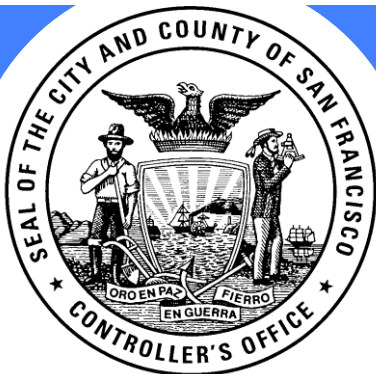


Status of the San Francisco Economy: February 2023



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Office of Economic Analysis

February 28, 2023

Highlights of the February 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. New labor market data will not be released until mid-March, so this monthly report focuses on other indicators.
- Downtown transportation indicators have been trending downward, even as the labor market data remained strong through the end of the year. Downtown BART ridership is now below 30% of 2019 levels, and bridge traffic has been declining since October.
- However, new business formations – especially in food services - rose in January and February, after two months of weakness.
- The JP Morgan conference held in the city in January contributed to a major spike in hotel revenues, helping to close the gap with other cities in that month.
- There are signs that the housing correction of recent months may be easing. Apartment rents – both nationally and locally – rose in February, though the increase was very small in San Francisco. Spring is typically a strong season for rentals.
- Housing prices are also falling somewhat more slowly, although the drop is still more pronounced in San Francisco than in the state as a whole.

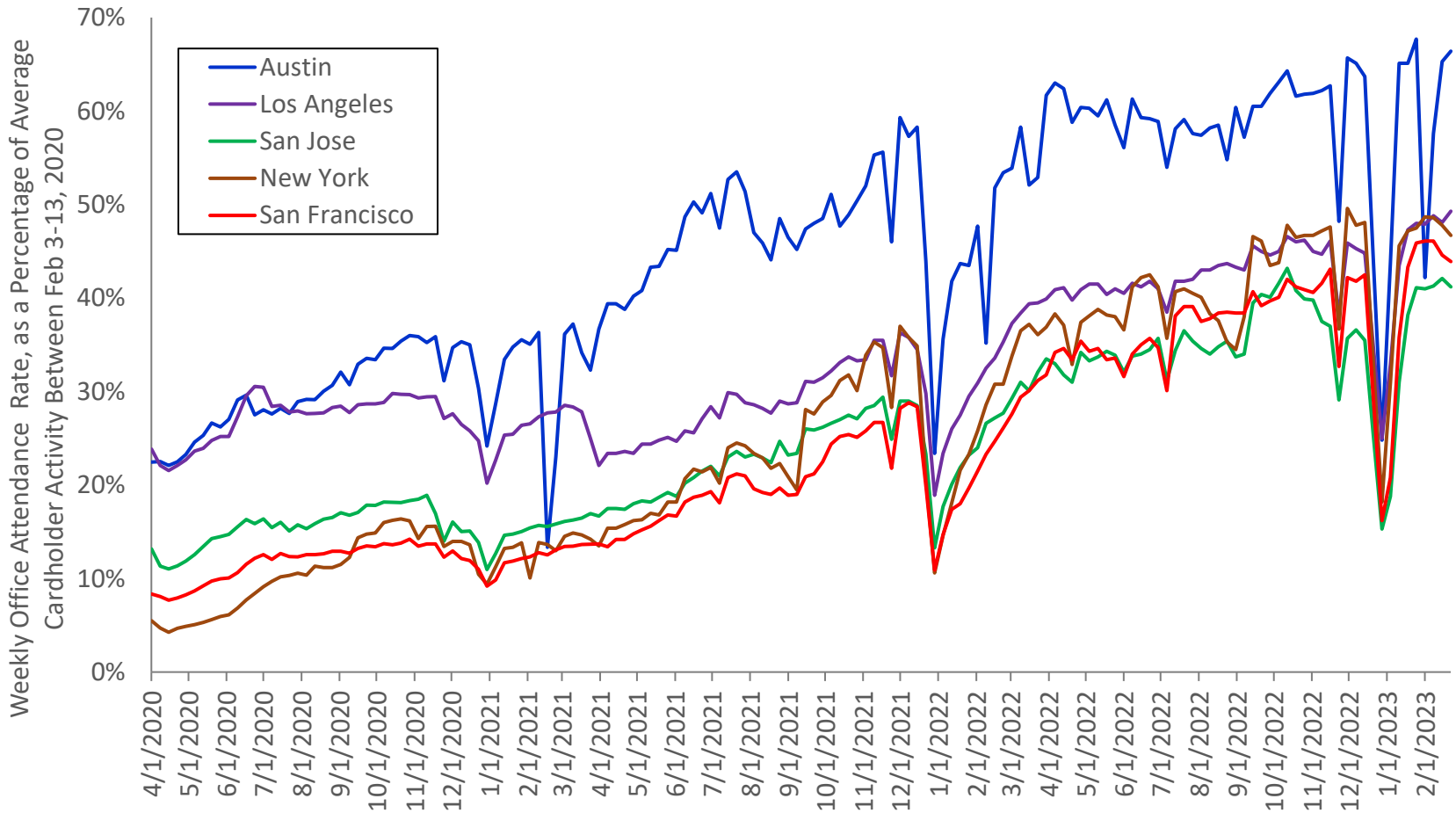
List of Economic Indicators

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1. Office Attendance
2. New Business Registration, Selected Sectors
3. Hotel Occupancy Rate and Average Daily Rate
4. Hotel Revenue Available per Room Night: Selected Cities Comparison
5. Domestic Enplanements: Selected Cities Comparison
6. International Enplanements: Selected Cities Comparison
7. Bay Bridge and Golden Bridge Traffic
8. BART Exits at Downtown SF Stations
9. System-wide BART Ridership
10. Average Asking Rents for Apartments
11. Single Family Home and Condo Prices
12. Building Permits for Housing

