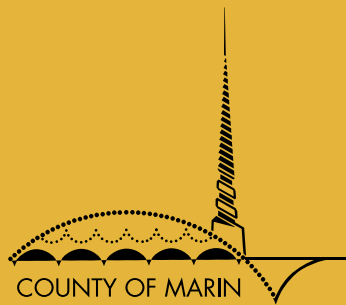




Economic VITALITY Report

JANUARY–JULY 2025





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Letter from County Executive

Dear community,

I am pleased to introduce Marin County's first Economic Vitality report, a wide-ranging analysis of the region's economic trends, opportunities, and challenges. Like your Board of Supervisors, I am committed to transparency and collaboration in our work to strengthen and sustain a diverse and thriving economy.

In an evolving economic landscape, access to data-driven insights is essential for informed decision making. By compiling this information, we aim to support public and private-sector strategic planning, policy development, and investments that foster a resilient economy.

A summary of the analysis can be found in the following section, with key findings highlighting Marin's strong employment growth, a shifting tech sector, rising home values, and robust consumer spending as 2024 came to a close.

Economic data tends to lag by up to six months, particularly in areas like unemployment rates and inflation, for example. As we look ahead, we are seeing less economic certainty stemming largely from significant changes in federal policy. Understanding these trends in this context and in combination with community dialogue will help us all navigate the opportunities and challenges ahead.

As always, the County remains committed to listening to and serving the community. We welcome your feedback and ideas to help guide future reports and initiatives—email us at **EconomicVitality@MarinCounty.gov**. Your input plays a vital role in shaping programs and policies that support local businesses, workers, and families.

Let's continue working together to ensure healthy, safe, sustainable, and equitable communities for all people and in all areas of Marin.

In partnership,



A handwritten signature in blue ink, appearing to read 'D. Johnson'.

Derek Johnson,
County Executive

Key findings highlight Marin's strong employment growth, a shifting tech sector, rising home values, and robust consumer spending. Understanding these trends in combination with community dialogue will help us all navigate the opportunities and challenges ahead.


Derek Johnson, County Executive




Economic SNAPSHOT of Marin

Economic Snapshot of Marin

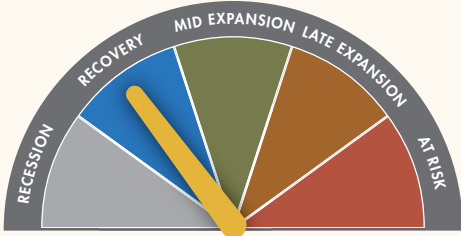
ECONOMIC DRIVERS



HIGH TECH



MEDICAL CENTER



BUSINESS CYCLE STATUS

RISK

FORECAST

↓

SHORT TERM

↑

LONG TERM

EXPOSURE
2024-2029

148

2nd Quintile
Most: 1 Least: 403

UPSIDE

- Moderating inflation encourages consumer spending and boosts the local economy
- Cost advantages over San Francisco attract newcomers who wish to stay in the Bay Area

DOWNSIDE

- Worker shortages worsen, dealing a significant blow to eldercare facilities
- Firms and residents depart for lower-cost locales

STRENGTHS

- Proximity to larger economies
- High educational attainment
- Burgeoning biotech industry

WEAKNESSES

- High living costs
- Persistent out-migration
- Sensitivity to business cycle fluctuations, specifically the capital-raising climate

Source: Moody's – December 2024

INDUSTRY EMPLOYMENT

PERCENTAGE CHANGE



Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT FORECAST

VS. 6 MONTHS PRIOR

	2-YEAR	2-YEAR
GOVERNMENT	↔	↔
PRIVATE SERVICES	↑	↑
GOODS PRODUCING	↔	↔

Sources: BLS, Moody's Analytics

Economic Snapshot of Marin

Recent Performance

Marin County's economy is steaming ahead. Payroll employment growth has gained momentum since September 2024, easily outpacing the state and national growth rates. Professional, scientific and technical services have returned to their 2019 employment peak, but software developer payrolls are still shrinking.

Healthcare remains a solid growth driver, and leisure/hospitality and retail are lending support. The unemployment rate is holding steady just below the national figure, but the labor force continues to contract. House price appreciation is on par with the U.S. pace.

A resilient economy doesn't happen by chance—it requires intentionality and focus to create opportunities for all. This report provides the economic indicator insights we need to navigate challenges, embrace innovation, and build a strong foundation for our community's shared success.

Mary Sackett, President,
Marin County Board of Supervisors

Tech

Tech, which accounts for an outside share of employment in Marin County, will face an uphill battle. The county is home to many high-tech businesses as well as tech workers who commute to jobs in San Francisco, which remains in a deep tech-induced lull. Falling interest rates should spur investment and give firms the confidence to hire, but there are crosscurrents. President Trump's proposed tariffs could put upward pressure on prices again if enacted, rekindling inflation and forcing the Federal Reserve to slow its policy easing cycle, weighing on the tech recovery.

While the Bay Area remains a hotbed of venture capital, high living and business costs have pushed some employers and workers to less-expensive pastures. Lower business costs compared with San Francisco give Marin County a slight edge in this respect, and increased acceptance of remote work will keep Marin a hub for tech workers and dollars. The Bay Area's highly skilled workforce and culture of entrepreneurship will keep tech anchored to it, but its heyday as the industry's epicenter will over, and the spillover that has fueled Marin's growth will wane.



Economic Snapshot of Marin

Housing

Robust house price appreciation will be a mixed bag. The county is a popular destination for wealthy Californians seeking a suburban lifestyle near San Francisco. While residential permitting is on a solid trajectory, limited buildable land will dampen new construction in the years ahead, keeping the housing stock lean and putting upward pressure on prices. Coupled with rising insurance rates due to fire risks, escalating costs could hurt demand.

However, Marin’s comparatively wealthy residents will be better able to absorb price increases, leaving the county less exposed to the cost-driven outmigration plaguing most of the state. Furthermore, rising home values will increase homeowners’ wealth, creating positive spillover for the broader economy.

Spending

Marin County’s consumer industries will fare better than elsewhere in the coming year. Tariffs on imports will likely rise during Trump’s second term, the costs of which will be passed along to consumers as they were during his first. Marin residents will have the wherewithal to keep spending amid rising price pressures.

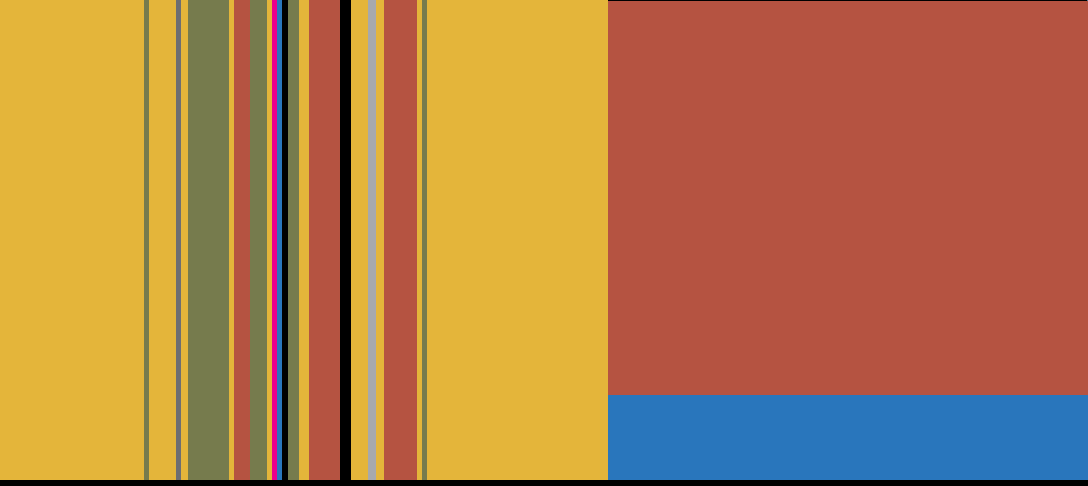
Per capita income is more than double the state and national average. Income from dividends, income and rent account for an unusually high share of the total and will help propel income growth ahead of the state and U.S. Resilient demand will bolster industries such as leisure/hospitality, retail and healthcare, all of which have contributed to recent payroll growth.





California OVERVIEW

2024 Statewide Sales Tax Trends



California Overview | 2024 STATEWIDE SALES TAX TRENDS

Sluggish third quarter 2024 tax filings and mixed short-term performance coming from the eight groups noted below combine to reduce sales taxes expectations for fiscal year 2024-25. This negative outlook reflects a second year of statewide revenue declines. Contributing factors in this uncertain economy include higher business operating costs and to what extent Federal Funds interest rates may decline further into 2025. Looking ahead, election results have introduced additional economic uncertainty. Nationally, consumer confidence and sentiment recently soared but future policy decisions could exert upward pressure on prices, resulting in fewer sales transactions.



AUTOS/ TRANSPORTATION

↓ **-0.9%** in 2024/25

↑ **+3.5%** in 2025/26

Affordability concerns have weighed on car sales, but a gradual easing of new vehicle prices, declining interest rates, and a strong labor market are expected to support demand over time. With the average age of vehicles on the road now at a record 12.6 years, significant pent-up demand has positioned the market for recovery. Short-term factors, such as the threat of

potential tariffs and year-end incentives to clear excess inventory, could provide a temporary boost. The recovery is likely to be gradual, however, as structural challenges including high insurance costs, limited affordable models, and added complexity posed by the transition to electrification will continue to act as headwinds to the market.



BUILDING/ CONSTRUCTION

↓ **-1.8%** in 2024/25

↑ **+2.6%** in 2025/26

This quarter's results repeated much of what happened last quarter. Sales at big box home improvement centers extended their slide while lumber and roofing supply sales held steady in the northern and southern ends of the state. Retailers providing rooftop solar materials and installation have yet to find the bottom of that market as sales receded yet again. Asphalt and cement batch plants reported a

stable sales volume overall, but any progress came from outside the Central Valley. Optimism for future construction-related gains has been dampened by the Fed's cautious and minimal adjustments to interest rates so far, while the specter of higher tariffs and uncertainty over the future of the home loan industry leave many unanswered questions.

Source: HdL Companies December 2024 Trends & Drivers Report

California Overview | 2024 STATEWIDE SALES TAX TRENDS



BUSINESS/INDUSTRY

- **0.0%** in 2024/25
↑ **+1.8%** in 2025/26

Ecommerce continues to rule as consumers embrace the convenience of shopping online. Related sales jumped and CA-based fulfillment centers filled more “local” orders, contributing 27% of all B&I revenues. While business-to-business edged a little higher, most other categories remained relatively flat or declined as economic variables such as high interest rates stunted growth. The industrial and information

technology sectors broke even compared to last year. Medical/-biotech, office supplies/furniture, and garden/agricultural supplies all declined. Solar/energy projects across the State slowed as well. Given the diversity of this group, the outlook is modest. With twenty-one unique tax segments, predictions vary widely based on the size and character of local businesses.



FOOD/DRUGS

↓ **-1.8%** in 2024/25
↑ **+0.4%** in 2025/26

Grocery stores’ profits grew 1.4% as more customers ate at home because of elevated restaurant menu prices, especially for lower income patrons. Convenience/liquor markets see shrinkages as consumers pivot and buy more snack foods and alcohol at big box merchants. Cannabis retailers’ gross receipts tumbled for the fourth consecutive quarter; yielding an (-11.6%) return over this period.

Additionally, national brands’ recent announcements accelerating outlet closures could provoke drugstore graveyards while product inventory is scarce in some local communities. As such, until the drugstore category is transformed, anticipate this group to finish lower at the end of June and fiscal year 2025-26 to stay relatively flat.



FUEL/SERVICE STATIONS

↓ **-8.3%** in 2024/25
↑ **+3.7%** in 2025/26

The 13% decline in July to September payments revealed a drop in consumption, down 10% over the year ago quarter, as well as reductions in per gallon fuel rates paid by buyers. This sector again is expected to endure significant downward pressure on regular, diesel, and oil barrel prices compared to a year ago. As a result, the overall forecast in fiscal year 2024-25

is lower. Recent legislation and regulations imposed on suppliers of fuel in California are likely to have an upward pressure on fuel prices, which will offset the overall reduction in sales tax toward the second half of 2025. As a result, anticipate a slow recovery beginning in fiscal year 2025-26.

Source: HdL Companies December 2024 Trends & Drivers Report

California Overview | 2024 STATEWIDE SALES TAX TRENDS



GENERAL CONSUMER GOODS

↓ **-1.9%** in 2024/25
↑ **+1.4%** in 2025/26

Numerous classifications remained depressed throughout the third quarter, contracting more than anticipated as the group absorbed some of the impact caused by lower gas prices. Despite cost reductions of some core goods, consumers battled stubborn inflation in non-taxable areas, forcing more attention on balancing needs versus wants. Brick-and-mortar

storefronts remain in competition with the convenience of and investment in online shopping which has added negative headwinds for overall direct tax allocations across this segment. The outlook is cloudy with expectations for lower receipts throughout fiscal year 2024-25 and a return to mild growth in the following year driven by a bump in the overall costs of goods.



RESTAURANTS/HOTELS

↑ **+1.2%** in 2024/25
↑ **+3.7%** in 2025/26

The restaurant industry is experiencing moderate growth, substantiated by a 1% increase in the recent quarter. However, higher labor and food costs persist as significant challenges, leading to menu prices increasing about 7% on average over the last year. This trend is causing budget-conscious diners to

reduce their restaurant visits. Both fine dining and leisure-entertainment categories saw declines in 3rd quarter returns with price sensitivity remaining a big factor. While recent hotel stays have slowed, the outlook for room rates and occupancy in the coming year is positive.



STATE AND COUNTY POOLS

↑ **+3.0%** in 2024/25
↑ **+3.5%** in 2025/26

Simply put, the pooling system distributes the local share of use tax (basically the same as sales tax except the seller is not located in California) collected by the state. The tax is first coded to the county of use and then distributed to each jurisdiction in that county on a pro rata share of taxable sales each quarter.

