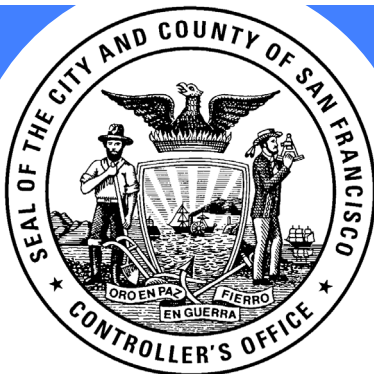


Understanding the Fiscal Impacts of Post-COVID Recovery in San Francisco



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

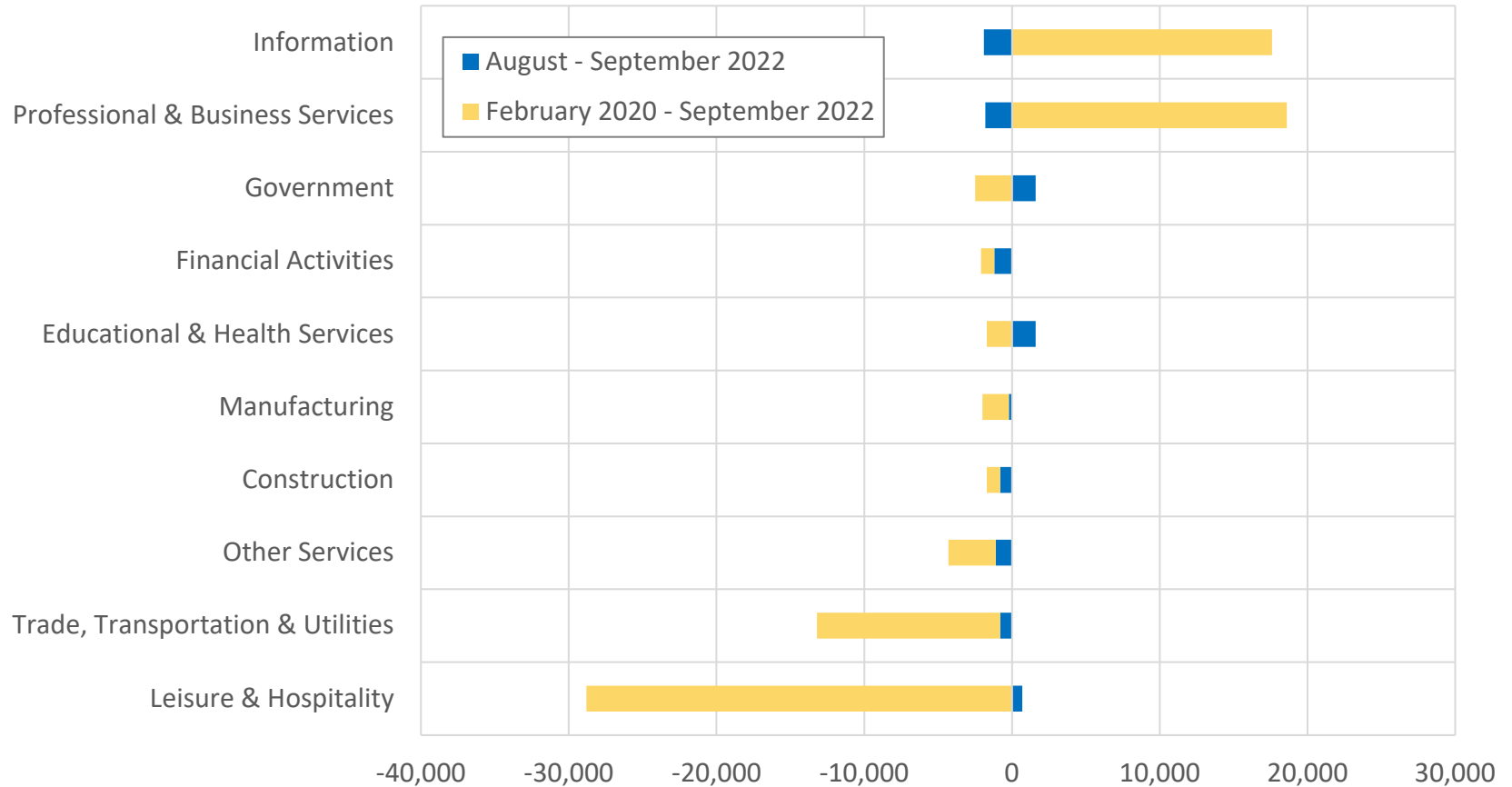
Ted Egan, Ph.D., Chief Economist

December 7, 2022

San Francisco's Post-Pandemic Jobs Recovery

2

Employment Change by Industry Sector, San Francisco Metro Division:
Since the Start of the Pandemic, and the Most Recent Month



