

COVID, Office Demand, and Transportation in San Francisco



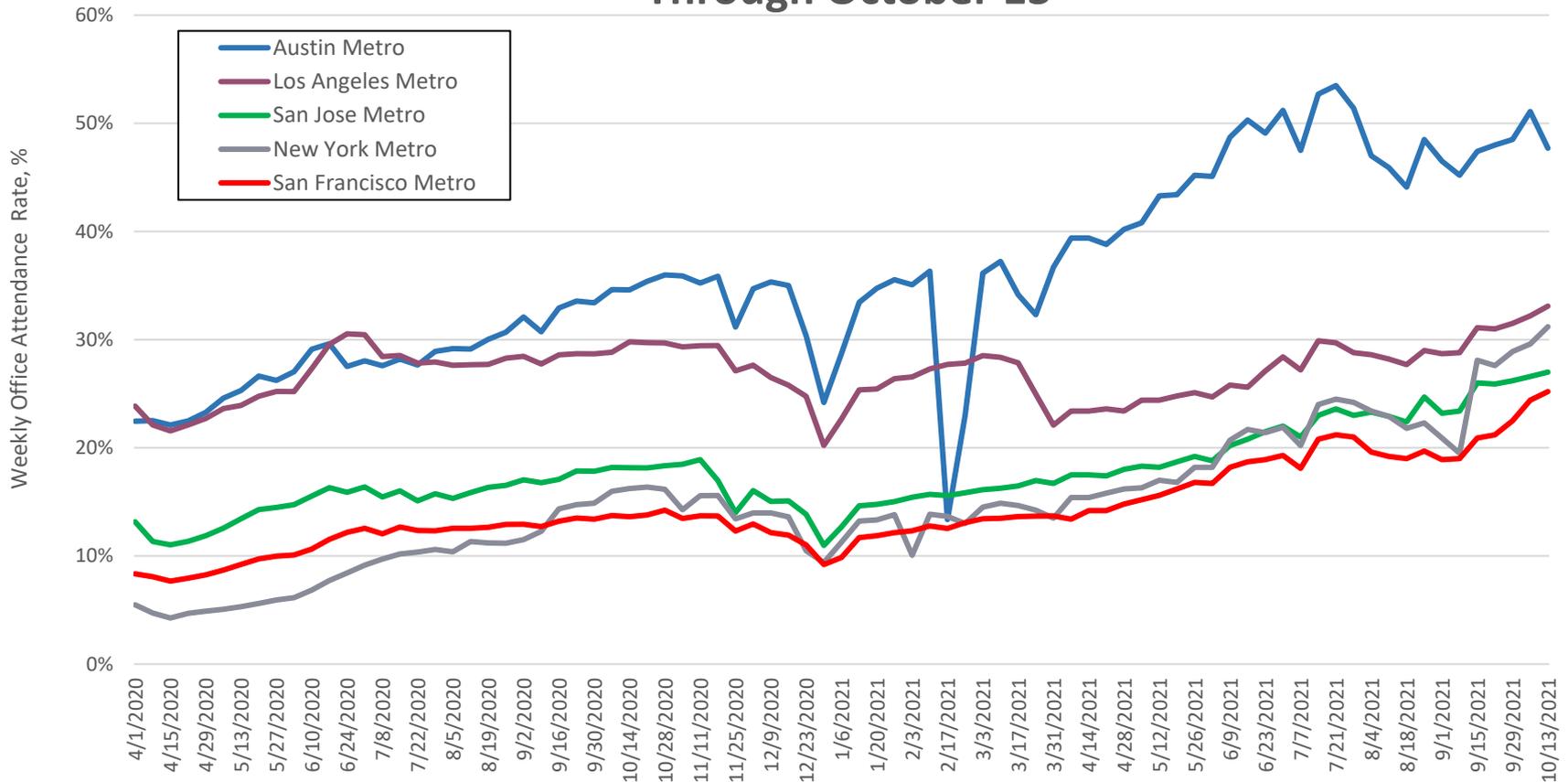
CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Office of Economic Analysis

