



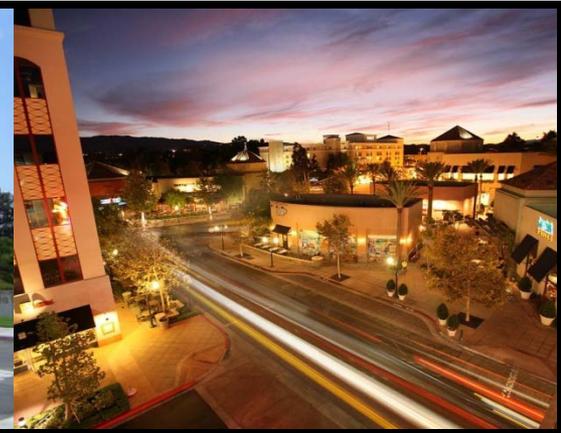
Santa Clarita Economic Snapshot

January 2010

Published on March 16, 2010

*Amended May 17, 2010**

Created by the City of Santa Clarita
Economic Development Division



Overview

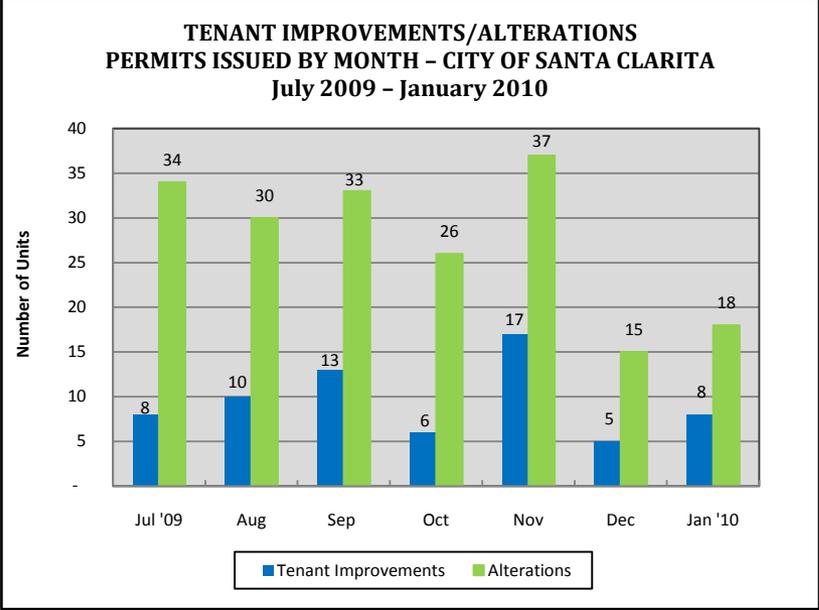
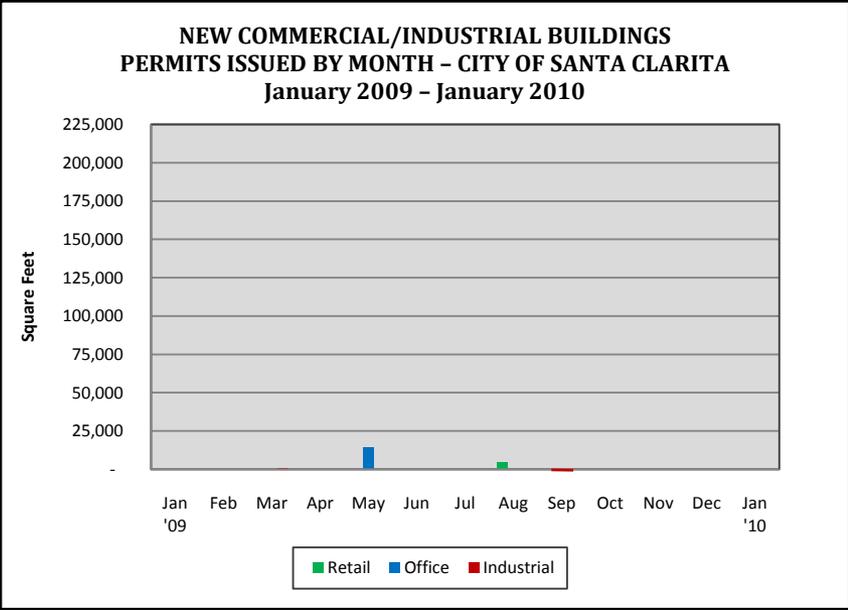
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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;
- Median value of single-family homes and condominiums;
- Total number of single-family homes and condominiums sold;
- Average number of days on the market and inventory levels for single-family homes;
- Apartment vacancy rates and average asking rents;
- Number of notice of defaults recorded in Santa Clarita;
- Economic impact of the film industry on Santa Clarita;
- Types of filming in Santa Clarita;
- Average room rate and occupancy rate of local hotels;
- Amount of sales tax revenue and transient occupancy tax generated;
- Vacancy rates for the office, commercial and retail sectors and available square footage;
- Stock prices of local companies in Santa Clarita;
- Unemployment rates; and,
- 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

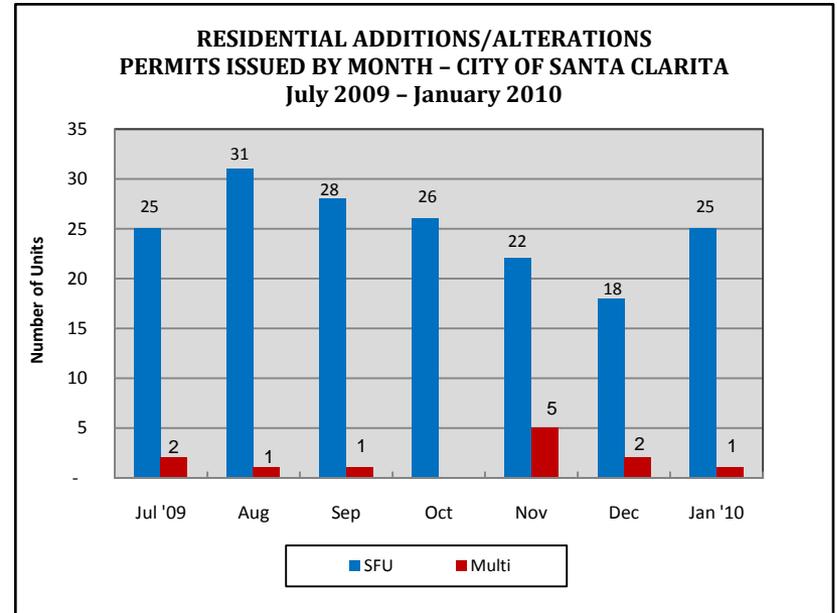
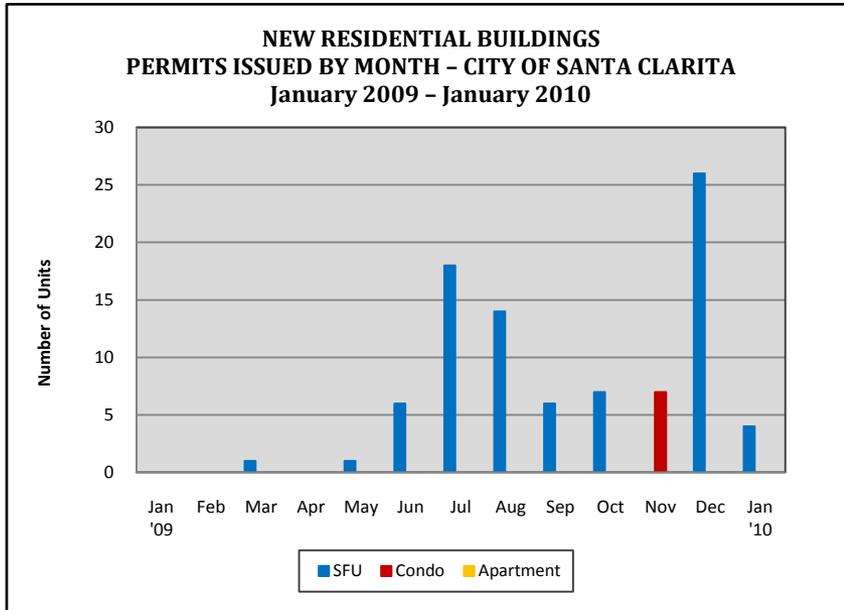
- One new permit for a new retail building of 72 square feet was issued in January 2010 by the City of Santa Clarita compared to no new permits in January 2009.

