

SANTA CLARITA ECONOMIC SNAPSHOT

Data for Period of March 1 – 31, 2009

Published on May 14, 2009



Overview

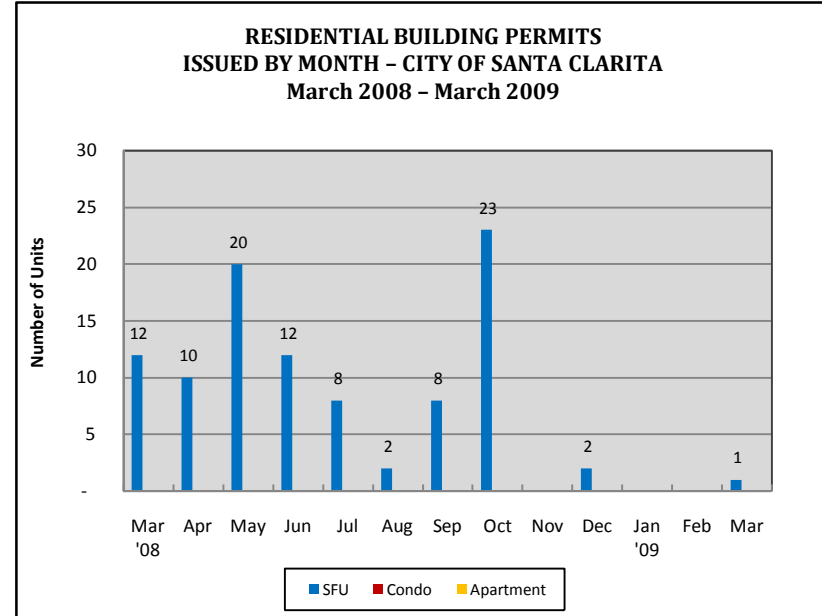
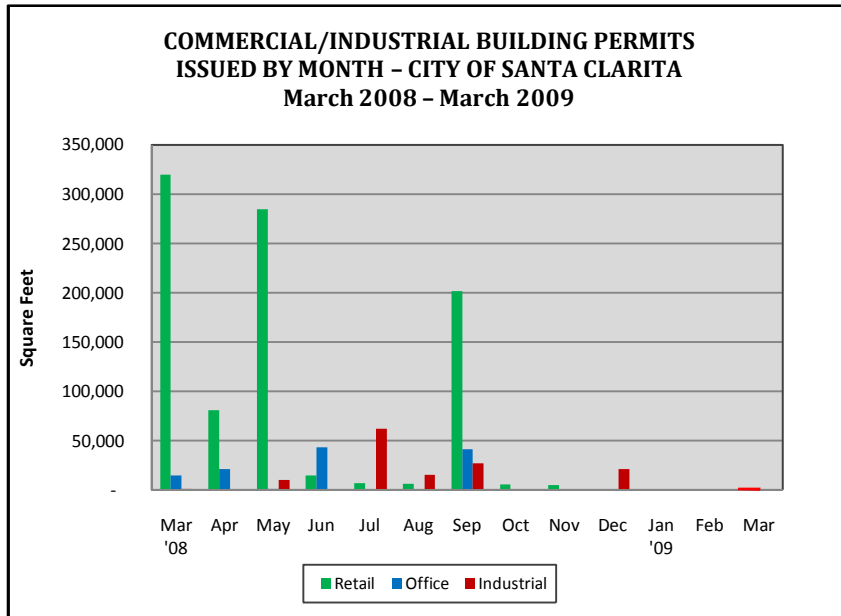
The information presented in this report helps to create a snapshot of the overall fiscal health of Santa Clarita. **The overall results are somewhat mixed with some indicators weakening and others continuing to strengthen.**

Indicators being tracked include:

- Residential, Commercial and Industrial Building permits issued;
- Certificate 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 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;
- 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;
- The consumer price index measuring inflation

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

Permits Issued



Commercial/Industrial Permits

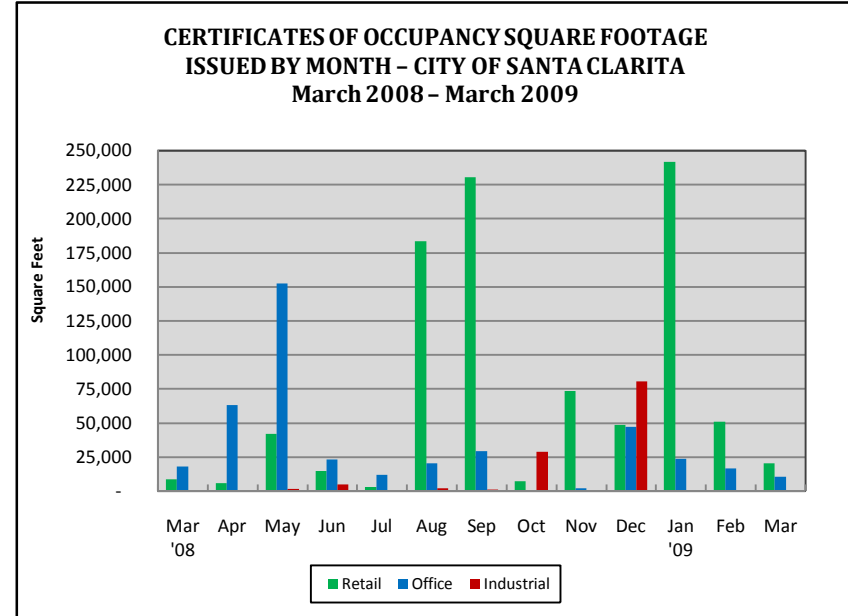
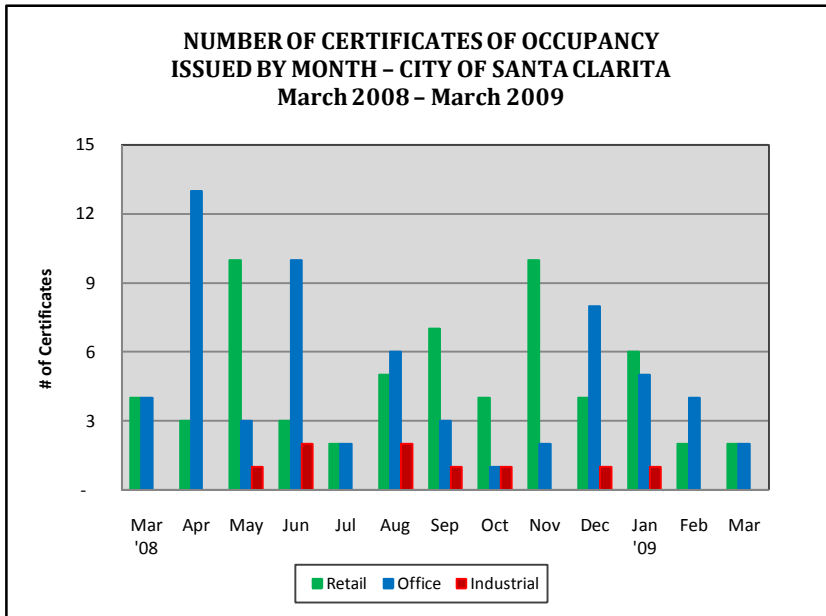
- One building permit for industrial use was issued in March 2009 by the City of Santa Clarita compared to 7 permits in March 2008 of which 5 were for retail use and 1 each for office and industrial use.
- Only 950 square feet were permitted in March 2009 compared to a total of 335,309 square feet in March 2008 of which 95% was for retail use, 4% was for office space, and less than 1% was for industrial use.

