2026 ECONOMIC OUTLOOK

Santa Clarita Valley Economic Development Corporation & College of the Canyons

Presented by

SCVEDC

COLLEGE OF THE CANYONS

Government Institutional Partners

The Santa Clarita Valley Economic Development Corporation (SCVEDC) was founded on December 31, 2009, SCVEDC is a unique private / public partnership representing the united effort of regional industry and government leaders.

SCVEDC utilizes an integrated approach to attracting, retaining and expanding a diversity of businesses in the Santa Clarita Valley and leads valley-wide economic development efforts to increase high-quality jobs in SCV.

The organization has attracted new businesses to the region and assisted hundreds of SCV companies, demonstrating the business-friendly nature of the community and increasing business retention.

SCVEDC's influential Board of Directors, consisting of private and public sector leaders, is committed to a diverse, resilient economic future for SCV.

SCVEDC's economic development efforts have generated a positive economic impact in the Santa Clarita Valley. SCVEDC is recognized as an outstanding organization of community leaders and a dynamic force striving to improve opportunities for businesses and SCV residents.

SANTA CLARITA VALLEY
ECONOMIC DEVELOPMENT CORPORATION

BUSINESS ASSISTANCE

Your Santa Clarita Valley Business Advantage

One-Stop Resource Center

The Santa Clarita Valley Economic Development Corporation is your single point of contact for all your business needs. From access to tax incentives to workforce training at low or no cost, from expediting business issues resolution to managing local business coalitions, the SCVEDC is here to connect your company to the right resources, and provide the solutions to keep your business thriving.

Business Visits

On-site meetings are a great way for local businesses and the SCVEDC to get to know each other and to assess how we can provide the greatest value. In fact, we meet with more than 100 companies each year and discuss business operations, needs and future plans. This allows us to capture the unique business dynamics and challenges faced by each company and offer a tailored mix of support and assistance. These face-to-face, confidential meetings are the most effective way to build relationships and deliver customized solutions with the most positive economic impact.



No-Cost Assistance

The SCVEDC is a non-profit, public-private partnership with the City of Santa Clarita, the County of Los Angeles, and private sector leadership. Our assistance services are provided at no cost to businesses in the Santa Clarita Valley, underscoring our commitment to being the most Business-Friendly region in the county.

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SANTA CLARITA VALLEY QUICK FACTS

The Santa Clarita Valley is the 3rd largest city in LA County. It is a growing area within Los Angeles and it encompasses 520 square miles with a population of approximately 300,000 residents.

The Santa Clarita Valley (SCV) encompasses the City of Santa Clarita, which includes Canyon Country, Newhall, Saugus, and Valencia, in addition to the adjacent unincorporated communities of Castaic, Stevenson Ranch, Sunset Pointe, Tesoro, Val Verde, Westridge, Newhall Ranch and Aqua Dulce.



More than 72% in SCV have attended some college

Educational Attainment In The SCV*			
Population 25 years and over	197,271		
No high school diploma	18,148	9.2%	
High school diploma	36,297	18.4%	
Some college	47,345	24%	>72%
Associate's degree	20,713	10.5%	
4-year degree or more	74,765	37.9%	

*Due to ongoing changes in the data reporting, the 2026 information is currently unavailable. The data provided above is from September 2025.

The majority of residents are of working age

SCV Population by Age		
Total	281,893	
0 - 17	66,188	21.4%
18 - 24	26,362	9.8%
25 - 44	72,356	25.8%
45 - 64	79,877	28.2%
65 and above	37,094	14.8%

The 2026 Santa Clarita Valley Economic Outlook compiled by the California Economic Forecast



SCV's Median Household Income is among the highest in Los Angeles County

	Santa Clarita Valley	Los Angeles County	California
Median Household Income	$144,700	$106,600	$116,309

63% of SCV households have an annual income of more than $100,000

	Santa Clarita Valley	
Household Income	# of households	% of households
< $50,000	15,403	17.5%
$50,000-$100,000	17,251	19.6%
$100,000-$150,000	16,987	19.3%
$150,000 and above	38,375	43.6%

SCV employment enjoys a diverse mix of occupations

SCV Labor Market Breakdown		
Total Local SCV Jobs	87,061	
Professional and Business Services	25,340	29.1%
Manufacturing	10,912	12.5%
Construction	7,113	8.2%
Healthcare & Education	13,396	15.4%
Wholesale/Retail Trade	15,151	17.4%
Leisure and Hospitality	15,149	17.4%

The 2026 Santa Clarita Valley Economic Outlook compiled by the California Economic Forecast

SANTA CLARITA VALLEY
ECONOMIC DEVELOPMENT CORPORATION

Phone: (661) 288-4400
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Santa Clarita Valley Economic Development Corporation

BUSINESS RETENTION Case Study

IQVIA LABORATORIES



IQVIA Laboratories (formerly Q² Solutions) is a global drug discovery and development laboratory services organization with longstanding ties to the Santa Clarita Valley (SCV). Over the years, IQVIA Laboratories has been instrumental in providing high-quality employment opportunities and contributing to the local economy.



COMPANY NEED

In 2022, IQVIA Laboratories operations in Valencia had outgrown their two facilities, prompting the search for a larger location to consolidate and accommodate both. Given the highly technical nature of the laboratory testing business and with 350 specialized employees, the business had unique requirements, including mechanical and electrical engineering infrastructure, sufficient space, and a layout amenable to laboratory workflows. This new location needed to accommodate all of their current and future needs, with minimal disruption to the company's operations.

COMPETITION

Given IQVIA Laboratories' profile and expertise, retaining IQVIA Laboratories in the Santa Clarita Valley required proactive engagement. IQVIA Laboratories needed assurance of seamless operations and reduced barriers to expanding locally. Additionally, Santa Clarita Valley Economic Development Corporation (SCVEDC) was able to help IQVIA Laboratories with their permitting, in keeping IQVIA Laboratories within the Santa Clarita Valley.



Santa Clarita Valley Economic Development Corporation

BUSINESS RETENTION Case Study



SOLUTION

The Santa Clarita Valley Economic Development Corporation (SCVEDC) initiated a collaborative effort to address IQVIA Laboratories' needs, working with CBRE to make a compelling case for them to stay in the Santa Clarita Valley. SCVEDC worked closely with CBRE, Los Angeles County, and the real estate brokers to identify potential sites that met IQVIA Laboratories' expansion criteria. The prime candidate was the site of the State-constructed PerkinElmer COVID test lab that opened in October 2020 but was closed in early 2022 when the contract was cancelled. The location required extensive inspections and permitting from numerous LA County agencies to bring an existing building that had never been through that process up to code. By working alongside local government agencies, brokers, and community partners, we helped streamline the planning, permitting, regulatory requirements, and approval processes to get the building ready for IQVIA Laboratories to relocate. Additionally, the SCVEDC introduced IQVIA Laboratories to community partners who could support workforce needs, reinforcing that the Santa Clarita Valley could sustain and nurture its growth as one of the most business-friendly regions in Los Angeles County.



RESULTS

The coordinated efforts of SCVEDC, CBRE, Senator Scott Wilk's office, LA County Supervisor Kathryn Barger, and numerous Los Angeles County and State agencies were successful in securing IQVIA's commitment to the Santa Clarita Valley. IQVIA Laboratories chose to expand two locations, allowing both to be co-located in a single facility, helping to streamline operations and increase efficiencies to meet the evolving needs of biopharmaceutical customers, enabling the retention of 350 highly skilled jobs that might otherwise have been lost to the region. The new site was finalized and permitted smoothly, minimizing disruption to IQVIA Laboratories' operations and enabling a swift move. "The biopharmaceutical industry is rapidly evolving with an increasing need for innovation, efficiency, and a strong emphasis on environmental sustainability," said Josh Goldsmith, General Manager, Americas Central Laboratories. "The newly expanded Valencia facility helps IQVIA Laboratories remain at the forefront of operational excellence and environmental sustainability, delivering even greater value for customers." SCVEDC has continued to work with IQVIA Laboratories after their grand opening on various incentives and workforce development programs.



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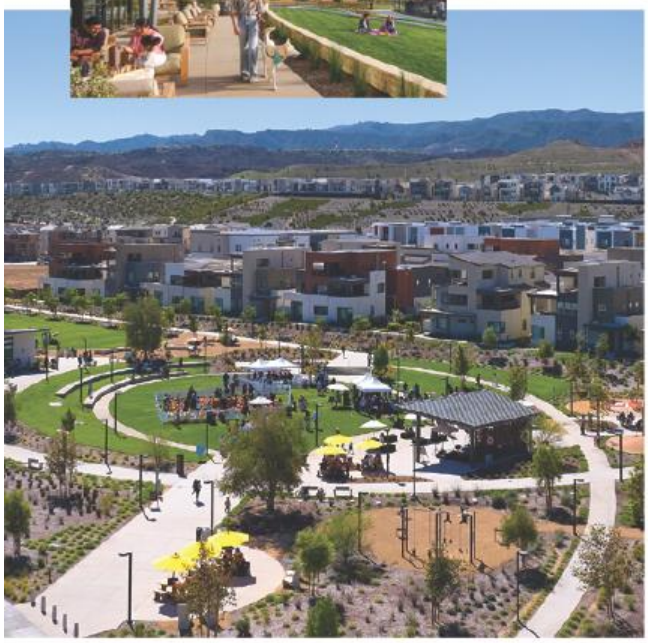
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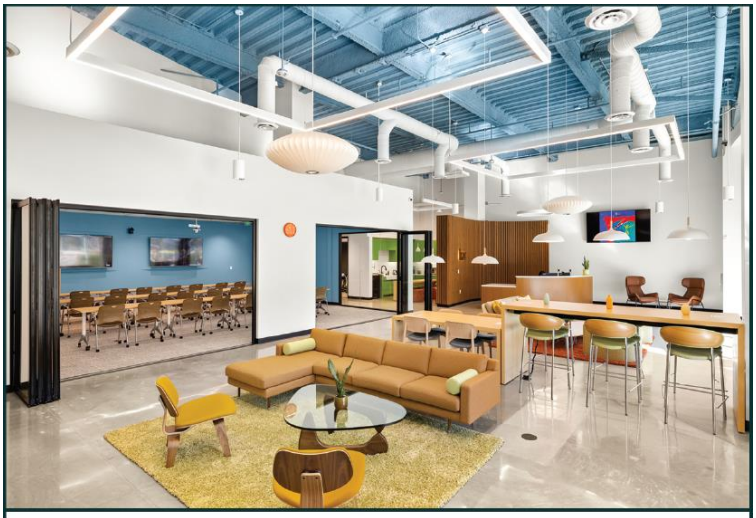
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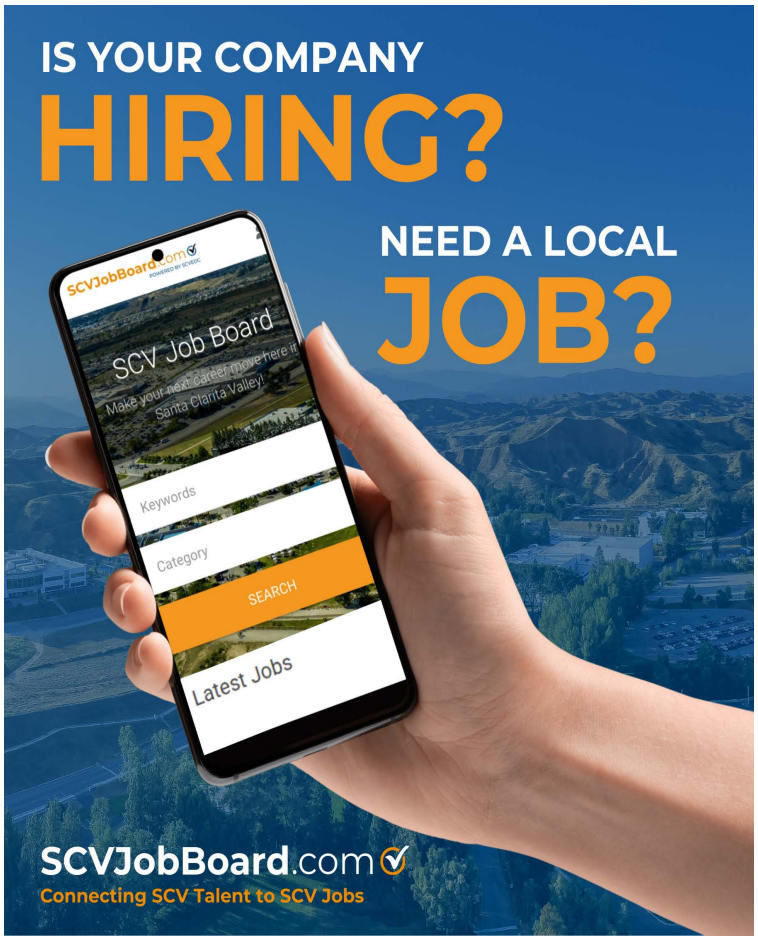
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BUSINESS ATTRACTION

Case Study



Remo Drums, the largest manufacturer of drum heads in the world, decided to relocate their headquarters to the Santa Clarita Valley from North Hollywood, California which not only expanded their space, but also streamlined operations and increased productivity and profitability.

COMPANY NEED

In its 39 years of operations, Remo Drum had expanded to seven buildings in North Hollywood and was experiencing inefficiencies due to not having operations under one roof. Remo hired an independent planning and efficiency engineer who confirmed their concerns. Executives at Remo Drum decided to begin a search for a location that could house their entire drum manufacturing operation and HQ in one location.

SOLUTION

Remo Drum was concerned that a move out of state would mean a loss of their existing employees, and a scatter map analysis indicated that 8-15% of their workforce was already living in the SCV. A labor market analysis also suggested that the SCV had a highly skilled workforce that they could use to backfill potential lost employees. Another important factor considered by Remo was the SCV's business-friendly reputation and high quality of life. Remo Drum decided to relocate their entire operation into a 216K SF, state-of-the-art building in Valencia Commerce Center.

COMPETITION

Remo Drum was considering leaving California due to the high cost of doing business, especially in the greater San Fernando Valley. Not only did the SFV have high operating costs, much of their industrial properties were functionally obsolete, had low clear heights, minimal parking and insufficient loading. Their brokerage team suggested they consider the Santa Clarita Valley (SCV) as an alternative.

RESULTS

Though Remo Drum financed a portion of their tenant improvements, they were able to pay off the loan after only 15 months in the new facility. Their operational and production efficiency of the new building allowed them to save approximately $1M in operating costs the very first year. Remo was also able to maintain most of their existing workforce – less than 1% decided not to make the move. Remo continues to thrive in the SCV!

Santa Clarita Valley Economic Development Corporation

BUSINESS ATTRACTION Case Study

DRINKPAK



DrinkPAK is a premiere West Coast contract manufacturer of premium alcoholic and non-alcoholic beverages, providing comprehensive operational services including procurement support, complex batching and processing, filling, packaging, and on-site storage and distribution. DrinkPAK chose the Santa Clarita Valley to create a 572,410 SF state-of-the art contract manufacturing campus.

COMPANY NEED

DrinkPAK was seeking a new location in Southern California to establish their first dedicated contract manufacturing facility. Its principals have a long and successful track record creating beverage brands, then selling these brands along with their manufacturing facilities to world-class companies such as PepsiCo and Keurig Dr. Pepper. This new facility would be a substantial initial and longer-term investment in beverage processing and storage equipment to produce beverage products for brands that will be owned by the DrinkPAK and its affiliates.

COMPETITION

DrinkPAK chose to begin their search in Ventura County after previously experiencing a painful and difficult process in permitting of another facility in Los Angeles County. They had worked in Ventura County before and had a positive experience but were unable to find a building that suited their needs. Eventually, they turned back to LA County to continue their site search.

SOLUTION

After exploring many options, DrinkPAK landed on a building in the Center at Needham Ranch as the optimal location for their project. SCVEDC worked closely with DrinkPAK and Needham Ranch developers, helping to facilitate meetings and introductions to many agencies in SCV. As a result, DrinkPAK was able to achieve expedited permit processing with the City of Santa Clarita and County of Los Angeles, and rapidly connect with SoCal Gas for gas line routing, Sanitation District for discharge requirements, LA County Fire Dept. for truck loading/parking modifications, and the LA County Health Department for permitting of the production facility. SCVEDC also introduced many tax incentives and resources that would benefit DrinkPAK in SCV.

RESULTS

The collaboration of SCVEDC, Trammel Crow and Clarion Partners, and all City and County agencies underscored the business-friendly nature of SCV. As demand for their products surged, DrinkPAK chose this region for expansion, first signing a lease for 172,324 SF, and then signing for an additional two buildings to create a campus of 572,410 SF. Their plans called for a state-of-the-art, 3-line beverage contract manufacturing, packaging, and fulfillment center. The project will result in hiring of 425 employees in the next five years, with a total five-year economic output of more than $1.3 billion, labor income of more than $402 million, and over $35 million in State, County, and local fiscal revenues.

Updated May 2022

Foreign Direct Investment

SCV Impact Globally

AVITA MEDICAL

Australia
120 jobs

SAMSUNG

South Korea
30 jobs

CALREC

UK/Japan
25 jobs



HPD Honda Performance Development

Japan
155 jobs

SUMOLIGHT

Germany
83 jobs

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New Zealand
53 jobs

RIEDEL

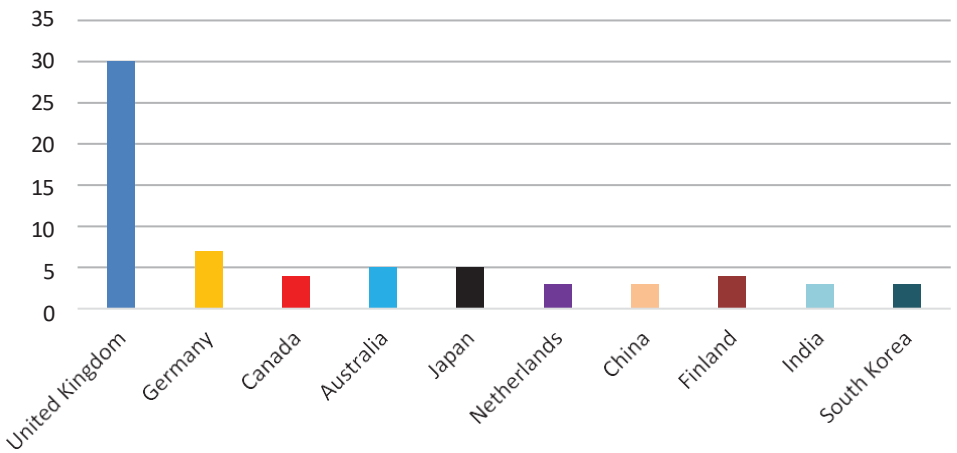
Germany
40 jobs

Countries Ranked by FDI Inflows for the Northern LA Area

#1 United Kingdom		#6 Netherlands	
#2 Germany		#7 China	
#3 Canada		#8 Finland	
#4 Australia		#9 India	
#5 Japan		#10 Republic of Korea	

Source: fDi Intelligence from The Financial Times Ltd

Top 10 FDI Countries (Projects Established 2003-2024)



The 2026 Santa Clarita Valley Economic Outlook

Volume 26 September 2026

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EXECUTIVE SUMMARY

The Big Picture: Why we are where we are in 2026

California Economic Outlook

Santa Clarita Valley Economy

The Forecast



The Big Picture: Why we are where we are in 2026

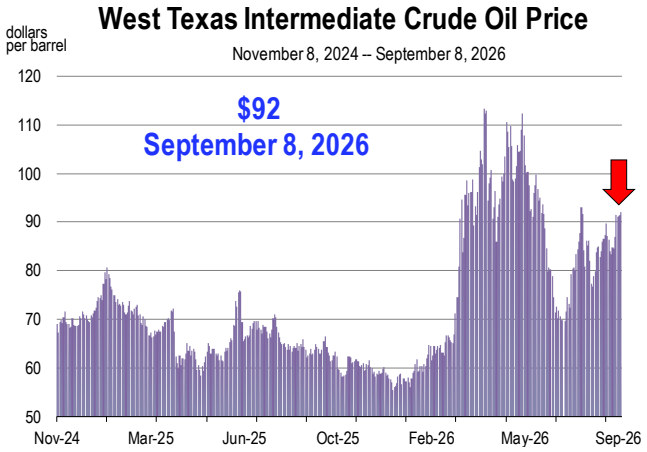
What we did not see coming in 2026 which interfered with economic conditions that invariably slowed down growth, was the Iran-Israeli war. It has remained the biggest issue for the economy in 2026 because of the directly resulting inflation and interest rate shock that has impacted business and households.

The first bombs fell on February 28, 2026. On-again off-again snippets of war raged through the summer with concerns about interrupted flows of oil through the Strait of Hormuz never really resolved.

Higher Oil Price = Spike in Inflation

Consequently, oil prices remained elevated for much of the year since. Higher oil prices impacted costs for many goods (and services) including transportation, energy, and trucking. Indirectly higher costs here have pushed food, plastics, rubber, lubricants, and asphalt prices higher.

Elevated inflation rates have pushed both shorter and longer-term interest rates higher,



stalling downward progress that had been steadily made over the last 2 years.

While inflation has still been remarkably contained over the last several months, longer-term interest rates have rebounded 50 to 60 basis points. Forecasts made at the beginning of the year had mortgage rates below 6.0 percent by summer. Inflation forecasts for Q3 were also pegged at 2.2 to 2.6 percent. These indicators are still likely to move lower when the war is ultimately resolved, but we lose up to a year in delayed progress.

Consequently, the economy's full potential to expand has largely been restrained by higher

borrowing costs and higher product prices across the consumer and producer domain.

A year ago, it was believed the regime of tariffs ushered in by the new administration would raise prices on consumer goods and encumber overall economic growth. Higher tariffs threatened against many of our trading partners generally did not manifest. The average effective tariff rate calculated by the Tax Foundation is 6.6 percent for calendar 2026. Tariffs have been largely absorbed and only parts of it passed through. Consequently, a smaller impact on the inflation rate has ensued, and that part is mostly obscured by higher oil prices.

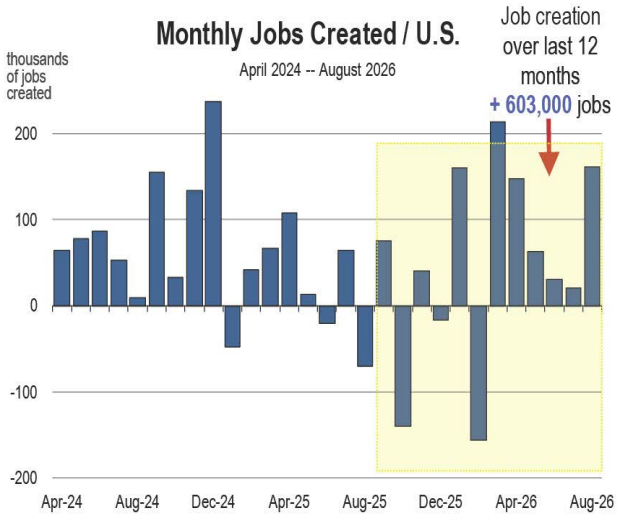
The four big issues of 2026 are:

- The meaningful rise of crude-oil and refined-fuel prices, due to shipping disruptions, and the status of Middle East transport routes;
- Higher core and headline inflation than expected, especially in services and energy-sensitive components.
- Rising treasury yields, mortgage rates, and the Federal Reserve's policy uncertainty regarding interest rates
- An unusually cautious hiring environment that has narrowed the breadth of job creation especially in California

Labor Markets

The ongoing issue from 2024 and 2025 is how labor markets are currently being disrupted by the growing adoption of AI systems and automations by businesses. The clear and general softening of demand for workers in most sectors of the economy has led to consolidations of workforces in finance, manufacturing, professional services, utilities, retail trade, wholesale trade, and information.

Job creation over the last twelve months has added 603,000 jobs to the U.S. labor market, including 162,000 in the latest reporting for August. In California, job creation over the last 12 months sums to 113,000 new jobs, despite



a reduction of 23,000 jobs in the latest reporting month of July.

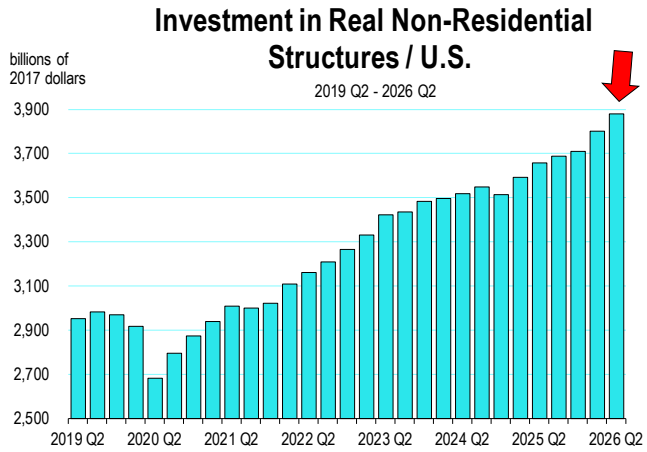
Job openings have settled back to pre-pandemic levels but only the healthcare and leisure/hospitality sectors are expanding their workforces in California. Retail trade and professional services are neutral this year; all other industries report shrinking employment.

Meanwhile, the state's unemployment rate is moving lower, not higher despite the austere hiring environment that has persisted since early 2023. And this is entirely due to the contraction of the labor force now occurring nationwide and accelerating downward in California.

A declining labor force especially in California can be linked to deportations and retirements, notably of the baby boom generation that is now between the ages of 62 and 80. A reversal of the downward movement of the labor force is expected, but job growth will nevertheless remain modest.

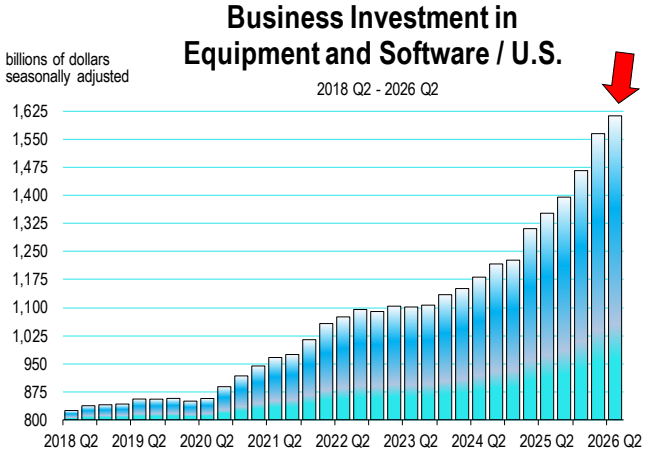
Current Engines of Growth in the U.S. Economy

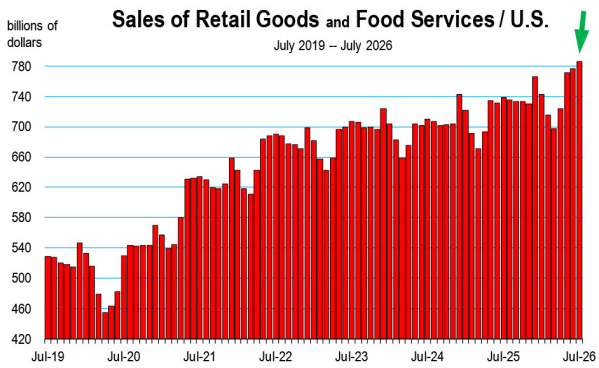
Modest growth in Q1 and Q2 of this year, due to the uncertainties of the war, the higher borrowing rates, and costs of gasoline, diesel and jet fuels seem now to be fading.

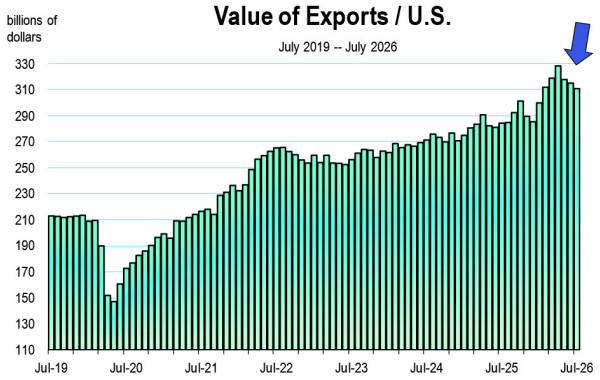


Furthermore, all major spending categories of GDP are contributing meaningfully to U.S. economic growth, and it has finally become more apparent in the output data. GDPNow for Q3 is currently running at 4.5 percent in the latest reporting by the Atlanta Federal Reserve.

Consumption and investment in non-residential structures, software, and equipment are soaring. The onshoring of manufacturing together with data centers is leading the surge in business







investment. Extraordinary cap-X spending has been quite apparent during the first half of 2026.

This is also true of business spending on equipment and software which has been rising sharply since the beginning of 2025.

Household consumption, measured by either the growth of retail goods spending or personal consumption expenditures on goods and services has curiously accelerated this year.

While consumers are still frustrated by the price level, they are nevertheless spending freely. Despite modest growth of jobs this year for the second year in a row, the labor market is at or close to full employment. Furthermore household 401K portfolios rose sharply in 2025 and the average return for 2026 year-to-date is 14 percent.

Domestic production is accommodating both the growth of domestic consumption from households and businesses, and foreign demand for goods and services. Export values have surged this year, adding further to total output growth.

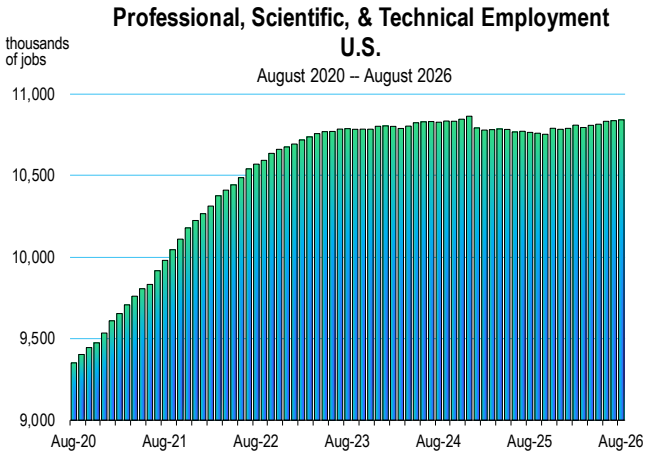
Recession is entirely off the table this year. While overall economic growth in Q1 and Q2 was modest, Q3 growth appears more like a breakout. GDPNow growth estimates currently peg the Q3 rate at 4.5 percent.

Inflation for the rest of the year will remain elevated. Ditto longer-term interest rates. Progress on both has been stalled, and noticeable improvement will be pushed into 2027 Q2.

The concern over cap-x was manifested in the stock prices of Amazon and Microsoft. Stock valuations for each were at year-to-date lows before their Q2 earnings reports.

When Q2 earnings came out last month, share prices of both companies gapped higher, reaching all-time highs. NVDA is also near record highs following blockbuster earnings for Q2, reported on August 26.

With fears now dashed regarding AI cap-x spending, tech stocks could move higher ahead of Q3 reports. However, investors are nervous regarding inflation, interest rates, and what the Fed might do in the wake of stronger economic reports (such as the jobs report). The market historically is challenged in September and October. A rate hike by the Fed may well signal a death blow to the market, since it is unlikely to be priced in to date.



High crude oil prices, high yields on the 10-year Treasury are worrisome, but they are unlikely to materially slow down the economy for the remainder of 2026 by themselves. Other catalysts which pose risks such as a serious stock market correction, new uncertainties regarding the war, or an unexpected Fed monetary policy move could represent a shock, but these are low risk.

Outlook in 2027: The Age of Artificial Intelligence

AI is already a major cause of weak hiring in specific white-collar, entry-level, and task-automatable occupations, while broader macroeconomic forces explain most of the economy-wide movements.

AI's labor-market impact is showing up mainly through fewer new hires, and not a single dramatic wave of layoffs. There appears to be greater restraint by employers to hire. Employers can hold output steady or grow it modestly by using generative AI to increase the productivity of existing staff.

Occupations where there are undeniable reductions include software, customer support, administrative coordination, content and design work, claims processing, and portions of consulting and analytical work.

AI appears to be an important structural contributor to weak hiring, and it may be the dominant factor in the parts of the labor market most exposed to knowledge-work automation.

Nevertheless, AI is not entirely capable of broadly replacing workers across many industries yet. While job substitution will occur, it is a gradual process and partially offset by new hiring to fill retirements and positions that were left unfilled awaiting evaluation of AI capabilities. Consequently, the forecast for jobs is higher in 2027 and 2028 as productive

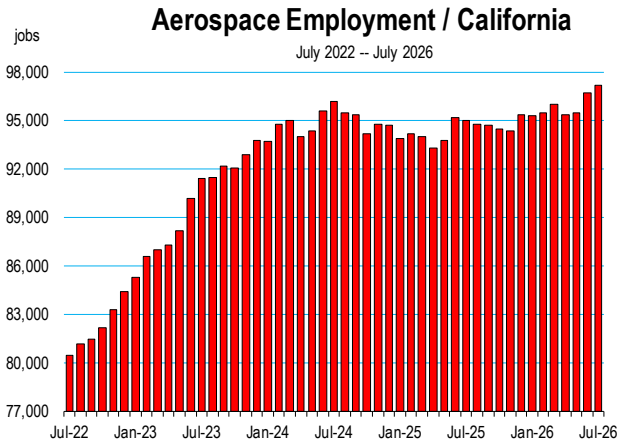
capacity in the economy increases and AI systems require more human worker support.

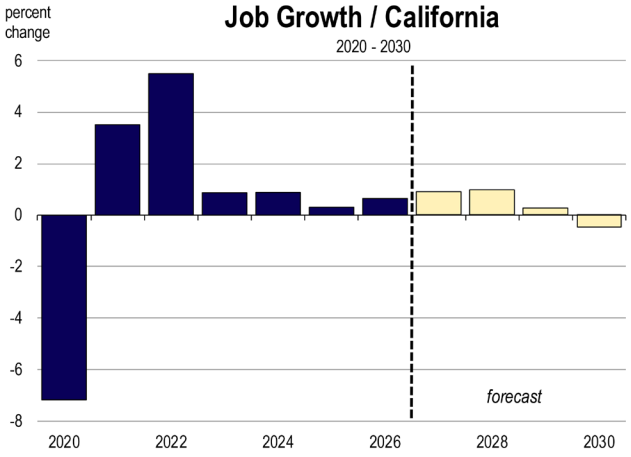
California Economic Outlook

In California, the pace of job creation has doubled this year from last. However, most of these jobs are in healthcare, and then leisure and hospitality. Few are in professional services and financial activities.

