

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of January 1 – 31, 2009

Published on March 12, 2009



Overview

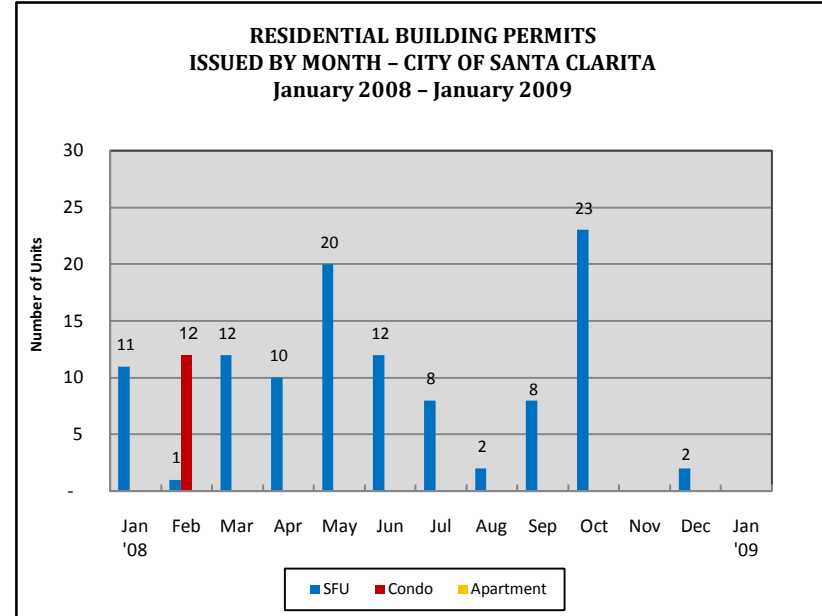
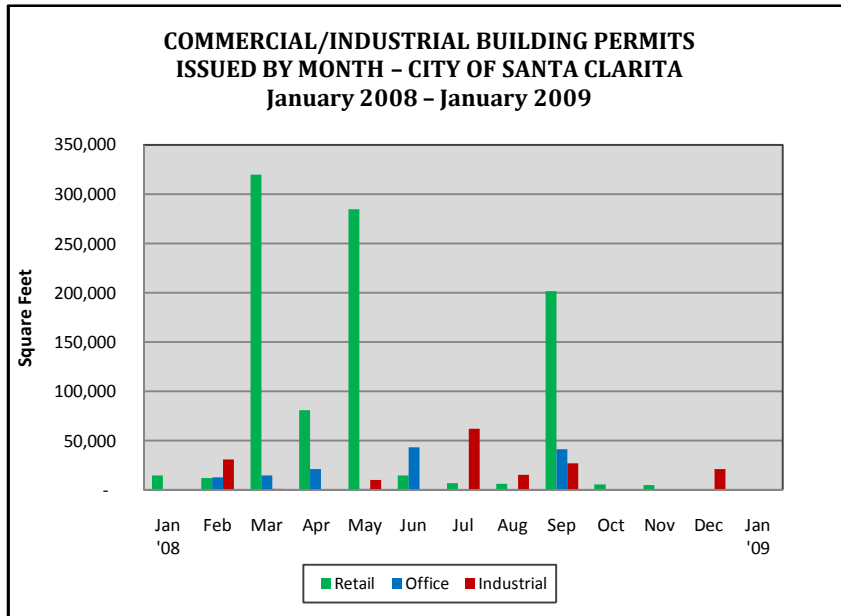
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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;
- 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;
- Unemployment rates;
- The consumer price index measuring inflation

