

SANTA CLARITA VALLEY

Economic Snapshot

a publication of the Santa Clarita Valley Economic Development Corporation

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COMMERCIAL REAL ESTATE

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

New Permits

- Zero permits for new commercial space were issued during March 2016 in the Santa Clarita Valley, the same number issued in February 2016. There were two (2) permits for commercial space issued during March 2015.

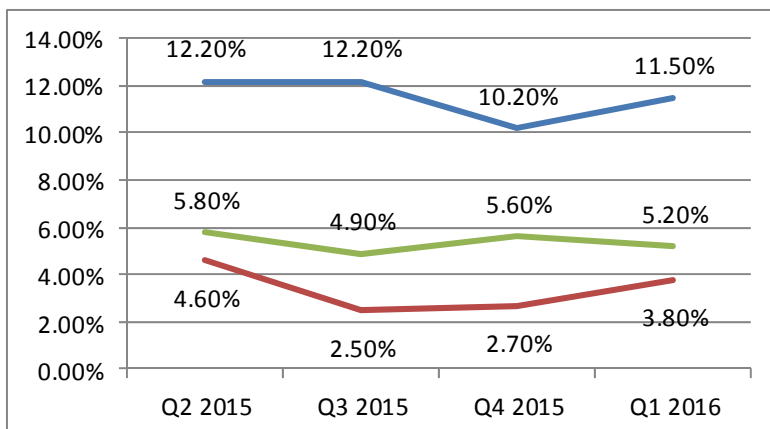
Tenant Improvements/Alterations

- A total of 12 permits for tenant improvements were issued in the Santa Clarita Valley during March 2016, the same amount as were issued in February 2016. There were also 12 permits issued in March 2015.
- In March 2016, 22 commercial alteration permits were issued, down 33% from 33 permits in February 2016, and a decrease of 47.6% from 42 permits issued in March 2015.

Certificates of Occupancy

- In March 2016, a total of 46 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 179,919 sq. ft., with 31,501 sq. ft. issued for commercial space. There were 26 permits issued in March 2015.

Santa Clarita Valley Commercial Vacancy Rates



Vacancy Rates

Source: Co-Star Group

- In the Santa Clarita Valley, Q1 2016 office vacancy rates increased 12.75%, while industrial rates increased 40.74% and retail vacancy rates decreased by 7.14%.
- During Q1 2016, Santa Clarita Valley's office vacancy rate was 11.5%; retail and industrial vacancy rates were 5.2% and 3.8%, respectively.

Office - Industrial - Retail

Presented by:



City of
SANTA CLARITA

TRIPLE C



ELECTRIC
INCORPORATED

RESIDENTIAL REAL ESTATE ACTIVITY

Source: Southland Assoc. of Realtors / MLS Statistics

Santa Clarita Valley Home Values & Sales

- Median home values decreased 1.89% in March 2016 to \$520,000, compared to \$530,000 in February 2016. A total of 203 single-family homes were sold in March, an increase of 49.26% from February 2016, and a decrease of 2.87% from March 2015 sales volume of 209 homes.
- Median condominium values decreased 1.49% to \$330,000 in March 2016 from \$335,000 in February 2016; it is an 8.19% increase from March 2015 sales value of \$305,000.
- Condominium sales increased 50.91% to 83 in March 2016 from 55 sold in February 2016; it is an increase of 20.29% from March 2015 with 69 sales.

Santa Clarita Valley Permits:

