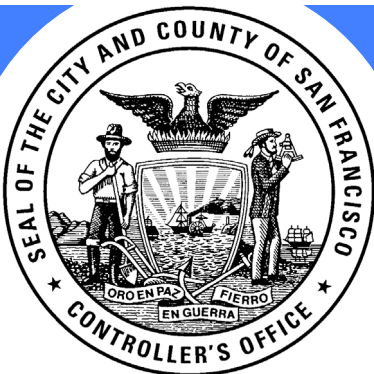


Work-from-Home and San Francisco's Technology Industry



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

Ted Egan, Ph.D., Chief Economist

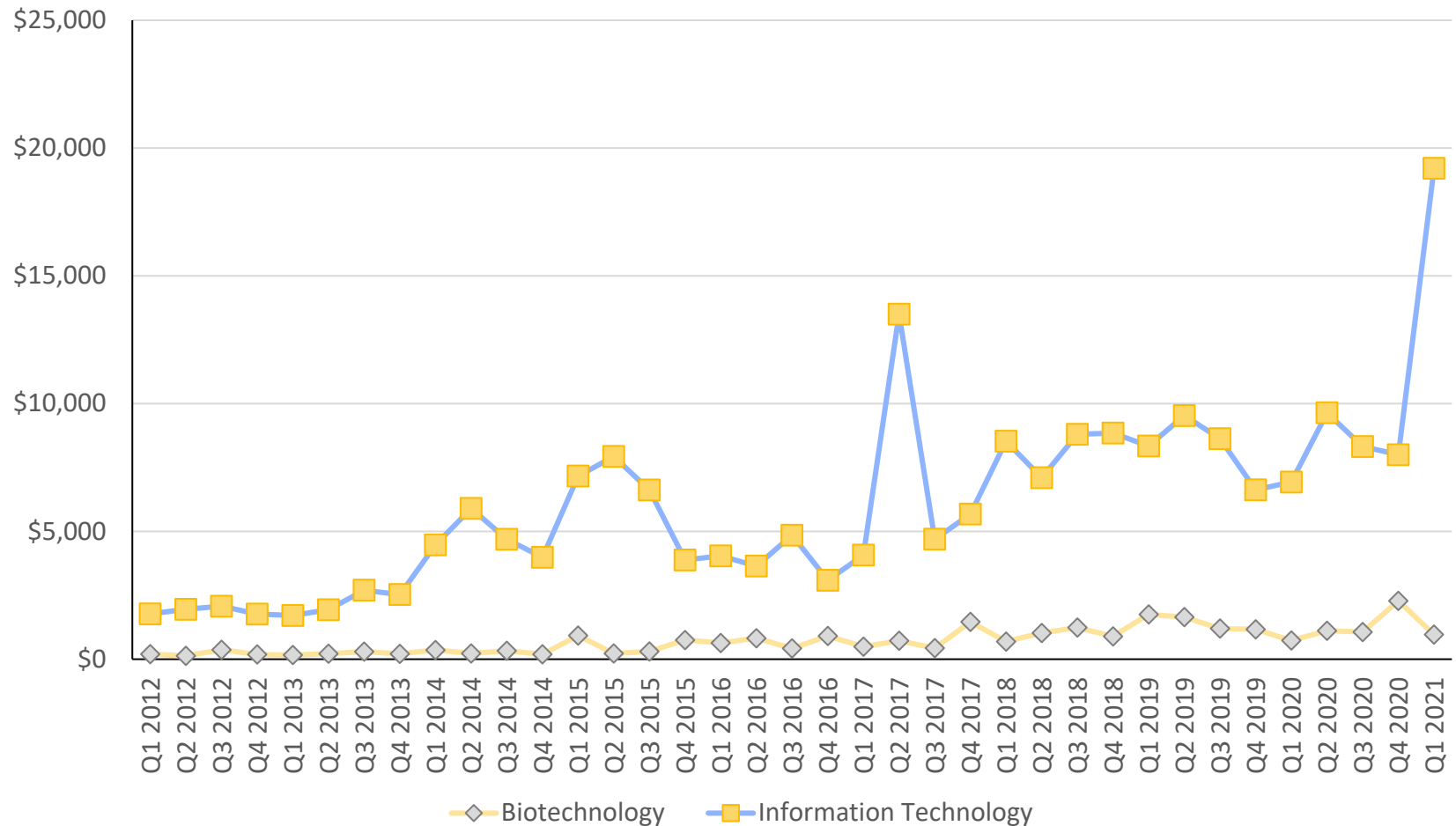
October 28, 2021

Bay Area Venture Capital Investment in IT and Biotech