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

Permits Issued



Commercial/Industrial Permits

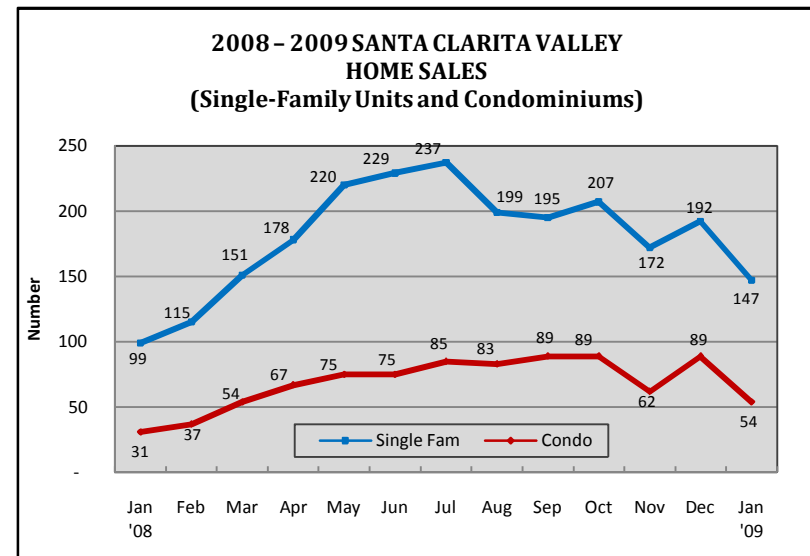
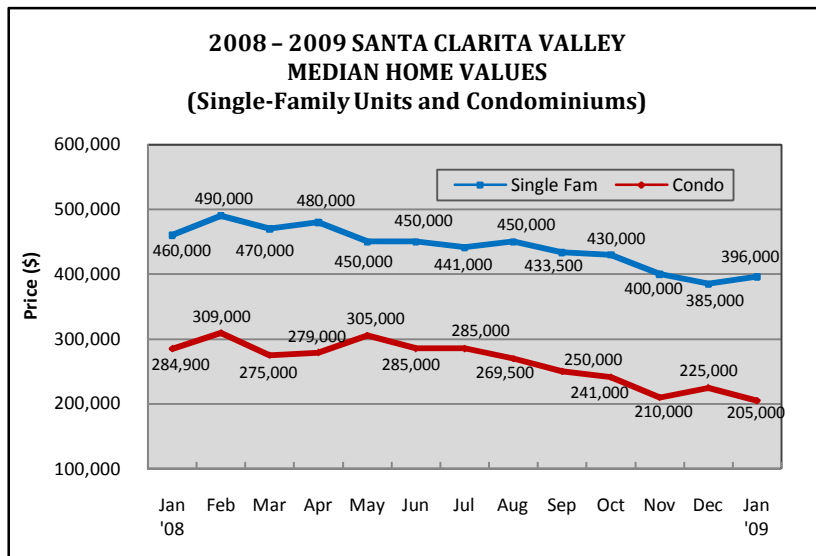
- No building permits for retail, office, and industrial use were issued in January 2009 by the City of Santa Clarita compared to 2 permits in January 2008 for retail use.
- Although no square feet were permitted in January 2009, a total of 14,720 square feet for retail use were permitted in January 2008.

Residential Permits

- Similarly, no permits for residential units were issued in January 2009 compared to 11 permits for single-family units in January 2008.

Only permits for new buildings or new shell structures are included in the data on this page. Permits for electrical, mechanical, sewer, or plumbing work are not included in this data.

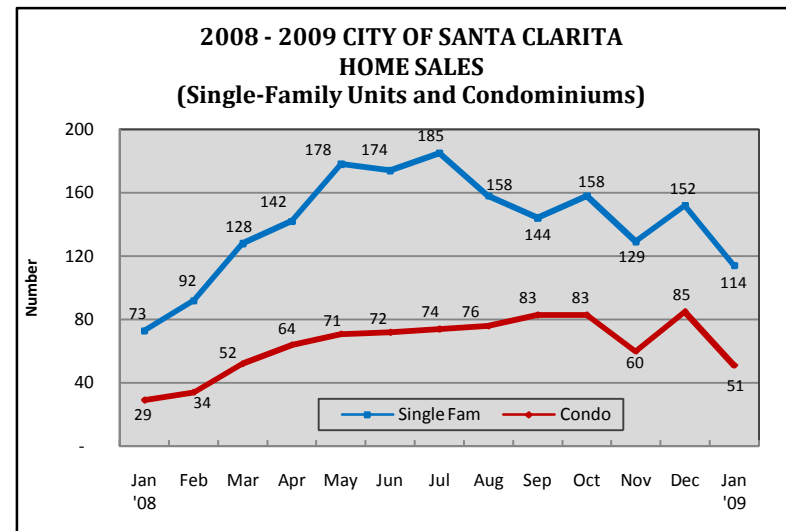
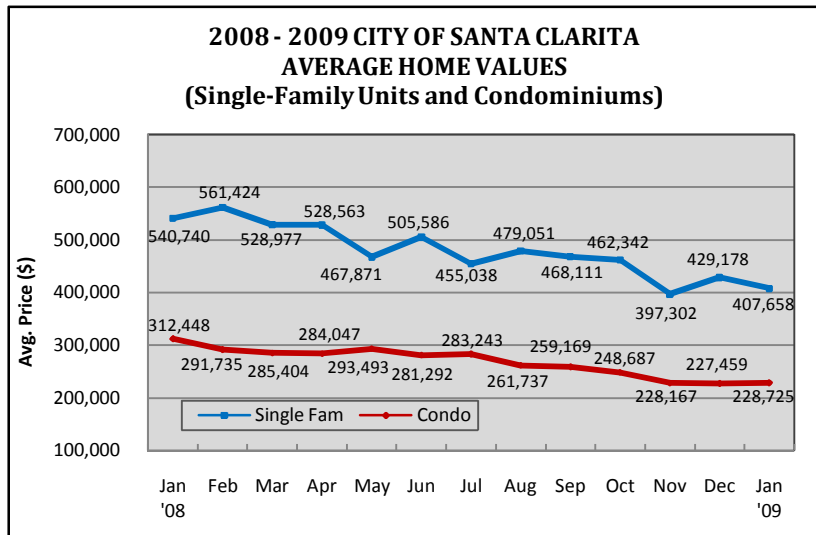
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



In the Santa Clarita Valley (inclusive of the City of Santa Clarita), home values continue to fall while sales have trended upward since January 2008. Sales volume have returned to levels seen in the early Spring.

