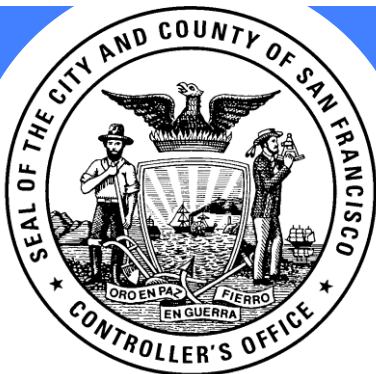


Status of the San Francisco Economy: July 2023



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Office of Economic Analysis

August 1, 2023

Highlights of the July Report

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- The San Francisco Controller's Office has been tracking the city's economy with monthly reports on various local economic indicators. Going forward, the report will be published bi-monthly, with the next edition coming out at the end of September.
- The local labor market remains strong. The San Francisco metro division added 8,400 jobs in June, after adding 8,800 in May. The city's unemployment rate rose 0.2% to 3.2%.
- The Tech sector has driven job growth the past two months. In June, the Information and Professional Services sectors added 6,000 jobs. Recent gains have largely offset the tech layoffs of late 2022/early 2023, and year-over-year job growth in tech is now -0.1%.
- However, there is little sign of recovery in the downtown office market. According to JLL, office vacancy rose again in the second quarter of 2023, while rents, office attendance, and downtown transit ridership were all largely flat.
- The city's housing market also remains sluggish. Condo prices in San Francisco are still falling, albeit at a slower rate than in late 2022. Across the State, condo prices grew 0.5% in June.
- However, apartment rents grew 0.4% in July, according to ApartmentList, which surpassed the national growth rate.

List of Economic Indicators

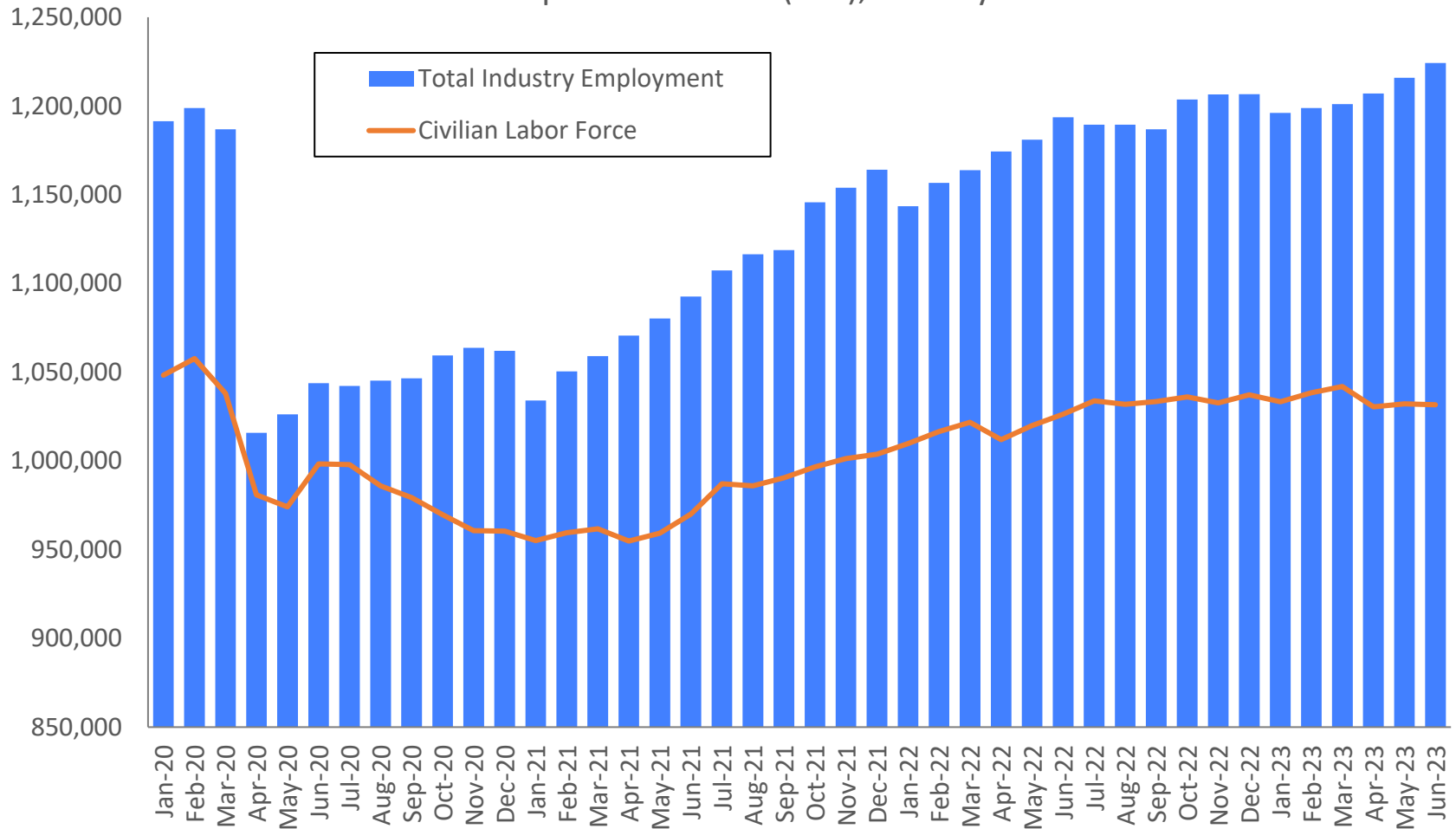
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1. Industry Employment and Civilian Labor Force
2. Employment Change by Industry Sector
3. Unemployment Rate and Employed Residents in San Francisco
4. Office Attendance
5. Office Vacancy and Asking Rents
6. New Business Registration, Selected Sectors
7. Hotel Occupancy Rate and Average Daily Rate
8. Hotel Revenue Available per Room Night: Selected Cities Comparison
9. Domestic Enplanements: Selected Cities Comparison
10. International Enplanements: Selected Cities Comparison
11. Bay Bridge and Golden Bridge Traffic
12. San Francisco PM Freeway Speeds
13. Muni Metro (Subway) Ridership
14. BART Exits at Downtown SF Stations
15. System-wide BART Ridership
16. Apartment Asking Rent and Apartment Vacancy Index
17. Single Family Home and Condo Prices: San Francisco and California
18. Housing Permits

Job Growth is Accelerating in the SF Metro Division

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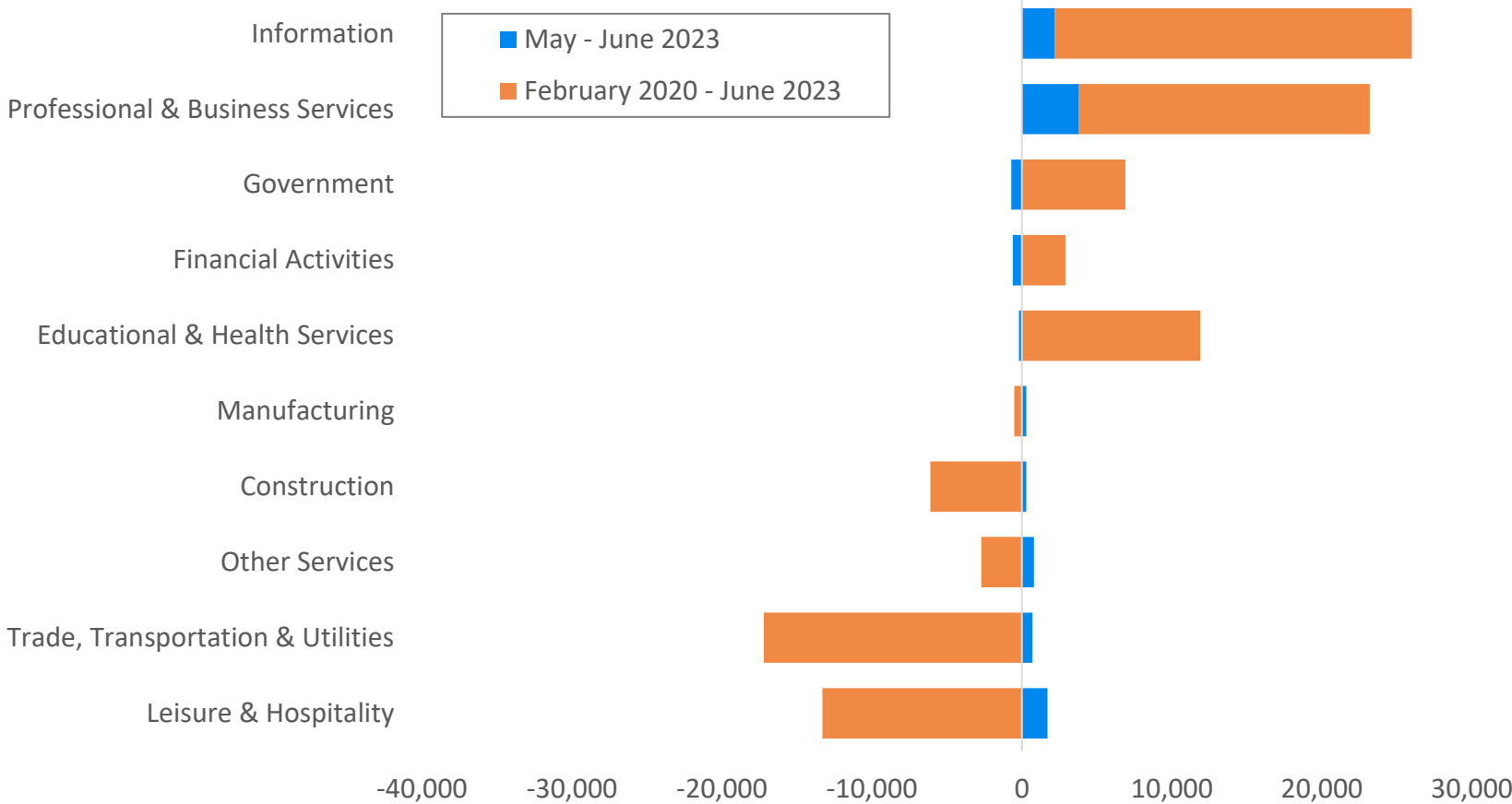
Total Industry Employment and Civilian Labor Force,
San Francisco Metropolitan Division (MD), January 2020-June 2023



Source: EDD, SF Metro Division includes San Francisco and San Mateo counties.