Residential Permits

- Only one permit for a single-family unit was issued in March 2009 compared to 12 permits for single-family units in March 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.

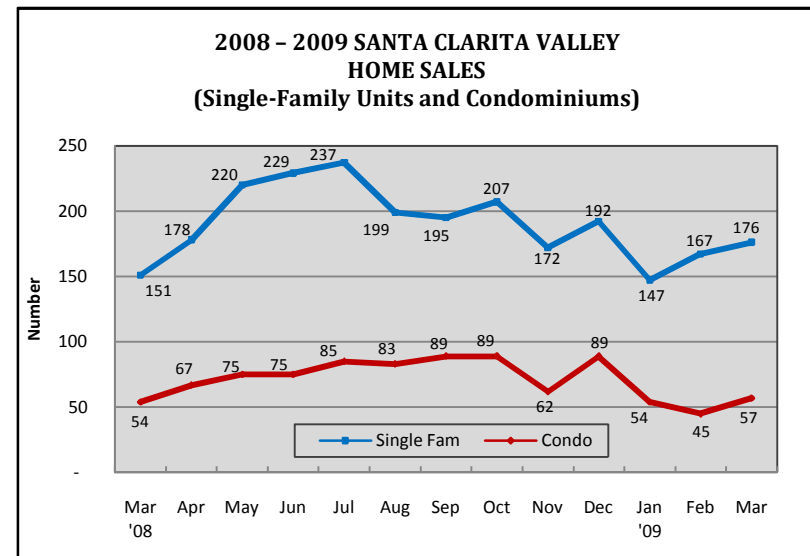
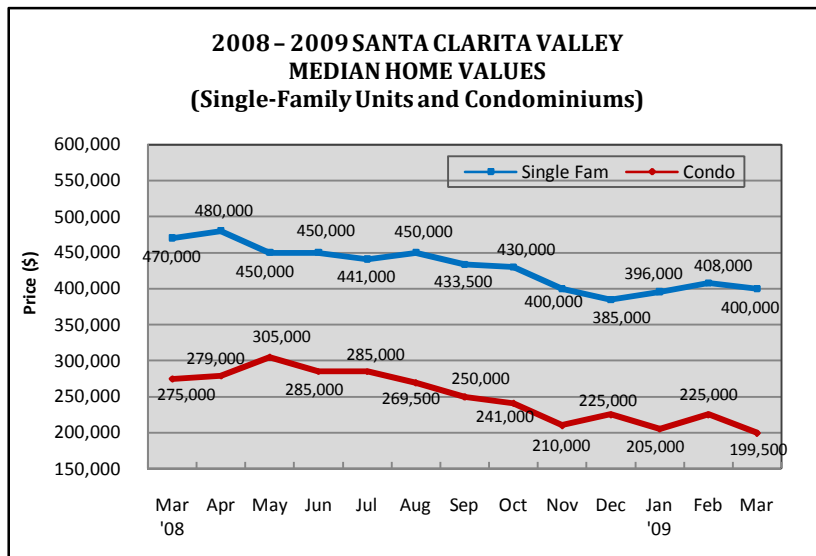
Commercial/Industrial Certificates of Occupancy Issued



- In March 2009 a total of 4 Certificates of Occupancy were issued of which 2 each were for retail and office use, down 50% from 8 Certificates of Occupancy in March 2008.
- Certificates of Occupancy for March 2009 represented a total of 68,060 square feet of which 75% was for retail space and 25% was for office space. This represented a 150% increase from the 27,213 square feet in March 2008.

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.

