

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of June 1 – 30, 2008

Published on August 18, 2008



Overview

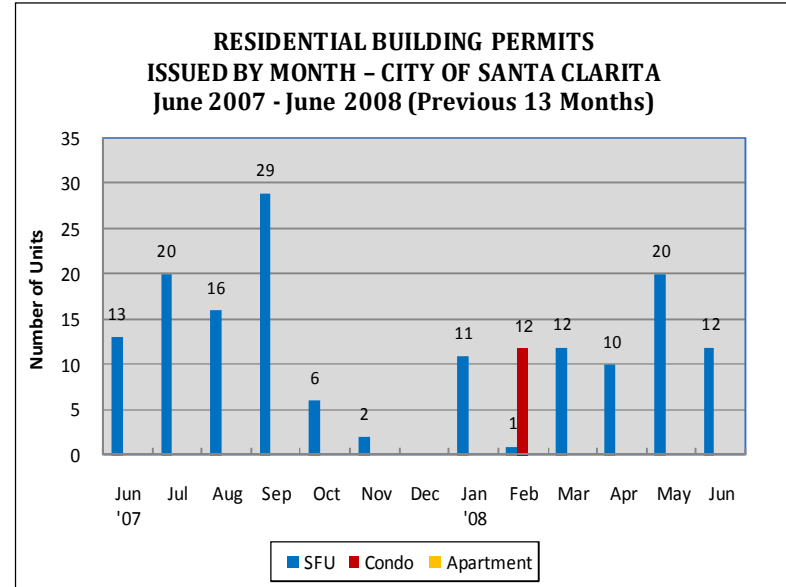
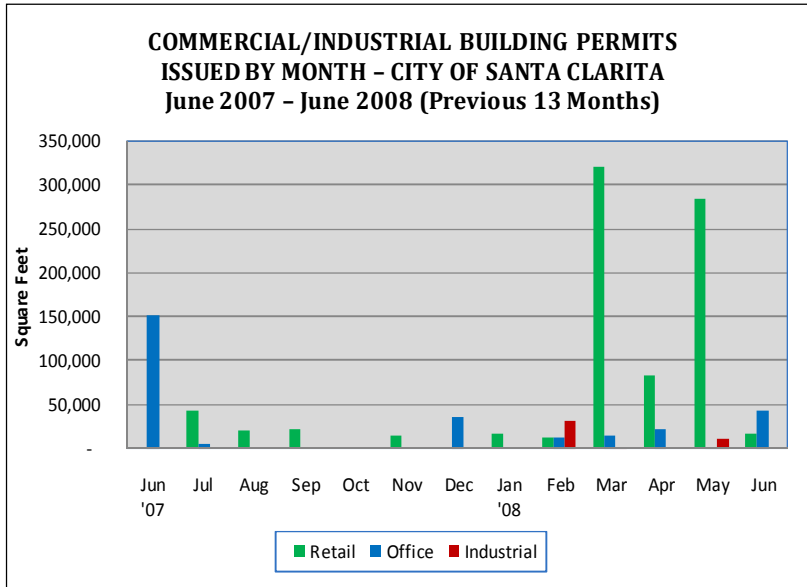
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

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;
- 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