Large audit corrections tied to county pools over allocations in prior years hurt cash payments in the third quarter of 2024, while economic basis gains of 3% were right in line with estimates for this period.

Retail ecommerce holiday season sales growth rose once again, doubling the increase seen at physical retail locations. Perceptive companies looking to enhance sales are making future investments in warehouse automation, artificial intelligence tools, and augmented reality; all with an eye toward directing shoppers to spend more purchasing time on devices to satisfy spending needs. The forecast captures steady year over year improvement, overcoming the (-0.5%) decline that occurred fiscal year 2023-24.

Source: HdL Companies December 2024 Trends & Drivers Report



ECONOMIC Drivers

Economic Drivers | GDP GROWTH PROJECTIONS & EMPLOYMENT PERFORMANCE

UNITED STATES

2.6% in 2024/25
2.5% in 2025/26

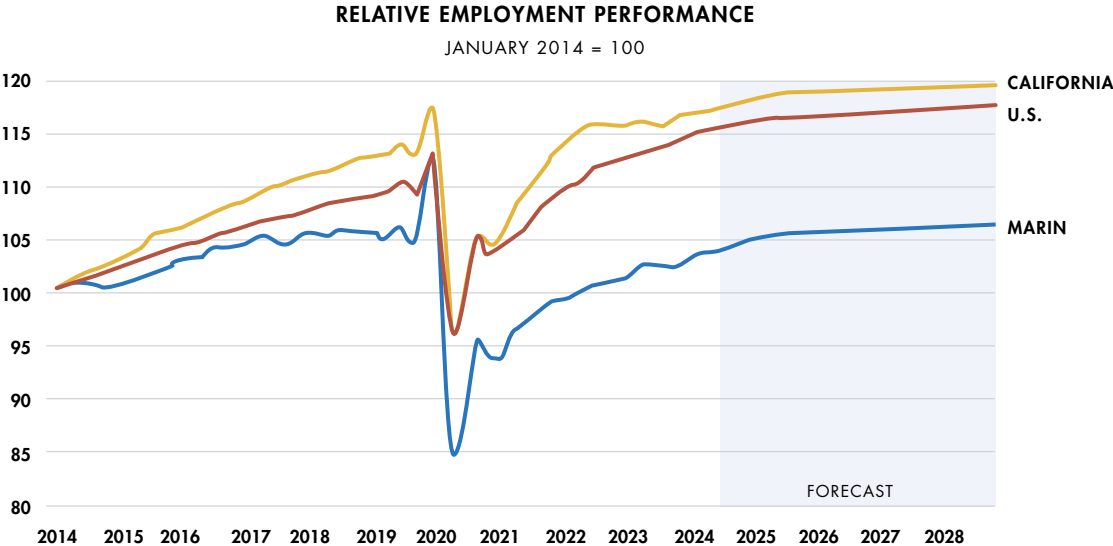
At the close of 2024, the U.S. economy continues to exceed expectations. Real GDP growth has averaged 3% over the past nine quarters, and preliminary data for the final quarter of 2024 suggests this momentum remains intact. Beacon Economics expects real GDP growth to continue, driven by the strength of U.S. household finances, which in

turn is characterized by falling debt-to-income ratios, a decent savings rate, record high net worth, and rising real incomes. Consumer spending accounts for nearly 70% of U.S. economic output, meaning when consumers are doing well, the broader economy tends to follow suit.

CALIFORNIA

In 2023, California’s GDP grew at a 3.7% compound annual rate, which was faster than the nation’s and all but three states: Washington, Florida and Texas. However, the growth rate in the second quarter of 2024 was 2.8% on an

annual basis, 0.2 percentage points less than the U.S. growth rate. The next two years (2025 and 2026) will be characterized by a more typical higher-than-U.S. economic growth, led by technology and aerospace.



Sources: BLS, Moody’s Analytics

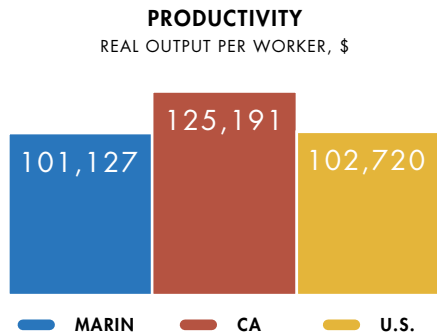
Sources: US Dept. of Commerce – Bureau of Economic Analysis; HdL Companies; UCLA Anderson Forecast

Economic Drivers | BUILDING PERMITS

California

Residential permits in California have declined in eight of the last twelve quarters YoY, including a nearly 13% drop in Q3 2024. High interest rates and borrowing costs, which have strained the housing market for two years, continue to hinder progress. The current pace of permitting remains far below what is needed to close the state's substantial housing supply gap.

Although recent Federal Reserve rate cuts have lowered short-term borrowing costs and offered relief to developers, the number of permits being issued remains far lower than demand. With further rate cuts expected, modest growth in permits is likely, but without accelerated issuance and more aggressive efforts to increase supply, California's housing shortfall will persist, leaving homeownership out of reach for many residents.



Sources: BEA, Moody's Analytics, 2022

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	NOV 23	MAY 24	NOV 24
MINING	NC	NC	NC
CONSTRUCTION	-2.3 ↓	-1.3 ↓	-2.2 ↓
MANUFACTURING	+2.6 ↑	+0.8 ↑	-0.8 ↓
TRADE	-1.7 ↓	+1.5 ↑	+5.2 ↑
TRANS/UTILITIES	-2.1 ↓	-4.8 ↓	+9.4 ↑
INFORMATION	+1.4 ↑	-1.2 ↓	-7.0 ↓
FINANCIAL ACTIVITIES	+0.8 ↑	-1.9 ↓	-3.8 ↓
PROF & BUSINESS SVCS.	-2.7 ↓	-0.5 ↓	+2.8 ↑
EDU & HEALTH SVCS.	+5.7 ↑	+4.2 ↑	+5.0 ↑
LEISURE & HOSPITALITY	+3.9 ↑	+0.3 ↑	-1.2 ↓
OTHER SERVICES	+7.0 ↑	+6.7 ↑	+1.7 ↑
GOVERNMENT	+4.2 ↑	+4.3 ↑	+3.6 ↑
TOTAL	1.7	1.6	2.1

Sources: BLS, Moody's Analytics



Economic Drivers | UNEMPLOYMENT RATES – DECEMBER 2024

UNITED STATES

4.3% in 2024/25
4.1% in 2025/26

The nation’s unemployment rate continues to hover around historically low levels, despite rising slightly to 4.2% in November 2024. This rate represents an improvement over July 2024 and solid wage growth continues to underscore the U.S. economy’s strong performance. In October 2024, there were approximately

1.1 job openings for every unemployed person in the nation, indicating a tight labor market despite a decline from 1.44 job openings per person a year earlier. The U.S. job openings rate was 4.6% in October 2024, down from its peak in March 2022, but still at a historically elevated level, a sign of a persistently tight labor market.

CALIFORNIA

5.3% in 2024/25
5.1% in 2025/26

While the U.S. unemployment rate held steady at 4.1% in October, California’s labor market is showing clear signs of strain. The state’s unemployment rate ticked up from 5.3% in September to 5.4% in October 2024—0.3 percentage points higher than October 2023 and a full percentage point above pre-pandemic levels. In contrast, the national unemployment rate is just 0.5 percentage points above pre-pandemic levels, and without California, the national unemployment rate drops

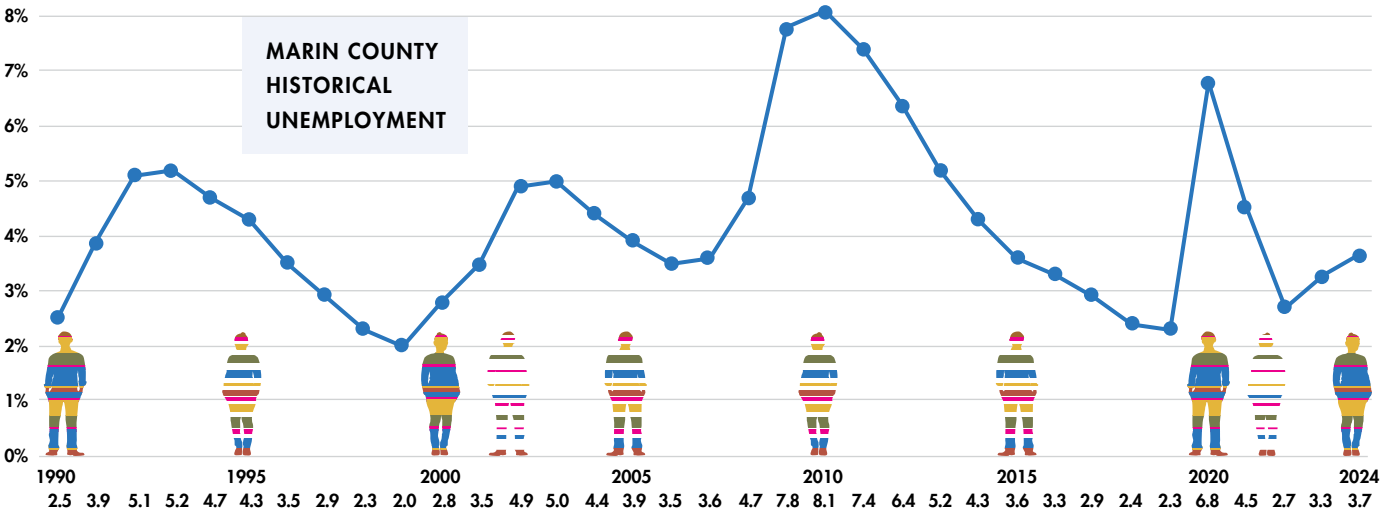
to 3.98%. California’s increased unemployment rate is not driven by more people entering the labor force, as the state’s labor force participation rate has shrunk by nearly one percentage point since February 2020. In September, California had nearly two unemployed individuals for every job opening; a ratio of 1.9. The U.S. ratio remains significantly lower at 0.9, indicating that California’s challenges may stem as much from a shortage of job openings as from a constrained labor force.

MARIN COUNTY

3.7% in 2024/25

Labor Force: 130,800
 Employment: 125,800
 Unemployment 5,000

Sources: US Bureau of Labor Statistics; CA Employment Development Dept., HdL CompaniesUsdam,Im





MARIN COUNTY DATA

SALES TAX

Q3 2024

Sales Tax | Q3 2024

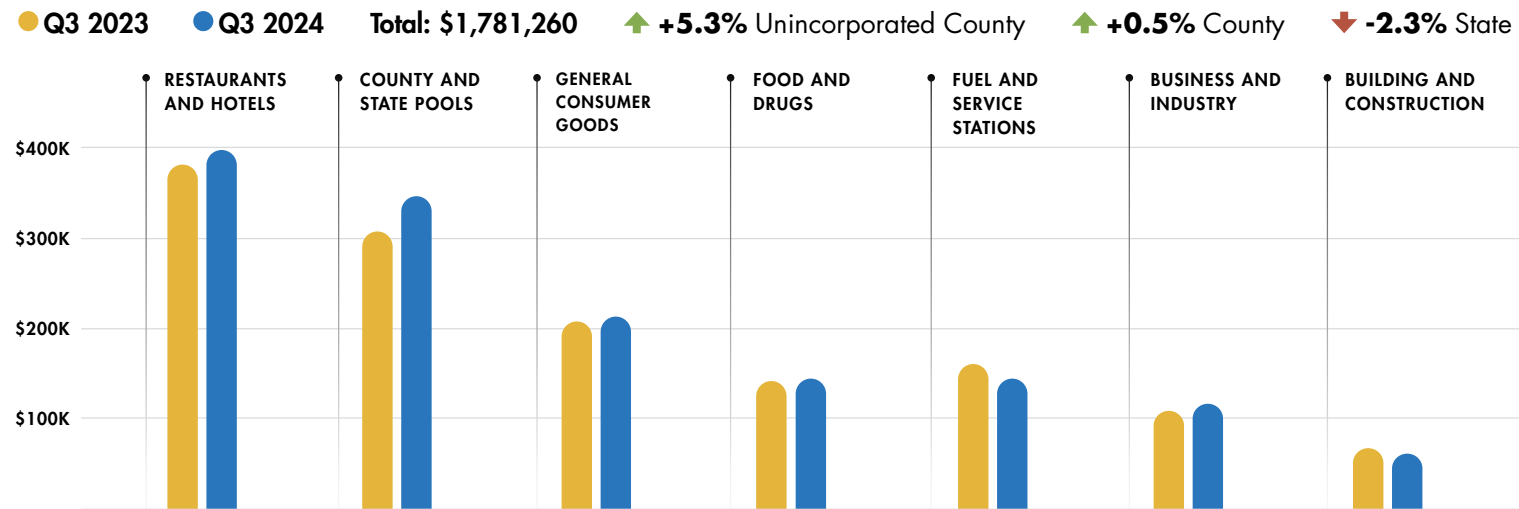
MARIN COUNTY SALES TAX UPDATE

After accounting for anomalies, taxable sales across Marin County increased by 0.5% during the period, compared to a 1.9% decline in the Bay Area.

- **The restaurant and hotel** sector reported strong gross receipts, particularly at fast-casual dining and quick-service establishments. This growth was largely driven by higher menu prices introduced to counterbalance recent increases in the minimum wage.
- **The autos and transportation** sector achieved impressive returns of 26.6%, significantly outperforming the statewide average of -4.8%, thanks to positive contributions from various business sectors.
- **In contrast, service stations** experienced weaker returns at the pumps as increased fuel supply stabilized prices. While this benefits consumers, it poses challenges for sales tax revenue (which funds government services) due to declining demand.
- **Similarly, the building and construction** sector reported negative profits, with reduced demand for building materials.
- **The general consumer goods** sector saw encouraging sales at home furnishing stores as shoppers sought bargains during this period. State and county pools, the county’s third-largest income category, recorded a positive return of 12.3%, driven by strong performance across several major industry groups.
- **The business and industry** sector reported robust revenues from business service vendors this quarter.

