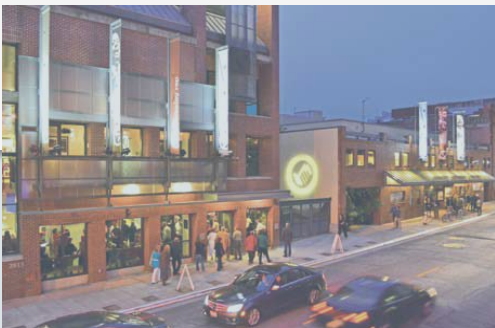




city of

BERKELEY



Economic Dashboard

January – June (Q1 and Q2) 2015

Office of Economic Development

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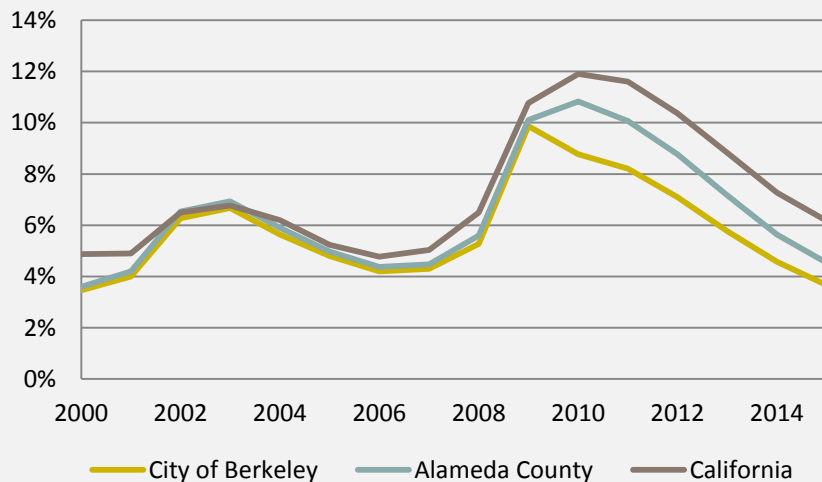
employment

labor force & employment figures

Berkeley Q2 Averages, 2013-2015

Year	Labor Force	Employed Residents	Unemployment Rate
2015	61,267	59,000	3.67
2014	60,500	57,767	4.57
2013	60,167	56,667	5.77

Unemployment Rates, Q2 2000-2015



employment & jobs: fast facts

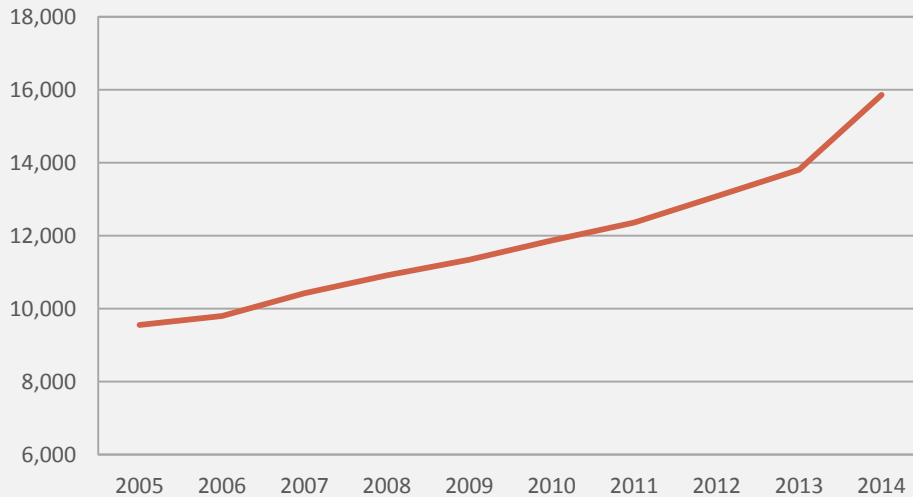
- Berkeley's average unemployment rate for Q2 2015 (April – June) was 3.7 percent, down 0.9 percent from the same period during the previous year.
- In comparison, Alameda County's average unemployment rate in Q2 2015 was 4.5 percent, while California's was 6.2 percent.
- Berkeley's unemployment rate has fallen below its pre-recession low-point in 2006.
- As of Q4 2014, there were 65,423 jobs located in Berkeley. Berkeley's jobs to employed residents ratio is calculated at approximately 1.11.
- The industry sectors that showed the greatest job growth in Berkeley from 2013 to 2014 include beverage stores, chemical manufacturing, and construction and trade contractors.