November 17, 2021

COVID-Era Restructuring: Return to Office

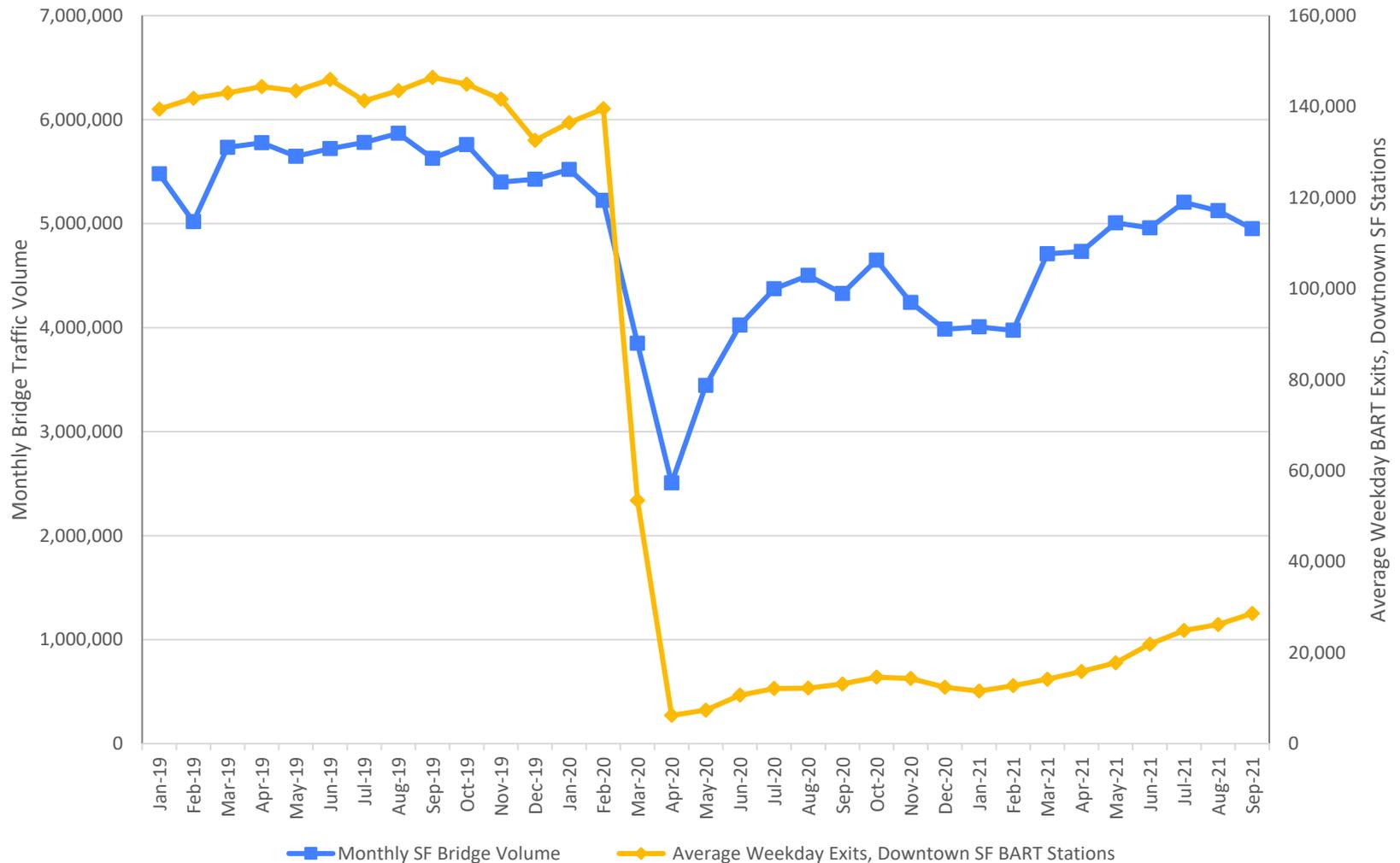
Weekly Office Attendance Across Selected Metros, Through October 13



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.

