

State of the City

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Carpinteria
May 18, 2018

links

- Lobero Theater, disaster impacts link
- community indicators project

uncertainties affecting all of us

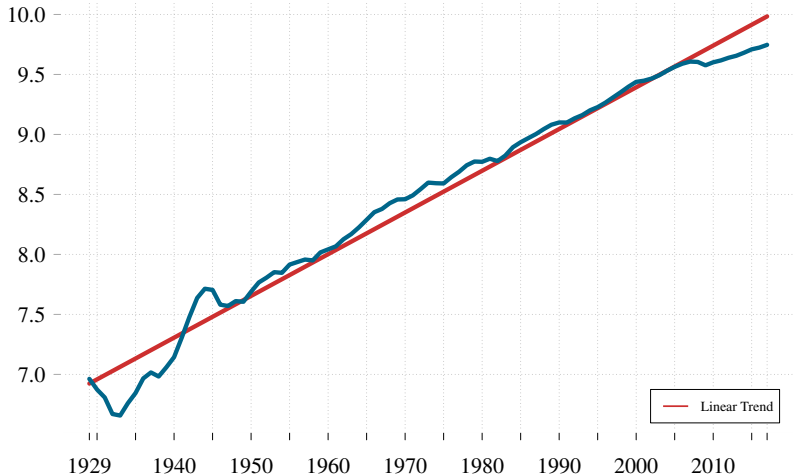
- from natural disasters
 - recovery from fires and debris-flow
 - insurance rates ↑
 - coverage? uncertain...FAIR Plan?
 - housing demand and supply
 - retail? leisure and hospitality?

...uncertainties affecting all of us

- and from “unnatural” disasters
 - immigration reform
 - trade agreements
 - minimum wages
- etc., etc....
- but history has told us some things

Real GDP

Logged Billions of 2009\$, Seasonally Adjusted



after a fire

- Tea Fire (Nov., 2008)
 - 262 assessor parcel numbers
 - 202 with improvements, 53 no improvements, 7 not valid
- Jesusita Fire (May, 2009)
 - 174 assessor parcel numbers
 - 144 with improvements, 28 with minimal or none, 2 not valid

...after a fire

- Sonoma County (Oct. 2017)
- 5% of all homes destroyed
- housing prices: supply and demand
 - many decided not to rebuild
 - lower supply increased home prices
- what will happen to demand in affected areas?

debris flow

- Public Works Department
 - responsible for roughly 15% of land area in Montecito
 - removed 500,000 cubic yards of mud and debris
 - one truck holds 10 cubic yards
 - ...50,000 truck loads (poor roads!)
 - spent \$24 million on cleaning and removal
- Army Corps of Engineers
 - \$80 million cleanup, \$30 million on removal

survey to the business community

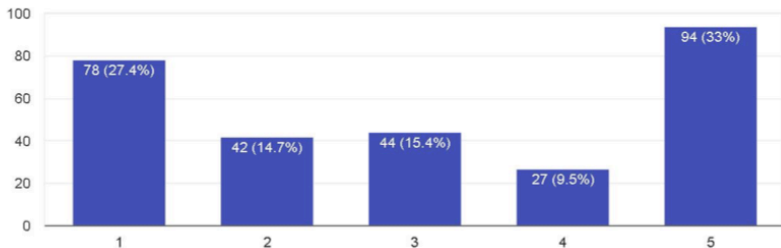
- distributed digitally to the business community
- objective: assess damage from the disasters
 - amount of time closed
 - estimated revenue lost
 - employee layoffs
 - actual and potential business closures
- 293 responses...93% from the South Coast

who was affected?

- top two industries
 - retail trade, accommodation/food services

How important is tourism to your business? (1 being not important at all and 5 being very important)

285 responses

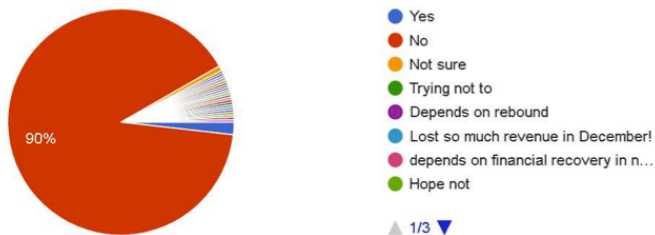


closures

- over 60% of responders had to close their business
 - on average, businesses were closed for 13 days
 - longest closure was 72 days

Do you foresee permanently closing your business in the next 6 months from financial impacts due to the disaster?