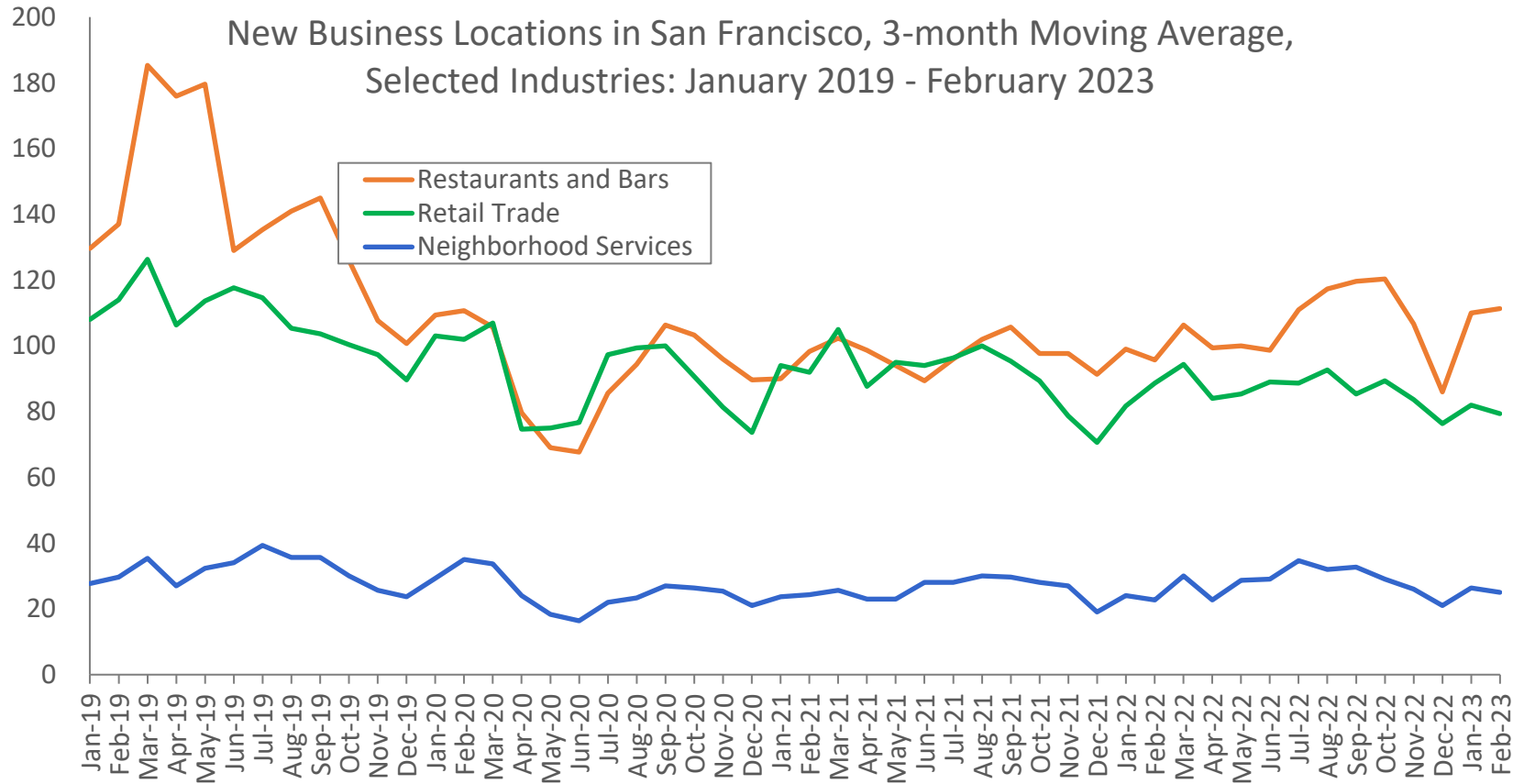
Return-to-Office Continues Its Slow, Unsteady Rise

Weekly Office Attendance in San Francisco and Other Selected Metros, Through February 22, 2023



Restaurant Formation Ticked Up in January

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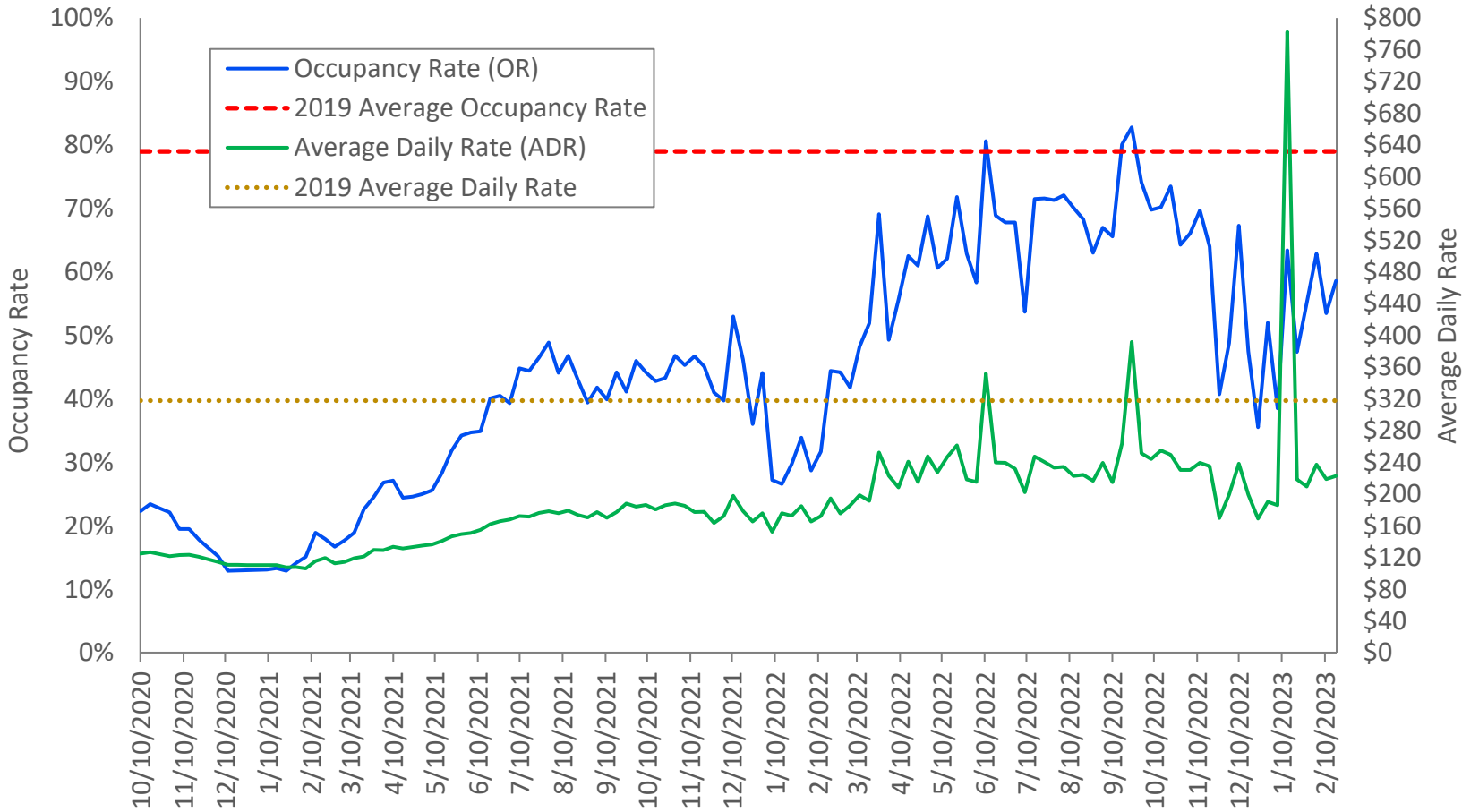


