Economic Forecast Project Economic Outlook Report

by: The Economic Forecast Project team

2025-05-13

Contents

Director's Message

I would like to thank our sponsors for their generous support of the UCSB Economic Forecast Project. With their help we are able to provide timely information to our community and to hire and train undergraduate students in data collection and analysis. I would also like to thank our Board of Directors for their guidance and thoughtful advice. David Marshall, Executive Vice Chancellor at UCSB deserves special mention for supporting the EFP throughout the years.

Thanks to Emily Johnson, Associate Director of the EFP, who manages the day to day operations. Thomas Fullagar and Yuanzhe Liu, Ph.D. students in the Economics Department, oversee data collection, content and also work with the undergrad interns to produce this document.

Before the tariff craziness, the national and local economies were rolling merrily along. The labor market was strong, with the unemployment near all time lows. GDP had been running above its long term trend. The stock market set daily records along the way.

After the announcement of across the board tariffs with many countries facing tariff rates over 50%. The on-agan off-again tariff announcements from the administration have created an enormous amount of anxiety, even dread, in the markets.

Board of Directors

Djamila Cabugos *Sunstone Winery*

Darren Caesar *HUB International Insurance Services*

Gene Deering *Radius Commercial Real Estate & Investments*

Francois DeJohn *Hayes Commercial Group*

Ed Edick *Village Properties*

Joanne Funari *American Riviera Bank*

Janet Garufis *Montecito Bank & Trust*

Chad Hine *Sansum Clinic*

Falko Hoernicke *US Bank*

Michael Holliday *DMHA Architecture + Interior Design*

Peter Jordano *Jordano's*

Marjorie Large *Wirmark Group*

Eddie Lazarus *Sonos*

Peter Lewis *Soltara*

Scott Lochridge *Deckers Brands*

Bill Macfayden *Noozhawk*

Kristen Miller *Santa Barbara South Coast Chamber of Commerce*

Lisa Moore *Cottage Health*

Kathy Odell *Women's Economic Ventures*

John Petote *CIO Solutions*

Michael E. Pfau *Reicker, Pfau, Pyle & McRoy*

Tracey Solomon *Bartlett, Pringle, & Wolf*

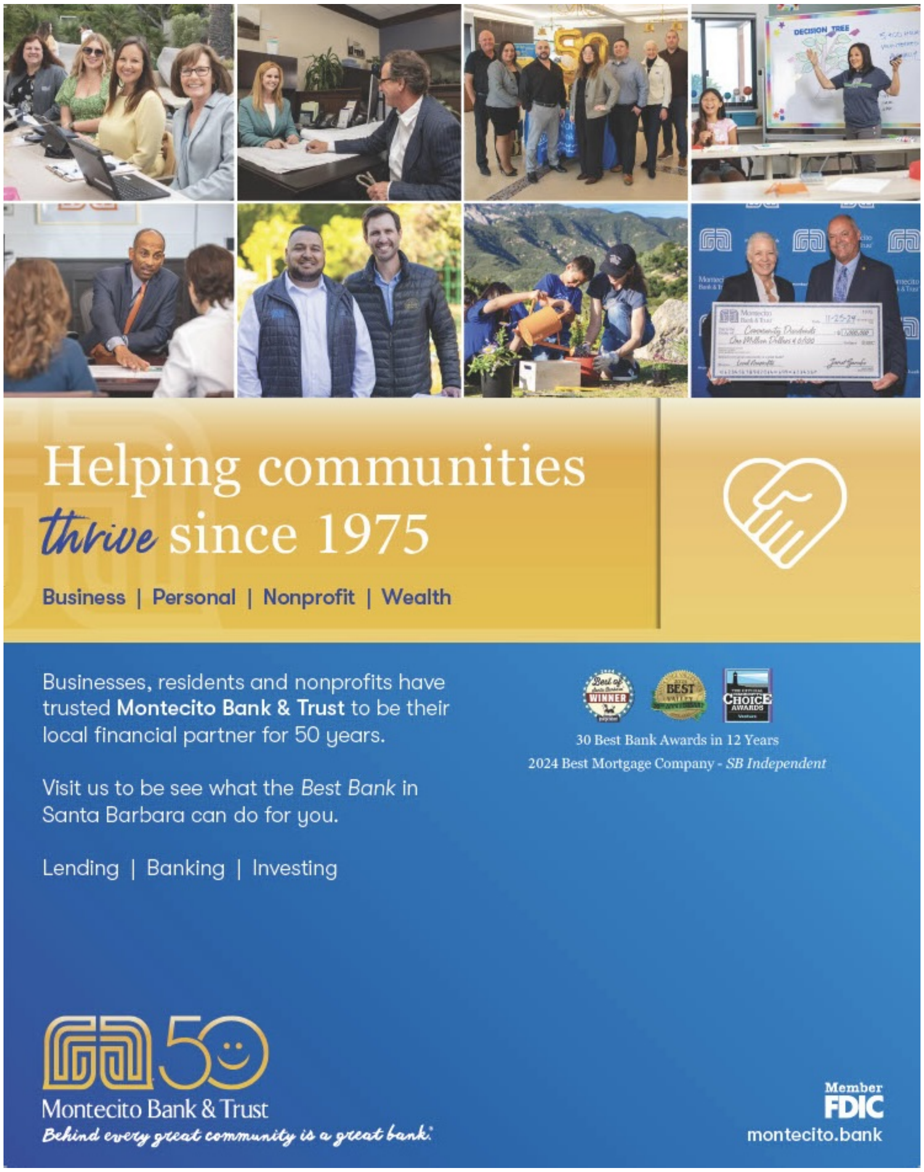
Christian Treitler *UCSB Foundation*

Sponsors

Donor

For more information, visit the Gretler Foundation website here

Founding



Gold Sponsors (click to expand)

DECKERS BRANDS

For more information, visit the Deckers website here

For more information, visit the Praelium website here

For more information, visit the UCLA Health website here


UC Santa Barbara Alumni celebrates our local Gauchos.
We're grateful for your ongoing connection and proud to share this incredible community with you.
Stay tuned for ways we're showing up across Santa Barbara and follow us on social media to see where we'll be next.
From campus to community.
@ucsbalumni
UCSBAlumni
UC SANTA BARBARA Alumni
alumni.ucsb.edu

Lead Sponsors (click to expand)

Cottage Health

For more information, visit the Cottage Health website here

Established in 1850, the County of Santa Barbara proudly celebrates 175 years of public service in 2025. Located along California's Central Coast, the County serves a diverse population of approximately 445,000 residents, spanning urban neighborhoods, agricultural communities, coastal areas, and rural landscapes.

Governed by a five-member Board of Supervisors, and supported by more than 4,700 employees across 22 departments. The County provides a wide range of essential services—including public safety, health, infrastructure, housing, environmental protection, and public assistance programs. With a preliminary operating budget of $1.69 billion for fiscal year 2025–26, the County is committed to thoughtful investment and long-term fiscal responsibility.

As we honor this historic milestone, we remain grounded in our mission: to deliver exceptional services so all can enjoy a safe, healthy, and prosperous life. To learn more about your county government, please visit www.CountyofSB.org. Sign up for our newsletter and follow us on social media @CountyofSB.

The Housing Authority of the City of Santa Barbara (HACSB) is a public agency dedicated to providing safe, decent, and affordable housing to low-income individuals and families in the Santa Barbara community. Established in 1969, HACSB has been a leader in addressing the city's critical housing needs through innovative development, collaborative partnerships, and a strong commitment to social equity.

Serving over 4,000 households, HACSB offers a range of housing solutions, including affordable workforce rental units, and rental assistance through programs like the federal Housing Choice Voucher (Section 8). The Authority provides supportive housing for seniors, individuals with disabilities, veterans, and those experiencing homelessness.

HACSB plays a vital role in developing new affordable housing projects to meet the growing demand in Santa Barbara. In partnership with the City of Santa Barbara, the local school district, and various community organizations, the Housing Authority ensures that housing developments are integrated into the broader fabric of the community. These partnerships help align housing with access to schools, public transportation, and essential services.

Beyond housing, the Housing Authority offers resident services aimed at promoting stability and self-sufficiency, including job readiness programs, youth enrichment, health and wellness initiatives, and financial literacy education. Its holistic approach to housing reflects a broader mission of strengthening lives and building community.

Guided by principles of innovation, integrity, and inclusion, the Housing Authority of the City of Santa Barbara continues to be a driving force in creating long-term, sustainable housing solutions that enhance the quality of life for all Santa Barbara residents.

For more details about available programs, eligibility, or to inquire about housing opportunities, individuals can contact the Housing Authority of the City of Santa Barbara:

Address: 808 Laguna Street, Santa Barbara, CA 93101 Phone: (805) 965-1071 Website: www.hacsb.org

IFC Advisors is a wealth management group with **financial planning, investment management, banking and other specialties such as wealth planning and family office services as foundational practices**.

The same passion that goes into building our trusting relationships goes into how we help our people, partners, and clients practice purpose daily. Wealth management starts with having a Purpose Architecture™. Our **Purpose Architecture Process** allows us to broaden the conversation by ensuring our clients' wealth is managed to help achieve meaningful goals and outcomes – whether that's asset growth, preservation, supporting their community, building a sustainable future, or creating generational impact through their family.

Our culture of innovation ensures we remain at the forefront of wealth management technology. Our commitment to technological advancement enables us to provide sophisticated solutions tailored to the unique needs of high-net-worth individuals and families.

IFC's purpose is grounded in trusting client relationships, purposeful client goals, thoughtful well-designed planning, mapping strategies, and helping clients achieve meaningful outcomes.

To learn more and contact us please visit ifcadvisors.com

Majestic Asset Management is a boutique real estate investment firm focused on the acquisition, development, and management of income property. Our core strategy centers on repositioning underutilized properties into high-performing assets that support business and community growth.

Majestic currently owns and manage over 1.5 million square feet of commercial space throughout California. In 2007, Majestic entered the Goleta market are proud to be Goleta's largest commercial property owner with eighteen properties totaling approximately 800,000 square feet.

At Majestic, our impact extends beyond real estate. We are driven by integrity, trust, teamwork, and performance—values that guide every decision we make. With a local, hands-on management team, Majestic delivers proactive, responsive service combined with strong tenant relationships. They believe value comes not just from properties but from investing in people and communities.

For more information, visit the Majestic Asset Management Website here

Harold and Betty Hutton, entrepreneurs, adventurers and business partners, began their business as a small refining operation in Long Beach in the early 1950s and by the middle of the 70's became a leading exporter of oil and natural gas from South East Asia.

In 1975, while living and working in Indonesia, Harold Hutton passed away suddenly. After his death, Betty decided to close the company's oil operation in South East Asia and return to her roots in Orange, California. It was there, following a short retirement, that she established Hutton Companies, a commercial real estate development corporation.

In 1984, Betty Hutton asked Tom Parker to assume a management role at Hutton Companies. Together, Tom and Betty worked to grow and stabilize Hutton Companies as well as to fund and activate the Foundation. Betty Hutton passed away unexpectedly in September of 1995. Since then, Hutton Parker Foundation has maintained its mission of striving to make a difference in the communities it serves through funding programs that support nonprofit sustainability and longevity.

Hutton Parker Foundation has grown into one of the largest private family foundations located in Santa Barbara County. The Foundation owns and operates many commercial properties providing office space to more than 60 local area nonprofits agencies. In addition, Hutton Parker Foundation awards nearly $4 million in grants, donations and discounted rent to approximately 300 nonprofit organizations annually.

Areas of interest include: Arts & Culture, Education, Health & Human Services, Children, Youth & Families, and Civic & Community. Funding programs include: Core Operating Support, Marketing & Media Grants, Endowment and Capital Support.

Hutton Parker Foundation strives to provide organizational sustainability to community-based nonprofit organizations throughout Santa Barbara County and to assist agencies in achieving their highest level of performance and delivery of services resulting in stronger, more efficient communities for all. The Foundation specializes in providing quality office space for local area nonprofit organizations through the acquisition and development of commercial real estate properties.

www.huttonfoundation.org

For more information, visit the Pacific Coast Business Times website here

Sansum Clinic, now part of Sutter Health

Sansum Clinic, now part of **Sutter Health**, is the leading nonprofit provider of high-quality, outpatient healthcare on the Central Coast. Sutter and Sansum each have a century-long commitment to improving the health of the communities they serve. Unified by our common missions and values, we are now embarking on a journey to shape the future of healthcare on the Central Coast. Together, we are building on Sansum's legacy while forging a new path forward. This partnership is specifically designed to increase access to high-quality, multispecialty care, to advance our integrated care model, to provide a more connected, seamless experience for patients, and to meet diverse community needs for generations to come.

Our dedicated, highly-trained doctors and compassionate staff are an integral part of our history, which has always been advanced in the medical sciences despite its small size. Our longevity is rooted in our ongoing investment in the latest equipment and technology, and our recruitment of the best and the brightest physicians, which combined, enable us to deliver the high-tech and high-touch elements of quality healthcare.

Dr. William David Sansum, one of our founders, was a pioneering researcher who launched the Clinic with the intent to study and eventually conquer diabetes. Dr. Sansum was the first American to successfully isolate, produce and administer insulin to treat diabetes. Sansum Clinic has maintained that innovative approach and has continually evolved the level of care available in the community, working to stay out in front of the community's needs - advancing care in addition to responding to the challenges of the day.

Sansum Clinic's 260+ highly trained clinicians and compassionate staff of 1,200+ care for more than 160,000 individual patients per year.

About Sutter Health Sutter Health is a not-for-profit healthcare system dedicated to providing comprehensive care throughout California. Committed to health equity, community partnerships, and innovative, high-quality patient care, Sutter Health is pursuing a bold new plan to reach more people and make excellent healthcare more connected and accessible. Headquartered in Northern California, Sutter provides access to high quality, affordable care through its hospitals, medical foundations, ambulatory surgery centers, urgent and walk-in care centers, telehealth, home health and hospice services. Currently serving nearly 3.5 million patients, thanks to our dedicated team of more than 57,000 employees and clinicians, and 12,000+ affiliated physicians, with a unified focus on expanding care to serve more patients.

Learn more about how Sutter Health is transforming healthcare at sutterhealth.org and vitals.sutterhealth.org.

For more information, visit the Santa Barbara Public Library website here

For more information, visit the Sonos website here

For more information, visit the Sunstone website here

Advisory Sponsors (click to expand)

For more information, visit the Arlington Financial website here

Bartlett, Pringle & Wolf, LLP (BPW) is a leading accounting and consulting firm offering comprehensive services in tax, audit, and advisory solutions. Built on a foundation of integrity, client focus, and decades of experience on California's Central Coast, BPW provides strategic financial guidance that supports long-term growth and stability.

Our firm has evolved through the leadership of exceptional individuals whose contributions have shaped our strong reputation and collaborative culture. Today, BPW includes more than 85 full-time professionals, 15 managers, and 8 partners. Together, we serve a wide range of clients across Santa Barbara, Ventura, and San Luis Obispo Counties, as well as a growing national client base.

We are proud to work with businesses and individuals across many industries, offering personalized financial strategies and practical solutions to help our clients achieve their goals. From local entrepreneurs to established enterprises, our approach is always rooted in trusted relationships and expert insight.

Through our Business Solutions practice, BPW delivers technology-driven services to clients across the United States. As a Certified Partner with both Acumatica and Microsoft, we offer a full suite of implementation and support services. These partnerships reflect our commitment to innovation and delivering best-in-class tools to enhance business operations.

