



QuickFacts

July 2016

Employment

California's unemployment rate increased to 5.7% in June, up from 4.7% the previous month. The U.S. unemployment rate was 4.9%. California unemployment data are compiled from a federal survey of 5,500 households across the state.

All nine Bay Area counties reported decreases in unemployment month-to-month, as well as year-to-year. San Mateo County had the lowest unemployment statewide at 3.3%, followed by Marin and San Francisco, tied at 3.5%. The estimated number of people unemployed in California for the month of June was 1,087,700, up 189,000 over May and down 91,500 compared to June 2015.

Elsewhere in California, unemployment rates are as follows: Orange County, 4.4%; San Diego County, 5.1%; Los Angeles County, 5.2%; and Sacramento County, 5.9%.

Bay Area Unadjusted Unemployment Rates, June 2016

County	15-June	16-May	16-June
Alameda	4.6%	3.8%	4.7%
Contra Costa	4.9%	4.0%	4.9%
Marin	3.4%	2.8%	3.5%
Napa	4.1%	3.4%	4.2%
San Francisco	3.5%	2.9%	3.5%
San Mateo*	3.3%	2.6%	3.3%
Santa Clara	3.9%	3.3%	4.1%
Solano	5.9%	4.9%	5.9%
Sonoma	4.3%	3.5%	4.2%

*Lowest in State. Source: CAL-EDD

Housing Sales

According to CoreLogic DataQuick, a total of 7,695 new and resale homes and condos were sold in the nine-county Bay Area during May 2016, up from 7,513 sales in April 2016, an increase of 2.9%.

The median price paid for a San Francisco home declined 12.5%, from \$1,300,000 in April 2016 to \$1,137,000 in May 2016.

San Francisco Bay Area Home Sales, May 2016

All homes	Sales Volume			Median Price		
	April - 16	May - 16	Percent Change	April - 16	May - 16	Percent Change
Alameda	1,503	1,525	1.46%	\$685,000	\$707,000	3.21%
Contra Costa	1,519	1,634	7.57%	\$520,000	\$540,000	3.85%
Marin	314	338	7.64%	\$960,000	\$969,500	1.0%
Napa	125	142	13.26%	\$575,000	\$575,000	---
Santa Clara	1,824	1,880	3.07%	\$860,500	\$875,000	1.69%
San Francisco	545	510	-0.55%	\$1,300,000	\$1,137,500	-12.50%
San Mateo**	487	394	-19.10%	\$1,075,000	\$1,000,000	-6.98%
Solano	621	658	5.96%	\$350,000	\$370,250	5.79%
Sonoma	575	614	6.78%	\$505,000	\$530,000	4.95%
Total & Mean Values	7,513	7,695	2.90%	\$6,830,500	\$6,804,250	0.11%

** Though 5/19 Source: DataQuick, www.corelogic.com

Construction of new single-family homes is at a stand-still in the face of high demand, resulting in a dwindling supply, while new residential developments are taking the form of condominiums and infill development, largely in the SoMA and Potrero Hill districts. Though condominium development has been unable to keep up with demand in recent years, this trend appears to be shifting. As of early April, the number of condos actively listed is up 40%, not including new units currently off the market.

Source: Cushman & Wakefield

San Francisco Commercial Real Estate

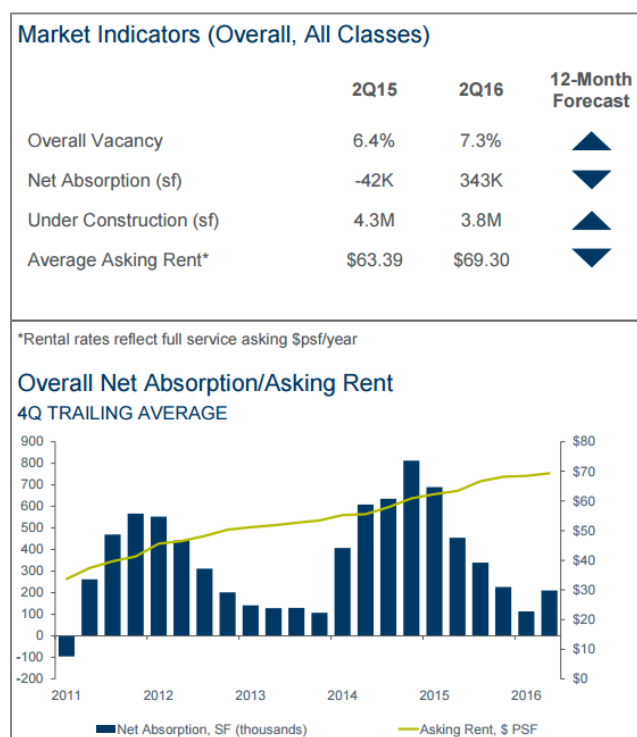
San Francisco's commercial real estate market vacancy (all classes) propelled to 7.3% in Q2 2016, from 6.4% the previous quarter due to both an increase in sublease vacancy and several larger blocks of space arriving in the market. The largest contributor to local expansion continued to be the tech sector.

Sublease vacancy rose significantly between Q1 and Q2 2016, from 822,000 to 1.5 million square feet, with tech accounting for 48% of this total. Leasing activity declined during this period as well, from 1.4 million to 1.3 million square feet—the lowest second quarter figure since 2009.

