



2016 Sonoma County: Local Economic Profile

2016
SONOMA
COUNTY

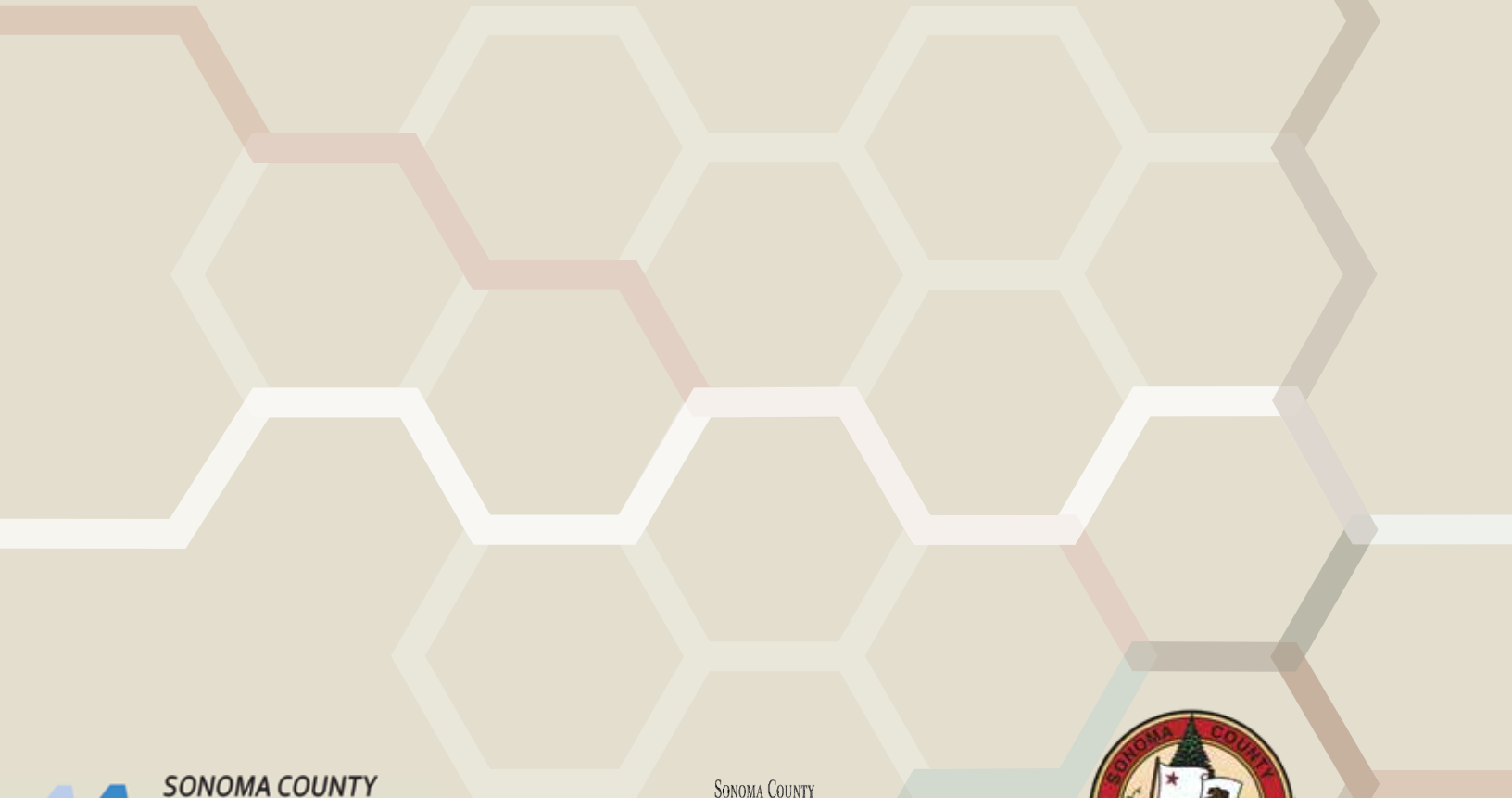


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Sonoma County: Local Economic Profile

The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Workforce Investment Board (WIB), and the Sonoma County Chamber of Commerce, is pleased to present the *2016 Sonoma County Local Economic Profile*.

Highlights from this *Local Economic Profile* include:

- Sonoma County's seasonally unadjusted unemployment rate was 4.6% in July 2015, lower than California (6.5%) and the nation (5.6%) for the same month.
- Between 2000 and 2015, the median household income in Sonoma County grew by 16% to \$61,807. Looking into 2020, this growth is expected to continue with median income rising to \$73,615, an increase of around 19% from 2015.
- The average sales price for a home in Sonoma County in 2014 was \$571,928, an increase of \$137,750 from 2013. Healdsburg had the highest average sales price for Sonoma County in 2014, while Rohnert Park/Cotati had the lowest average sales price.
- Total taxable sales in Sonoma County continued rebounding in 2013 with a gain of about 8.6%, while the state only increased 5.1%.

While every effort was made to ensure this report contained up-to-date information, certain data was unavailable at the time this report was released; thus, some figures may reflect years previous to 2015.

Thank you for your interest in the Economic Development Board's research. For additional information, questions, comments, or suggestions please contact us at (707) 565-7170 or visit www.sonomaedb.org. For other county-specific questions, please visit www.sonomacounty.ca.gov.

