

SAN FRANCISCO COUNTY ECONOMIC FORECAST

San Francisco County – located on a peninsula between the San Francisco Bay and the Pacific Ocean – is one of the State’s largest tourist destinations. San Francisco County has a population of 862,500 people and a total of 674,100 wage and salary jobs, making it a jobs center for a number of Bay Area counties. The per capita income in San Francisco County is \$96,903 and the average salary per worker is \$109,936.

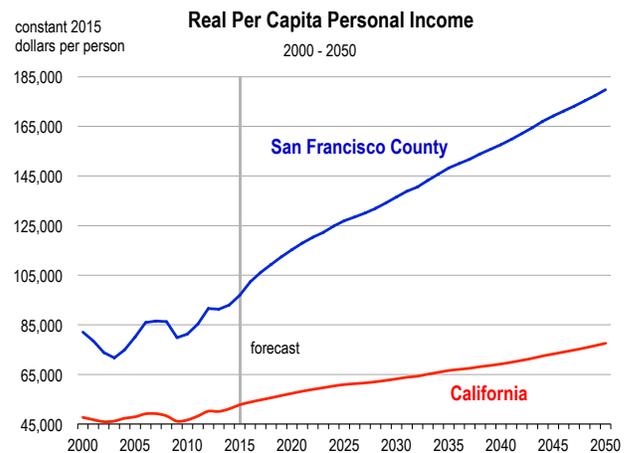
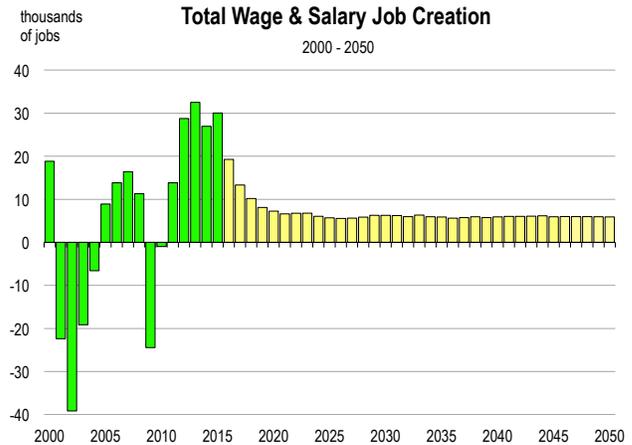
In 2015, employment in Northern California increased by 3.3 percent, whereas employment in the greater Bay Area grew by 3.8 percent. In San Francisco County, a total of 30,100 jobs were created, representing a growth rate of 4.7 percent. The unemployment rate improved substantially, falling from 4.4 percent in 2014 to 3.5 percent in 2015.

In 2015, the largest job gains occurred in professional services (+11,600 jobs), which accounted for almost 40 percent of net job growth in the county. Other sectors with large increases were leisure and hospitality (+3,200 jobs), education and healthcare (+2,700 jobs), Information (+2,700 jobs), and construction (+2,600 jobs). No major sectors had losses, although the manufacturing and agriculture industries were flat.

Between 2010 and 2015, the population of San Francisco County increased at a rate of 1.4 percent per year. Net migration accounted for 70 percent of this increase, as people moved to the region for its booming job market and high wages.

