



Santa Clarita Economic Snapshot

February 2010

Published on April 22, 2010

Created by the City of Santa Clarita
Economic Development Division



Overview

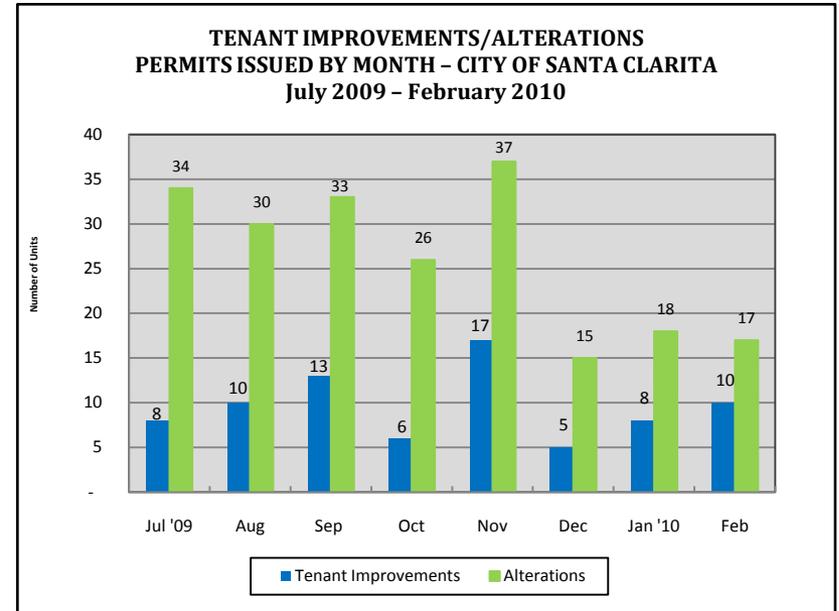
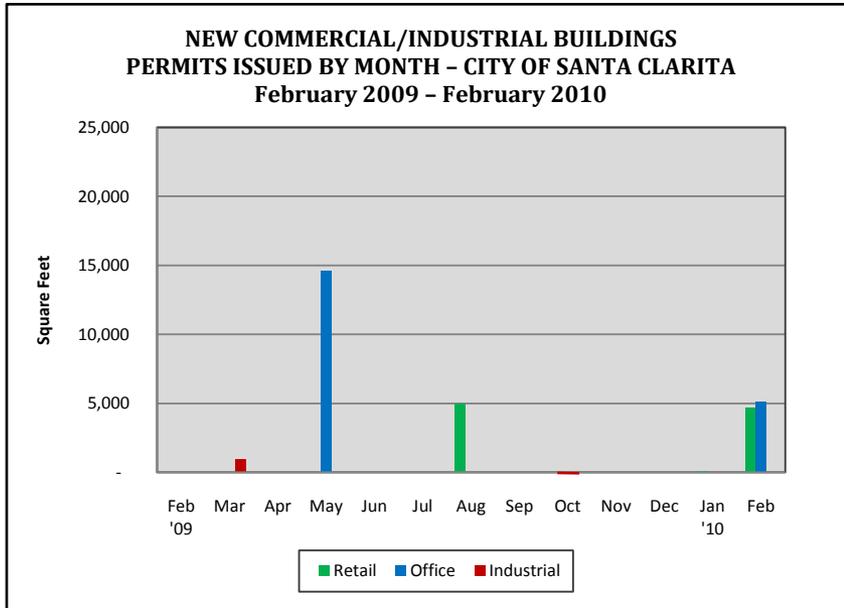
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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

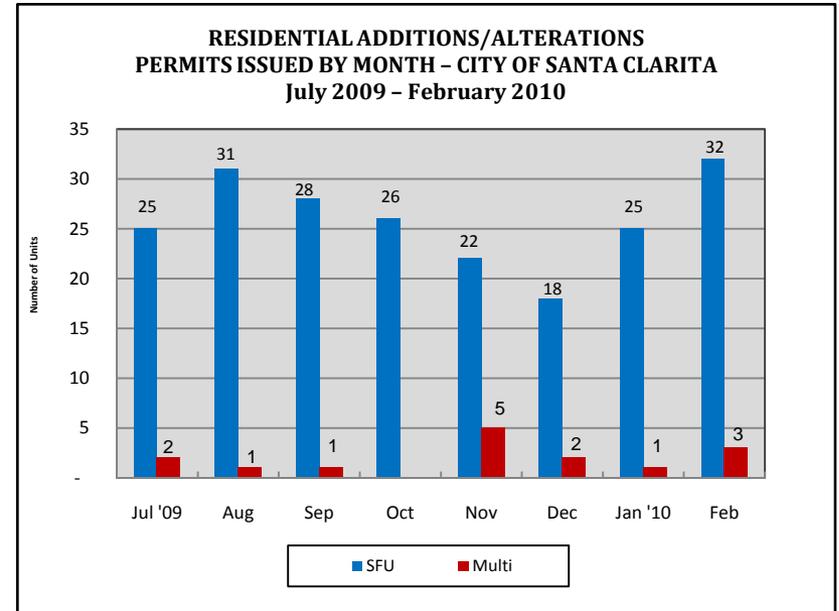
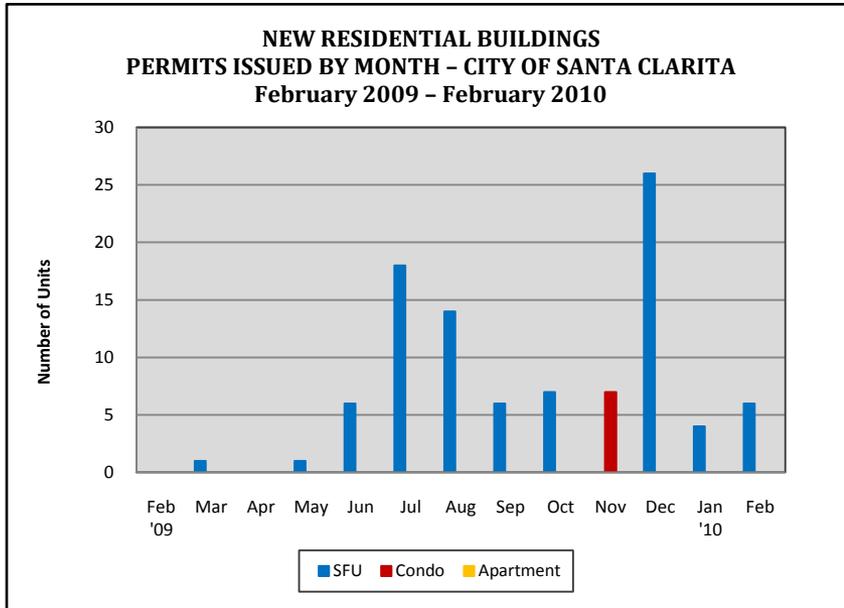
- Two new permits, one for a new retail building of 4,674 square feet and one for an office building of 5,113 square feet, were issued in February 2010 by the City of Santa Clarita compared to no new permits in February 2009.

