

ECONOMIC DEVELOPMENT

# QUARTERLY REPORT JULY 2025





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## WHERE SUCCESS TAKES ROOT

### VISION

In pursuit of economic prosperity, the City of Santa Rosa envisions a future guided by the principles of innovation, sustainability, and inclusivity. Our strategic focus centers on leveraging these pillars to foster growth, attract investment, and cultivate a vibrant business environment that enriches our community.

### GOALS

1. Business Growth
2. Economic Vibrancy and Resiliency
3. Community Investment

### PURPOSE

To help the city and community achieve and realize the above vision and goals by...

### MISSION

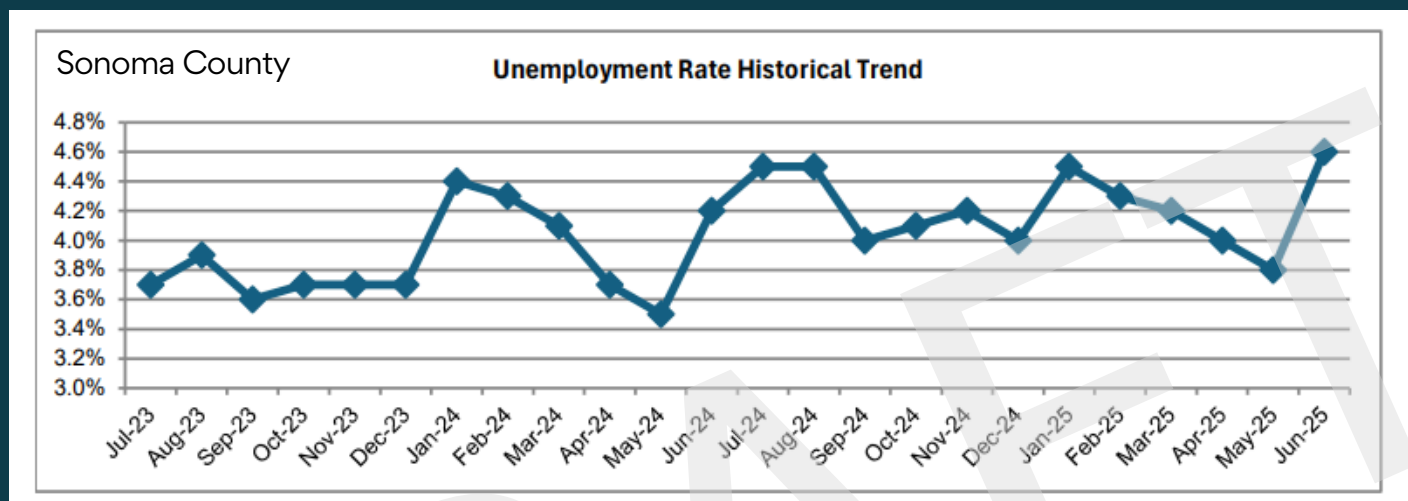
Implementation of the Economic Development and Public Art Strategic Plans.



# WORKFORCE AND LABOR STATISTICS

## UNEMPLOYMENT RATE

The unemployment rate in Santa Rosa was 4.7% in June 2025. In Sonoma County, it was 4.6 percent in June 2025, up from a revised 3.8 percent in May 2025, and above the year-ago estimate of 4.2 percent. This compares with an unadjusted unemployment rate of 5.7 percent for California and 4.4 percent for the nation during the same period.



Source: Employment Development Department (EDD)

## WAGE METRICS

### Sonoma County, June 2025

Average Salary: \$74,299

Average Hourly Wage: \$35.72

### Santa Rosa, July 2025

Average Salary: \$61,235

Average Hourly Wage: \$29



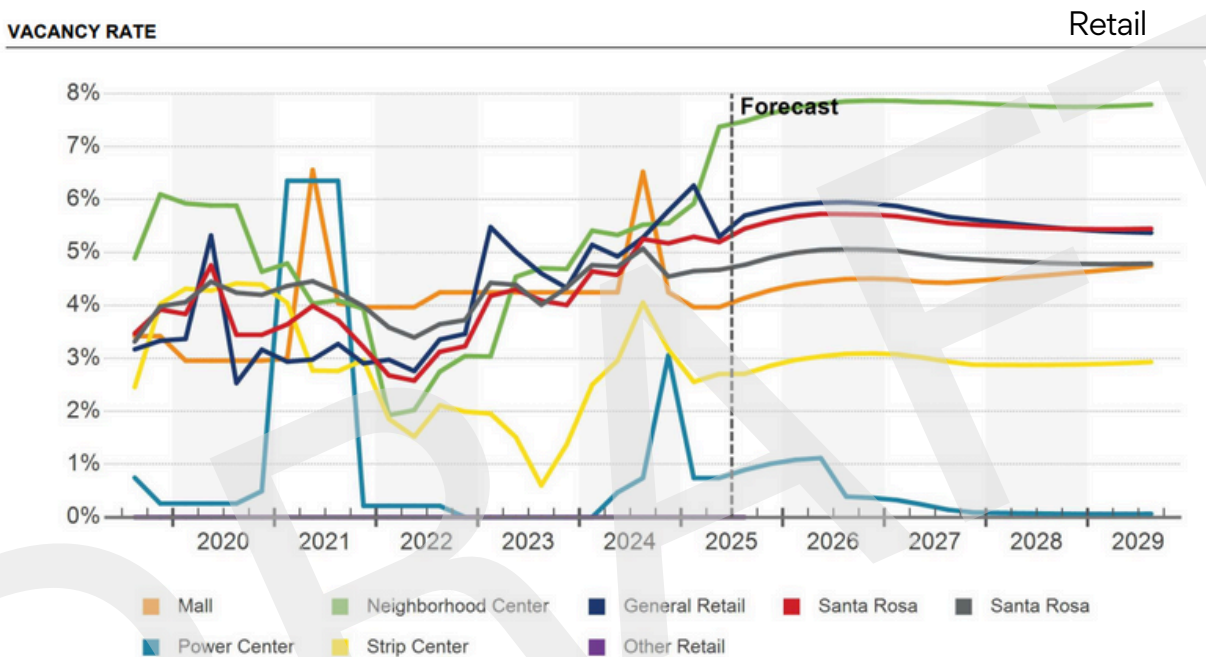
Source: ZipRecruiter



# COMMERCIAL REAL ESTATE INDICATORS

## TRENDING VACANCY RATES - RETAIL

The Santa Rosa retail submarket has a vacancy rate of 5.3% as of the third quarter of 2025. Santa Rosa's vacancy rate of 5.3% compares to the submarket's five-year average of 4.1% and the 10-year average of 3.4%. Among the retail subtypes, neighborhood center vacancy stands at 7.3%, power center vacancy is 0.7%, strip center vacancy is 2.5%, mall vacancy is 4.0%, and general retail vacancy is 5.6%. The Santa Rosa retail submarket has roughly 690,000 SF of space listed as available, for an availability rate of 6.1%.



