



2015 Healdsburg: Local Economic Profile

2015
SONOMA
COUNTY



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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 *2015 Healdsburg Local Economic Profile*.

Highlights from this *Local Economic Profile* include:

- Healdsburg's seasonally unadjusted unemployment rate was 6.6% in July 2014, higher than Sonoma County (5.8%) and the nation (6.2%), but lower than California (7.8%) for the same month.
- Between 2000 and 2014, the median household income in Healdsburg grew by 26.9% to \$61,960. Looking into 2019, this growth is expected to continue with median income rising to \$74,317, an increase of around 20% from 2014.
- Median home prices in Healdsburg are showing signs of leveling off since the housing bubble burst in 2007. In 2013 median prices spiked 35%, while the year before they were down 1.63%.
- The decrease in number of houses sold in Healdsburg from 2012 to 2013 is significant, with sales down 56 for a total of 188, a loss of 23%.
- This year we have added a special cost comparison chart, showing the difference of living and the cost of doing business between Sonoma County and the East Bay.

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 2014.

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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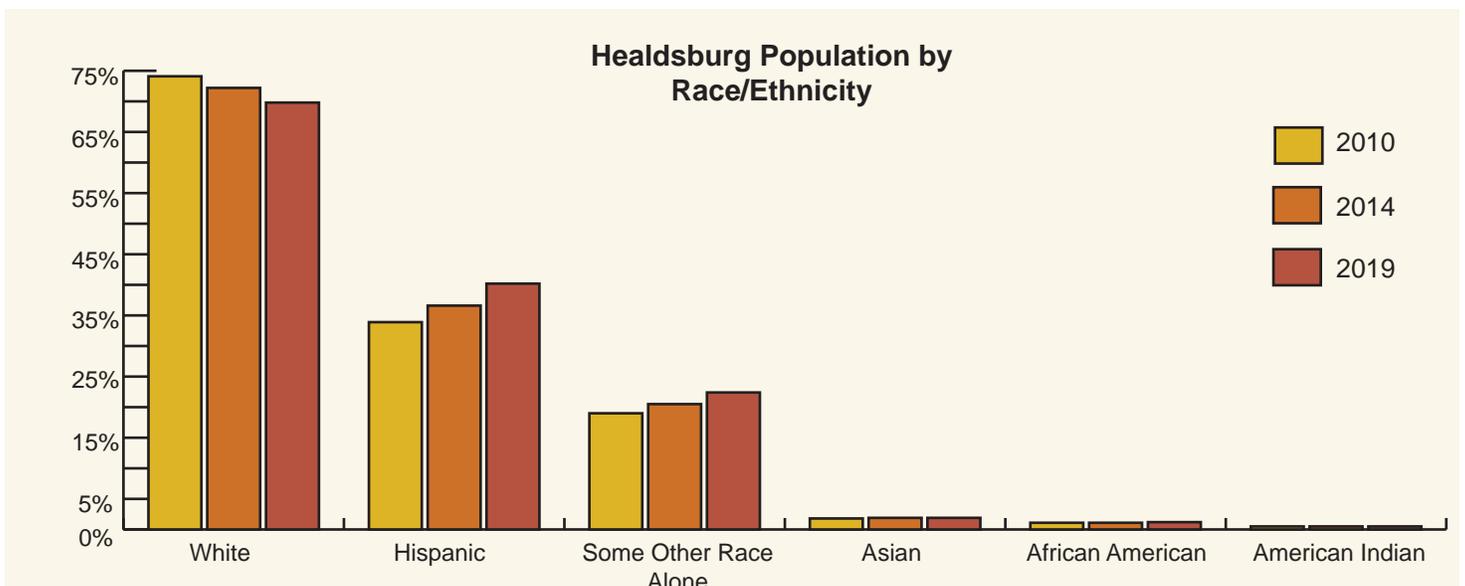
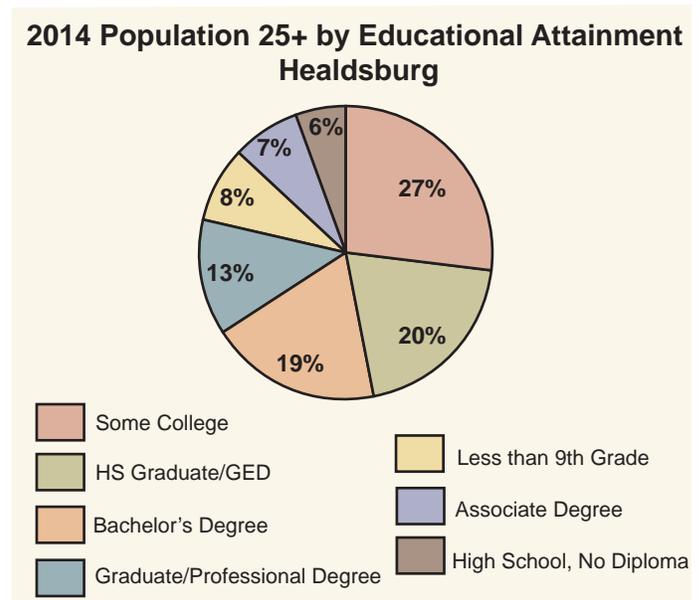
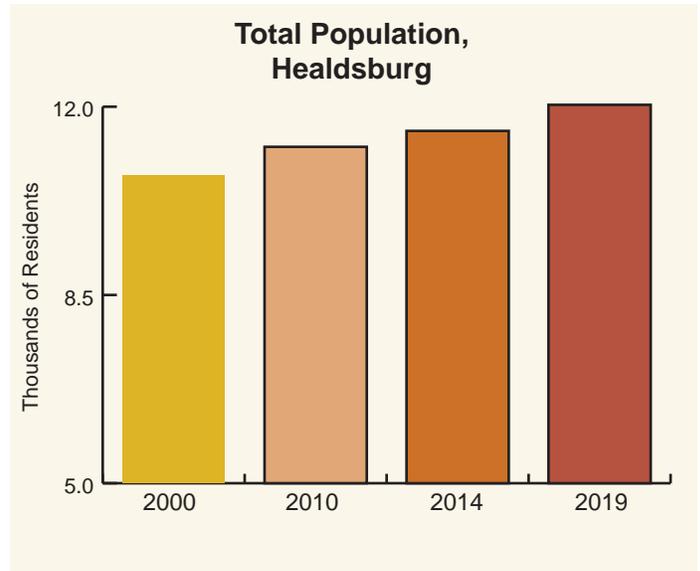
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Population & Demographics

