

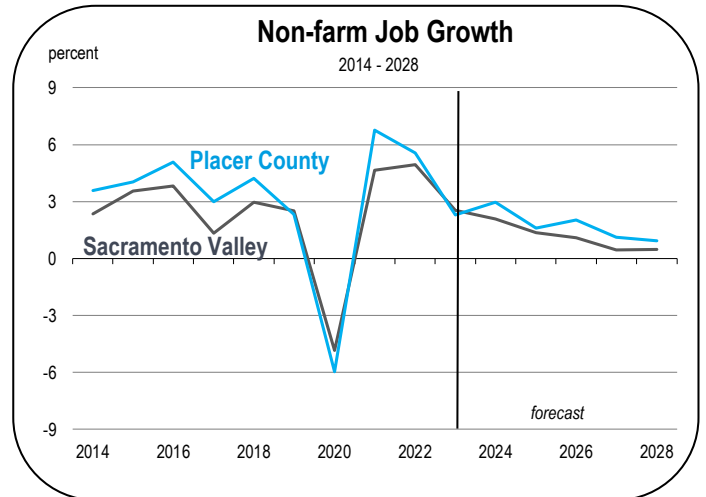
Placer County Economic Forecast

Forecast Summary

- Placer County is the fastest growing county in California. It has the fastest rate of expected population growth and one of the fastest rates of expected job creation.
- Both Sacramento County and Placer County are becoming emerging hubs for technology firms largely because tech giants including Intel, Aerojet Rocketdyne, Oracle, and Apple already have prominent locations in the region.
- Placer County is on pace to add 4,250 jobs in 2023, representing an increase of 2.3 percent. Employment in 2024 is expected to increase 3.0 percent with the creation of 5,600 new jobs.
- The unemployment rate averaged 3.1 percent in 2022. It is expected to average 3.7 percent in 2023, and 3.6 over the duration of the forecast period.
- Housing construction is expected to increase 13 percent in the next five years compared to the last five years. Additional housing production will enable meaningful net migration into the county.
- The median price for all housing sold in 2022 was \$688,700. During 2023, the home values are expected to fall 4.6 percent before moving upwards between 2024-2028 at an annual average rate of 3.3 percent.

Job Growth

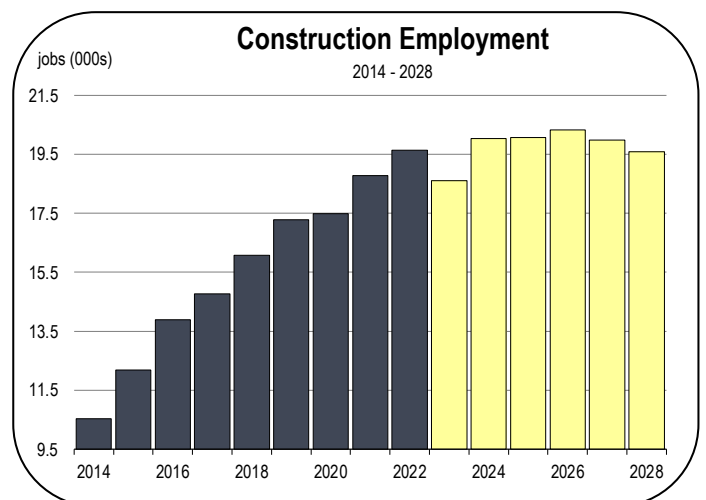
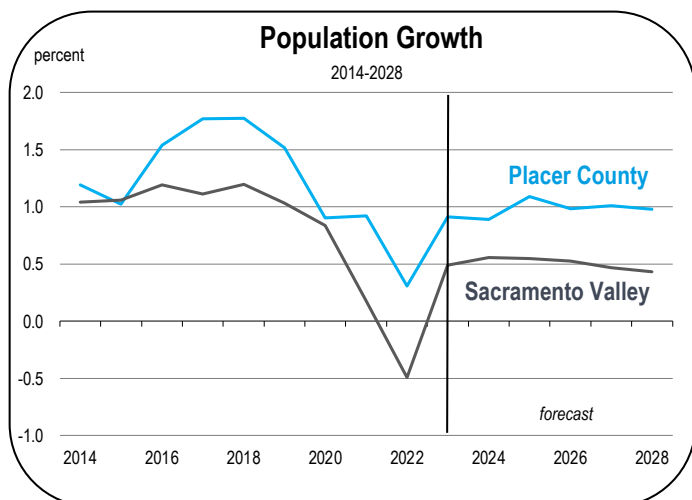
- Total employment in Placer County expanded by 5.5 percent in 2022 with the addition of 9,750 jobs. Another 9,850 jobs are forecast to come during 2023 and 2024: 4,250 jobs in 2023, representing an increase of 2.3 percent, and 5,600 jobs in 2024, representing a 3.0 percent increase.



