FAIRFIELD FORWARD 2050

Existing Conditions, Trends, and Opportunities Analysis

May 10, 2021

Prepared by

bae urban economic

For the City of Fairfield General Plan Update

1 Table of Contents

2 Table of Tables

3 Table of Figures

4 Executive Summary

4.1 Introduction

BAE Urban Economics prepared this Existing Conditions, Trends, and Opportunities Analysis in support of the City of Fairfield General Plan Update, in partnership with Dyett & Bhatia and the City of Fairfield. This report provides an overview of the existing demographic and economic conditions, local real estate market conditions and trends, and factors that will drive demand in various land use categories over the General Plan planning horizon. This report places more emphasis on residential land use types, because the City of Fairfield is separately commissioning the preparation of an economic development strategy; however, this report also evaluates potential demand in primary non-residential land use categories as well. While this analysis focuses on evaluating the conditions and trends throughout the City of Fairfield, it also examines conditions in Solano County, the nine-county Bay Area region ("ABAG Region"), and California.

4.2 Demographic and Economic Conditions

As of 2020, the City of Fairfield had approximately 117,000 residents and 38,000 households, representing an increase 11.5 percent and 10.7 percent, respectively, since 2010, far outpacing growth in the region and the state. This relatively robust growth in population and households indicates strong housing demand, and the ability of Fairfield to provide relatively affordable housing for workers employed elsewhere in the region. If there is a shift to more home-based/remote employment, the COVID-19 pandemic may help reinforce this trend as people seek places to live where they can afford more space to accommodate working from home.

In addition, Fairfield is an attractive place for families, which represent nearly three-quarters of the city's households, much higher than in the ABAG region and the state. The population is also, on average, younger and more diverse than the region and state, with significant growth in the population aged 25 to 34 years since 2010 and a nearly 70 percent minority population. Correspondingly, Fairfield residents speak a variety of languages. After English, the languages most commonly spoken by Fairfield residents are Spanish Tagalog, Vietnamese, and Chinese (including Mandarin and Cantonese). Finally, the city's median household income of $88,000 falls below the nearly $110,000 median household income in the ABAG region, but above the state's median household income of $77,500. These factors point to strong demand for family housing at a range of price levels.

Prior to the pandemic, the Fairfield unemployment rate of 3.6 percent was comparable to the 4.0 percent rate statewide, while in the ABAG region, the unemployment rate was only 2.6 percent. Employment in Fairfield was, however, impacted by the COVID-19 pandemic. A detailed analysis of the impact of COVID-19 on the Fairfield Economy is provided in the 'Economic Scan' section of the Economic Development Roadmap by Chabin Concepts. The analysis includes monitoring the recovery of the city's economy from the impacts of the pandemic on employment.

In November 2020, the unemployment rates in Fairfield (7.6 percent) and the state (7.9 percent) were comparable, and higher than the 5.9 percent unemployment rate in the ABAG region. This suggests that the Fairfield economy is somewhat less robust than that of the ABAG region as a whole. This is also evident in the difference in industries employing Fairfield residents compared to the region overall, such as the large gap in the relatively high-paying Professional, Scientific and Technical Services industries between the city and region. Conversely, in Fairfield, the percentage of residents employed in healthcare, education, and retail is greater than the regional percentages in these sectors. Furthermore, over half of workers with jobs in Fairfield live in Solano County, although only 24.2 percent live in Fairfield. A significant portion of workers employed in Fairfield commute relatively long distances. Fairfield may be able to capture a larger portion of these workers who commute into the city if a range of relatively affordable housing is provided, particularly for the relatively large number of commuters from nearby cities like Vacaville, Suisun City, Vallejo, and Dixon. For those local workers who continue to live further away for various reasons and for those local residents who commute to jobs outside of the city, maintaining and improving the transit connections to the city will be an important component of providing a high quality of life and ensuring competitiveness within the regional real estate markets.

4.3 Real Estate Market Conditions

One of the fundamental appeals of Fairfield is the relative affordability of single-family homes compared to the inner Bay Area, which explains not only the disproportionately high rate of family households in the city, but also the disproportionately high growth in family households in the city over the past ten years. However, there has not been a similar increase the number of multifamily units and condos that could be affordable to a wider range of households, including some of the city's workforce. In fact, the city's 4.1 percent vacancy rate (as of 2014-2018 American Community Survey) suggests there has been an undersupply of housing, as roughly five percent is typically considered healthy. This may reflect the increasing popularity of Fairfield for homebuyers, although ultimately it indicates that development must increase to keep up with demand. This is especially true for multifamily housing units, among which the vacancy rate is only 2.9 percent, which has contributed to increasing monthly rents while rents in the ABAG region have fallen since the onset of the COVID-19 pandemic. The data indicate there is an undersupply of both single-family and multifamily units, and particularly larger multifamily units.

Citywide, there is also a considerable gap between market-rate housing costs and the ability of lower-income households to pay for housing. For both rental and for-sale housing, costs are prohibitive for households within the low-, very low-, and extremely low-income categories. For a three-person household in Fairfield, the respective household income ranges are $41,650 to $66,000; $25,000 to $41,650; and $25,000 or less. However, with increasing costs of newer construction locally as demand spills over from more expensive high-demand areas closer to the inner Bay Area job centers, local homes are also increasingly unaffordable for even moderate- and above moderate-income households. This underscores the need for increased housing production in the area.

The demand for retail and industrial space in the city is relatively strong. As described in the Retail Market & Trend Analysis prepared by Marketek, Fairfield has a reputation as a retail center and has shopping centers conveniently located along I-80 that are frequented by customers from Fairfield, the region, and those travelling through. The prospects for local retail real estate will ultimately depend on the growth in residential development as well as regional and national trends in retail marketplaces, but opportunities also exist to promote development along the highway and enhance the attraction of local and regional shoppers in the downtown area. COVID-19 has had some marginal effects on demand for retail space, but rents and occupancy rates ultimately remained fairly stable. In contrast, the impact of the pandemic was most pronounced in its effect on office demand, which was diminished in general as a result of the pandemic. It should be noted that the long-term effects of the COVID-19 pandemic are not likely to be fully understood for quite some time.

City staff report that Fairfield has historically not had a strong local market for office space other than for smaller businesses oriented towards a local clientele. Larger scale office/business park developments have experienced weak demand, leading to conversion to residential and other uses, in some cases.

4.4 Growth Projections

To estimate the future demand for residential development in the City of Fairfield through the General Plan time horizon (2050), BAE developed three residential growth projection scenarios, including baseline, accelerated, and maximum population and household growth. These were based predominantly on projection data provided by ABAG. As shown in Table ES-1 below, the total number of households in Fairfield is projected to range from roughly 45,200 to 47,550 by 2050, which would translate to between approximately 7,000 and 9,400 new households over the General Plan time horizon. Future housing demand and land use policy that is consistent with the City's existing supply would yield approximately 74 percent of these units in the single-family category, while a shift in the local housing production to be more consistent with the historic regional pattern would increase the emphasis on multifamily production and reduce the share of single-family units produced as a percentage of new production. These household projections were used to establish a range of population growth estimates and to derive a range of residential housing unit demand estimates, which account for vacant units and units currently in the city's development pipeline.

In terms of total Fairfield population, the city is projected to grow to between 142,940 and 150,130 total residents by 2050, or between 25,530 to 32,720 new residents. To accommodate the future population and household growth, BAE projects the number of housing units in Fairfield will grow by between roughly 7,500 and to 10,000 new units. By 2050, this would lead to a total citywide housing stock of approximately 47,580 to 50,070 housing units. This is the range the City may wish to consider as it evaluates the future need for housing in terms of available land to develop, redevelop, or annex. With a disproportionately low number of multifamily units in Fairfield compared to the region, and given increasing demand in the region for multifamily units, it may be prudent to target higher density residential development in areas where there is good access to public amenities, which can be enhanced by investing in new public improvements. Nonetheless, the availability and price point of single-family homes is one of the fundamental appeals of the city to new residents, so it is unlikely that the overall profile of housing unit types will shift dramatically towards multifamily units barring concerted City policy changes.

Table ES-1 below also summarizes the non-residential growth projections, including industrial, office, and retail demand over the General Plan time horizon. As seen below, the Baseline Projection scenario assumes roughly 2.7 million square feet of new industrial space, 1.9 million square feet of new office space, 764,250 square feet of new non-automotive retail space, and 14 acres of automotive-related retail land. The Accelerated Projection scenario assumes a robust increase in industrial space, aligning with stakeholder input and regional growth projections, yielding a total of 7.4 million square feet of new industrial space. Under this same growth scenario, office and retail demand projections are more modest, with 2.3 million square feet of office, and 876,300 square feet of non-automotive retail and 16 acres of automotive retail land. In terms of the Maximum Projection scenario, BAE estimates demand for roughly 11.1 million square feet of new industrial space, 2.5 million square feet of office space, nearly 1.0 million square feet of non-automotive retail space, and 18 acres of automotive retail land.

These projections indicate a range of growth potential over the next 30 years. To the extent that these projections suggest acceleration from past trends in the non-residential sectors in particular, it will most likely require concerted efforts to develop and promote the City's available land to achieve these numbers. The City's Economic Development Strategic Plan can provide important strategic guidance in this regard.

Table ES-1: Total Residential and Nonresidential Demand by Growth Scenario

	Historic		Projected (a)			Growth (2020-2050)	
City of Fairfield	2010	2020	2030	2040	2050	Number	Percent
Baseline Projections							
Housing Units	37,194	40,101	44,749	46,423	47,583	7,482	18.7%
Industrial (Sq. Ft.)	12,473,713	15,595,777	16,335,891	17,278,656	18,283,484	2,687,707	17.2%
Office (Sq. Ft.)	2,585,386	2,705,519	3,376,367	3,914,792	4,579,247	1,873,728	69.3%
Non-Auto Retail (Sq. Ft.)	5,928,640	5,801,861	6,235,086	6,462,805	6,566,112	764,251	13.2%
Auto Retail (Acres)	n.a.	62	70	74	76	14	23.1%
Accelerated Projections							
Housing Units	37,194	40,101	44,749	47,582	48,846	8,745	21.8%
Industrial (Sq. Ft.)	12,473,713	15,595,777	17,632,596	20,227,117	22,992,438	7,396,661	47.4%
Office (Sq. Ft.)	2,585,386	2,705,519	3,419,604	4,190,528	5,022,815	2,317,296	85.7%
Non-Auto Retail (Sq. Ft.)	5,928,640	5,801,861	6,235,086	6,572,137	6,678,148	876,287	15.1%
Auto Retail (Acres)	n.a.	62	70	77	79	16	26.5%
Maximum Projections							
Housing Units	37,194	40,101	44,749	48,771	50,066	9,965	24.9%
Industrial (Sq. Ft.)	12,473,713	15,595,777	18,661,645	22,315,757	26,670,979	11,075,202	71.0%
Office (Sq. Ft.)	2,585,386	2,705,519	3,496,024	4,352,158	5,197,310	2,491,791	92.1%
Non-Auto Retail (Sq. Ft.)	5,928,640	5,801,861	6,235,086	6,672,875	6,781,378	979,517	16.9%
Auto Retail (Acres)	n.a.	62	70	78	80	18	29.6%

Note:

(a) For the detailed projection methodology, please see the Projections section of this report.

Sources: Association of Bay Area Governments; Esri; BAE, 2020.

5 Introduction

5.1 Purpose of Study

In support of the City of Fairfield General Plan Update, BAE Urban Economics, in partnership with Dyett & Bhatia and the City of Fairfield, prepared the following Existing Conditions, Trends, and Opportunities Analysis. This report provides an overview of the existing demographic and economic conditions, local real estate market conditions and trends, and factors that will drive demand for various land use types over the General Plan planning horizon. Based on the forecasted population, household, and job growth, this study then estimates the anticipated demand for new housing units and new non-residential development through the General Plan time horizon of 2050.

5.2 Geographic Definitions

While this analysis focuses on evaluating the conditions and trends throughout the City of Fairfield, it also examines conditions in two additional geographic areas:

- At the highest level, the analysis considers data for California as a whole, to place local conditions and trends in a statewide context.
- The analysis also includes data for a nine-county region called the "ABAG Region," which corresponds to the region under the jurisdiction of the Association of Bay Area Governments (ABAG). It consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma. This geography is used as a regional comparison for the City of Fairfield.
- In some cases, data are unavailable for the City of Fairfield alone. In these cases, Solano County data provides a representation of characteristics within the City of Fairfield.

6 Demographic Characteristics

The following section presents historic population, household, and housing characteristics and trends in the City of Fairfield, the ABAG Region, and the State of California, providing the demographic context for the General Plan Update. This section draws primarily from 2020 data from Esri Business Analyst, a private vendor of demographic, economic, and housing data, and 2018 five-year sample data from the US Census Bureau. In addition to current estimates, the following analysis also presents data from 2010 to identify important demographic trends over time within the city and region.

6.1 Population and Household Trends

Between 2010 and 2020, population growth in the City of Fairfield outpaced growth in the ABAG region and California by a substantial margin, reaching 117,413 total residents in 2020. This represents an 11.5 percent increase over the 2010 population, well above the growth in the ABAG Region and California, at 7.0 percent and 6.4 percent, respectively, over the same time period. The number of Fairfield households also grew rapidly, to 38,176 households in 2020. This amounts to a 10.7 percent increase since 2010, above the ABAG Region and California growth over that same time period, of 6.4 percent and 5.7 percent, respectively.

In all three geographies, the population growth outpaced household growth between 2010 and 2020, which is reflected in the slight increase in average household sizes over the time period. The average household size of 3.02 in the City of Fairfield has remained consistently larger than that of the ABAG Region and California, which average 2.70 and 2.92 persons per household, respectively.

Table 1: Population and Households, 2010 and 2020

Population	2010	2020	% Change 2010-2020
City of Fairfield	105,333	117,413	11.5%
ABAG Region (a)	7,150,739	7,648,473	7.0%
California	37,253,956	39,648,525	6.4%
Households	**2010**	**2020**	**% Change 2010-2020**
City of Fairfield	34,488	38,176	10.7%
ABAG Region	2,608,023	2,775,585	6.4%
California	12,577,498	13,300,367	5.7%
Avg. Household Size	**2010**	**2020**	
City of Fairfield	2.98	3.02	
ABAG Region	2.69	2.70	
California	2.90	2.92	

Note:

(a) The nine-county Association of Bay Area Governments (ABAG) Region includes: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties.

Sources: Esri Business Analyst, 2020; BAE, 2020.

6.2 Household Composition

Although the majority of households in all three geographies are family households, the City of Fairfield has the greatest proportion of family households. As illustrated in Table 2, approximately 74.9 percent of Fairfield households are families, compared to 64.5 percent in the ABAG Region and 68.6 percent in California. This aligns with the higher average household sizes discussed previously, as family households are typically larger than non-family households. The proportion of family and non-family households has remained relatively constant in Fairfield between 2010 and 2020, indicating continuing strong demand for housing that can accommodate families.

Table 2: Household Competition, 2010 and 2020

	2010		2020		% Change
City of Fairfield	Number	Percent	Number	Percent	2010-2020
Family Households	25,841	74.9%	28,599	74.9%	10.7%
Non-Family Households	8,647	25.1%	9,577	25.1%	10.8%
Total Households	**34,488**	**100%**	**38,176**	**100%**	**10.7%**

	2010		2020		% Change
ABAG Region	Number	Percent	Number	Percent	2010-2020
Family Households	1,685,972	64.6%	1,790,066	64.5%	6.2%
Non-Family Households	922,051	35.4%	985,519	35.5%	6.9%
Total Households	**2,608,023**	**100%**	**2,775,585**	**100%**	**6.4%**

	2010		2020		% Change
California	Number	Percent	Number	Percent	2010-2020
Family Households	8,642,473	68.7%	9,129,808	68.6%	5.6%
Non-Family Households	3,935,025	31.3%	4,170,559	31.4%	6.0%
Total Households	**12,577,498**	**100%**	**13,300,367**	**100%**	**5.7%**

Sources: Esri Business Analyst, 2020; BAE, 2020.

