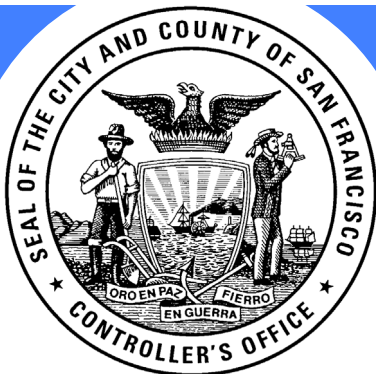


Status of the Re-Opening of the San Francisco Economy: June 2021



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Office of Economic Analysis

June 24, 2021

- 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.

Highlights of the June Data

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- 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.

Highlights of the June Data

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- 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

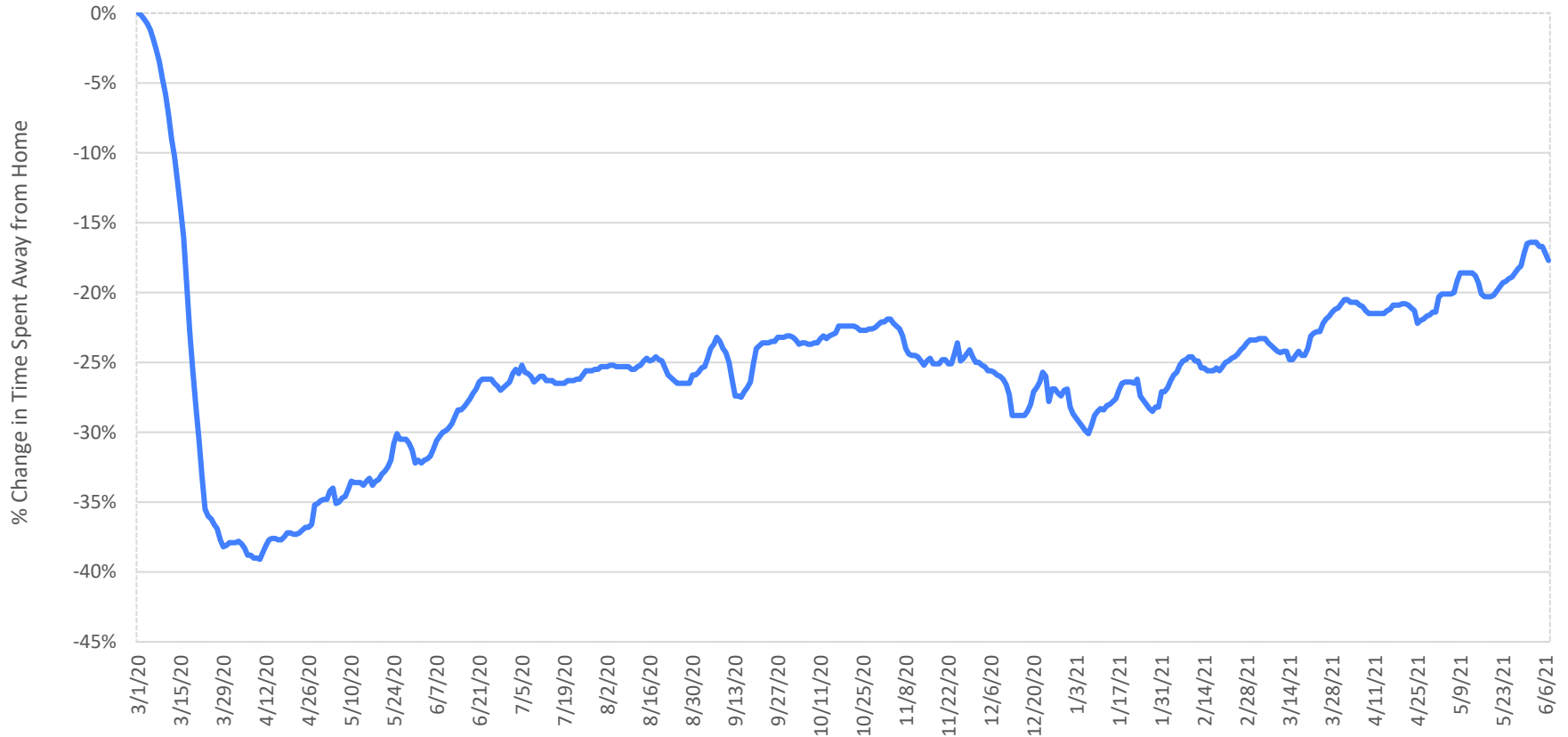
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1. Time Spent Outside of the Home
2. Office Attendance
3. Office Vacancy
4. Small Business Sentiment: Expected Return to Normal Conditions
5. % Change in Number of Small Business Open
6. % Change in Consumer Spending
7. Total Employment in San Francisco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

Time Spent Outside Home At Highest Level Since March 2020

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% Change in Time Spent Outside Home, San Francisco Residents, Through June 7



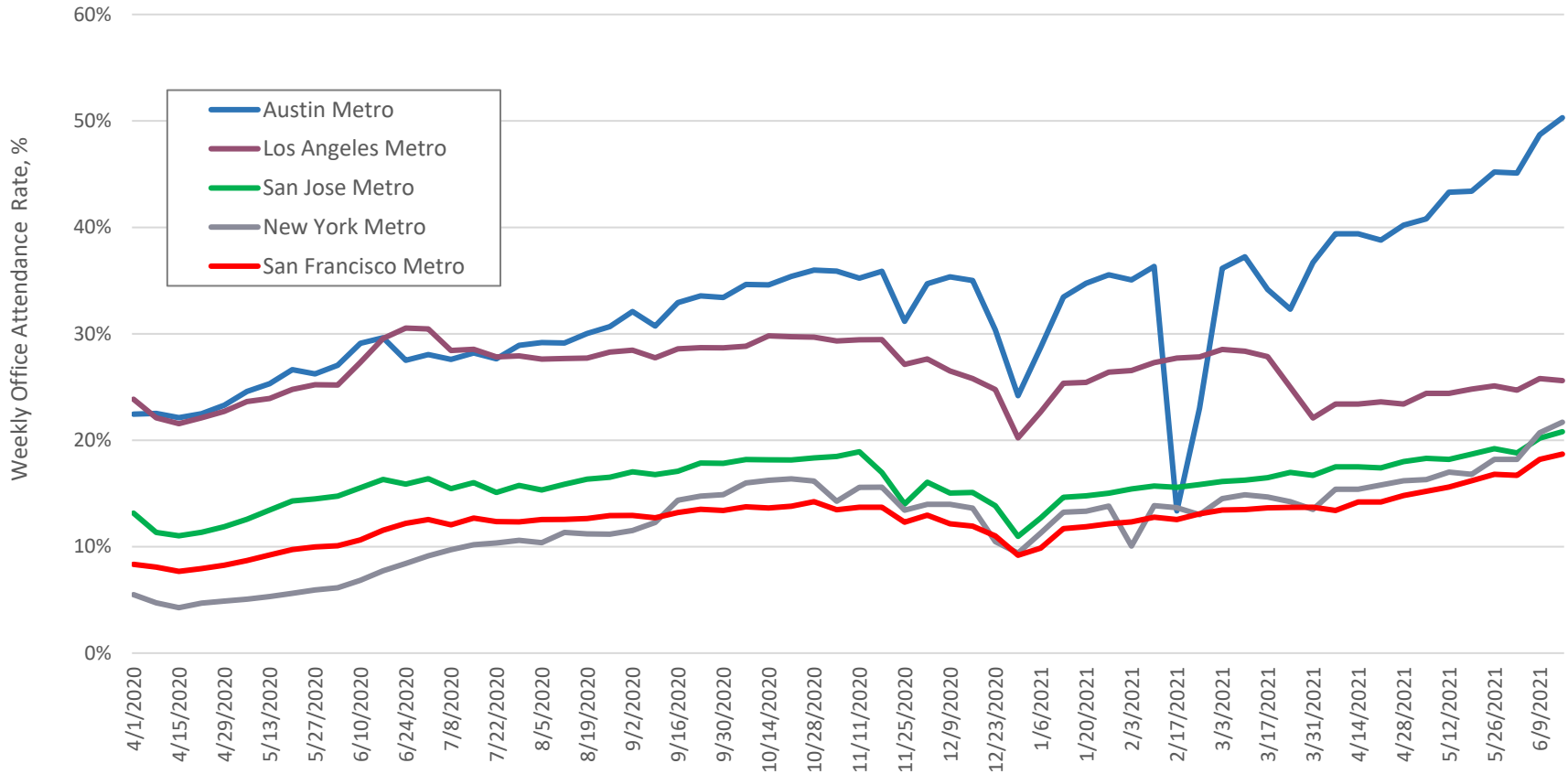
Change relative to the January 2020 index period, not seasonally adjusted.

