

Santa Clarita Valley Economic Snapshot

March 2018



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 February 2018 a total of 62 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 338,178 SF of commercial space

The estimated economic impact in Santa Clarita from location filming in February 2018 is \$3,227,500. The YTD estimated economic impact of filming in SCV is \$35,705,000

Median home values rose in February 2018 to \$600,000 compared to \$575,000 in January 2018

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

COMMERCIAL REAL ESTATE | Santa Clarita Valley

Source: City of Santa Clarita; County of Los Angeles

New Permits

Two (2) permits for new commercial space were issued during February 2018 in the Santa Clarita Valley, two less than were issued in January 2018. There were zero (0) permits for new commercial space issued during February 2017.

Tenant Improvements/Alterations

A total of thirty two (32) permits for commercial tenant improvements were issued in the Santa Clarita Valley during February 2018. There were four (4) permits issued in February 2017.

In February 2018, twenty one (21) commercial alteration permits were issued, up eleven from January 2018 and down from thirty (30) permits issued February 2017.

Certificates of Occupancy

In February 2018 a total of 62 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 338,178 SF issued for commercial space. There were 40 permits issued in February 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 values rose in February 2018 to \$600,000 compared to \$575,000 in January 2018. A total of 127 single-family homes were sold in February 2018, a decrease of 14.18% from January 2018, and a decrease of 3.78% from February 2017 sales volume of 132.

Median condominium values decreased 2.56% to \$380,000 in February 2018; it is a 1.55 % decrease from the February 2017 sales value of \$386,000. Condominium sales increased 7.27% to 59 in February 2018 from 55 sold in January 2018; it is an increase of 89.65% from February 2017 with a sales volume of 29.

SCV Residential Real Estate Summary					
	Feb-18	Jan-18	M/M % Chg	Feb-17	Y/Y % Chg
Median Home Value	\$600,000	\$575,000	4.34%	\$553,000	8.49%
Number of Single Family Homes Sold	127	148	-14.18%	132	-3.78%
Median Condominium Value	\$380,000	\$390,000	-2.56%	\$386,000	-1.55%
Number of Condominiums Sold	59	55	7.27%	29	103.44%
Avg. Days on Market (Single-Family - SCV)	74	85	-12.94%	103	-28.15%
Single-Family Home Inventory (SCV)	280	235	19.14%	393	-28.75%
	Feb-18	Jan-18	M/M % Chg	Feb-17	Y/Y % Chg
NODs recorded (SCV)	10	29	-65.51	21	-52.38%
	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—Feb. 2018 UNEMPLOYMENT RATE

California	4.4%
LA County	4.7%
Glendale	4.9%
Lancaster	5.2%
Los Angeles	4.9%
Palmdale	6.3%
Pasadena	3.7%
Santa Clarita	4.3%

Source: Bureau of Labor Statistics | California Economic Forecast

California’s employers added 35,500 nonfarm payroll jobs in January, while the state’s unemployment rate fell to 4.4 percent – a record low in a data series dating back to the beginning of 1976 – according to data released today by the California Employment Development Department (EDD) from two surveys.

California has also now gained a total of 2,851,800 jobs since the economic expansion began in February 2010.

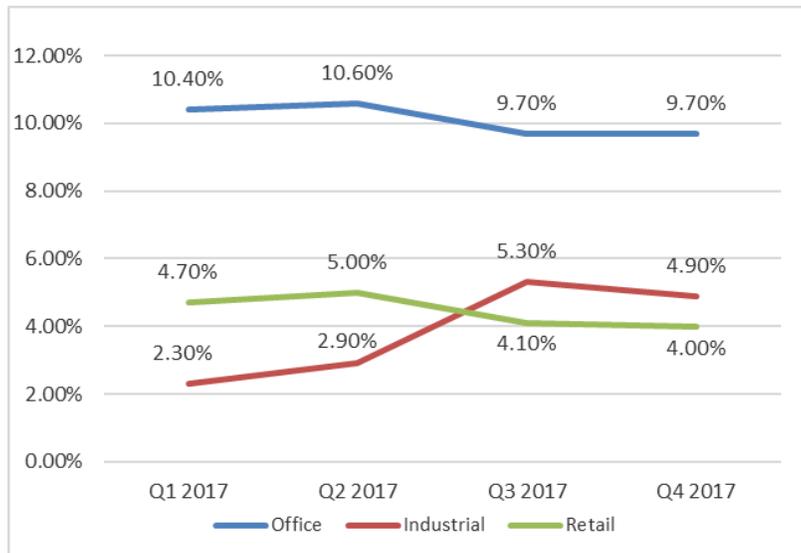
COMMERCIAL VACANCY RATES

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 75.2% in January 2018, an increase of 7.35% from the January 2017 rate of 73.4%.

