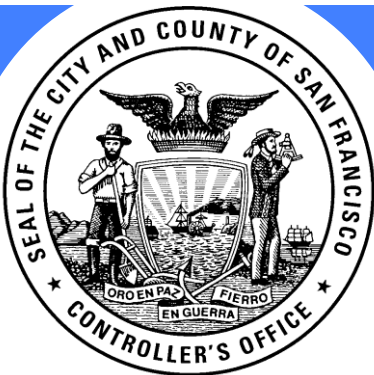


Status of the Re-Opening of the San Francisco Economy: July 2022



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Office of Economic Analysis

July 29, 2022

Highlights of the July 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 economic indicators.
- The city's labor market remains very tight, with a seasonally adjusted jobless rate of just 2% in June. San Francisco metro division added 7,300 jobs in June, but the labor force fell by 2,000 people during the same period. The metro division has recovered 98% of the jobs it lost during the pandemic.
- The job growth was largely driven by the gains in information and leisure and hospitality sectors. Despite recent progress, the leisure and hospitality sector is still below the 32,000 jobs it once had during its peak in February 2020. Comparatively, the financial activities sector has surpassed February 2020 peak by 62,000 jobs.
- The convention-driven increase in hotel occupancy and average daily rates in June largely dissipated in July. Pressure on office vacancy and asking rents mounted in the second quarter. The return-to-office recovery continued after the 4th of July dip in attendance. BART's downtown ridership surpassed the 30% mark (of pre-pandemic normal) for the first time since the pandemic's start.
- Rising mortgage rates have begun to affect the housing market adversely. Zillow housing price index in the city fell slightly for the first time since January 2021, whereas the state housing price index has started to decelerate after solid gains over the past two years. Building permit activity drop continues through summer.

List of Economic Indicators

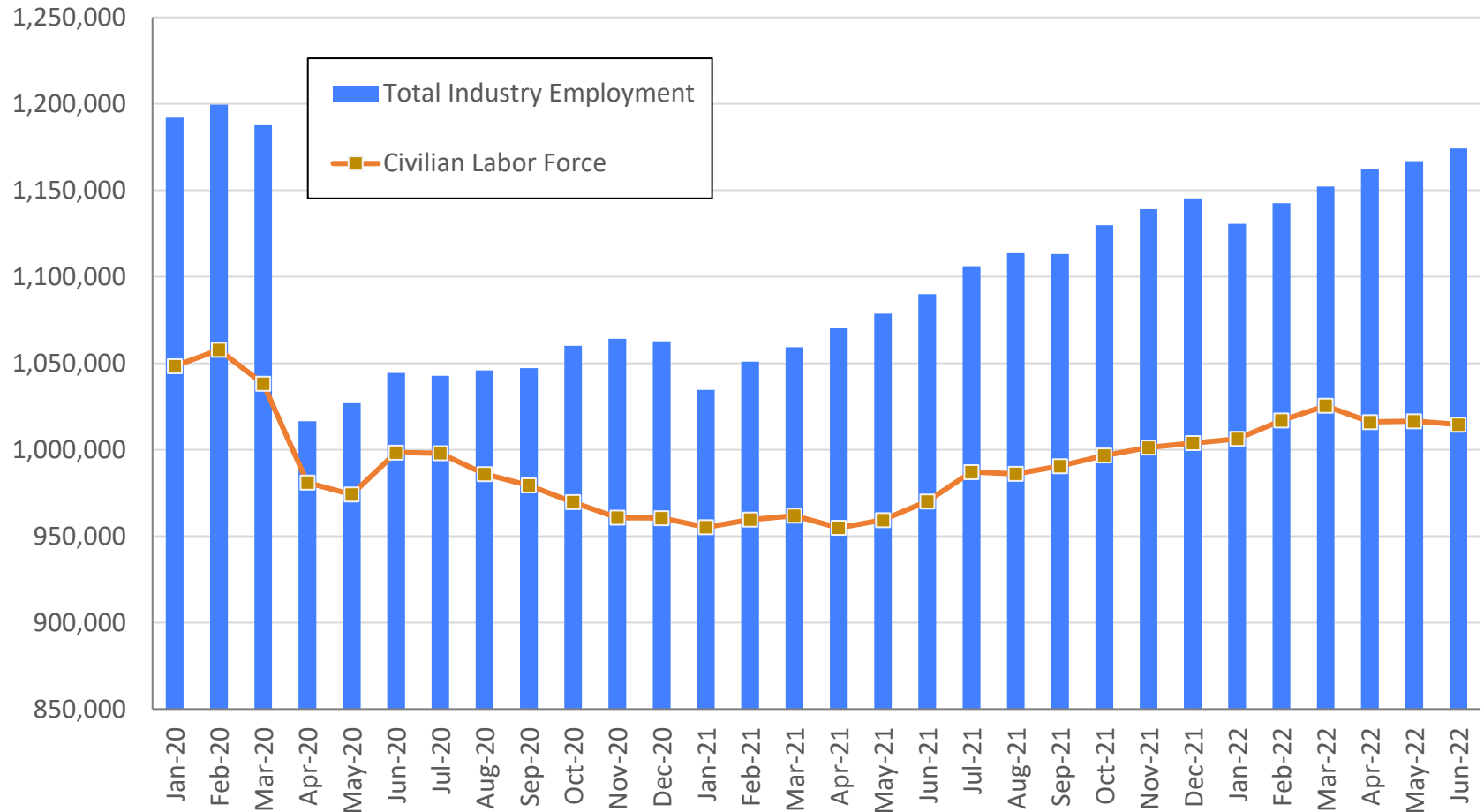
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1. Industry Employment and Civilian Labor Force
2. Employment Change by Industry Sector
3. Unemployment Rate and Employed Residents in San Francisco
4. Time Spent Outside of the Home
5. Time Spent at Workplace
6. Office Attendance
7. Office Vacancy
8. New Business Registration, Selected Sectors
9. Hotel Occupancy Rate and Average Daily Rate
10. Hotel Revenue Available per Room Night: Selected Cities Comparison
11. Domestic Enplanements: Selected Cities Comparison
12. International Enplanements: Selected Cities Comparison
13. Bay Bridge and Golden Bridge Traffic
14. BART Exits at Downtown SF Stations
15. System-wide BART Ridership
16. Average Asking Rents for Apartments
17. Single Family Home and Condo Prices
18. Building Permits for Housing