The population of Healdsburg in 2014 was 11,550, and according to Environmental Systems Research Institute (ESRI) projections, it is expected to rise about 4.2% to 12,035 by 2019. This is greater than the projected population increase of 3.3% for Sonoma County over the same period. From 2000 to 2014, Healdsburg's population grew about 7.7%.

In 2014, in the population of those 25 and older, 20% of residents had obtained a High School Diploma. This is on track with Sonoma County in the same year at 20.1% of residents obtaining the same. Within the category of Some College, this consists of individuals who have taken college courses but who have never received their degree. **In 2014, about 19% of residents had obtained a Bachelor's Degree and around 13% had received a Graduate or Professional Degree.**

A trend we see moving into 2019 is the increase in the Hispanic population in Healdsburg. **Between 2010 and 2019 there is predicted to be an 18.5% increase.** Compared to Sonoma County, there will be a 4.7% increase overall in Hispanic population.



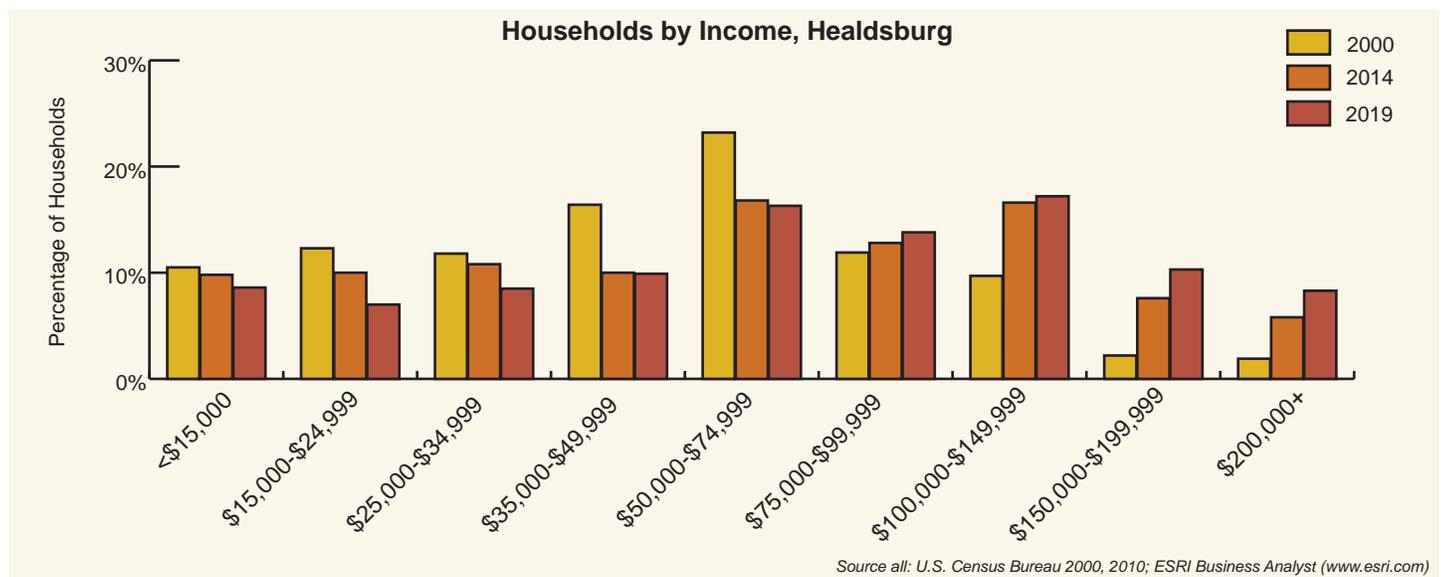
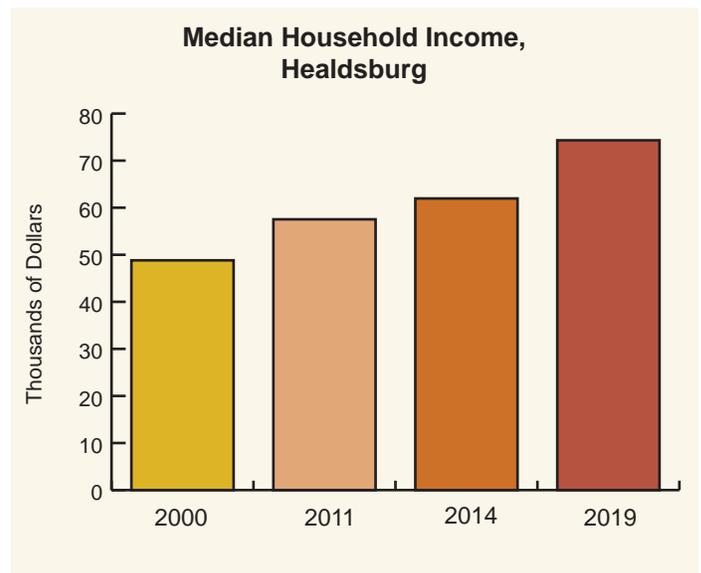
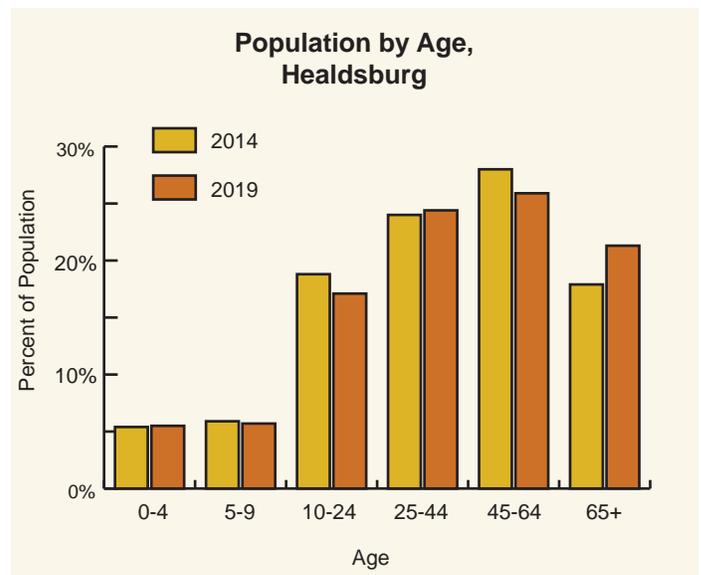
Population & Demographics