Sources: CA Employment Development Department, Monthly Labor Force Data; Bureau of Labor Statistics, Quarterly Census of Employment and Wages

business development

business license activity

Active Business Licenses, 2005-2014



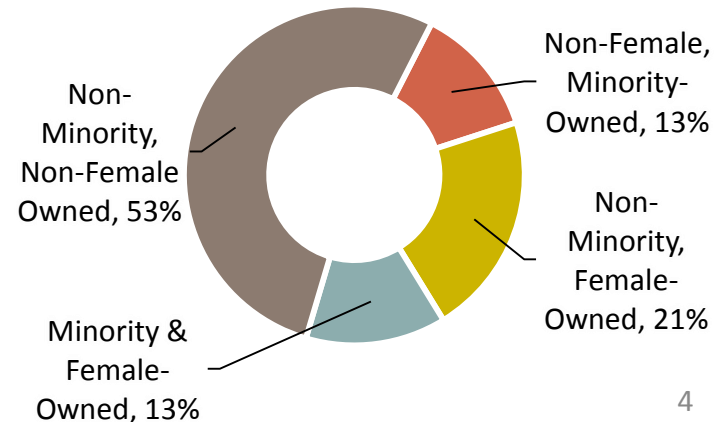
Source: City of Berkeley

- The number of active business licenses in Berkeley has grown steadily over the past decade. That growth spiked in 2014, a 15% increase from the prior year.
- Recent growth in business license applications has been driven primarily by the construction and professional services sectors, which correlates with the recent construction boom and expansion of co-working facilities.
- 47% of active businesses in Berkeley are minority- and/or female-owned.

Active Business Licenses in Berkeley (as of Oct, 2015): 13,117

Top Industries (3-Digit NAICS codes):

- **Real Estate: 28%**
- **Professional, Scientific and Technical Services: 12%**
- **Specialty Trade Contractors: 10%**
- **Ambulatory Health Care Services: 7%**
- **Food Services and Drinking Places: 4%**
- **Administrative and Support Services: 4%**
- **Personal and Laundry Services: 3%**
- **Educational Services: 2%**
- **Performing Arts, Spectator Sports, etc: 2%**



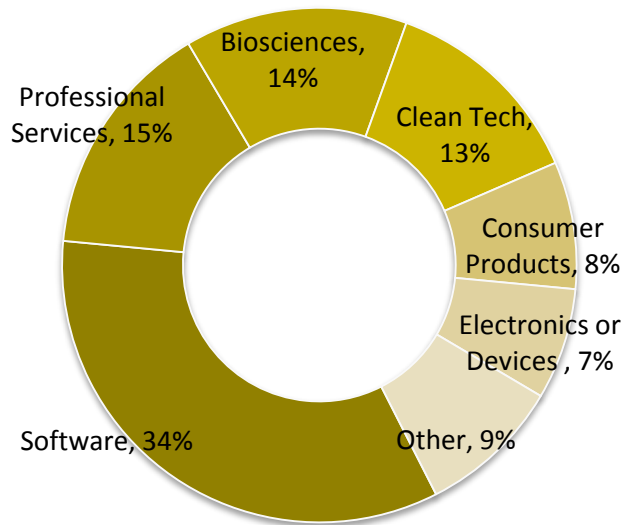
business development

top employers & innovation sector

[top 25 employers]

ALTA BATES SUMMIT MEDICAL CENTER	MSCI INC
BAYER HEALTHCARE LLC	OC JONES & SONS
BERKELEY BOWL PRODUCE	PACIFIC STEEL CASTING COMPANY LLC
BERKELEY CITY COLLEGE	RECREATIONAL EQUIPMENT INC
BERKELEY MARINA DOUBLETREE	SITWORKS LANDSCAPE, INC.
BERKELEY UNIFIED SCHOOL DISTRICT	SUNPOWER CORPORATION, SYSTEMS
CITY OF BERKELEY	UNIVERSITY OF CALIFORNIA BERKELEY
DYNAVAX	US POSTAL SERVICE
GROCERY OUTLET INC	WEATHERFORD MOTORS INC
KAISER PERMANENTE	WHOLE FOODS CALIFORNIA INC
LAWRENCE BERKELEY LABORATORY	XOMA (US) LLC
LOCATION LABS	YMCA OF THE CENTRAL BAY AREA
MEYER SOUND LABORATORIES INC	

