



Q3 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 declined .5% in September 2018, to 3.9% - compared to 3.6% for the nation during this same period. The states seasonally adjusted unemployment rate fell to 4.1% in September 2018. Prior to Sept., the rate had been stuck at 4.2% for five consecutive months.

Over-all unemployment rate for the Bay Area shows to have decreased at a steady rate of .2% this quarter, along with its year-to-year comparison. San Mateo County holds the lowest unemployment rate in the Bay

area (2.1%), followed by both San Francisco (2.2%) and Marin (2.2%)

Between September 2017 and 2018, the total number of jobs in the counties of San Francisco and San Mateo increased by 20,900 jobs (1.9%). Professional and business services (up 9,100 jobs) reported the most job gains over the year. Several other industries also expanded during the same time frame: educational and health services, information, leisure and hospitality, financial activities, and government.

## Bay Area Unadjusted Unemployment Rates

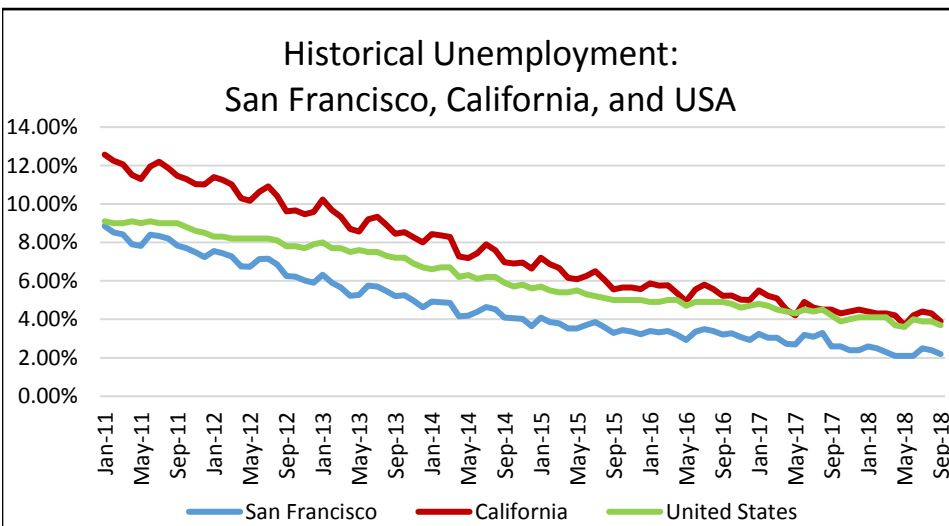
County	17-Sept	18-July	18-August	18-Sept.
Alameda	3.4	3.2%	3.1%	2.8%
Contra Costa	3.5%	3.3%	3.2%	2.9%
Marin	2.6%	2.5%	2.5%	2.2%
Napa	3.0%	2.9%	2.8%	2.5%
San Francisco	2.7%	2.5%	2.4%	2.2%
San Mateo*	2.5%	2.3%	2.3%	2.1%
Santa Clara	3.0%	2.7%	2.6%	2.4%
Solano	4.2%	4.1%	3.9%	3.5%
Sonoma	2.9%	2.8%	2.7%	2.4%

\*Lowest in State.

Source: CAL-EDD September 2018

\*\* Data for September 2018 is preliminary

Not Seasonally Adjusted.



Source: CAL-EDD September 2018

# Rankings

## Top Tech Talent Cities in North America

Tech continues to play an increasingly larger role in today's metro ecosystem. People choose cities based on its quality of life and the net result is a tech market that continues to grow and thrive.

These cities are ranked on criteria such as tech talent supply, growth, concentration, cost, completed tech degrees and the outlook for office and apartment rent cost growth:

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

Source: Denver Business Journal; Business.org

## Green Building Certifications at All Time High in Nation's Largest Metros

The nation's largest cities are getting even greener. Green certified office space across America's 30 largest metros has reached 41% of market totals – the highest in the index's history.

