

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of November 1 – 30, 2009

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*Amended May 17 2010**



Overview

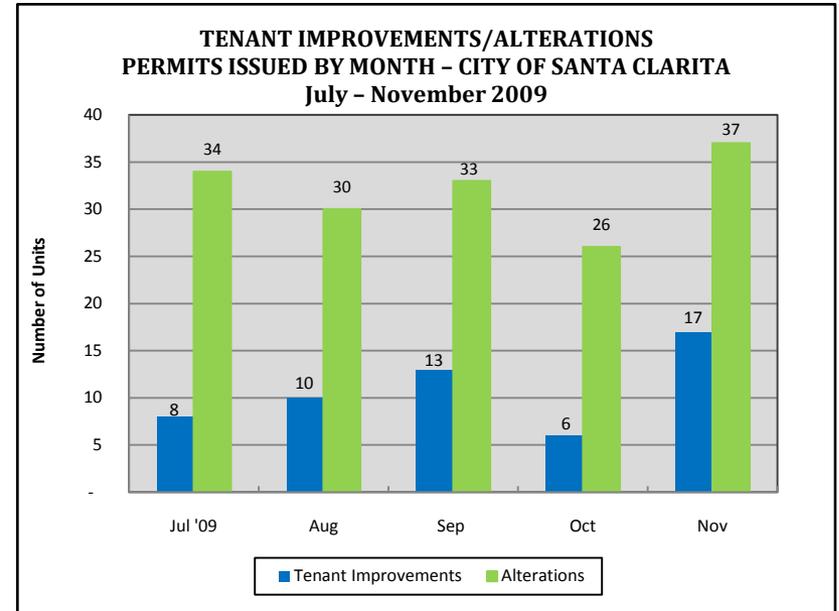
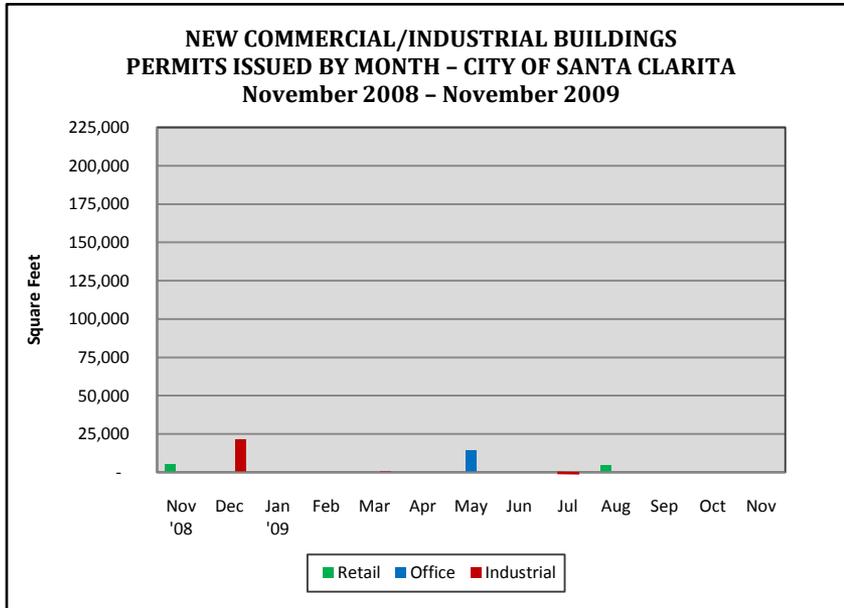
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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

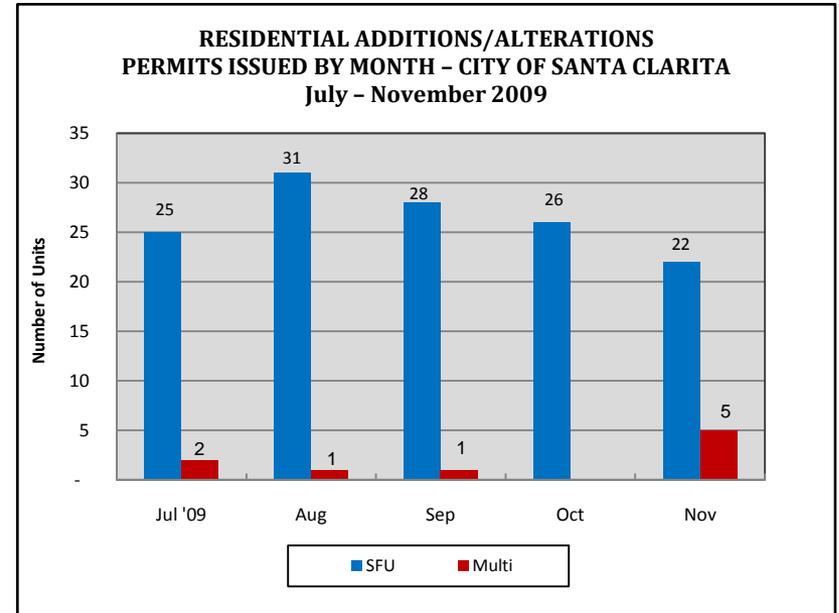
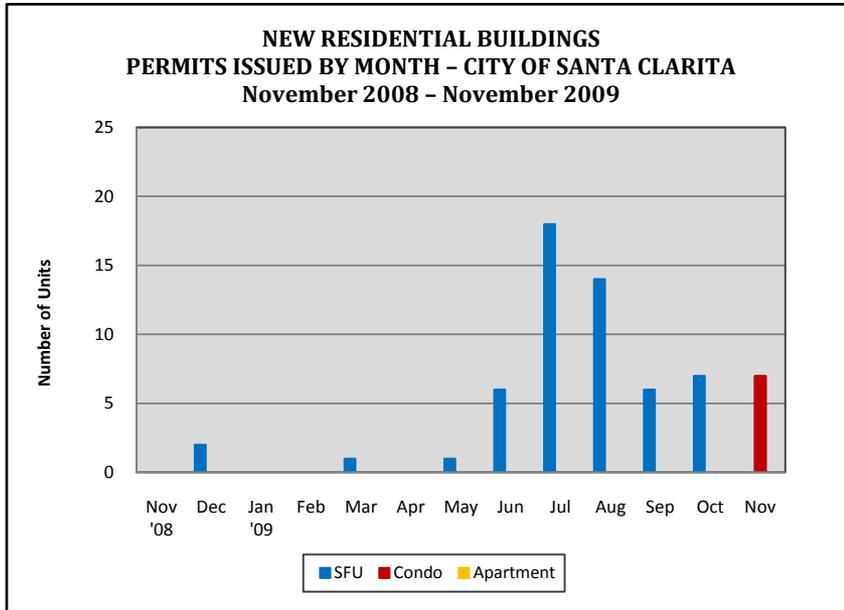
- No permits for new non-residential buildings were issued in November 2009 by the City of Santa Clarita compared to 2 permits for retail use in November 2008.

