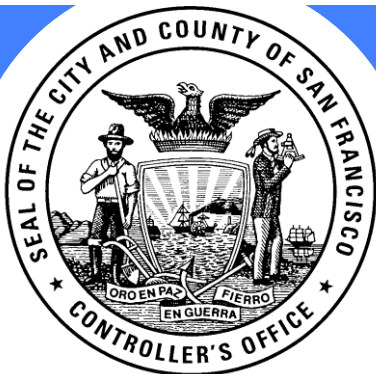


# Status of the Re-Opening of the San Francisco Economy: January 2022



**CITY & COUNTY OF SAN FRANCISCO**

Office of the Controller

Office of Economic Analysis

January 31, 2022

# Highlights of the January Report

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- As San Francisco's COVID-19 restrictions are lifted, the Controller's Office has been tracking the pace of re-opening of the city's economy.
- The emergence of the Omicron variant, as well as normal holiday slowdowns, led to a downturn in real-time indicators like office attendance and time spent outside of the home.
- However, labor market indicators like job creation and unemployment had another strong month. The city's unemployment rate fell to 2.9% in December, and the 5,700 jobs added in the San Francisco Metropolitan Division marked the 11<sup>th</sup> consecutive month of job growth.
- The office market and tourism remain special areas of concern in the city's economic outlook. Office vacancy rates continued to rise in the 4<sup>th</sup> quarter of 2021, to 22.4% according to JLL, despite strong job growth in office-using sectors.
- Hotel rates and occupancy stagnated in December, but this is largely seasonal. When accounting for seasonality, San Francisco hotel revenues improved in December versus the prior month, though the city's tourism recovery continues to lag other major urban tourism destinations in the U.S.

# List of Economic Indicators

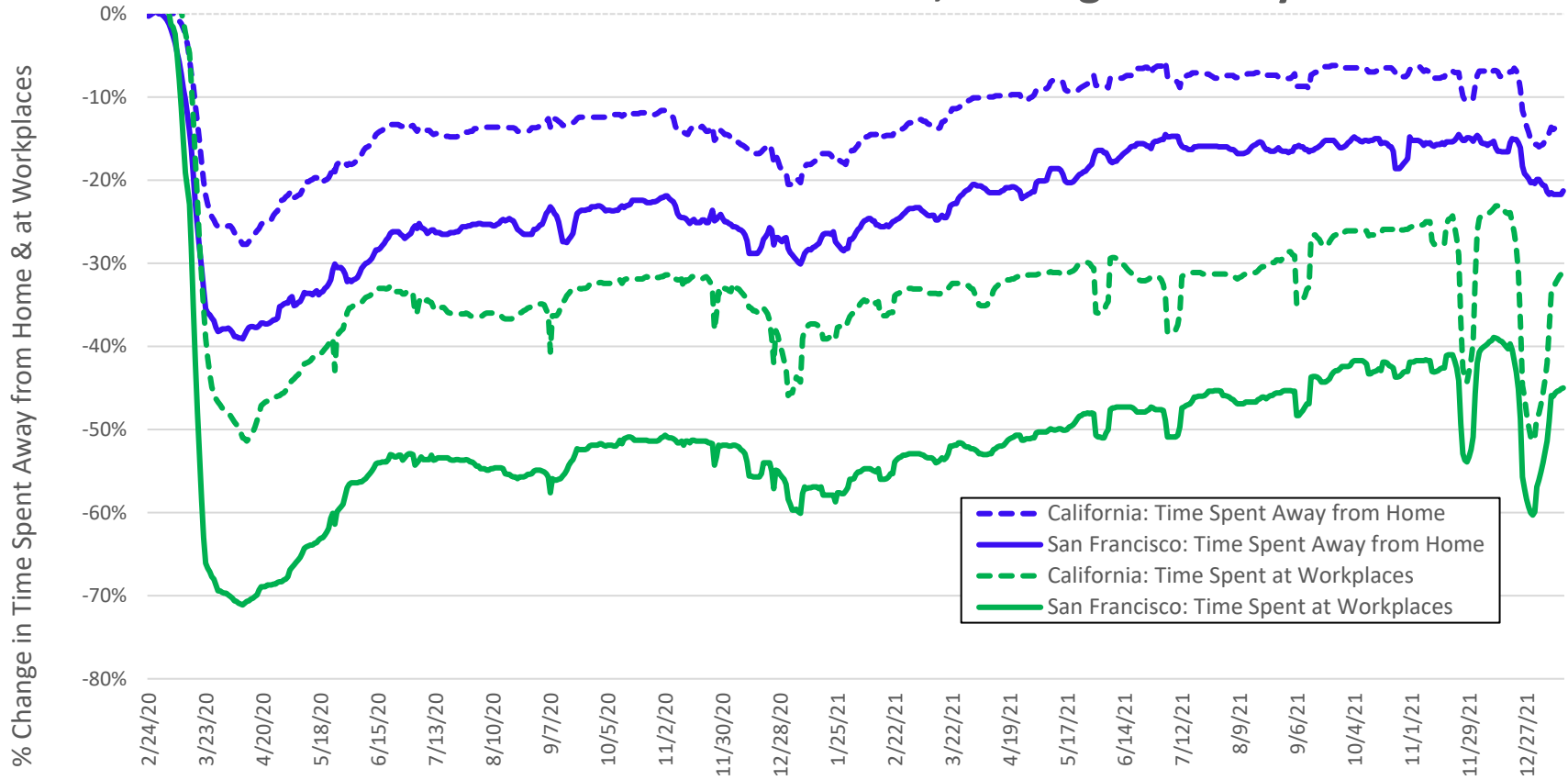
3

1. Time Spent Outside of the Home
2. Time Spent at Workplace
3. Office Attendance
4. Office Vacancy
5. Small Business Sentiment: Expected Recovery Index
6. New Business Registration, Selected Sectors
7. Total Industry Employment and Resident Labor Force, San Francisco Metropolitan Division
8. Employment Change by Industry Sector, San Francisco Metropolitan Division
9. Unemployment Rate
10. Hotel Occupancy Rate
11. Hotel Average Daily Rate (ADR) per Night
12. Hotel Revenue Available per Room Night (RevPar): Selected Cities Comparison
13. Enplanements for Domestic Destinations: Selected Cities Comparison
14. Enplanements for International Destinations: Selected Cities Comparison
15. PM Freeway Speeds
16. Bay Bridge and Golden Bridge Traffic
17. BART Exits at Downtown SF Stations
18. Average Asking Rents for Apartments
19. Single Family Home and Condo Prices
20. Building Permits for Housing

# Return to Work Recovering After Holidays

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## % Change in Time Spent Outside Home and at Workplaces, San Francisco and California, Through January 14



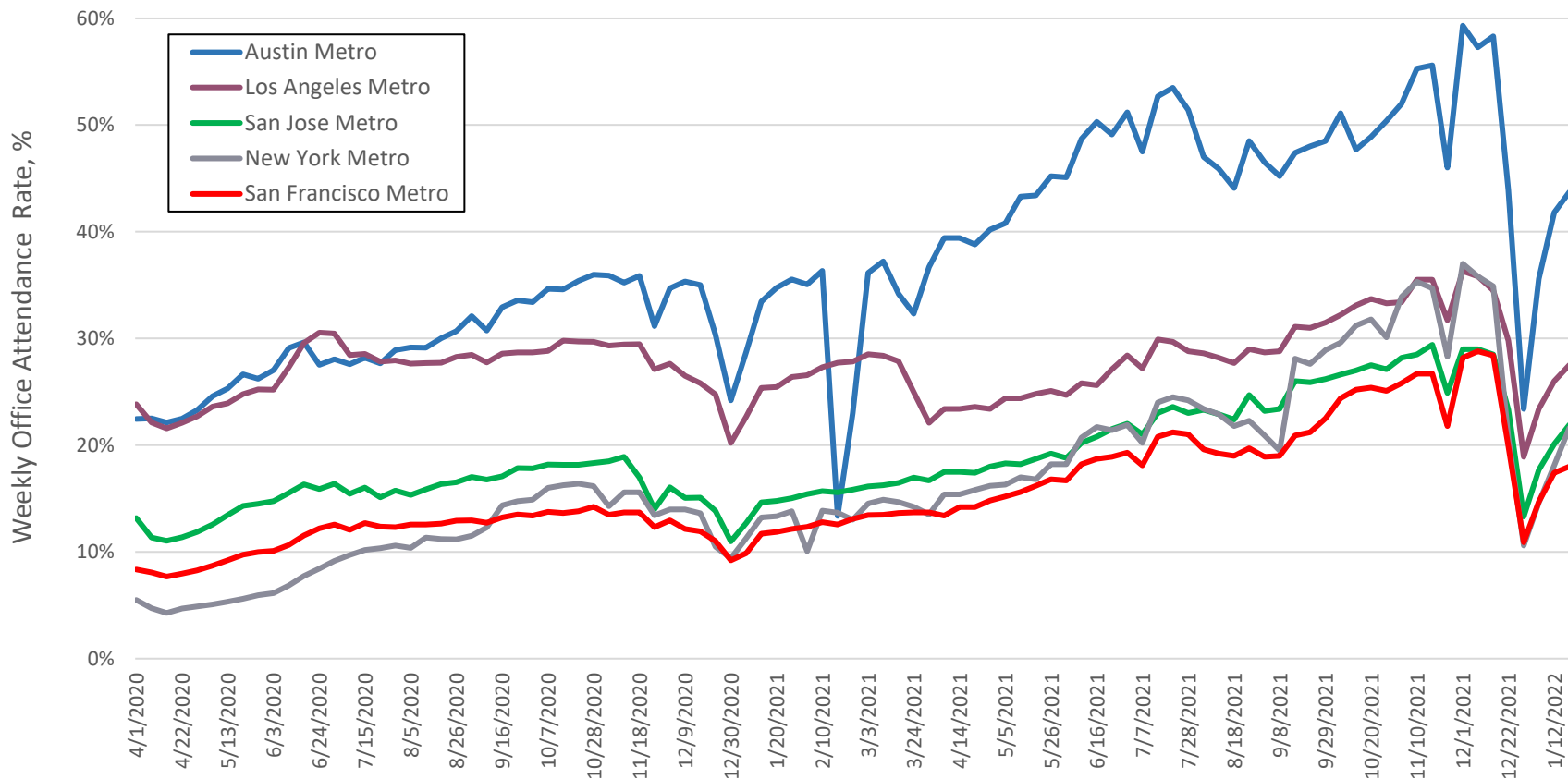
Change relative to the January 2020 index period, not seasonally adjusted.