At BPW, we are more than just accountants—we are advisors, partners, and advocates. We strive to deliver exceptional service, build lasting relationships, and provide thoughtful, forward-thinking solutions tailored to each client's unique needs.

Whether you are navigating complex financial decisions or planning for the future, BPW is here to help guide you with confidence.

For more information, visit the Bartlett Pringle Wolf website here

CITY OF GOLETA

For more information, visit the City of Goleta website here

Community West Bank

For more information, visit the Community West Bank website here

Frank Schipper Construction Co. is a local general contractor with strong ties to the subcontractor and supplier community. We are members of several associations, including the Associated General Contractors of California Tri-Counties District, the Santa Maria Valley Contractors Association, the Santa Barbara Contractors Association, and the Ventura County Contractors Association. We believe in giving qualified local subcontractors and suppliers every opportunity to compete for community work.

Since 1982, Frank Schipper Construction Co. has provided exceptional preconstruction and general contracting services to clients in the Tri-Counties. With over 40 years of experience, our team ensures compliance with city regulations and maintains strong relationships with local building o/icials. Most of our projects are carried out using negotiated contracts with a Guaranteed Maximum Price; however, we also handle a limited number of hard-bid fixed-price agreements. We firmly believe that collaborative relationships among owners, design teams, and contractors lead to the most successful projects. Our expertise includes conceptual budgeting and estimating, high-level project documentation and reporting, logistics, and staging. Clients continually return to us for future projects due to our skill in preconstruction services and planning.

Our journey began in the 1960s when our founder started building houses to create his own business. In 1982, Frank Schipper established the company with core values of integrity, teamwork, and professionalism. These values have contributed to many successful and award-winning projects and an extensive base of repeat clients.

In 2015, Frank Schipper Construction Co. became 100% employee-owned. This ownership stake motivates employees to enhance quality and productivity while holding themselves accountable. Employee ownership is the foundation of our company's culture and vision.

Frank Schipper Construction Co. has constructed or renovated many landmarks across Santa Barbara and the Central Coast. We have collaborated with various industries, including healthcare, arts and education, high-tech and clean rooms, commercial interiors, historical renovations, non-profit organizations, and hospitality. Some of our current clients include Sanctuary Centers, the Foodbank of

Santa Barbara County, the Santa Barbara Zoo, the Santa Barbara Museum of Natural History, Congregation B'nai B'rith, Sansum Diabetes Research Institute, and many others.

For more information, visit the Frank Schipper Construction website here

Hayes Commercial Group provides leasing, sales and investment services for all commercial property types, including multifamily property. In pursuit of the best possible service for our clients, we have earned a reputation for integrity and results by combining our expertise with a team focus.

Expertise. The firm's brokers are all accomplished, respected members of the commercial real estate community, averaging more than 20 years of experience in the tri-county area. This longevity brings expertise, knowledge and a wealth of relationships throughout the region. Hayes Commercial Group brokers have completed many of the largest transactions ever recorded in the area, while earning the trust of prominent investors, businesses and institutions.

Team Approach. Our brokers collaborate in a way that is unique in our market. The firm's partners cultivate a team approach that encompasses the associate brokers and support staff. This allows clients, both individual and institutional, access to a deeper pool of expertise and professional resources. The combination of talent and teamwork separates Hayes Commercial Group from its competition. Results. Our mission is to provide excellent service at the highest level of integrity. Here are a handful of our success stories from the past year:

- Represented the buyer in the $10.5 million acquisition of 250 & 270 Storke Rd, two retail/office buildings totaling 33,000 SF in Goleta.
- Represented the buyer in the off-market purchase of the 39,000 SF industrial building at 1850 W Betteravia Rd in Santa Maria for $10.1 million.
- Represented all parties in the $10 million sale of 60 apartments units at 1001 & 1021 E Cypress Ave in Lompoc.
- Represented all parties in the off-market purchase of a 10,600 SF hotel property at 3055 De La Vina St in Santa Barbara by the Housing Authority for $9.4 million.
- Represented all parties in the lease by Redwire Space Enterprises of 326 Bollay Dr, a 42,600 SF flex building in Goleta.

Combining a broad range of expertise with a team focus, Hayes Commercial Group can tailor the best approach for your commercial real estate goals.

For more information, visit the Hayes Commercial Website here

In 1915, when the first Jordano Brothers Market opened in Santa Barbara, a rich tradition of integrity, quality and service was born. Today, Jordano's has grown to become one of the largest independent broadline foodservice distributors in the United States and remains a highly valued member of the local business community.

From its corporate headquarters and warehouse complex in Santa Barbara, Jordano's Foodservice maintains a sales and distribution network that serves more than 35 different market segments in nine key counties throughout Central and Southern California.

Jordano's makes over 11,000 foodservice products available to a diverse customer base that includes restaurants, schools, universities, hospitals, military facilities, hotels, marine and offshore installations, and federal and state institutions.

Pacific Beverage proudly distributes Anheuser-Busch brands and other fine beers and non-alcoholic products through its warehouses in the Tri-Counties.

Jordano's remains a locally owned company dedicated to providing the best possible products and service to their customers. They are committed to the welfare of their 550 employees and their employees' families in the tri-counties.

Pride. Commitment. Community. Since 1915.

For more information, visit the Jordanos website here

It's not business. It's personal.

Skill. Experience. Results. Yes, Radius Commercial Real Estate has the goods to deliver. But there's much more to our approach to sales and leasing than checking all the boxes. So what makes us different?

The Radius Team is a squad of local commercial real estate enthusiasts (read: nerds). We get up in the morning excited about the cool stuff we get to do, how we do it, and the people we get to do it for.

In fact, ever since our motley crew came together in 2002, Radius has held firm to one basic principle: We represent your interests as if they were our own. That's helped us push the boundaries of the commercial brokerage scene, cementing a reputation as a trusted industry expert and advisor.

Locally founded and operated, we are deeply invested in the Central Coast communities we serve. With offices in Santa Barbara and Ventura covering the full scope of the Tri-Counties and beyond, experts in every facet of commercial real estate including agricultural land and business brokering services, supported by a crack operations team armed with the finest information and marketing systems, Radius brings together an unrivaled brand of resourcefulness to consistently clinch the competitive advantage for our clients.

You see, when you bring on Radius, you're not just hiring a broker. You're getting a partner with real skin in the game who cares as much about your success as our own.

Because it's never just about business. It's personal.

805.965.5500 radiusgroup.com info@radiusgroup.com

REICKER PFAU

Reicker Pfau, Pyle, & McRoy LLP is a premier full-service law firm dedicated to serving the Santa Barbara community and clients across California and the United States. Our firm provides effective, personalized legal counsel in various practice areas, including startups, mergers and acquisitions, business transactions, real estate transactions, corporate law, civil litigation, land use, employment law, and estate planning. We take pride in the quality of our work and our commitment to helping clients achieve successful outcomes.

Our transactional attorneys— Bart Clemens, Mike Pfau, Fernando Velez, Jake Glicker, John Busby, Mark Carney, Nicholas Behrman, Russell Terry, and Samara Harris—represent businesses and individuals in a wide range of legal matters, including corporate, real estate, financial, securities, tax, intellectual property, and franchises.

On the litigation side, our team, consisting of Alec Simpson, Kevin Nimmons, Meghan Woodsome, Robert Forouzandeh, and Tim Trager, focuses on civil trials and appeals. They specialize in corporate and partnership disputes, real estate and leasing, easements, construction litigation, contracts, landlord representation, debtor/creditor relations, intellectual property, and employment and retirement law. At Reicker Pfau, we are committed to providing our clients with the highest level of legal service and support.

For more information, visit the Reicker Pfau website here

For more information, visit the Santa Barbara Independent website here

For more information, visit the Santa Barbara South Coast Chamber of Commerce website here

For more information, visit the Upham Hotel website here

Business Associate Sponsors (click to expand)

Strong. Stable. Private.

Since our founding in 2004, 1st Century Bank has distinguished itself as a premier financial institution in Southern California. Backed by the strength and stability of MidFirst Bank, the largest privately owned bank in the nation, we are well capitalized to provide our clients with sophisticated financial solutions and unparalleled service.

1st Century Bank has expanded its signature concierge banking experience to several markets across Southern California, including Los Angeles, San Diego, Orange County and Santa Barbara. Leading the bank's growing presence in Santa Barbara are Managing Directors Matt Keenan and Karin Napel, who bring over 50 years of combined expertise in private banking and financial services. Supporting Matt and Karin is a talented team of seasoned bankers who deliver personalized, high-touch banking solutions backed by a deep understanding of the Santa Barbara market.

What truly sets 1st Century Bank apart is our commitment to our clients through meaningful financial partnerships. Whether working with individuals or organizations, we provide a dedicated point of contact who takes the time to understand each client's unique goals. As their needs evolve, our collaborative team offers specialized expertise in lending, cash management and tailored financial solutions. By working together, we empower our clients to grow and succeed.

1st Century Bank is redefining private and business banking in Santa Barbara with a personalized experience that goes beyond expectations, where everything is considered and nothing is overlooked. Partner with us to elevate your financial future with precision and care.

CIO Solutions is a leading provider of managed IT services catering to a wide range of businesses including small to mid-sized companies, large enterprises, medical practices, legal firms, educational institutions, and non-profit organizations.

They offer a comprehensive suite of IT services designed to address the various management, strategy, and support aspects of technology management. These services include continuous monitoring and management of IT infrastructure, advanced cybersecurity solutions, scalable cloud services for enhanced collaboration, and backup and disaster recovery solutions. Their help desk services provide responsive day-to-day support, while their strategic IT planning services help clients align technology initiatives with big-picture business goals. Through cutting-edge technology and industry best practices, CIO Solutions helps their clients enhance productivity, streamline operations, and support sustainable growth.

With over three decades serving the local business community, CIO Solutions is known for delivering expert IT solutions with exceptional customer service. They prioritize building long-term relationships based on trust, reliability, and continuous improvement. Their team of 80+ skilled technical professionals serves

Central California from their offices in Santa Barbara, San Luis Obispo, and Fresno. This wide geographical reach and diverse client base provide them with the experience to meet the unique needs of business across industries.

For organizations seeking robust and reliable IT solutions, CIO Solutions stands out as a trusted partner, ready to deliver innovative technology solutions that enhance productivity and drive success.

Member FDIC

Farmers & Merchants Bank has been California's Strongest, since 1907. That's not changing, even in today's economy. Some banks merge or change names. At F&M Bank, we're committed to brick & mortar branches while investing in technology and infrastructure to better serve our clients.

F&M Bank's dedication to strong, sound, and conservative management and banking policies has enabled us to weather economic recessions, world wars, natural disasters, and interest rate volatility for nearly 118 years. F&M Bank reported the following metrics as of December 31, 2024:

- Strong liquidity, to support all operations and depositor needs, and access to significant funding, if ever needed.
- Common Equity Tier 1 Capital that is more than 2.7x the federally mandated requirement to be deemed "well-capitalized."
- Earned Bauer Financial's highest, 5-Star Superior Rating for financial strength and stability for the 49th consecutive quarter based on December 31, 2024 financial data.
- 117 years of profitability (a perfect record).
- A stable and diversified client and deposit base, with no reliance on a particular client type or sector.
- No exposure to off-balance sheet hedging or related activities.
- Facilitated more than $4.2 million in support to hundreds of community organizations across SoCal in 2024.

F&M Bank offers a variety of deposit accounts and a full suite of Treasury Management Services to help you manage cash flow, improve efficiency, and mitigate fraud.

We would appreciate the opportunity meet you in person and talk about ways we can improve upon your current banking services. We would love to make this the last time you switch banks. Member FDIC

For more information, visit the First American Title website here

Hub International Limited (HUB) is a leading global insurance brokerage and financial services firm. From Homeowners, Business Insurance, 401K retirement, Life or Health coverage, HUB provides a wide array of insurance products and risk management services, backed by the expertise of its brokers, account managers, customer service teams and top-rated carriers. HUB offers the strength and capabilities of a leading international insurance broker with the accessibility of the local agent down the street.

Noozhawk is proud to support the UCSB Economic Forecast Project and our shared commitment to informed, forward-thinking leadership in Santa Barbara County.

Now in our 18th year, Noozhawk is the county's most-read, most-trusted local news source — and we're always open. Online 24/7, our team of seasoned professional journalists delivers timely, accurate and unbiased coverage of the issues that matter most to you and our community.

Noozhawk specializes in drama and inconvenience — which covers everything from breaking news, to government, to K-12 education, to disasters and emergencies. And local sports.

While the national media struggle with outdated models and credibility challenges, Noozhawk is proudly locally owned and fiercely independent. We're not answering to corporate owners, distant funders or out-of-town ventures — we answer only to you. Our sustainable, reader- and advertiser-supported business model powers smart, fair journalism with real community impact.

And if you can't come to us, we'll go to you with our free A.M. and P.M. Report newsletters arriving like clockwork in your inbox — because the news doesn't stop, and neither do you.

We also go beyond headlines: We give local businesses, nonprofit organizations and readers a platform to share their own stories, announcements, obituaries and events, making Noozhawk the most comprehensive, connected source of local information around.

Whether you're leading, building or just staying in the loop, Noozhawk is your go-to choice for the freshest news in Santa Barbara County.

Check us out at noozhawk.com.

NORTHERN TRUST

Northern Trust has a long history of serving the world's most sophisticated clients – from the wealthiest individuals and families to the most successful hedge funds and corporate institutions. Founded in 1889, Northern Trust has built a legacy of outstanding service, expertise and integrity.

Our teams are dedicated to helping clients make confident and optimal decisions for their wealth. We are recognized for innovative technology and specialized expertise across all aspects of financial planning, including wealth transfer, banking, insurance, investing, tax management, philanthropy and more.

We proudly serve many of Santa Barbara's most successful families, companies and nonprofits, having earned their trust through outstanding service and advice.

northerntrust.com/santa-barbara

SANTA BARBARA FOUNDATION

For more information, visit the Santa Barbara Foundation website here

SOLTARA
SANTA BARBARA

For more information, the visit Soltara website here

The Towbes Group

The Towbes Group is more than just a real estate company — we are your trusted local team, deeply committed to serving our community. Based in Goleta, California, we are a premier property management company with a residential portfolio of over 2,300 multifamily units and more than 700,000 square feet of commercial, industrial, and retail space.

For nearly 60 years, our core values – integrity, value, loyalty and exceptional customer service - formed the bedrock of our unwaivering commitment to "Creating Communities Where People Thrive." From marquee programs like "Give Where You Live" to fun-filled local and ever-popular Halloween and Spring events at our Calle Real Center or the friendly smile and warm welcome you receive at at each of our residential communities, the Community is always at the heart of what we do.

Our legacy is defined by our dedication to service — anticipating the needs of our community and continually enhancing the spaces we create. Our deep industry expertise and long-standing relationships help shape the vibrant, connected environments we're proud to offer.

At the heart of everything we do is a simple philosophy: Live Life Local — homes, businesses, and people – each coming together to create thriving, sustainable and resilient communities that we can all be proud to be a part of. Come join us.

For more information, visit the Towbes Group website here

VILLAGE
PROPERTIES

Rooted in Santa Barbara since 1996, Village Properties is a locally owned and operated real estate company built on dedication to clients and mastery of our local market. Led by Renee Grubb, our independent agency has grown to four offices and 180 Realtors, achieving over 14,100 sales and $23.5 billion in volume since inception. We are known for always going the extra mile to achieve client goals.

