



2014 Healdsburg: Local Economic Profile

2014
SONOMA
COUNTY



Table of Contents

1. Letter and Highlights
2. Population and Employment
3. Population and Income Projection
4. Residential Real Estate
5. Real Estate and Construction
6. Consumer Spending and Taxable Sales
7. Education
8. City Data Snapshot

Healdsburg: Local Economic Profile

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 *2013-14 Healdsburg Local Economic Profile*.

Highlights from this *Local Economic Profile* include:

- Healdsburg's seasonally unadjusted unemployment rate was 6.9% in November 2013, higher than Sonoma County (6.0%) and the nation (6.6%), but lower than California (8.3%) for the same month.
- Between 2000 and 2012, the median household household income in Healdsburg grew by 14.16% to \$57,727. Looking into 2017, this growth is expected to continue, with median income rising to \$64,472, an increase of 19.28% from 2012.
- Median home prices in Healdsburg are showing signs of leveling off since the housing bubble burst in 2007. In 2012, median prices were down 1.63%, while the year before they were up 2.1%.
- The increase in number of houses sold in Healdsburg from 2011 to 2012 is significant, with sales up 59 for a total of 244, a gain of 31.9%.
- Industrial vacancy rates have fallen since their peak of 15.9% in third quarter 2010. Retail vacancy rates have hovered around 5% since 2005, while office vacancy rates have significantly declined since their peak of 25.4% in early 2006.

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 2013.

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 city-specific questions, please visit www.ci.healdsburg.ca.us and/or www.healdsburg.com.



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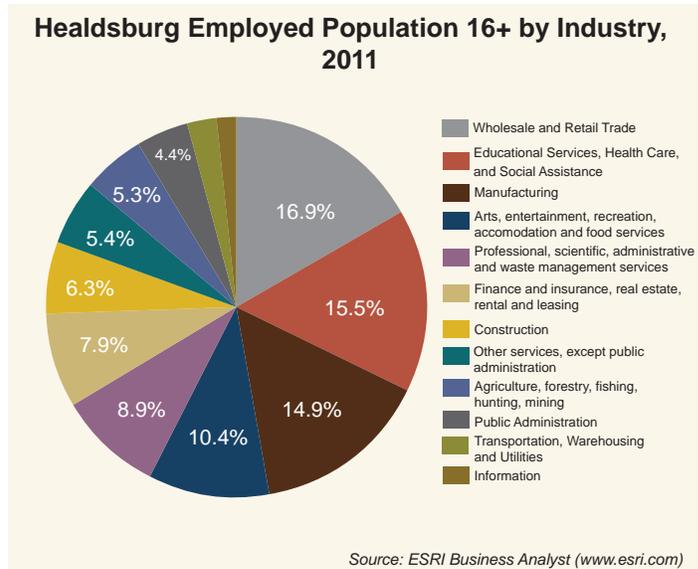
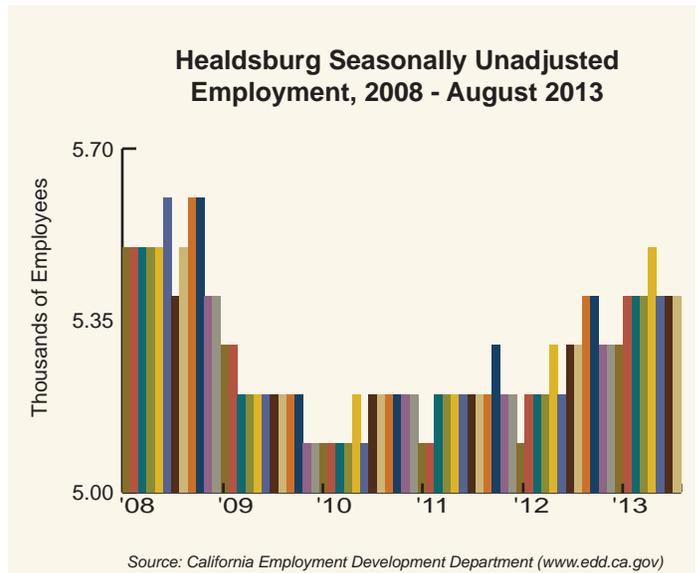
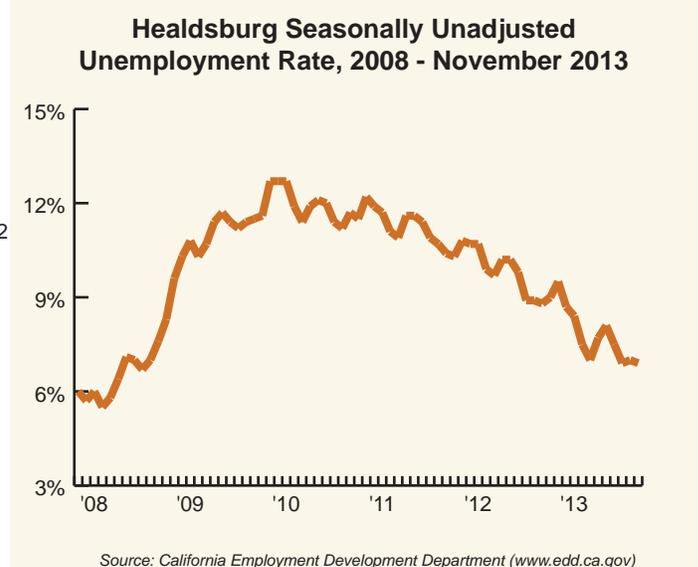
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Population & Employment

