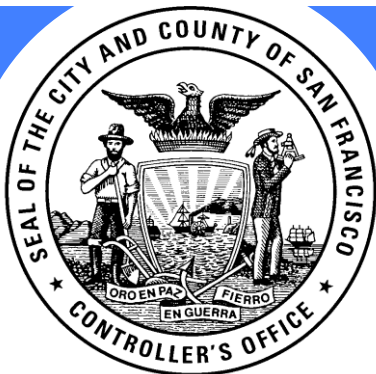


Status of the San Francisco Economy: September 2023



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Office of Economic Analysis

October 10, 2023

Highlights of the September Report

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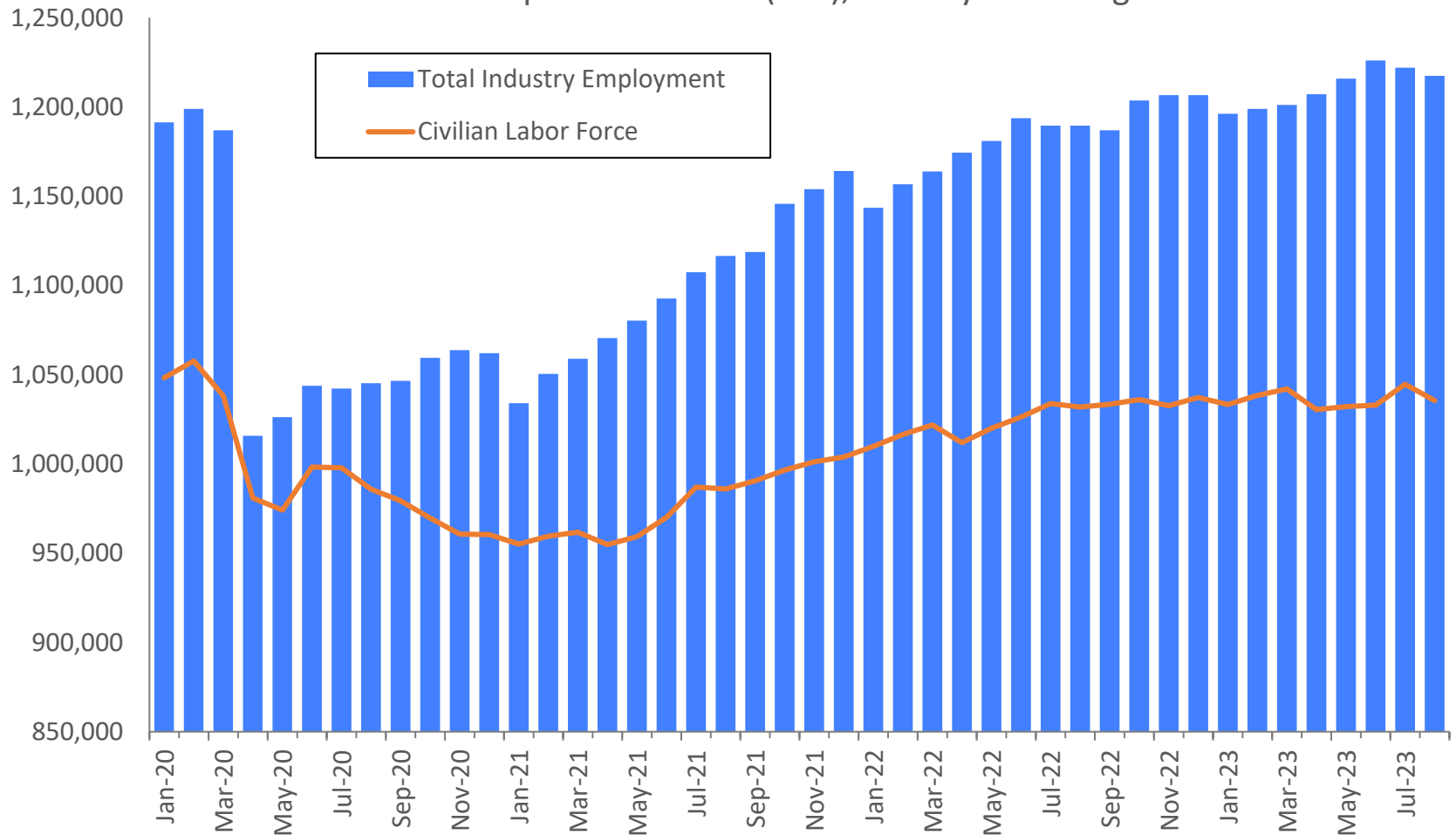
- The San Francisco Controller's Office has been tracking the city's economy with bi-monthly reports on various local economic indicators.
- The local job market softened in July and August. The San Francisco metro division lost 8,700 jobs in the two months. Unemployment rose to 3.6% in August, up from 3.3% in June, and 2.6% in August, 2022.
- Most major sectors in the metro division lost jobs over the two months, but losses were concentrated in Education & Health Services, Professional & Business Services, Information, and Government. Leisure & Hospitality and Other Services were the primary expanding sectors over the two months, though their growth was slower than in prior months.
- The city's office vacancy rate topped 30% in the third quarter, and there was little improvement in return-to-office indicators. Office attendance recovery declined slightly through August & September, though MUNI and BART ridership recovery showed some improvement from July to September.
- International air travel into San Francisco continues to recover, and was 97% of 2019 levels in August. Domestic recovery is stabilizing at around 85% of pre-pandemic levels.

List of Economic Indicators

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 Market Has Become Softer Over the Last Two Months

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

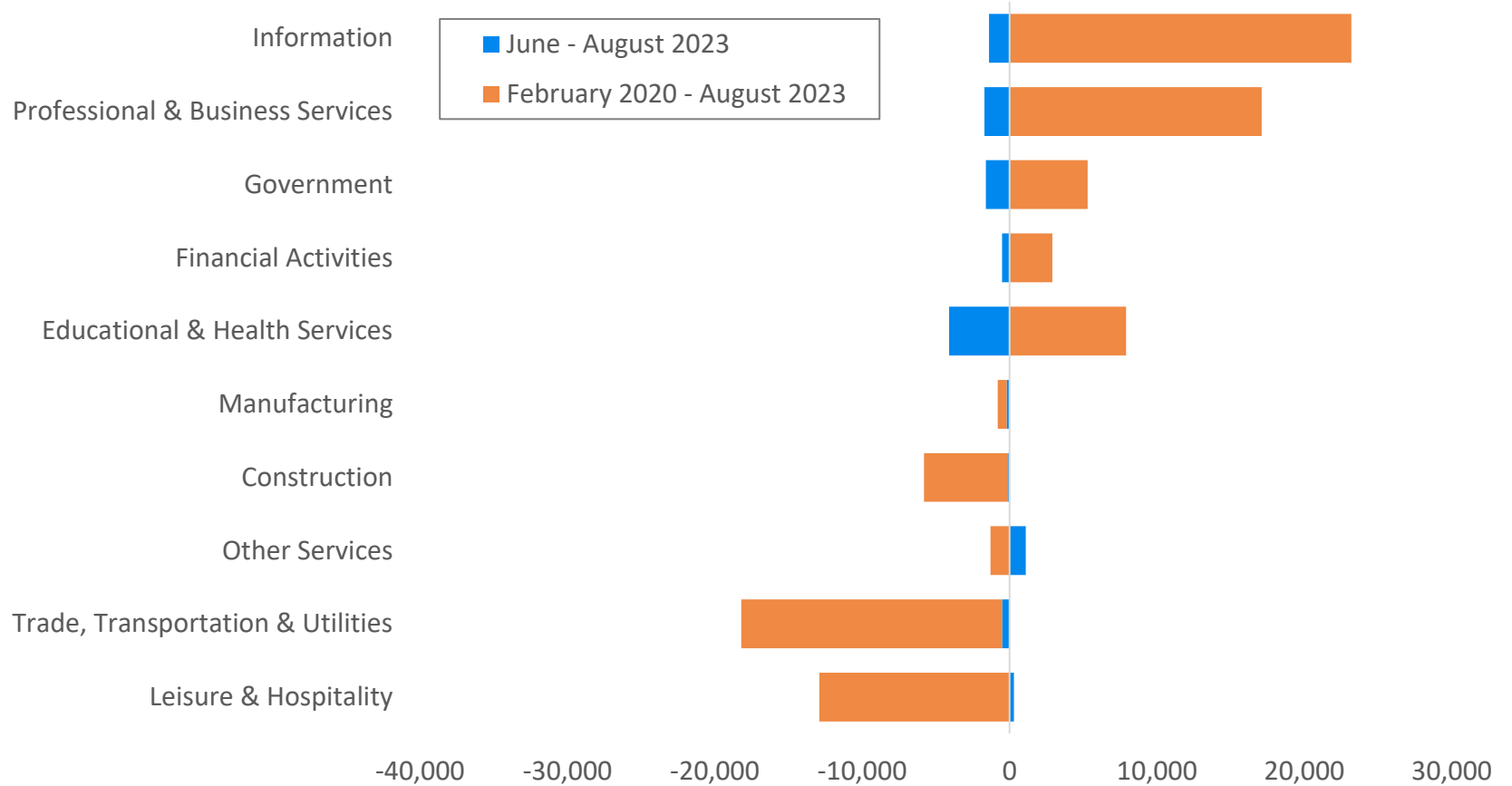


Source: EDD, SF Metro Division includes San Francisco and San Mateo counties.