Source: Google Mobility, Opportunity Insights, <https://tracktherecovery.org>  
[https://opportunityinsights.org/wp-content/uploads/2020/05/tracker\\_paper.pdf](https://opportunityinsights.org/wp-content/uploads/2020/05/tracker_paper.pdf)

# Sharp Recoveries in Office Attendance in All Areas

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## Weekly Office Attendance Across Selected Metros, Through January 19

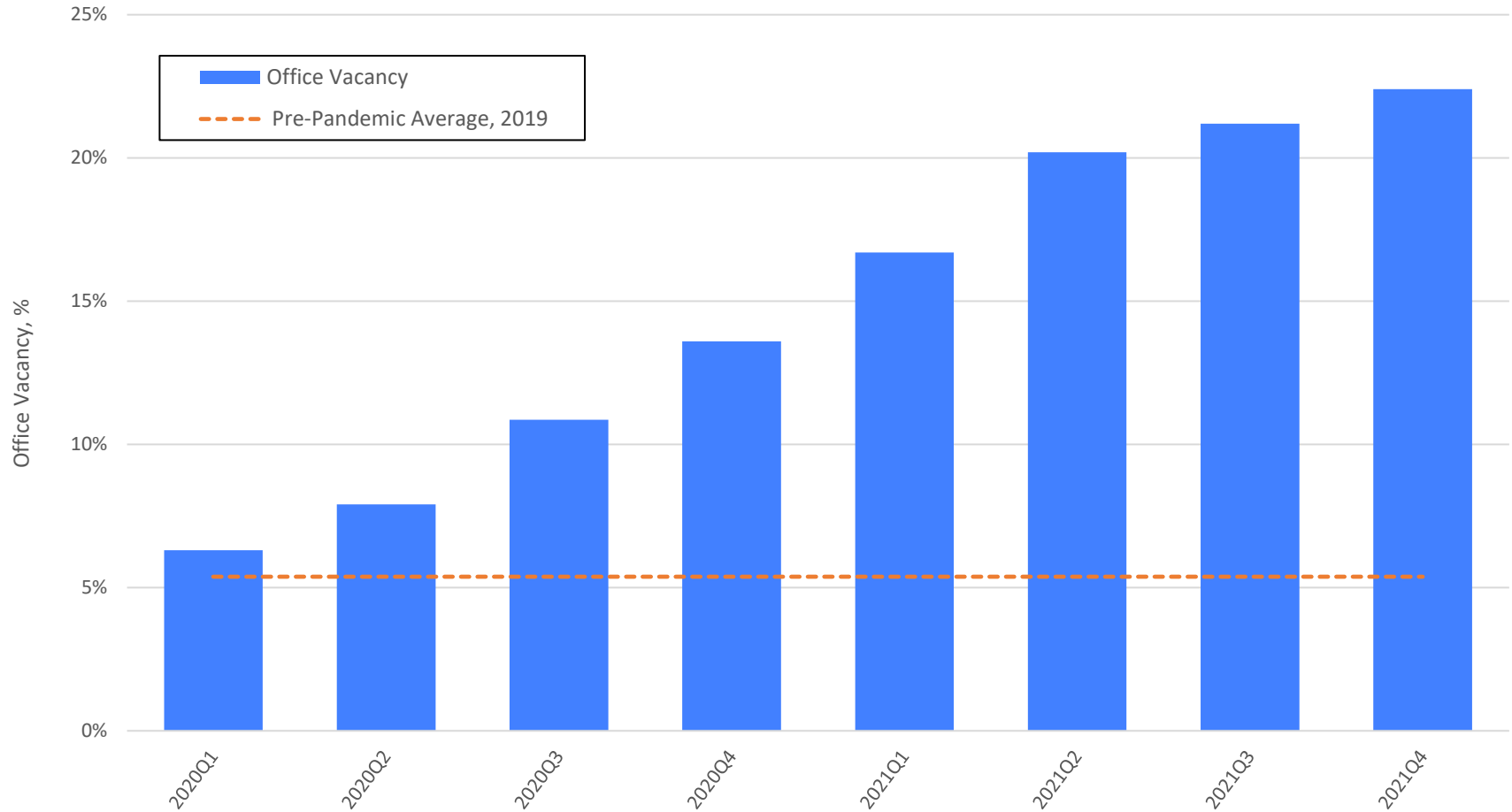


Kastle Back to Work Barometer reflects unique authorized user entries in a market relative to its pre-COVID baseline, averaged weekly. The San Francisco Metro Area includes San Francisco, Alameda, Contra Costa, San Mateo, and Marin counties.

# Q4 Office Vacancy Continuing to Rise in SF

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## Office Vacancy, San Francisco, Through 2021Q4



Source: Jones Lang LaSalle (JLL)

# Minor Drop in Business Sentiment from Omicron

## Expected Recovery Index National & Regional Surveys, Through January 16



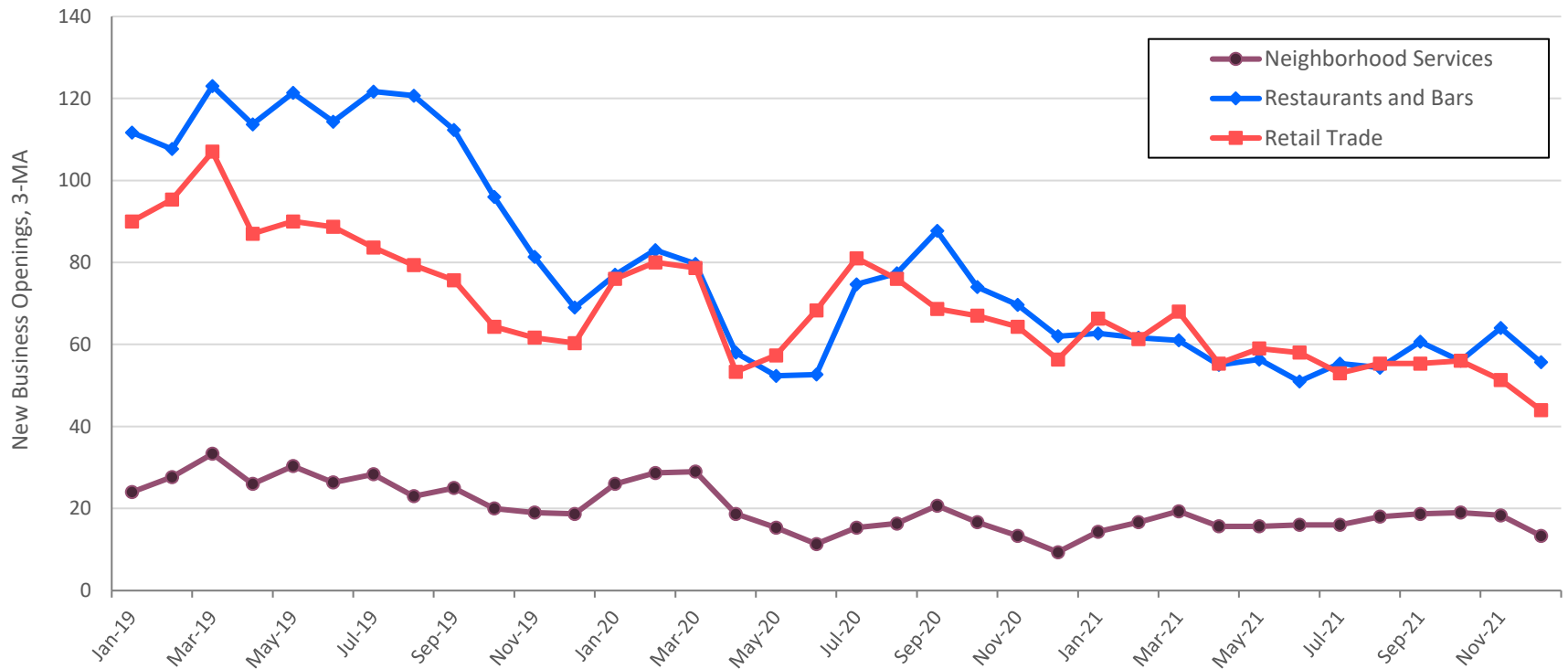
The San Francisco Metro Area includes San Francisco, Alameda, Contra Costa, San Mateo, and Marin counties.

