



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 April 2017 was \$4.6M representing 220 filming days

Condominiums sold in May in the SCV had a median price of \$370K up 5.9% over 2016 and only the second time the median hit or exceeded that benchmark since the housing boom of the last decade.

The local unemployment rate is 3.7%, compared to California's at 4.7%

COMMERCIAL REAL ESTATE | Santa Clarita Valley

Source: City of Santa Clarita; County of Los Angeles

New Permits

Five (5) permits for new commercial space was issued during May 2017 in the Santa Clarita Valley, four more than were issued in April 2017. There were four (4) permits for commercial space issued during May 2016.

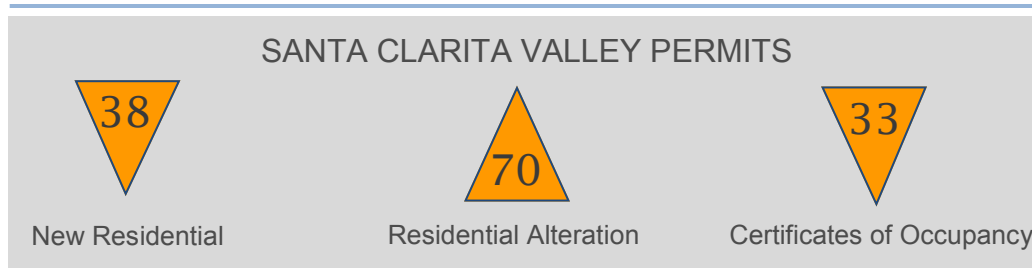
Tenant Improvements/Alterations

A total of nine (9) permits for tenant improvements were issued in the Santa Clarita Valley during May 2017, one less than was issued in April 2017. There were seven (7) permits issued in May 2016.

In May 2017, twenty-four (24) commercial alteration permits were issued, six less than April 2017, and down 27% from thirty-three (33) permits issued in May 2016.

Certificates of Occupancy

In May 2017, a total of 33 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 81,146 SF with 15,442 SF issued for commercial space. There were 36 permits issued in May 2016.



RESIDENTIAL REAL ESTATE | Santa Clarita Valley

Source: Southland Assoc. of Realtors/ MLS Statistics

Median home values increased 1.8% in May 2017 to \$560,000, compared to \$550,000 in April 2017. A total of 246 single-family homes were sold in May, an increase of 28.13% from April 2017, and a decrease of 2.38% from the May 2016 sales volume of 252 homes.

Median condominium values increased 1.37% to \$370,000 in May 2017, compared to \$365,000 in April 2017; it is a 5.87% increase from a May 2016 sales value of \$349,500. Condominium sales increased 32.1% to 107 in May 2017 from 81 sold in April 2017; it is an increase of 5.94% from May 2016 with a sales volume of 101.

SCV Residential Real Estate Summary					
	May-17	Apr-17	M/M % Chg	May-16	Y/Y % Chg
Median Home Value	\$560,000	\$550,000	1.81%	\$550,000	1.82%
Number of Single Family Homes Sold	246	192	28.13%	252	-2.38%
Median Condominium Value	\$370,000	\$365,000	1.37%	\$349,500	5.87%
Number of Condominiums Sold	107	81	32.1%	101	5.94%
Avg. Days on Market (Single-Family - SCV)	67	67	0.00%	74	-9.46%
Single-Family Home Inventory (SCV)	485	483	.41%	474	2.32%
	May-17	Apr-17	M/M % Chg	May-16	Y/Y % Chg
NODs recorded (SCV)	27	28	-3.57%	21	28.57%
	Q1 2017	Q4 2016	Q/Q % Chg	Q1 2016	Y/Y % Chg
Apartment Vacancy Rate	3.0%	3.1%	-3.2%	3.3%	-9%
Avg. Apartment Rents	\$1,590	\$1,888	-16%	\$1,786	-10%

Unemployment Rate Comparison— May 2017 UNEMPLOYMENT RATE

Source: Bureau of Labor Statistics | California Economic Forecast

California	4.7%
LA County	4.0%
Glendale	3.9%
Lancaster	4.5%
Los Angeles	4.3%
Palmdale	5.5%
Pasadena	3.6%
Santa Clarita	3.7%

The current unemployment rate in Santa Clarita is 3.7%, 5.12% lower than the rate of 3.9% recorded May 2016.

California's unemployment rate fell to 4.7 percent in May, tying the record low that occurred in Nov-Dec 2000. The state's nonfarm payroll employment grew by 17,600 jobs in May, and California has now gained a total of 2,510,900 jobs since the economic expansion began in February 2010.