6.3 Resident Age Distribution

The population in the City of Fairfield is slightly younger than the populations in the ABAG Region and California. As reported in Table 3, the median age in Fairfield is about 34.8 years, compared to 39.1 years in the ABAG Region and 36.4 years in California. In all three geographies between 2010 and 2020, the fastest growing age cohorts are 55 years or older, which corresponds with the aging of the large baby boomer cohort. These residents are nearing or at the age of retirement and may drive demand for senior-specific services and housing within the city as they continue to age during the General Plan time horizon. That said, it is likely that demand from families will continue to be a major driver of demand for housing, retail, and services. However, although the oldest age cohorts grew the most substantially, the City's relatively low median age can be attributed to its large proportion of people under the age of 18 and increasing number of residents between the ages of 25 and 34.

Table 3: Age Distribution, 2010 and 2020

	2010		2020		% Change
City of Fairfield	Number	Percent	Number	Percent	**2010-2020**
Under 18	28,504	27.1%	28,433	24.2%	-0.2%
18-24	11,251	10.7%	11,350	9.7%	0.9%
25-34	14,688	13.9%	19,210	16.4%	30.8%
35-44	14,224	13.5%	15,057	12.8%	5.9%
45-54	15,197	14.4%	13,799	11.8%	-9.2%
55-64	10,679	10.1%	14,105	12.0%	32.1%
65 or older	10,790	10.2%	15,459	13.2%	43.3%
Total Population	**105,333**	**100%**	**117,413**	**100%**	**11.5%**
Median Age	**33.7**		**34.8**		

	2010		2020		% Change
ABAG Region	Number	Percent	Number	Percent	**2010-2020**
Under 18	1,589,673	22.2%	1,607,223	21.0%	1.1%
18-24	641,008	9.0%	655,135	8.6%	2.2%
25-34	1,052,669	14.7%	1,109,648	14.5%	5.4%
35-44	1,065,647	14.9%	1,051,592	13.7%	-1.3%
45-54	1,072,222	15.0%	1,012,843	13.2%	-5.5%
55-64	851,291	11.9%	988,186	12.9%	16.1%
65 or older	878,229	12.3%	1,223,846	16.0%	39.4%
Total Population	**7,150,739**	**100%**	**7,648,473**	**100%**	**7.0%**
Median Age	**37.8**		**39.1**		

	2010		2020		% Change
California	Number	Percent	Number	Percent	**2010-2020**
Under 18	9,295,040	25.0%	9,057,970	22.8%	-2.6%
18-24	3,922,951	10.5%	3,854,436	9.7%	-1.7%
25-34	5,317,877	14.3%	6,159,922	15.5%	15.8%
35-44	5,182,710	13.9%	5,169,660	13.0%	-0.3%
45-54	5,252,371	14.1%	4,879,342	12.3%	-7.1%
55-64	4,036,493	10.8%	4,751,567	12.0%	17.7%
65 or older	4,246,514	11.4%	5,775,628	14.6%	36.0%
Total Population	**37,253,956**	**100%**	**39,648,525**	**100%**	**6.4%**
Median Age	**35.2**		**36.4**		

Sources: Esri Business Analyst, 2020; BAE, 2020.

6.4 Race and Ethnicity

Although Fairfield's Hispanic and Latino populations increased substantially between 2010 and 2020, by approximately 24.2 percent, the majority of Fairfield residents are non-Hispanic or Latino. The city does, however, contain a higher percentage of Hispanic and Latino residents, at 30.5 percent, compared to the ABAG Region (23.7 percent), but less than the 39.8 percent in California. The absolute number of non-Hispanic White residents declined overall in Fairfield since 2010, falling to 31.5 percent of the city's population, which is a smaller share than in the ABAG region or the state. In addition, 14.2 percent of residents are Black/African American, while 6.6 percent are two or more races, and 1.0 percent are Native Hawaiian and Pacific Islander. Asian residents comprise 15.7 percent of Fairfield residents, and the number increased by over 20 percent since 2010, which was the second-fastest rate of growth among racial and ethnic groups, after Hispanic/Latino residents. Correspondingly, Fairfield residents speak a variety of languages, including Spanish, Tagalog, Vietnamese, and Chinese (including Mandarin and Cantonese). Over one-fifth of the population speak Spanish. After English and Spanish, the next most-common language among Fairfield residents is Tagalog, spoken by six percent of the population.

Table 4: Race and Ethnicity, 2010 and 2020

City of Fairfield	2010 Number	2010 Percent	2020 Number	2020 Percent	% Change 2010-2020
Hispanic/Latino	**28,797**	**27.3%**	**35,764**	**30.5%**	**24.2%**
Not Hispanic/Latino	**76,536**	**72.7%**	**81,649**	**69.5%**	**6.7%**
White	37,091	35.2%	36,947	31.5%	-0.4%
Black/African American	15,994	15.2%	16,631	14.2%	4.0%
Native American	462	0.4%	455	0.4%	-1.5%
Asian	15,256	14.5%	18,449	15.7%	20.9%
Native Hawaiian/Pacific Islander	1,051	1.0%	1,202	1.0%	14.4%
Other	231	0.2%	243	0.2%	5.2%
Two or More Races	6,451	6.1%	7,722	6.6%	19.7%
Total Population	**105,333**	**100%**	**117,413**	**100%**	**11.5%**

ABAG Region	2010 Number	2010 Percent	2020 Number	2020 Percent	% Change 2010-2020
Hispanic/Latino	**1,681,800**	**23.5%**	**1,811,718**	**23.7%**	**7.7%**
Not Hispanic/Latino	**5,468,939**	**76.5%**	**5,836,755**	**76.3%**	**6.7%**
White	3,032,903	42.4%	2,894,159	37.8%	-4.6%
Black/African American	460,178	6.4%	438,239	5.7%	-4.8%
Native American	20,691	0.3%	19,381	0.3%	-6.3%
Asian	1,645,872	23.0%	2,116,184	27.7%	28.6%
Native Hawaiian/Pacific Islander	41,003	0.6%	42,465	0.6%	3.6%
Other	20,024	0.3%	20,199	0.3%	0.9%
Two or More Races	248,268	3.5%	306,128	4.0%	23.3%
Total Population	**7,150,739**	**100%**	**7,648,473**	**100%**	**7.0%**

California	2010 Number	2010 Percent	2020 Number	2020 Percent	% Change 2010-2020
Hispanic/Latino	**14,013,719**	**37.6%**	**15,793,829**	**39.8%**	**12.7%**
Not Hispanic/Latino	**23,240,237**	**62.4%**	**23,854,696**	**60.2%**	**2.6%**
White	14,956,253	40.1%	14,200,080	35.8%	-5.1%
Black/African American	2,163,804	5.8%	2,179,401	5.5%	0.7%
Native American	162,250	0.4%	157,923	0.4%	-2.7%
Asian	4,775,070	12.8%	5,888,206	14.9%	23.3%
Native Hawaiian/Pacific Islander	128,577	0.3%	140,621	0.4%	9.4%
Other	85,587	0.2%	83,916	0.2%	-2.0%
Two or More Races	968,696	2.6%	1,204,549	3.0%	24.3%
Total Population	**37,253,956**	**100%**	**39,648,525**	**100%**	**6.4%**

Sources: Esri Business Analyst, 2020; BAE, 2020.

6.5 Educational Attainment

As shown in Table 5, all three geographies have similar percentages of residents who have at least attained a high school diploma. However, the difference in educational attainment level is most prominent in the percentage of the City's population with bachelor's degrees or higher. While only about 28.0 percent of Fairfield residents over the age of 25 attained bachelor's degrees or higher, about 48.8 percent of ABAG Region residents and 34.7 percent of California residents attained post-secondary educational degrees. The difference between the percentage of residents in Fairfield earning high school diplomas or higher and those earning bachelor's degrees or higher is due to the substantial concentration of Fairfield residents with some college experience or associate degrees relative to residents in the ABAG Region and California. Additionally, the proportion of Fairfield residents who earned a graduate or professional degree is markedly less than the percentages in the region and state.

Table 5: Educational Attainment, 2020

Educational Attainment	City of Fairfield		ABAG Region		California	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th Grade	5,268	6.8%	310,033	5.8%	2,324,318	8.7%
9th to 12th Grade, No Diploma	4,896	6.3%	252,815	4.7%	1,907,333	7.1%
High School Graduate or Equivalent	16,979	21.9%	858,155	15.9%	5,541,717	20.7%
Some College, No Degree	20,838	26.8%	944,289	17.5%	5,516,652	20.6%
Associate Degree	7,914	10.2%	394,383	7.3%	2,158,600	8.1%
Bachelor's Degree	15,560	20.0%	1,512,128	28.1%	5,754,719	21.5%
Graduate/Professional Degree	6,174	8.0%	1,114,312	20.7%	3,532,780	13.2%
Total Population, Age 25+	**77,629**	**100%**	**5,386,115**	**100%**	**26,736,119**	**100%**
High School Diploma or Higher	**86.9%**		**89.6%**		**84.2%**	
Bachelor's Degree or Higher	**28.0%**		**48.8%**		**34.7%**	

Sources: Esri Business Analyst, 2020; BAE, 2020.

6.6 Household Income Distribution

According to Esri data, the largest percentage of households in Fairfield and California had annual incomes between $100,000 and $149,999. In comparison, the largest group of households (24.5 percent) in the ABAG Region had incomes over $200,000. However, Fairfield also had the smallest proportion of households earning less than $15,000 compared to the region and state. With the distribution of household incomes shown in Table 6, the median household income in the City of Fairfield is about $87,831. Although this is higher than the median household income statewide, it is much lower than that of the ABAG Region median of $109,884. Furthermore, Fairfield has a lower per capita income of $36,609, compared to the per capita incomes in both the ABAG Region and California, at $55,656 and $37,302, respectively. The difference between median household income and per capita income in Fairfield can be attributed to the larger average household size in the city compared to the region and state. The lower per capita incomes in the city likely result in less discretionary spending potential to support retail and other businesses.

Table 6: Household Income Distribution, 2020

Income Category	City of Fairfield Number	City of Fairfield Percent	ABAG Region Number	ABAG Region Percent	California Number	California Percent
Less than $15,000	2,020	5.3%	175,573	6.3%	1,161,091	8.7%
$15,000-$24,999	1,757	4.6%	133,994	4.8%	953,279	7.2%
$25,000-$34,999	1,586	4.2%	124,237	4.5%	925,496	7.0%
$35,000-$49,999	3,923	10.3%	195,085	7.0%	1,349,543	10.1%
$50,000-$74,999	6,512	17.1%	329,147	11.9%	2,051,166	15.4%
$75,000-$99,999	5,623	14.7%	297,842	10.7%	1,634,081	12.3%
$100,000-$149,999	8,531	22.4%	491,347	17.7%	2,261,121	17.0%
$150,000-$200,000	4,060	10.6%	347,502	12.5%	1,242,444	9.3%
Greater than $200,000	4,158	10.9%	680,826	24.5%	1,721,931	12.9%
Total Households	**38,170**	**100%**	**2,775,553**	**100%**	**13,300,152**	**100%**
Median HH Income	**$87,831**		**$109,884**		**$77,500**	
Per Capita Income	**$36,609**		**$55,656**		**$37,302**	

Source: Esri Business Analyst, 2020; BAE, 2020.

6.7 Demographic Implications for General Plan Update

For many of the population and household characteristics discussed above, Fairfield differs quite significantly from the ABAG Region and California, most notably due to its relatively fast population growth.

As of 2020, the City of Fairfield had approximately 117,413 residents, which represents an 11.5 percent increase over the 2010 population. This growth far outpaced the ABAG Region and California, which grew by only 7.0 percent and 6.4 percent, respectively. The number of households in each geography also grew at similar rate relative to population growth. This robust population and household growth pattern in Fairfield indicate strong housing demand, and the COVID-19 pandemic may continue this trend as people seek places where they can afford more space to accommodate working from home.

The population in the City of Fairfield is also fairly diverse. While all three geographies have majority-minority populations, Fairfield has the largest proportion of minorities, at about 68.5 percent. The ages of residents are also somewhat evenly distributed, though Fairfield’s median age is lower than that in both the ABAG Region and state and the city has a higher percentage of children under 18 years of age. Across all geographies, the largest growth was among residents age 55 and over, with the biggest decrease among working-age adults aged 45 and 54. The majority of residents in all three areas, but especially in Fairfield, live in family households. With a larger majority of family households in Fairfield, its average household size is also higher than those in the ABAG Region and California, indicating strong demand for larger housing units that can accommodate couples and families with children, while also recognizing the needs of the City’s growing senior population.

Although Fairfield's per capita income is comparable to California's, the City's median household income is noticeably higher due to the larger average household size. However, Fairfield's per capita income and median household income are still considerably lower than in the ABAG Region. This indicates the need for housing at a range of price levels, while the relatively low percentages of extremely low-income households and very high-income households suggests an emphasis on continuing to expand the supply of moderately priced housing as well as the supply of below-market rate housing. Moderately priced housing and below market rate housing in particular are needed to that the City provides an adequate supply of "workforce" housing that is affordable to local workers, lessening the need for workers to commute long distances and providing a valuable amenity for local businesses who most compete for workers within the regional labor market.

Residents in all three areas generally are likely to have completed at least a high school education, though Fairfield lags in the proportion of residents who have completed undergraduate degrees or higher, compared to the region and state.

Fairfield's demographic attributes have implications for local retail demand, as well as for broader economic development efforts that seek to link new business activity. The City's retailers will need to tailor their offerings to the City's diverse population with moderate incomes. This could include ethnic specialties, as well as retail and service offering catering to families and seniors. Economic development efforts will need to recognize the City's labor force characteristics and target industries that can utilize local residents' education and skills, while other industries may also be attracted to the city because of its relatively affordable housing stock and the City's ability to increase its workforce housing supply, as discussed in subsequent chapters.

7 Economic Characteristics

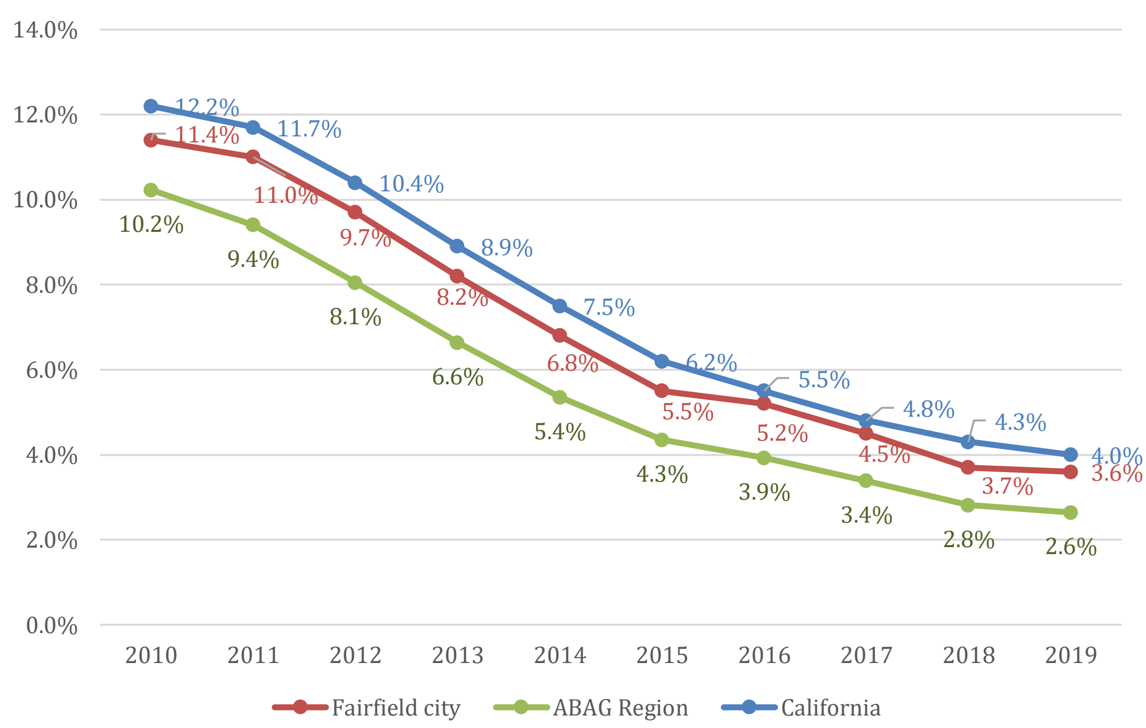
This section summarizes current economic conditions in the City of Fairfield and its comparison geographies. In addition to the geographies used in the previous section, this analysis also includes Solano County, as some sources only provide data at the county level. This section draws on data from a number of sources, including data published by Esri, the US Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW), the California Employment Development Department (EDD), the California Department of Tax and Fee Administration (CDTFA), and the US Census Bureau Longitudinal Employer-Household Dynamics (LEHD).