SF-Metro Division Jobs Rose by 7.3K, Labor Force Fell by 2K

4

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

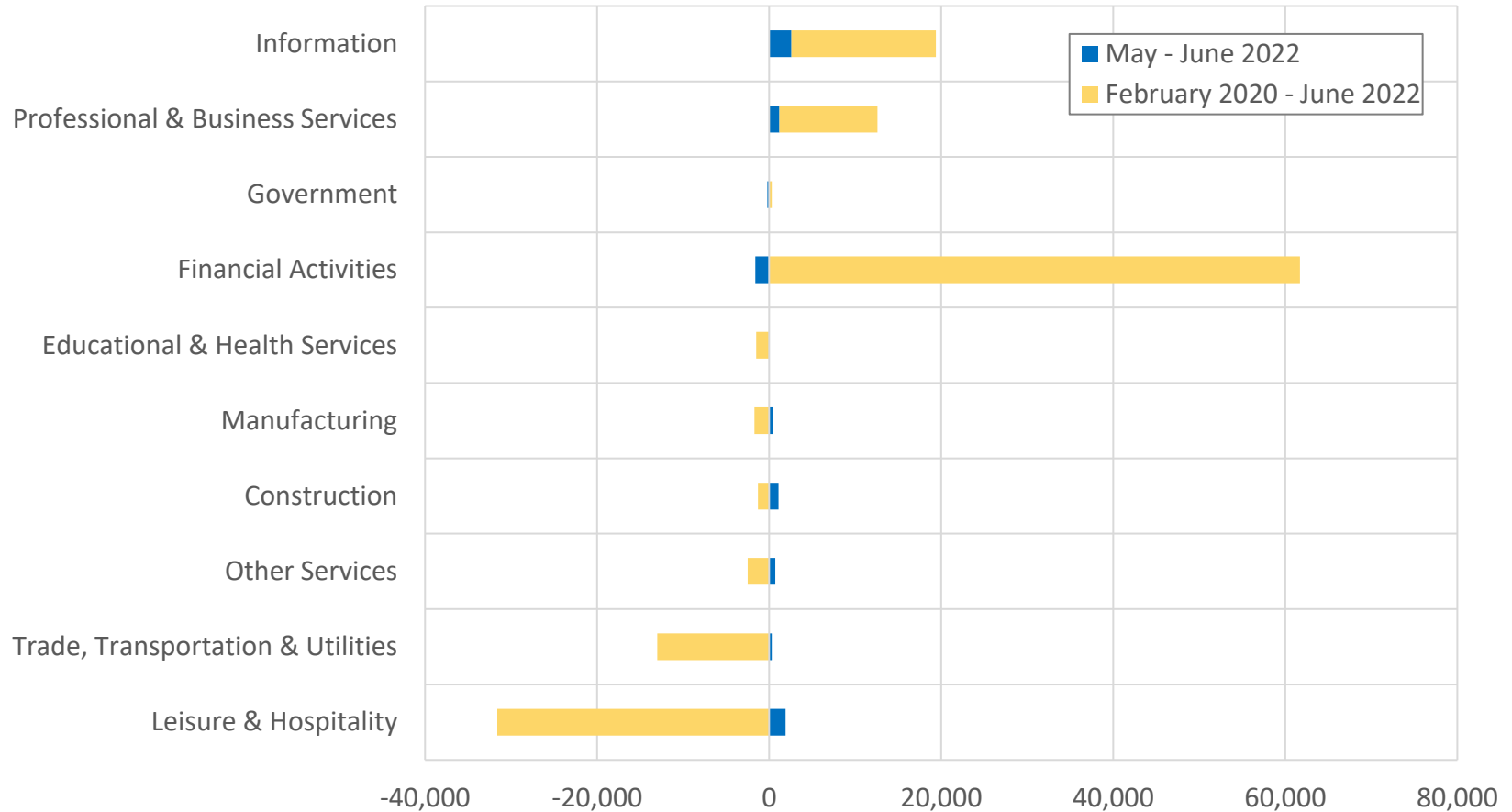


Source: EDD, SF Metro Division includes San Francisco and San Mateo counties

Information and Leisure & Hospitality Led Job Growth in June

5

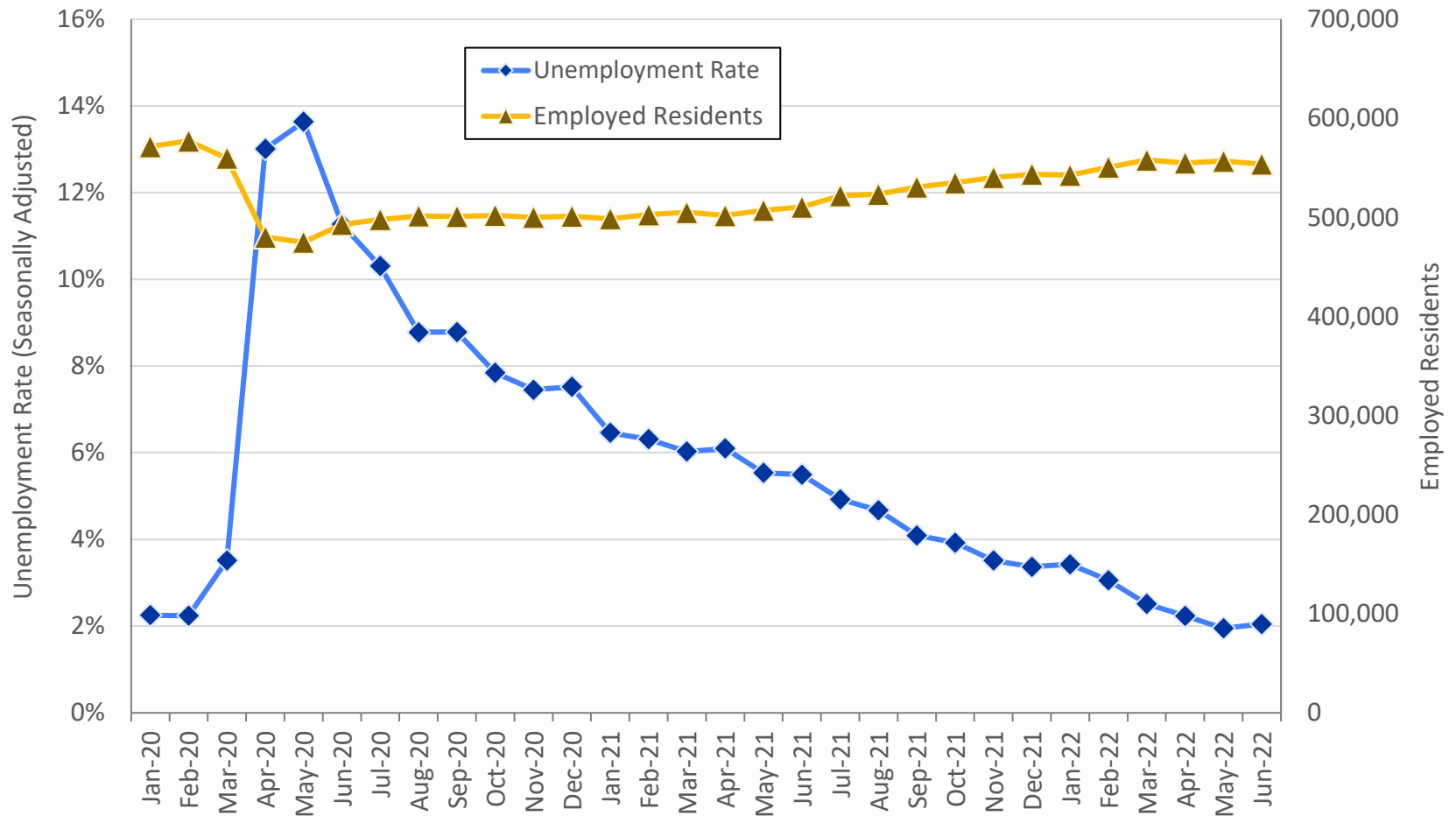
Employment Change by Industry Sector, San Francisco Metro Division:
Since the Start of the Pandemic, and the Most Recent Month