FORECAST HIGHLIGHTS

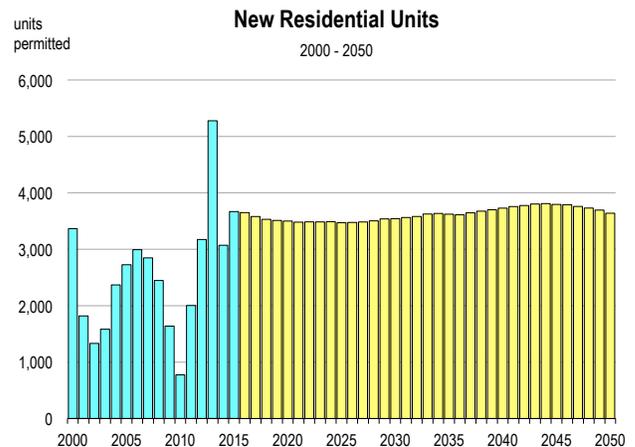
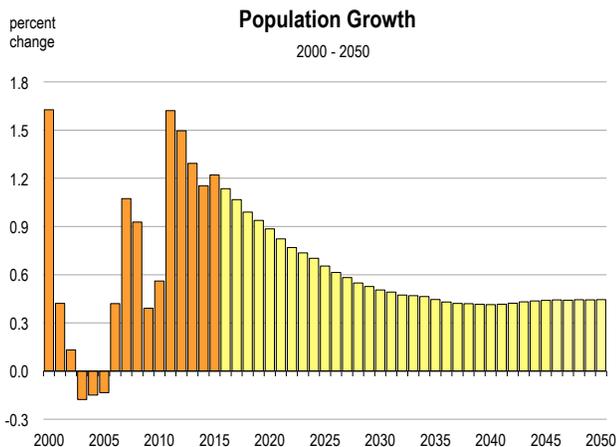
- Total employment will rise by 2.9 percent in 2016. From 2016 to 2021, the annual growth rate is expected to average 1.3 percent.
- Average salaries are currently well above the California state average, and will remain so over the foreseeable future. In San Francisco County, inflation-adjusted salaries are expected to rise by an average of 1.7 percent per year between 2016 and 2021.
- From 2016 to 2021, the principal engine of employment growth will be professional services, which will account for half of net job creation in the county. Strong growth will also be observed in leisure services, education and healthcare, and information, which will account for a combined 27 percent of net job creation.
- Population growth will average 0.9 percent per year between 2016 and 2021.
- In 2016, a total of 5,900 net migrants are expected to enter the county. Over the entire 2016-2021 period, net migration is expected to average 4,800 people per year.
- Between 2016 and 2021, an average of 3,500 new housing permits will be issued. Some of these will be located on Treasure Island (8,000 homes) and at Candlestick Point (12,000 homes). Parts of these projects will be completed before 2021, while the remaining units will be built in later years.
- Real per capita income is expected to increase at a rate of 5.6 percent in 2016. Between 2016 and 2021, real per capita income will increase at a rate of 2.9 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.9 percent per year between 2016 and 2021.
- Industrial production is expected to decline slightly in 2016. From 2016 to 2021, industrial production is expected to fall by 0.5 percent per year.