Tenant Improvements/Alterations

- A total of 10 building permits for tenant improvements were issued in February 2010, up 25% from 8 permits in January 2010.
- In February 2010, a total of 17 commercial alterations were permitted of which 10 or 59% were for signage, 3 or 18% were for fire protection equipment, 2 or 12% were for racks, and the remaining 2 or 12% 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



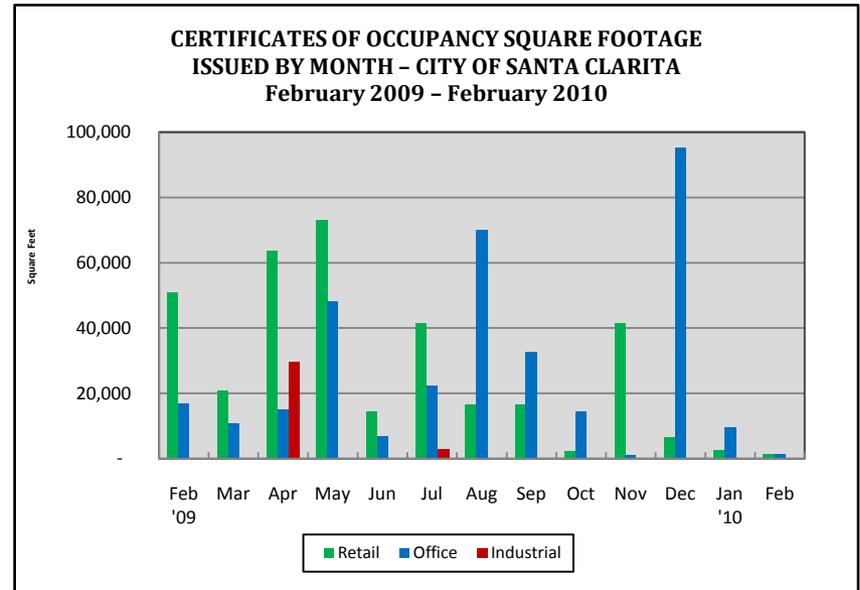
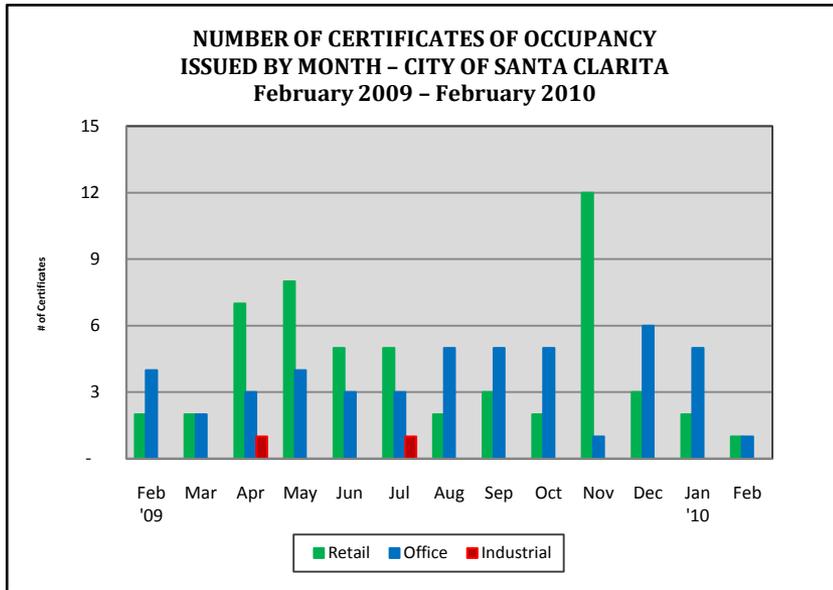
New Residential Buildings

- A total of 6 permits for new single-family residences were issued in February 2010 by the City of Santa Clarita compared to no residential permits in February 2009.

Residential Additions/Alterations

- A total of 35 residential permits for additions and alterations were issued in February 2010 of which 91% or 32 were for single-family residences and the remaining 9% or 3 permits were for multi-family residences.
- Of the additions/alterations in February 2010, 31% were for patio covers, 17% for roofs, 11% each for block walls and pools/spas, 14% for photovoltaic, 9% for fire protection equipment, and 6% were for other miscellaneous items.

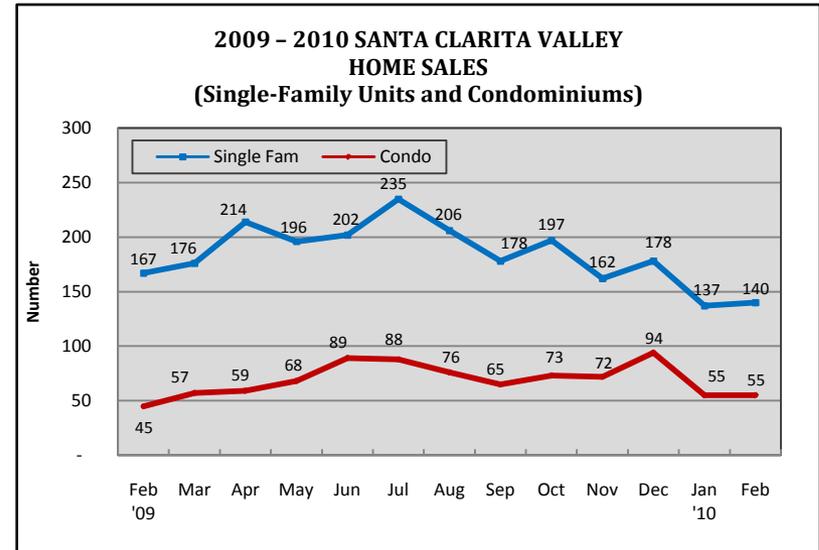
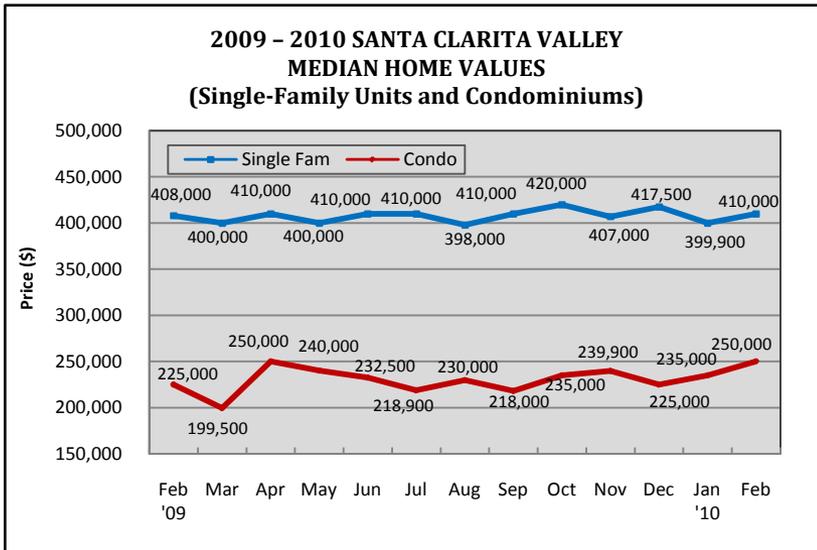
Commercial/Industrial Certificates of Occupancy Issued



- In February 2010, a total of 2 Certificates of Occupancy were issued of which 1 each was for retail and office space. These 2 Certificates represent a decline of 67% from 6 Certificates of Occupancy in February 2009.
- Certificates of Occupancy for February 2010 represented a total of 2,643 square feet of which 50% was for retail space and 50% for office space. This represented a 96% decrease from the 68,060 square feet of Certificates of Occupancy for retail and office space issued in February 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.

