



QuickFacts

December 2015

Unemployment: Bay Area and California

The unemployment rate in California dropped to 5.7 percent in October, down from 7 percent during the same period last year. Employment rates in the nine Bay Area counties were below the state unemployment rate in October, with the lowest unemployment rates statewide once again in the counties of San Mateo (3.2 percent), Marin (3.3 percent), and San Francisco (3.4 percent). Elsewhere in California, notable county unemployment rates in October included Orange (4.3 percent), San Diego (5.0 percent), Los Angeles (5.9 percent) and Sacramento (5.7 percent).

Bay Area Unadjusted Unemployment Rates

County	14-Oct	15-Sep	15-Oct*
Alameda	5.5%	4.2%	4.5%
Contra Costa	5.8%	4.4%	4.7%
Marin	4.1%	3.1%	3.3%
Napa	4.8%	3.6%	4.2%
San Francisco	4.1%	3.2%	3.4%
San Mateo**	4.0%	3.0%	3.2%
Santa Clara	4.9%	3.6%	3.9%
Solano	6.7%	5.2%	5.6%
Sonoma	5.2%	3.8%	4.2%

*October figures are preliminary

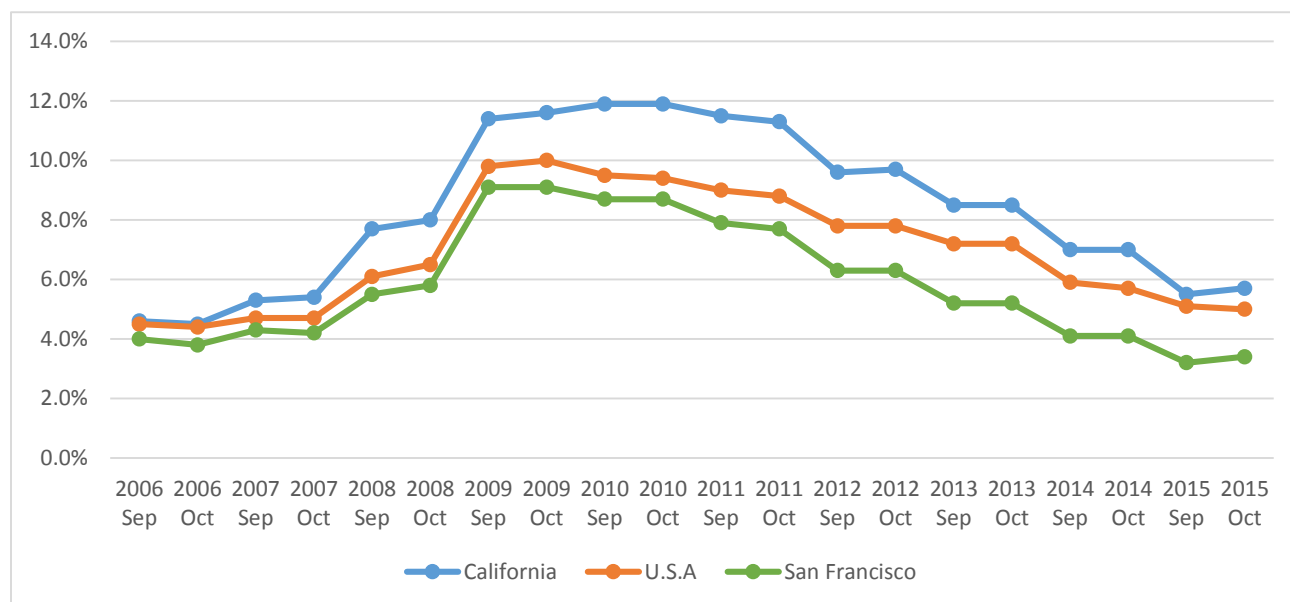
**Lowest in State. Source: CAL-EDD

Between September 2015 and October 2015, the total number of jobs in the San Francisco-Redwood City-South San Francisco region increased by 10,000 to a total of 1,077,500. Professional and business services; private educational and health services; and trade, transportation, and utilities are among the best performing sectors.

With 17,300 new jobs created, the Bay Area accounted for almost half of job creation in California during October. Most of this growth came from the technology sector. Overall employment opportunities also increased statewide—an estimated 17,899,000 of Californian workers are employed, with the number of unemployed decreasing by 271,000 since October of last year.

Source: bizjournals.com, Employment Development Department: Labor Market Information

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



Source: EDD, Monthly

Employment: Nationwide Updates

The national unemployment rate decreased to 5 percent in October, its lowest since 2009. The U.S. Bureau of Labor Statistics also noted that during September the unemployment rate fell in 32 states and Washington D.C., went up in just three states, and stayed the same in 15 states.