San Francisco County Economic Forecast

2010-2015 History, 2016-2050 Forecast

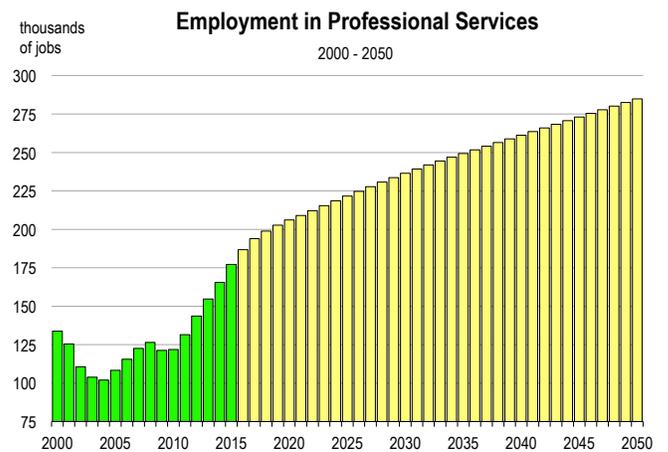
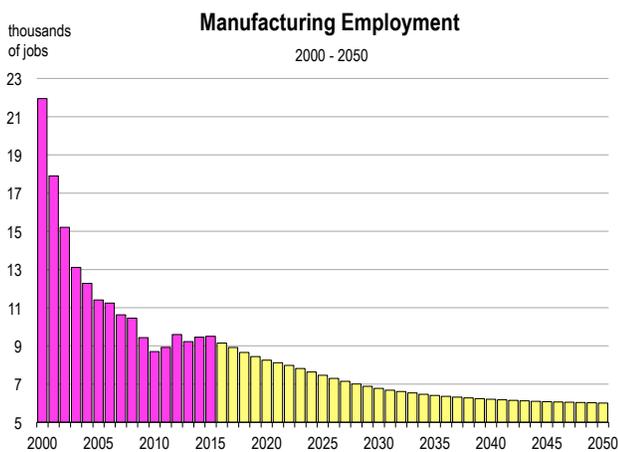
| | Population (people) | Net Migration (people) | Registered Vehicles (thousands) | Households (thousands) | New Homes Permitted (homes) | Total Taxable Sales (billions) | Personal Income (billions) | Real Per Capita Income (dollars) | Inflation Rate (% change in CPI) | Real Farm Crop Value (millions) | Real Industrial Production (billions) | Unemploy- ment Rate (percent) |
|------|------------------------|------------------------------|---------------------------------------|---------------------------|-----------------------------------|--------------------------------------|----------------------------------|--|--|---------------------------------------|---|-------------------------------------|
| 2010 | 806,292 | 1,405 | 470 | 345.2 | 774 | \$13.4 | \$57.6 | \$81,258 | 1.3 | 0.8 | 3.7 | 8.9 |
| 2011 | 819,358 | 9,896 | 466 | 346.7 | 2,002 | \$14.9 | \$63.1 | \$85,300 | 2.7 | 1.1 | 3.6 | 8.1 |
| 2012 | 831,607 | 8,998 | 471 | 348.6 | 3,175 | \$16.0 | \$70.6 | \$91,565 | 2.7 | 1.1 | 3.8 | 6.8 |
| 2013 | 842,357 | 7,404 | 485 | 352.0 | 5,277 | \$17.1 | \$72.9 | \$91,265 | 2.3 | 1.8 | 3.9 | 5.5 |
| 2014 | 852,070 | 6,206 | 490 | 357.7 | 3,070 | \$18.5 | \$77.2 | \$92,995 | 2.8 | 0.8 | 4.0 | 4.4 |
| 2015 | 862,470 | 6,690 | 494 | 364.3 | 3,670 | \$19.2 | \$83.6 | \$96,903 | 2.6 | 0.8 | 4.0 | 3.5 |
| 2016 | 872,263 | 5,922 | 502 | 366.4 | 3,650 | \$20.1 | \$91.5 | \$102,332 | 2.5 | 1.1 | 4.0 | 3.2 |
| 2017 | 881,572 | 5,419 | 509 | 368.5 | 3,581 | \$21.3 | \$99.3 | \$106,061 | 3.6 | 1.2 | 4.0 | 3.2 |
