

economic development collaborative
SONOMA COUNTY

Annual Tourism Report

2026

Report Highlights

Industry Performance & Economic Impact

- Travel spending in Sonoma County grew 1.3% in 2025, reaching $2.4 billion.
- Employment in the travel industry was up 1.7% year-over-year, adding 370 jobs.
- Unincorporated Sonoma County and Santa Rosa are the key regions contributing to the travel industry's economic impact.
- Transient Occupancy Tax revenue totaled $64.5 million, up 0.9% from 2024 but below the post-pandemic peak of $67 million.

Market Trends

- International travel to California fell 2.5% in 2025, driven by global economic uncertainty and weaker international sentiment towards the U.S.
- Lower- and middle-income travelers' spending remained flat, while higher-income travelers increased spending.
- Alcohol consumption in the U.S. reached a historic low in 2025.

Short-Term Rentals

- Short-term rentals (STRs) have become an important segment of Sonoma County's lodging market, with more than 850 active permits in Unincorporated Sonoma County.
- The growth in STRs has caused competition with other lodging segments and has raised concerns related to housing availability, neighborhood impacts, and local regulation.

Industry Forecast

- Travel spending in California is expected to continue to grow year-over-year, primarily driven by domestic expenditure. Sonoma County is well positioned to capture this domestic demand due to expanded air service, varied travel experience offerings, and proximity to drive-markets.
- 2026 FIFA World Cup is projected to bring more international visitors to host cities of San Francisco and Los Angeles.
- As alcohol consumption falls nationally, Sonoma County will be increasingly relying on its diverse offerings beyond wine tourism.



INDUSTRY PERFORMANCE & ECONOMIC IMPACT

Steady Regional Tourism Performance in 2025

Sonoma County's tourism industry entered the pandemic on steady ground, after several years of sustained growth. While the pandemic majorly disrupted the industry, Sonoma County's loss was moderate compared to other counties due to the stock of short-term rentals, nearby drive markets, and outdoor recreation which aligned with traveler's desire to socially distance. Post-pandemic saw a significant boost in visitation and spending, due to pent-up travel demand. However, 2025 introduced a new set of challenges, such as negative international perceptions of the U.S., volatile economic uncertainty, and large drops in consumer confidence levels.

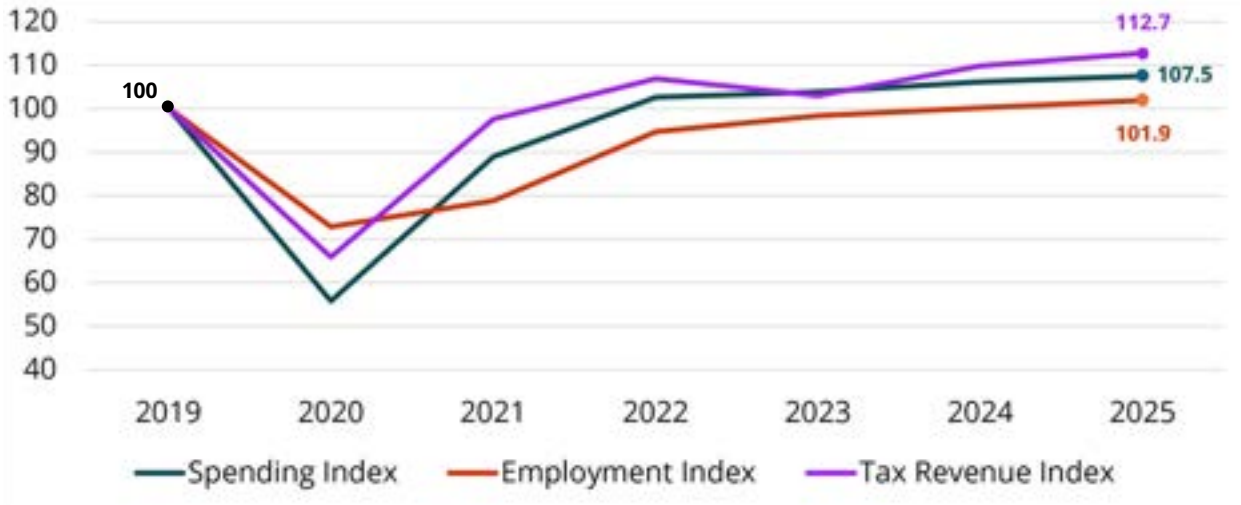
These headwinds, compounded with fading pent-up post-pandemic travel demand, have slowed growth across the U.S. tourism industry. While Sonoma County's tourism sector continues to perform above pre-pandemic output in most categories, these mounting pressures can be observed at the regional level.

The industry, a regional economic cornerstone, saw modest growth in 2025:

- Travel spending rose 1.3% to **$2.4 billion**.
- Employment in the travel industry grew 1.7% with **370 jobs added**.
- Tourism tax revenue rose 3.5% to **$231.1 million**.