Source: Treasurer & Tax Collector, City and County of San Francisco

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 and Rates Stable After January Spike

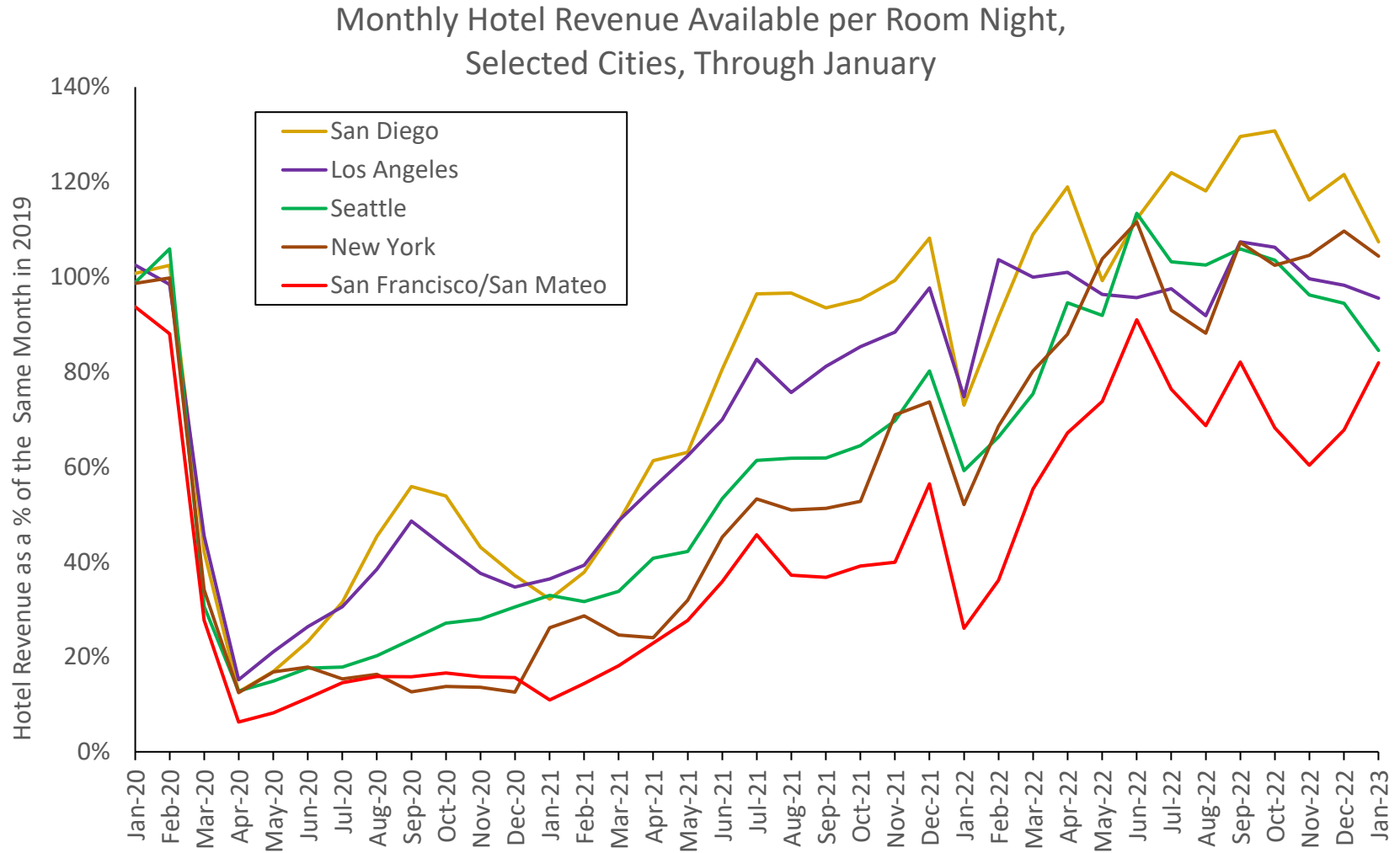
Weekly San Francisco Hotel Occupancy Rate and Average Daily Room Rate, Through February 18, 2023



