

# ECONOMIC SNAPSHOT

Santa Clarita Valley

**Published April  
2023**



# SANTA CLARITA VALLEY

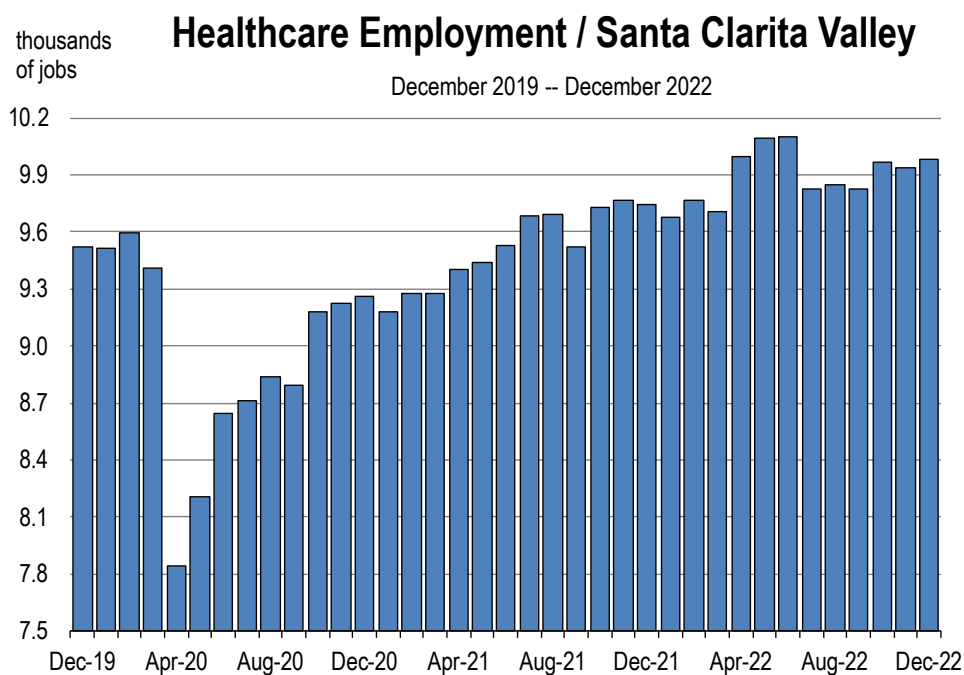
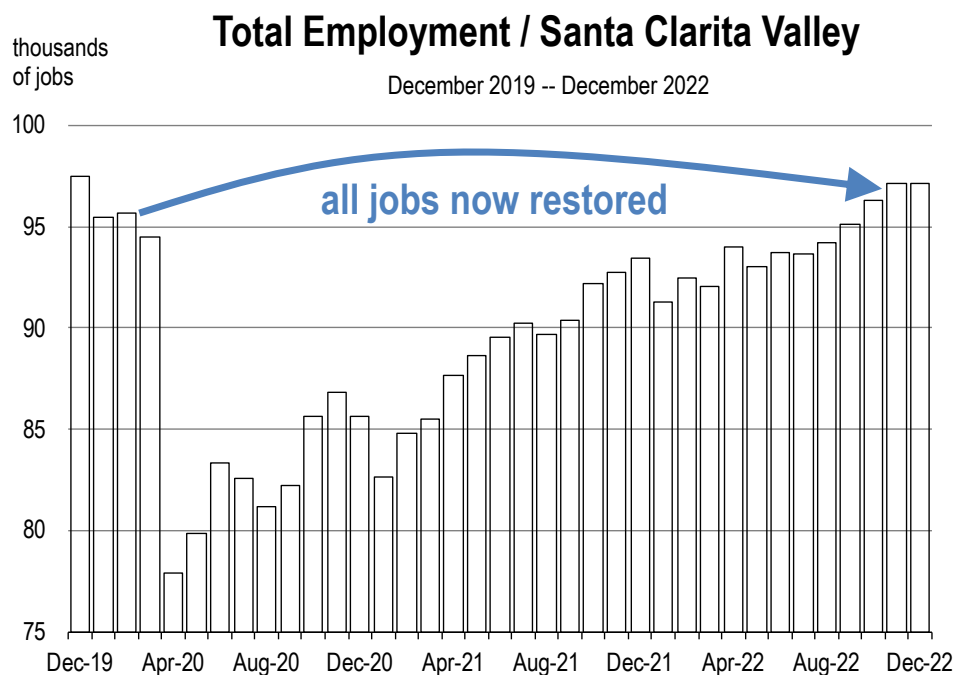
## STILL GOLDEN

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



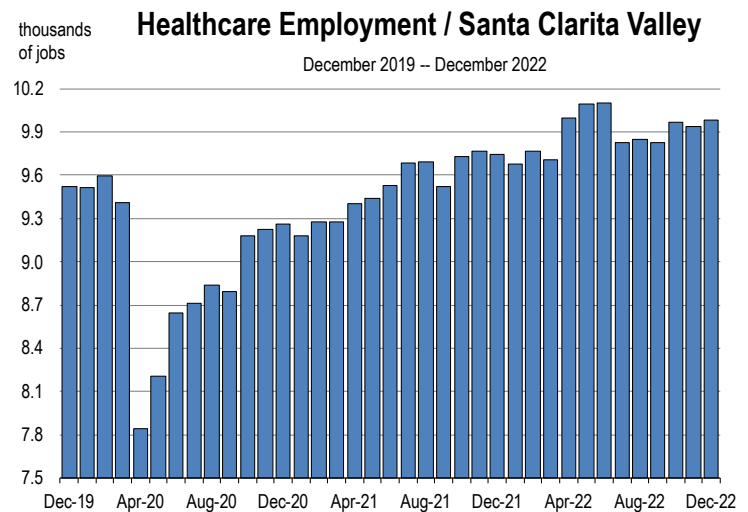
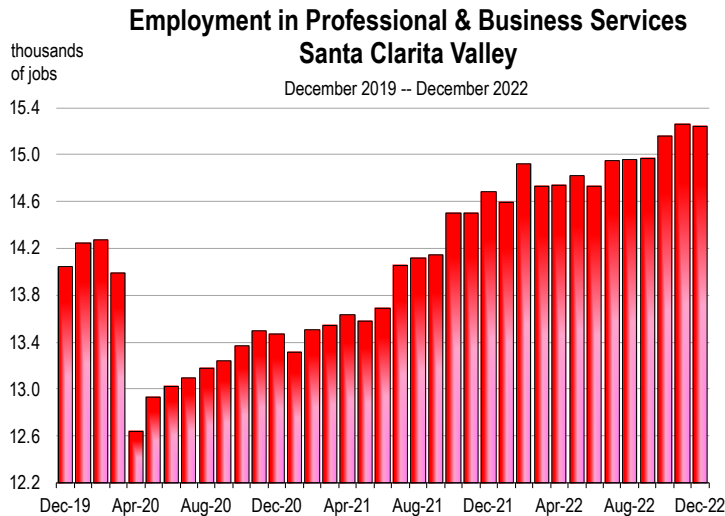
# EMPLOYMENT