Figure 1: Sonoma County's Tourism Indicators Remain Above Pre-Pandemic Levels

Relative to 2019 (Indexed to 2019 = 100)



Source: Dean Runyan 2025; EDC Analysis

Visitor Spending by Commodity Imbalanced

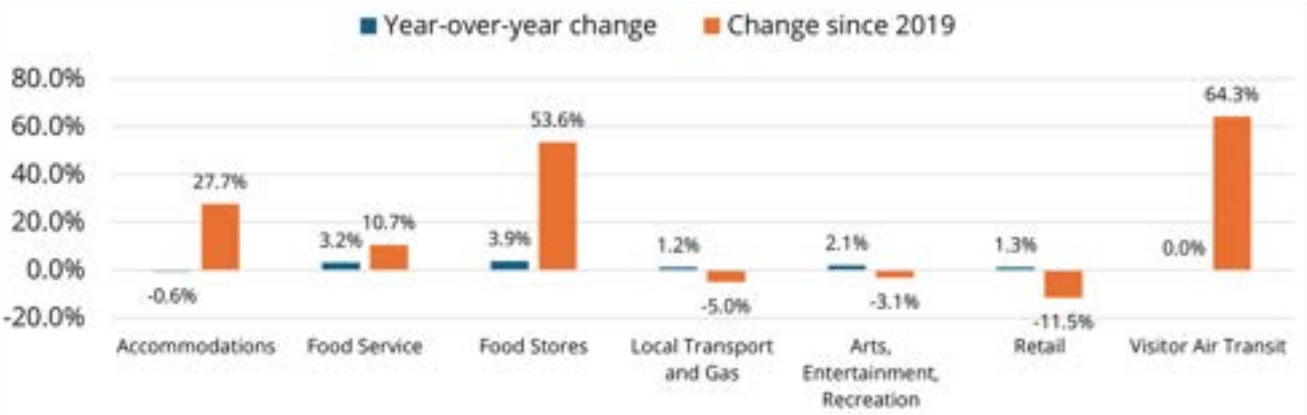
Driven by pent-up travel demand, 2021 and 2022 saw strong visitor spending across commodity purchases in Sonoma County. Since 2023, growth has slowed and spending on local transportation and fuel, entertainment and recreation, and retail have remained below pre-pandemic levels.

While expenditure on accommodations is above pre-pandemic benchmarks, year-over-year growth is slackening due to a shift in the visitor profile, including an uptick in day and budget-conscious travelers, as well as reduced international visitation.

Sonoma County has seen notable growth in alternative lodging types such as campgrounds (+5.3% year-over-year) and steady increases in day visitor spending (+2.3% year-over year), reflecting this shifting travel behavior.

As a result, recovery by commodity is overall uneven, with some categories below pre-pandemic levels while others are stabilizing or surpassing 2019 performance.

Figure 2: Sonoma County's Post-Pandemic Recovery in Visitor Spending is Uneven
2019 vs 2024 vs 2025



Source: Dean Runyan 2025

Travel Impacts Vary by City

Table 1: Rural and Urban Regions Emerge as Tourism Epicenters

City	Spending ($Millions) Direct and Indirect	Earnings ($Millions)	Employment (Jobs)	Local Taxes ($Millions)	State Taxes ($Millions)	Total Taxes ($Millions)
Cloverdale	11.6	5.4	110	0.6	0.5	1.1
Healdsburg	261.5	120.7	2,480	13.9	11.2	25.1
Petaluma	195	90	1,850	10.4	8.3	18.7
Rohnert Park	153.2	70.7	1,450	8.2	6.6	14.7
Santa Rosa	464	214.2	4,400	24.7	19.9	44.6
Sebastopol	25.3	11.7	240	1.3	1.1	2.4
Sonoma	185.1	85.5	1,750	9.9	7.9	17.8
Unincorporated	1,018.10	470.1	9,650	54.3	43.6	97.8
Windsor	90.7	41.9	860	4.8	3.9	8.7
Total Sonoma County	2,404.50	1,110.20	22,780	128.2	102.9	231.1

Source: Dean Runyan 2025

Travel impacts vary by city, with tourism economic activity concentrated in a few key urban centers and Unincorporated Sonoma County.

Unincorporated Sonoma County, which covers most of the county's coastal and wine country region, accounts for the highest levels of visitor spending, employment, and tax revenue.

Santa Rosa is the largest contributor to travel economic impact among incorporated cities, followed by Petaluma, Sonoma, and Healdsburg.

This highlights a dual structure in the region's tourism economy, with both urban centers and the more rural Unincorporated Sonoma County playing distinct roles.