Healdsburg's seasonally unadjusted unemployment rate was 6.9% in November 2013, higher than Sonoma County (6.0%) for the same month. Compared to November of the previous year, Healdsburg's unemployment rate is down 1.9 points from 8.8%. Unemployment remains significantly higher in Healdsburg compared to its low of 5.5% in April of 2008. Healdsburg's unemployment rate is below the state (8.3%), and above the nation (6.6%).

Total employment in the Healdsburg was 5,400 in August 2013, which is up 1.89% from a year earlier. Although it is following an increasing trend, Healdsburg's total employment remains down by about 200 jobs since reaching its high in October 2008.

Nearly seventeen percent of Healdsburg's employed population is in the wholesale and retail trade, with the second largest sector being educational services, health care and social assistance. This is very similar to the county average. The high manufacturing numbers show that Healdsburg is producing tangible goods that can be exported out of Sonoma County.



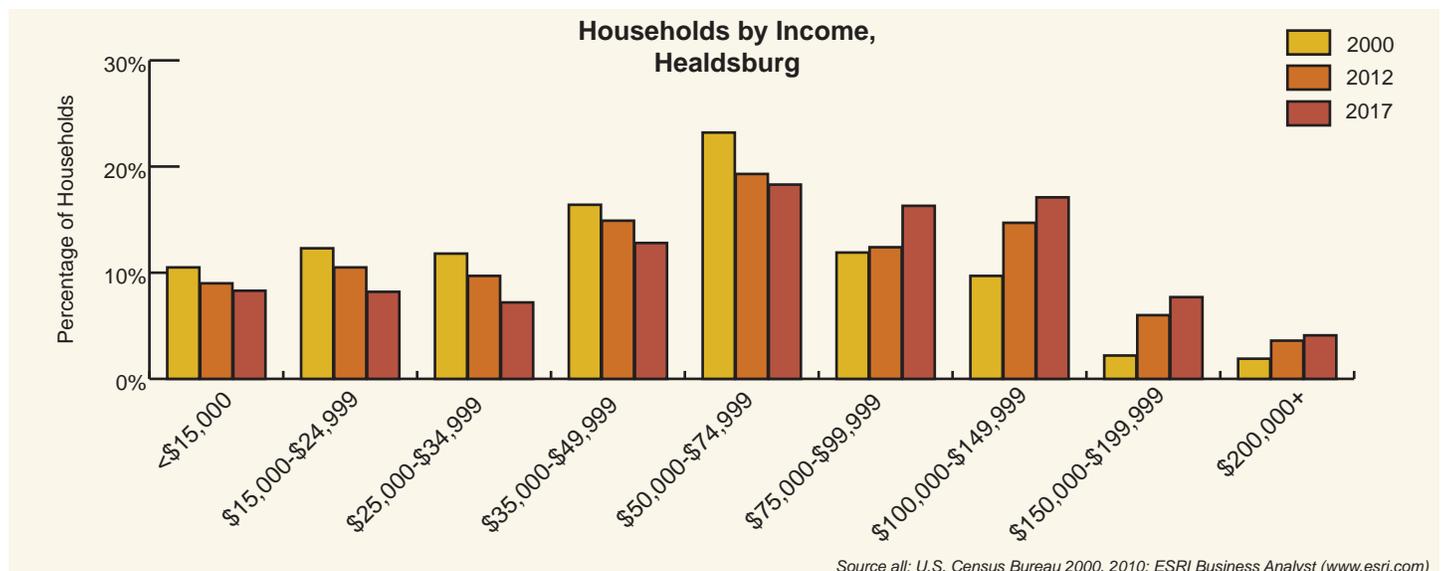
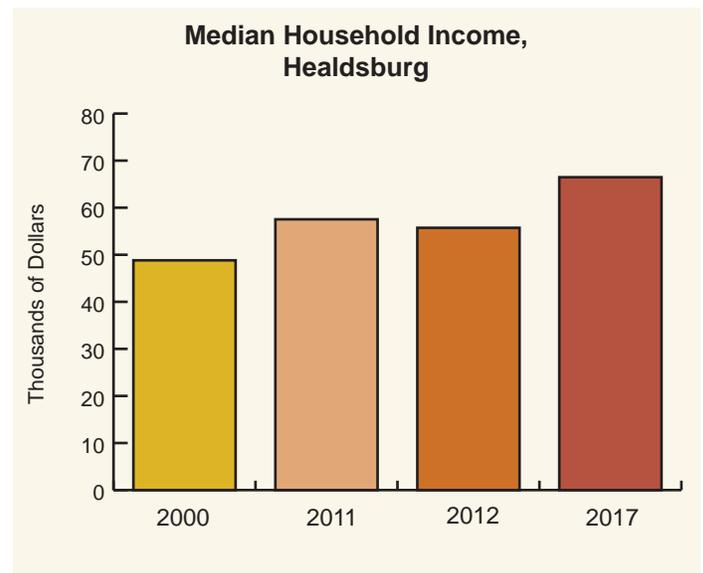
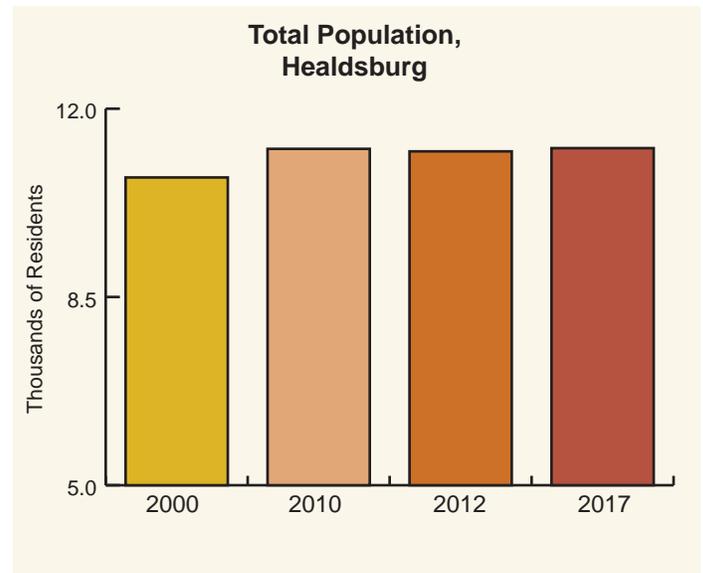
Population & Income Projection

The population of Healdsburg in 2012 was 11,207, and according to Environmental Systems Research Institute (ESRI) projections, it is expected to rise 0.53% to 11,267 by 2017. This is lower than the projected population increase of 2.5% for Sonoma County over the same period. From 2000 to 2012, Healdsburg's population grew 4.52%.

