

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

- Four (4) permits for new commercial space were issued during May 2016 in the Santa Clarita Valley, three (3) more than were issued in April 2016. There were three (3) permits for commercial space issued during May 2015.

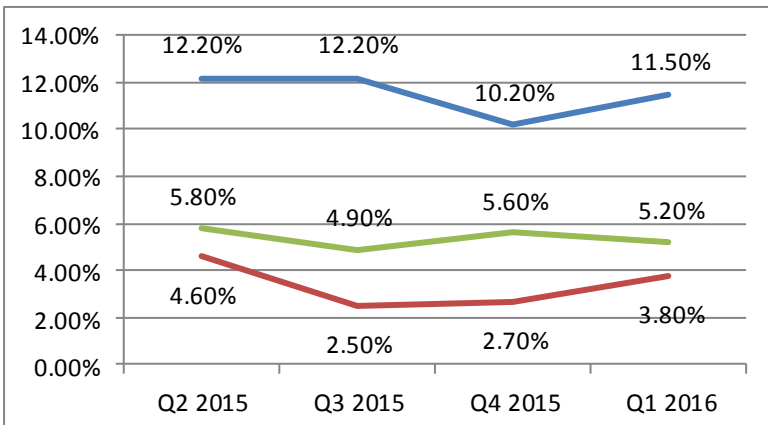
Tenant Improvements/Alterations

- A total of seven (7) permits for tenant improvements were issued in the Santa Clarita Valley during May 2016, seven (7) more than were issued in April 2016. There were eight (8) permits issued in May 2015.
- In May 2016, 33 commercial alteration permits were issued, down 2.94% from 34 permits in April 2016, and a decrease of 8.33% from 36 permits issued in May 2015.

Certificates of Occupancy

- In May 2016, a total of 36 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 147,165 sq. ft., with 42,562 sq. ft. issued for commercial space. There were 19 permits issued in May 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:



RESIDENTIAL REAL ESTATE ACTIVITY

Source: Southland Assoc. of Realtors / MLS Statistics

Santa Clarita Valley Home Values & Sales

- Median home values increased 5.7% in May 2016 to \$550,000, compared to \$520,000 in April 2016. A total of 252 single-family homes were sold in May, an increase of 24.13% from April 2016, and an increase of 26% from May 2015 sales volume of 200 homes.
- Median condominium values increased 5.9% to \$349,500 in May 2016 from \$330,000 in April 2016; it is a 10.8% increase from May 2015 sales value of \$315,000.
- Condominium sales increased 21.68% to 101 in May 2016 from 83 sold in April 2016; it is an decrease of 7.34% from May 2015 with 109 sales.

Santa Clarita Valley Permits:

**New
Residential**



**Residential
Alteration**

SCV Residential Real Estate Summary

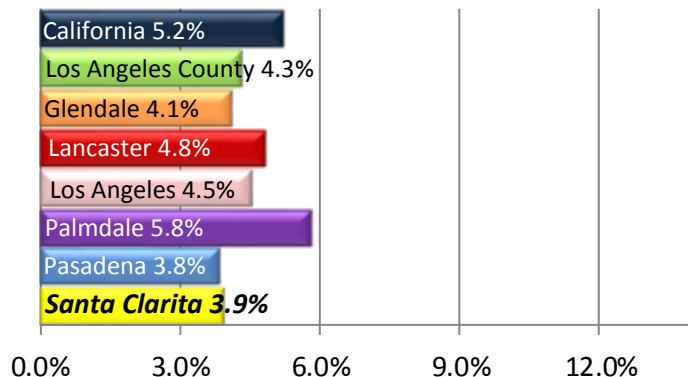
	May-16	Apr-16	M/M % Chg	May -15	Y/Y % Chg
Median Home Value	550,000	\$520,000	5.8%	\$530,000	3.8%
# of Single Family Homes Sold	252	203	24.1%	200	26%
Median Condominium Value	349,500	\$330,000	5.9%	\$315,000	11%
# of Condominiums Sold	101	83	21.7%	109	-7.3%
Avg. Days on Market (Single-Family - SCV)	74	75	-1.3%	69	7.2%
Single-Family Home Inventory (SCV)	474	449	5.6%	588	-19.4%
	May-16	April-16	M/M % Chg	May-15	Y/Y % Chg
NODs recorded (SCV)	21	33	-36.4%	31	-32.3%
	Q1 2016	Q4 2015	Q/Q % Chg	Q1 2015	Y/Y % Chg
Apartment Vacancy Rate	3.3%	3.3%	0.0%	3.7%	-10.8%
Avg. Apartment Rents	\$1,786	\$1,783	0.2%	\$1,563	14.3%

