



Q2 2018

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# QUICK FACTS



The San Francisco Center for Economic Development publishes *QuickFacts* — an electronic bulletin detailing the latest economic developments in San Francisco and the Bay Area and updates on key industry sectors and economic indicators.

## Topics Include:

Unemployment

Housing

Venture Capital Investment

San Francisco Rankings



# UNEMPLOYMENT

The unadjusted unemployment rate in California rose from 0.5% (June 2018) to 4.5%, compared to 4.2% for the nation during the same period.

Over-all rate for the Bay Area continues to fluctuate since the first quarter of 2018. Although unemployment rose to 3.0% in June 2018, from 2.4% in May, the year-to-year change in unemployment continues to decrease. San Mateo County holds the lowest unemployment rate in the Bay Area (2.5%), followed by San Francisco (2.6%), and Marin (2.7%).

Between June 2017 and June 2018, the total number of jobs in the San Francisco-Redwood City-South San Francisco MD, increased by 16,900 (1.5%).

Trade, transportation, and utilities and other services lost the most number of jobs (1,600 and 2,200 jobs) respectively. Professional and business services dominated among major industries, adding 8,900 jobs, an increase of 3.2 percent. Educational and health services added 4,600 jobs attributed to health care and social assistance.

## Bay Area Unadjusted Unemployment Rates

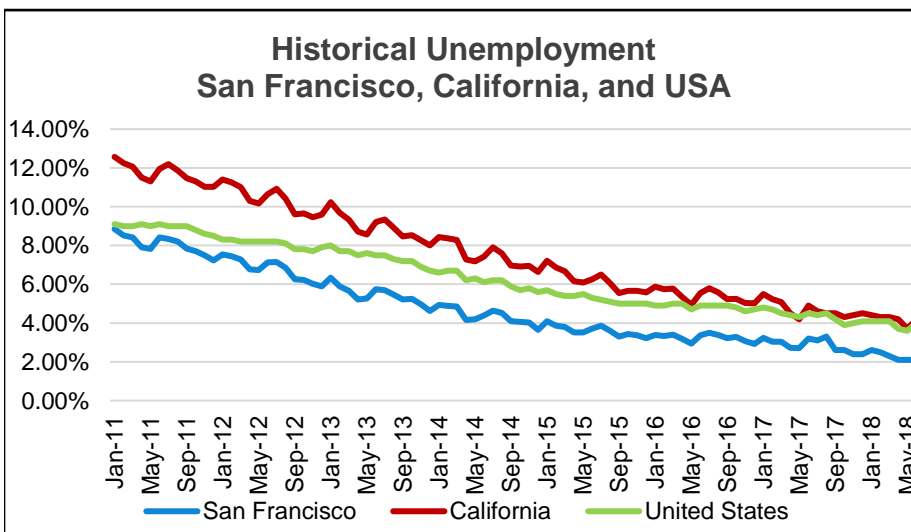
County	17-June	18-April	18-May	18-June
Alameda	4%	2.7%	2.6%	3.3%
Contra Costa	4.2%	2.8%	2.8%	3.5%
Marin	3.1%	2.1%	2.0%	2.7%
Napa	3.6%	2.8%	2.5%	3.1%
San Francisco	3.2%	2.1%	2.1%	2.6%
San Mateo*	2.9%	2%	1.9%	2.5%
Santa Clara	3.5%	2.4%	2.3%	2.9%
Solano	5.1%	3.6%	3.4%	4.2%
Sonoma	3.6%	2.6%	2.4%	3.0%

\*Lowest in State.

\*\* Data for June 2018 is preliminary

Source: CAL-EDD July 2018

Not Seasonally Adjusted.



Source: CAL-EDD March 2018

# Rankings

## Top Cities for Entrepreneurs and Startups

300 U.S. cities were surveyed and ranked according to their start-up friendliness, financial environments and demographic cultures. Criteria included: the percentage of young adult residents; residents with higher education; the local employment rate; housing costs; startup growth rates.

1. San Francisco, CA
2. Austin, TX
3. Minneapolis, MN-WI
4. San Jose, CA
5. Columbus, OH

Source: Denver Business Journal; Business.org

## Top Arts-Vibrant Large Communities

Arts and culture play an integral role in a city's livability and social cohesion.