7.1 Labor Force Characteristics

UNEMPLOYMENT

Figure 1 shows the change in the annual unemployment rate from 2010 to 2019 in Fairfield, Solano County, and the ABAG region, revealing that the region had the lowest unemployment rate of the three geographies at the end of 2019, at 2.6 percent. As Table 7 shows, the ABAG region was also the most resilient to labor force impacts of the COVID-19 pandemic, as the unemployment rate climbed to just 5.9 percent in November 2020, compared to 7.4 percent in the city and 7.9 percent in the state.

Figure 1: Annual Unemployment Rate, 2010-2019



Sources: California Employment Development Department, 2020; BAE, 2020

Table 7: Unemployment Rate, November 2020

Labor Force Characteristics	Labor Force	Employment	Unemployment	
			Number	Percent
City of Fairfield	52,200	48,300	3,900	7.4%
ABAG Region	4,070,500	3,830,500	240,000	5.9%
California	18,928,800	17,437,200	1,491,600	7.9%

Sources: California Employment Development Department, 2020; BAE, 2020

RESIDENT EMPLOYMENT

According to Esri, the industries employing the most Fairfield residents are: Healthcare/Social Assistance, Retail Trade, Manufacturing, Public Administration, and Construction. These industries account for 55.4 percent of employed residents in the city. By comparison, the industries employing the most ABAG region residents include: Professional, Scientific and Technical Services, Healthcare/Social Assistance, Manufacturing, and Finance and Insurance. These industries account for 56.4 percent of the ABAG region's employed residents. One of the most pronounced differences between the city and the Region is the 11.0 percentage point discrepancy in the share of employed residents working in the relatively high-paying Professional, Scientific and Technical Services industries. Generally, the differences among largest industries for resident employment in Fairfield versus the ABAG region correspond with the finding of higher household and per capita incomes and higher educational attainment in the region compared to the city.

Table 8: Employed Residents by Industry

Industry	City of Fairfield		ABAG Region		California	
	Number	Percent	Number	Percent	Number	Percent
Accomodation/Food Services	2,564	5.5%	187,943	5.2%	936,012	5.6%
Administrative/Support/Waste Management	1,931	4.1%	146,990	4.0%	739,327	4.4%
Agricultural	631	1.3%	25,110	0.7%	370,286	2.2%
Arts/Entertainment/Recreation	724	1.5%	59,160	1.6%	323,967	1.9%
Construction	3,595	7.6%	237,389	6.5%	1,230,684	7.3%
Educational Services	2,990	6.4%	307,272	8.4%	1,494,305	8.9%
Finance & Insurance	2,224	4.7%	160,279	4.4%	648,093	3.9%
Healthcare/Social Assistance	9,168	19.5%	491,798	13.5%	2,314,215	13.8%
Information	815	1.7%	130,234	3.6%	452,705	2.7%
Management of Companies	50	0.1%	7,081	0.2%	24,036	0.1%
Manufacturing	4,641	9.9%	370,348	10.2%	1,575,513	9.4%
Mining	82	0.2%	2,642	0.1%	24,085	0.1%
Other Services	1,502	3.2%	157,387	4.3%	807,675	4.8%
Professional, Scientific and Technical Services	2,470	5.3%	590,292	16.2%	1,683,147	10.0%
Public Administration	3,762	8.0%	132,331	3.6%	780,692	4.7%
Real Estate/Rental/Leasing	656	1.4%	90,780	2.5%	423,706	2.5%
Retail Trade	4,859	10.3%	294,834	8.1%	1,538,102	9.2%
Transportation/Warehouse	2,903	6.2%	143,749	3.9%	793,209	4.7%
Utilities	492	1.0%	23,374	0.6%	121,967	0.7%
Wholesale Trade	936	2.0%	83,161	2.3%	488,208	2.9%
Total Employed Residents	**46,995**	**100%**	**3,642,154**	**100%**	**16,769,934**	**100%**

Sources: Esri Business Analyst, 2020; Bureau of Labor Statistics, 2020; BAE 2020.

WORKERS BY INDUSTRY

Notably, the largest industries for resident employment discussed above are not all the same as the largest industries providing employment in the city. Other than Healthcare/Social Assistance and Public Administration, three of the largest industries in the city are Retail Trade, Educational Services, and Accommodation/Food Services, accounting for nearly 30 percent of all jobs within the city. Note that these data include civilian employees at Travis Air Force base, but do not include about 10,000 uniformed servicemembers who are assigned to the base. Civilian employees at Travis Air Force Base (about 3,000) are scattered across numerous sectors, but the three largest are Healthcare/Social Assistance; Public Administration; and Administration, Support and Waste Management.

For both Healthcare/Social Assistance and Public Administration, which are also two of the largest industries employing Fairfield residents at any location, whether in Fairfield or elsewhere), these industries account for a larger share of workers in the city than resident employment. This suggests that significant portions of the workers in these industries do not live in Fairfield, but these workers in particular might comprise some of the future housing demand that Fairfield could capture. These two industries, along with Administration, Support, and Waste Management, are also three of the largest industries employing the approximately 3,000 civilians who work at Travis Airforce Base. Workers commuting to Fairfield to work at Travis Air Force Base may be strong candidates to live in the city in the future if housing options that are suitable for their needs are made available.

Finally, although only accounting for 3.8 percent of jobs in the city, Wholesale Trade is a booming industry in Fairfield, based on discussions with experts in local commercial real estate. As this industry grows its share of overall jobs in the city over the next few years, the potential new jobs also present an opportunity for Fairfield to capture new residents who work in this growing sector, if the city can provide appropriate new housing.

Table 9: Jobs by Industry, 2020

Industry	City of Fairfield Number	City of Fairfield Percent	ABAG Region Number	ABAG Region Percent	California Number	California Percent
Agriculture, Forestry, Fishing and Hunting	46	0.1%	12,656	0.4%	107,117	0.7%
Mining, Quarrying, and Oil and Gas Extraction	4	0.0%	2,332	0.1%	12,196	0.1%
Utilities	42	0.1%	16,420	0.5%	55,700	0.3%
Construction	1,350	2.7%	146,208	4.1%	672,037	4.2%
Manufacturing	1,555	3.2%	334,956	9.3%	1,231,556	7.7%
Wholesale Trade	1,875	3.8%	124,384	3.5%	661,444	4.1%
Retail Trade	6,487	13.2%	423,912	11.8%	2,064,940	12.9%
Transportation and Warehousing	795	1.6%	84,182	2.3%	400,090	2.5%
Information	762	1.6%	241,201	6.7%	562,206	3.5%
Finance and Insurance	1,102	2.2%	146,671	4.1%	615,279	3.8%
Real Estate and Rental and Leasing	1,227	2.5%	107,448	3.0%	519,843	3.3%
Professional, Scientific, and Technical Services	1,375	2.8%	346,948	9.7%	1,260,051	7.9%
Management of Companies and Enterprises	21	0.0%	7,919	0.2%	35,395	0.2%
Administration, Support, and Waste Mgmt.	1,767	3.6%	104,472	2.9%	470,902	2.9%
Educational Services	3,109	6.3%	283,547	7.9%	1,388,508	8.7%
Health Care and Social Assistance	12,387	25.2%	394,288	11.0%	1,882,759	11.8%
Arts, Entertainment, and Recreation	1,182	2.4%	100,556	2.8%	546,873	3.4%
Accommodation and Food Services	4,256	8.7%	310,472	8.7%	1,531,031	9.6%
Other Services (exc. Public Administration)	2,404	4.9%	192,008	5.4%	911,707	5.7%
Public Administration	7,287	14.8%	184,138	5.1%	967,607	6.1%
Unclassified	99	0.2%	22,493	0.6%	90,402	0.6%
Total Workers	**49,132**	**100%**	**3,587,211**	**100%**	**15,987,643**	**100%**

Notes:

(a) Universe consists of all wage and salary employment by place of work. Does not include self-employed persons not on payroll. Industry classification is not self-reported by individual workers.

(b) Reporting of employment numbers can vary slightly between BLS and LEHD sources, e.g., LEHD aggregates public and private sectors of a given industry into one number whereas BLS does not.

(c) Retail trade job loss may reflect industry recategorization.

Sources: Quarterly Census of Employment and Wages (QCEW), US Bureau of Labor Statistics, 2020; BAE, 2020.

PRINCIPAL EMPLOYERS

The largest employers in Fairfield identified in the City of Fairfield's Comprehensive Annual Financial Report (CAFR) are shown below in Table 10, emphasizing government, healthcare, and educational institutions. Travis Air Force Base is by far the largest employer, with over 13,000 employees. As Fairfield is the county seat, it is home to the Solano County Government Center and the Solano County Sheriff headquarters making Solano County the second largest employer in Fairfield, followed by the local K-12 school district. Other health-related establishments, the City of Fairfield, plus Jelly- Belly Candy Company, and Westamerica Bank round out the list.

Table 10: Fairfield Principal Employers, 2020

City of Fairfield

Major Employers	Industry	Employees
Travis Air Force Base	U.S. Military	13,414
County of Solano	Government	2,633
Fairfield-Suisun Unified School District	Eduction	2,213
NorthBay Healthcare Center	Healthcare	1,969
Solano Community College	Education	750
City of Fairfield	Government	571
Partnership HealthPlan	Healthcare	561
Jelly Belly Candy Co.	Manufacturing	489
Sutter Fairfield Medical Campus	Healthcare	475
Westamerica Bank	Banking	418

Sources: City of Fairfield, 2020; BAE, 2020.

COMMUTE PATTERNS

A greater share of Fairfield residents commutes less than 20 minutes to work, at 41.1 percent, compared to ABAG region residents at 32.0 percent. A similar share of residents commute more than 40 minutes to work, with 31.6 percent in Fairfield and 30.7 percent regionwide. By comparison, only 25.5 percent of California residents commute more than 40 minutes to work.

In terms of where commuters are going, nearly 37 percent of Fairfield residents are commuting within the city, which helps to explain some of the shorter commute times compared to the ABAG region. However, over 30 percent of residents are also commuting further away, to places like San Francisco, Alameda County, Contra Costa County, and Sacramento. Table 12 lists the top commuting destinations for employed Fairfield residents in descending order, showing that an additional 23.8 percent of employed residents commute further still, commuting to work in numerous more distant and widely dispersed counties, all of which individually account for less than 5.4 percent of Fairfield workers.

Over half of workers with jobs in Fairfield live in Solano County, although only 24.2 percent live in Fairfield. While over 60 percent of Fairfield workers live in Solano or Napa County, the large proportion of local workers who live in more distant counties, including Sacramento County (6.0%), Yolo County (3.5%) and San Joaquin County (2.5%), indicates a large part of the Fairfield workforce is commuting long distances to work. Further, the commute pattern indicates that the local workers with longer commutes may be seeking more affordable housing prices in communities to the east. Notably, Contra Costa County, immediately to the west of Solano County and typically a more expensive housing market, does not appear in the list of top residence locations for Fairfield workers.

Table 11: Commute Time, 2020

Commute Time	City of Fairfield Number	City of Fairfield Percent	ABAG Region Number	ABAG Region Percent	California Number	California Percent
Less than 10 Minutes	5,246	10.3%	272,891	7.6%	1,592,067	9.4%
10-19 Minutes	15,595	30.7%	871,841	24.4%	4,581,764	27.1%
20-29 Minutes	7,602	15.0%	685,271	19.2%	3,403,150	20.2%
30-39 Minutes	6,255	12.3%	649,592	18.2%	3,001,440	17.8%
40-59 Minutes	6,882	13.6%	566,895	15.8%	2,241,414	13.3%
Greater than 1 Hour	9,160	18.1%	530,604	14.8%	2,063,568	12.2%
Total	**50,740**	**100%**	**3,577,094**	**100%**	**16,883,403**	**100%**

Sources: Esri Business Analyst, 2020; BAE, 2020.

Table 12: Commute Flow, 2018

Place of Work	Employed Residents Number	Employed Residents Percent	Place of Residence	Workers Number	Workers Percent
Solano County	**18,541**	**36.8%**	**Solano County**	**23,841**	**57.0%**
Fairfield city	10,109	20.1%	Fairfield city	10,109	24.2%
Vacaville city	3,457	6.9%	Vacaville city	5,932	14.2%
Vallejo city	2,175	4.3%	Suisun city	2740	6.5%
All Other Solano County	2,800	5.6%	Vallejo city	2,586	6.2%
Contra Costa County	**6,024**	**12.0%**	Dixon city	604	1.4%
Concord city	1,316	2.6%	Benicia city	599	1.4%
All Other Contra Costa County	4,708	9.3%	All Other Solano County	1,271	3.0%
Alameda County	**4,414**	**8.8%**	**Sacramento Couty**	**2,494**	**6.0%**
Oakland city	1,542	3.1%	Sacramento city	824	2.0%
All Other Alameda County	2,872	5.7%	All Other Sacramento County	1,670	4.0%
Napa County	**3,751**	**7.4%**	**Napa County**	**1,560**	**3.7%**
Napa city	1,782	3.5%	Napa city	821	2.0%
All Other Napa County	1,969	3.9%	American Canyon city	440	1.1%
San Francisco County	**2,938**	**5.8%**	All Other Napa County	299	0.7%
Sacramento Couty	**2,745**	**5.4%**	**Yolo County**	**1,454**	**3.5%**
Sacramento city	1,277	2.5%	**Alameda County**	**1,379**	**3.3%**
All Other Sacramento County	1,468	2.9%	**San Joaquin County**	**1,039**	**2.5%**
All Other Locations	**11,982**	**23.8%**	**All Other Locations**	**10,071**	**24.1%**
Total, Employed Residents	**50,395**	**100%**	**Total, All Jobs**	**41,838**	**100%**

Sources: U.S. Census Longitudinal Employer-Household Dynamics via OnTheMap, 2020; BAE, 2020.

TAXABLE SALES

While generating important revenues to support the City's General Fund operations as well as specially-designated purposes such as transportation and transit services, taxable sales are an indicator of local retail sales activity. Table 13 shows the total and per capita taxable sales in Fairfield and Solano County in 2019. Per capita sales in the County are somewhat higher than in Fairfield, which may be linked to lower overall per capita and household incomes in the city compared to the county overall. This suggests that the potential for new retail development based on local population growth may not be as high as elsewhere in the County based on 2019 spending levels. That said, a portion of the lower per capita taxable sales figures in Fairfield may be driven by residents leaving the city to make purchases at retail locations outside of the city (i.e., retail leakage) in locations such as the large outlet center in Vacaville. This may create an opportunity for Fairfield to fill existing retail gaps to capture a higher share of resident spending within the city.

Research from Marketek, who conducted a 'Retail Market and Trend Analysis' for the Heart of Fairfield Business Development Roadmap, suggests that categories with significant leakage[1] in the City of Fairfield include restaurants, building materials and gardening, apparel and accessories, and miscellaneous specialty retailers. Some of the retail categories with leakage may simply be masked by sales captured in large department stores and big box stores that are categorized as General Merchandise, although in general, new retail development should seek to fill gaps in retail offerings in the city. However, as Marketek points out, the potential for new brick-and-mortar retail may have been permanently undermined by the impacts of the pandemic and the accelerated shift towards e-commerce, so there may be less of a direct correlation between taxable sales per capita or retail leakage, and demand for retail space.