Source: California Economic Forecast

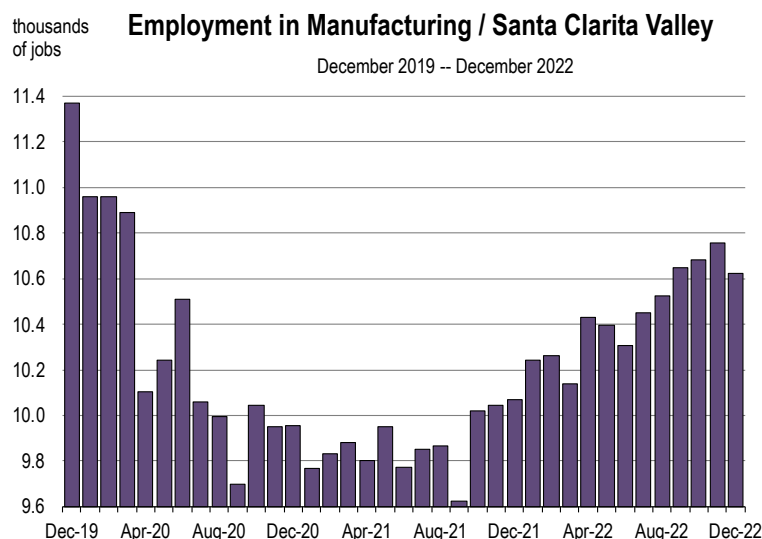


# EMPLOYMENT

Source: California Economic Forecast

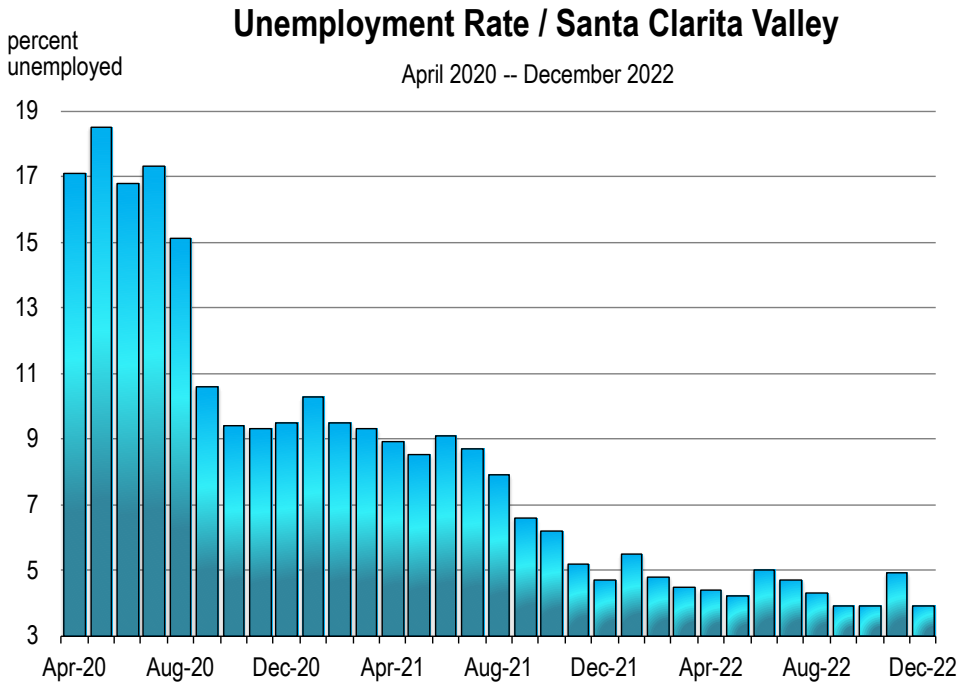


- In the last 6 months, the region's labor market has created 3,163 jobs
- Sectors creating the most jobs over this period are retail trade, manufacturing, professional business services, and educational services. The local public sector has also added another 200 jobs during this time.



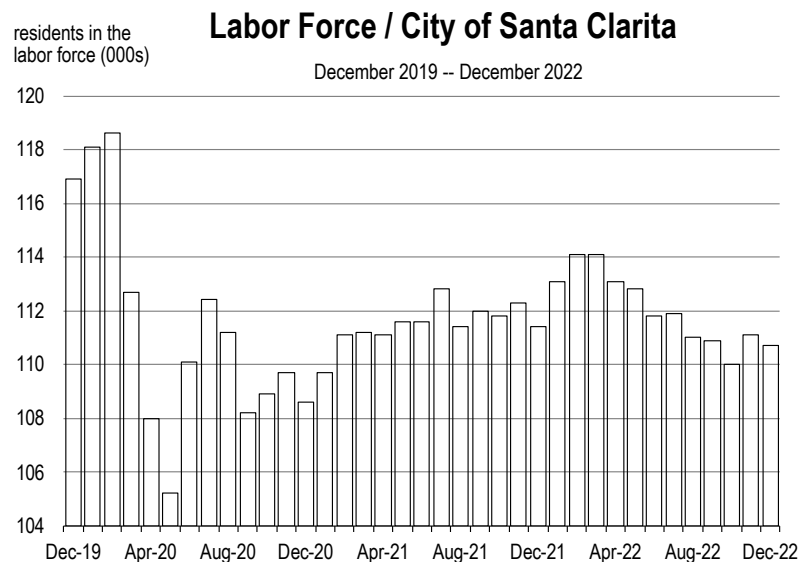
# EMPLOYMENT

Source: California Economic Forecast



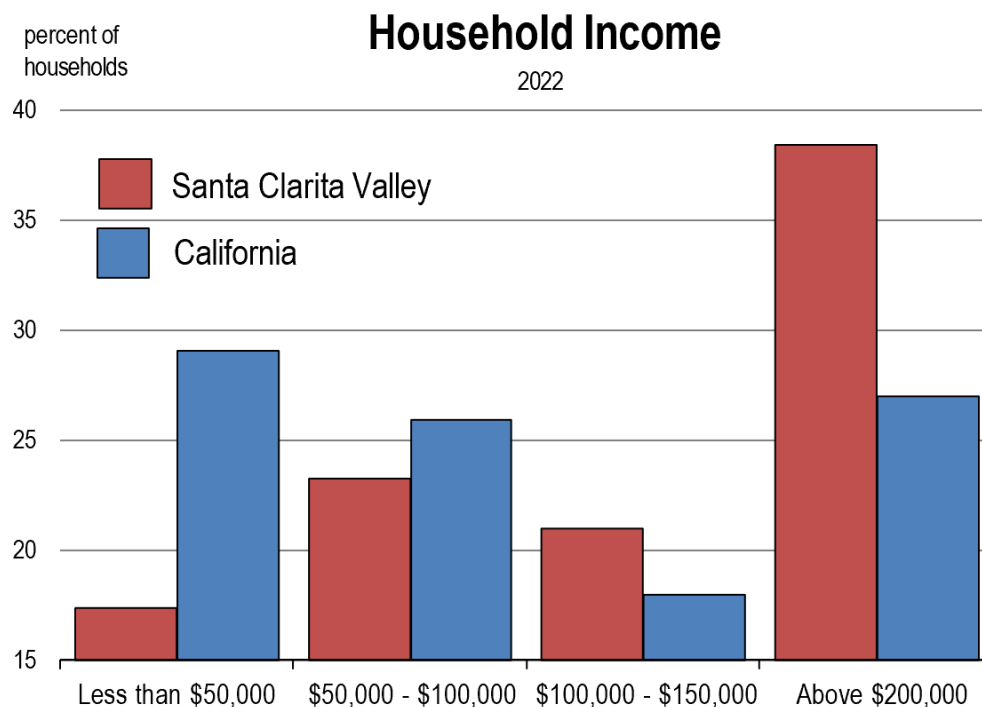
- The unemployment rate in the Santa Clarita Valley fell to 3.9 percent in December, the same as in September and October, and the lowest rate since May of 2019.
- A principal reason for the “worker shortage” is the inability of the labor force to expand. Since April 2022, it has been contracting.

