



SONOMA

CITY PROFILE AND PROJECTIONS REPORT

2018



**SONOMA
CHAMBER**

A LOCAL MISSION

SINCE 1909

*Report developed by the Sonoma County Economic
Development Board in partnership with the City
of Sonoma and the Sonoma Valley Chamber of
Commerce*

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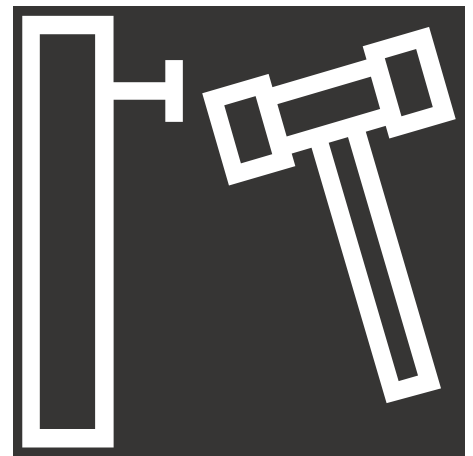
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EXECUTIVE SUMMARY

March 2018

Highlights from this year's report include:

- Sonoma's population grew to 11,405 in 2017, and is projected to reach 11,916 in 2022. This five-year growth projection is the highest of Sonoma County's nine major cities, at 4.5%. The city's median age in 2017 was 51.2, about ten years higher than the countywide average.
- Sonoma experienced the sixth-lowest unemployment rate among Sonoma County's cities at 3.1% in 2017, below the rates of the county (3.4%), state (4.8%) and country (4.4%).
- In 2017, Sonoma had the third-highest median household income at \$71,323. The city's median household income was \$4,540 greater than the countywide average. Five-year projections predict that Sonoma's median household income will grow by 11.3% to \$79,412 in 2022.
- Total taxable sales grew by 2.4% to \$272.8 million, the sixth-highest total sales in the county. This translates as \$23,922 in taxable sales per resident, about \$6,000 above the county average.
- Sonoma's 2017 median home sales price grew to \$670,000, the third-highest price among Sonoma County's cities and above the 2017 countywide median price of \$535,000. Sonoma experienced a 0.2% decline in housing prices from 2016.
- Sonoma's three-year average SAT composite scores were 1483; this is lower than the county average (1571), but higher than the state composite scores of 1472.



A Note from Our Executive Director

The Sonoma County Economic Development Board (EDB)—in partnership with the Sonoma County Workforce Investment Board (WIB), the City of Sonoma, and the Sonoma Valley Chamber of Commerce—is pleased to present the 2018 *Sonoma City Profile and Projections Report*. The EDB publishes a comprehensive annual report on each of the county's nine incorporated cities—Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, and Windsor. *These reports provide projections and forecasts for the demographic, economic, income, and housing data for each city*, and showcase some of their unique qualities and local cultures.

This report is meant to reflect conditions in the city with the most recent information available in 2018. 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 information from prior years.

Thank you for your interest in the Economic Development Board's research. For access to each of the *City Profile and Projections Reports*, or for general questions, concerns, and comments, please reach out to us at (707) 565-7170 or visit www.sonomaedb.org.

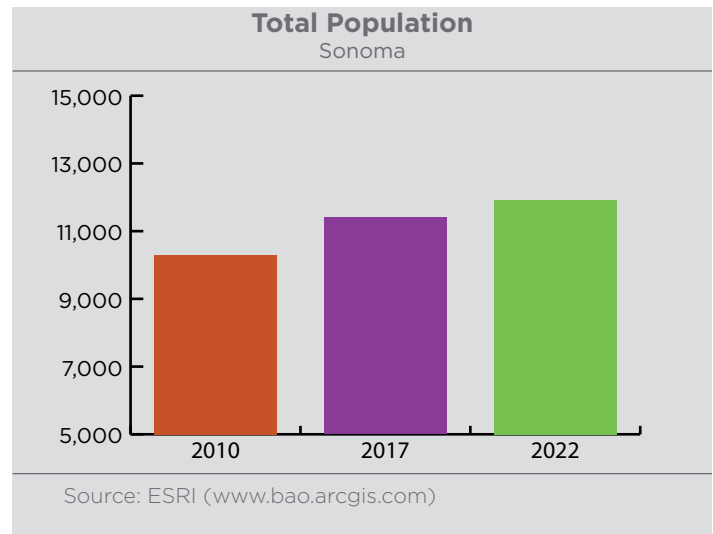
Ben Stone
Executive Director



DEMOGRAPHICS

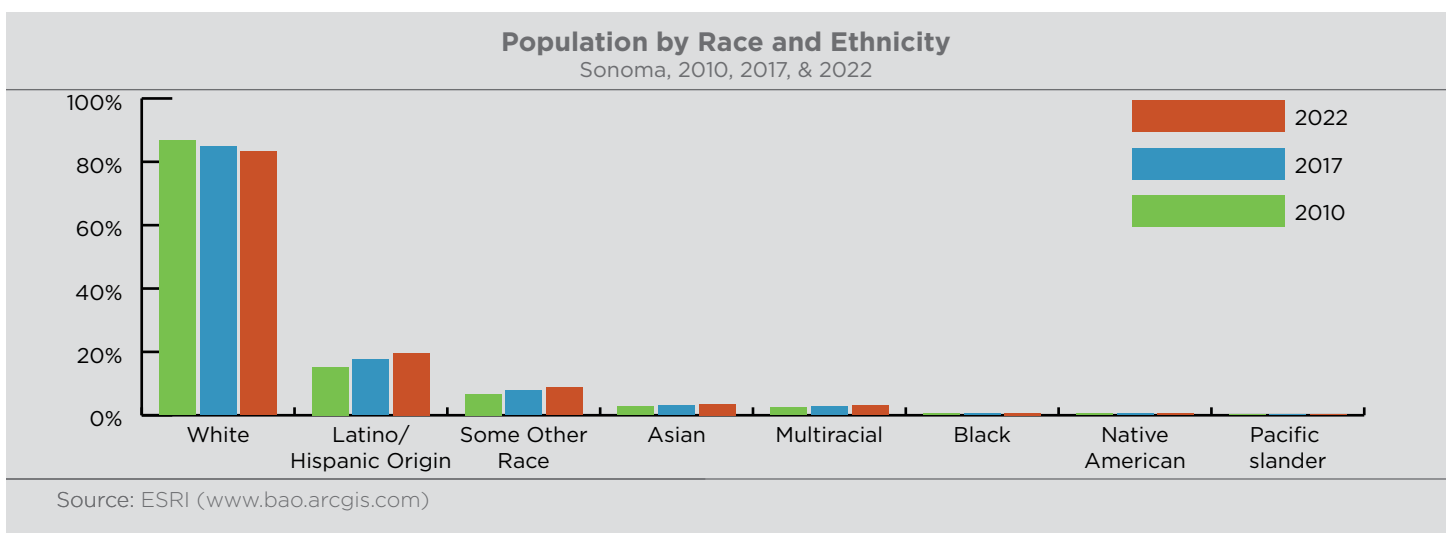
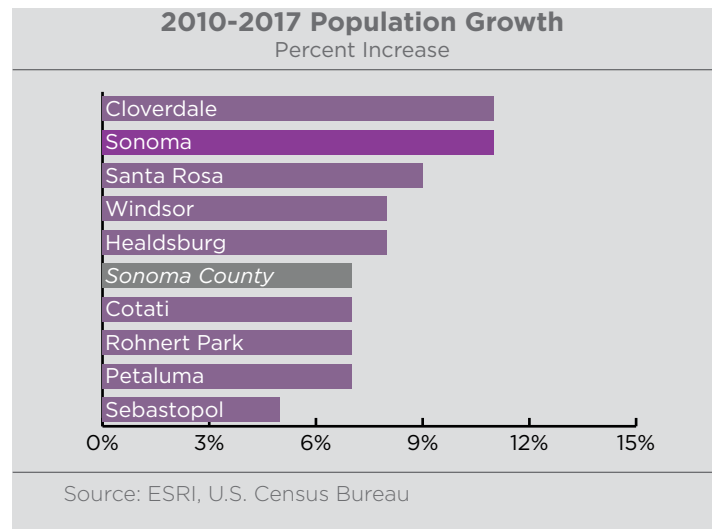
POPULATION