Professional Services, Information Led Job Growth

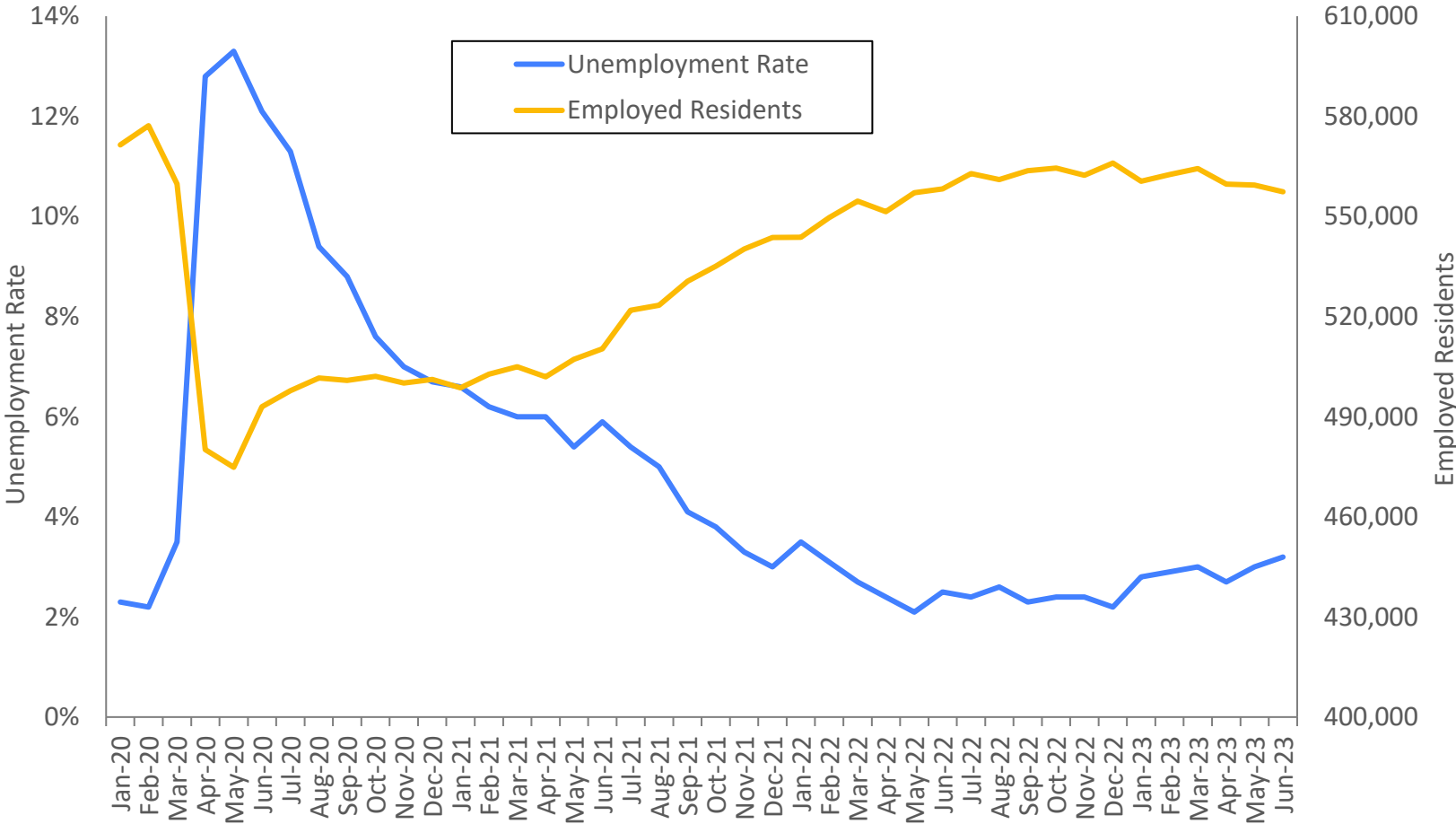
Employment Change by Industry Sector, San Francisco Metro Division:
Since the Start of the Pandemic, and the Most Recent Month



Source: EDD

SF Unemployment Rate Rose to 3.2% in June

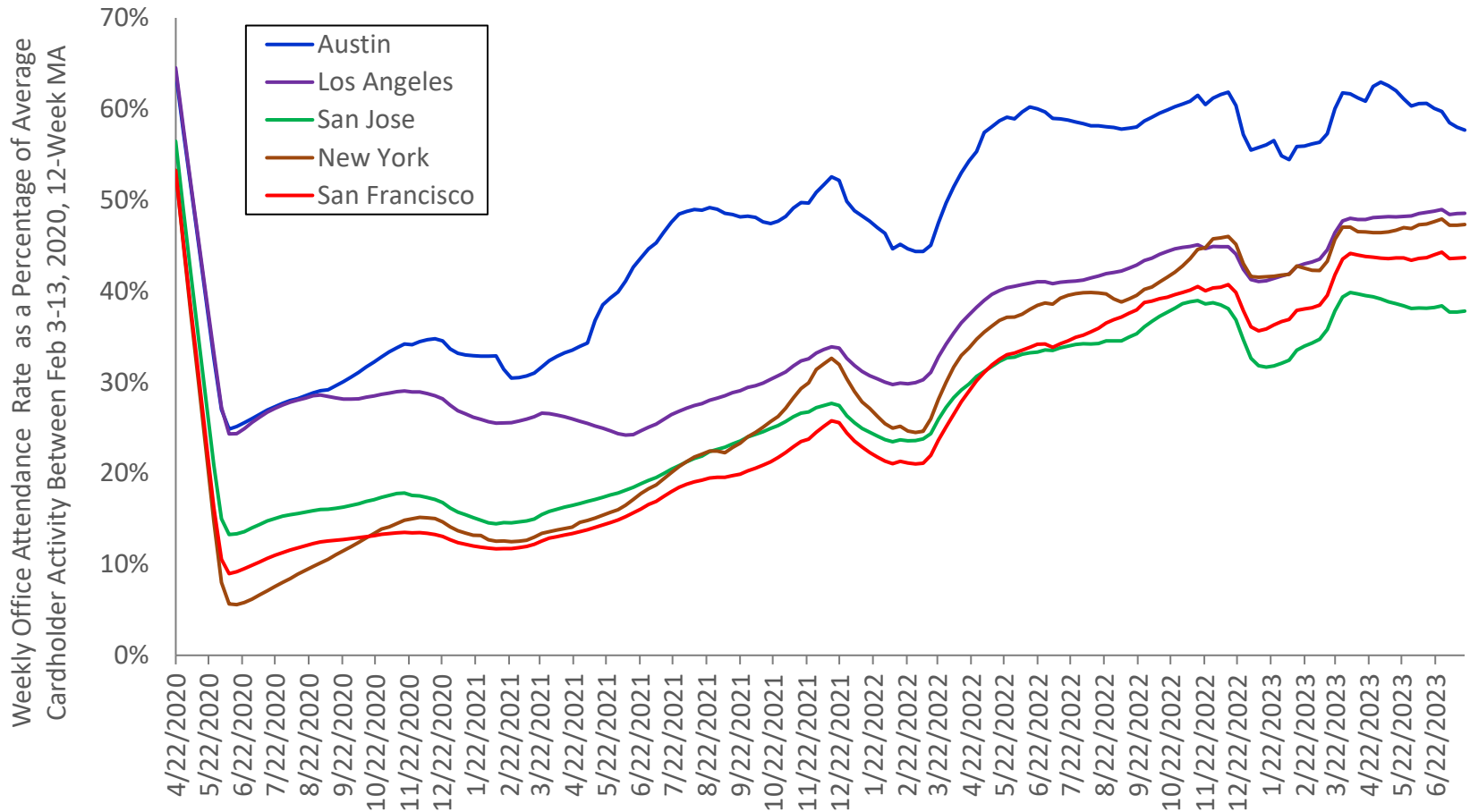
Monthly Unemployment Rate and Employed Residents, San Francisco, Through June 2023



