Status of the Re-Opening of the San Francisco Economy: June 2021
Introduction

- As the COVID-19 restrictions have been lifted, the Controller’s Office has begun tracking the pace of re-opening of the city’s economy.

- This report is the first of a monthly series that will provide updates on sectors of the economy such as office work, tourism, small business, transportation, and real estate.
The five-county San Francisco metro area* continues to lag comparable metro areas in office attendance.

Despite improvements in the public health situation, the rate of small business closures has remained steady from March to early June. More than 45% of small businesses in the city remain closed.

Employment in the San Francisco Metro Division is recovering slowly. Total employment is still down 10% from its pre-pandemic level, and has not yet recovered to the level reached before the second wave of COVID-19 infections at the end of last year.

However, the unemployment rate has declined substantially, and consistently, from over 12% at the start of the pandemic, to 5.1% in May of this year.

There is some positive news from the hotel industry. The city’s hotel occupancy rate has doubled since February, and average hotel rates have risen by one-third. At about 35%, the occupancy rate remains well below the pre-pandemic average, which was close to 80%.

* San Francisco, Alameda, Contra Costa, San Mateo, and Marin counties.
Similarly, enplanements at San Francisco International Airport have risen by 50% since February, but, as of April, were still only 30% pre-pandemic levels.

According to Census surveys of small business confidence, business travel is expected to pick up over the next six months, but future bookings at the Moscone Center are significantly below pre-pandemic levels.

Transportation statistics illustrate the uneven nature of the recovery. Evening freeway speeds in downtown have dropped to pre-pandemic levels, indicating the return of traffic congestion. However, BART ridership to downtown San Francisco stations was 12% of normal in May.

There are clear signs of recovery in apartment rents in San Francisco, which have risen consistently since the start of the year. Rents and building permits for new housing remain below 2019 levels, however.
List of Economic Indicators

1. Time Spent Outside of the Home
2. Office Attendance
3. Office Vacancy
4. Small Business Sentiment: Expected Return to Normal Conditions
5. % Change in Number of Small Business Open
6. % Change in Consumer Spending
7. Total Employment in San Francisco & San Mateo Counties
8. San Francisco Unemployment Rate
9. Hotel Occupancy Rate
10. Hotel Average Daily Rate (ADR) per Night
11. Small Business Sentiment: Expected Future Business Travel
12. Convention Bookings At Moscone
13. San Francisco International Airport Enplanements
14. PM Freeway Speed
15. BART Exits at Downtown SF Stations
16. Golden Bridge Traffic
17. Average Asking Rents for Apartments
18. Building Permits
% Change in Time Spent Outside Home, San Francisco Residents, Through June 7

Change relative to the January 2020 index period, not seasonally adjusted.

Source: Google Mobility, Opportunity Insights, https://tracktherecovery.org
Office Re-Opening in the SF Metro Area Lags Other Areas

Weekly Office Attendance Across Selected Metros, Through June 16

Kastle Back to Work Barometer reflects unique authorized user entries in a market relative to its pre-COVID baseline, averaged weekly. The San Francisco Metro Area includes San Francisco, Alameda, Contra Costa, San Mateo, and Marin counties.

Source: Kastle Systems
Office Vacancy Rates at Historic Highs: Still Rising in Q1

Office Vacancy,
San Francisco, Through 2021Q1

Source: Jones Lang LaSalle
No Significant Improvement in Small Business Re-Opening

Number of Small Businesses Open, San Francisco, Through June 2

Small business transactions from several credit card processors relative to baseline index of January 4-31, 2020.

But Local Small Business Sentiment Has Generally Improved

Percentage of Small Businesses That Expect Normal Conditions to Return in More than 6 Months, San Francisco-Oakland-Berkeley MSA, Through June 13

Despite Business Closures, Resident Spending Has Recovered

Consumer Spending,
San Francisco, Through May 16

% Change in All Consumer Spending, 7-Day Moving Average

Seasonally adjusted credit/debit card spending relative to baseline spending of January 4-31, 2020.

Source: Affinity, Opportunity Insights, https://tracktherecovery.org
Total Employment in San Francisco Area Still Down 10%

Total Employment, San Francisco Metro Division, Through May

Source: California Employment Development Department (EDD). The San Francisco Metro Division includes San Francisco and San Mateo counties.
However, San Francisco Unemployment Has Dropped to 5.1%

Source: California Employment Development Department (EDD). The San Francisco Metro Division includes San Francisco and San Mateo counties.
Hotel Occupancy Rate is Rising – Doubled Since February

Hotel Occupancy Rate,
San Francisco, From October 10, 2020 to June 12, 2021

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

Source: STR
Hotel Average Daily Rate (ADR) per Night, San Francisco, Through June 12

Source: STR
Significant Increase Since February in Business Travel Plans

Expected Future Business Travel, National Survey, Through June 13

Source: Small Business Pulse Survey, US Census Bureau
The San Francisco Metro Area includes San Francisco, Alameda, Contra Costa, San Mateo, and Marin counties.
At Present, Little Recovery in Future Moscone Bookings

Convention Bookings at Moscone, Through SF Travel

The numbers include both Moscone events and Self-Contained events that were booked through SF Travel.

Source: SF Travel
50% Growth at SFO Since February, But Well Below Normal

Enplanements at San Francisco International Airport, as % of 2019, Through April

Source: San Francisco International Airport (SFO)
Freeway Speeds Have Returned to Pre-Pandemic Levels...

Average PM Freeway Speed, San Francisco, Through June 8

Source: San Francisco County Transportation Authority (SFCTA)
...But BART Ridership, While Growing, Still 12% of Normal

Monthly BART Exits At Downtown SF Stations, as % of 2019, Through May

Source: BART
Golden Gate Bridge Traffic Also Remains Below Normal

Total Monthly Golden Gate Bridge Traffic (South-Bound), San Francisco, Through May

Source: Golden Gate Bridge Highway and Transportation District
Apartment Rents Recovering After Deepest Drop in the U.S.

Average Asking Apartment Rent, San Francisco, Through May

Source: ApartmentList
...But Housing Building Permits Are Below 2019 Levels

Number of Housing Units Permitted, 3 Month Moving Average, San Francisco, January 2020 - April 2021

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