



Economic Snapshot Q2 2024



**SANTA CLARITA
VALLEY >**

Your Strategic Location

STILL GOLDEN

The business-friendly Santa Clarita Valley is conveniently located next to Interstate 5 and Highway 14 and is home to the 3rd largest city in Los Angeles County, the City of Santa Clarita. The SCV is a growing area encompassing 520 square miles with a population of approximately 300,000 residents.



Innovation Loves Company



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Economic Snapshot Q4 2023

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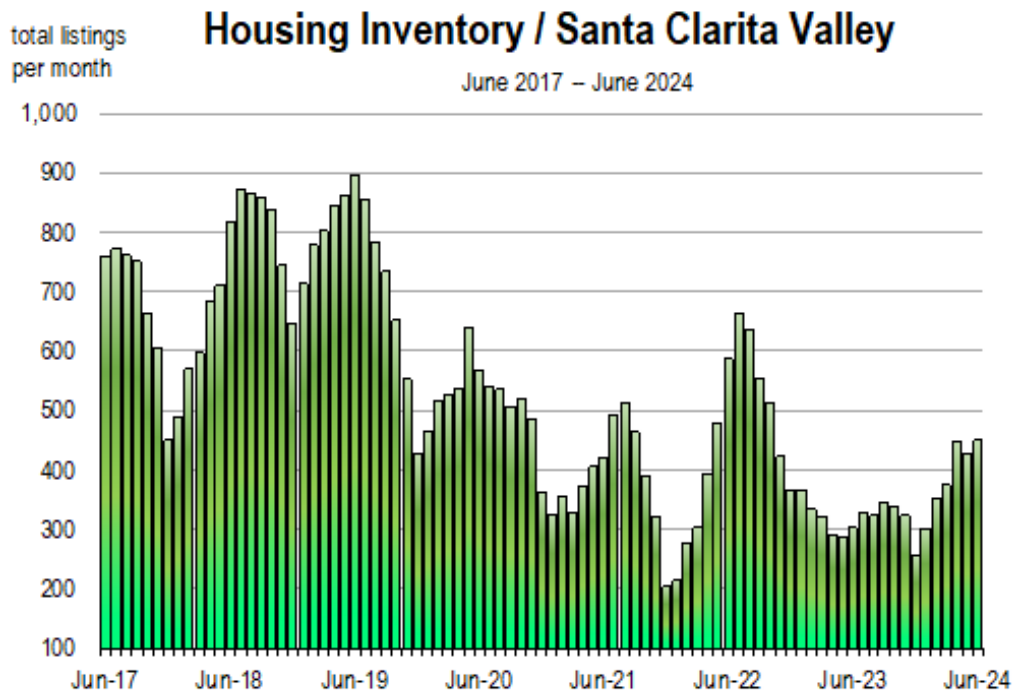


Residential Real Estate

Source: CoStar, Redfin, NAI Capital, Los Angeles County

Purchase Market

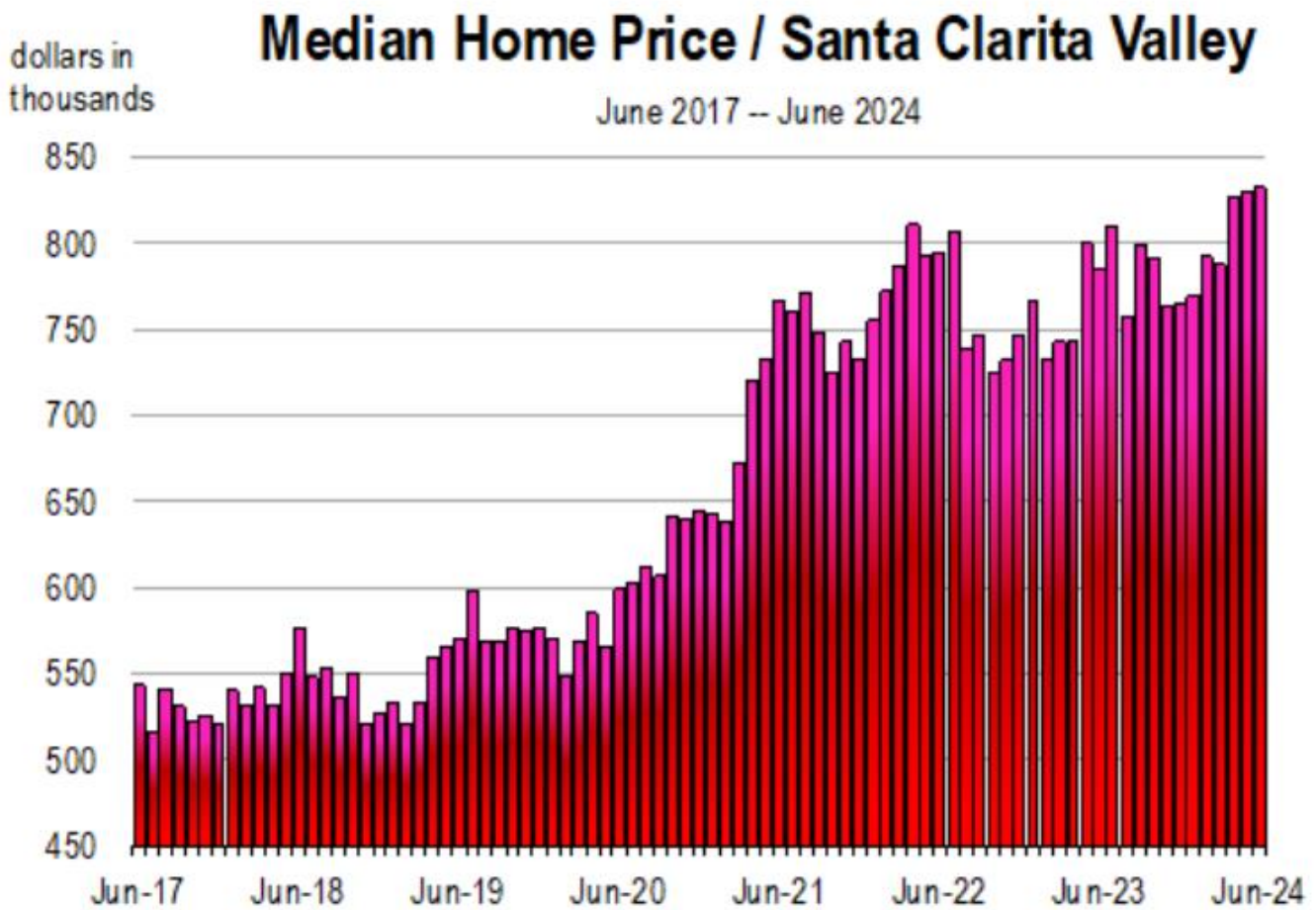
- The market includes the entire Castaic-Stevenson Ranch-Santa Clarita region.
- For the latest month, the existing median home price in the Santa Clarita Valley was \$832,000 for all properties and \$871,000 for single-family detached homes. The latter value represents a 3 percent increase from June of 2023.
- For the first 6 months of 2024, the median price for single-family homes is averaging \$1.30 million in Stevenson Ranch, \$884,200 in Santa Clarita, and \$849,700 in Castaic.
- In June 2024, the for-sale inventory totaled 290 for single-family detached homes, and 449 total residential units (including condominiums and townhomes). Both inventory levels have increased versus the same time a year ago but are still extremely low.