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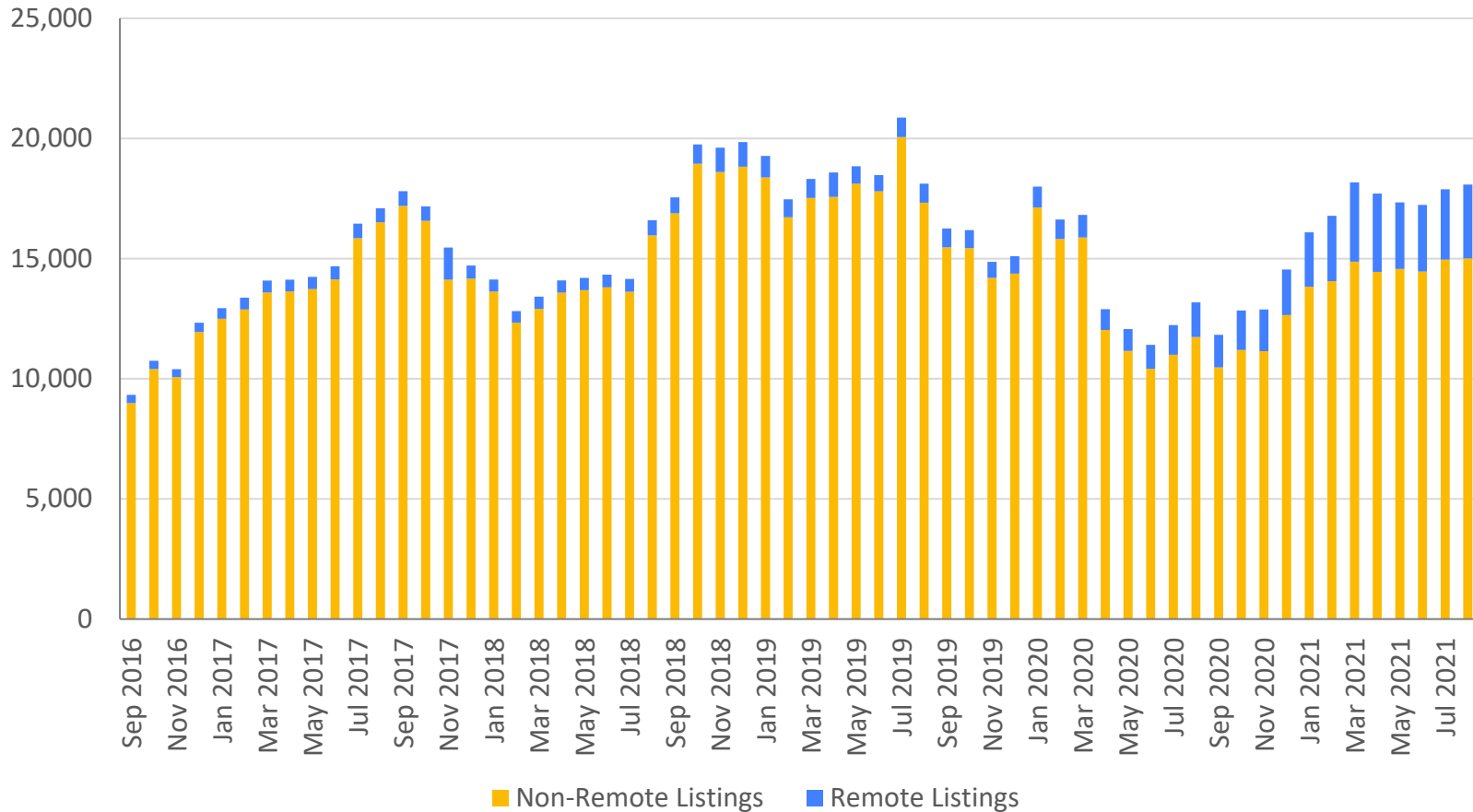
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Venture Capital Investment in Bay Area Biotechnology and Information Technology Companies, 2011Q4 - 2021

