

CITY OF NAPA: INDICATORS

NAPA, CA

NOVEMBER 2020

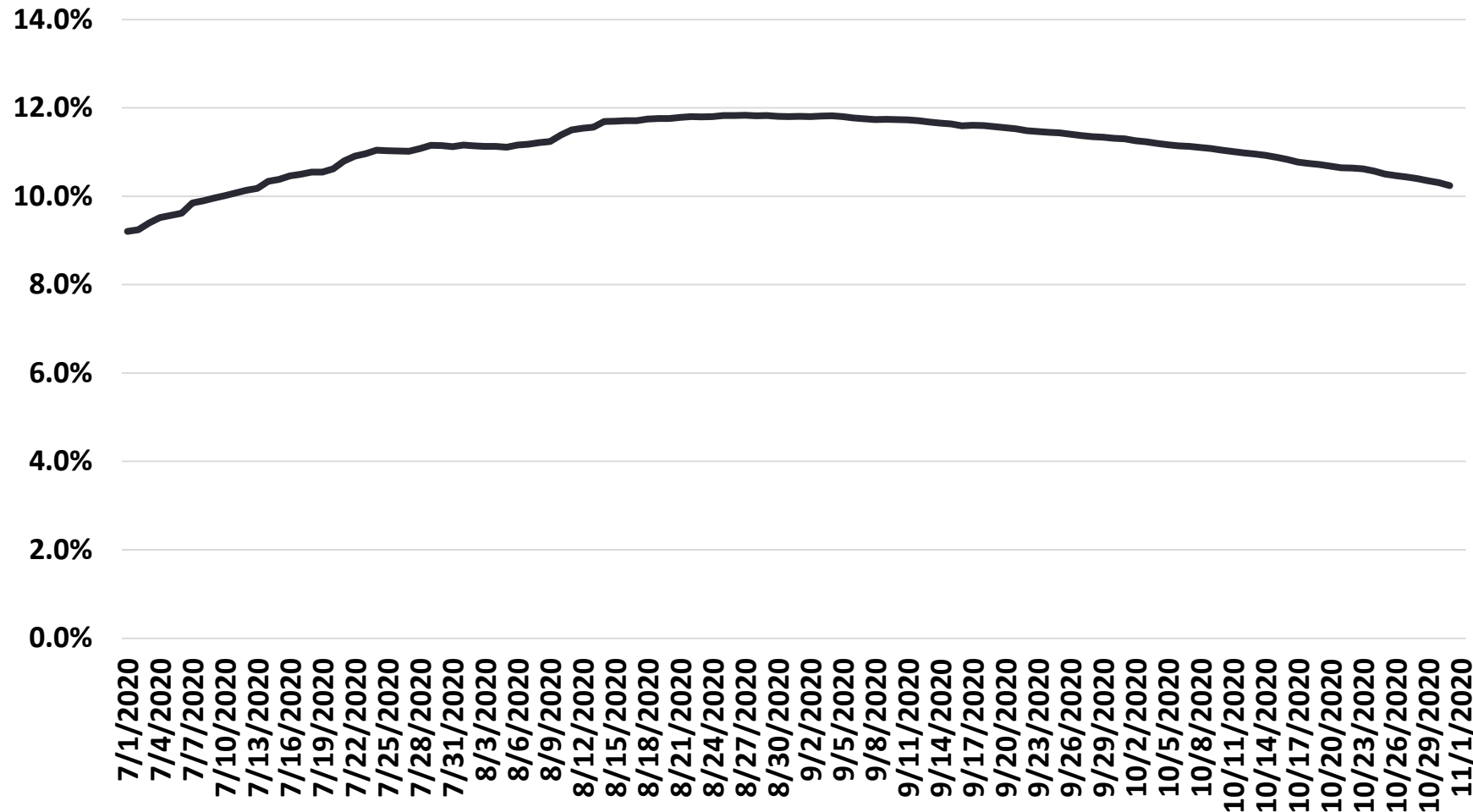
Robert Eyler, PhD

President, Economic Forensics and Analytics Inc.