New Residential



Residential Alteration

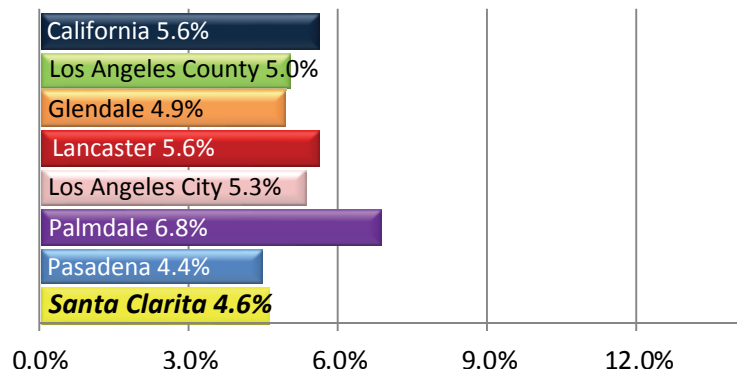
SCV Residential Real Estate Summary					
	Mar-16	Feb-16	M/M % Chg	Mar -15	Y/Y % Chg
Median Home Value	\$520,000	\$530,000	-1.89%	\$520,000	0%
# of Single Family Homes Sold	203	136	49.26%	209	-2.87%
Median Condominium Value	\$330,000	\$335,000	-1.49%	\$305,000	8.19%
# of Condominiums Sold	83	55	50.91%	69	20.29%
Avg. Days on Market (Single-Family - SCV)	75	84	10.71%	71	5.63%
Single-Family Home Inventory (SCV)	449	443	1.35%	680	-33.97%
	Mar-16	Feb-16	M/M % Chg	Mar-15	Y/Y % Chg.
NODs recorded (SCV)	43	29	48.27%	44	-2.27%
	Q4 2015	Q3 2015		Q4 2014	
Apartment Vacancy Rate	3.3%	3.5%		3.6%	
Avg. Apartment Rents	\$1,783.00	\$1,555.00		\$1,548.00	

Unemployment Rate Comparison— March 2016

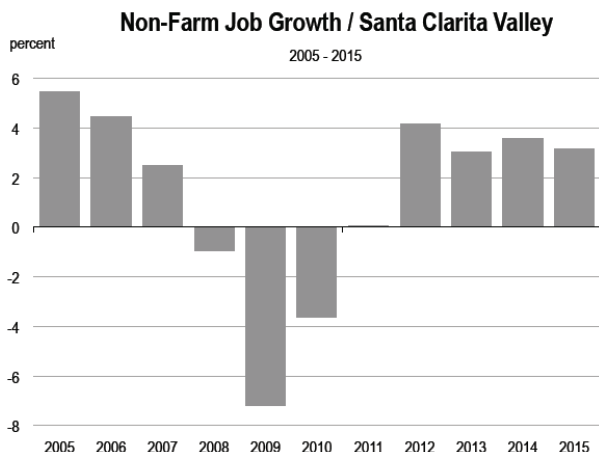
UNEMPLOYMENT RATE

Source: Bureau of Labor Statistics

- The City of Santa Clarita's unemployment rate was 4.6% in March 2016, compared to 5.0% for Los Angeles County, and 5.6% for the state of California.
- The current unemployment rate in Santa Clarita is 30.3% lower than the rate of 6.6% recorded in March 2015.



Non-Farm Employment



In 2015, the California labor market expanded rapidly again. Non-farm employment increased by 3%, generating more than 460,000 new jobs.

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% of all jobs in the region.

From June 2014 to June 2015, several industries created a large number of jobs, including construction (+650 jobs), healthcare (+362 jobs), and manufacturing (+341 jobs). The largest losses were observed in professional and business services (-488). The administrative support subsector declined sharply, leading the broader industry to fall by 3.6%