279 responses



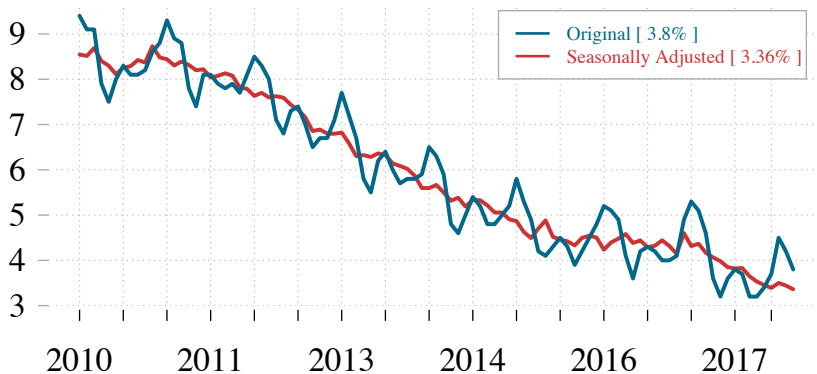
employment

- 50% laid off at least one employee
- total reported layoffs: 213 employees
- 13 businesses do not plan to rehire

national and local labor markets

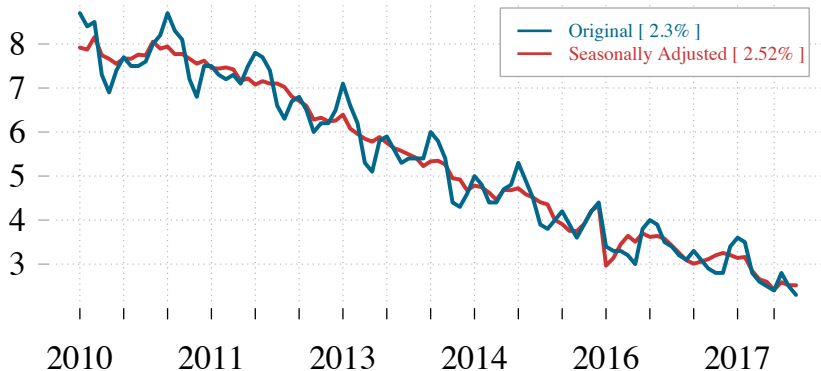
Unemployment Rate, Carpinteria

Percent (%)

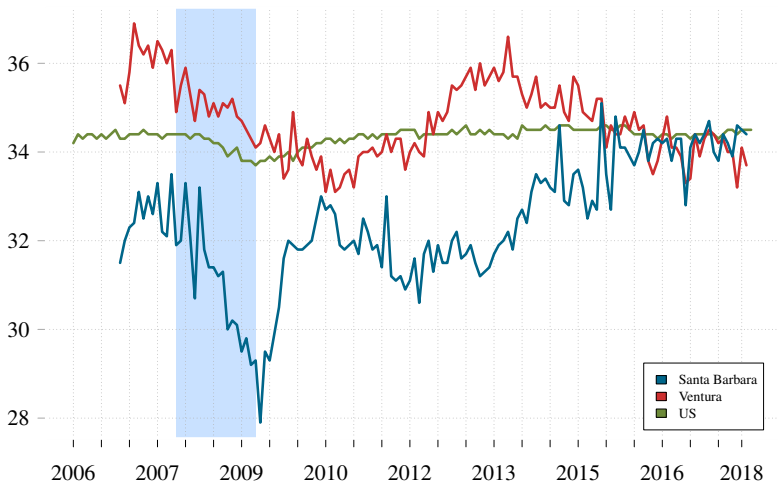


Unemployment Rate, Santa Barbara

Percent (%)