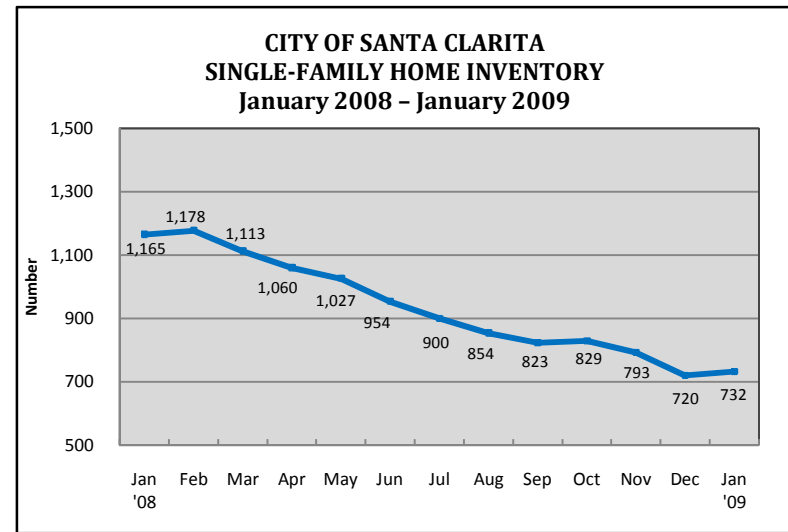
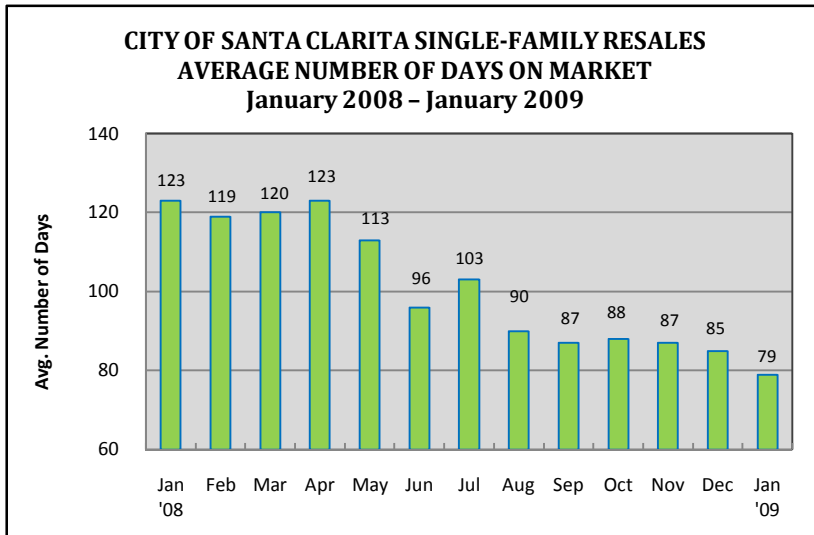
- Single-family median home values rose 3% to \$396,000 in January 2009 from \$385,000 in December 2008, yet have dropped 14% from January 2008.
- Condominium prices dropped 9% to \$205,000 in January 2009 from December 2008 and dropped 28% from January 2008.
- The number of single-family home sales appear to have peaked in July 2008 at 237 homes. A total of 147 single-family homes sold in January 2009, down 23% from December 2008, yet up 48% from one year ago. Condominium sales fell to 54 sales in January 2009, down 39% from December 2008, yet up 74% from January 2008.

City of Santa Clarita Housing Market



- Single-family average prices fell in January 2009 from December 2008, and remain lower than prices in January 2008.
- Single-family average home values in January 2009 in the City of Santa Clarita were \$407,700 or 5% below December 2008 and 25% below January 2008. Condominium prices inched up to \$228,700 in January 2009 or less than 1% above levels seen in December 2008. However, prices in January 2009 were 27% lower than prices in January 2008.
- The number of single-family homes and condos sold in the City of Santa Clarita in January 2009 decreased compared to sales in December 2008, yet were approximately double sales in January 2008.
- In the City of Santa Clarita, sales dropped 25% to 114 single-family homes in January 2009 from December 2008, and condominium sales volume fell 40% to 51 units during the same time period.

