



2010 CITY OF ROHNERT PARK: LOCAL ECONOMIC REPORT



City of Rohnert Park: Local Economic Report

June 2010

The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Workforce Investment Board, is pleased to bring you the *2010 City of Rohnert Park Local Economic Report*.

Highlights from this Local Economic Report include:

- Between 2000 and 2009, median-household income in Rohnert Park increased 27%; however, considering inflation, the median-household income in real dollars increased 1.96%. Between 2009 and 2014, median-household incomes are projected to climb an additional 5% nominally, to just below \$70,000.
- Residential housing vacancy rates have been increasing in Rohnert Park. Up from 1.9% in 2000, 4.6% of housing was vacant in 2009. Five-year projections expect the vacancy rate to remain near 5%. Office and retail vacancy rates in Rohnert Park are also projected to remain high. As of Q1 2010, more than 43% of office space and 10% of retail space in Rohnert Park was vacant.
- The Rohnert Park economy is expected to track in line with Sonoma County's performance. Improvements in the labor market will lag improvements in its core industries. The unemployment rate is forecast to peak by the middle of 2010, then begin improving.

Thank you for your continued interest in the EDB reports. As always, if you have any questions, please feel free to contact us at (707) 565-7170.

Sincerely,

Ben Stone
Executive Director

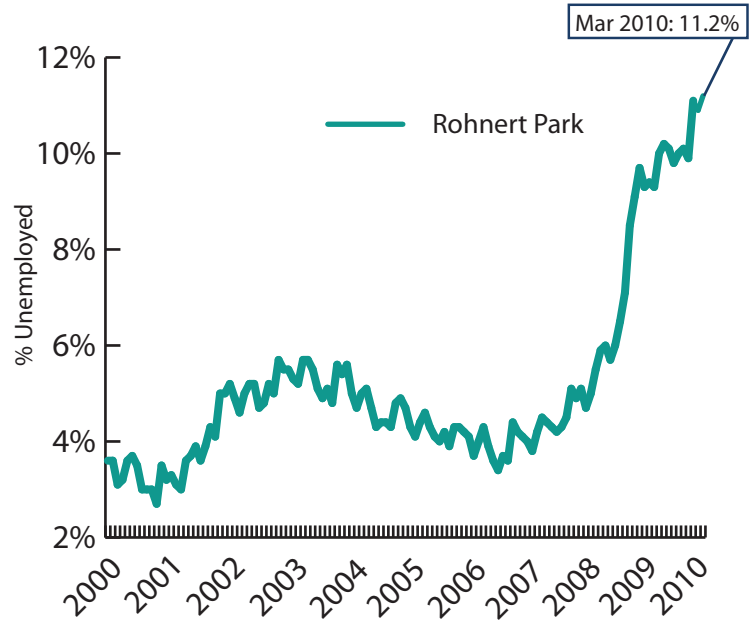
The City of Rohnert Park's seasonally unadjusted unemployment rate was 11.1% for the first quarter of 2010, nearly matching Sonoma County over the same quarter.

Rohnert Park's unemployment is up considerably from the first quarter of 2009 when the unemployment rate registered 9.4%. While Rohnert Park's unemployment has surpassed the county and national rate, it remains below that of California.

During the past decade, the population of Rohnert Park continued to increase, though at a considerably slower rate than it did during the 1990s. Between 2000 and 2008, the population increased by roughly 1,000 residents.

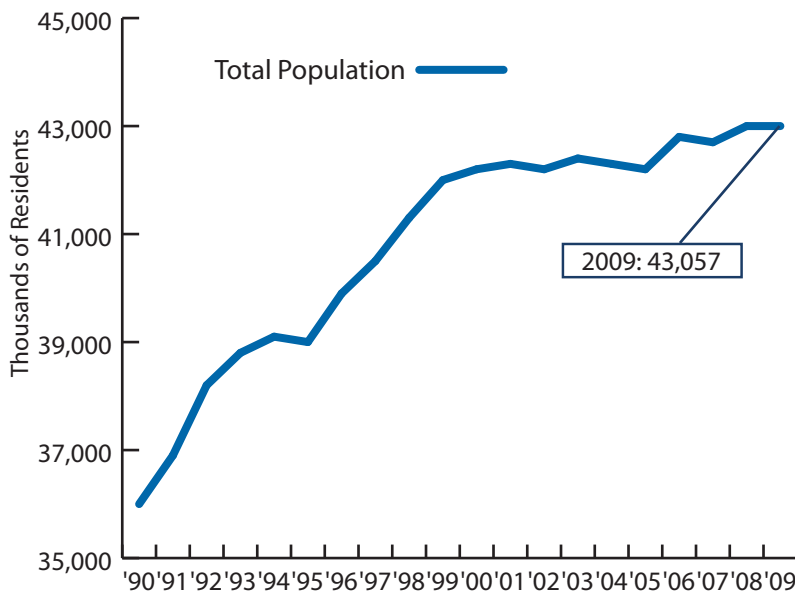
In the first quarter of 2010, total employment in Rohnert Park reached its lowest level in 10 years. At 22,100, the number of jobs in Rohnert Park is down 10.5% from its peak in October of 2007. Moody's Economy.com has predicted that Sonoma County's employment should continue to face challenges into the first half of 2010, but then start seeing improvement. This could be a positive sign for Rohnert Park's employment profile, which has largely mirrored that of Sonoma County over the past decade.

