

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of June 1 – 30, 2009

Published on August 12, 2009



Overview

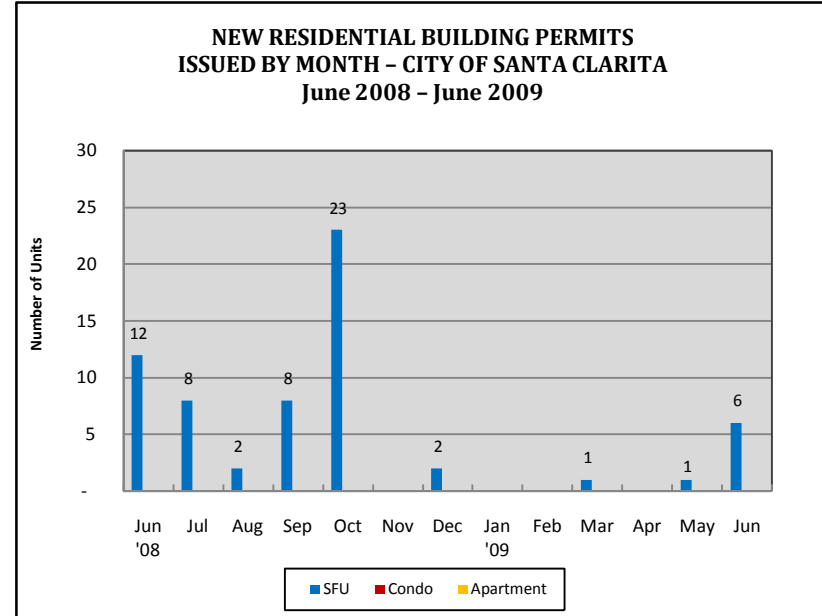
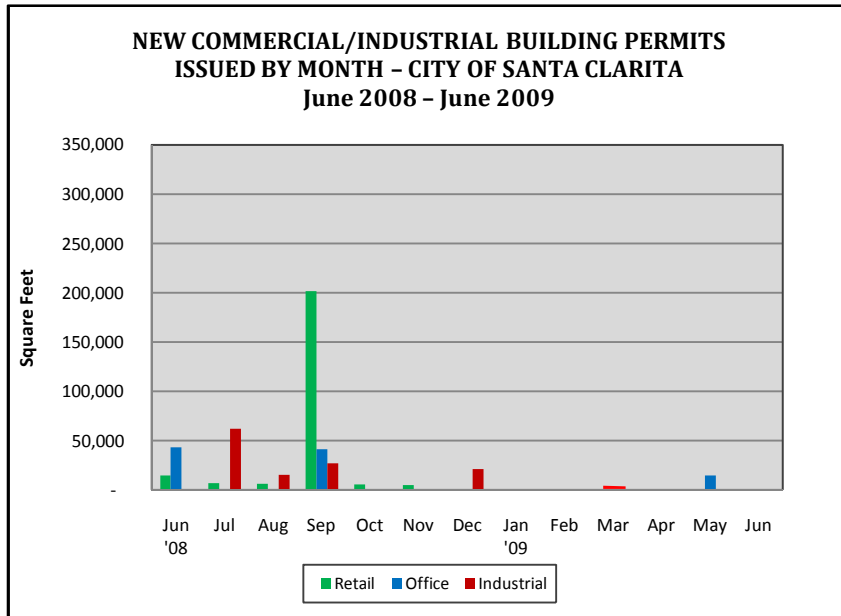
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen. Transient occupancy tax increased in June 2009 in part due to the 2009 Western States Police & Fire Games that took place in Santa Clarita June 13-20, 2009. The Olympic-style competition brought more than 5,000 police and fire personnel and their families to town.**

Indicators being tracked include:

- Residential, Commercial and Industrial building permits issued;
- 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.

Permits Issued



Commercial/Industrial Permits

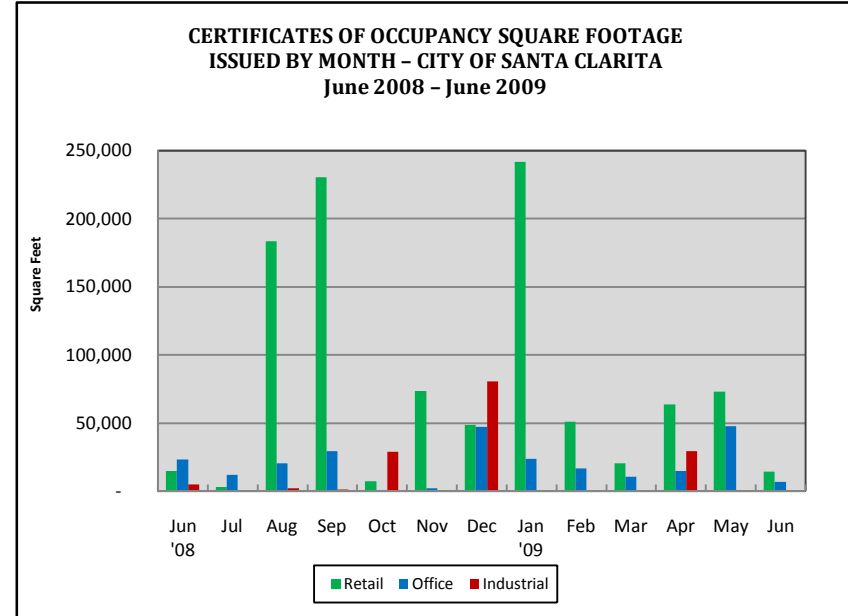
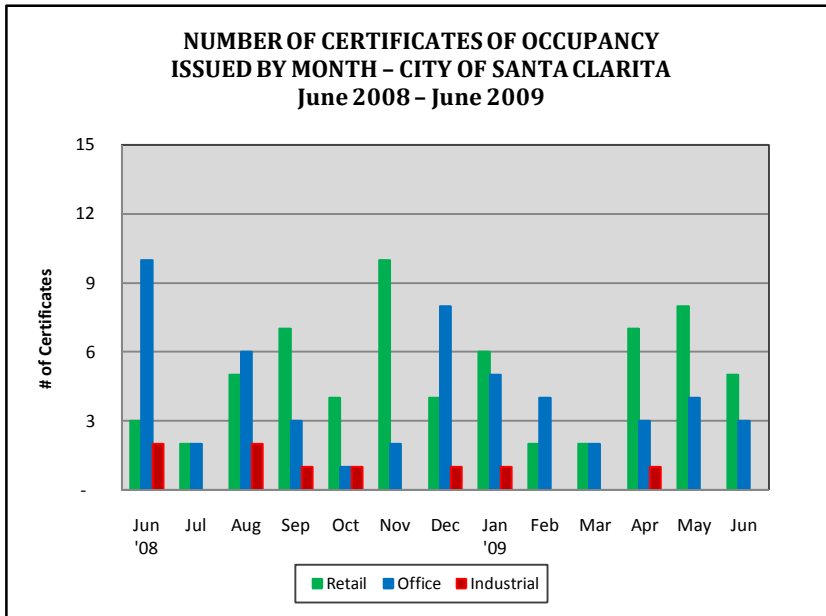
- No non-residential building permits were issued in June 2009 by the City of Santa Clarita compared to 3 permits in June 2008 of which 1 was for retail use and 2 were for office space.

