

Santa Clarita Valley December 2017 Economic Snapshot



Monthly Data

The Santa Clarita Valley Economic Snapshot contains important indicators, data, and statistics about the growth of our region such as construction permits, vacancy rates, residential real estate activity, employment statistics, tourism trends, and the economic impact of filming.

Highlights

In November 2017, a total of 40 Certificates of Occupancy were issued in the Santa Clarita Valley. There were 59 permits issued in November 2016

The estimated economic impact in SCV in Nov. 2017 is \$3,268,000 which is a 48.27% decrease from \$6,317,500 in Nov 2016

The unemployment rate in Santa Clarita is 3.8%, and California's unemployment rate fell to 4.6 percent in Nov. – a record low in a data series dating back to the beginning of 1976

A total of 171 single-family homes were sold in November, a decrease of 12.31% from October 2017

COMMERCIAL REAL ESTATE | Santa Clarita Valley

Source: City of Santa Clarita; County of Los Angeles

New Permits

Three (3) permits for new commercial space were issued during November 2017 in the Santa Clarita Valley, one fewer than were issued in October 2017. There were zero (0) permits for commercial space issued during November 2016.

Tenant Improvements/Alterations

A total of forty-six (46) permits for commercial tenant improvements and/or alterations were issued for November 2017 in the Santa Clarita Valley. The city of Santa Clarita is now combining the two reports into one due to a new reporting system in the permitting office. In October 2017, nineteen (19) permits were issued for tenant improvements and thirty-two (32) were issued for commercial alteration.

Certificates of Occupancy

In November 2017, a total of 40 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 118,508 SF with 33,254 SF issued for commercial space. There were 59 permits issued in November 2016.

SANTA CLARITA VALLEY PERMITS



New Residential



Residential Alterations



Certificates of Occupancy

RESIDENTIAL REAL ESTATE | Santa Clarita Valley

Source: Southland Assoc. of Realtors/ MLS Statistics

Median home values remained steady in November 2017 at \$580,000 compared to \$580,000 in October 2017. A total of 171 single-family homes were sold in November, a decrease of 12.31% from October 2017, and a decrease of 16.59% from the November 2016 sales volume of 205 homes.

Median condominium values increased 8.10% to \$383,500 in November 2017; it is a 12.79% increase from the November 2016 sales value of \$340,000. Condominium sales decreased 18.81% to 82 in November 2017 from 101 sold in October 2017; it is a decrease of 7.87% from November 2016 with a sales volume of 89.

SCV Residential Real Estate Summary					
	Nov-17	Oct-17	M/M % Chg	Nov-16	Y/Y % Chg
Median Home Value	\$580,000	\$580,000	-0.00%	\$545,000	6.42%
Number of Single Family Homes Sold	171	195	-12.31%	205	-16.59%
Median Condominium Value	\$383,500	\$354,500	8.10%	\$340,000	12.79%
Number of Condominiums Sold	82	101	-18.81%	89	-7.87%
Avg. Days on Market (Single-Family - SCV)	91	78	4.60%	95	-4.21%
Single-Family Home Inventory (SCV)	303	356	-14.89%	494	-36.64%
	Nov-17	Oct-17	M/M % Chg	Nov-16	Y/Y % Chg
NODs recorded (SCV)	31	31	0.00%	26	19.23%
	Q3 2017	Q2 2017	Q/Q % Chg	Q3 2016	Y/Y % Chg
Apartment Vacancy Rate	2.9%	2.8%	3.57%	3.3%	-12.12%
Avg. Apartment Rents	\$1,853	\$1,881	-1.49%	\$1,919	-3.44%

Unemployment Rate Comparison—Nov. 2017 UNEMPLOYMENT RATE

Source: Bureau of Labor Statistics | California Economic Forecast

California	4.6%
LA County	4.1%
Glendale	4.0%
Lancaster	4.6%
Los Angeles	4.4%
Palmdale	5.6%
Pasadena	3.7%
Santa Clarita	3.8%

California’s unemployment rate fell to 4.6 percent in November – a record low in a data series dating back to the beginning of 1976 – and the state’s employers added 47,400 nonfarm payroll jobs, according to data released by the California Employment Development Department (EDD) from two surveys.