MARIN COUNTY SALES TAX BY MAJOR BUSINESS GROUP

Excluding reporting aberrations, actual sales were up 5.3%. Allocation aberrations have been adjusted to reflect sales activity.



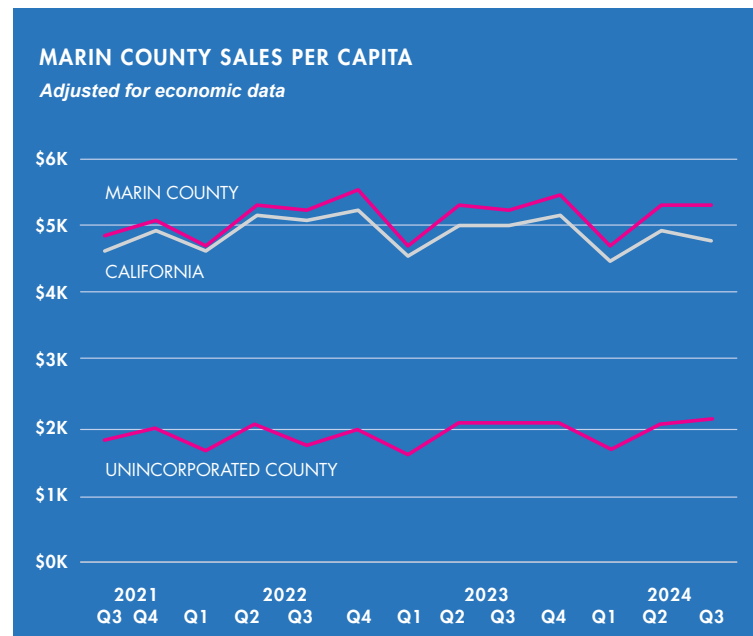
Source: HdL Companies

Sales Tax | Q3 2024

STATEWIDE SALES TAX RESULTS

California’s local one-cent sales and use tax receipts for July through September 2024 were down 2.3% compared to the same quarter last year, after accounting for anomalies.

- **The autos and transportation sector declined 4.8%**, marking its seventh consecutive quarter of downturn. While used car sales and leasing improved, new car sales struggled due to high interest rates, tighter credit, and rising insurance costs, leaving dealer inventories elevated and pressuring prices. This contrasts with Marin County’s autos and transportation sector, which significantly outperformed the statewide averages.



Source: HdL Companies

- **Fuel tax revenues plunged 13%** due to lower consumption and falling prices.
- **The building and construction industry also faced challenges**, with high interest rates and limited homeowner equity stalling new projects.
- **Brick-and-mortar consumer retailers saw a 3.8% drop**, impacted by lower gas prices, a shift toward discounted items, and intense competition from online merchants.
- **The food and drugs category dropped 2.8%**, driven by declining cannabis sales and reduced national drug store locations.
- **Restaurants posted a modest 0.7% revenue gain**, but fine dining suffered significant declines as higher menu prices, influenced by minimum wage increases, deterred patron visits.

These sluggish results confirm 2024 as a challenging year, with sales taxes expected to remain flat or decline slightly in 2024-25. Consumer caution, especially for big-ticket and discretionary items, will likely persist until economic conditions improve later in 2025.



Sales Tax | Q3 2024

BUSINESS TYPE	Q3 2024 SALES	PERCENTAGE CHANGE		
		UNINCORPORATED COUNTY	COUNTY	HDL STATE
CASUAL DINING	\$180.9	-0.3% ↓	-0.8% ↓	+1.2% ↑
SERVICE STATIONS	\$144.6	-10.2% ↓	-9.6% ↓	-12.8% ↓
GROCERY STORES	\$105.9	+3.3% ↑	-0.5% ↓	+1.4% ↑
HOTELS/MOTELS	\$66.6	+14.1% ↑	+11.7% ↑	+2.4% ↑
HOME FURNISHINGS	\$57.7	+29.3% ↑	+14.9% ↑	-6.6% ↓
QUICK-SERVICE RESTAURANTS	\$53.1	+1.2% ↑	-0.9% ↓	+1.0% ↑
FAST-CASUAL RESTAURANTS	\$42.4	+6.1% ↑	+0.7% ↑	+1.8% ↑
SPORTING GOODS/BIKES	\$33.9	-9.5% ↓	-6.0% ↓	-4.3% ↓
CONVENIENCE/LIQUOR	\$26.5	-3.0% ↓	+6.0% ↑	-2.2% ↓
SPECIALTY STORES	\$22.6	-6.0% ↓	-8.5% ↓	-3.0% ↓

MARIN COUNTY TOP PERFORMERS (NON-CONFIDENTIAL)

Sales in Thousands of Dollars

Allocation aberrations have been adjusted to reflect sales activity.

Source: HdL Companies

Background: Sales, Use and Transaction Taxes

Local General Fund Bradley Burns (1.0%) The Bradley-Burns Act allows local governments to adopt local sales and use tax rates up to 1% of taxable sales in their jurisdictions. Today, all California cities and counties impose a Bradley-Burns tax. 1% of the Bradley-Burns local tax is distributed to local agencies to support local government needs.

State General Fund (3.9375%) The state first imposed a sales tax in 1933 at a rate of 2.5% in response to the downturn in revenues resulting from the Great Depression. The tax was assessed on retailers only for statewide purposes, including education. In 1935, California added the “use tax”, to protect retailers in the state from tax-free, out of state competition. In subsequent years, cities began to impose their own sales tax, each with different taxable items and reporting requirements. In response to merchant complaints, the state legislature in 1955, adopted a uniform local tax to be administered only by the state. The uniform tax must be levied countywide and individual cities cannot levy the tax unless it has been first adopted by the county in which the city is located. Local agencies are preempted from adopting or administering their own.

Local General Fund Bradley Burns (0.25%) \$0.25 of the 1¼% Bradley-Burns local tax levy is allocated to each county’s regional transportation fund.

CALIFORNIA SALES AND USE TAX RATES	
STATE GENERAL FUND	3.9375%
LOCAL GENERAL FUND (BRADLEY-BURNS)	1.0000%
COUNTYWIDE TRANSPARATION FUND	0.2500%
COUNTY REALIGNMENT FOR MENTAL HEALTH/WELFARE/PUBLIC SAFETY SERVICES	1.5625%
PUBLIC SAFETY AUGMENTATION FUND	0.50000
TOTAL	7.2500%
TRANSACTIONS AND USE TAX DISTRICTS (maximum rate per county)	2.0000%
TOTAL*	9.2500%

*The maximum transactions and use tax rate of 2% does not account for authorizations by the state legislature for individual counties or cities to put new district tax measures before their voters.

Source: HdL SalesTax



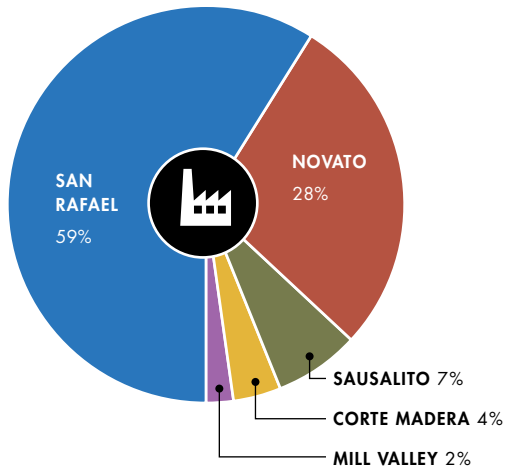
MARIN COUNTY DATA

Commercial VACANCY Rates

Commercial Vacancy Rates | INDUSTRIAL

The Marin commercial real estate market is broadly and diversely accommodating with approximately 6.4 million square feet of industrial space, 6.4 million square feet of retail space, and 7.5 million square feet of office space, and is a key component to the regional stability of the greater San Francisco Bay Area.

TOTAL INDUSTRIAL BASE SQUARE FOOTAGE

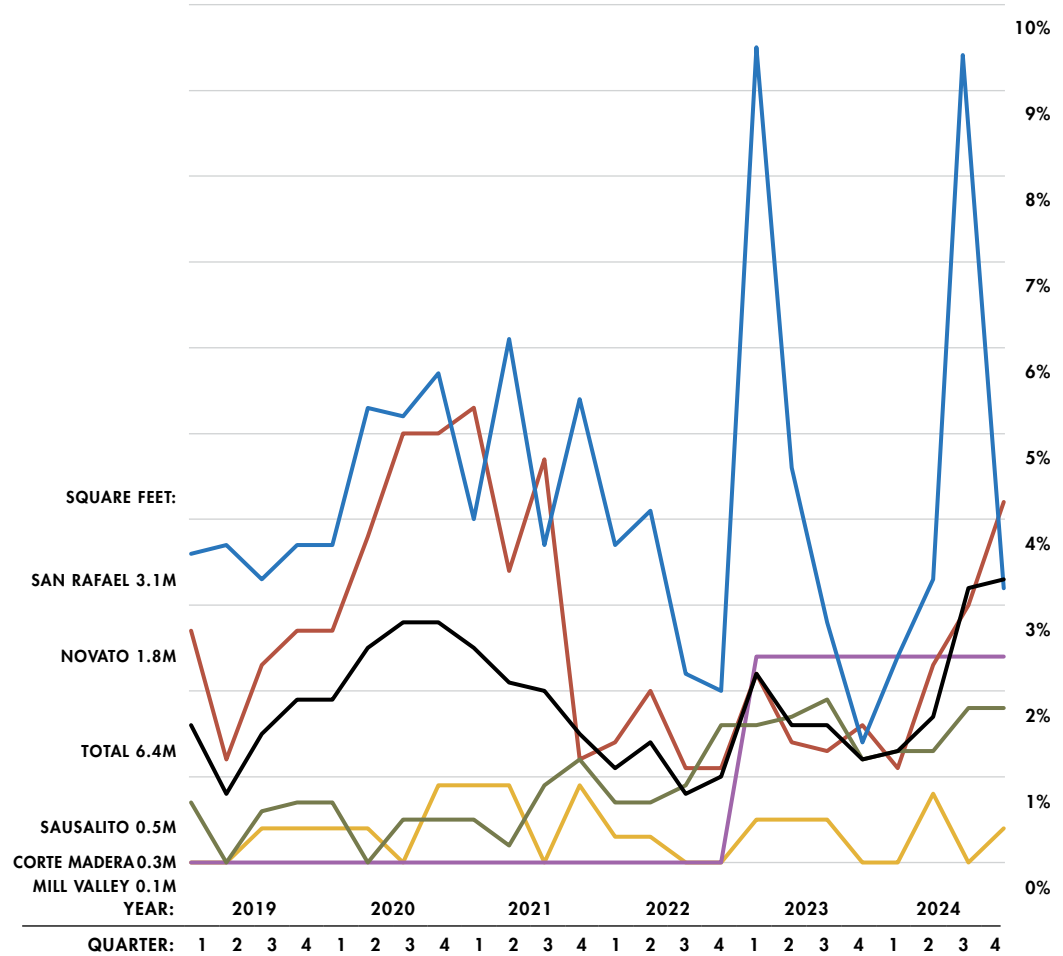


INDUSTRIAL VACANCY ESTIMATES | Q3 2024

	TOTAL BASE SQ FT	TOTAL VACANCY SQ FT	VACANCY PERCENT
CORTE MADERA	295,500	1,040	0.4%
MILL VALLEY	126,000	3,012	2.4%
NOVATO	1,778,659	75,172	4.2%
SAN RAFAEL	3,789,188	123,301	9.4%
SAUSALITO	455,000	8,091	1.8%
TOTAL	6,444,347	210,616	3.3%