Bay Area Office Attendance Lags Most Other Metros

3

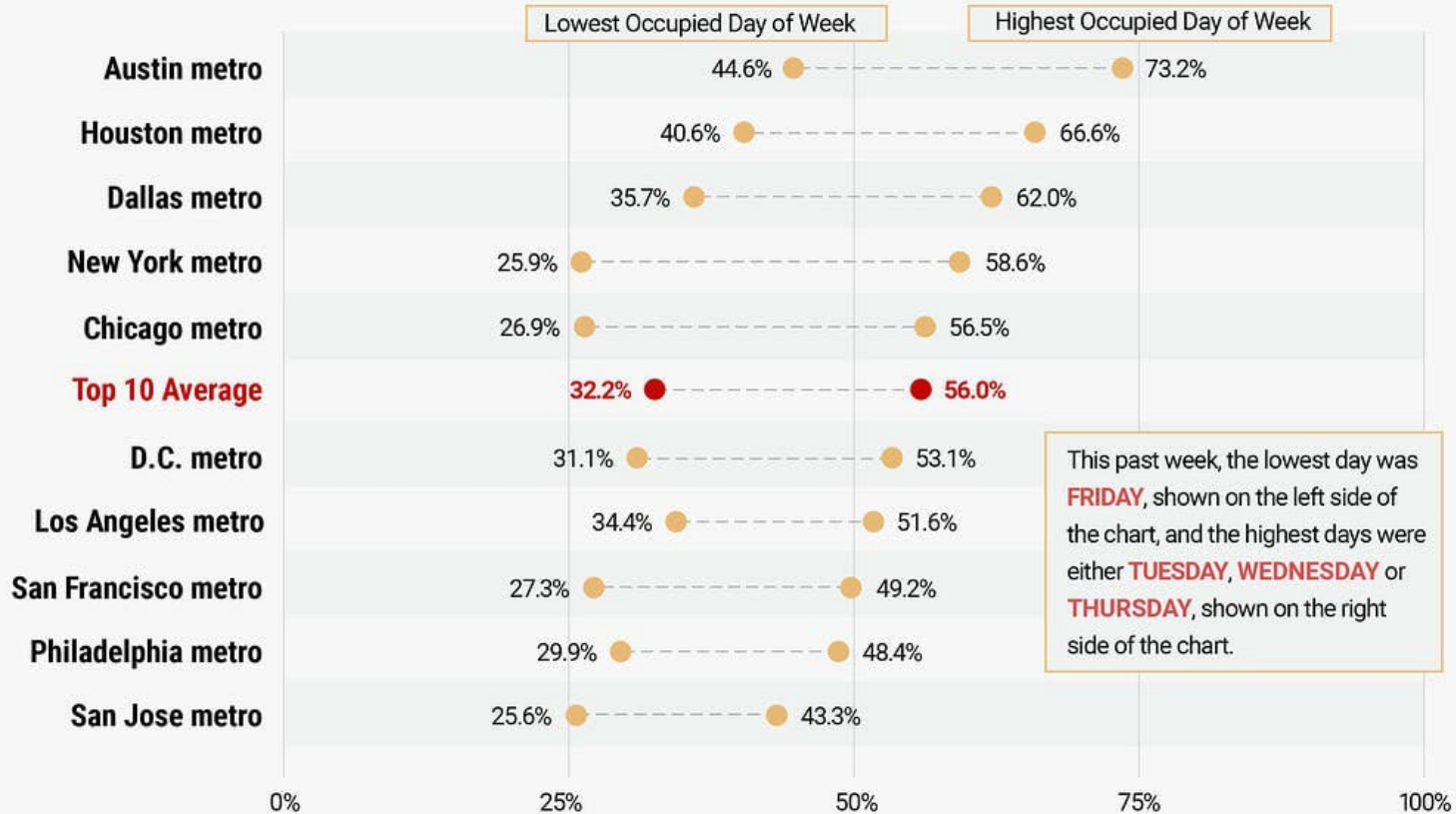


10-CITY DAILY ANALYSIS

Return to office rates vary significantly