



Office of the City Manager

## ACTION CALENDAR

March 14, 2023

To: Honorable Mayor and Members of the City Council  
From: Dee Williams-Ridley, City Manager  
Submitted by: Eleanor Hollander, Economic Development Manager  
Subject: Berkeley Economic Dashboards Update

### INTRODUCTION

The Office of Economic Development (OED) is pleased to present the Citywide Economic Dashboard update for December 2022 (Attachment 1), and the updated Commercial District Dashboards (Attachment 2).

### CURRENT SITUATION AND ITS EFFECTS

Throughout 2022, the City of Berkeley continued to exhibit sustained economic recovery from the effects of the COVID-19 pandemic. Sales tax revenue across all industry sectors has increased over the last year, with the retail sector actually surpassing pre-pandemic levels. Ground floor retail vacancy rates have dropped in many commercial districts, although the citywide average remains above 8 percent. Innovation sector businesses have continued to be a driving force in the Berkeley economy, with 62 companies raising more than \$2.1 billion in private capital in 2022 alone. The attached dashboards present these trends in more detail and include the latest citywide data available through the fourth quarter of 2022, much of which has been collected through on-the-ground fieldwork.

Key findings include:

- **Pandemic recovery brought thousands back to work.** Between December 2021 and December 2022, the total number of jobs located in the East Bay increased by 14,800, or 1.1%. The sectors with the highest year-over-year percent growth in employment included Arts, Entertainment & Recreation (+19%), Manufacturing (+7%), Retail (+7%), and Accommodation & Food Services (+6%). The countywide unemployment rate continued its downward trend, dropping from 3.8% in December 2021 to 2.7% in December 2022. Berkeley's unemployment rate dropped even lower, from 2.9% to 2.5% over the same period. This tracks with the year-over-year decline in the statewide unemployment rate from 4.8% to 3.7%.

- **Berkeley’s innovation sector spurred significant wealth creation while providing new solutions to global social and environmental challenges.** In 2022, the City of Berkeley was home to more than 400 “innovation sector” businesses in software, life sciences, clean technology, food tech, and other science, technology, engineering and math (STEM) industries. Roughly a third of the sector is comprised of software companies (35%) and another third is made up of life science companies, including biotechnology and healthcare (31%). Of the remaining third, 14% of innovation sector firms in Berkeley are hardware companies, 12% are in cleantech, 5% are in foodtech, 2% are in education technology, and the remaining 1% are in “other” industry categories. The vast majority (83%) of Berkeley’s innovation companies are relatively early stage and many take advantage of the city’s coworking spaces, accelerators, and incubators. Though often small, Berkeley startups have an outsized impact on wealth creation. They collectively *raised more than \$1.8 billion dollars* through venture capital, angel-backed financing, and convertible securities. Meanwhile, five Berkeley companies received *more than \$5.9 million in grants from the federal and state government* for Research & Development (R&D) to find solutions for a range of environmental and human health challenges.
- **Office vacancy rates in Berkeley increased while the market for lab space remained tight.** Overall office availability in Berkeley rose slightly from 11.1% in Q4 2021 to 11.5% in Q4 2022, though the figure is significantly lower than the 20% vacancy average for the Greater Oakland area. Asking rents for high quality office space in Berkeley have stayed relatively consistent since the start of the pandemic and are currently \$3.96 per square foot, up \$0.43 from the same period last year. Lab space remains at a premium in Berkeley. The vacancy rate for Berkeley lab space is 5.3%, which is lower than the 14.7% vacancy rate in neighboring Emeryville, 10.1% rate reported for the East Bay, and the 6.5% lab vacancy rate reported for the Bay Area overall.
- **Average citywide ground floor commercial vacancy rates remained slightly higher than what is associated with standard market churn.** Based on field data collected from September–November 2022, the citywide ground floor commercial vacancy rate did not change significantly from last year (it rose from 8.3% to 8.4%). For context, normal market churn is associated with a vacancy rate between 4-8%. San Pablo Avenue, University Avenue, South Berkeley, and West Berkeley have all experienced a rise in vacancy rates—San Pablo rose from 7.9% to 10.8%; University rose from 9.1% to 12.8%; South Berkeley rose from 8.8% to 11.8%; and West Berkeley rose from 4.7% to 5.2%. Downtown Berkeley experienced the largest drop in vacancy rate over the last year—from 15.7% to 11.9%. This may be in part due to UC Berkeley students and faculty returning fully to campus this past academic year.

- **Occupancy by retail businesses, as a share of total ground floor square footage, declined; food and beverage held steady.** Retail saw the biggest drop as a proportion of total commercial inventory, decreasing by 7% over the last year. Neighborhood commercial districts like Solano, North Shattuck, and Elmwood saw little decline in Retail square footage over the last year, whereas Downtown saw a decline of about 7 percentage points. Food & Beverage businesses also saw a slight decrease (from 12.3% to 10.6%) in occupancy as a share of total ground floor square footage in the city, potentially indicating that habits and commute patterns changed by the pandemic are impacting the local restaurant industry.
- **The City of Berkeley's sales tax revenue surpassed pre-pandemic levels.** Berkeley's annual sales tax revenues increased 22% year-over-year through the second quarter of 2022, from \$13.4 million to \$16.4 million. During the same time period, Alameda County experienced a 12.8% increase in sales tax revenue and the state of California experienced an 11.5% increase in revenue. In Q2 2022 (April-June), the Retail subsector was the largest contributor to the city's sales tax revenue (45.6%), with Food & Beverage coming in second (27.4%). This tracks with upticks in sales tax revenue for each of these sectors—the Retail sector was up 32% from a year prior and the Food & Beverage sector was up 64% over the same time period. Select sub-categories in the Business & Professional Services sector also experienced jumps in sales tax revenue.
- **Even as the housing market cooled slightly, Berkeley home prices and rental costs remained high.** Berkeley's single family home values decreased 12.2% from December 2021 – December 2022, with a 52% decrease in sales volume over the same period. 27 single family homes were sold in Berkeley in December 2022, with an average of 20 days on the market. Since the pandemic began in March 2020, the median price of single family homes in Berkeley hit an all time high (\$1,910,000) in April 2022. For rentals, between Q3 2021 and Q3 2022, Berkeley's rents for studio apartments increased by 12%, rising to an average of \$1,784 per month.
- **The City of Berkeley Office of Economic Development continues to support small businesses, artists, community organizations, and innovators.** The City's Small Business Revolving Loan Fund (RLF) and COVID-19 Resiliency Loan Program (RLP) have provided more than 60 small businesses with over \$3 million in financing to keep operations going since the start of the pandemic. The City's Civic Arts Grants program funded 11 individual arts projects (\$44,000 total awarded), 33 festivals (\$194,299 total awarded), and 70 arts organizations (\$458,697 total awarded) in 2022. The Berkeley Arts Recovery Grants for Artists & Cultural Practitioners also made \$275,000 available in the form of grants (up to \$10,000 each) to help the City's artists and cultural practitioners. Marketing campaigns including #DiscoveredinBerkeley and #BerkeleyHolidays helped to

increase visibility and sales for small businesses across Berkeley. OED also supported local businesses and organizations by conducting targeted outreach, and providing technical assistance related to sustainable economic recovery.

### BACKGROUND

Since 2015, OED has consistently released two companion publications, the *Citywide Economic Dashboard* and *Commercial District Dashboards*, which analyze a wide variety of economic trends and indicators in Berkeley. Attached to this report is the updated version of the Citywide Economic Dashboard and Commercial District Dashboard for December 2022 (Attachments 1 and 2). These dashboards are designed to make current economic and community data and information more accessible to Council, City staff, and community stakeholders. Providing this information also allows investors to evaluate potential markets and provides vital information for policymakers. Staff will continue to update these dashboards on an annual basis, as staffing allows. The most recent version and dashboards from past years are available on the City's website at: <https://berkeleyca.gov/doing-business/economic-development/economic-dashboards-and-reports>.

To produce these publications, OED staff compiled and analyzed a wide variety of data sources including the Monthly Labor Force Data (Labor Market Information, California Employment Development Department), WARN notices provided to the Alameda County Workforce Development Board, commercial real estate firm data (Newmark Cornish & Carey, JLL, Cushman & Wakefield, Norheim & Yost, Colliers), housing market data (Berkeley Rent Stabilization Board, MLS, RentCafe, Redfin) and sales tax data (MUNIServices). Staff also analyzed data from City databases including business licenses, building permits and planning permits, and City publications such as rent board reports and the housing pipeline report. Information on Berkeley startups and other innovation companies was obtained from Pitchbook, Crunchbase, LinkedIn, the U.S. Small Business Administration, tech industry news sources, and direct communications with businesses and the [Berkeley Startup Cluster](#)'s partners including UC Berkeley, the Berkeley Lab, and Berkeley's startup incubators and accelerators including SkyDeck, Bakar Labs and Activate. Finally, in the third and fourth quarters of 2022 OED staff updated its field occupancy survey of ground floor commercial spaces in Berkeley commercial districts (Attachment 2).

These publications support the City's Strategic Plan, advancing our goal *to be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community*.

### ENVIRONMENTAL SUSTAINABILITY

Many of the City's environmental sustainability goals are inextricably tied to the overall health of the City's economy. Staff believes that the continued pursuit of sustainable economic growth represents a strength and source of resilience for Berkeley.

POSSIBLE FUTURE ACTION

OED staff will, as directed by Council through previous and future referral items, partner with other City departments and community partners to implement programs and policies that foster a dynamic, sustainable, and locally-based economy, and assist in economic recovery throughout 2023 and beyond.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Actions that facilitate increased economic activity will increase revenues related to sales tax and property tax, and thus have a positive fiscal impact on the city.

CONTACT PERSON

Eleanor Hollander, Office of Economic Development, (510) 981-7536

Elizabeth Redman Cleveland, Office of Economic Development, (510) 981-7532

Attachments:

- 1: Citywide Economic Dashboard
- 2: Commercial District Dashboards



City of

# BERKELEY



2022 Economic Dashboard  
Office of Economic Development



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# Employment Activity by industry sector - employment



**Percent change in employment by sector  
(Dec. 2021 – Dec. 2022)**

East Bay Industry Sector	% Change
Arts, Entertainment & Recreation	19.1%
Manufacturing	7.2%
Clothing & Clothing Accessory Stores	7.0%
Accommodation & Food Services	6.2%
Architectural, Engineering & Related Services	6.1%
Construction	5.7%
Real Estate & Rental & Leasing	5.6%
Educational & Health Services	3.0%
Retail Trade	2.9%
Transportation & Warehousing	1.1%
Government	-1.4%

Source: Alameda County Workforce Development Board, Labor Market Information (LMI-EDD) for East Bay.

## Job Recovery Amidst the Pandemic

Between December 2021 -2022, the total number of jobs located in the East Bay increased by 14,800 (1.1%). The following sectors have notable job gains post-pandemic:

- Arts, Entertainment & Recreation
- Manufacturing
- Retail and
- Accommodation & Food Services.

Berkeley's unemployment rate is lower than the County's or State's.

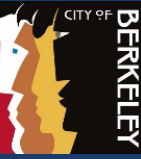
	December 2021	December 2022
California	4.8%	3.7%
Alameda County	3.8%	2.7%
Berkeley	2.9%	2.5%

Source: State of California Employment Development Department (EDD)



# Employment Activity

## by industry sector - employment



### Top 25 Berkeley Employers

Company	Sector
Ansys, Inc.	Software
Arris Composites, Inc.	Manufacturing/R&D
Backroads Inc.	Recreation
Bayer Corp.	Biotech
Berkeley Bowl Produce	Food & Beverage
Berkeley Cement Inc.	Construction
Berkeley City College	Education
Berkeley Repertory Theater	Arts & Entertainment
Berkeley Unified School District	Education
City of Berkeley	Government
DoubleTree by Hilton	Hospitality
Fieldwork Brewing Co.	Food & Beverage
Foresight Mental Health	Healthcare
Kaiser Permanente Medical Group Inc.	Healthcare
Lawrence Berkeley National Lab	Laboratory
Lifelong Medical Care	Healthcare
UPSIDE Foods	Biotech/R&D
OC Jones & Sons	Construction
Siemens Corp.	Manufacturing/R&D
Sutter Bay Hospital	Healthcare
Technical Safety Services, Inc.	Biotech
The Wright Institute	Education
University of California	Education
Whole Foods Market	Food & Beverage
YMCA of the Central Bay Area	Recreation



Berkeley Repertory Theatre  
Credit: Young Electric



Berkeley Bowl West  
Credit: Architectural Record

Berkeley's top 25 employers (by number of employees) is reflective of the city's diverse economy. There are four top employers in both the healthcare and education sectors. UC Berkeley remains one of the city's main economic engines. New biotech and R&D companies have now made it onto the top 25 list, which reflects the strength and positive growth trajectory of these industries.

Source: State of California Employment Development Department (EDD)

# Employment Activity

## by industry sector - hospitality

Berkeley's tourism and lodging sector came roaring back in 2022, posting solid gains in hotel occupancy and revenue.