Labor Market Remains Tight with Jobless Rate of Just 2%

6

Unemployment Rate and Employed Residents,
San Francisco, Through June 2022

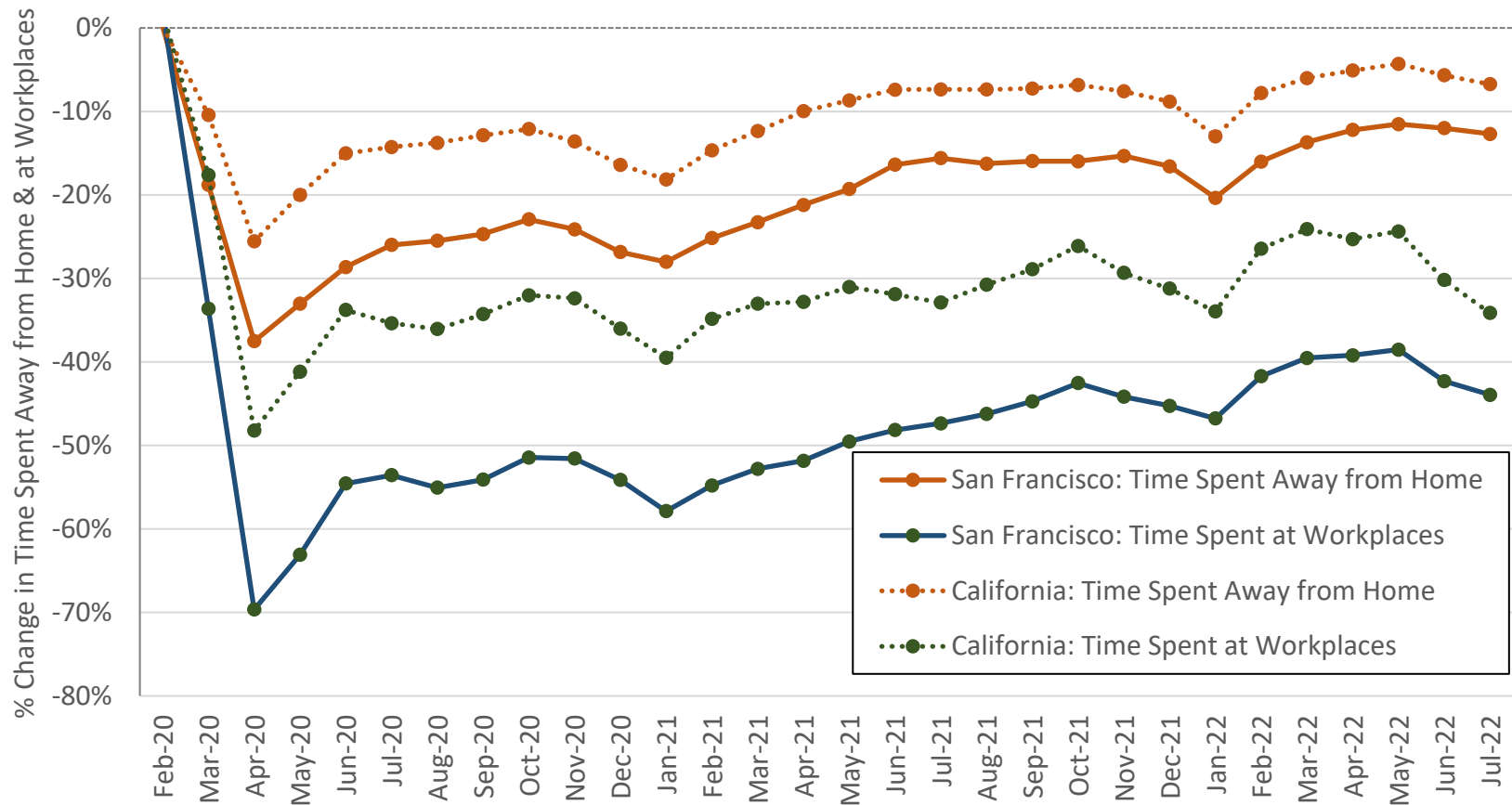


Source: EDD, Unemployment rate is seasonally adjusted by the OEA

Drop in Mobility Continues May Through July

7

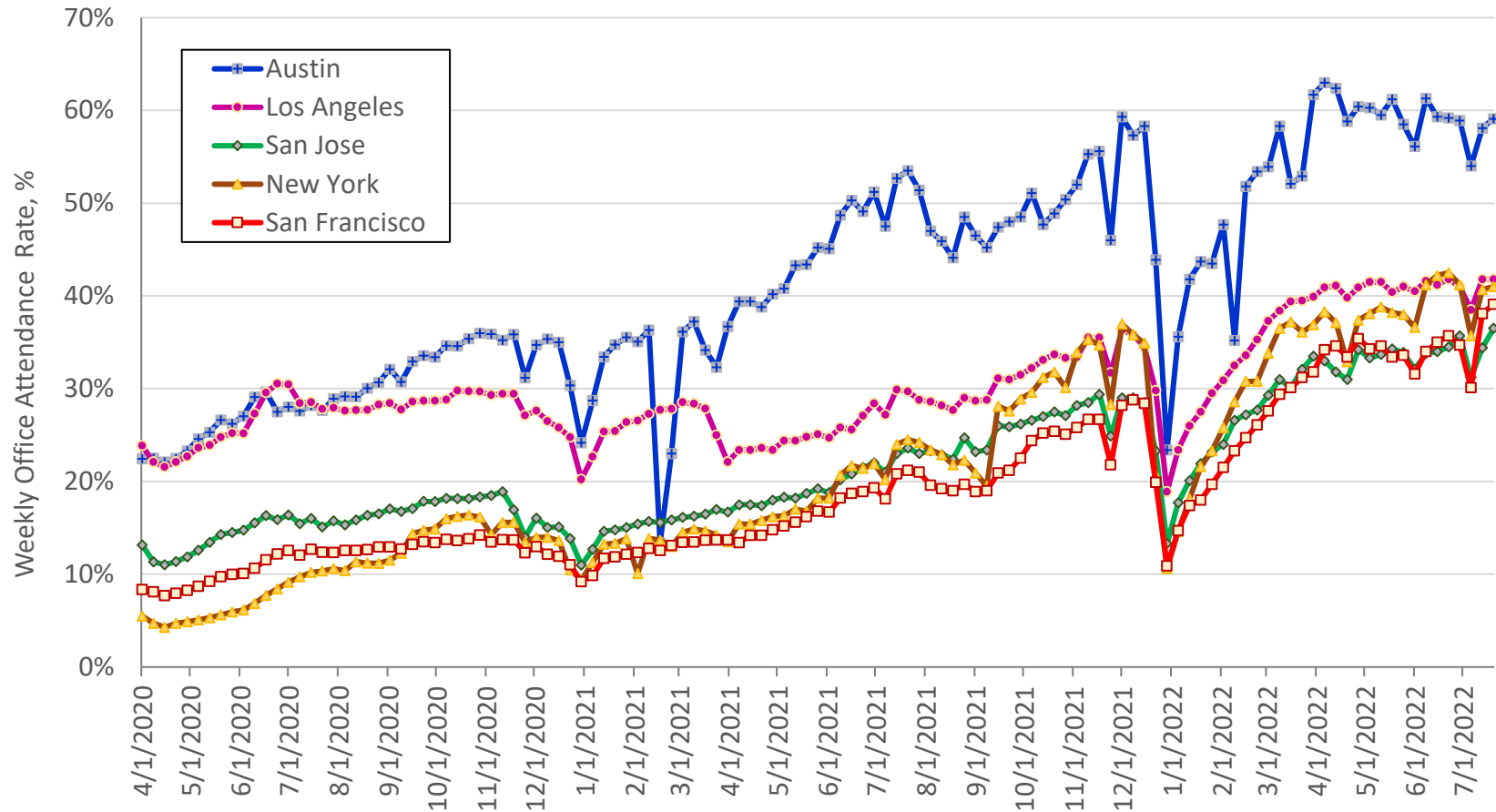
% Change in Time Spent Outside Home and at Workplaces,
Monthly Average, San Francisco and California, Through July 2022



Return-to-Office Recovery Continues After the 4th of July Dip

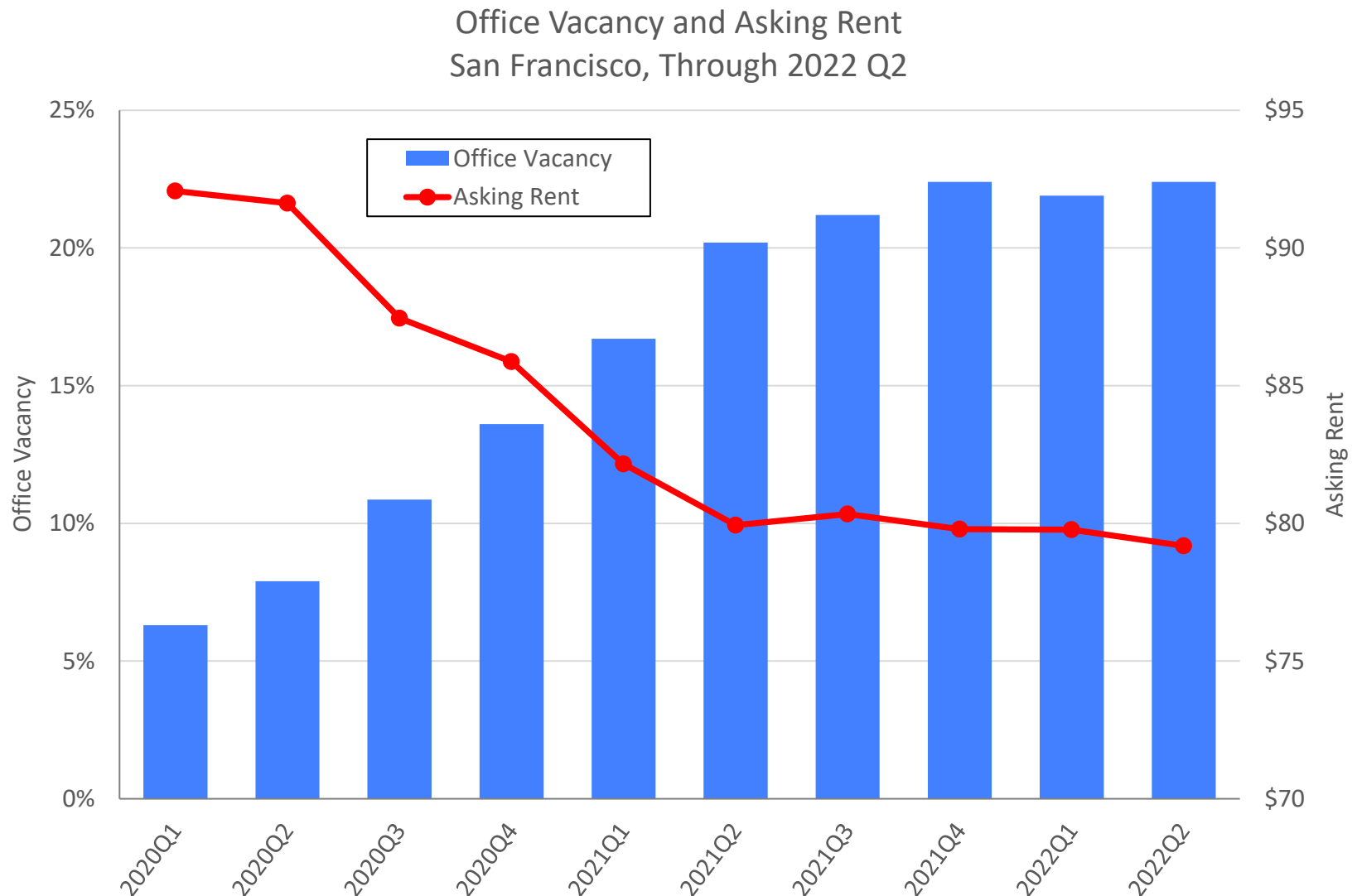
8

Weekly Office Attendance in San Francisco and Other Selected Metros,
Through July 20, 2022



