

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of October 1 – 31, 2009

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*Amended May 17, 2010**



Overview

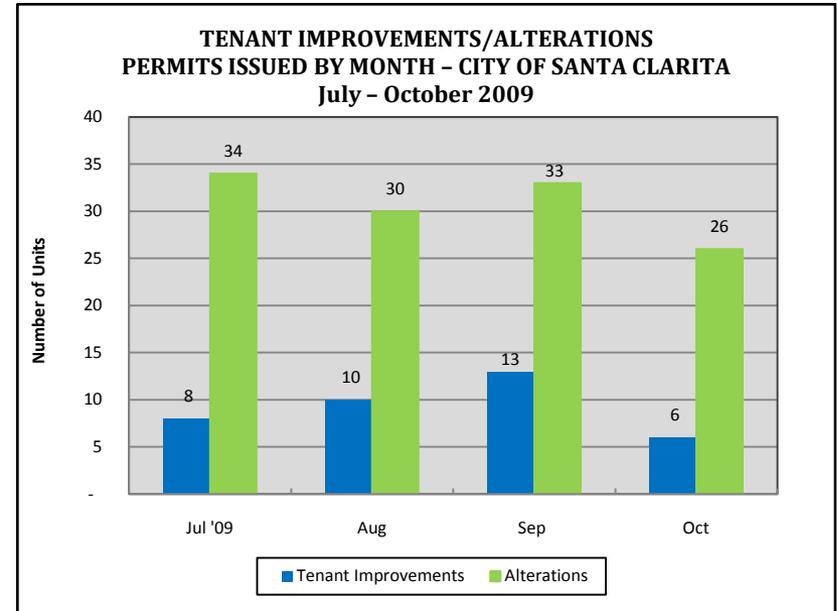
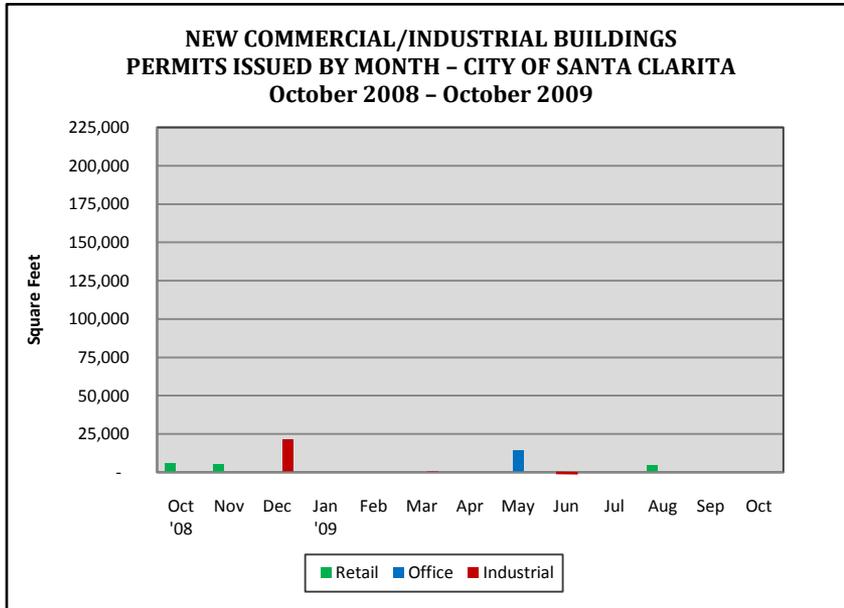
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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

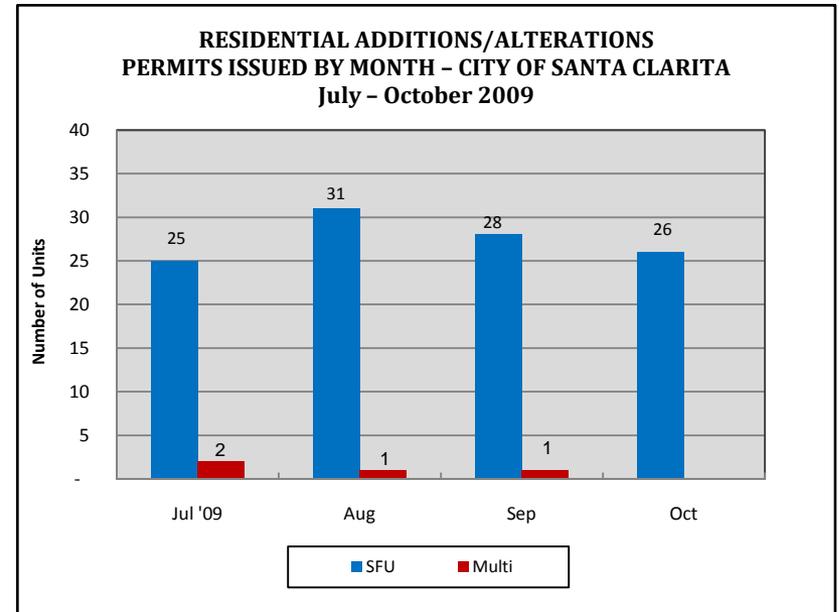
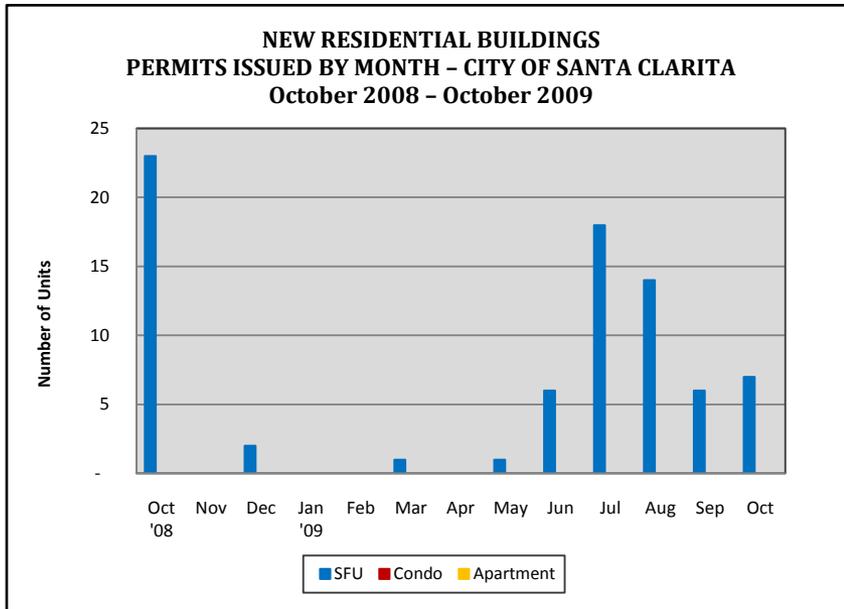
- No permits for new non-residential buildings were issued in October 2009 by the City of Santa Clarita compared to 1 permit for retail use in October 2008.

