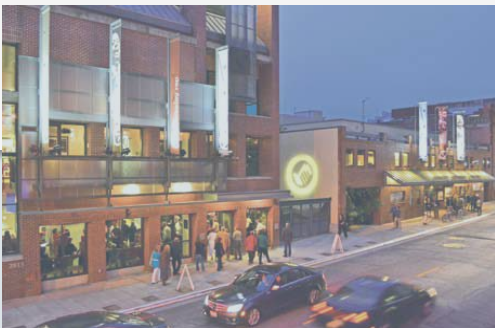




city of

BERKELEY



Economic Dashboard

March 2019

Office of Economic Development

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employment

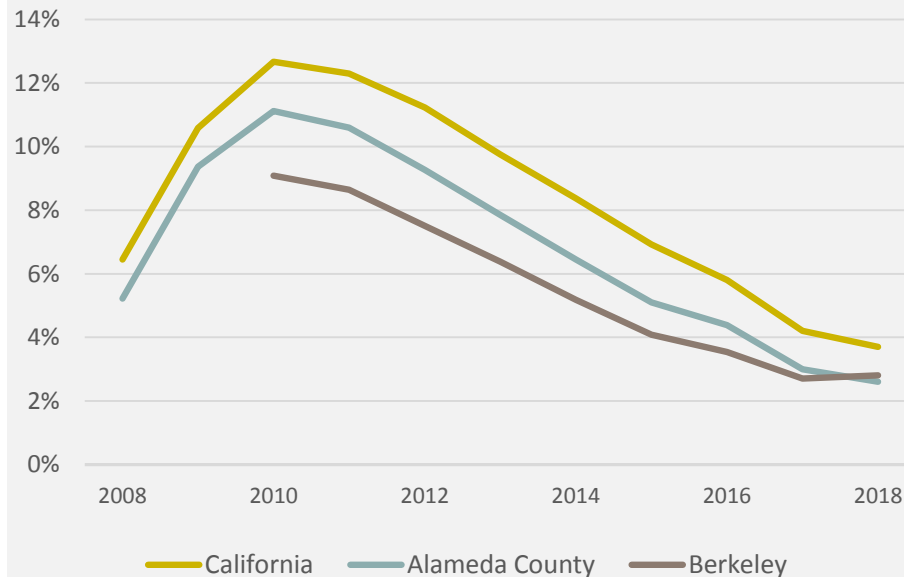
labor force & employment figures

City of Berkeley Averages, 2016-2018

Year	Labor Force	Employed Residents	Unemployment Rate
2016	62,166	60,000	3.5%
2017	63,700	61,900	2.7%
2018	64,700	62,900	2.8%

Source: CA Employment Development Department, Labor Market Information Division

Unemployment Rates, Averages 2008-2018



Source: CA Employment Development Department (EDD), LMI Division, Q1 2018

Employment & Jobs: Fast Facts

- Berkeley's average unemployment rate for 2018 was 2.8%, up from 2.7% in 2017.
- For context, Alameda County's average unemployment rate in 2018 was 2.6%, while California's was 3.7%.
- The total number of jobs in Alameda and Contra Costa counties (combined) increased by 3,100 jobs to a total of 1,208,300 jobs.

