

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of July 1 – 31, 2009

Published on September 15, 2009



Overview

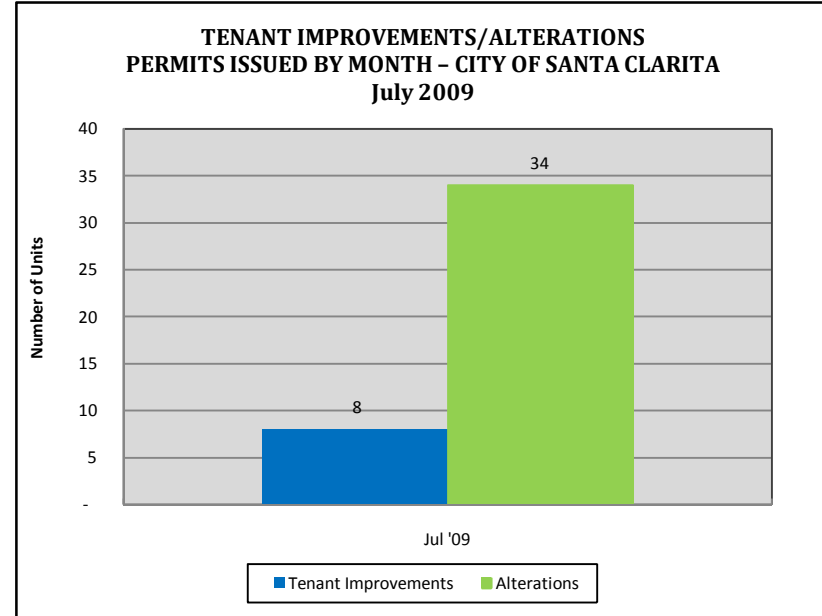
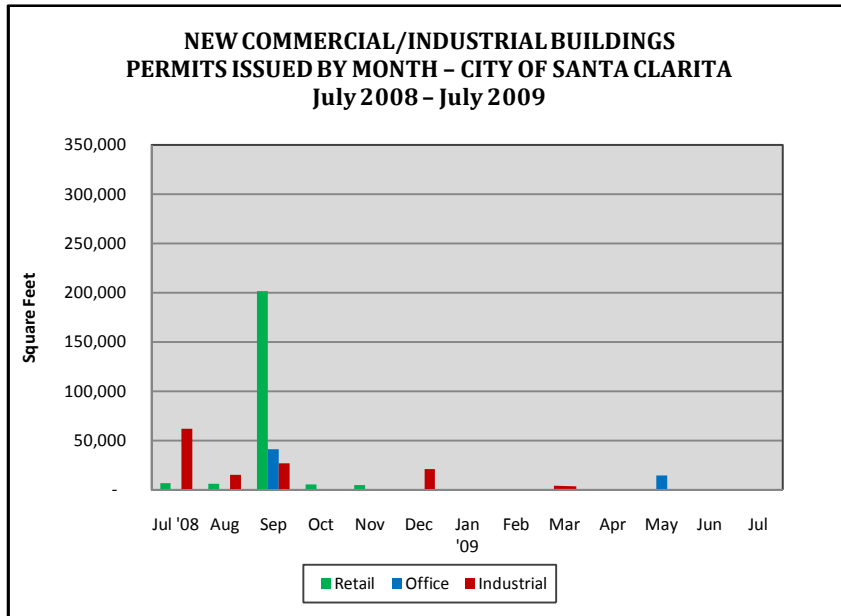
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

Indicators being tracked include:

- Residential, Commercial and Industrial building permits issued for new buildings as well as alterations, improvements, and additions;
- Certificates of Occupancy issued;
- The median value of single-family homes and condominiums;
- The total number of single-family homes and condominiums sold;
- Average number of days on the market for single-family homes;
- Number of notice of defaults recorded in Santa Clarita;
- The economic impact of the film industry on Santa Clarita;
- Types of filming in Santa Clarita;
- The average room rate and occupancy rate of local hotels;
- The amount of sales tax revenue and transient occupancy tax generated;
- The vacancy rates for the office, commercial and retail sectors and available square footage;
- Stock prices of local companies in Santa Clarita;
- Unemployment rates; and,
- The consumer price index measuring inflation.

Reports are generated monthly. Periodically, more detailed data are available quarterly or annually.

Commercial Permits Issued



New Commercial/Industrial Buildings

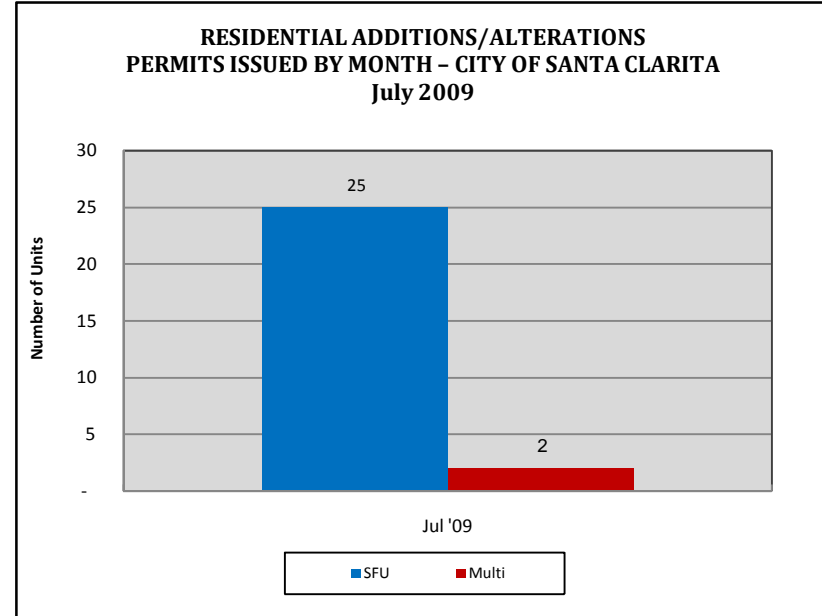
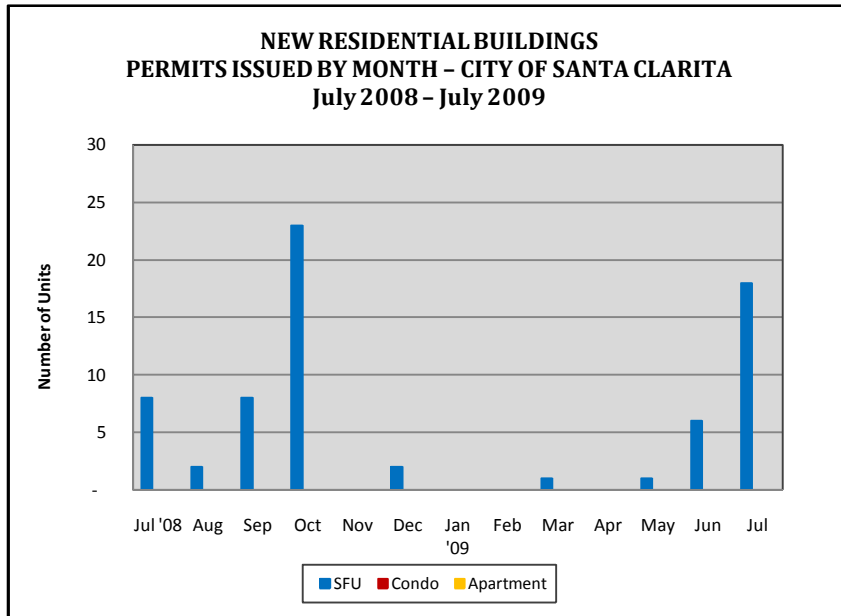
- No permits for new non-residential buildings were issued in July 2009 by the City of Santa Clarita compared to 3 permits in July 2008 of which 1 was for retail use and 2 were for industrial space.