Professor, Economics, Sonoma State University

eyler@econforensics.com

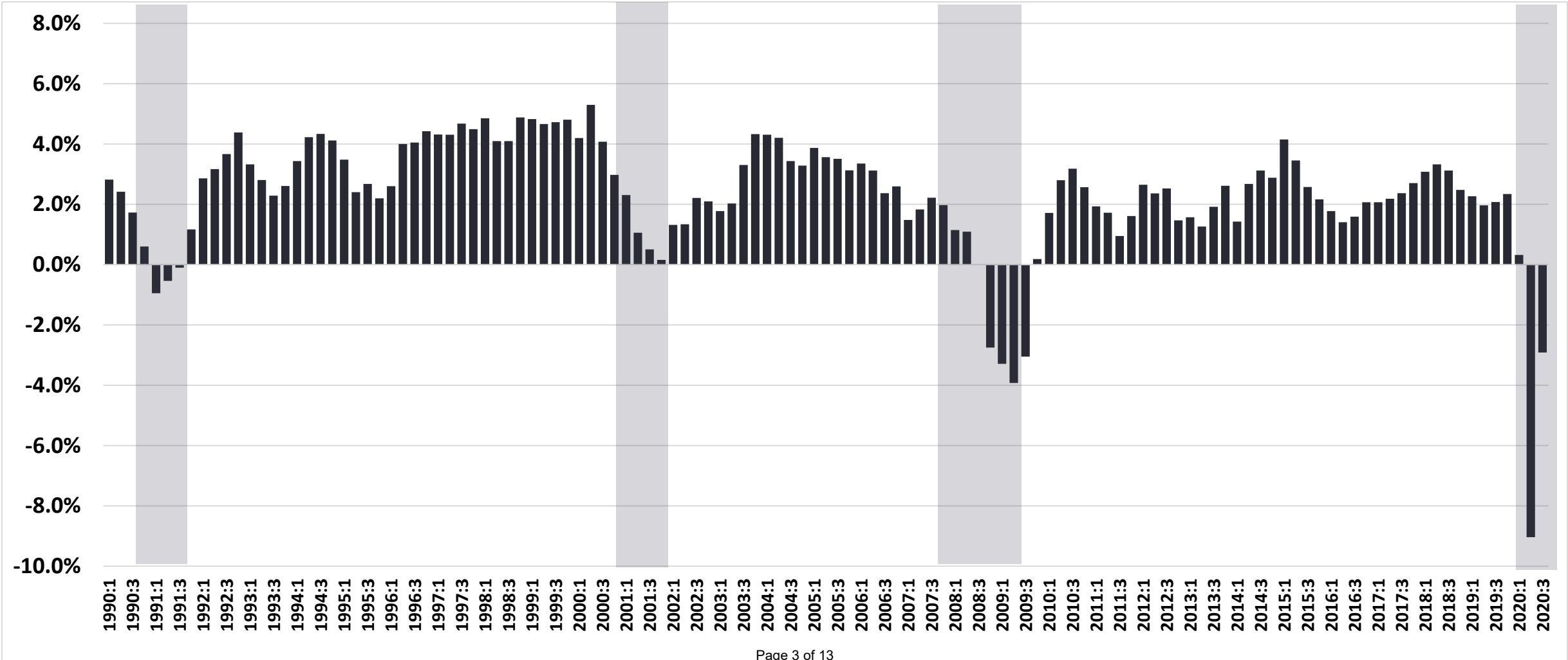
COVID Cases in CA and US: Daily Ratio (%), November 1, 2020, 10.24%



These data show how California has seen some flattening of the curve in October, and continued decline proportional to national COVID-19 cases as of November 1, 2020. The decline comes with rising cases in California overall, suggesting how the other 49 states have seen cases rising more quickly.



GDP Growth, 1990 – Q3 2020 1st Estimate, Annual % Change (Shaded Areas = Recession), -2.9% in Q3 2020 1st Estimate



