



SANTA ROSA

CITY PROFILE REPORT

2017



Report developed by the Sonoma County Economic Development Board in partnership with the City of Santa Rosa and the Santa Rosa Metro Chamber

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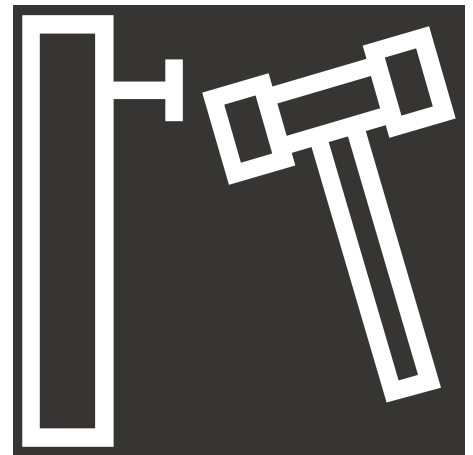
EXECUTIVE SUMMARY

April 2017

The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Workforce Investment Board (WIB), the City of Santa Rosa, and the Santa Rosa Metro Chamber is pleased to present the 2017 Santa Rosa Local Economic Profile.

Highlights from this Local Economic Profile include:

- Santa Rosa's seasonally unadjusted unemployment rate reached 4.2% in September 2016, higher than Sonoma County (3.8%), but lower than California (5.3%) and the nation (4.8%) for the same month. Santa Rosa also reached its highest level of employment, at 88,000 jobs.
- Between 2011 and 2016, the median household income in Santa Rosa grew by 12.4% to \$58,729. Looking into 2021, this growth is expected to continue, with median income rising to \$65,474, an increase of 11.3% from 2016.
- In the third quarter of 2016, commercial vacancy rates in Santa Rosa continued a decreasing trend which brought vacancy rates to 6.2% for industrial, 13.7% for office, and 3.2% for retail.
- The median home price in Santa Rosa rose 6.9% from 2014 to 2015, reaching \$449,000. At the same time, the number of units sold increased 14.8% between 2014 and 2015, coming in at 2311 units sold in 2015.
- Taxable sales in Santa Rosa continue to increase, logging gains of 5.7% from 2013 to 2014. The most recent data shows that taxable sales surpassed pre-recession levels for the first time, hitting \$3.07 billion in 2014.



This report is meant to act as a spot-in-time profile to reflect conditions in the city in a given year. 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 prior to 2016.

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.

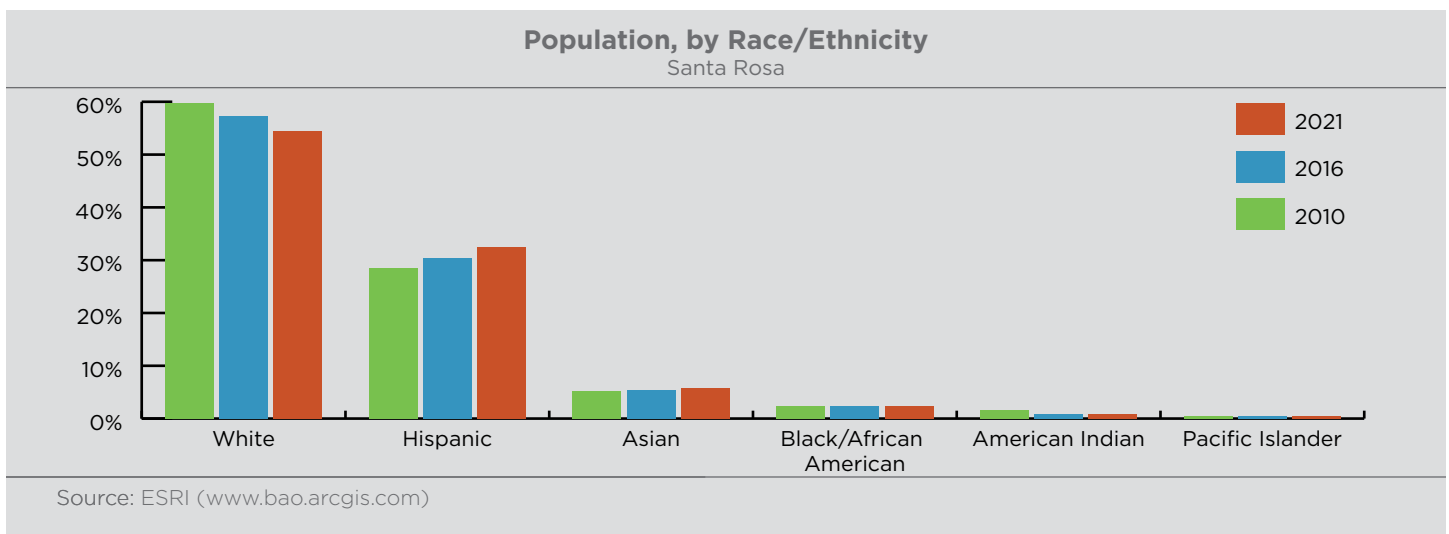
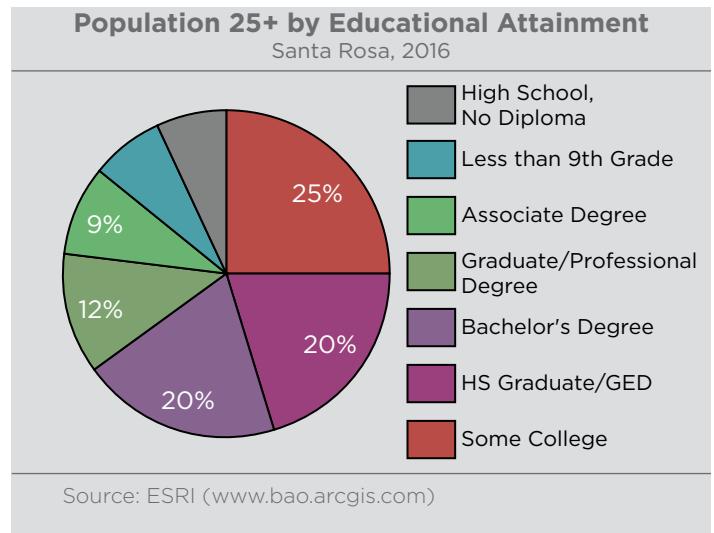
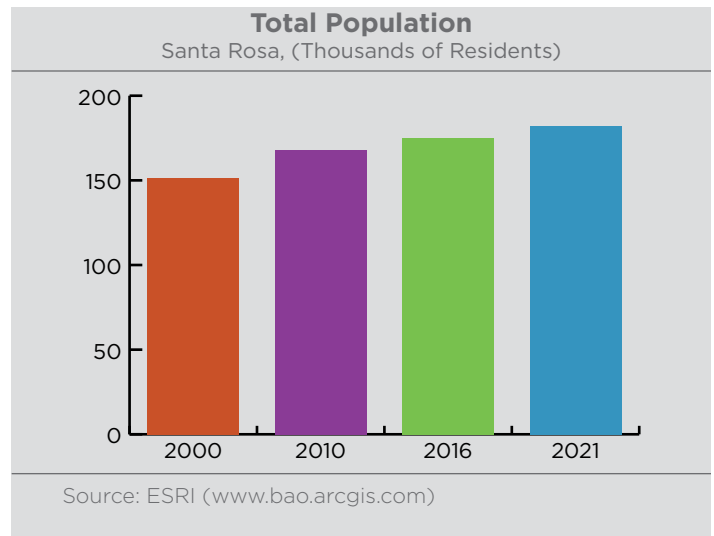