Source: Google Mobility, Opportunity Insights, <https://tracktherecovery.org>
https://opportunityinsights.org/wp-content/uploads/2020/05/tracker_paper.pdf

Office Re-Opening in the SF Metro Area Lags Other Areas

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Weekly Office Attendance Across Selected Metros, Through June 16

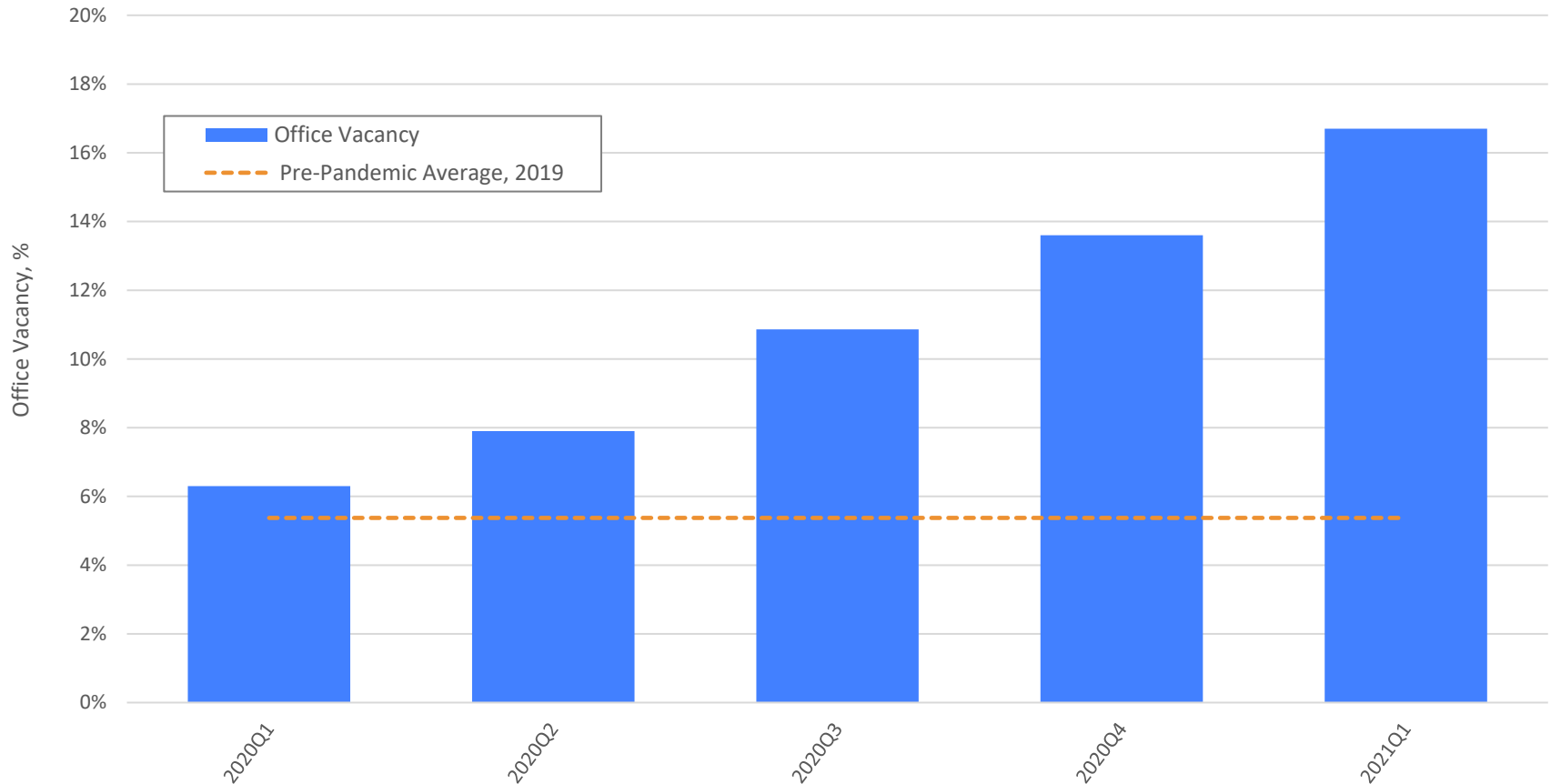


Kastle Back to Work Barometer reflects unique authorized user entries in a market relative to its pre-COVID baseline, averaged weekly. The San Francisco Metro Area includes San Francisco, Alameda, Contra Costa, San Mateo, and Marin counties.

Office Vacancy Rates at Historic Highs: Still Rising in Q1

8

Office Vacancy, San Francisco, Through 2021Q1



Source: Jones Lang LaSalle

No Significant Improvement in Small Business Re-Opening

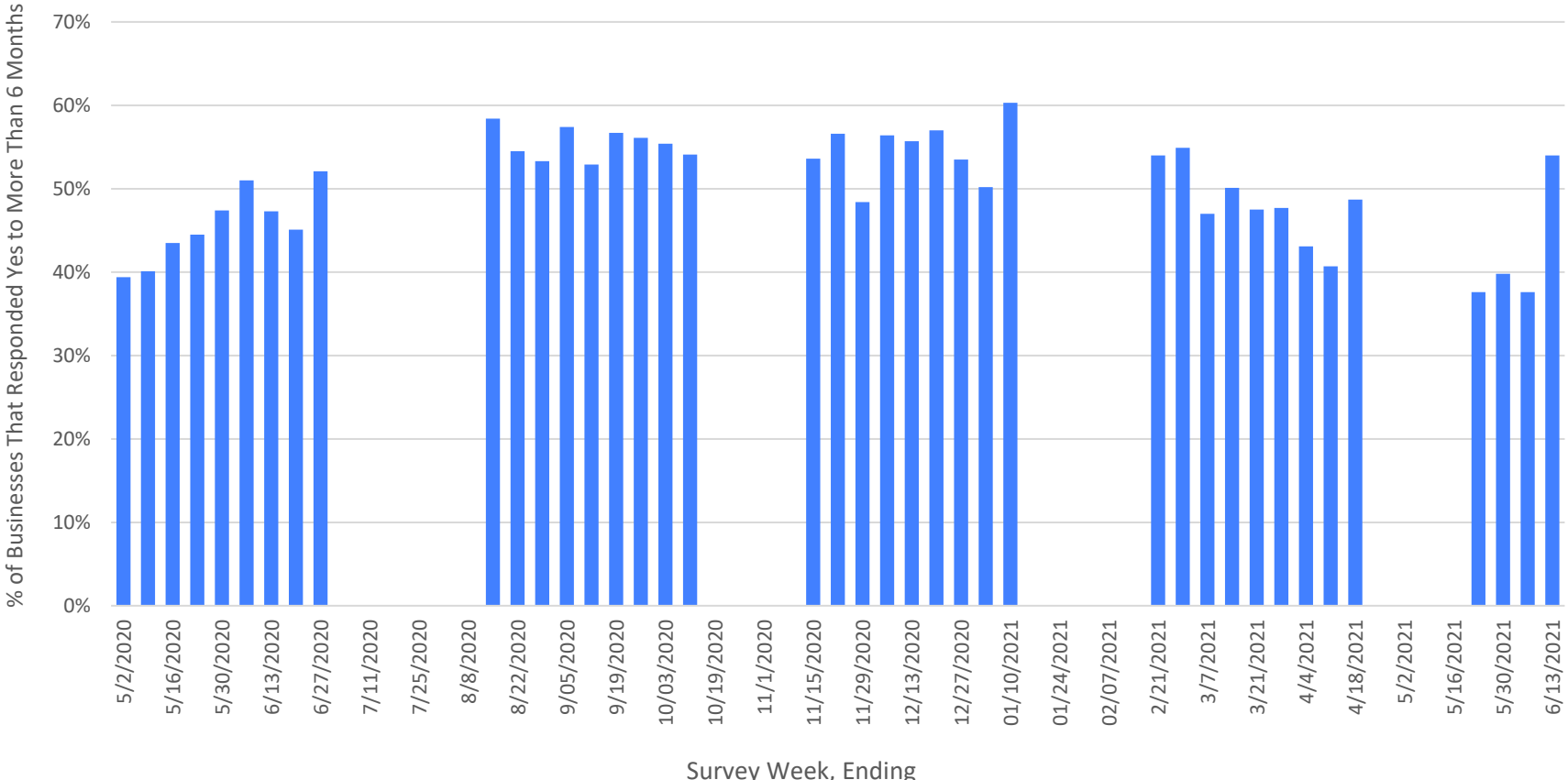
Number of Small Businesses Open, San Francisco, Through June 2