Table 13: Taxable Sales, 2019

	City of Fairfield			Solano County		
Category	Number	Percent	Per Capita (a)	Number	Percent	Per Capita (a)
Motor Vehicle and Parts Dealers	$296,583,063	14.4%	$2,550	$1,067,619,933	12.9%	$2,433
Furnishings and Appliance Stores	$65,714,404	3.2%	$565	$206,131,060	2.5%	$470
Bldg. Matrl. and Garden Equipment	$105,800,356	5.1%	$910	$416,780,776	5.1%	$950
Food and Beverage Stores	$65,548,168	3.2%	$564	$266,835,335	3.2%	$608
Gasoline Stations	$201,141,364	9.8%	$1,729	$709,968,445	8.6%	$1,618
Clothing and Clothing Accessories	$102,588,877	5.0%	$882	$434,847,295	5.3%	$991
General Merchandise Stores	$198,415,693	9.6%	$1,706	$800,077,249	9.7%	$1,823
Food Services and Drinking Places	$205,328,559	10.0%	$1,765	$758,192,549	9.2%	$1,728
Other Retail Group	$85,710,897	4.2%	$737	$618,171,249	7.5%	$1,409
Subtotal, All Retail and Food	**$1,326,831,381**	**64.4%**	**$11,407**	**$5,278,623,891**	**64.0%**	**$12,029**
All Other Outlets	**$732,768,721**	**35.6%**	**$6,300**	**$2,972,648,078**	**36.0%**	**$6,774**
Total, All Outlets	**$2,059,600,102**	**100%**	**$17,706**	**$8,251,271,969**	**100%**	**$18,803**

Note:

(a) Based on 2019 population estimates published by the Department of Finance.

Sources: California Department of Tax and Fee Administration (CDTFA), 2020; California Department of Finance, 2020; BAE, 2020.

[1] A retail gap or leakage is found by comparing retail supply (i.e., actual retail sales) with retail demand (i.e., the expected amount spent by Fairfield households based on income and consumer expenditure patterns).

ECONOMIC IMPLICATIONS FOR GENERAL PLAN UPDATE

Unemployment in Fairfield has corresponded more with statewide trends than regional trends. Prior to the pandemic, the 3.6 percent unemployment rate in Fairfield was comparable to the 4.0 percent rate statewide, while in the ABAG region, the unemployment rate was only 2.6 percent. Furthermore, in November 2020, the pandemic led to increased unemployment rates across all three geographies, but the unemployment rates in Fairfield (7.6 percent) and the state (7.9 percent) are comparable, and higher than the 5.9 percent unemployment rate in the ABAG region. This suggests that economic and market forces influence the Fairfield economy differently as compared to the larger ABAG region. Indeed, the industries employing Fairfield residents are not the same as those employing regional residents overall. Specifically, there is a large gap between Fairfield resident employment in higher paying industries relative to the ABAG region, such as Professional, Scientific and Technical Services, which have also proven more resilient than many other industries during the COVID-19 pandemic.

Data on jobs in the city reveals that a larger share of jobs in the city are in Public Administration and Healthcare/Social Assistance than there are Fairfield residents employed in those industries. As mentioned previously, major city employers include Travis Air Force Base, the City of Fairfield and Solano County government plus public educational institutions and various large healthcare related establishments. Fairfield may be able to capture a larger portion of these local workers who commute into the city, particularly the relatively large number of commuters from nearby cities like Vacaville, Suisun City, Vallejo, and Dixon. Diversification of the Fairfield economy, to more closely reflect the Bay Area jobs by industry could help to make the local economy more robust and resilient, and also increase local household income levels, to the extent that workers in higher-wage industries can be attracted to live in Fairfield. All else being equal, if Fairfield, attracts more higher-income residents, then per capita taxable sales occurring in the city may rise closer to the level of per capita taxable sales in Solano County. This would support slightly more retail development in the future than if per capita spending remains at its current levels.

8 Real Estate Market Conditions

This section summarizes current real estate market conditions and trends in the City of Fairfield, the ABAG Region, and California using data published by Esri, US Census Bureau's American Community Survey (ACS), HUD's Comprehensive Housing Affordability Strategy (CHAS), the California Department of Housing and Community Development, ListSource, Redfin, and CoStar. The analysis also draws from a number of interviews with real estate brokers, Realtors, and other key real estate professionals active in the Fairfield area.

8.1 Residential Market Overview

The following section summarizes key housing market characteristics within the City of Fairfield as well as residential sales prices and rental rate trends compared to the regional context.

HOUSEHOLD TENURE

Compared to the ABAG region and the state, Fairfield has a much higher rate of homeowner households, which comprise 61.6 percent of city households. Moreover, the increase in owner households between 2010 and 2020 (12.9 percent), was more than double the rate in the ABAG region and triple the rate in California. Given the overall faster rate of growth in households over the past decade in Fairfield, growth in owner households was not at the expense of growth in renter households, which increased in line with trends in both the region and state. This is summarized in Table 14. These findings confirm comments from stakeholders and those knowledgeable about the local real estate market interviewed for this study that describe one of Fairfield's fundamental appeals to be the relative affordability of single-family homes in the city.

Table 14: Household Tenure, 2010 and 2020

	2010		2020		% Change
City of Fairfield	Number	Percent	Number	Percent	2010-2020
Owner-Occupied	20,827	60.4%	23,513	61.6%	12.9%
Renter-Occupied	13,661	39.6%	14,663	38.4%	7.3%
Total Households	**34,488**	**100%**	**38,176**	**100%**	**10.7%**
	2010		**2020**		**% Change**
ABAG Region	Number	Percent	Number	Percent	2010-2020
Owner-Occupied	1,465,362	56.2%	1,554,588	56.0%	6.1%
Renter-Occupied	1,142,661	43.8%	1,220,997	44.0%	6.9%
Total Households	**2,608,023**	**100%**	**2,775,585**	**100%**	**6.4%**
	2010		**2020**		**% Change**
California	Number	Percent	Number	Percent	2010-2020
Owner-Occupied	7,035,371	55.9%	7,324,702	55.1%	4.1%
Renter-Occupied	5,542,127	44.1%	5,975,665	44.9%	7.8%
Total Households	**12,577,498**	**100%**	**13,300,367**	**100%**	**5.7%**

Sources: Esri Business Analyst, 2020; BAE, 2020.

UNITS IN STRUCTURE

As shown in Table 15, about 73.6 percent of the housing stock in the City of Fairfield is single-family units, most of which are detached units. The regional and statewide comparison geographies also have large shares of single-family units, where they make up 62.4 percent and 64.9 percent, respectively, though Fairfield has a higher concentration of these unit types. Conversely, Fairfield contains a relatively low supply of multifamily units, accounting for only 23.9 percent of the housing stock, compared to 35.6 percent in the ABAG Region and 31.2 percent statewide. This difference is especially pronounced in duplexes and complexes with more than 20 units. This undersupply of higher density housing may be excluding certain household types and income levels from finding housing within Fairfield. This is consistent with several local stakeholder conversations, which also highlighted the need for denser single-family units and multifamily housing developments that are affordable for new homebuyers, seniors, and the workforce, including military personnel. Most notably, the lack of accessible and affordable homes for seniors force the elderly to relocate outside of the City of Fairfield due to the lack of supply. As the baby boomer cohort continues to age, as shown previously in Table 3, the need for senior-oriented housing will continue to escalate.

Table 15: Units in Structure, 2018

	City of Fairfield		ABAG Region		California	
Units in Structure	Number	Percent	Number	Percent	Number	Percent
1 Unit, Detached	25,453	67.2%	1,535,495	53.3%	8,157,883	57.9%
1 Unit, Attached	2,423	6.4%	261,884	9.1%	991,403	7.0%
2 Units	387	1.0%	100,432	3.5%	344,085	2.4%
3-4 Units	1,806	4.8%	177,705	6.2%	777,985	5.5%
5-9 Units	2,859	7.5%	169,283	5.9%	859,787	6.1%
10-19 Units	1,652	4.4%	153,463	5.3%	731,491	5.2%
20-49 Units	851	2.2%	158,035	5.5%	691,834	4.9%
50+ Units	1,499	4.0%	266,831	9.3%	995,111	7.1%
Mobile Home/Boat/RV/Van/etc.	962	2.5%	58,888	2.0%	535,245	3.8%
Total, Housing Units	**37,892**	**100%**	**2,882,016**	**100%**	**14,084,824**	**100%**

Sources: Esri Business Analyst, 2020; US Census Bureau, ACS, 2014-2018 five-year sample data, Table B25024, 2020; BAE, 2020.

YEAR BUILT

Table 16 shows that Fairfield's housing stock began growing in earnest between 1960 and 1969 and the city has added to its housing stock steadily in the subsequent decades. Compared to the region and the state, the data indicate that Fairfield has added proportionately more housing in every decade since the 1970s. This means that Fairfield's housing stock is also comparatively new; however, there is still a substantial portion of the city's housing stock that is 30 or more years of age, indicating the need for continued widespread investments in housing maintenance and rehabilitation.

Table 16: Year Built, 2018

Year Built	City of Fairfield Number	City of Fairfield Percent	ABAG Region Number	ABAG Region Percent	California Number	California Percent
Pre-1939	358	0.9%	426,498	14.8%	1,299,679	9.2%
1940-1949	464	1.2%	187,923	6.5%	849,660	6.0%
1950-1959	3,096	8.2%	382,020	13.3%	1,900,467	13.5%
1960-1969	4,533	12.0%	409,179	14.2%	1,892,586	13.4%
1970-1979	7,017	18.5%	501,359	17.4%	2,488,636	17.7%
1980-1989	8,638	22.8%	365,509	12.7%	2,135,838	15.2%
1990-1999	5,886	15.5%	273,393	9.5%	1,536,758	10.9%
2000-2009	6,281	16.6%	250,907	8.7%	1,598,759	11.4%
2010+	1,619	4.3%	85,228	3.0%	382,441	2.7%
Total, Housing Units	**37,892**	**100%**	**2,882,016**	**100%**	**14,084,824**	**100%**

Sources: Esri Business Analyst, 2020; US Census Bureau, American Community Survey (ACS), 2014-2018 five-year sample data, Table B25034, 2020; BAE, 2020.

VACANCY

Based on data shown in Table 17, Fairfield's residential vacancy rate is 4.1 percent, which is lower than the vacancy rates of the ABAG Region and California of 5.8 percent and 7.9 percent, respectively. As most economists consider a vacancy rate of about five percent to represent a healthy level of vacancy for a given geography, Fairfield is showing signs of a slight undersupply of housing, especially within the for-sale inventory. Within the city and the ABAG Region, the largest share of vacant units is characterized as vacant for other reasons, followed by units for rent. California, on the other hand, has a sizeable share of vacant units for seasonal use, which are typically located in resort towns and second-home communities.

This low vacancy demonstrated in Fairfield, which is from the ACS 2014-2018 five-year data is especially pronounced and even exacerbated during the COVID-19 pandemic, according to several local real estate professionals. With low inventory and increasing demand for housing due to low interest rates and relative affordability of Fairfield compared to other nearby cities, homes are selling extremely quickly, and at higher prices, compared to before the pandemic.

Table 17: Housing Occupancy and Vacancy Status, 2018

Occupancy/Vacancy	City of Fairfield Number	City of Fairfield Percent	ABAG Region Number	ABAG Region Percent	California Number	California Percent
Occupied Housing Units	36,348	95.9%	2,715,010	94.2%	12,965,435	92.1%
Vacant Housing Units	1,544	4.1%	167,006	5.8%	1,119,389	7.9%
For rent	*454*	*1.2%*	*38,232*	*1.3%*	*217,600*	*1.5%*
For sale only	*135*	*0.4%*	*10,012*	*0.3%*	*83,128*	*0.6%*
Rented or sold, not occupied	*72*	*0.2%*	*21,330*	*0.7%*	*112,207*	*0.8%*
For seasonal use	*100*	*0.3%*	*37,908*	*1.3%*	*388,227*	*2.8%*
For migrant workers	*0*	*0.0%*	*157*	*0.0%*	*3,312*	*0.0%*
Other vacant (a)	*783*	*2.1%*	*59,367*	*2.1%*	*314,915*	*2.2%*
Total, All Housing Units	**37,892**	**100%**	**2,882,016**	**100%**	**14,084,824**	**100%**

Note:

(a) Includes units vacant for other reasons, such as personal reasons of the owner, use by a caretaker or janitor, and boarded-up units not available for occupancy.

Sources: US Census Bureau, ACS, 2014-2018 five-year estimates, Tables B25002, B25004, B25014, 2020; BAE, 2020.

MULTIFAMILY RENTAL HOUSING MARKET

According to multifamily rental market data in Q3 2020 provided by CoStar, shown in Table 18 on the following page, the City of Fairfield has an inventory of about 5,000 multifamily housing units. Of these, about 56.3 percent are two-bedroom units, followed by 36.2 percent one-bedroom units. Unlike multifamily for-sale units, as shown in Table 19, only a small percentage of multifamily rental units (about 1.3 percent) are three-bedroom units. Currently, the average rental rate is about $1,700, which is a slight increase of about 5.4 percent from Q3 2019. This contrasts with the trend in the ABAG Region, which saw a decrease of about 5.1 percent between Q3 2019 and Q3 2020. Part of the reason for the increasing local rents may be Fairfield's very low multifamily rental vacancy rate (2.9 percent), which is far lower than the 8.4 percent vacancy rate of the ABAG Region, and the benchmark five percent vacancy rate that is widely considered indicative of a reasonable balance between supply and demand. This may also be driven by residents throughout the region leaving the higher-priced inner Bay Area cities for more affordable rental units, facilitated by the increase in work-from-home arrangements due to the COVID-19 pandemic. Given the absence of newly completed rental projects and units under construction in Fairfield, the absorption of available multifamily rental units is very strong among all unit sizes, demonstrating solid demand for this type of housing that is not currently being met by increases in supply.

Table 18: Multifamily Rental Summary by Unit Size, Q3 2020 (c)

City of Fairfield	All Unit Types (a)	Studio	1BR	2BR	3BR	4+ BR (b)
Inventory, Q3 2020 (units)	5,027	312	1,818	2,831	65	n.a.
% of Units (a)	100%	6.2%	36.2%	56.3%	1.3%	n.a.
Average Unit Size (sq. ft.)	835	439	699	933	1,313	n.a.
Vacant Units	148	7	52	88	1	n.a.
Vacancy Rate	2.9%	2.2%	2.9%	3.1%	1.5%	n.a.
Average Rents, Q3 2019 - Q3 2020 (per unit) (c)						
Average Rent, Q3 2019	$1,607	$1,202	$1,485	$1,696	$2,236	n.a.
Average Rent, Q3 2020	$1,694	$1,311	$1,580	$1,776	$2,367	n.a.
% Change Q3 2019 - Q3 2020	5.4%	9.1%	6.4%	4.7%	5.9%	n.a.
Net Absorption						
One-Year Net Absorption (units), Q3 2019 - Q3 2020	0	0	0	0	0	n.a.
Ten-Year Net Absorption (units), Q3 2010 - Q3 2020	541	21	272	226	19	n.a.
New Deliveries (units), Q3 2019 - Q3 2020	0	0	0	0	0	n.a.
Under Construction (units), Q3 2020	0	0	0	0	0	n.a.

ABAG Region	All Unit Types	Studio	1BR	2BR	3BR	4+ BR
Inventory, Q3 2020 (units)	570,747	160,580	201,367	182,854	23,302	2,644
% of Units (a)	100%	28.1%	35.3%	32.0%	4.1%	0.5%
Average Unit Size (sq. ft.)	820	522	694	965	1,275	1,844
Vacant Units	47,725	12,993	18,068	14,526	1,952	187
Vacancy Rate	8.4%	8.1%	9.0%	7.9%	8.4%	7.1%
Average Rents, Q3 2019 - Q3 2020 (per unit) (c)						
Average Rent, Q3 2019	$2,487	$2,078	$2,272	$2,687	$3,536	$5,686
Average Rent, Q3 2020	$2,359	$1,926	$2,133	$2,567	$3,448	$5,717
% Change Q3 2019 - Q3 2020	-5.1%	-7.3%	-6.1%	-4.5%	-2.5%	0.5%
Net Absorption						
One-Year Net Absorption (units), Q3 2019 - Q3 2020	0	0	0	0	0	0
Ten-Year Net Absorption (units), Q3 2010 - Q3 2020	29,342	239	14,609	13,151	1,347	(3)
New Deliveries (units), Q3 2019 - Q3 2020	9,863	1,159	4,475	3,489	666	74
Under Construction (units), Q3 2020	14,804	6,236	4,778	3,202	525	63

Notes:

(a) Unit totals may not add up due to some units lacking classification by number of bedrooms.