Tenant Improvements/Alterations

- A total of 8 building permits for tenant improvements were issued in January 2010, up 60% from 5 permits in December 2009.
- In January 2010, a total of 18 commercial alterations were permitted of which 7 or 39% were for signage, 4 or 22% were for fire protection equipment, 2 or 11% each were for canopies and racks, and the remaining 3 or 17% 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



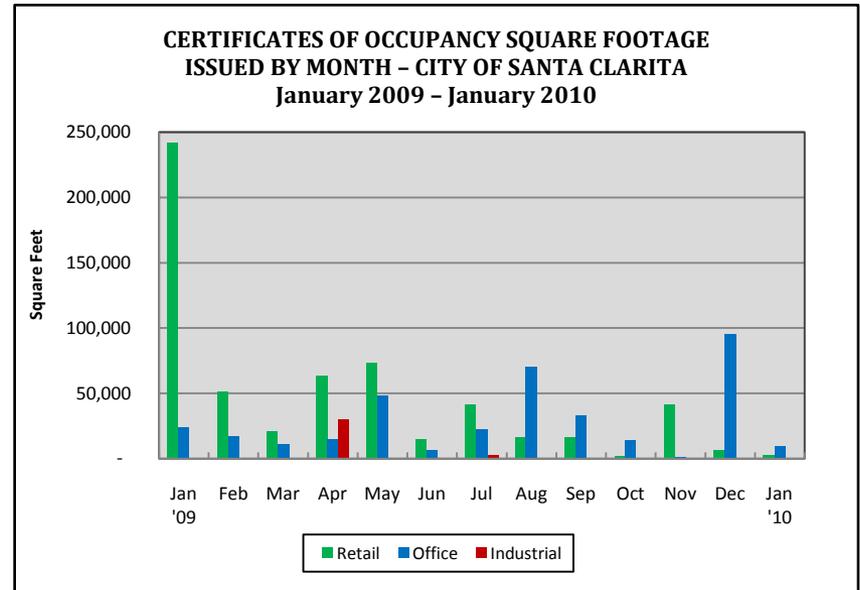
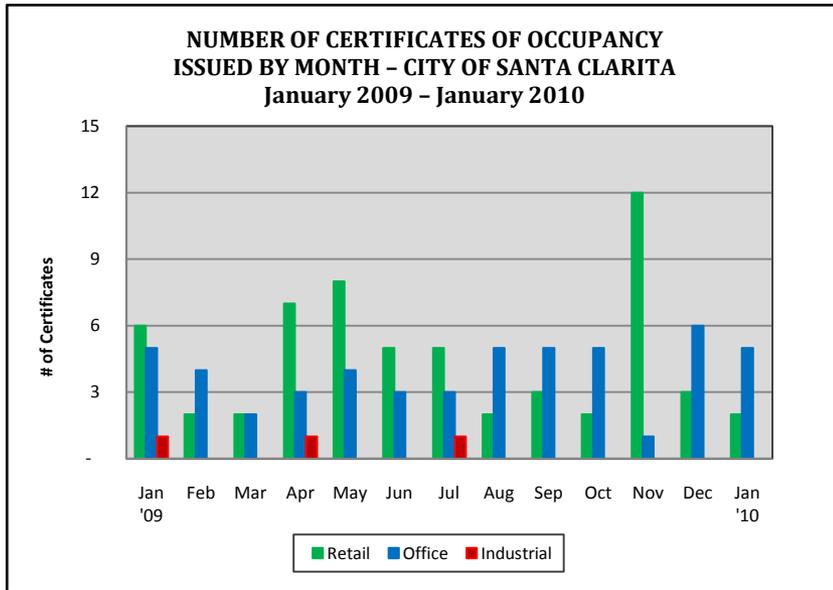
New Residential Buildings

- A total of 4 permits for new single-family residences were issued in January 2010 by the City of Santa Clarita compared to no residential permits in January 2009.

Residential Additions/Alterations

- A total of 26 residential permits for additions and alterations were issued in January 2010 of which 96% or 25 were for single-family residences and the remaining 4% or 1 permit was for multi-family residences.
- Of the additions/alterations in January 2010, 23% were for photovoltaic, 19% each were for patio covers and pools/spas, 15% were for block walls, and 8% each were for fireplaces/chimneys, windows/doors/skylights, and other miscellaneous items.

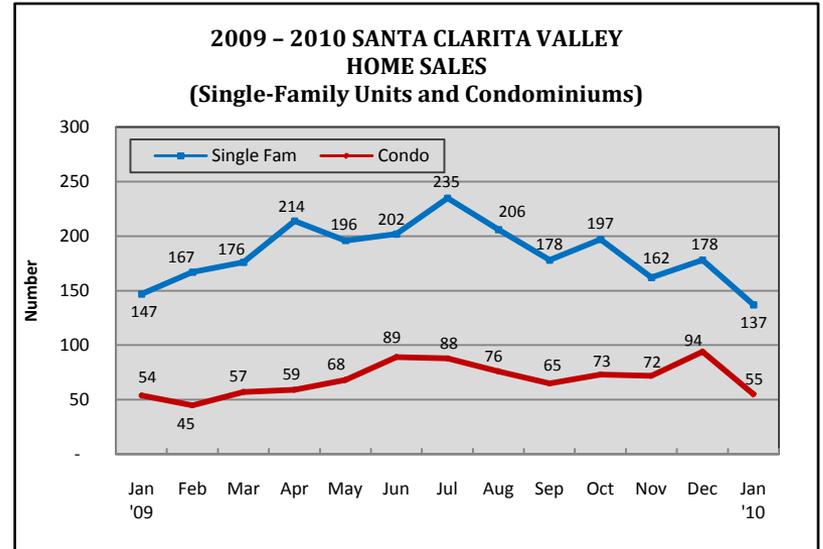
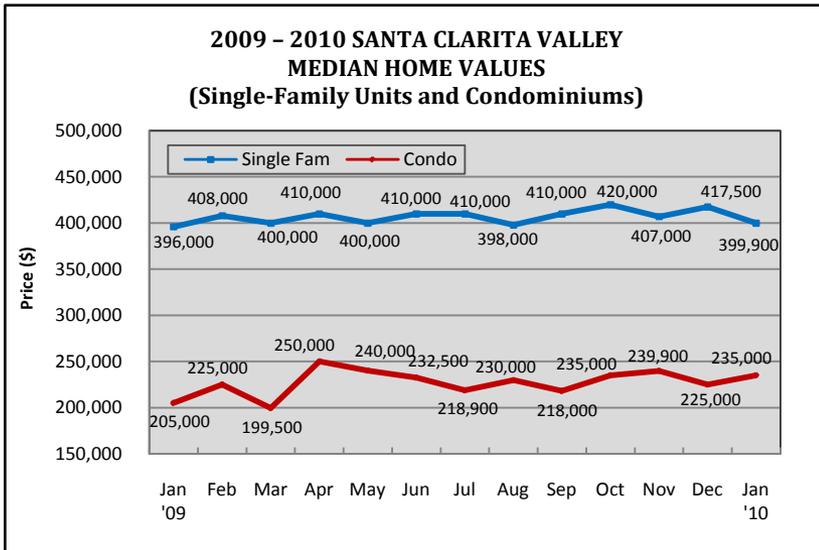
Commercial/Industrial Certificates of Occupancy Issued



- In January 2010, a total of 7 Certificates of Occupancy were issued of which 5 were for office space and 2 were for retail use. These 7 certificates represent a decline of 42% from 12 Certificates of Occupancy in January 2009.
- Certificates of Occupancy for January 2010 represented a total of 12,220 square feet of which 79% was for office space and 21% for retail space. This represented a 95% decrease from the 265,623 square feet of Certificates of Occupancy for retail and office space issued in January 2009.

