

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of August 1 – 31, 2008

Published on October 31, 2008



Overview

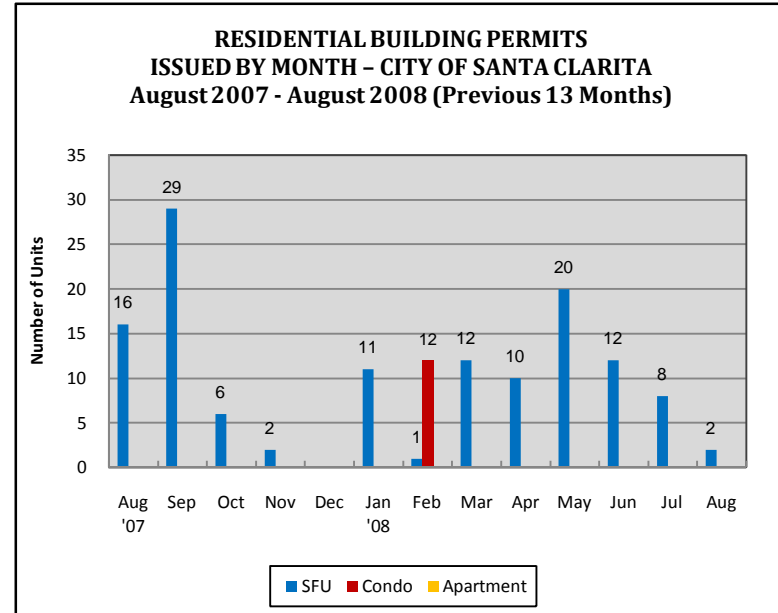
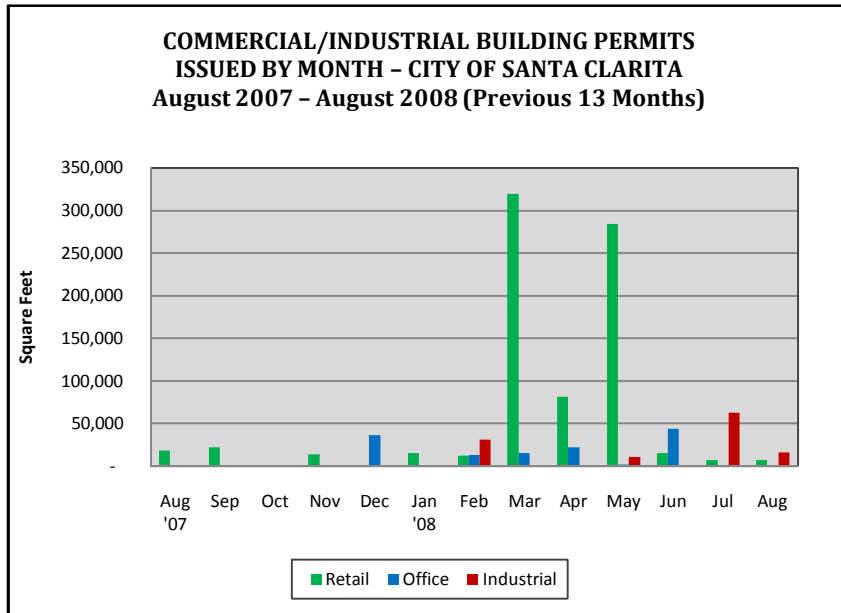
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

Indicators being tracked include:

- Residential, Commercial and Industrial Building permits issued;
- The median value of single-family homes and condominiums;
- The total number of single-family homes and condominiums sold;
- Average number of day on the market for single-family homes;
- Number of notice of defaults recorded in Santa Clarita;
- Average apartment rental rates;
- The economic impact of the film industry on 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

