



# 2012-13 City of Healdsburg: Local Economic Report

2012-13  
SONOMA  
COUNTY

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# City of Healdsburg: Local Economic Report

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The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Workforce Investment Board (WIB), the City of Healdsburg, and the Healdsburg Chamber of Commerce is pleased to present the *2012-13 City of Healdsburg Local Economic Report*.

Highlights from this *Local Economic Report* include:

- By 2015, the median household income in Healdsburg is expected to climb 8.7% to \$69,925.
- Median home prices in Healdsburg are showing signs of leveling off for the first time since the housing bubble burst in 2007. Over 2010-2011 prices were up 2.1%, while the year before they remained unchanged.
- The average SAT score for a college-bound high school graduate from the Healdsburg Unified School District (1582) ranks above the state average (1502), but not the county average (1615).
- The city of Healdsburg's seasonally adjusted unemployment rate was 9.7% for June 2012, higher than Sonoma County (8.5%) for the same month. Compared to June of the previous year, Healdsburg's unemployment rate is down 1.5 points from 11.2%.

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 2012.

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](http://www.sonomaedb.org).

Sincerely,



**Ben Stone**  
Executive Director



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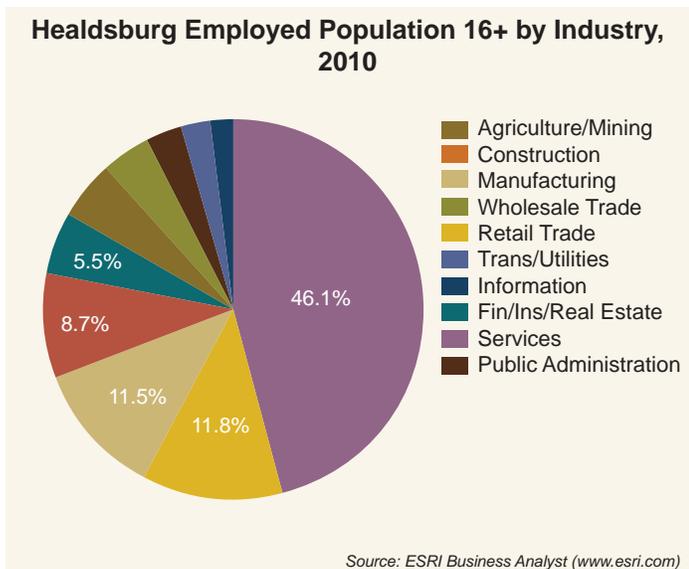
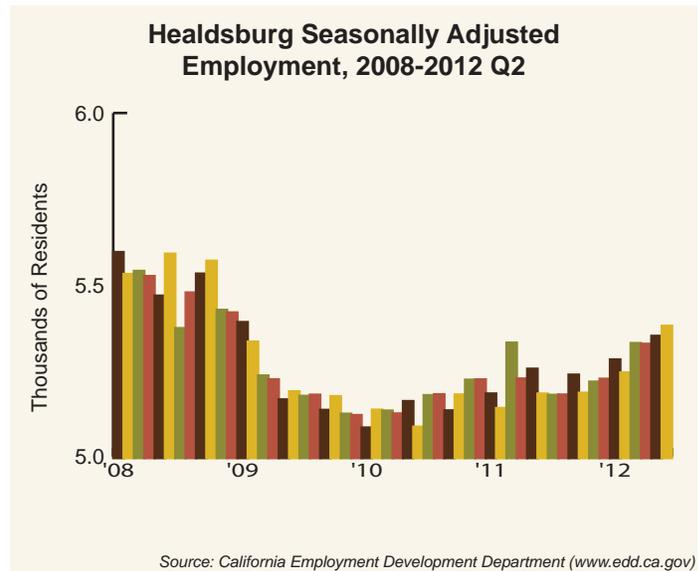
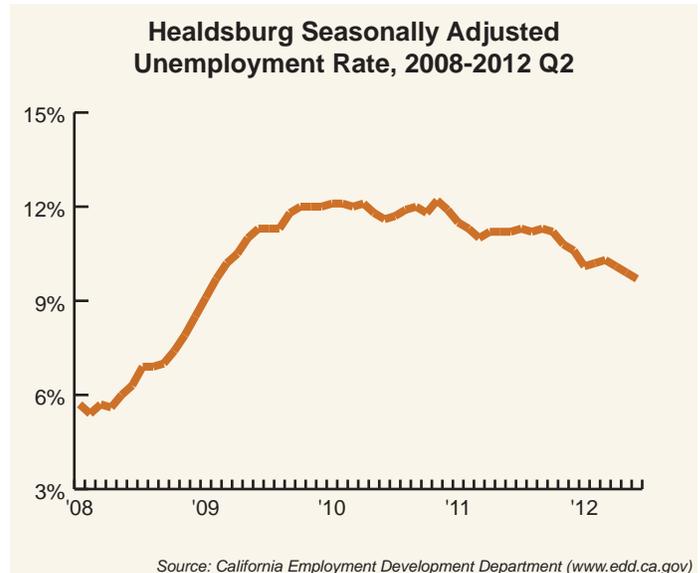
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# Population & Employment