California has now gained a total of 2,734,800 jobs since the economic expansion began in February 2010.

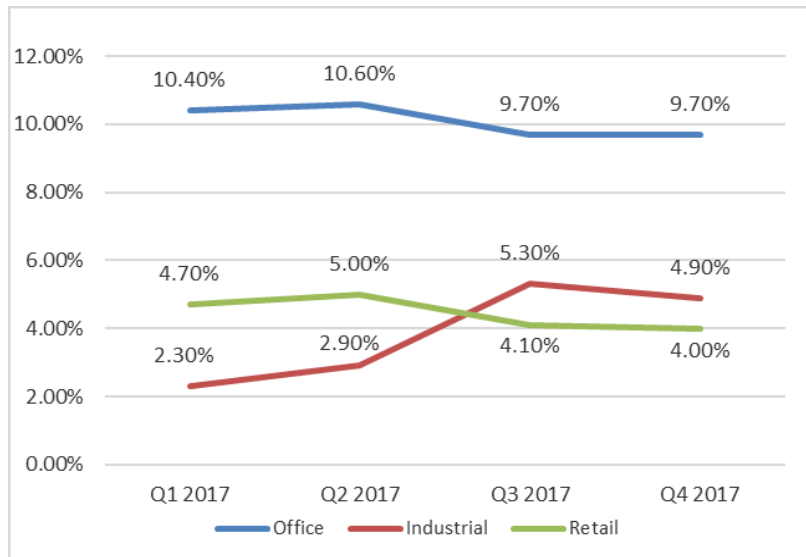
COMMERCIAL VACANCY RATES

Santa Clarita Valley

Source: Co-Star Group

In the Santa Clarita Valley, Q4 2017 office vacancy rates remained the same, retail decreased 2.5%, while industrial decreased 8.16%.

During Q4 2017, Santa Clarita Valley’s office vacancy rate was 9.7%; retail and industrial vacancy rates were 4.0% and 4.9% respectively.



TOURISM | City of Santa Clarita

Source: STR and TRENDS® Reports

STR reports that hotel occupancy in Santa Clarita was 80.2% in November 2017, a decrease of 8.76% from the November 2016 rate of 85.1%.

By comparison, TRENDS reports the average occupancy rate at hotels for the Los Angeles region during November 2017 was 77.48%, a .0.2% increase from 77.45% in November 2016.

Local average daily room rates (ADR) increased by -1.51% in November 2017 to \$132.44 from \$134.47 the previous year; LA region's ADR decreased 0.15% to \$197.67 over the previous year at \$197.97.

November 2017 Southern California Occupancy & Rate Summary

Tourism Sub-Region	Occupancy Rate Nov 2017	Occupancy Rate Nov 2016	ADR Nov 2017	ADR Nov 2016
Santa Clarita	80.2%	85.1%	\$132.44	\$134.47
San Fernando Valley	79.14%	76.39%	\$172.22	\$171.29
Pasadena	74.46%	78.52%	\$199.36	\$211.29
San Gabriel Valley	75.74%	76.08%	\$126.11	\$132.89
Hollywood	71.08%	72.03%	\$220.24	\$225.94
South Bay	77.46%	81.95%	\$144.88	\$144.53
Los Angeles Region	77.48%	77.45%	\$197.67	\$197.97

FILM | Santa Clarita Valley

Source: City of Santa Clarita; Film L.A.

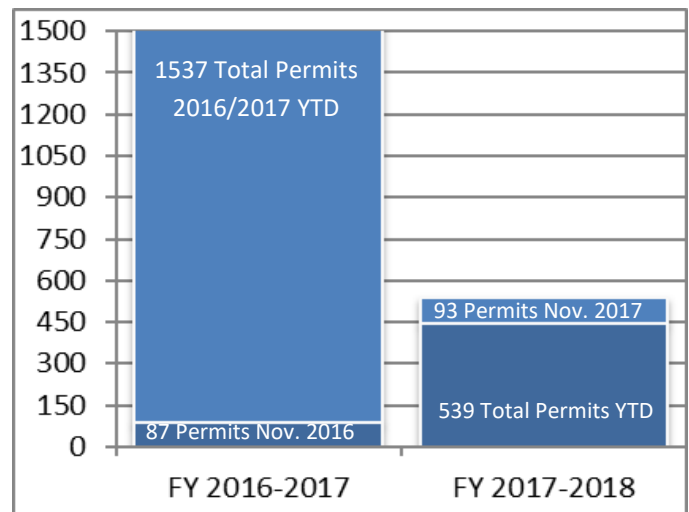
In November 2017, a total of 93 film permits were issued in the Santa Clarita Valley, for a fiscal YTD of 539 permits (July 2017 through June 2018.)

