



SEDA Putting the Pieces Together

## Sitka Trends Economic Newsletter

December 2015

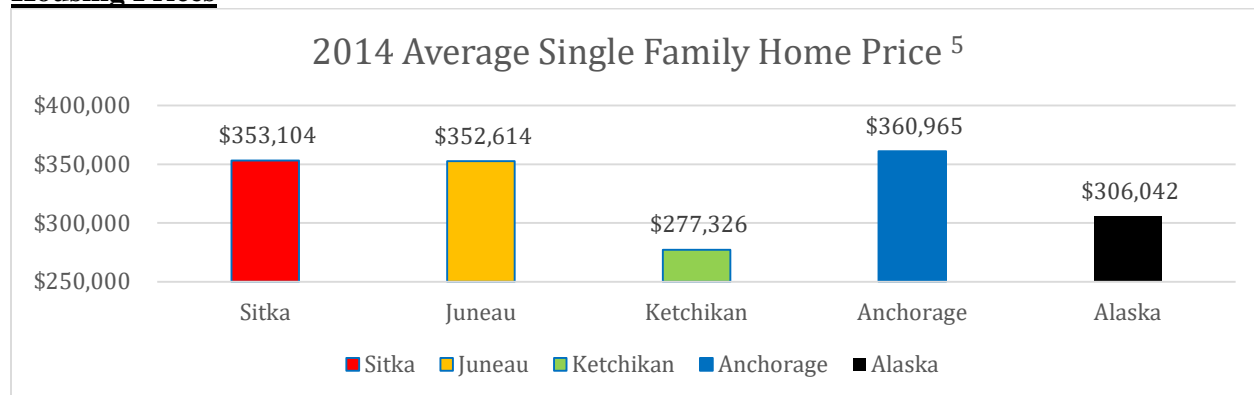
### HOUSING AND THE LOCAL ECONOMY

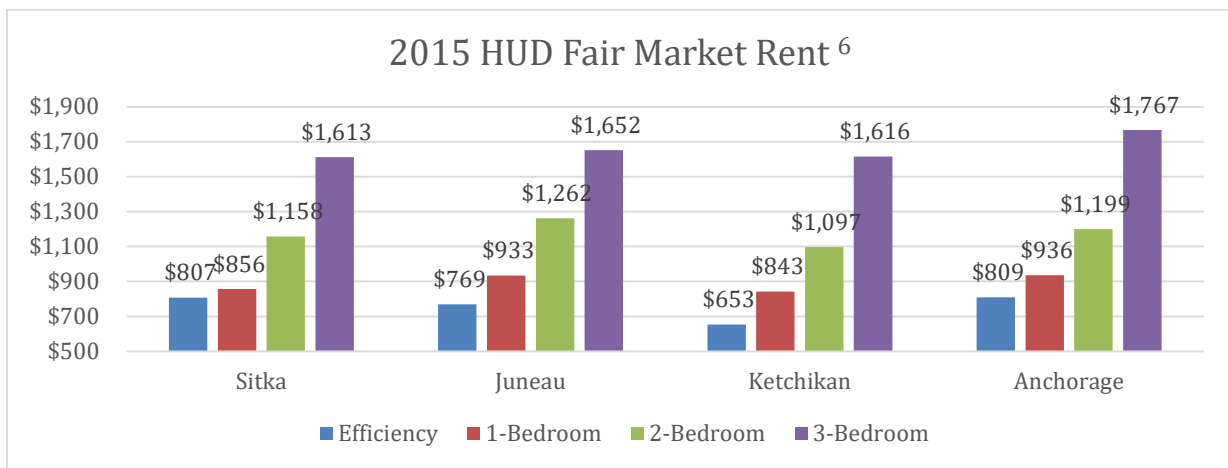
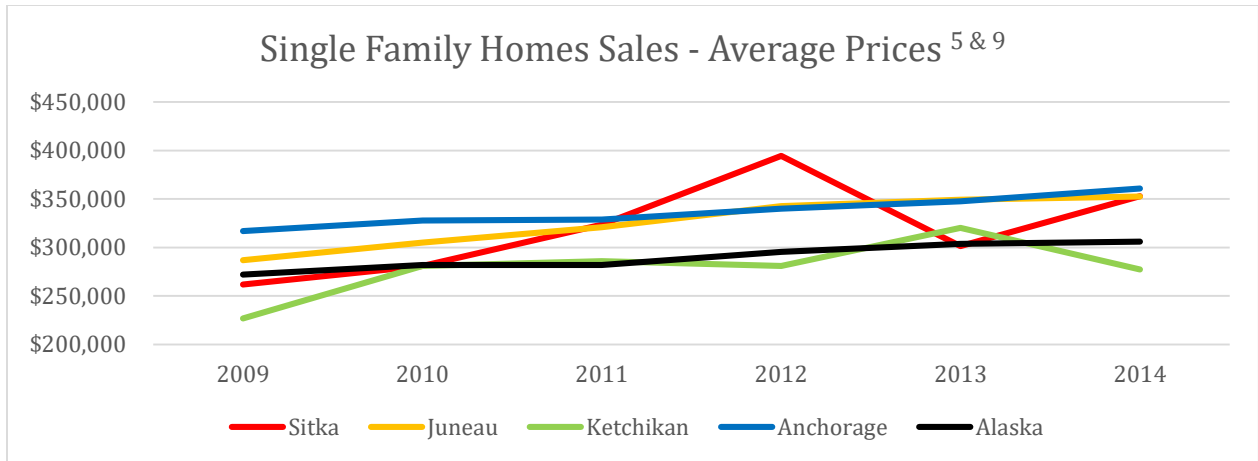
#### Assessing Your Local Economy