Source: EDD

No Significant Movement in Office Attendance

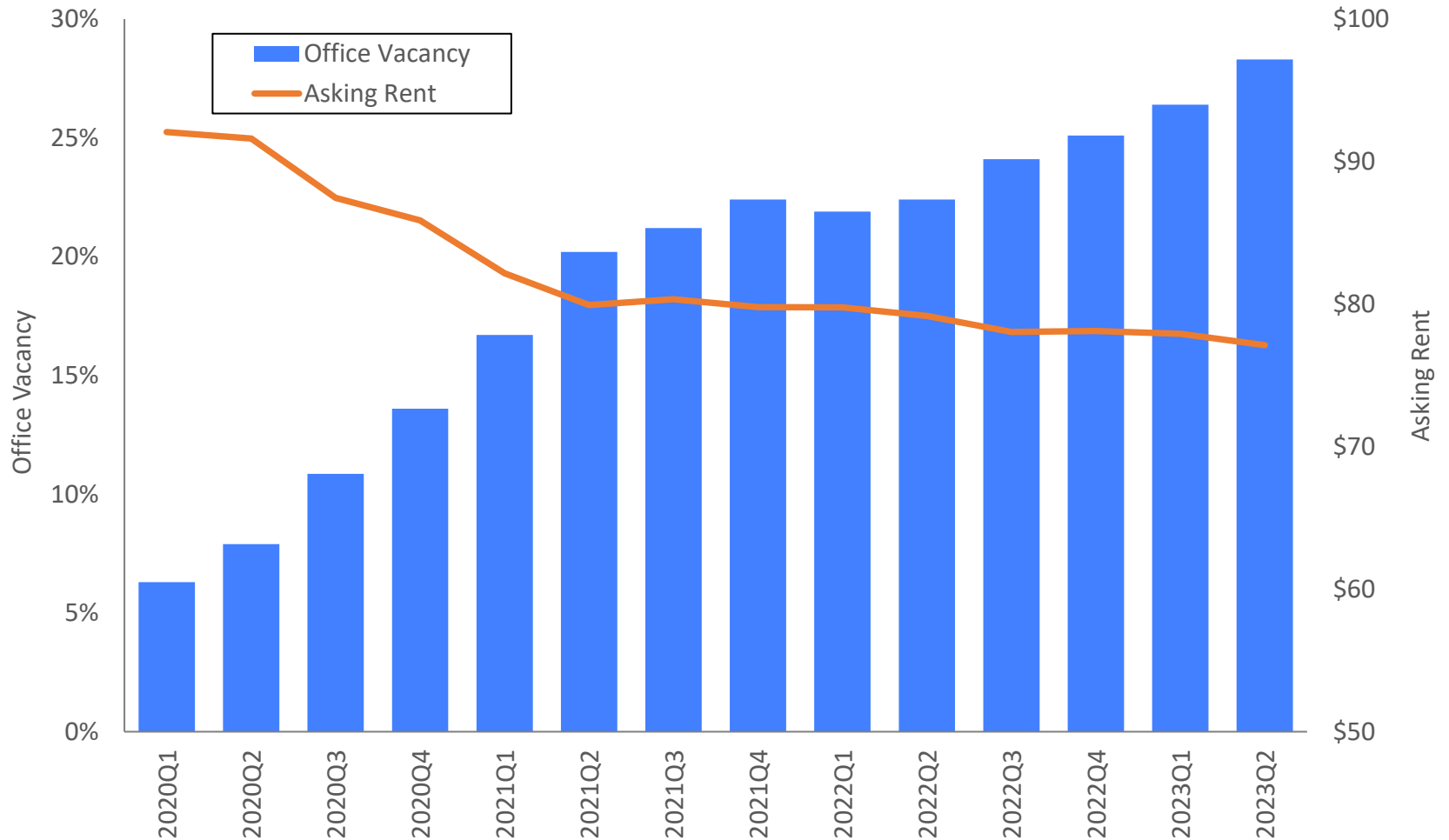
Weekly Office Attendance in San Francisco and Other Selected Metros,
12-Week Moving Average, Through July 19, 2023



JLL: Office Vacancy Rose to 28.3% in Q2; Rents Fell by 1%

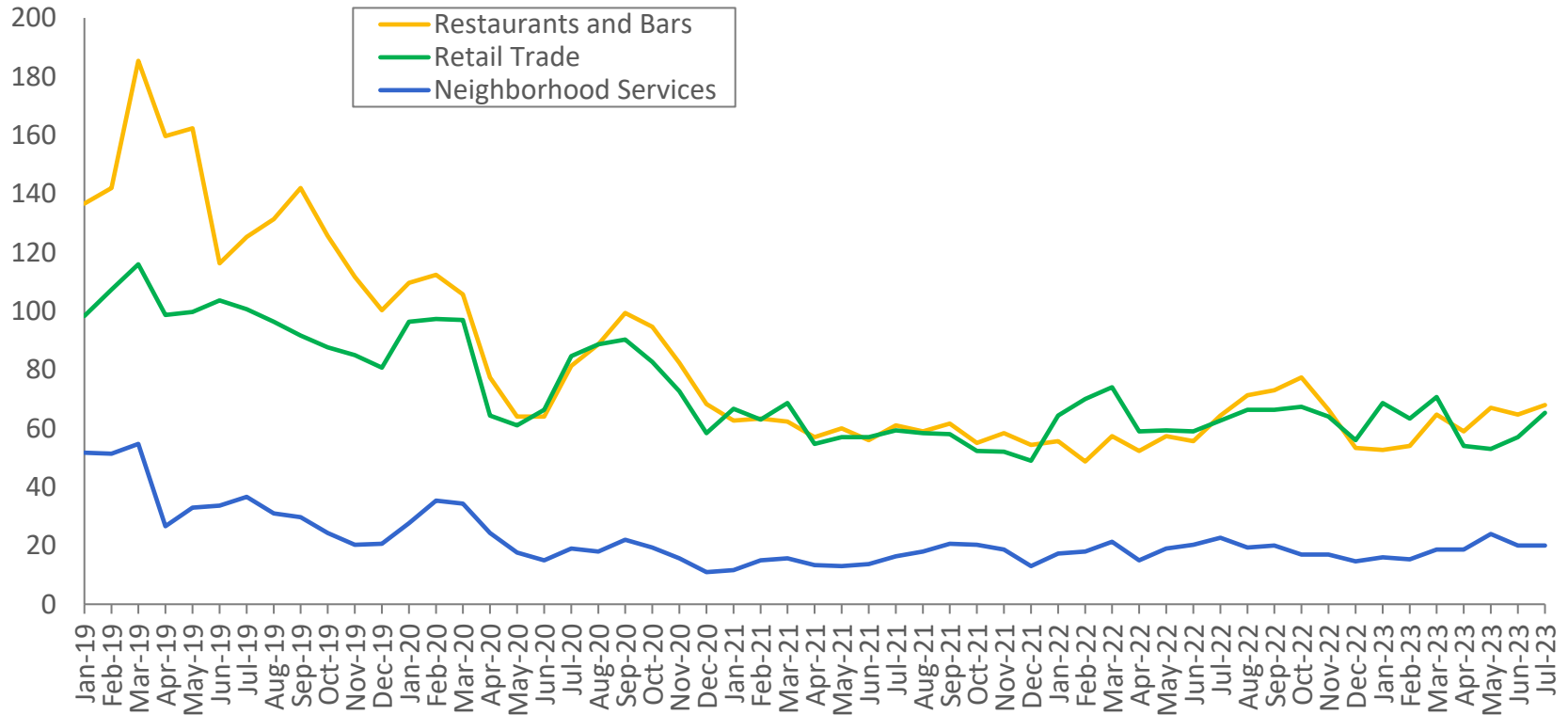
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Office Vacancy and Asking Rent
San Francisco, Through 2023Q2



New Business Formation Remains Flat

New Business Locations in San Francisco, 3-month Moving Average,
Selected Industries: January 2019 - July 2023