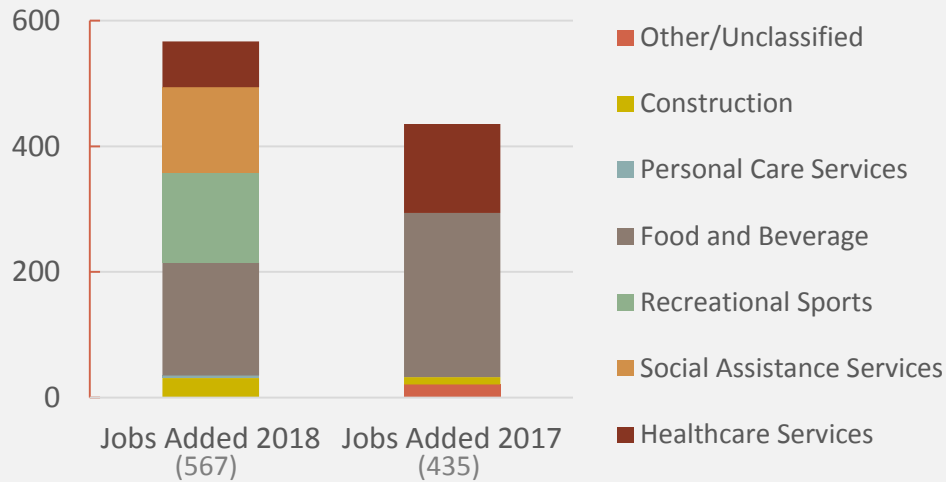


Sources: EDD, Quarterly Census of Employment and Wages (QCEW).
Photos: Berkeley Career Day and tours (April 2018).

employment

growth by industry sector

Jobs Added 2017-2018 by Industry Sector



Sector	Increase in Employment 2018	Increase in Employment 2017
Construction	5.5%	2.11%
Personal Care Services	1.7%	-0.12%
Food and Beverage	2.9%	4.37%
Recreational Sports	52.3%	27.64%
Social Assistance Services	5.0%	-1.30%
Health Care Services	1.2%	2.65%

Source: (EDD) Quarterly Census of Employment and Wages (QCEW)

Diversity in the Small Business Sector



From 2017 to 2018, Berkeley has seen a growth of (self-identified) women and minority owned businesses. In 2018, 42% of all active businesses in Berkeley identify as minority owned (up from 37% in 2017) and nearly 20% of startups in Berkeley have at least one woman founder.

Two new women-owned Berkeley-based startups established in 2018 include:

LookyLoo is an AI-Powered Social Commerce platform that helps women discover clothing that they can feel confident in. AI is named Lucy and is one of the first real female AI - conceptualized, built and trained by women.



MentorRoom is an open, virtual community built on the values of learning, sharing, and helping others. They aim to inspire students to follow their dreams and ambitious aspirations in life, by providing them with a virtual village of resources, tools, transparency, and extraordinary heroes.

business development

top employers & innovation sector

Berkeley's Largest 25 Employers, by Number of Employees

Ansys, Inc.	Meyer Sound Laboratories
Backroads Active Travel	OC Jones & Sons
Bayer Healthcare LLC	Siemens Corporation
Berkeley Bowl Produce	Solar Mosaic Inc.
Berkeley Cement Inc.	Sutter Bay Hospitals
Berkeley City College	Target
Berkeley Marina Doubletree	Thistle Health Inc.
Berkeley Repertory Theatre	Recreational Equipment Inc.
Berkeley Unified School District	University of California, Berkeley
City of Berkeley	US Postal Service
Genji Pacific	Whole Foods Market California Inc.
Kaiser Permanente	YMCA of the Central Bay Area
Lawrence Berkeley Laboratory	Source: EDD, QCEW Data Q1 2018

Innovation Sector Firms by Growth Stage	Number of Companies	Percentage of Overall
Startup Companies (no anticipated revenue for upcoming year)	180	56%
Emerging Companies (anticipated revenue, but no current profits)	81	25%
Established Companies (profitable, but do not necessarily have positive cash flow)	44	14%
Subsidiary Companies (owned or acquired by an established company)	15	5%
Total Start Up Firms in Berkeley	320	100%

Innovation Ecosystem: Role of Incubators

Berkeley Incubators such as **SkyDeck**, **Cyclotron Road**, and **The Foundry @ CITRIS** are an invaluable resource to Berkeley's innovation sector - not only because they help startups get off the ground, but because they act as connectors for more mature companies and give founders a place to recruit new talent, share ideas, and find new sources of funding.



