



# Santa Clarita Economic Snapshot

## March 2010

*Published on May 19, 2010*

Created by the City of Santa Clarita  
Economic Development Division



# Overview

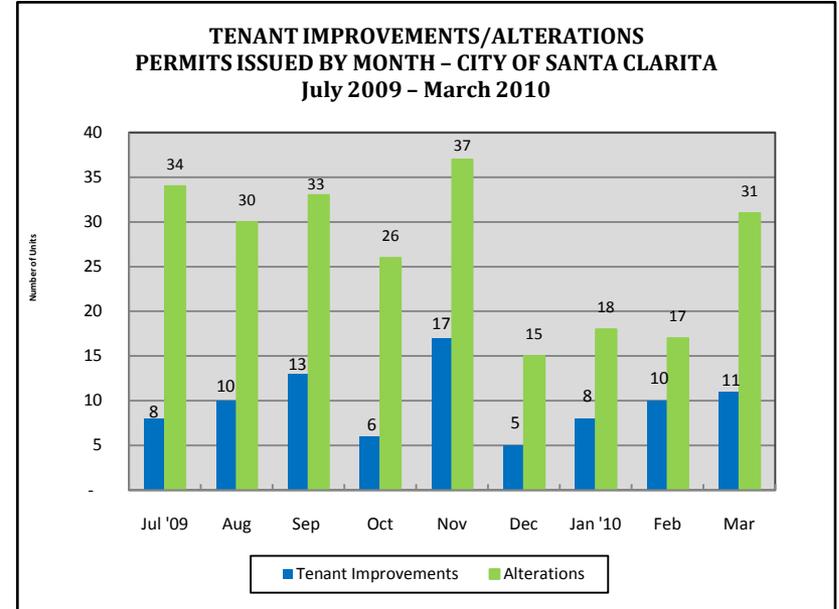
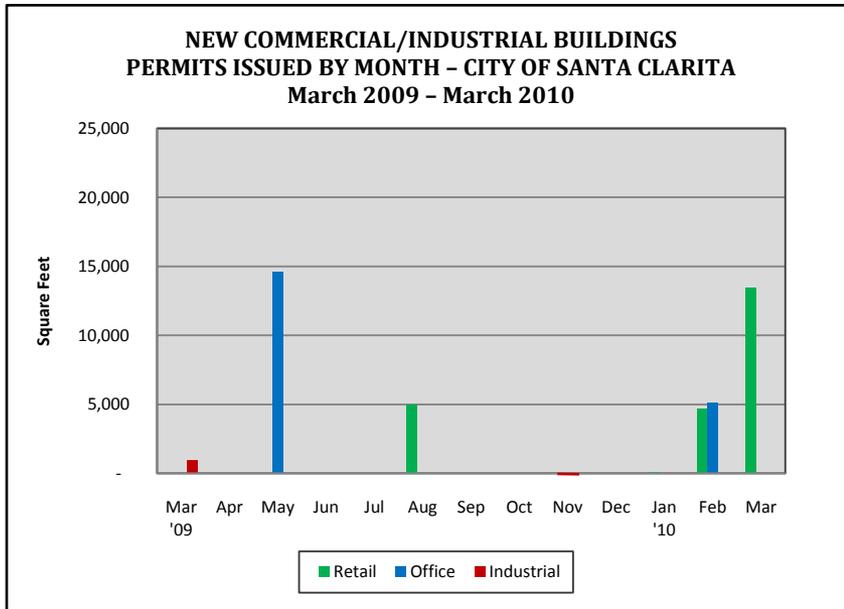
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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

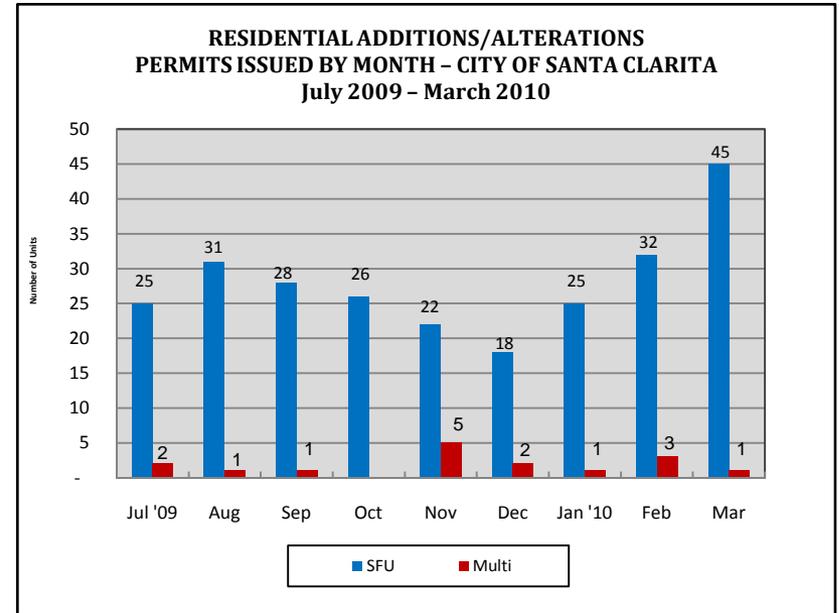
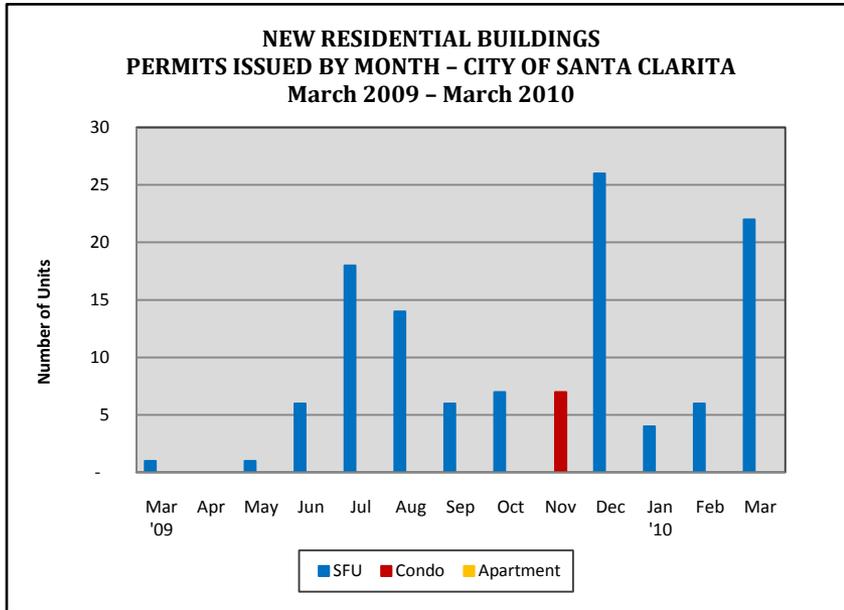
- One new permit for a new retail building of 13,490 square feet was issued in March 2010 by the City of Santa Clarita compared to one new permit for 950 square feet of industrial space in March 2009.