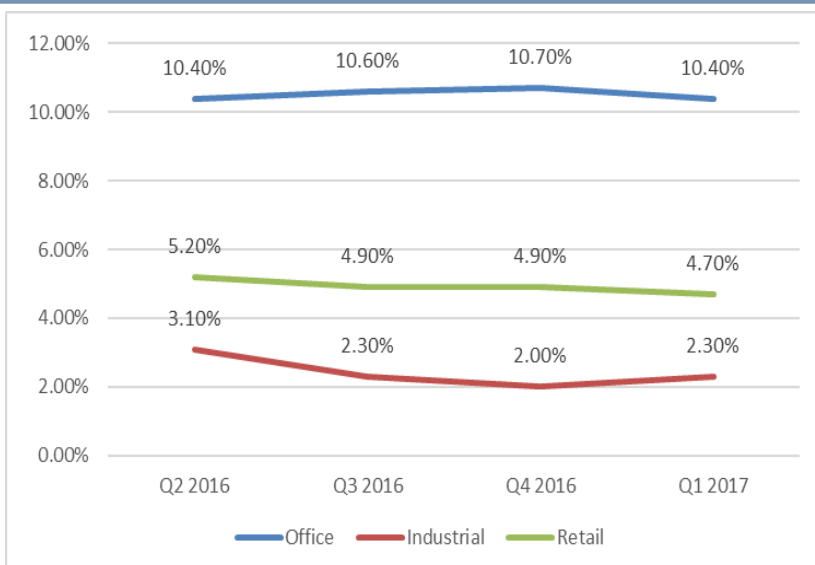
COMMERCIAL VACANCY RATES

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 88.6% in March 2017, a decrease of 7.51% from the March 2016 rate of 95.8%.

By comparison, TRENDS reports the average occupancy rate at hotels for the Los Angeles region during March 2017 was 85.05%, a 3.53% decrease from 88.16% in March 2016.

Local average daily room rates (ADR) decreased by 17.2% in March 2017 to \$134.05 from \$161.97 the previous year; LA region's ADR decreased .2% to \$204.33 over the previous year at \$204.73.

March 2017 Southern California Occupancy & Rate Summary

Tourism Sub-Region	Occupancy Rate Mar 2017	Occupancy Rate Mar 2016	ADR Mar 2017	ADR Mar 2016
Santa Clarita	88.60%	95.8%	\$134.05	\$161.97
San Fernando Valley	83.57%	88.59%	\$172.42	\$195.24
Pasadena	75.04%	90.42%	\$204.73	\$195.89
San Gabriel Valley	82.00%	83.45%	\$132.56	\$128.58
Hollywood	80.18%	81.75%	\$224.62	\$239.92
South Bay	85.78%	89.78%	\$173.13	\$170.15
Los Angeles Region	85.05%	88.16%	\$204.33	\$204.73

FILM | Santa Clarita Valley

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

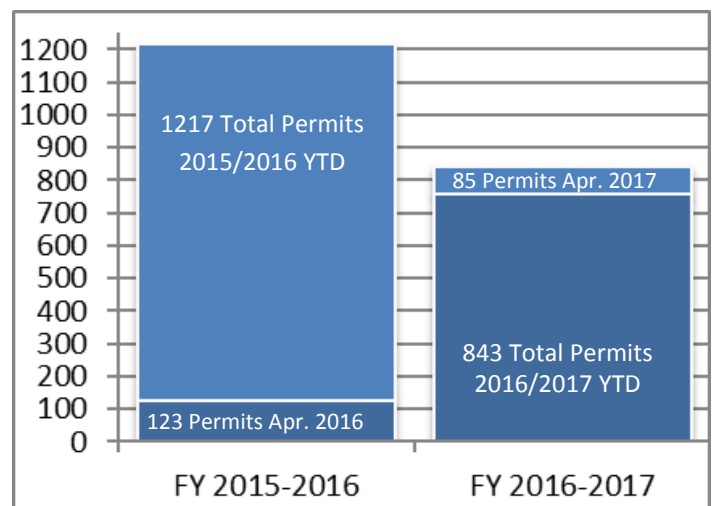
In April 2017, a total of 85 film permits were issued in the Santa Clarita Valley, for a fiscal YTD of 843 permits (July 2016 through June 2017.)

The permits represented a total of 220 filming days in Santa Clarita for April 2017, a decrease of 6% from 235 filming days in April 2016.