Pressure on Office Vacancy & Asking Rent Mounted in Q2

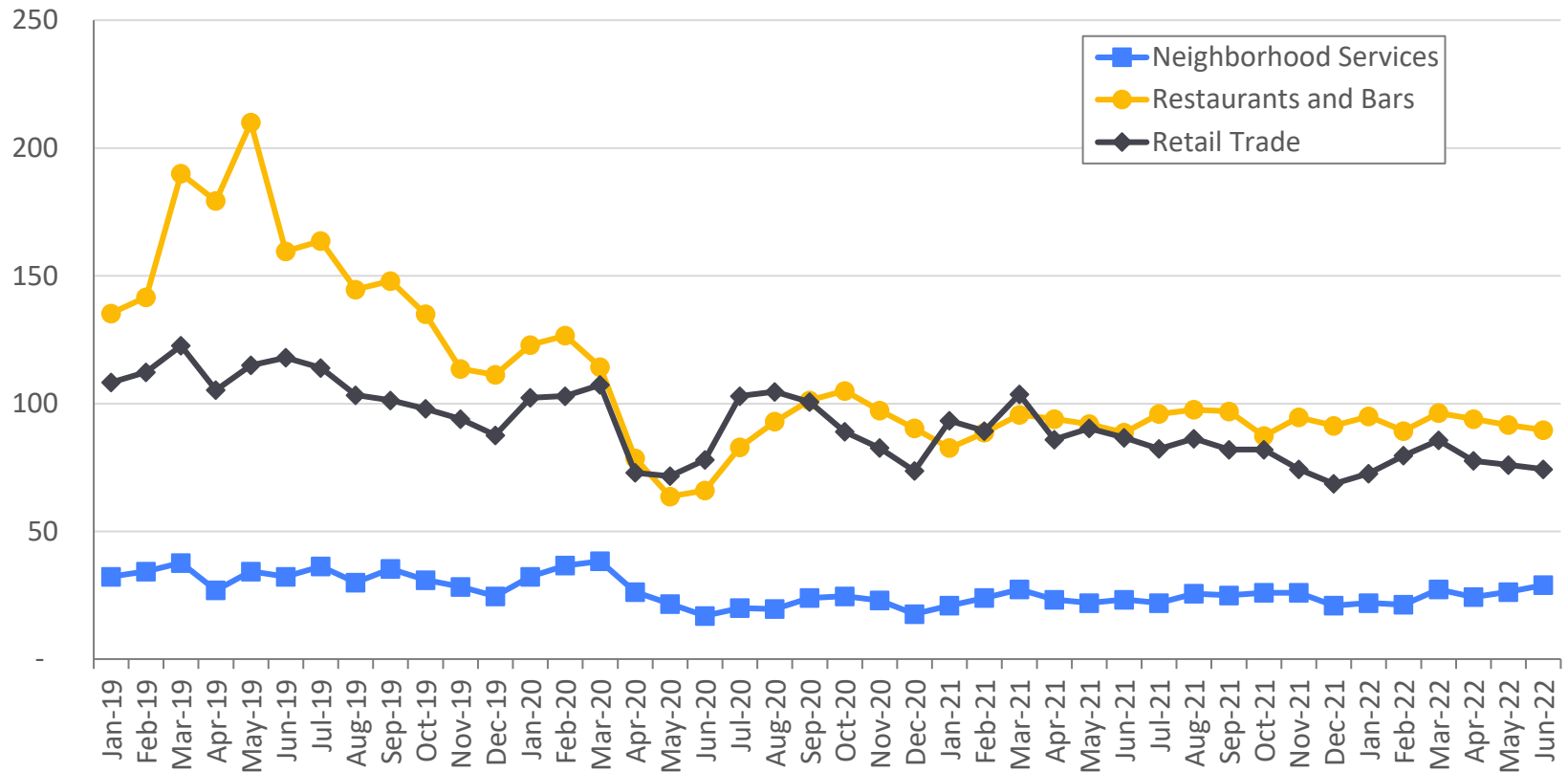
9



Business Formation Continues to Remain Under Pressure

10

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



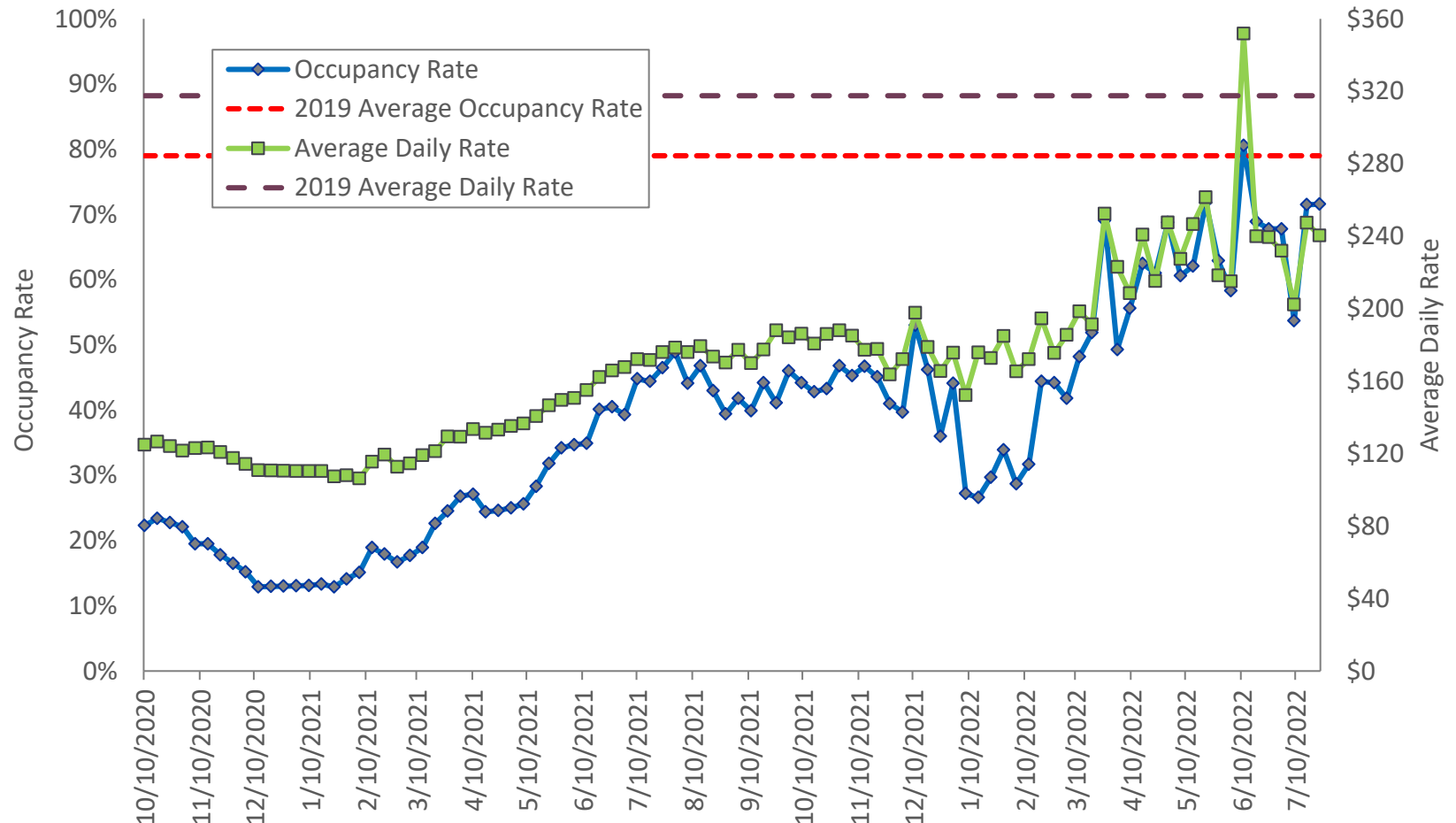
Source: Treasurer & Tax Collector, City and County of San Francisco

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)".

