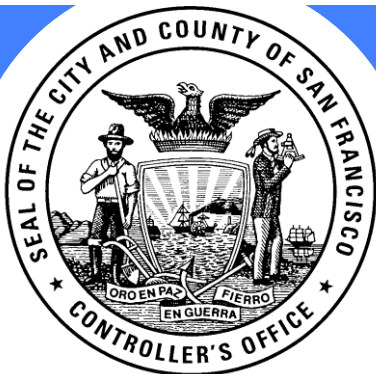


Status of the San Francisco Economy: January 2023



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Office of Economic Analysis

January 31, 2023

Highlights of the January 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.
- Despite layoffs in the tech industry, the local job market remains healthy. San Francisco and San Mateo counties added 4,400 jobs in December. The tech-rich Information sector did lose jobs on a net basis, but this was more than made up by job growth in professional & technical services, health care, and retail trade.
- The city's unemployment rate fell to 2.0%, a near-record low, although the labor force is still 20,000 smaller than at the start of the pandemic.
- With remote work persisting, office vacancy continues to rise, to above 25% in the fourth quarter. Downtown BART ridership recovery remains flat at 30% of normal.
- In mid-2022, new business formation in neighborhoods appeared to have been making a comeback, but these numbers have slowed in recent months.
- Housing prices continue to decline, although at a slower rate, and building permits showed unusual strength at the end of the year.

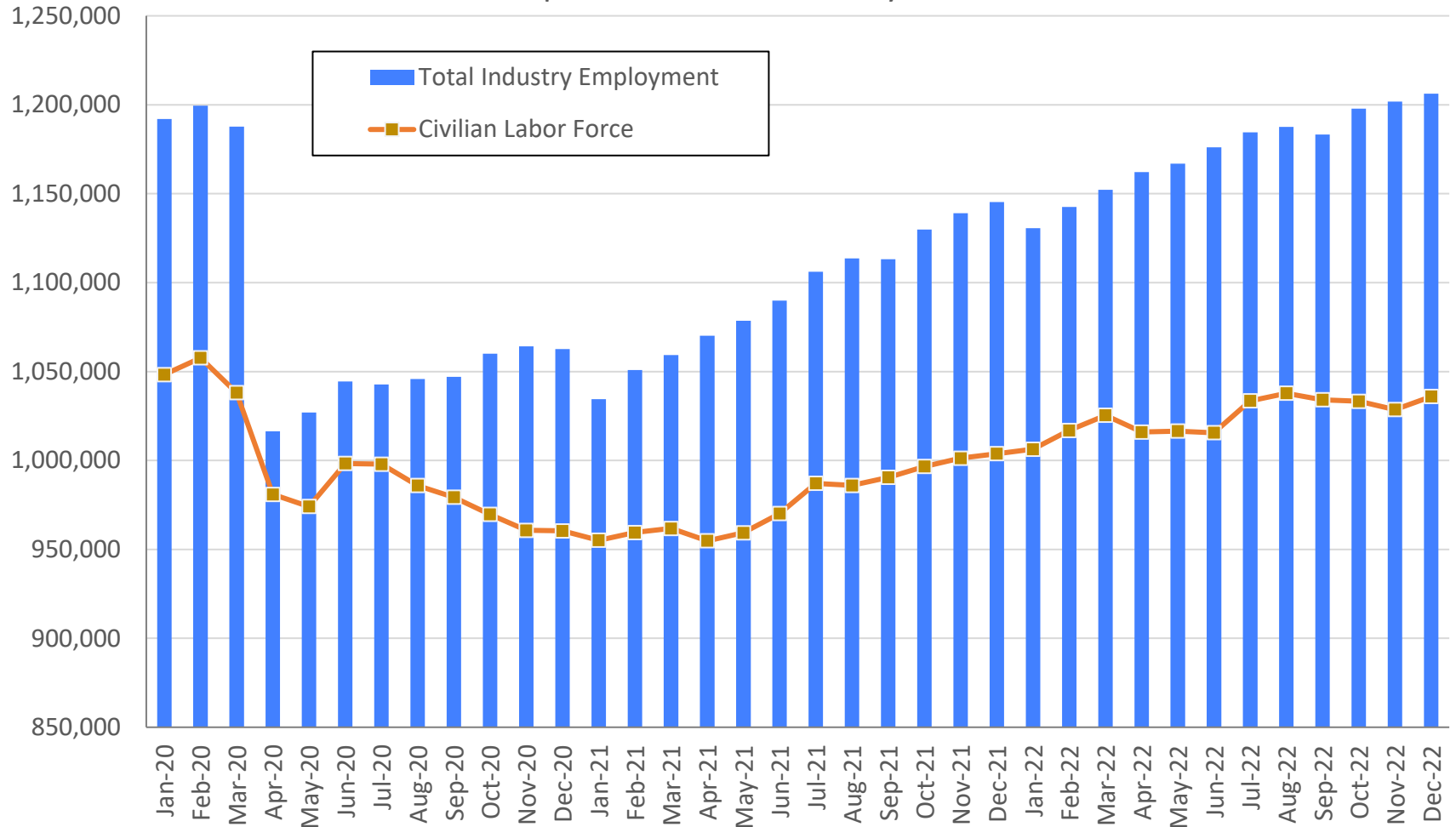
List of Economic Indicators

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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
10. International Enplanements: Selected Cities Comparison
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

Solid Job Growth in December With 4,400 New Jobs

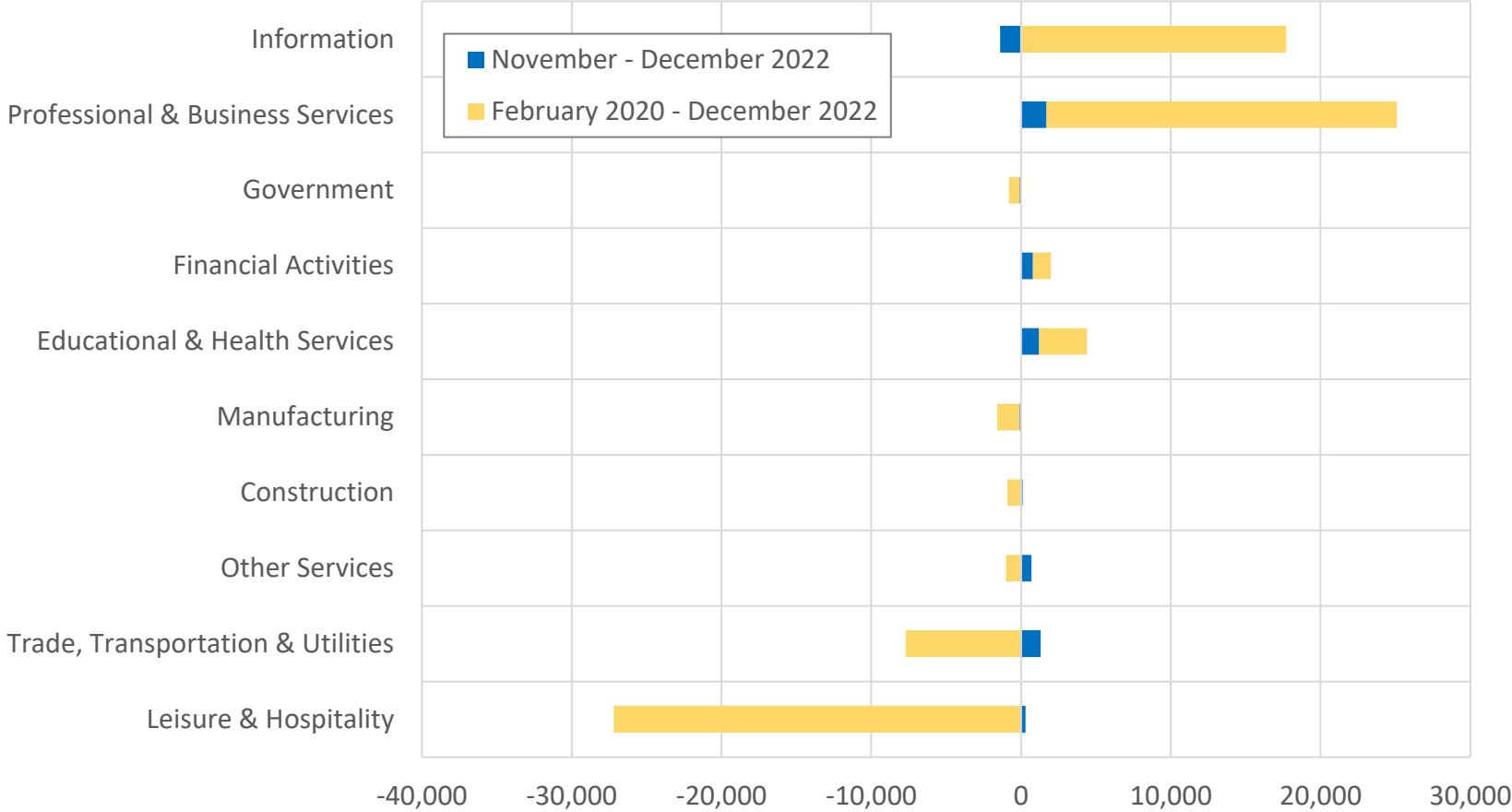
Total Industry Employment and Civilian Labor Force,
San Francisco Metropolitan Division, January 2020-December 2022