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

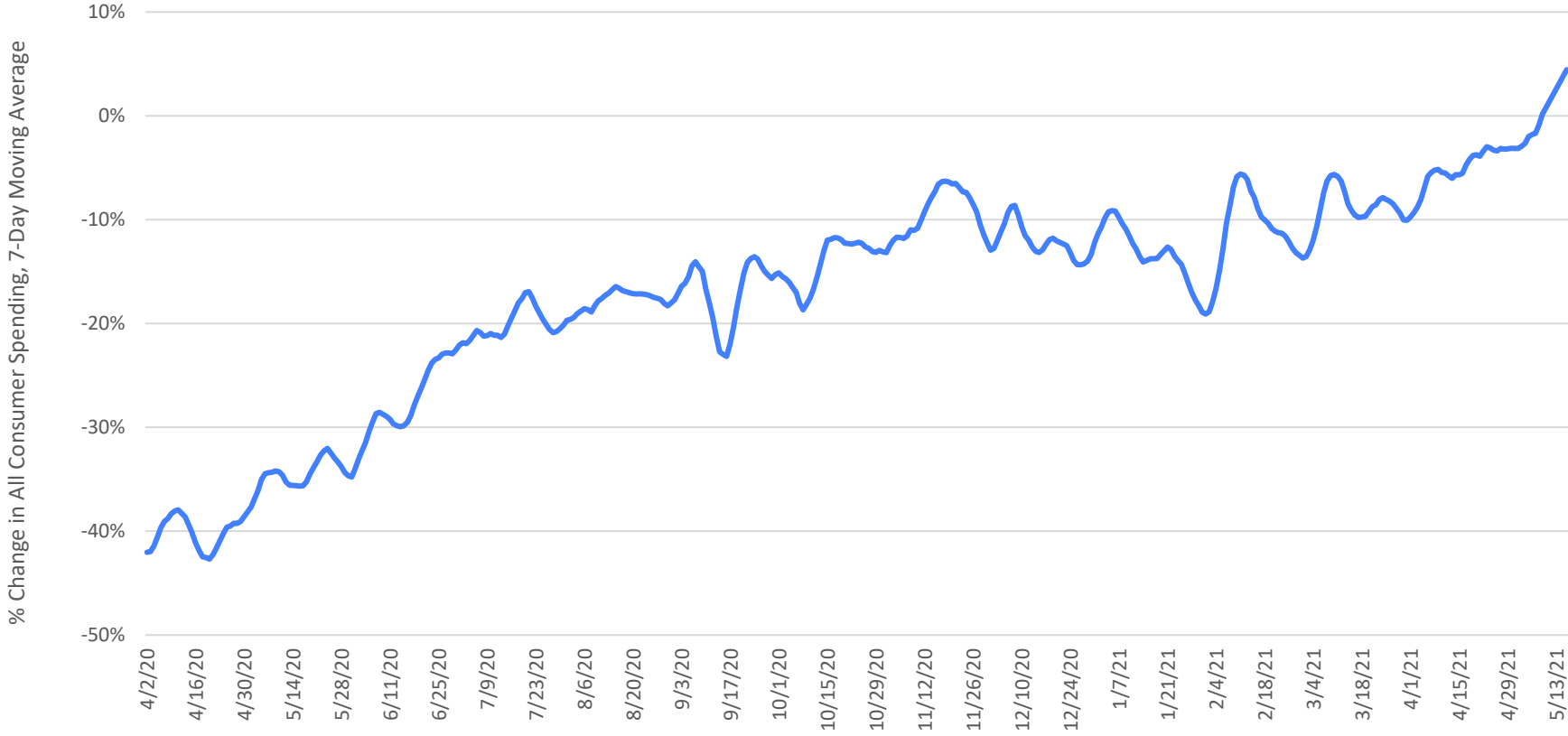
Percentage of Small Businesses That Expect Normal Conditions to Return in More than 6 Months, San Francisco-Oakland-Berkeley MSA, Through June 13



Source: Small Business Pulse Survey, US Census Bureau. The San Francisco Metro Area includes San Francisco, Alameda, Contra Costa, San Mateo, and Marin counties.

Despite Business Closures, Resident Spending Has Recovered

Consumer Spending, San Francisco, Through May 16



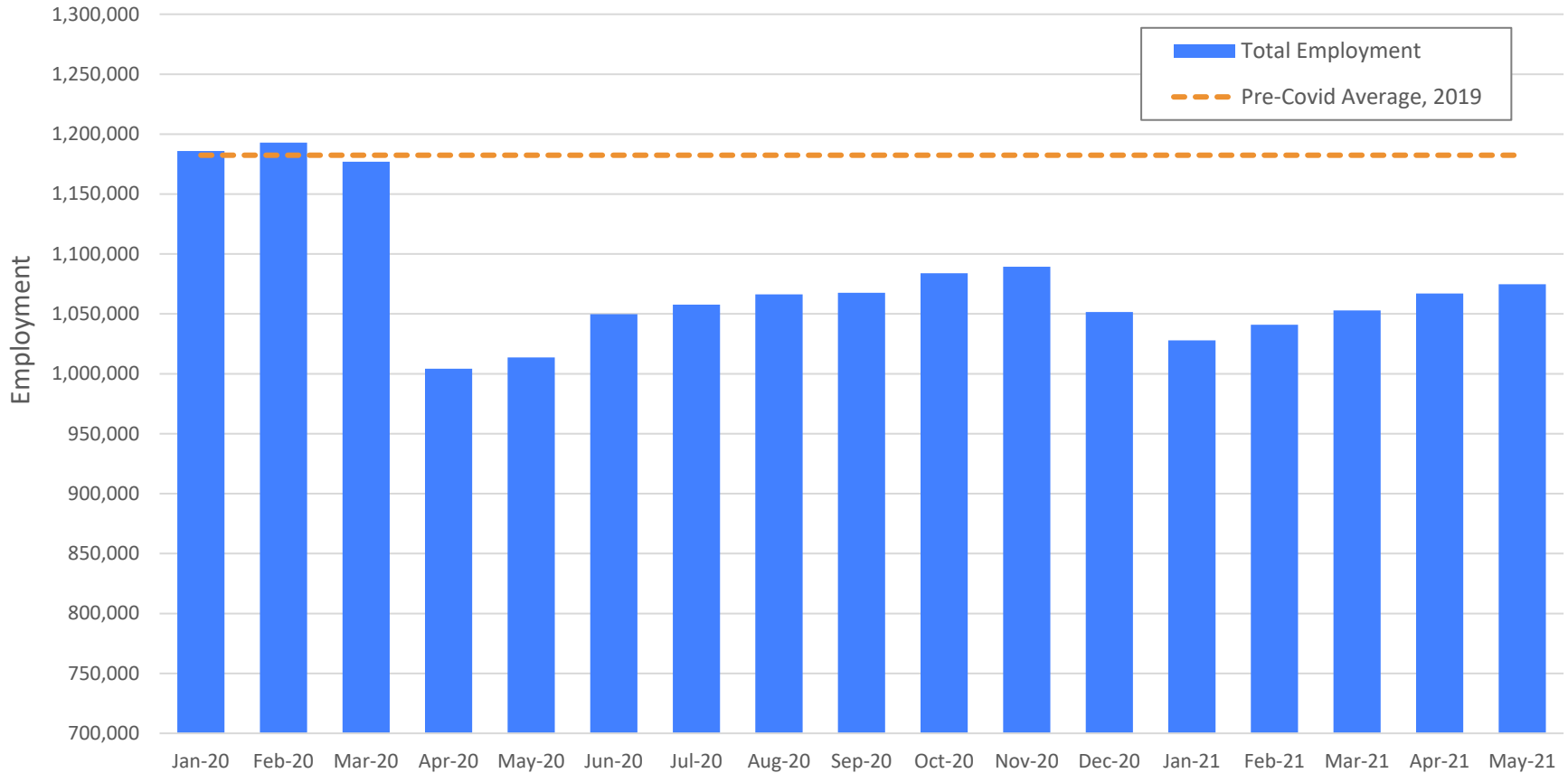
Seasonally adjusted credit/debit card spending relative to baseline spending of January 4-31, 2020.