POPULATION & DEMOGRAPHICS

The population of Santa Rosa in 2016 was 175,105. Projections show it rising about 4.0% to 182,070 by 2021. This exceeds the projected population increase of 3.8% for Sonoma County over the same period. From 2000 to 2016, Santa Rosa added around 24,000 residents to its population.

In 2016, in the population of those 25 and older, 20% of residents held solely a high school diploma. This equals the rate throughout Sonoma County (20%) in the same year. The category of Some College consists of individuals who have taken college courses but who have never received their degree, which represents the largest proportion (25%) of residents. Around 20% of residents held a bachelor's degree and 12% received a graduate or professional degree in addition to a bachelor's degree.

The growth of the Hispanic population and the decline of the White population, a trend observed from 2010 to 2016, is expected to continue into 2021. Between 2016 and 2021 projections show a 2.2 percentage point increase in the Hispanic population and a 1.9 percentage point decrease in the White population. This remains consistent with the whole of Sonoma County, which is expected to experience a 2.3 percentage point increase in Hispanic population.



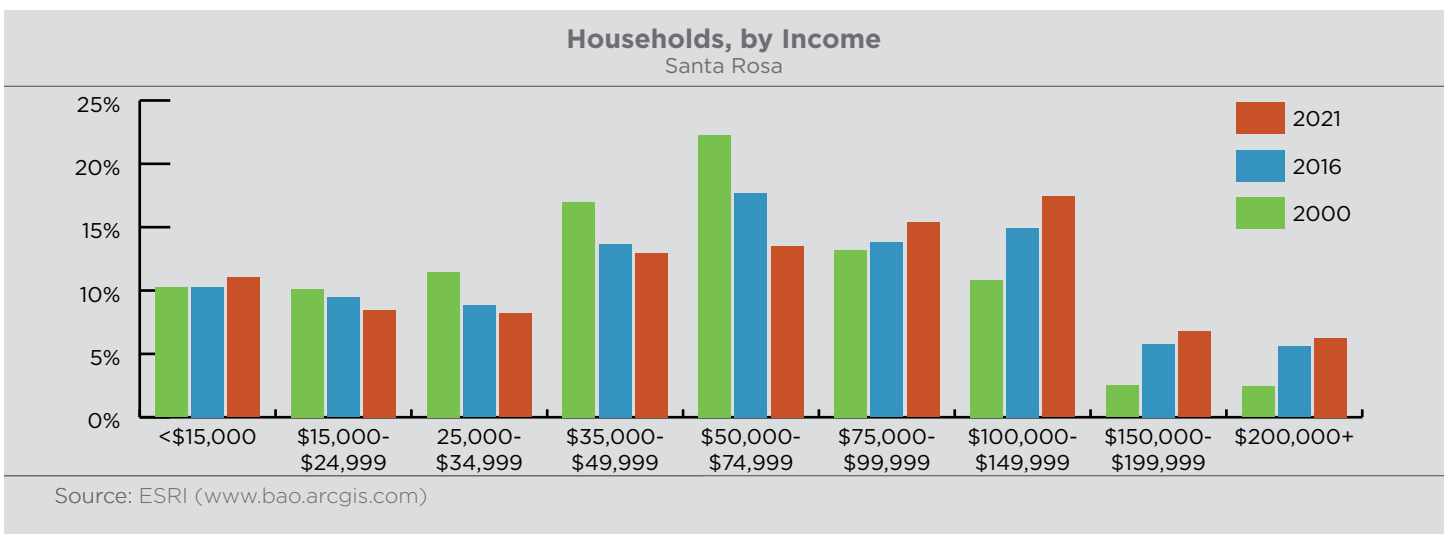
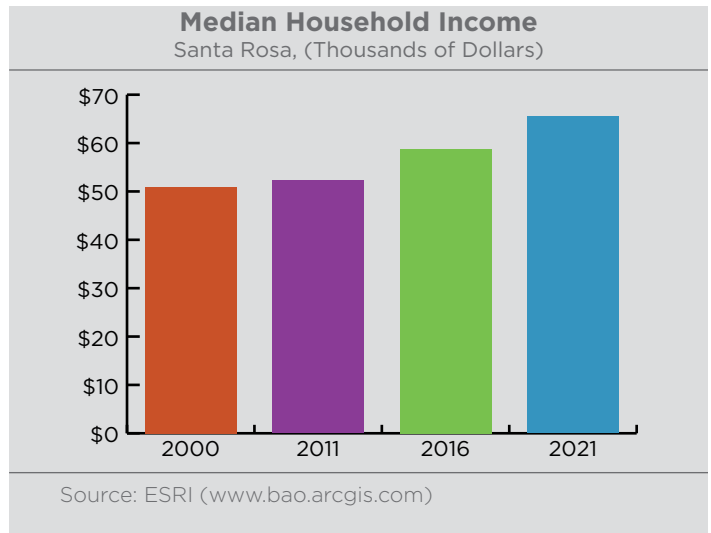
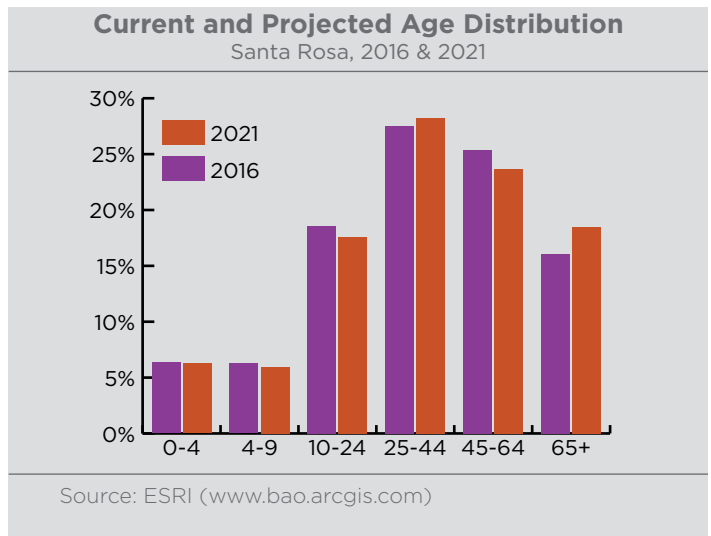
POPULATION & INCOME PROJECTIONS

