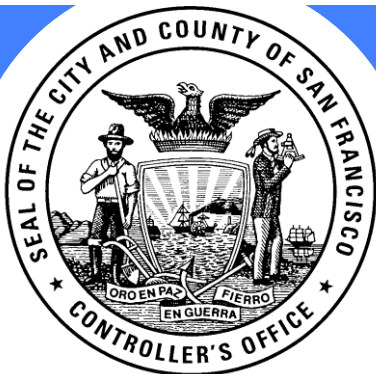


Status of the San Francisco Economy: December 2022



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Office of Economic Analysis

January 9, 2023

Highlights of the December Report

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- The San Francisco Controller's Office has been tracking the state of the city's economy with monthly reports on a variety of local economic indicators.
- The San Francisco MD added a healthy 4,100 jobs in November, but the number of employed residents of the city declined by 3,700. The city's unemployment rate rose to 2.3%, up from 2.2% in October.
- Job growth in November was led by retail trade, which added 1,200 jobs in a typical pre-holiday expansion. Tech employment was flat in November, and has slowed in recent months, in the wake of numerous layoff announcements by local tech companies.
- After a strong first half of the year, the city's tourism industry has struggled since summer. In December, before the Christmas holiday, hotel occupancy dipped below 50%. While some cooling is both typical for the season and seen in other cities, the gap between San Francisco and stronger hotel markets is widening.
- Housing remains another weak spot. Apartment rents dropped 1.7% in December – more than twice the rate of decline nationally. San Francisco's condo and single-family home values dropped by 1.3% in November according to Zillow, both significantly faster than the state-wide trend. Despite this, housing permits ticked up in November.

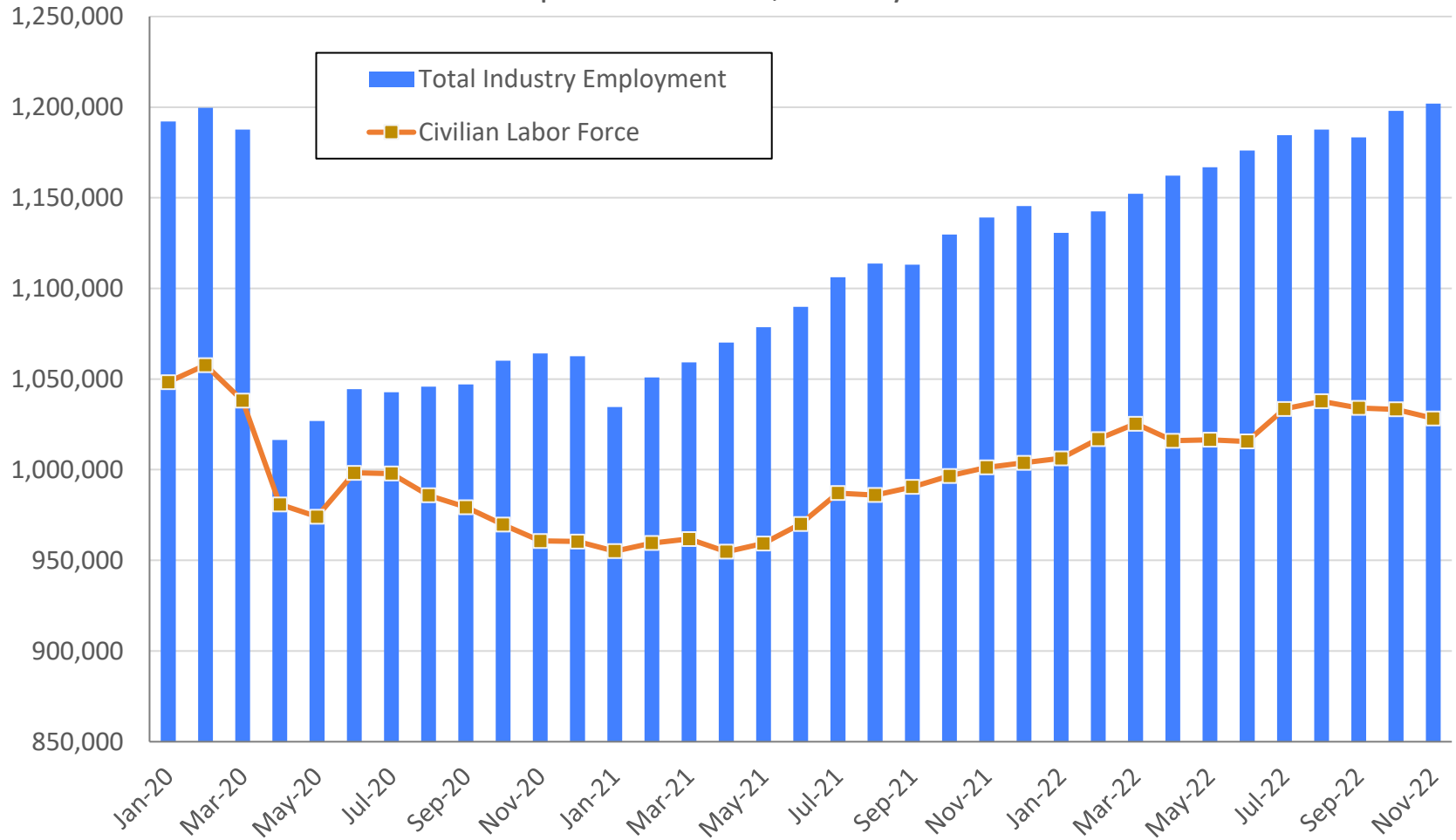
List of Economic Indicators

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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
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
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11. Bay Bridge and Golden Bridge Traffic
12. BART Exits at Downtown SF Stations
13. System-wide BART Ridership
14. Average Asking Rents for Apartments
15. Single Family Home and Condo Prices
16. Building Permits for Housing

The SF Metro Division Gained 4,100 Jobs in November

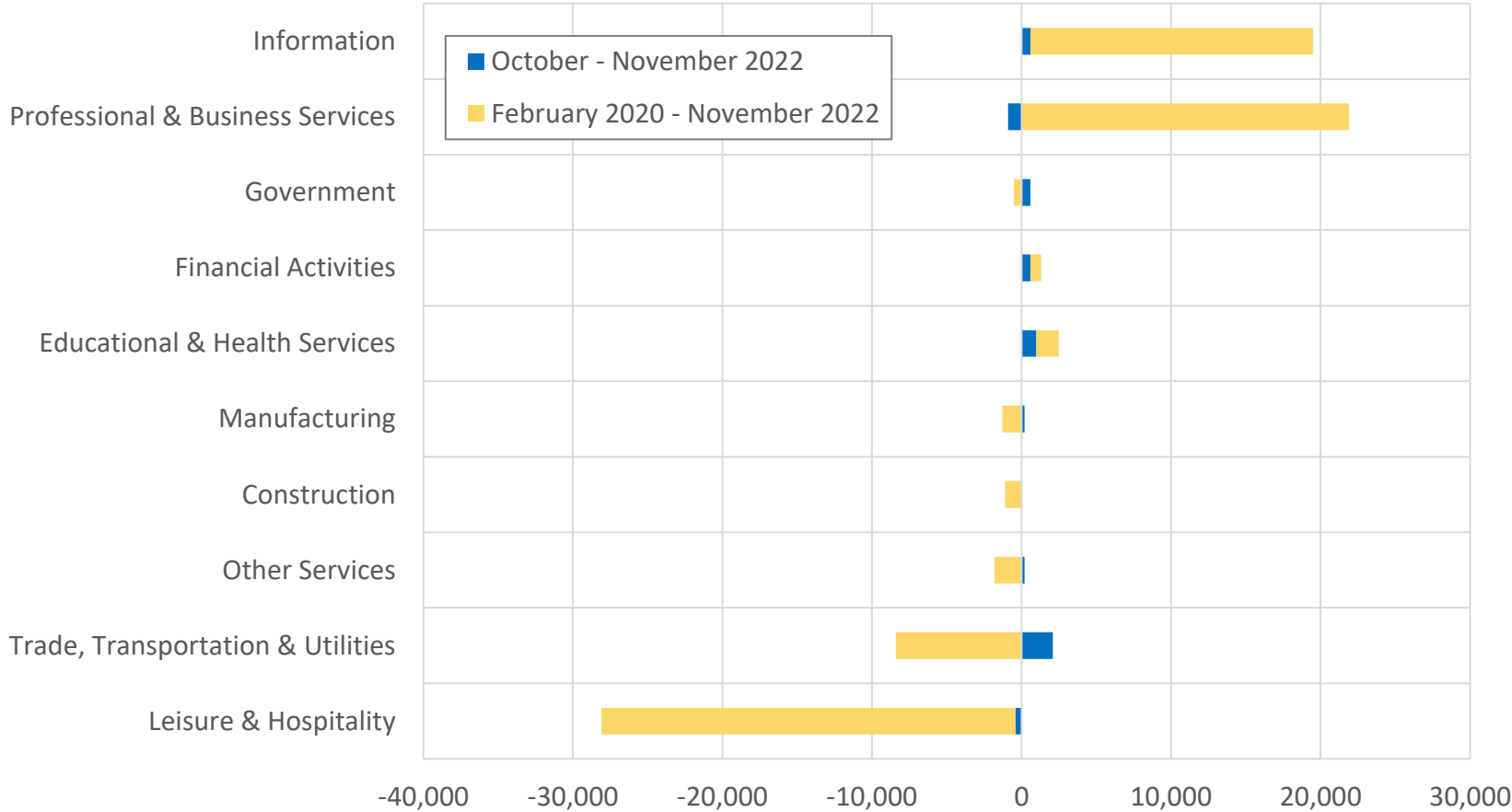
Total Industry Employment and Civilian Labor Force, San Francisco Metropolitan Division, January 2020-November 2022