Residential Permits

- Six single-family residential permits were issued in June 2009 which is 50% less than the number of single-family residential permits issued in June 2008.

Only permits for new buildings or new shell structures are included in the data on this page. Permits for additions, remodels, tenant improvements, minor structures (such as pools, patio covers, decks, retaining walls) or electrical, mechanical, sewer, or plumbing work are not included in this data.

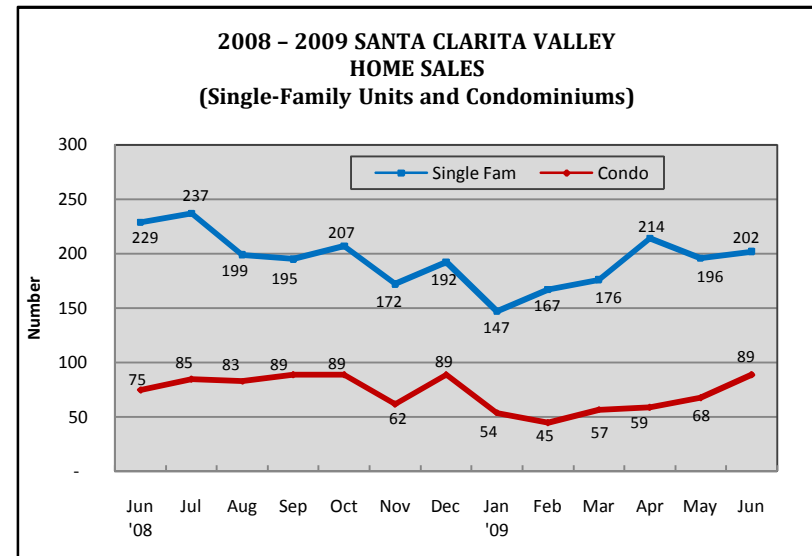
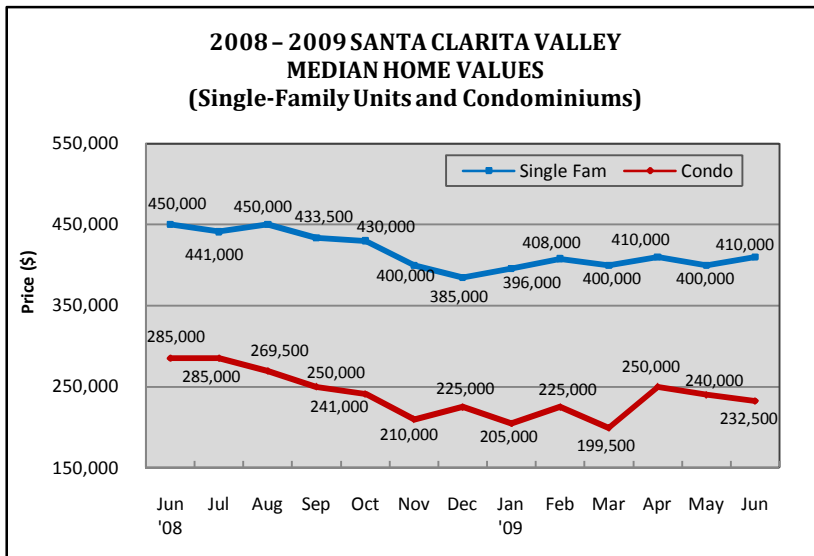
Commercial/Industrial Certificates of Occupancy Issued



- In June 2009 a total of 8 Certificates of Occupancy were issued of which 5 were for retail use and 3 were for office space, down 47% from 15 Certificates of Occupancy in June 2008.
- Certificates of Occupancy for June 2009 represented a total of 21,390 square feet of which 68% was for retail space and 32% was for office space. This represented a 51% decrease from the 43,885 square feet in June 2008. The square footage in June 2008 represented 54% for office use, 34% for retail space, and 12% for industrial space.

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.