We believe, however, that more jobs in tech and manufacturing are coming due to the onshoring of factories, more logistics centers in the state, and more infrastructure projects.

Elevated mortgage and development-finance costs have suppressed existing home sales, lowered affordability and new housing starts, and engendered uncertainty regarding overall project feasibility—especially for marginal multifamily and commercial projects. In early September, the 10-year Treasury yield briefly reached 4.82 percent, its highest level in three years.





The counterweight is the state's AI, technology, aerospace, and advanced-manufacturing investment cycle. Growth of these sectors will sustain high-wage jobs and continued business investment in many regions of the state.

As the uncertainty regarding Fed policy recedes, and when the war is resolved, a more normal expansion of the labor market through hiring will occur. Crude oil prices normalize, inflation cools further, and long term yields recede. Look for even more AI investment, cybersecurity, software, engineering, research, and specialized services to emerge next year.

The onshoring of manufacturing generates more industrial facilities which then require design, process engineering, QA, IT, finance, logistics, compliance and industrial services demand. The procurement by the Trump administration of up to $18 trillion in new investment—mostly from foreign companies—should generate more job creation over the next several years.

Because of California's concentration in AI, software, data and cloud infrastructure, semiconductors, aerospace and defense, life

sciences, research universities, and venture-backed firms, there will be accelerated investment which leads to more hiring even when office hiring is soft.

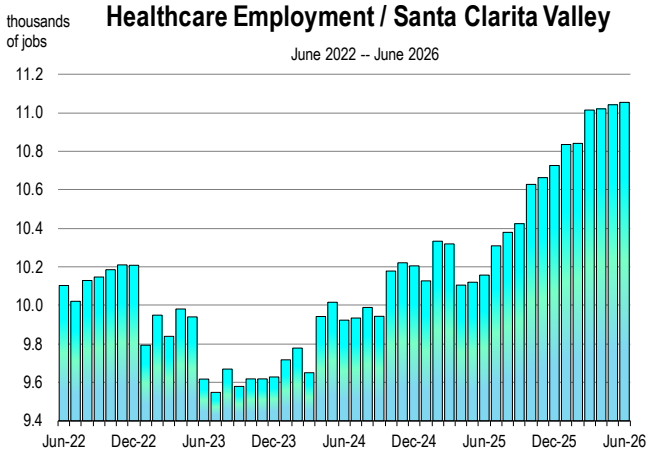
Santa Clarita Valley Economy

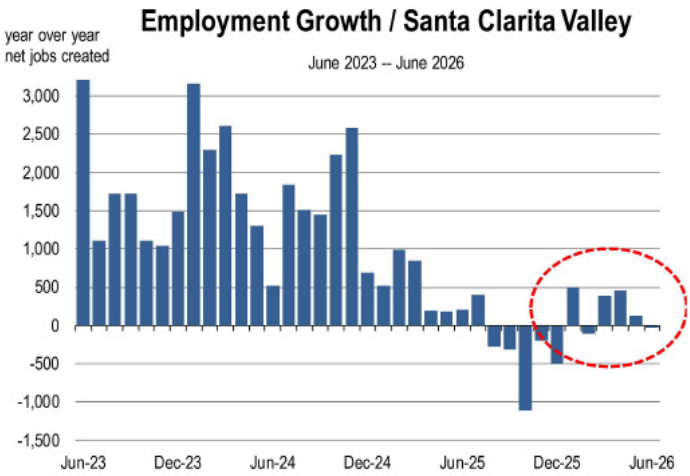
The Labor Markets

During 2026, the Santa Clarita Valley labor market has resumed expanding the employment base though the net gains to date are minimal. During the first six months of the year, local hiring is on pace to generate between 100 and 200 more jobs during the calendar year. This follows on the heels of a slight contraction in 2025 and an 1,800-job gain in 2024.

Job creation is largely the result of hiring in the healthcare sector. Also contributing new jobs are accommodations & food services, transportation and warehousing and wholesale trade.

Consolidations are occurring in the professional business services sector, arts and entertainment, construction, manufacturing and retail trade.



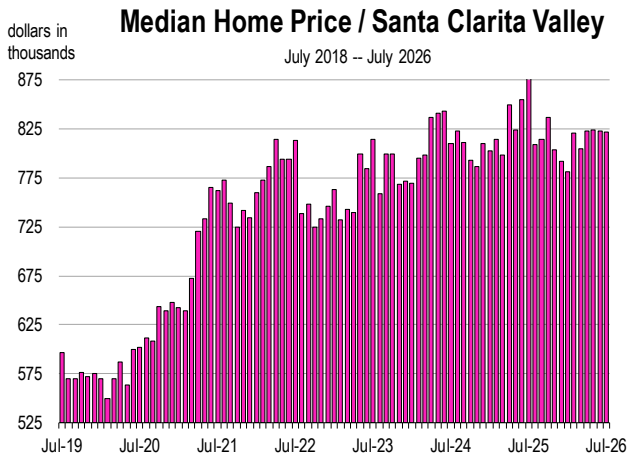


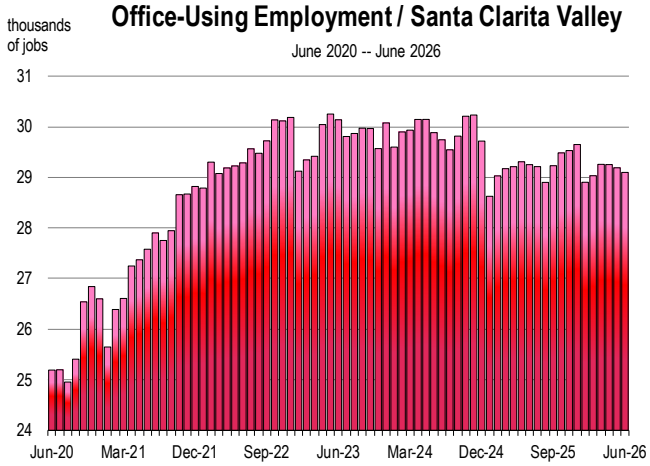
The evidence on slightly more job creation this year is encouraging, but until there is a significant and meaningful rise in job formation, and across more sectors of the labor market, the jobs forecast for 2027 and 2028 is cautious and limited.

Meanwhile, the state's unemployment rate is moving lower, not higher despite the austere hiring environment that has persisted since early 2023. And this is entirely due to the contraction of the labor force now occurring nationwide but accelerating downward in California.

Residential Real Estate

During the first half of 2026 a sharp drop in inventory from 2025 has been followed by a lower volume of existing home sales. Total transaction volume increased by 2 percent in 2025, and if the current January through July pace is maintained for the rest of 2026, sales will shrink by 7 percent this year. July alone shows a 12 percent year-over-year decline in housing sales. The sluggish first half of the year in combination with rising mortgage rates, will push the expected housing market recovery into next year.





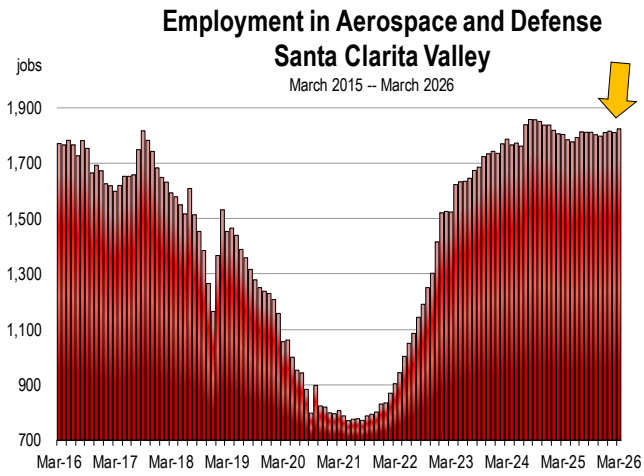
Selling values have declined slightly for the second year in a row. For the first seven months of 2026, the median price for the aggregate Castaic-Santa Clarita-Stevenson Ranch area is $805,500 for all residential sales, and $880,810 for single family detached homes. Selling values this year represent a modest contraction from prices recorded in 2025.

Commercial Real Estate

The office market remains the weakest commercial market though a recovery is now becoming more apparent. Workers are returning to the office, and the demand for office space from technology companies has increased this year, despite the widespread adoption of AI which has substantially slowed job formation.

Office-using employment remains steady in most Southern California labor markets including Santa Clarita, so in the event all workers returned to the office, utilization would increase. This dynamic is already occurring, albeit slowly, and is a principal reason for rising office occupancy across the broader region.

In the industrial market, vacancies are higher than 2 years ago and still rising in half of the state's principal metros; asking rents have declined year-over-year. More scarcity of space in Los Angeles and Orange County has kept lease rates and utilization relatively high for these markets. With softening tenant demand and more product, the Santa Clarita market is at a cycle high in vacancy and availability. Gradually however, this condition is likely to



reverse over the next year because product is more desirable and the labor force

Aerospace and Defense

The Aerospace and Defense sector includes companies that produce aerospace parts and components, or engage in design and research of equipment or systems that support space research or national defense. In recent years, employment has soared and is now at or near record levels.

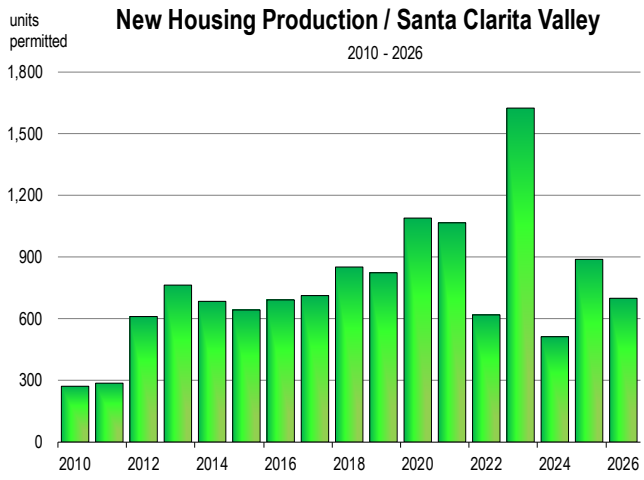
This industry cluster is one of the most important to the regional economy especially in terms of employment. It supports a higher-wage manufacturing niche and due to the fact that it exports high-valued components and parts, it adds a significant economic growth multiplier to the region. Jobs in this sector require specialized skills including aerospace-quality inspection, materials and process engineering, electro-mechanical assembly, precision fabrication, and supply-chain management.

Statewide. aerospace is now benefitting from increased production at Boeing and Airbus, increased defense purchases, and increased emphasis on space exploration and satellite production.

The most recent job headcount shows 1,824 workers are employed in the Santa Clarita Valley with an average salary of $114,342 per worker.

New Development

The total development pipeline is substantial, for both new housing and commercial and industrial development. Year-to-date, new housing is running behind last year's production totals. Higher mortgage yields which have softened demand have also delayed new home production rates. And this has occurred at a time when many projects are in full production. The most active project is the FivePoint Confluence Village, with over 190 units permitted this calendar year to date.



In general, new construction remains active. Housing demand is forecast to rise in 2027 and therefore the volume of housing over the next three years should modestly accelerate. This assumes the interest rate environment eases as inflation recedes.

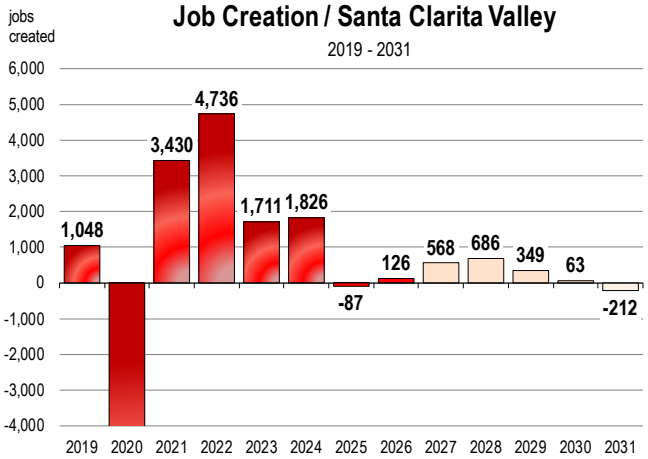
Projects however are moving slowly through that pipeline this year, and no multi-family projects are currently underway.

The Forecast

Artificial intelligence is rapidly transforming the job landscape in California, bringing both opportunities and challenges. AI adoption will become even more pervasive over time.

Machines are dominating healthcare; robot adoption is taking over many manufacturing sectors. Industry, financial markets and national security are increasingly being run or supported by AI algorithms.

While AI is expected to create new roles—particularly in tech, data analysis, and AI system management—it will also automate certain routine tasks, prompting a shift in the skills demanded by employers. To date, worker replacement by AI has not been offset by new jobs created.



Santa Clarita Valley 2026 Economic Forecast Summary
2023-2026 History, 2027-2028 Forecast

Year	Non-farm Wage & Salary Jobs	Job Growth (percent change)	New homes permitted (homes)	Retail Sales (billions)	Real per capita income (dollars)	Median Home Selling Price (dollars)	Inflation Rate (percent change in local CPI)	Unemploy-ment Rate (percent)
2023	98.4	1.9	1,625	$3.3	$110,919	$844,400	3.5	4.9
2024	100.2	1.9	513	$3.3	$120,316	$888,800	3.3	5.4
2025	100.1	-0.1	889	$3.3	$119,692	$885,600	3.2	5.4
2026	100.2	0.1	700	$3.4	$120,820	$880,800	3.3	5.0
2027	100.8	0.6	804	$3.6	$122,436	$907,500	2.8	4.5
2028	101.5	0.7	887	$3.7	$122,841	$949,600	2.7	4.3

Source: California Economic Forecast / September 2026

White-collar employment is likely to remain weak in the near term as employers limit discretionary hiring, absorb AI-related productivity gains, and wait for greater clarity on demand, inflation, and long term treasury yields. Employment growth is expected to improve in 2027 and 2028 as investment and hiring normalize, but the rebound should be concentrated in technology-intensive and specialized services—including software, cybersecurity, data, engineering, scientific R&D, consulting, and compliance—rather than broad-based across routine office occupations.

Manufacturing onshoring provides an additional source of demand, both for production employment and for the engineering, logistics, automation, and professional-services functions that support new domestic capacity.

No recession is in the forecast. A recession would impact the new development environment because household income would decline and preempt the demand for housing by homebuyers. To date, the economy has strengthened from the first and second quarter, with GDPNow predicted for Q3 at 4.5 percent. Furthermore, there is not much evidence of slowing consumer or business spending. Possible impediments that could extend into next year include construction worker scarcity, and elevated costs for materials due to tariffs. Progress on longer term interest rates is expected, but debt will continue to be expensive. Mortgage rates should ease but probably won't eclipse the 6.0 percent threshold by mid-2027.

THE FORECAST

The U.S. Economy
- **The U.S. Outlook**

The California Economy
- **The Outlook for California**

The Santa Clarita Valley Economy
- **Labor Markets**
- **New Commercial Development**
- **New Housing**
- **Housing Values**
- **Inflation and Mortgage Rates**



The U.S. Economy

The national economy in September 2026 has gained recent momentum led by consumer and business spending, record high stock values, and improving inflation reports. Though job creation has weakened, the labor markets remain surprisingly tight and the unemployment rate is only 4.1 percent.

Growth during the first half of the year was modest, normally below the pace associated with a strong and broad-based expansion. However, consumer spending and business investment on nonresidential structures, equipment, software, AI-related capacity, and energy are rising faster than the 1.5 percent GDP growth would suggest.

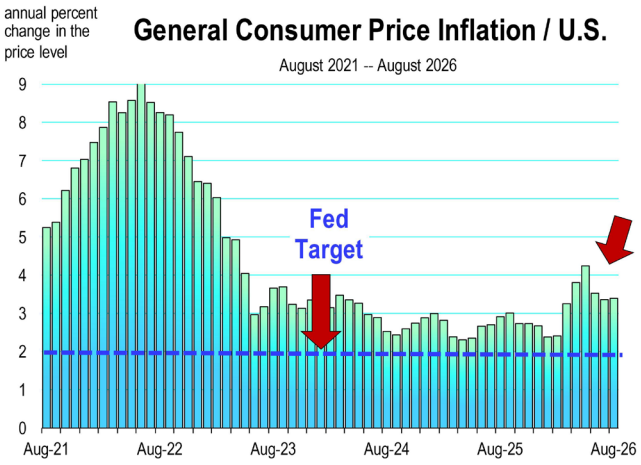
The third quarter economy is on pace to eclipse 4.0 percent growth on continued strength of spending and higher levels of exports.

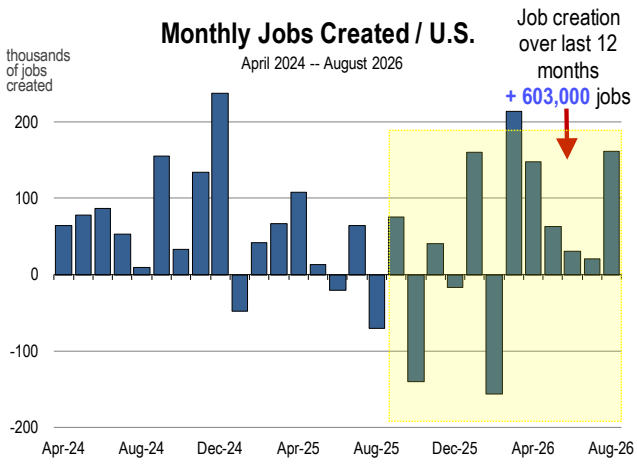
Inflation has been contained over the last several months but still remains the principal constraint on Fed policy. Consumer price inflation fell to 3.4 percent in August, but the PCE inflation measure which is the Fed's preferred indicator was 3.7 percent year over year—both above the Fed's preferred target.

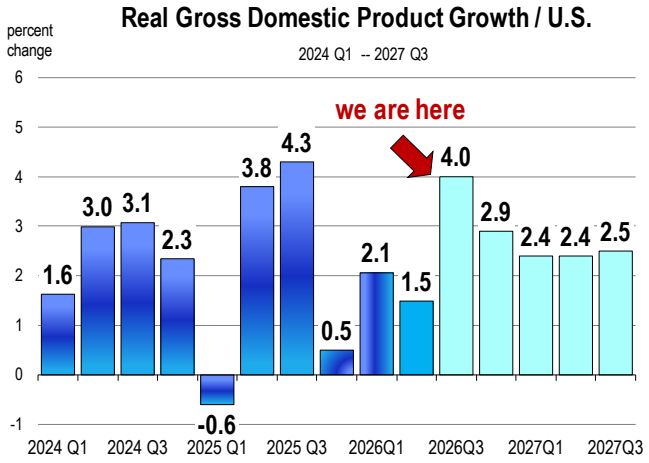
U.S. Outlook

Last year at this time, we expected consumer spending to remain strong and business investment to accelerate. And they did. But unexpected was the war, and how it would impact oil prices, gasoline prices and interest rates.

When the war is resolved, inflation should contract further with the expectation that crude oil prices will decline. Falling energy prices (oil, gasoline, jet fuel) would rally the stock market further, and also the bond market. Longer-term







rates would then decline, supporting sustained consumer and business spending. An acceleration of growth would ensue.

The risk to the forecast is a continuation of the middle east conflict, elevated inflation, elevated interest rates and slower growth.

The U.S. economy is still adding jobs and will likely continue to do so through 2027. However, stronger job growth is not in the forecast for 2027 but unemployment will still remain comparatively low.

The California Economy

Currently, the California labor market is weak, judging by (1) the low growth of employment and (2) the vast majority of it being concentrated in one or two sectors, principally healthcare which largely depends on public funding. Of particular concern is the continued contraction of employment for the high-tech industry. New layoffs have contributed to the continued decline in tech-intensive sector employment, and while the decline is moderating, it has yet to show signs of bottoming out.

The demand for software development, chip design and production, web development, IT applications, services and systems, and data analysis is forecast to strengthen going forward. And the likelihood for an increase in the demand for workers during the ongoing AI boom is forecast.

Lower levels of inflation should result in more positive consumer sentiment and increased

Principal Economic Indicators

United States	2025	2026	2027	2028	2029	2030
Real GDP Growth	2.1	2.6	2.4	2.7	2.4	2.5
Inflation	2.7	3.3	3.2	2.6	2.2	2.0
Unemployment Rate	4.3	4.2	4.2	4.0	4.1	4.3
Employment Growth	0.5	0.2	0.2	-0.2	-0.5	-0.2

Source: UCLA Anderson Forecast and the California Economic Forecast, September 2026

aggregate demand. The hope is that the lower interest rates will provide a stimulus for these industries, especially sales in the new and existing home markets, but also in the industrial market.

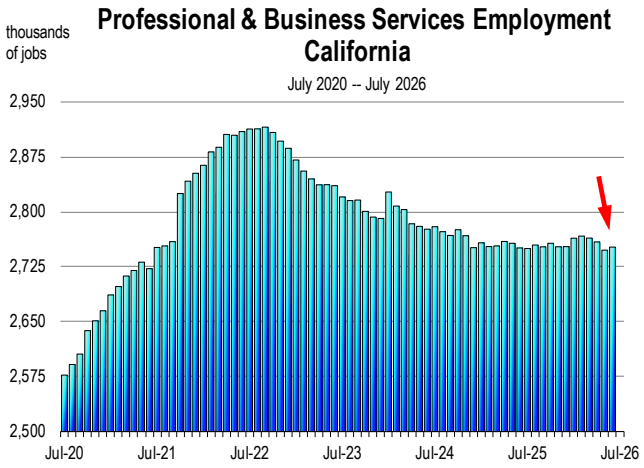
New building activity is the principal engine of growth in the state and this sector is stronger than other regions of the nation. Non-residential activity remains at very high levels. Investment in industrial buildings and infrastructure projects is booming throughout the state. New housing softened in 2024 but accelerated in 2025. This year starts have increased further. Employment in construction is still high but subject to worker scarcity. The surge in new development is unlikely to change over the next two years in view of the projects started or about to start due to a burgeoning entitlement queue.

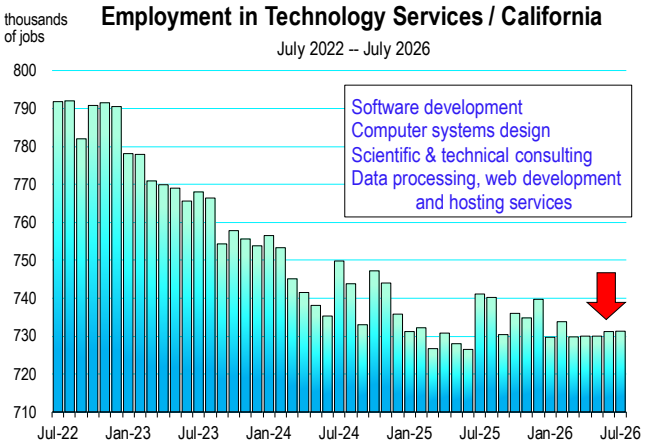
California outpaced the U.S. in economic growth in the 4th quarter of 2025, and we estimate the growth has exceeded the nation's pace during the first quarter of 2026.
But the Iran War has lifted crude oil and gasoline prices which are impacting California businesses, consumers and the state's economy.

Labor markets in the state have been weak again this year due to higher energy prices, inflation, and elevated interest rates. A sizeable jobs contraction in July together with a corresponding decline in the labor force implied a continued departure of residents from the state.

Though job growth is higher in 2026 compared to 2025, new jobs can only be found in the healthcare, private education, and leisure/ hospitality sectors. Key sectors have yet to drive overall labor market activity that would sustain growth.

White collar jobs have experienced no net growth in four years. AI is impacting employment opportunities in the professional business services and in IT. Job openings for many white collar jobs have dropped significantly. This is undeniably true for entry-level and task-automatable occupations especially in software, customer support, administrative support, content and design work, claims processing, medical records, and some consulting, research, and analytical





work. More positions will be impacted as the performance metrics of AI progress. Technology-related jobs and employment in engineering are pillar industries for California. Technology services has weathered a worrisome downward movement in employment from the peak in mid-2022. New layoffs have contributed to the continued decline in tech-intensive sector employment, and while the decline is moderating, it has yet to show signs of bottoming out.

Unemployment has been falling over the last 12 months, due principally to the decline in the labor force which has shrunk by nearly 300,000 participants in the last year. The latest July 2026 unemployment rate of 5.1 percent is the third highest among U.S. states, ranking California 48th (behind Oregon and Connecticut).

The recession in the existing housing market persists. Sales of homes remain depressed, largely because new inventory-for-sale is low, selling prices are high, and mortgage rates have rebounded this year. Higher financing rates have affected builders as well, and many new home projects have slowed down production or stalled altogether.

The Outlook for California

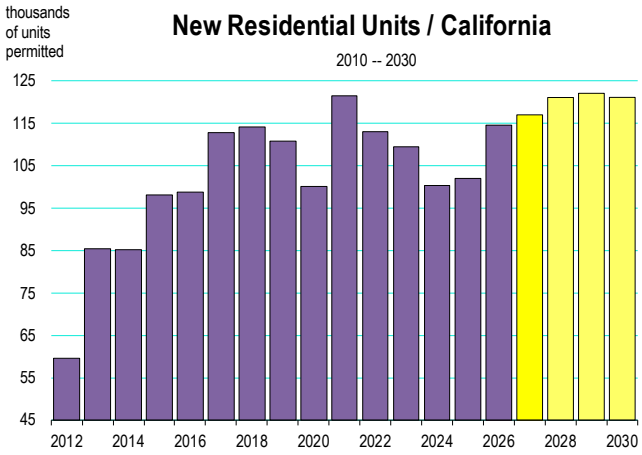
The growth in employment in this sector is going to depend on the rapidity of AI-related hiring. For the 2027 forecast, it is assumed that the ramp-up, together with the end of contraction in other parts of tech, will result in overall tech employment increasing and accelerating the following two years.

Nevertheless, California and the Nation have experienced a general decline in manufacturing and tech employment, and the timing of a turnaround in these sectors remains uncertain.

California is forecast to return to strengthening growth of jobs in manufacturing, the tech industries, construction and tourism in 2027. New building activity is the principal engine of growth in the state and this sector is stronger than other regions of the nation. Investment in

Principal Economic Indicators

California	2025	2026	2027	2028	2029	2030
Real GDP Growth	2.5	2.7	2.8	2.8	2.7	2.7
Inflation	3.2	3.3	3.1	2.8	2.6	2.4
Unemployment Rate	5.5	5.4	5.2	4.9	4.7	4.8
Employment Growth	0.3	0.6	0.4	0.3	-0.2	-0.2
Population (millions)	39.5	39.6	39.5	39.5	39.4	39.3



industrial buildings and infrastructure projects remains active throughout the state, although the former category of building has slowed down recently.

New housing is soft again this year, though a rebound is expected if more favorable builder sentiment and declining interest rates prevail in 2027. The extent of new project development is unlikely to change over the next two years in view of the entitlement queue in the major metro areas, unless interest rates remain stubbornly high.

The economy grows slightly faster in 2027 and 2028 than it has this year. The unemployment rate peaked in 2025 and is expected to remain lower for the rest of this year, and moving to 4.5 percent in 2027. The labor market will generate jobs in technology and manufacturing next year but numbers will remain limited, impacted by labor force growth, and AI.

The Santa Clarita Valley Economy

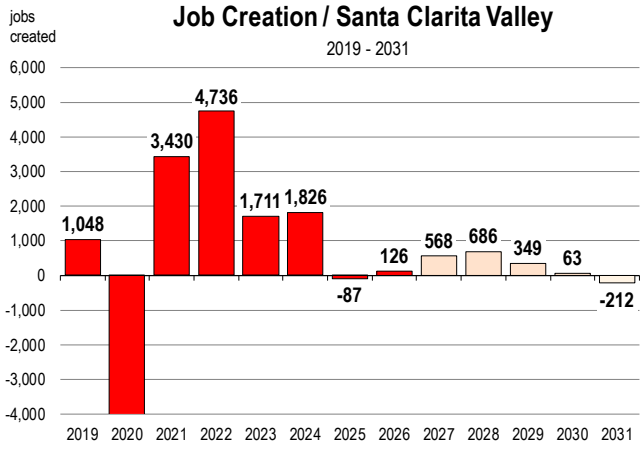
Labor Markets

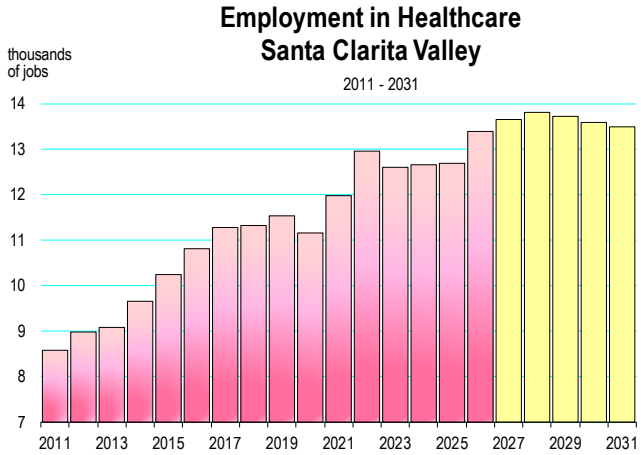
The 2026 labor market will generate positive job creation but the extent of new jobs will remain limited and narrowly based. Jobs are on pace to rise by 100 to 250 in 2026, but in 2027 and 2028, that pace should be eclipsed due to general California labor market improvement in durable goods manufacturing, aerospace and technology. Beyond those years, the forecast becomes blurry because the environment for job replacement by technology is evolving too fast and could easily impede human worker hiring.

The unemployment rate has declined this year, due mostly to a shrinking labor force. A higher rate of job creation in 2027 will keep the rate of unemployment in check. It is uncertain how the labor force will evolve in 2027 and 2028.

Labor Market Engines

The period of labor market stagnation may be ending this year. The higher rate of job formation forecast over the next two years is based on the current surge of construction of

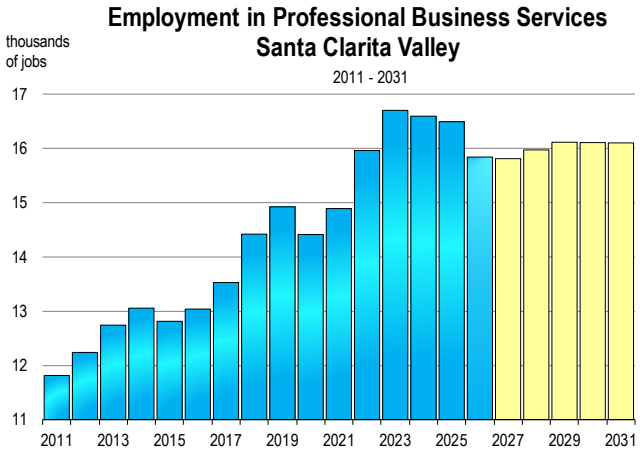




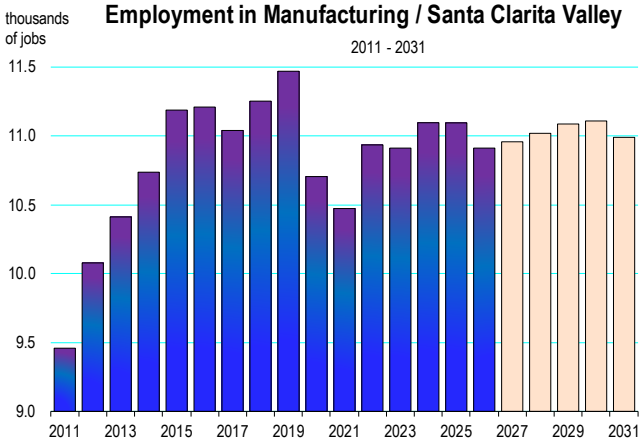
new factories, data centers, warehouses, and other non-residential structures in California, due to AI and onshoring. Non-residential construction employment is currently at an all time record high.

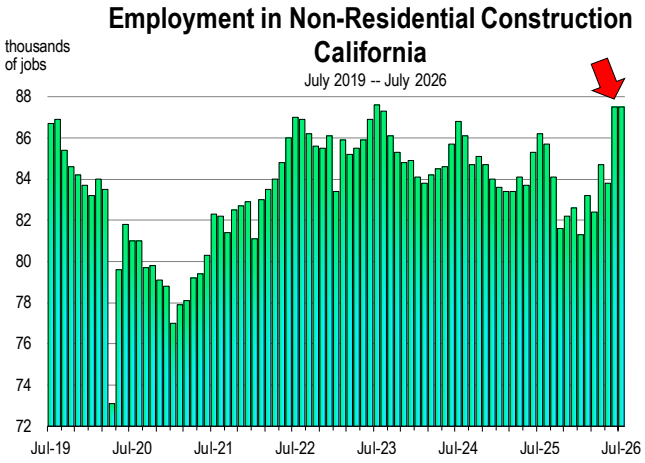
The momentum for job creation in California is decidedly in healthcare. The number of skilled nurses, doctors, and other allied healthcare practitioners continues to rise to meet demand by aging baby boomers and generation Xers.

Job creation in the Santa Clarita Valley during 2026 has been concentrated in healthcare, transportation and warehousing, and the public sector. In 2027 healthcare will remain the leader in job creation, followed by leisure/hospitality, and construction. Professional and business services will add jobs in 2028.



Manufacturing employment is expanding in some subsectors and contracting in others. The net effect over the last year has been a modest decline. The commitment to restore more manufacturing capability in the U.S. is driving the demand for more workers in advanced manufacturing that includes electronic components, aerospace, and medical devices.

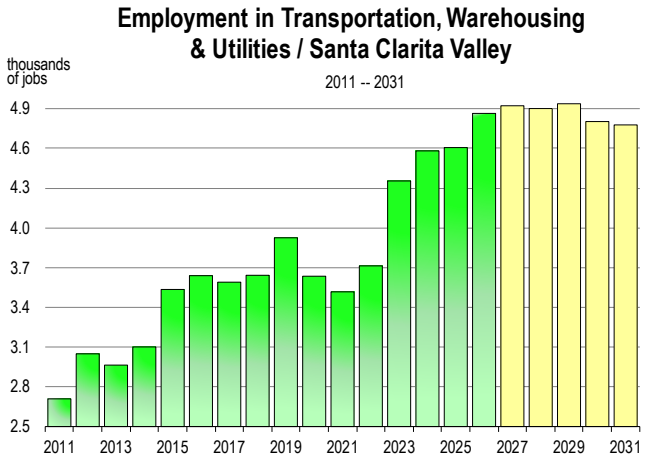




The current environment of more rapid onset of automation in advanced manufacturing sectors poses a limiting offset to job creation.

