

# Santa Clarita Valley February 2018 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 January 2018 a total of 28 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 156,149 SF with 83,881 SF issued for commercial space

The estimated economic impact in Santa Clarita from location filming in January 2018 is \$3,156,000

Median home dipped slightly in January 2018 to \$575,000 compared to \$580,000 in December 2017

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

## COMMERCIAL REAL ESTATE | Santa Clarita Valley

Source: City of Santa Clarita; County of Los Angeles

### New Permits

Four (4) permit for new commercial space was issued during January 2018 in the Santa Clarita Valley, three more than were issued in December 2017. There were one (1) permits for new commercial space issued during January 2017.

### Tenant Improvements/Alterations

A total of three (3) permits for commercial tenant improvements were issued in the Santa Clarita Valley during January 2018. There were ten (10) permits issued in January 2017.

In January 2018, ten (10) commercial alteration permits were issued, up ten from December 2017 and down from thirty (30) permits issued January 2017.

### Certificates of Occupancy

In January 2018 a total of 28 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 156,149 SF with 83,881 SF issued for commercial space. There were 18 permits issued in January 2017.

## 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 dipped slightly in January 2018 to \$575,000 compared to \$580,000 in December 2017. A total of 148 single-family homes were sold in January 2018, a decrease of 28.85% from December 2017, and an increase of 20.33% from January 2017 sales volume of 123.

Median condominium values increased 13.04% to \$390,000 in January 2018; it is a 8.33% increase from the January 2017 sales value of \$360,000. Condominium sales decreased 38.88% to 55 in January 2018 from 90 sold in December 2017; it is a decrease of 20.29% from January 2017 with a sales volume of 69.

SCV Residential Real Estate Summary					
	Jan-18	Dec-17	M/M % Chg	Jan-17	Y/Y % Chg
Median Home Value	\$575,000	\$580,000	-.009%	\$560,000	2.67%
Number of Single Family Homes Sold	148	208	-28.85%	123	20.33%
Median Condominium Value	\$390,000	\$345,000	13.04%	\$360,000	8.33%
Number of Condominiums Sold	55	90	-38.88%	69	-20.29%
Avg. Days on Market (Single-Family - SCV)	85	105	-19.05%	94	-9.57%
Single-Family Home Inventory (SCV)	235	223	5.38%	427	-44.96%
	Jan-18	Dec-17	M/M % Chg	Jan-17	Y/Y % Chg
NODs recorded (SCV)	29	35	-17.14%	24	20.83%
	Q4 2017	Q3 2017	Q/Q % Chg	Q4 2016	Y/Y % Chg
Apartment Vacancy Rate	2.7%	2.9%	-6.89%	3.1%	-12.90
Avg. Apartment Rents	\$1,867	\$1,853	.75%	\$1,888	-1.1%

## Unemployment Rate Comparison—Dec. 2017 UNEMPLOYMENT RATE

California	4.3%
LA County	4.2%
Glendale	4.0%
Lancaster	4.7%
Los Angeles	4.4%
Palmdale	5.6%
Pasadena	3.7%
Santa Clarita	3.8%

Source: Bureau of Labor Statistics | California Economic Forecast

California's unemployment rate fell to 4.3 percent in December - establishing a new record low in a series dating back to the beginning of 1976 - and the state's employers added 52,700 nonfarm payroll jobs, according to data released today by the California Employment Development Department (EDD) from two surveys.

California has now gained a total of 2,793,800 jobs since the economic expansion began in February 2010.

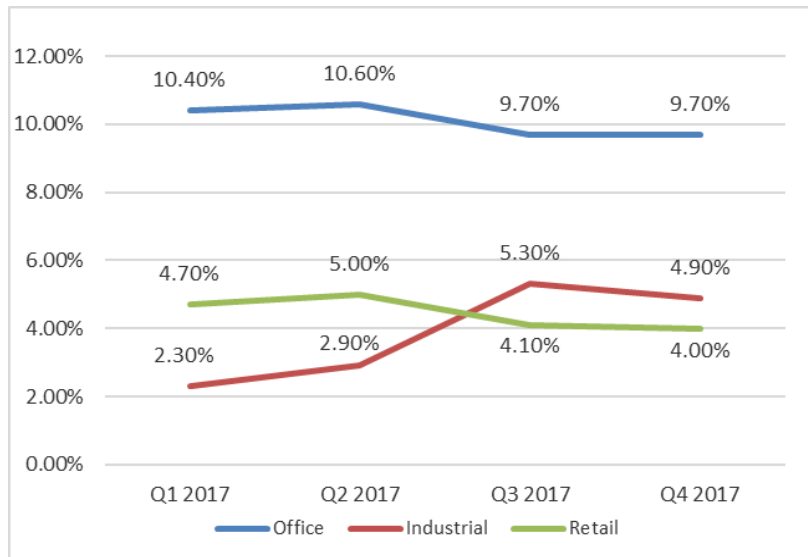
## COMMERCIAL VACANCY RATES

### 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 83.2% in December 2017, an increase of 7.35% from the December 2016 rate of 77.5%.