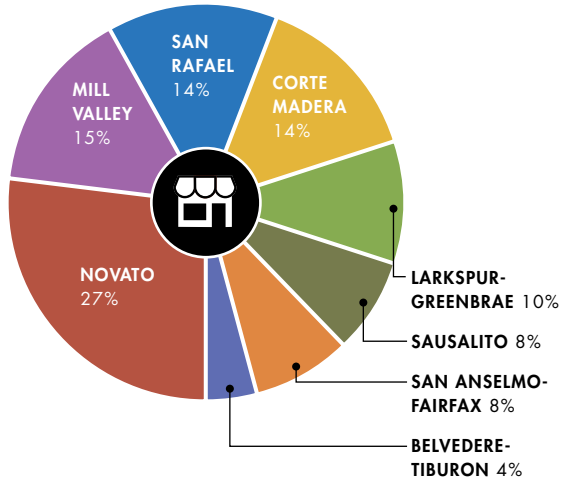
Source: Keegan & Coppin Company, Inc

INDUSTRIAL VACANCY ESTIMATES | 2019 - 2024



Commercial Vacancy Rates | RETAIL

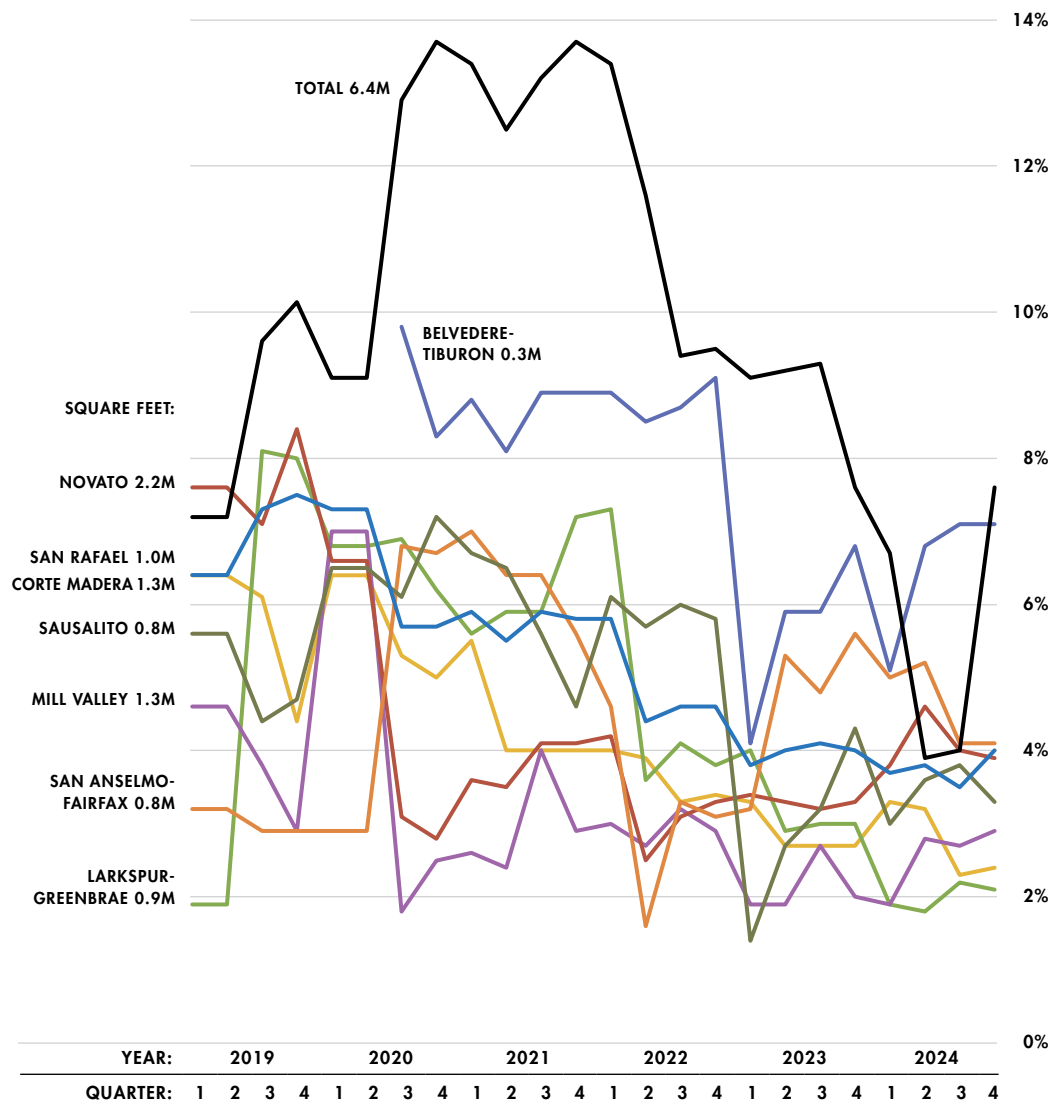
TOTAL RETAIL BASE SQUARE FOOTAGE



RETAIL VACANCY ESTIMATES | Q3 2024

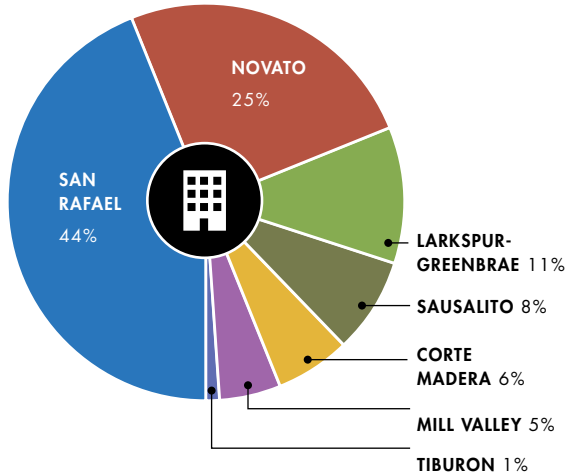
	TOTAL BASE SQ FT	TOTAL VACANCY SQ FT	VACANCY PERCENT
BELVEDERE-TIBURON	352,271	24,919	7.1%
CORTE MADERA	1,259,400	28,730	2.3%
LARKSPUR-GREENBRAE	874,733	18,833	2.2%
MILL VALLEY	1,332,943	35,442	2.7%
NOVATO	2,494,498	99,984	4.0%
SAN ANSELMO-FAIRFAX	777,325	32,051	4.1%
SAN RAFAEL	1,232,083	48,698	4.0%
SAUSALITO	768,188	29,033	3.8%
TOTAL	9,091,441	317,690	3.5%

RETAIL VACANCY ESTIMATES | 2019 - 2024



Commercial Vacancy Rates | OFFICE

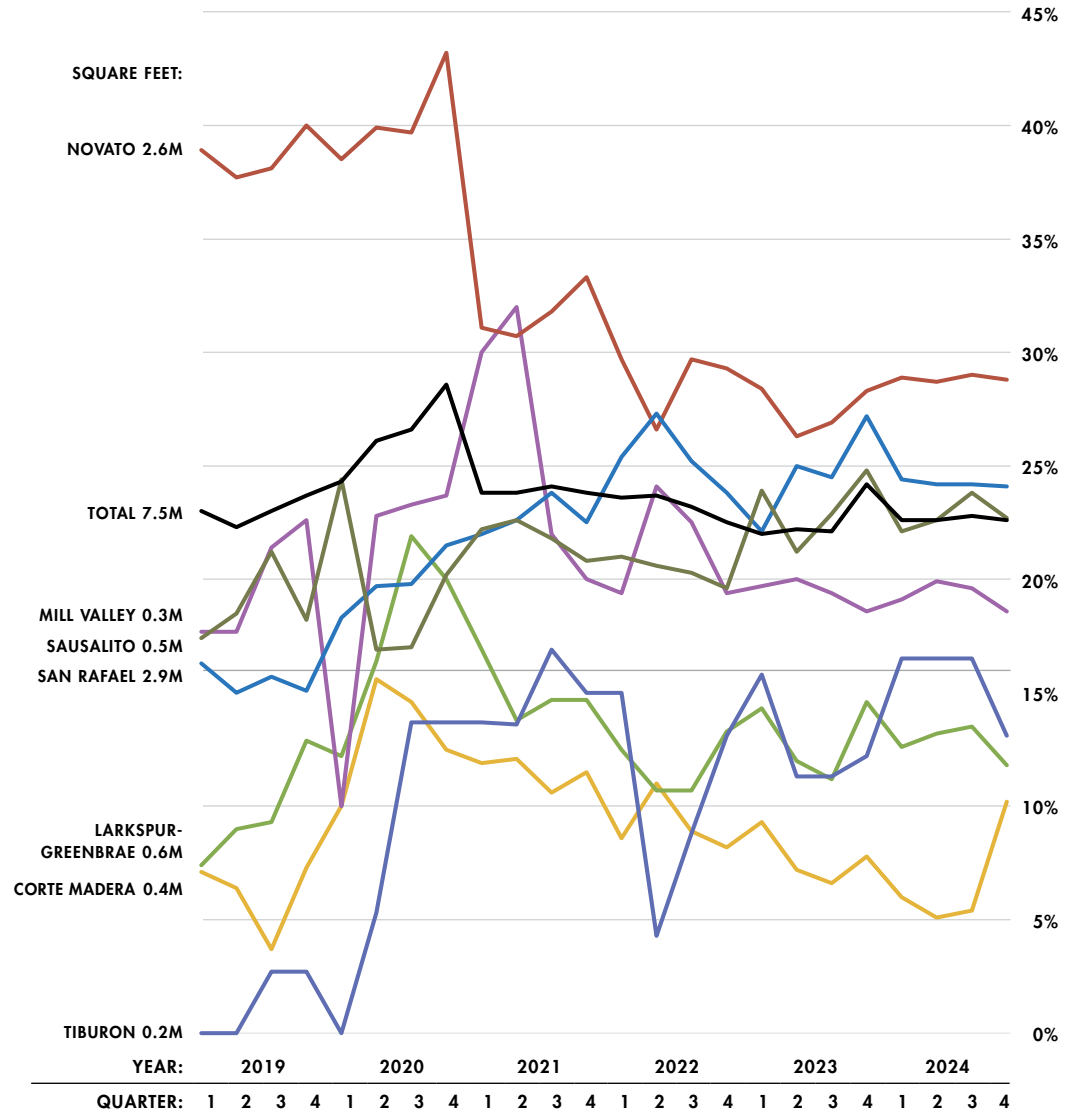
TOTAL OFFICE BASE SQUARE FOOTAGE



OFFICE VACANCY ESTIMATES | Q3 2024

	TOTAL BASE SQ FT	TOTAL VACANCY SQ FT	VACANCY PERCENT
CORTE MADERA	434,187	23,524	5.4%
LARKSPUR-GREENBRAE	759,950	102,537	13.5%
MILL VALLEY	375,272	73,539	19.6%
NOVATO	1,770,050	512,634	29.0%
SAN RAFAEL	3,122,372	755,501	24.2%
SAUSALITO	576,196	137,004	23.8%
TIBURON	31,993	5,292	16.5%
TOTAL	7,070,020	1,610,031	22.8%

OFFICE VACANCY ESTIMATES | 2019 – 2024



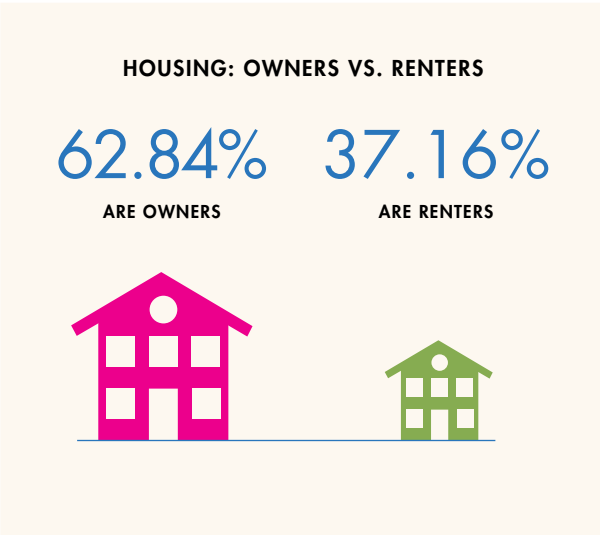
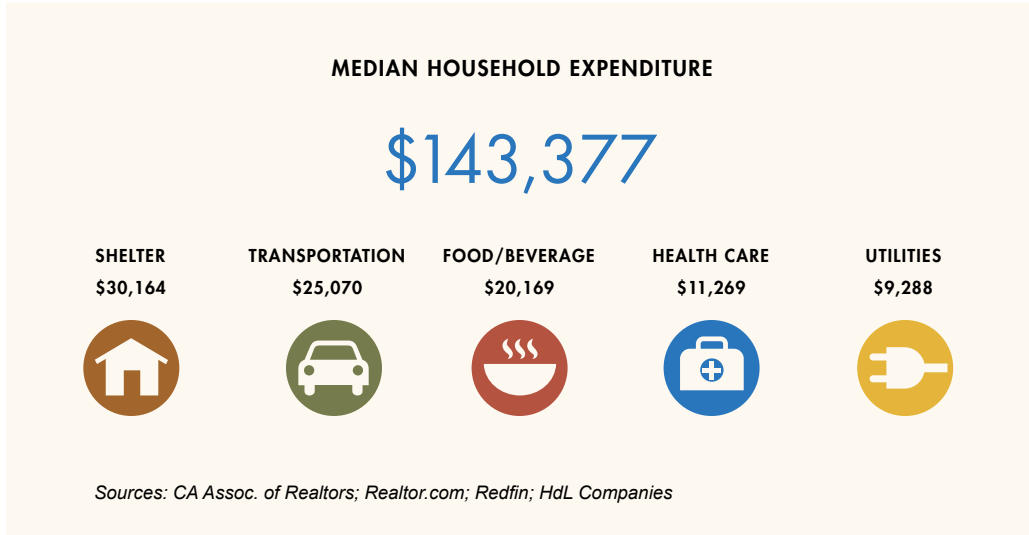
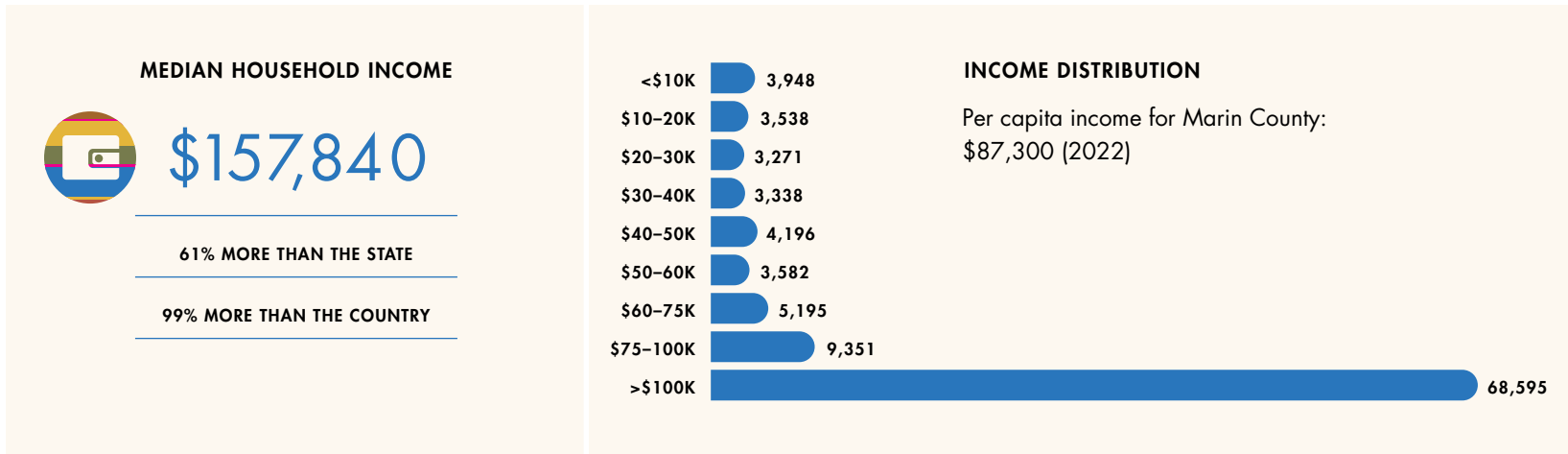


MARIN COUNTY DATA

INCOME and SPENDING

Income and Spending

Households in Marin County earn a median yearly income of \$157,840. 65.32% of the households earn more than the national average each year. Household expenditures average \$143,377 per year. The majority of earnings get spent on shelter, transportation, food and beverages, health care, and utilities.