Projections show greater concentration of the population in the highest age range. The population over the age of 65 is predicted to grow by 2.4 percentage points by 2021. Those 25-44 represent the only other group expected to experience growth. This shows that Santa Rosa will contain a growing share of older residents.

Between 2011 and 2016, the median household income in Santa Rosa grew by 12.3% to \$58,729. Looking into 2021, projections show this growth continuing, with median household income rising to \$65,474, an increase of around 11.3%.

Between 2000 and 2016, the percentage of households earning less than \$35,000 fell by 3.3 percentage points in Santa Rosa. The fastest-growing income range was \$100,000-\$149,999, with the proportion of residents in this group increasing by 4 percentage points.

A trend expected to remain consistent into 2021 is the shrinking percentage of households earning less than \$75,000, expected to decrease by 5.8 percentage points by 2021. This trend, coupled with the increasing proportion of residents earning over \$75,000, will result in further concentration of households in higher-income tiers and further gains in median income.



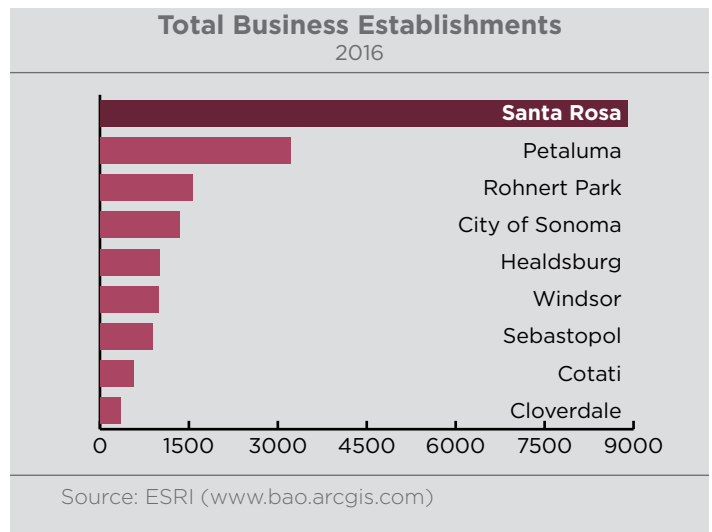
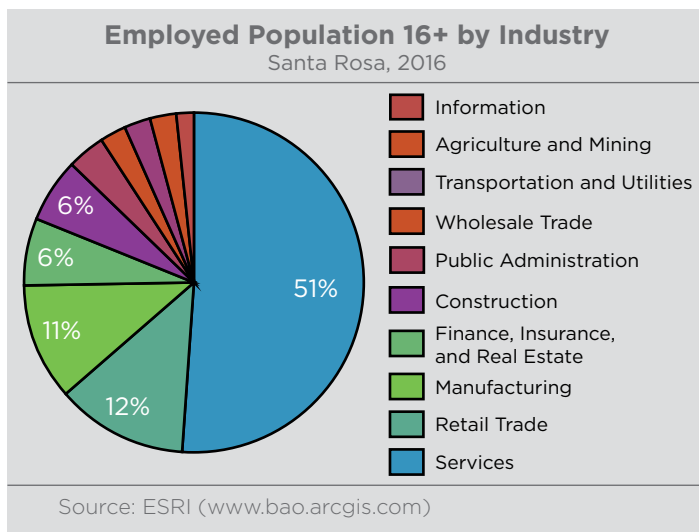
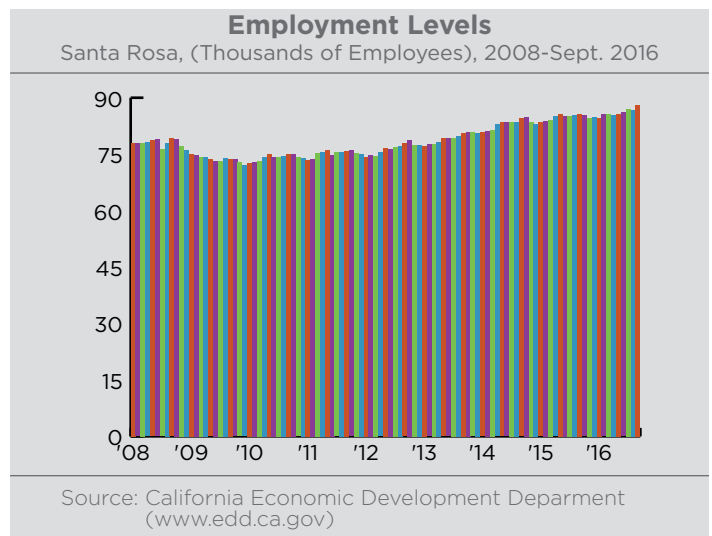
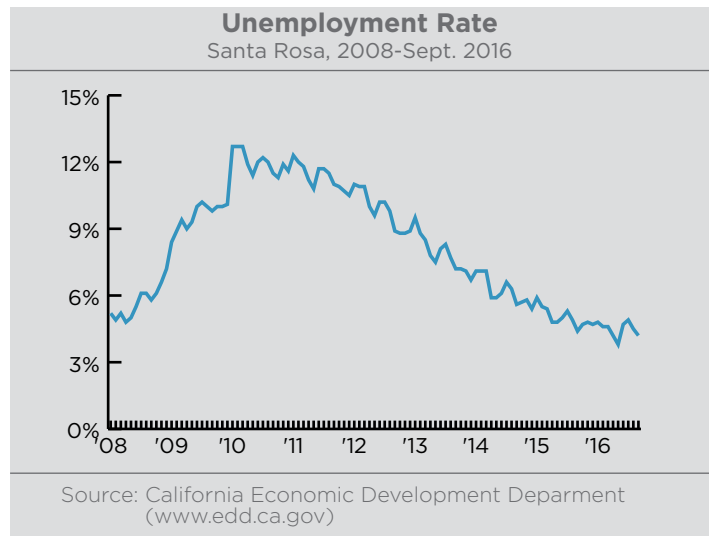
EMPLOYMENT