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.

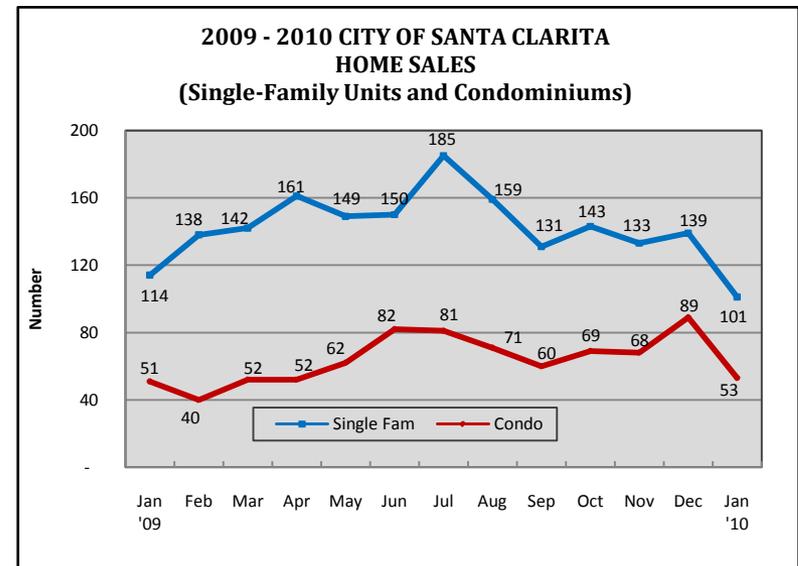
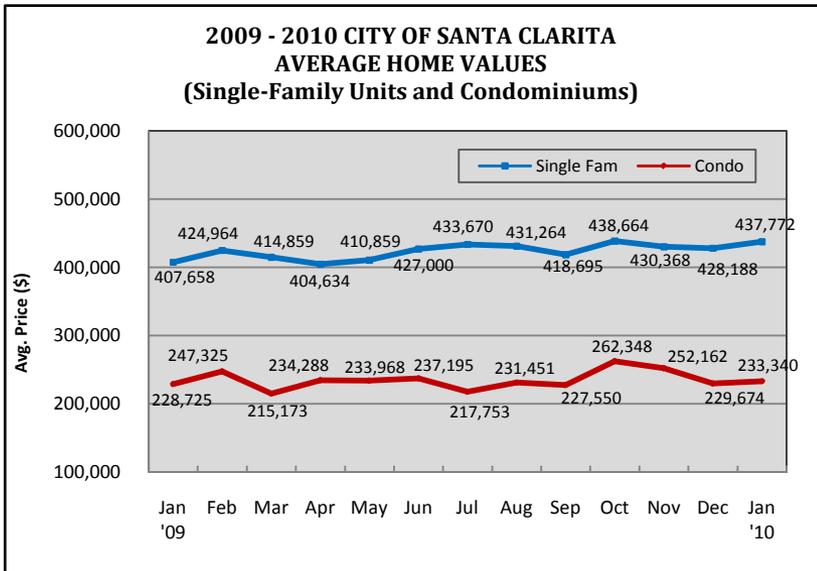
Single-Family Homes

- Single-family median home values decreased 4% to \$399,900 in January 2010 from \$417,500 in December 2009, yet were 1% higher than January 2009.
- A total of 137 single-family homes sold in January 2010, down 23% from December 2009, and down 7% from one year ago.

Multi-Family Homes/Condominiums

- Condominium prices increased 4% to \$235,000 in January 2010 from \$225,000 in December 2009, and were 5% higher than in January 2009.
- Condominium sales dropped to 55 sales in January 2010, down 41% from December 2009, yet comparable to sales in January 2009.

City of Santa Clarita Housing Market



In the City of Santa Clarita, home values have remained relatively flat over the past six months while sales volume has trended downward.

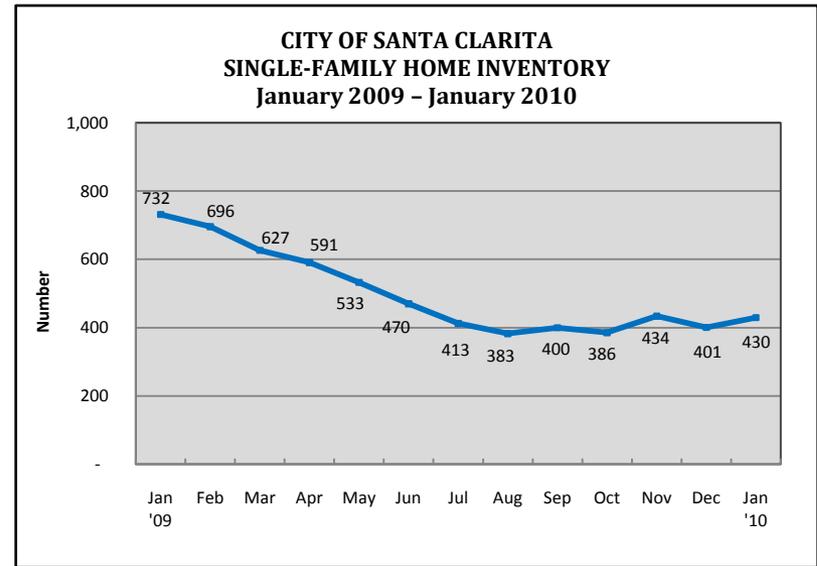
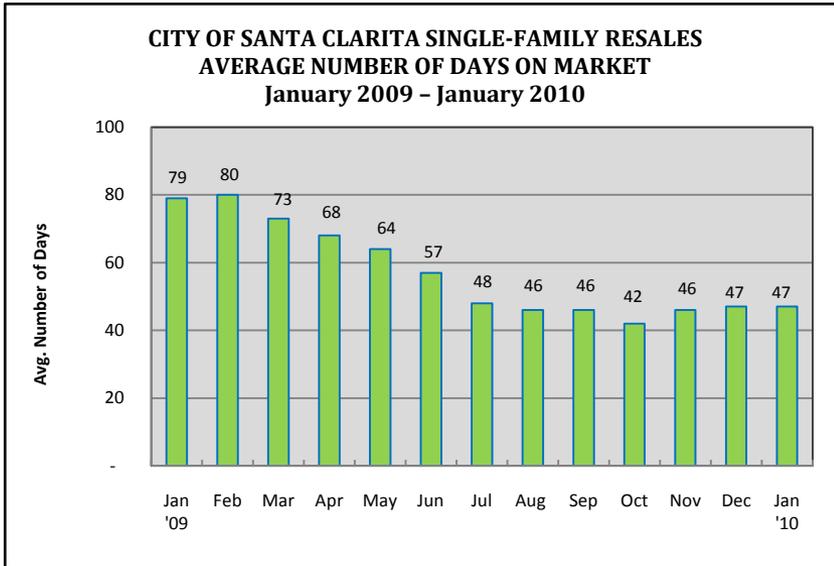
Single-Family Homes

- Single-family average home values in January 2010 in the City of Santa Clarita were \$437,800 or 2% above December 2009 and 7% above January 2009.
- In the City of Santa Clarita, sales decreased 27% to 101 single-family homes in January 2010 from December 2009, and were 11% lower than sales in January 2009.