ROHNERT PARK SEASONALLY UNADJUSTED UNEMPLOYMENT RATE



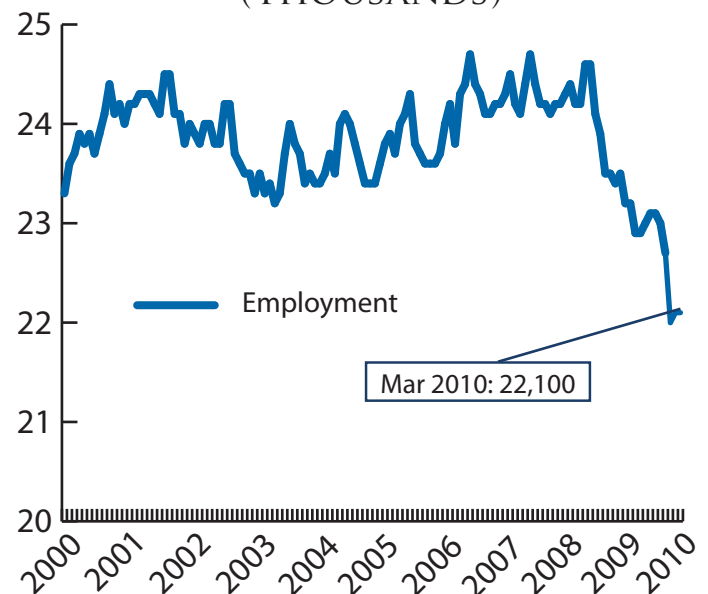
Source: California Employment Development Department (www.edd.ca.gov)

CITY OF ROHNERT PARK POPULATION



Source: California Dept. of Finance, Demographic Research Unit. (www.dof.ca.gov)
U.S. Census Bureau (www.census.gov) & ESRI Market Profile (www.esri.com)

ROHNERT PARK SEASONALLY UNADJUSTED NON-FARM EMPLOYMENT (THOUSANDS)



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

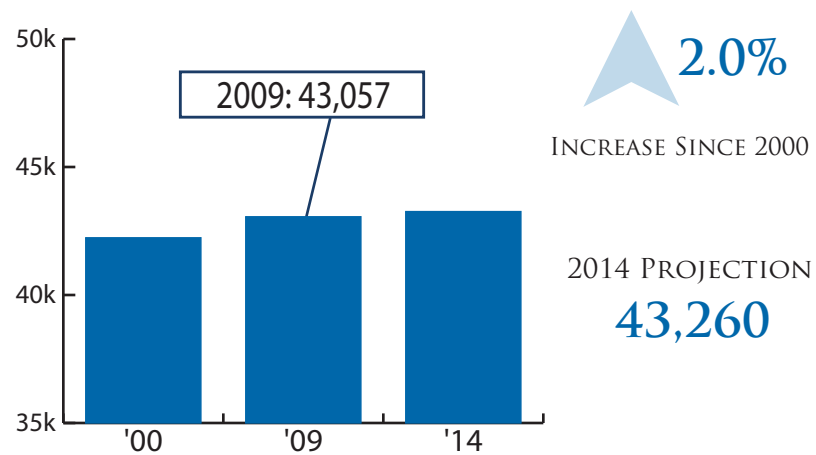
The population of Rohnert Park is expected to remain level over the next five years. While Sonoma County is expecting slightly higher growth during this period, Rohnert Park posted steady population growth over the past decade when the county was experiencing periods of out-migration.

Between 2000 and 2009, median-household incomes in Rohnert Park grew by 27%; however, considering inflation, the median-household incomes increased 1.96% in real dollars. Over the next five years, the median-household income for Rohnert Park is expected to climb roughly 5% nominally, just shy of \$70,000.

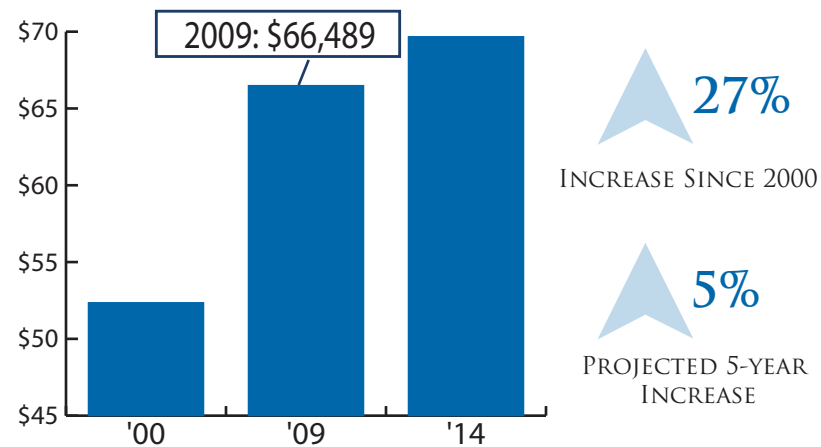
As income in Rohnert Park rose during the past decade, the percentage of households earning less than \$50,000 was reduced by over 10%. The percentage of middle-earning households (\$50,000 to \$100,000 per year) remained relative stable while households earning over \$100,000 had the highest percentage growth.

Over the next five years, the percentage of households in Rohnert Park earning between \$75,000 and \$100,000 is expected to increase by 5 percentage points. Percentages in most other household income brackets are expected to remain relatively unchanged.