Sonoma's population increased to 11,405 residents in 2017, ranking sixth-largest among Sonoma County's nine incorporated cities. Between 2010 and 2017, the city grew by 10.8%. This amount of growth is second-highest among comparable cities and is higher than the growth of Sonoma County (7.4%), California (8%), and the United States (7.1%) during this period of time. Looking into the future, Sonoma is projected to grow 4.5% by 2022 and will be home to 11,916 residents. The city's five-year growth is fastest in the county, and is projected to outpace statewide and national growth.



RACE AND ETHNICITY

In 2017, the five largest ethnicities which residents identified with were White (84.8%), Some Other Race (7.8%), Asian (3.1%), Multiracial (2.8%), and Black (0.6%). 17.6% of residents identify as Hispanic across all races.



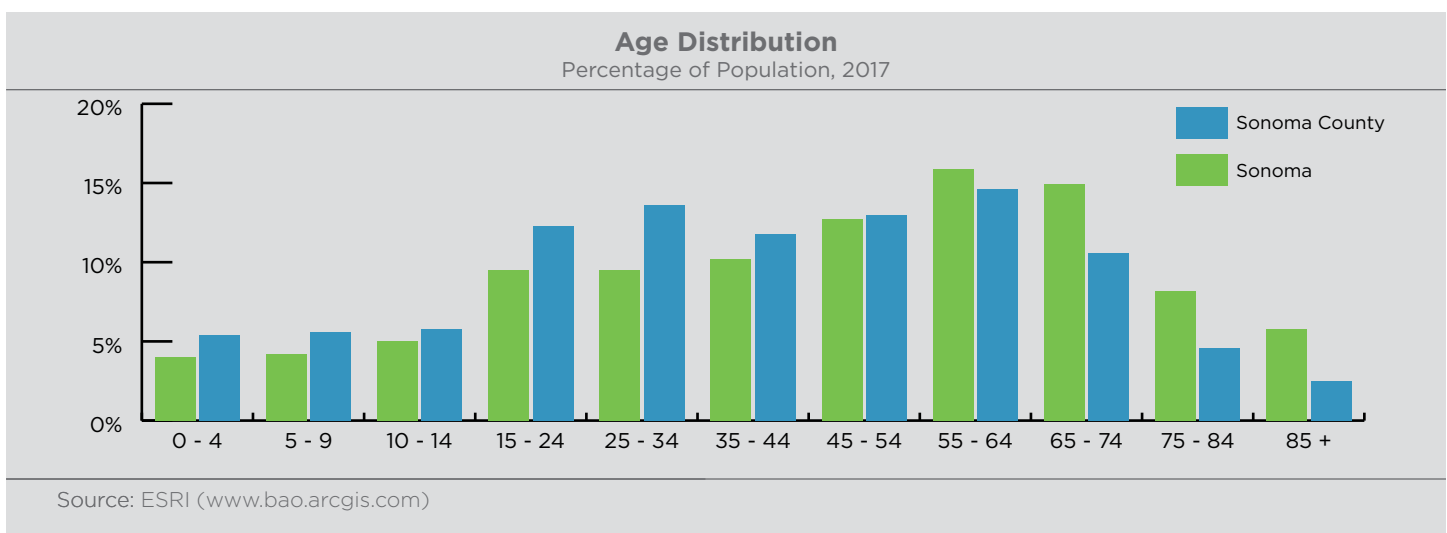
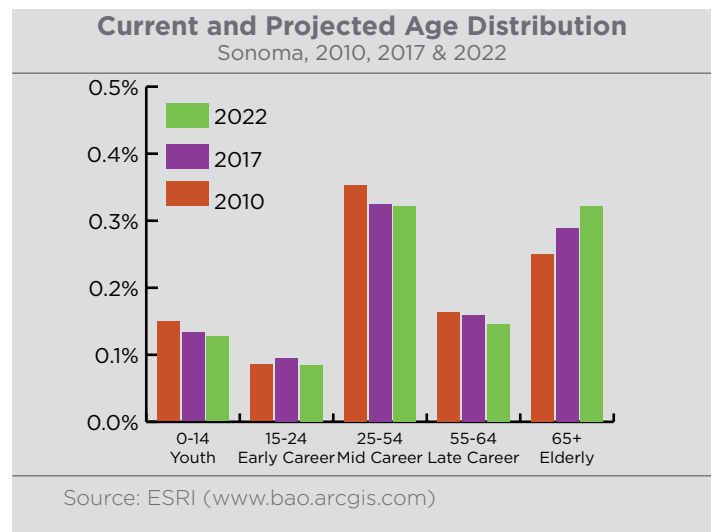
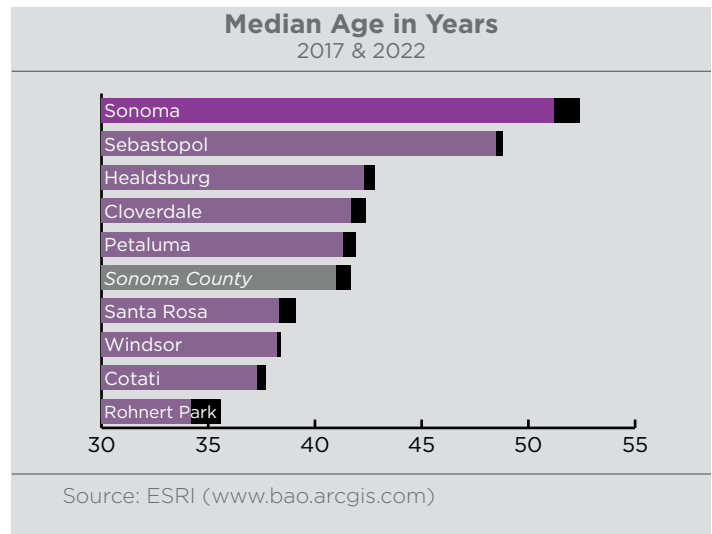
DEMOGRAPHICS