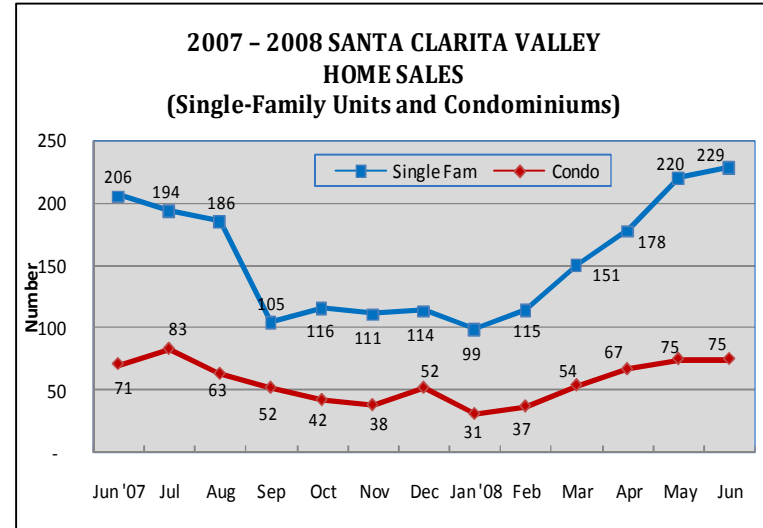
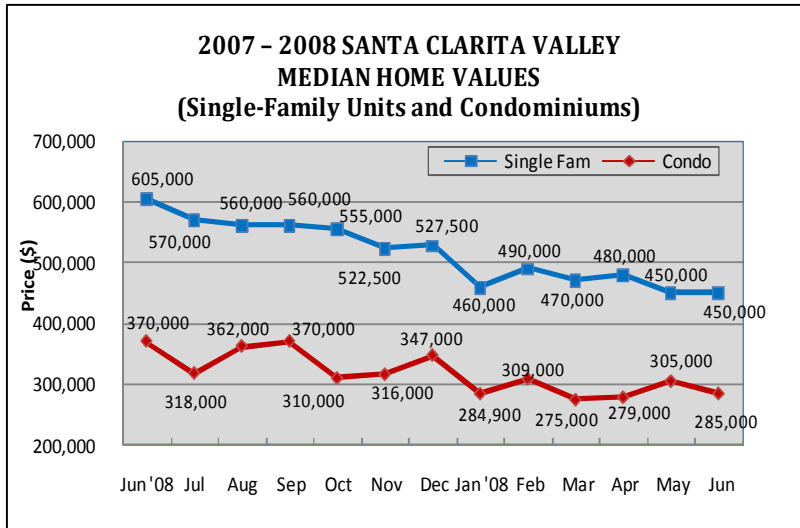
Reports are generated monthly. Periodically, more detailed data are available quarterly or annually.

Permits Issued



- Only three building permits for retail, office, and industrial use were issued in June 2008 by the City of Santa Clarita.
- In June 2008, a total of 58,329 square feet were permitted of which 43,611 square feet or 75% was for office use and 14,718 square feet or 25% for retail space. In the previous month of May, a total 295,989 square feet were permitted of which 96% was retail, less than 4% was industrial, and less than 1% was office.
- In June 2008, 12 single-family permits were issued while no permits for condominiums or apartments were issued.

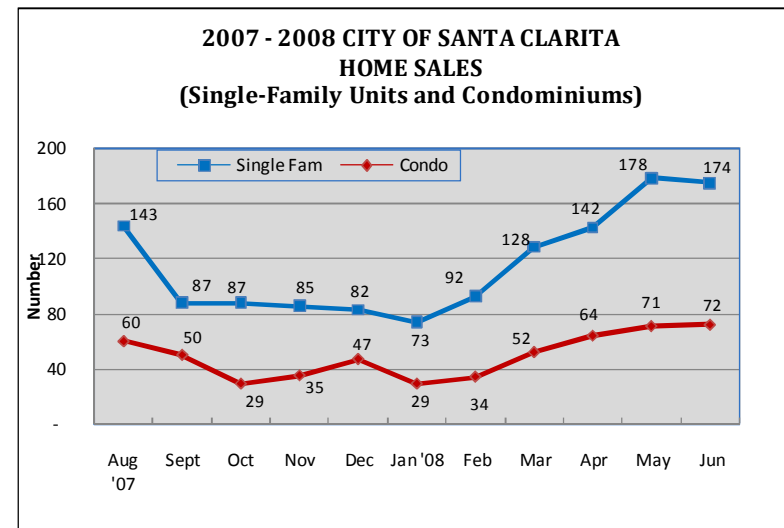
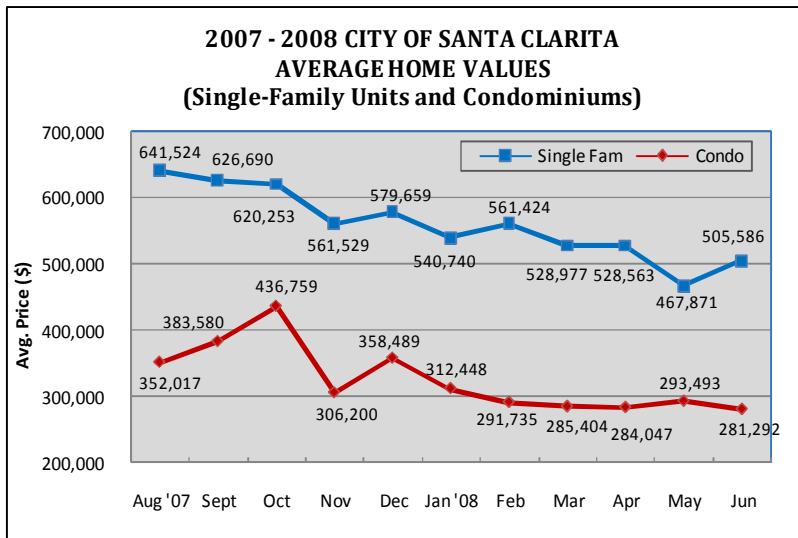
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