Source: CoStar

## TRENDING VACANCY RATES - INDUSTRIAL

The Santa Rosa industrial submarket has a vacancy rate of 8.3% as of the third quarter of 2025. Santa Rosa's vacancy rate of 8.3% compares to the submarket's five-year average of 5.4% and the 10-year average of 4.9%. The Santa Rosa industrial submarket has roughly 970,000 SF of space listed as available, for an availability rate of 7.9%. As of the third quarter of 2025, there is 22,000 SF of industrial space under construction in Santa Rosa.

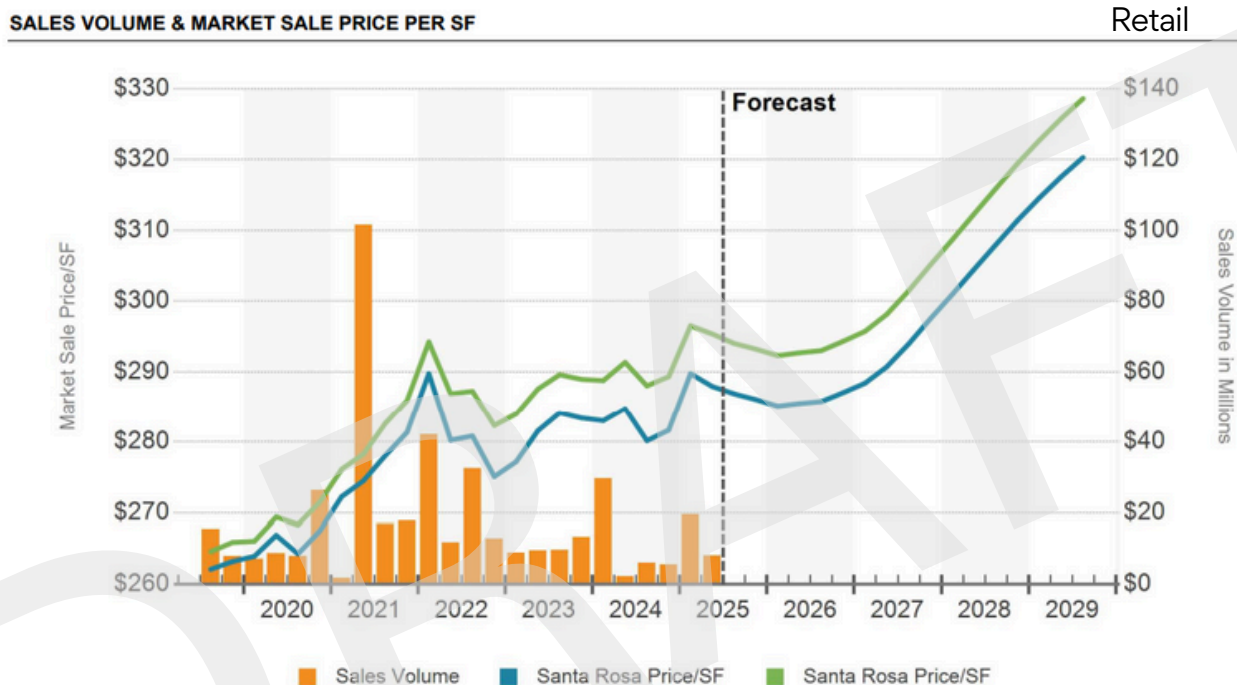
## TRENDING VACANCY RATES - OFFICE

The Santa Rosa office submarket has a vacancy rate of 7.1% as of the third quarter of 2025. Santa Rosa's vacancy rate of 7.1% compares to the submarket's five-year average of 7.2% and the 10-year average of 5.9%. The Santa Rosa office submarket has roughly 740,000 SF of space listed as available, for an availability rate of 7.7%. As of the third quarter of 2025, there is no office space under construction in Santa Rosa. In comparison, the submarket has averaged 950 SF of under construction inventory over the past 10 years.

# COMMERCIAL REAL ESTATE INDICATORS

## MARKET RATES - RETAIL

Market rents in Santa Rosa are \$29.00/SF. Rents have changed by 2.0% year-over-year in Santa Rosa, compared to a change of 1.3% across Santa Rosa as a whole. Estimated retail market pricing in Santa Rosa is \$288/SF compared to the market average of \$295/SF. Average market pricing for Santa Rosa is estimated at \$270/SF for neighborhood center properties, \$268/SF for power center properties, \$280/SF for strip center properties, \$260/SF for mall properties, and \$310/SF for general retail properties.



## MARKET RATES - INDUSTRIAL

Market rents in Santa Rosa are \$16.40/SF. Rents average around \$15.50/SF for logistics buildings, \$18.00/SF for flex properties, and \$17.10/SF for specialized assets. Estimated industrial market pricing in Santa Rosa is \$210/SF compared to the market average of \$205/SF. Average market pricing for Santa Rosa is estimated at \$200/SF for logistics properties, \$240/SF for flex assets, and \$200/SF for specialized buildings.

