



Santa Clarita Economic Snapshot

November 2010

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Created by the City of Santa Clarita
Economic Development Division



Overview

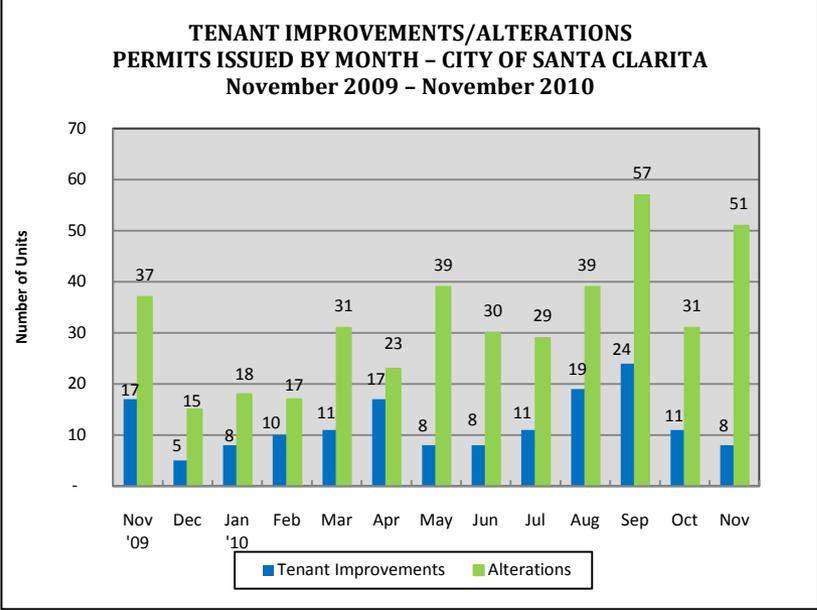
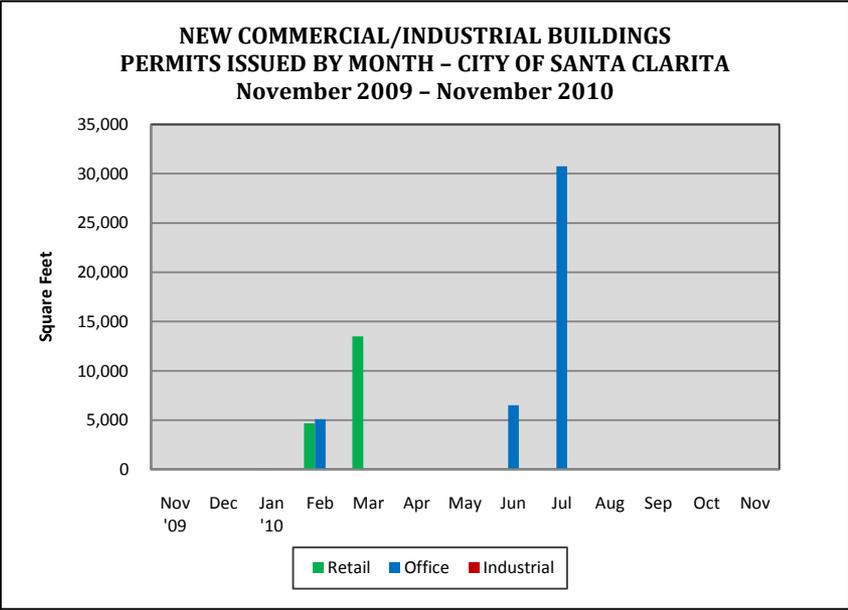
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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;
- Number of film permits and 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;
- Jobs created/retained and tax savings in Enterprise Zone;
- Unemployment rates;
- Employment and wages in the City of Santa Clarita; 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

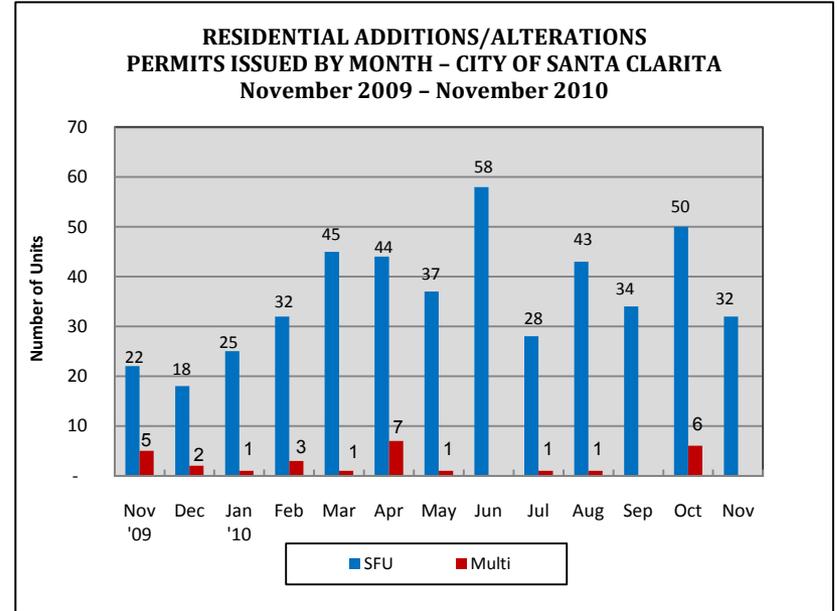
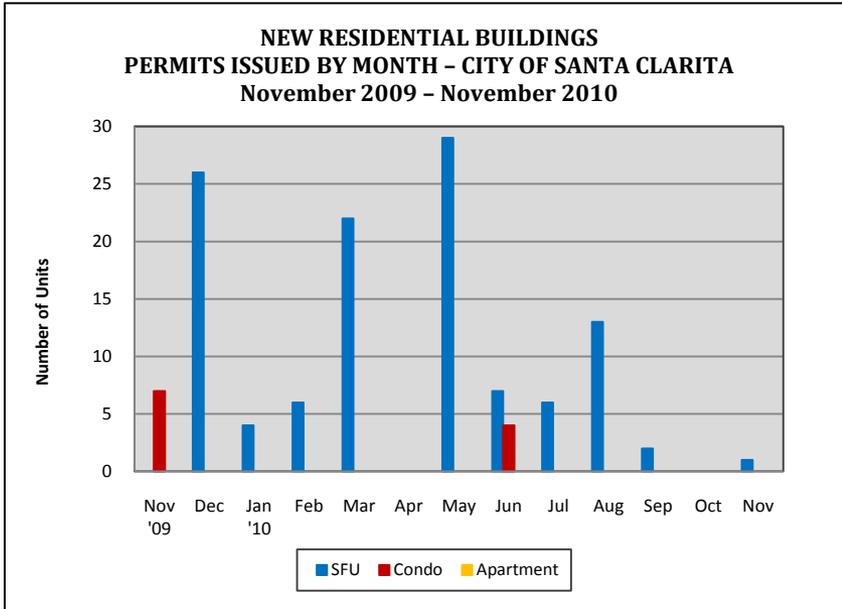
- No new permits for retail, office or industrial space were issued in November 2010 by the City of Santa Clarita, unchanged from the number of permits issued in November 2009.

Tenant Improvements/Alterations

- A total of 8 building permits for tenant improvements were issued in November 2010, down 27% from the 11 permits in October 2010 and down 53% from the 17 permits in November 2009.
- In November 2010, a total of 51 permits for commercial alterations were issued, up 65% from the 31 permits in October 2010 and up 38% from the 37 commercial alterations in November 2009.
- Of the 51 commercial alterations permitted in November 2010, 21 or 41% were for signage, 18 or 35% were for fire protection equipment, 4 or 8% were for awnings, 3 or 6% were for tents, 2 or 4% were for racks, and the remaining 3 or 6% 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



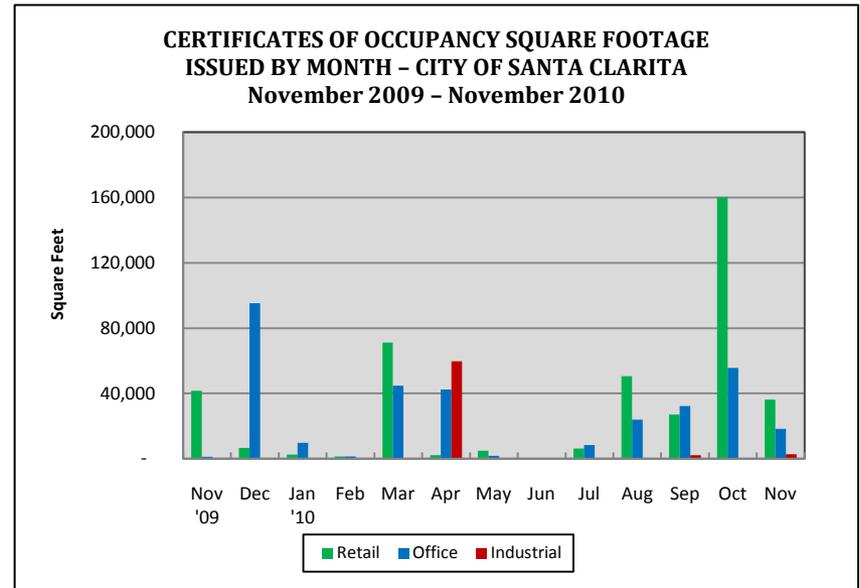
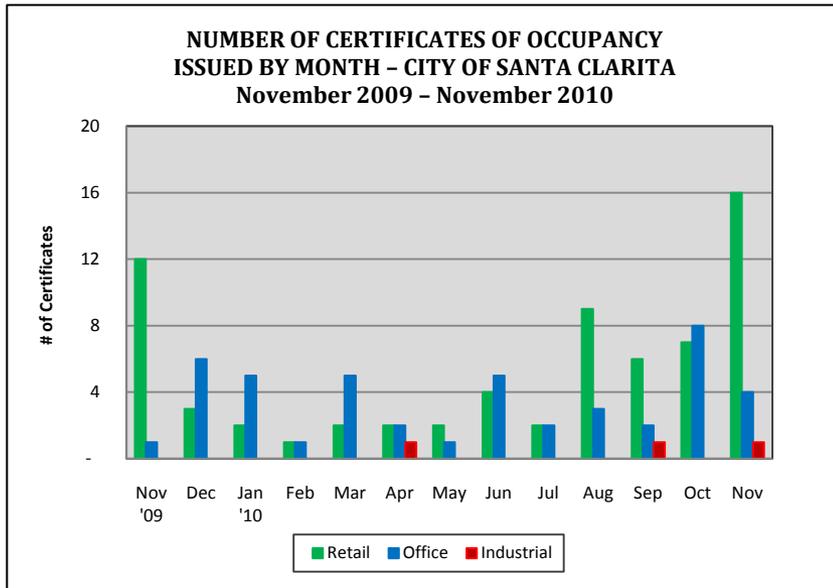
New Residential Buildings

- One new single-family residential permit was issued in November 2010 by the City of Santa Clarita, down from the 7 permits for condominiums in November 2009.