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

Professional Services, Health, Retail Up; Information Down

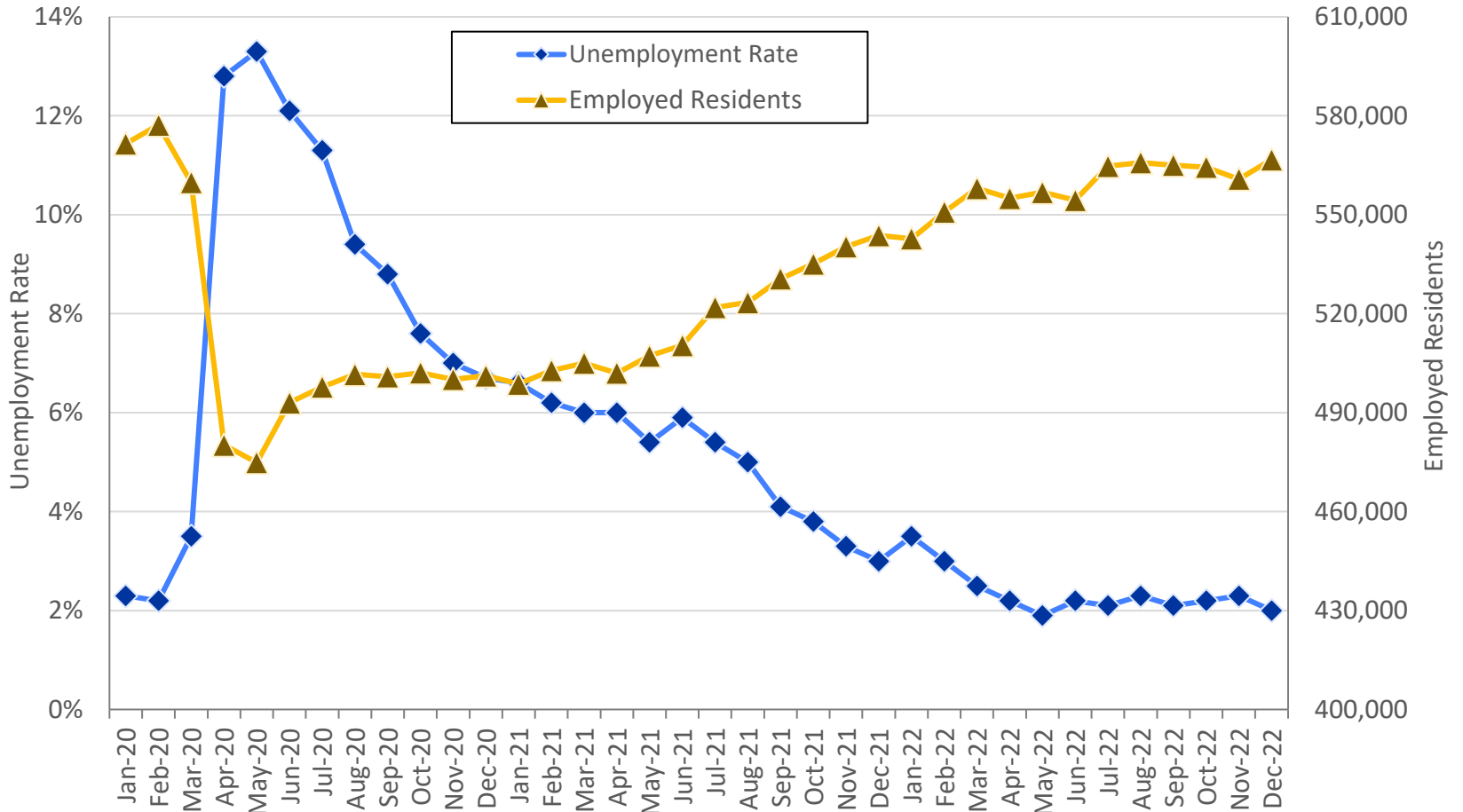
Employment Change by Industry Sector, San Francisco Metro Division:
Since the Start of the Pandemic, and the Most Recent Month



Source: EDD

Unemployment Rate Down to Near-Record Low of 2.0%

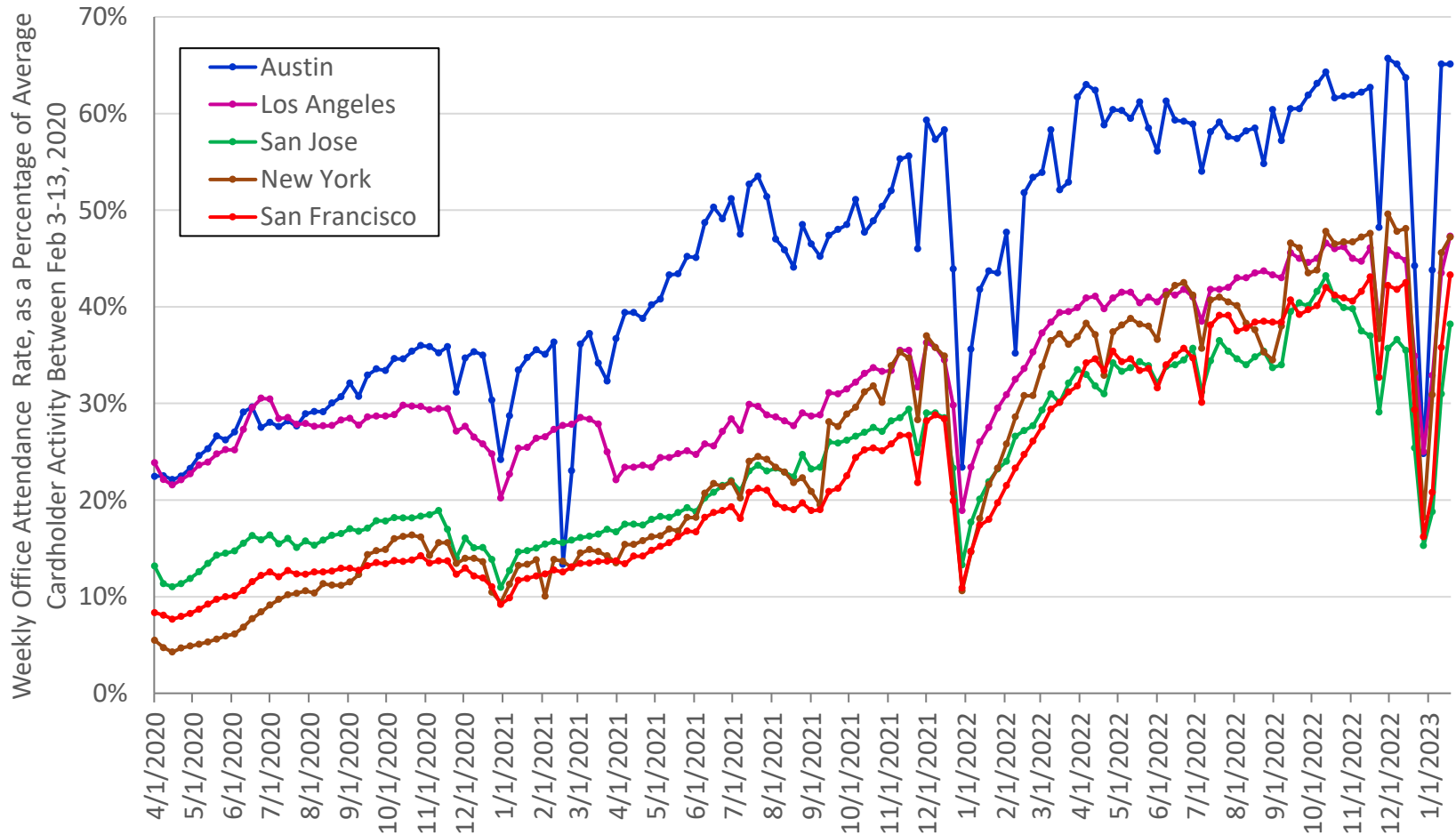
Monthly Unemployment Rate and Employed Residents, San Francisco, Through December 2022