## MARKET RATES - OFFICE

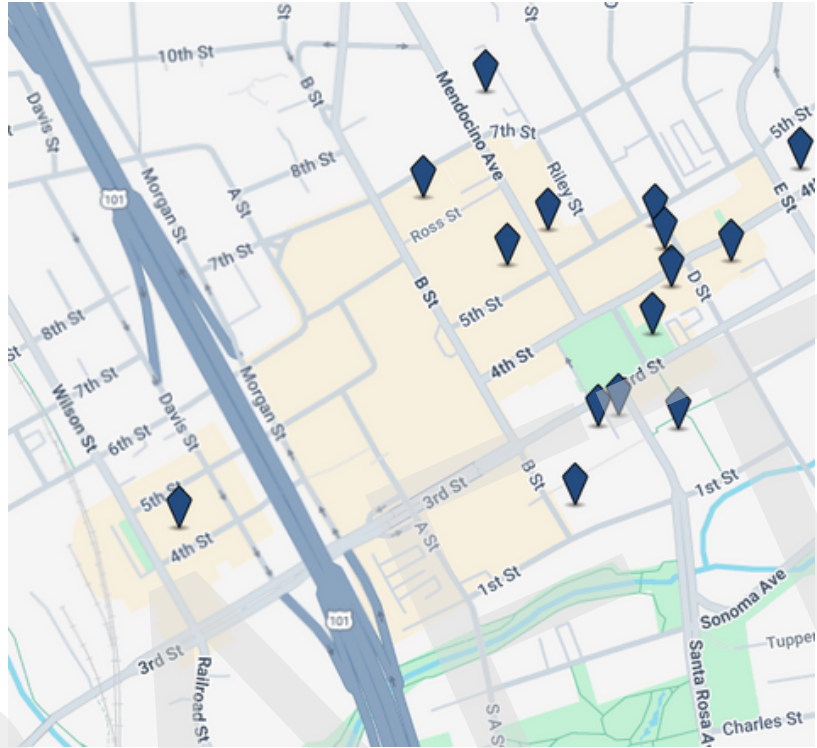
Average rents in Santa Rosa are roughly \$26.00/SF, compared to the wider Santa Rosa market average of \$26.00/SF. Estimated office market pricing in Santa Rosa is \$212/SF compared to the market average of \$214/SF. Average market pricing for Santa Rosa is estimated at \$239/SF for 4 & 5 Star properties, \$201/SF for 3 Star assets, and \$221/SF for 1 & 2 Star buildings.



# COMMERCIAL REAL ESTATE INDICATORS

## STOREFRONT SPACE - DOWNTOWN SANTA ROSA

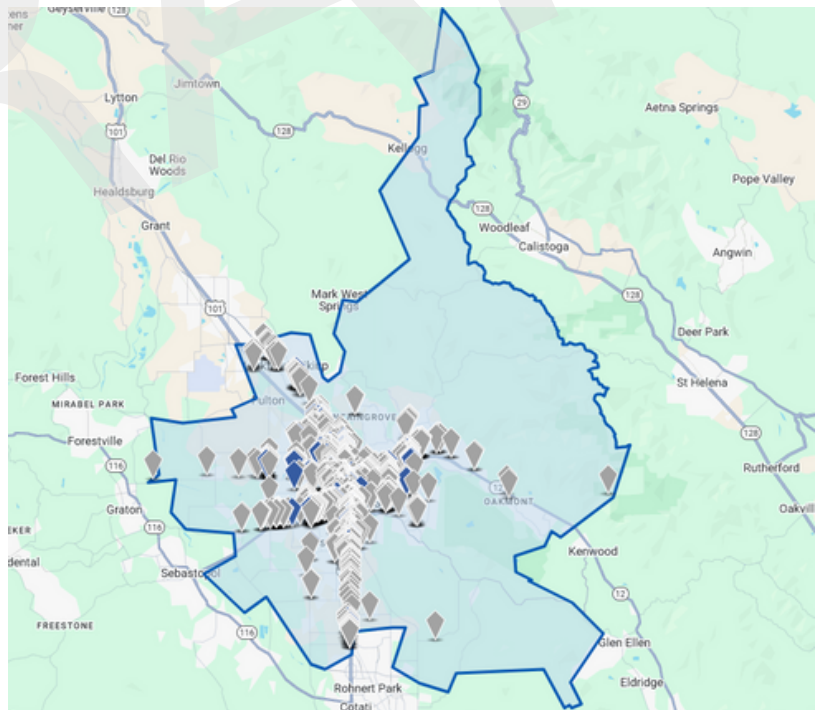
There are currently 15 vacancies in the downtown area, representing 0.05% of all downtown properties within the boundaries of the Downtown Action Organization and the Railroad Square Association.



Source: Keegan and Coppin

## RETAIL SPACE - SANTA ROSA

There are currently 1104 vacancies in all of Santa Rosa.

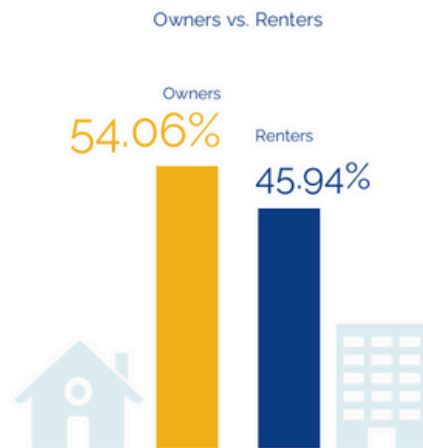


Source: CoStar

# HOUSING DATA

## Housing

There are 8% more households who own their homes than there are renters.