Between 2000 and 2012, the median household income in Healdsburg grew by 14.16% to \$57,727. Looking into 2017, this growth is expected to continue with median income rising to \$64,472, an increase of 19.28% from 2012.

As income in Healdsburg rose between 2000 and 2012, the percentage of households earning less than \$35,000 was reduced by 5.4 percentage points. The fastest growing income range was \$100,000-\$149,999, with the proportion increasing 5 percentage points. This was followed by gains in the \$150,000-\$199,999 range.

A trend that remains consistent into 2017 is the shrinking percentage of households earning less than \$35,000. The proportion of Healdsburg in this range will decrease by 5.5 percentage points from 2012 to 2017. This trend, coupled with the increasing proportion of Healdsburg earning over \$100,000, 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)

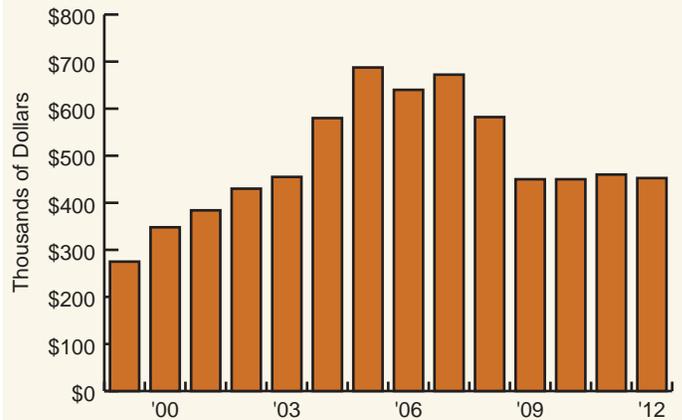
Residential Real Estate

Median home prices in Healdsburg are showing signs of leveling off since the housing bubble burst in 2007. In 2012 median prices were down 1.63%, while the year before they were up 2.1%. While home prices are strengthening in the Healdsburg area, prices remain low relative to pre-recession peaks, which is good news for new home buyers.