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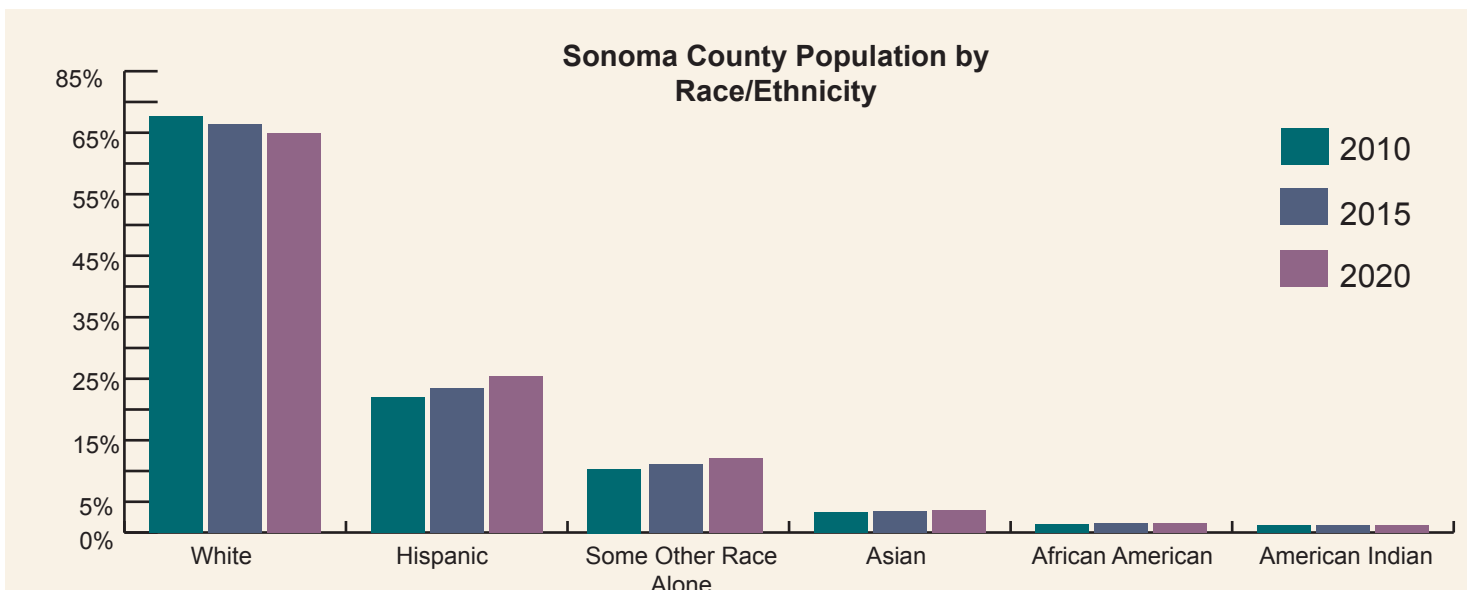
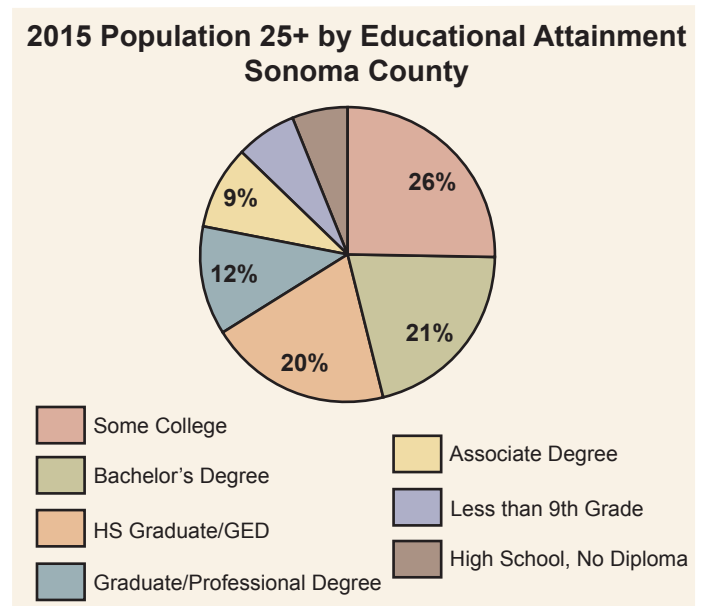
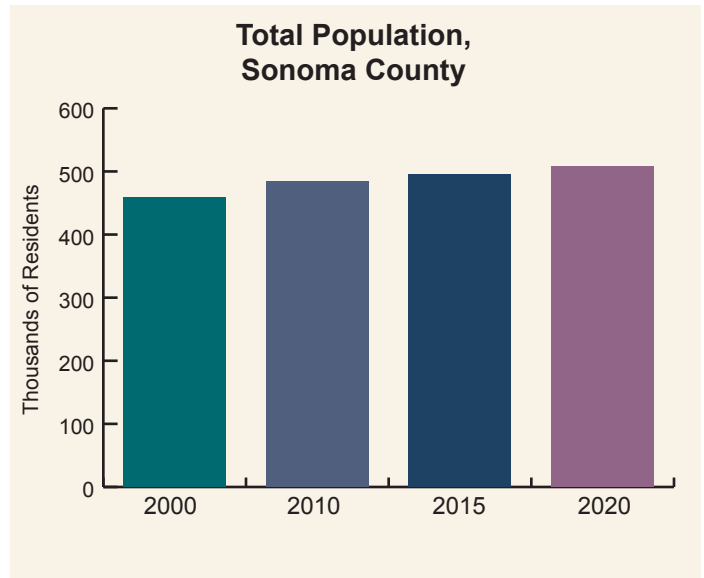
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Population and Demographics

The population of Sonoma County in 2015 was 494,431, and according to Environmental Systems Research Institute (ESRI) projections, it is expected to rise 2.65% to 507,735 by 2020.

In 2015, in the population of those 25 and older, 20% of residents had obtained a High School Diploma. The category of Some College consists of individuals who have taken college courses but who have never received their degree. **In 2015, 21% of residents had obtained a Bachelor's Degree and around 12% had received a Graduate or Professional Degree.**

A trend we see moving into 2020 is the increase in the Hispanic population in Sonoma County. **Between 2010 and 2020 there is predicted to be a 4 percentage point increase overall in the Hispanic population of Sonoma County.**



