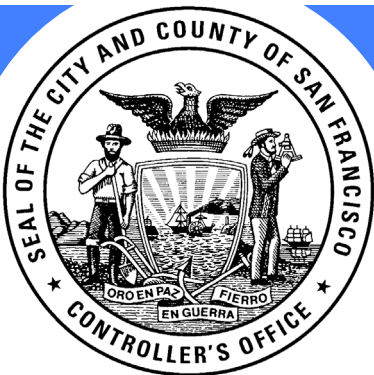


Status of the Re-Opening of the San Francisco Economy: June 2022



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Office of Economic Analysis

June 29, 2022

Highlights of the May Report

2

- 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 unemployment rate dipped to 1.9% in May, the lowest monthly rate on record for San Francisco. Given the red-hot nature of the labor market, job growth is inevitably slowing. Jobs in the San Francisco metro division grew at a 2.9% annual rate in May, which is healthy but still a slowdown from the double-digit growth rates seen earlier in the year.
- Once again this month, the hard-hit Leisure & Hospitality industry led job growth, as the travel industry enters a strong summer, both locally and nationally. The return of conventions has also boosted the industry; in early June, hotel rates and occupancy exceeded the 2019 average for the first time since the start of the pandemic.
- For office industries, however, the news was more mixed. There was little movement in the Kastle return-to-office measure, and BART's downtown ridership remains below 30% of normal.
- Rapidly rising mortgage rates are beginning to cool the housing market. Housing permits have dropped since the start of the year, and housing prices in the city are beginning to moderate, though growth across the state is still strong.

List of Economic Indicators

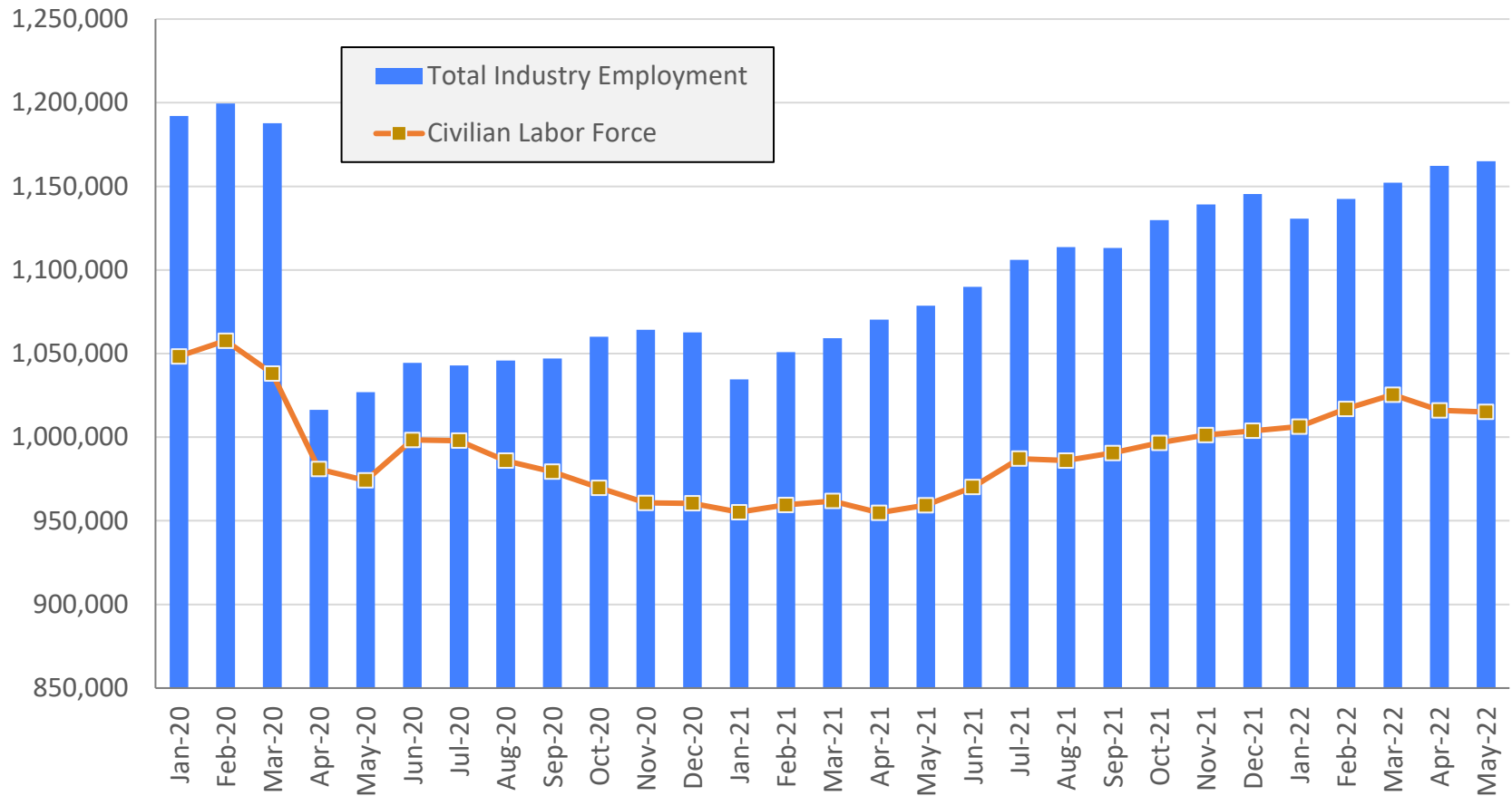
3

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. New Business Registration, Selected Sectors
8. Hotel Occupancy Rate and Average Daily Rate
9. Hotel Revenue Available per Room Night: Selected Cities Comparison
10. Domestic Enplanements: Selected Cities Comparison
11. International Enplanements: Selected Cities Comparison
12. Bay Bridge and Golden Bridge Traffic
13. San Francisco PM Freeway Speeds
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

Job Growth Slowed in May, as Labor Force Growth Stalled

4

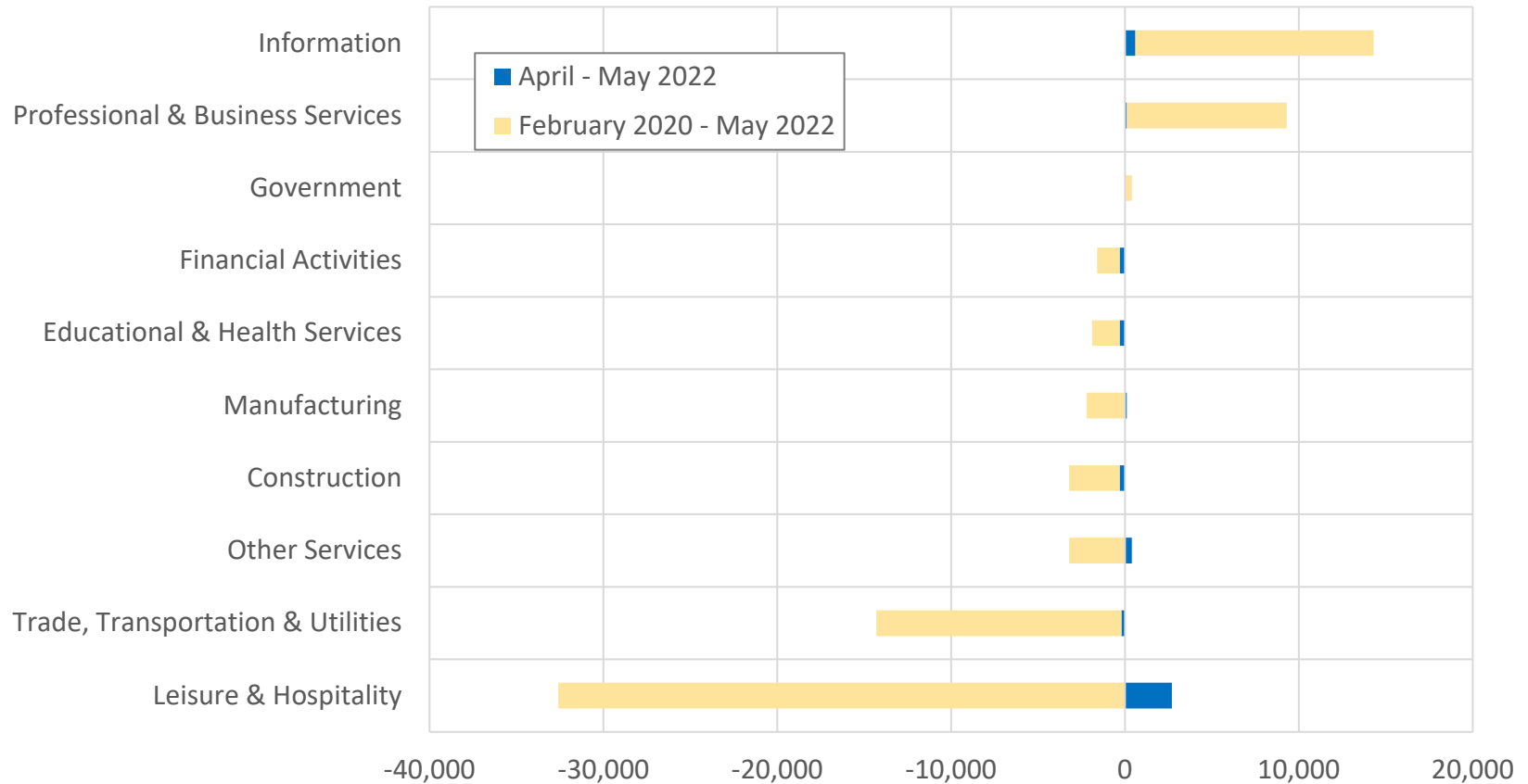
Total Industry Employment and Civilian Labor Force,
San Francisco Metropolitan Division, January 2020-May 2022