(b) Data suppressed due to insufficient data.

(c) Market-rate units only.

Sources: CoStar, 2020; BAE, 2020.

FOR-SALE HOUSING MARKET

According to data from ListSource in Table 19, there were about 1,273 single-family home sales and 87 townhome and condominium sales between December 2019 and December 2020[2]. During this time period, the most commonly sold single-family residences were three or more bedrooms, making up 97.3 percent of all single-family sales. The median sale price was about $515,000, and the average sale price was slightly higher at about $540,000. The average sales price per square foot was about $275. The average and median living area were both about 2,000 square feet, though there is a drastic difference between the average and median lot size. As several home sales included large lots of agriculture and greenspace, the average lot area was skewed upwards to nearly 10,000 square feet. Controlling for these outliers, the median lot area was about 6,000 square feet, which better illustrates the lot size for the typical single-family residence.

Among townhome and condominium for-sale units, the most popular unit types had two or three bedrooms, making up 83.9 percent of multifamily sales. The median sales price was about $265,000, and the average sales price was about $290,000. Given the smaller unit types compared to single-family residences, the average and median living area is also smaller at about 1,200 square feet. The average sale price per square foot, about $242, was also lower than the average single-family sale price. This runs contrary to typical market dynamics, where smaller units often sell for higher prices per square foot. This suggests that the inventory of higher-density for-sale units in Fairfield may be older and in worse condition relative to the single-family inventory in Fairfield. In addition, in other communities, higher density for-sale units are often located in amenity-rich locations where buyers are willing to pay a per square foot premium for the access to shopping, dining, jobs, arts and cultural attractions, or other desirable community features. This price premium is often necessary to make higher density multifamily for-sale projects financially feasible, given increased construction costs relative to low-density housing types.

---

[2] Some sales records were missing crucial data points, such as number of bedrooms and sales price, and thus were excluded from this analysis.

Table 19: Characteristics of Home Sales by Type, City of Fairfield, Dec. 2019 to Dec. 2020

Single-Family Residences						
Sale Price Range	**1 BD**	**2 BD**	**3 BD**	**4+ BD**	**Total**	*% Total*
Less than $400,000	0	22	147	28	197	*15.5%*
$400,000-$499,999	1	10	239	141	391	*30.7%*
$500,000-$599,999	1	1	121	210	333	*26.2%*
$600,000-$699,999	0	0	23	179	202	*15.9%*
$700,000-799,999	0	0	5	59	64	*5.0%*
$800,000-$999,999	0	0	8	49	57	*4.5%*
$1,000,000 or more	0	0	8	21	29	*2.3%*
Total, SFR Sales	**2**	**33**	**551**	**687**	**1,273**	*100%*
% of Total	*0.2%*	*2.6%*	*43.3%*	*54.0%*	*100%*	
Median Sale Price	$532,000	$365,000	$445,000	$580,000	$513,620	
Average Sale Price	$532,000	$371,758	$470,882	$602,826	$539,615	
Median Living Area (sq. ft.)	1,835	1,072	1,475	2,378	1,923	
Average Living Area (sq. ft.)	1,835	1,159	1,601	2,449	2,049	
Median Lot Size (sq. ft.)	20,640	5,200	6,013	6,970	6,355	
Average Lot Size (sq. ft.)	20,640	6,047	10,085	9,851	9,880	
Average Price per Living sq. ft.	$292	$329	$302	$251	$275	

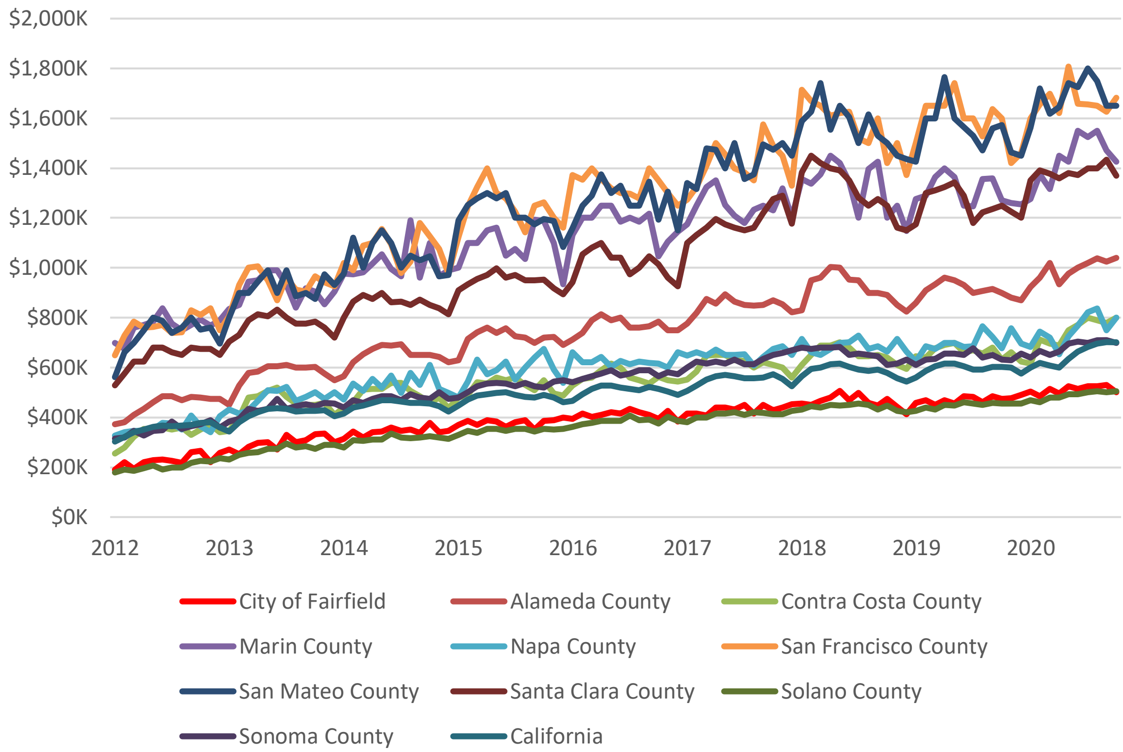
Townhomes/Condominiums						
Sale Price Range	**1 BD**	**2 BD**	**3 BD**	**4+ BD**	**Total**	*% Total*
Less than $300,000	9	30	11	0	50	*57.5%*
$300,000-$399,999	0	10	12	1	23	*26.4%*
$400,000-$499,999	0	4	3	2	9	*10.3%*
$500,000-$599,999	0	0	2	0	2	*2.3%*
$600,000-699,999	0	0	1	0	1	*1.1%*
$700,000-$899,999	0	0	0	2	2	*2.3%*
$1,000,000 or more	0	0	0	0	0	*0.0%*
Total, Townhome Sales	**9**	**44**	**29**	**5**	**87**	*100%*
% of Total	*10.3%*	*50.6%*	*33.3%*	*5.7%*	*100%*	
Median Sale Price	$170,000	$245,000	$343,000	$475,000	$265,000	
Average Sale Price	$184,389	$253,791	$331,267	$584,300	$291,431	
Median Living Area (sq. ft.)	648	1,022	1,306	1,520	1,164	
Average Living Area (sq. ft.)	666	1,073	1,407	2,046	1,198	
Average Price per Living sq. ft.	$277	$234	$233	$303	$242	

Sources: ListSource, 2020; BAE, 2020.

Figure 2 shows longer-term trends in the median sale price of single-family residences using data from Redfin between 2012 and 2020 for the City of Fairfield as well as each county in the ABAG Region and for the State of California as a whole. These data indicate that the citywide median home sale price falls far below the other counties within the region and state overall, though it remains consistent with the median price within Solano County. Because the figure shows data following the Great Recession of 2008, all jurisdictions have seen increasing sale prices through this time period.

These data indicate that the Fairfield home sales market primarily serves larger households seeking traditional single-family homes that are more affordable than homes that are available within the inner Bay Area. There are much more limited options for homebuyers seeking to purchase smaller homes or homes in multifamily building configurations.

Figure 2: Median Home Sale Price, Single-Family Residences, 2012-2020



Sources: Redfin, 2020; BAE, 2020.

DEVELOPMENT PIPELINE

Table 20 shows the number of housing units in the city's residential development pipeline. These 1,964 units are either yet to be built in projects that have already begun construction, are in approved projects that have not yet been begun construction or are under construction as of Q4 2020. As discussed later in the Housing Units Demand Analysis section, these units are subtracted from the estimate of housing demand by 2050, as some of the projected demand will be met by these units once they deliver.

Table 20: Fairfield Residential Development Pipeline

Residential Pipeline	Number
Remaining Units in Active Projects (a)	383
Units in New Planned Projects (b)	1,528
Units Under Construction, Q4 2020 (c)	53
Total	**1,964**

Notes:

(a) Remaining units in active projects are units in projects that have built some units, but not all the units they are planned/permitted for. These remaining units are also not currently under construction

(b) Units in new planned products are units in developments that have been approved but have not yet begun construction

(c) Units under construction refer to units that are currently being built and have not yet been completed.

Sources: City of Fairfield; BAE, 2020.

KEY TAKEAWAYS FOR GENERAL PLAN UPDATE

One of the fundamental appeals of Fairfield is the relative affordability of single-family homes compared to elsewhere in the region, which explains not only the disproportionately high rate of family households in the city, but also the disproportionately high growth in family households in the city over the past ten years. However, there has not been a similar increase in the supply of multifamily units and condos that could be affordable to a wider range of households, including some of the city's workforce and households desiring smaller housing units for lifestyle or affordability reasons. Stakeholders identify this need for denser single-family units and multifamily housing that are affordable for new homebuyers, seniors, and the workforce, including military personnel, which may present an opportunity for the city as it reconsiders zoning and density, and permissible development types. At the same time, the relatively low price per square foot for existing multifamily for-sale units in Fairfield is likely a challenge for development feasibility. The city could seek to address this challenge by targeting higher density residential development in areas where there is good access to amenities and by investing in new public improvements that will add further value to the targeted locations.

The city's 4.1 percent residential vacancy rate suggests there is currently an undersupply of housing, as approximately five percent is considered healthy in a market that is predominantly single-family for-sale homes. This may reflect the increasing popularity of Fairfield for homebuyers, although ultimately it indicates that development must increase to keep up with demand. This is especially true for multifamily housing, among which the vacancy rate is only 2.9 percent, which has led to increasing monthly rents while rents in the ABAG Region have fallen. Therefore, there is an undersupply of both single-family and multifamily units, and particularly larger multifamily units. The number of family households in the city would suggest that larger units are more appropriate to meet housing demand in Fairfield, and the lack of three-bedroom multifamily units is one gap in the market that may be an opportunity for the city to address.

8.2 Housing Affordability

The following section discusses the number of households that live in the City of Fairfield by income level, cost burden, and tenure, to approximate the maximum affordable rental rates and for-sale home prices that households can pay without incurring excessive housing cost burdens and assess the current affordability of the local housing market in relation to local household incomes.

INCOME LIMITS BY FAMILY SIZE

Table 21 identifies the maximum income within each income bracket by number of persons in a household for Solano County in 2020. This adjustment for household size is in recognition that larger households require a higher income to achieve the same overall standard of living. For example, an income of $60,000 per year would place a single-person household in the median-income category, while a four-person household with the same income would be considered low-income, by comparison. Each income bracket is based on the median family income (MFI) for a family of four, which is $95,400 in Solano County.

Table 21: HCD Income Limits, Solano County, 2020

Median Family Income **$95,400**

	Number of Persons in Household				
Income Level	One	Two	Three	Four	Five
Extremely Low-Income (30% MFI)	$19,450	$22,200	$25,000	$27,750	$30,680
Very Low-Income (50% MFI)	$32,400	$37,000	$41,650	$46,250	$49,950
Low-Income (80% MFI)	$51,800	$59,200	$66,600	$73,950	$79,900
Median Income (100% MFI)	$66,800	$76,300	$85,850	$95,400	$103,050
Moderate-Income (120% MFI)	$80,150	$91,600	$103,050	$114,500	$123,650

Sources: California Department of Housing and Community Development (HCD), 2020; BAE, 2020.

AFFORDABLE RENTAL COSTS

Table 22 calculates the rental rates that can be considered affordable to households at each income level, based on the HCD income limits shown above. The rental rates assume that households can afford to spend up to 30 percent of their gross income on housing, including the monthly rent, plus utility costs, such as heating, cooling, water heating, lighting, refrigeration, and small appliance usage. Other utility costs, such as water, sewer, and garbage collection are assumed to be provided at no additional cost to the tenant (i.e., the cost is included as part of the monthly rent paid to the property owner). Depending on the household size and associated unit demand, an extremely low-income household at up to 30 percent of the MFI can afford to pay between $435 and $643 per month in rent. A low-income household at up to 80 percent of the MFI can afford to pay between $1,244 and $1,874 in monthly rent.

RENTAL HOUSING AFFORDABILITY GAP

Juxtaposing the affordable rent levels with the market-rate rents shown in Table 18, lower income households (i.e., in the low-, very low-, and extremely low-income categories) cannot afford rents without incurring excessive cost burdens. This places these lower-income households in a difficult position, where they must decide between living in crowded conditions, substandard housing, or overpaying for housing. At the lowest income levels, overpayment becomes a greater burden, as each dollar spent on housing cannot be spent on other necessities, like food, transportation, or healthcare.

Table 22: Affordable Rents, Solano County, 2020

Median Family Income:	**$95,400**				
	Persons Per Household				
2020 Income Limits (a)	One	Two	Three	Four	Five
Extremely Low-Income (30% MFI)	$19,450	$22,200	$25,000	$27,750	$30,680
Very Low-Income (50% MFI)	$32,400	$37,000	$41,650	$46,250	$49,950
Low-Income (80% MFI)	$51,800	$59,200	$66,600	$73,950	$79,900
Median Income (100% MFI)	$66,800	$76,300	$85,850	$95,400	$103,050
Moderate-Income (120% MFI)	$80,150	$91,600	$103,050	$114,500	$123,650

	Unit Size				
Affordable Rents (b)	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Extremely Low Income					
1-Person	$435	$424			
2-Person		$493	$474		
3-Person			$544	$524	
4-Person			$613	$593	$570
5-Person				$666	$643
Very Low Income					
1-Person	$759	$748			
2-Person		$863	$844		
3-Person			$960	$940	
4-Person			$1,075	$1,055	$1,032
5-Person				$1,148	$1,125
Low Income					
1-Person	$1,244	$1,233			
2-Person		$1,418	$1,399		
3-Person			$1,584	$1,564	
4-Person			$1,768	$1,748	$1,725
5-Person				$1,897	$1,874
Moderate Income					
1-Person	$1,953	$1,942			
2-Person		$2,228	$2,209		
3-Person			$2,495	$2,475	
4-Person			$2,782	$2,762	$2,739
5-Person				$2,990	$2,967

Notes:

(a) Income limits are based on the HCD-adjusted median family income of $95,400 ($2020).

(b) Affordable rents equal to 30 percent of gross monthly income, minus a utility allowance. The utility allowance is derived based on the 2020 figures for attached dwellings published by the Solano County Housing Authority effective 1 July 2020. Utility allowance estimates assume that all heating, cooking, and water heating would be done using natural gas. Other electricity usage is estimates assume that all heating, cooking, and water heating would be done using natural gas. Other electricity usage is also included, accounting for lighting, refrigeration, and small appliances.

Sources: HCD, 2020; Solano County Housing Authority, 2020; BAE, 2020.

AFFORDABLE PURCHASE PRICES

Table 23 reports the home sale prices that can be considered affordable to households at each income level. The sale prices assume that households can pay 30 percent of income on housing and purchase the unit using a 30-year fixed-rate mortgage, backed by the Federal Housing Administration (FHA). As shown below, there is a broad spread in purchase prices that are affordable at different income levels. For example, BAE estimates that the maximum home purchase price that could be considered affordable to a three-person extremely low-income household would be about $115,288, while a three-person low-income household could afford to pay up to $307,128. A three-person household with income at the 120 percent MFI limit for moderate-income households could afford to pay $475,172 for a home.