- Nevertheless, 5,200 more residents were working in 2022 than in 2021. In addition to conventional W-2 jobs in the region, their work circumstances include working remotely, as independent contractors or in new start-ups as gig workers.



# HOUSEHOLD INCOME

Source: California Economic Forecast

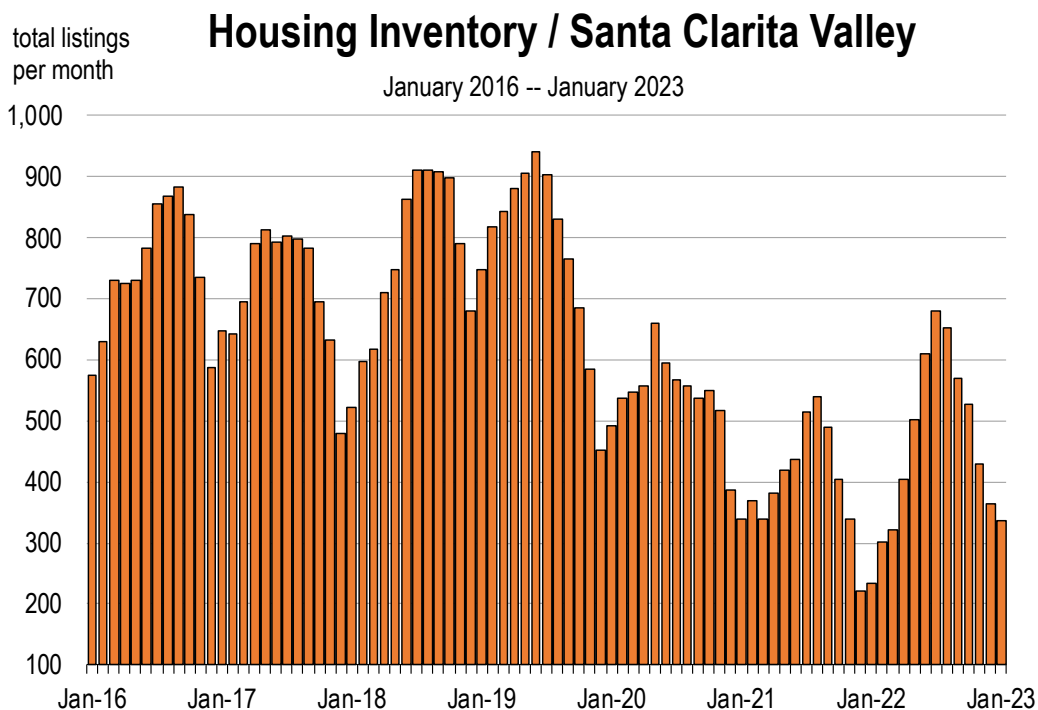
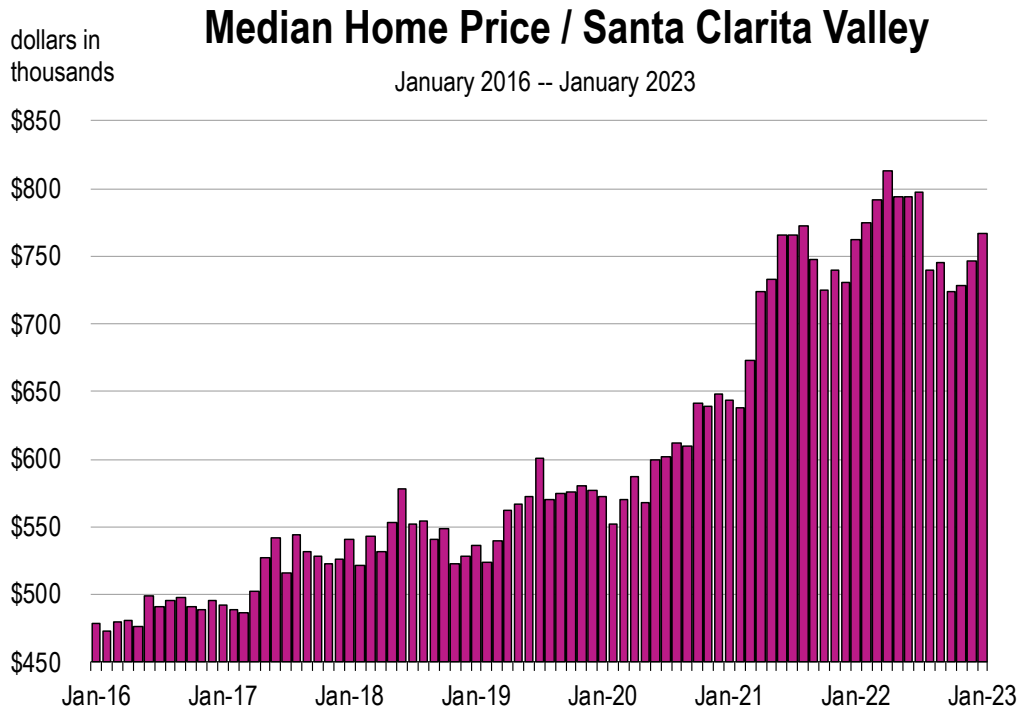


- In the Santa Clarita Valley, 60 percent of all households earn \$100,000 or more per year, compared to 45 percent for all Californians.
- The Santa Clarita Valley is among the most affluent areas of California. Incomes in the region are high because the local labor market is concentrated in high-wage fields. A large proportion of local residents work in higher paying fields.
- Compared to the rest of California, the region has a much lower share of residents who did not finish high school. In the region, less than 10 percent of residents who are over the age of 25 do not have a high school diploma, an exceptionally low rate. Across California, 16 percent of residents do not have a high school diploma.
- The region also has a slightly higher proportion of residents with an associate's degree or a graduate degree.



# RESIDENTIAL REAL ESTATE

Source: California Economic Forecast

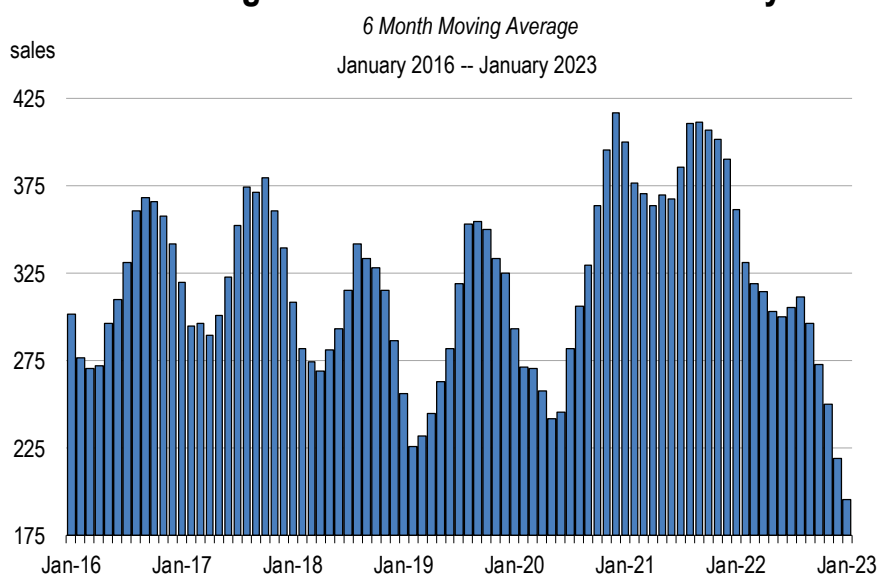


# RESIDENTIAL REAL ESTATE

Source: California Economic Forecast

- The market is comprised of the entire Castaic-Stevenson Ranch-Santa Clarita region.
- In January 2023, the median home price in the Santa Clarita Valley was \$767,000, an increase of 0.6 percent from January of 2022. However, the January selling value represents a 5.7 percent decline from the peak value recorded in April 2022.
- Price depreciation to date is minimal. It does not appear to be on a downward trend that is occurring in other regions of California.
- In January, the for-sale inventory of homes totaled 337, an increase of 45 percent over the number of homes for sale in January 2023. For all of calendar 2022, inventory was 17 percent higher than 2021, which was the low point for inventory over the last decade. Aside from 2021, total inventory today is much less than inventory prevailing in any previous year going back to 2012.