Tenant Improvements/Alterations

- A total of 8 building permits for tenant improvements were issued in July 2009.
- In July 2009, a total of 34 commercial alterations were permitted of which 20 or 59% were for fire protection equipment, 10 or 29% were for signage, and 4 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 are currently in.

Residential Permits Issued



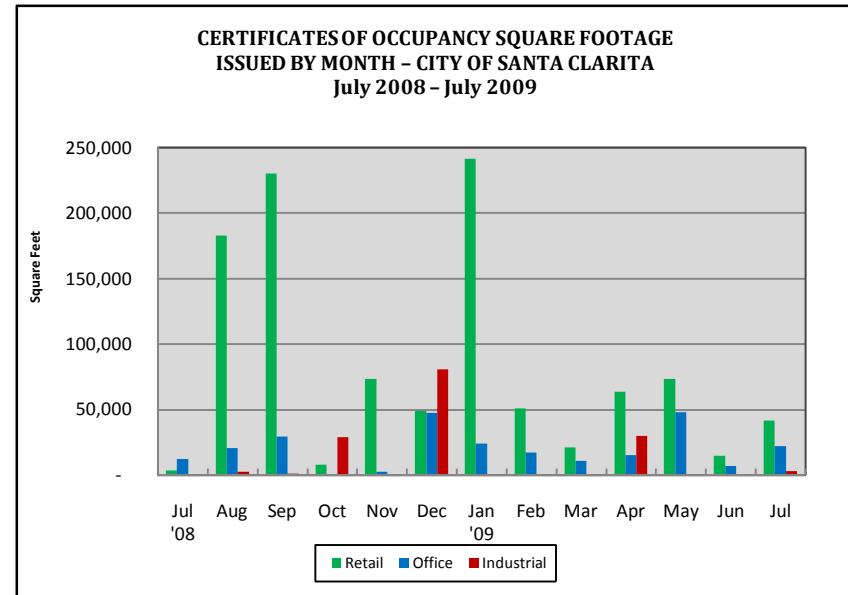
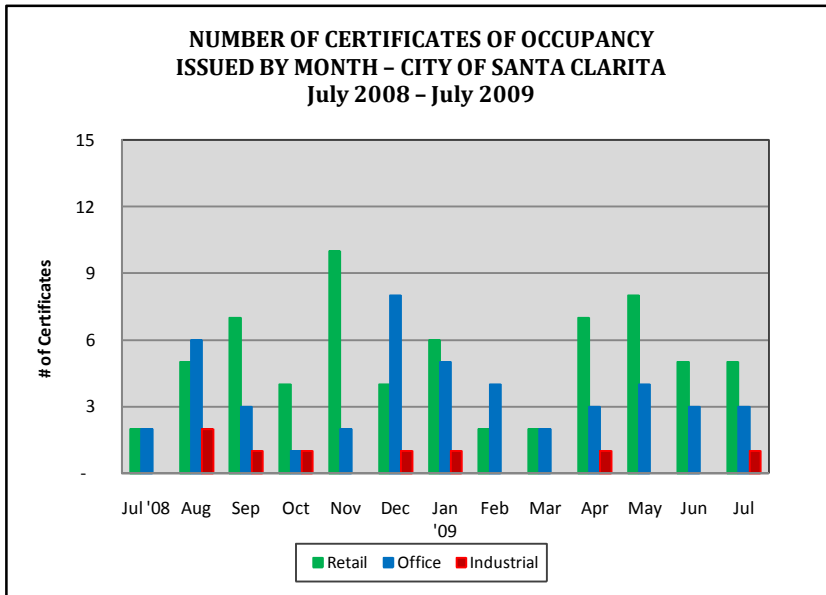
New Residential Buildings

- A total of 18 permits for new single-family residential buildings were issued for new homes in July 2009 by the City of Santa Clarita compared to 8 permits for single-family units in July 2008.

Residential Additions/Alterations

- A total of 27 residential permits for additions and alterations were issued in July 2009 of which 25 or 93% were for single-family units and the remaining 2 or 7% were for multi-unit residences.
- Of the additions/alterations in July 2009, 37% were for patio covers, 22% were for pools/spas, 15% were for block walls, and the remaining 26% were for decks, fireplaces/chimneys, and other miscellaneous items.