Conventions Driven Growth Last Month Dissipated in July

11

Weekly San Francisco Hotel Occupancy Rate and Average Daily Room Rate,
Through July 23, 2022

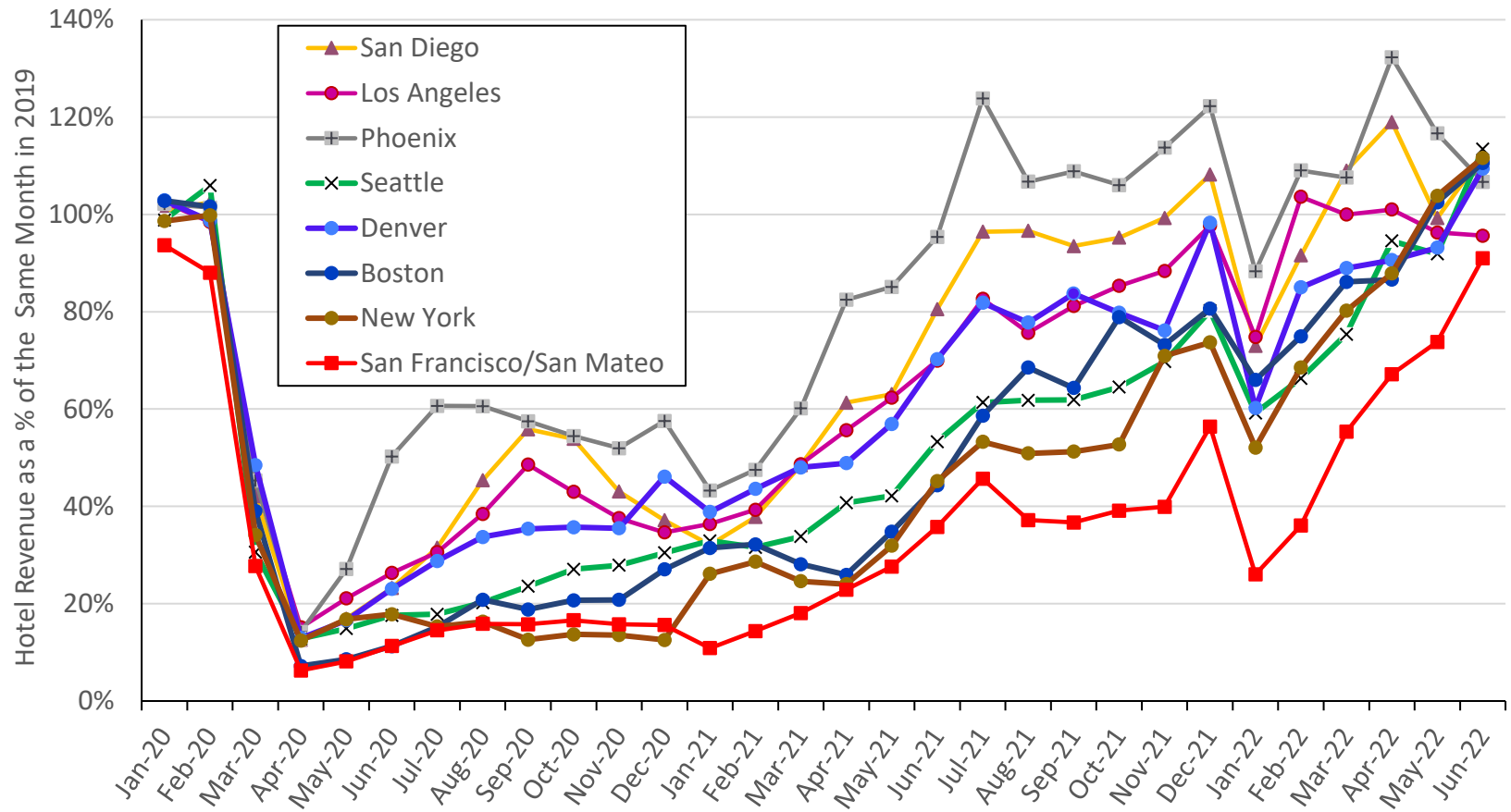


Source: STR

Six Conventions Greatly Helped SF Hotel Recovery in June

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Monthly Hotel Revenue Available per Room Night,
Selected Cities, Through June 2022



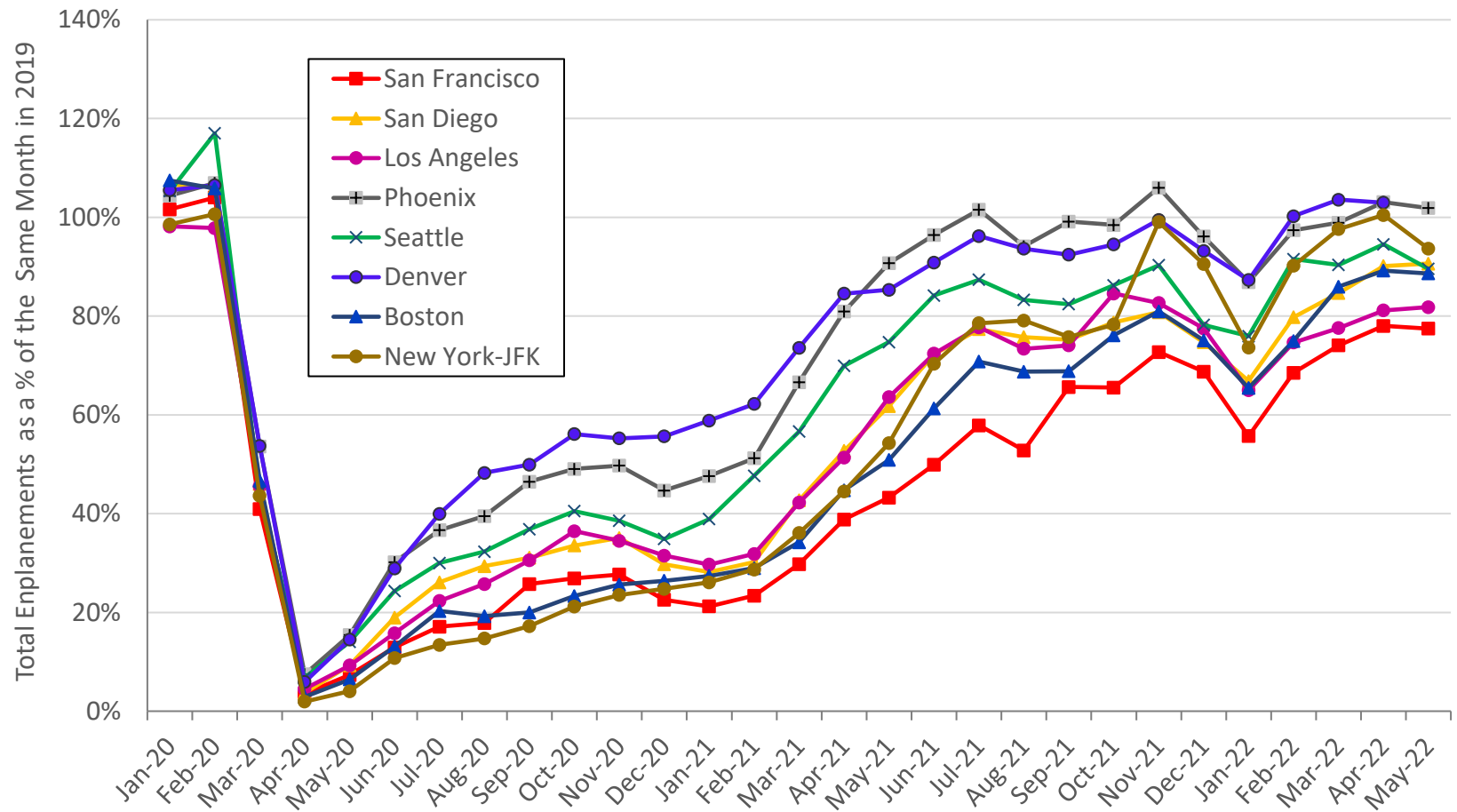
TRI (Total Room Inventory) takes in to account all the hotel rooms in the city, whether open or closed.