FOR-SALE HOUSING AFFORDABILITY GAP

At these prices, the market-rate single-family home market in Fairfield is generally affordable only to above moderate-income households or households at the upper limit of the moderate-income category with incomes equal to or above 120 percent of the MFI. However, housing costs are increasingly challenging for higher income households as well, especially with newer construction. Market rate townhomes and condominiums in Fairfield are affordable to low-income households based on the median sale price listed in Table 19. However, according to interviews with local real estate professionals, many of the options for condominiums and townhomes are not desirable due to their quality and location. Furthermore, not only are there relatively few condos and townhomes in the city compared to the large number of single-family homes, but also high HOA fees place a greater financial burden on lower-income households that is not reflected in the initial sale price.

Table 23: Affordable For-Sale Prices, Solano County, 2020 (Page 1 of 2)

Median Family Income: **$95,400**

2020 Income Limits (a)	Persons Per Household				
	One	Two	Three	Four	Five
Extremely Low-Income (30% MFI)	$19,450	$22,200	$25,000	$27,750	$30,680
Very Low-Income (50% MFI)	$32,400	$37,000	$41,650	$46,250	$49,950
Low-Income (80% MFI)	$51,800	$59,200	$66,600	$73,950	$79,900
Median Income (100% MFI)	$66,800	$76,300	$85,850	$95,400	$103,050
Moderate-Income (120% MFI)	$80,150	$91,600	$103,050	$114,500	$123,650

1-Person Household	**Amount Avail. for Housing**	**Principal & Interest**	**Property Insurance**	**Property Taxes**	**Mortgage Insurance**	**Total Monthly Payment**	**Down-Payment**	**Affordable Home Price**
Extremely Low-Income	$486	$309	$24	$93	$60	$486	$4,707	$89,648
Very Low-Income	$810	$514	$40	$156	$100	$810	$7,844	$149,414
Low-Income	$1,295	$823	$63	$249	$160	$1,295	$12,541	$238,877
Moderate-Income	$2,004	$1,273	$98	$385	$248	$2,004	$19,407	$369,660

2-Person Household	**Amount Avail. for Housing**	**Principal & Interest**	**Property Insurance**	**Property Taxes**	**Mortgage Insurance**	**Total Monthly Payment**	**Down-Payment**	**Affordable Home Price**
Extremely Low-Income	$555	$353	$27	$107	$69	$555	$5,375	$102,376
Very Low-Income	$925	$588	$45	$178	$115	$925	$8,958	$170,627
Low-Income	$1,480	$940	$72	$284	$183	$1,480	$14,333	$273,003
Moderate-Income	$2,290	$1,454	$112	$440	$284	$2,290	$22,177	$422,416

3-Person Household	**Amount Avail. for Housing**	**Principal & Interest**	**Property Insurance**	**Property Taxes**	**Mortgage Insurance**	**Total Monthly Payment**	**Down-Payment**	**Affordable Home Price**
Extremely Low-Income	$625	$397	$31	$120	$77	$625	$6,053	$115,288
Very Low-Income	$1,041	$661	$51	$200	$129	$1,041	$10,081	$192,024
Low-Income	$1,665	$1,058	$81	$320	$206	$1,665	$16,124	$307,128
Moderate-Income	$2,576	$1,636	$126	$495	$319	$2,576	$24,947	$475,172

4-Person Household	**Amount Avail. for Housing**	**Principal & Interest**	**Property Insurance**	**Property Taxes**	**Mortgage Insurance**	**Total Monthly Payment**	**Down-Payment**	**Affordable Home Price**
Extremely Low-Income	$694	$441	$34	$133	$86	$694	$6,721	$128,016
Very Low-Income	$1,156	$734	$57	$222	$143	$1,156	$11,195	$213,237
Low-Income	$1,849	$1,174	$90	$355	$229	$1,849	$17,906	$341,069
Moderate-Income	$2,863	$1,818	$140	$550	$354	$2,863	$27,726	$528,112

5-Person Household	**Amount Avail. for Housing**	**Principal & Interest**	**Property Insurance**	**Property Taxes**	**Mortgage Insurance**	**Total Monthly Payment**	**Down-Payment**	**Affordable Home Price**
Extremely Low-Income	$767	$487	$38	$147	$95	$767	$7,428	$141,482
Very Low-Income	$1,249	$793	$61	$240	$155	$1,249	$12,096	$230,392
Low-Income	$1,998	$1,269	$98	$384	$247	$1,998	$19,349	$368,553
Moderate-Income	$3,091	$1,963	$151	$594	$383	$3,091	$29,934	$570,170

-Continued on next page-

Table 23: Affordable For-Sale Prices, Solano County, 2020 (Page 2 of 2)

Ownership Cost Assumptions		
% of Income for Housing Costs	30%	of gross annual income
Mortgage Terms		
Down payment	3.50%	of home value
Annual interest rate	1.88%	fixed
Loan term	30	years
Upfront mortgage insurance	1.75%	of home value
Annual mortgage insurance	0.85%	of mortgage
Annual property tax rate	1.25%	of home value
Annual hazard insurance (b)	0.32%	of home value

Notes:

(a) Income limits are based on the HCD-adjusted median family income of $95,400 ($2020).

(b) Based on an average of quoted insurance premiums from the Homeowners Premium Survey, published by the California Department of Insurance, for a 16-25 year old home valued at $500,000 with a $1,000 annual deductible in Fairfield, Solano County.

Sources: HCD, 2020; California Department of Insurance, Homeowners Premium Survey, 2020; Bankrate.com, 2020; BAE, 2020.

COST BURDEN BY TENURE

To demonstrate the number of households in need of housing assistance, HUD routinely commissions a special tabulation from the U.S. Census Bureau, known as the Comprehensive Housing Affordability Strategy (CHAS) dataset, which reports the number of households experiencing excessive housing costs, by income category and tenure. According to HUD's definition, identifies an excessive housing cost burden exists when gross housing costs, including utilities for renter households and mortgage principal, interest, property taxes, and insurance (PITI) for owner households exceed 30 percent of the monthly gross household income. Households are considered to have a severe housing cost burden when monthly housing costs exceed 50 percent of gross income.

Table 24, on the following pages summarizes households by HUD income category, tenure, and housing cost burden for the time period 2013 to 2017, for the City of Fairfield, the ABAG Region, and California. Approximately 36.1 percent of total Fairfield households are lower income (i.e., in the low-, very low-, and extremely low-income categories), which is slightly lower than the proportions in the ABAG Region and the state, at 38.6 percent and 43.9 percent, respectively. Nearly 51 percent of Fairfield renter households are lower income, compared to just 24.5 percent of owner households. Most of the lower income households are renter households, with about 50.9 percent compared to only 24.5 percent owner households. Renter households in Fairfield are also more likely to be cost burdened. About 49.8 percent of renter households are paying 30 percent or more of their household income on housing costs compared to about 26.1 percent of owner households. This information shows that substantial portions of Fairfield households fall into the lower-income categories that will have trouble affording market rate rental housing, and even larger portions of Fairfield households fall into the income categories of moderate and below, and will have trouble affording market rate owner housing.

Table 24: Housing Cost Burden by Income Category and Tenure, 2017 (Page 1 of 3)

City of Fairfield												
			Income Category (a)									
	All Income Levels		Extremely Low-Income (≤ 30% HAMFI)		Very Low-Income (> 30% ≤ 50% HAMFI)		Low-Income (> 50% ≤ 80% HAMFI)		Moderate-Income (> 80% ≤ 120% HAMFI)		Above Moderate-Income (> 120% HAMFI)	
Owner Households	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
With ≤ 30% Cost Burden	14,733	73.5%	110	12.0%	445	33.8%	1,281	47.8%	2,446	68.4%	10,451	90.5%
With > 30%, but ≤ 50% Cost Burden	3,255	16.2%	170	18.6%	255	19.4%	920	34.3%	929	26.0%	980	8.5%
With > 50% Cost Burden	1,965	9.8%	555	60.7%	615	46.8%	480	17.9%	199	5.6%	115	1.0%
Not Computed (No or Negative Income)	80	0.4%	80	8.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Subtotal, Owner Households	**20,033**	**100%**	**915**	**100%**	**1,316**	**100%**	**2,681**	**100%**	**3,575**	**100%**	**11,545**	**100%**
Renter Households												
With ≤ 30% Cost Burden	7,674	48.8%	310	11.3%	150	5.9%	996	36.2%	2,116	62.0%	4,102	95.0%
With > 30%, but ≤ 50% Cost Burden	4,207	26.7%	215	7.9%	1,356	53.7%	1,226	44.6%	1,226	35.9%	185	4.3%
With > 50% Cost Burden	3,631	23.1%	1,986	72.6%	1,021	40.4%	525	19.1%	69	2.0%	30	0.7%
Not Computed (No or Negative Income)	225	1.4%	225	8.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Subtotal, Renter Households	**15,737**	**100%**	**2,736**	**100%**	**2,526**	**100%**	**2,746**	**100%**	**3,411**	**100%**	**4,317**	**100%**
All Households												
With ≤ 30% Cost Burden	22,407	62.6%	420	11.5%	595	15.5%	2,276	41.9%	4,562	65.3%	14,553	91.7%
With > 30%, but ≤ 50% Cost Burden	7,462	20.9%	385	10.5%	1,611	41.9%	2,146	39.5%	2,155	30.9%	1,165	7.3%
With > 50% Cost Burden	5,596	15.6%	2,541	69.6%	1,636	42.6%	1,006	18.5%	268	3.8%	145	0.9%
Not Computed (No or Negative Income)	305	0.9%	305	8.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total, All Households	**35,770**	**100%**	**3,652**	**100%**	**3,842**	**100%**	**5,428**	**100%**	**6,986**	**100%**	**15,862**	**100%**

-Continued on next page-

Table 24: Housing Cost Burden by Income Category and Tenure, 2017 (Page 2 of 3)

ABAG Region

	All Income Levels		Income Category (a): Extremely Low-Income (≤ 30% HAMFI)		Very Low-Income (> 30% ≤ 50% HAMFI)		Low-Income (> 50% ≤ 80% HAMFI)		Moderate-Income (> 80% ≤ 120% HAMFI)		Above Moderate-Income (> 120% HAMFI)	
Owner Households	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
With ≤ 30% Cost Burden	1,064,854	70.7%	22,880	19.6%	50,970	41.7%	86,471	51.0%	161,506	62.4%	743,026	88.5%
With > 30%, but ≤ 50% Cost Burden	252,742	16.8%	16,805	14.4%	26,035	21.3%	47,860	28.2%	74,911	28.9%	87,131	10.4%
With > 50% Cost Burden	180,881	12.0%	68,476	58.6%	45,205	37.0%	35,170	20.7%	22,350	8.6%	9,680	1.2%
Not Computed (No or Negative Income)	8,705	0.6%	8,705	7.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Subtotal, Owner Households	**1,507,182**	**100%**	**116,866**	**100%**	**122,211**	**100%**	**169,501**	**100%**	**258,767**	**100%**	**839,837**	**100%**
Renter Households												
With ≤ 30% Cost Burden	638,625	53.5%	40,600	14.5%	35,200	20.5%	77,661	42.9%	151,606	71.2%	333,558	95.9%
With > 30%, but ≤ 50% Cost Burden	267,972	22.4%	43,175	15.4%	72,001	41.9%	81,181	44.8%	57,650	27.1%	13,965	4.0%
With > 50% Cost Burden	268,275	22.5%	177,346	63.3%	64,741	37.7%	22,260	12.3%	3,765	1.8%	163	0.0%
Not Computed (No or Negative Income)	18,925	1.6%	18,925	6.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Subtotal, Renter Households	**1,193,798**	**100%**	**280,047**	**100%**	**171,941**	**100%**	**181,101**	**100%**	**213,022**	**100%**	**347,686**	**100%**
All Households												
With ≤ 30% Cost Burden	1,703,479	63.1%	63,481	16.0%	86,171	29.3%	164,131	46.8%	313,113	66.4%	1,076,584	90.7%
With > 30%, but ≤ 50% Cost Burden	520,714	19.3%	59,980	15.1%	98,036	33.3%	129,041	36.8%	132,561	28.1%	101,096	8.5%
With > 50% Cost Burden	449,157	16.6%	245,822	61.9%	109,946	37.4%	57,430	16.4%	26,115	5.5%	9,843	0.8%
Not Computed (No or Negative Income)	27,630	1.0%	27,630	7.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total, All Households	**2,700,980**	**100%**	**396,913**	**100%**	**294,152**	**100%**	**350,603**	**100%**	**471,789**	**100%**	**1,187,523**	**100%**

-Continued on next page-

Table 24: Housing Cost Burden by Income Category and Tenure, 2017 (Page 3 of 3)

California

	All Income Levels		Income Category (a): Extremely Low-Income (≤ 30% HAMFI)		Very Low-Income (> 30% ≤ 50% HAMFI)		Low-Income (> 50% ≤ 80% HAMFI)		Moderate-Income (> 80% ≤ 120% HAMFI)		Above Moderate-Income (> 120% HAMFI)	
Owner Households	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
With ≤ 30% Cost Burden	4,803,876	68.4%	84,210	15.7%	229,290	37.7%	470,806	48.5%	815,896	63.3%	3,203,674	88.5%
With > 30%, but ≤ 50% Cost Burden	1,229,971	17.5%	69,490	12.9%	136,130	22.4%	290,100	29.9%	367,310	28.5%	366,940	10.1%
With > 50% Cost Burden	933,631	13.3%	326,325	60.8%	243,245	40.0%	210,545	21.7%	105,240	8.2%	48,275	1.3%
Not Computed (No or Negative Income)	56,840	0.8%	56,840	10.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Subtotal, Owner Households	**7,024,318**	**100%**	**536,866**	**100%**	**608,666**	**100%**	**971,451**	**100%**	**1,288,446**	**100%**	**3,618,889**	**100%**
Renter Households												
With ≤ 30% Cost Burden	2,741,218	46.7%	151,215	10.6%	161,885	16.1%	466,576	41.9%	724,116	71.6%	1,237,426	94.5%
With > 30%, but ≤ 50% Cost Burden	1,434,257	24.5%	168,840	11.9%	426,920	42.4%	507,046	45.6%	262,760	26.0%	68,690	5.2%
With > 50% Cost Burden	1,563,902	26.7%	980,191	68.8%	418,215	41.5%	138,755	12.5%	23,945	2.4%	2,795	0.2%
Not Computed (No or Negative Income)	124,435	2.1%	124,435	8.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Subtotal, Renter Households	**5,863,812**	**100%**	**1,424,682**	**100%**	**1,007,021**	**100%**	**1,112,376**	**100%**	**1,010,821**	**100%**	**1,308,912**	**100%**
All Households												
With ≤ 30% Cost Burden	7,545,094	58.5%	235,425	12.0%	391,175	24.2%	937,381	45.0%	1,540,012	67.0%	4,441,100	90.1%
With > 30%, but ≤ 50% Cost Burden	2,664,228	20.7%	238,330	12.2%	563,051	34.8%	797,146	38.3%	630,071	27.4%	435,631	8.8%
With > 50% Cost Burden	2,497,533	19.4%	1,306,517	66.6%	661,461	40.9%	349,300	16.8%	129,185	5.6%	51,070	1.0%
Not Computed (No or Negative Income)	181,275	1.4%	181,275	9.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total, All Households	**12,888,130**	**100%**	**1,961,547**	**100%**	**1,615,687**	**100%**	**2,083,827**	**100%**	**2,299,268**	**100%**	**4,927,801**	**100%**

Note:

(a) CHAS data reflect HUD-defined household income limits.

Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS), 2013-2017 5-year sampling data, Tables 8 and 12, 2020; BAE, 2020.