The city of Healdsburg's seasonally adjusted unemployment rate was 9.7% for June 2012, higher than Sonoma County (8.5%) for the same month. Compared to June of the previous year, Healdsburg's unemployment rate is down 1.5 points from 11.2%. Unemployment remains significantly higher in Healdsburg compared to its four year low of 5.4% in February of 2008. Healdsburg's unemployment rate is below the state (10.9%), and above the nation (8.2%).

Total employment in the city of Healdsburg was 5,380 in June 2012, which is up 3.7% from a year earlier. Although it is following an increasing trend, Healdsburg's total employment remains down 3.8% from a four year high in January 2008, equating to about 211 jobs.

Nearly half of Healdsburg's employed population is in the services sector, with the second largest sector being retail trade. This is very similar to the County average, though there is a higher prevalence of manufacturing in Healdsburg. This shows a strong, high demand for intangible goods in the Healdsburg area. The high manufacturing and construction numbers show that Healdsburg is producing tangible goods that can be exported out of Sonoma County.



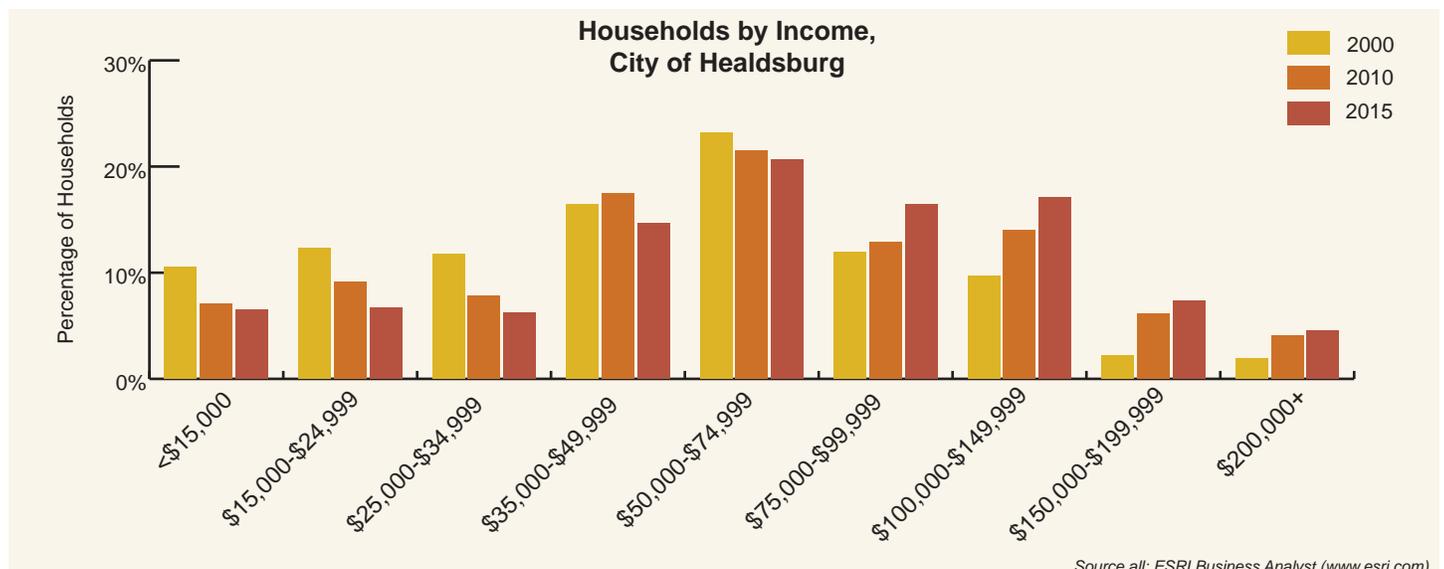
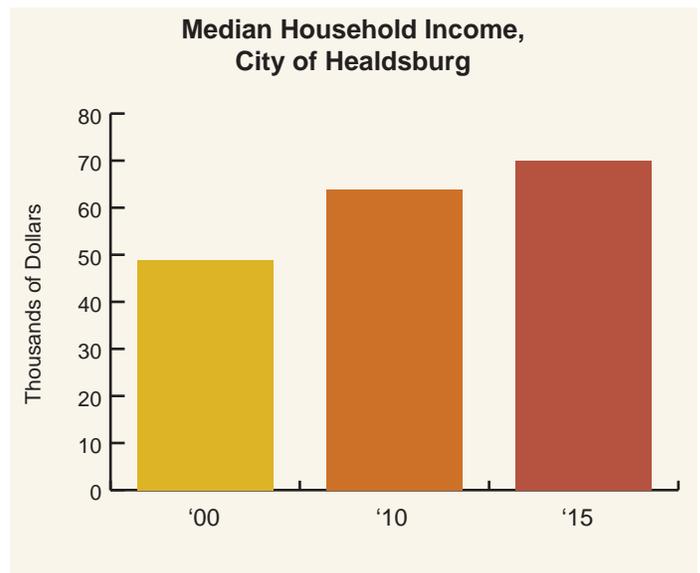
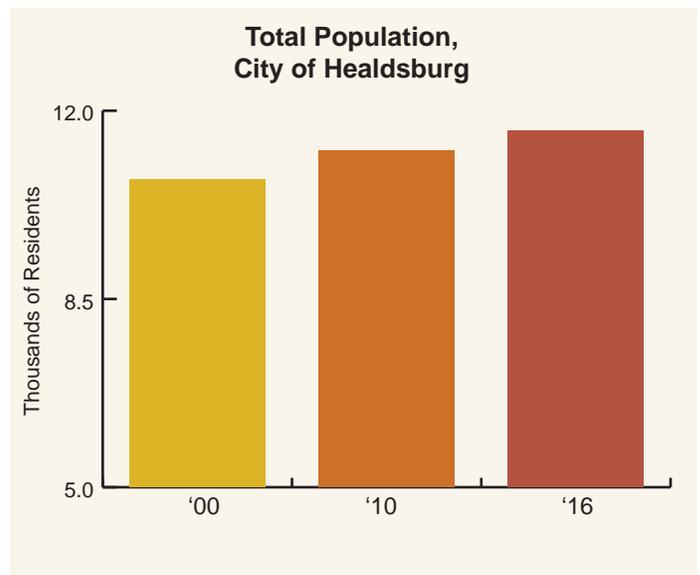
# Population & Income Projection

According to Environmental Systems Research Institute (ESRI) projections, **the city of Healdsburg's population is expected to increase to 11,621 by 2016, a 3.2% change from 2010.** This is in line with the projected population increase of 1.9% for Sonoma County over the same period. From 2000 to 2010, Healdsburg's population grew 4.7%.