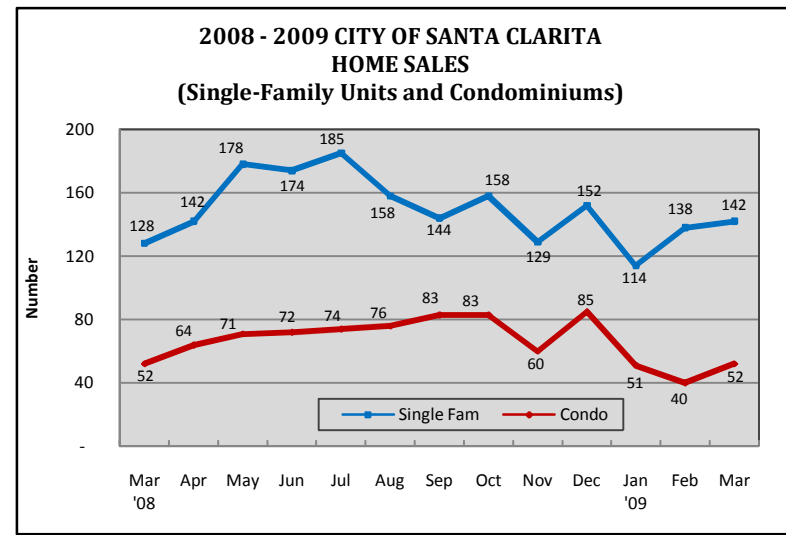
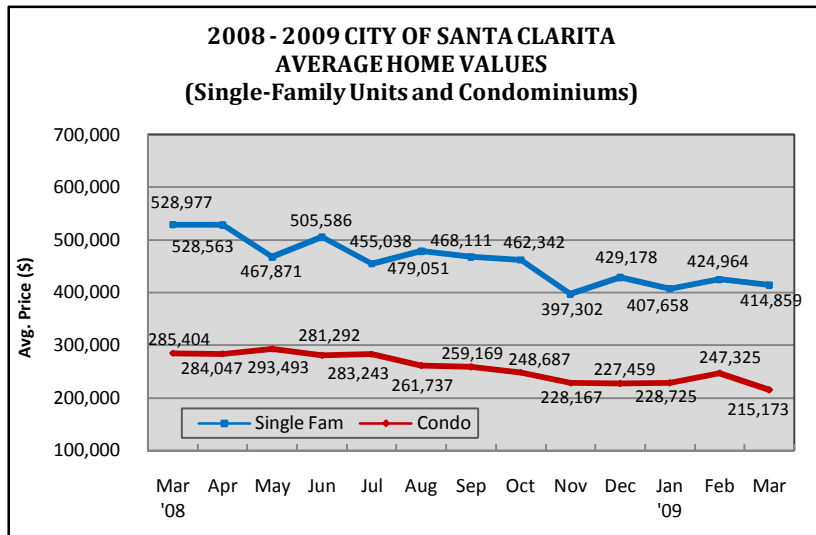
Santa Clarita Valley Housing Market (Including the City of Santa Clarita)



In the Santa Clarita Valley (inclusive of the City of Santa Clarita), home values continue to fluctuate while sales have trended upward since March 2008.

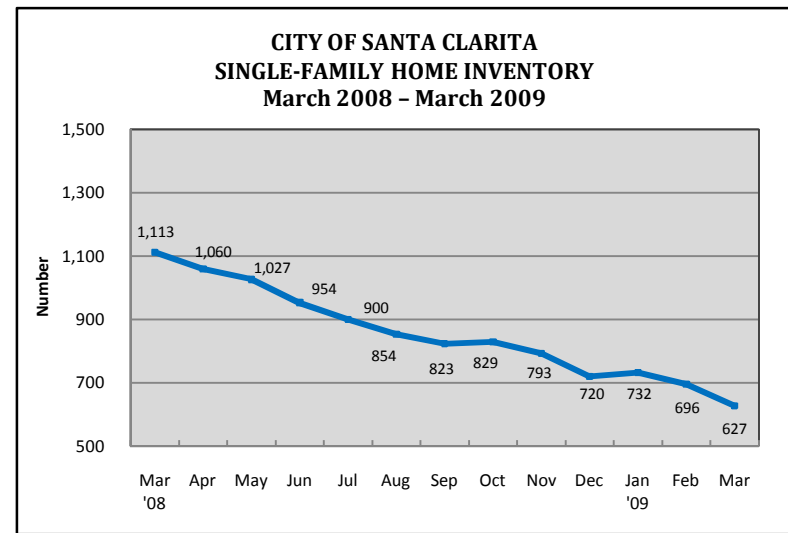
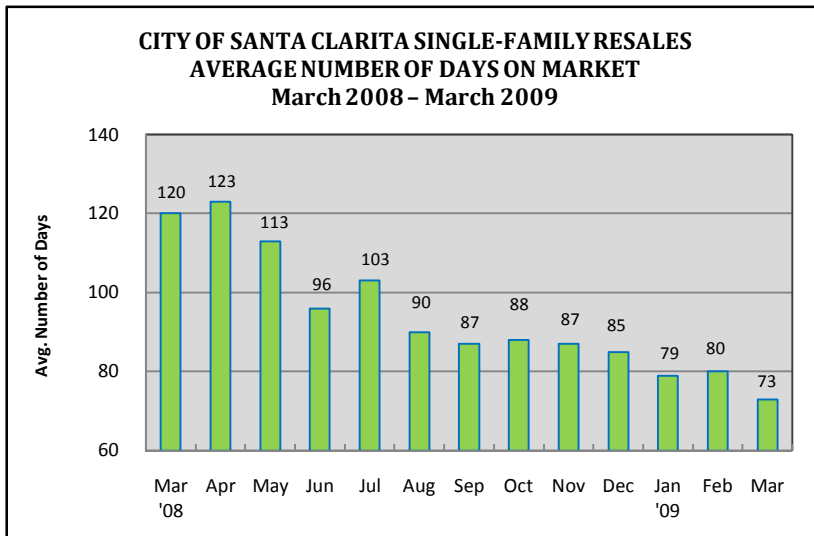
- Single-family median home values dropped 2% to \$400,000 in March 2009 from \$408,000 in February 2009, and have dropped 15% from March 2008.
- Condominium prices decreased 11% to \$199,500 in March 2009 from February 2009 and dropped 27% from March 2008.
- The number of single-family home sales peaked in July 2008 at 237 homes. A total of 176 single-family homes sold in March 2009, up 5% from February 2009, and up 17% from one year ago. Condominium sales rose to 57 sales in March 2009, up 27% from February 2009, and up 6% from March 2008.