COVID-Era Restructuring: Transit & Driving

BART Ridership to SF, and Bay Bridge/Golden Gate Bridge Volume, January 2019 - September 2021

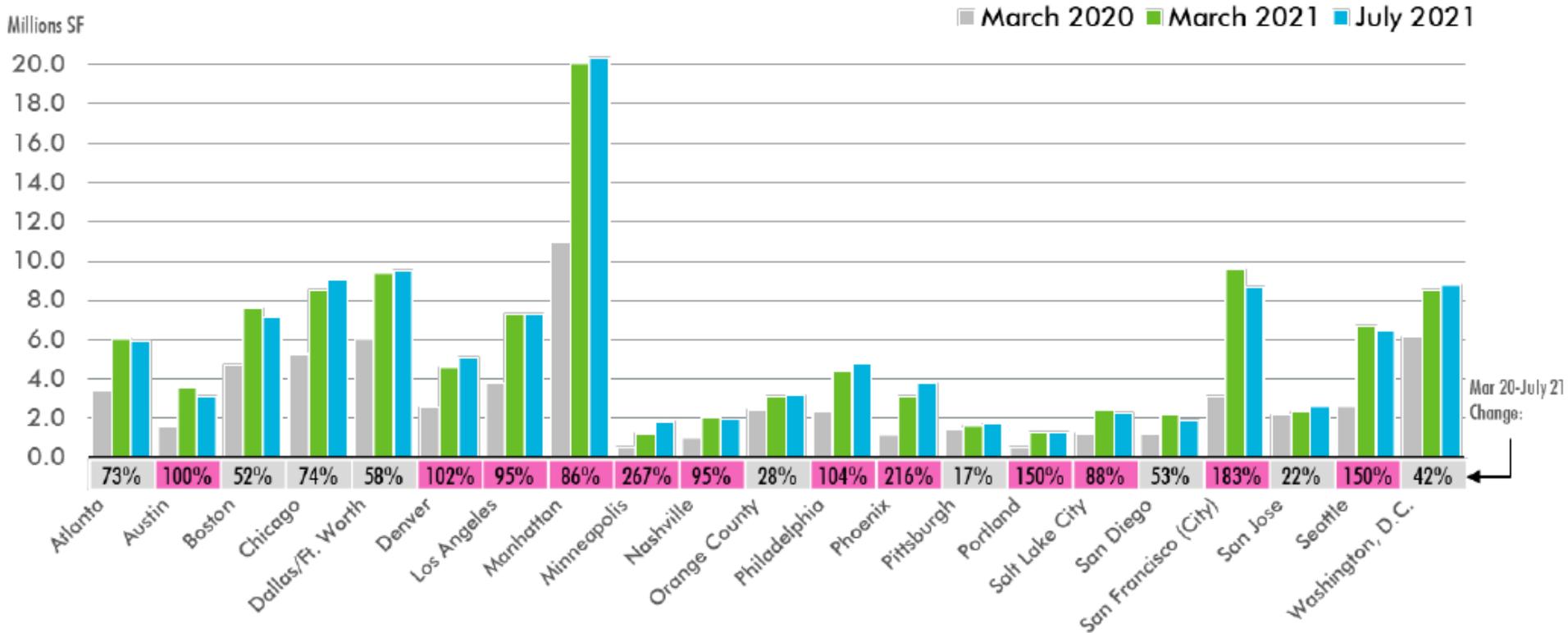


Source: BART; Bay Area Toll Authority (BATA), Golden Gate Bridge Highway & Transportation District