Residential Real Estate

Source: CoStar, Redfin, NAI Capital, Los Angeles County

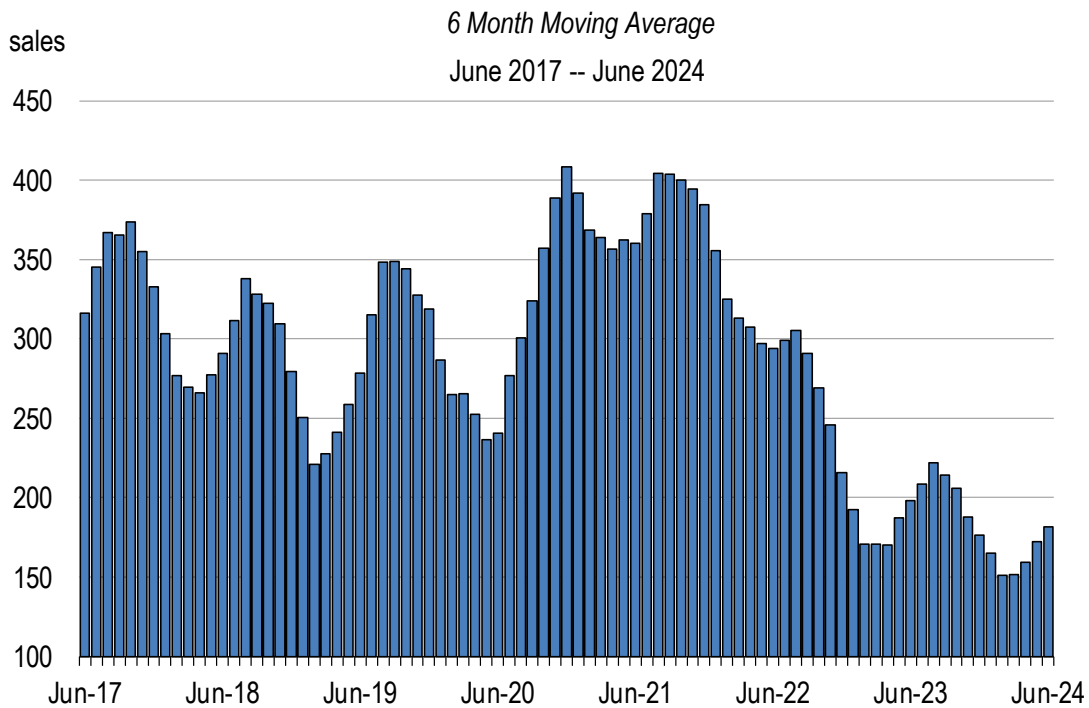
- All existing home sales were 27 percent lower in 2023 than in 2022. In 2024, sales are another 8 percent lower than in the first 6 months of 2023. Single-family home sales were 6 percent lower.
- All residential sales were 23 percent higher in Castaic, 10 percent lower in Santa Clarita, and 20 percent lower in Stevenson Ranch for the first 6 months of 2024.



Residential Real Estate

Source: CoStar, Redfin, NAI Capital, Los Angeles County

Existing Home Sales / Santa Clarita Valley



For the latest month of June 2024:

Castaic	\$ 870,000 based on 17 sales
Santa Clarita	\$ 805,000 based on 182 sales
Stevenson Ranch	\$1,157,000 based on 13 sales

There have been 1,570 new listings of homes in the region during 2024. For the first 6 months of 2023, there were 1,325 new listings.



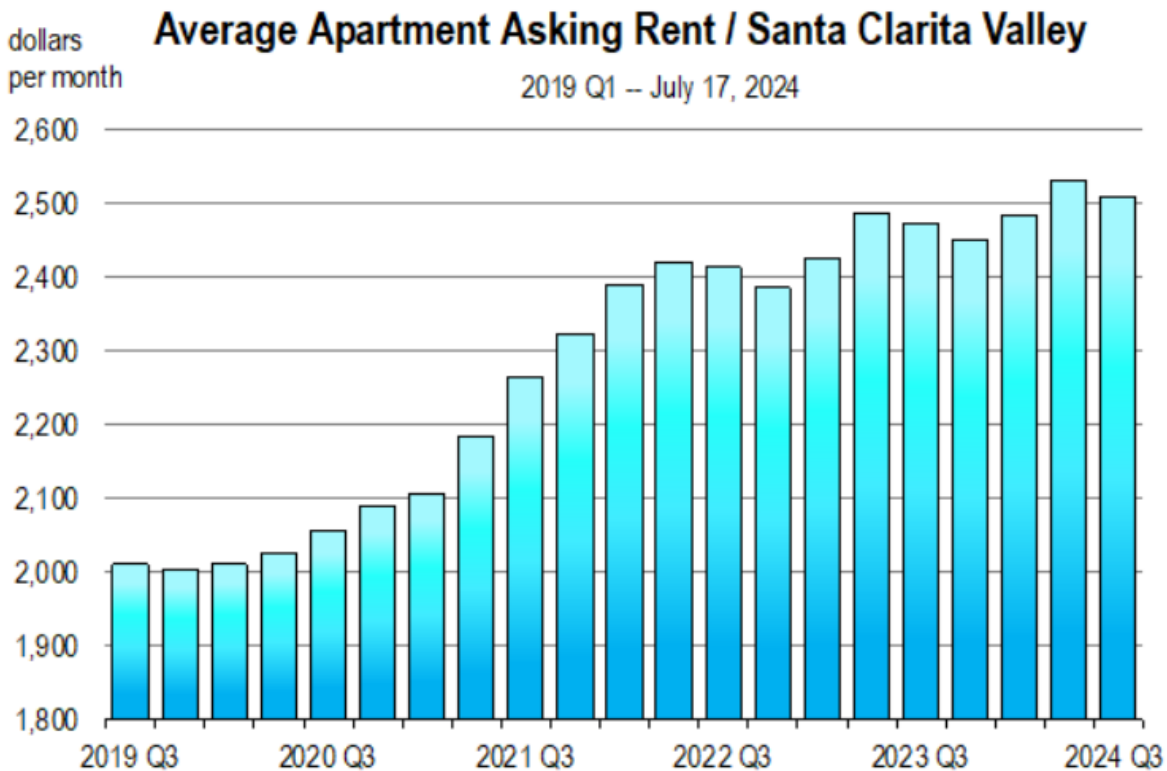
Residential Real Estate

Source: CoStar, Redfin, NAI Capital, Los Angeles County

The Rental Market

(actual information through July 17th, 2024)

- Apartment rents peaked in quarter 2 of this year, averaging \$2,531 per month. Inflation in rents has subsided and is currently running at 1.5 percent over the last year.
- The vacancy rate moved higher to 4.6 percent in 2023 but new apartment housing has been absorbed this year. Vacancy has now stabilized at 4.2 percent. There are an estimated 654 vacant apartment units in the Santa Clarita Valley, down from 730 units in March 2023.
- The Outlook Santa Clarita in Plum Canyon will open soon. Rents range from \$2,492 to \$3,548 per month. There are 1, 2 and 3 bedroom units that comprise the 228 unit complex.

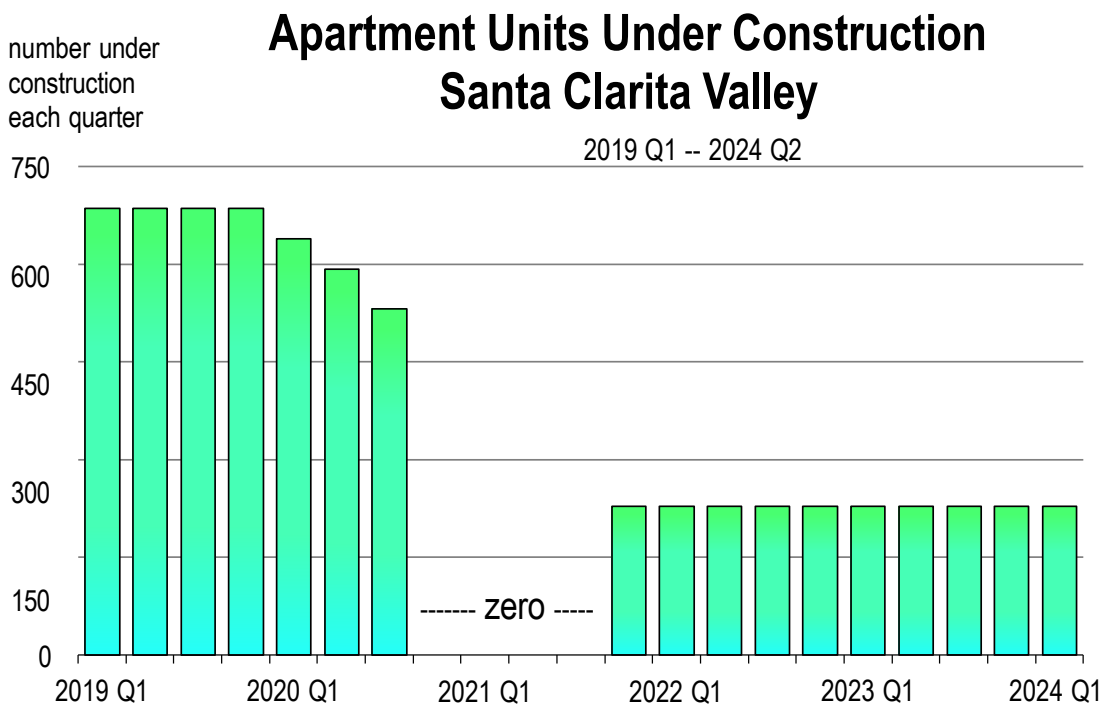
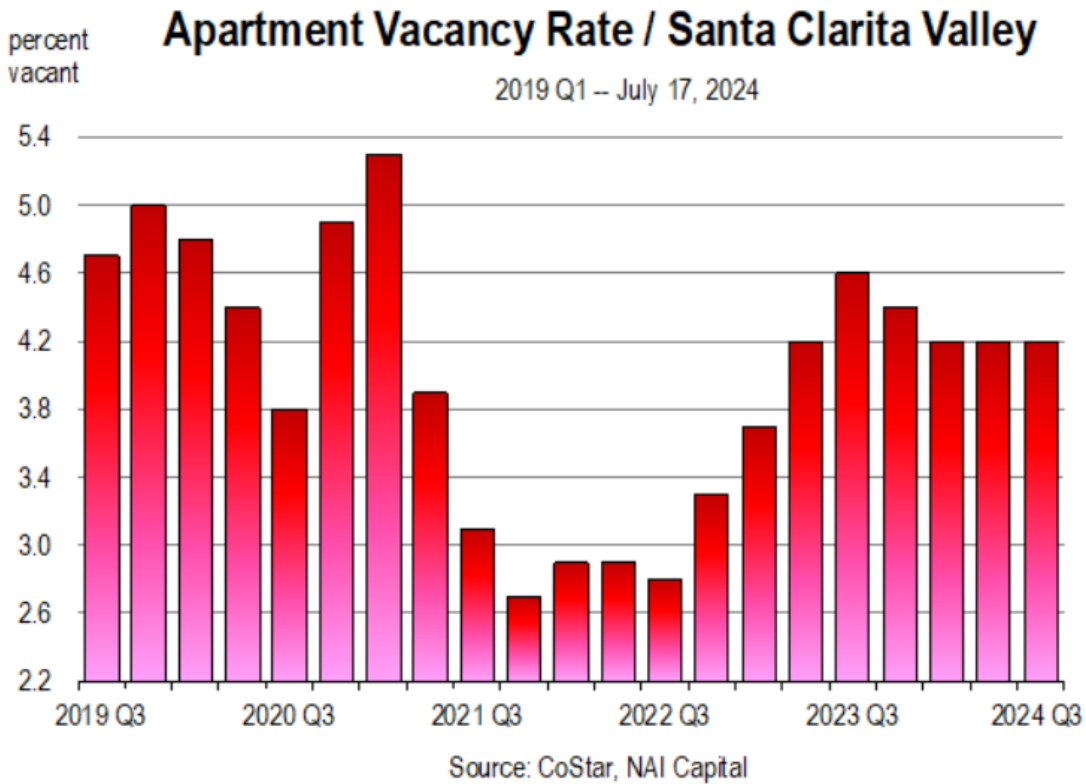