Beyond our commitment to exceptional service, we deeply value giving back to the community we call home. This is exemplified by Renee's founding of the Teacher's Fund, which has distributed $2.3 million to local educators. Our team actively supports over 30 annual charities, reflecting our belief in showing up and investing in the places and organizations we love.

For more information, visit the Village Properties website here

Corporate Sponsors (click to expand)

ALAMAR
CAPITAL MANAGEMENT

Alamar Capital Management, LLC is an independent, Registered Investment Advisor in Santa Barbara, California.

Alamar manages a proprietary portfolio of individual stocks in the most attractive phase of their growth. These stocks carry very low weightings in passive indexes. Due to its high active share nature, this approach acts as a complement and an alternative to existing passive investments. To reduce risk and/or generate income, we utilize our Diversified strategy to gain exposure to additional asset classes.

For select families we act as a de facto family office, and are able to provide oversight and performance monitoring for accounts that are not directly under our management, as well as measure the effectiveness of additional outside investments, such as private equity and real estate.

Alamar believes our interests must be aligned with the clients we serve. As a result, we make meaningful personal investments in the strategies we manage.

For more information, visit the Alamar Capital website here

Brownstein

At Brownstein, clients get access to the top legal minds in the industry, powerful policy knowledge and best-in-class business acumen to solve businesses' toughest challenges. Brownstein is a law and lobbying firm that has been making moves for more than 50 years to stay at the vanguard of its industry. You'll find this firm at the heart of many of the most important cases, the most significant deals and the country's most pivotal legislation. Brownstein—we're all in. For more information, visit us at bhfs.com.

BRISTOL
PROPERTY
MANAGEMENT

Bristol Property & Asset Management is a locally owned firm founded by Carolle Van Sande, CSM, to bring a high level of service and accountability to property owners throughout Santa Barbara County. As a hand-selected team of industry veterans, Carolle and the Bristol team are trusted partners in protecting and growing the value of real estate assets across Santa Barbara County.

Bristol's portfolio includes a balanced mix of commercial and residential properties—50% commercial and 50% residential—spanning retail centers, office buildings, multifamily units, HOA-management, single-family homes, self-storage, and light industrial. Notable properties under management include the Granada Tower and Nipomo Shopping Center.

The Bristol team consists of seasoned professionals with over 150 years of combined industry experience, offering clients deep operational expertise, strategic oversight, and a reputation for integrity. Having overseen more than 2.5 million square feet of property and over $20 million in capital improvements, Bristol ensures properties are well-positioned to maximize cash flow while aligning with clients' long-term investment goals.

Our mission is to provide exceptional service to property owners, tenants, and vendors—leveraging best-in-class technology, responsive communication, and proactive facilities management to deliver results that last.

For more information, visit bristolsb.com or contact: Carolle Van Sande (805) 963-5945 | carolle@bristolsb.com CA DRE #01907512

As certified public accountants and advisors, our clients depend on us for financial guidance. That's why we depend on the UCSB Economic Forecast Project to deliver sound, reliable information regarding our local economy and prospects for the future.

C&D llp specializes in core CPA tax planning and compliance services, with full service capabilities in audit and accounting. Our firm's expanded specialty services include estates and trusts, real estate, and vineyards and wineries.

Partners Matthew Watson, Mike Sgobba, Kyle Gotcher and Megan Sunthimer along with our entire staff, are committed to providing expert timely and profitable advice. Our clients choose us for our technical expertise and specialized knowledge. They stay because we serve as their trusted advisor, achieving their financial goals.

Direct web link: www.cdcpa.com

CenCal Health is the local Medi-Cal health plan that partners with over 1,800 physicians, plus hospitals, clinics and other providers, in delivering health care services to more than 242,000 members in its two-county service area – one in three residents of Santa Barbara County and one in four residents of San Luis Obispo County. Marking four decades of serving the most vulnerable, CenCal Health prioritizes cultivating community partnerships; advancing quality and health equity; expanding its service role and reach in the community; and organizing for impact and effectiveness. With a vision to be a trusted leader in advancing health equity so that the communities we serve thrive and achieve optimal health, CenCal Health invites the public to review its 2025 Community Report at CenCal2025.org

For more information, visit the Charles Schwab website here

DMHA Architecture + Interior Design is a full-service architecture, interior design and planning firm headed by Michael Holliday FAIA, Edward DeVicente AIA, Ryan Mills and Architect Mike Stroh. Collectively the firm principals have been responsible for the design, management and construction of over $350 million in architectural projects over the past three decades. Major commissions have been located throughout California and completed for leading commercial, hospitality and residential clients including property owners, developers, public institutions and private corporations.

DMHA is focused on developing strong, lasting and successful client relationships. Creating "Inspired Architecture that Works" is the team's commitment on each project. By bringing a high level of creativity and stewardship to each challenge, the firm is able to solve complex architectural problems effectively and efficiently with specific attention to budget and schedule constraints. DMHA firm principals have maintained a unique focus on sustainable and environmentally responsible design throughout their professional careers and they remain dedicated to serving their local communities by "doing well by doing good". Michael Holliday has been recognized as a Fellow in the American Institute of Architects (FAIA) for excellence in the profession of architecture and is also a US Green Building Council LEED Accredited Professional. Edward DeVicente AIA is a licensed Architect and one of the few Certified Passive House Consultants (CPHC) in the Southern California region.

For more information, visit the DMHA Architecture website here

Fidelity National Title Group Santa Barbara, a division of Fortune 500 company Fidelity National Financial, encompasses industry leaders Fidelity National Title and Chicago Title in Santa Barbara County. As the nation's largest title insurance provider, we deliver unparalleled expertise in residential and commercial title and escrow services. Locally, we are proud to hold the top market share in Santa Barbara County, leveraging both national strength and local knowledge to serve our community. With over 175 years of combined experience, we remain committed to providing trusted solutions that simplify

Since 1987 Grafskoy Hindeloopen Limited, LLC ("GHLL") has specialized in real estate investment, development and property management in Central and Southern California. GHLL pursues the adaptive reuse of under utilized structures to create office, industrial and retail environments that encourage productivity and creativity. Appreciating that Santa Barbara, Goleta, Montecito and Carpinteria each possess unique characteristics GHLL is committed to positively contributing to built environments through a delicate balance between optimistic progress and respect of special and unique histories.

Housing Authority of the County of Santa Barbara

The Housing Authority of the County of Santa Barbara is a public agency committed to providing safe, affordable housing and supportive services to individuals and families in need. Serving communities from Carpinteria to Guadalupe, we develop and manage housing programs that foster stability, self-sufficiency, and opportunity. As a proud sponsor of the 2025 Santa Barbara County Economic Summit, we support the summit's mission to address regional economic challenges, including housing affordability and homelessness. Through our collaborative efforts, we build stronger, healthier communities and advocate for equitable housing solutions throughout Santa Barbara County.

For more information, visit the Marborg website here

Founded in the 1980s in Los Angeles, Pacifica applies a value-based philosophy to investing in real estate. The firm expanded into Denver in the late 1980s, where it became the largest private owner of commercial space in Colorado. Pacifica has navigated multiple real estate cycles, leveraging its deep market expertise to invest across San Diego, Santa Barbara, the Pacific Northwest, and the Rocky Mountains.

Focusing on industrial, office, retail, and multi-family in high-barrier-to-entry markets, Pacifica invests in existing buildings and new developments. Its success is rooted in anticipating market cycles, aligning with expert local partners, and generating long-term value.

The Santa Barbara Association of REALTORS® (SBAOR) is the trusted voice for real estate, a resource for our community and an advocate for our members' success and the public we serve. With over a century of leadership, we are committed to community impact, professional development, and fostering inclusion and integrity within our profession. We don't just advocate; we **champion**. Whether it's rallying for the rights and interests of current/hopeful homeowners or nurturing the aspirations of budding agents, our advocacy reverberates both locally and statewide. The Santa Barbara Association of REALTORS® isn't just an organization. We help people find their way home.

For more information, visit the Santa Barbara Property Group website here

TRAK Environmental Group, Inc. is a unique environmental engineering, research and investigation firm that specializes in evaluating and correcting potential environmental liabilities associated with the acquisition, operation, divestiture, or transfer of real property. TRAK distinguishes itself by relating to pragmatic business issues while solving clients' environmental concerns, and can strike the right balance between regulatory demands and good business sense. TRAK's professional team is composed of registered and certified engineers, geologists, soil scientists, environmental assessors, researchers, historians and project support personnel.

Successful management of projects in TRAK's areas of expertise stems from TRAK's ability to pool the knowledge, experience, and professional integrity of team specialists under the guidance of a company principal who is expert in environmental quality issues. The project team is committed to providing superior value through high-quality, fairly- priced services designed to meet project needs. By working in partnership with clients, TRAK is able to provide project flexibility and responsiveness.

Founded upon a solid technical base in 1993, TRAK has built a strong professional reputation amongst our clients, technical peers, and the regulatory community. TRAK professionals have honed their career growth by successfully negotiating the complexities of California's regulatory climate, and are positioned to apply this expertise to every project.

TRI
COUNTY
OFFICE
FURNITURE

For over 40 years, Tri County Office Furniture has been a locally owned and operated full-service contract furniture dealership specializing in corporate, healthcare, education, government, and hospitality sectors. Our comprehensive approach spans from initial workspace planning to final installation, working collaboratively with clients to create, implement, and sustain effective workplace strategies. With a wide range of product options and expert consultation, we deliver optimal solutions that meet both timeline and budget requirements. Tri County's commitment extends beyond installation with ongoing support services, ensuring the workspace remains adaptable and functional as organizational needs evolve over time.

Since 1923, United Way of Santa Barbara County has been our community's partner in building stronger foundations for thousands of children, individuals, and families countywide. United Way provides Santa Barbara County with an innovative suite of data-driven solutions in Academic Achievement, Financial Security, and Community Resiliency, including national award-winning summer learning at Fun in the Sun, targeted financial planning and assistance programs, and adaptive community crisis response infrastructure. United Way blends its extensive history of funding and grantmaking with customized local solutions and programs by engaging in community conversations, convening diverse networks of partners, creating system-wide solutions, and continuously innovating at the forefront of community needs.

2920 DE LA VINA STREET
SANTA BARBARA, CALIFORNIA 93105
805.963.6901 FAX 805.963.2073
www.VanSandeStructural.com

For more information, visit the Van Sande Structural Consultants website here

For more information, visit the WitMark website here

Chapter 1

Industry Snapshot

1.1 Local Finance

Key Points:

- Large banks experienced a decrease in deposits as a percentage of liabilities with 89.03% as of 12/31/2024 compared with 90.17% the year prior.
- As of 12/31/2024, small banks' net income is 126.17% higher than the same time last year.
- Both small and large banks exceeded their pre-recession levels for return on assets.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project.

If you cannot access the embedded content, you can visit it directly at

this link

.

FDIC Call Reports are released for all banks in the U.S., providing financial statement information to the public that is otherwise unavailable for private companies. The Local Finance section reports and analyzes banks that have a presence in Santa Barbara County. Using the data from FDIC Summary of Deposits, we examine each bank's activity and health on a local level. For banks with an international presence, we are not able to factor out their international operations due to limitations in the data provided by the FDIC Call Reports. Therefore, 6 out of the 19 institutions have an aggregated total of both domestic and foreign operations for their assets and liabilities. The difference makes up about 4% of the total – which does not materially change the analysis on a local level.

In this section, we have two categories: large banks and small banks. Large banks are banks that operate on both regional and national levels; whereas, small banks are comprised of solely regional banks and banks with less than $2 billion in total assets. Big banks in this year's data include Rabobank, Union Bank, Wells Fargo, JP Morgan Chase, Bank of America, First Republic Bank, Bank of the West, The Northern Trust Company, Pacific Western Bank, U.S. Bank, Citizens Business Bank, First Bank, and Banc of California. For our analysis on small banks, we have included American Riviera Bank, Community West Bank, Pacific Premier Bank, Montecito Bank & Trust, Community Bank of Santa Maria, Bank of the Sierra, and Farmers and Merchants Bank of Long Beach.

The data in this section has been adjusted for inflation; therefore, all numbers in the section are in terms of 2009 dollars. Nominal numbers have been adjusted to real numbers on a quarterly basis with the CPI from the Federal Reserve Economic Data, giving us a more comparable analysis of banking trends, particularly in times of large price movements. Moreover, all metrics describe totals for the industry unless otherwise specified.

1.1.1 Savings and Time Deposits

Deposits held by banks represent the vast majority of liabilities for both categories. As of 12/31/2024, large regional banks held 89.03% of their total liabilities as deposits, a decrease from 90.17% the same time last year. On the other hand, small regional banks held 58.62% of their total liabilities as domestic deposits, down -4.24 percentage points from last year. Since deposits represent such a large percentage of total liabilities, it is important to understand the trends within each bank category in order to understand where consumers are depositing money.

Small and large banks display different trends in terms of deposits as a percentage of total liabilities. Until 2020, large banks had been steadily increasing their deposits as a percentage of total liabilities, while small banks showed more volatility. However, during the COVID-19 pandemic in 2021, large banks experienced a significant decline in this percentage, which then surged to a historic high in the following year. Recently, deposits as a percentage of total liabilities in large banks have been quite volatile. In contrast, small banks have shown a steep declining trend in this percentage over the past few years.

Since the Great Recession, both small and large banks have increased their percent of deposits as a fraction of liabilities. This trend peaked for small regional banks at 91.05% on 06/30/2021, 10.34 percentage points higher than at the end of 2007. Deposits as a fraction of liabilities for large banks peaked at 92.3% on 12/31/2021, 41.73 percentage points higher than it was at the end of 2007.

In 2024, the banking industry in Santa Barbara County consisted of 18 institutions with $14,413,411,000 in deposits. Compared with the previous year, there was an increase of 1.06% in deposits with an increase in the number of banks. The numbers in the table below are in nominal terms since the change in CPI from 2023 to 2024 was small, making the deposits relatively comparable. The Northern Trust Company experienced the largest increase in deposits with a change of 43.48%. Banc of California had the largest decline in deposits, falling from $40,387,000 to $363,517,000 or -88.89%. As banks know when their deposits will be measured every year, we cannot rule out some level of manipulation of deposits that leads to large fluctuations.

1.1.2 Loans and Leases

In the past year, loans and leases appear to be trending downwards for large banks, while small banks experience some fluctuations. The average quarterly growth rate for large banks between 12/31/2023 and 12/31/2024 was -0.37%, an increase from that of -5.74% during the year prior. Since the first quarter of 2007, the average quarterly growth rate of loans and leases for large banks has been 0.91%.

Between 12/31/2023 and 12/31/2024, small banks saw an average quarterly rise in loans and leases of 12.1%, lower than their average growth rate over the previous year, which was 5.2%. In total, loans and leases for these banks rose from $32,206,606 to $50,863,901. The average quarterly growth rate of loans and leases since the first quarter of 2007 is 5.02%.

Both small and large banks saw sharp increases in loans throughout 2020, with the COVID-19 pandemic and subsequent quantitative easing policies. Loans have seen some small dropoff starting in 2021 for both large and small banks.

1.1.3 Net Income

Real net income increased by 126.17% for small banks between 2023 and 2024, rising from $-810,691 to $212,137. Small banks' net income has recovered tremendously after seeing losses in 2009 and 2010. For large banks, net income decreased by -1.53%, reversing the upward trend of the past few years.