By comparison, TRENDS reports the average occupancy rate at hotels for the Los Angeles region during January 2018 was 77.38%, a 0.4% increase from 77.04% in January 2017.

Local average daily room rates (ADR) increased by 1.37% in January 2018 to \$124.05 from \$121.79 the previous year; LA region's ADR decreased 0.9% to \$203.15 over the previous year at \$201.36.

January 2018 Southern California Occupancy & Rate Summary

Tourism Sub-Region	Occupancy Rate Jan 2018	Occupancy Rate Jan 2017	ADR Jan 2018	ADR Jan 2017
Santa Clarita	75.2%	73.4%	\$124.05	\$121.79
San Fernando Valley	75.60%	71.84%	\$176.59	\$172.13
Pasadena	75.64%	75.08%	\$202.50	\$205.14
San Gabriel Valley	72.40%	74.70%	\$125.57	\$128.30
Hollywood	69.19%	66.54%	\$235.36	\$240.30
South Bay	76.31%	82.11%	\$145.41	\$147.11
Los Angeles Region	77.38%	77.04%	\$203.15	\$201.36

FILM | Santa Clarita Valley

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

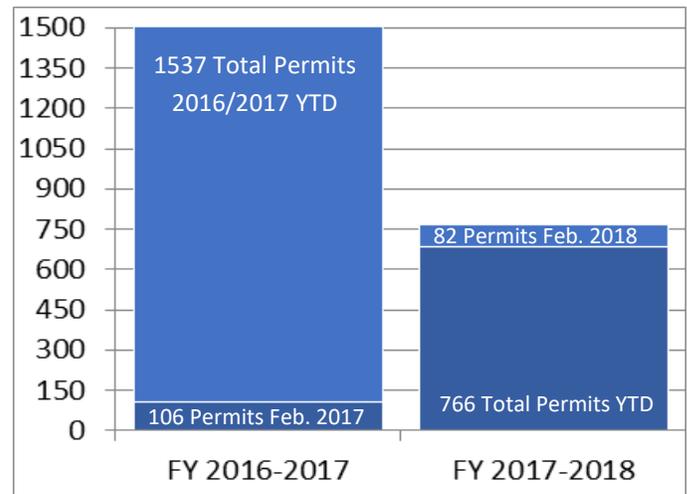
In February 2018 a total of 82 film permits were issued in the Santa Clarita Valley, for a fiscal YTD of 766 permits (July 2017 through June 2018.)

The permits represented a total of 150 filming days in Santa Clarita for February 2018, a decrease of 1.66% from 167 filming days in February 2017.

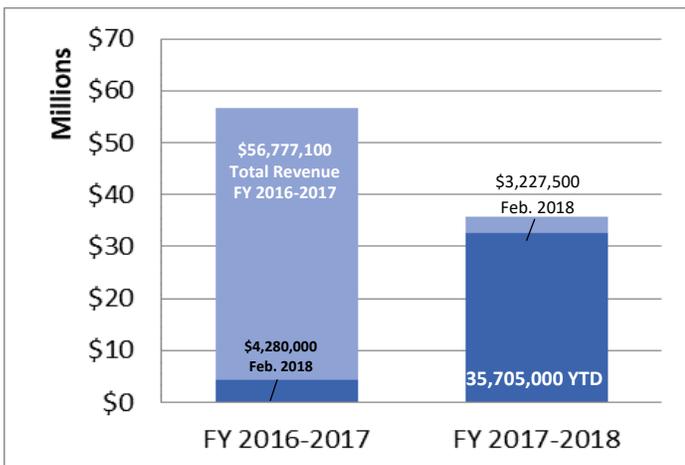
The February 2018 film days included: 54 television shows, 16 student/other projects, 30 commercials, 33 features, 11 still shoots and 6 music videos.

The estimated economic impact in Santa Clarita from location filming in February 2018 is \$3,227,500 which is a 3.22% decrease from \$3,335,000 in February 2017.

