



Sitka Trends

Economic Newsletter

SEDA Putting the Pieces Together

March 2015

Highlights from 2014

POPULATION

On July 1, 2014, Sitka's estimated population was 9,061. This is the fourth year in a row that Sitka's population estimate has exceeded 9,000. It was in 1992 that Sitka's population first topped 9,000 with an estimated 9,059 residents. The peak population was in 1993 with 9,083 residents. Then the Alaska Pulp Corporation's mill closed and the population dropped. Gradually, the population rose again and by 2006 we once again topped the 9,000 mark with an estimated 9,043 residents. Then Sheldon Jackson College closed in 2007 and the population dropped. By July 1, 2011 Sitka's population was back over 9,000 and has stayed there.

Sitka Population – Components of Change 2000 to 2014¹

	Population Estimate	Births	Deaths	Net Migration
2000/2001	8,810			
<i>2000/2014</i>		<i>+ 1,603</i>	<i>- 782</i>	<i>- 570</i>
2013/2014	9,061			

Sitka had a net increase of 251 residents between 2000 and 2014 based on natural increase. This means the number of births exceeded the number of deaths by a large enough margin to make up for the significant net loss of 570 residents to out migration.

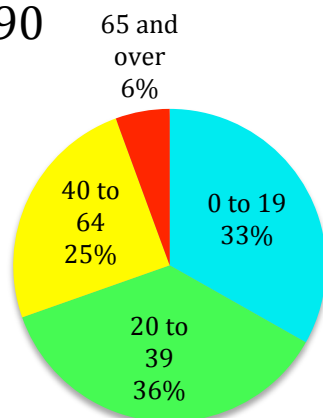
(CORRECTED/UPDATE using April Census population estimate as starting point.)

In Alaska the percentage of residents aged 65+ is increasing faster than any other state, and Southeast Alaska is aging faster than any other region of Alaska.

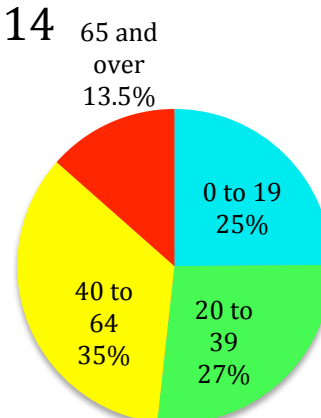
Sitka's Aging Population – 1990 to 2014¹

The population overall is shifting toward residents that are over the age of 40.

1990



2014



CONSTRUCTION:

Major construction in 2014 included the Blue Lake dam expansion project. In most years, payroll employment in the category of heavy construction is virtually non-existent in Sitka. However, heavy construction employment was significant in both 2013 and 2014.

1st Quarter 2014 (January, February, March): The average monthly payroll employment in heavy construction was 50 with an average monthly wage of \$8,502 and a total quarterly payroll of \$1,275,375. ²

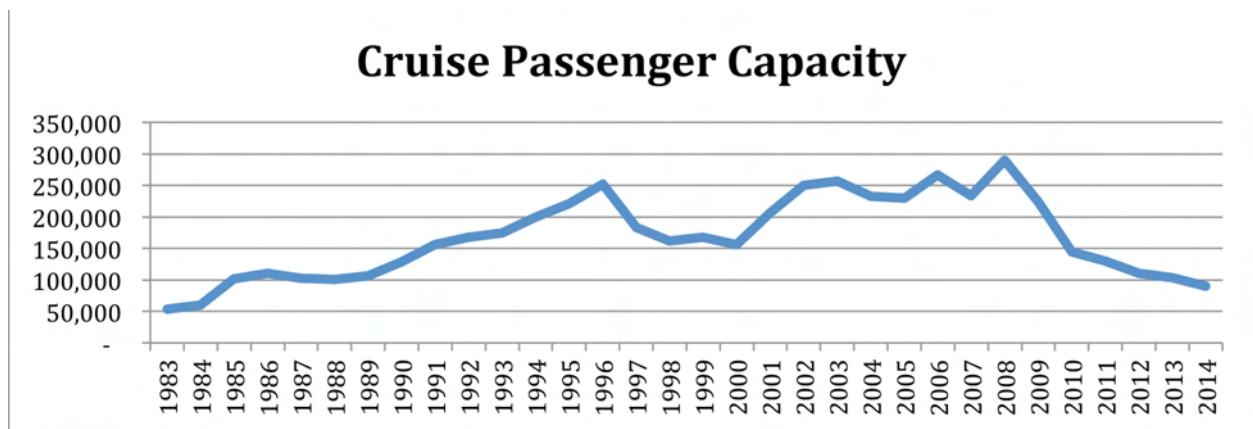
3rd Quarter 2014 (July, August, September): The average monthly payroll employment in heavy construction was 89 with an average monthly wage of \$7,833 and a total quarterly payroll of \$2,091,516. ²