## Tenant Improvements/Alterations

- A total of 11 building permits for tenant improvements were issued in March 2010, up 10% from 10 permits in February 2010.
- In March 2010, a total of 31 commercial alterations were permitted of which 15 or 48% were for signage, 6 or 19% were for fire protection equipment, 2 or 7% were for antennae, and the remaining 8 or 26% 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



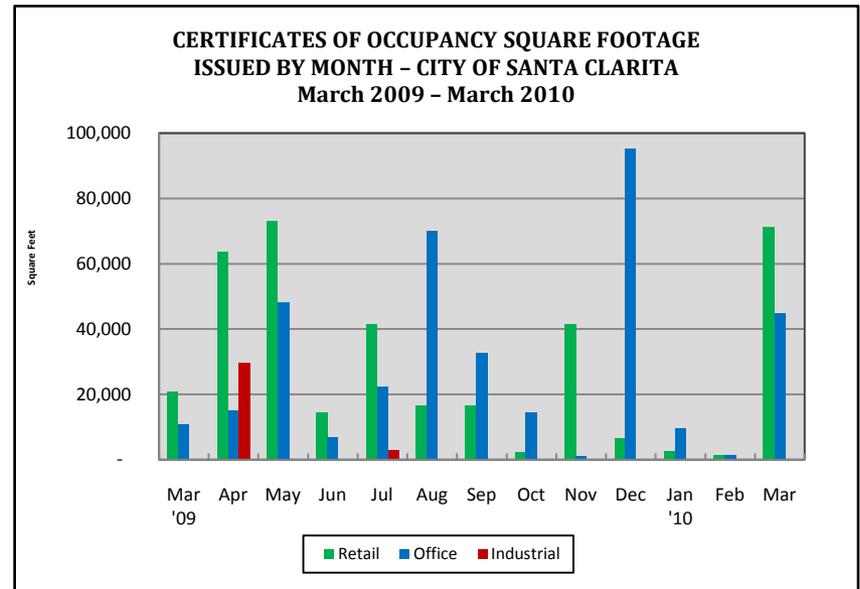
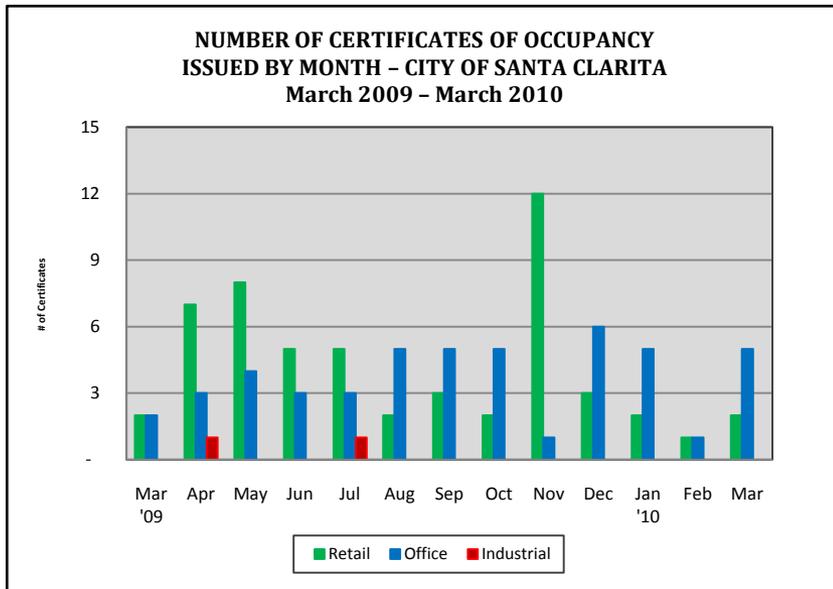
## New Residential Buildings

- A total of 22 permits for new single-family residences were issued in March 2010 by the City of Santa Clarita compared to one single-family residential permit in March 2009.

## Residential Additions/Alterations

- A total of 46 residential permits for additions and alterations were issued in March 2010 of which 98% or 45 were for single-family residences and the remaining 2% or 1 permit was for a multi-family residence.
- Of the additions/alterations in March 2010, 28% were for patio covers, 22% for block walls, 20% for photovoltaic, 17% for pools/spas, 9% for roofs, and 4% were for other miscellaneous items.

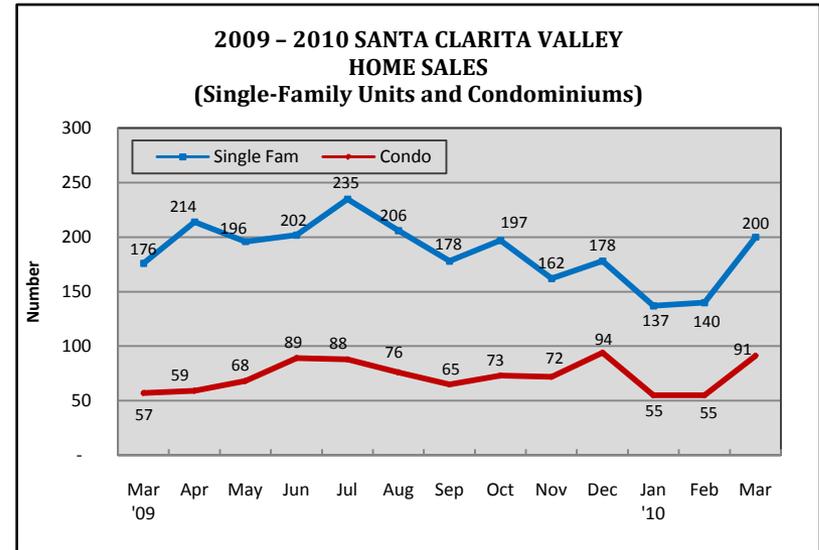
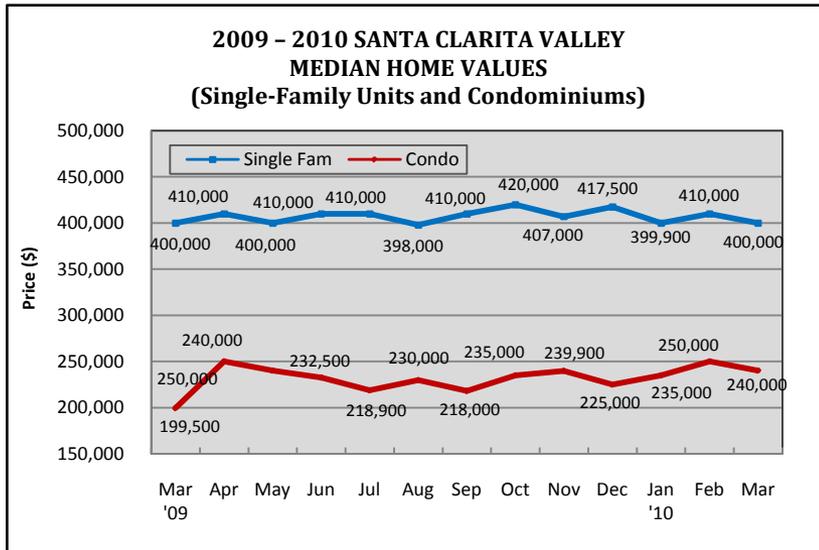
# Commercial/Industrial Certificates of Occupancy Issued



- In March 2010, a total of 7 Certificates of Occupancy were issued of which 5 were for office space and 2 were for retail space. These 7 Certificates represent an increase of 75% from 4 Certificates of Occupancy in March 2009.
- Certificates of Occupancy for March 2010 represented a total of 116,038 square feet of which 61% was for retail space and 39% for office space. This represented a 267% increase from the 31,623 square feet of Certificates of Occupancy for retail and office space issued in March 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 continue to fluctuate while sales increased.