Source: EDD

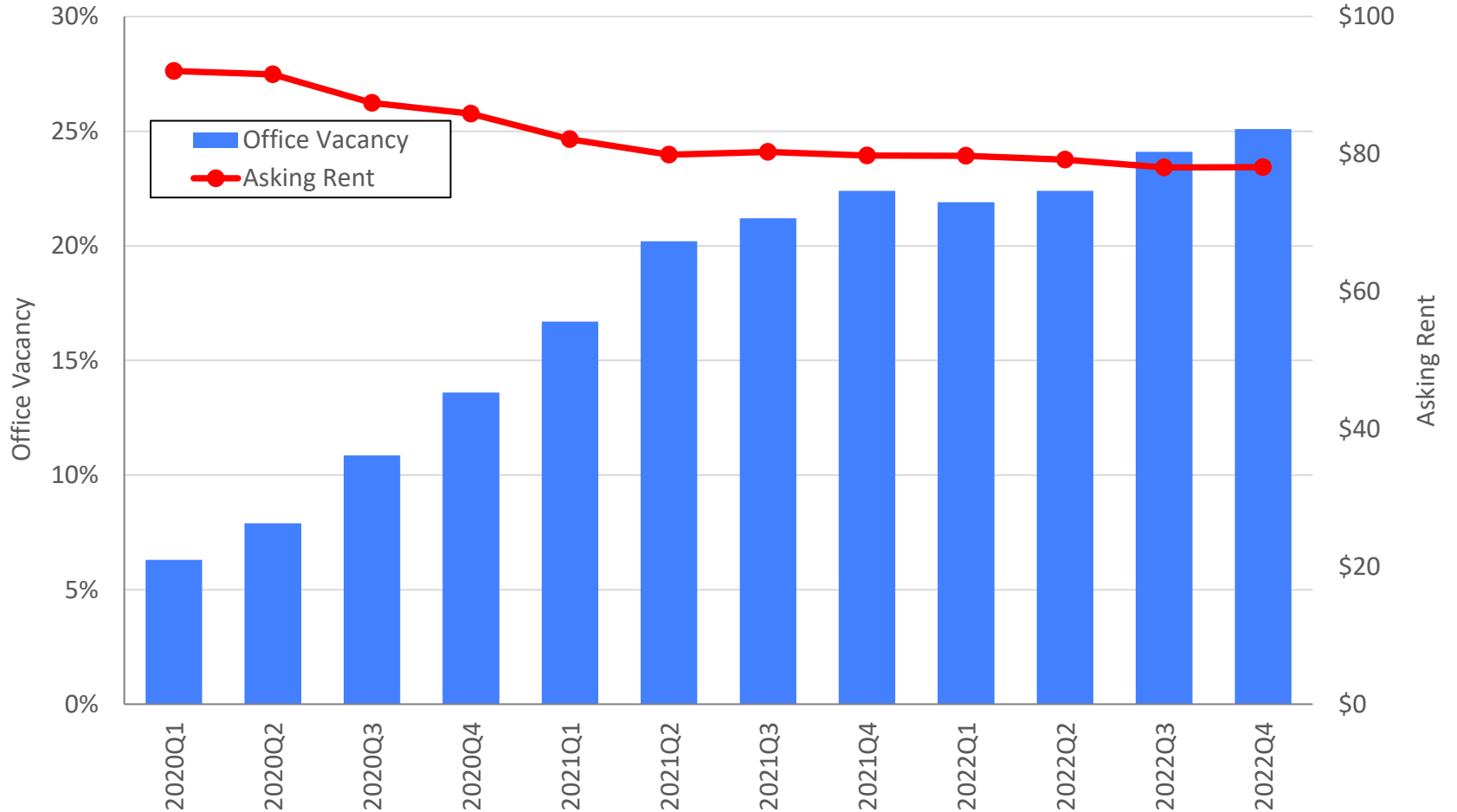
Office Attendance Recovered After the Holidays

Weekly Office Attendance in San Francisco and Other Selected Metros, Through January 18, 2023



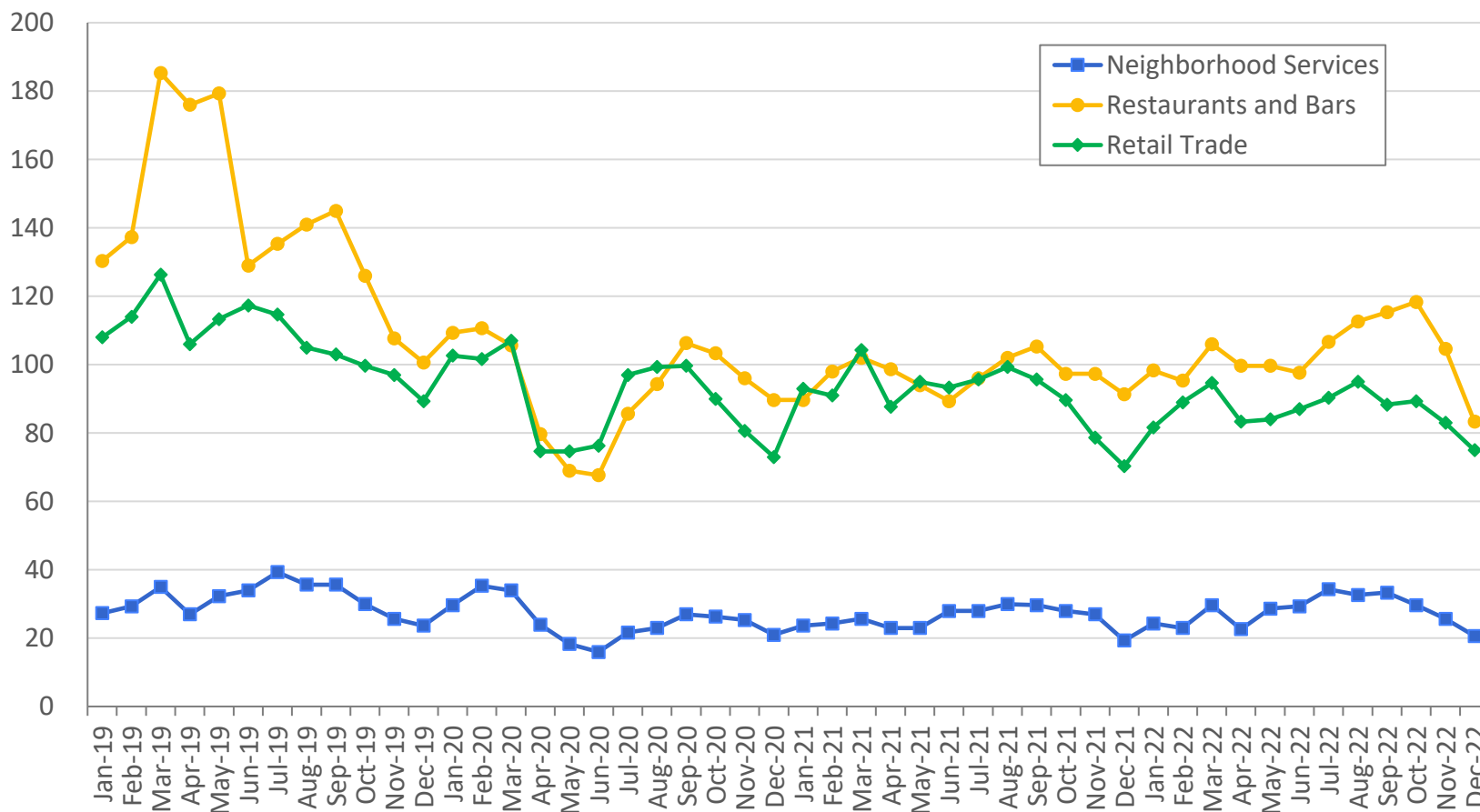
Q4 Office Vacancy Above 25% - Rents Flat