Multi-Family/Condominiums

- Condominium prices rose 2% to \$233,300 in January 2010 from December 2009, and increased 2% from January 2009.
- Condominium sales fell 40% to 53 units in the City of Santa Clarita in January 2010 from December 2009, yet rose 4% from January 2009.

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

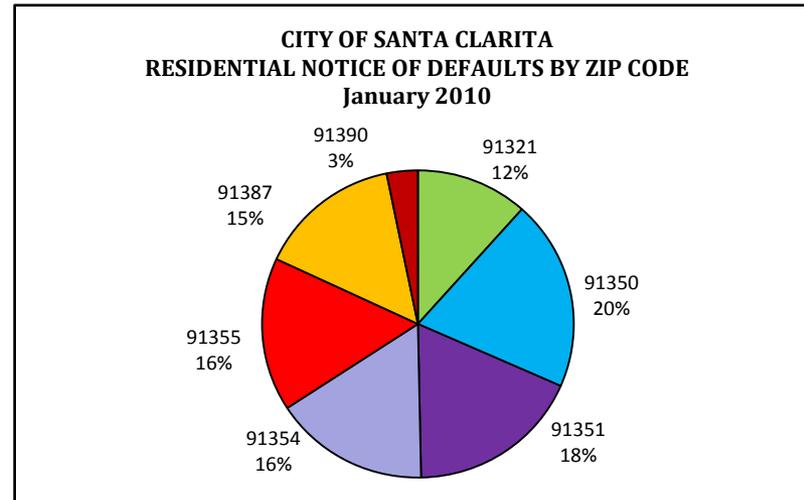
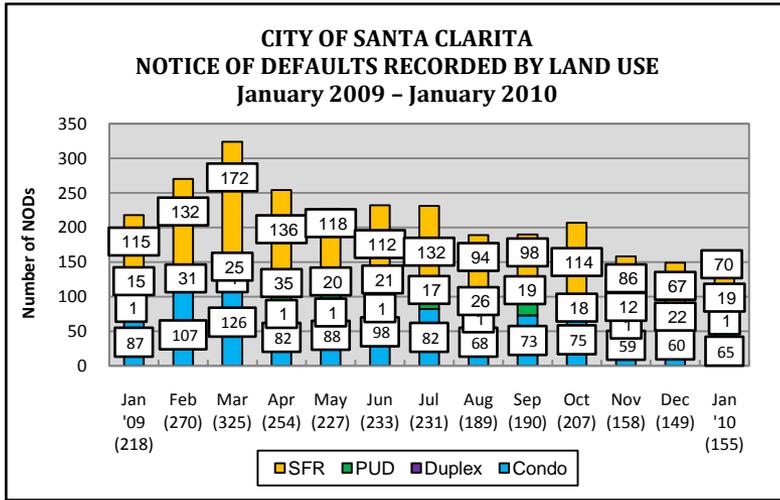


The City of Santa Clarita’s housing market is stronger than one year ago when homes took an average 79 days or approximately 2.6 months to sell.

- In January 2010, homes were on the market for an average 47 days or 1.6 months, comparable to levels since July 2009.
- Single-family inventory levels rose 7% in January 2010 to 430 homes from 401 in December 2009, and were 41% below inventory levels in January 2009.

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)



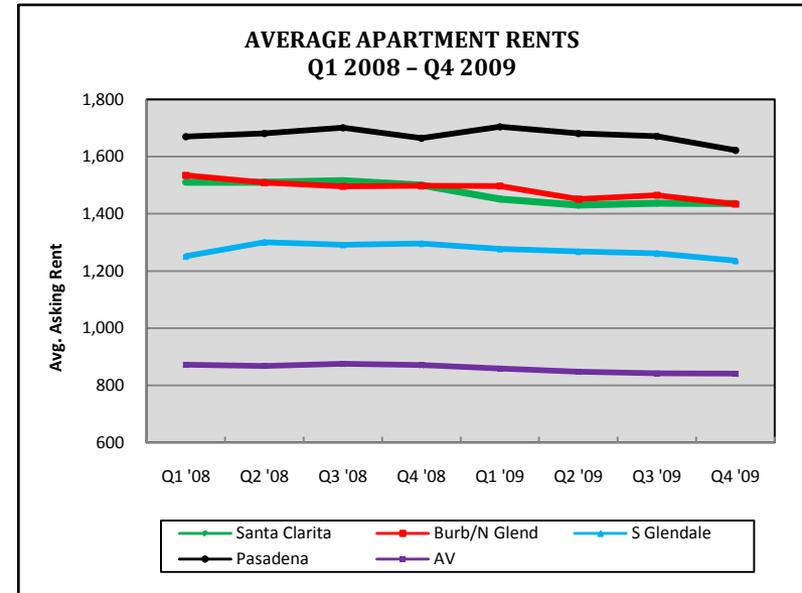
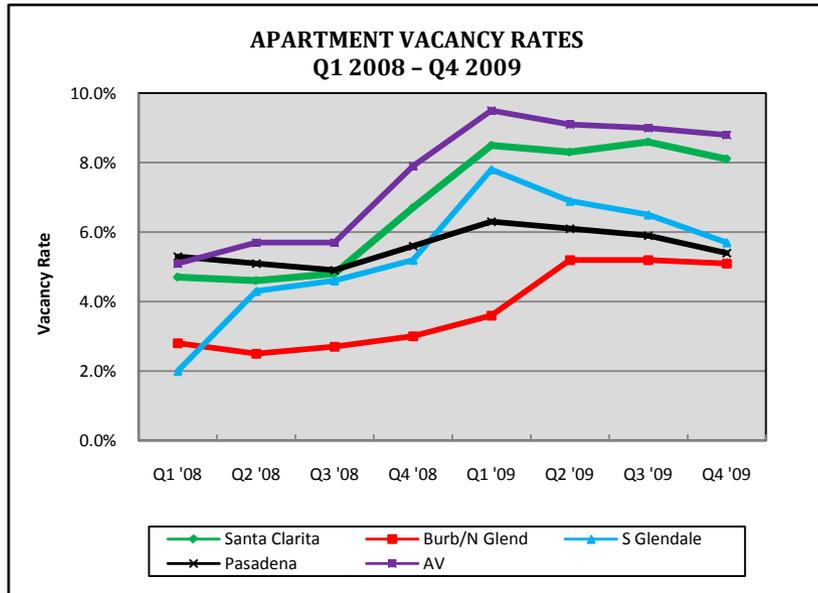
Notice of defaults have been trending downward since the Spring months and are lower from one year ago.

- A total of 155 NODs were recorded in January 2010 in the City of Santa Clarita, down 29% from January 2009.
- Of the January 2010 NODs, 45% or 70 were on single-family residences while 42% or 65 were on condominium properties, 12% or 19 NODs were on PUDs, and 1 was for a duplex. In comparison, in January 2009, 53% were on single-family homes, 40% were on condominiums, and 7% were on PUDs while an additional NOD was on a duplex.
- In January 2010, approximately 20% of the NODs were recorded in the 91350 zip code followed by 18% in 91351. Between 12% and 16% were recorded in 91321, 91387, 91354, and 91355. The remaining 3% were NODs on properties in 91390.
- One-third or 32% of the NODs were on homes that previously sold in the \$200,000 - \$349,999 range followed by 25% of the NODs were on homes that and in the \$350,000 - \$499,999 range. Additionally, 16% of the homes sold in the \$500,000 - \$599,999 range, 12% sold for less than \$200,000 and 10% of homes sold for at least \$600,000. The price range was unknown for the remaining 5%. Although the majority of homeowners who received NODs in January were not in the City's luxury home market, NODs on more expensive homes increased with 26% on homes of at least \$500,000 compared to 20% in December 2009.