Residential Additions/Alterations

- A total of 32 residential permits for additions and alterations were issued in November 2010, up 19% from the 27 residential permits for additions and alterations issued in November 2009.
- All of the 32 residential permits for additions and alterations issued in November 2010 were for single-family units, compared to 81% of the residential permits for additions and alterations in November 2009 being for single-family units.
- Of the additions/alterations in November 2010, 28% were for patio covers, 19% were for block walls, 16% were for photovoltaic, 10% for roofs, 9% for pools/spas, and 6% each for decks, accessory buildings, and other miscellaneous items.

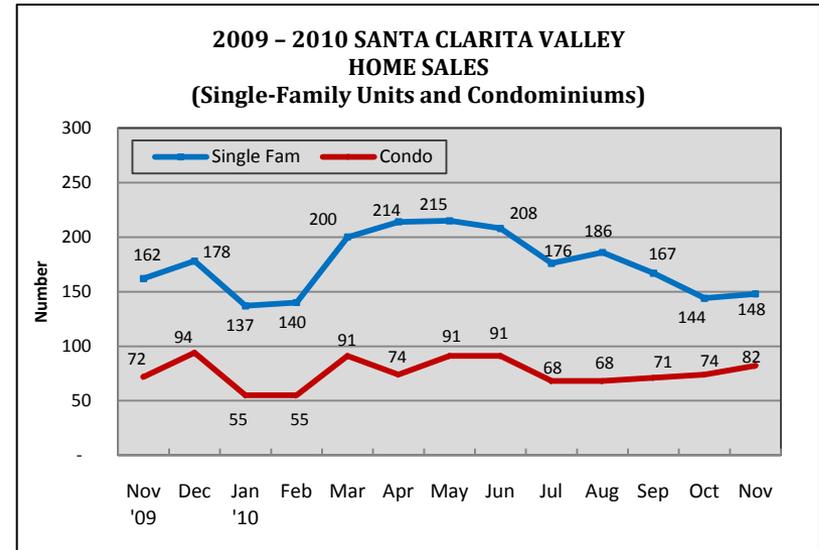
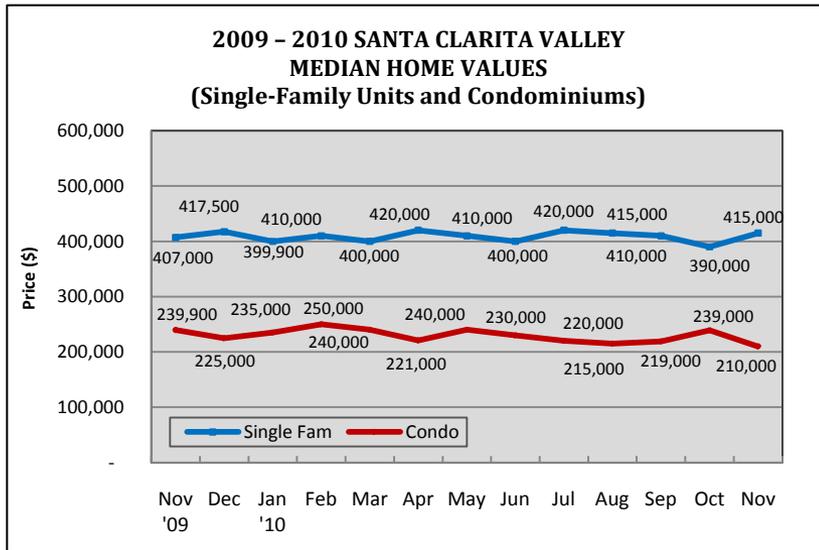
Commercial/Industrial Certificates of Occupancy Issued



- In November 2010, a total of 21 Certificates of Occupancy were issued of which 16 were for retail space, 4 were for office space, and 1 for industrial space. These 21 Certificates of Occupancy represented an increase of 62% from 13 Certificates of Occupancy in November 2009.
- Certificates of Occupancy for November 2010 represented a total of 57,110 square feet of which 63% was for retail space, 32% was for office space, and the remaining 5% was for industrial space. This represented a 34% increase from the 42,760 square feet of Certificates of Occupancy for retail, office, and industrial space issued in November 2009. The large increase in Certificates of Occupancy was in part attributable to the expansion of The Patios at Westfield Valencia Town Center.

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.

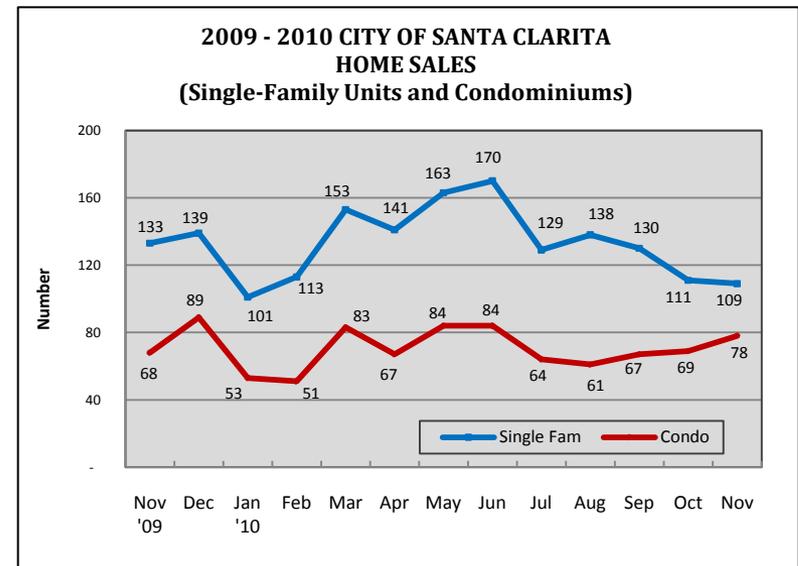
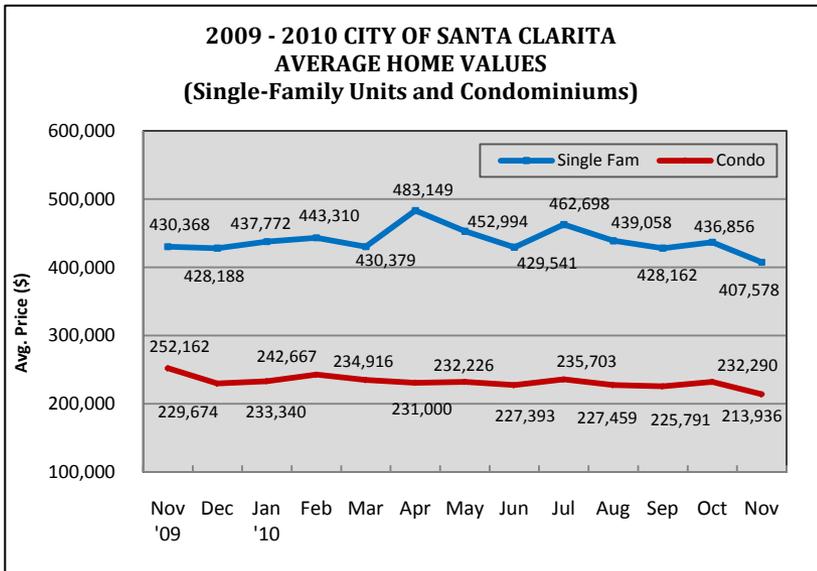
Single-Family Homes

- Single-family median home values increased 6% to \$415,000 in November 2010 from \$390,000 in October 2010, and were 2% above the median home value of \$407,000 in November 2009.
- A total of 148 single-family homes sold in November 2010, up 3% from October 2010, yet down 9% from one year ago.

Multi-Family Homes/Condominiums

- Condominium prices decreased 12% to \$210,000 in November 2010 from \$239,000 in October 2010, and were also down 12% from values in November 2009.
- Condominium sales rose 11% to 82 sales in November 2010 from 74 sales in October 2010, and were up 14% from November 2009.

City of Santa Clarita Housing Market



In the City of Santa Clarita, average home values and sales volume have fluctuated from Spring 2010.

