

City and County of San Francisco
Office of the Controller
Monthly Economic Barometer - July/August 2009



	Most Recent Month/Quarter	Value	Month-to-Month Change	Year-to-Year Change	Five-Year Position	Trend
Economy-Wide						
San Francisco Unemployment Rate ¹	August-09	10.1%	0.1%	4.2%	Weak	Negative
Number of Unemployed, San Francisco County ¹	August-09	45,600	400	19,100	Weak	Negative
County Adult Assistance Program (CAAP) Caseload ²	August-09	7,648	0.4%	13.3%	Neutral	Negative
Total Employment, San Francisco MD ¹	August-09	946,200	-0.3%	-5.0%	Weak	Negative
Temporary employment, San Francisco MD ¹	August-09	13,300	3.1%	-12.5%	Weak	Negative
Real Estate						
Median Home Sales Price ³	August-09	\$635,000	-1.2%	-17.5%	Weak	Neutral
Average 1BR Asking Rent ⁴	August-09	\$1,919	0.2%	-13.9%	Neutral	Neutral
Commercial Vacancy Rate ⁵	July-Sept.09	15.4%	0.2%	4.9%	Neutral	Neutral
Commercial Average Asking Lease Rate ⁵	July-Sept.09	\$31.53	-3.5%	-32.9%	Weak	Negative
Tourism						
Domestic Air Passengers ⁶	August-09	2,811,064	-0.1%	3.1%	Strong	Positive
International Air Passengers ⁶	August-09	830,893	0.7%	-4.3%	Strong	Negative
Hotel Average Daily Rate ⁶	July-09	\$152.84	5.0%	-18.8%	Weak	Negative
Hotel Occupancy Rate ⁶	July-09	84.2%	3.0%	-4.6%	Neutral	Neutral
Retail						
Average Daily Parking Garage Customers ⁷	August-09	10,526	-2.3%	-12.5%	Neutral	Negative
Powell St. BART Average Saturday Exits ⁸	August-09	23,957	9.0%	-11.5%	Neutral	Negative

Month-to-month change is the percentage change to the most recent month or quarter from the prior one.

Temporary employment refers to employment in the "Employment Services" industry.

Year-to-Year change is the percentage change from a given month or quarter to the same one last year.

Five-year position is a relative measure of how strong or weak the indicator is compared to the average over the last five years.

Unemployment and hotel occupancy rate changes are shown as a percentage point difference, not a percentage change.

Parking garages include Union Square, Fifth-Mission, Sutter-Stockton, and Ellis-O'Farrell.

Discussion

San Francisco's unemployment rose to 10.1% in August. This is the highest level of the recession, as well as the highest total recorded by the state Employment Development Department since it started releasing monthly data in 1990. However, the city's unemployment has been relatively stable, at about 10%, since June. This may indicate that we are reaching a peak in unemployment, although there is no sign yet of any local job recovery. The 3-county San Francisco Metro Division is still shedding jobs at a 5.1% annual rate, and a key leading indicator of employment growth--temporary employment--is declining faster than that.

In real estate, July and August brought continuing signs of stability in residential real estate, as median prices have stayed within 5% of each other since March. Asking rents have also increased for the third consecutive month, reversing a downward trend seen in the first half of the year. In commercial real estate, average rents declined another 3.5% in the third quarter, and are off nearly a third in the past year. However, the rate of decline in both rents and occupancy is less than what we have seen in previous quarters, possibly suggesting a bottom in the next quarter or two.

San Francisco international airport traffic continues to be a bright spot, with August showing a growth international passengers from July, and nearly the same number of domestic passengers. Domestic air passengers at SFO have grown since last summer, although Oakland and San Jose airports have both shown declines. However, higher airport passenger counts have not yet translated into healthier numbers for San Francisco's hotel industry. Through July, average daily room rates were down 18.8% from the previous July.

Sources:

- [1] - California Employment Development Department. MD refers to the San Francisco Metropolitan Division: San Francisco, Marin, and San Mateo counties.
- [2] - San Francisco Human Services Agency
- [3] - DataQuick
- [4] - Craigslist
- [5] - Grubb & Ellis
- [6] - San Francisco International Airport
- [7] - San Francisco Municipal Transportation Agency
- [8] - Bay Area Rapid Transit

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