- Between 2024 and 2028, job growth will average 1.7 percent per year resulting in over 17,000 new jobs.

Construction Employment

- Placer One broke ground in October 2022 near Roseville. The project features 5,636 residential units, commercial and employment centers, and parks. This includes the infrastructure necessary for Placer Center, which is the future Sacramento State campus that will ultimately serve 12,000 new students. Vertical construction will begin in 2024.
- The Placer Vineyards projects are now being entitled by the Board of Supervisors. There are also projects planned in the east of the County to enhance skiing and ski tourism.
- The construction sector added 850 jobs in 2022 representing employment growth of 4.5 percent.



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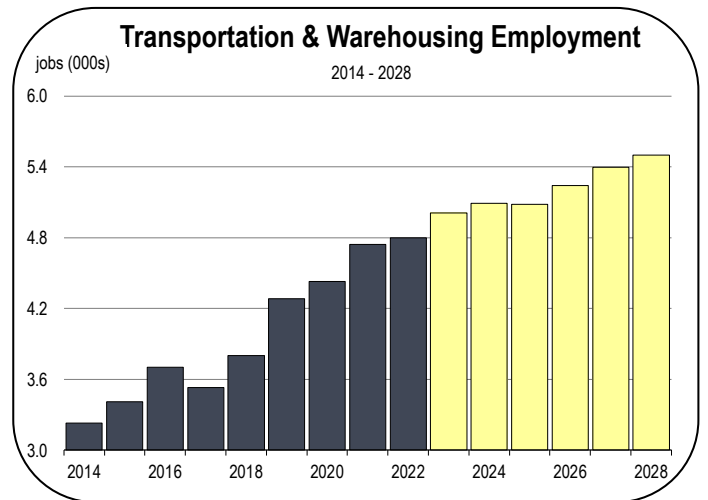
- Construction employment is on pace to decline 5.2 percent in 2023 with a shrinkage of some 1,000 jobs, due to delayed project starts, higher costs of materials and financing, and labor shortages.
- Due to the current and anticipated residential and non-residential development load either underway or in the pipeline, 1,400 new jobs are projected for 2024 representing 7.6 percent growth.
- Continued job growth is expected through 2026, with possible job consolidation in 2027-2028.

Manufacturing Employment

- Placer County has a heavy concentration of employment in computer manufacturing, largely due to the Hewlett Packard plant in Roseville and the Oracle office in Rocklin.
- Hewlett Packard currently employs 1,200 workers, and Oracle employs just over 400.
- Manufacturing jobs surged 19.8 percent in 2022 with the addition of 1,170 jobs.
- The industry is on pace to add 50 jobs in 2023 and continued upsizing in 2024 is forecast. With expected volatility, net job growth will be minimal over the forecast period. Most job consolidation will occur between 2026-2028 with consolidation of employment projected at approximately 270 jobs.

Transportation and Warehousing Employment

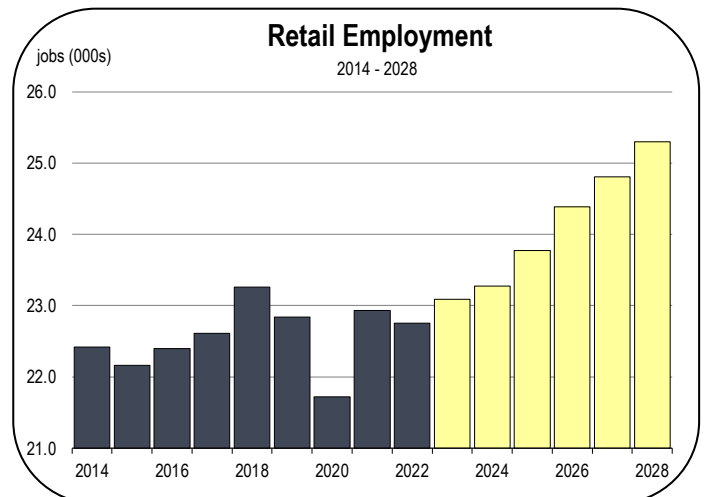
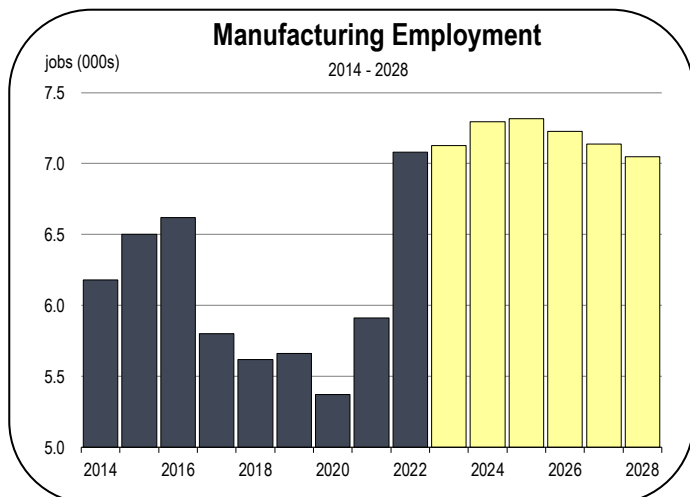
- The development of the Placer Commerce Center will significantly increase employment in transportation and warehousing in Placer County. The project is 6.4 million square feet of flexible industrial space including parking for 1,344 tractor trailers. Build to suits are now being marketed.