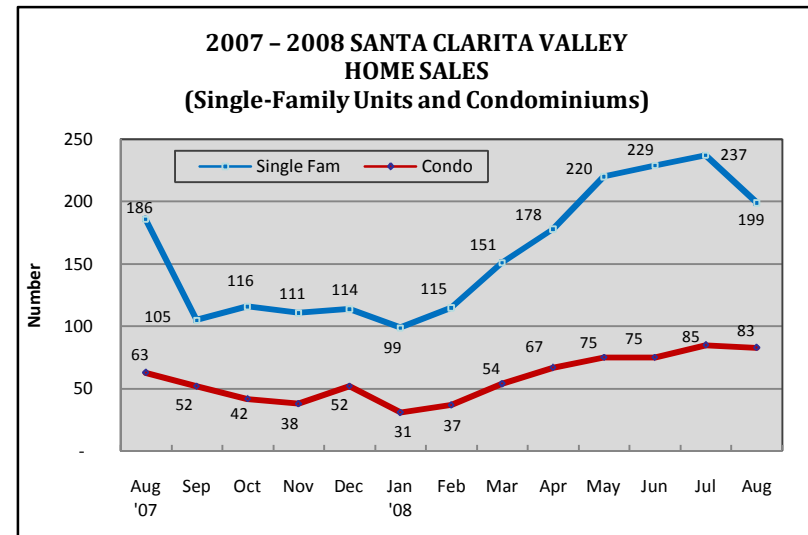
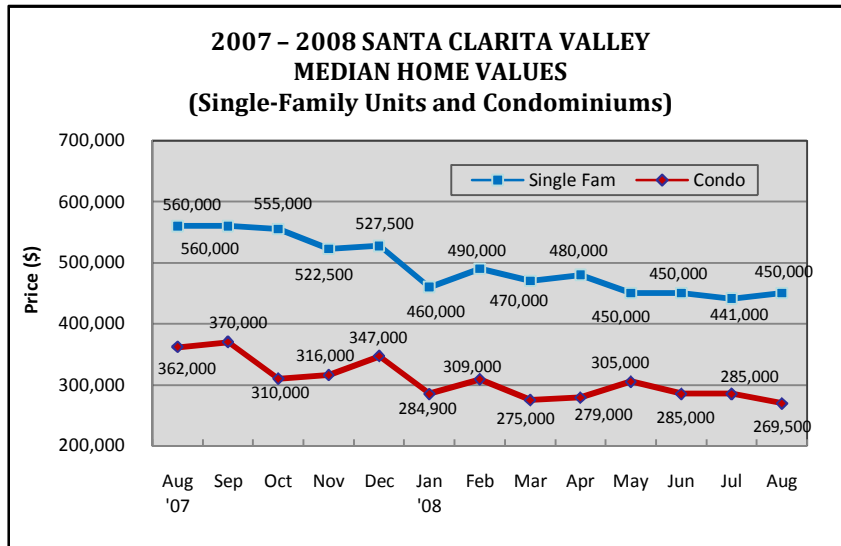
Reports are generated monthly. Periodically, more detailed data are available quarterly or annually.

Permits Issued



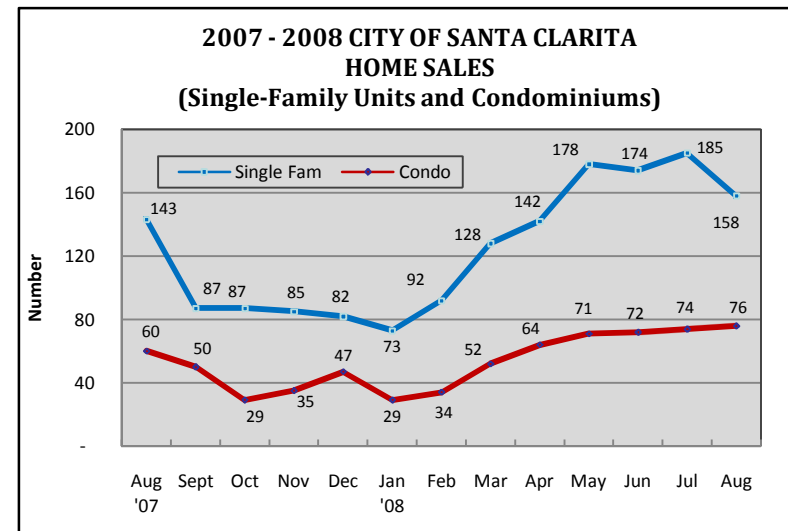
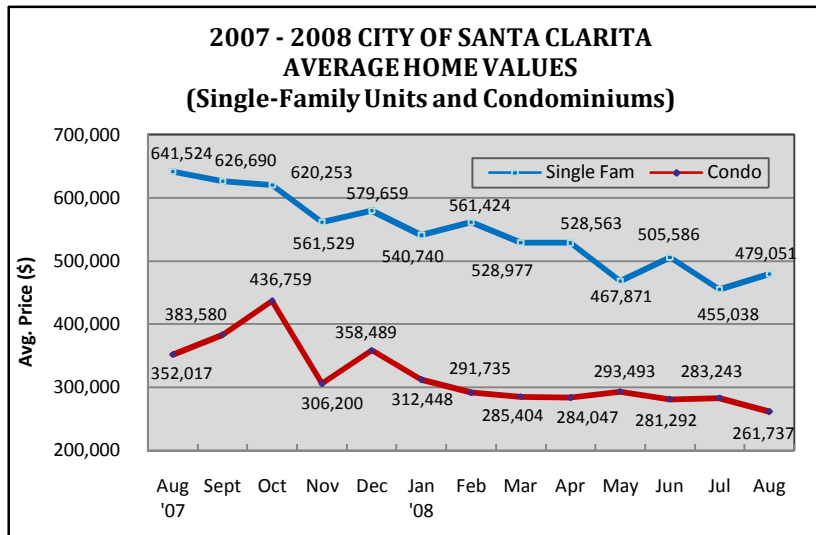
- Only two building permits for retail, office, and industrial use were issued in August 2008 by the City of Santa Clarita.
- In August 2008, a total of 22,026 square feet were permitted of which 70% was for industrial use and the 30% was for retail space. In the previous month of July, a total 69,004 square feet were permitted of which 90% was industrial and 10% was retail.
- In August 2008, 2 single-family permits were issued while no permits for condominiums or apartments were issued, down 75% from July and 88% from August 2007.