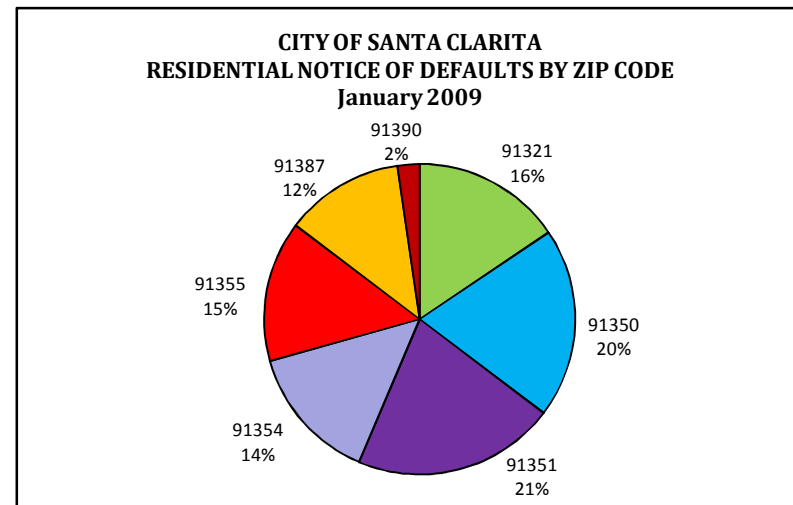
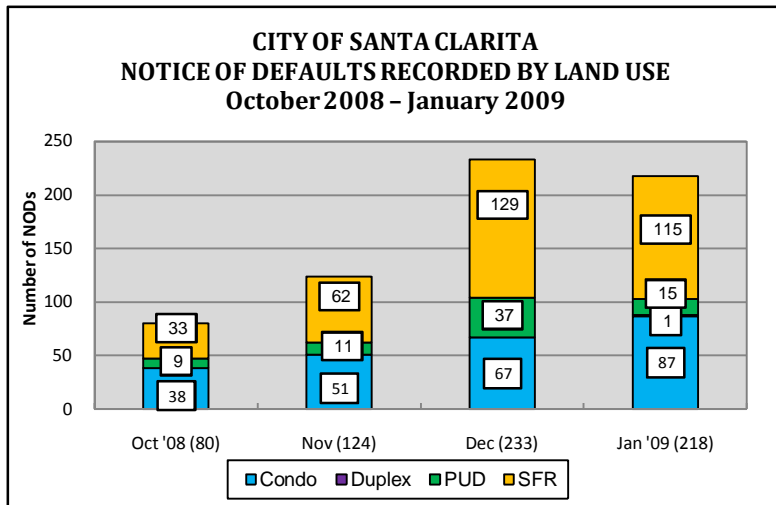
City of Santa Clarita Housing Market: Average Days on Market & Inventory Levels



- The City of Santa Clarita's housing market is stronger than one year ago when homes took an average 123 days or approximately 4 months to sell.
- In January 2009, homes were on the market for an average 79 days or 2.6 months, the lowest level in the past 13 months.
- Single-family inventory levels remain lower from one year ago. Resale inventory levels rose 2% in January 2009 to 732 homes from 720 in December 2008, yet they were 37% below inventory levels in January 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.

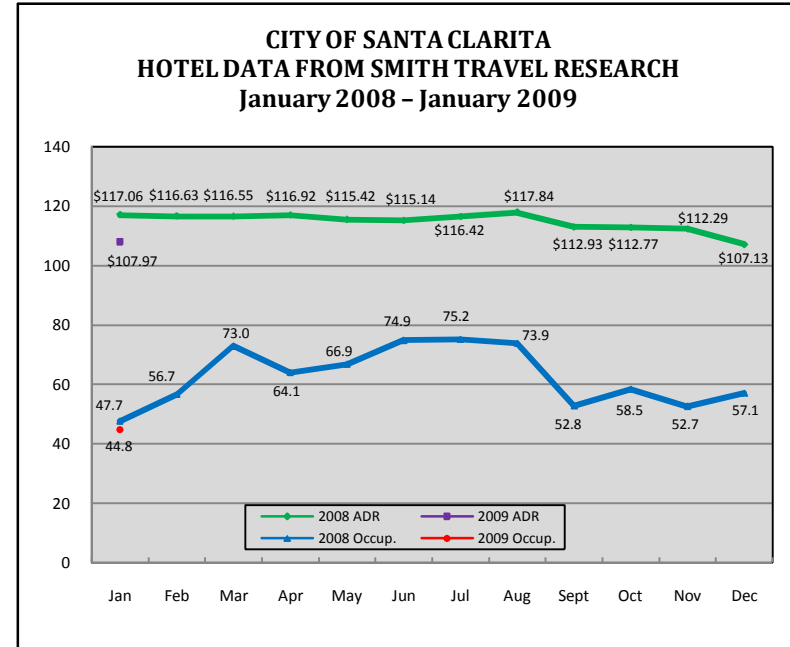
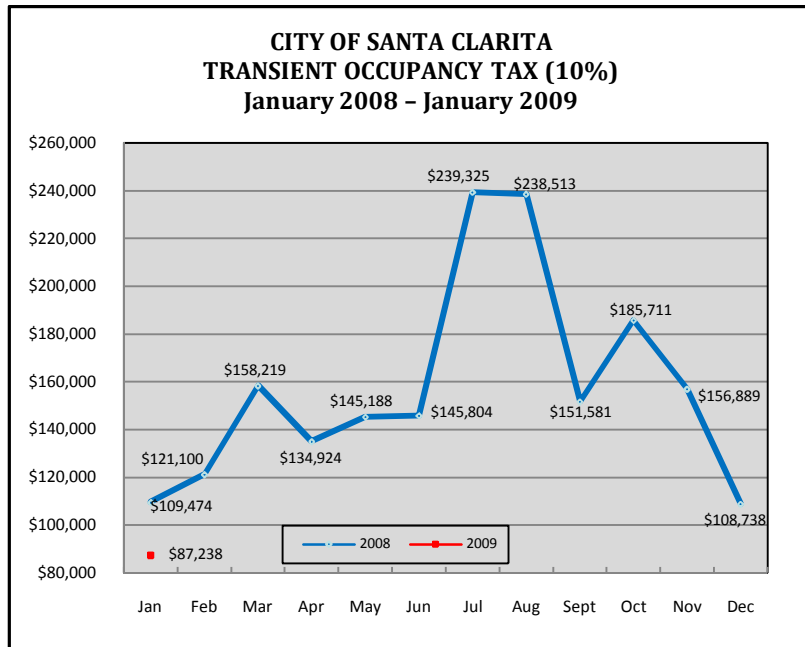
City of Santa Clarita: Notice of Defaults (NODs)