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.

Apartments: Vacancies & Average Rents

(Updated Quarterly)



Apartment Vacancy Rates

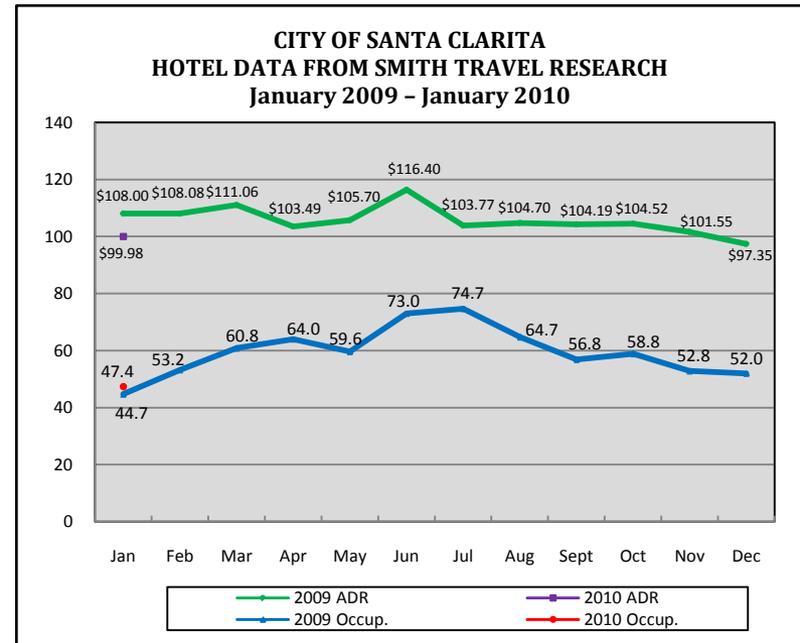
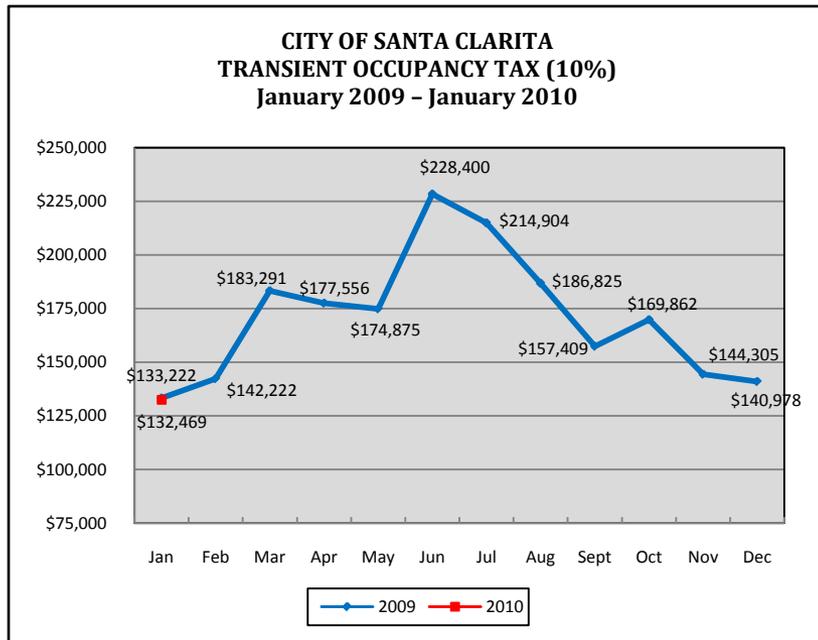
- The apartment vacancy rate during Fourth Quarter 2009 in Santa Clarita was 8.1%, lower than the Third Quarter vacancy rate of 8.6%, yet higher than the 6.7% vacancy rate during Fourth Quarter 2008.
- In comparison, vacancy rates in Santa Clarita have remained below that of Antelope Valley, yet above rates in Burbank/North Glendale, South Glendale/Highland Park, and Pasadena areas.
- Santa Clarita's vacancy rate during Fourth Quarter 2009 was higher than the rates of 5.3% for the Los Angeles metro area, 7.0% for the Western U.S., and 8.0% for the entire U.S.

Average Rental Rates

- Average rents in Santa Clarita of \$1,436 during Fourth Quarter 2009 were slightly lower than rents of \$1,500 during Fourth Quarter 2008, and tend to be comparable to those in the Burbank/North Glendale area and below those found in Pasadena.
- For studios and 1-bedroom apartments, rents in Santa Clarita are comparable to those in the Los Angeles metro area; however, rents in Santa Clarita are lower than those in Los Angeles for two- and three-bedroom apartments by \$168 and \$272, respectively.

Apartment data are released quarterly. First Quarter 2010 data will be available in the March 2010 economic snapshot.

Tourism: TOT* & Hotel Occupancy



Transient Occupancy Tax (TOT)

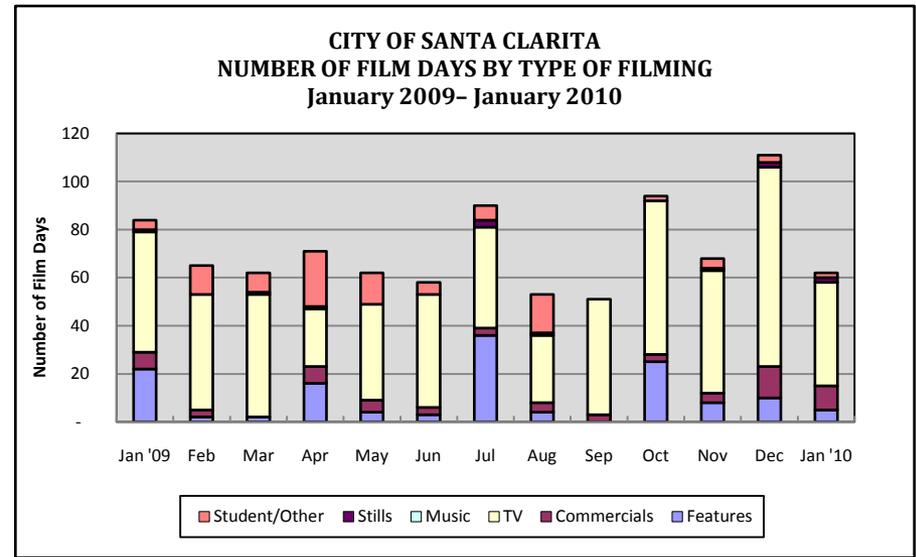
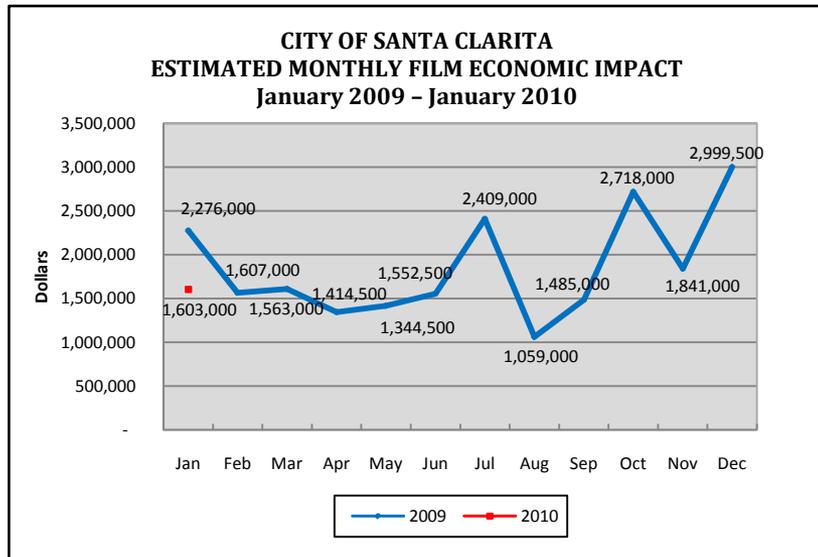
- In January 2010, the City of Santa Clarita collected \$132,469 in TOT, down less than 1% from \$133,222 in January 2009.