Leisure and hospitality, which largely serves both residents and visitors, has been the fastest recovering sector in terms of jobs restored or added since mid-2020. An estimated 70 jobs will be created in 2026 and approximately 175 is forecast in 2027. Attendance continues to rise





at Magic Mountain and Hurricane Harbor and it is likely that the number of visitors in 2026 and going forward will eclipse previous counts, due to greater investment by Six Flags in the Magic Mountain Park.

The overall workforce associated with the broader transportation/warehousing sector has reached all-time record highs. The spate of new industrial product to hit the market in 2022 and 2023 was largely responsible for the impressive employment expansion in warehousing, distribution, and manufacturing. The outlook for continued growth in this sector is positive though much slower growth is forecast due to a slowing of demand for logistics centers together with more automation of warehouses and distribution facilities.

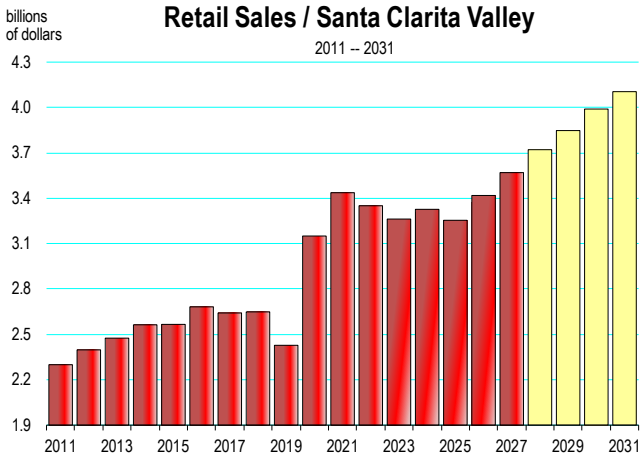
New Commercial Development

With new housing development, there will be attendant development of new retail centers. Retail spending on goods will rise in all years of the forecast.

Online demand for goods will continue to account for a higher percentage of a household's total purchases on goods, but on-site retail sales are also forecast to rise in tandem with regional population growth.

Part of the master-planned FivePoint Valencia project is the 34-acre Bluffs that will likely accomadate future home construction. Walkable, mixed-use commercial storefronts are being built out to support future shopping, dining, and neighborhood entertainment options directly integrated within Confluence Village Neighborhoods.

The four-building 430,407-square-foot Santa Clarita Commerce Center was completed in the summer of 2025. It consists of industrial/ warehouse buildings and is 60 percent leased.

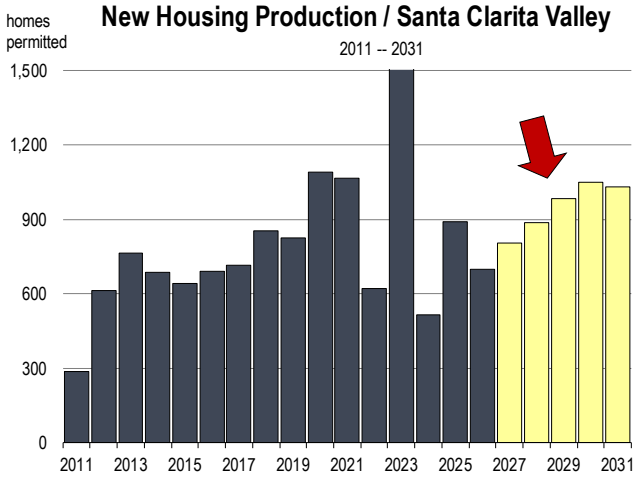


The Honor Ranch is proposed for 1.8 million square feet. Rye Canyon, approved for 750,000 square feet of sound stages and support space is currently on hold due to production slowdowns in the film and TV industry. Potential industrial space in the region will provide meaningful opportunities for new business formation and employment growth in the region.

New Housing

Residential Development

Less housing is being produced in the current environment. Builders are cautious in view of



restrained demand and higher costs, brought about by elevated interest rates, the shortage in workers and higher priced materials.

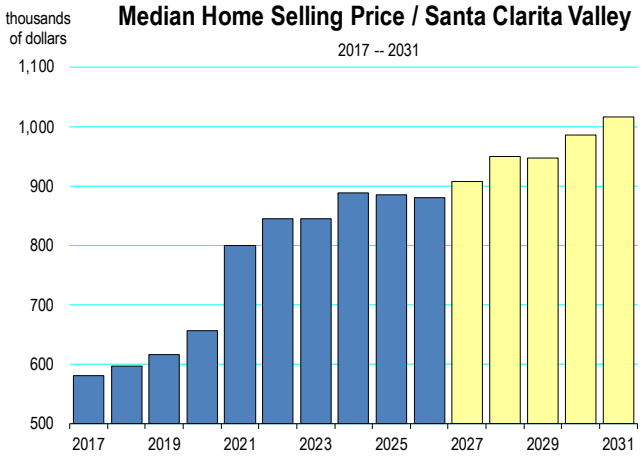
The pace of new housing is forecast to rise next year. A meaningful change in the interest rate environment would jumpstart demand and supply, and there is a good chance rates will fall by mid-2027 if the prospects for containing inflation improve. This outlook assumes that the conflict is resolved, oil prices move toward pre-conflict levels, and no unanticipated disruptions occur.

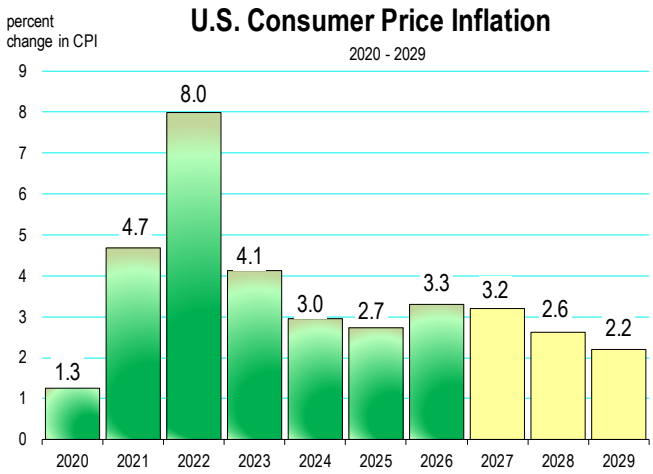
Despite the slow production rate of new homes this year, the forecast for housing starts is more optimistic. Renewed job creation and a reversal in mortgage rates will encourage more home buying. While more new units are forecast in 2027, the annual pace of more than 1,000 new homes per year is not expected until 2030. Furthermore, total annual production for the 2027 to 2029 period has been downgraded, largely due to slower population and job growth forecast for the region over the next five years.

The number of new homes started between 2027 and the end of 2031 is forecast to be about 4,800.

Housing Values

To date, home prices remain flat to slightly lower than 2025 selling values. With higher mortgage rates, housing inventory from sellers has reversed and is contracting again. New home production is also lower this year, implying that the total supply of existing and new housing has retreated. The forecast has home prices rising





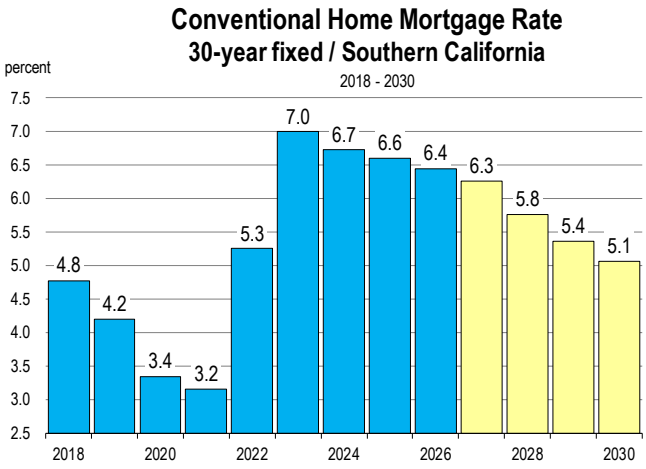
three percent in 2027, a pace that is equal to general price inflation. In 2028, prices rise slightly faster.

The best combination of factors leading to a stronger housing market in 2027 would also include faster economic growth, increased business formation and increased hiring, all of which are forecast.

Inflation and Mortgage Rates

Core consumer price index inflation has improved since the outbreak of the war in early March. The PCE inflation rate is still elevated and won't reach the Fed's target anytime soon. Crude oil prices remain elevated, and their effects on gasoline, jet fuel, and energy prices are already reflected in the price level, which will remain higher for the rest of 2026.

In mid-September, the national average 30-year fixed rate mortgage stood at 6.7 percent, the highest rate in 13 months. The forecast does not assume the Fed will raise rates. A rate hike is not priced into the financial markets and such a move would



be a blow to the stock market. A rate hike of 25 basis points is expected by J.P. Morgan in December. Few other forecast groups call for a rate hike and none predict a rate cut.

Our forecast for 2026 has mortgage rates in decline, averaging 6.4 percent for the year. Rates will continue their decline in 2027 but further contraction is dependent on inflation. The forecast calls for progress on inflation, albeit annoyingly slow.

Summary

The economy in 2027 will be an improvement over 2026 largely due to more progress made to contain inflation and lower interest rates. More advanced manufacturing is forecast in California because of onshoring, tax incentives, and reduced uncertainty associated with the war and the midterm elections.

There is more investment underway by the business sector in software and equipment, and also for new facilities including factories and data centers. More job creation is very likely to follow. Consumption of goods and services by households has also not slowed much and a pullback is not forecast.

The principal engines of growth will be industrial sectors, a pickup in housing, continued job expansion in healthcare, and growth of the aerospace sector.

Santa Clarita Valley Economic Forecast Summary **2020 - 2026 History, 2027 - 2031 Forecast**

Year	Population (people)	Population (growth rate)	Net Migration (people)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)
2020	280,489	0.1	-366	95.8	1,090	$3.2	$27,910.8
2021	279,928	-0.2	-409	96.2	1,067	$3.4	$29,465.5
2022	280,208	0.1	-424	97.6	619	$3.4	$27,567.6
2023	280,769	0.2	123	99.4	1,625	$3.3	$28,265.0
2024	281,330	0.2	101	100.0	513	$3.3	$31,734.5
2025	281,611	0.1	-160	100.8	889	$3.3	$32,623.0
2026	281,893	0.1	-70	101.9	700	$3.4	$34,058.4
2027	282,543	0.2	314	102.6	804	$3.6	$35,551.8
2028	283,364	0.3	546	103.4	887	$3.7	$36,724.4
2029	284,002	0.2	418	104.3	983	$3.8	$37,903.5
2030	284,596	0.2	487	105.3	1,049	$4.0	$39,113.2
2031	284,764	0.1	169	106.3	1,031	$4.1	$40,312.9

Year	Non-farm Wage & Salary	Growth Rate (% change)	Construc-tion	Manufac-turing	Transportation, Utilities	Wholesale & Retail Trade	Financial Activities
			–thousands of jobs–				
2020	88.5	-9.8	6.9	10.7	3.6	15.2	3.7
2021	91.8	3.8	6.8	10.5	3.5	15.5	3.8
2022	96.5	5.1	6.9	10.9	3.7	14.9	3.8
2023	98.4	1.9	6.8	10.9	4.4	15.0	3.5
2024	100.2	1.9	7.3	11.1	4.6	15.2	3.6
2025	100.1	-0.1	7.3	11.1	4.6	15.2	3.6
2026	100.2	0.1	7.1	10.9	4.9	15.2	3.7
2027	100.8	0.6	7.2	11.0	4.9	15.1	3.8
2028	101.5	0.7	7.1	11.0	4.9	15.2	3.8
2029	101.8	0.3	7.3	11.1	4.9	15.2	3.7
2030	101.9	0.1	7.4	11.1	4.8	15.5	3.7
2031	101.7	-0.2	7.3	11.0	4.8	15.6	3.7

Source: California Economic Forecast / September 2026

Santa Clarita Valley Economic Forecast Summary **2020 - 2026 History, 2027 - 2031 Forecast**

Year	Real per Capita Income (dollars)	Median Home Selling Price (dollars)	Existing Home Sales	Inflation Rate (percent change in local CPI)	Unemployment Rate (percent)
2020	$126,566	$636,100	2,812	1.6	11.3
2021	$128,945	$775,000	3,216	3.8	7.9
2022	$112,166	$844,904	2,213	7.4	4.5
2023	$110,919	$844,436	1,610	3.5	4.9
2024	$120,316	$888,754	1,721	3.3	5.4
2025	$119,692	$885,595	1,857	3.2	5.4
2026	$120,820	$880,810	1,855	3.3	5.0
2027	$122,436	$907,498	1,871	2.8	4.5
2028	$122,841	$949,554	1,991	2.7	4.3
2029	$123,552	$946,998	2,134	2.4	4.2
2030	$124,537	$985,721	2,221	2.2	4.1
2031	$125,695	$1,016,149	2,267	2.1	4.0

Year	Professional Services	Information	Health & Education	Leisure	Government
			–thousands of jobs–		
2020	13.9	1.3	11.2	10.5	9.1
2021	14.4	1.4	12.0	12.5	9.0
2022	15.5	1.4	13.0	14.2	9.4
2023	16.2	1.3	12.6	14.8	9.7
2024	16.1	1.2	12.7	15.1	10.0
2025	16.0	1.2	12.7	15.1	10.0
2026	15.3	1.2	13.4	15.1	10.1
2027	15.3	1.2	13.7	15.3	10.0
2028	15.5	1.2	13.8	15.5	10.0
2029	15.6	1.1	13.7	15.6	10.0
2030	15.6	1.1	13.6	15.6	10.1
2031	15.6	1.1	13.5	15.6	10.1

Source: California Economic Forecast / September 2026

DEMOGRAPHICS

Introduction

Population Update



Household Income

Occupations and Average Salaries

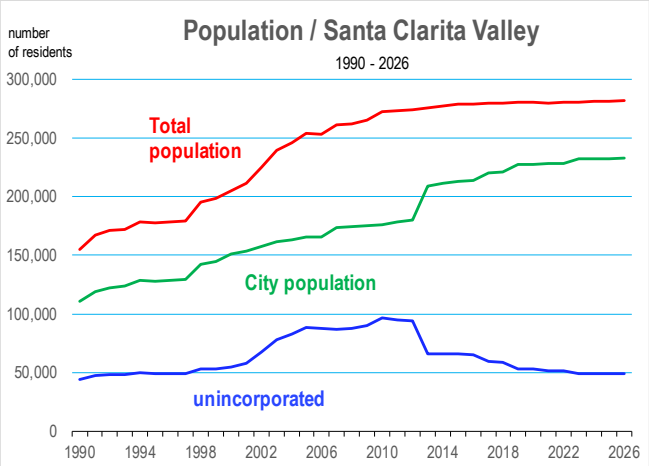
Population by Age

The Demographic Outlook

Introduction

Current demographic information provides the community with factual information regarding the size, age distribution, rate of growth and income of the region's population. A growing population requires increased production of goods and services. Population characteristics influence locational, product, staffing and policy decisions by businesses and local government.

Factors considered in this annual report over time have included population size and growth, income or affluence, occupation, education, race, and the distribution of population by age. In this 2026 edition, we update population size and the rate of growth, the factors contributing to that growth, salient issues regarding household income, occupation and wages, population age cohorts, household size, and the five-year demographic outlook.



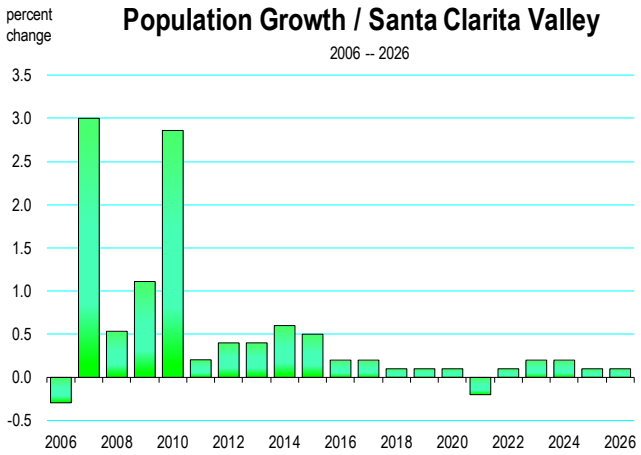
Population Update

- The total 2026 population of the Santa Clarita Valley is estimated at 281,893 residents, including 232,883 residents living within the incorporated city limits.

- Net growth for the overall region has been austere over the last 10-years. This is also true of the city's population though it has grown slightly faster as a result of annexations.

Population / Santa Clarita Valley 2026

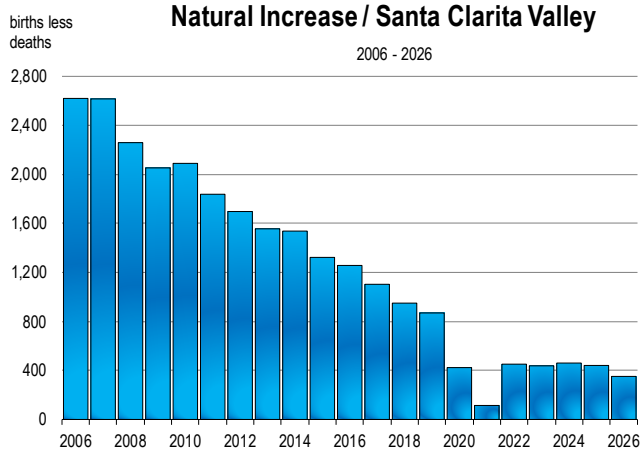
Community	Estimated Population
Castaic	18,355
Stevenson Ranch	21,185
FivePoint Valencia	1,922
Val Verde	3,290
Agua Dulce	3,150
Bouquet Canyon	1,108
Total unincorporated	49,010
City of Santa Clarita	232,883
Total Santa Clarita Valley	281,893



- The approximately 17 percent of the population that lives in the unincorporated area of the Santa Clarita Valley is located in Castaic, Stevenson Ranch, the eastern stretch between Canyon Country and Agua Dulce, and now in new Valencia housing within and just north of Stevenson Ranch.

- Population growth throughout California has moderated since the pandemic, due to a declining birth rate, an uptick in the mortality rate, and continued out-migration of California residents to other states.

- Los Angeles County's population decline moderated as net international migration increased; the forecast assumes that contribution slows. Now that immigration has been virtually stopped at both Northern and Southern Borders, the resumption of negative population growth is forecast for LA County.



Net migration into the Santa Clarita Valley is expected to rise as the production of more new homes continues at current rates over the next five years.

Household Income

Household income includes payments to all members within a family or group of individuals living within a single housing unit, from all sources including wages, salaries, transfers, dividends, rents, interest, and sales of services.

- The Santa Clarita Valley is among the most affluent areas of California.

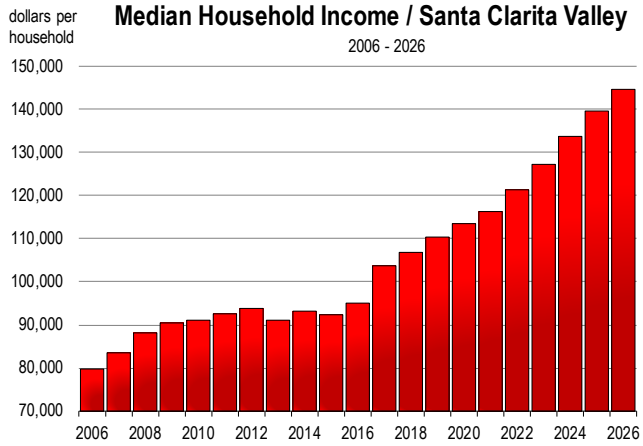
- For 2026, the median household income in the Santa Clarita Valley is estimated at $144,700. The median household income for California was $116,309, and for Los Angeles County, $106,600.

Median Household Income
2026

County	dollars	percent change from 2025
Santa Clara	$205,500	5.3
Marin	$200,800	8.1
San Francisco	$200,800	8.1
San Mateo	$200,800	8.1
Napa	$165,400	12.7
Alameda	$162,800	1.9
Contra Costa	$162,800	1.9
Santa Clarita Valley	**$144,651**	**3.6**
Nevada	$140,400	12.7
Orange	$138,600	1.5
Santa Cruz	$137,200	3.3
Ventura	$135,600	3.3
Sonoma	$133,400	1.1
San Diego	$130,900	0.1
San Luis Obispo	$129,600	7.2
Yolo	$129,600	-4.6
Alpine	$124,800	-3.6
El Dorado	$124,000	2.6
Placer	$124,000	2.6
Sacramento	$124,000	2.6

Source: HUD and American Community Survey

- The median is the middle household in the Santa Clarita Valley. The average household income during 2026 is estimated at $180,371.



- In the Santa Clarita Valley, 63-percent of all households earn $100,000 or more per year, compared to 51 percent for all Californians.

- Incomes in the region are high because the local labor market is concentrated in higher-paying occupations. A large proportion of local residents work in the management, manufacturing, finance, and scientific and technical consulting.

Occupations and Average Salaries

The occupational data show the principal professions in which Santa Clarita Valley residents work. The average wage or salary per worker is for all occupations in the list compiled from Los Angeles County employer surveys during the first quarter of 2026.

- Just over forty percent of all Santa Clarita Valley working residents are employed in four occupations: management, sales, administrative support, and healthcare, including technicians.

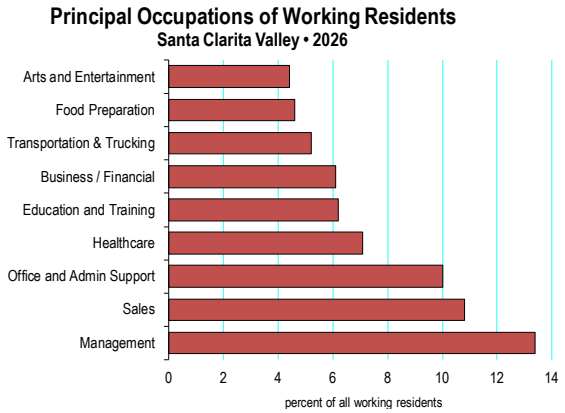
- Management is the highest paying occupation and it employs 13 percent of working residents. It is this occupational sector together with tech and healthcare that have principally contributed to the region's higher than average household incomes.

- The average annual wage or salary of workers employed by Santa Clarita Valley companies is $89,400, and their total wage and salary income will reach $8.6 billion this year. The region's population will gross $14 billion in wage and salary income during 2026. The difference is the amount of wage and salary income earned by residents that commute to jobs outside the region.

Occupation and Average Salary 2025 and 2026
Santa Clarita Valley

Occupation	Number of Residents	------- Average Salary ------- 2025	2026	percent change
Management	18,366	$161,965	$163,517	1.0
Sales	14,803	$59,660	$63,846	7.0
Office and Admin Support	13,706	$58,275	$59,713	2.5
Healthcare Practitioners & Technical Occupations	9,731	$124,562	$128,673	3.3
Education and Training	8,498	$83,639	$86,675	3.6
Business / Financial	8,361	$105,278	$104,637	-0.6
Transportation & Trucking	7,127	$56,464	$58,048	2.8
Food Preparation	6,305	$43,056	$44,127	2.5
Arts and Entertainment	6,031	$116,884	$121,424	3.9

Source: American Community Survey and 2026 Q1 EDD Occupational Wage Survey



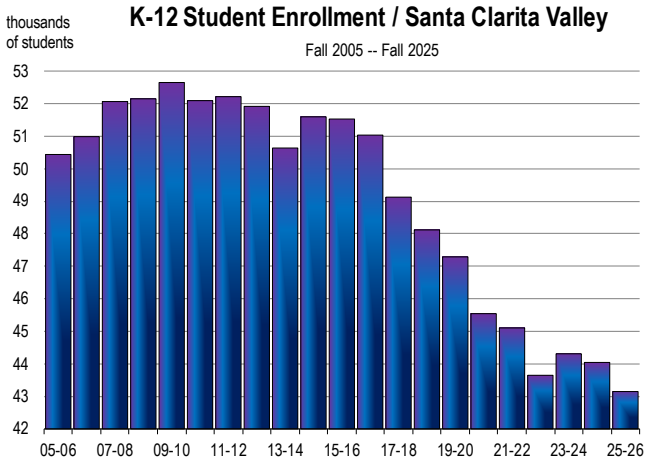
Population by Age

Between 2006 and 2026, population in the Santa Clarita Valley increased by 28,600 residents. The age structure has changed over the last 20-years, noticeably in the school-age population and the oldest age cohorts. The distributional change from younger to older age populations is not unique to Santa Clarita; it is occurring state- and nationwide.

- Younger age populations have been steadily in decline over the last 20-years.
- Population-by-age estimates, along with K-12 student enrollment, confirm this distributional decline.
- The oldest age cohort, defined as age 65 and older, is the fastest-growing age category and has more than doubled as a share of the population over the last 20-years.
- However, the working age population as a percent of the total population over time has been relatively constant.
- The type of household comprising the population of the Santa Clarita Valley is gradually becoming older couples whose children have left home. Average household sizes over time have declined from over 3 persons twenty years ago to less than 2.8 persons per household. Households with fewer persons are forecast to increase over the next five years.

Population by Age / Santa Clarita Valley 2026

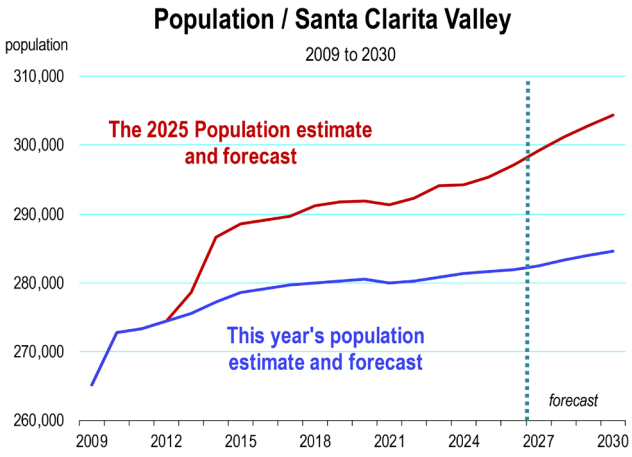
Age Category	number	percent
Age 0 - 4	14,787	5.3
Age 5 - 9	17,913	6.4
Age 10 - 14	20,673	7.3
Age 15 - 17	12,815	4.6
Age 18 - 20	11,970	4.3
Age 21 - 24	14,392	5.1
Age 25 - 34	34,192	12.1
Age 35 - 44	38,164	13.6
Age 45 - 54	41,713	14.8
Age 55 - 64	37,938	13.5
Age 65 - 74	22,814	8.1
Age 75 - 84	10,534	3.7
Age 85 and over	3,746	1.3
Total	281,651	100.0
Working Age Population	178,369	63.3

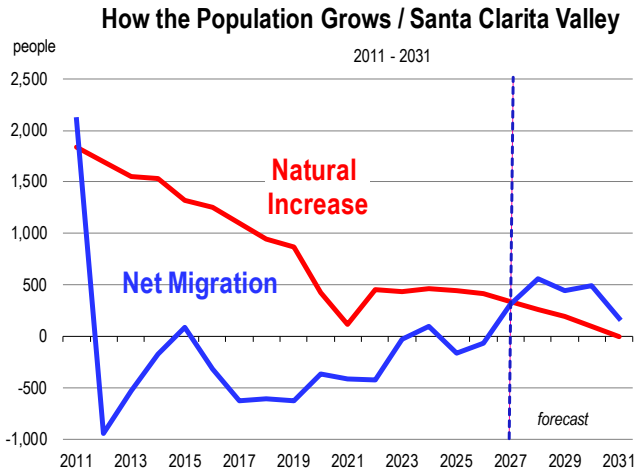


Residents over the age of 65 account for 13.2 percent of the Santa Clarita Valley population. The region has a comparatively younger population than Los Angeles County or the Greater Southern California region. The oldest Baby Boomers have been in the retirement bracket for a decade, but the youngest Boomers born after 1960 won't enter retirement age until the year-2029. Over the next five years, the retirement cohort will expand faster than any other age group, increasing by an average of 3-percent per year, leading to 6,000 more residents in this cohort.

The Demographic Outlook

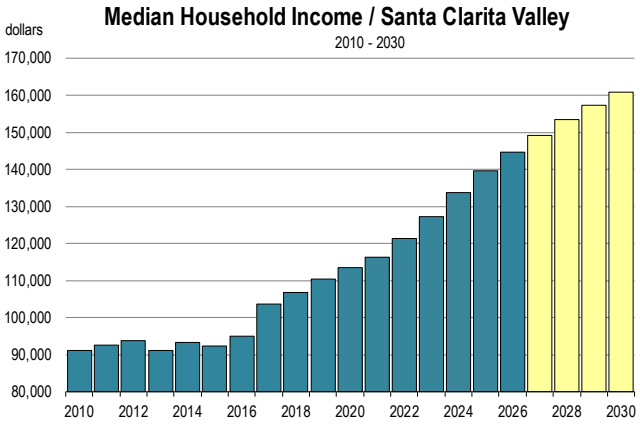
Population growth in the Santa Clarita Valley is expected to average 0.2 percent per year between 2027 and 2031, and the valley-wide population is expected to expand by 2,900 residents.





Growth will accommodate the production rate of new housing, which is now relatively steady but should rise modestly with the continued buildout of the Confluence, Tesoro Highlands and Williams Ranch projects. While current housing projects will ultimately add more than 25,000 homes to the Santa Clarita Valley housing stock, housing development will occur at a measured pace, as it has since 2020. Consequently, the regional population is not forecast to expand rapidly over time.

The principal driver of population will be new migrants rather than the natural increase which continues to decline. The region is expected to attract 1,980 net migrants over the next 5-years through 2031. Net migration will likely be higher towards the end of the forecast period due to the volume of residential development expected over the next five years. This would set the stage for the continued likelihood of annexation and enlargement of the Santa Clarita municipal boundaries.



Demographic Forecast	Santa Clarita Valley			History: 2022 - 2026	
	2022	2023	2024	2025	2026
			-- *people* --		
Population	280,208	280,769	281,330	281,611	281,893
% change	0.10	0.20	0.20	0.10	0.10
Births	2,027	1,960	1,900	1,871	1,831
Deaths	1,576	1,522	1,440	1,430	1,415
Natural Increase	451	438	460	441	416
Net Migration	-172	123	101	-160	-70
Total Vehicle Registrations	223,633	221,371	220,292	220,922	222,716
Automobile Registrations	178,776	177,319	177,521	177,278	178,424
Total Housing Stock	100,027	101,838	102,438	103,337	104,436
Number of Households	97,617	99,385	99,970	100,847	101,920
Persons per household	2.87	2.83	2.81	2.79	2.77

Demographic Forecast	Santa Clarita Valley			Forecast: 2027 - 2031	
	2027	2028	2029	2030	2031
			-- people --		
Population	282,543	283,364	284,002	284,596	284,764
% change	0.23	0.29	0.23	0.21	0.06
Births	1,793	1,743	1,695	1,629	1,543
Deaths	1,457	1,479	1,503	1,527	1,546
Natural Increase	337	264	193	102	-3
Net Migration	314	557	445	492	170
Total Vehicle Registrations	224,267	225,195	225,997	226,755	226,845
Automobile Registrations	181,410	182,362	183,219	183,417	183,619
Total Housing Stock	104,999	105,812	106,721	107,708	108,759
Number of Households	102,582	103,400	104,314	105,308	106,365
Persons per household	2.75	2.74	2.72	2.70	2.68

Note: 2026 is estimated based on actual but incomplete information for the calendar year

Source: California Economic Forecast, August 2026

LABOR MARKETS



Introduction

Employment by Sector

Unemployment and the Labor Force

Largest Employers

Average Salaries

Update on AI

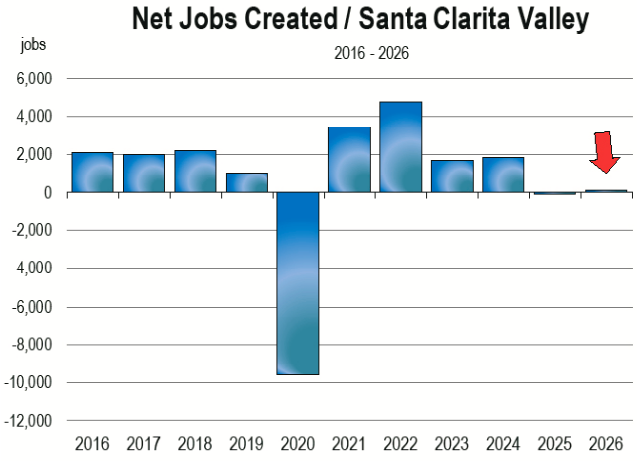
The Forecast

Introduction

Labor markets are important for assessing regional economies because employment reports represent the most timely, fluid, and detailed measure of economic activity for the region.

While job creation within a regional economy can be volatile over time for many reasons, rising job counts almost always imply that (1) the demand for production is increasing and firms therefore need more capital, labor, or both to meet that demand, or (2) the region is attracting more businesses who employ local workers or new in-migrating workers who will either commute short term or establish permanent residence.

Rising employment may no longer constitute a signal of a healthy economy now that we've moved deeply into the age of Artificial Intelligence. The widespread adoption of AI by nearly all sectors of the labor market has resulted in less demand for workers especially in entry level positions and especially in the information, financial services, technology and professional services.



In 2026, we are witnessing much less demand for workers by firms in manufacturing, administrative services, professional services, TV, film and sound production, and in software coding.

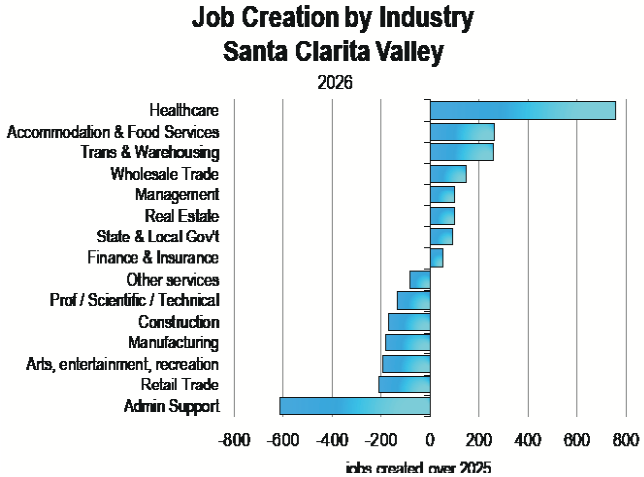
In the age of AI, criteria for assessing regional economic health may shift away from the labor market because rising revenues may no longer necessitate rising job counts.