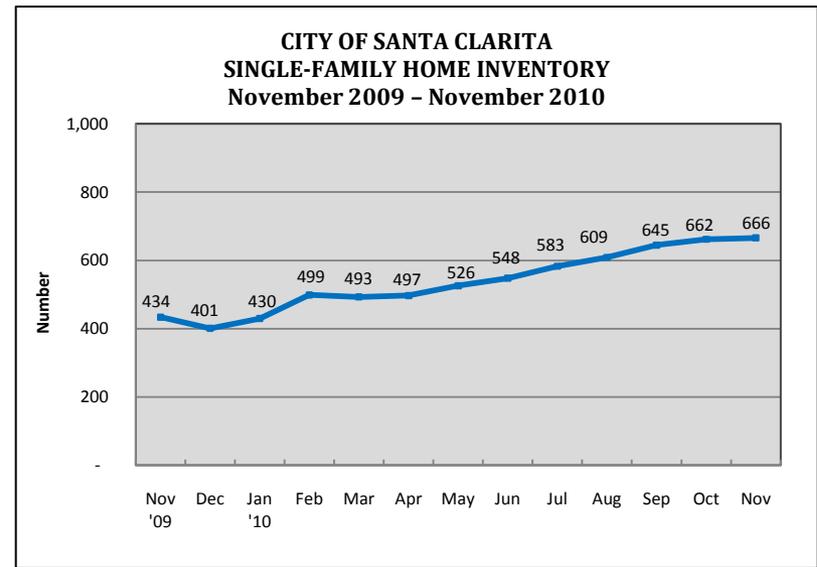
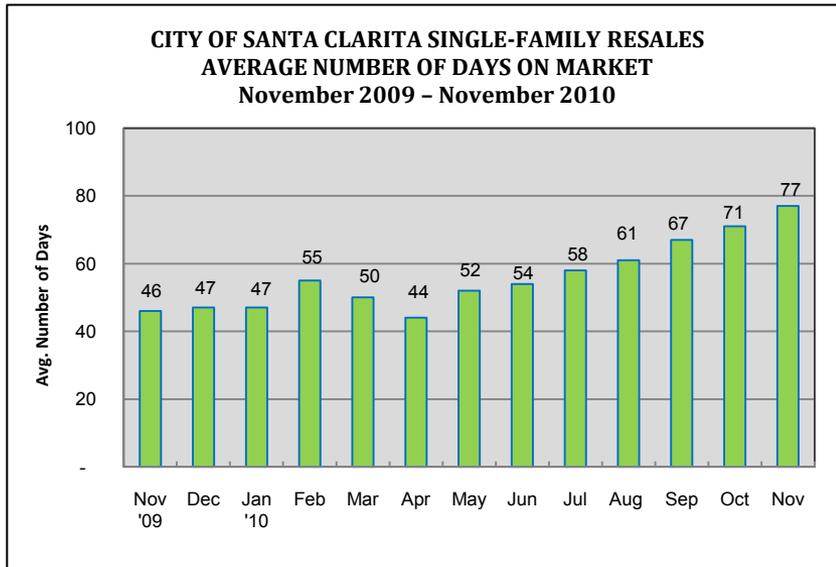
Single-Family Homes

- Single-family average home values in November 2010 were \$407,600 or 7% below October 2010, and 5% below November 2009.
- Sales fell 2% to 109 single-family homes in November 2010 from October 2010, and were 18% lower than sales in November 2009.

Multi-Family/Condominiums

- Condominium prices fell 8% to \$213,900 in November 2010 from October 2010, and decreased 15% from November 2009.
- Condominium sales rose 13% to 78 units in the City of Santa Clarita in November 2010 from October 2010, and were 15% higher than sales volume in November 2009.

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

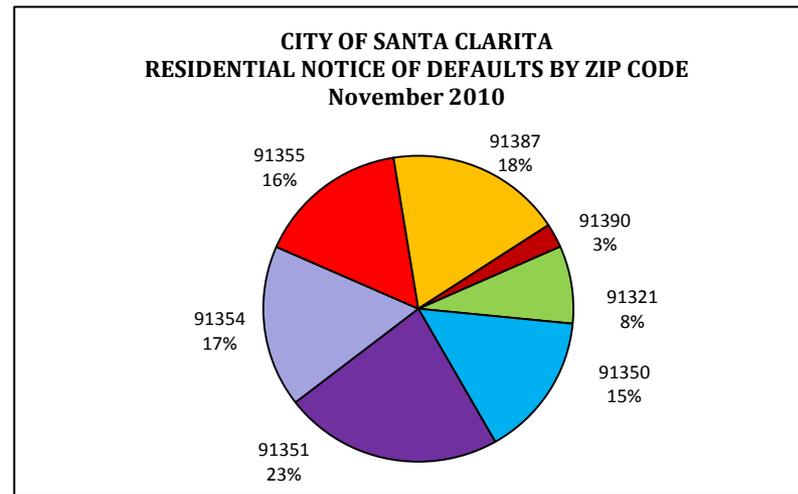
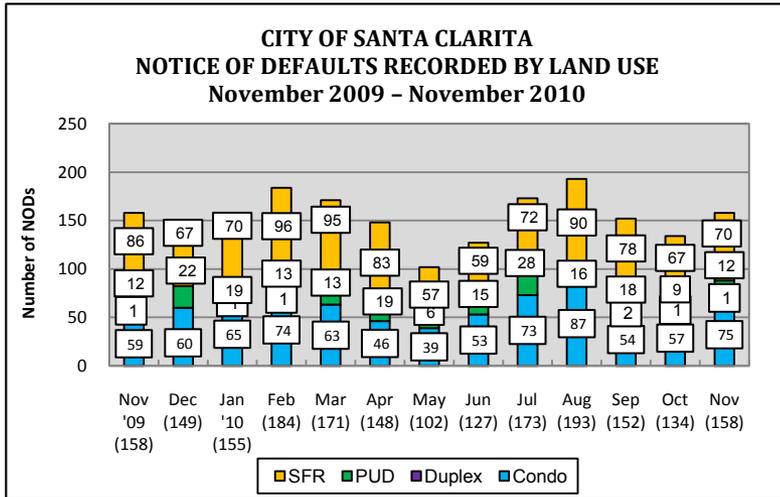


The City of Santa Clarita's housing market has weakened from one year ago as it now takes longer for homes to sell and inventory levels continue to grow.

- In November 2010, homes were on the market for an average 77 days or 2.6 months, compared to 1.5 months in November 2009.
- Single-family inventory levels rose less than 1% in November 2010 to 666 homes from 662 in October 2010, and were 53% above inventory levels in November 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)



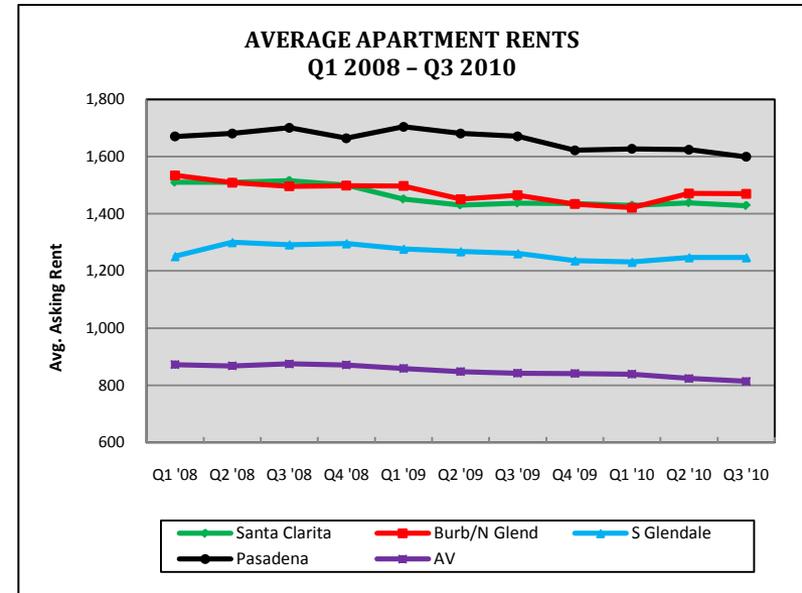
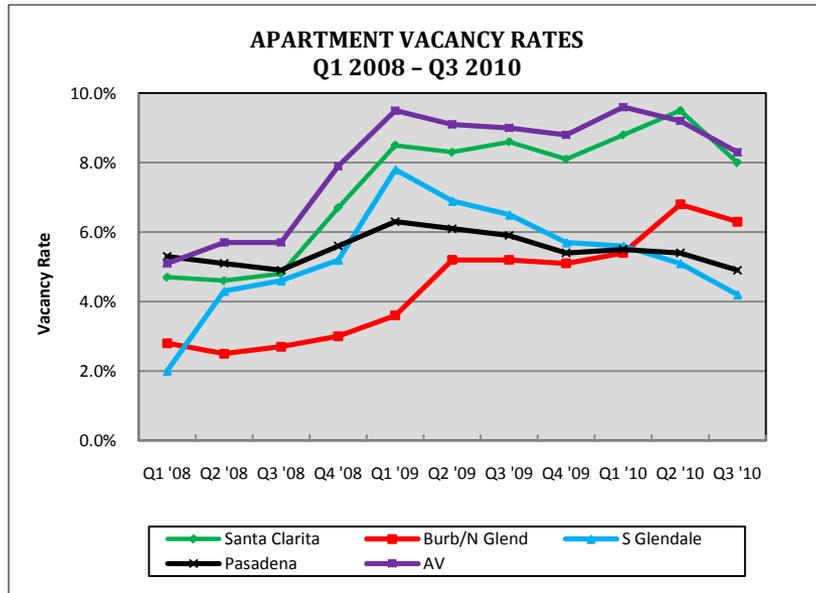
Notice of defaults were comparable to one year ago, and have increased from the previous month.

- A total of 158 NODs were recorded in November 2010 in the City of Santa Clarita. The level of NODs is unchanged from the level in November 2009 and up 18% from October 2010.
- Of the November 2010 NODs, 47% or 75 were on single-family residences followed by 44% or 70 on condominium properties, 8% or 12 NODs were on PUDs, and 1% or 1 on duplexes. In comparison, in November 2009, 54% were on single-family homes, 37% were on condominiums, 8% were on PUDs, and less than 1% on duplexes.
- In November 2010, approximately 23% of the NODs were recorded in the 91351 zip code followed by 18% in 91387, 17% in 91354, 16% in 91355, 15% in 91350, and 8% in 91321. The remaining 3% were in 91390.
- Less than one-third or 30% of the NODs were on homes that previously sold in the \$350,000 - \$499,999 range while 23% sold in the \$200,000 - \$349,999 range. Additionally, 19% sold below \$200,000, 12% were in the \$500,000 - \$599,999 range, and 11% sold for at least \$600,000. The price range was unknown for the remaining 6%.

