



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

During Q1 2017, Santa Clarita Valley's office vacancy rate was 10.4%; retail and industrial vacancy rates were 4.7% and 2.3% respectively

The economic impact of filming in the Santa Clarita Valley during March 2017 was \$4.8M representing 205 filming days

Home prices in SCV appear to have hit a plateau and remain below record highs: the March single-family home median price was 16.8 percent below the record high of \$643,000, set in April 2006

The local unemployment rate is 4.0%, compared to California's at 4.9%

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 March 2017 in the Santa Clarita Valley, three more than were issued in February 2017. There were zero (0) permits for commercial space issued during March 2016.

Tenant Improvements/Alterations

A total of eleven (11) permits for tenant improvements were issued in the Santa Clarita Valley during March 2017, seven more than were issued in February 2017. There were twelve (12) permits issued in March 2016.

In March 2017, twenty-nine (29) commercial alteration permits were issued, one fewer than February 2017, and down 9% from twenty-two (22) permits issued in March 2016.

Certificates of Occupancy

In March 2017, a total of 35 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 190,874 SF with 32,051 SF issued for commercial space. There were 46 permits issued in March 2016.

SANTA CLARITA VALLEY PERMITS



New Residential



Residential Alteration



Certificates of Occupancy

RESIDENTIAL REAL ESTATE | Santa Clarita Valley

Source: Southland Assoc. of Realtors/ MLS Statistics

Median home values decreased 3.25% in March 2017 to \$535,000, compared to \$553,000 in February 2017. A total of 203 single-family homes were sold in March, an increase of 52% from February 2017, and a 0% change from the March 2016 sales volume of 203 homes.

Median condominium values decreased 10.6% to \$345,000 in March 2017, compared to \$386,000 in February 2017; it is a 4.55% increase from a March 2016 sales value of \$330,000. Condominium sales increased 313% to 120 in March 2017 from 29 sold in February 2017; it is an increase of 44.6% from February 2016 with a sales volume of 83.

SCV Residential Real Estate Summary					
	Mar-17	Feb-17	M/M % Chg	Feb-16	Y/Y % Chg
Median Home Value	\$535,000	\$553,000	-3.25%	\$520,000	2.88%
Number of Single Family Homes Sold	203	132	52%	203	0%
Median Condominium Value	\$345,000	\$386,000	10.6%	\$330,000	4.55%
Number of Condominiums Sold	120	29	313%	83	44.6%
Avg. Days on Market (Single-Family - SCV)	74	103	-28%	75	-1.33%
Single-Family Home Inventory (SCV)	430	393	9.14%	449	-4.23%
	Mar-17	Feb-17	M/M % Chg	Mar-16	Y/Y % Chg
NODs recorded (SCV)	30	21	43%	43	-30%
	Q4 2016	Q3 2016	Q/Q % Chg	Q4 2015	Y/Y % Chg
Apartment Vacancy Rate	3.1%	3.3%	-6%	3.3%	-6%
Avg. Apartment Rents	\$1,888	\$1,919	-1.61%	\$1,783	6%

Unemployment Rate Comparison— Mar. 2017 UNEMPLOYMENT RATE

Source: Bureau of Labor Statistics | California Economic Forecast

California	4.9%
LA County	4.3%
Glendale	4.2%
Lancaster	4.9%
Los Angeles	4.6%
Palmdale	5.9%
Pasadena	3.8%
Santa Clarita	4.0%

The current unemployment rate in Santa Clarita is 4.0%, 13% lower than the rate of 4.6% recorded March 2016.

California’s unemployment rate fell to 4.9% and the state’s employers added 19,300 nonfarm payroll jobs in March. Most of Southern California, including Santa Clarita, has reached “full employment” indicating that almost everyone who wants a job can get a job.