- In the Santa Clarita Valley (inclusive of the City of Santa Clarita), home values continued to trend downward from one year ago, whereas sales have trended upward since January 2008.
- Single-family median home values flattened out at \$450,000 in June 2008 from the same level in May.
- Condominium prices dropped 7% from May to \$285,000 and 23% from the previous June.
- The number of single-family homes and condominiums have continued to trend upward since January 2008. A total of 229 single-family homes sold, up 4% from May, while condo sales were flat.

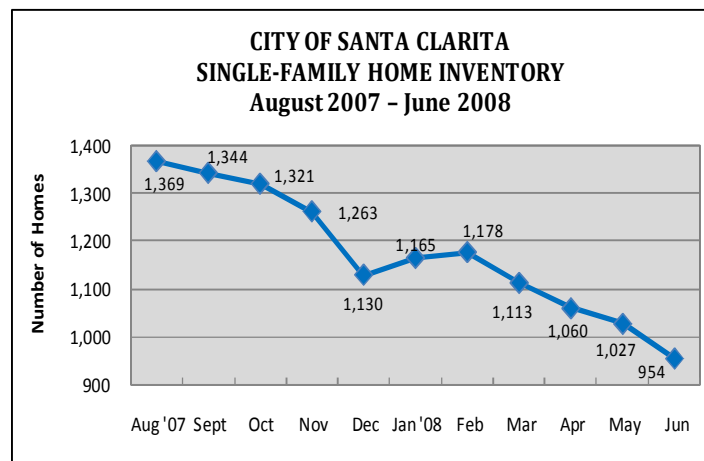
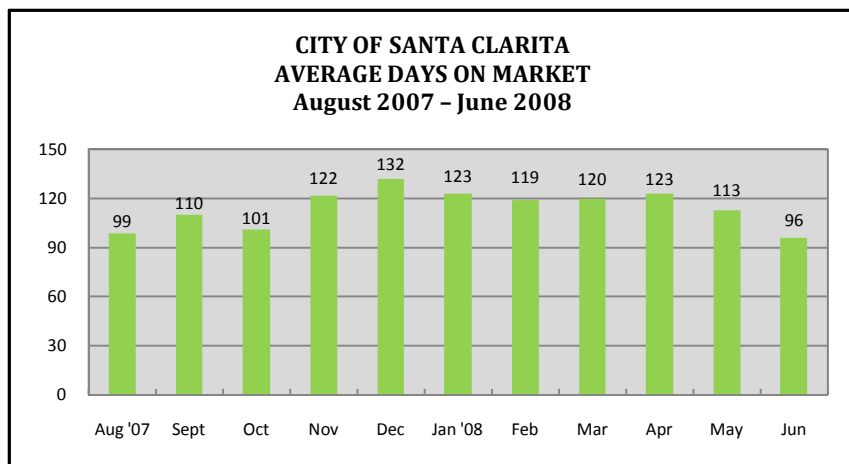
City of Santa Clarita Housing Market