MEDIAN AGE

The median age of Sonoma residents was 51.2 years old in 2017. It is the highest median age among Sonoma County's comparable cities, with Rohnert Park being the youngest with a median age of 34.2 and the countywide median being 41. Sonoma's median age is higher than the median ages of the state (36) and the nation (37.7). Looking into the future, Sonoma is projected to age 1.2 years to 52.4 by 2022.

AGE STRUCTURE

Sonoma's age structure largely mirrors Sonoma County, but skews older. It has 1.3% more *Late Career* aged residents and 11.2% more *Elderly* aged residents than the county average. It has 3.6% fewer *Youth* residents, 2.8% fewer *Early Career* residents, and 6% fewer *Mid Career* residents. Overall, Sonoma's labor force is ageing at a faster pace than the county. In 2022, the city is projected to have a smaller than average proportion of *Youth* aged residents at 12.6% of total population; this population is an indicator of future workforce sustainability.



EMPLOYMENT

UNEMPLOYMENT

In 2017, Sonoma's annual unemployment rate was 3.1%—the sixth-lowest rate of Sonoma County's cities. Sonoma's unemployment rate is lower than the rates of the county (3.4%), California (4.8%), and the United States (4.4%). Sonoma saw a 0.5 percentage point drop in unemployment from 3.6% in 2016 to 3.1% in 2017. An unemployment rate of 3.1% translates as 175 workers. More broadly, Sonoma County has seen annual unemployment fall from a high of 10.8% in 2010 to its current two-decade low of 3.4% in 2017.

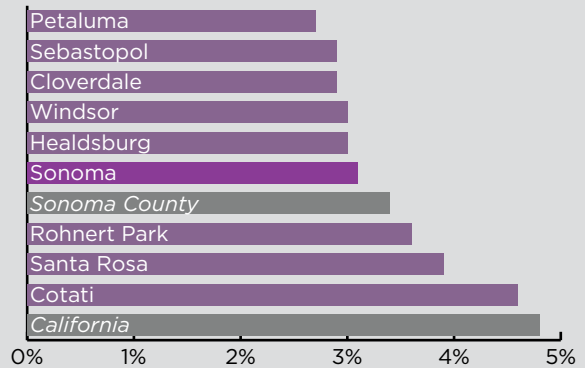
LABOR FORCE

A low unemployment rate does not necessarily indicate a high level of employment, because residents who are not actively seeking work such as homemakers, retirees, or discouraged workers are not considered unemployed. Looking at the employed population—the number of workers divided by total population—is a good measure of workforce participation. 46% of Sonoma's total population is employed, which translates as 5,200 workers. Sonoma has the lowest employed population percentage in the county, but its rate is tied with the state (46%) and is below the nation (49%). Taken together with its higher percentage of 65+ aged residents, this can be explained by a higher proportion of retirees. Countywide, employment levels did not return to pre-recession levels until 2014.

INDUSTRY

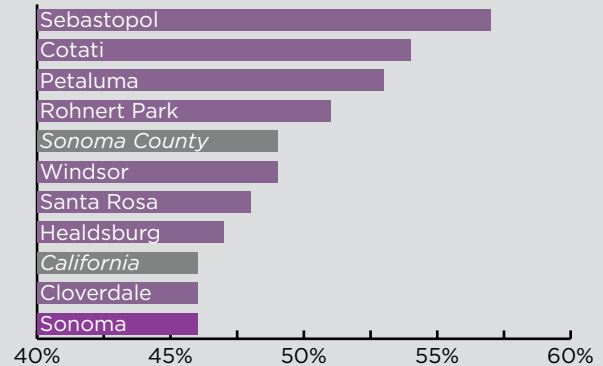
Breaking down employment by industry, over half of workers in Sonoma are employed in the *Services* industry at 57%, followed by 10% employed in *Retail Trade* and 9% in *Construction*. Sonoma compares with Sonoma County as having 6.1% more *Services* and 1.5% more *Construction* workers, but has 1.9% fewer workers in *Retail Trade* and 1.6% fewer in *Wholesale Trade*.

Unemployment Rate
2017



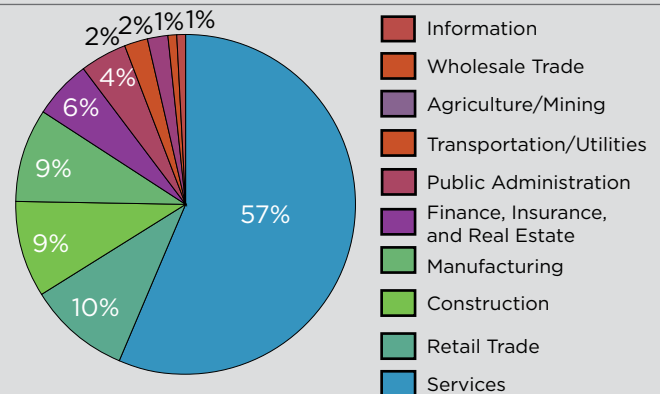
Source: California Employment Development Department (www.edd.ca.gov)

Employed Population
Percent, 2017



Source: California Employment Development Department, U.S. Census Bureau

Employed Population 16+ by Industry
Sonoma, 2017



Source: ESRI (www.bao.arcgis.com)