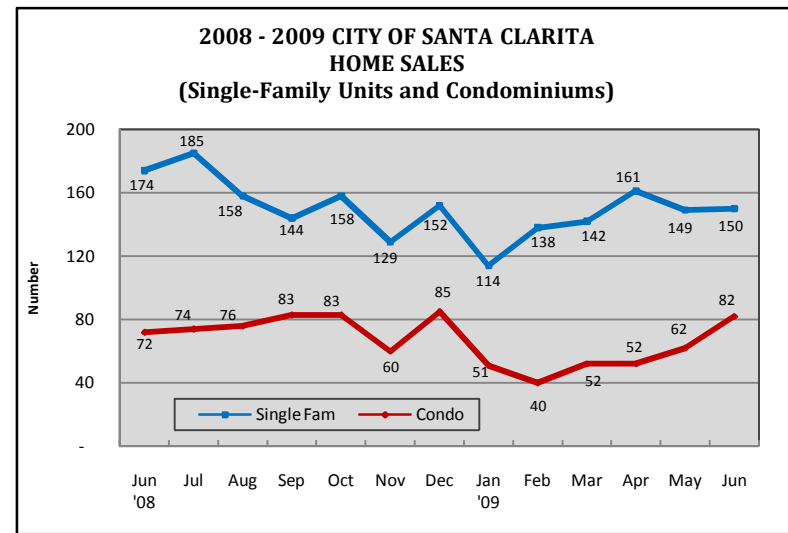
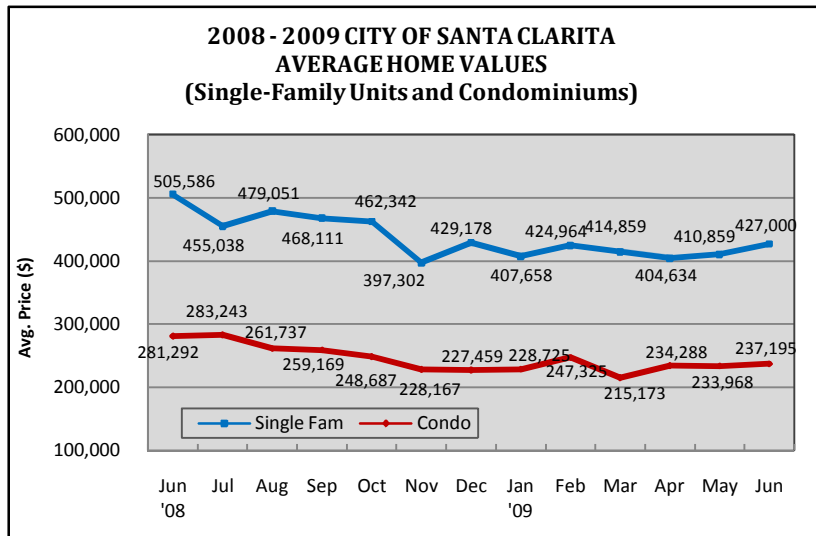
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



In the Santa Clarita Valley (inclusive of the City of Santa Clarita), home values continue to fluctuate. Single-family home sales remain lower from one year ago while condominium sales have been improving.

- Single-family median home values rose 3% to \$410,000 in June 2009 from \$400,000 in May 2009, yet have dropped 9% from June 2008.
- Condominium prices decreased 3% to \$232,500 in June 2009 from May 2009 and have dropped 18% from June 2008.
- The number of single-family home sales peaked in July 2008 at 237 homes. A total of 202 single-family homes sold in June 2009, up 3% from May 2009, yet down 12% from one year ago. Condominium sales rose to 89 sales in June 2009, up 31% from May 2009, and up 19% from June 2008.

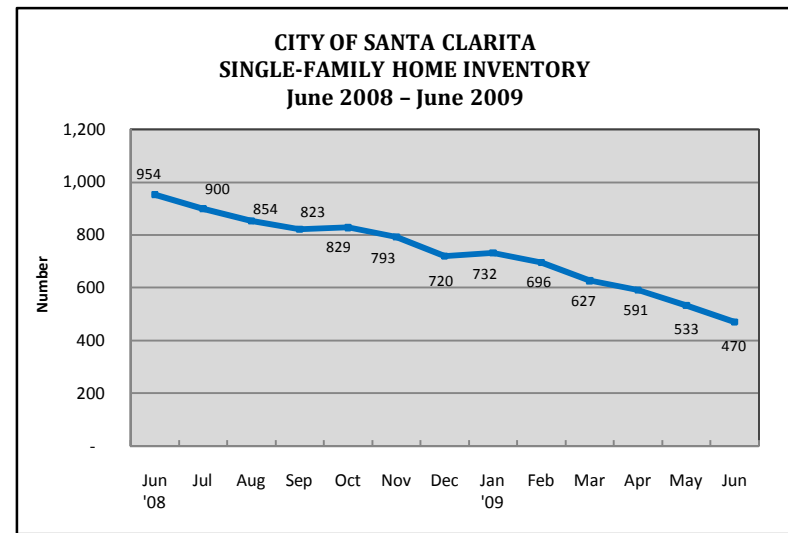
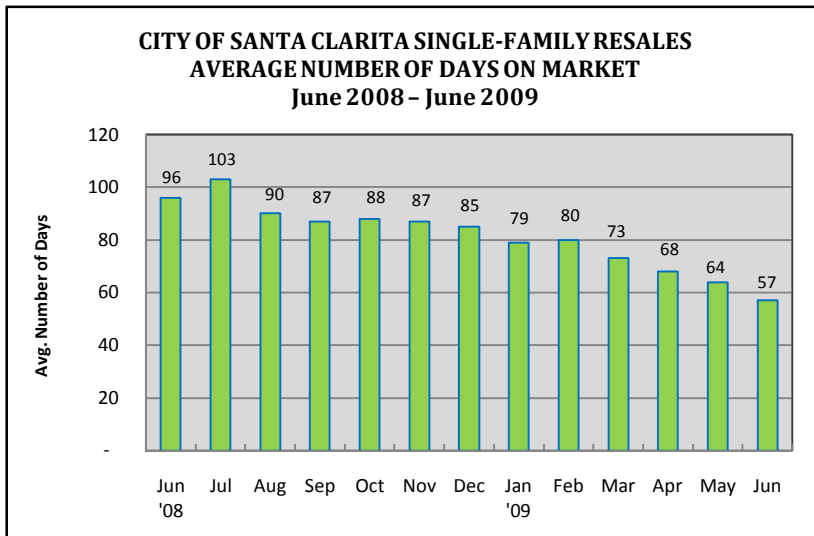
City of Santa Clarita Housing Market



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

- Single-family average home values in June 2009 in the City of Santa Clarita were \$427,000 or 4% above May 2009 and 16% below June 2008. Condominium prices rose 1% to \$237,200 in June 2009 from May 2009, yet dropped 16% from June 2008.
- The number of single-family homes sold in the City of Santa Clarita in June 2009 increased compared to sales in May 2009 and remain below sales levels in June 2008
- In contrast, condominium sales in June 2009 were higher than sales in May 2009 as well as sales in June 2008.
- In the City of Santa Clarita, sales rose 1% to 150 single-family homes in June 2009 from May 2009, and condominium sales volume rose 32% to 82 units during the same time period.