City of Santa Clarita Housing Market



- Single-family average prices dropped in March 2009 from February 2009, and remain lower than prices in March 2008.
- Single-family average home values in March 2009 in the City of Santa Clarita were \$414,900 or 2% below February 2009 and 22% below March 2008. Condominium prices fell 13% to \$215,200 in March 2009 from February 2009. Furthermore, condominium prices in March 2009 were 25% lower than prices in March 2008.
- The number of single-family homes sold in the City of Santa Clarita in March 2009 increased as did condominium sales compared to sales in February 2009, and remain above sales in March 2008.
- In the City of Santa Clarita, sales increased 3% to 142 single-family homes in March 2009 from February 2009, and condominium sales volume rose 30% to 52 units during the same time period.

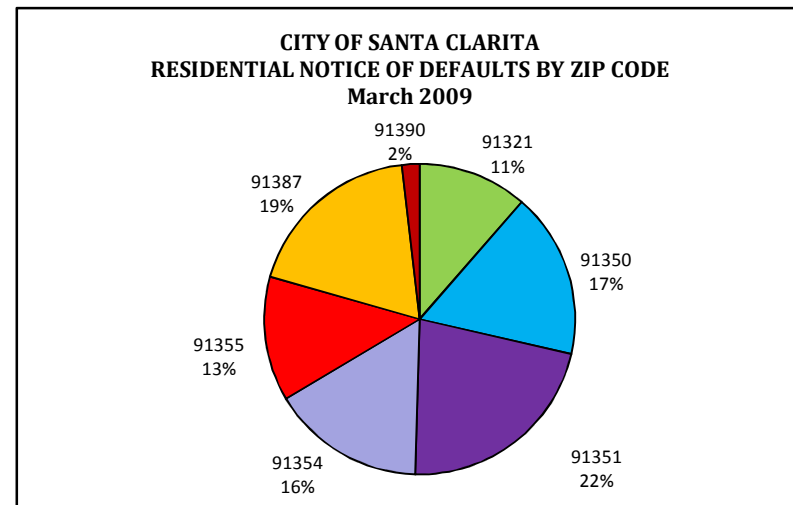
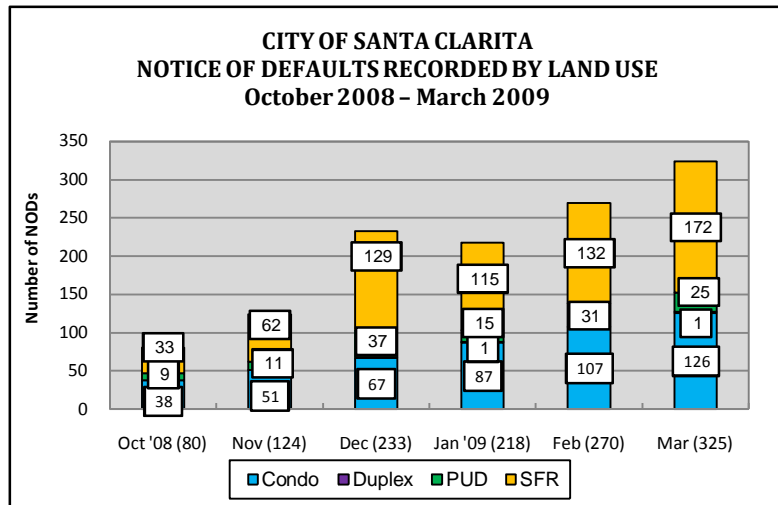
City of Santa Clarita Housing Market: Average Days on Market & Inventory Levels



- The City of Santa Clarita’s housing market is stronger than one year ago when homes took an average 120 days or approximately 4 months to sell.
- In March 2009, homes were on the market for an average 73 days or 2.4 months, the lowest level seen in the past year.
- Single-family inventory levels reached a record low. Resale inventory levels fell 10% in March 2009 to 627 homes from 696 in February 2009, and were 44% below inventory levels in March 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.

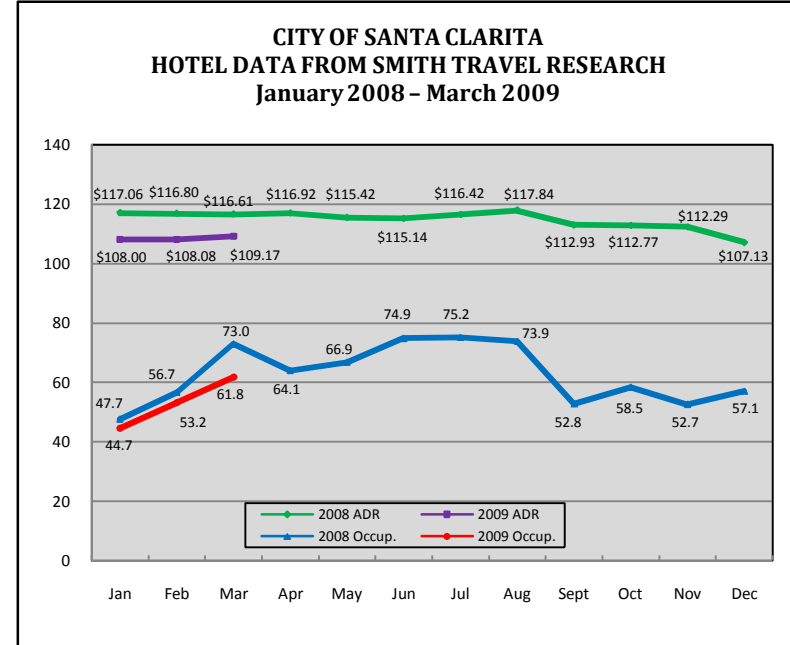
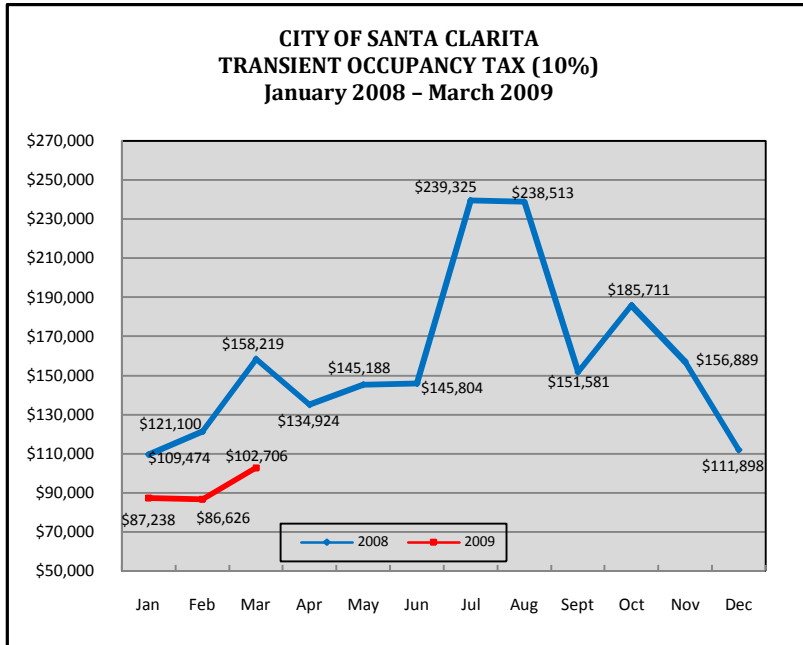
City of Santa Clarita: Notice of Defaults (NODs)