Important Factors	Key Indicators
Economic conditions	Unemployment, types and sizes of firms/industries, wages, income, new business starts, retail sales, <b>housing prices</b> , types of imports and exports, number of businesses closed.
Population characteristics	Population size and growth, age, education level (affected by availability of housing).
Labor force characteristics	Labor force participation, occupations, skills, <b>commuter characteristics (housing affordability is related)</b> , productivity
Physical conditions	Land use, <b>zoning, land values</b> , condition of buildings, <b>vacancy rates, building activity</b> , parking facilities, condition and capacity of infrastructure, air and water quality.
Business climate	Community attitudes, labor relations, business taxes and regulations, level and quality of municipal services, workforce training, access to and cost of capital, public and private infrastructure.
Knowledge-based resources	Federal labs, science and research parks, industry incubators, colleges and universities, technical training schools.
Quality of life	<b>Housing availability</b> , public services, education system, crime rate, cultural and recreational activities, parks and other natural amenities.

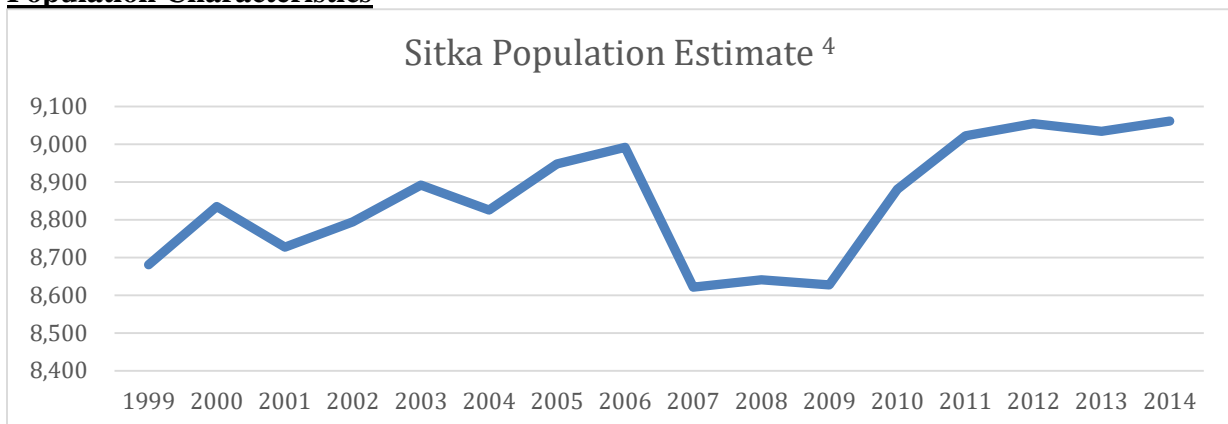
Source: Economic Development Strategic Planning. International Economic Development Council, Washington, D.C. 2006, pp. 44-48