The population by age in Healdsburg in 2014 and 2019 distributed widely, and according to Environmental Systems Research Institute (ESRI) projections, the 65 and older population is expected to increase the greatest amount by 2019. This is creating a decrease in individuals 45-64 between 2014 and 2019.

Between 2000 and 2014, the median household income in Healdsburg grew by 26.9% to \$61,960. Looking into 2019, this growth is expected to continue with median income rising to \$74,317, an increase of around 20% from 2014.

As income in Healdsburg rose between 2000 and 2014, the percentage of households earning less than \$35,000 was reduced by 4 percentage points. The fastest growing income range was \$100,000-\$149,999, with the proportion increasing 6.9 percentage points. This was followed by gains in the \$150,000-\$199,999 range.

A trend that remains consistent into 2019 is the shrinking percentage of households earning less than \$35,000. The proportion of Healdsburg in this range will decrease by 6.5 percentage points from 2014 to 2019. 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)

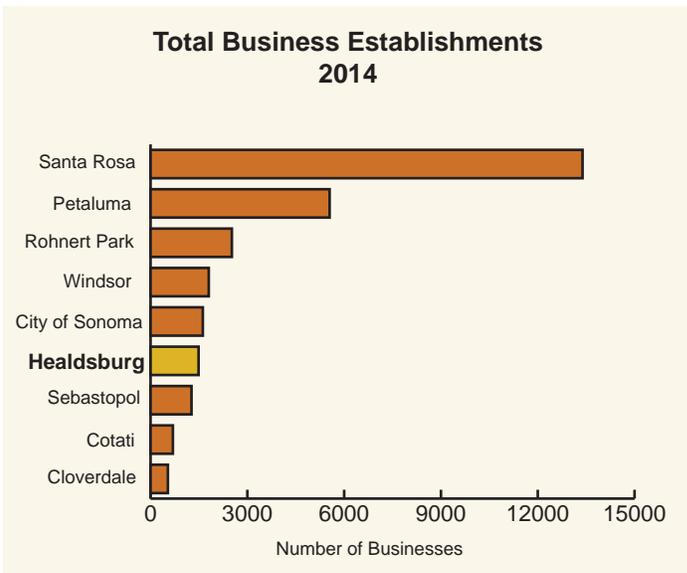
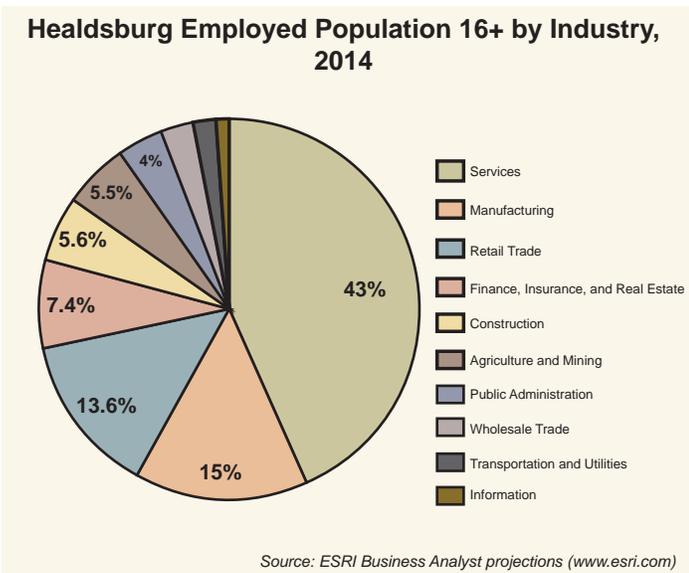
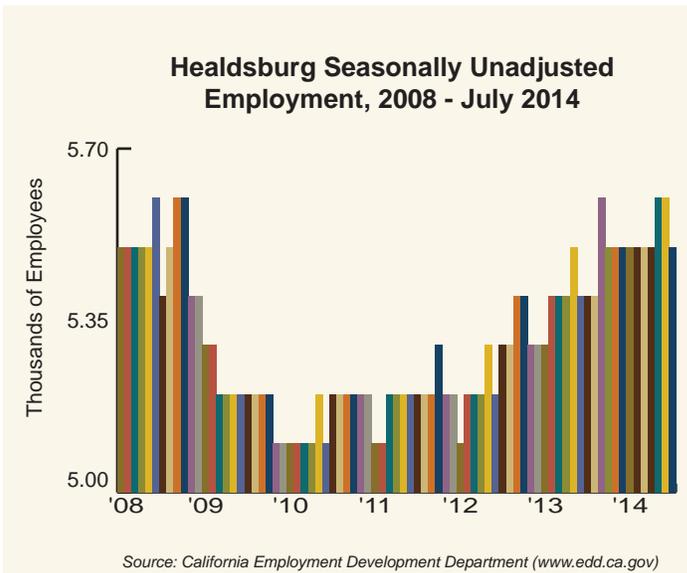
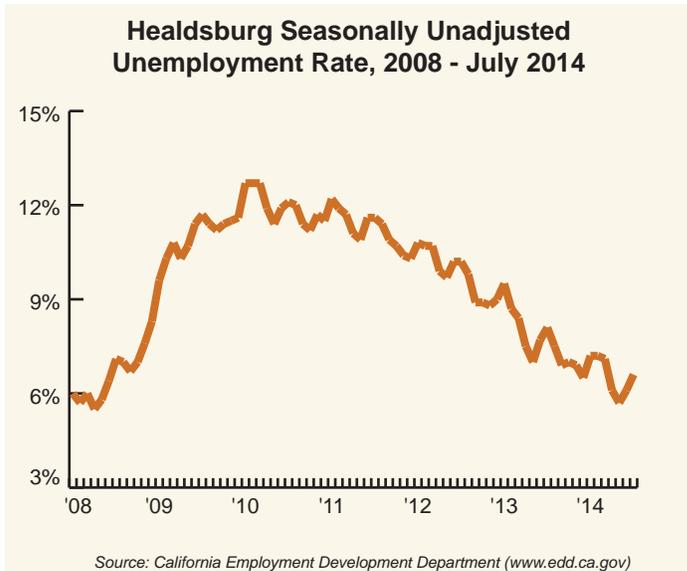
Employment

Healdsburg's seasonally unadjusted unemployment rate was 6.6% in July 2014, higher than Sonoma County (5.8%) for the same month. Compared to July of the previous year, Healdsburg's unemployment rate is down 1.5 points from 8.1%. Unemployment remains significantly lower in Healdsburg compared to its peak of 12.7% in January of 2010. Healdsburg's unemployment rate is below the state (7.8%), and above the nation (6.2%).

Total employment in Healdsburg was 5,500 in July 2014, which is up 1.85% 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 2014 in Cloverdale is 1488. Sonoma County, including all unincorporated cities, has 43,055 business establishments.

About 43% of Healdsburg's employed population is in the category of Services, which includes education, health care, tourism and legal services. The second largest sector is Manufacturing. 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 tangible goods in the Healdsburg area.