Source: EDD, SF Metro Division includes San Francisco and San Mateo counties. Data is not seasonally adjusted.

Retail, Education Led Job Growth in November; Tech Flat

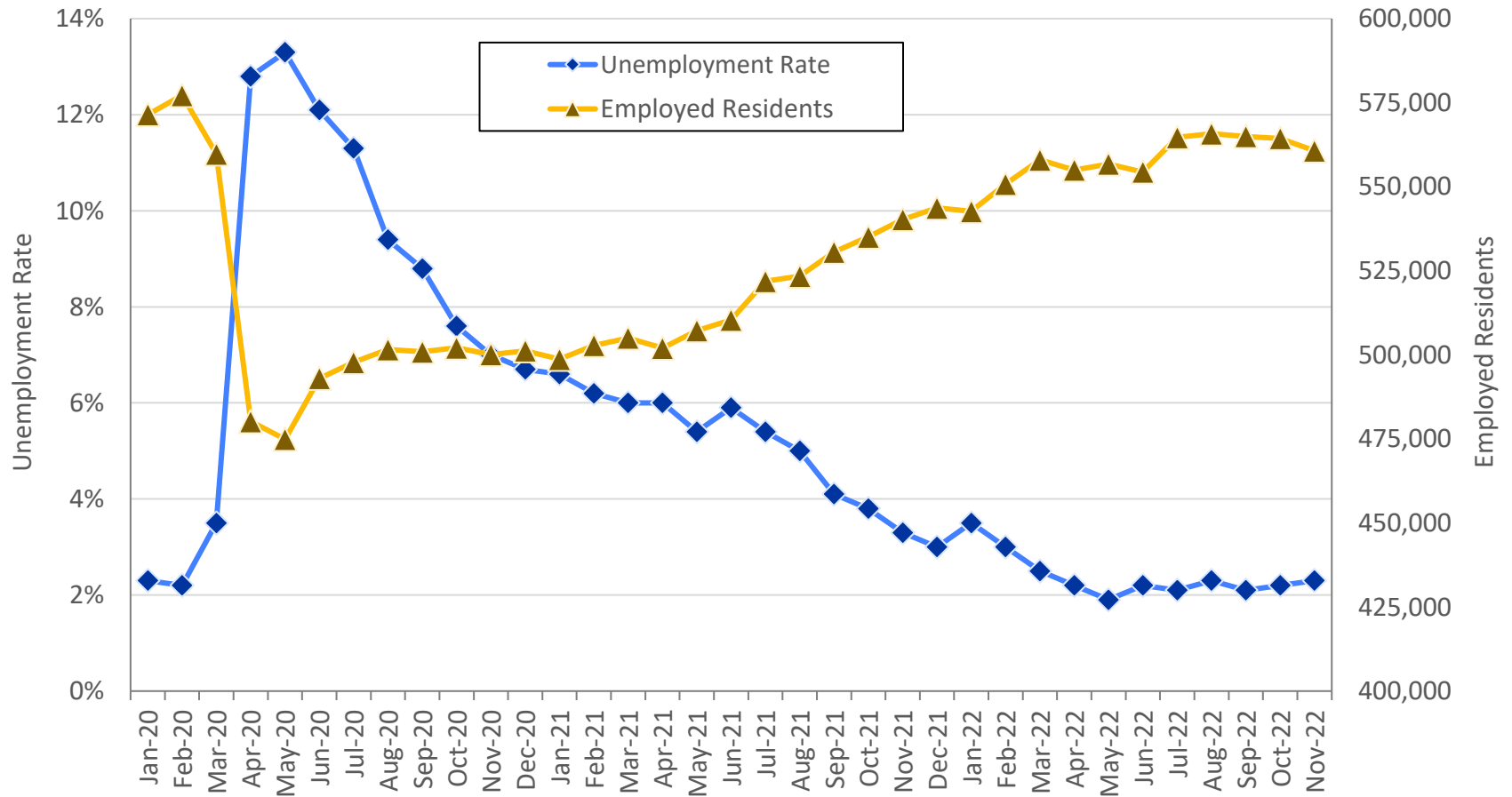
Employment Change by Industry Sector, San Francisco Metro Division:
Since the Start of the Pandemic, and the Most Recent Month



Source: EDD. Data is not seasonally adjusted.

City Unemployment Rate Rising; Employed Residents Down

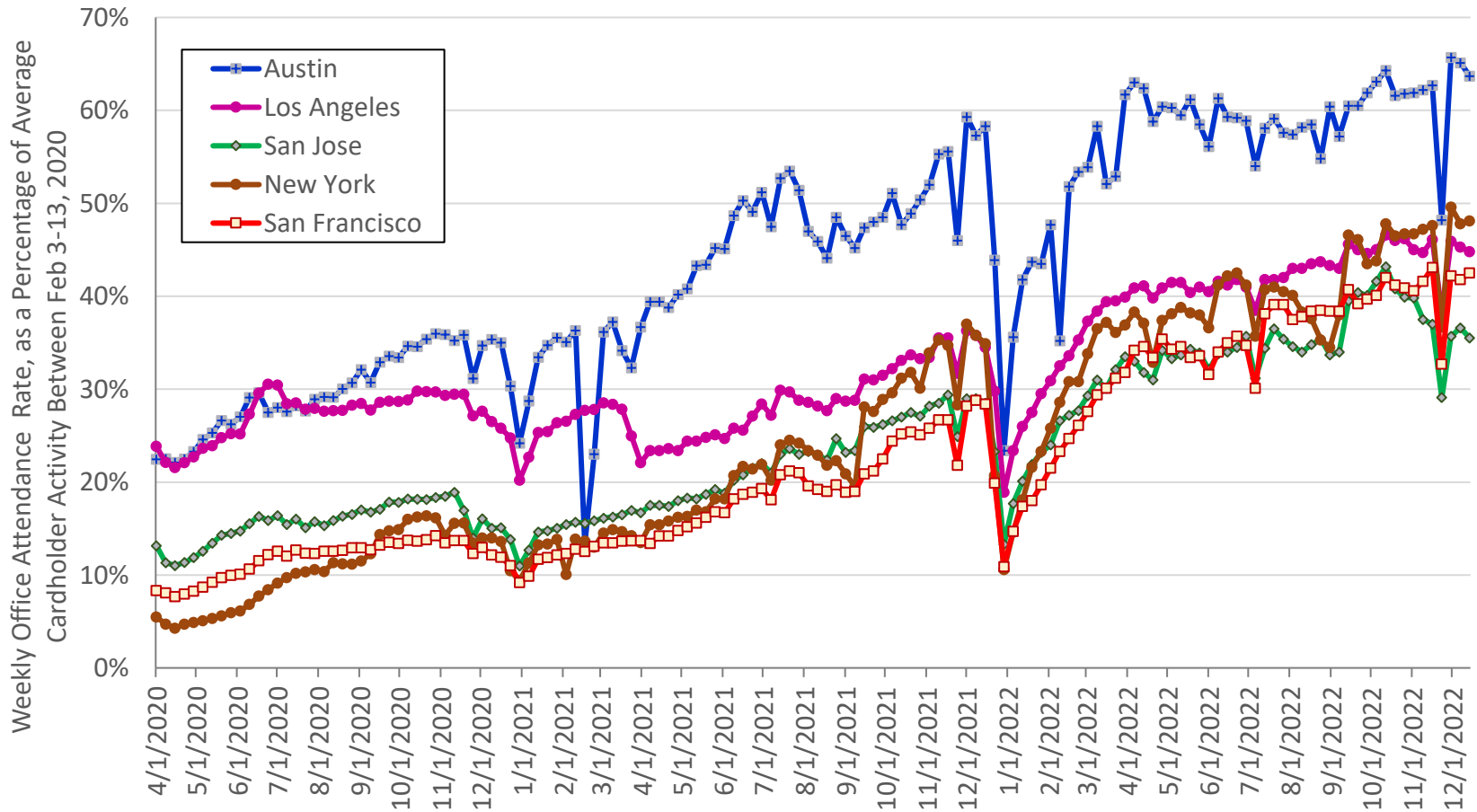
Monthly Unemployment Rate and Employed Residents, San Francisco, Through November 2022