Between 2000 and 2010, median household income in Healdsburg grew by 23.5%. **Over the next three years we expect growth to continue with average income up to \$69,925, an increase of 8.7%.**

**As income in Healdsburg rose between 2000 and 2010, the percentage of households earning less than \$50,000 was reduced by 12.9%.** Incomes in the \$100,000-\$149,999 range grew the most at 6.3%, followed by the \$150,000-\$199,999 range with 2.3% growth.

**Over the next three years, the growth of households in Healdsburg earning \$100,000-\$149,999 will slow down to a projected rate of 4.6%.** Relative to the last decade, this reflects an overall decrease in the rate of growth for those earning over \$100,000. However, a trend that remains consistent is the shrinking percentage of households earning less than \$50,000. It is projected that households earning \$35,000-\$49,999 will decrease by 4.1% into 2015. These trends will result in further concentration of households in higher-income tiers.



Source all: ESRI Business Analyst ([www.esri.com](http://www.esri.com))

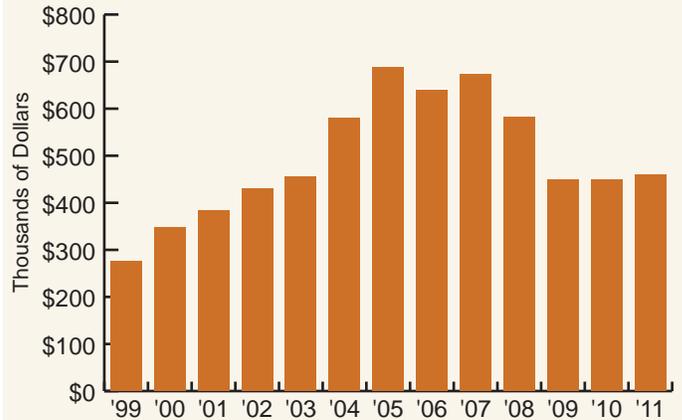
# Residential Real Estate

**Median home prices in Healdsburg are showing signs of leveling off for the first time since the housing bubble burst in 2007. Over 2010-2011 prices were up 2.1%, while the year before they remained unchanged.** While home prices are strengthening in the Healdsburg area, housing affordability is still relatively high, which is good news for new home buyers.

The total number of houses sold in Healdsburg increased in 2011 after a brief dip the year before. This is partly because the buying frenzy that sustained the housing market after it collapsed is still in effect. **The increase in number of houses sold in Healdsburg from 2010 to 2011 is modest, with 21 more homes being sold for growth of roughly 11%.**

**The average sales price of a home in Healdsburg for 2011 was \$687,677. This puts Healdsburg at the top of the spectrum for homes in the area.** The average sales price for a home in Healdsburg is higher than the County average by about \$311,000. Healdsburg has a low volume of sales for its price range, comparable to the Sea Ranch and Penngrove areas. In contrast, the city of Sonoma has a high average price and high total sales mostly due to higher demand and population expansion in the region.

