



Q1 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 unemployment rates in the nine Bay Area counties, despite fluctuations in the past months, all **decreased** compared to the same period last year. From the 2.9% back in December 2017, the Bay Area unemployment rate for January 2018 increased slightly to **3.2%**. This compares with an unadjusted unemployment rate of 4.6% for California and 4.5% for the nation during the same period.

As in the previous three quarters, the **lowest** unemployment rates in the Bay Area were **2.5%** in three

counties: **Marin, San Francisco, and San Mateo.**

Between January 2017 and January 2018, the total number of jobs in the San Francisco-Redwood City-South San Francisco Metro area **increased by 2.0%** (21,700 jobs added). Industries that saw the most growth were the **professional and business services** sector; **information** sector; and **private educational and health services** sector – combining for **89.8%** of the new jobs generated.

Bay Area Unadjusted Unemployment Rates

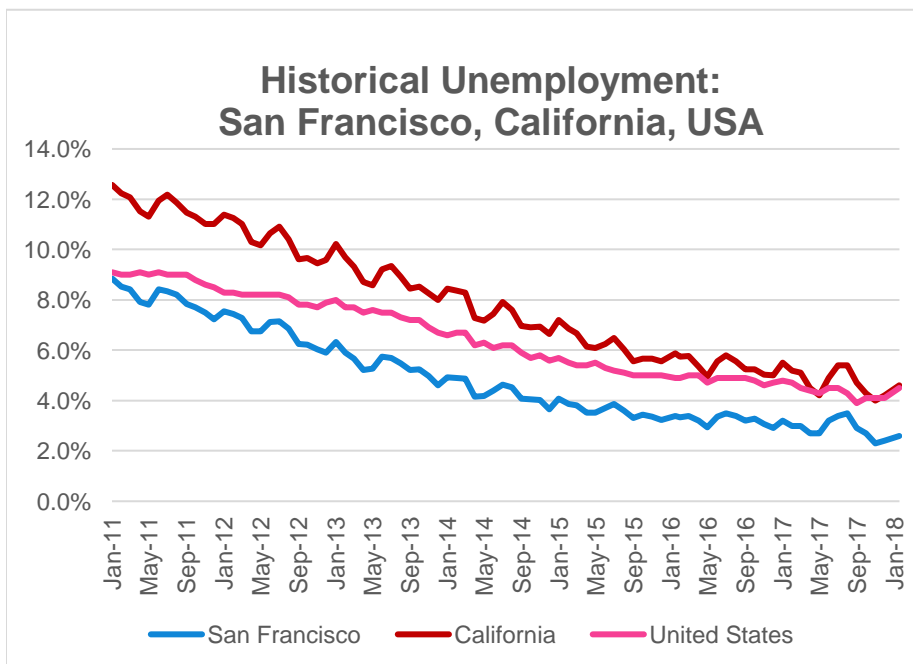
County	17-Feb.	17-Dec.	18-Jan.	18-Feb.
Alameda	4.1%	3.0%	3.4%	3.3%
Contra Costa	4.1%	3.1%	3.4%	3.3%
Marin*	3.2%	2.3%	2.6%	2.5%
Napa	4.4%	3.6%	4.0%	3.5%
San Francisco*	3.1%	2.4%	2.6%	2.5%
San Mateo*	3.1%	2.3%	2.6%	2.5%
Santa Clara	3.7%	2.7%	3.0%	3.0%
Solano	5.5%	4.1%	4.5%	4.4%
Sonoma	3.9%	2.8%	3.2%	3.0%

*Lowest in State.

** Data for February 2018 is preliminary

Source: CAL-EDD March 2018

Not Seasonally Adjusted.



Source: CAL-EDD March 2018

Rankings

Best Performing Market - 2017

San Francisco retained its place among the top 10 best-performing markets nationwide. The high rate of growth experienced by the Bay Area economies so many years into their expansion remains impressive. A major contributor to this continuing prominence on the index was rapid job growth and wage gains.

1. Provo-Orem, UT
2. Raleigh, NC
3. Dallas-Plano-Irving, TX
4. **San Francisco-Redwood City-South San Francisco, CA**
5. Fort Collins, CO

Source: San Francisco Business Times; The Milken Institute

Healthiest City in the U.S.