Source: STR

After JP Morgan, SF Hotel Revenues Rose to 82% of Normal

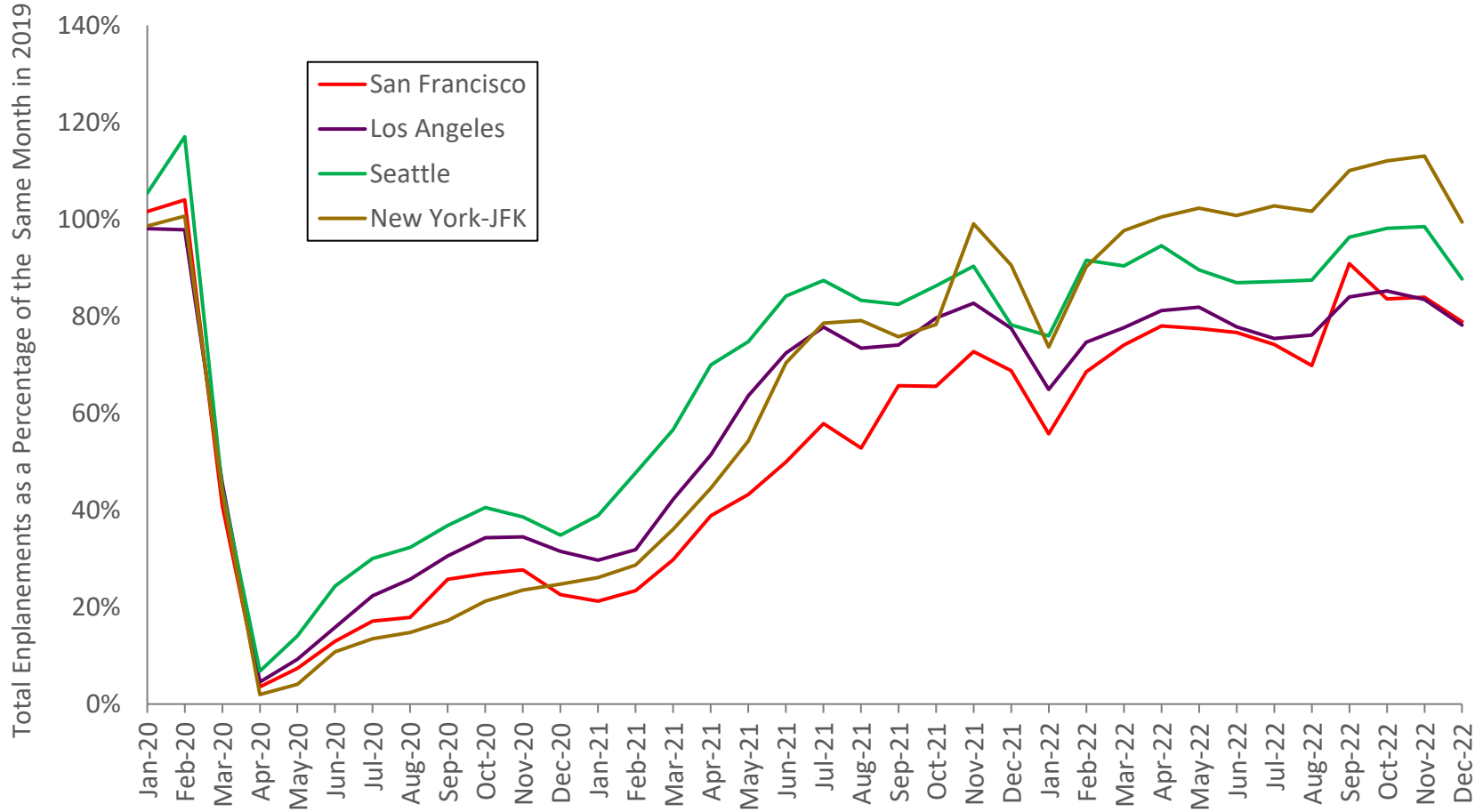
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Source: STR. All the hotel rooms in a city are considered, whether they are open or closed.

Across Cities, Domestic Air Travel Slowed in December

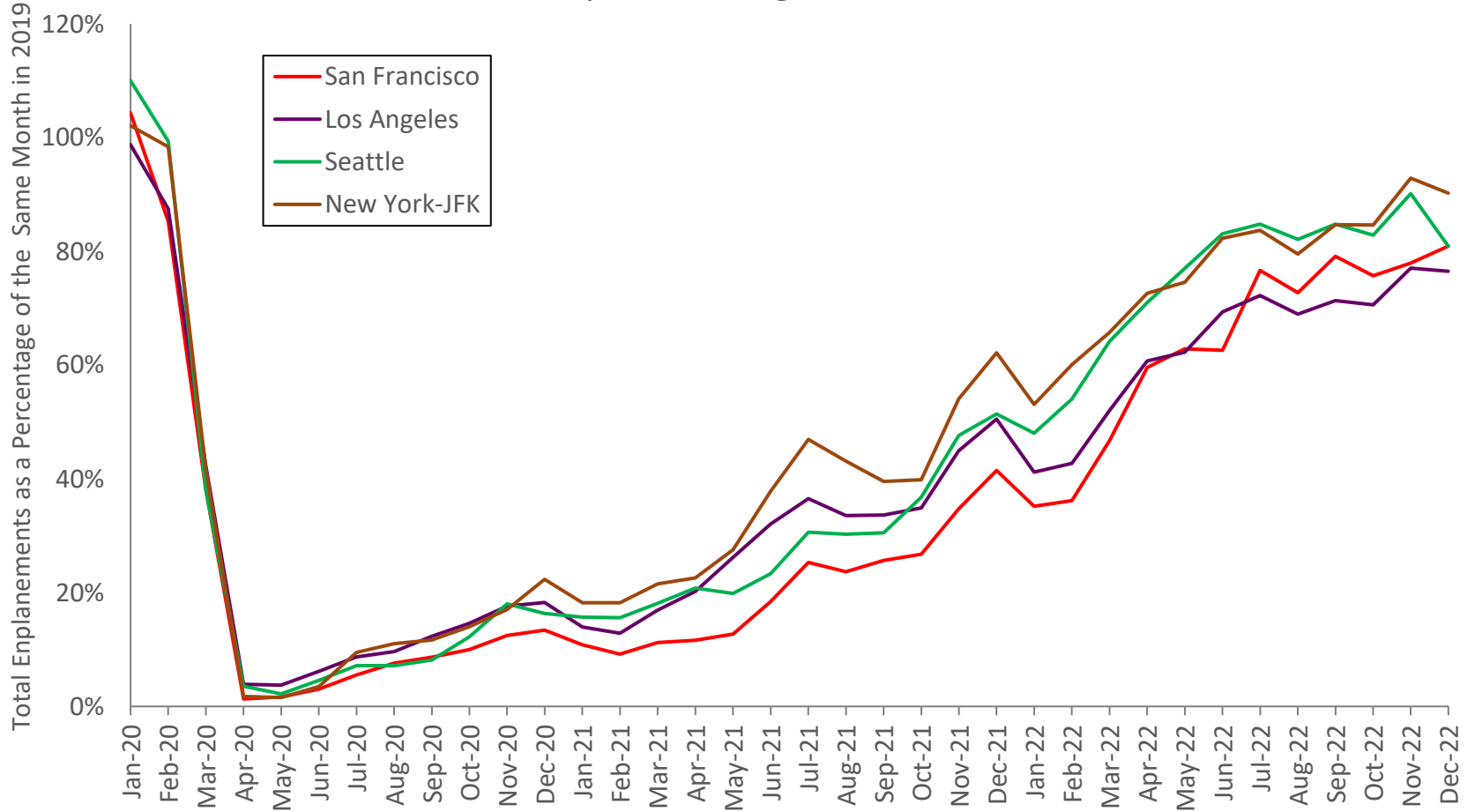
Domestic Enplanements, Selected Airports, Through December 2022