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

Domestic Air Travel Experienced Some Deceleration in May

13

Domestic Enplanements,
Selected Airports, Through May 2022

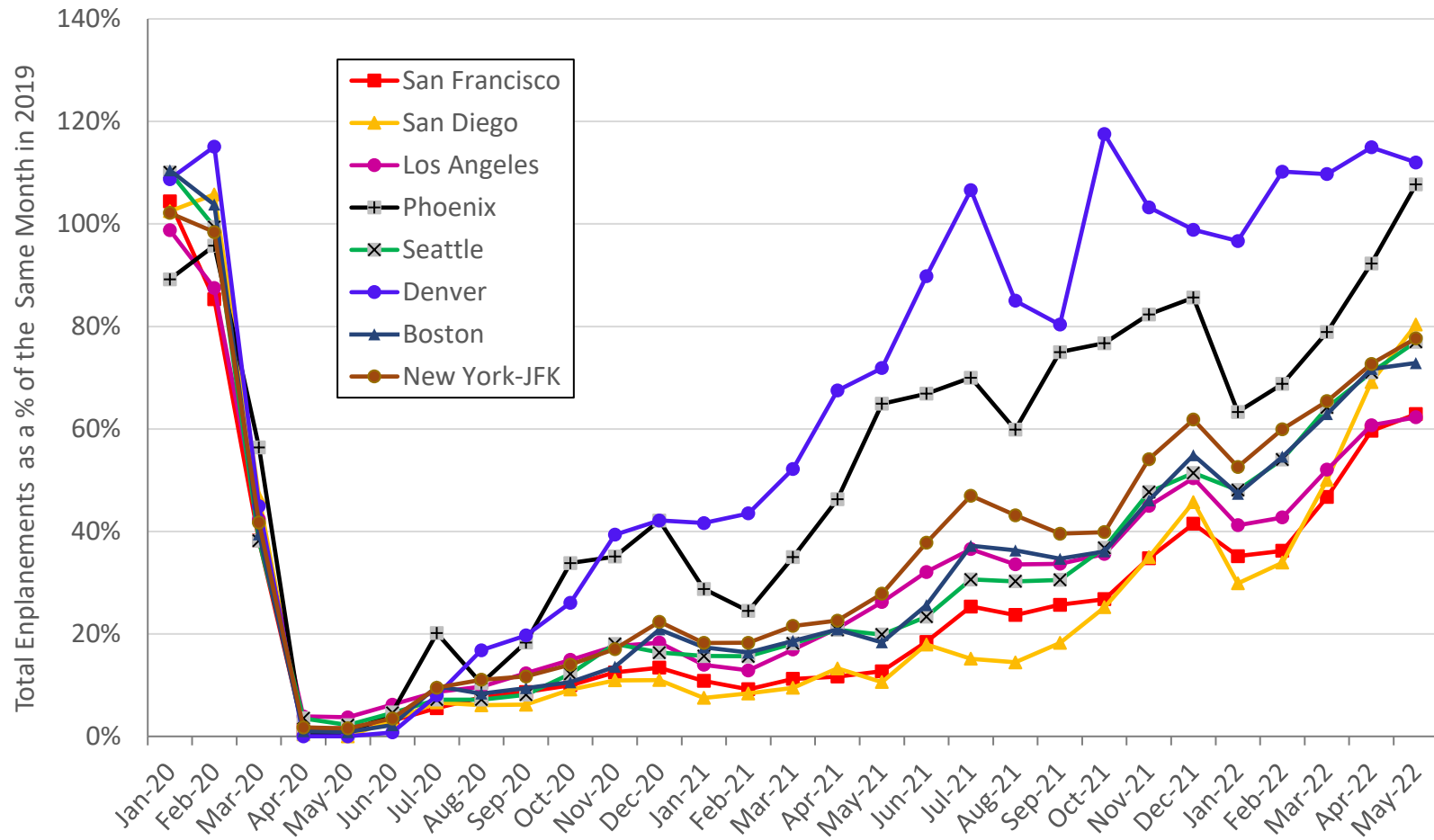


Source: Individual airports, NY-JFK May number is estimated by the OEA

... Whereas International Travel Largely Accelerated in May

14

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

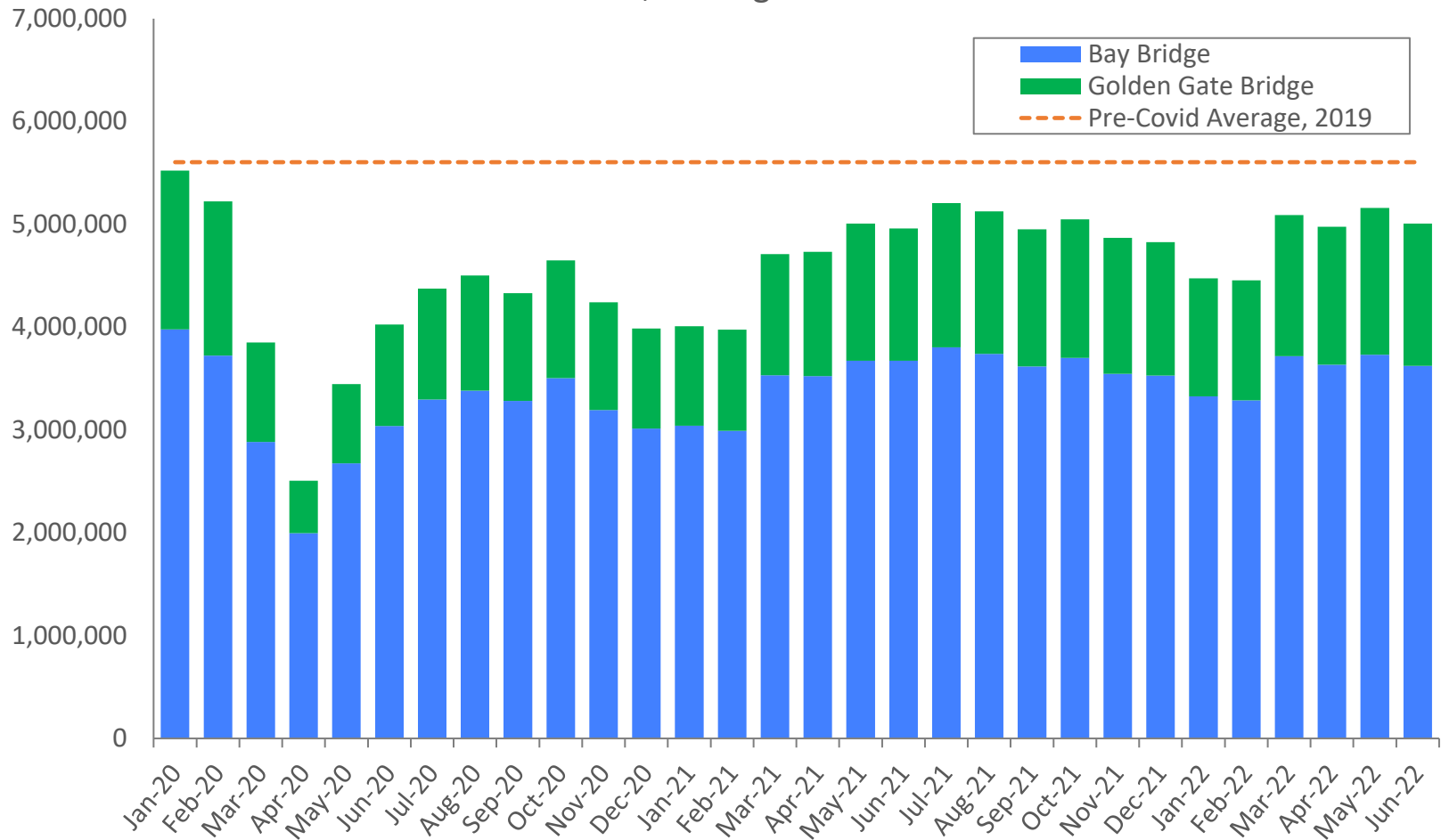


Source: Individual airports, NY-JFK May number is estimated by the OEA

Bridge Traffic Fell by 3.2% in June

15

