



QuickFacts

June 2017

Unemployment

The unemployment rate in California continued to fall since last year, reaching 4.2% in May. The number is even smaller when one just looks at the Bay Area: 3.1%. The county with the lowest unemployment rate in the state remains San Mateo (2.4%), with Marin taking second (2.6%), and San Francisco coming in at number three (2.7%).

Unemployment in the Bay Area is lower than in many other parts of California; Sacramento (4.2%), San Diego (3.6%), and Los Angeles (4.0%) are higher.

Bay Area Unadjusted Unemployment Rates (Not Seasonally Adjusted)

| County | 16-May | 17-March | 17-April | 17-May** |
|---------------|--------|----------|----------|----------|
| Alameda | 3.8% | 3.9% | 3.5% | 3.3% |
| Contra Costa | 4.0% | 4.1% | 3.6% | 3.5% |
| Marin | 2.8% | 3.0% | 2.7% | 2.6% |
| Napa | 3.4% | 4.1% | 3.4% | 3.1% |
| San Francisco | 2.9% | 3.0% | 2.7% | 2.7% |
| San Mateo* | 2.6% | 2.7% | 2.5% | 2.4% |
| Santa Clara | 3.3% | 3.4% | 3.1% | 2.9% |
| Solano | 4.8% | 5.2% | 4.7% | 4.3% |
| Sonoma | 3.4% | 3.6% | 3.2% | 3.0% |

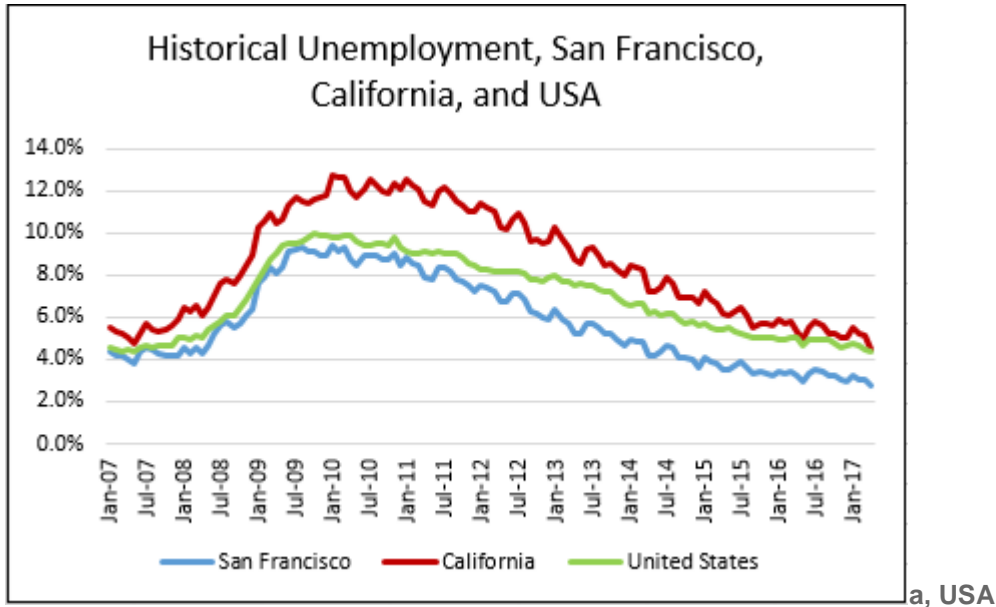
*Lowest in State. Source: CAL-EDD

**Data for May 2017 is preliminary

Jobs in the San Francisco-Redwood City-South San Francisco metropolitan area increased from 1,089,800 last May to 1,114,100 in May 2017, or up 2.2%. It was the highest number of jobs recorded in the area during May since 1990. This change was led by Leisure and Hospitality, which added approximately 5,500 jobs over the year, followed by Private Education and Health Services, which created 5,200 positions since last May.

The number of employed workers across the state also rose, by approximately 169,800 since last May, with the total number of people employed statewide now standing at 18,255,700.

Historical Unemployment: San Francisco, California



Source: CAL-EDD Monthly

Housing

Bay Area home sales declined again in April. Over the year, home sales dropped in each of the nine Bay Area counties, with the exception of Marin, which saw marginal growth (1.9%). Napa saw the biggest decline, with sales down 19.2%.

At the same time, the median price of a house in the Bay Area has risen about \$60,000, or 8.7%. The only county to see housing prices fall was San Francisco, although not by much (4%). San Francisco continues to hold the most valuable median price in the region. Counties that did increase posted raises of more than 5%, with San Mateo seeing the biggest spike (12.8%).