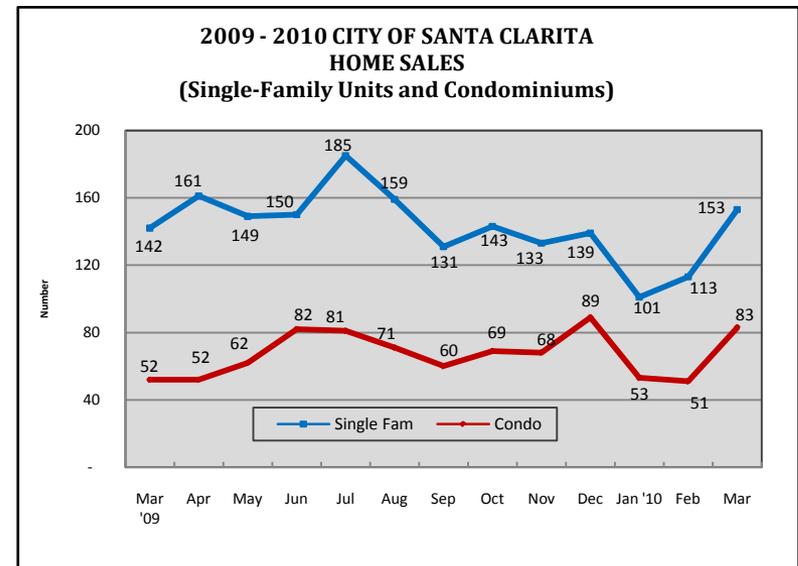
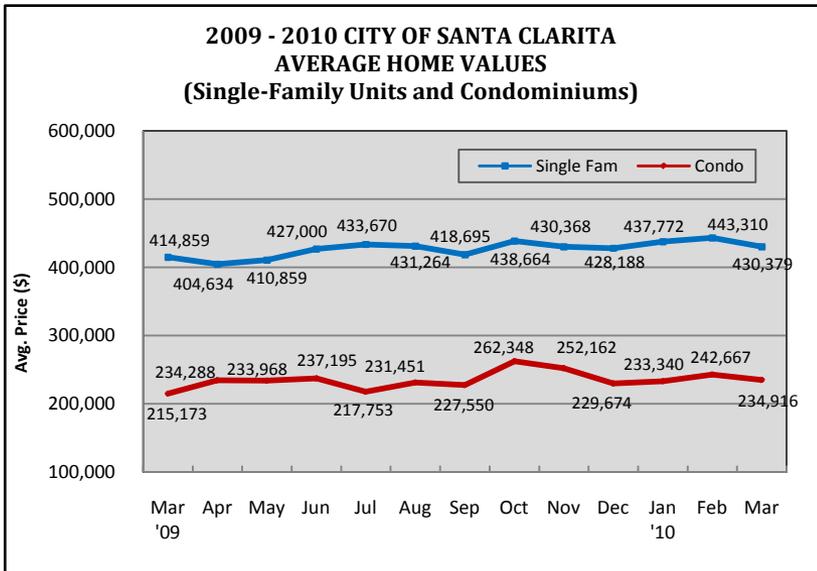
## Single-Family Homes

- Single-family median home values decreased 2% to \$400,000 in March 2010 from \$410,000 in February 2010, and remained unchanged from March 2009.
- A total of 200 single-family homes sold in March 2010, up 43% from February 2010, and up 14% from one year ago.

## Multi-Family Homes/Condominiums

- Condominium prices decreased 4% to \$240,000 in March 2010 from \$250,000 in February 2010, yet were 20% higher than in March 2009.
- Condominium sales rose 65% to 91 sales in March 2010 from 55 homes condominiums sold in February 2010, and increased 60% from March 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 upward.

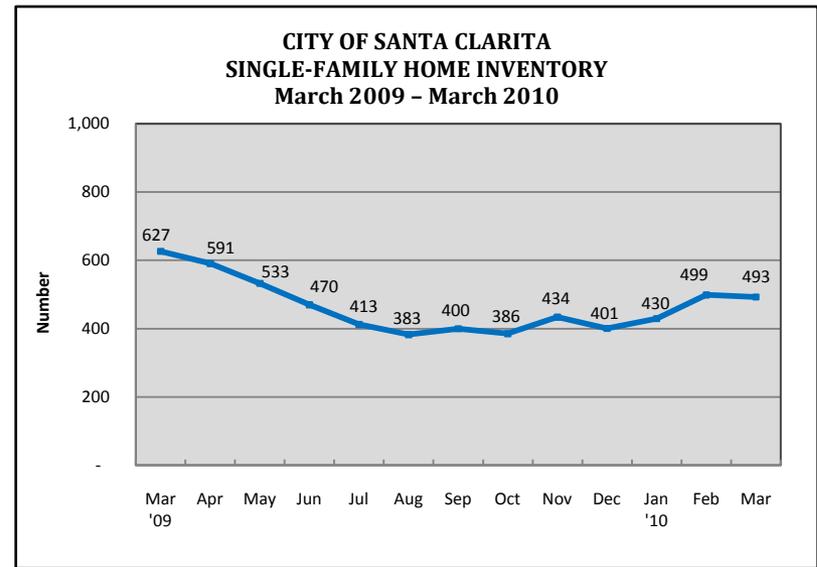
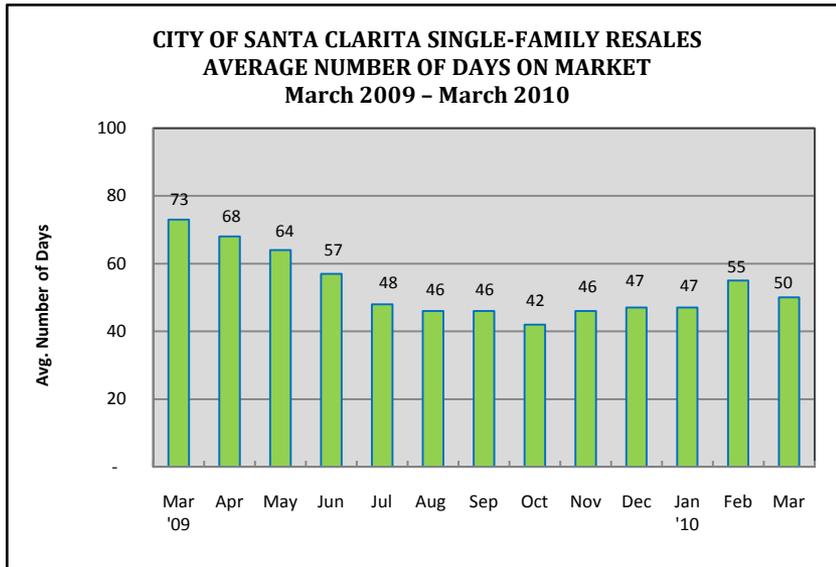
## Single-Family Homes

- Single-family average home values in March 2010 in the City of Santa Clarita were \$430,400 or 3% below February 2010 and 4% above March 2009.
- In the City of Santa Clarita, sales increased 35% to 153 single-family homes in March 2010 from February 2010, and were 8% higher than sales in March 2009.

## Multi-Family/Condominiums

- Condominium prices dropped 3% to \$234,900 in March 2010 from February 2010, yet increased 9% from March 2009.
- Condominium sales rose 63% to 83 units in the City of Santa Clarita in March 2010 from February 2010, and rose 60% from March 2009.

