

CITY OF NAPA: INDICATORS

NAPA, CA

SEPTEMBER 2020

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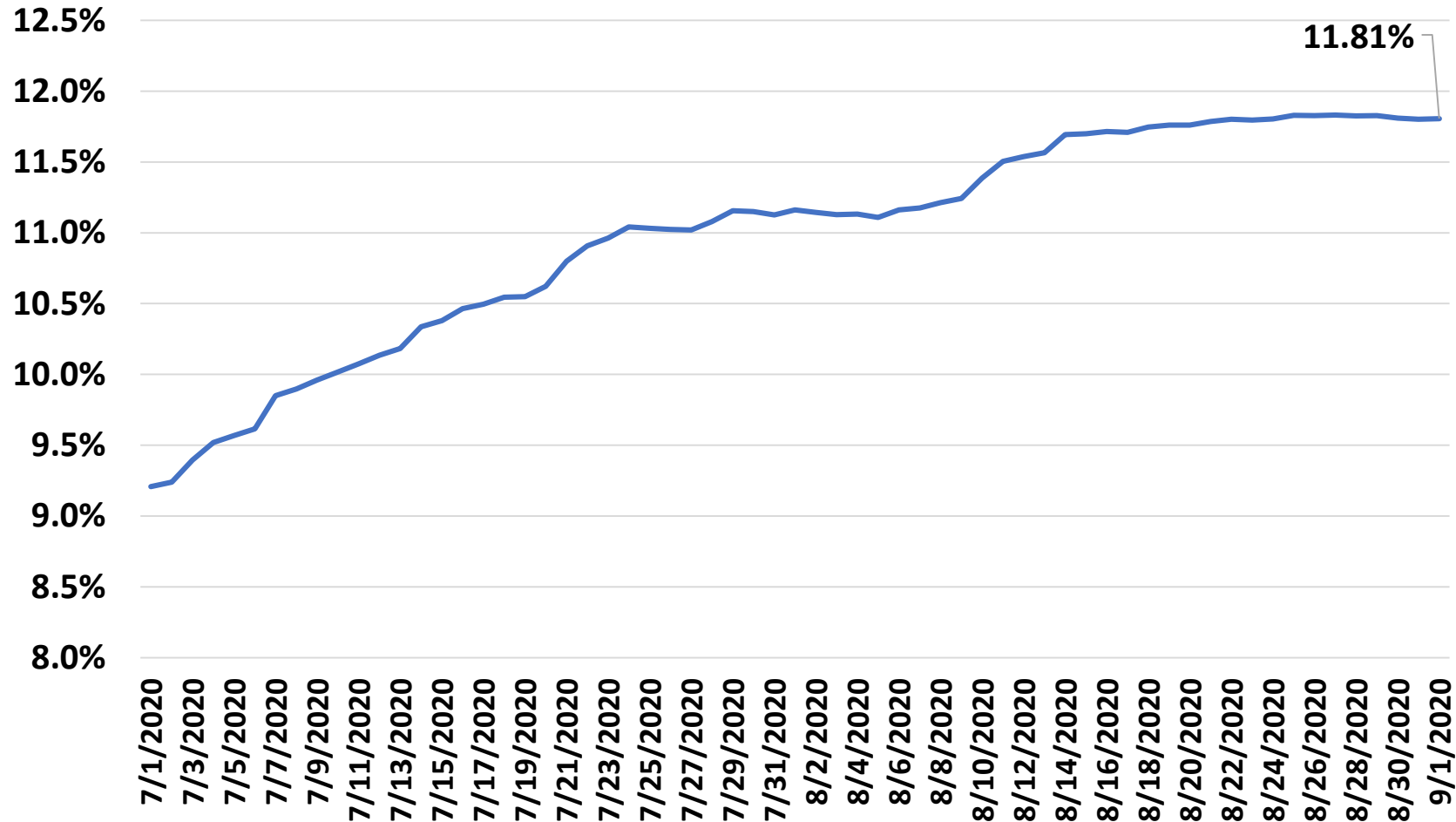
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Quick Overview of Indicators

- COVID Cases CA to US: still rising
- City of Napa, July 2020
 - 11.0% unemployment; 10.4% Napa County
 - -3.7% labor force than July 2019
 - 5,000 residents not working that had a job last July, -11.9% change
 - Slightly more residents working than June as compared to Jan 2020
- Countywide Residents
 - Initial Claims for UI up slightly in July 2020
 - Leisure and Hospitality new UI claims rising
- Housing
 - Forecasts positive to July 2021 for City of Napa
 - Listing and sales prices rising
- County employers slightly few jobs than June 2020
 - Leisure and Hospitality a drag, as occupancy still down across county
 - Transportation and warehousing suggest fewer wine shipments
 - Education and Health and Retail bright spots for now (counter statewide trends)
- Macro indicators
 - Consumer Confidence flatter in July
 - Business Confidence up
 - GDP 2nd estimate better than 1st for Q2 2020, expecting strong Q3 but 2020 < 0 growth overall

COVID Cases in CA and US: Daily Ratio (%), September 1, 2020, 11.81%



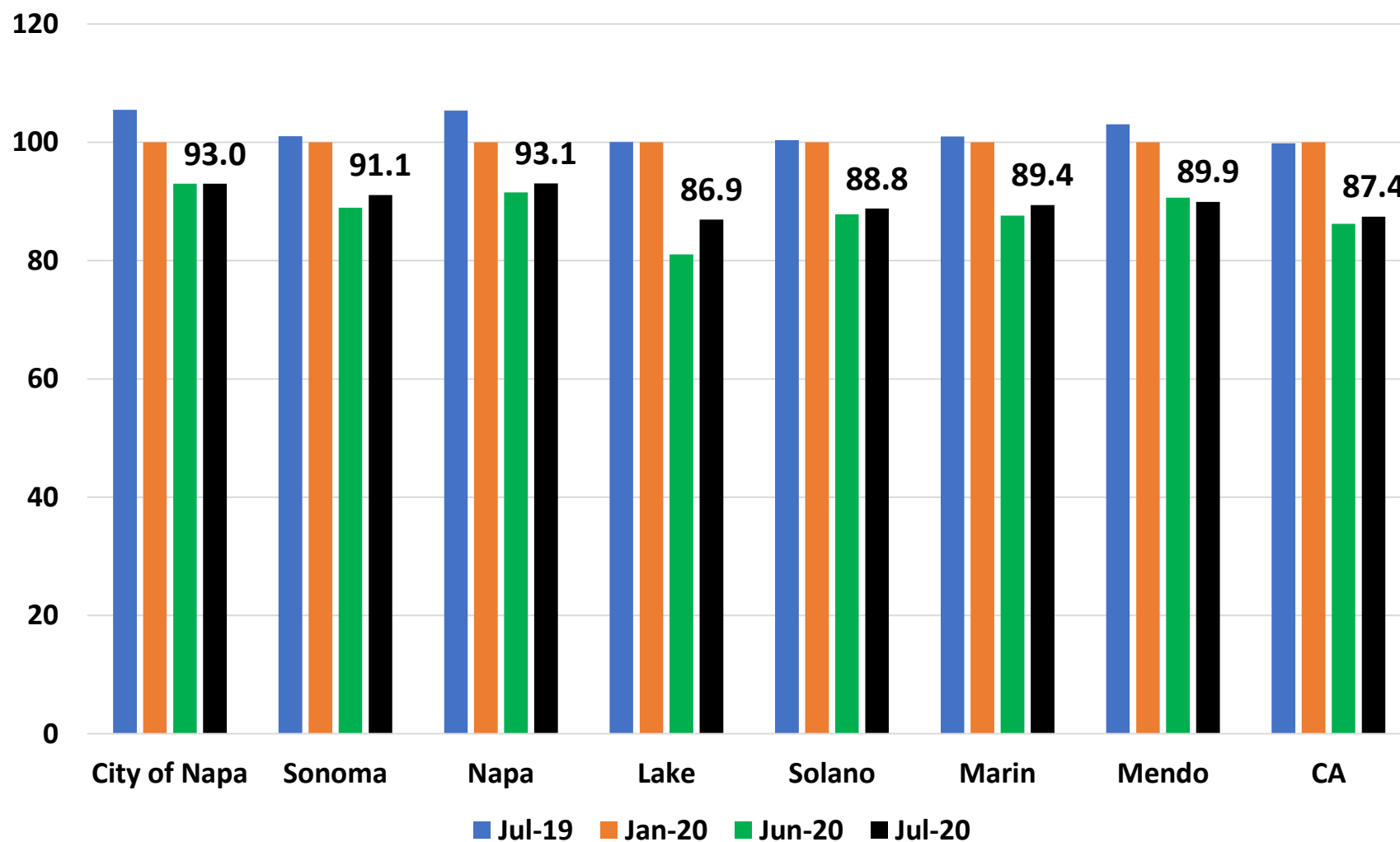
These data show how California has seen some flattening of the curve in August, but still increasing as a proportion of national COVID-19 cases as of September 1, 2020. We want this number to fall ASAP.

Major LF Data Comparisons, July 2020 Compared to July 2019, City of Napa, Napa County Residents

Category	Change City of Napa	% Change	Change Napa County	% Change	Change California	% Change
Civilian Labor Force	-1,600	-3.7%	-3,200	-4.2%	-413,500	-2.1%
Civilian Employment	-5,000	-11.9%	-8,600	-11.7%	-2,465,300	-13.3%
Unemployment Rate		11.0%		10.4%		15.1%

