



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

Since the recession, the home median price peak of \$560,000 arrived in July and again in January. The April home median price was 13.7 percent below the record high of \$643,000 set in April 2006.

The local unemployment rate is 3.8%, compared to California's at 4.8%

COMMERCIAL REAL ESTATE | Santa Clarita Valley

Source: City of Santa Clarita; County of Los Angeles

New Permits

One (1) permit for new commercial space was issued during April 2017 in the Santa Clarita Valley, two fewer than were issued in March 2017. There was one (1) permit for commercial space issued during April 2016.

Tenant Improvements/Alterations

A total of ten (10) permits for tenant improvements were issued in the Santa Clarita Valley during April 2017, one less than was issued in March 2017. There were fourteen (14) permits issued in April 2016.

In April 2017, thirty-one (31) commercial alteration permits were issued, two more than April 2017, and down 9% from thirty-four (34) permits issued in April 2016.

Certificates of Occupancy

In April 2017, a total of 45 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 219,285 SF with 19,159 SF issued for commercial space. There were 27 permits issued in April 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 increased 2.8% in April 2017 to \$550,000, compared to \$535,000 in March 2017. A total of 192 single-family homes were sold in April, an decrease of 5.4% from March 2017, and a decrease of 9.4% from the April 2016 sales volume of 212 homes.

Median condominium values increased 5.8% to \$365,000 in April 2017, compared to \$345,000 in March 2017; it is a 4.9% increase from an April 2016 sales value of \$348,000. Condominium sales decreased 33% to 81 in April 2017 from 120 sold in March 2017; it is a decrease of 31% from April 2016 with a sales volume of 118.

| SCV Residential Real Estate Summary | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| | Apr-17 | Mar-17 | M/M % Chg | Apr-16 | Y/Y % Chg |
| Median Home Value | \$550,000 | \$535,000 | 2.8% | \$538,000 | 2.2% |
| Number of Single Family Homes Sold | 192 | 203 | -5.4% | 212 | -9.4% |
| Median Condominium Value | \$365,000 | \$345,000 | 5.8% | \$348,000 | 4.9% |
| Number of Condominiums Sold | 81 | 120 | -33% | 118 | -31% |
| Avg. Days on Market (Single-Family - SCV) | 67 | 74 | -9.5% | 67 | 0% |
| Single-Family Home Inventory (SCV) | 483 | 430 | 12.3% | 451 | 7.1% |
| | Apr-17 | Mar-17 | M/M % Chg | Apr-16 | Y/Y % Chg |
| NODs recorded (SCV) | 28 | 30 | -6.7% | 33 | -15% |
| | 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— Apr. 2017 UNEMPLOYMENT RATE

Source: Bureau of Labor Statistics | California Economic Forecast

| California | 4.8% |
|---------------|------|
| LA County | 4.1% |
| Glendale | 4.0% |
| Lancaster | 4.6% |
| Los Angeles | 4.4% |
| Palmdale | 5.6% |
| Pasadena | 3.7% |
| Santa Clarita | 3.8% |

The current unemployment rate in Santa Clarita is 3.8%, 11.6% lower than the rate of 4.3% recorded April 2016.

California's unemployment rate fell to 4.8%. Four of California's eleven industry sectors added a total of 21,600 jobs in April. Leisure and hospitality posted the largest jobs increase with a gain of 7,400 jobs, followed by construction with a gain of 7,200 jobs.