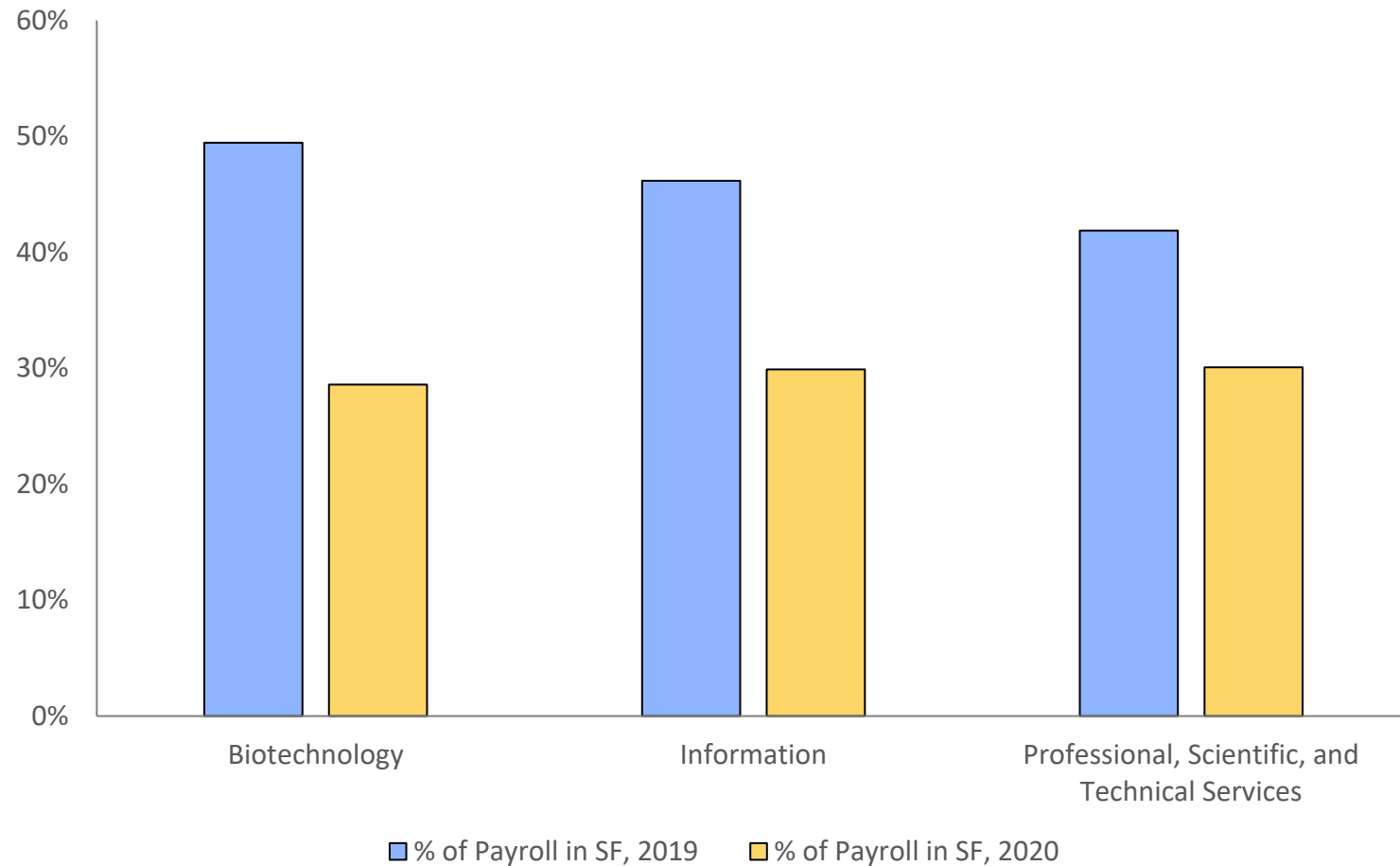


Source: PWC Moneytree

Monthly Information Technology Job Listings in San Francisco:
Remote and Non-Remote, 2016-2021