The total number of houses sold in Healdsburg increased in 2012 following the trend of the previous year. 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 2011 to 2012 is significant, with sales up 59 for a total of 244, a gain of 31.9%.**

The average sales price of a home in Healdsburg for 2012 was \$763,160. 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 \$347,009. Healdsburg has a low volume of sales for its price range, comparable to the Coastal Sonoma, 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.

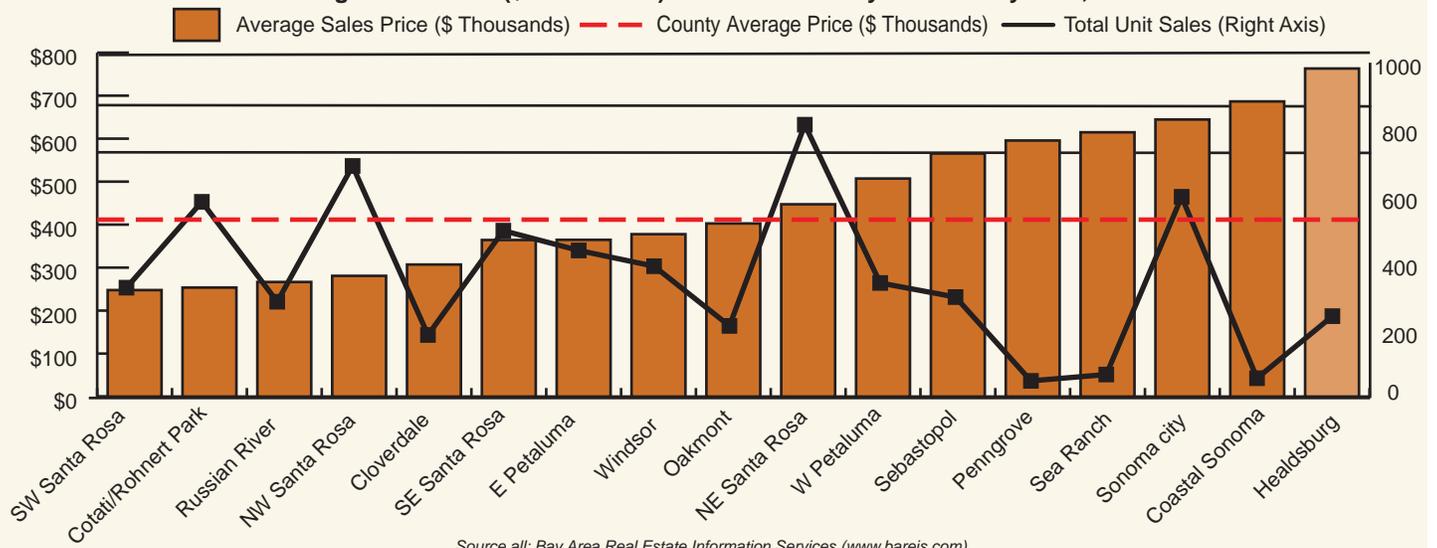
Median Price of an Existing Home in Healdsburg, 1999-2012