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

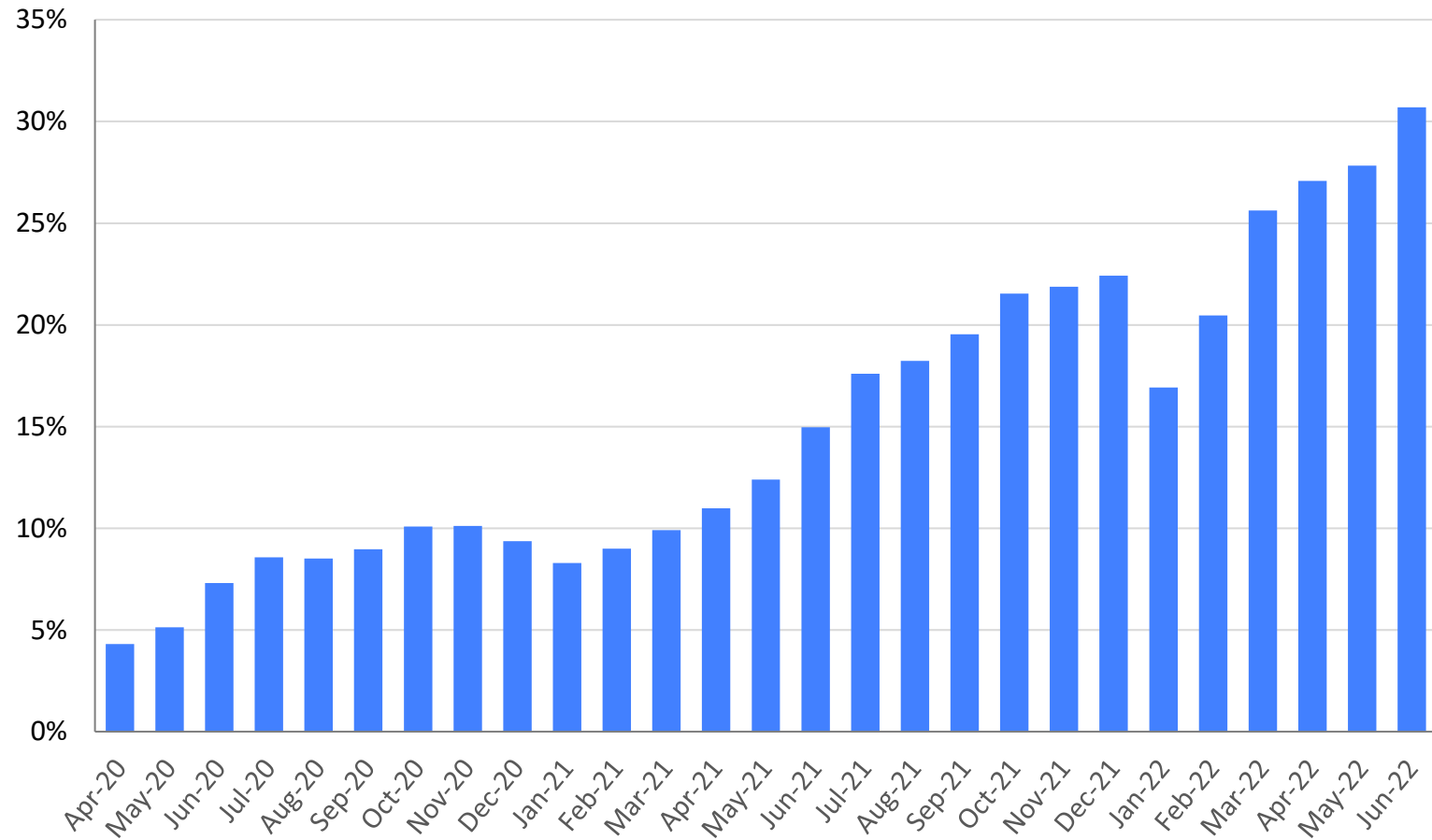


Source: Bay Area Toll Authority (BATA), Golden Gate Bridge Highway & Transportation District.
Includes westbound Bay Bridge traffic and southbound Golden Gate Bridge traffic.

Downtown BART Ridership Surpassed 30% Mark in June

16

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

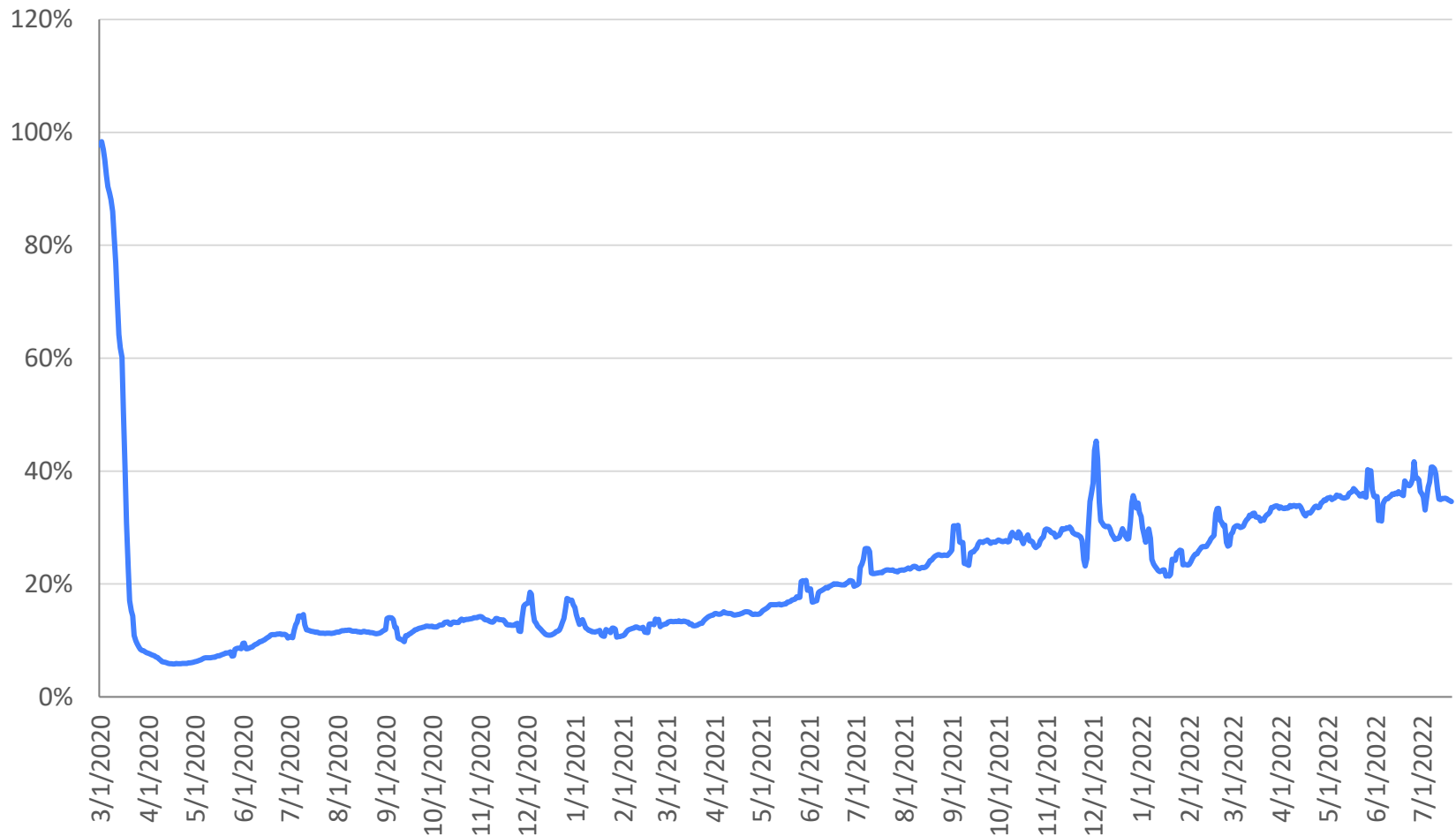


Source: BART

July System-Wide Ridership Averaged 36%, Same as in June

17

BART Total Ridership, 7-day Moving Average,
as a Percentage of the Same Day in 2019, Through July 20, 2022