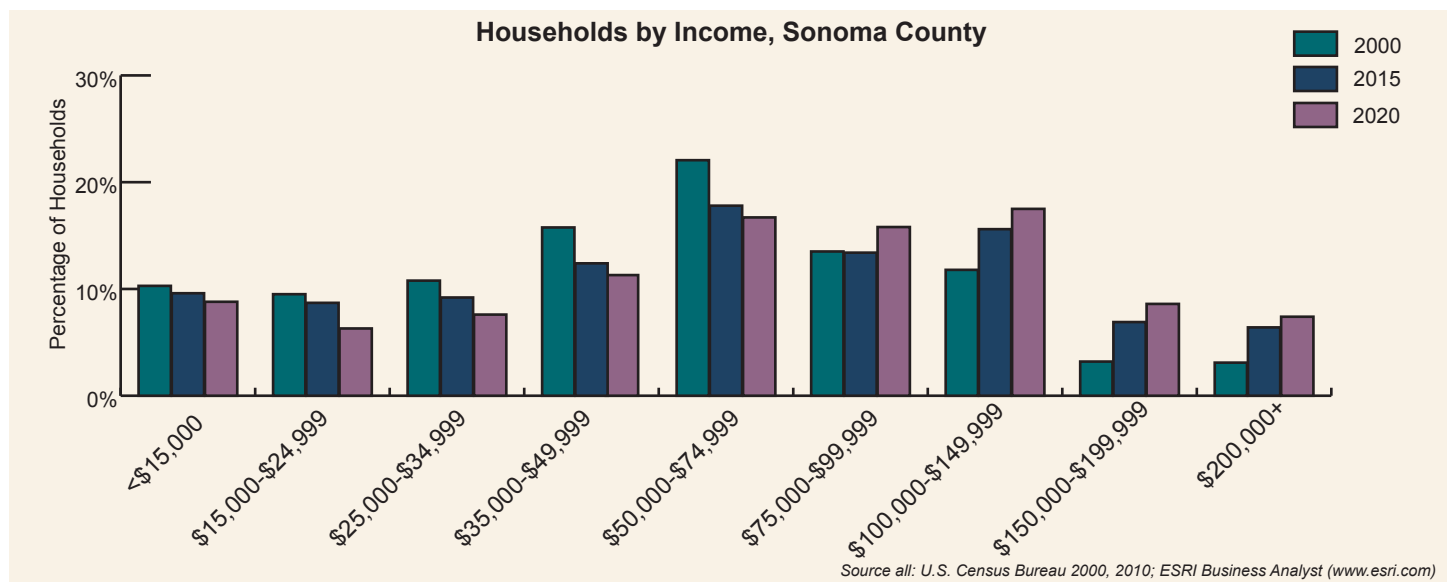
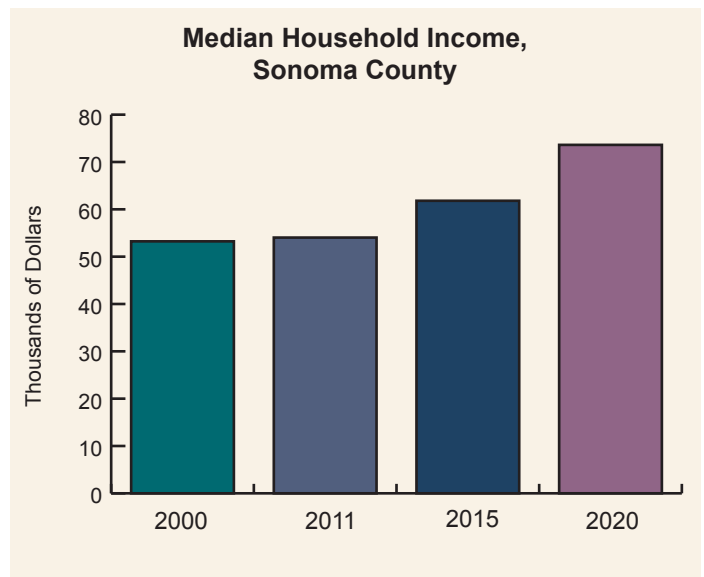
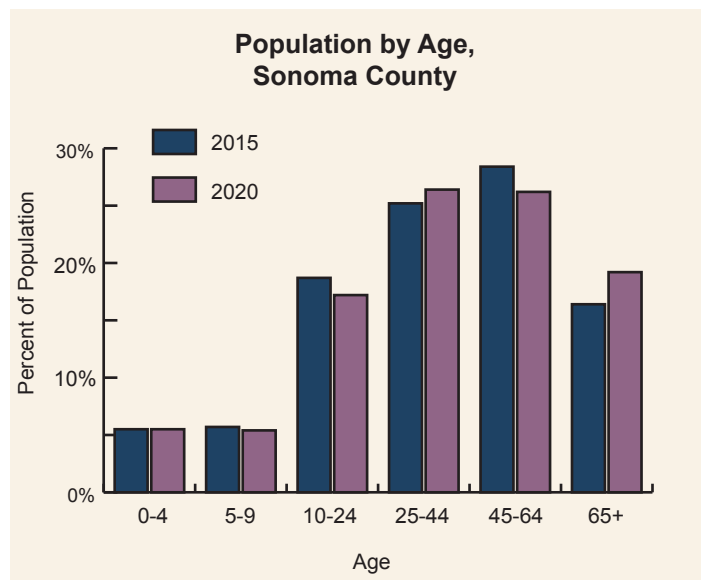
Population & Income Projection

The population by age in Sonoma County in 2015 and 2020 followed a wide distribution, and according to Environmental Systems Research Institute (ESRI) projections, the 65 and older population is expected to increase the greatest amount by 2020. This is creating a decrease in individuals 10-24 and 45-64 between 2015 and 2020.

Between 2000 and 2015, the median household income in Sonoma County grew by 16% to \$61,807. Looking into 2020, this growth is expected to continue with median income rising to \$73,615, an increase of around 19% from 2015.

As income in Sonoma County rose between 2000 and 2015, the percentage of households earning less than \$35,000 was reduced by 3 percentage points. The fastest growing income range was \$100,000-\$149,999, and this was followed by gains in the \$150,000-\$199,999 range.

A trend that remains consistent into 2020 is the shrinking percentage of households earning less than \$35,000. The proportion of Sonoma County in this range will decrease by 4.8 percentage points from 2015 to 2020. This trend, coupled with the increasing proportion of Sonoma County households earning over \$75,000, will result in further concentration of households in higher-income tiers.