(Data available back to August 2007)



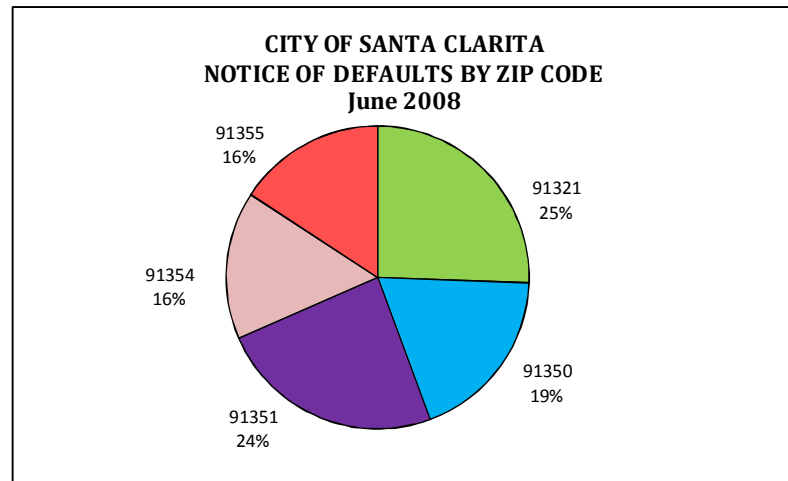
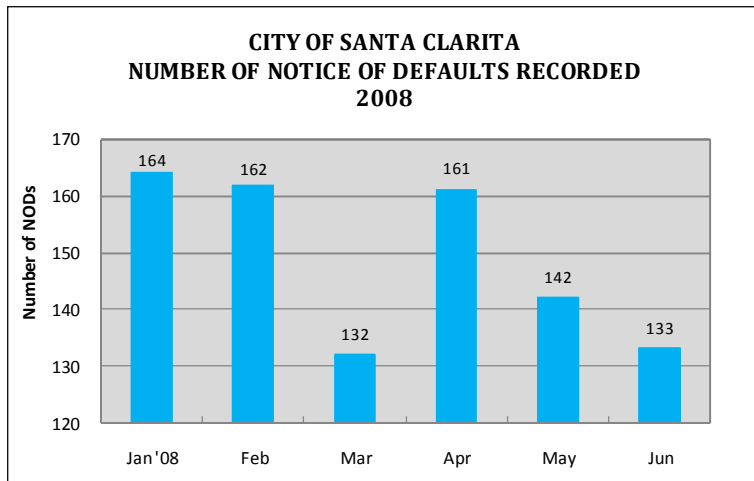
- The number of single-family homes and condominiums sold in the City of Santa Clarita in June 2008 were comparable to sales in May, while prices increased for single-family homes.
- Single-family average home values in June 2008 were \$505,600 while those of condominiums were \$281,300.
- In the City of Santa Clarita, sales slipped 5% to 174 single-family homes in June 2008 from May, and condominium sales rose 1% to 72 units during the same time period.

City of Santa Clarita Housing Market: Average Number of Days on Market and Inventory