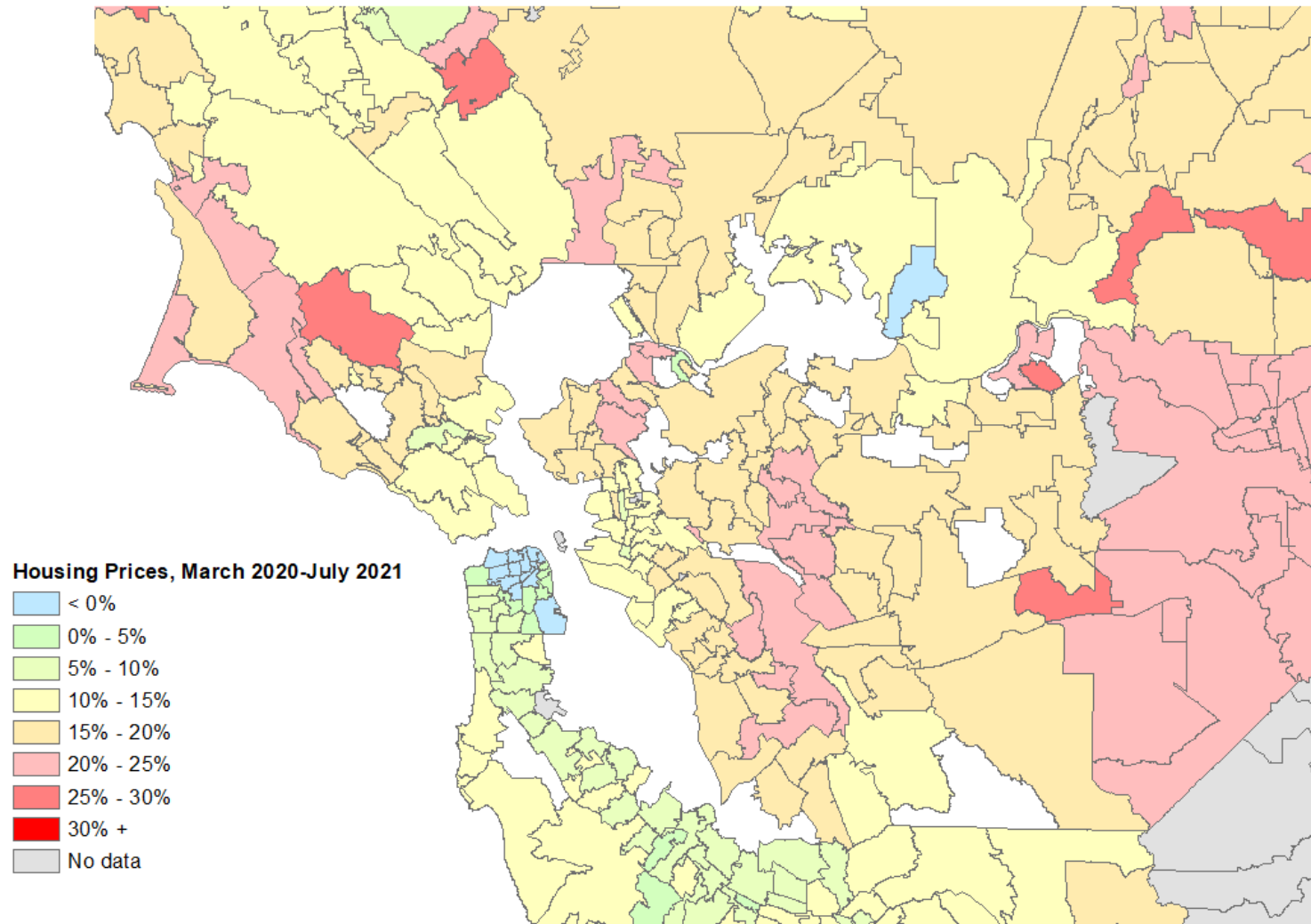


Average % of Industry Payroll Incurred Within San Francisco:
Biotechnology, Information, Professional Services, 2019 & 2020