Bay Area Home Sales: Volume and Median Price

| All Homes | Sales Volume | | | Median Price | | |
|-----------------|--------------|--------------|--------------|------------------|------------------|-------------|
| | Apr-16 | Apr-17 | % Chng | Apr-16 | Apr-17 | % Chng |
| Alameda | 1,513 | 1,415 | -6.5% | \$685,500 | \$738,000 | 7.7% |
| Contra Costa | 1,519 | 1,381 | -9.1% | \$520,000 | \$579,000 | 11.3% |
| Marin | 314 | 320 | 1.9% | \$960,000 | \$1,035,500 | 7.9% |
| Napa | 125 | 101 | -19.2% | \$575,500 | \$625,000 | 8.7% |
| Santa Clara | 1,824 | 1,590 | -12.8% | \$860,500 | \$920,000 | 6.9% |
| San Francisco | 545 | 478 | -12.3% | \$1,300,000 | \$1,247,500 | -4.0% |
| San Mateo | 608 | 556 | -8.6% | \$1,072,500 | \$1,210,000 | 12.8% |
| Solano | 621 | 590 | -5.0% | \$350,000 | \$392,000 | 12.0% |
| Sonoma | 575 | 514 | -10.6% | \$505,000 | \$568,000 | 12.5% |
| Bay Area | 7,644 | 6,943 | -9.2% | \$690,000 | \$750,000 | 8.7% |

Source: CoreLogic

Commercial Real Estate

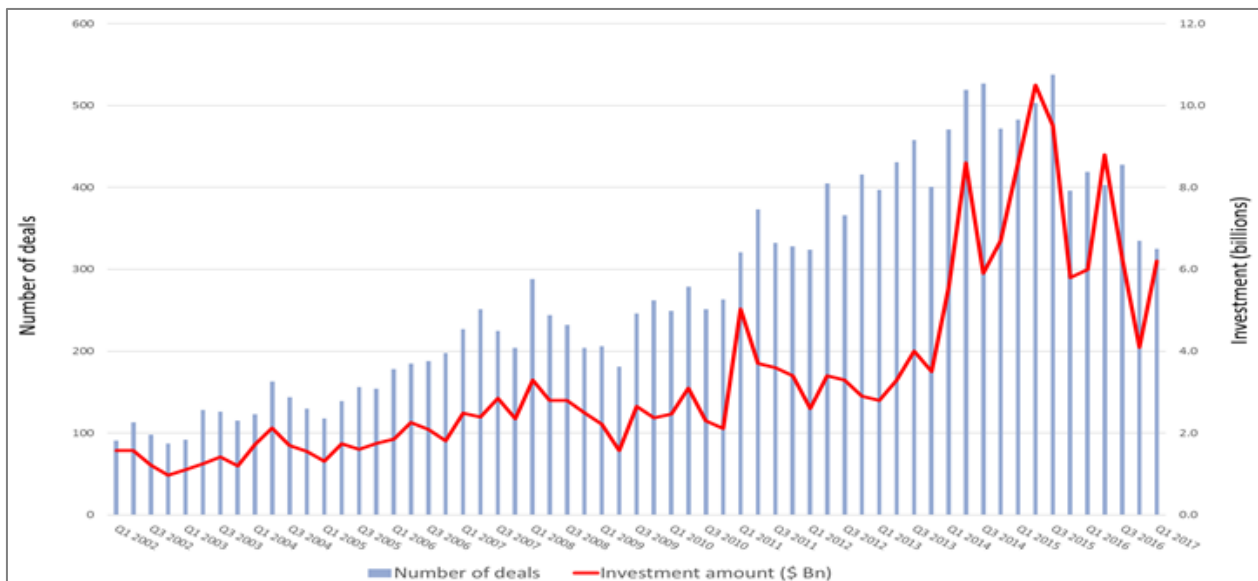
While the Q2 commercial statistics are not yet complete, Cushman and Wakefield’s Q1 report shows an optimistic market. Deals on spaces over 100,000 square feet were completed by Google, Adobe, and other large companies. New developments are also being constructed, which will likely lead to an increase in rental rates. However, vacancies across the city have risen, offering some relief to those who require space and allowing the market to calm.