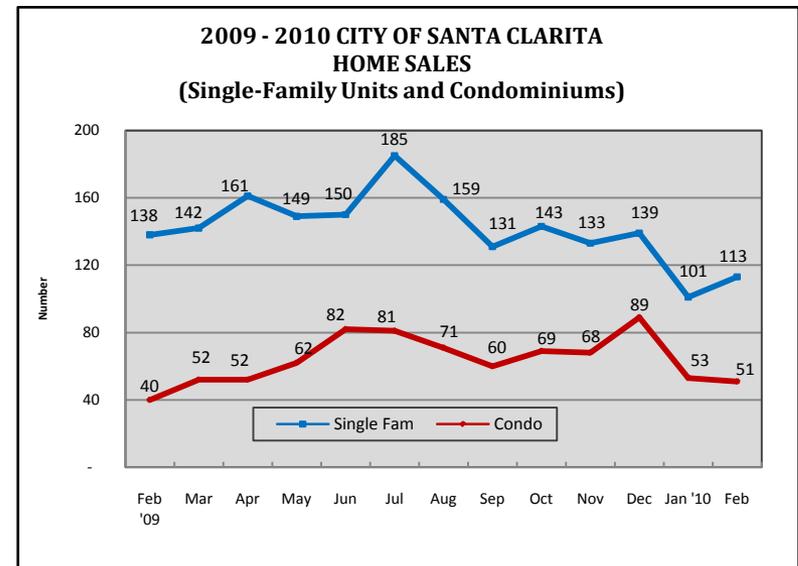
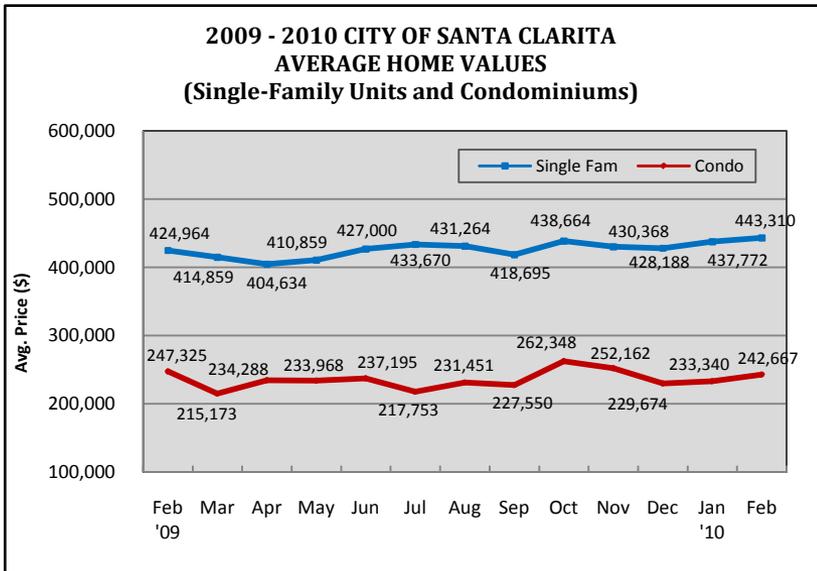
Single-Family Homes

- Single-family median home values increased 3% to \$410,000 in February 2010 from \$399,900 in January 2010, and rose less than 1% from February 2009.
- A total of 140 single-family homes sold in February 2010, up 2% from January 2010, yet down 16% from one year ago.

Multi-Family Homes/Condominiums

- Condominium prices increased 6% to \$250,000 in February 2010 from \$235,000 in January 2010, and were 11% higher than in February 2009.
- Condominium sales remained at 55 sales in February 2010 from January 2010, yet increased 22% from February 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.

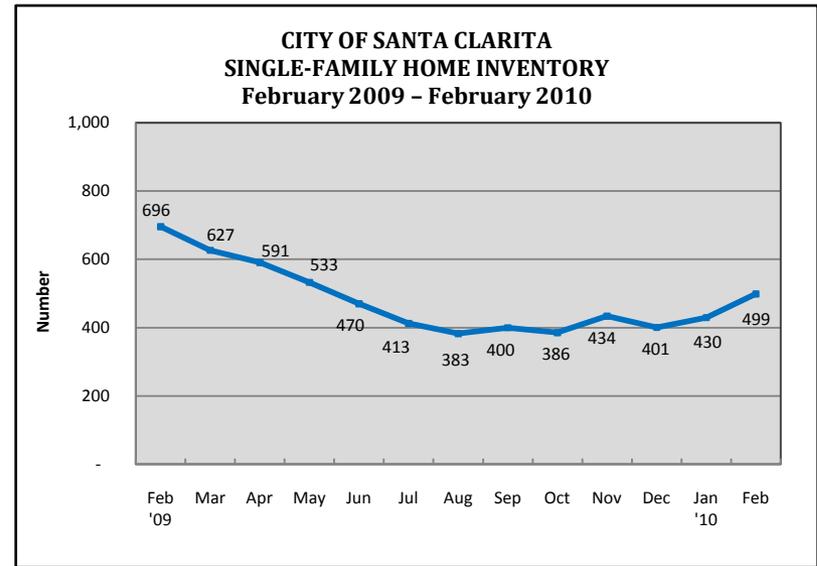
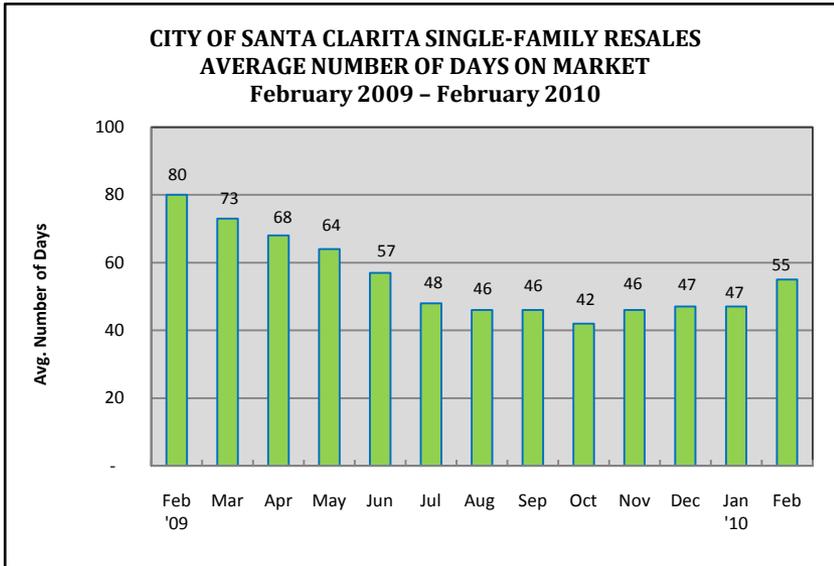
Single-Family Homes

- Single-family average home values in February 2010 in the City of Santa Clarita were \$443,300 or 1% above January 2010 and 4% above February 2009.
- In the City of Santa Clarita, sales increased 12% to 113 single-family homes in February 2010 from January 2010, yet were 18% lower than sales in February 2009.