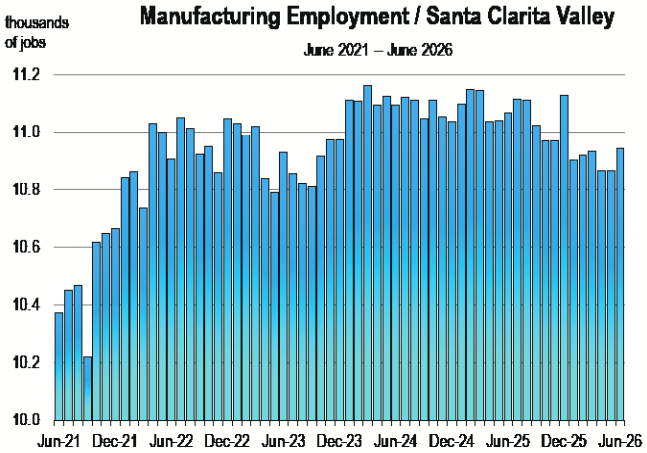
Employment by Sector

During 2026, the Santa Clarita Valley labor market has resumed expanding the employment base though the net gains to date are minimal. During the first 6 months of the year, local hiring is on pace to generate between 100 to 200 more jobs during the calendar year. This follows on the heels of a slight contraction in 2025 and an 1,800 job gain in 2024.

Job creation is led by the healthcare sector, which is also responsible for most of the job creation in Los Angeles County, California and the nation. Also contributing new jobs is accommodations & food services, transportation and warehousing and wholesale trade. Local government has also generated more positions this year.

Consolidations are occurring in the professional business services sector, arts and entertainment, construction, manufacturing and retail trade.





The largest downsizing labor market this year is administrative services, a subsector of the Professional Business Services industry. Here, AI has largely been adopted to assist in research and document prep, accounting and bookkeeping tasks, and human resources.

Though the manufacturing sector has not entirely managed to avoid net employment substitution by automation, downsizing has been minimal. The sector as a whole reported 183 less jobs than a year ago.

Manufacturing Advantage in the SCV

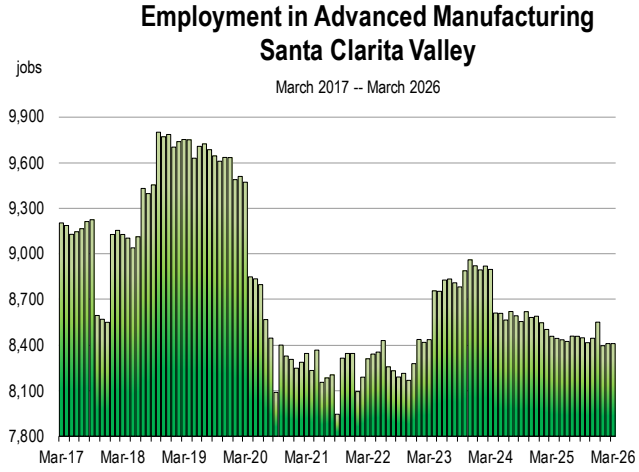
Two specific subsectors of manufacturing that are concentrated in the Santa Clarita Valley are Advanced manufacturing and Aerospace components and parts manufacturing. The former typically includes the latter but there are separated to highlight their relative importance. Advanced manufacturing in the region has positioned the local economy as uniquely competitive for jobs and/or private investment.

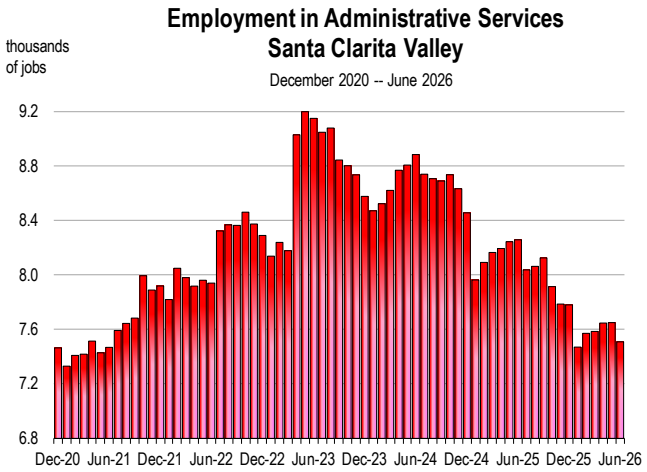
Advanced manufacturing is a composite industry comprised of durable manufacturing firms that use high technology equipment and apparatus in the production process. Such manufactured goods are plastics, fabricated metals, machinery, HVAC products, power equipment, computer and electronic products, and transportation equipment.

Between 8,000 and 9,000 workers comprise the Advanced manufacturing sector. Employment in the region has been relatively stable for the last 10 years, and represents 78 percent of all manufacturing jobs present in the Santa Clarita Valley.

The Aerospace and Defense composite sector includes companies that produce aerospace parts and components, or engage in design and research of equipment or systems that support space research or national defense. In recent years, employment has soared and is at or near record levels. Aerospace manufacturing accounts for another 17 percent of the total manufacturing industry.

Advanced manufacturing employment in the Santa Clarita Valley is vulnerable to workforce reductions due to the onset of AI and automated



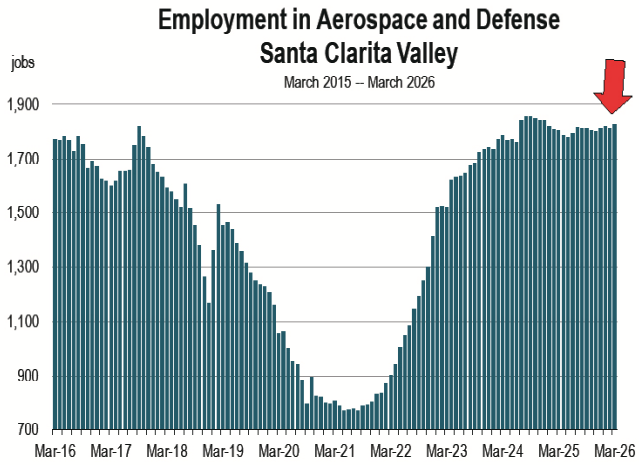


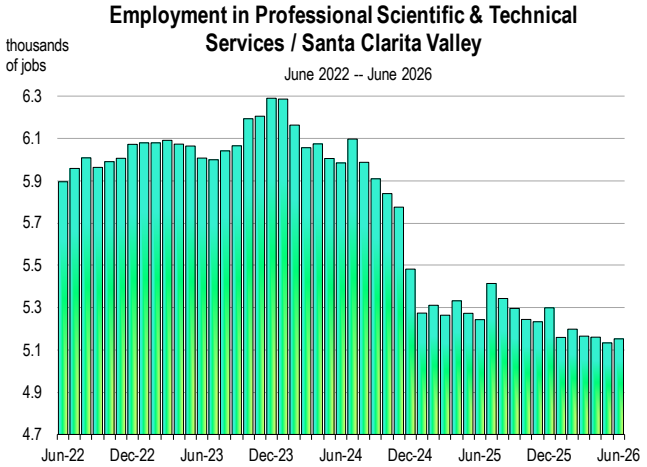
systems. Right now however, many companies in this sector including aerospace are actively recruiting workers particularly in skilled technical roles where there are shortages. Consequently, the outlook for employment manufacturing does show relative stability to modest increases over the next three years.

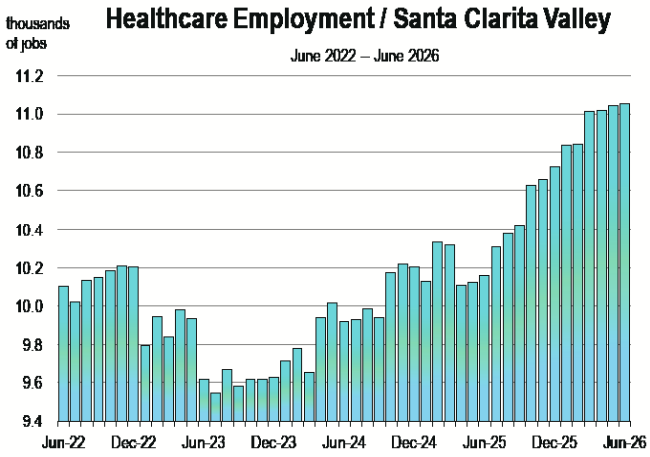
Professional and Business Services

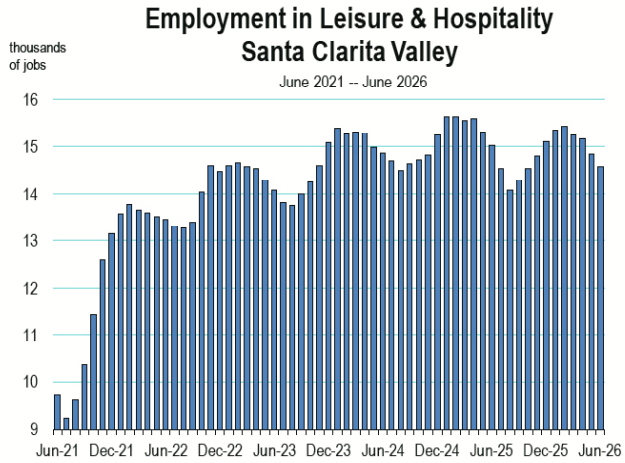
Three principal sectors account for this broad labor market: Professional, Technical and Scientific Consulting, Management, and Administrative Services. Employment in management of companies has been relatively constant over the last 3 years, while professional and technical, and administrative jobs have been in gradual decline. These sectors are also vulnerable to adoption of AI systems that are replacing entry and lower level researchers, technicians, and admin/clerical positions.

Consequently, over the two years, professional, technology, scientific, and administrative support jobs, have downsized by approximately 800 positions.









Healthcare

Healthcare is the fourth largest employment sector of the regional economy. Most of the job creation in region over the last three years has occurred in healthcare. This year, the sector expanded by 759 jobs.

Henry Mayo Newhall Hospital has an estimated headcount of 1,854. Other healthcare facilities include Valencia Medical Care and Medical Center, SCV Quality care, SmartClinic Urgent Care, and Northeast Valley Health Corporation.

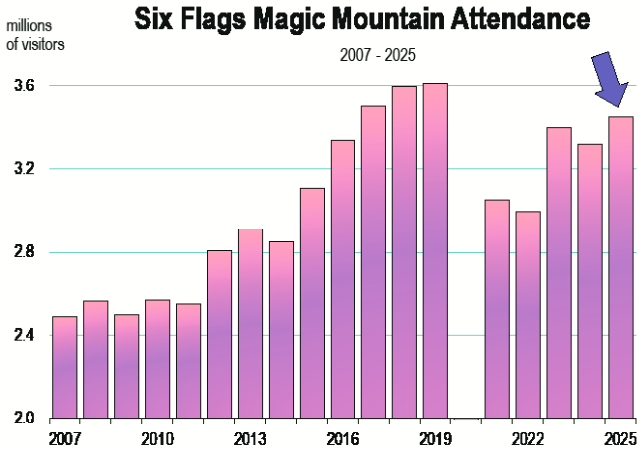
Retail Trade and Leisure & Hospitality

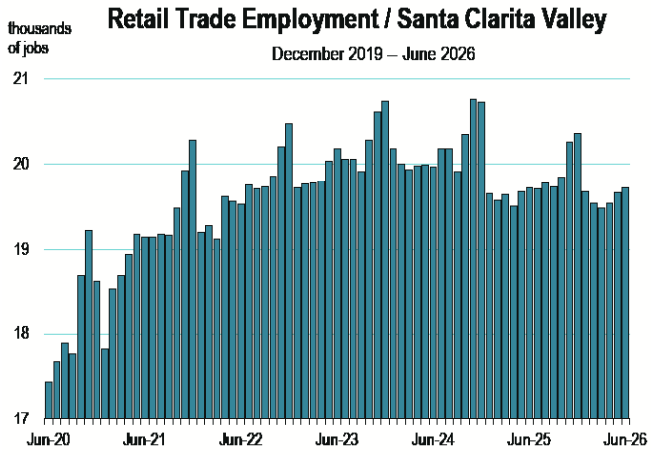
This labor market is comprised of workers at food establishments, hotels, other lodging, amusement venues and parks, museums, movie theatres, playhouses, concerts, and other recreation facilities. It is now the largest labor market with recent contraction of the professional business services workforce.

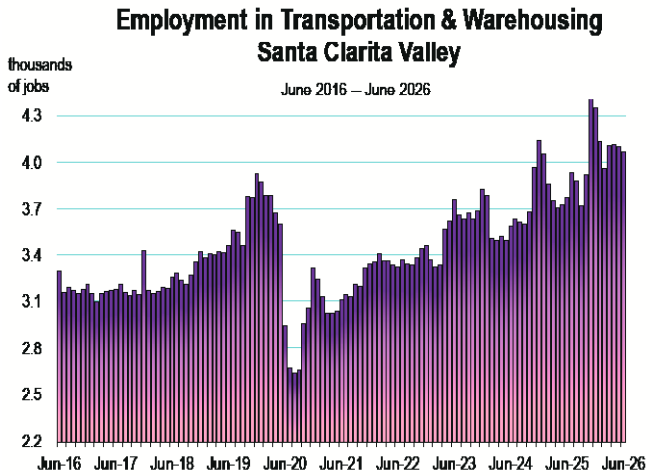
The sector has been moving laterally over the last 18 months, suggesting that visitor and resident serving establishments have maintained a constant customer base and spending level.

Magic Mountain and Hurricane Harbor are the region's top tourist destination.
Attendance during 2025 was estimated at 3.45 million, an increase of 60,000 visitors from the year before.

Online retail shopping continues to displace the in-store experience. The trend in shopping centers has been the replacement of clothing, appliance, furnishings, and brick & brack stores with non-traditional types of retail or personal







experiences that attract people but generally require fewer workers.

Automation has also replaced workers in retail stores, namely grocery stores. Consequently, employment within the retail sector is no longer increasing. The spikes in the data represent the additional hiring of temporary workers during the holiday season. With the onset of AI and continued automation of customer checkout, fewer job opportunities should be expected going forward.

Transportation and Warehousing

The demand for warehouse, distribution, and fulfillment center jobs has continued to expand in the region over time. This remains a key sector of the region's industrial base, together with manufacturing.

Princess Cruises is a large part of this sector but is downsizing. It will close its Valencia offices by 2028, consolidating in the new Miami-Dade County headquarters. Nevertheless, other companies have emerged and are expanding.

DrinkPAK leases 1.4 million square feet of industrial facilties in the region, and other companies have entirely occupied Needham Ranch and the IAC Commerce Center. Total employment has eclipsed 4,000 workers and represents an all time record high.

Jobs Created by Sector
Santa Clarita Valley
2026

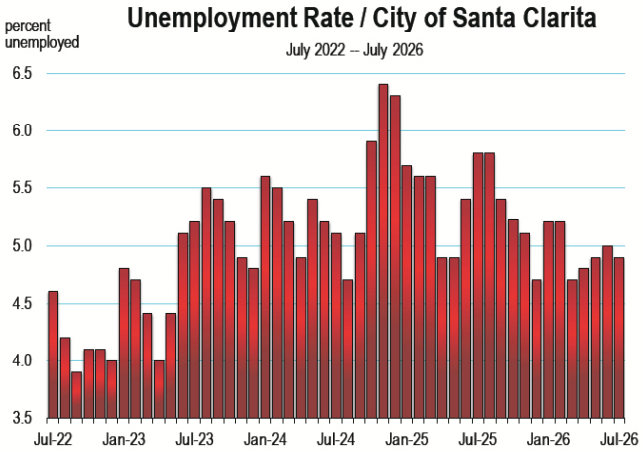
	Jobs
Healthcare	759
Accommodation & Food Services	261
Trans & Warehousing	259
Wholesale Trade	148
Management	99
Real Estate	98
State & Local Gov't	93
Finance & Insurance	50
Other services	-84
Prof / Scientific / Technical	-136
Construction	-168
Manufacturing	-183
Arts, entertainment, recreation	-192
Retail Trade	-211
Admin Support	-615

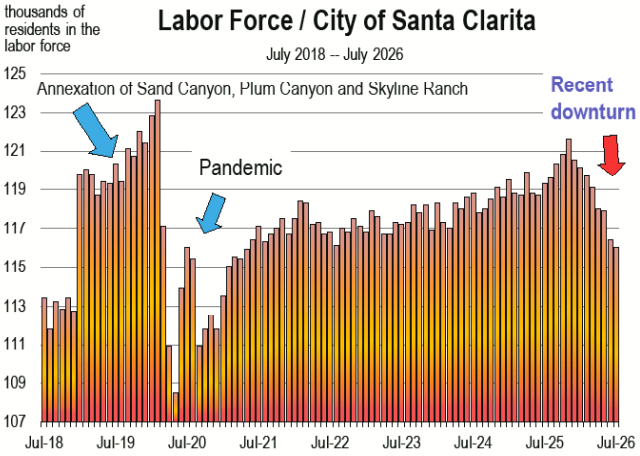
Unemployment and the Labor Force

The labor force in the incorporated city of Santa Clarita is estimated by the Employment Development Department. Based on an official population of 232,883 residents as of January 1, 2026, the labor force for July is 116,000, implying that 50 percent of the population is either working or officially unemployed.

The labor force in the greater Valley area that includes the surrounding communities of Agua Dulce, Green Valley, Castaic, Stevenson Ranch, and Canyon Country is now estimated at 144,000. The labor force is the number of residents that are either working or want to be working.

The labor force is no longer expanding, and has recently been in a modest decline. The change is due to rising levels of retirements and the change in new immigrants through the Southern Boarder including a rise in deportations.



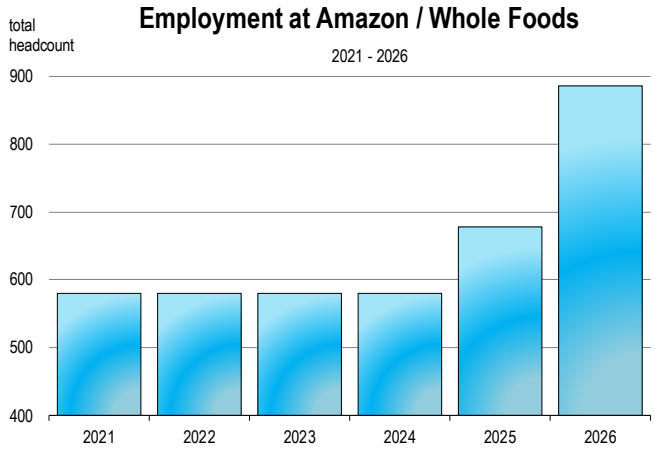


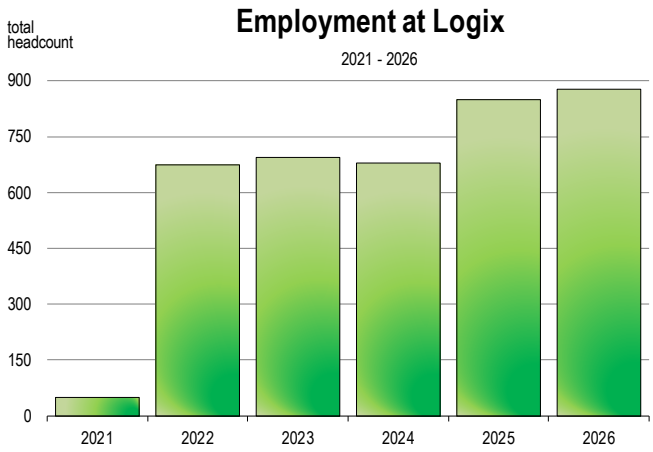
A decline in the labor force and a stable number of working residents has lowered the monthly unemployment rate. The July 2026 number was 4.9 percent.

Currently in California, there is no increase in unemployment claims nor a concerning increase in any kind of labor market trauma due to the slowdown in job creation.

Unemployment Rates
Principal Cities of Los Angeles County

	July 2026 (percent)	Residents working
Torrance	4.6	67,300
Pasadena	4.7	72,900
Santa Clarita	**4.9**	**110,300**
Santa Monica	5.1	49,100
Long Beach	5.1	225,000
Glendale	5.1	88,200
Los Angeles	5.2	1,918,900
Palmdale	6.0	66,800
Pomona	5.7	67,800
Lancaster	7.1	63,400
LA County	5.2	4,679,700





Largest Employers

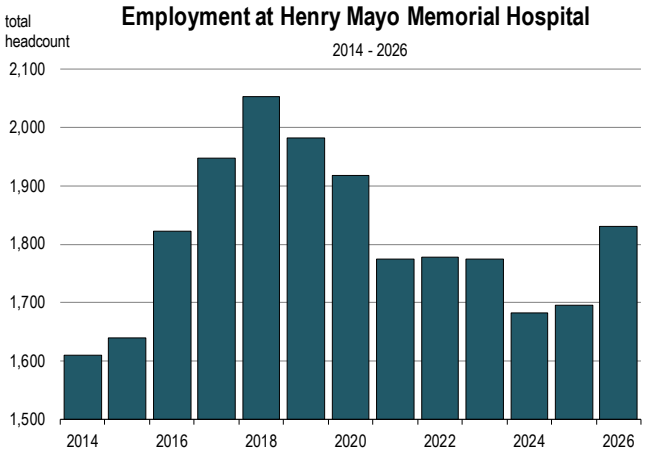
The largest employers list is updated annually from a telephone and email survey. The information is carefully limited to the number of workers physically employed at locations within the Santa Clarita Valley.

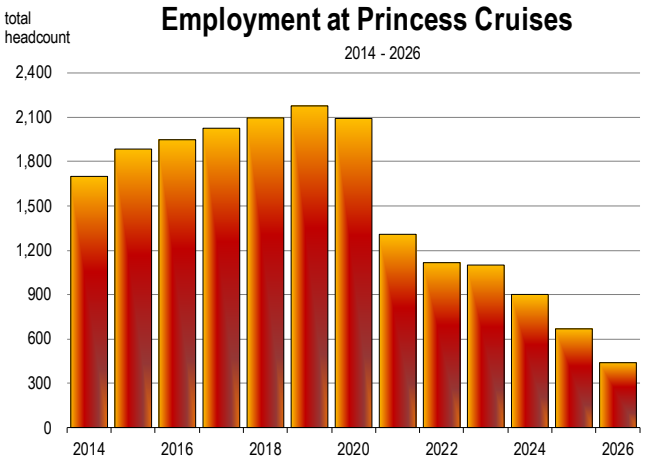
The survey has been a continuous annual feature of this publication since 2002. The 2026 update was conducted by the Santa Clarita Valley Economic Development Corporation during the months of August and early September.

- Among the 62 largest employers for which complete information is available, there were 32,191 workers in the Santa Clarita Valley in September 2026.

- Relative to 2025, public sector organizations comprising the Santa Clarita Valley's largest employers reported a headcount increase of 636 jobs.



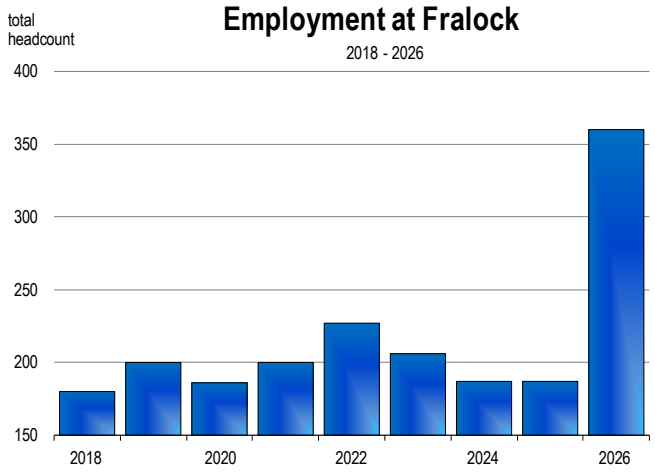




- Seven of 13 public sector companies upsized their headcounts over 2025.

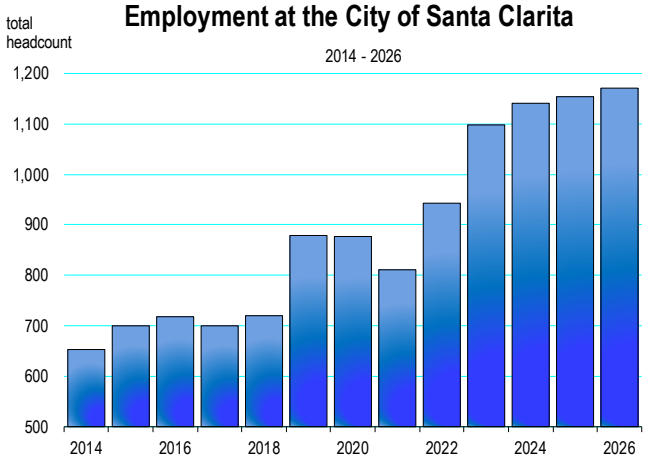
- Twenty-six of the 50 private companies added jobs since the 2025 report, while 24 either lost jobs or reported no change in headcount. The largest reported headcount decline was at California Institute of the Arts, which reported 478 fewer jobs than a year ago.

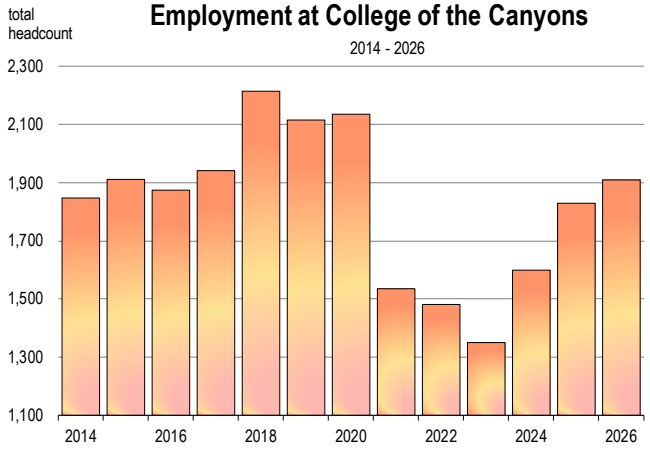
- Collectively, total employment within the largest private companies increased by 191 jobs, or 1 percent. Across both private and public sector organizations, total employment increased by 827 jobs, or 3 percent, over the year.



- Fralock reported one of the largest employment gains among the region's major private employers. Its headcount increased by 173 jobs to 360, representing a 93 percent increase from a year ago.

- Consolidation at Princess Cruises has continued as the company prepares to relocate most North American shoreside operations to a new Miami-Dade County headquarters by 2028. Local employment fell by 229 jobs, a decrease of 34 percent from the prior year.





Largest Employers — Santa Clarita Valley — September 2026

Rank	Organization	Location	2025	2026	2025 to 2026	percent change
Private			*– headcount of employees –*			
1	Six Flags Magic Mountain	Valencia	3,000	3,000	0	0
4	Henry Mayo Newhall Memorial Hospital	Santa Clarita	1,695	1,830	135	8
8	California Institute of the Arts	Santa Clarita	1,629	1,151	-478	-29
10	Amazon/Whole Foods	Santa Clarita Valley	678	886	208	31
11	Logix	Santa Clarita Valley	849	877	28	3
12	Walmart Supercenter*	Santa Clarita Valley	720	720	0	0
13	Woodward HRT	Valencia	710	670	-40	-6
14	Boston Scientific*	Valencia	649	649	0	0
15	The Master's University	Santa Clarita	664	605	-59	-9
16	Advanced Bionics*	Valencia	550	550	0	0
17	Stay Green Inc.	Santa Clarita	475	543	68	14
18	Vallarta Supermarkets	Santa Clarita	497	512	15	3
19	DrinkPAK	Santa Clarita	450	500	50	11
20	Kaiser Permanente	Santa Clarita	473	476	3	1
21	AMS Fulfillment*	Valencia	465	465	0	0
22	Princess Cruises	Valencia	668	439	-229	-34
23	Sunkist Growers, Inc.*	Santa Clarita	425	425	0	0
24	Contractors Wardrobe*	Valencia	402	402	0	0
25	ITT Aerospace Controls	Valencia	360	386	26	7
26	ASC Process Systems	Valencia	276	370	94	34
27	Fralock	Valencia	187	360	173	93
28	IQVIA	Valencia	340	354	14	4
29	McDonald's	Santa Clarita Valley	355	350	-5	-1
30	Costco Wholesale	Canyon Country	315	321	6	2
31	Adept Fasteners	Valencia	277	307	30	11
33	Shield Healthcare	Valencia	274	284	10	4
34	B&B Manufacturing Co.	Santa Clarita	238	277	39	16
37	Sunvair	Valencia	211	252	41	19
38	Aerospace Dynamics International	Valencia	236	238	2	1
39	Crissair	Valencia	217	235	18	8
40	Knowles*	Valencia	230	230	0	0
42	Hasa, Inc.	Santa Clarita	229	223	-6	-3
43	TA Aerospace	Valencia	195	210	15	8
45	Landscape Development Inc.	Valencia	200	200	0	0
46	HRD Aero Systems	Valencia	175	190	15	9
47	Lief Labs	Valencia	185	189	4	2
48	Cardinal Health	Santa Clarita	166	186	20	12
49	Frontier Toyota	Valencia	168	178	10	6
50	RAH Industries	Santa Clarita	173	171	-2	-1
51	Cicoil LLC	Santa Clarita	125	170	45	36
52	FMI Aerostructures	Santa Clarita	193	170	-23	-12
53	Honda Racing Corporation USA	Valencia	175	157	-18	-10
54	Child & Family Center	Santa Clarita	143	152	9	6
55	Scorpion	Santa Clarita	150	150	0	0
57	Remo, Inc.	Valencia	159	142	-17	-11
58	Marathon Industries	Santa Clarita	145	135	-10	-7
59	Classic Wire Cut	Valencia	130	130	0	0
60	Bay Center Foods	Santa Clarita Valley	125	122	-3	-2
61	Star Nail International / Cuccio	Valencia	118	115	-3	-3
63	John Paul Mitchell Systems	Santa Clarita	98	104	6	6
Public			*– headcount of employees –*			
2	William S. Hart Union School District	Santa Clarita Valley	2,049	2,084	35	2
3	College of the Canyons	Valencia	1,829	1,909	80	4
5	Saugus Union School District	Santa Clarita	1,314	1,677	363	28
6	City of Santa Clarita	Santa Clarita	1,154	1,171	17	1
7	U.S. Postal Service*	Santa Clarita	1,158	1,158	0	0
9	Newhall School District	Valencia	857	913	56	7
32	Southern California Edison	Santa Clarita Valley	200	300	100	50
35	SCV Water	Santa Clarita Valley	261	273	12	5
36	Castaic Union School District	Valencia	285	261	-24	-8
41	LA Fire Department (SCV)*	Santa Clarita Valley	226	226	0	0
44	Santa Clarita Sheriff's Station	Santa Clarita Valley	210	207	-3	-1
56	SoCalGas	Santa Clarita Valley	144	144	0	0
62	Burrtec	Santa Clarita Valley	110	110	0	0
	Private Total		**21,567**	**21,758**	**191**	**1**
	Public Total		**9,797**	**10,433**	**636**	**6**
	Grand Total		**31,364**	**32,191**	**827**	**3**

Source: Santa Clarita Vallley EDC and the California Economic Forecast, August-September 2026

* 2026 headcount unavailable; 2025 headcount assumed for 2026

Average Salaries

- During 2025, the average salary for all non-farm workers increased 5.5 percent. This year, based on half-year evidence, the average salary is off 5.0 percent. The outlook however, has average salaries rising 4.1 percent in 2027 and 3.1 percent in 2028. Meaningful average salary gains are largely due to the productivity of the labor force from transition to AI systems.

- The largest increase occurred for workers the Information sector, where the average salary rose 16.3 percent

- Real Estate salaries jumped 11.4 percent, and local government salaries rose 5.0 percent

- The highest paying sectors in the region are the Public Utilities, Management of Companies, Wholesale Trade, and Manufacturing.

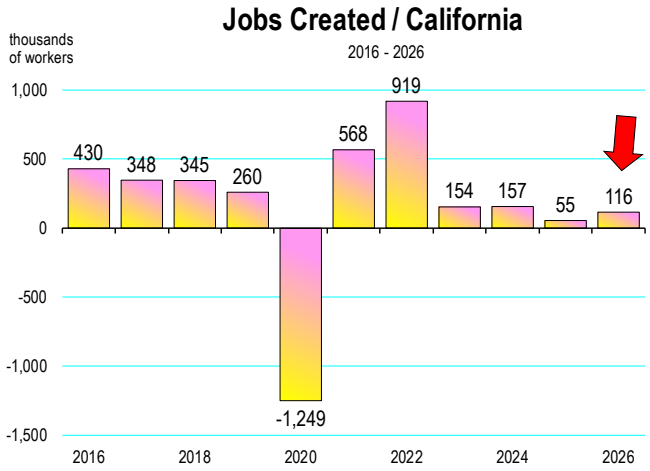
- Adjusted for inflation, the all-industries average salary in 2025 was 2.4 percent higher than in 2024. Real salaries are lower in 2026, but are forecast to rebound in 2027.

Average Salary per Worker • 2026 Principal Sectors

Industry		dollars. per worker
Utilities	$	188,466
Construction	$	81,150
Manufacturing	$	96,445
Wholesale Trade	$	92,629
Retail Trade	$	45,355
Transportation / Warehousing	$	71,347
Information	$	104,683
Finance & Insurance	$	100,387
Real Estate & Rental & Leasing	$	77,473
Prof / Scientific / Technical	$	85,305
Management of Companies	$	127,564
Administrative & Support	$	49,035
Educational Services	$	45,203
Health Care & Social Assistance	$	66,948
Arts / Entertainment / Recreation	$	33,820
Accommodation & Food Services	$	31,315
Other Services	$	44,392
Local Government	$	73,795
Average, all workers	$	65,539

Update on AI and the California labor market

The other glaring issue is how labor markets are currently being disrupted by the growing



adoption of AI systems and automations by businesses. The clear and general softening of demand for workers in most sectors of the economy has led to consolidations of workforces in finance, manufacturing, professional services, utilities, retail trade, wholesale trade, and information.

Job openings have settled back to pre-pandemic levels but only the healthcare and leisure/hospitality sectors are expanding their workforces in California. Retail trade and professional services are neutral this year, with only slight employment growth recorded through July.

This year's rate of job expansion has doubled relative to 2025, but nearly all new job creation can be attributed to the healthcare sector, with jobs in recreation and food services rising 1.7 percent.