Source: CoStar, NAI Capital



Residential Real Estate

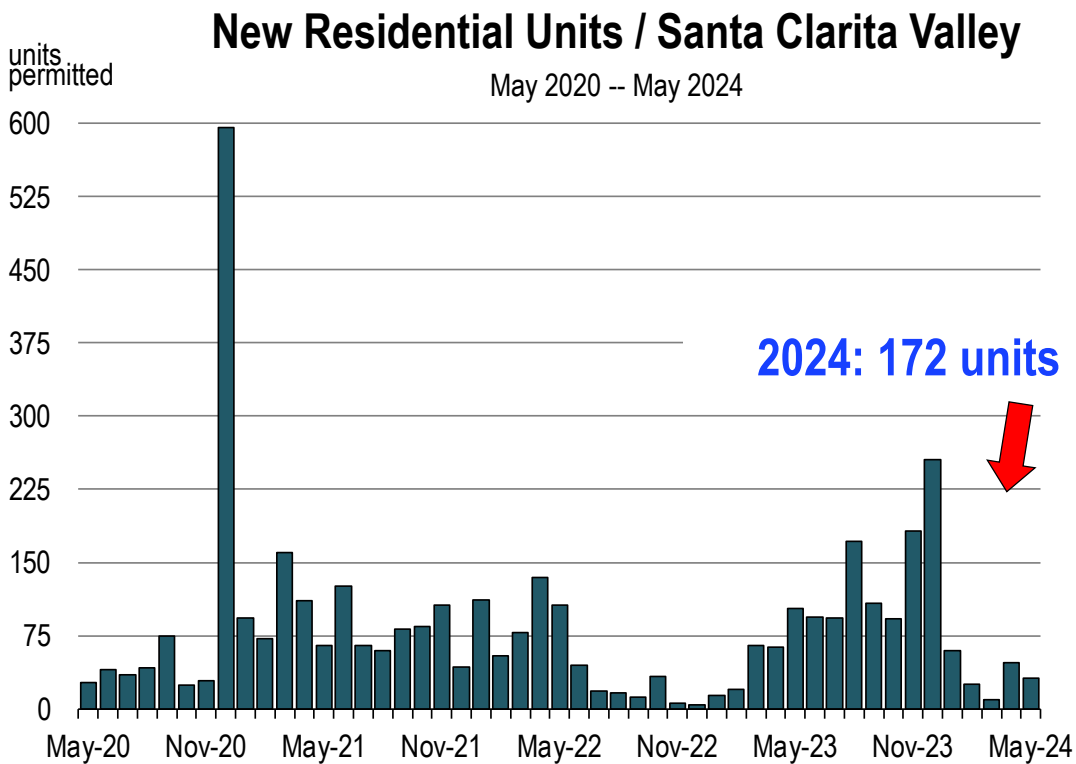
Source: CoStar, Redfin, NAI Capital, Los Angeles County



Residential Real Estate

Source: CoStar, Redfin, NAI Capital, Los Angeles County

New Home Building



- For calendar year 2024, 172 units have been permitted in the city and unincorporated areas of Santa Clarita.
- Nearly all housing in 2024 is single-family detached units.

New Housing, Santa Clarita Valley, 2020 -- 2023

Estimated Units

2020	1,159
2021	1,067
2022	619
2023	1,261
2024 January-May	72



Commercial Real Estate

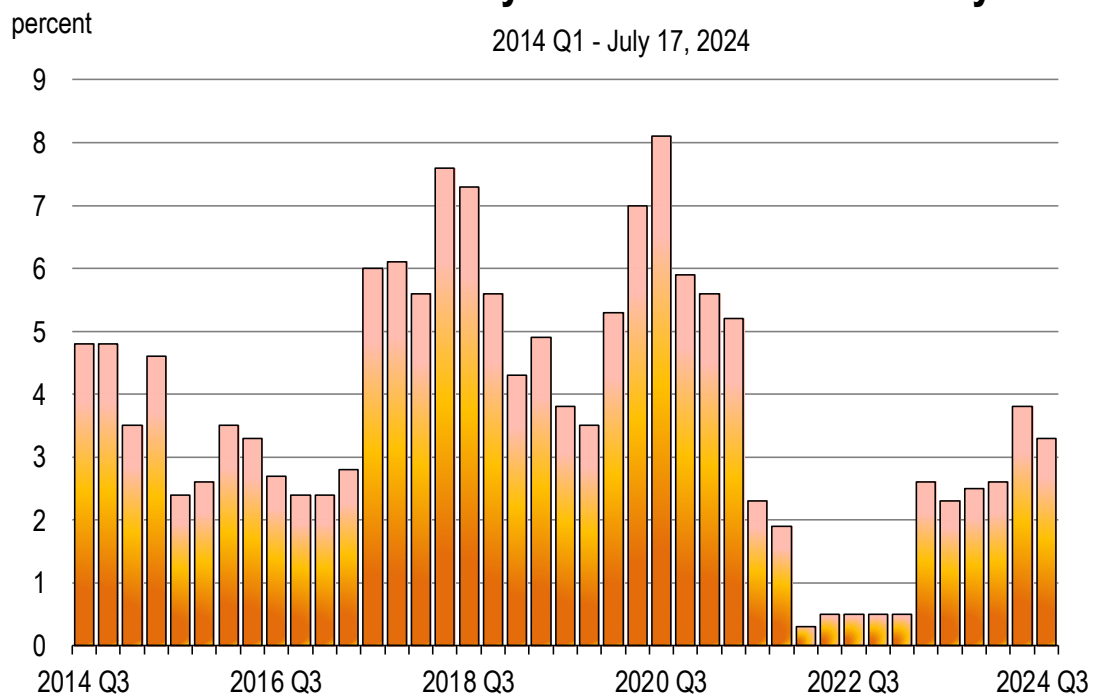
Source: CoStar, NAI Capital

The actual data for all three markets presented here is through July 17th, 2024.