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



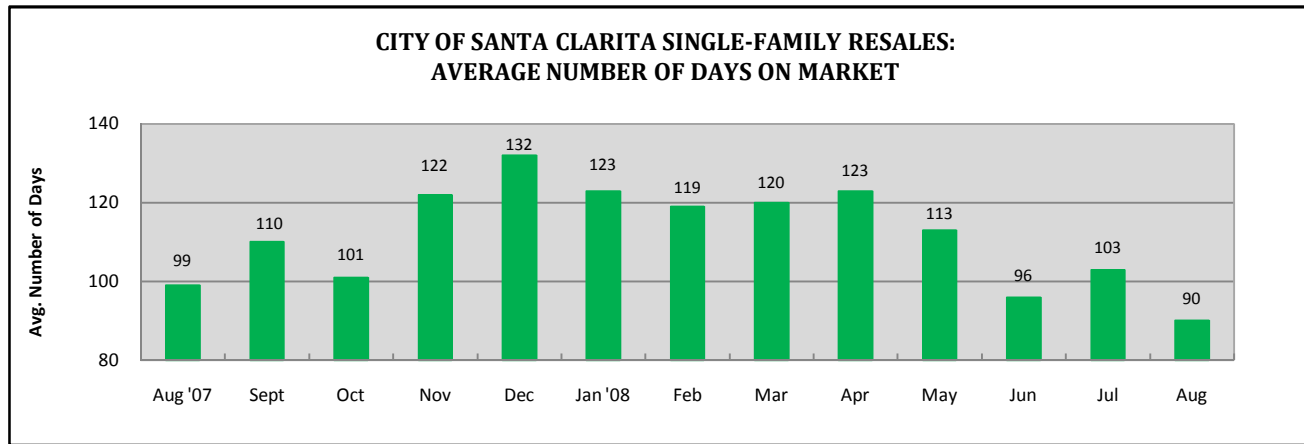
- In the Santa Clarita Valley (inclusive of the City of Santa Clarita), single-family home values have remained relatively stable in the past 6 – 8 months, whereas sales have trended upward since January 2008.
- Single-family median home values reached \$450,000 in August 2008 from \$441,000 in July and down 20% from August 2007.
- Condominium prices slipped to \$269,500 in August, and dropped 5% from July and 26% from the previous August.
- Although the number of single-family homes and condominiums have continued to trend upward since January 2008, declines were seen in August. A total of 199 single-family homes sold, down 16% from July and 83 condos sold, down 2% from July.

City of Santa Clarita Housing Market



- The number of single-family homes sold in the City of Santa Clarita in August 2008 dropped compared to sales in July, yet remains above sales in August 2007
- Single-family average prices increased in August 2008 from July, yet are lower than prices in August 2007.
- Single-family average home values in August 2008 were \$479,000 or 5% above July and 25% below August 2007. Condominium prices dropped to \$261,700 in August 2008 or 8% from July and 26% from the previous August.
- In the City of Santa Clarita, sales dropped 15% to 158 single-family homes in August 2008 from July, and condominium sales rose 3% to 76 units during the same time period.