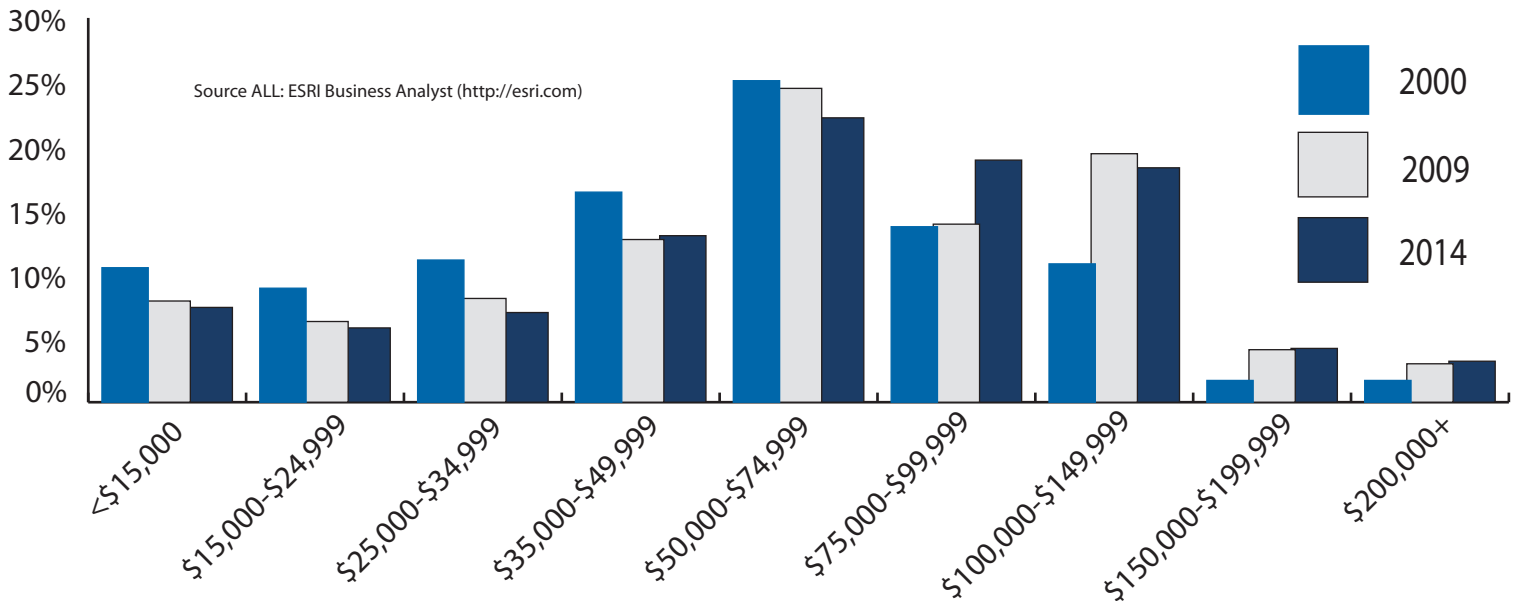
TOTAL POPULATION CITY OF ROHNERT PARK



MEDIAN HOUSEHOLD INCOME CITY OF ROHNERT PARK



HOUSEHOLDS BY INCOME, CITY OF ROHNERT PARK 2009, 2014

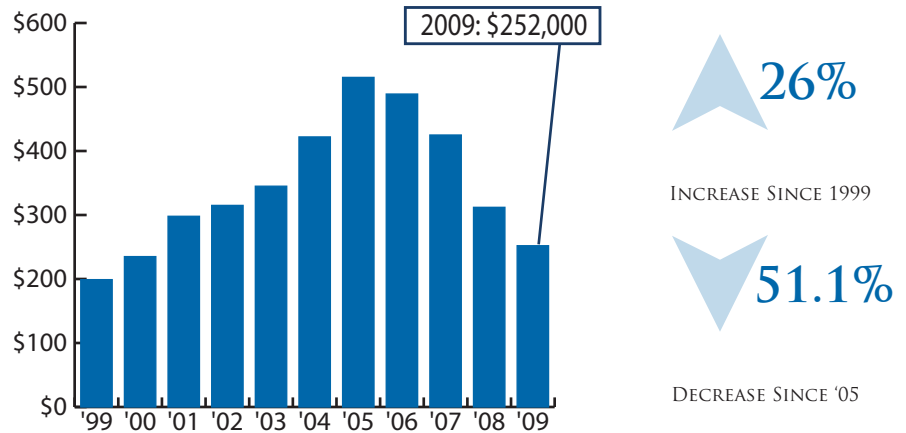


Rohnert Park's median-home price decreased roughly \$60,000, or 19% on a year-over basis between 2008 and 2009. This is the fourth consecutive year of decline after nearly a decade's worth of strong price advances. Housing affordability levels are near their highest levels in over two decades.

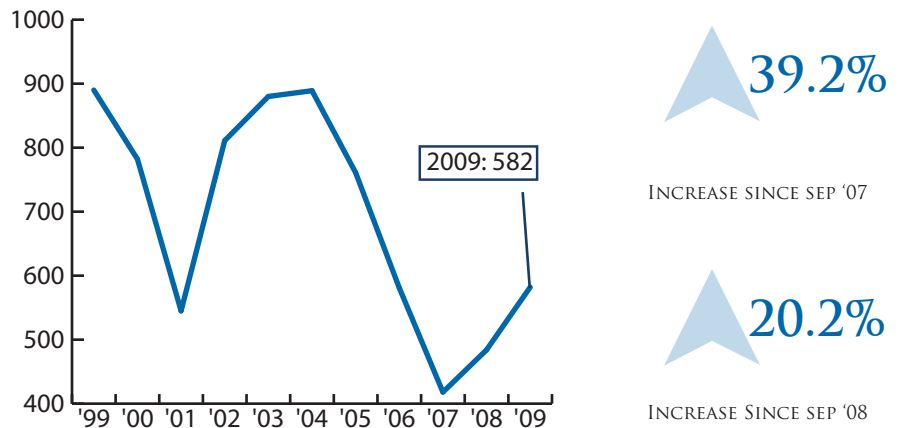
The total number of homes sold in Rohnert Park has been increasing since it reached a low point in 2007. In a recent report by Moody's Economy.com, the price drops across Sonoma County have been fueling house sales.

The average sale price of homes in Rohnert Park and Cotati was just under \$300,000, near the least-expensive end of the county geographic spectrum. Cotati-Rohnert Park, and North Santa Rosa had the greatest number of homes sold in the third quarter of 2009.