- A total of 218 NODs were recorded in January 2009 in the City of Santa Clarita, down 6% from 233 in December 2008.
- Of the January NODs, 53% or 115 were on single-family residences while 40% or 87 were on condominium properties, 7% or 15 NODs were on PUDs, and less than 1% or 1 NOD was on a duplex.
- The number of NODs among single-family homes in January 2009 was 11% lower than levels in December 2008, while the number of NODs on condominiums rose 30% during the same time period.
- More than one-fourth or 29% 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, 17% each in the \$500,000 - \$599,999 range and at least \$600,000, and 11% were below \$200,000. The price range was unknown for the remaining 2%. This suggests that the majority of homeowners who received NODs in December were not in the City's luxury home market, but rather 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



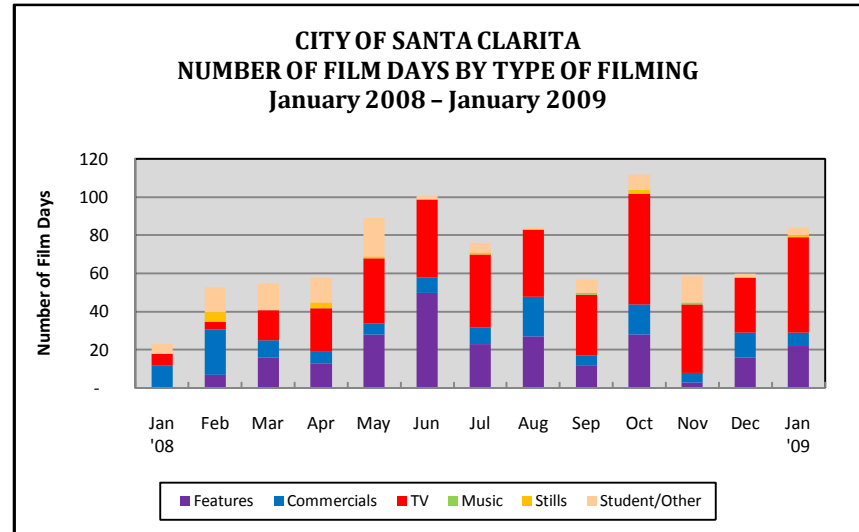
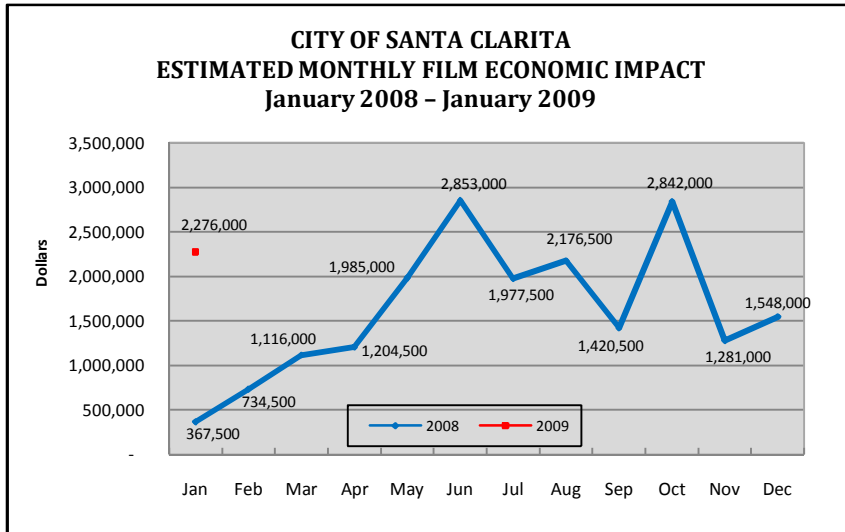
Transient Occupancy Tax (TOT)

- In January 2009, the City of Santa Clarita collected \$87,238 in TOT, down 20% from \$109,474 in January 2008.