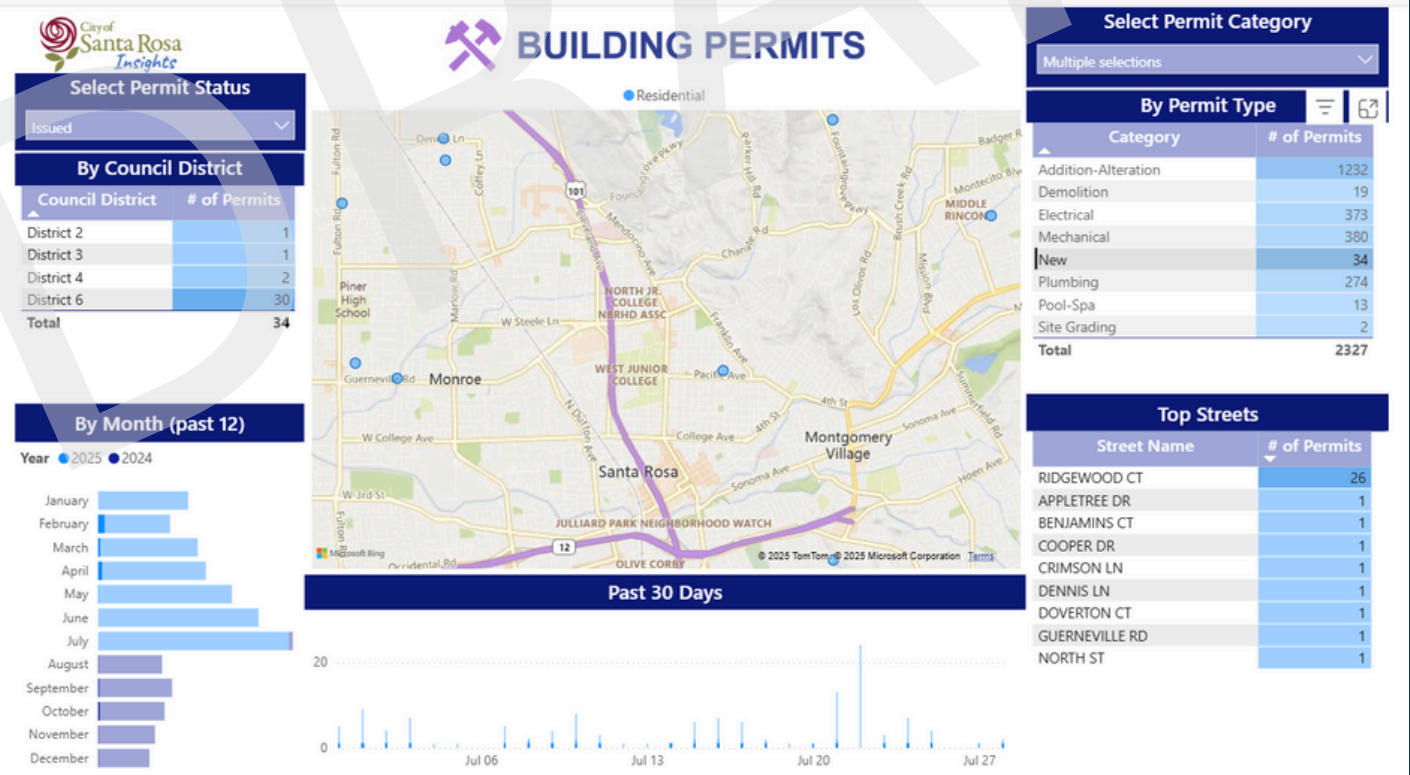


Source: California Business and Economic Development



## HOUSING CONSTRUCTION

New building permits (residential): 34

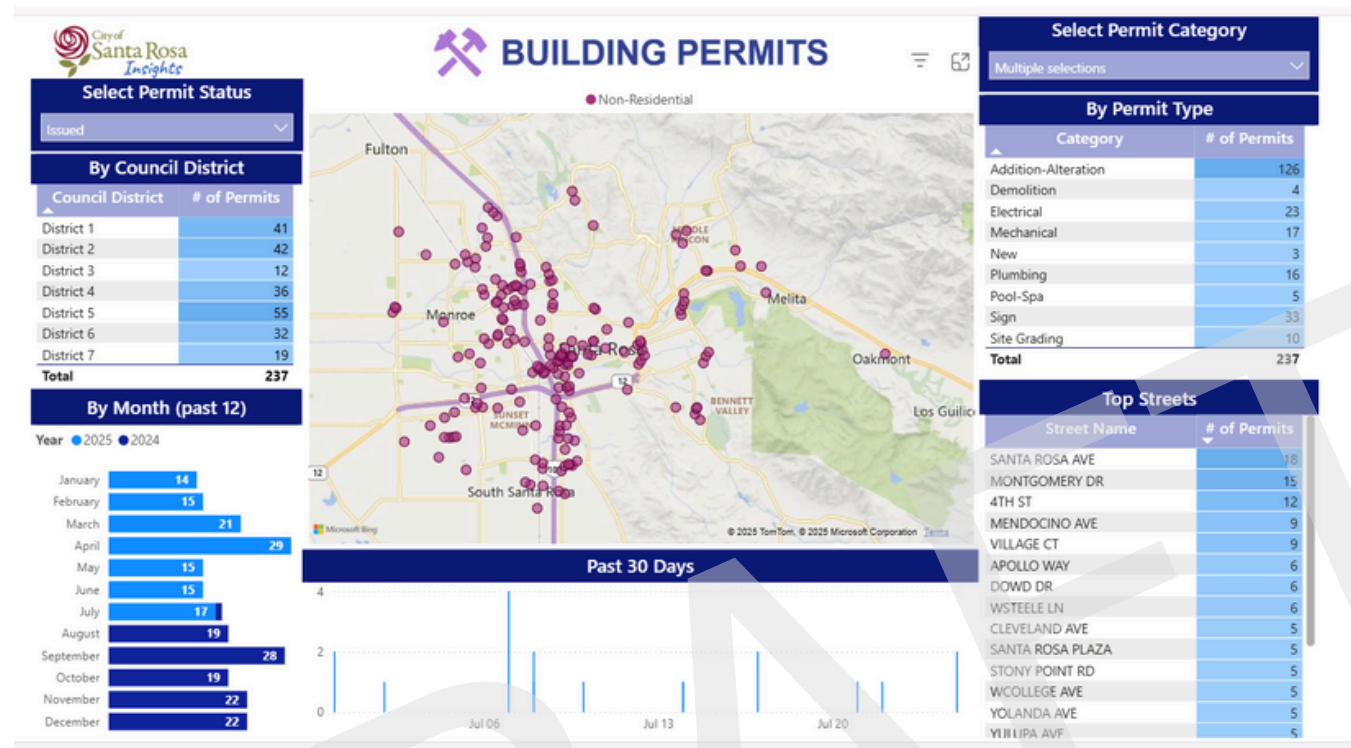




# HOUSING DATA

## HOUSING CONSTRUCTION

New building permits (non-residential): 3



## Santa Rosa Housing Market Overview

📈 -- 1-year Market Forecast

**495** For sale inventory (June 30, 2025)

**202** New listings (June 30, 2025)

**1.000** Median sale to list ratio (May 31, 2025)

**\$734,417** Median sale price (May 31, 2025)

**\$786,325** Median list price (June 30, 2025)

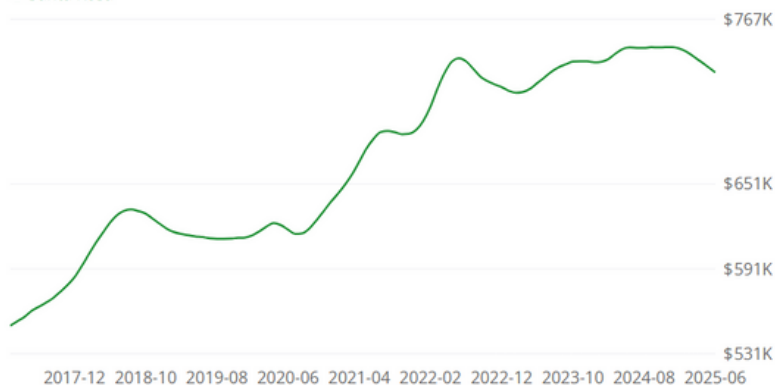
**35.8%** Percent of sales over list price (May 31, 2025)

**44.7%** Percent of sales under list price (May 31, 2025)

**16** Median days to pending (June 30, 2025)

(Metric availability is based on market coverage and data)

📍 Santa Rosa



Source: Zillow

# COMMUNITY PROFILE METRICS

## INCOME AND SPENDING

Households in Santa Rosa earn a median yearly income of \$94,462. 47.3% of the households earn more than the national average each year. Household expenditures average \$114,497 per year. The majority of earnings get spent on Tax and Retirement, Shelter, Transportation, Grocery, and Health Care.