Tenant Improvements/Alterations

- A total of 6 building permits for tenant improvements were issued in October 2009, down 54% from 13 permits in September 2009.
- In October 2009, a total of 26 commercial alterations were permitted of which 12 or 46% were for signage, 6 or 23% were for fire protection equipment, 2 each or 8% were for antennae and tents, and 4 or 15% 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



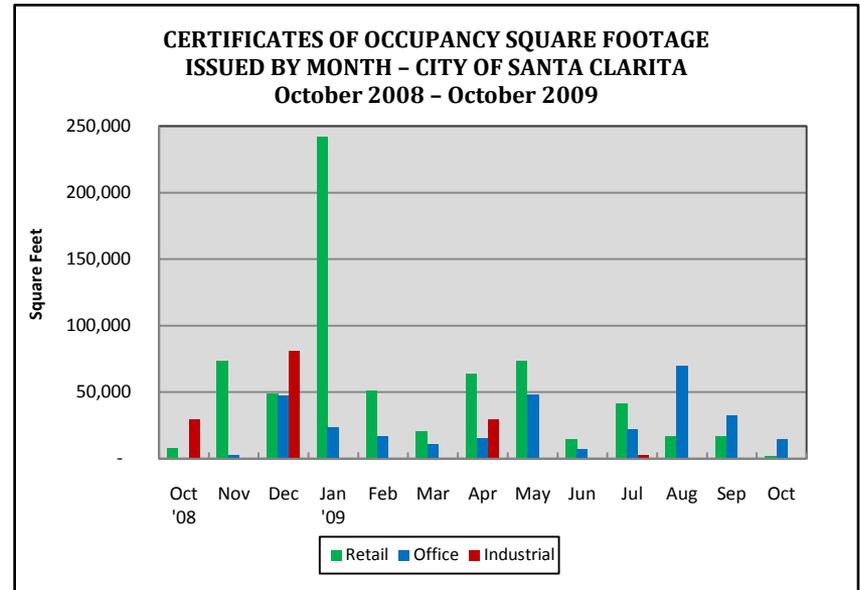
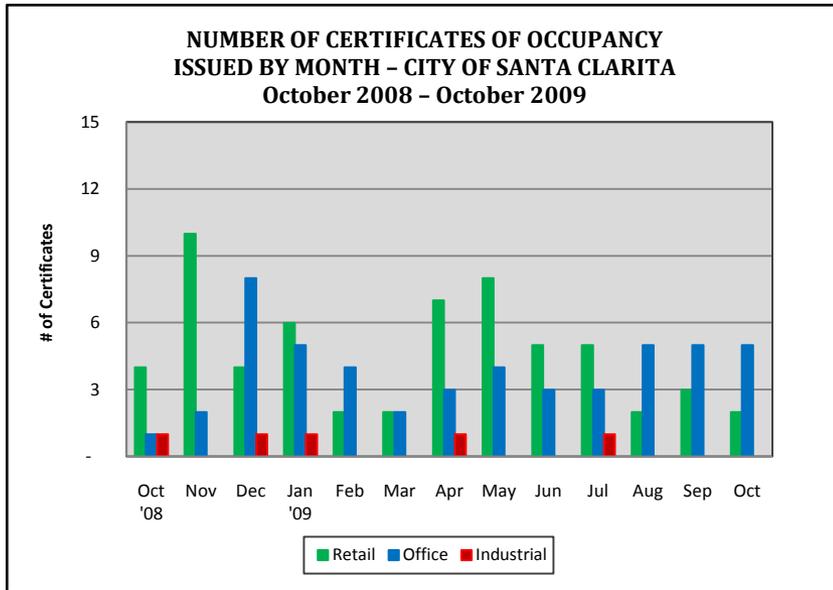
New Residential Buildings

- A total of 7 permits for new single-family residential buildings were issued for new homes in October 2009 by the City of Santa Clarita compared to 23 permits for single-family units in October 2008.

Residential Additions/Alterations

- A total of 26 residential permits for additions and alterations were issued in October 2009 of which 100% were for single-family residences.
- Of the additions/alterations in October 2009, 23% each were for pools/spas, 19% were for patio covers, 12 were for block walls, and 42% were for windows/doors/skylights, roofs, mezzanine/lofts, and other miscellaneous items.

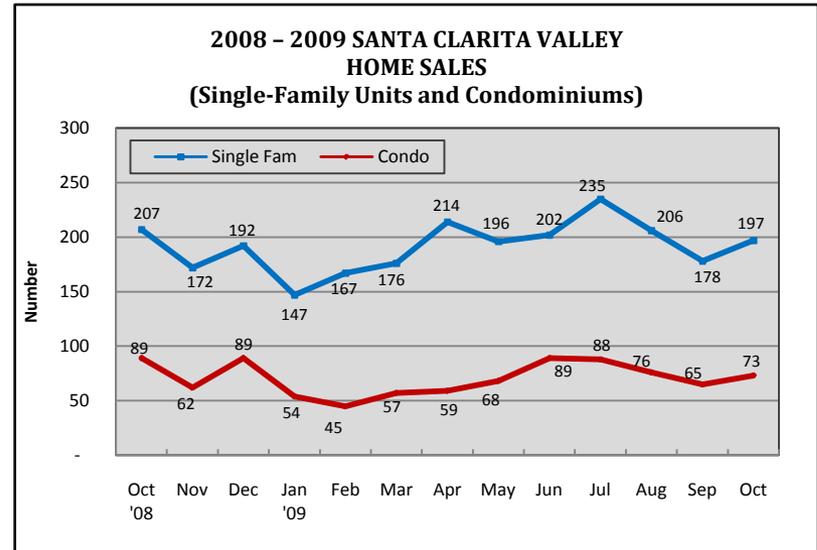
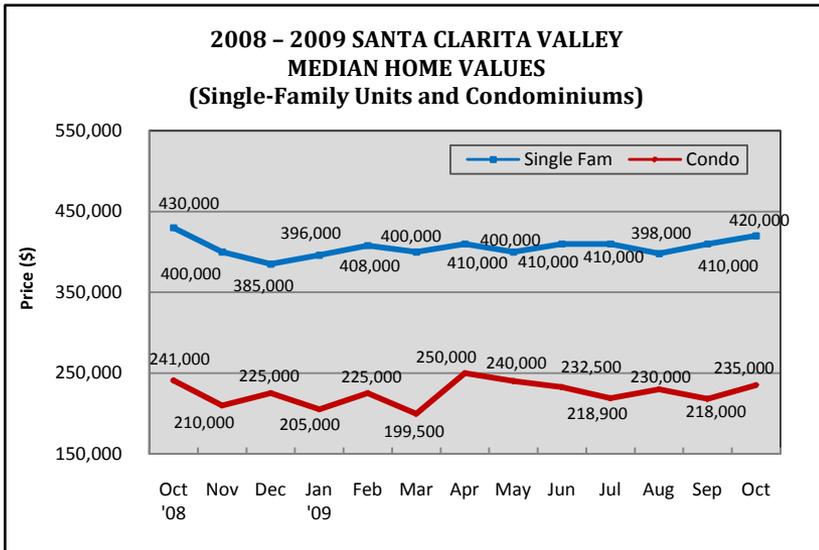
Commercial/Industrial Certificates of Occupancy Issued