Source: Individual airports

SF International Travel Continues Recovery, Others Flat

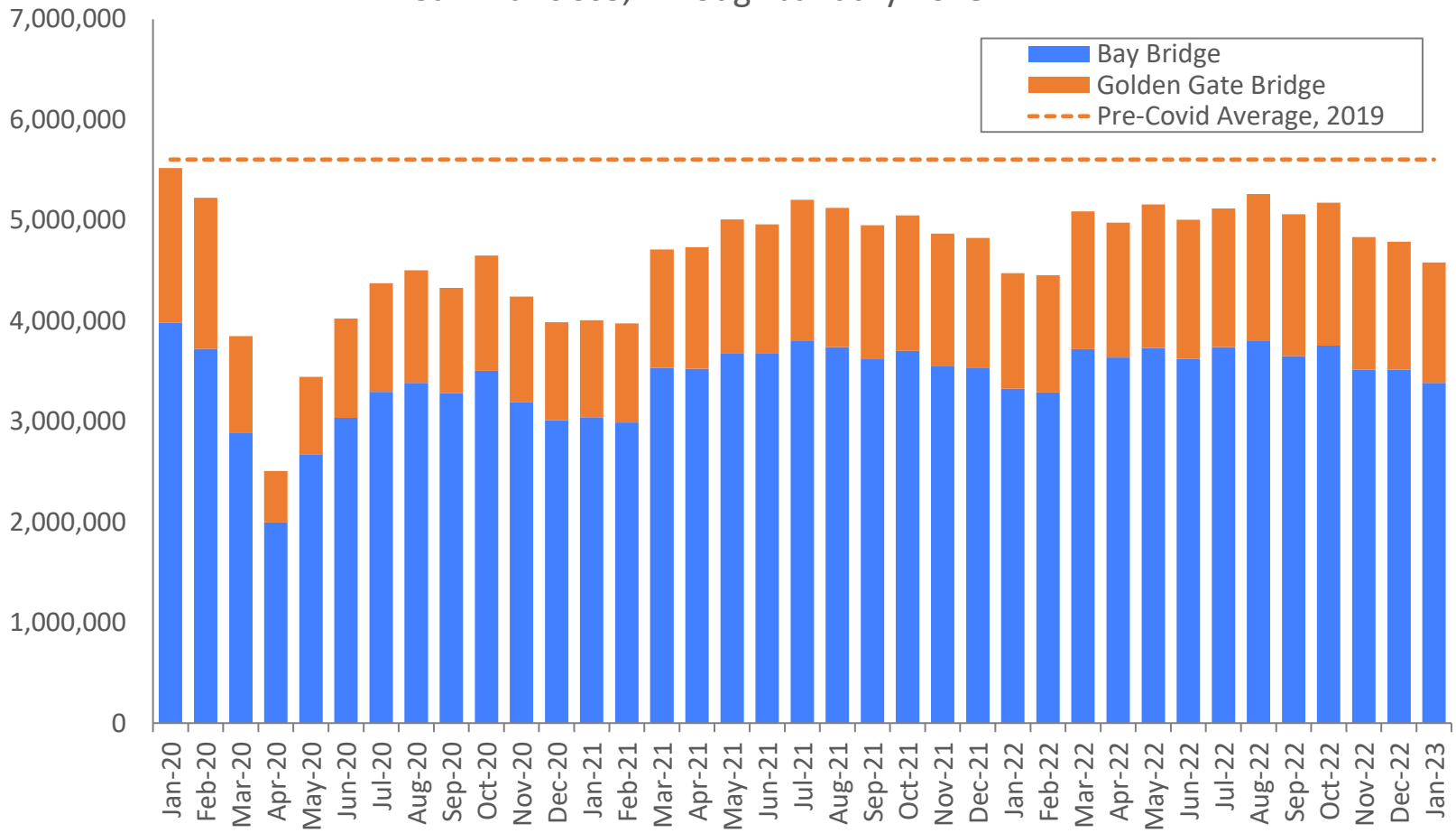
International Enplanements as % of 2019, Selected Airports, Through December 2022