Total Number of Houses Sold in Healdsburg, 1999-2012



Average Sales Price (\$ Thousands) and Total Sales by Sub-County Area, 2012



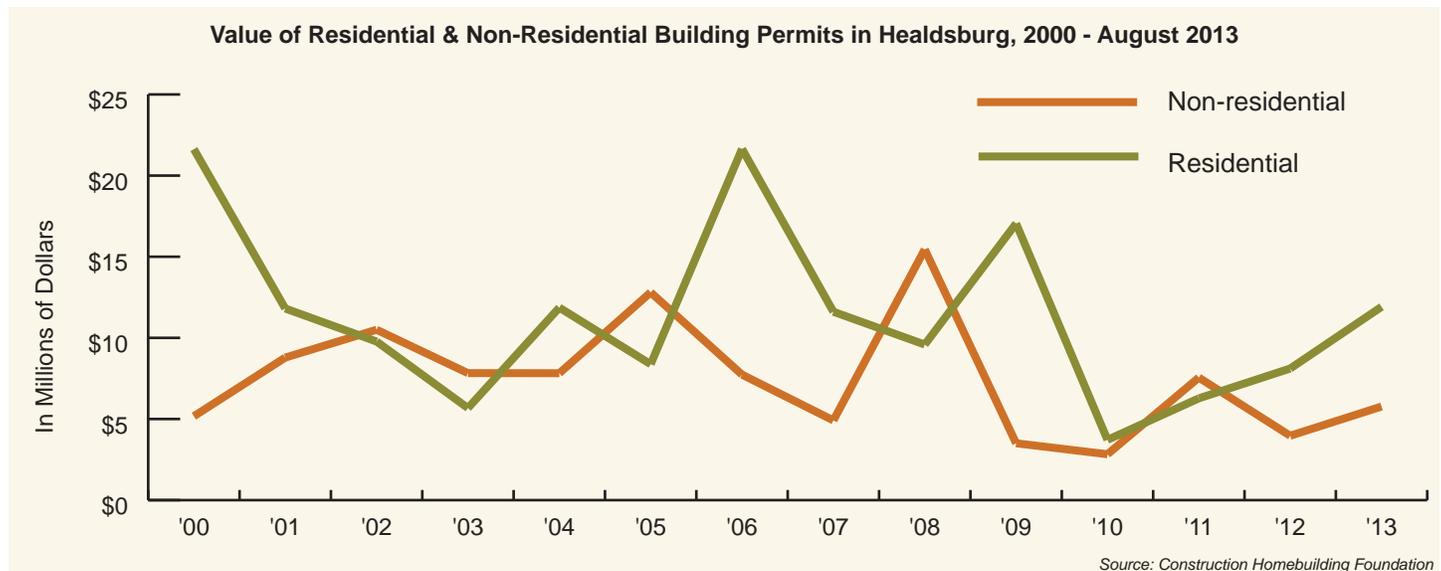
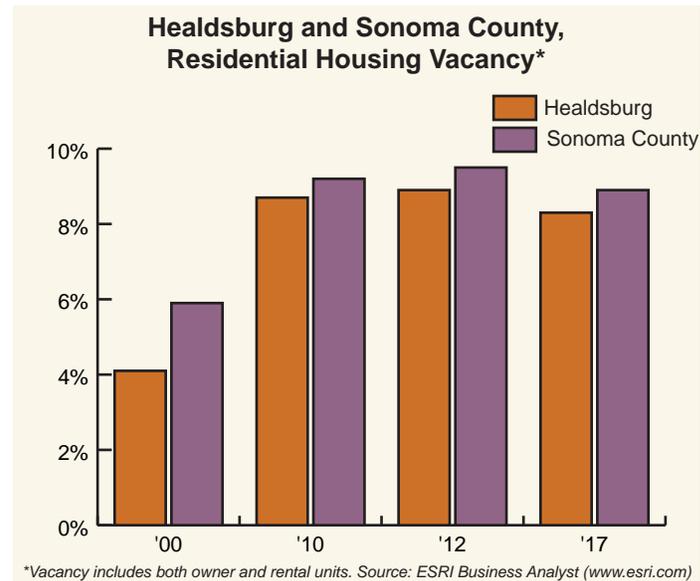
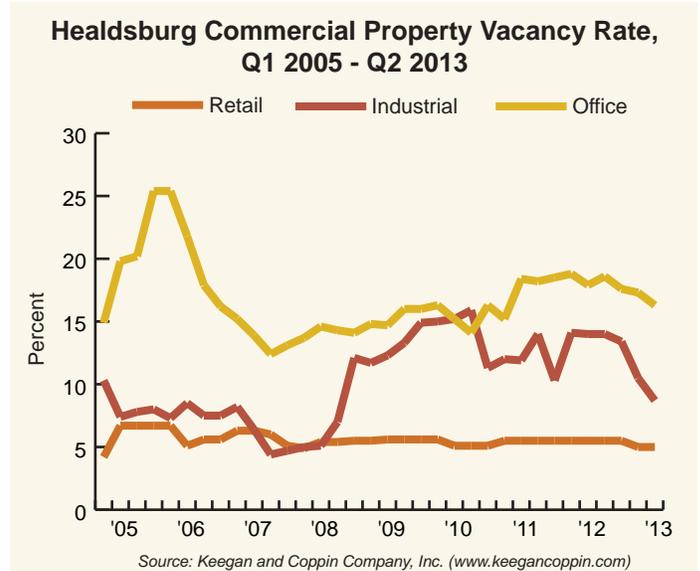
Source all: Bay Area Real Estate Information Services (www.bareis.com)

Real Estate & Construction

Retail vacancy rates in Healdsburg have stayed constant since 2005, hovering around 5%, with the highest rate of 6.7% reached in 2005-2006. At the end of second quarter of 2013, retail vacancy rates for Healdsburg was 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 third quarter 2010.