Industrial

- The rate of vacancy in the industrial market has increased slightly over the last year from 2.6 to 3.3 percent. Total available industrial space has moved to 6.0 percent. The increase coincides with the delivery of 396,000 square feet to the local market.
- Delivery of 288,200 square feet of new space to the market (Needham Ranch Phase II) occurred in June 2024,
- For the current stock of available space, lease rates are averaging \$1.23 NNN. The average gross lease rate is \$1.27 per square foot.
- CoStar reported that 68 leasing deals were signed in 2023. For the 6 months and 17 days of 2024, the pace is slightly faster, with 37 deals signed.
- Nearly 400,000 square feet of space is currently under construction.

Industrial Vacancy Rate / Santa Clarita Valley

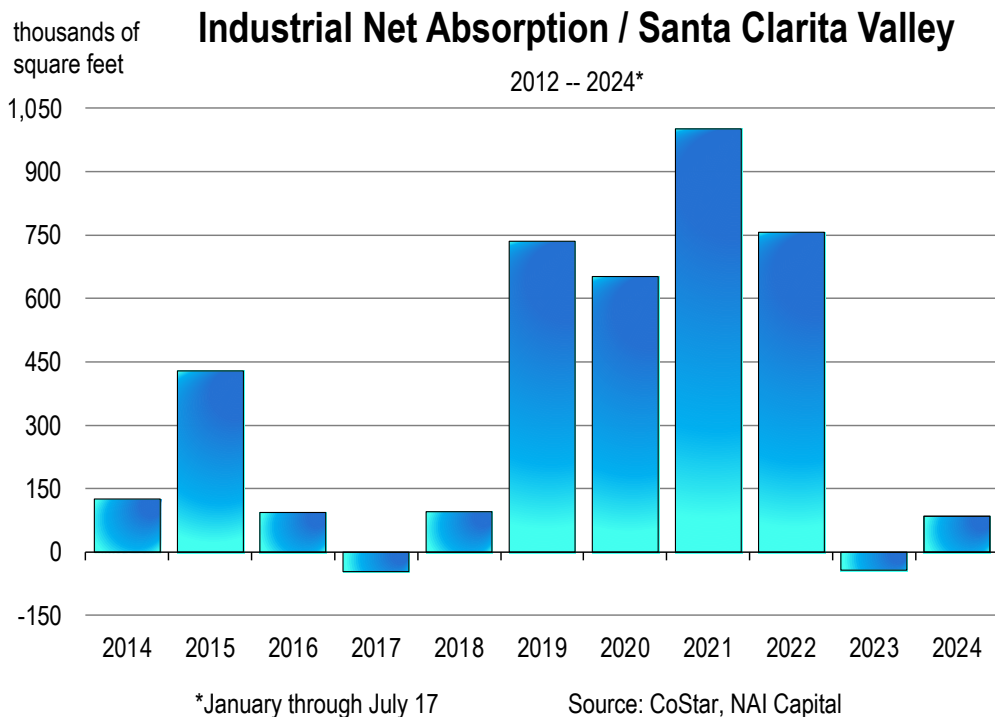


Source: CoStar, NAI Capital



Commercial Real Estate

Source: CoStar, NAI Capital



Office

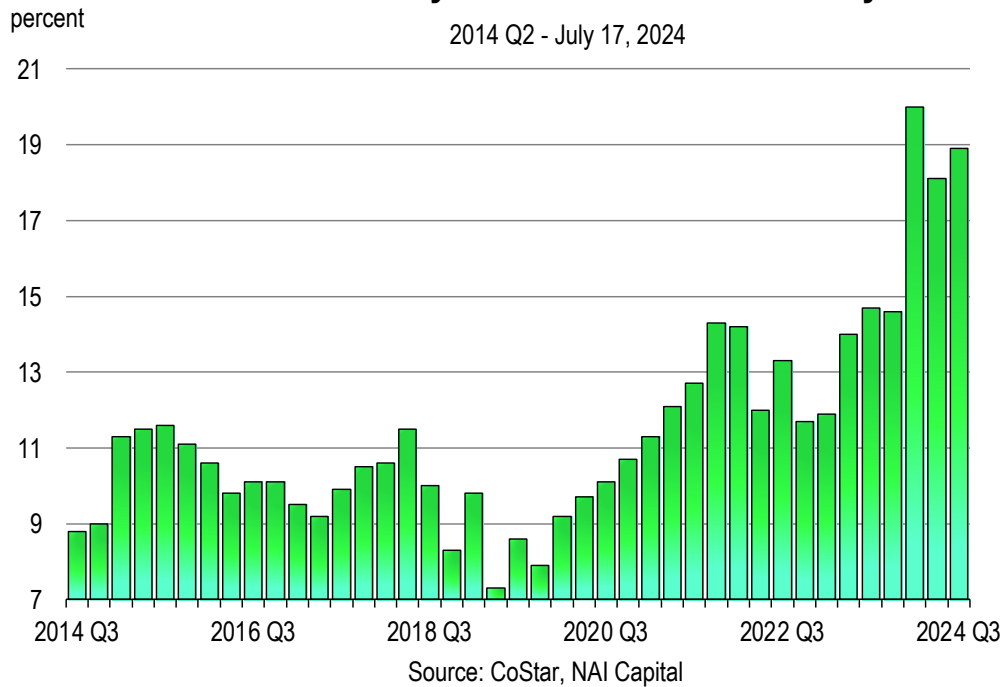
- Between 2023 Q4 and 2024 Q1, an additional 306,000 square feet of office space in the Town Center was vacated in the Santa Clarita Valley office market. The office vacancy rate, now at 19 percent, has not shown much improvement during 2024.
- The total office space availability rate is estimated at 20.2 percent as of July 17, 2024.
- Available sublease space adds 357,000 square feet to the total direct vacant space of 752,415 square feet. The total is 1.1 million square feet currently available for lease.
- CoStar reports 53 leasing deals were signed year-to-date (July 17, 2024) totaling 243,000 square feet of absorption. However, net absorption was negative 237,000 square feet, putting the office vacancy rate at just less than 20 percent.
- There is one 55,000 square foot project under construction at this time.
- Note that office-using employment continues to rise in the SCV. However, many employees, notably those working for Princess Cruises are remote.



