

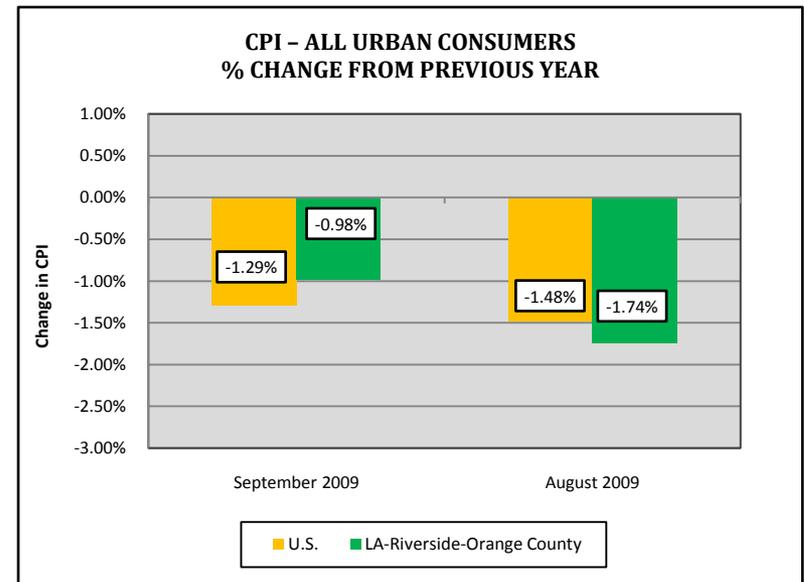
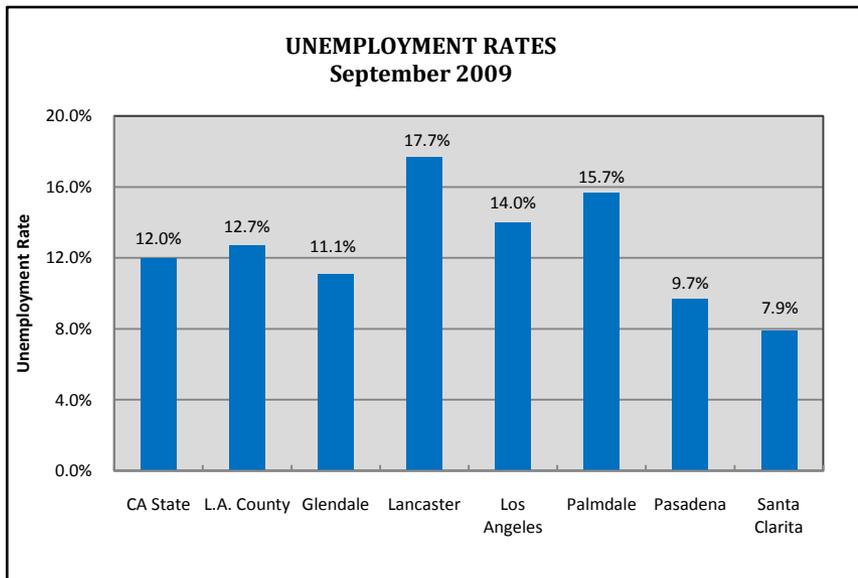


Stock prices for seven of the eight companies in Santa Clarita whose stock prices are being tracked have declined year-over-year as has the entire stock market. Only stock prices of MannKind increased during the time period represented.

- At the end of September 2009, the stock price of Carnival Corp. remained the highest at \$33.28.
- The Dow dropped 10% to 9,712.28 on September 30, 2009 from 10,850.66 on September 30, 2008.
- MannKind's stock price more than doubled in value during the time period represented.
- The stock price declines seen by Carnival Corp., Lennar, and Bank of Santa Clarita were less than 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 September 30, 2008 and WGOV for September 30, 2009 (HR Textron), and ASX.WDC.ax (Westfield Group).

Employment and Inflation



- Santa Clarita's unemployment rate was 7.9% in September 2009 compared to 12.7% for Los Angeles County and 12.0% statewide.
- Year-over-year inflation for September 2009 among all urban consumers for Los Angeles-Riverside-Orange County was down 1.0% compared to the national rate of down 1.3%. Inflation in the Los Angeles metro area was down by a greater amount in August 2009.
- The lower inflation rate from one year ago reflects the continued large declines in energy costs of 22%. Compared to one year ago, medical care commodities and services rose 4% and 3%, respectively, while transportation services and shelter costs rose 2% each, and apparel costs rose 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: 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