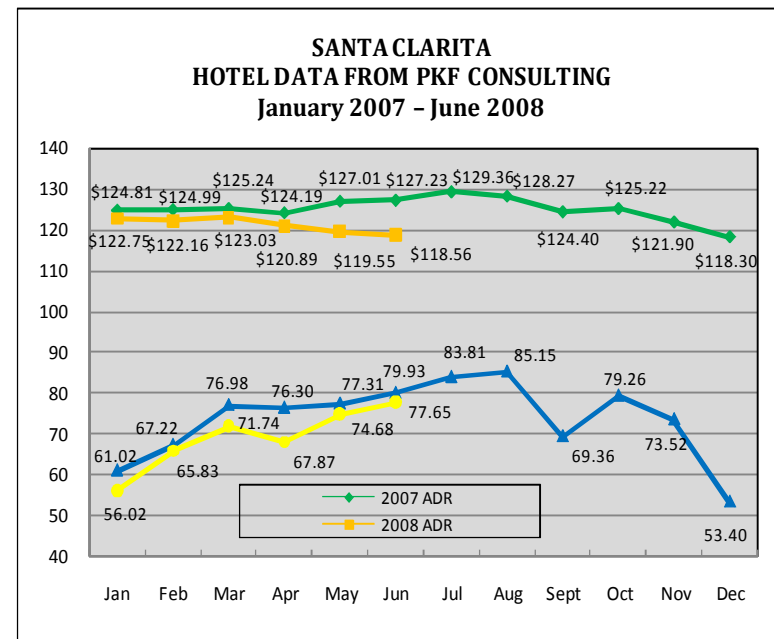
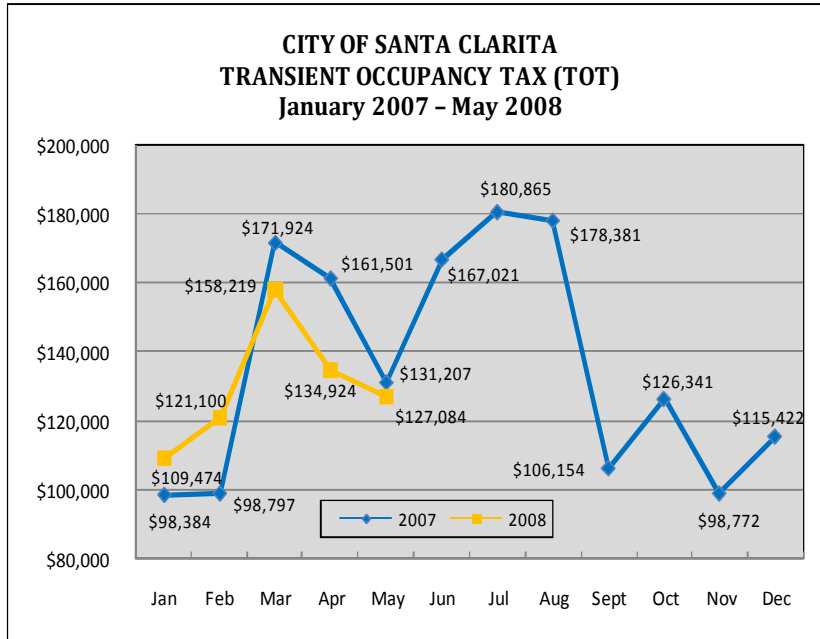
- Another indicator of the strength of the housing market is average days on the market. A large number of days indicates homeowners are having a harder time selling their homes.
- The City of Santa Clarita's housing market was at its weakest in December 2007 when it took an average 132 days or close to 4.5 months to sell.
- In June 2008, homes were on the market for an average 96 days or roughly 3 months, comparable to that in August 2007. This is somewhat expected as the homes tend to sell faster during the Summer months when more families buy and sell homes in anticipation of the start of school.
- Single-family inventory levels reached a new low in June. In June 2008, resale inventory levels dropped 7% to 954 homes from 1,027 in May.