Source: Individual airports

Bridge Traffic Trending Downward Since the Fall

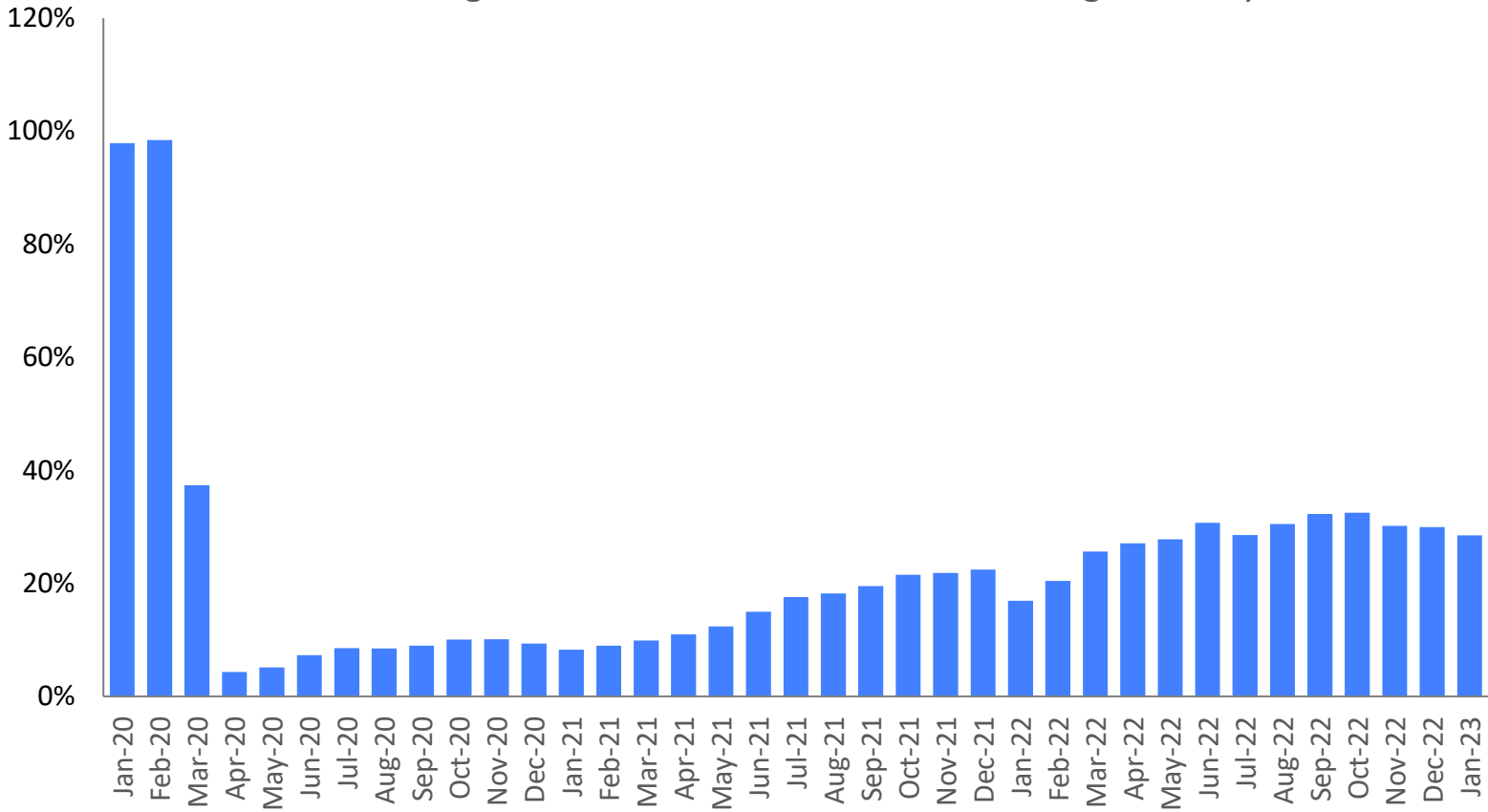
Bay Bridge and Golden Gate Bridge Monthly Traffic Volume, San Francisco, Through January 2023



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 Backsliding Since October

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

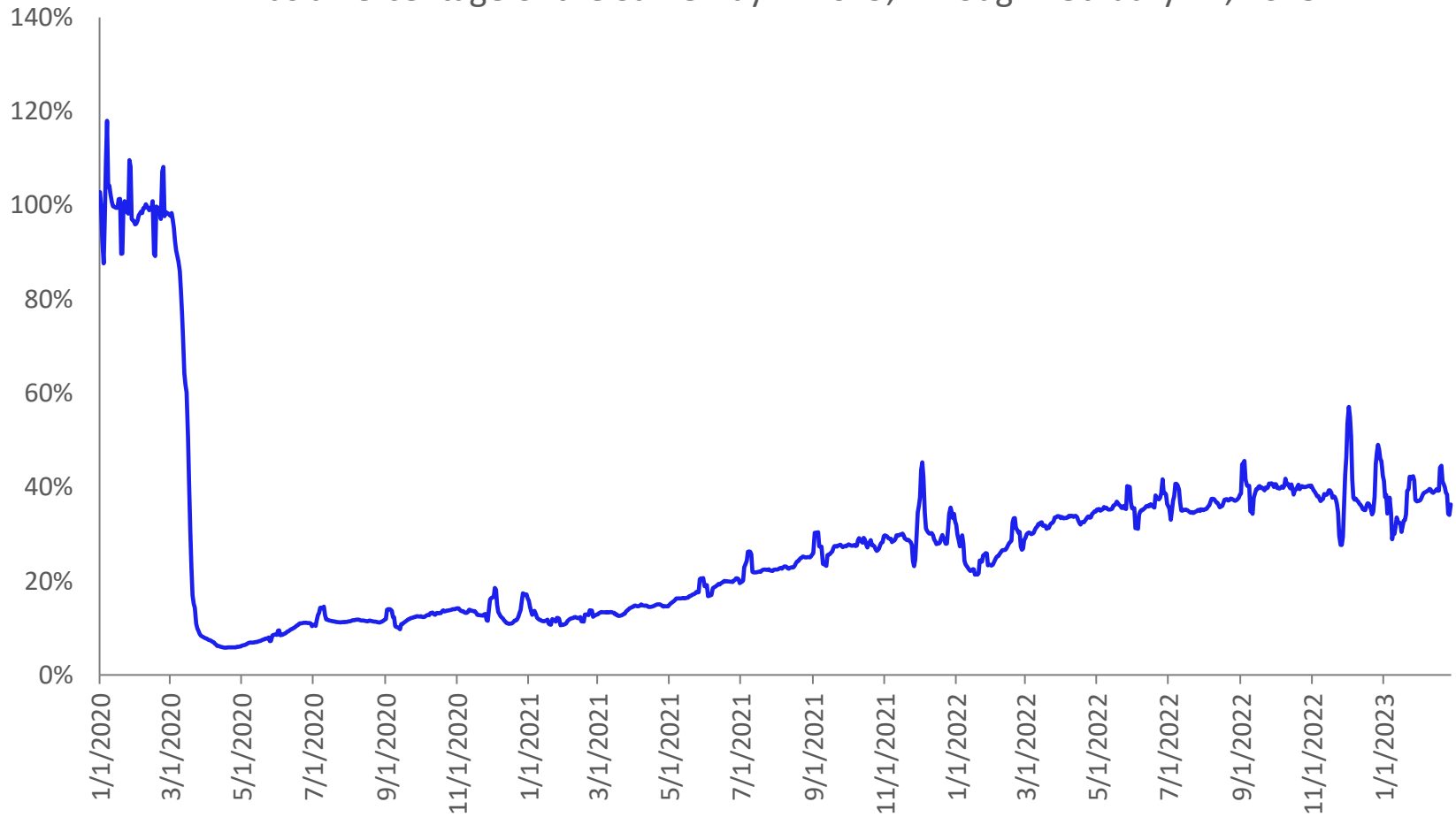


Source: BART

Systemwide BART Ridership Largely Flat

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System-Wide BART Ridership, 7-day Moving Average, as a Percentage of the Same Day in 2019, Through February 27, 2023