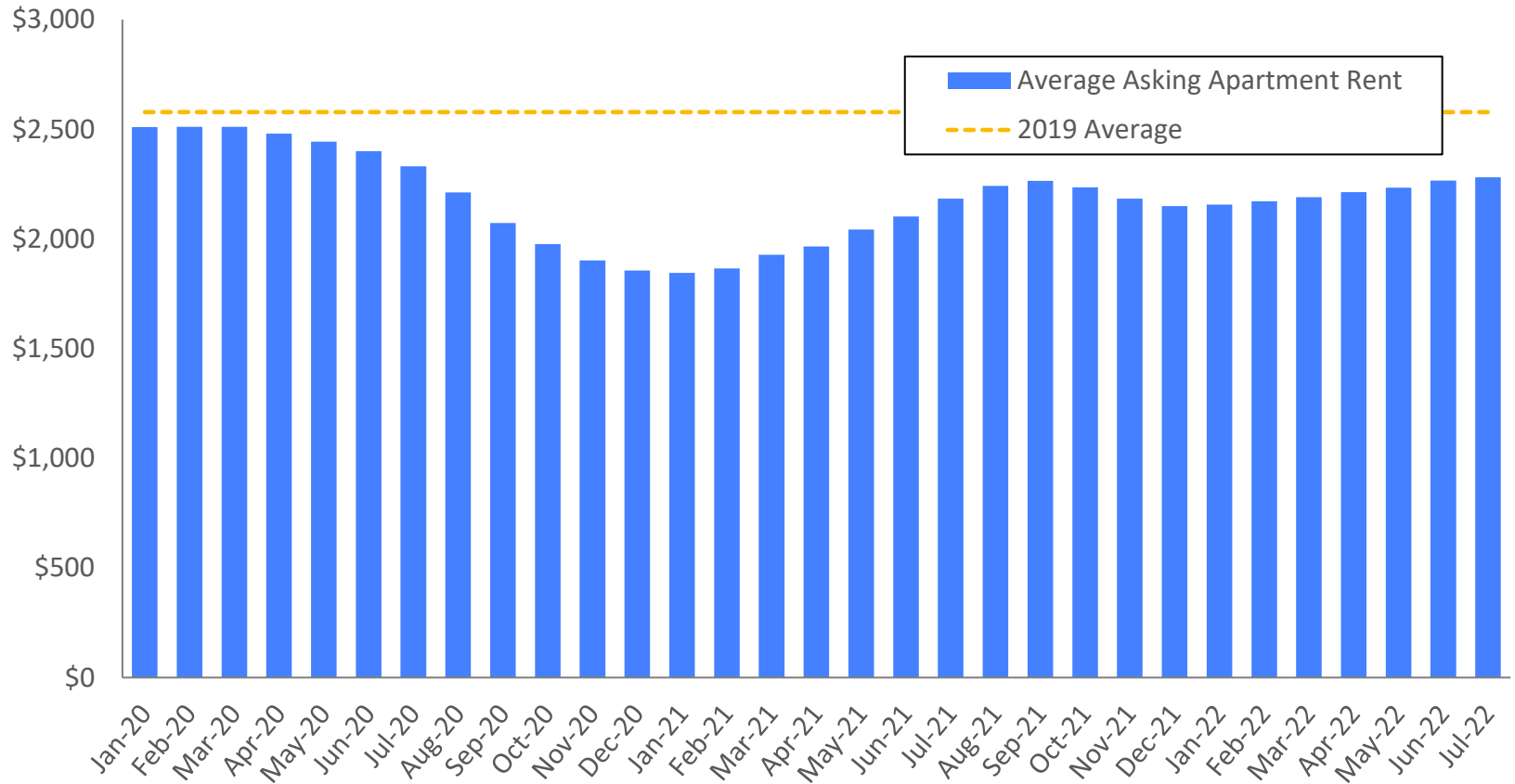


Source: BART

Average Asking Apartment Rents Grew by 0.7% in July

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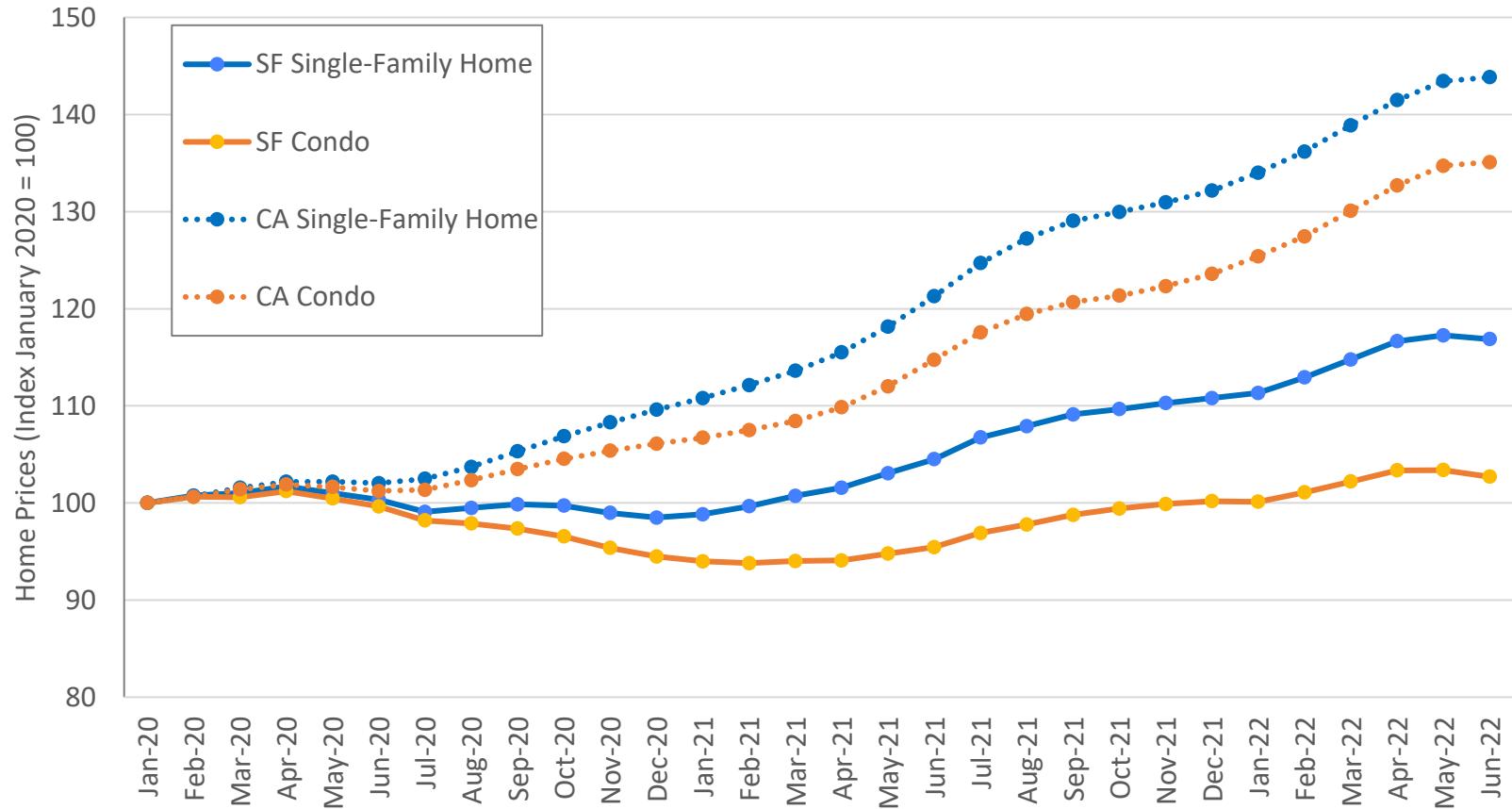
Average Asking Apartment Rents (Overall Units),
San Francisco, Through July 2022



SF Zillow Housing Price Index Slightly Drops in June

19

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

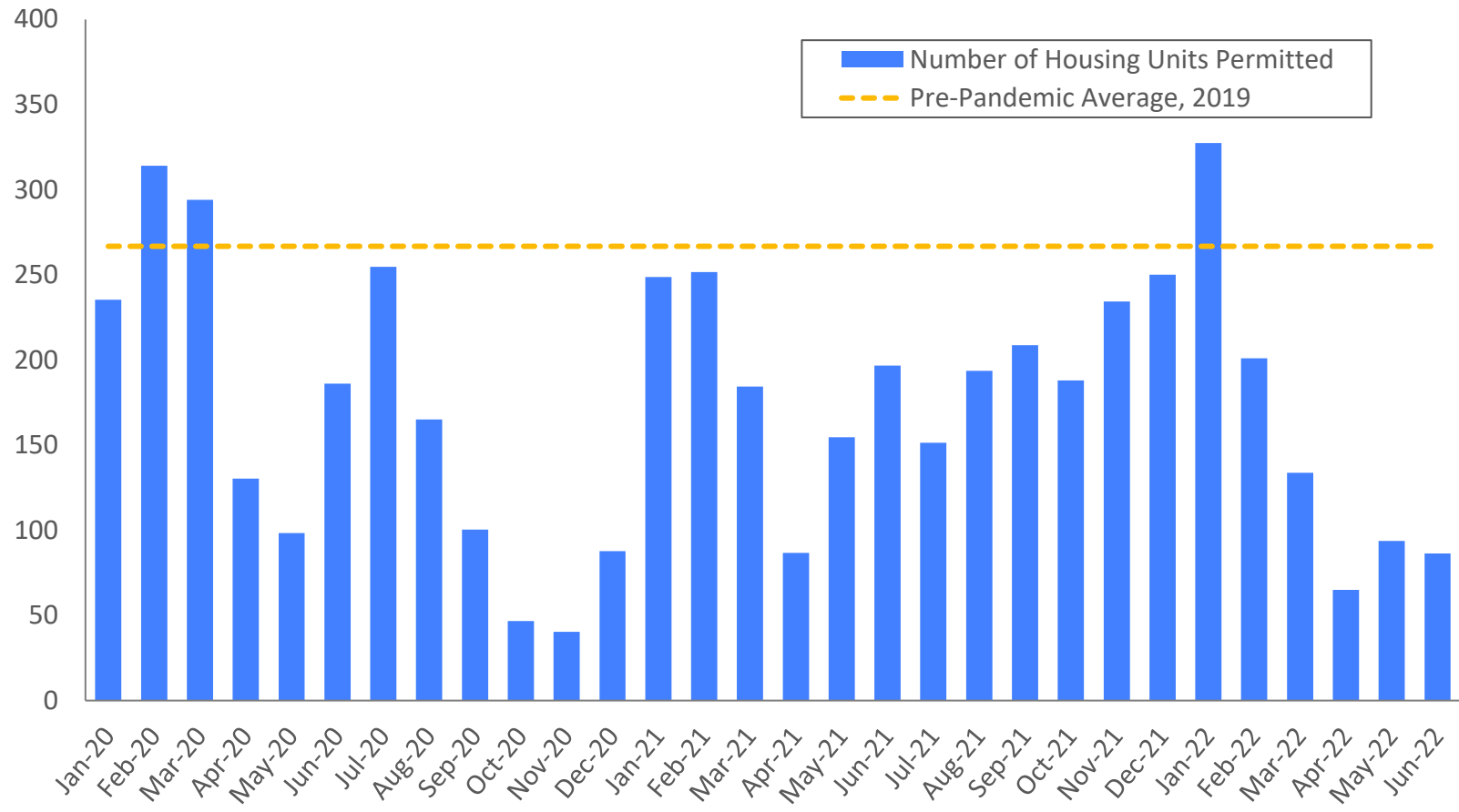


Source: Zillow

Building Permits Activity Drop Continues Through Summer

20

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



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

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