over the course of the week

11.14.22

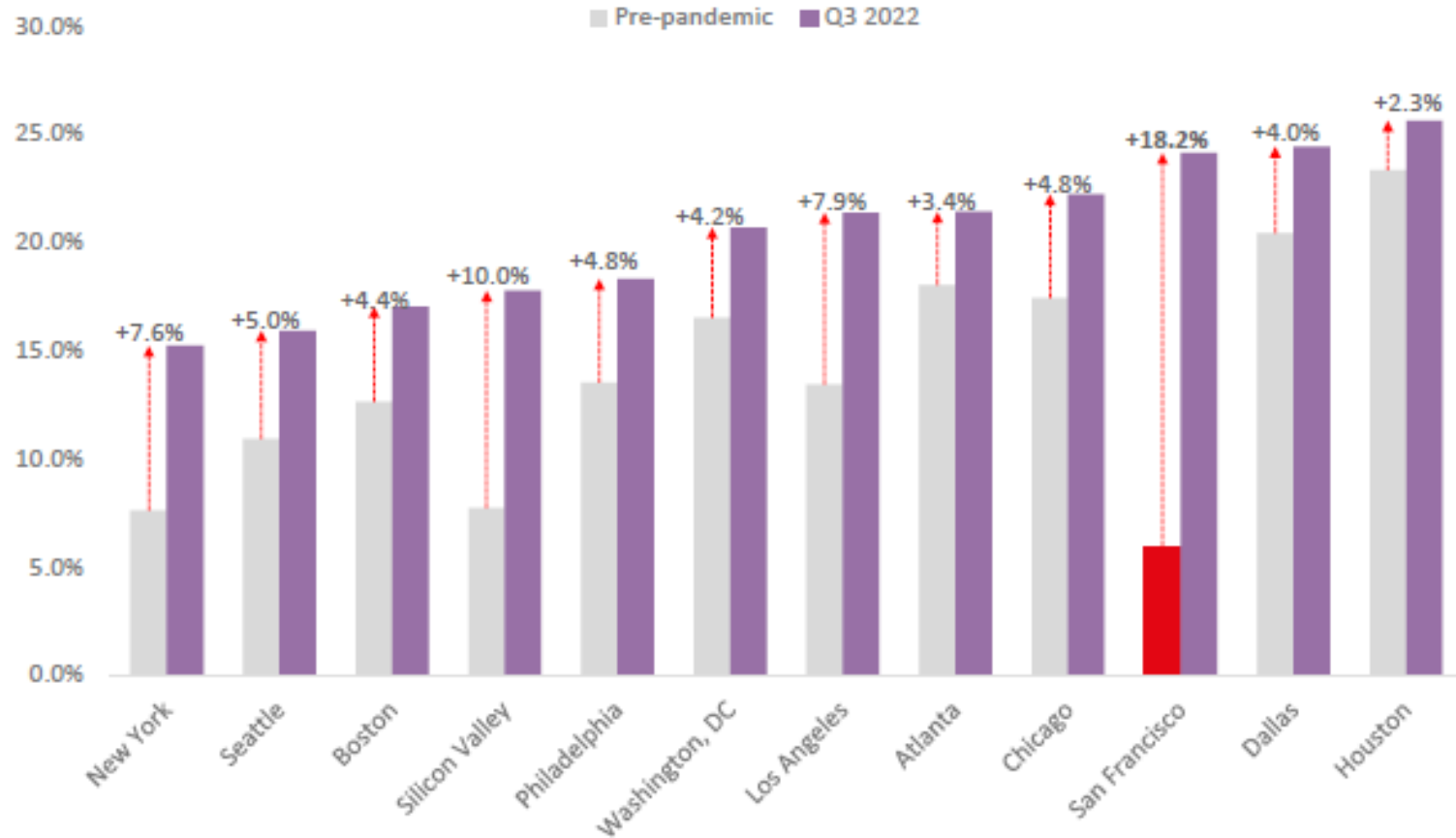
November 3, 2022 – November 9, 2022



Office Vacancy Rates Have Risen: Especially in SF