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

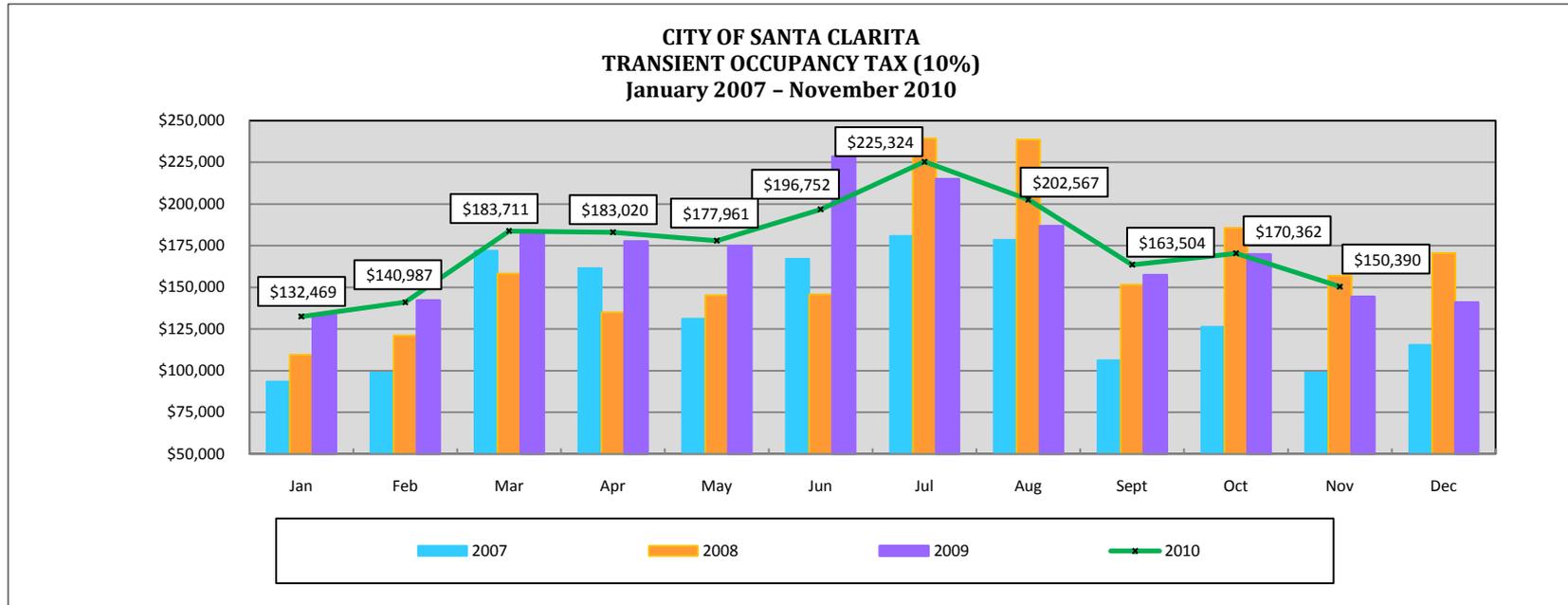
- The apartment vacancy rate during Third Quarter 2010 in Santa Clarita was 8.0%, which is lower than the Second Quarter vacancy rate of 9.5% as well as the 8.6% vacancy rate during Third Quarter 2009.
- In comparison, vacancy rates in Santa Clarita exceeded vacancy rates in Burbank/North Glendale, South Glendale/Highland Park, and Pasadena areas.
- Santa Clarita's vacancy rate during Third Quarter 2010 was higher than the rates of 4.9% for the Los Angeles metro area, 6.2% for the Western U.S., and 7.1% for the entire U.S.

Average Rental Rates

- Average rents in Santa Clarita of \$1,428 during Third Quarter 2010 were slightly lower than rents of \$1,437 during Third 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 \$37 and \$24, respectively. Rents in Santa Clarita are lower than those in Los Angeles for two- and three-bedroom apartments by \$154 and \$279, respectively.

Apartment data are released quarterly. Fourth Quarter 2010 data will be available in the December 2010 economic snapshot.

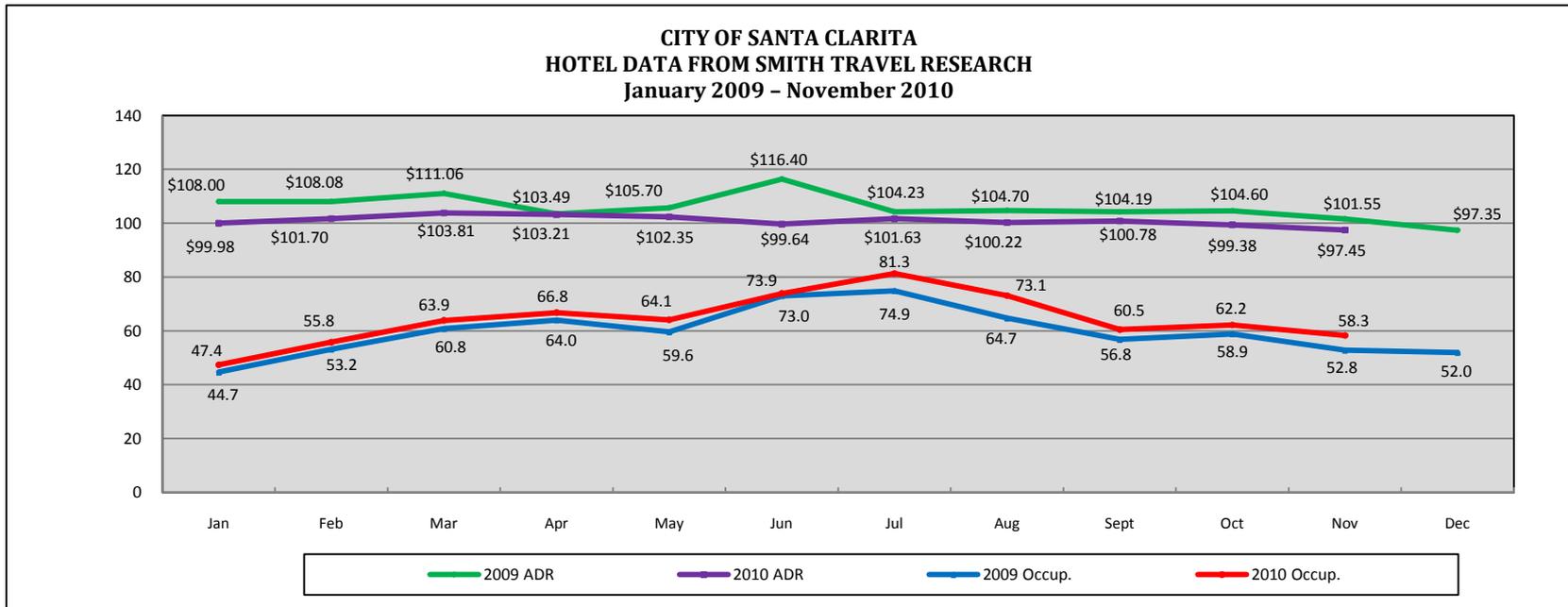
Tourism: Transient Occupancy Tax



- In November 2010, the City of Santa Clarita collected \$150,390 in TOT, up 4.2% from \$144,305 in November 2009.
- Collectively for November 2010 year-to-date, the City received \$1,927,047 in TOT, approximately 1% higher than the \$1,912,871 for the same time period in 2009.
- TOT has increased on a year-to-date basis from \$1.51 million during November 2007 YTD to \$1.79 million for November 2008 YTD to \$1.91 million in November 2009 YTD and \$1.93 million in November 2010 YTD.

City hotels include: Super 8, Santa Clarita Motel, Travelodge, Hyatt, Holiday Inn, Embassy Suites, Best Western, and Courtyard by Marriott.

Tourism: Hotel Occupancy

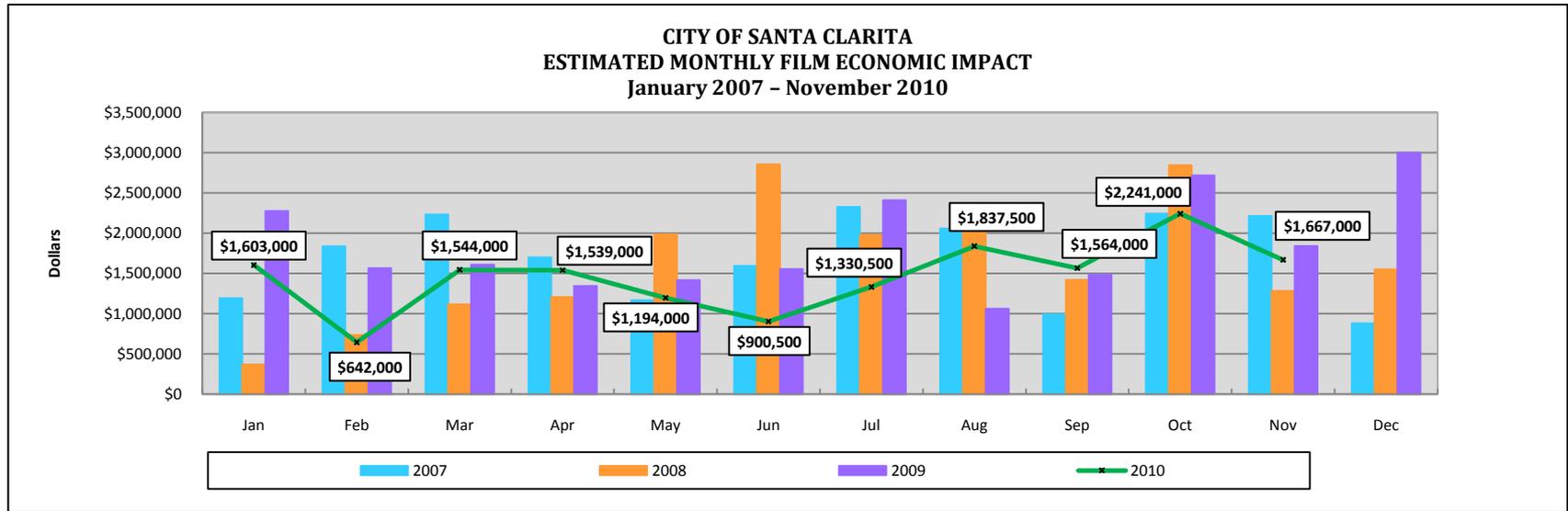


Occupancy and Average Daily Revenue

- Smith Travel Research reported hotel occupancy in the City of Santa Clarita was 58% in November 2010, higher than the reported occupancy of 53% in November 2009.
- An average of 514 rooms of 882 available in the City were sold in November 2010 compared to 466 rooms of 882 available rooms in November 2009.
- In comparison, occupancy rates at hotels nationwide in November 2010 were at 53%, up 9% from November 2009.
- While occupancy rates increased nationwide, average daily revenue rose 3% to \$96.70, suggesting total revenue collected nationwide in November 2010 increased from November 2009.