Berkeley's Startup Economy



- 250+ startups are based in Berkeley.
- With the launch of WeWork in February, 2015, there are now 7 distinct co-working facilities throughout the city.
- In 2014, Berkeley startups attracted over \$200 million of venture capital investment.
- Aduro, a Berkeley-based cancer immunotherapy company, raised \$119 million in an April 2015 IPO.
- Women Entrepreneurs in Berkeley received a \$10,000 grant from Chancellor's Community Partnership Fund to provide research, marketing, and administrative support for a Board Management training for high-growth, women-led tech companies.
- OED collaborates with Berkeley City College to place interns in Berkeley-based startups; twenty-six new internships were created in 2015.



Lisa Dyson, Women Entrepreneurs in Berkeley participant and CEO of Kiverdi, a CleanTech Bioscience firm

business development

small business revolving loan fund

The City of Berkeley's Revolving Loan Fund 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 nearly \$1.6 million to 38 borrowers. There are currently 6 active loans. In Q2 2015, the RLF loaned \$80,000 to SlingFin (see sidebar).

PORFOLIO SUMMARY		
	Total Loans	Active Loans
Number of RLF Loans	38	6
RLF \$ Loaned	\$1,595,527	\$405,000
Total Non-RLF \$ Leveraged	\$5,486,835	\$592,238
Private Sector Jobs Created	176	36
Private Sector Jobs Saved	38	18

current borrowers include:



SlingFin, based in West Berkeley, is a high-end tent manufacturer named for the climbing sling and the fin of a fish or rock formation. The name represents gear made for use on both land and water and has been field tested on professional mountaineering expeditions to the highest peaks around the world, including Mt. Everest and Aconcagua, Argentina.



The \$80,000 loan from Berkeley's Revolving Loan Fund will allow SlingFin to purchase materials to build inventory and bring new product lines to market.



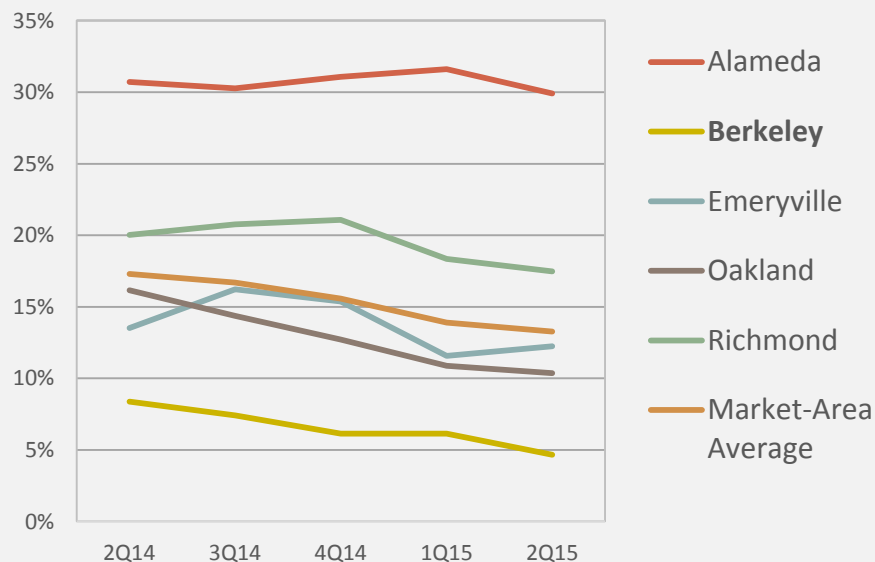
commercial activity

office trends and transactions

2015 Q2 Office Market, Berkeley	Indicators
Total Inventory	2,714,461 SF
Under Construction	105,000 SF
Availability Rate	4.7%
Qtr Gross Absorption	69,768
Qtr Net Absorption	7,087
YTD Net Absorption	3,141
Average Asking Rent	\$2.44 / SF

- Overall office availability dropped to 4.7% in Q2 2015 from 8.4% in Q2 2014. Berkeley continues to have the lowest office availability of any municipality in the immediate sub-market.
- New construction: 105,000 square feet of new commercial space at 740 Heinz Street neared completion and began leasing activity.
- Notable transactions and occupancy:
 - WeWork commenced occupancy of 45,000 SF at 2120 University, housing up to 600 workers and becoming the City's largest co-working facility.
 - Harvest Properties purchased Constitution Square building and is refurbishing for office occupancy.
 - UC Press building at 2120 Berkeley Way was purchased by a consortium and is refurbishing for office occupancy.