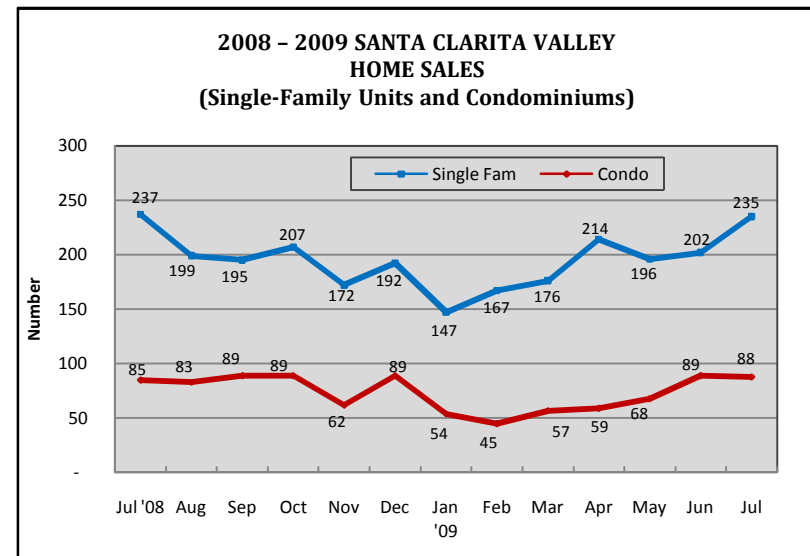
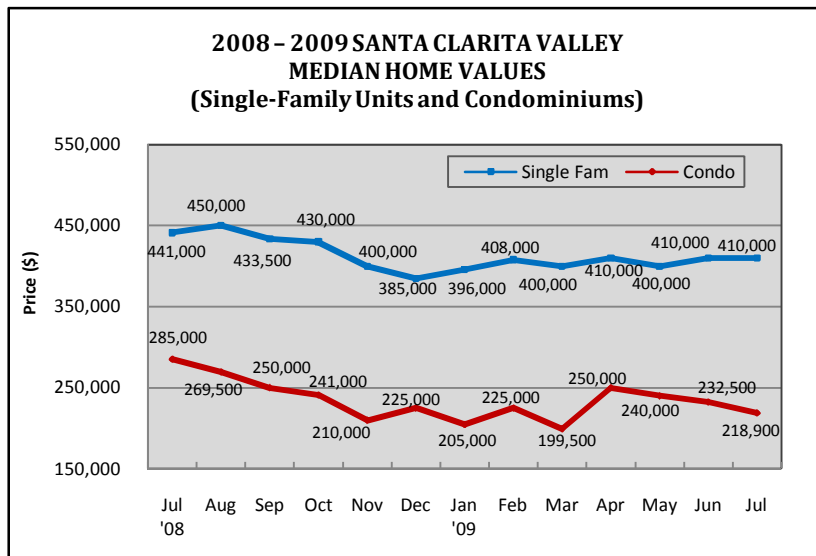
Commercial/Industrial Certificates of Occupancy Issued



- In July 2009 a total of 9 Certificates of Occupancy were issued of which 5 were for retail use, 3 were for office space, and 1 was for industrial space, up 125% from 4 Certificates of Occupancy in July 2008.
- Certificates of Occupancy for July 2009 represented a total of 66,738 square feet of which 62% was for retail space, 33% was for office space, and 4% was for industrial space. This represented a 321% increase from the 15,857 square feet of office and retail space issued in July 2008.

Certificates of Occupancy are issued prior to any building or structure being occupied and are required for all businesses in the City of Santa Clarita. A Certificate of Occupancy ensures the safety of occupants and the public by certifying the building meets the requirements for the occupancy group of the proposed business, California Building Codes, and local ordinances governing construction and occupancy.

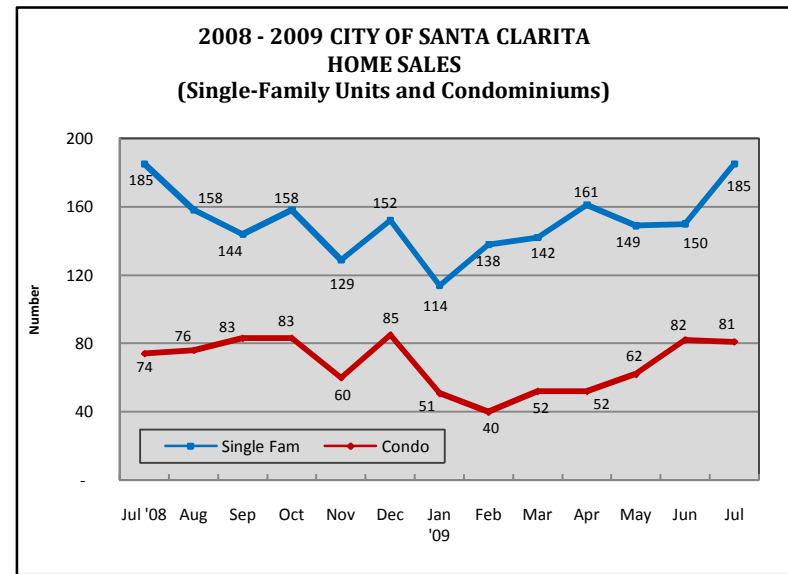
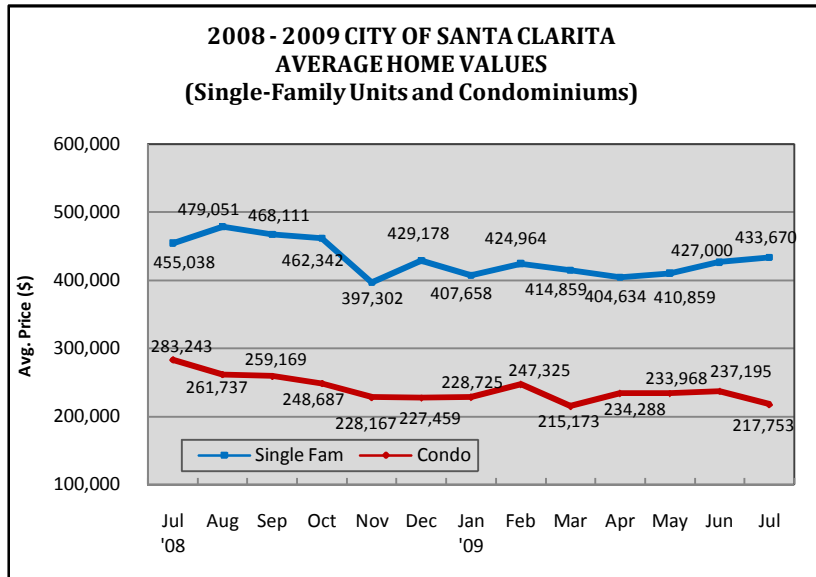
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



In the Santa Clarita Valley (inclusive of the City of Santa Clarita), single-family home values have been holding steady while sales have been improving.

- Single-family median home values remained at \$410,000 in July 2009 from June 2009, yet are 7% lower than July 2008.
- Condominium prices decreased 6% to \$218,900 in July 2009 from June 2009, yet are 23% lower than July 2008.
- The number of single-family home sales peaked in July 2008 at 237 homes. A total of 235 single-family homes sold in July 2009, up 16% from June 2009, yet down 1% from one year ago. Condominium sales slipped to 88 sales in July 2009, down 1% from June 2009, yet up 4% from July 2008.