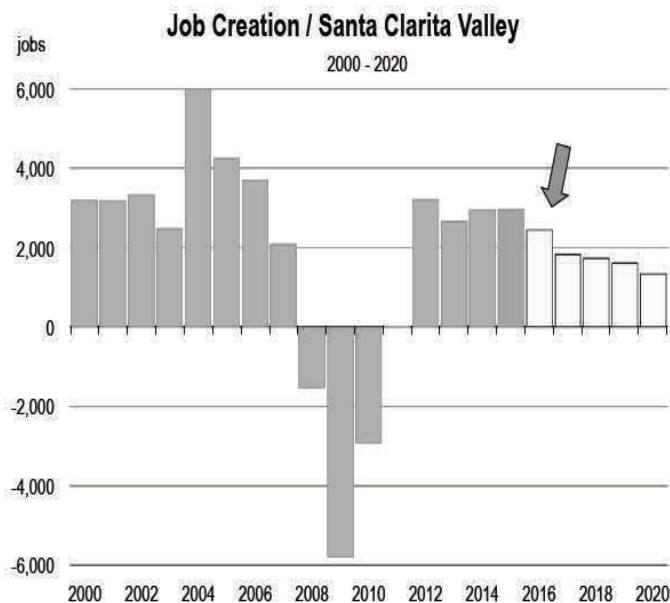
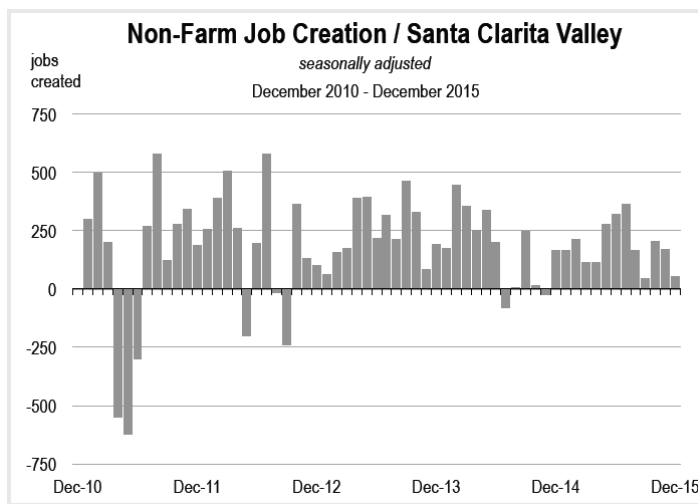
Source: Labor Market Information Division / California Economic Forecast

Non-Farm Job Creation

Seasonally adjusted job creation posted a 3.4% growth rate in 2015, adding 2,952 jobs. The forecast calls for a slightly lower level of job creation for 2016 and even less job creation in 2017.

The SCV is known as a hub for aerospace firms and medical device companies. Employment in the medical device sector has surged over the past 2 years, as local companies remain on the leading edge of advancements in medical device technology.

Source: Labor Market Information Division / California Economic Forecast



The Jobs Market

The kinds of jobs created will be dominated by the usual suspects that have led the labor market recovery to date, with the exception of manufacturing. Expect the professional and business services, the hospitality/leisure, and healthcare sectors to create the majority of new employment in the valley. Construction sector will also rise more sharply in 2016 as more new housing projects are started.

Source: Labor Market Information Division / California Economic Forecast

TOURISM | City of Santa Clarita

Source: STR Reports and PKF

- STR reports that hotel occupancy in Santa Clarita was 94.6% in February 2016, an increase of 16.36% from the February 2015 rate of 81.3%.
- By comparison, PKF reports the average occupancy rates at hotels for the Los Angeles region during February 2016 was 86.62%, up 5.2% from 82.34% in February 2015.
- Local average daily room rates (ADR) increased by 33.68% in February 2016 to \$160.93 from \$120.38 the previous year; LA region's ADR increased 13.01% to \$235.45 over the previous year at \$208.34.

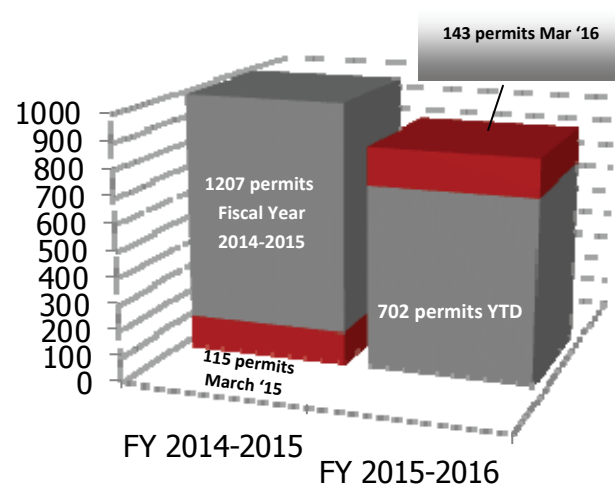
Tourism Sub-Region	Occupancy Rate Feb 2016	Occupancy Rate Feb 2015	ADR Feb 2016	ADR Feb 2015
Santa Clarita	94.6%	81.3%	\$160.93	\$120.38
San Fernando Valley	90.08%	81.36%	\$197.88	\$150.67
Pasadena	92.83%	88.73%	\$210.23	\$180.21
San Gabriel Valley	82.28%	80.30%	\$125.95	\$116.67
Hollywood	84.28%	76.46%	\$242.68	\$199.70
South Bay	88.76%	86.24%	\$154.14	\$137.37
Los Angeles Region	86.62%	82.34%	\$235.45	\$208.34