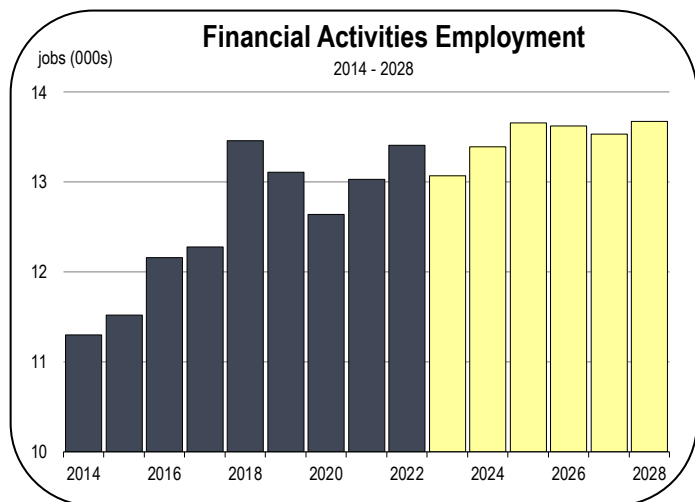
- Due to a rising population and the expansion of industry, especially industrial uses, transportation and warehousing is forecast to remain a generator of new jobs over the forecast.
- Transportation and warehousing employment rose 1.3 percent in 2022 with the addition of 60 jobs. The sector is on pace to grow 4.4 percent in 2023 with 200 new positions.
- Average annual growth is projected to be 1.9 percent resulting in 500 additional jobs between 2024-2028.

Retail Trade Employment

- Retail employment declined 0.8 percent in 2022 with 180 jobs lost.
- However, because of general population and housing growth, the county is on pace to add 350 retail jobs in 2023, representing 1.5 percent job growth.
- Despite current tendencies of consumers to purchase goods online instead of from local retail stores, retail employment is forecast to grow on average 1.8 percent per year between 2024-2028 resulting in over 2,200 new jobs.



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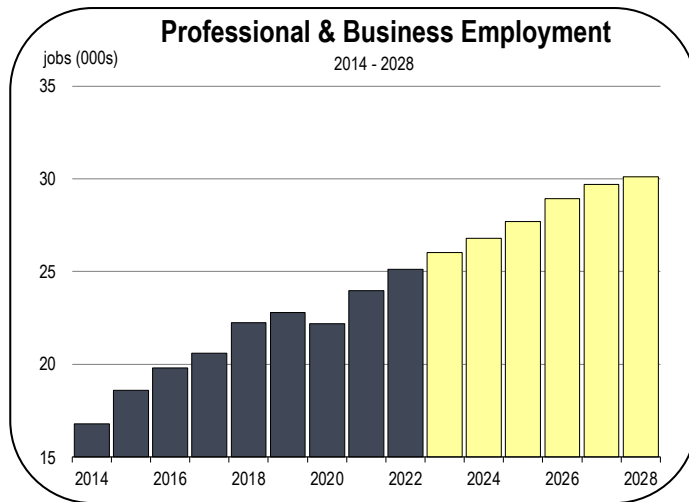


Financial Activities Employment

- The Placer County financial activities industry is mostly comprised of real estate companies, banks, and insurance firms.
- Financial activities employment increased 2.9 percent in 2022 with the addition of 380 jobs.
- The sector is on pace to lose 340 positions in 2023 representing negative growth of 2.5 percent.
- The industry will slowly expand the existing workforce levels over the forecast. Average annual growth of 0.9 percent is forecast resulting in 600 additional jobs. Most growth will be observed at real estate firms, who will sell and manage the growing inventory of both residential and non-residential properties that will be developed.