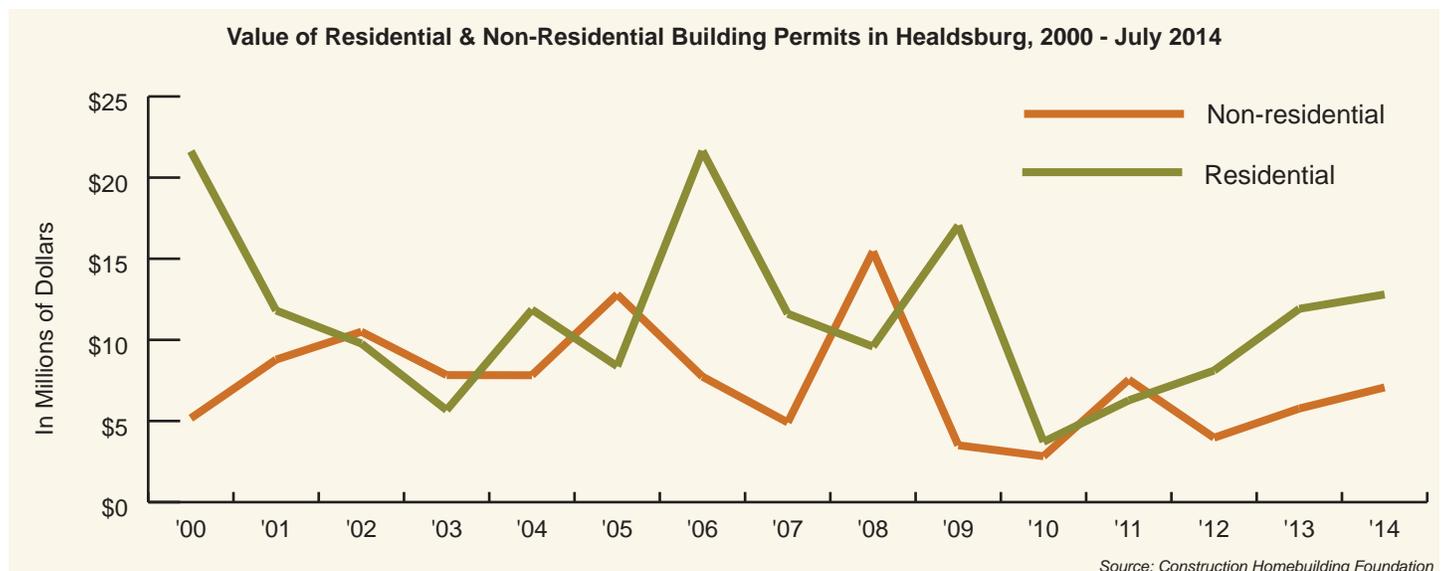
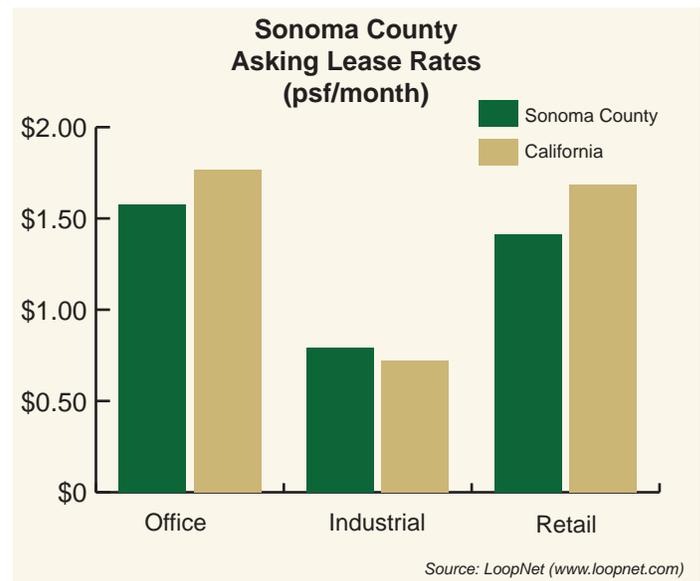
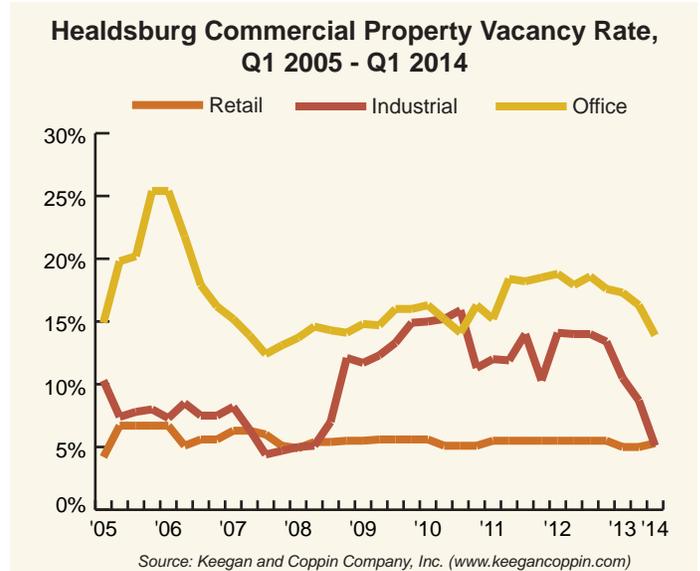


Real Estate & Construction

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 the first quarter of 2014, retail vacancy rates for Healdsburg was 5.3%. Office vacancy rates have significantly declined since their peak of 25.4% in early 2006, and are currently at 13.9% in the first quarter of 2014. Industrial vacancy rates have fallen since their peak of 15.9% in third quarter 2010.

In Sonoma County, the asking lease rates per month are categorized into office, residential, and retail. **Compared to California, Sonoma County has lower lease rates in Office (\$1.58 psf) and Retail (\$1.42 psf).** California's lease rates are lower for Industrial property at \$0.72 psf.

The values of residential and non-residential building permits in Healdsburg in July 2014 were \$12,797,001 and \$7,070,450, respectively. Building permit values reflect trends in construction activity, and are showing signs of rebounding.



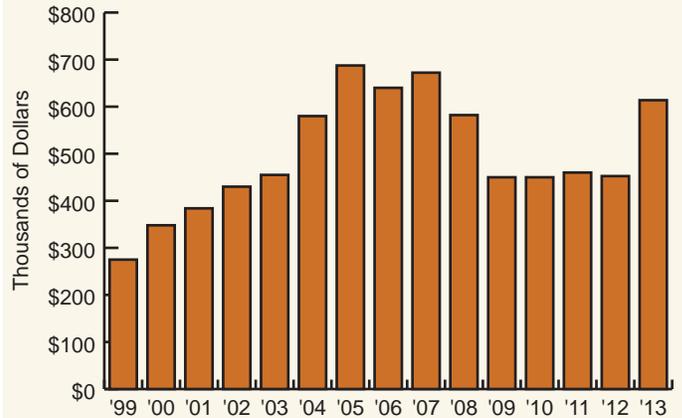
Residential Real Estate

Median home prices in Healdsburg are showing signs of leveling off since the housing bubble burst in 2007. In 2013 median prices spiked 35%, while the year before they were down 1.63%. While home prices are strengthening in the Healdsburg area, prices have remained low relative to pre recession peaks, which is good news for new home buyers.