Patterns of Housing Price Growth Suggest Migration

5

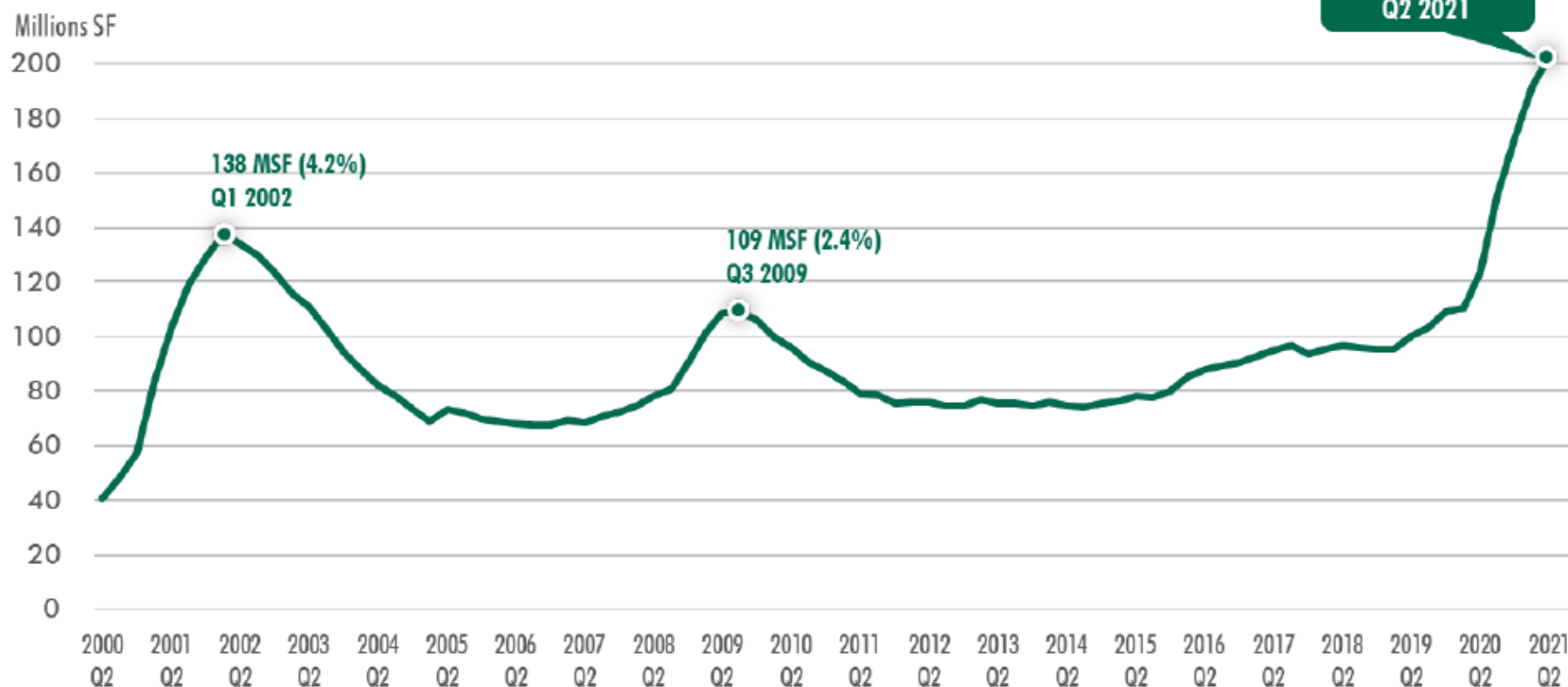


Source: Zillow

Company	Announced WFH Policy	% of Employees Satisfied with Policy	% of Employees Wanting to Leave
Indeed	Full WFH for many roles including engineering and flex for most roles	92%	3%
Facebook	Full WFH by approval or 50% time in the office	87%	11%
Twitter	WFH Forever	85%	5%
Zillow	WFH Forever for 90% of employees	82%	14%
Google	WFH by approval. Expects 60% of its employees in the office and 20% remote	54%	30%
Amazon	Mandated 3 days a week in the office starting Sep 2021	47%	40%
Apple	Mandated 3 days a week in the office starting Sep 2021	41%	37%
Uber	Mandated 3 days a week in the office starting Sep 2021	37%	42%