Income and Spending

After several quarters of sluggish activity, California's housing market is beginning to show signs of recovery despite ongoing affordability challenges. Single-family home sales rose nearly 11% year-over-year in November 2024, with the median price up nearly 6%. A drop in mortgage rates to 6.43% has encouraged hesitant sellers to return to the market, but high prices and limited supply keep affordability out of reach for many.

Flattening mortgage rates are anticipated in 2025, which will likely spur additional demand and provide stability in the market. With the combined effects of stable mortgage rates and increased market activity, home prices are expected to continue rising, particularly in the latter half of the year, as demand intensifies, and inventory remains tight.

In November 2024, the median price of homes in Marin County was \$1.4 million (\$763/SF), which was a 4% decrease from the previous year. Marin County has been a seller's market, meaning that homes sell faster, and prices are higher. May 2024 saw the height of the market when median home prices reached a 2-year high of \$1.84 million.



Income and Spending

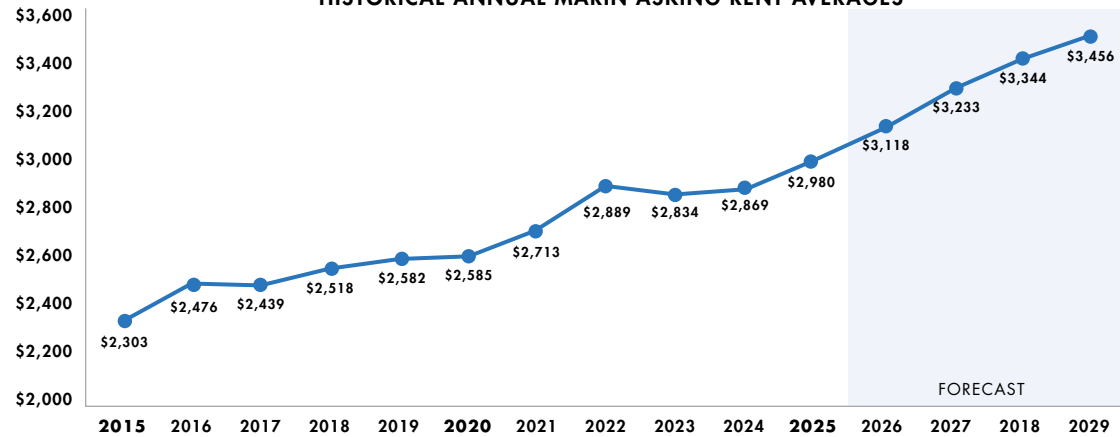
AVERAGE RENTS IN MARIN COUNTY

The mid-2024 CoStar Group rental survey indicated Marin’s average apartment rents were at **\$2,878** per month with rents, which were relatively flat over the last two years, rising again. Rent in the second quarter of 2024 was 2.4% higher than the same period last year. CoStar’s long-range forecast predicted that rents would start rising this year and continue to a level of \$3,346 in 2028 (more than 21% over the next five years or about 4% per year). The vacancy rate, which has risen slightly over two years, now is headed back to the current level of 4.8%.

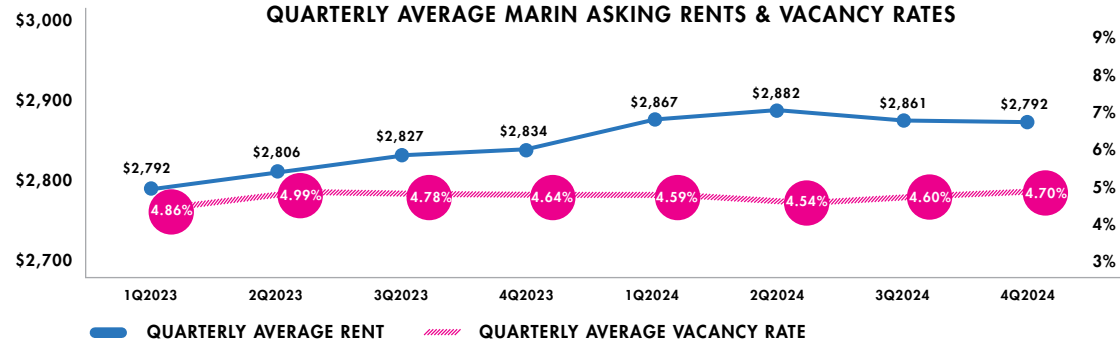
The Bay Area has historically been an expensive place to rent due to a lack of rental housing compared to demand. The average monthly rent for a one-bedroom apartment in Marin County is approximately \$2,800. The average monthly rent for a 3-bedroom house is around \$4,500.

Sources: Co-Star; MarinApartments.com

HISTORICAL ANNUAL MARIN ASKING RENT AVERAGES



QUARTERLY AVERAGE MARIN ASKING RENTS & VACANCY RATES



4TH QUARTER 2024 ASKING RENTS					
UNIT TYPE	# UNITS SURVEYED	RENT PER SQ FT	AVERAGE RENT	% 2 YEAR CHANGE	% 1 YEAR CHANGE
ALL STUDIOS	-	\$3.47	\$1,888	5.3%	4.7%
ALL 1BRS	-	\$3.46	\$2,364	3.0%	0.7%
ALL 2BRS	-	\$3.08	\$2,989	2.5%	0.0%
ALL 3BRS	-	\$3.24	\$4,134	3.2%	2.8%
ALL MARIN	16,247	\$3.33	\$2,869	2.9%	1.2%

Source: Co-Star

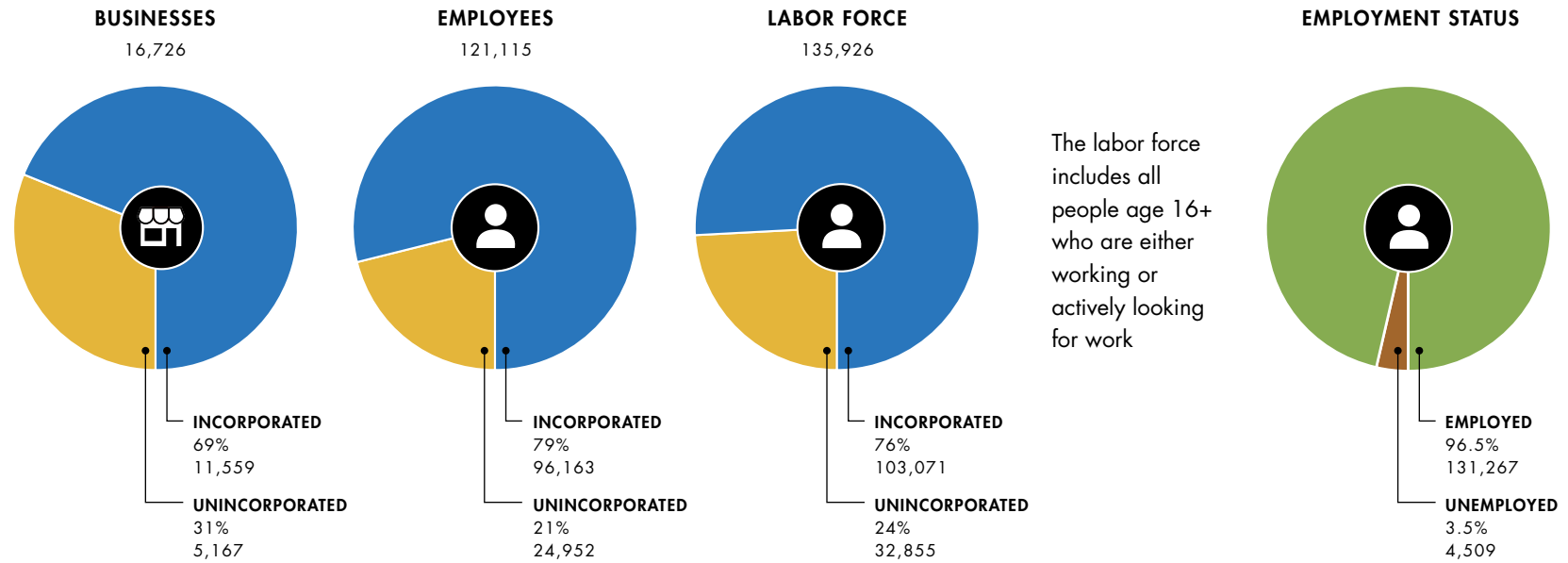


BUSINESS and LABOR Market Characteristics

Business and Labor Market Characteristics

PLACEMENT IN THE SAN FRANCISCO BAY AREA AND IN THE STATE

- With a population of 257,387, Marin County is eight in population among the nine SF Bay Area counties, and mid-sized in population statewide at number 26 out of 58 counties.
- Marin is the third most racially disparate county in the state based on physical, social, and economic environment racial disparity and outcomes data compared to the average.

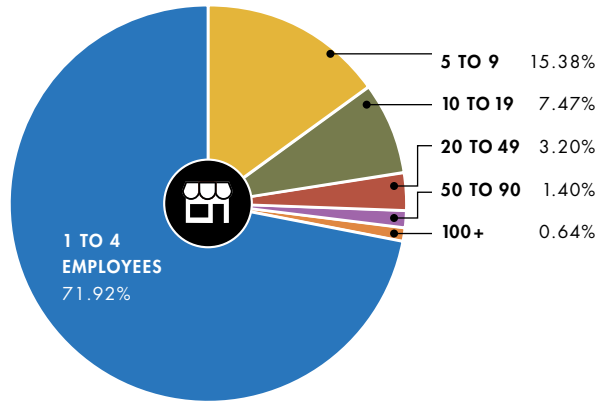


Source: GO-BIZ Community & Place Based Data Tool; Bay Area Census; Race Counts

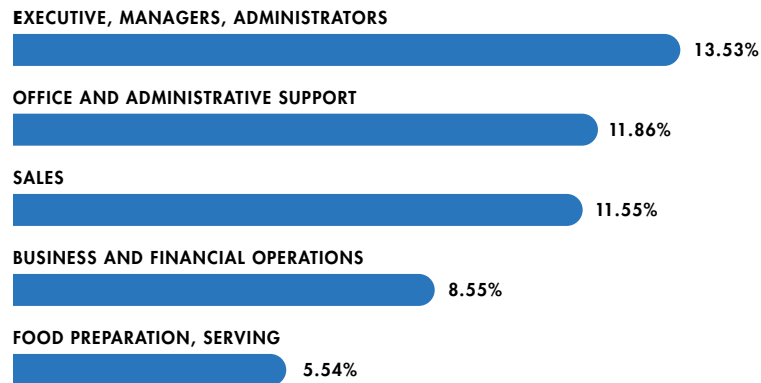


Business and Labor Market Characteristics

BUSINESSES BY NUMBER OF EMPLOYEES



LARGEST JOB COUNT BY OCCUPATION



TOP EMPLOYERS

- KAISER PERMANENTE: 2,014
- MARIN GENERAL: 1,000–4,999
- BIOMARIN PHARMACEUTICAL: 950
- FIREMAN’S FUND INSURANCE: 750
- 500–999:
 - BAY EQUITY
 - CALIFORNIA ALPINE CLUB
 - COLLEGE OF MARIN
 - GLASSDOOR INC.
 - RESTORATION HARDWARE
- DOMINICAN UNIVERSITY OF CALIFORNIA: 421
- WESTAMERICA BANK: 321
- 250–499:
 - AUTODESK
 - BRAYTON PURCELL
 - CAGWIN & DORWARD
 - MACY’S
 - MANAGED HEALTH NETWORKS
 - MARIN INDEPENDENT JOURNAL
 - NORDSTROM
 - SUTTER HEALTH
 - WESTAMERICA BANCORPORATION

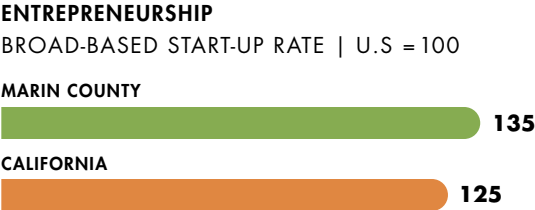
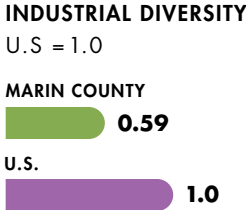
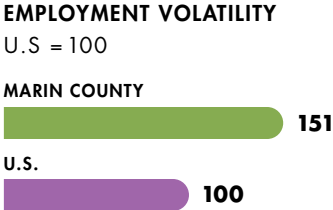
Sources: City of San Rafael, 2020, North Bay Business Journal 2018, San Francisco Business Journal Book of Lists, 2017