Tourism Tax Revenues Show Mixed Performance

Figure 3: Sonoma County's Visitor Generated Tax Revenue Remains Above Post-Pandemic Peak

Millions of Dollars



Source: Dean Runyan 2025

Visitor Generated Tax Receipts Posts Modest Growth

Spending by day travelers and overnight visitors generate a significant amount of tax revenue for state and local governments. In 2025, local taxes collected from visitors to Sonoma County totaled $128.20 million and state tax collection totaled $102.9 million. Combined local and state tax collection in 2025 increased 3.5% year-over-year and 1.7% from 2019. This marks the second consecutive year tax collection has remained above the post pandemic peak in 2022.

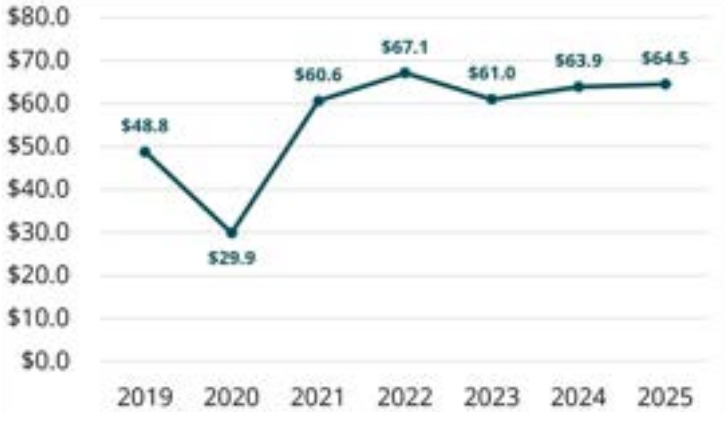
Annual TOT Collections Plateaus

Transient Occupancy Tax (TOT), also known as the heads in bed tax or hotel tax, is a local tax that generates revenue from room nights booked at Sonoma County hotels.

TOT Revenues in Sonoma County increased a modest 0.9% year-over-year. Revenue in 2025 totaled $64.5 million, falling below the post-pandemic peak of $67 million in 2022.

Figure 4: Sonoma County's TOT Revenue Steadies Post-Pandemic

Millions of Dollars



Source: EDC TOT Reports (2019-2025)

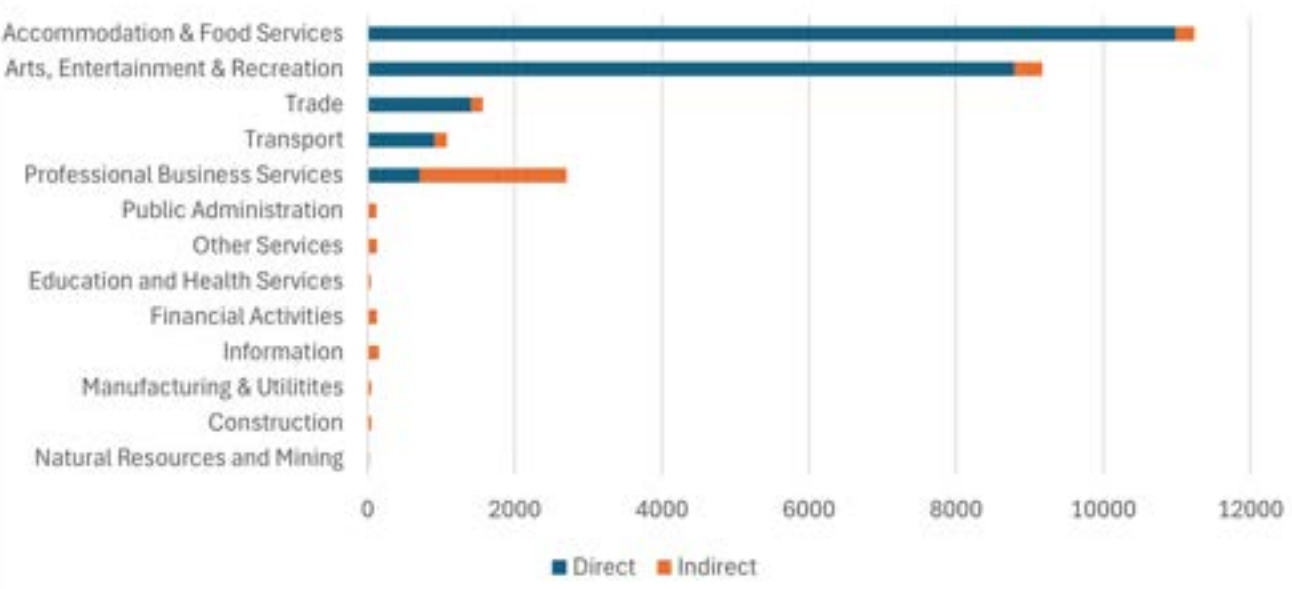
Travel Industry Employment Slow to Recover

Sonoma County's travel industry supported 22.8k jobs in 2025. While employment has been slow to recover after 2020, total employment was up 1.8% above pre-pandemic levels, indicating progress towards recovery in the sector's labor base. Tourism employment in the region is composed of direct visitor-facing jobs and a broader set of indirect jobs across multiple industries.