### Food & Beverage Services

One of the sectors hardest hit by the pandemic—restaurants—notched solid gains in 2022 as indoor seating returned to complement the popular addition of outdoor dining citywide. Berkeley Restaurant Week, March Munch Madness, and the fast-growing Berkeley Wine Block and its First Friday events spurred sales.



DoubleTree by Hilton. Photo: Visit Berkeley.



Residence Inn by Marriot. Photo: Visit Berkeley.



Berkeley Wine Block First Friday. Photo: Visit Berkeley.

### Tourism & Lodging

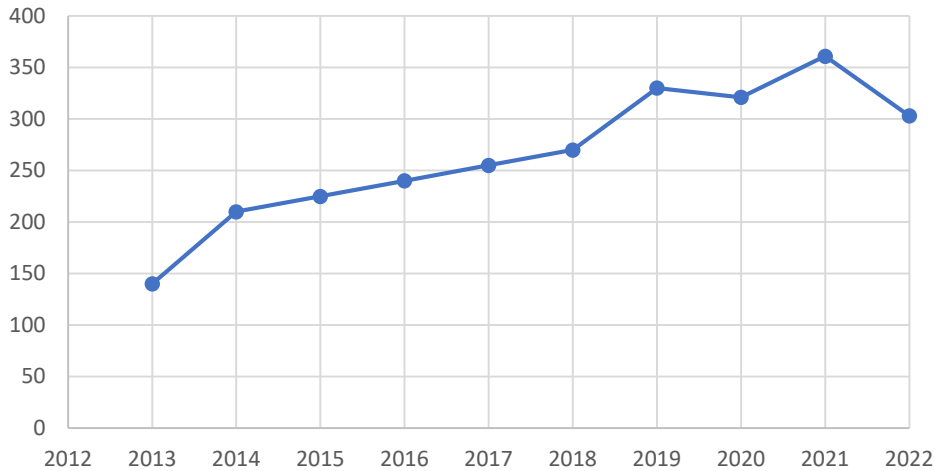
- Average nightly hotel occupancy rose from **53% in 2021 to 69% in 2022**. This is still below pre-pandemic average occupancy rates in the low 80% range.
- Revenues are up 110% from 2021, but total revenue still lags by 10% from pre-pandemic levels.
- Several Berkeley lodging properties were repurposed for the [Homekey program](#) and two new high-rate hotels opened: Aiden by Best Western and Residence Inn by Marriott.
- Leisure travel led the recovery with a return to more traditional vacation patterns. Meetings, conventions, and group travel continue to lag, but there are signs of increased demand in these segments for 2023.

# Employment Activity

## by industry sector – startups & innovation businesses



Number of Startups in Berkeley



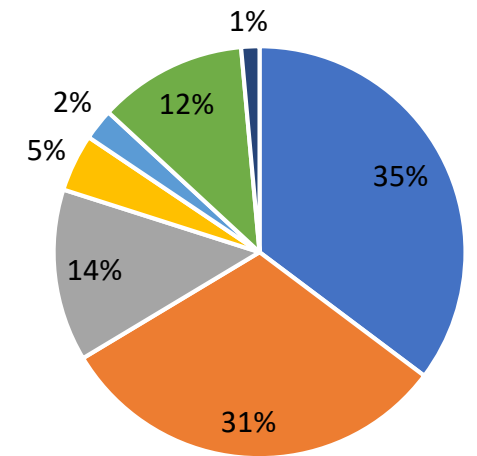
Source: City of Berkeley Office of Economic Development (OED), UC Berkeley IPIRA

\*Companies defined as startups are for-profit businesses that sell innovative technology products or services OR substantively use innovative technologies to develop and manufacture their products or provide their services AND are developing repeatable and scalable business models that aren't yet profitable.

In 2022, 62 Berkeley companies raised more than **\$1.8B** in venture capital. In addition, Berkeley companies were awarded more than **\$5.9M** in grant funding and almost **\$250M** in loans in 2022.

Of more than 400 Berkeley innovation companies citywide, Software is the largest component (35%). Healthcare and Life Sciences comprise nearly a third (31%). CleanTech is also a growing component (representing 13% of the total, up from 9% two years ago).

Innovation Companies by Industry Category



- Software
- Healthcare & Life Sciences
- Hardware
- Food & Beverage
- Education
- CleanTech
- Other

Source: OED, Berkeley Startup Cluster

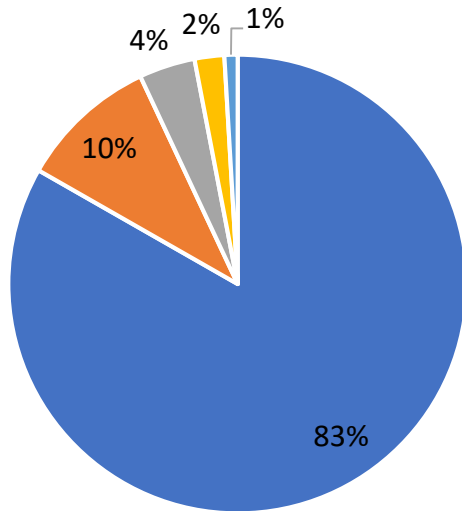


# Employment Activity

by industry sector – startups & innovation businesses



Innovation Companies by Growth Stage



- Startup
- Established Company
- Consulting Company
- Subsidiary Company
- Incubator or Coworking Facility



More than 80% of Berkeley’s innovation companies are relatively early stage. The remainder of the companies in the local innovation ecosystem are:

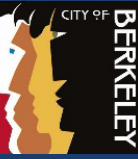
- publicly traded or operating profitably in the STEM (science, technology, engineering & math) industry;
- consultants without explicit goals to scale;
- subsidiary companies who are part of a larger parent company;
- incubators or coworking facilities, like Bonnevill Labs or Cell Valley Labs.

## Berkeley Innovation Sector 2022 Highlights

- [Upside Foods](#) raised \$387 million and became the first in the world to receive the [greenlight from the FDA](#) for cultivated meat.
- [Twelve](#) raised \$130 million for its carbon transformation technology that converts CO2 into fuels and other products historically made from fossil fuels.
- [Carmot Therapeutics](#) raised \$160 million to develop therapeutic treatments for diseases, cancer, and inflammation.

# Commercial Activity

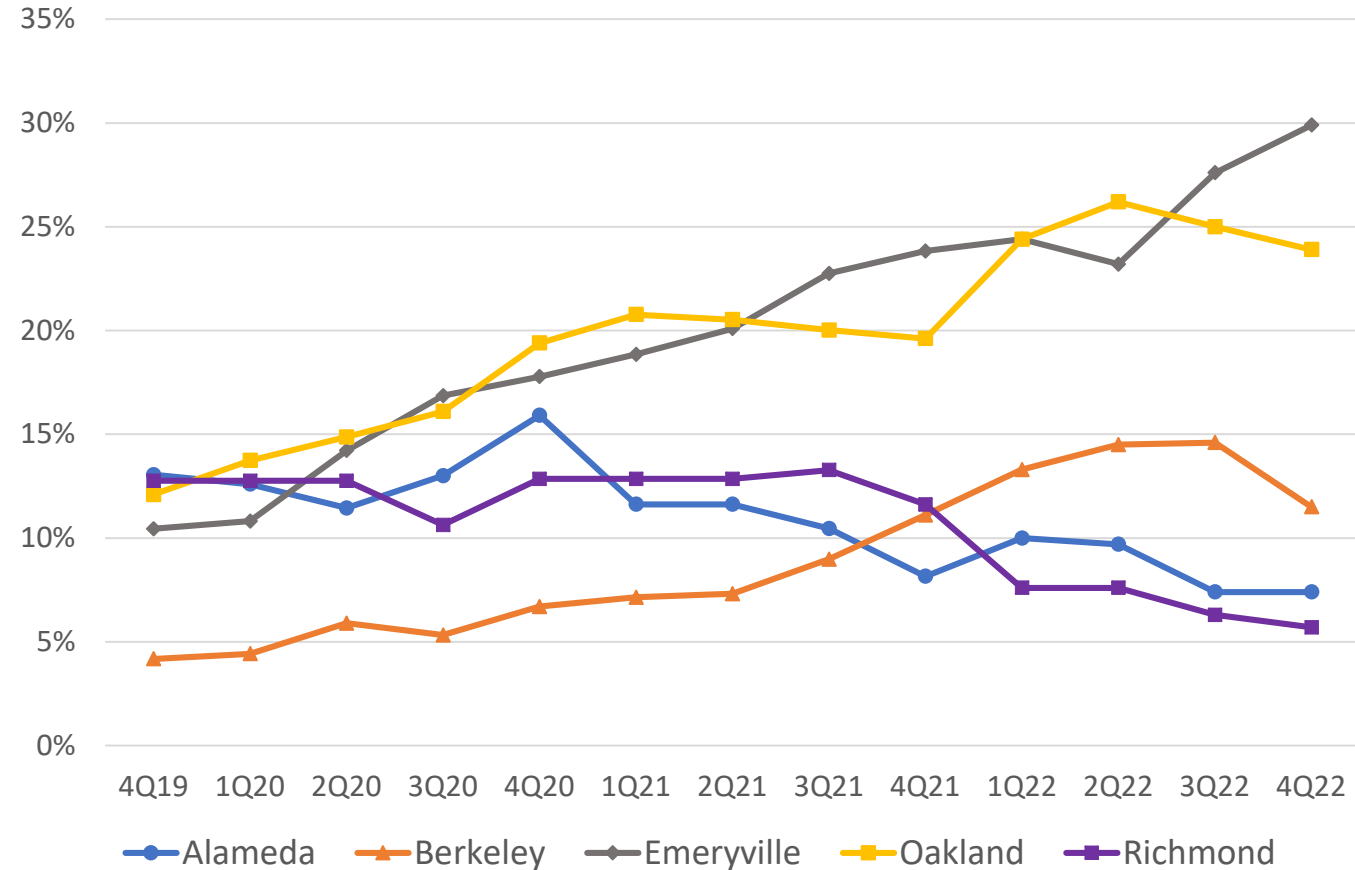
## Office trends & transactions



Q4 2022 Office Market, Berkeley	Indicators
Total Inventory	3,449,141 SF
Under Construction	611,800 SF
Availability Rate	11.5%
Qtr Gross Absorption	2,112 SF
Qtr Net Absorption	84,666 SF
YTD Net Absorption	55,844 SF
Average Asking Rent	\$3.96 / SF

Source: Newmark Cornish & Carey, 4Q22 Greater Oakland Office Market Report

### Office Availability, East Bay Cities Q4 2019 – Q4 2022



Source: Newmark Cornish & Carey, 4Q22 Greater Oakland Office Market Report

## New Developments for Research and Development (R&D)

**Berkeley Commons** (600 Addison St., Berkeley, CA) will be a new state-of-the-art life science campus located on the West Berkeley waterfront. Construction is under way on two buildings that will offer 539,000 rentable square feet (RSF). The property will be LEED Gold certified, featuring expressed balconies and native plant gardens. Leasing has begun and will continue through 2023.



**Foundry 31** (3100 San Pablo Ave) officially opened in 2022. Oxford Properties Group bought the property in 2021 and pursued a rapid renovation to create new lab space for life science users. Two R&D companies have already signed leases and the building still has flexible office and lab space available for future tenants.

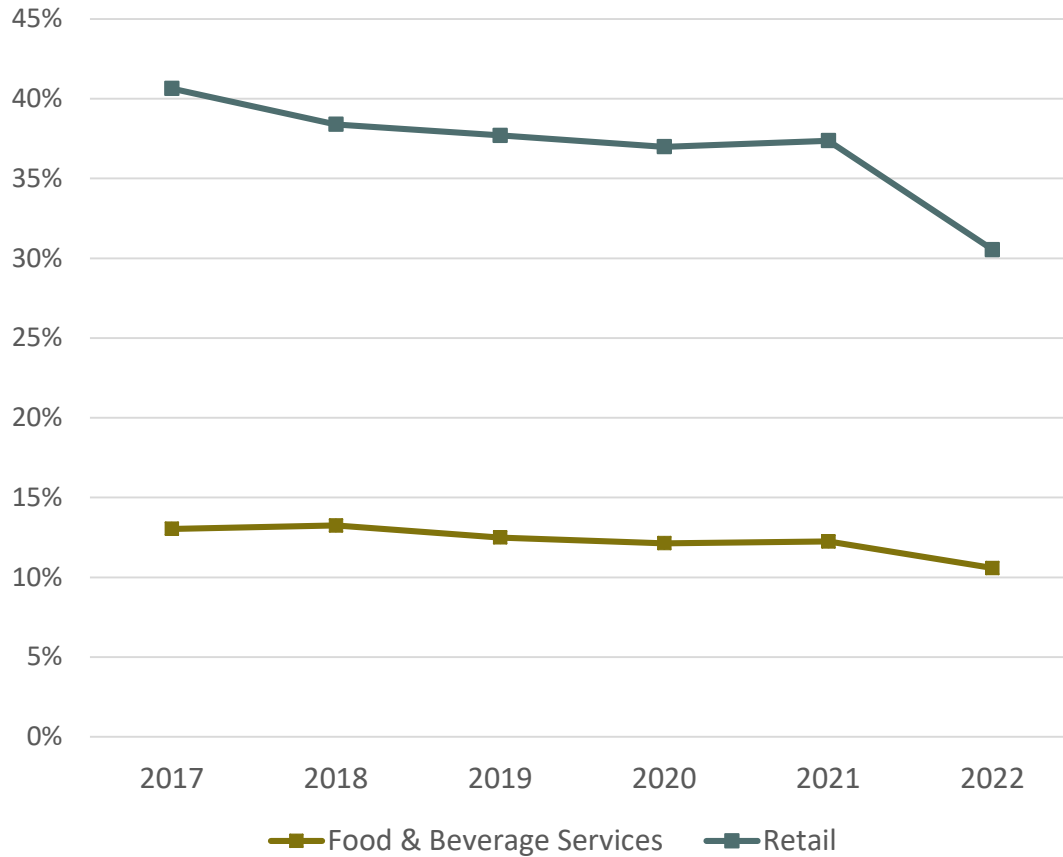


# Commercial Activity

## Commercial trends & transactions



**Citywide Commercial Inventory by Square Footage, Select Sector Trends 2017-2022**



Source: OED, Q3 2022



Retail space available in Elmwood (2946 College Avenue). Photo: Gordon Commercial Real Estate.



