



QuickFacts

Spring 2015

San Francisco is achieving a new milestone year for economic growth and job creation in 2015, fueled largely by gains in the technology sector and bolstered by robust activity throughout the Bay Area, California and the rest of the U.S.

Unemployment at Record Lows

The unemployment rate in California dropped to 6.5 percent in March, down from 8.3 percent during the same period last year. Unemployment in the Bay Area remained consistently low during the last quarter. San Francisco-San Mateo-Redwood City employment stayed low, at 4.2 percent, and the lowest unemployment rates in California remained in the Bay Area counties of San Mateo (3.4 percent), Marin (3.5 percent) and San Francisco (3.6 percent).

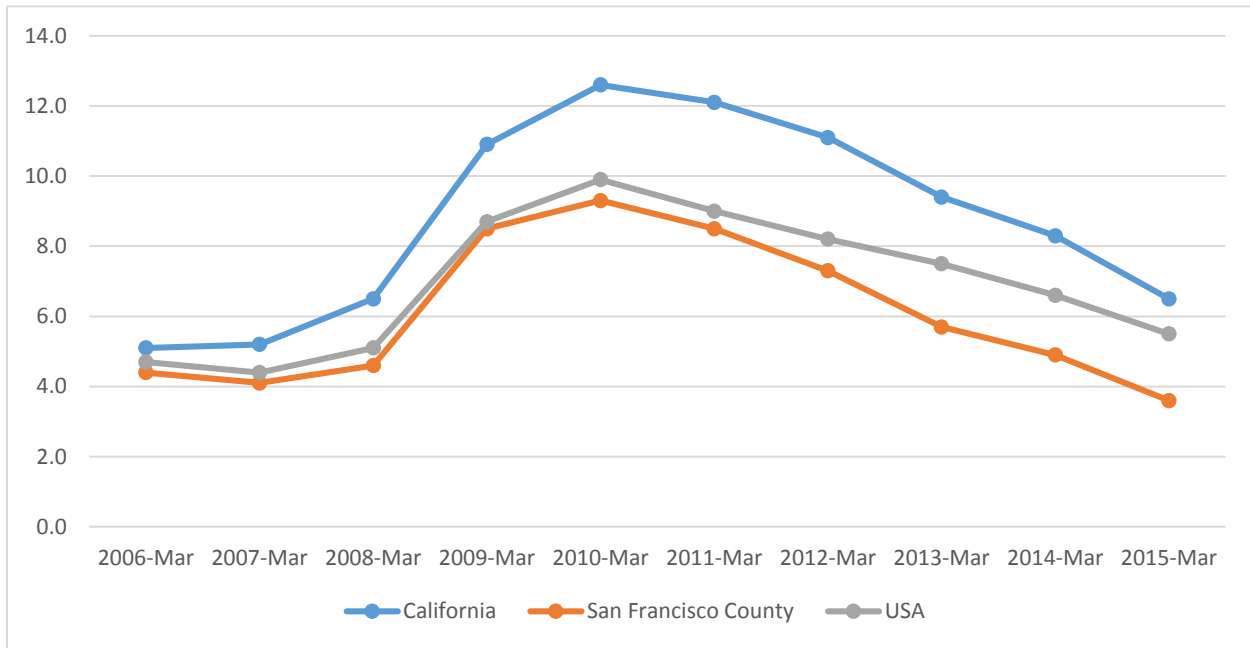
Elsewhere in California, notable countywide unemployment rates included Orange (4.4 percent), San Diego (5.1 percent), Los Angeles (7.2 percent) and Sacramento (6.0 percent).

Bay Area Unadjusted Unemployment Rates, January-March 2015

County	15-Jan	15-Feb	15-Mar
Alameda	5.4%	5.0%	4.8%
Contra Costa	5.6%	5.3%	5.0%
Marin	3.9%	3.6%	3.5%
Napa	5.7%	5.0%	4.6%
San Francisco	4.1%	3.8%	3.6%
San Mateo*	3.8%	3.5%	3.4%
Santa Clara	4.7%	4.3%	4.1%
Solano	6.9%	6.6%	6.3%
Sonoma	5.2%	4.9%	4.6%

*Lowest in State. Source: CAL-EDD

Historical Unemployment Rates: California, San Francisco, U.S.