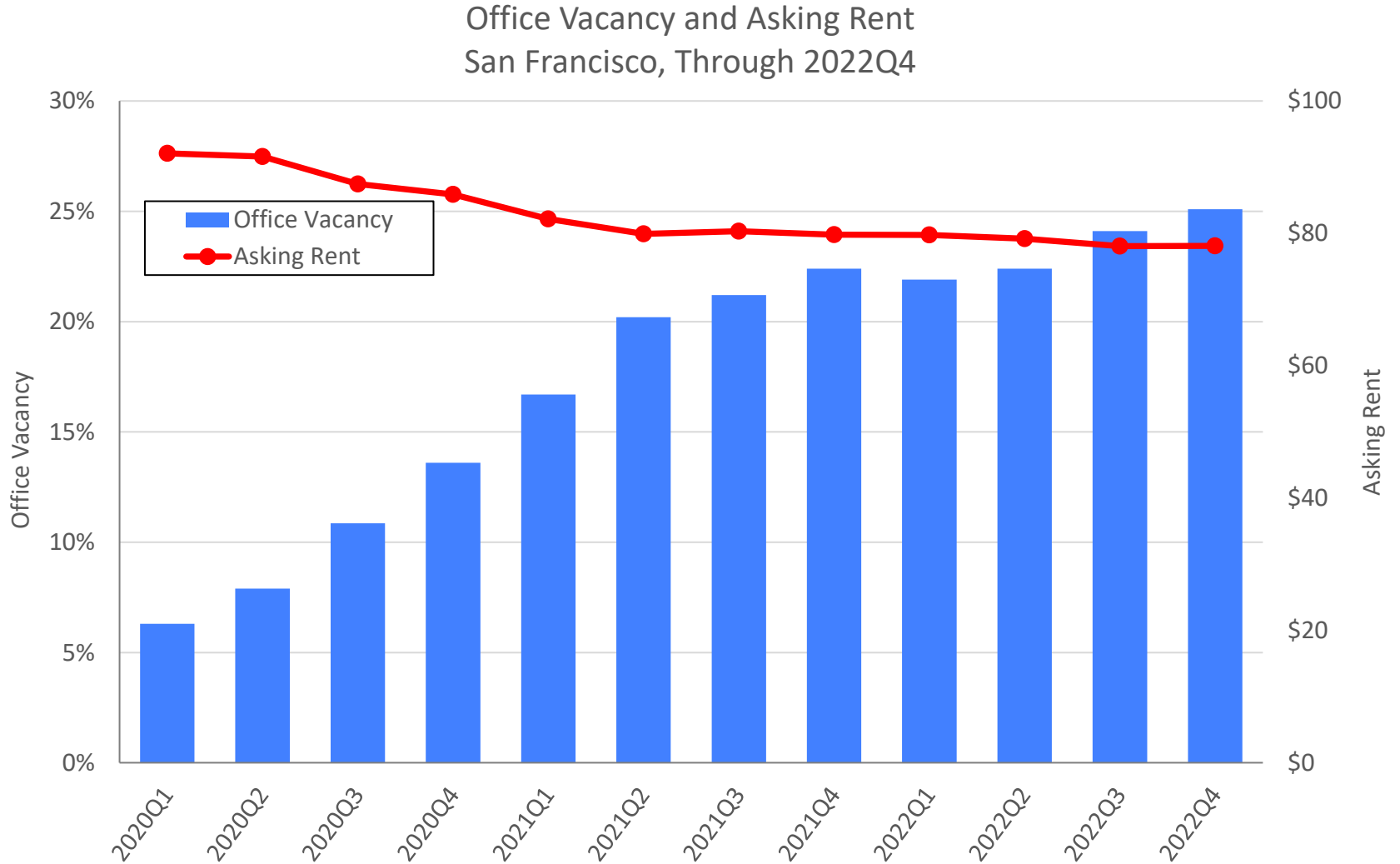
Source: EDD. Data is not seasonally adjusted

Slow Recovery in Office Attendance through Year End

Weekly Office Attendance in San Francisco and Other Selected Metros, Through December 14, 2022

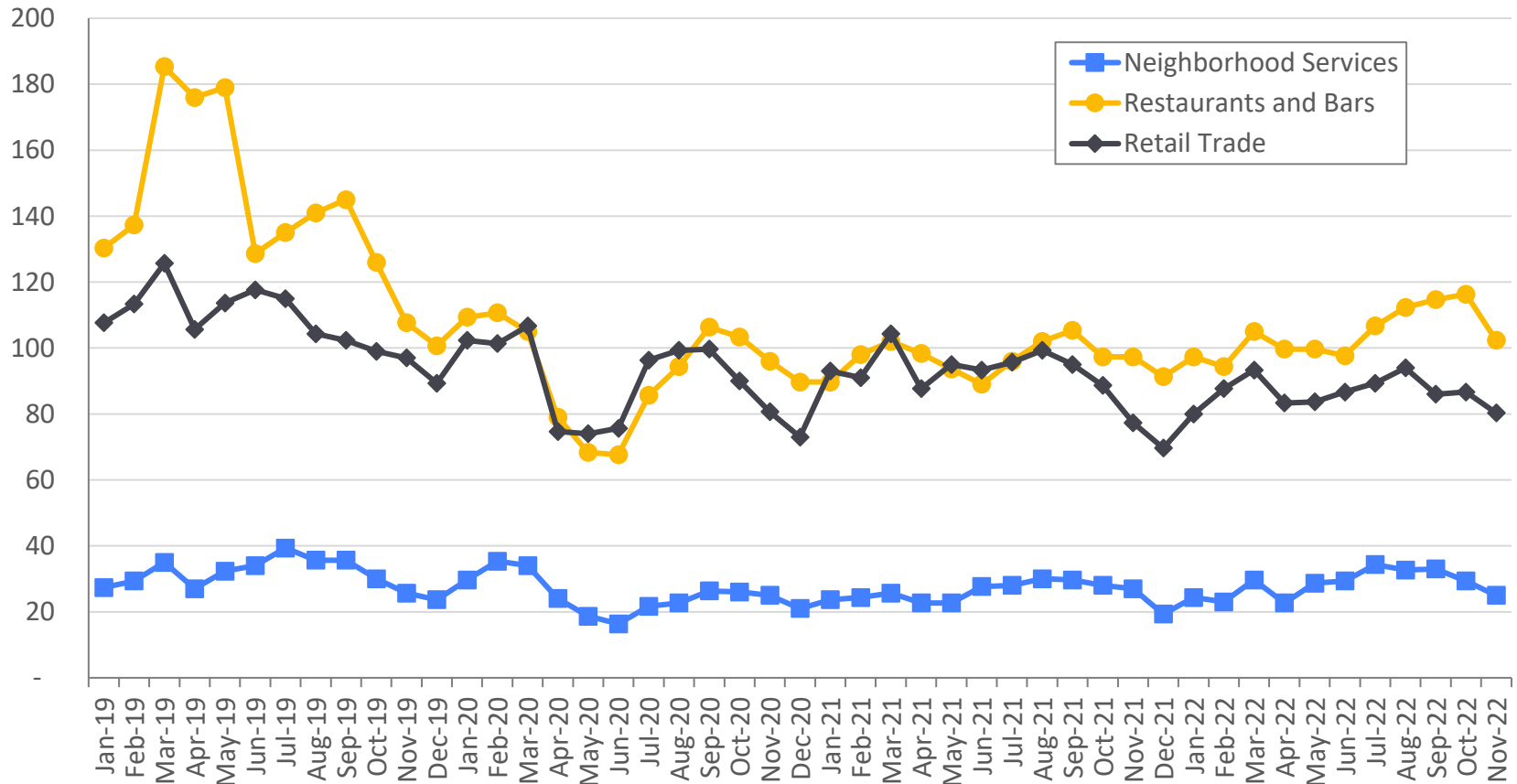


Office Vacancy Now Above 25% - Office Rents Flat



Downturn in New Restaurants and Other Small Businesses

New Business Locations in San Francisco, 3-month Moving Average, Selected Industries: January 2019 - November 2022