Since the collapse of the financial markets in 2008, banks have experienced a healthy rebound. Although, simply looking at the value of net income does not account for the increase in the size of many banks. In order to take this into account, we divide total net income for the industry in a given year by the industry's year end total assets to calculate the industry's Return on Assets (ROA). The ROA graph demonstrates the industry's return on assets this year compared with that in 2007. Both small and large banks have surpassed their pre-recession levels in 2019. In 2014, the total return on assets for both large and small banks declined, but there appears to be a robust rebound. As of the end of 2024, large banks stand 60.22% higher than 2007 return on assets while small banks are now 40.09% lower than 2007 levels.

1.1.4 The Herfindahl-Hirschman Index

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

The Herfindahl-Hirschman Index (HHI) is a commonly used measure of industry concentration. Ranging from 0 to 1, the HHI is found by summing the squared market shares of all the firms. When the HHI is 0, a market has a large number of equally sized firms; on the other hand, when the HHI is 1, a market has only one firm. According to the Department of Justice, any market with a HHI between 0.15 and 0.25 is considered to be moderately concentrated. When a market exceeds 0.25, the Department of Justice finds it to be a concentrated market, which may require further review before any mergers can occur.

For Santa Barbara County, the current HHI is 0.1153. Therefore, the current banking industry in Santa Barbara is un-concentrated. The HHI for the County decreased by 0.97% compared with last year's HHI of 0.1164.

1.1.5 Pension

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

The Center for Retirement Research at Boston College collects public plan-level data for 220 states and local pension plans since 2001. Among these plans, we focus specifically on four pension systems: California PERF, University of California Retirement Plan, California State Teachers' Retirement System, and Colorado Public Employee Retirement Association-School Division. When it comes to evaluating the performance of investments, there are a few key measures that investors can consider.

The net pension liability (NPL) is a measure of the difference between the present value of pension benefits earned by employees and the assets available to pay for those benefits. All four pension groups have seen a steady increase in their net pension liability over the years, indicating potential funding challenges in meeting their pension obligations. During the pandemic, we observed a clear decline in the net pension liability of California PERF and California Teachers because the strong performance of the stock market significantly boosted the value of pension fund investments, especially in equities, leading to a marked improvement in the funded status of plans like CalPERS and CalSTRS. This substantial growth in asset values directly reduced the net pension liability.

Since the base year of 2010, the NPL for California PERF, University of California, California Teachers, and Colorado School has increased by 589.56%, 217.2%, 54.55%, and 52.17% respectively, as of 2023. The rise in NPL for California PERF is particularly notable, which can be attributed to a combination of factors, including longer life expectancies, lower investment returns, and changes to actuarial assumptions.

While NPL helps to assess the financial risk associated with a pension plan, the pension funding ratio can serve as a crucial metric for evaluating the financial soundness of a pension plan by assessing the correlation between its assets and liabilities. It is expressed as a percentage and is calculated by dividing the value of the plan's assets by the value of its liabilities. A funding ratio of 100% or greater indicates that a plan has enough assets to cover its liabilities, while a ratio below 100% indicates a shortfall. The four pension plans all have become increasingly underfunded over the years, which is a cause for concern for their ability to provide retirement benefits to current and future retirees. Among all four plans, the University of California plan has consistently held the highest funding ratio among all four plans, albeit experiencing considerable declines from 147.73% in 2001 to 81.82% in 2023, which points to a substantial underfunding concern.

Percent fair value change is a measure that tells us how much the fair value of an asset or liability has changed over a specific period of time, expressed as a percentage of its original value. The percent fair value change of each fund varies widely from year to year. All four pension plans had experienced significant losses in 2008 and 2009 due to the financial crisis. However, they were all able to bounce back to the original level within one to two years. As of 2023, the fair market value change for each pension plan is 4.73%, 3.43%, 4.52%, and 11.14% respectively. These numbers highlight the varying levels of success that each pension plan has had in maintaining or increasing their fair market value. It's worth noting that there are a variety of factors that can influence the fair value change of an asset or liability, including market conditions, economic factors, and geopolitical events.

In addition, comparing the long run return to the assumed return can help investors evaluate the performance of their investments. If an investment consistently achieves a return that is lower than the assumed return, investors may want to consider reallocating their investments to other assets or strategies. In 2001, the University of California plan had the highest positive return of 6.04% compared to the assumed return. Since then, the four pension plans tend to rise and decline together, exhibiting a similar trend pattern across time periods. In 2023, the difference between long-run and assumed return for each pension plan is 0.3%, 0.65%, 1.7%, and 0.55% respectively.

From the perspective of state and local governments, one of the key challenges to balancing budgets is the need to fund pension systems. Three of the largest pension funds that affect our local community are calPERS, calTeachers, and UCRP. The reported total pension liabilities of each pension fund is $329 billion, $139 billion, and $88 billion respectively. Each of these funds reports an unfunded ratio, i.e. fraction of liabilities for which there are insufficient fund assets, of 27.44%, 28.39%, and 20.5%, respectively.

The liabilities data reported by pension funds while informative are misleading. In particular, annual financial reports produced by pension funds follow what are known as the GASB 67 guidelines. A crucial assumption necessary to calculate total pension liabilities is the assumed return of fund assets. The reported data all assume an annual rate of return above 7%. The key flaw in these assumptions is that funds are allowed to implicitly assume that the assets and liabilities of the fund are equally as risky. This is not necessarily the case. The graphs below show the portfolio allocation of each pension fund. The asset mix of all these pension funds is heavily tilted toward equities, which tend to be higher risk assets, as opposed to fixed income. Pension liabilities, on the other hand, are much more certain, i.e. less risky, than suggested by the asset mix of these funds.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

To provide both a more conservative picture of the health of pension funds and one that treats pension liabilities as more certain (less risky), pension fund liabilities should be computed using, for example, risk free rates of return. One commonly used measure of the risk free rate of return is the return on 10 year treasury bonds. The graph below shows the position of these three pension funds using a risk free rate of 2.0%. The difference between the data reported and that implied by a risk free rate is quite stark. The total liabilities and unfunded ratio of each fund roughly doubles. While both the reported data and adjusted data presented below highlight the difficulty of funding these pension systems, the adjusted data shows that substantially more work must be done to balance budgets than may be recognized by local governments.

1.2 Oil and Gas

Key Points:

- California's production of crude oil has been declining since the late 1980s and decreased by 7.73% between 2023 and 2024.
- Crude oil prices increased by -16.02% from July 2023 to July 2024.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

California's field production of crude oil has been decreasing every year since 2014. Oil production decreased in 2024 by 7.73% compared to the decrease in oil production in 2023 of 7.27%. In 2022, oil production decreased by 6.57%. From 2020 to 2021, oil production decreased by 6.57%.

In addition, oil prices have been increasing sharply from their lowest-ever price of in April 2020. Oil prices fell by -16.02% from July 2023 to July 2024. So far in 2024, the price for WTI-Texas has averaged $72.84, compared with an average of $76.63 in 2023. From July 2022 to 2023, oil prices increased by 3%. Of particular note during 2022 is the sharp increase in oil prices resulting from the invasion of Ukraine. However, price growth has started to slow down, with the average price of oil declining from June to July of 2022.

1.2.1 Federal Offshore Oil Production

Federal offshore oil production has been declining since the mid-1990s and has now reached the lowest level in the recorded data. So far in 2024, federal offshore oil production has averaged 322.5 thousand barrels per month, a 28.19% increase compared with the average of 251.58 thousand barrels per month in 2023. At its peak in 2009, federal offshore oil production reached 6,312 barrels per month.

1.3 Agriculture

Key Points

- Total crop value decreased by -2.82%, from $1.93 billion in 2022 to $1.88 billion in 2023.
- The total value of strawberries, the county's highest-grossing crop, decreased by -4.39% from $810.9 million in 2022 to $775.3 million in 2023.
- Total sales of wine grapes reached 98.56 in 2023, a increase of 2% compared with 2022.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

1.3.1 Total Crop Production

The total crop value in 2023 was $1.88, a decline of -2.82% from the prior year. This represents a decline in growth compared with the previous year, when the total crop value increased by 1%. Total harvested acres of vegetables, fruits, nuts and field crops increased by 1.24%.

1.3.2 Leading Crops

Production of strawberries, the county's highest-grossing crop for the past 20 years, had a gross value of $775.3 million in 2023. This represents a -4.39% decrease in gross value of strawberry crops from 2022, which was $810.9 million. The value of the strawberry crop has nearly doubled in the past decade, and the pace of growth was particularly fast in the past two years. From 2021 to 2022, the strawberry crop's value grew by 1.3%.

Broccoli's crop value declined in 2023, decreasing from $93.375 million the previous year to $86.737 million. The 7.11% decrease in gross value continued the trend from the previous year, when the value of the broccoli crop declined by 8%. Total harvested acres of vegetables, the category that includes broccoli, increased by 1.58%.

The Santa Barbara County wine grape crop value rose by 2% from $96.33 million in 2022 to $98.56 in 2023. The average price per ton of wine grapes grown in Santa Barbara County decreased by -2.6% to $2,292. The average price per ton from 2004 to 2023 was $1,647, well below the price in the past year.

The avocado crop value plummeted by 10% from $59.65 million in 2022 to $37.137 million in 2023. By comparison, the value of the avocado crop increased by 17.59% from 2021 to 2022. The average annual value of the avocado crop from 2004 to 2023 is $47.25 million. In recent years, the avocado crop has experienced more volatility in its value than many other crops.

1.3.3 Wine Grape Production

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

In Santa Barbara, Ventura and San Luis Obispo Counties, the average price of white wine grapes in 2023 was $2198.46 and the average price of red wine grapes was $2270.02. The average price of grapes in the Central Coast region is typically higher than the statewide average. Production of red wine exceeds production of white wine in the tri-county area: in 2023, this region crushed 112619.8 tons of red grapes and only 40516.7 tons of white grapes. Santa Barbara is best known for its Chardonnay and Pinot Noir, the former of which cost $1677.06 per ton and the latter of which cost $2251.2 per ton in 2023. The most heavily produced type of wine in the tri-county area is Cabernet Sauvignon, at 55870 tons in 2023.

1.3.4 Drought Recovery

In 2023, 1.22% of California was in a severe drought, a -84% decrease from the average in 2022. So far in 2024, the percent of California in a severe or moderate drought has increased by 2060.66% and 648%. However, the percent of the state in the most severe drought categories of exceptional drought and extreme drought has changed by 7866.67% and 0%, respectively.

The percent of Santa Barbara, San Luis Obispo and Ventura counties in the most severe category of exceptional drought has declined substantially since 2014. However, the vast majority of the land in all three counties remained either abnormally dry or in a moderate drought, highlighting the importance of continued water conservation efforts despite improvement in drought status in the last several years. In 2024, the percent of three counties in drought are very low or close to zero, which suggests that all three areas have received sufficient precipitation and have adequate water resources to meet their needs.

Chapter 2

Business Activity

2.1 GDP

Key Points:

- Real GDP rised at an annual rate of 1.1% in Santa Barbara County in 2023, compared to a 0.2% increase in 2022.
- The Finance industry was the largest contributor to Real GDP in Santa Barbara. The Professional & Business Services industry was the second largest contributor in 2023 and Government followed with the third largest contribution to real GDP in Santa Barbara.
- Mining was the fastest increasing industry in 2023, with an increase in GDP contribution of 16.2%.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

Real Gross Domestic Product (GDP) measures the value of all goods and services produced within a certain location over a certain period of time. It remains one of the best measures of economic growth and well-being, not only for the nation but also for local areas. Unlike the data on national GDP, data on GDP for Santa Barbara County is only reported annually and at a considerable lag. Typically, we rely on alternative measures to judge the health of our local economy like employment statistics and housing prices, which are released more frequently. However, GDP remains a relevant statistic to determine long-run trends in the county's economic growth and industry mix. It also allows for a direct comparison to growth in the nation and state.

Real GDP growth in Santa Barbara County for 2023 increased by 1.1%. Over the last decade, Santa Barbara County had seen steady growth in real GDP, with an average growth of 2.36%. In 2021, Santa Barbara County saw the highest real GDP growth rate of 6.8% over the past ten years, while the lowest increase in real GDP occurred in 2022, with only a 0.2% rise. U.S. real GDP decreased by 2.8% in 2020, but has since increased by nearly 6% in 2021. This is above and beyond what is typical, illustrating how the economy was able to bounce back after the pandemic. Real GDP also fell in California by 2.3% in 2020, a large decrease from a 3.2% growth in 2019. As of 2023, the real GDP in the United States had risen by 2.9%, while California recorded a lower growth rate of 2% in its real GDP.

Real GDP increased by -0.4% in 2023 for San Luis Obispo County. From 2010 to 2019, San Luis Obispo has had nine consecutive years of positive real GDP growth rates. However, the year 2020 marked a break in this trend with a negative growth rate of -3.0%. In 2021, San Luis Obispo recorded its highest growth rate of the past decade, with a 4.9% increase. Real GDP for Ventura County increased by 0.7% in 2023. Similarly, Ventura County experienced a 2.6% decrease in real GDP in 2020. This was the first decrease for Ventura County since 2016, when real GDP decreased by 0.7%.

Industry Growth

In Santa Barbara County, the largest five industries in 2023 were Finance, Professional & Business Services, Government, Information, and Manufacturing in that order. All of these industries were also part of the five largest industries in 2022, with Finance still leading. Professional & Business Services was the second largest industry in 2022 and Government followed in third.

The fastest growing industry in 2023 was Mining, which experienced GDP growth of 16.2% from 2022. The second-fastest growing industry in Santa Barbara County was Information, with GDP growth of 11.2%. Retail Trade had the third largest growth rate in 2023 at 10.4%, and Educational Services had the fifth largest growth rate at 5.1%.

The five industries with the weakest growth in 2023 were Agriculture (-28%), Wholesale Trade (-6%), Transportation (-5.3%), Construction (-4.8%), and Other Services (-4.2%).

Per Capita GDP

Real GDP per capita for Santa Barbara County in 2023 was $72,143, reflecting an increase of 1.5% compared to the previous year. This was higher than San Luis Obispo County ($63,910) and Ventura County ($64,376). Santa Barbara County's real GDP per capita was higher than that of the United States' value of $67,245, but it was lower than California's real GDP per capita of $82,877. Due to the pandemic, there was a general decline in real GDP per capita in the year 2020, as evidenced by the data. However, the economy has shown signs of recovery in 2021, as we observe an increase in real GDP per capita.

2.2 Prices

Key Points:

- Core inflation, which removes the effects of energy and food prices, decreased by 1.7% from January 2023 to January 2024 in the United States, and decreased by 0.8% in the Los Angeles Area.
- The Federal Reserve's long-term inflation target of 2% was significantly exceeded in 2024, with the core CPI for the U.S. reaching 3.44%.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

The main measure of inflation is the Consumer Price Index (CPI). This index is calculated by taking the change in prices paid by urban consumers for a fixed basket of goods and services, which is representative of what a typical consumer purchases. In 2024, the CPI for the Los Angeles Area increased by 2.53%. The overall U.S. inflation in 2024 increased by a similar percentage, at 3.11%.

Core CPI is often thought of as the best measure of inflation. It resolves issues and concerns regarding volatility by removing food and energy from the basket of goods and services. By this measure, inflation was 4% in the Los Angeles area for 2024. Los Angeles consistently had a higher core CPI than the US from 2015 to 2020, but the trend did not persist in 2021-2024. The core CPI value for the U.S. was 0.53% lower than the value for Los Angeles in 2024. The FED hit their long-term inflation target of 2.0% for the first time in 2016 since 2008. The inflation rate increased drastically in 2024 for Los Angeles, hitting high above the FED's target. It rose from 3.76% in 2023 to 3.97% in 2024. The FED was highly above their 2.0% benchmark in 2024 with the core CPI for the U.S. being 3.44%.