The majority of direct tourism-supported jobs are in "Accommodation & Food Services" and "Arts, Entertainment, & Recreation." These industries are central to the region's visitor economy and are driven by direct lodging, dining, and recreational spending.

Indirect employment is more varied, with Professional and Business Services accounting for the largest share of secondary jobs. This is a result of spillover effects of visitor spending.

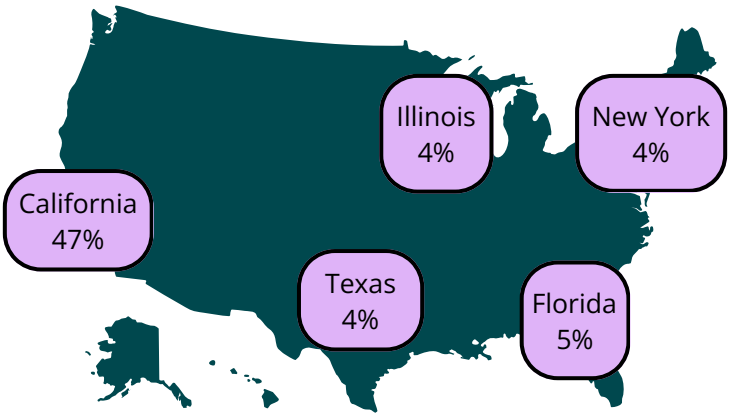
Figure 5: Sonoma County's Direct Employment Overwhelmingly in Accommodation & Food Services in 2025



Source: Dean Runyan 2025

Sonoma County Visitor Profile

Top Origin Markets for Sonoma County



San Francisco-Oakland-San Jose, CA	19%
Los Angeles, CA	15%
Sacramento-Stockton-Modesto, CA	9%
New York, NY	5%
Chicago, IL	4%