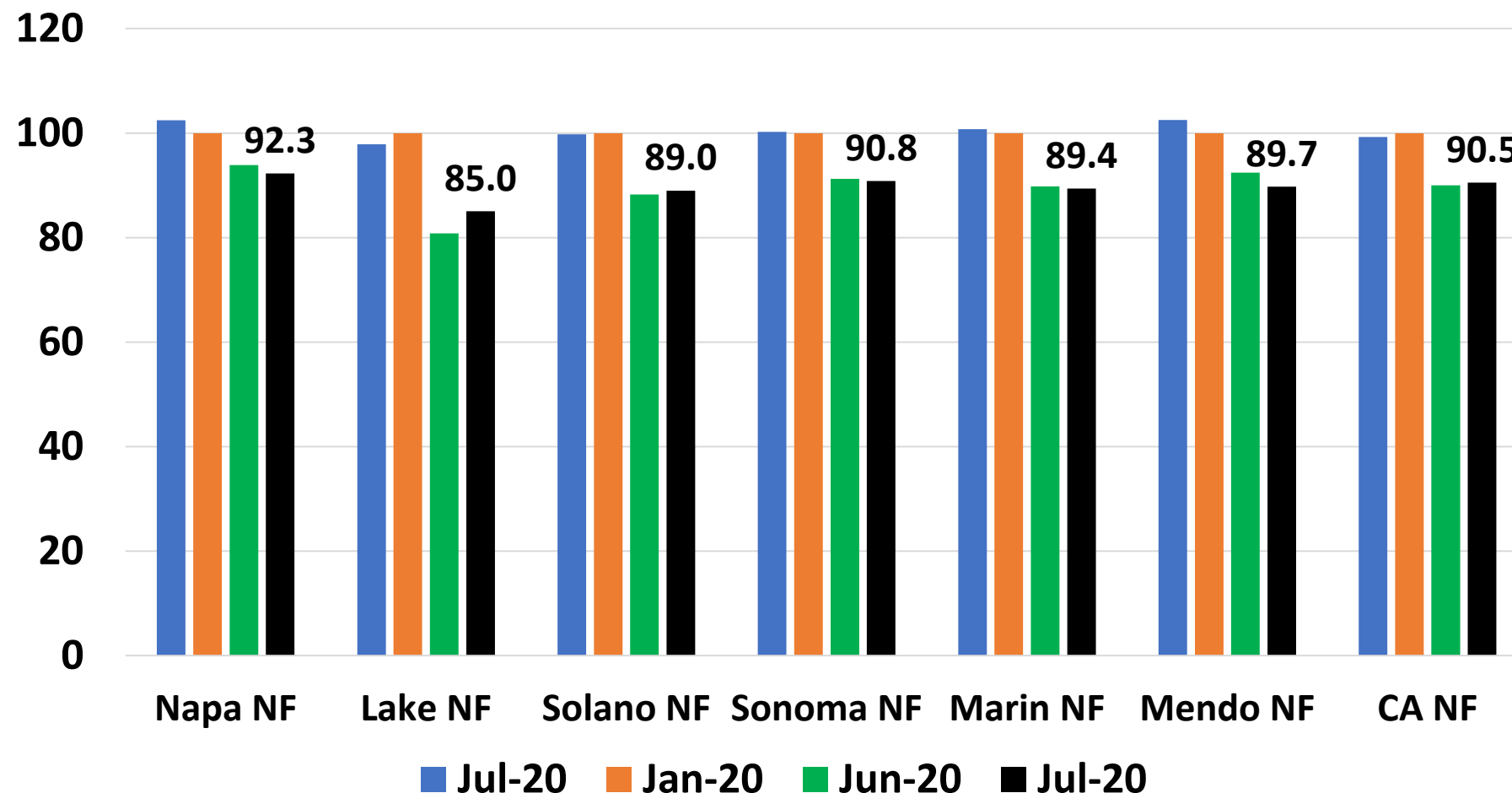
These data show major labor-force data (city residents working or not working) comparing July 2020 data to July 2019. These unemployment rates are not seasonally adjusted and stated as estimated. City of Napa has fared well compared to CA thus far. County at 10.4% suggests non-tourism businesses re-hiring outside city limits.

Employment Level Comparisons, Number of Employees, Index Jan 2020 = 100, City of Napa, Napa County and Selected Areas, to July 2020



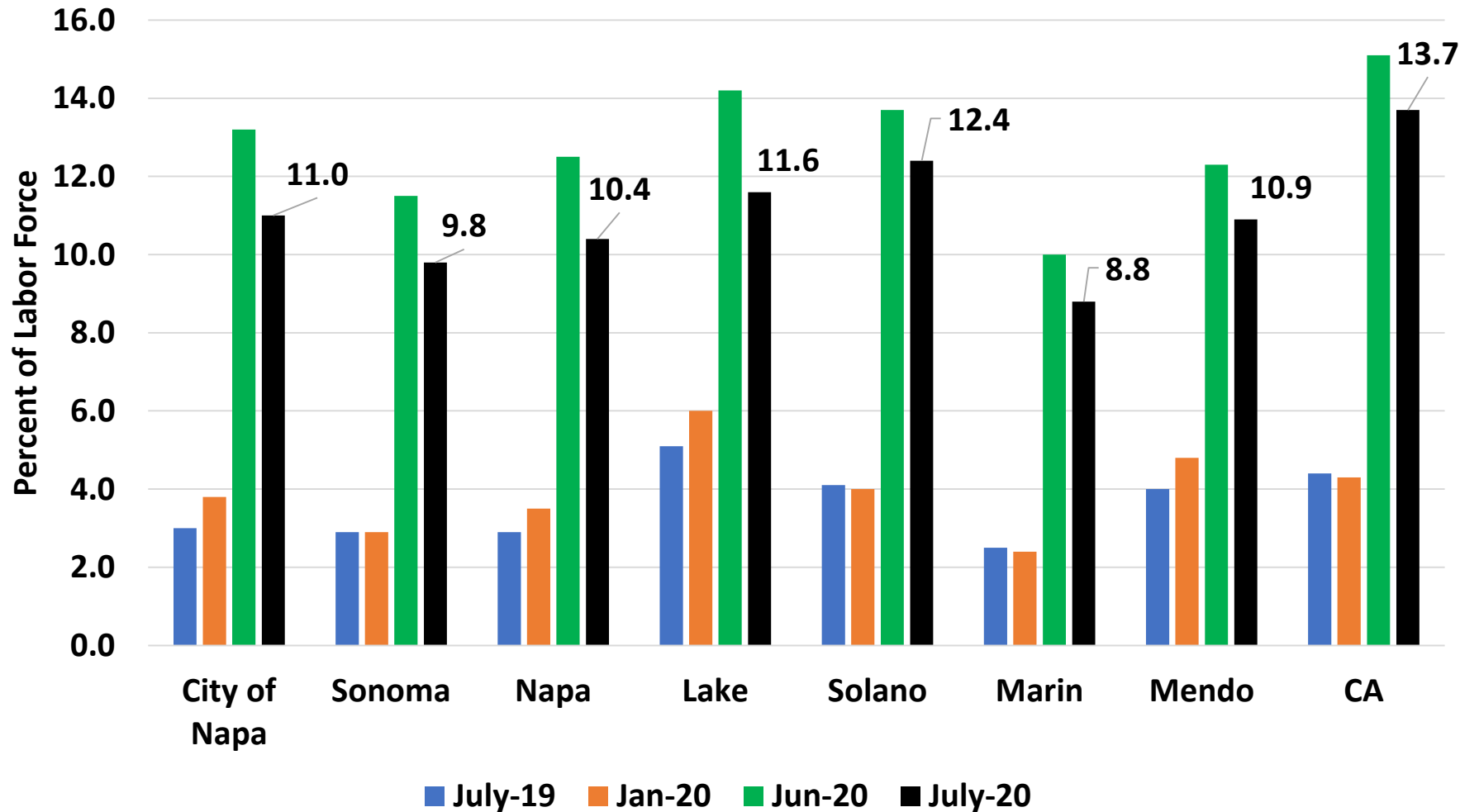
These data compare residents with jobs (those who live in the City of Napa and are working) to other places in terms of their residents with jobs. January 2020 acts as the baseline (equal to 100); we want these numbers to rise. For July 2020, the number is the same as June 2020. The loss of labor force all a loss of unemployed residents.

Non-Farm (NF) Employment, Napa County and California, and Selected Areas, Index Jan 2020 = 100



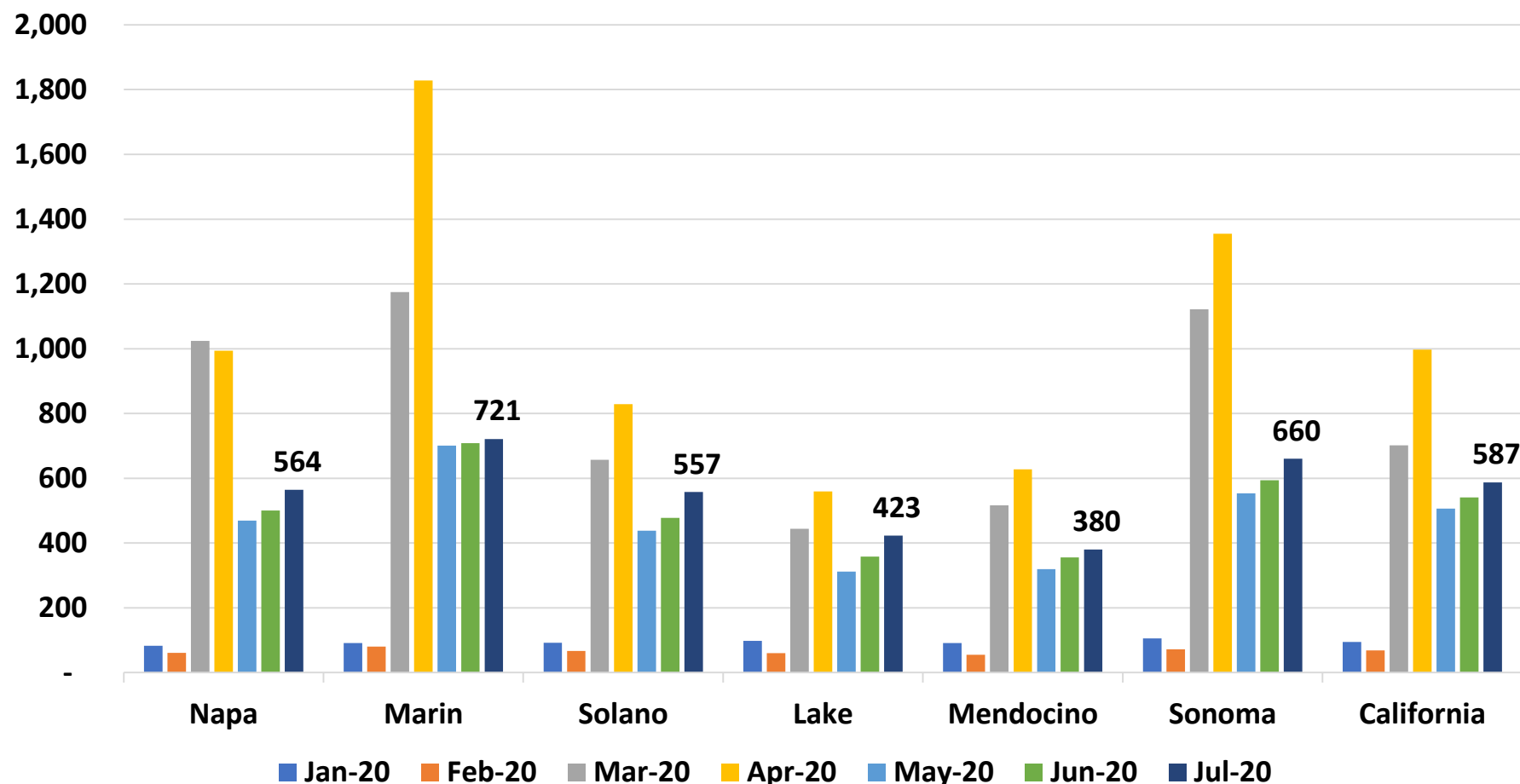
These data compare the number of employees that work in Napa County, regardless of where they live, compared to the level of workers in Jan 2020 (Jan 2020 = 100 here); we want these data to rise. For July 2020, the number fell slightly from June 2020 for the county overall.