Education & Health Led Job Losses From June to August

5

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

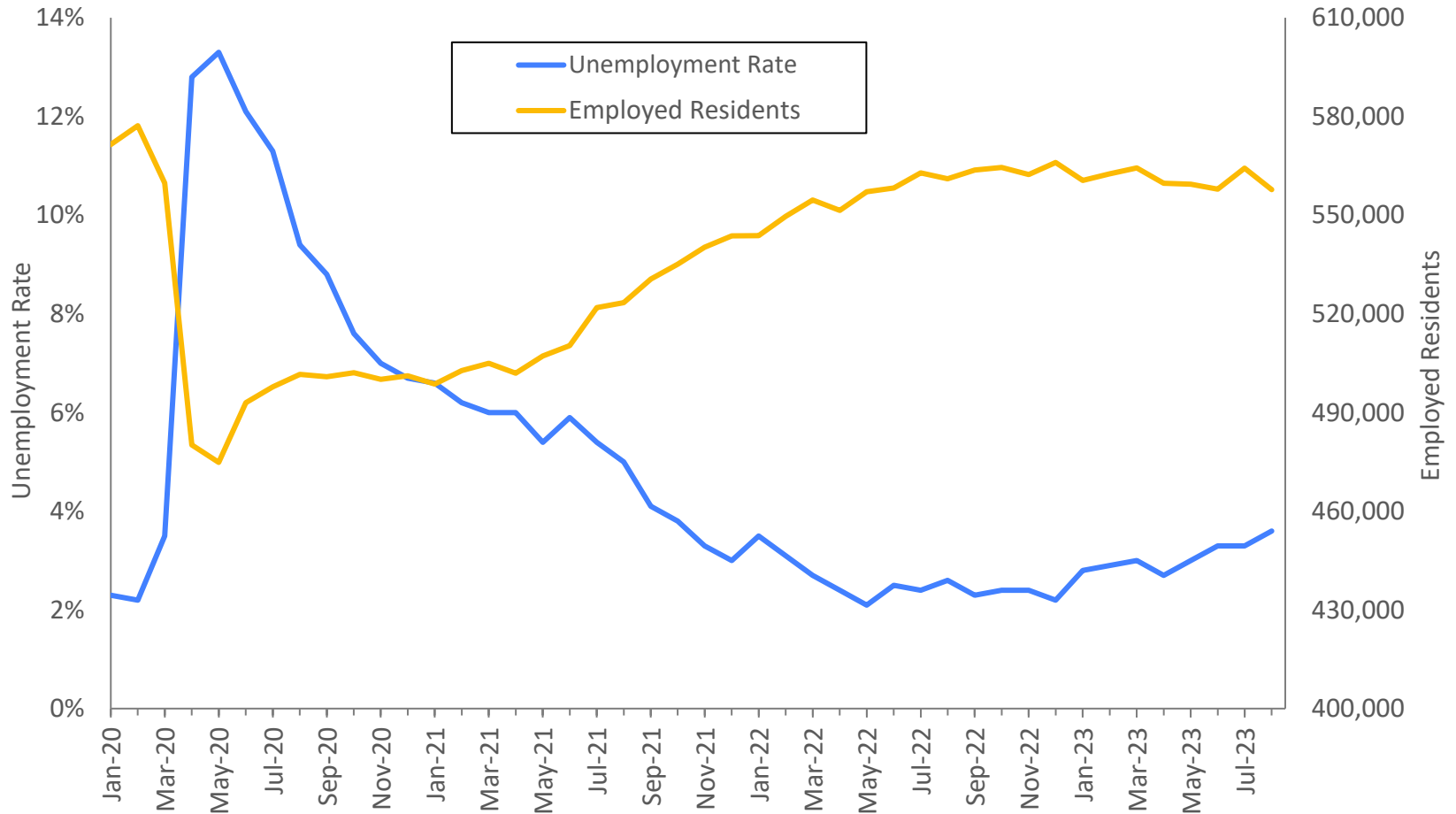


Source: EDD

The City's Unemployment Rate Rose to 3.6% in August

6

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

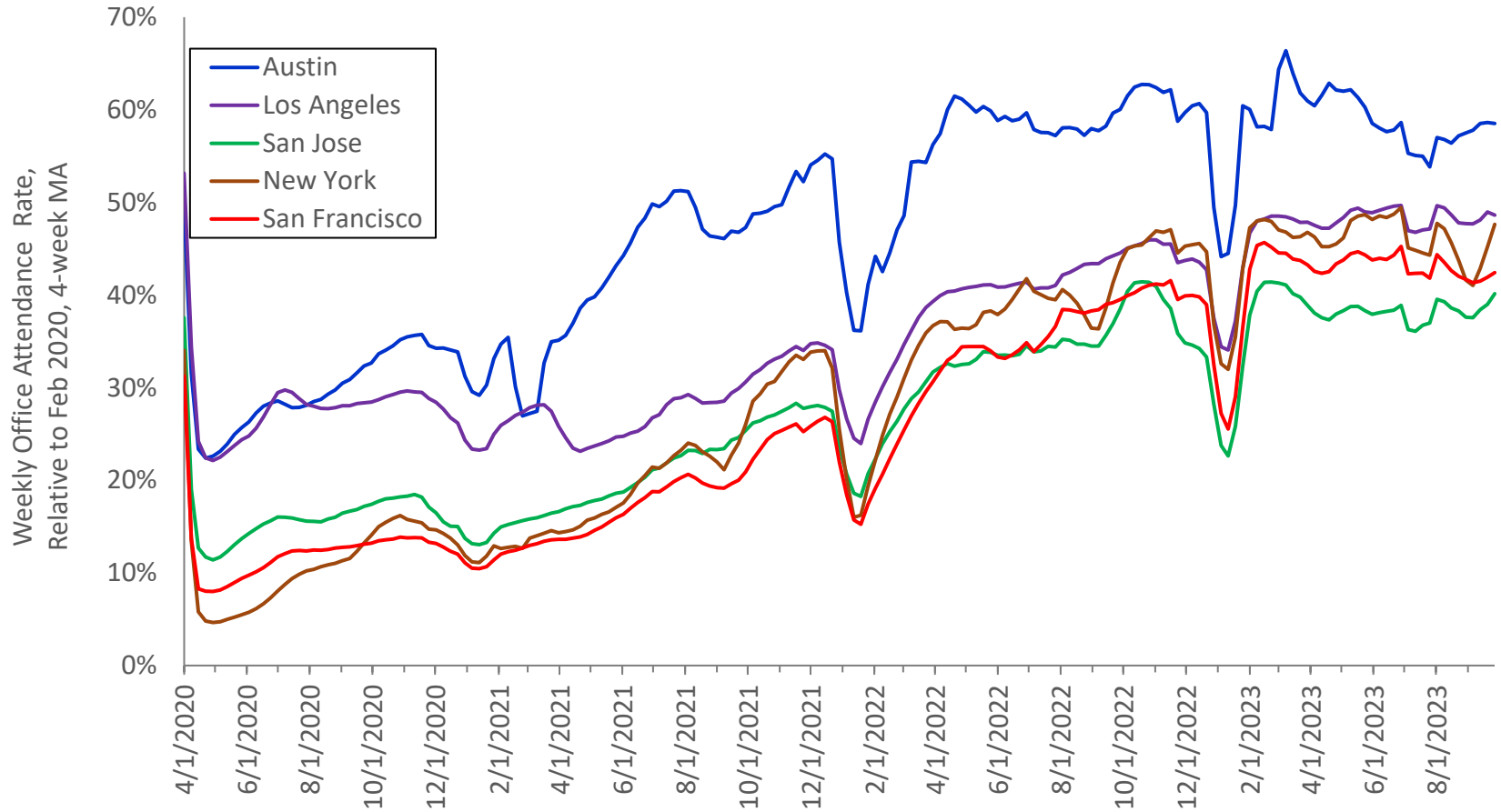


Source: EDD

SF Office Attendance Dipped Through August & September