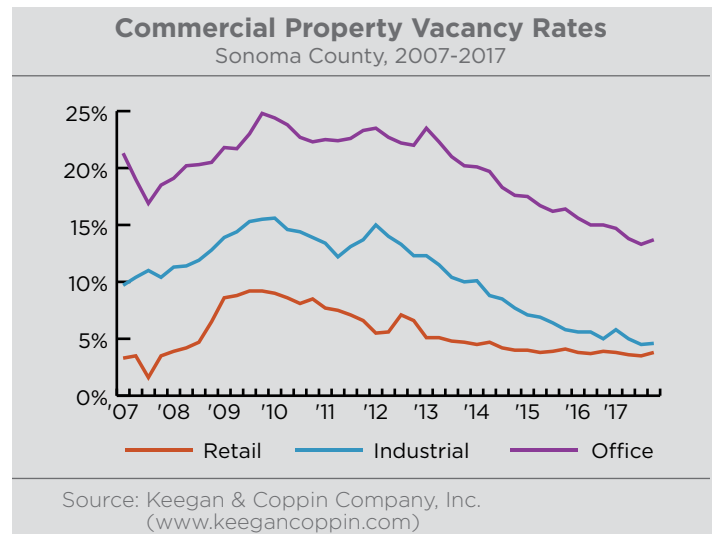
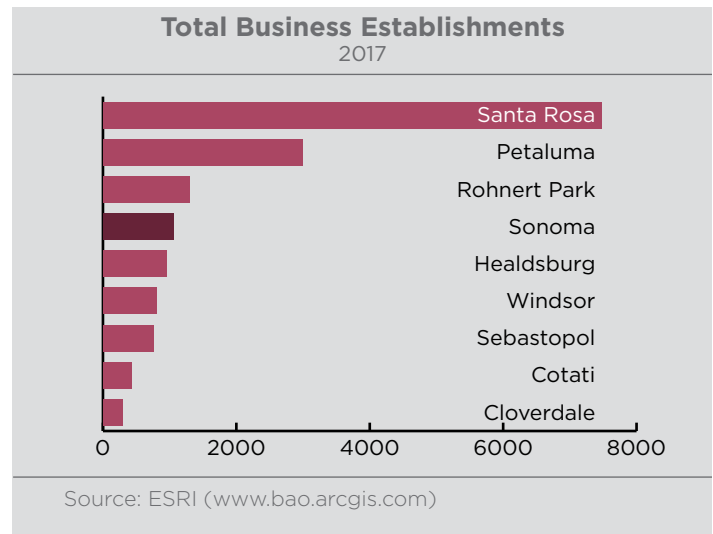
BUSINESS

BUSINESSES

Sonoma has the fourth most businesses across comparable cities at 1,062. This figure scales as 93.1 businesses per 1,000 residents in the city, a rate which is second-highest among comparable cities and is double the countywide average of 43.3 businesses per 1,000 residents.

COMMERCIAL VACANCY RATES

The commercial vacancy rates for retail, industrial, and office space measure how many of these properties are actively on the market and are available to lease. While some level of vacancy will naturally develop as a consequence of friction, a lower vacancy rate generally indicates how much demand exists for incorporating in a particular city. While data does not currently exist for Sonoma alone, there is information for the county. Sonoma County's industrial vacancy rate averaged 5% across 2016 Q4 to 2017 Q3, the most recent available data. The county's office vacancy space averaged 14% and its retail rate averaged 4%. Office vacancy rates tend to be higher because there is more flexibility in where and how employees complete their work (telecommuting, hoteling, coworking spaces, etc.), while industrial and retail spaces remain in demand due in part to their inflexible space requirements. Across the county, industrial vacancy rates saw the greatest decline as demand rose during the economic recovery.



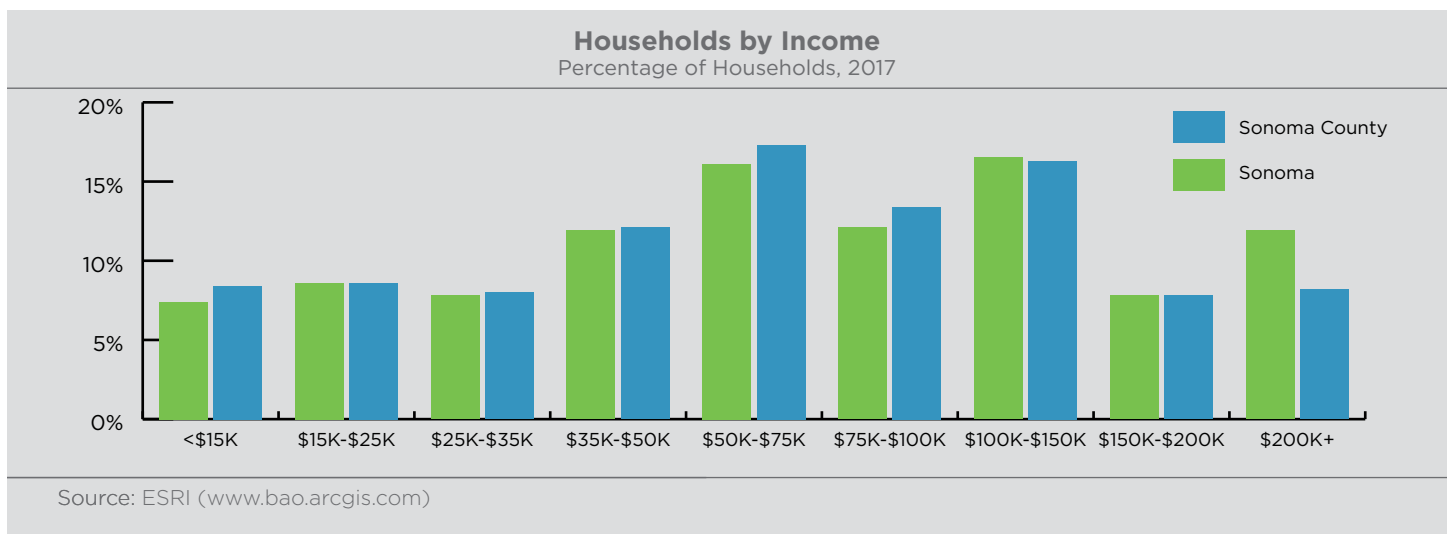
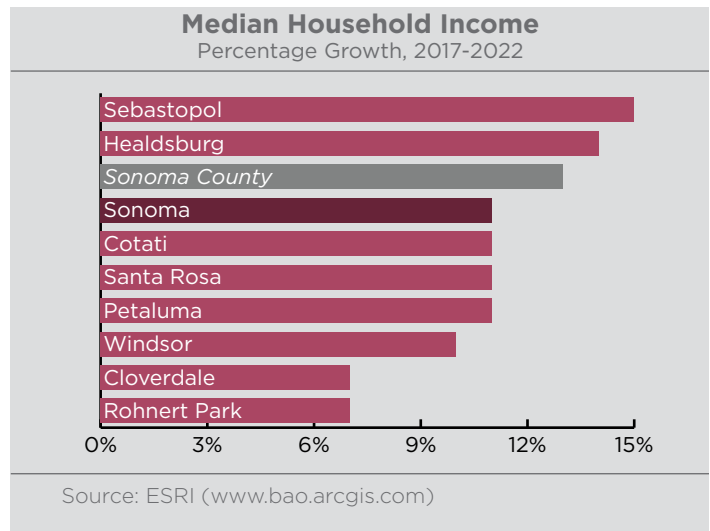
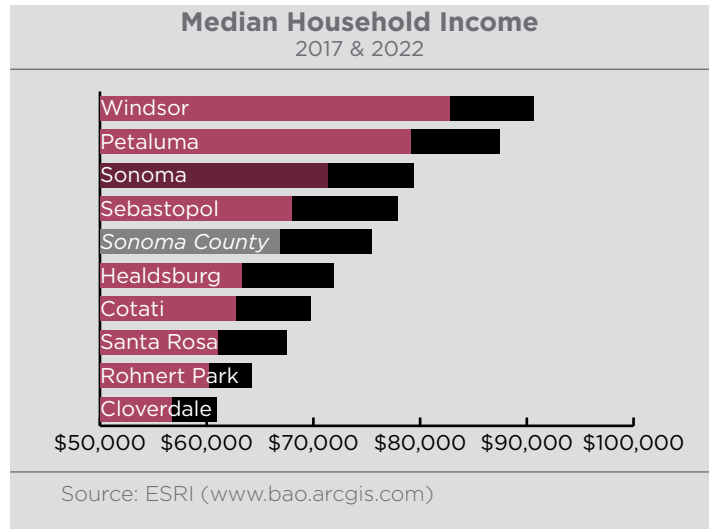
INCOME & SPENDING