Unemployment Rate Comparisons, % of Labor Force, June 2019 – July 2020



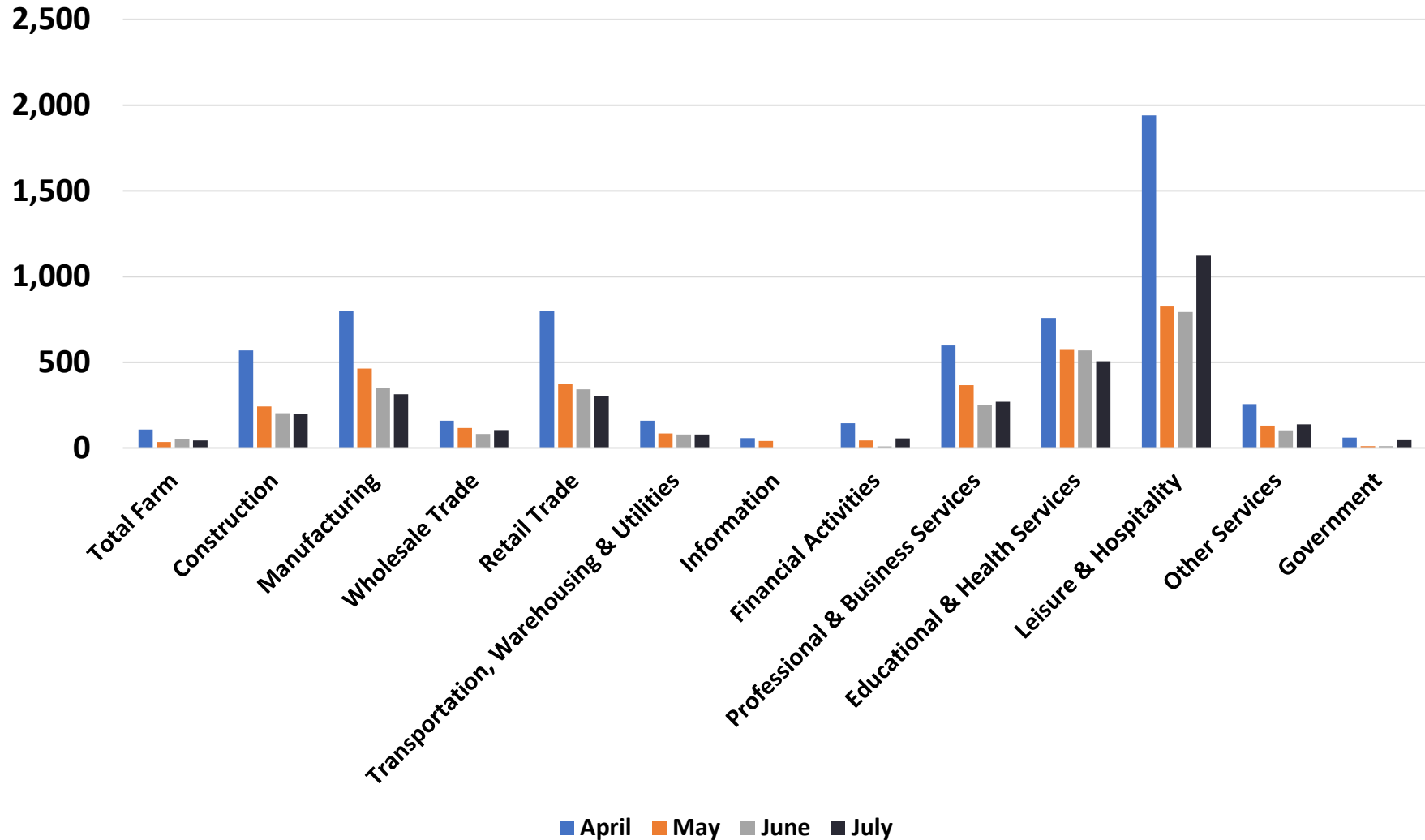
These data compare residential unemployment rates (those who live in the City of Napa) to other places in terms of the number of residents that do not have a job, but remain in the labor force (actively seeking work). We want these numbers to fall, and July 2020 shows such a fall for the City of Napa and Napa County overall.

Initial Claims from Base for CA and Bay Area Counties, Jan 2020 to July 2020, Index Jan 2019 = 100



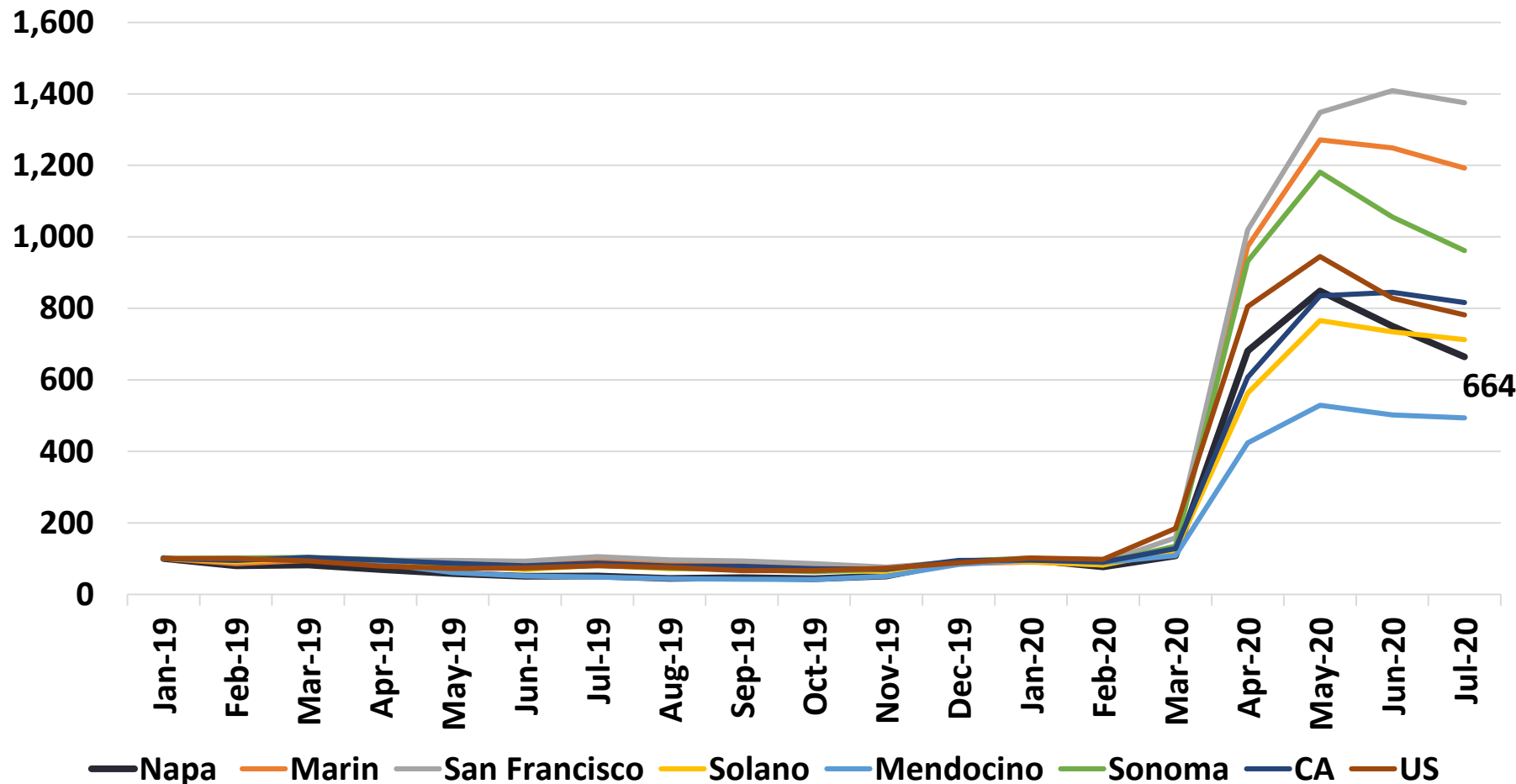
These data compare those that have claimed unemployment insurance in Napa County versus other areas. Napa County remains 5.64x its level in Jan 2019 as of July 2020. These data portend rising unemployment rates when the data rise. We want these numbers to fall; in July 2020, the number increased slightly.

New Initial Claims for Unemployment Insurance (UI), Napa County, March 2020 to July 2020, Number of New Claims



