



CITY OF
ISSAQUAH
ECONOMIC DEVELOPMENT

Quarterly Dashboard

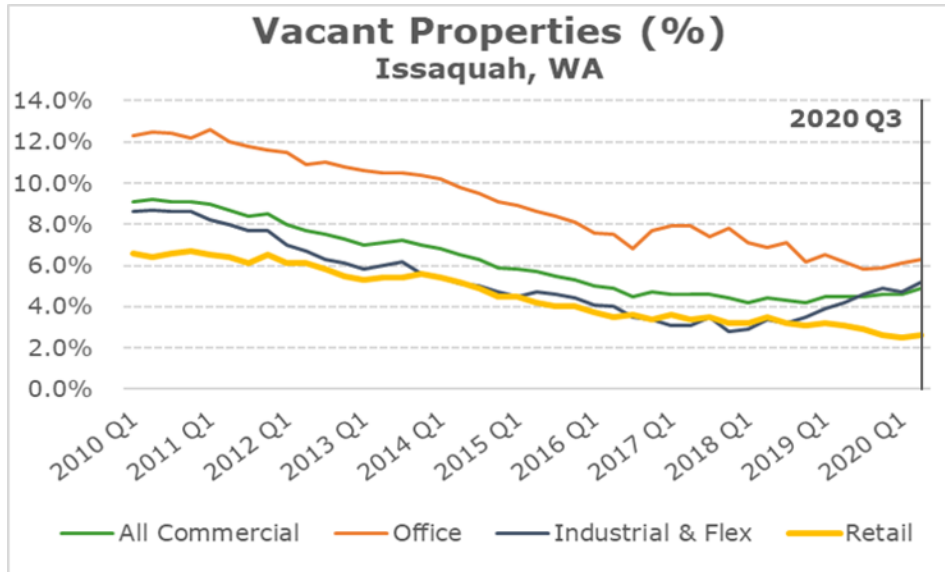
October 2020

Welcome to the inaugural Economic Development Quarterly Dashboard which tracks business trends and economic health of Issaquah. These metrics provide a glimpse into commercial property, retail sales and unemployment trends. The descriptions provide an overview for the trends since 2010 as well as source and methodology, if available.

This Dashboard will be available on the City's website and may be refined over the next few months to include additional measures. For additional measures at the state and county level, please visit the newly released WA State Department of Commerce [Economic Recovery Dashboard](#).

Questions and suggestions can be directed to economicdevelopment@issaquahwa.gov.

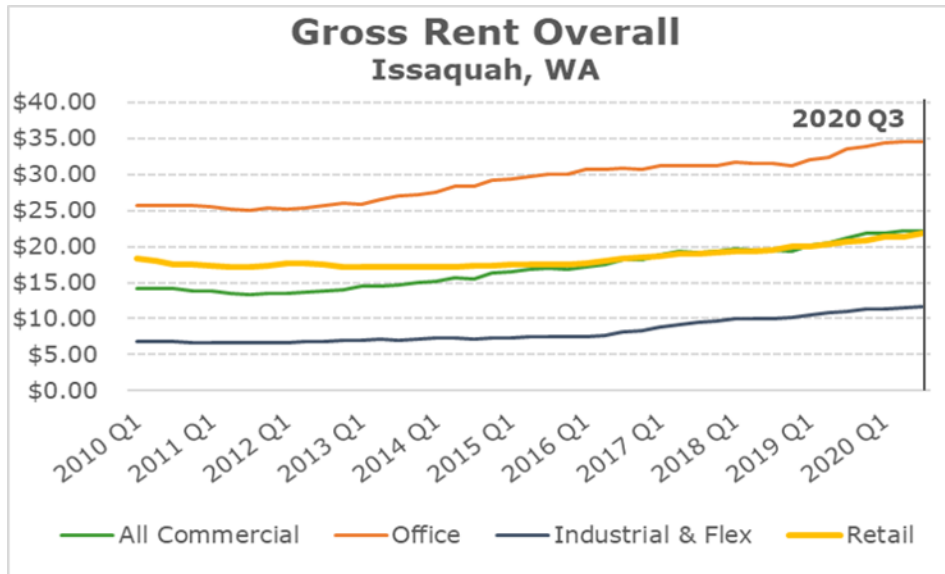
Issaquah Property Data



Caption: Source: CoStar (2020)