## Existing Home Sales / Santa Clarita Valley

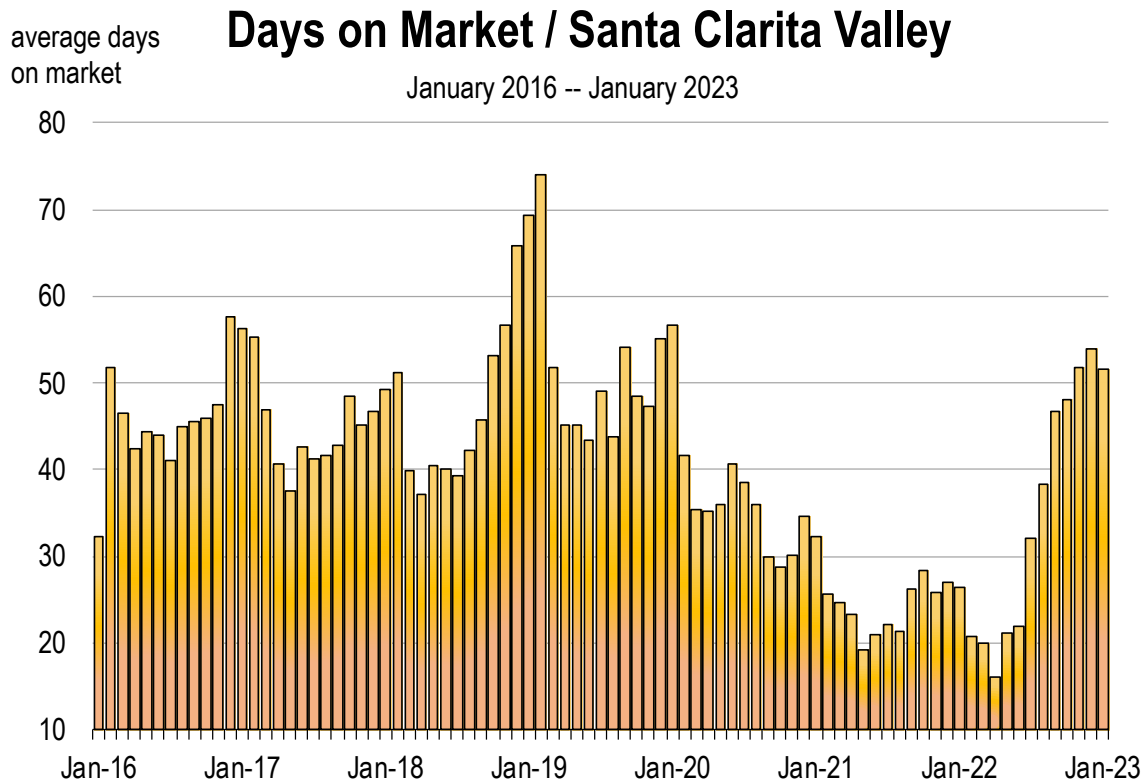


- In January 2023, there were 125 home sales, a 47 percent decline from January 2022. Home sales during calendar 2022 were 31 percent lower than home sales in 2021. The selling value was 6.4 percent higher.
- Rising mortgage rates throughout 2022 and sticky high home prices are impacting purchase demand in the housing market.



# RESIDENTIAL REAL ESTATE

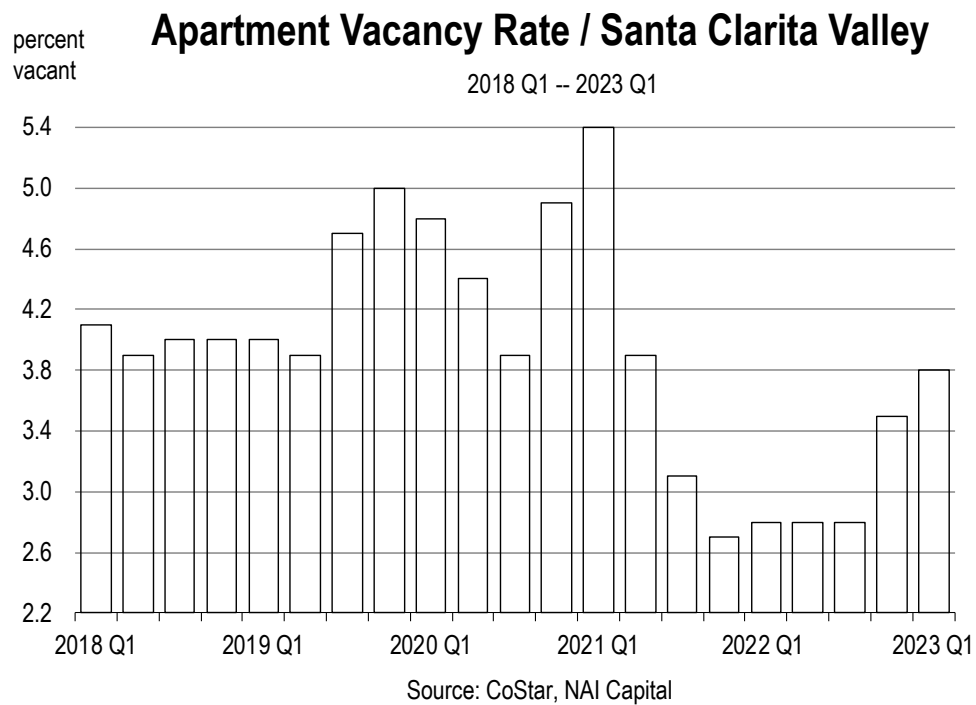
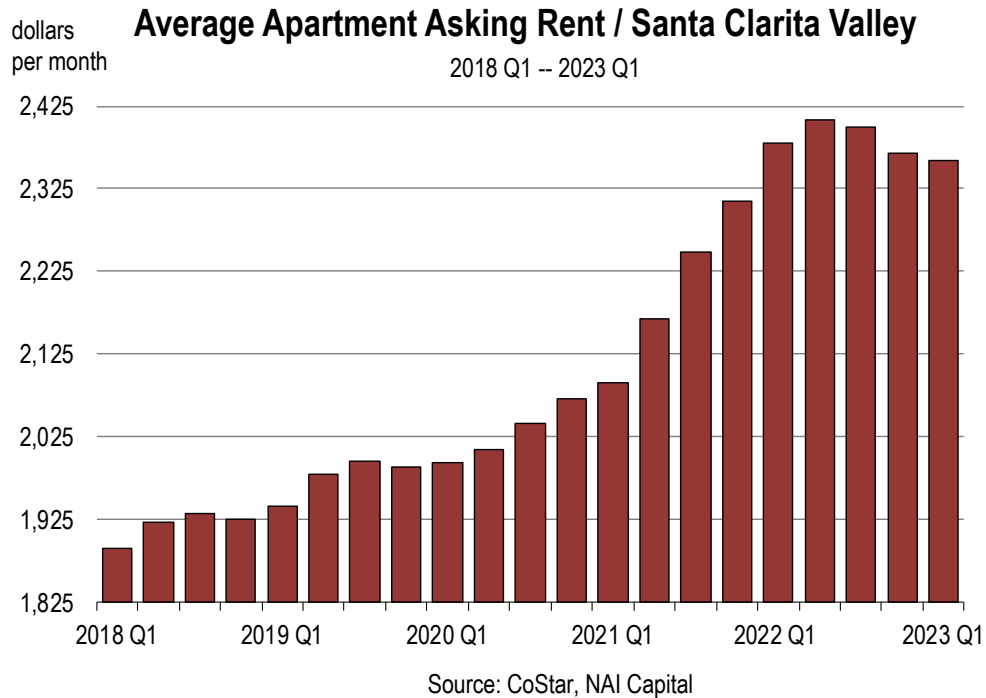
Source: California Economic Forecast



