

# Santa Clarita Valley January 2017 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, the economic impact of filming, and local stock prices.

## Highlights

SCVEDC's efforts to support company attraction & expansion resulted in over 2000 jobs in 2016

The economic impact of filming in the Santa Clarita Valley during December 2016 was \$3,975,000 - representing 171 filming days

Santa Clarita Valley home sale total was up 1.7 percent over 2016 and was the second consecutive year activity has been on the upswing following two years of declines of less than 2.0 percent.

The local unemployment rate is 4.3%, while California's is 5.2%

## COMMERCIAL REAL ESTATE | Santa Clarita Valley

Source: City of Santa Clarita; County of Los Angeles

### New Permits

Four (4) permits for new commercial space were issued during December 2016 in the Santa Clarita Valley, two more than were issued in November 2016. There were zero (0) permits for commercial space issued during December 2015.

### Tenant Improvements/Alterations

A total of six (6) permits for tenant improvements were issued in the Santa Clarita Valley during December 2016, four less than were issued in November 2016. There were eleven (11) permits issued in December 2015.

In December 2016, thirty-seven (37) commercial alteration permits were issued, down 2.6% from thirty-eight (38) permits in November 2016, and an increase of 48% from twenty-five (25) permits issued in December 2015.

### Certificates of Occupancy

In December 2016, a total of 49 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 163,392 SF with 11,229 SF issued for commercial space. There were 59 permits issued in November 2015.

### 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 1.83% in December 2016 to \$555,000, compared to \$545,000 in November 2016. A total of 198 single-family homes were sold in December, a decrease of 3.41% from November 2016, and a decrease of 16.81% from the December 2015 sales volume of 238 homes.

Median condominium values increased 0%, remaining at \$340,000 in December 2016, the same as November 2016; it is a 10.03% increase from a December 2015 sales value of \$309,000. Condominium sales decreased 5.62% to 84 in December 2016 from 89 sold in November 2016; it is a decrease of 15.15% from December 2015 with a sales volume of 99 condos.

SCV Residential Real Estate Summary					
	Dec-16	Nov-16	M/M % Chg	Dec-15	Y/Y % Chg
Median Home Value	\$555,000	\$545,000	1.83%	\$518,000	7.14%
Number of Single Family Homes Sold	198	205	-3.41%	238	-16.81%
Median Condominium Value	\$340,000	\$340,000	0%	\$309,000	10.03%
Number of Condominiums Sold	84	89	-5.62%	99	-15.15%
Avg. Days on Market (Single-Family - SCV)	104	95	9.47%	95	9.47%
Single-Family Home Inventory (SCV)	413	494	-16.4%	424	-2.59%
	Dec-16	Nov-16	M/M % Chg	Dec-15	Y/Y % Chg
NODs recorded (SCV)	25	25	0%	35	%
	Q3 2016	Q2 2016	Q/Q % Chg	Q3 2015	Y/Y % Chg
Apartment Vacancy Rate	3.3%	3.4%	-3%	3.5%	-6%
Avg. Apartment Rents	\$1,919	\$1,594	20%	\$1,555	23%

## Unemployment Rate Comparison— Dec 2016 UNEMPLOYMENT RATE

Source: Bureau of Labor Statistics

California	5.2%
LA County	4.7%
Glendale	4.6%
Lancaster	5.3%
Los Angeles	5.0%
Palmdale	6.4%
Pasadena	4.2%
Santa Clarita	4.3%

The current unemployment rate in Santa Clarita is 4.3%, 19% lower than the rate of 5.3% recorded December 2015.

California's unemployment rate fell to 5.2% percent and the state's employers added 3,700 nonfarm payroll jobs in December. With December's job gains, the state has gained a total of 2,420,100 jobs since the economic expansion began in February 2010.