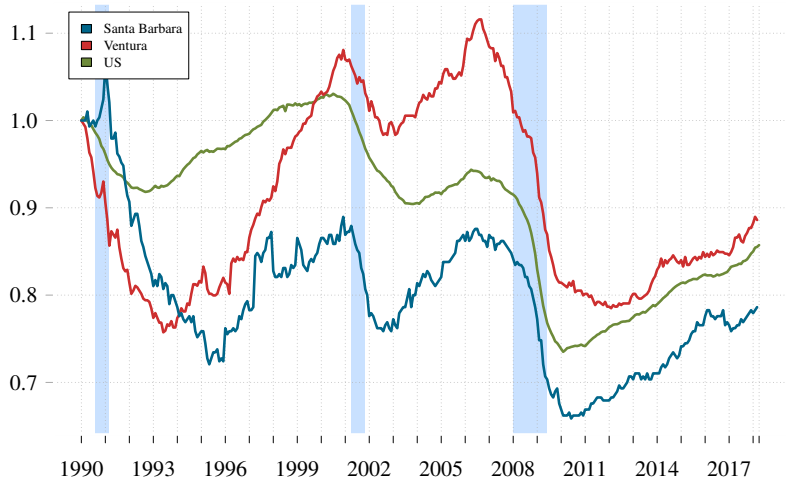


Average Weekly Hours



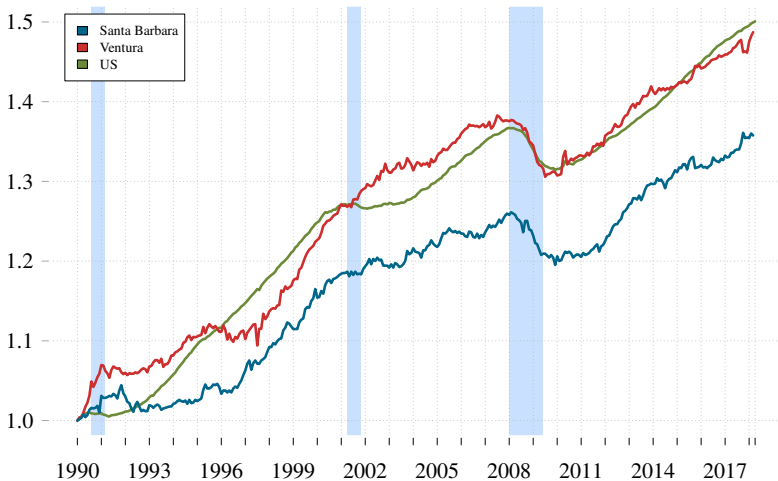
Employment: Goods Producing

1990=1.0



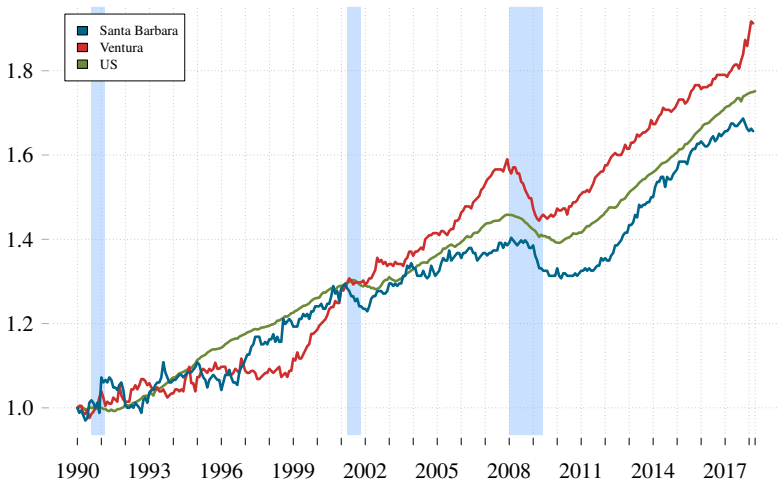
Employment: Services

1990=1.0



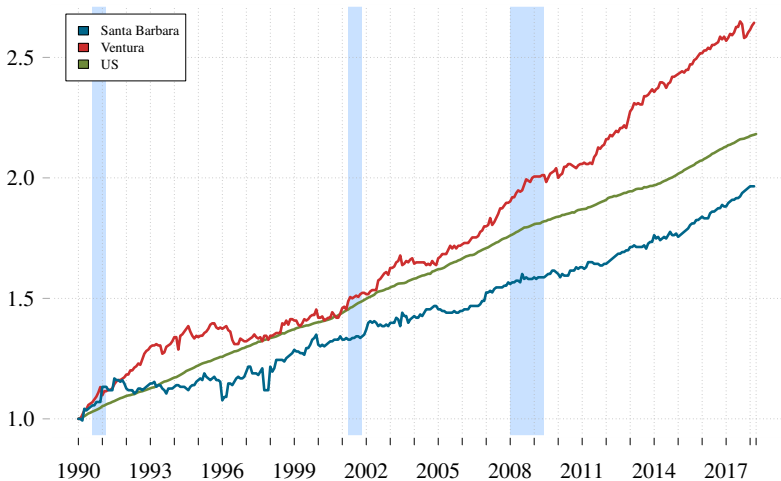
Employment: Leisure and Hospitality

