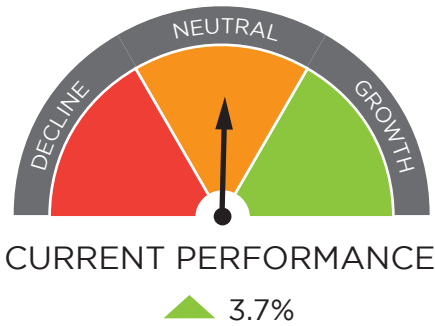


# ECONOMIC SNAPSHOT™

An overview of our local economy.

## PERFORMANCE THIS QUARTER

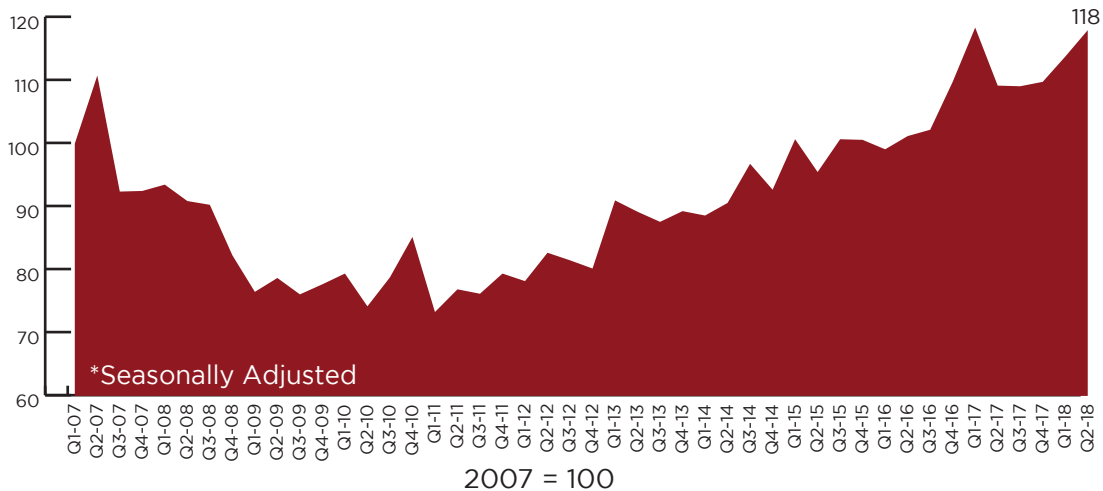


SALES TAX	BUILDING	HOUSING	TOT	EMPLOYMENT
<b>NEUTRAL</b>	▲ 12.2%	▲ 1.1%	▲ 7.8%	▲ .4%

Detailed reports and Chico Business Confidence Survey™ at [www.goldenvalley.bank](http://www.goldenvalley.bank)



## CHANGES OVER THE YEARS



## CURRENT TRENDS



We have a snafu in the Snapshot this quarter as the City of Chico was unable to get accurate Sales Tax information from the Agency that supplies it to them due to some glitches in a new information gathering system and procedure. Not the City's fault. We are using the same Sales Tax figures from Q1 18 in the Snapshot, however we think when the numbers eventually come in Sales Tax will be up in Q2.

Three of the other four components showed strong increases in Q2 18 with overall performance indicating growth when compared to the previous quarter. Transient occupancy tax was over \$727k, up 7.8% from the previous quarter. Building permit values were up 12.2% or \$3.6 million in Q2 18 with over \$34 million in permits issued. Employment increased .4%, adding another 392 jobs in Q2 18. There are over 98k Butte County residents currently employed. Average home sales price was over \$366k, up for the fifth quarter in a row. There were nearly 50% more closed sales and properties spent nearly half the time on the market before selling.

Optimism remains strong among local business leaders. Make sure to read the June 2018 Chico Business Confidence Survey at [www.GoldenValley.Bank](http://www.GoldenValley.Bank).