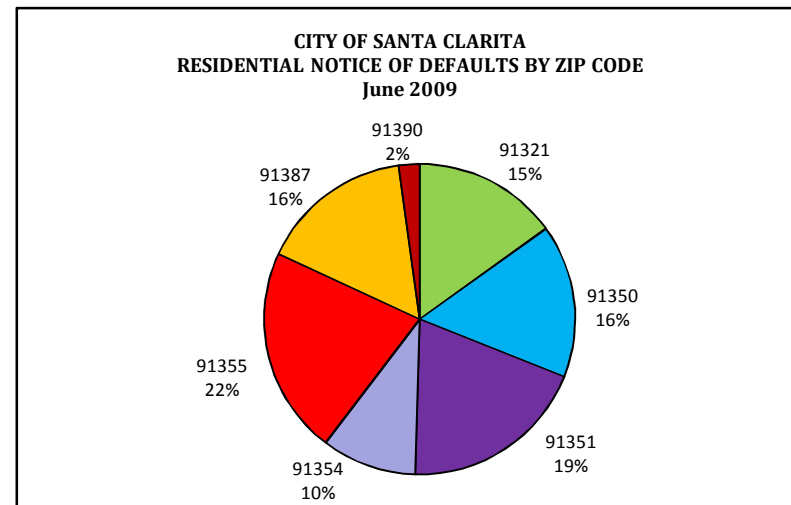
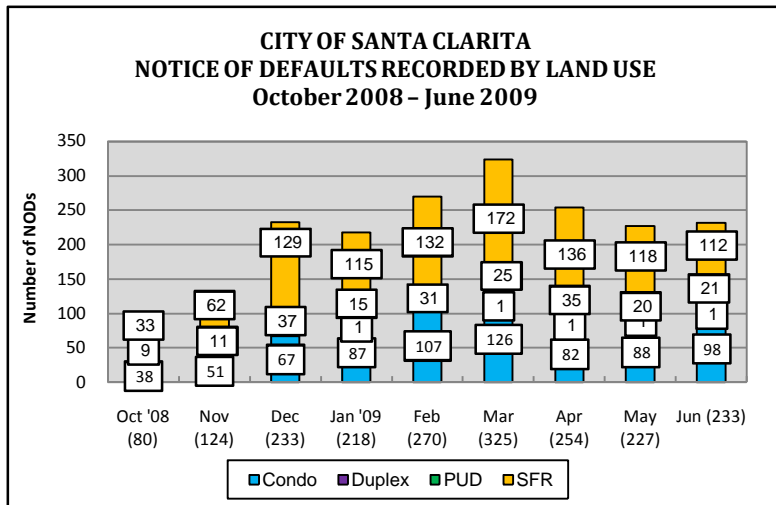
City of Santa Clarita Housing Market: Average Days on Market & Inventory Levels



- The City of Santa Clarita’s housing market is stronger than one year ago when homes took an average 96 days or approximately 3.2 months to sell.
- In June 2009, homes were on the market for an average 57 days or 1.9 months, the lowest level seen in the past year.
- Single-family inventory levels reached a record low. Resale inventory levels fell 12% in June 2009 to 470 homes from 533 in May 2009, and were 51% below inventory levels in June 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.

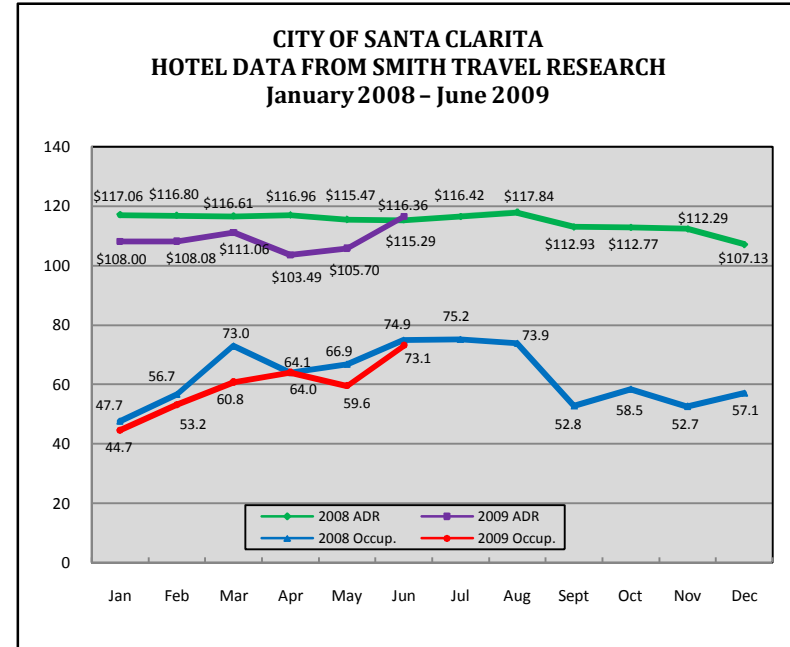
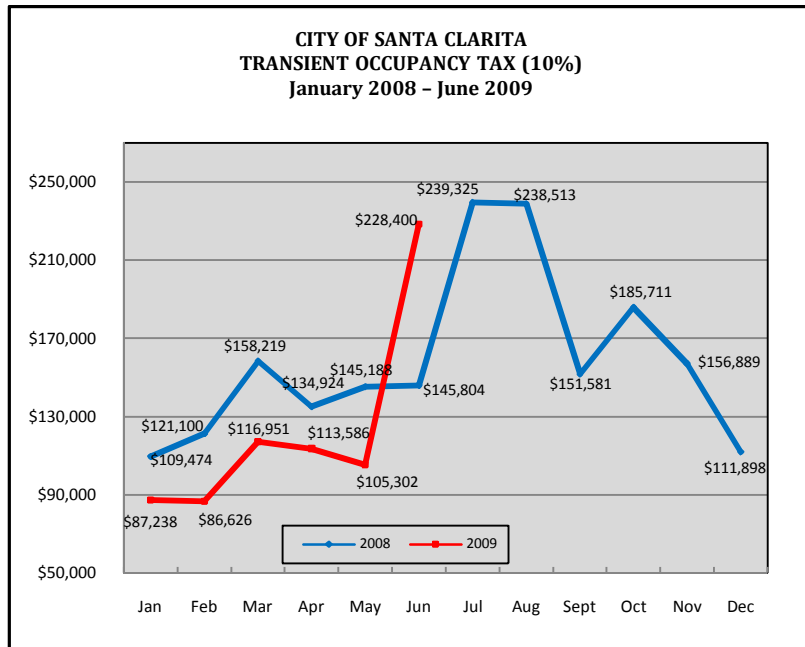
City of Santa Clarita: Notice of Defaults (NODs)