Note: The index value ranges from -1 to 0, with -1 representing the longest recovery, whereas 0 representing the shortest recovery. 0 (No Impact, Return to Normal), -0.2 (1 month or less), -0.4 (2-3 months), -0.6 (4-6 months), -0.8 (More than 6

# Weakening Small Business Formation at End of Year

8

## Monthly New Business Openings in San Francisco, Selected Industries: January 2019 - December 2021 (3-month moving average)



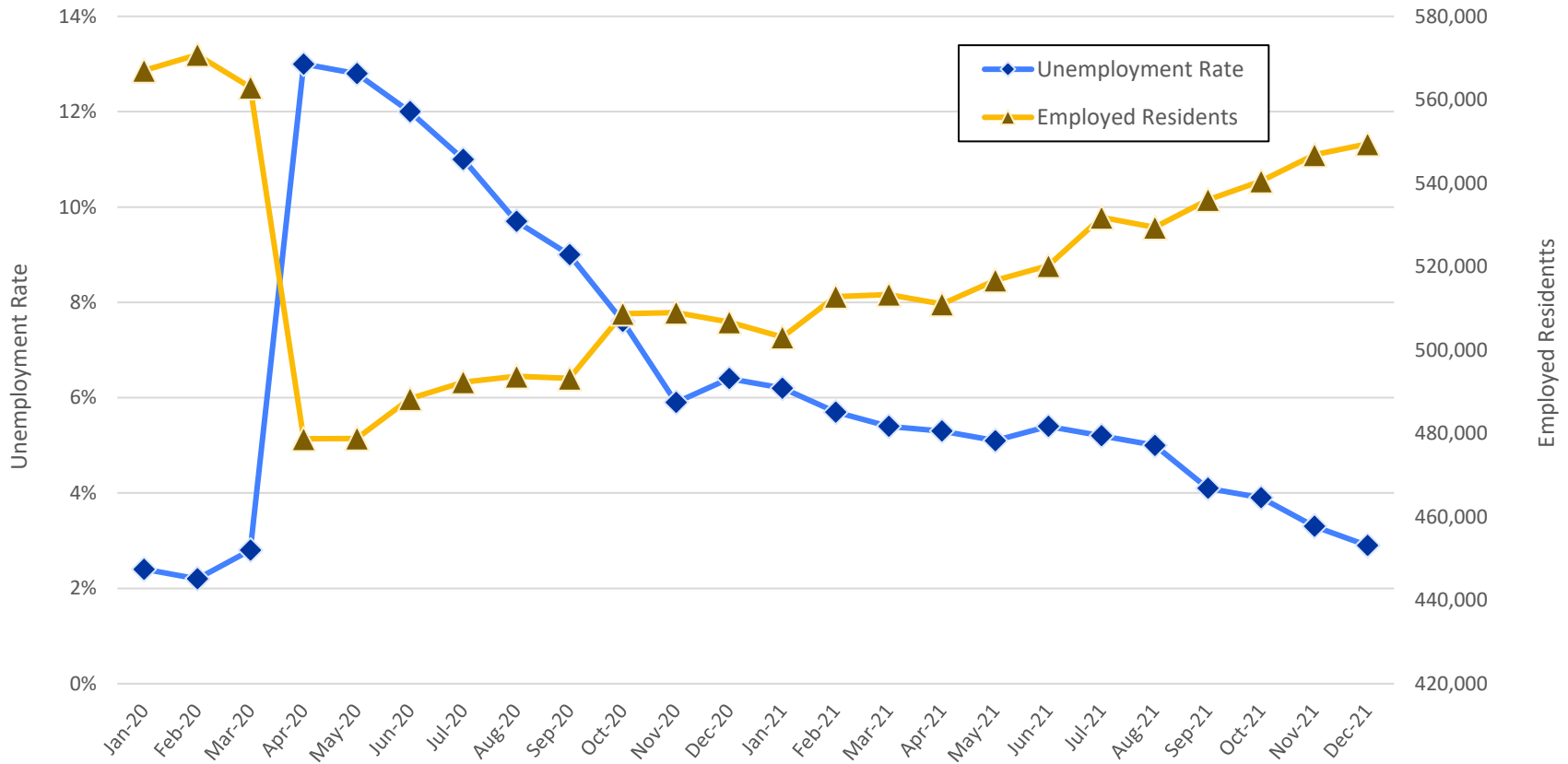
Source: Treasurer & Tax Collector, City and County of San Francisco

Note: "Restaurants and Bars" is equivalent to the NAICS Sector 722, "Food Services and Drinking Places". "Neighborhood Services" is equivalent to the NAICS sector 81, "Other Services (except Public Administration)", excluding non-profit organizations.



# Jobless Rate Now Below 3%; 20k Fewer Employed

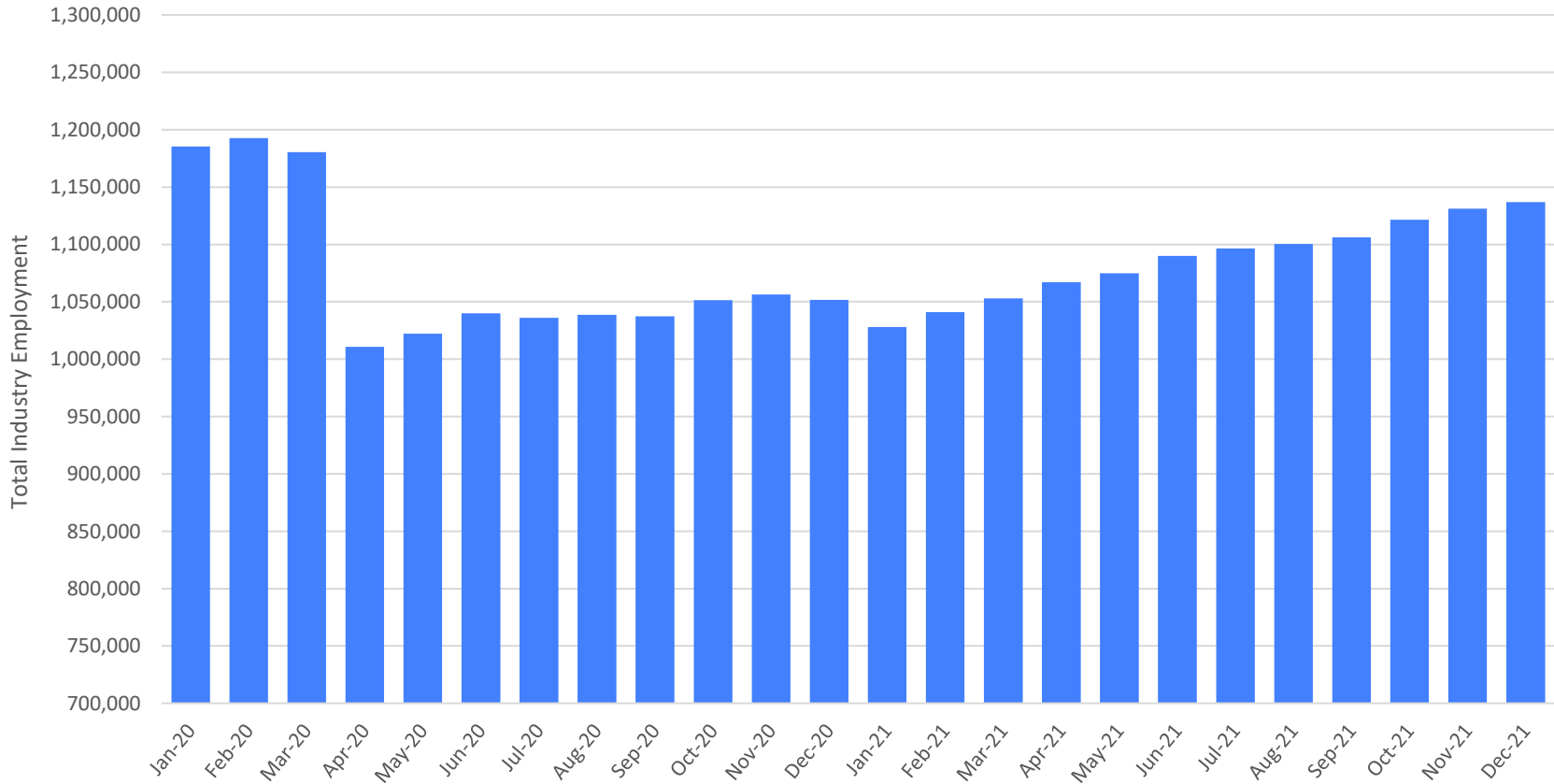
## Unemployment Rate and Employed Residents, San Francisco, Through December



Source: California Employment Development Department (EDD)