From right to left: Kiwi Bot out of SkyDeck; Noble Thermodynamic' emission-free engine out of Cyclotron Road; Elysian Lab's cannabis products out of CITRIS Foundry

To fully cultivate an innovation ecosystem, it is important for Berkeley to both enable early-stage startups to **launch** here and **retain** these innovation businesses as they grow to become larger, more profitable corporations. While our earliest stage startups typically employ few people, they represent a tremendous opportunity for growth and have brought more than **\$1.069 billion** in investment to Berkeley. The key challenges preventing this sector's growth in Berkeley are the limited availability of suitable real estate that can accommodate growth companies' needs as they employ more people, public transportation, especially to West Berkeley, and workforce housing affordability.

business development

small business revolving loan fund

The City of Berkeley's Revolving Loan Fund (RLF) provides access to capital for businesses that don't qualify for traditional commercial loans. Since the program was launched in 1980, the City has lent over \$2.4 million to 42 borrowers. There are currently 7 active loans. In Q4 2018, the Loan Administration Board (LAB) celebrated a new loan to Nabolom Bakery (see sidebar).

Portfolio Summary

	Total Loans	Active Loans
Number of RLF Loans	42	7
RLF \$ Loaned	\$1,995,527.00	\$620,000
Total Non-RLF \$ Leveraged	\$7,564,140	\$2,414,543
Private Sector Jobs Created	211	57
Private Sector Jobs Saved	101	77

Source: Berkeley OED

Current Borrowers Include:



NABOLOM BAKERY

ANTON
SALON



The Newest RLF Loan Recipient | Nabolom Bakery



Photos: Nabolom Bakery (bottom right) courtesy of Kelly Sullivan

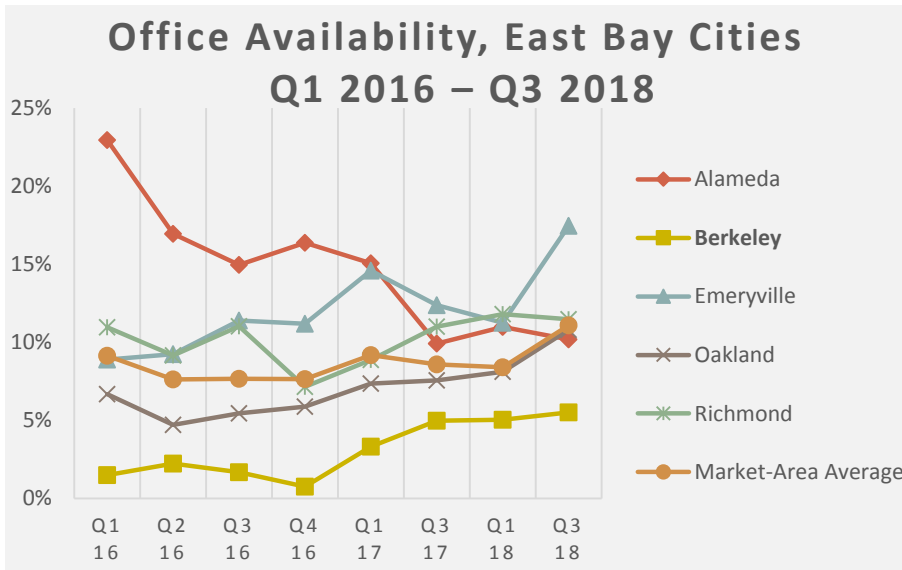
Nabolom Bakery and Pizzeria, co-owned by two East Bay natives Julia Elliot and Sabra Stepak, recently were approved for a small business loan from the Loan Administration Board to make improvements to the business and purchase new equipment. The ongoing relationship with the loan program has given them the opportunity to continue to grow their beloved Berkeley business and purchase a new pizza oven.

commercial activity

office trends & transactions

Q3 2018 Office Market, Berkeley	Indicators
Total Inventory	3,407,669 SF
Under Construction	42,000 SF
Availability Rate	5.50%
Qtr Gross Absorption	87,877
Qtr Net Absorption	11,252
YTD Net Absorption	65,467
Average Asking Rent	\$3.40 / SF

Source: Newmark Cornish & Carey, 3Q18 East Bay Office Market Report



Source: Newmark Cornish & Carey, 1Q18 East Bay Office Market Report

Office and Industrial Updates

- In 2018, Berkeley's 3Q office availability rate increased to 5.5%, a six tenths of a percent increase from 2017's 4.9%.