Masa Ramen Bistro opened in Downtown Berkeley in the fall of 2022. Photo: Jason F, Yelp.

**Retail** saw the biggest drop as a proportion of total commercial inventory, decreasing by 7% over the last year. Food and beverage also saw a slight decrease as restaurants continue to face lasting pandemic impacts.

# Commercial Activity



## Spotlight: West Berkeley Real Estate Prices

	Manufacturing	Warehousing (traditional)	Warehousing (Advanced Manufacturing / R&D)	Life Sciences/ Lab	Office	Retail
Rents per square foot (monthly)	\$0.78 - \$1.88	\$0.90 - \$2.00	\$1.49 - \$2.25	\$2.75 - \$7.44	\$2.50 - \$3.25	\$3.00 - \$3.25

Costs per square foot for West Berkeley commercial properties vary dramatically based on whether they are based on *sale* or *rental* price and also based on the property age, quality, embedded operating systems, submarket location, and other included amenities or assets. Pricing range is also affected by total rented square footage, with smaller spaces (such as the type that are prevalent in West Berkeley) tending to drive a higher price per square foot.

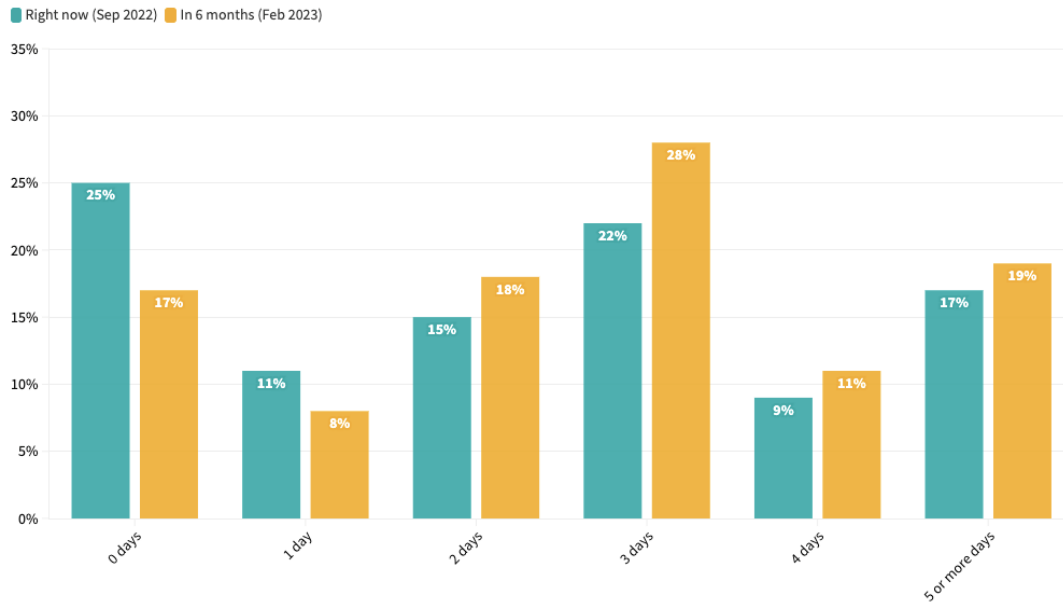


# Commercial Activity

## Commercial trends & transactions

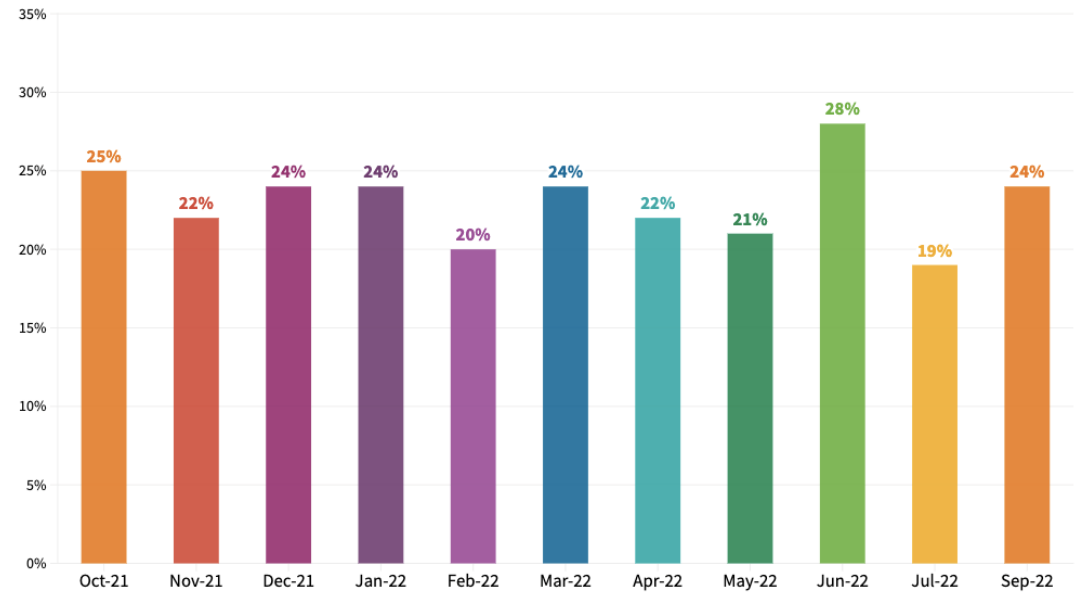


**In six months, what is your best estimate of the frequency your Bay Area workforce comes to the workplace each week?**



Source: Bay Area Council Employer Network Poll - September 2022

**What is your best guess at the percent of your Bay Area workforce that will be fully remote post-pandemic?**



Source: Bay Area Council Employer Network Poll – September 2022

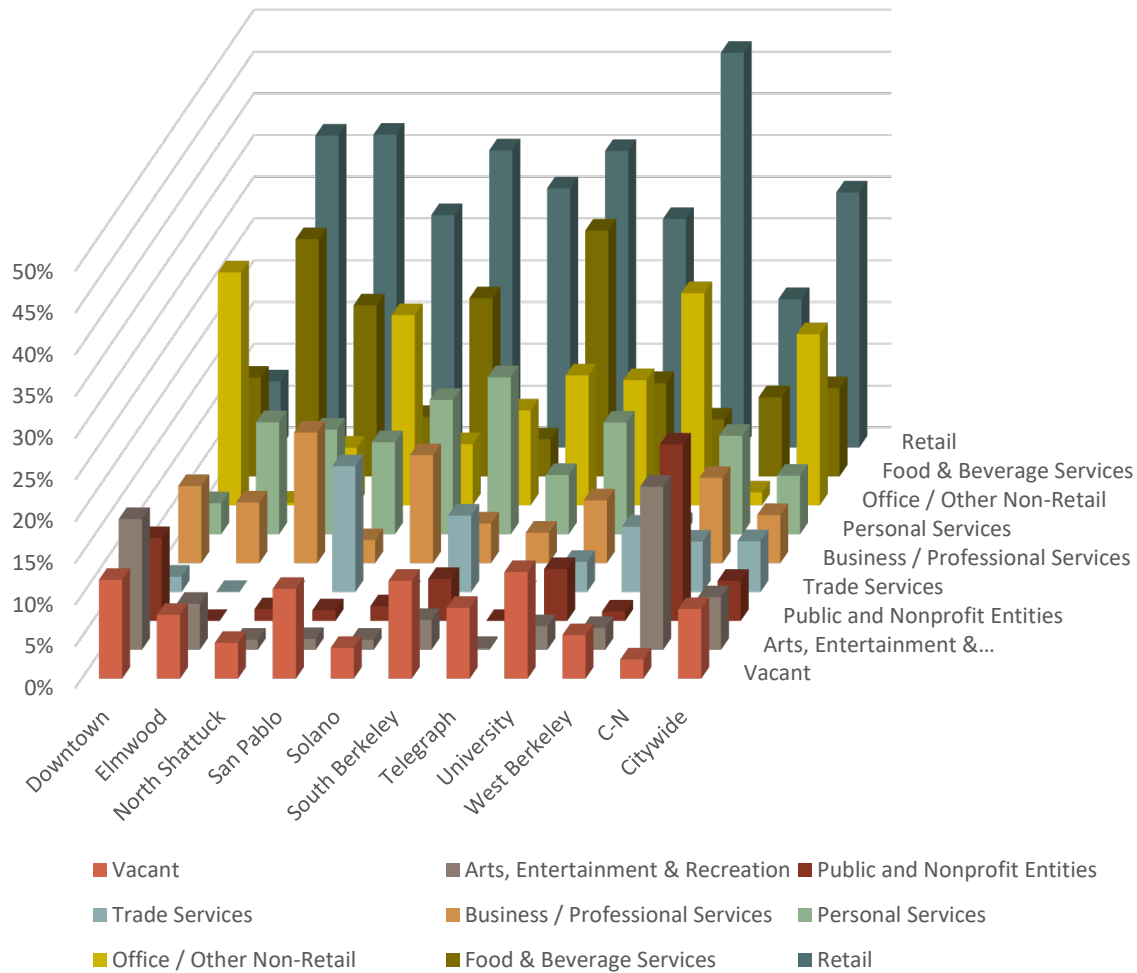
The Bay Area Council survey of Bay Area employers found that the majority of workers don't come into the office every day, and 25% don't come into the workplace at all (a slight drop from 28% one year ago). Employers expect this to fall slightly in the next six months to only 17% working completely remote, with 76% of workers traveling into the workplace at least two days a week. With remote and hybrid work patterns becoming the new norm, demand for office space may begin to level off in the Bay Area.

# Commercial Activity

## Commercial districts & vacancy rates



**Ground Floor Commercial Occupancy By Category, 2022 Q3**



Source: Berkeley OED

Citywide, the ground floor commercial vacancy rate has increased to **8.4%\***, an increase of 0.1% since Q3 2021. San Pablo has experienced the highest jump in vacancy rate in the last year, while Elmwood and Solano have both dropped to pre-pandemic vacancy rates.

**Vacancy Rates by District, Calculated by Square Footage, 2017-2022**

District	2017	2018	2019	2020	2021	2022
Downtown	4.6%	3.1%	5.1%	9.9%	15.7%	11.9%
Elmwood	5.4%	7.3%	7.3%	10.9%	10.9%	7.7%
North Shattuck	0.4%	1.7%	0.7%	4.3%	4.3%	4.3%
San Pablo	5.5%	4.9%	4.6%	4.8%	7.9%	10.8%
Solano	4.8%	4.1%	2.6%	6.7%	4.4%	3.7%
South Berkeley	9.6%	9.7%	7.6%	10.1%	8.8%	11.8%
Telegraph	7.1%	7.9%	4.4%	17.2%	12.6%	8.5%
University	12.0%	11.0%	7.8%	11.0%	9.1%	12.8%
Neighborhood Commercial (C-N)				7.3%	3.2%	2.3%
West Berkeley	1.9%	3.7%	5.8%	3.7%	4.7%	5.2%
<b>Citywide Avg.</b>	<b>4.6%</b>	<b>5.0%</b>	<b>5.4%</b>	<b>6.9%</b>	<b>8.3%</b>	<b>8.4%</b>

\*Typical commercial district storefront vacancy rates range from 4-8% due to natural market churn. The high vacancy rate in Q3 2022 can be attributed to the ongoing effects of the COVID-19 pandemic with many businesses not renewing their leases facing economic downturn.