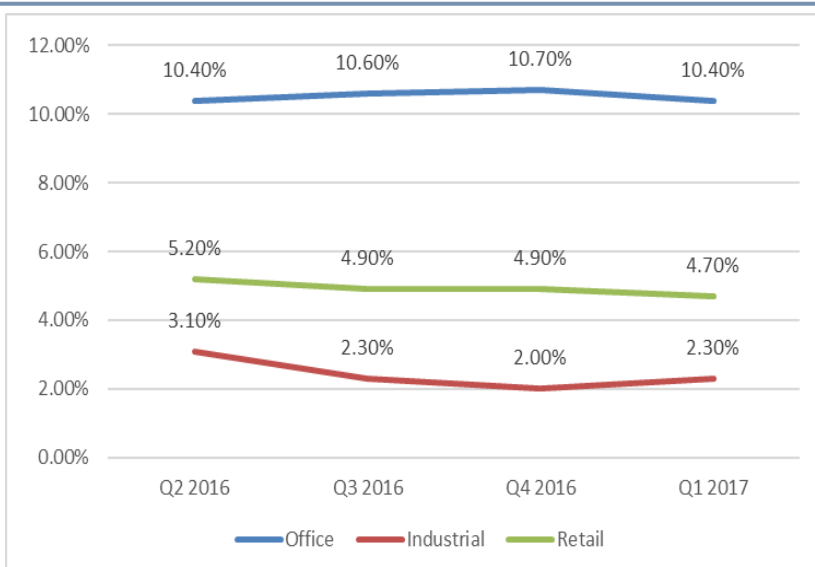
COMMERCIAL VACANCY RATES

Santa Clarita Valley

Source: Co-Star Group

In the Santa Clarita Valley, Q1 2017 office vacancy rates decreased 3%, retail decreased 4.2%, while industrial increased 13%.

During Q1 2017, Santa Clarita Valley’s office vacancy rate was 10.4%; retail and industrial vacancy rates were 4.7% and 2.3% respectively.



TOURISM | City of Santa Clarita

Source: STR and TRENDS® Reports

STR reports that hotel occupancy in Santa Clarita was 75.3% January 2017, a decrease of 14.4% from the January 2016 rate of 88%.

By comparison, TRENDS reports the average occupancy rate at hotels for the Los Angeles region during January 2017 was 77.09%, a 2.9% decrease from 79.37% in January 2016.

Local average daily room rates (ADR) decreased by 8% in January 2017 to \$124.35 from \$135.40 the previous year; LA region's ADR increased 2.3% to \$194.69 over the previous year at \$190.37.

January 2017 Southern California Occupancy & Rate Summary

Tourism Sub-Region	Occupancy Rate Jan 2017	Occupancy Rate Jan 2016	ADR Jan 2017	ADR Jan 2016
Santa Clarita	75.3%	88.0%	\$124.35	\$135.40
San Fernando Valley	71.57%	84.27%	\$167.71	\$178.67
Pasadena	75.08%	85.83%	\$205.14	\$194.17
San Gabriel Valley	72.86%	72.0%	\$126.53	\$120.57
Hollywood	69.34%	78.62%	\$223.23	\$216.84
South Bay	82.32%	81.48%	\$147.73	\$142.53
Los Angeles Region	77.09%	79.37%	\$194.69	\$190.37

FILM | Santa Clarita Valley

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

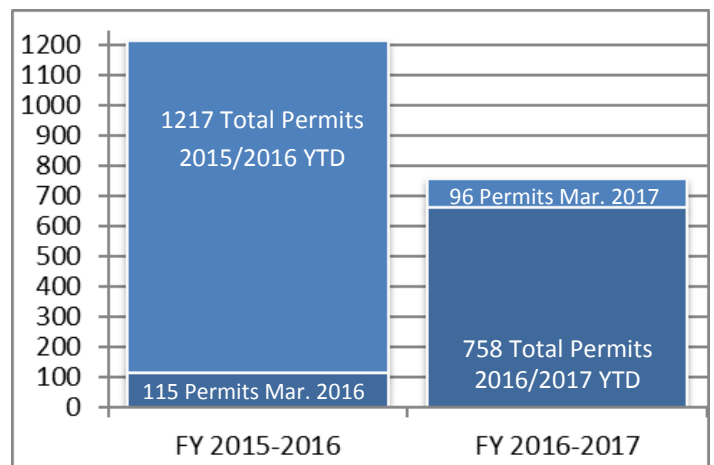
In March 2017, a total of 96 film permits were issued in the Santa Clarita Valley, for a fiscal YTD of 758 permits (July 2016 through June 2017.)