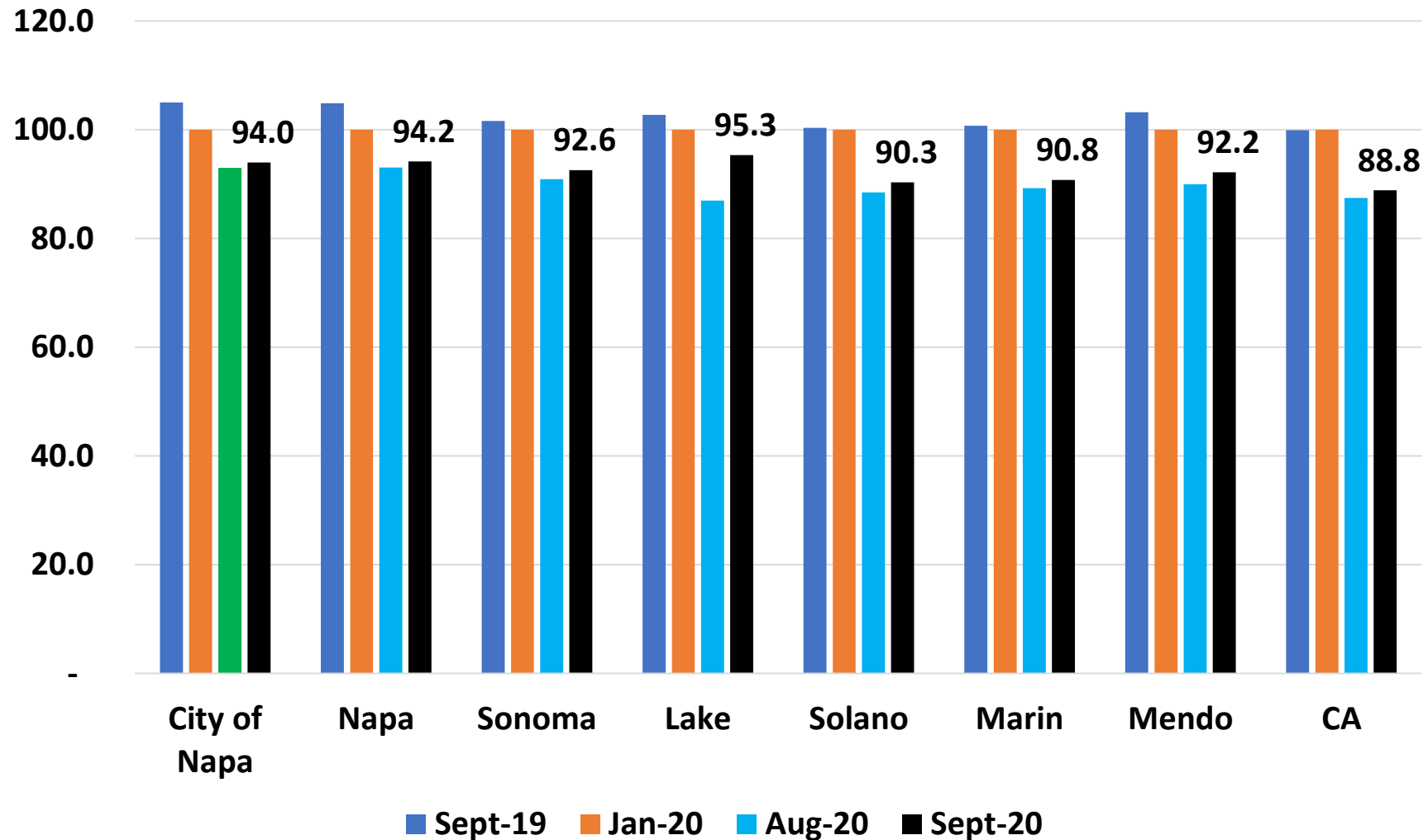
Source: Bureau of Economic Analysis (www.bea.gov) and EFA

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

Category	Change City of Napa	% Change	Change Napa County	% Change	Change California	% Change
Civilian Labor Force	-2,300	-5.3%	-4,400	-5.8%	-744,600	-3.8%
Civilian Employment	-4,600	-10.9%	-8,200	-11.1%	-2,057,600	-10.9%
Unemployment Rate		8.0%		7.6%		10.8%