1990=1.0



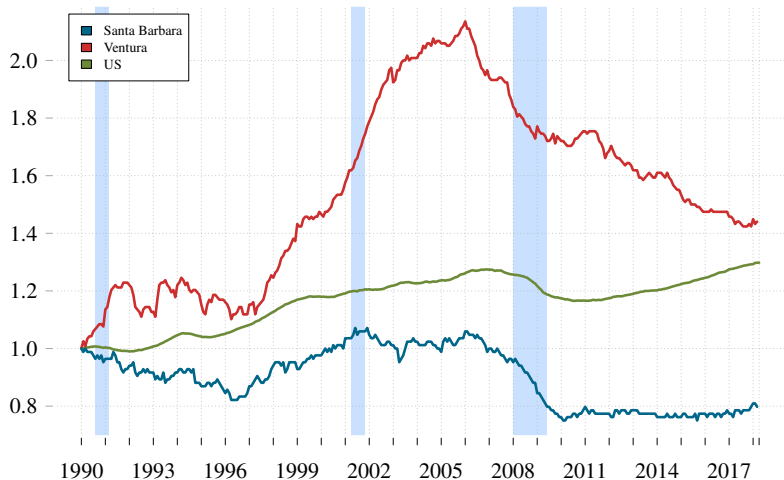
Employment: Education and Health Services

1990=1.0



Employment: Financial Activities

1990=1.0



is retail  ?

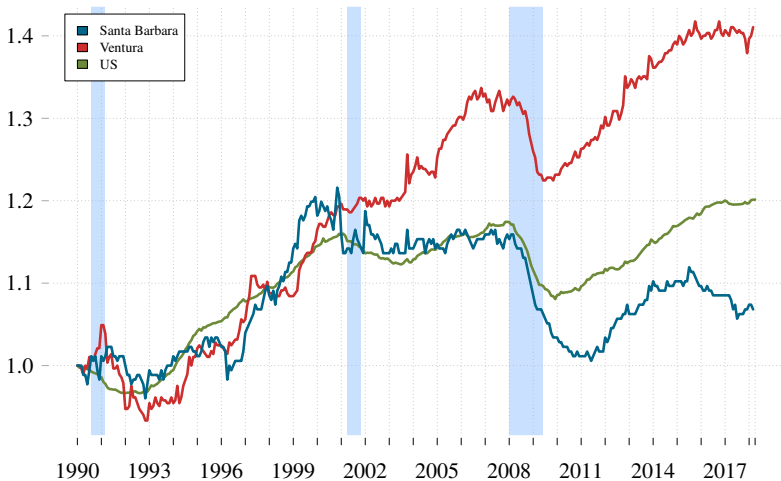
is retail ☠️?

- no!

- but retail sales and employment lagging in SB!