Office Availability, East Bay Cities, 2014Q2 - 2015 Q2

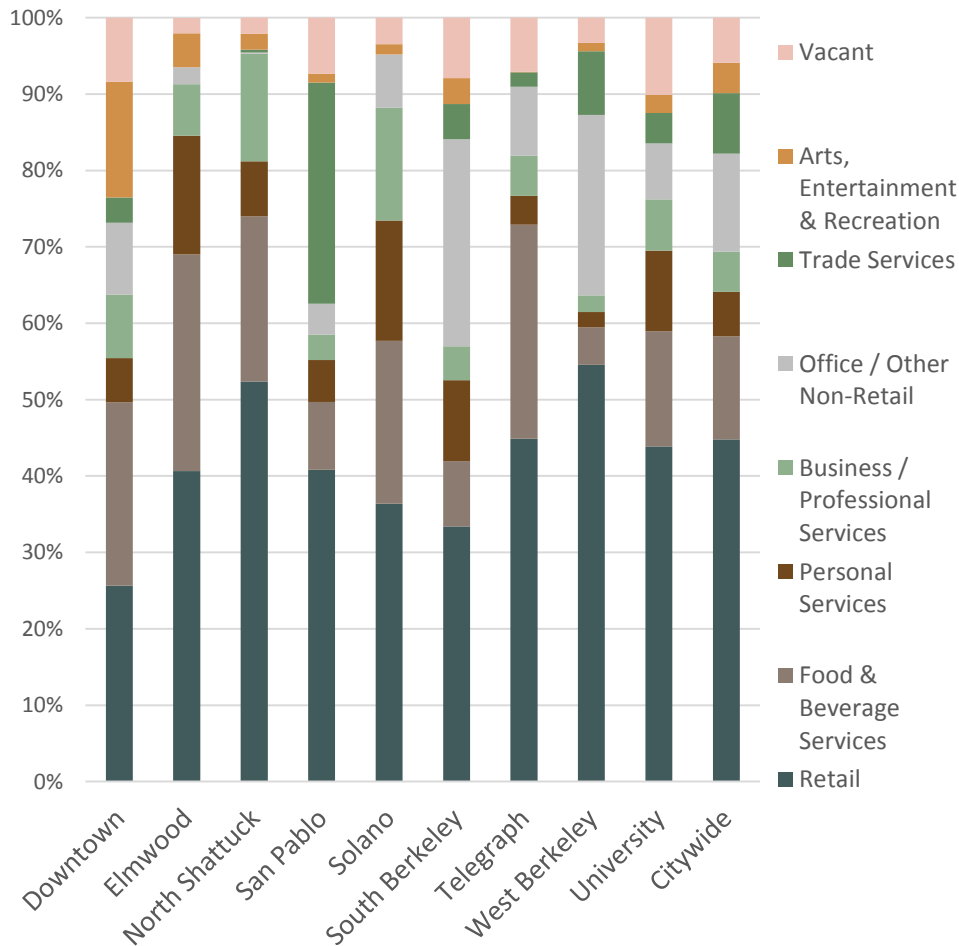


Sources: Newmark Cornish & Carey, I-880/I-80 2Q15 Office Market Report and Colliers International, Research and Forecast Report, Oakland Metropolitan Area Office Q2 2015

commercial activity

commercial districts and vacancy rates

Ground Floor Commercial Occupancy by Category, by District, 2015 Q3



Vacancy Rates by District, Calculated by Square Footage, 2008 – 2015

District	2008 Q3	2010 Q1	2012 Q2	2014 Q4	2015 Q3
Downtown	15.1%	13.2%	10.7%	11.2%	8.4%
Elmwood	10.0%	10.7%	10.8%	2.0%	2.0%
North Shattuck	4.1%	10.5%	4.5%	1.6%	2.1%
San Pablo	6.0%	6.6%	7.9%	5.9%	7.3%
Solano	6.0%	6.3%	4.4%	4.2%	3.5%
South Berkeley	8.7%	11.0%	12.3%	8.9%	7.9%
Telegraph	17.2%	15.3%	17.9%	12.7%	7.1%
West Berkeley	8.6%		4.0%	3.9%	3.3%
University		10.9%			10.1%
Citywide Average	10.1%	10.9%	8.1%	6.6%	5.9%