- In October 2009 a total of 7 Certificates of Occupancy were issued of which 5 were for office space and 2 were for retail use, up 17% from 6 Certificates of Occupancy in October 2008.
- Certificates of Occupancy for October 2009 represented a total of 16,450 square feet of which 87% was for office space and 13% retail space. This represented an 56% decrease from the 37,343 square feet of retail, office, and industrial space issued in October 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.

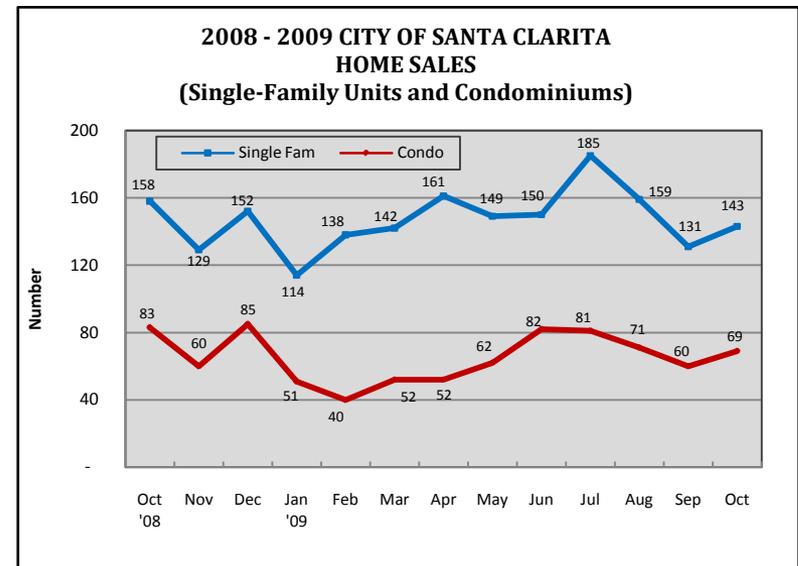
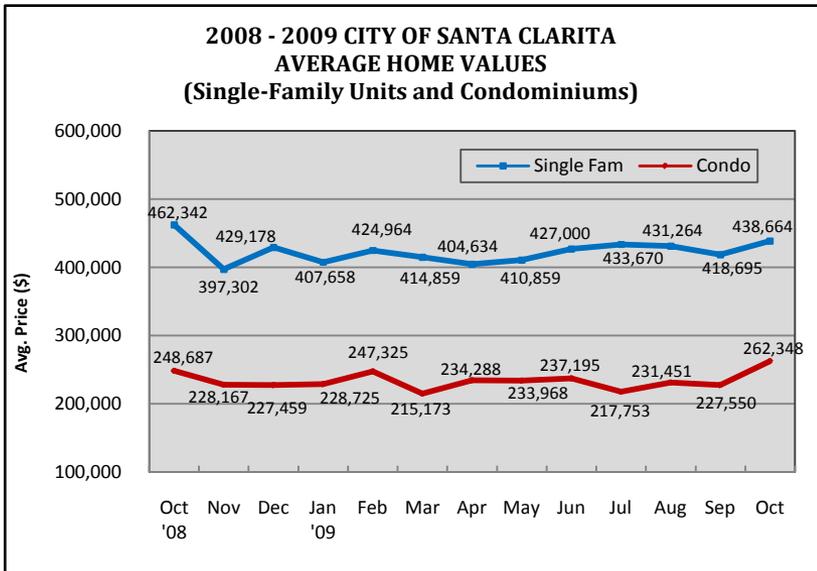
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



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 2% to \$420,000 in October 2009 from \$410,000 in September 2009, and were 2% lower than October 2008.
- Condominium prices increased 8% to \$235,000 in October 2009 from \$218,000 in September 2009, and were 2% lower than October 2008.
- A total of 197 single-family homes sold in October 2009, up 11% from September 2009, yet down 5% from one year ago. Condominium sales rose to 73 sales in October 2009, up 12% from September 2009, yet down 18% from October 2008.

