

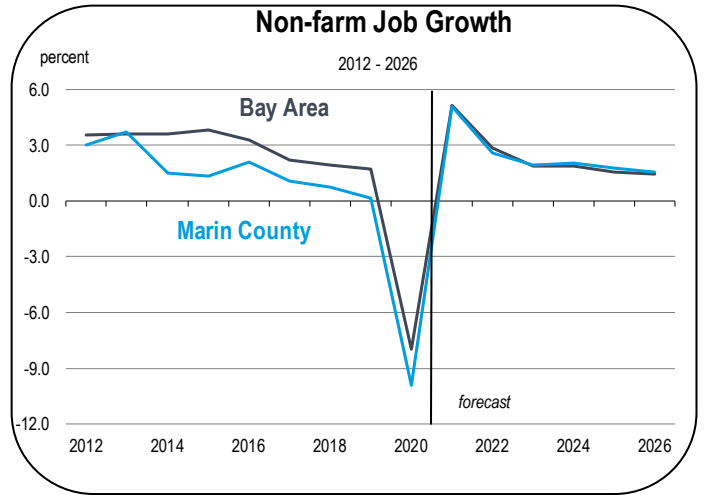
Marin County Economic Forecast

Forecast Summary

- On an annual average basis, approximately 5,300 non-farm jobs will be restored in Marin County during 2021.
- The labor market rebound will be slow. A full recovery is not expected until 2024.
- Employment gains in 2021 will be largest in professional business services, private education and healthcare, and government.
- The unemployment rate averaged 6.8 percent in 2020. It is forecast to average 4.0 percent in 2021 and 3.0 percent in 2022.
- The Marin County population has been declining for several years and will decline throughout the forecast period.
- Housing production will be minimal over the forecast period. An average of only 100 units will be built each year.
- Home prices increased unexpectedly in 2020, rising by 12 percent. Prices will increase more slowly in 2021, increasing by only 3 percent.

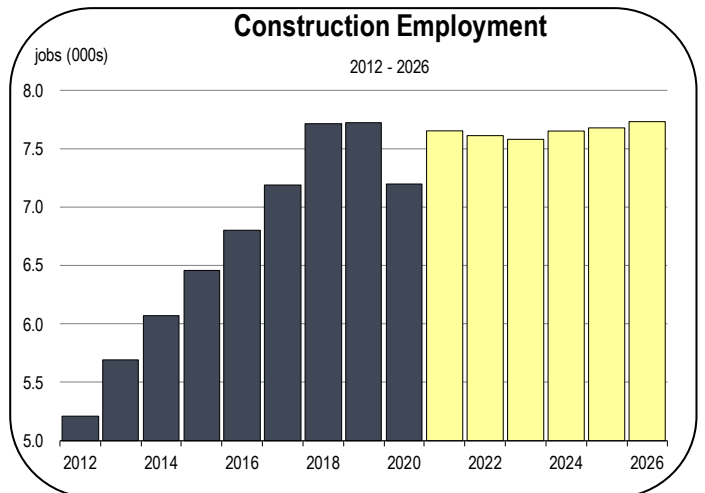
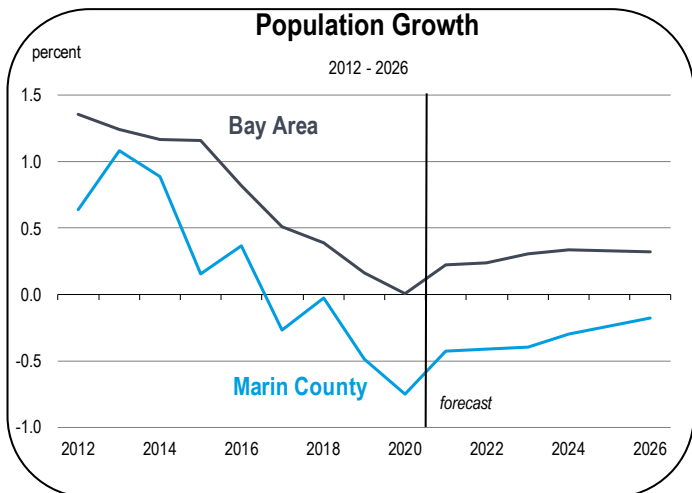
Job Growth

- Total employment in Marin County will expand by 5 percent in 2021 on an annual average basis.
- Between 2022 and 2026, employment growth will average 2.0 percent per year, which will be similar to the performance of the broader Bay Area labor market.

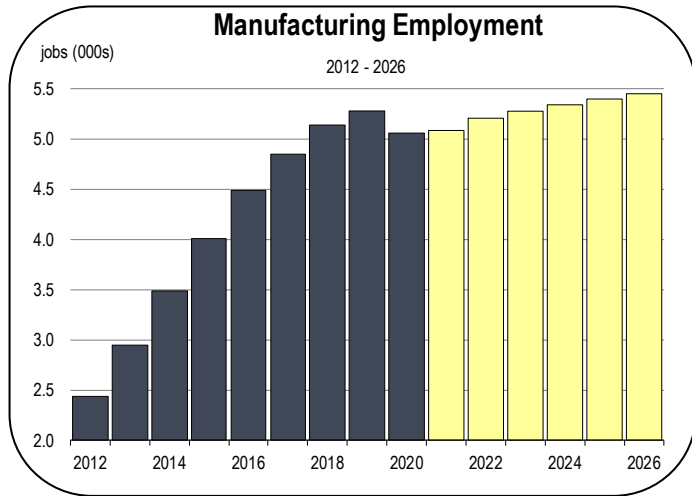


Construction Employment

- The construction sector lost 500 jobs in 2020.
- Almost all construction jobs will be restored in 2021, but little additional growth is expected during the forecast period.
- Construction on non-residential structures will be underwhelming. Over the forecast period, approximately \$800 million will be spent building and remodeling commercial and industrial buildings, down from \$1.3 billion between 2015 and 2020.
- Most construction activity is driven by housing remodels, which will support 70 percent of all construction jobs between 2021 and 2026.