Occupancy and Average Daily Revenue

- Smith Travel Research reported hotel occupancy in the City of Santa Clarita was 47% in January 2010, higher than the reported occupancy of 45% in January 2009.
- An average of 418 rooms of 882 available in the City were sold in January 2010 compared to 394 rooms of 882 available rooms in January 2009.
- In comparison, occupancy rates at hotels nationwide in January 2010 were at 45%, down less than 1% from January 2009.
- Although occupancy rates increased, average daily revenue or total room revenue per number of rooms sold declined, indicating total revenue collected in January 2010 declined from January 2009.

* Note: Errors in the reporting of TOT were detected and TOT has been appropriately restated for January – May 2009 and January 2010. City hotels include: Super 8, Travelodge, Hyatt, Holiday Inn, Embassy Suites, Best Western, and Courtyard by Marriott.

Filming in The City of Santa Clarita

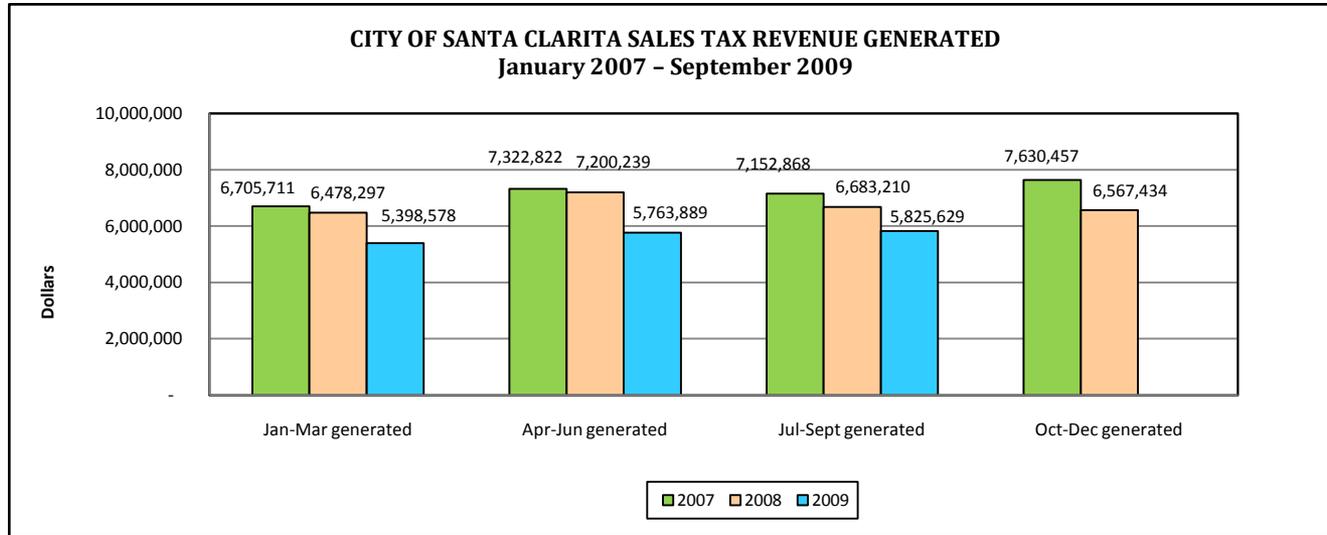


- The Economic Impact from location filming for January 2010 of \$1,603,000 was 30% below the impact in January 2009 of \$2,276,000.
- There were a total of 62 filming days in January 2010, down 26% from 84 filming days in January 2009.
- January 2010 film days included: 69% for television shows, 16% for commercials, 8% for features, and 3% each for stills and student/other projects. No filming occurred on music videos in January 2010 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)



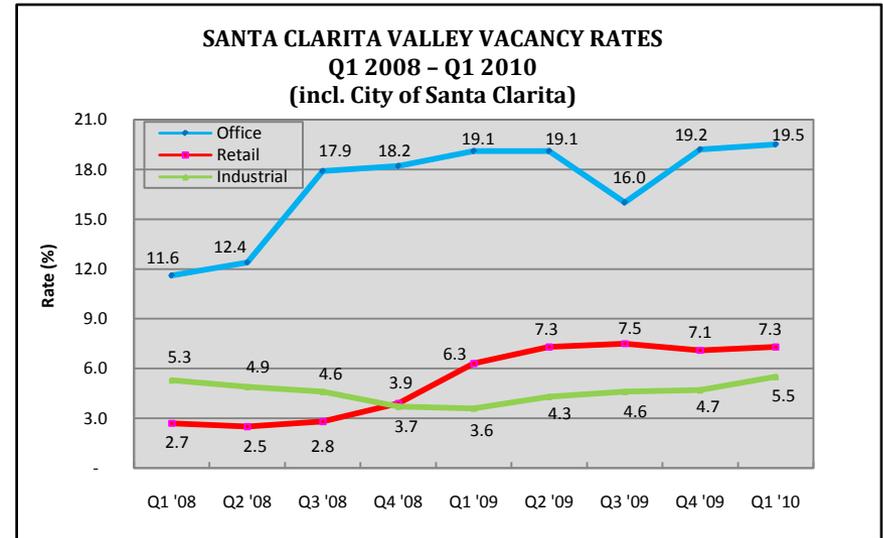
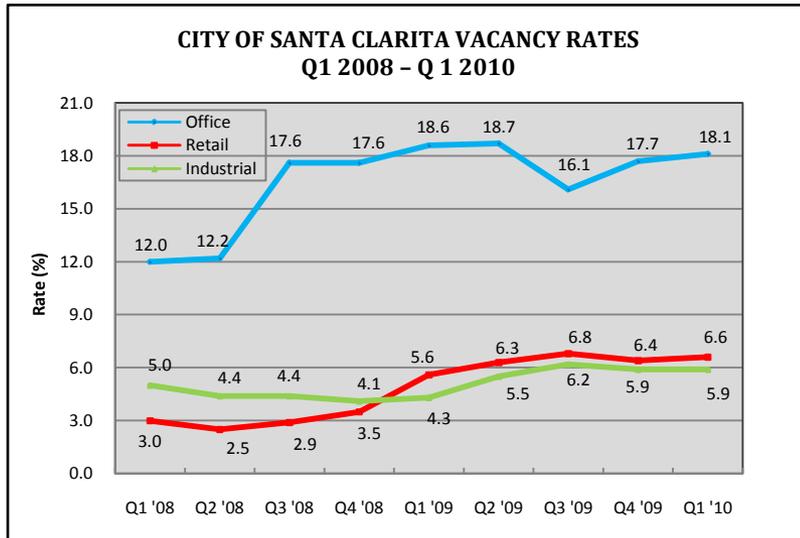
As the economy continued to weaken in 2009, decreases in sales tax generated were reported.

- In July – September 2009, a total of \$5.83 million in sales tax revenue was generated, down 13% from \$6.68 million generated in July – September 2008.
- A total of \$16.99 million in sales tax revenue was generated through Third Quarter 2009, down 17% from the \$20.36 million generated through Third Quarter 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.