Source: Yahoo Finance: Business Insider, NBC Bay Area News

Housing

The national housing market continues to show signs of recovery. According to CoreLogic, foreclosure inventory was down 21.5 percent in October compared with a year ago, and completed foreclosures were down 27.1 percent

“We are heading into 2016 with the lowest foreclosure inventory in eight years thanks to escalating home values and progressive improvement in the U.S. economy,” said Anand Nallathambi, president and CEO of CoreLogic. “Equally encouraging is the drop in mortgage delinquency rates reflecting the stronger labor market and tighter underwriting since 2009.”

San Francisco’s housing market, on the other hand, is stabilizing. Data from Zumper focusing on one- and two-bedroom units finds that rents for housing in the city has declined, and prices for San Francisco condominiums also fell in October by 3 percent. Though a survey released by Zillow indicates that confidence in the some of the nation’s hottest housing markets—such as San Francisco—is eroding, many consider this a sign of reasonable adjustment that could eventually shift the region’s housing market back towards buyers’ favor. “But the good news is things are leveling off with no crash in sight,” noted Svenja Gudell, chief economist at Zillow.

Source: Marketwatch, San Francisco Business Times, Bizjournals

Bay Area Home Sales: Volume and Median Price

All Homes	Sales Volume		Median Price	
	Oct-15	Oct-14	Oct-15	% Chng
Alameda	1,533	\$556,000	\$635,000	14.2%
Contra Costa	1,626	\$455,000	\$457,250	0.5%
Marin	321	\$889,000	\$902,550	1.5%
Napa	94	\$500,000	\$567,000	13.4%
Santa Clara	1,688	\$705,000	\$788,000	11.8%
San Francisco	601	\$1,000,000	\$1,110,000	11.0%
San Mateo	599	\$875,000	\$930,000	6.3%
Solano	612	\$300,250	\$339,750	13.2%
Sonoma	599	\$440,000	\$475,000	8.0%

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

San Francisco Residential Market Overview

	Single Family Homes	Condos/TICs/Lofts
Median Sales Price, Oct 2015	\$1,150,000	\$1,050,000
Median Sales Price, Oct 2014	\$1,208,000	\$955,000
Percent Change	-4.8%	9.9%
Days on Market, Oct 2015	28	26
Days on Market, Oct 2014	29	37
Percent Change	-3.4%	-29.8%

Source: www.rereport.com

Commercial Real Estate

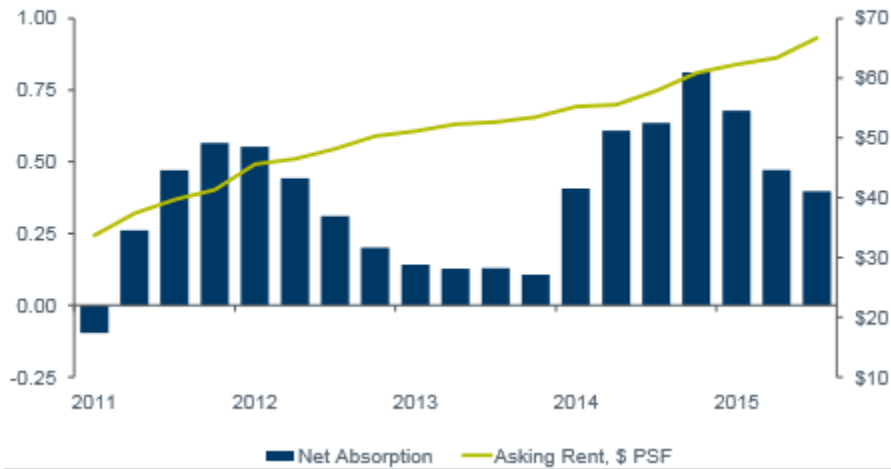
Overall vacancy in San Francisco dropped from 8.3 percent to 6.0 percent between Q3 2014 and Q3 2015. The average asking rent increased 15.2 percent year over year to \$66.71 per square foot. A slight increase in sublease space could be an early indicator of a shift in this heated market.