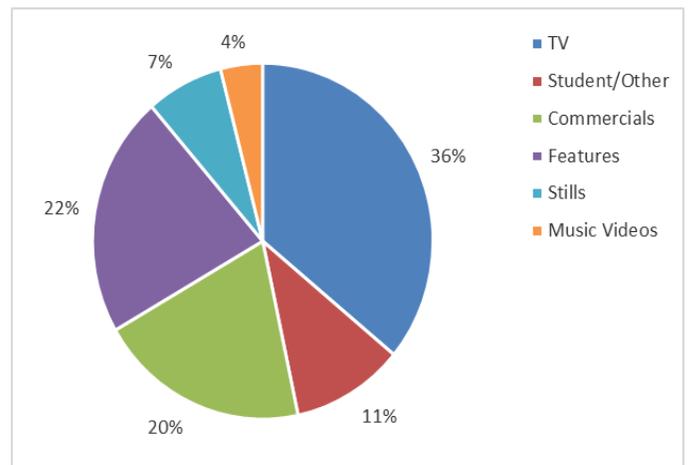
Number of Film Permits Issued in February 2018



Estimated Economic Impact of Filming in February 2018



Percentage of Filming Days in February 2018



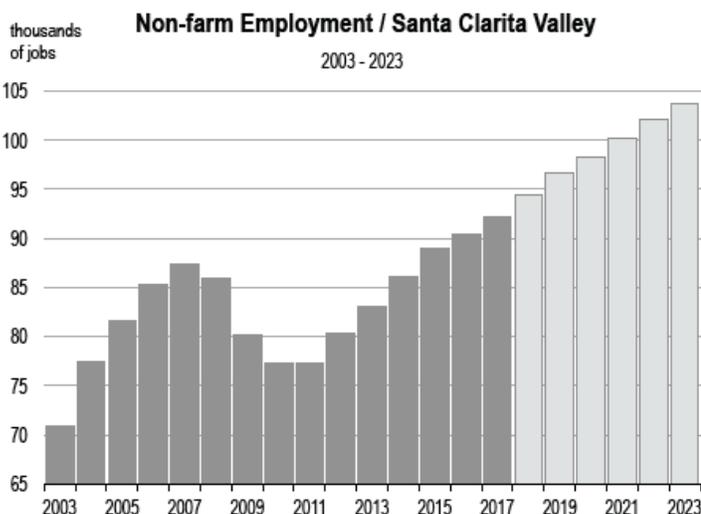
NON-FARM EMPLOYMENT

In the Santa Clarita Valley, the labor market is heavily concentrated in manufacturing, retail trade, leisure services, and professional services. These sectors each account for more than 10,000 local jobs, and when combined, represent 55 percent of all jobs in the region.

Total non-farm employment increased by 1.9 percent in 2017, resulting in more than 1,700 new jobs.

The largest gains were in the construction industry, which generated more than 500 new jobs. Construction activity has accelerated in the Santa Clarita Valley, as a number of projects have broken ground.

Source: Labor Market Information Division / California Economic Forecast



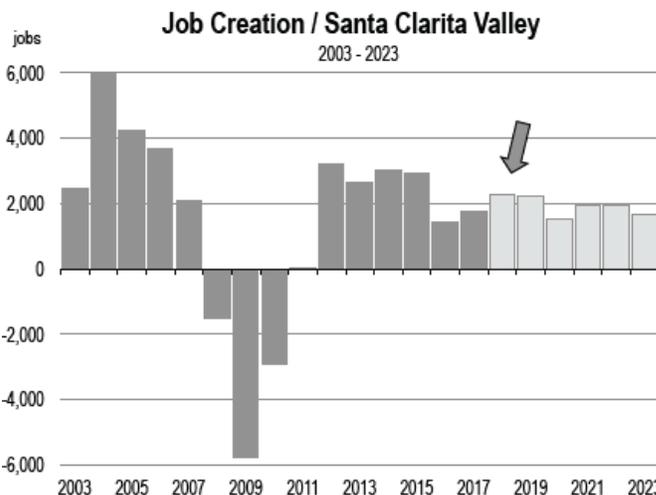
NON-FARM JOB CREATION

Like the rest of California, the Santa Clarita Valley labor market is getting very tight. During 2017, the unemployment rate averaged 4.2 percent, and by December it had fallen to 3.8 percent. This is presenting challenges to local employers, making it difficult to recruit qualified workers.

But unlike the broader statewide labor market, the Santa Clarita Valley has an advantage – the unique combination of good jobs, affordable homes, and highly respected schools.

The Santa Clarita Valley has several prominent composite industries that cater to the region’s unique advantages. Most of these industries are creating jobs at an impressive pace, and typically offer high wages.

Source: California Economic Forecast



AVERAGE SALARIES

During 2017, the average salary increased by 4.8 percent in the Santa Clarita Valley. Adjusted for inflation, the average salary increased by approximately 1.9 percent.

The highest paying sectors in the region are utilities, finance and insurance, management, and professional and technical services. In these industries, the average worker earns more than \$73,000 per year.

In 2017, the largest increases were observed in management, transportation and warehousing, administrative support, wholesale trade, and manufacturing. In these sectors, average salaries rose by at least 8 percent.

Source: Labor Market Information Division / California Economic Forecast