Professional and Business Services and Healthcare Employment

- The engines of growth for the County's labor market will be in healthcare and professional services.
- Combined, these two sectors accounted for 29 percent of new employment (2,830 jobs) in 2022, are on pace to contribute 70 percent of new jobs (2,950) in 2023. They will comprise 57 percent of total employment growth (9,800 jobs) between 2024-2028.
- The average annual growth rate of the two sectors will be approximately 3.0 percent between 2024-2028.
- The largest employers in the County are in healthcare. The largest employer is Sutter Health, with 7,242 workers at hospitals in Auburn and Roseville, and offices in Auburn, followed by Kaiser Permanente with 6,000 employees.



Largest Employers

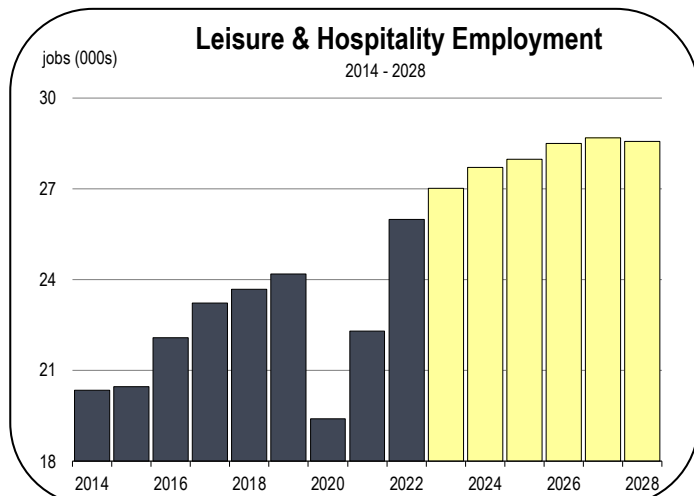
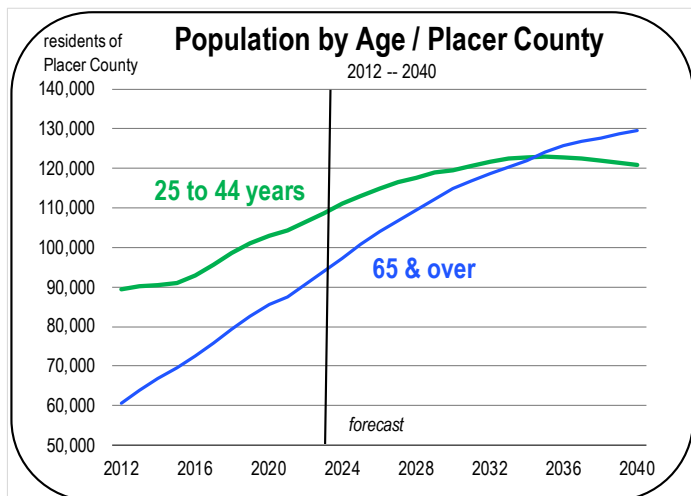
Placer County

Company	Employees
Sutter Health	7,242
Kaiser Permanente	6,015
Palisades Tahoe	2,600
Thunder Valley Casino	2,500
Sierra Community College	2,149
Pride Industries	1,291
Hewlett Packard	1,200
City of Roseville	1,162
Union Pacific	990
Roseville School District	962
PG&E	956
Adventist Health	953
Raley's	907
State of California	858

Source: Sacramento Business Journal

- The population of Placer County is aging faster than the rest of the state. Residents 65 and older will outnumber 25 to 44 year old residents by 2035. Older age populations demand more healthcare services.
- Population growth will also demand more services in general, and professional business services accounts for a myriad of subsector services that will require more workers in the Placer County economy.
- More new development will lead to demand increases in architectural services, building inspection, interior design, landscaping, and building maintenance.