MEDIAN HOUSEHOLD INCOME

In 2017, Sonoma had the third-highest median household income among Sonoma County cities, at \$71,323. Windsor ranked first at \$82,763 and Cloverdale ranked ninth at \$56,727. Sonoma's median household income was \$4,540 above the countywide average. The city is projected to see an 11.3% growth in median household income by 2022 to \$79,412. This represents the highest projected growth in the county.

HOUSEHOLDS BY INCOME

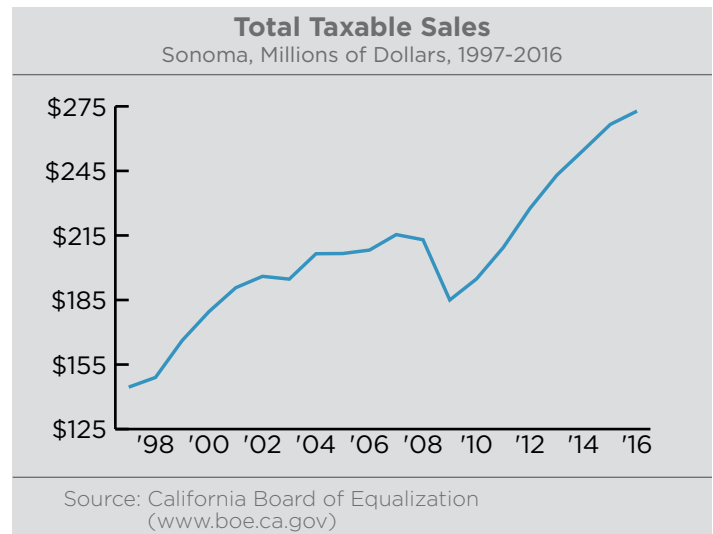
The largest income bracket in Sonoma is \$100,000-\$150,000 at 16.5%, followed by \$50,000-\$75,000 at 16.1% and \$75,000-\$100,000 at 12.1%. 63.9% of households earn less than \$100,000. Sonoma has 3.9% more households earning over \$100,000 than the county average. Looking to 2022, the largest income bracket expected to grow is \$100,000-\$150,000 by 1.6% while the income bracket projected to shrink most is \$35,000-\$50,000 by 1.6%.



INCOME & SPENDING

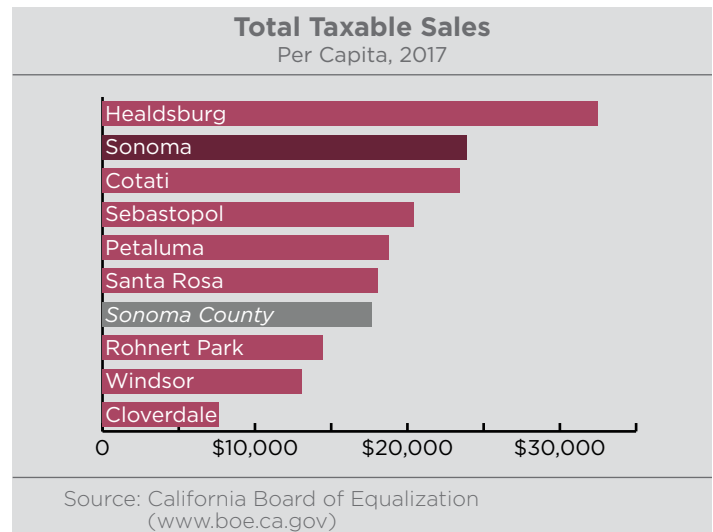
TOTAL TAXABLE SALES

In 2016, the last year with available data, Sonoma businesses recorded \$272.8 million in total taxable sales. Taxable sales are a good indicator of aggregate economic health because it directly speaks to the success of local businesses, and indirectly speaks to the purchasing power of residents. Total taxable sales generally correlate with population, with the largest cities taking in the most sales; but examining city sales per capita can give insight into how Sonoma compares on individual output. Sonoma ranks second for sales per capita, at \$23,922. This figure is above the county average of \$17,682. Sonoma saw a 2.4% growth in taxable sales from 2015 to 2016.