| 2018 | 890,296 | 4,906 | 514 | 370.6 | 3,531 | \$22.5 | \$107.0 | \$109,276 | 3.5 | 1.2 | 3.9 | 3.2 |
| 2019 | 898,646 | 4,574 | 519 | 372.6 | 3,511 | \$23.4 | \$113.6 | \$112,379 | 2.3 | 1.3 | 3.9 | 3.3 |
| 2020 | 906,600 | 4,229 | 523 | 374.6 | 3,500 | \$24.4 | \$120.3 | \$115,269 | 2.3 | 1.2 | 3.9 | 3.3 |
| 2021 | 914,060 | 3,869 | 527 | 376.6 | 3,481 | \$25.4 | \$127.0 | \$117,987 | 2.3 | 1.2 | 3.9 | 3.4 |
| 2022 | 921,086 | 3,470 | 530 | 378.6 | 3,486 | \$26.4 | \$133.5 | \$120,282 | 2.3 | 1.2 | 3.9 | 3.3 |
| 2023 | 927,862 | 3,274 | 533 | 380.6 | 3,485 | \$27.3 | \$139.9 | \$122,273 | 2.3 | 1.2 | 3.9 | 3.3 |
| 2024 | 934,378 | 3,087 | 535 | 382.5 | 3,490 | \$28.4 | \$147.5 | \$124,815 | 2.6 | 1.2 | 3.8 | 3.3 |
| 2025 | 940,487 | 2,724 | 538 | 384.5 | 3,470 | \$29.6 | \$155.1 | \$126,887 | 2.8 | 1.1 | 3.8 | 3.4 |
| 2026 | 946,262 | 2,417 | 541 | 386.5 | 3,476 | \$30.8 | \$162.6 | \$128,479 | 2.9 | 1.1 | 3.8 | 3.4 |
| 2027 | 951,770 | 2,171 | 543 | 388.5 | 3,484 | \$32.0 | \$170.2 | \$130,040 | 2.9 | 1.1 | 3.8 | 3.4 |
| 2028 | 956,989 | 1,984 | 546 | 390.5 | 3,504 | \$33.2 | \$178.4 | \$131,970 | 2.7 | 1.1 | 3.8 | 3.4 |
| 2029 | 962,028 | 1,854 | 548 | 392.5 | 3,538 | \$34.5 | \$186.9 | \$134,205 | 2.5 | 1.1 | 3.8 | 3.3 |
| 2030 | 966,886 | 1,804 | 551 | 394.5 | 3,542 | \$35.7 | \$195.7 | \$136,510 | 2.4 | 1.0 | 3.8 | 3.3 |
| 2031 | 971,643 | 1,774 | 553 | 396.5 | 3,563 | \$37.0 | \$204.6 | \$138,850 | 2.3 | 1.0 | 3.8 | 3.3 |
| 2032 | 976,243 | 1,721 | 556 | 398.6 | 3,581 | \$38.3 | \$213.2 | \$140,514 | 2.5 | 1.0 | 3.9 | 3.3 |
| 2033 | 980,827 | 1,737 | 559 | 400.6 | 3,625 | \$39.6 | \$223.0 | \$143,214 | 2.1 | 1.0 | 3.9 | 3.3 |
| 2034 | 985,378 | 1,704 | 561 | 402.7 | 3,635 | \$41.1 | \$233.2 | \$145,749 | 2.3 | 0.9 | 3.9 | 3.3 |