Office Vacancy and Asking Rent
San Francisco, Through 2022Q4



New Small Business Formation Continues to Slow

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



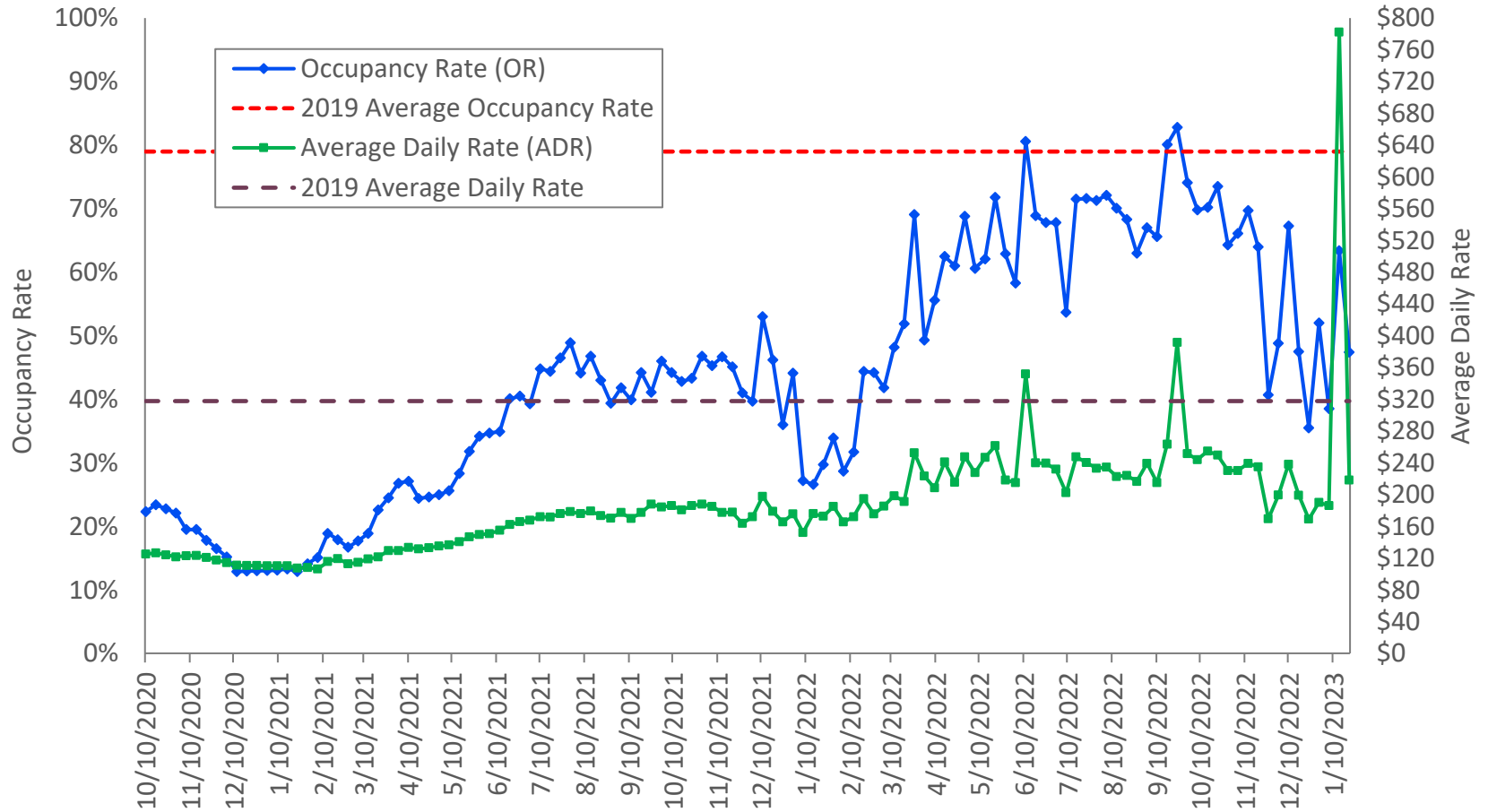
Source: Treasurer & Tax Collector, City and County of San Francisco

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)".

JP Morgan Conference Caused Weekly Spike in Hotel Rates

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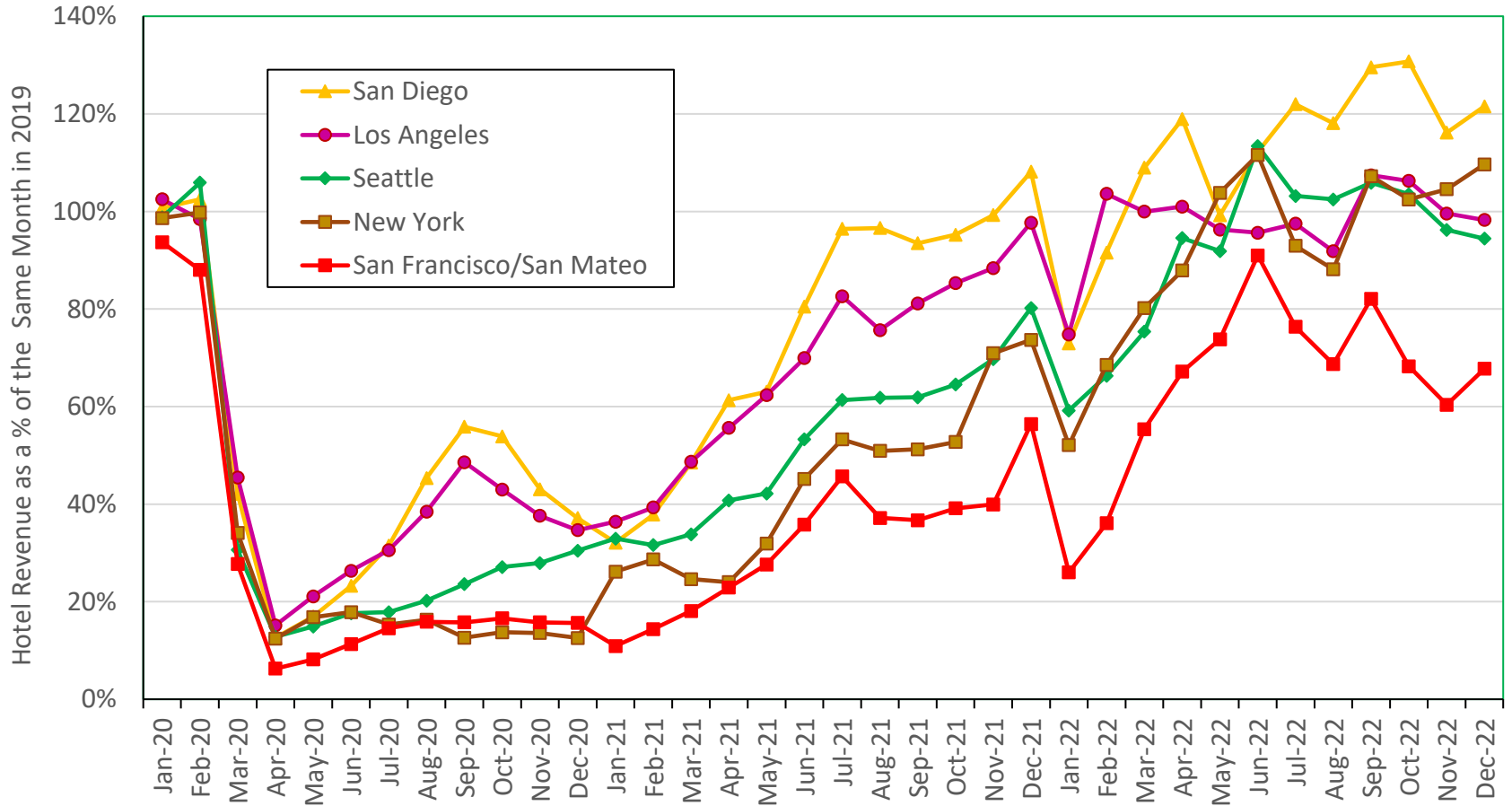
Weekly San Francisco Hotel Occupancy Rate and Average Daily Room Rate, Through January 21, 2023