By comparison, TRENDS reports the average occupancy rate at hotels for the Los Angeles region during December 2017 was 72.53%, a 2.73% increase from 70.60% in December 2016.

Local average daily room rates (ADR) increased by 1.37% in December 2017 to \$127.61 from \$125.88 the previous year; LA region's ADR decreased 3.84% to \$191.30 over the previous year at \$184.22.

### December 2017 Southern California Occupancy & Rate Summary

Tourism Sub-Region	Occupancy Rate Dec 2017	Occupancy Rate Dec 2016	ADR Dec 2017	ADR Dec 2016
Santa Clarita	83.2%	77.5%	\$127.61	\$125.88
San Fernando Valley	75.49%	67.92%	\$168.66	\$163.09
Pasadena	74.35%	74.50%	\$202.35	\$182.38
San Gabriel Valley	73.45%	71.54%	\$126.44	\$121.97
Hollywood	72.45%	71.38%	\$205.97	\$203.70
South Bay	71.46%	73.05%	\$157.96	\$153.23
Los Angeles Region	72.53%	70.60%	\$191.30	\$184.22

## FILM | Santa Clarita Valley

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

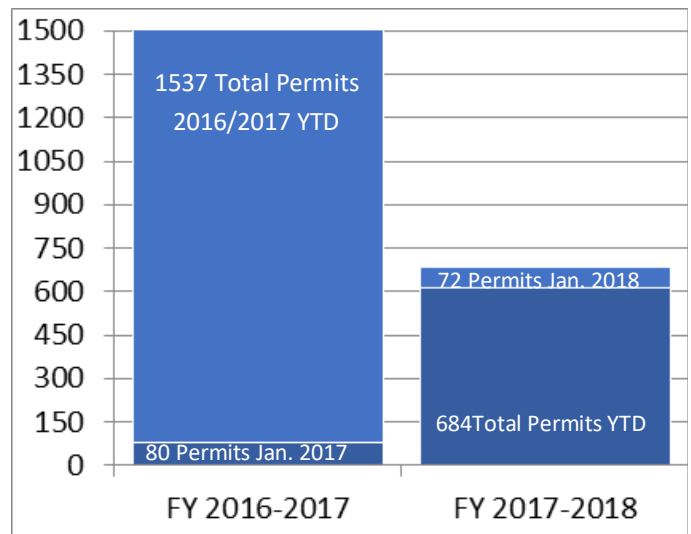
In January 2018 a total of 72 film permits were issued in the Santa Clarita Valley, for a fiscal YTD of 684 permits (July 2017 through June 2018.)

The permits represented a total of 139 filming days in Santa Clarita for January 2018, a decrease of 14.7% from 163 filming days in January 2017.

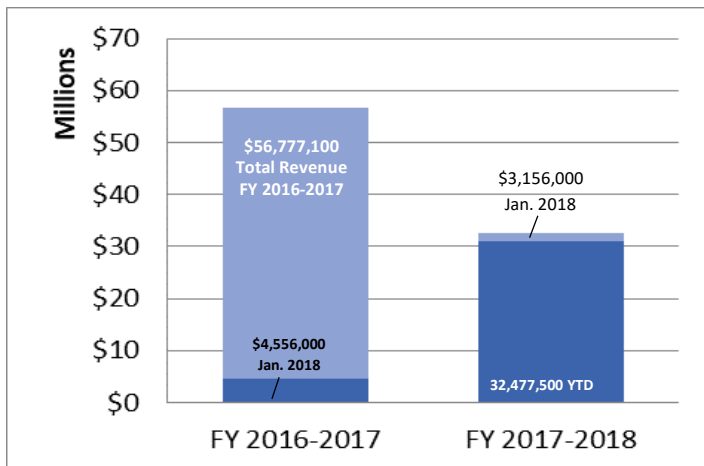
The January 2018 film days included: 74 television shows, 14 student/other projects, 28 commercials, 14 features, 6 still shoots and 3 music videos.

The estimated economic impact in Santa Clarita from location filming in January 2018 is \$3,156,000 which is a 30.7% decrease from \$4,556,000 in January 2017.