Marin County Economic Forecast

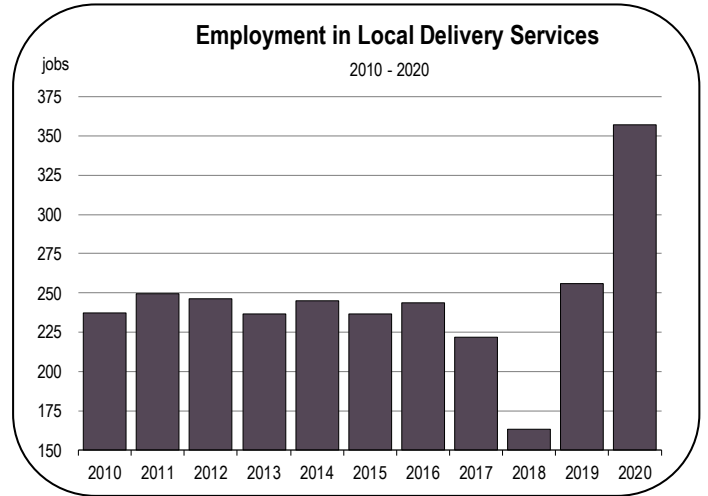
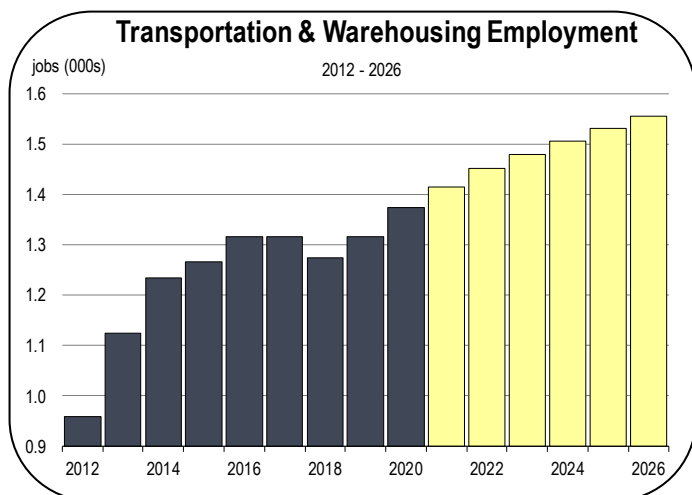


Manufacturing Employment

- Marin County manufacturing is dominated by pharmaceutical companies.
- Two of the largest are BioMarin Pharmaceutical and Ultragenyx Pharmaceuticals, which are based in Novato.
- There are plans for a 500,000 square foot biotech facility in Novato, which could pave the way for a few hundred additional pharmaceutical manufacturing jobs.
- The county also has approximately 500 jobs in food manufacturing 300 jobs in winemaking.

Transportation and Warehousing Employment

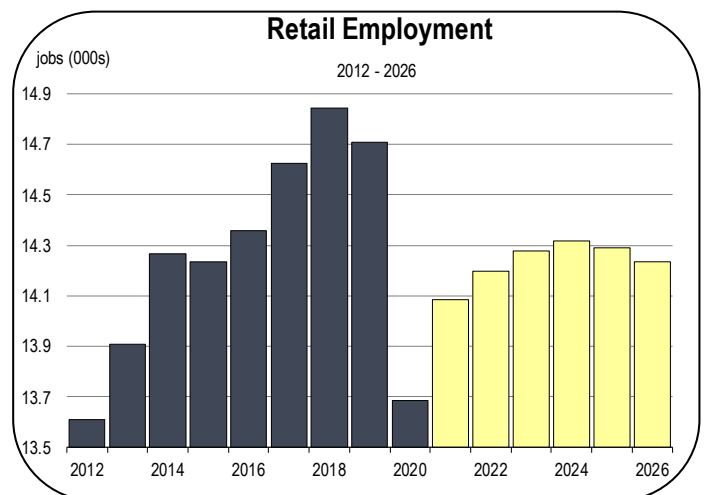
- Transportation and warehousing was the only major sector to expand in 2020.