For the second consecutive year, San Francisco was ranked as the healthiest city in the U.S. by WalletHub, measured by indicators of good health such as availability of healthy food, fitness clubs per capita, the cost of healthcare, and the amount of (green) space in the area that promotes physical activity.

1. **San Francisco**
2. Seattle
3. Portland
4. San Diego
5. Washington, D.C.

Source: San Francisco Business Times; WalletHub

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Overall, the Bay Area saw a decrease in home sales, and the median price for these sales continues to increase respectively from January 2017.

HOUSING

The **number of homes sold**, including resales of single family residences and condos as well as new construction, **dropped** by approximately 31% in San Francisco over the past year. It is the largest percentage change within all Bay Area counties.

Of the nine Bay Area counties, only **Napa** and **Sonoma** saw an **increase** in home sales volume. While Napa was one of two counties to see an increase in

sales volume, its median home sale price remained relatively stable.

The median home sales price continues to rise annually in every Bay Area county. San Francisco had the second-highest median home sale price, at **\$1,100,000**.

The county with the highest median home sale price, San Mateo, also had the largest annual increase of **31.4%**.

Bay Area Home Sales: Volume and Median Price

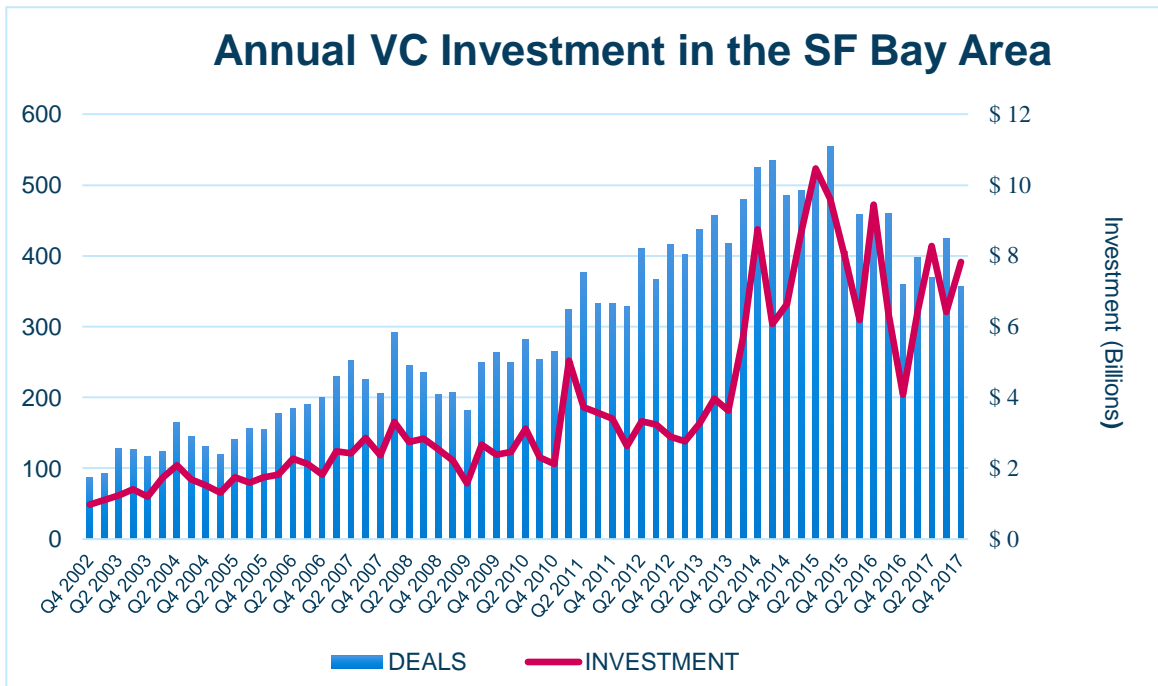
All Homes	Sales Volume			Median Price		
	Feb-17	Jan-18	% Chng	Jan-17	Jan-18	% Chng
Alameda	966	941	- 2.59%	\$650,000	\$750,000	15.4%
Contra Costa	984	941	- 4.37%	\$492,750	\$525,000	6.5%
Marin	164	149	- 9.15%	\$810,000	\$915,000	13%
Napa	88	97	10.23%	\$589,750	\$605,000	2.6%
Santa Clara	1,067	989	- 7.31%	\$785,000	\$960,000	22.3%
San Francisco	341	262	- 31.77%	\$1,002,000	\$1,100,000	9.8%
San Mateo	384	313	-18.49%	\$925,000	\$1,215,000	31.4%
Solano	445	418	-6.07%	\$361,000	\$403,000	11.8%
Sonoma	336	394	17.3%	\$521,000	\$566,000	8.6%
Bay Area	4,775	4,504	- 5.68%	\$650,000	\$750,000	15.38%