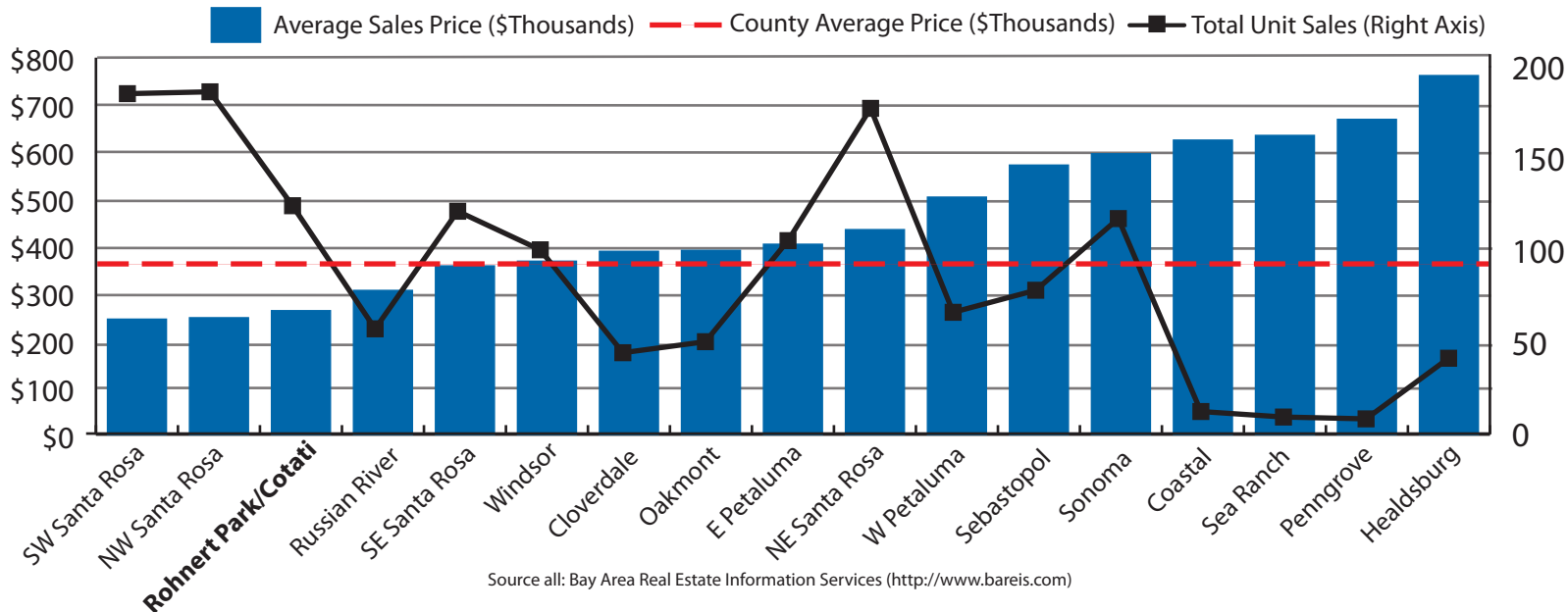
MEDIAN PRICE OF AN EXISTING HOME SOLD IN ROHNERT PARK (\$THOUSANDS)



TOTAL NUMBER OF HOMES SOLD



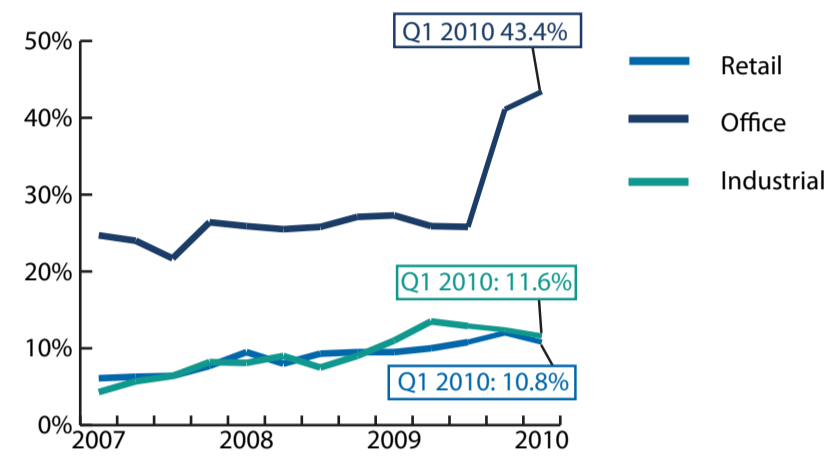
AVERAGE SALES PRICE (\$THOUSANDS) AND TOTAL SALES BY SUB-COUNTY AREA, Q4 2009



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

REAL ESTATE & CONSTRUCTION

ROHNERT PARK
COMMERCIAL PROPERTY VACANCY RATES



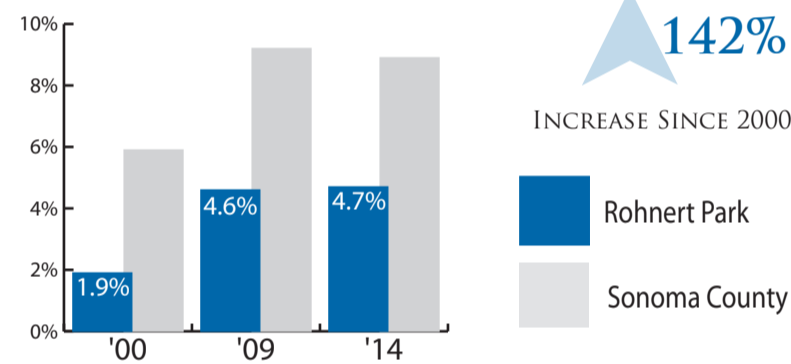
Source: Keegan and Coppin Company, Inc. (<http://www.keegancoppin.com>)

The office vacancy rate for Rohnert Park jumped 15.3 percentage points in Q4 2009 and climbed to 43.4% in Q1 2010. Petaluma and Rohnert Park have the office highest vacancy rates in Sonoma County.