City of Santa Clarita Housing Market



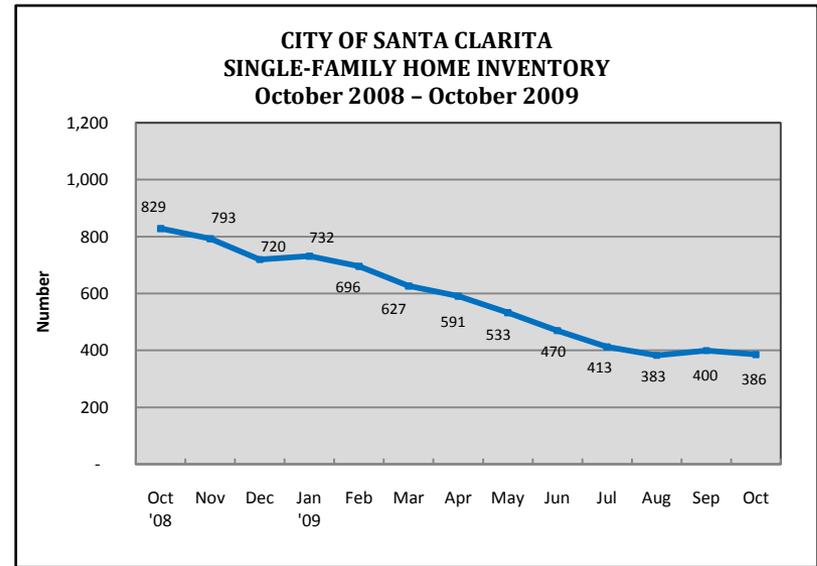
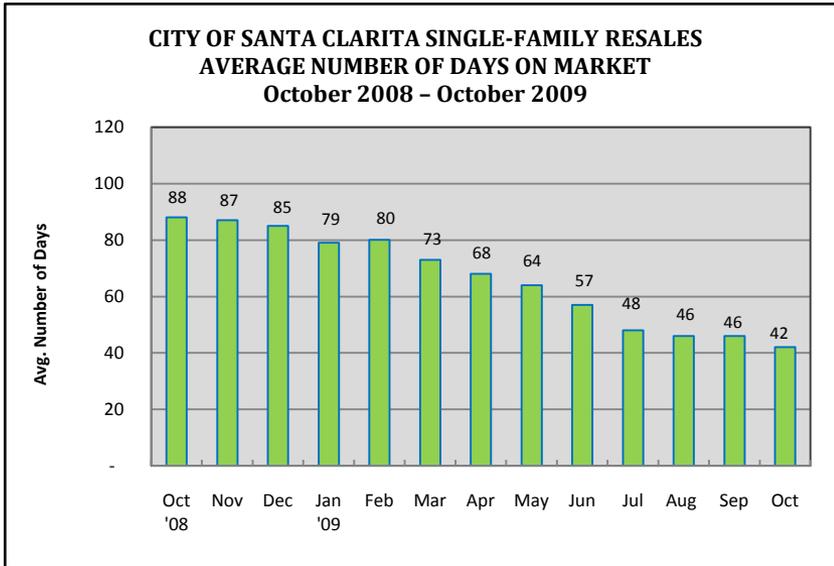
Single-family average prices rose in October 2009 from September 2009, yet remain lower than prices in October 2008.

- Single-family average home values in October 2009 in the City of Santa Clarita were \$438,700 or 5% above September 2009 and 5% below October 2008.
- In the City of Santa Clarita, sales increased 9% to 143 single-family homes in October 2009 from September 2009, yet dropped 10% from October 2008.

Condominium average prices increased in October 2009 from September 2009, and remain higher than prices in October 2008.

- Condominium prices rose 15% to \$262,300 in October 2009 from September 2009, and increased 5% from October 2008.
- Condominium sales rose 15% to 69 units in the City of Santa Clarita in October 2009 from September 2009, yet fell 17% from October 2008.

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

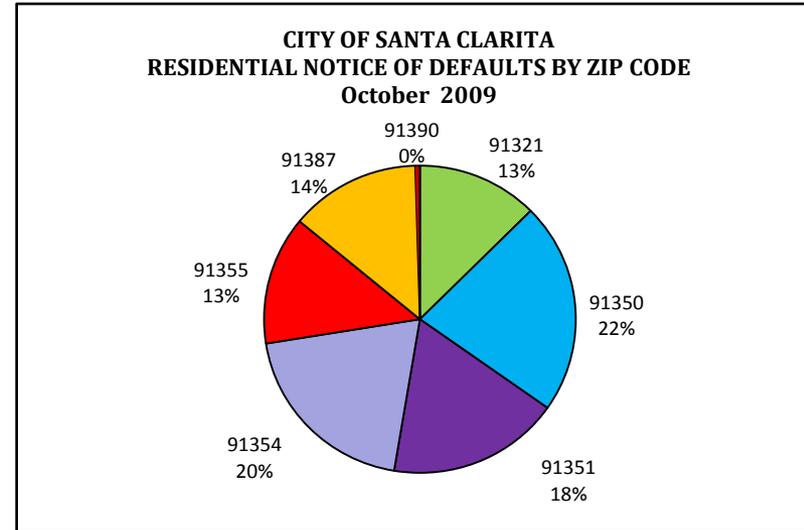
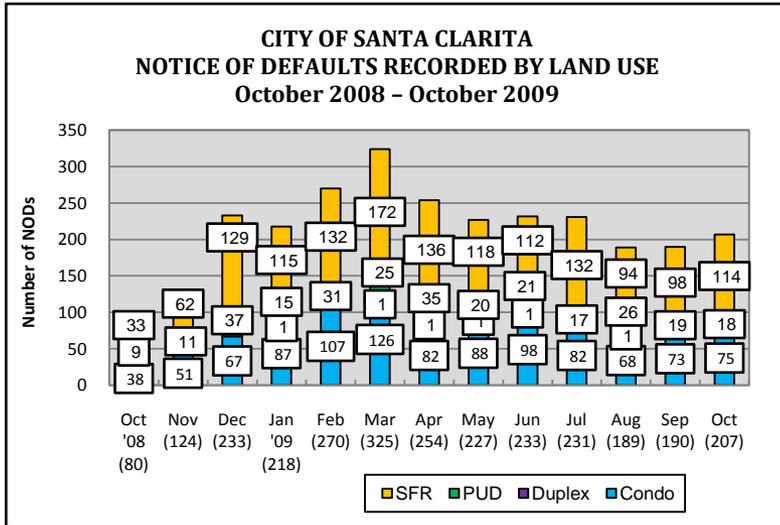


The City of Santa Clarita's housing market is stronger than one year ago when homes took an average 88 days or approximately 3.0 months to sell.