Market Indicators

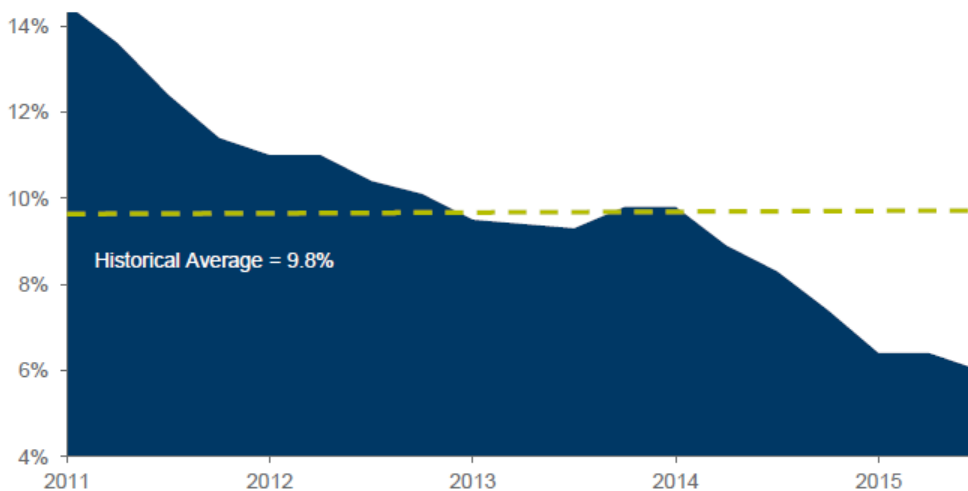
	Q3 14	Q3 15	12-Month Forecast
Overall Vacancy	8.3%	6.0%	▼
Net Absorption SF	76k	44k	▼
Under Construction SF	3.3M	4.3M	▲
Average Asking Rent (FS)	\$57.87	\$66.71	▲

Net Absorption/Asking Rent (Full Service)

NET ABSORPTION Q4 TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield

Top Business Location Factors

Area Development Site and Facility Planning Magazine's 2015 Corporate Survey asked the top 10 location factors businesses and consultants look for when choosing facilities. They are:

1. Highway Access
2. Occupancy & Construction Costs
3. Available Land
4. Available Buildings
5. Availability of Skilled Labor
6. Labor Costs
7. Right-to-Work State
8. Proximity to Major Markets

- 9. Energy Availability & Costs
- 10. Corporate Tax Rates

Respondents’ emphasis on highway access reflects the importance of infrastructure to meet growing needs for just-in-time delivery—a requirement that is expected to continue growing as our economy shifts toward more on-line purchasing.

Source: Area Development

Venture Capital Update

Q2 2015 saw more than \$10 billion invested in California, accounting for 61 percent of all national VC funding. More than \$9 billion of this was invested in the Bay Area, which attracts nearly 85 percent of the aggregate VC investment in California and nearly 52 percent of VC investment nationally.

San Francisco, Menlo Park, and Palo Alto are top locations for VC headquarters in the Bay Area, attracting nearly 60 percent of all firms in the region. Of the 70 VC firms active in the San Francisco Bay Area in Q2, 2015, 11 were located in San Francisco.

Source: Q2, 2015 Venture Capital Report (SFCED); KPMG International

Growth and Awards at SFO

On December 2, Air India began the first nonstop flights between San Francisco and New Delhi, offering three flights per week—the only nonstop service between New Delhi and the west coast.

Among its recent awards and recognition, San Francisco International Airport (SFO) was been named “Best Airport in the Americas” by the readers of Frequent Business Traveler. Travel Weekly awarded the airport both Gold and Silver Magellan awards—Gold for its “Extra Swiss” social media contest celebrating extra flights at SFO from Swiss International Air, and Silver for its leadership in Sustainability.

Rankings

The San Francisco-Redwood City-South San Francisco Metropolitan Statistical Area (MSA) ranks first among large cities and fourth overall in Newgeography.com’s ranking, which compares MSAs according to five key factors business leaders use when considering growth and expansion—recent growth trend, mid-term growth, long term momentum, current year growth, and an average of each year’s growth rate. This is an increase of one place over 2014 rankings, when the MSA placed second among large cities.

Large Sized Cities

2015 Rank Among Small Cities	Area	2015 Weighted INDEX	2014		2014 Size Ranking
			Nonfarm Emplmt (1000s)	Rank Change	
1	San Francisco-Redwood City-South San Francisco, CA Metro Div.	97.5	1,034.2	1	2
2	San Jose-Sunnyvale-Santa Clara, CA	97.2	1,031.5	-1	1
3	Dallas-Plano-Irving, TX Metro Div.	91.4	2,346.3	6	9
4	Austin-Round Rock, TX	90.9	924.9	-1	3
5	Nashville-Davidson--Murfreesboro--Franklin, TN	90.8	892.0	1	6

Source: Newgeography

Contact Us

QuickFacts is produced by the San Francisco Center for Economic Development, a 501(c)(3) non-profit division of the San Francisco Chamber of Commerce Foundation.

For more information please contact:

Dennis Conaghan

Executive Director

+1 415.352.8819

dconaghan@sfcged.org

www.sfcged.org

235 Montgomery St., Ste. 760

San Francisco, CA 94104

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