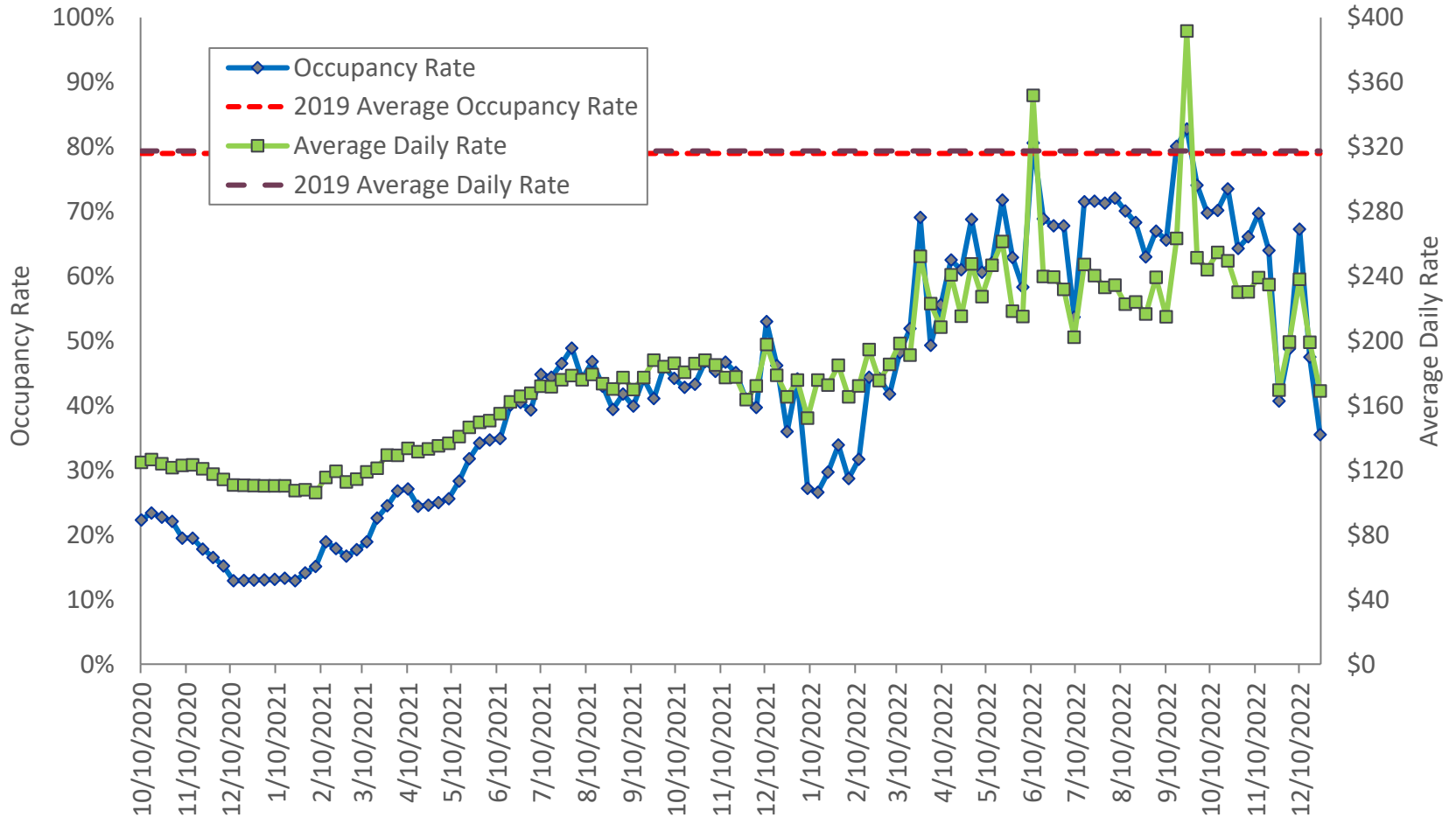


Source: Treasurer & Tax Collector, City and County of San Francisco

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)".

Hotel Occupancy Dips Below 50%; Rates Sliding As Well

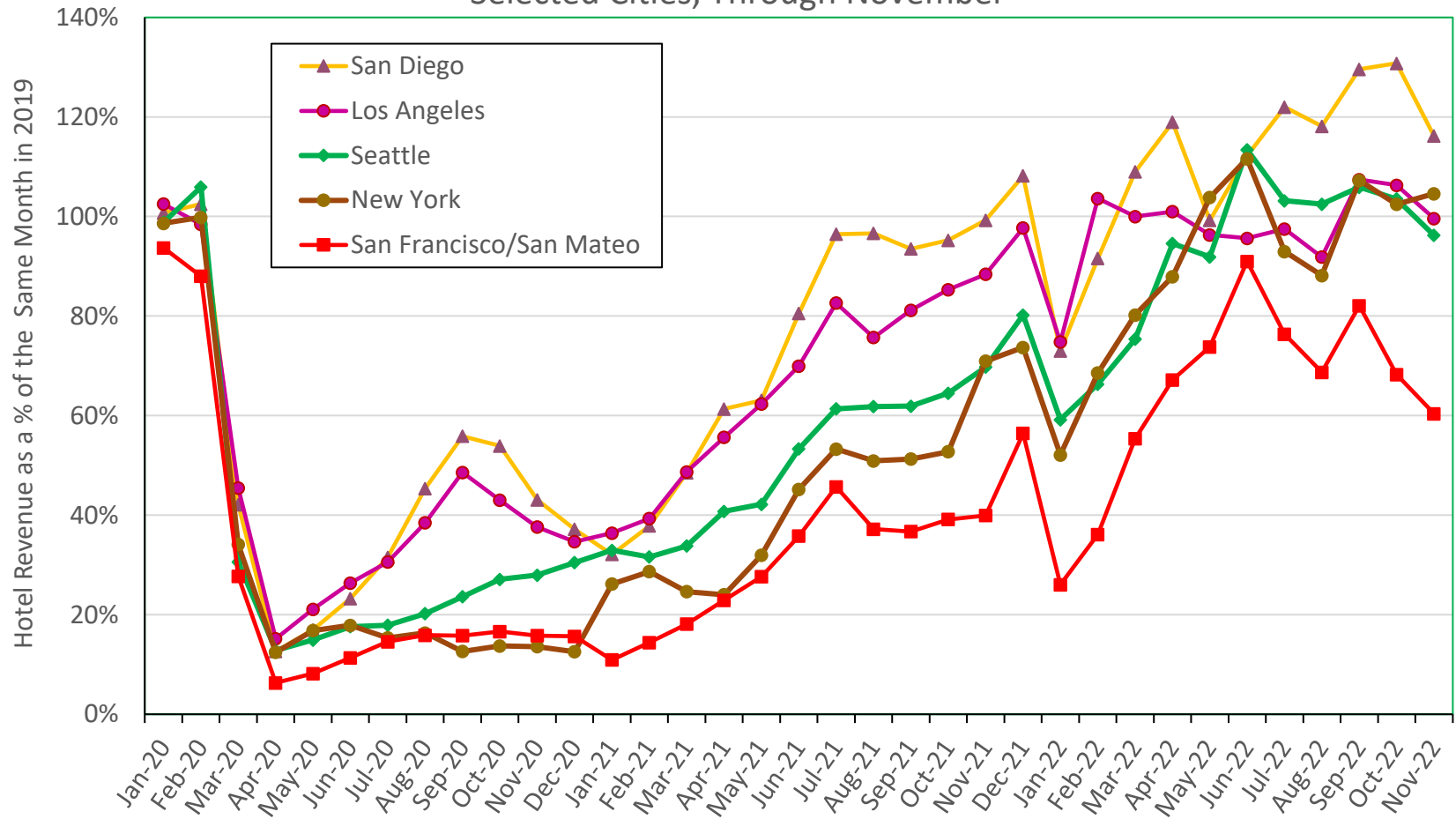
Weekly San Francisco Hotel Occupancy Rate and Average Daily Room Rate, Through December 24, 2022



