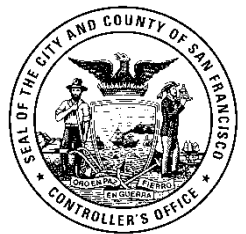


City and County of San Francisco

Office of the Controller – Office of Economic Analysis

ECONOMIC BAROMETER

October 2010



December 17, 2010

CONTROLLER'S OFFICE
Office of Economic Analysis (OEA)

The Office of Economic Analysis identifies and reports on all legislation introduced at the Board of Supervisors that might have a material economic impact on the City. It analyzes the likely impacts of legislation on business attraction and retention, job creation, tax and fee revenues to the City, and other matters relating to the overall economic health of the City and reports its findings to the Board of Supervisors.

About the Economic Barometer:

The purpose of the Economic Barometer is to provide the public, elected officials, and City staff with a current snapshot of San Francisco economic indicators. The Economic Barometer reviews major sectors of the City's economy, including tourism, real estate, retail sales, as well general economy-wide employment indicators.

This is a recurring bi-monthly report. The December 2010 report is scheduled to be issued in February 2011.

Program Team:

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Prior editions can be downloaded from the OEA's website: www.sfgov.org/controller/oea

If you would like to receive this report every month, please e-mail your request to Debbie Toy in the Controller's Office: debbie.toy@sfgov.org

Economic Barometer – October 2010

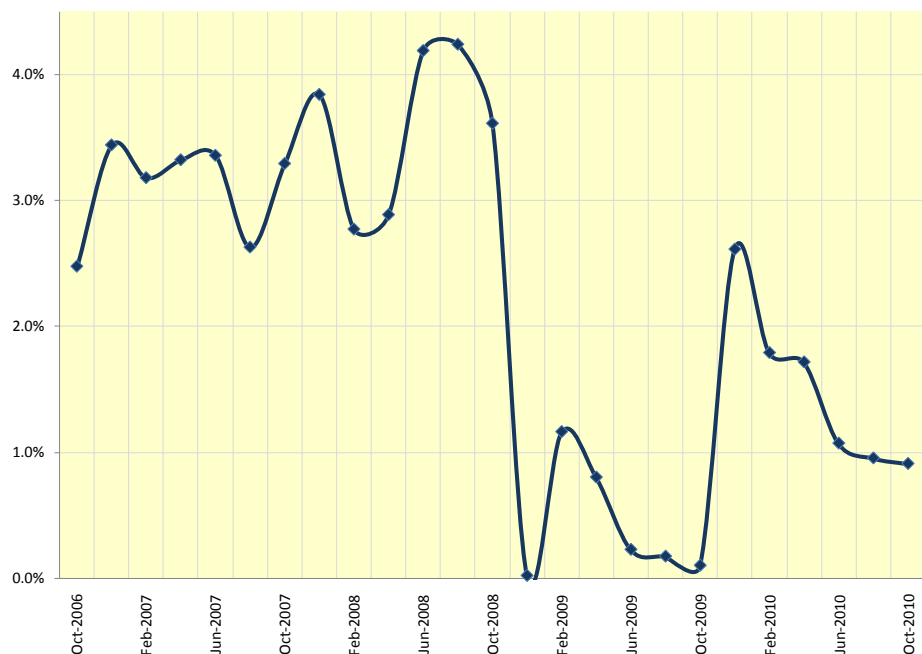
The following includes a discussion of the October 2010 Economic Barometer highlights:

- The October unemployment rate in San Francisco was 9.3%, unchanged from the prior month, and down from 9.6% a year ago.
- After declining for three months, overall employment in the 3-County Metro Division has increased modestly in each of the past two months, on a seasonally adjusted basis.
- Housing prices in San Francisco have been inconsistent. Average prices fluctuate month-to-month, but remain virtually unchanged from the year-end 2009 average of \$650,000.
- In contrast to for-sale housing, apartment market conditions have improved steadily in 2010. Average asking rents have increased 11% compared to a year ago. However, rental rates are still about 10% below their peak in September, 2008.
- Domestic and international airport traffic at SFO continues to strengthen with both indicators showing healthy monthly and annual increases in October.
- The hotel average daily rate declined in October, while occupancy levels posted a modest increase. In October, Revenue per available room night was 3.0% lower than it was in October 2009. RevPAR had been showing annual growth for most of 2010.
- Retail traffic indicators-City parking garage use and Saturday BART visitors to Powell Street-are still at or near their low points of the recession.