City of Santa Clarita: Notice of Defaults



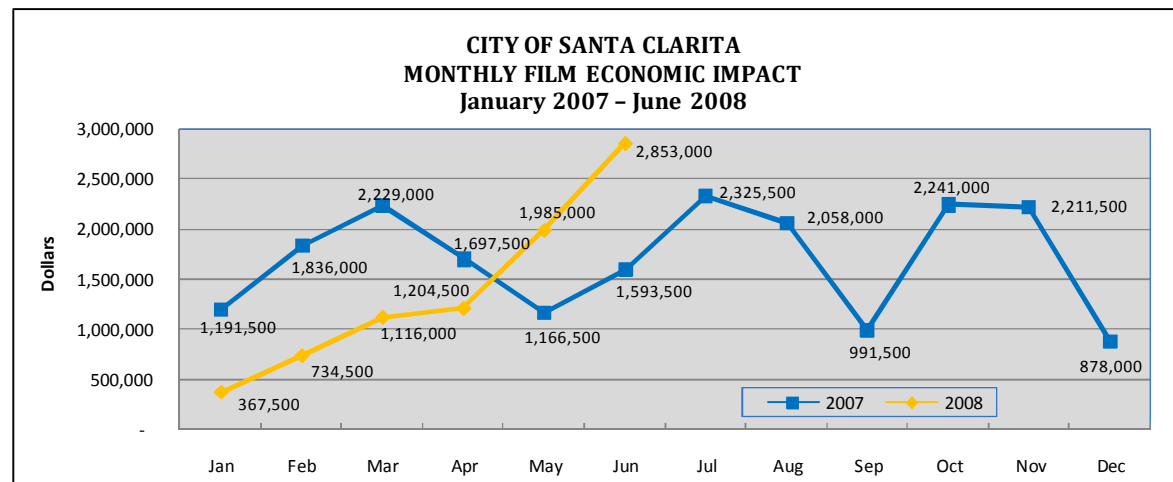
- For June 2008 year-to-date, a total of 894 notice of defaults (NODs) have been recorded in the City of Santa Clarita.
- A total of 133 NODs were seen in June or 6% lower than in May.
- Of the June NODs, 28% were delinquent more than 4 months, while 22% were delinquent 4 months, 44% were delinquent 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.

Tourism: Hotel Occupancy & TOT



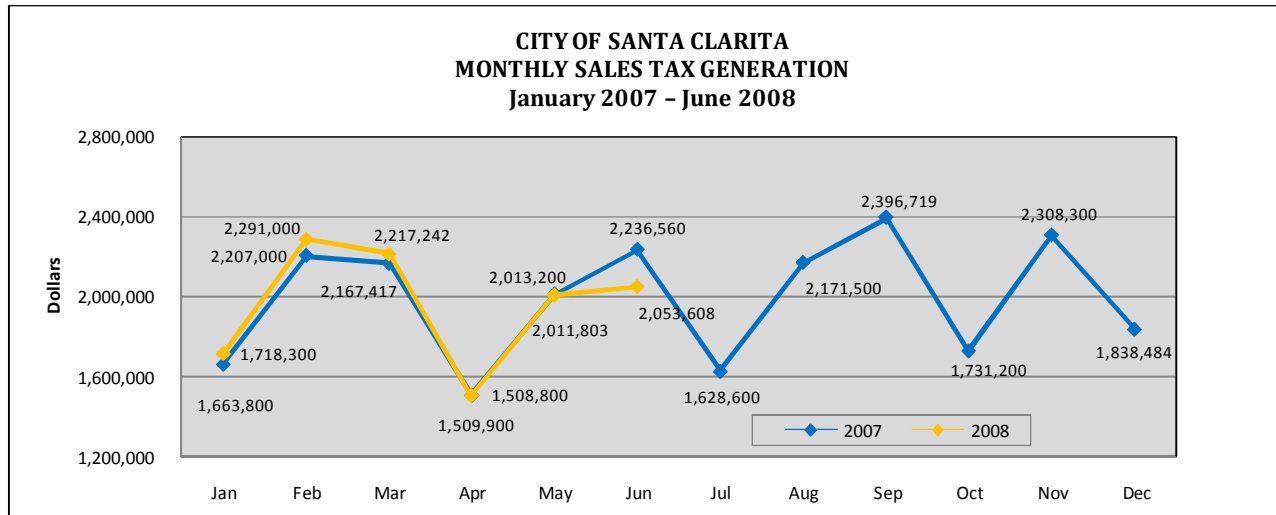
- Transient Occupancy Tax (TOT) of \$127,084 in May 2008 was 3% lower than the TOT reported in May 2007 of \$131,207.
- The City has collected a total of \$2,173,839 in TOT for May 2008 fiscal-year-to-date or 18% more than the \$1,836,193 collected in TOT during the same time period in 2007.
- According to the latest *Trends* report from PKF Consulting, the Santa Clarita Valley enjoyed an occupancy rate of 78% in June 2008, slightly below the overall Los Angeles average of 80% and a small decline when comparing occupancy from June 2007.