COVID-Era Restructuring: Office Markets

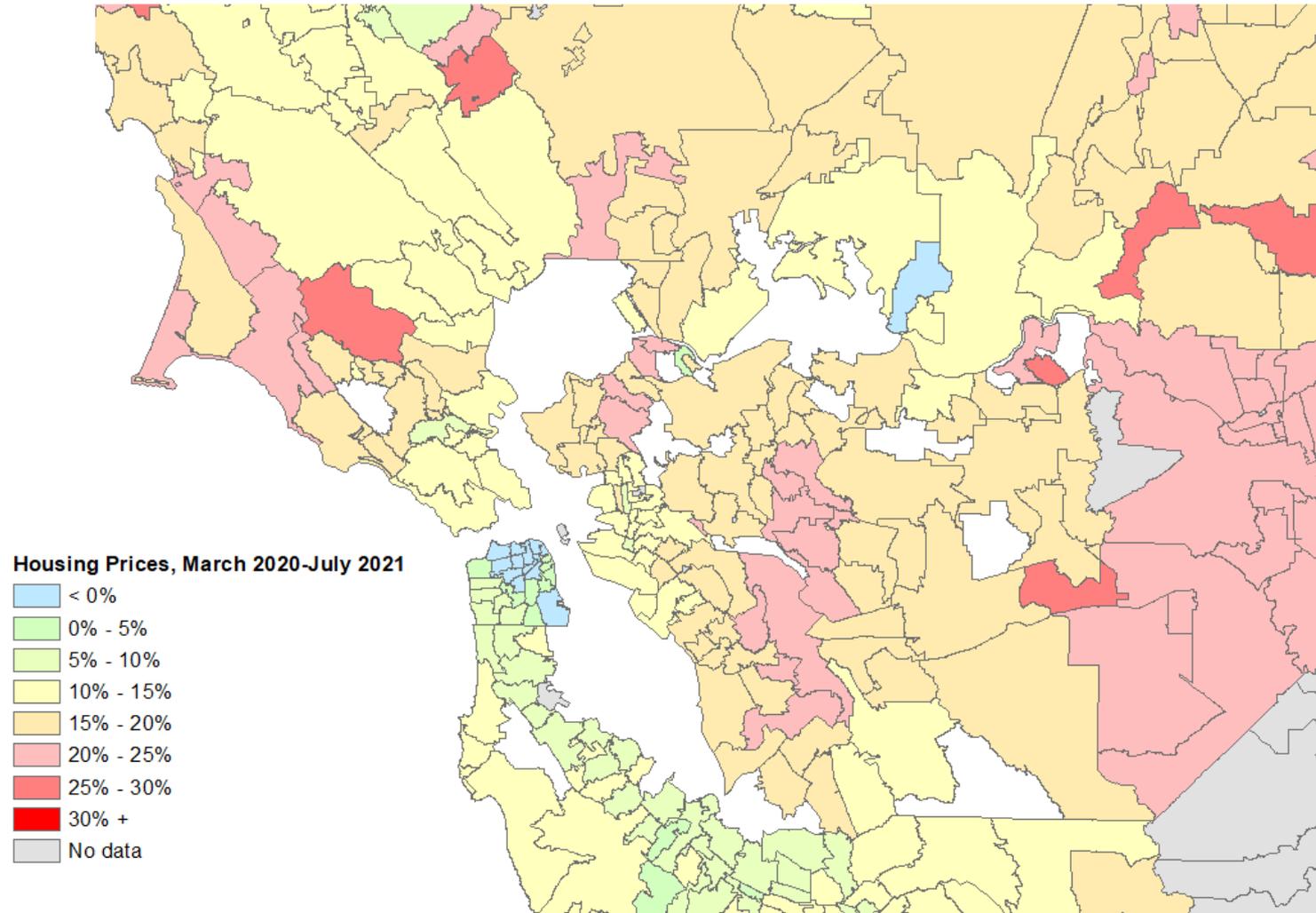
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U.S. OFFICE SUBLEASE SPACE AVAILABLE BY MARKET



COVID-Era Restructuring: Housing Markets

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Short Term: Getting Past (or Used to) COVID

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- COVID policy and psychology in SF
- Profile of the local office workforce
- Relative importance of transit to SF office compared to other cities
- Transit aversion during the pandemic
- Economic and fiscal impacts until we get “post-COVID”

Medium Term: The “New Normal”

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- High subleasing implies reduced demand for office space after COVID.
- Work-from-Home: a behavioral shift
- Impacts on productivity
- Hybrid workplace: role of office space
- Employment density

Long Term: Office Market Adjusts

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- In the “long run”, expect rents to fall until office vacancy rates fall back to normal.
- In other words, the market will make sure jobs come back, one way or another. Office rents, however, may not recover.
- Potential changes of use? Housing? Biotech?
- Economic & fiscal impacts
- Implications for transit operations
- Implications planned transportation investments