- In October 2009, homes were on the market for an average 42 days or 1.4 months, comparable to levels the previous month and the lowest level seen in the past year.
- Single-family inventory levels decreased slightly. Resale inventory levels dipped 4% in October 2009 to 386 homes from 400 in September 2009, yet were 53% below inventory levels in October 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)

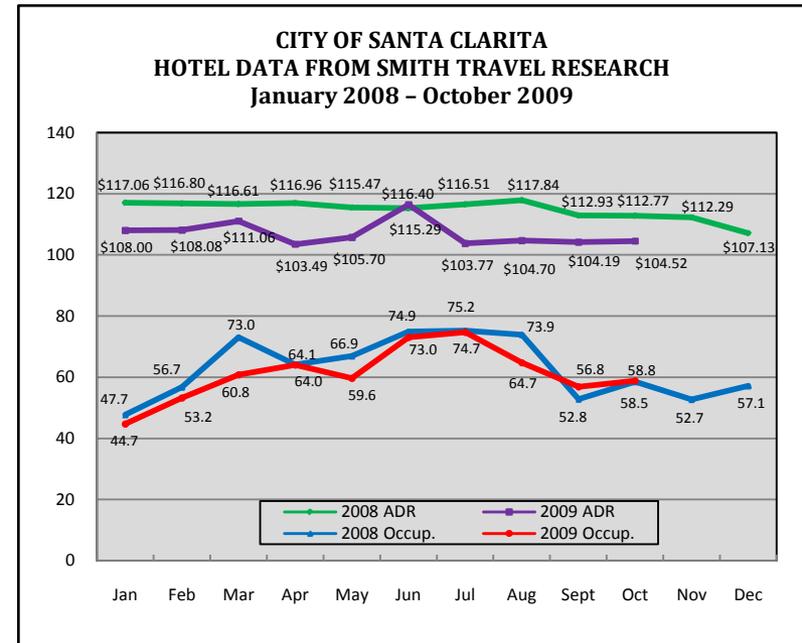
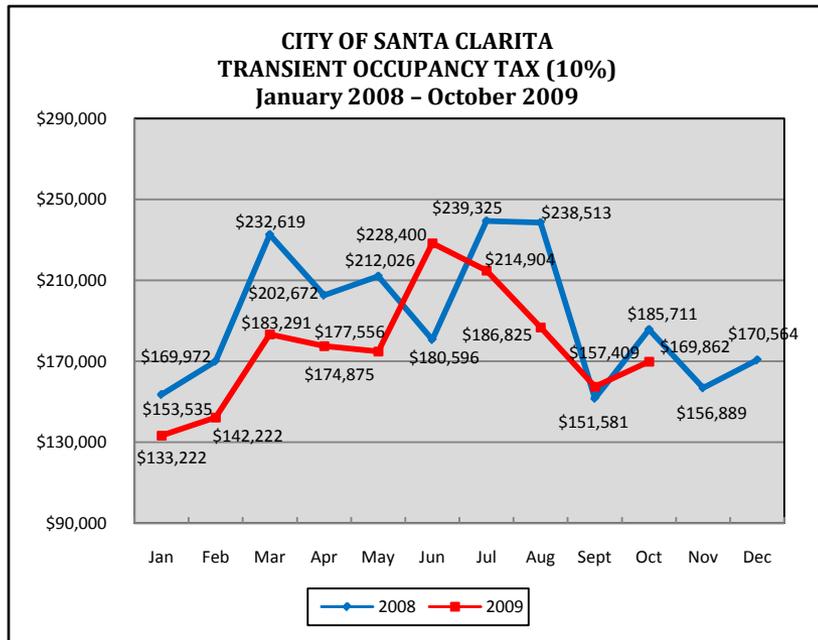


Notice of defaults have been increasing since August 2009 and are currently 2.5 times greater than levels recorded one-year ago.

- A total of 207 NODs were recorded in October 2009 in the City of Santa Clarita, up 9% from September 2009 and up 159% from October 2008.
- Of the October NODs, 55% or 114 were on single-family residences while 36% or 75 were on condominium properties and 9% or 18 NODs were on PUDs.
- In October 2009, approximately 20% each of the NODs were recorded in zip codes 91350, 91354, and 91351.
- Approximately one-third or 29% of the NODs were on homes that previously sold in the \$200,000 - \$349,999 range while an additional 24% were in the \$350,000 - \$499,999 range . Additionally, 14% of homes sold in the \$500,000 - \$599,999 range and 13% each sold for at least \$600,000 or less than \$200,000. The price range was unknown for the remaining 7%. This suggests the majority of homeowners who received NODs in October 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)

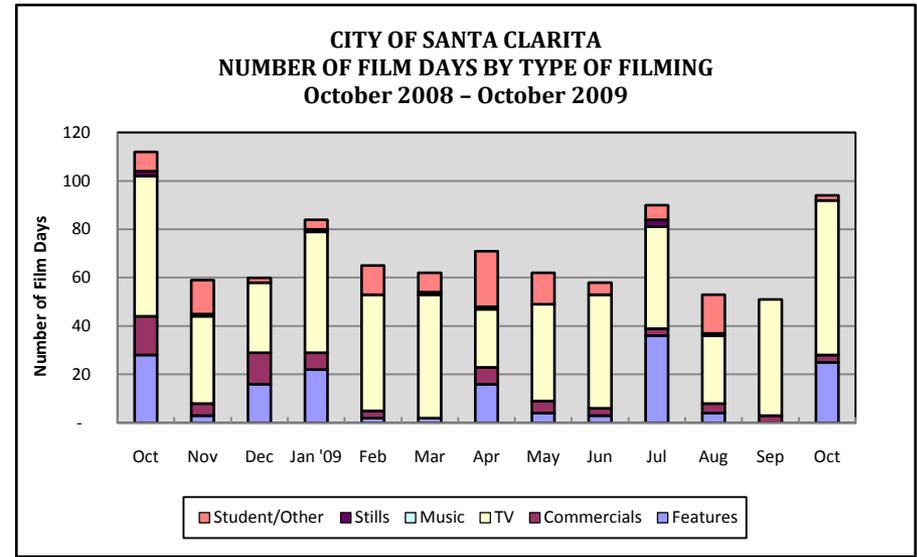
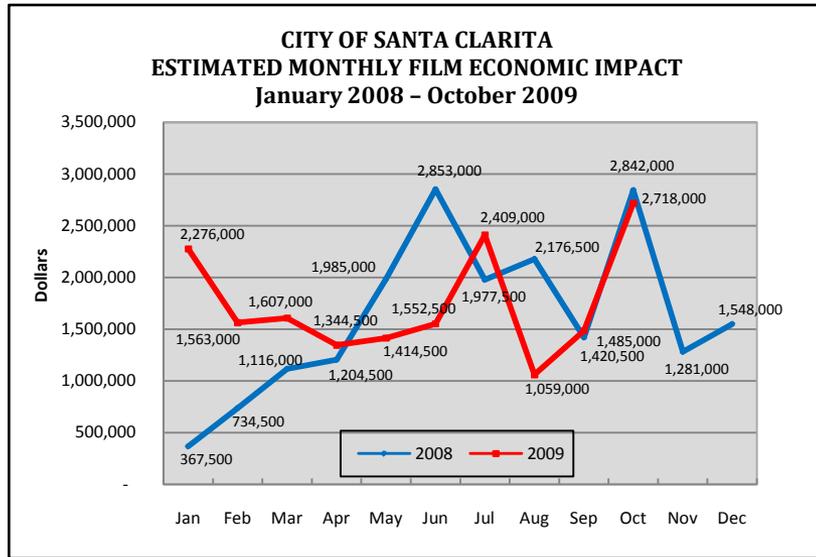
- In October 2009, the City of Santa Clarita collected \$169,862 in TOT, down 9% from \$185,711 in October 2008.
- During the January – October 2009 time frame, the City of Santa Clarita collected \$1,768,566 in TOT, down 10% from the same time period in 2008.