Tenant Improvements/Alterations

- A total of 17 building permits for tenant improvements were issued in November 2009, up 183% from 6 permits in October 2009.
- In November 2009, a total of 37 commercial alterations were permitted of which 18 or 49% were for signage, 9 or 24% were for fire protection equipment, 3 or 8% were for tents, 2 or 5% each were for roofs and block walls, and the remaining 3 or 8% 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



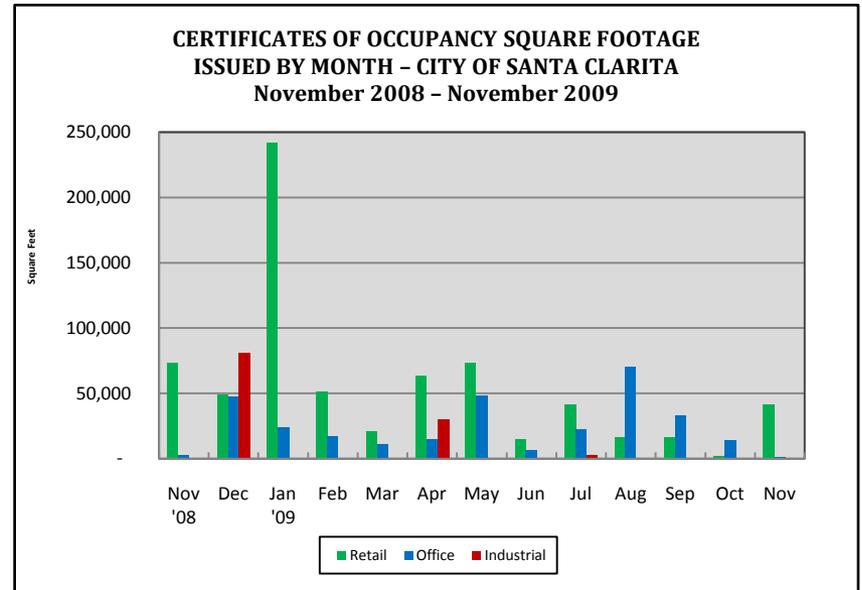
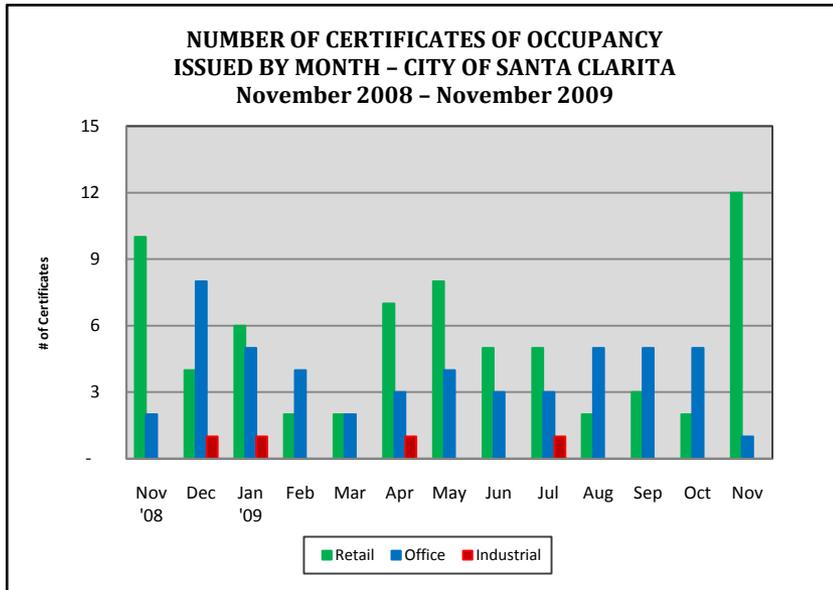
New Residential Buildings

- A total of 7 permits for new townhomes or condominiums were issued in November 2009 by the City of Santa Clarita compared to no residential permits in November 2008. These 7 permits represent 30 townhome units.

Residential Additions/Alterations

- A total of 27 residential permits for additions and alterations were issued in November 2009 of which 81% or 22 were for single-family residences and the remaining 19% or 5 permits were for multi-family residences.
- Of the additions/alterations in November 2009, 41% each were for patio covers, 19% were for pools/spas, 11% each were for block walls and roofs, and the remaining 22% were for decks, fences/gates, mezzanine/lofts, and other miscellaneous items.