- The average number of days on market for a home to sell is now at 52. This represents a 95 percent increase over the average for January 2022 when days to sell averaged 26.

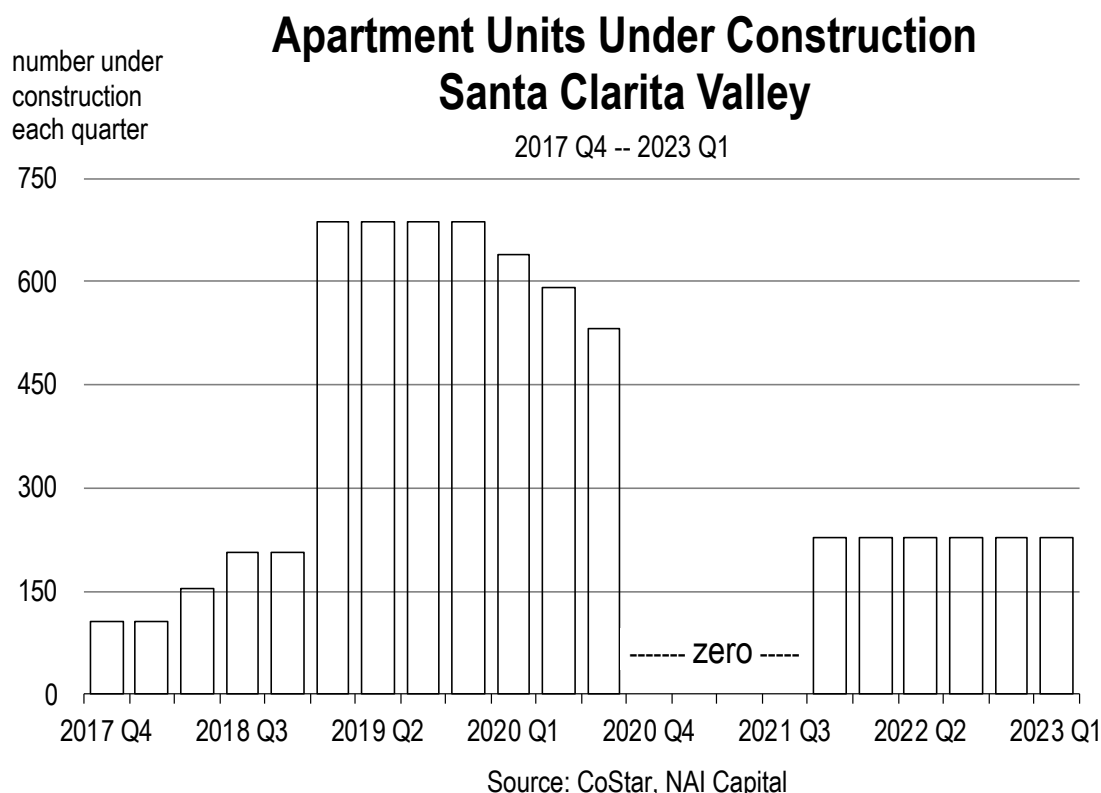
# RESIDENTIAL REAL ESTATE

Source: California Economic Forecast



# RESIDENTIAL REAL ESTATE

Source: California Economic Forecast

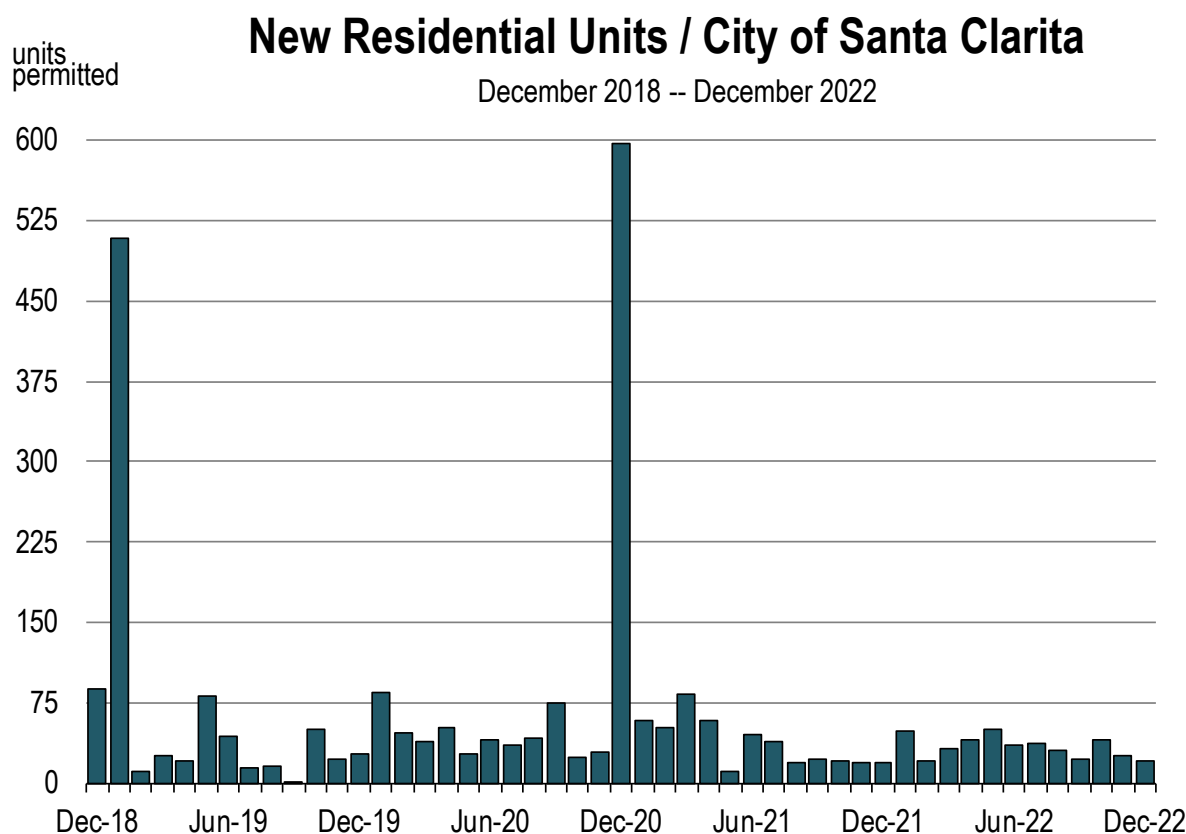


- Apartment rents peaked in Q1 of 2022 at \$2,400. The current asking price averages \$2,369 per month and has dropped slightly due likely to the product type remaining in the current market.
- Asking rent today is 0.5 percent lower than year ago rents.
- The vacancy rate has tightened to 2.6 percent, the lowest rate since CoStar data have been recorded. There are an estimated 407 vacant apartment units in the entire Santa Clarita Valley (out of a base of 16,300 total units)
- 228 units are currently under construction. The last delivery occurred in 2020 Q3.