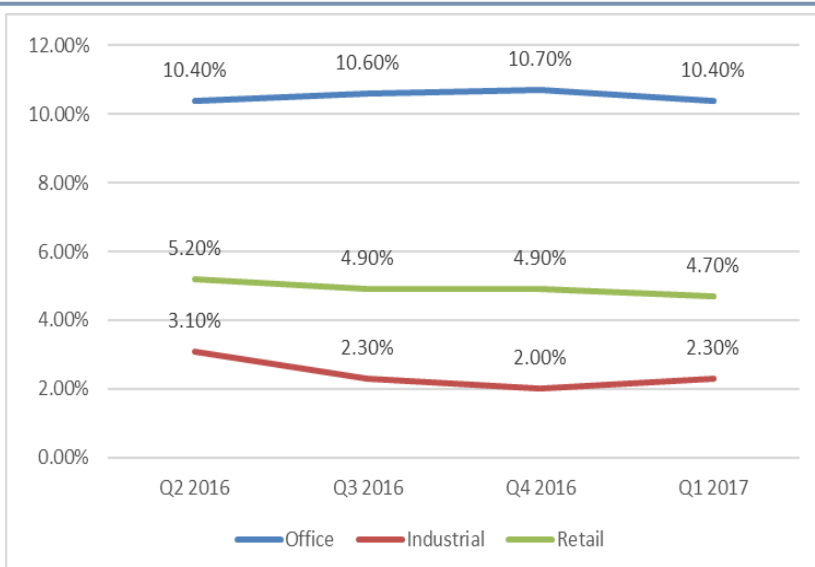
COMMERCIAL VACANCY RATES

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 84.3% in February 2017, a decrease of 10.8% from the February 2016 rate of 94.6%.

By comparison, TRENDS reports the average occupancy rate at hotels for the Los Angeles region during February 2017 was 83.04%, a 4% decrease from 86.67% in February 2016.

Local average daily room rates (ADR) decreased by 14.6% in February 2017 to \$137.40 from \$160.93 the previous year; LA region's ADR decreased 1.6% to \$203.91 over the previous year at \$207.24.

February 2017 Southern California Occupancy & Rate Summary

| Tourism Sub-Region | Occupancy Rate Feb 2017 | Occupancy Rate Feb 2016 | ADR Feb 2017 | ADR Feb 2016 |
|---------------------|-------------------------|-------------------------|--------------|--------------|
| Santa Clarita | 84.3% | 94.6% | \$137.40 | \$160.93 |
| San Fernando Valley | 79.75% | 89.51% | \$170.25 | \$195.64 |
| Pasadena | 75.21% | 92.47% | \$201.44 | \$210.10 |
| San Gabriel Valley | 80.67% | 83.20% | \$131.60 | \$129.44 |
| Hollywood | 77.89% | 84.28% | \$230.01 | \$242.68 |
| South Bay | 85.80% | 88.56% | \$155.07 | \$150.80 |
| Los Angeles Region | 83.04% | 86.67% | \$203.91 | \$207.24 |

FILM | Santa Clarita Valley

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

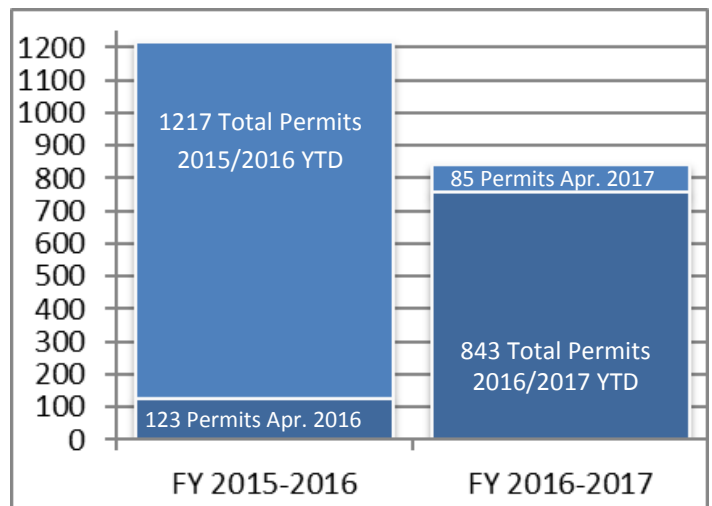
In April 2017, a total of 85 film permits were issued in the Santa Clarita Valley, for a fiscal YTD of 843 permits (July 2016 through June 2017.)

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.

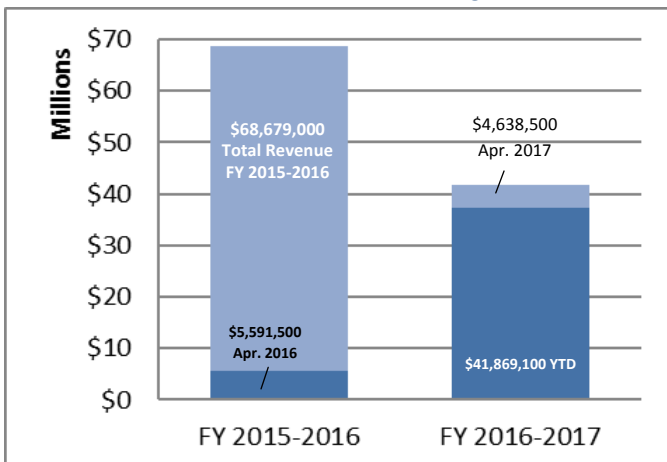
The April 2017 film days included: 120 television shows, 39 student/other projects, 30 commercials, 11 features, 10 still shoots and 10 music videos.

