



Office of the City Manager

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ACTION CALENDAR

March 22, 2022

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 2021 (Attachment 1), and the updated Commercial District Dashboards (Attachment 2).

CURRENT SITUATION AND ITS EFFECTS

In the past five years, Berkeley has experienced economic growth and pandemic impacts comparable with that of the Bay Area region. By a variety of indicators, Berkeley's economy was on track for continued healthy performance in the beginning of 2020. Due to the rapidly spreading COVID-19 virus, on March 17, 2020, the City of Berkeley, along with the health officers of six Bay Area counties issued health orders for residents to stay at home ("Shelter-in-Place") and for all but a few essential businesses to cease operations. In the past two years, the acute phase of the pandemic has receded; all businesses are permitted to operate, and the use of effective treatments and vaccines to prevent disease have become widespread and available to all those over age 5.

In 2020, the halting of economic activity had widespread impacts on the Berkeley economy, resulting in significant revenue reductions and job losses in sectors like performing arts, hospitality, and retail, while others, including healthcare and biotechnology, saw new investment and opportunities for growth. 2021 has seen these trends continue, as well as the fruits of a number of recovery efforts and government relief packages come to bear. This dashboard includes the latest citywide data available through the fourth quarter of 2021, with much of it collected through on-the-ground fieldwork.

Key findings include:

- **Pandemic recovery brought thousands back to work.** After nearly tripling between Dec. 2019 and Dec. 2020, the countywide unemployment rate dropped from 7.6% in Dec. 2020 to 4.3% in Dec. 2021. Most of the employment increases happened in Berkeley sectors like tourism & hospitality (especially lodging, food

& beverage, and arts & cultural industries); and personal & professional service industries (e.g. gyms and fitness studios, salons, employment services). The Berkeley-specific unemployment rate (3.6%) is 0.7% lower than that of Alameda County.

- **Growth opportunities abound in Berkeley’s “innovation sector”.** More than 400 Berkeley-based tech, biotech, R&D and other STEM industry businesses were either able to adapt to having a remote workforce or continued work in medical, life science, and health manufacturing facilities, with many returning to work in-person or in a hybrid format. In 2021, Berkeley startups raised more than \$1.4 billion through venture, angel-backed financing and convertible securities and 10 Berkeley companies received nearly \$9 million in federal and state grants for Research & Development (R&D). More than a third (35%) of Berkeley innovation companies develop software and close to a third (31%) develop health-focused solutions through biotechnology & healthcare technologies. The latter industries continued to witness tremendous global investment in 2021, including Caribou Biosciences’ initial public offering (IPO) on the NASDAQ stock exchange, which raised proceeds of approximately \$350 million. Clean technologies which advance solutions to support environmental sustainability and address climate change also grew in 2021: they comprise 13% of Berkeley’s innovation sector, 25% more than in 2020.
- **Office vacancy rates in Berkeley increased but remained lower than in neighboring cities.** Overall office availability in Berkeley more than doubled from Q4 2020 (5.3%) to Q4 2021 (11.1%). For context, the East Bay office market area availability average during this same period was 17.3%. Though demand for office space has lessened due to the pandemic, Berkeley’s inventory continues to remain low; asking office rents in the City average \$3.49 per square foot, which is up by approximately \$0.04 cents per square foot from the same period last year. The only other East Bay city with an availability rate lower than Berkeley is Alameda (8.2%).
- **Average citywide ground floor commercial vacancy rates increased, slightly exceeding levels associated with normal market churn.** Based on field data collected in September-November 2021, the citywide ground floor commercial vacancy rate had increased to 8.3%, an increase of 1.4% since Q3 2020 and 2.9% since Q3 2019. The Downtown Berkeley and San Pablo districts have experienced the largest increases in their vacancy rates since 2020, with increases of 5.8% and 3.1%, respectively. Vacancy rates decreased in many of Berkeley’s other commercial districts, as all food, personal service, and retail operations returned to traditional ‘in-person’ service. Among Berkeley’s commercial districts, the largest year-over-year decreases in vacancy rates were in the Telegraph, Neighborhood Commercial (C-N), and Solano districts (4.6%, 4.1%, and 2.3% respectively). Downtown Berkeley, Telegraph, and the Elmwood

have the highest vacancy rates overall (all above 10%), likely due to their dependence on foot traffic associated with UC Berkeley students, who were, in large part, learning remotely throughout the year.

- **Occupancy by office and other-non retail service businesses, as a share of total ground floor square footage, continues to decline.** As personal services are still feeling the effects of the pandemic and many workplaces have permanently switched to hybrid or remote work, the share of ground floor spaces occupied by office-based businesses, personal services industries, and other non-retail uses have declined. Between Q3 2020 and Q3 2021, “Office and Non-Retail uses” (which includes service businesses) as a percentage of total commercial square footage declined, from 16.5% to 12.5%. The percentage of ground floor commercial square footage occupied by Retail and Food & Beverage services between 2020 and 2021 remained relatively constant, at 37% and 12%, respectively. Retail’s share of ground floor occupancy is significantly lower than in 2016, when it occupied 42% of total ground floor commercial space.
- **The City of Berkeley’s sales tax revenue shows a slow but steady recovery from the COVID-19 pandemic.** Berkeley’s total annual sales tax revenues increased by 5.0% from the four quarters from Q4 2020 to Q3 2021. For context, Alameda County (including all 14 cities) reported an annual sales tax increase of 12.5% over the same period and the State of California witnessed a 17.6% increase. In the second quarter of 2021, (April to June) the Retail and Food & Beverage subsectors were the largest contributors to the city’s sales tax revenue at 51.1% and 24.8% respectively. Overall, in Q2 2021, sales tax collection increases were present in every sector in Berkeley, due to the roll out of the COVID-19 vaccine to the general public, corresponding business reopenings, and the return to full capacity operations.
- **Housing costs in Berkeley remain high for buyers and renters, consistent with the Bay Area region overall.** As of Q4 2021, Berkeley’s median home sale price (\$1.42M) was higher than its neighboring communities, (save for Piedmont at \$1.90M), and driven by an increased demand for larger homes with accessible outdoor space and limited inventory. As of October 2021, Berkeley’s median rental price for all sizes and types of units had increased by 3.1% from the same period last year to a median of \$3,196 per month. Berkeley’s median rental home prices for studio apartments (including rent-controlled units) have remained relatively stable at \$1,591 per month (a \$50 increase from the same period in 2020).
- **The City of Berkeley continues to use a wide range of approaches to support local economic recovery.** From cash grants to communications on the impacts of the latest health orders to holiday marketing support, the City continues to deploy all the tools in its toolkit to support businesses and enable

sustainable economic recovery from the acute phase of the pandemic. Highlights included the distribution of American Rescue Plan Act (ARPA) relief funds to the arts and hospitality industries, increased technical assistance for the low-interest resiliency loan fund established in 2020, creating a path to permanence for parklets and outdoor commerce, and the #DiscoveredinBerkeley and #BerkeleyHolidays marketing campaigns, among a variety of other targeted business outreach, communications, and technical assistance.

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 2021 (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 policy-makers to better direct different social and economic programs. The reports provide updated information through Q4 2021. OED staff will continue to update these dashboards on an annual basis, as staffing allows, and has posted the most recent version on the City's website at: <https://www.cityofberkeley.info/oed/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 data (Newmark Cornish & Carey), 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 or the [Berkeley Startup Cluster's](#) partners including UC Berkeley, the Berkeley Lab, and Berkeley's startup incubators and accelerators such as SkyDeck and Cyclotron Road. Finally, in the third and fourth quarters of 2021 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 AND CLIMATE IMPACTS

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 goals, 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 2022 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.

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Attachments:

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



City of

BERKELEY

2021 Economic Dashboard
Office of Economic Development



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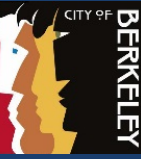
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Employment Activity by industry sector - employment



Percent change in employment by sector (Nov. 2020 – Nov. 2021)

East Bay Industry Sector	% Change
Arts, Entertainment & Recreation	31%
Leisure & Hospitality	16%
Accommodation & Food Services	14%
Professional, Scientific & Technical Services	12%
Administrative & Support & Waste Services	5%
Transportation & Warehousing	4%
Health Care & Social Assistance	3%
Mining and Logging	0%
Manufacturing	-1%
Retail Trade	-1%
Wholesale Trade	-1%
Construction	-1%
Government	-2%

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

Job Recovery Amidst the Pandemic

Between December 2020 and December 2021, the total number of jobs located in the East Bay increased by **38,900** or **3.6%**. The sectors with the highest percent growth in employment are those that were closed for several months during the early months of the pandemic or that had to operate at reduced service levels, such as: Arts, Entertainment & Recreation; Leisure & Hospitality; and Accommodation & Food Services.

The Alameda County unemployment rate fell to **4.3%** in December 2021 after reaching **7.6%** a year prior, though it still hasn't returned to the pre-pandemic unemployment rate of **2.6%** (December 2019). Berkeley's unemployment rate is even lower, at **3.6%**, with a labor force of **59,900**.

Source: State of California Employment Development Department (EDD)

Employment Activity

by industry sector - employment



Top 25 Berkeley Employers

Company	Sector
Ansys, Inc	Software
Bayer Corp	Life Sciences
Berkeley Bowl Produce	Food & Beverage
Berkeley Cement Inc	Contractor
Berkeley Unified School District	Education
Callisto Publishing	Media
City of Berkeley	Government
Foresight Mental Health	Healthcare
Genji Pacific LLC	Food & Beverage
Insperty Peo Services L P	Business Services
Kaiser Permanente Medical Group Inc	Healthcare
Lifelong Medical Care	Healthcare
Meyer Sound Laboratories, Inc	Manufacturing
OC Jones & Sons	Contractor
Peralta Community College District	Education
Safeway Inc	Food & Beverage
Siemens Corporation	Manufacturing
Sutter Bay Hospitals	Healthcare
Sutter Bay Medical Foundation	Healthcare
Target Corporation	Retail
The Wright Institute	Education
U.S. Postal Service	Government
University of California	Education
Whole Foods Market California Inc	Retail
YMCA of the Central Bay Area	Recreation



The entrance to Bayer's Berkeley campus
Credit: Berkeleyside



University of California, Berkeley
Credit: University of California, Berkeley

Of Berkeley's top 25 Berkeley employers, 4 are in the Education sector, including UC Berkeley which is one of the city's main economic engines. 5 are in the Healthcare sector, reflecting the various large medical employers in the city. There are also a few large private sector corporations operating out of Berkeley, notably Bayer, which recently executed a new \$33M long-term development agreement with the city. Bayer plans to add 1,000 new jobs to the city over the term of the agreement. The top Berkeley employers operate in a variety of different sectors (12), reflecting Berkeley's diverse sources of economic prosperity.

Source: State of California Employment Development Department (EDD)

Employment Activity by industry sector - hospitality

In 2021, Berkeley hospitality industries adapted to comply with evolving COVID-19 health orders. New hotels opened and many tourism businesses reemerged, albeit with modifications.



The Lobby of the Graduate Hotel on Durant Avenue
Credit: Kelly Sullivan, Berkeleyside - #DiscoveredinBerkeley

Tourism & Lodging

As people began traveling again, Leisure and hospitality companies began hiring. Jobs in these industries in Alameda County **increased by 15,800** in 2021. New hotels like the Aiden by Best Western on University Ave. and Residence Inn by Marriott in Downtown Berkeley show a positive step towards recovery and prospects for Berkeley's tourism industry to eventually exceed pre-pandemic levels.



The rooftop at the new Aiden by Best Western Hotel on University Avenue
Credit: Kelly Sullivan, Berkeleyside - #DiscoveredinBerkeley

Food & Beverage Services

Accommodation and food service jobs in Alameda County **went up by 12,400** in 2021. As people got vaccinated and restaurants re-opened for indoor dining, one of the sectors hardest hit by the pandemic started to bounce back. Adaptations made at the start of the pandemic, such as the construction of parklets to accommodate outdoor dining, have remained, giving restaurants the potential to ultimately serve more customers and contribute to lively, vibrant streets.