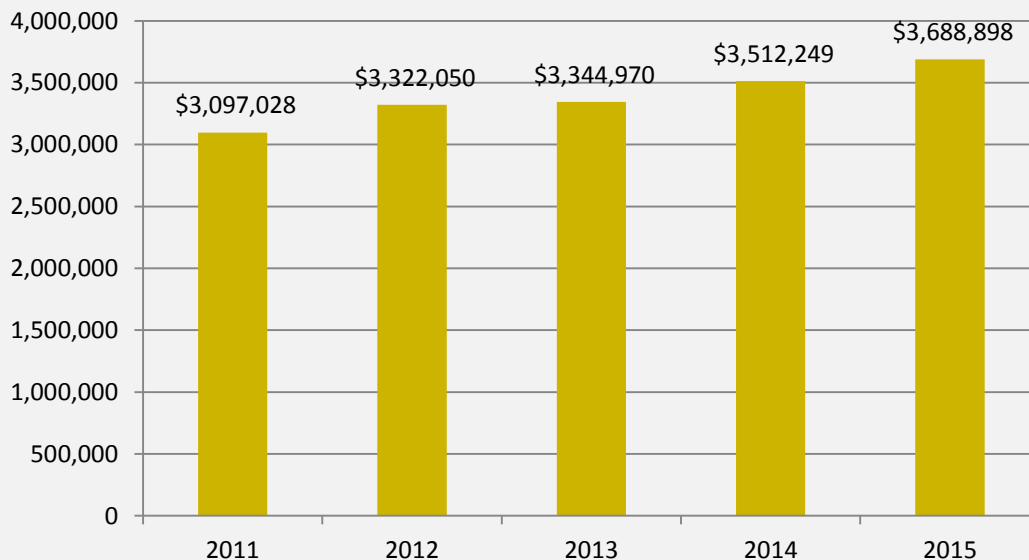
Ground floor commercial vacancy has trended downward Citywide since 2010, with significant improvements in the Downtown and Telegraph districts. One exception is University Avenue, which has experienced a number of new vacancies.

commercial activity

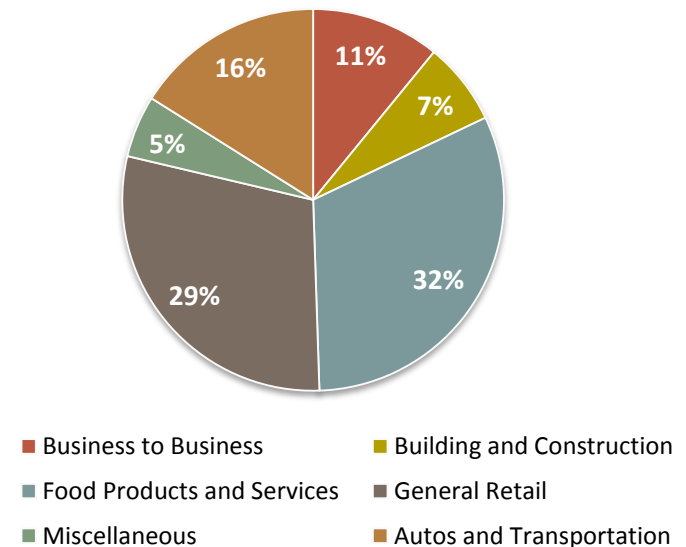
sales tax revenues

	Q1 2015	Q1 2014	Change
Total Quarterly Sales Tax Revenue	\$3,688,898	\$3,512,249	+5.03%