Santa Rosa’s seasonally unadjusted unemployment rate was 4.2% in September 2016, higher than Sonoma County (3.8%), but below the state (5.3%) and the nation (4.8%). Unemployment remains significantly lower compared to its peak of 11.2% in March 2010. Signs indicate Santa Rosa approaching full-employment as the rate fluctuates around 4%.

Total employment in Santa Rosa reached a peak of 88,000 in September 2016, up by 2,300 jobs from a year earlier. Total employment is well above even pre-recession levels, indicating continued expansion in the demand for labor in Santa Rosa.

A total number of 8,900 business establishments operate in Santa Rosa in 2016, a net increase of 402 from the year prior.

About 51% of Santa Rosa’s employed population is in the category of Services. The second largest sector is Retail Trade, followed by Manufacturing. In the last year the percentage of those employed in the service sector increased by 2 percentage points. In the same span of time the proportion employed in manufacturing grew by slightly less than a percentage point.

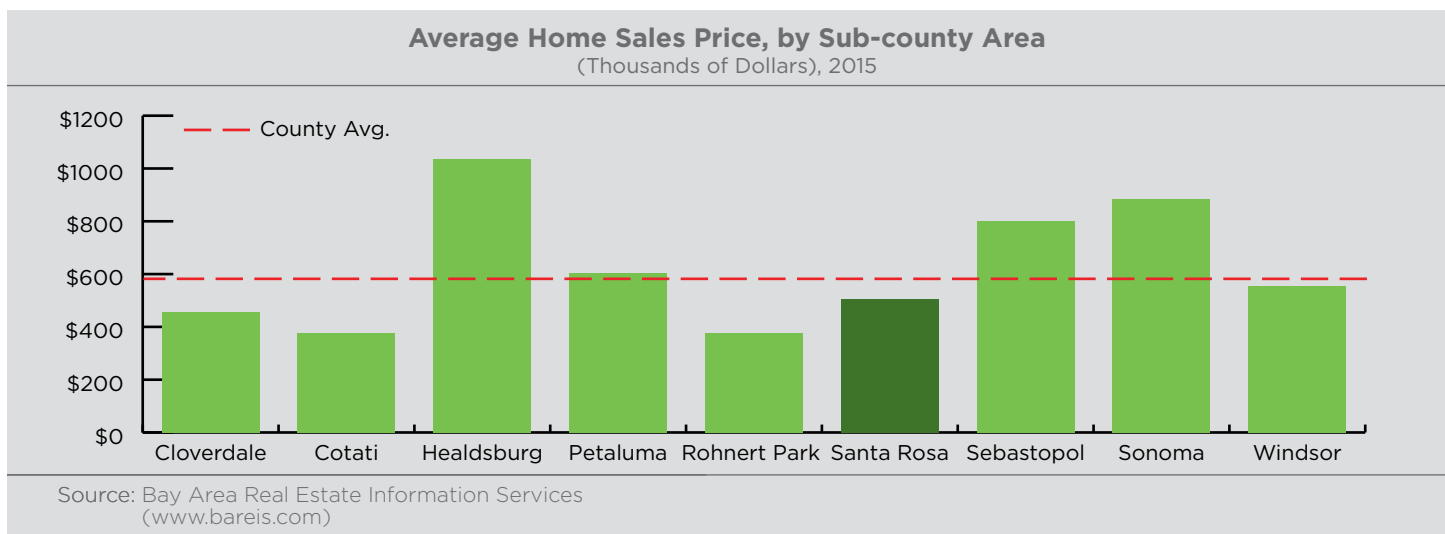
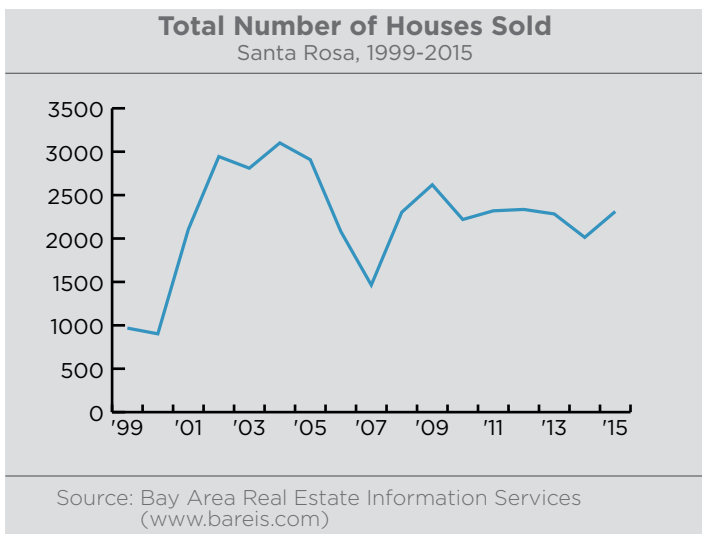
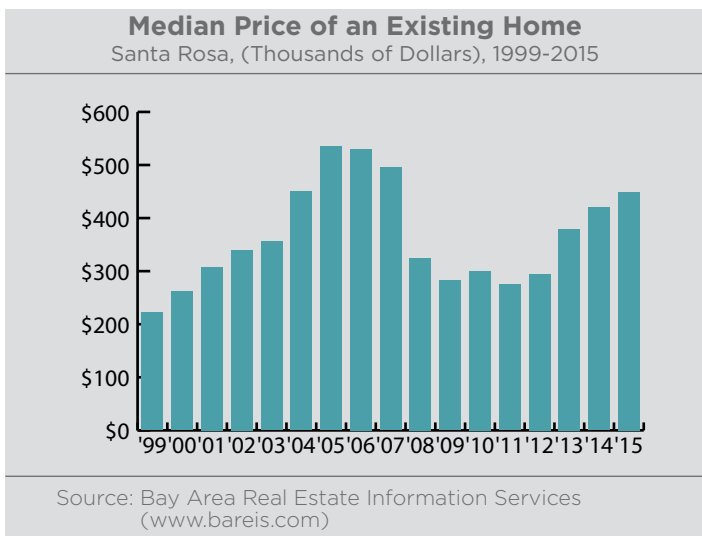