The total number of houses sold in Healdsburg decreased in 2013 offsetting the trend of the previous year. This is partly because the buying frenzy that sustained the housing market after it collapsed was still in effect. **The decrease in number of houses sold in Healdsburg from 2012 to 2013 is significant, with sales down 56 for a total of 188, a loss of 23%.**

The average sales price of a home in Healdsburg for 2013 was \$464,323. 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 \$30,145. Healdsburg has a low volume of sales for its price range, comparable to the Sebastopol, Cotati, and Windsor 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.

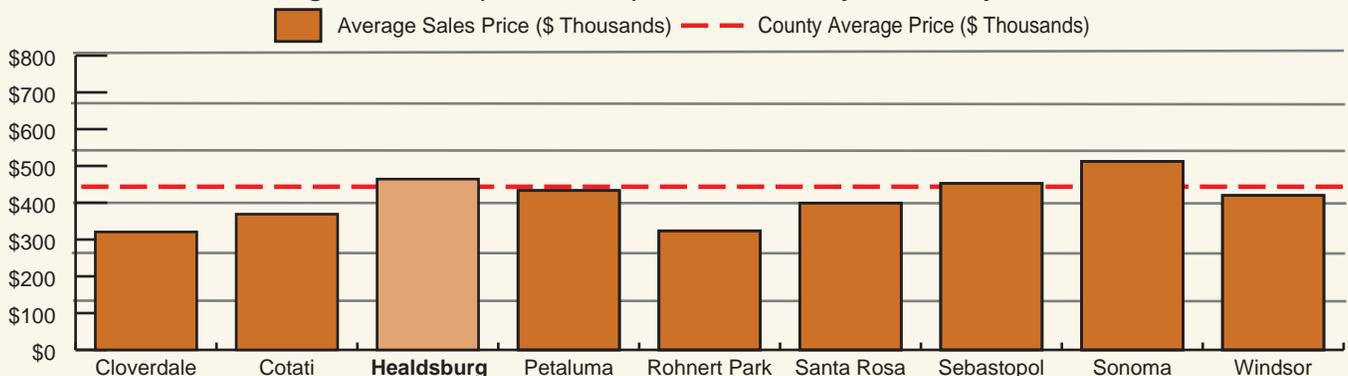
Median Price of an Existing Home in Healdsburg, 1999-2013



Total Number of Houses Sold in Healdsburg, 1999-2013



Average Sales Price (\$ Thousands) and Total Sales by Sub-County Area, 2013

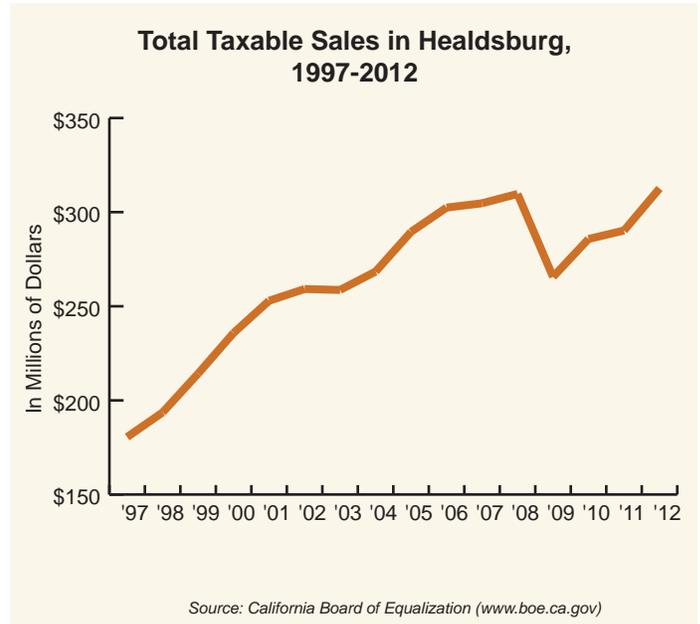


Source all: Bay Area Real Estate Information Services (www.bareis.com)