Q1 Sales Tax Revenues, 2011 - 2015



2015 Q1 Sales Tax Revenues by Subsector

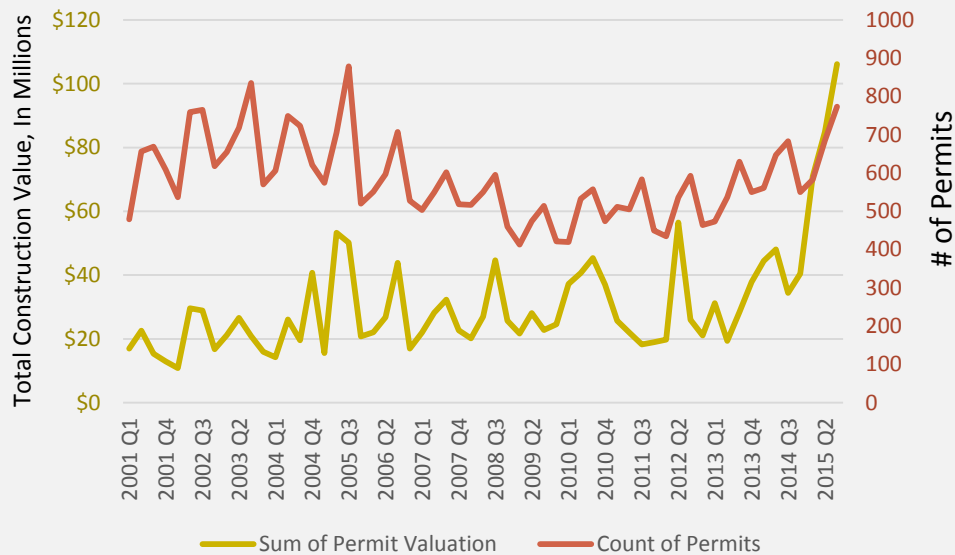


Berkeley's sales tax revenues have steadily increased since 2010. The *Food Products and Services* subsector is the largest contributor to the city's sales tax revenue, followed closely by *General Retail*. *Food Products and Services* has continued to show strong growth.

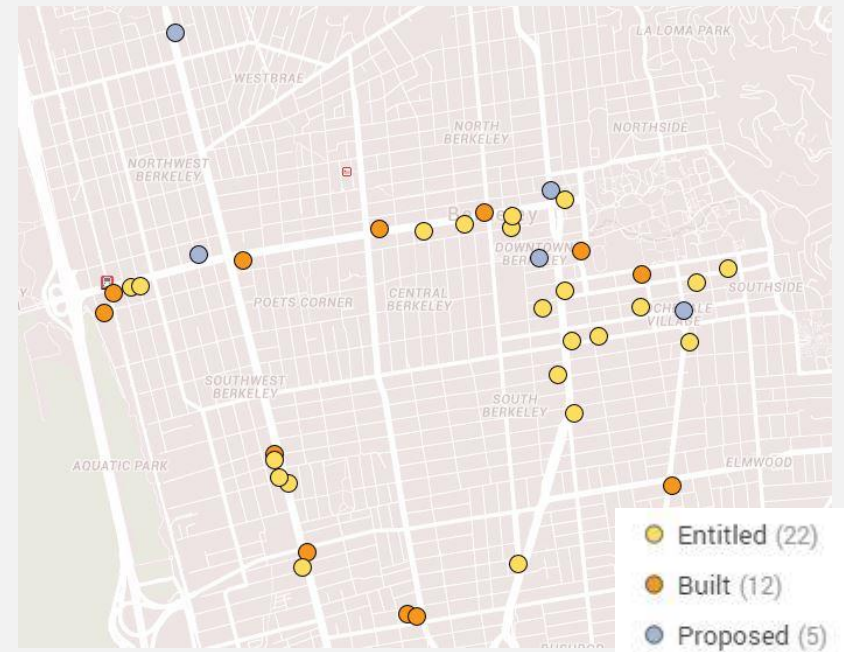
development & housing

construction & pipeline

Building Permits in Berkeley by Quarter, Construction Value and #, 2001 Q1 - 2015 Q3



