



**SFCED**

San Francisco Center for Economic Development

**QuickFacts**

# November 2011

## Unemployment

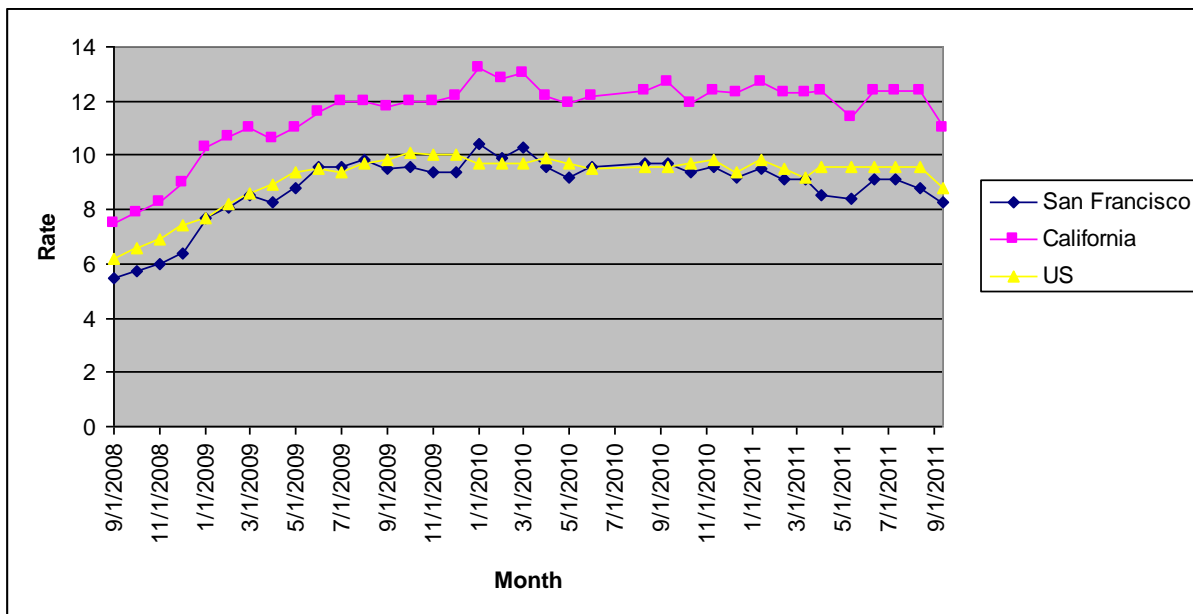
San Francisco recorded a half percentage point decrease in unemployment rates in September 2011, down to 8.3% from 8.8% in August. San Francisco County experienced one of the largest decreases in the Bay Area and has the 4<sup>th</sup> lowest unemployment rate in California. The unemployment rate decreased a full percentage from September 2010. Other noteworthy county unemployment rates are: Los Angeles (12.2%), Sacramento (11.9%), San Diego (9.7%), Orange (8.6%).

**Bay Area Unadjusted Unemployment Rates, September 2011**

County	Sep-11	Aug-11	Sep-10
Alameda	10.2%	10.7%	11.3%
Contra Costa	10.1%	10.6%	11.0%
Marin*	7.4%	7.8%	8.2%
Napa	8.5%	8.8%	9.2%
San Francisco	8.3%	8.8%	9.3%
San Mateo	8.0%	8.3%	8.7%
Santa Clara	9.6 %	9.9 %	10.9%
Solano	11.0%	11.6%	11.7%
Sonoma	9.4%	10.0%	10.0%