The industrial vacancy rate for Rohnert Park has been relatively stable over the past three years. Currently 11.6% of Rohnert Park's industrial space is vacant. Petaluma and Santa Rosa recorded the highest industrial vacancy rates in Sonoma County at 18.7% and 15.5% respectively for Q1 2010.

Rohnert Park's retail vacancy rate, at 10.8% for Q1 2010, is higher than the county average (9%). This quarter represents the first quarter of decrease in the retail vacancy rate after five consecutively increasing quarters. Rohnert Park and Petaluma recorded the highest retail vacancy rates in the county.

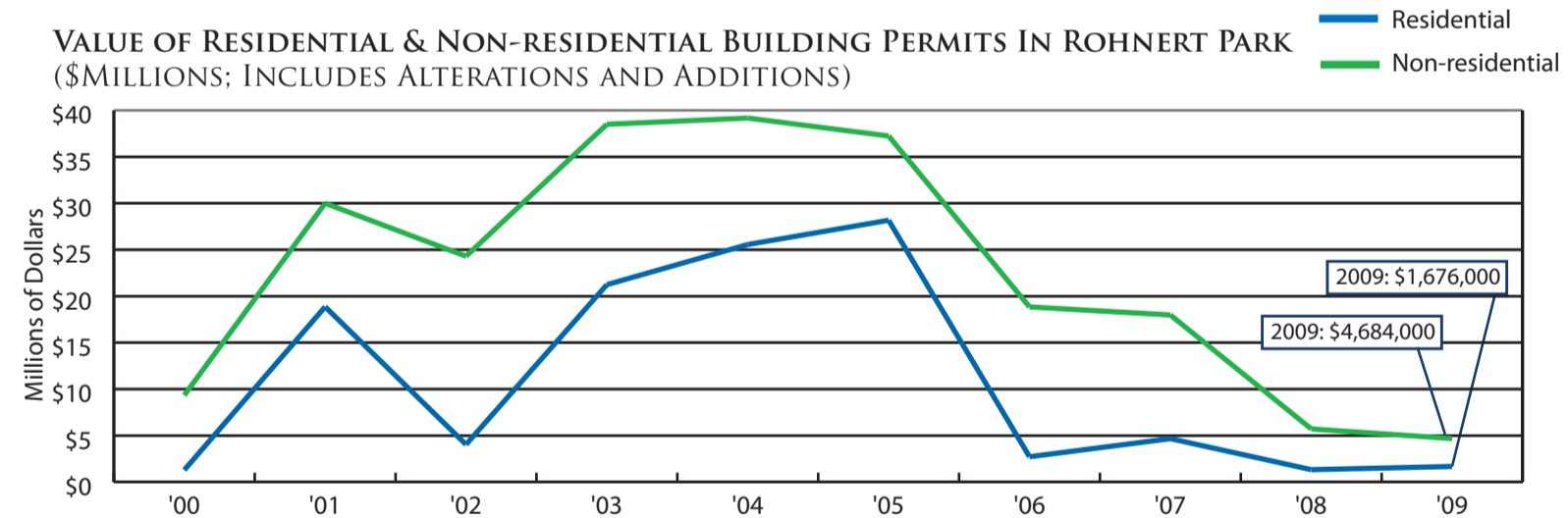
ROHNERT PARK AND SONOMA COUNTY
RESIDENTIAL HOUSING VACANCY



Rohnert Park residential vacancy rates remain well below the county average. Five-year projections see the rate remaining just under 5%.

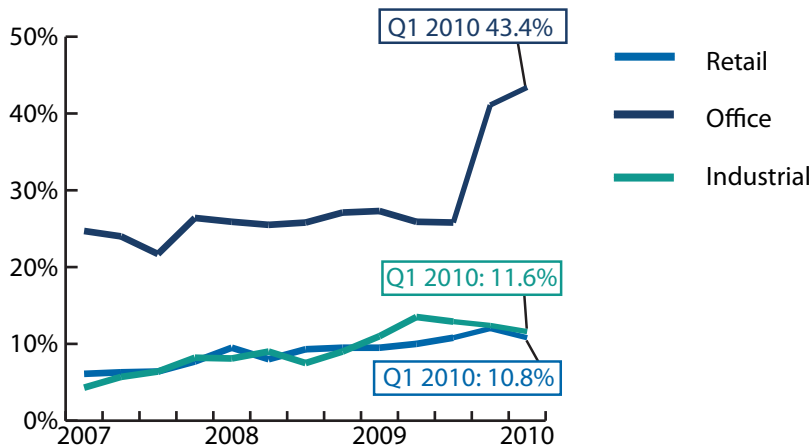
The value of building permits, which reflect trends in construction activity, are at 10-year lows in Rohnert Park. Both residential and non-residential construction are down considerably from their respective highs in 2005 and 2004.