**\$94,462**

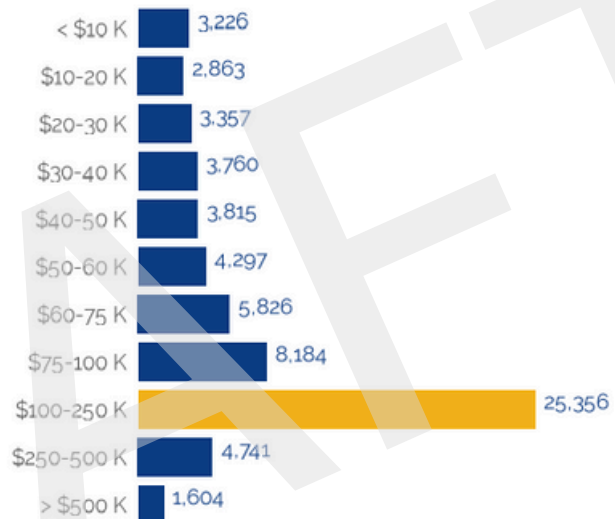
Median Household Income

**7%** less than the county

**3%** less than the state

**19%** more than the nation

### Income Distribution



How do people spend most of their money?

PER HOUSEHOLD

Tax and Retirement (Total)



**\$31,324**

Shelter (Total)



**\$18,274**

Transportation (Total)



**\$17,127**

Grocery (Total)



**\$7,020**

Health Care (Total)



**\$6,836**



**\$114,497**

Average Household Expenditure



# BUSINESS AND DEVELOPMENT INDICATORS

## BUSINESS LICENSES

### Group 1 - Retail, Wholesale, Manufacturing, Corporate Headquarters

Licenses Issued by Application Type		
Application Type	FY2024	FY2025
	Business Count	Business Count
New Application	1,588	1,341
Reinstated	160	224
<b>Total New Applications</b>	<b>1,748</b>	<b>1,565</b>
First Renewal	1,341	943
Renewal	10,488	9,702
<b>Total Renewal</b>	<b>11,829</b>	<b>10,645</b>
<b>Grand Total</b>	<b>13,577</b>	<b>12,210</b>

Licenses Issued by Application Type		
Application Type	FY2024	FY2025
	Business Count	Business Count
New Application	241	220
Reinstated	2	5
<b>Total New Applications</b>	<b>243</b>	<b>225</b>
First Renewal	231	149
Renewal	1,920	1,775
<b>Total Renewal</b>	<b>2,151</b>	<b>1,924</b>
<b>Grand Total</b>	<b>2,394</b>	<b>2,149</b>

### Group 2 - Services, Health Care Centers, Rental Property, Public Utility

Licenses Issued by Application Type		
Application Type	FY2024	FY2025
	Business Count	Business Count
New Application	754	586
Reinstated	29	26
<b>Total New Applications</b>	<b>783</b>	<b>612</b>
First Renewal	668	437
Renewal	5,438	4,954
<b>Total Renewal</b>	<b>6,106</b>	<b>5,391</b>
<b>Grand Total</b>	<b>6,889</b>	<b>6,003</b>

### Group 3 - Contractors, Land Developers, Recreation and Entertainment

Licenses Issued by Application Type		
Application Type	FY2024	FY2025
	Business Count	Business Count
New Application	507	459
Reinstated	126	191
<b>Total New Applications</b>	<b>633</b>	<b>650</b>
First Renewal	350	292
Renewal	2,104	1,970
<b>Total Renewal</b>	<b>2,454</b>	<b>2,262</b>
<b>Grand Total</b>	<b>3,087</b>	<b>2,912</b>

### Group 4 - Professions

Licenses Issued by Application Type		
Application Type	FY2024	FY2025
	Business Count	Business Count
New Application	89	76
Reinstated	3	2
<b>Total New Applications</b>	<b>92</b>	<b>78</b>
First Renewal	92	65
Renewal	1,025	1,003
<b>Total Renewal</b>	<b>1,117</b>	<b>1,068</b>
<b>Grand Total</b>	<b>1,209</b>	<b>1,146</b>

# BUSINESS AND DEVELOPMENT INDICATORS

## BUSINESSES IN KEY INDUSTRIES

Santa Rosa metro area employment (number in thousands)	May 2025	Change from May 2024 to May 2025	
		Number	Percent
Total nonfarm	204.6	0.9	0.4
Mining and logging	0.2	0.0	0.0
Construction	15.8	-0.4	-2.5
Manufacturing	21.2	0.3	1.4
Trade, transportation, and utilities	33.2	0.3	0.9
Information	2.5	0.0	0.0
Financial activities	6.7	0.0	0.0
Professional and business services	23.4	-1.2	-4.9
Education and health services	39.2	1.9	5.1
Leisure and hospitality	25.8	-0.1	-0.4
Other services	7.9	-0.1	-1.3
Government	28.7	0.2	0.7

Source: Bureau of Labor Statistics

## ZONING CLEARANCE APPLICATIONS

More information coming soon.

## POTENTIAL BUSINESS OPPORTUNITIES

Industry Sector
Healthcare & Health Services
Advanced Manufacturing
Clean Energy & Climate Tech
Software, Data & Information Security
Behavioral Health & Social Services
Childcare & Early Childhood Education
Tourism & Culinary Experience Economy
Professional & Financial Services
Retail (Entertainment-Focused)
Food & Beverage Manufacturing



# BUSINESS & DEVELOPMENT INDICATORS

## NEW BUSINESS HIGHLIGHTS

Santa Rosa

Date Range: January - June 2025

Business	Category	Opened / Status	Address
Santa Rosa Pharmacy	Pharmacy	Jan 2025	1026 Fourth St, Downtown Santa Rosa
Darbar Kitchen	Indian/Nepalese Dining	March 2025	Fourth Street
El Roy's Express Mex	Mexican Restaurant	April 2025	Santa Rosa Ave
Mendocino Farms	Fast Casual Dining	May 2025	Montgomery Village
Salt & Straw	Ice Cream	June 2025	Montgomery Village
Ah Huevo	Brunch Restaurant	July 2025	Santa Rosa Plaza
June in October	Clothing Boutique	June 2025	Santa Rosa Plaza
FP Movement	Activewear Retail	January 2025	Montgomery Village
Pink Sugar Creamery	Rolled Ice Cream Shop	May 2025	Mendocino Ave