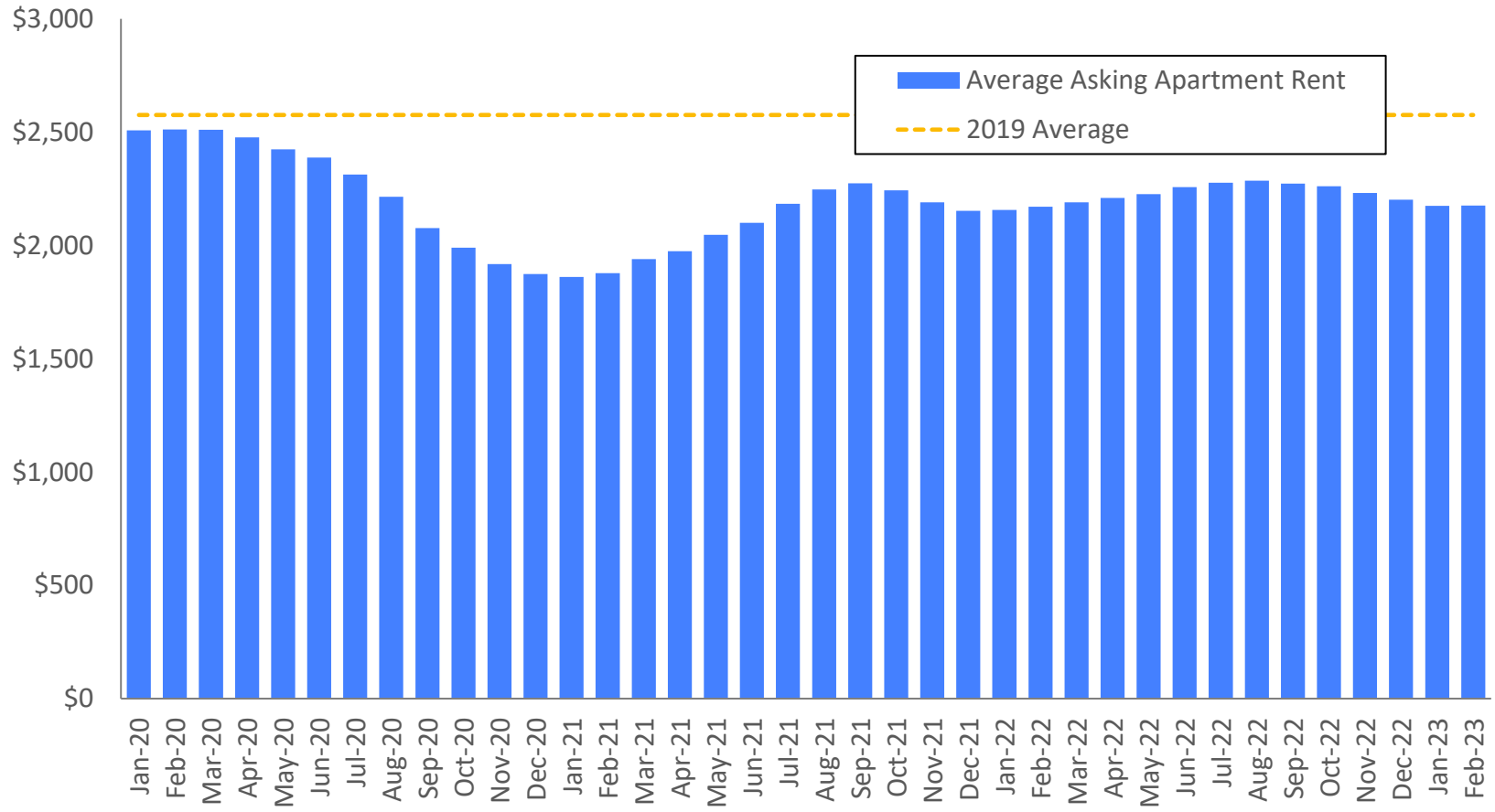


Source: BART

Apartment Rents Grew Very Slowly in February

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

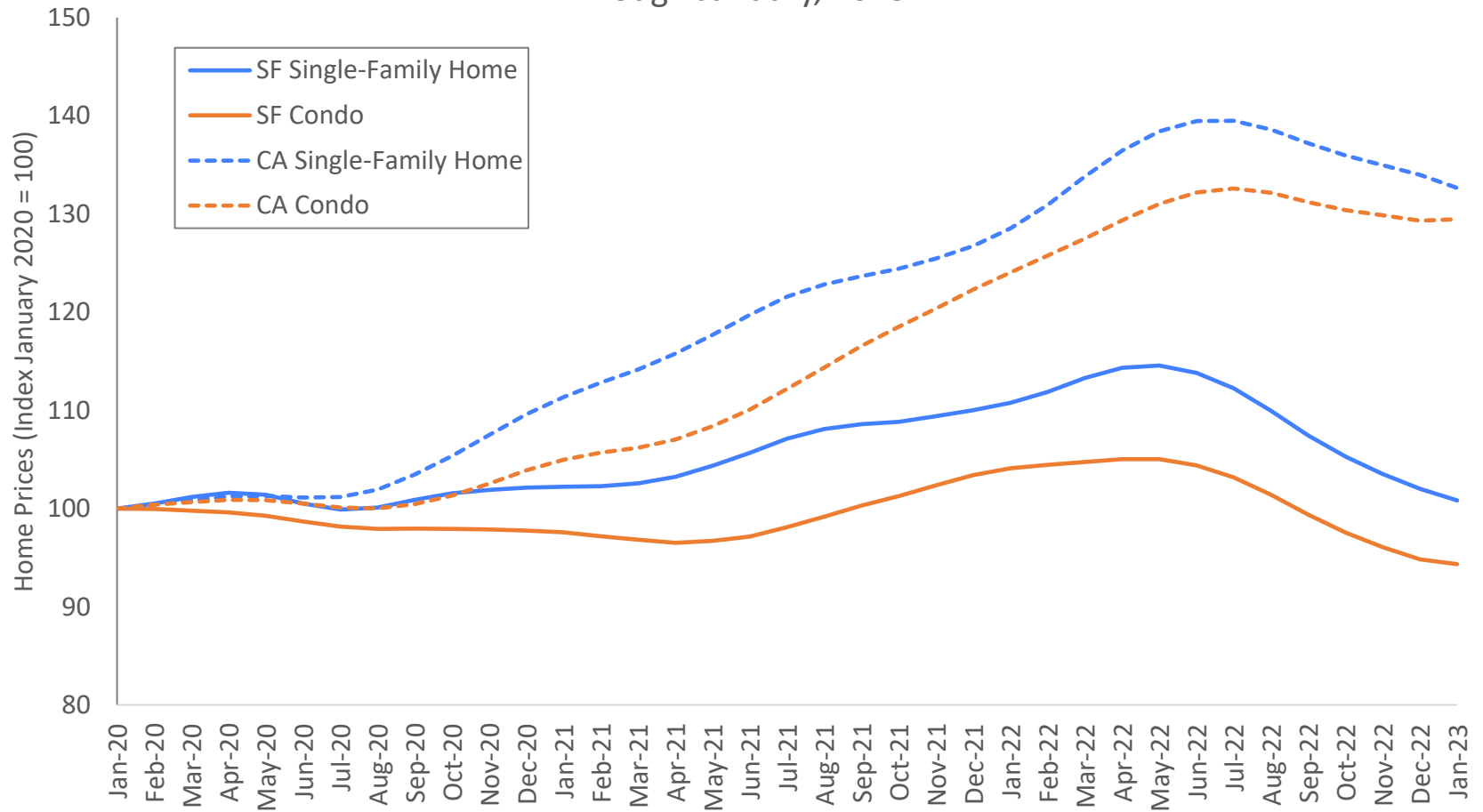


Source: Apartment List

SF Housing Prices Continue to Drop, But More Slowly

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