VALUE OF RESIDENTIAL & NON-RESIDENTIAL BUILDING PERMITS IN ROHNERT PARK
(\$MILLIONS; INCLUDES ALTERATIONS AND ADDITIONS)



Source: Construction Industry Research Board (<http://www.cirbdata.com>)

ROHNERT PARK COMMERCIAL PROPERTY VACANCY RATES



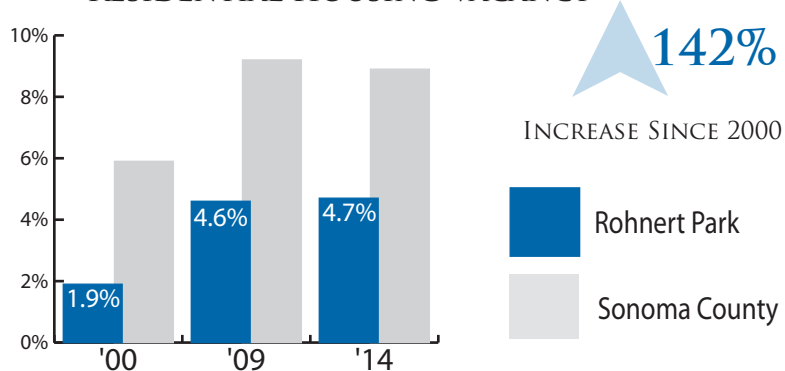
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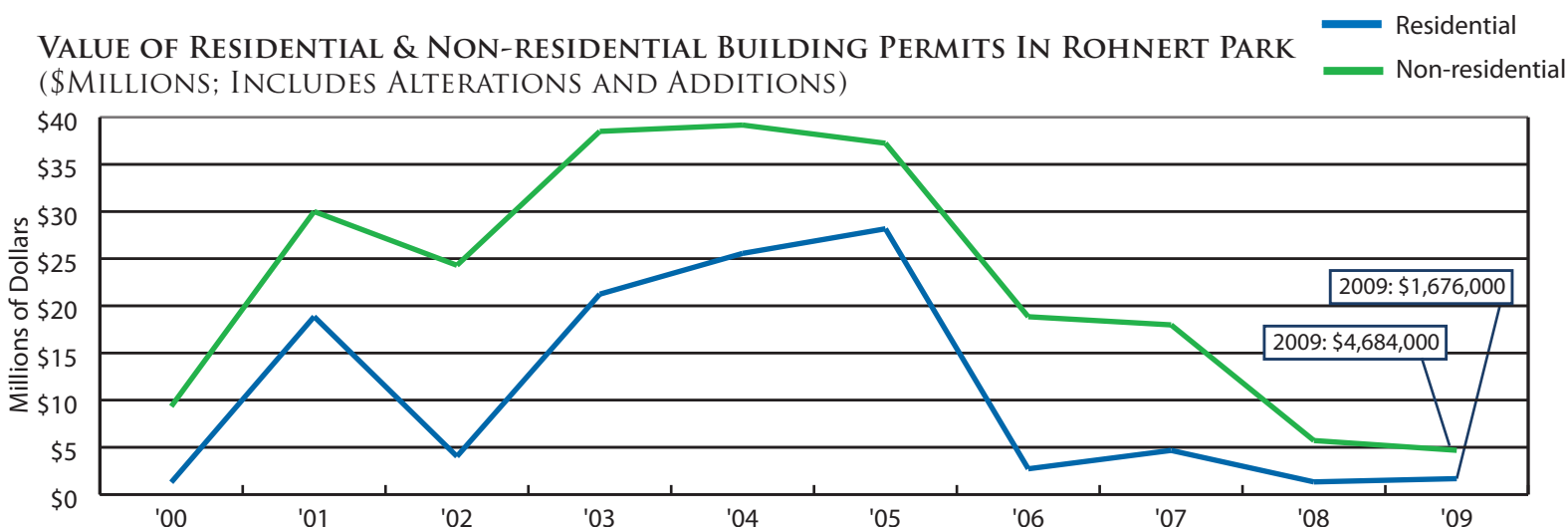
ROHNERT PARK AND SONOMA COUNTY RESIDENTIAL HOUSING VACANCY



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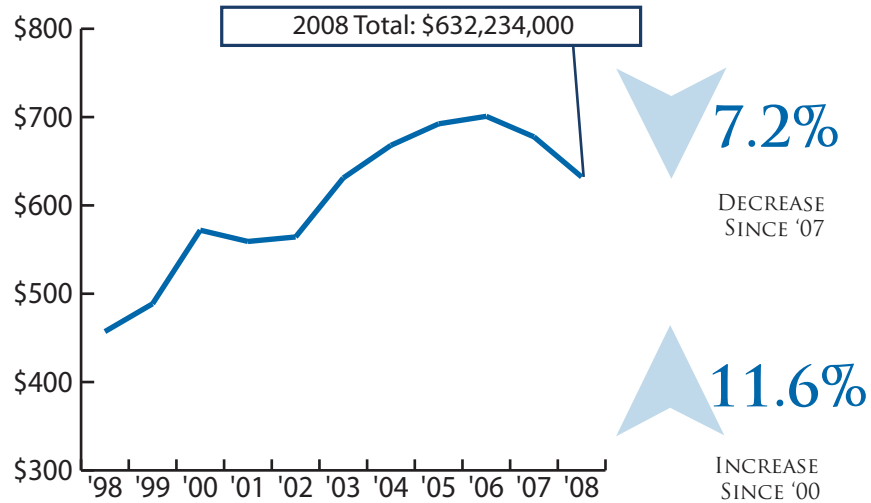
Source: Construction Industry Research Board (<http://www.cirbdata.com>)

CONSUMER SPENDING & TAXABLE SALES

Taxable Sales in Rohnert Park has been in decline since 2006. All across Sonoma County, taxable sales have been falling. Sales have fallen by 7.2% in Rohnert Park and 6.5% county-wide since 2007.

Compared to the national average, Rohnert Park residents spend considerably more per-capita on housing, computers, education, and food away from home. They spend considerably less on apparel. Consumers' biggest purchases cover general retail goods, shelter, food at home, and healthcare.