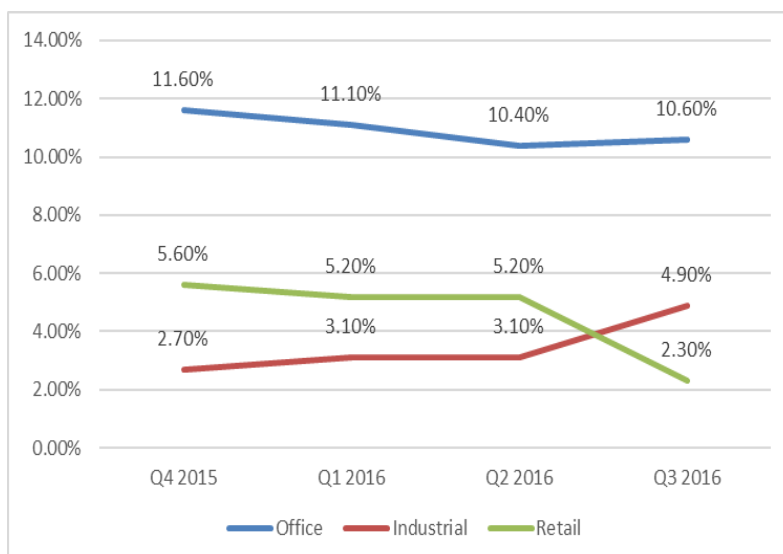
## COMMERCIAL VACANCY RATES

### Santa Clarita Valley

Source: Co-Star Group

In the Santa Clarita Valley, Q3 2016 office vacancy rates increased 2% while industrial increased 58% and retail decreased 56%.

During Q3 2016, Santa Clarita Valley's office vacancy rate was 10.6%; retail and industrial vacancy rates were 2.3% and 4.9% respectively.



## TOURISM | City of Santa Clarita

Source: STR and TRENDS® Reports

STR reports that hotel occupancy in Santa Clarita was 87.8% October 2016, a decrease of 1.3% from the October 2015 rate of 89%.

By comparison, TRENDS reports the average occupancy rates at hotels for the Los Angeles region during October 2016 was 84.39%, a .61% decrease from 84.91% in October 2015.

Local average daily room rates (ADR) increased by 9.3% in October 2016 to \$139.98 from \$128.07 the previous year; LA region's ADR increased 7.65% to \$204.71 over the previous year at \$190.17.

### October 2016 Southern California Occupancy & Rate Summary

Tourism Sub-Region	Occupancy Rate Oct 2016	Occupancy Rate Oct 2015	ADR Oct 2016	ADR Oct 2015
Santa Clarita	87.8%	89%	\$139.98	\$128.07
San Fernando Valley	83.87%	84.18%	\$177.36	\$160.33
Pasadena	88.97%	87.94%	\$195.31	\$189.73
San Gabriel Valley	83.41%	81.77%	\$126.96	\$120.20
Hollywood	82.91%	86.01%	\$236.64	\$223.43
South Bay	86.44%	85.75%	\$168.92	\$159.06
Los Angeles	84.39%	84.91%	\$204.71	\$190.17

## FILM | Santa Clarita Valley

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

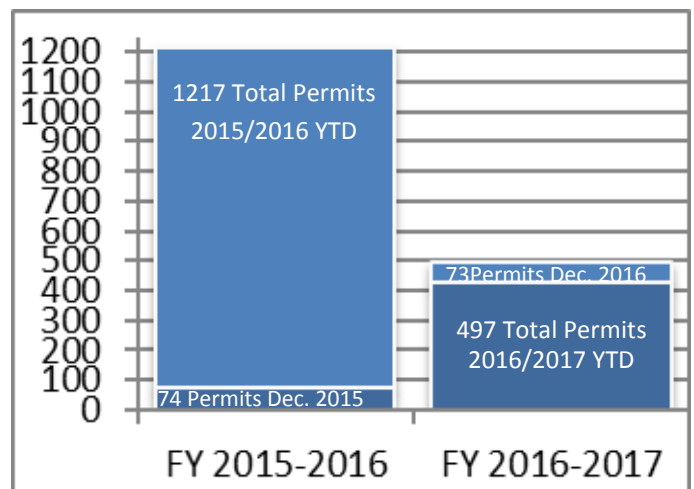
In December 2016, a total of 73 film permits were issued in the Santa Clarita Valley, for a fiscal YTD of 497 permits (July 2016 through June 2017.)

