

SCVEDC Econowatch

July 2024



Vacancy Rates

Source: CoStar, DAUM Commercial Real Estate

Q2 2024 Q1 2024 Q2 2024 Sq Ft.

Office Space	18.1%	20.0%	1,071,855 SF
Industrial Space	4.0%	2.6%	1,754,938 SF
Retail Space	4.3%	4.5%	
Total Available Commercial Space:			2,826,793 SF

Industrial Inventory



Existing Buildings	720
Inventory SF	26.8M
Average Building SF	37.2K
Under Construction SF	640K
12 Mo Delivered SF	396K



Average Rent Per Square Foot

Source: CoStar, DAUM Commercial Real Estate

	Q2 2024	Q1 2024
Office (FSG)	\$2.69	\$2.69
Industry (NNN)	\$1.27	\$1.26
Retail	\$33.16	\$32.91

INDUSTRIAL: There's 640,000 SF currently under construction, with 430,407 of that coming from 4 buildings at the new Santa Clarita Commerce Center. They are expected to be completed in April 2025. There is **approximately 2M SF of industrial space available** in Q3 2024, with a 19% share of that being sublease space. **The Santa Clarita Valley submarket has not had this much available industrial space on the market since Q2 2021.**

The rate of vacancy in the industrial market has increased slightly over the last year from 2.6 to 3.3 percent. CoStar reported that 68 leasing deals were signed in 2023. For the first 6 months of 2024, the pace was slightly faster, with 37 deals signed.

OFFICE: The Santa Clarita Valley office submarket has an estimated vacancy rate of 19.5% in Q3. This vacancy rate is 4.8% higher than it was this time last year. There was 260,000 SF of negative absorption and no net deliveries. Many companies continue to downsize, either subleasing parts of their space or relocating to a location with less overall space. The total Santa Clarita Valley office submarket comprises 5.6 million SF of inventory.

RETAIL: The past 12 months have seen rents increase by 1.4%. Rents for retail spaces, \$33.00/SF, are around 10% less than the market-wide average of \$36.00/SF.



Construction Activity

Source: City of Santa Clarita

	June 2024	May 2024	June 2023
New Commercial & Industrial Building Permits	0	0	2
Commercial Tenant Improvements/Alterations	14	3	48
New Residential Units (SFH) - City of SC	20	27	25

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Source: Southern Regional Association of Realtors (SRAR)

Source: Employment Development Department (EDD), California Economic Forecast

Source: Employment Development Department (EDD)

Housing Stats

June 2024

May 2024

June 2023

SCV Average Home Price

\$937,100

\$920,100

\$957,200

SCV Average Condo Price

\$621,000

\$587,700

\$573,800

SCV Home Sales (YTD)

346

187

909

SCV Condo Sales (YTD)

153

164

378

SCV Avg. Days on Market (SFH)

28

34

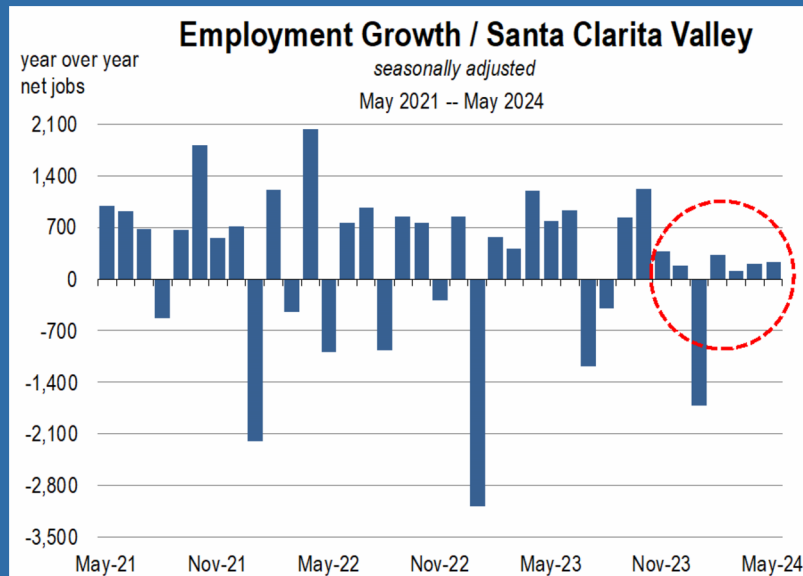
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SCV Single Family Home Inventory

389

352

246



Labor Market

Unemployment Rates

	June-24	May-24	% Change
Santa Clarita	5.7%	4.9%	16.33%
Palmdale	8.2%	6.8%	20.59%
Lancaster	8.2%	7.2%	13.89%
Glendale	5.7%	4.8%	18.75%
Los Angeles County	5.9%	5.2%	13.46%
State	5.2%	5.2%	0.00%

California Industries Payroll Jobs by Biggest Month-Over Change

Seven of California's 11 industry sectors gained jobs in June with the largest increase in Trade, Transportation, and Utilities (+9,800), adding jobs for the fourth consecutive month. This sector overall has gained 21,700 jobs from March through June, due in part to increased traffic at California's ports and other seasonal activities. The Information (+4,000) sector showed good growth, especially in the motion picture industry. The Manufacturing sector recorded a month-over job loss (-2,900), which mirrored a similar loss in Manufacturing nationally.

Major Industries	Month-over Change (May 2024 - June 2024)	Year-over Change (June 2023 - June 2024)	Total Payroll Jobs as of June 2024
Trade, Transp., Utilities	▲ +9,800	▲ +2,800	3,118,500
Government	▲ +5,200	▲ +60,200	2,664,800
Information	▲ +4,000	▼ -29,000	530,200
Private Education and Health Services	▲ +3,200	▲ +156,600	3,250,900
Financial Activities	▲ +2,200	▼ -7,400	808,900
Leisure and Hospitality	▲ +1,500	▲ +32,100	2,043,700
Professional and Business Services	▲ +1,400	▲ +7,700	2,784,100
Mining and Logging	▼ -100	▲ +100	19,800
Construction	▼ -500	▲ +11,900	925,600
Other Services	▼ -1,300	▲ +14,500	601,000
Manufacturing	▼ -2,900	▼ -25,900	1,308,500