- A total of 233 NODs were recorded in June 2009 in the City of Santa Clarita, up 3% from 227 in May 2009.
- Of the June NODs, 48% or 112 were on single-family residences while 42% or 98 were on condominium properties and 9% or 21 NODs were on PUDs. An additional one was for a duplex.
- The number of NODs among single-family homes in June 2009 was 5% lower than levels in May 2009, while the number of NODs on condominiums rose 11% and NODs on PUDs increased 5% during the same time period.
- Approximately one-fourth or 27% of the NODs were on homes that previously sold in the \$200,000 - \$349,999 range while 25% were in the \$350,000 - \$499,999 range. Additionally, 18% had sold for less than \$200,000, 14% sold for at least \$600,000, and 11% of homes sold in the \$500,000 - \$599,999 range. The price range was unknown for the remaining 4%. This suggests the majority of homeowners who received NODs in June were not in the City's luxury home market, but rather continue to be in the mid-level market.

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)

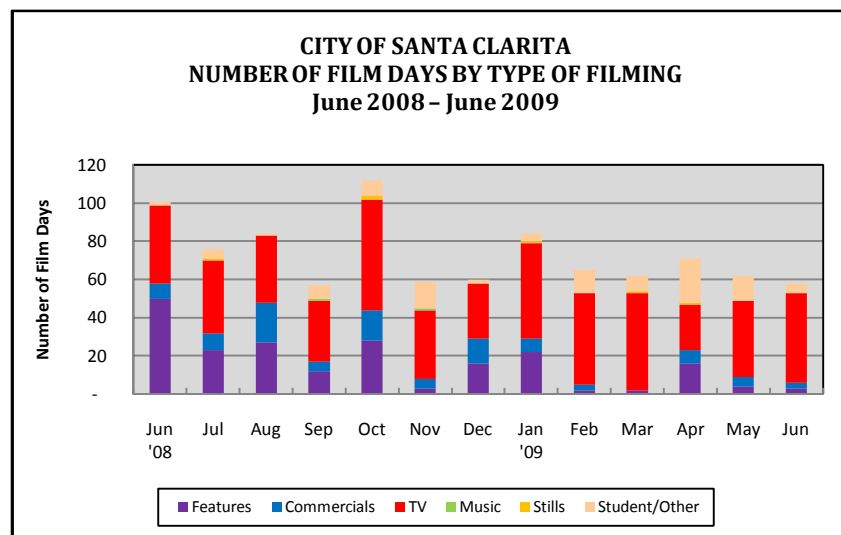
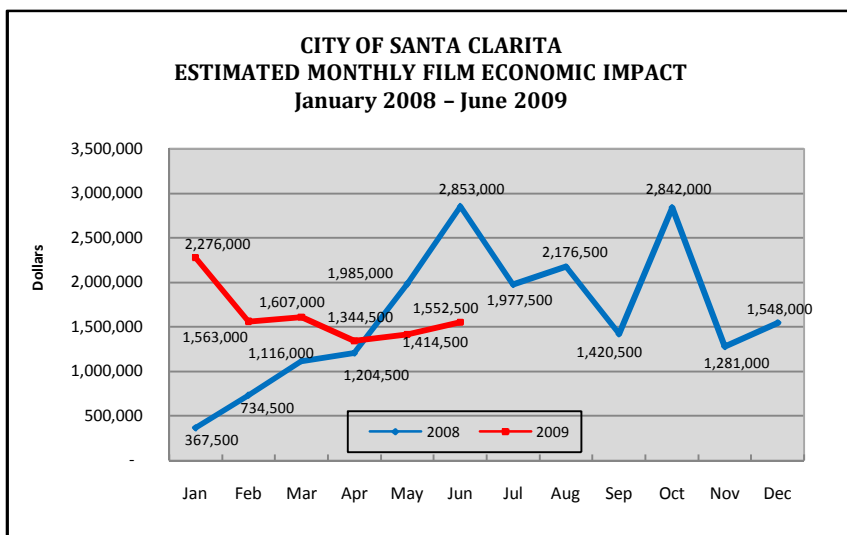
- In June 2009, the City of Santa Clarita collected \$228,400 in TOT, up 57% from \$145,804 in June 2008.
- The large increase in TOT can be attributed in part to the 2009 Western States Police & Fire Games that took place in Santa Clarita June 13-20, 2009. This Olympic-style competition brought more than 5,000 police and fire personnel and their families to town.
- During the January – June 2009 time frame, the City of Santa Clarita collected \$738,103 in TOT, down 9% from the same time period in 2008.