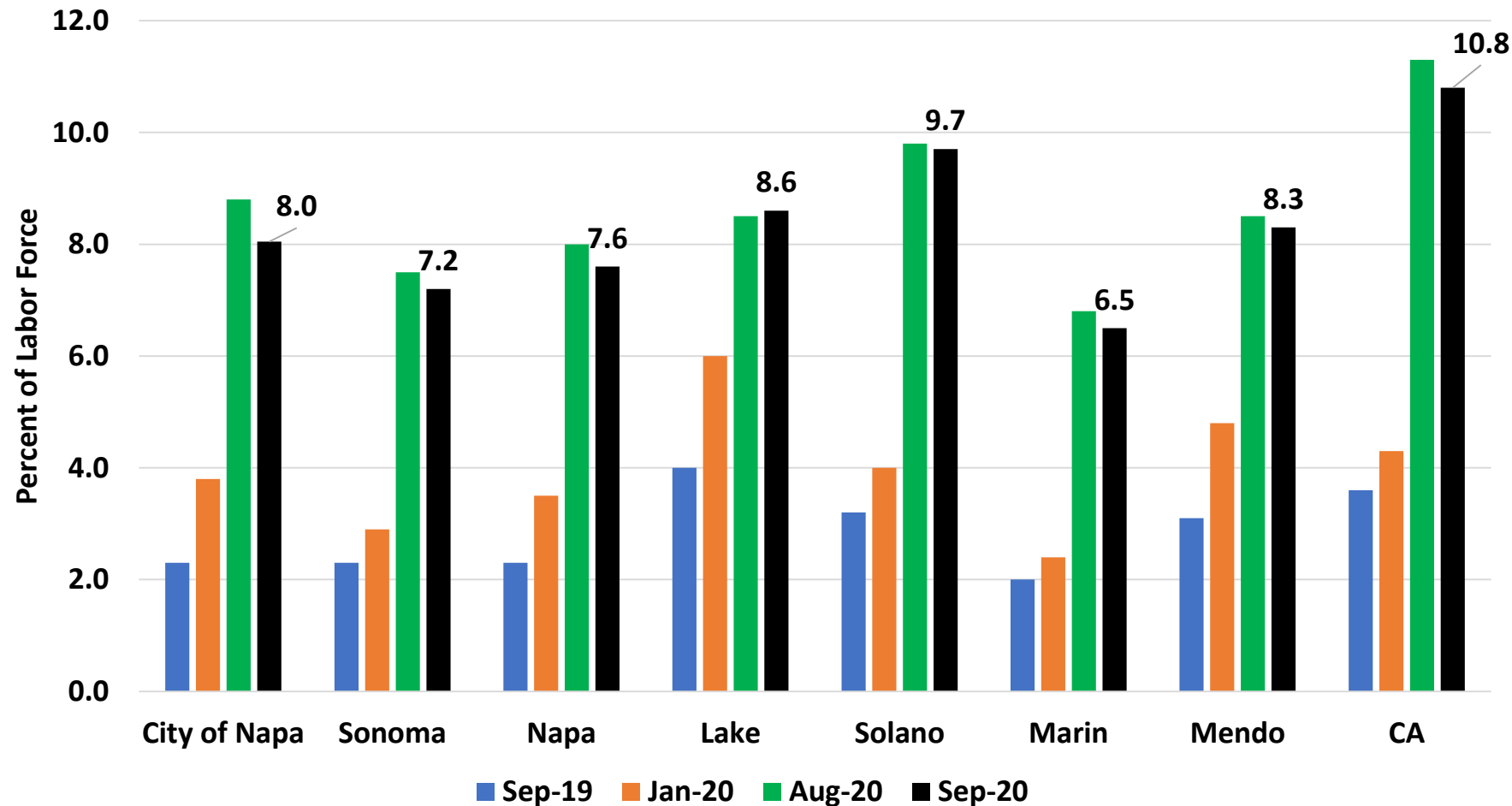
These data show major labor-force data (city residents working or not working) comparing September 2020 data to September 2019. These unemployment rates are not seasonally adjusted and stated as estimated. City of Napa has fared well compared to CA thus far. County at 8.3% suggests non-tourism businesses re-hiring outside city limits.

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



September 2020 showed some recovery for the City of Napa's residents. 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. The loss of labor force all a loss of unemployed residents.