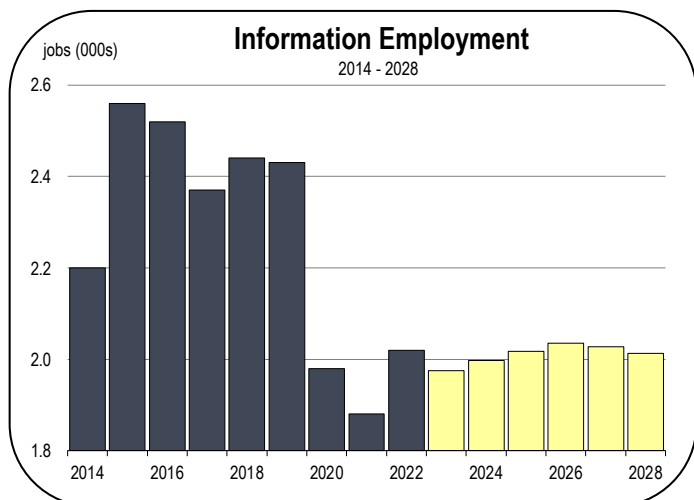
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- Population serving occupations include accountants, bookkeepers, attorneys, advertising, graphic designers, public relations and marketing specialists, photography, and veterinary services.
- The growth of technology and innovation will generate demand for computer systems design, programming, component design and testing, and scientific and technical development services.

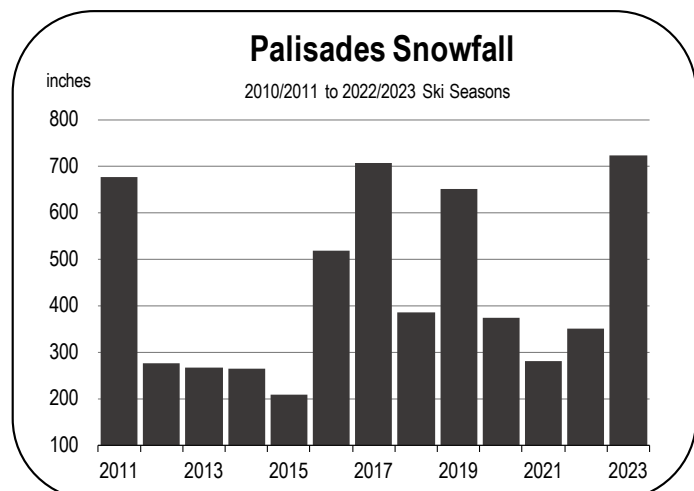
Information Employment

- While information employment grew 7.4 percent in 2022 with the addition of 150 jobs, principal growth in this sector is absent from the forecast.
- Due to recent relocations of companies into western Placer County, employment is expected to rise in software development, some telecommunications applications, data processing, Internet hosting, Internet publishing, and related web services. However, other subsectors of the broader information industry will continue to consolidate. As a result, the information employment level will be stable over the forecast period.

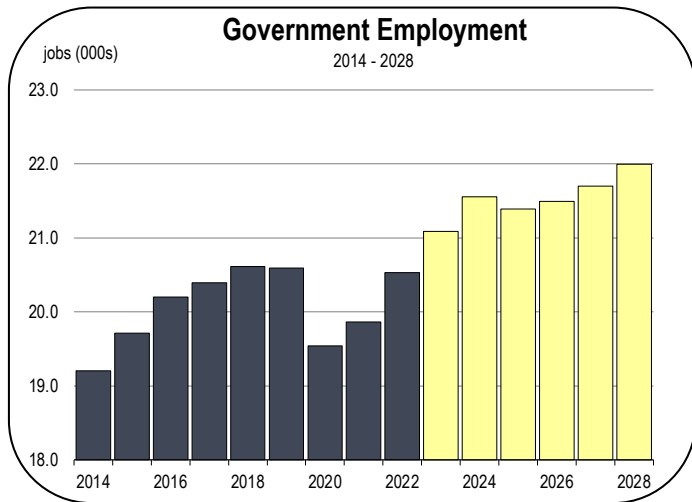


Leisure and Hospitality Employment

- Many jobs are related to winter skiing in the east county area of Lake Tahoe, including Palisades Tahoe, one of the largest employers in the county with a 2023 employment workforce of 2,600.
- Snowfall at Palisades Tahoe averages 400 inches per year, but the 2022-2023 season brought 723 inches to the resort area.
- Thunder Valley Casino Resort is also one of the largest employers in the County with 2,500 employees.
- With the restoration of ski resort jobs in 2022, leisure services employment surged 16.5 percent producing 3,700 new jobs. This represented 38 percent of all new employment in the county.
- The sector is on pace to grow an additional 4.0 percent in 2023 with the creation of over 1,000 jobs due to the strong ski season from November 2022 to April 2023.
- The average annual growth rate between 2024-2028 is expected to be 1.1 percent with the addition of 1,550 jobs.