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

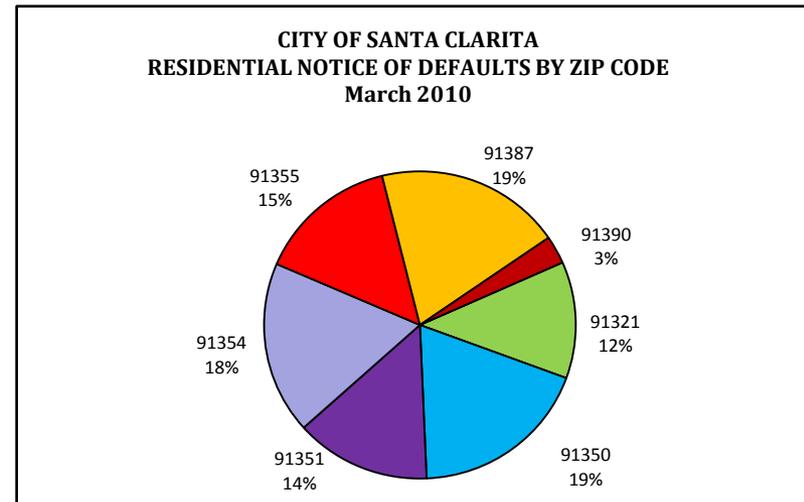
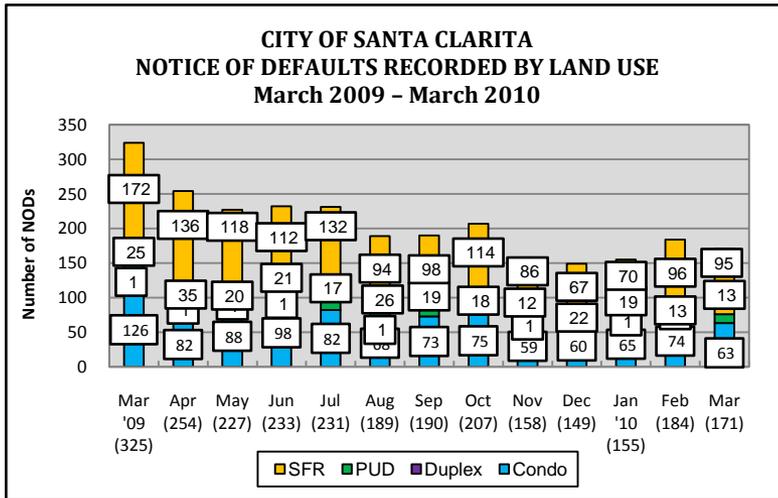


The City of Santa Clarita's housing market is stronger than one year ago when homes took an average 73 days or approximately 2.4 months to sell. Nonetheless, it appears homes are taking a longer time to sell as level returns to those seen in early Summer 2009.

- In March 2010, homes were on the market for an average 50 days or 1.7 months, comparable to levels since June 2009.
- Single-family inventory levels slipped 1% in March 2010 to 493 homes from 499 in February 2010, and were 21% below inventory levels in March 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)



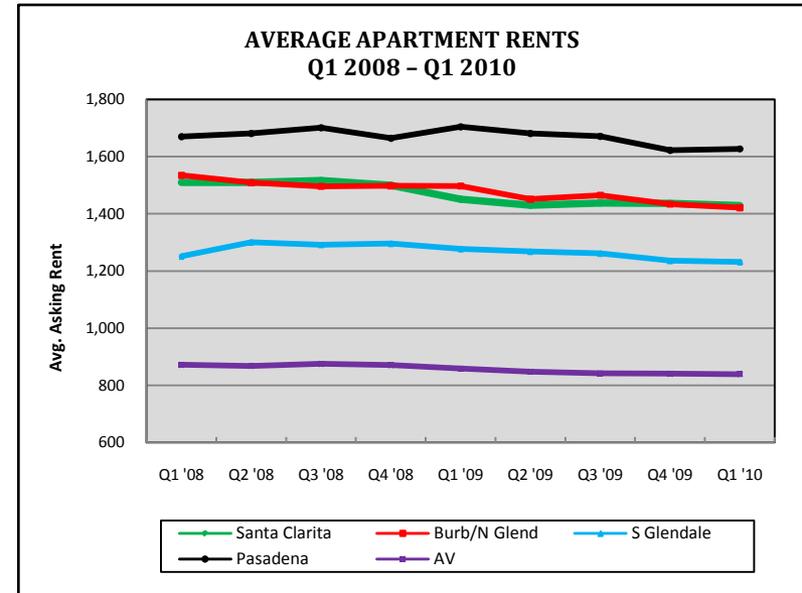
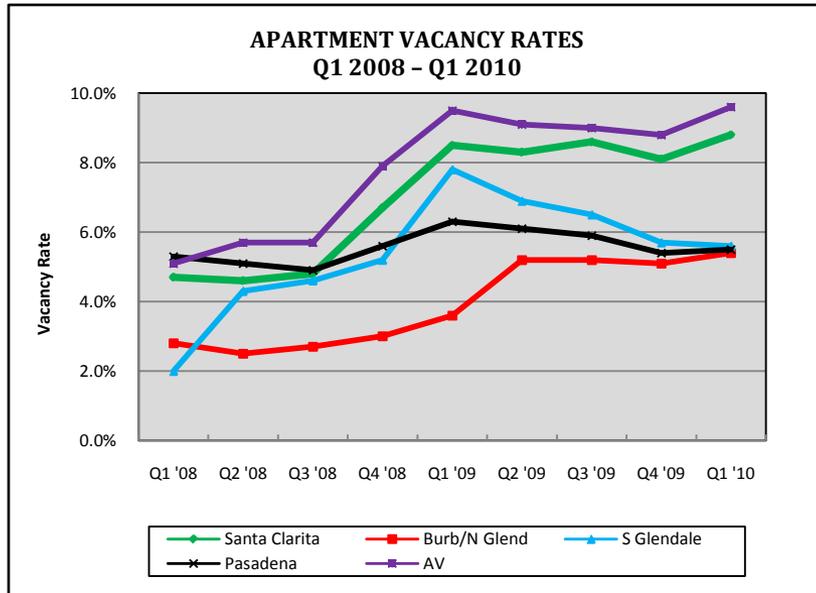
Notice of defaults have been trending downward from one year ago.

- A total of 171 NODs were recorded in March 2010 in the City of Santa Clarita. While the total number of NODs have increased since January, they are currently down 47% from the peak in March 2009.
- Of the March 2010 NODs, 56% or 95 were on single-family residences while 37% or 63 were on condominium properties, and 8% or 13 NODs were on PUDs. In comparison, in March 2009, 53% were on single-family homes, 39% were on condominiums, 8% were on PUDs, and less than 1% were on duplexes.
- In March 2010, approximately 19% each of the NODs were recorded in the 91350 and 91387 zip codes followed by 18% in 91354. Next, 15% were recorded in 91355, while 14% were in 91351 and 12% in 91321. The remaining 3% were in 91390.
- More than one-fourth or 29% of the NODs were on homes that previously sold in the \$200,000 - \$349,999 range followed by 24% on homes previously sold in the \$350,000 - \$499,999 range and 20% on homes sold for less than \$200,000. Additionally, 14% of the homes sold for at least \$600,000 and 8% were in the \$500,000 - \$599,999 range. The price range was unknown for the remaining 5%. Compared to February 2010, more NODs were on homes previously sold below \$350,000.