| 2035 | 989,768 | 1,566 | 564 | 404.7 | 3,622 | \$42.6 | \$244.0 | \$148,241 | 2.4 | 0.9 | 4.0 | 3.3 |
| 2036 | 994,024 | 1,361 | 566 | 406.8 | 3,611 | \$44.2 | \$254.9 | \$150,028 | 2.8 | 0.9 | 4.0 | 3.3 |
| 2037 | 998,211 | 1,170 | 569 | 408.9 | 3,646 | \$45.9 | \$266.3 | \$151,741 | 2.9 | 0.9 | 4.0 | 3.3 |
| 2038 | 1,002,400 | 1,003 | 571 | 411.0 | 3,676 | \$47.7 | \$278.5 | \$153,874 | 2.7 | 0.9 | 4.1 | 3.3 |
| 2039 | 1,006,567 | 804 | 574 | 413.1 | 3,700 | \$49.5 | \$291.2 | \$155,733 | 2.9 | 0.8 | 4.1 | 3.3 |
| 2040 | 1,010,732 | 623 | 576 | 415.2 | 3,729 | \$51.4 | \$304.2 | \$157,661 | 2.8 | 0.8 | 4.2 | 3.3 |
| 2041 | 1,014,939 | 553 | 579 | 417.3 | 3,757 | \$53.4 | \$317.7 | \$159,831 | 2.6 | 0.8 | 4.2 | 3.3 |
| 2042 | 1,019,228 | 524 | 582 | 419.4 | 3,776 | \$55.4 | \$331.7 | \$162,115 | 2.5 | 0.8 | 4.3 | 3.3 |
| 2043 | 1,023,622 | 516 | 584 | 421.6 | 3,802 | \$57.4 | \$346.0 | \$164,449 | 2.4 | 0.8 | 4.4 | 3.3 |
| 2044 | 1,028,092 | 523 | 587 | 423.8 | 3,810 | \$59.4 | \$360.8 | \$167,046 | 2.2 | 0.8 | 4.4 | 3.3 |
| 2045 | 1,032,618 | 500 | 589 | 425.9 | 3,795 | \$61.6 | \$375.9 | \$169,193 | 2.4 | 0.7 | 4.5 | 3.3 |
| 2046 | 1,037,194 | 489 | 592 | 428.1 | 3,790 | \$63.7 | \$390.8 | \$171,192 | 2.3 | 0.7 | 4.5 | 3.3 |
| 2047 | 1,041,771 | 480 | 594 | 430.3 | 3,759 | \$66.1 | \$407.4 | \$173,182 | 2.6 | 0.7 | 4.6 | 3.3 |
| 2048 | 1,046,399 | 476 | 596 | 432.4 | 3,730 | \$68.5 | \$424.8 | \$175,252 | 2.6 | 0.7 | 4.7 | 3.3 |
| 2049 | 1,051,039 | 470 | 598 | 434.5 | 3,695 | \$71.1 | \$443.7 | \$177,461 | 2.7 | 0.7 | 4.8 | 3.3 |
| 2050 | 1,055,715 | 459 | 600 | 436.6 | 3,639 | \$74.0 | \$464.5 | \$179,791 | 2.9 | 0.7 | 4.8 | 3.3 |