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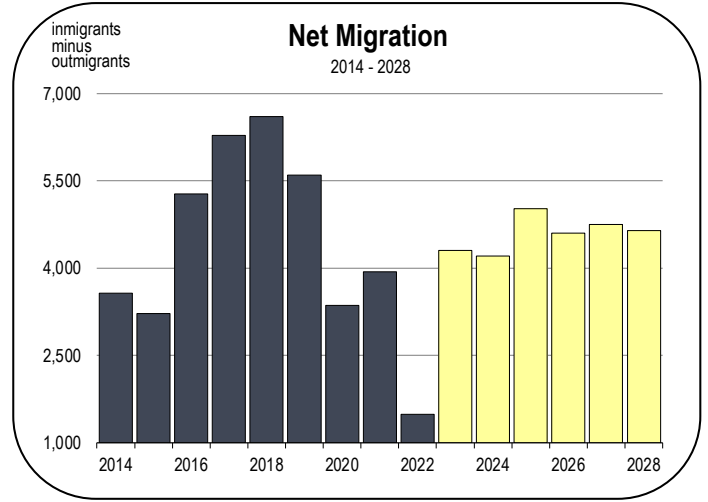
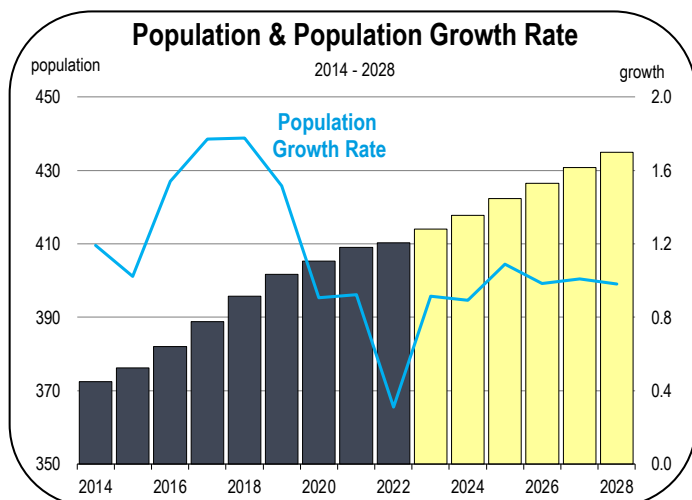


Government Employment

- The public sector added 670 positions in 2022 representing job growth of 3.4 percent.
- State and local government offices are on pace to add 550 jobs in 2023 representing 2.7 percent job growth.
- The average annual growth rate between 2024-2028 is expected to be 0.9 percent culminating in 900 new jobs.

Population Growth

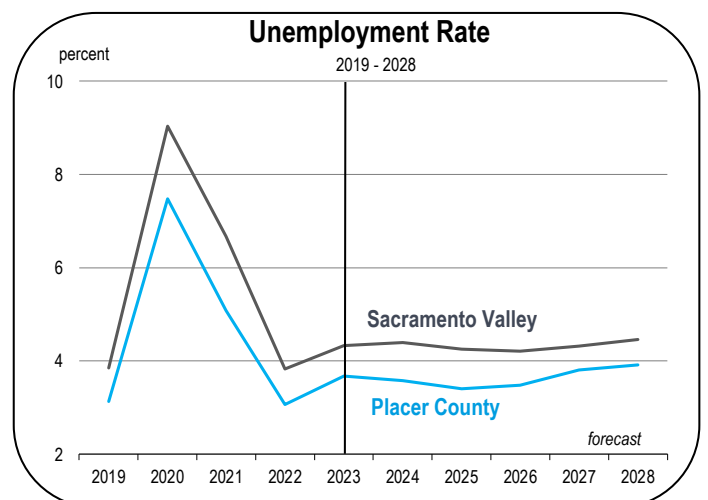
- The boost in new home building, along with the growth of employment opportunities in both the east and west areas of the county, is attracting migration.
- Estimated net in-migration will remain the principal driver of population growth over the forecast as the natural population growth rate is negative throughout this period.
- Population in 2022 increased by 1,250 people in 2022 and is on pace to increase by 3,800 in 2023.