The permits represented a total of 205 filming days in Santa Clarita for March 2017, a decrease of 8% from 222 filming days in March 2016.

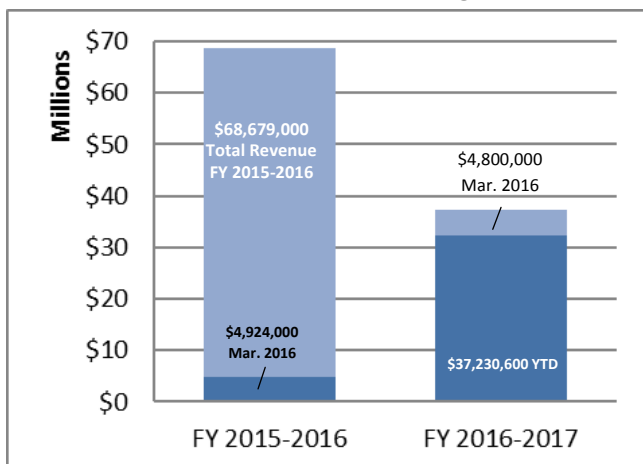
The March 2017 film days included: 97 television shows, 35 student/other projects, 32 commercials, 27 features, 8 still shoots and 6 music videos.

The estimated economic impact in Santa Clarita from location filming in March 2017 is \$4,800,000 which is a 2.5% decrease from \$4,924,000 in March 2016.

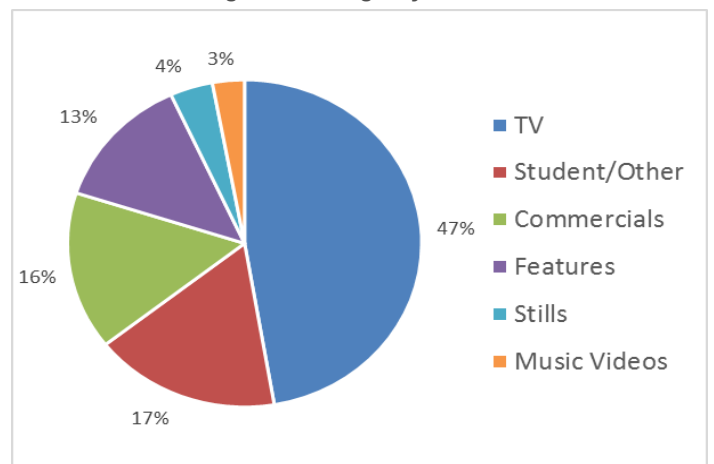
Number of Film Permits Issued in March 2017

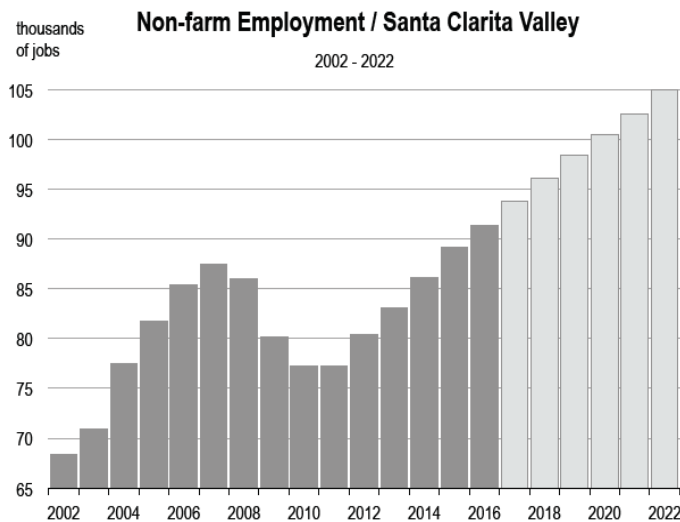


Estimated Economic Impact of Filming in March 2017



Percentage of Filming Days in March 2017





NON-FARM EMPLOYMENT

Santa Clarita Valley job growth will accelerate slightly in 2017. The region is expected to generate more than 2,400 new jobs, primarily in retail, leisure services, healthcare, and professional business services.