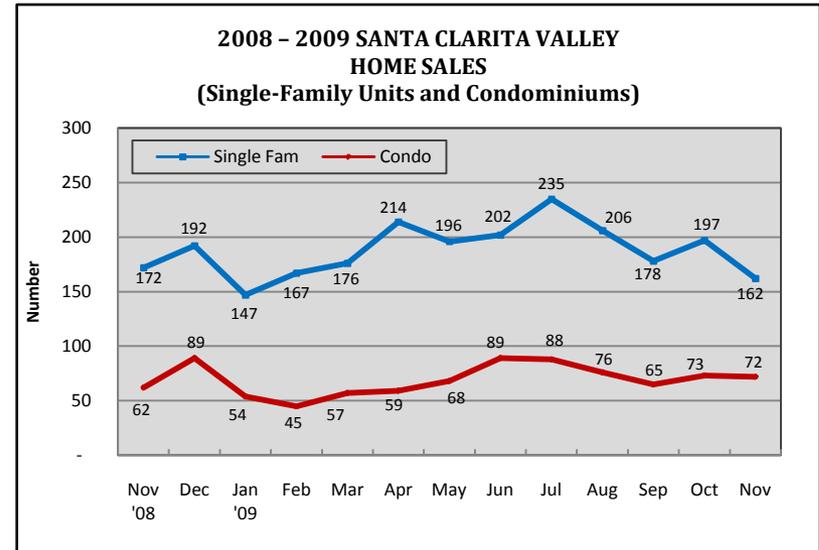
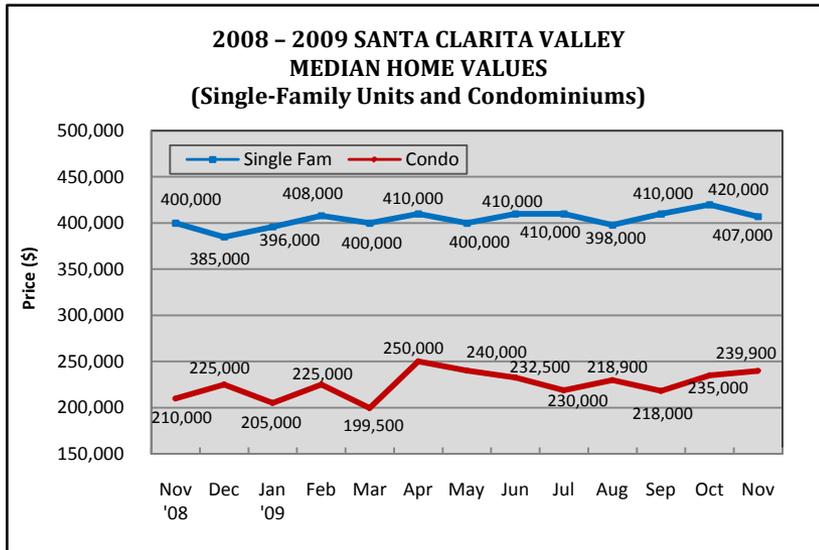
Commercial/Industrial Certificates of Occupancy Issued



- In November 2009 a total of 13 Certificates of Occupancy were issued of which 12 were for retail use and 1 was for office space, up 8% from 12 Certificates of Occupancy in November 2008.
- Certificates of Occupancy for November 2009 represented a total of 42,760 square feet of which 97% was for retail space and 3% for office space. This represented a 44% decrease from the 75,858 square feet of retail, office, and industrial space issued in November 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.

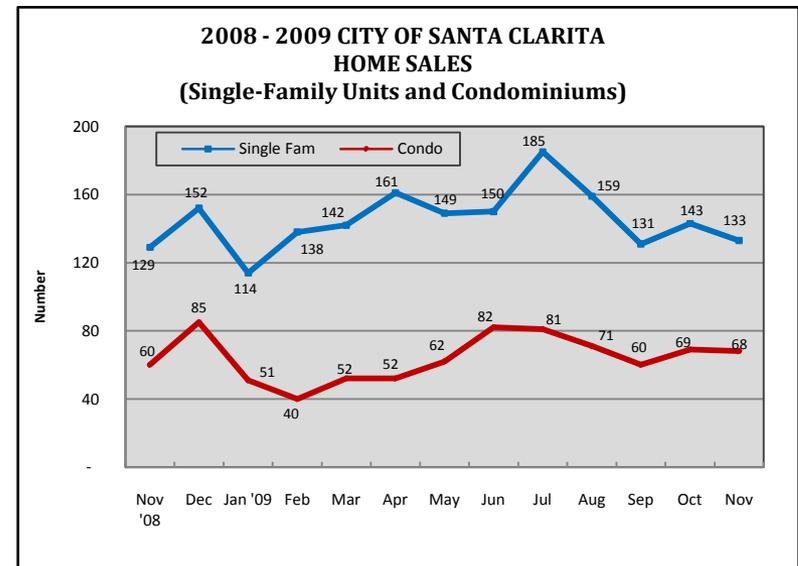
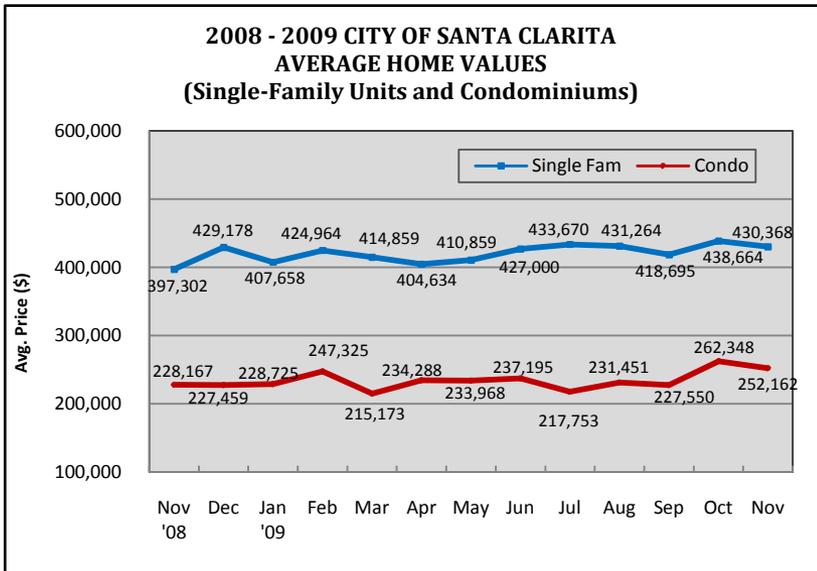
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



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 decreased 3% to \$407,000 in November 2009 from \$420,000 in October 2009, yet were 2% higher than November 2008.
- Condominium prices increased 2% to \$239,900 in November 2009 from \$235,000 in October 2009, and were 14% higher than November 2008.
- A total of 162 single-family homes sold in November 2009, down 18% from October 2009, and down 6% from one year ago. Condominium sales slipped to 72 sales in November 2009, down 1% from October 2009, yet up 16% from November 2008.