City of Santa Clarita Housing Market



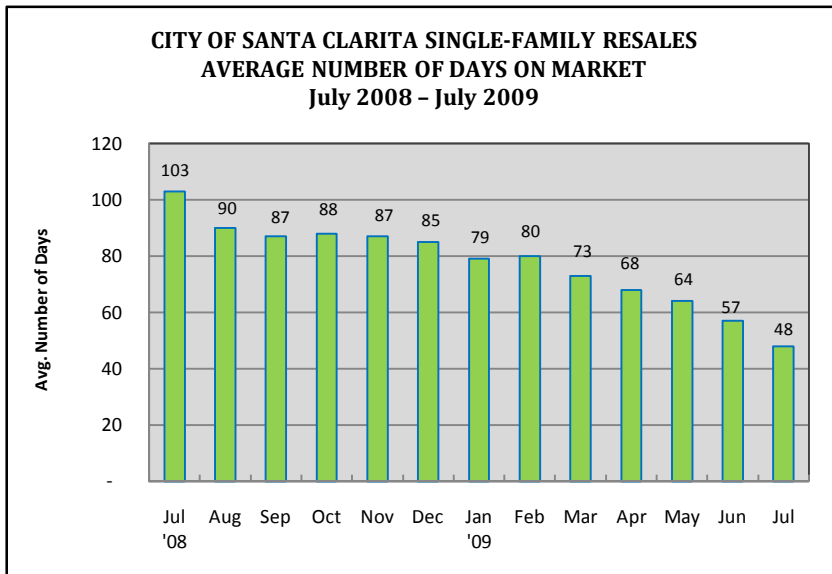
Single-family average prices rose in July 2009 from June 2009, yet remain lower than prices in July 2008.

- Single-family average home values in July 2009 in the City of Santa Clarita were \$433,670 or 2% above June 2009 and 5% below July 2008.
- The number of single-family homes sold in the City of Santa Clarita in July 2009 rose compared to sales in June 2009 and were comparable to sales levels in July 2008.
- In the City of Santa Clarita, sales rose 23% to 185 single-family homes in July 2009 from June 2009

Condominium sales in July 2009 were comparable to sales in June 2009, yet were below sales in July 2008.

- Condominium prices dropped 8% to \$217,800 in July 2009 from June 2009, and dropped 23% from July 2008.
- Sales volume of condominiums in the City of Santa Clarita in July 2009 were comparable to sales in June 2009, yet were above sales in July 2008.

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

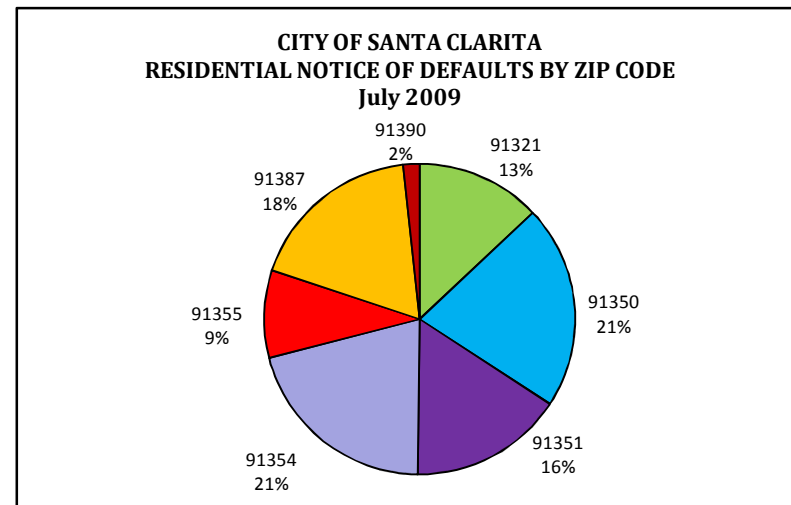
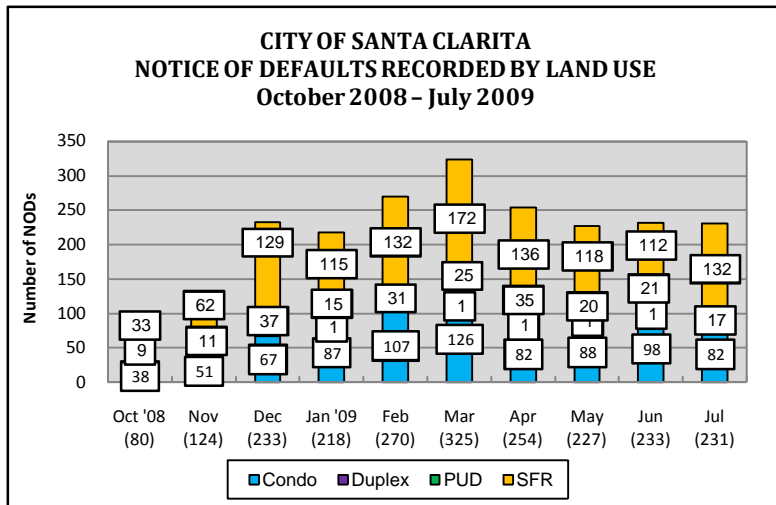


The City of Santa Clarita's housing market is stronger than one year ago when homes took an average 103 days or approximately 3.4 months to sell.

- In July 2009, homes were on the market for an average 48 days or 1.6 months, the lowest level seen in the past year.
- Single-family inventory levels reached a record low. Resale inventory levels fell 12% in July 2009 to 413 homes from 470 in June 2009, and were 54% below inventory levels in July 2008.

Another indicator of the strength of the housing market is average days on the market. A larger number of days indicates homeowners are having a harder time selling their homes.