Sales tax revenue is presented quarterly. The most current update is for Third Quarter 2009 and was presented in the December 2009 Economic Snapshot. Fourth Quarter 2009 data will be published in the March 2010 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.

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



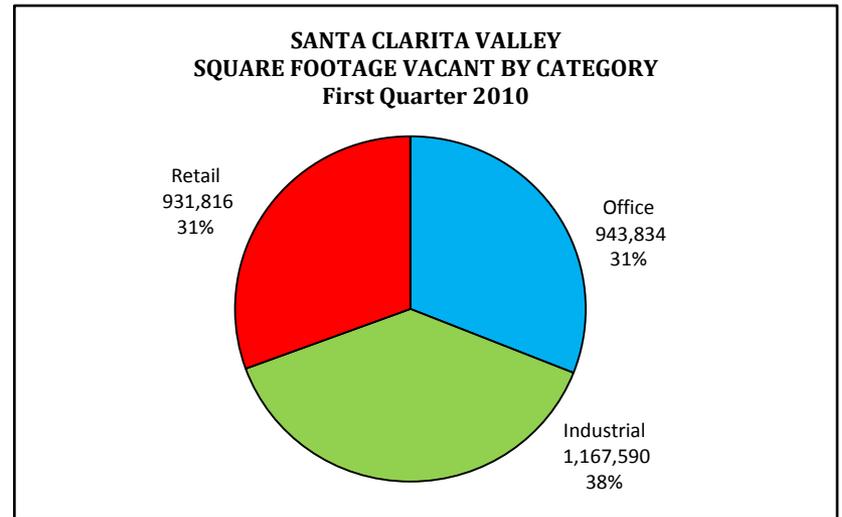
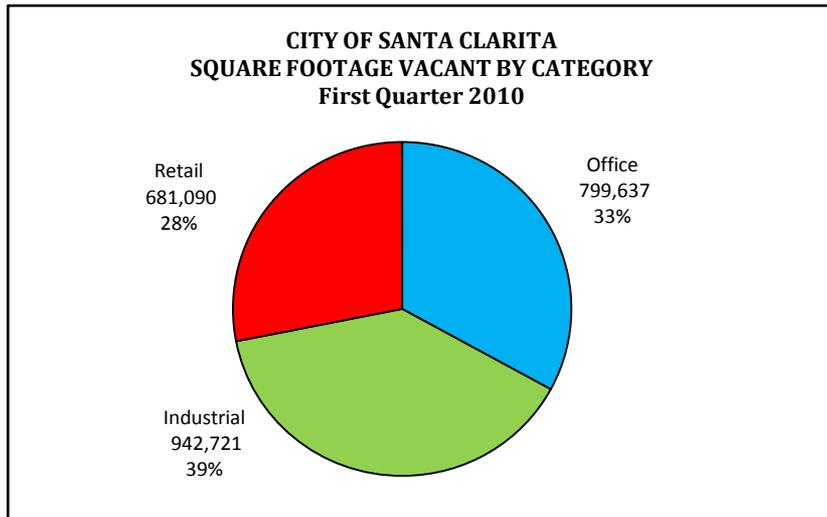
City of Santa Clarita

- In the City of Santa Clarita, office and retail vacancy rates increased in First Quarter 2010, whereas, industrial vacancy rates remained unchanged. Retail vacancy rates increased the most in First Quarter 2010 from the previous quarter.
- The City's office vacancy rate was 18.1% while the retail and industrial vacancy rates were 6.6% and 5.9, respectively.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley (including the City), office, retail, and industrial vacancy rates increased in First Quarter 2010 from the previous quarter.
- The Santa Clarita Valley's office vacancy rate was 19.5%, while retail and industrial vacancy rates were 7.1% and 5.5%, respectively.

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



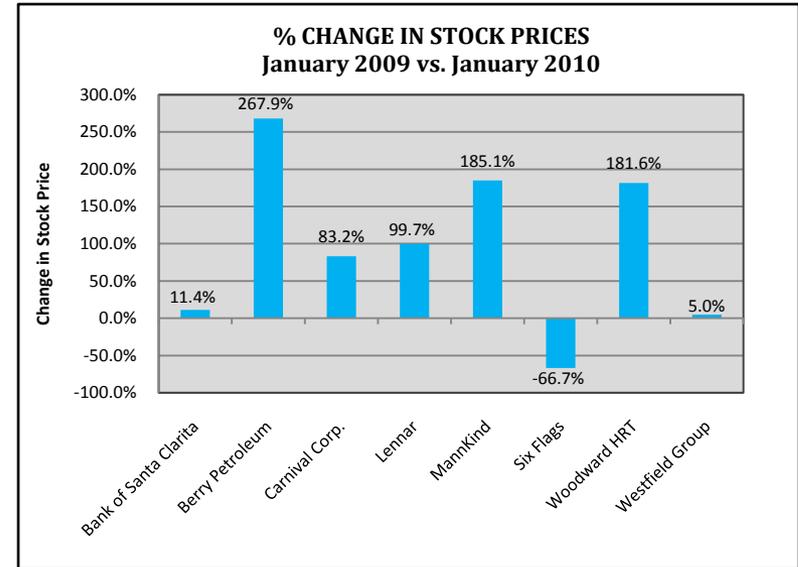
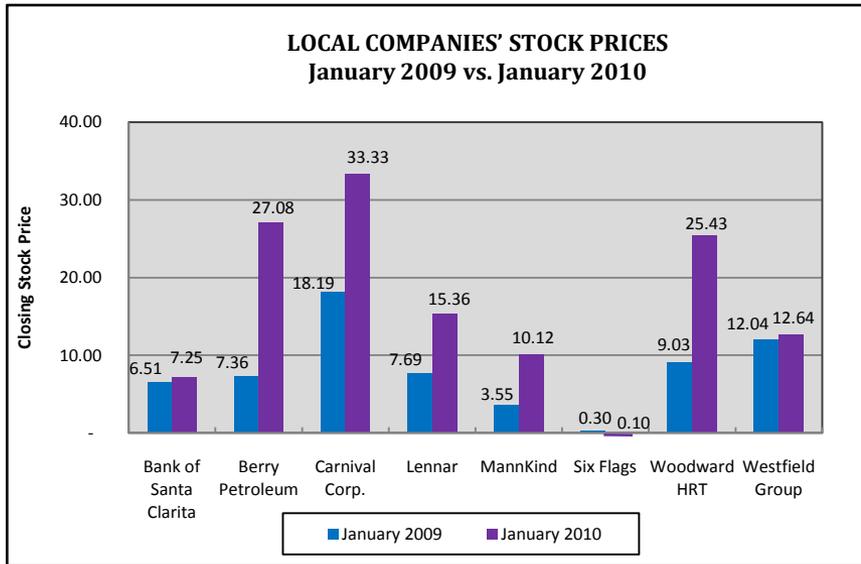
City of Santa Clarita

- 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 8.4% or 2,423,448 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 39% is industrial space, 33% 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 7.9% or 3,043,240 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 38% is industrial and 31% each are office and retail space.