- A total of 325 NODs were recorded in March 2009 in the City of Santa Clarita, up 20% from 270 in February 2009.
- Of the March NODs, 53% or 172 were on single-family residences while 39% or 126 were on condominium properties and 8% or 25 NODs were on PUDs. An additional one was for a duplex and for another one the type was unknown.
- The number of NODs among single-family homes in March 2009 was 18% higher than levels in February 2009, while the number of NODs on condominiums rose 30% and NODs on PUDs dropped 19% during the same time period.
- Approximately one-fourth each or 25% of the NODs were on homes that previously sold in the \$350,000 - \$499,999 range and 23% were in the \$200,000 - \$349,999 range, while 19% sold in the \$500,000 - \$599,999 range, 16% were at least \$600,000, and 12% were in the less than \$200,000 range. The price range was unknown for the remaining 6%. This suggests the majority of homeowners who received NODs in March 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)

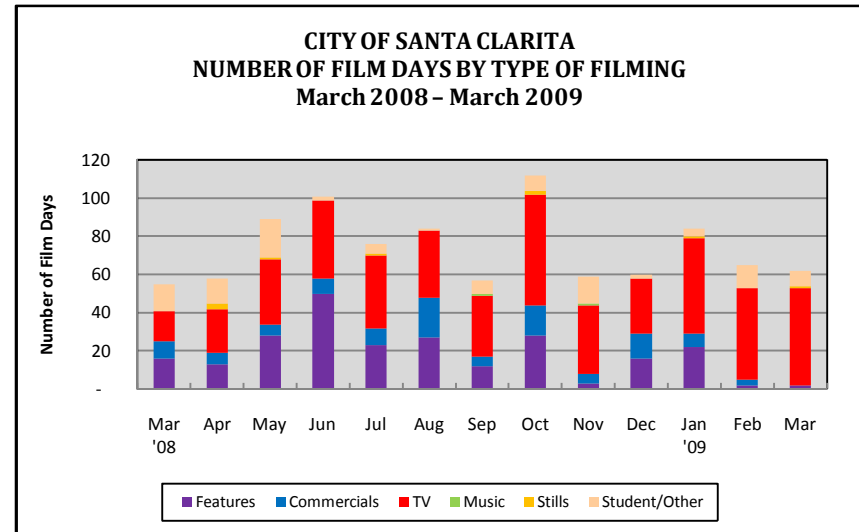
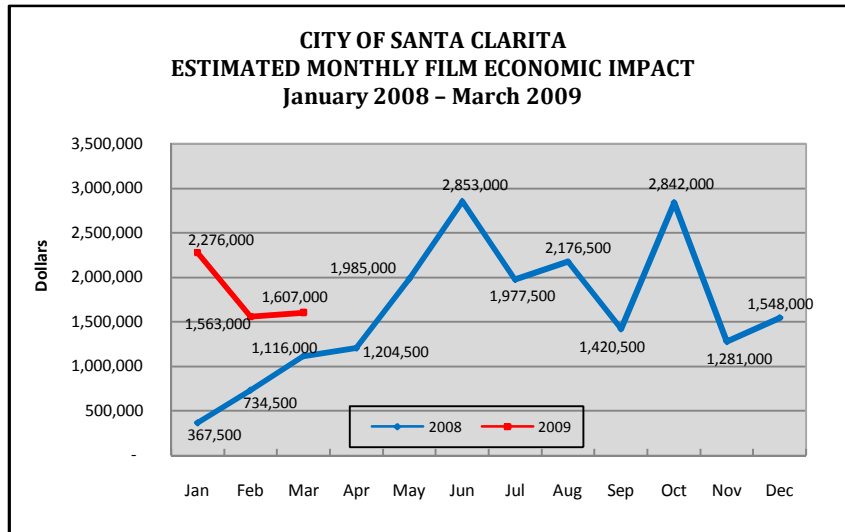
- In March 2009, the City of Santa Clarita collected \$102,706 in TOT, down 35% from \$158,219 in March 2008.
- During the January – March 2009 time frame, the City of Santa Clarita collected \$276,570 in TOT, down 29% from the same time period in 2008.