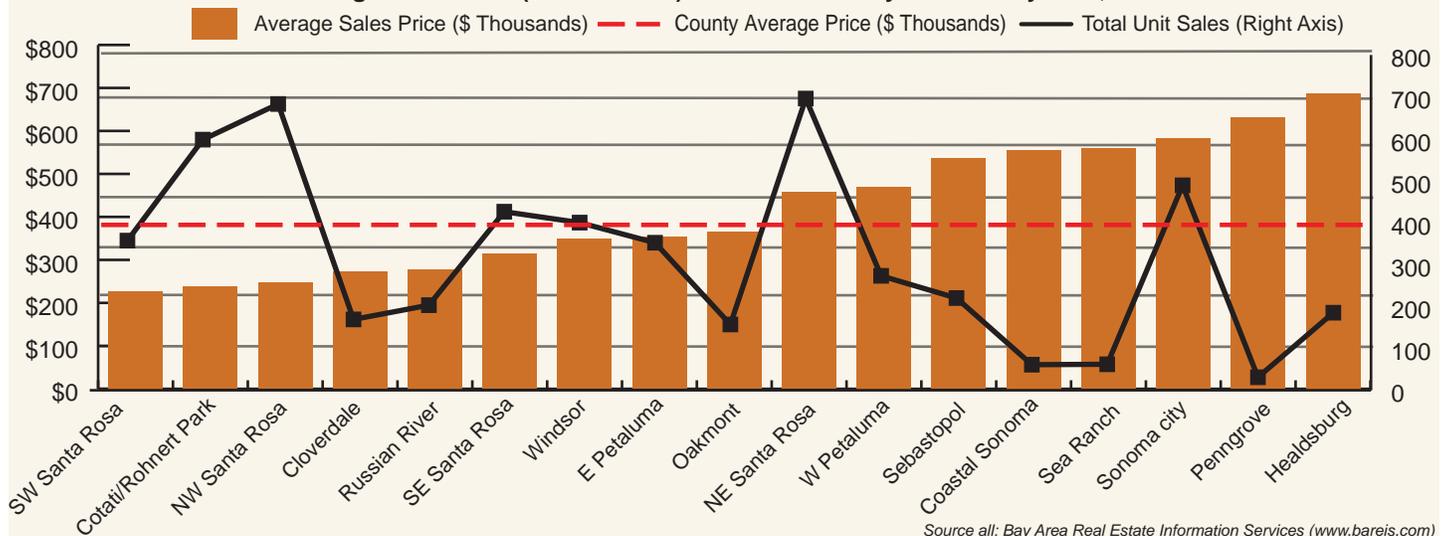
**Median Price of an Existing Home in Healdsburg, 1999-2011**



**Total Number of Houses Sold in Healdsburg, 1999-2011**



**Average Sales Price (\$ Thousands) and Total Sales by Sub-County Area, 2011**



Source all: Bay Area Real Estate Information Services ([www.bareis.com](http://www.bareis.com))

# Real Estate & Construction

Retail vacancy rates in Healdsburg have stayed constant since 2005, hovering around 5%, with the highest rate reached in 2005-2006 of 6.7%. At the end of 2011, retail vacancy rates for Healdsburg were 5.5%. Office vacancy rates have significantly declined since their peak of 25.4% in early 2006, but are showing signs of picking back up. Industrial vacancy rates have fallen since their peak of 15.9% in second quarter 2010.

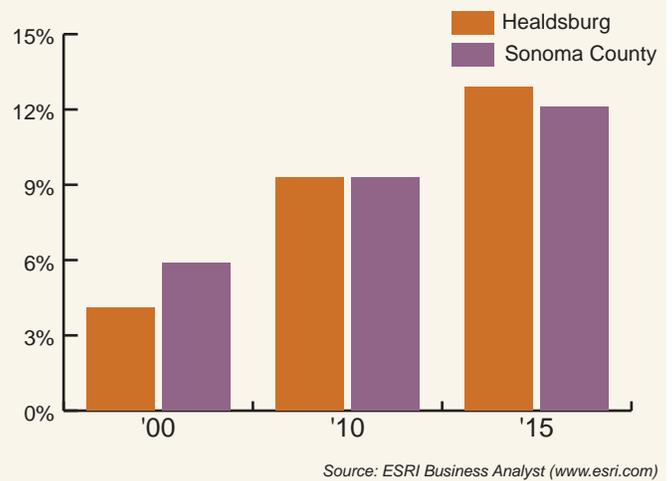
Healdsburg's residential housing vacancy was lower than Sonoma County's in 2000, but is projected to surpass it in 2015. From 2000 to 2010, Healdsburg experienced a 126.8% increase in housing vacancy, compared to a 57.6% average growth by Sonoma County. Healdsburg's and Sonoma County's residential housing vacancy is expected to continue to rise into 2015, with an additional 38.7% increase to 12.9% for Healdsburg and 30.1% increase to 12.1% for Sonoma County. Healdsburg will be above the County average for residential housing vacancy.

The value of residential and non-residential building permits in Healdsburg has dropped heading into the second quarter of 2011. In thousands of dollars, the value of residential building permits in Healdsburg is \$960.50 and the value of non-residential, or commercial, building permits is \$591.33. Building permit values reflect trends in construction activity, and are at a decade low. Both residential and non-residential construction are down considerably from their highs in 2006 and 2008, respectively.