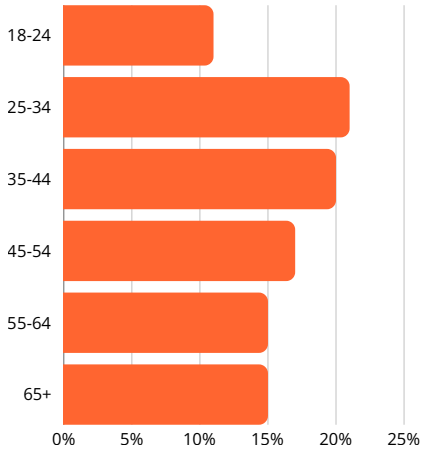
Travel Party Composition

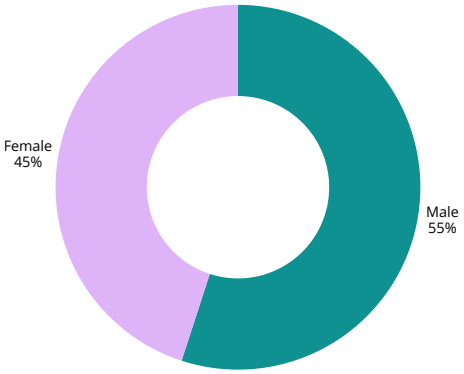
2.9 People
Average Travel Party Size

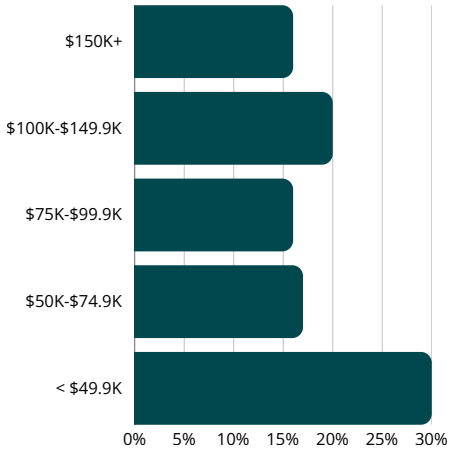
25%
Solo Travel Parties

29%
Travel Parties with Children

Age, Gender, & Household Income



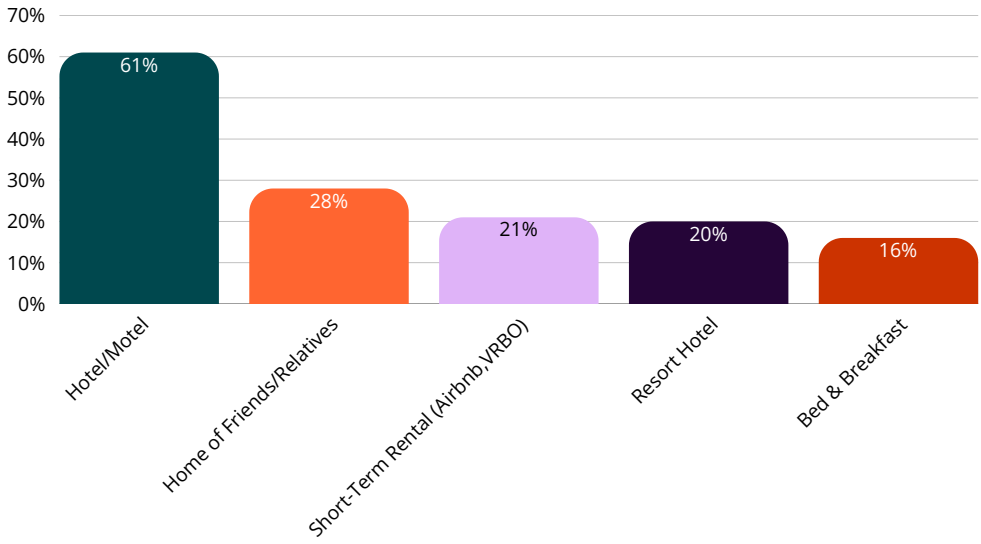




Source: Longwoods International Travel USA ® Study 2026

Sonoma County Visitor Profile

Accommodations



Quality of Accommodations

4.3/5

Average Satisfaction Rating

Top Traveler Profiles

20% Budget friendly traveler: prioritizing affordability and value for money.

16% Culture/heritage/history seeker: seeking local cultures, historical sites, and engaging with local traditions.

13% Family traveler: prioritizing activities and accommodations suitable for children.

10% Outdoor & adventure seeker: drawn to outdoor activities and thrill-seeking.

10% Business traveler: traveling for work purposes, prioritizing convenience connectivity.

10% Luxury traveler: seeking high-end experiences and personalized services.

Source: Longwoods International Travel USA ® Study 2026

MARKET TRENDS



Overseas and International Visitation Facing Headwinds

Monthly overseas visitation to the U.S. in 2025 was highly volatile, with March showing the largest drop compared to 2024 (-11.6%). Only two months, January and April, saw growth year-over-year. As a result, overall overseas arrivals remained below prior-year levels for most of 2025.

Figure 6: Overseas Visitation to U.S. Declines 10 Months Year-over-Year in 2025



Source: National Travel and Tourism Office 2026

Despite the heavy pressures on international visitation, several international markets posted growth in U.S. visitation for 2025, including Israel, Argentina, Taiwan, Japan, and Italy.

In line with national trends, international travel to California cooled in 2025 amid broader global economic uncertainty and weaker international sentiment towards the United States. Overseas arrivals into the state declined 2.5% in 2025, according to the National Travel and Tourism Office and Visit California.

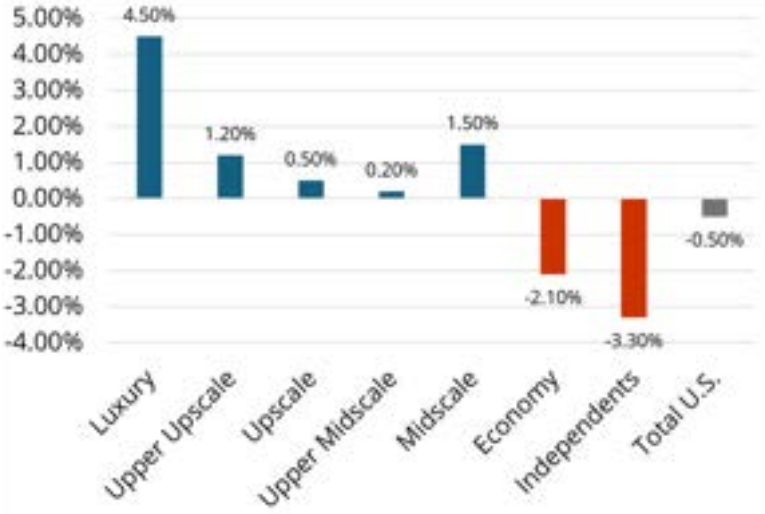
The sharpest decline among major origin markets was Canada, with visitation to the state falling 20.1% in 2025 (Visit California 2026). Many regions launched specific marketing campaigns to attract Canadian travelers, with Visit California launching “California Loves Canada” and Sonoma County Tourism promoting 20% off to Canadians staying at Sea Ranch Abalone Bay. In contrast to Canada’s steep drop in visitors, visitation to California from Mexico increased 7.5% (Visit California 2026).

Luxury Hotel Market Strong in 2025

Rising economic uncertainty and recession concerns contributed to weak consumer sentiment throughout 2025. The University of Michigan's Consumer Sentiment Index peaked at 74 in May before falling to 61.7 by December 2025.