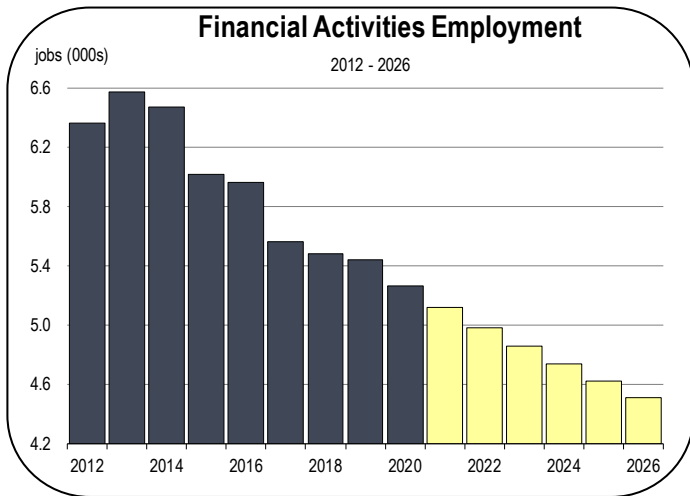
- Virtually all jobs created in 2020 were in local delivery firms.
- Local delivery jobs were created across most parts of California in response to a surge in direct-to-consumer shipping and a larger volume of spending on retail goods.

Retail Trade Employment

- The retail sector was decimated in 2020, declining by more than 1,000 jobs.
- Losses were largest at car dealers, clothing stores, and big box department stores.
- Grocery store employment expanded during 2020. So did employment at home improvement stores and gas stations.
- Retail employment will rebound sharply in 2021 as storefronts open up to higher capacities, but automation and the transition to online shopping will limit employment opportunities over time.



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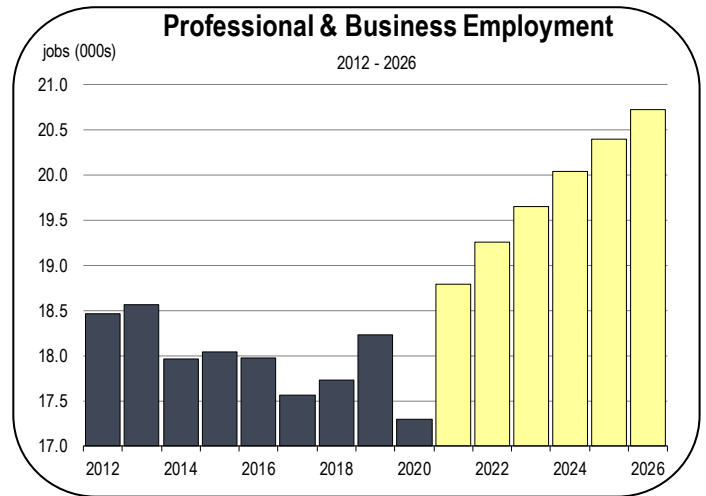


Financial Activities Employment

- The financial activities industry is largely comprised of real estate firms, investment management companies, banks, and insurance firms.
- Fireman’s Fund Insurance is the largest private employer in Marin County.
- Real estate was the only subsector to create new jobs in 2020.

Professional and Business Services Employment

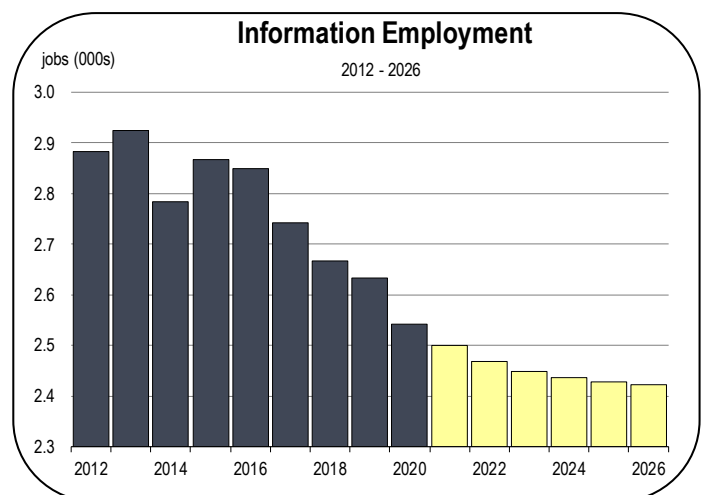
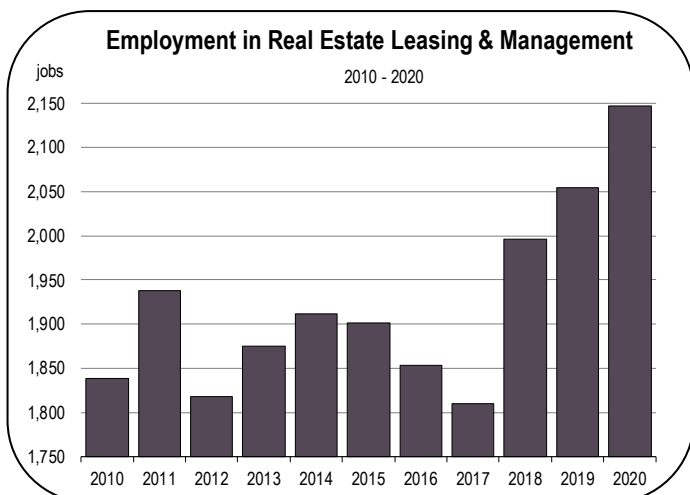
- The professional and business services industry has a diverse array of subsectors, and each was affected differently during the recession.
- The largest losses were at staffing agencies, building maintenance firms, and accounting companies.