Employment: Retail

1990=1.0



retail disruption will continue

- not “too many” stores, but the “wrong” stores
- moving toward a shopping experience
 - services, entertainment, etc.
- changing financing structures
- future financial stress
 - low interest rates and ez financing
 - high risk borrowings are maturing
 - \$1.9B in 2018
 - \$5B per year after until 2025

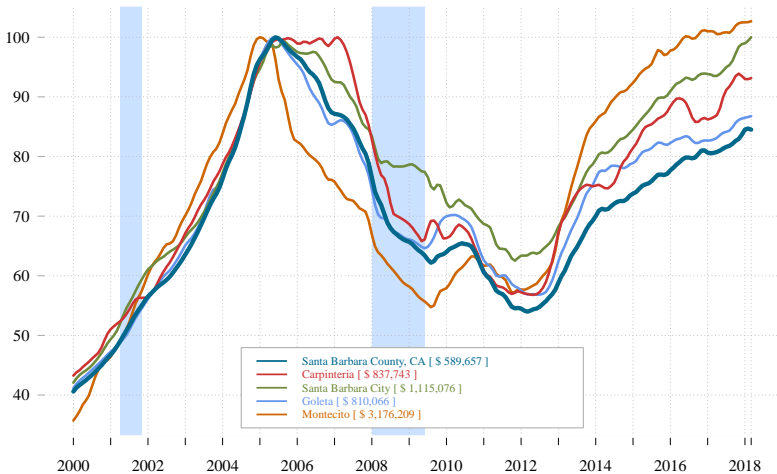
real estate

residential regaining value

- only Montecito higher than previous peak
- Santa Barbara city about at the previous peak
- Carpinteria about 93% of the peak
 - but Carpinteria growth is high
- and inventory is fairly low

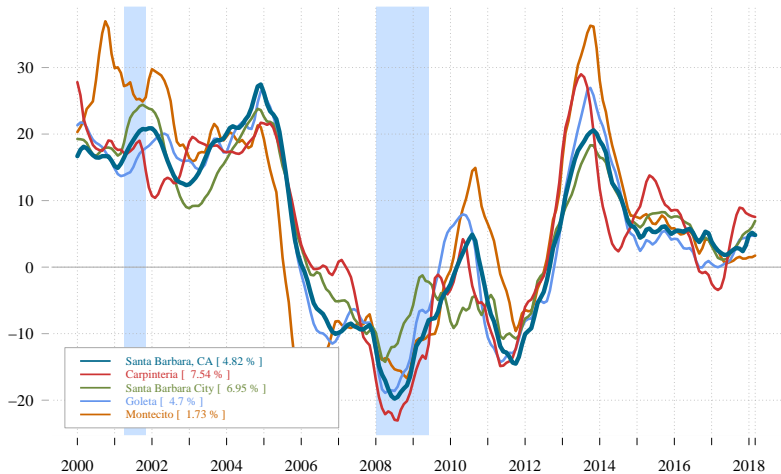
Zillow Home Value Index (ZHVI)

Index (100 = Pre-Recession Maximum Value)



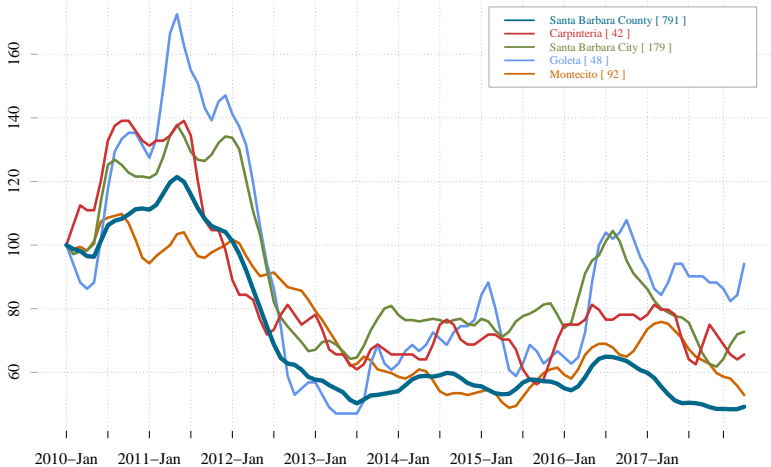
Zillow Home Value Index (ZHVI)

YoY Growth Rate (%)