**Mark Francis, President & CEO**



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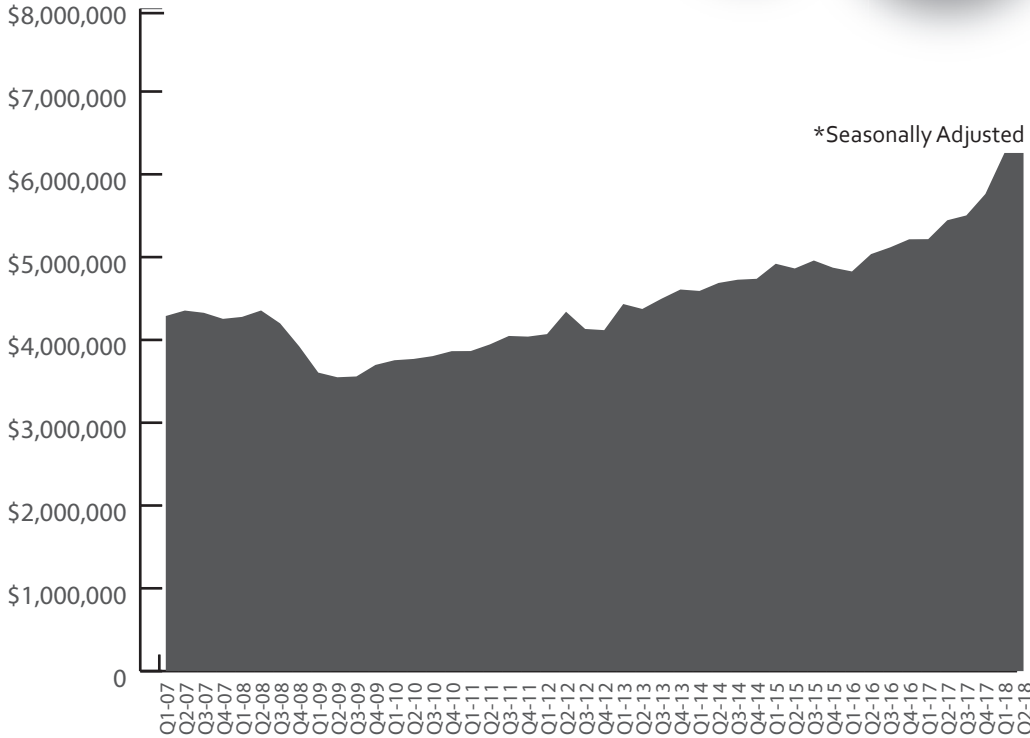
**SALES TAX**  
2007=100

NEUTRAL

Q1 2018  
**145.9**

Q2 2018  
**145.9**

## SALES TAX AT A GLANCE...



Unfortunately, the Agency supplying the City of Chico Sales Tax figures was unable to provide accurate numbers for the second quarter. To maintain some integrity in the Snapshot we are using the same figure supplied in the first quarter.

When accurate numbers are received, we expect sales tax numbers to be up.

Sales Tax revenue has increased over 51% since the recession low of Q2 09.

Sales tax has been increasing at a faster rate over the last year.

## 2ND QUARTER TREND

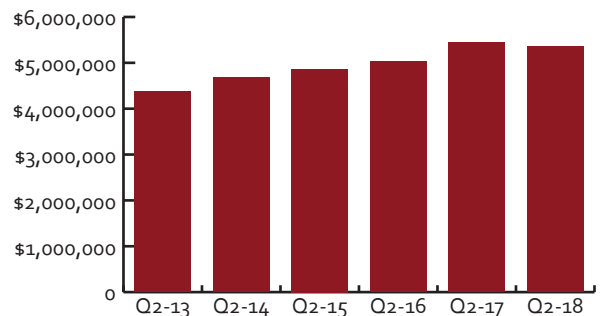
Unfortunately, we don't have accurate Sales Tax figures this quarter so we are using the same number as last quarter. The supplier of the information to the City of Chico has had a few glitches in newly installed software. It is expected to be corrected next quarter. We do expect to find out that Q2 18 Sales Tax was up when the final numbers come in.