Source: Affinity, Opportunity Insights, <https://tracktherecovery.org>
https://opportunityinsights.org/wp-content/uploads/2020/05/tracker_paper.pdf

Total Employment in San Francisco Area Still Down 10%

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Total Employment, San Francisco Metro Division, Through May

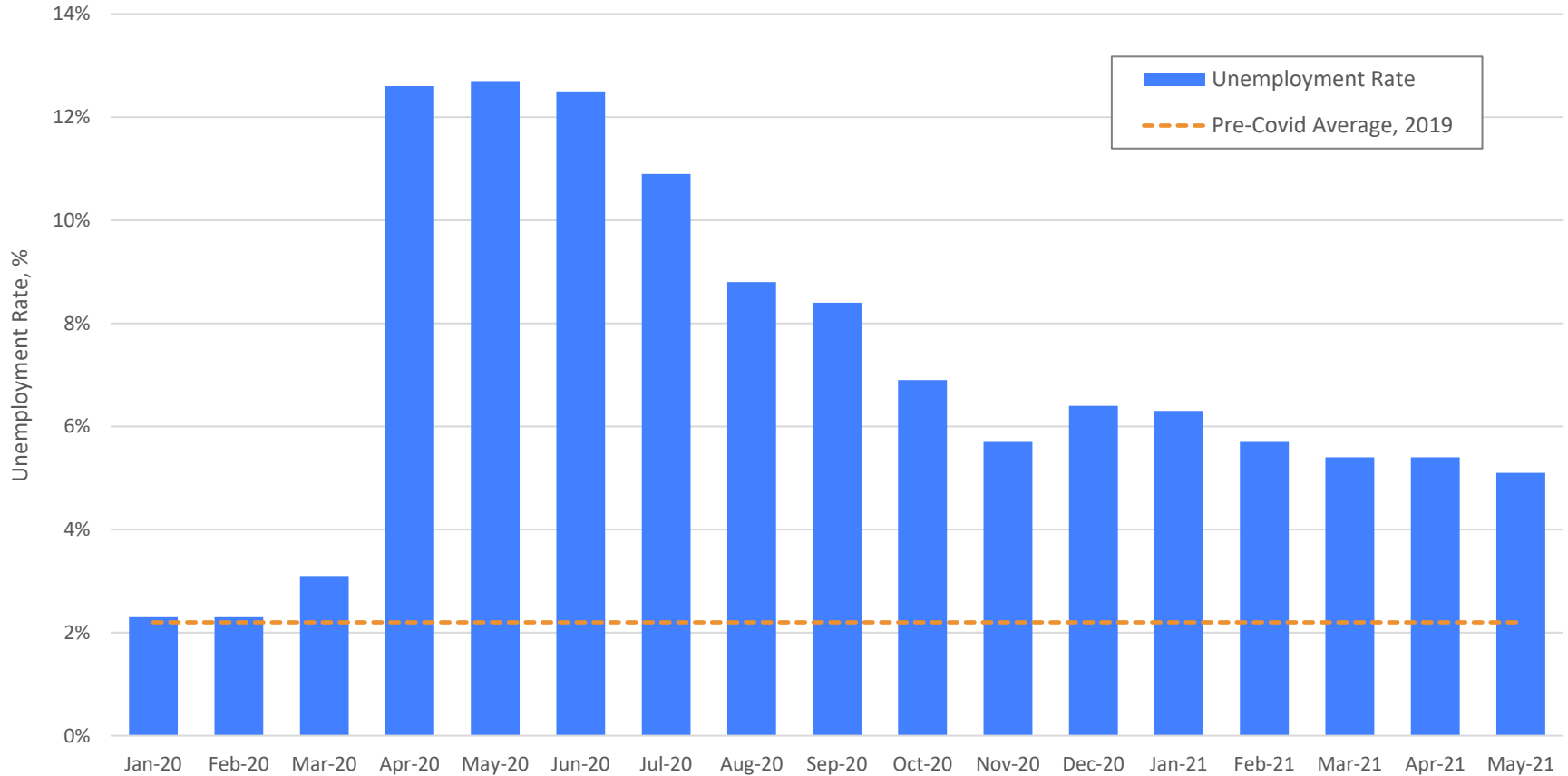


Source: California Employment Development Department (EDD). The San Francisco Metro Division includes San Francisco and San Mateo counties.

However, San Francisco Unemployment Has Dropped to 5.1%

13

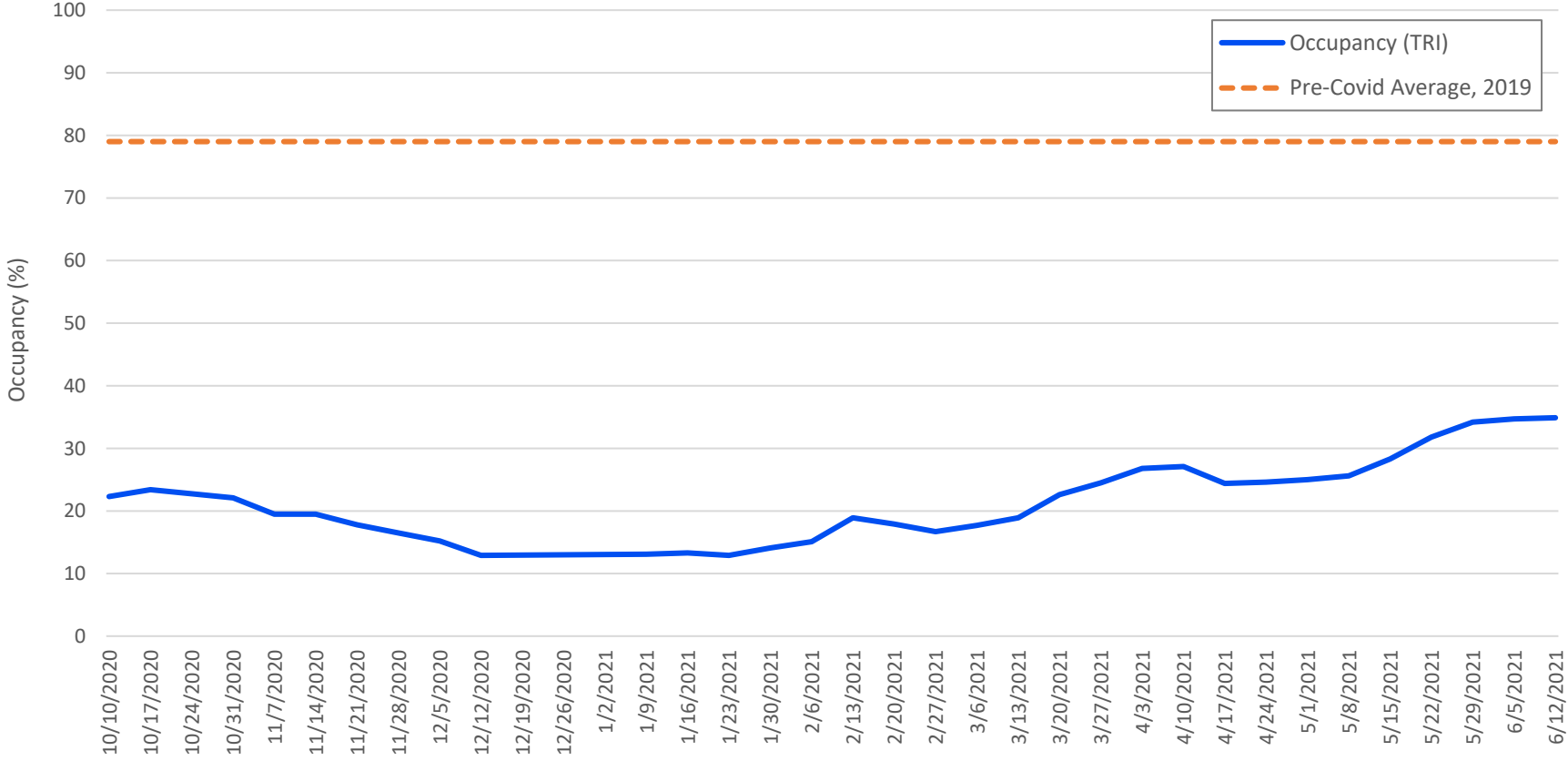
Unemployment Rate, San Francisco, Through May