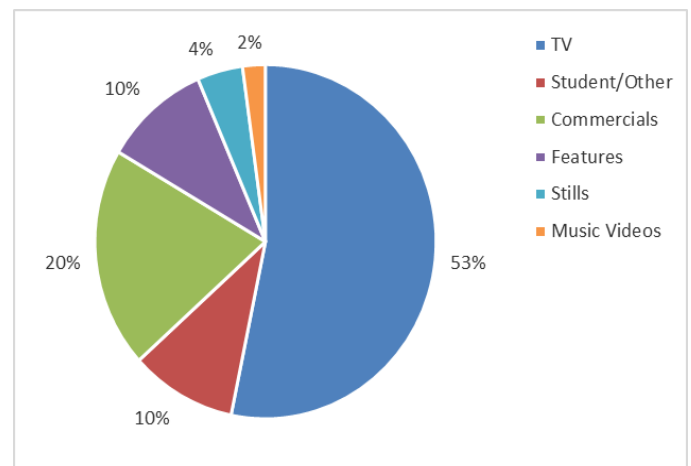
### Number of Film Permits Issued in January 2018



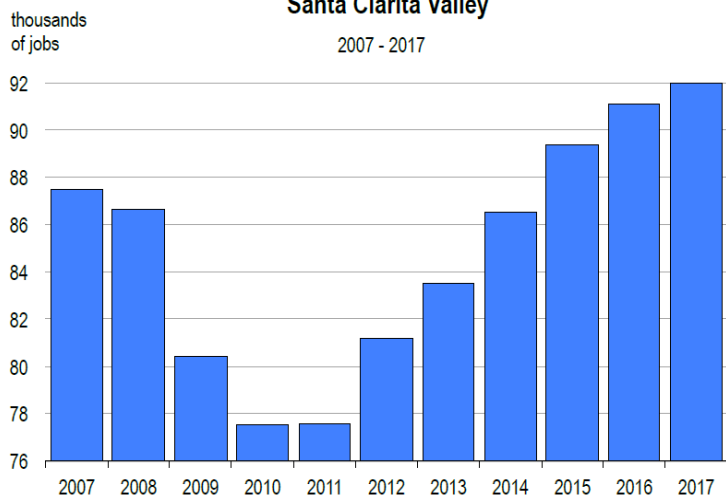
### Estimated Economic Impact of Filming in January 2018



### Percentage of Filming Days in January 2018



### 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

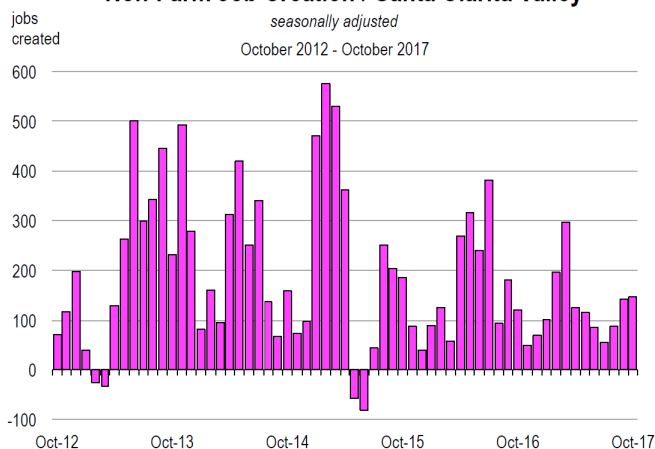
## NON-FARM JOB CREATION

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.

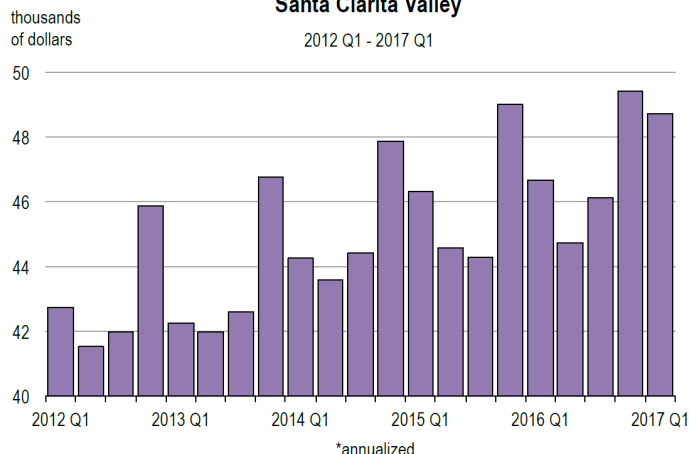
Source: California Economic Forecast

### 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