#### Housing Prices

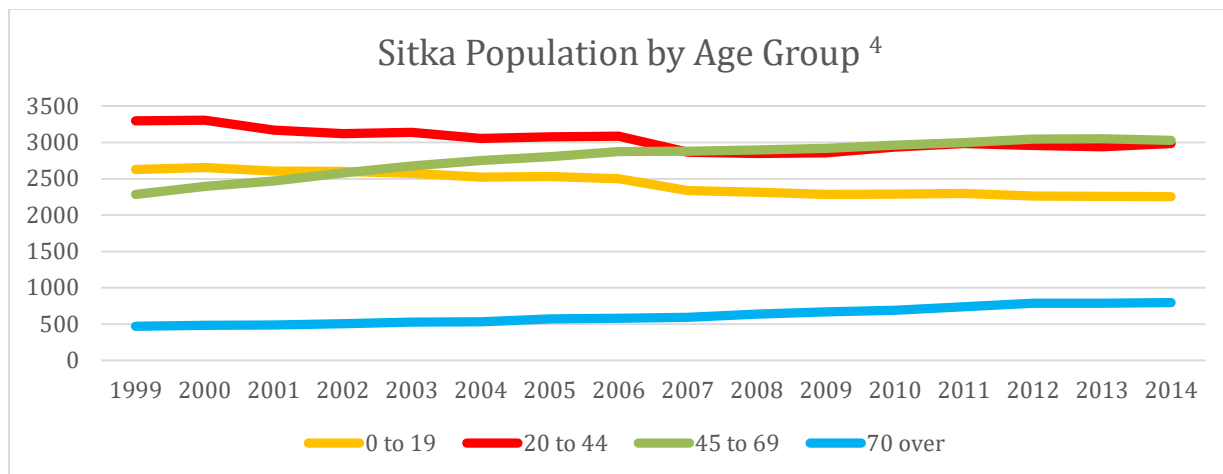




## Population Characteristics



NOTE: the dramatic drop in population from 2006 to 2009 corresponds to the closure of Sheldon Jackson College and the loss of about 100 jobs.

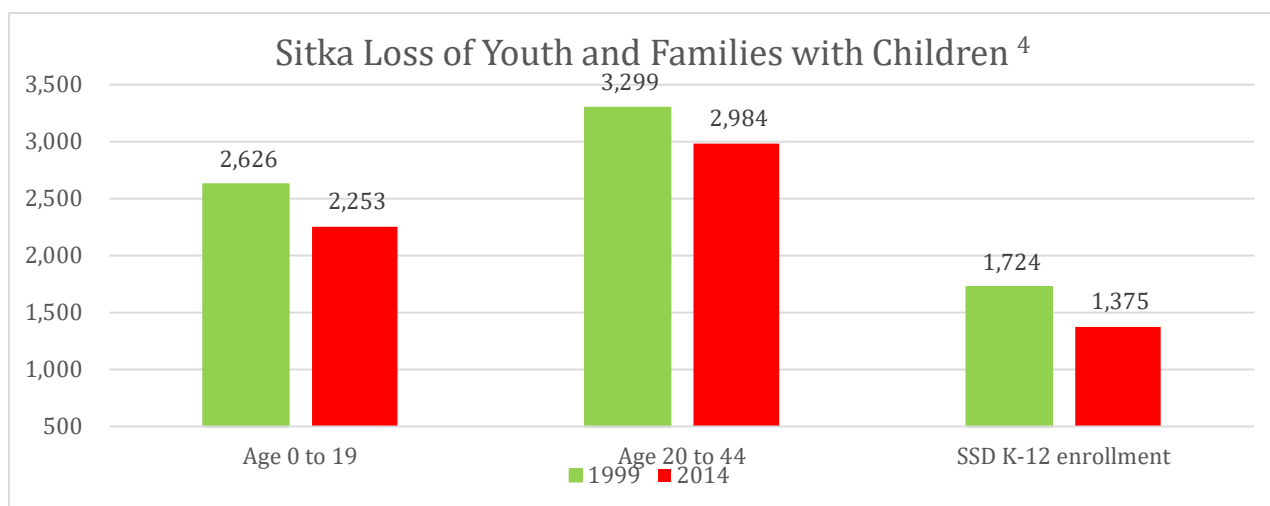


## **Commuter Characteristics**

What happens when there isn't enough housing affordable for the local workforce?

When there is reliable, relatively inexpensive transportation to nearby communities, this usually compels workers to move further from their jobs to find less expensive housing. For example, in towns like Aspen, Colorado over 55% of the workforce lives in nearby towns and commutes to work in Aspen. <sup>10</sup>

If there is no ability for workers to commute to their jobs from a more affordably location nearby, the effects will be more dramatic as the local workforce simply loses these workers. Recruitment and retention problems can particularly affect key workers (teachers, nurses, child care workers, and office/ business support staff) with implications for the delivery of essential public services and the viability of private businesses.