Leisure & Hospitality Leads Growth; Still Down > 30k Jobs

5

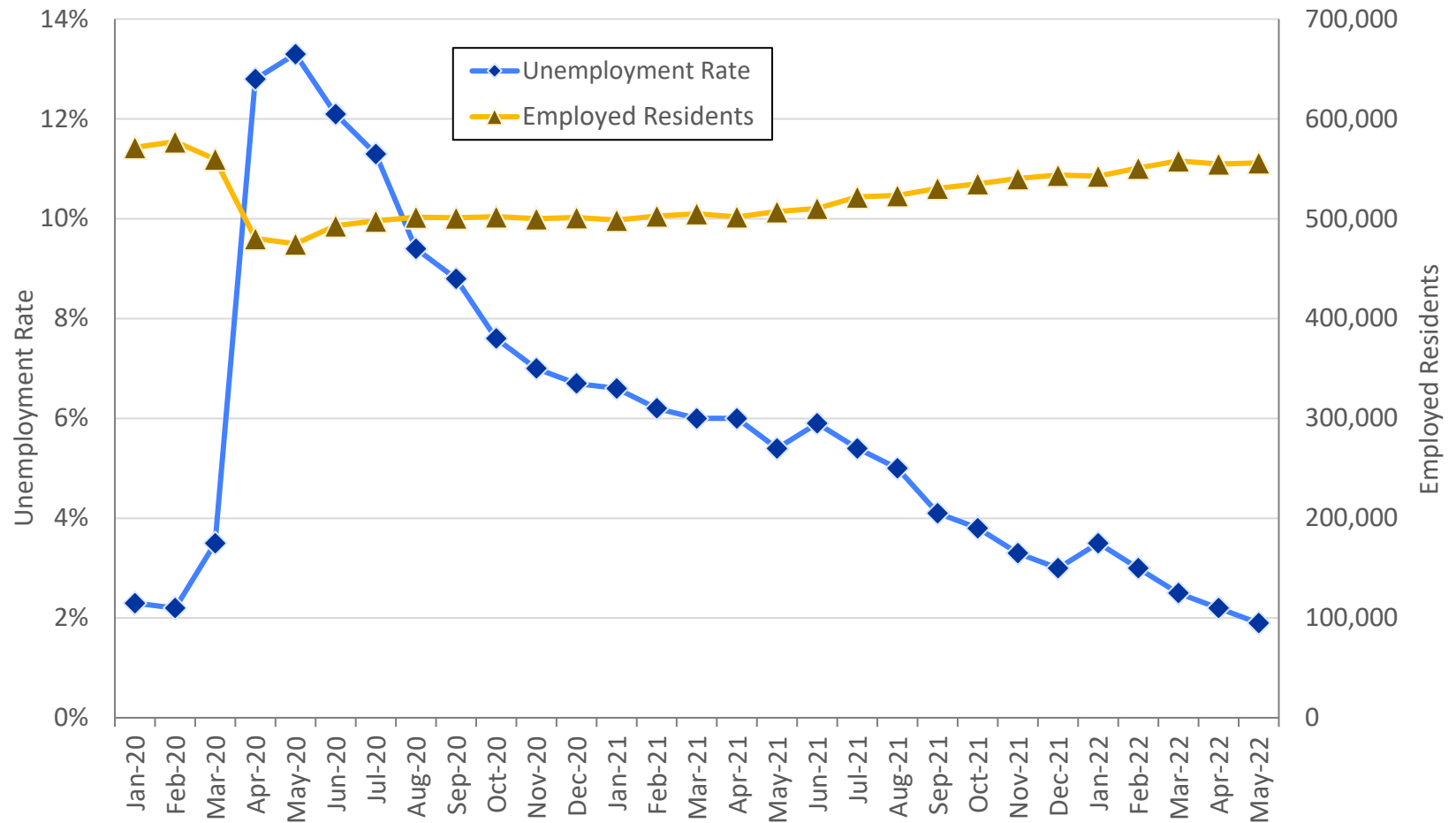
Employment Change by Industry Sector, San Francisco Metro Division:
Since the Start of the Pandemic, and the Most Recent Month



Labor Market Tightens Further as Jobless Rate Drops to 1.9%

6

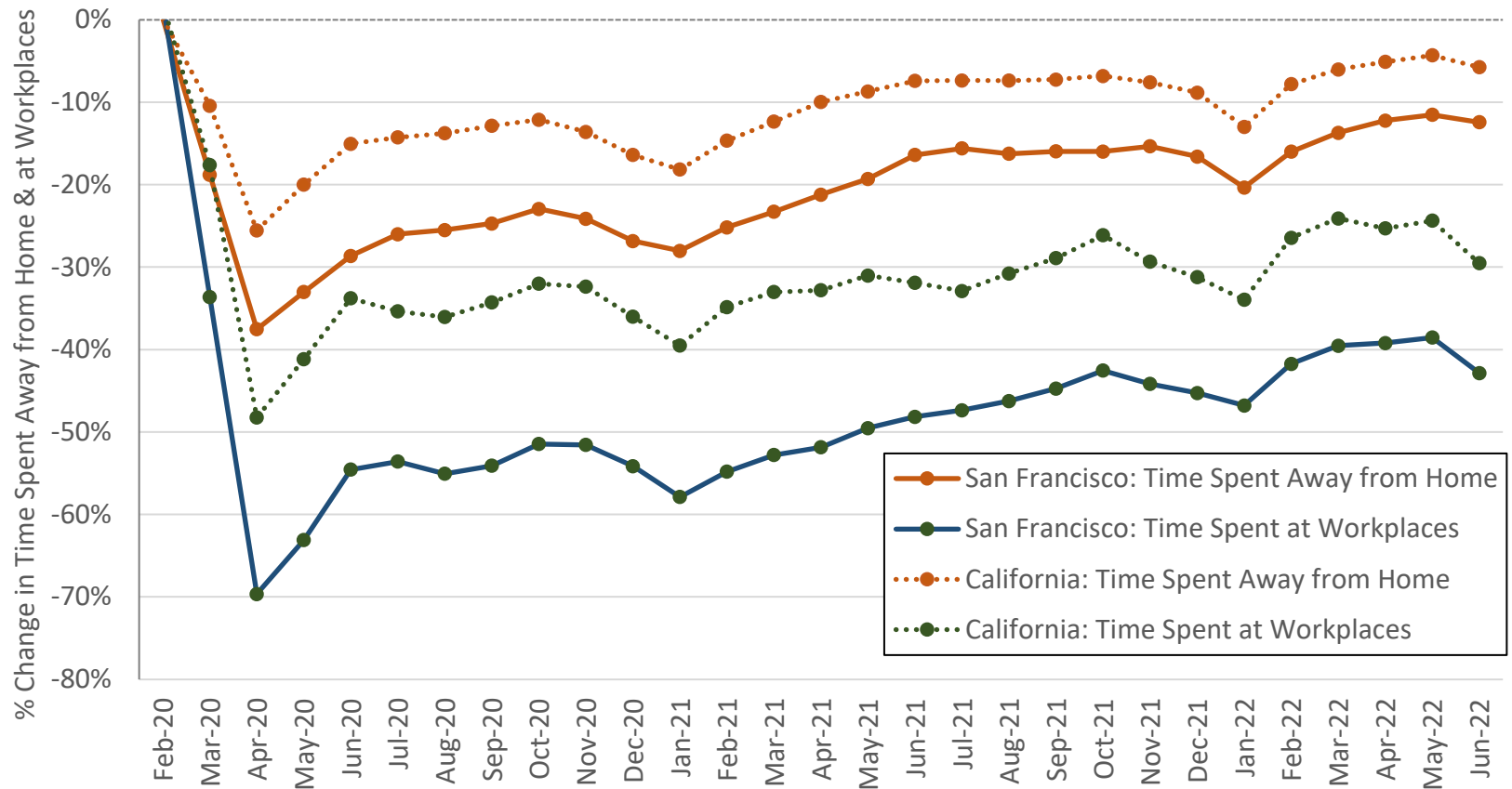
Unemployment Rate and Employed Residents,
San Francisco, Through May 2022