Outdoor commerce and dining installations like the one at Imm Thai Street Food in Downtown have become widespread since COVID limited indoor dining opportunities. Credit: Kelly Sullivan, Berkeleyside - #DiscoveredinBerkeley

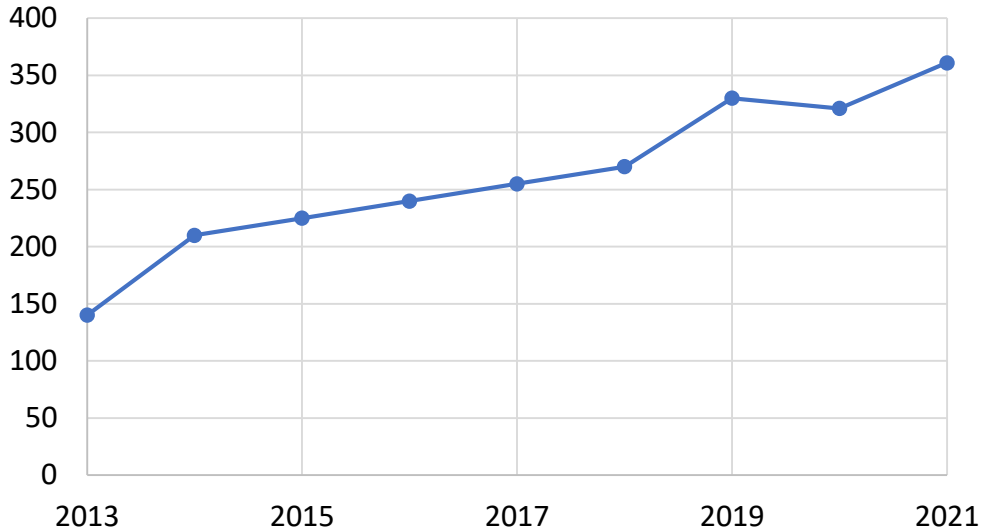
Source: State of California Employment Development Department (EDD)

Employment Activity

by industry sector – startups & innovation businesses



of Berkeley startups*



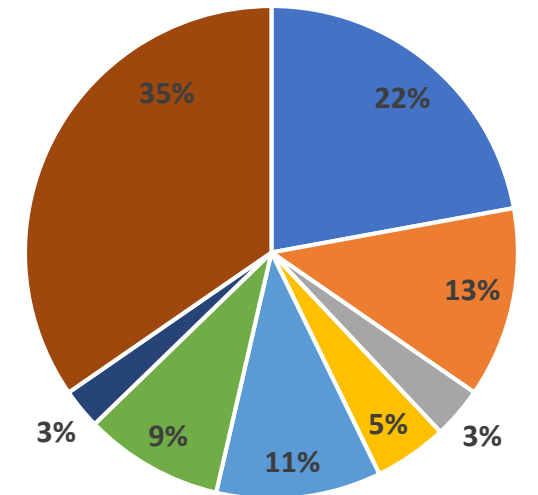
Source: City of Berkeley Office of Economic Development (OED), UC Berkeley IPIRA

*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 2021, 66 Berkeley innovation companies raised **\$1.4 billion** of funding through venture capital, angel-backed financing, and convertible securities. They also brought in federal and state research & development (R&D) grants worth **\$9 million**.

Of more than 400 Berkeley innovation companies citywide, Software is the largest component (35%). BioTech and Healthcare comprise nearly a third (31%) and CleanTech is also a growing component (representing 13% of the total in 2021, up from 9% in 2020.)

Innovation Companies by Industry Category



- BioTech
- CleanTech
- Education
- Food & Beverage
- Hardware
- Healthcare
- Other
- Software

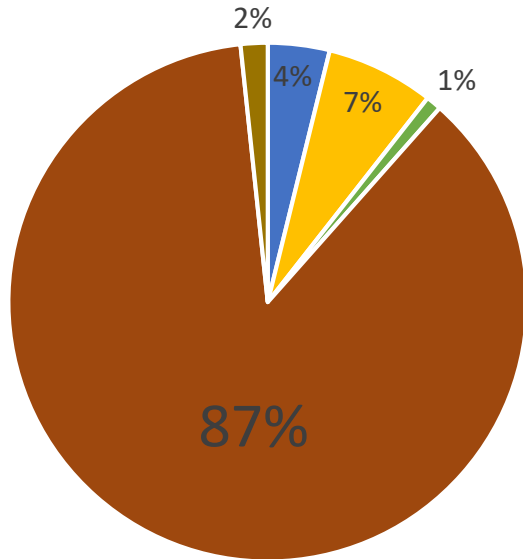
Source: OED, Berkeley Start Up Cluster

Employment Activity

by industry sector – startups & innovation businesses



Innovation Company by Growth Stage



- Consulting Company
- Established Company
- Incubator/Accelerator
- Startup/Emerging Growth Company
- Subsidiary Company



Berkeley SkyDeck



Bakar BioEngenuity Hub



Activate Berkeley at Cyclotron Road

The vast majority (nearly 87%) of Berkeley innovation companies are relatively early stage, of the type you can find in the city’s many coworking spaces, accelerators and incubators. The others are either established (i.e. publicly traded, profitable or in the STEM industry for a number of years), consulting businesses, or other innovation ecosystem-supporting accelerators or incubators like SkyDeck or Activate. These spaces, in conjunction with UC Berkeley and the Berkeley Lab’s numerous innovation & entrepreneurship resources continue to make Berkeley a global startup hub.

Berkeley Innovation Sector 2021 Highlights

- Caribou Biosciences [raised ~\\$350M](#) through an IPO on the NASDAQ
- MeliBio was listed in [Time Magazine’s 100 Best Inventions of 2021](#)
- [Upside Foods](#) opened a new [facility](#) to scale their production of cultured meat

Commercial Activity

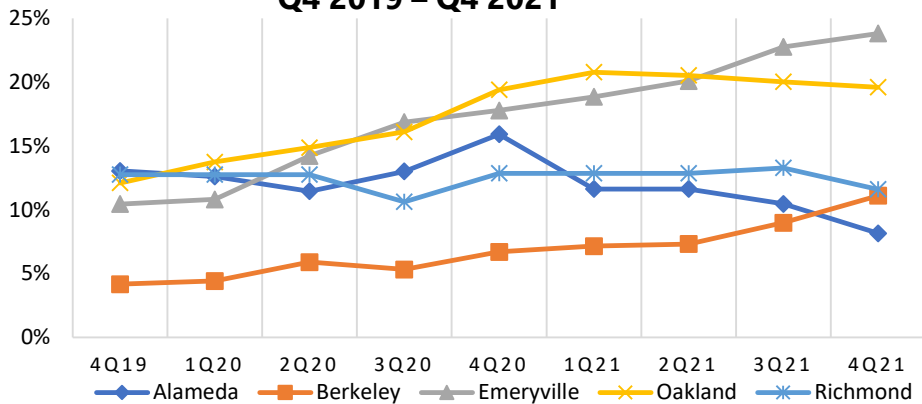
Office trends & transactions



Q4 2021 Office Market, Berkeley	Indicators
Total Inventory	3,428,875 SF
Under Construction	0 SF
Availability Rate	11.1%
Qtr Gross Absorption	30,342 SF
Qtr Net Absorption	-73,008 SF
YTD Net Absorption	-150,930 SF
Average Asking Rent	\$3.49 / SF

Source: Newmark Cornish & Carey, 4Q21 Greater Oakland Office Market Report

Office Availability, East Bay Cities
Q4 2019 – Q4 2021



Source: Newmark Cornish & Carey, 4Q21 Greater Oakland Office Market Report

New Developments for R&D

Bakar Labs (2630 Bancroft Way, Berkeley, CA) in the Bakar BioEngineer Hub on UC Berkeley’s campus is the newest QB3 incubator, with space for 80 life science companies. QB3 is the University of California’s hub for innovation and entrepreneurship in life science. Bakar Labs opened in late 2021 and hosts entrepreneurs tackling the world’s most important challenges in the site previously occupied by the Berkeley Art Museum & Pacific Film Archive (BAMPFA).



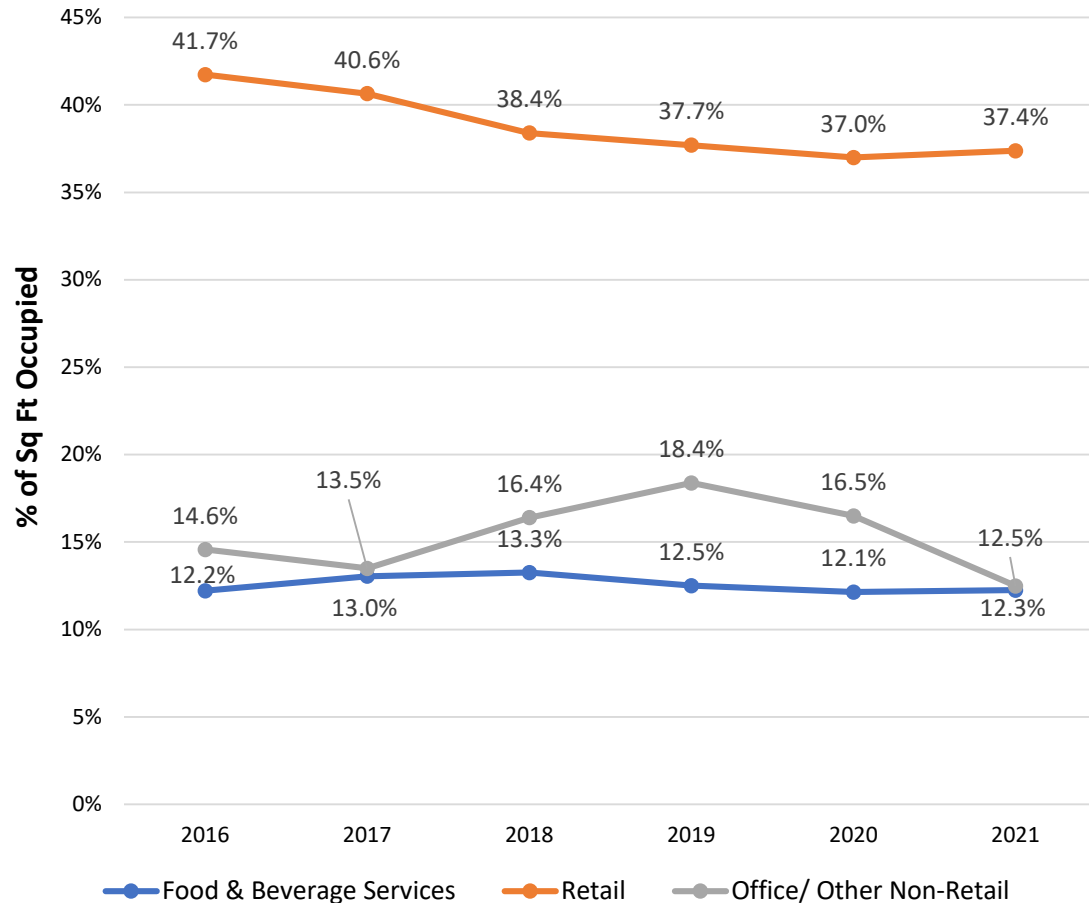
theLAB Berkeley by SteelWave (2222-45 5th St & 2229-33 4th St) is a newly refurbished space established to be a magnet for the innovative technology and life sciences sectors. Spread across 3 buildings, theLAB offers laboratory and office spaces in a modern space fostering collaboration.

Commercial Activity

Commercial trends & transactions



Citywide Commercial Inventory by Select Categories & Square Footage, 2016-2021



Source: OED, Q3 2021

Feeling the Effects of the Pandemic

In the last year, **Retail and Food & Beverage industries slightly increased their footprint** in Berkeley, based on commercial occupancy by square foot. Different local and federal COVID relief programs for these industries, as well as the City's outdoor commerce and dining permits, likely contributed to these industries' real estate holdings remaining relatively constant throughout the pandemic.

On the other hand, occupancy rates for **Office/Other Non-Retail businesses (which includes service businesses) have decreased by 4%**. Personal services businesses are still feeling the effects of the pandemic, and many office-based businesses have given up their office or switched to a hybrid workplace model.