RESIDENTIAL REAL ESTATE

Median home prices in Santa Rosa rose 6.9% from 2014 to 2015. The median home price in Santa Rosa consistently increased since 2011, and reached \$449,000 in 2015. This still falls below the pre-recession peak of \$535,000 in 2005.

The total number of houses sold in Santa Rosa increased from 2014 to 2015. Home sales are up by 298 for a total of 2311 houses sold in 2015, an increase of 14.8% over the past year. As housing prices continue to rise in Santa Rosa and throughout Sonoma County, and as the available stock of housing declines, the housing market shows signs of normalization, fluctuating around 2,200 sales per year since 2010.

The average sales price of a home in Santa Rosa for 2015 was \$504,125. The average sales price of a home in Santa Rosa is only \$78,468 lower than the county average, placing it in the middle of price spectrum for homes in the county.

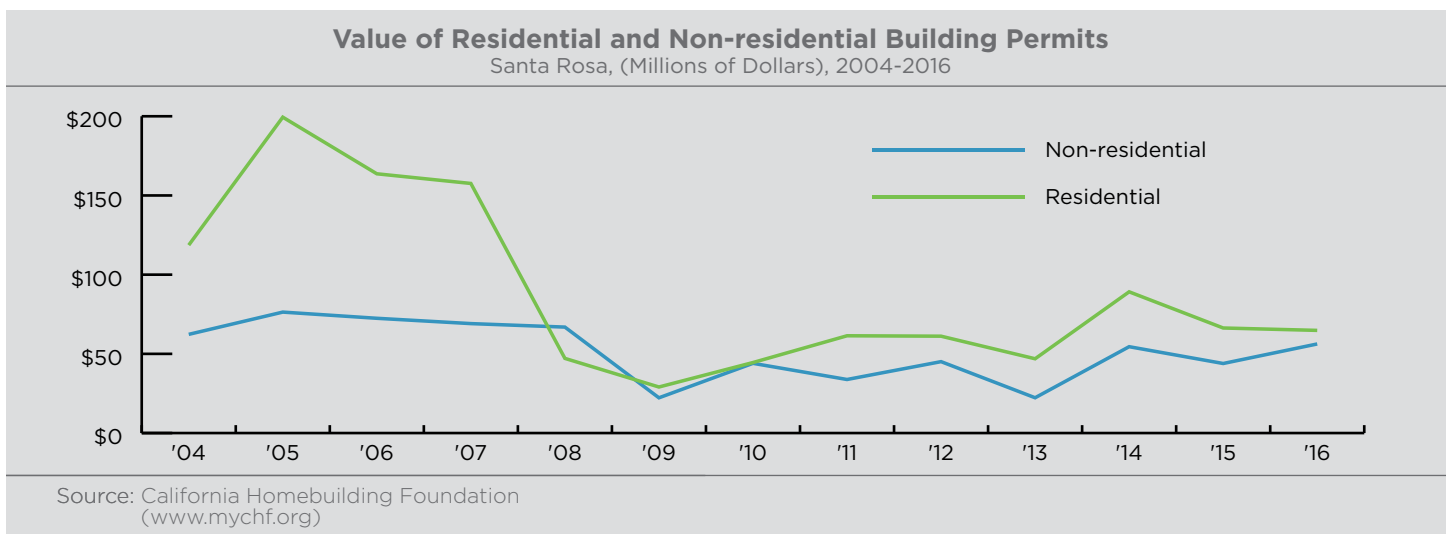
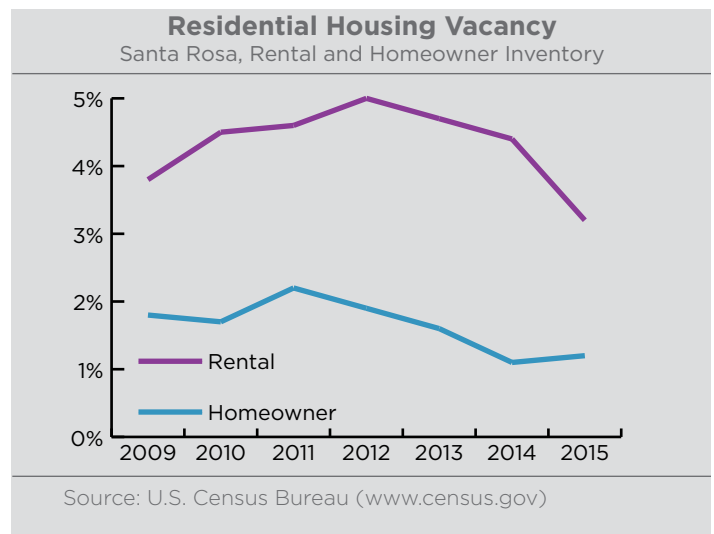
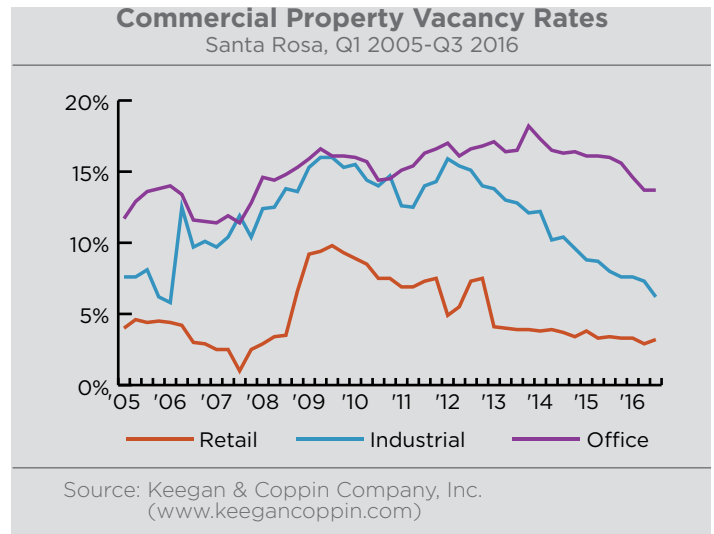


REAL ESTATE & CONSTRUCTION

Vacancy rates for commercial property in Santa Rosa have continued to fall throughout 2014, 2015, and the first three quarters of 2016. Industrial vacancy rates experienced the steepest decline since early 2012, from a high of 15.9% to a low of 6.2%. Retail and office vacancy rates also declined. Vacancy rates reached 13.7% for office space and 3.2% for retail.

Santa Rosa's residential housing vacancy rates exhibit a tightening trend, indicating a constrained housing supply. Vacancy in homeowner inventories fell from a peak of 2.2% in 2011 to 1.2% in 2015. This made an already tight housing market even tighter. The rental market is slightly healthier, but still experienced a decline from 5% in 2012 to 3.2% in 2015.