KEY TAKEAWAYS FOR GENERAL PLAN UPDATE

As demonstrated in this section, there is a considerable gap between market-rate housing costs and household incomes for a large swath of Fairfield households. For both rental and for-sale housing, market rate housing costs are not affordable for households within the low-, very low-, and extremely low-income categories. However, with increasing housing costs for newly constructed housing, local homes are also increasingly unaffordable for even moderate-income households, especially for-sale units. Due to these demonstrated affordability gaps, a large number of Fairfield households, especially lower-income and renter households, are experiencing cost high housing cost burdens. This trend reflects conditions seen on the regional and state level, as households in the ABAG Region and California are similarly cost burdened, and it further demonstrates the need for more housing in the area. The General Plan Update will need to plan for new housing that is affordable to the broad range of income groups, including new below market rate housing, which typically requires higher building densities (i.e., dwelling units per acre). To the extent that the local housing market cannot meet the needs of all local workers, due to affordability constraints or other issues, it will be important to maintain and expand on the regional transportation options that commuters can use to access jobs in Fairfield. Similarly, maintaining strong transportation connections will help those local residents commute out of Fairfield to jobs elsewhere.

8.3 Nonresidential Real Estate Market Conditions

This section provides an overview of local market conditions in the office, retail, and industrial real estate sectors.

OFFICE MARKET

Fairfield currently plays a relatively limited role within the broader Bay Area office real estate market. As shown in Table 25, according to CoStar, there are 2.7 million square feet of office space in Fairfield, which is less than one percent of the total office inventory in the ABAG region. Office vacancy rates in Fairfield as of Q3 2020 are 12.7 percent, which is higher than the 9.6 percent vacancy rate in the ABAG region. These vacancy rates are higher than in Q1 of 2020, suggesting the COVID-19 pandemic affected demand for office space both in the city and region. However, despite the potential impact of the pandemic on vacancy rates, Fairfield and the ABAG region had diverging trends in average asking gross rents since Q3 of 2019. Whereas the average asking gross monthly rent in Fairfield fell five percent, to $1.76 per square foot it increased by 4.3 percent in the ABAG region to $4.11, a rent level that is more than double that of the city.

Both areas experienced negative net absorption between Q3 2019 and Q3 2020, defined as a loss of occupied office space, following overall positive net absorption between 2010 and 2020. Finally, while there were no deliveries of newly completed office space in Fairfield, there are nearly 50,000 square feet of office development under construction in the city. This represent 0.3 percent of the office space under construction in the ABAG region, meaning that Fairfield is seeing a disproportionately low share of the region's pipeline office development.

Brokers and stakeholders interviewed indicated that office space in Fairfield has the most challenging prospects of nonresidential building types in the city. Prior to the pandemic, which may have permanently diminished the need for office space nationwide, brokers found relatively little local demand for office space, even in convenient downtown locations because of broader perception issues the downtown area is facing, such as crime and homelessness. Although most of the Fairfield office stock is in more suburban style office park settings, these developments have not traditionally captured strong demand from the regional market and primarily serve smaller tenants oriented to the local clientele.

It should be noted that the City of Fairfield has commissioned a separate analysis headed by Chabin Concepts (Fairfield Economic Development Roadmap) that is evaluating the City's opportunities for economic growth in the non-residential sectors more broadly, and also in the Heart of Fairfield area, which encompasses downtown. This study, which is underway, will provide an in-depth assessment of economic growth opportunities that will complement the nonresidential real estate market overviews contained in this section, and provide strategic recommendations for consideration in the General Plan Update process.

Table 25: Office Market Overview, Q3 2020

Office Summary	City of Fairfield	ABAG Region
Total Inventory (sq. ft.), Q3 2020	**2,705,519**	**468,375,492**
Vacant Stock (sq. ft.)	343,231	45,072,188
Vacancy Rate	12.7%	9.6%
Avg. Asking Gross Rents		
Avg. Asking Gross Rent per sq. ft., Q3 2019	$1.85	$3.94
Avg. Asking Gross Rent per sq. ft., Q3 2020	$1.76	$4.11
% Change, Q3 2019 - Q3 2020	-4.9%	4.3%
Net Absorption		
Net Absorption (sq. ft.), Q3 2010 - Q3 2020	284,073	50,438,222
Net Absorption (sq. ft.), Q3 2019 - Q3 2020	(47,029)	(2,705,232)
New Deliveries (sq. ft.), Q3 2019 - Q3 2020	**0**	**5,323,861**
Under Construction (sq. ft.), Q3 2020	**49,978**	**17,667,086**

Sources: CoStar, 2020; BAE, 2020.

RETAIL MARKET

Fairfield has over 5.8 million square feet of retail development, with a vacancy rate of 6.8 percent compared to 4.2 percent regionwide. Considering that the economic challenges of the last year have hit the retail sector relatively hard, these vacancy levels are relatively low. While the city accounts for 1.7 percent of the region's inventory, as of Q3 2020, none of the region's 1.2 million square feet of retail under construction is in Fairfield and there were no new deliveries of new retail space in Fairfield between Q3 2019 and Q3 2020. Average asking triple-net (NNN) rents for retail space in Fairfield increased by 13.6 percent between Q3 2019 and Q3 2020, to $1.67. Additionally, as Table 26 shows, retail rents in the ABAG region fell 1.5 percent during the same period, although rents regionwide are nearly one dollar higher than in Fairfield.

Brokers and other professionals active in the local real estate market have suggested in interviews that retail property in Fairfield closest to I-80 and the regional mall charge rents up to $4 per square foot, while the numerous big box businesses pay as little as $0.50 per square foot. Local stakeholders also suggested the retail market was strong enough to withstand some of the COVID-19 impacts, and rents were halted for several months before increasing slightly. As a result, the vacancy rate was largely unchanged. However, COVID-19 has impacted the way retail businesses operate, and one observation from those interviewed was that drive-through windows for delivery drivers have become increasingly useful for certain restaurant businesses promoting limited contact. One broker mentioned a perception that there is a moratorium on drive-throughs in Fairfield. Although City staff indicate this is not a citywide policy, such restrictions may present an obstacle for restaurants attempting to adapt to evolving conditions, or new restaurants and franchises interested in moving to Fairfield. Brokers and stakeholders identify restaurants and food service as the kinds of businesses with the greatest potential in Fairfield, especially near the freeway, so limiting the flexibility of restaurants may undermine the city's ability to capture this demand. It would be advisable to clarify this policy for the local retail development and brokerage community so that key stakeholders working to bring new restaurants to Fairfield know where drive-throughs are acceptable and not acceptable, perhaps differentiating between locations where drive-throughs would be appropriate (e.g., near freeway exits) and not appropriate (e.g., downtown core and other areas with a pedestrian focus).

Fairfield has a reputation as a retail center and has conveniently located shopping centers along I-80 that are frequented by customers from Fairfield, the region, and those travelling through. However, despite the presence of a regional mall and significant retail options along the freeway, brokers and other professionals note that some Fairfield residents leave the city to places like nearby Vacaville for more retail options. Indeed, the Retail Market Analysis by Marketek for the Heart of Fairfield finds significant leakage in brick-and-mortar retail that could potentially support upwards of one million new square feet of retail development if the city could recapture it by expanding retail options. In some ways, the COVID-19 pandemic may have had the effect of improving retail prospects as the Marketek study also notes the increased interest on the part of households in moving to Fairfield from the inner Bay Area. Ultimately, residential growth will drive demand for new retail, particularly near new developments or in mixed-use redevelopments. As growth increases demand and shifts the economic profile of the city, the city may be able to attract more diverse and higher-end retail options that may also be able to recapture leakage. Marketek notes that restaurants, drinking places, and specialty food stores are among the kinds of businesses Fairfield is missing.

Table 26: Retail Market Overview, Q3 2020

Retail Summary	City of Fairfield	ABAG Region
Total Inventory (sq. ft.), Q3 2020	**5,801,861**	**349,124,153**
Vacant Stock (sq. ft.)	391,640	14,518,783
Vacancy Rate	6.8%	4.2%
Avg. Asking NNN Rents		
Avg. Asking NNN Rent per sq. ft., Q3 2019	$1.47	$2.65
Avg. Asking NNN Rent per sq. ft., Q3 2020	$1.67	$2.61
% Change, Q3 2019 - Q3 2020	13.6%	-1.5%
Net Absorption		
Net Absorption (sq. ft.), Q3 2010 - Q3 2020	(82,222)	8,118,230
Net Absorption (sq. ft.), Q3 2019 - Q3 2020	79,362	(981,907)
New Deliveries (sq. ft.), Q3 2019 - Q3 2020	**0**	**1,259,263**
Under Construction (sq. ft.), Q3 2020	**0**	**1,216,633**

Sources: CoStar, 2020; BAE, 2020.

INDUSTRIAL MARKET

Not only is industrial space the largest local nonresidential land use (among office, retail, and industrial uses), with over 15.5 million square feet, Fairfield's share of the ABAG region's industrial inventory is 3.4 percent. By comparison, Fairfield accounts for 1.7 percent of retail space and less than one percent of the region's office space, suggesting this sector is a strength for the city. In fact, between Q3 2019 and Q3 2020, the city accounted for 6.9 percent of new industrial space deliveries in the ABAG region and 3.8 percent of the industrial space under construction as of Q3 2020. Notably, the 7.5 percent industrial vacancy rate in Fairfield is higher than the vacancy rate of 5.2 percent regionwide. Moreover, asking average NNN rents in Fairfield are lower than in the region, having fallen by 8.3 percent to $0.77 between Q3 2019 and Q3 2020 despite rents increasing by 1.5 percent in the ABAG region overall.

Although it is not yet evident in the data, real estate professionals interviewed for this study suggest that warehousing is an increasingly popular use for industrial space in the city, and that demand for warehouse space has increased with the massive growth in e-commerce and the need for storage of goods for last mile delivery. Further, the strength of the Napa Valley wine industry, coupled with the high cost of land in the valley itself helps to drive demand for wine-related warehouse and distribution space in the Fairfield/Cordelia area. While these have been strong demand drivers in recent years, the City of Fairfield is still interested in seeing greater attraction of high-tech manufacturing and other activities in its industrial areas that have higher employment densities and higher wage scales.

Table 27: Industrial Market Overview, Q3 2020

Industrial Summary	City of Fairfield	ABAG Region
Total Inventory (sq. ft.), Q3 2020	**15,595,777**	**463,452,793**
Vacant Stock (sq. ft.)	1,176,361	24,270,649
Vacancy Rate	7.5%	5.2%
Avg. Asking NNN Rents		
Avg. Asking NNN Rent per sq. ft., Q3 2019	$0.84	$1.14
Avg. Asking NNN Rent per sq. ft., Q3 2020	$0.77	$1.16
% Change, Q3 2019 - Q3 2020	-8.3%	1.8%
Net Absorption		
Net Absorption (sq. ft.), Q3 2010 - Q3 2020	3,065,316	18,828,289
Net Absorption (sq. ft.), Q3 2019 - Q3 2020	145,743	456,270
New Deliveries (sq. ft.), Q3 2019 - Q3 2020	**482,405**	**6,944,201**
Under Construction (sq. ft.), Q3 2020	**223,718**	**5,949,721**

Sources: CoStar, 2020; BAE, 2020.

KEY TAKEAWAYS FOR GENERAL PLAN UPDATE

The demand for retail and industrial space is relatively strong, considering the impacts of the pandemic. Fairfield has a reputation as a retail center and has conveniently located shopping centers along I-80 that are frequented by customers from Fairfield, the region, and those travelling through. The prospects for the retail sector will ultimately depend on the growth in residential development, but opportunities also exist to promote development along the highways, as downtown Fairfield is more out of the way for non-residents and does not yet have the appeal that places like downtown Livermore have cultivated over the past decade. Fairfield's numerous locations with I-80 freeway access are attractive for chain retail, big boxes, and fast food, but downtown Fairfield can be a good location for independent retail, specialty dining, and experiential retail. Over the longer term, concerted efforts to implement the Heart of Fairfield plan should stimulate interest in space for a range of retail and business and personal services categories in the downtown area.

While rents are down and vacancies are up for industrial development, the prospect of increased warehousing businesses was noted by brokers and property managers and is considered a growing industry in the city. The City will need concerted marketing efforts to establish itself as a more prominent location for more intensive industrial uses, such as high-tech manufacturing, but affordable land/building costs relative to inner Bay Area locations, and worker and workforce housing availability could be selling points. While COVID-19 may have had marginal effects on demand for retail space, it was most pronounced in its effect on office demand, which was diminished in general as a result of the pandemic. Brokers also noted some challenges in selling and leasing properties downtown, which signal the need for continued revitalization efforts.

City officials and local stakeholders should consider the information from these nonresidential real estate market overviews in concert with the findings and recommendations from the forthcoming Fairfield Economic Development Roadmap to ensure that the General Plan Update can support office, retail, and industrial real estate development that is in line with the City's economic opportunities and local priorities.

9 Projections

BAE developed a range of growth projections to estimate the future demand for residential and nonresidential development in the City of Fairfield through the General Plan time horizon (2050). For residential development, three escalating scenarios are established to project future population and households in the city, which are then used to derive an estimate of housing unit projections. Similarly, retail, office and industrial growth are also each evaluated separately using a baseline, aggressive, and maximum scenario. Providing a range of future of residential and nonresidential demand helps to account for potential market fluctuations and changes to demand drivers.

9.1 Residential Growth Scenarios

Population and households are projected primarily using ABAG's 'Projections 2040' dataset that uses 2010 as a base year and projects population, households, and employment to 2040. In the following analysis, BAE applied the growth rates established by ABAG from 2020 to 2040, which are provided in five-year intervals, to Esri's 2020 estimates for populations and households. Since ABAG does not provide projections that extend through the General Plan time horizon of 2050, BAE applied the Department of Finance (DoF) growth rates for Solano County between 2040 and 2050 to the 2040 population and household projections of both Fairfield and Solano County in order to yield estimates for the full General Plan time horizon. As a result, there are two caveats to the projections from 2040 to 2050: first, the different sources used for growth rates may cause some inconsistencies in the projections; and second, DoF only provides projections for population, and not households, through 2050, and does so only at the County level. Given the second caveat, County level projections are applied to Fairfield and the number of households are estimated by dividing the 2050 population projections by the estimated average household size in 2040.

To account for potential long-term changes in market demand, BAE created three growth scenarios for both population and households, which were then converted to residential unit demand. The residential unit demand calculations account for a stabilized market vacancy rate of roughly five percent, which is a standard assumption that reflects what many economists and housing experts consider a reasonable balance between housing supply and housing demand. The household projections for Fairfield, Solano County, and the ABAG region serve as the basis for three growth scenarios that will help the City identify a range of future demand. The scenarios are also applied to population projections, although only household projections are used to derive housing unit projections, accounting for vacant units. All scenarios assume the same population and household growth rates between 2020 and 2030, based on ABAG forecasts for the city, but then assume a range of growth rates from 2030 to 2050, assuming various capture rates of the County and Regional population and household growth.

Baseline. The baseline projection scenario assumes Fairfield population and households will grow by the average annual rates projected by ABAG for the city between 2020 and 2030 (1.2 and 1.1 percent, respectively) and between 2030 and 2040 (0.6 percent and 0.4 percent, respectively), and by the DoF growth rate through 2050 (0.2 percent for both population and households). In this scenario, by 2050, Fairfield is projected to have a population of 142,942 and a total of 45,216 households. This translates into demand for 7,482 additional housing units by 2050, including a vacancy rate of five percent. There are currently 1,911 units in the city's development pipeline (i.e., units that are either planned, permitted for construction or under construction), which suggests that under this scenario, there is a need for 5,971 additional units by 2050.

Aggressive. The aggressive projection scenario considers future growth if the city grows commensurate with the rate of growth projected by ABAG for Solano County between 2030 and 2050. This would mean Fairfield captures a larger share of Solano County's growth during that period, at the expense of other county jurisdictions. Under this scenario, between 2030 and 2040, Fairfield households are projected to grow at an average annual rate of 0.6 percent, instead of 0.4 percent. Growth is then projected to slow down to just 0.2 percent during the 2040 to 2050 time period. Similarly, population is projected to grow at 0.8 percent between 2030 and 2040 under the aggressive scenario, as opposed to 0.6 percent in the baseline scenario. This scenario would lead to just over 29,000 new residents and 8,158 new households by 2050, which translates into 8,745 new housing units. Accounting for units already in the development pipeline, this translates into demand for roughly 6,834 additional residential units.