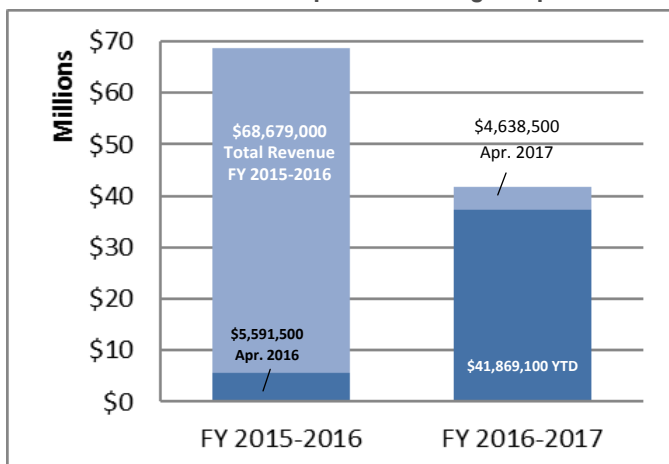
The April 2017 film days included: 120 television shows, 39 student/other projects, 30 commercials, 11 features, 10 still shoots and 10 music videos.

The estimated economic impact in Santa Clarita from location filming in April 2017 is \$4,638,500 which is a 22% decrease from \$5,591,500 in April 2016.

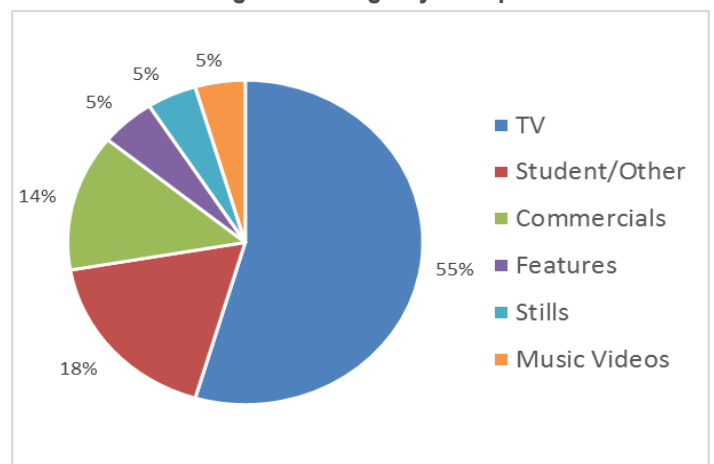
Number of Film Permits Issued in April 2017

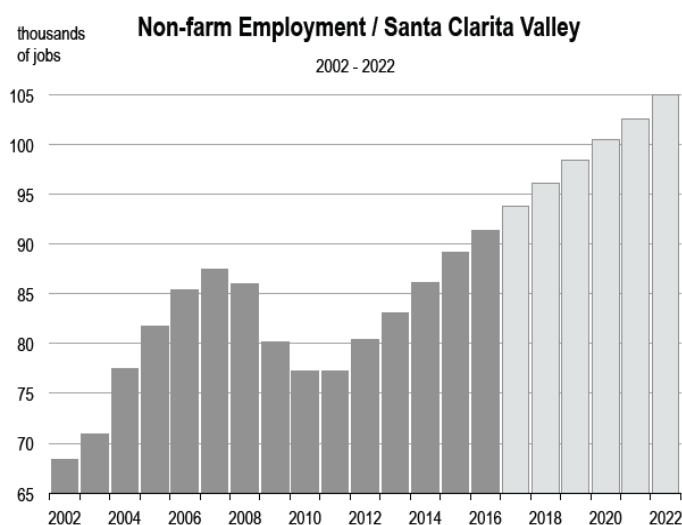


Estimated Economic Impact of Filming in April 2017



Percentage of Filming Days in April 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.

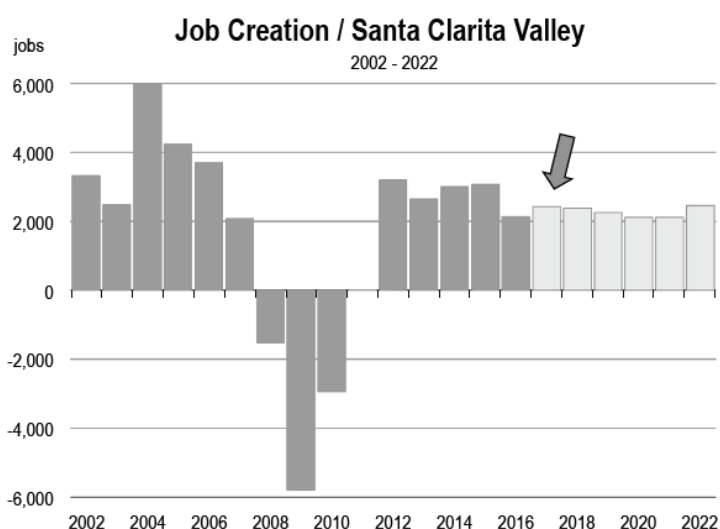
Source: Labor Market Information Division / California Economic Forecast

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, 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