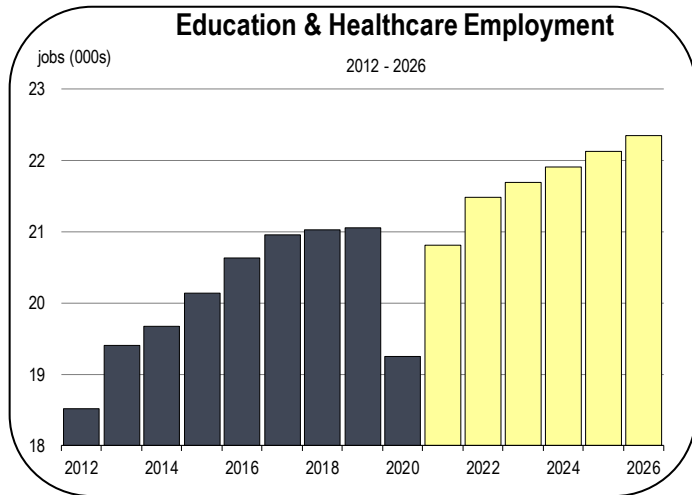
- Over the long term, much of the growth of the Marin County workforce will develop in the professional business services sector, principally in engineering and technology consulting. The trend in job creation that began in 2018 is expected to extend throughout the forecast.

Information Employment

- In Marin County, the information sector is dominated by firms that design and sell off-the-shelf software products.
- The largest software company is Autodesk, which is headquartered in San Rafael.
- Other subsectors of the information industry include telecommunications, newspapers, and movie theaters.
- Over the forecast period, job losses in these subsectors will outweigh gains at software firms.



Marin County Economic Forecast



Private Education and Healthcare Employment

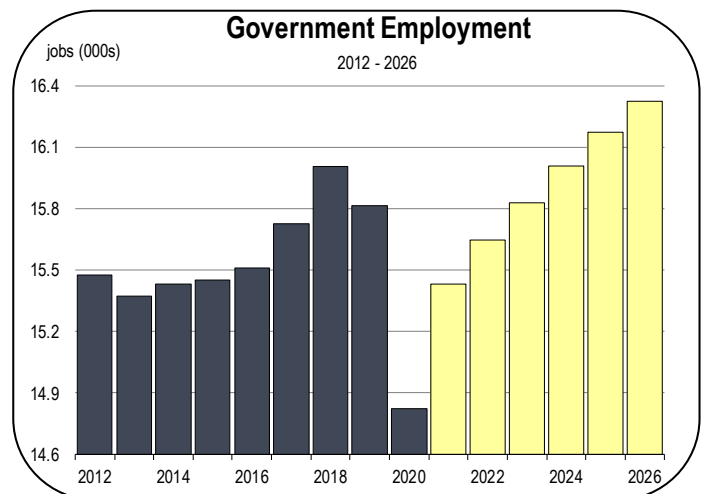
- The private healthcare and education industries were characterized by large job losses in 2020.
- Employment at hospitals, doctors offices, and dentist offices contracted modestly.
- Prominent losses occurred at centers that serve children, the elderly, and people with disabilities. Private schools and tutoring centers also declined sharply.
- Overall, the healthcare and education industry will restore 1,600 jobs in 2021 and gain another 700 jobs in 2022.

Leisure and Hospitality Employment

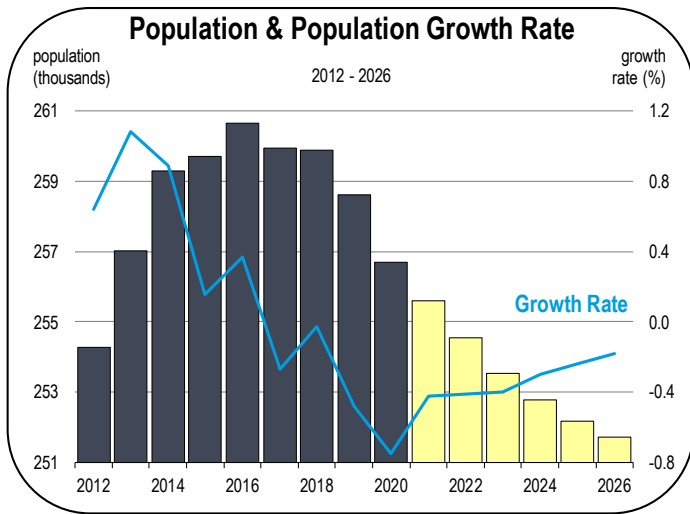
- Leisure and hospitality firms were impacted by restricted business conditions more than any other type of company.
- More than 3,000 jobs were lost at restaurants, a decline of 25 percent.
- Approximately 500 jobs were lost at entertainment and fitness centers (18 percent). Almost 400 jobs were lost at hotels (29 percent).
- Leisure and hospitality employment could rebound sharply in the second half of 2021 due to a surge in travel, dining, drinking, and recreation throughout Marin County.
- We expect the leisure and hospitality sector to regain 400 jobs in 2021 and another 1,100 jobs in 2022, but it could take several years for the industry to fully recover.

Government Employment

- State and local government agencies lost 1,100 jobs during 2020.
- Federal government agencies added 100 jobs in 2020, but this was mainly due the Decennial Census, which creates temporary government jobs every 10 years. These Census jobs have already ended.
- Some state and local government positions will be restored in fiscal 2022 (beginning in July 2021) with the restoration of federal rescue grants, the restoration of tax revenues, and commencement of in-person schools in the Fall of 2021.