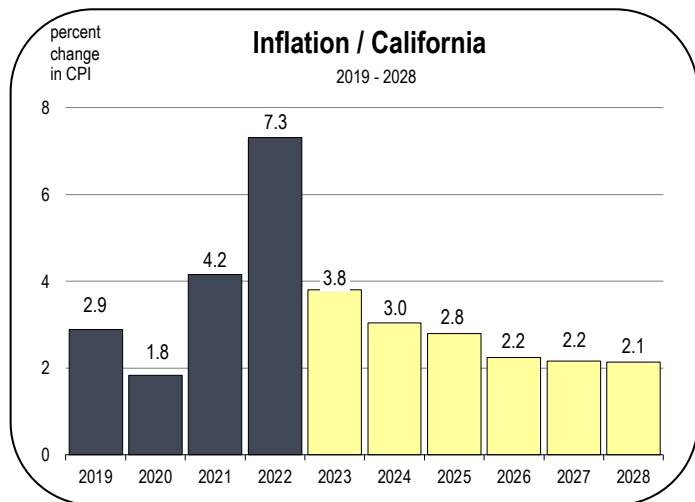
- The population will expand at an annual average rate of 0.99 percent per year from 2024 to 2028 resulting in 21,000 new residents. During this time net in-migration will be over 23,000 people.
- By 2028 the Placer County population will approach 435,000 residents, a record level.

Unemployment and Inflation Rates

- The unemployment rate in Placer County averaged 3.1 percent in 2022.
- An unemployment rate below 5.0 percent signifies a fully employed workforce in Placer County.
- The unemployment rate is expected to average 3.7 percent in 2023 and 3.6 percent in 2024. Between 2024-2028 the average is expected to continue to be 3.6 percent.
- Inflation in California, including Sacramento Valley, soared to 7.4 percent in 2022, but is expected to decelerate in 2023 to 3.8 percent due largely to declining energy costs, the restoration of supply chains, and stagnant housing costs.



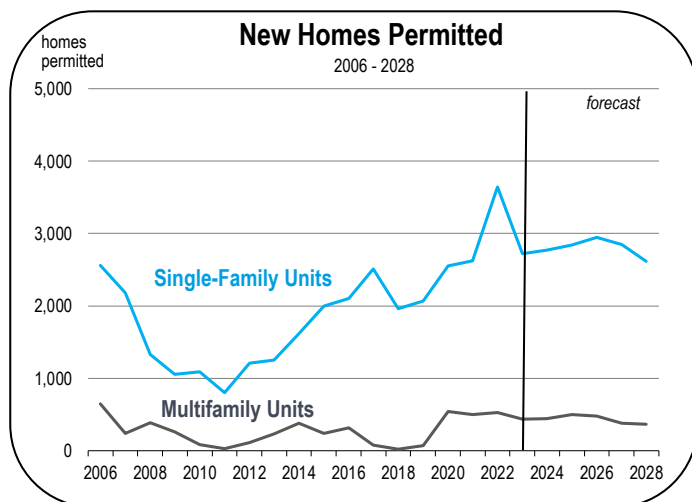
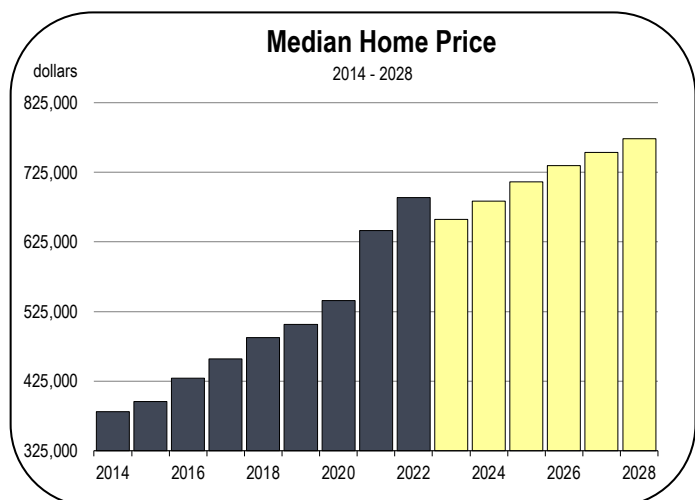
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- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2023.
- The rate is forecast to continuously decelerate over the forecast period as the labor force is restored, interest rates subside, and wage inflation is contained.
- A risk to the forecast is whether Congressional spending will subside. During 2021 and 2022, this was a principal contributor to the surge of inflation nation-wide. Another risk is whether the economic slowdown will moderate the demand for labor, leading to lower wage inflation.
- Average general inflation rates eventually decline to 3 percent again by 2024.

