

# Expert: Marin's 'boom' economy near peak

By Nels Johnson

Marin Independent Journal

POSTED: 10/31/2013 04:44:29 PM PDT

Marin County's economy will continue growing next year, but may be nearing a "business cycle peak" followed by a cooling housing market and slowing job growth in key industries, according to a new forecast by North Bay economic experts.

The Marin Economic Forum study, outlined at the annual "forecasting the future" conference hosted at Embassy Suites by the forum and the San Rafael Chamber of Commerce Thursday, says that while the county continues an economic recovery, it is "nearing the label of an economic 'boom' period." "The Marin County economy, much like California overall, is coming to a tipping point in the economic recovery since 2009 of a natural, cyclic peak," according to the study.

Forum CEO Robert Eyler, a Sonoma State University professor and the North Bay's preeminent economist, said inflationary pressure is rising, especially in light of a \$187,000 increase in the median price of a Marin home over the past year. He predicted a cooling market, with slower growth next year, and added the commercial realty market likely will remain sluggish, held down by a half dozen large vacant properties that require big business tenants.

Eyler, one of four speakers at the conference, concluded that "in general, the signs in 2014 are good."

Eyler's crystal ball indicated that although median home prices may be nearing a peak for the moment, the tab for a Marin home will rise from \$846,000 this year to \$1,060,000 in 2015. Other forecasts over the same period, based on a cascade of data from a variety of business sectors, include a 1.5 percent annual inflation rate; per capita income rising from \$80,670 to \$85,369; payroll businesses rising from 11,100 to 11,500, and taxable sales increasing from about \$4 billion to about \$4.4 billion.

Eyler reported Marin payrolls will add about 2,000 new jobs next year, with the bulk of growth expected in construction and service industries. Although 2,700 jobs were added to Marin payrolls this year, the county lost about 150 payroll businesses. And although the tourism and agricultural industries have added 1,578 jobs since 2010, Marin lost 2,045 high-tech jobs over the period, and another 939 in building and construction.

Others talking to the crowd of local business executives, politicians and observers included Tracey Grose, vice president of the Bay Area Council Economic Institute; Allan Zaremborg, CEO of the state Cal Chamber, and Supervisor Judy Arnold, president of the county board.

The Bay Area's economy, Grose said, "continues to outperform the state and nation," with the region adding 100,000 jobs in 2012. Robust hiring continued in the scientific research and development, and computer systems fields. In addition, "the long decline in government jobs has come to an end," she noted, adding Palo Alto and San Francisco have hired "chief innovation officers."

As for housing workers, "the only solution, if we care about open space, is developing vertically ... You have to build up," she said.

Zaremborg called California "a tough place to do business" but added the Bay Area has "probably the best economy in the world right now." He called for immigration reform, noting it would be good for business, put people to work and ensure that employers "do not have to be immigration police." And he noted those who have health care are paying for those who do not.

"Part of the problem with the Affordable Care Act is that it is affordable for those who don't have it," he said.

Supervisor Arnold talked about county initiatives benefiting business, including launching the Marin Economic Forum, an organization she has championed. Other moves include a Workforce Investment Board focused on providing businesses with the workers they need, and a "regulatory improvement advisory" panel which is reviewing permit, fee and related restrictions that impede business.

"It's known as the red tape committee," she said, and its report is due next January.

For more information, check out [www.marineconomicforum.org](http://www.marineconomicforum.org) and [www.SRchamber.com](http://www.SRchamber.com)

The Marin Economic Forum reports:

- Personal income in Marin is growing 2.18 percent a year and will hit \$83,500 next year.
- Taxable sales will rise from \$4.2 billion next year to about \$4.4 billion in 2015. Marin County taxable sales per capita are second only to Placer County in California.
- Payroll businesses will rise from 11,100 this year to 11,400 next year, and home-based or self employment will rise from 36,100 this year to 36,800 next year.
- Marin added about 2,700 payroll jobs this year, but lost 156 payroll businesses.
- Although rocketing prices will slow, the median price of a single family home in Marin will top \$1 million in 2015.