4

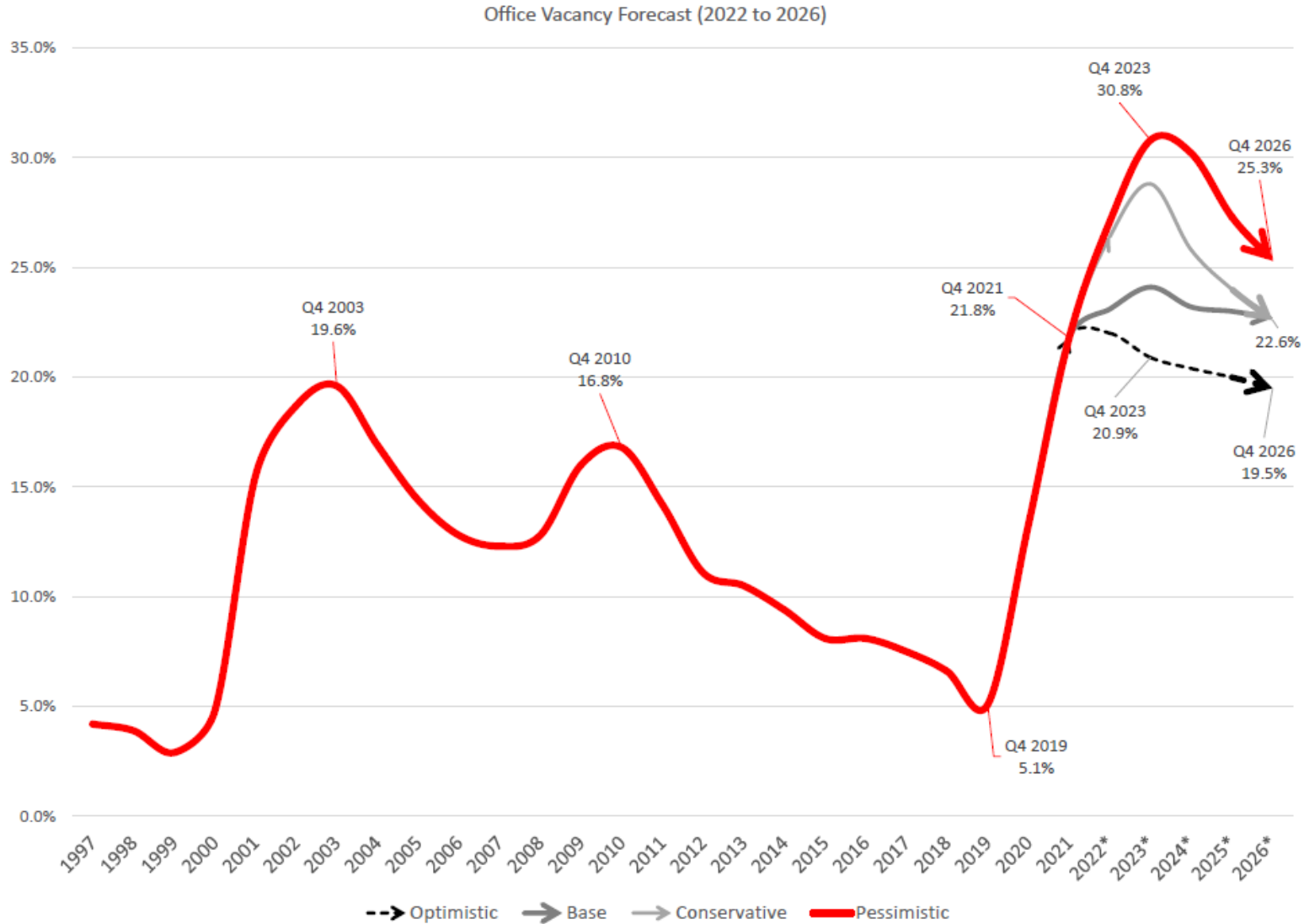
Market Vacancy Comparison



Source: JLL

The Office Vacancy Rate Could Rise Further

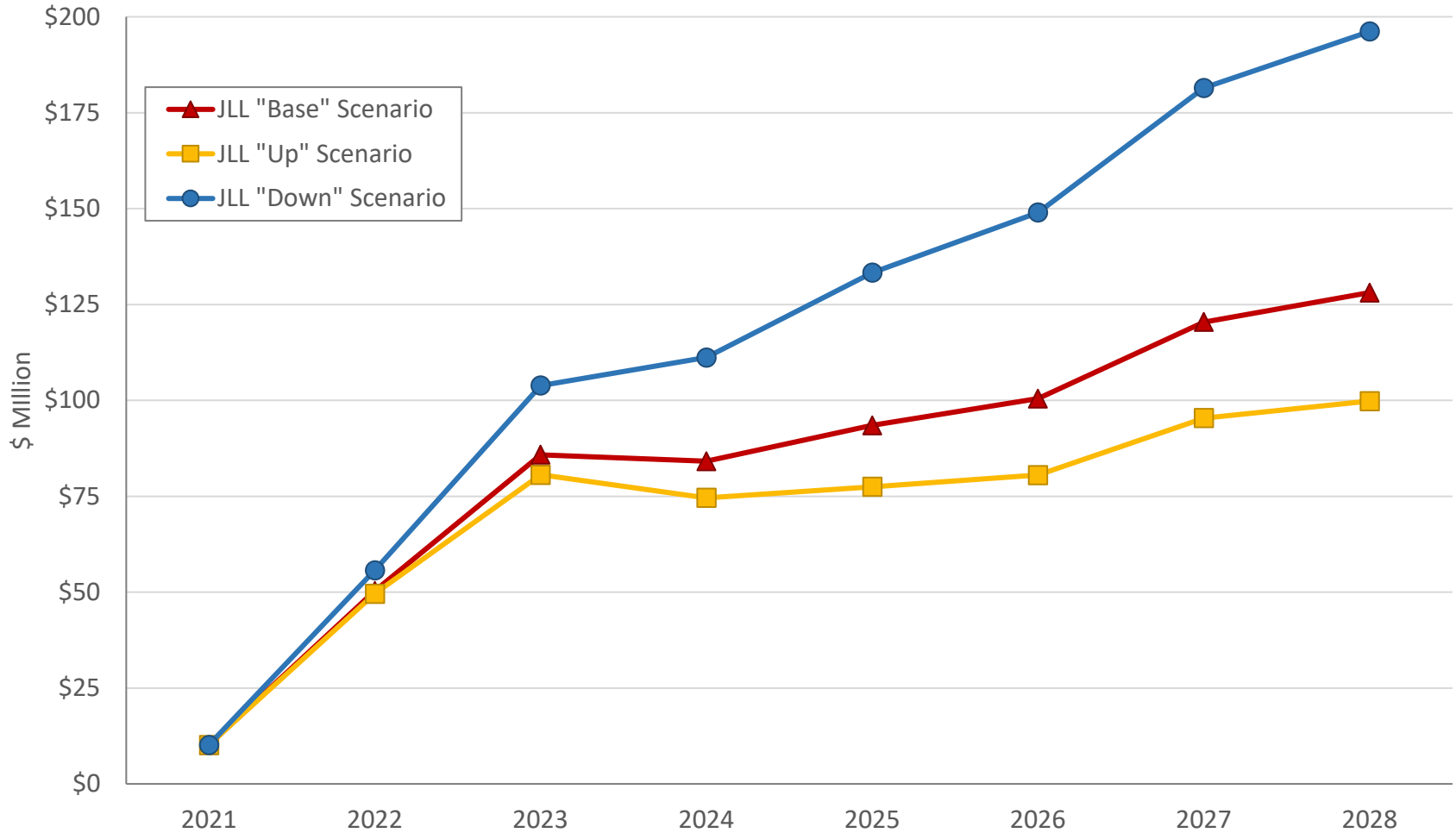
5



Source: JLL

Office Vacancy and Property Tax Loss

Forecast Revenue Loss from Office Property Tax,
Under 3 Office Market Scenarios, 2021-2028