## **Zoning**

Strategies to increase density — fitting more people into the existing land are being used by virtually all communities working to develop workforce housing. Code changes to allow smaller houses on smaller lots or allow multi-family units in more places could encourage

people to develop their property to house more residents. For example, in Aspen, Colorado, multi-unit housing structures (apartments, condos, duplexes, etc.) make up 56% of housing stock. In Sitka these types of housing units make up only 27% of the housing stock.<sup>4</sup>

### **Land Values**

Land values are a key challenge in many communities that lack adequate workforce housing. Limited land available for housing development makes lots more expensive. Expensive lots generally mean large, expensive homes so the home-builder can make a profit, this is particularly true where zoning regulations restrict higher residential density development.

### **Vacancy Rates**

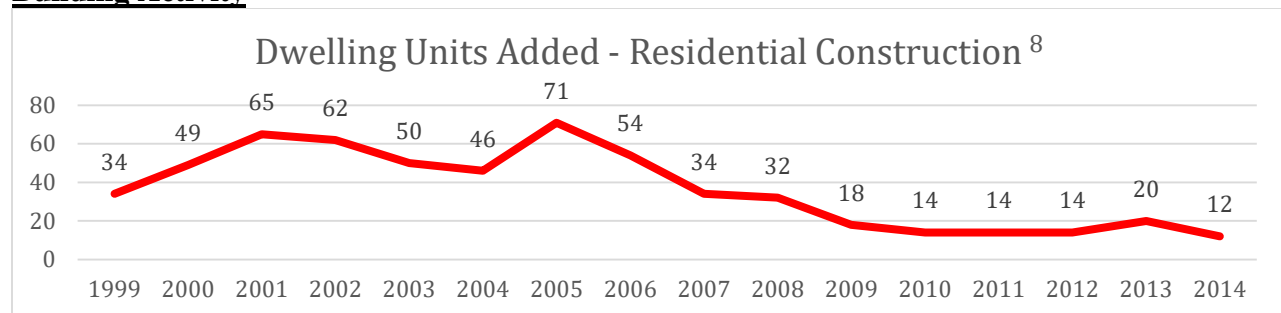
*\*Reliable vacancy rate data for rental housing in Sitka is not readily available.*

Vacancy Rate Estimates	2010 Census – April point in time	2009-2013 ACS 5-year rolling est.
Homeowner Vacancy Rate	1.5%	1.7%
Rental Vacancy Rate	7.8%	4.5%

### **Seasonal/Recreational Housing as % of Total Housing Vacancy Status – 2010 Census**

Approximately 43% of Sitka housing units that were vacant during the 2010 Census were seasonal/recreational housing.

### **Building Activity**



FOR information on Housing Trends in Alaska, go to the December 2015 issue of the Alaska Economic Trends at: <http://labor.alaska.gov/trends/dec15.pdf#cover>

#### **Sources:**

1. U.S. Bureau of Economic Analysis
2. U.S. Census Bureau – American Community Survey
3. U.S. Census Bureau – Quick Facts
4. Alaska Department of Labor and Workforce Development website
5. Sitka Multiple Listing Service data – provided by Davis Realty
6. U.S. Department of Housing and Urban Development website
7. Commuters a Consequence of Housing Gap. February 25, 2015. The Martha's Vineyard Times.
8. City & Borough of Sitka Building Department
9. Alaska Trends annual Cost of Living issue. Alaska Department of Labor
10. The Economy of Aspen. October 2008. Prepared for the City of Aspen by Economics Research Associates.