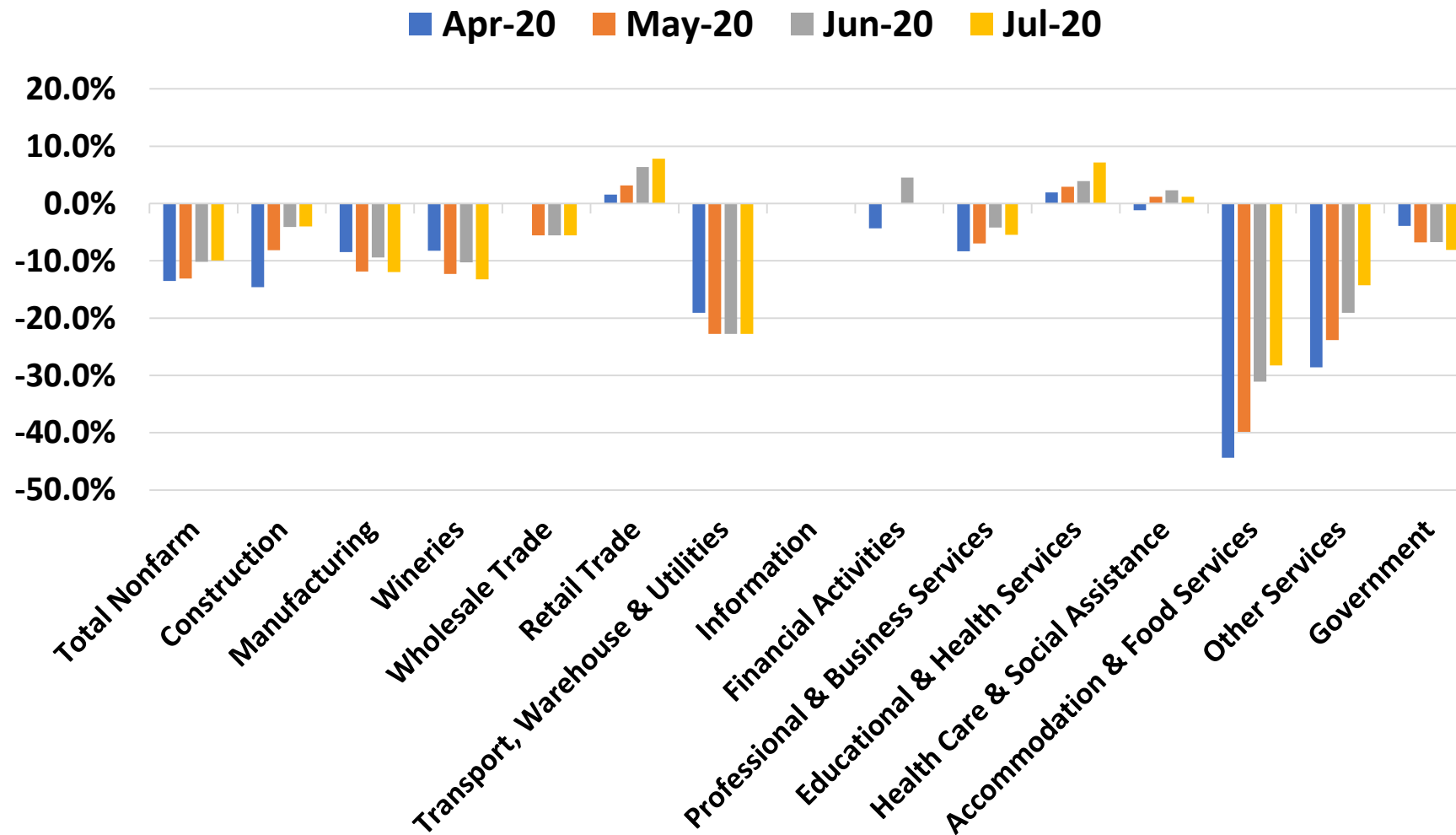
Notice the increase in Leisure and Hospitality for July 2020. For Napa County, these data show specific industries and new claims for UI, a way to track where economic and workforce development in Napa County and the City of Napa may be best focused. Given job loss data by industry, not many surprises here, but the recent increase in July for some industries is concerning.

Continued Claims for Unemployment Insurance (UI), Napa County and Selected Areas, Number of Weeks Claimed by Month, Jan 2019 to June 2020, Index Jan 2019 = 100



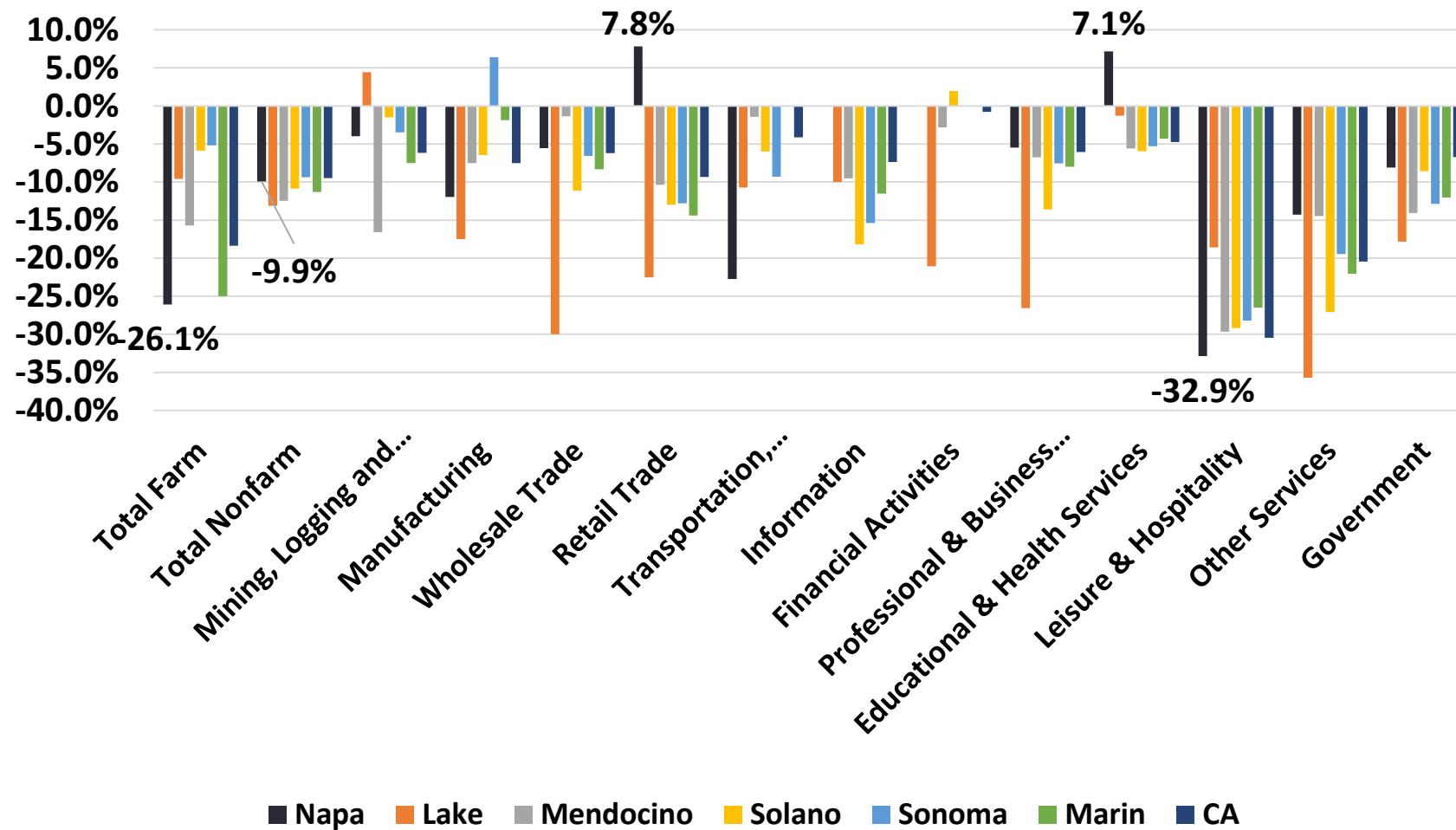
These data show the duration of UI payouts by place. The spike is obvious and came from so many claimants for UI. In July 2020, the total claims were 6.64 times the level in January 2019. However, there is a continued trend down from the initial peak in May 2020. The key is re-hire of these workers versus leaving the labor force.

Employment Changes by Sector, Napa County, % Change from Previous Year



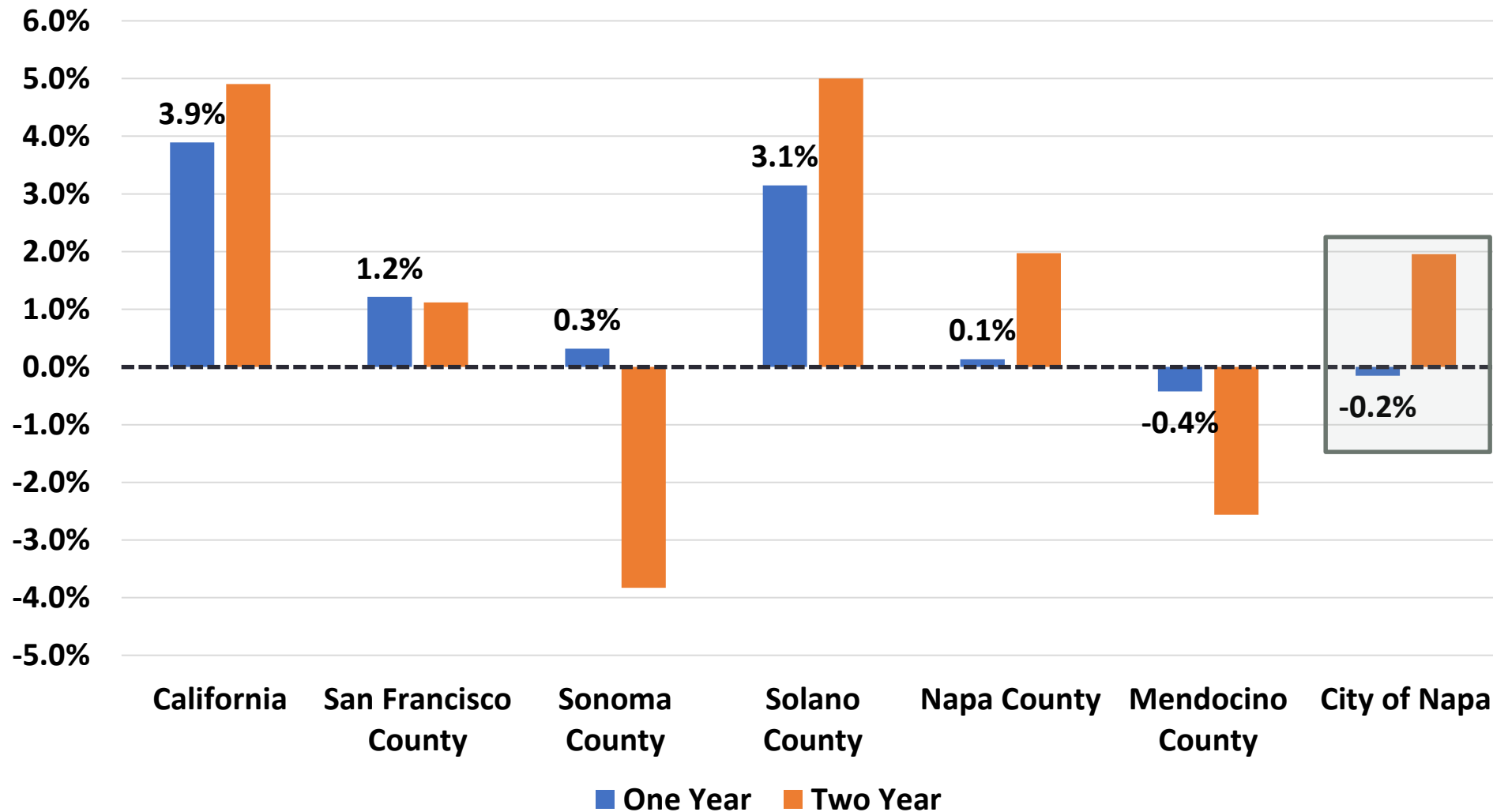
These data show how specific industries are recovering in Napa County, including retail jobs and healthcare; these are compared to the same month in 2019 to eliminate seasonality as possible.