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

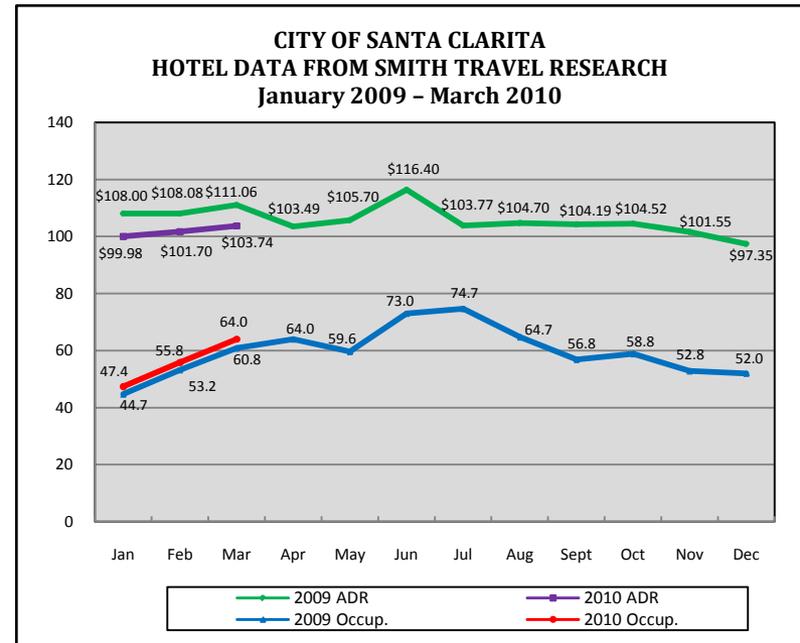
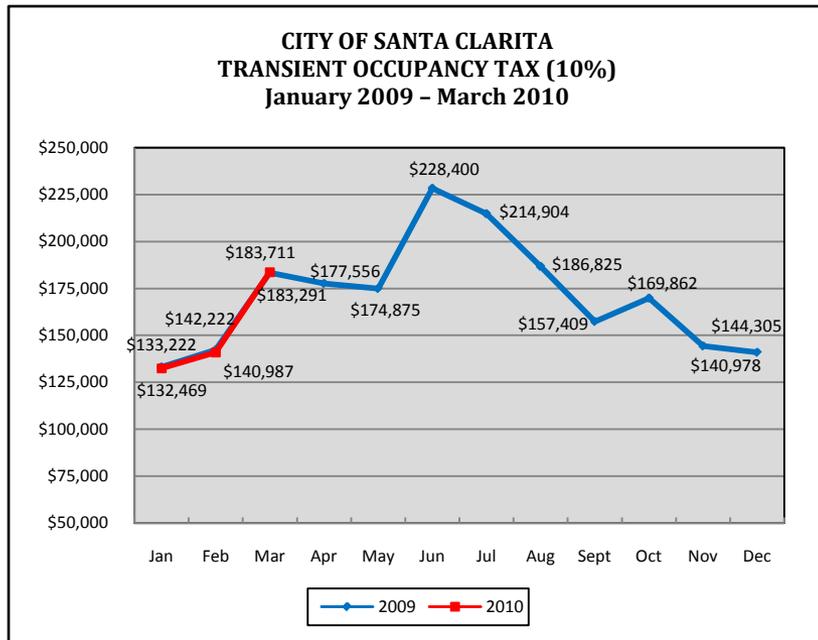
- The apartment vacancy rate during First Quarter 2010 in Santa Clarita was 8.8%, higher than the Fourth Quarter vacancy rate of 8.1%, and higher than the 8.5% vacancy rate during First Quarter 2009.
- In comparison, vacancy rates in Santa Clarita have remained below that of Antelope Valley, yet above rates in Burbank/North Glendale, South Glendale/Highland Park, and Pasadena areas.
- Santa Clarita's vacancy rate during First Quarter 2010 was higher than the rates of 5.5% 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 \$1,429 during First Quarter 2010 were slightly lower than rents of \$1,451 during First Quarter 2009, 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 lower than those in the Los Angeles metro area by \$16 and \$30, respectively. Rents in Santa Clarita are lower than those in Los Angeles for two- and three-bedroom apartments by \$165 and \$227, respectively.

Apartment data are released quarterly. Second Quarter 2010 data will be available in the June 2010 economic snapshot.

# Tourism: TOT & Hotel Occupancy



## Transient Occupancy Tax (TOT) - preliminary

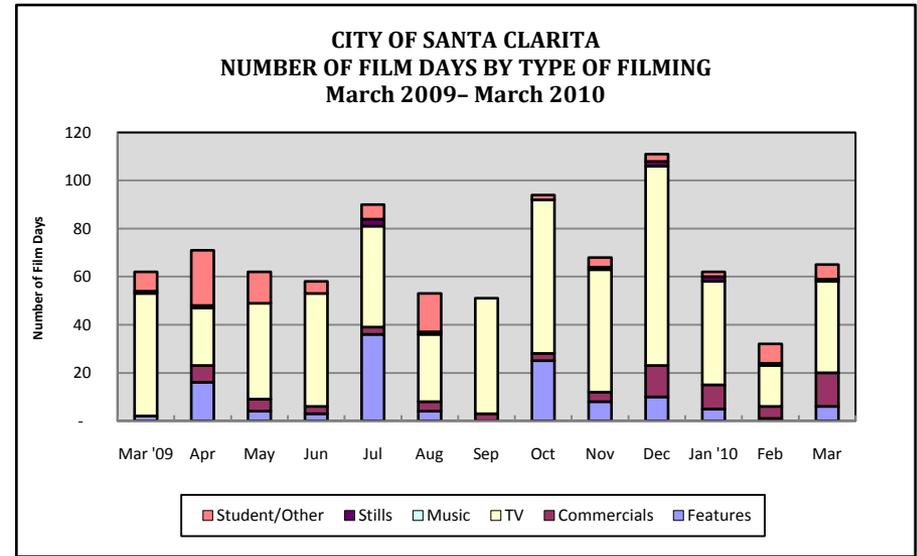
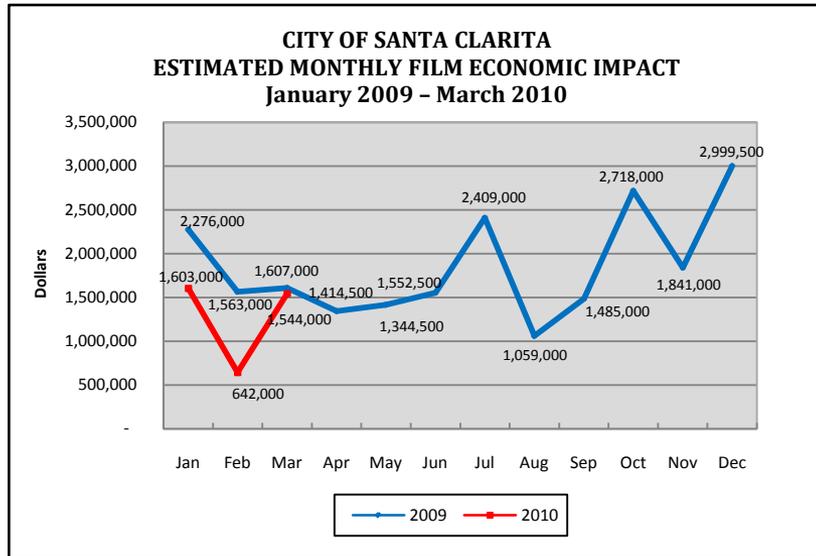
- In March 2010, the City of Santa Clarita collected \$183,711 in TOT, up 0.2% from \$183,291 in March 2009.
- Collectively for March 2010 year-to-date, the City received \$457,167 in TOT, down 0.3% from the same time period in 2009.