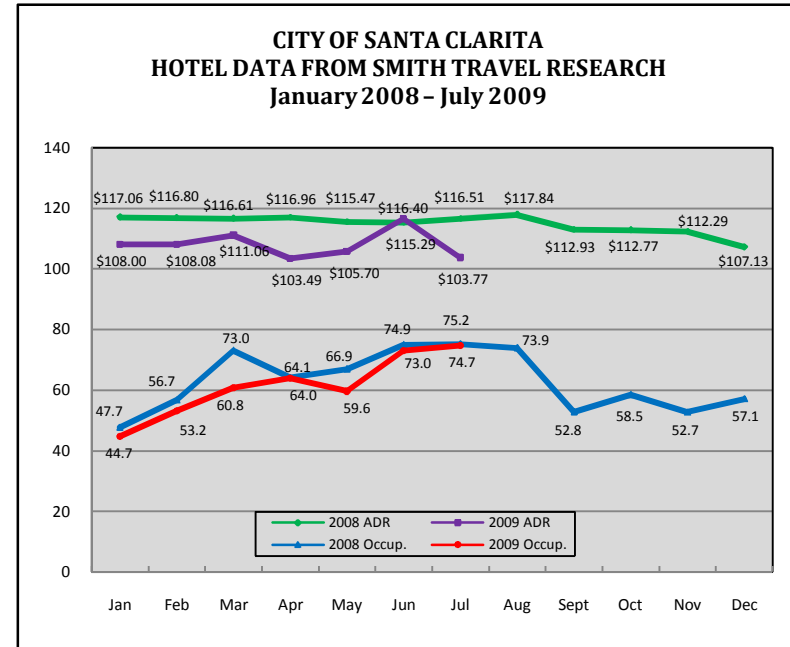
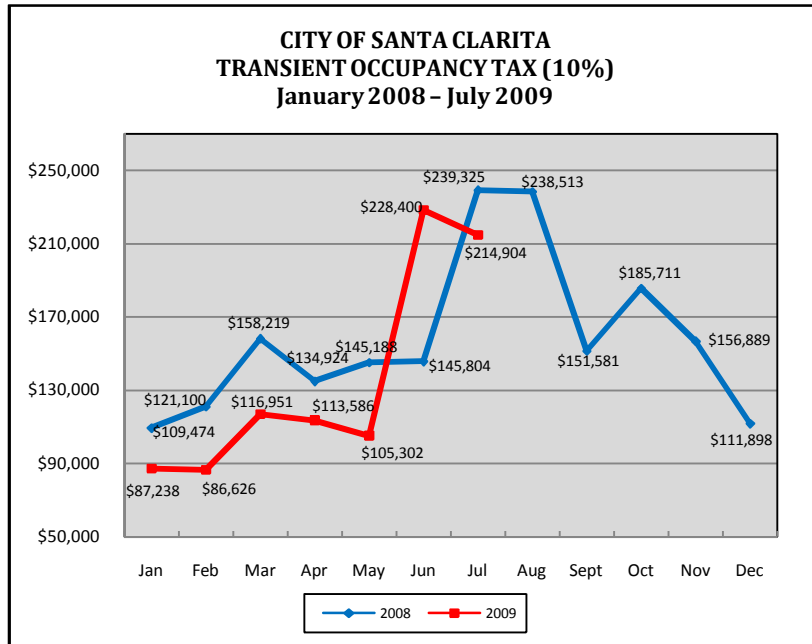
City of Santa Clarita: Notice of Defaults (NODs)



- A total of 231 NODs were recorded in July 2009 in the City of Santa Clarita, down 1% from 233 in June 2009.
- Of the July NODs, 57% or 132 were on single-family residences while 36% or 82 were on condominium properties and 7% or 17 NODs were on PUDs.
- The number of NODs among single-family homes in July 2009 was 18% higher than levels in June 2009, while the number of NODs on condominiums dropped 16% and NODs on PUDs decreased 19% during the same time period.
- Approximately one-fourth or 27% of the NODs were on homes that previously sold in the \$350,000 - \$499,999 range while 23% were in the \$200,000 - \$349,999 range. Additionally, 17% of homes sold for at least \$600,000, 14% sold for less than \$200,000, and 13% sold in the \$500,000 - \$599,999 range. The price range was unknown for the remaining 5%. This suggests the majority of homeowners who received NODs in July were not in the City's luxury home market, but rather continue to be in the mid-level market. However, NODs in the luxury market appears to be growing.

A PUD is a unit or building owned by an individual who reside there and the common space is owned by others in the association for benefit of all owners. An "SFR" is a single-family residence.

Tourism: TOT & Hotel Occupancy



Transient Occupancy Tax (TOT)

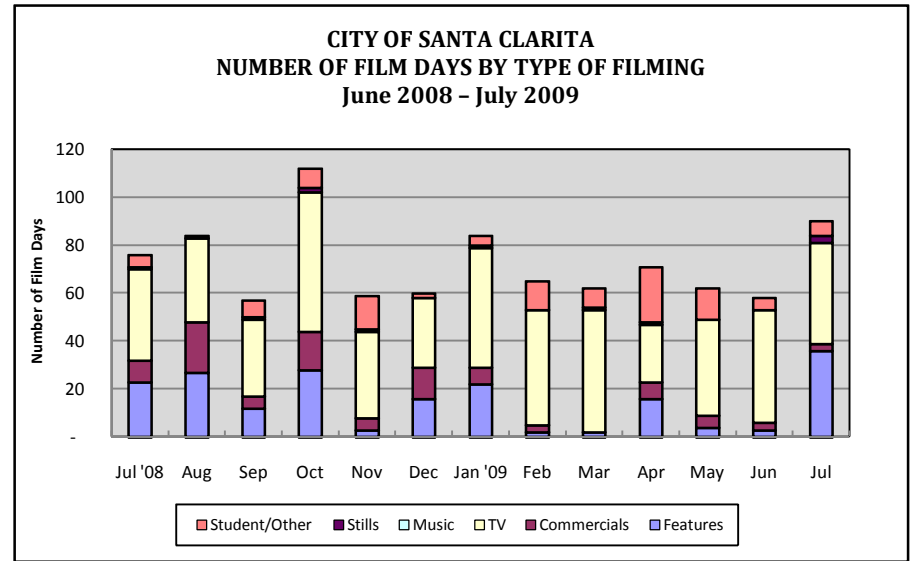
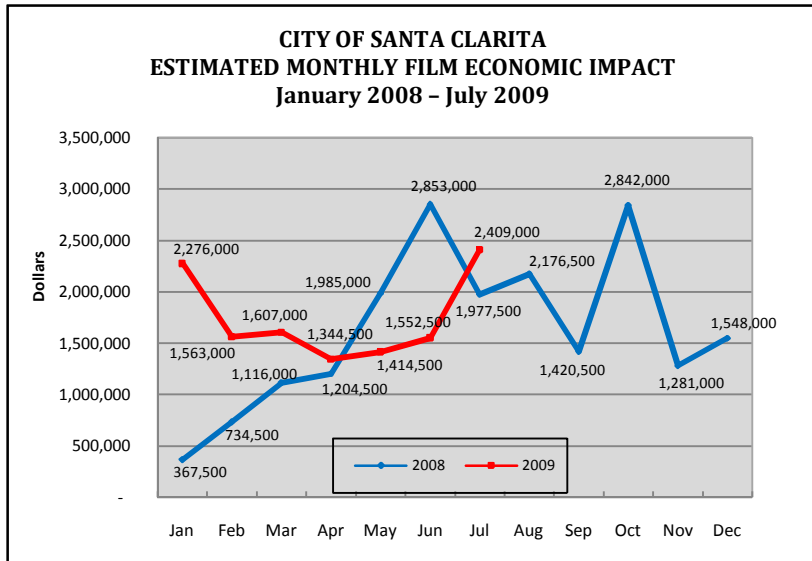
- In July 2009, the City of Santa Clarita collected \$214,904 in TOT, down 10% from \$239,325 in July 2008.
- During the January – July 2009 time frame, the City of Santa Clarita collected \$953,007 in TOT, down 10% from the same time period in 2008.