Employment Changes by Industry % Change from Previous Year, July 2020, Napa County and Selected Areas



These data show how specific industries were hurt and have started to recover from job losses; these are compared to July 2019 to eliminate seasonality as possible. The data are the % of workers lost in an industry versus the number of workers in July 2019.

Median Home Prices, July 2020, Compared to July 2019 and July 2018, City of Napa and Selected Areas



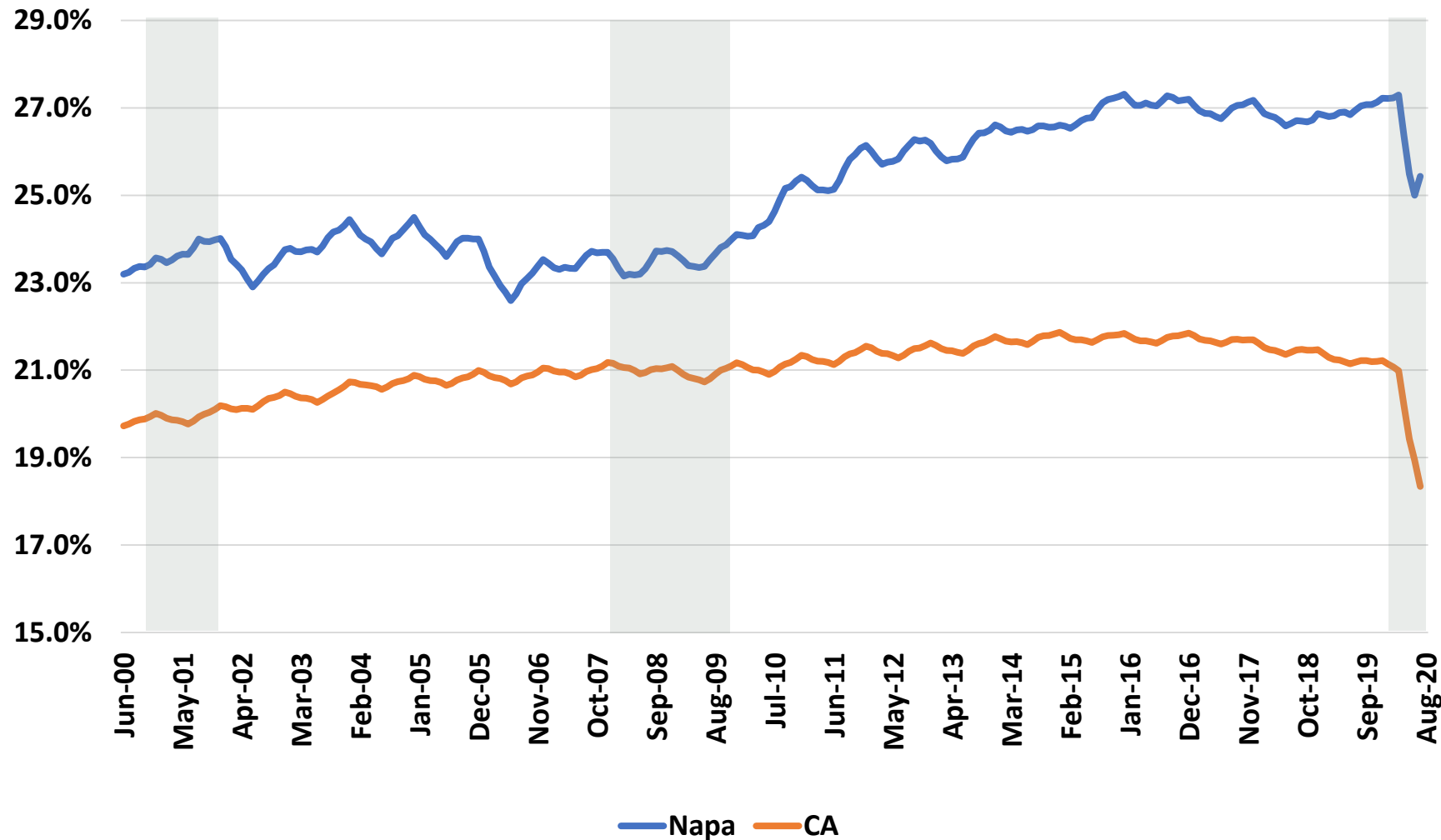
These data show that the housing market was slowing down the last two years, and also further suggest across California that COVID-19 has not hurt housing markets yet. Continued durations of job loss can undermine good housing markets otherwise. The flat change in City of Napa shows supply and demand basically hand in hand for now.

Hotel data (Occupancy Rates and RevPAR), Selected Counties, July 2020 compared to July 2019

County	Occupancy %		Revenue Per Available Room or RevPAR (\$)	
	2020	2019	2020	2019
Napa	42.9%	78.1%	\$146	\$279
Marin	48.5%	78.7%	\$62	\$128
Sonoma	57.6%	80.6%	\$86	\$160
San Francisco	33.4%	84.8%	\$40	\$208

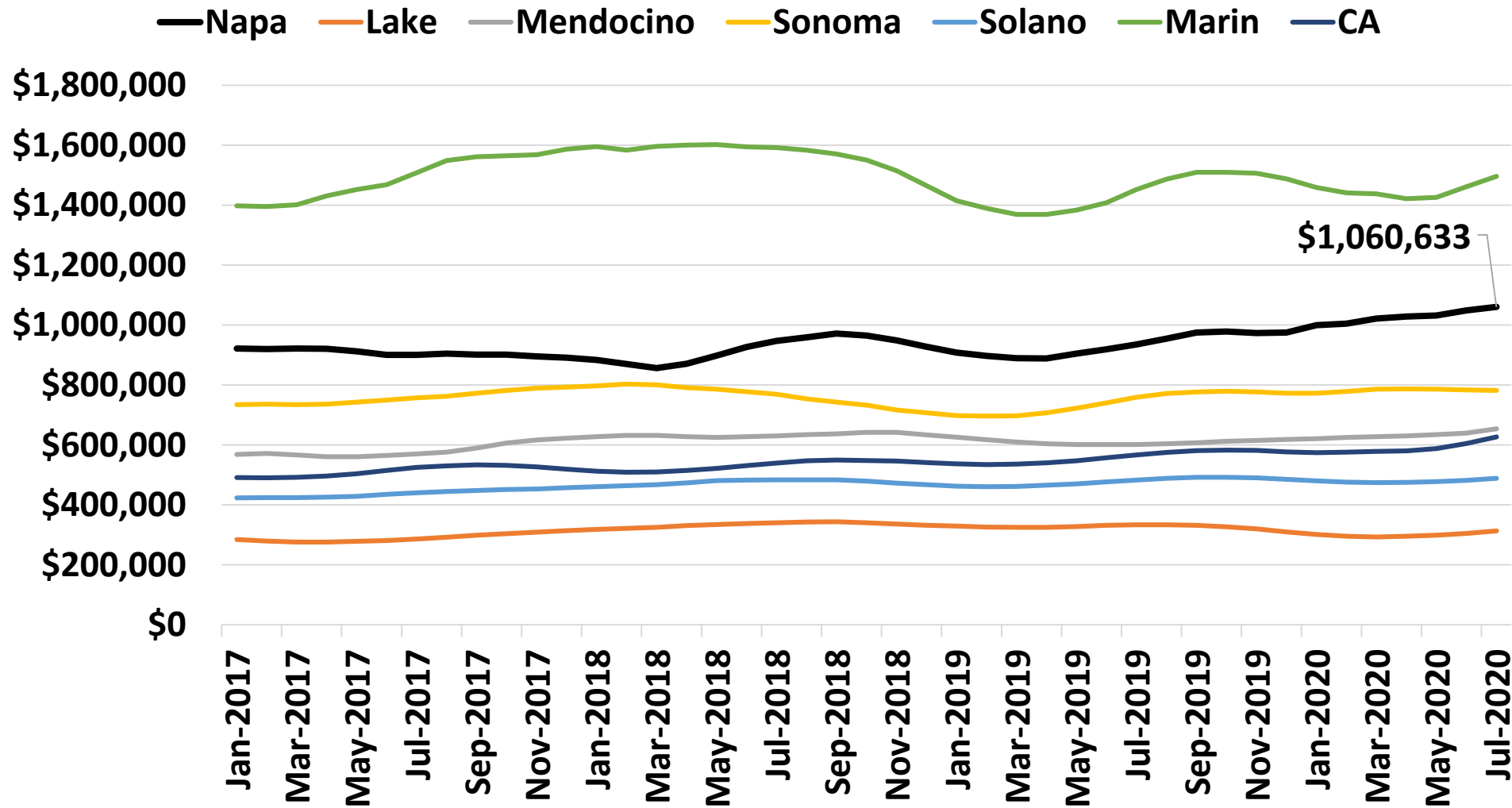
Napa County is far behind on occupancy and thus RevPAR as of July 2020 versus last year, a continued theme in Napa County and California. This is a major reason for the continued drag in jobs growth for hotels and restaurants.

Restaurant-Hotel-Retail as % of Non-Farm Employment, Napa County and California, % of total, June 2000-July 2020