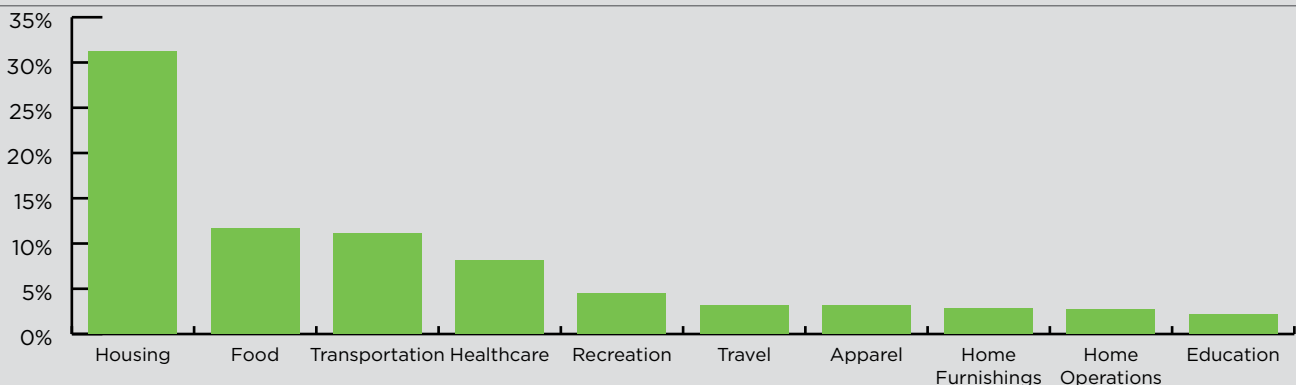
CONSUMER SPENDING

Sonoma residents spend their income across a variety of major spending categories. In aggregate, the top five spending categories in 2017 were Housing (31.2%), Food (11.7%), Transportation (11.1%), Healthcare (8.1%), and Recreation (4.5%). Sonoma's consumer spending was nearly aligned with county averages, with some slight deviations: Sonoma residents spend 0.2% more on Housing than the county average, and 0.4% less on Transportation.



Top 10 Consumer Spending Categories

Sonoma, Percent of Total Spending, 2017



Source: ESRI (www.bao.arcgis.com)

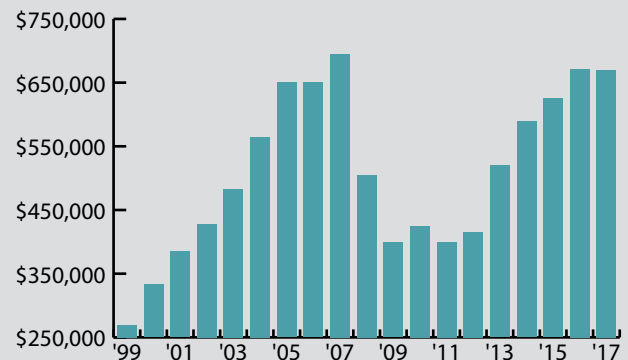
HOUSING

MEDIAN HOME SALES PRICE

The 2017 median home sales price was \$670,000 in Sonoma, comparing higher than the county median of \$576,000. This price marks one of the highest on record for the city, but does not surpass the pre-recessionary high of \$694,500 in 2007. Sonoma ranks as third-highest median price in Sonoma County, with Healdsburg ranking as most expensive at \$804,000 and Cotati/Rohnert Park tying for least expensive at \$479,500. Sonoma's median home sales price shrunk by \$1,250 from 2016 to 2017, and was one of two cities to see a price decline (Healdsburg saw a decline of \$23,000). Looking at the past five years, Sonoma's median home sales prices rose 61%, the lowest growth among comparable cities during this time. Cloverdale saw the highest growth in the past five years at 104%, while the countywide average was 75%.