Multi-Family/Condominiums

- Condominium prices rose 4% to \$242,700 in February 2010 from January 2010, yet decreased 2% from February 2009.
- Condominium sales fell 4% to 51 units in the City of Santa Clarita in February 2010 from January 2010, yet rose 28% from February 2009.

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

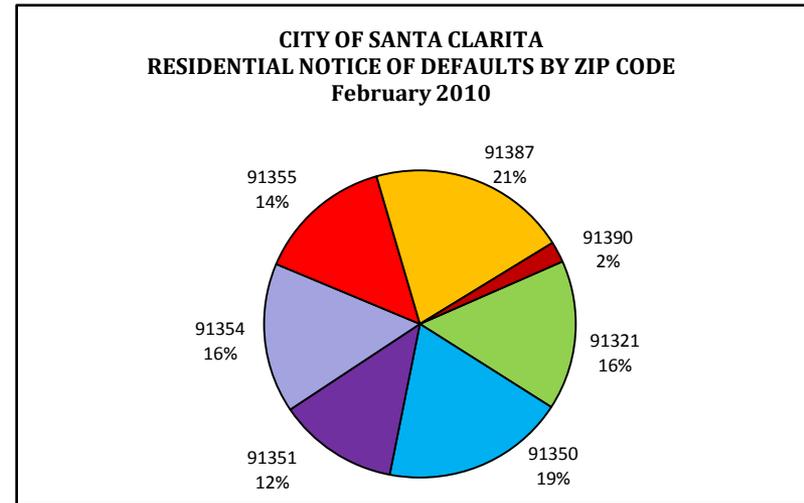
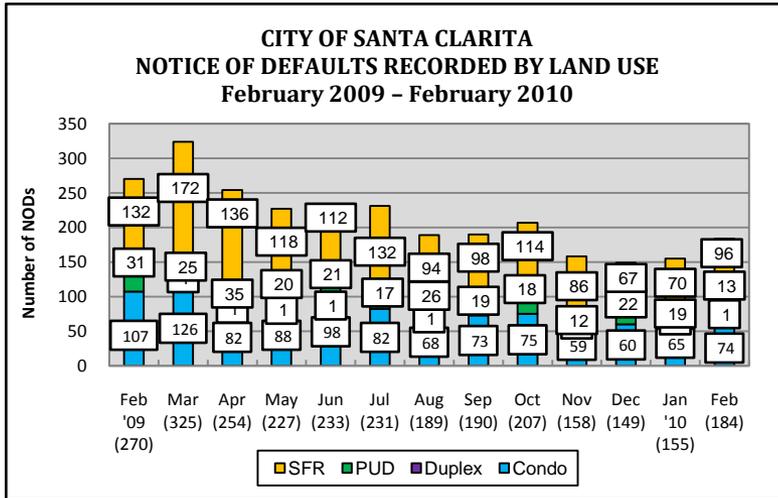


The City of Santa Clarita's housing market is stronger than one year ago when homes took an average 80 days or approximately 2.7 months to sell. Nonetheless, it appears homes are taking a longer time to sell as level returns to those seen in early Summer 2009.

- In February 2010, homes were on the market for an average 55 days or 1.8 months, comparable to levels since June 2009.
- Single-family inventory levels rose 16% in February 2010 to 499 homes from 430 in January 2010, and were 28% below inventory levels in February 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)



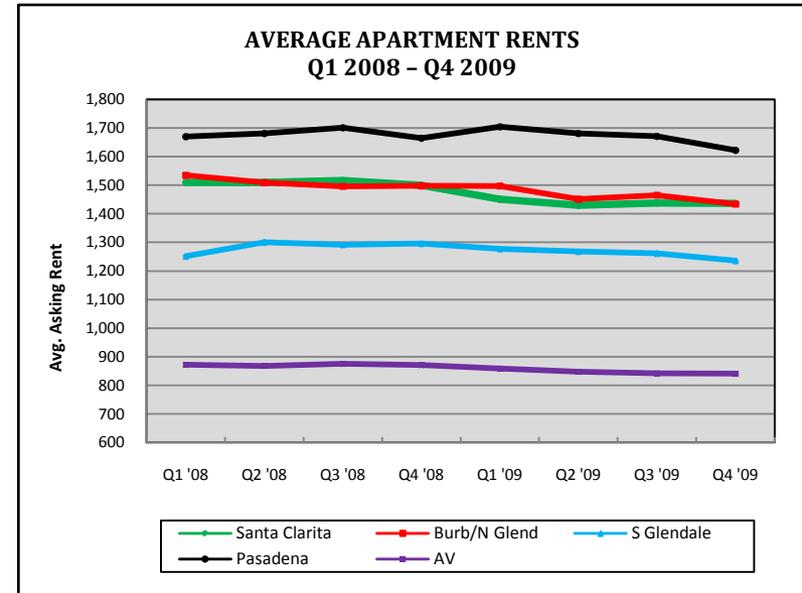
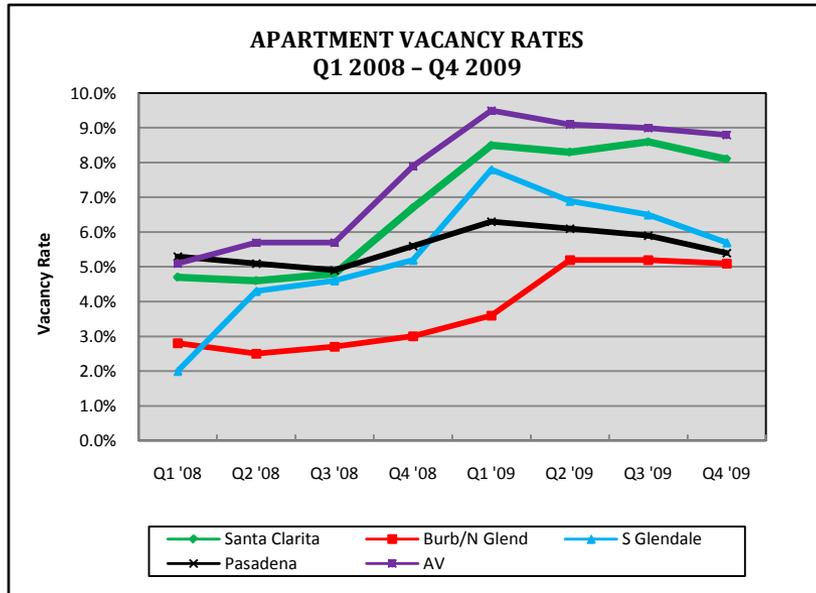
Notice of defaults have been trending downward from one year ago.

- A total of 184 NODs were recorded in February 2010 in the City of Santa Clarita, down 32% from February 2009.
- Of the February 2010 NODs, 52% or 96 were on single-family residences while 40% or 74 were on condominium properties, 7% or 13 NODs were on PUDs, and 1 was for a duplex. In comparison, in February 2009, 49% were on single-family homes, 40% were on condominiums, and 11% were on PUDs while an additional NOD was on a duplex.
- In February 2010, approximately 21% of the NODs were recorded in the 91387 zip code followed by 19% in 91350 and 16% each in 91321 and 91354. Next, 14% and 12% were recorded in 91355 and 91351, respectively. The remaining 2% were in 91390.
- One-fourth or 27% of the NODs were on homes that previously sold in the \$350,000 - \$499,999 range followed by 25% on homes previously sold in the \$200,000 - \$349,999 range. Additionally, 16% of the homes sold for less than \$200,000 and 13% each sold in the \$500,000 - \$599,999 range and at least \$600,000. The price range was unknown for the remaining 8%. Compared to January 2010, slightly fewer NODs were on hold previously sold below \$350,000 while slightly more had sold in the \$350,000 - \$499,999 range.