In the Los Angeles Area, the quarterly percentage change for the CPI for energy experienced a decline of 2.57% at the end of 2024, while the corresponding change for the entire United States was a increase of 2.28%.

Chapter 3

Employment and Income

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

3.1 Employment

Key Points

- Santa Barbara County's total employment for all industries grew by 3,651 jobs in 2025, a gain of 1.77%
- The seasonally adjusted unemployment rate stayed stagnant in 2025 at 4.36%.
- Santa Ynez Valley has the lowest unemployment rate in the county at 0.3% and Lomoc has the highest unemployment rate in the county at 13.3%.

3.1.1 Santa Barbara County Employment

Santa Barbara County's total employment for all industries grew in 2025. Total Employment increased from 211,405 jobs in 2022 to 215,057 jobs in 2025. This gain of 3,651 workers represents an increase of 1.70%, which is higher than the previous year's growth rate of 0.89%. Since December of 2013, Santa Barbara County has had a net gain of 12,561 jobs, averaging an increase of 1,046 jobs each year. This is a sign that the labor markets in Santa Barbara County are healthy.

Santa Barbara's non-farm payroll employment stands at 186,400, reflecting a monthly decrease of 0.11% and a year-over-year decline of 0.32%. This places Santa Barbara slightly lower than the statewide trend. San Luis Obispo experienced a 0.34% monthly increase, while San Jose and Oxnard saw modest monthly growth of 0.03% and 0.16%, respectively. Over the long term, Santa

Barbara's employment trends remain stable, though still lagging behind the gains observed in larger areas like San Jose.

The average number of unemployed workers and the unemployment rate has stayed stagnant in the past year. The unemployment rate dropped from a high of 4.67% in 2024 to, based on the most recent data, 4.3% in 2025. The number unemployed, defined as workers who are without work and are actively seeking work, has increased from a peak of 9,700 in 2023, to 10,291 in 2024, and then down to 9,727 in 2025. This drop of 564 unemployed workers in the past year represents a decline of 5.48%. The declines in both variables have been gradually slowing down as the labor market returns to so-called "full employment", loosely defined as the lowest possible level that will not cause inflation. If unemployment falls significantly, inflation will rise as employers compete to hire workers and push up wages too fast. The size of the labor force in Santa Barbara County has increased from 2024 to 2025 by 3,683 workers. This is an increase of 1.67%.

3.1.2 Santa Barbara County Industries

Over the past year, Total Farm saw the largest industry increase in employment, with a growth rate of 6.56%. Government employment (State and Local combined) also grew significantly, rising by 4.75% over the year. In contrast, Total Private employment declined by 1.39% over the past year. Total Nonfarm employment overall fell slightly, decreasing by 0.32% compared to the previous year. Since 2013, the percentage of total employment for most industries has not significantly changed.

Employment shares across industries have remained relatively stable in the short term. However, Total Farm's significant recent gains suggest a strengthening in agricultural employment. Meanwhile, Total Nonfarm employment has seen small declines (-0.11% over the month and -0.32% over the year).

The figures below depict the employment time series for Total Nonfarm, Total Farm, Goods Producing, Services Providing, and the six largest 2-digit industries in Santa Barbara County. Industries such as Total Farm, Leisure and Hospitality, Government, and Retail Trade continue to display strong seasonal patterns. Sectors like Manufacturing and Education and Health Services show relatively stable employment without strong seasonal trends. Recent trends indicate steady gains in Leisure and Hospitality, Education and Health Services, and Professional and Business Services, while Retail Trade employment continues to face declines following its 2015 peak.

The largest sector in Santa Maria-Santa Barbara MSA is goverment with 20.01% of the total nonfarm employment. Follwed by Private Education and Health Services with 17.76%, and Leisure and Hospitality with 14.75%, Trade, Transportation, and Utilities with 13.89%. The smallest sector is Mining and Logging with 0.27% of the total nonfarm employment. The fastest growing sector is Private Educational services, Health Care and Social Assistance, and Accommodation, which grew by 9.09 %, 3.76 %, and 2.04% respectively. The industry that decreasing the most are Mining and Logging and Manufacturing, which decreased by 16.67% and 8.59% respectively.

3.1.3 City Data

Current unemployment rates are highest in Santa Maria (12.4%), Lompoc (13.3%), and Guadalupe (12.6%). Unemployment rates are lowest in Santa Ynez Valley (0.30%) and Buellton (4.8%). Unemployment rates in all areas have declined significantly since 2020, when several North County cities had unemployment rates around 15%.

3.1.4 California Counties

Labor markets all across California vary significantly as counties' labor markets are dependent on their geographical region. Santa Barbara's labor market compares well to most counties in California. However, they aren't as strong as some counties in Northern California, and specifically those counties in the Bay Area. Santa Barbara's unemployment rate (4.36%) is above average relative to other California counties. Santa Barbara has the 13th lowest unemployment rate among all California counties. The county with the lowest unemployment rate is San Mateo County (3.56%), which is part of San Francisco's Bay Area. The top four counties with the lowest unemployment are: San Mateo County (3.56%), San Francisco County (3.74%), Orange County (3.89%). The three counties with the highest unemployment rate in the state are Imperial County (18.28%), Colusa County (12.58%), and Tulare County (10.03%). These counties also had the highest unemployment rates in 2024 as well. Most California counties' unemployment rates fall between 3% and 5%. Some California counties saw a decrease in their unemployment rate compared to 2024 levels. Sierra County saw the largest decrease in the unemployment rate (17.83 percentage points).

3.2 Occupations

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

The Occupational Employment Statistics (OES) aggregates occupations into 22 occupation groups. A summary of the data for these occupation groups is shown above. Food Preparation and Serving-Related Occupations is the largest occupation group, with 23,340 jobs, and Office and Administrative Support Occupations is the second largest group, with 21,000 jobs. The occupations with the highest hourly wage is Management Occupations, with an average hourly wage of $69.75, the second highest is Computer and Mathmatical with an average hourly wage of $65.76, and the third highest is Legal Occupations, with an average hourly wage of $60.8. The occupation group with the lowest hourly wage is Farming, Fishing, and Forestry, with an average hourly wage of $19.03, the second lowest is Food Preparation and Serving Related Occupations, with an average hourly wage of $16.76, and the third lowest is Healthcare Support Occupations, with an average hourly wage of $20.9

3.3 Income

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

Per capita net earnings constitute the majority of per capita personal income in the United States, California, and Santa Barbara County. These earnings include wages and salaries, supplements to wages and salaries (such as employer contributions to pension and insurance funds), and proprietors' income, less contributions to government social insurance, and adjusted to reflect income by place of residence rather than place of work. In 2023, the per capita income of Santa Barbara County was $82,736. The Bureau of Economic Analysis (BEA) discontinued county- and metro-level data reporting starting in 2024, so no data are available beyond 2023. Santa Barbara County's per capita income in 2023 was higher than both the California state average of $72,425 and the national average of $64,345 in 2024.

Chapter 4

Real Estate

4.1 Residential

Key Points:

- The Santa Barbara County Housing Affordability Index fell from 11% to 10% over the past year and sits below the average for all of California and US.
- The median home price for Santa Barbara County $1.41 Million dollars.
- The median time on the market is 23 days at March 2025.

The following interactive applications display the current inventory, average price change, median price, median time on the market, and affordability index for Santa Barbara County, other counties in California, the state of California, and the United States.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

Santa Barbara County's housing market continued its growth in terms of home values compared to last year, albeit at a slower rate. From March 2024 to March 2025, the Zillow County Level Prices, an estimate of the median home value, for Santa Barbara County increased from $958.8104k to $980.636k, a 2.276% change. The median home price in Santa Barbara County as of March 2025 surpassed its pre-recession high of $699k in June 2006. Median prices in both the overall US and California have remained above their pre-recession peaks. None of these geographies experienced gains in year-over-year growth rates of home values relative to this time last year. 2023 also saw a large dip in home value growth beginning in January, reaching a minimum between February and June, depending on the region under consideration. Growth and home values have since rebounded. Following the recovery in home value growth rates, i.e. since

2013, year-over-year growth of Santa Barbara County home values reached a minimum of 1.34% in December 2019. Neighboring San Luis Obispo County has fared worse, reaching a minimum of -0.89% in April 2023. Of particular interest is that, while the United States as a whole also experienced a dip of sorts throughout 2019, the decline and subsequent rebound in year-over-year growth is most dramatic for California. Given the size of California and the relative value of its housing market, the 2019 decline in California's year-over-year growth may be a large contributing factor to the apparent nationwide dip during that time period.

Inventories, calculated as a index to evaluate how many houes are on the market in a given region, increased in both Santa Barbara County and California, following last year's rebound. Santa Barbara experienced a decline in inventories from a peak in January 2019 to March 2020. This dip in inventories across the United States, while still present, is much smaller than that in both California and Santa Barbara County housing markets and appears to be a return to the Country's secular trend in inventories beginning in 2013. Take note of the fact that declining inventories could be due to one or more of many different supply and demand forces, and how efficiently real estate markets match buyers with sellers. The health of local housing markets depends crucially on the source of the change in inventories and not simply the stock of inventories itself.

4.1.1 Affordability

The Housing Affordability Index from the California Association of Realtors measures the percentage of households in California counties that can afford to purchase the median-priced home in their respective areas. Nationally, 36% of United States households could afford the median-priced home in the country during the fourth quarter of 2024, an increase from 35% in the same quarter of the previous year. California's Housing Affordability Index remains lower than the national average, with 15% of households able to afford the median-priced home in the state during Q4 2024, unchanged from the same quarter in 2023. Santa Barbara County also falls below the national average, with an index of 10%. This represents a decrease from 11% in Q4 2023 and is unchanged from Q3 2024. Moreover, Santa Barbara County is among the least affordable counties in California, tied with Monterey and San Luis Obispo counties at 10%. Only Mono County had a lower affordability index at 6%.

4.1.2 Housing Prices and Sales

Home price data from the California Association of Realtors shows that the real median home price for Santa Barbara County increased by approximately 2.3% between March 2024 and March 2025. This compares to a 3.5% rise in real prices for California and a 3.7% increase for Los Angeles County. When examining different regions within Santa Barbara County, the South Coast experienced a median home price increase of 1.9%, while North County saw a more substantial rise of 3.1% over the same period. These figures suggest a modest appreciation in home values across Santa Barbara County, with North County outpacing the South Coast in terms of growth.

4.1.3 Sales Price vs. List Price

When comparing list prices and sales prices, the median sales price for single family homes is close to the median list price throughout Santa Barbara County. In 2007, no areas in Santa Barbara City and Goleta sold homes at a discount. Instead, SB/East of State, SB/Gol North, SB/Gol South, and SB/West of State sold single family homes at a premium. The differences in list and sale prices may be indicative of the relative bargaining power of buyers and sellers in each region. Throughout the County, the lowest sale to list price was 117% in SB/West of State. List prices vary significantly between regions, with Hope Ranch being the most expensive and SB/Gol South being the least expensive. Median list prices for these two geographies are $3,955,625 and $876,917, respectively.

4.1.4 SB South Coast: Single Family Home Listings, Sales and Prices

Montecito experienced the largest level change in its median sale price, which rose in 2024 from $5,005,005 to $5,500,000. This brings its median home price back in line with historic prices after a stark rise in 2018. This level change also represents the largest percentage change in median home prices, adjusting by 9.89%. Santa Barbara North County had the most stable prices in percentage terms, with median home prices increasing by 2.3% between 2024 and 2025. In terms of mean home prices, Montecito experienced the largest change: average prices rose from $6,433,806 to $6,800,000. Given that the median price saw a modest increase, it is likely the case that a small number of high-value sales is skewing the average for the Montecito area.

4.1.5 Sales Price vs. List Price

When comparing list prices and sales prices, the median sales price for single family homes is close to the median list price throughout Santa Barbara County. In 2007, no areas in Santa Barbara City and Goleta sold homes at a discount. Instead, SB/East of State, SB/Gol North, SB/Gol South, and SB/West of State sold single family homes at a premium. The differences in list and sale prices may be indicative of the relative bargaining power of buyers and sellers in each region. Throughout the County, the lowest sale to list price was 117% in SB/West of State. List prices vary significantly between regions, with Hope Ranch being the most expensive and SB/Gol South being the least expensive. Median list prices for these two geographies are $3,955,625 and $876,917, respectively.

4.1.6 Santa Barbara and Goleta: Condominium Listings, Sales and Prices

The Santa Barbara and Goleta condominium price data from the Santa Barbara Association of Realtors Multiple Listing Services shows that Santa Barbara - East of State Street and Goleta - North of Highway 101, Santa Barbara - West of State Street and Goleta - North of Highway 101 experienced an increase in median condo prices. Moreover, Santa Barbara - East of State Street, Goleta - North of Highway 101 saw an increase in the number of listings. Between both Santa Barbara and Goleta, net listings–listings minus sales–decreased by 48.

4.1.7 Housing Permits

In Santa Barbara County, total residential unit permits decreased from 471 in 2023 to 400 in 2024. Both single-family unit permits and multi-family unit permits decreased from 360 to 92 and from 111 to 15, respectively. Moreover, the share of multi-family permits declined from 23.6% to 3.8%. The total value of residential building permits fell from $105.8 million to $98.2 million.

4.2 Commerical Real Estate

4.2.1 Radius Insight: 2025Q1 South Coast Market Report

Guest Authors: The Radius Team
Radius Commercial Real Estate Investment

- Cooling Q1 sales underscore more selective approach in south coast commercial purchasing

The first quarter of 2025 saw a noticeable slowdown in commercial sales across the South Coast, with only 12 recorded transactions totaling just under $34 million in volume. This marks a significant decline from the $64.75 million in Q1 of 2024 and continues the post-2022 trend of cooling activity after a record-breaking year. While the number of deals and overall dollar volume were down, the quarter still reflected investor interest in select, highquality properties across a mix of asset types. Notably:

- The largest sale of the quarter was an office property at 29 W. Calle Laureles. in Santa Barbara, which closed for $4.6 million or $605/SF.
- The highest price-per-square-foot for a building went to 730 Anacapa St., a boutique office that sold for $1,372/SF, showing that well-located downtown properties still command a premium despite broader market caution.
- Office properties led the quarter in volume, with four (4) sales contributing over $15.7 million combined, including both investor and owner-user purchases.

- On the retail side, we saw impressive price-per-square-foot metrics in Goleta, particularly the sale at 5999 Hollister Ave., which sold for over $1,100/SF—a standout number even in today's market.

- Industrial properties traded hands at more modest prices, with activity centered in the Santa Barbara core.

- There were a few notable land transactions, including a multifamily development site at 1103 Bailard Ave. in Carpinteria which sold for $4.2 million—an indicator of continuing interest in long-term development plays, albeit at lower price points (around $30/SF for land).

While these numbers represent open-market deals, we also saw two large institutional REIT transactions totaling over $102 million, involving retail centers in Santa Barbara and Carpinteria. However, these were essentially internal REIT acquisitions and not considered part of traditional investor activity, so we've excluded them from our totals. Looking at the five-year history, Q1 2025 dropped us down to early pandemic levels in terms of both volume and transaction count, with both 2021 and 2021 recording about $39 million each year with 12 and 15 sales respectively. While buyer demand has clearly cooled since the highs of 2022, we're seeing a more normalized, steady pace of activity with selective interest in well-located assets. Properties that are unique, turnkey, or income-producing continue to perform well, while others are sitting longer or trading below ask. Interest rate sensitivity and cautious underwriting remain dominant themes, but confidence hasn't disappeared—it's just more measured.