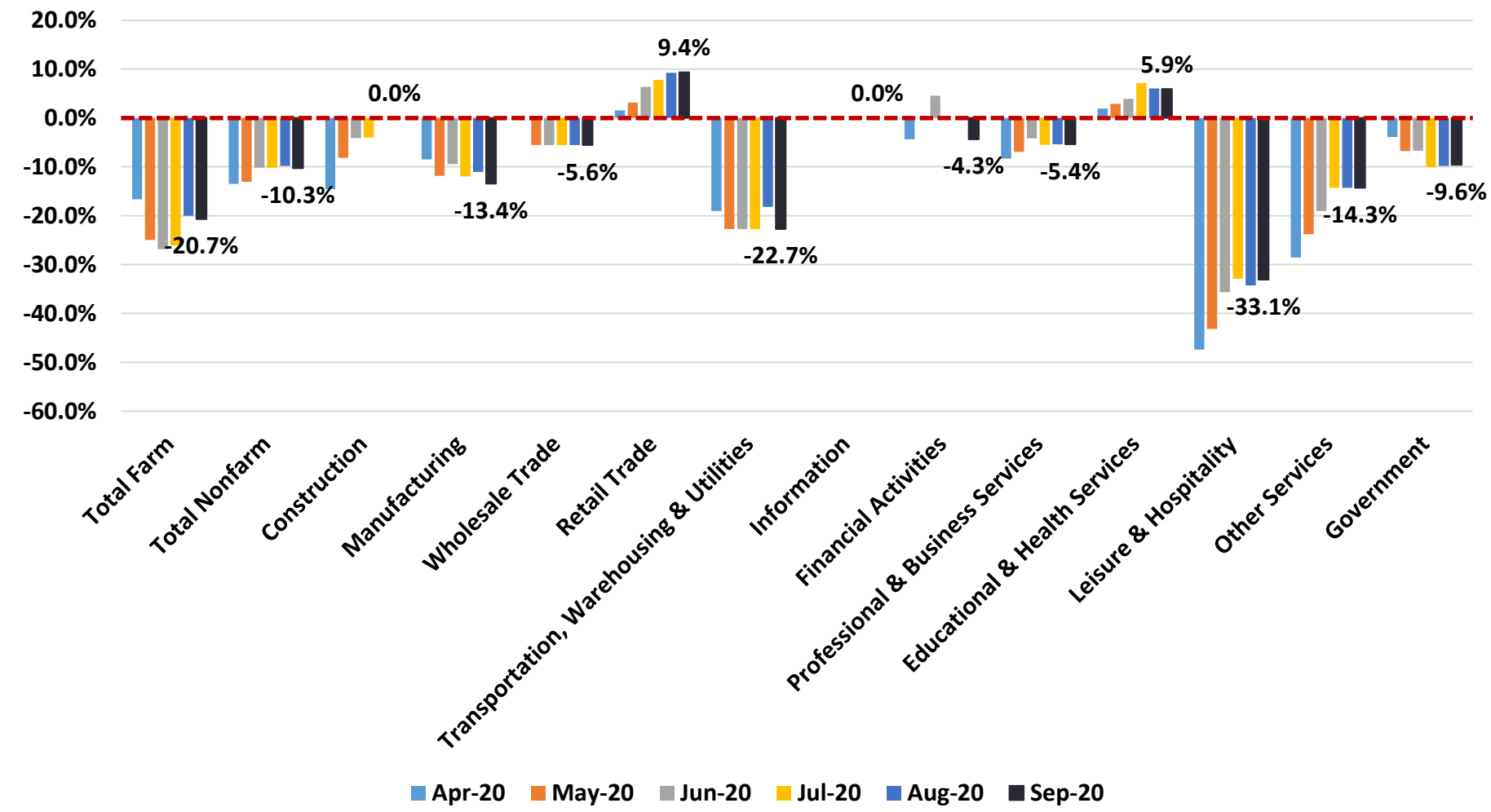
Unemployment Rate Comparisons, % of Labor Force, September 2019 – September 2020



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 September 2020 shows such a fall for the City of Napa and Napa County overall.