Healdsburg's residential housing vacancy rate was below Sonoma County in 2012, but is projected to remain below it into 2017. From 2000 to 2012, Healdsburg's residential housing vacancy rate increased 4.8 percentage points, compared to a 3.6 percentage points gain across the county. Healdsburg's residential housing vacancy is expected to decrease 0.6 percentage points from 8.9% in 2012 to 8.3% in 2017.

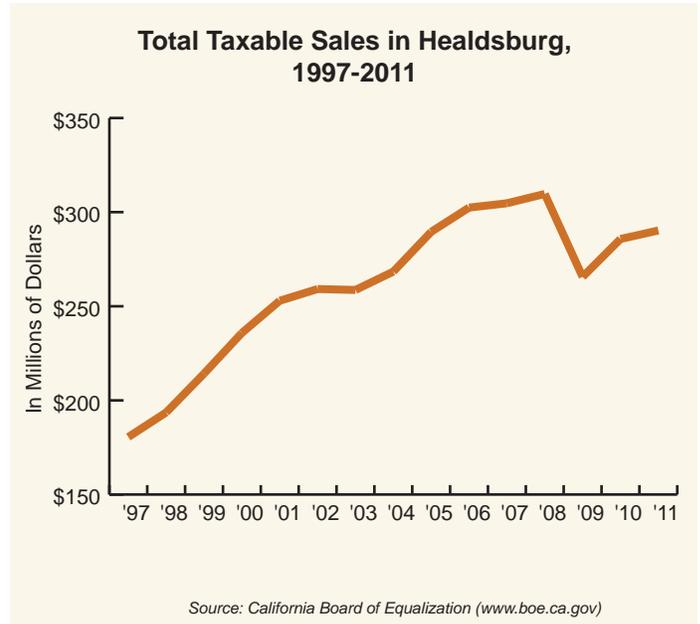
The values of residential and non-residential building permits in Healdsburg in August 2013 were \$11,913,291 and \$5,768,194, respectively. Building permit values reflect trends in construction activity, and are showing signs of rebounding.



Consumer Spending & Taxable Sales

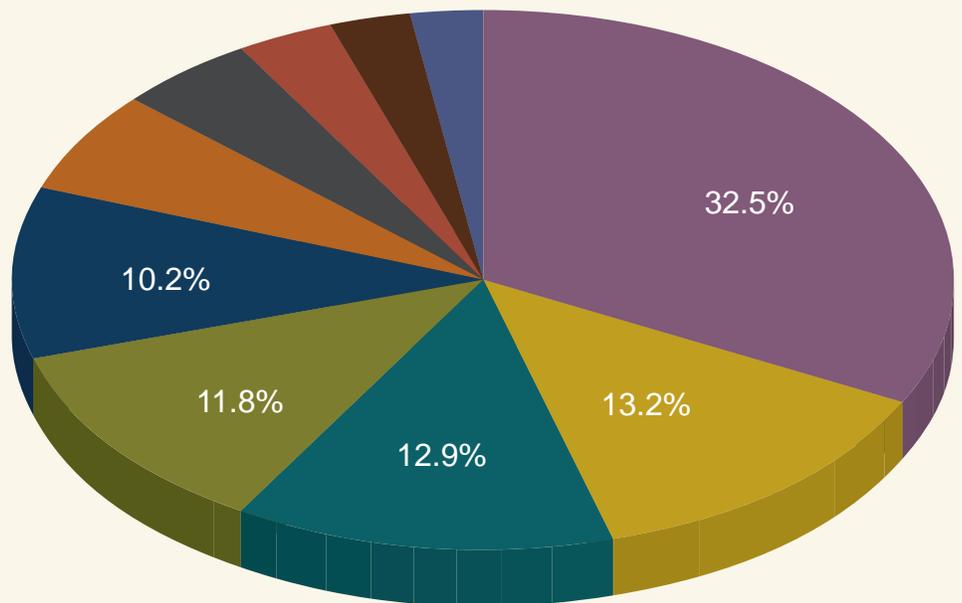
Healdsburg's taxable sales showed signs of rebounding with a gain of 1.6% in 2011 from 2010. After little growth in 2007 and 2008, Healdsburg's total taxable sales fell 14.2% in 2009. The county saw an increase of 7.3% in taxable sales in 2011, while the state rose quicker at 9.1%.