The local labor market has reached a “full employment scenario, meaning that virtually everyone who wants a job has a job. Under such conditions, companies can only expand by attracting workers from other firms, or recruiting workers from other regions. This will prevent employment growth from returning to previous levels, but will also lead to higher wage gains.

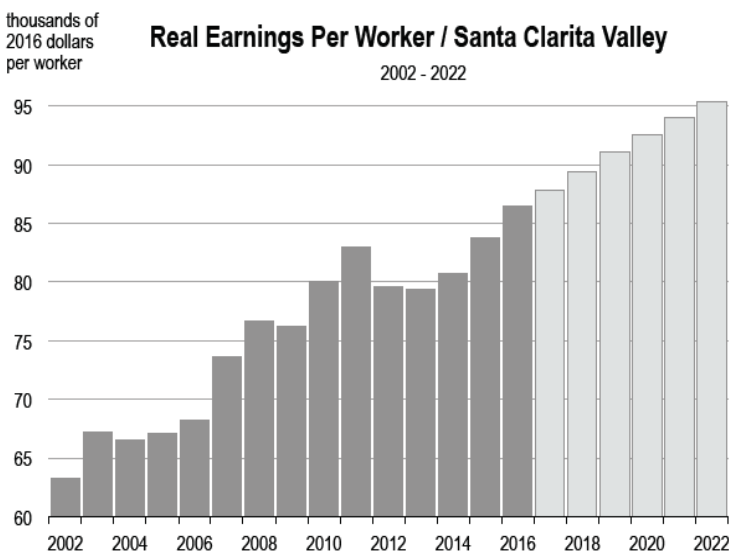
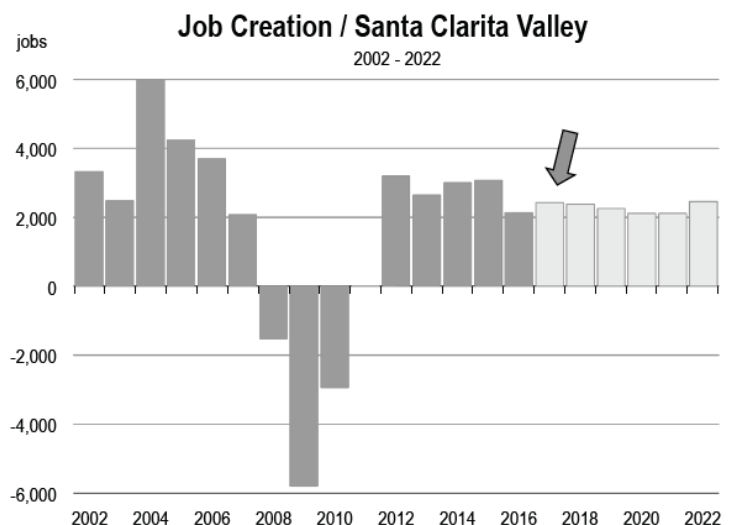
Source: Labor Market Information Division / California Economic Forecast

NON-FARM JOB CREATION

Job creation in the Santa Clarita Valley will outpace growth across California, due largely to the region’s high rate of population growth, and to the fact that a substantial slate of new office, retail, and industrial facilities will be constructed over the next few years, allowing new business to form in the region.

Total employment in the Santa Clarita Valley is expected to increase by 2.7% in 2017 and 2.5% in 2018. Professional services, leisure and hospitality, education and healthcare, and retail will drive much of the employment growth over the next two years.

Source: California Economic Forecast



AVERAGE SALARIES

Earnings per worker are expected to rise substantially during the forecast period. In growing more than 4% in 2017 and 2018. During 2016, the average salary increased by 3.5 percent in the Santa Clarita Valley. Adjusted for inflation, the average salary increased by approximately 1.6 percent.

The highest paying sectors in the region are utilities, finance and insurance, professional and technical services, and management. In these industries, the average worker earns more than \$71,000 per year.

Source: Labor Market Information Division / California Economic Forecast