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

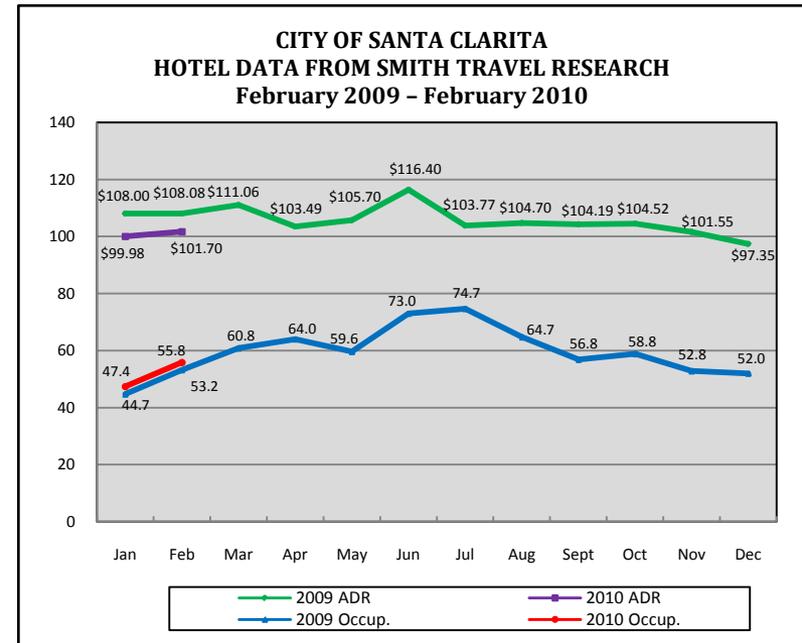
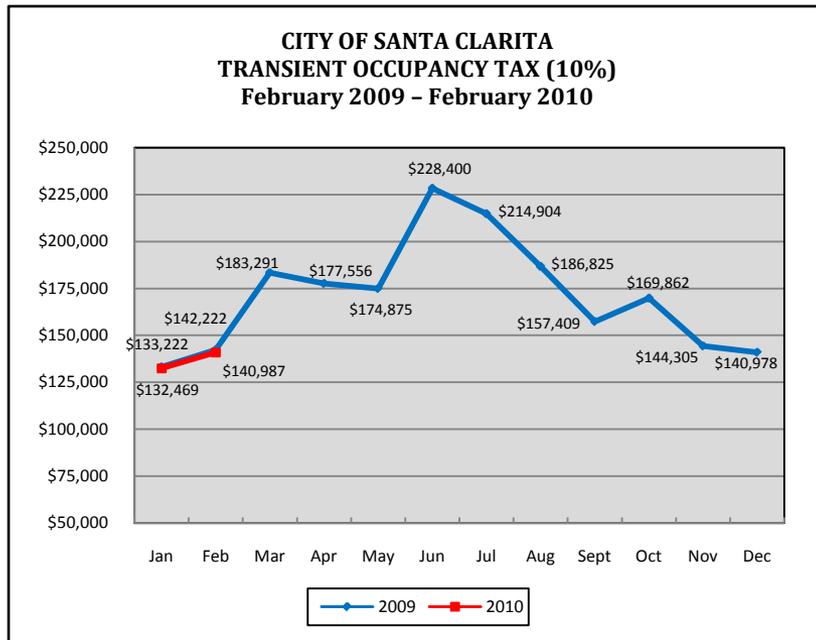
- The apartment vacancy rate during Fourth Quarter 2009 in Santa Clarita was 8.1%, lower than the Third Quarter vacancy rate of 8.6%, yet higher than the 6.7% vacancy rate during Fourth Quarter 2008.
- In comparison, vacancy rates in Santa Clarita have remained below that of Antelope Valley, yet above 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)

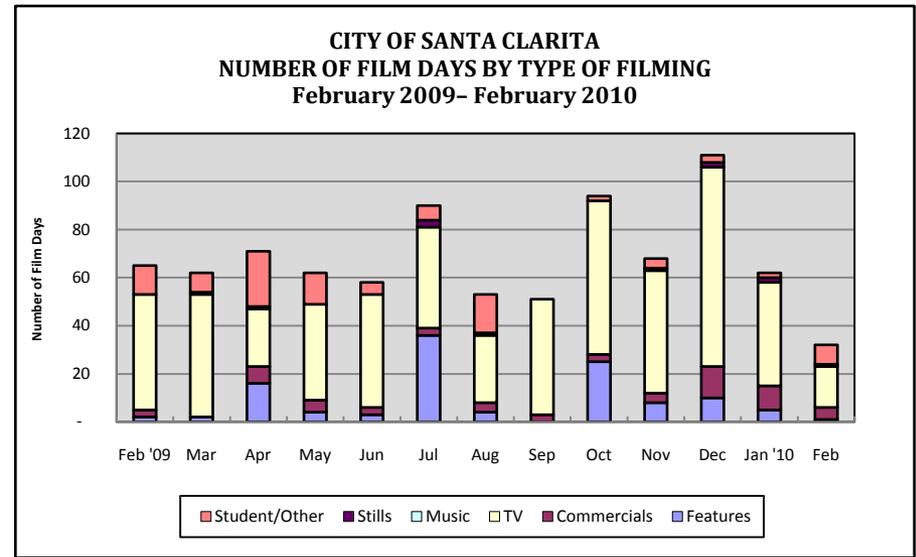
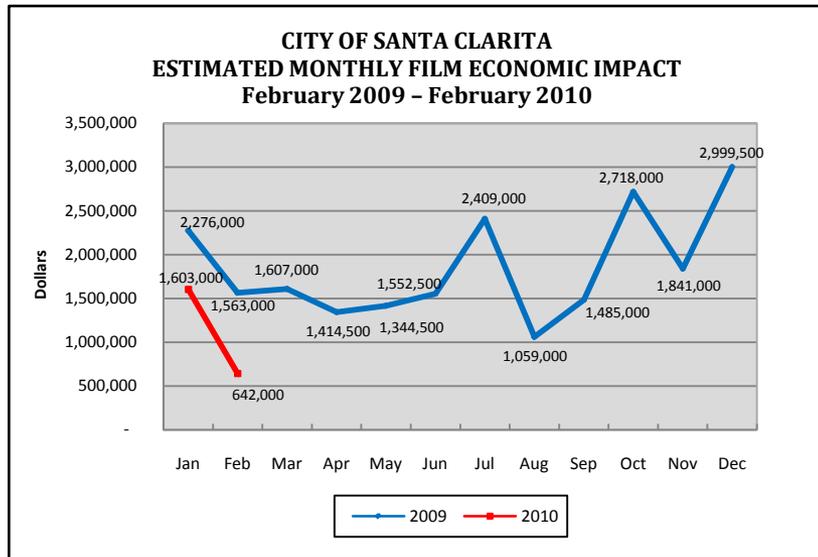
- In February 2010, the City of Santa Clarita collected \$140,987 in TOT, down 0.9% from \$142,222 in February 2009.
- Collectively for February 2010 year-to-date, the City received \$273,456 in TOT, down 0.7% from the same time period in 2009.