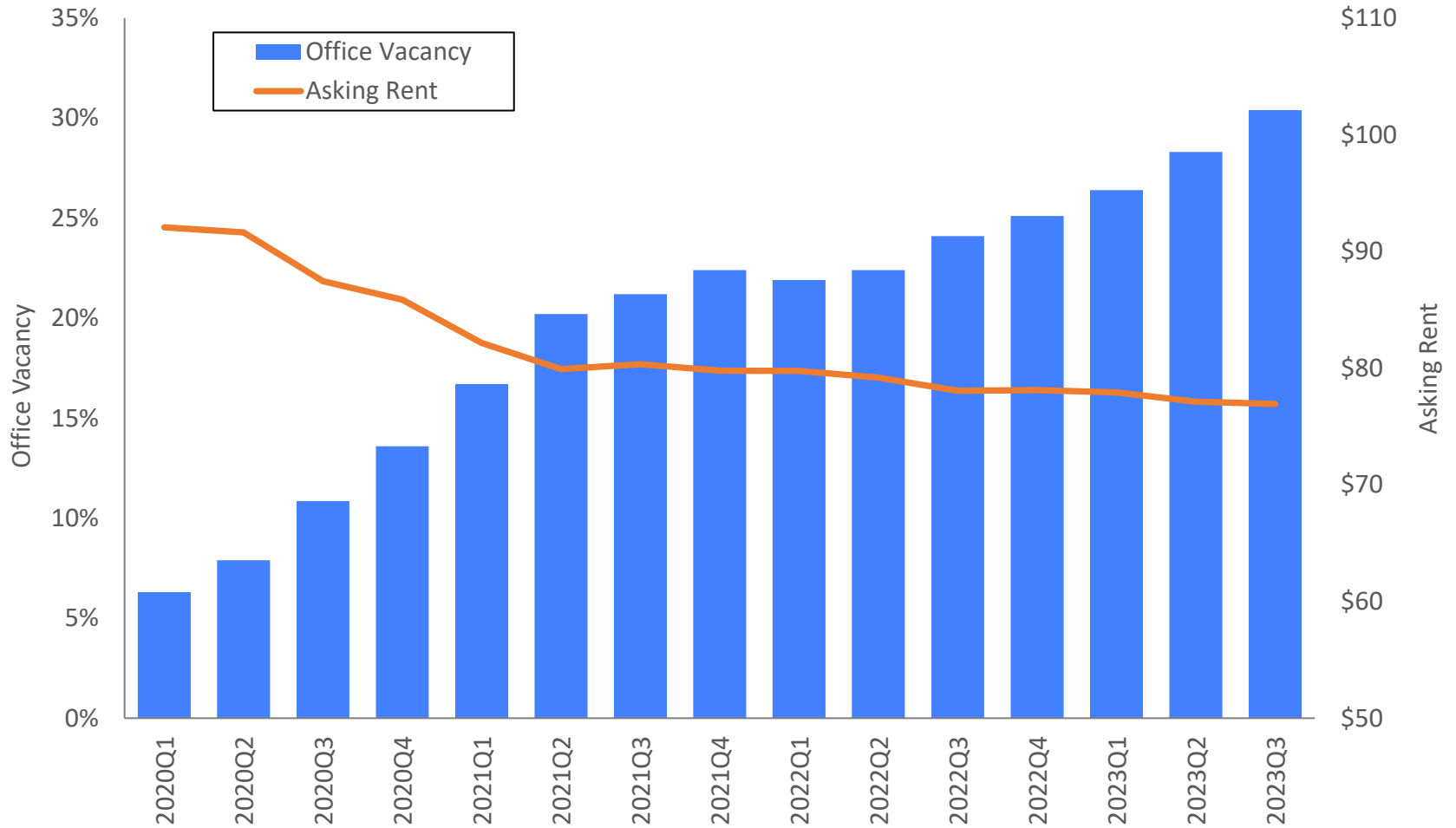
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Weekly Office Attendance in San Francisco and Other Selected Metros,
4-Week Moving Average, Through September 27, 2023



Office Vacancy Top 30% - Rents Remain Relatively Flat

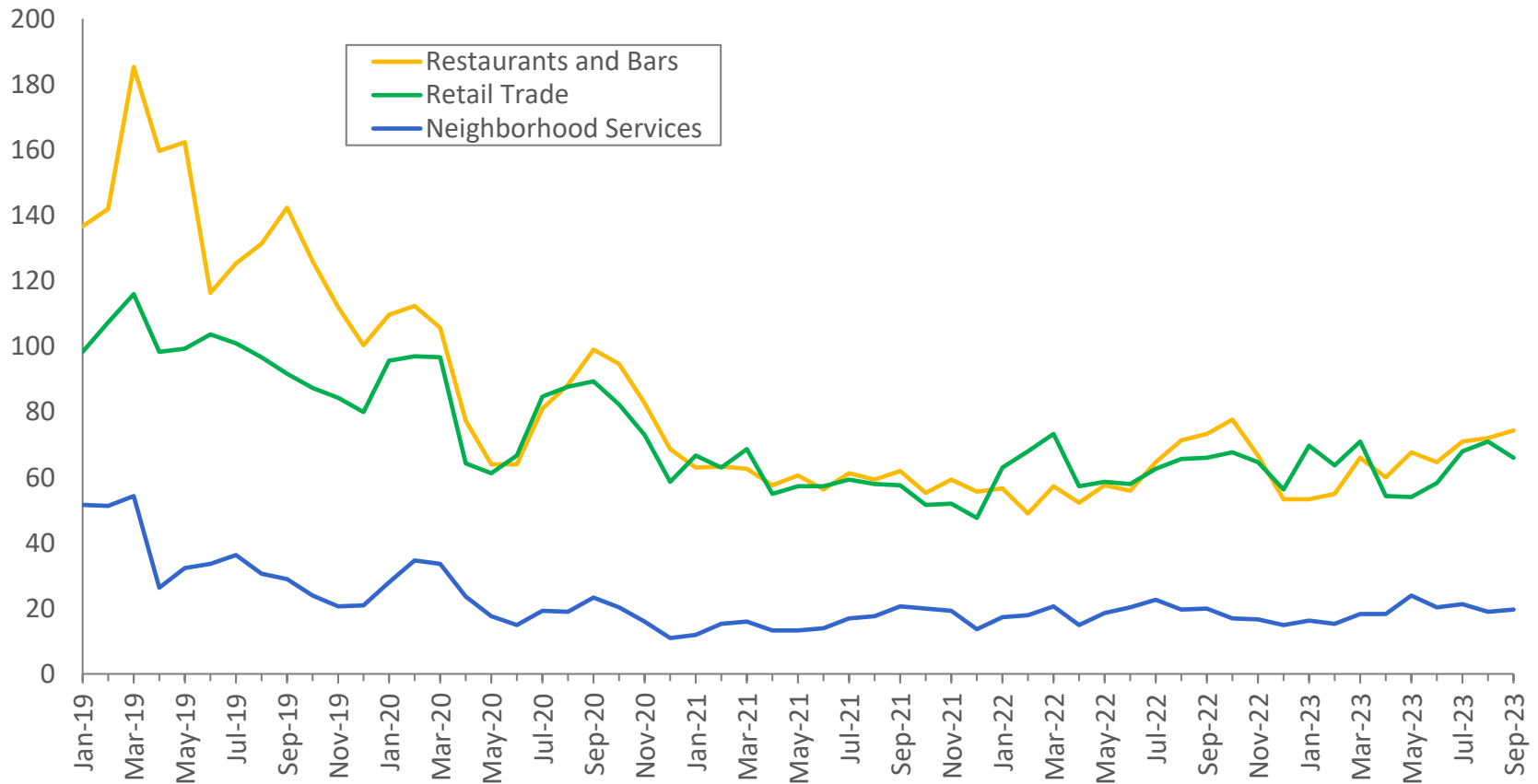
Office Vacancy and Asking Rent San Francisco, Through 2023Q3



Source: Jones Lang LaSalle (JLL)