Source all: U.S. Census Bureau 2000, 2010; ESRI Business Analyst (www.esri.com)

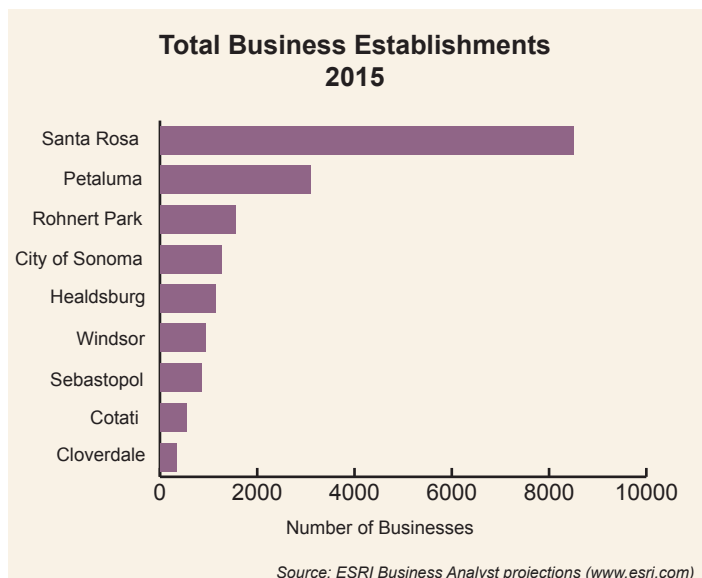
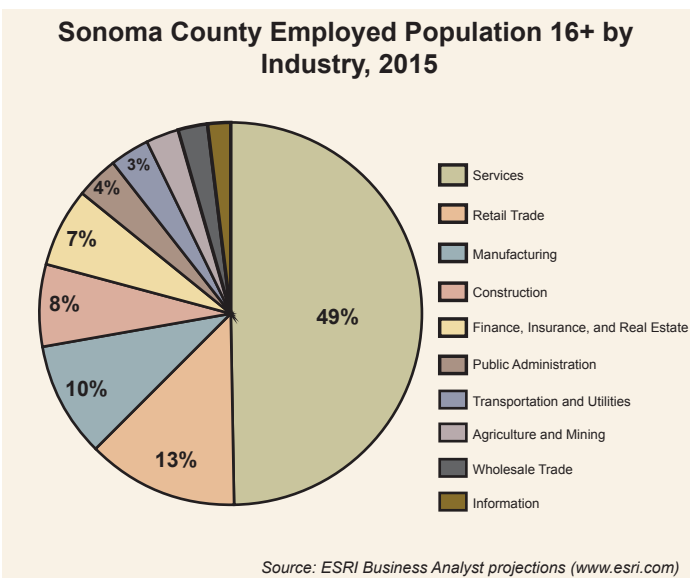
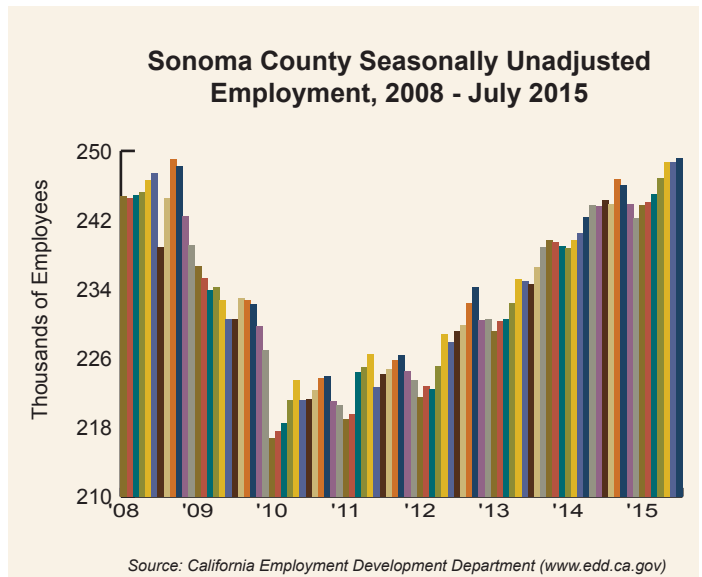
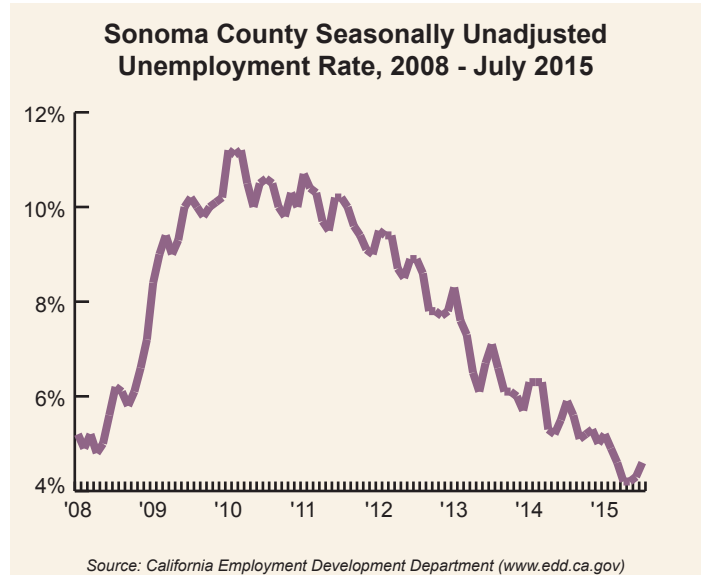
Employment

Sonoma County's seasonally unadjusted unemployment rate was 4.6% in July 2014. Compared to July of the previous year, Sonoma County's unemployment rate is down 1.3 points from 5.9%. Unemployment remains significantly lower in Sonoma County compared to its peak of 11.2% in January of 2010. Sonoma County's unemployment rate is below the state (6.5%), and below the nation (5.6%).

Total employment in Sonoma County was 249,200 in July 2015, which is up 2% from a year earlier. Although it is following an increasing trend, we are noticing a pattern of seasonal employment spikes in the numbers.

The total number of business establishments in 2015 in Sonoma County is about 25,800.