As consumer confidence weakened, travel behavior became increasingly bifurcated by income level. Budget-conscious travelers' spending remained flat, while affluent travelers ramped up their spending throughout the year. This widened the spending gap between higher- and lower-income travelers, according to the 2025 *The State of the American Traveler.*

Figure 7: U.S. Luxury Hotel Market Shows the Most Growth in 2025



Source: CoStar 2026

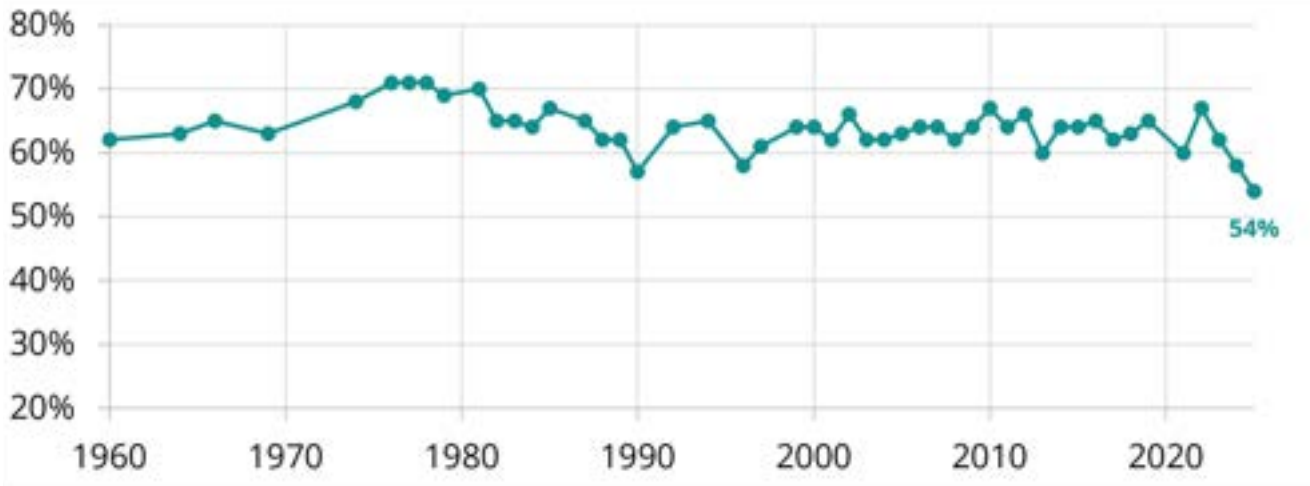
Lodging preferences were impacted by the rise in budget-conscious travel behavior. In the U.S., more travelers are opting to stay with family and friends over paid accommodations. In Sonoma County, 33% of visitors in 2025 were traveling to visit friends and family (2025 Longwoods Visitor Profile). If these visitors fall in line with national trends, this represents a large loss in revenue for the Sonoma County lodging industry.

These shifting trends contributed to lower hotel occupancy across much of Sonoma County's hotel market. However, luxury hotels outperformed midscale and independent hotels, reflecting the national trend of steady demand from higher-income travelers.

To offset lower occupancy rates, rising operating costs, and ongoing workforce concerns, average daily rates (ADR) and revenue per available room (RevPAR) in Sonoma County remain above pre-pandemic levels.

Falling Alcohol Consumption Dampens Wine Tourism

Figure 8: American's Alcohol Consumption Reaches Record Low



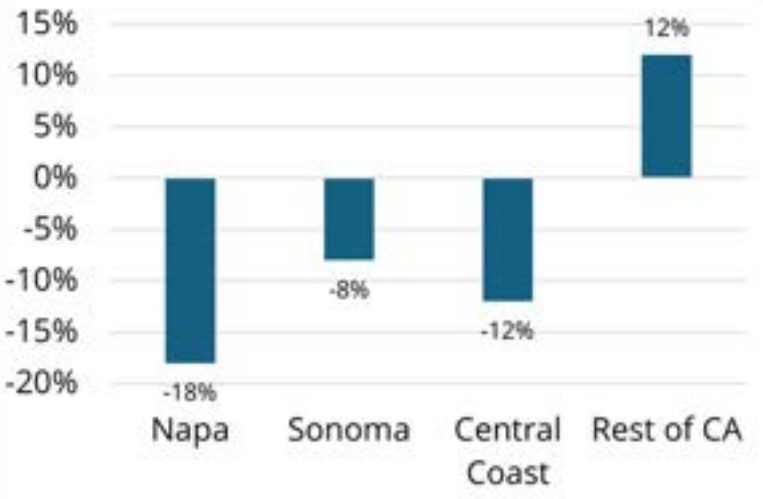
Source: Gallup 2026

Alcohol consumption rates in the U.S. continue to decline in 2025. Gallup reports that 54% of Americans report consuming alcoholic beverages occasionally, a historic low.