Description: This data reflects the percent of properties that were vacant in each quarter from 2010 to present. Starting in 2010, this period reflects the entire recovery from the 2008-9 Great Recession. The final two quarters of data reflect the first effects of the COVID-19 pandemic. One can see a steady trend in vacancy rates that has been only barely disturbed by the COVID-19 pandemic. Whether the COVID-19 pandemic has longer lasting effects in vacancy trends remains to be seen. Over the entire period, most sectors have seen a fall in vacancy rates, with industrial properties after 2018 being the only exception. A slight reversal of this trend for office properties in 2016 and into 2020 can be seen, although only future quarters' data will confirm the permanency of this reversal.

This data is from the CoStar Property Database, which is one of several possible sources for information on commercial real estate. Different sources with different methodologies will reflect different local and regional estimates. The data in this chart is from one data source, and so does not reflect differences in methodology, but in the real-world trend that CoStar's research uncovers.

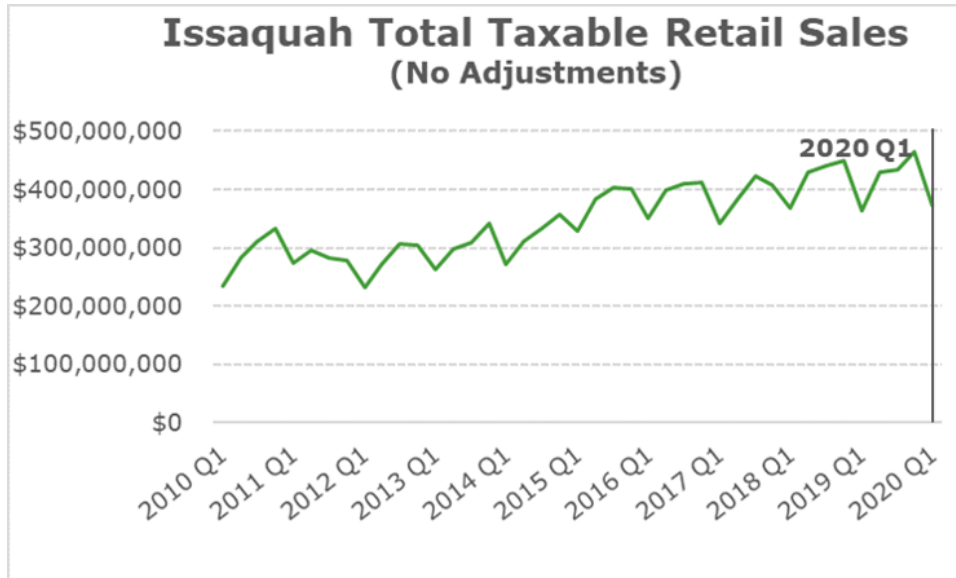


Caption: Source: CoStar (2020)

Description: This data reflects the rent for commercial properties in the City of Issaquah. This period reflects the entire recovery from the 2008-9 Great Recession. The final two quarters reflect the first effects of the COVID-19 pandemic. One can see a steady rise in gross rent over the entire period, with only a minor disturbance during the COVID-19 pandemic. Whether the COVID-19 pandemic has longer lasting effects in rent remains to be seen.

This data is from the CoStar Property Database, which is one of several possible sources for information on commercial real estate. Different sources with different methodologies will reflect different local and regional estimates. The data in this chart is from one data source, and so does not reflect differences in methodology, but in the real-world trend that CoStar’s research uncovers.