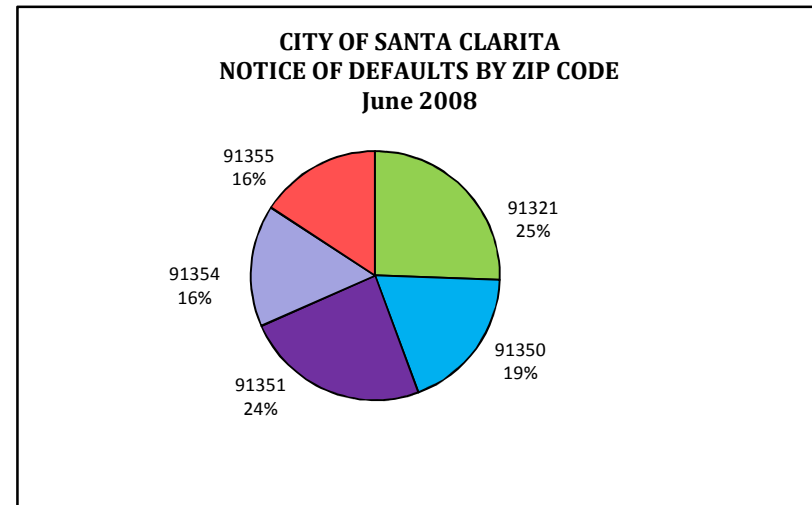
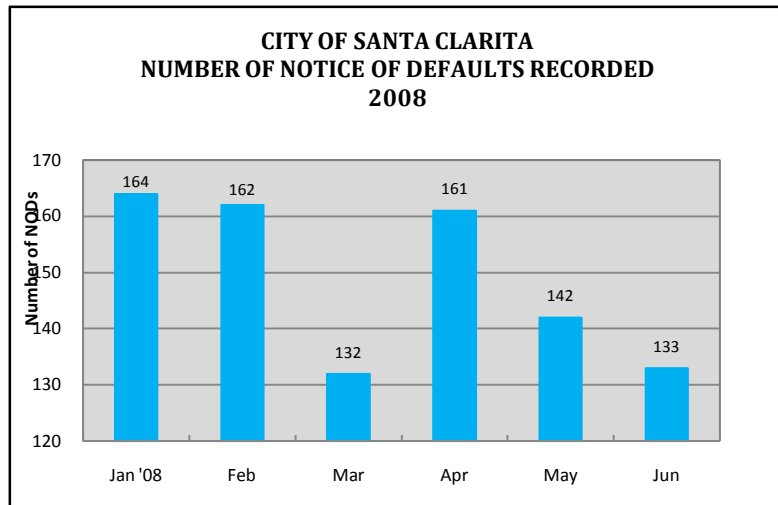
Average Number of Days on Market



- Another indicator of the strength of the housing market is average days on the market. A large number of days indicates homeowners are having a harder time selling their homes.
- The City of Santa Clarita's housing market was at its weakest in December 2007 when it took an average 132 days or close to 4.5 months to sell.
- In August 2008, homes were on the market for an average 90 days or 3.0 months. This is the lowest level seen in the past year since August 2007.

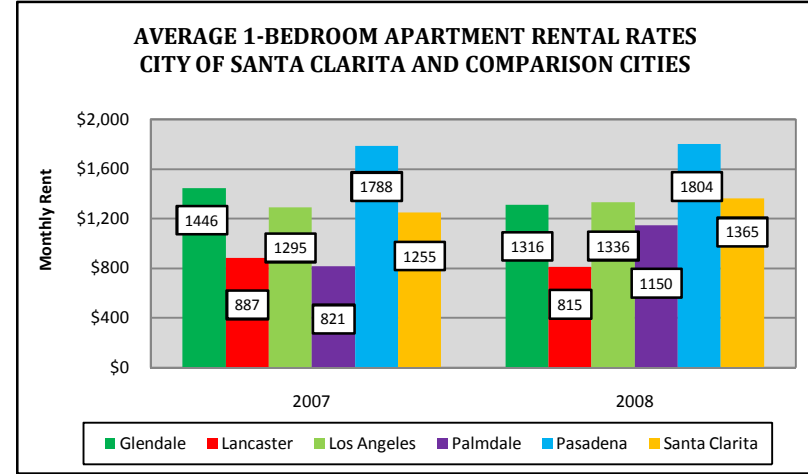
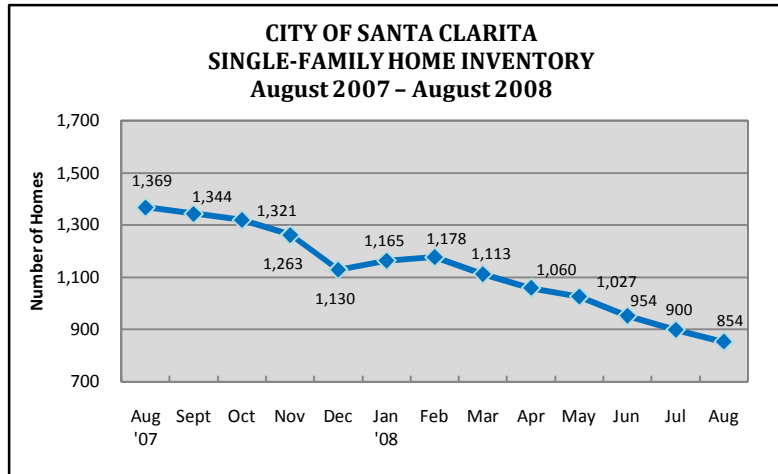
City of Santa Clarita: Notice of Defaults

(Most recent valid data available.)