Source: STR

Relative Improvement in SF Hotel Revenues in December

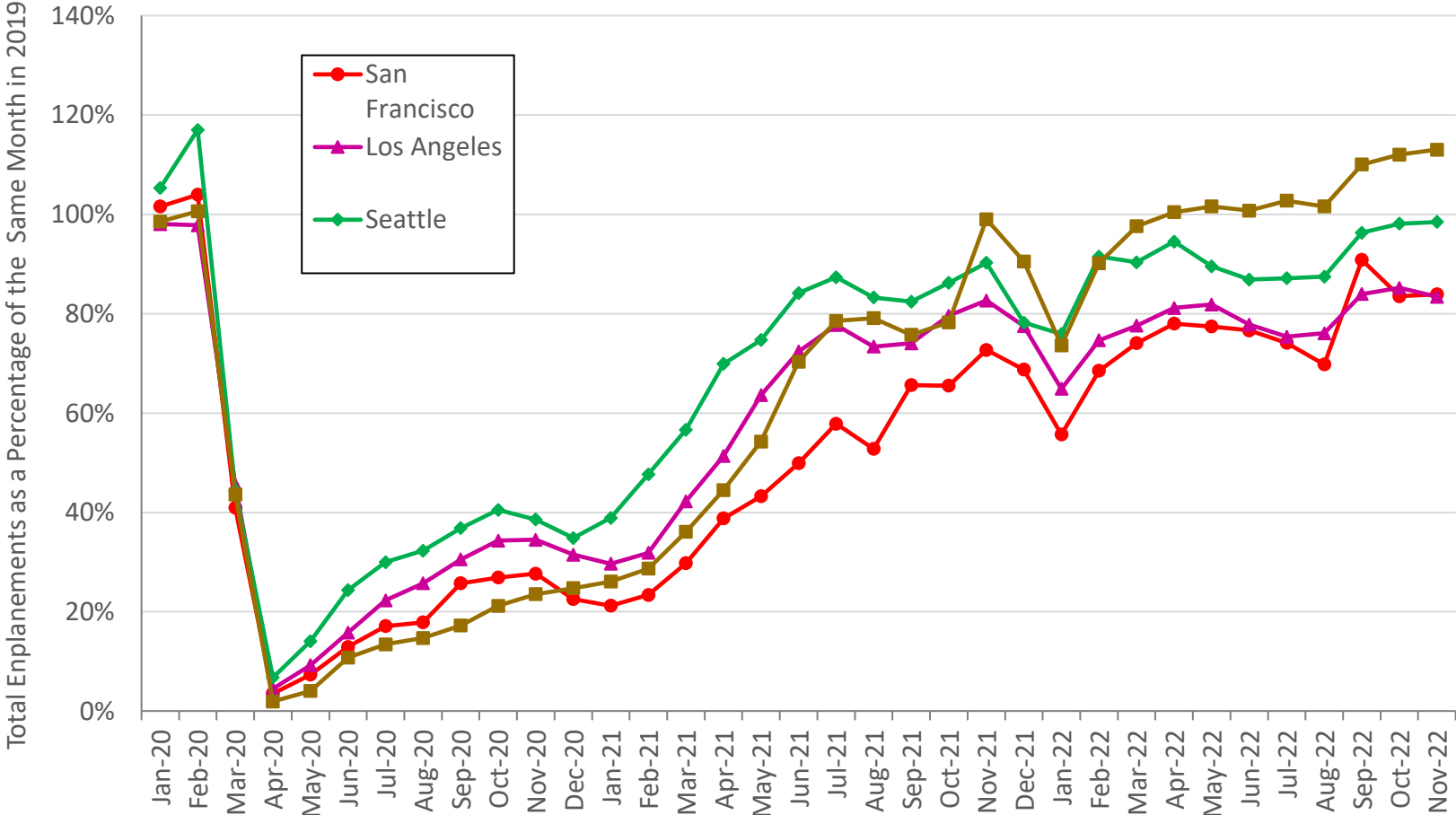
Monthly Hotel Revenue Available per Room Night, Selected Cities, Through December



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

Domestic Air Travel Recovery Steady the Past Few Months

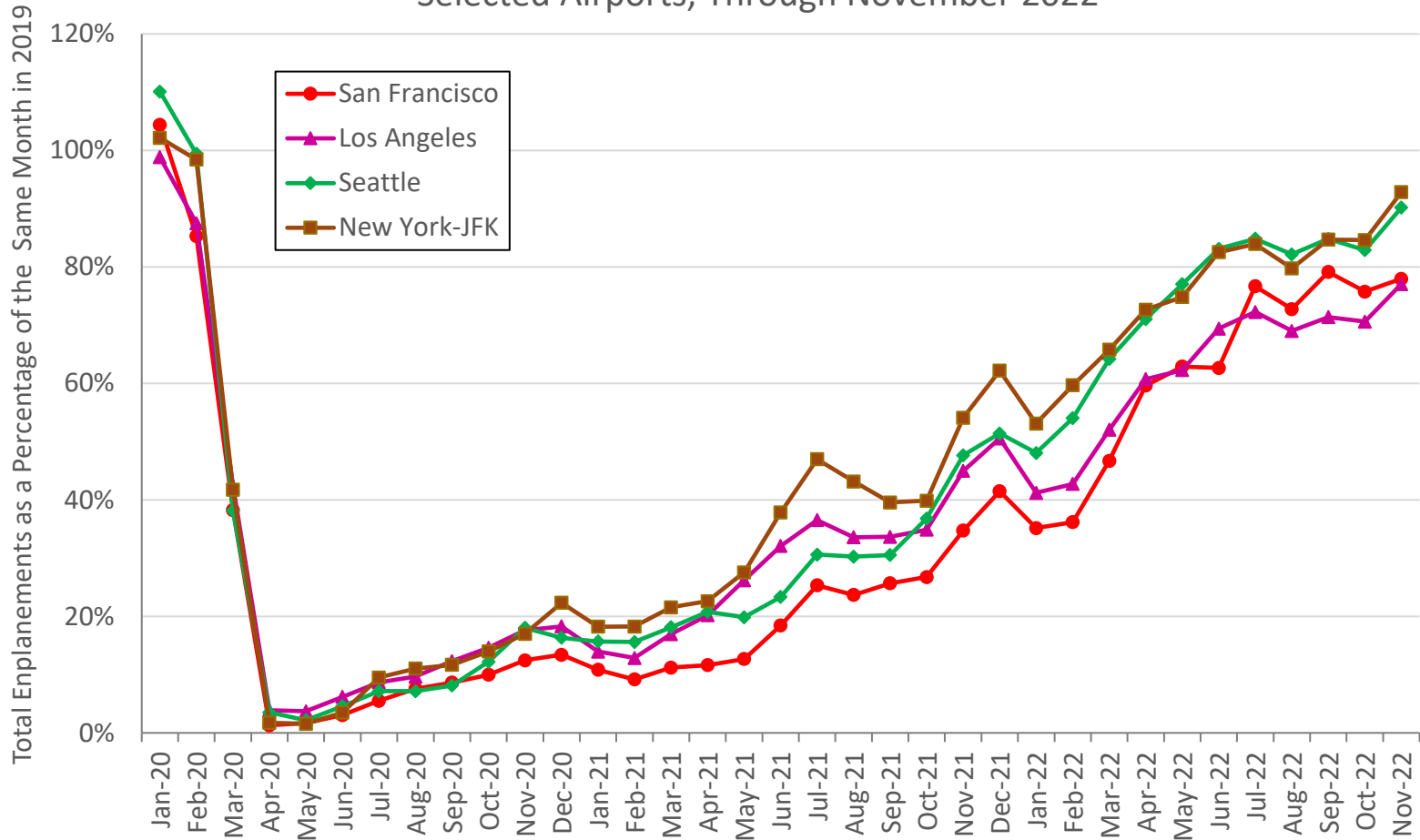
Domestic Enplanements,
Selected Airports, Through November 2022