\*Lowest in state. Source: CAL-EDD

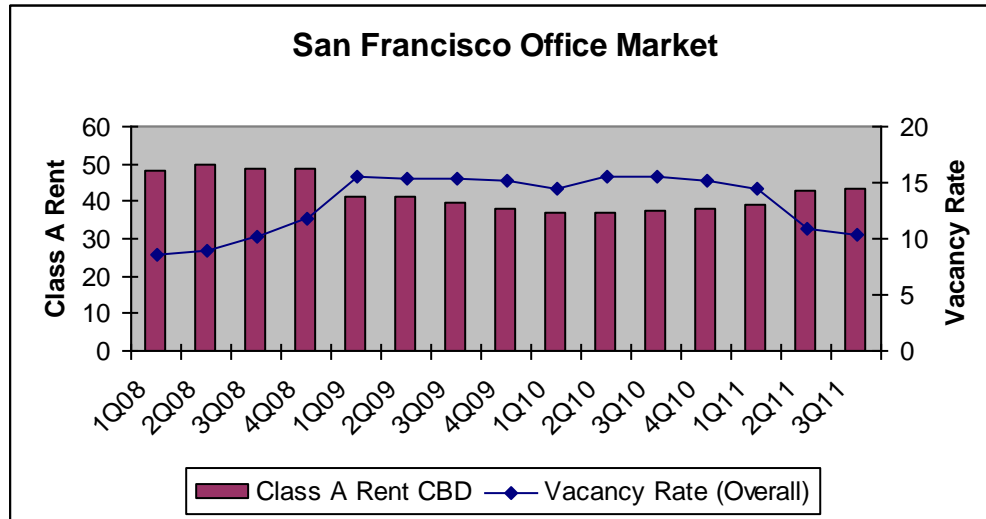
**Historical Unemployment—San Francisco—September 2008-2011**



Source: CAL-EDD, BLS

## Commercial Real Estate

As we enter the final quarter of the year, there are several facts that define the first three quarters of 2011. The tech sector remains very active and is driving the market, rental rates are slowly rising and vacancy is decreasing. South of Market has been the beneficiary of this activity, however as the vacancy of SOMA decreases there is spillover occurring into the financial district and Union Square areas. Also not to be discounted is the new activity in the Mid Market section. New tax incentives offered in the area will become increasingly attractive, sparked by Twitter's upcoming move into the area.



Source: Cushman & Wakefield

Third quarter statistics reflect a 12.4% overall vacancy rate of 9 million square feet with an average rental rate of \$39.67. Class A vacancies in the North and South areas account for 4 million square feet of vacant space at 10.3% at an average rate of \$43.64 per square foot. (Source: Cushman & Wakefield)

According to Colliers International, the sub lease market has changed dramatically since October 2010 when there were 240 listings in the market compare to 147 in October 2011 and 240,000 square feet vacant compare to 1 million vacant in 2010.

## Housing

The number of homes sold in the Bay Area increased slightly last month as prices continued to edge down. Market trends indicate that significant move-up, move-down and sideways activity is still on hold, awaiting a stronger economy and a normalization of mortgage availability. A total of 6,749 new and resale houses and condos sold in the nine-county Bay Area in September. That was down 10.2 percent from 7,513 in August, and up 6.6 percent from 6,334 in September 2010

Notices of default, the first step in the foreclosure process, in San Francisco fell 14.7% in September from August and were down 13.1% from the year before. Foreclosure resales – homes that had been foreclosed on in the last 12 months – accounted for 25.6 percent of resales in September. Foreclosure resales peaked at 52.0 percent in February 2009. The monthly average for foreclosure resales over the past 15 years is about 9 percent. Short sales – transactions where the sale price fell short of what was owed on the property – made up an estimated 20.1 percent of Bay Area resales in September.

Of the Bay Area sales in September, 33.5 percent were for \$500,000 or more, down from 35.5 percent in August, and down from 38.0 percent in September 2010. The low for the current cycle was January 2009, when just 22.7 percent of sales crossed the \$500,000 threshold. Over the past 10 years, a monthly average of 47.4 percent of homes sold for \$500,000-plus.

Source: DQ News, Andrew La Mont

All homes	Sales Volume			Median Price		
	Sep-10	Sep-11	%Chng	Sep-10	Sep-11	%Chng
Alameda	1,226	1,348	10.0%	\$371,000	\$348,000	-6.2%
Contra Costa	1,323	1,394	5.4%	\$289,500	\$252,000	-13.0%
Marin	216	239	10.6%	\$702,500	\$628,409	-10.5%
Napa	118	124	5.1%	\$337,000	\$315,000	-6.5%
Santa Clara	1,477	1,560	5.6%	\$500,000	\$470,000	-6.0%
San Francisco	442	399	-9.7%	\$620,000	\$613,750	-1.0%
San Mateo	517	607	17.4%	\$571,500	\$551,000	-3.6%
Solano	543	606	11.6%	\$205,000	\$195,000	-4.9%
Sonoma	472	472	0.0%	\$332,000	\$307,000	-7.5%
<b>Bay Area</b>	<b>6,334</b>	<b>6,749</b>	<b>6.6%</b>	<b>\$395,000</b>	<b>\$365,000</b>	<b>-7.6%</b>

Source: DQ News

## Consumer Price Index

The US Bureau of Labor Statistics reported that the Consumer Price Index for All Urban Consumers (CPI-U) in the greater San Francisco area increased by 0.4 percent for the two months ending August 2011. The August increase was influenced by higher prices for shelter and apparel.