SO. COAST Q1 5-YR. SALES COMPARISON

	# Sales	*$ Volume*
Q1.25	12	34 MM
Q1.24	22	$64.8 MM
Q1.23	20	$40.9 MM
Q1.22	**30**	**$152 MM**
Q1.21	12	$39 MM
Q1.20	15	$39.2 MM

2025 So. Coast Leasing Quick Stats

VACANCY

		Q4.24	Q1.25
OFFICE	Santa Barbara	10.3%	**10.7%**
	Goleta	7.9%	**8.1%**
	Carpinteria	29.3%	**25.6%**
INDUSTRIAL	Santa Barbara	1.1%	**1.0%**
	Goleta	3.0%	**3.3%**
	Carpinteria	2.8%	**3.2%**
RETAIL	Santa Barbara	3.2%	**3.3%**

GROSS ABSORPTION (SF)

		Q4.24	Q1.25
OFFICE	Santa Barbara	56,900	**44,700**
	Goleta	41,400	**23,000**
	Carpinteria	0	**8,600**
INDUSTRIAL	Santa Barbara	31,600	**11,100**
	Goleta	35,200	**5,800**
	Carpinteria	5,800	**22,000**
RETAIL	Santa Barbara	15,700	**17,500**

AVG. GROSS ASKING RATES ($/SF)

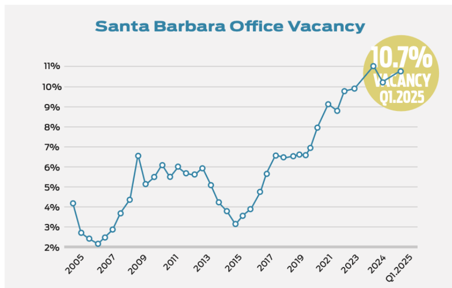
		Q4.24	Q1.25
OFFICE	Santa Barbara	$3.16	**$3.18**
	Goleta	$2.27	**$2.32**
	Carpinteria	$2.61	**$2.73**
INDUSTRIAL	Santa Barbara	$3.21	**$3.32**
	Goleta	$1.89	**$2.05**
	Carpinteria	$1.31	**$1.54**
RETAIL	Santa Barbara	$4.06	**$4.18**

AVG. GROSS ACHIEVED RATES ($/SF)

		Q4.24	Q1.25
OFFICE	Santa Barbara	$2.92	**$3.40**
	Goleta	$2.42	**$2.28**
	Carpinteria	N/A	**$1.75**
INDUSTRIAL	Santa Barbara	$1.94	**$2.59**
	Goleta	$2.11	**$1.56**
	Carpinteria	N/A	**$1.20**
RETAIL	Santa Barbara	$3.85	**$2.99**

4.2.1.1 Office

Not much change in Santa Barbara with the office vacancy rate continuing to hover between 10% and 11%. Interesting to note when you look at achieved office lease rates in Santa Barbara we are near an all-time high at about $3.40/SF gross. Why? Most of what is leasing is smaller, high-end space which tends to rent at a higher price/SF. The largest lease of the quarter involved a non-profit taking 5,500 SF at 602 Anacapa St. Another notable lease involved a veterinary group taking 5,000 SF at 4860 Calle Real. Ever since COVID veterinarian groups have continued to do well. Regrettably, Umbra Labs decided to vacate their nearly 28,000 SF space at 419 State St. and move to Goleta, putting another large tech office space on the market.



Moving on to Goleta, the office vacancy rate ticked up slightly to 8.1%, keeping Goleta the tightest office market in the South Coast (Santa Barbara, Carpinteria and Goleta). Lease rates for higher-end office space in Goleta continue to rise. For the four new leases over 3,000 SF signed during Q1, lease rates ranged from $1.62 - $1.85/SF NNN. As noted in previous reports, the three largest office spaces for lease in Goleta remain subleases of 43,655 SF, 29,372 SF and 22,964 SF. Finally in Carpinteria, the office vacancy rate decreased slightly to 25.6% during Q1, with just one new lease signed. Forgeline Solutions took 8,560 SF on the bluffs. This was formerly occupied by ProCore, who continues to have about 80,000 square feet available for sublease.

4.2.1.2 Industrial

The first quarter 2025 was very quiet for industrial leasing with only 4 new leases signed. The big news was a new 22,000 SF lease at 1120 Mark Ave. in Carpinteria, formerly occupied by Bright Rentals. The space leased to Mesa Energy. Also in Carpinteria, Gigavac put their 40,274 SF at 6382 Rose Ln. on the market for sublease. This moves the vacancy rate in Carpinteria to just over 3%, however that represents only two lease offerings in the Carpinteria submarket. Meanwhile Santa Barbara basically remained flat at about a 1% vacancy rate with only two spaces over 10,000 SF on the market and a total of just under 50,000 SF available. Goleta's vacancy rate increased slightly to 3.3% with seven spaces over 10,000 SF now on the market for lease. Both Q1 2025 and Q4 2024 were quiet with regard to larger industrial space leasing activity. Lease rates throughout the South Coast are stable, however larger industrial tenants will have more leverage in light of the increased options on the market.

4.2.1.3 Retail

Retail leasing activity in Santa Barbara continued to soften in the first quarter of 2025. While the 12 new retail leases signed in Q1 surpassed the eight (8) recorded in Q4 2024, total absorption remained modest, with just 17,512 SF removed from the market. The trend of stronger demand for smaller retail spaces persisted, while larger spaces remained increasingly difficult to lease. The largest lease of the quarter was a 3,081 SF space at 1230 State St., secured by Pascucci's—a downtown fixture for 31 years. The restaurant will relocate from the 500 block, and while the lease is not notable for its size, the continued presence of long-standing operators on State Street is an encouraging sign for the city. Two additional leases were completed on the 900 block of State Street, at 909 and 911.5 State, contributing to revitalization efforts on a block that has struggled with persistent vacancies. Meanwhile, 805 University relocated from 920 State St. to Paseo Nuevo, exemplifying how short-term leases can serve as interim solutions while long-term plans for this key downtown development take place. Larger retail vacancies, however, remain a challenge. The former Nordstrom building at 817 State St. is now marketing its entire 33,053 SF first floor as available retail space, further increasing the inventory of large- format retail downtown. Outside of downtown, Hook Line and Sinker—a local staple in the fishing community since 1976—signed a five-year lease at Las Positas Center. Montecito also saw two new leases, including Marisa Mason at The Post (1805 E. Cabrillo Blvd.) who currently operates at Arlington Plaza on the 1300 block of State. Overall, Santa Barbara's retail vacancy rate inched up from 3.2% in Q4 2024 to 3.3% in Q1 2025. While the increase was slight, it marks a noticeable rise from the 2.0% vacancy rate reported in Q2 2023. Asking rents rose slightly from $4.06/SF to $4.18/SF (gross equivalent), while achieved rents dropped from $3.85/SF to $2.99/SF—excluding higher-priced Montecito leases. This decline in achieved rents was driven by a handful of deals at below-market rates. The continuation of small businesses accounting for the vast majority of Q1 leases highlights the vital role locally owned operators play in Santa Barbara's retail landscape. While national tenants do maintain a presence, the data clearly reflects that small businesses are the primary engine driving the local retail economy.

4.2.1.4 West Ventura County / Conejo Valley Office

The West Ventura County and Conejo Valley office vacancy rate continued to rise in Q1 2025, increasing to 25.9% and bringing total available space to over 3.55MM SF. Despite a modest uptick in activity with approximately 150,000 SF in new leases signed, the market remains sluggish and well below historical leasing averages.

The three largest contiguous availabilities remain: - 225 E. Hillcrest Dr., Thousand Oaks – 121K RSF - 112 S. Lakeview Canyon Rd., Westlake Village – 133K RSF - 5601 Lindero Canyon Rd., Westlake Village – 99K RSF

4.2.1.5 W. Ventura County Retail

West Ventura County's retail market in Q1 2025 maintained steady momentum with 53 new leases signed compared to 56 in Q4 2024. High demand persisted for second-generation restaurant spaces, pad sites and junior box positions, though vacancy rates rose to 7.0% with over 200,000 SF of new space flooding the market from closures like $.99 only, Big Lots, Party City and Forever 21. The vacancy rate would be even higher without merchants like Five Below and Dollar Tree signing on to occupy some of the Party City and $.99 only boxes.

Meanwhile, the average monthly asking lease rate held steady at $2.43/SF with 1.5% annual growth. The largest new lease of the quarter was Tractor Supply Company's 46,817 SF at 2975 Johnson Dr. in Ventura. Two other notable leases include Action Academy children's gymnastics club taking on 7,306 SF in Moorpark; and Asian Fusion Cuisine signing on for 6,700 SF in Thousand Oaks, a sizable footprint particularly amid the current market where restaurant spaces typically range from 1,500 SF – 2,500 SF.

Moving on to sales activity in the retail sector, the first quarter saw a blend of small cash deals with major portfolio transactions, underscoring Ventura County's resilient and attractive retail investment landscape. One key sales transaction was the $11.9 million sale of Channel Islands Marketplace (1731–1741 Ventura Blvd., Oxnard) at $371.29/SF with a 6.45% Cap rate. This shopping center includes tenants like Guitar Center and Mattress Firm. Ownership recently tore down an existing 6,000 SF building and ground-leased the land to Starbucks which helped lower the overall Cap rate. Additionally, Blackstone Inc.'s $4 billion acquisition of ROIC (Retail Opportunity Investments Corp.) in February added grocery- anchored centers like Seabridge Marketplace in Oxnard, Park Oaks in Thousand Oaks, North Ranch in Westlake, and Moorpark Town Center to its portfolio, further reinforcing investor confidence in Ventura County's stable retail landscape.

4.2.1.6 Santa Barbara South County | 5+ Units

The first quarter of 2025 showed a significant shift in market dynamics for multifamily properties in Santa Barbara South County. While demand remained relatively strong, we saw a notable decrease in transaction volume compared to the robust activity of Q4 2024, with only five (5) transactions recorded in Q1 for properties with 5+ units (including Isla Vista), compared to 2024's average of 8.5 per quarter. One of the two standout transactions for the quarter was at 20-80 Oceano Ave. in Santa Barbara, a 29-unit oceanfront property on the Mesa adjacent to Santa Barbara City College, that sold for $21,150,000 ($729,310/Unit) at a 4.68% CAP rate. This property featured a mix of unit types, with most apartments enjoying full oceanfront views, including 9 existing short-term rentals. The seller provided financing on this transaction, helping to facilitate the deal despite challenging market conditions. The second standout transaction was 27 E. Gutierrez St., a mixed-use property acquired by UC Santa Barbara as part of the university's strategic expansion into downtown Santa Barbara. This property, located at the intersection of State and Gutierrez streets, represents a significant institutional investment aimed at strengthening UCSB's presence in the community and supporting State Street's revitalization efforts. The purchase, approved by the UC Board of Regents in November 2024, closed in January 2025 at an undisclosed price. Another transaction in South County was at 1605 Bath St., Santa Barbara, a 10-unit property that sold for $2,400,000 ($240,000/Unit) at a 5.88% CAP rate. What's particularly noteworthy is that it traded well below its asking price of $3,150,000, representing a 24% discount. This significant price adjustment indicates a growing emphasis among buyers on in-place income and physical condition over speculative upside. The reduced transaction volume likely reflects a combination of factors, including the implementation of stricter rent control measures in the City of Santa Barbara, ongoing concerns about interest rates, and a consistent bid-ask spread between seller expectations and buyer capacity.

4.2.1.7 Isla Vista

Isla Vista saw two transactions in Q1 2025, reflecting continued investor interest in the student housing market near UCSB. At 850 Camino Pescadero, a 12-unit property traded off-market for $6,775,000 ($564,583/Unit) at a 6.10% CAP rate. Notably, this property previously sold in 2022 for $3,925,000, and the significant price appreciation is attributed to extensive renovations and the addition of an ADU, bringing the property to a premium market standard. The second transaction was at 6575 Segovia Rd., a 12-unit property that sold for $3,700,000 ($308,333/ Unit) at a 4.57% CAP rate. This property traded 7% below its asking price of $3,975,000. It required immediate capital improvements, particularly to the roof, but its strategic location within Isla Vista and resulting acquisition price made it a compelling investment opportunity. Isla Vista continues to benefit from its unique positioning as a student housing market, where tenant turnover allows for more frequent rent adjustments compared to other Central Coast submarkets.

4.2.1.8 Santa Barbara North County | 5+ Units

Santa Barbara North County showed strength in Q1 2025, with three transactions completed, highlighting increased demand for multifamily properties in Lompoc. The largest transaction was at 411-415 N. H St., a 29-unit property that sold for $4,875,000 ($168,103/Unit) at a 4.85% CAP rate. The property traded off-market, underscoring heightened demand for Lompoc multifamily assets. The context of this sale suggests that growth in the area may be partly fueled by nearby Vandenberg Village and the SpaceX facility, bolstering the region with strong economic drivers. Two additional transactions in Lompoc were part of a two-property sale: 732 N. G St., a 7-unit property that sold for $1,455,000 ($207,857/Unit) at a 5.00% CAP rate, and 736 N. G St., a 6-unit property that sold for $800,000 ($133,333/Unit) at a 5.95% CAP rate. The combined per-unit price of approximately $173,000 is yet another example of a "low-end" price point for multifamily product in Lompoc. The activity in North County, particularly in Lompoc, represents a notable shift in investor sentiment. CAP rates remain more attractive than those typically seen in South County properties, providing stronger cash flow for investors concerned about rising operating costs and interest rates.

4.2.1.9 Ventura County | 5+ Units

Ventura County saw three transactions in Q1 2025. The most significant was at 850 Warwick Ave. in Thousand Oaks, a 50-unit property that sold for $18,200,000 ($364,000/Unit) at a 4.50% CAP rate. The property previously traded in 2021 for $16.1MM, representing a modest appreciation of approximately 13% over four years. In the City of Ventura, 473–477 W. Ramona St., a 15-unit property, sold for $2,600,000 ($173,333/Unit) at a 4.00% CAP rate. This property was purchased by the City of Ventura for potential affordable housing development, with strong ADU potential given its sizable 33,105 SF lot. The third transaction was at 47–53 W Prospect St., a 7-unit property that sold for $1,625,000 ($232,143/Unit) at a 4.54% CAP rate.

4.2.1.10 San Luis Obispo County | 5+ Units

SLO County recorded two transactions in Q1 2025. In Oceano, a 20-unit property at 1470 S. 13th St. sold for $3,710,000 ($185,500/ Unit) at a 5.35% CAP rate. The property comprised a main house and three duplexes situated on a 3.5-acre lot. The second transaction was in Atascadero at 17255 Walnut Ave., a 7-unit property that sold for $1,675,000 ($239,286/Unit), selling to a cash buyer at 16% below asking price. Both transactions in SLO County closed below their asking prices, reflecting the market's adjustment to current economic conditions. The focus on less central areas indicates that investors are seeking emerging value opportunities outside traditionally strong markets.