# RESIDENTIAL REAL ESTATE

Source: California Economic Forecast

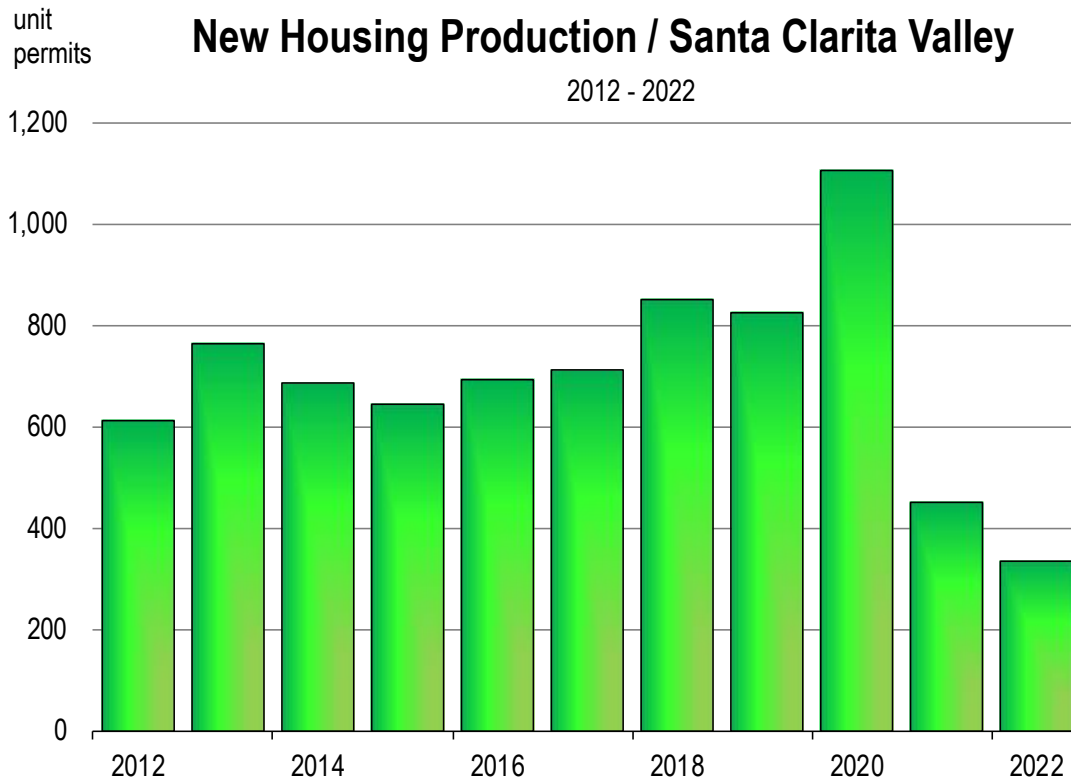


- Over the last 2 years, there has been a declining trend in new housing for the city and greater Valley area.
- For calendar year 2022, 168 housing unit permits have been issued in the City of Santa Clarita. An estimated 335 units for the region were permitted in 2022. All but two of the units were single family detached housing permits.