Filming in The City of Santa Clarita



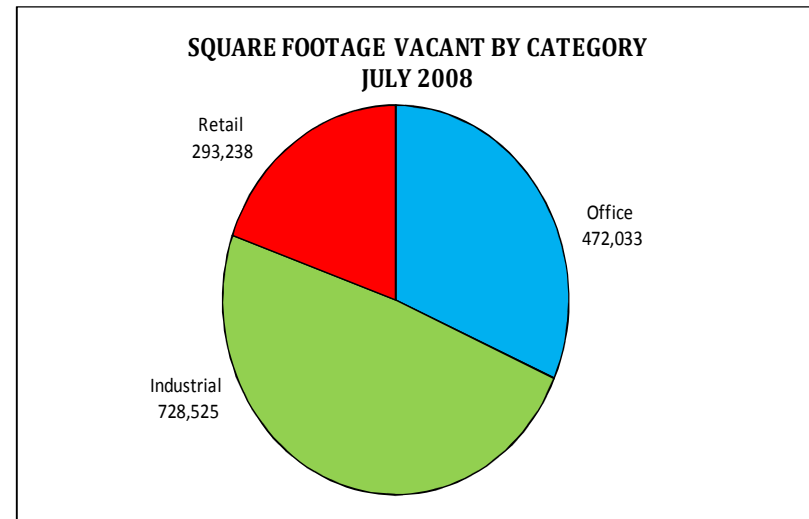
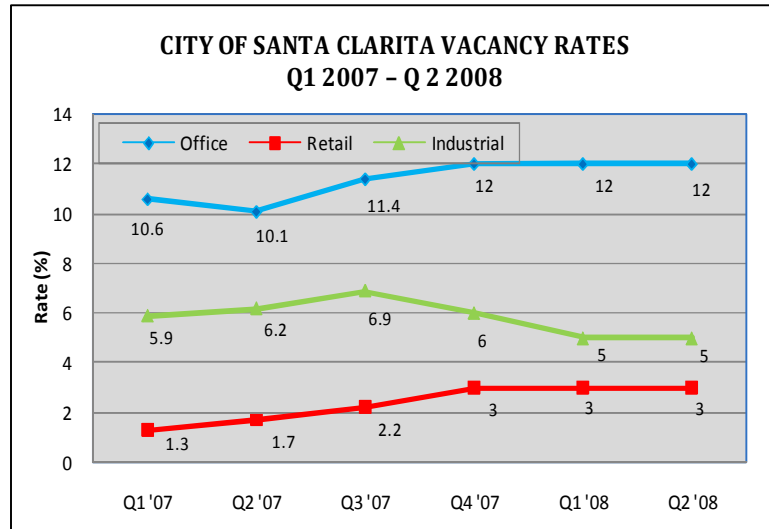
- During 2008, the film industry's economic impact on the City has been trending upward and more dollars were brought in to the City in June 2008 than the previous June.
- In fact, the Film Economic Impact for June 2008 of \$2,853,000 was \$1,259,500 or 79% above the impact in June 2007 of \$1,593,500.
- As production gained momentum following the Writers Guild strike, the economic impact in the City rose even higher.