# Amid Omicron, 5,700 Jobs Added in December

## Total Industry Employment, San Francisco Metro Division, Through December

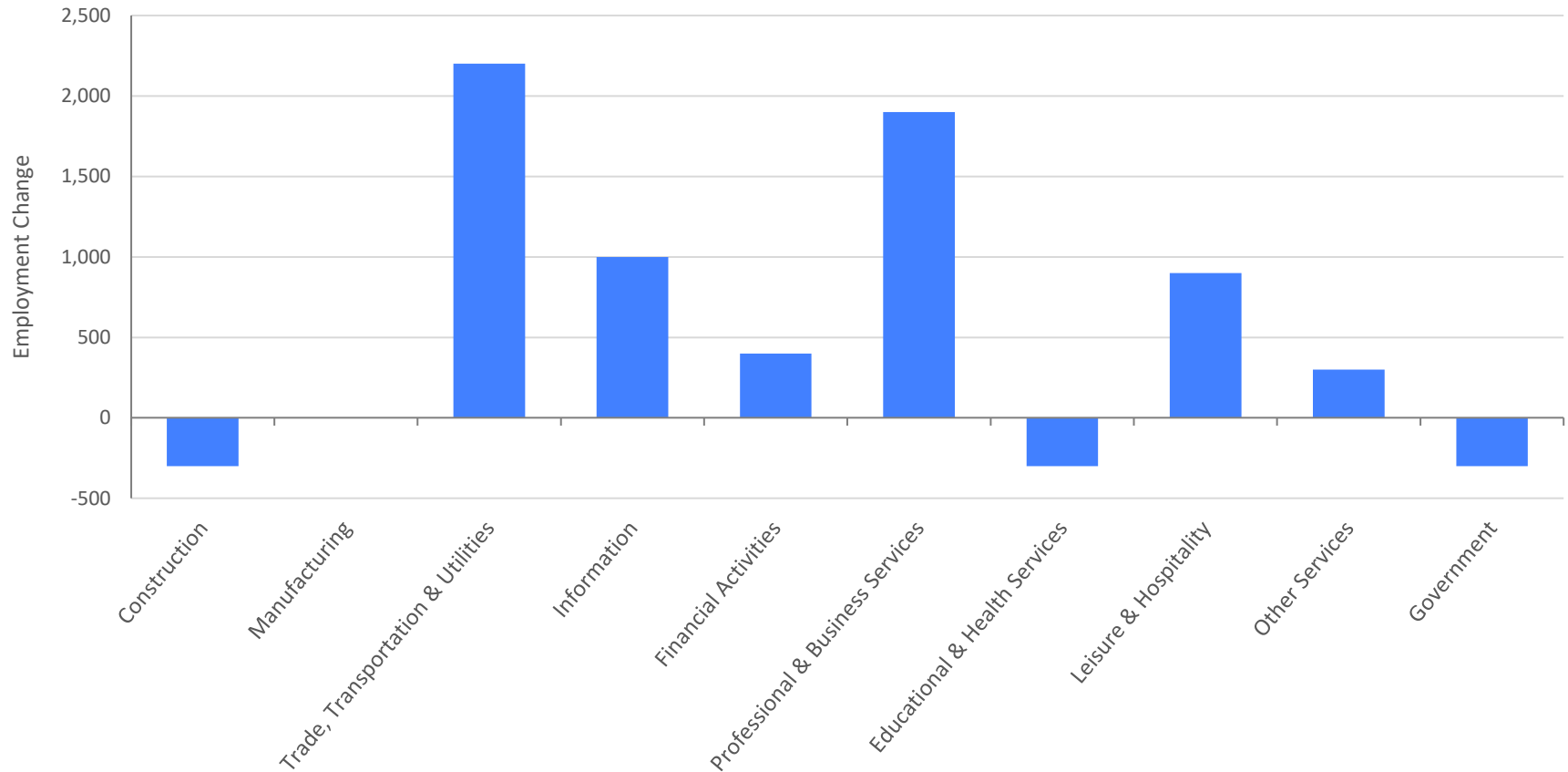


The San Francisco Metro Division includes San Francisco and San Mateo counties.

# Trade & Professional Services Led Job Growth

11

## Employment Change by Industry Sector, Nov-Dec 2021: San Francisco Metropolitan Division

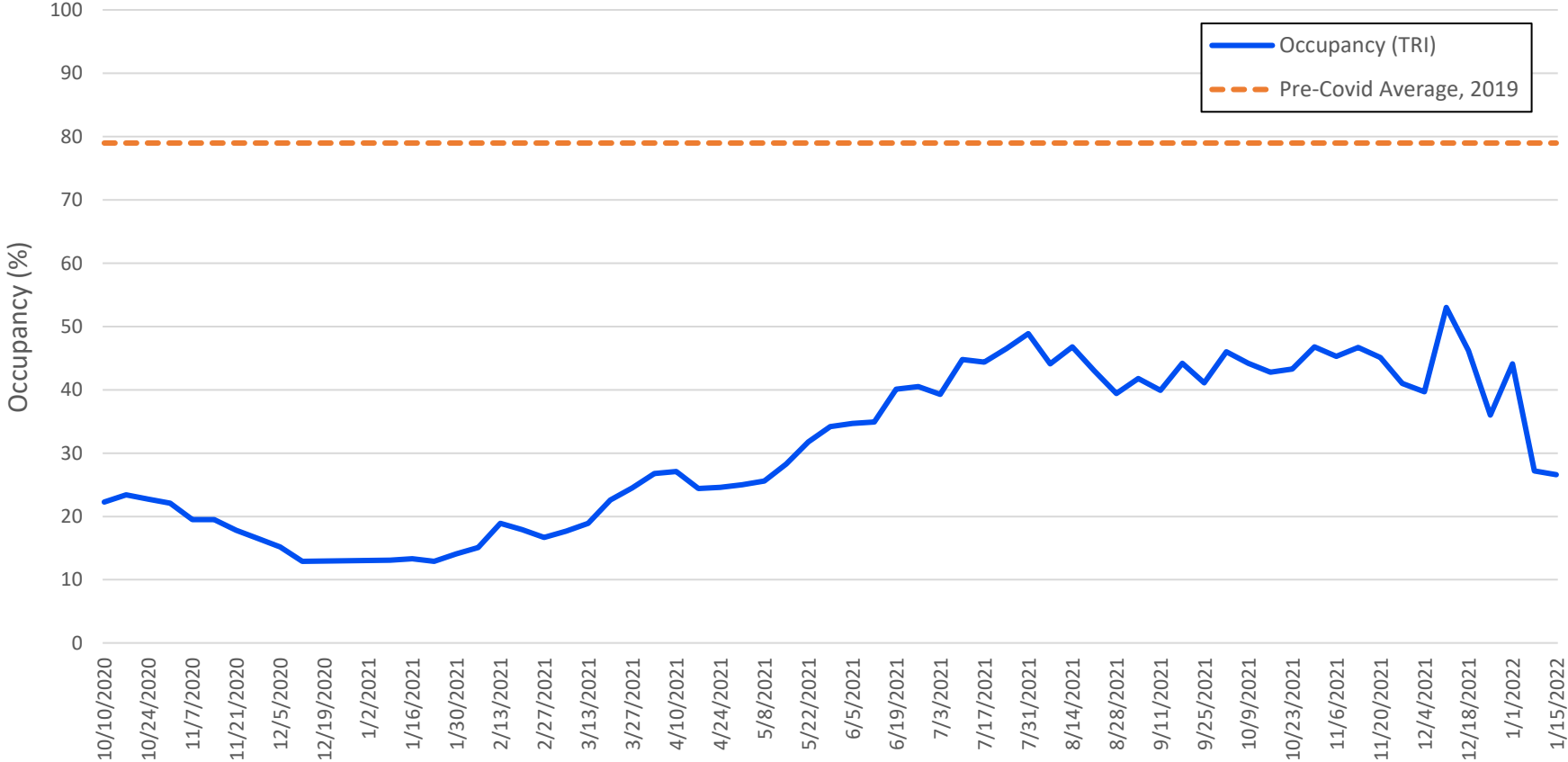


The San Francisco Metro Division includes San Francisco and San Mateo

Source: California Employment Development Department (EDD)

# Hotel Occupancy Declined over the Last Month

## Hotel Occupancy, San Francisco, Through January 15



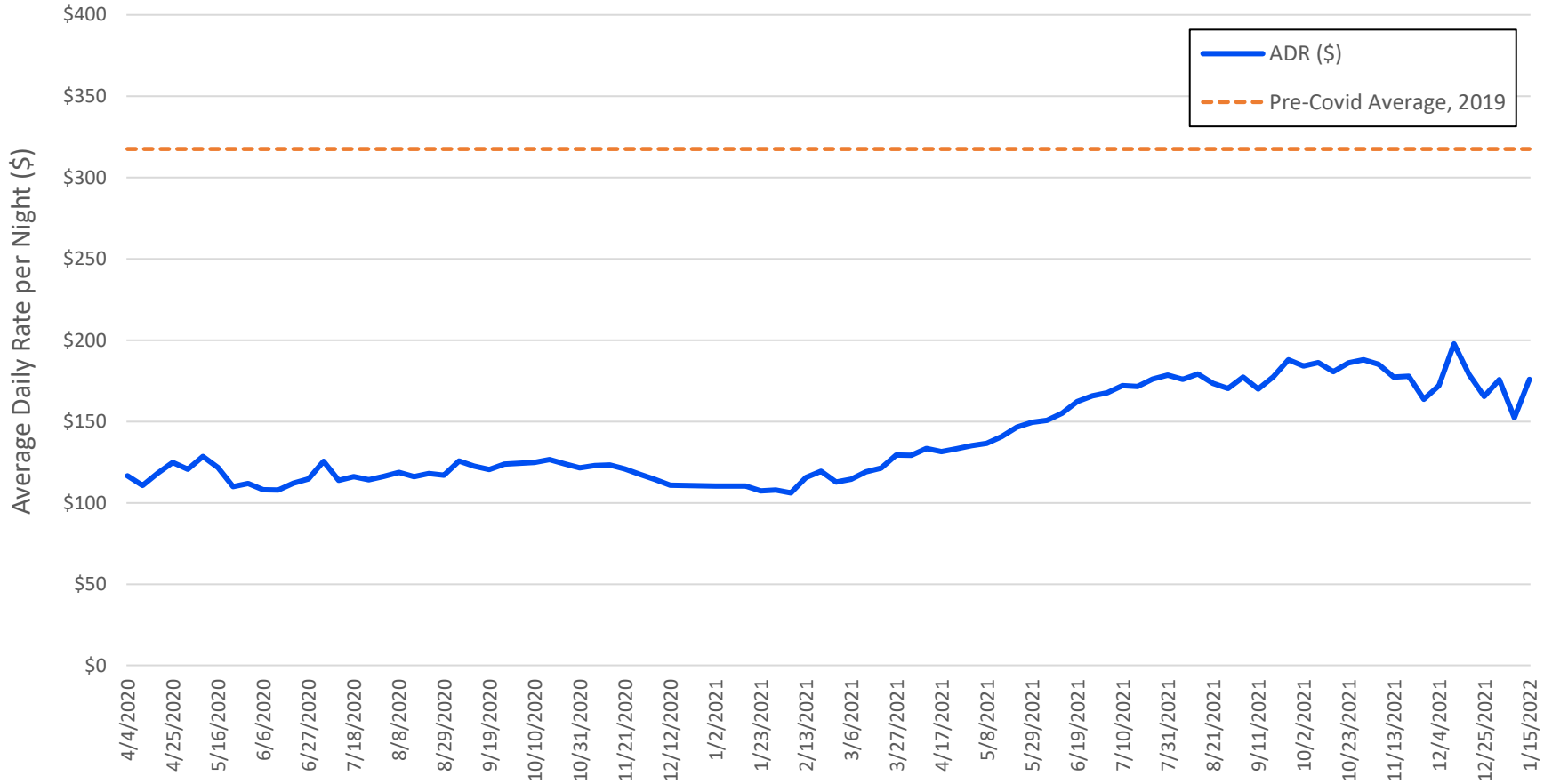
TRI (Total Room Inventory) takes in to account all the hotel rooms in the city, whether open or closed.