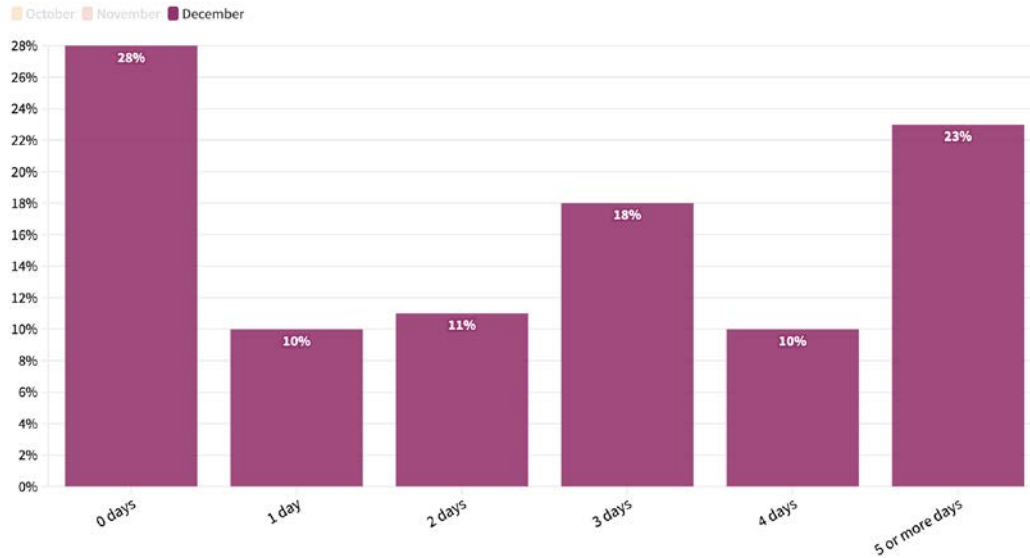
Commercial Activity

Commercial trends & transactions



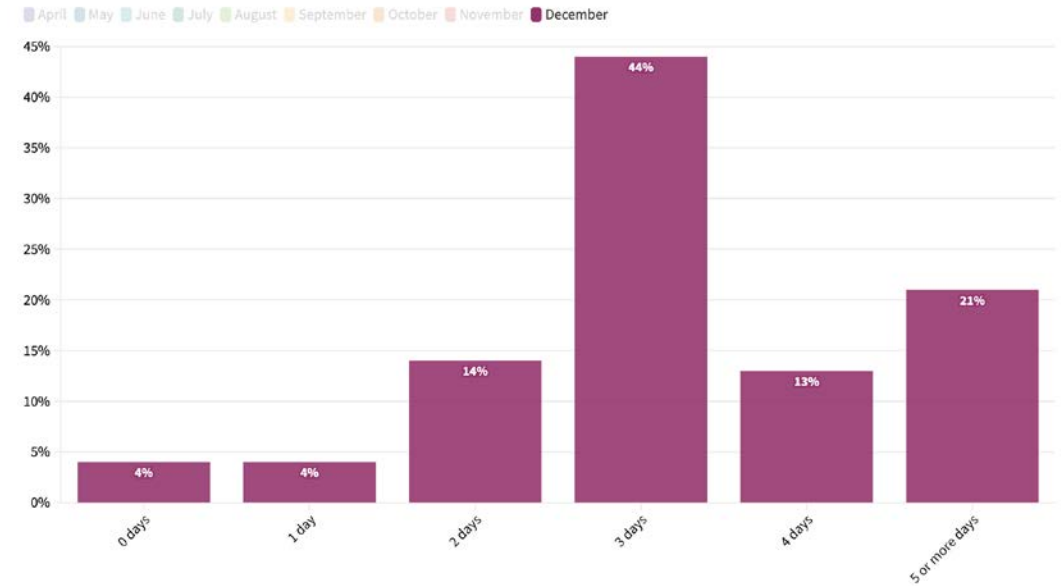
Right now, what is your best estimate at the frequency your Bay Area workforce comes to the workplace each week?

Percentages are averaged across responses.



Source: Bay Area Council Employer Network Poll - December 2021

Once the pandemic is behind us, how many days per week do you expect your typical employee will come to the workplace?



Source: Bay Area Council Employer Network Poll - December 2021

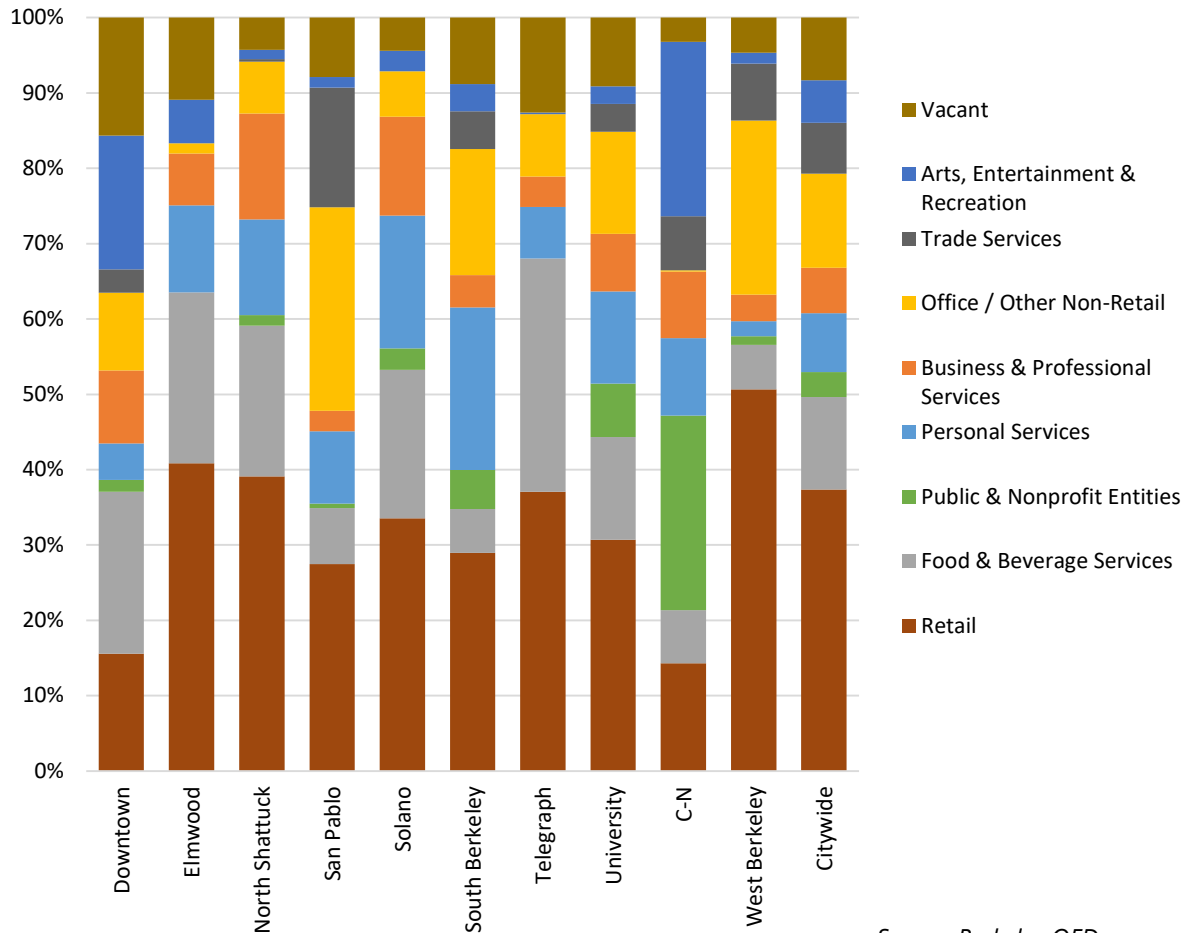
A December 2021 Bay Area Council survey of Bay Area Employers found that the majority of workers no longer come into the workplace every day, and 28% don't come into a workplace at all. Even once the pandemic is over, most employers don't expect employees to come in every day: 44% expect employees to come in 3 days per week. The survey results highlight a trend towards remote work that will extend beyond the pandemic period and impact how Berkeley and Bay Area office spaces are used and organized.

Commercial Activity

Commercial districts & vacancy rates



Ground Floor Commercial Occupancy By Category, 2021 Q3



Source: Berkeley OED

Citywide, the ground floor commercial vacancy rate has increased to **8.3%***, an increase of 1.4% since Q3 2020. Downtown Berkeley and the Telegraph districts have experienced the largest increases in vacancy during the pandemic.

Vacancy Rates by District, Calculated by Square Footage, 2016-2021

District	2016	2017	2018	2019	2020	2021
Downtown	4.7%	4.6%	3.1%	5.1%	9.9%	15.7%
Elmwood	1.5%	5.4%	7.3%	7.3%	10.9%	10.9%
North Shattuck	2.6%	0.4%	1.7%	0.7%	4.3%	4.3%
San Pablo	5.9%	5.5%	4.9%	4.6%	4.8%	7.9%
Solano	7.5%	4.8%	4.1%	2.6%	6.7%	4.4%
South Berkeley	8.2%	9.6%	9.7%	7.6%	10.1%	8.8%
Telegraph	5.1%	7.1%	7.9%	4.4%	17.2%	12.6%
University	14.2%	12.0%	11.0%	7.8%	11.0%	9.1%
Neighborhood Commercial (C-N)					7.3%	3.2%
West Berkeley	8.8%	1.9%	3.7%	5.8%	3.7%	4.7%
Citywide Avg.	6.5%	4.6%	5.0%	5.4%	6.9%	8.3%

*Typical commercial district storefront vacancy rates range from 4-8% due to natural market churn. The high vacancy rate in Q3 2021 can be attributed to the effects of the COVID-19 pandemic with many businesses not renewing their leases facing economic downturn.

Source: Berkeley OED

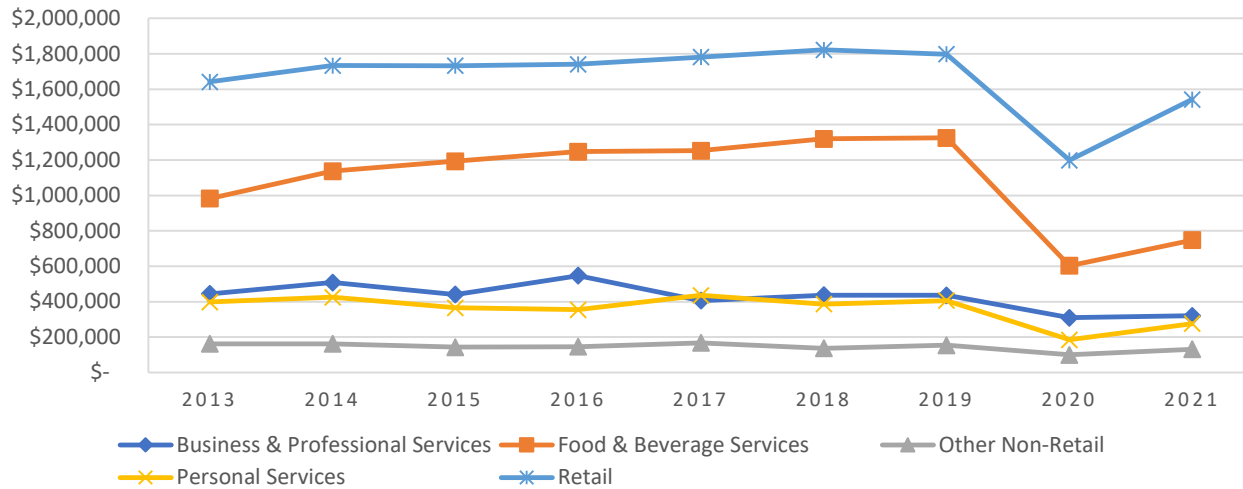
Commercial Activity



Sales tax revenues – recovering amidst the pandemic

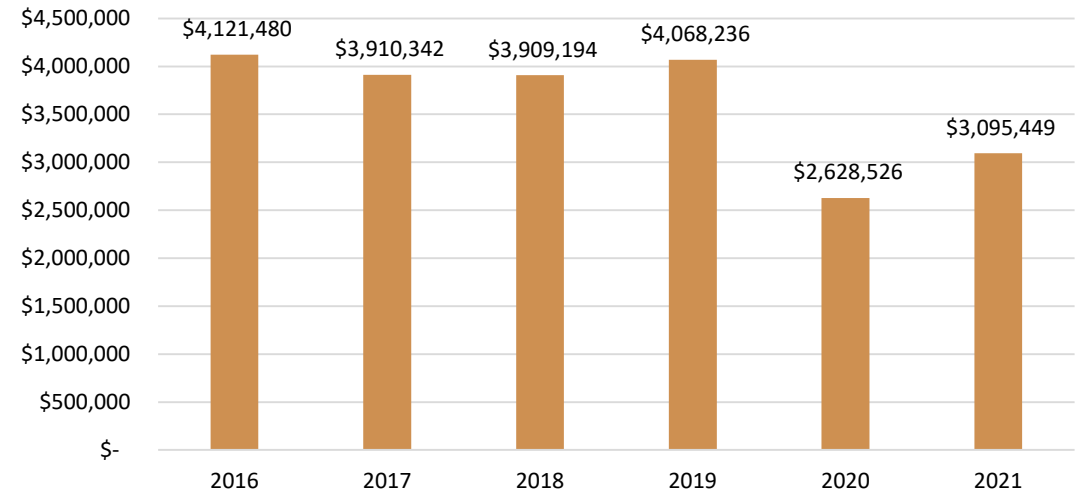
Total Annual Sales Tax Revenue - Past 4 Quarters	Q4 2019- Q3 2020	Q4 2020- Q3 2021	Change
City of Berkeley	\$16,355,379	\$17,179,289	5.0%
Alameda County (total including cities)	\$328,424,125	\$369,540,764	12.5%
State of California	\$7,050,811,392	\$8,332,085,544	17.6%