Continuing Growth in New Restaurants; Retail Steady

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

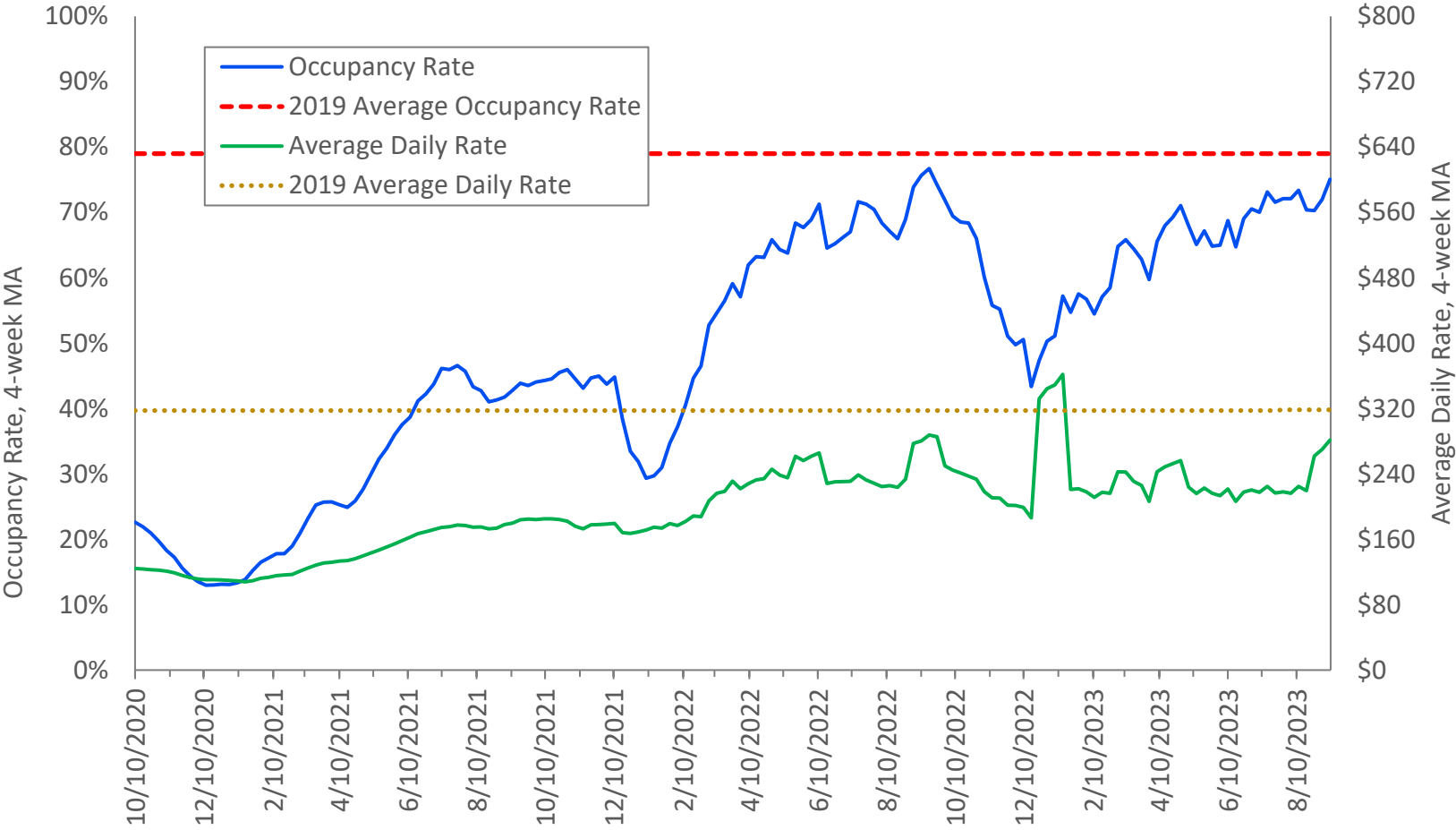


Source: Treasurer & Tax Collector, City and County of San Francisco

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)".

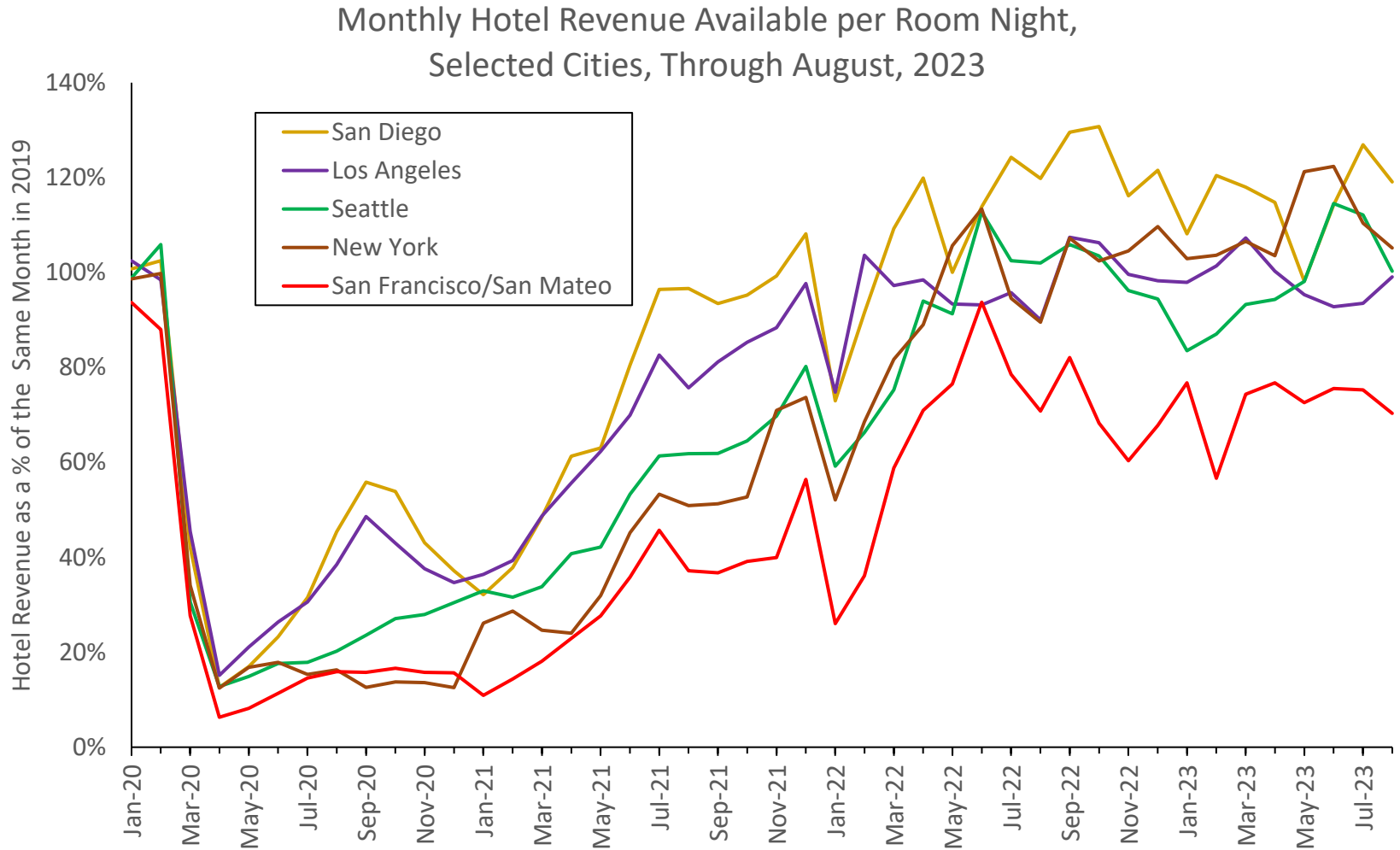
Brief Uplift in Hotel Rates During Dreamforce

Weekly San Francisco Hotel Occupancy Rate and Average Daily Room Rate, 4-week Moving Average, Through September 30, 2023



Source: STR

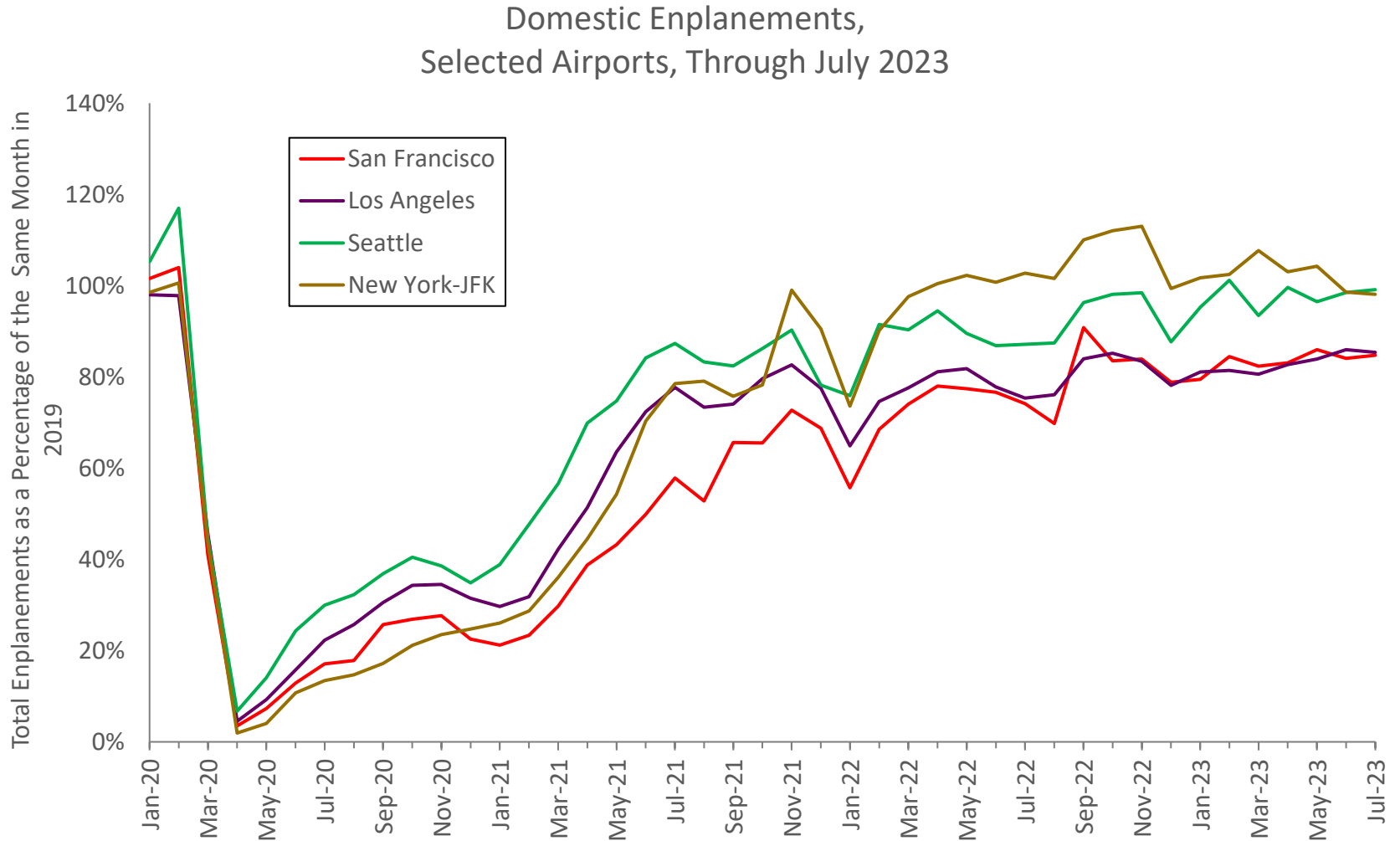
Hotel Revenue Recovery Slipped in August