The level of supply, demand, and government support for arts were examined in over 900 communities. Among cities with populations of 1 million+, the most vibrant arts communities are as follows:

1. San Francisco-Redwood City-South San Francisco
2. New York-Jersey City-White Plains
3. Washington-Arlington-Alexandria
4. Nashville-Davidson-Murfreesboro-Franklin,
5. Minneapolis-St. Paul-Bloomington

Source: SMU; National Center for Arts Research

**Continued on p. 5**



**Overall, the Bay Area saw an increase in home sales, and the median price for these sales continues to increase respectively from April 2012.**

## HOUSING

Despite having the highest median home sale price of \$1,380,000, San Francisco exhibited the greatest year-over change in home sales volume with an increase of 6.1% between May 2017 and May 2018. Santa Clara county, on the other hand, dropped in the number of homes sold which may be correlated to having the highest change in home price increase throughout the Bay Area.

Four of the nine Bay Area counties had a drop-in home sales volume;

the most significant decrease was located in Napa which also had the least change in median price.

Over all, the number of homes sold in the Bay Area showed a slight increase of 0.8%, a reflection of the regions thin inventory of homes for sale and worsening affordability. On a year-over-year basis, the median sale price has risen for 74 consecutive months (since April 2012) with double-digit gains for the last 10 months.

**Bay Area Home Sales: Volume and Median Price**

All Homes	Sales Volume			Median Price		
	May-17	May-18	% Chng	May-17	May-18	% Chng
Alameda	1,725	1,745	1.0%	\$728,000	\$850,000	16.8%
Contra Costa	1,623	1,705	5.1%	\$547,750	\$633,500	10.2%
Marin	354	372	5.1%	\$1,132,750	\$1,189,000	5.0%
Napa	145	116	-20.0%	\$624,500	\$637,500	2.1%
Santa Clara	1,993	1,958	-1.8%	\$1,201,000	\$1,200,000	27.6%
San Francisco	572	607	6.1%	\$1,380,000	\$1,380,000	14.9%
San Mateo	701	696	-0.7%	\$1,261,500	\$1,380,000	9.4%
Solano	665	643	-.3%	\$395,750	\$430,000	8.4%
Sonoma	617	625	1.3%	\$560,000	\$610,500	9.0%
<b>Bay Area</b>	<b>8,398</b>	<b>8,467</b>	<b>0.8%</b>	<b>\$755,000</b>	<b>\$875,000</b>	<b>15.9%</b>

Source: CAL-EDD May 2018

# VENTURE CAPITAL INVESTMENT

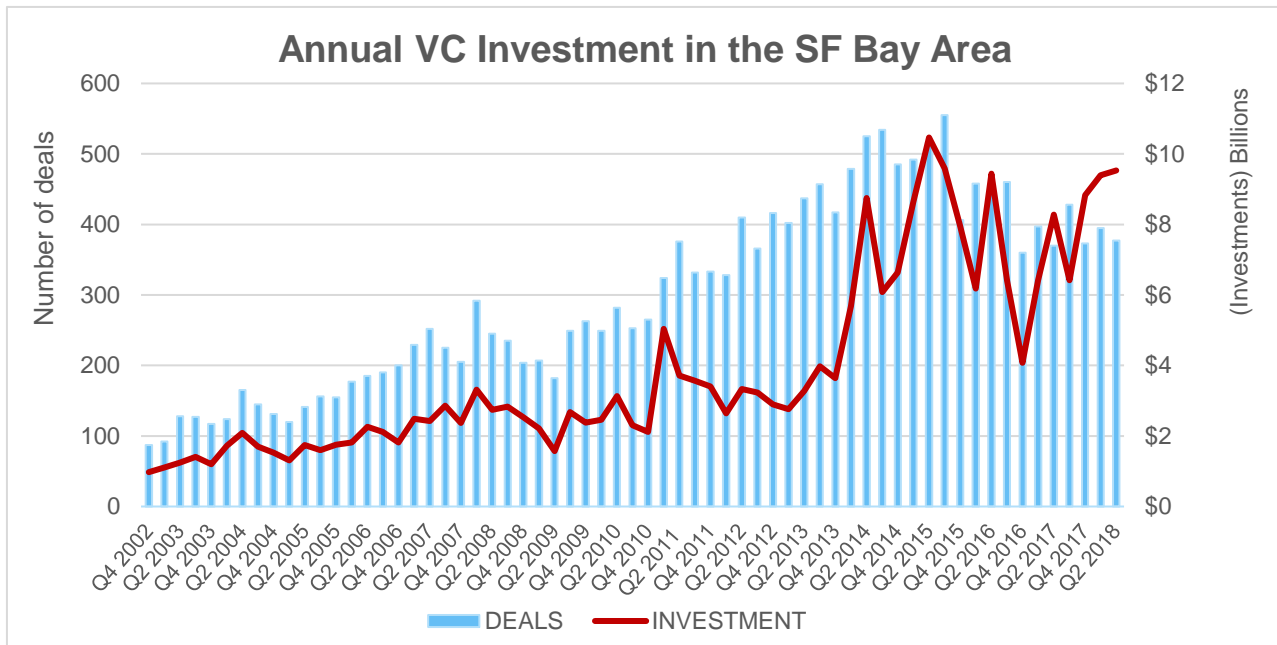
Venture capital activity across the country remains steady over the past two quarters. During Q2 of 2018, California captured 46% of national investments (the most of any state), followed by New York (25%), and Massachusetts (13%).