68% of business leaders expect sales to increase over the next 12 months according to the latest Chico Business Confidence Survey from June 2018. Make sure to view that full report at [www.GoldenValley.Bank](http://www.GoldenValley.Bank)

Mark Francis  
President and CEO | Golden Valley Bank

More Snapshot information available at [www.goldenvalley.bank](http://www.goldenvalley.bank)

## Q2 SALES TAX PERFORMANCE



Total increase of 22.5%



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## BUILDING PERMITS

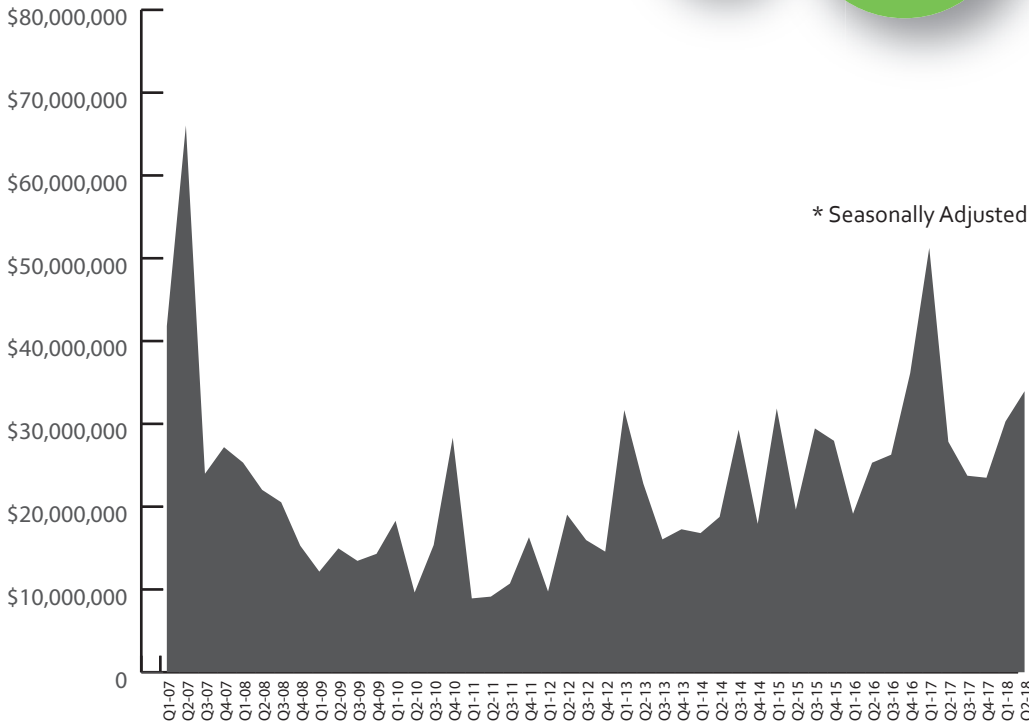
2007=100

12.2%

Q1 2018  
72.4

Q2 2018  
81.2

## BUILDING PERMITS AT A GLANCE...



Total value of permits issued was nearly \$34 million in Q2 18, up 12.2% or over \$3.6 million from the previous quarter.

Current value is up 21.9% from a year ago and up 34.2% from two years ago.

Compared to the recession low in Q1 11, current value is up over \$25 million or 281.2%.

New Residential permits decreased to 52% of all permits issued in Q2 18, down from 64% in the previous quarter.

## 2ND QUARTER TREND

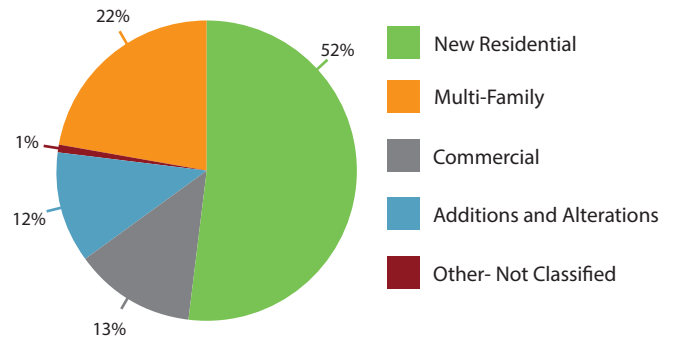
Total seasonally adjusted value of permits issued in Q2 18 was nearly \$34 million, an increase of 12.2% or more than \$3.6 million from the previous quarter.

A single permit was issued under the Hotels, Motels, & Tourist Cabin category accounted for 22% of the total value in Q2 18 (nearly \$7.5 million). New residential homes accounted for 52% of the total value in Q2 18, down from 64% in the previous quarter because of that large project. Additions & Alterations increased to 12%, up from 6% in the previous quarter.

The month of April had the largest value of permits issued, accounting for more than half the Q2 18 total.

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## PERCENTAGE OF PERMITS



# ECONOMIC SNAPSHOT

An overview of our local economy.