Compared to the national average, citizens of Healdsburg spend more in housing, pensions and social security, entertainment and recreation, and education. This is most notable in housing where Healdsburg spends 1.8% more than their national peers. They also spend nearly 1.4% less on 'other' category. Healdsburg's biggest purchases cover housing, transportation, and other.



Consumer Spending by Commodity in Healdsburg, 2012

- Housing
\$101,298,229
- Transportation
\$41,209,343
- Other*
\$39,860,775
- Food
\$36,716,902
- Pensions and Social Security
\$31,866,470
- Healthcare
\$19,130,318
- Entertainment and Recreation
\$14,946,432
- Cash Contributions/Gifts
\$10,003,246
- Travel
\$8,822,566
- Education
\$7,560,676



*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.

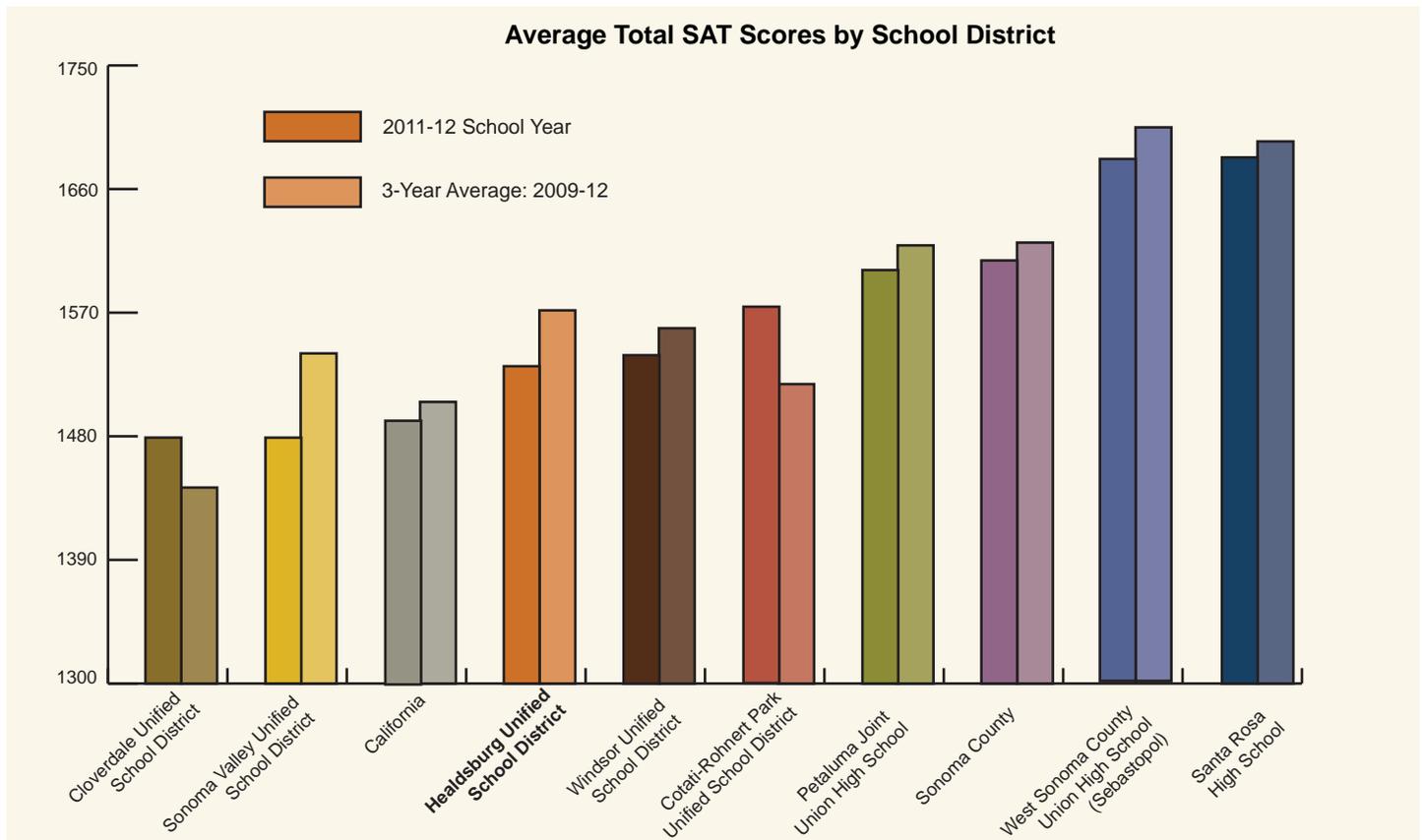
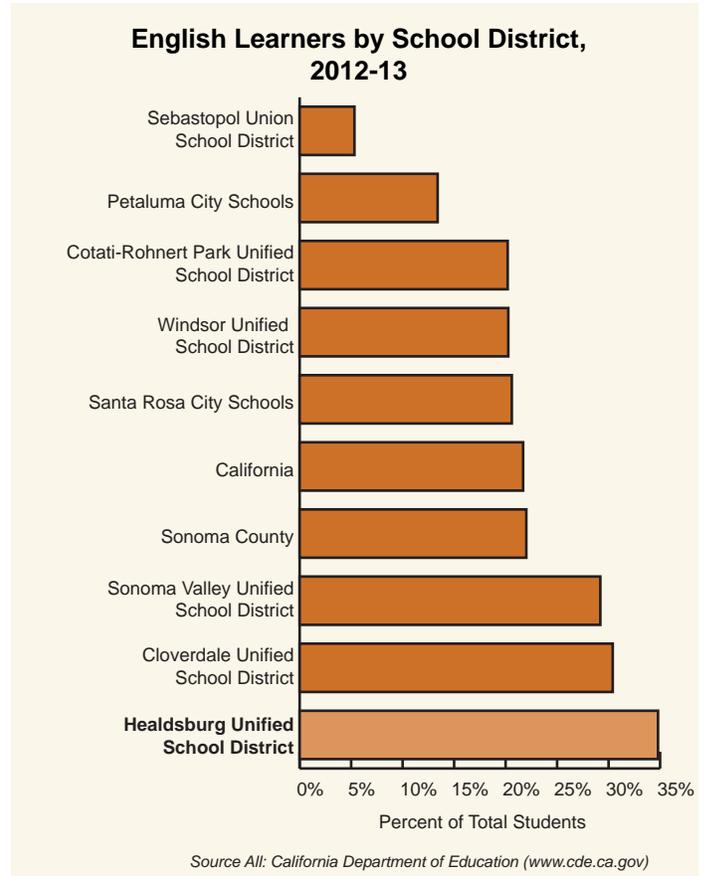
Source: ESRI Business Analyst Online (www.bao.esri.com)