Occupancy

- Smith Travel Research reports hotel occupancy in the City of Santa Clarita was 73% in June 2009, compared to the reported occupancy rate of 75% in June 2008.
- An average of 645 rooms of 882 available in the City were sold in June 2009 compared to 661 rooms of 882 available rooms in June 2008.
- In comparison, occupancy rates at hotels nationwide in June 2009 were at 61%, down 10% from June 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

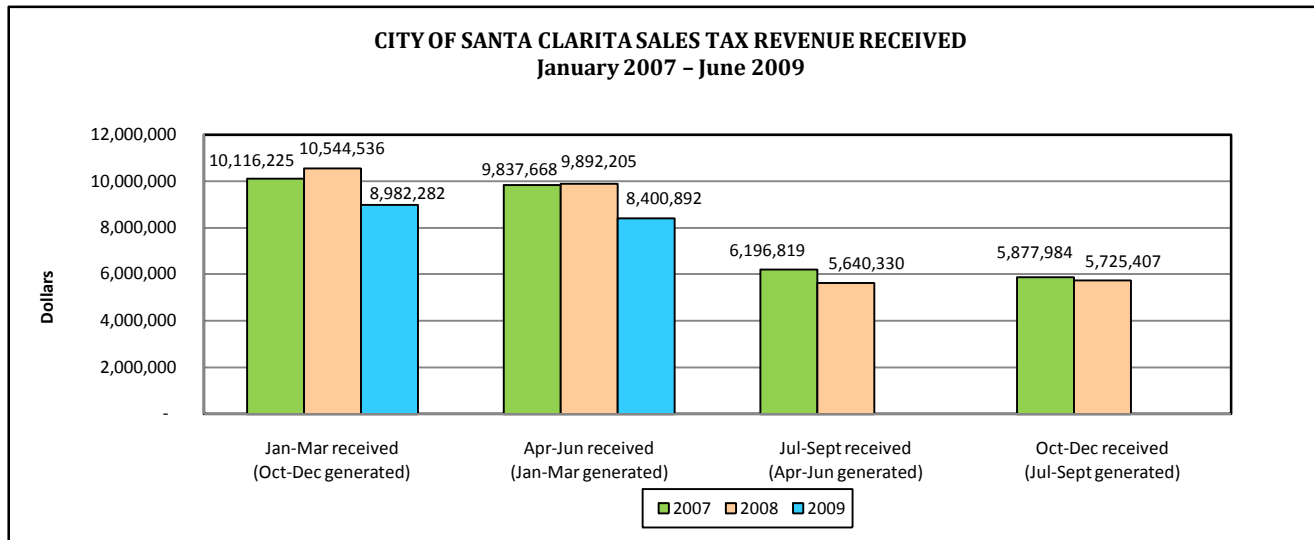


- The Economic Impact from location filming for June 2009 of \$1,552,500 was 46% below the impact in June 2008 of \$2,853,000.
- However, the total Economic Impact from location filming in June 2009 year-to-date was \$9,757,500 or 18% above the impact of \$8,260,500 during the same time period in 2008.
- There were a total of 58 filming days in June 2009, down 43% from 101 filming days in June 2008.
- June 2009 film days included: 81% for television shows, 9% for student/other projects, and 5% each for features and commercials. No stills or music videos were filmed in June 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

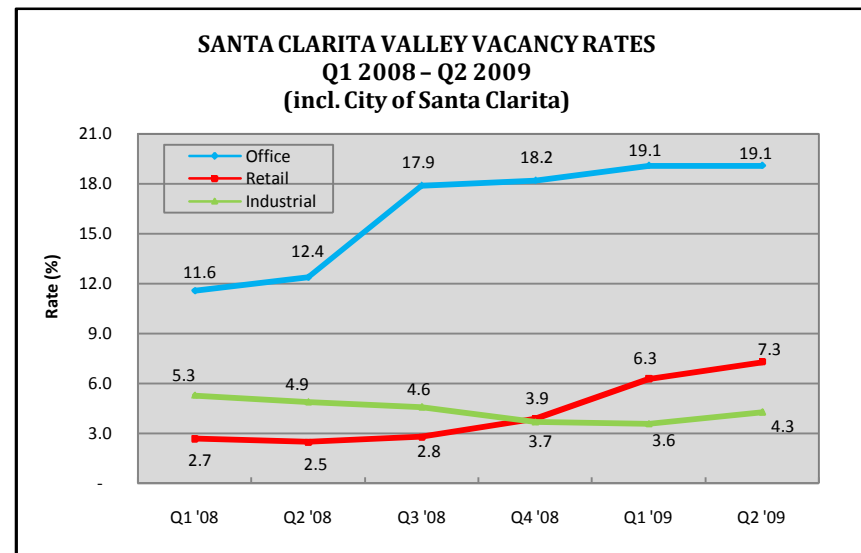
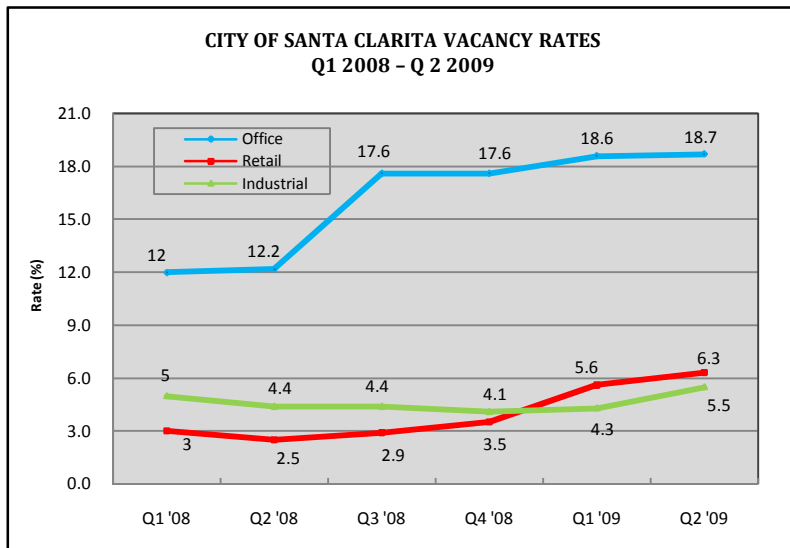
(Updated Quarterly)