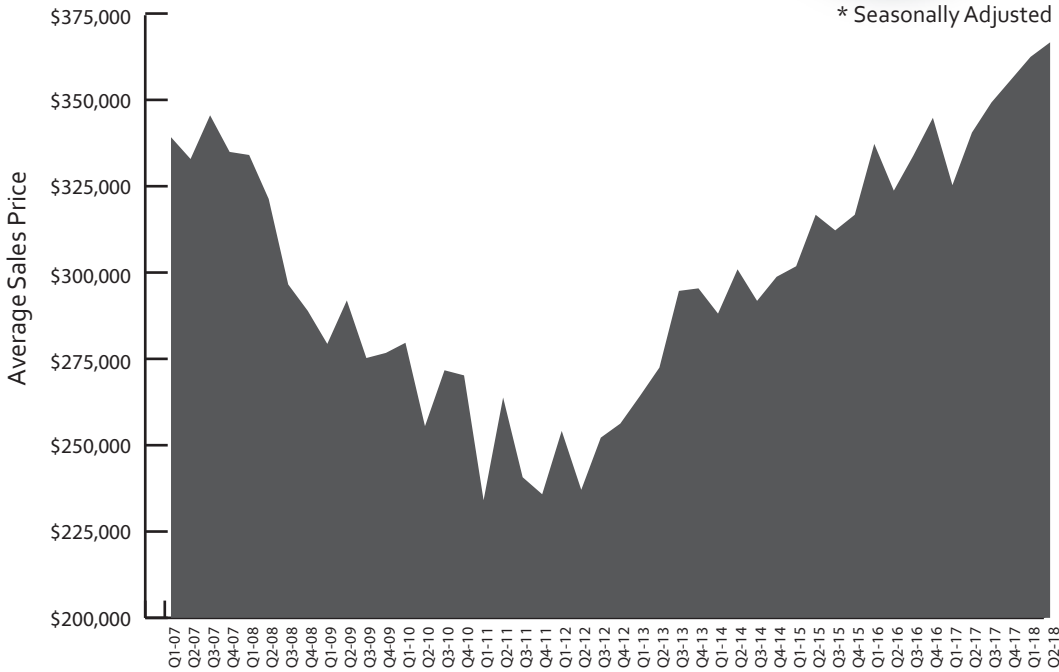
**HOUSING**  
2007=100

▲  
1.1%

Q1 2018  
**106.9**

Q2 2018  
**108.1**

## HOUSING MARKET AT A GLANCE...



- Average home sales price was \$366,667 in Q2 18, up 1.1% from the previous quarter.
- Current prices are up 7.7% from a year ago and up 13.3% from two years ago.
- There were 416 closed sales in Q2 18, up from 285 closed sales in Q1 18.
- Residential properties stayed on the market an average of 33 days, down from 57 days in Q1 18.

## 2ND QUARTER TREND

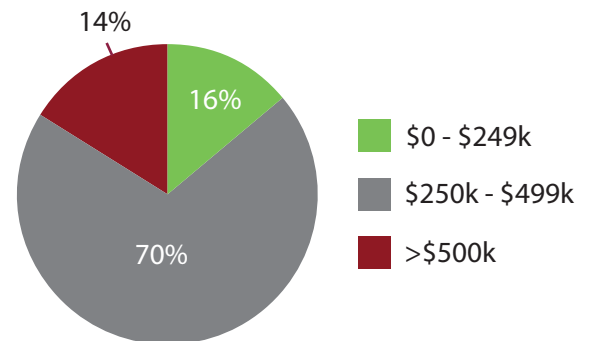
The local housing markets continued to show a strong performance in Q2 18 with the average sales price up to \$366k, an increase of 1.1% from the previous quarter. This was the fifth quarterly increase in a row.

Along with an increased average sales price, properties spent nearly half the amount of time on the market and had nearly 50% more closed sales when compared to Q1 18. Overall, there was minimal movement in the pie chart to the right. In Q2 18, homes priced over \$500k accounted for 14% of all closed sales, up from 13% in the prior quarter. Homes between \$250k and \$499k decreased to 70%, down from 71%.

Current average sales price is at its highest level since Q1 07.