As a globally recognized wine destination, Sonoma County faces potential challenges from shifting consumer preferences and lower alcohol consumption, particularly among younger travelers.

While the wine industry faces downward pressure, Sonoma County experienced a smaller decline in tasting room traffic over Napa County in 2025, according to the *2026 Tasting Room Survey Report*. This indicates that Sonoma County may be better positioned to navigate evolving preferences and offer experiences tailored to the modern consumer, including more cost-friendly tasting room fees and a diversity in activities and natural landscape.

Figure 9: Tasting Room Visitation Down in 2025



Source: WineBusiness Monthly Tasting Room Survey 2026

SHORT-TERM RENTALS



Short-Term Rentals Continue to Grow

Short-Term Rentals (STRs) have become an important segment of Sonoma County's lodging market. With the introduction of online booking platforms such as Airbnb and Vrbo, consumer access to private lodging options has become seamless. These platforms, combined with increasing consumer demand for flexible and experience-oriented travel, has spurred the expansion of the STR market. Another contributor to the rise in STR popularity was the pandemic, when consumers were prioritizing social distancing and locations with low population density.

In Unincorporated Sonoma County, there are more than 850 active STR permits, with additional applications under review (Permit Sonoma 2026). STRs are especially attractive for those looking to stay in the coastal, wine country, and rural regions encompassed in the unincorporated area. STRs are also a fixture in incorporated cities of the county, with each city managing its own permitting process.

The characteristics of STRs and traditional hotels differ. While STR occupancy remains below those of hotels, STR operators can generate strong revenue per available room (RevPAR) due to higher nightly rates, larger property sizes, and premium location offerings. RevPAR is calculated by multiplying average daily room rate (ADR) by occupancy rate and is commonly used to evaluate lodging performance.

Figure 10: Sonoma County Hotels Post Higher Occupancy Rates in 2025



Source: STR 2025

Figure 11: Sonoma County STRs Post Higher RevPar in 2025



Source: STR 2025

Friction with Short-Term Rentals

The growth in STRs, spurred by online platforms, has created competition in the lodging market. Research into the relationship between Airbnb growth and hotel performance found that increases in STR supply were associated with modest declines in hotel room revenue (Zervas et al. 2017). The hotels most vulnerable to this dynamic were lower-end hotels and those not catering to business travel.

In addition to their effect on hotel performance, STRs take up housing stock and disperse visitors into neighborhoods and communities. This causes concern for neighborhood character, respect from visitors, and increasing home prices. As a result, jurisdictions throughout Sonoma County have adopted regulations on STRs.

Table 2: STR Regulations Vary by City

Jurisdiction	Business License?	Zoning Permit?	Use Permit?	ADU Rental?	Notes
Unincorporated Sonoma County	Yes	Yes	Yes*	No	• *Use Permit required for 6+ bedrooms. • A property owner may only have 1 licensed STR at a time. • STRs are only allowed in certain locations and zones.
Cloverdale	Yes	No	Yes*	No	• *Only non-hosted STRs in commercial zoning districts need a Use Permit. • Non-hosted STRs are allowed within commercial zones upon approval of a planning application for Plot Plan Review.
Healdsburg	Yes	No	Yes*	No	• STRs are only allowed in commerical zoning districts with Use Permit.

Jurisdiction	Business License?	Zoning Permit?	Use Permit?	ADU Rental?	Notes
Petaluma	Yes	Certificate	No	No	
Cotati	N/A	N/A	N/A	N/A	• Does not have a STR program.
Rohnert Park	N/A	N/A	N/A	No	• Only hosted single room rentals are allowed.
Santa Rosa	Yes & Business Tax Certificate	No	No	No	• The city is currently not accepting applications for non-hosted STRs.
Sebastopol	Yes	Yes*	Yes*	Yes*	• *Hosted STRs rented more than 30 days per year, hosted rentals in ADU, or Non-Hosted STRs require Use Permit.
Sonoma	Yes*	No	Yes*	No	• *New applications are only accepted for STRs involving the adaptive reuse of a historic structure. Existing, licensed STRs are required to meet the updated operating standards.
Windsor	Yes	No	Yes	No	• With a license, hosted and non-hosted STRs are allowed in certain commercial districts and hosted STRs are allowed in residential districts.