# RESIDENTIAL REAL ESTATE

Source: California Economic Forecast



## New Housing, Santa Clarita Valley, 2019 -- 2022:

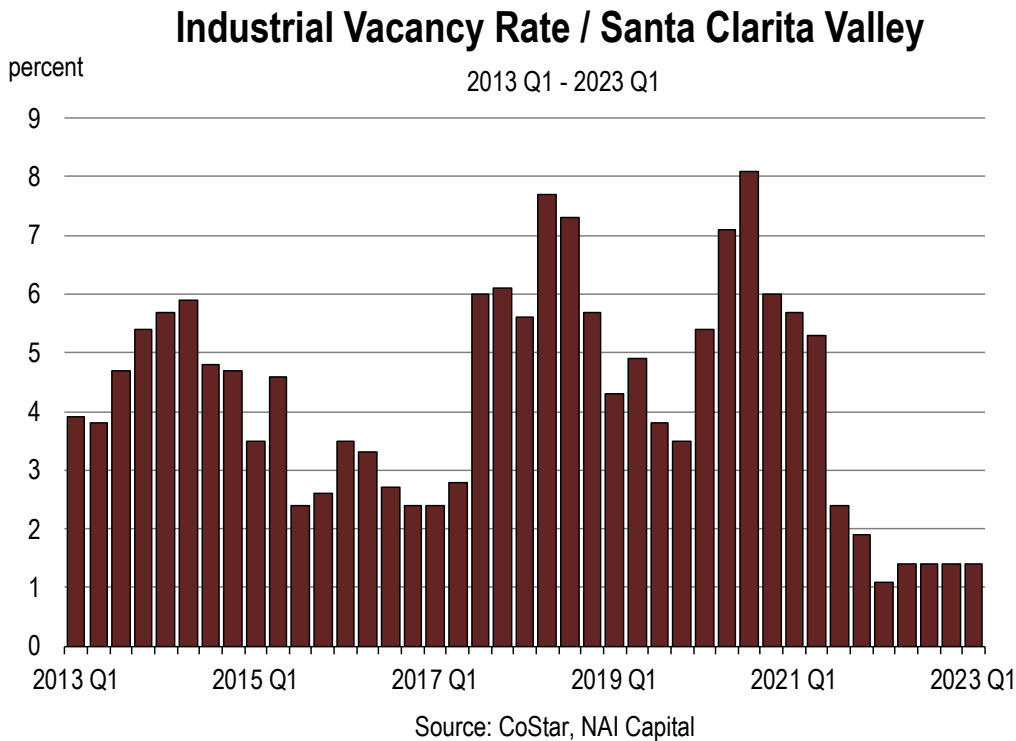
### Estimated Units

2019	824
2020	1,105
2021	451
2022	335



# COMMERCIAL REAL ESTATE

Source: California Economic Forecast, CoStar, NAI Capital



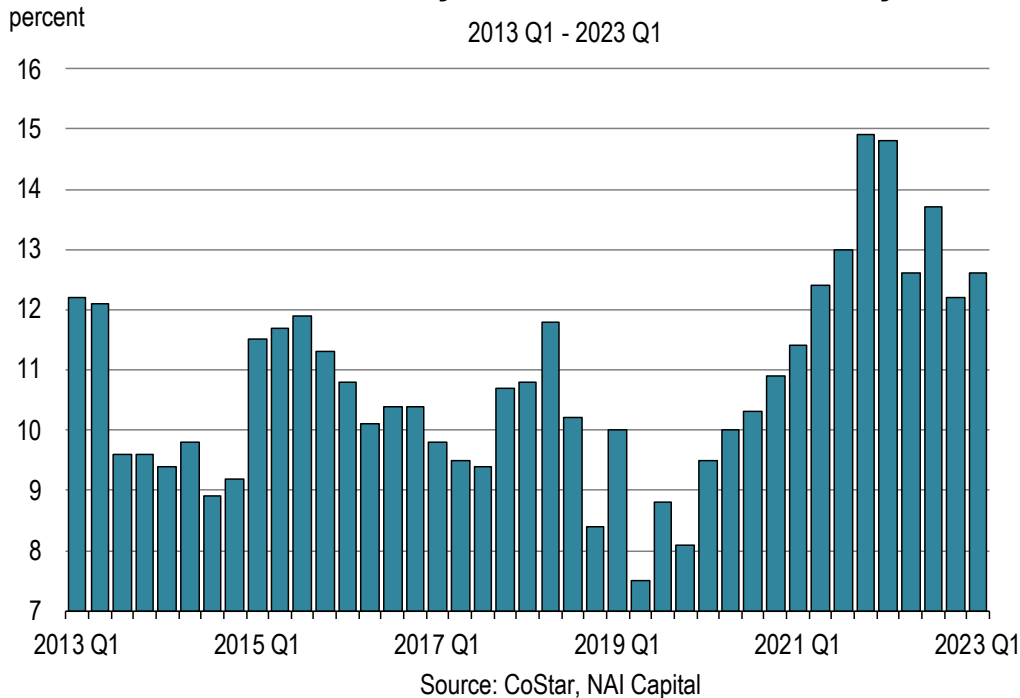
- The industrial vacancy rate has remained constant at 1.4 percent for the last year, through February 2023
- The vacancy rate remains extremely tight; there is only 318,000 square feet available (out of a base of 22.8 million square feet) for lease in the SCV economy.
- Lease rates are rising rapidly. The average triple net lease rate during the third quarter was up 31 percent year-over-year, reaching \$1.40 per square foot gross, and \$1.36 triple net.
- CoStar reports that 16 new leases were signed in the fourth quarter and 10 additional leases during the first 2 months of 2023, totaling 465,000 square feet.
- Three industrial buildings totaling 513,000 square feet are currently under construction.



# COMMERCIAL REAL ESTATE

Source: California Economic Forecast, CoStar

## Office Vacancy Rate / Santa Clarita Valley



- The office vacancy rate is contracting. The rate was just below 13.0 percent in February of 2023.
- Many companies have returned to the office or have implemented return-to-office strategies now.

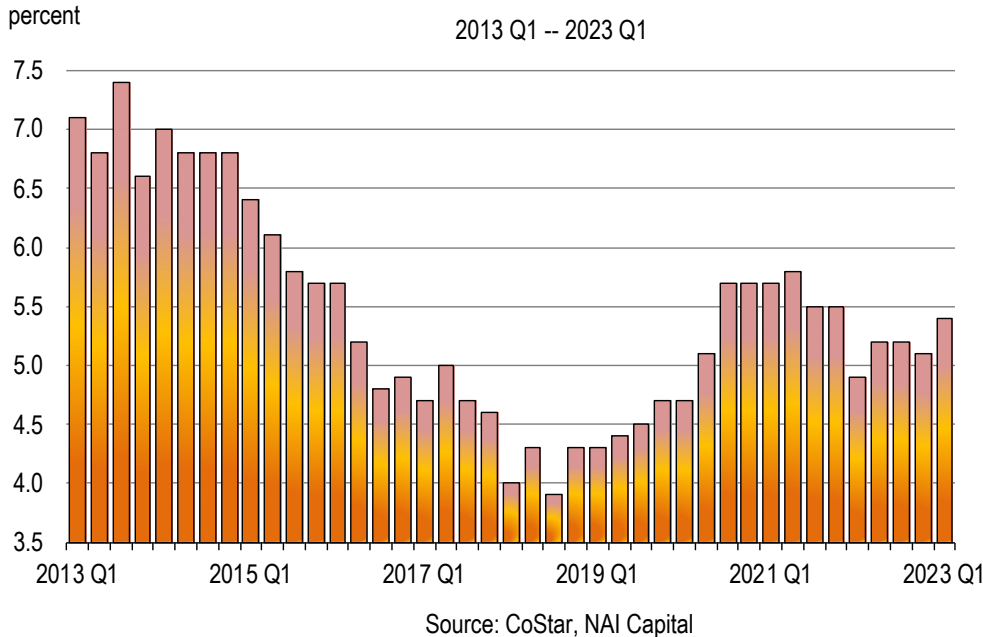
- The total office space availability rate is estimated at 18 percent as of late February 2023, due entirely to an increase in the availability of sublet space over the last 5 months.
- Lease rates are now marginally declining. Gross rent at \$2.68 per square foot is off 1.5 percent from the year ago average.
- CoStar reports that 55 leases were signed in the October 2022 to February 2023 period. The leases account for 104,000 square feet.
- The last principal office project completed was the 257,000 square foot Logix Headquarters building in April of 2021.
- A small 8,638 SF office building is the only office project currently under construction.



# RETAIL VACANCY

Source: California Economic Forecast, CoStar

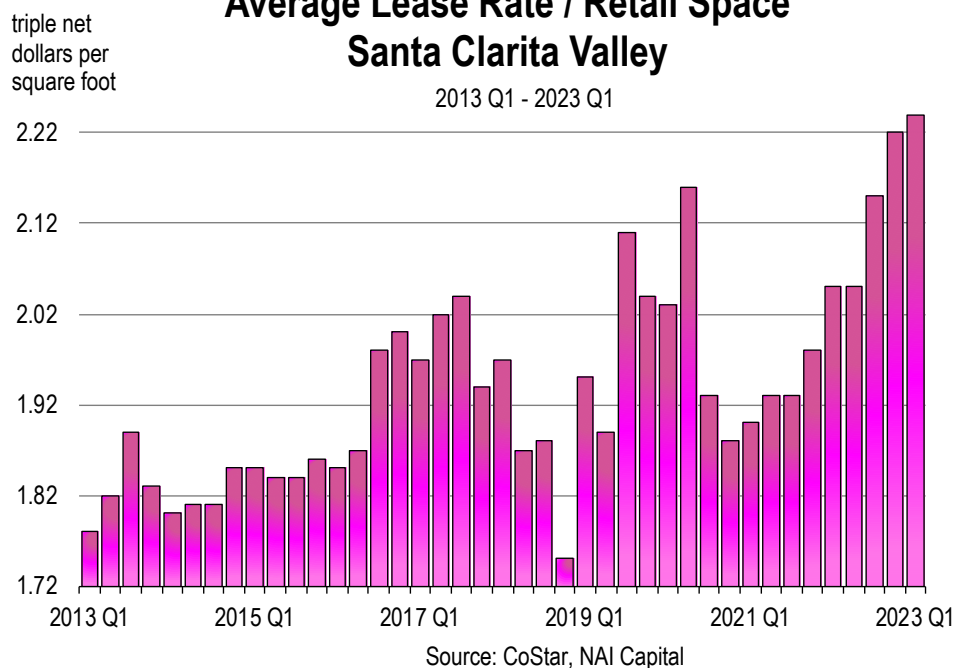
## Retail Vacancy Rate / Santa Clarita Valley



- Utilization of retail space has now stabilized. The vacancy rate has remained in a 5.0 to 5.4 percent band over the last 5 quarters.
- There have been virtually no new deliveries of retail space to the local market in 2 years and no new retail product is under construction at this time.