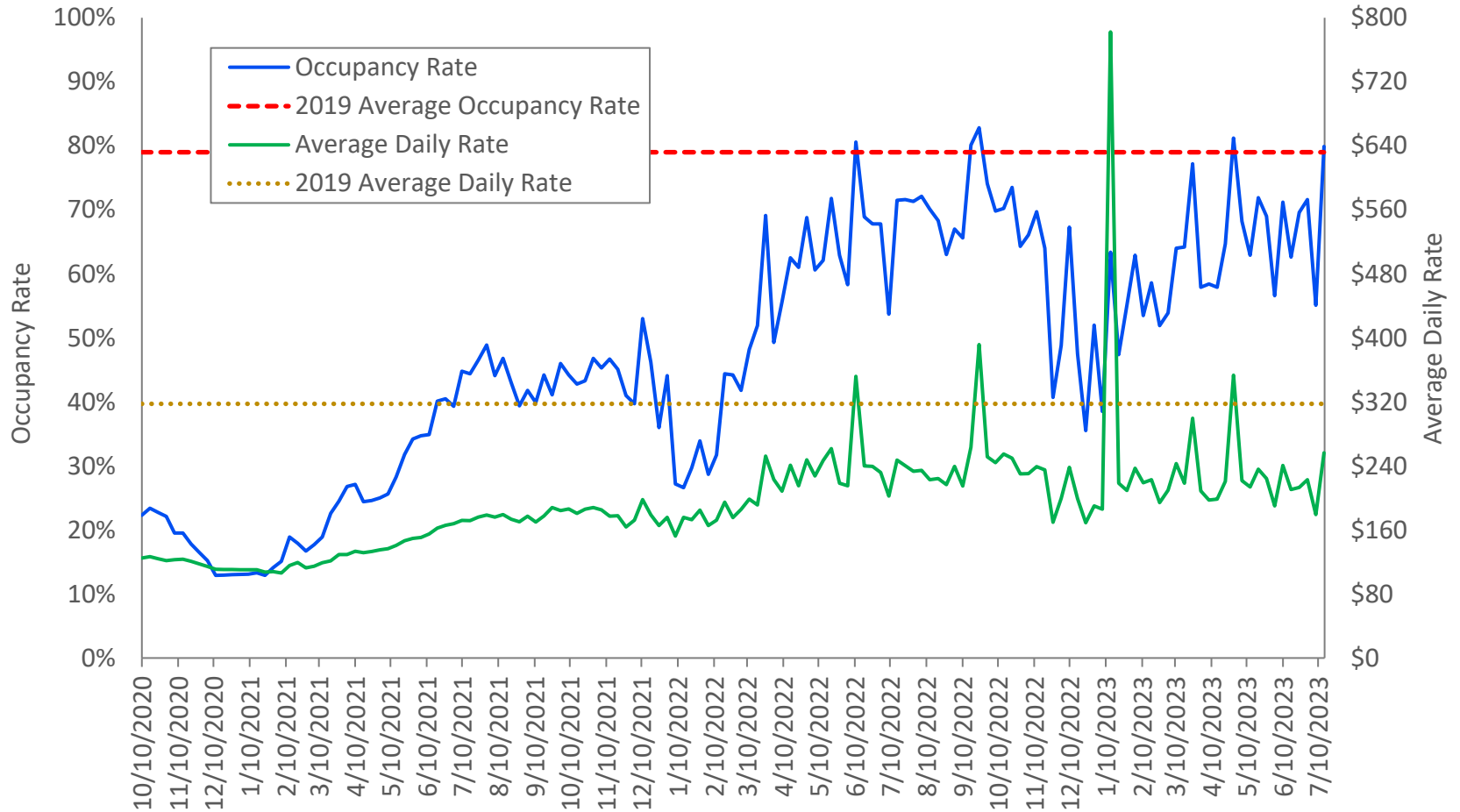


Source: Treasurer & Tax Collector, City and County of San Francisco

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)".

Uptick in Hotel Rates and Occupancy in Mid-July

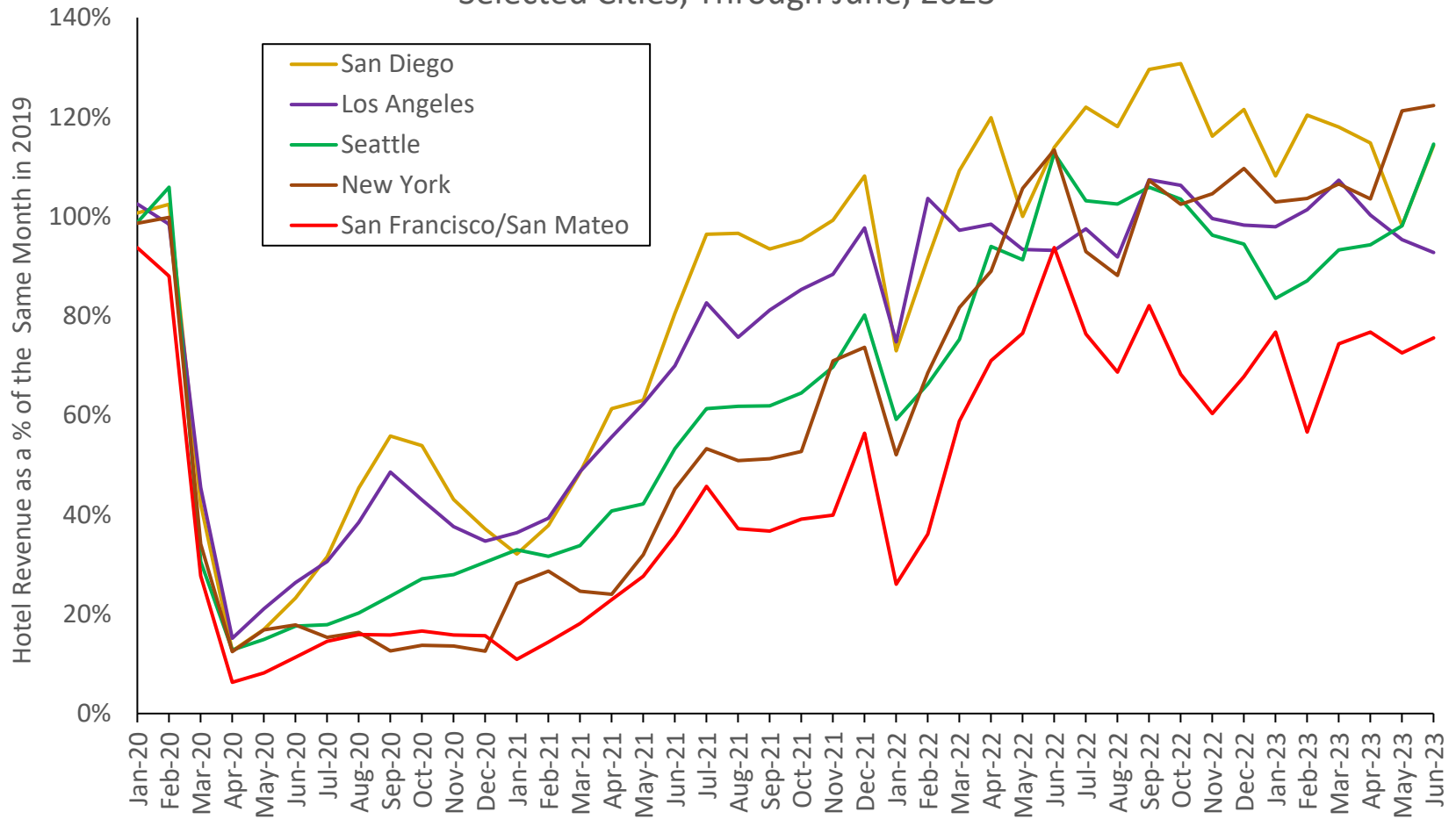
Weekly San Francisco Hotel Occupancy Rate and Average Daily Room Rate, Through July 15, 2023



Source: STR

Hotel Revenue Steady at 75% of 2019 Levels

Monthly Hotel Revenue Available per Room Night, Selected Cities, Through June, 2023

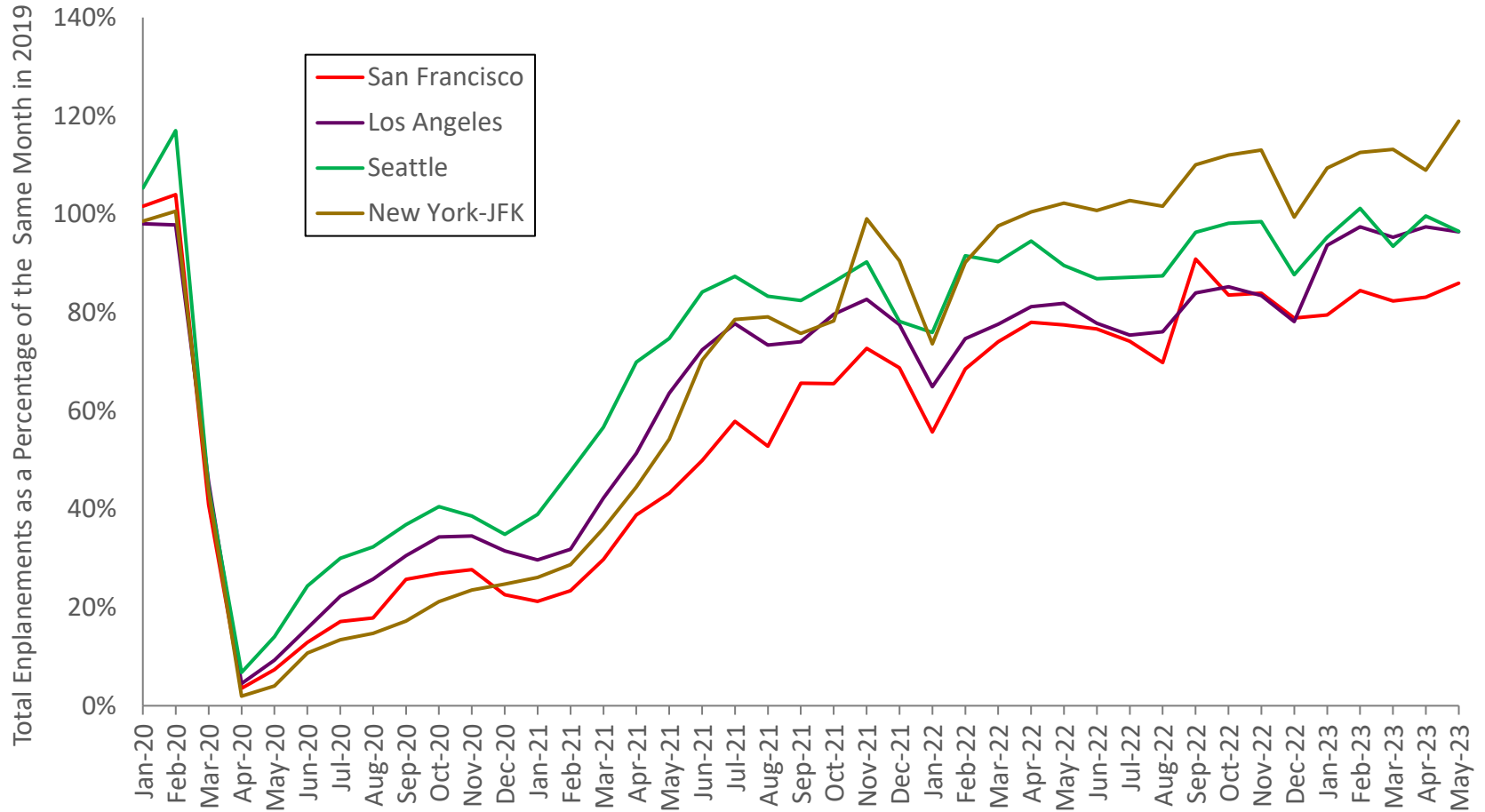


Source: STR. All the hotel rooms in a city are considered, whether they are open or closed.