Source: STR

Growing Gap Between SF and Stronger Hotel Markets

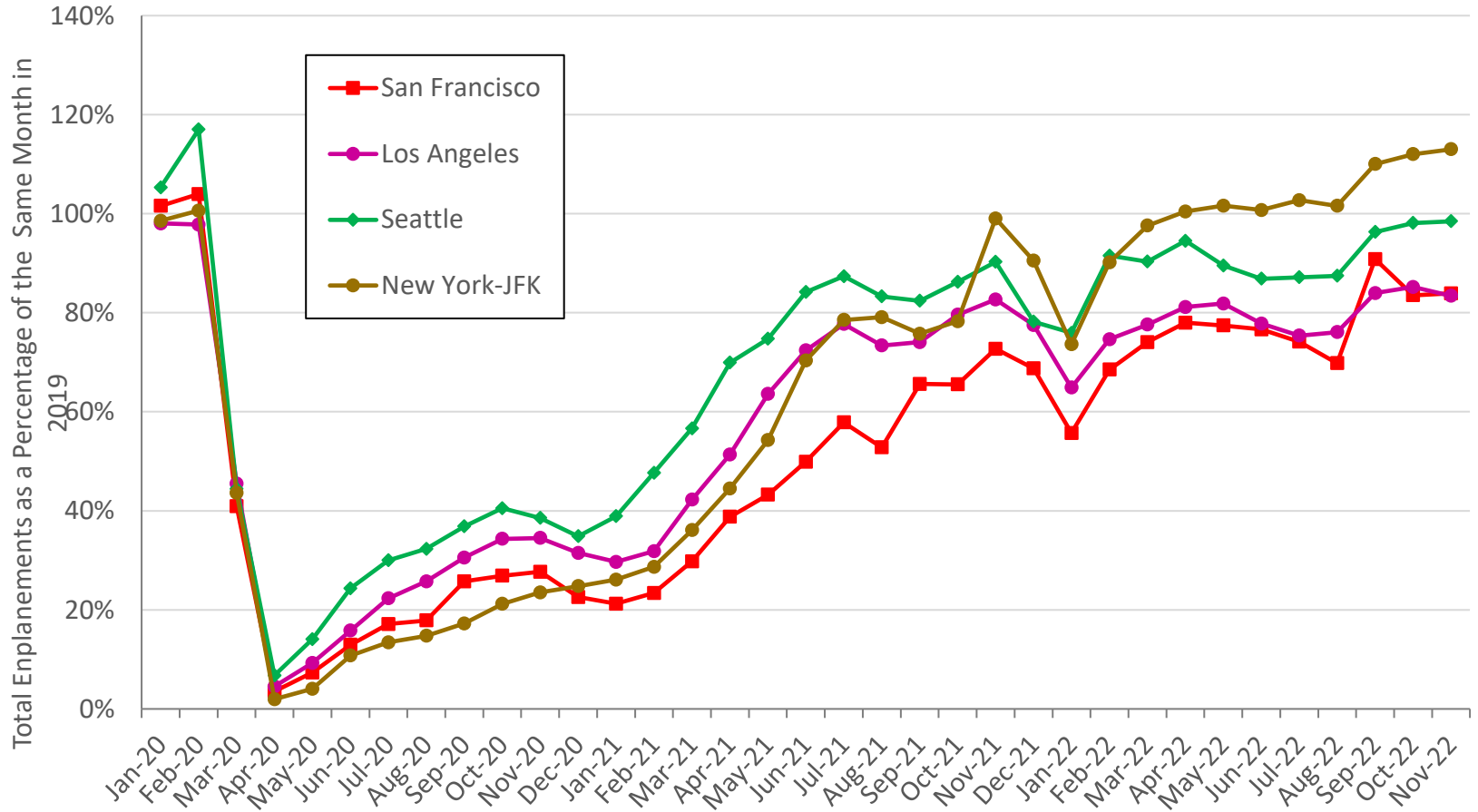
Monthly Hotel Revenue Available per Room Night, Selected Cities, Through November



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

SF Domestic Air Travel Flat in November

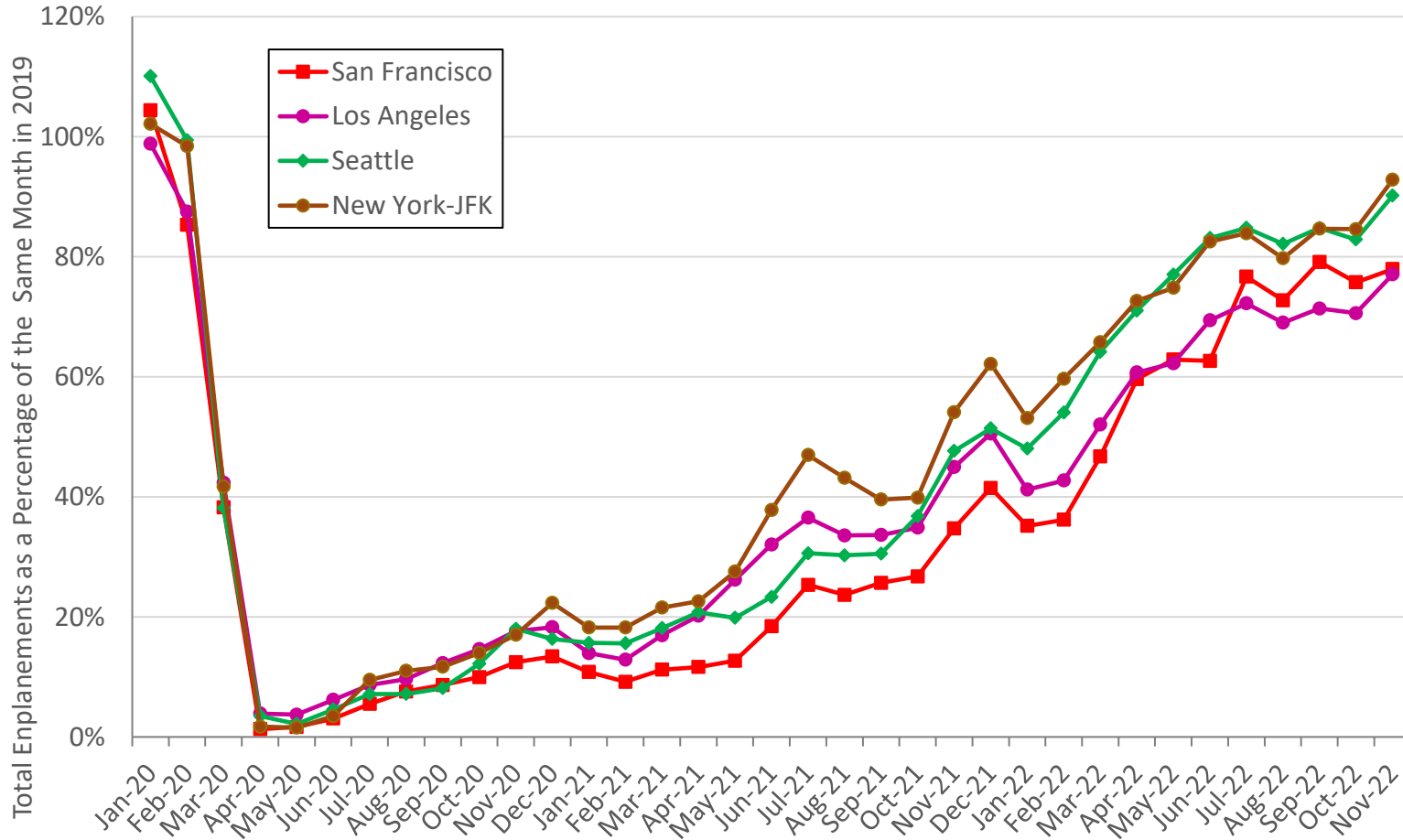
Domestic Enplanements, Selected Airports, Through November 2022