Occupancy

- Smith Travel Research reported hotel occupancy in the City of Santa Clarita was 59% in October 2009, comparable to the reported occupancy in October 2008.
- An average of 519 rooms of 882 available in the City were sold in October 2009 compared to 516 rooms of 882 available rooms in October 2008.
- In comparison, occupancy rates at hotels nationwide in October 2009 were at 58%, down 6% from October 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

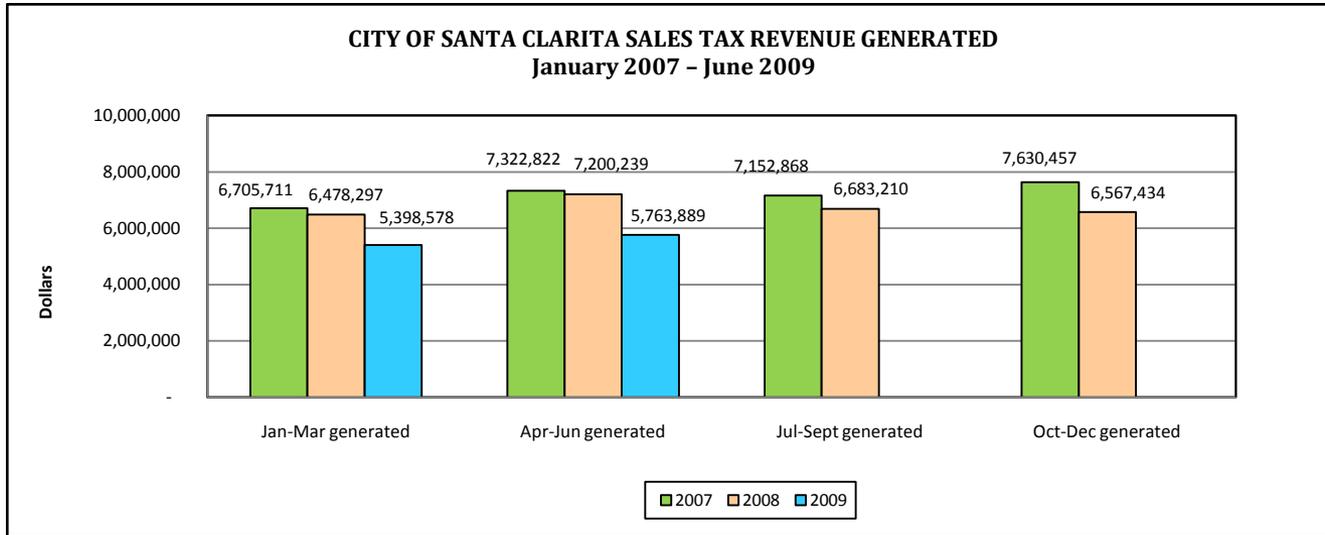


- The Economic Impact from location filming for October 2009 of \$2,718,000 was 4% below the impact in October 2008 of \$2,842,000.
- The total Economic Impact from location filming in October 2009 year-to-date was \$17,428,500 or 5% above the impact of \$16,677,000 during the same time period in 2008.
- There were a total of 94 filming days in October 2009, down 16% from 112 filming days in October 2008.
- October 2009 film days included: 68% for television shows, 27% for features, 3% for commercials, and 2% for student/other projects. No filming occurred on music videos or stills in October 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)



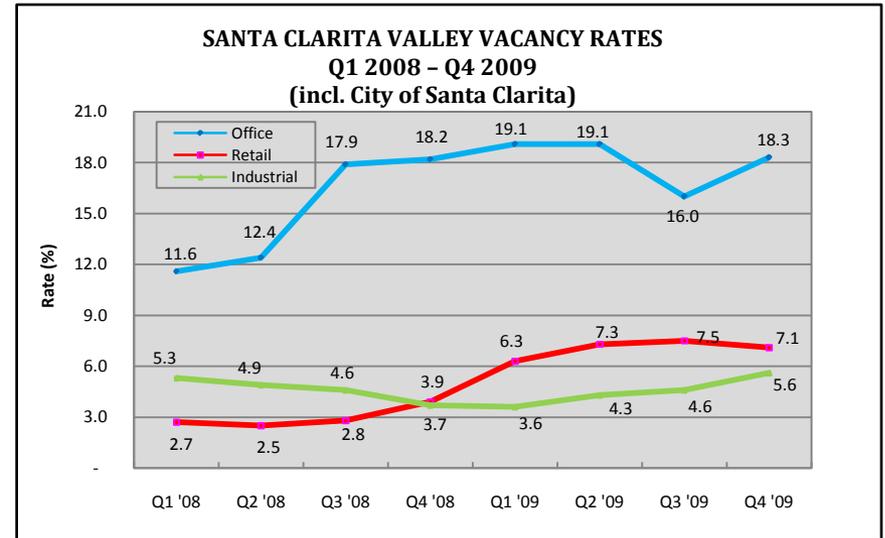
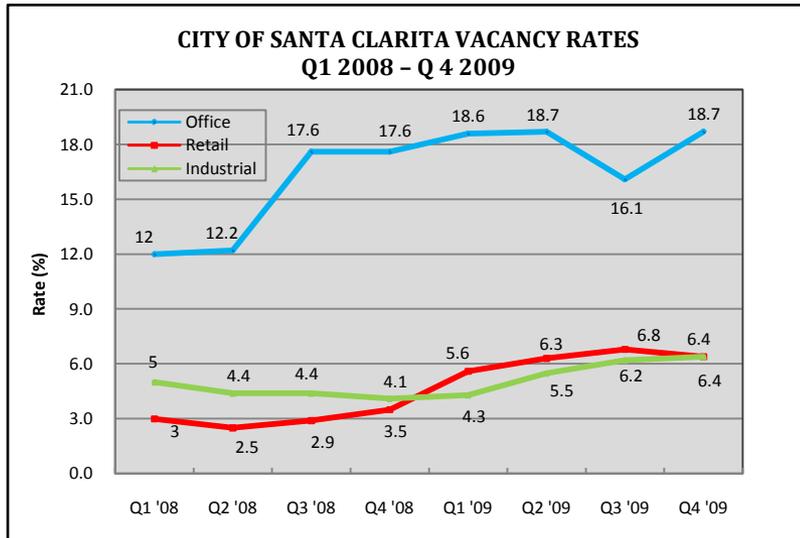
As the economy continued to weaken in 2009, decreases in sales tax generated were reported.