Mobility Dropping in June: Possible Response to Inflation

7

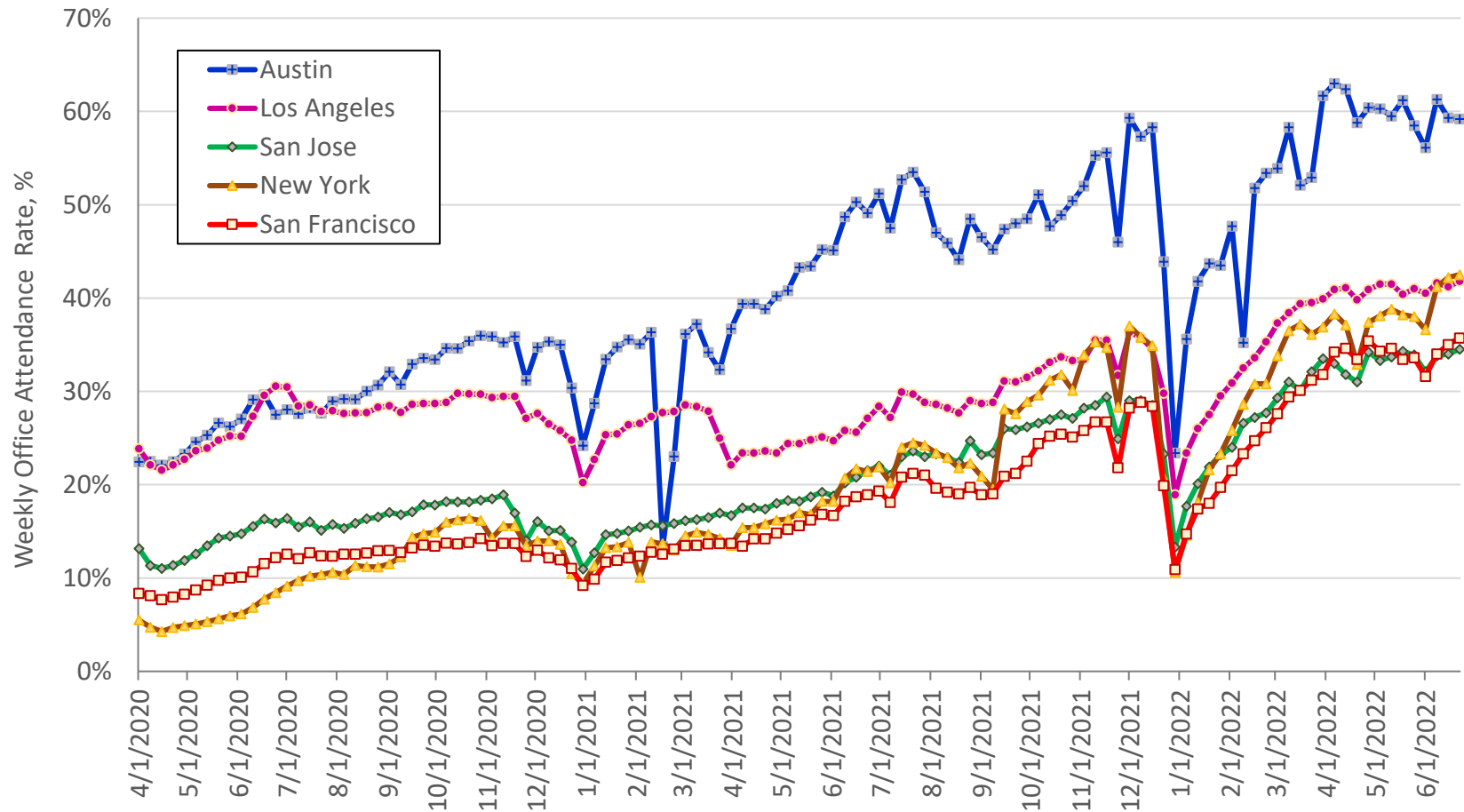
% Change in Time Spent Outside Home and at Workplaces,
Monthly Average, San Francisco and California, Through June 2022



Little Improvement in Return-to-Office Through Mid-June

8

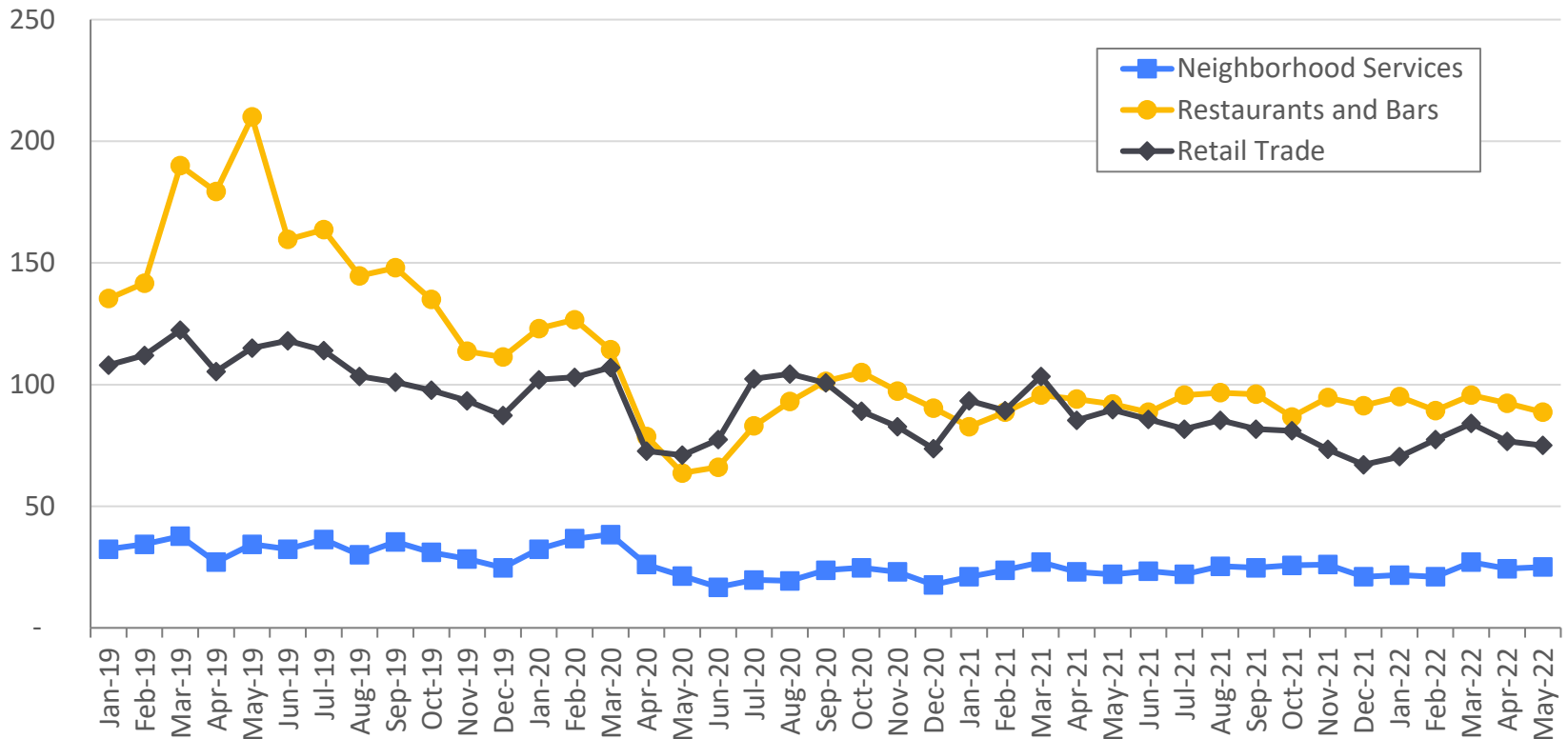
Weekly Office Attendance in San Francisco and Other Selected Metros,
Through June 22