City hotels include: Super 8, Travelodge, Hyatt, Holiday Inn, Embassy Suites, Best Western, and Courtyard by Marriott.

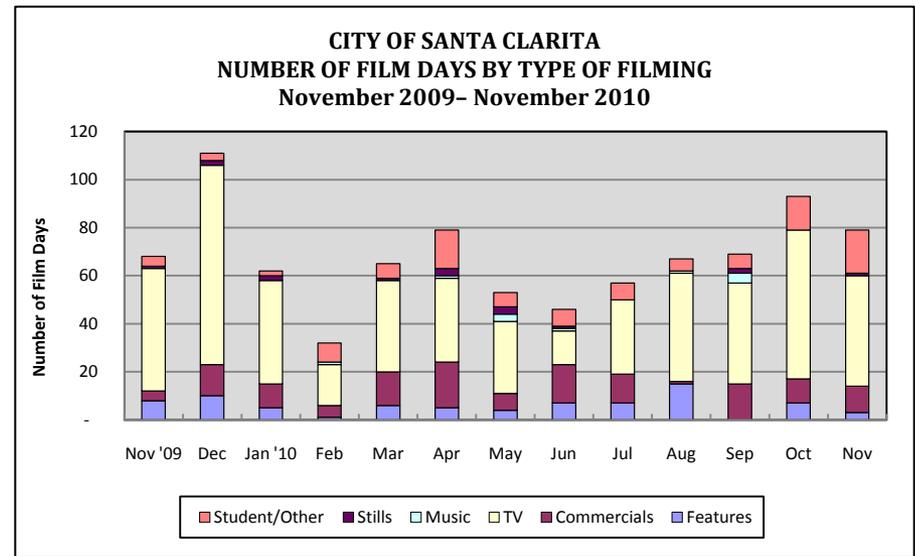
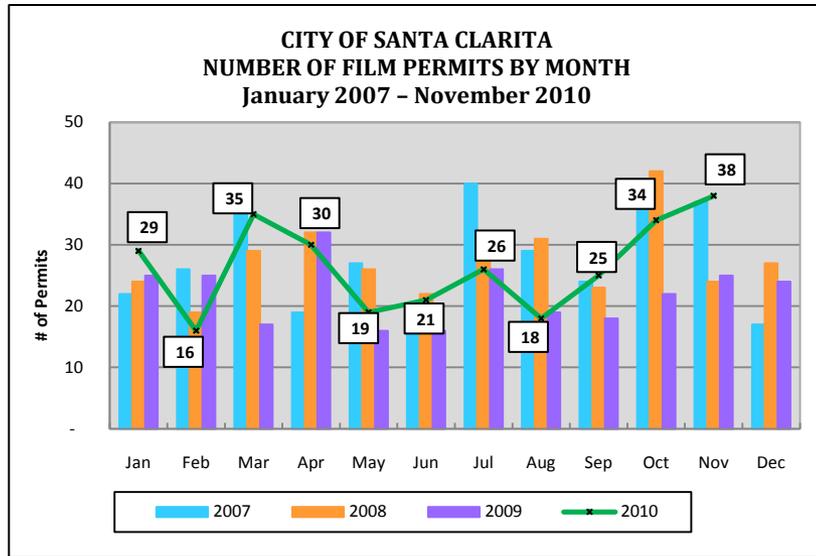
On-Location Filming in The City of Santa Clarita



- Most productions are working on reduced budgets and as a result are spending more time in studios rather than on-location filming. The City does not track the activity of studio filming.
- The Economic Impact from location filming for November 2010 of \$1,667,000 was 9% below the impact in November 2009 of \$1,841,000.
- In November 2010 year-to-date, the economic impact from location filming was \$16,062,500, down 17% from \$19,269,500 during November 2009 YTD.

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.

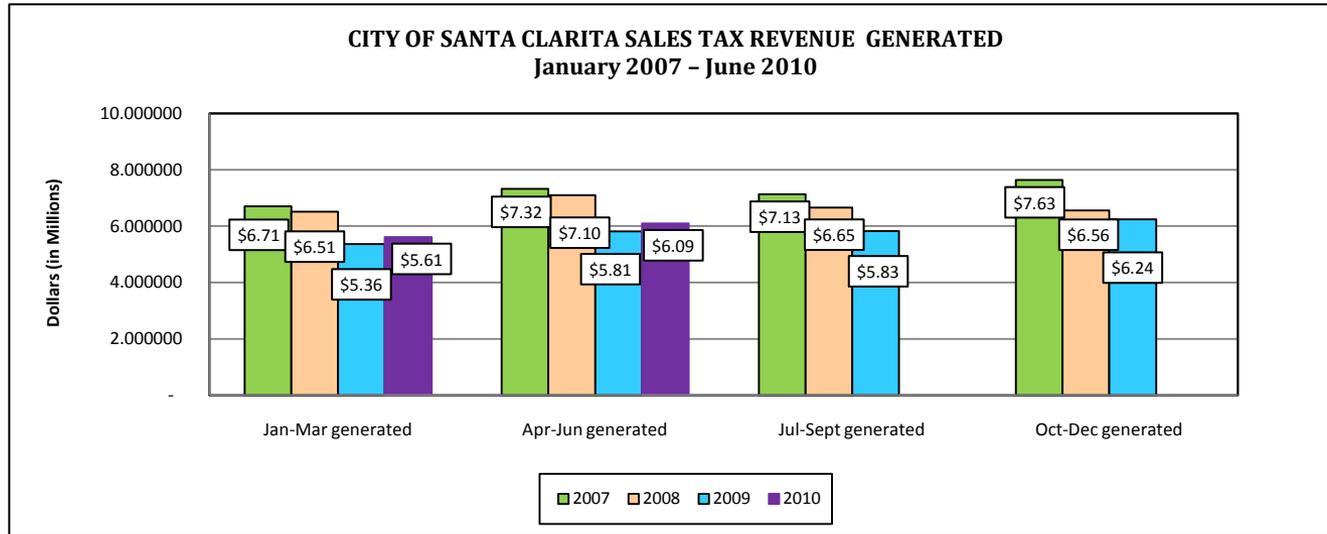
On-Location Filming in The City of Santa Clarita



- In November 2010 a total of 38 film permits were issued within the City of Santa Clarita, up 52% from the 25 permits issued in November 2009.
- For November 2010 year-to-date, a total of 291 film permits have been issued in the City of Santa Clarita, up 21% from the 241 permits issued in November 2009 YTD.
- There were a total of 79 filming days in November 2010, up 16% from 68 filming days in November 2009.
- November 2010 film days included: 58% for television shows, 23% for student/other projects, 14% for commercials, 4% for features, and 1% for stills. No production for music/video production occurred in November 2010 in the City of Santa Clarita.

City of Santa Clarita Sales Tax

(Updated Quarterly)



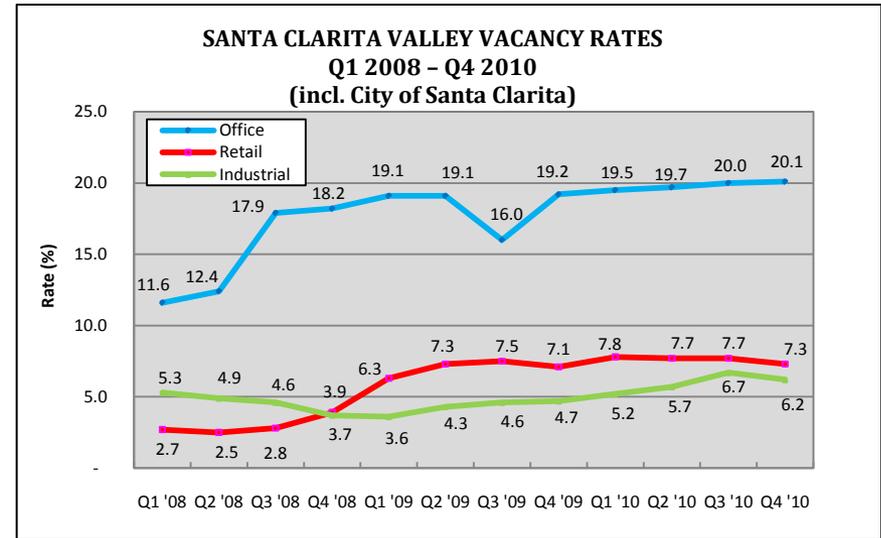
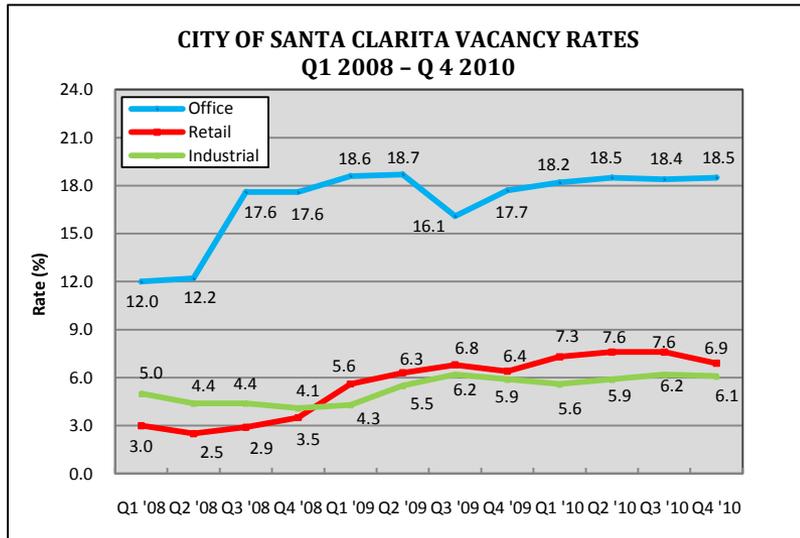
Sales tax generated in Second Quarter 2010 was above that generated during the Second Quarter 2009.