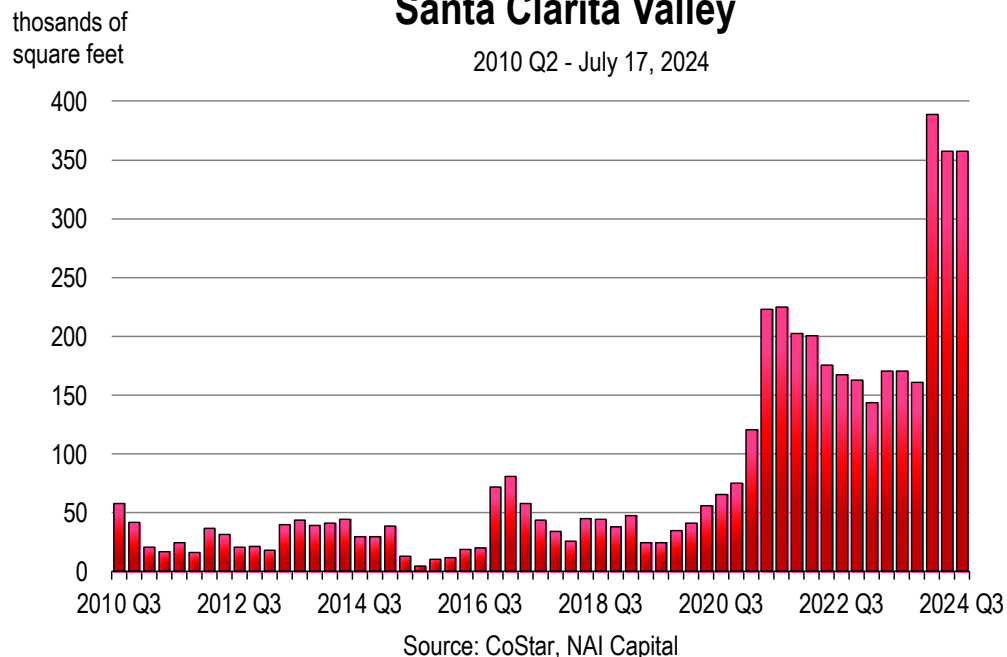
Commercial Real Estate

Source: CoStar, NAI Capital

Office Vacancy Rate / Santa Clarita Valley

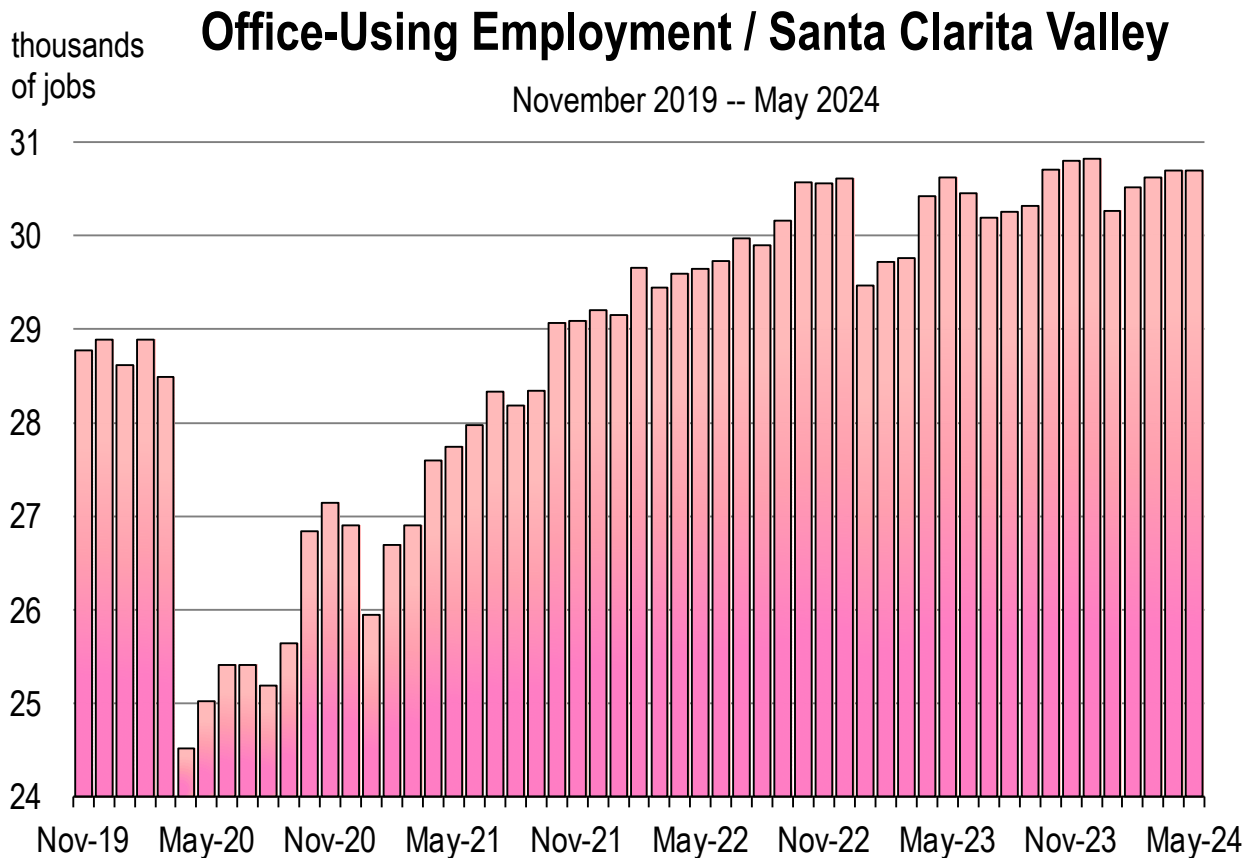


Available Office Space for Sublease Santa Clarita Valley



Retail Vacancy

Source: California Economic Forecast, CoStar, NAI Capital



Retail

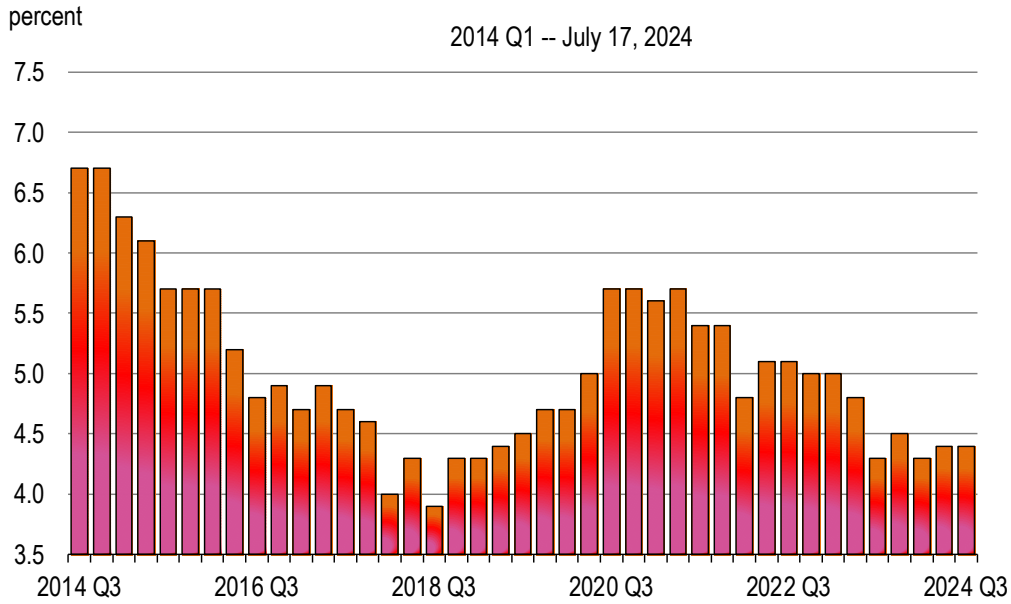
- Utilization of retail space remains stable. The vacancy rate is 4.4 percent. The availability rate is 5.0 percent. Both measures of the market have generally been in decline since the pandemic.
- Net absorption of retail space has been positive every year since 2021 including the first 6 months of 2024. There are no retail projects under construction at this time.
- Average triple net lease rates in 2023 moved to their highest level since 2009. The rate today is slightly off that high, averaging \$2.11 per square foot.