Source: Permit Sonoma 2025; City Websites 2025

INDUSTRY FORECAST



Looking Ahead: The Projected Path for Tourism

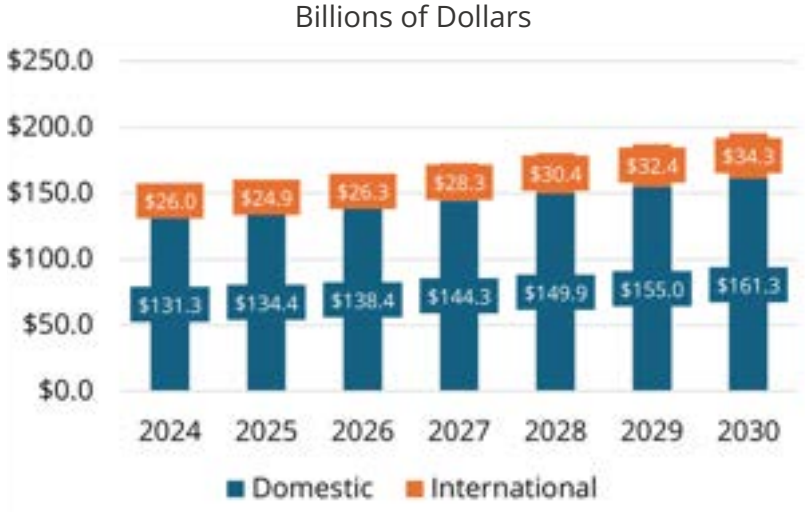
Travel Spending Projected to Grow Steadily

A recent forecast by Tourism Economics projects that visitor spending into California will grow 3.5% in 2026, surpassing the modest 1.3% growth in 2025. Domestic travel expenditure is expected to remain the primary driver of growth in the next few years, while international travel spending is anticipated to account for a larger share towards the end of the decade.

Low consumer sentiment has the potential to dampen discretionary travel spending. In May 2026, the University of Michigan Consumer Sentiment Index fell to 44.8, a historic low that reflects national household concerns surrounding inflation, fuel prices, and persistent economic uncertainty. However, national travel surveys indicate that leisure travel remains a priority spend for many households, pointing to the fact that that domestic tourism demand will remain steady.

While demand for leisure stays will likely experience continued baseline growth, travelers are confronting cost concerns by prioritizing shorter regional trips and drive-market destinations. Sonoma County is well positioned to capture demand from domestic markets due to its accessibility to major Northern California population centers. Further, the region is well positioned within the luxury market, which has proved its spending is more resilient during this period of economic uncertainty. Sonoma County offers premium accommodations, culinary and wellness experiences, outdoor recreation, and wine tourism to those seeking luxury travel experiences.

Figure 12: Domestic Travel Spending in California to Increase Modestly, Supported by Strong Domestic Market



Source: Tourism Economics 2026

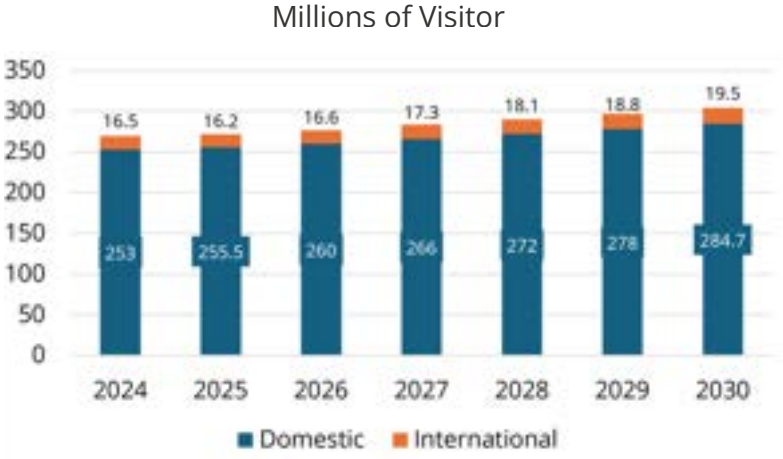
Vistation Projected to Increase Modestly

Overall visitation to California is projected to increase 1.8% in 2026, continuing its rate of modest growth. International visitation, which declined in 2025, is expected to rebound 2.7% in 2026.

San Francisco and Los Angeles are host cities for the 2026 FIFA World Cup, which is projected to provide a boost in both domestic and international visitation. Sonoma County may experience spillover visitation due to its proximity to San Francisco.

While the FIFA World Cup has the potential to bring more international visitors to the region, domestic visitation is expected to remain the main market for Sonoma County. The 2026 launch of Southwest Airlines at Charles M. Schulz - Sonoma County Airport has strengthened regional accessibility. The airline added direct connections to San Diego, Las Vegas, Burbank, and Denver, with service to Austin coming later in the year.

Figure 13: International Visitation to California Expected to Increase After 2025 Decline



Source: Tourism Economics 2026

Diversification in Regional Offerings is Crucial

As consumer preferences evolve, it is important that Sonoma County's travel industry diversifies beyond traditional wine tourism. Sonoma County Tourism's "This is Wine County" campaigns reflects this effort to showcase the region's varied visitor experiences, including outdoor recreation, wellness, culinary, arts and culture, and coastal tourism.

Leveraging Sonoma County's geographic diversity, hospitality, and experiential tourism offerings will help the region remain a competitive destination as alcohol consumption patterns shift nationally.

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