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



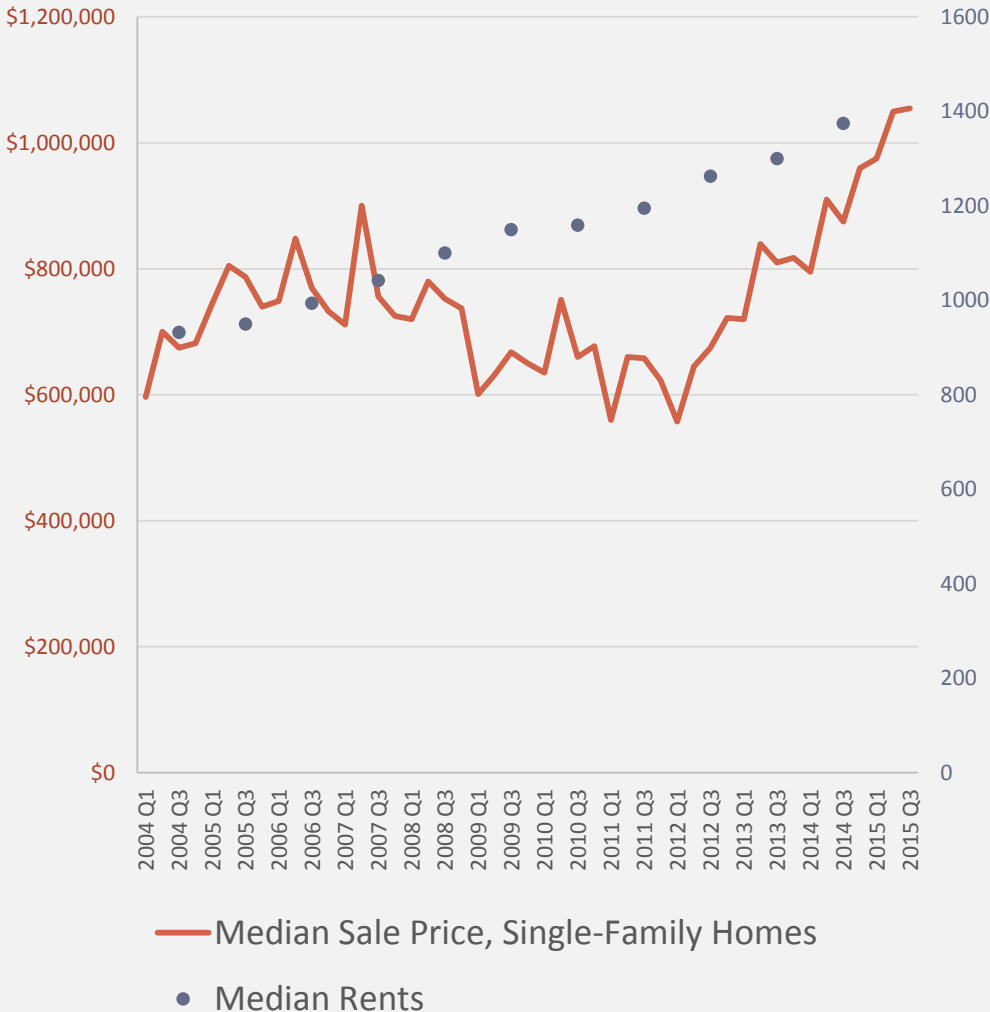
Berkeley is currently experiencing a construction boom that is unlike anything the City has seen before. In 2015, the number and total valuation of building permits spiked significantly. Whereas over the past decade the total valuation of building permits typically fell between \$20 and \$40 million per quarter, in the latest quarter that number has spiked to over \$100 million. This is driven by major construction projects (e.g., 740 Heinz) as well as an increase in single-family home renovations.

There are currently 22 multi-unit (5+ units) housing projects totaling 1,414 housing units that are entitled for development or under construction. An additional 5 multi-unit projects totaling 556 units are proposed and seeking entitlement. By comparison, a total of 858 units have been constructed since 2005. The majority of these development projects are clustered along University Avenue, San Pablo Avenue, and in the Downtown and Telegraph districts.

development & housing

housing costs

Housing Prices in Berkeley, 2004-Present



Median Sale Price, Single-Family Homes, 2015 Q2

Alameda	\$889,500
Albany	\$950,000
Berkeley	\$1,050,000
El Cerrito	\$775,000
Emeryville	\$748,000
Lafayette	\$1,431,000
Oakland	\$649,000
Richmond	\$422,750
San Leandro	\$531,500
San Francisco	\$1,350,500

Housing costs in Berkeley, including both ownership and rentals, continued to rise in 2015, consistent with the entire core Bay Area region. Many economists project that housing costs in the region will continue to trend upward for 12 to 24 months. The historically high cost of housing threatens to displace some of Berkeley's low-income community and poses challenges for Berkeley's labor market.

Sources: MLS, Courtesy Red Oak Realty; Berkeley Rent Stabilization Board.