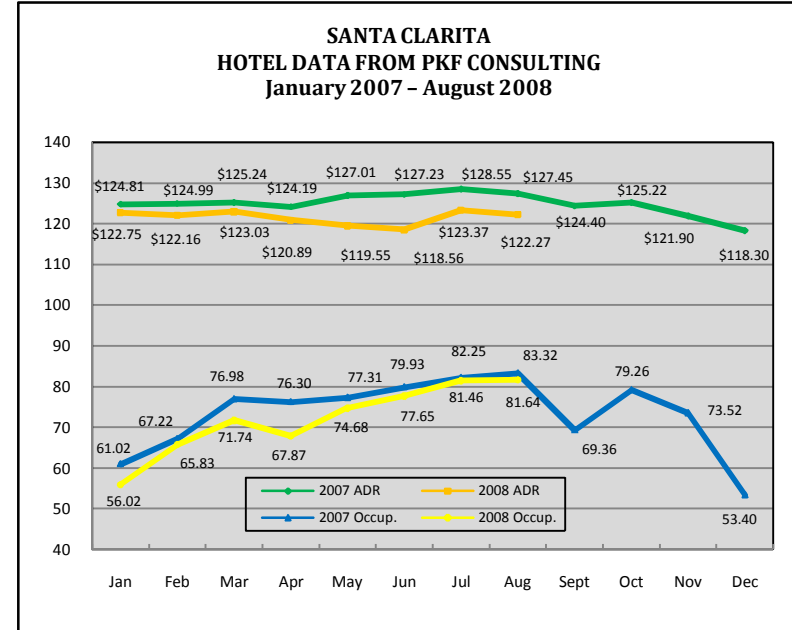
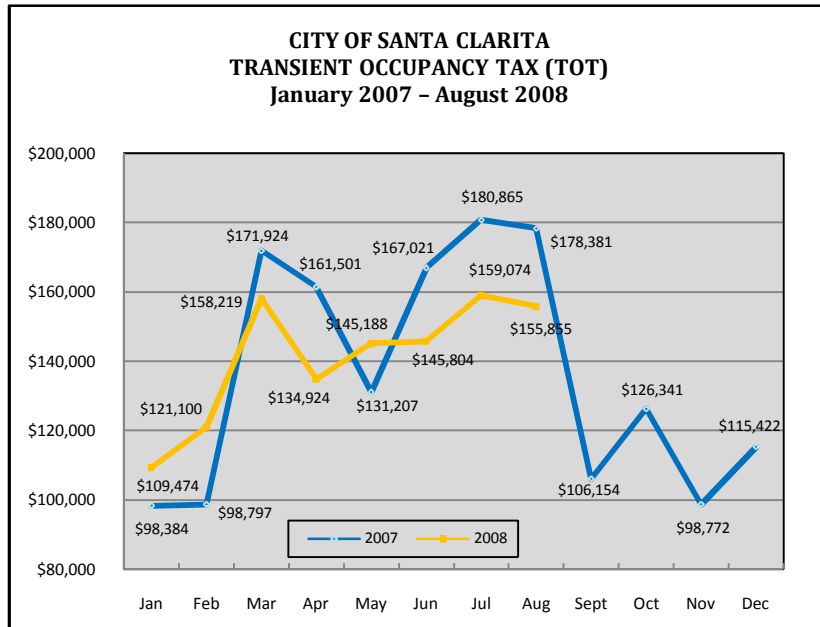
- For June 2008 year-to-date, a total of 894 notice of defaults (NODs) have been recorded in the City of Santa Clarita.
- A total of 133 NODs were seen in June or 6% lower than in May.
- Of the June NODs, 28% were delinquent more than 4 months, while 22% were delinquent 4 months, 44% were delinquent for 3 months, and 6% were delinquent less than 3 months.
- One-fourth each or 25% and 24% were recorded in zip codes 91321 and 91351, respectively, followed 19% in 91350 and 16% each in 91354 and 91355.