City of Santa Clarita Housing Market



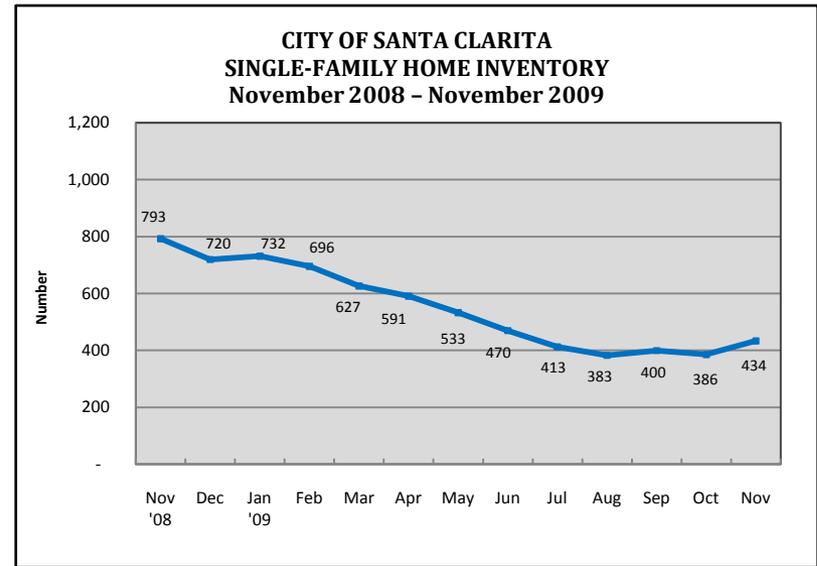
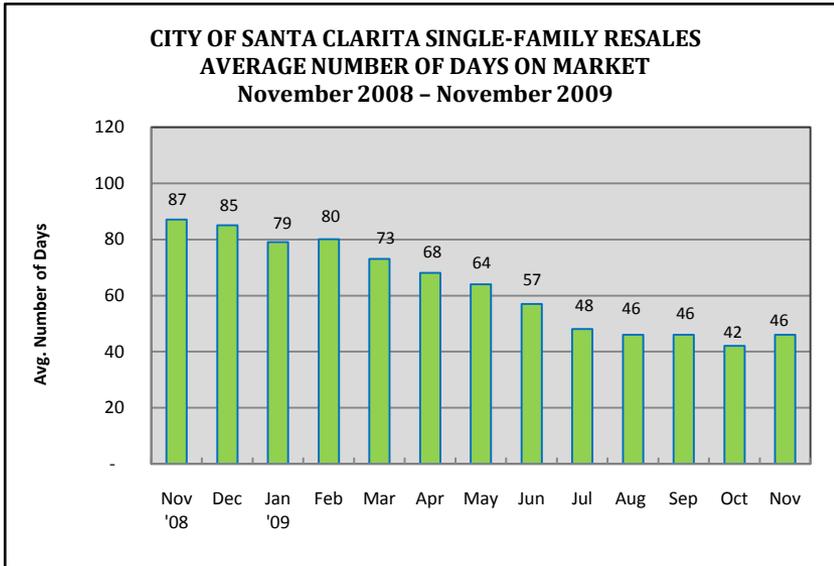
Single-family average prices fell in November 2009 from October 2009, yet remain higher than prices in November 2008.

- Single-family average home values in November 2009 in the City of Santa Clarita were \$430,400 or 2% below October 2009 yet 8% above November 2008.
- In the City of Santa Clarita, sales decreased 7% to 133 single-family homes in November 2009 from October 2009, yet rose 3% from November 2008.

Condominium average prices decreased in November 2009 from October 2009, yet remain higher than prices in November 2008.

- Condominium prices fell 4% to \$252,200 in November 2009 from October 2009, yet increased 11% from November 2008.
- Condominium sales slipped 1% to 68 units in the City of Santa Clarita in November 2009 from October 2009, yet rose 13% from November 2008.

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

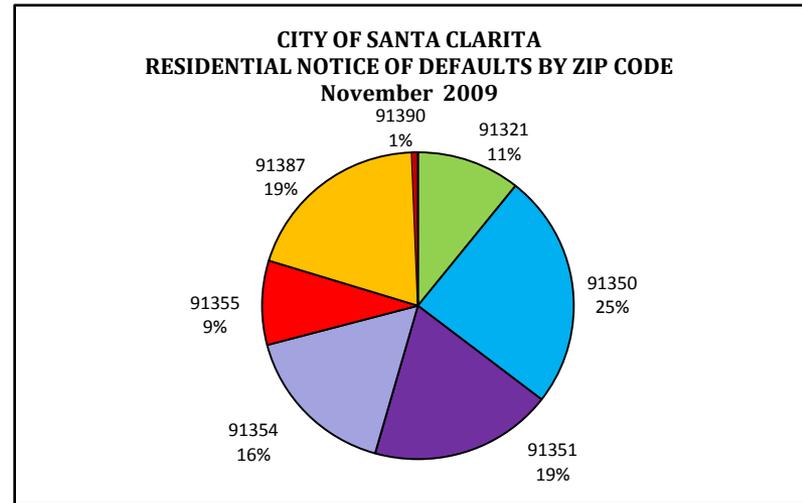
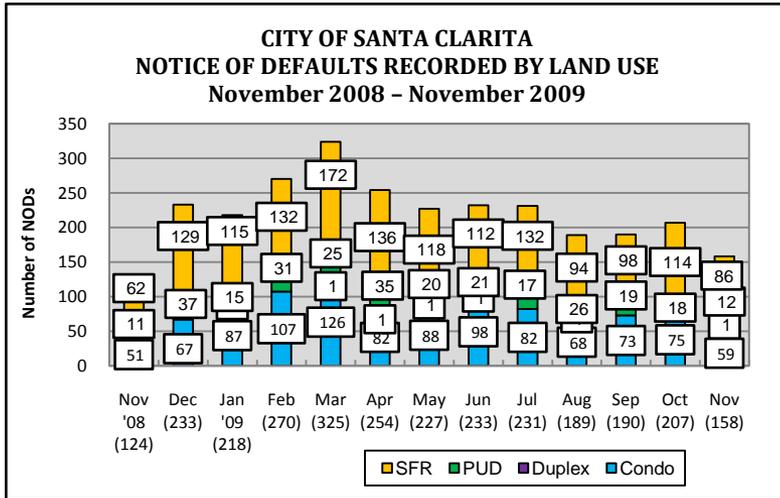


The City of Santa Clarita's housing market is stronger than one year ago when homes took an average 87 days or approximately 3.0 months to sell.