Almost 50% of Sonoma County's employed population is in the category of Services, which includes education, health care, tourism and legal services. The second largest sector is Retail Trade, followed by Manufacturing. This shows a strong, high demand for tangible goods in the Sonoma County area.



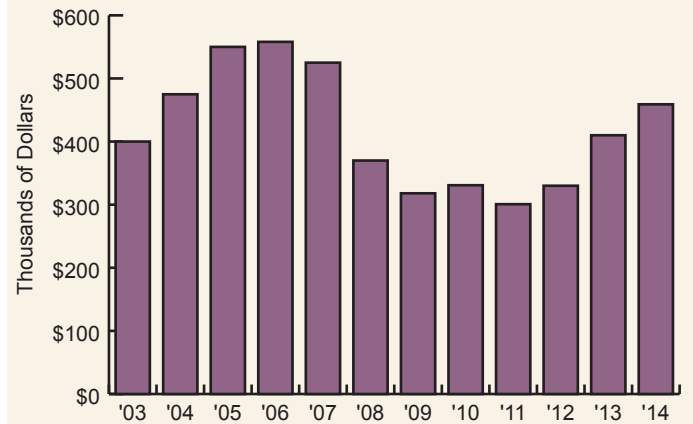
Residential Real Estate

The future of median home prices in Sonoma county is increasing after prices rose 12% from 2013 to \$459,000 in 2014. The median home prices have been increasing since the low in 2011, and are nearing the pre-recession high median home prices of 2006.

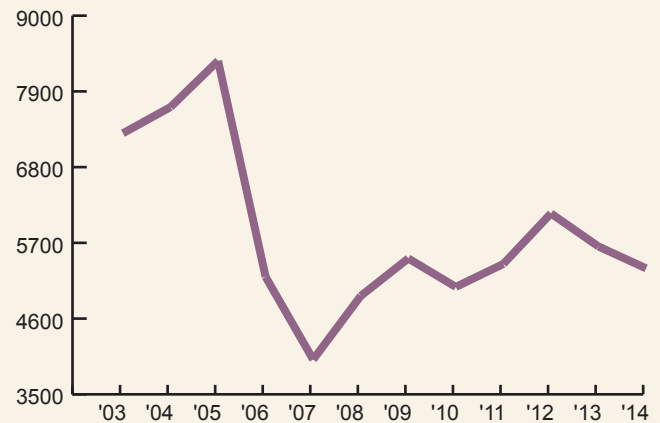
The number of homes sold in Sonoma County in decreased significantly by 317 to 5,330, a 6% loss from 2013 to 2014. This continued drop in the number of homes sold can be attributed to the rising median home prices and the low housing supply in Sonoma County.

The average sales price for a home in Sonoma County in 2014 was \$571,928, an increase of \$137,750 from 2013. Healdsburg had the highest average sales price for Sonoma County in 2014, while Rohnert Park/Cotati had the lowest average sales price.

Median Price of an Existing Home in Sonoma County, 2003-2014

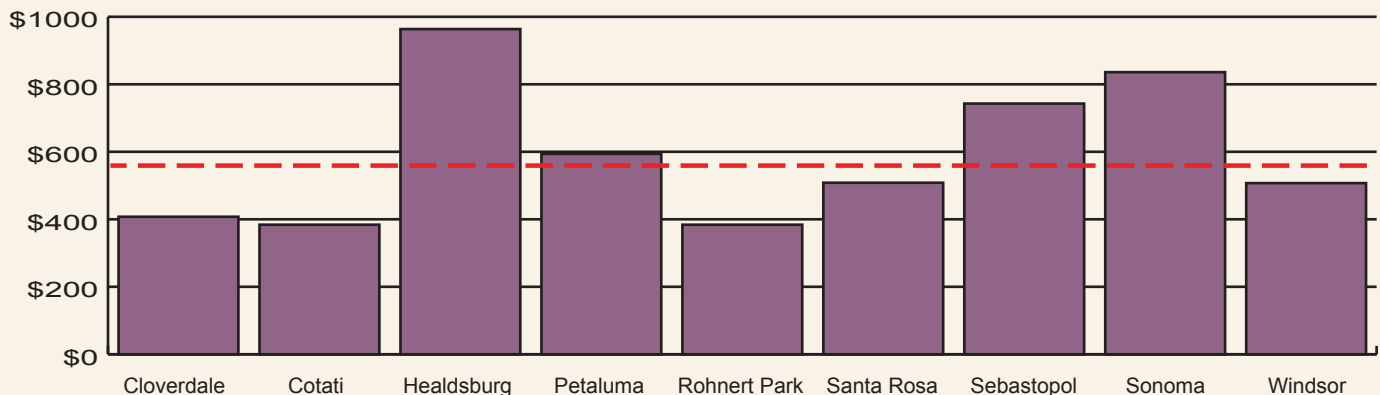


Total Number of Houses Sold in Sonoma County, 2003-2014



Average Sales Price (\$ Thousands) by Sub-County Area, 2014

■ Average Sales Price (\$ Thousands) — County Average Price (\$ Thousands)