Exhibit 1

**Annual Change in San Francisco Bay Area
Consumer Price Index (CPI-U): October 2006-2010**

Exhibit 1 shows the annual change in CPI for the past four years. After hovering at about 3% through mid-2008, the annual change in CPI peaked above 4% two years ago, before falling below 1% for most of 2009. For the past six months, the annual change in CPI has held at about 1%.



Source: U.S. Department of Labor, Bureau of Labor Statistics.

City and County of San Francisco
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Economic Barometer - October 2010



Economic Sector/ Indicator	Most Recent Month/ Quarter	Value	Adjusted Recent Change ^a	Year-to-Year Change ^b	Five-Year Position ^c	Trend ^d
Economy-Wide						
San Francisco Unemployment Rate ^{1,e}	Oct-10	9.3%	0.0%	-0.3%	Weak	Neutral
Number of Unemployed in San Francisco ¹	Oct-10	42,500	100	-1,400	Weak	Neutral
Consumer Price Index, San Francisco MSA ²	Oct-10	228.1	-0.1%	0.9%	Strong	Positive
County Adult Assistance Program Caseload ³	Oct-10	7,519	-0.7%	-1.0%	Neutral	Positive
Total Employment, San Francisco MD ¹	Oct-10	918,300	0.0%	-1.6%	Weak	Neutral
Temporary Employment, San Francisco MD ^{1,f}	Oct-10	14,700	2.5%	5.0%	Weak	Positive
Real Estate						
Median Home Sales Price ⁴	Oct-10	\$652,000	2.8%	-5.5%	Weak	Neutral
Average 1BR Asking Rent ⁵	Oct-10	\$2,041	5.4%	11.1%	Neutral	Positive
Tourism						
Domestic Air Passengers ⁶	Oct-10	2,706,202	1.0%	6.0%	Strong	Positive
International Air Passengers ⁶	Oct-10	771,723	0.8%	12.3%	Strong	Positive
Hotel Average Daily Rate ⁷	Oct-10	\$194.35	-3.3%	-2.3%	Strong	Neutral
Hotel Occupancy Rate ⁷	Oct-10	88.3%	0.4%	0.9%	Strong	Positive
Retail						
Average Daily Parking Garage Customers ⁸	Oct-10	10,153	0.0%	-1.8%	Weak	Negative
Powell St. BART Average Saturday Exits ⁹	Oct-10	23,313	-1.4%	-16.4%	Neutral	Negative

Notes:

- [a] - Adjusted recent change is a seasonally-adjusted percentage change to the most recent month or quarter from the prior one.
[b] - Year-to-Year change is the percentage change from a given month or quarter to the same one last year.
[c] - Five-year position is a relative measure of how strong or weak the indicator is compared to the average over the last five years.
[d] - Trend is a relative measure of the indicator's recent performance.
[e] - Unemployment rate change is shown as a percentage point difference, not a percentage change.
[f] - Temporary employment refers to employment in the "Employment Services" industry.

Sources:

- [1] - California Employment Development Department. MD refers to the San Francisco Metropolitan Division: San Francisco, Marin, & San Mateo counties.
[2] - US Department of Labor, Bureau of Labor Statistics. CPI-U (all urban consumers) is reported for the San Francisco-Oakland-San Jose MSA.
[3] - San Francisco Human Services Agency (HSA)
[4] - MDA DataQuick Information Systems
[5] - Craigslist
[6] - San Francisco International Airport
[7] - Colliers PKF Consulting
[8] - San Francisco Municipal Transportation Agency (MTA). Parking garages include Union Square, Fifth-Mission, Sutter-Stockton, and Ellis-O'Farrell.
[9] - Bay Area Rapid Transit (BART)