Berkeley Sales Tax Revenues (Q2) by Business Category



Source: MuniServices, Quarter 2 (Apr-June) Collections 2016 to 2021

Total City of Berkeley Q2 Sales Tax Revenues



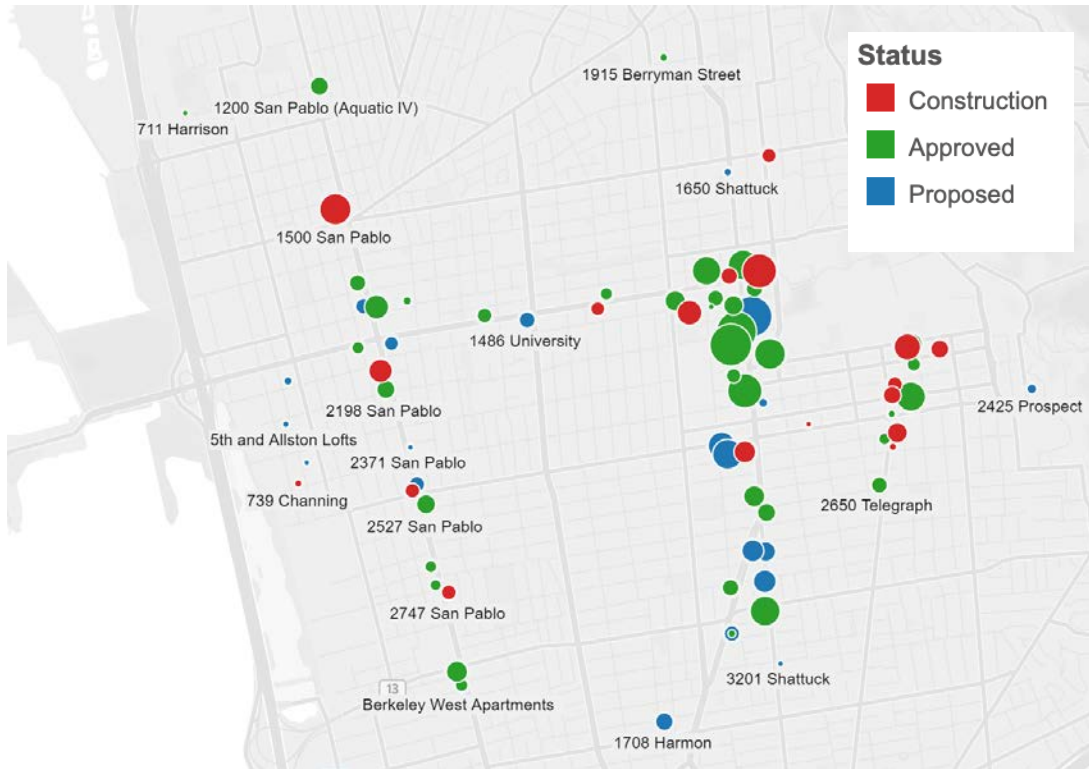
Source: MuniServices, Quarter 2 (Apr-June) 2016 to 2021, Nominal Values

In Q2 2021, the *Retail* subsector was the largest contributor to the city’s sales tax revenue (51.1%), with *Food & Beverage* second (24.8%). As vaccines became available to the greater public in early 2021, most of the sectors impacted by the pandemic showed signs of recovery, with an increase in sales tax collection in Q2 2021 (up 26% vs Q2 2020) compared to the decrease in Q2 2020 (-42% vs Q2 2019). The increase in Q2 sales tax collection was largely due to significant increases in the *Food and Beverage* sector (up 24.0% vs Q2 2020), *Retail* (up 28.6%), and select sub-categories in the *Personal Services* sector, *i.e.* *Automotive Repair* and *Salons* (up 50.0%).

Development & Housing Construction & pipeline



Berkeley Multi-Family Residential Developments, 2021



Housing Development Pipeline

From 2015 to 2020, permits for 2,943 housing units have been issued. Data from 2021 is not yet available, but when permits from 2021, 2022, and 2023 are factored in, Berkeley will “far exceed” the state mandated goal for total units permitted for 2015 to 2023.

Source: [Map](#) Red Oak Realty, updated January 2022, [Text](#), SF Chronicle, February 15, 2022

Pipeline Project Highlights



Hub Berkeley at the corner of Center St and Oxford St is a proposed 17 story, 283-unit project with 10,164 sq. ft. of ground-floor retail/restaurant spaces. It would have 63 parking spaces as well as 316 bike parking spaces.

2065 Kittredge St is a 189-unit proposal for off-campus student housing. It would include a 42-space underground parking garage, 114 bike parking spaces, and nearly 10,000 sq. ft. indoor amenity area for residents.



Source: *Berkeleyside* and City of Berkeley, Project Descriptions, 2021

Development & Housing

Rental costs & sale prices



Housing Prices in Berkeley, 2016-2021



Sources: Redfin, and City of Berkeley Rent Stabilization Board

Median Sale Price, Single-Family Homes, Dec 2021

Alameda	\$1,197,500
Albany	\$1,225,250
Berkeley	\$1,417,500
El Cerrito	\$1,240,000
El Sobrante	\$705,000
Emeryville	\$670,000
Oakland	\$800,000
Richmond	\$675,000
Piedmont	\$1,907,500
San Leandro	\$825,000

Source: Redfin

Home sales and rental prices increase and sales volume stays high

Berkeley's single family home values increased 3.5% from Dec. 2020 -2021, with a 27.5% increase in sales volume over the same period. 88 single family homes were sold in Berkeley in Dec. 2021 alone, with an average of 17 days on the market. Since the pandemic began, (March 2020) the median price of single family homes in Berkeley hit an all time high (\$1,610,000) in October of 2021. For rentals, between Oct. 2020 and Oct. 2021 Berkeley's market rate rents for all units increased by 3.1%, to \$3,196.

Source: Redfin, and RentCafe.com



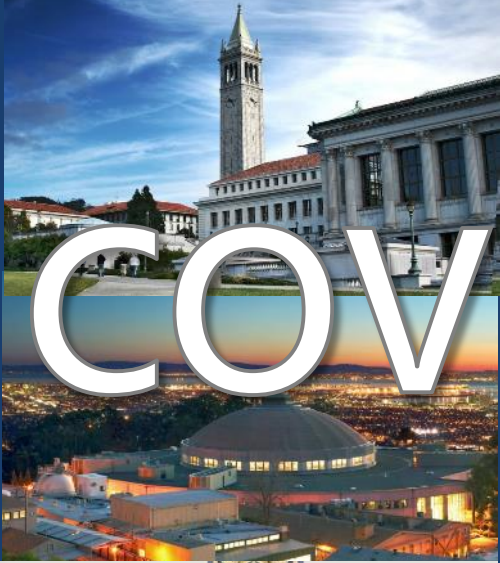
Mask required if unvaccinated

Best
N95
N95, KN95, KF94

Fair
Face mask with 3 or more cloth layers

Better
Double mask (surgical + cloth mask)

CITYOFBERKELEY.INFO/COVID19



COVID-19 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	11
RLP \$ Loaned	\$520,000

Source: Berkeley OED, January 2022

Current RLF Borrowers Include:



Supporting Berkeley's existing small businesses

RLF recipient *Kitchen on Fire* launched new products such as REBOUT Wellness Beverages, and continues to safely offer in-person cooking classes.

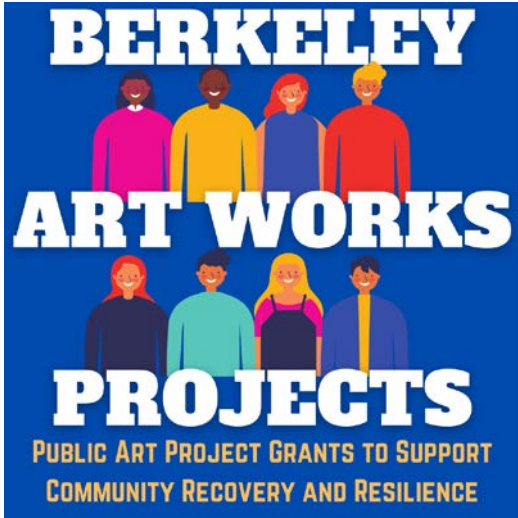


RLF recipient *East Bay Media Center* continues to hold hybrid film festivals and online youth camps.



Business & Arts Support

Arts & Culture Relief Grants



Faye Carol, Donald Lacy, and Avotcja



Berkeley Art Works Projects (BAWP)

The Berkeley Art Works Projects grant program provided economic opportunities for Berkeley artists struggling during an economically challenging time, and enhanced Berkeley's cultural and economic vitality with public art projects for the community. Grants ranged from the micro (\$500) to \$10,000 for larger projects. The program challenged grantees to respond to one of the following themes through their project: Public health & wellbeing, Economic recovery & resilience, Community connection & belonging. To date, the Berkeley Art Works Projects grant program has provided close to \$200,000 in funding for 32 artists, performers, and community members to create temporary public art projects throughout Berkeley that bolster collective resilience and recovery from the effects of COVID-19. These projects began to be installed throughout the city in 2021 and will continue through 2022.

View a map of BAWP projects here: <https://www.berkeleyartworksprojects.org/map>

Berkeley Arts Recovery Grants Program

The Berkeley Arts Recovery Grants (BARG) for Organizations & Festivals were funded through a one-time allocation by Berkeley City Council of American Rescue Plan Act (ARPA) dollars to support the recovery of Berkeley's arts sector. The fund provided one-time grants to all qualifying Berkeley-based nonprofit and fiscally sponsored arts organizations and festivals. BARG grant funding will be used to mitigate an arts organization's economic loss from COVID-19, implement COVID-19 prevention tactics, and procure consulting and marketing services to bolster the organization financially for future sustainability. 74 grant awards ranging from \$3,000 to \$33,000, with an average grant award amount of \$20,734 per organization, are set to be disbursed in February of 2022.

Business & Arts Support



#DiscoveredinBerkeley business marketing campaign

The **Discovered in Berkeley** marketing campaign highlighted local businesses supporting environmental sustainability, social equity, local production, and artistic creativity. Companies offering more humane methods of food production, original design (with haircare, jewelry, furniture & more), and craft food & beverages (for outdoor and personal consumption) featured prominently.

Throughout 2021:

- More than 2,750 users visited DiscoveredinBerkeley.com (87% were new visitors)
- Instagram @DiscoveredinBerkeley achieved 650+ followers (and the uses of #DiscoveredinBerkeley exceeded 3,300)
- 8 Berkeleyside articles generated 12,800+ page views and more than 1,000 clicks to local businesses' & other featured websites
- 21 Berkeleyside banner ads generated 609k+ impressions and more than 780 "clicks"

LOCAL LOVE

#DISCOVERED in BERKELEY

BERKELEYHOLIDAYS.COM Gift Guide
Spoil your friends and family over the holidays—and enable economic recovery—with coffee from **Uncommon Grounds**.
Support local businesses this holiday season ▶

THE UP CYCLE

#DISCOVERED in BERKELEY

Woman owned **Darling Electric Salon**, a certified Green Business, uses only environmentally conscious products and works with beauty industry partners to generate useful products like fuel, trash cans, and construction materials from their salon waste.
Learn more about Berkeley's innovative businesses ▶

FOOD FORWARD

#DISCOVERED in BERKELEY

In West Berkeley, **Perfect Day** produces milk proteins for cream cheese – without the cows.
Learn more about Berkeley's innovative businesses ▶

LOCAL LOVE

#DISCOVERED in BERKELEY

Brewers at **The Rare Barrel** in West Berkeley use fresh fruit to create the unique tastes for their sour beers.
Learn more about Berkeley's innovative businesses ▶

LOCAL LOVE

#DISCOVERED in BERKELEY

BERKELEYHOLIDAYS.COM Gift Guide
Spoil your friends and family over the holidays—and enable economic recovery—with jewelry or masks made by **Arbel Shemesh** at **ACCI**.
Support local businesses this holiday season ▶

FOOD FORWARD

#DISCOVERED in BERKELEY

Eating outside at **Imm Thai Street Food** in Downtown Berkeley is an authentic Thai dining experience.
Learn more about Berkeley's innovative businesses ▶

LOCAL LOVE

#DISCOVERED in BERKELEY

BERKELEYHOLIDAYS.COM Gift Guide
Spoil your friends and family over the holidays—and enable economic recovery—with a care package from **Scenic Made**.
Support local businesses this holiday season ▶

THE UP CYCLE

#DISCOVERED in BERKELEY

Berkeley-based company **Opus 12** is developing bold climate solutions, using renewable energy to transform CO2 pollution into the building blocks for chemicals, materials, and other useful products.
Learn more about Berkeley's innovative businesses ▶

Business & Arts Support

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#BerkeleyHolidays Gift Guide and marketing campaign

- The Berkeley Chamber held its [3rd Annual Holiday Gift Fair](#) at the UC Theatre featuring 30 merchants with gifts including baked goods, clothing, jewelry, books, calendars, masks, blankets, wine, coffee, spices, and more. It drew more than 300 attendees. Facebook event advertising reached 7,000+ people, with 277 event responses.
- The online [BerkeleyHolidays.com Gift Guide](#) was updated to include more photos and increase gift search functionality. 38 businesses, including 20 woman-owned businesses and 8 BIPOC or black-owned businesses, participated.
- [#berkeleyholidays](#) has been used in more than 1,800 posts on Instagram
- More than 1,400 unique viewers saw [Berkeleyside's Discovered in Berkeley article featuring Gift Fair vendors](#) and the banner ads for those businesses generated nearly 80 "clicks".
- More than 300 users visited [discoveredinberkeley.com](#) in the month following the holiday gift story's publication in *Berkeleyside*. The site linked prominently to [berkeleyholidays.com](#) throughout the winter holiday period.