Occupancy and Average Daily Revenue

- Smith Travel Research reported hotel occupancy in the City of Santa Clarita was 56% in February 2010, higher than the reported occupancy of 53% in February 2009.
- An average of 492 rooms of 882 available in the City were sold in February 2010 compared to 469 rooms of 882 available rooms in February 2009.
- In comparison, occupancy rates at hotels nationwide in February 2010 were at 53%, up 1% from February 2009.
- Although occupancy rates increased nationwide, average daily revenue declined 5% to \$96.40, indicating total revenue collected nationwide in February 2010 declined from February 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

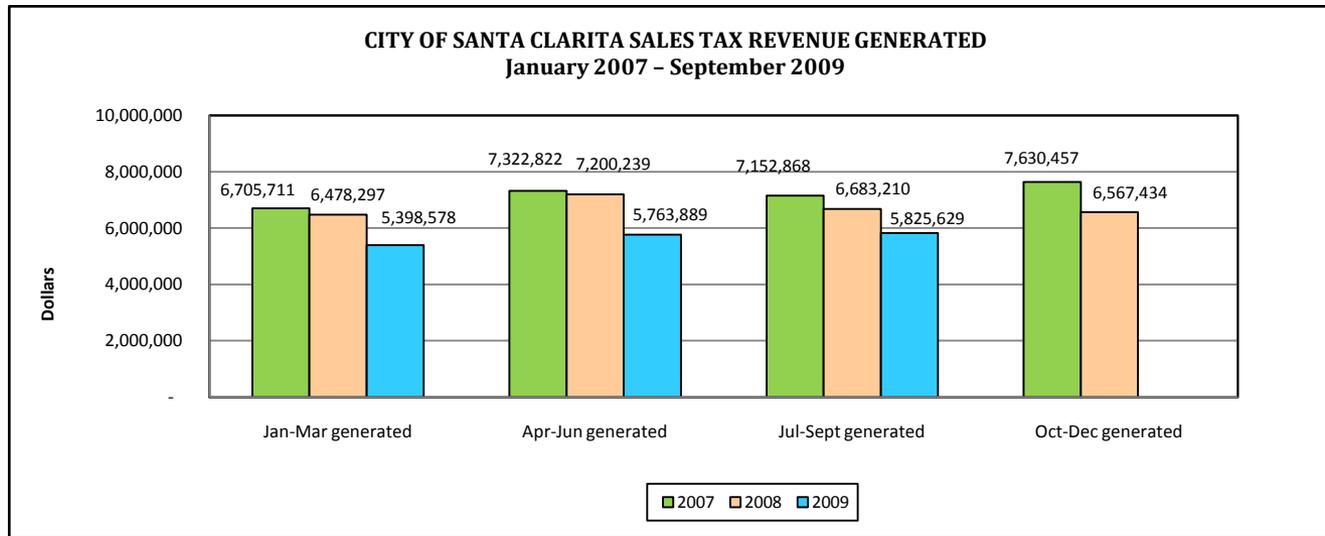


- The Economic Impact from location filming for February 2010 of \$642,000 was 59% below the impact in February 2009 of \$1,563,000.
- In February 2010 a total of 16 film permits were issued within the City of Santa Clarita, down 36% from 25 permits issued in February 2009.
- Most productions are working on reduced budgets and as a result are spending more time in studios rather than on-location filming.
- There were a total of 32 filming days in February 2010, down 51% from 65 filming days in February 2009.
- February 2010 film days included: 53% for television shows, 25% for student/other projects, 16% for commercials, and 3% each for features and music videos . No still productions occurred in February 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. Data contained on this page includes the economic impact of on-location filming only and does not include filming completed in studios or soundstages.

City of Santa Clarita Sales Tax

(Updated Quarterly)



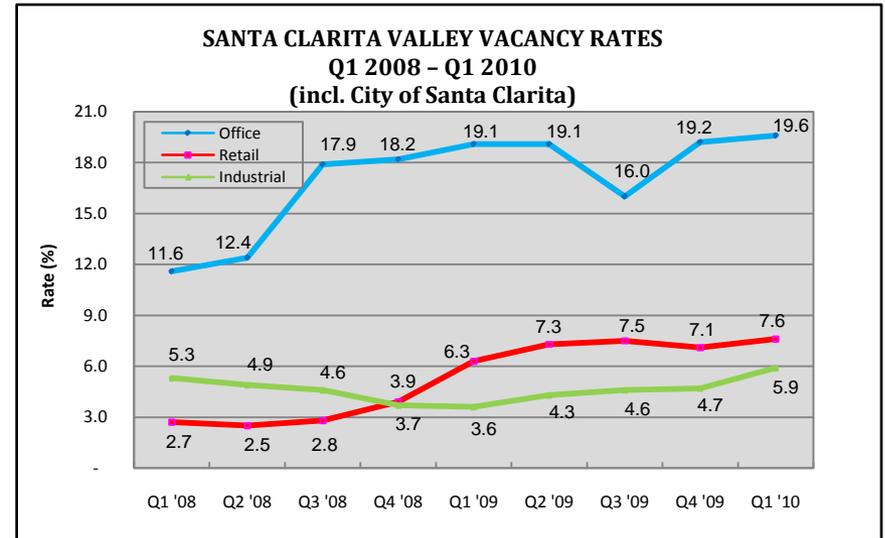
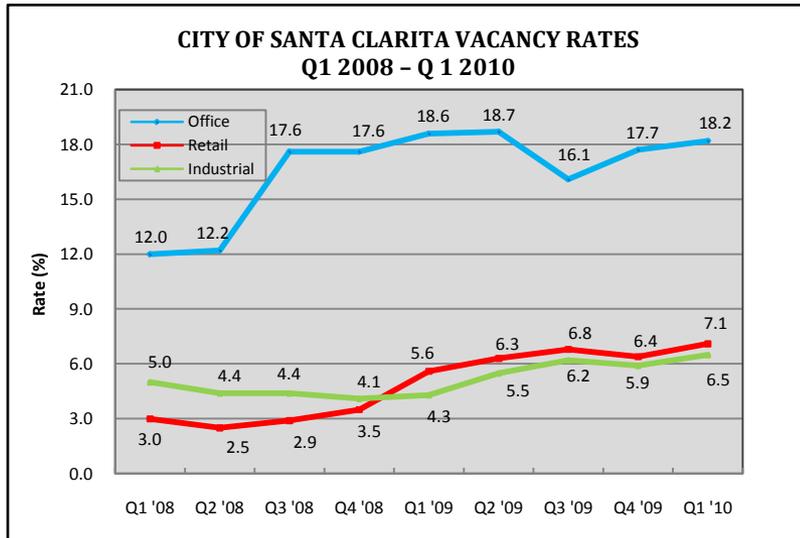
As the economy continued to weaken in 2009, decreases in sales tax generated were reported.