The permits represented a total of 158 filming days in Santa Clarita for November 2017, a decrease of 19.38% from 196 filming days in November 2016.

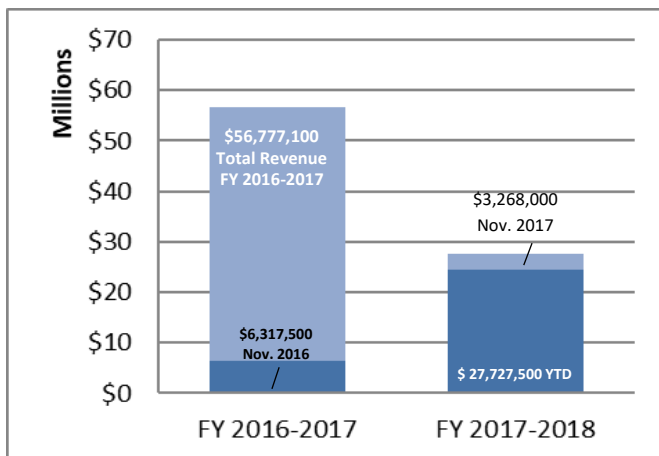
The November 2017 film days included: 79 television shows, 32 student/other projects, 21 commercials, 15 features, 8 still shoots and 3 music videos.

The estimated economic impact in Santa Clarita from location filming in November 2017 is \$3,268,000 which is a 48.27% decrease from \$6,317,500 in November 2016.

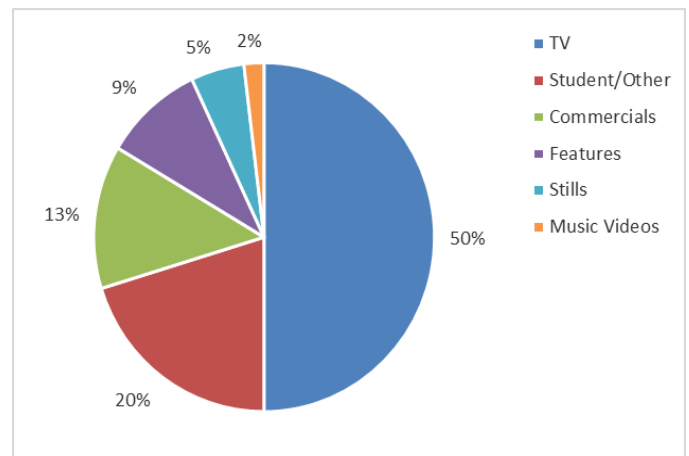
Number of Film Permits Issued in November 2017



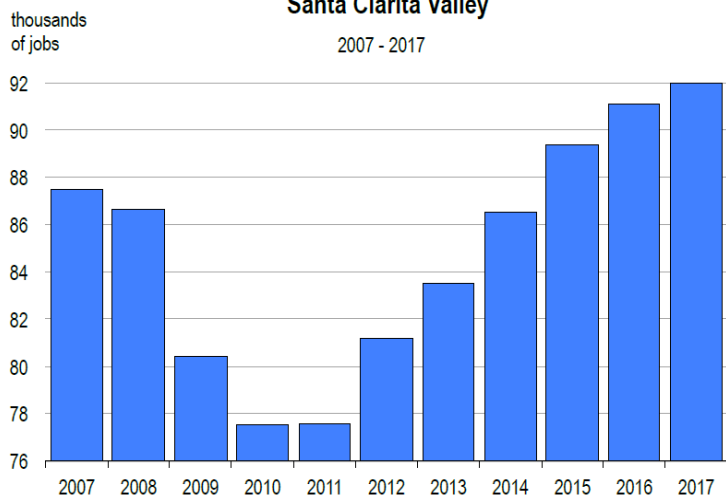
Estimated Economic Impact of Filming in November 2017