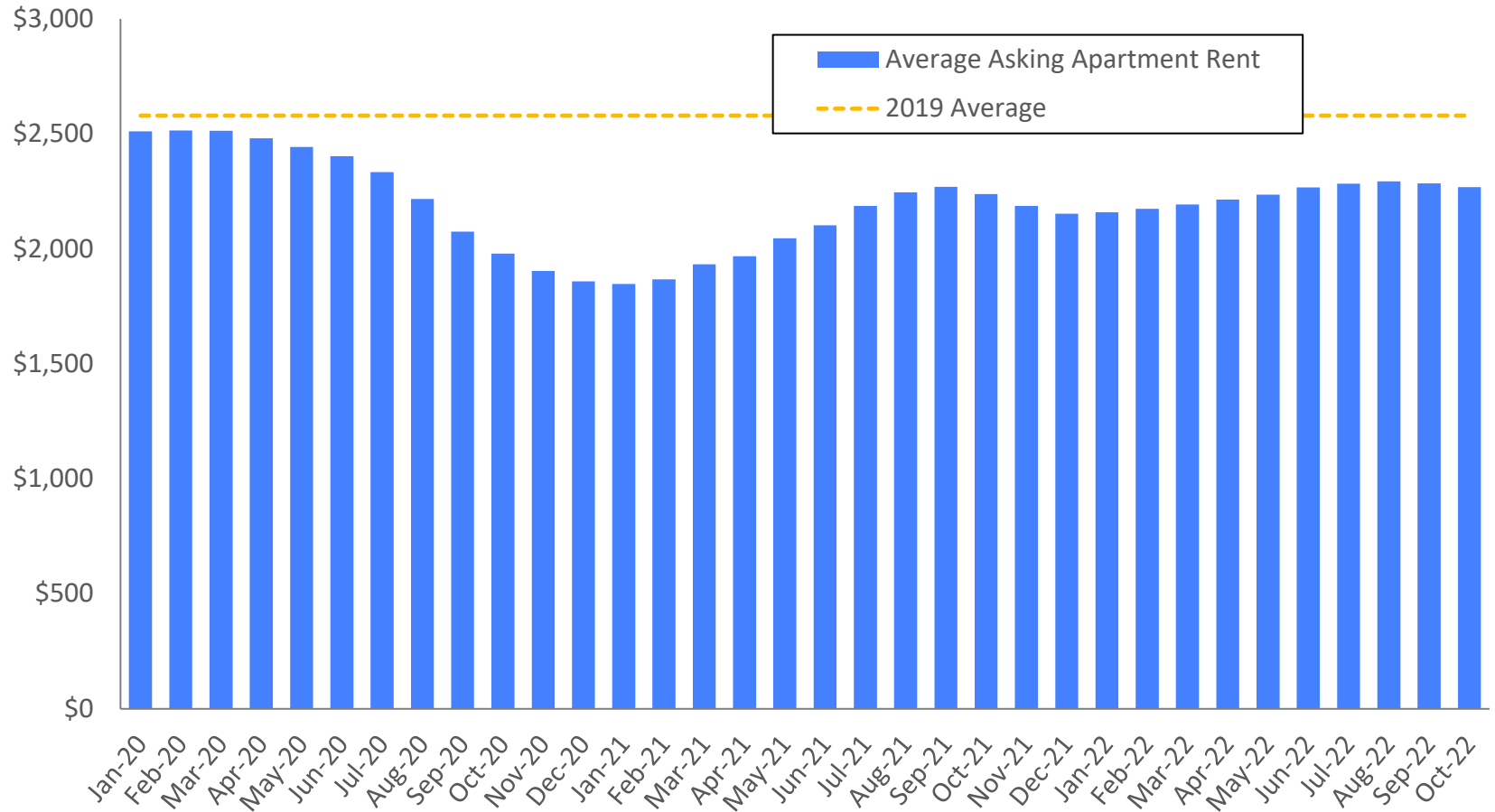


Source: Controller's Office

Uniquely Among Large Cities, SF Rents Haven't Recovered

7

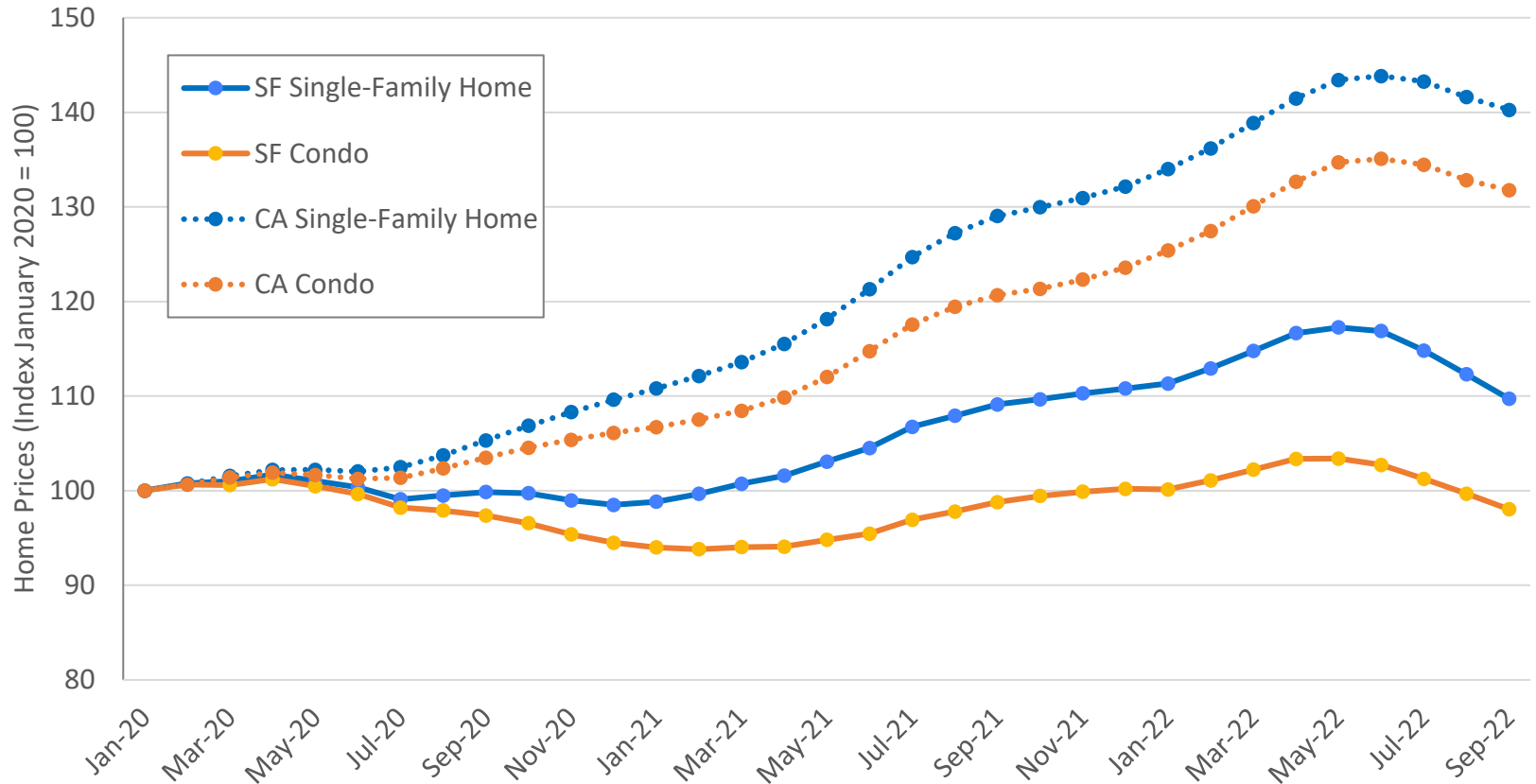
Average Asking Apartment Rents (All Unit Sizes),
San Francisco, Through October 2022



Source: Apartment List

The Weak Housing Market is Dropping Rapidly

Condo and Single-Family Home Prices in San Francisco and California, Through September, 2022



Property Tax Effects of a Weak Housing Market

9

	2023	2024	2025	2026	2027	2028
Single family forecast	-8%	-3%	1%	3%	4%	5%
Condo forecast	-9%	-3%	1%	3%	4%	5%
Zillow Single-Family Index (2000=100)	316	306	309	318	331	348
Zillow Condo Index (2000=100)	218	212	214	220	229	241
Single Family: % AV below market	0.9%	2.0%	2.2%	2.0%	1.6%	0.9%
Condo: % AV below market	8.2%	11.3%	11.9%	11.3%	10.1%	8.3%
Single Family loss	\$6.3	\$13.9	\$15.3	\$13.9	\$11.0	\$6.6
Condo loss	\$36.8	\$50.4	\$53.0	\$50.4	\$45.2	\$37.3
Total Loss	\$43.1	\$64.2	\$68.3	\$64.3	\$56.2	\$43.9

Conclusions and Observations

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- National vs. Metro vs. City trends
- Fiscal Implications
- A Pending Recession?
- Potential Strategies