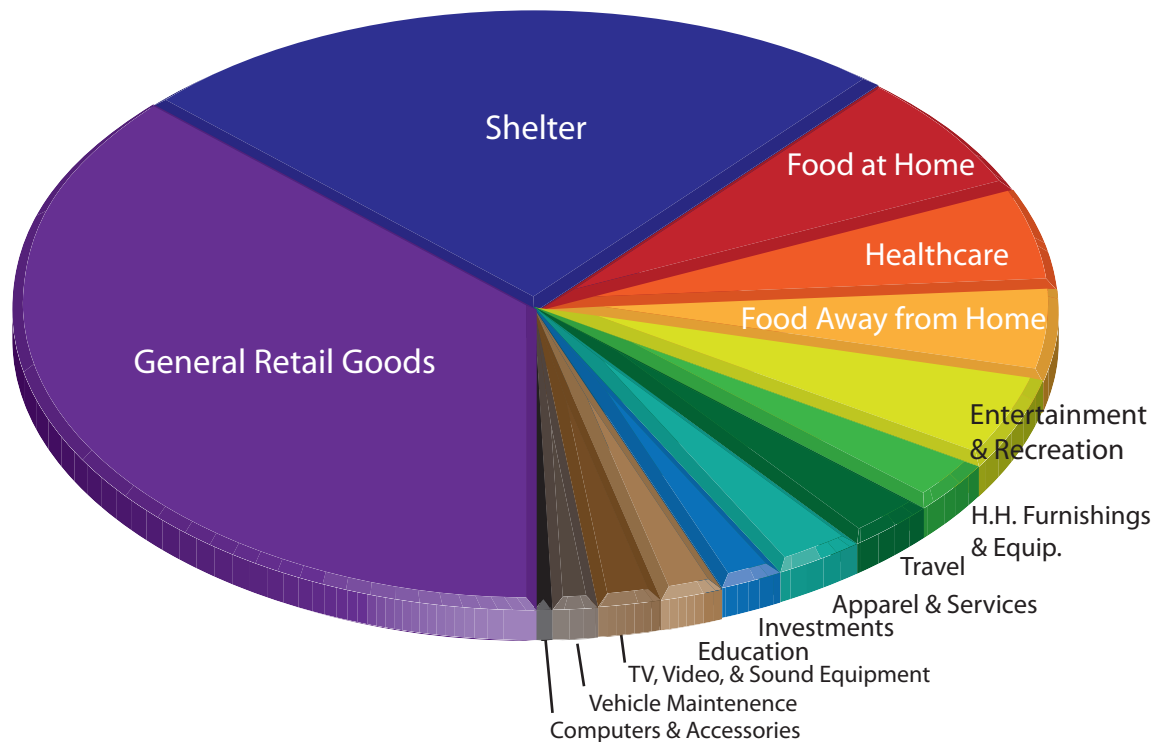
ROHNERT PARK TOTAL TAXABLE SALES



Source: California Board of Equalization (<http://www.boe.ca.gov>)

2009 CITY OF ROHNERT PARK CONSUMER SPENDING BY COMMODITY

General Retail Goods	\$432,000,000
Shelter	\$285,000,000
Food at Home	\$79,000,000
Healthcare	\$63,000,000
Food Away from Home	\$60,000,000
Entertainment & Recreation	\$57,000,000
Household Furnishings & Equip.	\$35,000,000
Travel	\$32,000,000
Apparel & Services	\$32,000,000
Investments	\$23,000,000
Education	\$23,000,000
TV, Video, & Sound Equipment	\$22,000,000
Vehicle Maintenance	\$16,000,000
Computers & Accessories	\$4,000,000



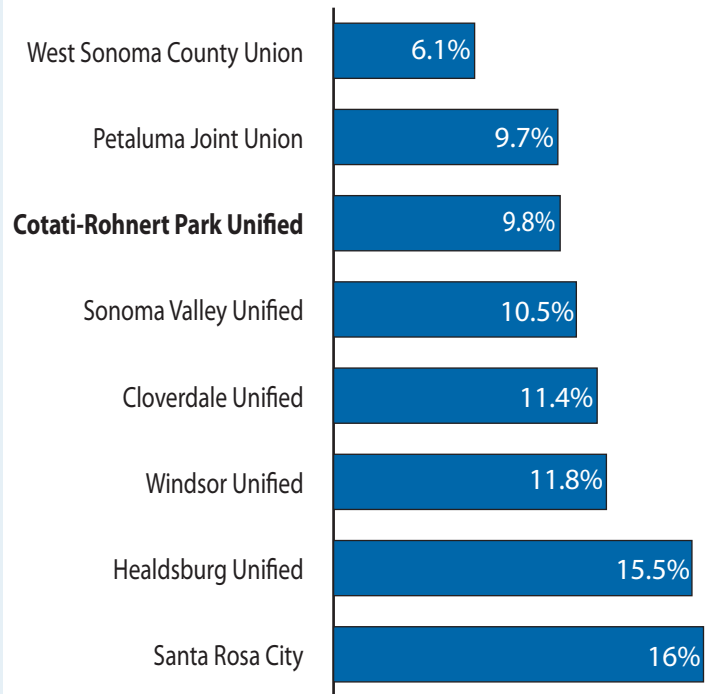
Source: ESRI Business Analyst (<http://www.esri.com>)

The National Center for Education Statistics (NCES) adjusted high school dropout rate for the Cotati-Rohnert Park Unified School District (9.8%) is below the state average (18.9%). Students identifying as Caucasian, which make up 63.8% of the district's student population, had a dropout rate of 8.3%. These rates do not reflect students transferred to alternative schools.

There are fewer English learners in the Cotati-Rohnert Park School District than the Sonoma County average. The percentage of English learners has increased by nearly 80% over the past decade in Sonoma County, when in 2001, the percentage of English learners was just 15.1 percent. Compared to the State of California, Rohnert Park's percentage of English language learners is growing faster, but is still considerably below the state average of 24.2 percent.