Businesses Formation Stalling After Growth in Early 2022

9

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



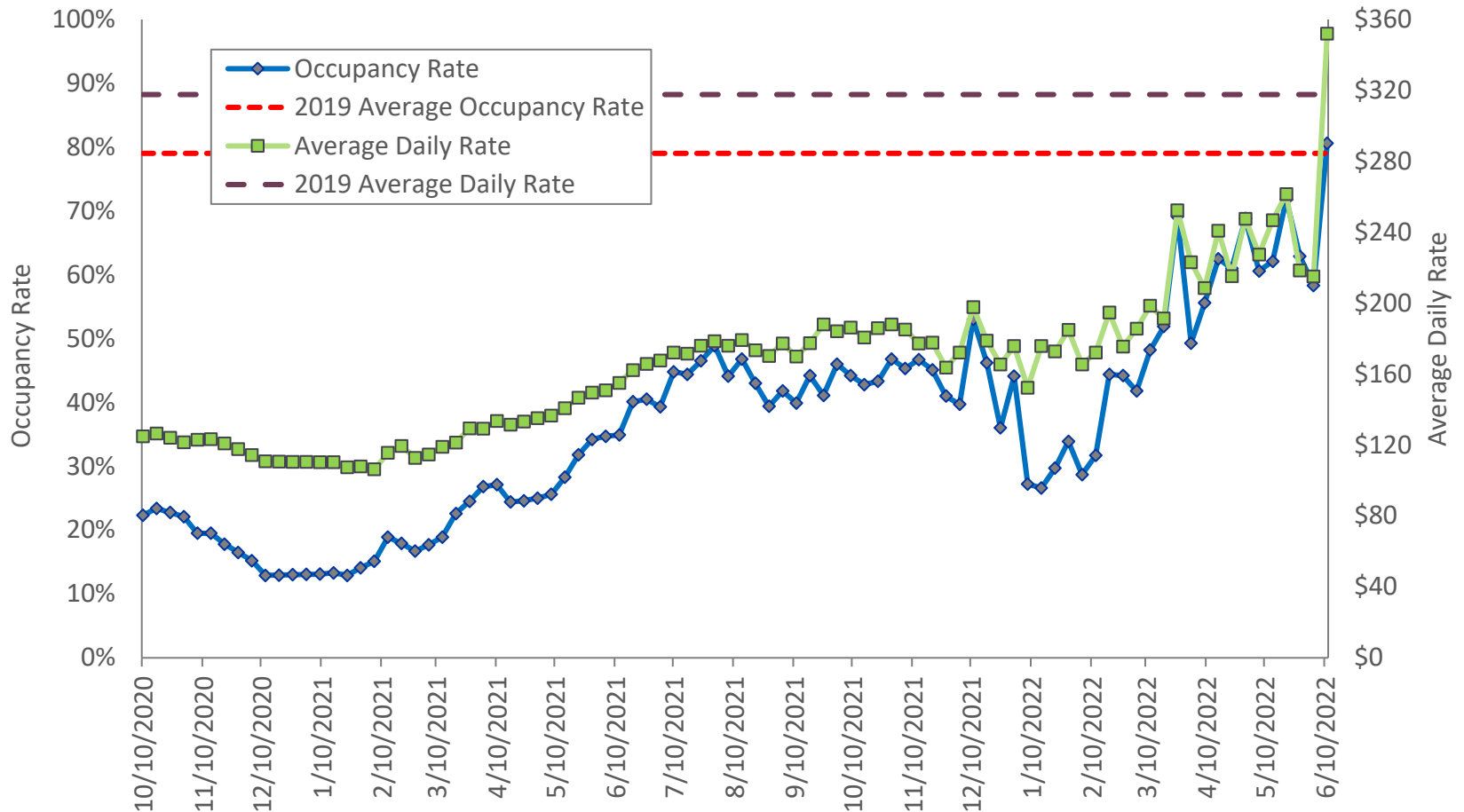
Source: Treasurer & Tax Collector, City and County of San Francisco

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)".

Return of Conventions Driving Hotel Growth in June

10

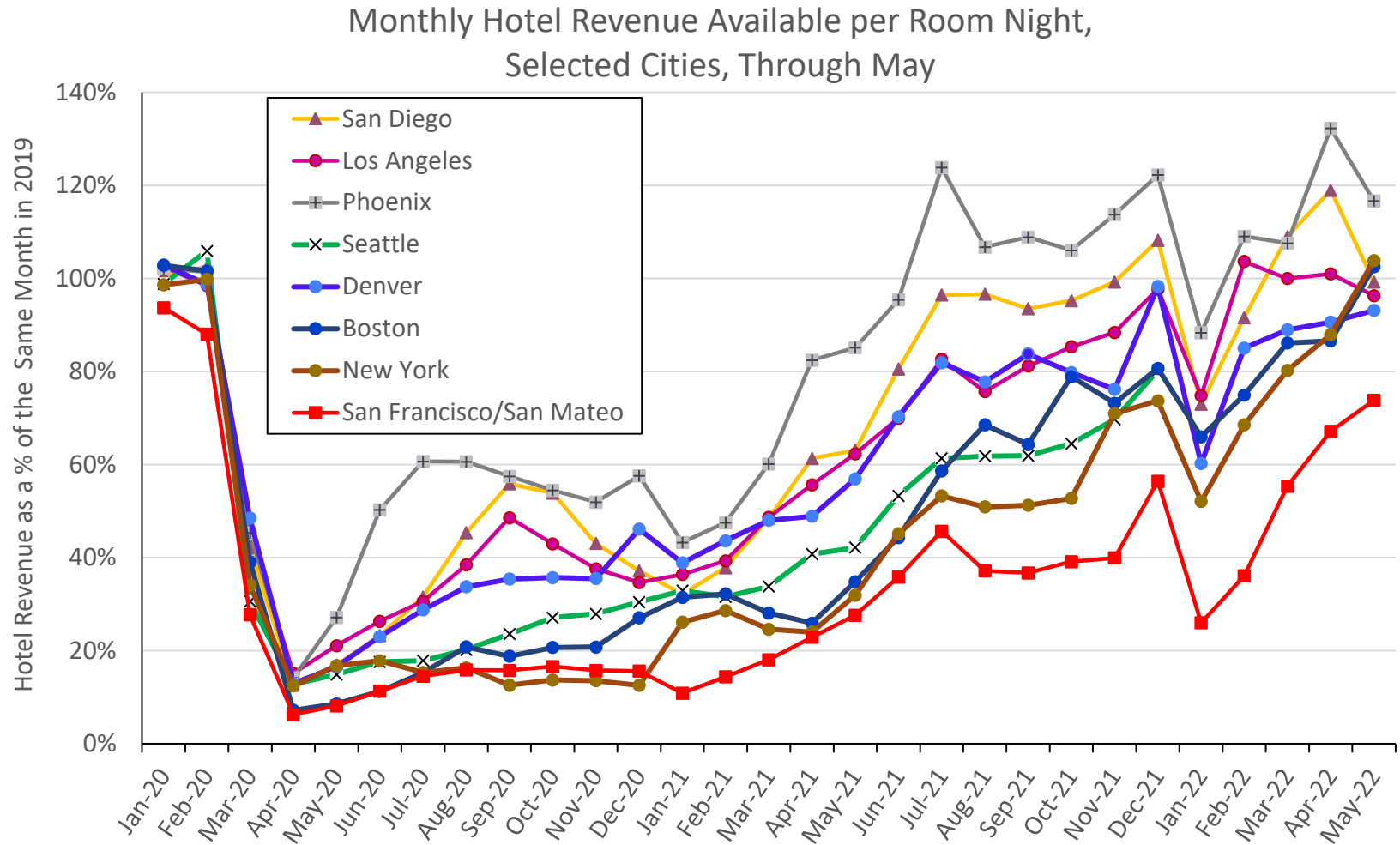
Weekly San Francisco Hotel Occupancy Rate and Average Daily Room Rate, Through June 11