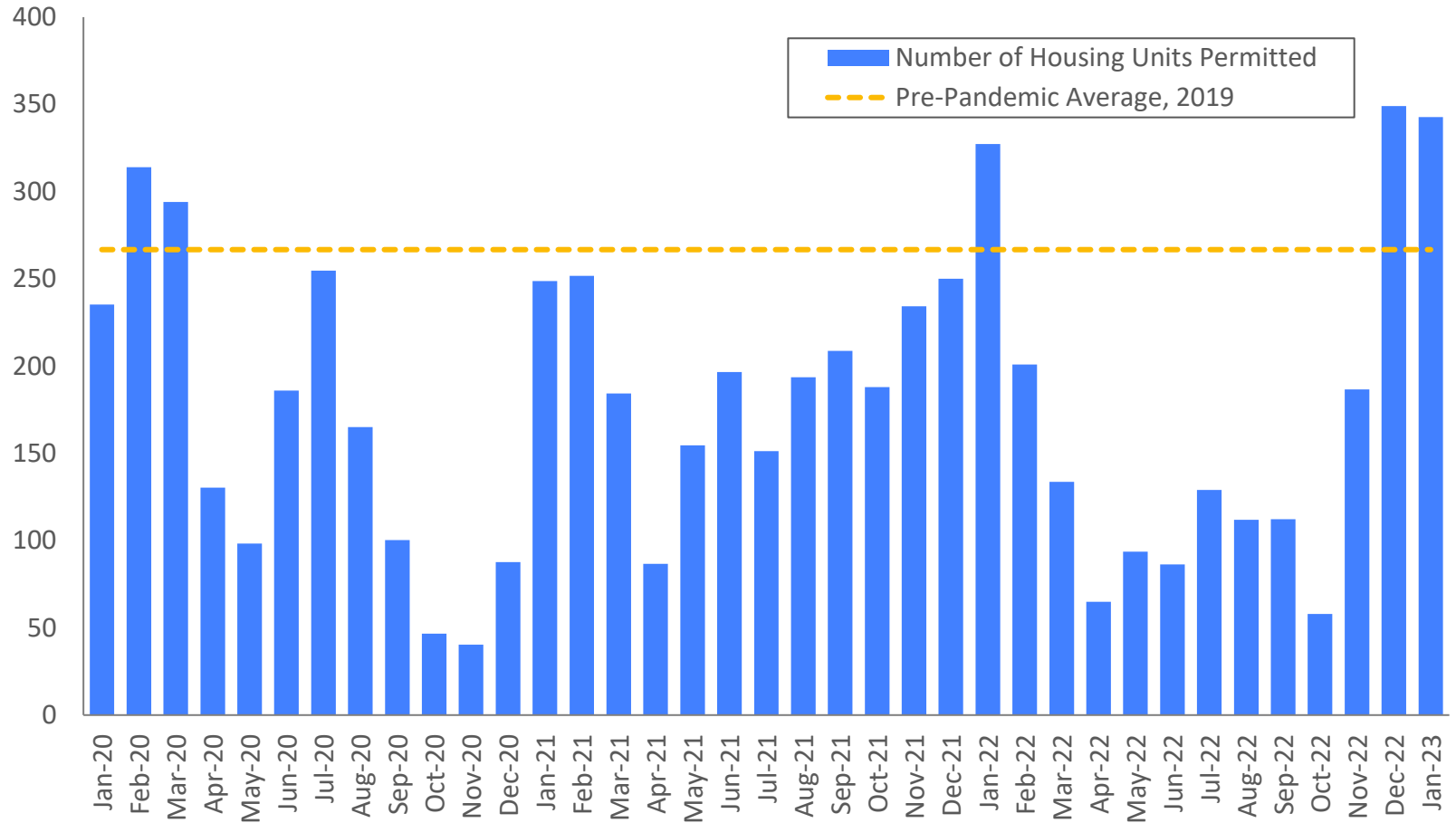


Source: Zillow

Strong End of Year Lifted Building Permits

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Number of Housing Units Permitted (3 Month Moving Average),
San Francisco, Through January 2023



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

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