Percentage of Filming Days in November 2017



Average Annual Non-Farm Employment Santa Clarita Valley



Source: Labor Market Information Division / California Economic Forecast

NON-FARM EMPLOYMENT

On an annual average basis, non-farm employment is on pace to rise at a healthy rate in 2017. If the trend from the first 10 months of the year persists, the region's labor market will expand by 1.8 percent.

The sectors that have experienced the strongest growth in the past year include administrative support services (+12 percent), construction (+6 percent), and manufacturing (+3 percent). The largest losses were in arts and entertainment (-11 percent), private educational services (-4 percent), and wholesale trade (-3 percent).

Source: Labor Market Information Division / California Economic Forecast

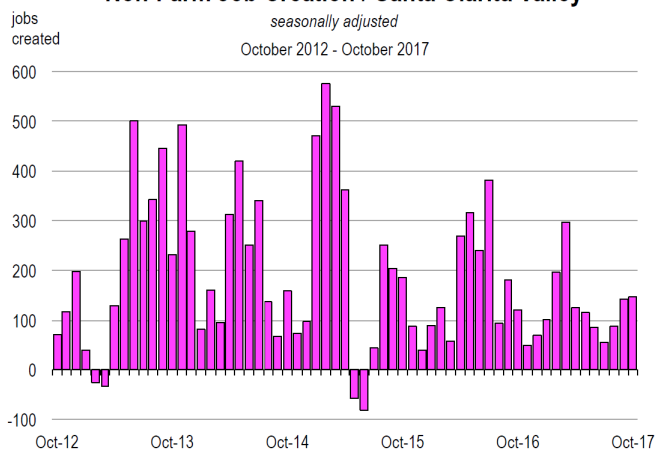
NON-FARM JOB CREATION

Job growth is still strong, with the Santa Clarita Valley on track to add more than 1,600 jobs in 2017. Wages are rising quickly, primarily the result of a tight labor market.

The economy is near "full employment." At full employment, virtually everyone who wants a job already has a job, making recruitment more difficult. Under these conditions, firms can only expand their employee headcounts by 1) hiring new high school or college graduates, 2) hiring workers from other companies, or 3) recruiting workers from other regions.

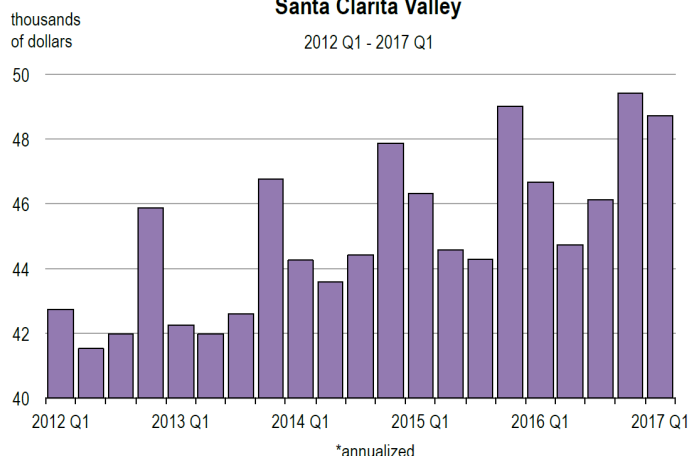
Source: California Economic Forecast

Non-Farm Job Creation / Santa Clarita Valley



Source: Labor Market Information Division / California Economic Forecast

Average Non-Farm Salary per Worker* Santa Clarita Valley



*annualized

AVERAGE SALARIES

In the first quarter of 2017, the average non-farm worker earned an annualized salary of \$48,700.

Average salaries have risen by 4.5 percent over the past four quarters.

This is a relatively strong rate, and is indicative of a robust job market with low levels of unemployment.

Source: Labor Market Information Division / California Economic Forecast