Retail Vacancy

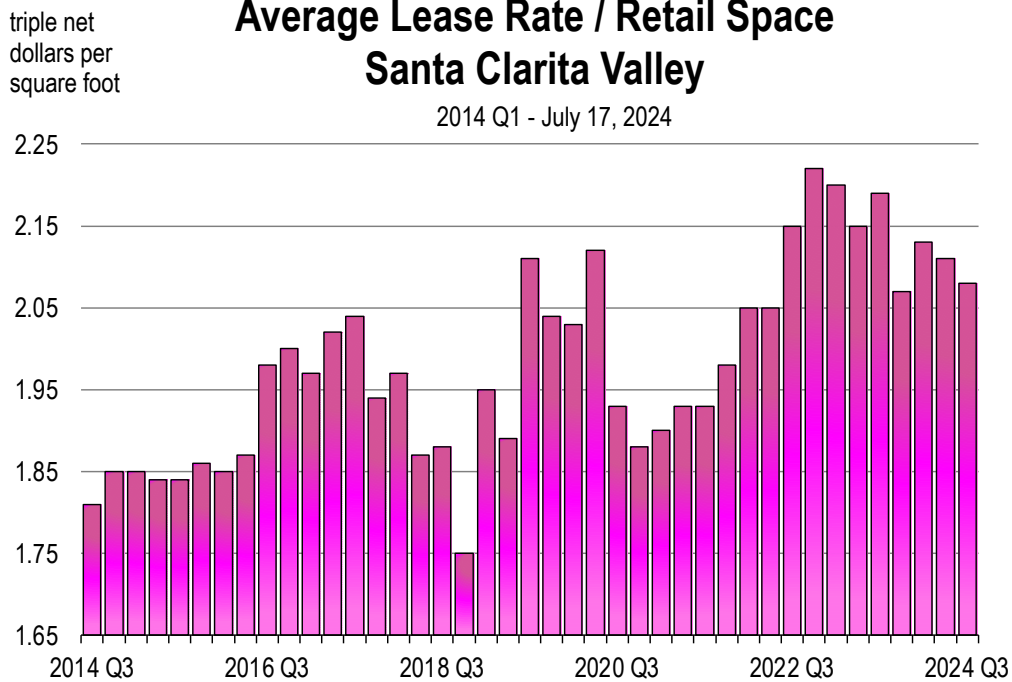
Source: CoStar, NAI Capital

Retail Vacancy Rate / Santa Clarita Valley



Source: CoStar, NAI Capital

Average Lease Rate / Retail Space Santa Clarita Valley

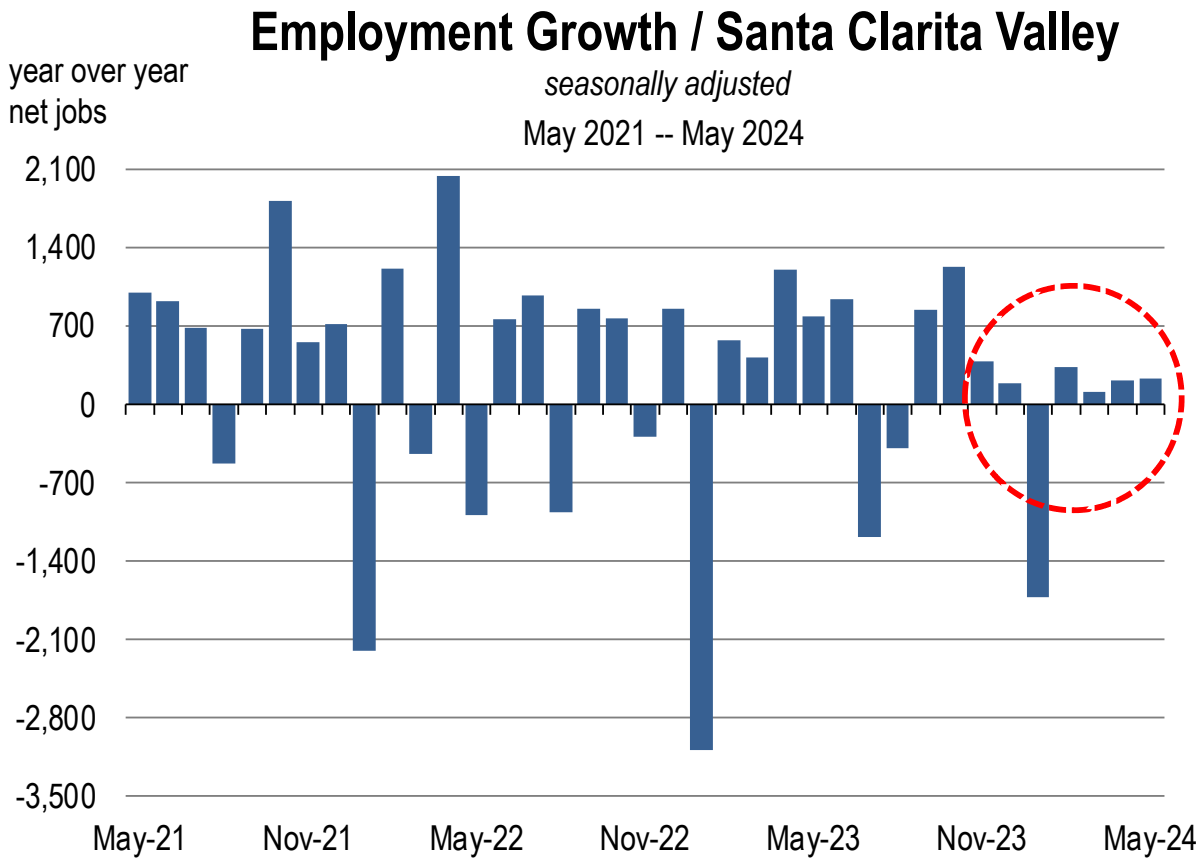


Source: CoStar, NAI Capital



Employment

Source: California Economic Forecast, Labor Market Information Division

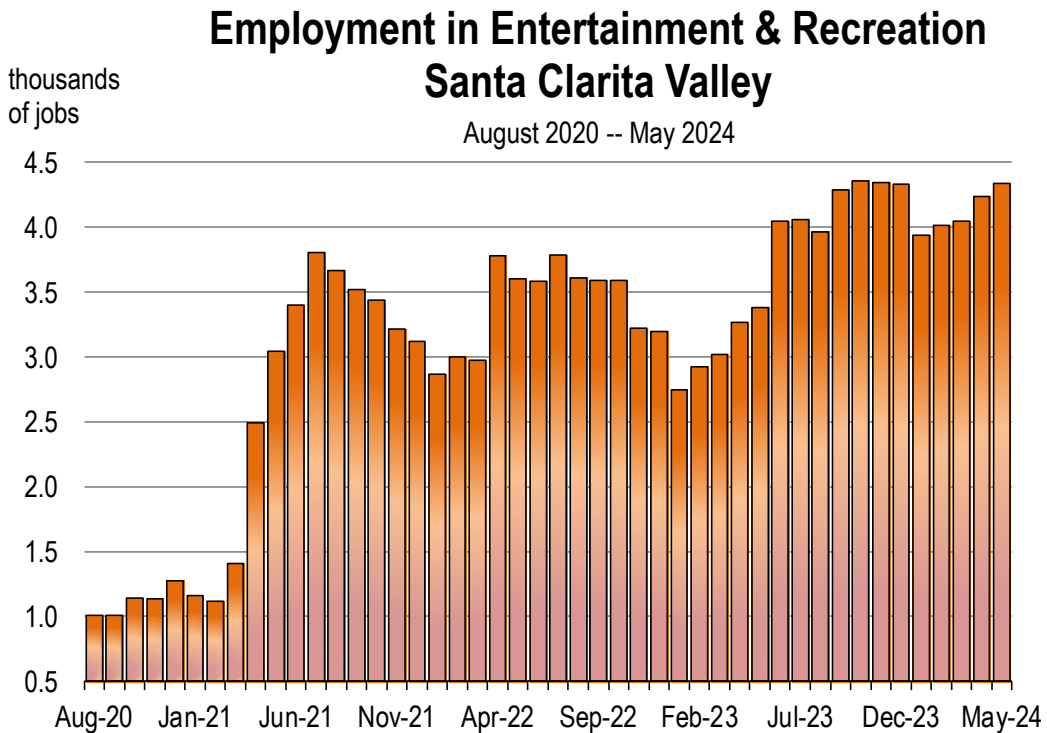
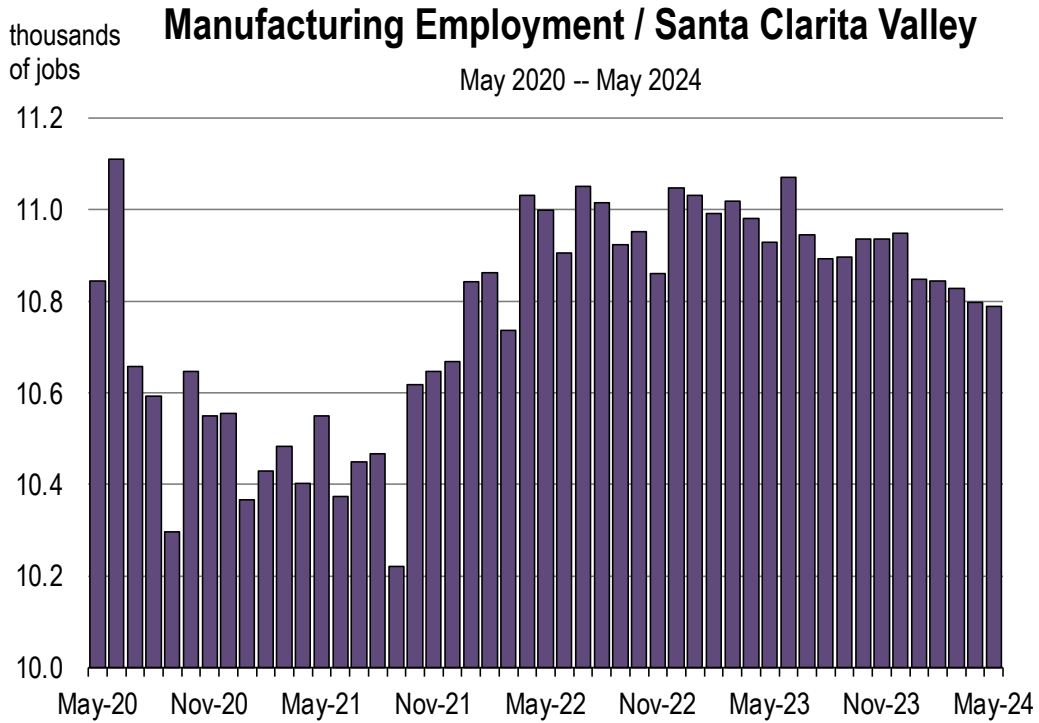


- There has been a meaningful reduction in the growth of new jobs over the last 7 months, or since November 2023. Employment is now at a peak level, but the rate of annual growth has slowed to 1.6 percent
- Preliminary 2024 data indicate that the Entertainment & Recreation sector is on a pace to increase its workforce by 400 jobs this year.
- Transportation and warehousing employment is rising at a rate of 236 more jobs this year.
- Manufacturing employment has been gradually consolidating over the last 12 months.