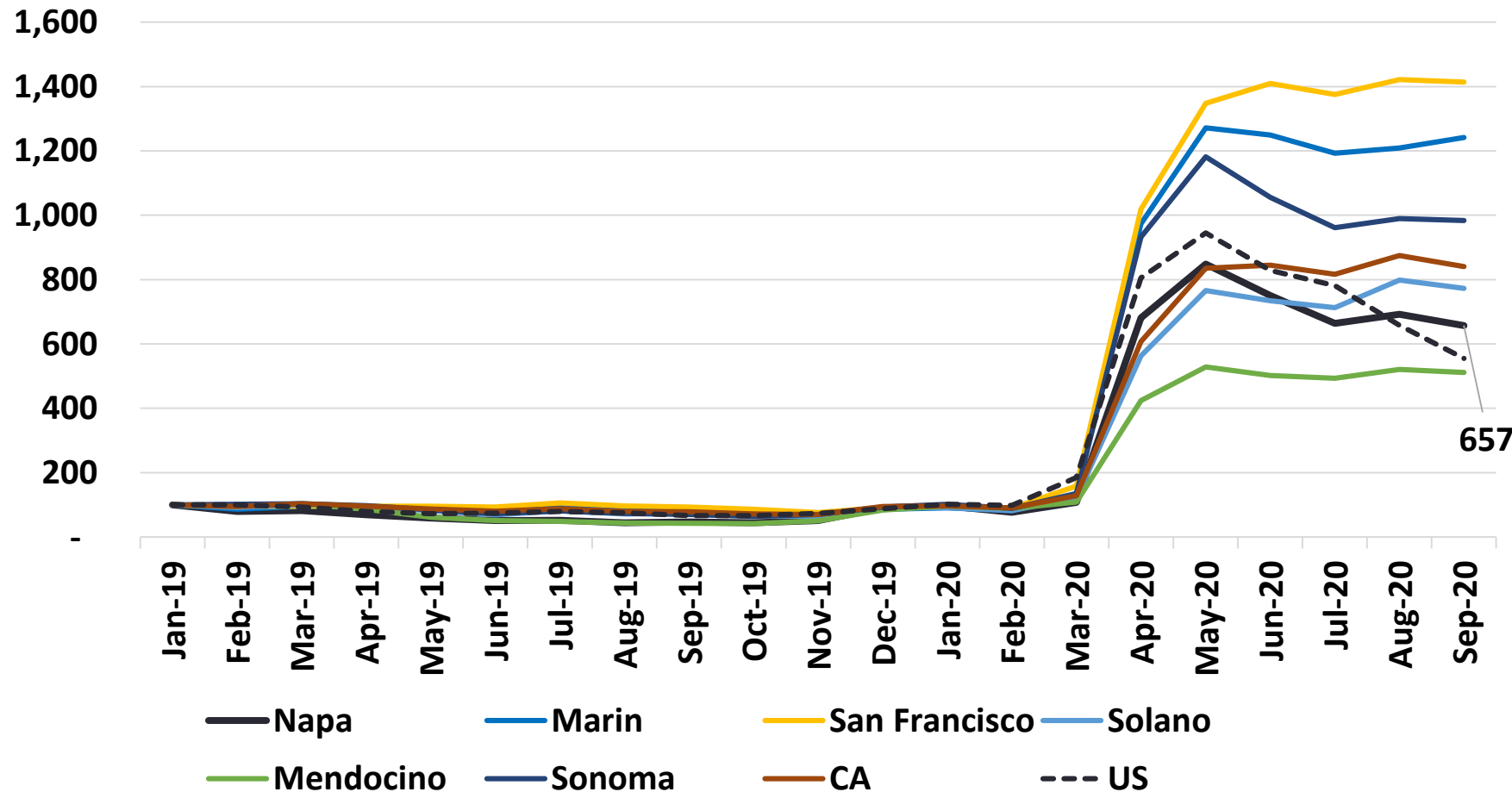
Employment Changes by Sector, Napa County, % Change from Previous Year, April to Sept 2020



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.

Retail jobs growth continues to be an anomaly for Napa County versus other parts of CA. Hotels, restaurant employment remains a concern across Napa County.

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



These data show the duration of UI payouts by selected place. The spike is obvious and came from so many claimants for UI. In September 2020, the total claims were 6.57 times the level in January 2019.

The downward trend since the May 2020 peak reversed a bit in September. The data for September and October likely affect how 2021 begins.