- 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 applications. 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



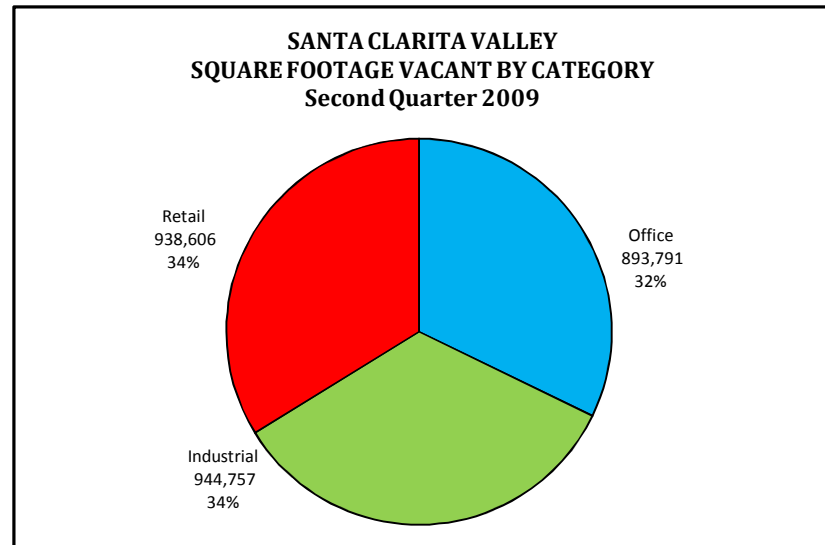
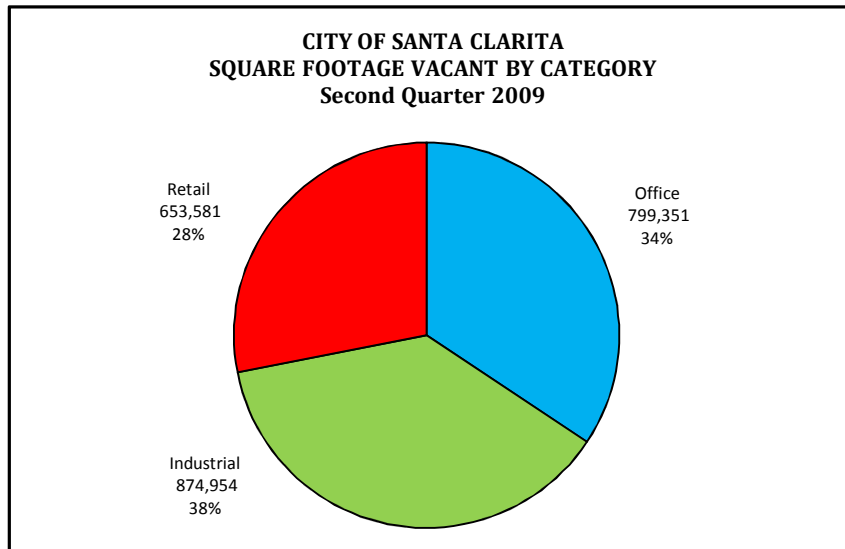
City of Santa Clarita

- In the City of Santa Clarita, retail and industrial vacancy rates increased in Second Quarter 2009 because of both contraction of the market and new inventory. Industrial vacancy rates increased the most in Second Quarter 2009 from the previous quarter.
- The City's office vacancy rate was 18.7% and the retail and industrial vacancy rates were 6.3% and 5.5%, respectively.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley (including the City), industrial and retail vacancy rates increased in Second Quarter 2009 while office rates remained at the same level from the previous quarter.
- The Santa Clarita Valley's office and retail vacancy rates were 19.1% and 7.3%, respectively, while the industrial vacancy rate was 4.3%.

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



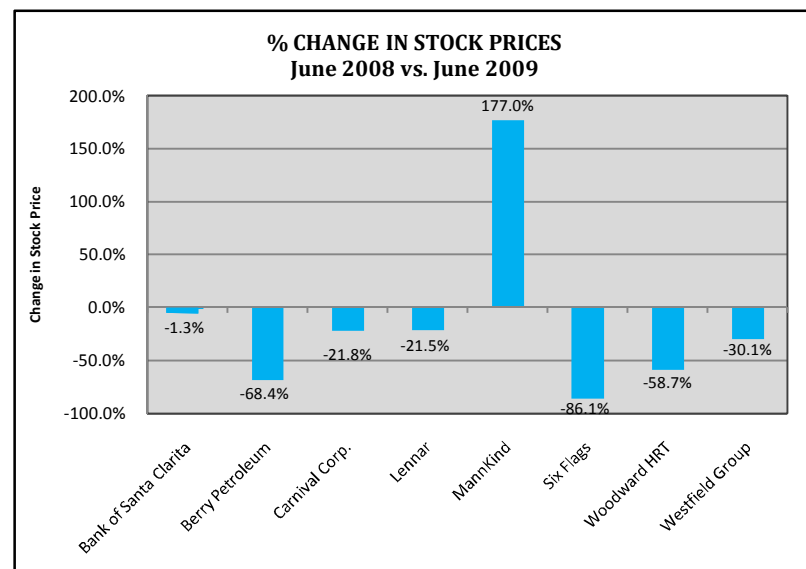
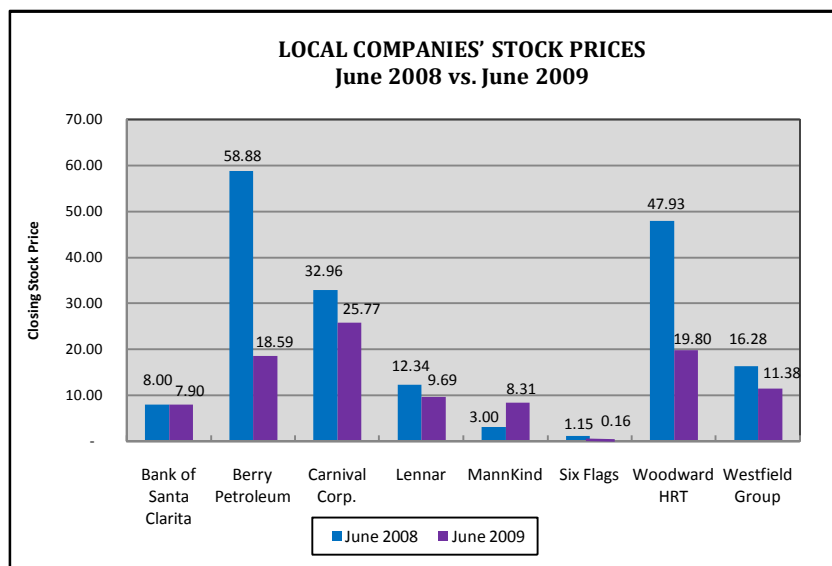
City of Santa Clarita