- In November 2009, homes were on the market for an average 46 days or 1.5 months, comparable to levels since July 2009.
- Single-family inventory levels increased. Resale inventory levels rose 12% in November 2009 to 434 homes from 386 in October 2009, yet were 45% below inventory levels in November 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)

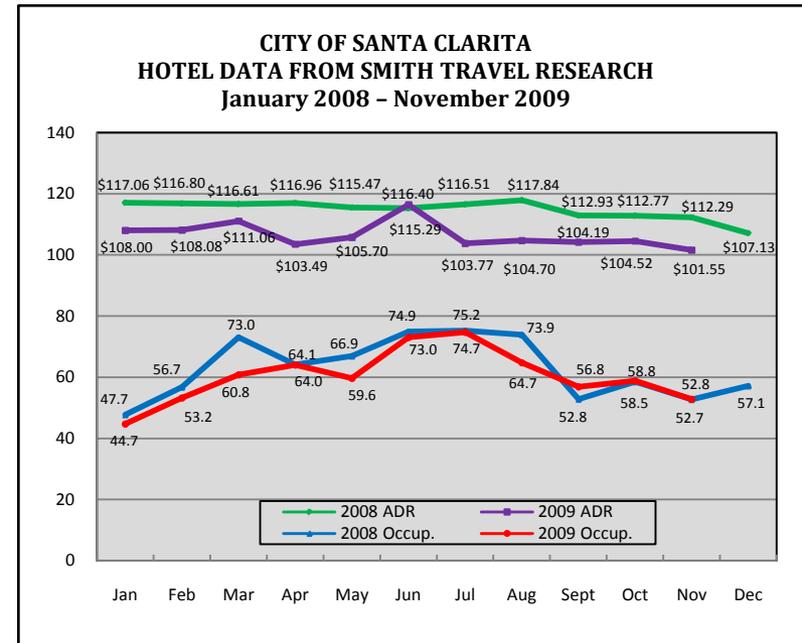
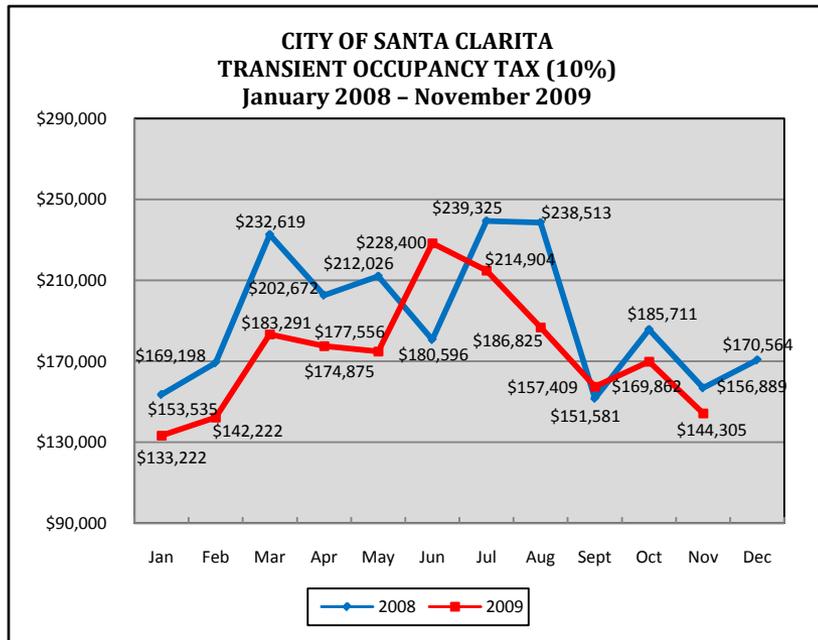


Although notice of defaults have been trending downward since the Spring months, notices issued are higher from one year ago.

- A total of 158 NODs were recorded in November 2009 in the City of Santa Clarita, down 24% from October 2009 yet up 27% from November 2008.
- Of the November 2009 NODs, 54% or 86 were on single-family residences while 37% or 59 were on condominium properties, 8% or 12 NODs were on PUDs, and less than 1% or 1 was on a duplex. In comparison, in November 2008, 50% were on single-family homes, 41% were on condominiums, and 9% were on PUDs.
- In November 2009, approximately 25% of the NODs were recorded in zip code 91350 while 19% each were recorded in zip codes 91351 and 91387.
- One-fourth or 25% of the NODs were on homes that previously sold in the \$200,000 - \$349,999 range while an additional 23% were in the \$350,000 - \$499,999 range . Additionally, 17% of homes sold for at least \$600,000, 14% sold for less than \$200,000, and 13% sold in the \$500,000 - \$599,999 range. The price range was unknown for the remaining 8%. This suggests the majority of homeowners who received NODs in November 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)

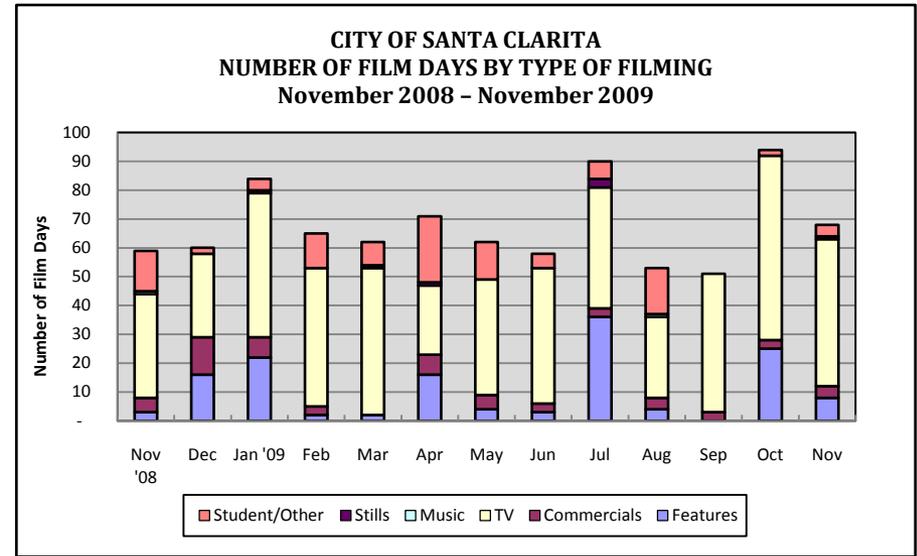
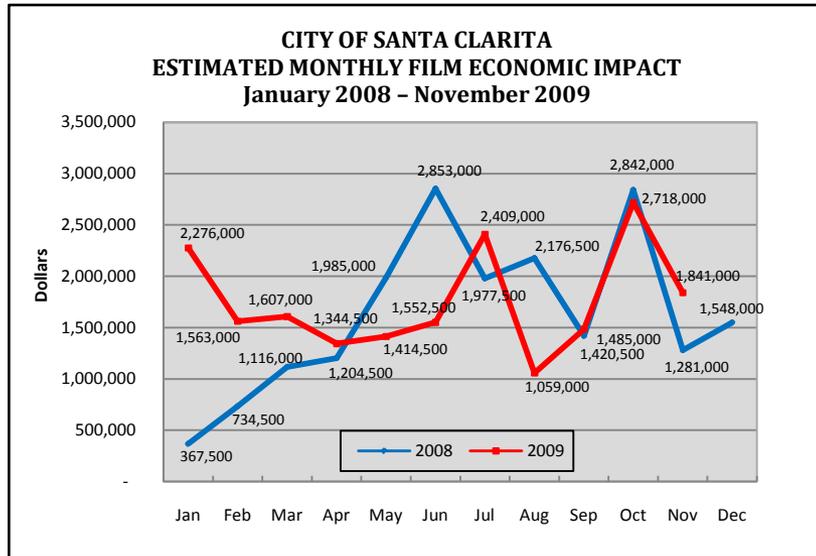
- In November 2009, the City of Santa Clarita collected \$144,305 in TOT, down 8% from \$156,889 in November 2008.
- During the January – November 2009 time frame, the City of Santa Clarita collected \$1,912,871 in TOT, down 10% from the same time period in 2008.