Home Prices and New Housing Production

- In 2022 the median home price for all homes sold in Placer County was \$689,000, an increase of 7.4 percent from 2021. In 2023, selling values have decreased 4.6 percent to \$657,000.



- Overall, home values will rise 4.0 percent in 2024 and average 3.3 percent appreciation between 2024-2028.
- Homes in Placer County are more affordable than homes across California, especially Coastal California.
- In Placer County, the typical household spends less than 30 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.
- From 2017 to 2022, an average of 2,850 new homes were started per year in Placer County. Approximately 90 percent were single-family homes.
- Housing production is expected to average 3,220 residential units per year from 2023 to 2028, 87 percent of which will be single-family homes.

New Development Placer County

Placer County has 5 major projects under construction spanning a total area of 9,750 acres.

Bickford Ranch Specific Plan

This 1,928 acre master planned community is located between Lincoln and Newcastle.

The development is planned for 1,890 residential units, including parks, public facilities, and open space. Site grading was completed in April of 2022, and the developer is currently on phase 2 of construction, which includes 1.5 million cubic yards of earthwork.

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Placer Vineyards Specific Plan

The development site is a 5,230-acre plot of land in southwestern Placer County. The project is one of the three largest in the Sacramento Valley.

At complete buildout, the project calls for 14,540 residential units, 274 acres of commercial use, 919 acres of park and open space, and 851 acres of quasi-public uses.

The 1st development phase is currently under construction. This phase includes 1,535 acres, 42 acres of retail space, school and parks, and up to 5,266 housing units. Residential lots and sewage pipeline are being created in the phase 1 area.

Lennar's Heritage subdivision is currently under construction, which is an age restricted neighborhood with nearly 1,200 units. Prices range from the upper \$400,000s to \$800,000.

Two subdivisions have been approved (4B and 7) and infrastructure plans have been submitted for approximately 2,000 homes. Three more subdivisions have been approved but infrastructure plans have yet to be formally submitted to the County. These subdivisions contain another 2,100 homes.

Ponderosa Homes of Pleasanton recently purchased a 56 acre parcel just west of Roseville. The land is planned for 253 single family homes. Grading is expected in the Spring of 2025 since additional approvals from the County are still required.

Riolo Vineyards Specific Plan

The 525-acre community shares a border in the southeast with the Placer Vineyards Specific Plan.

It is planned for 933 units within a multiple of different communities. There are 4 subdivisions under construction. At the outset, there is a flurry of single family homes planned or under construction, including

- Mariposa farms which is nearing completion (106 units)
- Glenn Willow and Mason Trail which are fully underway (350 units)
- There are two subdivisions which are currently under review (400 units)

Homes at Mason Trail are currently for sale, starting at \$636,000. The grand opening of The Villas at The Preserve in Antelope, was announced by KB Homes in late October 2023. Prices start in the low \$500,000s. There are 33 homes in the neighborhood.

Sierra Vista

The 2,064 acres plan shares a border to the north with the Placer Vineyards Specific Plan. Sierra Vista Specific Plan Area was annexed into the City of Roseville from the Placer County Unincorporated Area.

This ambitious project is approved for 8,679 single and multifamily units and is expected to accommodate 20,045 residents

259 acres of commercial space, 106 acres of park space, and 56 of schools are also planned. Project proponents estimate that 9,000 new jobs will be created as a result of the non-residential and school buildouts.

Over 4,000 units have been developed so far with more now under construction.



Sierra Vista Map

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Placer One

Infrastructure work is underway for the first of 800 homes in the 2,213 acre development northwest of Roseville. A higher education center combining Sierra College and Cal State Sacramento is also planned for phase 1 of the project.

The entire buildout of Placer One will result in 5,600 homes and a 335 acre campus park employment center. Retail and office uses are also included.

Kaiser Permanente Medical Center Expansion in Roseville.

Expansion of the Kaiser Permanente Roseville Medical Center, \$300 million project, is underway, with construction starting in April 2023.

The project is an Inpatient bed tower project, six stories in height and 138 beds. The 278,000. SF building will accommodate up to 728 new employees for Kaiser.

Lincoln Village 1

The project site is 1,831 acres on the eastern border of the City of Lincoln.

The Village 1 Specific Plan provides for up to 5,639 residential units and 167,000 square feet of mixed use space.

The construction of homes in the Turkey Creek Estates subdivision has recently been completed and the homes for sale. Prices start in the high \$900s.



Esplanade at Turkey Creek

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Socioeconomic Indicators