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

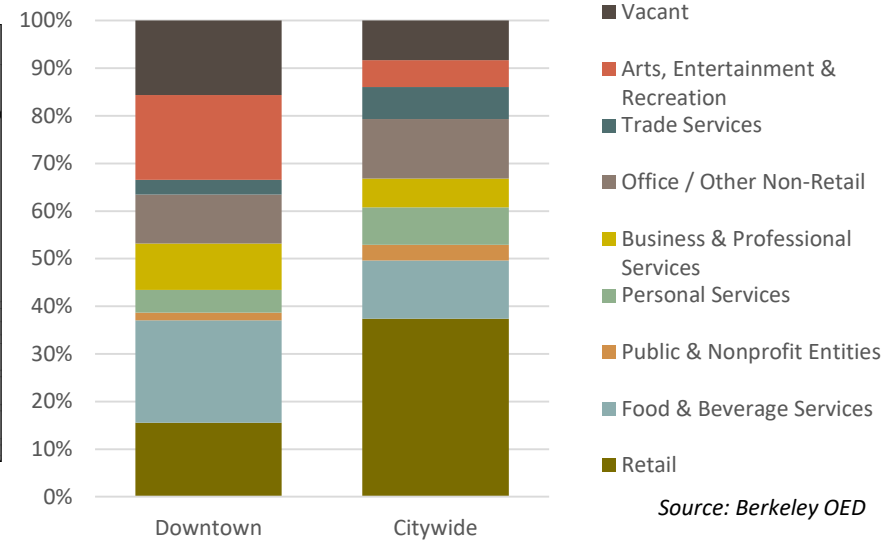
Downtown: 2021 Snapshot



Downtown Berkeley serves as the City's core commercial district, meeting the daily needs of residents, students, workers, and visitors. The district benefits from a significant concentration of arts and entertainment uses, which occupy 17.8% of total ground floor commercial space in the district compared to 5.6% citywide. As of Q3 2021, the vacancy rate in Downtown is 15.7%, which has more than tripled since late 2019 (5.1%). Sales tax revenue generated in 2021 by Food & Beverage services dropped to \$580,079 from \$934,966 in 2020 (-38%) but Retail sales tax collected increased by \$34,223 (+6%).

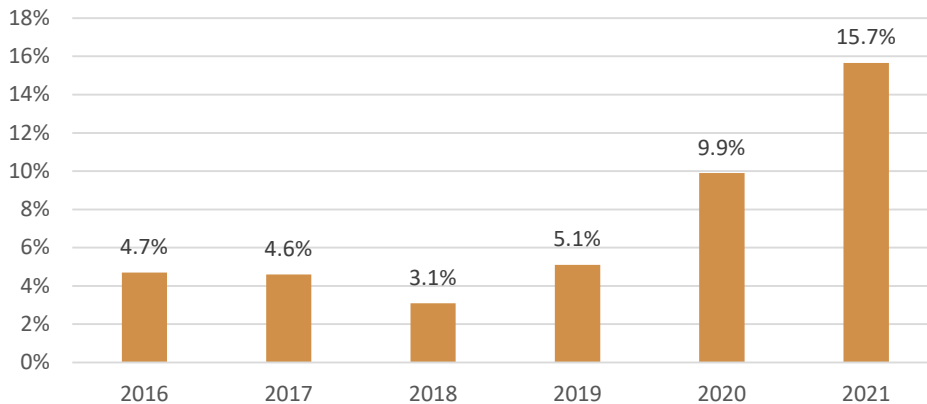


Ground Floor Commercial Business Mix (by Square Footage), 2021 Q3



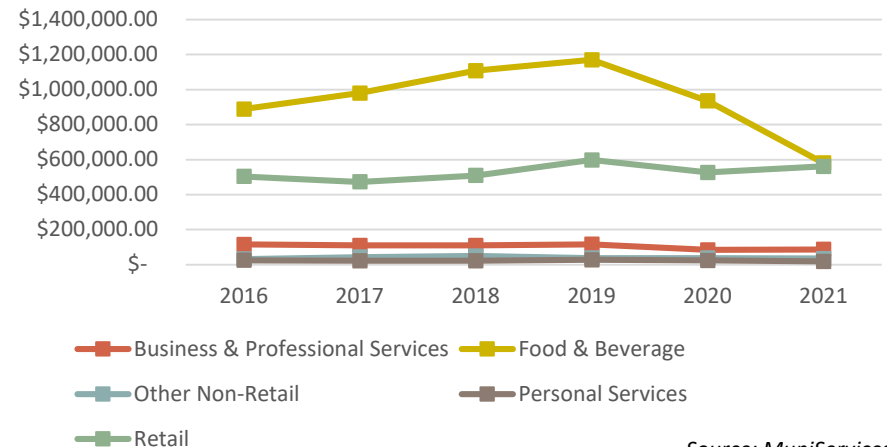
Source: Berkeley OED

Ground Floor Commercial Vacancy Rate (by Square Footage), 2016-2021



Source: Berkeley OED

Sales Tax Revenue by Sector, 2016-2021

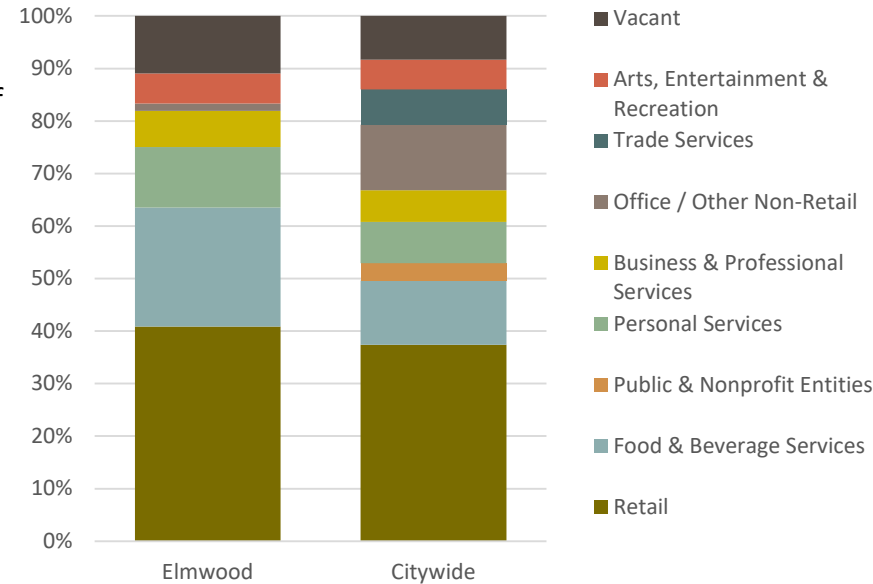


Source: MuniServices

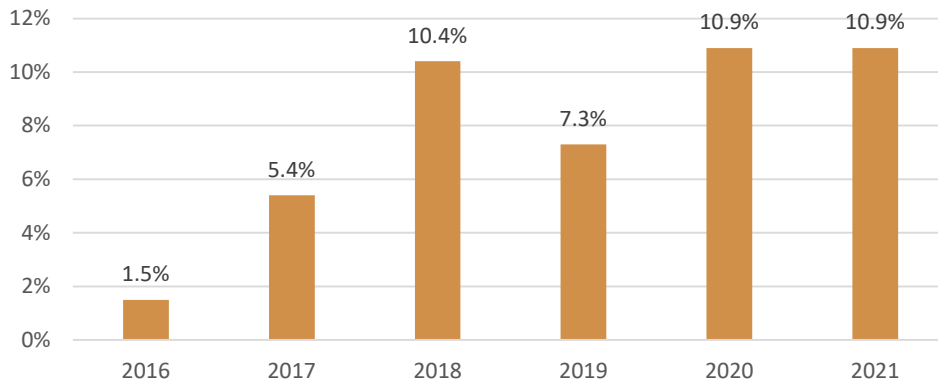
The Elmwood is a compact three block commercial district along College Avenue near the Berkeley-Oakland border and the neighboring Rockridge shopping district. The Elmwood district is characterized by a high concentration (22.7%) of Food & Beverage services and Personal Services (11.5%), and is a walkable, neighborhood-serving commercial district. As of Q3 2021, the district's vacancy rate by square footage is 10.91%, which is close to no change from 2020 Q4 (10.95%). Sales tax collected from the Food and Beverage sector in the Elmwood decreased by \$33,157, from 2020 to 2021, and by \$13,315 for Retail, as indoor capacity for retail shopping was limited, and indoor dining was still restricted due to the pandemic.



Business Mix (by Square Footage), 2021 Q3

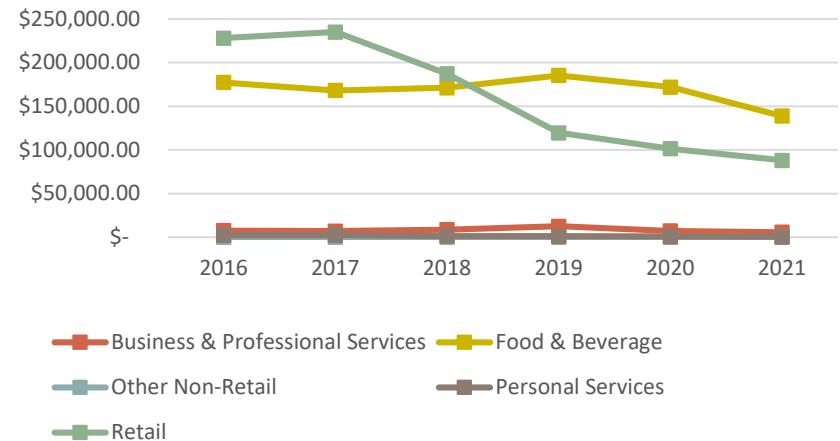


Ground Floor Commercial Vacancy Rate (by Square Footage), 2016-2021



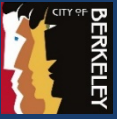
Source: Berkeley OED

Sales Tax Revenue by Sector, 2016-2021



Source: MuniServices

North Shattuck: 2021 Snapshot

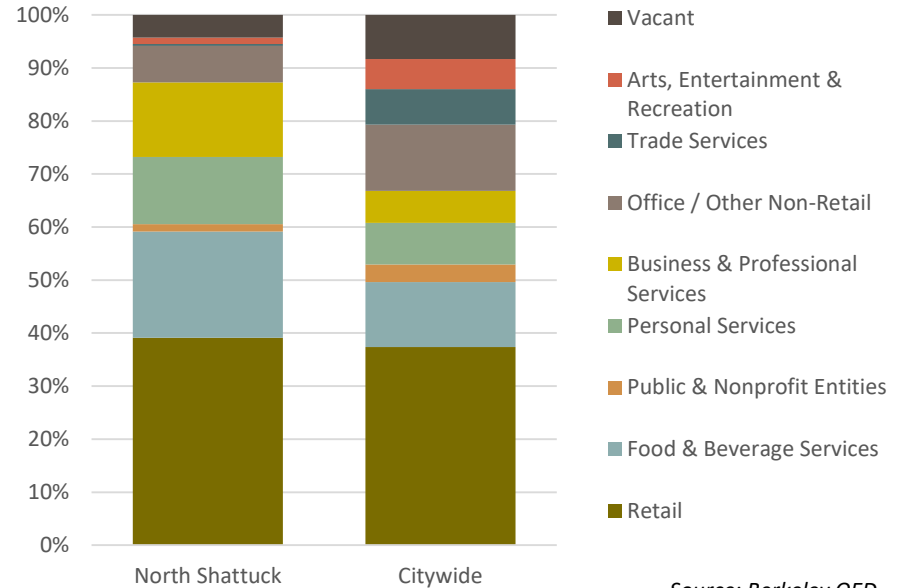


North Shattuck is one of Berkeley's oldest commercial districts, located just north of Downtown. The district is characterized by a high concentration of well-known, long-standing, and celebrated restaurants, including Chez Panisse and the Cheeseboard. North Shattuck is both a walkable, neighborhood-serving commercial district as well as a global destination for food and dining. As of Q3 2021, the district's vacancy rate by square footage is 4.29%, which is close to no change from the rate of 4.32% in 2020 Q4.