## Occupancy and Average Daily Revenue

- Smith Travel Research reported hotel occupancy in the City of Santa Clarita was 64% in March 2010, higher than the reported occupancy of 61% in February 2009.
- An average of 564 rooms of 882 available in the City were sold in March 2010 compared to 536 rooms of 882 available rooms in March 2009.
- In comparison, occupancy rates at hotels nationwide in March 2010 were at 58%, up 6% from March 2009.
- Although occupancy rates increased nationwide, average daily revenue declined 2% to \$97.90, indicating total revenue collected nationwide in March 2010 declined from March 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. TOT for March 2010 is currently a preliminary figure as TOT is pending from one property.

# Filming in The City of Santa Clarita

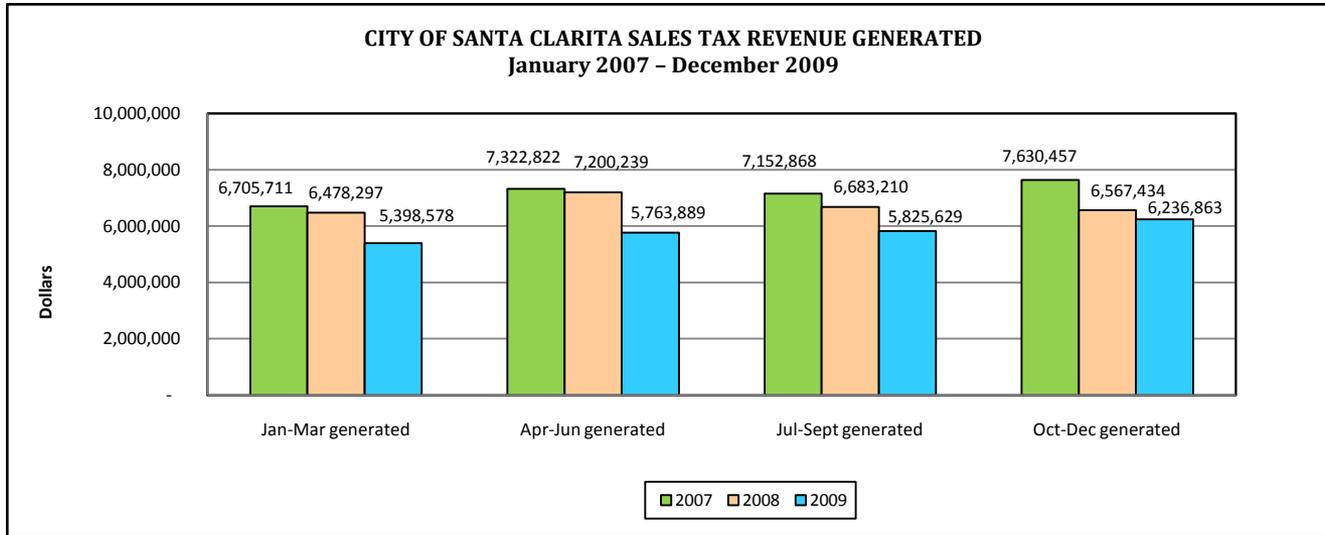


- The Economic Impact from location filming for March 2010 of \$1,544,000 was 4% below the impact in March 2009 of \$1,607,000.
- In March 2010 a total of 35 film permits were issued within the City of Santa Clarita, up 106% from 17 permits issued in March 2009.
- Most productions are working on reduced budgets and as a result are spending more time in studios rather than on-location filming.
- There were a total of 65 filming days in March 2010, up 5% from 62 filming days in March 2009.
- March 2010 film days included: 59% for television shows, 22% for commercials, 9% each for features and student/other projects, and 2% for still production. No music video production occurred in March 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)



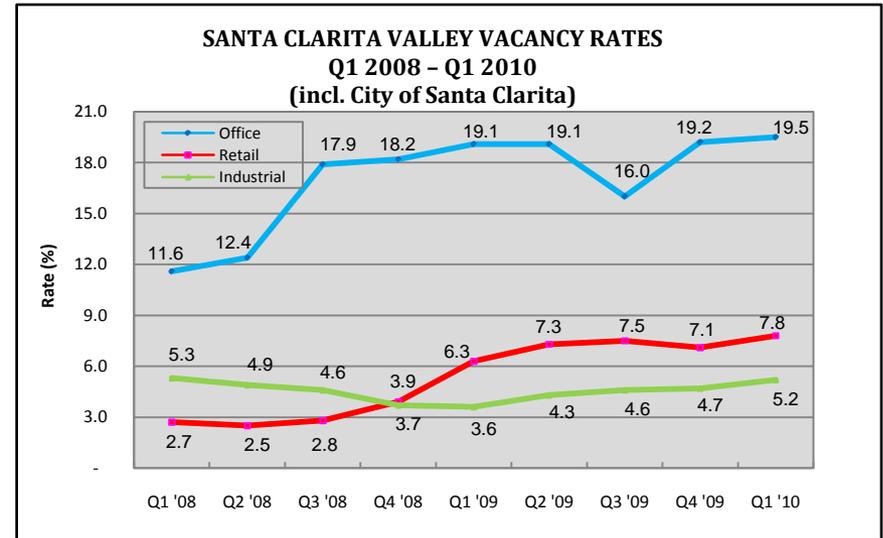
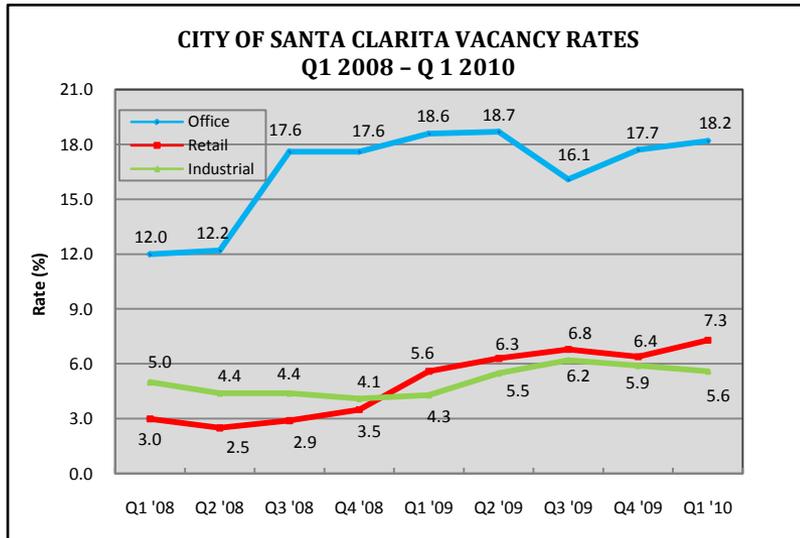
As the economy continued to weaken in 2009, decreases in sales tax generated were reported.