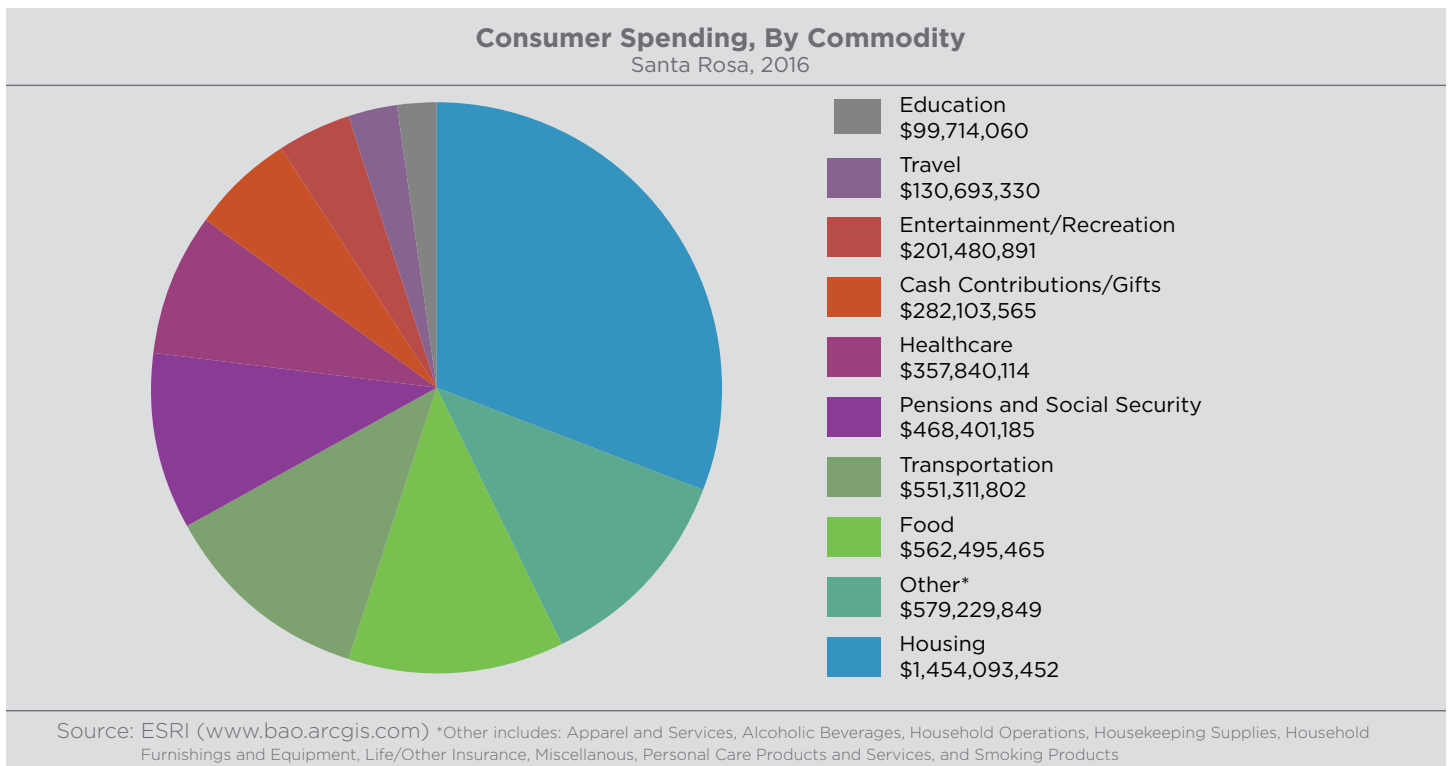
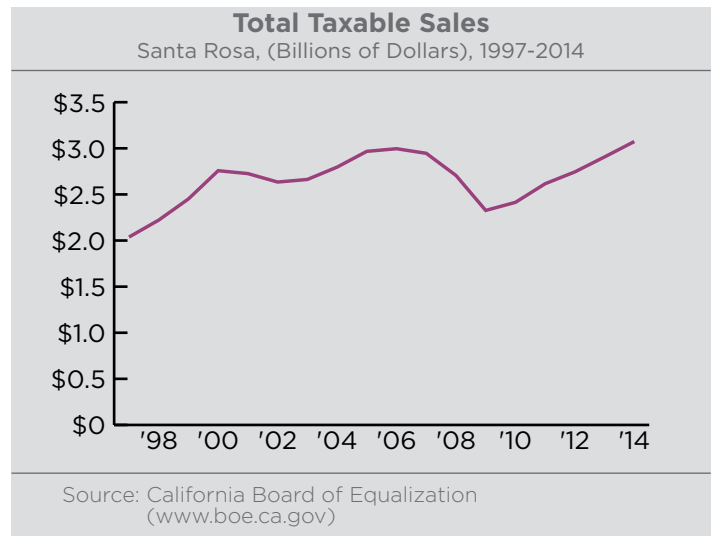
The year-to-date values of residential and non-residential building permits in Santa Rosa from July 2015 to July 2016 were \$64,816,358 and \$56,247,067 respectively. Building permit values reflect trends in construction activity. The value for both types of permits reached a post-recession high in 2014, yet still below pre-recession levels. In the last year the value of residential permits declined slightly while the value of non-residential permits increased. This shows a stronger intention to build up non-residential properties in Santa Rosa.



CONSUMER ACTIVITY

Santa Rosa’s taxable sales continue to increase, with a gain of 5.7% from 2013 to 2014. The gain seen in 2014 mirror the positive economic activity across Sonoma County. The county saw an increase of 5.6% in taxable sales over the same time period. In 2014, taxable sales in Santa Rosa surpassed the previous high which occurred in 2006, reaching \$307 million. This indicates strong improvement in consumer activity and economic conditions.

Approximately 31% of Santa Rosa residents’ spending goes towards housing, which is on par with the other cities and the county average. Transportation, other, and food make up the next three largest categories.