Occupancy

- Smith Travel Research reported hotel occupancy in the City of Santa Clarita was 53% in November 2009, comparable to the reported occupancy in November 2008.
- An average of 466 rooms of 882 available in the City were sold in November 2009 compared to 465 rooms of 882 available rooms in November 2008.
- In comparison, occupancy rates at hotels nationwide in November 2009 were at 50%, down 4% from November 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

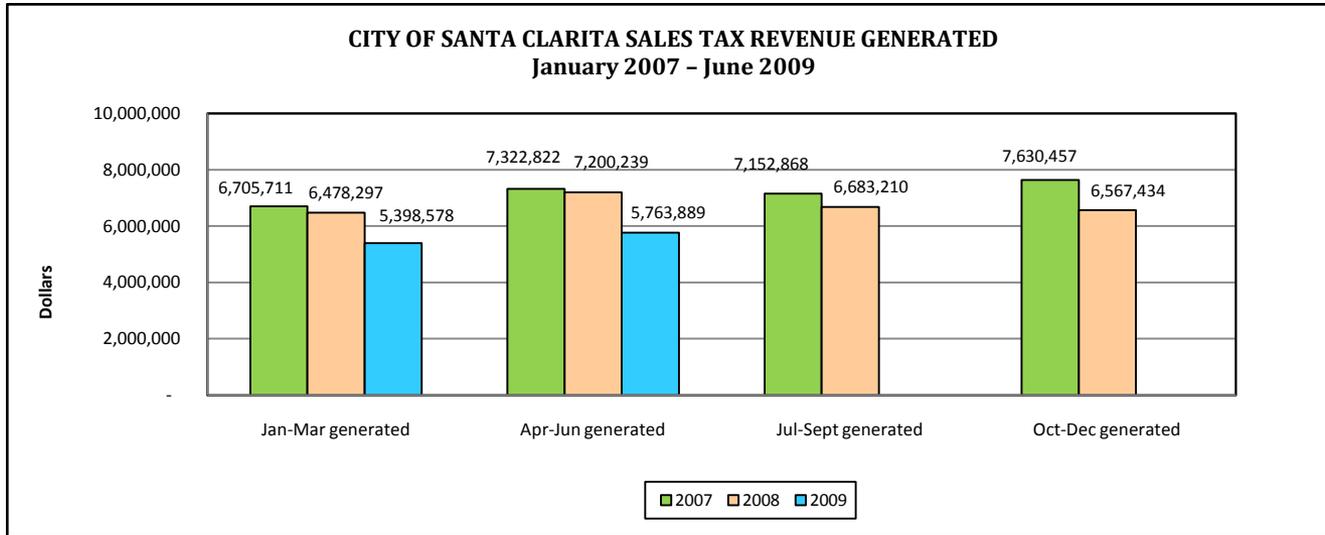


- The Economic Impact from location filming for November 2009 of \$1,841,000 was 44% above the impact in November 2008 of \$1,281,000.
- The total Economic Impact from location filming in November 2009 year-to-date was \$19,269,500 or 7% above the impact of \$17,958,000 during the same time period in 2008.
- There were a total of 68 filming days in November 2009, up 15% from 59 filming days in November 2008.
- November 2009 film days included: 75% for television shows, 12% for features, 6% each for commercials and student/other projects, and 2% for stills. No filming occurred on music videos in November 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)



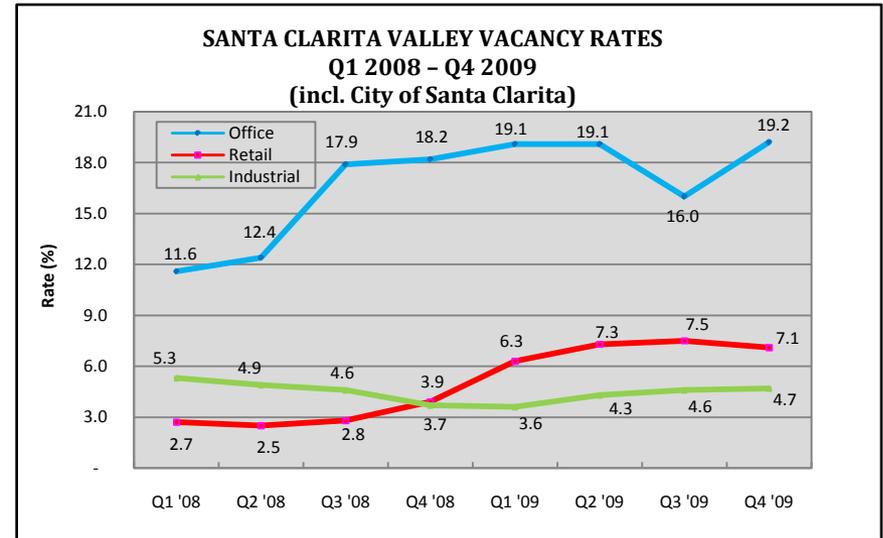
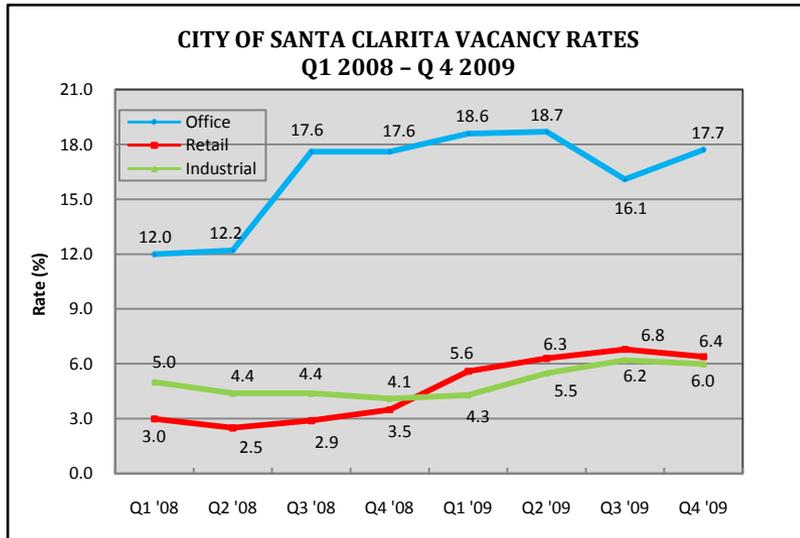
As the economy continued to weaken in 2009, decreases in sales tax generated were reported.