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

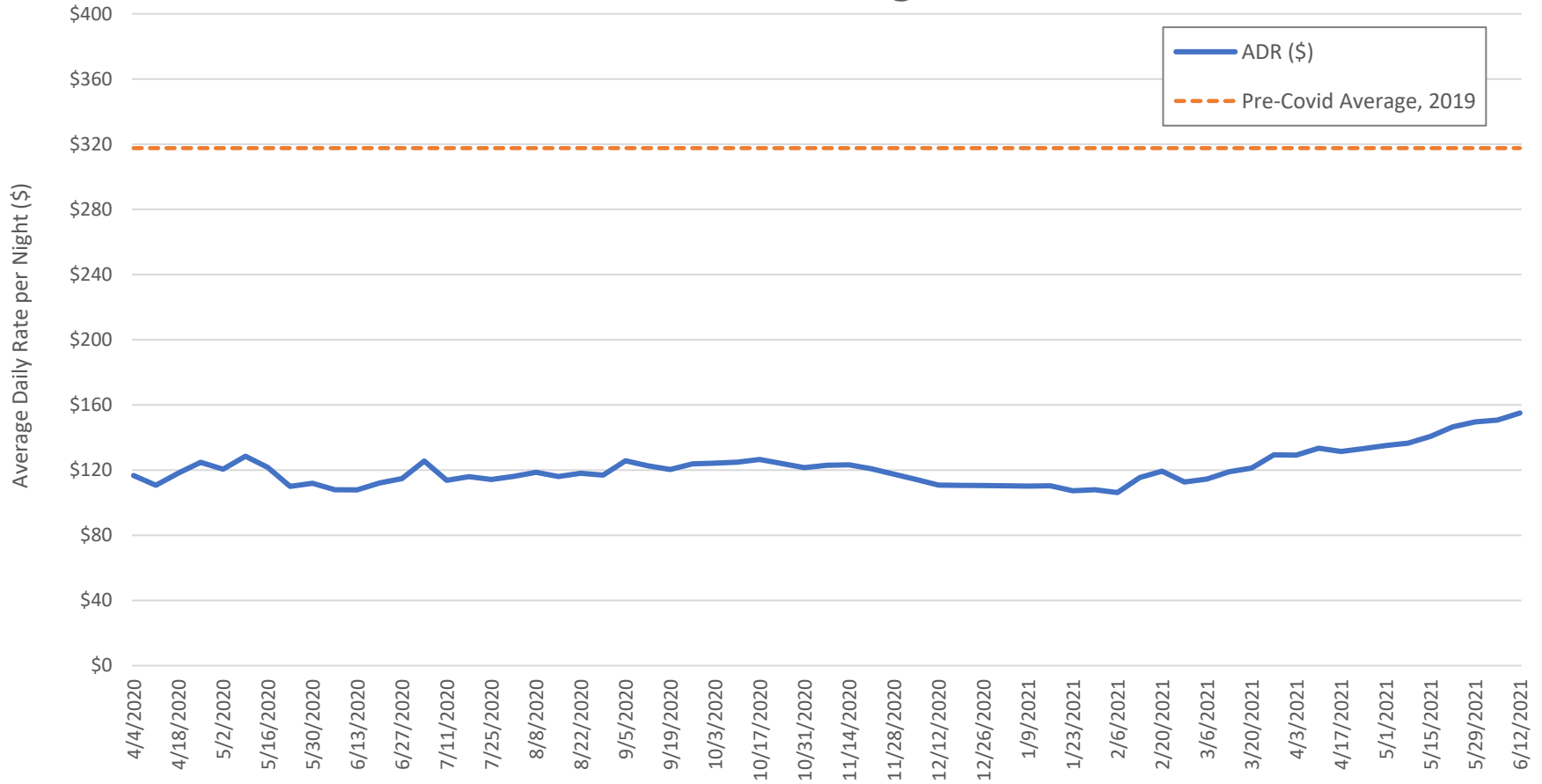


TRI (Total Room Inventory) takes in to account all the hotel rooms in the city, whether open or closed.