For-Sale Inventories, Santa Barbara County

Seasonally Adjusted

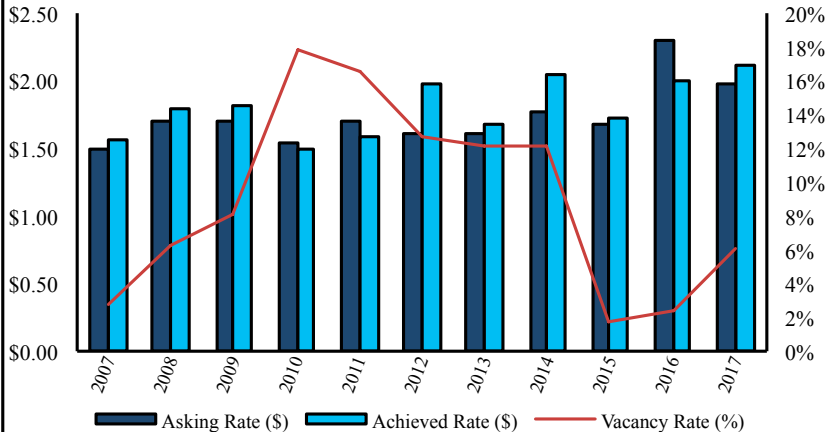


commercial remains strong

- some recent increases in vacancies
- and prices are rising

Office Vacancy vs. Rates

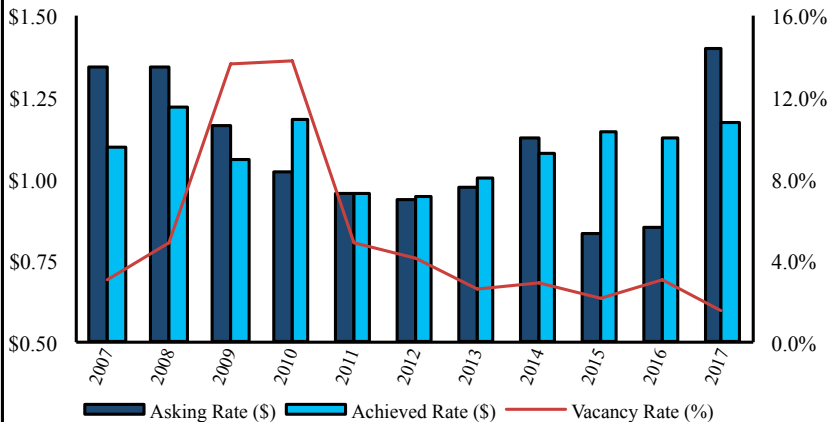
Carpinteria, \$ psf GR



Source: Hayes Commercial Group

Industrial Vacancy vs. Rates

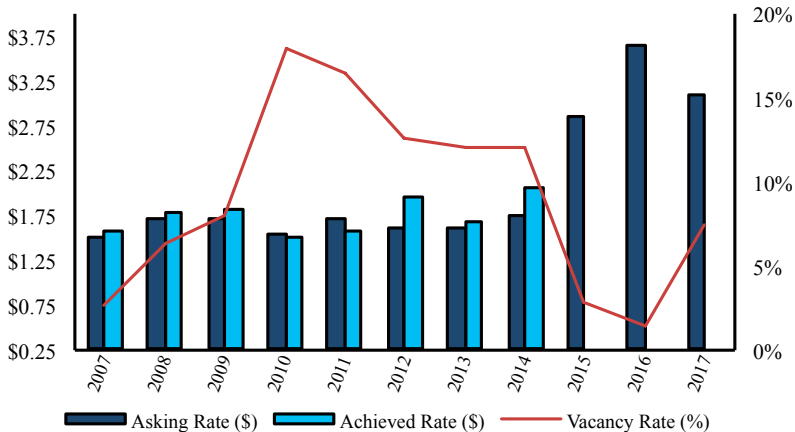
Carpinteria, \$ psr GR



Source: Hayes Commercial Group

Retail Vacancy vs. Rates

Carpinteria, \$ psf GR



Source: Hayes Commercial Group

final thoughts

- the economy is trudging forward
- SB and Ventura going in different directions?
- retail will pick up speed
- yes, there will be a recession

Thank You