Employment

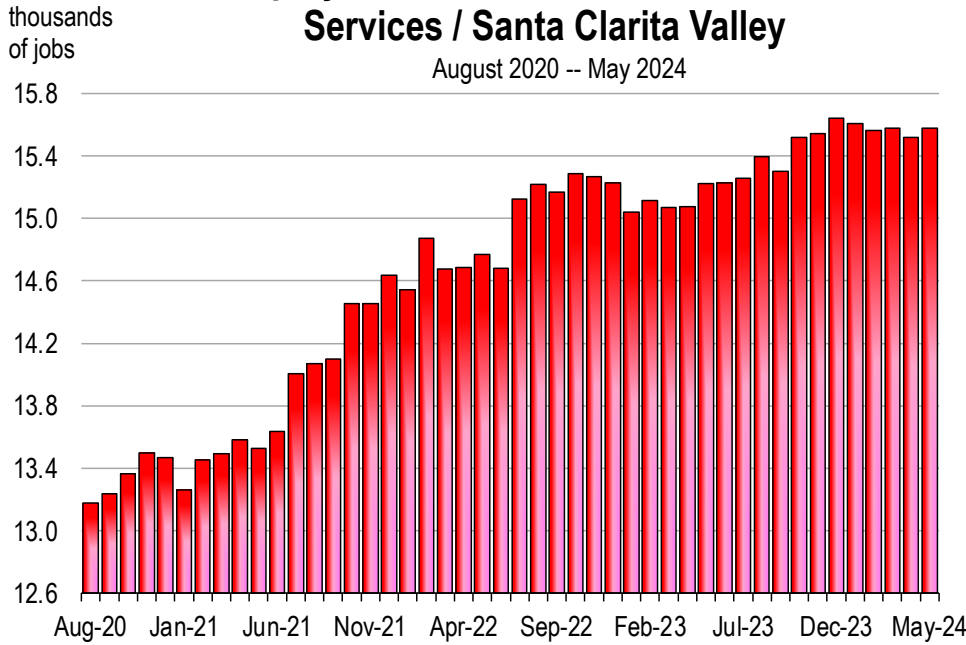
Source: California Economic Forecast, Labor Market Information Division



Employment

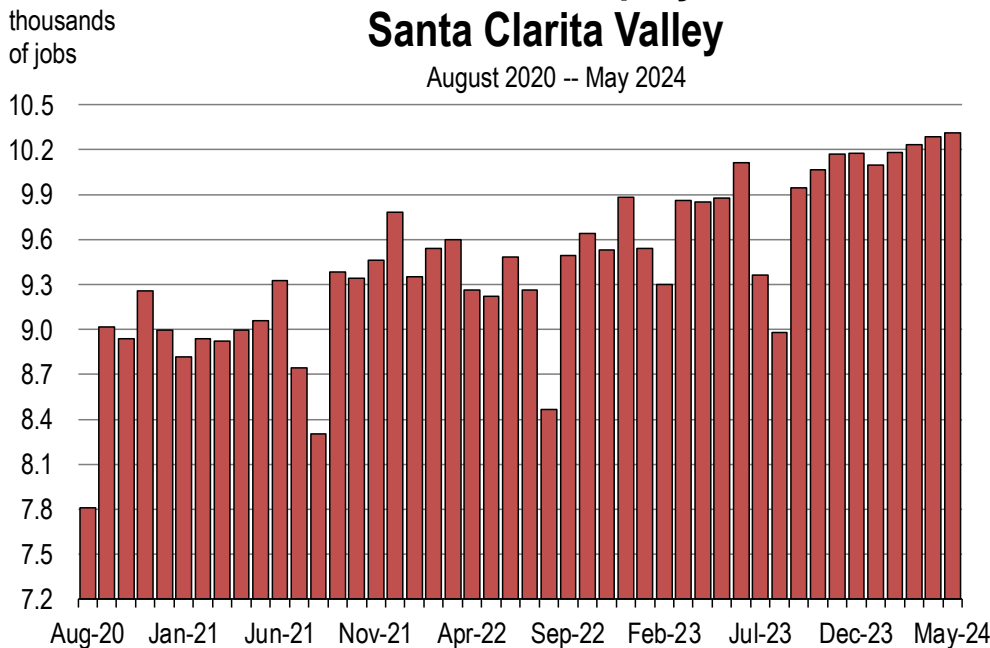
Source: California Economic Forecast, Labor Market Information Division

Employment in Professional & Business Services / Santa Clarita Valley



- Professional & Business Services employment has been gradually rising since 2020, adding 3,000 jobs since the beginning of 2021.

Public Sector Employment Santa Clarita Valley



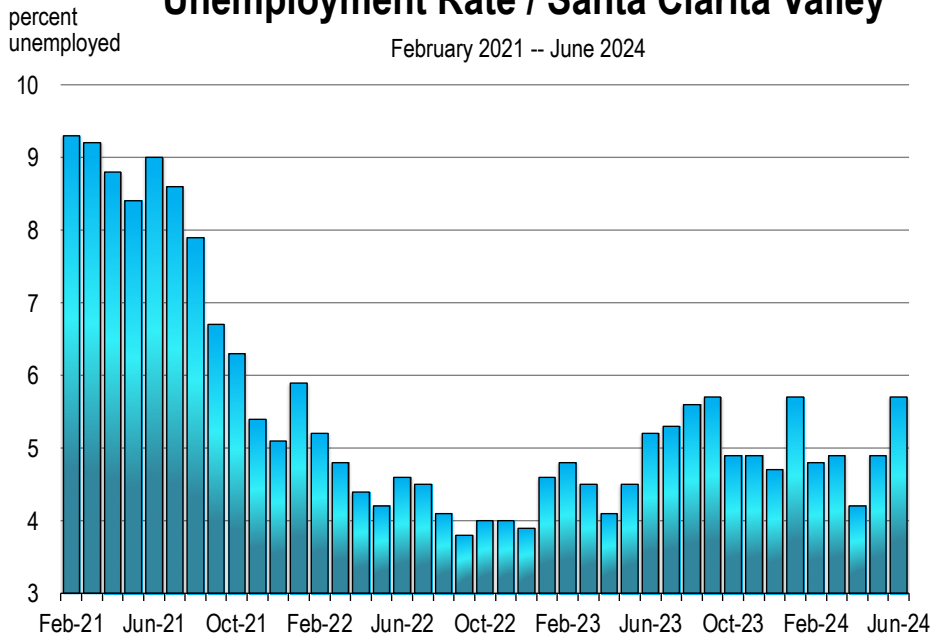
- Public Sector employment has also grown steadily since the pandemic.



Unemployment Rate

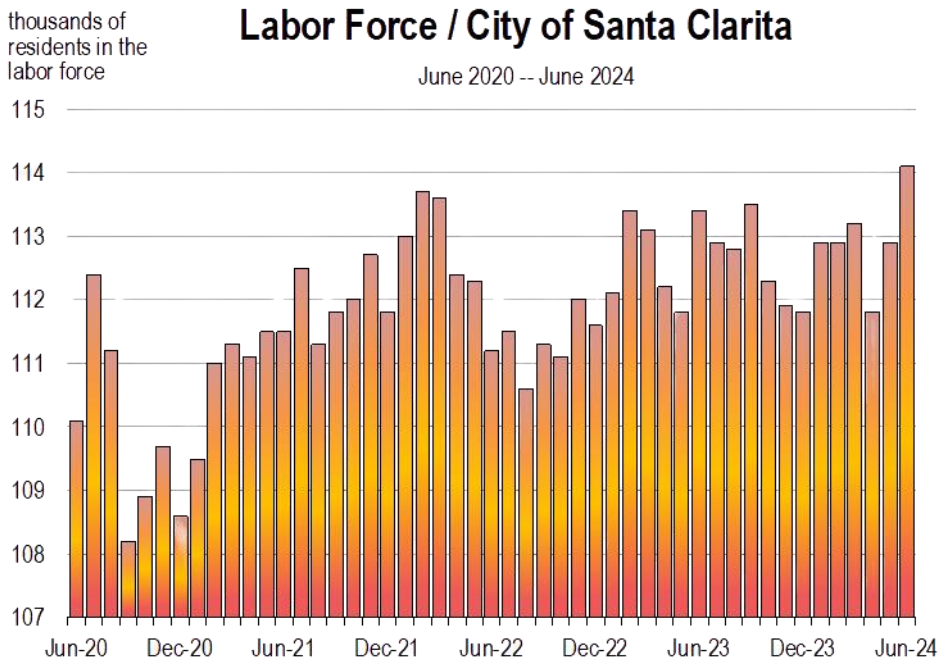
Source: California Economic Forecast, Labor Market Information Division

Unemployment Rate / Santa Clarita Valley



- The rate of unemployment has remained in a range of between 4.7 and 5.7 percent for the last 12 months. The June rate was estimated at 5.7 percent.