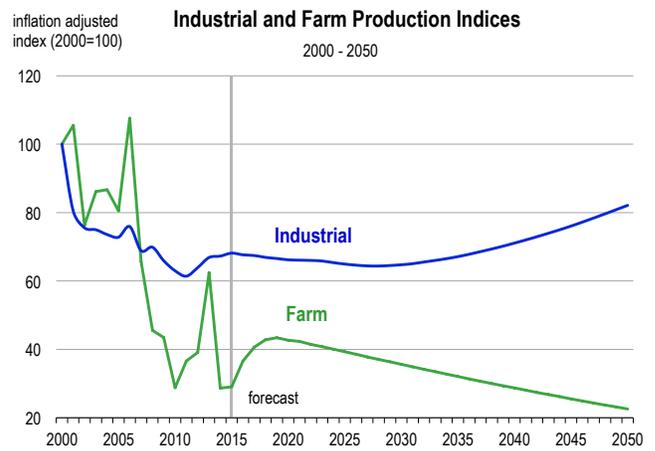
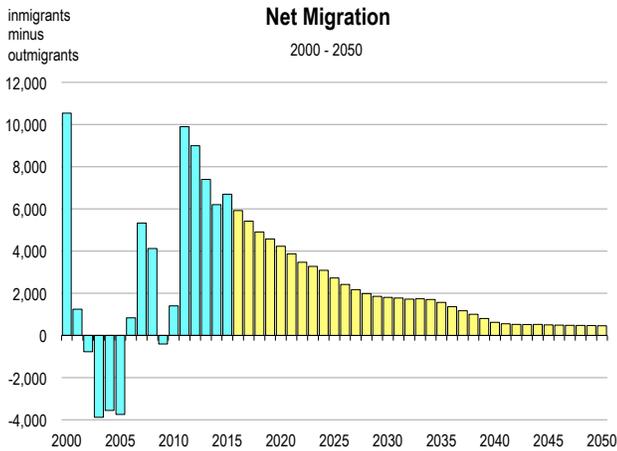
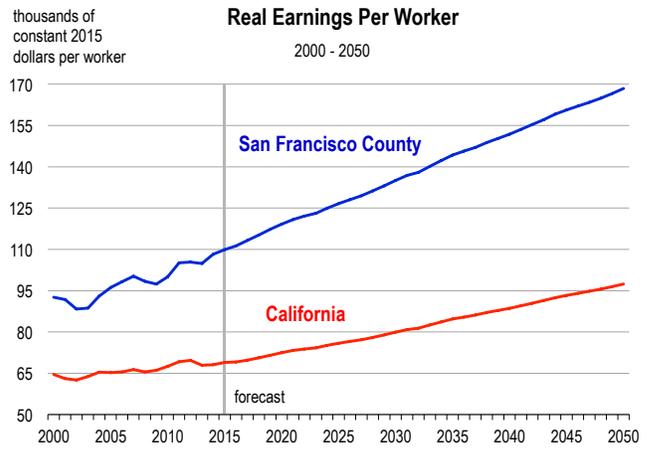
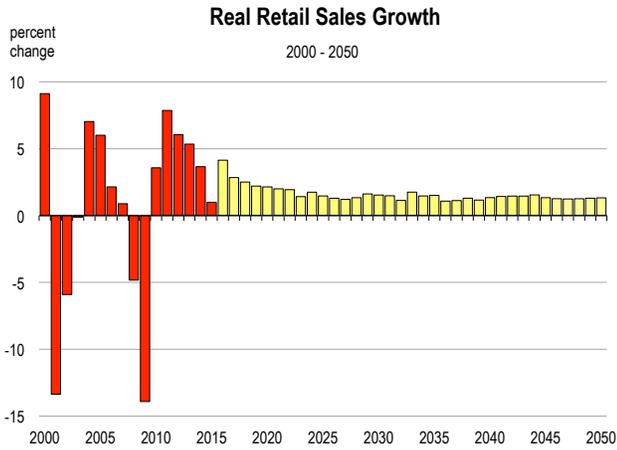