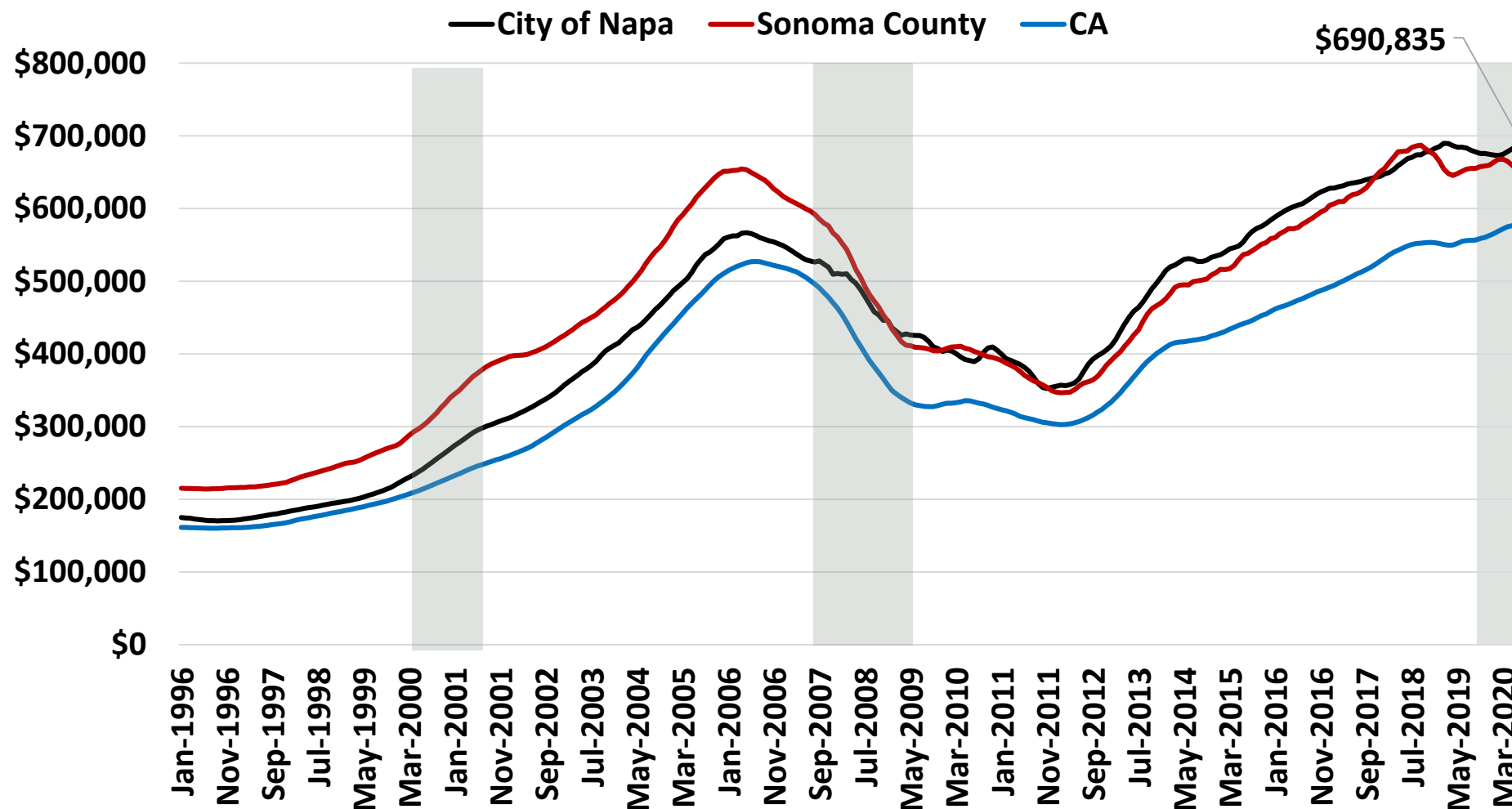
These data are at the county level, but the bulk of these jobs are in the City of Napa and in American Canyon. We want these data to rise, but notice that the state on average is moving the same way as Napa County. In July 2020, retail jobs helped increase this percentage in Napa County faster than CA.

Median Listing Prices, Napa County and Selected Areas, Jan 2017 to July 2020, 6-Month Moving Average



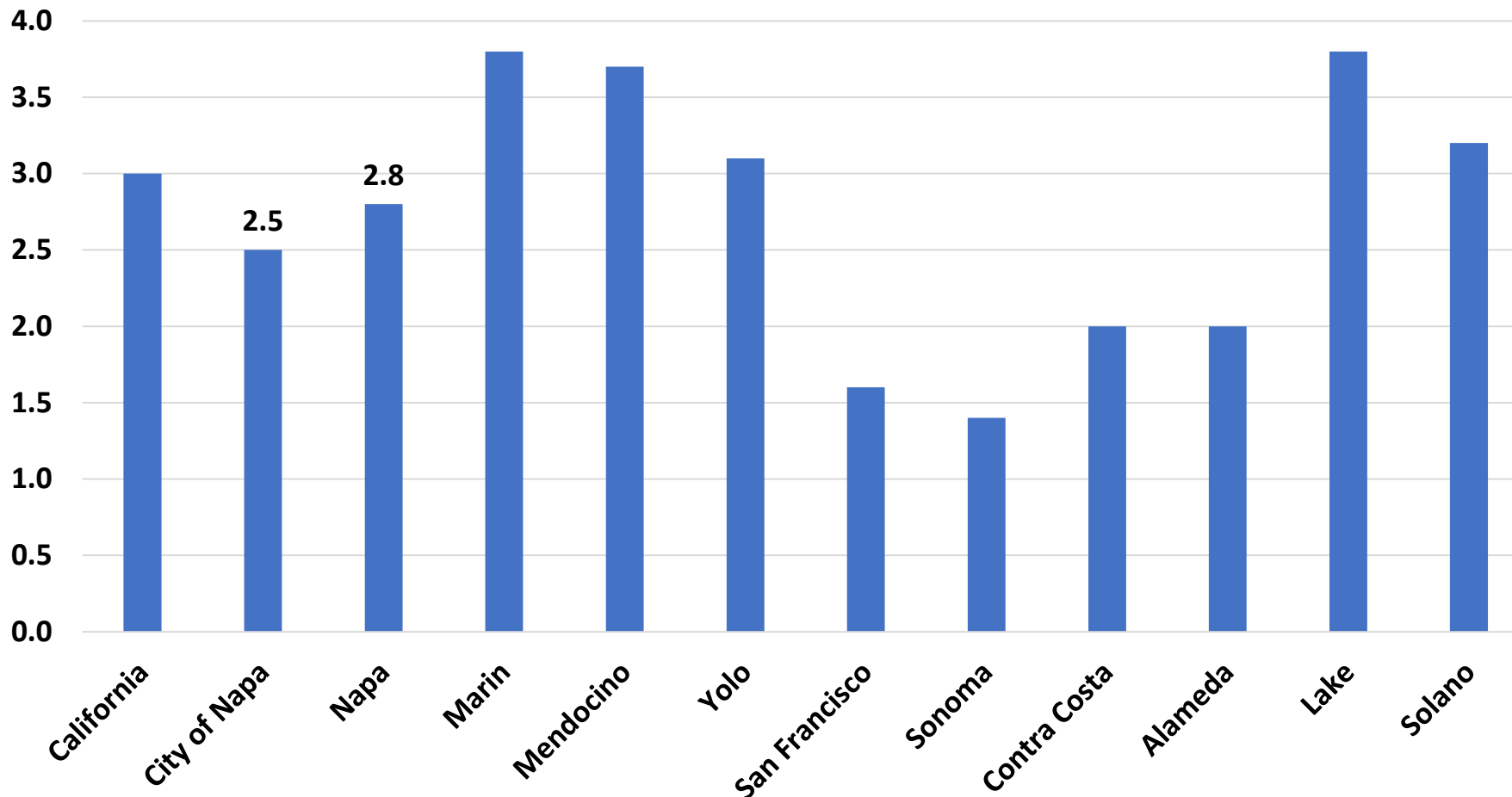
Median listing prices provide a way to see how the supply side of the housing market is looking at the demand side by how homeowners are listing their homes for sale against recent market trends.

Median Home Prices, Current Dollars, City of Napa and Selected Areas, Jan 1996 – July 2020



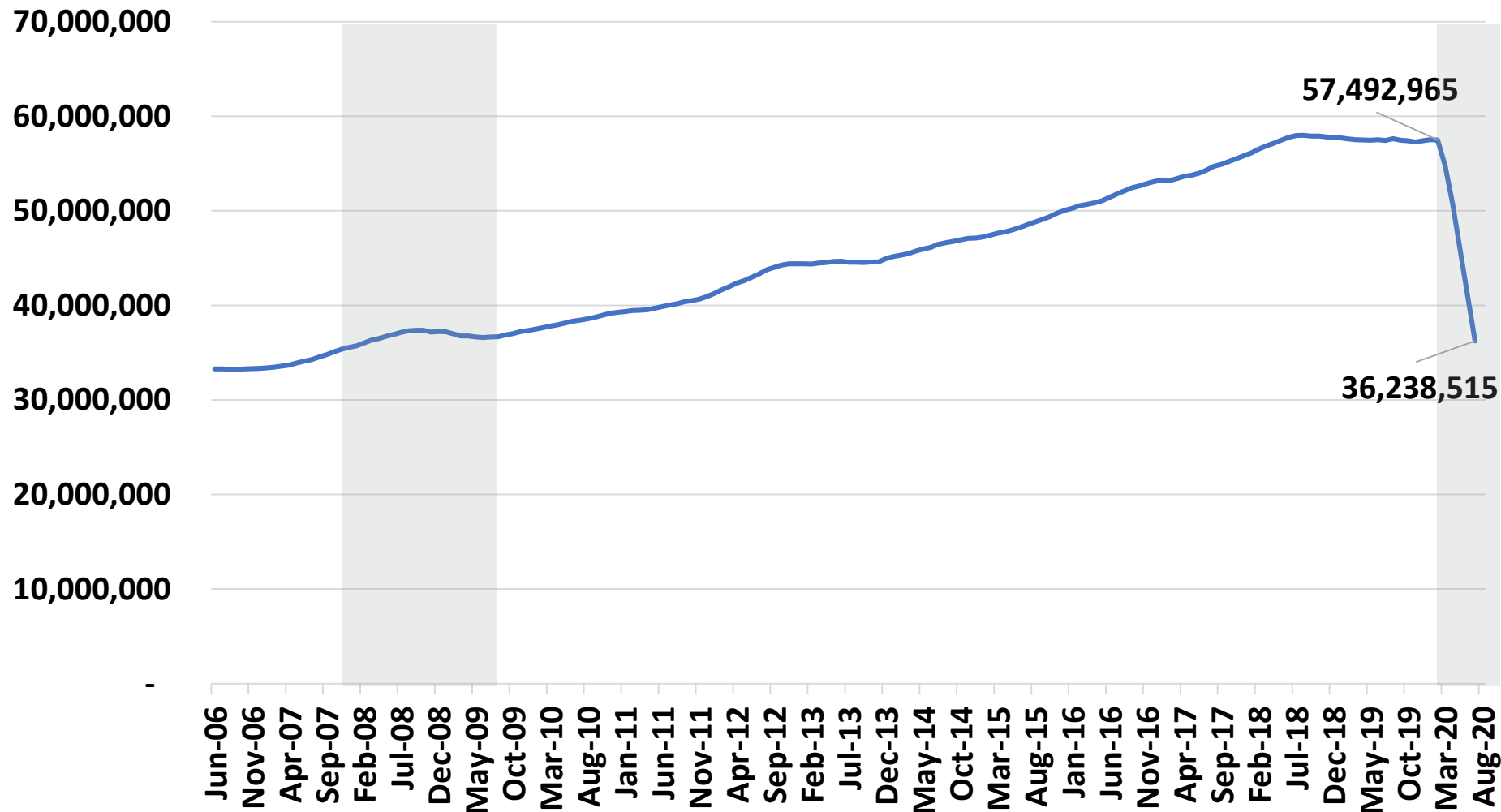
Median home prices provide a gauge against the median listing prices to see how sales are finalizing, but also provide housing market trend.