VENTURE CAPITAL INVESTMENT

Venture capital activity across the country remains steady over the past two quarters. During the Q4 of 2017, California captured **48%** of national investments, the most of any state, followed by New York (15%), and Massachusetts (11%).

The San Francisco Bay Area continues to be the dominant region for VC funding across all stages. More VC investment dollars went to the Bay Area despite a decline in the total number of deals in the region.

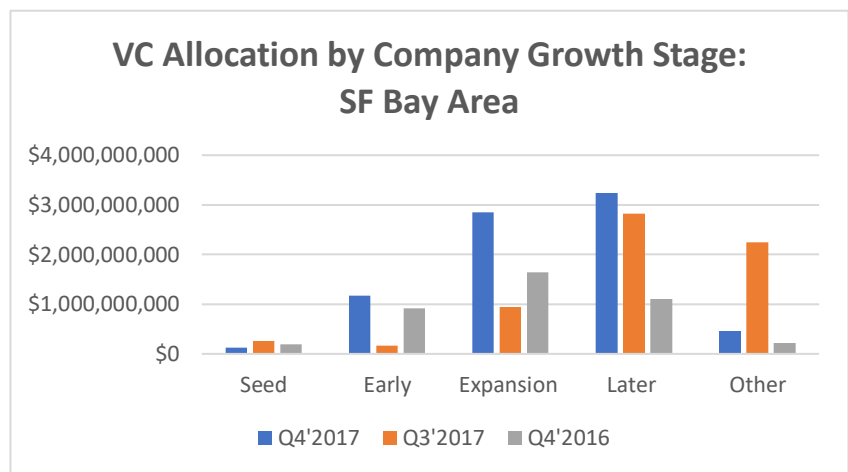
28% of national VC investment and **87%** of California's VC investment went to the Bay Area. The Bay Area also had the most individual VC deals of any US region, accounting for **357** deals out of the U.S.'s total of 1,158.



Source: PwC/CB Insights MoneyTree™ Report; Data for Q4'2017

Over the year, the total number of deals dropped by **1%**. The amount invested in the San Francisco Bay Area increased by **90%**, and the average deal value also increased by **94%**.

Although mature **startups** accounted for a much larger share of VC than early-stage startups, they continue to have fewer deals. Early-stage startups remain constant, while seed startups and expansion stage declined. Seed startups received a very small percentage of the investments both locally and nationally.



Source: PwC/CB Insights MoneyTree™ Report; Data for Q4'2017

Rankings (cont.)

Best Places To Find A Job

To determine the best city for job seekers, WalletHub compared 180 U.S. cities across the 26 indicators. Each city was ranked according to the estimated strength of that city's job market as well as socioeconomic factors such as median annual income and housing affordability.

Despite San Francisco's expensive socioeconomic environment, the City's hot job market has propel its place as 3rd best location.

1. Chandler, AZ
2. Scottsdale, AZ
- 3. San Francisco, CA**
4. Peoria, AZ
5. Gilbert, AZ

Source: CNBC, WalletHub

Best Cities for Public Transit in 2018

Transit Score, a tool by Redfin company Walk Score®, rated locations based on how convenient they are to public transportation. The top three cities listed below were scored by summing the relative usefulness of public transit (bus, subway, light rail, ferry, etc.) routes near a given location.

1. New York
- 2. San Francisco**
3. Boston
4. Washington, D.C.
5. Philadelphia

Source: Puget Sound Business Journal; Redfin



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