- In April – June 2010, a total of \$6.09 million in sales tax revenue was generated, up 5% from \$5.81 million generated in April – June 2009, but down 17% from the high in Second Quarter 2007.

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 Second Quarter 2010. Third Quarter 2010 data will be published in the December 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



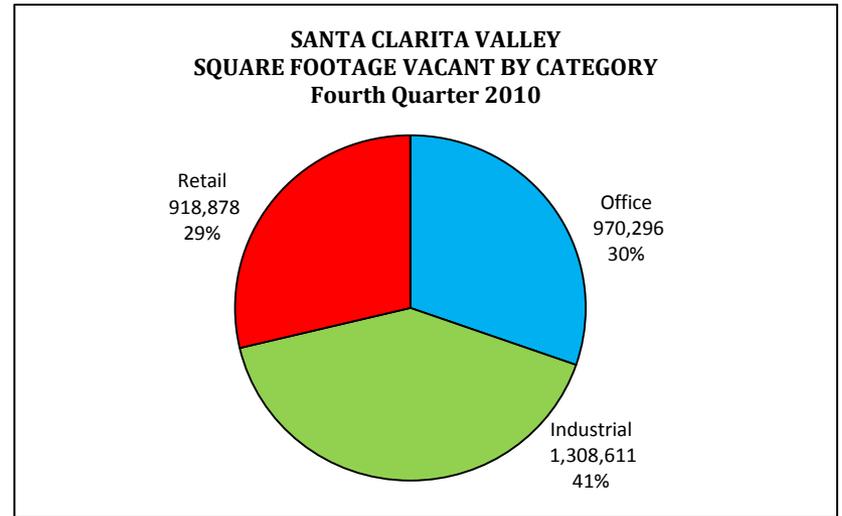
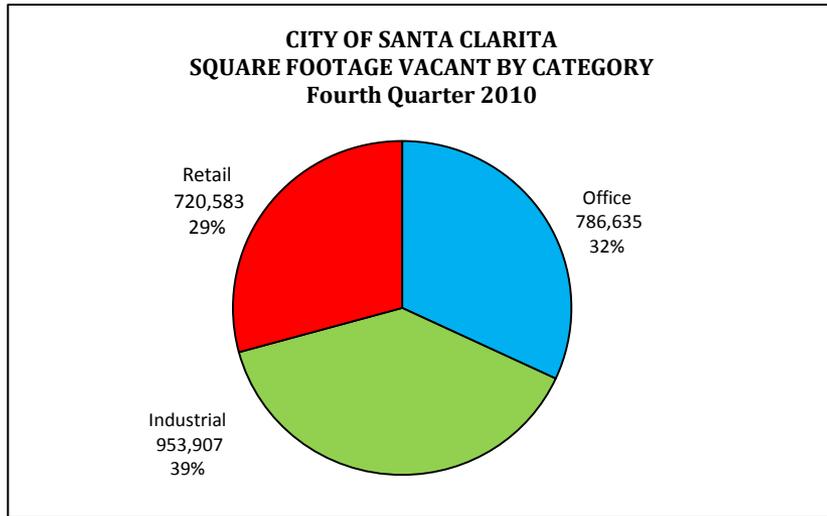
City of Santa Clarita

- In the City of Santa Clarita, office vacancy rates increased in Fourth Quarter 2010 while retail and industrial vacancy rates decreased.
- The City's office vacancy rate was 18.5% while the retail and industrial vacancy rates were 6.9% and 6.1%, respectively.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley (including the City), office vacancy rates increased in Fourth Quarter 2010 from the previous quarter, while retail and industrial vacancy rates decreased.
- The Santa Clarita Valley's office vacancy rate was 20.1%, while retail and industrial vacancy rates were 7.3% and 6.2%, respectively.

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



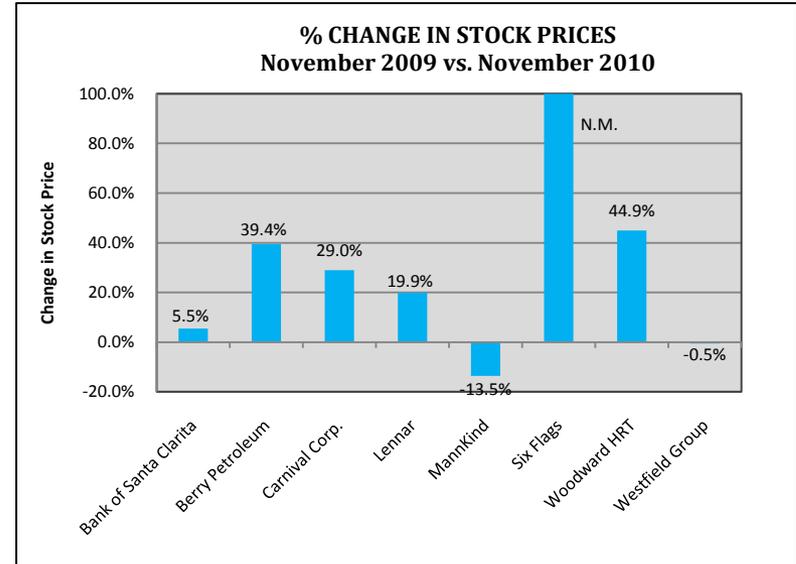
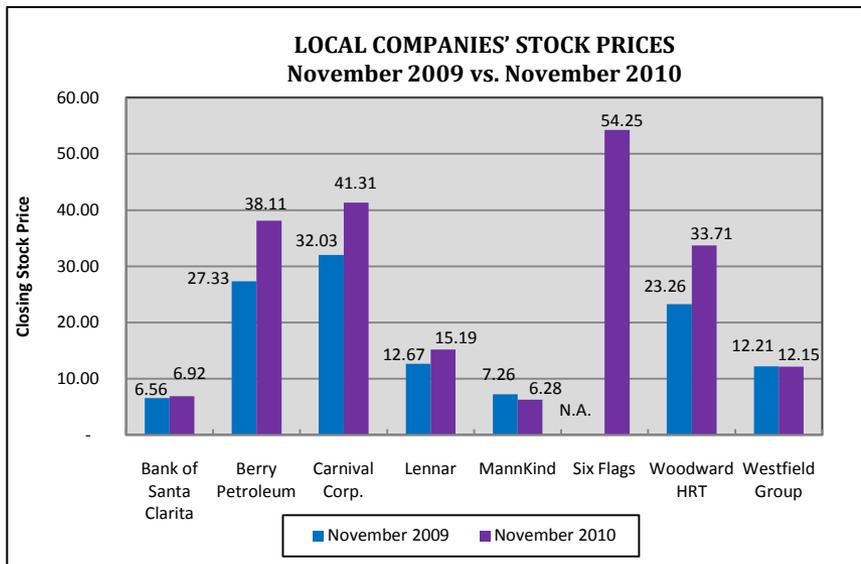
City of Santa Clarita

- Within the City of Santa Clarita there is a total of 30,188,101 existing square feet for businesses of which 52% is industrial, 34% is retail, and 14% is office space.
- Only 8.2% or 2,461,125 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 39% is industrial space, 32% is office, and 29% is retail space.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley there is a total of 38,665,605 existing square feet for businesses of which 55% is industrial, 32% is retail, and 13% is office space.
- Only 8.3% or 3,197,785 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 41% is industrial, 30% is office space, and 29% is retail space.