Business and Labor Market Characteristics

EMPLOYMENT VOLATILITY DUE TO U.S. FLUCTUATIONS

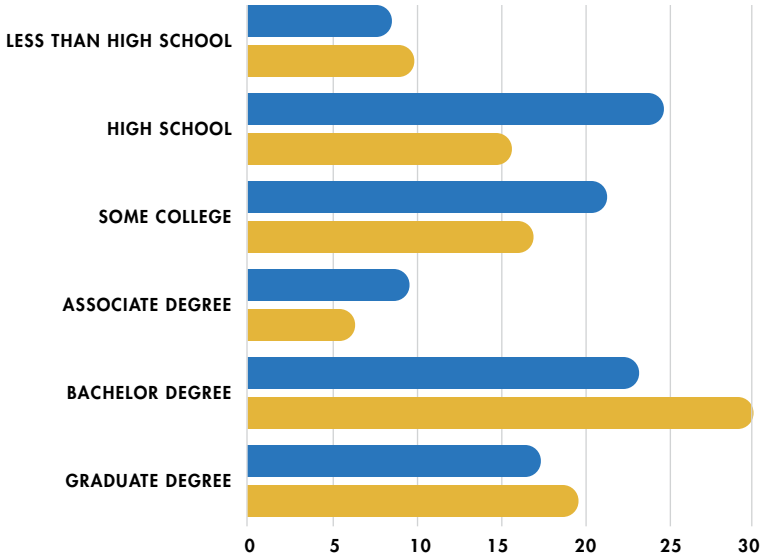
98%



Sources: Census Bureau, Moody's Analytics, 2022

SKILLS MISMATCH PERCENTAGE OF TOTAL

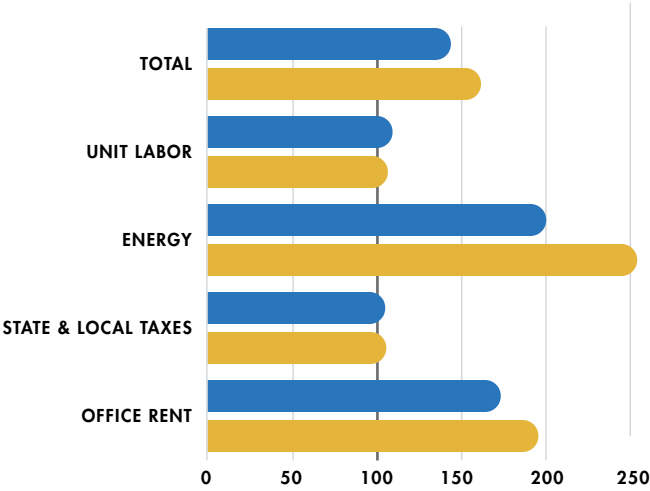
POPULATION OCCUPATIONS



Sources: Census Bureau, Moody's Analytics, 2018

BUSINESS COSTS U.S = 100

2017 2021

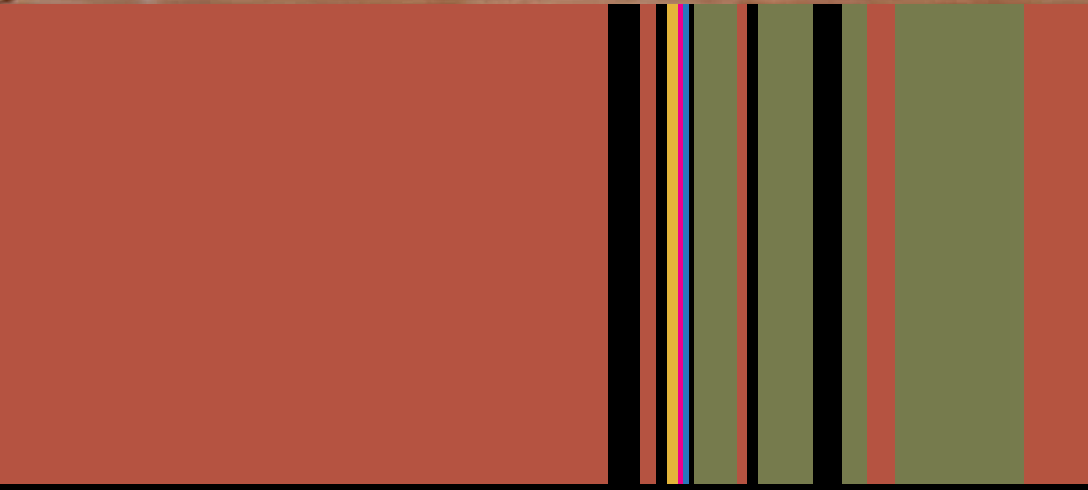


Source: Moody's Analytics, 2022

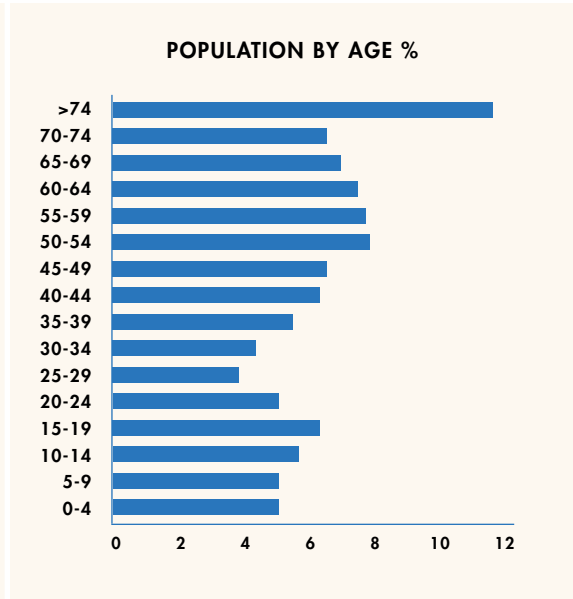
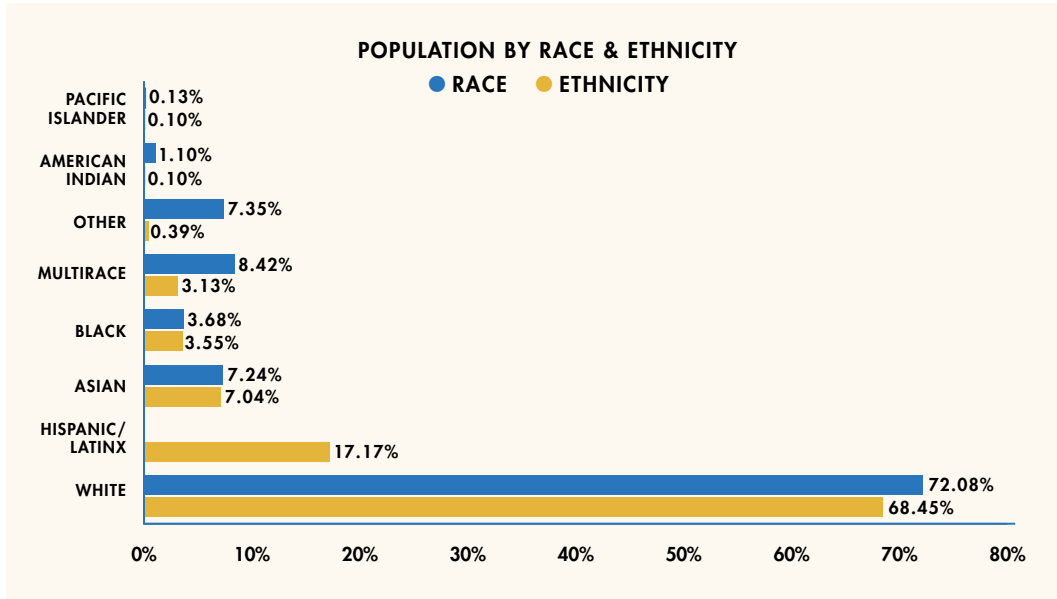
68.29% of Marin County have an associates degree or higher. 61.7% have a bachelor's degree or higher.



Community DEMOGRAPHICS



Community Demographics



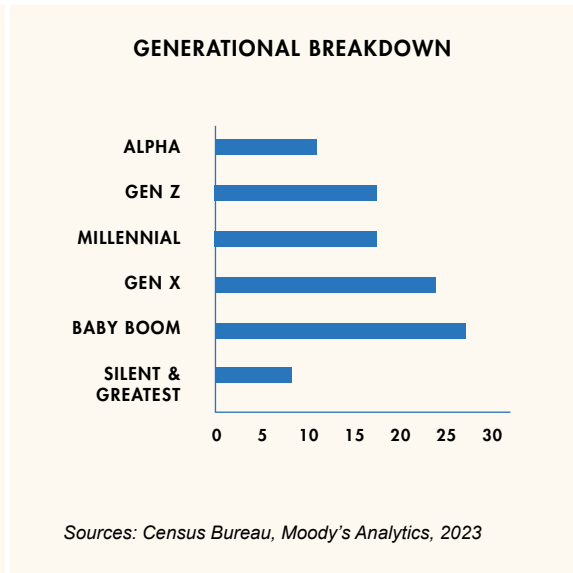
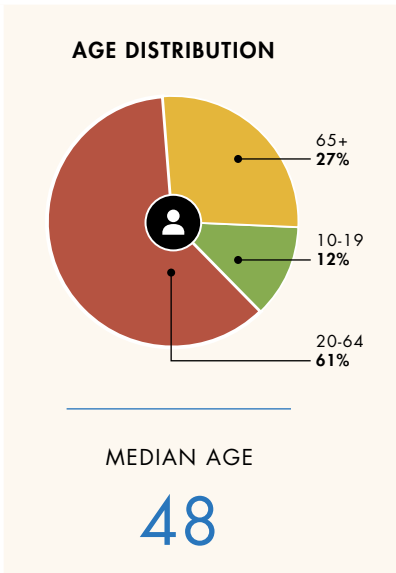
POPULATION BY JURISDICTION

CITY/TOWN	POPULATION ESTIMATE
SAN RAFAEL	60,561
NOVATO	53,818
MILL VALLEY	13,982
SAN ANSELMO	12,490
LARKSPUR	13,086
CORTE MADERA	10,409
TIBURON	9,088
FAIRFAX	7,521
SAUSALITO	7,294
ROSS	1,749
BELVEDERE	2,179

TOTAL COUNTY POP
257,387

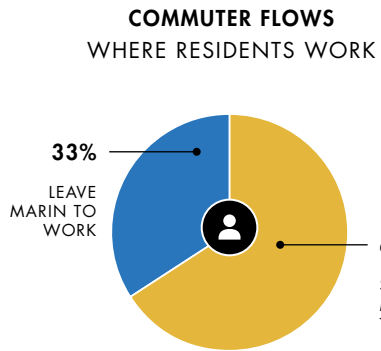
TOTAL CITY POP
192,177

TOTAL UNINCORP.
65,210



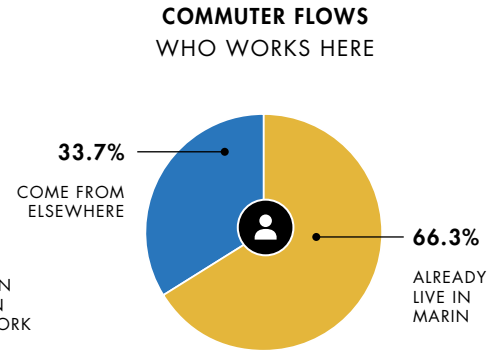
Community Demographics

MIGRATION FLOWS			
INTO MARIN COUNTY		FROM MARIN COUNTY	
	NUMBER OF MIGRANTS		NUMBER OF MIGRANTS
SAN FRANCISCO CA	3,224	SANTA ROSA CA	1,953
OAKLAND CA	1,252	SAN FRANCISCO CA	1,454
SANTA ROSA CA	862	OAKLAND CA	1,133
LOS ANGELES CA	453	LOS ANGELES CA	527
SAN JOSE CA	328	SAN JOSE CA	483
SACRAMENTO CA	258	SACRAMENTO CA	362
VALLEJO CA	214	VALLEJO CA	288
NEW YORK NY	158	SAN DIEGO CA	239
SAN DIEGO CA	157	NEW YORK NY	228
SEATTLE WA	122	SEATTLE WA	208
TOTAL IN-MIGRATION	9,990	TOTAL OUT-MIGRATION	12,358
NET MIGRATION		-2,368	



WHERE MARIN RESIDENTS WORK

Location	Percentage
MARIN COUNTY CA	66%
SAN FRANCISCO CA	22.6
OAKLAND CA	5.1
SANTA ROSA CA	3.6
SAN JOSE CA	0.7
VALLEJO CA	0.5



WHERE WORKERS IN MARIN LIVE

Location	Percentage
MARIN COUNTY CA	66.3%
SANTA ROSA CA	11.6
OAKLAND CA	9.8
SAN FRANCISCO CA	4.9
VALLEJO CA	4.4
NAPA CA	0.9

Sources: Census Bureau, Moody's Analytics, avg 2016-2020



Community Demographics

POPULATION & HOUSING CHARACTERISTICS

	UNITS	VALUE	RANK*
TOTAL AREA	SQ MI	828.2	328
TOTAL WATER AREA	SQ MI	307.7	72
TOTAL LAND AREA	SQ MI	520.3	369
LAND AREA—DEVELOPABLE	SQ MI	177.5	394
LAND AREA—UNDEVELOPABLE	SQ MI	343.0	227
POPULATION DENSITY	POP. TO DEVELOPABLE LAND	489.0	72
TOTAL POPULATION	THS	254.4	210
U.S. CITIZEN AT BIRTH	% OF POPULATION	78.4	354
NATURALIZED U.S. CITIZEN	% OF POPULATION	10.1	38
NOT A U.S. CITIZEN	% OF POPULATION	9.7	47
MEDIAN AGE		48.2	16
TOTAL HOUSING UNITS	THS	11.4	204
OWNER OCCUPIED	% OF TOTAL	59.4	215
RENTER OCCUPIED	% OF TOTAL	31.1	164
VACANT	% OF TOTAL	9.6	156
1-UNIT, DETACHED	% OF TOTAL	63.8	252
1-UNIT, ATTACHED	% OF TOTAL	7.9	75
MULTIFAMILY	% OF TOTAL	27.0	97
MEDIAN YEAR BUILT		1967	

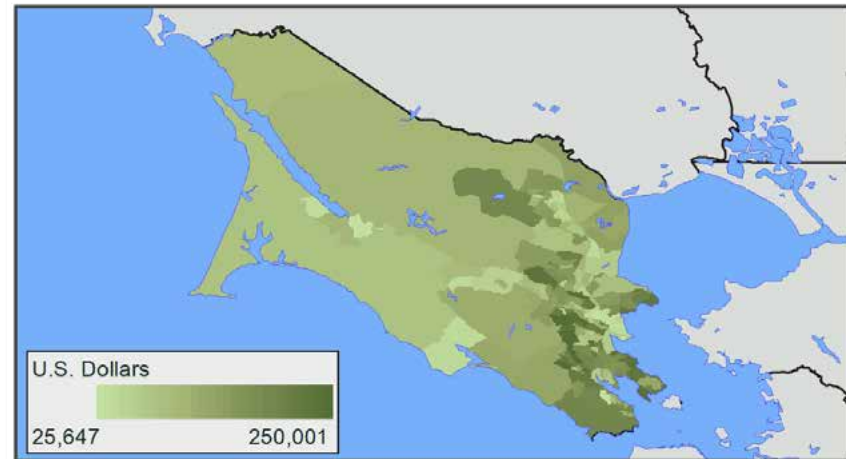
*Areas and population density, out of 410 metro areas/divisions, including metros in Puerto Rico, all others, out of 403 metros.