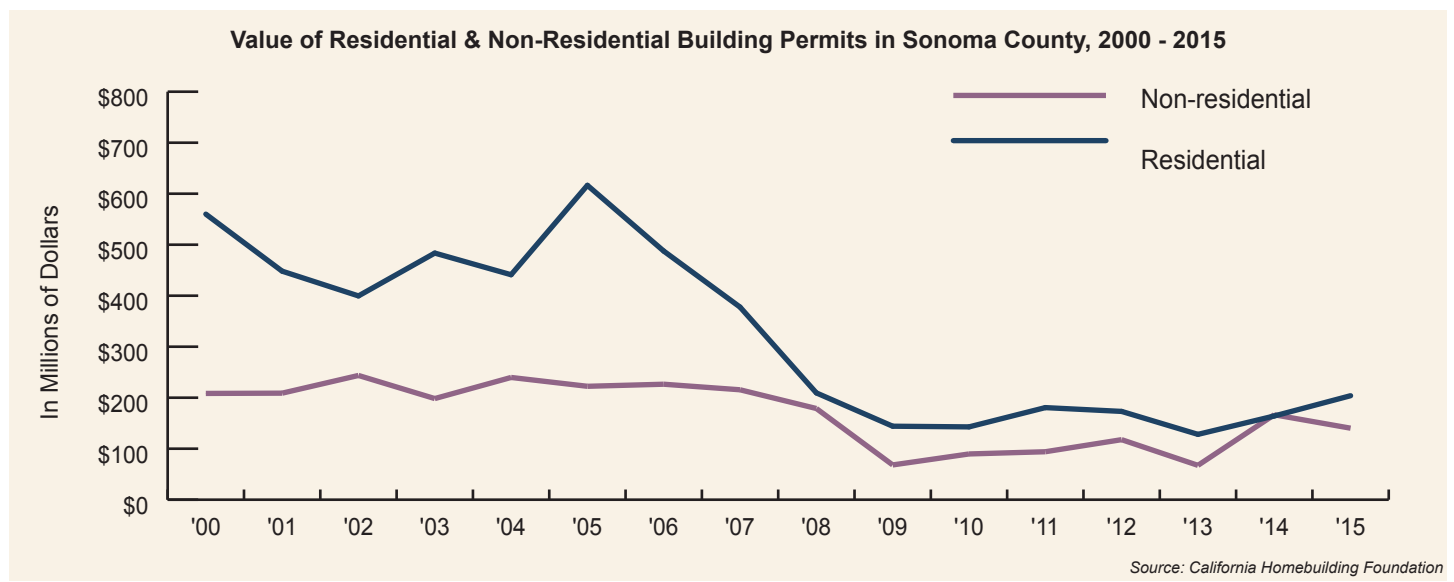
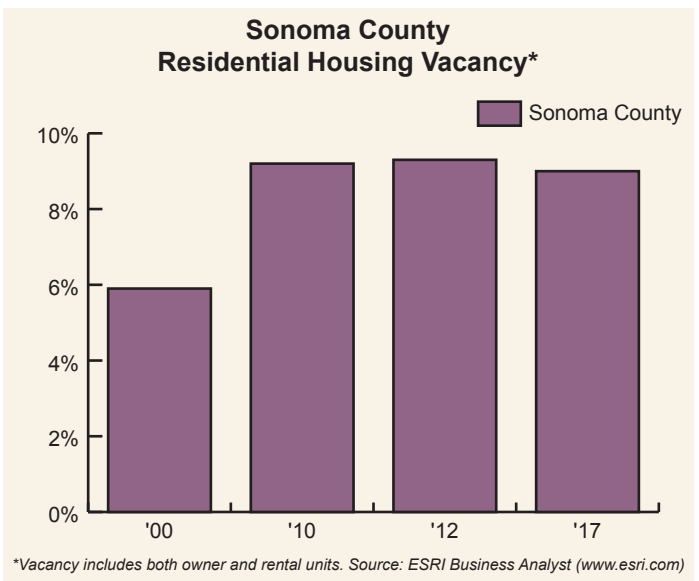
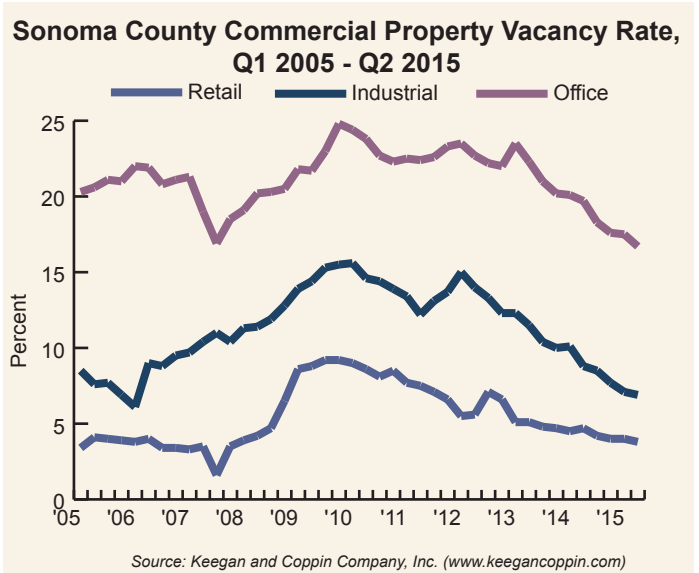
Source all: Bay Area Real Estate Information Services (www.bareis.com)

Real Estate & Construction

The retail vacancy rate in Sonoma County has continued to decline since its peak in 2009 of 9.2%. In the second quarter of 2015, the retail vacancy rate for Sonoma County was 3.8%. The office vacancy rate has dropped to 16.7% and the industrial vacancy rate has fallen to 6.9%. These declining commercial real estate vacancy rates show that Sonoma County's economy is expanding.

From 2000 to 2015, Sonoma County's residential housing vacancy rate increased 3.4 percentage points. Vacancy is expected to fall 0.3 percentage points from 9.3% in 2015 to 9% in 2020.

The year to date values of residential and non-residential building permits in Sonoma County from July 2014 to July 2015 were \$203,908,907 and \$140,230,891, respectively. Building permit values reflect trends in construction activity. Residential building permits continue rebounding after a slight dip in 2013, while non-residential building permits saw a slight decrease from 2014 to 2015.

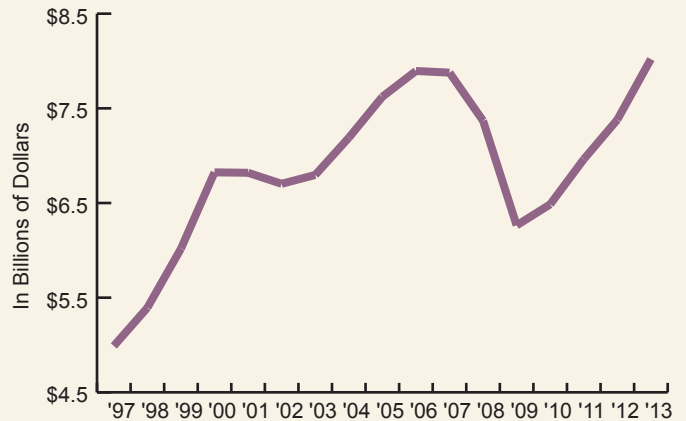


Consumer Spending & Taxable Sales

Total taxable sales in Sonoma County continued rebounding in 2013 with a gain of about 8.6%, while the state only increased 5.1%. Total taxable sales in 2013 passed the previous peak of 2006, showing signs of robust economic expansion in Sonoma County.