City of Santa Clarita Housing Market: Inventory and Rental Rates



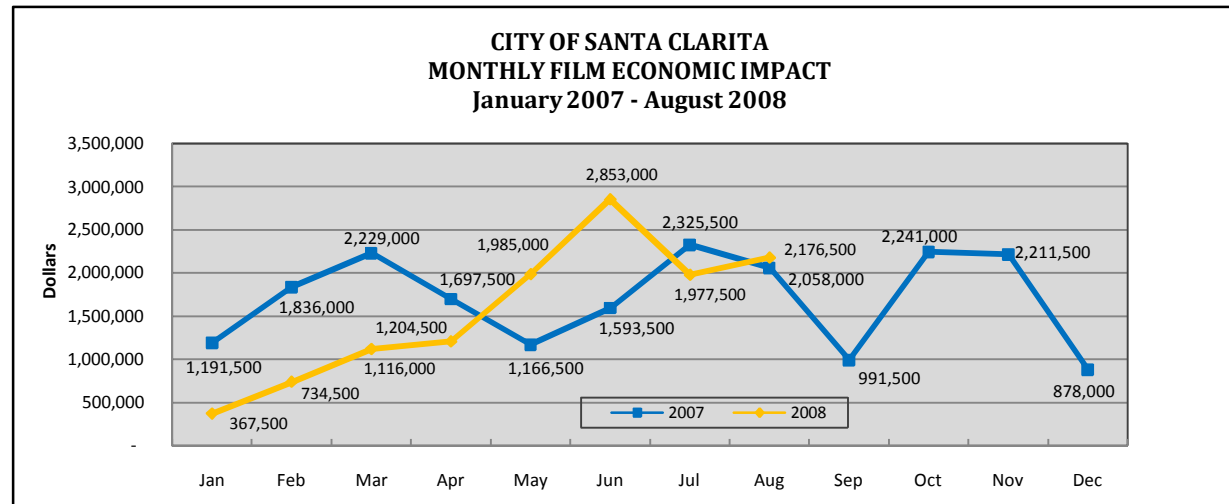
- Single-family inventory levels reached a new low in August. In August 2008, resale inventory levels dropped 5% to 854 homes from 900 in July and declined 38% from August 2007.
- Santa Clarita's average apartment rental rates increased from \$1,255 for a 1-bedroom unit in 2007 to \$1,365 in March 2008, according to the most recent data.

Tourism: Hotel Occupancy & TOT



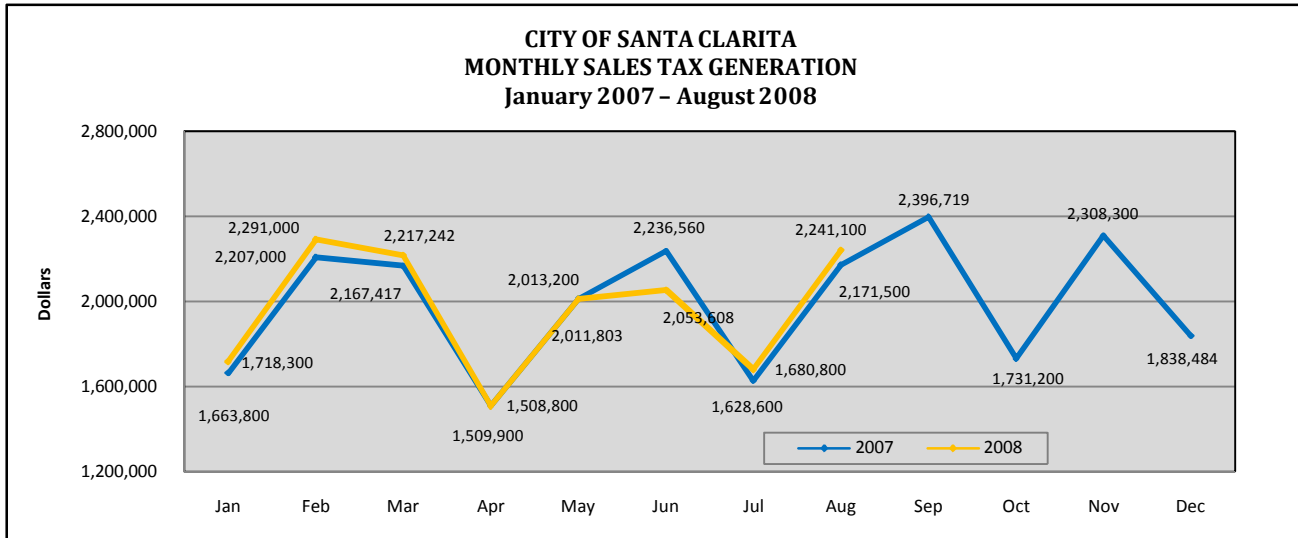
- Transient Occupancy Tax (TOT) of \$155,855 in August 2008 was 13% lower than the TOT reported in August 2007 of \$178,381.
- The City collected a total of \$314,929 in TOT for August 2008 fiscal year-to-date (FYTD) or 12% lower than the \$359,246 collected in TOT for August 2007 FYTD.
- According to the latest *Trends* report from PKF Consulting, the Santa Clarita Valley enjoyed an occupancy rate of 82% in August 2008, comparable to the overall Los Angeles average of 82% and a slight decline when comparing occupancy of 83% from August 2007.