Taxable Retail Sales

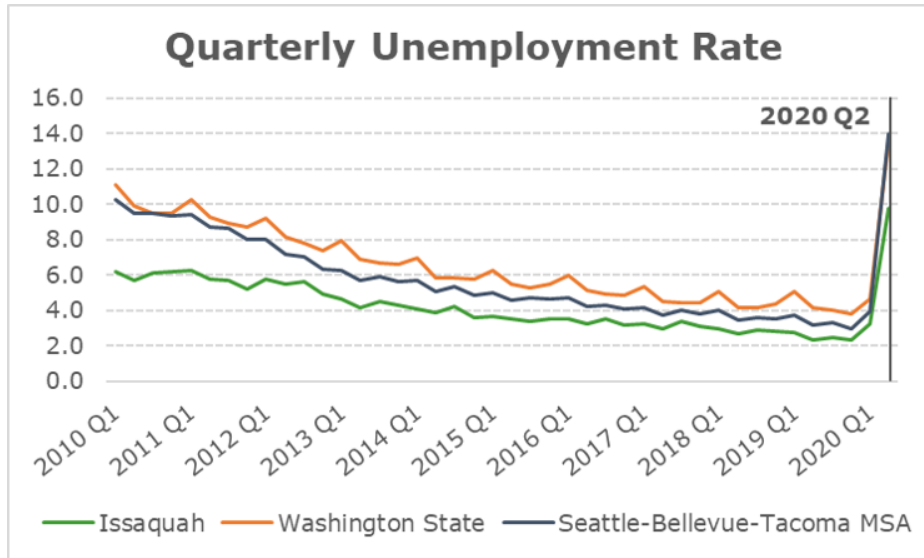


Caption: Source: Washington State Department of Revenue (2020)

Description: This data reports the volume of retail sales that are subject to sales tax in the City of Issaquah. It is important to note that this data does not describe the revenue generated from taxable retail sales, but the gross amount that is sold. The period 2010-2020 reflects the entire recovery from the 2008-9 Great Recession, but the Washington State Department of Revenue has yet to produce publicly available data on a local basis for the second and third quarters of 2020, so the COVID-19 pandemic is not yet reflected in this data. Overall, one can see a steady upward trend in unadjusted taxable retail sales. We expect to see a large effect from the COVID-19 pandemic when the data is available on a local basis.

This data diverges from the revenue that the City actually receives mainly because taxable retail sales are reported here by quarter, whereas revenue is disbursed to the city on a monthly, as opposed to quarterly, basis at least two months after the sale. There are no adjustments to this data, so it reflects seasonal differences between quarters and is not adjusted for inflation.

Unemployment Rate



Caption: Source: Bureau of Labor Statistics – Local Area Unemployment Statistics (2020)

Description: From the federal Bureau of Labor Statistics, this chart reports the unemployment rate for Issaquah residents. Included for reference are the unemployment rates for Washington State and the Seattle Metropolitan area as a whole. This period reflects the entire recovery from the 2008-9 Great Recession, as well as the first quarter of the COVID-19 pandemic. Overall, one can see two stark facts. First, the COVID-19 pandemic (as reflected in the sharp spike at the right end of the graph) has had a drastic effect on the labor market. This massive surge in unemployment has been seen across the country, and reflects both direct changes (e.g. layoffs during forced closures), as well as federal policy, as the federal government used unemployment benefits as a key stimulus measure. Second, it is clear from this chart that Issaquah's local unemployment rate has remained clearly below the statewide and regional average, even in the midst of the current pandemic.

This data is not seasonally adjusted, since the data for Issaquah is not available on a seasonally-adjusted basis. This means that natural seasonal differences are not reflected, although those differences seem clearly muted in Issaquah's case compared to the broader region and state. This data is directly equivalent to the broadly reported U3 unemployment rate, which is the standard for comparison. Individuals who have left the labor force (e.g. through early retirement) or who are "underemployed" (i.e. working fewer hours than desired) are not counted in this rate.