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

SFO Domestic Travel Steady at 85% of Pre-Pandemic Level

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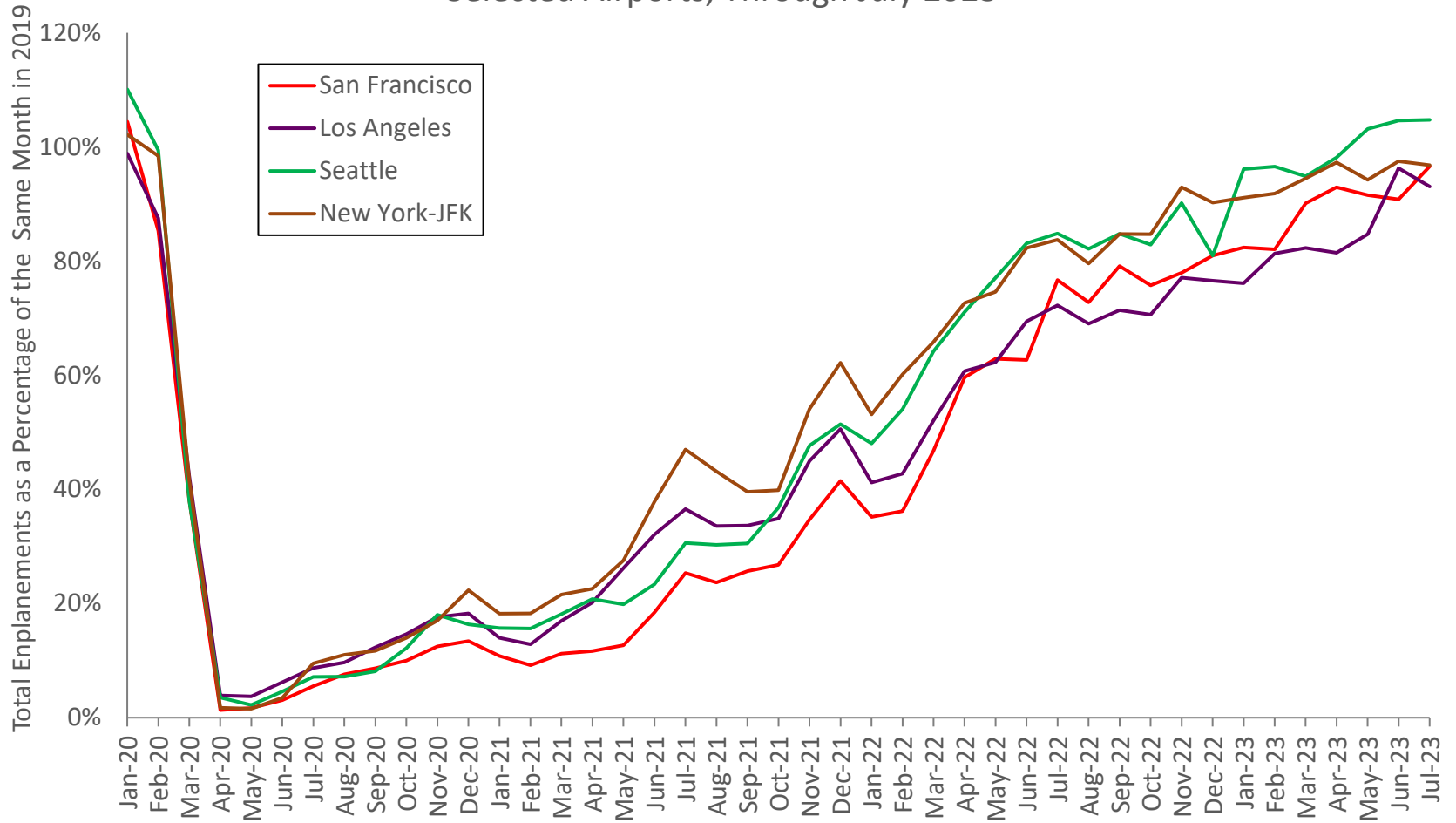


Source: Individual airports

While International Recovery Has Risen to 97% of Normal

13

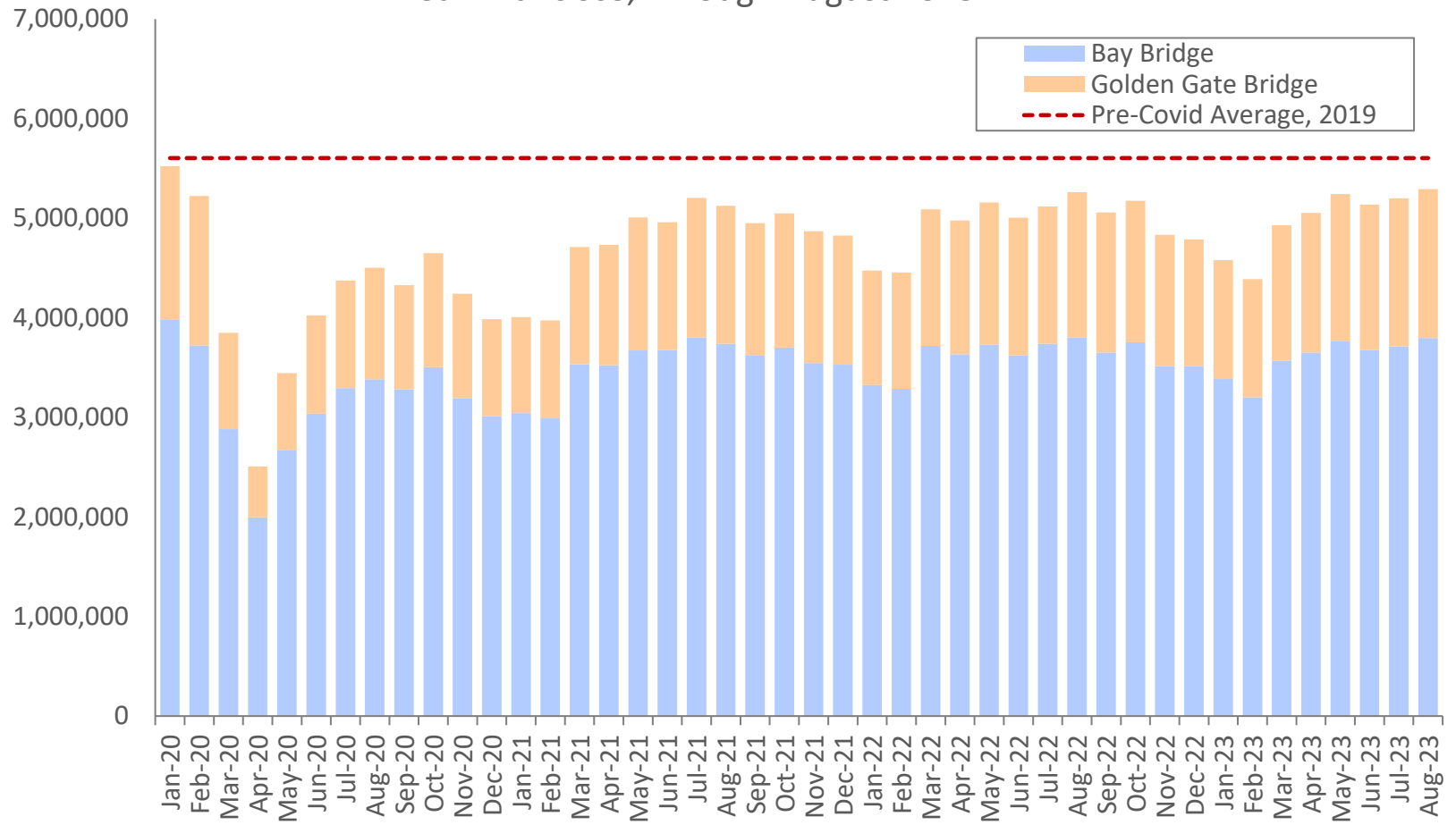
International Enplanements as % of 2019,
Selected Airports, Through July 2023