Source: Cushman & Wakefield

Venture Capital Investment

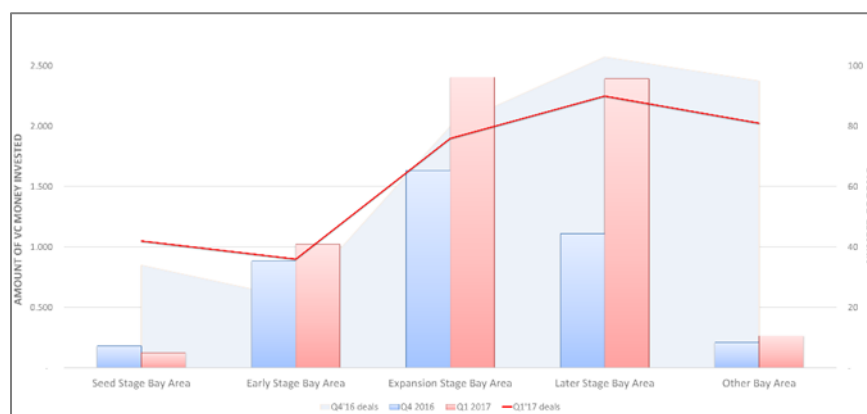
After two successive quarters of decline (-28% in Q3 2016 and -35% in Q4 2016), venture capital investments increased by 51%, reaching \$6.2 billion in the Bay Area and \$3.5 billion in San Francisco in Q1 2017. However, Q1 2017 was marked by a reduction in the number of deals to 325, representing the second successive quarter of decline (428 deals in Q3 and 335 in Q4 2016, respectively).

Venture capital firms favored larger deals on established companies in Q1, with 74% going to Expansion and Later Stage companies, compared with 59% in Q4 2016.



Despite fewer transactions, the San Francisco Bay Area continued to receive the most funding of all U.S. regions. In Q1 2017, 45% of all venture capital investments in the U.S. went to Bay Area companies. New England had the second-highest Q1 investment, with \$1.91 billion (14%), followed by New York City with \$1.48 billion (11%).

Seed Stage funding decreased by 31% in Q1 in the Bay Area. Mature Stage funding (Expansion and Later) saw the biggest growth, and continued to receive the highest venture capital investment.



The Internet sector remained the focus for venture capital in the Bay Area, accounting for \$2.7 billion, or 42% of the total amount invested in the region (compared with 50% in Q4 2016). It is followed by Healthcare, with \$1.7 billion, and Mobile & Telecommunications, with \$791 million. In the Bay Area, the Healthcare sector has moved ahead of Mobile & Telecommunications for the first time since Q4 2013.

Source: MoneyTree Report Q1 2017, CB Insights

San Francisco Rankings

Top 10 World Cities on Global Outlook 2017

A.T. Kearney ranked cities based on their economics, innovation, governance, and personal well-being to predict their future potential. San Francisco has topped the list for the third year in a row.

1. **San Francisco**
2. New York
3. Paris
4. London
5. Boston
6. Melbourne
7. Munich
8. Houston
9. Stockholm
10. Moscow

Source: A.T. Kearney

The Trust for Public Land ParkScore® 2017

According to The Trust for Public Land's annual ParkScore national study, San Francisco ranked third in the United States for its public parks, with all city residents located within a 10-minute walk of a park or open space.

1. Minneapolis, MN
2. St. Paul, MN
3. **San Francisco, CA**
4. Washington D.C.
5. Portland, OR

Source: The Trust for Public Land

More Stats:

Tourism

- More than 25.2 million tourists visit San Francisco each year
- Tourism spending generates approximately \$9 billion annually to the city's economy
- The Tourism sector is responsible for more than 80,000 local jobs

Source: San Francisco Travel

Parks and Recreation

The National Park Service reported that 26 million people visited Bay Area national parks in 2016, pumping \$731 million into the local economy and supporting more than 7,500 jobs in the Golden Gate National Recreation Area.

Source: National Park Service

E-commerce

Just 3.5% of all U.S. retail sales are conducted by companies that operate exclusively online. If brick-and-mortar stores with online arms are included, this figure increases to approximately 9%. Though higher online retail sales are predicted (projected at 14.5% by 2020), and e-commerce giants like Amazon plan to expand (100,000 new full-time hires are anticipated by 2018), e-commerce does not appear to be a long-term threat to brick-and-mortar retailers. Nationwide, more than 2,500 new stores are expected to open, including some for retailers whose primary presence is online. Though these numbers suggest a promising future for e-commerce, they are by no means bleak for traditional retail.

Source: Real Estate Forum

Contact Us

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

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