## BUSINESSES CLOSED

County-wide

Date Range: July 1, 2024 – June 30, 2025 – 24/25 fiscal year

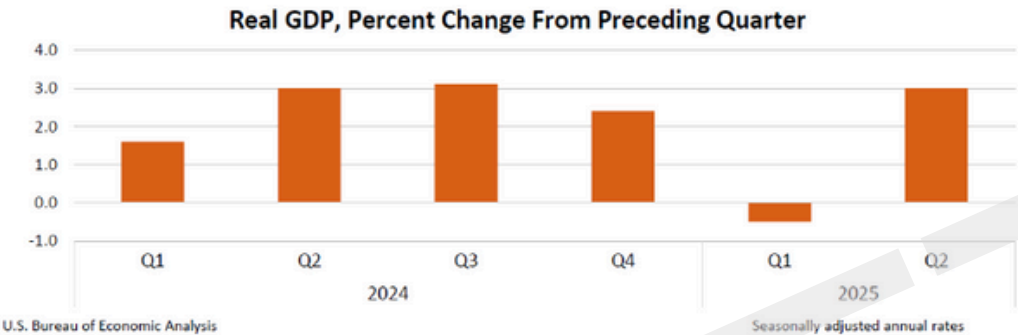
Business Name	Description
<b>Vintage Wine Estates, Inc.</b> (Santa Rosa)	Wine producer and distributor with multiple facilities across Sonoma.
<b>Vintage Wine Estates, Inc.</b> (Sebastopol)	Wine tasting and production operations.
<b>Vintage Wine Estates, Inc.</b> (Glen Ellen)	Winery and tasting room.
<b>Vintage Wine Estates, Inc.</b> (Kenwood)	Wine production and hospitality services.
<b>Vintage Wine Estates, Inc.</b> (Bodega Bay)	Coastal winery and retail wine outlet.
<b>Vintage Wine Estates, Inc.</b> (Sonoma)	Wine facility focused on production and tours.
<b>L3Harris Technologies, Sonoma EO</b> (Santa Rosa)	Aerospace and defense technology company.
<b>Wildbrine, LLC</b> (Santa Rosa)	Fermented food company known for kimchi, krauts, and salsas.

# PROGRAM METRICS

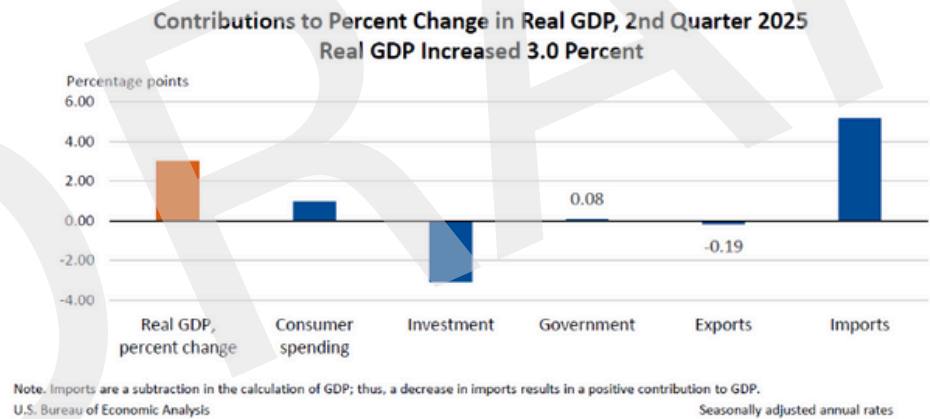
## GLOBAL ECONOMIC CONDITIONS - UNITED STATES

### Gross Domestic Product, 2nd Quarter 2025 (Advance Estimate)

Real gross domestic product (GDP) increased at an annual rate of 3.0 percent in the second quarter of 2025 (April, May, and June), according to the advance estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP decreased 0.5 percent.



The increase in real GDP in the second quarter primarily reflected a decrease in imports, which are a subtraction in the calculation of GDP, and an increase in consumer spending. These movements were partly offset by decreases in investment and exports. For more information, refer to the "Technical Notes" below.



Compared to the first quarter, the upturn in real GDP in the second quarter primarily reflected a downturn in imports and an acceleration in consumer spending that were partly offset by a downturn in investment. Real final sales to private domestic purchasers, the sum of consumer spending and gross private fixed investment, increased 1.2 percent in the second quarter, compared with an increase of 1.9 percent in the first quarter.

The price index for gross domestic purchases increased 1.9 percent in the second quarter, compared with an increase of 3.4 percent in the first quarter. The personal consumption expenditures (PCE) price index increased 2.1 percent, compared with an increase of 3.7 percent. Excluding food and energy prices, the PCE price index increased 2.5 percent, compared with an increase of 3.5 percent.

# PROGRAM METRICS

## GLOBAL ECONOMIC CONDITIONS - CALIFORNIA

In Q1 2025, California’s economy showed modest improvement. Real GDP held steady at \$3.39T, slightly above the 2024 average. Payroll jobs remained flat at 18.0 million, while the unemployment rate ticked up to 5.4%. Personal income grew strongly, up 5.2% annualized from 2024. Housing starts rebounded sharply to 115,100 units, and home prices rose 1.5% year-over-year.