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## PERCENTAGE OF SALES



# ECONOMIC SNAPSHOT

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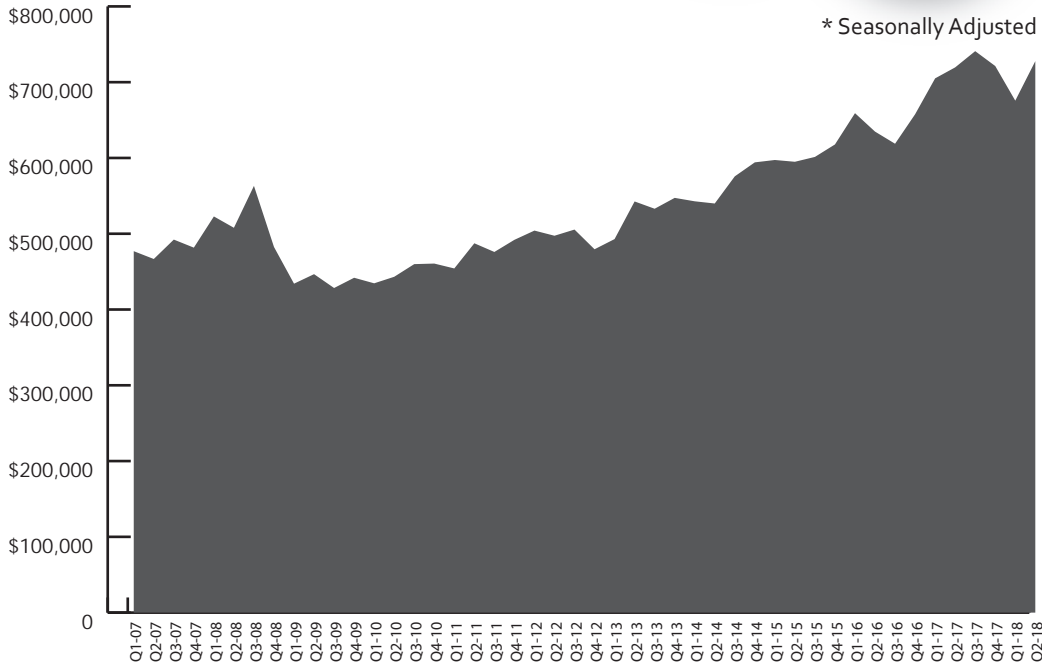
**TOT**  
TRANSIENT OCCUPANCY TAX  
2007=100

7.8%

Q1 2018  
**141.6**

Q2 2018  
**152.6**

## TOT AT A GLANCE...



TOT revenue was \$727,767k in Q2 18, up 7.8% from the previous quarter.

TOT was up 1.1% from a year ago and up 14.7% from two years ago.

TOT is \$250k or 52.6% beyond a full recovery when compared to our pre-recession level of Q1 07.

TOT continues to be the most recovered component of the Snapshot.

## 2ND QUARTER TREND

Transient Occupancy Tax revenue quickly recovered from a minor decrease in the prior two quarters. Total revenue in Q2 18 was over \$727k, up 7.8% from Q1 18.

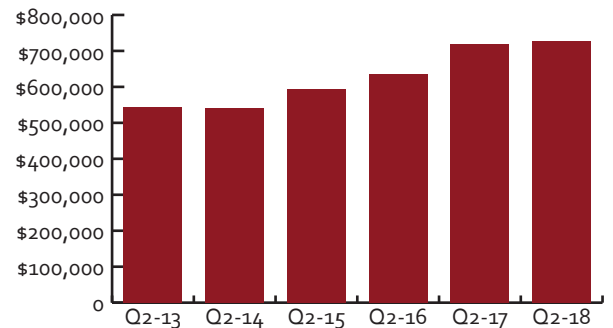
Looking back to the pre-recession level of Q1 07, total revenue is now \$250k higher, an increase of 52.6%. Following the recession low in Q3 09, TOT revenue has continued to show an overall strong upward trend with just minor corrections between some quarters.

With the addition of a couple new hotels in Chico, TOT is expected to continue its' strong performance in the coming quarters.

