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Local Business: What to Expect in 2013

By Sophie Braccini



Brenda (standing) chats with a customer at Papillon in Lafayette. Photos Mina Lucacher

It's often said that "all politics is local," a phrase coined by former U.S. Speaker of the House Tip O'Neill, but so is economics. Here, on the ground in Lamorinda, is where 2013 will hit the mark or flop. We asked local business owners for their thoughts. What we heard is that even though most are worried about the consequences of going over the fiscal cliff - which many economists predict could derail the U.S. recovery - they want to view 2013 with optimism.

Papillon, at Fiesta Square, is the favorite cafe of many and has been owned for the last 15 years by Lafayette residents Chanbopha Oum (Brenda) and Savuth Chea (Tom). "In 2012 business was a little better," said Brenda Oum. "We expect to have a good year in 2013." Papillon made some changes to its menu to satisfy Lamorinda's discriminating palate. This local focus has made the cafe a continuing success, despite the big-name coffee shops that abound nearby.

Even more unexpected in today's online world is the success of Canetti's Bookshop in Orinda. "We have a carefully curated selection of books, not only new ones, but most that are gently read in excellent condition," said owner

Jeff Koren. "And if it's not in our collection we can special order. Our books are of high quality and quite affordable. It's definitely a place for people who love books." Like the owners of Papillon, Koren offers his clients an experience that's not formatted to please a larger audience, but rather something uniquely Lamorinda.

Next door to Canetti's, Morrison's Jewelers will celebrate its 90th anniversary this year. Morrison's also warded off the tough times that hit the jewelry business particularly hard. Fourth-generation owner David Berryhill is reasonably optimistic for this year. He described 2012 as a roller coaster, but they finished the year on a very positive note. "This December, the average price of sales was much higher than what it was last year; this gives us some level of confidence about what lies ahead," he said.

Unpredictability in the level of activity, and all the complications that creates in terms of inventory and purchasing management for a business owner, was also reported in Moraga-in the completely different field of auto repair. "In 2012 business was fair," said Moraga Motor's owner Ron Schumaker. "The flow of work has become more unpredictable from one week to the next." But Schumaker is confident that 2013 will see improvement over the last three years.

Also in Moraga Chong Bo Kim, who has managed the Moraga Clean Express in the Moraga Center for 15 years while living in Orinda, says that 2012 marked a small improvement over the previous three hard years. "We remodeled the inside of the store, changed the counters," he said. "We want our customers to have a very pleasant experience." Kim owns a similar dry cleaning service in San Jose and he says that the two locations follow a similar business pattern. He hopes that the slow recovery he observed in 2012 will continue and strengthen in 2013.

Some Lamorinda newcomers are also expecting 2013 to be very successful. Itrim U.S.A. C.E.O. Jill Kinney, who opened the Swedish company's first American facility in Lafayette this summer, is one of the most optimistic businesspeople we talked to. "We are very pleased with our first results in Lafayette," said Kinney. "Our objective was 500 members by the end of the first year and we've reached 300 now, a little above our projections." 2013 will be a key year for Itrim. The Lafayette store should reach its objective of 500 members, and Kinney plans to add eight new locations to the three current ones (after Lafayette, Itrim opened in San Ramon and San Francisco). "We should hire about 150 new people in 2013," she said.

Another indicator of recovery is the housing market. Village Associates broker Tara Rochlin has an optimistic perspective on Lamorinda real estate for 2013. "The inventory is low, which drove the prices up in 2012," she said. "I think that more homes will come to the market in 2013." While noting there are still economic uncertainties, she said, "I believe that the worst is behind us."

"People are very interested in becoming homeowners, and often at a higher price point than before," added Ben Olsen, who has observed that new families coming to Lamorinda are often buying their first homes at the \$1 million-plus level. "These are professionals with postgraduate degrees and often a dual-income. They come with young children and both parents are career-oriented."

Both real estate professionals think that 2013 will be a dynamic year, seeing upsizing and downsizing - new higher-density developments may offer opportunities for older residents, and sales of luxury homes such as those at Wilder could bring added benefit to the local economy.

Contractor Kari Grosz, of Lamorinda Construction, says her company has been busier than it has been in a

long time. "The quality and size of the projects are increasing," she said. "This was the first December in years that we were inundated with work. We are very optimistic that 2013 will be the best year since the recession."

As confidence in our economic future grows, local businesses hope that everyone will remember to shop Lamorinda first.

Lamorinda Weekly business articles are intended to inform the community about local business activities, not to endorse a particular company, product or service.



Clients exercise at Itrim under a trainer's supervision.



Leslie Hampton greets customers at Sweet Dreams at Orinda Theatre Square.

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