Source: Blind Blog – Workplace Insights, “Work From Home Policies Will Make Tech Employees Leave or Stay”, June 21, 2021

U.S. OFFICE SUBLEASE SPACE AVAILABLE INCREASED BY 80% SINCE MARCH 2020



Source: CoStar Group and CBRE Tech Insights Center estimates, June 2021

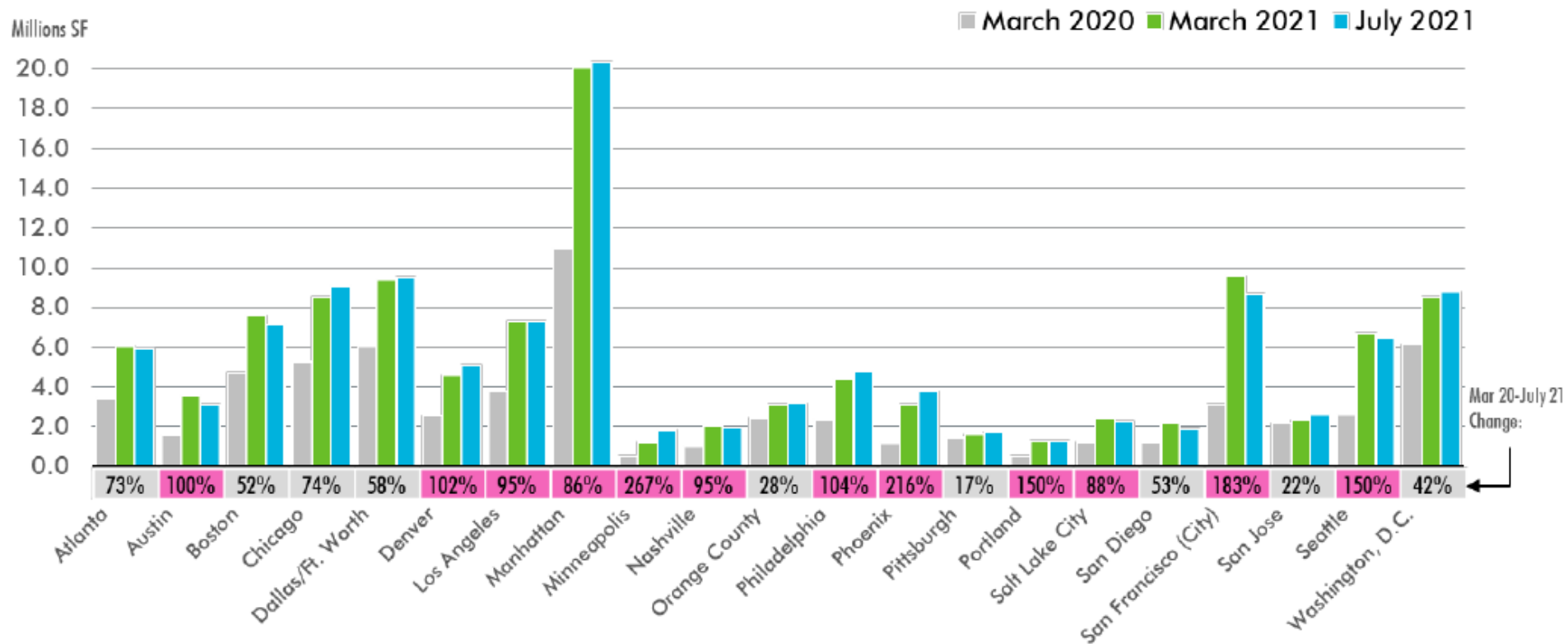
CBRE

Among Large Cities, SF Sublease Space Increased Most...