Source: Berkeley OED

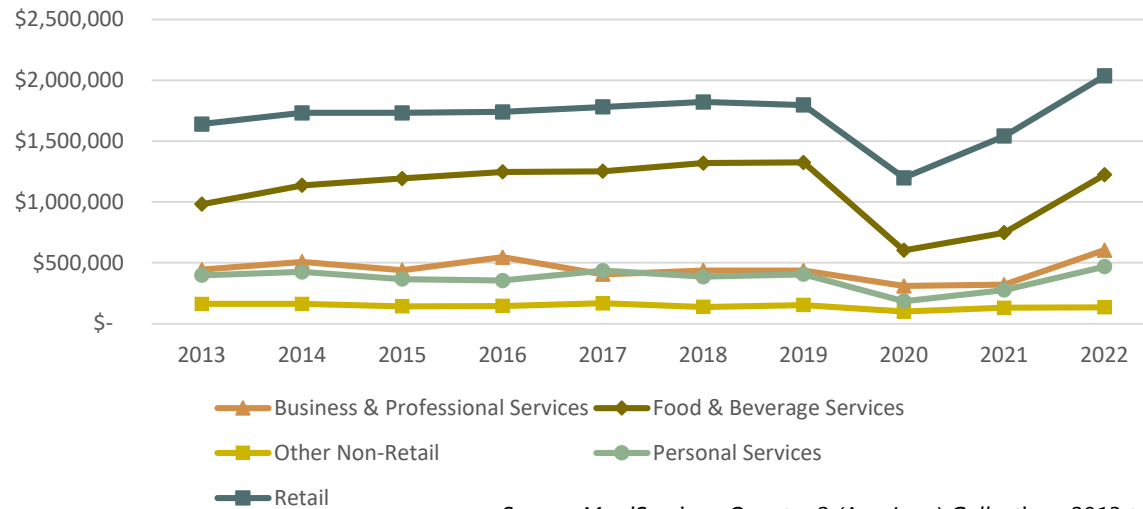
# Commercial Activity

## Sales tax revenues in 2022



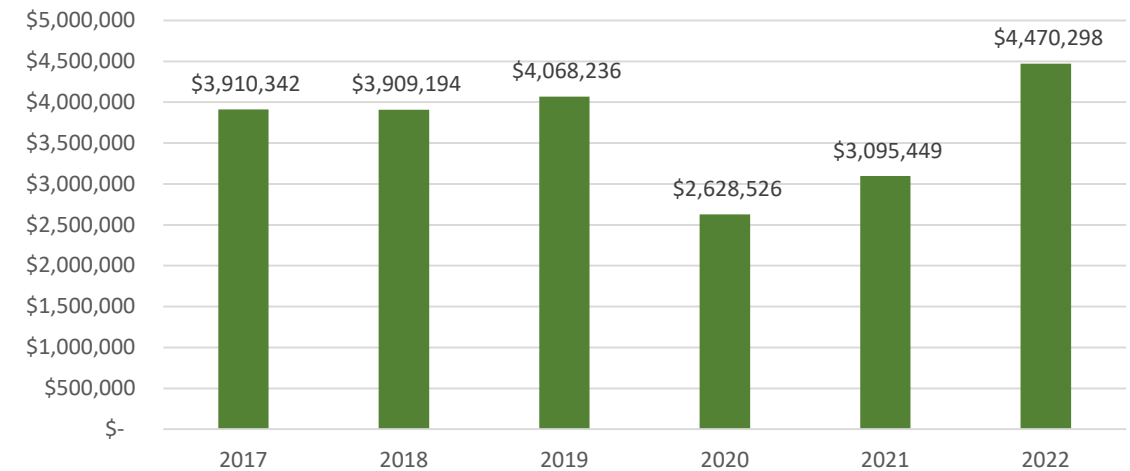
Total Annual Sales Tax Revenue - Past 4 Quarters	Q3 2020- Q2 2021	Q3 2021- Q2 2022	% Change
City of Berkeley	\$13,361,873	\$16,385,109	22.6%
Alameda County (total including cities)	\$369,540,764	\$416,849,170	12.8%
State of California	\$8,332,085,544	\$9,292,057,968	11.5%

**Berkeley Q2 Sales Tax Revenue by Business Category**



Source: MuniServices, Quarter 2 (Apr-June) Collections 2013 to 2022

**Total City of Berkeley Q2 Sales Tax Revenues**



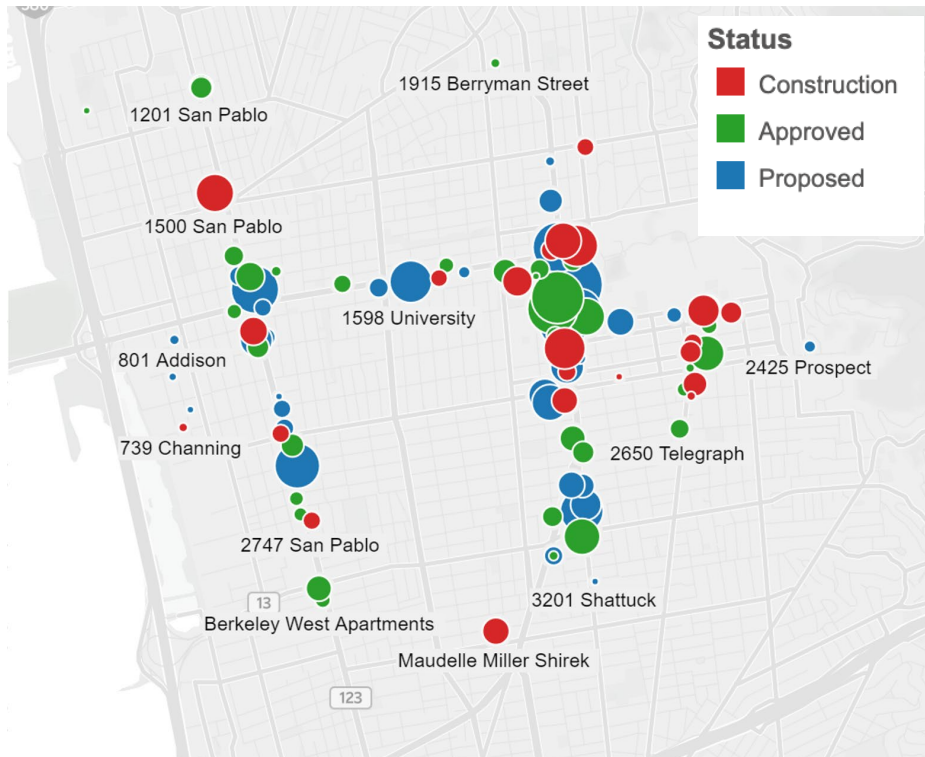
Source: MuniServices, Quarter 2 (Apr-June) 2017 to 2022, Nominal Values

In Q2 2022, the *Retail* subsector was the largest contributor to the city’s sales tax revenue (45.6%), with *Food & Beverage* second (27.4%). As the city economy recovers post-pandemic, sales tax revenues also climb. Compared to Q2 last year, sales tax revenue across business categories is up 44% and has surpassed pre-pandemic revenue. Since the early days of the pandemic, total Q2 sales tax revenue has increased by 70%. The increase in Q2 sales tax collection was largely due to significant increases in the *Food and Beverage* sector (up 63.6% from Q2 2021), *Retail* (up 32.1%) and select sub-categories in the *Business & Professional Services* sector, *i.e.* *Bio R&D* and *Light Industry* (up 88.6%).

# Development & Housing Construction & pipeline



## Berkeley Multi-Family Residential Developments, 2022



### Housing Development Pipeline

*3,744 housing unit permits were issued from 2015 to 2021. 85 percent of the permits issued have been for market rate units.*

Source: [Map](#) Red Oak Realty, updated November 2022; City of Berkeley Planning Dept. November 2022.

## Housing Pipeline Project Highlights



**Medak Center** at 2009 Addison St. is a new, seven-story artist housing development that opened this fall. In addition to 45 apartment units, the building includes two workshop spaces and an outdoor terrace. The building will house visiting artists and 15 young professionals who are awarded a fellowship each year.

**Riaz Capital** is preparing plans for two buildings in South Berkeley: one six-story, 174-unit building with 1,900 square feet of ground floor commercial space at 3030 Telegraph Ave. and another seven-story apartment building at 2300 Ellsworth St.



Source: SF Business Times (below) and Berkeley Rep Press Release 2022 (above).

# Development & Housing

## Rental costs & sale prices



### Housing Prices in Berkeley, 2017-2022



Sources: Redfin, and City of Berkeley Rent Stabilization Board

### Median Sale Price, Single-Family Homes, Dec. 2022

Alameda	\$1,337,500
Albany	\$1,300,000
<b>Berkeley</b>	<b>\$1,379,000</b>
El Cerrito	\$1,058,000
El Sobrante	\$730,000
Emeryville	\$833,000
Oakland	\$817,500
Richmond	\$640,000
Piedmont	\$2,250,000
San Leandro	\$850,000

Source: Redfin

### Home sales and rental prices remain high

Berkeley's **single family home values decreased 12.2%** from Dec. 2021 – Dec. 2022, with a 52% decrease in sales volume over the same period. 27 single family homes were sold in Berkeley in Dec. 2022, with an average of 20 days on the market. Since March 2020, the median price of single family homes in Berkeley hit an all time high (\$1,910,000) in April 2022. For rentals, between Q3 2021 and Q3 2022, Berkeley's **rents for studio apartments increased by 12%**, rising to an average of \$1,784 per month.

Sources: Redfin, and City of Berkeley Rent Stabilization Board





## Mask required if unvaccinated



CITYOFBERKELEY.INFO/COVID19

# Sustained Economic Recovery



# Business & Arts Support



## Small business revolving loan fund & resiliency loan program

Revolving Loan Fund (RLF) Portfolio	Total Loans	Active Loans
Number of RLF Loans	45	8
RLF \$ Loaned	\$2,778,417	\$795,000
Total Non-RLF \$ Leveraged	\$7,453,083	\$2,303,486
Private Sector Jobs Created	204	50
Private Sector Jobs Saved	100	76

COVID-19 Resiliency Loan Program (RLP) Portfolio	Active Loans
Number of RLP Loans	16
RLP \$ Loaned	\$682,000

Source: Berkeley OED, January 2023

### Current RLF Borrowers Include:

**NABOLOM BAKERY**



### Supporting Berkeley's existing small businesses

RLF recipient *Nabolom Bakery* is a woman-owned bakery located in the Elmwood district that specializes in baked goods and pizza. Nabolom has been in operation in Berkeley since 1976!



RLF recipient *Cupcakin'*, with locations on Telegraph Ave. and Shattuck Ave., has been selling gourmet cupcakes in Berkeley since 2014. As an advocate for sustainability and the natural food movement, owner Lila Owens found Berkeley to be the perfect place to set up shop.



# Business & Arts Support

## Arts and Culture in Berkeley



### Berkeley's Cultural Vibrancy

Arts and culture is important for Berkeley's identity and economy. Berkeley is home to over 150 arts and culture nonprofits who together generate approximately \$165 million annually in economic activity and provide ~6,500 jobs. While the industry's economic impact stalled during the pandemic, the vibrancy of Berkeley's arts sector is returning to pre-pandemic levels with most theaters, music venues, museums, galleries, and other arts organizations opening back up to the public. As we continue pandemic recovery, Berkeley is in a strong position as an international destination for arts and culture.

The City of Berkeley Civic Arts program provides grant funding to support a robust arts ecosystem, strengthen diverse cultural expressions, and ensure equitable access to arts and culture throughout Berkeley.

#### Civic Arts Grants Awarded in 2022:

- 11 individual arts projects (\$44,000)
- 33 festivals (\$194,299)
- 70 arts organizations (\$458,697)





# Business & Arts Support

## Berkeley Arts Recovery Grants



### Artists and Cultural Practitioners

The Berkeley Arts Recovery Grants (BARG) for artists & cultural practitioners provided \$275,000 in grants to help individuals mitigate their financial needs resulting from the pandemic. In May and June 2022, grants ranging from \$1,250 to \$8,000 were awarded to 114 artists and cultural practitioners.

### Organizations and Festivals

BARG for organizations & festivals were funded through a one-time allocation by Berkeley City Council of American Rescue Plan Act (ARPA) dollars. The one-time grant funding to all qualifying Berkeley-based nonprofit and fiscally sponsored arts organizations and festivals was used to mitigate an organization's economic loss from the pandemic, implement COVID-19 prevention tactics, and procure consulting and marketing services to support future financial sustainability. In February and March 2022, arts organizations received 74 grant awards ranging from \$3,000 to \$33,000, with an average grant award amount of \$20,734.



#DISCOVERED in BERKELEY

## business marketing campaign

The **#DiscoveredinBerkeley** campaign continued to make Berkeley business owners proud to have chosen Berkeley as their home while exciting local residents and shoppers about the businesses they can find in Berkeley's commercial districts, as well as the high impact innovations that companies are commercializing locally.

### Throughout 2022:

- More than 3,300 new users visited the campaign's microsite, [DiscoveredinBerkeley.com](https://DiscoveredinBerkeley.com)
- [Instagram @DiscoveredinBerkeley](https://www.instagram.com/DiscoveredinBerkeley) achieved nearly 900 followers (and #DiscoveredinBerkeley exceeded 4,400 uses)
- 10 *Berkeleyside* articles generated 23,000+ page views and the corresponding banner ads generated 829k+ impressions and more than 900 "clicks"



Both hotel guests and locals enjoy microbrews and rooftop views at the **Aiden by Best Western @ Berkeley**.