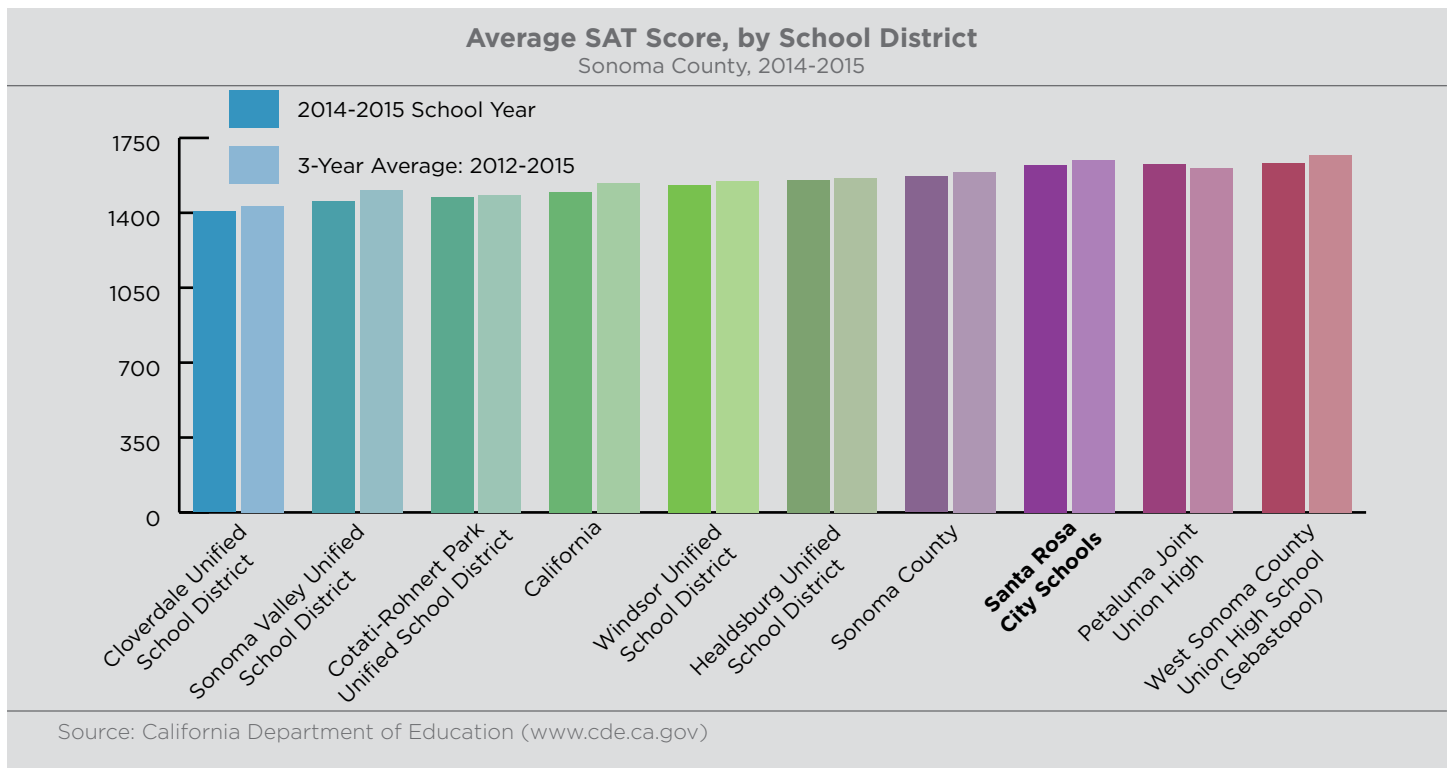
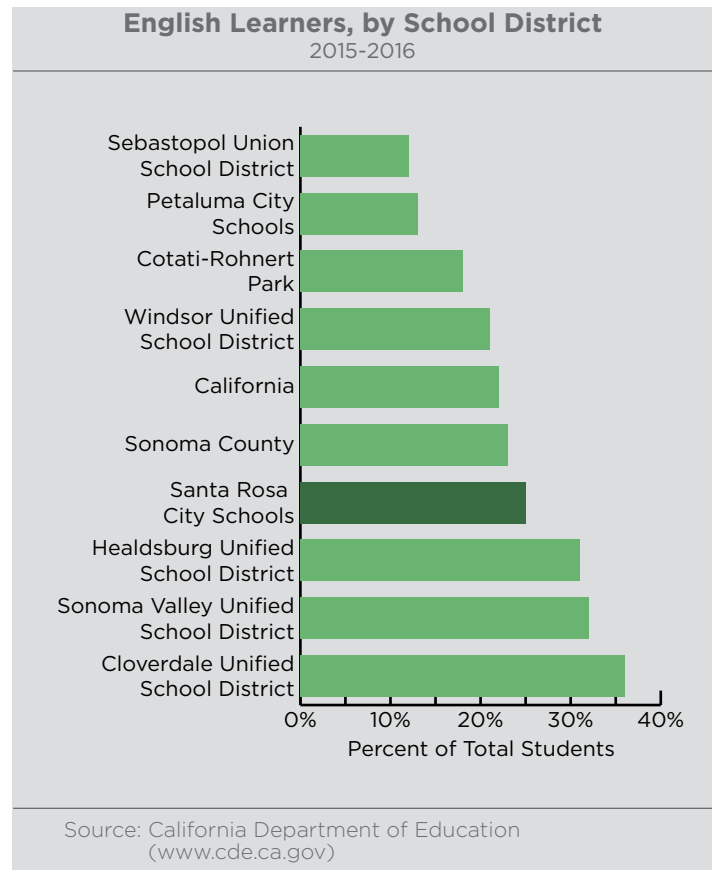


EDUCATION


The percentage of English learners in Santa Rosa City Schools is 24.8%. This includes both the Santa Rosa Elementary and Santa Rosa High districts. The ratio of English learners in Santa Rosa City Schools is above both the county average of 22.8%, as well as the state average of 22.1%. An English learner is defined as a student in kindergarten through grade twelve who, based on objective assessment, has not developed listening, speaking, reading, and writing proficiencies in English sufficient for participation in the regular school program.

The average SAT score for a student from Santa Rosa High School in the 2014-15 school year was 1622, down from 1651 the year prior. This places Santa Rosa High School above the county average of 1570, as well as the state average of 1473.

For a list of schools located in each district, visit <http://www.scoe.org/pub/htdocs/finddistrict.html>



CITY DATA SNAPSHOT

	Total Population 2016	Unemployment Rate Sept. 2016	Median Household Income 2016	Average Sales Price of a Home 2015	Percentage of English Learners 2015-16	Average Total SAT Scores 2014-15
Cloverdale	8,993	3.2%	\$54,516	\$457,158	35.5%	1406
Cotati	7,503	5.0%	\$61,258	\$377,528	17.7%	1496
Healdsburg	11,768	3.5%	\$60,240	\$1,036,968	30.7%	1552