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

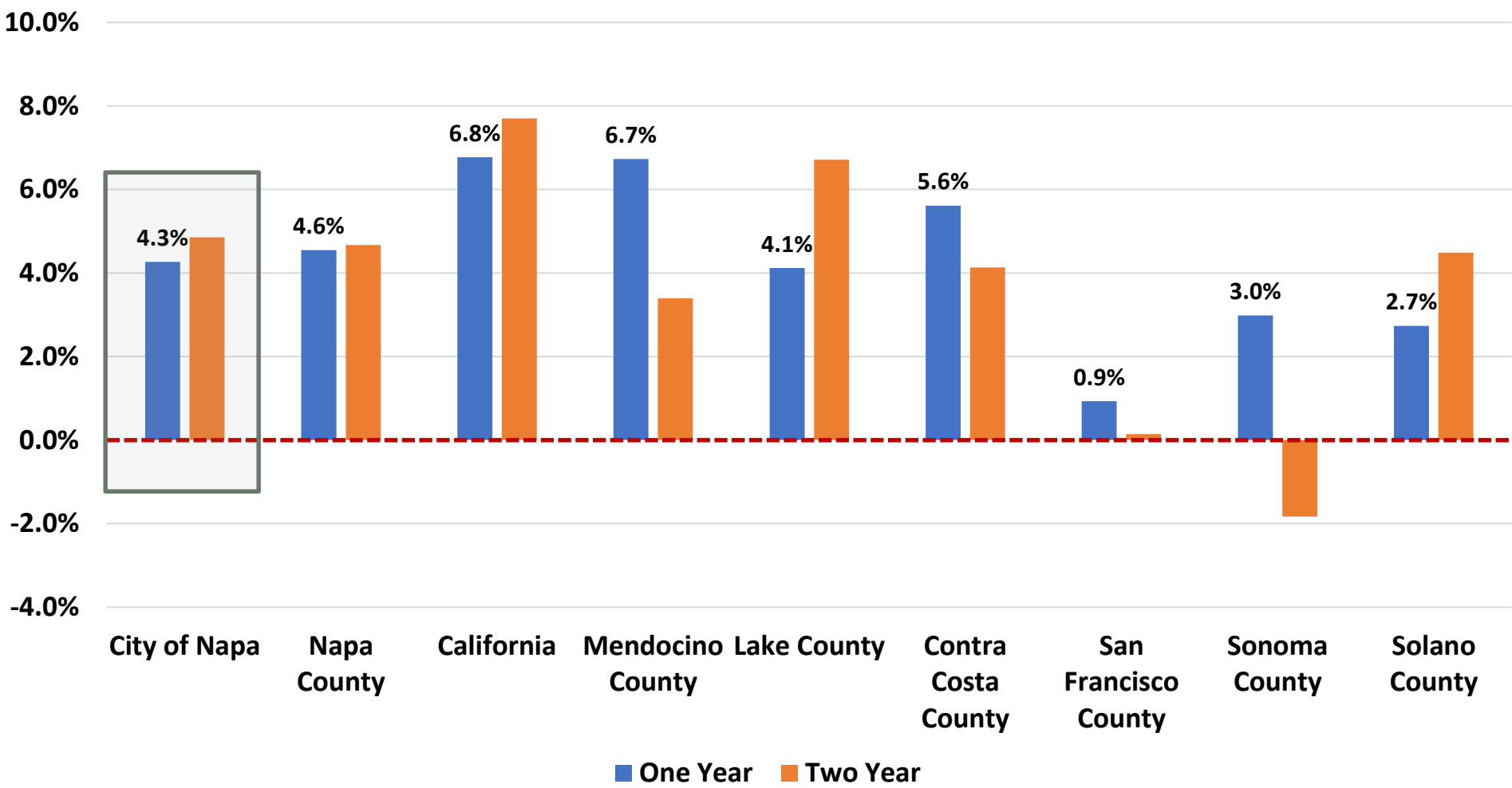
County	Occupancy %		Revenue Per Available Room or RevPAR (\$)	
	2020	2019	2020	2019
Napa	42.9%	78.1%	\$146	\$279
Marin	48.5%	78.7%	\$62	\$128
Sonoma	57.6%	80.6%	\$86	\$160
San Francisco	33.4%	84.8%	\$40	\$208

Napa County is far behind on occupancy and thus RevPAR as of September 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.

However, occupancy has slowly risen from April; fire-related occupancy may confound these numbers into September.