Median Home Sales Price

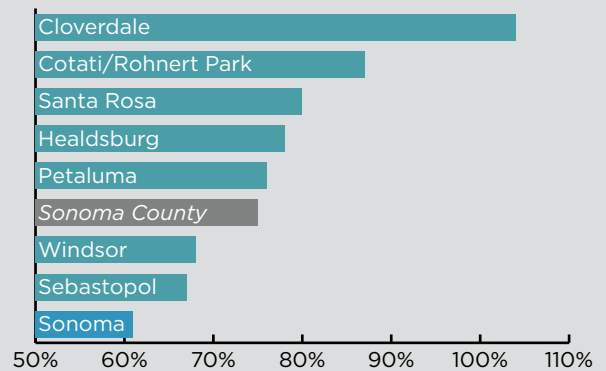
Sonoma, 1999-2017



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

Median Home Sales Price

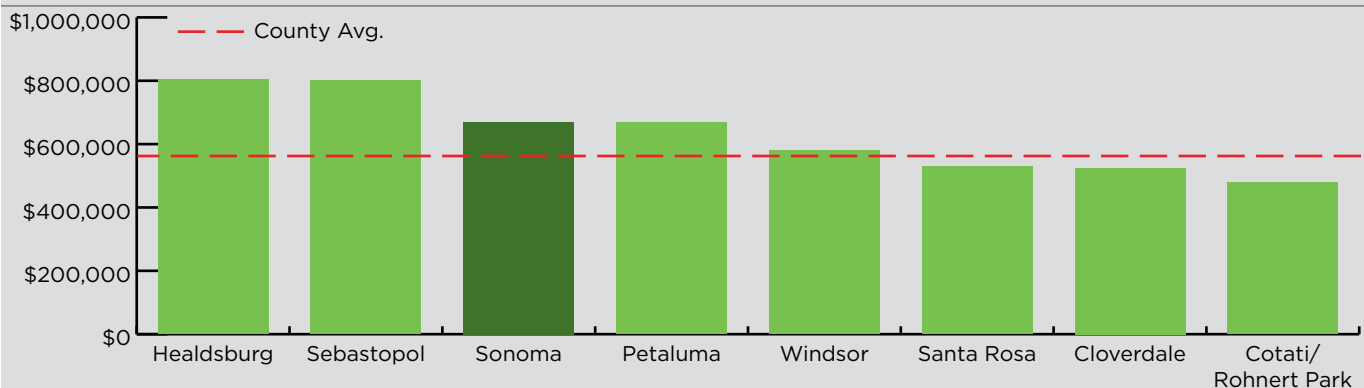
Percentage Growth, 2012-2017



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

Median Home Sales Price

2017



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

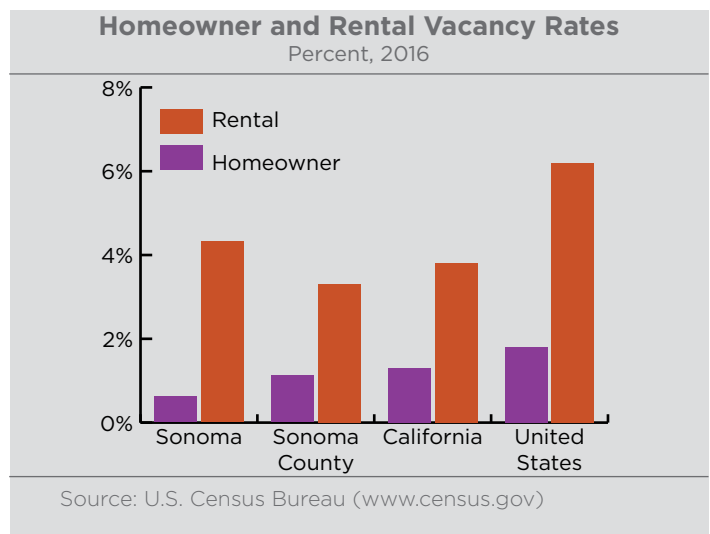
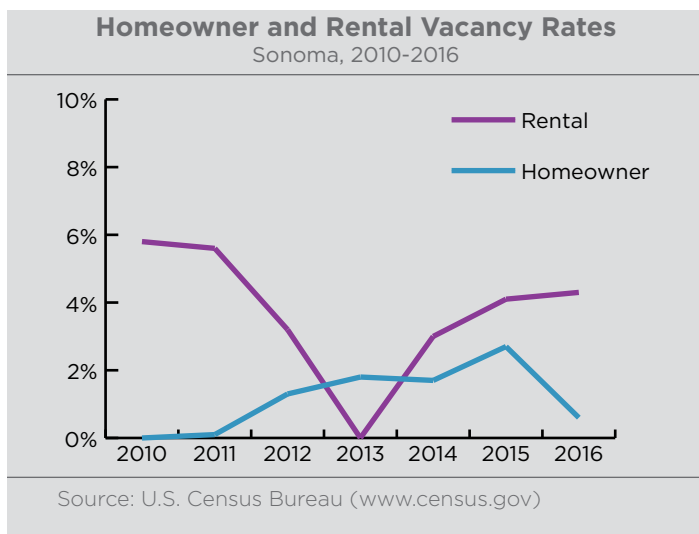
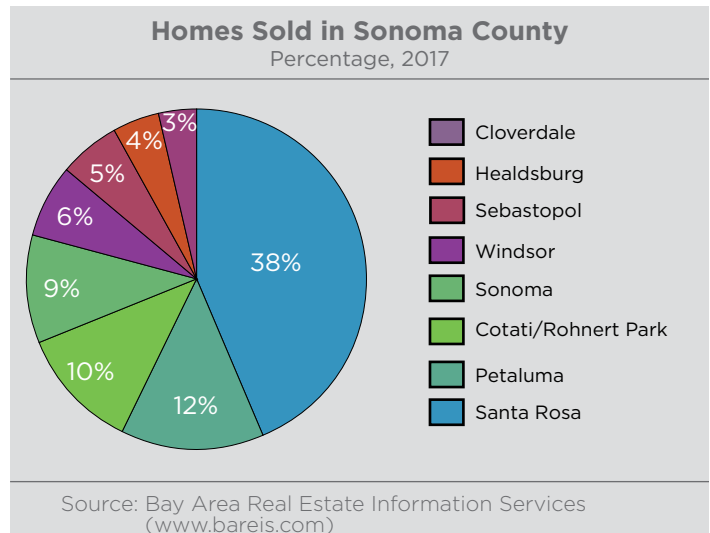
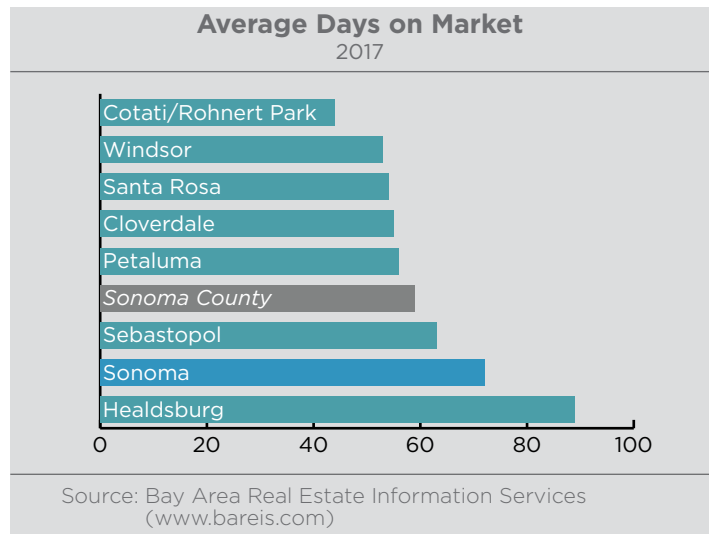
HOUSING

DAYS ON MARKET

In 2017, homes in Sonoma were on the market for an average of 72 days. This compares with the hottest real estate activity in Cotati/Rohnert Park, where homes were on the market for an average of 44 days. Countywide, homes were on the market for an average of 59 days. Healdsburg experienced the coldest activity at 89 days. 9% of the 5,514 homes sold in Sonoma County were in Sonoma.

HOUSING VACANCY RATES

Homeowner and rental vacancy rates measure the number of homes which are actively on the market to rent or buy, but which are still not bought/rented. Vacancy rates are good measures of how tight the housing market is, because it indicates how much demand exists for housing. A value below the U.S. vacancy rate indicates that demand for housing is greater than supply. Sonoma's homeowner vacancy rate was 0.6% in 2016, the latest available data. This compares lower than the county (1.1%), state (1.3%), and nation (1.8%). Sonoma's rental vacancy rate was 4.3%, comparing higher than the county (3.3%) and state (3.8%), but lower than the nation (6.2%).



EDUCATION

WORKFORCE EDUCATION

In Sonoma, 93.7% of adult residents (age 25+) possess at least a high school diploma, comparing higher than the county (87.3%), the state (82%), and the nation (87%). 42.6% possess at least a bachelor's degree, comparing again higher against the county (33.1%), state (32.0%), and nation (30.3%). 14% of adult residents possess advanced degrees. Sonoma ranks second, second, and third on educational attainment across comparable cities for High School Graduate, Bachelor's Degree, and Advanced Degree respectively. 6.3% of adult residents did not graduate high school, with 2.5% having less than a 9th grade education.