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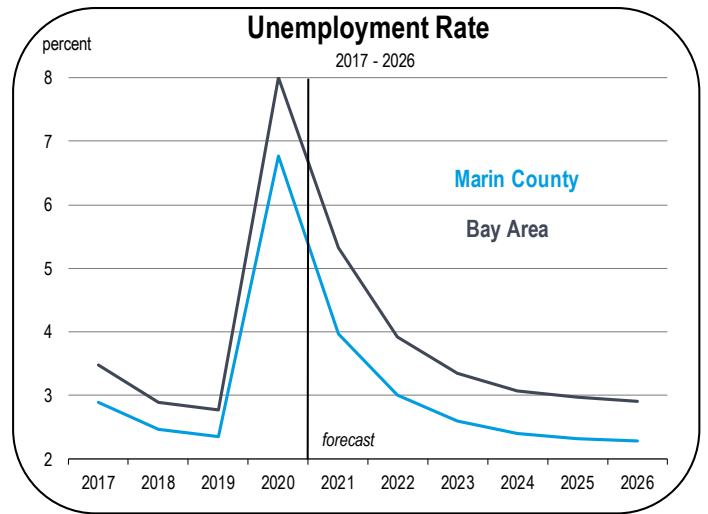


Population Growth

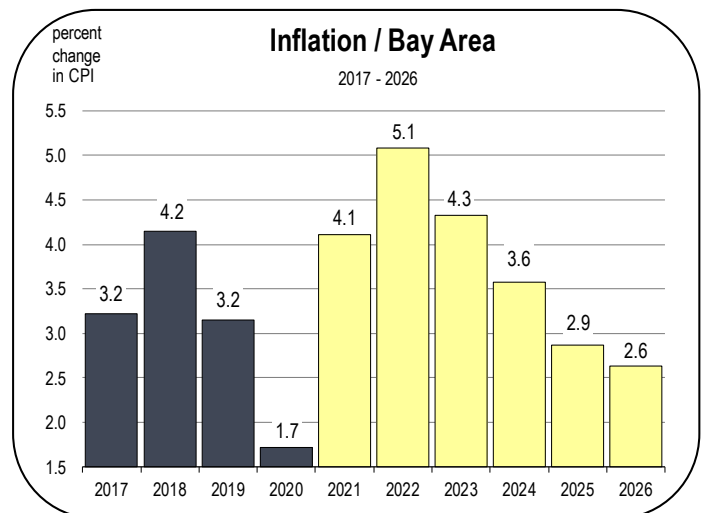
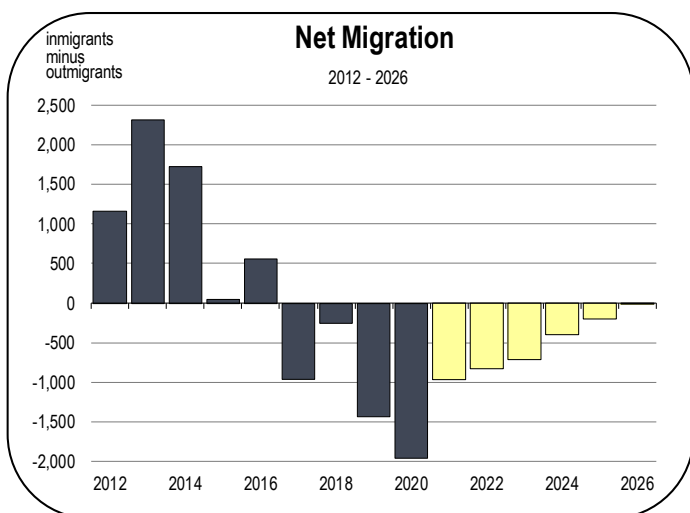
- By the end of the forecast period, population loss will have removed almost 5,000 residents from Marin County.
- Net migration is expected to be negative, with an average of 500 net migrants leaving the county each year.
- Marin county has an older population base with a low births rate. Over the forecast period, deaths will begin to outnumber births, leading to additional population loss.

Unemployment and Inflation Rates

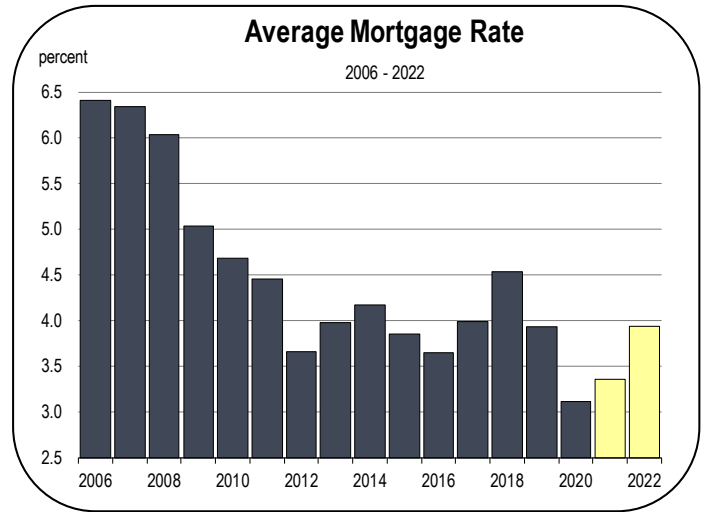
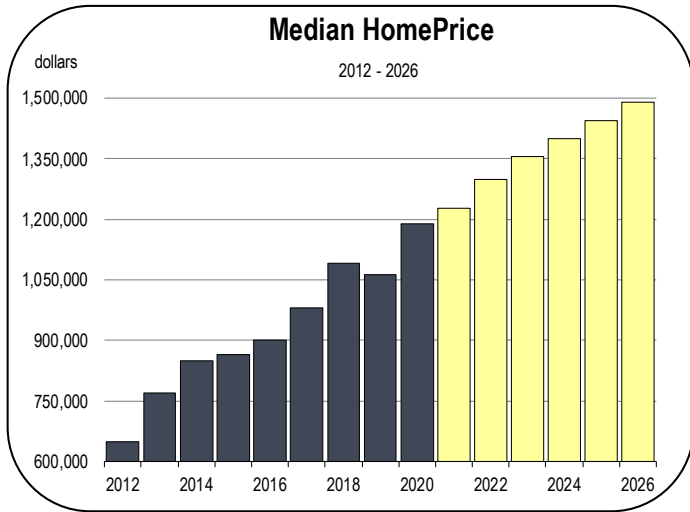
- The unemployment rate in Marin County averaged 6.8 percent in 2020, which was below the composite rate for the Bay Area.
- Because Marin County has a highly educated population and because a large share of individuals commute into San Francisco, the unemployment rate is typically lower than the Bay Area and California average.