California Economic Outlook											
	1Q'25a	2Q'25f	3Q'25f	4Q'25f	1Q'26f	2Q'26f	3Q'26f	4Q'26f	2024a	2025f	2026f
<b>State Output</b>											
Real GDP (Chained 2017 Billions \$)	3,391	3,407	3,410	3,417	3,431	3,448	3,468	3,490	3,365	3,406	3,459
Percent Change Annualized	-0.2	1.9	0.4	0.8	1.6	2.0	2.4	2.6	3.6	1.2	1.5
<b>Labor and Demographics</b>											
Payroll Jobs (Millions)	18.0	18.0	18.0	18.1	18.1	18.1	18.1	18.2	18.0	18.0	18.1
Percent Change Annualized	0.0	0.6	0.5	0.4	0.3	0.4	0.5	0.7	0.7	0.4	0.5
Unemployment Rate (Percent)	5.4	5.3	5.4	5.3	5.3	5.2	5.0	5.0	5.3	5.3	5.1
Population (Millions)	39.6	39.7	39.7	39.8	39.8	39.8	39.8	39.8	39.5	39.7	39.8
Percent Change Annualized	0.6	0.5	0.4	0.4	0.3	0.2	0.1	0.1	0.6	0.6	0.3
<b>Personal Income</b>											
Total Personal Income (Nominal Billions \$)	3,491	3,537	3,573	3,616	3,665	3,728	3,774	3,827	3,376	3,554	3,749
Percent Change Annualized	5.2	5.4	4.1	5.0	5.5	7.1	5.1	5.7	6.6	5.3	5.5
<b>Housing</b>											
Housing Starts (Thousands, Annual Rate)	115.1	100.3	101.2	101.8	100.8	102.2	106.2	107.2	92.0	104.6	104.1
Percent Change Annualized	166.8	-42.4	3.7	2.3	-3.6	5.7	16.4	3.9	-13.0	13.7	-0.4
Single-Family Housing Starts (1,000s Units, Annual Rate)	77.2	67.1	66.9	66.6	65.9	66.7	69.4	70.0	63.3	69.4	68.0
Multi-Family Housing Starts (1,000s Units, Annual Rate)	37.9	33.2	34.3	35.2	34.9	35.6	36.8	37.2	28.6	35.2	36.1
House Price Index, FHFA (1991 Q1=100, SA)	426	423	425	427	429	429	433	437	421	425	432
Year/Year Percent Change	1.5	1.1	0.8	0.6	0.8	1.3	1.8	2.4	4.0	1.0	1.6

a = actual f = forecast

## REGIONAL ECONOMIC CONDITIONS - SONOMA COUNTY

Sonoma County is home to approximately 26,686 businesses, supporting an estimated 208,094 employees. The county generates an estimated \$39.9 billion in annual revenue, reflecting a strong regional economy. As of the fourth quarter of 2024, the average weekly wage in the Santa Rosa metro area was \$1,452—slightly below the national average of \$1,507.



Sonoma County, California  
Business Report

26,686  
Estimated businesses

\$39.9B  
Estimated annual revenue

208,094  
Estimated employees

Average weekly wages for all industries by county  
Santa Rosa metro area, fourth quarter 2024  
(U.S. = \$1,507; Area = \$1,452)



Source: U.S. BLS, Quarterly Census of Employment and Wages.



# PROGRAM METRICS

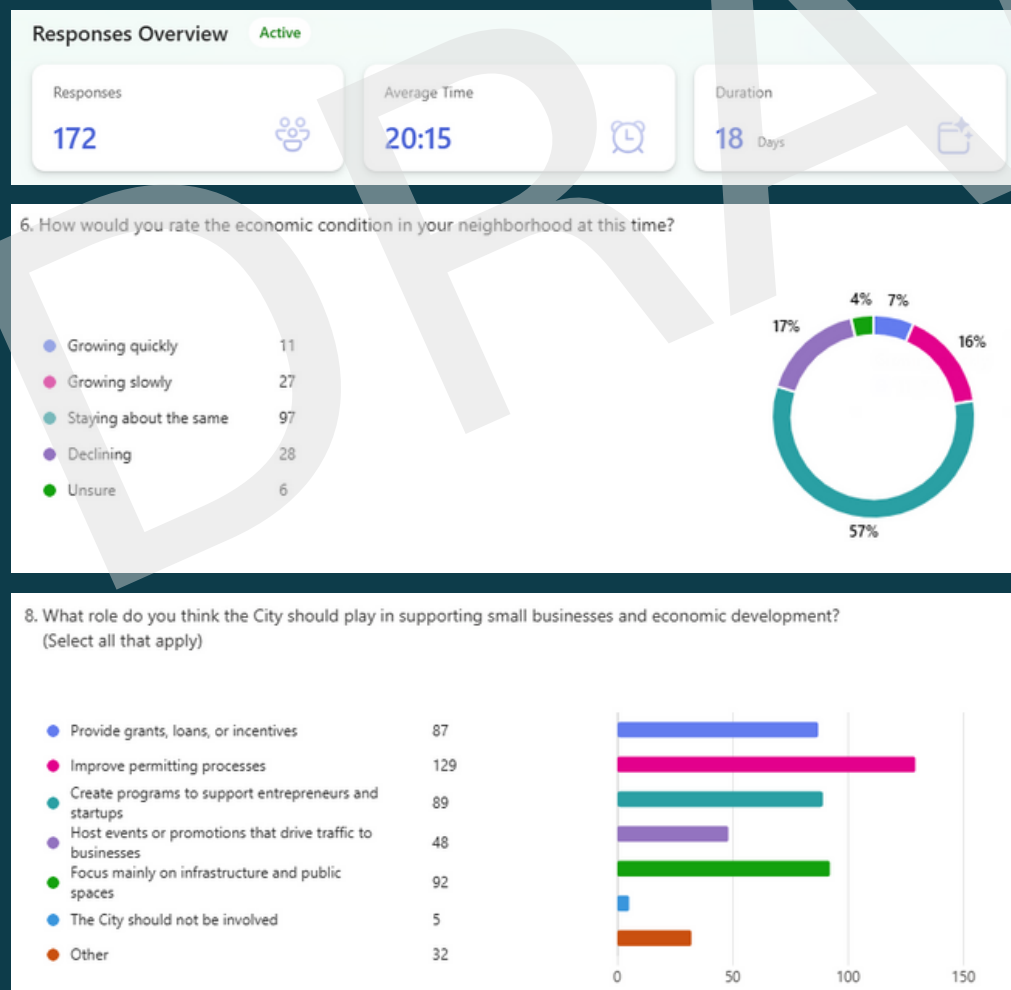
## PROGRAMS AND FUNDING

The chart below highlights select programs funded in the 2024–2025 fiscal year. It represents a snapshot of key Economic Development projects currently underway, rather than the full department budget.

Program	Funding
Second Sundays	\$10,000 – SRTBIA and Strat Plan
One Stop Shop	\$60,000 – Strat Plan
Retail Strategies	\$35,000 – Strat Plan
Room 6 Refresh	\$13,000 – Strat Plan
Rise and Thrive	\$5,000 – Strat Plan
Placer.ai	\$30,000 – SRTBIA
Event Support Funding	\$50,000 – SRTBIA

## ANNUAL SURVEY

The Annual, District-based survey was released on July 14, and will remain open until August 15. As of August 1, there are 172 responses, and a snapshot of two of the question responses are below. The data show that respondents rate the economic growth in their neighborhood as staying the same, and that the City can support small businesses by improving permitting processes, improving infrastructure, providing grants, loans, and incentives, and creating programs to support entrepreneurs.