Occupancy

- Smith Travel Research reports hotel occupancy in the City in January 2009 was 45%, down from the reported 48% occupancy in January 2008.
- An average of 395 rooms of 882 available in the City were sold in January 2009 compared to 421 rooms of 882 available rooms in January 2008.
- In comparison, occupancy rates at hotels nationwide in January 2009 were at 46%, down 11% from January 2008.

Filming in The City of Santa Clarita

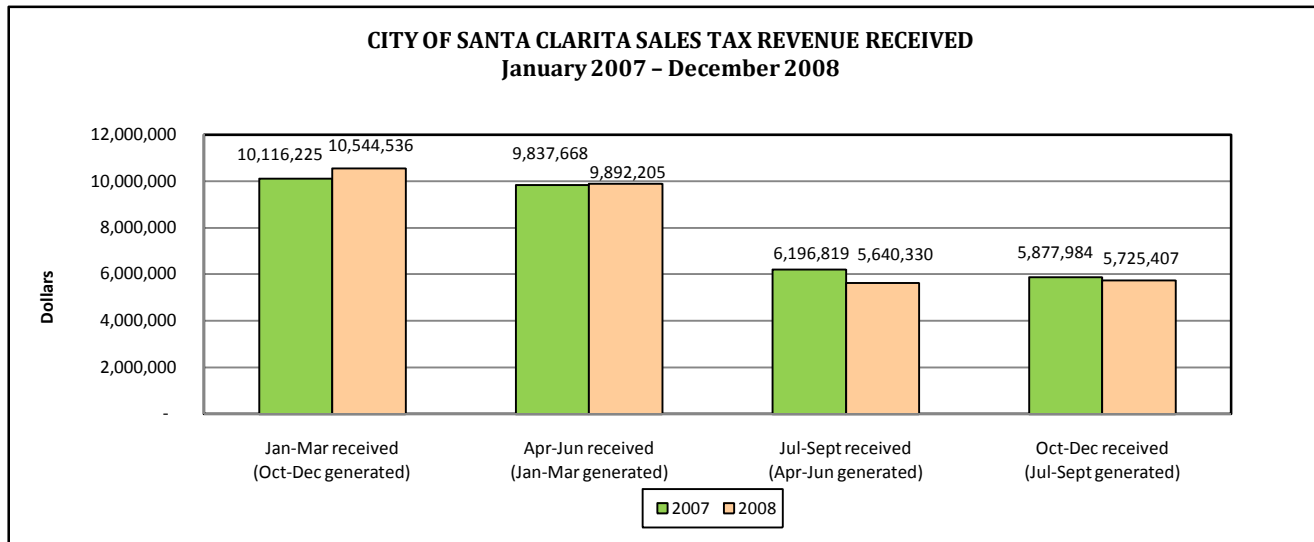


- The Economic Impact from location filming for January 2009 of \$2,276,000 was 519% above the impact in January 2008 of \$367,500. The significant increase is attributable to the Writer's Strike in early 2008.
- There were a total of 84 filming days in January 2009, up 265% from 23 filming days in January 2008.
- January 2009 film days included: 60% for television shows, 26% for features, 8% for commercials, 5% for student/other projects, and 1% for stills.