FILM | Santa Clarita Valley

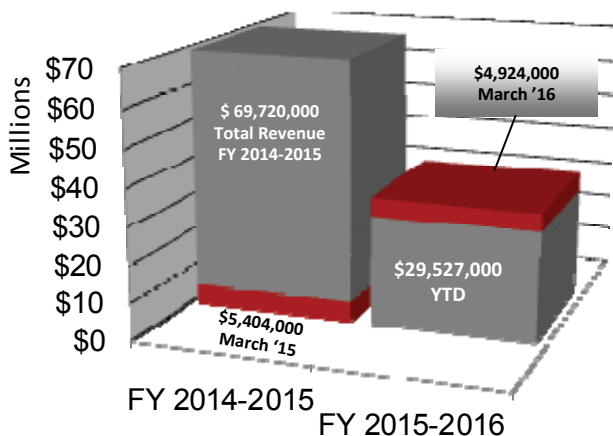
Source: City of Santa Clarita; Film L.A.

- In March 2016, a total of 143 film permits were issued in the Santa Clarita Valley, for a fiscal YTD of 845 permits (July 2015 through June 2016.)
- The permits represented a total of 222 filming days in Santa Clarita for March 2016, an decrease of 15.91% from 264 filming days in March 2015.
- The March 2016 film days included: 125 television shows, 26 student/other projects, 42 commercials, 12 features, 11 still shoots and 6 music videos.
- The estimated economic impact in Santa Clarita from location filming in March 2016 is \$4,924,000 which is a 8.88% decrease from \$5,404,000 in March 2015.

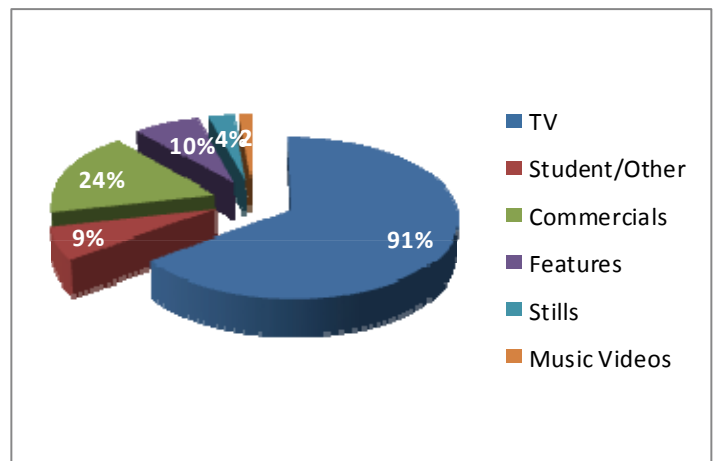
Number of Film Permits Issued in March 2016



Estimated Economic Impact of Filming in March 2016



Percentage of Filming Days—March 2016



Local Company Stock Prices

Local Company Stock Prices	Mar-16	Feb-16	% Change	Mar-15	% Change
Bank of Santa Clarita (BSCA)	9.6	9.5	1.05%	9.20	4.35%
CA Resources Corp (CRC)	1.03	0.56	83.92%	7.61	-86.46%
California United Bank (CUNB)	21.17	21.88	-3.24%	22.75	-6.95%
Carnival Corp. (CCL)	52.77	47.96	10.03%	47.84	10.31%
Mission Valley Bank (MVLY)	8.17	8.0	2.13%	6.25	30.72%
Six Flags * (SIX)	55.49	50.86	9.10%	48.41	14.63%
Mannkind (MNKD)	1.61	1.03	56.3%	5.20	-69.04%
Wesco Aircraft (WAIR)	14.39	12.79	12.51%	15.32	-6.07%
Woodward (WWD)	52.02	46.95	10.8%	51.01	1.98%

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REFERENCES

Information provided by: City of Santa Clarita * Los Angeles County * Southland Association of Realtors * First American RealQuest Pro * Reis, Inc. * PKF Consulting * California Board of Equalization Data from City of Santa Clarita, Finance Division * CoStar * CA Employment Development