- 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 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. 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.

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



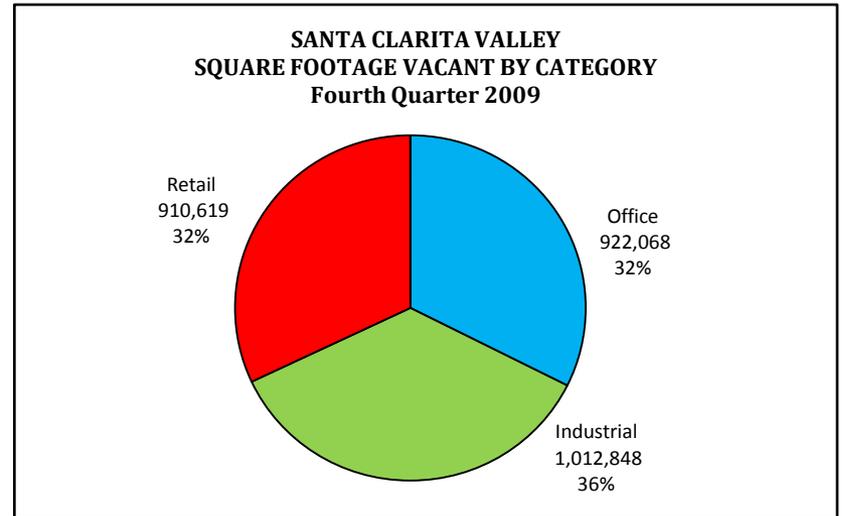
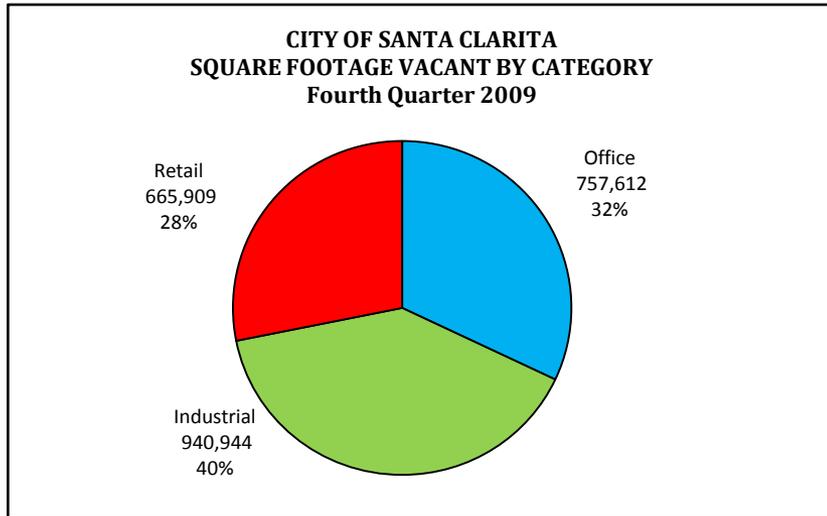
City of Santa Clarita

- In the City of Santa Clarita, office vacancy rates increased in Fourth Quarter 2009, whereas, retail and industrial vacancy rates declined. Retail vacancy rates decreased the most in Fourth Quarter 2009 from the previous quarter.
- The City's office vacancy rate was 17.7% while the retail and industrial vacancy rates were 6.4% and 6.0, respectively.

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 19.2% and 4.7%, respectively, while the retail vacancy rate was 7.1%.