Unemployment Rate Comparison— May 2016

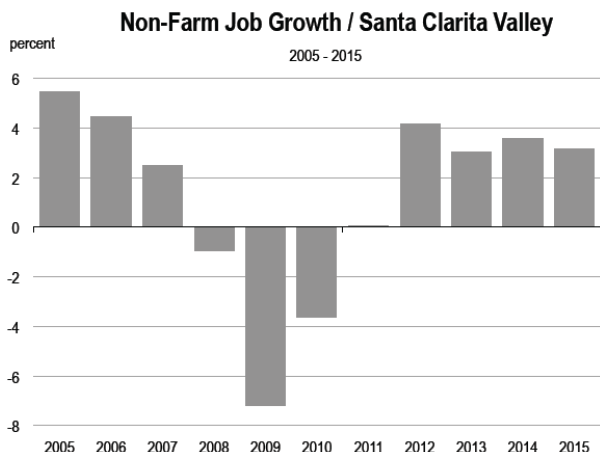
UNEMPLOYMENT RATE

Source: Bureau of Labor Statistics

- The City of Santa Clarita's unemployment rate was 3.9% in May 2016, compared to 4.3% for Los Angeles County, and 5.2% for the state of California.
- The current unemployment rate in Santa Clarita is 41.8% lower than the rate of 6.7% recorded in May 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%

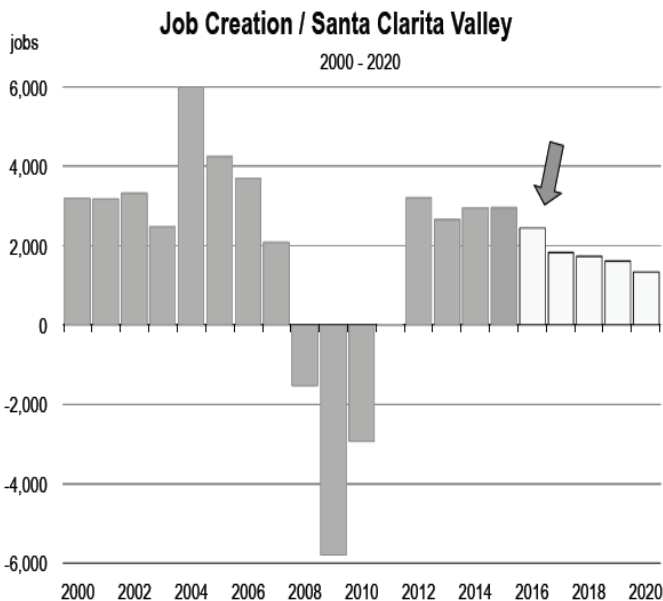
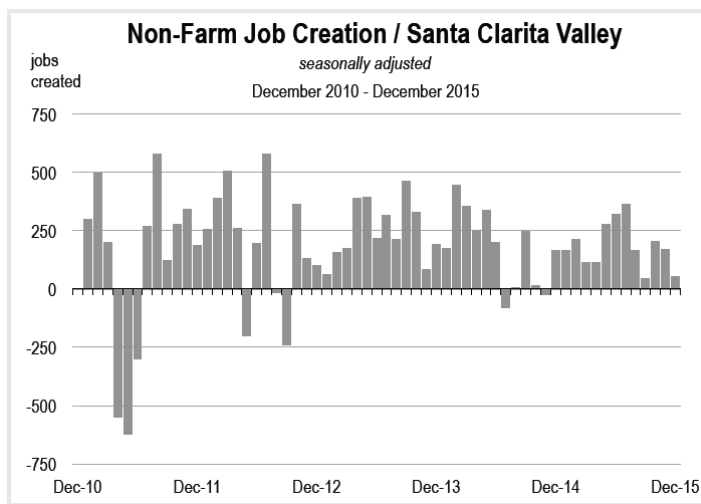
Source: Labor Market Information Division / California Economic Forecast

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 and TRENDS® Reports

- STR reports that hotel occupancy in Santa Clarita was 94.1% in April 2016, an increase of 11.76% from the April 2015 rate of 84.2%.
- By comparison, TRENDS reports the average occupancy rates at hotels for the Los Angeles region during April 2016 was 86.10%, up 5.3% from 81.76% in April 2015.
- Local average daily room rates (ADR) increased by 27.3% in April 2016 to \$167.74 from \$131.75 the previous year; LA region's ADR increased 13.1% to \$206.04 over the previous year at \$182.16.