Source: STR

SF's Hotel Recovery Continued in May, Alongside Peer Cities

11



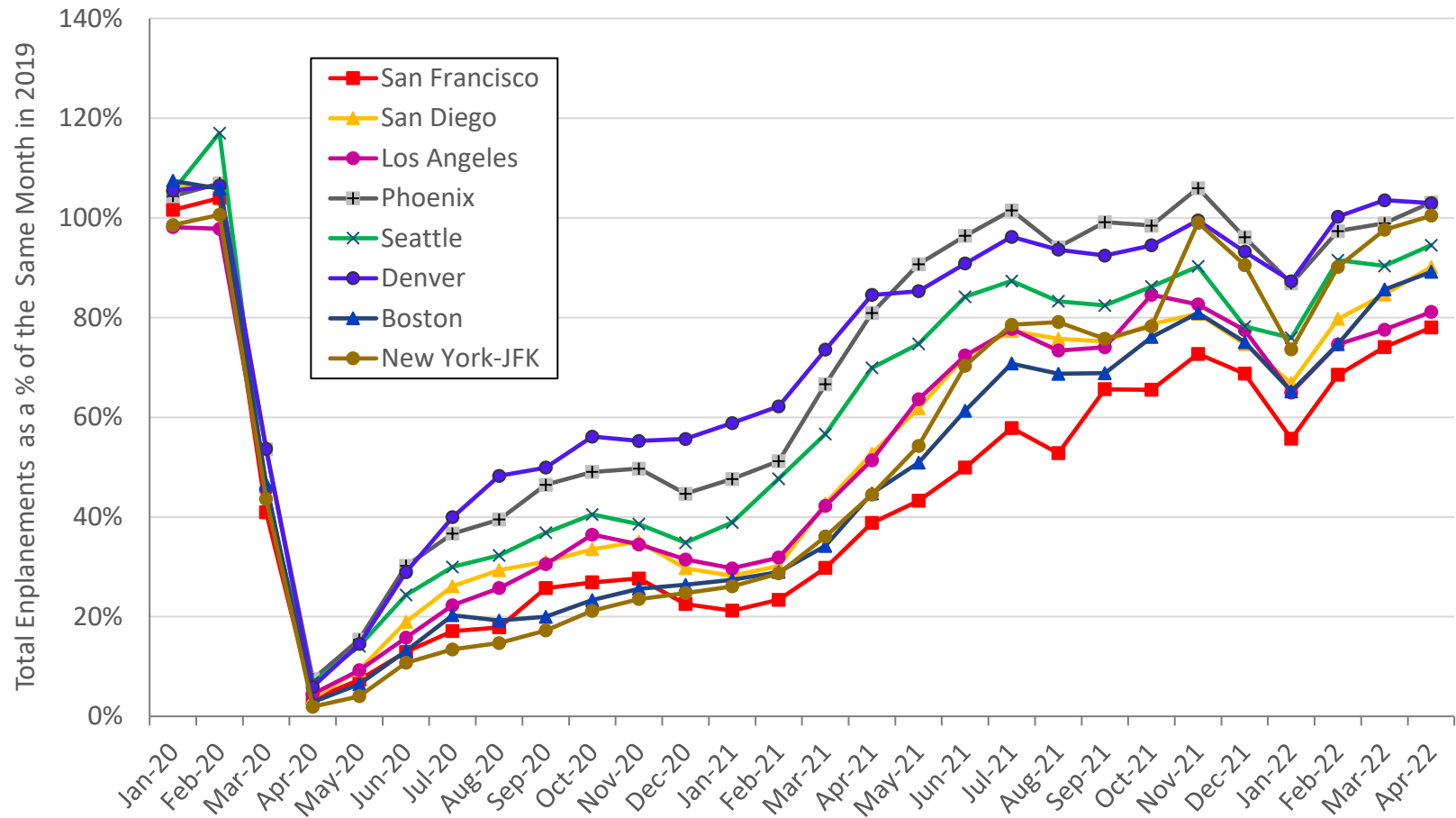
TRI (Total Room Inventory) takes in to account all the hotel rooms in the city, whether open or closed.