Stock Prices of Local Employers

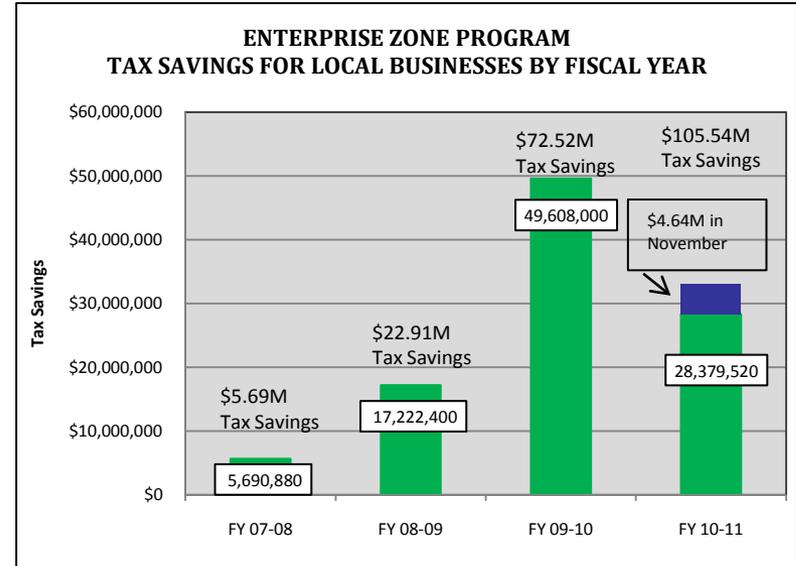
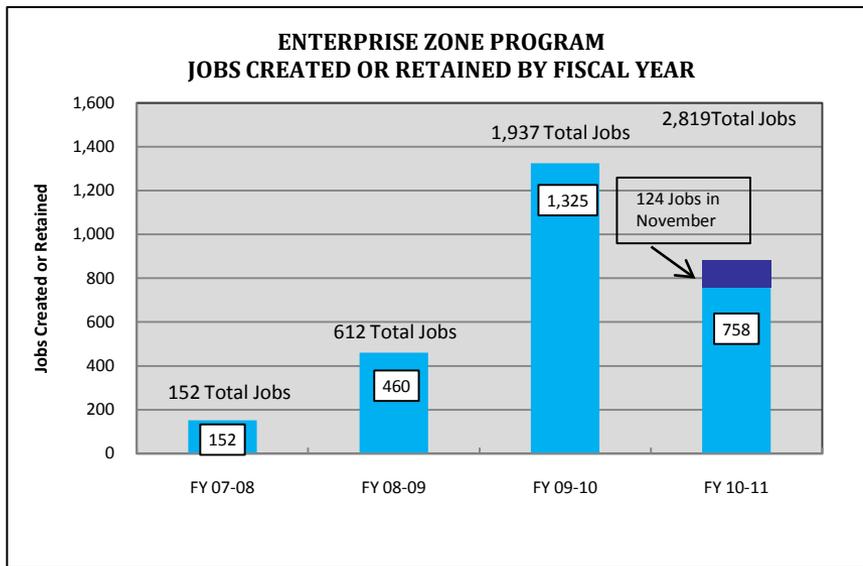


Stock prices for six of the eight companies in Santa Clarita whose stock prices are being tracked have increased year-over-year, as did the entire stock market. The stock prices of Westfield Group and MannKind decreased during the time period represented.

- At the end of November 2010, the stock price of Six Flags was the highest at \$54.25 followed by that of Carnival Corp. at \$41.31.
- The Dow rose 6.4% to 11,006.02 on November 30, 2010 from 10,344.84 on November 30, 2009.
- Only the stock price of Bank of Santa Clarita rose by a smaller percentage than that of the entire market.
- On April 30, 2009, Six Flags was delisted from the NYSE and traded 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. On May 3, 2010, Six Flags emerged from Chapter 11 restructuring and has since resumed trading on the NYSE under its previous call letters "SIX".
- The percentage change in Six Flags' stock price is not meaningful since it emerged from Chapter 11 in early May 2010 and its new stock price reflects a new financial structure from one year ago.

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 on November 30, 2009 and SIX on November 30, 2010 (Six Flags), WGOV (Woodward HRT), and WDC.ax (Westfield Group).

Enterprise Zone Program: Job Activity and Tax Savings

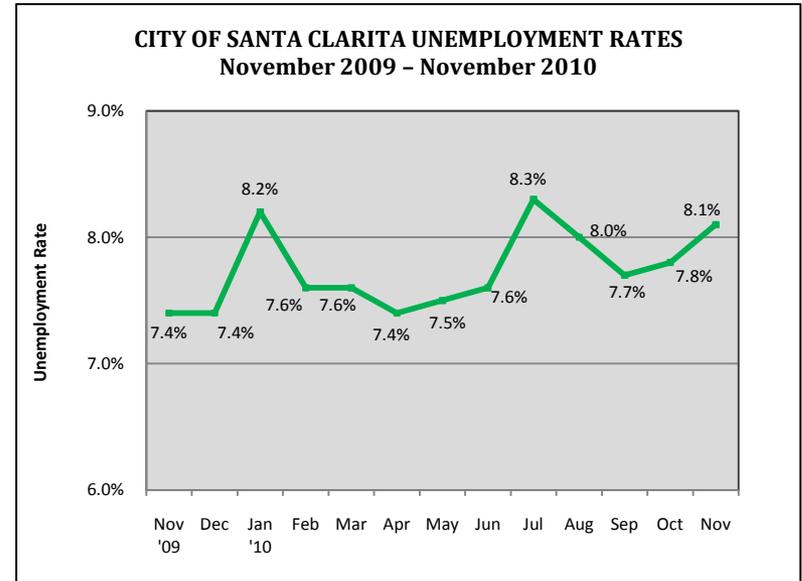
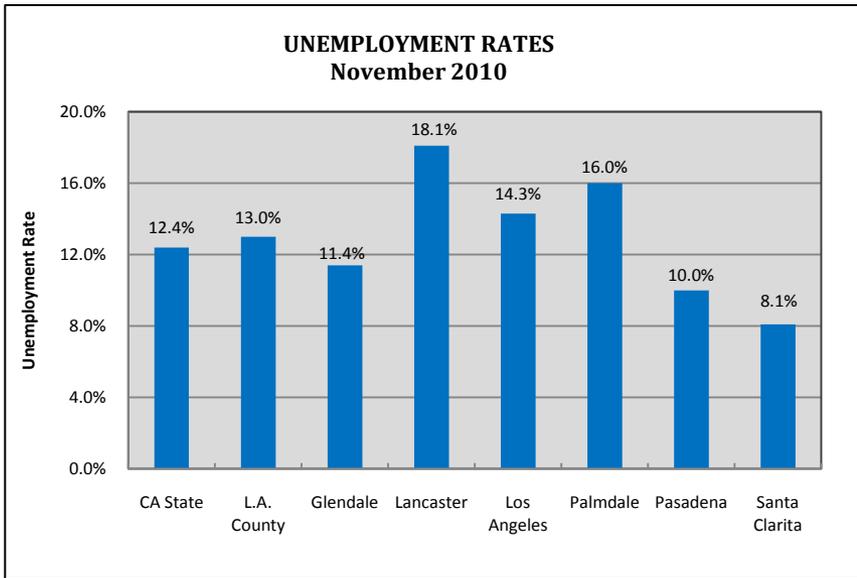


The Santa Clarita Enterprise Zone is a program that saves businesses money by providing special tax incentives from the State of California to businesses.

- Since the City's designation as an Enterprise Zone in 2007, a total of 2,819 jobs have been created or retained, which represents a potential tax savings to businesses of over \$105 million.
- In November 2010, 124 vouchers were issued for jobs created or retained as a result of the Enterprise Zone, representing just over \$4.5 million in potential tax savings.

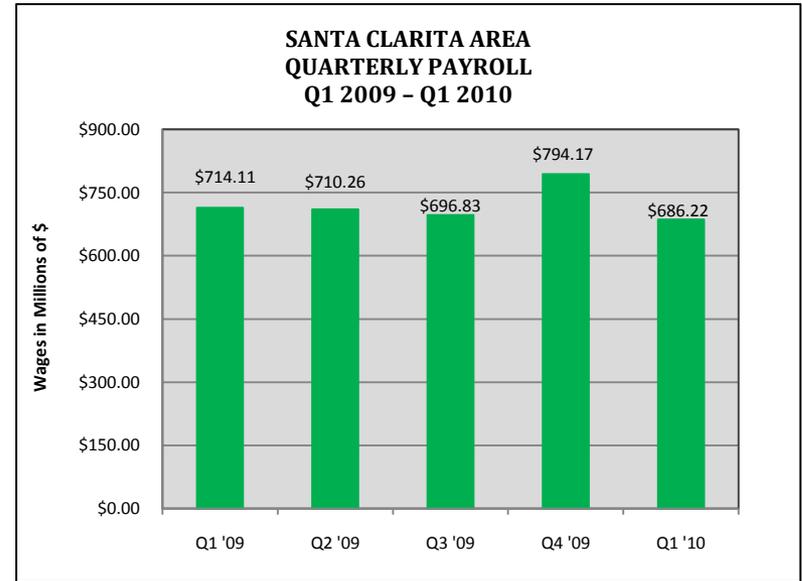
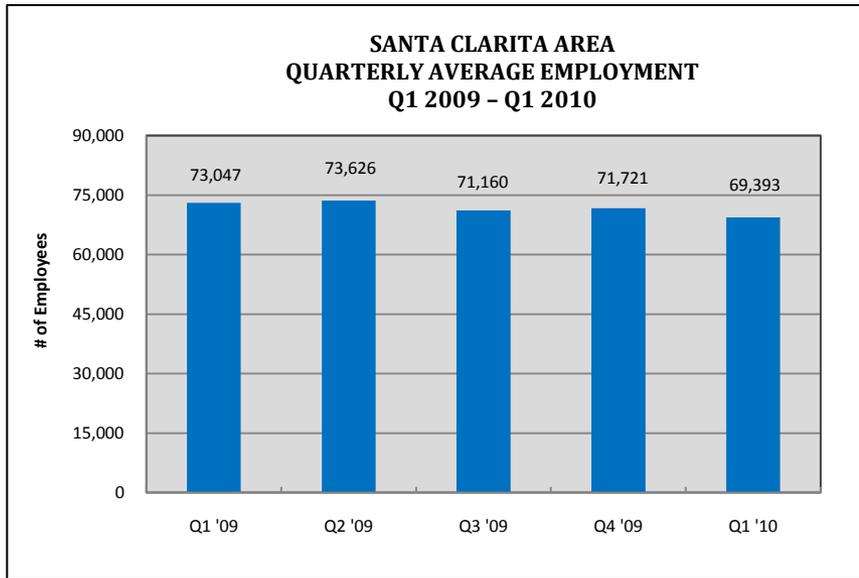
The City of Santa Clarita was awarded one of the State of California's 42 Enterprise Zone designations in 2007. The Enterprise Zone program provides tax incentives for businesses that locate in Santa Clarita and hire "qualified" employees or make "qualified" purchases. More information on the Enterprise Zone program can be located by visiting: <http://www.scenterprisezone.com> or contacting the City's Economic Development Department at (661) 255-4347.