Here are the top 5 cities:

1. Chicago
2. San Francisco
3. Atlanta
4. Los Angeles
5. Minneapolis

Source: SMU; National Center for Arts Research

**Continued on p. 5**



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## HOUSING

On a year-over-year basis, the median sale price for the Bay Area region has risen for 78 consecutive months (since April 2012). Those gains had been in the double-digits for 13 consecutive months prior to September 2018.

Total September 2018 home sales in this region were the lowest for that month since September 2007 when 5,014 homes were sold. Sales have fallen on year-over-year basis the past four consecutive months.

San Mateo had the highest median home sale price of \$1,300,500 which also represented the greatest year-over change within the nine counties. Despite having one of the higher median home sale price, San Francisco exhibited the smallest year over change in the number of homes sold.

Over all, Bay Area home sales for this quarter exhibited a decrease which may be a reflection to the increase in median sales price. As the sales continue to slow, price growth will likely continue to weaken.

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

All Homes	Sales Volume			Median Price		
	Sept-17	Sept-18	% Chng	Sept-17	Sept-18	% Chng
Alameda	1,558	1,236	-20.7%	\$761,000	\$824,250	8.3%
Contra Costa	1,497	1,201	-19.8%	\$560,000	\$600,000	7.1%
Marin	277	258	-6.9%	\$1,005,000	\$1,050,000	4.5%
Napa	119	117	-1.7%	\$570,000	\$633,000	4.1%
Santa Clara	1,737	1,357	-21.9%	\$950,000	\$1,061,000	11.7%
San Francisco	385	360	-6.5%	\$1,150,000	\$1,300,000	13.0%
San Mateo	596	481	-19.3%	\$1,150,000	\$1,300,500	13.1%
Solano	616	499	-19%	\$400,000	\$430,000	7.5%
Sonoma	573	461	-19.5%	\$571,500	\$609,250	6.6%
<b>Bay Area Total</b>	<b>7,358</b>	<b>5,970</b>	<b>-18.9%</b>	<b>\$745,750</b>	<b>\$815,000</b>	<b>9.3%</b>

# VENTURE CAPITAL INVESTMENT

US venture capital funding continued to increase while deal activities declined for the first time since Q4'17.

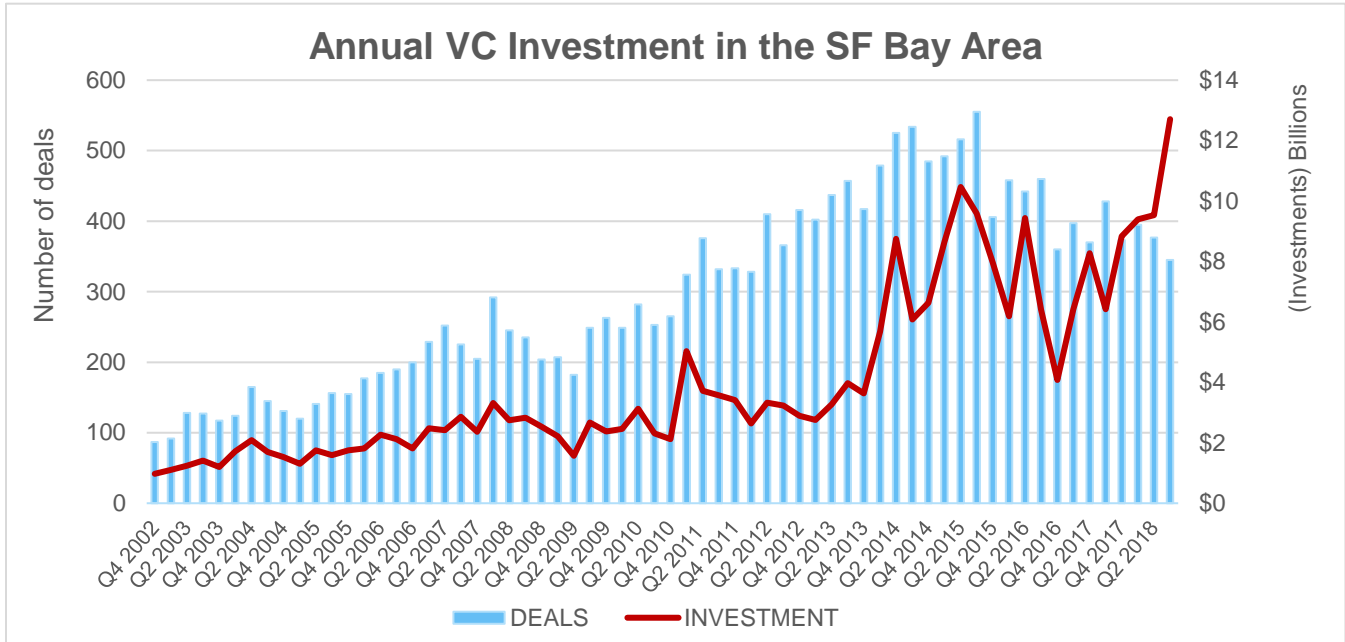
Dollars were up 17% in Q3'18 as \$27.5B was invested across 1,229 deals.