Occupancy

- Smith Travel Research reports hotel occupancy in the City in March 2009 was 62%, down from the reported 73% occupancy in March 2008.
- An average of 545 rooms of 882 available in the City were sold in March 2009 compared to 644 rooms of 882 available rooms in March 2008.
- In comparison, occupancy rates at hotels nationwide in March 2009 were at 55%, down 12% from March 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

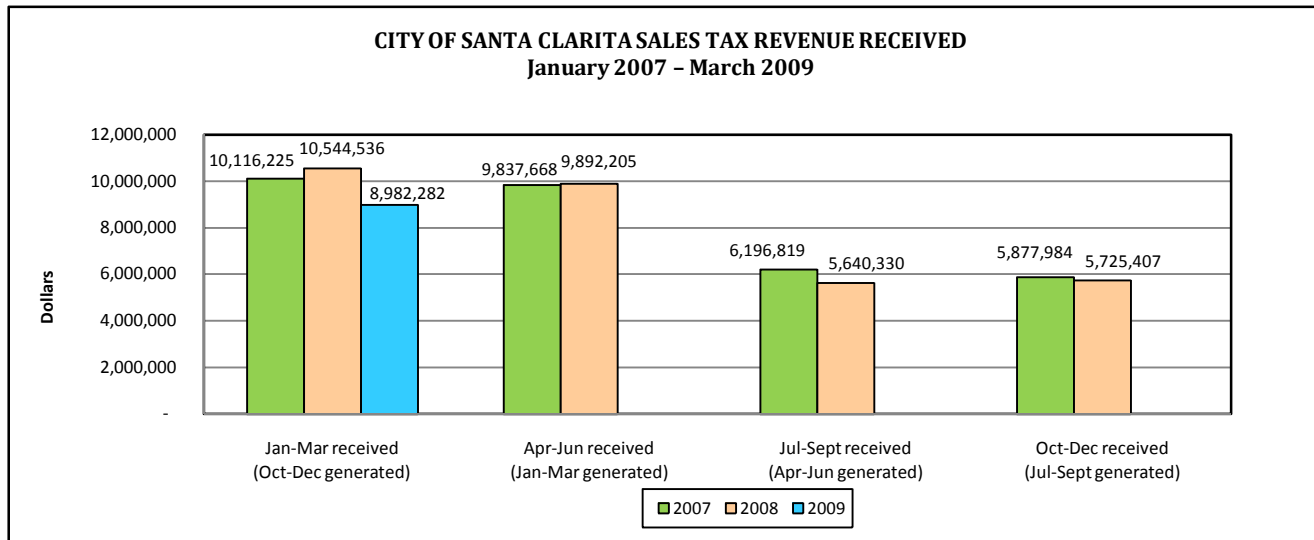


- The Economic Impact from location filming for March 2009 of \$1,607,000 was 44% above the impact in March 2008 of \$1,116,000.
- Consequently, the total Economic Impact from location filming in March 2009 year-to-date was \$5,446,000 or 146% above the impact of \$2,218,000 during the same time period in 2008.
- There were a total of 62 filming days in March 2009, up 13% from 55 filming days in March 2008.
- March 2009 film days included: 82% for television shows, 13% for student/other projects, 3% for features, and 2% for stills. No commercials or music videos were filmed in March 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

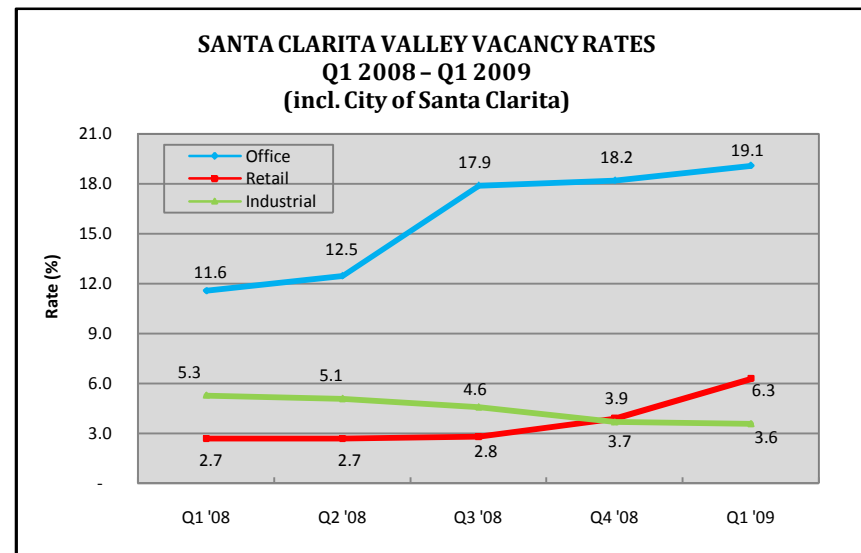
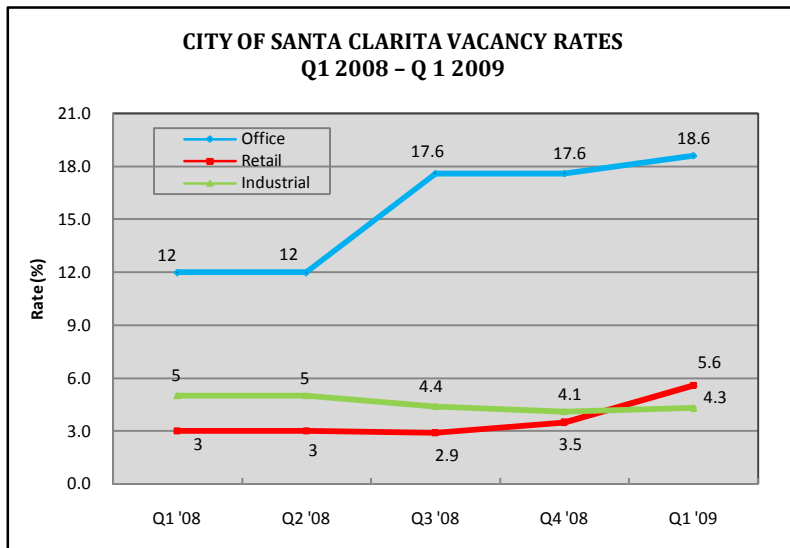
(Updated Quarterly)



- As the economy weakened in 2008, decreases in sales tax receipts were reported.
- In January – March 2009, a total of \$8.98 million in sales tax revenue was received, down 15% from \$10.54 million received in January – March 2008.