Source: STR

# While Average Rates Held Steady

13

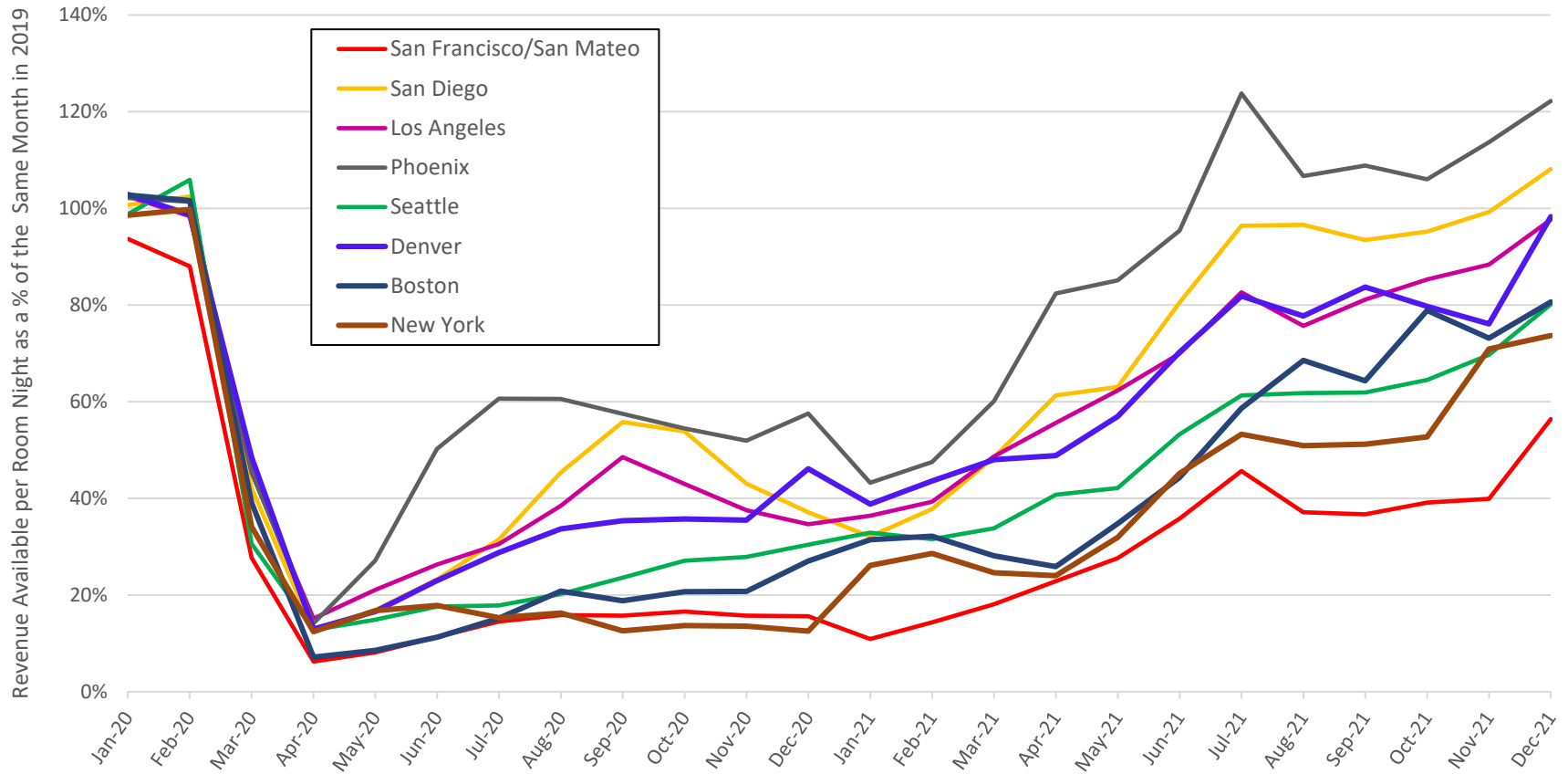
## Hotel Average Daily Rate (ADR) per Night, San Francisco, Through January 15



Source: STR

# Seasonally-adjusted, SF Hotels Improved in December

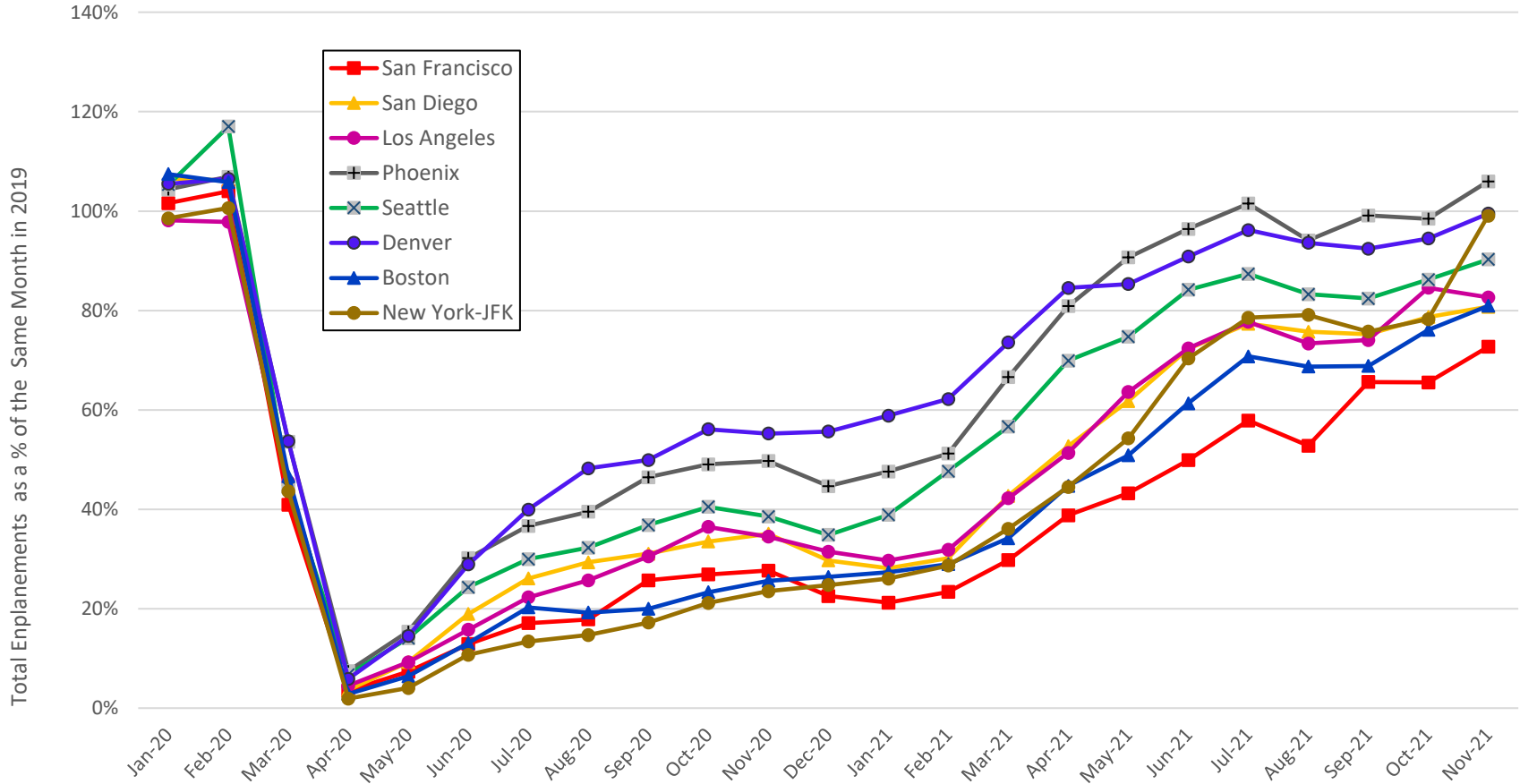
## Monthly Hotel Revenue Available per Room Night, Selected Cities, Through December



TRI (Total Room Inventory) takes in to account all the hotel rooms in the city, whether open or closed.