Occupancy

- Smith Travel Research reports hotel occupancy in the City of Santa Clarita was 75% in July 2009, comparable to the reported occupancy in July 2008.
- An average of 659 rooms of 882 available in the City were sold in July 2009 compared to 663 rooms of 882 available rooms in July 2008.
- In comparison, occupancy rates at hotels nationwide in July 2009 were at 64%, down 7% from July 2008.

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

Filming in The City of Santa Clarita

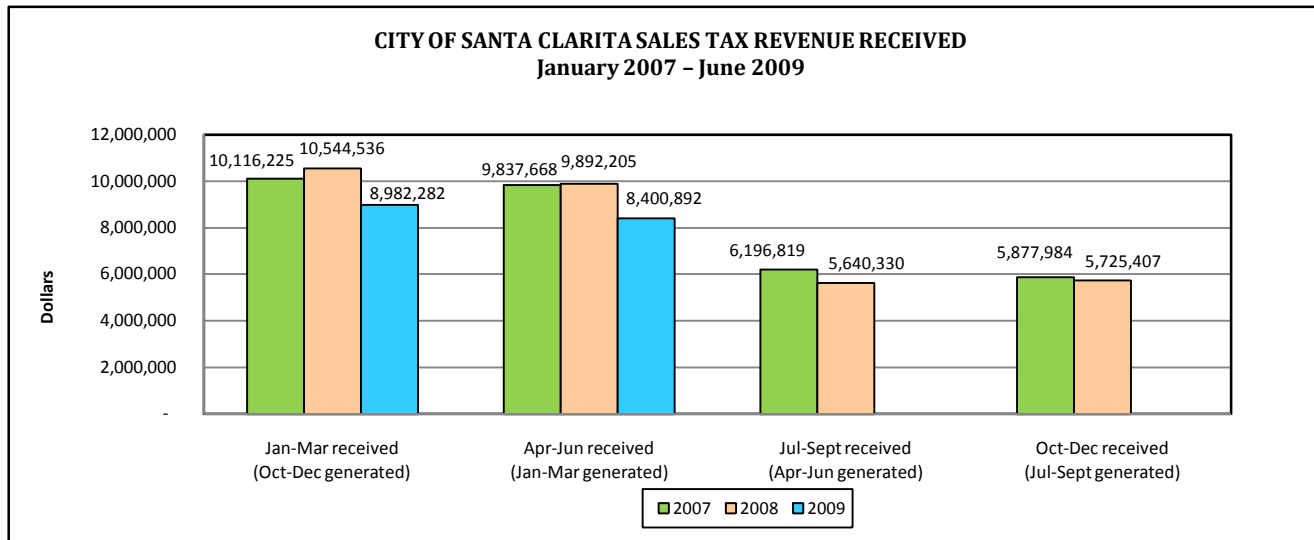


- The Economic Impact from location filming for July 2009 of \$2,409,000 was 22% above the impact in July 2008 of \$1,977,500.
- Moreover, the total Economic Impact from location filming in July 2009 year-to-date was \$12,166,500 or 19% above the impact of \$10,238,000 during the same time period in 2008.
- There were a total of 90 filming days in July 2009, up 18% from 76 filming days in July 2008.
- July 2009 film days included: 47% for television shows, 40% for features, 7% for student/other projects, and 3% each for commercials and stills. No music videos were filmed in July 2009 in the City.

Estimated economic impact is the estimated money spent by production companies at local businesses including, but not limited to, location rental, food/catering, hotels, gas, expendables, building supplies, and arts & crafts supplies.

City of Santa Clarita Sales Tax

(Updated Quarterly)

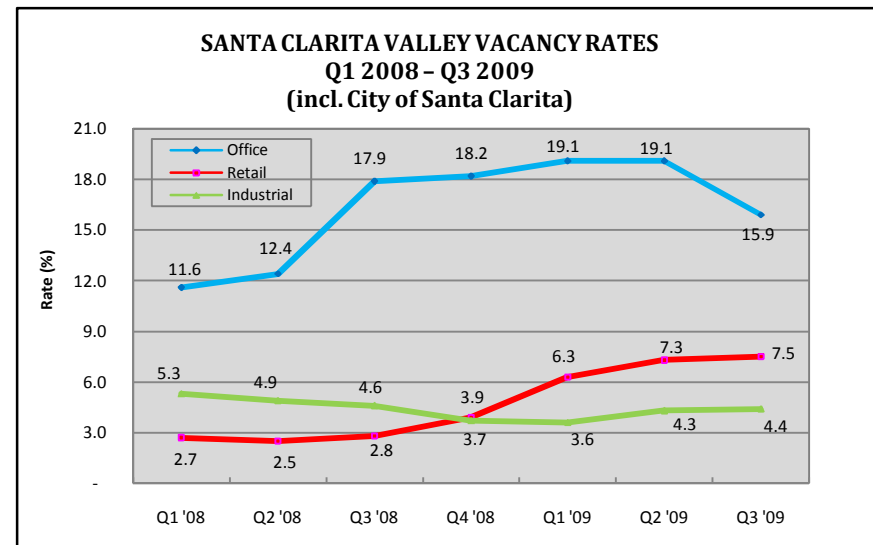
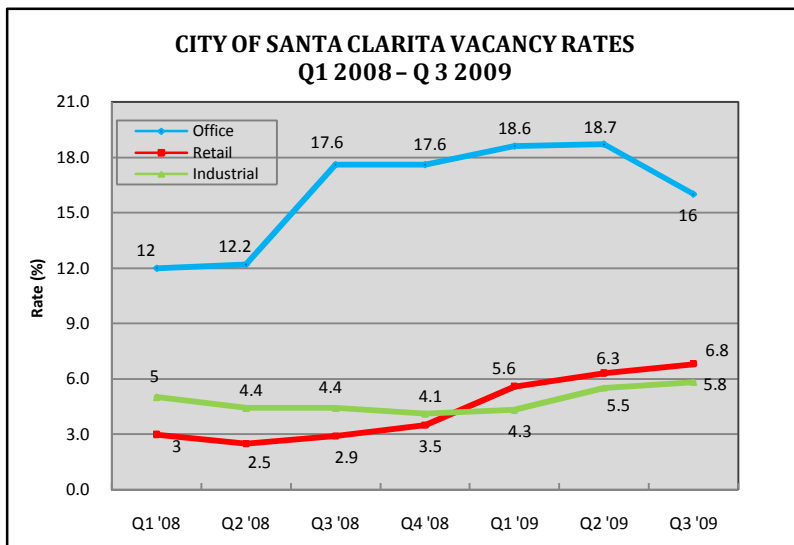


As the economy continued to weaken in 2009, decreases in sales tax receipts were reported.