City of Santa Clarita Sales Tax



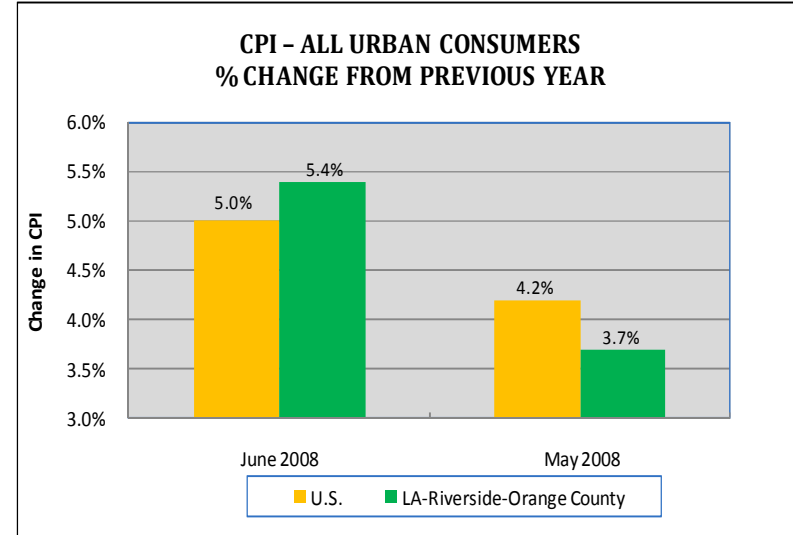
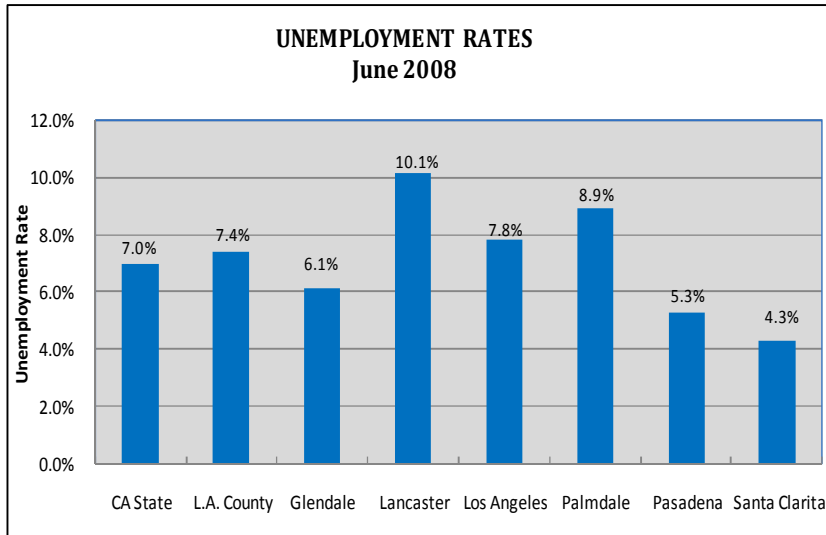
- Sales tax revenue in 2008 has been following the same pattern as in 2007 and levels have been comparable every month except for June 2008 when a small dip was seen.
- Sales tax revenue of \$2.0 million from all sources in June 2008 was reported, down 8% from \$2.2 million in June 2007.

City of Santa Clarita Vacancy Rates



- Office, retail and industrial vacancy rates have remained stable throughout 2008 in the City of Santa Clarita, although office and industrial vacancy rates are lower than one year ago.
- The City's office and retail vacancy rates are 12% and 3%, respectively, while the industrial vacancy rate is 5%. In comparison, in the entire Santa Clarita Valley, office vacancy rate reached 22% during Second Quarter 2008.
- The City offers businesses a total of 28,963,711 existing square feet of which 53% is industrial, 34% is retail, and 13% is office.
- A total of 1,493,796 square feet is vacant in the City of which 49% is industrial space, 32% is office space, and 20% is retail space.

Employment and Inflation



- Santa Clarita's unemployment rate was 4.3% in June 2008 compared to 7.4% for Los Angeles County and 7.0% statewide.
- Inflation for June 2008 among all urban consumers for Los Angeles-Riverside-Orange County of 5.4% was above the national rate of 5.0%, and much higher than the rate of 3.7% in May 2008 in part due to rising fuel and food prices.

Data Sources

Sources:

Permits: City of Santa Clarita, Building and Safety Division

Housing Market: San Fernando Valley Association of Realtors

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

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

Hotel Data: PFK 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