Sales tax collected from the Food and Beverage sector in North Shattuck decreased by \$137,925, from 2020 to 2021, and by \$56,071 for Retail, as indoor capacity for retail shopping was limited, and indoor dining was restricted due to the pandemic.

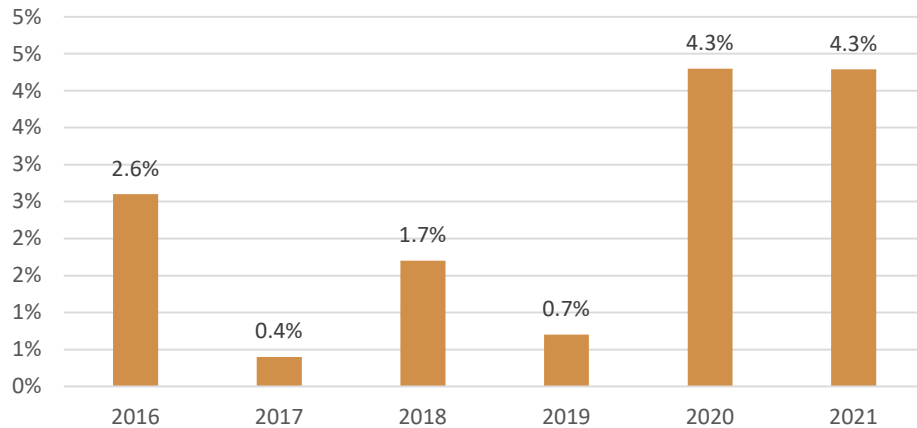


Business Mix (by Square Footage), 2021 Q3



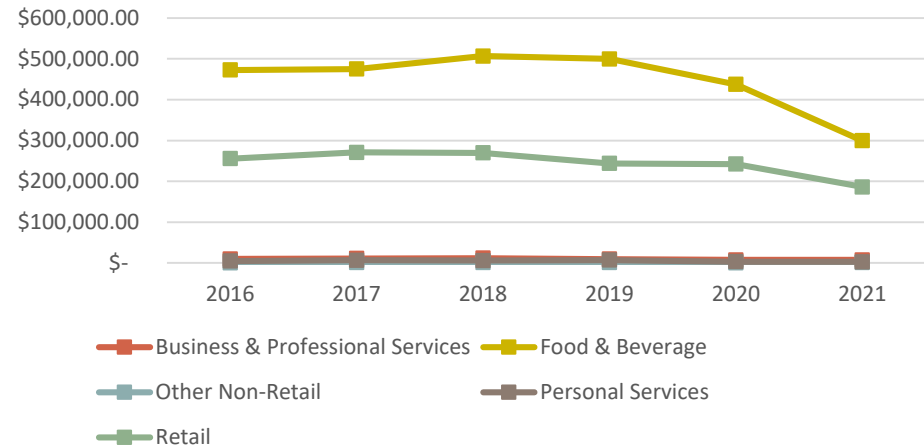
Source: Berkeley OED

Ground Floor Commercial Vacancy Rate (by Square Footage), 2016-2021



Source: Berkeley OED

Sales Tax Revenue by Sector, 2016-2021

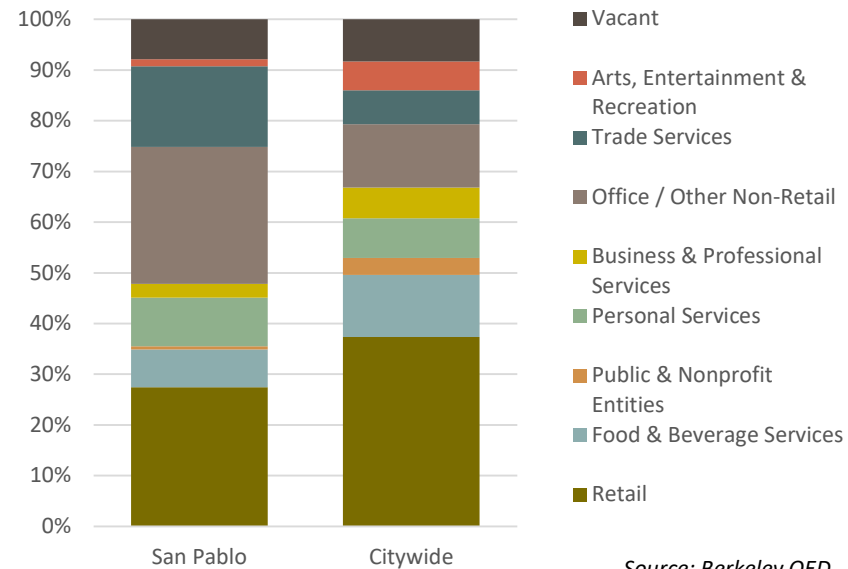


Source: MuniServices

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 (15.9%), including over 50 automobile services. San Pablo functions more as a regional destination for specific uses rather than a walkable, neighborhood-serving commercial district; as such, it features smaller percentages of Food & Beverage Services (7.4%) and Personal Services (9.6%). In Q3 2021, the district’s vacancy rate by square footage was 7.9%, up from 4.9% in Q4 2020 and also up from the average rate of 5.2% over the 5 years before 2021. Retail Sales tax revenue collected in 2021 has increased by \$56,445 since 2020, and continues to be the largest source of tax revenue for the area.

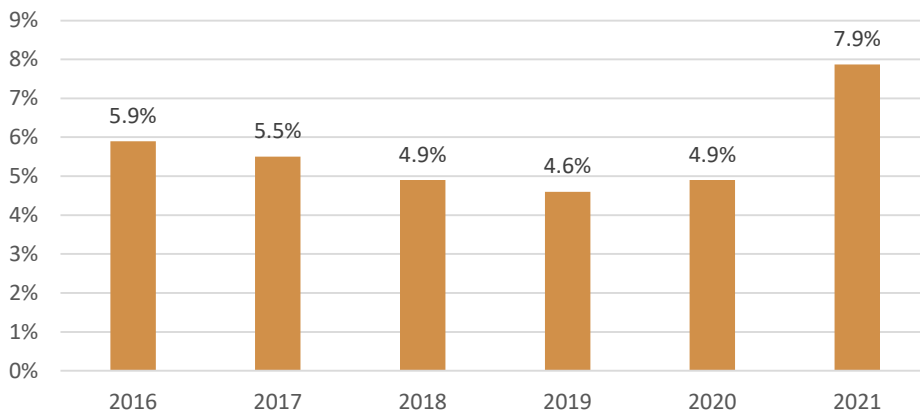


Business Mix (by Square Footage), 2021 Q3



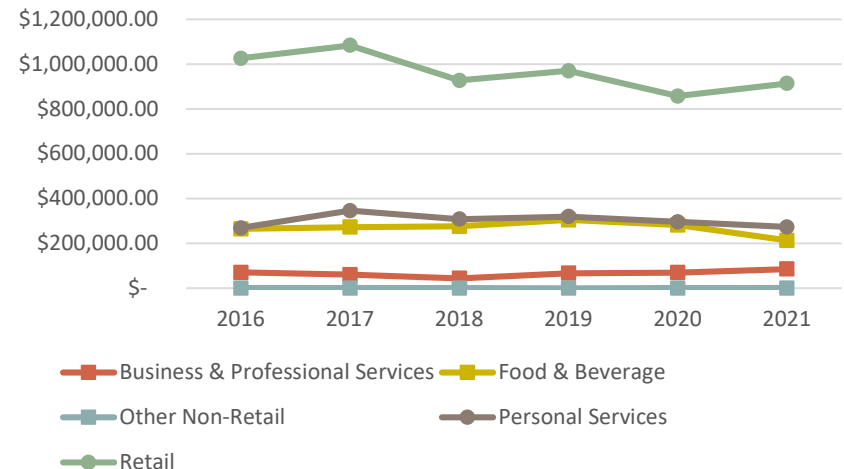
Source: Berkeley OED

Ground Floor Commercial Vacancy Rates (by Square Footage), 2016-2021

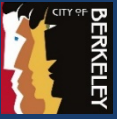


Source: Berkeley OED

Sales Tax Revenue by Sector, 2016-2021



Source: MuniServices

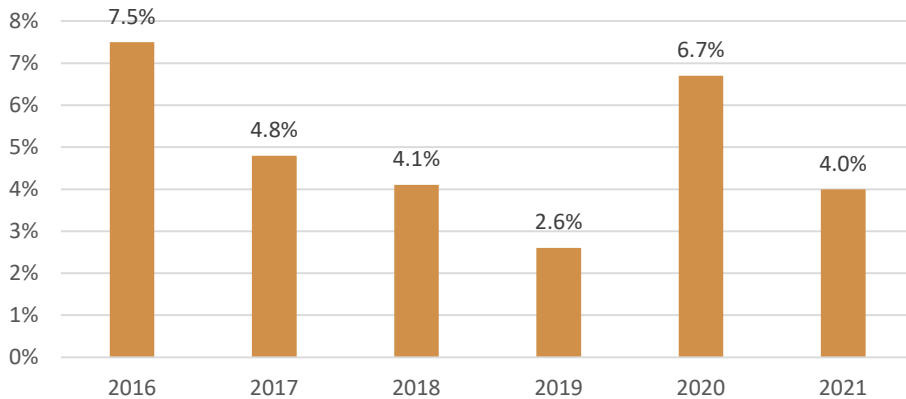


Solano is a small commercial district in North Berkeley, with a total of 147 commercial spaces and approximately 274,800 square feet of commercial space. It shares a border with Albany and is situated next to a large elementary school and an active neighborhood of single-family homes. Solano has a large key asset (the former Oaks Theatre) that was due to be occupied by a climbing gym in late 2021 and should be open soon. The district's vacancy rate by square footage is 4.0%, a 2.7% decrease from Q3 2021 (6.7%).



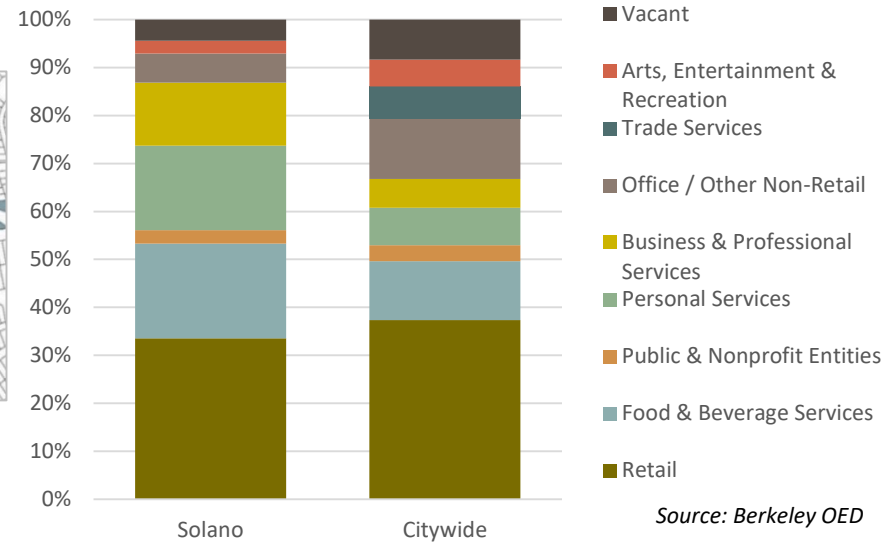
Sales tax collected from the Food and Beverage sector along Solano Avenue decreased by \$15,554, from 2020 to 2021, and by \$8,932.18 for Retail, as indoor capacity for retail shopping was limited, and indoor dining was restricted due to the pandemic.