- In April – June 2009, a total of \$8.40 million in sales tax revenue was received, down 15% from \$9.89 million received in April – June 2008.
- On April 1, 2009, a 1% sales tax increase went into effect, raising sales tax rate in Los Angeles County to 9.25%. This increase was passed by the State Legislature and is a statewide tax.

The sales tax figures contained in this slide represent Point of Sale revenue received only and does not include State and County pool allocations. Sales tax revenue is presented quarterly. The last update was in June 2009. The next update will be included in the September 2009 data.

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



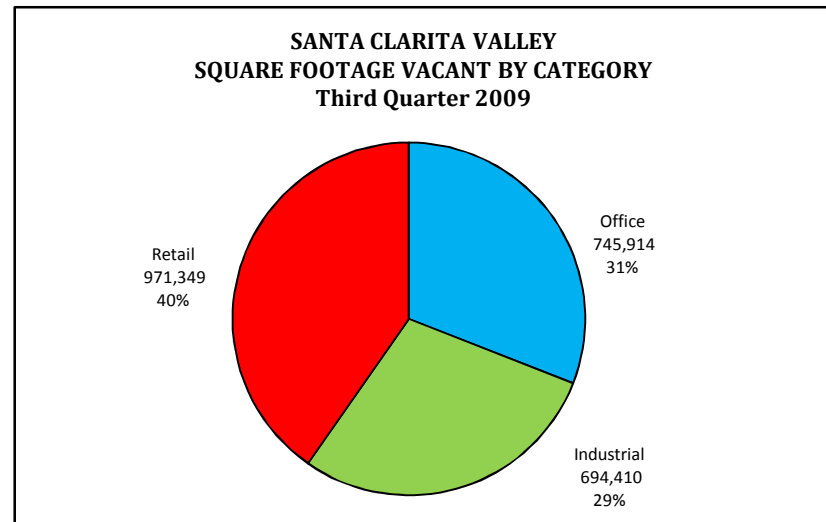
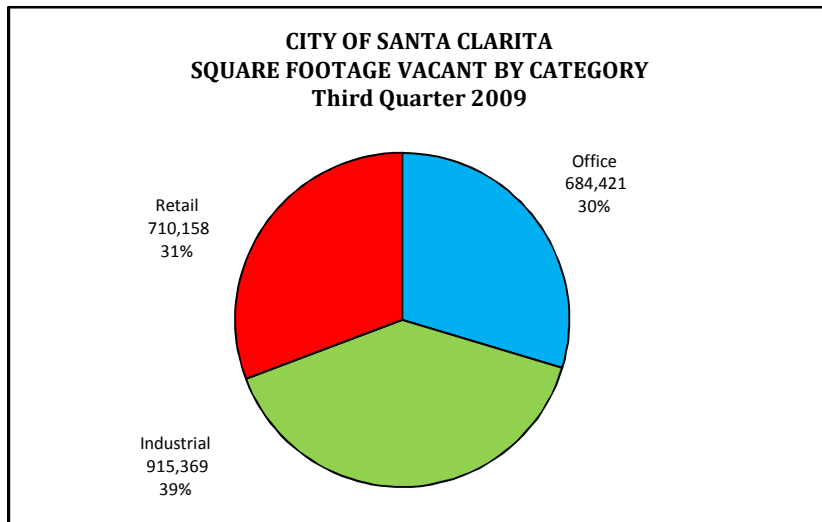
City of Santa Clarita

- In the City of Santa Clarita, retail and industrial vacancy rates increased in Third Quarter 2009 because of both contraction of the market and new inventory, whereas, office vacancy rates declined. Retail vacancy rates increased the most in Third Quarter 2009 from the previous quarter.
- The City's office vacancy rate was 16.0% and the retail and industrial vacancy rates were 6.8% and 5.8%, respectively.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley (including the City), industrial and retail vacancy rates increased slightly in Third Quarter 2009 while office rates dropped from the previous quarter.
- The Santa Clarita Valley's office and retail vacancy rates were 15.9% and 7.5%, respectively, while the industrial vacancy rate was 4.4%.

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



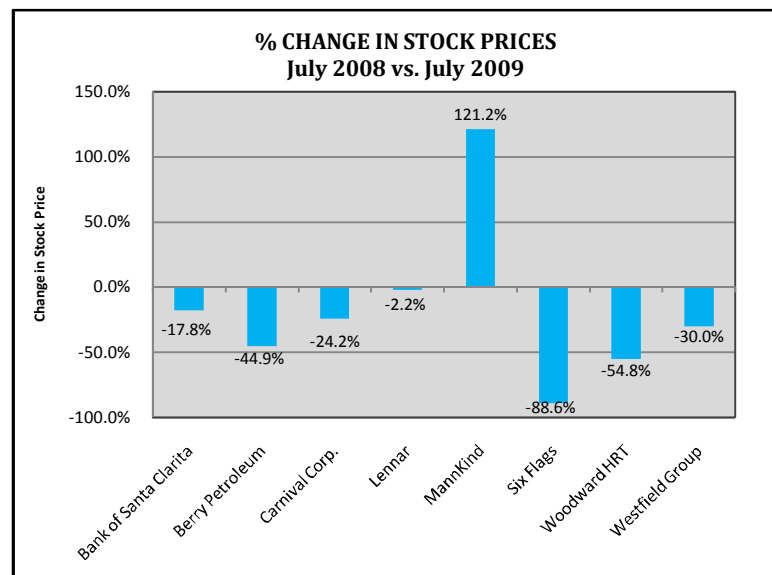
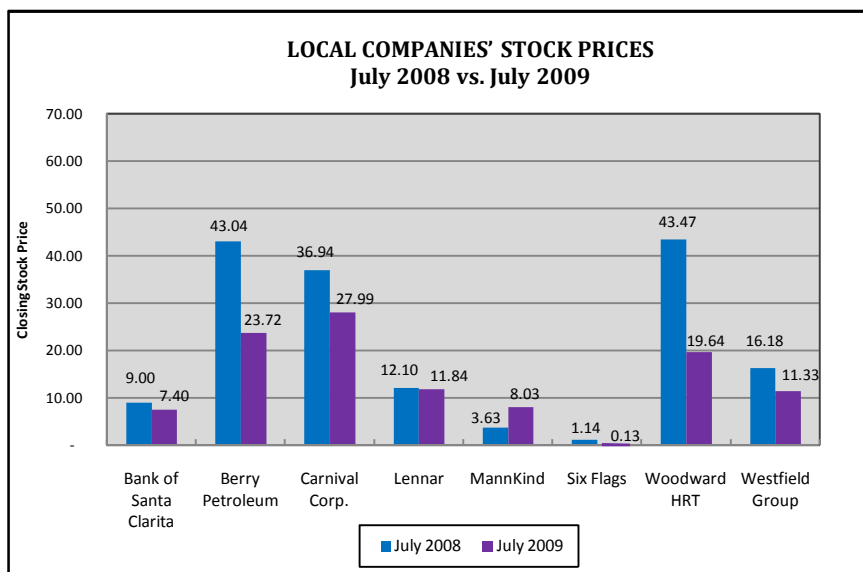
City of Santa Clarita