Compared to the national average, Sonoma County residents spend more on education, travel, and housing. Over 70% of expenditures fall under the categories of housing, transportation, other*, and food.

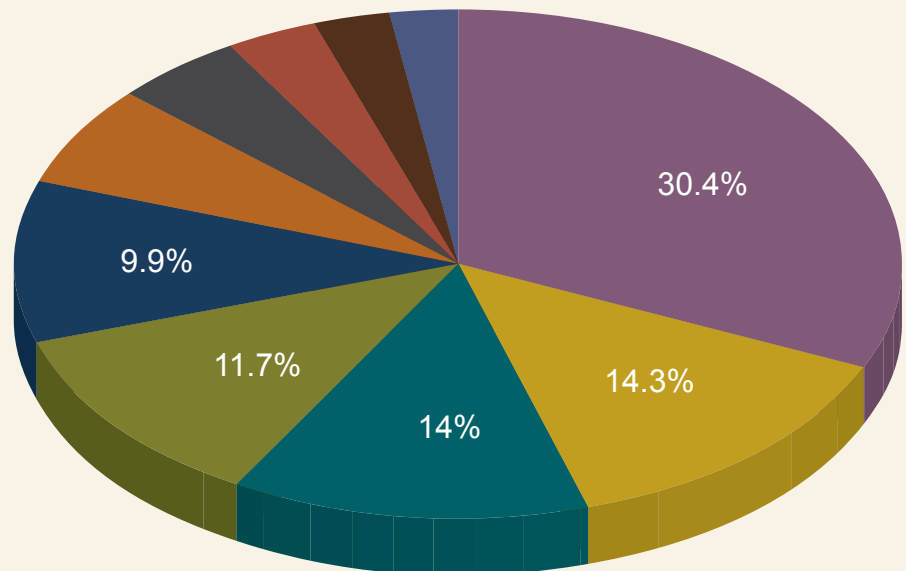
Total Taxable Sales in Sonoma County, 1997-2013



Source: California Board of Equalization (www.boe.ca.gov)

Consumer Spending by Commodity in Sonoma County, 2015

- Housing
\$4,712,563,791
- Transportation
\$2,209,552,372
- Other*
\$2,179,228,583
- Food
\$1,814,587,275
- Pensions and Social Security
\$1,533,424,589
- Healthcare
\$1,002,330,865
- Entertainment and Recreation
\$711,231,844
- Cash Contributions/Gifts
\$541,486,692
- Travel
\$436,295,212
- Education
\$340,679,381



*The Other category includes Apparel and Services, Alcoholic Beverages, Household Operations, Housekeeping Supplies, Household furnishings and equipment, Life/Other Insurance, Miscellaneous, Personal Care Product and Services, and Smoking Products.