- 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



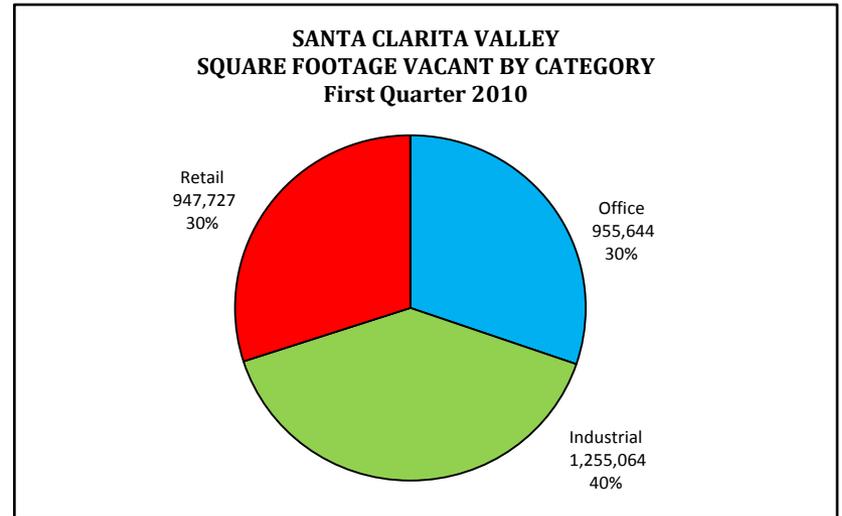
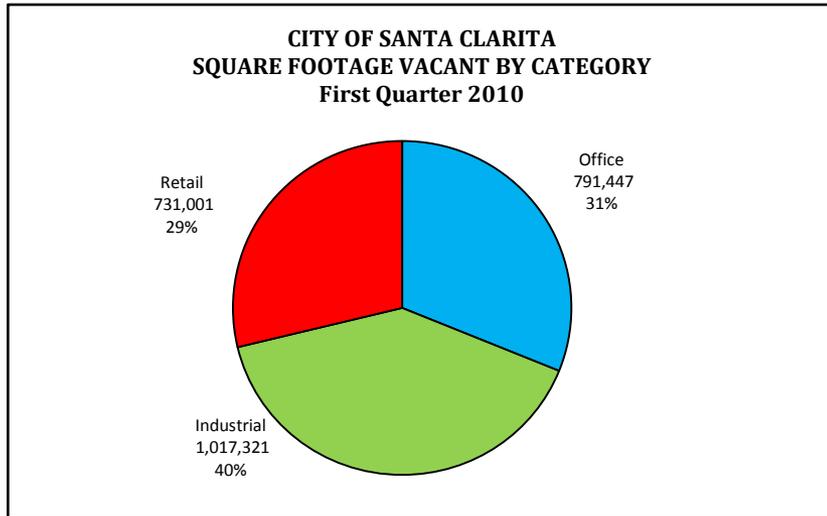
City of Santa Clarita

- In the City of Santa Clarita, office, retail, and industrial vacancy rates increased in First Quarter 2010. Retail vacancy rates increased the most in First Quarter 2010 from the previous quarter.
- The City's office vacancy rate was 18.2% while the retail and industrial vacancy rates were 7.1% and 6.5, 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 19.6%, while retail and industrial vacancy rates were 7.6% and 5.9%, respectively.

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



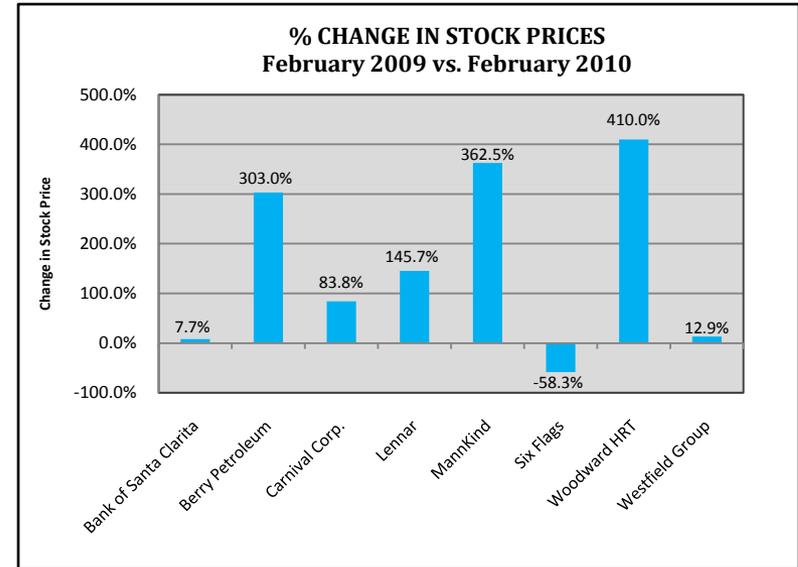
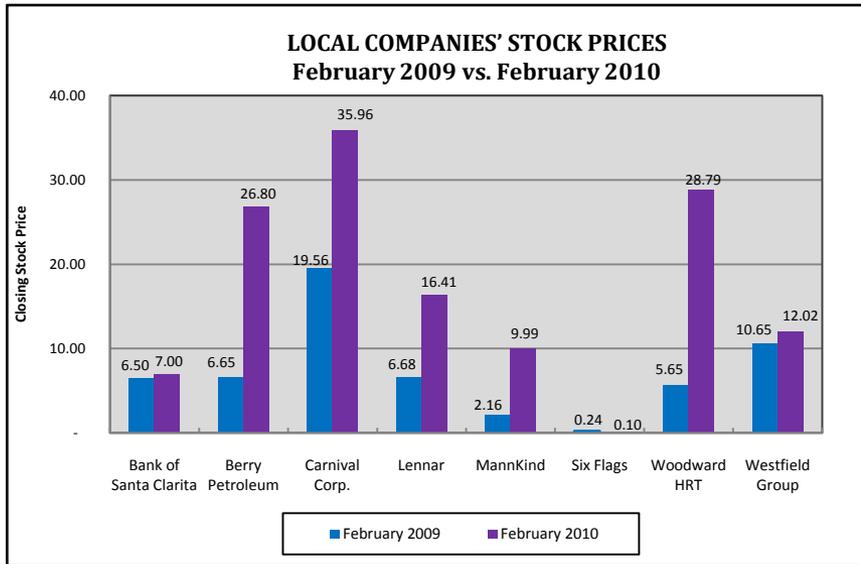
City of Santa Clarita

- 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 8.8% or 2,539,769 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 40% is industrial space, 31% is office space, and 29% 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 8.2% or 3,157,855 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 40% is industrial and 30% each are office and retail space.