The permits represented a total of 171 filming days in Santa Clarita for December 2016, an increase of 5.6% from 162 filming days in December 2015.

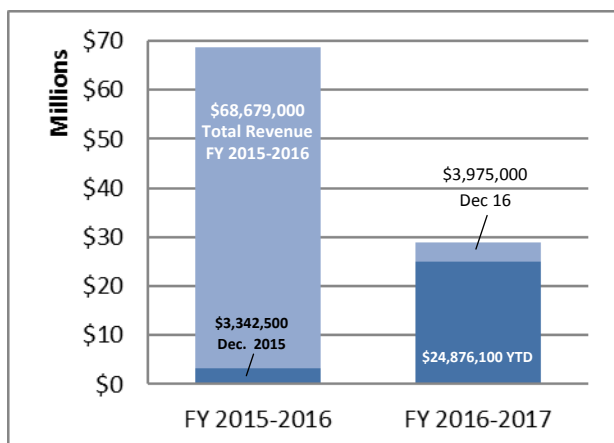
The December 2016 film days included: 48 television shows, 17 student/other projects, 16 commercials, 72 features, 16 still shoots and 2 music videos.

The estimated economic impact in Santa Clarita from location filming in December 2016 is \$3,975,000 which is a 19% increase from \$3,342,500 in December 2015.

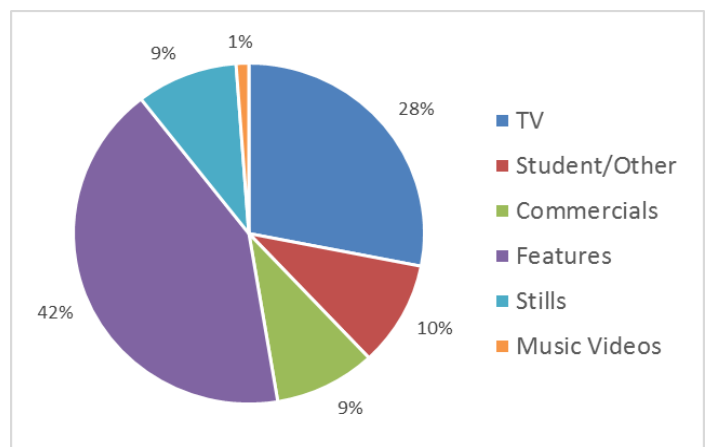
### Number of Film Permits Issued in November 2016



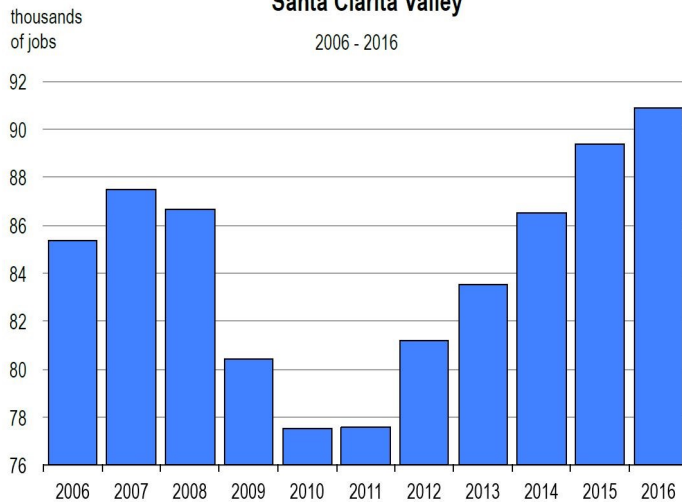
### Estimated Economic Impact of Filming in December 2016



### Percentage of Filming Days—December 2016



### Average Annual Non-Farm Employment Santa Clarita Valley



## NON-FARM EMPLOYMENT

On an average annual basis, non-farm employment is on pace to rise at a moderate rate in 2016. If the trend from the first ten months of the year persists, the region's labor market will expand by 1.5%.