Education

The percentage of English learners in the Healdsburg Unified School District is 34.8%. This includes elementary, middle, and high school students. The ratio of English learners in the Healdsburg Unified School District is above the county average of 22.01%, as well as the state average of 21.67%.

The average SAT score for a student from the Healdsburg Unified School District in the 2011-12 school year was 1531. This places the Healdsburg Unified School District below the county average of 1608, and above the state average of 1492.

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

	Cloverdale	Cotati	Healdsburg	Petaluma	Rohnert Park	Santa Rosa	Sebastopol	City of Sonoma	Windsor	*Sonoma County
Total Population 2012	8,807	7,271	11,207	57,933	41,416	169,189	7,409	10,877	27,037	487,061
Unemployment Rate August 2013	10.1%	6.9%	7.5%	6.0%	6.4%	6.5%	4.2%	5.3%	5.8%	6.6%
Median Household Income 2012	\$53,301	\$55,845	\$57,727	\$76,423	\$57,799	\$58,871	\$54,390	\$60,298	\$76,001	\$61,962
Average Sales Price of a Home 2012	\$307,168	\$253,552	\$763,160	\$507,209	\$253,552	\$352,086	\$565,347	\$644,520	\$337,773	\$416,151
Percentage of English Learners 2012-13	30.4%	20.2%	34.8%	13.4%	20.2%	20.6%	5.3%	29.2%	20.3%	22.0%
Average Total SAT Scores 2011-12	1442	1574	1531	1601	1574	1683	1680	1479	1539	1608

*Sonoma County includes both the incorporated and unincorporated cities.

Note on Data Sources

The *2013-14 Healdsburg Local Economic Profile* is a brief summary on various demographic, economic and social aspects of Healdsburg. Economic Development Board (EDB) research originates from information available from outside resources and previously published material. The *2013-14 Healdsburg 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 *2013-14 Healdsburg 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

With acknowledgement and appreciation to key local businesses that support economic development in Sonoma County

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