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U.S. OFFICE SUBLEASE SPACE AVAILABLE BY MARKET



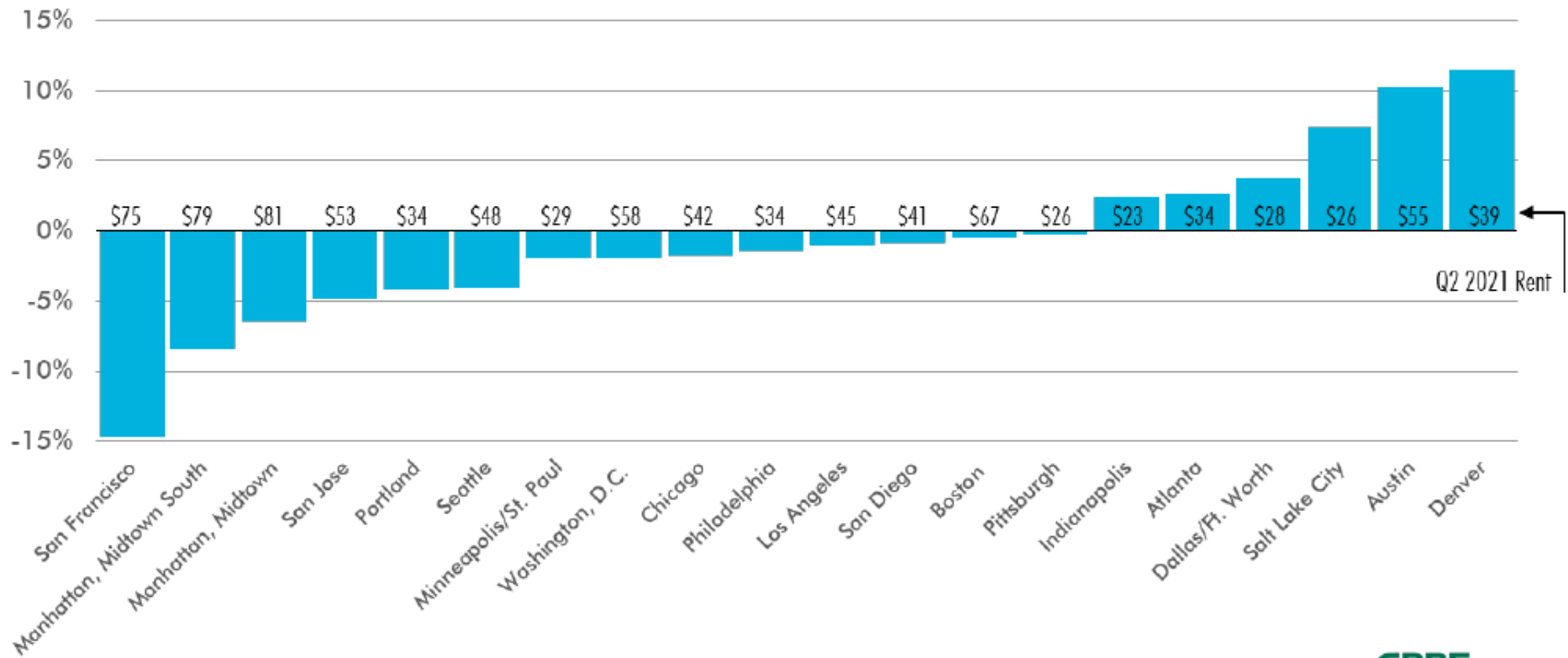
CBRE

...SF Office Rents Have Dropped the Most...