# Domestic Air Travel Recovering, But Slowly

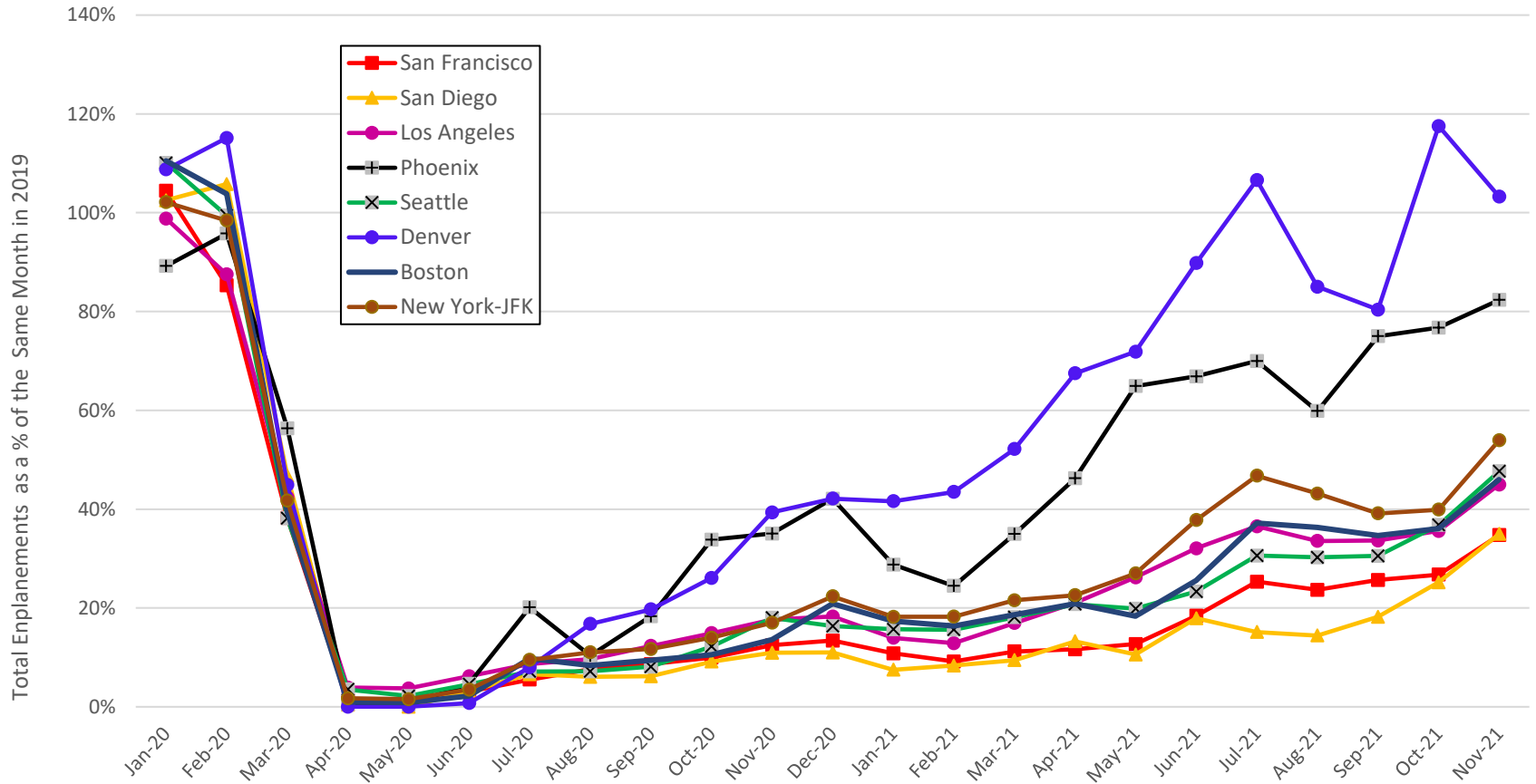
## Domestic Enplanements, Selected Airports, Through November