Sources: Census Bureau, Moody's Analytics, 2023 except land area 2010

MARIN POPULATION DENSITY

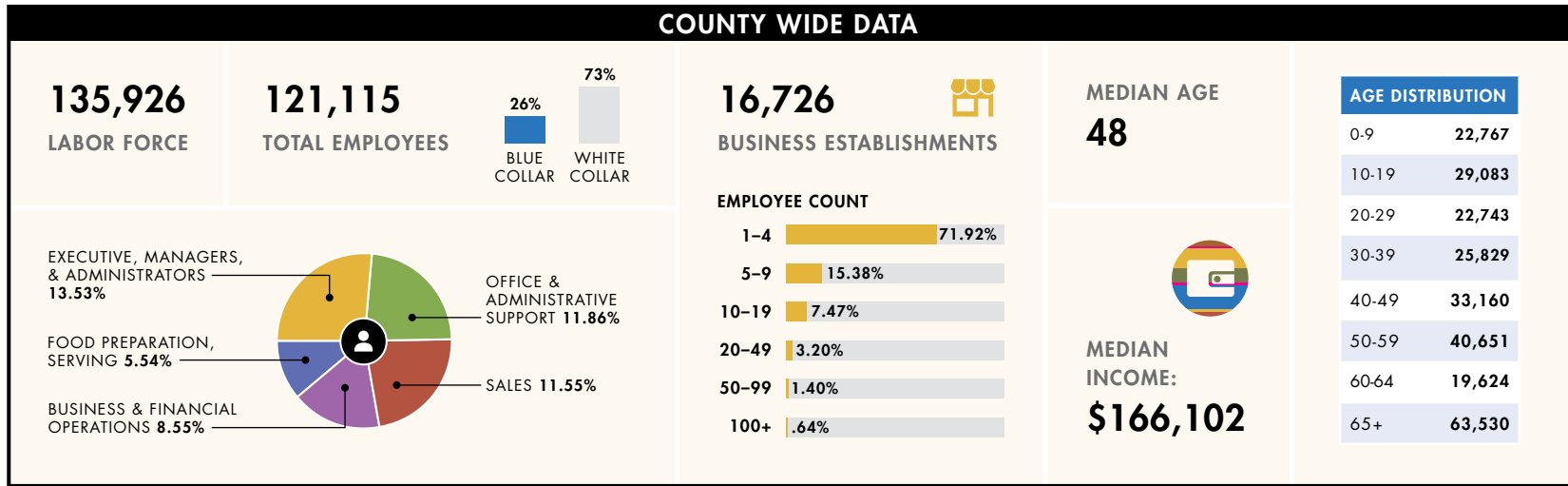


MARIN MEDIAN HOUSEHOLD INCOME

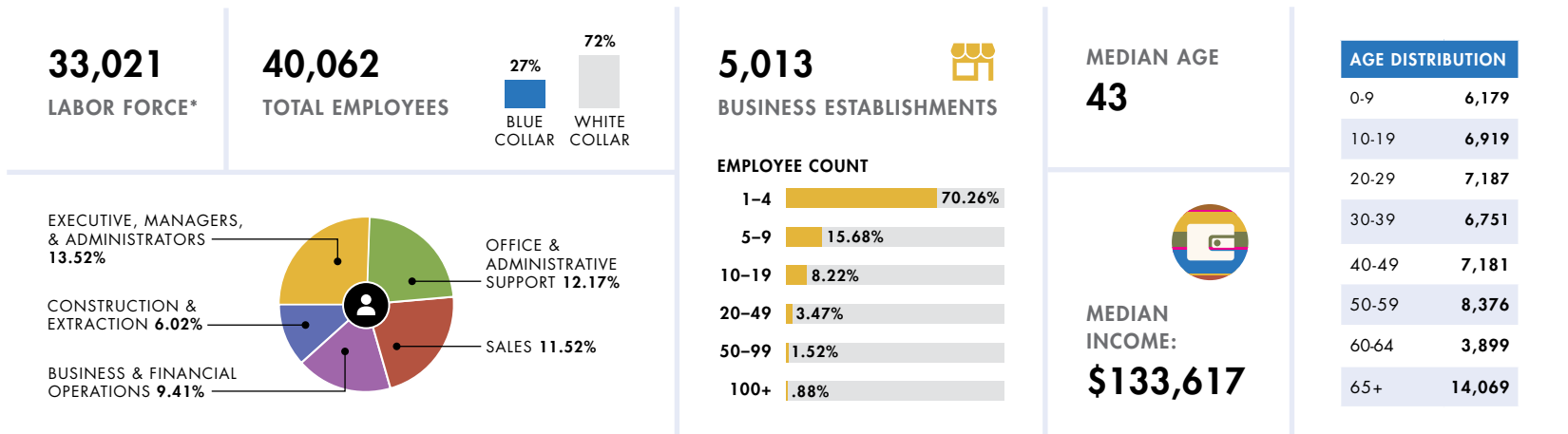


Sources: ACS, Moody's Analytics

Community Demographics | DATA BY JURISDICTION



SAN RAFAEL

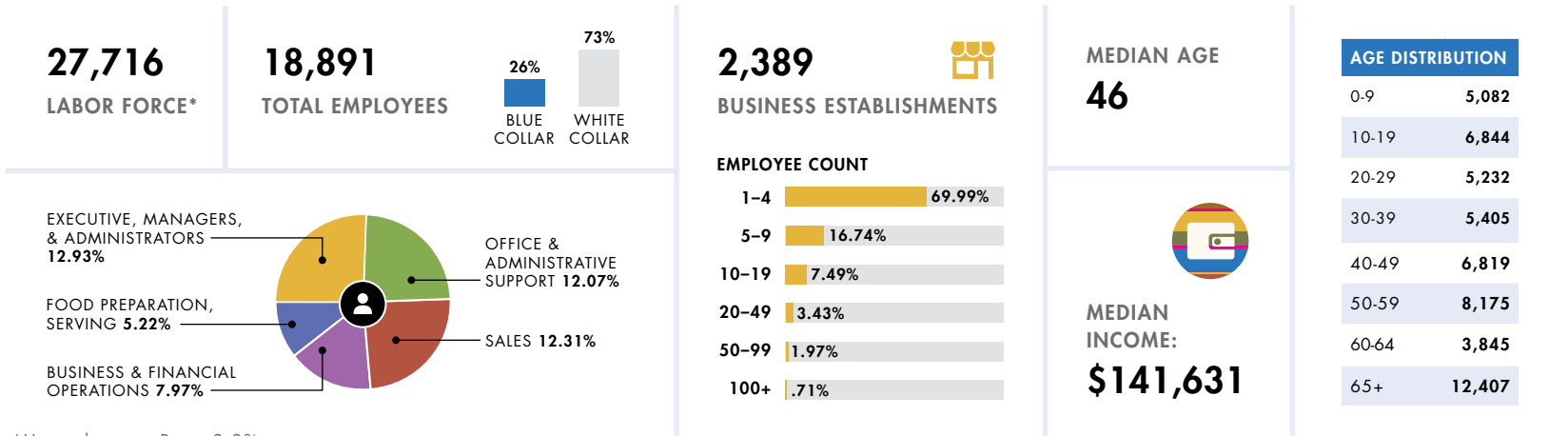


*Unemployment Rate: 3.1%

Source: <https://properties.zoomprospector.com/california/community/Marin-County-CA-06041/profile>

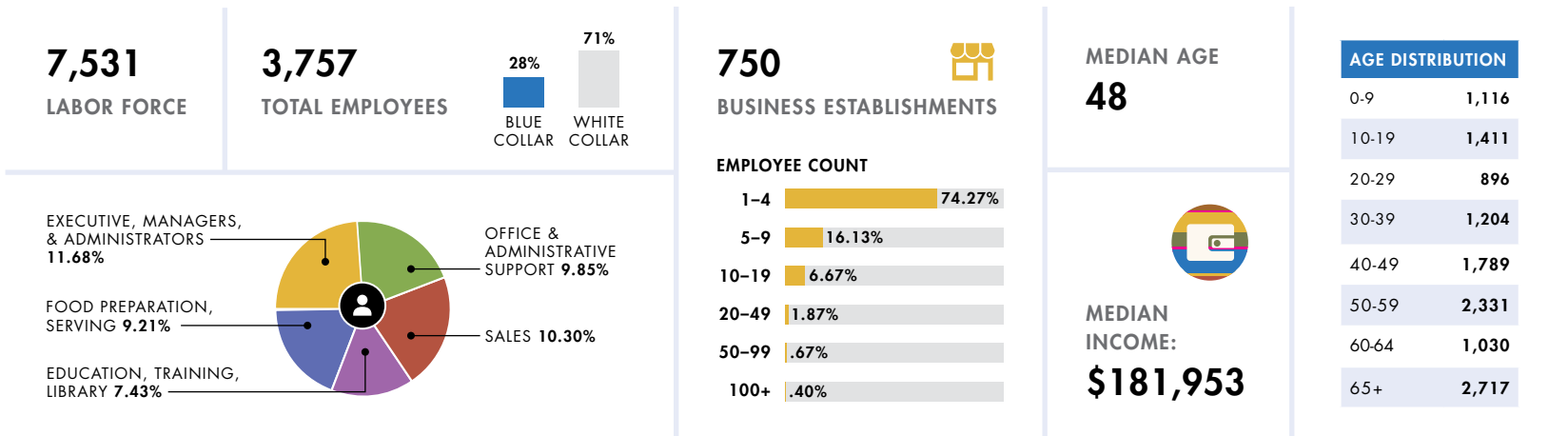
Community Demographics | DATA BY JURISDICTION

NOVATO



*Unemployment Rate: 3.3%

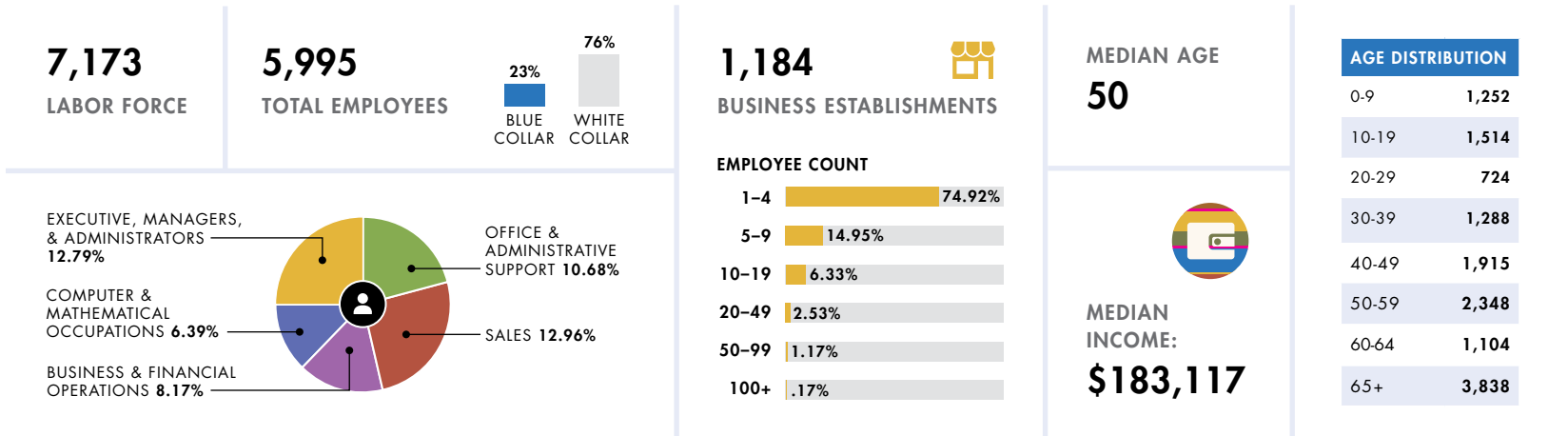
SAN ANSELMO



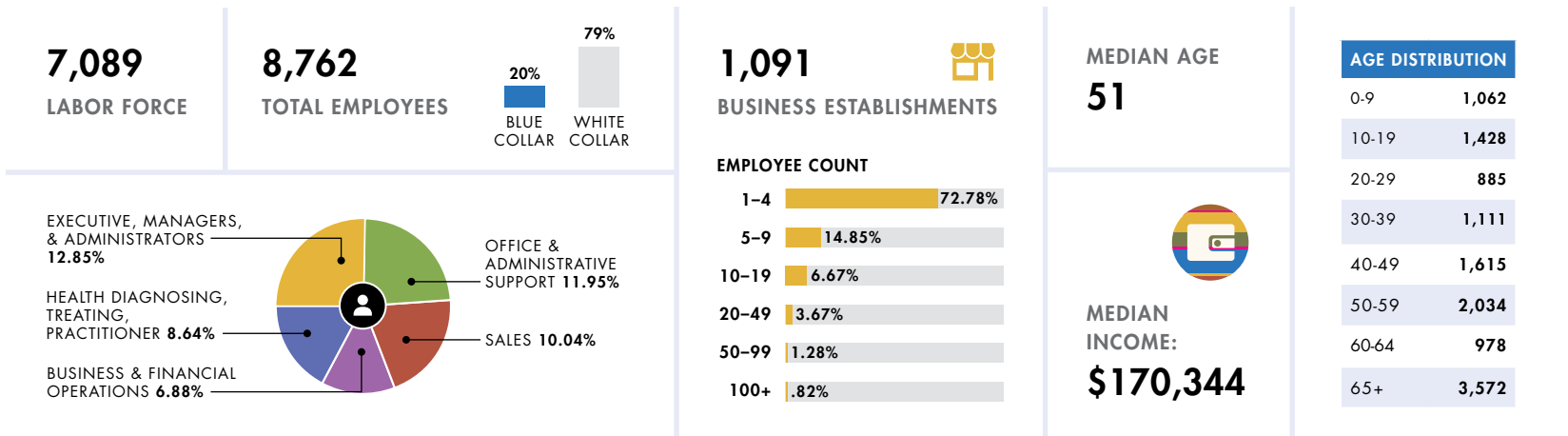
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Community Demographics | DATA BY JURISDICTION