Learn more about Berkeley's innovative businesses >



**BERKELEYHOLIDAYS.COM Gift Guide**

Spoil your friends and family with stained glass from **Snoring Orange** or creative gifts from other **Berkeley Holiday Gift Fair** vendors.

Support local businesses this holiday season >



West Berkeley's **Caribou Bio** is developing novel technologies to treat cancer.

Learn more about Berkeley's innovative businesses >



Find local gifts for moms, dads and grads at Berkeley small businesses on Fourth Street like **Paraiso Plant Studio**.

Learn more about Berkeley's innovative businesses >



At the **Berkeley Potters Guild** in West Berkeley, **Kiyomi Koide** crafts pieces that make eating and drinking more personal and intimate.

Learn more about Berkeley's innovative businesses >



Berkeley's **Transcendentist**, a green-certified dental business, not only pampers patients, but goes easy on the planet, too.

Learn more about Berkeley's innovative businesses >



**BERKELEYHOLIDAYS.COM Gift Guide**

Spoil your friends and family with artwork from **Laurel Burch Studios** or creative gifts from other **Berkeley Holiday Gift Fair** vendors.

Support local businesses this holiday season >



Find parklet dining, community, 800+ games, and beers on tap at **Victory Point Cafe** in Berkeley's North Shattuck neighborhood.

Learn more about Berkeley's innovative businesses >





# Business & Arts Support



## #BerkeleyHolidays Gift Guide and marketing campaign

- The Berkeley Chamber held its [4th Annual Holiday Gift Fair](#) at Hotel Shattuck Plaza, featuring 30 merchants selling eco-friendly goods, clothing, jewelry, books, art, coffee, spices, and more. Despite stormy weather, it drew more than 300 attendees.
- Gift bags were given to the first 100 attendees and included promotional goods from a dozen local businesses, providing a unique marketing opportunity.
- The fair was featured in [Fun Cheap East Bay](#), as well as the [SF Chronicle](#)'s list of top holiday events, and [Berkeley Times](#) featured photos of the fair in its Dec. 15 print edition.
- The [#berkeleyholidays](#) hashtag was used in hundreds of social media posts and marketing for the fair reached 6,000+ people.
- The online [BerkeleyHolidays.com](#) Gift Guide was updated to feature 40 businesses, including two dozen women-owned businesses and 8 minority or black-owned businesses. The site drew several thousand unique visitors.



# Berkeley's Future Talent Pipeline

## STEM CareerX Day Tours



As part of the Berkeley Startup Cluster's *Berkeley Ventures, Berkeley Values* programming, and with support from the Institute for STEM Education at Cal State University, dozens of Berkeley High School (BHS) students had an opportunity to see how their science, technology, engineering and math (STEM) skills will apply in the workplace through tours of Berkeley startups, accelerators, and other STEM companies.

### Novel Farms Tour

At West Berkeley foodtech startup Novel Farms, 15 BHS students heard from co-founder Nieves Martinez-Marshall about how she went from getting her PhD in molecular biology to launching a startup in Berkeley. A hands-on experiment prepared by co-founder Michelle Lu, CSO, also showed how to make gourmet food in a lab setting.

### Bakar BioEginuity Hub Tour

At UC Berkeley's Bakar BioEginuity Hub, 30 BHS seniors learned about the history and mission of the new state of the art Bakar Labs facilities from UC Berkeley's Chief Innovation & Entrepreneurship Officer, Professor Rich Lyons. Then they had a near-peer networking lunch with UC Berkeley bioscience students and participated in a collaborative neuroscience innovation exercise with Professor Daniela Kaufer.



Berkeley High School students visit Novel Farms, Fall 2022.





City of

# BERKELEY

Office of Economic Development (OED)

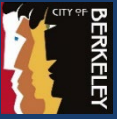
See the OED website for past Economic Dashboards and other economic reports:

<https://www.cityofberkeley.info/oed/reports/>

Contact OED for more information:

[oedmailbox@cityofberkeley.info](mailto:oedmailbox@cityofberkeley.info)

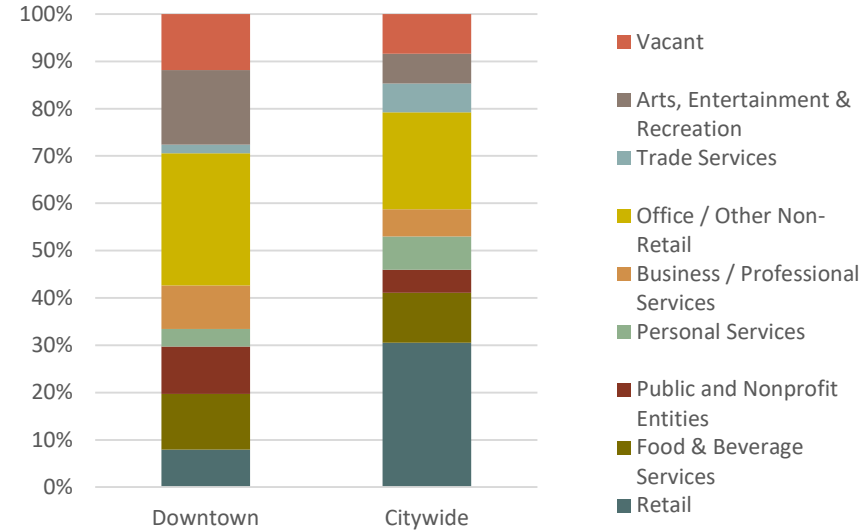
# Downtown: 2022 Snapshot



Downtown Berkeley serves as the City's core commercial district, meeting the daily needs of residents, students, workers, and visitors. The district features from a significant number of arts and entertainment businesses which occupy 15.7% of total ground floor commercial space in the district compared to 6.3% citywide. As of Q3 2022, the vacancy rate in Downtown is 11.9%, down from 15.7% in 2021. Sales tax revenue generated by Food & Beverage services increased in 2022 to \$980,700 (a 66% increase from 2021). Sales tax revenue from other sectors has stayed consistent over the past five years.

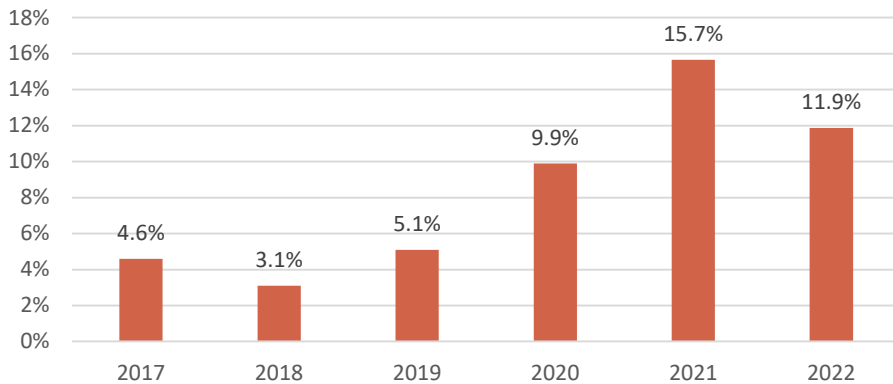


### Ground Floor Commercial Business Mix (by Square Footage), 2022 Q3



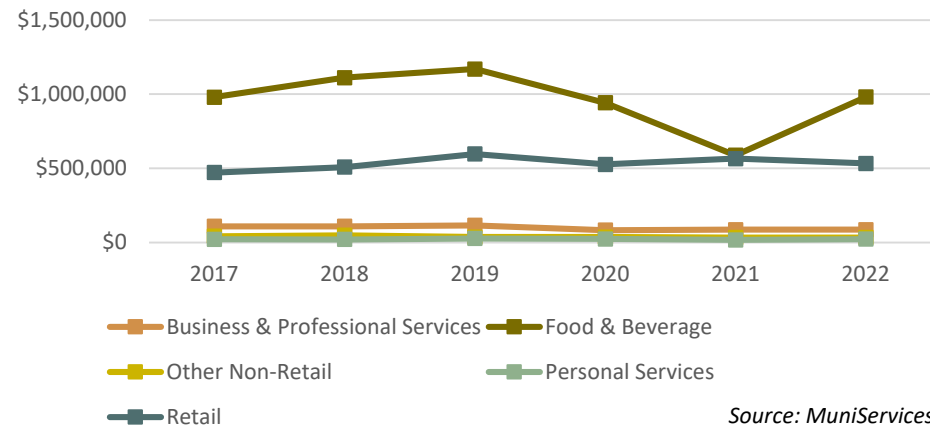
Source: Berkeley OED

### Ground Floor Commercial Vacancy Rate (by Square Footage), 2017-2022



Source: Berkeley OED

### Sales Tax Revenue by Sector, 2017-2022 (Q3, Q4, Q1, Q2 Annually)



Source: MuniServices

# Elmwood: 2022 Snapshot

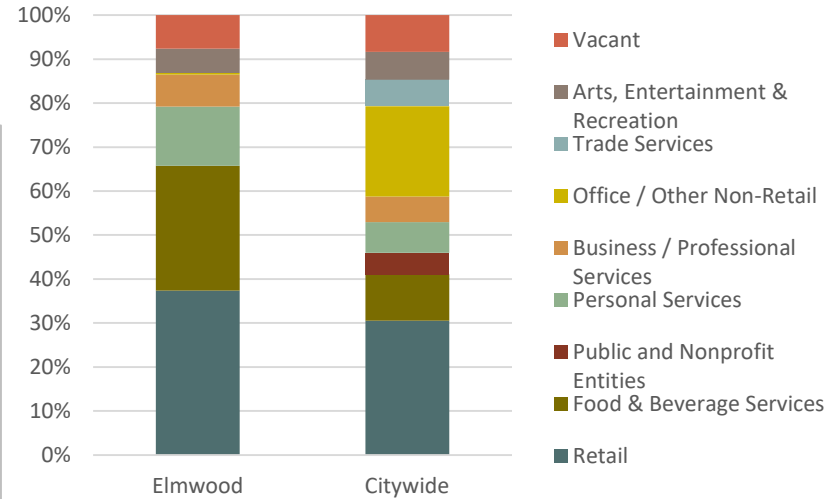


Elmwood is a compact, three-block commercial district along College Avenue near the Berkeley-Oakland border and the neighboring Rockridge shopping district. The Elmwood features many Food & Beverage businesses (28.4%) and Personal Services (13.4%), and is a walkable, neighborhood-serving commercial district. As of Q3 2022, the district's vacancy rate by square footage is 7.7%, which is a lower rate than 2021 (10.9%). Two large

commercial spaces that will soon be filled include the new 5 Tacos & Beers restaurant at 2914 College Avenue and the Catfenated Café at 2960 College Avenue. Sales tax collected from the Food & Beverage sector in the Elmwood increased 21% from last year, totaling \$170,738 in 2022. Similarly, sales tax revenue for Retail increased 37% since last year, totaling \$121,658 in 2022.

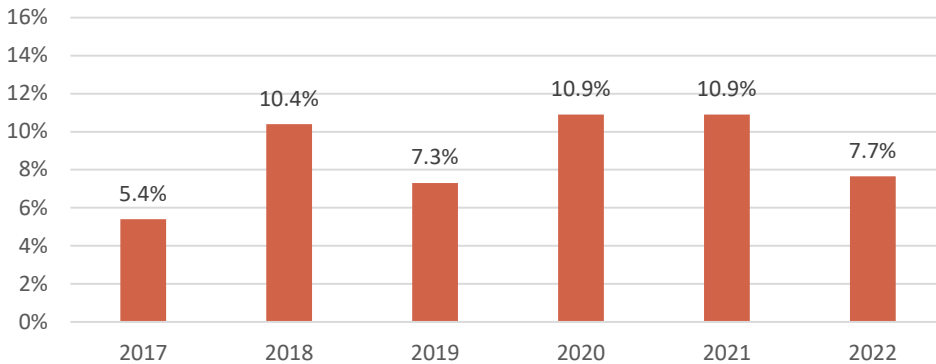


## Ground Floor Commercial Business Mix (by Square Footage), 2022 Q3



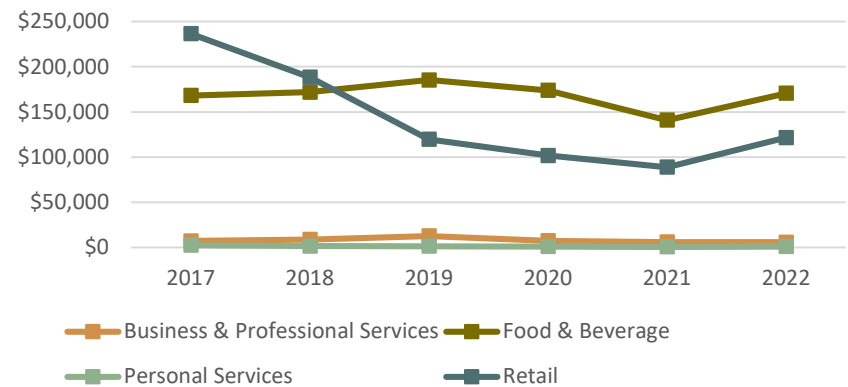
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2017-2022