Average Daily Rate Has Risen by One-Third Since February

15

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

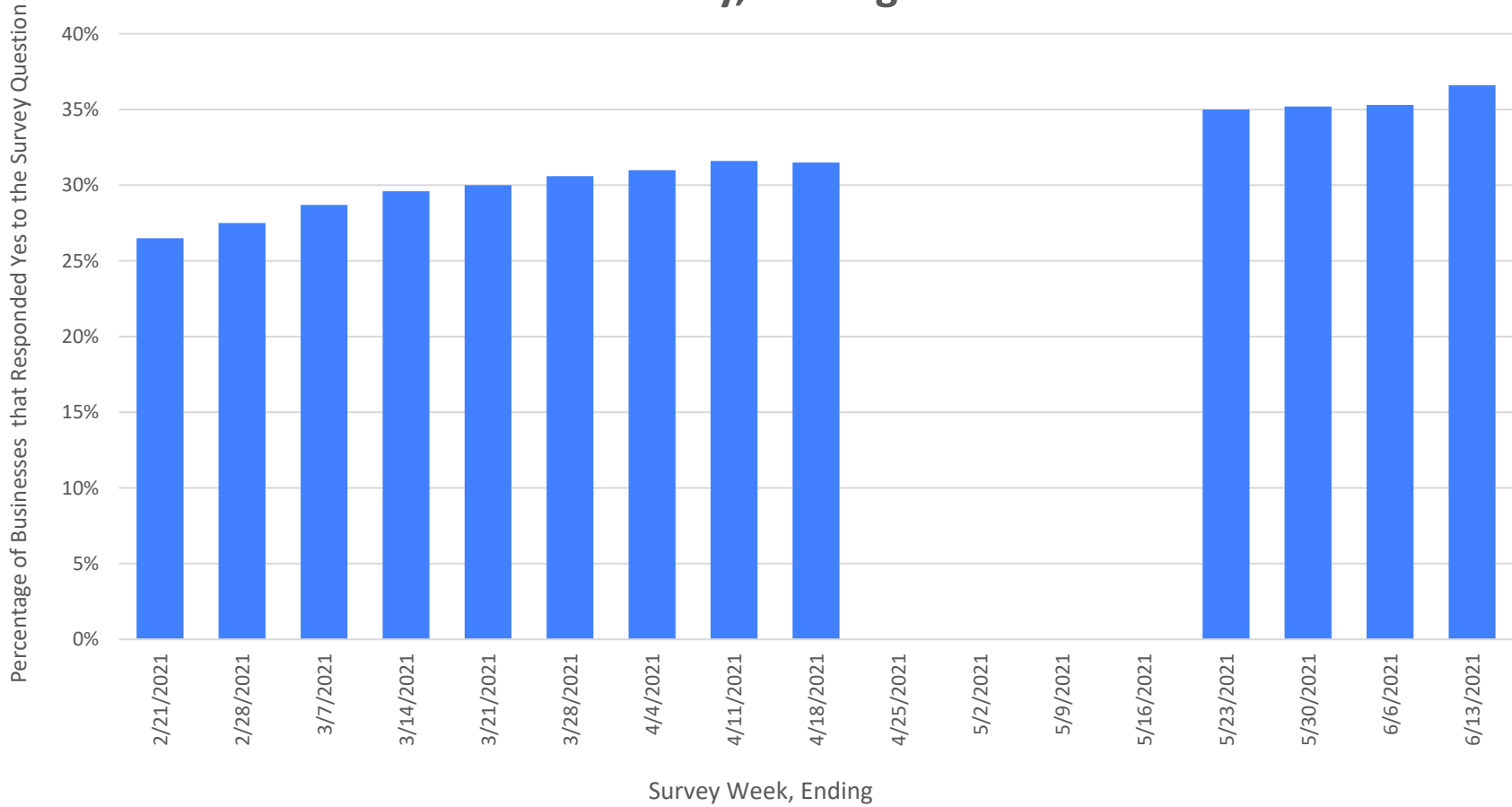


Source: STR

Significant Increase Since February in Business Travel Plans

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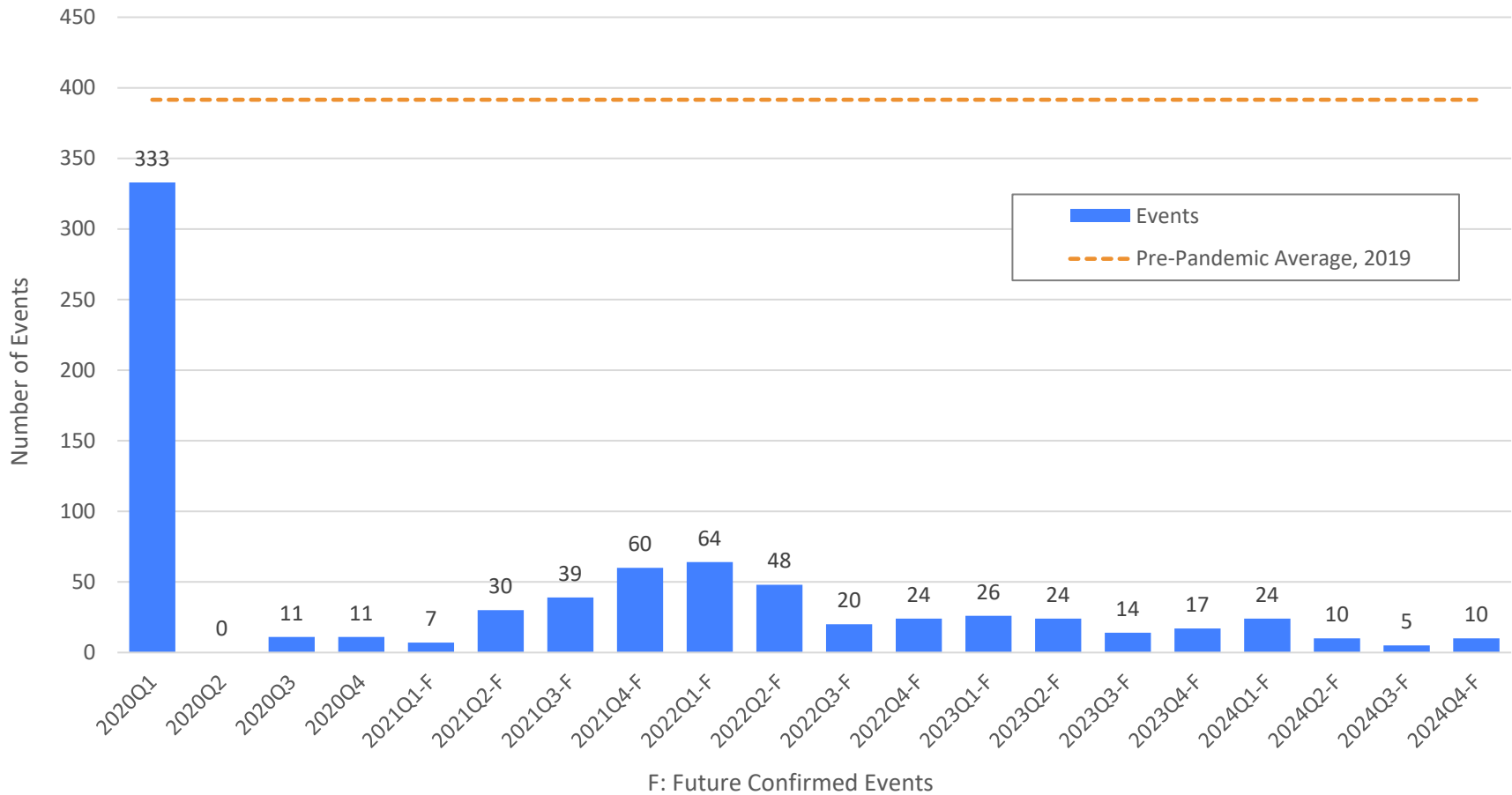
Expected Future Business Travel, National Survey, Through June 13



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

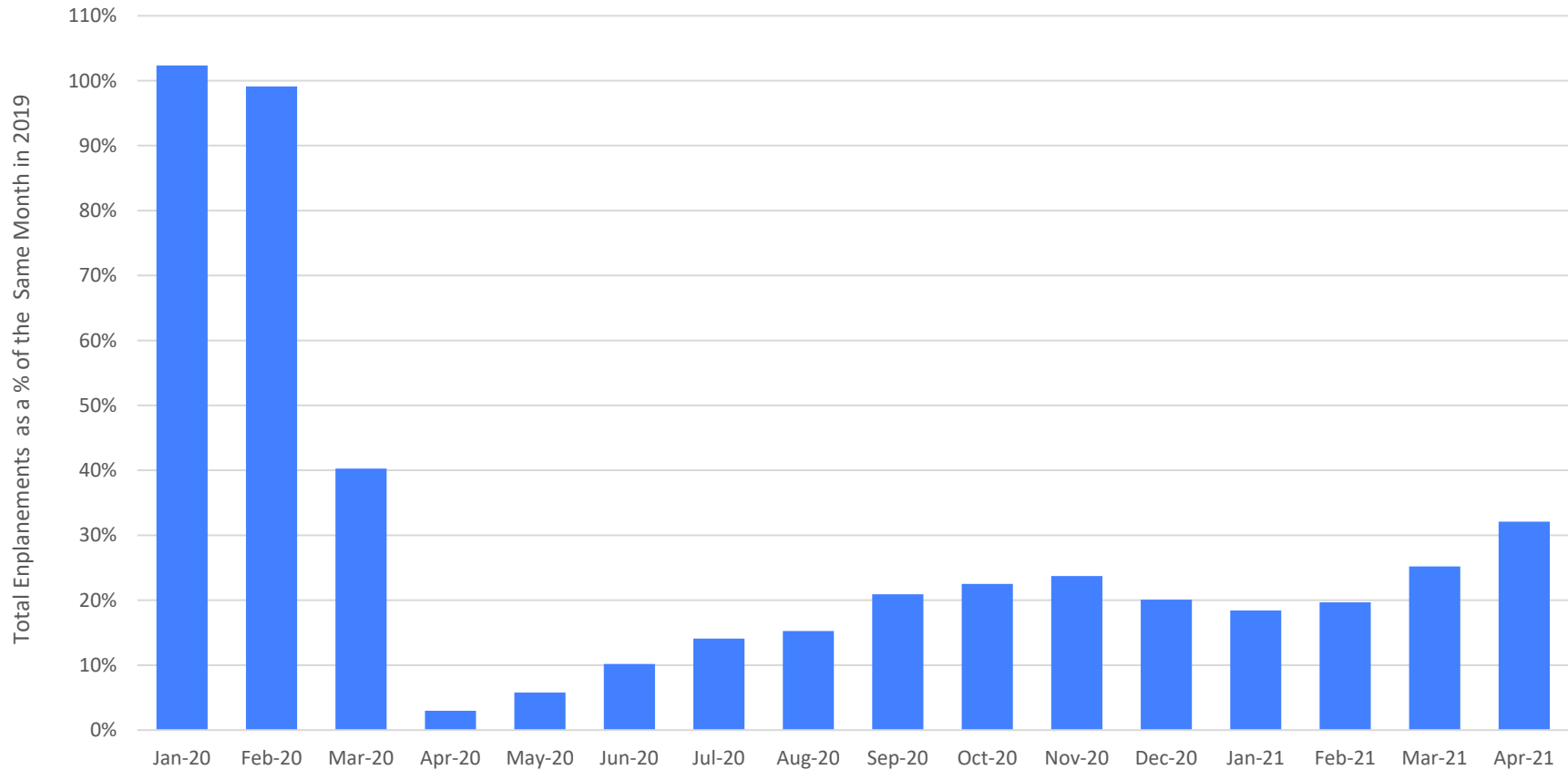


The numbers include both Moscone events and Self-Contained events that were booked through SF Travel.