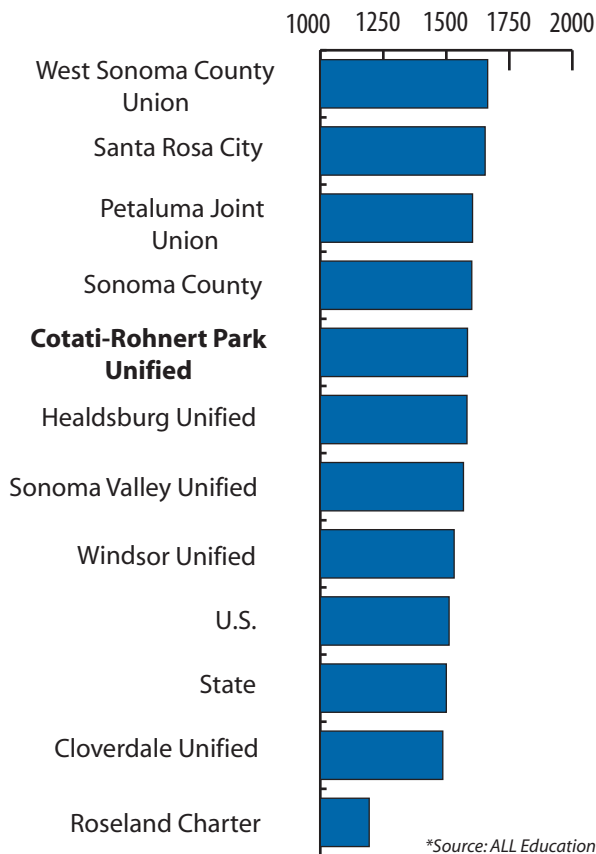
SAT scores for college-bound high school graduates in Cotati- Rohnert Park rank near the middle of Sonoma County school districts, but well above the state and national averages.

Adjusted NCES High School Dropout Rate, 2007-2008



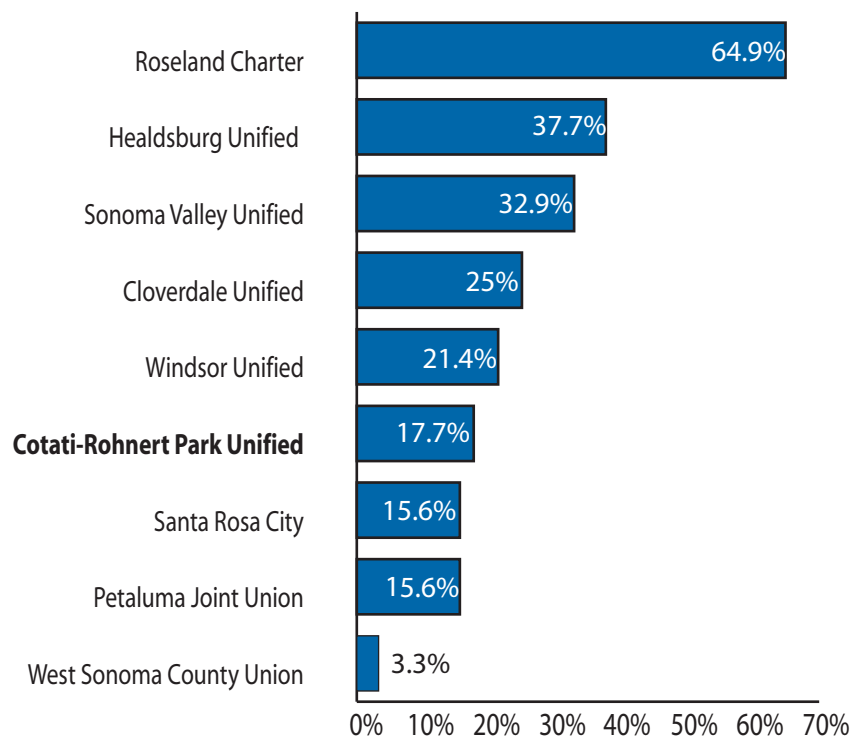
*The NCES defines dropout as students who do not achieve a diploma or GED during their first four years of high school.

Average Total SAT Scores by School District, 2008



*Source: ALL Educational Demographics Unit, CA Department of Education

English Learners By District 2008-2009

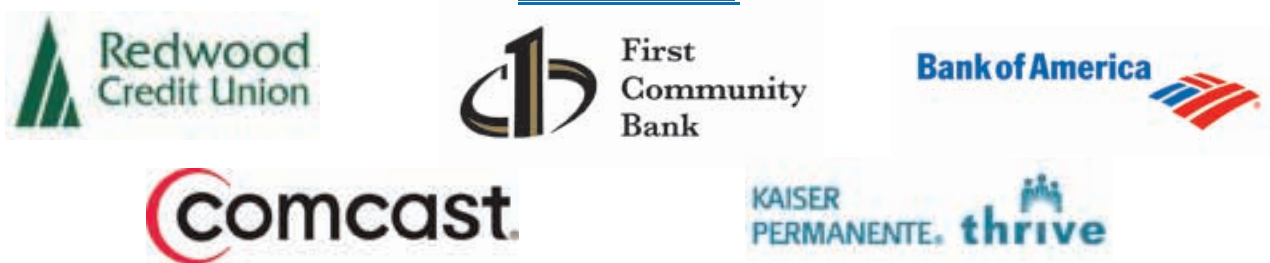


WITH ACKNOWLEDGMENT AND APPRECIATION TO LOCAL KEY BUSINESSES
SUPPORTING SONOMA COUNTY ECONOMIC DEVELOPMENT:

DIRECTOR



EXECUTIVE



SPONSOR



- County of Sonoma General Services, Real Estate Division
- County of Sonoma Board of Supervisors
- Sonoma County Health Services
- Sonoma County Transportation & Public Works