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2017-2022 (Q3, Q4, Q1, Q2 Annually)



Source: MuniServices

# North Shattuck: 2022 Snapshot

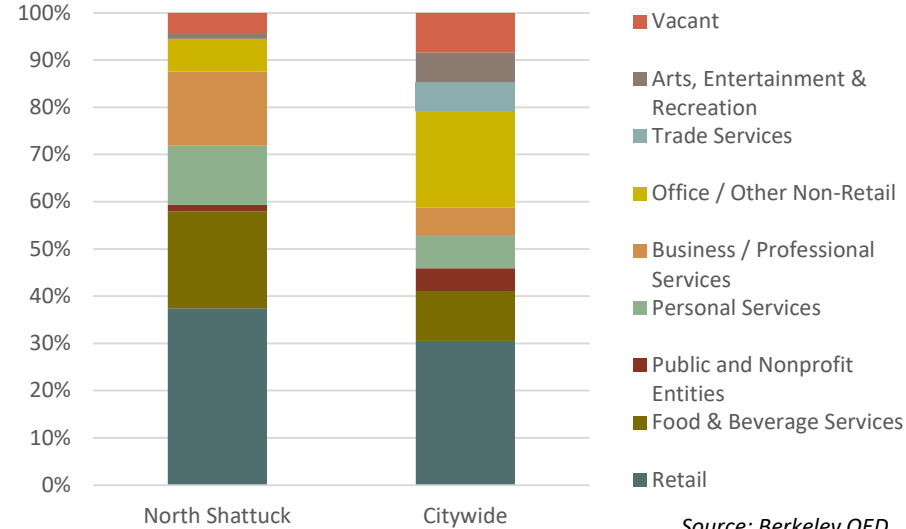


The North Shattuck district is characterized by a high concentration of well-known, long-standing, and celebrated restaurants. North Shattuck is both a walkable, neighborhood-serving commercial district as well as a global destination for food and dining. As of Q3 2022, the district's vacancy rate by square footage is 4.3%—the same rate as last year.

Sales tax collected from the Food & Beverage sector in North Shattuck increased by 42% in the last year, from \$298,196 in 2021 to \$424,038 in 2022. Sales tax revenue from Retail has declined slightly, which could partly be tied to the 2% drop in commercial retail space by square footage since 2021.

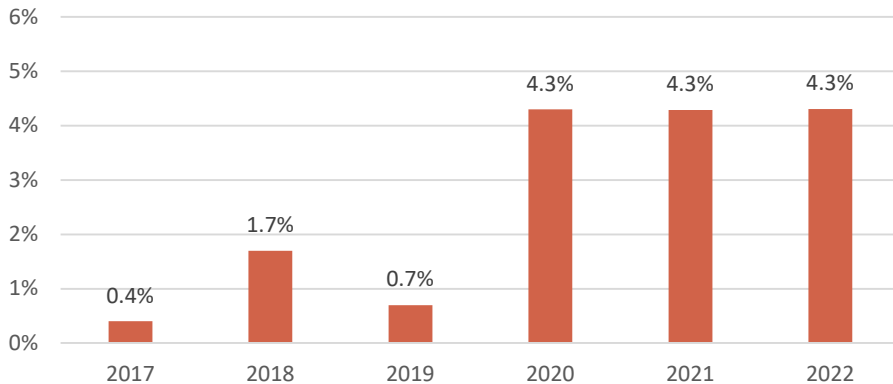


## Ground Floor Commercial Business Mix (by Square Footage), 2022 Q3



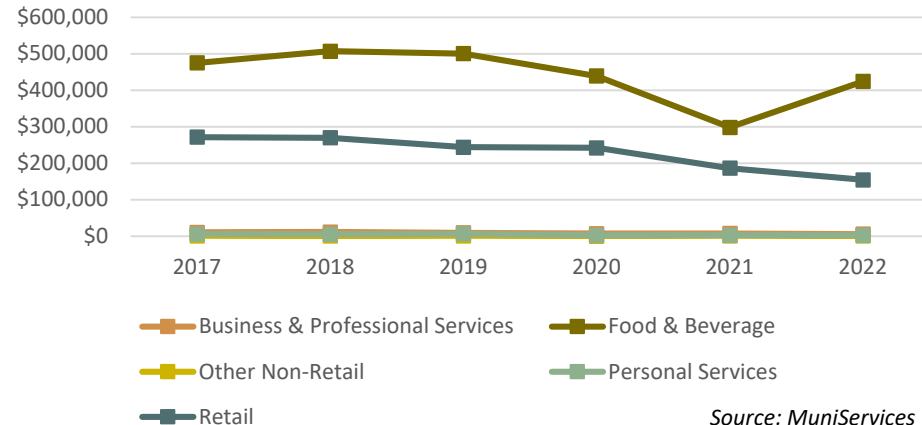
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2017-2022



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2017-2022 (Q3, Q4, Q1, Q2 Annually)



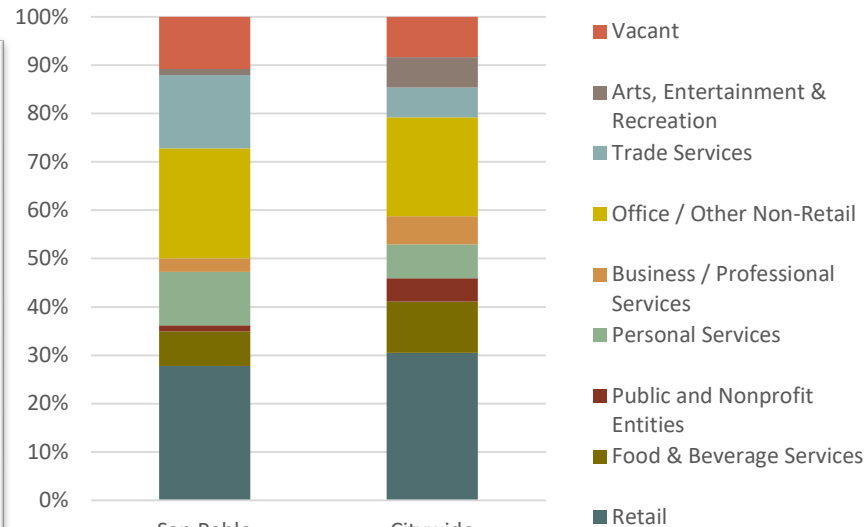
Source: MuniServices



San Pablo Avenue is Berkeley’s largest commercial corridor, running the entire north-south length of the City. San Pablo is characterized by a high concentration of Trade Services (15.1%)—including over 50 automobile services—and Office/Non-Retail space (22.8%). San Pablo functions as a regional destination for specific uses rather than a walkable, neighborhood-serving commercial district; as such, it features fewer Food & Beverage Services (7.1%) and Personal Services (11%). In Q3 2022, the district’s vacancy rate was 10.8%—a significant increase from 7.9% in 2021 and among the highest in the City. Sales tax revenue has not changed significantly in the last year, although there was an increase of \$39,187 in the Business and Professional Services sector.

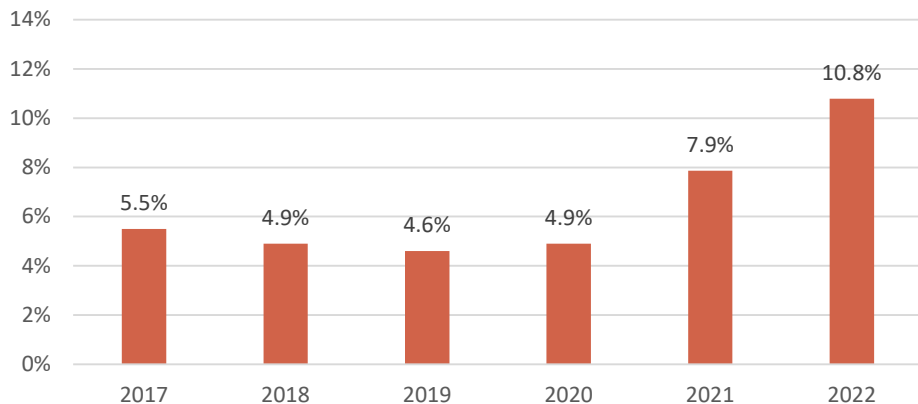


## Ground Floor Commercial Business Mix (by Square Footage), 2022 Q3



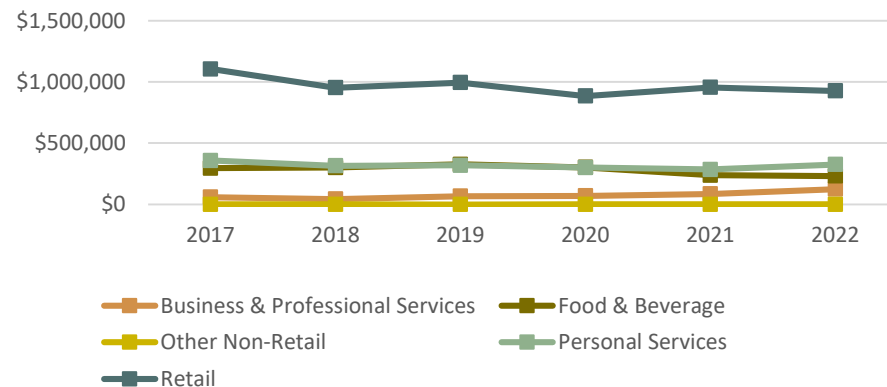
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2017-2022



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2017-2022 (Q3, Q4, Q1, Q2 Annually)

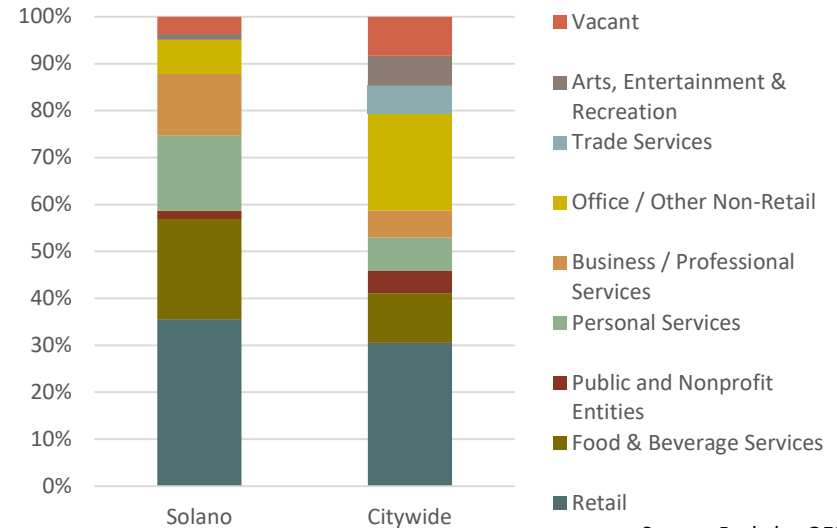


Source: MuniServices

Solano is a small commercial district in North Berkeley, with a total of 147 commercial spaces and approximately 274,800 total square feet of commercial space. It shares a border with Albany and is situated next to an elementary school and an active neighborhood of single-family homes. Solano has a large key asset (the former Oaks Theatre) that is due to be occupied by a climbing gym. The district's vacancy rate by square footage is among the city's lowest, at 3.7%. Sales tax revenue has been recovering steadily since 2021, with the Food & Beverage sector's sales tax increasing by 16% over the last year, from \$216,349 in 2021 to \$250,160 in 2022.