- A fully employment labor force in Marin County is typically signified by an unemployment rate below 4 percent. Full employment should be reached in 2021.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. Inflation soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
 - Record levels of spending by consumers and government agencies
 - Fractures in the global supply chain that raise the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that force companies to raise wages



Marin County Economic Forecast



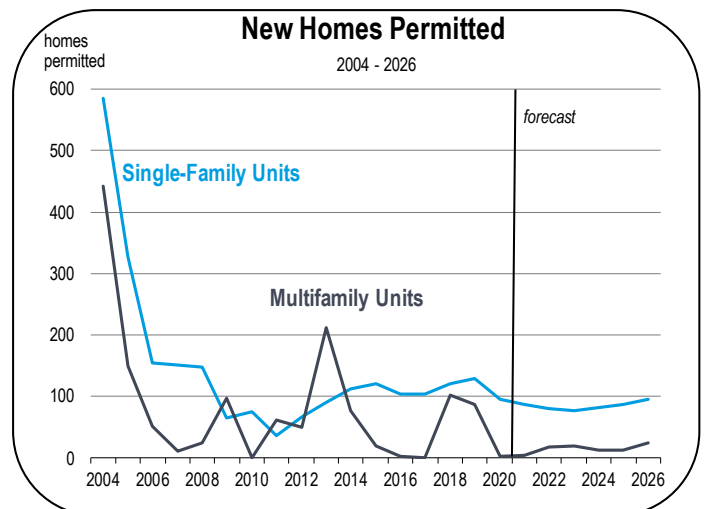
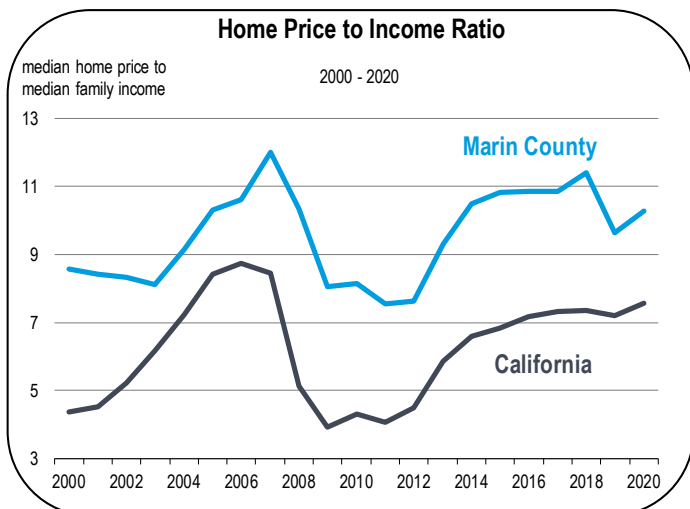
- Combined, these factors will push inflation to its highest rates in 30 years.
- Ultimately, inflation will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

housing affordability in 2020 was not much better than during the housing bubble of 2004-2007.

- Incomes in Marin County are exceptionally high, but most households still spend more than 40 percent of their pre-tax income on mortgage payment or rent.
- Interest rates and home prices are expected to rise in 2021 and 2022, making the affordability issues more acute.
- From 2015 to 2020, an average of 150 new homes were started per year in Marin County. Approximately 75 percent were single-family homes.
- Housing production is expected to average 100 homes per year from 2021 to 2026, consisting primarily of single-family homes.
- Most Marin County housing production will be observed in small development projects, but a handful of larger projects have been planned in Novato.

Home Prices and New Housing Production

- In 2020 the median home price in Marin County was almost \$1.2 million.
- Home prices increased rapidly in 2020, rising by 12 percent and exacerbating the area's housing affordability issue.
- The median price has prohibitively expensive in Marin County, where the price-to-income ratio has surpassed 10, meaning that



Marin County Economic Forecast



Grant Ave Project

- Current residential projects in Novato include:
 - Grant Ave Project (227 multifamily units)
 - Village at Novato (178 multifamily units)
 - Atherton Place (50 townhomes)
 - 7711 Redwood Blvd (80 multifamily units)
 - Habitat Redwood Project (6 houses and 74 multifamily units)
 - Hamilton Village (75 townhomes)
- The Novato development pipeline also has a number of meaningful non-residential projects, including:
 - Hannah Ranch Project, which consists of a hotel, retail space, and office space totaling 136,000 square feet of space.
 - Residence Inn with 103 rooms (77,500 square feet).
 - Hangar 8 at Hamilton Landing, which consists of a 56,000 square foot office building.
 - Wood Hollow Hotel with 87 rooms (46,900 square feet).