4.2.1.11 Multifamily Summary | 5+ Units

The first quarter of 2025 presented a mixed picture for the Central Coast 5+ unit multifamily market. With a total of 12 transactions across all submarkets, activity was moderate compared to the robust fourth quarter of 2024. Several key themes emerged: Most properties traded below asking prices, with discounts ranging from 2% to 24%, further signaling the ongoing market correction as sellers adjust to new economic realities. CAP rates have continued their upward trajectory, with most transactions in the 4.5% to 6.0% range—a significant shift from the sub-4% CAP rates common just three years ago. North County, particularly Lompoc, demonstrated unexpected resilience with three transactions, while traditionally strong markets like South County saw reduced activity. Buyers across all submarkets continue to emphasize current performance over speculative upside, with turn-key assets commanding premium pricing. Larger institutional investors remain active in the market, as evidenced by the 50-unit Thousand Oaks transaction and the 29-unit oceanfront property in Santa Barbara. The student housing market near UCSB continues to perform well, with two significant transactions demonstrating the appeal of consistently occupied properties with regular tenant turnover. Looking ahead to the remainder of 2025, we anticipate transaction activity will gradually increase as more sellers align their pricing expectations with current market conditions. The recent Federal Reserve signals about potential rate cuts later in 2025 may provide some relief, though timing remains uncertain. The fundamentals of the Central Coast multifamily market remain strong, with vacancy rates holding steady at historically low levels of 2-3% in South County and 3-4% in North County and SLO County. Rental rate growth has moderated to around 2-3% annually, down from the peaks seen in 2021–2022 but still outperforming national averages. For investors, the emphasis on current performance and conservative underwriting is likely to continue throughout 2025. Turn- key properties are experiencing softer demand and are trading at higher CAP rates in the current market environment. Properties offering stable income, limited deferred maintenance, and potential for modest rent growth will continue to attract the most buyer interest, though buyers remain disciplined in valuations relative to previous market cycles.

4.2.1.12 Santa Barbara | 2–4 Units

The first quarter of 2025 recorded 8 closed transactions in the 2–4 unit multifamily residential segment within the City of Santa Barbara — a notable slowdown compared to the strong finish that saw 30 sales in Q4 of 2024. While the drop in sales activity suggests a more measured start to the year, market fundamentals indicate continued interest from both investors and owner-users. Despite fewer closings, 7 new listings hit the market in Q1, showing that property owners are still testing the waters. Three of these newly listed properties went into escrow and successfully closed before the quarter ended — signaling that buyers are actively monitoring the market and are ready to move on well-positioned deals. At the close of Q1, there were 10 active listings available, providing a solid pipeline of opportunities heading into Q2. With an average Days on Market (DOM) of 50.25, we're seeing a pace that aligns with a more balanced, healthy market. It's also worth noting that the uncertain future surrounding rent caps and so-called "renoviction" policies currently under discussion by the Santa Barbara City Council may be influencing seller behavior. The potential for increased restrictions and new limitations on landlords has likely become a motivating factor for some mom-and-pop or long-time family-owned operators to exit the market ahead of additional regulation. This policy uncertainty adds another layer of complexity to investment decision-making.

Transaction Breakdown:

- 5 Duplexes
- 2 Triplexes
- 1 Fourplex

Among the 8 sales, 3 properties sold after at least one price reduction, underscoring the importance of strategic pricing in today's environment.

Notable Sales:

- 424–426 E. Valerio St.

This Upper East duplex set the benchmark for highest price per unit in Q1. Originally listed at $3,495,000, the property sold in February after a price adjustment to $3,150,000 — equating to $1,575,000 per unit. The property featured a beautifully maintained 4-bed, 3.5-bath craftsman main residence with a large backyard, plus a detached 1-bed, 1-bath unit with a private patio. Future ADU potential made this an especially attractive offering for value-add buyers in a premium location.

- 410/411 W. Cota St. & Dibblee St.

A standout from an investment perspective, this combined triplex and duplex package (5 units total) was marketed as a small portfolio. Initially listed at $2,500,000 ($500,000/unit), the property sold at $2,350,000 ($470,000/unit), making it one of the lowest price-per-unit sales of the quarter. Delivered vacant, the opportunity presented flexibility for a full remodel or possible redevelopment into higher- density housing.

4.2.1.13 Multifamily Summary | 2–4 Units

Properties with tenant complexities, deferred maintenance, or less attractive GRMs are sitting on the market longer. However, there remains a pool of active, motivated investors — in the $1,000,000 to $3,000,000 range. Well-located properties with clean unit mixes and realistic asking prices are continuing to transact, often without significant concessions. This segment continues to draw hybrid interest, with a mix of pure investors and owner-occupiers. That blend creates a unique dynamic for duplexes, triplexes and fourplexes in desirable neighborhoods, where some buyers are willing to accept lower immediate returns in exchange for long-term appreciation and lifestyle benefits. Heading into Q2, Santa Barbara's 2–4 unit market appears stable but price-sensitive. Inventory is modest, demand is still present, and underwriting remains disciplined. Expect more traction from listings priced appropriately with upside potential — especially as buyers adjust expectations and sellers become more strategic.

4.2.2 South Coast Commercial Real Estate – 2025 Q1 Market Report

Guest Authors: Hayes Commercial Group **Hayes Commercial Group**

4.2.2.1 COMMERCIAL SALES: A Season of Investor Caution

Commercial sales activity was sluggish in Q1, continuing (and deepening) the low-volume trend of the past two years. There were only 11 transactions along the South Coast, which is less than half the quarterly average during the prior five years. The total dollar value was $30 million, the lowest Q1 total since 2009 and 59% below the 5-year average.

We should note that two local shopping centers—Magnolia Center and Casitas Plaza—transitioned ownership in a $4 billion REIT acquisition. While these were unpriced transfers and excluded from sale totals, they underscore ongoing institutional interest in the area.

The lending environment continues to inhibit sales, as buyers confront higher interest rates, and sellers have generally resisted lowering their price expectations accordingly. In other market cities, higher interest rates have induced leveraged owners to sell when their loans come due, but so far this pressure hasn't produced an increase in supply or "distressed" pricing locally.

Investor activity was more limited this quarter, with just two investment sales—a record low compared to the 5-year average of 12. Highlights included a $4.2 million acquisition the 24,600 SF office building at 5638 Hollister Ave in Goleta, and a premium-priced retail/office property at 730 Anacapa St in Santa Barbara, purchased at over $1,300 per SF.

By contrast, owner-user demand was a bright spot, with nine completed transactions—7% above the five-year average. The quarter's highest-price sale was the owner-user purchase of 29 W Calle Laureles, a 7,400 SF office building off the upper De La Vina Street corridor, for $4.6 million.

Another positive sign: nine of the 11 sales were off-market, signaling healthy buyer demand and proactive acquisition strategies. Historically, such off-market activity correlates with confidence in underlying fundamentals, even when overall transaction volume is subdued. The sobering flip side is that only two on-market sales closed, the lowest count we have on record.

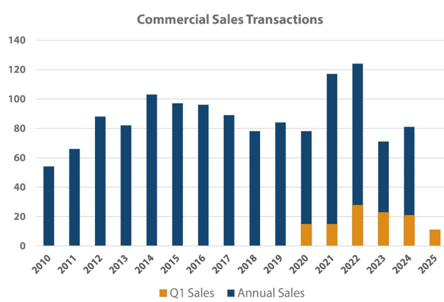
The lull in activity affected all property types. Office property sales represented 36% of the dollar volume, with the most substantial sales mentioned previously. There were only two industrial sales along Gutierrez Street in Santa Barbara purchased by owner-users. The lone retail sale was 5999 Hollister Ave, a high-traffic corner building in Goleta purchased for Megan's Organic Market cannabis at the lofty price of $1,095 per SF.

Inventory of property for sale grew 31% during Q1, due both to below-average transaction volume and the preponderance of off-market sales. The current inventory of 68 properties for sale is the most since the end of 2022.

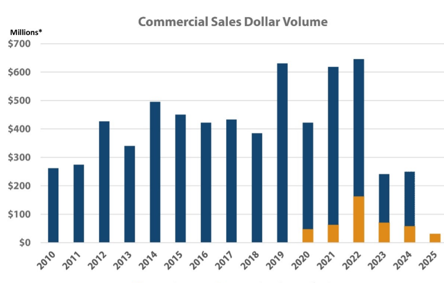
Looking ahead, potential buyers appear more discerning and frugal, reflecting economic uncertainty and financing constraints. Investor demand, while less evident this past quarter, is still alert to opportunities, especially well-located properties or value-add projects with substantial upside. Demand from owner-users is also shaping the market, as they have found more properties available to choose from while investors take a more cautious stance.

The missing element remains demand at higher price points. There were only 20 commercial sales over $5 million during 2023 and 2024 combined, and none in Q1 of 2025. Still, 15 such properties are on the market and surely more potential sellers on the sidelines, positioning the region well when momentum at higher price points returns.

The recently remodeled office building at 29 W Calle Laureles in Santa Barbara was purchased by an owner-user for $4.6 million.



During Q1 there were 11 sales, compared to the 5-year avg of 20 sales.



Q1 non-hotel volume was $30 million versus the 5-year avg of $81 million.

4.2.2.2 OFFICE LEASING

South Coast office leasing was in low gear during Q1, with transactions and dollar value trending 32% and 52%, respectively, below 5-year averages. Yet

Goleta has shown resilience, with vacancy dipping below 6%—a substantial improvement over its double-digit rate just two years ago. Meanwhile, Santa Barbara's vacancy is 10.5% and Carpinteria's remains near 20%.

Santa Barbara

- Office vacancy in Santa Barbara has been in double digits for more than two years. Setting aside the conceptual offering of the upper floors of the former Nordstrom building, the vacancy rate is 8.5%, which is still very high compared to historical levels.
- The quarter's largest leases were renewals: American Riviera Bank extended its 13,000 SF lease at 1033 Anacapa St, and CrossnoKaye renewed the 7,000 SF fourth floor of the Granada Tower at 1216 State St. New leases included 5,500 SF at Anacota Plaza (602 Anacapa St) by a nonprofit, and 4,300 SF at 3760 State St by Channel Wealth.
- Small spaces continue to prevail, with two-thirds of leases under 2,000 SF. Professional office space represented most of the activity, while the only tech tenant was the renewal by CrossnoKaye.
- The leasing activity during the quarter did not match the arrival of new vacancy, resulting in a net addition of 11,000 SF to inventory. The largest new space is 13,500 SF of professional office on the second floor of 1021 Anacapa St.

Goleta

- Given that two years ago Goleta's vacancy rate was over 10%, the current vacancy of 5.9% is evidence of the re-stabilization of the office market in Goleta Valley. Gross absorption was relatively modest in Q1 though, totaling 47,500 SF from 7 transactions.
- Kollmorgen Corporation renewed 21,000 SF at 33 S La Patera Ln on a short-term basis, which was the largest Q1 deal in terms of size. Among the new leases, defense contractor Anduril Industries leased 6,600 SF at 175 Cremona Dr, and IT provider CIO solutions leased 4,500 SF at 120 Cremona Dr.
- There are 12 spaces available over 10,000 SF, the three largest of which are for sublease: 43,600 SF at 50 Castilian Dr; 29,300 SF at 6500 Hollister Ave; and 22,700 SF at 425 Pine Ave.
- All told, 44% of the available space is sublease space, a relatively high ratio reflecting evolving space needs in the hybrid work environment that has held sway since the pandemic.

Carpinteria

- In Carpinteria, Forgeline Solutions leased 8,500 SF of space formerly held by Procore at 6267 Carpinteria Ave. This was the lone transaction in that city during Q1.
- Additional space totaling 70,800 SF offered for sublease by Procore continues to represent the majority of available space in Carpinteria. The

Forgeline lease helped bring vacancy down slightly, but the rate is still very high at 18.1%.

Anduril Industries leased a 6,600 SF office/R&D space on the ground floor of 175 Cremona Dr in Goleta.

4.2.2.3 RETAIL LEASING

The South Coast saw limited retail leasing activity in Q1, with transactions posting 25% below the 5-year average. However, vacancy has held steady for the past 12 months and is currently 3.1%.

For the downtown State Street corridor (400 to 1300 blocks), the storefront vacancy rate is 12.4%, as low as it's been for the last five years. Most notable of the new availabilities is the Starbucks space at State and Victoria, representing another example of a national brand potentially vacating a State Street location.

There were five new leases on State Street. Most notably, Pascucci leased 1230-A State St, which will enable Laura Knight to continue her restaurant's 30-plus year presence on State Street. The space she is vacating, 509 State St, was quickly claimed by Ghirardelli Chocolate & Ice Cream for its 20th US location. Two leases were signed on the beleaguered 900 block by the pair of tenants who recently set up shops in Summerland's Big Yellow House: Mevra Kamaci leased 909 State for a clothing and jewelry shop, and Arrediamo rugs will occupy 911½ State. Last but not least, the Shade Store renewed 635 State.

Looking at other downtown retail, two leases signed on Chapala Street were House of Brutal Power Gym at 1236 Chapala and AK Auto Repair at 1301 Chapala, across from Public Market. Newly available spaces downtown include the former Banc of California space at 16-20 W Canon Perdido St, and the former Victor the Florist building at 135 E Anapamu St. Also of note, the 33,000 SF ground floor of the former Nordstrom building (called 817 State St) is now being marketed exclusively for retail use.

In Montecito, Marisa Mason Jewelry secured a space at The Post on East Cabrillo Blvd. And Dr. Steven Gundry, whose nutrition ads feature on Youtube, leased the space next to Ca' Dario at 1187 Coast Village Rd. New availabilities include 1137 and 1292 Coast Village Rd.

On Upper State, Mendocino Farms leased the former Panera restaurant space at 3851 State St (next to La Cumbre Plaza) with plans to open next year.

Goleta saw one lease renewal by Phamous Café at The Plaza Shopping Center (7127 Hollister Ave). Recent spaces to come to market are the 10,300 SF cinema space at Fairview Shopping Center, the Kyle's Kitchen space at Hollister Village, and the Goodland BBQ restaurant building in Old Town. All three spaces are still open for business with their current tenants. Goleta vacancy remains quite low at 2.7%, and asking rents average $3.50 per SF gross.

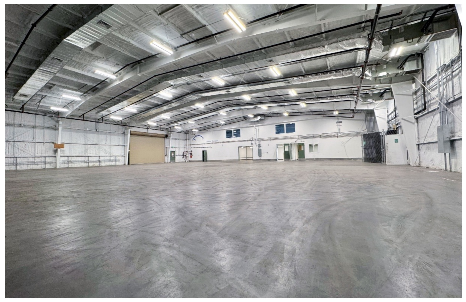
1230-A State St will be the new home of Pascucci, one of the longest-running local restaurant businesses in Santa Barbara

4.2.2.4 INDUSTRIAL LEASING

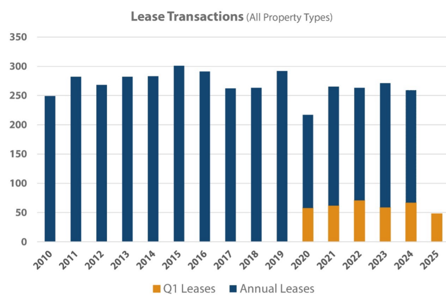
Industrial leasing, like office and retail, saw a dip in transactions during Q1. However, a handful of large leases booted gross absorption 48% compared to the 5-year average. Average asking rents rose 10% year-over-year to $2.36 per SF gross. Goleta's industrial vacancy decreased slightly in Q1, following Curvature's lease of 26,800 SF at 839 Ward Dr, a building that Herbl remodeled five years ago. Consumer Fire Products subleased 5,832 SF at 147 Castilian Dr from Karl Storz Imaging. The vacancy rate of 3.1% indicates the healthy fundamentals of Goleta's industrial market.