Filming in The City of Santa Clarita



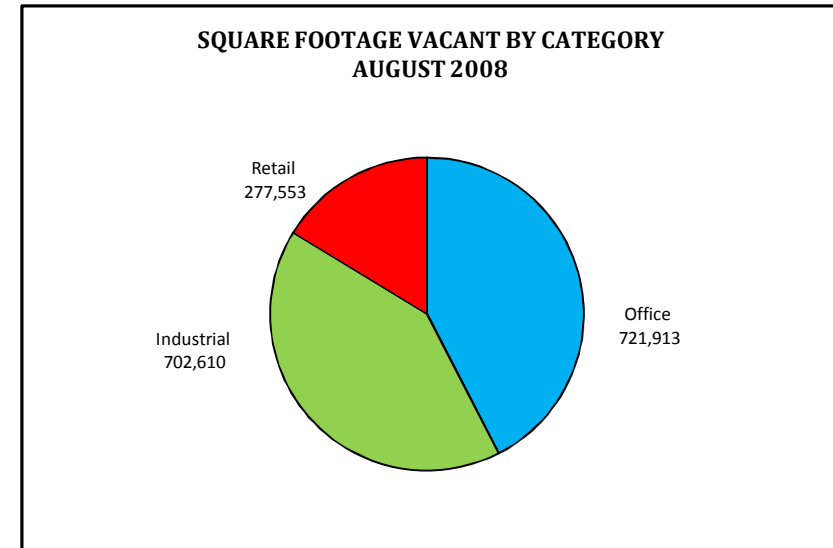
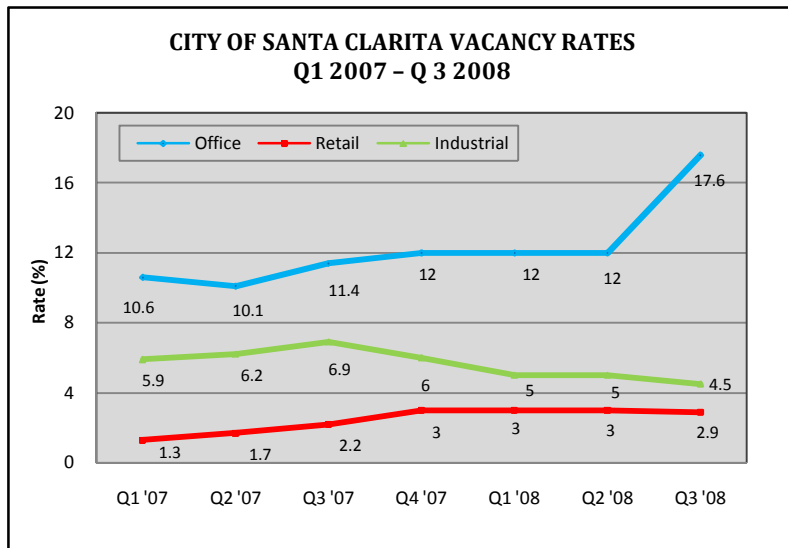
- During 2008, the film industry's economic impact on the City has been trending upward, and in fact slightly more dollars were brought in to the City in August 2008 than the previous August.
- In fact, the Film Economic Impact for August 2008 of \$2,176,500 was \$118,500 or 6% above the impact in August 2007 of \$2,058,000.
- In total, the film industry has generated \$12,414,500 in City revenue during August 2008 year-to-date (YTD), down 12% from \$14,097,500 during August 2007 YTD.