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

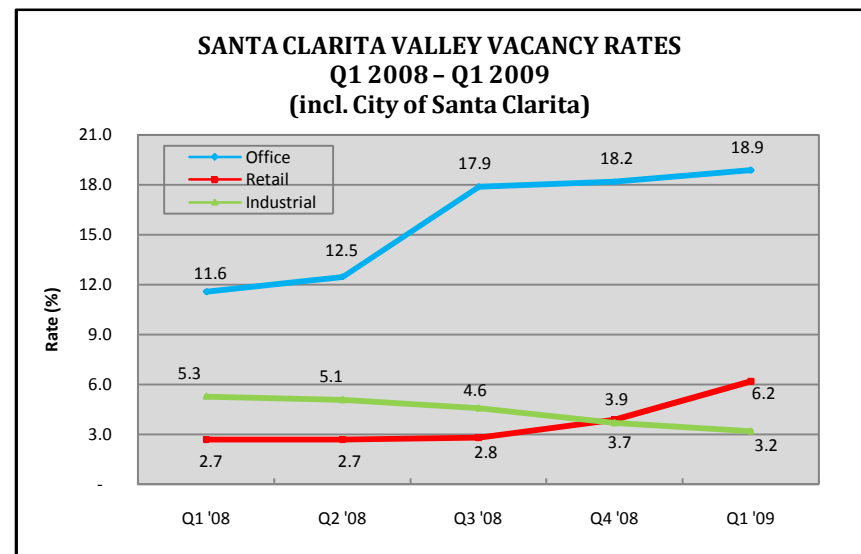
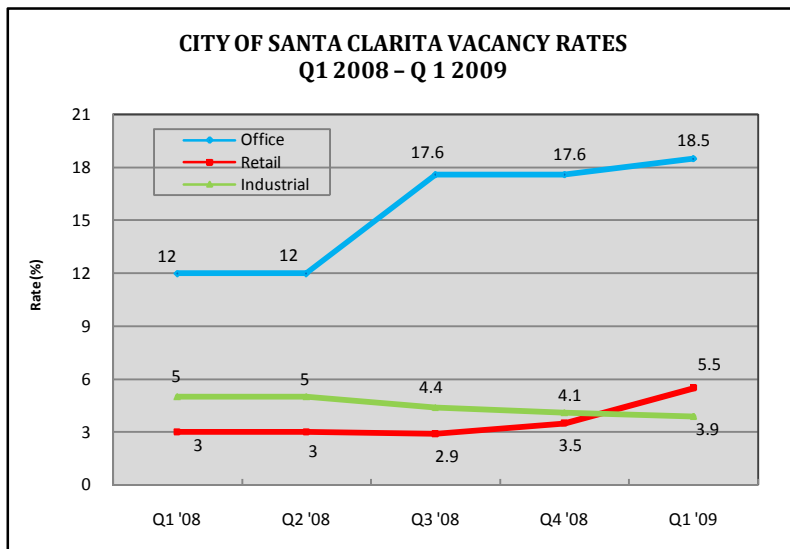
(Updated Quarterly)



- As the economy weakened in 2008, decreases in sales tax receipts were reported.
- In October – December 2008, a total of \$5.73 million in sales tax revenue was received, down 3% from \$5.88 million received in October – December 2007.
- For calendar year 2008, sales tax revenue received is down 1% to \$31.80 million from \$32.03 million received in calendar year 2007.

Sales tax revenue is presented quarterly as data become available.

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



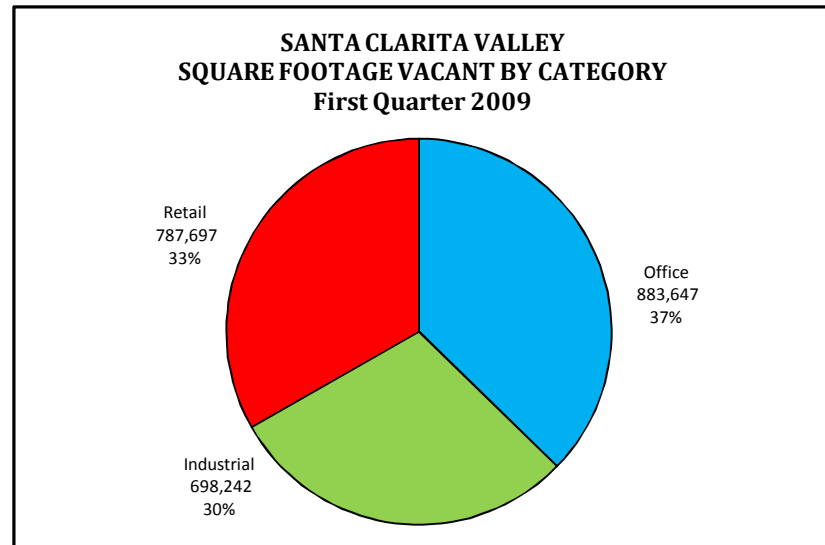
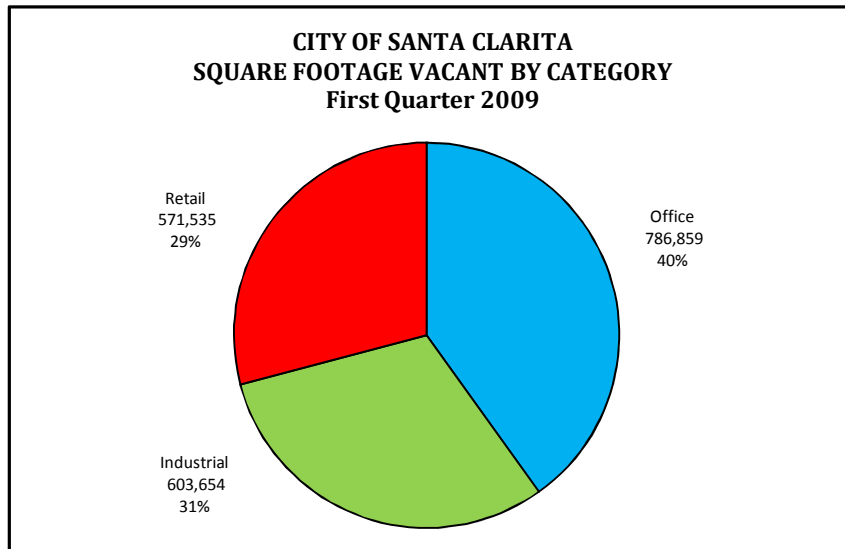
City of Santa Clarita

- In the City of Santa Clarita, office and retail vacancy rates increased in First Quarter 2009 because of both contraction of the market and new inventory. Industrial vacancy rates decreased during this same time period.
- The City's office and retail vacancy rates are 18.5% and 5.5%, respectively, while the industrial vacancy rate is 3.9%.