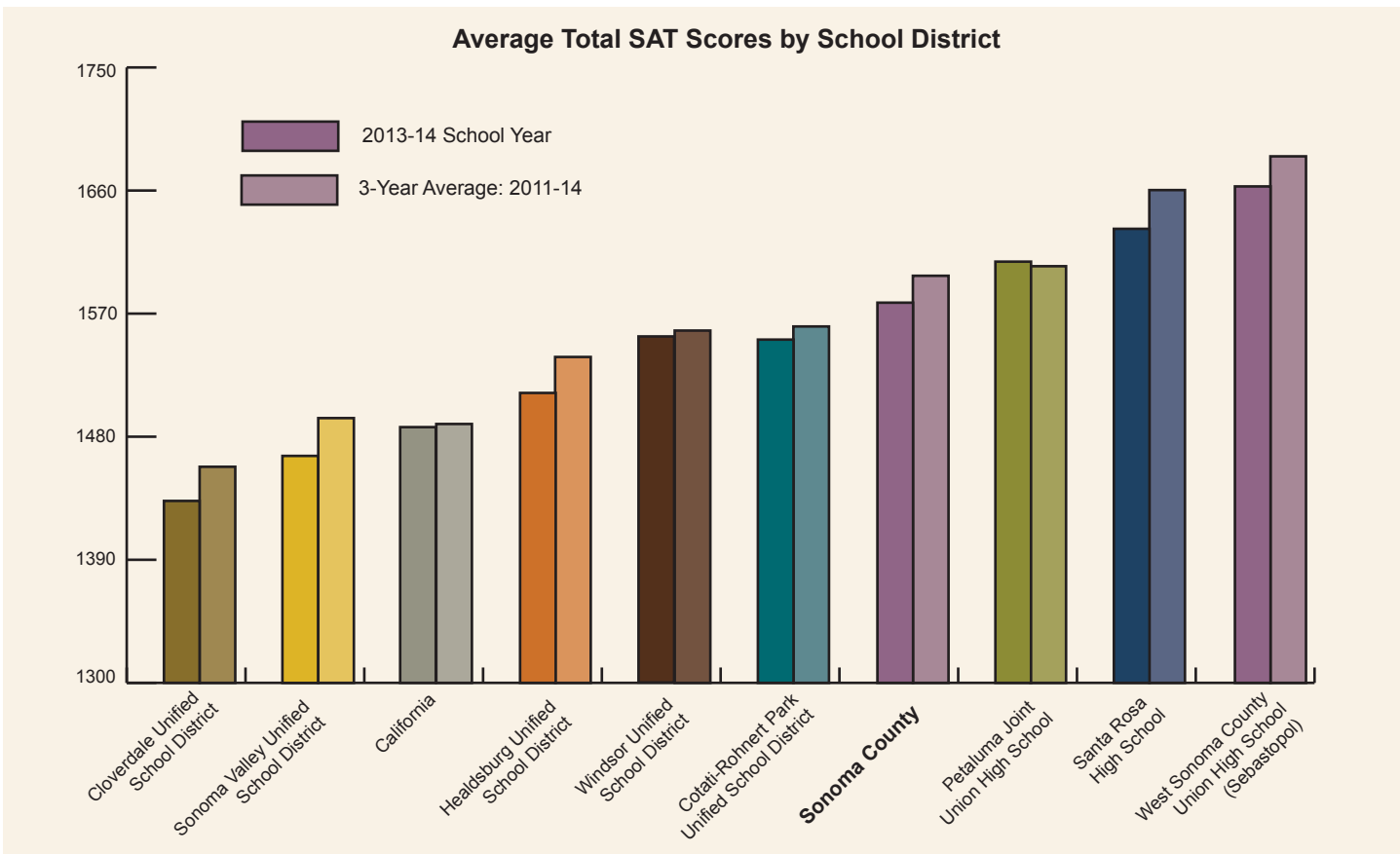
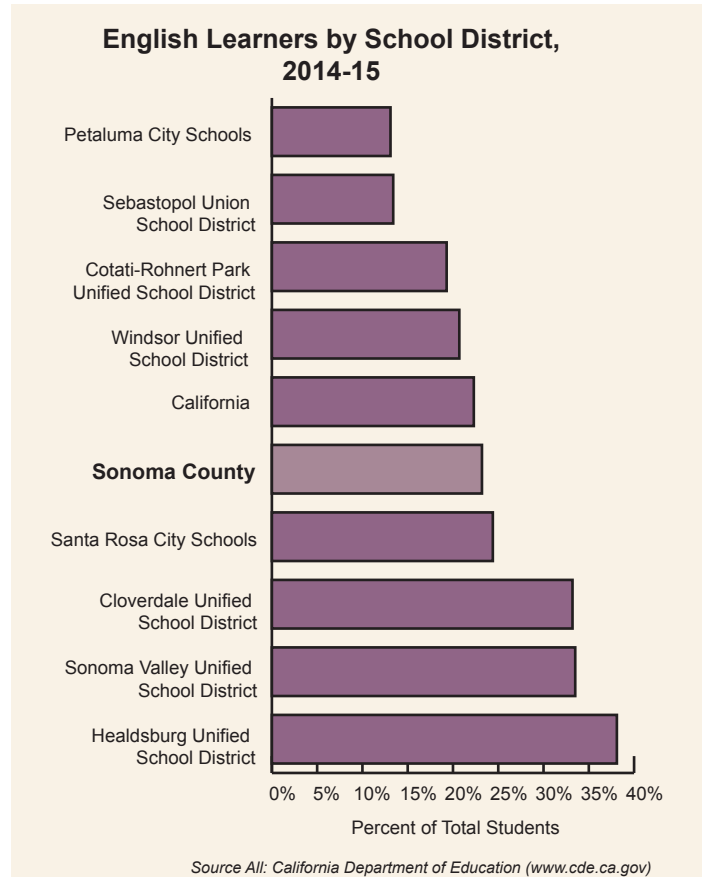
Source: ESRI Business Analyst Online (www.bao.esri.com)

Education

The percentage of English learners in Sonoma County schools is 23.2%. This includes elementary, middle, and high school students. The districts with the highest percentage of English learners were Healdsburg Unified School District and Sonoma Valley Unified School District. The ratio of English learners in Sonoma County schools is slightly above the state average of 22.3%.

Sonoma County consistently ranks above the state in SAT scores, and the 2013-14 school year was no different. The average SAT score for a student from Sonoma County in 2013-14 was 1578, 91 points higher than the state average of 1487. The top performing districts were West Sonoma County Union High School and Santa Rosa High School.

For a complete listing of the particular schools located in each district, please visit the Sonoma County Office of Education's website at: <http://www.scoe.org/pub/htdocs/finddistrict.html>



City Data Snapshot

	Total Population 2015	Unemployment Rate June 2015	Median Household Income 2015	Average Sales Price of a Home 2014	Percentage of English Learners 2014-15	Average Total SAT Scores 2013-14
Cloverdale	8,858	3.7%	\$57,643	\$407,515	33.2%	1433
Cotati	7,399	5.7%	\$62,498	\$383,993	19.3%	1551
Healdsburg	11,681	3.7%	\$61,950	\$963,632	38.1%	1512
Petaluma	59,322	3.3%	\$75,655	\$594,029	13.1%	1608
Rohnert Park	41,967	4.5%	\$58,719	\$383,993	19.3%	1551
Santa Rosa	171,827	4.8%	\$57,602	\$508,331	24.4%	1632
Sebastopol	7,490	3.7%	\$57,607	\$742,854	13.4%	1663
City of Sonoma	11,202	3.9%	\$59,596	\$835,899	33.5%	1466
Windsor	27,221	3.7%	\$77,205	\$507,146	20.7%	1553
Sonoma County*	494,431	4.3%	\$61,807	\$571,928	23.2%	1578

Note on Data Sources

The *2016 Sonoma County Local Economic Profile* is a brief summary on various demographic, economic and social aspects of Sonoma County. Economic Development Board (EDB) research originates from information available from outside resources and previously published material. The *2016 Sonoma County Local Economic Profile* offers partial or composite representations of raw data and cites respective source data sets. For more information, please see the listed sources.

The *Local Economic Profile* does not provide complete in-depth analyses of all facets of the incorporated cities or the county. The EDB believes all data contained within this report to be accurate and the most current available, but does not guarantee its accuracy or completeness. Use of data from an outside source does not represent an endorsement of any product or service by the EDB, its members or affiliates.

The *2016 Sonoma County Local Economic Profile* was developed from national and local data sources. Interested readers are encouraged to contact data source agencies or organizations for further research. Readers are also invited to suggest for future reports by calling (707) 565-7170 or e-mailing edb@sonoma-county.org.

Sources

Bay Area Real Estate Information Services

California Board of Equalization

California Department of Education

California Employment Development Department

California Homebuilding Foundation

ESRI Business Analyst

Keegan and Coppin Company

U.S. Census Bureau

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