Marin County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	259,691	104.0	48	141	246	\$29.9	\$3.8	\$5.1	\$1.8	\$133,604	3.6	\$128.9	2.6
2016	260,643	104.2	561	106	249	\$31.0	\$3.8	\$5.1	\$3.5	\$134,068	3.3	\$108.7	3.0
2017	259,947	104.3	-968	104	247	\$32.6	\$3.8	\$5.2	\$5.4	\$137,000	2.9	\$95.2	3.2
2018	259,882	104.7	-257	222	248	\$35.3	\$4.0	\$5.4	\$5.4	\$142,871	2.5	\$98.9	4.2
2019	258,625	104.9	-1,435	215	250	\$36.7	\$4.1	\$5.5	\$5.3	\$144,288	2.4	\$99.6	3.2
2020	256,687	105.0	-1,963	99	244	\$37.5	\$3.8	\$5.1	\$5.8	\$146,165	6.8	\$100.9	1.7
2021	255,599	104.9	-967	90	246	\$38.7	\$4.2	\$5.5	\$5.6	\$146,970	4.0	\$99.6	4.1
2022	254,547	105.0	-829	98	248	\$40.5	\$4.3	\$5.7	\$5.8	\$149,911	3.0	\$99.9	5.1
2023	253,535	105.1	-714	97	249	\$42.6	\$4.5	\$5.9	\$5.9	\$153,793	2.6	\$100.8	4.3
2024	252,781	105.2	-399	94	250	\$44.7	\$4.6	\$6.1	\$6.0	\$157,624	2.4	\$101.4	3.6
2025	252,175	105.2	-201	99	251	\$46.8	\$4.7	\$6.3	\$6.1	\$160,915	2.3	\$102.0	2.9
2026	251,722	105.3	-1	119	252	\$49.0	\$4.8	\$6.4	\$6.2	\$164,258	2.3	\$102.5	2.6
2027	251,432	105.4	201	140	253	\$51.2	\$4.9	\$6.5	\$6.3	\$167,547	2.3	\$102.9	2.4
2028	251,217	105.5	304	158	254	\$53.5	\$5.0	\$6.6	\$6.5	\$170,817	2.3	\$103.4	2.5
2029	250,896	105.6	204	169	254	\$55.8	\$5.1	\$6.8	\$6.6	\$173,474	2.2	\$103.8	2.4
2030	250,484	105.8	103	172	255	\$58.0	\$5.3	\$7.0	\$6.7	\$176,249	2.2	\$104.1	2.4
2031	249,923	105.9	4	170	255	\$60.2	\$5.4	\$7.2	\$6.8	\$178,690	2.2	\$104.5	2.5
2032	249,295	106.0	5	167	255	\$62.4	\$5.6	\$7.4	\$6.8	\$180,839	2.2	\$104.8	2.4
2033	248,599	106.1	5	163	255	\$64.5	\$5.7	\$7.6	\$6.9	\$183,464	2.2	\$105.1	2.2
2034	247,836	106.3	6	158	255	\$66.8	\$5.9	\$7.8	\$7.0	\$185,796	2.2	\$105.4	2.3
2035	247,034	106.4	6	154	255	\$69.0	\$6.0	\$8.0	\$7.1	\$187,991	2.2	\$105.6	2.3
2036	246,211	106.5	8	150	255	\$71.5	\$6.3	\$8.3	\$7.2	\$189,783	2.2	\$105.9	2.3
2037	245,382	106.6	7	147	255	\$74.1	\$6.4	\$8.6	\$7.3	\$191,587	2.2	\$106.1	2.4
2038	244,547	106.7	7	144	256	\$76.5	\$6.6	\$8.8	\$7.3	\$193,229	2.2	\$106.3	2.3
2039	243,717	106.9	7	142	256	\$79.1	\$6.8	\$9.1	\$7.4	\$194,660	2.2	\$106.6	2.3
2040	242,840	107.0	8	139	257	\$81.7	\$7.0	\$9.4	\$7.4	\$196,067	2.2	\$106.8	2.2
2041	241,895	107.1	8	135	258	\$84.2	\$7.2	\$9.6	\$7.5	\$198,020	2.2	\$107.0	2.3
2042	240,899	107.2	8	132	258	\$86.7	\$7.4	\$9.9	\$7.6	\$199,908	2.2	\$107.1	2.2
2043	239,871	107.3	8	128	259	\$89.2	\$7.6	\$10.1	\$7.6	\$201,945	2.2	\$107.3	2.1
2044	238,813	107.4	8	125	260	\$91.6	\$7.7	\$10.3	\$7.7	\$204,168	2.2	\$107.5	2.2
2045	237,734	107.5	8	122	260	\$94.1	\$7.9	\$10.6	\$7.8	\$206,238	2.2	\$107.6	2.3
2046	236,647	107.6	8	120	261	\$96.8	\$8.1	\$10.8	\$7.8	\$208,421	2.2	\$107.8	2.3
2047	235,561	107.7	9	119	262	\$99.6	\$8.3	\$11.1	\$7.9	\$210,342	2.2	\$107.9	2.3
2048	234,473	107.8	9	118	263	\$102.5	\$8.6	\$11.4	\$7.9	\$212,107	2.2	\$108.1	2.4
2049	233,366	107.8	9	116	264	\$105.2	\$8.8	\$11.7	\$8.0	\$214,082	2.2	\$108.2	2.1
2050	232,243	107.9	9	115	265	\$108.1	\$9.0	\$12.0	\$8.0	\$216,012	2.2	\$108.4	2.1