Source: Individual airports

International Travel Picked Up in November; Slower in SF

International Enplanements as % of 2019, Selected Airports, Through November 2022

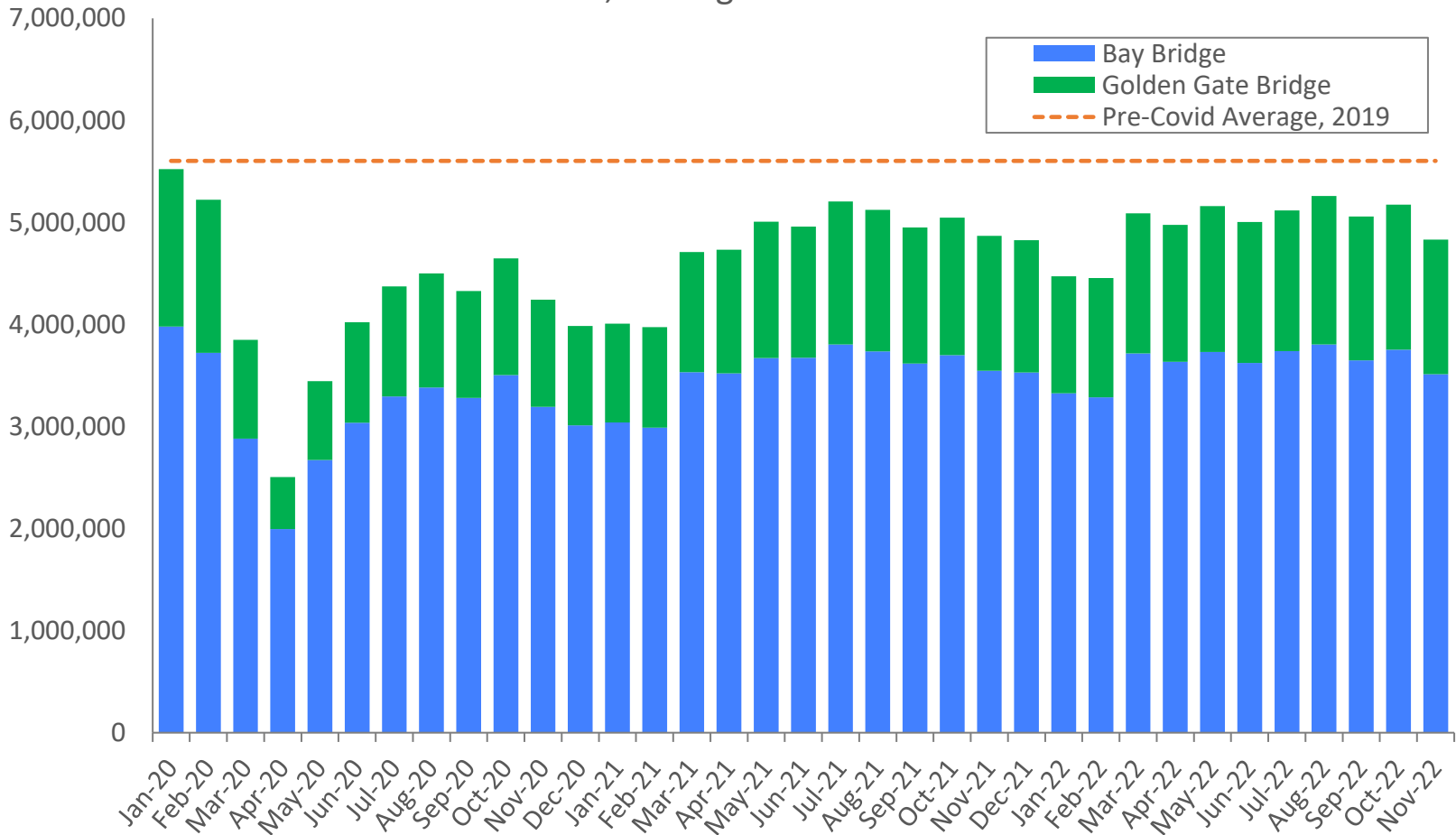


Source: Individual airports

Slight Drop in Bridge Crossings

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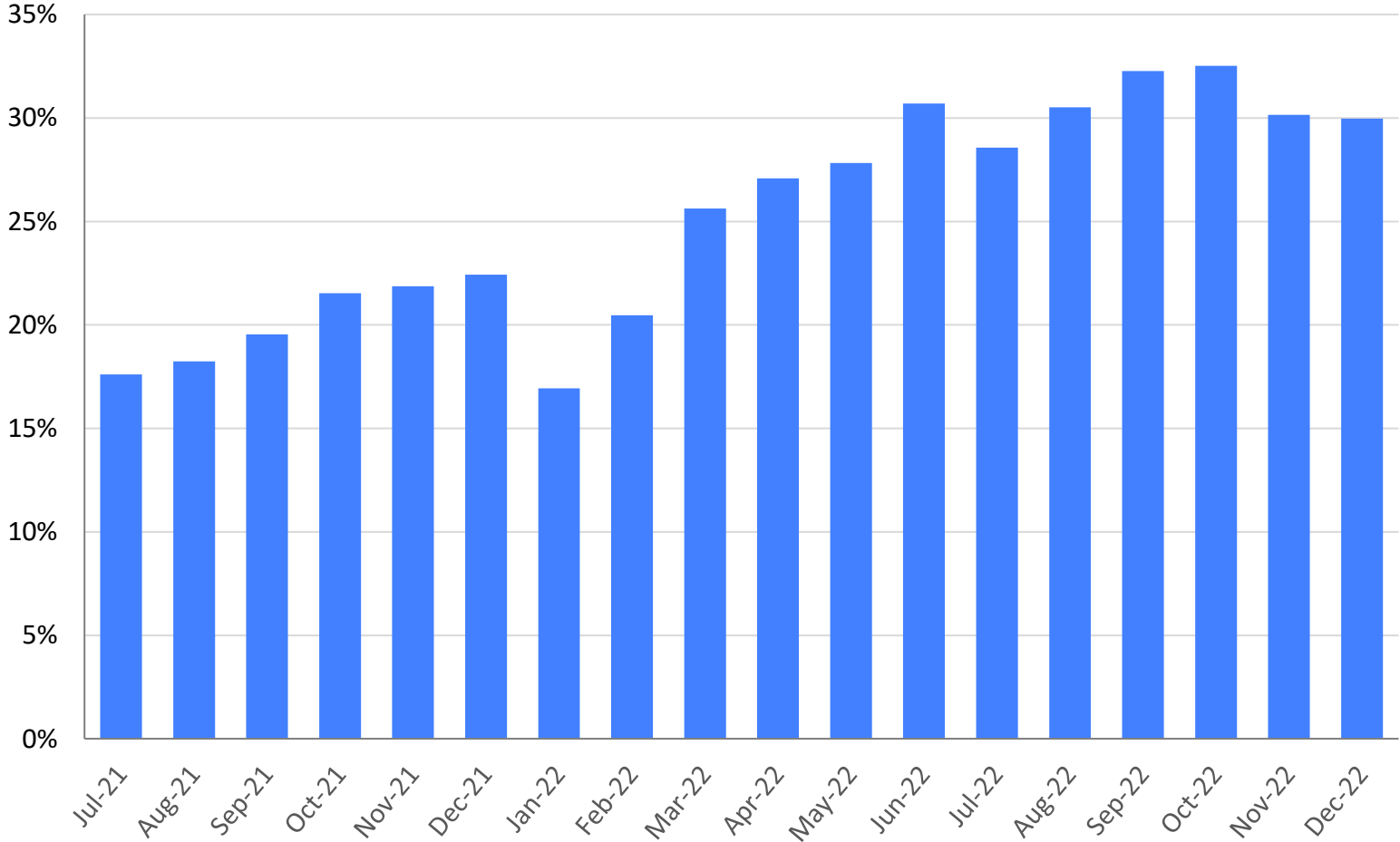
Bay Bridge and Golden Gate Bridge Monthly Traffic Volume, San Francisco, Through November 2022