Deal activity declined for the first time since Q4'17.

California captured the majority of national investments(53%), followed by New York (21%), and Massachusetts (8.7%).

Approximately 87% of California's VC investment (46% of national funding) went to the Bay Area.

While deal volume declined 7%, companies based in this region had the most individual VC deals of any US regions.

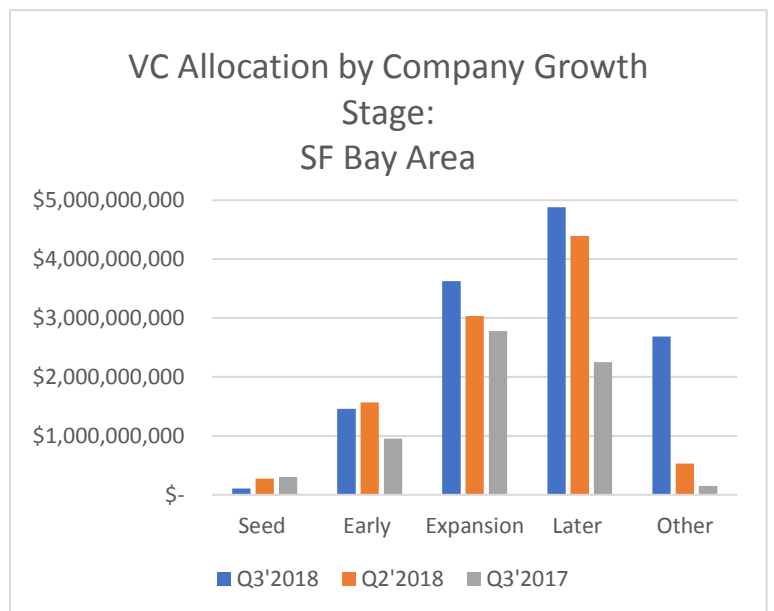


Source: PwC/CB Insights MoneyTree™ Report; Data for Q3'2018

The SF Bay Area continues to be the dominant region for funding across all stages with a 34% increase over Q2.

Although the year over change in total number of deals dropped by 23% in Q3, the amount invested in the San Francisco Bay Area increased by approximately 50%.

On the other hand, VC-backed deal volume is down to a level unseen since Q4 of 2012. As early-stage startups wonder if there are adequate funds available, the overall deal volume (1,229) still reflects a healthy startup ecosystem. US-based unicorns continue to bring in massive deals for Later-stage.



Source: PwC/CB Insights MoneyTree™ Report; Data for Q3'2018

# Rankings (cont.)

## Best Cities for Women Entrepreneurs

Women's entrepreneurship rates rose globally by 13% in 2017, reflecting broader momentum of increased female representation across both the public and private sectors in many regions.

In the U.S., women-owned businesses make up 39% of the 28 million small businesses. Yet those businesses only account for 4% of the nation's business revenue. In an analysis of industries and VC funds, approx. 20% of women-run companies were in commerce and shopping, the largest share of the top 10 sectors.

Ranked on capital, technology, talent, culture and markets, these are the top cities in which women can thrive as business owners:

1. New York City
2. **San Francisco Bay Area**
3. London
4. Boston
5. Stockholm

Source: *The Business Journal, Dell Inc: 2018 Women Entrepreneur Cities Index*

## 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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