Source: Individual airports

Similar Slow Recovery In International – Near 80% of Normal

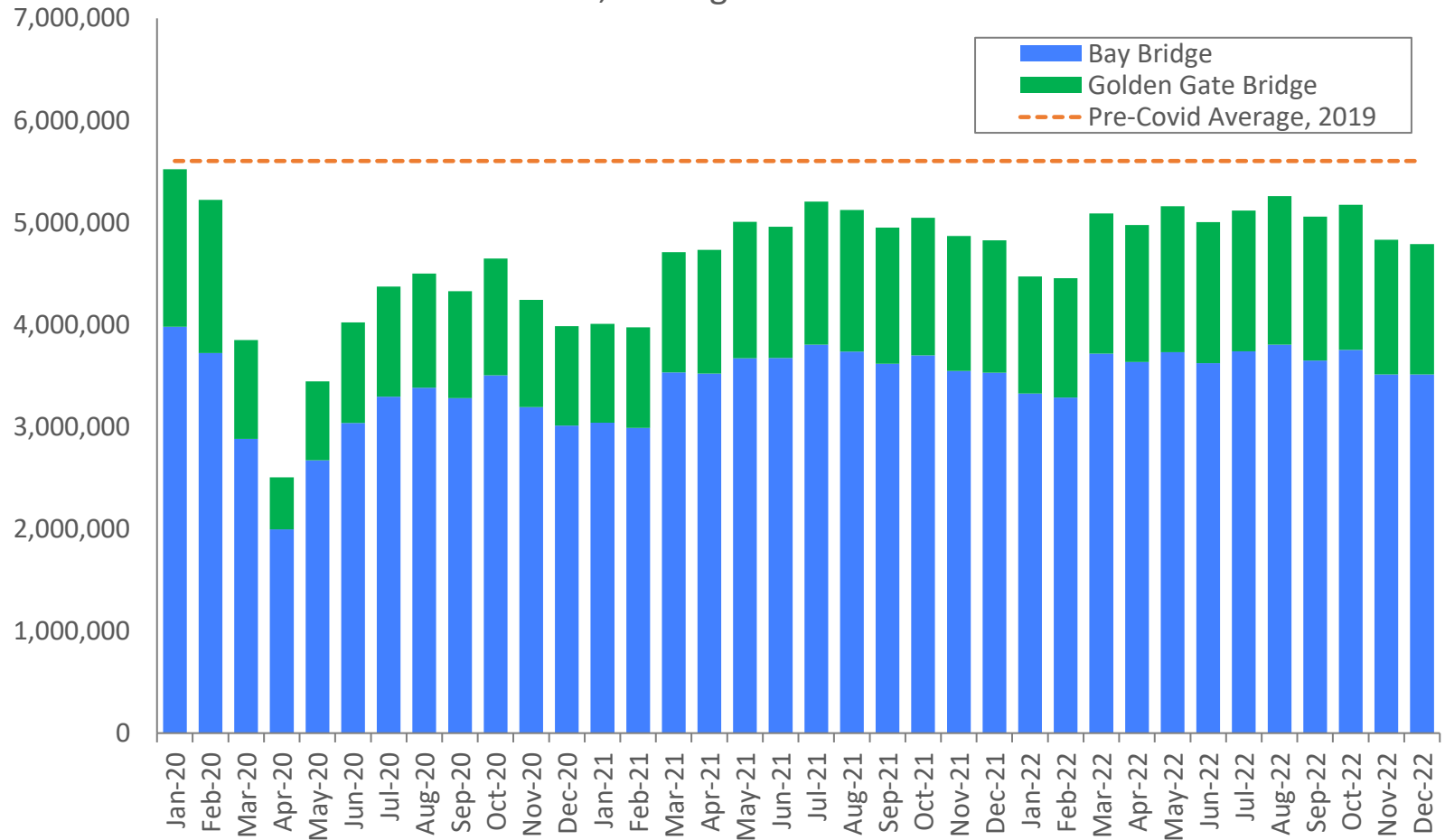
International Enplanements as % of 2019, Selected Airports, Through November 2022



Source: Individual airports

Slip in Bridge Crossings May Reflect Seasonal Holidays

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

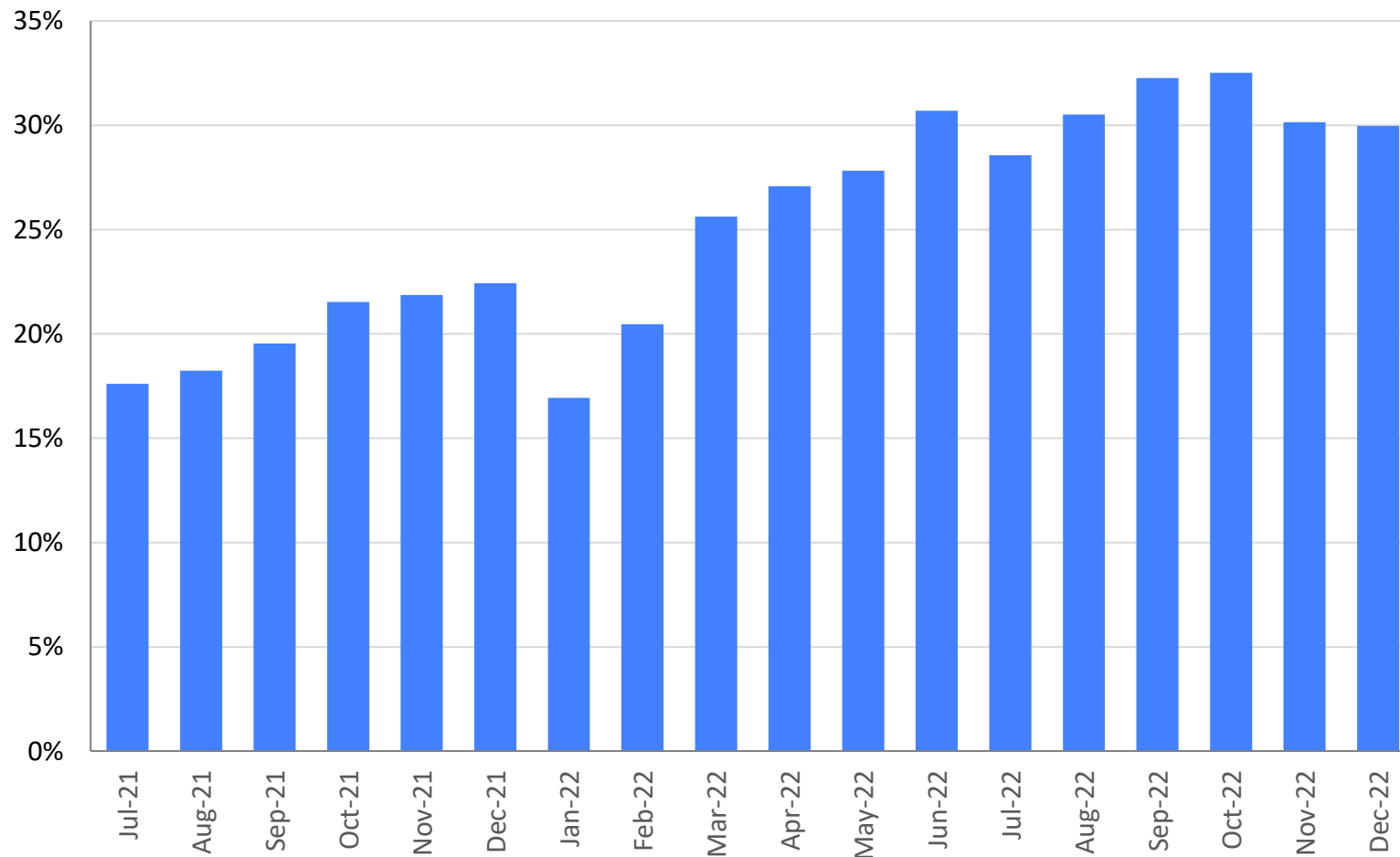


Source: Bay Area Toll Authority (BATA), Golden Gate Bridge Highway & Transportation District. Includes westbound Bay Bridge traffic and southbound Golden Gate Bridge traffic.