Consumer Spending & Taxable Sales

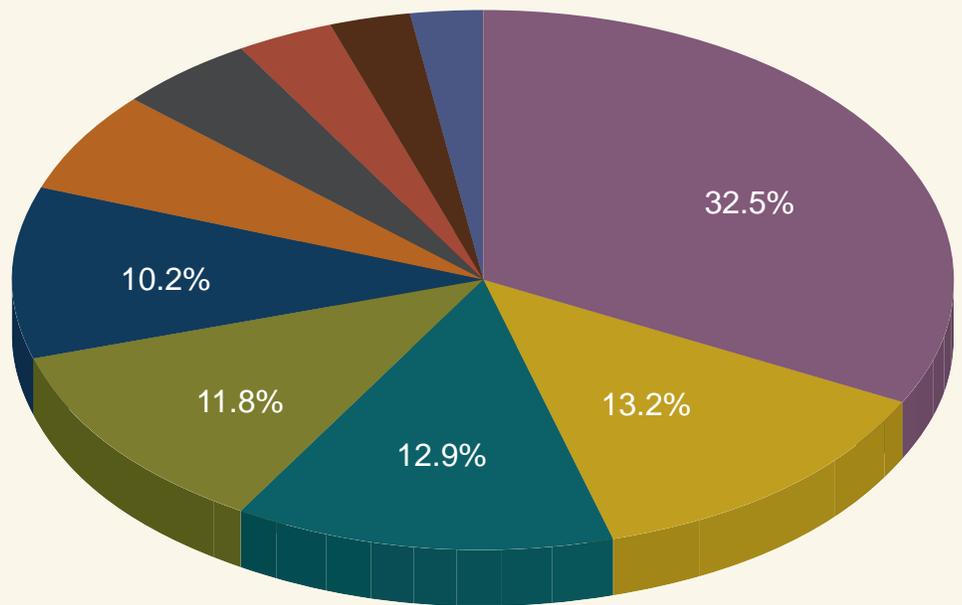
Healdsburg's taxable sales showed signs of rebounding with a gain of 7.7% in 2012 from 2011. After little growth in 2007 and 2008, Healdsburg's total taxable sales fell 14.2% in 2009. The county saw an increase of 7.3% in taxable sales in 2011, while the state rose quicker at 9.1%.

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, 2013

- Housing
\$120,013,616
- Transportation
\$48,874,220
- Other*
\$47,217,577
- Food
\$43,505,552
- Pensions and Social Security
\$37,749,024
- Healthcare
\$22,652,213
- Entertainment and Recreation
\$17,704,536
- Cash Contributions/Gifts
\$11,846,812
- Travel
\$10,451,519
- Education
\$8,951,842