City of Santa Clarita Sales Tax



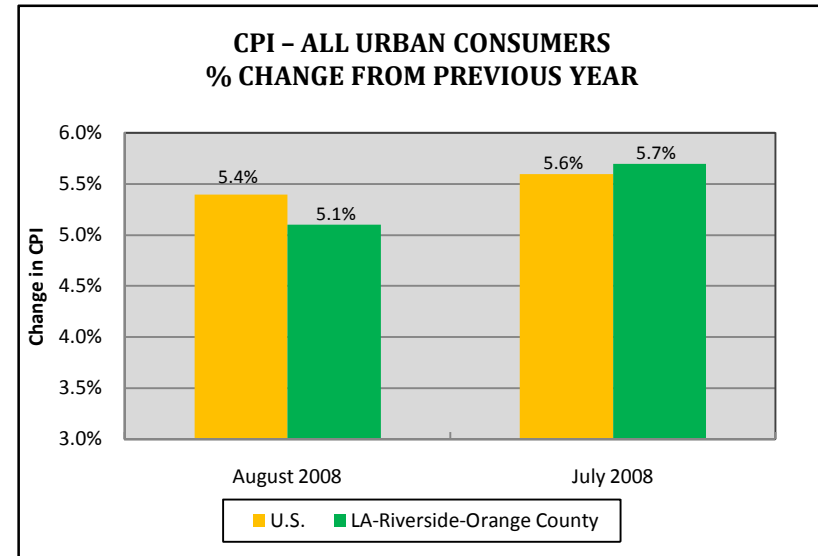
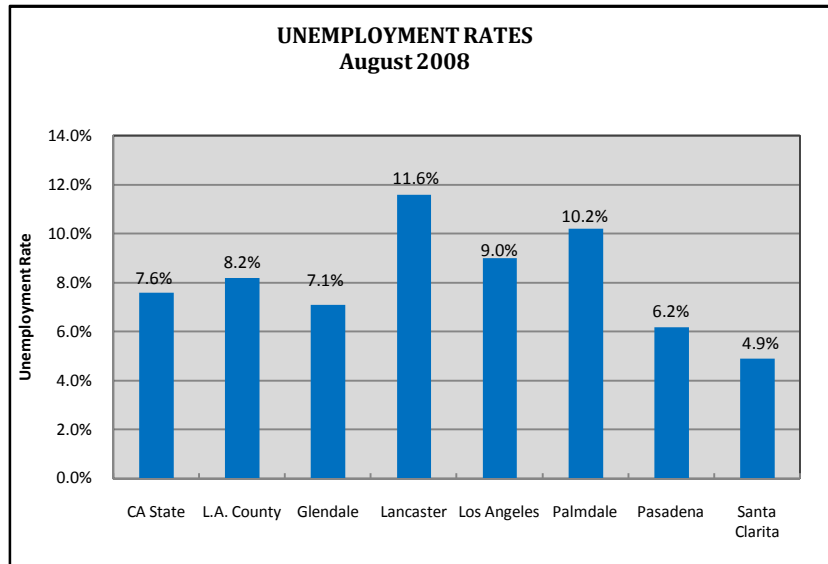
- Sales tax revenue in 2008 has been following the same pattern as in 2007 and levels have been comparable every month except for June 2008 when a small dip was seen.
- Sales tax revenue of \$2.24 million from all sources in August 2008 was reported, up 3% from \$2.17 million in August 2007.
- Sales tax revenue for Fiscal Year (FY) 2008-2009 year-to-date was \$3.92 million, up 3% from \$3.80 million in FY 2007-2008 year-to-date.

City of Santa Clarita Vacancy Rates



- Office vacancy rates increased in Third Quarter 2008, while industrial vacancy rates slipped slightly and retail held steady.
- The City's office and retail vacancy rates are 17.6% and 2.9%, respectively, while the industrial vacancy rate is 4.5%.
- Within the City 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 5.9% or 1,702,076 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 42% is office space, 41% is industrial space, and 16% is retail space.

Employment and Inflation



- Santa Clarita's unemployment rate was 4.9% in August 2008 compared to 8.2% for Los Angeles County and 7.6% statewide.
- Inflation for August 2008 among all urban consumers for Los Angeles-Riverside-Orange County of 5.1% was lower than the national rate of 5.4%, and lower than the rate of 5.7% in July 2008. This in part is attributable to the lower energy costs in August compared to energy costs in July.

Data Sources

Sources:

Permits: City of Santa Clarita, Building and Safety Division

Housing Market: San Fernando Valley Association of Realtors

Apartment Rates: Apartmentratings.com

Notice of Defaults: Fidelity National Title, DataQuick in L.A. Times

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

Hotel Data: PKF Consulting

Sales Tax Data: City of Santa Clarita, Finance Division

Vacancy Rates: CoStar Property

Unemployment Rate: CA Employment Development Department

Inflation Rate: Bureau of Labor Statistics