San Francisco County Employment Forecast

2010-2015 History, 2016-2050 Forecast

| | Total Wage & Salary | Farm | Construction | Manufacturing | Transportation & Utilities | Wholesale & Retail Trade | Financial Activities | Professional Services | Information | Health & Education | Leisure | Government |
|--|---------------------|------|--------------|---------------|----------------------------|--------------------------|----------------------|-----------------------|-------------|--------------------|---------|------------|
| -----employment (thousands of jobs)----- | | | | | | | | | | | | |
| 2010 | 542.0 | 0.25 | 13.9 | 8.7 | 10.9 | 50.8 | 48.4 | 121.9 | 19.5 | 79.4 | 76.8 | 90.0 |
| 2011 | 555.9 | 0.18 | 13.6 | 8.9 | 10.8 | 51.5 | 46.9 | 131.5 | 22.7 | 78.8 | 79.4 | 89.8 |
| 2012 | 584.6 | 0.13 | 14.9 | 9.6 | 10.9 | 54.4 | 47.7 | 143.6 | 25.5 | 81.3 | 84.6 | 89.2 |
| 2013 | 617.1 | 0.18 | 15.7 | 9.2 | 11.7 | 57.4 | 48.9 | 154.7 | 25.3 | 82.9 | 87.7 | 88.6 |
| 2014 | 644.1 | 0.19 | 17.4 | 9.5 | 12.0 | 59.2 | 49.8 | 165.5 | 27.9 | 84.6 | 91.5 | 89.9 |
| 2015 | 674.1 | 0.19 | 20.0 | 9.5 | 12.3 | 61.0 | 51.7 | 177.1 | 30.6 | 87.3 | 94.7 | 92.6 |
| 2016 | 693.4 | 0.20 | 21.0 | 9.1 | 12.4 | 61.6 | 53.6 | 186.8 | 31.5 | 88.7 | 98.3 | 92.2 |
| 2017 | 706.7 | 0.21 | 21.2 | 8.9 | 12.4 | 62.5 | 54.8 | 193.9 | 32.4 | 89.7 | 99.9 | 92.4 |
| 2018 | 716.9 | 0.22 | 21.2 | 8.7 | 12.3 | 63.4 | 55.5 | 198.9 | 33.1 | 90.9 | 101.0 | 93.0 |
| 2019 | 725.0 | 0.22 | 21.2 | 8.4 | 12.2 | 64.0 | 56.0 | 202.7 | 33.6 | 92.1 | 101.4 | 93.3 |
| 2020 | 732.2 | 0.22 | 21.3 | 8.3 | 12.0 | 64.7 | 56.4 | 206.1 | 34.1 | 93.3 | 101.5 | 93.8 |
| 2021 | 738.8 | 0.22 | 21.4 | 8.1 | 11.9 | 65.3 | 56.7 | 209.0 | 34.6 | 94.5 | 101.6 | 94.2 |
| 2022 | 745.6 | 0.21 | 21.6 | 8.0 | 11.8 | 65.8 | 57.0 | 212.1 | 35.1 | 95.7 | 101.5 | 94.6 |
| 2023 | 752.4 | 0.21 | 21.8 | 7.8 | 11.7 | 66.2 | 57.4 | 215.4 | 35.4 | 96.9 | 101.5 | 94.9 |
| 2024 | 758.4 | 0.21 | 21.9 | 7.6 | 11.6 | 66.7 | 57.7 | 218.6 | 35.8 | 98.0 | 101.5 | 95.1 |
| 2025 | 764.1 | 0.21 | 22.0 | 7.5 | 11.4 | 67.1 | 58.0 | 221.6 | 36.3 | 98.9 | 101.6 | 95.2 |
| 2026 | 769.7 | 0.21 | 22.1 | 7.3 | 11.3 | 67.4 | 58.3 | 224.7 | 36.7 | 99.8 | 101.7 | 95.3 |
| 2027 | 775.3 | 0.21 | 22.1 | 7.1 | 11.2 | 67.7 | 58.6 | 227.7 | 37.1 | 100.7 | 102.0 | 95.3 |
| 2028 | 781.1 | 0.21 | 22.1 | 7.0 | 11.0 | 68.1 | 58.9 | 230.7 | 37.5 | 101.6 | 102.5 | 95.4 |
| 2029 | 787.4 | 0.20 | 22.2 | 6.9 | 10.9 | 68.5 | 59.2 | 233.6 | 38.0 | 102.5 | 103.2 | 95.6 |
| 2030 | 793.7 | 0.20 | 22.3 | 6.8 | 10.8 | 68.9 | 59.5 | 236.5 | 38.4 | 103.4 | 103.9 | 95.8 |
| 2031 | 799.9 | 0.20 | 22.3 | 6.7 | 10.7 | 69.3 | 59.7 | 239.2 | 38.8 | 104.2 | 104.7 | 95.9 |
| 2032 | 805.9 | 0.20 | 22.4 | 6.6 | 10.7 | 69.6 | 60.0 | 241.9 | 39.3 | 105.1 | 105.4 | 96.1 |
| 2033 | 812.2 | 0.20 | 22.5 | 6.5 | 10.6 | 70.0 | 60.2 | 244.4 | 39.7 | 106.0 | 106.3 | 96.3 |