Unemployment



- Santa Clarita's unemployment rate was 8.1% in November 2010 compared to 13.0% for Los Angeles County and 12.4% for the state.
- Unemployment in Santa Clarita in November 2010 of 8.1% was higher from the unemployment rate of 7.4% reported in November 2009, and was slightly below the unemployment rates in January and July 2010.

Employment and Wages

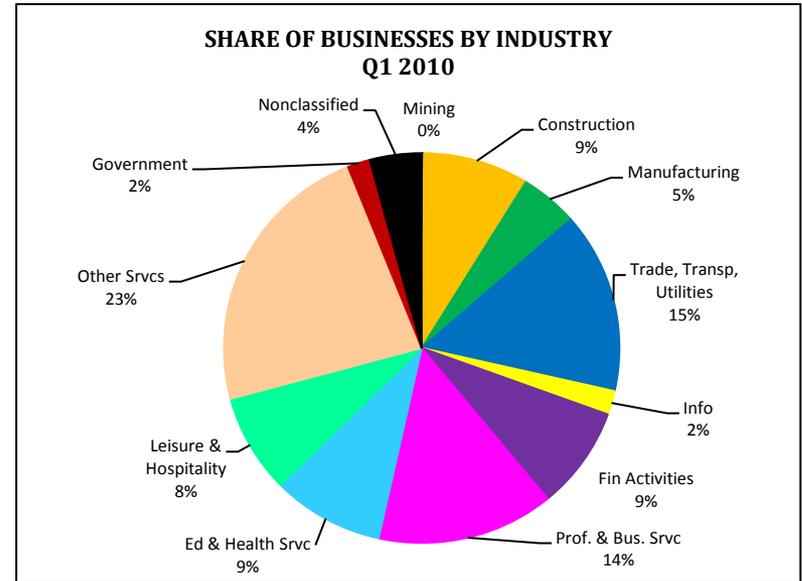
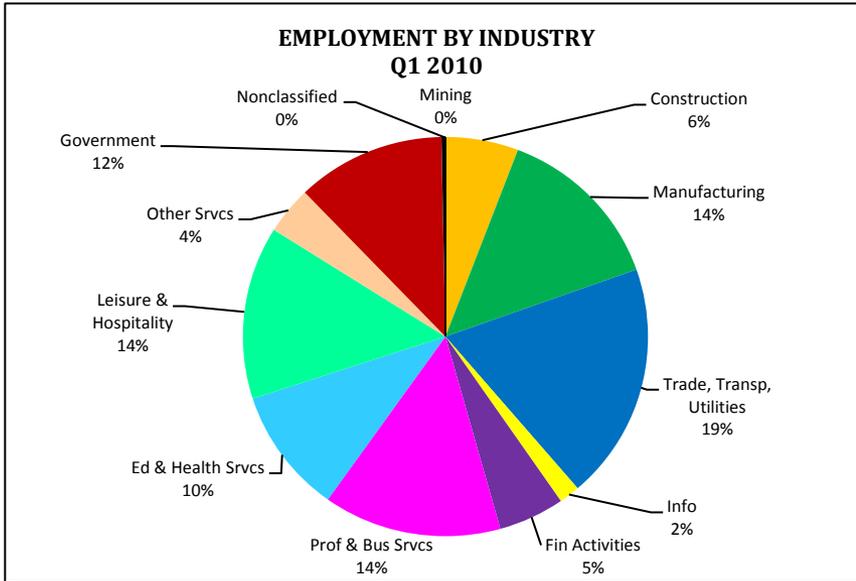


Employment as well as payroll in the Santa Clarita area have trended down from one year ago.

- In First Quarter 2010 there were a total of 5,800 establishments reporting employment and wages, down less than 1% from the 5,820 establishments in First Quarter 2009.
- Total employment in the Santa Clarita area was down 5% to 69,393 jobs in First Quarter 2010 from the same time period in 2009.
- Employment fell during First Quarter 2010 from the previous year in every sector except financial activities which rose 2% and nonclassifiable which remained unchanged.
- Quarterly wages in the Santa Clarita area were down 4% to \$686.22 million in First Quarter 2010 from \$714.11 in First Quarter 2009.

Employment and wages are reported for the 11 industry super-sectors as defined by the California Employment Development Division. The data represent a census of companies located in the following zip codes 91321, 91350, 91351, 91354, 91355, 91387, and 91390, regardless of where employees reside.

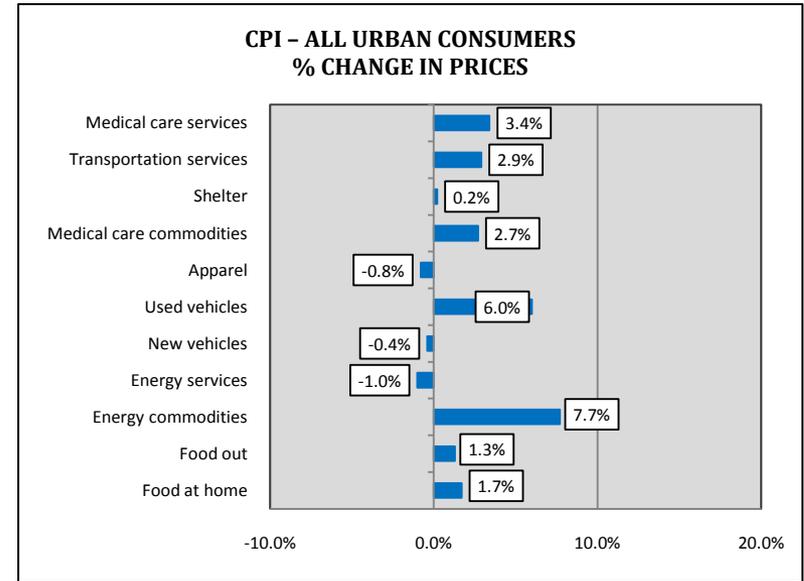
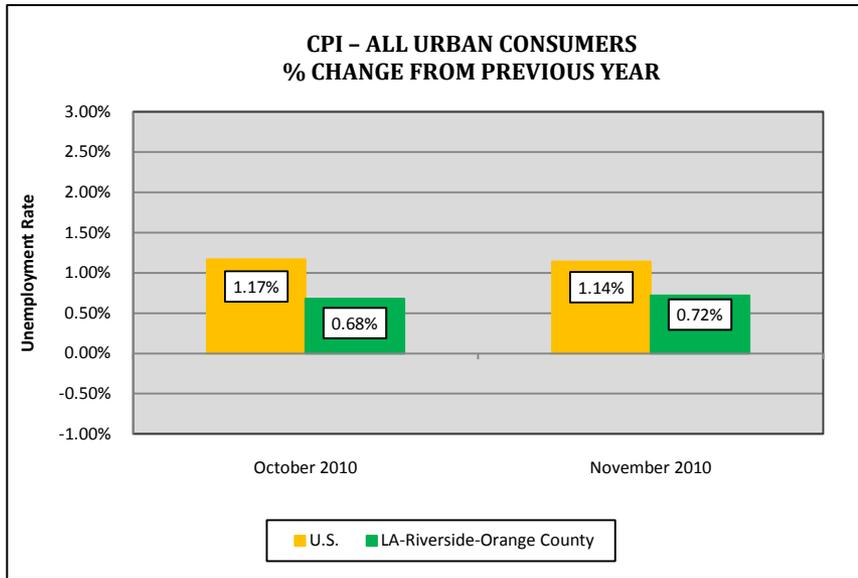
Employment by Industry



- Trade, transportation, & utilities account for 19% of employment in the Santa Clarita area, but only 15% of the businesses.
- Manufacturing, professional & business services, and leisure & hospitality each account for 14% of the number of people employed, yet only represent 5%, 14%, and 8% of the number of businesses, respectively.
- In contrast, other services (equipment repair, religious organizations, personal care, dry cleaning/laundrying, and gardening) account for 4% of the employment yet 23% of the businesses.
- Similarly, financial activities (finance, insurance, & real estate) account for 5% of the employment yet represent 9% of the businesses.
- Compared to Q1 2009, leisure & hospitality accounted for 12% of the employment compared to 14% during Q1 2010.
- In Q1 2009, professional & business services accounted for 15% of the businesses and other services accounted for 22% of the businesses compared to 14% and 23%, respectively in Q1 2010.

Employment and wages are reported for the 11 industry super-sectors as defined by the California Employment Development Division. The data represent a census of companies located in the following zip codes 91321, 91350, 91351, 91354, 91355, 91387, and 91390, regardless of where employees reside. Data are understated for all but other services, government, and nonclassifiable to protect the confidentiality of the data for subsectors with a small number of businesses.

Inflation



- Year-over-year inflation for November 2010 among all urban consumers for Los Angeles-Riverside-Orange County increased 0.7% compared to the national increase of 1.1%. Inflation in the Los Angeles metro area is slightly higher than inflation levels in October 2010.
- The slightly higher inflation rate in November 2010 from one year ago reflects cost increases in almost all services and commodities with the exception of declines of 0.4% in new vehicles, 0.8% in apparel, and 1.0% in energy services.
- The highest year-over-year increase was seen in energy commodities with a 7.7% increase from the previous November. In comparison, gasoline increased by 7.3% year-over-year compared to a 9.5% increase in October and fuel oil increased 11.1% compared to 14.5% in October.

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 Data: 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

Enterprise Zone: City of Santa Clarita, Economic Development Division

Unemployment Rate: CA Employment Development Department

Employment and Wages: CA Economic Development Department

Inflation Rate: Bureau of Labor Statistics