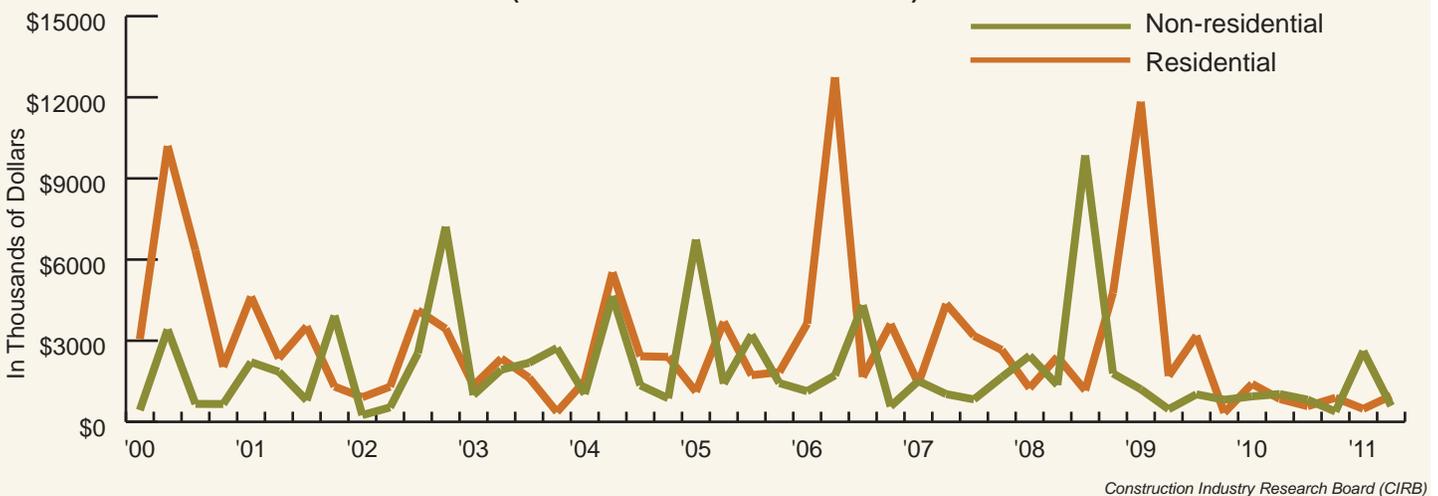
Healdsburg Commercial Property Vacancy Rate, 2005-2011



Healdsburg and Sonoma County, Residential Housing Vacancy



Value of Residential & Non-Residential Building Permits in Healdsburg, 2000-2010 (Includes Alterations and Additions)

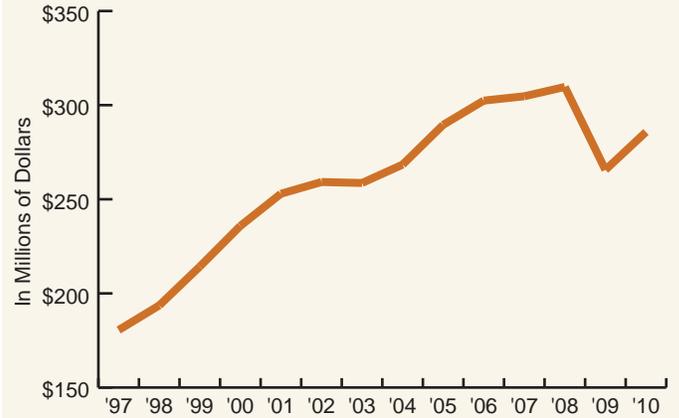


# Consumer Spending & Taxable Sales

**Healdsburg's taxable sales showed signs of rebounding with a gain of 7.0% in 2010.** After little growth in 2007 and 2008, Healdsburg's total taxable sales had fallen 14.2% in 2009. The gain experienced in 2010 is a much sharper increase compared to Sonoma County (3.4%) in taxable sales, and also the state (4.6%).