Housing Price Forecast, July 2020 to July 2021, % Change, City of Napa, Selected Counties and California



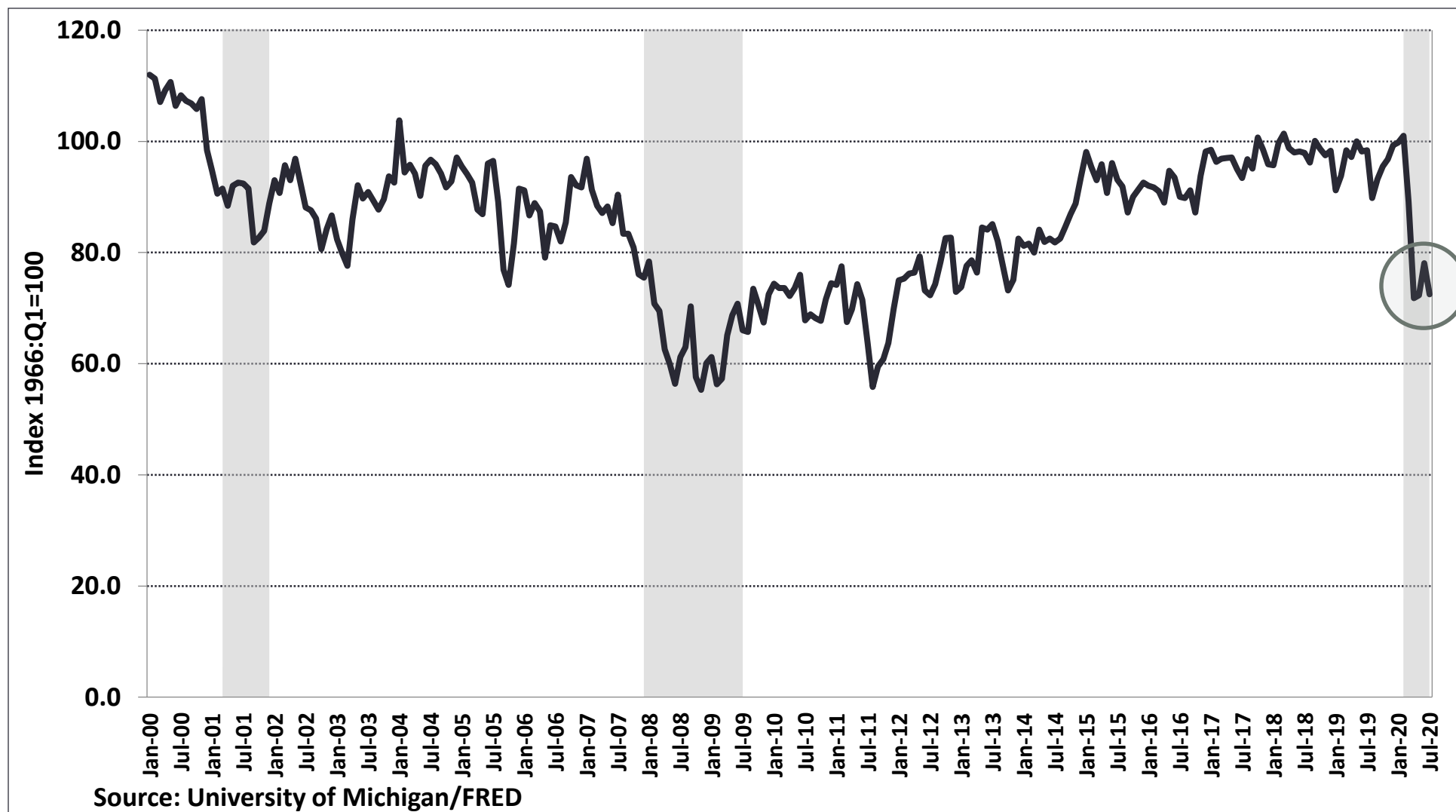
The City of Napa drives the south valley housing market; the forecast in July 2020 to July 2021 is good and suggests for now no housing market chaos predicted. North Napa Valley markets are pulling the county forecast slightly higher.

Passenger Data, SFO, Rolling 12-Month Sum, Passengers, Number of People, to July 2020



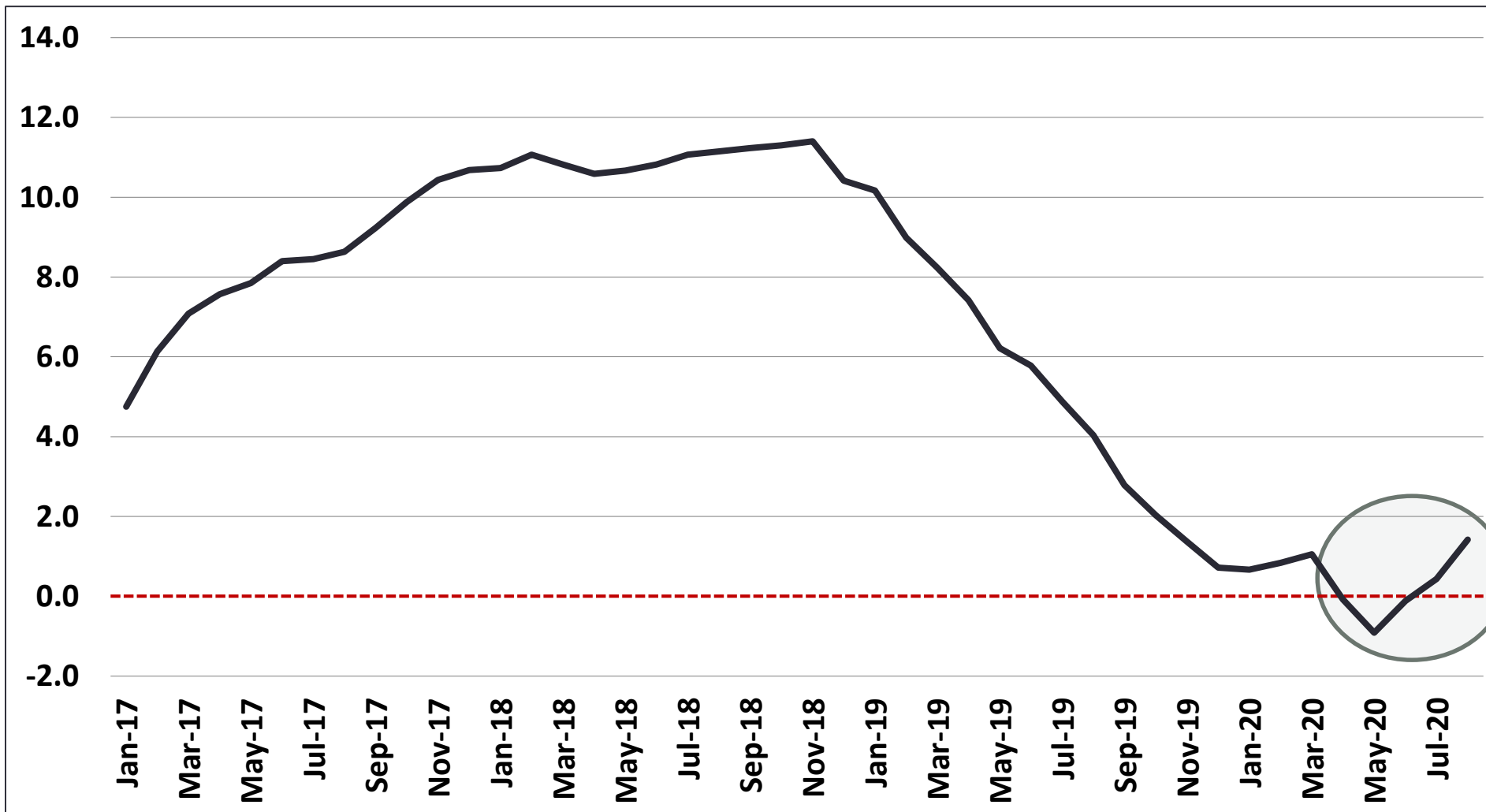
As of July 31, 2020, the fall in the number of passengers through SFO had not begun to recover as passengers numbers on a 12-month rolling sum fell again; these data connect to the flow of people from outside a 200 mile radius of Napa coming to the city to spend. Notice the shock since Feb 2020.

Consumer Sentiment, U of Michigan, Index Q1 1996 = 100, Jan 2000 – July 2020



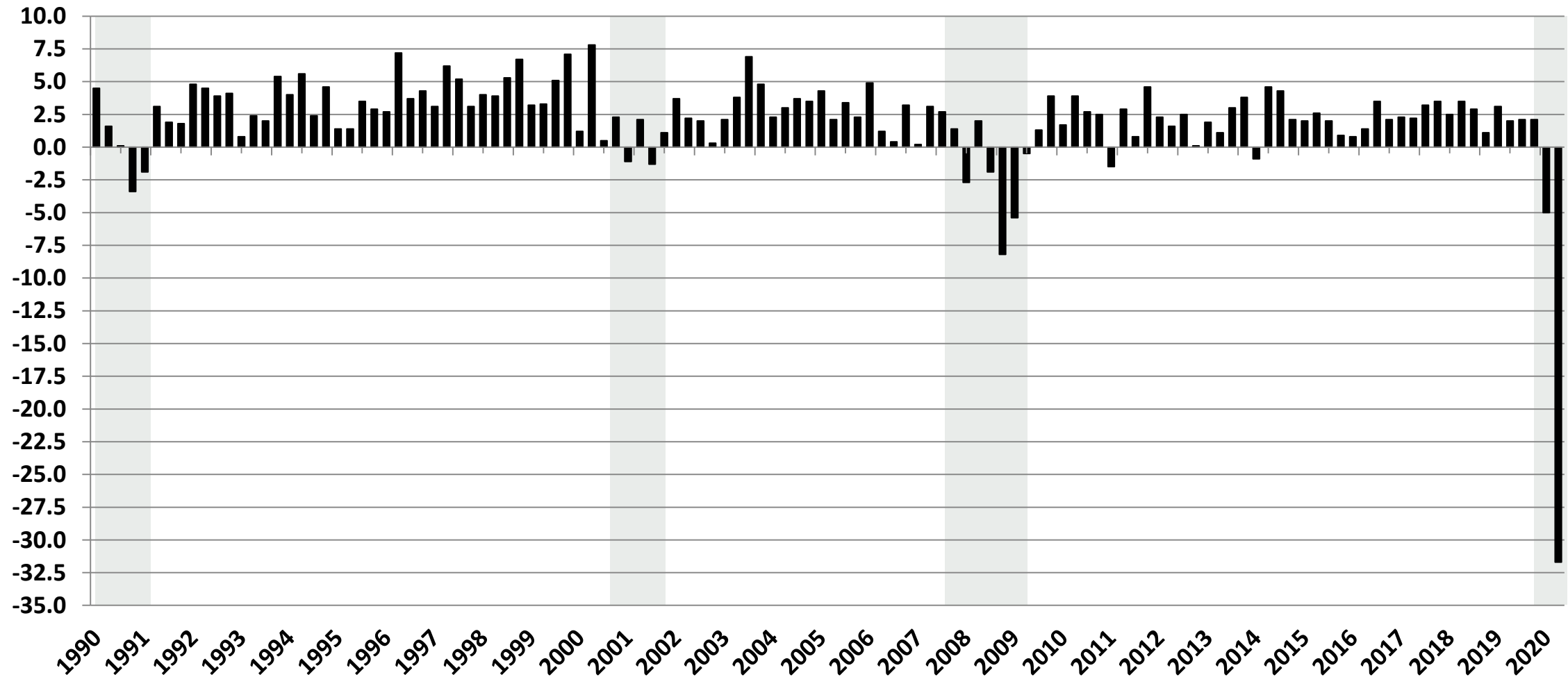
This index suggests how consumer consider tourism and durable goods purchases, such as cars and appliances; the tick down in July 2020 may reflect election uncertainty and continued COVID-19 case growth.