Source: Individual airports

Bridge Crossings At Highest Level Since February 2020

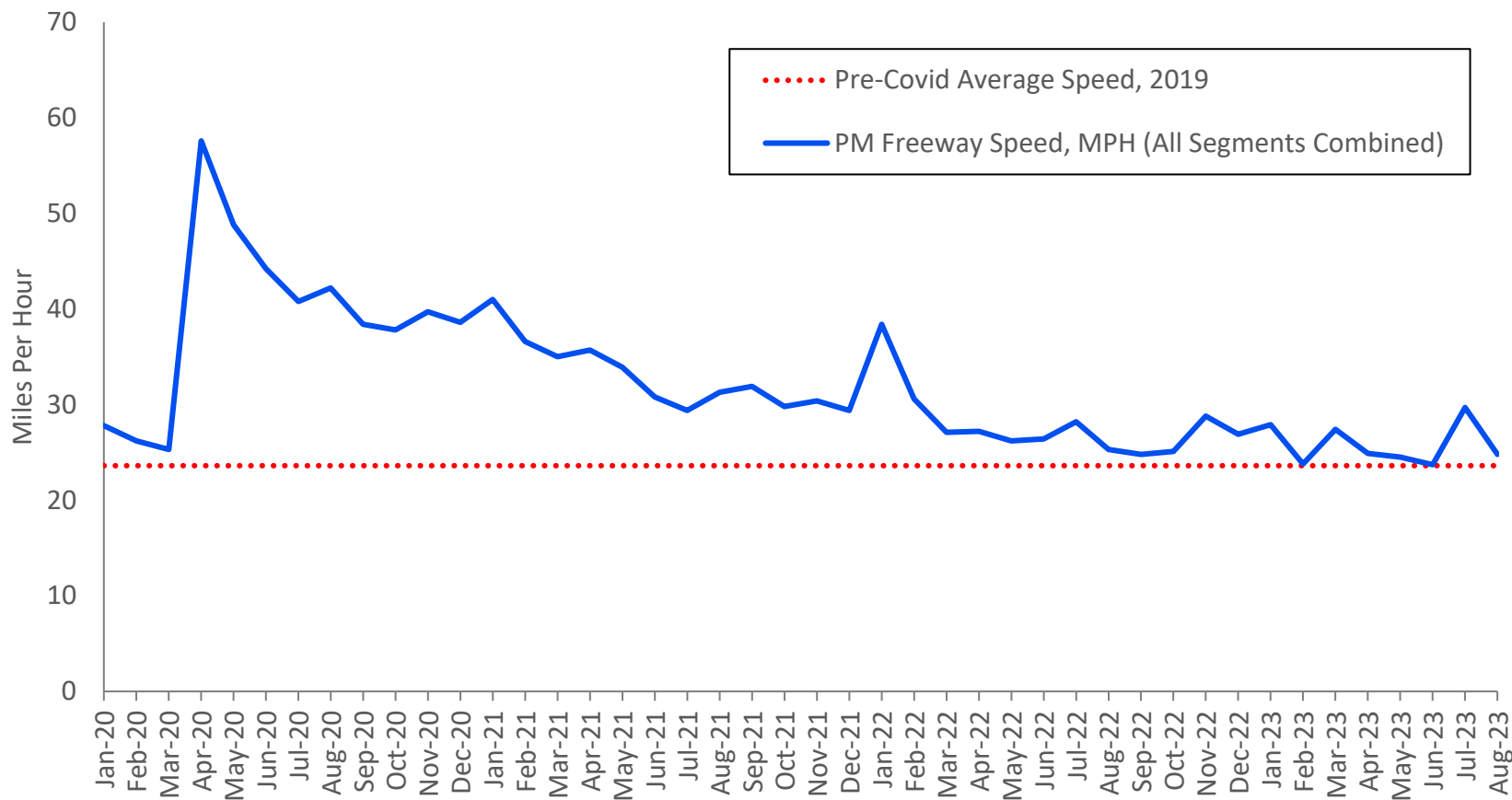
Bay Bridge and Golden Gate Bridge Monthly Traffic Volume, San Francisco, Through August 2023



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

PM Freeway Speeds in the City Near Pre-Covid Levels

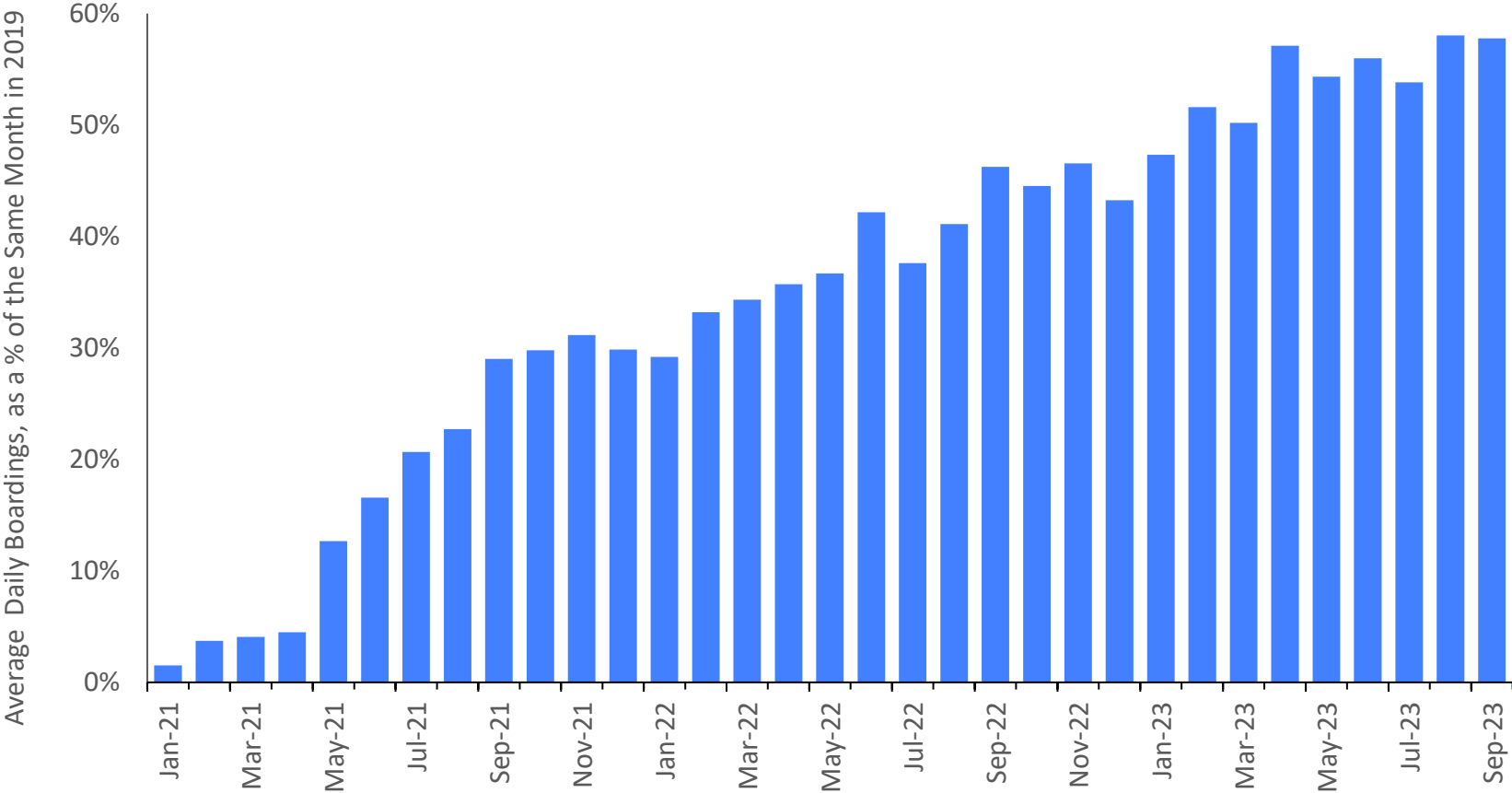
Average Monthly PM Freeway Speed in San Francisco, Through August, 2023