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

In April, Domestic Air Travel Reached 80% of Pre-Pandemic

12

Domestic Enplanements,
Selected Airports, Through April 2022

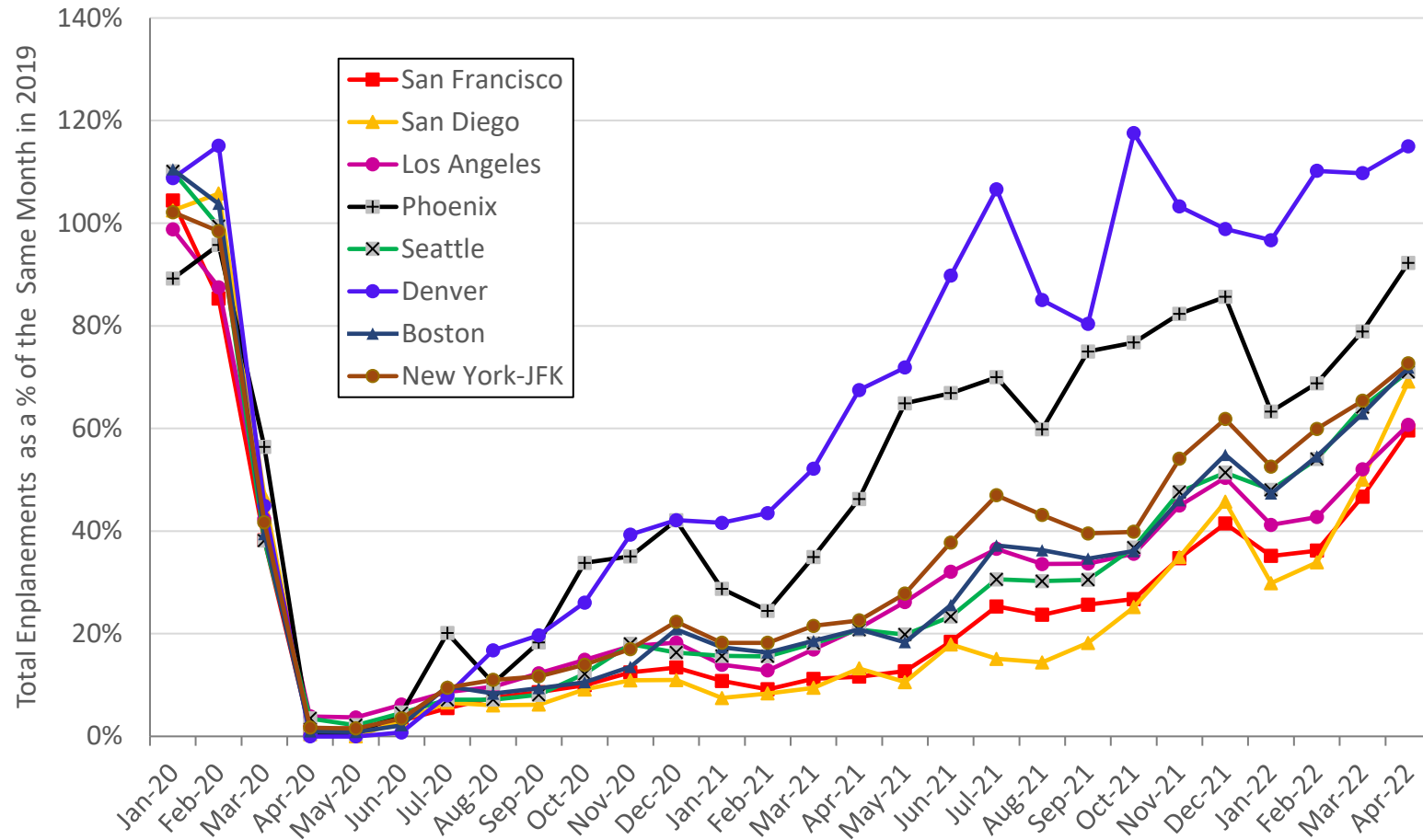


Source: Individual airports

... And International Reached 60% of 2019 Levels

13

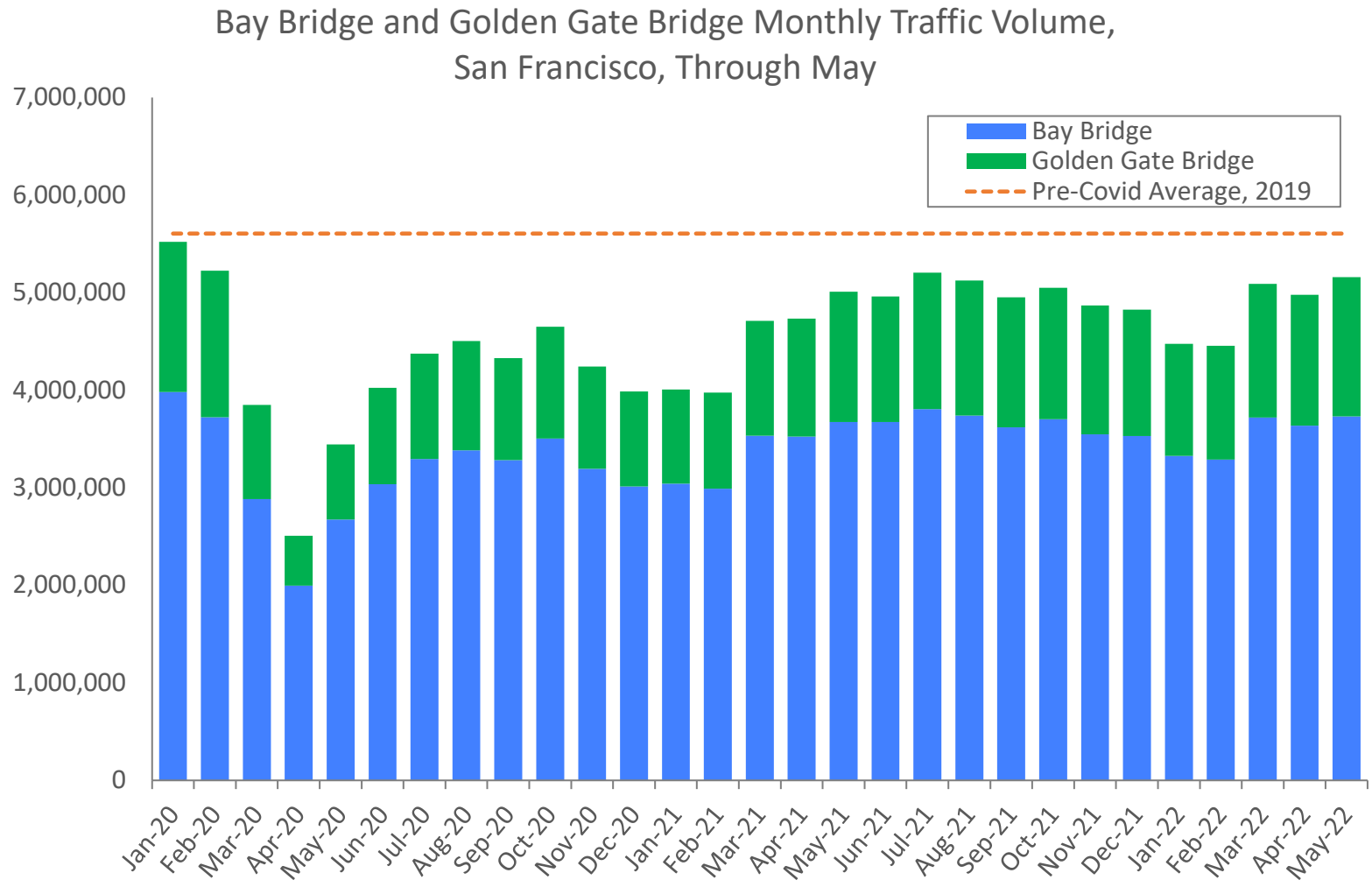
International Enplanements as % of 2019,
Selected Airports, Through April 2022



Source: Individual airports

Bridge Traffic Staying in a Narrow Range, ~90% of Normal

14

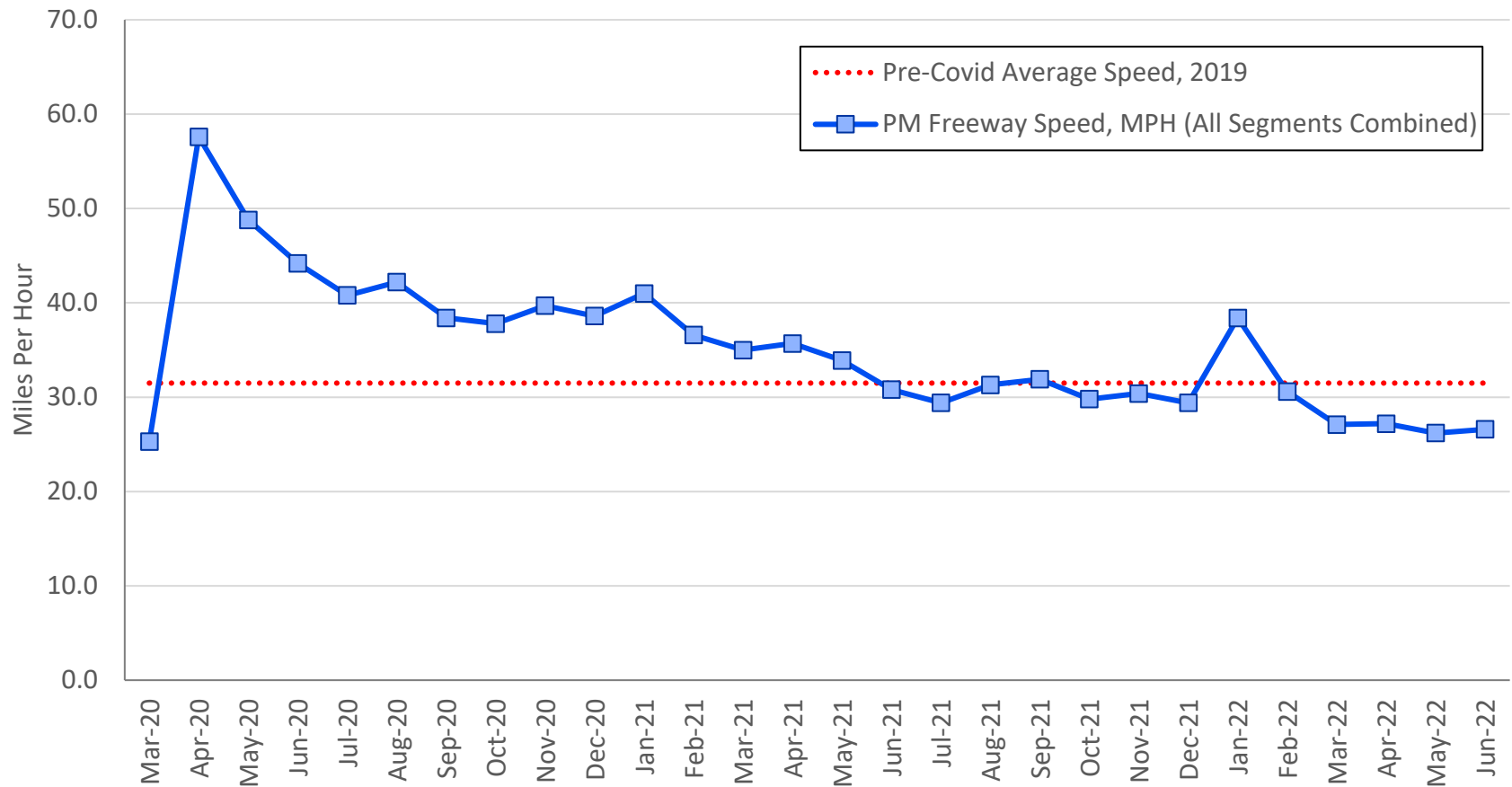


Source: Bay Area Toll Authority (BATA), Golden Gate Bridge Highway & Transportation District.
Includes westbound Bay Bridge traffic and southbound Golden Gate Bridge traffic.