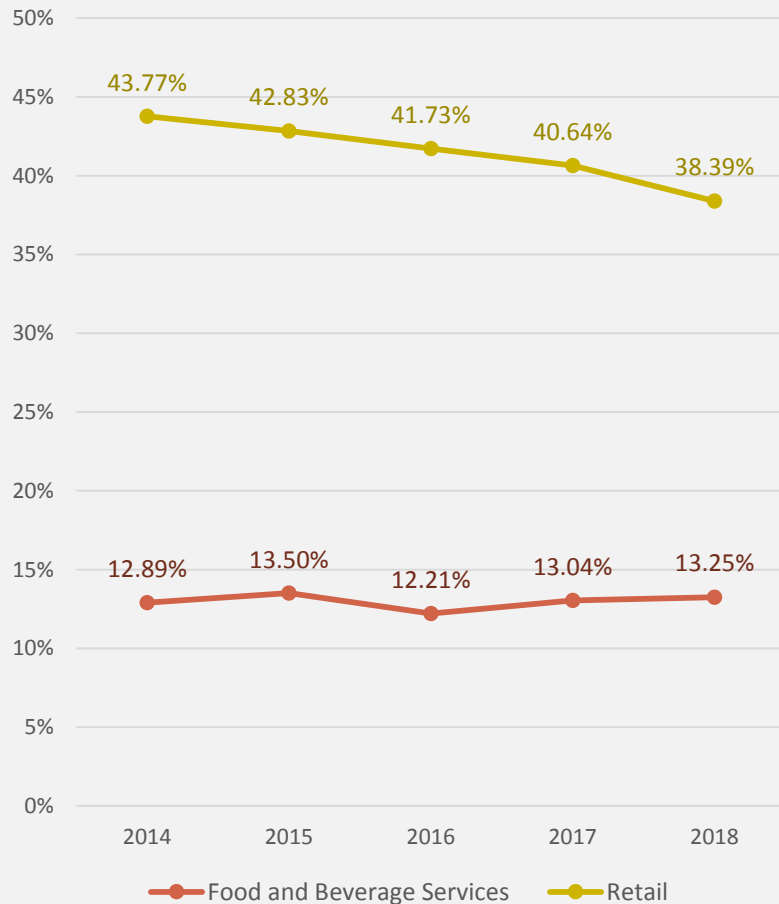
Notable listings:

- 600 Addison: The two-block-long swath of land along Aquatic Park has been owned by the Jones family since 1979. The site has an outstanding application for development of a premier life science research and development campus along the waterfront, and is being marketed as such.
- Pacific Steel Casting wound down its operations in summer 2018. The 8 acre site is being marketed as the 'Gilman Gateway'.

commercial activity

commercial trends & transactions

Citywide Inventory By Retail and Food Uses, By Square Footage, 2014-2018



Source: OED Vacancy Database

From 2014 to 2018, commercial square footage occupied by retail uses has decreased. Ground floor commercial spaces have been increasingly occupied by food and beverage services. **Family-owned** and **legacy businesses** (defined as in business for over 20 years) are active in both of these categories in Berkeley. **Two are spotlighted below:**



Kathmandu Imports - In 1985, Deepak Singh, the owner of Kathmandu Imports, was one of the first retailers from the Himalayan Kingdom of Nepal to open a shop in Berkeley. His family owned business has expanded to four locations and includes a restaurant and food market run by his son Darren. Kathmandu Restaurant will celebrate it's 25th anniversary in April 2019.

The Cheese Board Collective -The Cheese Board was established in North Berkeley in 1967 and became a collective in 1971 when the original two owners decided to sell the store, at cost, to six employees. Now it employees over 60 people with two storefronts. They celebrated their 50th anniversary in 2018, and will be expanding to a third storefront in 2019.