SFO Domestic Travel 86% of Normal in May – Still Lagging

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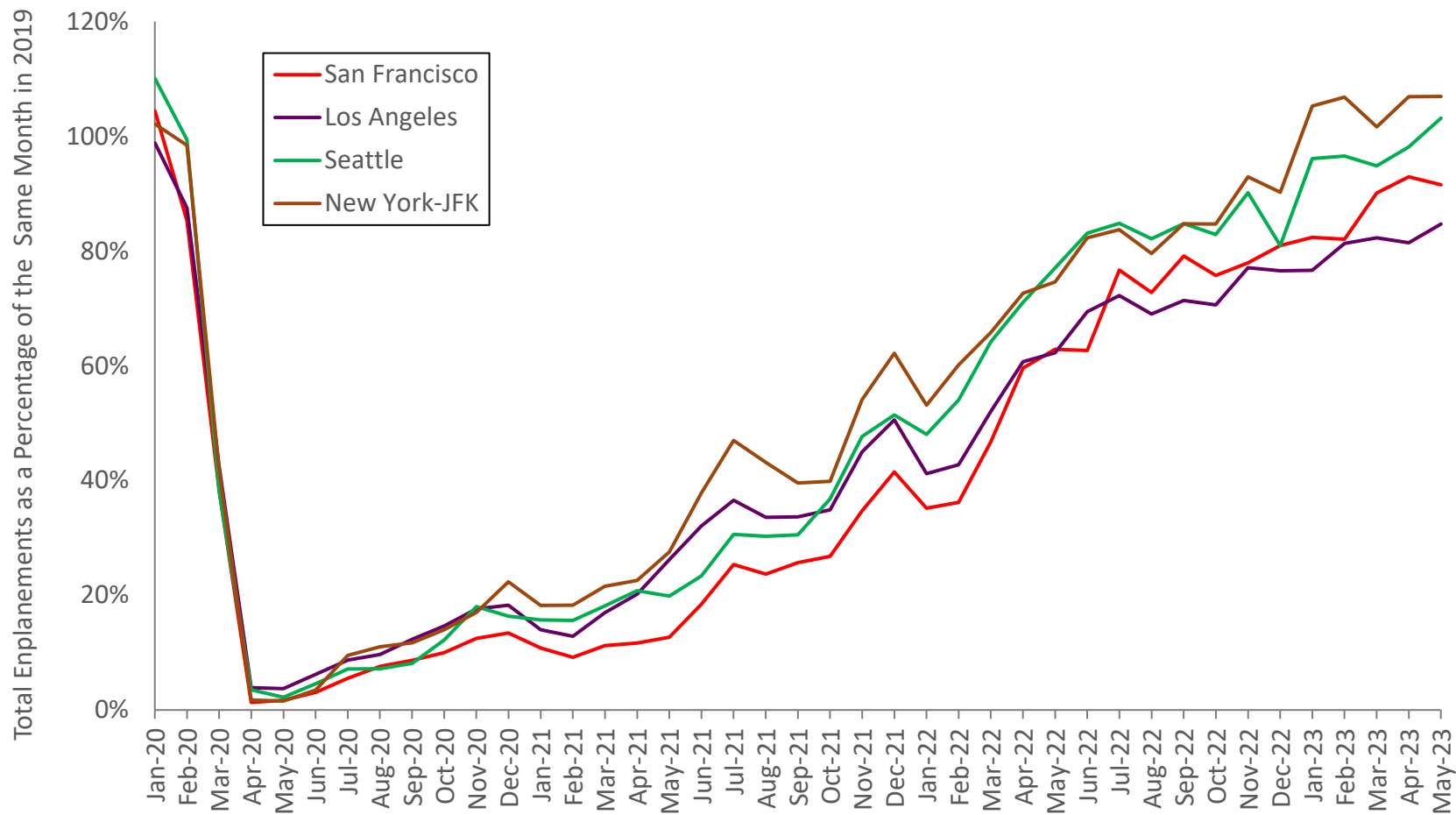
Domestic Enplanements,
Selected Airports, Through May 2023



Source: Individual airports

International Travel Dipped in May But is 92% of Normal

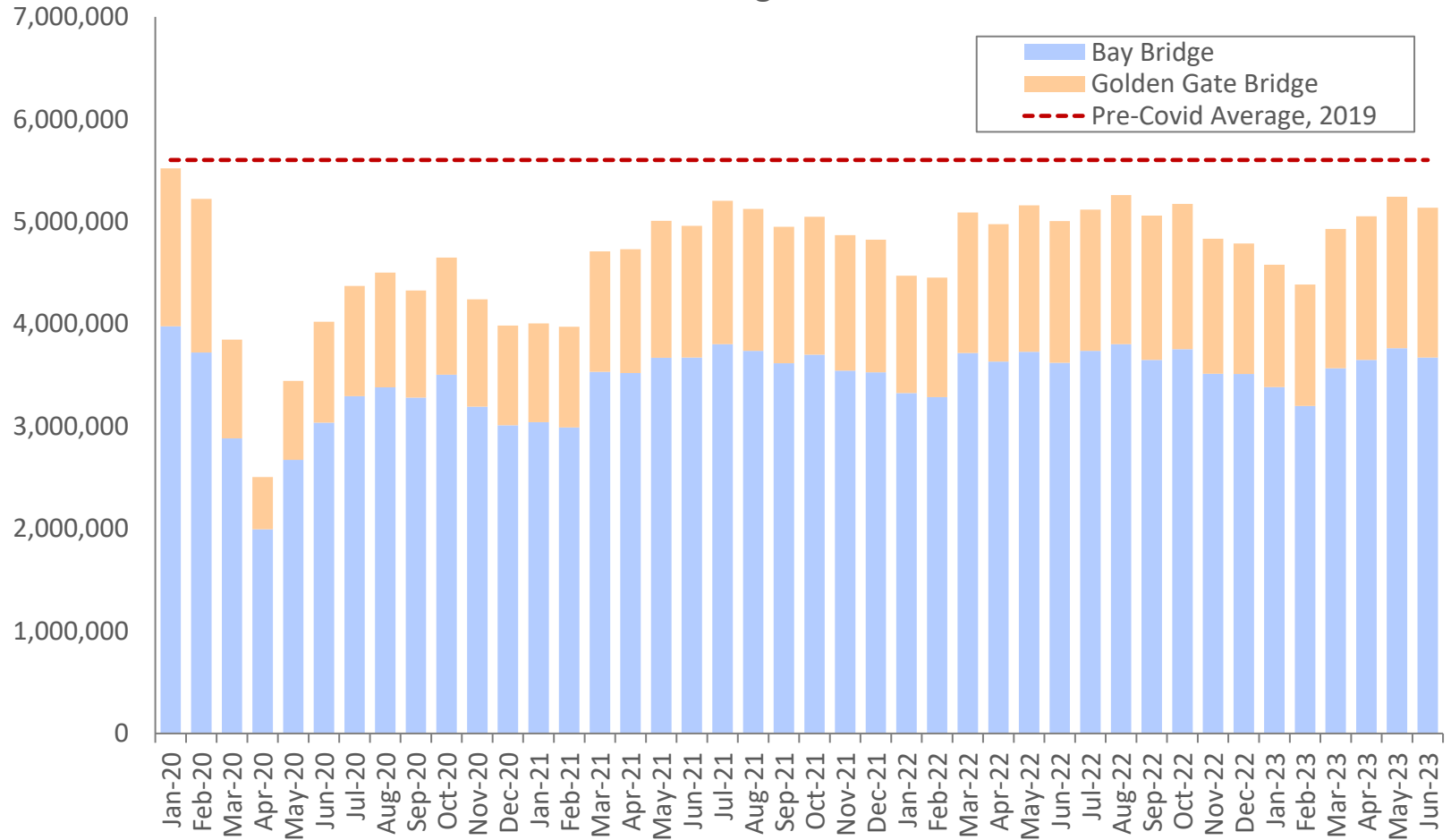
International Enplanements as % of 2019, Selected Airports, Through May 2023