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.

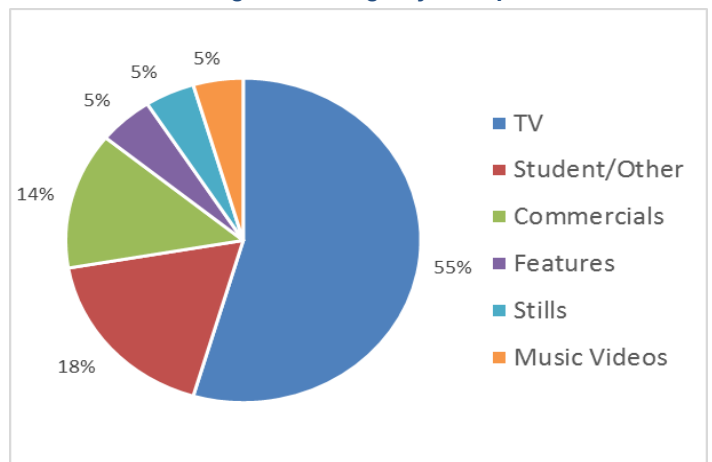
Number of Film Permits Issued in April 2017

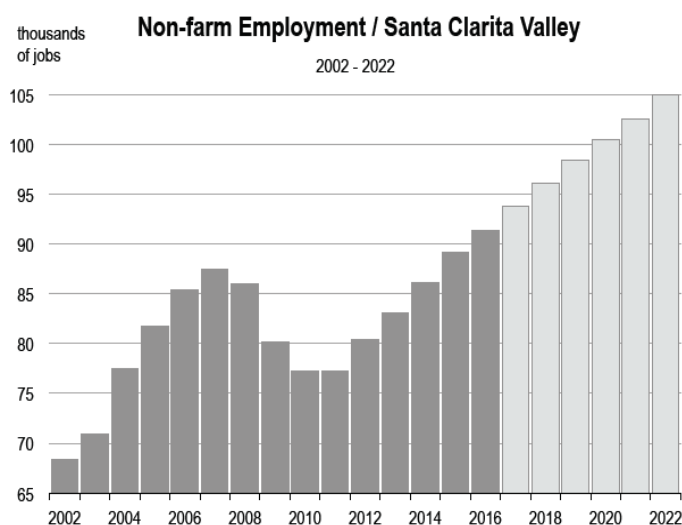


Estimated Economic Impact of Filming in April 2017



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.

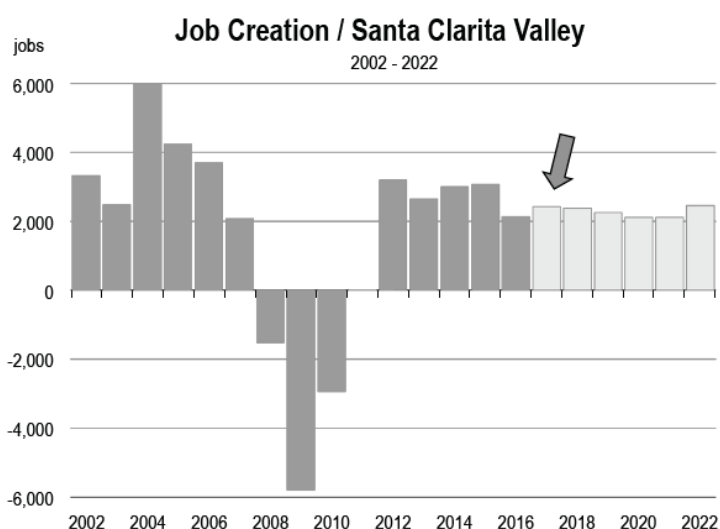
Source: Labor Market Information Division / California Economic Forecast

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