50% Growth at SFO Since February, But Well Below Normal

18

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

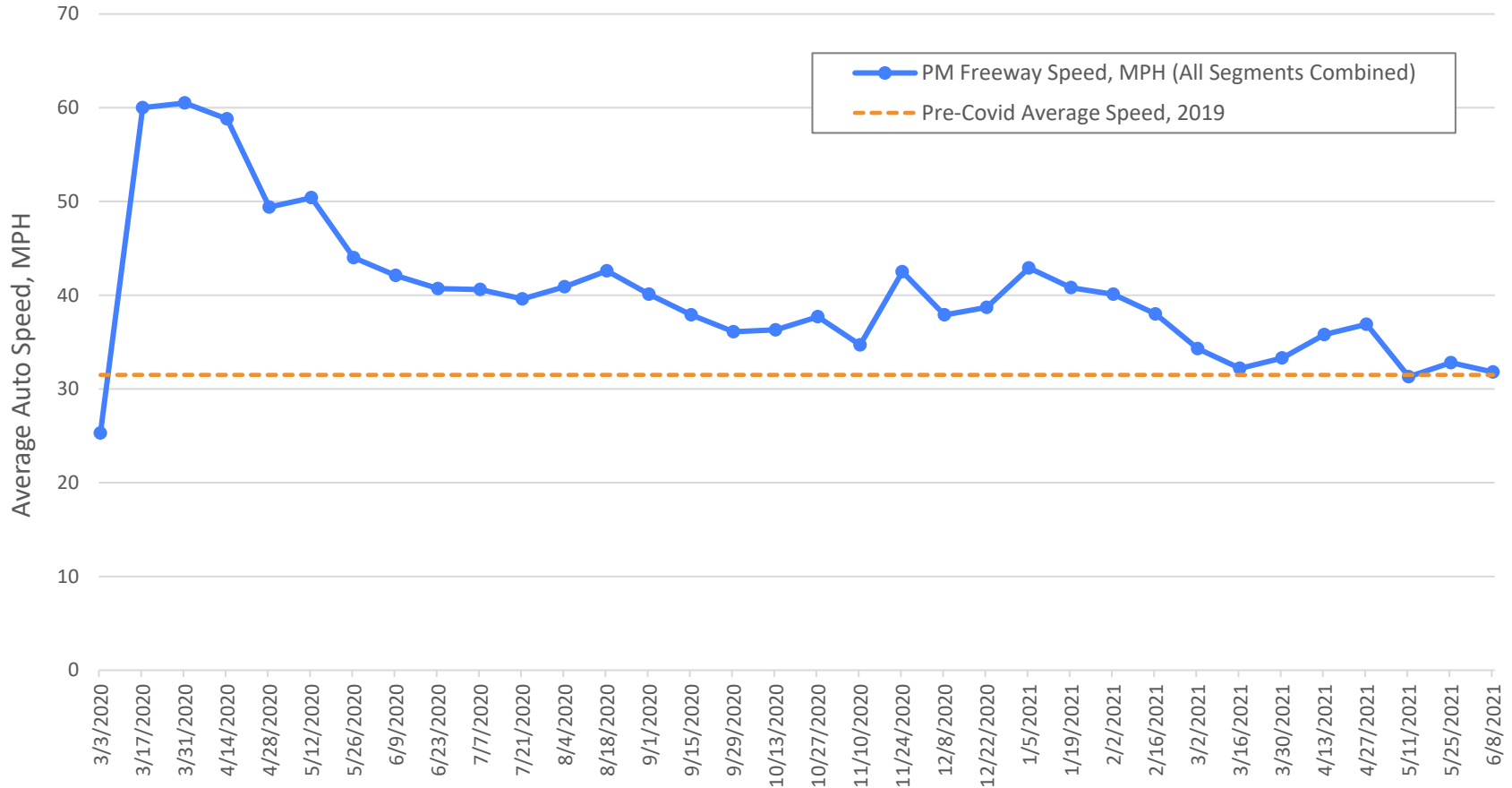


Source: San Francisco International Airport (SFO)

Freeway Speeds Have Returned to Pre-Pandemic Levels...

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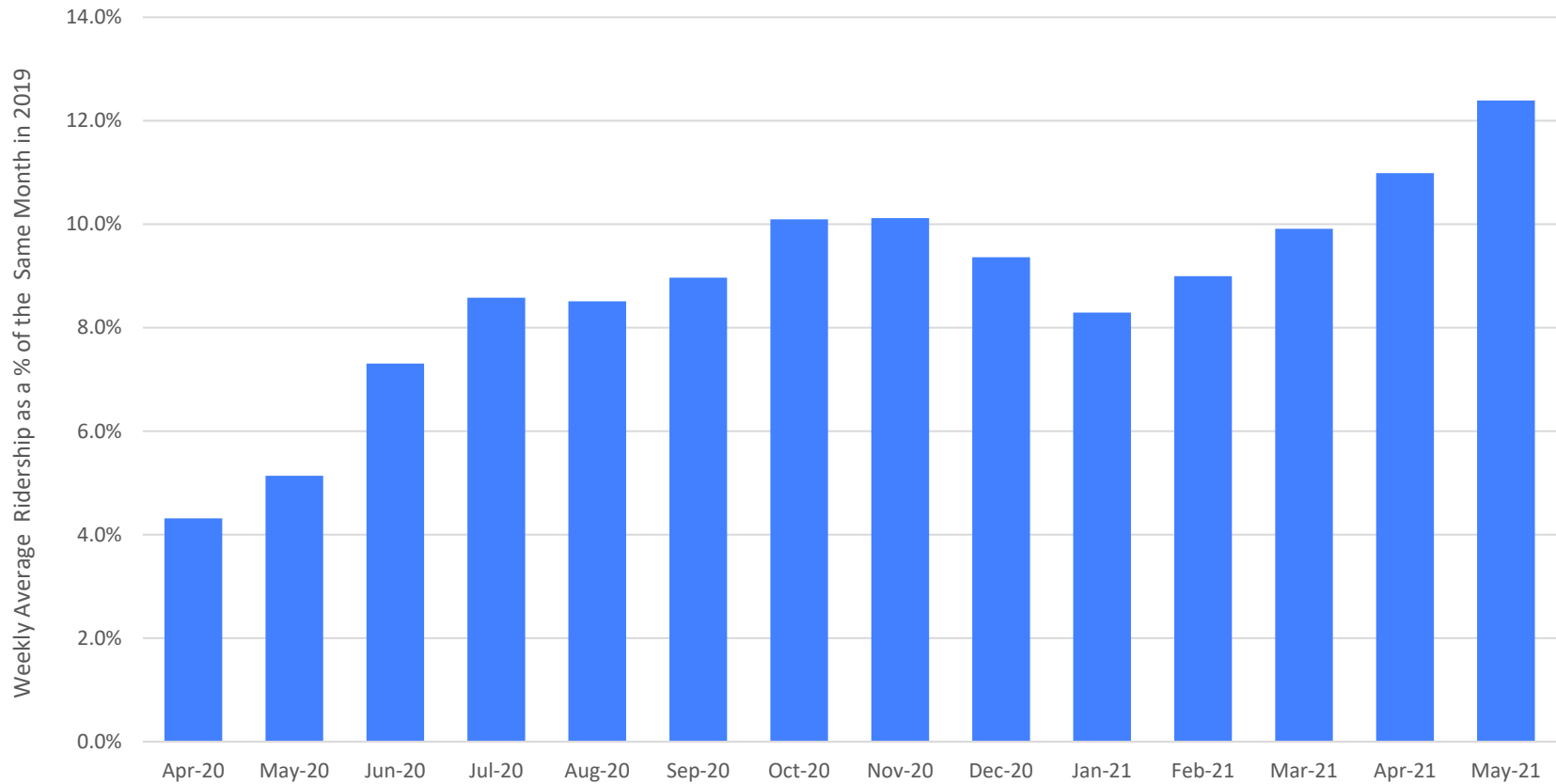
Average PM Freeway Speed, San Francisco, Through June 8



Source: San Francisco County Transportation Authority (SFCTA)

...But BART Ridership, While Growing, Still 12% of Normal

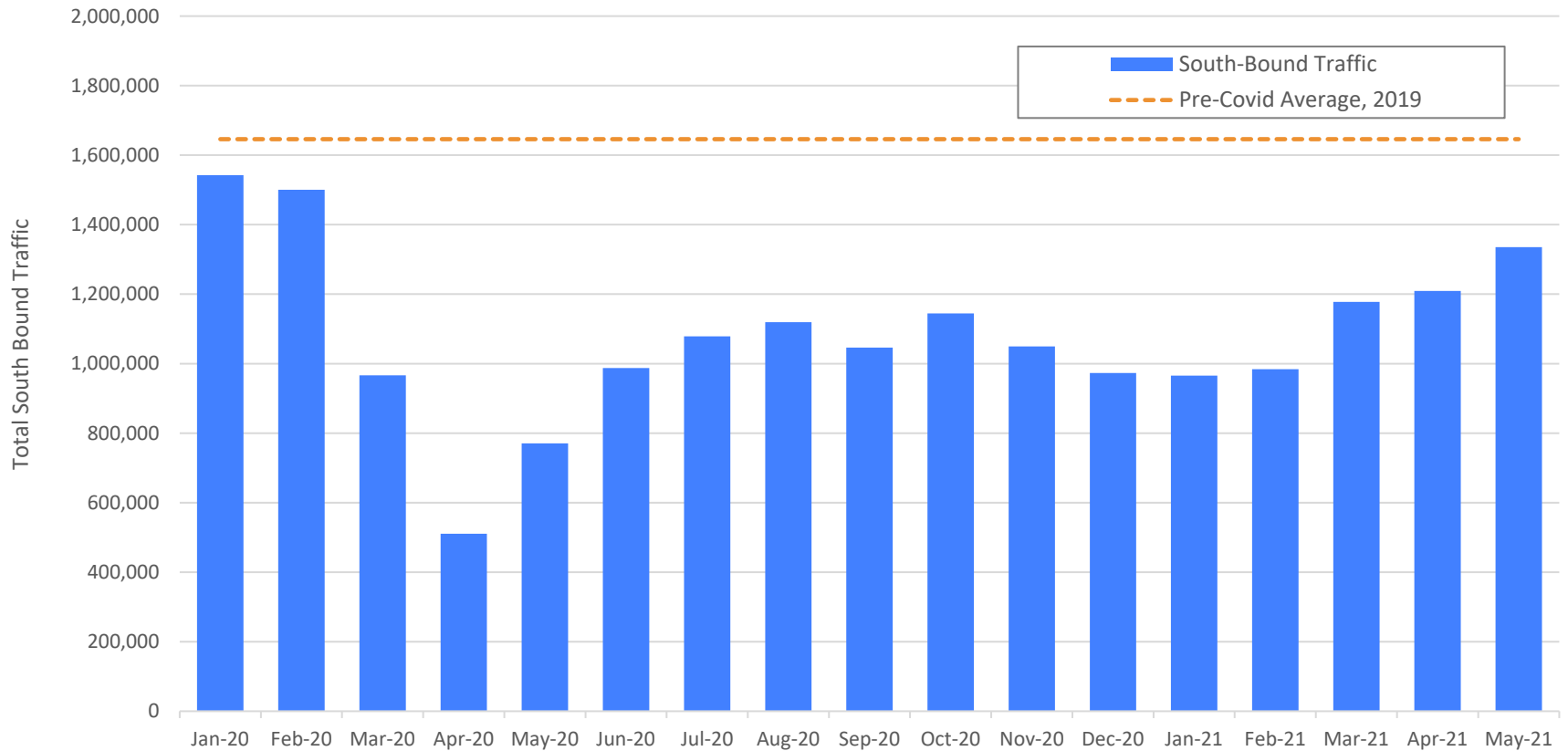
Monthly BART Exits At Downtown SF Stations, as % of 2019, Through May