Source: Individual airports

Slight Drop in Bridge Crossings in June

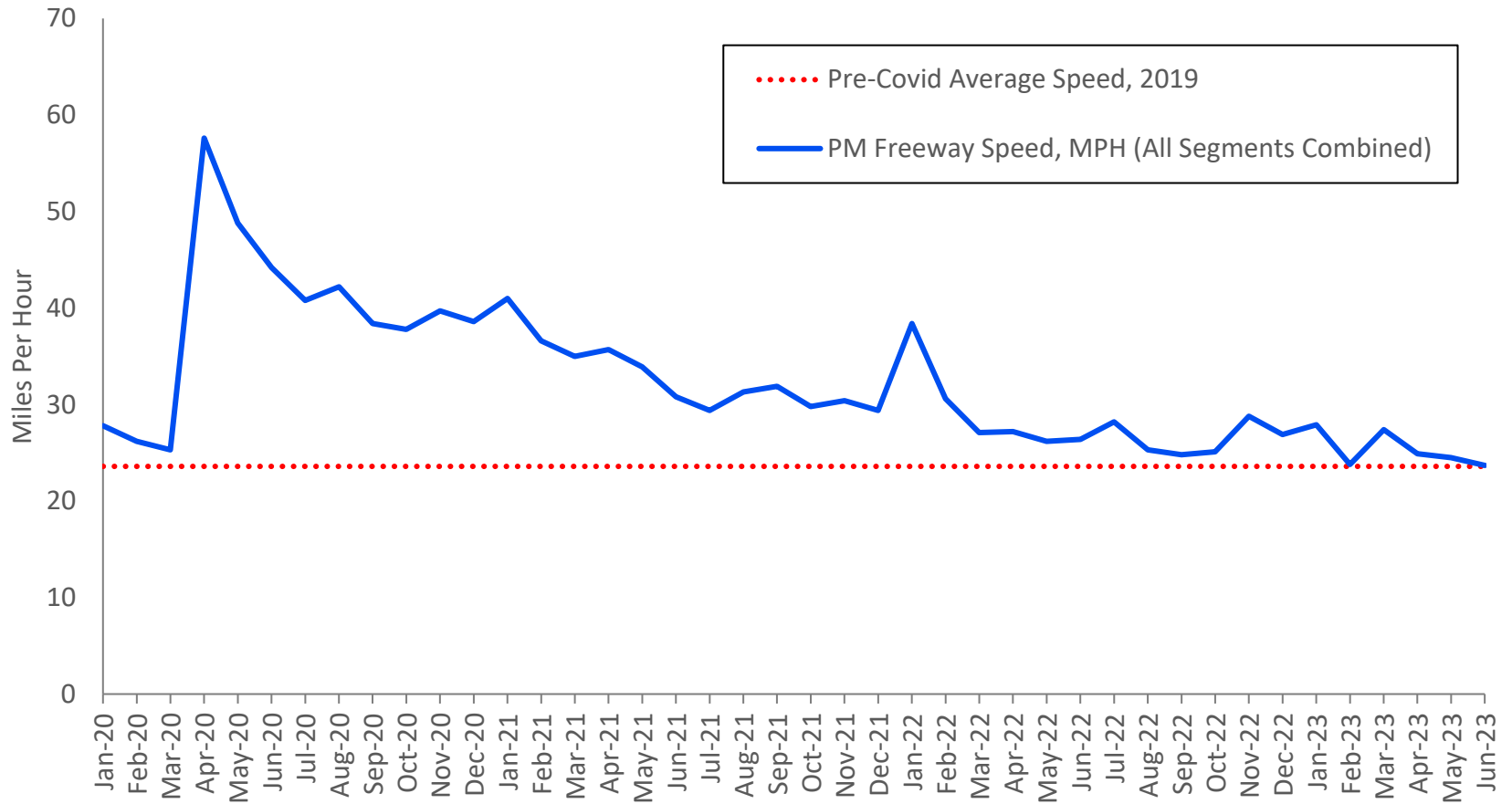
Bay Bridge and Golden Gate Bridge Monthly Traffic Volume, San Francisco, Through June 2023



Source: Bay Area Toll Authority (BATA), Golden Gate Bridge Highway & Transportation District. Includes westbound Bay Bridge traffic and southbound Golden Gate Bridge traffic.

Average PM Freeway Speeds Steady At Pre-Pandemic Level

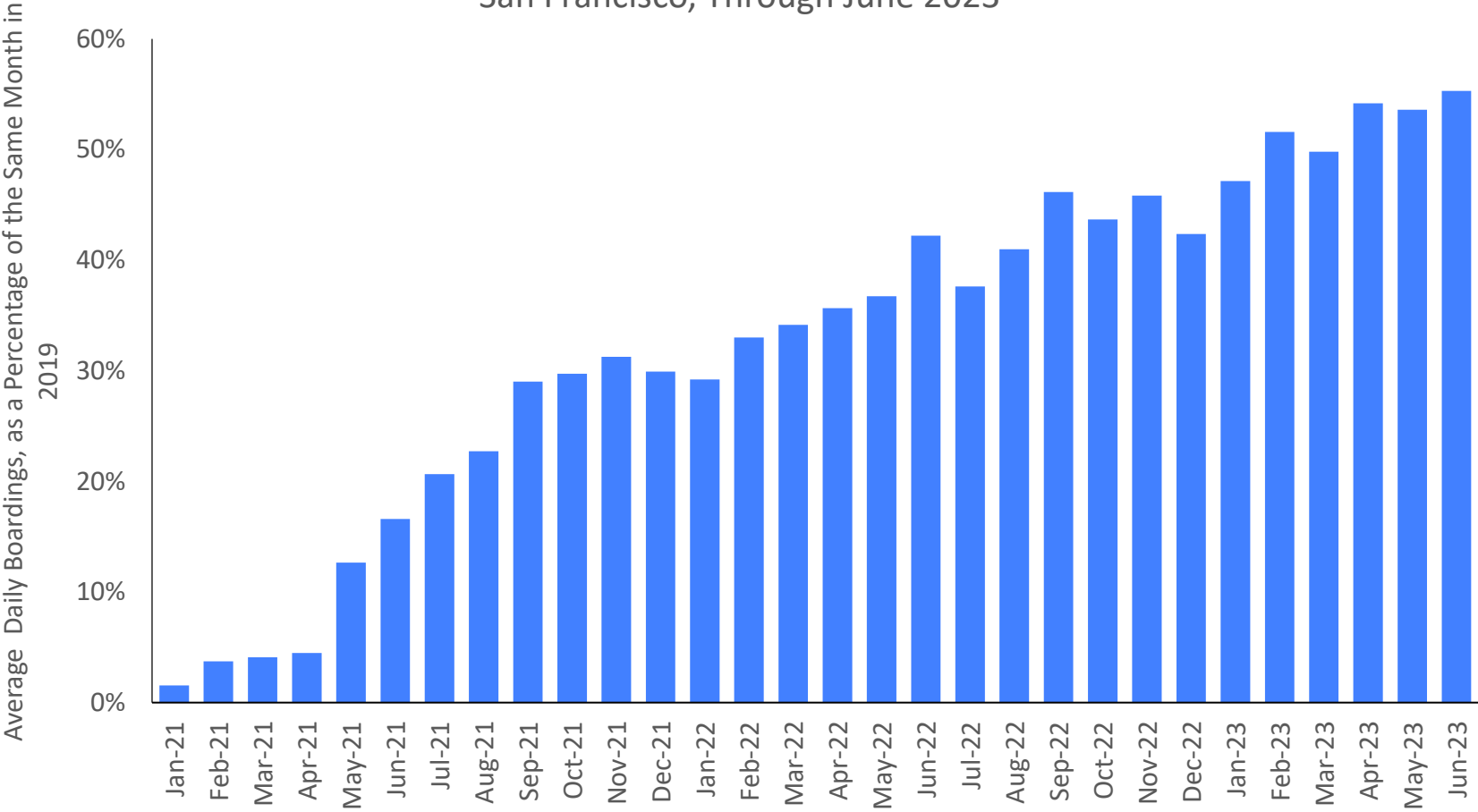
Average Monthly PM Freeway Speed in San Francisco, Through June, 2023