9

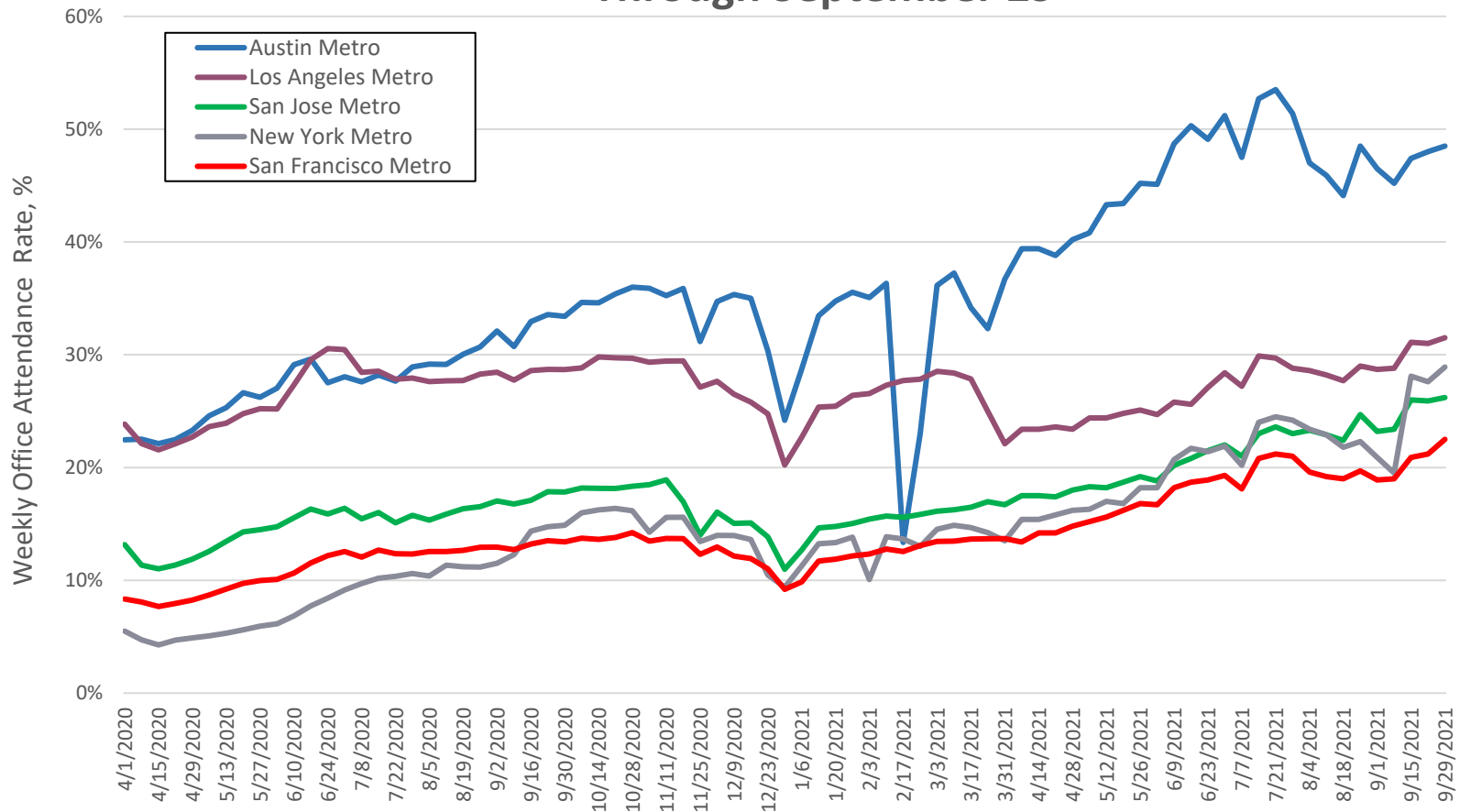
U.S. OFFICE RENT GROWTH FOR DOWNTOWN MARKETS

Q1 2020 vs. Q2 2021, Gross Annual Asking Rent per Sq. Ft.



CBRE

Weekly Office Attendance Across Selected Metros, Through September 29



Kastle Back to Work Barometer reflects unique authorized user entries in a market relative to its pre-COVID baseline, averaged weekly. The San Francisco Metro Area includes San Francisco, Alameda, Contra Costa, San Mateo, and Marin counties.

1. Despite changes in the industry since the pandemic, there is no sign of a significant shift of tech employment or investment to other metro areas.
 - The city continued to add tech employment during 2020, albeit remotely.
 - Venture capital investment in San Francisco is at an all-time high.
 - There has been no significant exodus of tech companies from San Francisco.
2. However, the rise of remote work creates a major risk for the city's economy.
 - Tech employees are expecting generous work-from-home policies.
 - Historic amounts of office space are being placed in the sublease market. Among large cities, San Francisco is leading that trend.
 - Shifts in the housing market reflect a weakening premium for housing near San Francisco.
3. While the office market will eventually adjust to reduce the current vacancy, in the medium term, work-from-home will have important implications for the recovery of other industries in the city, the City's tax revenues, and demand public services such as transit.