PM Rush-Hour Freeways Slower Than Before Pandemic

15

Average Monthly PM Freeway Speed in San Francisco,
Through June

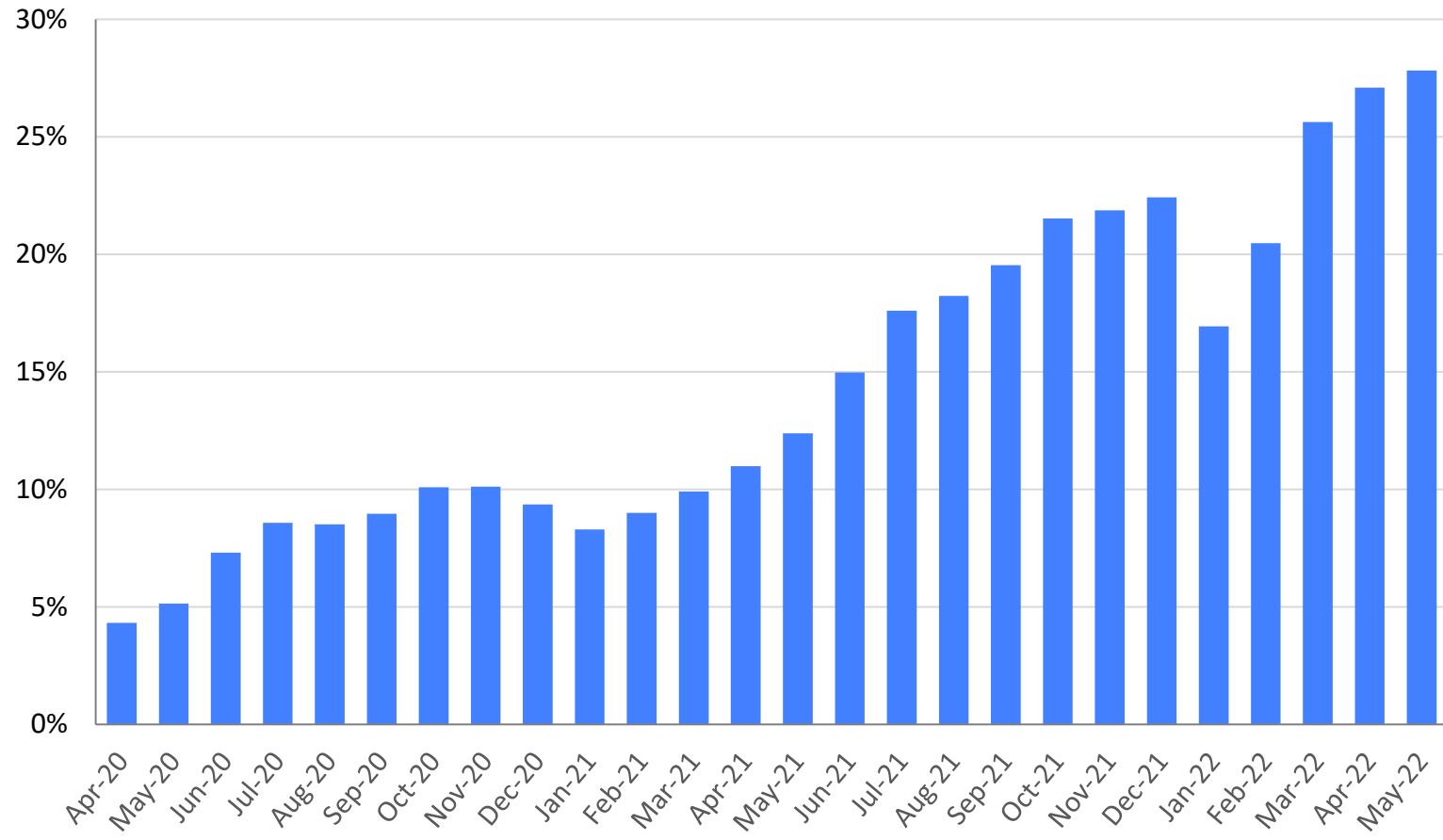


Source: SF County Transportation Authority

Downtown BART Ridership is Still Below 30% of Normal

16

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

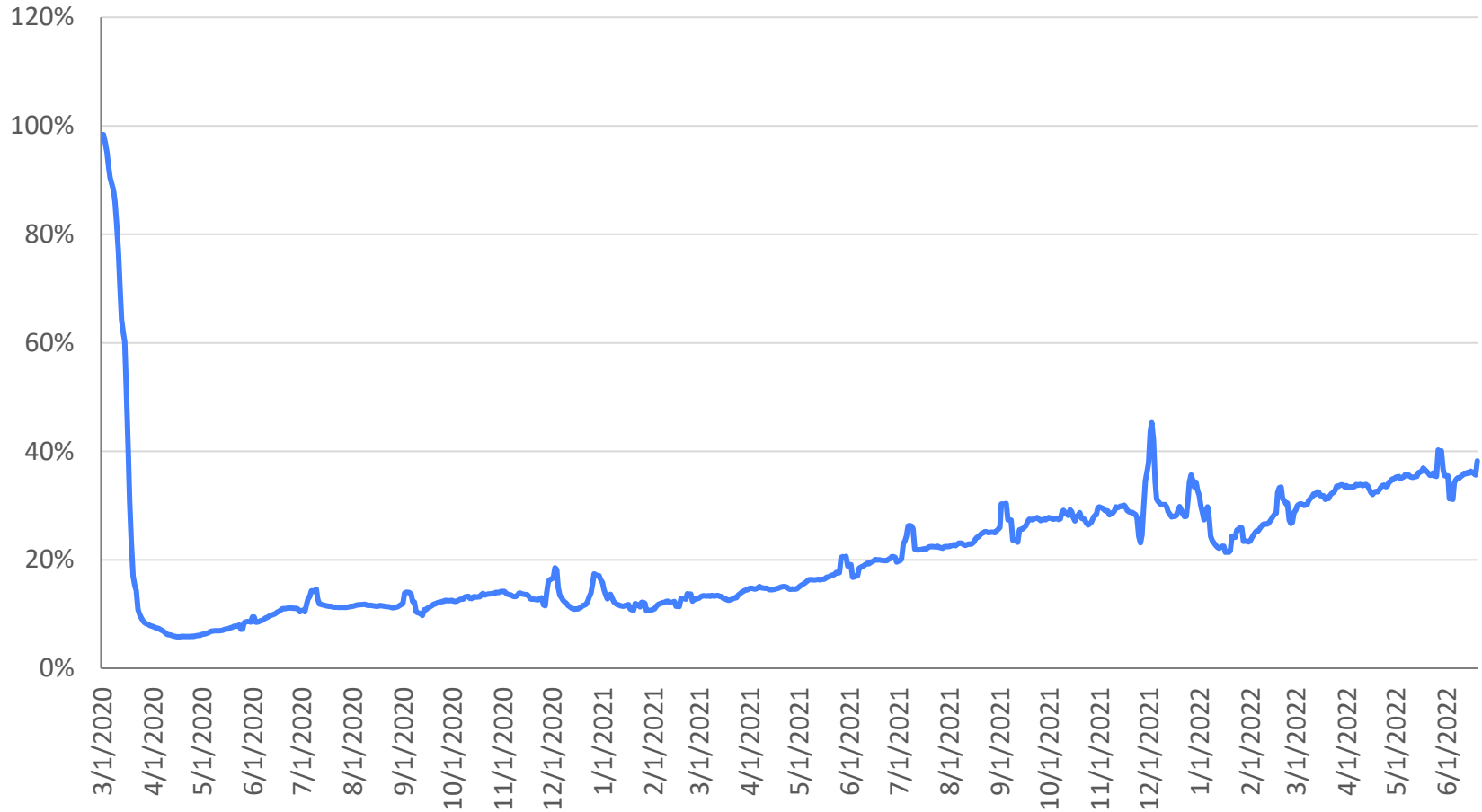


Source: BART

...With a Similar System-Wide BART Trend Through Late June

17

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

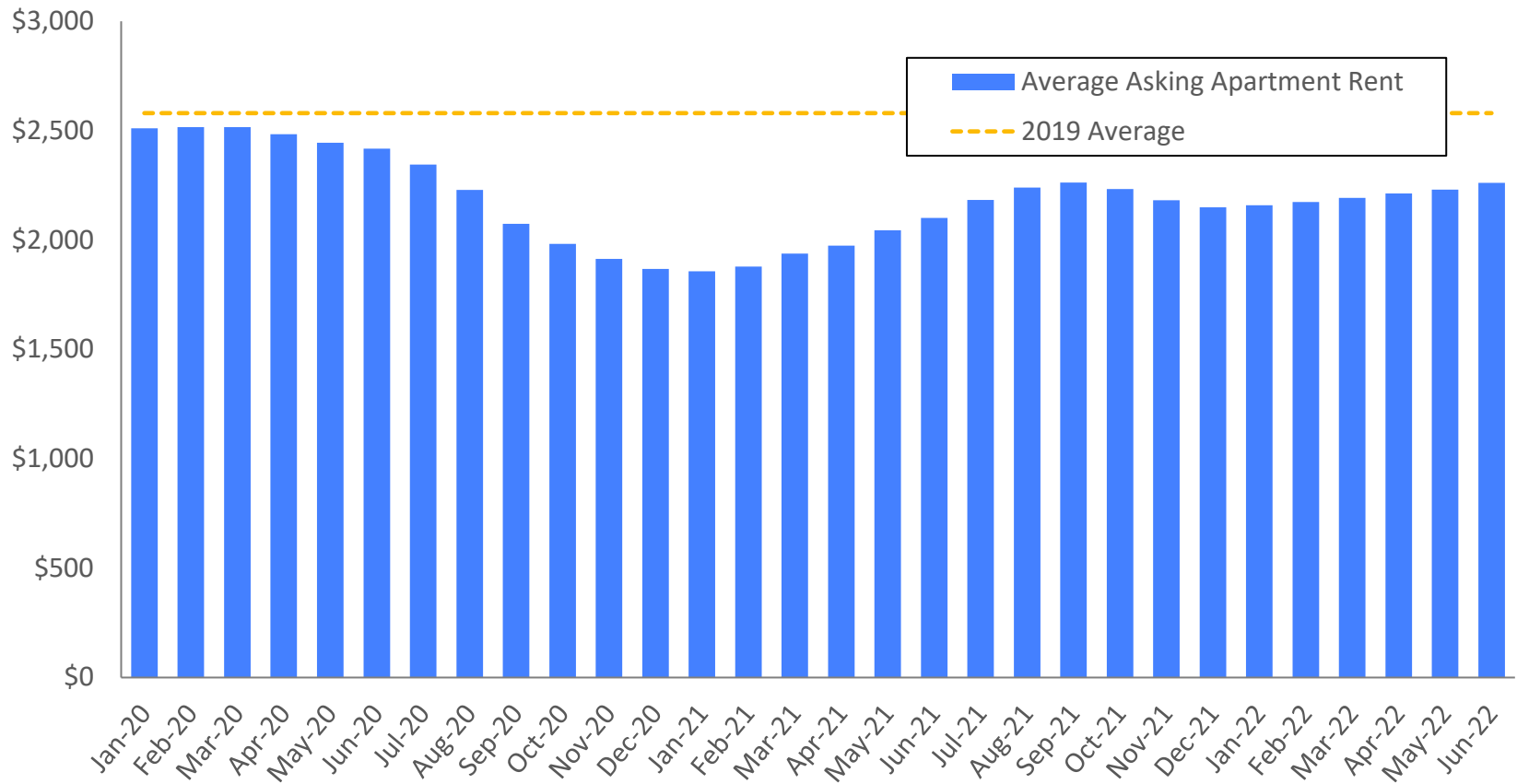


Source: BART

Steady Slow Growth in Apartment Rents; 12% Below Normal