Employment Sectors

2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	112.0	0.3	6.5	4.0	1.3	16.8	6.0	18.0	2.9	20.1	15.4	15.5
2016	114.3	0.3	6.8	4.5	1.3	16.9	6.0	18.0	2.9	20.6	16.1	15.5
2017	115.5	0.3	7.2	4.9	1.3	17.1	5.6	17.6	2.7	21.0	16.5	15.7
2018	116.4	0.3	7.7	5.1	1.3	17.2	5.5	17.7	2.7	21.0	16.2	16.0
2019	116.6	0.4	7.7	5.3	1.3	17.0	5.4	18.2	2.6	21.1	16.0	15.8
2020	105.1	0.4	7.2	5.1	1.4	15.8	5.3	17.3	2.5	19.2	11.3	14.8
2021	110.4	0.4	7.7	5.1	1.4	16.3	5.1	18.8	2.5	20.8	11.7	15.4
2022	113.2	0.4	7.6	5.2	1.5	16.4	5.0	19.3	2.5	21.5	12.8	15.6
2023	115.4	0.4	7.6	5.3	1.5	16.5	4.9	19.6	2.4	21.7	14.0	15.8
2024	117.8	0.4	7.7	5.3	1.5	16.6	4.7	20.0	2.4	21.9	15.4	16.0
2025	119.9	0.4	7.7	5.4	1.5	16.6	4.6	20.4	2.4	22.1	16.6	16.2
2026	121.7	0.4	7.7	5.4	1.6	16.5	4.5	20.7	2.4	22.3	17.7	16.3
2027	123.5	0.4	7.8	5.5	1.6	16.5	4.4	21.0	2.4	22.6	18.8	16.5
2028	125.1	0.4	7.8	5.5	1.6	16.4	4.3	21.3	2.4	22.8	19.7	16.6
2029	126.5	0.4	7.8	5.6	1.6	16.4	4.2	21.5	2.4	23.0	20.5	16.7
2030	127.8	0.4	7.7	5.6	1.6	16.5	4.1	21.8	2.4	23.2	21.2	16.8
2031	128.8	0.4	7.6	5.6	1.7	16.5	4.0	22.0	2.4	23.4	21.7	16.9
2032	129.7	0.4	7.5	5.7	1.7	16.5	3.9	22.2	2.4	23.6	22.2	17.0
2033	130.5	0.4	7.5	5.7	1.7	16.5	3.8	22.3	2.5	23.8	22.5	17.1
2034	131.2	0.4	7.5	5.7	1.7	16.5	3.8	22.5	2.5	24.0	22.8	17.1
2035	131.8	0.4	7.5	5.7	1.7	16.6	3.7	22.6	2.5	24.1	23.0	17.2
2036	132.3	0.4	7.4	5.8	1.7	16.6	3.6	22.8	2.5	24.3	23.2	17.3
2037	132.7	0.4	7.3	5.8	1.8	16.6	3.5	22.9	2.5	24.5	23.4	17.3
2038	133.2	0.4	7.2	5.8	1.8	16.7	3.4	23.0	2.5	24.6	23.5	17.4
2039	133.6	0.4	7.1	5.8	1.8	16.7	3.4	23.1	2.5	24.8	23.7	17.4
2040	133.9	0.4	7.0	5.8	1.8	16.7	3.3	23.2	2.5	24.9	23.8	17.4
2041	134.3	0.4	7.0	5.8	1.8	16.7	3.3	23.2	2.5	25.0	24.0	17.5
2042	134.7	0.4	7.0	5.8	1.8	16.7	3.2	23.3	2.5	25.2	24.1	17.5
2043	135.1	0.4	6.9	5.9	1.8	16.7	3.1	23.4	2.5	25.3	24.3	17.5
2044	135.4	0.4	6.9	5.9	1.8	16.7	3.1	23.4	2.5	25.4	24.4	17.6
2045	135.8	0.4	6.9	5.9	1.9	16.8	3.0	23.5	2.5	25.5	24.6	17.6
2046	136.1	0.4	6.9	5.9	1.9	16.8	3.0	23.5	2.5	25.7	24.7	17.6
2047	136.4	0.4	6.8	5.9	1.9	16.8	3.0	23.6	2.5	25.8	24.9	17.6
2048	136.7	0.4	6.8	5.9	1.9	16.8	2.9	23.6	2.5	25.9	25.0	17.7
2049	137.0	0.4	6.8	5.9	1.9	16.8	2.9	23.6	2.5	26.0	25.1	17.7
2050	137.2	0.4	6.8	5.9	1.9	16.8	2.8	23.7	2.5	26.1	25.2	17.7

Marin County Economic Forecast

Socioeconomic Indicators