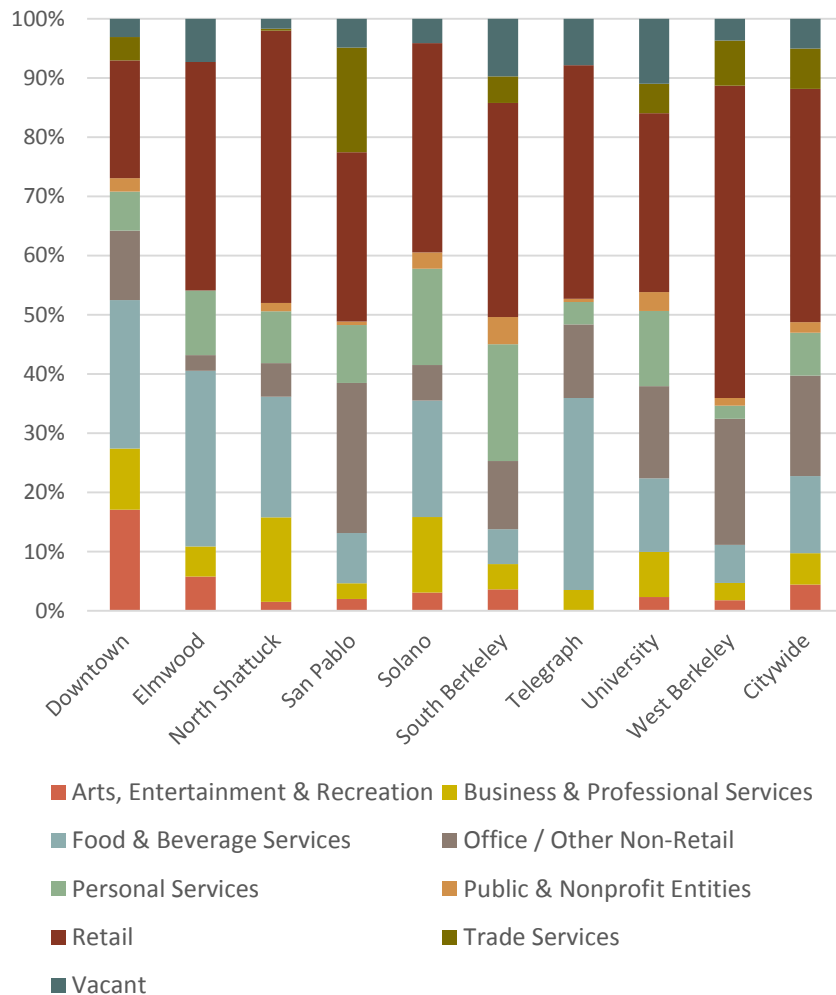
Images: Daily Cal August 2018 (top), Cheese Board Collective (below)



commercial activity

commercial districts & vacancy rates

Ground Floor Commercial Occupancy by Category (2018 Q4)



Source: Berkeley OED

Vacancy Rates by District, Calculated by Square Footage, 2014 – Q4 2018

District	2014 Q4	2015 Q3	2016 Q3	2017 Q1	2017 Q4	2018 Q4
Downtown	11.2%	8.4%	4.7%	4.2%	4.6%	3.1%
Elmwood	2.0%	2.0%	1.5%	9.7%	5.4%	7.3%
North Shattuck	1.6%	2.1%	2.6%	0.4%	0.4%	1.7%
San Pablo	5.9%	7.3%	5.9%	6.0%	5.5%	4.9%
Solano	4.2%	3.5%	7.5%	7.0%	4.8%	4.1%
South Berkeley	8.9%	7.9%	8.2%	7.9%	9.6%	9.7%
Telegraph	12.7%	7.1%	5.1%	5.8%	7.1%	7.9%
University	4.4%	9.4%	14.2%	9.2%	12.0%	11.0%
West Berkeley	3.9%	3.3%	8.8%	2.7%	1.9%	3.7%
Citywide Avg.	6.6%	5.9%	6.5%	4.7%	4.6%	5.0%