Ground Floor Commercial Vacancy Rate (by Square Footage), 2016-2021



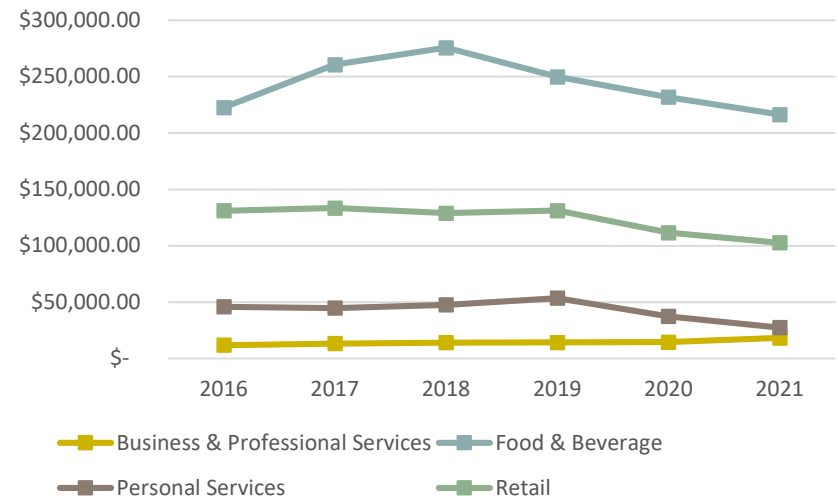
Source: Berkeley OED

Business Mix (by Square Footage), 2021 Q3



Source: Berkeley OED

Sales Tax Revenue by Sector, 2016-2021



Source: MuniServices

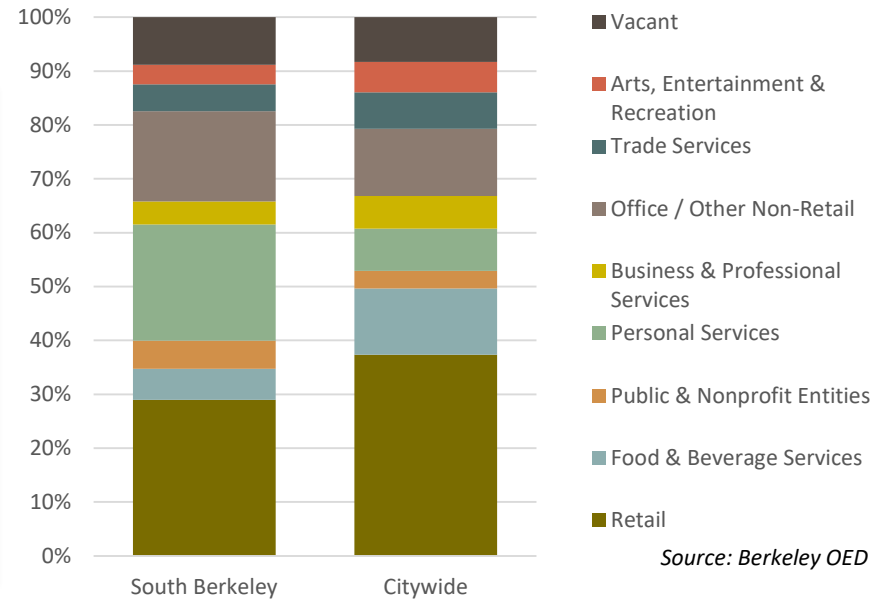
South Berkeley: 2021 Snapshot



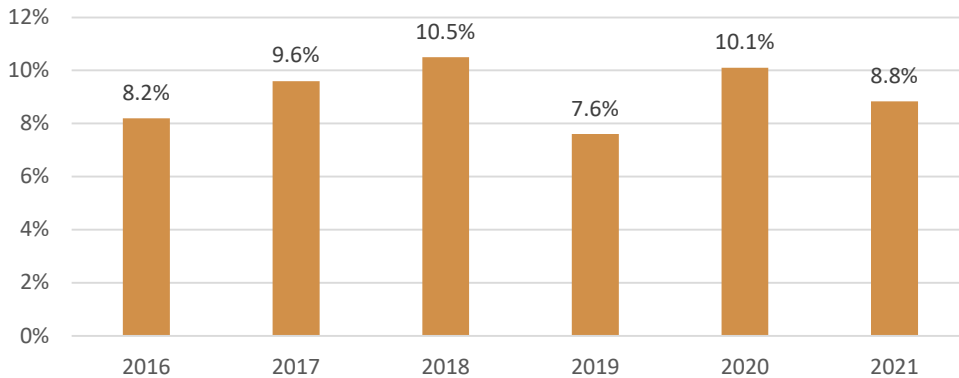
South Berkeley is a large district stretching over an area known for its cultural diversity and includes the Lorin District, the Sacramento corridor, and the South Shattuck area. South Berkeley includes several car dealerships, which accrue significant retail sales tax revenue for the City. The area also features a high concentration of Personal Services businesses (21.6% vs. 7.8% citywide) but is under-served by Food & Beverage services, which account for only 5.8% of ground floor commercial space, as compared to 12.3% citywide. As of Q3 2021, the district's vacancy rate by square footage was 8.8%, a 1.3% decrease from 2020.



Business Mix (by Square Footage), 2021 Q3

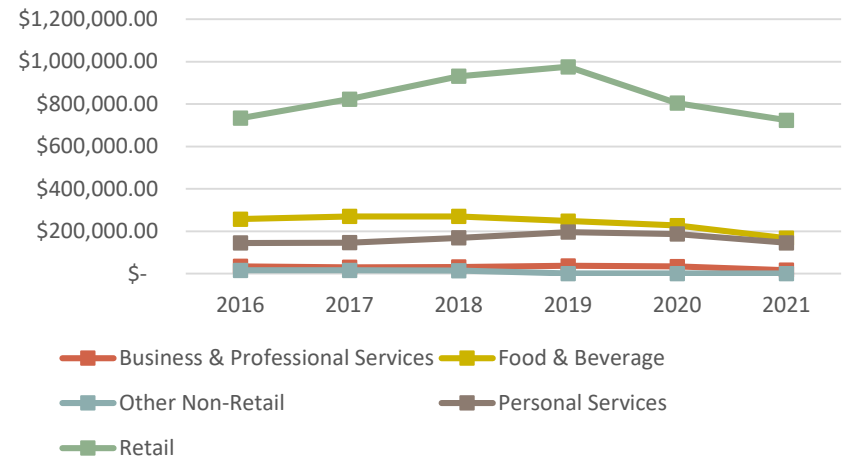


Ground Floor Commercial Vacancy Rate (by Square Footage), 2016-2021



Source: Berkeley OED

Sales Tax Revenue by Sector, 2016-2021

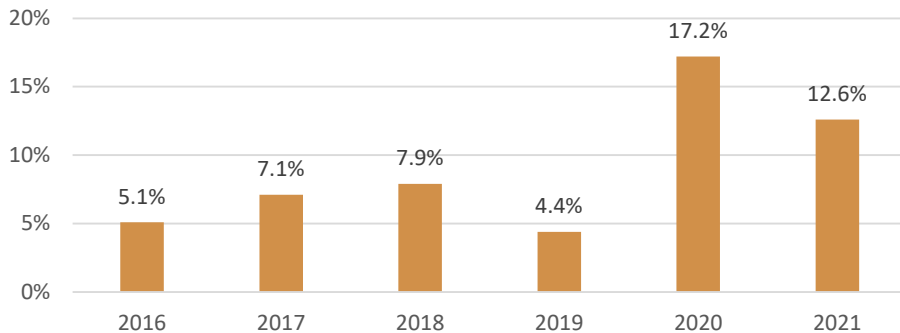


Source: MuniServices

The Telegraph district has undergone significant change with respect to its ground floor inventory over the past several years. Food & Beverage services have shown a dramatic increase since 2012, with 31.0% of Food & Beverage services accounting for ground floor commercial space in the district, as compared to 12.3% Citywide. As of Q3 2021, the district's ground floor commercial vacancy rate of 12.6% has decreased from 2020's record high of 17.2%. This can be attributed to new ground floor leases and developments along Telegraph Avenue in 2021 that will continue into 2022, including the large Enclave Building at Telegraph and Haste that currently contains student housing and is offering many new ground floor commercial spaces.

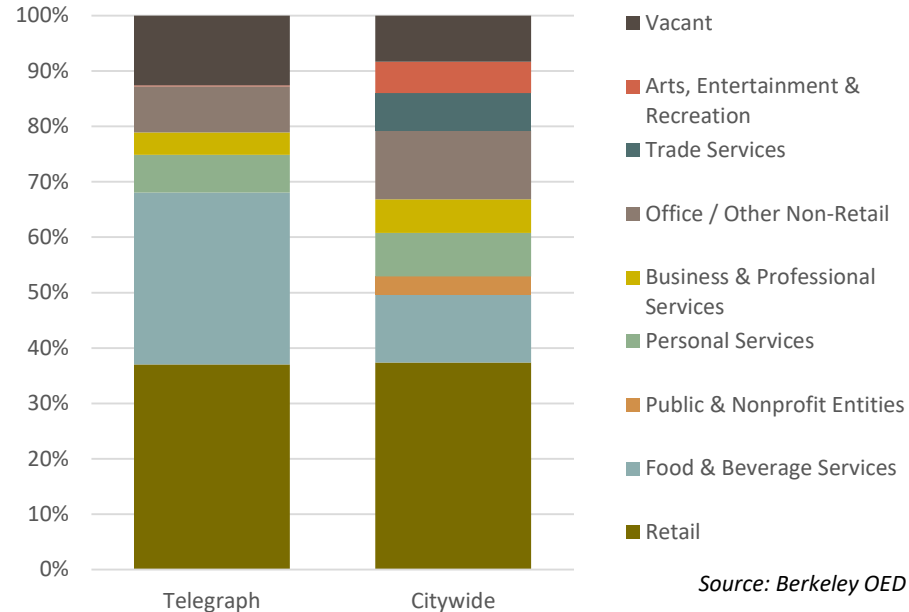


Ground Floor Commercial Vacancy Rate (by Square Footage), 2016-2021



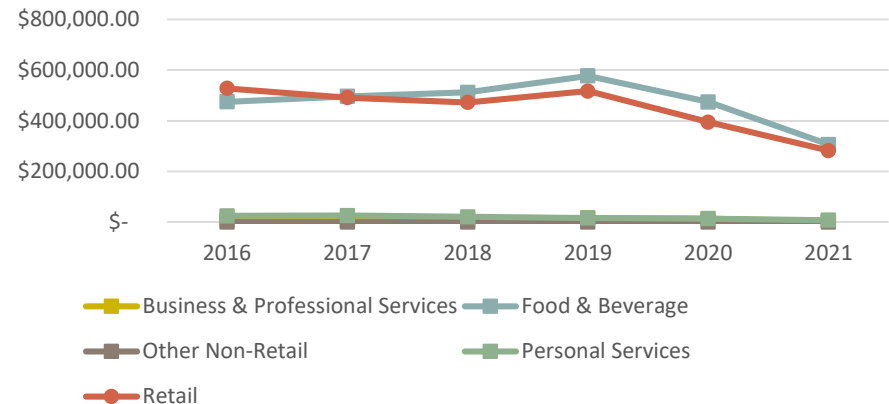
Source: Berkeley OED

Business Mix (by Square Footage), 2021 Q3



Source: Berkeley OED

Sales Tax Revenue by Sector, 2016-2021

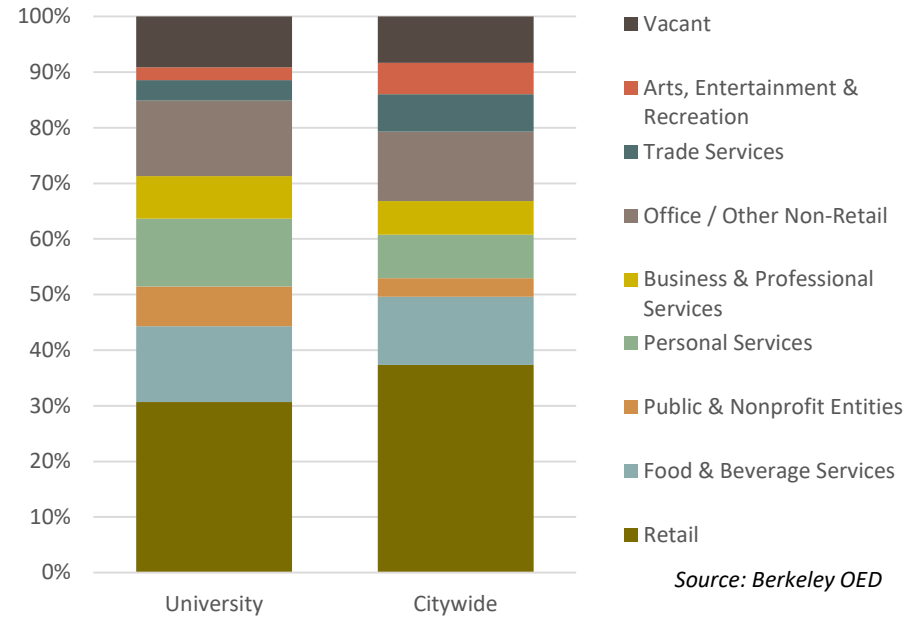


Source: MuniServices

University Avenue, from Martin Luther King Jr Way to the waterfront, spans many of the City's neighborhoods and serves as the gateway to the UC Berkeley Campus. From 2016 to 2020, Food & Beverage Services has generated the most sales tax revenue for the district. In 2021, Retail sales tax eclipsed funds from Food & Beverage. Retail sales tax collected in 2021 increased by \$116,785.63 from 2020, passing pre-pandemic levels. The 2021 vacancy rate decreased by 1.9% from 2020 to 9.1%.