VISITOR INDUSTRY:

The visitor industry is one of Sitka's few primary industries, bringing new money into the local economy.

Cruise Visitor Trends

In 2014, cruise ship passenger capacity bottomed out at 89,635, the lowest number since 1984. Between 2008 and 2014 Sitka lost 69% cruise passenger capacity. That trend turns around in 2015 with an estimated cruise passenger capacity of over 120,000 scheduled. This is in large part due to ships booked to use the new Old Sitka Dock. Many cruise ships do not have the capacity to lighter passengers ashore. Sitka can now accommodate them thanks to the Old Sitka Dock. Note: cruise lines set their itineraries two to three years in advance, so it can take several years to see the results the results of marketing efforts made by the Old Sitka Dock and the City of Sitka.



HOUSING

Residential housing sales were up in 2014³.

Total homes sold all types:

2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
110	97	60	74	63	68	90	106	108	104	113	131	139	114	115

1. Homeownership vs. Rental Housing⁴

The percentage of Sitka housing units that are being rented has gone down a little^{1a} with homeownership up a little^{1b}.

	American Community Survey	2009-2013 5-Year Estimates	ACS 2007-2011 5-Year Estimates	ACS 2005-2009 5-Year Estimates
1a	Rental Housing Tenure	43.8%	46.4%	45.1%
1b	Homeownership Tenure	56.2%	53.6%	54.9%

On the surface this seems like a positive trend. However, we don't have enough data to know why this is happening or if it is a long-term trend. There are several factors that might contribute to this:

- Sitka's aging population means there is a larger percentage of residents that have lived here long enough, and have accumulated enough wealth to own a house.
- Real estate agents have commented on a number of homes being sold to non-residents as a second/vacation/investment home.
- A number of Alaskans from other communities have moved to Sitka and purchased homes in Sitka for retirement.

2. Cost Burdened Housing⁴

Any household paying more than 30% of their household income for housing costs is considered to be "cost burdened."

American Community Survey	2009-2013 5-Year Estimates	ACS 2007-2011 5-Year Estimates	ACS 2005-2009 5-Year Estimates
% of Cost Burdened Renters	49.6%	57.6%	58.6%
% of Cost Burdened Homeowners with Mortgage	27.8%	25.8%	24.4%
% of Cost Burdened Homeowners without Mortgage	9.6%	6.9%	10.9%

NOTE: These data are based on 5-year rolling averages.

Sources:

¹ Alaska Department of Labor & Workforce Development – July 1st population estimates based on PFD applications.

² Alaska Department of Labor & Workforce Development – Quarterly Census of Employment & Wages.