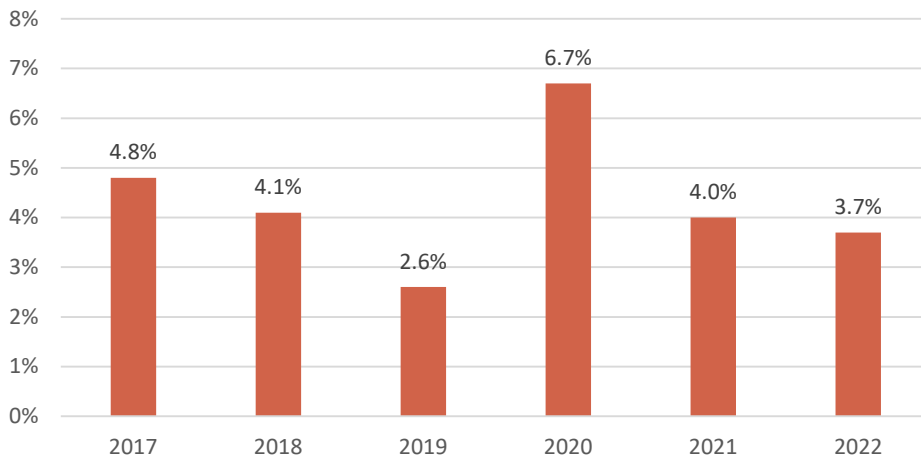


## Ground Floor Commercial Business Mix (by Square Footage), 2022 Q3



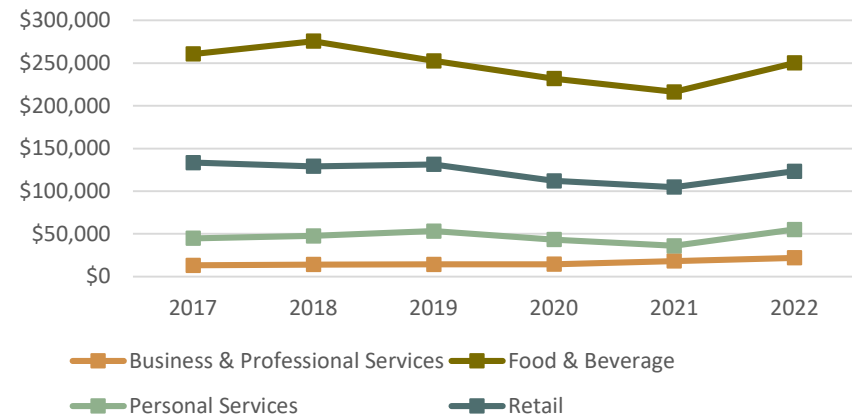
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2017-2022



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2017-2022 (Q3, Q4, Q1, Q2 Annually)

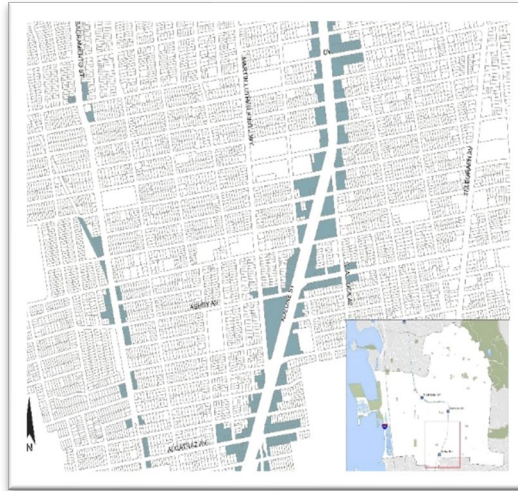


Source: MuniServices

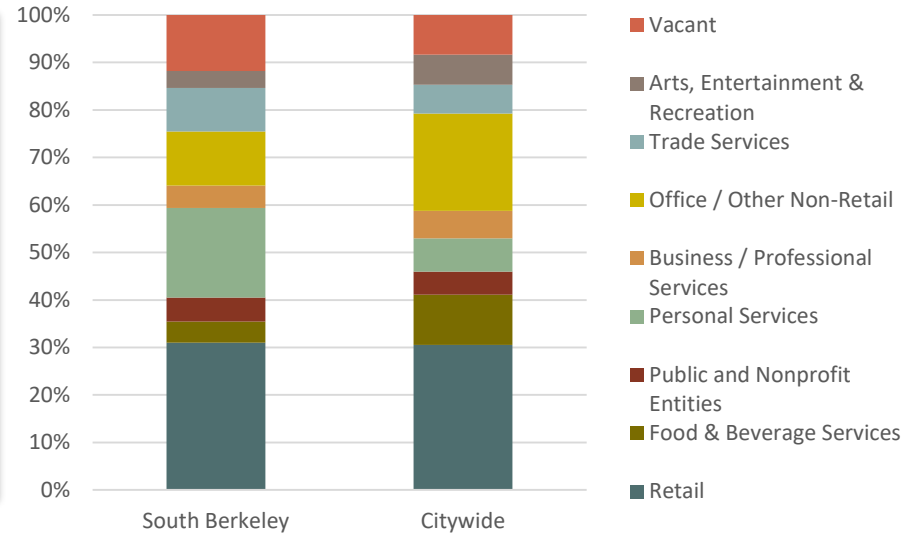
# South Berkeley: 2022 Snapshot



South Berkeley is a large, diverse commercial district that includes the Lorin District, the Sacramento corridor, and the South Shattuck area. South Berkeley includes several car dealerships, which accrue significant retail sales tax revenue for the City. The area also features a high concentration of Personal Services businesses (18.8% vs. 7% citywide) but is under-served by Food & Beverage services, which account for only 4.4% of ground floor commercial space, as compared to 10.5% citywide. As of Q3 2022, the district's vacancy rate by square footage increased from 8.8% to 11.8%. Sales tax revenue has not changed significantly over the last year.

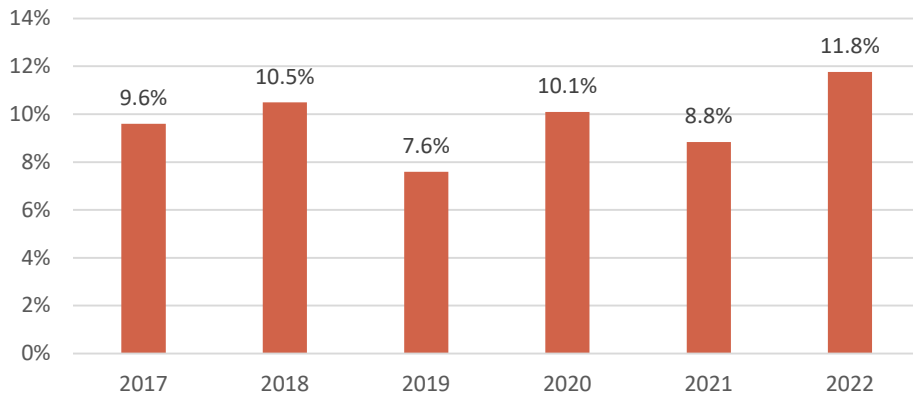


## Ground Floor Commercial Business Mix (by Square Footage), 2022 Q3



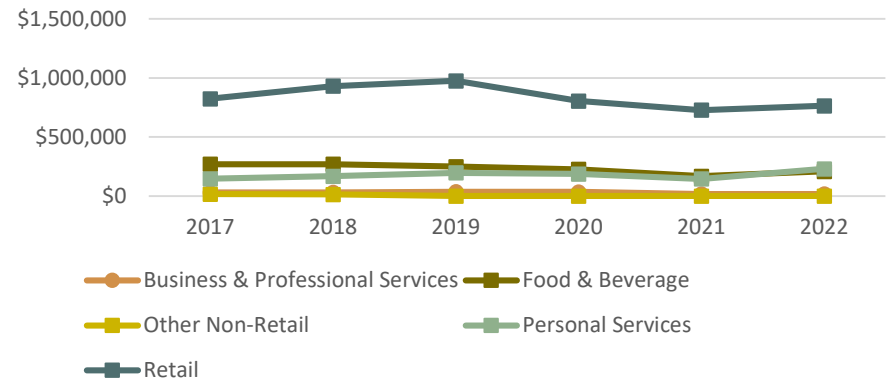
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2017-2022



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2017-2022 (Q3, Q4, Q1, Q2 Annually)



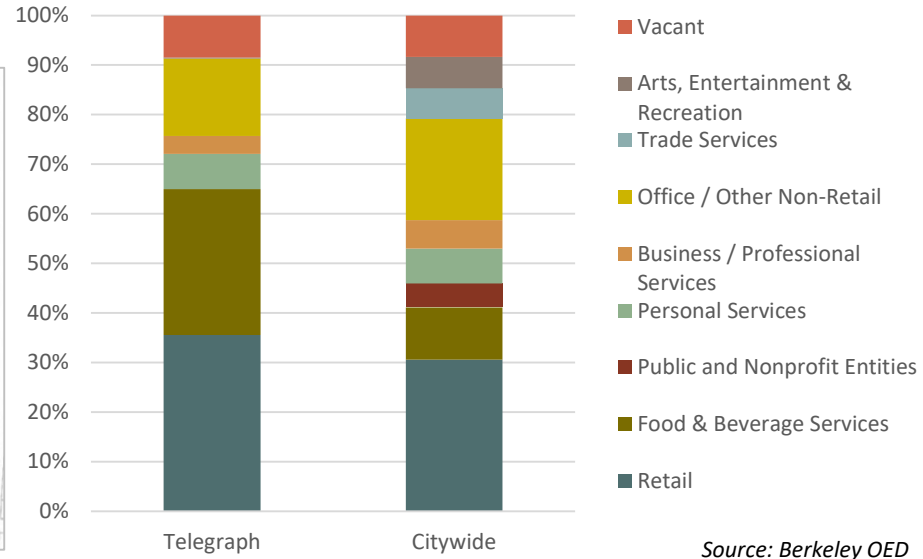
Source: MuniServices



The Telegraph district is a bustling commercial district that stretches south of the UC Berkeley campus. It has a high concentration of Food & Beverage businesses, with 29.4% of ground floor commercial space occupied by restaurants and eateries in 2022, compared to 10.5% citywide. The district's vacancy rate continues to decline, dropping from 12.6% to 8.5% in the past year. This can be attributed partly to 8 new developments opening along Telegraph Avenue, including The Standard; a large housing complex on Bancroft Ave. Sales tax revenue from the Retail and Food & Beverage sectors on Telegraph have been increasing steadily and are back to 2020 levels; due in part to the full return of students on campus.

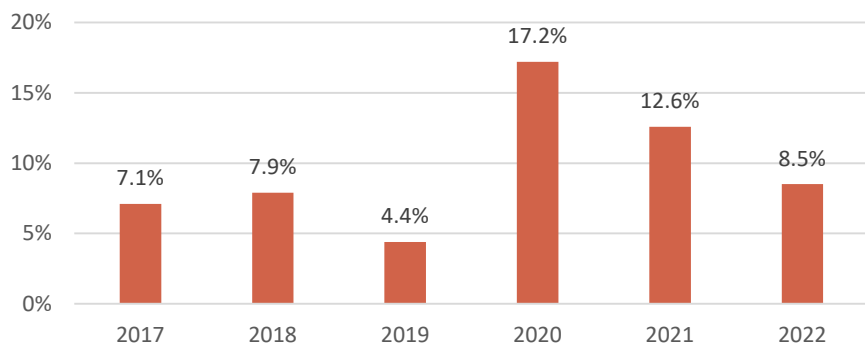


## Ground Floor Commercial Business Mix (by Square Footage), 2022 Q3



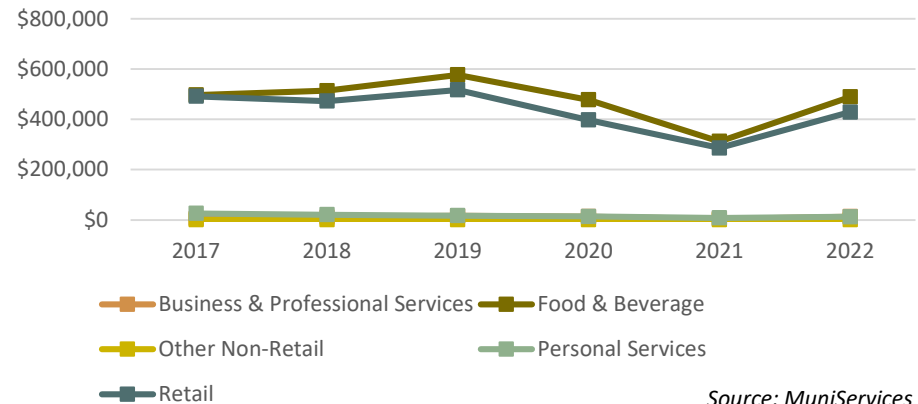
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2017-2022



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2017-2022 (Q3, Q4, Q1, Q2 Annually)



Source: MuniServices

# University Ave: 2022 Snapshot

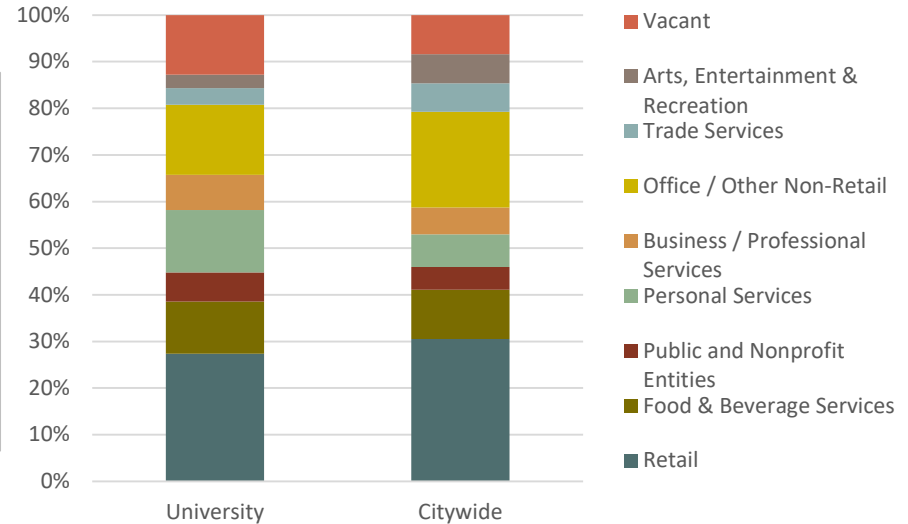


University Avenue, from Martin Luther King Jr Way to the waterfront, intersects many of the City's residential neighborhoods and serves as a gateway to the UC Berkeley campus. Since 2017, Retail and Food & Beverage Services have generated the most sales tax revenue in the district.