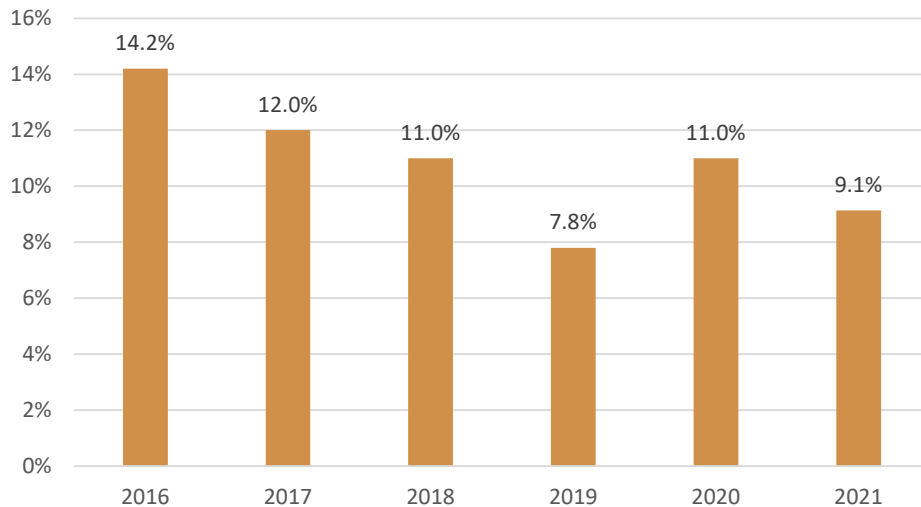


Business Mix (by Square Footage), 2021 Q3



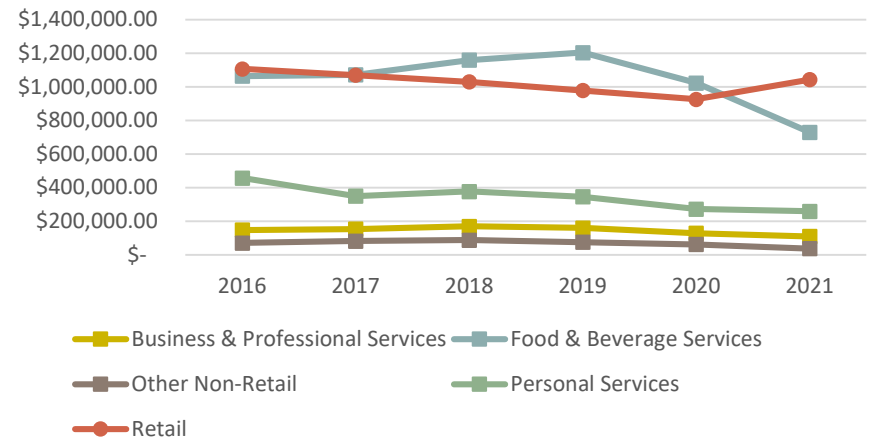
Source: Berkeley OED

Ground Floor Commercial Vacancy Rate (by Square Footage), 2016-2021



Source: Berkeley OED

Sales Tax Revenue by Sector, 2016-2021



Source: MuniServices

West Berkeley: 2021 Snapshot

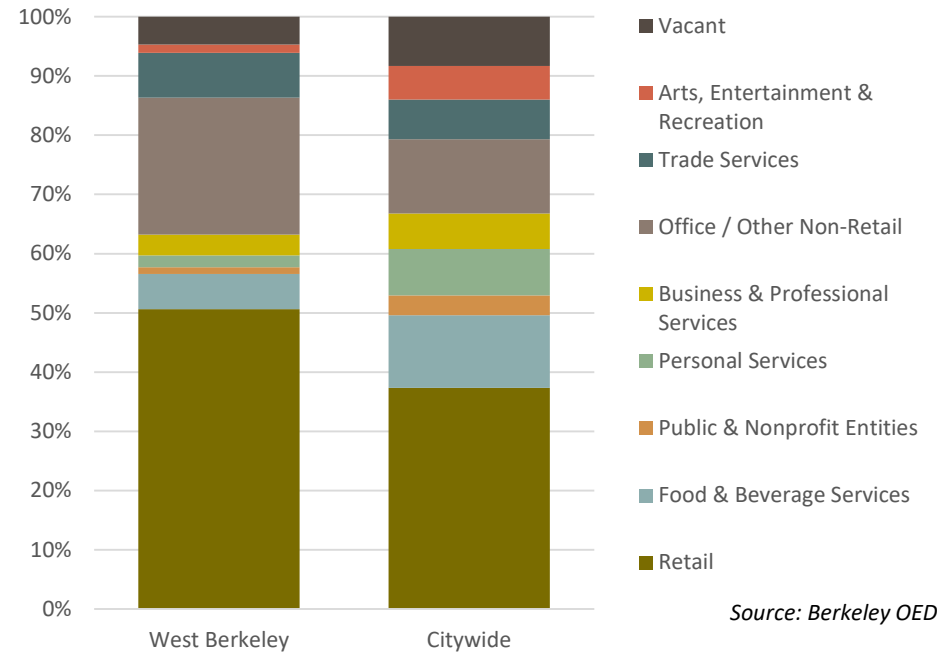


West Berkeley represents all commercial spaces west of San Pablo Avenue, including 4th Street and the Gilman Corridor. There are a number of major, large-floor-plate retailers, and a dense cluster of home supplies and construction businesses. There is also a higher percentage of non-retail commercial uses, including manufacturing and warehousing. Retail accounts for 50.7% of ground floor commercial space in the district, as compared to 37.4% citywide.

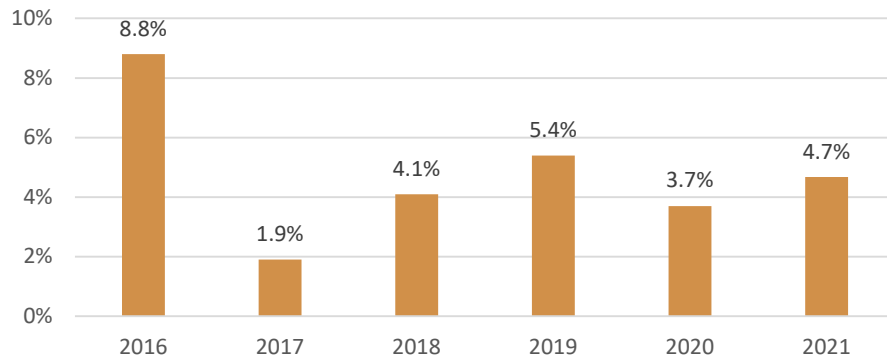
West Berkeley also has a smaller percentage of square footage devoted to Food and Beverage (5.9%) businesses than the citywide rate of 12.3%. The commercial vacancy rate in Q3 of 2021 is 4.7%, an increase from 2020's 3.7%. Sales tax revenue has increased in this area everywhere except Food & Beverage and Personal Services for an overall Sales tax revenue increase of \$71,501 (+1.1%).



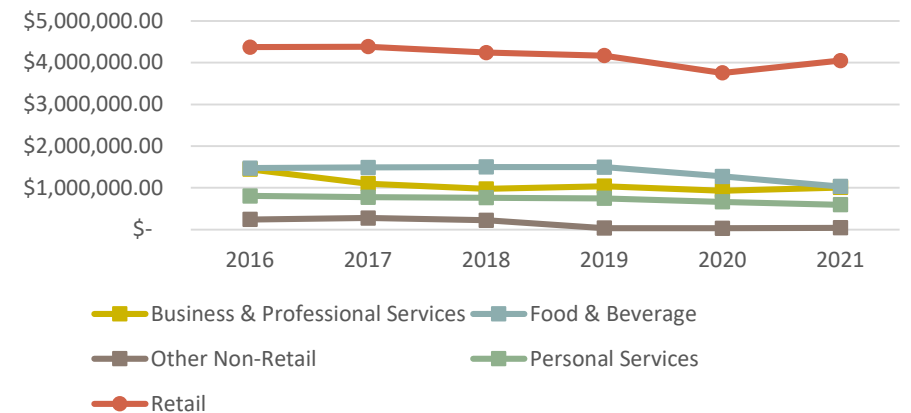
Business Mix (by Square Footage), 2021 Q3



Ground Floor Commercial Vacancy Rate (by Square Footage), 2016-2021



Sales Tax Revenue by Sector, 2016-2021



Source: Berkeley OED

Source: MuniServices

Neighborhood (C-N): 2021 Snapshot



Across Berkeley there are **11** smaller commercial pockets, zoned as “C-N” or “Neighborhood Commercial.” These areas are not more than one or two block collections of commercial enterprises that are distributed throughout Berkeley (see map).

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 3.5% of the city’s total sales tax. They also include a few large Arts, Entertainment and Recreation facilities (23.1% by square footage) and Public and Non-Profit entities (25.8% compared to 3.3% citywide).

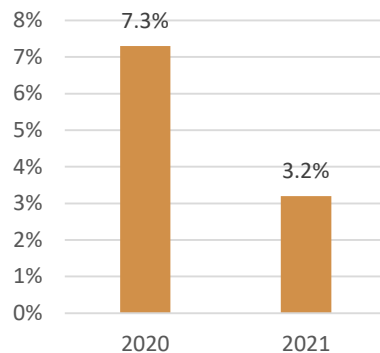


These areas include commercial nodes at the following intersections:

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

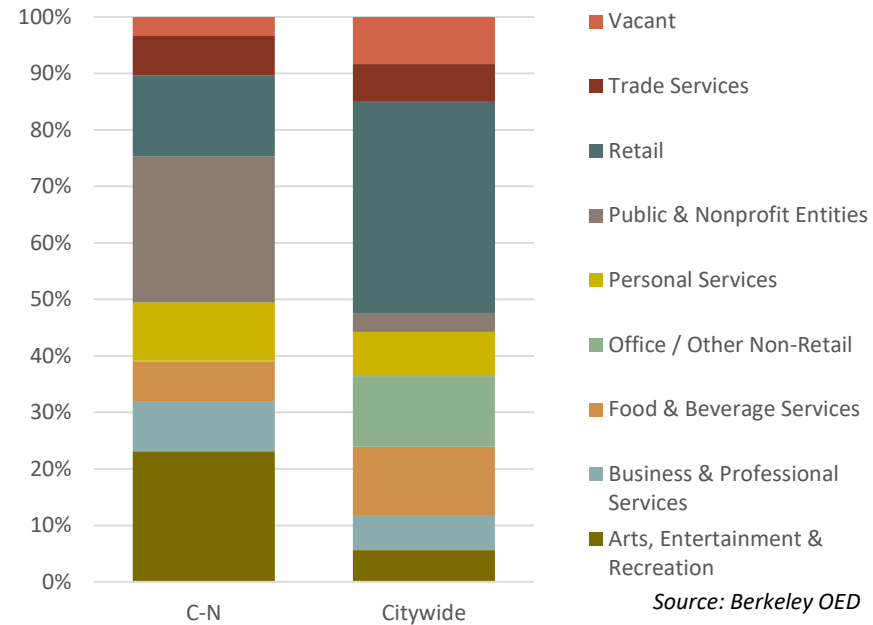
The first field data from the C-N areas was collected during the COVID-19 Pandemic of 2020 to track the impact of shelter-in-place orders on neighborhood-serving retail and service businesses.

Ground Floor Commercial Vacancy Rate (by Square Footage), 2020-2021



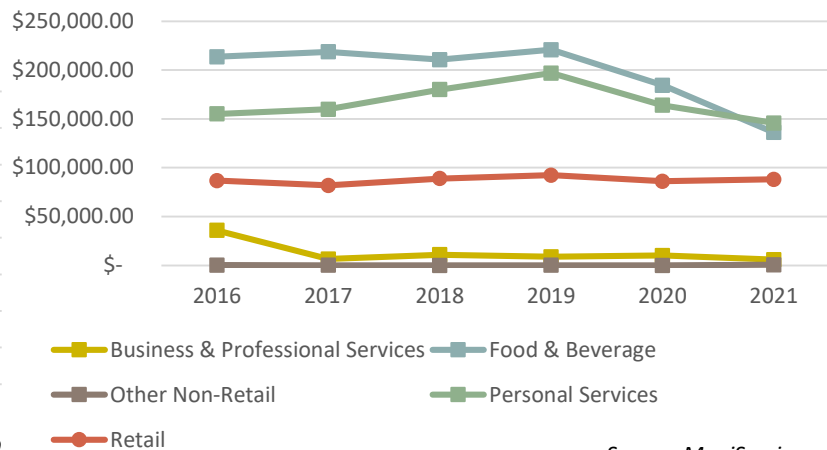
Source: Berkeley OED

Business Mix (by Square Footage), 2021 Q3



Source: Berkeley OED

Sales Tax Revenue by Sector, 2016-2021



Source: MuniServices