After a long period topping record levels, rents will likely stabilize toward the second half of the year, with new leasing activity remaining relatively subdued compared to recent years. However, despite uncertainty regarding capital markets, San Francisco's office market continues to be seen as a healthy investment for long-term institutional, high net worth, and foreign investments.

According to Cushman & Wakefield's Retail Snapshot, retail space availability throughout the city continues to remain tight, with an overall vacancy rate of 1.9% in Q1 2016, which is among the lowest in the nation and unchanged for the year.

Nationwide, foreign investors drove the U.S commercial real estate market in 2016, with direct involvement in property purchases totaling \$111 billion—a new record. These transactions also accounted for 17% of all deals in 2015, up from the 10% average of the previous four years.



Cushman & Wakefield Office Snapshot | Q2 2016

SFO

On June 29, SFO began its \$2.4 billion renovation on Terminal 1, currently home to AirTran, Alaska Airlines, Delta, Frontier, Southwest, and US Airways. New boarding areas, revamped central check-in and security spaces, and a new mezzanine should increase efficiency and ease connections to parking and the airport's AirTrain service. The new terminal is scheduled to open in 2020 and should meet LEED Gold Certification.

SF Rankings

According to a survey by Mercer Management Consulting, San Francisco has the highest quality of life for any American city and ranks 24th worldwide. In order to evaluate the living conditions of more than 440 cities, Mercer analyzed 39 factors grouped into 10 categories, ranging from economic environment to public services and recreational offerings.

Wallet Hub recently ranked San Francisco as number-one among large U.S. cities in which to live. The publication considered the 62 largest American cities by 31 metrics, including measures of livability, health and education, economic growth and tax burden. It concluded that opportunity, both

economic and personal, is the driving force attracting most people to any particular city. In the most successful markets, this often comes at the expense of smaller living spaces.

Source: SFCED, San Francisco Business Times

Venture Capital Investment

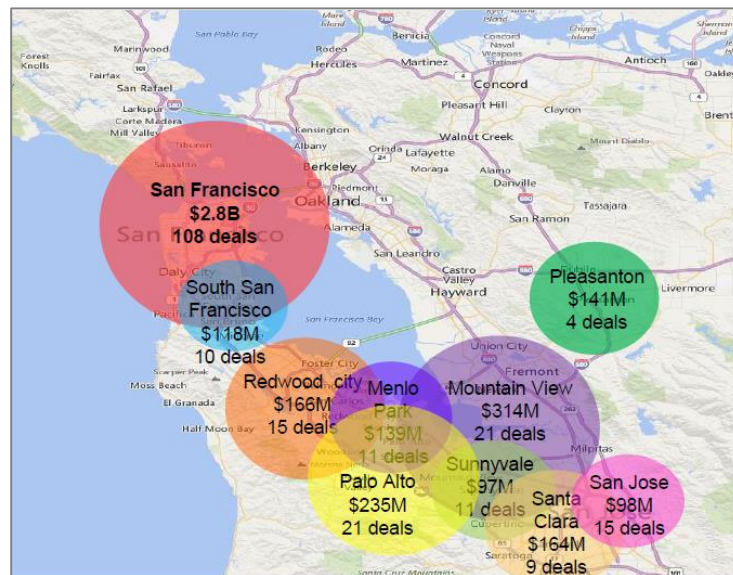
Venture capital activity recovered in Q1 2016, after having experienced a sharp decline in Q4 2015, with the majority of new investments geared toward more mature startups than in previous years.

San Francisco remains the home of 25% of all venture capital firms located within the Bay Area, as well as 25% of all venture capital firms in the United States.

The city also continues to be the single largest recipient of venture capital investment within the Bay Area, accounting for 108 of 279 deals in Q1.

Out of the \$5.7 billion invested into California in Q1 2016, The Bay Area attracted 77% of the total, equaling 36% of the share nationwide.

Software, Biotech, and Media & Entertainment continue to be the three largest industries attracting venture capital investments in the region. The top three companies receiving venture capital investment in the city itself were LYFT Inc., with \$1 billion; Uber Inc., with \$202 million; and DoorDash, with \$127 million.



Source: MoneyTree Report Q1 2016, CB Insights "Venture Pulse" Report Q1 2016, www.mercurynews.com

Treasure Island

Infrastructure work has begun on the first phase of the \$6 billion Treasure Island and Yerba Buena Island redevelopment, one of the largest mixed-use projects in Bay Area history.

Estimated completion time ranges from 10 – 15 years and calls for 8,000 new residential units; the demolition of 40 existing structures; and the addition of new roads, utilities and parks.



Fastest Growing Occupations

Biomedical Engineers continue to lead occupational growth projections, with an estimated anticipated 68.5% employment change between 2012 and 2022. Other occupations expected to report steady increases include Personal Care Aides, with an estimated 46.7% employment change; Analysts and Marketing Specialists, with a 41.3% change; and Application Software Developers with 38%.

San Francisco Metropolitan Statistical Area Occupational Growth

Occupational Title	2012 Estimated Employment	2022 Estimated Employment	Employment Change - Numerical	Employment Change - Percent
Biomedical Engineers	540	910	370	68.5%
Personal Care Aides	26,760	39,260	12,500	46.7%
Market Research Analysts and Marketing Specialists	10,250	14,480	4,230	41.3%
Software Developers, Applications	14,250	19,670	5,420	38.0%

Source: CA-EDD, 2014 Projected Employment by Occupation (<http://www.labormarketinfo.edd.ca.gov/OccGuides/FastGrowingOcc.aspx>)

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