³ Multiple Listing Service – courtesy of Davis Realty

⁴ American Community Survey 5-Year Estimates – data set DP04, U.S. Census Bureau

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

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

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

EMPLOYMENT (not seasonally adjusted) – Annual Average	2014	2013	2012
Total Labor Force – Sitka (Source: Alaska Dept. of Labor)	4567	4,583	4,615
Number Filing for Unemployment – Sitka (Source: Alaska DOL)	232	240	255
Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)	5.1%	5.2%	5.5%
Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)	6.5%	6.5%	6.9%
Unemployment Rate – National (Source: US Bureau of Labor Statistics)	6.2%	7.4%	8.1%
Job Openings	Mar. 18, '15	Mar. 18, '14	Mar. 18, '13
Job orders at Sitka Job Center (includes SEARHC)	88	73	91
SEARHC job openings in Sitka	28	26	52
FINANCIAL			
City Revenues (Source: CBS Finance Dept.)	2014	2013	2012
Sales Tax Collected – Total Remitters	\$9,880,272	\$9,735,795	\$8,658,161
Bed Tax Collected – Total Remitters	\$402,165	\$368,225	\$348,551
Per Capita Personal Income (Source: US Bureau Econ. Analysis)	2013	2012	2011
Sitka	\$52,608	\$50,737	\$49,466
Ketchikan	\$56,591	\$56,045	\$54,824
Alaska	\$50,150	\$49,906	\$48,181
COST OF LIVING INDICATORS			
Transportation – Regular Gasoline per gallon	Mar. 18, '15	Mar. 18, '14	% Change
Sitka (Source: average pump price 3 vendors)	\$3.18	\$4.16	- 23.56%
Juneau (Source: AAA)	\$3.19	\$3.92	- 18.62%
Anchorage (Source: AAA)	\$2.76	\$3.75	- 26.40%
Alaska Average (Source: AAA)	\$2.93	\$3.84	- 23.70%
National Average (Source: AAA)	\$2.42	\$3.52	- 31.25%
Heating Oil (based on 100 gallons delivered excluding sales tax)	March 2015	March 2014	% Change
#1 Heating Oil Sitka – per gallon (Source: vendor average)		\$3.99	
#2 Heating Oil Sitka – per gallon (Source: vendor average)		\$3.90	
#2 Heating Oil – National Average – per gallon (Source: US EIA)		\$4.21	
Housing - HUD Fair Market Rent – Sitka (Source: U.S. HUD)	2015	2014	% Change
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%
Comparison with Ketchikan			
Housing - HUD Fair Market Rent – Ketchikan (Source: HUD)	2015	2014	% Change
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%
Housing – Construction and Sales	2014	2013	2012
Value of Construction Permits Issued (Source: CBS Building Department)	\$22,545,819	\$13,051,176	\$14,605,467
Dwelling Units Added (Source: CBS Building Department)	12	20	14
Total Homes Sold – all types combined (Source: CBS Assessing Dept.)	110	97	60
Vacant Lots Sold – residential (Source: CBS Assessing Dept.)	44	29	16
Homes Sold – single family (Source: Davis Realty MLS)	47	53	22
Average Sale Price - single family home (based on total sold)	\$353,104	\$301,413	\$394,612
Sales Volume – single family homes	\$16,595,890	\$15,974,900	\$8,681,462
Housing – Sales for Most Recent Month Available	Feb. 2014	Feb. 2014	Feb. 2013
Homes Sold – single family (Source: Davis Realty MLS)	2	4	4
Average Sale Price - single family home (Source: Davis Realty MLS)	\$330,750	\$415,063	\$240,625
Sales Volume \$ – single family homes (Source: Davis Realty MLS)	\$661,500	\$1,660,2	\$962,500
Homes Listed – single family homes (Source: Davis Realty MLS)	44	37	52

Average List Price – single family home (Source: Davis Realty MLS)	\$447,361	\$401,686	\$483,379
Median List Price – single family home (Source: Davis Realty MLS)	\$434,361	\$350,000	\$390,000
Volume \$ Listed - single family home (Source: Davis Realty MLS)	\$19,683,895	\$14,862,400	\$25,135,700
POPULATION	July 2014	July 2013	*2010 Census
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
PUBLIC SCHOOL ENROLLMENT – Sitka School District	Oct. 1, 2014	Oct. 1, 2013	Oct. 1, 2012
Total student enrollment KG-12 (Source: AK Dept. of Education)	1,375	1,395	1,322

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SEDA is a 501(c)(3) non-profit organization
Donations are tax deductible and support our mission to:

- *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.*

Thank You!

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