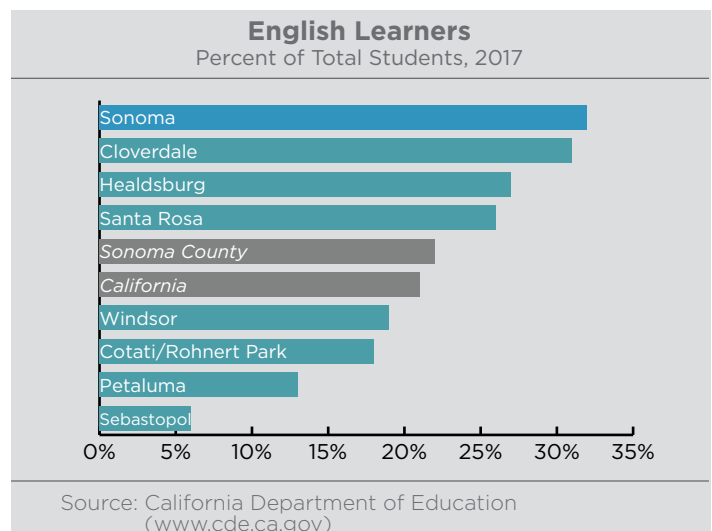
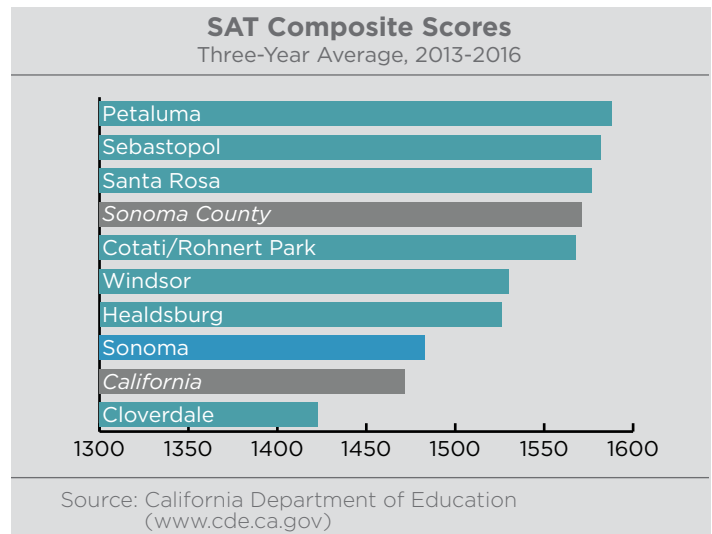
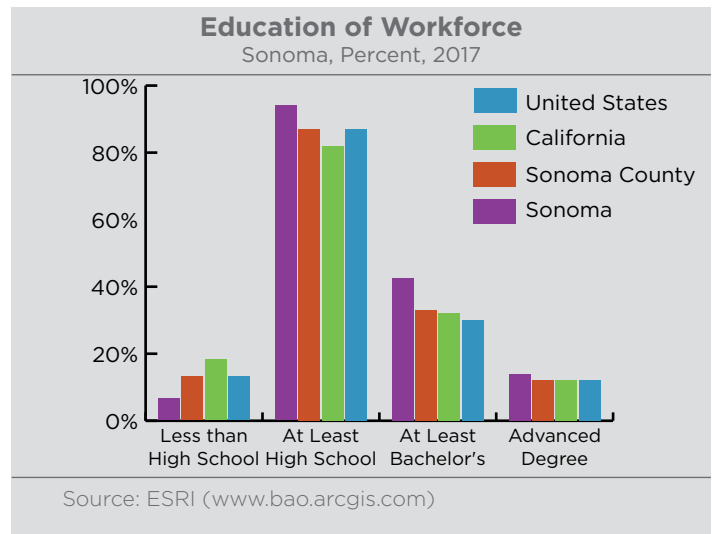
SAT SCORES

SAT scores are one of many measures of student success and college/career readiness. The SAT is comprised of three sections—reading, math, and writing—and has a maximum composite score of 2400. The SAT composite scores for 2015-2016 (the latest available) show that Sonoma students scored 1467, ranking eighth among comparable cities. Sonoma's SAT scores have been volatile recently, but the city's three-year average is 1483, below the county (1571) but above the state (1472) averages.


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

ENGLISH LEARNERS

The California Department of Education defines an "English Learner" as a student for whom English is not the spoken language at home and who has been assessed to lack a sufficient level English comprehension. Sonoma County schools allocate resources to support English Learners in becoming proficient. Sonoma schools have the most English Learners at 31.5%, above the county (22.3%) and the state (21.4%) averages. Sebastopol has the lowest percentage of English learners at 6.3%.



CITY DATA SNAPSHOT

	Total Population	Unemployment Rate	Median Household Income	Median Home Sales Price	Total Taxable Sales	Three-Year Average SAT Composite Scores
Cloverdale	9,149	2.9%	\$56,727	\$525,000	\$69.9 million	1423
Cotati	7,586	4.6%	\$62,712	\$479,500	\$177.7 million	1568
Healdsburg	11,992	3.0%	\$63,224	\$804,000	\$389.1 million	1526
Petaluma	60,738	2.7%	\$79,129	\$667,750	\$1.14 billion	1588
Rohnert Park	43,435	3.6%	\$60,135	\$479,500	\$626.9 million	1568
Santa Rosa	177,684	3.9%	\$60,972	\$529,900	\$3.21 billion	1577
Sebastopol	7,709	2.9%	\$67,925	\$800,000	\$157.6 million	1582
City of Sonoma	11,405	3.1%	\$71,323	\$670,000	\$272.8 million	1483
Windsor	27,934	3.0%	\$82,763	\$579,888	\$364.8 million	1530
Sonoma County	509,142	3.4%	\$66,783	\$576,000	\$9.0 billion	1571

SOURCES & ACKNOWLEDGMENTS

NOTE ON DATA SOURCES

The 2018 *Sonoma City Profile and Projections Report* is a brief summary on various demographic, economic, and social aspects of the city. This report is meant to act as a spot-in-time profile to reflect conditions in the city in a given year. The Sonoma County Economic Development Board's (EDB) research is developed from information available from outside sources and public information as well as previously published material. The 2018 *Sonoma City Profile and Projections Report* offers partial or composite representations of raw data and cites' respective source datasets. For more information, please see the listed sources or contact the EDB.

All efforts have been made to ensure the accuracy of all data contained within this report, but does not guarantee its 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 2018 *Sonoma City Profile and Projections Report* 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 contacting the EDB.

This report was prepared by Craig Dermody. Please direct any questions, comments, or suggestions to (707) 565-7170 or edb@sonoma-county.org.

DATA SOURCES

Bay Area Real Estate Information Services
 California Board of Equalization
 California Department of Education
 California Employment Development Department
 Emsi
 Esri
 Keegan & Coppin, Inc.
 U.S. Census
 U.S. Census 2016 American Community Survey

ACKNOWLEDGMENTS

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