Labor Force / City of Santa Clarita



- The labor force for the city of Santa Clarita is estimated at 114,000 and has remained relatively constant. The June 2024 reading was the highest level of labor force participation since February 2020—a month before the pandemic.

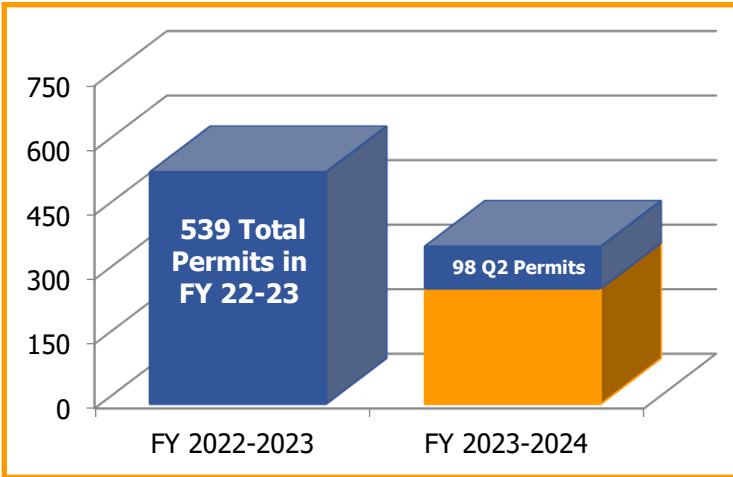


Film Activity

Source: City of Santa Clarita, FilmLA



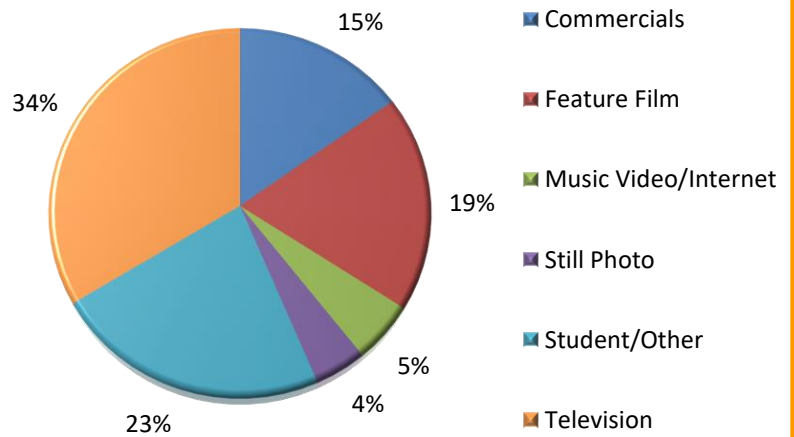
Number of Film Permits Issued in Santa Clarita Valley



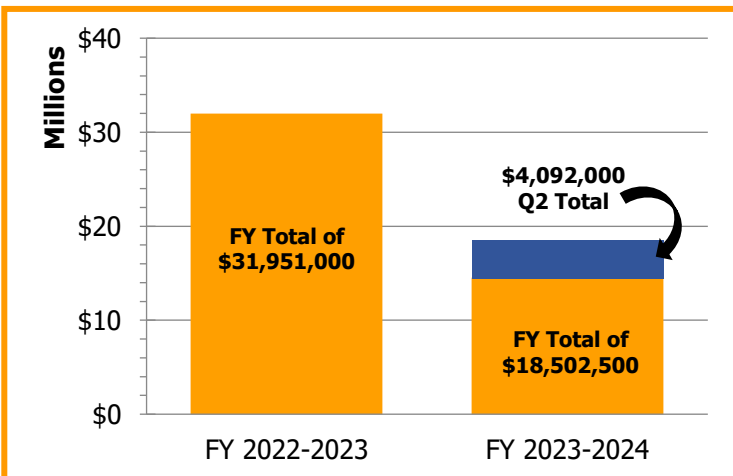
In Q2, a total of 98 permits were issued for a fiscal year (FY) total of 366 permits (July 2023 through June 2024) in the City of Santa Clarita. 539 total permits were issued in the previous FY (July 2022 – June 2023). Permits are not required for certified soundstages like those at Santa Clarita Studios, La North Studios, Valencia Studios, etc.

Number of Film Days in Santa Clarita Valley

Permits issued throughout the City of Santa Clarita represented a total of 211 filming days in Q2 (113 less than last quarter). These included 71 television, 48 student/other projects, 32 commercials, 40 feature film, 9 still, and 11 music video/internet/web content days.



Fiscal Impact of Filming City of Santa Clarita (only)



The Q2 estimated economic impact (**within the City of Santa Clarita only**) including jobs, wages, and economic output generated from filming and post-production activities as well as spending associated with film tourism, infrastructure investments, and value from media exposure in the Santa Clarita Valley is **\$4,092,000.00** which brings the 2024 year-to-date total to \$11,960,000. The city tracks film stats by fiscal year (July – June).



Hotel Vacancy

Source: STR, City of Santa Clarita

Tourism Sub-Region	Occupancy Rate Q2 2024	Occupancy Rate Q2 2023	ADR Rate Q2 2024	ADR Rate Q2 2023
City of Santa Clarita	84.8%	82.5%	\$167.83	\$168.79
Santa Clarita Valley	85.6%	83%	\$160.00	\$160.25

Tourism Sub-Region	Occupancy Rate Q1 2024	Occupancy Rate Q1 2023	ADR Rate Q1 2024	ADR Rate Q1 2023
City of Santa Clarita	75.2%	75.5%	\$154.38	\$154.74
Santa Clarita Valley	76.6%	77.1%	\$145.71	\$146.49

STR reports that average hotel occupancy across the Santa Clarita Valley was 85.6% in Q2 2024, and 84.8% within the City limits, an **increase of 9% and 9.6% respectively from Q1 2024, likely due to usual summer tourism activity.** The Q2 2024 average occupancy rate saw a 2.3% increase YoY from Q2 2023.

Local average daily room rates (ADR) in the City of Santa Clarita and across the Santa Clarita Valley did not have any substantial gains in pricing compared to the same quarter in 2023.



Summary

California Economic Forecast

- Home purchase prices are at record highs. Inventory remains low but has drifted upward this year.
- Apartment vacancy has stabilized in 2024 and remains tight. With more new product, average asking rents have also leveled off. Inflation in apartment rents is running at 1.5 percent.
- 2024 residential construction activity is occurring at a much slower rate than in 2023.
- New development activity in the region remains strong, however. Outlook Santa Clarita will open this month or next with 228 new apartment units. Needham Ranch Phase II was just completed. Other residential projects are underway. And the development pipeline is full, which we will address in detail in the upcoming 2024 Santa Clarita Valley Economic Outlook.
- Retail real estate market utilization is stable. Rents appear to be leveling off. Industrial vacancy remains extremely tight. Very little new industrial product is now forthcoming in 2024. However, more development projects will begin to augment industrial space over the next 2 to 3 years.
- Office employment is strong. However, the office sector is weak, showing lower rates of utilization. These low rates are now at or near a business cycle high.
- Total employment in the Santa Clarita Valley continues to move higher. More positions are being filled in entertainment, recreation, professional business services, the public sector, and in the industrial sector. Employment growth has slowed in 2024 relative to 2023.
- The unemployment rate has moved in a wide range over the last year, between 4.7 and 5.7 percent. Because this is an estimate with significant error, we are not very alarmed by this level of unemployment. A rising unemployment rate breaking outside of this range would be worthy of some attention.



About SCVEDC

As a unique private / public partnership representing the united effort of regional industry and government leaders, the Santa Clarita Valley Economic Development Corporation (SCVEDC) adopts an integrated approach to attracting, retaining and expanding a diversity of businesses, especially those in key industry clusters.

SCVEDC's mission is fourfold:



**Business
Attraction**



**Business
Assistance**



**Community
Marketing**



**Information +
Research**

Location



30 Miles from DTLA



**Close to LAX & the
Ports**



**In the 30 Mile Zone
(TMZ)**



**Easy Access to I-5 &
405, & CA 14**

Demographics



**Nearly 300K
Residents**



**Median Household
Income is \$123K**



**72% Have at Least
Some College**



**Millennials are
Largest Generation**

Accolades



**Most Business-
Friendly City 2022**



Happiest City



Healthiest City



Safest City



**Best Place to
Start a Family**





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