Source: SF County Transportation Authority

Muni Metro Ridership Grew to 55% of 2019 Level in June

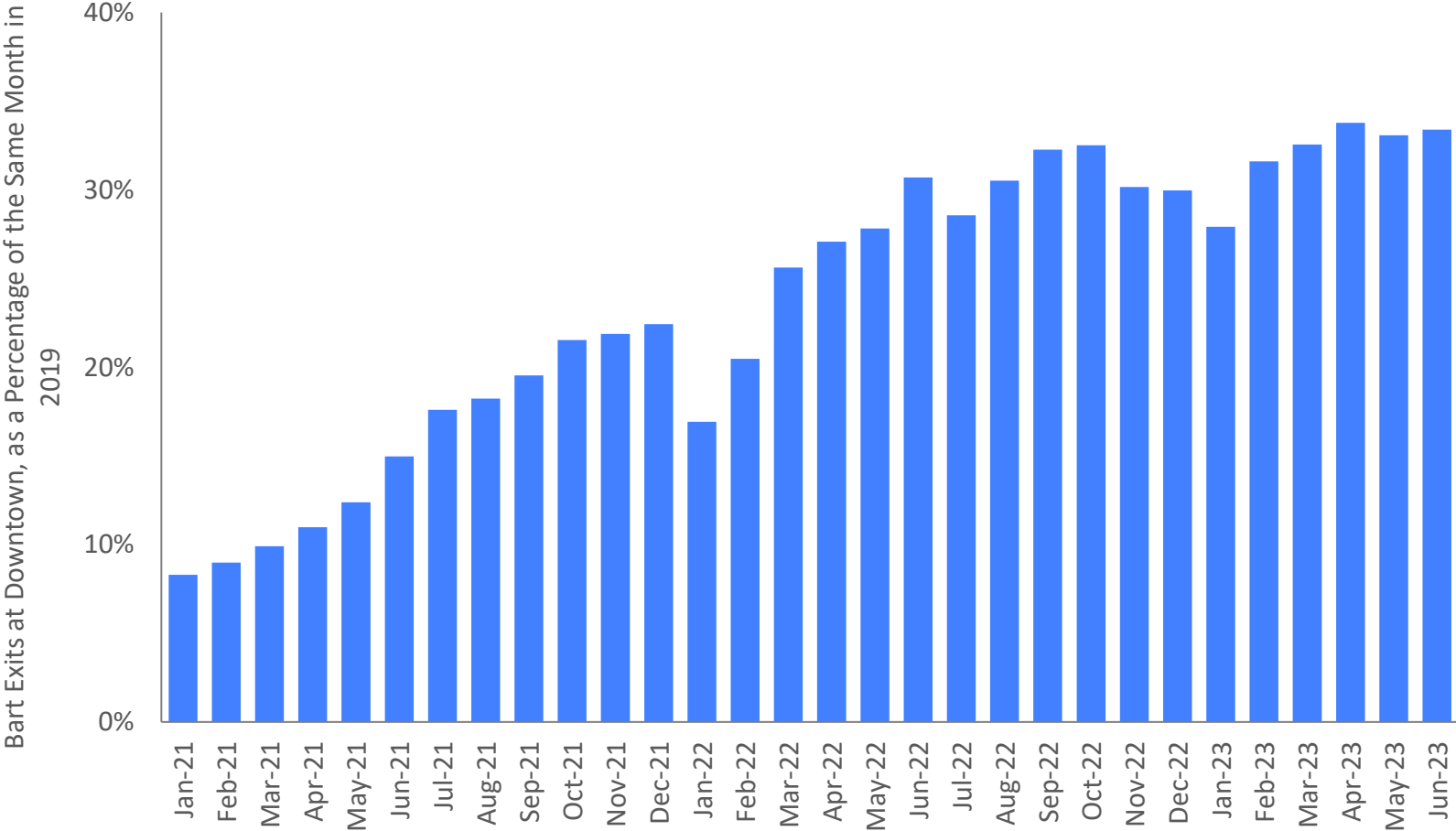
Average Daily Boardings, Muni Metro (Subway),
as a Percentage of the Same Month in 2019,
San Francisco, Through June 2023



Source: SFMTA

Downtown BART is Steady at 33% of Pre-Pandemic Level

BART Exits At Downtown San Francisco Stations, as a Percentage of the Same Month in 2019, Through June 2023

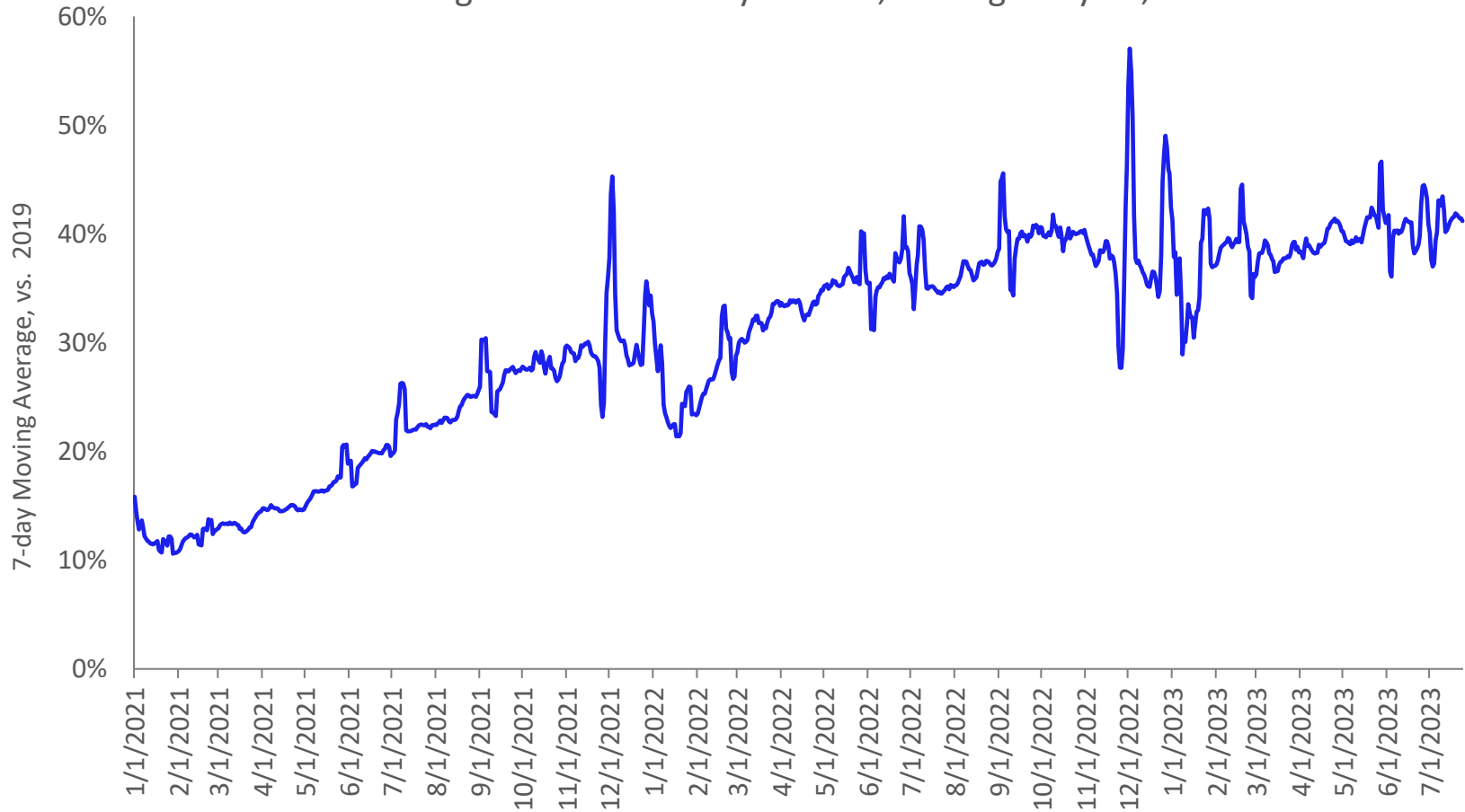


Source: BART

Slight Improvement in Systemwide BART Ridership in July

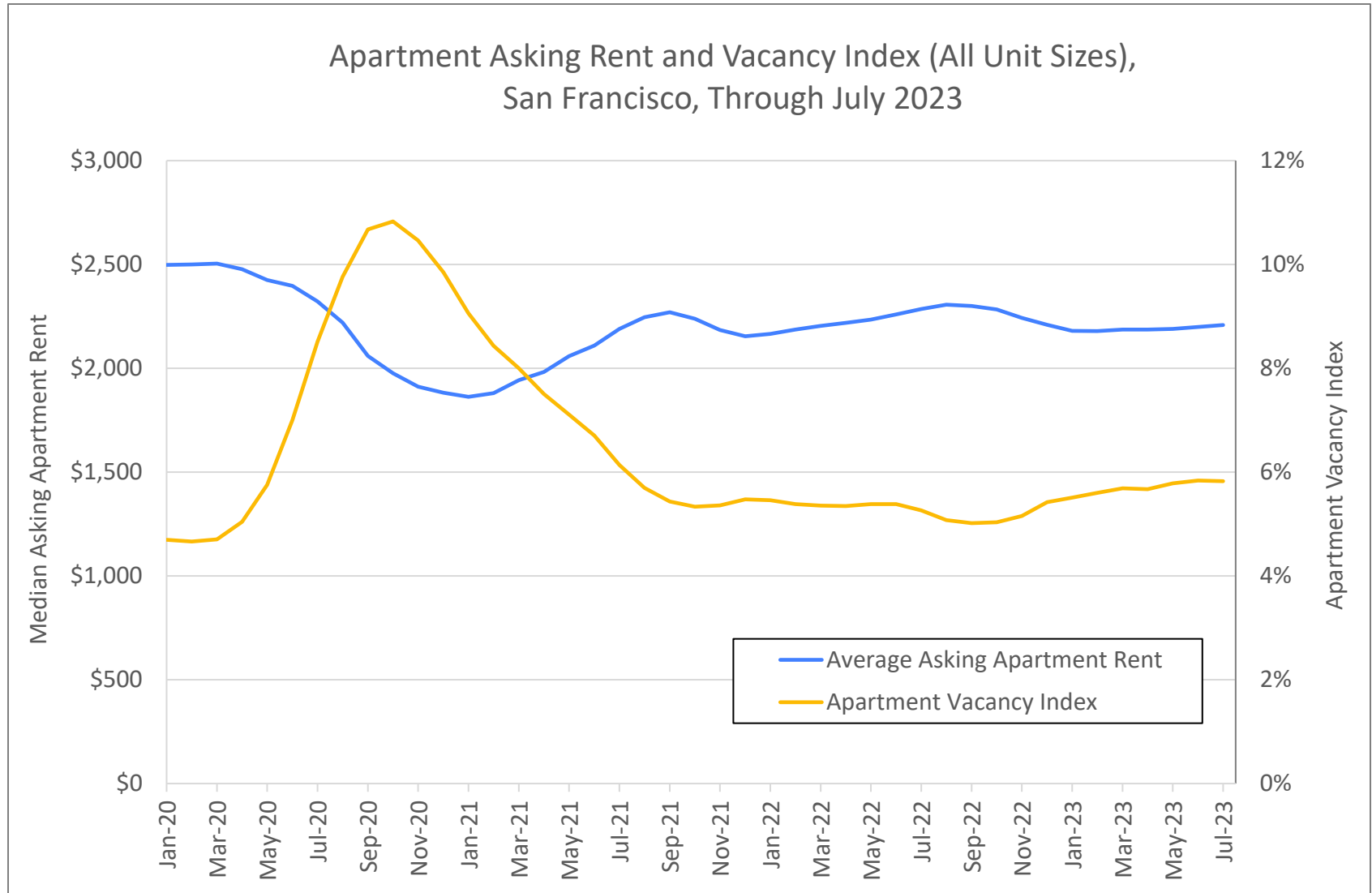
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System-Wide BART Ridership, 7-day Moving Average, as a Percentage of the Same Day in 2019, Through July 24, 2023