- Average triple net lease rates have jumped to \$2.24 per square foot in February of 2023, an increase of 9.3 percent over year ago average rates.

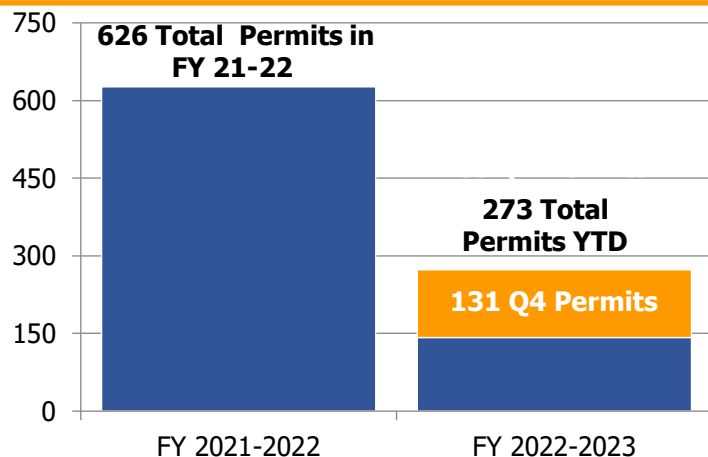
## Average Lease Rate / Retail Space Santa Clarita Valley



# FILMING IN SCV

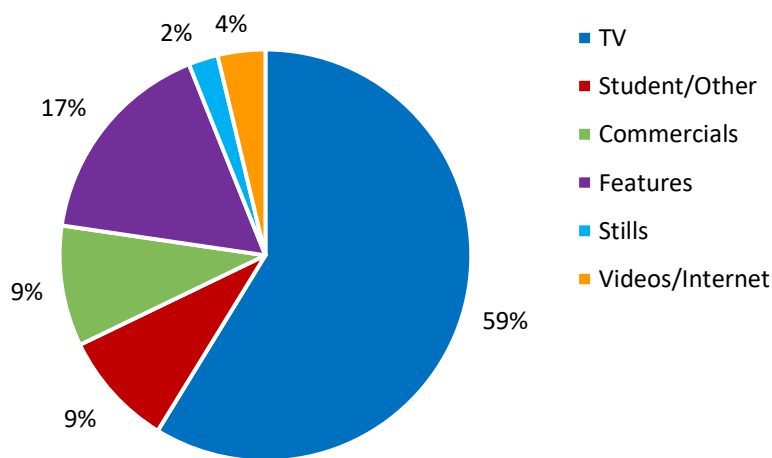
Sources: The City of Santa Clarita

## Number of Film Permits Issued in Santa Clarita



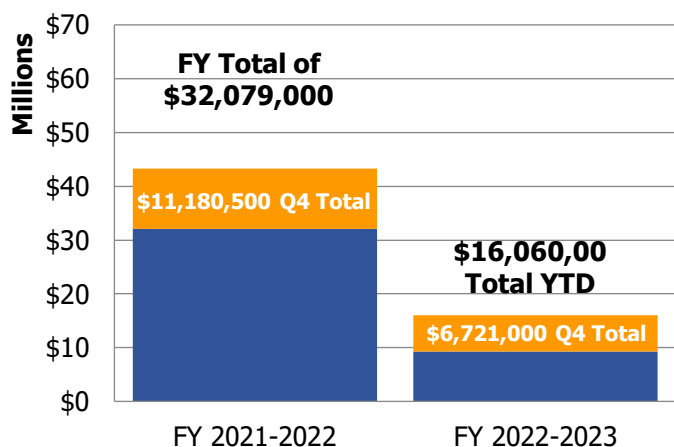
In Q4, a total of 131 permits were issued for a fiscal year total of 273 permits (July 2022 through June 2023) in the Santa Clarita.

## Number of Film Days in Santa Clarita



Permits issued in Santa Clarita represented a total of 284 filming days in Q4. These film days included 150 television shows, 141 student/other projects, 33 commercials, 50 features, 8 stills and 5 music videos.

## Fiscal Impact of Filming In Santa Clarita



The Q4 estimated economic impact including jobs, wages and economic output generated from filming and post-production activities as well as spending associated with film tourism, infrastructure investments and value from media exposure in the Santa Clarita Valley is \$6,721,000 which brings the year-to-date total to \$16,060,000. The city tracks film stats by fiscal year (June – July).



# HOTEL VACANCY

Sources: STR, City of Santa Clarita

Tourism Sub-Region	Occupancy Rate Q1 2023	Occupancy Rate Q1 2022	ADR Rate Q1 2023	ADR Rate Q1 2022
City of Santa Clarita	86.6%	81.1%	\$164.70	\$157.72
Santa Clarita Valley	86.8%	82.0%	\$158.10	\$152.57

Tourism Sub-Region	Occupancy Rate Q4 2022	Occupancy Rate Q4 2021	ADR Rate Q4 2022	ADR Rate Q4 2021
City of Santa Clarita	71.5%	71.3%	\$145.33	\$147.24
Santa Clarita Valley	74.8%	74.3%	\$139.72	\$143.52



# SUMMARY

Source: California Economic Forecast

- The residential market is in recession. Sales have declined more than 30 percent from a year ago but selling values have not contracted much. High mortgage rates and no selling price appreciation is a current disincentive to sellers to list their home for sale.
- Apartment rents are now contracting, and vacancy is rising. To date, the movements in rents and vacancy are modest.
- 2022 Residential construction activity in the City of Santa Clarita, and Greater Valley region was less than the levels observed in 2020 and 2021.
- Industrial vacancy remains extremely tight. Lease rates have significantly moved higher year-over-year, indicating that the tight market for industrial space has yet to loosen.
- More jobs are being created and many workers are returning to the office, resulting in higher utilization rates for the office sector.
- Retail store vacancy rates show little weakness; the rate was at 5.4 percent in February 2023 and lease rates have risen to all time record highs.
- Total employment in the Santa Clarita Valley continues to move higher. More positions are being filled in healthcare, manufacturing, local government and professional business services. Accommodations and recreation employment has fully recovered from the pandemic recession along with entertainment and recreation.

Labor markets are effectively at full employment in the region. The labor force has not fully returned, and this has resulted in a job market which has many open and unfilled positions.



# ABOUT

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

SCVEDC's mission is fourfold:



**Business  
Attraction**



**Business  
Assistance**



**Community  
Marketing**



**Information +  
Research**

## Location



**30 Miles from DTLA**



**Close to LAX & the  
Ports**



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



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

## Demographics



**Nearly 300K  
Residents**



**Median Household  
Income is \$104K**



**70% Have at Least  
Some College**



**Millennials are  
Largest Generation**

## Accolades



**Most Business  
Friendly City**



**Happiest City**



**Healthiest City**



**Safest City**



**Best Place to  
Start a Family**



# Santa Clarita Valley Economic Development Corporation

26455 Rockwell Canyon Rd.  
Santa Clarita, CA 91355  
[scvedc@scvedc.org](mailto:scvedc@scvedc.org) | 661.288.4400  
[www.scvedc.org](http://www.scvedc.org)

**SANTA CLARITA VALLEY**  
ECONOMIC DEVELOPMENT CORPORATION



Residential and commercial real estate and employment data provided by  
California Economic Forecast