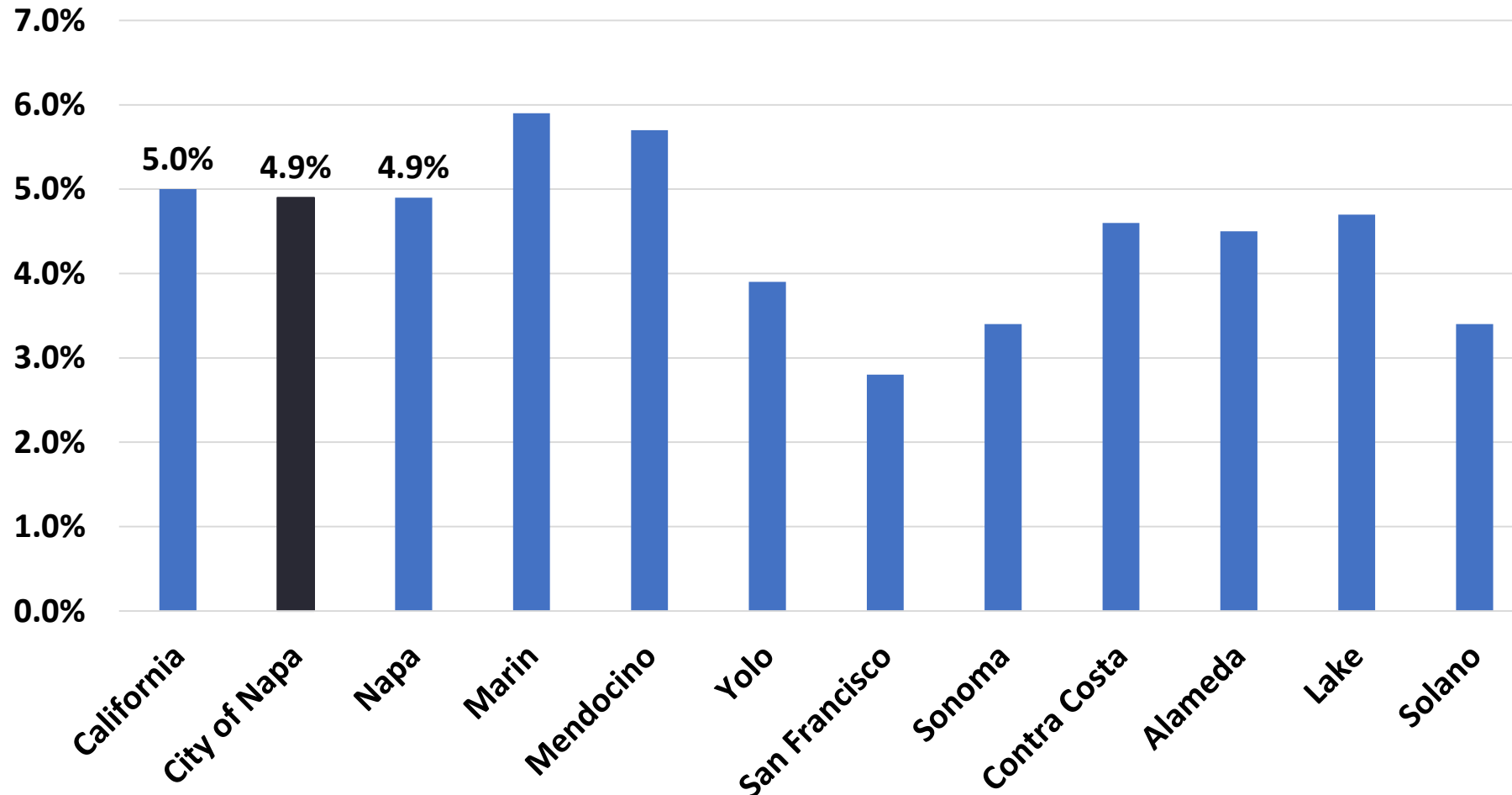


Median Home Prices, Sept 2020, Compared to Sept 2019 and Sept 2018, City of Napa and Selected Areas



These data show that the housing market remains resilient as summer ended across California as the regional and state economies continued to recover. Continue durations of job loss can undermine good housing markets otherwise. The flat change in City of Napa shows demand continues to increase against home offered for sale.

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



The City of Napa's housing market drives Napa County; the forecast in September 2020 to September 2021 remains strong. Lower interest rates, relatively higher rental prices and portable jobs allowing for migration likely driving demand in the City of Napa.

City of Napa: things to watch

- City of Napa: as winter approaches
 - Tourism season and extension with better weather and not fires
 - COVID-19 Case watch and elections: entering pivotal phase
- Jobs in City of Napa and Napa County
 - Increase in jobs and tourism helping City of Napa
 - Business losses in 2021 and multi-family vacancy key metrics to watch
- Hotel Occupancy, TOT and Retail Sales
 - October occupancy and taxable sales as 4th quarter begins
 - Retail sales supported by flow of tourism with good weather
- Housing market continued to support homeowner wealth, increase lack of affordability to move from renter to owner.

Thanks!
Questions?
eyler@econforensics.com
@bobby7007