- 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 8.0% or 2,309,948 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 39% is industrial space, 31% is retail space, and 30% is office 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 6.2% or 2,411,673 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 40% is retail space, 31% is office space, and the remaining 29% is industrial space.

Stock Prices of Local Employers

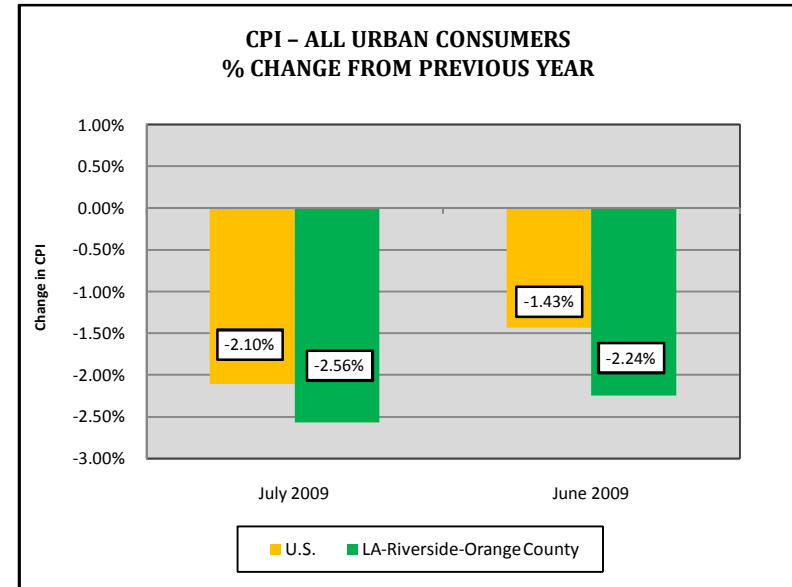
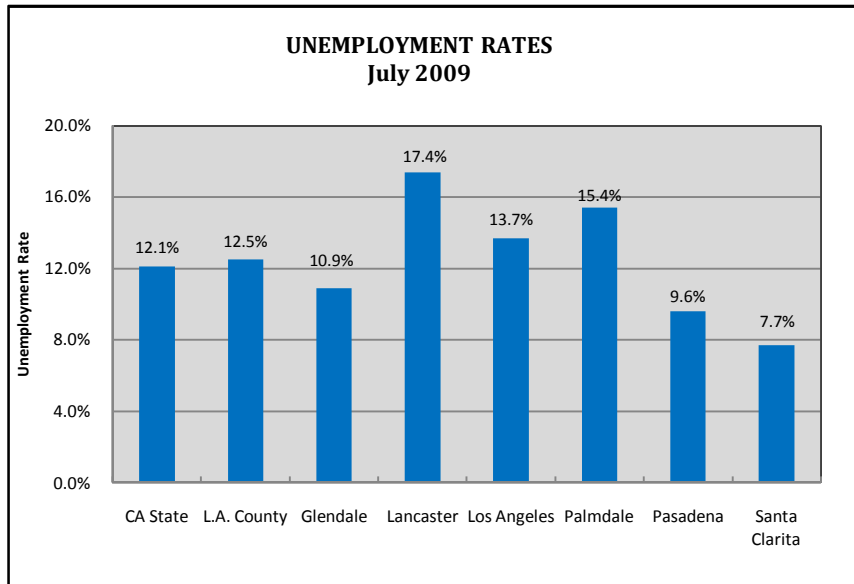


Stock prices for seven of the eight companies in Santa Clarita whose stock prices are being tracked have declined year-over-year as has the entire stock market. Only that of MannKind increased during the time period represented.

- At the end of July 2009, the stock price of Carnival Corp. was the highest at \$27.99.
- The Dow dropped 19.4% to 9,171.61 on July 31, 2009 from 11,378.02 on July 31, 2008.
- MannKind's stock price more than doubled in value during the time period represented.
- Bank of Santa Clarita and Lennar also outperformed the market with smaller declines from one year ago.
- 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 July 31, 2008 and WGOV for July 31, 2009 (HR Textron), and ASX.WDC.ax (Westfield Group).

Employment and Inflation



- Santa Clarita's unemployment rate was 7.7% in July 2009 compared to 12.5% for Los Angeles County and 12.1% statewide.
- Year-over-year inflation for July 2009 among all urban consumers for Los Angeles-Riverside-Orange County was down 2.6% compared to the national rate of down 2.1%. Inflation in the Los Angeles metro area was down by a lesser amount in June 2009.
- The lower inflation rate from one year ago reflects the continued large declines in energy and transportation costs of 28% and 14%, respectively. Compared to one year ago, medical care costs and education and communication costs rose 3% each, while food and beverage prices, apparel, and recreation costs rose 1% each, and housing costs dropped 1%.

Data Sources

Sources:

Permits / Certificate of Occupancy: City of Santa Clarita, Building and Safety Division

Housing Market: San Fernando Valley Association of Realtors

Notice of Defaults: First American RealQuest Pro

Film Economic Impact: City of Santa Clarita, Film and Tourism Office

Hotel Data: Smith Travel Research

Sales Tax Data: 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