*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)

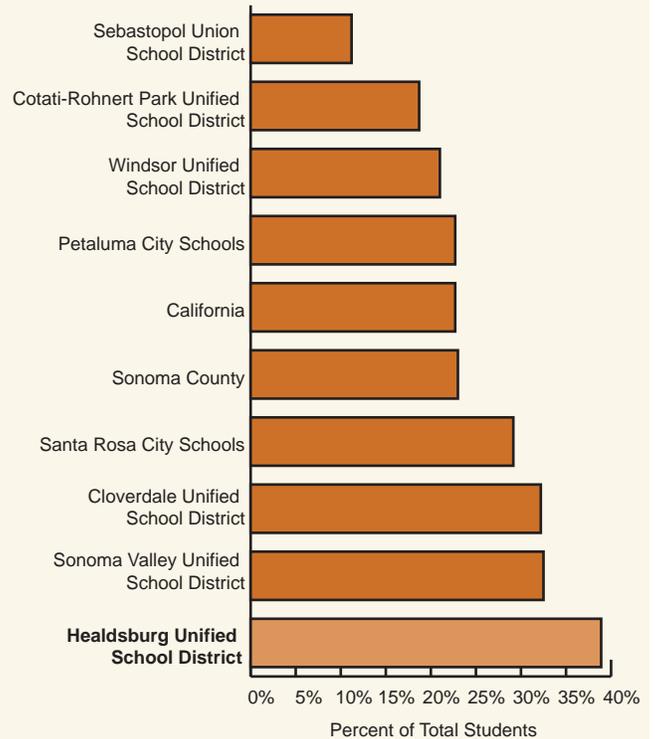
Education

The percentage of English learners in the Healdsburg Unified School District is 38.9%. 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 23%, as well as the state average of 22.7%.

The average SAT score for a student from the Healdsburg Unified School District in the 2012-13 school year was 1572. This places the Healdsburg Unified School District below the county average of 1607, and above the state average of 1489.

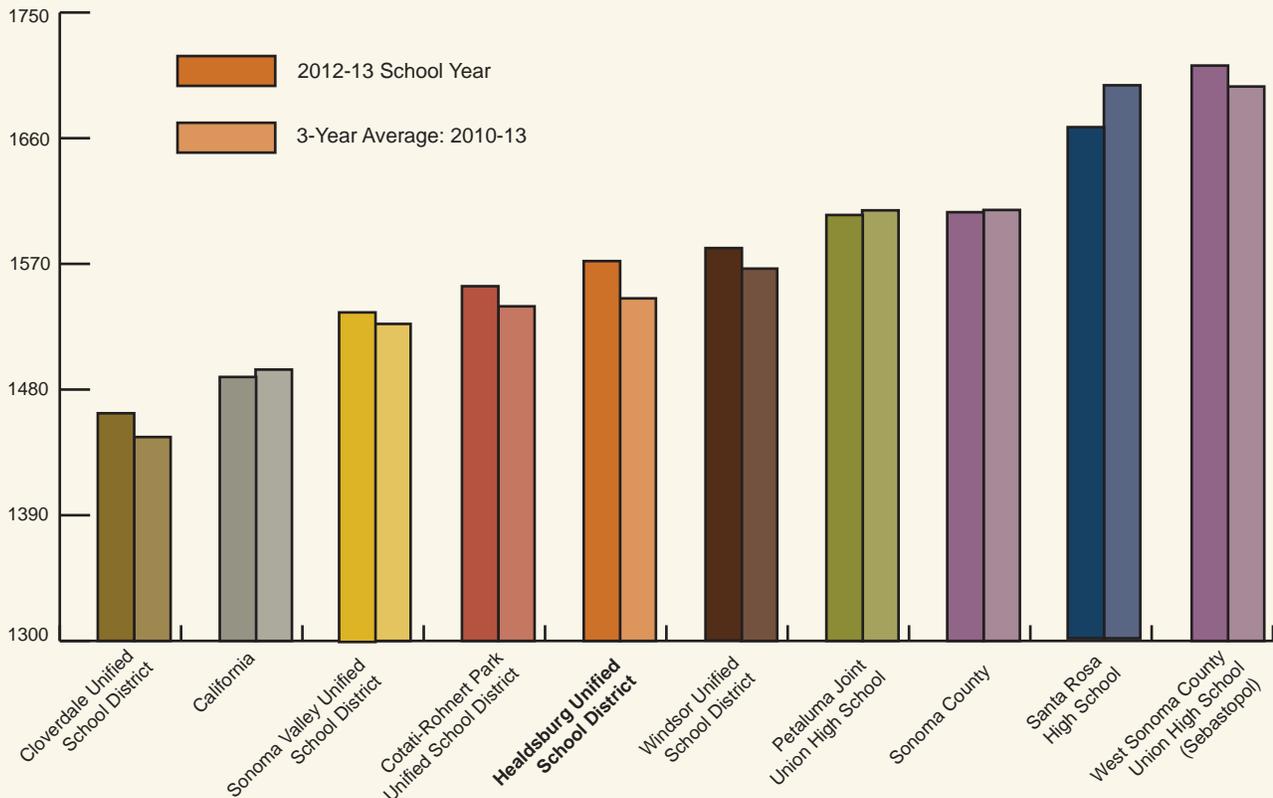
For a complete listing of the particular schools located in each district, please visit the Sonoma County Office of Education's website at: <http://www.scoe.org/pub/htdocs/finddistrict.html>