Source: BART

Apartment Rents Rose Slightly in July – Vacancy Flat

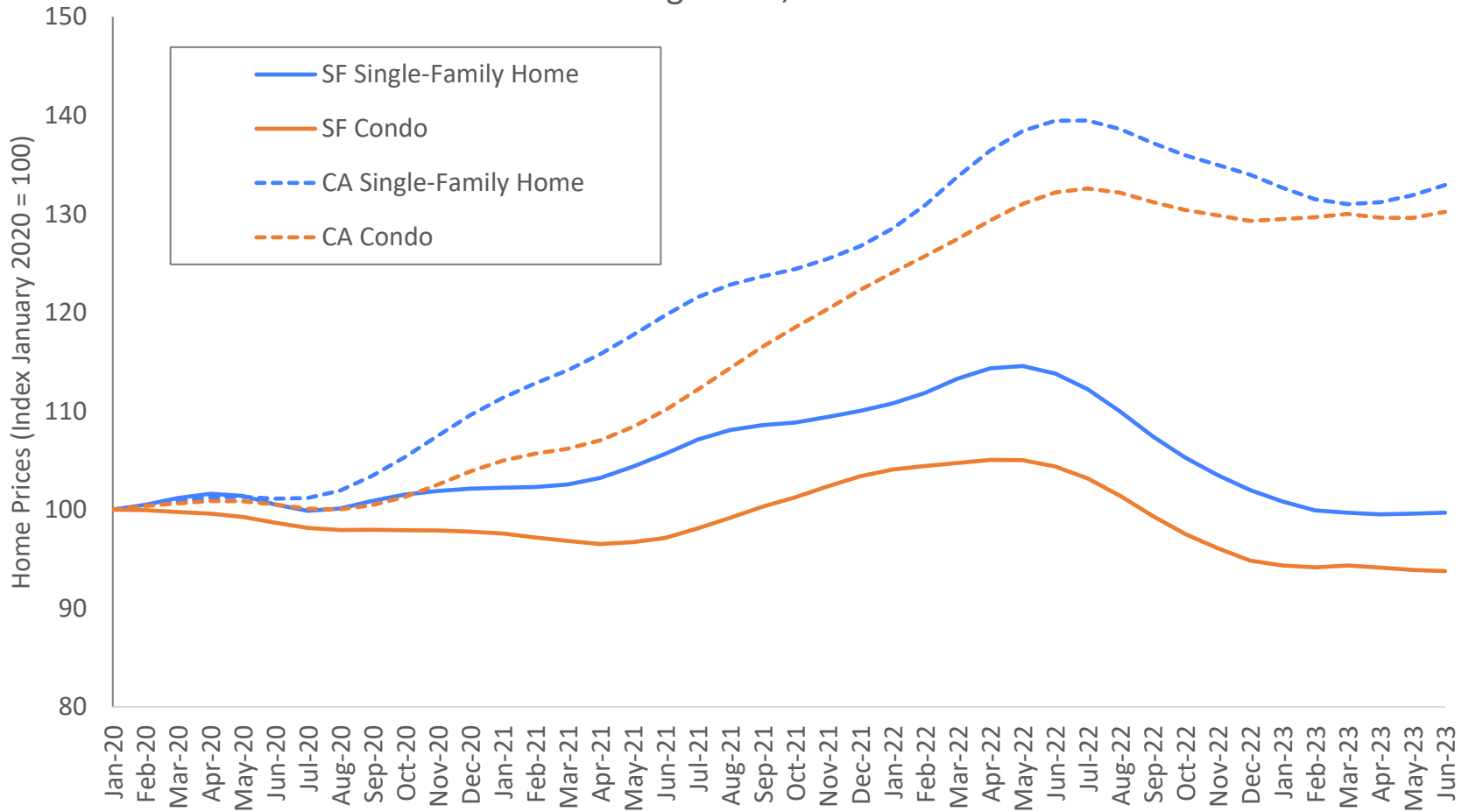


Source: Apartment List

SF Condo Prices Still Dropping – CA Prices Rebounding

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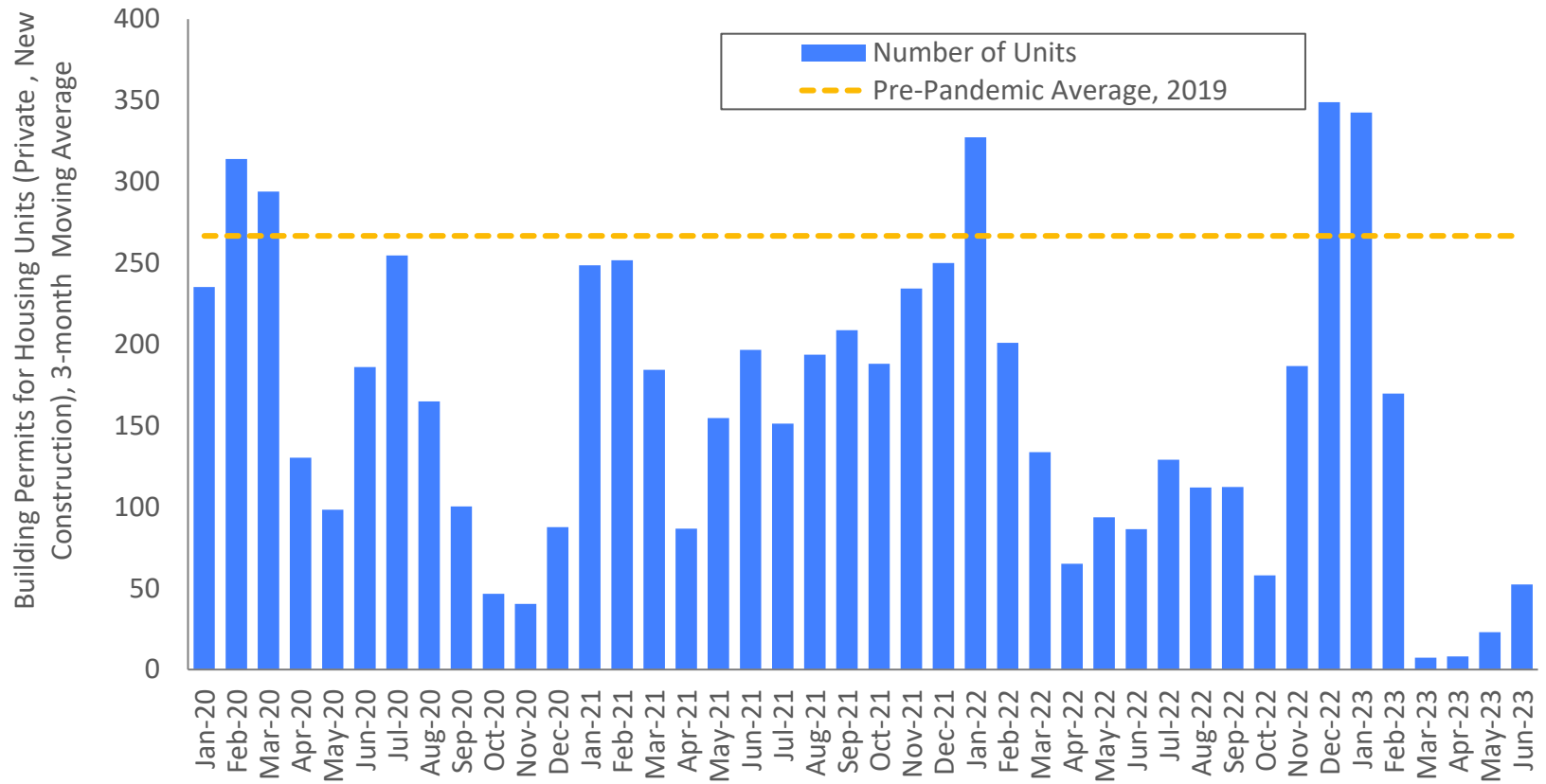
Condo and Single-Family Home Prices in San Francisco and California, Through June, 2023



Source: Zillow

Housing Permits Rose in June

Number of Housing Units Permitted (Private, New Construction), (3-month Moving Average), San Francisco, Through June 2023



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

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