Maximum. The maximum projection scenario assumes that Fairfield population and households grow commensurate with the projected average annual rate of growth for the ABAG region as a whole between 2030 and 2040, followed by a more modest growth rate between 2040 and 2050. This would be an average annual growth rate of 0.8 percent for households, and 1.1 percent for population. Under this scenario, where the city's growth is directly related to region's overall growth, the city would grow by just under 33,000 residents and approximately 9,380 new households by 2050. Accounting for a five percent vacancy rate, this would lead to approximately 9,965 new housing units, or 8,054 new units after accounting for the 1,911 units currently in the development pipeline.

Table 28: Population, Household, and Housing Unit Projections, 2020 to 2050

City of Fairfield	Historic Growth 2010	Historic Growth 2020	Projected Growth 2030	Projected Growth 2040	Projected Growth 2050	Growth (2020-2050) Number	Growth (2020-2050) Percent
Baseline Projections (a)							
Population	105,333	117,413	131,884	139,491	142,942	25,529	21.7%
Households	34,488	38,176	42,549	44,124	45,216	7,040	18.4%
Housing Units (d) (e)	37,194	40,101	44,749	46,423	47,583	7,482	18.7%
Accelerated Projections (b)							
Population	105,333	117,413	131,884	143,143	146,684	29,271	24.9%
Households	34,488	38,176	42,549	45,215	46,334	8,158	21.4%
Housing Units (d) (e)	37,194	40,101	44,749	47,582	48,846	8,745	21.8%
Maximum Projections (c)							
Population	105,333	117,413	131,884	146,508	150,132	32,719	27.9%
Households	34,488	38,176	42,549	46,405	47,553	9,377	24.6%
Housing Units (d) (e)	37,194	40,101	44,749	48,771	50,066	9,965	24.9%

Notes:

(a) The baseline demand projection is based on the household growth forecasted by ABAG for the City of Fairfield.

(b) The accelerated demand projection assumes that between 2020 and 2030, Fairfield household growth will mirror the ABAG projections for the City, followed by more robust growth between 2030 and 2040, in line with the ABAG projections for Solano County as a whole.

(c) The maximum demand projection assumes that between 2020 and 2030, Fairfield household growth will mirror the ABAG projections for the City while household growth between 2030 and 2040 is based on ABAG's projected growth for Bay Area region during that timeframe

(d) Housing unit projections account for stabilized vacant unit demand. The stabilized vacant unit demand is the difference between the number of currently vacant units and the number of vacant units there would be if the Study Area had the stabilized vacancy rate of 5.0 percent as opposed to the existing (and lower) 4.1 percent vacancy rate.

(e) Housing unit projections account for a stabilized vacancy allowance. The stabilized vacancy allowance is the number of vacant units there would be given the household growth and assuming the stabilized vacancy rate of 5.0 percent.

Sources: Association of Bay Area Governments; Esri; BAE, 2020.

9.2 Nonresidential Growth Scenarios

BAE developed three scenarios for each of the three general non-residential land use categories of retail, industrial, and office. Projections of future retail development in the city are based on taxable sales by residents and the residential growth projections presented in the previous section, while projections of future office and industrial demand are based on growth of office and industrial jobs projected by ABAG.

RETAIL PROJECTIONS

Future retail development is calculated for both automotive and nonautomotive retail under all scenarios. Future automotive retail development projections range from 14 net new acres, to 18 net new acres. Future non-automotive retail development projections range from approximately 764,000 square feet of new development, to just under 1.0 million square feet under the maximum scenario. All retail projections include a vacancy rate of five percent by 2050. Notably, BAE's maximum estimate of new retail development generally aligns with the estimate of new retail development from the Retail Market and Trend Analysis developed by Marketek for the Heart of Fairfield Business Development Roadmap. That report estimates the Fairfield Market Area can support about 1.2 million square feet of new retail, although the Market Area is slightly larger than the city itself.

Baseline. The Baseline retail development projection scenarios uses the baseline population projection of 25,500 new residents by 2050. Based on the taxable sales data presented in Table 13, current annual taxable non-automotive retail sales in the city are approximately $7,128 per capita, while automotive retail sales are $4,279 per capita. Multiplying the non-automotive sales by the baseline population growth projections and dividing by $250 in assumed taxable sales per square feet, yields a net new retail demand of 764,251 square feet by 2050. Similarly, multiplying the automotive sales per capita by the same projected increase in population and dividing by an assumed $8 million in sales per acre yields net new automotive retail development of 14.3 acres by 2050.

Aggressive. Using the same assumptions of $7,128 and $4,279 per capita for non-automotive and automotive retail, respectively, this scenario assumes the aggressive population growth projections for the City of Fairfield, of just over 29,000 new residents, would result in demand for an additional 876,287 square feet of non-automotive retail and 16 acres of automotive retail land by 2050.

Maximum. The maximum scenario also assumes of $7,128 and $4,279 per capita sales for non-automotive and automotive retail, respectively. Based on maximum population projections of over 32,000 new residents, the projected demand for additional retail space in the city would be nearly 980,000 square feet of non-automotive retail space and 18 acres of automotive retail land by 2050.

INDUSTRIAL PROJECTIONS

A range of projections for future industrial development by 2050 are estimated using unique methodologies for each scenario, including baseline jobs projections with varying assumptions of the supportable square feet per employee, as well as historic growth in industrial development within the City. Notably, the projection of industrial jobs uses Esri data from Table 9: Jobs by Industry, 2020, to estimate the number of existing industrial jobs within Fairfield (5,667 industrial jobs). In the baseline and aggressive scenarios, this current estimate is projected to increase based on ABAG's growth rates for industrial-related jobs in Fairfield through 2040, which are provided in five-year intervals. The ABAG average annual growth rate for these industries between 2020 and 2040 is then used to project the new industrial jobs from 2040 to 2050. As a result, the projected average annual growth rate of Fairfield industrial jobs from 2020 to 2050 is 1.2 percent. Industrial projections assume a ten percent vacancy rate.

Baseline. The baseline industrial development projection is based on the projections of jobs from ABAG through 2040, and BAE's augmented projections from 2040 to 2050. These projections suggest Fairfield will add 2,443 new industrial jobs by 2050. Assuming an average of 1,000 square feet per employee, typical of newer industrial developments in warehousing and manufacturing developments, this would translate to a need for an additional 2.7 million square feet of additional industrial space by 2050.

Aggressive. The aggressive projection assumes the same increase in industrial jobs by 2050 as the baseline scenario (2,433). However, based on the city's existing industrial development square feet per employee of 2,752, as determined by dividing the existing industrial inventory by the estimated number of industrial jobs, the projected need by 2050 would be 7.4 million square feet. This assumes that future industrial demand will mirror the current inventory of companies, which have relatively low job densities. Especially as logistics and distribution companies continue to automate their processes, this higher square feet per employee estimate may more closely reflect the long-term demand for industrial space in Fairfield.

Maximum. Whereas the baseline and aggressive scenarios examine future industrial development need based on demand from projected job growth, the maximum scenario provides an estimate based on historic trends in supply. Since 2007, the city's inventory of industrial development has grown by an average annual rate of 1.8 percent, adding over 3.1 million square feet based on data on new deliveries of industrial space from CoStar. If industrial growth within the city over the General Plan time horizon mirrors this historic growth, which is plausible given the previously discussed increasing demand for warehousing and logistics in Fairfield, there would be demand for an additional 11.1 million square feet of industrial development by 2050.

OFFICE PROJECTIONS

Future office development in Fairfield is projected by escalating the growth rate in office jobs, based on the ABAG projections for Fairfield and for the ABAG region overall through 2040. The average annual growth between 2020 and 2040 is used to determine the number of new office jobs between 2040 and 2050 for both Fairfield and the region. These projections also use Esri data from Table 9: Jobs by Industry, 2020 to estimate the number of office jobs in the city in 2020 (32,623). The aggressive and maximum scenarios consider the need for office development by assuming growth rates in office jobs for the ABAG region, which has historically and is projected to have more robust office job growth than Fairfield.

Baseline. According to ABAG, Fairfield's office jobs will grow by an average annual rate of 0.6 percent through 2050, adding 6,814 new office jobs. Assuming a ten percent vacancy rate and 250 square feet per employee, these new jobs would translate to an additional 1.9 million square feet of office demand by 2050.

Aggressive. Office jobs in the ABAG region are projected to grow at a faster average annual rate between 2020 and 2050, at 0.8 percent as opposed to 0.6 percent in the City of Fairfield, according to ABAG projections. Assuming Fairfield office jobs grow commensurate with the region, this would result in 8,427 net new office jobs by 2050, translating to 2.3 million square feet of new office development.

Maximum. As ABAG jobs projections are provided in five-year intervals, the growth rates for each interval is different for the city compared to the region overall. As average annual growth rates in office jobs are faster in either the city of region depending on the five-year interval, the maximum scenario assumes Fairfield growth in office jobs will match the highest growth rate in each of the projection intervals for the city and region. This growth rate typically ranges from 0.8 to 1.0 percent per year across the various time periods. In total, this growth scenario would yield an additional 9,061 office jobs in Fairfield by 2050, and a need for 2.5 million square feet of new office space.

SUMMARY OF NONRESIDENTIAL PROJECTIONS

A summary of the projections of nonresidential development by land use is provided in Table 29. The retail growth projections fall within a relatively tight range, with the baseline and maximum scenarios projecting between 13.2 and 16.9 percent growth in the city's non-automotive retail space inventory, although this reflects the disproportionally large amount of existing retail development in the city and changes in the retail marketplace. The same retail projection methodology applied to automotive retail shows the city would need to increase automotive-related retail space by between 23 and 30 percent by 2050. As these projections are based on current conditions, the City should build flexibility into the planning for retail land uses, recognizing that the long-term impacts on the bricks and mortar retail industry from the pandemic and the last year's shift towards e-commerce are not yet fully understood. For example, it is possible that shifts in shopping patterns may result in reduced demand for traditional retail space, but increased demand for pick-up and return hubs for online purchases.

The industrial projections range widely from an increase of 17.2 percent to as much as 71.0 percent from baseline to maximum, reflecting the fact that while ABAG has relatively modest industrial job projections for the city that reduce the need for new industrial space, trends in recent local development and the prospects for the industrial economy in the city could drastically outpace the baseline ABAG estimate.

Finally, the range of office development projections start at baseline with an increase of 69.3 percent, which reflects ABAG's relatively aggressive office job growth estimates for the city, and the city's relatively small share of the region's existing office space. Notably, the impact of the COVID-19 pandemic on the real estate market is still unknown, although the recovery of the office market is likely to be a challenge given shifts towards teleworking. However, more suburban communities like Fairfield may see demand for local workspaces by employees who telework but require some office space away from their home. Given the uncertainty around the impact of the COVID-19 pandemic on office trends, it is plausible that future office development would not meet even the baseline projections, suggesting the city should continue monitoring office demand trends, especially in other suburban Bay Area communities and re-calibrate office growth expectations if necessary.

Table 29: Summary of Non-Residential Projections, 2020-2050

City of Fairfield	Historic Growth		Projected Growth (d)			Growth (2020-2050)	
	2010	2020	2030	2040	2050	Number	Percent
Baseline Projections (a)							
Industrial SF	12,473,713	15,595,777	16,335,891	17,278,656	18,283,484	2,687,707	17.2%
Office SF	2,585,386	2,705,519	3,376,367	3,914,792	4,579,247	1,873,728	69.3%
Retail							
Non-Automotive (SF)	5,928,640	5,801,861	6,235,086	6,462,805	6,566,112	764,251	13.2%
Automotive (Acres)	-	62	70	74	76	14	23.1%
Accelerated Projections (b)							
Industrial SF	12,473,713	15,595,777	17,632,596	20,227,117	22,992,438	7,396,661	47.4%
Office SF	2,585,386	2,705,519	3,419,604	4,190,528	5,022,815	2,317,296	85.7%
Retail							
Non-Automotive (SF)	5,928,640	5,801,861	6,235,086	6,572,137	6,678,148	876,287	15.1%
Automotive (Acres)	-	62	70	77	79	16	26.5%
Maximum Projections (c)							
Industrial SF	12,473,713	15,595,777	18,661,645	22,315,757	26,670,979	11,075,202	71.0%
Office SF	2,585,386	2,705,519	3,496,024	4,352,158	5,197,310	2,491,791	92.1%
Retail							
Non-Automotive (SF)	5,928,640	5,801,861	6,235,086	6,672,875	6,781,378	979,517	16.9%
Automotive (Acres)	-	62	70	78	80	18	29.6%

Notes:

(a) For Industrial and Office space, job growth in either category is projected using projections from ABAG for the City of Fairfield. Job growth is converted to an estimate of square footage using 1,000 SF per employee for industrial space, and 250 SF per employee for office space. For retail, per capita spending for automotive and non-automotive is applied to the baseline population forecast through 2050.

(b) Industrial space is projected using the ABAG projection of Industrial jobs in Fairfield and converted into square feet using the existing average industrial square feet per industrial job in the city of 2,752. Office jobs are projected at the average annual rate of growth in the ABAG region (0.8 percent annually). For retail, per capita spending for automotive and non-automotive is applied to the accelerated population forecast through 2050.

(c) Industrial space is projected based on the average annual growth in industrial inventory in Fairfield since 2007 (3.8 percent). Office space is projected using the fastest growth rates at five-year intervals from either Fairfield or the ABAG region, based on ABAG projection data. For retail, per capita spending for automotive and non-automotive is applied to the maximum population forecast through 2050.

(d) Industrial and office projections assume a 10 percent vacancy rate in 2050, while both retail categories assume a 5 percent vacancy rate.

Sources: Association of Bay Area Governments; Esri; BAE, 2020.

9.3 Key Takeaways for General Plan Update

To estimate the future demand for residential development in the City of Fairfield throughout the General Plan time horizon (2050), BAE developed three growth scenarios, including a baseline, accelerated and maximum scenarios of population and household projections. These were based predominantly on projection data provided by ABAG. Baseline projections suggest Fairfield will add approximately 25,500 residents by 2050, and up to 31,500 new residents under the maximum projection scenario. Household projections by 2050 range from just over 7,000 net new households to just over 9,300. Household projections were used to derive housing unit projections, which range from just under 7,500 to just under 10,000 new units. However, given the 1,911 units currently in the development pipeline, the range the city may consider as it evaluates the future demand for housing in terms of available land to develop, redevelop, or annex is approximately 5,500 to 8,000.

If Fairfield wishes to maintain its existing, disproportionately high share of single-family units compared to the ABAG region, then of the 5,500 to 8,000 new units, approximately 76 percent, or 4,000 to 6,000 units, would need to be single-family, while 1,300 to 1,900 units would need to be in multifamily structures. However, the city would need to add more multifamily units if it seeks to shift its housing profile towards the split in single-family and multifamily units regionwide, where single family units account for approximately 64 percent of the housing stock. If the 5,500 to 8,000 units are delivered based on the share of single-family to multifamily units in the region, Fairfield would add between 3,500 and 5,000 new single-family units, and 2,000 to 2,900 new multifamily units. Nonetheless, given the predominance of single-family units in the city, even realizing the maximum scenario of 8,000 new housing units where all units are multifamily, the city would only barely reach the existing share of multifamily units in the broader region. The availability and price point of single-family homes is one of the fundamental appeals of the city to new residents, so it is unlikely that the overall profile of housing unit types will shift dramatically towards multifamily units.

In terms of non-residential demand, industrial space is projected to experience the most robust increase in demand, ranging from 2.7 million to 11.1 million square feet of new industrial space by 2050. Although the city currently contains a limited inventory of office space, projected job growth in the city within office-demanding industries is anticipated to create demand for between 1.8 and 2.5 million square feet of new office space by 2050, potentially doubling the inventory of existing office space. Non-automotive retail demand, driven by population growth, is projected to increase by between 764,000 and 980,00 square feet, while spending growth at automotive-related retail businesses is projected to drive demand for an additional 14 to 18 acres of retail land by 2050.

Fairfield's growth projections are intertwined with the City's regional position. For example, the City captures housing demand from commuters on the basis of its relative affordability and the availability of housing compared to inner Bay Area locations further to the west. At the same time, the cost of housing in Fairfield is expensive relative to many of the jobs for people who are employed in Fairfield. These factors lead to both out-commuting by local residents and in-commuting by from local workers, highlighting the need for the City to maintain and expand regional transportation options.