Source: Berkeley OED

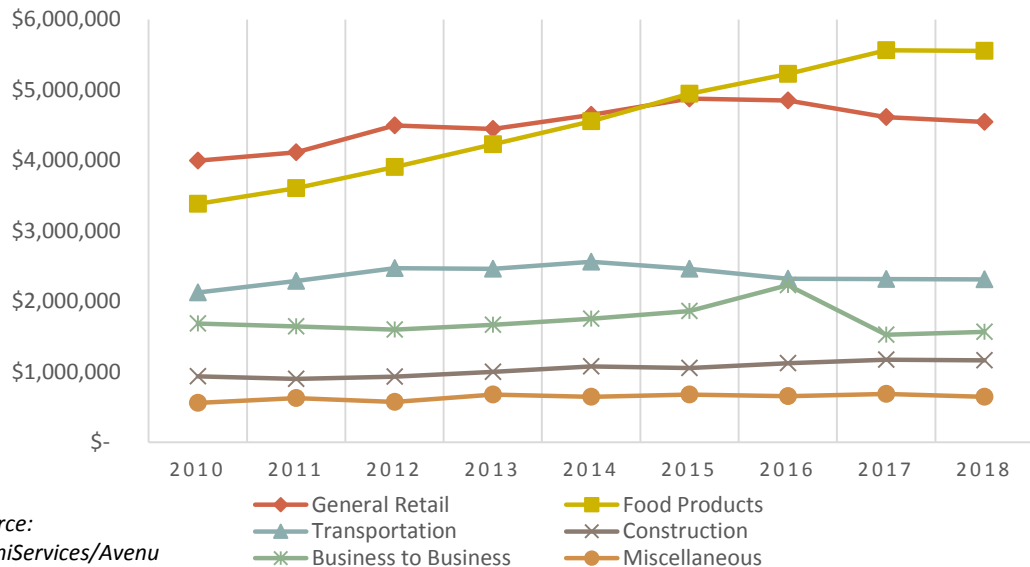
Citywide, the ground floor commercial vacancy rate has increased to 5.0%, a slight increase from the fourth quarter of 2017. Downtown Berkeley's vacancy rate is 3.1%, the lowest since OED began collecting district-specific vacancy data in 2007.

commercial activity

sales tax revenues

Total Annual Sales Tax Revenue - Past 4 Quarters	Q3 2016 – Q2 2017	Q3 2017- Q2 2018	Change
City of Berkeley	\$17,589,373	\$16,560,358	-5.8%
SF Bay Area (Nine County Region)	\$1,504,754,233	\$1,508,172,860	+0.2%
State of California	\$6,602,237,647	\$6,530,119,183	-1.1%