Petaluma	60,336	2.9%	\$77,149	\$603,276	12.8%	1630
Rohnert Park	42,661	3.9%	\$58,611	\$377,528	17.7%	1496
Santa Rosa	175,105	4.2%	\$58,729	\$504,125	24.8%	1622
Sebastopol	7,647	3.2%	\$63,270	\$801,302	11.9%	1631
City of Sonoma	11,342	3.4%	\$65,947	\$883,989	31.8%	1455
Windsor	27,568	3.2%	\$80,847	\$555,777	20.5%	1530
Sonoma County*	503,284	3.8%	\$63,910	\$582,593	22.8%	1570

SOURCES

NOTE ON DATA SOURCES

The 2017 Santa Rosa Local Economic Profile is a brief summary on various demographic, economic and social aspects of Santa Rosa. This report is meant to act as a spot-in-time profile to reflect conditions in the city in a given year. Economic Development Board (EDB) research originates from information available from outside resources and previously published material. The 2017 Santa Rosa 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 2017 Santa Rosa 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 topics for future reports by calling (707) 565-7170 or e-mailing edb@sonoma-county.org.

DATA 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 & Coppin Company, Inc.
 United States Census Bureau

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This report was prepared by Sean Werkema. Please direct any questions or comments to 707-565-7170 or by email at edb@sonoma-county.org.



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