- 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 latest update was for Second Quarter 2009 and was provided with the September 2009 Economic Snapshot. Third Quarter 2009 data will be published in the December 2009 Economic Snapshot.

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



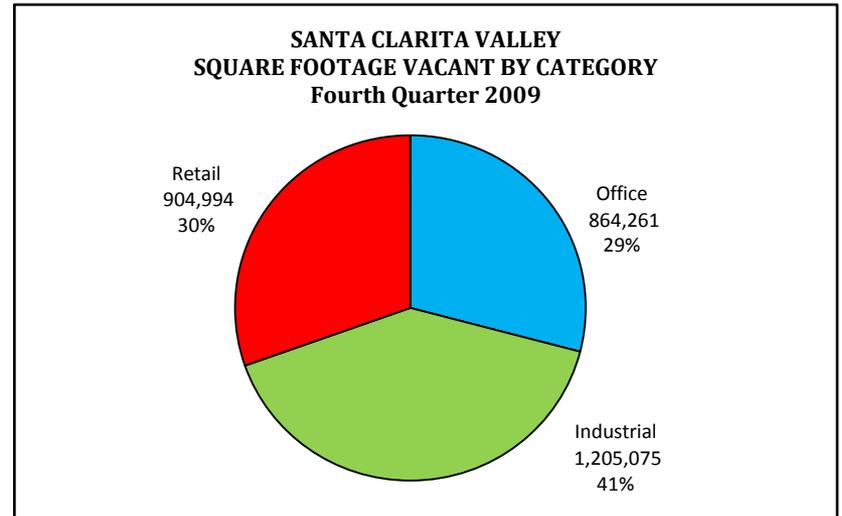
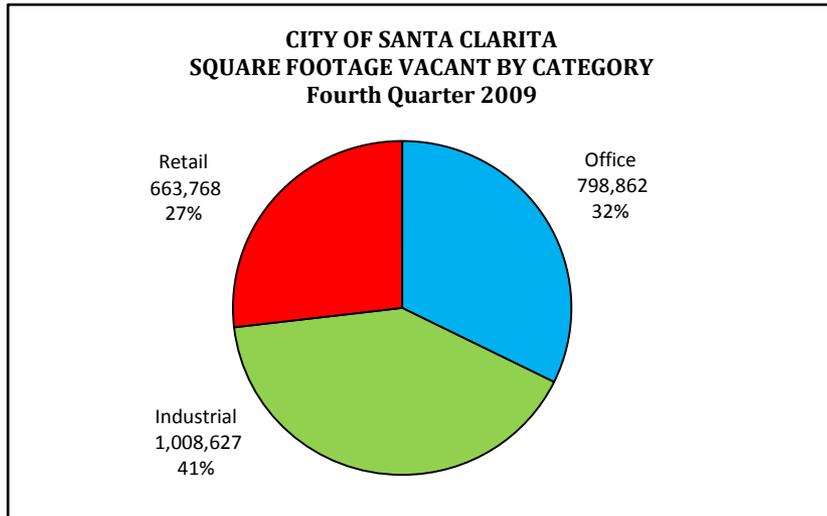
City of Santa Clarita

- In the City of Santa Clarita, office and industrial vacancy rates increased in Fourth Quarter 2009, whereas, retail vacancy rates declined. Office vacancy rates increased the most in Fourth Quarter 2009 from the previous quarter.
- The City's office vacancy rate was 18.7% and the retail and industrial vacancy rates were 6.4% each.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley (including the City), office and industrial vacancy rates increased in Fourth Quarter 2009 while retail vacancy rates dropped from the previous quarter.
- The Santa Clarita Valley's office and industrial vacancy rates were 18.3% and 5.6%, respectively, while the retail vacancy rate was 7.1%.