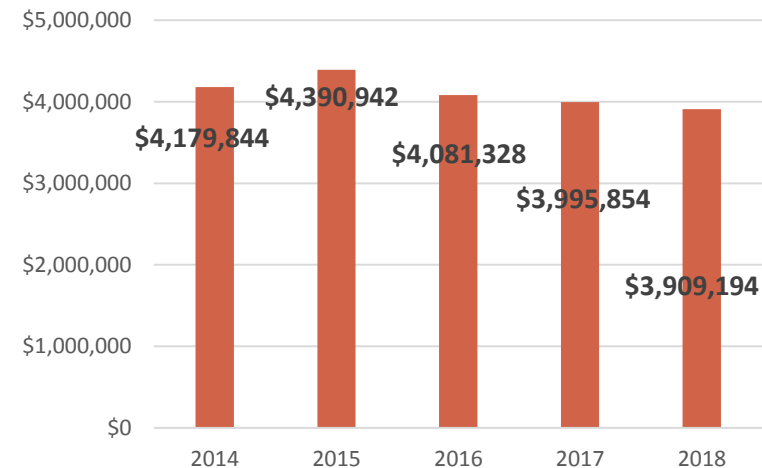
ANNUAL SALES TAX BY BUSINESS CATEGORY



Source: MuniServices/Avenu

CITY OF BERKELEY

Q2 SALES TAX REVENUES, 2014-2018



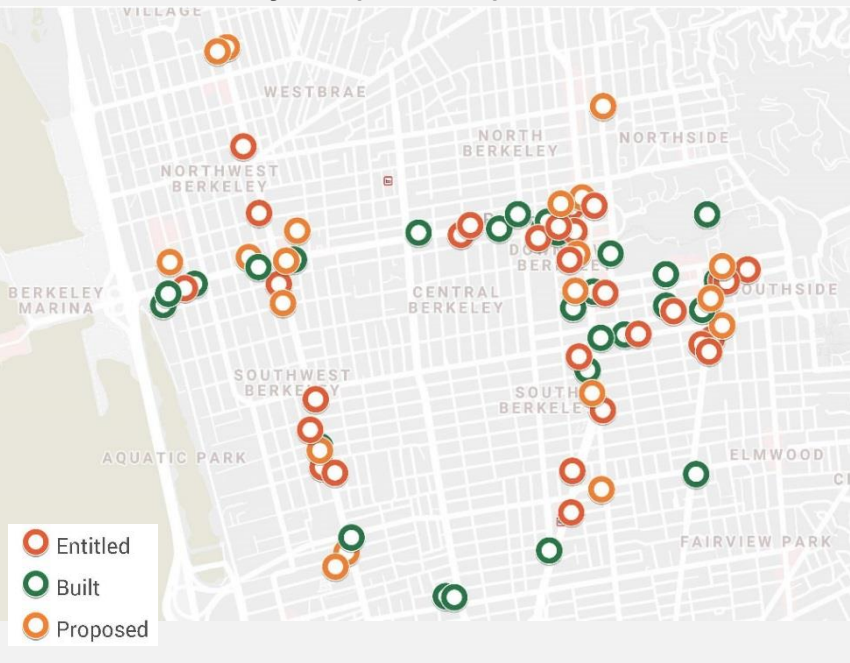
Source: MuniServices/Avenu (Figures Adjusted for 2018 \$)

Berkeley's **quarter over quarter** sales tax revenues decreased by 2.2% from the second quarter of 2017 to the second quarter of 2018. The drop over this period was due to the 2.2% decrease in *Retail* (General Retail) sales tax collected and a 6.3% decrease in sales tax collected from the *Construction Category* (Building Material sales etc.). As of Q2 2018, the *Food and Beverage* subsector continued to be the largest contributor to the city's sales tax revenue (34.5%), with *Retail* the next largest (28.0%). The *Transportation Category* is the third largest contributor providing 7.2% of the total sales tax collected in Q2 2018.

development & housing

construction & pipeline

Multi-Unit Projects (5+ Units), 2005 to Present



Data Source: City of Berkeley Planning Department (January 2019); Map: OED

As of January 2019, there are currently 32 housing developments of 5 or more units that are entitled for development or under construction, which will contain 2,268 net new units; this represents a slight increase from the number of units that were entitled or under construction as of December 2018 (1,919). An additional 1,183 units (in 28 distinct projects) are proposed. The overall trend in the last two years has been one of increasing numbers of units in the development and construction pipeline.

Pipeline Project Highlights



Images: Johnson Lyman Architects

The Standard on Bancroft

The Standard, at 2580 Bancroft Way, will bring new student housing right across from the campus. The project will bring 122 units for housing along with a pool, and study lounge. The new building is slated to open in 2021.

Two Projects Approved through Senate Bill 35

The law requires cities to approve compliant projects providing 50% of residential units at affordable rents within 90 days of submittal.



1601 Oxford

Satellite Affordable Housing Associates will provide 37 residential units, including 34 affordable units for seniors.



2012 Berkeley Way

This project will be the largest ever permanent housing project for homeless and low-income residents with 89 rental units affordable, 53 permanent supportive housing units for people who were previously homeless and 44 short-term shelter beds, 12 of which will be for veterans.

Images: Leddy Maytum Stacy Architects (left) and 1601 Oxford HKIT Architects (right).