The evidence on slightly more job creation this year is encouraging, but until there is a significant and meaningful rise in job formation, and across more sectors of the labor market, the jobs forecast for 2027 and 2028 is cautious and limited.

Meanwhile, the state's unemployment rate is moving lower, not higher despite the austere hiring environment that has persisted since early 2023. And this is entirely due to the contraction of the labor force now occurring nationwide but accelerating downward in California.
A declining labor force also afflicting California can be linked to deportations and retirements, notably of the baby boom generation that is now between the ages of 62 and 80. A reversal of the downward movement of the labor force is expected, but growth will nevertheless remain modest.
The outlook for AI and how it disrupts job formation going forward is still largely unknown. We continue to monitor employment layoffs due entirely or in part to AI and the evidence is still quite mixed.

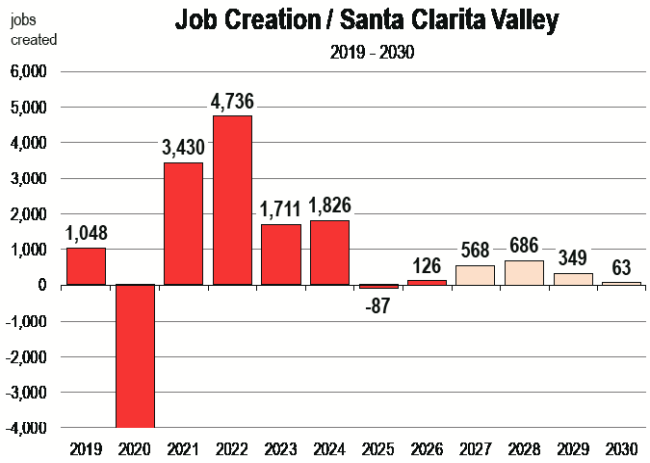
The Forecast

The pace of job creation for the first half of 2026 is slightly higher this year, in tandem with the greater Los Angeles region and the state. Between 100 and 200 net jobs will be created. Conditions warranting a stronger pace could manifest over the remainder of the year especially with the U.S. GDP outlook running at 4.8 percent this quarter.

The unemployment rate is currently at 4.9 percent. The labor markets remain soft but relatively stable. The outlook still suggests continued reluctance by employers to hire; job growth rises modestly in 2026 and accelerates in 2027 and 2028, though by less than historically average labor market gains.

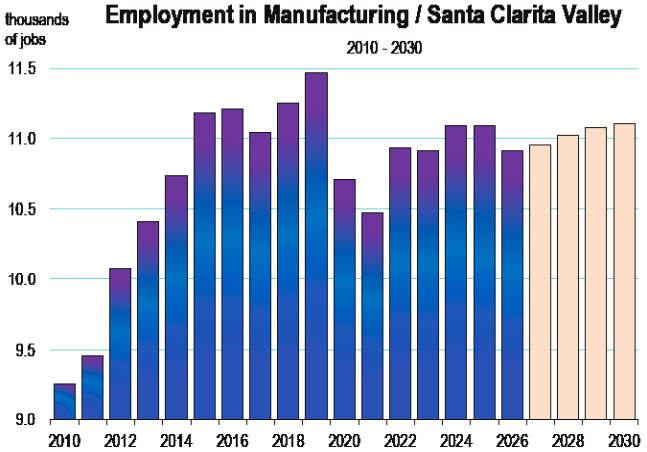
Artificial intelligence is rapidly transforming the job landscape in California, bringing both opportunities and challenges. AI adoption will become even more pervasive over time. Machines are dominating healthcare; robots adoption is taking over many manufacturing sectors. Industry, financial markets and national security are increasingly being run or supported by AI algorithms.

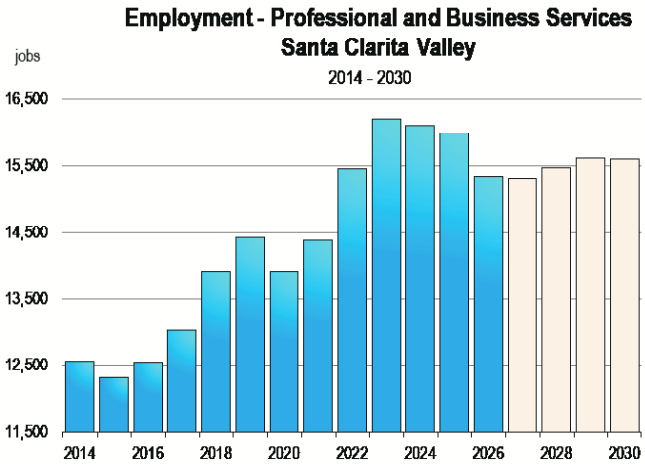
While AI is expected to create new roles—particularly in tech, data analysis, and AI system management—it will also automate certain routine tasks, prompting a shift in the skills demanded by employers. To date, worker replacement by AI has not been offset by new jobs created.

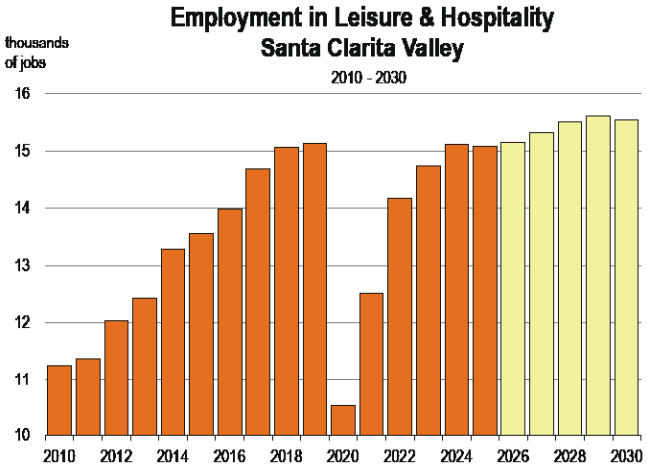


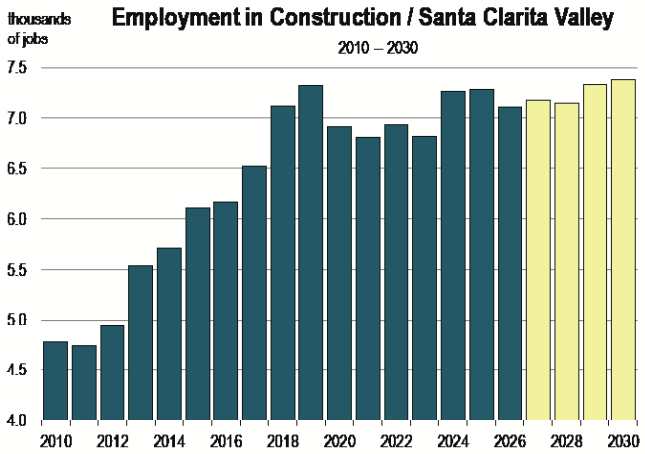
The unemployment rate declines marginally in 2026. The construction sector will need to add more jobs to accommodate all of the new housing projects that are underway or have recently started. The risk is the availability of workers in California for construction work.

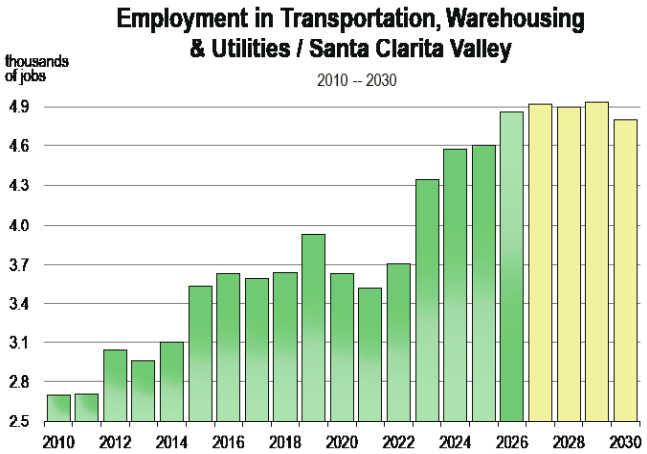
Healthcare will continue to lead all sectors in new job formation, followed by leisure and hospitality, construction and retail trade jobs.

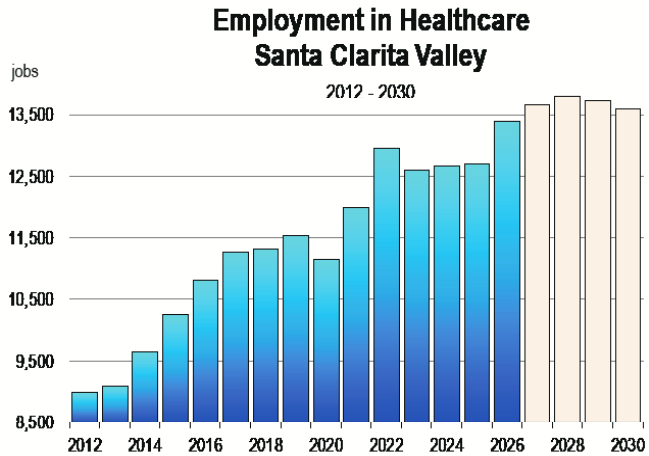


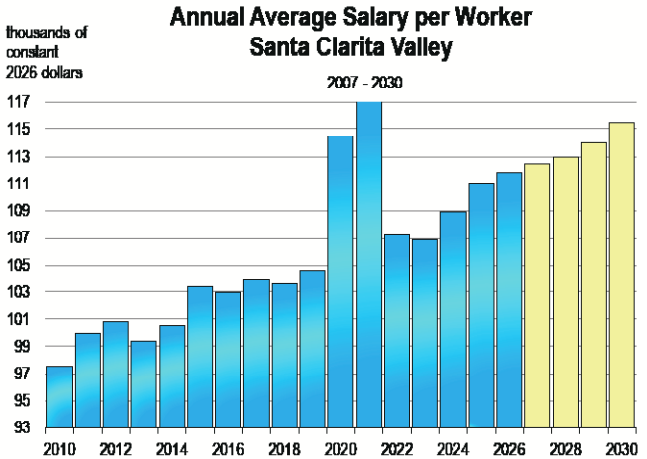

Employment - Professional and Business Services
Santa Clarita Valley
2014 - 2030
jobs
16,500
15,500
14,500
13,500
12,500
11,500
2014
2016
2018
2020
2022
2024
2026
2028
2030


Employment in Leisure & Hospitality
Santa Clarita Valley
2010 - 2030
thousands of jobs
16
15
14
13
12
11
10
2010
2012
2014
2016
2018
2020
2022
2024
2026
2028
2030


Employment in Construction / Santa Clarita Valley
2010 – 2030
thousands of jobs
7.5
7.0
6.5
6.0
5.5
5.0
4.5
4.0
2010
2012
2014
2016
2018
2020
2022
2024
2026
2028
2030


Employment in Transportation, Warehousing
& Utilities / Santa Clarita Valley
2010 -- 2030
thousands of jobs
4.9
4.6
4.3
4.0
3.7
3.4
3.1
2.8
2.5
2010
2012
2014
2016
2018
2020
2022
2024
2026
2028
2030


Employment in Healthcare
Santa Clarita Valley
2012 - 2030
jobs
13,500
12,500
11,500
10,500
9,500
8,500
2012
2014
2016
2018
2020
2022
2024
2026
2028
2030


Annual Average Salary per Worker
Santa Clarita Valley
2007 - 2030
thousands of constant 2026 dollars
117
115
113
111
109
107
105
103
101
99
97
95
93
2010
2012
2014
2016
2018
2020
2022
2024
2026
2028
2030

Labor Market Forecast	Santa Clarita Valley				History: 2021 - 2026	
	2021	2022	2023	2024	2025	2026
Sector			– jobs –			
Farm	118	150	50	49	49	45
Construction	6,800	6,933	6,809	7,263	7,281	7,113
Manufacturing	10,473	10,935	10,912	11,096	11,095	10,912
Transportation & Utilities	3,517	3,713	4,354	4,581	4,606	4,864
Wholesale/Retail Trade	15,490	14,925	15,018	15,221	15,214	15,151
Retail	11,697	11,463	11,552	11,576	11,580	11,370
Wholesale	3,793	3,462	3,466	3,645	3,634	3,781
Financial Activities	3,758	3,819	3,485	3,593	3,573	3,721
Professional Services	14,390	15,460	16,200	16,093	15,991	15,340
Information	1,385	1,386	1,250	1,202	1,195	1,204
Healthcare & Education	11,983	12,963	12,607	12,663	12,695	13,396
Leisure & Recreation	12,502	14,175	14,751	15,113	15,080	15,149
Other Services	2,485	2,826	3,174	3,291	3,283	3,199
Government	9,043	9,380	9,712	9,972	9,987	10,073
Federal	1,060	1,081	1,108	1,144	1,147	1,139
State & Local	7,983	8,299	8,604	8,828	8,840	8,934
Total Wage & Salary	91,958	96,694	98,405	100,231	100,144	100,270
percent change	3.9	5.2	1.8	1.9	-0.1	0.1
Total Non-farm Jobs Created	3,389	4,704	1,811	1,827	-87	126
Unemployment Rate (percent)	7.9	4.5	4.9	5.4	5.4	5.0

Source: California Economic Forecast, September 2026

Labor Market Forecast	Santa Clarita Valley				Forecast: 2027 - 2031
	2027	2028	2029	2030	2031
Sector	– jobs –				
Farm	43	41	41	41	40
Construction	7,170	7,142	7,338	7,384	7,309
Manufacturing	10,958	11,019	11,087	11,109	10,890
Transportation & Utilities	4,922	4,901	4,937	4,803	4,777
Wholesale/Retail Trade	15,116	15,217	15,178	15,490	15,594
Retail	11,445	11,526	11,495	11,743	11,826
Wholesale	3,670	3,691	3,683	3,747	3,768
Financial Activities	3,762	3,781	3,719	3,735	3,794
Professional Services	15,310	15,472	15,613	15,606	15,600
Information	1,188	1,162	1,129	1,115	1,100
Healthcare & Education	13,659	13,816	13,728	13,594	13,427
Leisure & Recreation	15,322	15,520	15,617	15,552	15,507
Other Services	3,271	3,342	3,348	3,352	3,351
Government	10,017	10,009	10,038	10,055	10,061
Federal	1,129	1,123	1,129	1,121	1,113
State & Local	8,888	8,886	8,909	8,934	8,948
Total Wage & Salary	100,838	101,524	101,873	101,935	101,553
percent change	0.6	0.7	0.3	0.1	-0.4
Total Non-farm Jobs Created	570	688	349	63	-382
Unemployment Rate (percent)	4.5	4.3	4.2	4.1	4.0

Source: California Economic Forecast, September 2026

RESIDENTIAL REAL ESTATE

California Market Summary



Los Angeles County

The Santa Clarita Valley

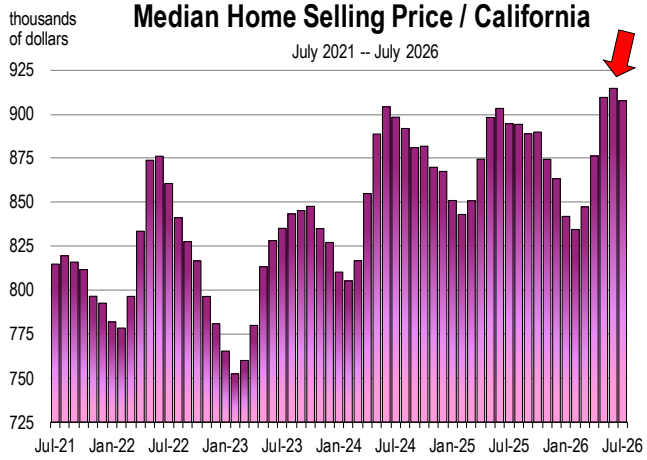
Affordability Issues

Housing Market Forecast

California Market Summary

Over the last year, there has been little change in the residential market throughout California. Sales volume has improved slightly in tandem with more home choice for buyers in some regions. For all of California, sales for the first seven months are 1.6 percent higher than sales a year ago. Selling value appreciation continues to cool but is still slightly higher than a year ago.

In February of this year, the 30-year fixed rate mortgage yield had declined to just over 6.0 percent. However, the Iran-Israeli war, which effectively began on the last day of February, sparked an inflationary environment principally caused by the surge of crude oil prices. By the end of August, mortgage rates had climbed 64 basis points, spiking borrowing costs which pre-empted the recovery of the housing market.



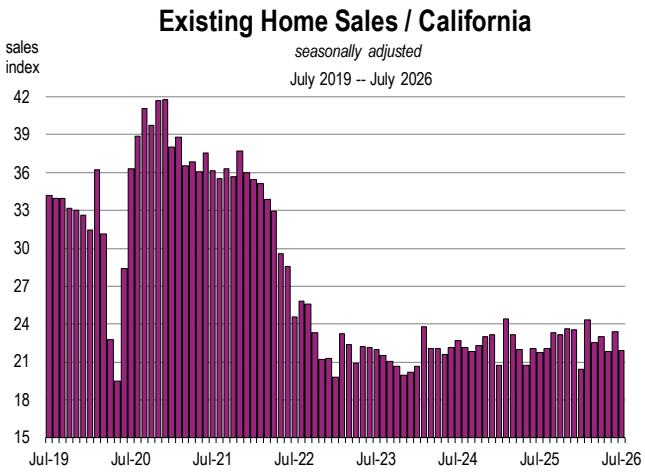
The reversal in rates has renewed homeowners' reluctance to sell due to the "lock-in effect" of older low-rate mortgages.

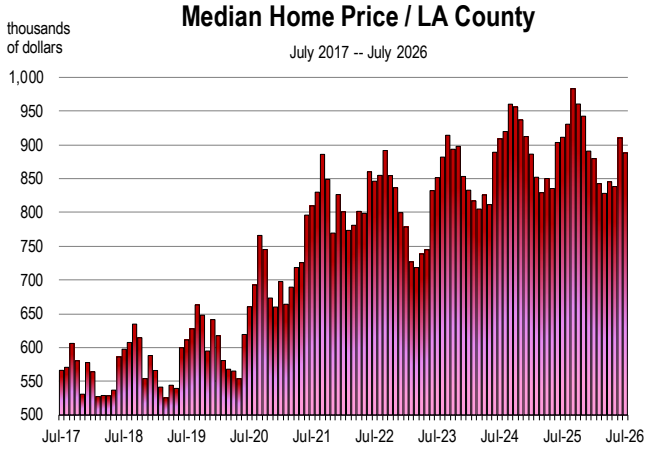
Single-Family Home Sales and Median Selling Price

Southern California Counties Year-to-Date

County	Jan-Jul 2025	Jan-Jul 2026	percent change	Jan-Jul 2025	Jan-Jul 2026	percent change
	------*sales* ---------			--------- *dollars* ---------		
Inland Empire	21,498	21,358	-0.7	605,219	603,261	-0.3
Los Angeles County	20,152	20,130	-0.1	866,944	861,847	-0.6
Orange County	7,649	7,737	1.2	1,436,064	1,400,004	-2.5
San Diego County	9,005	9,350	3.8	1,034,286	1,066,857	3.1
Ventura County	2,562	2,743	7.1	948,357	958,071	1.0
California	123,854	125,836	1.6	878,103	882,104	0.5

Source: Sales: Redfin, August 2026, Prices: California Association of Realtors, August 2026



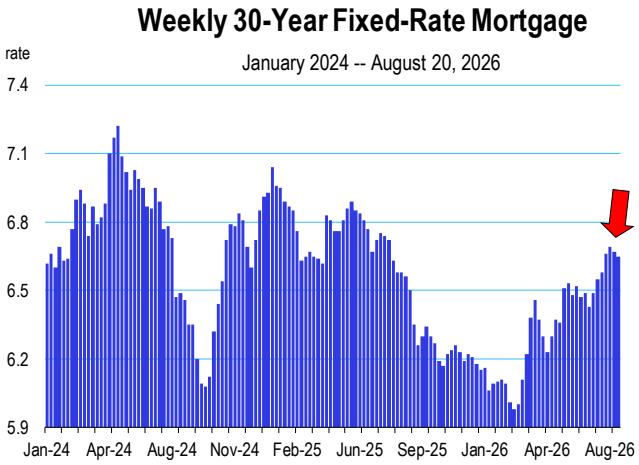


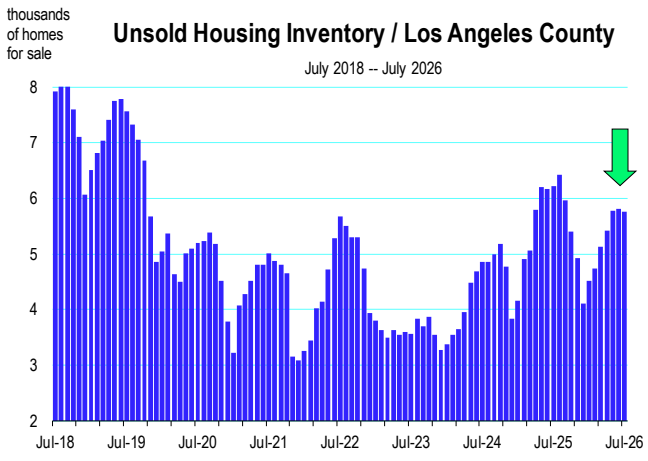
Higher inventory levels have reversed some after rising between 30 and 50 percent in 2025. The increased supply gave buyers more options and negotiating power. Until rates begin to contract again, which would occur with improving reports on inflation, the existing home market is unlikely to change much for the remainder of 2026.

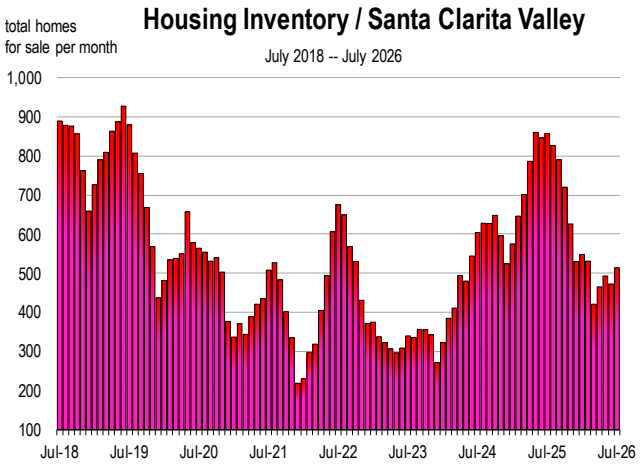
Los Angeles County

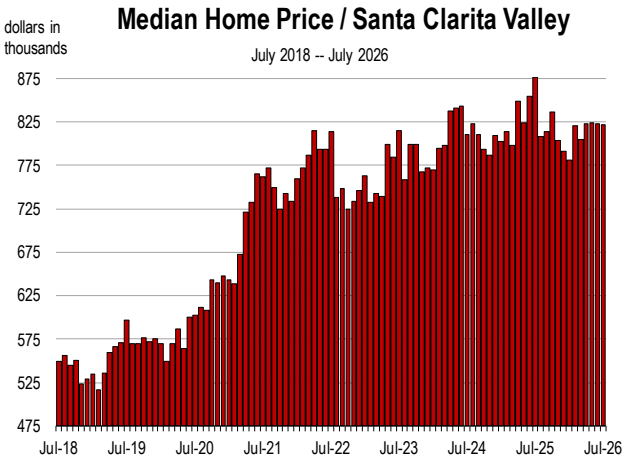
Home prices have remained relatively stable, with the median price at $888,000 as of July 2026. Compared to a year ago, prices are off 0.7 percent. The pace of home sales is unchanged in 2026.

Average levels of for-sale inventory declined slightly for the first six months of 2026 to 7,800, down from 8,000 for the same period last year. This is consistent with statewide trends, where inventory has tightened in 2026.







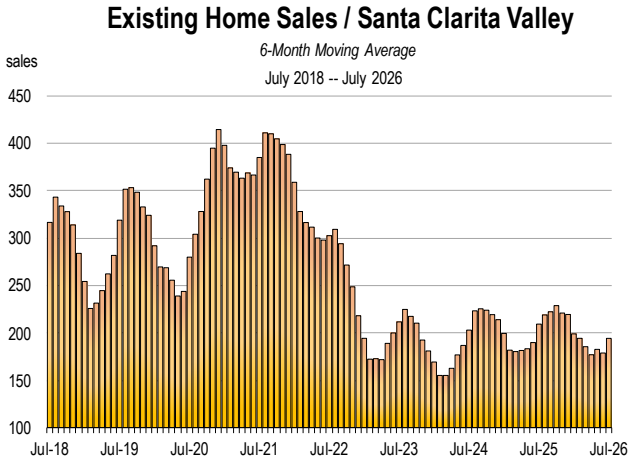


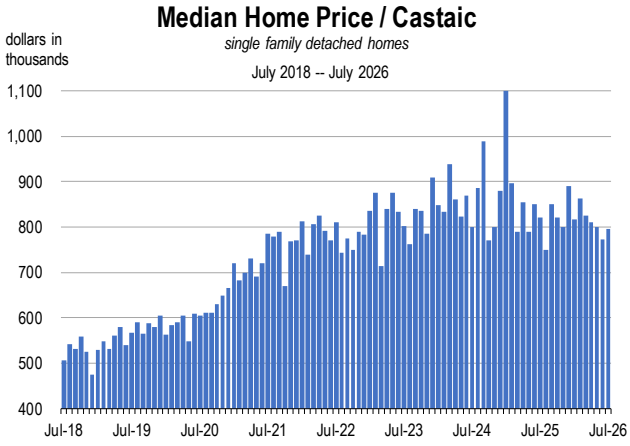
The Santa Clarita Valley

A sharp drop in inventory from 2025 has been followed by a lower volume of sales this year. Sales increased by 2 percent in 2025, but if the current January through July pace is maintained, sales will fall another 7 percent in 2026. Data for the most recent month, July 2026, shows a 12 percent year-over-year decrease in housing sales. This data, in combination with rising mortgage rates, puts into question the possibility of a housing market recovery this year.

The rate of new listings this year is 11 percent lower than in 2025, and the for-sale inventory has declined by 35 percent.

Selling values have declined slightly for the second year in a row. For the first seven months of 2026, the median price for the aggregate Castaic-Santa Clarita-Stevenson Ranch area is $805,500 for all residential sales, and $880,810 for single-family detached homes. For the latter, depreciation is 0.5 percent. For all homes, depreciation is 2.1 percent.





All Residential Home Sales, Inventory and Median Selling Price
Santa Clarita Valley: July 2025 -- July 2026

Community	July 2025	July 2026	percent change	July 2025	July 2026	percent change	July 2025	July 2026	percent change
	------sales ---------			------inventory ---------			--------- dollars ---------		
Castaic	22	16	-27.3	58	34	-41.4	820,000	780,000	-4.9
Santa Clarita	209	186	-11.0	744	443	-40.5	875,000	795,000	-9.1
Stevenson Ranch	18	17	-5.6	55	38	-30.9	1,013,500	1,165,000	14.9
Santa Clarita Valley	249	219	-12.0	857	514	-40.0	876,321	821,650	-6.2

Source: Redfin. August 2026

Rental Market

The Santa Clarita Valley apartment market includes 18,100 units. The average unit size is 923 square feet. The average asking rent as of late August is $2,571 per month.

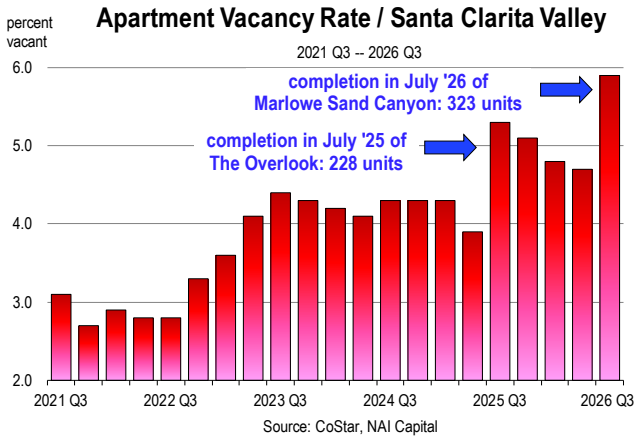
Rent growth has moderated, with the annual rent inflation at less than 1.0 percent this year.

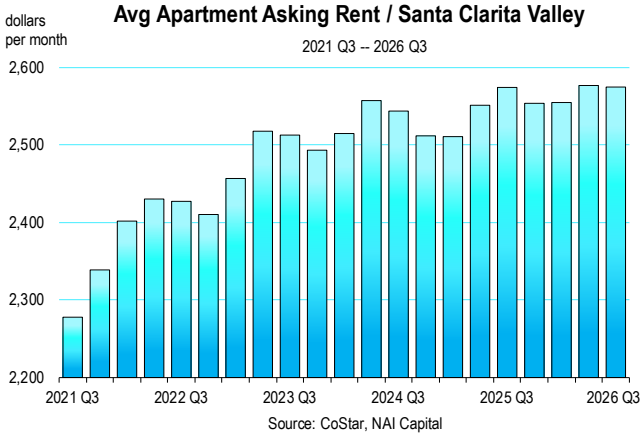
Marlowe Sand Canyon, a Greystar development, was completed in July and began leasing.

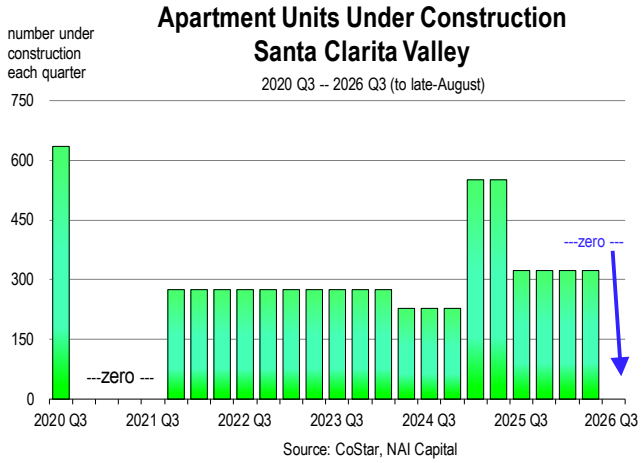
The project includes 323 units, of which 259 are apartments and 64 are three-story townhomes for rent.

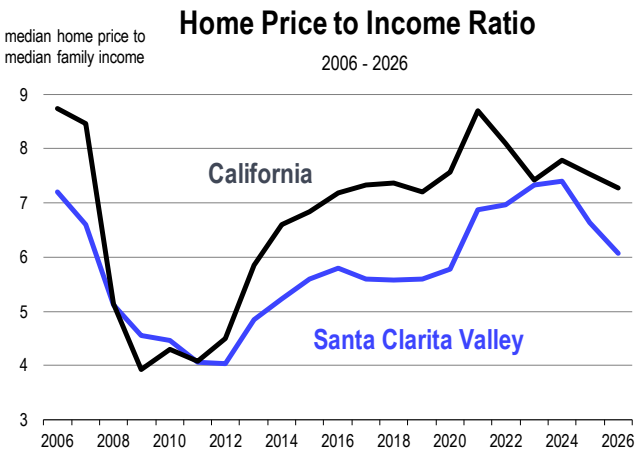
With the delivery of the Greystar project, vacancy rates moved higher to 5.9 percent, the highest apartment market vacancy rate since 2011.

There are no projects under construction at this time. Two large projects that were to start construction this year have been delayed, including Golden Triangle Apartments (164 units) and Riverwalk (150 units)







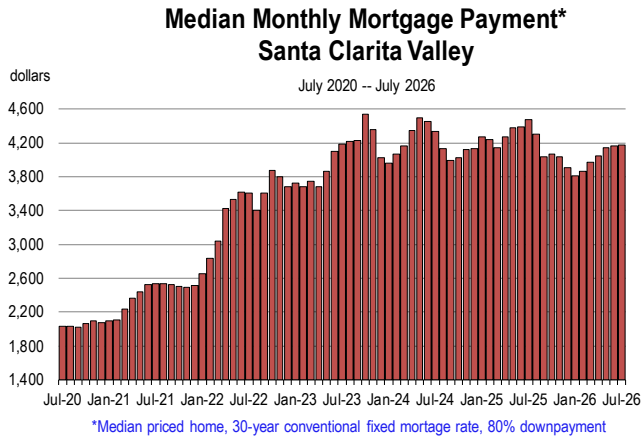


Affordability Issues

Affordability of housing depends on three principal factors: housing price, household income, and the financing rate.

Housing prices are now at all-time record highs; household incomes have been rising, though not entirely in sync with inflation, and financing rates are substantially higher. Consequently, affordability over the last year has generally been in decline.

Over the longer term, affordability in California has generally been deteriorating since 2012,

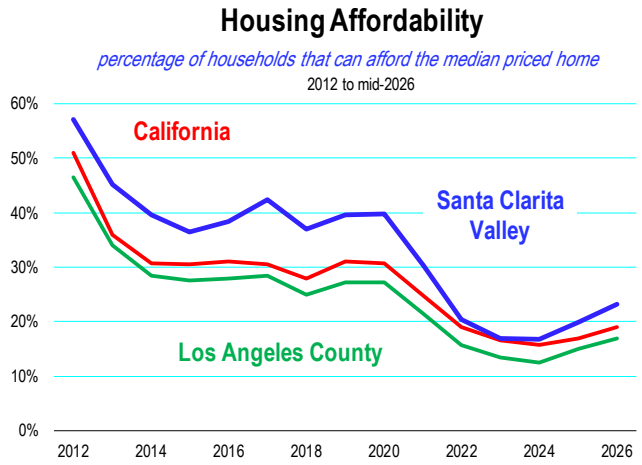


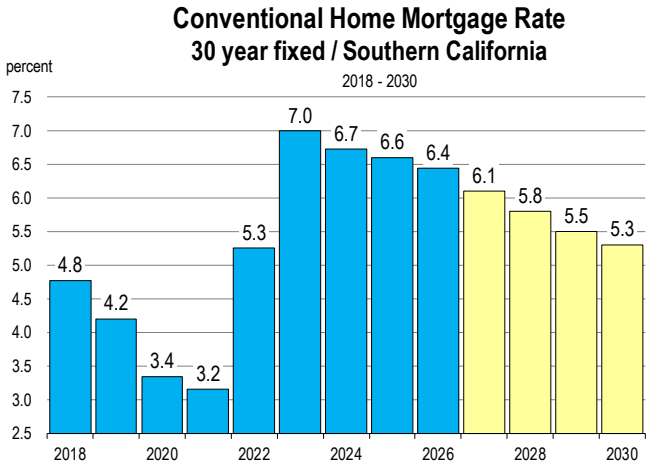
despite rising incomes and receding mortgage rates. The principal reason for this is, of course, steadily rising home prices which have increased faster than incomes. The home price to income ratio shows this clearly. However, in recent years, affordability has improved.