Monthly Downtown BART Ridership Flat at 30% of Normal

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

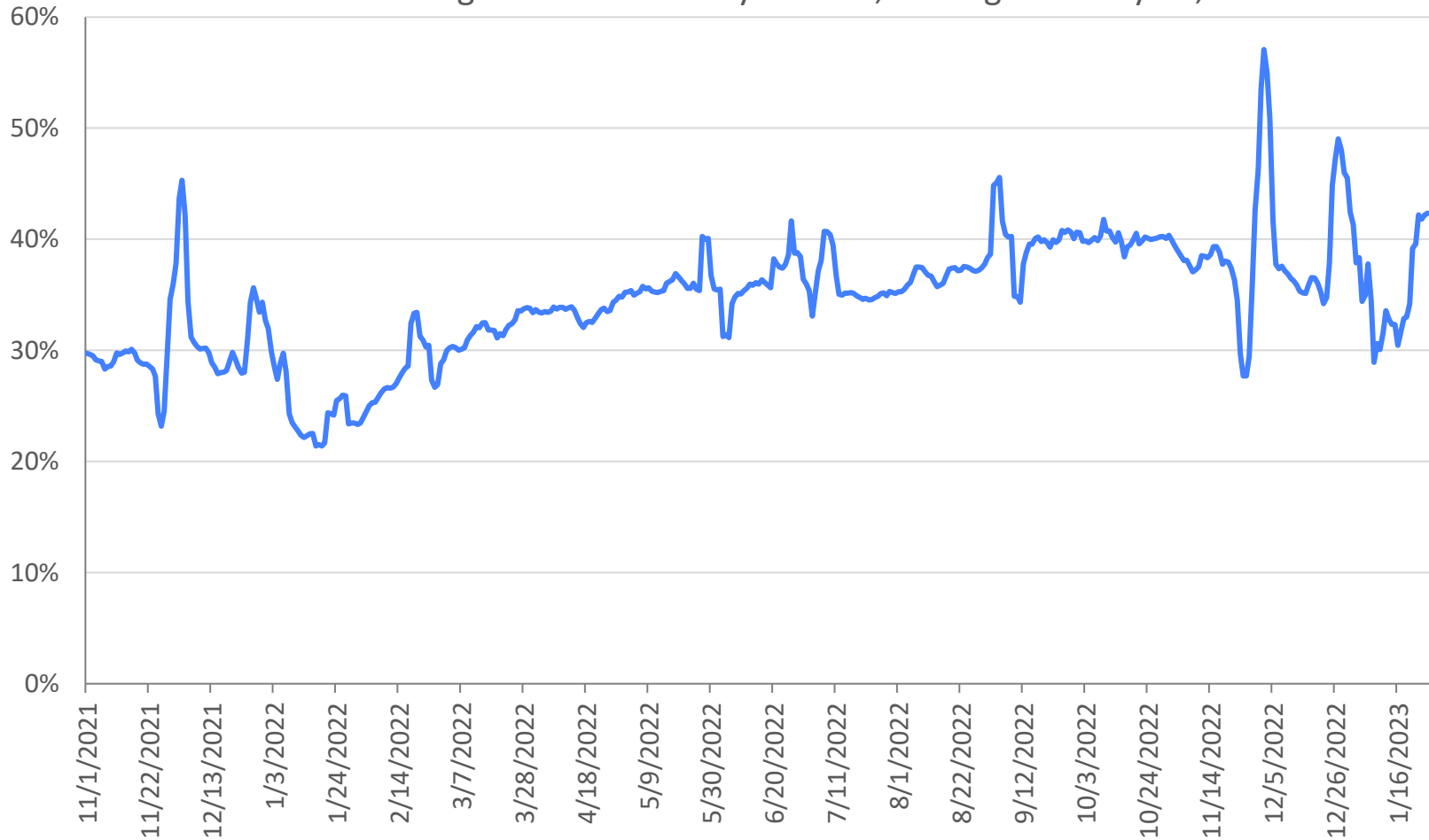


Source: BART

Systemwide BART Ridership Down Most of January

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System-Wide BART Ridership, 7-day Moving Average,
as a Percentage of the Same Day in 2019, Through January 26, 2023