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



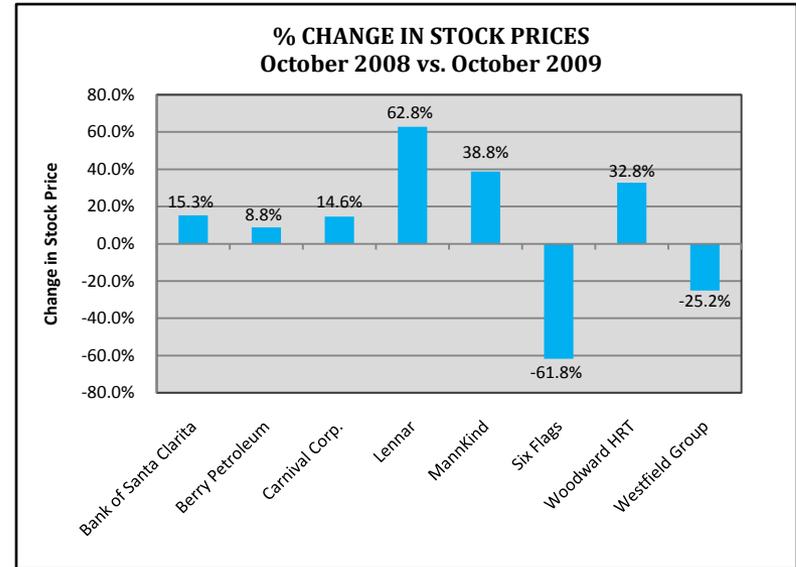
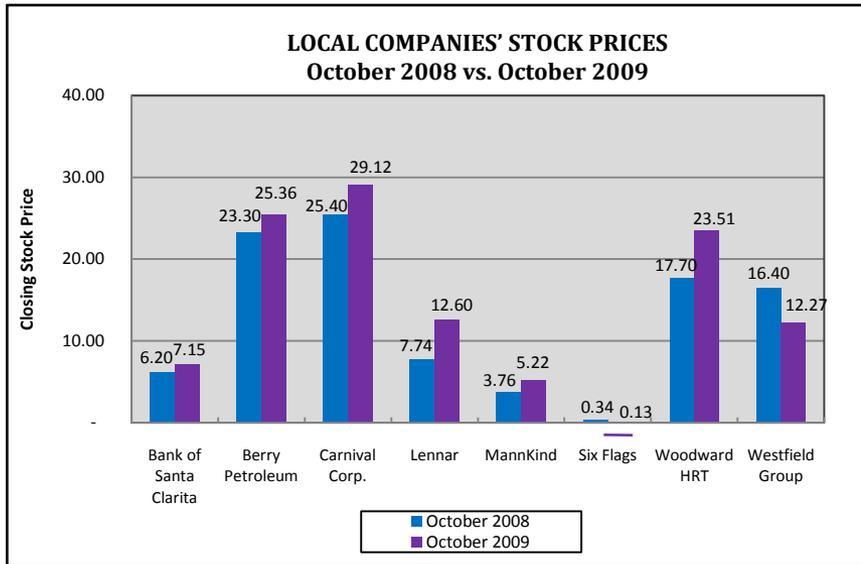
City of Santa Clarita

- 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 8.5% or 2,471,257 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 41% is industrial space, 32% is office space, and 27% 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 7.7% or 2,974,330 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 41% is industrial, 30% is retail space, and the remaining 29% is office space.

Stock Prices of Local Employers

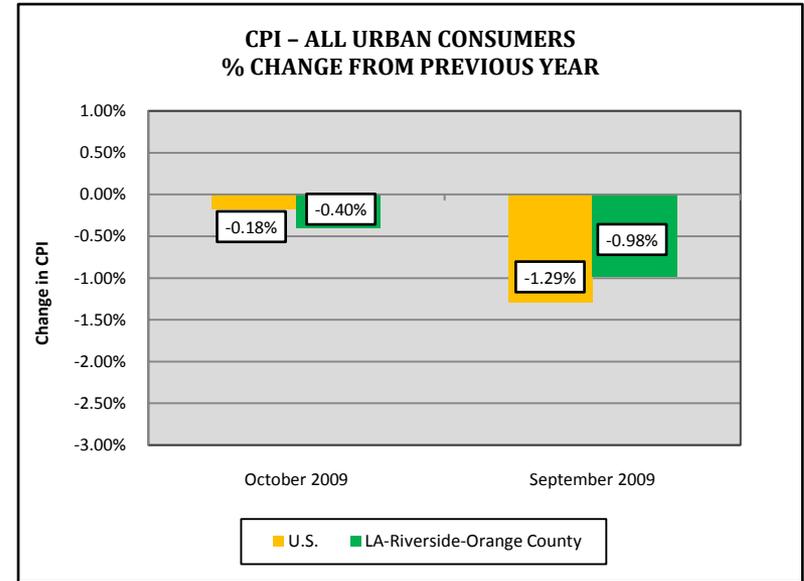
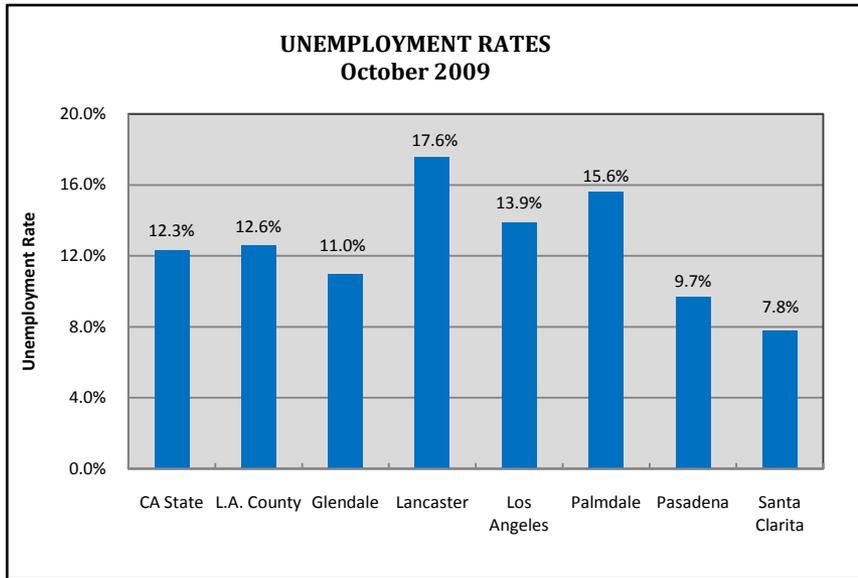


Stock prices for six of the eight companies in Santa Clarita whose stock prices are being tracked have increased year-over-year as has the entire stock market. Only stock prices of Six Flags Magic Mountain and Westfield Group decreased during the time period represented.

- At the end of October 2009, the stock price of Carnival Corp. remained the highest at \$29.12.
- The Dow rose 4% to 9,712.73 on October 30, 2009 from 9,325.01 on October 31, 2008 and was the first year-over-year increase at month-end.
- The stock price increases seen by the local Santa Clarita companies all exceeded the increase 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 October 31, 2008 and WGOV for October 30, 2009 (HR Textron), and WDC.ax (Westfield Group).

Employment and Inflation



- Santa Clarita's unemployment rate was 7.8% in October 2009 compared to 12.6% for Los Angeles County and 12.3% statewide.
- Year-over-year inflation for October 2009 among all urban consumers for Los Angeles-Riverside-Orange County was down 0.4% compared to the national rate of down 0.2%. Inflation in the Los Angeles metro area was down by a greater amount in September 2009.
- The lower inflation rate from one year ago reflects the continued large declines in energy costs of 14%. Compared to one year ago, medical care commodities and new vehicle costs rose 4% each, while transportation services and medical care services rose 3% each.

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