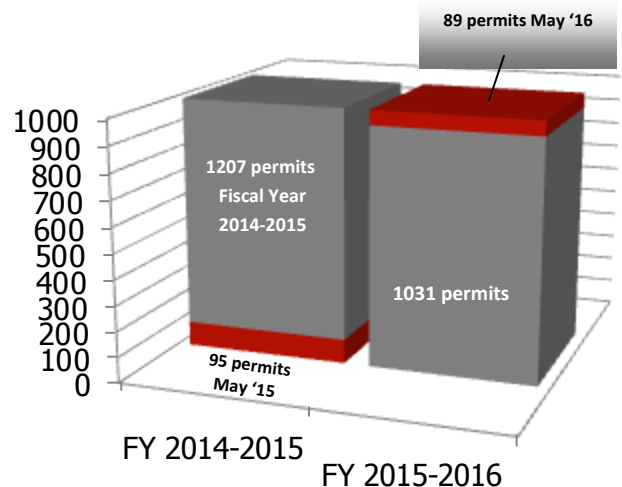
Tourism Sub-Region	Occupancy Rate Apr 2016	Occupancy Rate Apr 2015	ADR April 2016	ADR April 2015
Santa Clarita	94.1%	84.2%	\$167.74	\$131.75
San Fernando Valley	89.07%	80.98%	\$194.53	\$149.51
Pasadena	88.48%	85.91%	\$203.83	\$171.59
San Gabriel Valley	78.61%	77.31%	\$126.69	\$119.31
Hollywood	84.21%	80.71%	\$250.02	\$224.41
South Bay	88.25%	86.64%	\$151.35	\$136.37
Los Angeles Region	86.10%	81.76%	\$206.04	\$182.16

FILM | Santa Clarita Valley

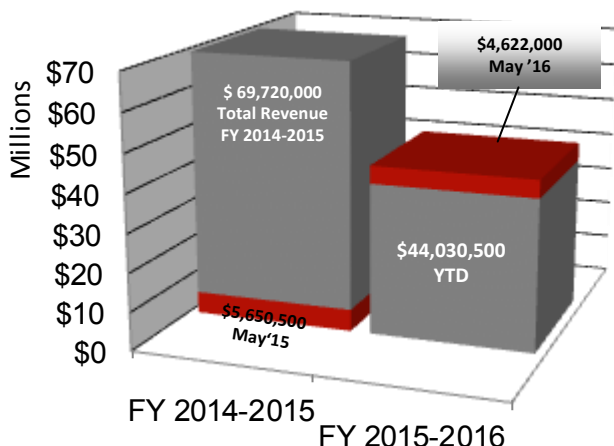
Source: City of Santa Clarita; Film L.A.

- In May 2016, a total of 89 film permits were issued in the Santa Clarita Valley, for a fiscal YTD of 1031 permits (July 2015 through June 2016.)
- The permits represented a total of 203 filming days in Santa Clarita for May 2016, an decrease of 21% from 257 filming days in May 2015.
- The May 2016 film days included: 92 television shows, 28 student/other projects, 23 commercials, 45 features, 10 still shoots and 5 music videos.
- The estimated economic impact in Santa Clarita from location filming in May 2016 is \$4,622,000 which is an 18.2% decrease from \$5,650,500 in May 2015.

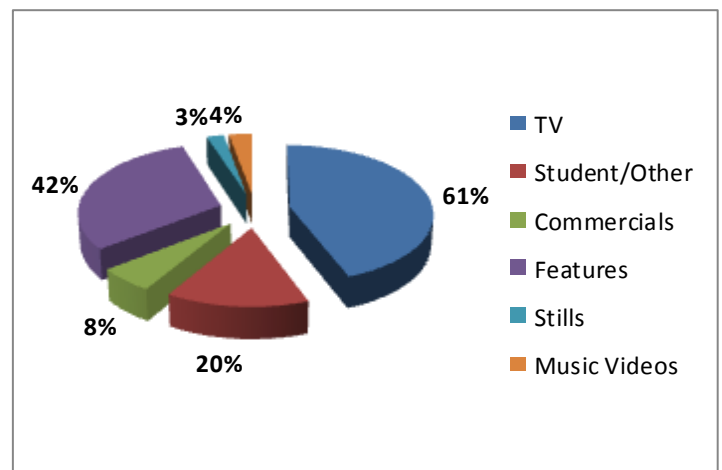
Number of Film Permits Issued in May 2016



Estimated Economic Impact of Filming in May 2016



Percentage of Filming Days—May 2016



Local Company Stock Prices

Local Company Stock Prices	May-16	Apr-16	% Change	May-15	% Change
Bank of Santa Clarita (BSCA)	9.75	9.95	-2.01%	9.35	4.27%
CA Resources Corp (CRC)	15.20	22.00	-30.91%	76.80	-80.21%
California United Bank (CUNB)	23.10	23.04	0.26%	21.19	9.01%
Carnival Corp. (CCL)	47.74	49.05	-2.67%	46.33	3.04%
Mission Valley Bank (MVLY)	8.05	7.85	2.55%	7.25	11.03%
Six Flags * (SIX)	57.00	60.05	-5.08%	48.86	16.66%
Mannkind (MNKD)	0.95	1.35	-26.63%	5.18	-81.66%
Wesco Aircraft (WAIR)	14.09	14.43	-2.36%	14.76	-4.34%
Woodward (WWD)	56.94	54.20	5.06%	50.94	11.78%

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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