| 2034 | 818.1 | 0.20 | 22.5 | 6.5 | 10.5 | 70.4 | 60.5 | 246.9 | 40.2 | 106.8 | 107.1 | 96.5 |
| 2035 | 824.0 | 0.20 | 22.6 | 6.4 | 10.5 | 70.9 | 60.7 | 249.3 | 40.6 | 107.6 | 107.9 | 96.7 |
| 2036 | 829.6 | 0.19 | 22.6 | 6.4 | 10.4 | 71.2 | 60.9 | 251.7 | 41.1 | 108.5 | 108.6 | 96.7 |
| 2037 | 835.4 | 0.19 | 22.7 | 6.3 | 10.4 | 71.5 | 61.1 | 254.1 | 41.5 | 109.3 | 109.4 | 96.8 |
| 2038 | 841.3 | 0.19 | 22.7 | 6.3 | 10.3 | 71.8 | 61.3 | 256.5 | 42.0 | 110.1 | 110.4 | 96.9 |
| 2039 | 847.1 | 0.19 | 22.8 | 6.2 | 10.3 | 72.2 | 61.5 | 258.8 | 42.5 | 110.9 | 111.2 | 97.0 |
| 2040 | 853.0 | 0.19 | 22.9 | 6.2 | 10.3 | 72.5 | 61.7 | 261.2 | 43.0 | 111.7 | 112.1 | 97.1 |
| 2041 | 859.0 | 0.19 | 22.9 | 6.2 | 10.2 | 72.9 | 61.9 | 263.6 | 43.4 | 112.5 | 113.0 | 97.2 |
| 2042 | 865.0 | 0.19 | 23.0 | 6.1 | 10.2 | 73.4 | 62.1 | 265.9 | 43.9 | 113.3 | 113.9 | 97.3 |
| 2043 | 871.1 | 0.19 | 23.1 | 6.1 | 10.2 | 73.8 | 62.3 | 268.3 | 44.4 | 114.1 | 114.8 | 97.5 |
| 2044 | 877.3 | 0.18 | 23.2 | 6.1 | 10.2 | 74.2 | 62.5 | 270.7 | 44.9 | 114.8 | 115.8 | 97.7 |
| 2045 | 883.2 | 0.18 | 23.2 | 6.1 | 10.1 | 74.6 | 62.7 | 273.0 | 45.4 | 115.6 | 116.6 | 97.9 |
| 2046 | 889.2 | 0.18 | 23.2 | 6.1 | 10.1 | 75.0 | 62.9 | 275.4 | 45.9 | 116.3 | 117.6 | 98.1 |
| 2047 | 895.2 | 0.18 | 23.2 | 6.1 | 10.1 | 75.3 | 63.1 | 277.8 | 46.4 | 117.1 | 118.5 | 98.3 |
| 2048 | 901.1 | 0.18 | 23.2 | 6.0 | 10.1 | 75.7 | 63.3 | 280.1 | 46.9 | 117.8 | 119.4 | 98.4 |
| 2049 | 907.1 | 0.18 | 23.2 | 6.0 | 10.1 | 76.1 | 63.5 | 282.5 | 47.4 | 118.6 | 120.4 | 98.6 |
| 2050 | 913.0 | 0.18 | 23.1 | 6.0 | 10.1 | 76.5 | 63.7 | 284.8 | 48.0 | 119.4 | 121.4 | 98.8 |





County Economic and Demographic Indicators

Projected Economic Growth (2016-2021)

| | |
|----------------------------------|-----------------------|
| Expected retail sales growth: | 12.3% |
| Expected job growth: | 6.7% |
| Fastest growing jobs sector: | Professional Services |
| Expected personal income growth: | 20.8% |

| | |
|--|-------|
| Expected population growth: | 4.8% |
| Net migration to account for: | 55.0% |
| Expected growth in number of vehicles: | 4.9% |

Demographics (2016)

| | |
|---|-------|
| Unemployment rate (April 2016): | 3.1% |
| County rank* in California (58 counties): | 2nd |
| Working age (16-64) population: | 72.2% |

| | |
|-----------------------------------|-------------|
| Population with B.A. or higher: | 53.0% |
| Median home selling price (2015): | \$1,100,000 |
| Median household income: | \$84,160 |

Quality of Life

| | |
|---|-------------------------|
| Violent crime rate (2014): | 752 per 100,000 persons |
| County rank* in California (58 counties): | 57th |
| Average commute time to work (2016): | 35.0 minutes |

| | |
|--|------|
| High School drop out rate (2015): | 6.4% |
| Households at/below poverty line (2016): | 8.1% |

* The county ranked 1st corresponds to the lowest rate in California