Santa Barbara has seen the addition of three spaces larger than 10,000 SF to the market during the past year. There were three transactions in Q1, including the renewal of 7,450 SF at 526 Laguna St by Santa Barbara Paint Depot. A new lease by Pampel Design secured 3,100 SF at 309 Palm Ave. Even with the added inventory, the vacancy rate remains exceptionally low at 1.4%.

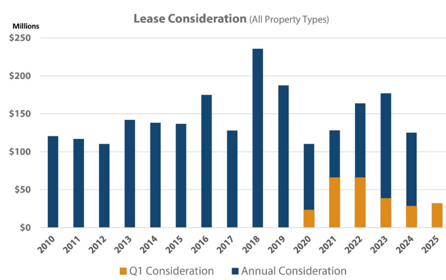
Carpinteria's market was energized by its largest lease in recent years as Mesa Energy Systems secured of 22,000 SF at 1120 Mark Ave, previously held by Bright Rentals. Gigavac brought 40,000 SF to market for sublease at 6382 Rose Ln. All told, the vacancy rate of 5.7% represents about 20% more available space than a year ago.



Curvature leased 26,800 SF at 839 Ward Dr in Goleta, a building formerly occupied by Herbl that includes 16,000 SF of warehouse.



During Q1 there were 48 leases, compared to the 5-year avg of 63 leases.



Q1 Lease consideration was $32 million versus the 5-year avg of $45 million.

Chapter 5

Community

5.1 Demographics

Key Points:

- Santa Barbara County's population is on a continued three-year long decline. Meanwhile, the Tri-county area as a whole is experiencing its sixth consecutive year of population decline.
- Net migration to Santa Barbara County has been steadily decreasing since 2016, with the largest decrease in the recorded data occurring in 2021.
- Santa Barbara's white and black population are declining, while populations of other ethnicities are increasing.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

5.1.1 Local Demographics

The Tri-counties area is composed of Santa Barbara County, Ventura County, and San Luis Obispo County. In 2024, population growth was negative at -0.25%. Population growth for the Tri-counties has not returned to its peak in the recorded data of about 0.9% in 2013 and 2014. Santa Barbara County recorded positive population growth of 0.34%. Population growth in San Luis Obispo County was positive at 0.36%. Ventura County experienced negative population growth of -0.77%. The overall decline in the tri-counties population was therefore driven by Ventura County.

In Santa Barbara County specifically, unincorporated areas experienced the highest growth rate in 2024 at 4.51%. On the other hand, many areas of Santa Barbara County experienced negative growth. These areas include Buellton, Carpinteria, and Goleta, etc. Among cities with a negative growth rate, Solvang faced the lowest growth rate, at -2.54%.

5.1.2 Demographic Details

Incorporated areas of Santa Barbara County are expected to see population increase to 439,900 in 2025, up from 422,700 in 2023. Within the increasing population, there is no clear trend of groups of age demographics that are significantly increasing or decreasing. Similarly, gender groups do not indicate significant differences. However, change of population is seen more clearly in ethnicities in Santa Barbara County. The white population has decreased since 2016, while the Black, Asian and Hispanic populations have increased.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

The median age in the recorded areas of Santa Barbara County is expected to be 34.96 in 2025. Goleta has the lowest median age, at 24.84 years old, and Solvang has the highest median age at 50.36 years old. The average age in the recorded areas of Santa Barbara County is expected to be 38.5 in 2025. Guadalupe has the lowest average age, at 33.2 years old, and Solvang has the highest average age at 47.4 years old.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

5.2 Crime

Key Points:

- Santa Barbara County's violent crime rate increased from 3.85 to 4.08 crimes per 1,000 persons from 2022 to 2023.
- Solvang had the lowest property crime rate and Santa Maria the highest in 2023.
- Guadalupe had the lowest violent crime rate and Santa Maria the highest in 2023.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

Over the past 10 years (2014-2023), property crime rates decreased and violent crime rates increased county wide by -20% and 38%, respectively. Compared to the United States, Santa Barbara County had 1.8 less property crimes per 1,000 persons in 2023, with property crime rates of 16.7 and 18.44, respectively. In terms of violent crime rates, the United States had 3.63 and Santa Barbara

County 4.08 crimes per 1,000 persons in 2023. In what follows, we discuss these trends and further break down the composition of crime.

5.2.1 Violent Crime

Violent crime is separated into four sections: aggravated assault, homicide, rape, and robbery. Aggravated assault made up 69.4% of violent crimes in Santa Barbara County in 2023, totaling 1,270 and thereby making it the largest category of violent crimes within the county. Homicide made up the smallest fraction of violent crimes at 0.6%, with just 11 counts. Robbery and rape made up the second and third largest categories of violent crimes, respectively.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

5.2.2 Property Crime

As defined by the California Department of Justice, property crime is divided into three separate categories: burglary, motor vehicle theft, and larceny-theft. Larceny-theft made up 64.1% of property crimes in 2023, totaling 4,854 crimes. The high percentage of this type of crime is most likely attributed to the ease with which individuals can steal and resell items, such as theft of motor vehicle parts, shoplifting, and bicycle theft. Motor vehicle theft, which totaled 1,579 and constituted 20.9% of the all property crime, is the second most perpetrated type. Burglary and arson made up the smallest category at 14% and 1.03%.

You can select other areas and years to see how the components change over time.

5.3 Education

Key Point:

- Enrollment at the University of California, Santa Barbara has increased slightly since 2023, however has not surpassed its peak in 2022.

The University of California, Santa Barbara enrolled 26,133 students in Fall 2024, a 1.4% decrease from the record high of 26,421 in Fall 2022. Allan Hancock College registration increased from 11,977 in 2022 to 12,866 in 2023, remaining well below its peak of 16,066 in Fall 2008. Santa Barbara City College enrolled 17,012 students in the fall 2024, higher than the fall 2022 enrollment.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

5.3.1 Expenditures on Education

Using the following figures, we display the year-to-year changes in education expenditures at the state, county, and district level. These expenditures include the following costs: salaries, benefits, acquisitions, and construction. To measure these changes, we use the cost per average daily attendance (ADA), which measures the number of days of student attendance divided by the total number of days of instruction.

At the state and county levels, expenditures per ADA continued on the upward trend that began in 2013. For the 2023-24 school year, expenditures per ADA for the state and county rose by 9.0% and 9.1%, respectively. Within Santa Barbara county, spending per student varies substantially across school districts. None of the 20 districts experienced declines in spending per ADA. Montecito Union Elementary has the highest cost per ADA at $44,189.50.

When looking at the growth trend of school spending, it is helpful to also consider indicators such as average class size, student-teacher ratios, and other performance measures to better understand the trend. For example, the increase in the cost per ADA could be attributed to either an increase in expenditures or a fall in enrollment. The rise in Santa Barbara County for this year may be due in part to the decline in enrollment if education spending has not sufficiently adjusted to the decrease. Alternatively, general increases in spending could account for increased costs, although these changes cannot be directly observed. Thus, we cannot determine which of these factors is the driving force.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

5.3.2 Performance Indicators

Created by the Smarter Balanced Assessment Consortium (SBAC), the California Assessment of Student Performance Progress (CASSPP) replaced the STAR exam in the Spring of 2014 due to state efforts to change testing from multiple choice and memorization to more interactive questions that require critical analysis skills. Since the trial run in 2013-14, the 2023-24 academic year is the tenth year of publicly released results.

In 2024, Santa Barbara County students performed far better in English than in either math or science: 39.85% of students met or exceeded the standard in English, compared with 28.93% in math and 25.53% in science. Although English had the lowest percentage of students who met or exceeded the standard, the percentage of students in the lowest-scoring category of “Standard Not Met” was highest for math at 46.4%. A higher percentage of 11th grade students met or exceeded standards in English than 3rd or 5th grade students.

In 2013, the California State Board of Education adopted the Next Generation Science Standards which focuses on creating a shift in science education to have students express more conceptual and applied understanding of the material. The California Science Test (CAST) results were made available for the first cohort of students in 2019. The 2023-24 results show that the majority of students (55.86%) nearly meet the standard for science, while 17.85% meet the standard and only 7.68% exceed it. Students younger than grade 5 are not required to take the CAST exam.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

The four-year high school graduation rate in Santa Barbara County was 91.4% in 2023, exceeding the statewide rate of 86.4%. Out of 4713 students who graduated in 2024, 2124 met the standards required to attend a University of California or California State University school. Santa Barbara County has a high school dropout rate of 4%, compared with the statewide rate of 6.8%. Among Santa Barbara County school districts, Santa Ynez Valley Union High has the highest graduation rate of 94%. Lompoc Unified has the most students who received a Special Education Certificate of Completion.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

5.4 Environment

Key Points:

- After Santa Barbara County's year of extreme rain in 2023, rainfall has decreased 10.92% in 2024.
- In 2024, Santa Barbara County had 1 day exceeding the 8-hour state ozone standard, and 0 days so far in 2025.
- Total energy use in Santa Barbara County is up in 2022.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

5.4.1 Annual Rainfall

In 2023, the nation experienced a 202% increase of normal annual rainfall, measured from September 1, 2022, to August 31, 2023. 2023 is therefore classified as a "Wet Year". In this year, Santa Barbara County received more than 120%

of normal rainfall. Since this “Wet Year”, Santa Barbara County has seen a decrease in annual rainfall by 10.92%, returning to a slight drought. In 2024, Santa Barbara County saw a mean annual rainfall of 32.96 inches. Similarly, Santa Ynez and Santa Maria have also each seen a decrease in rainfall compared to 2023, with a mean annual rainfall of 20.99 inches and 16.52 inches respectively. These values decreased from 2023 by 36.61% for Santa Ynez, and 35.77% for Santa Maria.

5.4.2 Water Reservoirs

Cachuma, Gibraltar, and Jameson are Santa Barbara County’s major water reservoirs. Reservoir levels are measured in acre-feet (one acre-foot equals 325,851 gallons). Between April 1, 2024 and April 1, 2025, reservoir levels for the Cachuma decreased by 21,193 acre-feet (AF), decreased 582 AF for the Gibraltar, and decreased 166 AF for the Jameson. These declines in reservoir levels can be understood in the context of their overall reservoir capacities. The overall capacity for the Cachua reservoir is 192,987 AF, so in April 2025, the reservoir reached 88.42% capacity with 170,640 AF. This was a 11.47% decrease in capacity from 2024, which experienced a 98.66% level of capacity filled. Also in 2025, Gibraltar’s reservoir reached a 93.09% capacity, and Jameson reached 91.54% of its capacity for maximum water levels, despite decreasing in water levels from 2024.

5.4.3 Water Consumption

In 2024, the average residential per capita consumption (gal/day) within Santa Barbara County was 56 gallons per day. This value decreased compared to 2023 which was 68 (gal/day). Water consumption has largely been decreasing since 2014, largely due to increase awareness of conservation efforts due to the continued drought.

5.4.4 Energy Consumption

- 1 MMBtu = 1 million BTU (British Thermal Unit)
- 1 MMBtu = 10 therms
- 1 MMBtu = 293.07 kWh (kilowatt hour)

Santa Barbara County’s total Electricity use rose by 2.6% in 2022, increasing from 2,733.044 gigawatt hours to 2,804.125 gigawatt hours. Residential electricity, which made up 29.6% of total electricity consumption in 2022, also rose by 2.31%. The remaining category of electricity consumption, non-residential energy use, increased by 2.72%. We should expect to continue seeing a decrease in energy consumption as Santa Barbara County establishes its own renewable sources to achieve 100% sustainable energy goals by 2030 – as voted on by the City Council in June 2017.

The total Gas use in Santa Barbara County decreased by 1.4% in 2022, decreasing from 130.8 Millions Therms in 2021 to 129.2 Millions Therms in 2022. Residential gas use, which made up about 45% of the total use decreased from 59.4 to 58.4 Millions Therms. The remaining category of gas consumption, non-residential energy use, decreased from 71.4 to 70.8 Millions Therms.

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

This is an interactive agriculture data dashboard from the UCSB Economic Forecast Project. If you cannot access the embedded content, you can visit it directly at this link .

5.4.5 Air Quality

The Santa Barbara Air Pollution Control District has a network of monitoring stations to record the concentration of various air pollutants. Air quality is presented in terms of the number of days the ozone level exceeded the state 8-hour standard of 0.070 parts per million. In the long view, Santa Barbara County has experienced air quality improvements, which can be seen in the declining number of state 1-hours and 8-hour ozone exceeding days that occurred between 1990 and 2024. Neither 2022 nor 2023 experienced any days where ozone levels exceeded the state 1-hour standard. Moreover, 2023 experienced no days where the ozone level exceeded the state 8-hour standard. 2021's 1 exceedance day marks one of the lowest levels since 1990, when the number of state 8-hour ozone exceedance days was 87.

National Ambient Air Quality Standards (NAAQS) monitor whether regions in the United States meet certain health standards. These standards tell us how much of a substance can be in the air without causing harm based on proven medical research. In order to receive the attainment designation for regional ozone standards, local data must show that the 8-hour standard was not violated by more than one day per year on average during the previous three calendar years. In other words, regions must not have more than three total 8-hour exceedance days for three consecutive years. Santa Barbara County has experienced 1, 0, 0 exceedance days in 2024, 2023, 2022, respectively. As a result, Santa Barbara County currently boasts the attainment status according to NAAQS.

Overview

The Economic Forecast Project was established in 1981 by the Department of Economics at UC Santa Barbara to provide the community with information on economic, demographic, and regional business trends in the Santa Barbara, San Luis Obispo, and Ventura County areas. Our primary research activity is the collection and verification of statistical data and other evidence about the changing business and economic environment in our county. The UCSB Economic Forecast Project monitors the status of the economy and provides clear, comprehensive analysis of economic trends in the local area.

The Forecast Project is a self-supporting research program, administered by the Office of the Executive Vice Chancellor. Oversight is provided by two Advisory Boards of Directors, one representing the business community of South Santa Barbara County and one representing the business community of North Santa Barbara County.

Mission Statement

The Economic Forecast Project is a University of California, Santa Barbara community-sponsored research department. The purpose of the Project is to provide detailed economic and demographic data and analysis to citizens, government agencies, businesses, non-profits, and other users. To this end, EFP maintains extensive databases and models of Santa Barbara County and the Central Coast. Our research is presented to local communities via the internet, publications, and events held across the Santa Barbara region throughout the year.

Any individual or entity operating in an economy as unique and dynamic as that of the Central Coast needs to be informed of important economic and demographic trends from multiple sources with multiple perspectives. The UCSB Economic Forecast Project exists to provide the data, research, and analysis to inform those individuals and entities. We strive to present our work in the accurate, coherent and detailed manner possible.

Acknowledgements

Guest Authors

Hayes Commercial Group Francois DeJohn Kristopher Roth Caitlin Hensel Liam Murphy

Radius Group Commercial Real Estate and Investment Daniel Bagdazian Justin Diem Gene Deering Brad Frohling Jack Gilbert Steve Golis Rhonda Henderson Aneta Jensen Andres Uribe

UC Santa Barbara Economic Forecast Project Staff

Executive Director Peter C. Rupert, Ph.D.

Associate Director Emily Johnson

Senior Research Analysts Yuanzhe Liu Thomas Fullagar

Event Coordinators Gretchen Falvo Fatima Venzor

Contact Information

Mailing Address UCSB Economic Forecast Project Mail Code 3195 University of California Santa Barbara, CA 93106-3195

Physical Address UCSB Economic Forecast Project 1119 North Hall University of California Santa Barbara, CA 93106-3195

Information: (805) 893-5148 Email elj@ucsb.edu EFP Website

If any of the material on this website is not accessible to you, please send us an email so that we can provide alternatives.

Terms of Use