Over the last 12 months, the CPI-U advanced 2.9 percent. Energy prices jumped 11.3 percent, largely the result of an increase in the price of gasoline. Food prices over the year advanced 2.9 percent. Prices for food at home rose 4.3 percent since a year ago, and prices for food away from home increased 1.4 percent. The index for all items less food and energy rose 2.3 percent since August 2010. Within shelter, residential rent increased 2.8 percent and owners' equivalent rent of residences rose 1.3 percent.

Source: Bureau of Labor Statistics

## SFO

The number of total passengers saw an increase of 6.3% from September 2010. Domestic travel primarily accounted for that increase recording a rise in Domestic passengers of 8.1% from a year earlier, while International passenger traffic recorded a mild increase of half a percentage point.

Airport Activity (SFO)	Sep-11	Sep-10	% change M-M	% change YTD
Total Passengers	3,556,407	3,345,31	6.3%	3.9%
Domestic	2,776,093	2,568,656	8.1%	4.4%
International	780,314	776,659	0.5%	2.1%
Flight Operations – Total	34,898	32,480	7.4%	3.6%
International Flight Operations	4,172	4,206	-0.8%	2.5%

Source: FlySFO

## Airport Activity

Virgin Atlantic is launching a second service between London and San Francisco. The flight will operate three times a week starting in March 2012. The airline estimates its new Vancouver route and increased service frequency at San Francisco have the potential to create up to 430 jobs in aviation and tourism across both cities.

*Source: Airlines and Destinations*

## Tourism

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Key Visitor Industry Statistics	2009	2010	% Change
Total Number of visitors (millions)	15.45	15.92	3.1%
Visitors in San Francisco on an average day	125,407	126,931	1.2%
Visitor spending in San Francisco on an average day (millions)	\$21.51	\$22.84	6.2%
Visitor spending on San Francisco Hotels (billions)	\$4.87	\$5.28	8.3%
Taxes generated for City of San Francisco (millions)	\$466	\$485	4.0%
Jobs supported in San Francisco	66,837	67,122	0.4%

*Source: San Francisco Travel Association*

## Quick Facts: California

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- California ranked 3rd fastest growing state according to the new Bloomberg Economic Evaluation of States Index
- California has added more new jobs than any other state in the last year - 250,700 (Bureau of Labor Statistics)
- Ranked #1 State for Insourcing Employment – 594,100 (Organization for International Investment)
- With 3.5 million small businesses, the state has the largest network of small businesses in the US
- California has the highest number of clean tech jobs in the US - 318,000
- #1 state for attracting Foreign Direct Investment and Venture Capital

*Source: Governors Office of Business and Economic Development – Go-Biz*

## Upcoming Conferences: PV Power Plants 2012

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Solarpraxis, a leading knowledge service provider in the renewable energy sector, will host a conference for the Inverter and PV System Technology Industry forum scheduled for February 27<sup>th</sup> and 28<sup>th</sup> 2012 in San Francisco. The Conference includes two days of industry information addressing the United States market, system costs, grid integration, and certification requirements. Experts from around the world and from the region will debate and participate in lively dialogue during the conference.

For more information or to register, please visit: [www.solarpraxis.de](http://www.solarpraxis.de)

## Upcoming Conferences: The Solar Industry in San Francisco: A Business Perspective

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SF Business Perspectives aims to assist cleantech business development (retention, expansion/recruitment) in San Francisco by advancing communication and collaboration between cleantech businesses and SFCED. This inaugural event, hosted by the SFCED on December 8<sup>th</sup> in San Francisco, will have a special focus on solar energy and will feature presenters from the private and public sector to discuss the **Solar Industry in San Francisco**.

For more information or to register, please visit: [The Solar Industry in San Francisco: A Business Perspective](#)



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