Stock Prices of Local Employers

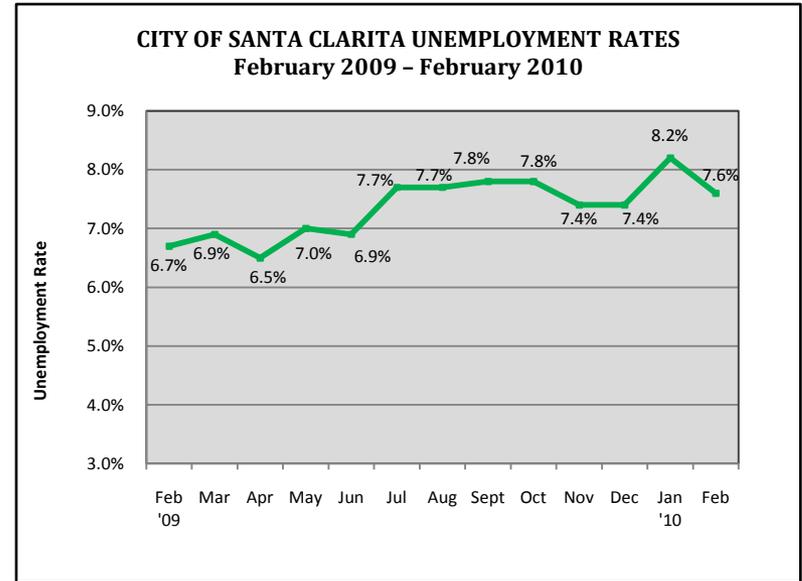
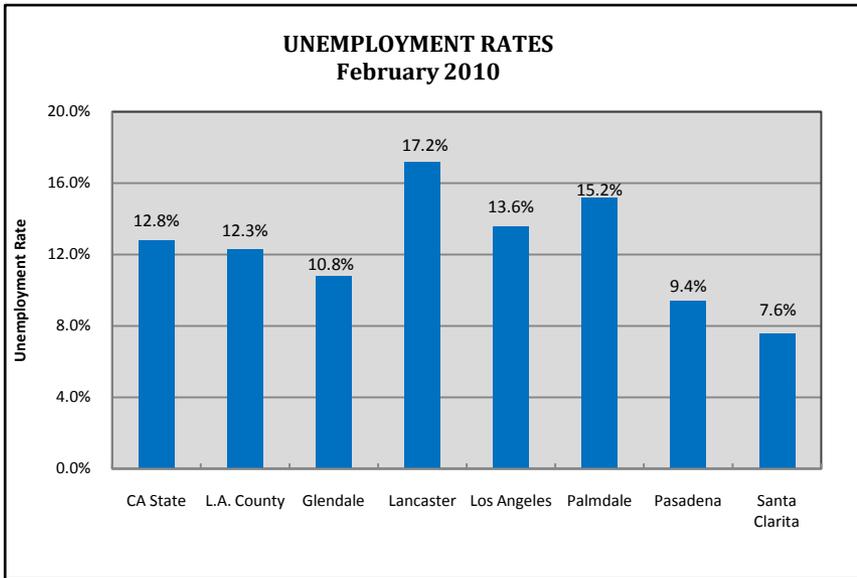


Stock prices for seven of the eight companies in Santa Clarita whose stock prices are being tracked have increased year-over-year as has the entire stock market. Only stock prices of Six Flags Magic Mountain decreased during the time period represented.

- At the end of February 2010, the stock price of Carnival Corp. remained the highest at \$35.96 followed by that of Woodward HRT and Berry Petroleum at \$28.79 and \$26.80, respectively.
- The Dow remained above the 10,000 level in February and rose 46% to 10,325.26 on February 26, 2010 from 7,062.93 on February 27, 2009 and was the fifth consecutive year-over-year increase at month-end.
- The stock price increases seen by Woodward HRT, MannKind, Berry Petroleum, 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 2009 is for HR Textron's previous owner, Textron, Inc., and the 2010 stock price is for Woodward Governor Company.

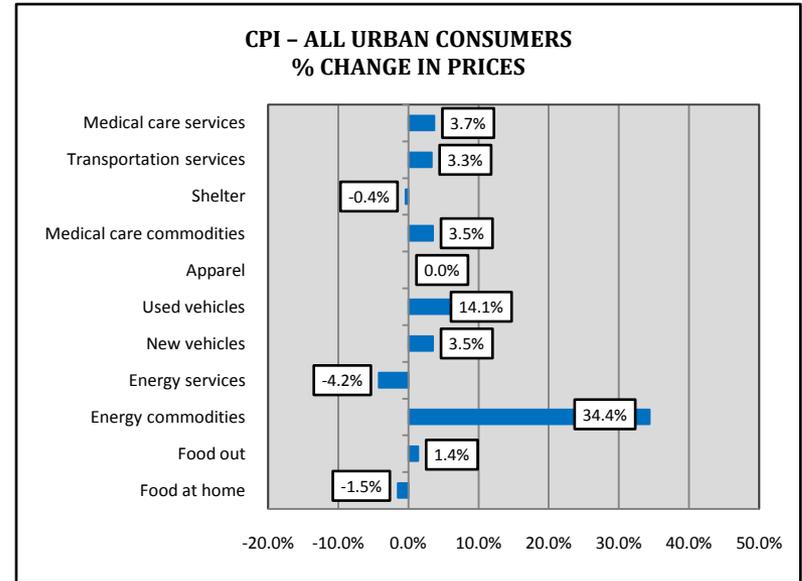
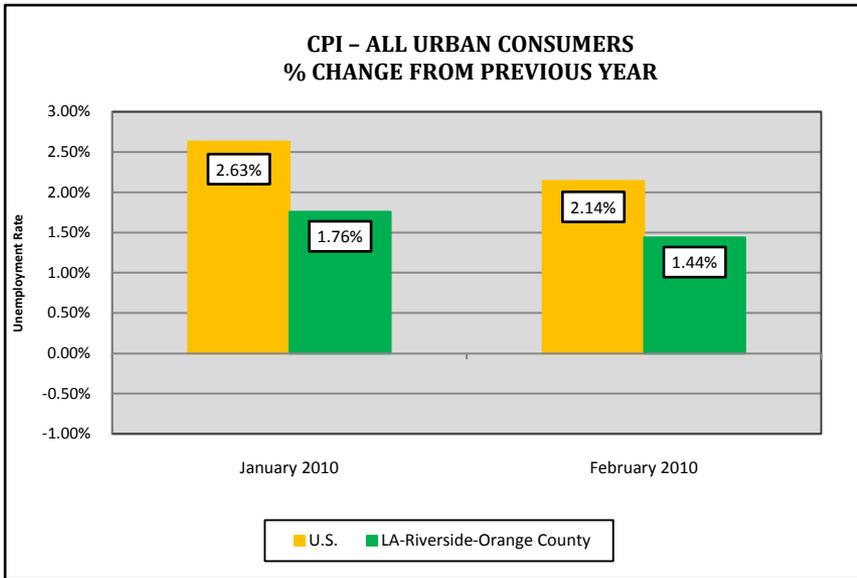
Closing stock prices on the last trading day of the month are shown in the graphs above. Call letters for each company are as follows: BSCA.OB (Bank of Santa Clarita), BRY (Berry Petroleum), CCL (Carnival Corp.), LEN (Lennar), MNKD (MannKind), SIXFQ.OB (Six Flags), TXT for February 27, 2009 and WGOV for February 26, 2010 (HR Textron), and WDC.ax (Westfield Group).

Unemployment



- Santa Clarita's unemployment rate was 7.6% in February 2010 compared to 12.3% for Los Angeles County and 12.8% for the state.
- Unemployment in Santa Clarita in February 2010 of 7.6% is higher than the unemployment rate reported in February 2009 of 6.7%.

Inflation



- Year-over-year inflation for February 2010 among all urban consumers for Los Angeles-Riverside-Orange County increased 1.4% compared to the national increase of 2.1%. Inflation in the Los Angeles metro area is slightly below inflation levels in January 2010.
- The higher inflation rate in February 2010 from one year ago reflects cost increases in almost all services and commodities with the exception of declines of 8.4% in utility gas service, 2.7% in electricity, 1.5% in food at home, and 0.4% in shelter.
- The highest year-over-year increase was seen in energy commodities with gasoline increasing 36.8% 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