The San Francisco Bay Area continues to be the dominant region for VC funding across all stages.

The Bay Area also had the most individual VC deals of any US

region, accounting for 437 out of the U.S.'s total of 1,416 deals

Approximately 41% of national VC investment and 90% of California's VC investment went to the Bay Area.



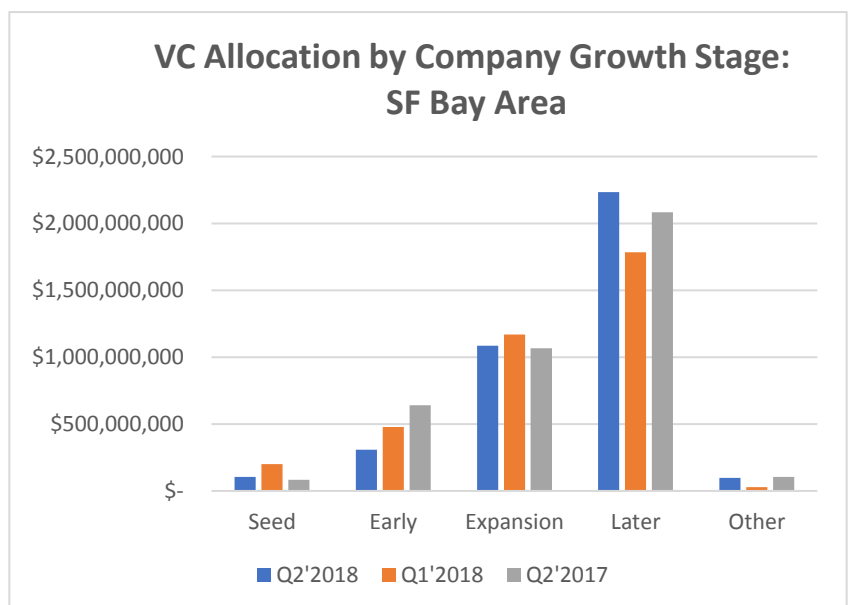
Source: PwC/CB Insights MoneyTree™ Report; Data for Q2'2018

Over the year, the total number of deals dropped by 10%.

The amount invested in the San Francisco Bay Area increased by approximately 14%.

Later stage startups continue to account for a much larger share of VC than early-stage startups. While the quantity of deals in this stage remained constant and it is much less compared to earlier stages. Later stage startups accounted for 25 deals, expansion stages (54), seed stages (48), and early-stages (41).

Seed startups received a very small percentage of the investments both locally and nationally. Aside from later stage startups, all stages saw a decrease in investment dollars.



Source: PwC/CB Insights MoneyTree™ Report; Data for Q2'2018

# Rankings (cont.)

## City of the Future

AT Kearney, a global business-consulting firm, ranked 135 cities based on current global standing and influence on the world. It examined which global cities are improving in their competitiveness and what factors are driving that success.

While New York City received top spot, but the report includes a second ranking, called the Global Cities Outlook, which measures how a city's potential for importance in the future stacks up against other cities. In this ranking, San Francisco overtook the number one spot for most influential city of the future as it attract companies, talent, and investment dollars.

1. **San Francisco**
2. New York
3. London
4. Paris
5. Singapore

Source: *Business Insider, ATKearny: 2018 Global Cities Report*

## Nations Most Bike-able Cities

Seattle online real estate company Redfin scored cities across the nation for its biking friendliness. The Bike Score algorithm calculates a score based on four equally weighted components: bike lanes, hills, destinations and road connectivity and bike commuting mode share. The bike lane score is based on bike lane infrastructure.

Of the nation's top 5 cities (300,000 or more population) :

1. Minneapolis (81.9)
2. Portland (81.2)
3. Chicago (71.5)
4. Denver (71.3)
5. **San Francisco (70.7)**

Source: *Sacramento Business Journals; Redfin*



# 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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