ISM Purchasing Manager's Index, Jan 2017 to August 2020, % change from Previous Year

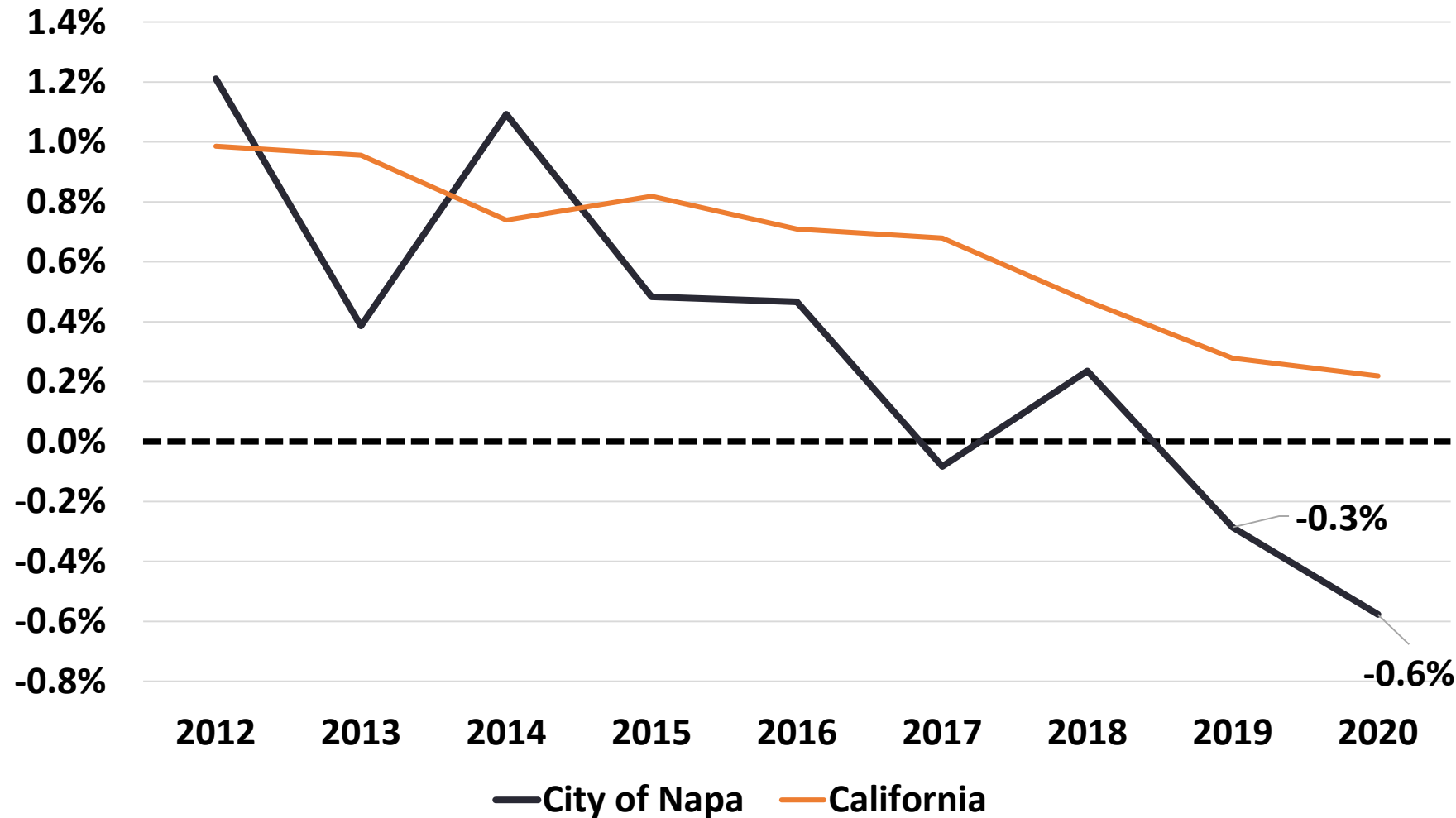


This index going below 0% change from last year generally forecasts national recession; the continued increase in July is good and signals recovery has started. The disconnect between consumer and business confidence may change closer to November 3.

GDP Growth, 1990 – Q2 2020 2nd Est., SAAR, % Change (Shaded Areas = Recession), -31.7%, Q2 2020

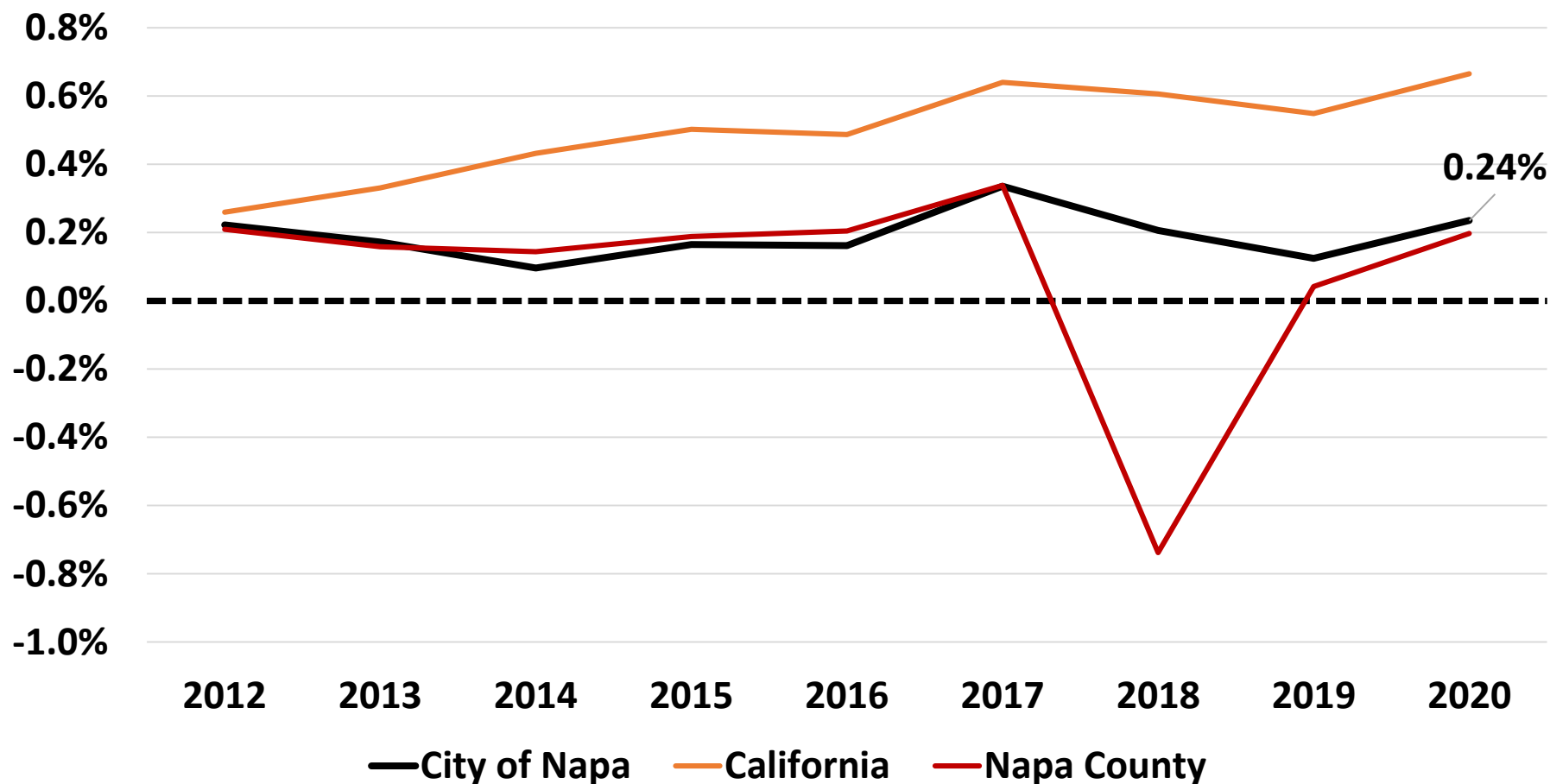


City of Napa, Population Growth 2010 to 2020, Annual % Change from Previous January 1



These data were released in June 2020 and estimate the growth of City of Napa's population annually since 2011. In 2019, the city's population fell for the second year in a row (-0.6%), for an estimated population of 78,032 on January 1, 2020 in the City of Napa.

City of Napa, Housing Units Growth, % Change from Previous Year, 2012 to 2020



These data were released in June 2020 and estimate the growth of City of Napa's housing units annually since 2011. In 2019, the city's population fell for the second year in a row (-0.6%), for an estimated population of 78,032 on January 1, 2020 in the City of Napa.

City of Napa: things to watch

- City of Napa, July 2020
 - Residents out of work versus July 2019 and Labor Force
 - Business losses the big concern next
- Jobs in City of Napa and Napa County
 - Retail and healthcare jobs rising bucking trend a bit for good, helping county recover overall
 - Restaurant and hotel employment means need to watch for business loss and capacity issues later: commercial real estate
- Hotel Occupancy: still down from July 2020
 - August and September may be skewed a bit by regional fires
 - Need to squeeze as much out of this year as possible for business preservation
- Housing market remains stable: need to preserve this market

Thanks!
Questions?
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