In the Santa Clarita Valley the housing price to household income ratio has declined over the last two years (due to a combination of stagnant selling values for housing and rising median incomes) and is now at 6.1. The ratio is 7.3 for the entire state.

Another measure of affordability is the affordability index itself. Los Angeles County's affordability index is slightly higher than California's. For the most recently ended calendar quarter, affordability in LA County was estimated at only 17 percent of households. The index is based on income, price and the prevailing financing rate.

The median family income in Los Angeles County is estimated by the U.S. Department of Housing and Urban Development at $108,200 for calendar 2026.



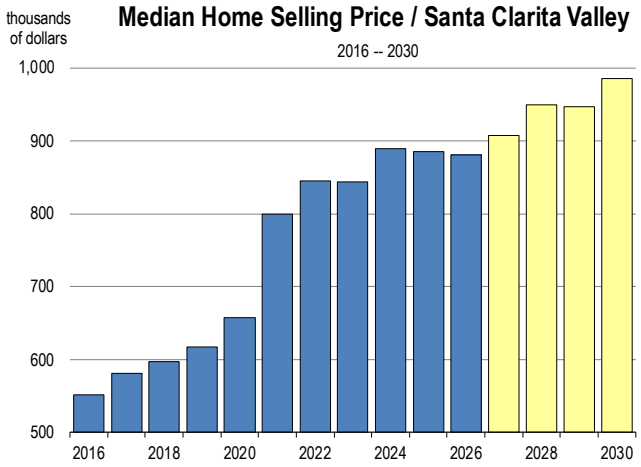


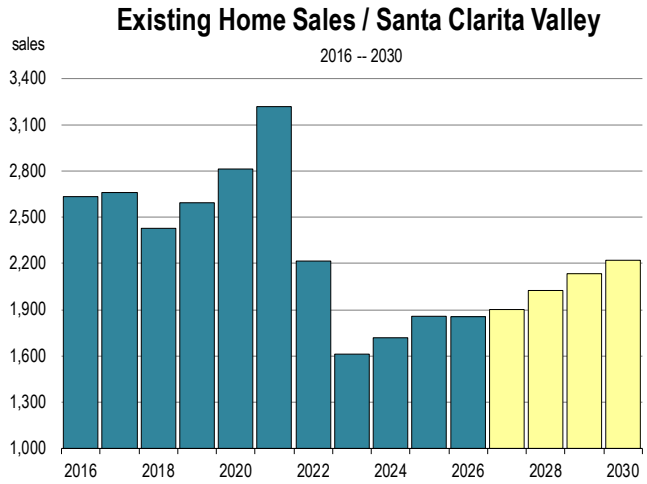
In comparison with LA County and California, the Santa Clarita Valley has had a slightly higher affordability index over time. However, the local region's higher affordability isn't due to lower housing prices, but rather to higher median family income, which is estimated at $145,600 for 2026.

Housing Market Forecast

Mortgage rates, which were in decline last year, have reversed this year. The pace of sales in 2026 is nearly identical to the 2025 pace for many regions. Rates, however, are forecast to decline into 2027, and sales of homes are expected to rise modestly in tandem with inventory which will also rise if interest rates contract.

The next home-buying season which typically begins in March should be more active than the 2025 and 2026 seasons. But even in early 2027, the housing market will still face relatively high financing rates and lower-than-average





levels of inventory. Both of these conditions will improve next year assuming no major economic disruption

The likelihood of recession remains low. Housing demand will improve with declining mortgage rates and an expansion of inventory.

Sales are forecast to rise 2.5 percent in 2027 and 6.5 percent in 2028. Selling values are forecast to rise 3.0 percent in 2027, approximately in line with expected inflation.

Mortgage rates are unlikely to show much downward improvement for the remainder of 2026. The 30-year fixed rate is currently at 6.6 percent and is likely to remain relatively stable or move slightly lower going into the end of the year.

Home sales are constrained by existing home inventory and elevated mortgage rates. But sales will expand as mortgage rates contract. There will also be more new home sales as production rises, which is expected in 2027 and 2028.

Home Sales, Prices, Mortgage Rates and Inflation — History 2022-2026
Santa Clarita Valley

	2022	2023	2024	2025	2026
Median Home Selling Price			*-- dollars --*		
Santa Clarita Valley	844,900	844,400	888,800	885,600	880,800
percent change	5.6	-0.1	5.3	-0.4	-0.5
California	821,931	814,920	867,372	876,129	882,276
percent change	4.7	-0.9	6.4	1.0	0.7
Existing Home Sales			*-- number ---*		
Santa Clarita Valley	2,213	1,610	1,721	1,857	1,855
percent change	-31.2	-27.2	6.9	7.9	-0.1
Effective Mortgage Rates			*-- percent ---*		
Southern California	5.3	7.0	6.7	6.6	6.4
Nation	5.3	6.8	6.7	6.6	6.3
Inflation		*-- percent change in the consumer price index ---*			
Southern California	7.4	3.5	3.3	3.2	3.3
California	7.3	4.0	3.1	3.1	3.7
Nation	8.0	4.1	3.0	2.7	3.3

Source: California Economic Forecast, August 2026

Home Sales, Prices, Mortgage Rates and Inflation — Forecast 2027-2031
Santa Clarita Valley

	2027	2028	2029	2030	2031
Median Home Selling Price			*-- dollars --*		
Santa Clarita Valley	907,500	949,600	947,000	985,700	1,016,100
percent change	3.0	4.6	-0.3	4.1	3.1
California	890,663	932,937	924,899	965,444	996,891
percent change	1.0	4.7	-0.9	4.4	3.3
Existing Home Sales			*-- number ---*		
Santa Clarita Valley	1,871	1,991	2,134	2,221	2,267
percent change	0.9	6.4	7.2	4.1	2.1
Effective Mortgage Rates			*-- percent ---*		
Southern California	6.3	5.8	5.4	5.1	5.0
Nation	6.2	5.7	5.4	5.0	5.1
Inflation			*-- percent change in the consumer price index ---*		
Southern California	2.8	2.7	2.4	2.2	2.1
California	3.2	2.6	2.1	2.2	2.1
Nation	3.2	2.6	2.2	2.1	2.0

Source: California Economic Forecast, August 2026

COMMERCIAL REAL ESTATE

Introduction

Office Market

Industrial Market

Retail Market



Introduction

The data that we monitor to evaluate the commercial real estate markets include current utilization rates, absorption of available space, average lease rates, and projects under construction. The office market remains the weakest commercial market, though a recovery is now becoming more apparent. Workers are returning to the office, and the demand for office space from technology companies has increased this year, despite the widespread adoption of AI.

Office-using employment has entirely recovered in most Southern California labor markets, including the Santa Clarita Valley, so in the event all workers returned to the office, utilization would sharply increase. This dynamic is already occurring, albeit slowly, and is a principal reason for rising office occupancy across the region.

The industrial market remains particularly healthy though 2026 vacancy has moved slightly higher for approximately half of the principal California markets we surveyed. For markets where considerable new product has been completed over the last two years, rates tend to be higher as supply growth has outpaced demand growth. But this condition is likely to normalize over the next year. Los Angeles and Orange counties remain expensive and supply constrained whereas the Inland Empire has more vacancy and more flexible asking rates.

Industrial Vacancy Rate
California Regions / 2024 – 2026

	mid-2024	mid-2025	mid-2026	Source
San Francisco	8.4	9.5	8.1	CBRE
San Jose	5.6	5.1	5.9	CBRE
Silicon Valley	3.2	4.7	4.2	CBRE
San Mateo	4.4	5.0	4.7	Cushman & Wakefield
Palo Alto	1.1	4.3	4.4	Kidder Mathews
Los Angeles County	3.4	6.2	5.0	CBRE
Los Angeles downtown	2.9	4.4	5.1	CBRE
San Fernando Valley	1.6	4.9	5.0	CBRE
Orange County	2.1	4.4	5.5	CBRE
San Diego downtown	3.2	4.9	3.1	Kidder Mathews
San Diego County	5.2	7.2	6.5	CBRE
Sacramento	4.8	5.4	6.0	CBRE
Inland Empire	6.8	7.9	7.4	CBRE
Ventura County	2.4	3.1	4.2	CBRE

Retail space is generally in demand in California though conditions vary by market. Most retail markets report retail vacancy between 3.8 and 6.4 percent during 2026 Q2. Though taxable retail sales have not risen in any Southern California market since 2023, there has been no noticeable fallout regarding tenant demand for space. Many retail locations are occupied by companies offering entertainment, recreation, and personal or medical services, the demand for which is growing and replacing the demand for goods.

Office Market

The NAI/CoStar estimate of reported vacancy for all office product in the Santa Clarita Valley is currently 12.9 percent. Moreover, the availability rate for office space is 13.3 percent. These rates are based on a total office inventory of 242 buildings comprising 5.6 million square feet.

For Class A and B space, Colliers reports a vacancy rate of 23.8 percent and availability at 24.9 percent for the Santa Clarita Valley for the period ending Q2 of 2026. The total inventory of 2.1 million square feet of office is less than half of the total office space reported by CoStar. The Class A and B measures are higher than the all-office measures. Consequently, Class A and B show much higher vacancy and availability than other office class properties in the region.

The consensus of commercial broker reports indicates that general office market conditions in California have improved over the last year. More office markets are reporting lower rates of office vacancy this year than last, especially true

Office Vacancy Rate
California Regions / 2024 -- 2026

	mid-2024	mid-2025	mid-2026	Source
San Francisco	36.8	34.8	29.2	CBRE
San Jose	17.8	17.4	19.3	Kidder Mathews
Silicon Valley	19.5	17.3	15.2	CBRE
San Mateo	20.3	22.3	21.1	Cushman & Wakefield
Palo Alto	8.7	14.3	15.8	Kidder Mathews
Los Angeles County	23.3	24.1	25.8	CBRE
Los Angeles downtown	31.5	35.7	35.3	CBRE
San Fernando Valley	19.5	20.0	17.6	Colliers
Orange County	14.7	15.7	13.3	CBRE
San Diego downtown	30.0	36.5	33.3	Kidder Mathews
San Diego County	14.3	14.2	13.8	CBRE
Sacramento	17.6	18.4	18.3	CBRE
Inland Empire	8.5	7.5	6.6	CBRE
Ventura County	17.2	20.7	20.3	Colliers

for submarket areas of San Diego, Los Angeles, and Orange Counties. This is due to rising demand from technology companies and more pervasive use of office space by workers. Remote office worker prevalence is now clearly in decline, driven by a rising share of organizations implementing in-office policies. According to a CBRE workplace report from July 2026, almost 90 percent of employers require workers to be in the office at least three days a week, up from 78 percent in 2025.

AI is impacting space planning decisions for 23 percent of surveyed organizations, while 30 percent expect it to result in meaningful impacts within the next two years. CBRE stated that AI will "likely result in heightened demand for premium space rather than less space."

Many office workers continue to follow a hybrid work schedule for daily work. However, compared to last year when 23 percent of employers expecting only one to two days of in-the-office attendance, that mandate has now dropped to just 11 percent as more employers expect 3 to 5 days of in-the-office work. And nearly a third of organizations expect that usage to increase over time.

But this is not the main reason that office utilization rates are slow to normalize.

There is much less employment growth, and particularly in the office-using sectors. Information industries, finance and insurance, and professional business services job creation has been negative since mid-2023. While office employment in general has remained largely stable, it is not rising. Consequently, though the office market is now in recovery, progress toward pre-pandemic office utilization is slow.

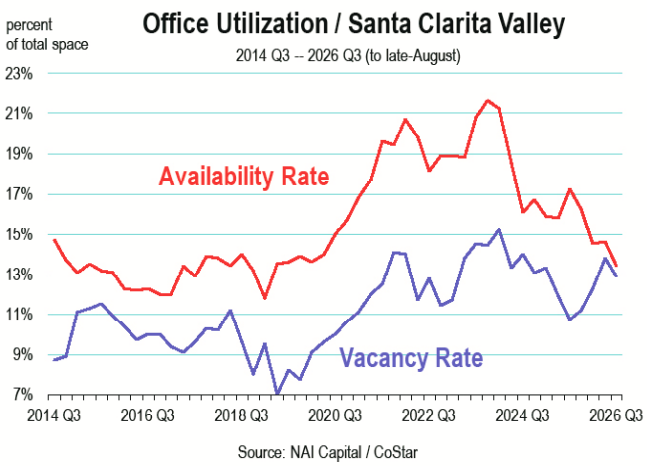
Update on the Office Market Recovery

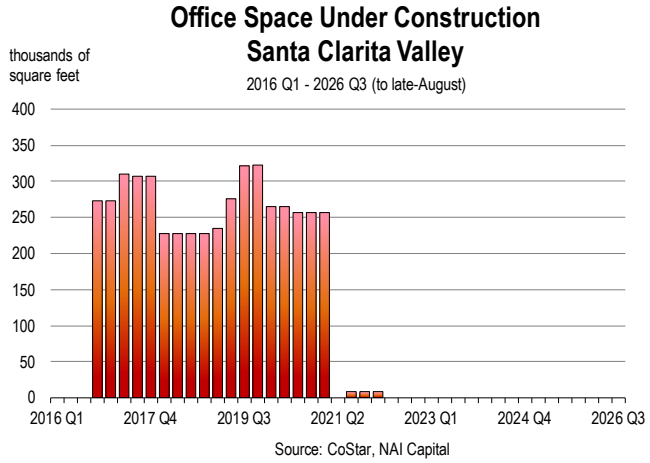
California's office market is **recovering, but selectively rather than broadly**. The strongest momentum is in San Francisco and Orange County, while other markets—especially those with older commodity space or weaker tenant demand—are still working through elevated vacancy and slow rent growth.

The national recovery provides an important backdrop for California. In Q2 of 2026, U.S. office vacancy fell year over year to 20.1 percent, four-quarter net absorption reached a post-2020 high of 14 million square feet, and vacancy declined in 49 of 92 tracked markets. [1]

Sublease availability fell 15 percent from a year earlier and is now 28 percent below its 2024 peak. This matters because much of California's earlier distress came from excess sublease inventory. As tenants lease that space, availability falls before landlords necessarily observe a full revival in direct leasing. Sure

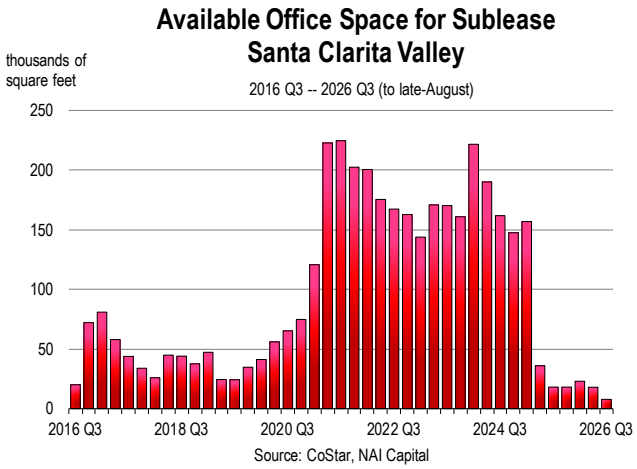
1 Cushman & Wakefield, U.S. Office Market-Beat, Q2 2026.





enough, in the Santa Clarita Valley market, office space availability has plunged in over the last year, from 17 to 13 percent, while the conventional vacancy rate has remained relatively constant. This is largely but not entirely due to the sharp reduction of officially reported sublease space in the Town Center by Princess Cruises.

A second structural support is the very limited new supply. Conversions, demolitions, and repositioning have reduced total office stock in California over the last two years. Locally, no new office product has been started nor delivered to the market in five years.

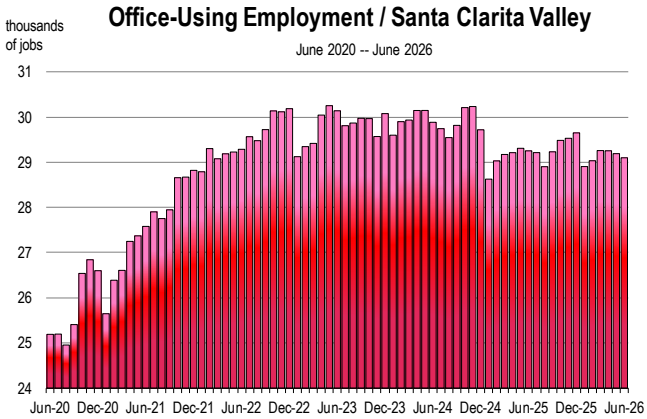


The key assumptions we've made over the last two years to forecast the recovery of the office market have been (1) office using employment would increase over time as it has for the last 30 years, and (2) there would ultimately be a greater push by employers to mandate the return of workers to the office. These two forces would naturally lead to greater demand for office space, and the eventual recovery of the office market.

Our base case forecast two years ago was the return to a more normalized office market by 2028.

Normal organic growth in the office workforce from existing companies in the region or new in-migrating companies would generate the

conditions for recovery. While we still believe these forces will continue to evolve as expected, the substitution of AI systems for workers alone could push the office market recovery further out. The consolidation of jobs in the professional business services sector which is the largest office using labor market---has led to an overall reduction in office-using employment. Recently, however, a renewal of tenant demand has been observed, led by AI technology expansion.



Tenant Demand

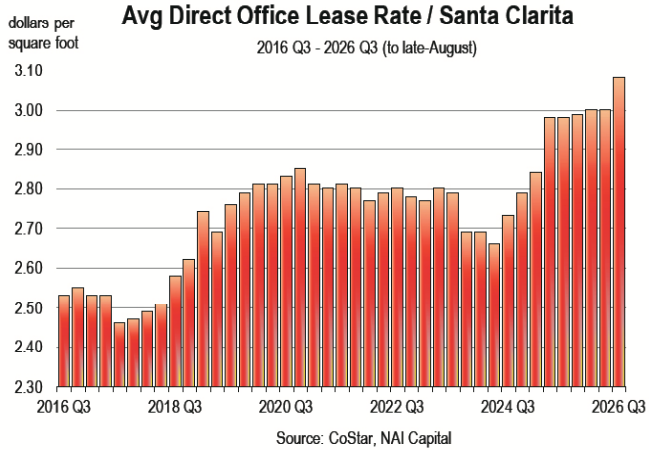
Technology has been the largest leasing sector, aided by AI-oriented companies, aerospace and defense. This mix has especially been relevant to the Bay Area, Los Angeles, Orange, and San Diego counties.

Tenants continue to favor newer, amenity-rich, transit-accessible, efficient buildings. Scarcity of new Class A product is allowing stronger rent growth at the top of the market, while lower-quality buildings remain vulnerable.

The most plausible scenario for recovery of office is a gradual tightening rather than a rapid rebound due to a surge in tenant demand. Clearly, the lack of supply will aid the conditions for positive absorption of vacant space if demand growth remains positive. Currently, AI company formation and expansion, and the aerospace buildup in El Segundo, Long Beach, Seal Beach, the Antelope Valley and the Santa Clarita Valley will drive the conditions for recovery, which will be uneven.

Effective recovery will remain region-specific and building-specific: a modern building in a preferred submarket may be in a landlord-favorable market, while a dated downtown asset only blocks away may still require a conversion, recapitalization, or deep rent concession.

Last year, Princess Cruises announced plans to relocate into a consolidated campus in Miami-Dade County no later than 2028. Currently, they occupy a large space in the Valencia Town Center campus but have closed the Avenue Rockefeller location. Princess Cruises also now



identifies their headquarters location in Fort Lauderdale, Florida.[2]

In April 2026, reported office occupancy at Princess Cruises' 395,000-square-foot Town Center location was reduced to below 50 percent, referring to the share of leased office space still being occupied rather than employee attendance. Their lease ends in late 2027. Consequently, there now exists a very large block of office vacancy in Santa Clarita.

The Santa Clarita Valley Office Market

By Richard Ramirez, First Vice President
CBRE – Advisory and Transaction Services

2025 In Review

In 2025, the Santa Clarita Valley professional office market found itself in another year of its new normal, post-Covid, partial hybrid environment. Compared to recent years, space utilization was generally stable with more active traditional professional office user requirements. Though many office tenants continue to reassess their space needs, many other office tenants have proceed with new office relocations and upgrades. In response, some office property owners have intensified efforts to revitalize their spaces, focusing on enhanced amenities and concessions to attract and retain tenants. This shift has led to a new tenant expectation, prioritizing premium spaces in prime locations to encourage employees to return to the office. All the new amenities and office spaces come at a cost, though. Prime properties have seen rates start to increase with concessions starting to come down. Though there's still room to negotiate, higher quality options are in lower supply.

Overall, the SCV professional office market is getting healthier, with a direct vacancy rate hovering just under around 17%, supplemented by an additional "shadow vacancy" of 10-15% for sublease and under-utilized space. On their face, these numbers are only slightly better than last year's. However, current vacancy includes about 170k SF (or just under 5% of the market) in one block of space at Town Center, formerly leased by Princess Cruises that all hit the market in 1Q26. Even with that, vacancy is tighter now. Overall, SCV market is performing better than other submarkets in the Greater Los Angeles area and Southern California. Interest in high-quality, suburban, low-rise office properties continues to outperform activity in core, high-rise markets.

Current State of the Market

Approaching the end of 2026, the SCV Office Market presents a stabilizing market for owners,

2 Perry Smith, "Princess Planning to Set Sail in 2028," The Santa Clarita Valley Signal, Feb. 10, 2025.

still with opportunities for users. The prime office market has started to see increases in face rates, with concessions in the form of tenant improvement dollars and free rent available to strong-credit users but starting to taper off.

There is a range of 2nd generation options with existing build out for tenants in many size ranges, though not as many options as years past. Construction costs have continued to stay high so being able to utilize a space "as-is" has significant leverage in negotiating a new deal. Any deal involving significant modification is more costly than in prior years, reducing available concessions on "turn-key" type transactions, sometimes now with tenant participation in costs.

Though the professional office market continues to see challenges, one bright spot continues to be medical office condominium product for sale. Given limited local supply of acquisition opportunities, pricing and activity on medical condos remains strong. Even with increased interest rates, the long-term nature of medical users has kept the for-sale market tight, especially for newer product.

2026 Forecast

Looking ahead, we anticipate the SCV office market will remain stable with potential for additional rent growth and tightening concessions in prime properties. Large block sublease space will still be an option on the market, though there will be few viable users who could truly occupy those options. Of primary focus is the large vacancy at Valencia Town Center with Princess Cruises' lease expiring on a majority of their previous HQ holdings. The whole market is waiting to see what solution comes and if it's redeveloped to a different product type, we'll see additional tailwind for the office market in a reduction of its overall base. This market will continue to appeal to local companies and both foreign and domestic firms seeking proximity to Los Angeles. However, for properties struggling to attract traditional professional tenants, we may see conversions to non-traditional uses that were once the domain of industrial or flex spaces. Fortunately, there continues to be no new construction in the pipeline outside of medical office for sale product, and some existing properties are being considered for demolition or repurposing. Nevertheless, it will take time before we see a truly "healthy" office market return, and it continues to look like there is a new norm in place.

The Industrial Market

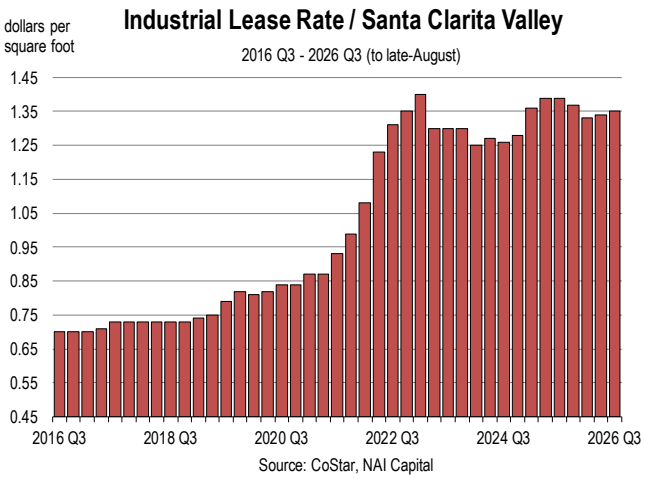
California's industrial market was in a mid-cycle normalization and early stabilization phase through Q2 2026. Tenant demand strengthened, particularly for large logistics and distribution facilities, while the development pipeline contracted sharply; however, vacancy remained

well above the extraordinarily tight 2021–22 levels and asking rents continued to reprice downward in much of Southern California.

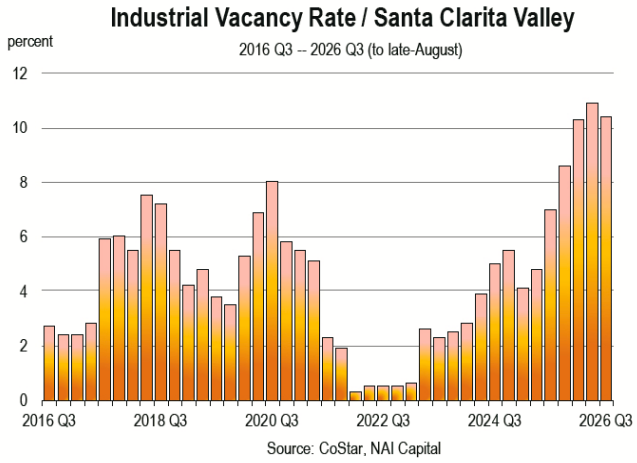
California did not move as one market. The principal logistics markets—Los Angeles/Long Beach, the Inland Empire, Orange County, and the Central Valley—were still absorbing the supply delivered during the 2022–25 boom.

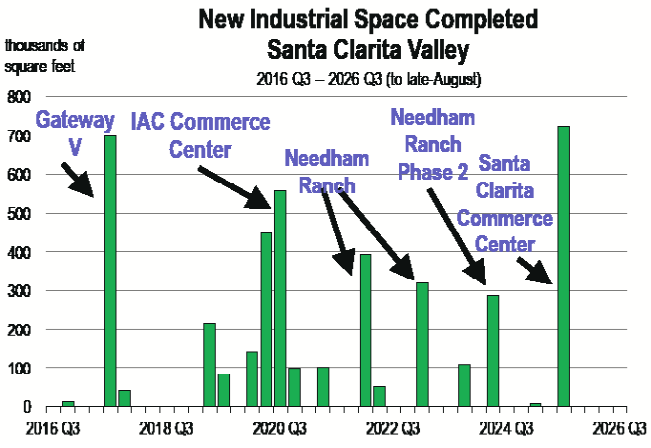
Conditions have now changed in Ventura County, the San Fernando Valley, and much of Los Angeles and Orange counties where demand for new warehouse, distribution and fulfillment centers soared during the boom. The prolific onset of new industrial product coming online throughout Southern California has at best, caught up to demand and, in many markets, has exceeded demand growth. This year, development discipline, fewer completions, and rising leasing activity have begun to restore balance.

The Inland Empire is the most tenant-favorable market in Southern California at this time, particularly for large logistics and



distribution requirements. At the end of June, direct vacancy was 7.4 percent, or 8.6 percent including sublease space; availability was even higher at 12.9 percent, signaling that many tenants have multiple realistic alternatives even where space is not technically vacant. Though it remains an active submarket within the greater Los Angeles area, the Santa Clarita Valley industrial market is experiencing this period of adjustment, with rising vacancies and slowing rent growth. Overall demand has softened compared to previous years, while recent construction activity has delivered more new developments.

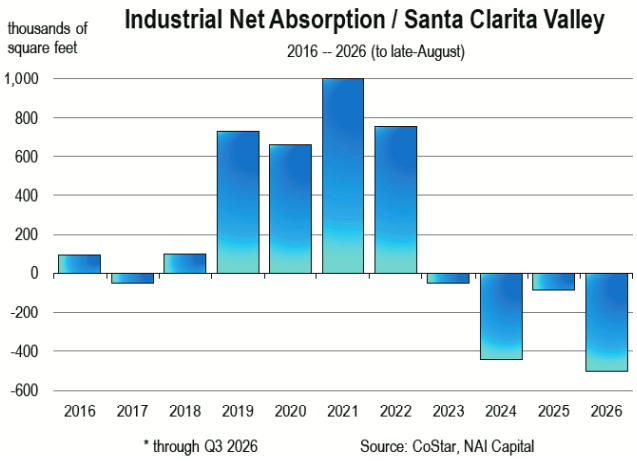




The NAI/CoStar estimated industrial vacancy rate for the Santa Clarita market was 10.4 percent at the end of August 2026. Just one year ago, it was 4.8 percent. Conditions changed when 723,000 square feet was completed and added to the market a year ago. This amount of new space is now just becoming absorbed by recent lease deals.

The DrinkPAK Expansion in June 2026 is the largest recent transaction in the SCV. The beverage manufacturer secured its eighth industrial facility in the valley. Located within the Santa Clarita Commerce Center, the 257,507 square foot expansion brings DrinkPAK's total regional footprint to nearly 1.4 million square feet.

World Tech Toys signed a 126,600 square foot warehousing lease on Avenue Penn in Valencia. Aero Engineering expanded its footprint by adding 113,400 square feet to its aerospace facilities in Valencia.



The Santa Clarita Valley Industrial Market

By Craig Peters, Vice Chairman
CBRE - Advisory and Transaction Services

2026 in Review (Year to Date)

So far in 2026, industrial property in the Santa Clarita Valley market continued as the top asset class in commercial real estate, but tariff uncertainty coupled with fuel increases has softened all major industrial markets. Further, the significant entertainment slowdown disproportionally impacted properties within the San Fernando and Santa Clarita Valleys. Over the past year, vacancy more than doubled to 5.4%. Primary demand comes from relocations to the area from City of LA and expansions of local SCV companies within key industries such as Consumer Products, E-Commerce and Advanced Manufacturing/ Aerospace & Defense leading the way. With the slowdown in demand, lease rates and sales prices fell by 15% to 20% over the year after their record run-up in the post-pandemic years.

Lease rates have ranged from $1.20 to $1.60 per square foot NNN with size, quality, and location being the key differentiators. Building sale prices continue to exceed expectations in this higher interest rate environment with newer Class A buildings selling in the mid $300's PSF and older Class B buildings in the mid $200's to low $300's PSF.

New developments remain scarce in 2026, with the exception of the below:

- Santa Clarita Commerce Center (Covington/HIG): Completed in August 2025 ranging from 40,110 SF to 257,507 SF at Railroad Ave. and Oak Ridge Rd. The largest building has been leased to DrinkPAK

- CEG Witherspoon: A 126,607 SF building completed in early 2025. The building was leased to WorldTech Toys.

- Golden Valley Industrial Facility (Pacific Industrial): A 172,843 SF building completed in February 2025. The building was leased to DrinkPAK.

- LogistiCenter at Valencia (Dermody): Closed escrow on a 13-acre site to construct a 295,584 SF building in 2026.

Investors and capital partners for new development have become more conservative due to the significant interest rate increases that have occurred over the past four years and have limited new supply.

Major transactions this year include:

- Lease of a 257,507 SF building at Santa Clarita Commerce Center by DrinkPAK.

- Lease of a 172,843 SF building on Golden Valley Rd. by DrinkPAK.

- Lease of a 126,607 SF building in Valencia Commerce Center to WorldTech Toys.

- Lease renewal of a 113,640 SF building at The Center at Needham Ranch by LA North Studios.

- Lease of a 113,400 SF building in Valencia Commerce Center to Aero Engineering.

- Lease renewal of a 111,935 SF building in Valencia Commerce Center by Lief Organics.

- Lease renewal of a 101,255 SF building in Valencia Commerce Center by AMS.

- Lease of an 80,317 SF building at the Valencia Commerce Center to ASC Process Systems.

- Purchase of a 70,000 SF office/technology building in Valencia Industrial Center by huMannity.

Current State of the Market

With more availability, tenants are seeing incentives such as rent abatement and allowances that haven't been seen in several years. Still, positive absorption returned in 2026 and is compressing vacancy so these incentives may be short-lived. And, the limited new construction will cap availability in future years. The primary industry drivers have changed. For the past ten years, Entertainment led the way. Today, we see Advanced Manufacturing, E-commerce and 3PLs as the most significant drivers in the SCV market. In particular, we are seeing Aerospace, Defense and Space users

with new requirements for significant facilities. Further, the American consumer continues its spending spree at record levels despite the drop in consumer confidence resulting in Consumer Products companies also having demand for space.

While prices have dropped, they continue to be significantly higher than pre-COVID levels and these higher prices are pushing some companies to consider other areas in the region or possibly other states due to lower prices and incentives. Additionally, State of California policies continue to push companies out of California. Still, the SCV maintains significant competitive advantages to the adjacent City of Los Angeles resulting in a continued migration of companies from LA to SCV.

Owner-users buying their buildings are a growing trend in the SCV market. For years, these buyers were sidelined as institutional investors, with deeper pools of capital, outbid them on most opportunities. Softening capital markets have narrowed that gap, giving owner-users a more competitive path to ownership. Decent SBA loan terms remain available, and manufacturers can access substantial tax benefits under the One Big Beautiful Bill Act, adding further incentive to buy rather than lease.

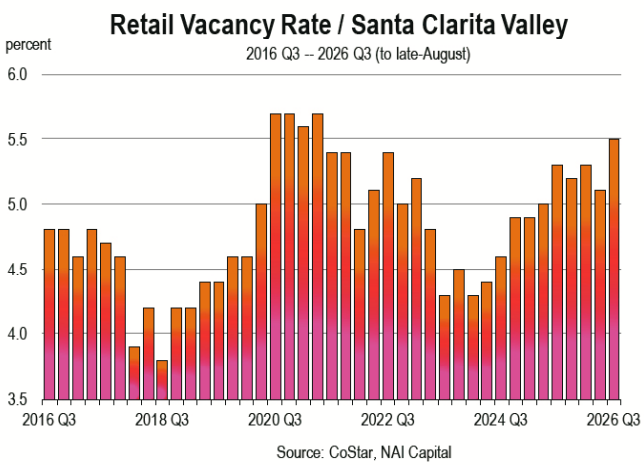
2027 Forecast

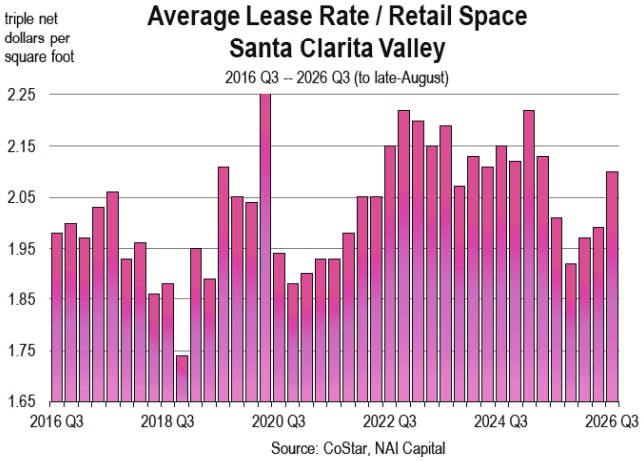
We anticipate stronger market fundamentals in 2027 as the combination of positive demand and limited new supply should reduce market vacancy. Looking ahead, the SCV industrial market will likely continue to face headwinds from falling availability and increasing prices impacting the entire SoCal industrial ecosystem. High interest rates will continue to make new development more challenging and further limit supply. In general, we are optimistic for 2027 as industrial demand from primary industry clusters is anticipated to continue.