Sales tax revenue is presented quarterly through March 2009. Next update will be with June 2009 data.

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



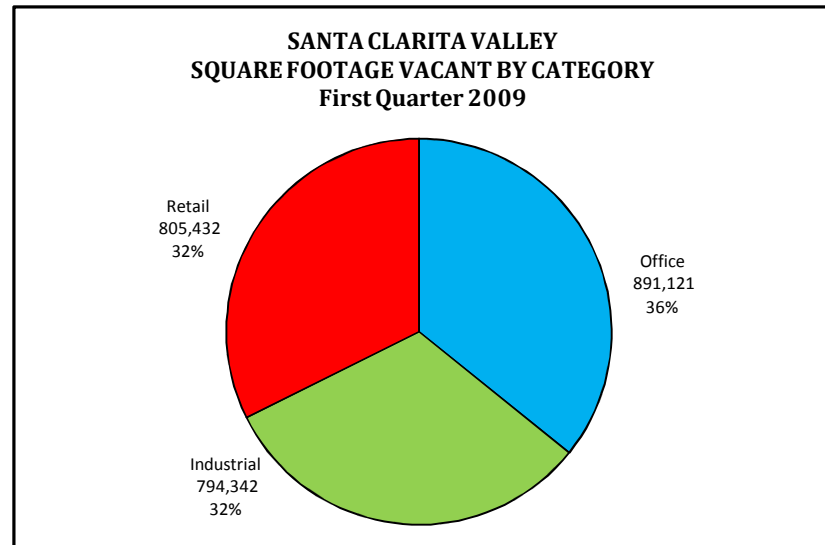
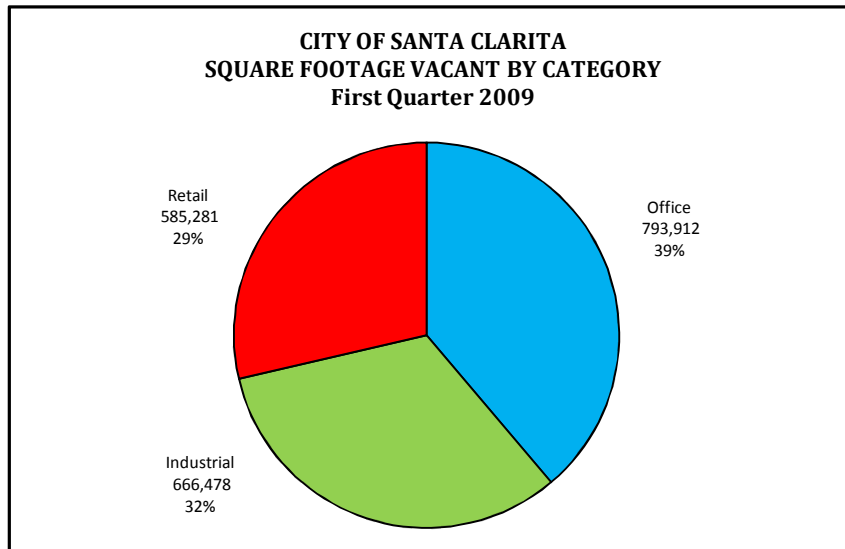
City of Santa Clarita

- In the City of Santa Clarita, office, retail, and industrial vacancy rates increased in First Quarter 2009 because of both contraction of the market and new inventory. Retail vacancy rates increased the most in First Quarter 2009 from the previous quarter.
- The City's office vacancy rate was 18.6% and the retail and industrial vacancy rates were 5.6% and 4.3%, respectively.

Santa Clarita Valley (includes the City)

- 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 were 19.1% and 6.3%, respectively, while the industrial vacancy rate was 3.6%.

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



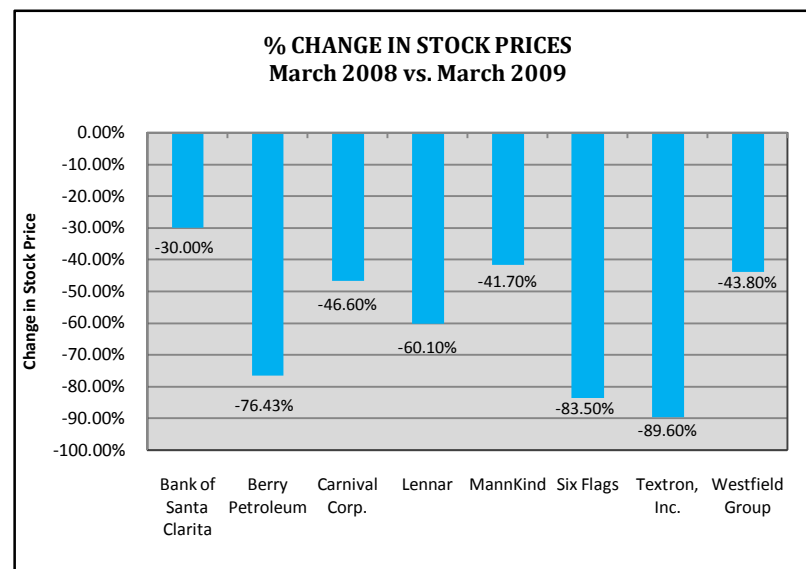
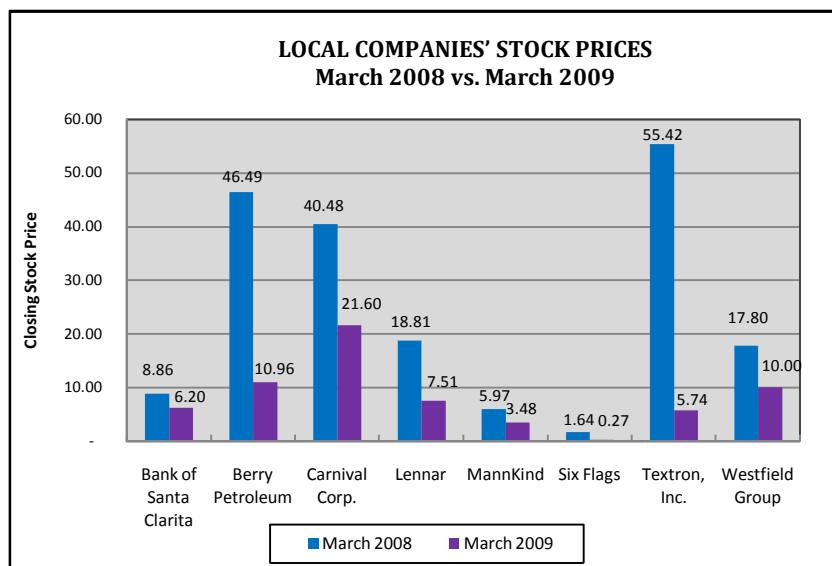
City of Santa Clarita