- 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 2,327,886 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 38% is industrial space, 34% is office space, and 28% is retail space.

Santa Clarita Valley (includes the City)

- In the entire Santa Clarita Valley there is a total of 38,662,792 existing square feet for businesses of which 57% is industrial, 31% is retail, and 12% is office space.
- Only 7.2% or 2,777,154 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 34% each is industrial and retail space and the remaining 32% is office space.

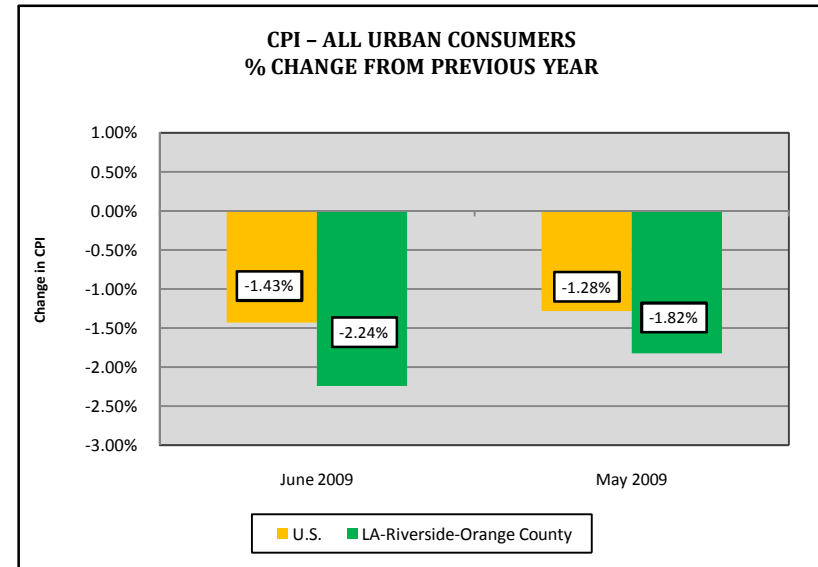
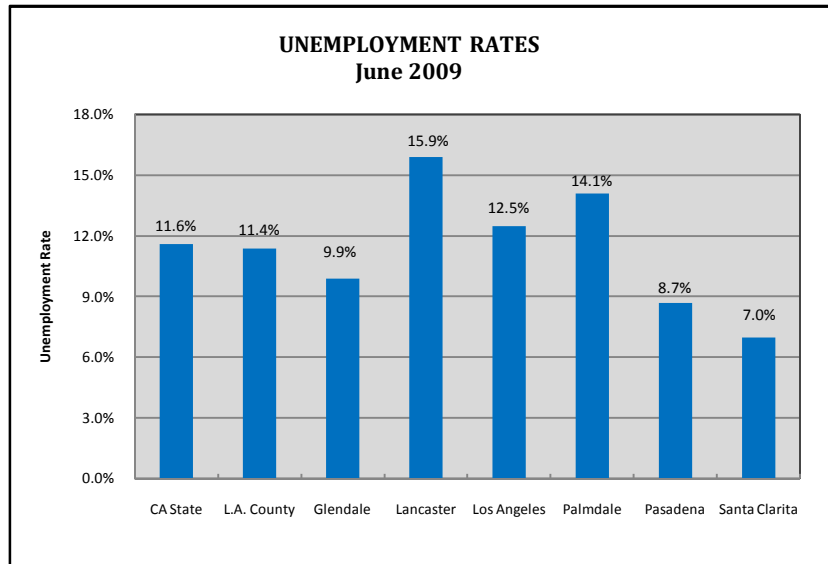
Stock Prices of Local Employers



- Stock prices for seven of the eight companies in Santa Clarita whose stock prices are being tracked have declined year-over-year as has the entire stock market. Only that of MannKind increased during the time period represented.
- 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.
- At the end of June 2009, the stock price of Carnival Corp. was the highest at \$25.77.
- The Dow dropped 25.6% to 8,447.00 on June 30, 2009 from 11,350.01 on June 30, 2008.
- MannKind's stock price almost tripled in value during the time period represented.
- Bank of Santa Clarita, Lennar, and Carnival Corp. also outperformed the market with smaller declines 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 (Six Flags), TXT for May 30, 2008 and WGOV for May 29, 2009 (HR Textron), and ASX.WDC.ax (Westfield Group).

Employment and Inflation



- Santa Clarita's unemployment rate was 7.0% in June 2009 compared to 11.4% for Los Angeles County and 11.6% statewide.
- Year-over-year inflation for June 2009 among all urban consumers for Los Angeles-Riverside-Orange County was down 2.2% compared to the national rate of down 1.4%. Inflation in the Los Angeles metro area was down by a lesser amount in May 2009.
- The lower inflation rate from one year ago reflects the continued large declines in energy and transportation costs of 26% and 13%, 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 2% each, and housing costs essentially remained unchanged.

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