General themes should include:

- Advanced Manufacturing led by Aerospace, Defense and Space companies will continue to absorb significant facilities.
- E-commerce, 3PL and Consumer Product distributors will continue to expand from the Valley to meet increased demand from consumers in the Greater LA region.
- Entertainment will stabilize as studio space is repurposed to other uses and the industry receives some much-needed support from State and potentially Federal incentives.
- Very limited new development in 2027 will present further challenges to an already undersupplied market.

With vacancy falling and continuing demand for space from these primary industry clusters, companies should be planning well in advance of lease expirations in order to find suitable alternatives. For expanding companies, build to suits may be the only viable option which can





take 18 to 24 months. By examining options early, companies can position themselves advantageously and navigate through the hurdles that exist in today's market.

The Retail Market

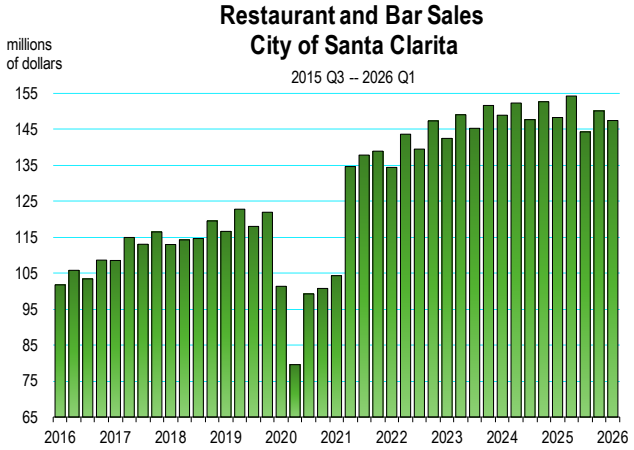
The Santa Clarita retail market has largely adapted to the changing composition of the retail industry. Retail utilization and availability remain high, and lease rates continue to steadily rise.

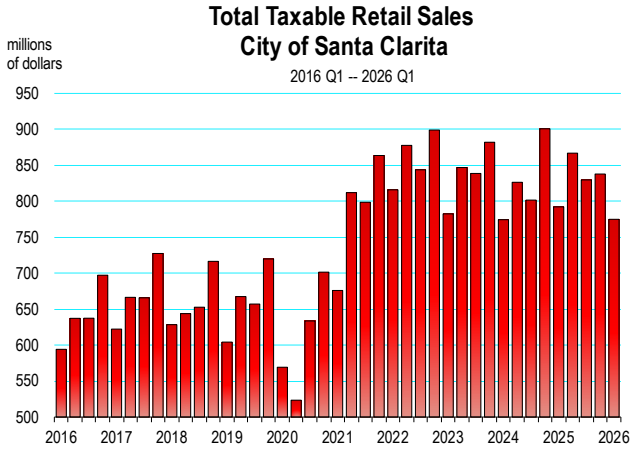
Utilization is generally healthy in Orange, San Diego, Sacramento, San Francisco, and Santa Clara counties, with Los Angeles County being the exception, though retail centers are still reasonably occupied in absolute terms.

Not all retail formats are thriving. Retail's relative strength comes from constrained new supply, and the persistence of service, food, fitness, entertainment, medical, and experiential uses occupying retail centers.

Retail Market Vacancy Rate
Southern California
2024 Q2 -- 2026 Q2

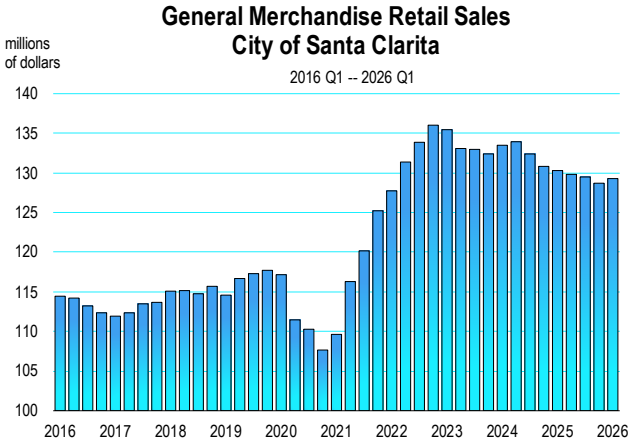
	mid-2024	mid-2025	mid-2026	Source
Los Angeles County	6.3	6.3	6.7	Colliers
Los Angeles County	5.7	6.2	6.2	NAI Capital
Los Angeles County	5.6	6.2	6.0	CBRE
Orange County	5.0	4.4	4.3	Colliers
Inland Empire	6.7	7.0	6.7	Colliers
Ventura County	5.8	5.9	5.6	CoStar
San Diego County	4.2	4.3	4.5	Kidder Mathews





In Santa Clarita, vacancy rates are slightly higher today than a year ago, at 5.5 percent. Lease rates have recently moved higher, with the average triple-net asking rent now at $2.10 per square foot, an increase of 4.3 percent from a year ago

Consumer spending initially paved the way for the local retail market to strengthen between 2021 and 2024. Spending, however, has slowed down for autos, general merchandise, gasoline, household furnishings and at restaurants and bars. Sales are higher for building materials and garden supplies.



There is less of a pullback in restaurant and bar spending through the first quarter of 2026. Total retail sales that are subject to sales taxes tumbled 2 percent in Q1 of this year versus last. Total taxable sales were higher by less than one percent.

The slowdown or even decline in sales of retail goods, food and beverages is not unique to Santa Clarita. It is occurring throughout the state. Consumers have shifted some spending from goods toward services, including personal services, entertainment, recreation, and fitness

NEW DEVELOPMENT

Residential Development Summary

The Development Pipeline



Residential Development

Mixed-Use Development

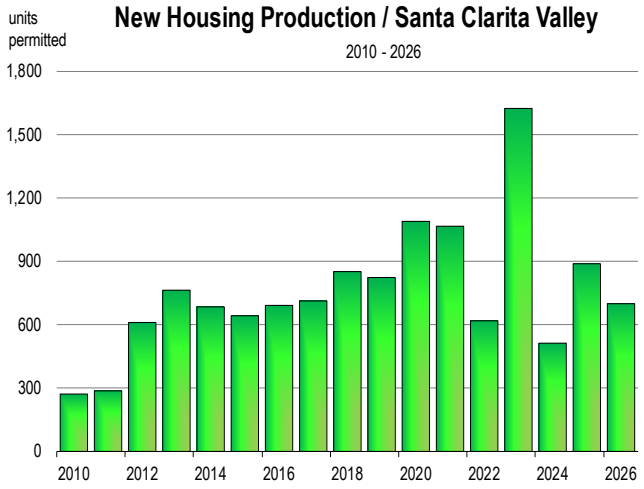
Commercial and Industrial Development

The Forecast

Residential Development Summary *in 2025 and 2026 year-to-date*

During 2025, 889 residential units were permitted in the Santa Clarita Valley. Ninety-three percent were single-family homes. Just outside the city limits, the FivePoint Confluence, Williams Ranch, Sand Canyon Village, and Tesoro Highlands projects are fully underway. Confluence generated most of the total residential units permitted in 2025 and accounted for most residential permits in 2025 and 2026 year-to-date.

During the first 8 months of 2026, 285 homes have been formally permitted in the unincorporated Valley area, nearly all within the 12 active neighborhoods at Confluence. Very few units of new housing are in multi-family projects, though more projects will be underway when MetroWalk commences apartment construction either later this year or next.



The Development Pipeline

Among the principal projects in the Santa Clarita Valley, there are 38,700 residential units in some phase of the planning process.

Residential Units Permitted — **Santa Clarita Valley** — **2018 - 2026**

	2018	2019	2020	2021	2022	2023	2024	2025	2026*
City of Santa Clarita				---- units permitted ----					
Single-Family Units	339	249	739	329	166	654	255	395	276
Multifamily Units	68	557	351	2	2	327	25	0	6
Total Residential Units	407	806	1,090	331	168	981	280	395	282
Unincorporated area									
Williams Ranch	NA	NA	NA	NA	107	78	65	23	5
FivePoint Valencia	NA	NA	NA	727	334	557	58	242	270
Other	445	44	69	9	10	9	10	1	10
Total Residential Units	445	44	69	736	451	644	233	494	285
Total Units Permitted Santa Clarita Valley	852	850	1,159	1,067	619	1,625	513	889	567

*Note: 2026 is for the January through August period. NA = not available

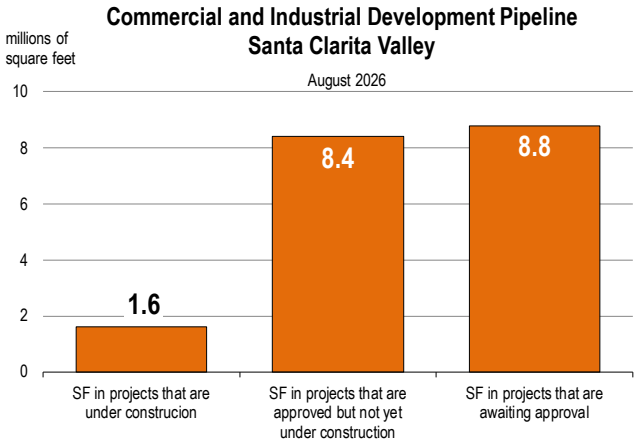
Source: HUD, Los Angeles County, the City of Santa Clarita, and the California Economic Forecast

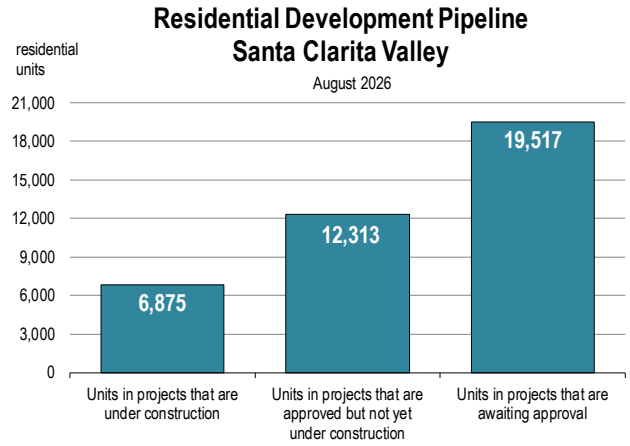
Santa Clarita Valley Unincorporated 2026 Housing Starts to Date

Housing Project	number of units permitted
Confluence	190
Airport Mesa	46
Aiden Hills	34
Williams Homes	5
Other	10
Total	285

Source: Los Angeles County, January 1-August 19, 2026

Across the Valley, there are 6,875 units in projects that are actively under construction, including Confluence at FivePoint Valencia. There are also 12,313 units in projects that have been approved but have not broken ground.





There are over 19,000 units in projects that are awaiting approval, including the proposed Sunridge project and 2,200 conceptual units that could be built within the Town Center Specific Plan. Most of the pending residential units are the subsequent villages of the Valencia project that have yet to be approved for vertical construction.

The Santa Clarita Valley now has over 18 million square feet of space in its commercial and industrial development pipeline.

Throughout the region there is 1.6 million square feet of space in projects that are actively under construction, including Vista Canyon and parts of Sand Canyon Village. There are also 8.4 million square feet of space in projects that have been approved but have not broken ground.

There are 8.8 million square feet of space in projects that are awaiting approval, including the portions of the Valencia project that have yet to be approved for vertical construction.



Trenton Heights Development

Residential Development

Recently Completed Projects

Trenton Heights

This project was approved in 2019 by the Planning Commission. It includes 93 single-family detached condominiums on a 19.4-acre site. Additionally, the plan includes a recreation center, a community pool, and private streets. Construction of the Trenton Heights residential neighborhood is fully completed, but it remains under a degree of ongoing developer control while the remaining homes are marketed for sale.

Residents have raised concerns about the continued closure of the neighborhood pool and recreation center. Major community common areas, specifically the neighborhood swimming pool and recreation center, had remained closed for nearly two years while required Los Angeles County Department of Public Health pool permitting remained unresolved. The facilities opened in April 2025.

Projects in the Pipeline

Tesoro Highlands

The Highlands at Tesoro del Valle is actively selling and nearing final community completion. Approximately 30 percent of the total site area will be developed, with 875 acres of the property to be preserved as permanent open space. The project will include 820 homes in a variety of traditional and contemporary architectural styles:

- 318 single-family detached homes on lots of at least 5,000 to 7,000 square feet
- 365 age-qualified (55+) single-story condos and single-family homes on lots of at least 5,500 to 6,300 square feet
- 137 estates on lots of at least 9,000 to 20,000 square feet
- 1,270 total acres of land
- 13 neighborhoods



Tesoro Highlands

Construction Status:

- Toll Brothers Luxury Collections: Structural building is completely finished in the upscale Alta Monte and Bella Terra gated neighborhoods. Model homes remain open, and only a limited number of final quick-move-in luxury properties are still available, with pricing starting at $1.59 million and going up to over $2 million, as of September 2026.
- Lennar Standard Collections: The Campana and Avila subdivisions are entirely finished and sold out. However, Lennar is actively building vertical infrastructure in the Arches and Montilla segments located at the highest elevation of the community. New home sales and active construction continue on these large-scale hillside lots.
- The Villas (55+ Active Adult Communities): Construction is complete for three of the four age-restricted neighborhoods: Paseo, Estrada, and Toscana. The final active-adult subdivision, Sierra Bella, remains under development with available inventory for purchase.

Riverview (formerly Saugus Speedway)

The Santa Clarita City Council approved the original Riverview project in November 2024. The approved plan includes 318 residential units, consisting of 122 detached single-family condominiums and 196 attached townhomes, including 22 affordable units, along with an approximately 127,000-square-foot light manufacturing building.

In April 2026, developer Integral Communities submitted a proposed amendment that would remove the industrial component and replace it with approximately 105 additional residential units. If approved, the revised plan



Riverview Rendering

would increase the project to approximately 423 residential units. The revised proposal is currently under City review.

Williams Ranch

This development by Williams Homes consists of 497 homes. This project is approved and actively under construction, with sales and move-ins continuing. As of September 2026, 14 homes are currently listed as available across the community's distinct residential neighborhoods, including Ridgeline.

Bouquet Canyon Project

This project was fully approved in November 2020. It will include a total of 375 residential units across four planning areas. This project plans to realign Bouquet Canyon Road as well as implement other road improvements. Additional aspects of this project include gated entries, recreation and park areas, trails, and trailhead parking. Heavy site preparation and infrastructure development officially commenced on February 13, 2026, when a long-term 11-month closure and detour of Bouquet Canyon Road was put into effect to accommodate roadway and infrastructure improvements. Home construction has not yet begun.

Creekside Commons

The Creekside Commons affordable housing project in Canyon Country is in the pre-construction phase and recently finalized its financial closing in May 2026. The plans for a four-story building were first approved in 2023. It will be a 100 percent affordable housing project for low-income households. It features 128 total multi-family apartment units consisting of 57 one-bedroom, 35 two-bedroom, and 36 three-bedroom configurations. The developer is preparing the project for construction, with CRP



Williams Ranch Rendering

Affordable Housing & Community Development listing a tentative completion date of May 2028.

Golden Triangle Apartments

Plans were approved by the Planning Commission in March 2021. It will include 164 apartment units on a 20.3-acre site. While the developer has secured the necessary city approvals, building construction has not begun. The original planning entitlements carried an expiration date of March 17, 2025. However, the developer officially secured a standard municipal extension letter from the Planning Commission, allowing up to six additional years of administrative extensions to obtain building permits and begin site construction.

The Trails at Lyons Canyon

The Trails at Lyons Canyon was approved by the Los Angeles County Regional Planning Commission on July 30, 2025. New Urban West proposes 510 homes on 233 acres west of The Old Road and south of Sagecrest Circle, near Stevenson Ranch. Seventy-one units, or 13.9% of the total, are deed-restricted affordable, including 47 very low-income senior rental units. Nearly 80% of the property, roughly 186 acres, will be preserved as natural and improved open space, and more than four miles of new trails connect to 20 miles of existing hiking and nature trails. The site sits along the I-5 corridor approximately one mile from Valencia Marketplace.The plan would require approximately 2.8 million cubic yards of grading to flatten areas while preserving the natural hillside contour.

Northlake

Northlake, north of Castaic, is planned for 3,150 residences in two phases and 22 acres of commercial uses. The project includes 315 affordable homes, including 95 age-restricted senior units. Phase 1 includes 2,295 residences, with 345 senior living units. Phase 2 includes 855 single-family homes, including 85 affordable units, and a school site.

The project is in pre-construction design. In March 2026, the Los Angeles County Board of Supervisors reapproved the revised plan and updated environmental review and denied an appeal by environmental groups. In April, the Center for Biological Diversity filed another lawsuit challenging the approval. A court hearing is scheduled for the fourth quarter of 2026.

Somerset Summit

Somerset Summit is a proposed 98-lot single-family subdivision currently under City review.

Belcaro Sand Canyon

Belcaro Sand Canyon is a proposed 193.8-acre age-qualified (55+) community of 341 single-family homes. The plan allocates 106.6 acres to open space (55.0%). Supporting improvements include 4.3 miles of multi-purpose trails, two miles of new roads and a new bridge, a new roundabout, and a public trailhead with an emergency equestrian staging area and a helopad.

Mixed-Use Development

Projects in the Pipeline

FivePoint Valencia

FivePoint Valencia, previously known as Newhall Ranch, is a large master-planned community being developed by FivePoint Communities. The total project includes approximately 21,500 homes and 11.5 million square feet of office, retail, industrial, recreational, school, and public space. The project includes an array of detached and attached homes, commercial and business centers, schools, parks, public services, and open spaces.

Development is occurring in phases across several villages. Confluence is currently under construction and occupied, with additional homes and community infrastructure continuing to be built. Landmark Village has been approved for 1,444 residential units and approximately 1 million square feet of mixed-use development but has not yet begun construction. Other portions of the master plan remain in various stages of planning and entitlement. On November 18, 2025, the Los Angeles County Board of Supervisors approved Entrada South for 1,574 residential units and 730,000 square feet of nonresidential development, along with a neighborhood park, potential school site, trails and supporting infrastructure. FivePoint states that approximately 10,000 acres of the Valencia property are planned to remain as open space.

MetroWalk

MetroWalk is a large residential project near Lost Canyon Road and Harriman Drive, adjacent to Vista Canyon. The approximately 20-acre site is located next to the Vista Canyon Metrolink station and bus transit center. The project was originally approved in 2021 for up to 498 residential units.

In June 2025, the Santa Clarita City Council approved amendments to the MetroWalk Specific Plan that retained the maximum of 498 residential units while giving the developer



FivePoint Valencia

greater flexibility in the housing mix. The revised plan allows multi-family units, duplexes, and detached condominiums, eliminates the project's former planning areas, and modifies the timing requirements for construction of 50 income-restricted senior units. Grading and infrastructure work have been completed, and residential construction is underway.

Sand Canyon Village

Sand Canyon Village is a mixed-use project near Sand Canyon Road and Soledad Canyon Road. The project will include 580 residential units, 45,000 square feet of retail and commercial space, and a 147,000-square-foot assisted living facility. Phase 1 construction of the Sand Canyon Village project began in 2023. Construction is ongoing across multiple residential, commercial, and senior living components.

- Pelona Hills: Developed by Intracorp Homes, this first-phase neighborhood includes 119 detached, two-story single-family homes. The community held its grand opening on March 28, 2026, and homes are currently being marketed for sale.
- Sage at Sand Canyon: Developed by Lennar, this secondary housing neighborhood is under construction. As of June 15, 2026, Lennar had officially launched sales at the community.
- Apartments & Townhomes: Grading and arterial road paving are complete across the multi-family tracts, preparing the ground for eventual garden-style apartments and executive townhomes.
- As of August 2026, current commercial and retail tenants include Sprouts Farmers Market, Starbucks, Jersey Mike's Subs, and Domino's Pizza.
- Ativo Senior Living of Santa Clarita: Developed by the Integrated Senior Foundation (ISF) and built by Bernards, the 147,000-square-foot, 140-bed assisted-living and memory-care facility is under construction. As of August 2026, Ativo's



MetroWalk Rendering

official website lists the community as scheduled to open in 2027.

11th Street – Paseo Nuevo

This project was approved in March 2023. It will include a 22,772 square feet three-story mixed-use building. Plans include 12 residential units, one of which is being designated very-low-income. Additionally, there will be 2,320 square feet of retail space and automated subterranean parking. While it secured its planning entitlements and environmental approvals, the developer is still obtaining the required grading and building permits.

14th Street – Plaza del Sol

Plans for a mixed-use project on 14th Street were approved in March 2023. It will be 58,710 SF and 3 stories. There will be 5,715 SF of retail space and automated subterranean parking. This project will include 32 residential units, with 4 designated as very-low-income units. It is cataloged by the city as an approved project under active architectural and engineering review, but the developer has not yet broken ground or pulled final vertical building permits.

River Walk Mixed-Use Project

The River Walk Mixed Use Project in Canyon Country is approved but has not yet begun construction. An earlier version of the project included 136 multifamily residential units and commercial space. The current approved plan calls for 150 two story townhomes, approximately 8,500 square feet of commercial space, and 2,500 square feet of recreational space, including a pool and community building. The project received a one-year extension in 2025. In June 2026, the Santa Clarita City Council approved an infrastructure reimbursement agreement to fund landscaping and irrigation improvements for traffic medians.

Soledad Mixed Use Project

The Soledad Mixed-Use Project is approved but has not yet begun construction. The project is planned as a mixed-use development with 100 multi-family residential units and a 3,500-square-



River Walk Rendering

foot standalone commercial building. The commercial space is intended for neighborhood-serving retail or dining uses, and the project remains listed by the City of Santa Clarita as an approved major development.

Princessa Crossroads

The project is divided into two planning areas. Planning Area 1 would include up to 300 multi-family residential units on approximately 8 acres. Planning Area 2 would include up to 1.5 million square feet of business park development on approximately 63 acres, including commercial and light-industrial uses. On January 20, 2026, the Santa Clarita Planning Commission conducted a site tour to review the project area and proposed development before future public hearings. The project remains in environmental review and will require City approvals and public hearings before it can move forward.

Promenade Flats Mixed Use

The Promenade Flats Mixed-Use Project in Santa Clarita is currently under City review. Although the project previously received City approval, it is presently listed by the City as a development project under review, and physical construction has not yet begun. The project plans to add a 50-foot, four-story building with a fifth-floor deck on a lot in Saugus.

The building would be constructed in the parking lot behind the existing IHOP building and would include approximately 7,200 square feet of ground-floor commercial space, with 26 one-bedroom apartments and four live-work one-bedroom apartments on the floors above.

Sand Canyon Resort

Sand Canyon Resort is a proposed family-oriented destination resort on the former Robinson Ranch Golf Course site. The current proposal includes a four-story main hotel with 283 rooms, three villas containing a total of 12 two-bedroom suites, a restaurant, a spa and gym building, a function building for events and dining, a family building, two pools, parking, trails, and other recreational amenities. The developer describes the project as a five-star resort.



Sand Canyon Resort Rendering

As of August 2026, the project remains under review by the City of Santa Clarita and has not received planning approval. The City received the current application in August 2023, and no construction has begun.

Wiley Canyon

The Wiley Canyon Project is a mixed-use development on approximately 32 acres east of Interstate 5 and west of Wiley Canyon Road, between Hawkbryn Avenue and Calgrove Boulevard. Following public review and revisions to the original proposal, the Santa Clarita City Council approved Alternative 5 on November 25, 2025. The approved plan includes 232 townhome and/or detached condominium units, a 120-unit assisted-living facility, and approximately 9,000 square feet of commercial space.

The project is currently subject to a legal challenge to the City's approval. As of July 2026, a Los Angeles County Superior Court judge had tentatively granted a motion to dismiss the case on procedural grounds, with further court proceedings pending.

Town Center Specific Plan

The Town Center Specific Plan is a long-term planning framework for approximately 111 acres surrounding Valencia Town Center. The plan allows for future development of up to 2,200 residential units and approximately 600,000 square feet of commercial space, along with entertainment, dining, and recreational uses. The Specific Plan establishes the allowable land uses and development framework but does not itself approve construction of individual projects.

Centennial, the owner of Valencia Town Center, has presented redevelopment concepts that include a 160,000-square-foot Costco, approximately 300 senior housing units, a hotel, and additional commercial and residential development. These concepts would require separate City review and approvals before construction could begin.

As of August 2026, no major mixed-use redevelopment under Centennial's concept has begun construction. Centennial has continued working with the City on potential redevelopment of the property.



Town Center Specific Plan Rendering

Sunridge (Whittaker Bermite)

The Whittaker Bermite property is an undeveloped 996 acre site entitled for 1,244 single family homes and 1,667 multifamily units. It is located in the center of the city of Santa Clarita. The project was approved in 1995. The developers were required to remediate the site before construction could begin, and soil remediation was reported complete by the California Department of Toxic Substances Control in July 2019, while groundwater remediation remains ongoing. Development has not proceeded while groundwater remediation and review of the current proposal continue.

However, as of March 2023, New Urban West Inc.
(NUW), a Santa Monica based company, had reached a development agreement with Blue Ox Holdings LLC, the owner of the Whittaker Bermite property. NUW hopes to design a mixed use community project that will transform the city center and link the communities within the city together.

Sunridge is proposed on the 996-acre former Whittaker Bermite property at the geographic center of the City of Santa Clarita. The site was entitled in 1995 and required remediation before construction could begin; the California Department of Toxic Substances Control reported soil remediation complete in July 2019, and groundwater remediation remains ongoing. The current application proposes 5,586 residential units, including an affordable component; approximately 2.9 million square feet of commercial; a surf park wave basin; and total open space equal to 40% of the site. The Santa Clarita Metrolink station sits on the property's northern border.

The project is currently under environmental review. On June 9, 2026, the Santa Clarita City Council awarded Michael Baker International, Inc. a contract to prepare the project’s Environmental Impact Report under the California Environmental Quality Act (CEQA). The project remains under City review, while groundwater remediation continues at portions of the site.



Sunridge Rendering

Hartwell Mixed-Use Project

The Hartwell Mixed-Use Project is an approved development on approximately one acre in Old Town Newhall. The Santa Clarita City Council approved the current plan on August 26, 2025, allowing 98 apartment units and 6,300 square feet of commercial space in a five-story mixed-use building. In April 2026, the entitled development site was listed for sale.

Golden Valley Road Mixed-Use Project

The current Golden Valley Road Mixed-Use Project is a substantially revised proposal from earlier plans for the site. The approximately 28-acre project at Golden Valley Road and Sierra Highway now consists of a 47,344-square-foot hotel with 60 rooms, a restaurant, and banquet facilities. It also includes a 98,389-square-foot assisted-living facility with 151 rooms and 73 age-restricted condominium townhomes.

The project is currently under City review. At its May 19, 2026 hearing, the Santa Clarita Planning Commission requested revisions and took no final approval action. Concerns included site access and circulation, and the Commission requested an updated traffic study before the project returns for further consideration.

Honor Ranch

The 206-acre Honor Ranch site is located next to Interstate 5, north of Castaic Junction in unincorporated Los Angeles County. The County and developer TC LA Industrial Development, Inc., a subsidiary of Trammell Crow Company, are currently working under an Exclusive Negotiating Agreement that runs through August 8, 2027. The proposed development itself has not been approved.

As of July 2025, the County and developer had completed a conceptual site plan and preliminary financial plans, but the environmental review process had not yet begun. The proposed



Golden Valley Rendering

project includes approximately 1.8 million square feet of nonresidential development, rounded from about 1.805 million square feet, consisting of:

- 1.5 million square feet of industrial business park, manufacturing, warehousing and distribution, media, and entertainment.
- 250,000 square feet of life sciences office, research & development, and bioscience uses.
- 55,000 square feet of commercial retail, including traditional storefronts, quick-service food options, and neighborhood services to support the expanding regional population.

Commercial and Industrial Development

Recently Completed Projects

Homewood Suites/Hampton Inn

Originally approved in June 2017, this project finished construction in February 2025. It is located on Newhall Ranch Road, east of I-5. The 78-room Hampton Inn joined the previously completed Homewood Suites, bringing the multiphase project to 185 rooms.

Golden Valley Industrial Center

Located on the southwest corner of Center Point Parkway and Golden Valley Road, the Golden Valley Industrial Center was completed in June 2025. It was approved in June 2023. The development occupies approximately 13 acres and includes a 172,843-square-foot industrial building. On June 5, 2025, DrinkPAK announced the lease of the entire building for additional warehouse and logistics space. In January 2026, Clarion Partners Real Estate Income Fund acquired the property, which remains fully leased to DrinkPAK.

Santa Clarita Commerce Center Project (also called Oak Ridge Industrial)

Construction on this project began in June 2024. This project includes four industrial/warehouse buildings, totaling 430,407 square feet on a 22.3-acre project site.



Homewood Suites / Hampton Inn

- Building 1: 262,522 square feet
- Building 2: 49,308 square feet
- Building 3: 78,467 square feet
- Building 4: 40,110 square feet

On-site improvements include a truck court with a loading dock at each building, landscaping, 526 parking spaces, and exterior lighting. Access to the project site is provided via Springbrook Avenue off Oak Ridge Drive. This project is now complete and ready for occupancy after construction finished in summer 2025. In June 2026, DrinkPAK leased 257,507 square feet in Building 1 at 25470 Springbrook Avenue. The leased area is slightly smaller than Building 1's originally approved 262,522-square-foot building area.

Projects in the Pipeline

Neighborhood Storage

This project was approved by the City Council in November 2020 and is currently under construction. It is located on a 2.3-acre property and will total 156,060 square feet. The three-story self-storage facility includes up to 1,200 storage units.

College of the Canyons Advanced Technology Center

College of the Canyons plans to construct a permanent Advanced Technology Center on its Valencia campus to support regional workforce and advanced technology training needs. The planned 81,000-square-foot, two-story facility will include training space for programs such as advanced manufacturing, CNC machining, welding, robotics, mechatronics, and network technologies including cybersecurity, cloud engineering and the internet of things.

Plans are being finalized with an anticipated ground breaking in spring of 2027and classes being offered in fall 2029. College of the Canyons continues to operate an interim Advanced Technology Center for advanced manufacturing while the welding and network technologies programs are currently being offered on the Valencia campus while waiting for the permanent facility to be completed.



College of the Canyons

Henry Mayo Newhall Hospital Project Update

Henry Mayo Newhall Hospital's existing 160,000-square-foot patient tower opened in October 2019 and is separate from the hospital's approved future expansion.

The future expansion was approved by the Santa Clarita City Council in April 2021 and allows up to 200,000 square feet of additional hospital space. No construction date has been announced. The approved expansion includes:

- Inpatient Building No. 2: A 115,700-square-foot building with up to 92 inpatient beds relocated from existing hospital facilities.
- Diagnostics and Treatment Building: An 84,300-square-foot building for clinical, imaging, and support services.
- Parking Structure 4: Up to three additional aboveground levels providing 292 new parking spaces.

The timing of the future expansion has not yet been determined and will depend on detailed planning, building, design, and financing.

Master's University Master Plan

The Master's University currently operates under an obsolete approved master plan. A proposed update, including projects referred to as the Hilltop Project and the Centennial Project after the university's coming centennial anniversary, is currently in the municipal planning and environmental review phase and has not yet received final City approval. Though Placerita Canyon residents have raised concerns in public comments about enrollment, traffic, and university-owned housing, university enrollment remains well below city-approved levels and no enrollment growth is associated with the new master plan. Rather, the master plan update proposes facilities intended to accommodate current enrollment and alleviate campus overcrowding problems the university has endured for years. The proposed facilities described below are part of the proposed revised master plan:

- *The Hilltop Campus:* Reorients and centralizes future student housing by adding 400 new dorm beds. By focusing residential layout here, daily student traffic would be redirected away from local residential streets to the coming new Dockweiler Drive entrance. The Hilltop campus will also support athletics with a new swimming pool.



Patient Tower at Henry Mayo Newhall Hospital

- *Chapel of the Master Building:* A newly designed, 68-foot-tall, 40,612-square-foot chapel set back a minimum of 150 feet from neighborhood property lines. The university currently holds chapel services in a gymnasium, creating significant conflicts with athletic activities.
- *Academic Buildings:* Two new classroom facilities totaling 33,597 square feet—a dedicated science building and a math-kinesiology building. The university is currently forced to hold some classes off campus because of a lack of sufficient classroom space.
- *Athletic and Dining Hubs:* A 33,442-square-foot practice gymnasium featuring support facilities and a basement cafeteria.
- *Welcome Center:* A 4,642-square-foot visitor registration and welcome hub located along Placerita Canyon Road.

However, construction cannot begin until City review is complete and all required approvals and permits have been obtained.

Rye Canyon Studios

The Rye Canyon Studios master expansion project is approved but has not yet begun construction. The proposed expansion aims to transform a portion of the existing Southern California Innovation Park into a film studio campus. The plans call for 30 soundstages and include 255,000 square feet of dedicated office and production support space. The project has received planning entitlements.

Shadowbox Studios

The Shadowbox Studios soundstage project in Placerita Canyon has received planning approvals, but construction has not begun. Reporting in June 2024 indicated that progress on the project had stopped, with City sources identifying funding as a challenge. The delay occurred amid a broader slowdown in film and television production following the Hollywood strikes and other industry uncertainty.
The proposed campus was designed to be one of the largest purpose-built film and television hubs in the region. Spanning a 93-acre property north of Railroad Avenue, the master plan featured 1.3 million square feet of overall commercial and studio space and 19 state-of-the-art soundstages. Additionally, the plan called for a three-story office building, a two-story production warehouse, and a four-story parking structure. In June 2026, a one-year entitlement extension was granted, extending the project approvals through August 22, 2027.