MILL VALLEY



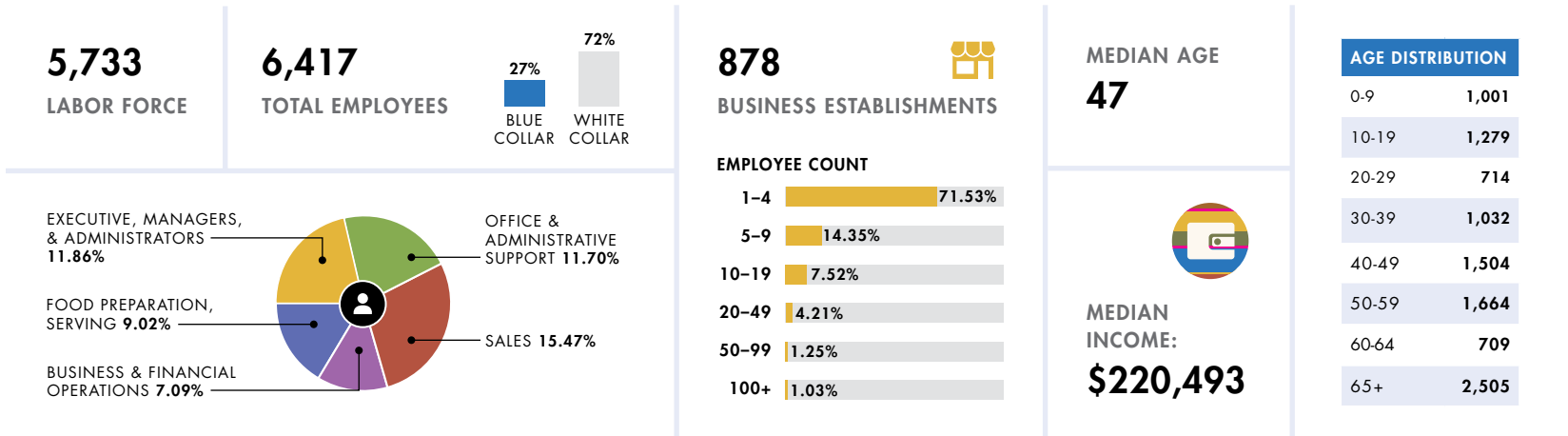
LARKSPUR



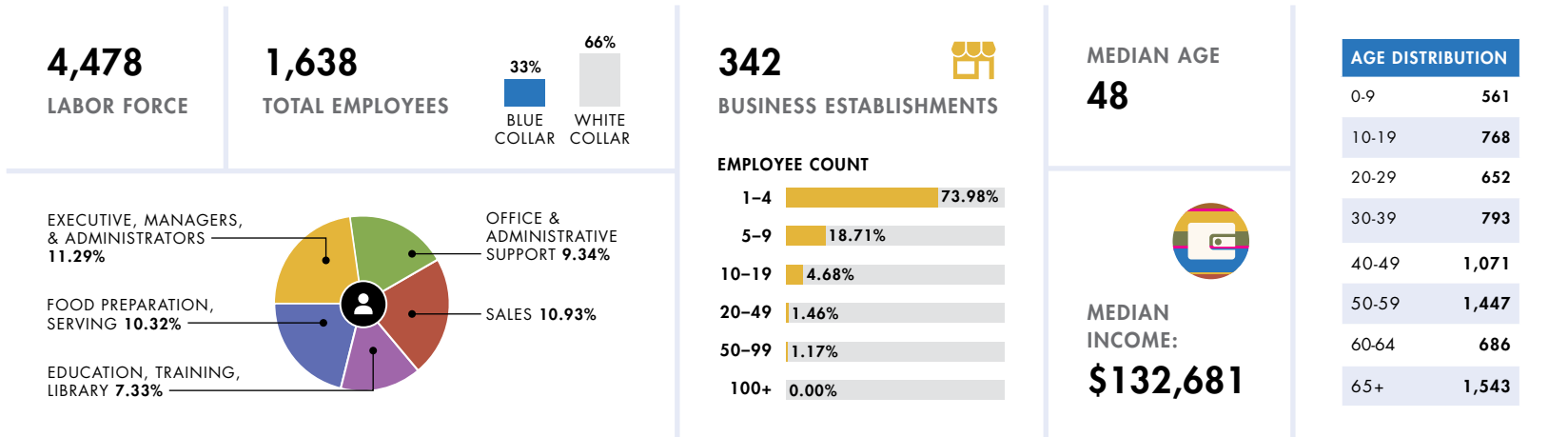
Source: <https://properties.zoomprospector.com/california/community/Marin-County-CA-06041/profile>

Community Demographics | DATA BY JURISDICTION

CORTE MADERA



FAIRFAX



Source: <https://properties.zoomprospector.com/california/community/Marin-County-CA-06041/profile>

Community Demographics | DATA BY JURISDICTION

SAUSALITO

4,352
LABOR FORCE

6,288
TOTAL EMPLOYEES

36% BLUE COLLAR
63% WHITE COLLAR

831
BUSINESS ESTABLISHMENTS

MEDIAN AGE
54

AGE DISTRIBUTION

0-9	398
10-19	240
20-29	453
30-39	969
40-49	964
50-59	1,275
60-64	784
65+	2,211

EXECUTIVE, MANAGERS, & ADMINISTRATORS **14.49%**

FOOD PREPARATION, SERVING **12.17%**

BUILDING & GROUNDS MAINTENANCE **10.93%**

OFFICE & ADMINISTRATIVE SUPPORT **12.75%**

SALES **10.78%**

EMPLOYEE COUNT

1-4	74.73%
5-9	16.60%
10-19	7.94%
20-49	2.53%
50-99	.96%
100+	.24%

MEDIAN INCOME:
\$177,402

TIBURON

4,259
LABOR FORCE

3,087
TOTAL EMPLOYEES

20% BLUE COLLAR
79% WHITE COLLAR

509
BUSINESS ESTABLISHMENTS

MEDIAN AGE
53

AGE DISTRIBUTION

0-9	787
10-19	1,075
20-29	427
30-39	671
40-49	1,079
50-59	1,408
60-64	754
65+	2,887

EXECUTIVE, MANAGERS, & ADMINISTRATORS **16.16%**

COMPUTER & MATHEMATICAL OCCUPATIONS **7.55%**

BUSINESS & FINANCIAL OPERATIONS **11.99%**

OFFICE & ADMINISTRATIVE SUPPORT **11.44%**

SALES **9.72%**

EMPLOYEE COUNT

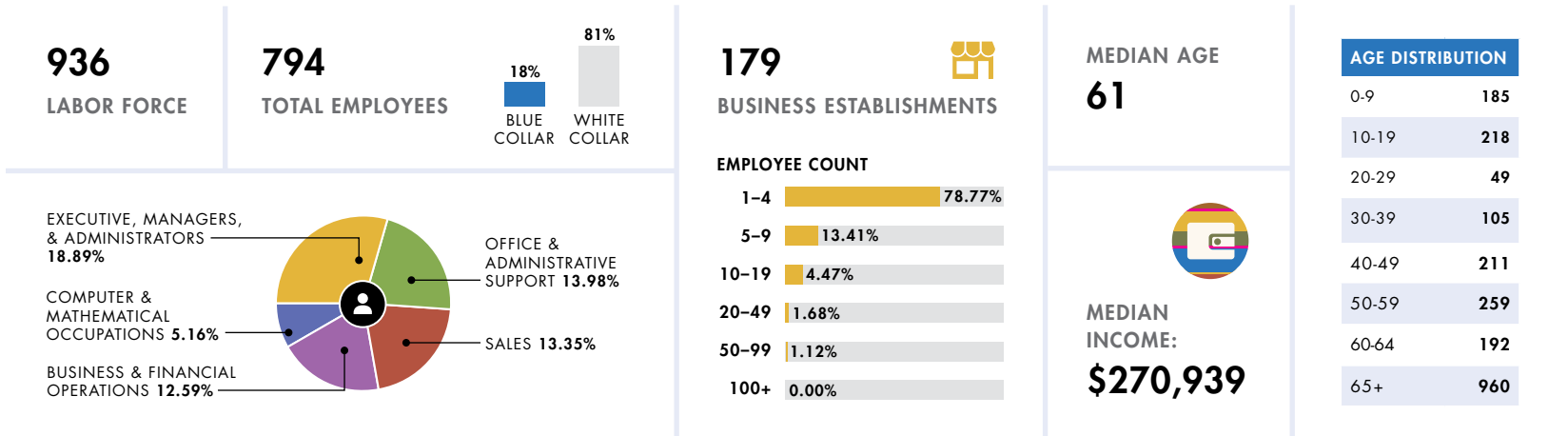
1-4	72.30%
5-9	15.52%
10-19	7.66%
20-49	2.55%
50-99	1.57%
100+	.39%

MEDIAN INCOME:
\$244,007

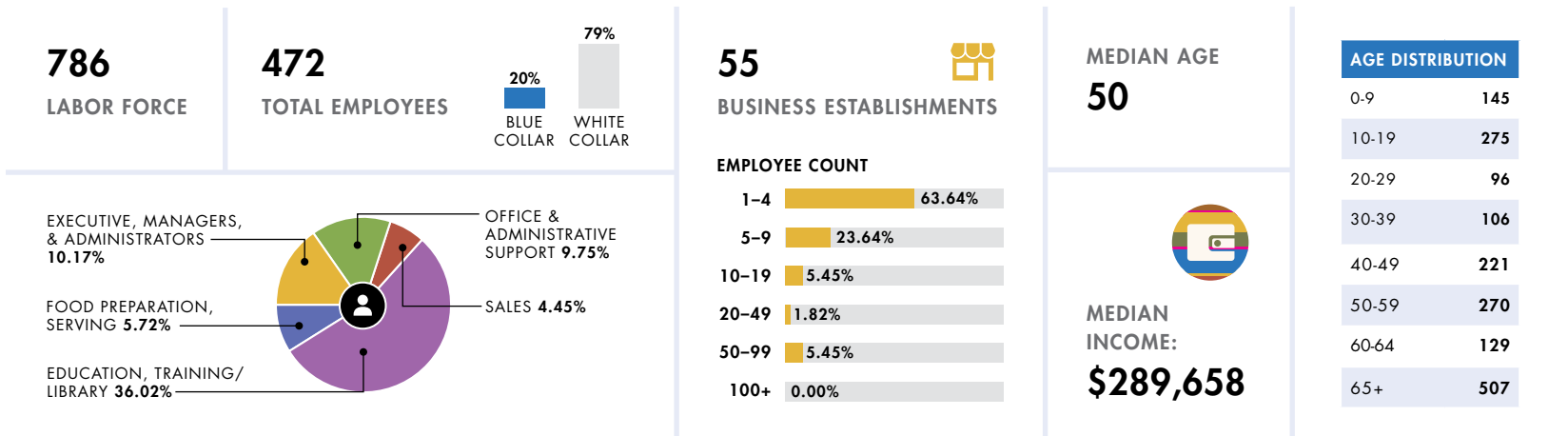
Source: <https://properties.zoomprospector.com/california/community/Marin-County-CA-06041/profile>

Community Demographics | DATA BY JURISDICTION

BELVEDERE



ROSS



Source: <https://properties.zoomprospector.com/california/community/Marin-County-CA-06041/profile>

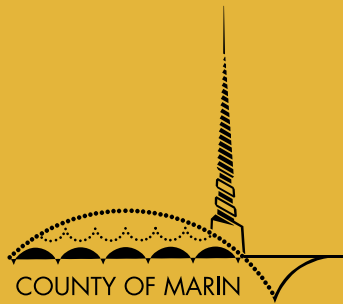
MISSION

The mission of the County of Marin is to provide excellent services that support healthy, safe, sustainable, and equitable communities.

- HEALTHY COMMUNITIES**
 - Improve equitable access to health and mental health services
 - Provide community enrichment through cultural, recreational, and learning opportunities
 - Promote healthy lifestyles for county residents
- SAFE COMMUNITIES**
 - Promote a fair and equitable justice system
 - Ensure community safety through collaborative outreach and crime prevention
 - Reduce the risk of wildfires and improve disaster preparedness
- SUSTAINABLE COMMUNITIES**
 - Promote the efficient use of natural resources
 - Collaborate with regional partners to address climate change
 - Support equitable housing opportunities
- EQUITABLE COMMUNITIES**
 - Dismantle racial inequities to ensure that race is not a predictor for quality of life
 - Provide community services with a commitment to transparency and accountability
 - Promote a community culture that values diversity, equity, inclusion, belonging and access

ECONOMIC VITALITY DIVISION PURPOSE STATEMENT

Strengthen and sustain a diverse, inclusive, equitable, and thriving economy that generates increased revenues in support of essential public services, infrastructure development, and contributing positively to a high quality of life and resilient future for all Marin residents.



Economic Vitality Division

Raissa de la Rosa

Economic Vitality Coordinator

EconomicVitality@MarinCounty.gov

www.MarinCounty.gov

www.MarinCounty.gov/departments/executive/economic-vitality