Source: EDD, Monthly

Housing Prices Keep Climbing

According to CoreLogic DataQuick, a total of 6,924 new and resale houses and condos were sold in the nine-county Bay Area in March 2015—a steep increase of 58.2 percent month-over-month, from 4,376 sales in February 2015, and up 7.9 percent year-over-year, from 6,416 sales in March 2014.

The median price paid for a home in the Bay Area was \$623,000 in March 2015; this is up 10.3 percent month-over-month, from \$565,000 in February 2015, and 7.6 percent year-over-year, from \$579,000 in March 2014. The Bay Area median sale price has risen year-over-year for 35 straight months, with the median sale price climbing toward its peak price of \$665,000 in June and July 2007.

“March provided a better view of emerging trends this year,” said CoreLogic DataQuick Analyst Andrew LePage. “That said, it is easy to see that supply is still constrained. It’s also clear the mortgage market remains off-kilter. Home loans are readily available for those who have good credit, a W-2 income, and who are applying for a government-backed mortgage. But it can still be challenging for others, such as the self-employed and retired, even for those with a high income or significant assets, or both.”

Bay Area Home Sales: Volume and Median Price

All Homes	Sales Volume			Median Price		
	Mar-14	Mar-15	% Chng	Mar-14	Mar-15	% Chng
Alameda	1,337	1,278	-4.4%	\$530,000	\$604,500	14.1%
Contra Costa	1,213	1,405	15.8%	\$423,000	\$465,000	9.9%
Marin	268	302	12.7%	\$875,000	\$893,250	2.1%
Napa	107	126	17.8%	\$478,000	\$489,000	2.3%
Santa Clara	1,477	1,774	20.1%	\$701,500	\$763,750	8.9%
San Francisco	538	464	-13.8%	\$937,500	\$1,070,000	14.1%

San Mateo	594	570	-4.0%	\$827,000	\$887,500	7.3%
Solano	416	550	32.2%	\$300,000	\$335,000	11.7%
Sonoma	466	455	-2.4%	\$447,250	\$465,909	4.2%
Bay Area Total	6,416	6,924	7.9%	\$579,000	\$623,000	7.6%

Source: DataQuick, <http://www.corelogic.com/>

San Francisco Residential Sales Statistics In February 2015

	Price		Yearly Change	
	Median	Average	Median	Average
Median Sales Price-Homes	\$1,115,000	\$1,501,175	4.9% ↑	2.6% ↑
Median Sales Price-Condos/TICs	\$1,100,000	\$1,204,474	18.2% ↑	22.6% ↑