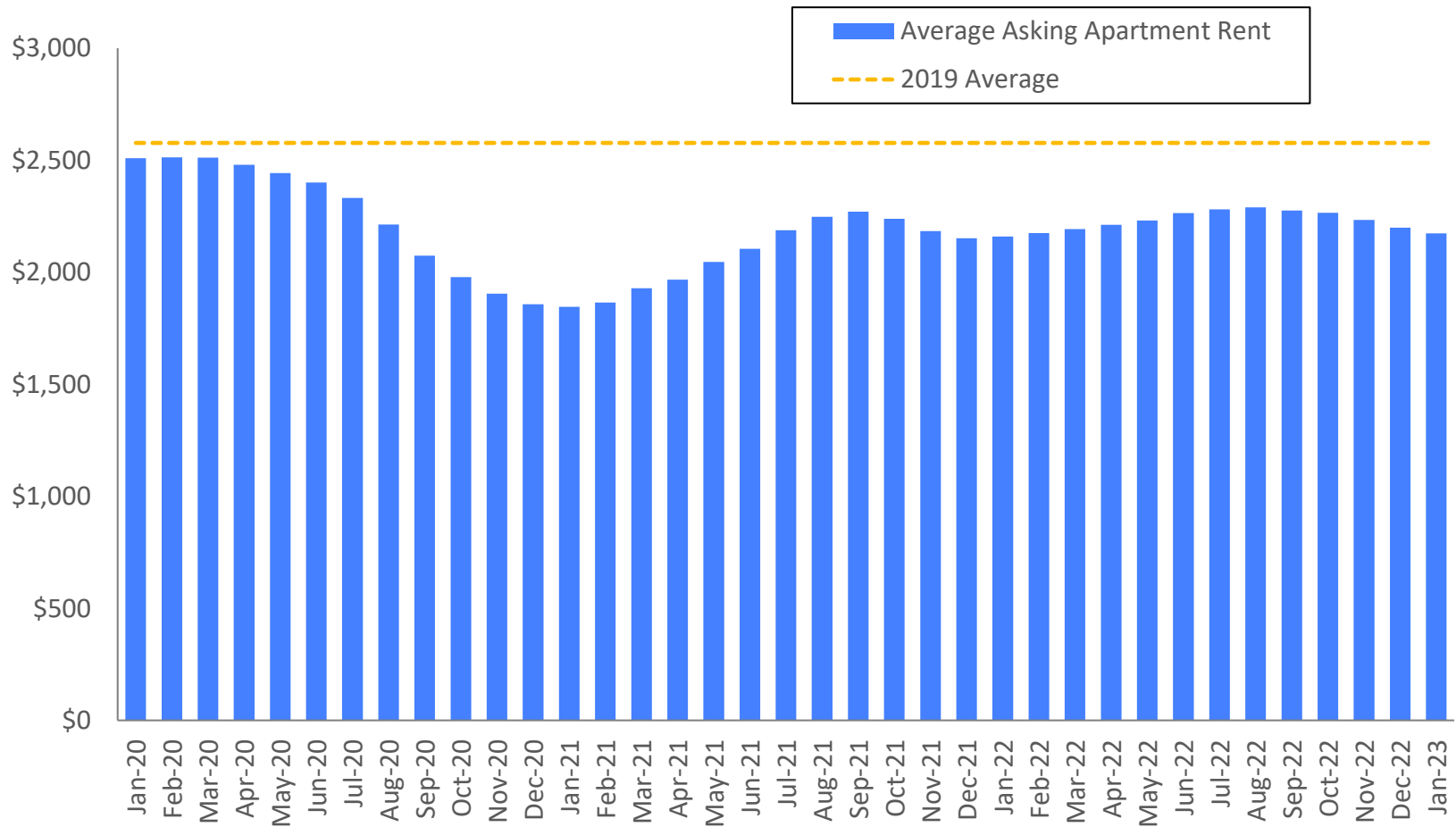


Source: BART

Apartment Rents Continue to Drop

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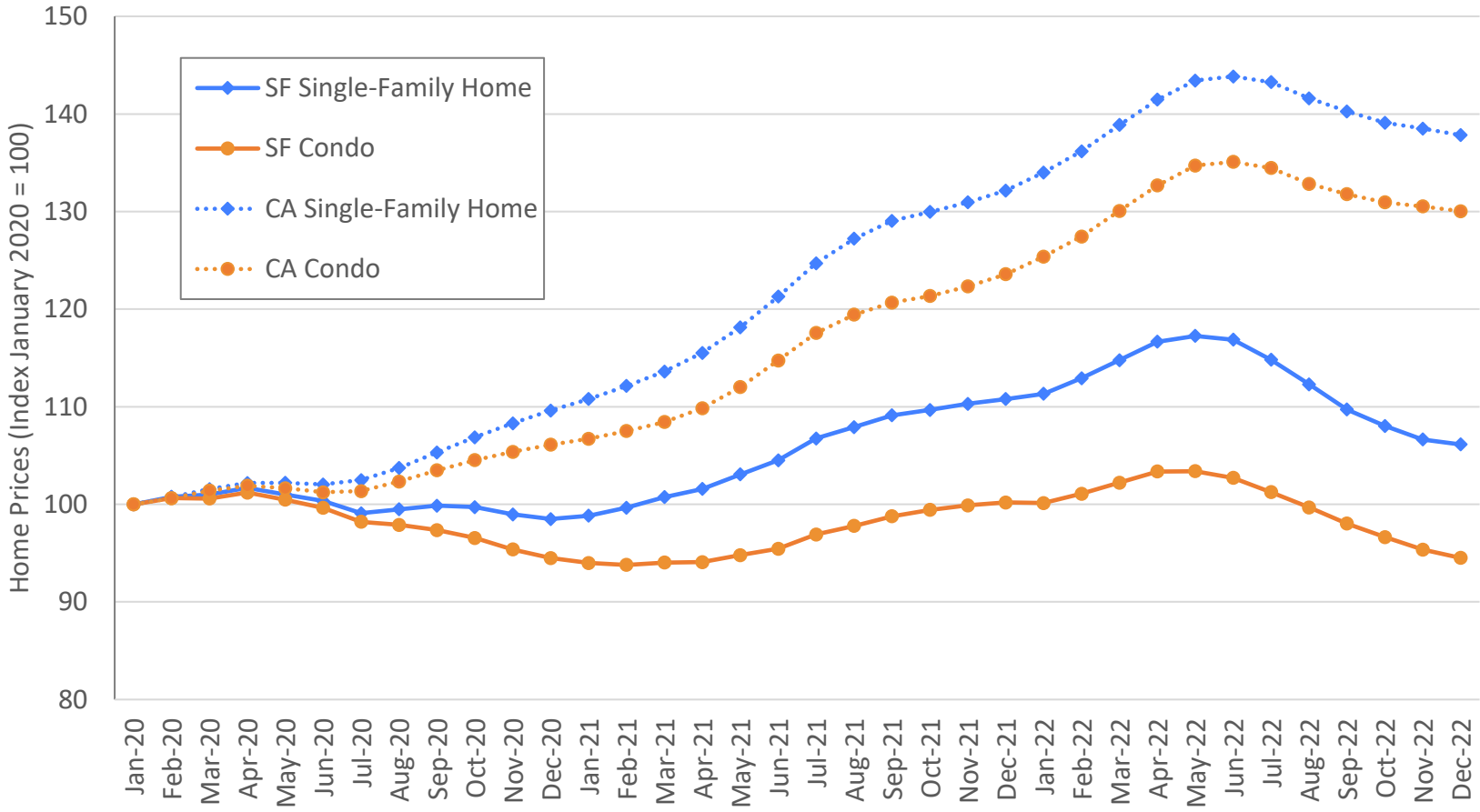
Median Asking Apartment Rents (All Unit Sizes),
San Francisco, Through January 2023



Source: Apartment List

Home Prices Continue to Drop, Bottom May Be Approaching

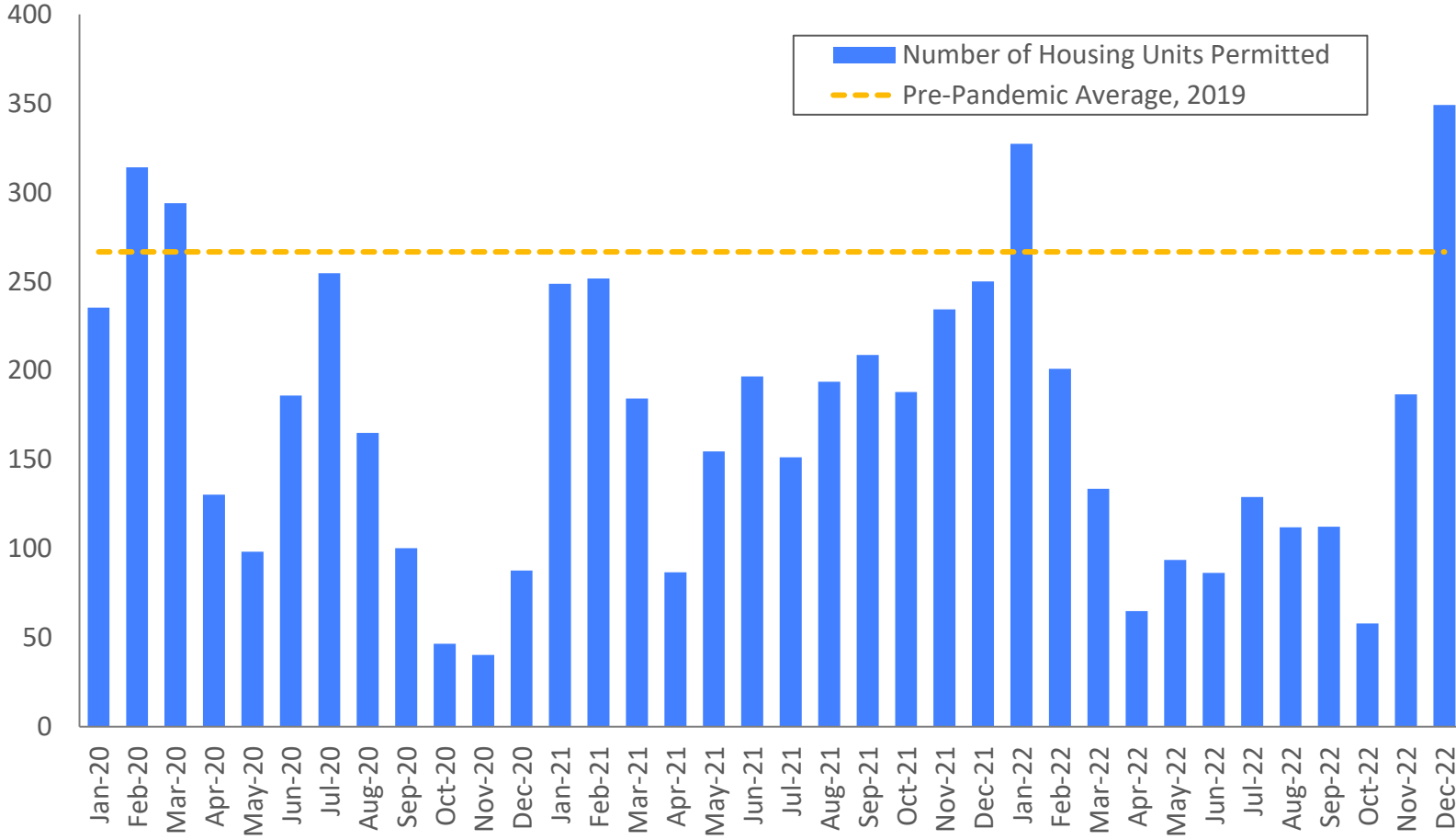
Condo and Single-Family Home Prices in San Francisco and California, Through December, 2022



Source: Zillow

Pop in Building Permits for Housing at End of the Year

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



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

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