- In October – December 2009, a total of \$6.23 million in sales tax revenue was generated, down 5% from \$6.57 million generated in October – December 2008.
- A total of \$23.22 million in sales tax revenue was generated in 2009, down 14% from the \$26.93 million generated in 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 Fourth Quarter 2009. First Quarter 2010 data will be published in the June 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



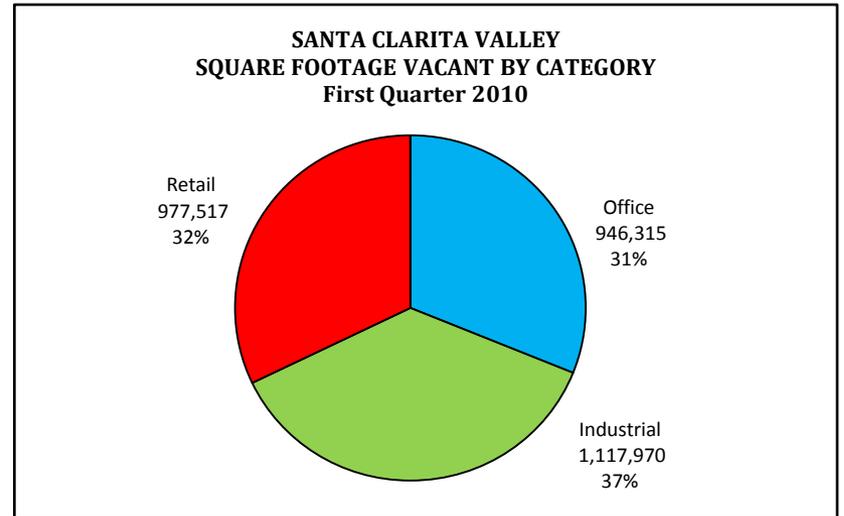
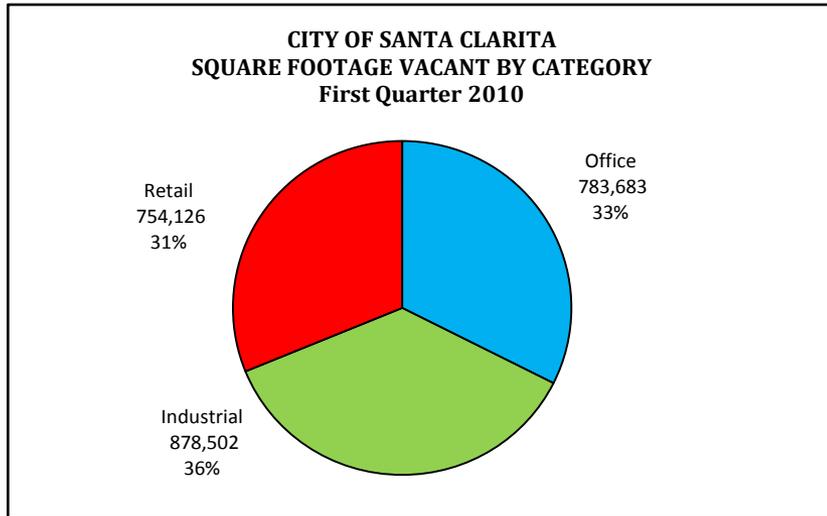
## City of Santa Clarita

- In the City of Santa Clarita, office and retail vacancy rates increased in First Quarter 2010 while industrial vacancy rates declined. 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 7.3% and 5.6, 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 7.8% and 5.2%, respectively.

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



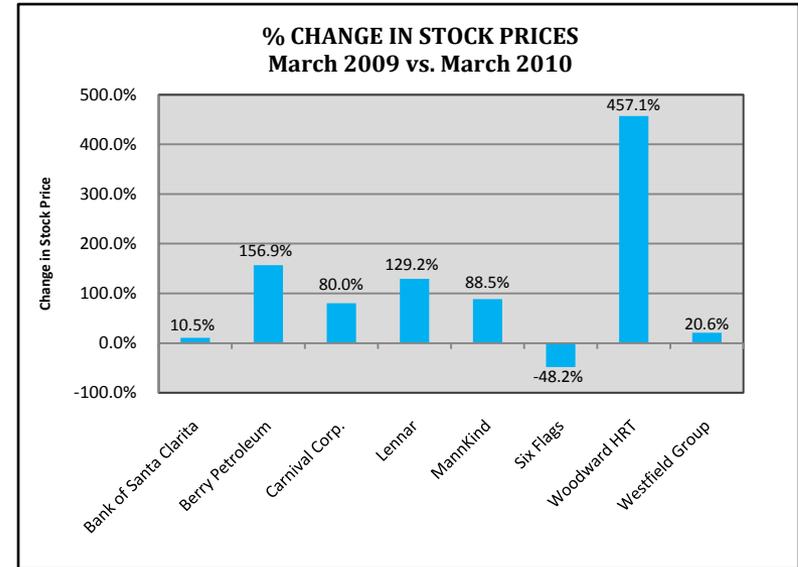
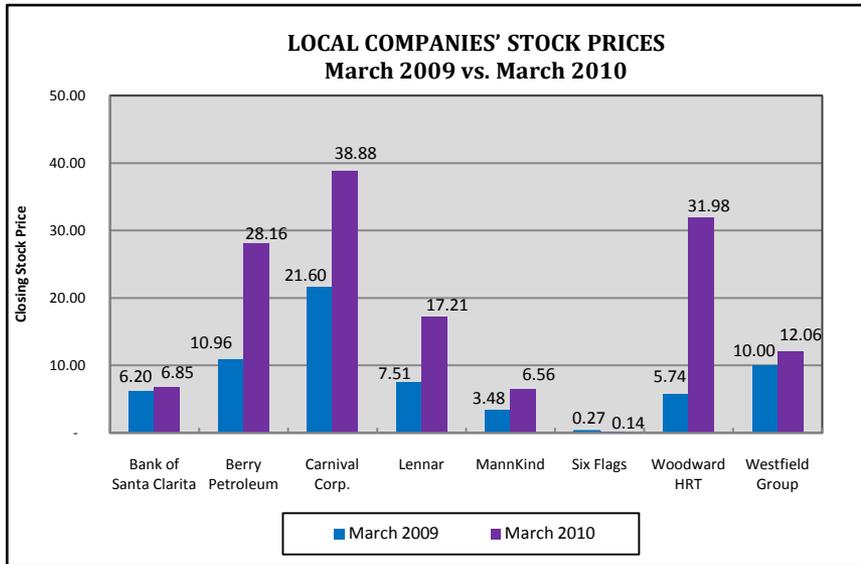
## City of Santa Clarita

- 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 8.3% or 2,416,311 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 36% is industrial space, 33% is office space, and 31% 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 3,041,802 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 37% is industrial, 32% is retail space, and 31% is office space.