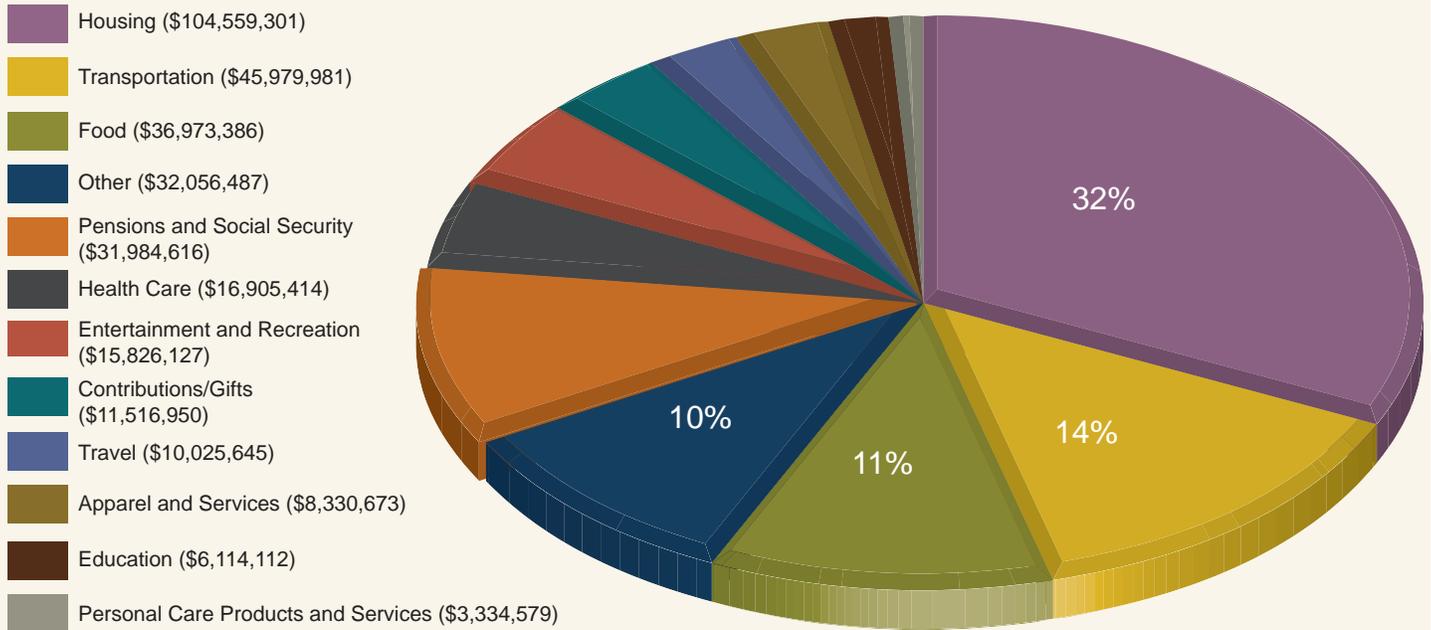
**Compared to the national average, citizens of Healdsburg spend more in nearly every commodity sector, but especially in travel, housing, and education.** They also spend less than the national average on apparel & services by 18%. Consumers' biggest purchases cover general housing, transportation, and food.

**Total Taxable Sales in Healdsburg, 1997-2010**



Source: California Board of Equalization ([www.boe.ca.gov](http://www.boe.ca.gov))

**Consumer Spending by Commodity in Healdsburg, 2011**



Source: ESRI Business Analyst Online ([www.bao.esri.com](http://www.bao.esri.com))

The percentage of English learners in the Healdsburg Unified School District is far above the average for the county. The ratio of English learners in Healdsburg Unified is 35.6% of the student body in the 2010-11 school year. This places Healdsburg above the state average of 17%. The ratio of English learners has increased by about 14 percentage points over the past decade in Sonoma County, when in 2001, the percentage of English learners was just 5.1%.

SAT scores for college-bound high school graduates from Healdsburg Unified school district rank below the county average of 1615, but not the state average (1502). **The average SAT score for a student from Healdsburg is 1582.**