Source: SFO, SAN, LAX, PHX, SEA, DEN, BOS, JFK

# Many Cities Still Facing Weak International Travel

## International Enplanements, Selected Airports, Through November

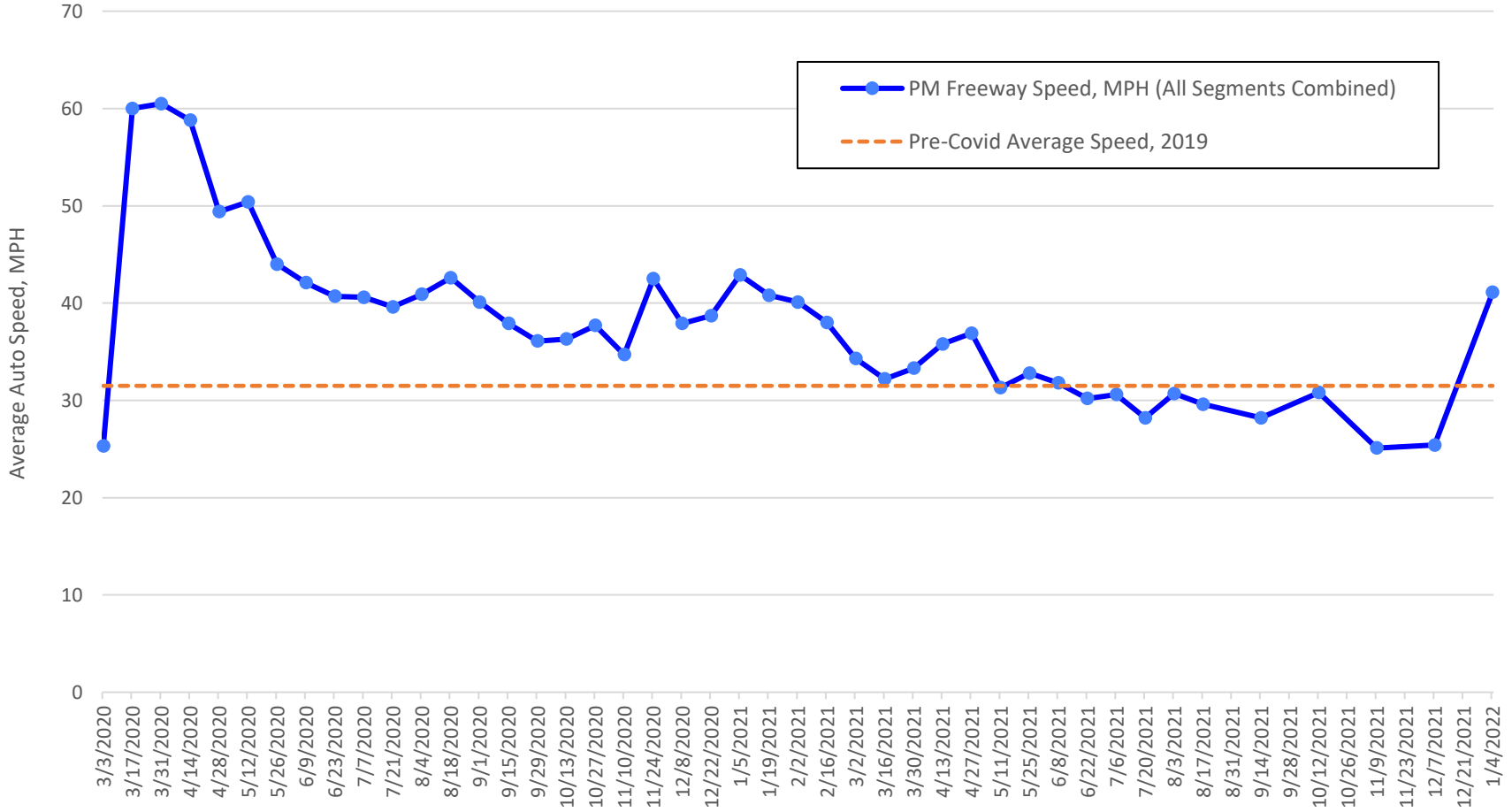


Source: SFO, SAN, LAX, PHX, SEA, DEN, BOS, JFK



# Highway Speeds Jumped in the Last Month...

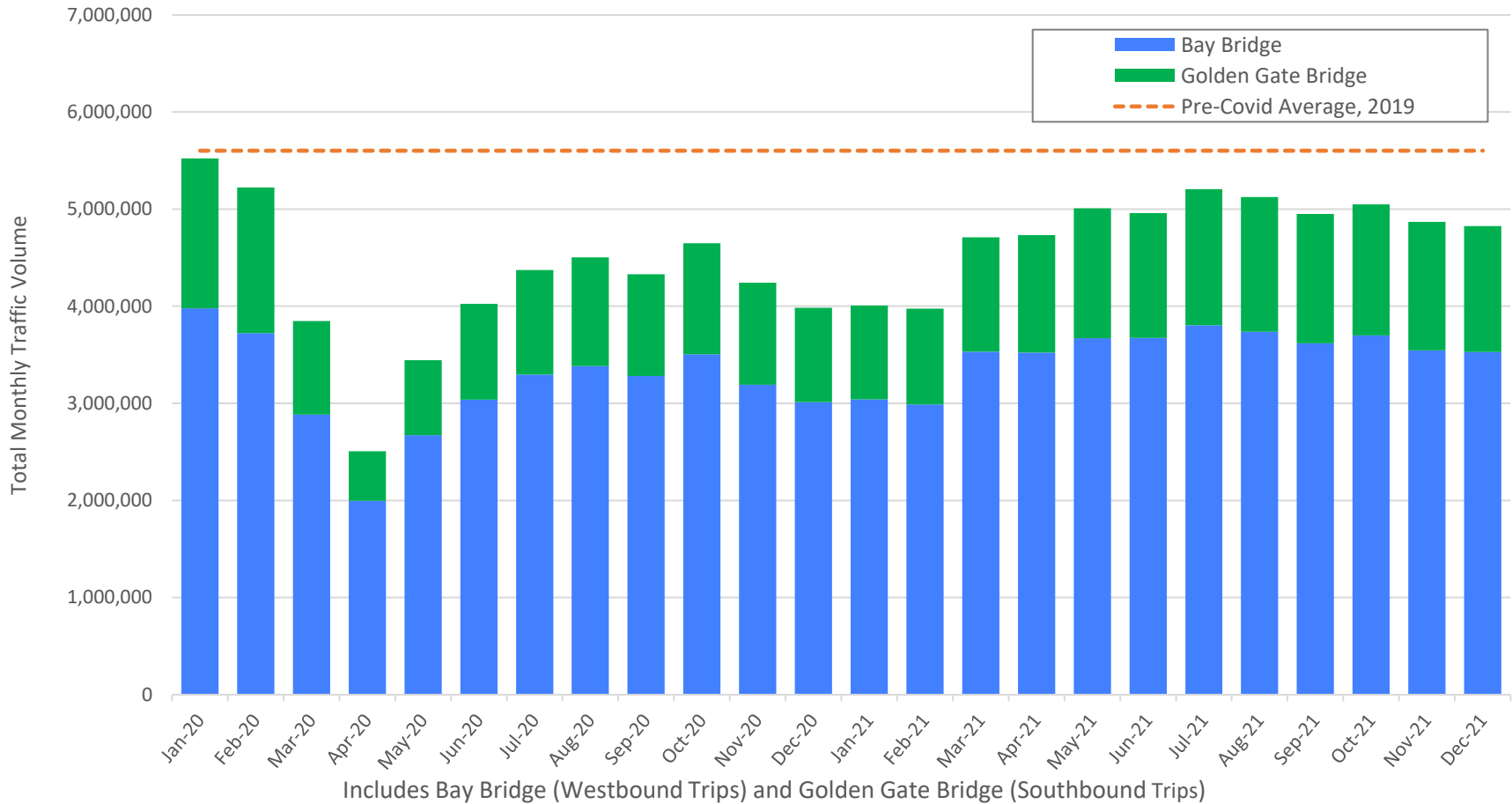
## Average PM Freeway Speed, San Francisco, Through January 4



Source: San Francisco County Transportation Authority (SFCTA)

# ...Though Bridge Traffic Fell Slightly Further

## Bay Bridge and Golden Gate Bridge Monthly Traffic Volume, San Francisco, Through December

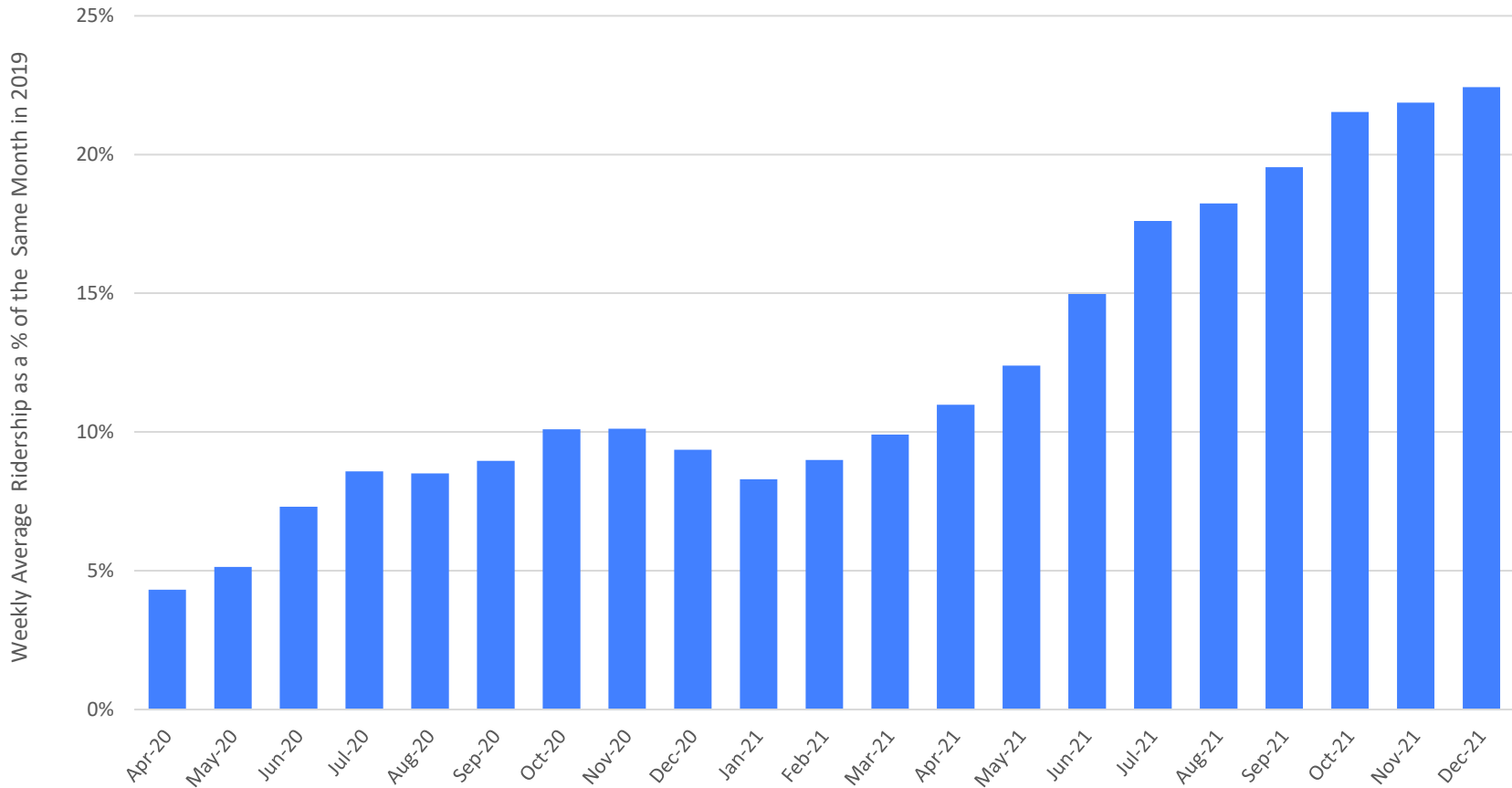


Source: Bay Area Toll Authority (BATA), Golden Gate Bridge Highway & Transportation District