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President and CEO | Golden Valley Bank  
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## Q2 TOT PERFORMANCE



Total increase of 34.1%



# ECONOMIC SNAPSHOT

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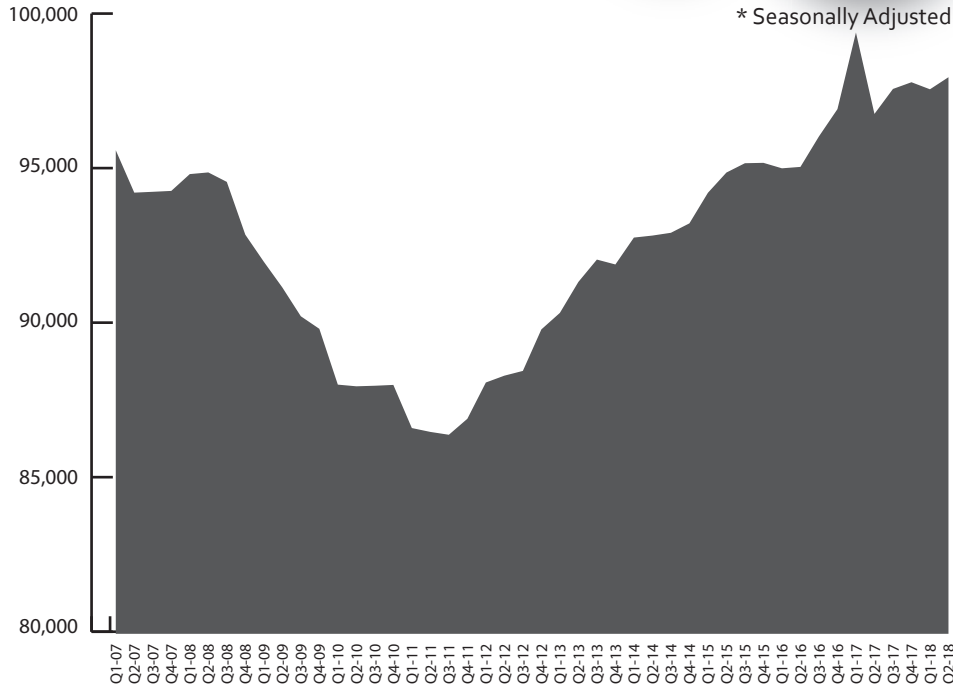
**EMPLOYMENT**  
2007=100

▲  
.4%

Q1 2018  
**102.1**

Q2 2018  
**102.5**

## EMPLOYMENT AT A GLANCE...



- There was a seasonally adjusted 98,009 Butte County residents employed in Q2 18, up 392 jobs from the previous quarter.
- Employment was up 1,188 jobs compared to one year ago and up 2,902 jobs compared to two years ago.
- Employment was up 11,569 jobs or 13.4% since the recession low of Q3 11.
- According to our Business Confidence Survey, these trends are expected to continue.

## 2ND QUARTER TREND

Employment was right back up in Q2 18 following a minor decrease in the previous quarter. In Q2 18 there were over 98k Butte County residents employed, up .4% or 392 jobs from Q1 18.

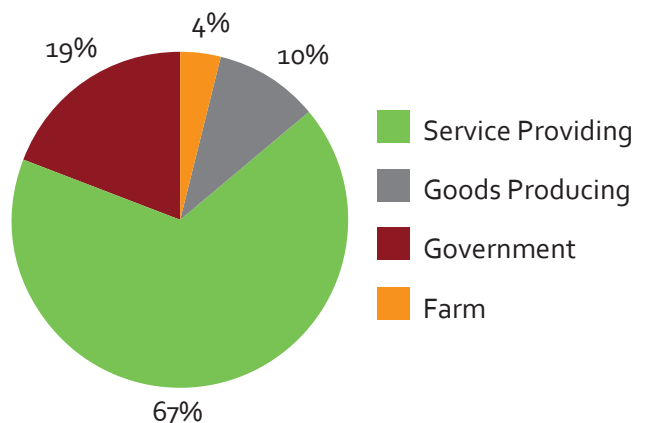
Local employment has continued to show a strong upward trend since the recession low in Q3 11, adding over 11k jobs since that time. Compared to the pre-recession level of Q1 07, current employment is 2.5% beyond a full recovery.

In Q2 18, Goods Producing employment increased to 10% of all employment, up from 9% in Q1 18. Government employment decreased to 19%, down from 20% in the previous quarter. The latest Chico Business Confidence Survey from June 2018 shows 42% of local business leaders expect to increase their employment levels over the next 12 months. This is an increase from 38% in the December 2017 survey.