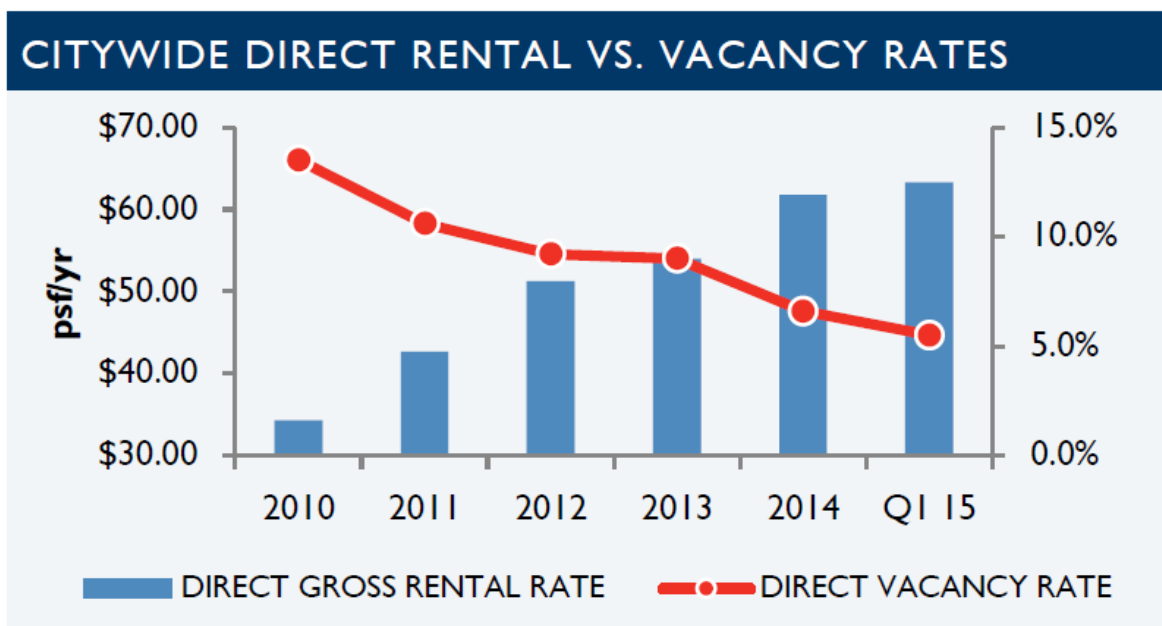
Source: 2015 rereport.com

Commercial Real Estate Market Remains Strong

The innovation economy remains the primary engine of the San Francisco commercial real estate market. Citywide vacancy decreased to 6.4 percent in the first quarter of 2015. Financial District vacancy rates were lower both north and south of Market Street, with rates south of Market tumbling sharply, to 7.8 percent from 8.9 percent during the quarter. Asking rents continued to rise, closing the first quarter at \$62.29 per square foot, up 2.3 percent from the fourth quarter of 2014.

Six office buildings are due for completion in 2015, with five of these slated to be occupied by single innovation tenants—Dropbox (two buildings), LinkedIn, Salesforce and Splunk.

The direct weighted average Class A rental rate is \$66.36 psf, and overall rental rates for commercial real estate will continue to rise in 2015.



Source: Cushman & Wakefield MarketBeat Office

San Francisco Leads Bay Area in VC Investments

Nearly \$2 billion of the \$5.9 billion venture capitalists invested in California in the first quarter of 2015 went to San Francisco companies, according to a report on venture capital investing released in April by CB Insights. San Francisco companies received more than one-third of the total investments into private companies statewide. Palo Alto, ranked second, received just \$420 million. San Francisco was home to 125 deals in the first quarter, with Palo Alto seeing just over a fifth of that, or 27 deals. Menlo Park, ranking third, saw 16 deals totalling \$305 million in investments, and VCs gave \$268 million to firms in Mountain View.

Source: SiliconBeat

Growth and Innovation at SFO

SFO recently entered into an agreement with Sidecar to allow the Transportation Network Company (TNC) to operate legally at the Airport. The permit, which allows the company to drop off and pick up customers at SFO, represents the first airport TNC agreement in the state of California. SFO also reached agreements with Lyft, UberX and Wingz.

In other SFO news, China Southern Airlines has launched three weekly nonstop flights to Wuhan, with connections to Guangzhou. Virgin Atlantic and British Airways are increasing service to London, with five and seven additional flights, respectively, and Air France is adding an additional seven direct flights per week to Paris.

City Vitals Gives San Francisco High Rankings

City Vitals 3.0 ranks U.S. metropolitan areas to provide a set of tools for exploring performance of city and metro regions by four dimensions—Connected City, Innovative City, Talented City and Distinctive City. San Francisco leads several of these:

- #1 Foreigner Travel Destination in the U.S.**
 - #1 The Distinctive City**
 - #2 Highest Venture Capital Per Person**
 - #2 Highest Per Capital Income**
 - #3 Walkable Metropolitan Area**
 - #4 Adult Population with At Least a Bachelor Degree**
 - #4 The Talented City**
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Top Five Location Factors

According to the *Area Development Magazine* annual survey of site selectors, the top five location factors are:

1. Availability of skilled labor
 2. Highway infrastructure and accessibility
 3. Labor Costs
 4. Occupancy and construction costs
 5. Robust ICT infrastructure
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San Francisco Second Nationwide in Metro Job Growth Ranking

Newgeography.com used five measures of growth to rank 398 metro areas with full data sets. San Jose and San Francisco are #1 and #2 for job growth among large cities, followed by Austin #3, New York #7 and Seattle #15. Newgeography.com also ranks San Jose and San Francisco #1 and #3 respectively for best cities for information jobs.

TiECon 2015

Join more than 4,000 senior tech professionals from more than 22 countries at TiECon 2015, May 15-16 at the Santa Clara Convention Center. Learn from influential leaders in business and diverse technology areas including Cloud Infrastructure & Security, Internet of Things, Data Economy, Healthcare, Online Education, and Oil & Gas, as well as content focused on entrepreneurship and youth. Powered by TiE's unique model that multiplies new venture value and wealth creation, the conference has become an inspiring venue for inventive thinking, networking, knowledge transfer, talent sourcing, funding, partnering and thought leadership. SFCED members can use promo code "Outreach-15" to receive \$100 off registration.

Click [here](#) to register.

Contact the SFCED

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