Stock Prices of Local Employers

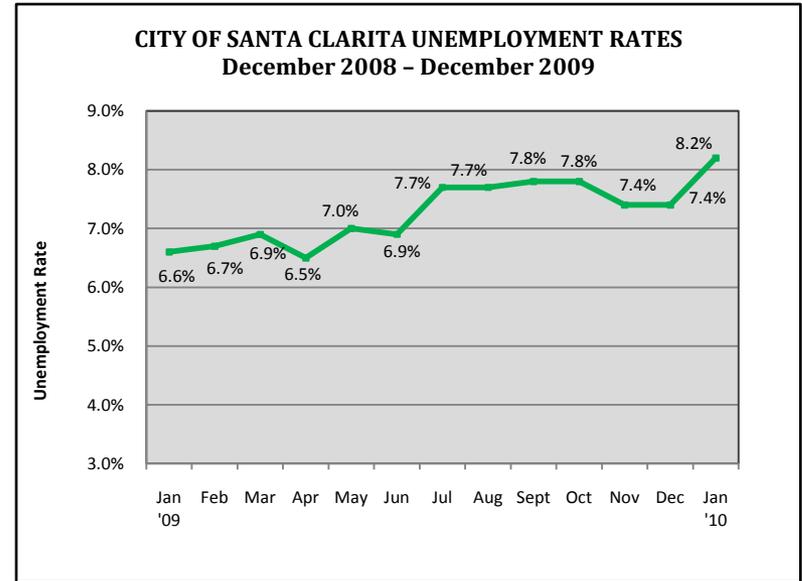
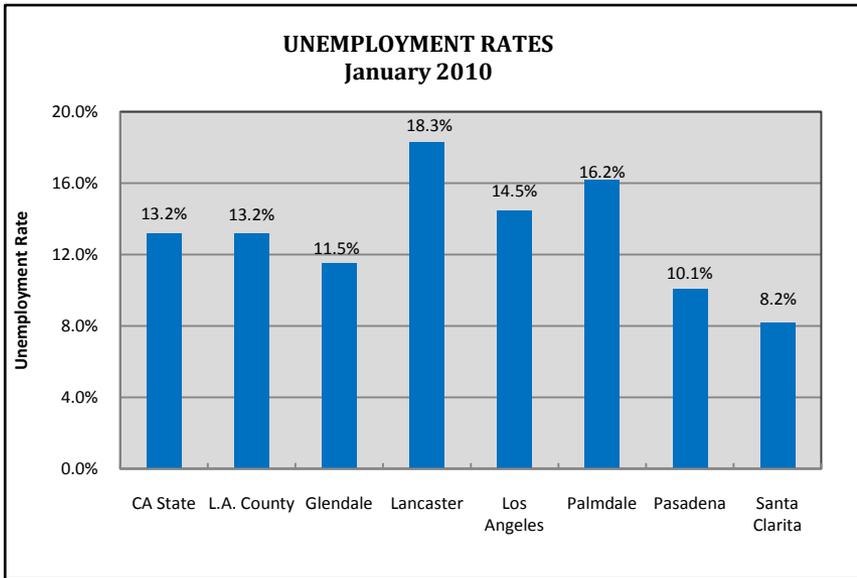


Stock prices for seven of the eight companies in Santa Clarita whose stock prices are being tracked have increased year-over-year as has the entire stock market. Only stock prices of Six Flags Magic Mountain decreased during the time period represented.

- At the end of January 2010, the stock price of Carnival Corp. remained the highest at \$33.33 followed by that of Berry Petroleum and Woodward HRT at \$27.08 and \$25.43, respectively.
- The Dow remained above the 10,000 level in January and rose 26% to 10,067.33 on January 29, 2010 from 8,000.86 on January 30, 2009 and was the fourth consecutive year-over-year increase at month-end.
- The stock price increases seen by Berry Petroleum, MannKind, Woodward HRT, Lennar, 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.

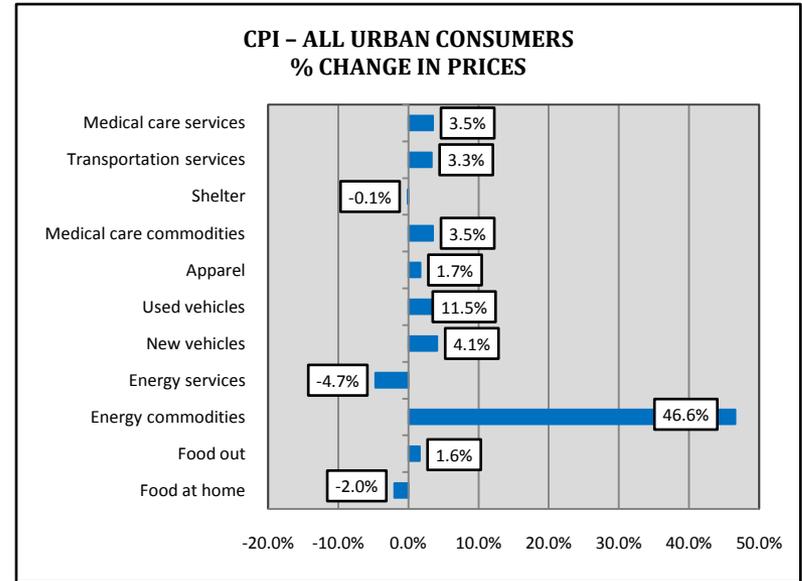
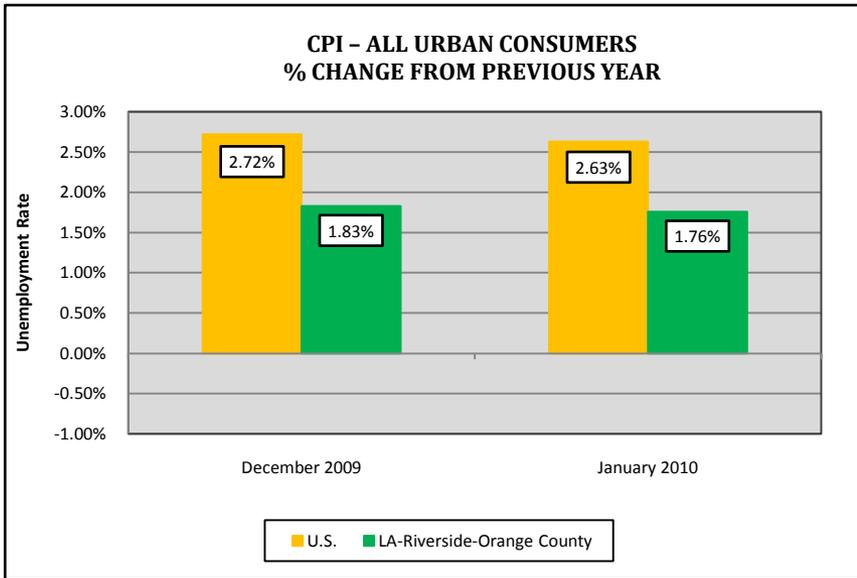
Closing stock prices on the last trading day of the month are shown in the graphs above. Call letters for each company are as follows: BSCA.OB (Bank of Santa Clarita), BRY (Berry Petroleum), CCL (Carnival Corp.), LEN (Lennar), MNKD (MannKind), SIXFQ.OB (Six Flags), TXT for January 30, 2009 and WGOV for January 29, 2010 (HR Textron), and WDC.ax (Westfield Group).

Unemployment



- Santa Clarita's unemployment rate was 8.2% in January 2010 compared to 13.2% each for Los Angeles County and the state, respectively.
- Unemployment in Santa Clarita in January 2010 of 8.2% is higher than the unemployment rate reported in January 2009 of 6.6%.

Inflation



- Year-over-year inflation for January 2010 among all urban consumers for Los Angeles-Riverside-Orange County increased 1.8% compared to the national increase of 2.6%. Inflation in the Los Angeles metro area remains comparable to inflation levels in December 2009.
- The higher inflation rate in December 2009 from one year ago reflects cost increases in almost all services and commodities with the exception of declines of 12.2% in utility gas service, 1.9% in electricity, 2.0% in food at home, and 0.1% in shelter.
- The highest year-over-year increase was seen in energy commodities with gasoline increasing 51.3% and fuel oil increasing 19.3%.

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

Apartment Data: Reis, Inc.

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