Golden Triangle Industrial Development

The proposal includes two new industrial buildings totaling 13,472 square feet, each containing three warehouse suites and office space, next to an existing 66,569-square-foot industrial building. The Golden Triangle Industrial Development project is currently under review by the City of Santa Clarita's Planning Division.

Sierra Newhall Retail Center

The Sierra Newhall Retail Center is currently under review by the City of Santa Clarita's Planning Division. The proposal includes a two-story, 9,645-square-foot structure containing retail, a restaurant, a banquet hall, and subterranean parking.

Principal Residential Projects in the Santa Clarita Valley — August 2026

Project Name	Location	Units	Description	Status
City of Santa Clarita				
Bouquet Canyon Project	Bouquet Canyon / Copper Hill	375	SF Detached / Townhomes	Under Construction
MetroWalk	Santa Clarita	498	Apts / Condos / Townhomes	Under Construction
Golden Triangle Apartments	Santa Clarita	164	Apts	Approved
The Trails at Lyons Canyon	Sagecrest Circle/Old South Road	510	SF	Approved
Creekside Commons	East of Sierra Highway	128	Apts	Approved
Belcaro at Sand Canyon	Soledad Canyon Rd/Oak Springs Dr	341	SF	Pending
Somerset Summit	Haskell Canyon Rd/Copper Hill Dr	98	SF	Pending
Tesoro Highlands	Valencia	820	SF Detached	Under Construction
Riverview (Saugus Speedway)	Soledad Canyon Rd	423		Under Construction
Matilija Fields	Placerita Canyon	18	SF Detached	Pending
Unincorporated Areas of the Santa Clarita Valley				
Williams Ranch (formerly Los Valles)	Castaic	497	SF Detached	Under Construction

Source: California Economic Forecast secondary research

Principal Mixed-Use Projects in the Santa Clarita Valley — August 2026

Project Name	Location	Units	Square Feet	Hotel Rooms	Description	Status
City of Santa Clarita						
Princessa Crossroads	Santa Clarita Valley	300	1,500,000		MF / Retail / Industrial	Pending
Sand Canyon Village	Soledad Canyon	580	45,000		SF Detached / Retail	Under construction
River Walk	Santa Clarita Valley	150	8,500		MF / Commercial	Approved
Wiley Canyon	Wiley Canyon Road	232	8,900		Senior Living Facility and Apts	Approved
Paseo Nuevo 11th street		12	2,320		Mixed-Use	Approved
Plaza del Sol - 14th Street		32	5,715		Mixed-Use	Approved
Promenade Flats	Cinema Dr/Bouquet Canyon Rd	30	7,200		Retail/Apt/Live-Work Commerical	Under Review
Hartwell Mixed-Use Project		98	6,300		MF/ Commercial	Approved
Sand Canyon Resort	Sand Canyon Rd/Robinson Ranch Rd	295	255,000		Hotel+ Other Commer. Space	Under Review
Town Center		2,200	600,000			Under Review
Sunridge	Santa Clarita	5,586	2,900,000		Res/Commercial/Business Park	Under Review
Soledad Mixed Use Project		100	3,500		MF/ Commercial	Approved
Golden Valley Road Mixed-Use Project	Sand Canyon	224	60		Hotel+ Residential	Pending
Unincorporated Areas of the Santa Clarita Valley						
FivePoint Valencia	Newhall Ranch	21,242	11,500,000		SF / MF / Ret / Hotel / Ind / School	Various
Entrada North	Newhall Ranch	1,150	2,674,400		MF / Office / Retail	Pending
Entrada South	Newhall Ranch	1,574	730,000		SF / MF / Off / Ret / School	Approved
Homestead North	Newhall Ranch	1,110	2,357,100		SF / MF / Office / Retail	Pending
Homestead South	Newhall Ranch	3,617	66,400		SF / Condos / Off / Ret / Schools	Pending
Landmark Village	Newhall Ranch	1,444	1,033,000		MF / SF / Ret / Off / Hotel	Approved
Legacy Village	Newhall Ranch	3,457	839,000		SF / Condos / Assisted Living / Com	Pending
Mission Village	Newhall Ranch	4,055	1,555,100		SF / Retail / School	Under Construction
Potrero Valley	Newhall Ranch	4,835	245,000		SF / MF / Off / Ret / School	Pending
Northlake	Castaic	3,150			Residential/Commercial	Pending

Source: California Economic Forecast secondary research

Principal Non-Residential Projects in the Santa Clarita Valley **August 2026**

Project Name	Location	Square Feet	Hotel Rooms	Description	Status
City of Santa Clarita					
Rye Canyon Studios	Rye Canyon	750,000		Industrial	Approved
Sierra Newhall Retail Center	Newhall Ave/Sierra Highway	9,645			Pending
Henry Mayo Newhall Hospital Expansion	Santa Clarita	200,000		Hospital Expansion	Approved
Golden Triangle Industrial Development	Golden Triangle Rd	13,472			Pending
College of the Canyons Advanced Tech Center	Golden Valley/Soledad Canyon	81,000			Pending
Shadowbox Studios	Placerita Canyon	1,300,000		Commercial	Approved
Neighborhood Storage		156,060		Industrial	Under Construction
Unincorporated Areas of the Santa Clarita Valley					
Honor Ranch Development	SCV north of Castaic junction	1,800,000		Industrial / Office / Retail	Pending

Source: California Economic Forecast secondary research

The Forecast

While the forecast presents a year-by-year distribution of new housing units (permits), the sum of housing units over the forecast period is more important than the year-by-year allocation of units. There are too many nonmarket influences that can interrupt the timing of the permitting process from year to year. Consequently, there is greater variability in the forecast of housing units at the regional level than other indicators such as employment or income.

This year, longer term interest rates took an unexpected turn with the onset of the Iran-Israeli war. Rates had been predicted to soften throughout 2026 but inflationary conditions changed the direction of 10- and 30-year bond yields, which directly impact mortgage rates.

Higher mortgage yields which have softened demand have also delayed new home production rates. And this has occurred at a time when many projects are in full production.

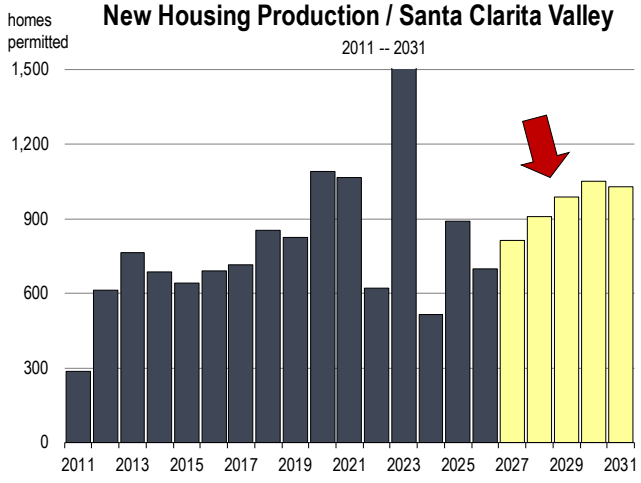
In general, new construction remains active. Housing demand is forecast to rise in 2027 and therefore the volume of housing over the next three years should modestly accelerate. This assumes the interest rate environment does ease as inflation recedes.

New Development Forecast	Santa Clarita Valley							
	2024	2025	2026	2027	2028	2029	2030	2031
Residential Building			--- number of units -----					
City of Santa Clarita	280	566	282	355	375	400	403	401
Unincorporated Area	233	323	418	458	534	587	647	628
Entire Santa Claria Valley	513	889	700	813	909	987	1,050	1,029
			--- milions of dollars ---					
Total Residential Investment	182.3	235.7	288.8	283.1	307.7	338.9	359.3	368.6

Source: Housing & Urban Development, California Economic Forecast, August 2026

Ongoing development includes Valencia, Williams Ranch, and Tesoro Highlands. Other projects, including MetroWalk, Wiley Canyon, Sand Canyon Village, and Bouquet Canyon, are in different stages of approval, site preparation and development.

Our forecast calls for 4,800 new housing starts in the greater Santa Clarita Valley from 2027 to 2031. This five-year forecast represents a lower number than the five-year forecast we presented in 2024 or 2025.



No recession is in the forecast. A recession would impact the new development environment because household income would decline and preempt the demand for housing by homebuyers. To date, the economy has strengthened from the first and second quarter, with GDPNow predicted for Q3 at 4.4 percent (September 10). Furthermore, there is not much evidence of slowing consumer or business spending.

Possible impediments this year that could extend into next year include construction worker scarcity, and elevated costs for materials due to tariffs. Also, the California budget in 2026-2027 includes no new state funds for several affordable-housing programs. Debt will continue to be expensive. Mortgage rates should ease but probably won't fall below 6.0 percent threshold by mid-2027.

QUALITY OF LIFE INDICATORS

Introduction

Crime

Traffic

Quality of Education

Children Living in Poverty



Introduction

The social environment of the Santa Clarita Valley directly affects local business performance and influences home prices. Public safety, traffic congestion, school quality, and child welfare are important features of this environment. All of these topics are examined with information on local crime rates, traffic counts, standardized tests, and youth poverty.

Crime

Across California, crime levels can be compared to one another on the basis of the Total Crime Index. The Total Crime Index is the sum of the following crime categories: homicide, rape, robbery, aggravated assault, burglary, motor vehicle theft, larceny, and arson. The most recent information describes crime levels in 2026 through June.

- Crime levels in the Santa Clarita Valley rose between 2020 and 2024, but the rate decreased in 2025. If the pace of crime incidence between January and June remains consistent for the remainder of the year, crime levels will continue to decrease in 2026.

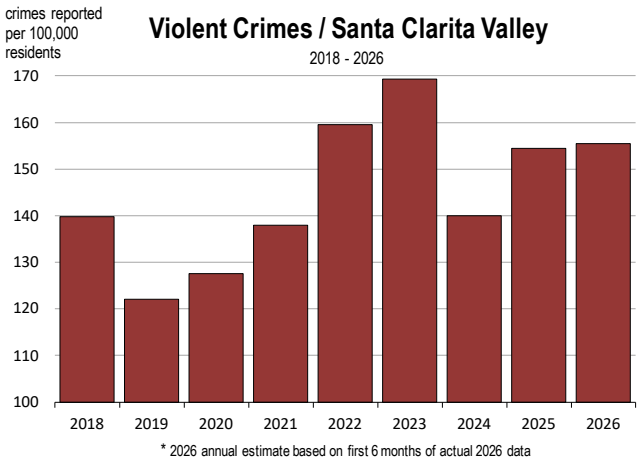
- The Total Crime Index per 100,000 residents reported in greater Santa Clarita Valley was 3,271 in 2025. However, in 2026 it is running at 3,028. This implied decrease of 8% is driven in large part by a drop in reported property crimes in the city of Santa Clarita.

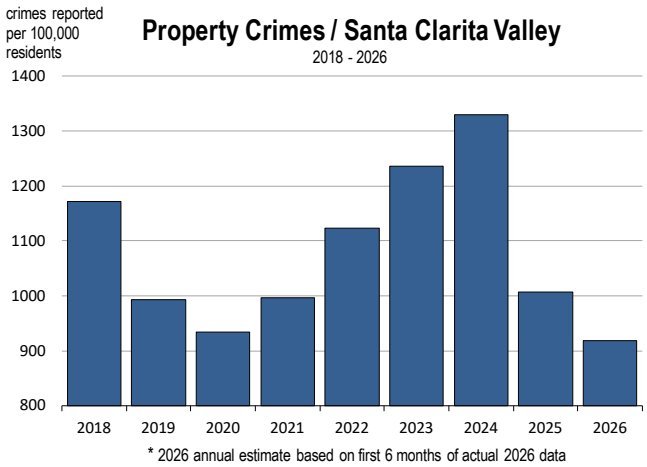
- Violent crime rates per 100,000 residents have risen slightly to date this year, while property crime per 100,000 residents are running lower. Violent crime rates increased from 435 in 2025 to 438 in 2026. The increase in violent crime was modest, rising by less than 1 percent from 2025 to 2026

Crime Reports	Santa Clarita Valley							
	2019	2020	2021	2022	2023	2024	2025	2026*
Willful homicide	4	4	6	1	6	3	4	4
Forcible rape	65	55	59	47	44	35	67	60
Robbery	108	90	90	109	139	95	75	66
Aggravated assault	165	209	231	290	286	261	289	308
Violent Crime Total	342	358	386	447	475	394	435	438
Burglary	513	465	399	459	548	860	493	376
Larceny-Theft	1,958	1,782	1,935	2,208	2,320	2,311	1,826	1,896
Motor vehicle theft	289	365	433	462	565	537	496	310
Arson	24	10	23	19	37	30	21	8
Property Crime Total	2,784	2,622	2,790	3,148	3,470	3,738	2,836	2,590
Total Crime Reports	3,126	2,980	3,176	3,595	3,945	4,132	3,271	3,028

*2026 values are estimates based on actual data for the first 6 months of 2026

Source: Los Angeles County Sheriff's Department





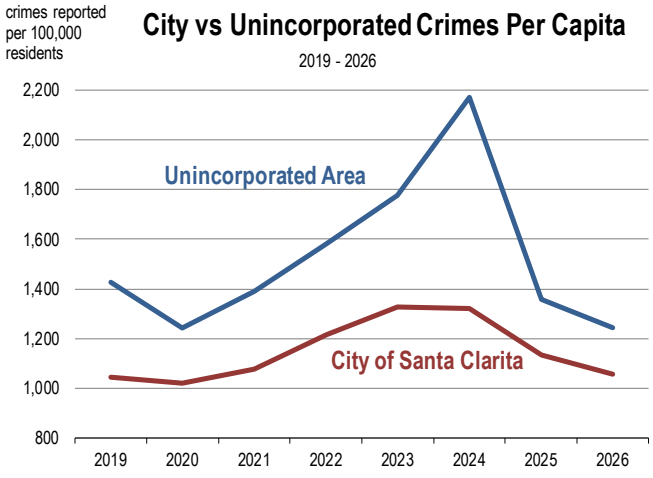
- Relative to California, crime in Santa Clarita Valley has consistently been lower for the last 10 years for both property and violent crimes per capita. The actual data for 2026 in California is not yet available.

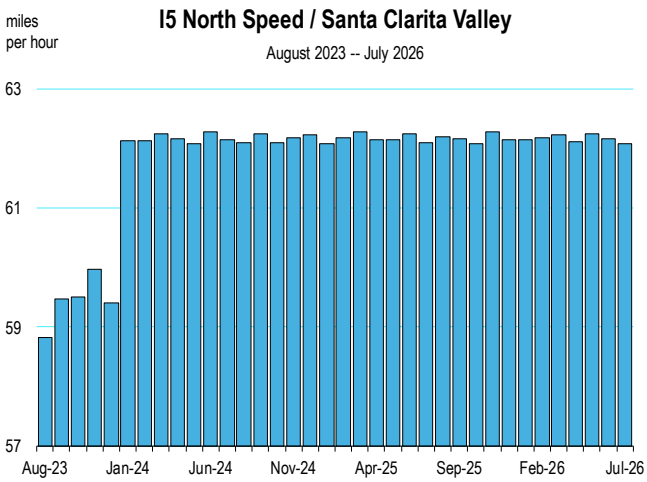
Traffic

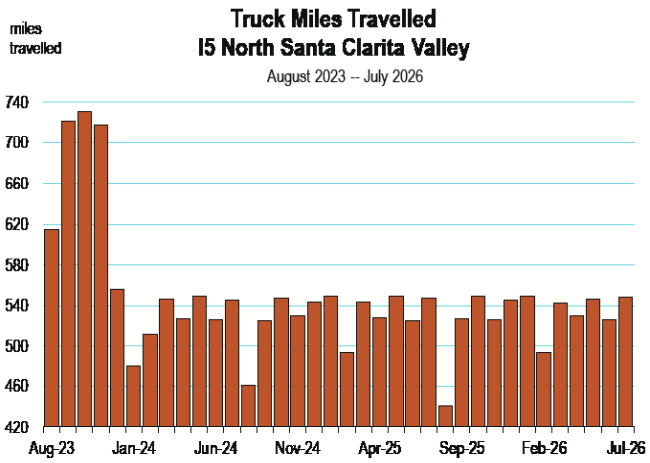
Traffic counts can reveal information about economic and demographic trends. Trends are reflected in the transportation of goods, number of employed workers commuting to work, people traveling, and disposable incomes that can be spent on vehicles and gasoline. In the past, CalTrans provided average daily traffic along freeways. Now, they have shifted and provide vehicle miles travelled and vehicle hours traveled along stretches of freeway.

- Traffic speed along the I-5 through the Santa Clarita Valley have remained consistent over the past 2.5 years. Speeds increased at the end of 2023.

- The total truck miles traveled along the I-5 going northbound decreased significantly







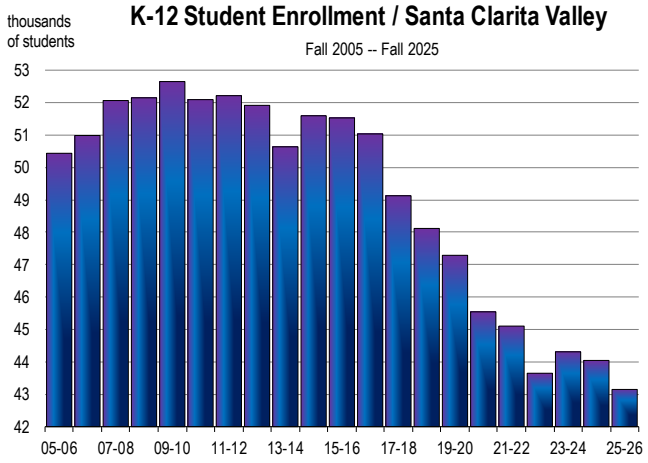
after November 2023 and remains fairly unchanged since then.

Quality of Education

Enrollments

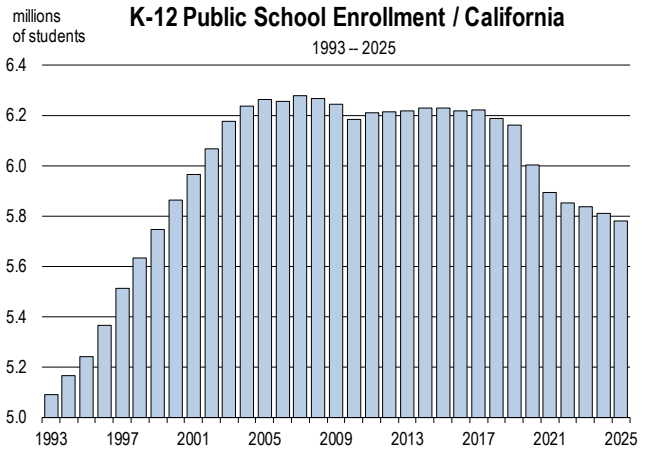
- During the 2025-2026 school year, public school enrollment in the Santa Clarita Valley decreased slightly for both elementary schools and high schools.

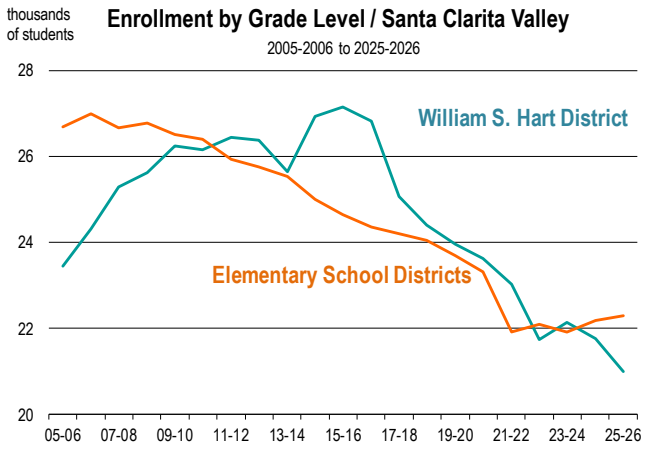
- 2025-2026 enrollment represents the lowest total enrollment level since 2001.



- Enrollment had been in decline for several years, but the trend was exacerbated by the coronavirus pandemic. The 2023-2024 school year recorded the first increase in K-12 enrollment in the Santa Clarita Valley in nearly 10 years.

- The declining trend for student enrollment levels in K-12 public schools is common in most coastal areas of the state, and for the state as a whole.





Public School Enrollment - Santa Clarita Valley

Number of Students

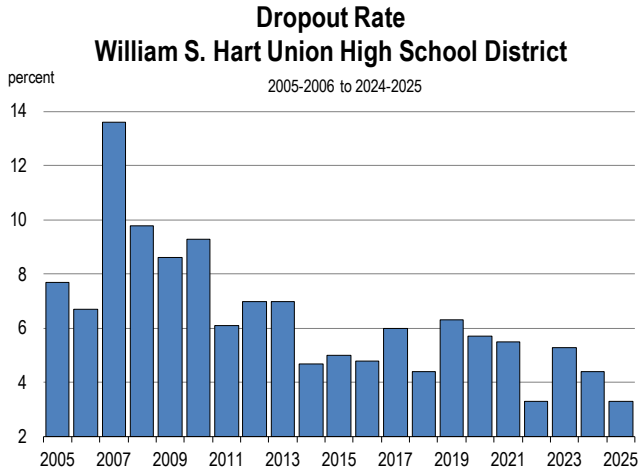
	--School Years--								
	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
Castaic Union Elementary	2,153	2,037	2,020	1,860	1,893	1,859	1,938	1,914	1,882
Newhall Elementary	6,537	6,539	6,267	5,920	5,834	5,918	5,928	6,022	5,989
Saugus Union Elementary	9,960	9,791	9,704	9,071	9,170	9,070	9,097	9,191	9,113
Sulphur Springs Union Elementary	5,395	5,336	5,329	5,069	5,188	5,067	5,211	5,157	5,170
Total Elementary	**24,045**	**23,703**	**23,320**	**21,920**	**22,085**	**21,914**	**22,174**	**22,284**	**22,154**
William S. Hart Union High	25,080	24,414	23,968	23,623	23,019	21,735	22,135	21,760	20,995
Santa Clarita Valley Total	**49,125**	**48,117**	**47,288**	**45,543**	**45,104**	**43,649**	**44,309**	**44,044**	**43,149**

Source: California Department of Education

Graduation Rate

The rate at which students graduate high school is an important indicator of how well schools are keeping students interested and preparing them for the workplace.

High school completion generally improves access to postsecondary education and employment and is associated with higher earnings and lower unemployment. The completion of high school is required for accessing postsecondary education and is a minimum qualification for most jobs.



- At the William S. Hart Union High School District, the graduation rate has been exceptionally high for nearly a decade.

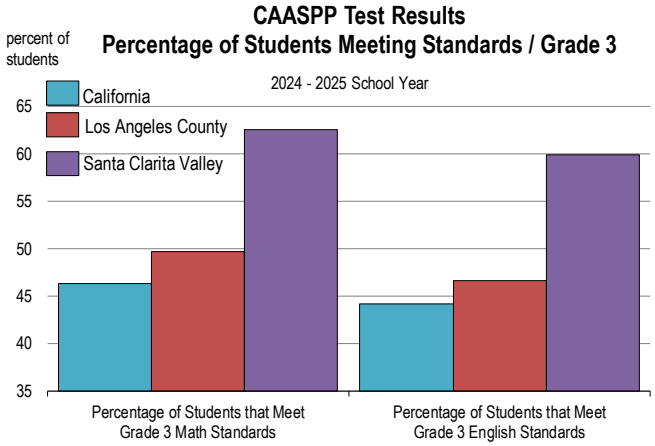
- In the 2024-2025 school year (the most recent data available), 96.7 percent of Santa Clarita Valley students graduated. Statewide, 91.8 percent of students graduated. Across Los Angeles County, 91.1 percent of students graduated.

Elementary and High School Testing

California schools administer the CAASPP, which replaced the California Standards Tests (CSTs).

The State of California has established benchmarks for student scores, and schools can be evaluated by the rate at which their students pass these benchmarks.

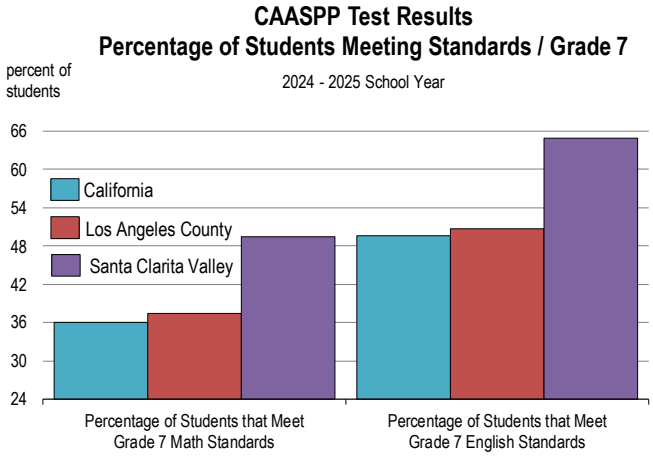
This analysis presents scores for third grade and seventh grade as representative of elementary and junior high students. Because of the coronavirus pandemic, there was no testing during the 2019-2020 and 2020-2021 years. The



following interpretation of recent public school test scores is based on testing during the 2024-2025 school year. Results for the 2025-2026 school year are not yet available.

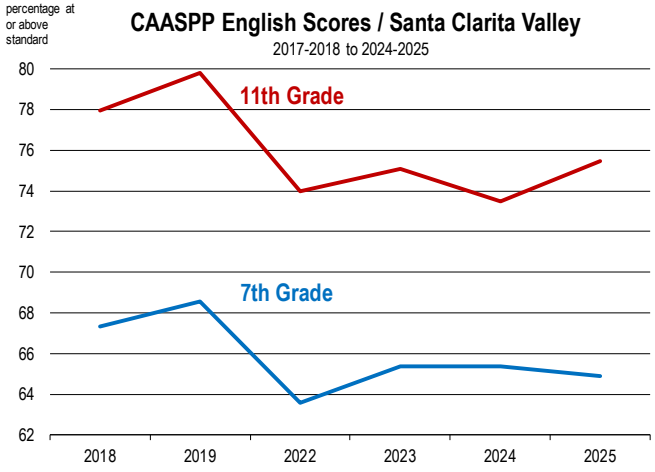
- Third grade students at Santa Clarita Elementary Schools outperformed their peers across Los Angeles County and the state of California. This outperformance occurred in both math and english.

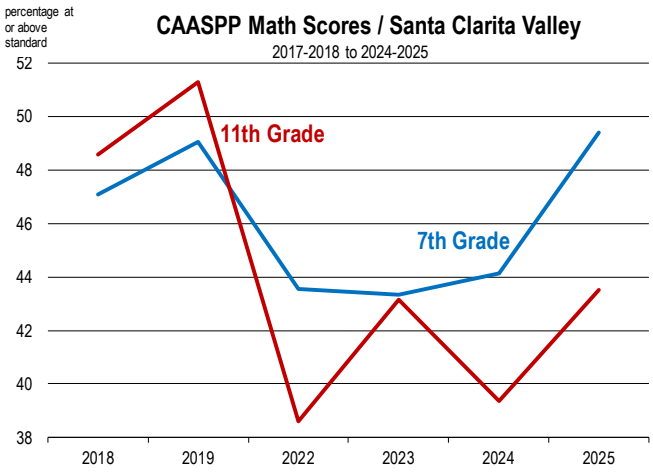
- Among third grade students, around 63 percent of students passed the Math tests, while 60 percent passed the English tests.



- In Los Angeles County, around 50 percent of third graders passed the Math tests, and around 47 percent passed the English tests. Statewide, around 46 percent of third graders passed the Math while only 44 percent passed the English tests.

- About 65 percent of Santa Clarita Valley seventh grade students passed the English portion of the test, which is 15.3 percentage points higher than students across California for the 2024-2025 school year.





Student Enrollment and Academic Performance
Santa Clarita Valley High Schools
2024-2025 Academic Year

School	Student Enrollment	CAASPP score: English Language Arts / Literacy	CAASPP score: Math
1. Academy of the Canyons	385	96.9	77.6
2. Canyon High School	1,846	78.8	46.2
3. Castaic High School	1,147	74.4	34.5
4. Golden Valley High School	1,889	64.8	28.9
5. Hart High School	1,941	71.5	38.8
6. Saugus High School	2,329	81.9	48.5
7. Valencia High School	2,192	84.1	53.6
8. West Ranch High School	1,807	85.1	60.6

CAASPP scores: percentage of students who met or exceeded grade level standards
Source: Education Data Partnership, www.ed-data.org

- Seventh grade students struggled with the math section of the CAASPP test in the 2024-2025 school year, just like the year prior. California and LA county recorded passing rates of 50 percent and 51 percent for math. Santa Clarita Valley reported passing rates of 65 percent.

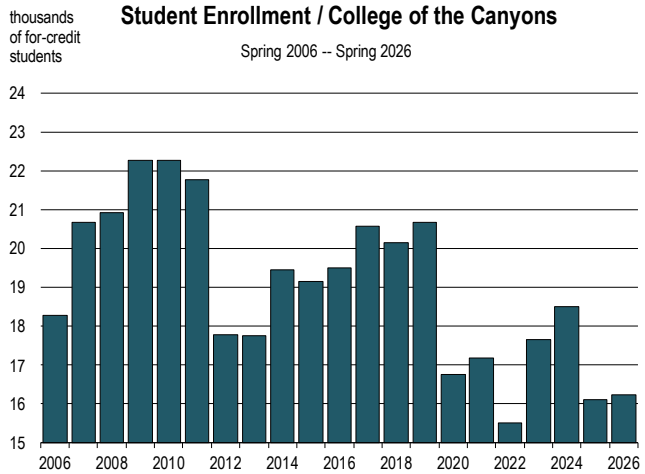
- Math test scores for grade 7 Santa Clarita students are now slightly higher than pre-pandemic levels. All other scores for grade 7 and 11 Santa Clarita students remain between 3 and 8 percentage points below pre-pandemic scores. Compared to the prior year, grade 7 English scores decreased by about half a percentage point. The remainder of test scores for grades 7 and 11 increased between 2 and 4 perentage points year-over-year.

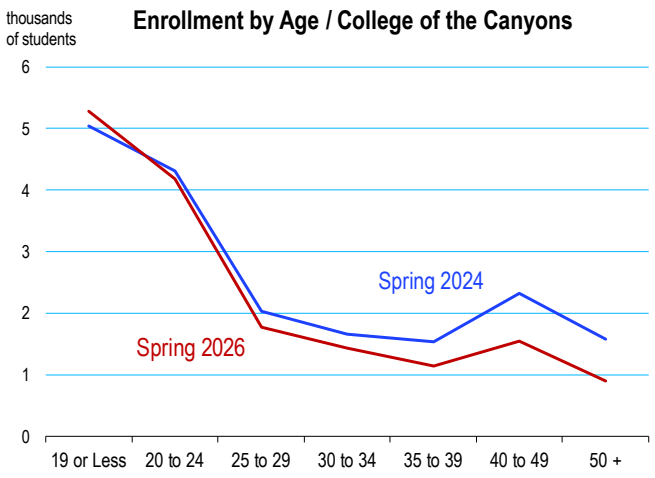
- Average CAASPP scores for the eight high schools in the region were 75.4 percent for English language arts, and 43.5 percent for mathematics in the 2024-2025 school year.

College of the Canyons

- Spring 2026 enrollment at the College of the Canyons increased slightly from Spring 2025 levels but still represents the second lowest level since the pandemic. These enrollment numbers represent students taking classes for credit and exclude students taking noncredit courses.

- Most age groups had lower enrollment in Spring of 2026 than in Spring of 2024.





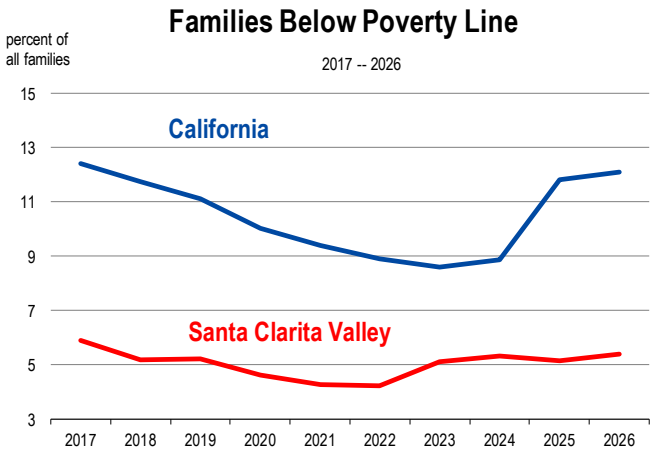
Only students 19 and younger saw a slight increase in enrollment in 2026 compared to 2024.

Children Living in Poverty

- Being raised in poverty places children at higher risk for a wide range of problems. Research indicates that poor children are disproportionately exposed to risk factors that may impair the development process and contribute to poor academic achievement.

- Children under 18 are much more likely than adults to be poor. For a family of four with two children, the 2026 federal poverty level is $33,000.

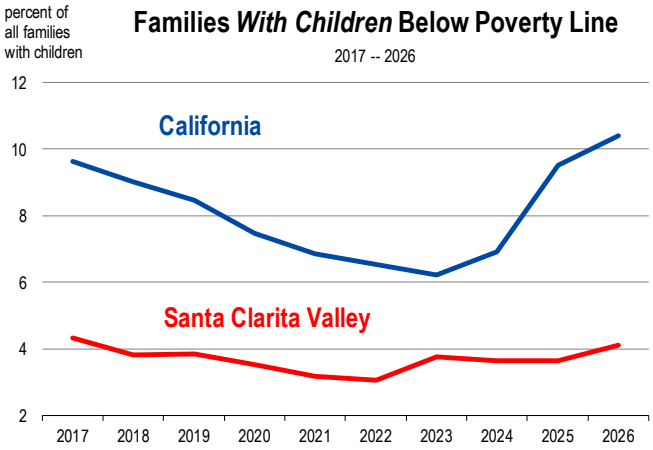
- In 2026, 5.4 percent of families in the Santa Clarita Valley were under the poverty level.



Approximately 4.1 percent of families with children lived below the federal poverty level.

- For California, 12.1 percent of families were below the poverty level, and 10.4 percent of families with children were living in poverty.

- The number of families with and without children that are below the poverty line increased in both California and the Santa Clarita Valley from 2025 to 2026.



Acknowledgements

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Speakers at the 2026 conference

Michele Starrs	TA Aerospace – President
Craig Peters	CBRE – Vice Chairman
Nick Salgado	Cicoil – General Manager
Brian Oerding	Six Flags – Park President RE/MAX
Neal Weichel	of Valencia – Broker

Panel of Business Leaders
Santa Clarita Valley



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Principal Economist
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California Economic Forecast

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