Source: SF County Transportation Authority

Muni Metro Ridership Rose from July through September

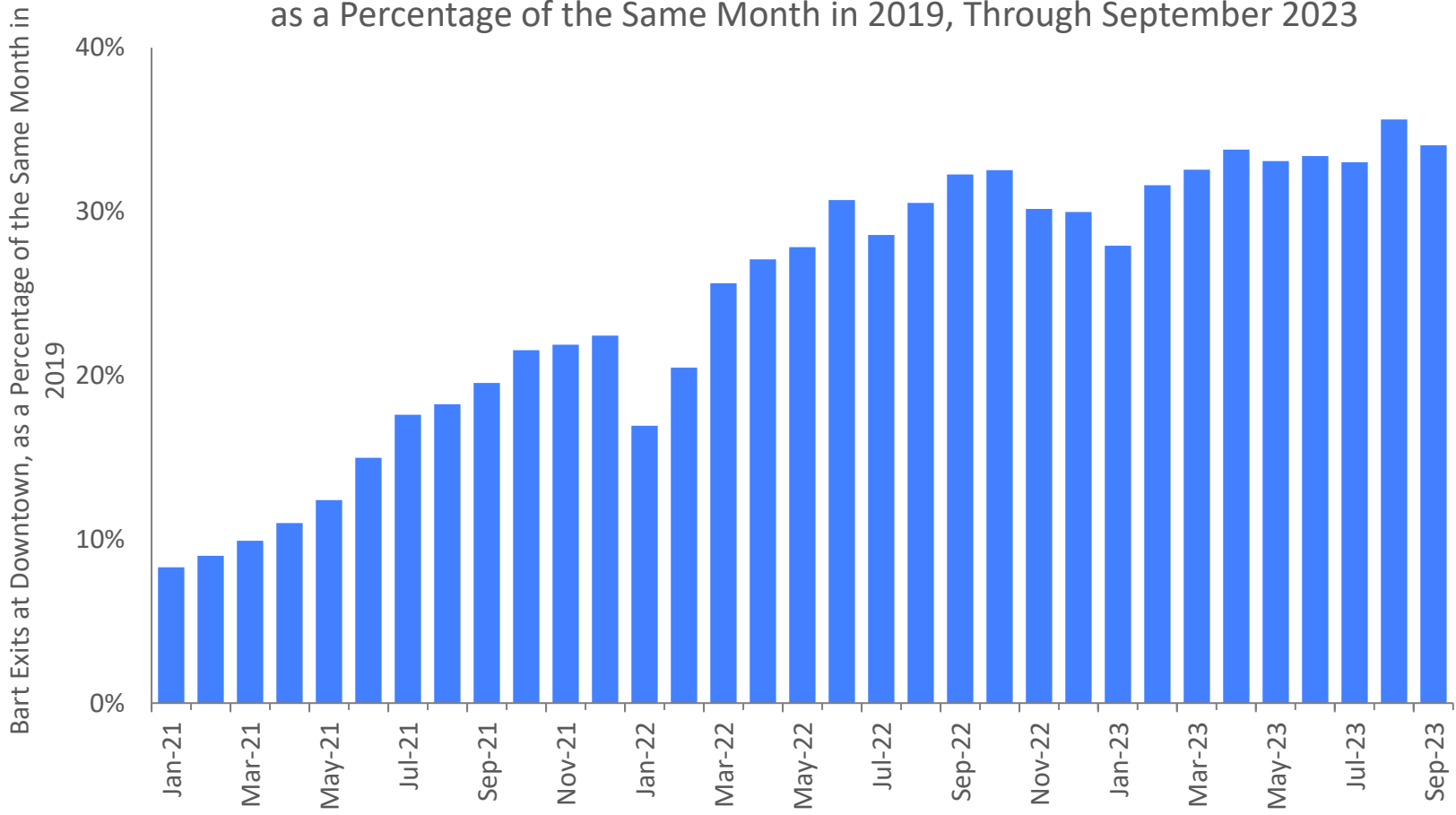
Average Daily Boardings, Muni Metro (Subway),
as a Percentage of the Same Month in 2019,
San Francisco, Through September 2023



Source: SFMTA

BART Dipped in September, After Strong August

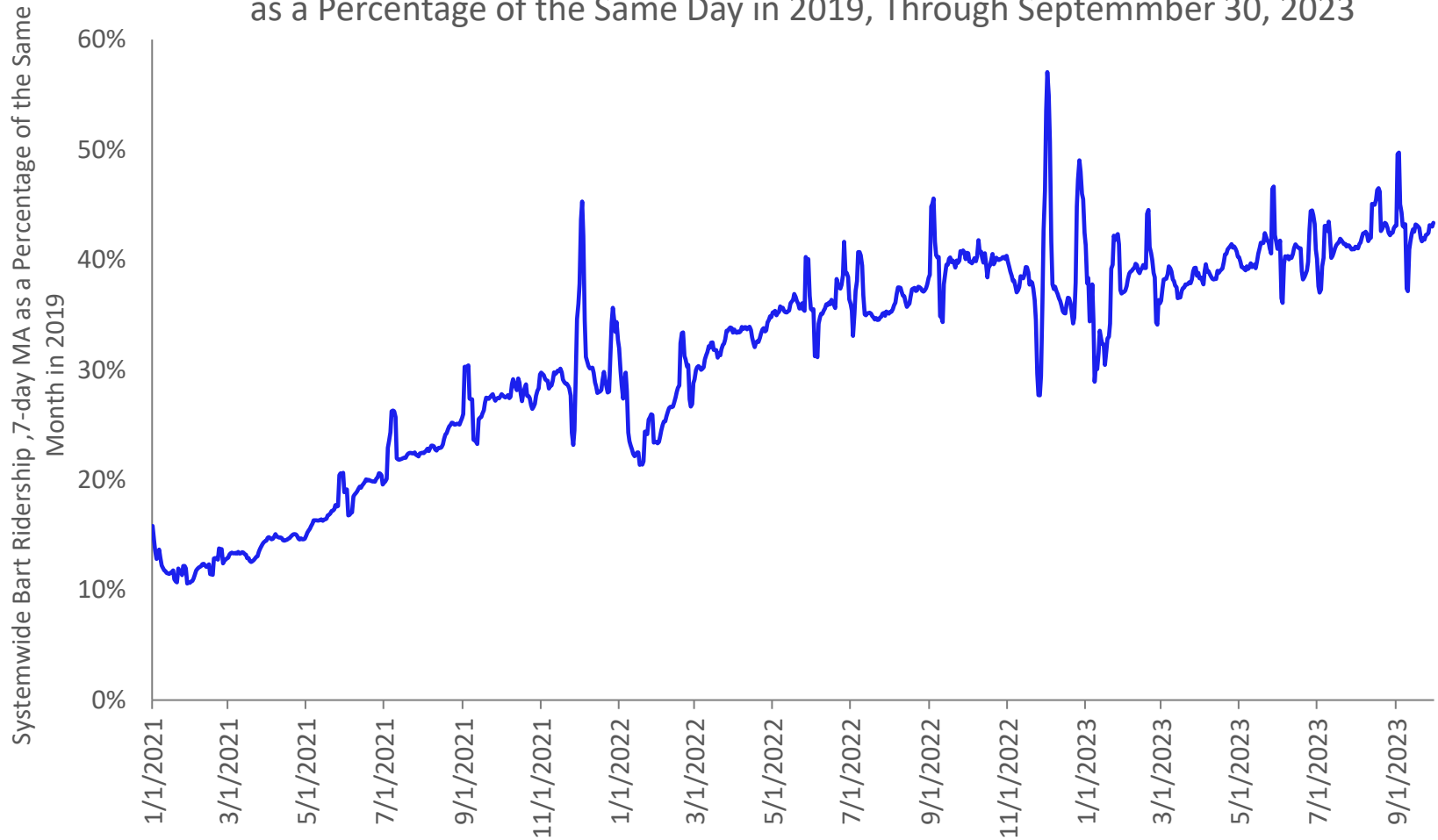
BART Exits At Downtown San Francisco Stations, as a Percentage of the Same Month in 2019, Through September 2023



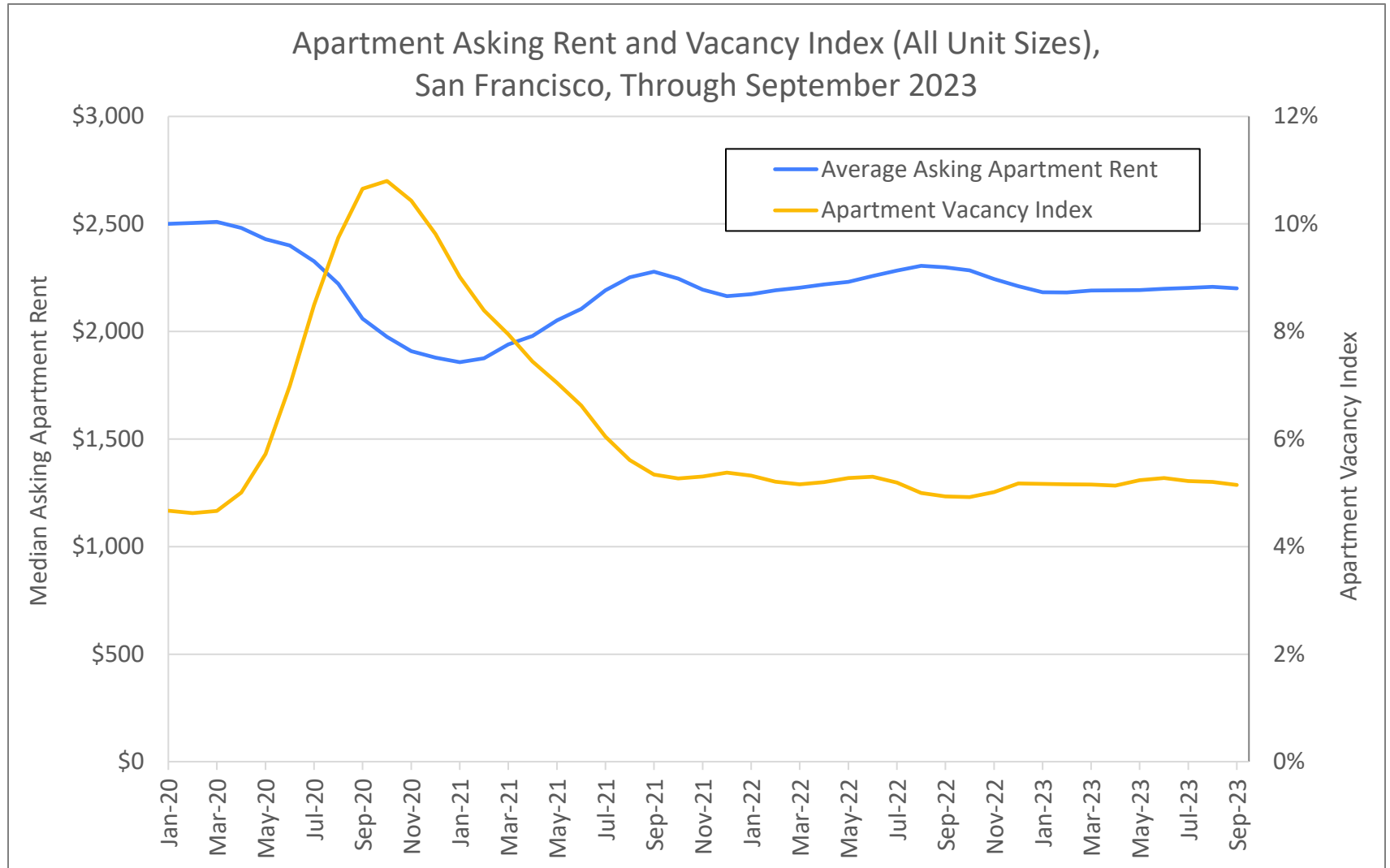
Source: BART

Systemwide BART Ridership Recovery Saw Slow Growth

System-Wide BART Ridership, 7-day Moving Average, as a Percentage of the Same Day in 2019, Through September 30, 2023