# Stock Prices of Local Employers

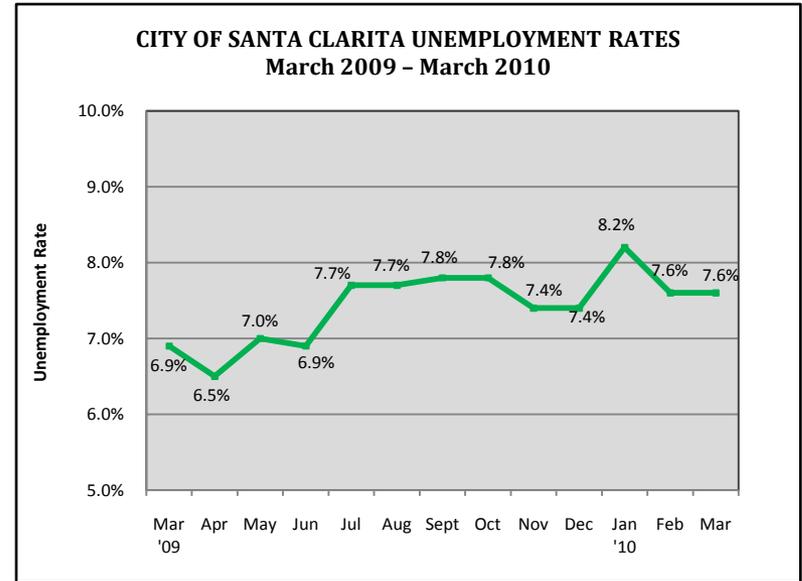
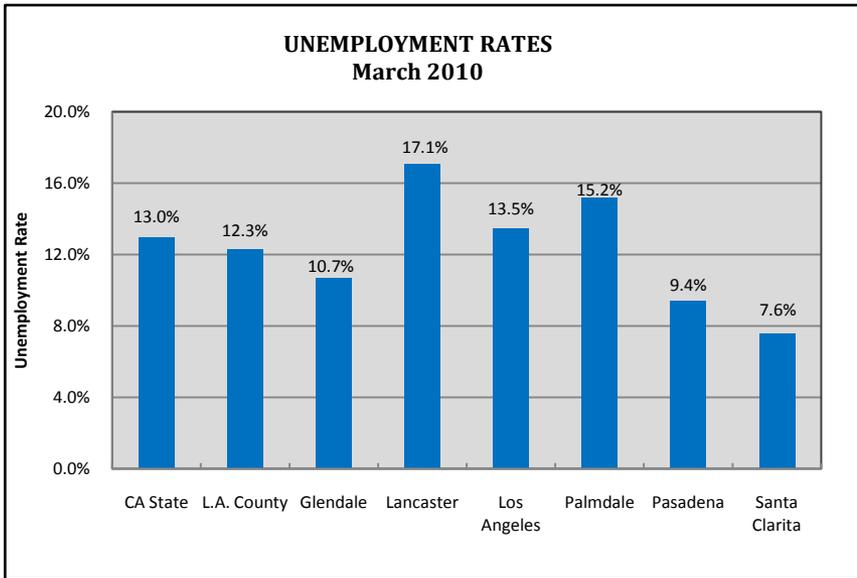


Stock prices for seven of the eight companies in Santa Clarita whose stock prices are being tracked have increased year-over-year as has the entire stock market. Only stock prices of Six Flags Magic Mountain decreased during the time period represented.

- At the end of March 2010, the stock price of Carnival Corp. remained the highest at \$38.88 followed by that of Woodward HRT and Berry Petroleum at \$31.98 and \$28.16, respectively.
- The Dow remained above the 10,000 level in March and rose 43% to 10,856.63 on March 31, 2010 from 7,608.92 on March 31, 2009 and was the sixth consecutive year-over-year increase at month-end.
- The stock price increases seen by Woodward HRT, Berry Petroleum, Lennar, MannKind, 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.

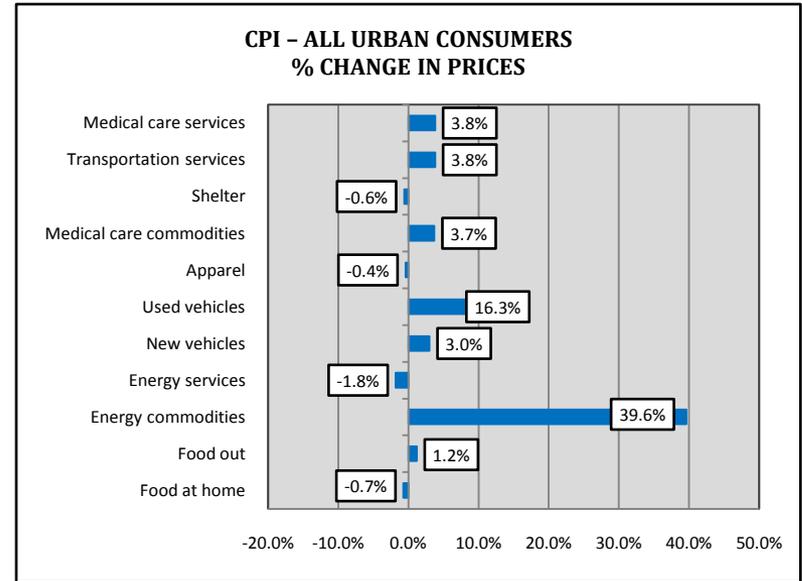
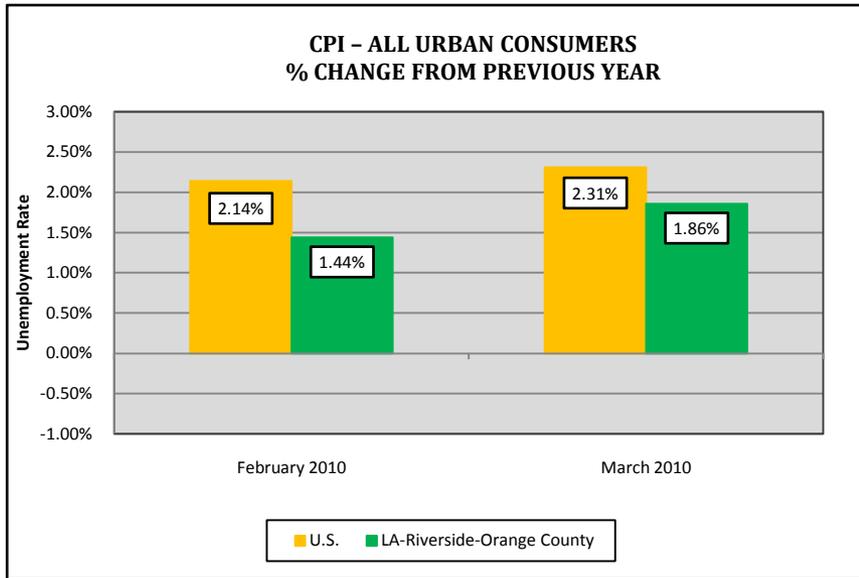
Closing stock prices on the last trading day of the month are shown in the graphs above. Call letters for each company are as follows: BSCA.OB (Bank of Santa Clarita), BRY (Berry Petroleum), CCL (Carnival Corp.), LEN (Lennar), MNKD (MannKind), SIXFQ.OB (Six Flags), TXT for March 31, 2009 and WGOV for March 31, 2010 (HR Textron), and WDC.ax (Westfield Group).

# Unemployment



- Santa Clarita's unemployment rate was 7.6% in March 2010 compared to 12.3% for Los Angeles County and 13.0% for the state.
- Unemployment in Santa Clarita in March 2010 of 7.6% is higher than the unemployment rate reported in March 2009 of 6.9%.

# Inflation



- Year-over-year inflation for March 2010 among all urban consumers for Los Angeles-Riverside-Orange County increased 1.9% compared to the national increase of 2.3%. Inflation in the Los Angeles metro area is above inflation levels in February 2010.
- The higher inflation rate in March 2010 from one year ago reflects cost increases in almost all services and commodities with the exception of declines of 5.5% in utility gas service, 0.5% in electricity, 0.7% in food at home, and 0.6% in shelter.
- The highest year-over-year increase was seen in energy commodities with gasoline increasing 41.4% and fuel oil increasing 27.2%.

# 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