# BART Ridership Growth Has Slowed Since the Fall

19

## BART Exits At Embarcadero, Montgomery, Powell and Civic Center Stations, Through December

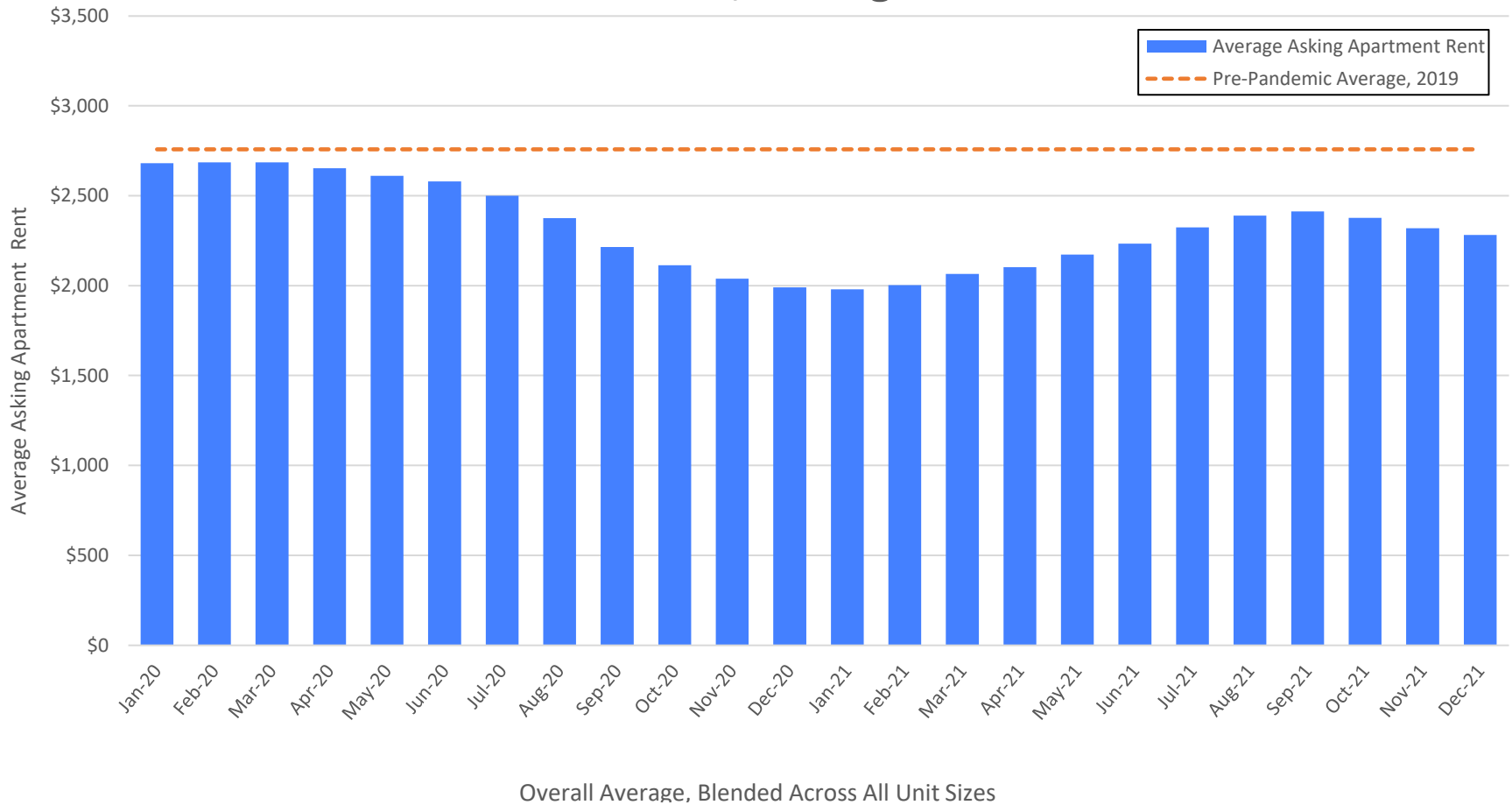


Source: BART

# Apartment Rents Continued a Slow Decline

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## Average Asking Apartment Rent, San Francisco, Through December

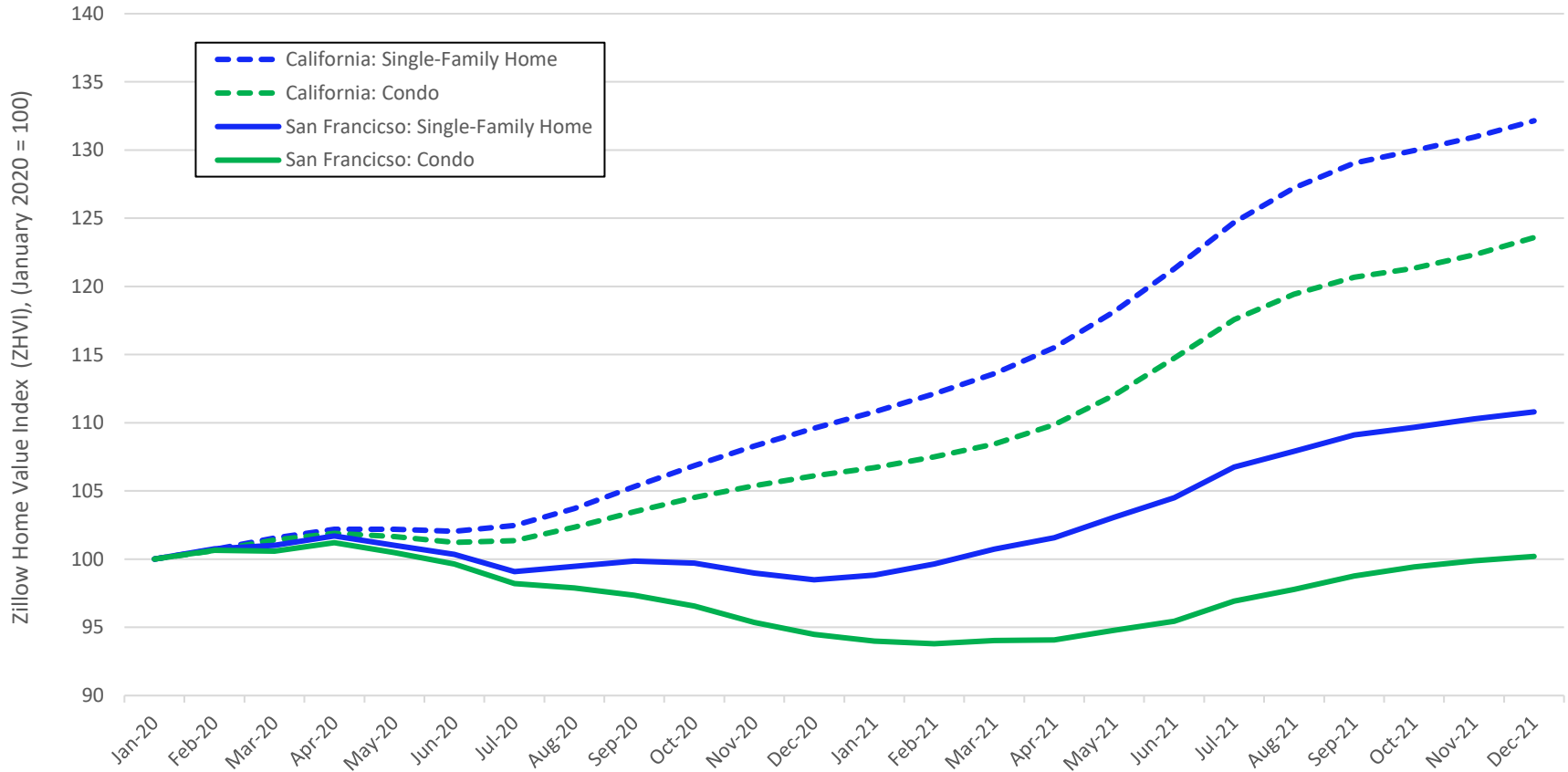


Source: Apartment List

# Home Prices Rising, but Far Slower than the State

21

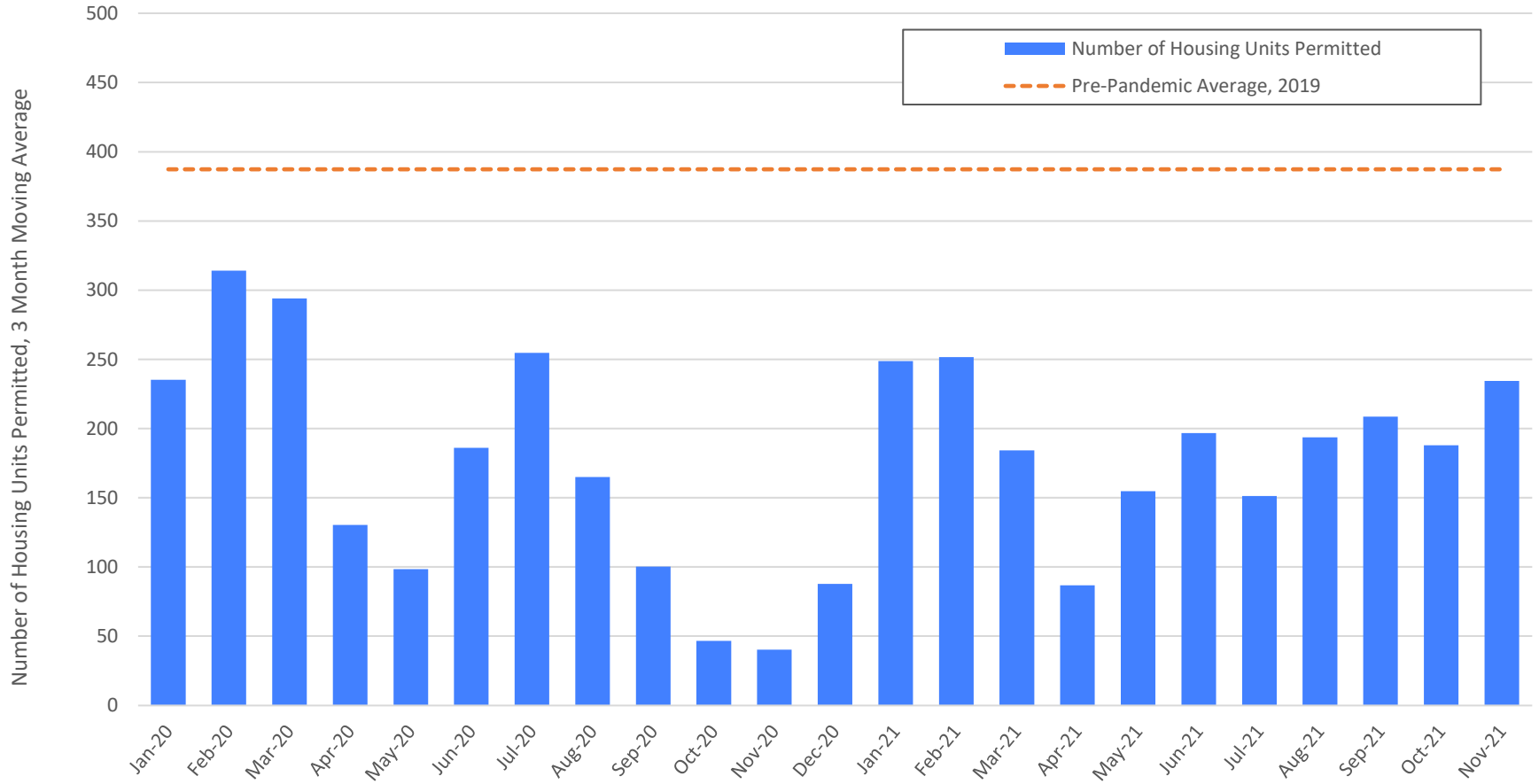
## Single-Family Home and Condo Prices, San Francisco and California, Through December



Source: Zillow

# Small Uptick in Housing Permitting

## Number of Housing Units Permitted (3 Month MA), San Francisco, Through November



Source: U.S. Department of Housing and Urban Development (HUD)

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