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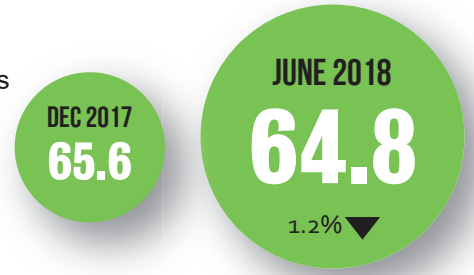
## INDUSTRY BREAKDOWN





# BUSINESS CONFIDENCE SURVEY

Local business leaders continue to remain optimistic about the future of the local, state, and national economies. In June 2018, confidence was rated at 64.8, a slight decrease of 1.2% when compared to the previous survey from December 2017. Sales and profit projections remained similar to the previous survey with many leaders expecting to see increases. Outlooks on employment and local business conditions remain highly optimistic with leaders expecting increases in employment and better conditions as opposed to remaining the same. Lastly, 59% of leaders expect U.S. business conditions to get better over the next 12 months, down from 70% in December 2017.



NEUTRAL = 50

Our Hot Topic question shows a majority of local business leaders would like to see Chico renew the "sit-and-lie" ordinance.

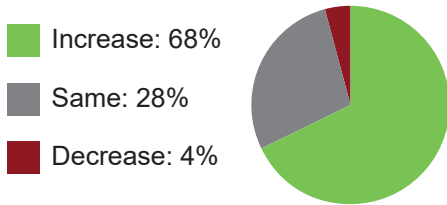


## WHAT LOCAL BUSINESS LEADERS ARE SAYING

What are expectations for the next 12 months?

### SALES

How are top line sales expected to change in the next 12 months?



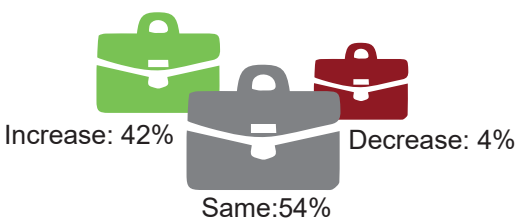
### PROFITS

How is profit expected to change in the next 12 months?



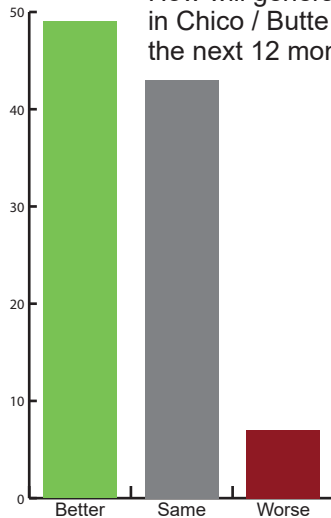
### EMPLOYMENT

How is the level of employment expected to change in the next 12 months?



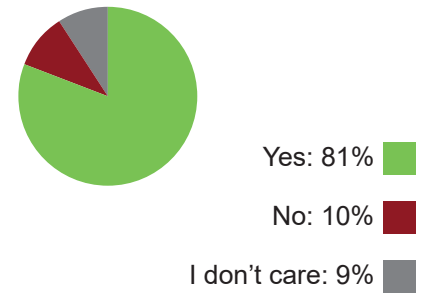
### LOCAL BUSINESS CONDITIONS

How will general business conditions in Chico / Butte County change in the next 12 months?



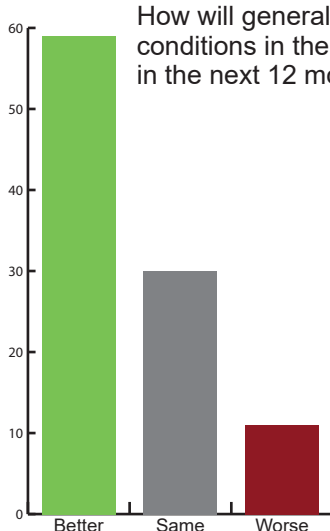
### HOT TOPIC!

Do you think Chico should renew the "sit-and-lie" ordinance?



### US BUSINESS CONDITIONS

How will general business conditions in the U.S. change in the next 12 months?



Want to participate in our next survey?  
Email [mfrancis@goldenvally.bank](mailto:mfrancis@goldenvally.bank) for more information!