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

Downtown BART Ridership Steady at 30% of Normal

BART Exits At Downtown San Francisco Stations, as a Percentage of the Same Month in 2019, Through December 2022

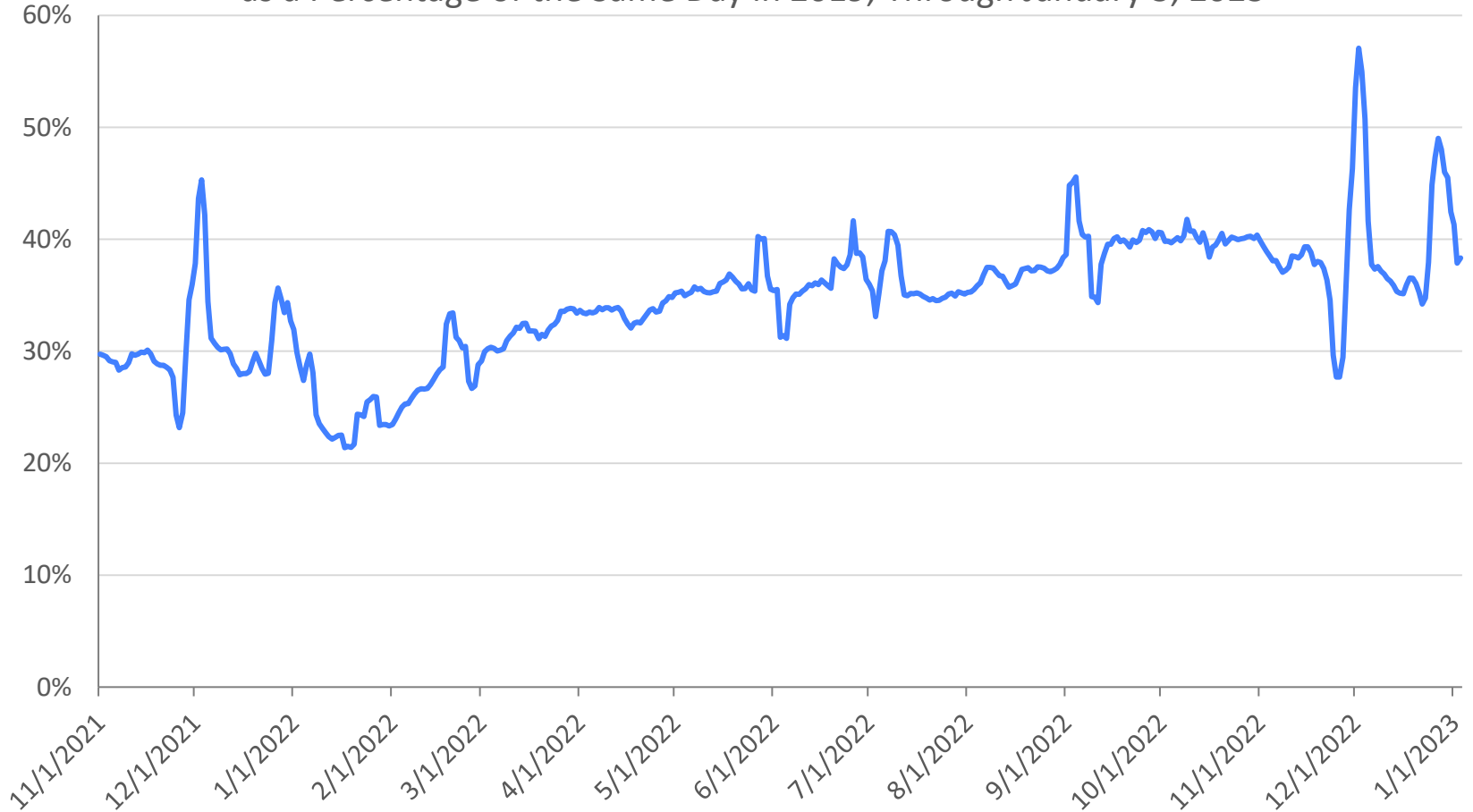


Source: BART

Systemwide BART Ridership Flat, Except Holiday Volatility

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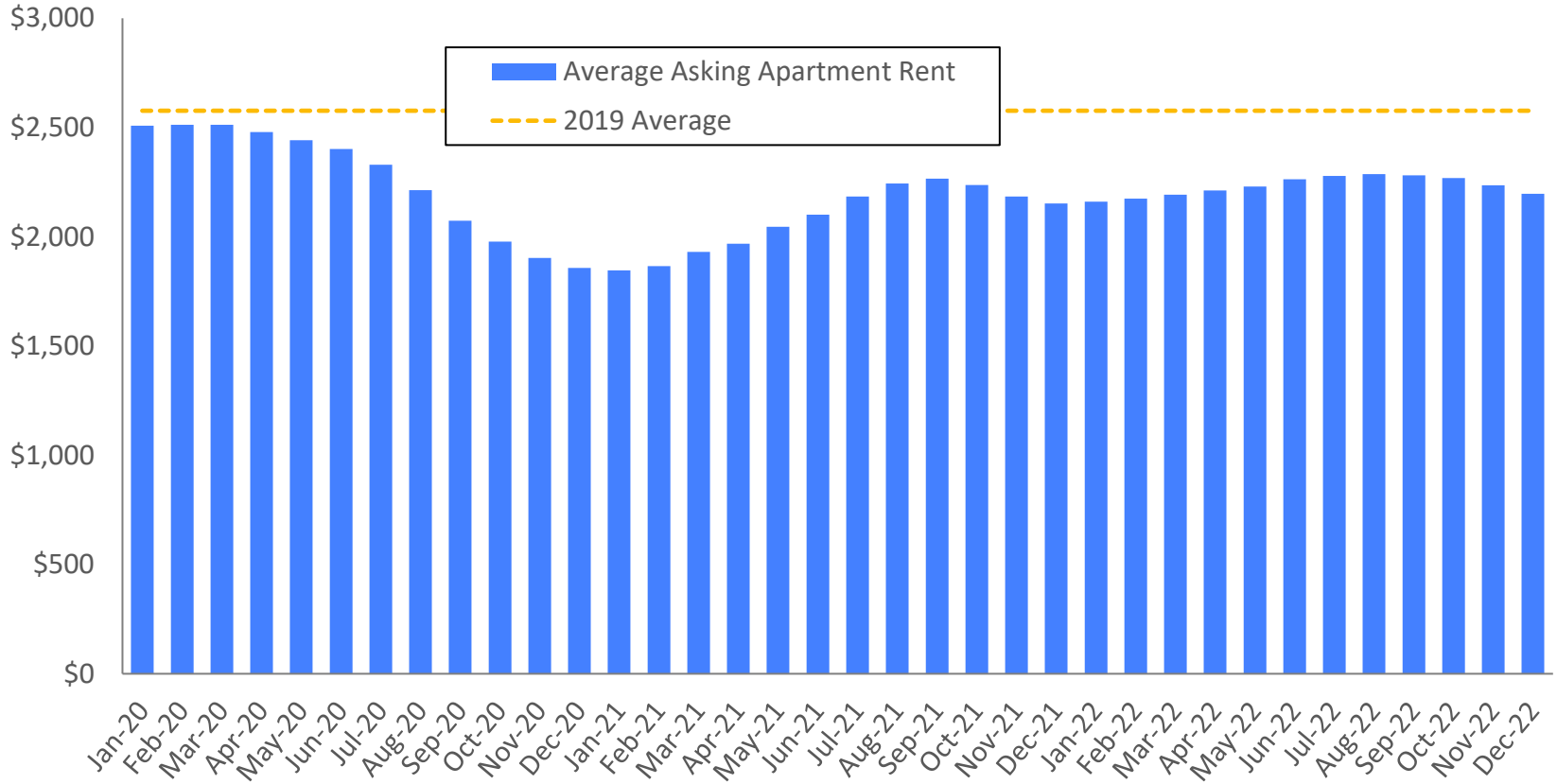
System-Wide BART Ridership, 7-day Moving Average, as a Percentage of the Same Day in 2019, Through January 3, 2023