Apartment Rents Remained Flat Through September

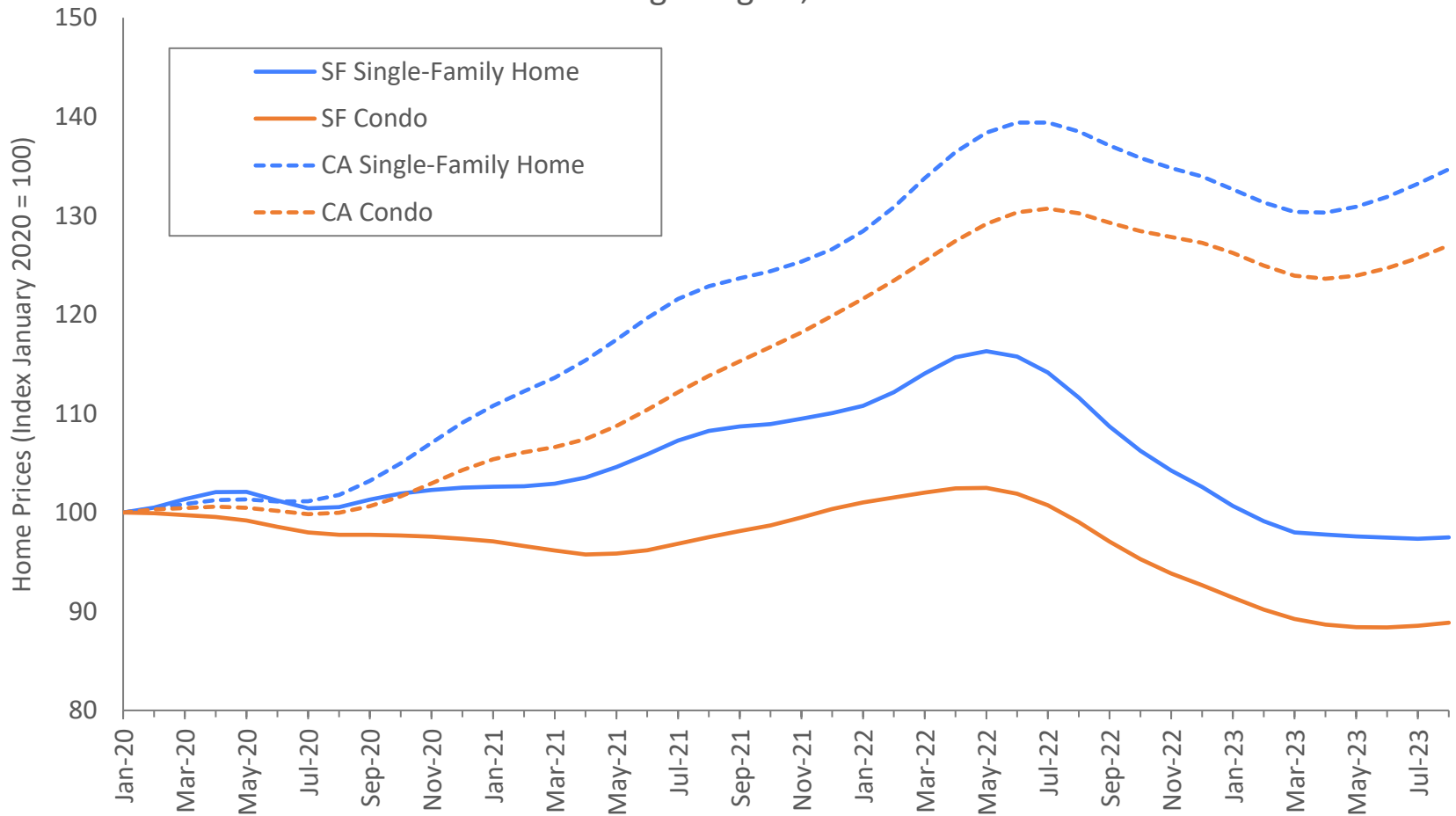


Source: Apartment List

Local Housing Prices Fairly Flat – Statewide Prices Recovering

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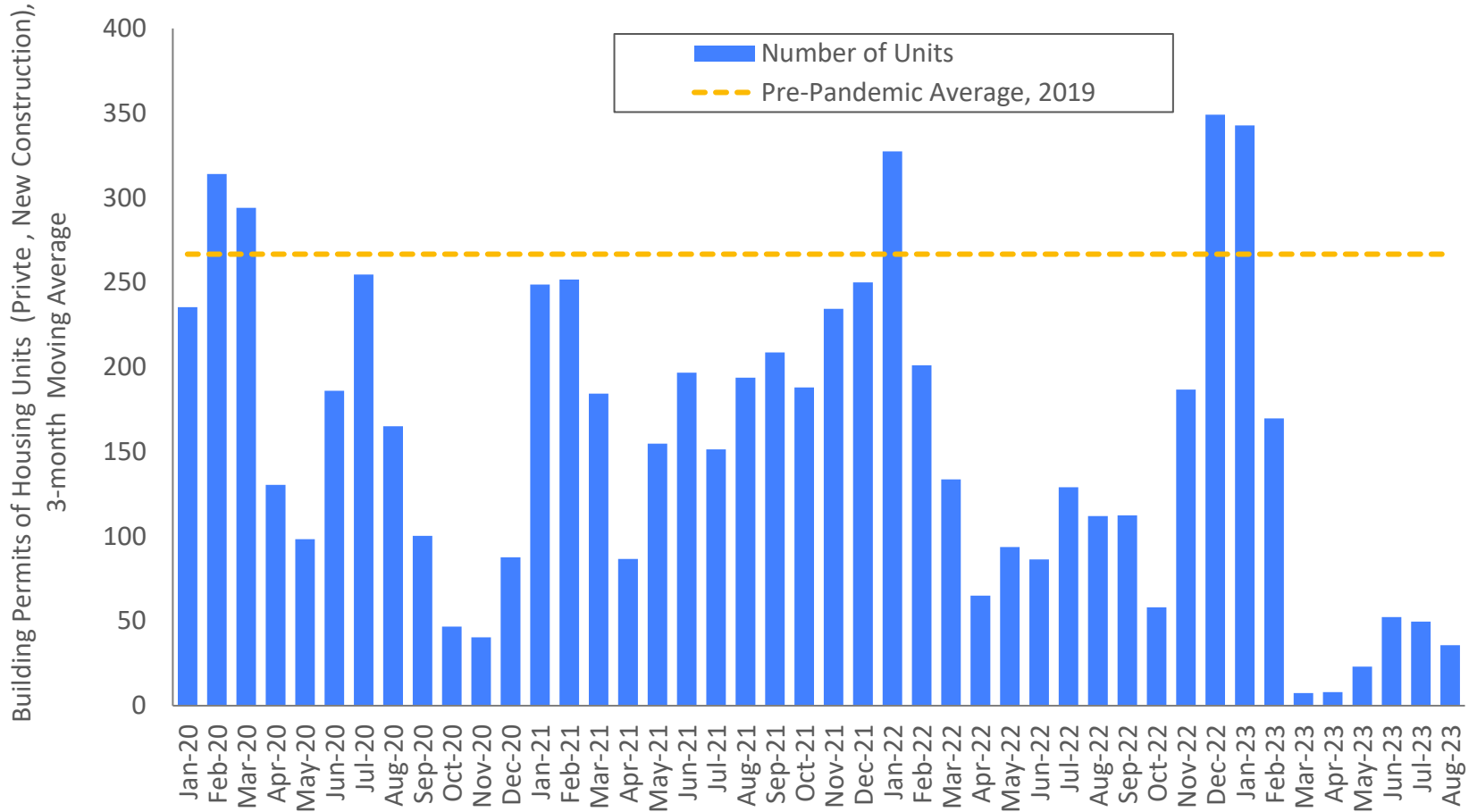
Condo and Single-Family Home Prices in San Francisco and California, Through August, 2023



Source: Zillow

Housing Permit Activity Remains Low

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



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

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