Food & Beverage sales tax revenue increased from \$729,387 in 2021 to \$1,045,950 in 2022. The ground floor vacancy rate has increased over the last year, jumping from 9.1% in 2021 to 12.8% in 2022.

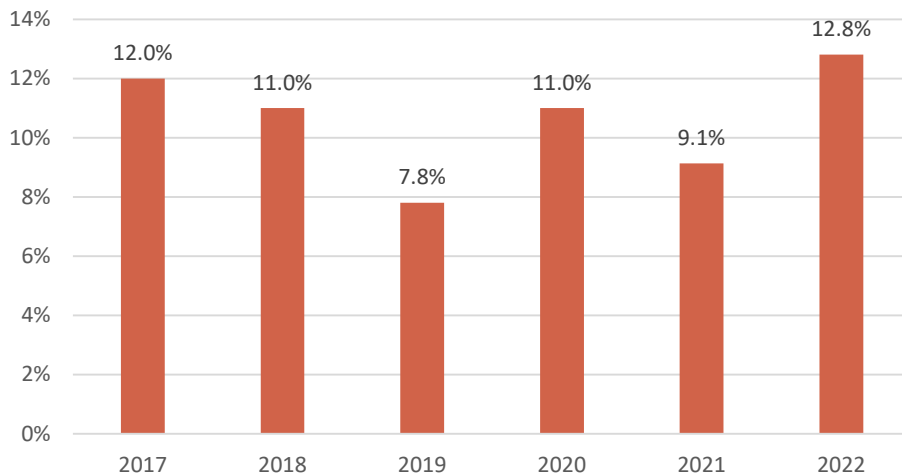


## Ground Floor Commercial Business Mix (by Square Footage), 2022 Q3



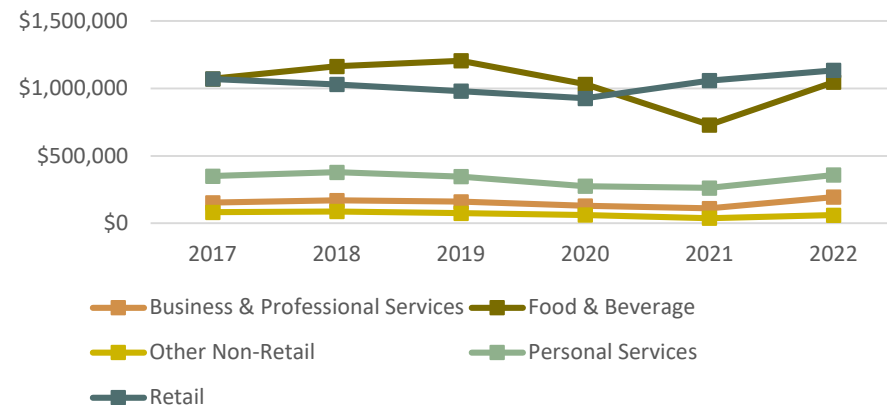
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2017-2022



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2017-2022 (Q3, Q4, Q1, Q2 Annually)



Source: MuniServices



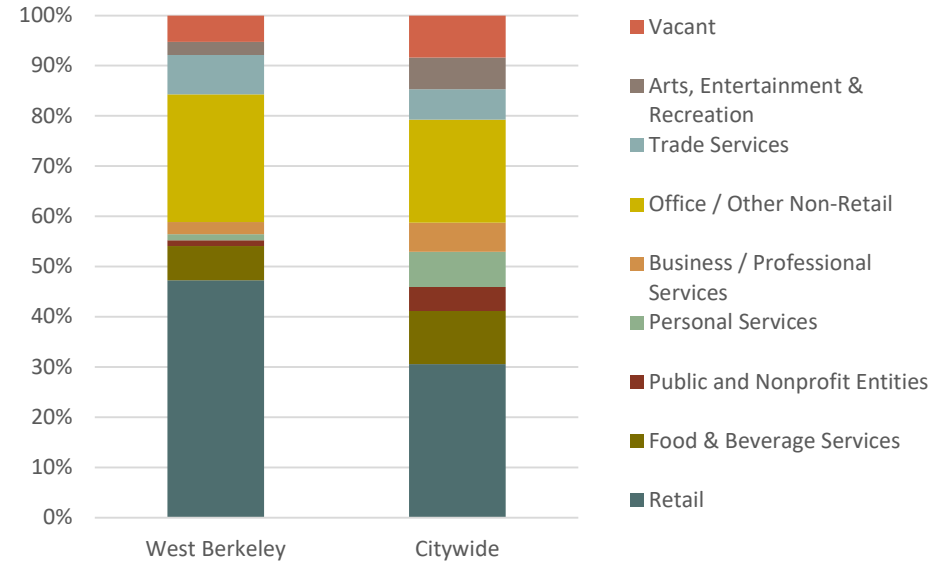
# West Berkeley: 2022 Snapshot



West Berkeley represents all commercial spaces west of San Pablo Avenue, including 4<sup>th</sup> Street and the Gilman Corridor. There are a number of major, large-floor-plate retailers, and a dense cluster of home supplies and construction businesses. There is also a higher percentage of non-retail commercial uses, including manufacturing and warehousing, compared to other districts. Retail accounts for 47.3% of ground floor commercial space. West Berkeley has a smaller percentage of square footage devoted to Food & Beverage (6.8%) businesses than the citywide rate of 10.5%. The commercial vacancy rate in Q3 of 2022 is 5.2%--a small increase from last year. Sales tax revenue has increased across all sectors in West Berkeley in the last year, with Retail seeing the largest increase (21%) compared to 2021 revenue. Retail accounts for the most sales tax revenue generated in the district.

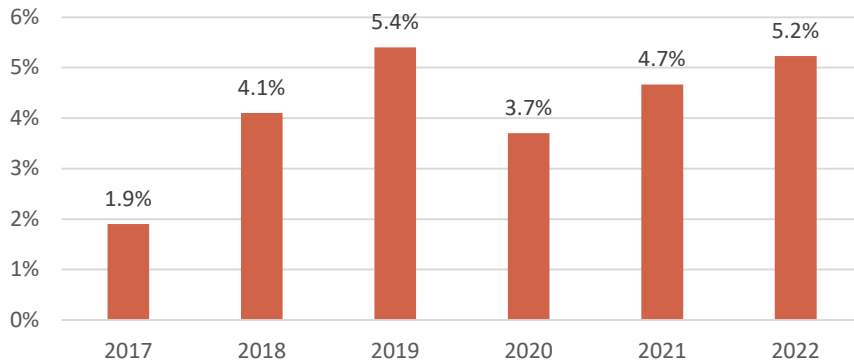


## Ground Floor Commercial Business Mix (by Square Footage), 2022 Q3



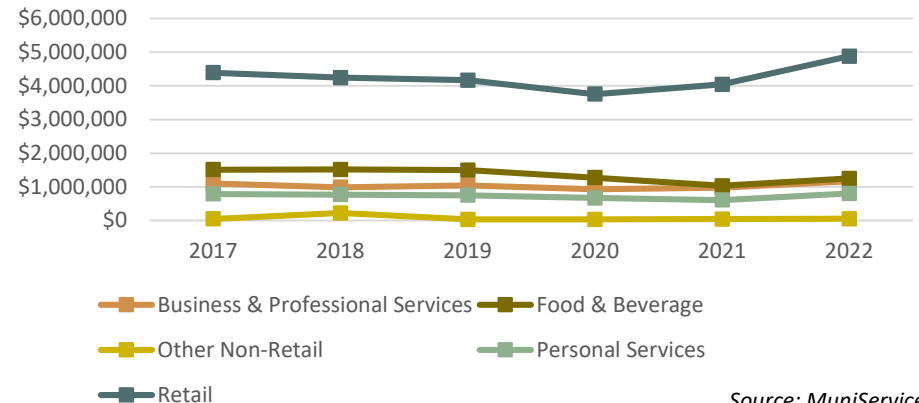
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2017-2022



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2017-2022 (Q3, Q4, Q1, Q2 Annually)

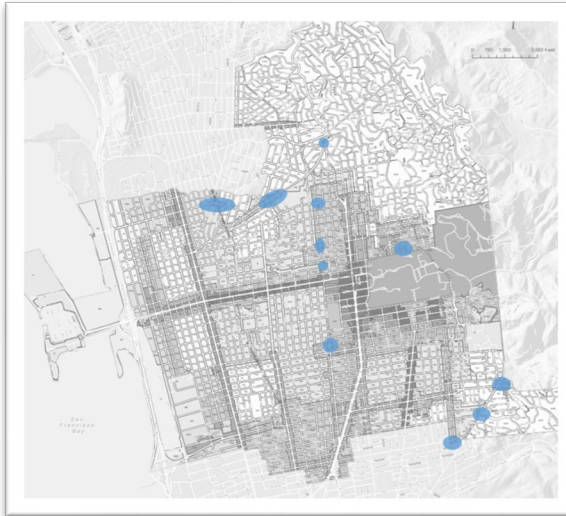


Source: MuniServices

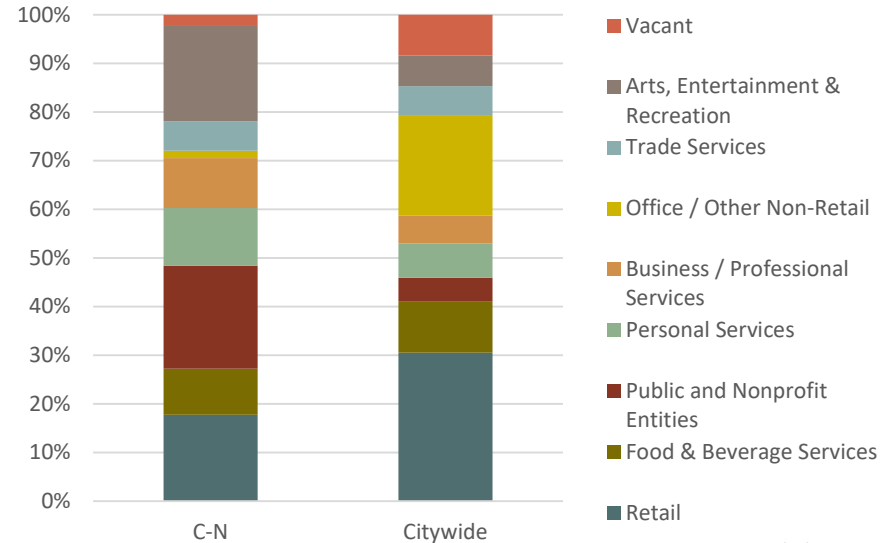
# Neighborhood (C-N): 2022 Snapshot



Across Berkeley there are **11** smaller commercial pockets, zoned as “C-N” or “Neighborhood Commercial.” These areas are one or two block collections of commercial enterprises that are found throughout Berkeley (see map in blue). Taken together, the C-N areas represent nearly 190 commercial spaces, and approximately 300,000 square feet of commercial space. The C-N areas collectively generate 2.6% of the city’s total sales tax. They also include a few large Arts, Entertainment & Recreation facilities (19.6% by square footage) and Public and Non-Profit entities (21.2% compared to 4.8% citywide).



## Ground Floor Commercial Business Mix (by Square Footage), 2022 Q3

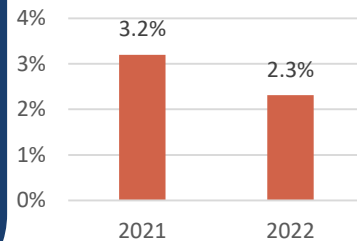


Source: Berkeley OED

*C-N areas include commercial nodes at the following intersections:*

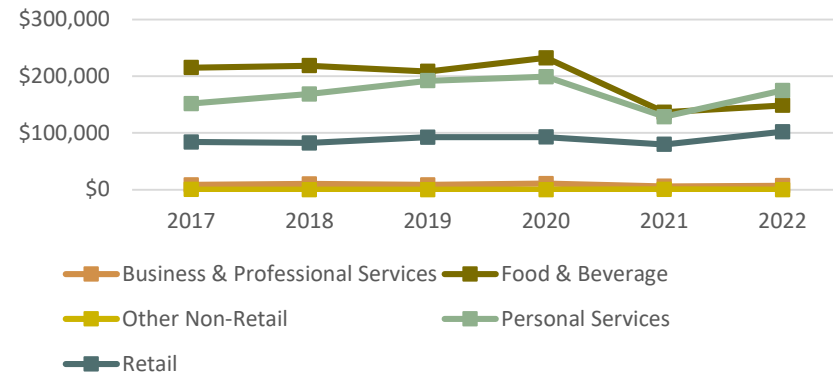
- Hopkins and Monterey
- Hearst and Euclid
- Martin Luther King Jr Way (MLK) and Dwight
- MLK and Hearst
- MLK and Rose
- MLK and Virginia
- Claremont and Prince
- Claremont and Tunnel
- College and Alcatraz
- Gilman and Curtis
- Hopkins and El Dorado

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2021-2022



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2017-2022 (Q3, Q4, Q1, Q2 Annually)



Source: MuniServices