English Learners by School District, 2012-13



Source All: California Department of Education (www.cde.ca.gov)

Average Total SAT Scores by School District



Cost Comparison

This year the Economic Development Board has added a new feature comparing the cost of doing business in Sonoma County versus two East Bay counties, Alameda and Contra Costa. Below, the comparisons of key economic factors are shown, including lease rates, income, travel time to work, and homeownership rate.

East Bay		Sonoma County
Alameda County	Contra Costa County	
Asking Lease Rates (per month rate)		
<ul style="list-style-type: none"> Office Space: \$1.76 psf Industrial Space: \$0.74 psf Retail Space: \$2.08 psf 	<ul style="list-style-type: none"> Office Space: \$1.78 psf Industrial Space: \$0.78 psf Retail Space: \$1.93 psf 	<ul style="list-style-type: none"> Office Space: \$1.57 psf Industrial Space: \$0.80 psf Retail Space : \$1.42 psf
Payroll/Business		
<ul style="list-style-type: none"> Educated and Skilled workforce: 42% of People 25 years of age or older have a bachelor's degree or higher Per Capita Income: \$36,268 	<ul style="list-style-type: none"> Educated and Skilled workforce: 39% of People 25 years of age or older have a bachelor's degree or higher Per Capita Income: \$38,344 	<ul style="list-style-type: none"> Educated and Skilled workforce: 32% of People 25 years of age or older have a bachelor's degree or higher Per Capita Income: \$33,357
Commuting		
<ul style="list-style-type: none"> Mean travel time to work is 30.4 minutes each day County residents living and working in this county: 65% 	<ul style="list-style-type: none"> Mean travel time to work is 35.3 minutes each day County residents living and working in this county: 57% 	<ul style="list-style-type: none"> Mean travel time to work is 24.4 minutes each day County residents living and working in this county: 83%
Incidentals		
<ul style="list-style-type: none"> Homeownership rate: 51.9% Percentage of family households: 65% People below poverty level: 12.9% Air Quality Index (AQI): 38.5 	<ul style="list-style-type: none"> Homeownership rate: 64.7% Percentage of family households: 71% People below poverty level: 10.8% Air Quality Index (AQI):40.4 	<ul style="list-style-type: none"> Homeownership rate: 58.5% Percentage of family households: 61% People below poverty level: 12.4% Air Quality Index (AQI): 30.5

City Data Snapshot

 SONOMA COUNTY CALIFORNIA 18 50 AGRICULTURE INDUSTRY RECREATION	Total Population 2014	Unemployment Rate July 2014	Median Household Income 2014	Average Sales Price of a Home 2013	Percentage of English Learners 2013-14	Average Total SAT Scores 2012-13
Cloverdale	8,840	8.9%	\$55,117	\$320,605	32.2%	1463
Cotati	7,318	6.1%	\$58,765	\$368,911	18.7%	1554
Healdsburg	11,551	6.6%	\$61,960	\$464,323	38.9%	1572
Petaluma	57,941	5.3%	\$73,352	\$433,252	22.7%	1605
Rohnert Park	41,976	5.7%	\$57,027	\$323,713	18.7%	1554
Santa Rosa	171,453	5.8%	\$56,609	\$399,239	29.2%	1666
Sebastopol	7,463	3.7%	\$57,734	\$452,433	11.2%	1712
City of Sonoma	11,186	4.7%	\$60,296	\$512,361	32.5%	1536
Windsor	27,174	5.1%	\$76,492	\$419,875	21%	1581
Sonoma County	493,218	5.8%	\$61,020	\$434,178	23%	1607

Note on Data Sources

The *2015 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 *2015 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 *2015 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

LoopNet

U.S. Census Bureau

World Media Group LLC

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