Source: BART

SF Apartment Rents Dropped Twice as Fast as U.S. Average

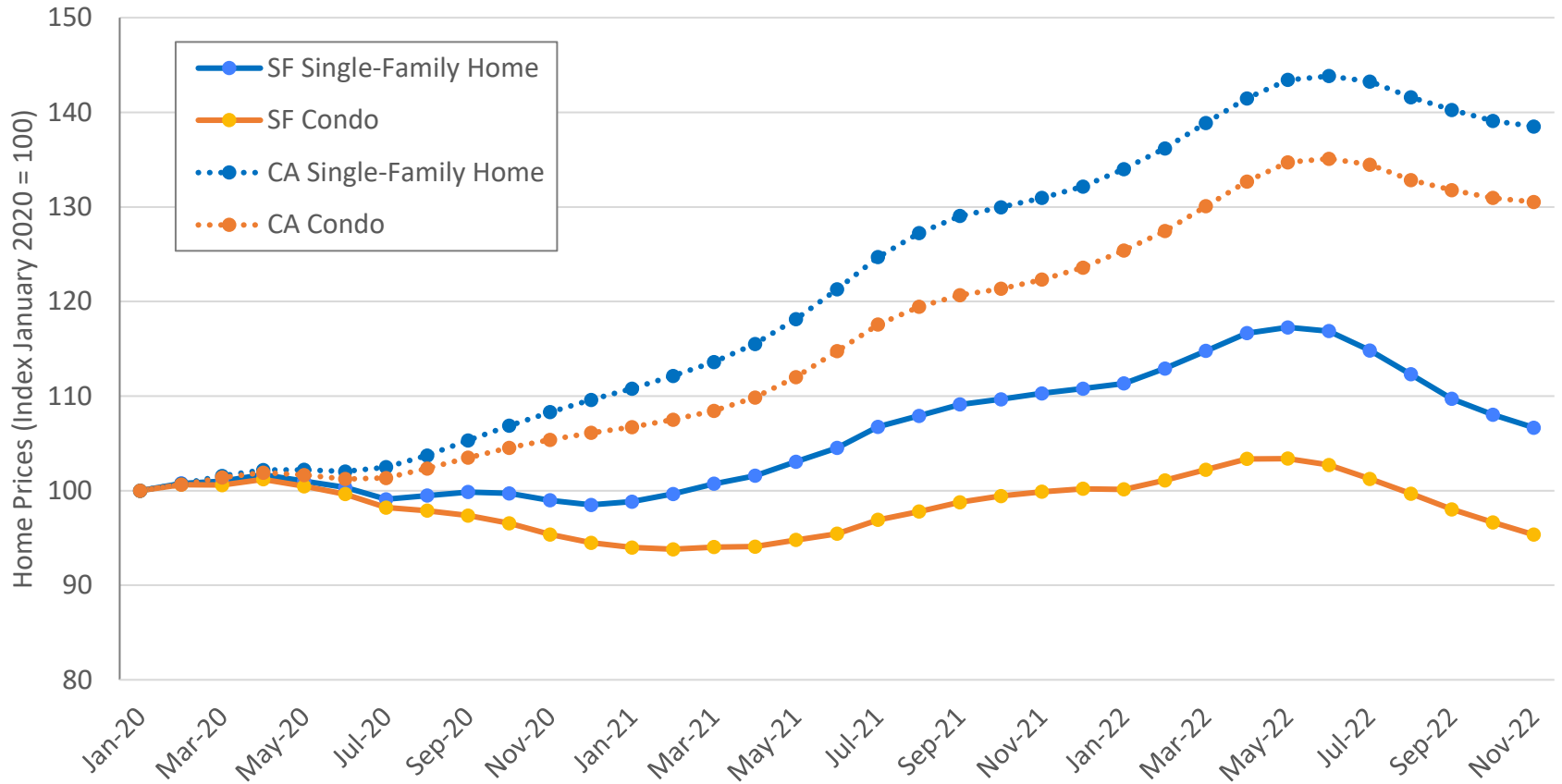
Median Asking Apartment Rents (All Unit Sizes),
San Francisco, Through December 2022



Source: Apartment List

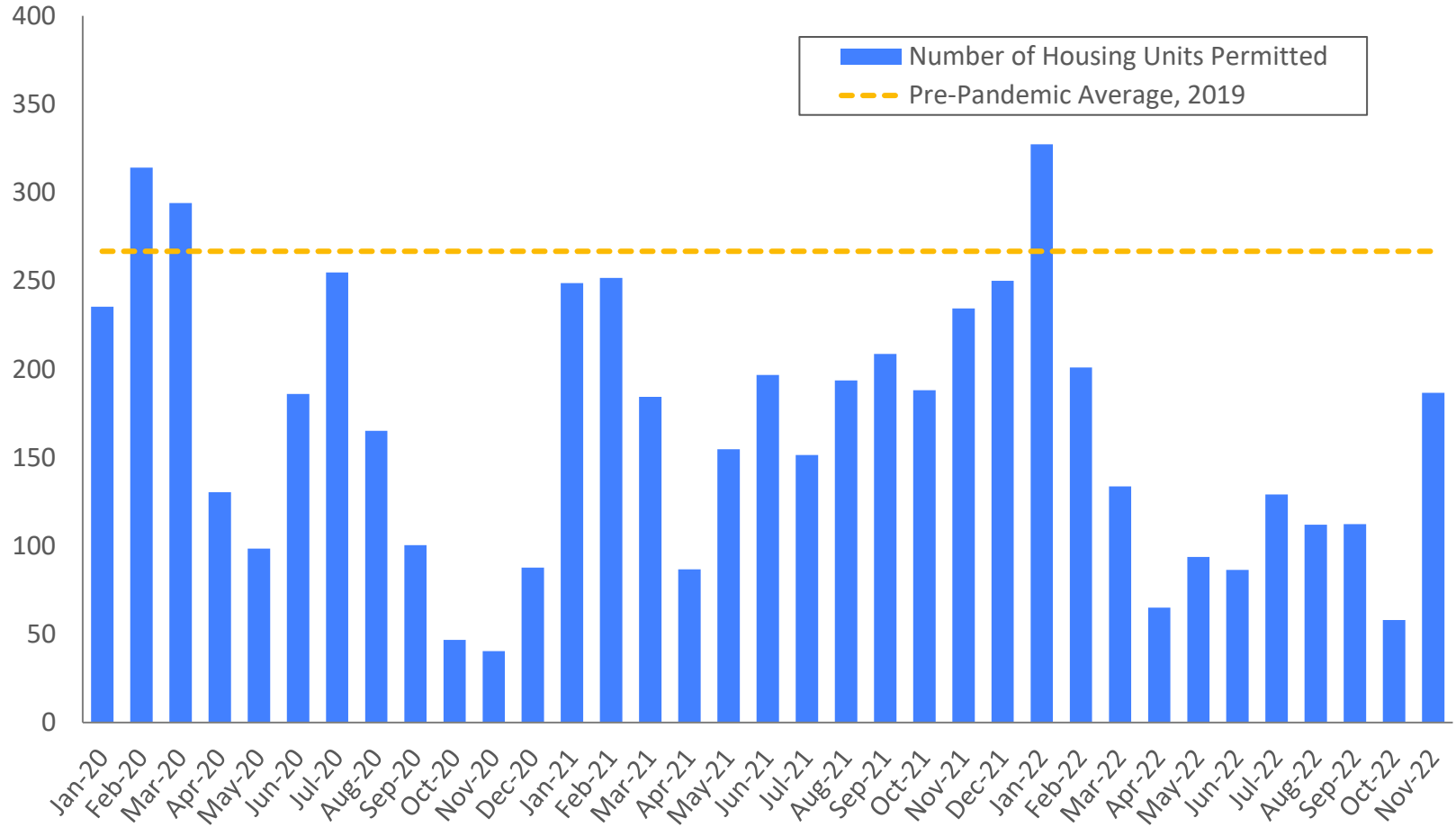
SF Housing Prices Down 1.3%, Versus CA's 0.4% Drop

Condo and Single-Family Home Prices in San Francisco and California, Through November, 2022



Housing Permits Picked Up in November

Number of Housing Units Permitted (3 Month Moving Average),
San Francisco, Through November 2022



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

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