- 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 7.1% or 2,045,671 square feet of the total space for businesses in the City is vacant. Of that amount vacant, 39% is office space, 32% 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 6.4% or 2,490,895 of the total space for businesses in the Santa Clarita Valley is vacant. Of that amount, 36% is office space and 32% each is retail and industrial space.

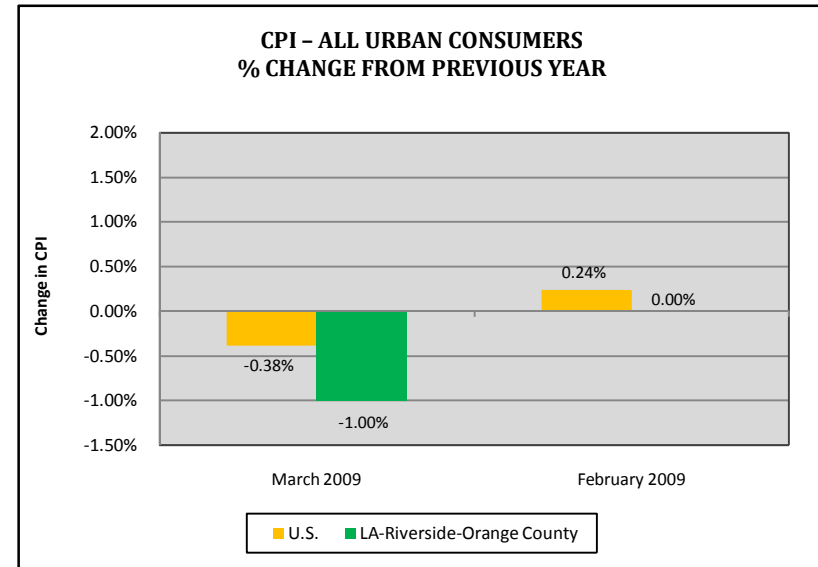
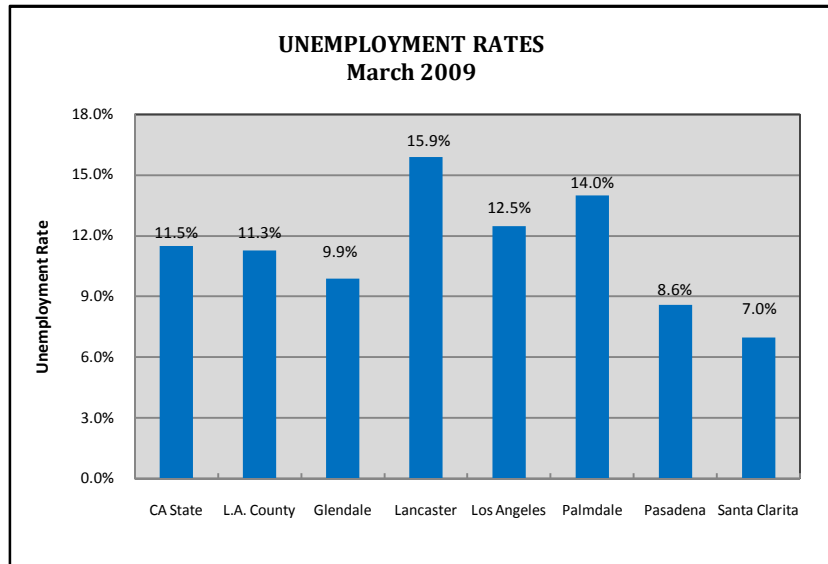
Stock Prices of Local Employers



- Stock prices for each of the eight companies in Santa Clarita whose stock prices are being tracked have declined year-over-year as has the entire stock market.
- At the end of March 2009, the stock price of Six Flags was the lowest at \$0.27 while that of Carnival Corp. was the highest at \$21.60.
- The Dow dropped 38.00% to 7,608.92 on March 31, 2009 from 12,262.89 on March 31, 2008.
- Only Bank of Santa Clarita has outperformed the market with a decline of 30.00%.

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), SIX (Six Flags), TXT (Textron, Inc.), and ASX.WDS (Westfield Group).

Employment and Inflation



- Santa Clarita's unemployment rate was 7.0% in March 2009 compared to 11.3% for Los Angeles County and 11.5% statewide.
- Year-over-year inflation for March 2009 among all urban consumers for Los Angeles-Riverside-Orange County was down 1% compared to the national rate of down 0.38%. Inflation in the Los Angeles metro area was nonexistent in February 2009.
- The lower inflation rate from one year ago reflects the continued large declines in energy and transportation costs of 23% and 13%, respectively. Compared to one year ago, food and beverage prices and education and communication costs rose 4% each, while recreation costs rose 2%, and medical care costs and housing costs rose 1% each.

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