18

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

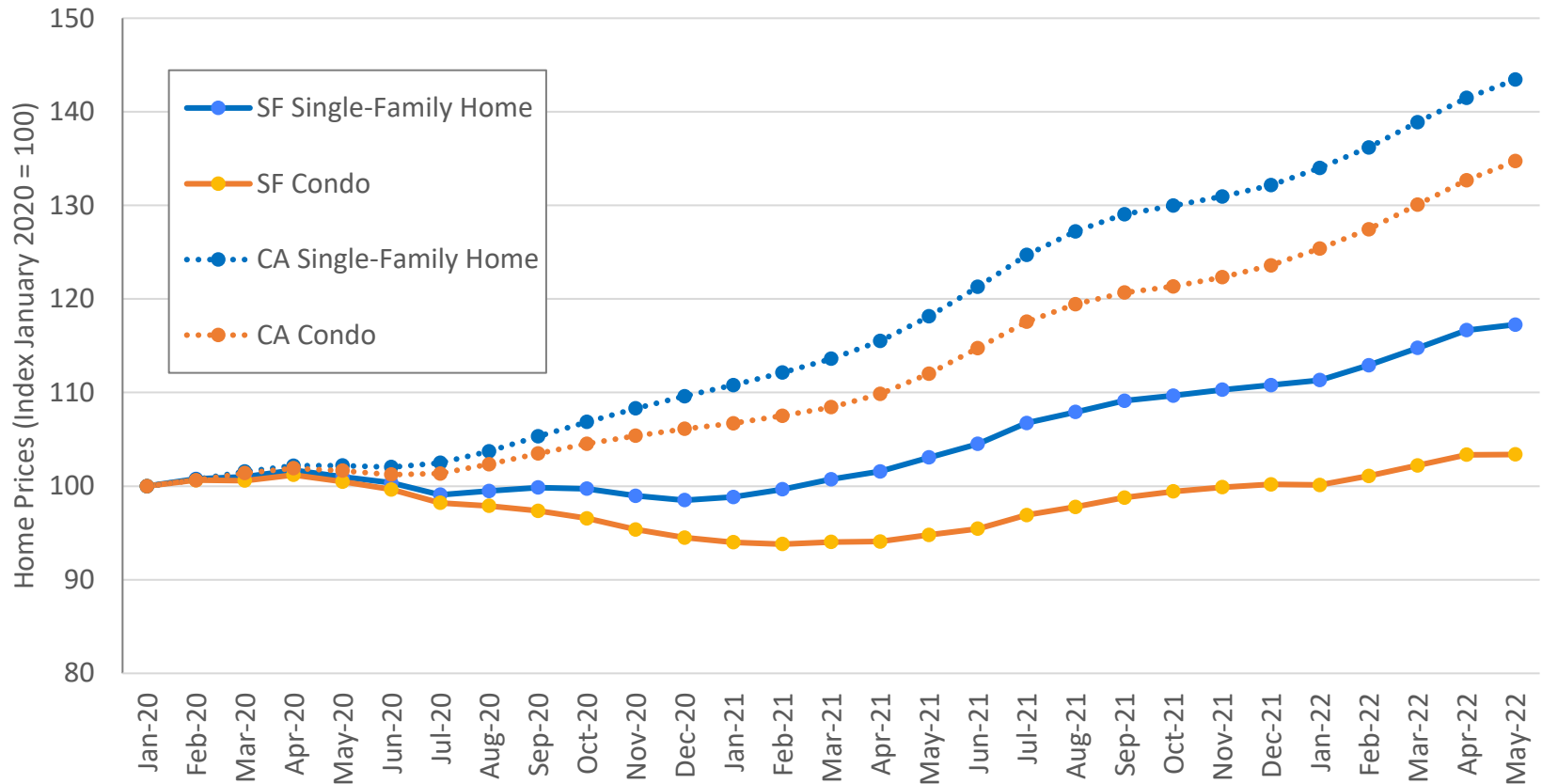


Source: Apartment List

Slowing in SF Housing Prices – California Still Growing Fast

19

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

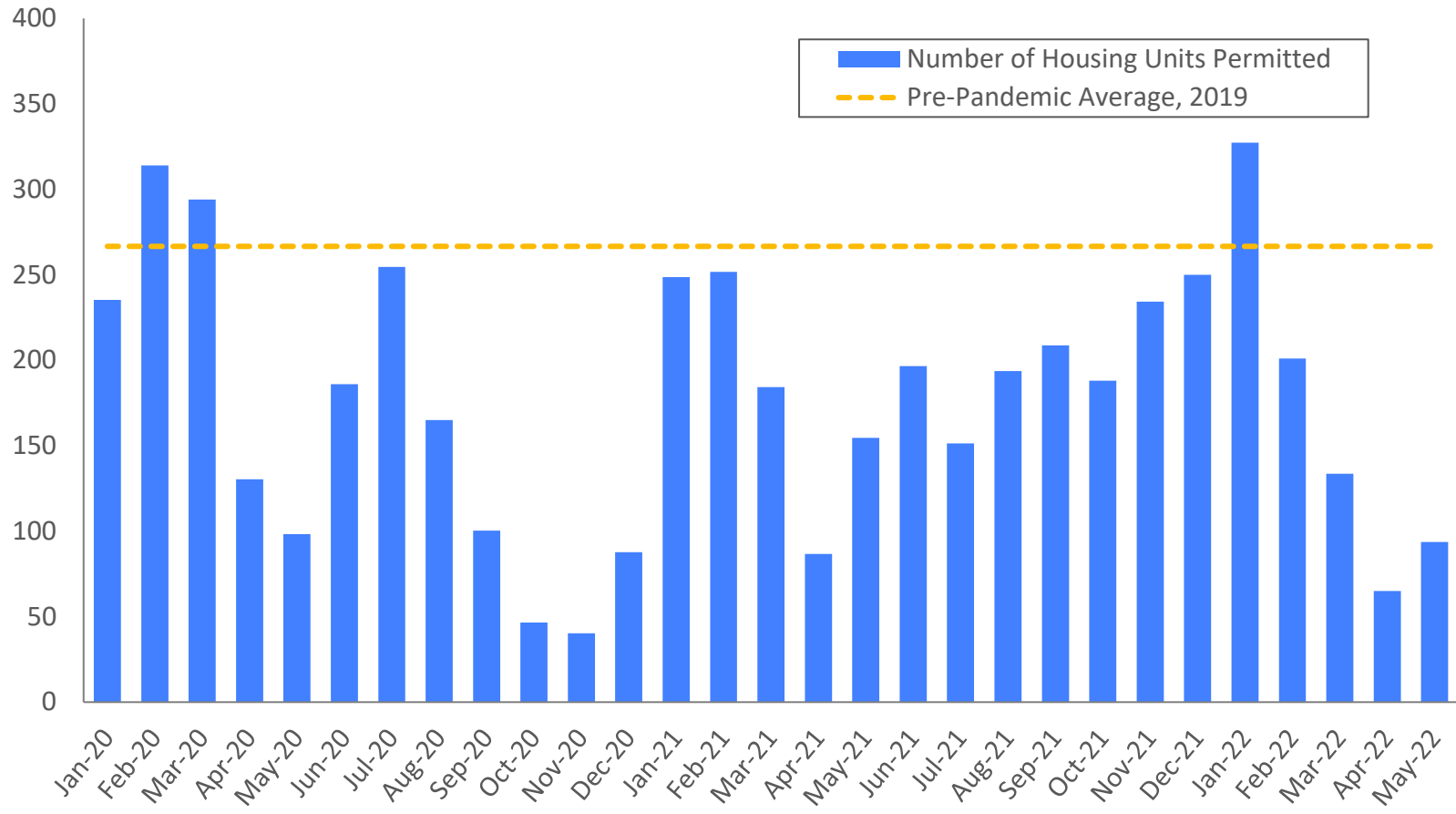


Source: Zillow

Drop in Housing Building Permits in the Spring

20

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



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

Ted Egan, Ph.D., Chief Economist

ted.egan@sfgov.org

Asim Khan, Ph.D., Senior Economist

asim.khan@sfgov.org