Santa Clarita Valley (includes the City)

- Similarly, in the entire Santa Clarita Valley (including the City), office and retail vacancy rates increased in First Quarter 2009 while industrial rates continue to decline.
- The Santa Clarita Valley's office and retail vacancy rates are 18.9% and 6.2%, respectively, while the industrial vacancy rate is 3.2%.

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



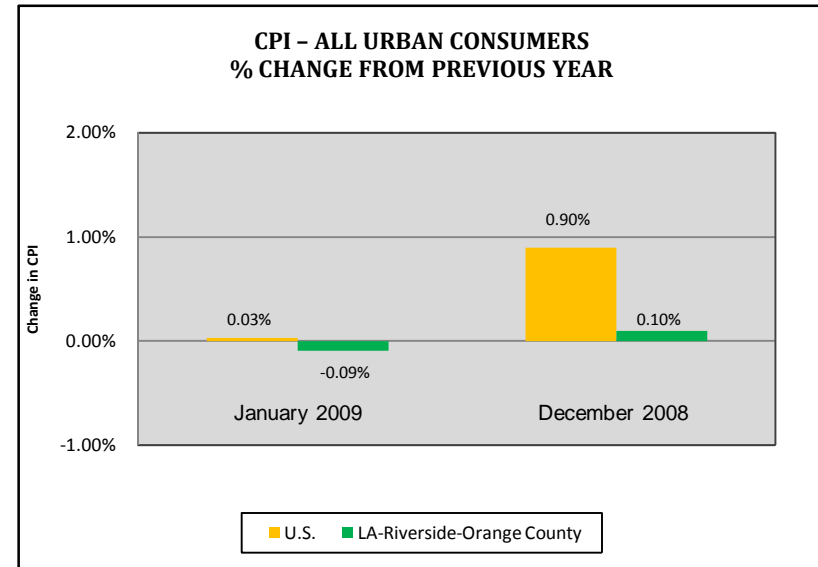
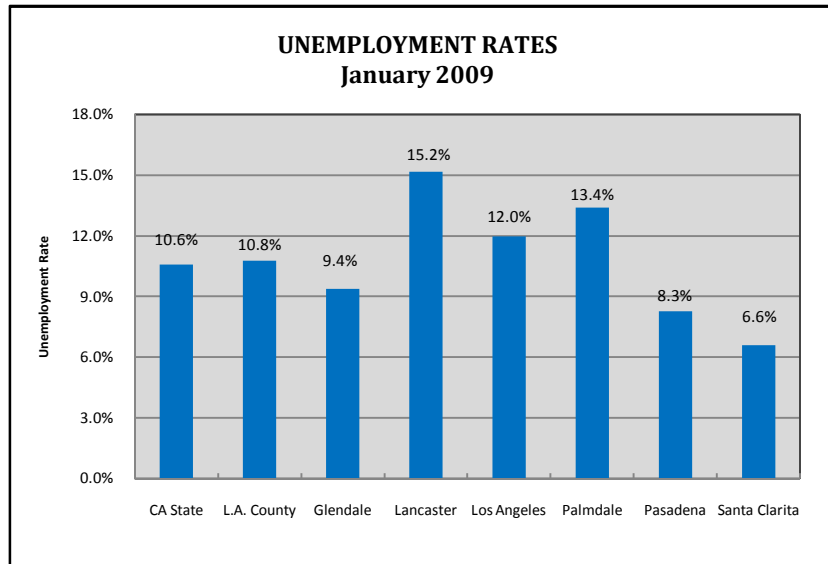
City of Santa Clarita

- 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 6.8% or 1,962,048 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 40% is office space, 31% is industrial space, and 29% 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 6.1% or 2,369,586 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 37% is office space, 33% is retail space, and 30% is industrial space.

Employment and Inflation



- Santa Clarita's unemployment rate was 6.6% in January 2009 compared to 10.8% for Los Angeles County and 10.6% statewide.
- Year-over-year inflation for January 2009 among all urban consumers for Los Angeles-Riverside-Orange County of -0.09% was lower than the national rate of 0.03%, and lower than the rate of 0.1% in December 2008.
- The lower inflation rate from one year ago reflects the large decline in energy and transportation costs of 20% and 13%, respectively. Compared to one year ago, food and beverage prices rose 5%, while education and communication costs rose 4%, medical care costs rose 3%, and housing costs rose 2%.

Data Sources

Sources:

Permits: 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

Unemployment Rate: CA Employment Development Department

Inflation Rate: Bureau of Labor Statistics