*SEDA's Mission is to:  
Foster a business climate that is receptive and conducive to existing and new business;  
Promote the creation of family wage jobs; and Enhance the quality of life for Sitkans.*

**Sitka Economic Development Association**  
329 Harbor Drive, Suite 212, Sitka, AK 99835 \*\*\* Phone: 907-747-2660 \*\*\* Web: [www.sitka.net](http://www.sitka.net)

***The data below are the most recent available from the various sources.***

<b>EMPLOYMENT (not seasonally adjusted) – Annual Average</b>	<b>Oct. 2015</b>	<b>Oct. 2014</b>	<b>Oct. 2013</b>
Total Labor Force – Sitka (Source: Alaska Dept. of Labor)	4,282	4,306	4,412
Number Filing for Unemployment – Sitka (Source: Alaska DOL)	189	202	229
Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)	4.4%	4.7%	5.2%
Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)	6.1%	6.2%	6.6%
Unemployment Rate – National (Source: US Bureau of Labor Statistics)	4.8%	5.5%	7.0%
<b>Job Openings</b>	<b>12/7/15</b>	<b>12/5/14</b>	<b>12/05/13</b>
Job orders at Sitka Job Center (includes SEARHC)	59	59	83
SEARHC job openings in Sitka	4	22	51
<b>Quarterly Census Employment &amp; Wages (Source: AK Dept. of Labor QCEW)</b>	<b>2014 Annual</b>	<b>2013 Annual</b>	<b>2012 Annual</b>
Average Monthly Payroll Employment – Annual	4,535	4,447	4,433
Average Government Employment – Annual	1,178	1,180	1,172
Average Private Ownership Employment – Annual	3,356	3,268	3,260
	<b>2014</b>	<b>2013</b>	<b>2012</b>
Average Peak Month Payroll Employment (July/August)	5,778	5,522	5,271
Average Lowest Month Payroll Employment (January)	3,868	3,862	3,826
NOTE: Commercial Fishermen are self-employed/not counted as payroll employees			
<b>FINANCIAL</b>			
<b>City Revenues – most recent calendar quarter (Source: CBS Finance Dept.)</b>	<b>3<sup>rd</sup> Qtr. 2015</b>	<b>3<sup>rd</sup> Qtr. 2014</b>	<b>3<sup>rd</sup> Qtr. 2013</b>
Sales Tax Collected – Total Remitters	\$3,409,126	\$3,198,470	\$3,142,839
Bed Tax Collected – Total Remitters	\$193,172	\$148,596	\$138,419
<b>City Revenues – Fiscal Year (July 1st through June 30<sup>th</sup>)</b>	<b>FY2015</b>	<b>FY2014</b>	<b>FY2013</b>
Sales Tax Collected – Total Remitters	\$9,757,756	\$9,785,829	\$9,093,596
Bed Tax Collected – Total Remitters	\$390,221	\$377,547	\$354,158
Property Tax Collected – Total Remitters	\$6,187,719	\$6,095,558	\$6,069,078
Raw Fish Tax – Received into Harbor Fund	\$1,127,772	\$1,183,956	\$1,256,103
<b>Per Capita Personal Income (Source: US Bureau Econ. Analysis)</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Sitka	\$61,204	\$57,225	\$54,986
Juneau	\$57,033	\$54,855	\$56,162
Ketchikan	\$57,876	\$55,730	\$56,342
Alaska	\$54,012	\$51,259	\$52,269
NOTE: PCPI includes all forms of income: employment, rent, retirement, etc.)			
<b>Average Per Capita Net Earnings (Source: US BEA)</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Sitka	\$39,124	\$37,060	\$36,142
Juneau	\$38,280	\$37,608	\$38,455
Ketchikan	\$37,481	\$36,994	\$37,376
Alaska	\$35,810	\$35,170	\$36,234
<b>COST OF LIVING INDICATORS</b>			
<b>Transportation – Regular Gasoline per gallon</b>	<b>Dec. 7, 2015</b>	<b>Dec. 5, 2014</b>	<b>% Change</b>
Sitka (Source: average pump price 3 vendors)	\$3.24	\$4.00	- 19.0%