The sectors that have experienced the strongest growth in the past year include professional, scientific, and technical services (+10%), real estate (+4%), and local government (+4%).

The largest losses were in management (-8 percent), construction (-1%), and information (-1%).

*Source:* Labor Market Information Division / California Economic Forecast

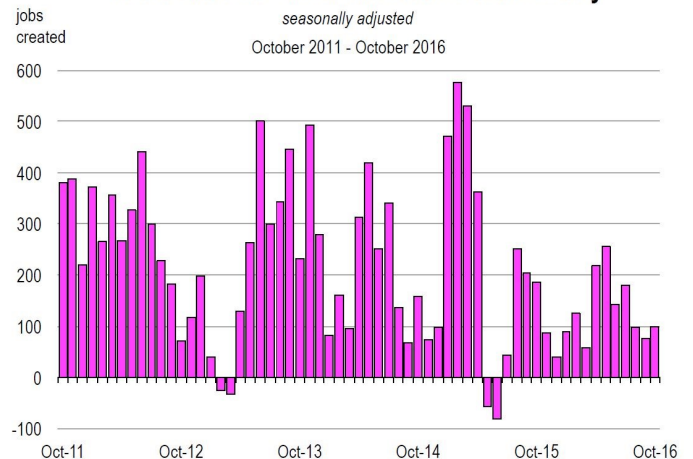
## NON-FARM JOB CREATION

So far in 2016, the Santa Clarita Valley has gained 1,431 jobs on a seasonally-adjusted basis.

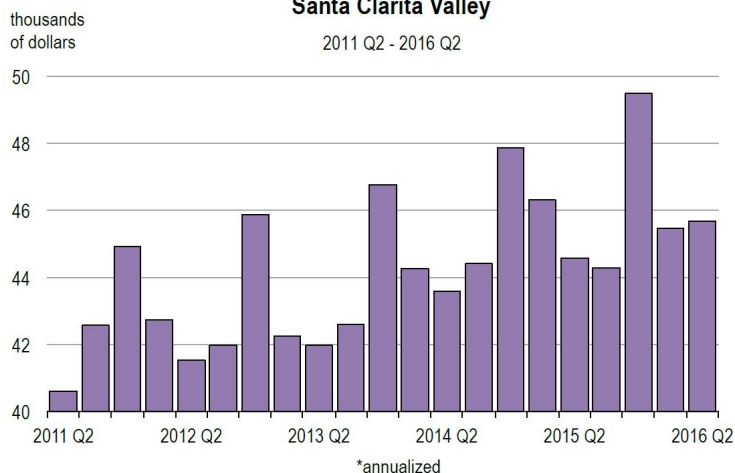
Although job creation has slowed from last year, 2016 is still on pace for moderate growth. At the same time, the unemployment rate continues to improve and the labor market is now relatively tight, causing salaries to increase at healthy rates.

*Source:* Labor Market Information Division / California Economic Forecast

### Non-Farm Job Creation / Santa Clarita Valley



### Average Non-Farm Salary per Worker\* Santa Clarita Valley



## AVERAGE SALARIES

In the second quarter of 2016, the average non-farm worker earned an annualized salary of \$45,700.

Average salaries have risen by 2.5 percent over the past four quarters, generally the result of a tighter labor market with an improving unemployment rate.

*Source:* Labor Market Information Division / California Economic Forecast