# TRANSPORTATION

Santa Rosa residents enjoy a relatively short average commute time of 17.8 minutes—4.2 minutes less than the national average. The majority of commuters (79%) drive to work, with smaller percentages using public transit (3.7%), walking (2.4%), or biking (0.5%). Santa Rosa area is served by 12 airports within 50 miles, has freight rail access, and is located 12 miles from the nearest interstate.

## Transportation

Residents spend an average of 22 minutes commuting to work. Santa Rosa is served by 12 airports within 50 miles. Rail can be accessed within the community. Interstates can be accessed 12 miles away.



22min

Commute Travel Time



12(+50 miles)

Airports in Community



12miles

Distance to Interstate



Freight Rail

In Community

Source: California Business and Economic Development

## Commuting in Santa Rosa, CA

Average Commute Time

👍 4.2 minutes less than national average.

17.8 minutes



Driving

3.7%

Public Transit

2.4%

Walking

0.5%

Bicycling

■ National ■ Santa Rosa, CA

Data sourced from the U.S. Census Bureau's American Community Survey.

Source: US News - Real Estate News

# ARTS, CULTURE, & EVENTS

## ART PROGRAMS & EXHIBITS

### 22nd Annual National Arts Program Exhibition:

Showcased over 150 works by artists of all ages and backgrounds that are residents of City of Santa, City employees and retirees. The National Arts program focuses on fostering an inclusive community that builds confidence and encourages self-expression.



**Call for Temporary Art Walk (opening Fall 2025):** An open call was launched for new temporary public art installations along the Art Walk, set to debut in downtown and RRSQ in September/October. With 110 applications from artists across the US, this continues to elevate us as a growing arts destination.

**Website:** The Public Art Program's website now features new ways for the community to get involved.

Visitors can now:

- Apply to serve as a selection panelist for upcoming public art projects
- Submit a public art proposal for temporary or permanent installations
- Apply to exhibit artwork at the Finley Community Center

**Public Art**  
walk



**Roseland Big Belly Trash Can Project:** Partnered with Streets to Creeks and local artists of all ages to design vibrant, culturally relevant artwork wraps for trash receptacles in Roseland, transforming everyday infrastructure into functional art!



**Earthbound: Art for a Sustainable Future:** A temporary exhibition highlighting environmentally-focused artworks that promote sustainability and inspire conversation around climate action. Exhibition in April in partnership with Earth Day.



# ARTS, CULTURE, & EVENTS

## SPECIAL EVENTS

January 2025 - June 2025

47 permitted events City-wide

43 Downtown, 3 Railroad Square, 1 Roseland

Approximate attendees: 144780

This year’s events include a wide range of celebrations and community gatherings such as Posada in the Wine Country, the St. Patrick’s Day 5K, and the Pliny the Younger Release.

Community awareness and cultural events like World Parkinson’s Awareness, Earth Day, Dia Del Niños, the 50th Anniversary of the Fall of Saigon, MMIW Awareness March, and Sonoma County Pride also took place.



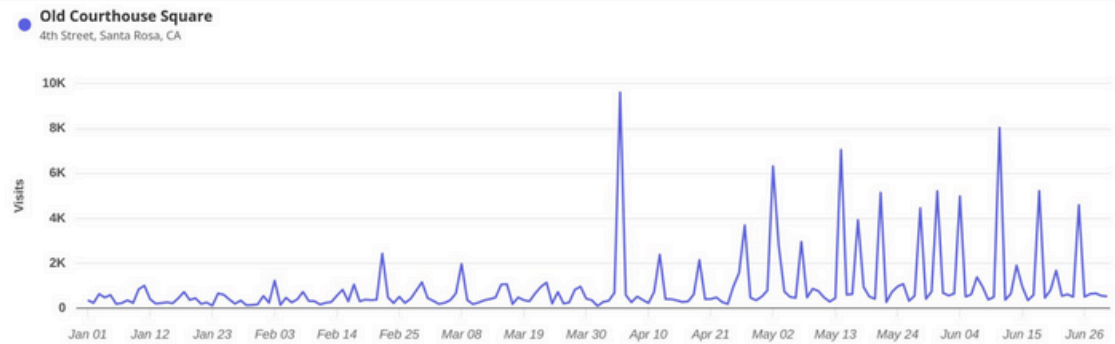
Local markets and vendor events featured prominently, including the Sueños Market, SOCO Market, Santa Rosa Wednesday Night Market, and Second Sundays. Additional highlights included the Classic Car Display, Roseland Cinco de Mayo, Bike to Work Celebration, Luther Burbank Rose Parade and Festival, Railroad Square Antique Fair, Sunday Farmer’s Market, the Peggy Sue Car Show and Cruise, the Juneteenth Festival, and Summer on the Square.

<div>Old Courthouse Square</div> <div>600 4th Street, Santa Rosa, CA 95404</div>			
Visits	166.9K	Avg. Dwell Time	73 min
Visits / sq ft	1.69	Panel Visits	7.8K
Size - sq ft	99K	Visits YoY	+33.1%
Visitors	103.6K	Visits Yo2Y	+32.3%
Visit Frequency	1.61	Visits Yo3Y	+18.4%

Jan 1st, 2025 - Jun 30th, 2025  
Data provided by Placer Labs Inc. (www.placer.ai)



### Visits Trend



# SOURCES & DISCLAIMER

## RESOURCES

- [State of California Department of Finance](#)
- [Bureau of Economic Analysis](#)
- [City of Santa Rosa Insights](#)
- [Bureau of Labor Statistics](#)
- [Employment Development Department](#)
  - [OEWS Employment and Wage Statistics](#)
- [Keegan & Coppin](#)
- [CoStar](#)
- [Zoom Prospector](#)
- [ZipRecruiter](#)
- [Zillow](#)
- [Comercia](#)
- [Real Estate News](#)

## DISCLAIMER

*This report is provided by the City of Santa Rosa Economic Development Division as a compilation of general market and economic data, along with key local performance indicators, gathered from a variety of public and private sources. While City staff review and vet the information for relevance and consistency, the City of Santa Rosa does not independently produce the underlying data and therefore cannot attest to the methodologies used, nor guarantee the accuracy, completeness, or timeliness of the information presented.*

*Data contained in this report is subject to revision or update by the original sources at any time, and figures may differ from other publications or subsequent releases. Most data is historical in nature and reflects past conditions; it should not be relied upon as a forecast or guarantee of future economic performance. Users of this report are encouraged to consult the original sources for additional context, methodology, and the most current information available.*