Juneau (Source: AAA)	\$3.28	\$3.75	- 12.53%
Anchorage (Source: AAA)	\$2.24	\$3.34	- 32.93%
Alaska Average (Source: AAA)	\$2.40	\$3.45	- 30.43%
National Average (Source: AAA)	\$2.03	\$2.68	- 24.25%
<b>Weekly Grocery Costs – Family of 4</b> (Source: Alaska Economic Trends, July 2015/August 2010)	<b>2015</b>	<b>2015 % of Anchorage</b>	<b>2010 % of Anchorage</b>
Sitka	\$272.15	152%	137%
Ketchikan	\$194.15	108%	121%
Anchorage	\$179.39	100%	100%
Portland, OR	\$166.40	93%	84%
<b>Housing - HUD Fair Market Rent – Sitka (Source: U.S. HUD)</b>	<b>2015</b>	<b>2014</b>	<b>% Change</b>
Efficiency	\$807	\$790	+ 2.15%
One-Bedroom	\$856	\$838	+ 2.15%
Two-Bedroom	\$1,158	\$1,134	+ 2.12%
Three-Bedroom	\$1,613	\$1,580	+ 2.09%
<b>Comparison with Ketchikan</b>			
<b>Housing - HUD Fair Market Rent – Ketchikan (Source: HUD)</b>	<b>2015</b>	<b>2014</b>	<b>% Change</b>
Efficiency	\$653	\$574	+ 13.8%
One-Bedroom	\$843	\$741	+ 13.8%
Two-Bedroom	\$1,097	\$965	+ 13.7%
Three-Bedroom	\$1,616	\$1,422	+ 13.6%
<b>Housing – Construction and Sales</b>	<b>3<sup>rd</sup> Qtr. 2015</b>	<b>3<sup>rd</sup> QTR. 2014</b>	<b>3<sup>rd</sup> QTR. 2013</b>
Value of Construction Permits Issued (Source: CBS Building Department)	\$14,202,418	\$14,673,510	\$3,395,915
Dwelling Units Added (Source: CBS Building Department)	3	5	11
Total Homes Sold – all types combined (Source: CBS Assessing Dept.)	31	27	34
Vacant Lots Sold – residential (Source: CBS Assessing Dept.)	10	15	12
Homes Sold – single family (Source: Davis Realty MLS)	15	8	16
Average Sale Price - single family home (based on total sold)	\$379,833	\$399,738	\$326,531
Sales Volume – single family homes	\$5,697,500	\$3,197,900	\$5,224,500
<b>Housing – Sales for Most Recent Month Available</b>	<b>Nov. 2015</b>	<b>Nov. 2014</b>	<b>Nov. 2013</b>
Homes Sold – single family (Source: Davis Realty MLS)	3	1	3
Average Sale Price - single family home (Source: Davis Realty MLS)	\$434,000	\$925,000	\$228,833
Sales Volume \$ – single family homes (Source: Davis Realty MLS)	\$1,302,000	\$925,000	\$686,500
Homes Listed – single family homes (Source: Davis Realty MLS)	40	35	48
Average List Price – single family home (Source: Davis Realty MLS)	\$451,000	\$420,557	\$418,644
Median List Price – single family home (Source: Davis Realty MLS)	\$439,000	\$397,000	\$362,000
Volume \$ Listed - single family home (Source: Davis Realty MLS)	\$17,598,300	\$14,719,500	\$20,094,900
<b>POPULATION</b>	<b>July 2014</b>	<b>July 2013</b>	<b>*2010 Census</b>
City & Borough of Sitka (Source: *US Census Bureau, AK Dept. of Labor)	9,061	9,034	8,881
Southeast Alaska (Source: *US Census Bureau, AK Dept. of Labor)	74,280	74,310	71,664
State of Alaska (Source: *US Census Bureau, AK Dept. of Labor)	735,601	735,662	710,231
<b>PUBLIC SCHOOL ENROLLMENT – Sitka School District</b>	<b>Oct. 1, 2014</b>	<b>Oct. 1, 2013</b>	<b>Oct. 1, 2012</b>
Total student enrollment KG-12 (Source: AK Dept. of Education)	1,375	1,395	1,322



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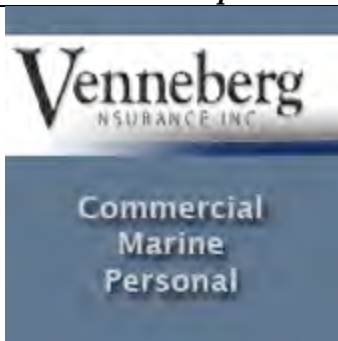
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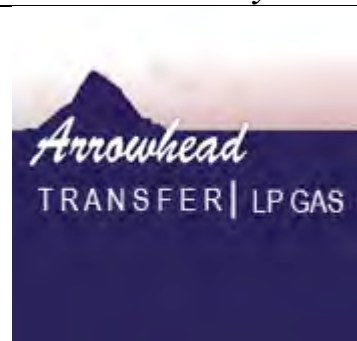
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- *Foster a business climate that is receptive and conducive to existing and new business;*
- *Help promote the creation of family wage jobs; and*
- *Enhance the quality of life for Sitkans.*

*SEDA is a non-profit 501(c)(3) organization. Donations are tax deductible and support economic development in Sitka and Southeast Alaska.*

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