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



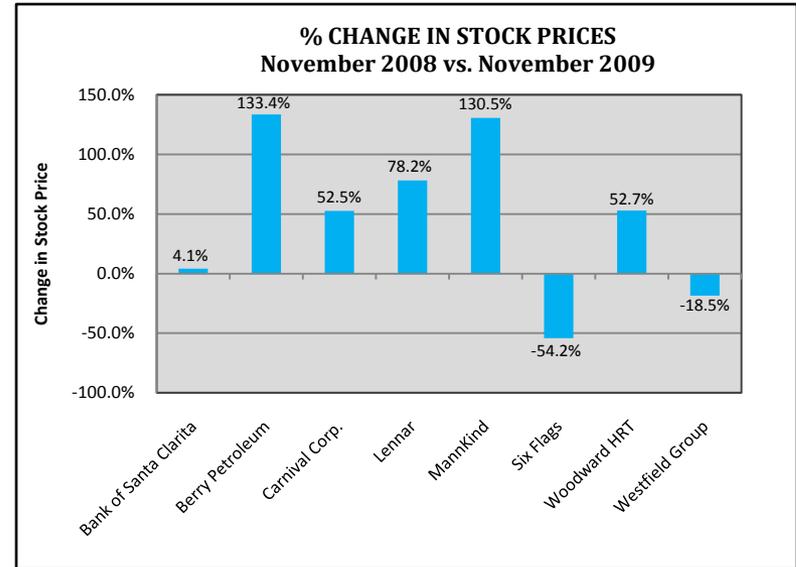
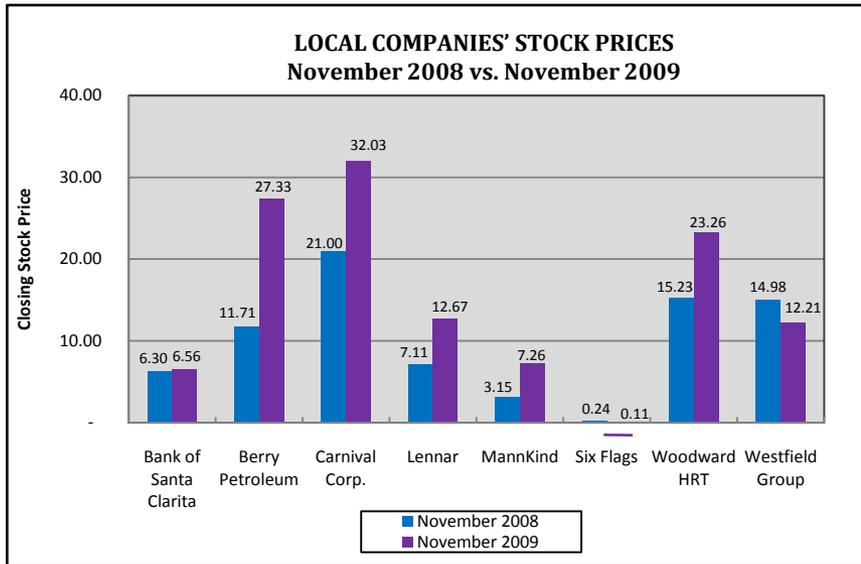
City of Santa Clarita

- 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 8.2% or 2,364,465 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 40% is industrial space, 32% is office space, and 28% 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 7.4% or 2,845,535 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 36% is industrial and 32% each are for retail and office space.

Stock Prices of Local Employers

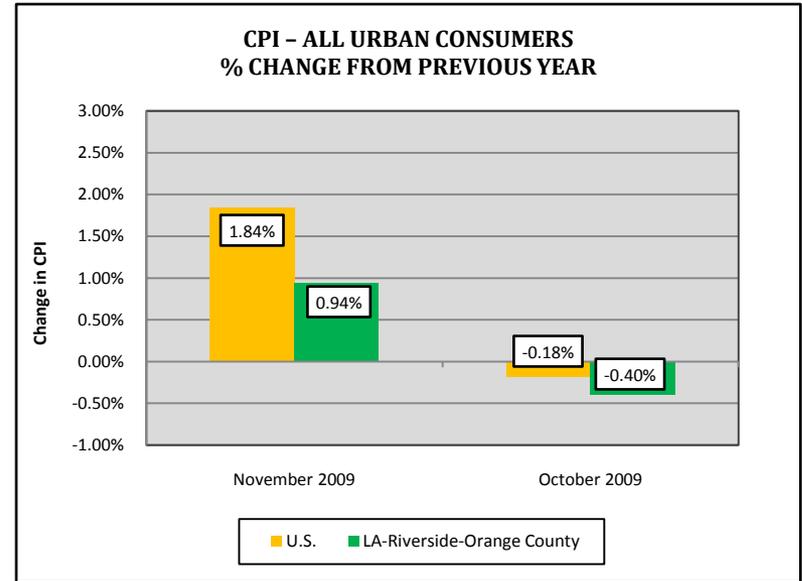
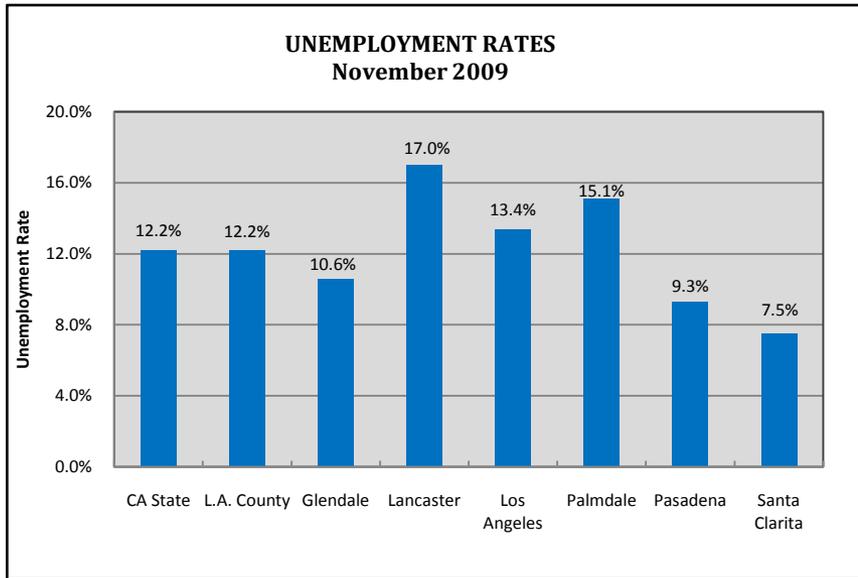


Stock prices for six of the eight companies in Santa Clarita whose stock prices are being tracked have increased year-over-year as has the entire stock market. Only stock prices of Six Flags Magic Mountain and Westfield Group decreased during the time period represented.

- At the end of November 2009, the stock price of Carnival Corp. remained the highest at \$32.03.
- The Dow broke the 10,000 level in November and rose 17% to 10,344.84 on November 30, 2009 from 8,829.04 on November 28, 2008 and was the second year-over-year increase at month-end.
- The stock price increases seen by Berry Petroleum, MannKind, Lennar, Woodward HRT, and Carnival Corporation outperformed 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 November 28, 2008 and WGOV for November 30, 2009 (HR Textron), and WDC.ax (Westfield Group).

Employment and Inflation



- Santa Clarita's unemployment rate was 7.5% in November 2009 compared to 12.2% each for Los Angeles County and statewide.
- Year-over-year inflation for November 2009 among all urban consumers for Los Angeles-Riverside-Orange County increased 0.94% compared to the national increase of 1.84%. Inflation in the Los Angeles metro area was down by a greater amount in October 2009 compared to inflation nationwide.
- The higher inflation rate from one year ago reflects the following cost increases: 7% for energy, 6% for used cars and trucks, 5% for new vehicles, and 4% each for medical care commodities, transportation services, and medical care services.

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