Source: BART

Golden Gate Bridge Traffic Also Remains Below Normal

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

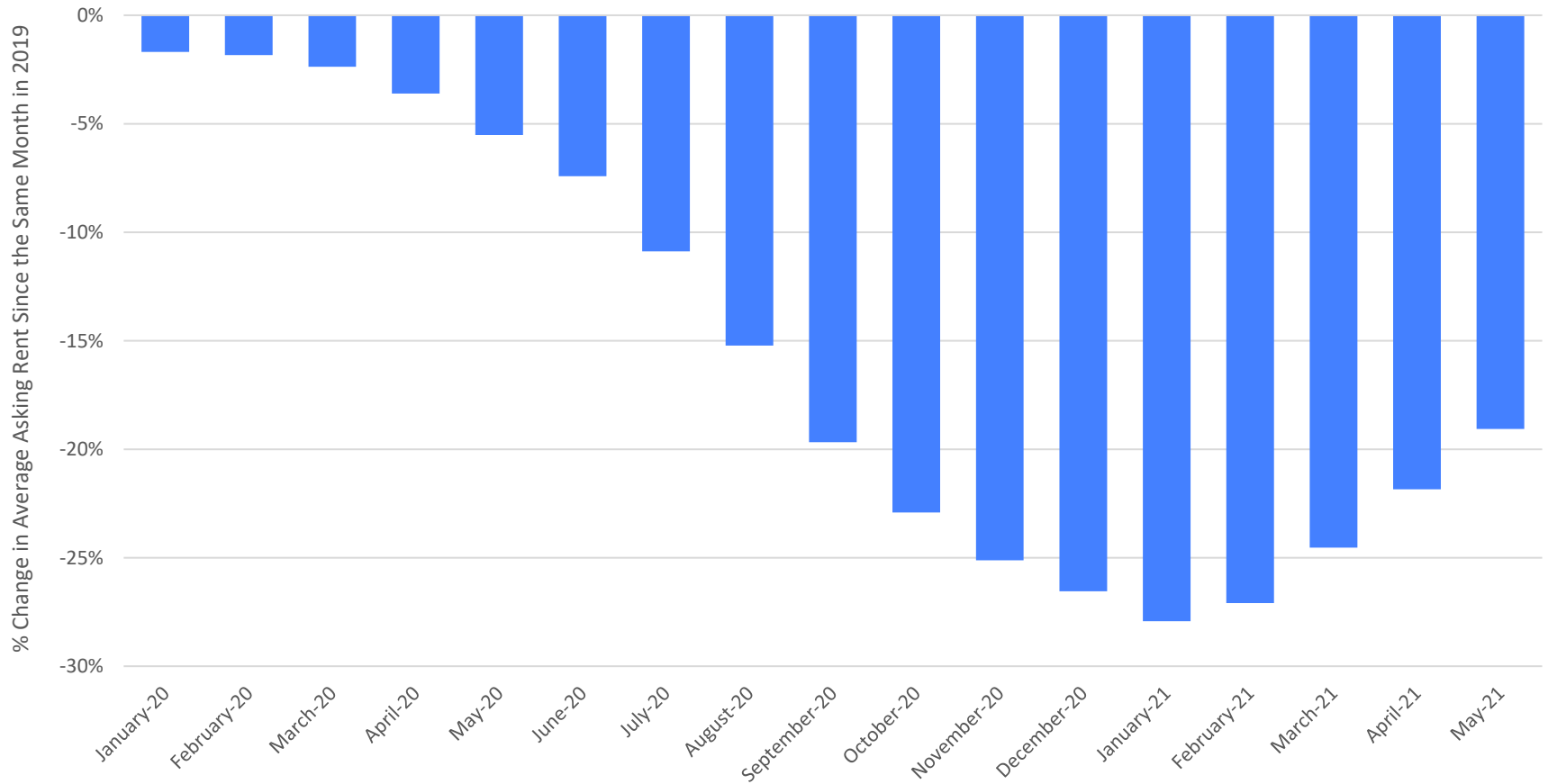


Source: Golden Gate Bridge Highway and Transportation District

Apartment Rents Recovering After Deepest Drop in the U.S.

22

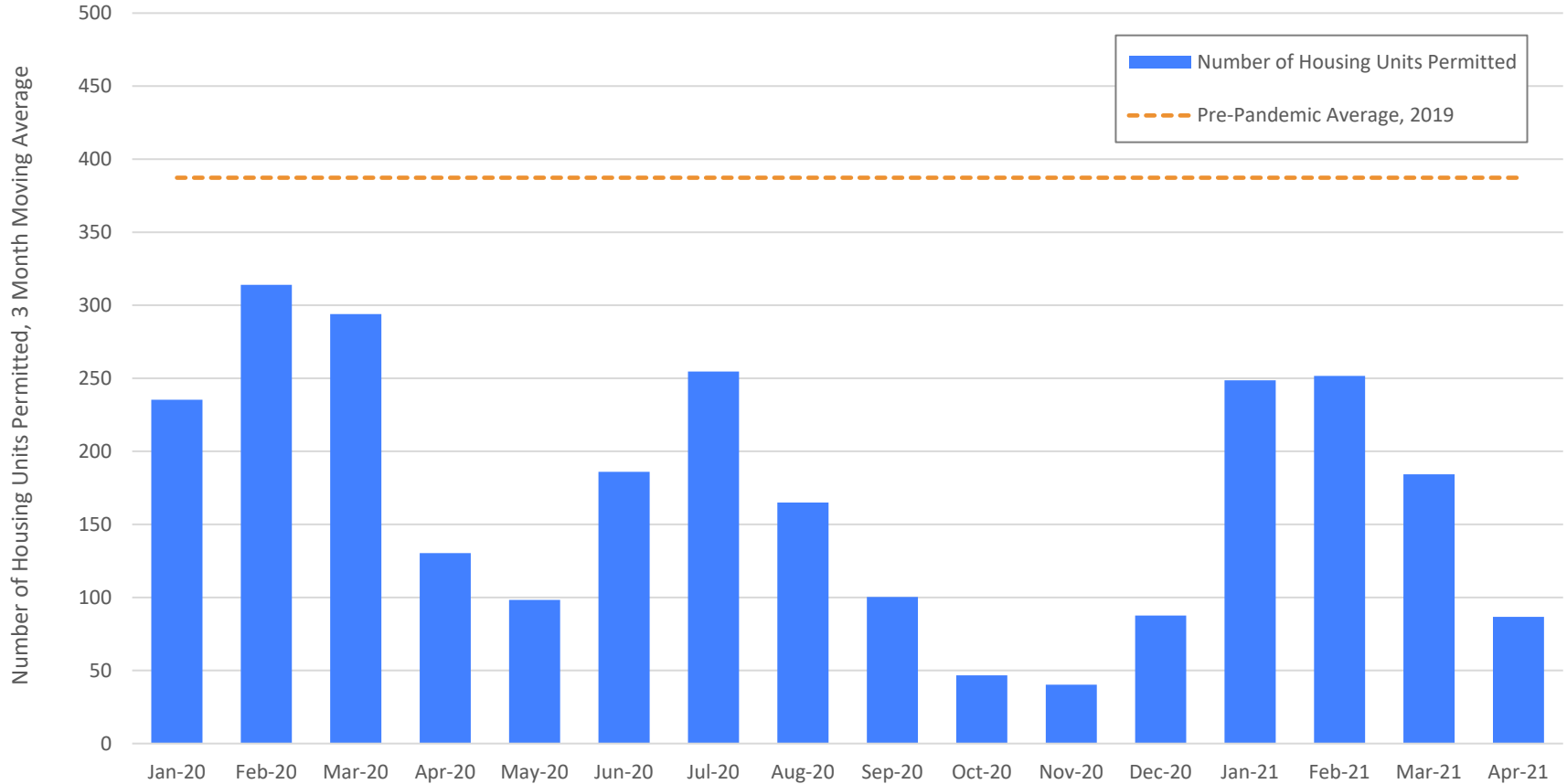
Average Asking Apartment Rent, San Francisco, Through May



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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