



Micah Weinberg, Ph.D.

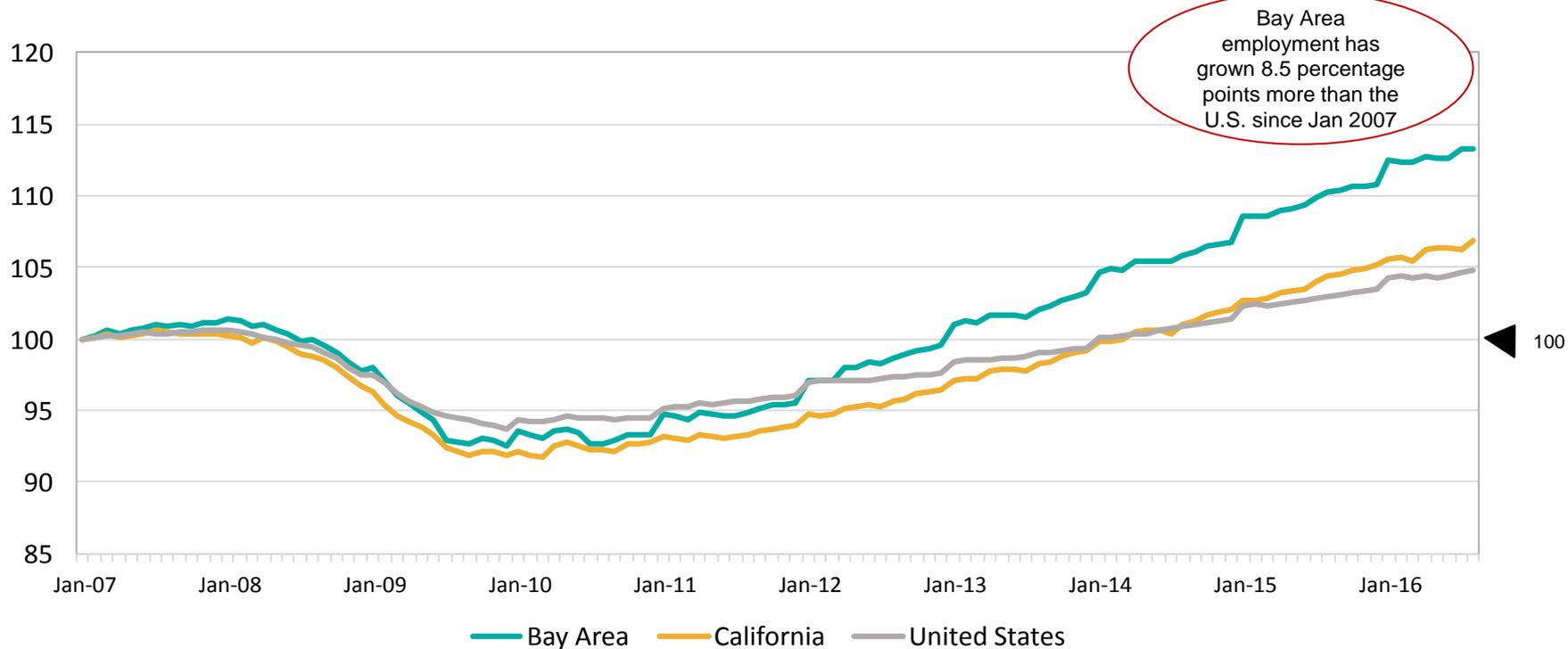
President, Bay Area Council Economic Institute

November 2016



The Bay Area and California have surpassed U.S. employment recovery after the Great Recession

Bay Area, California and U.S. Employment Growth (indexed to 2007)

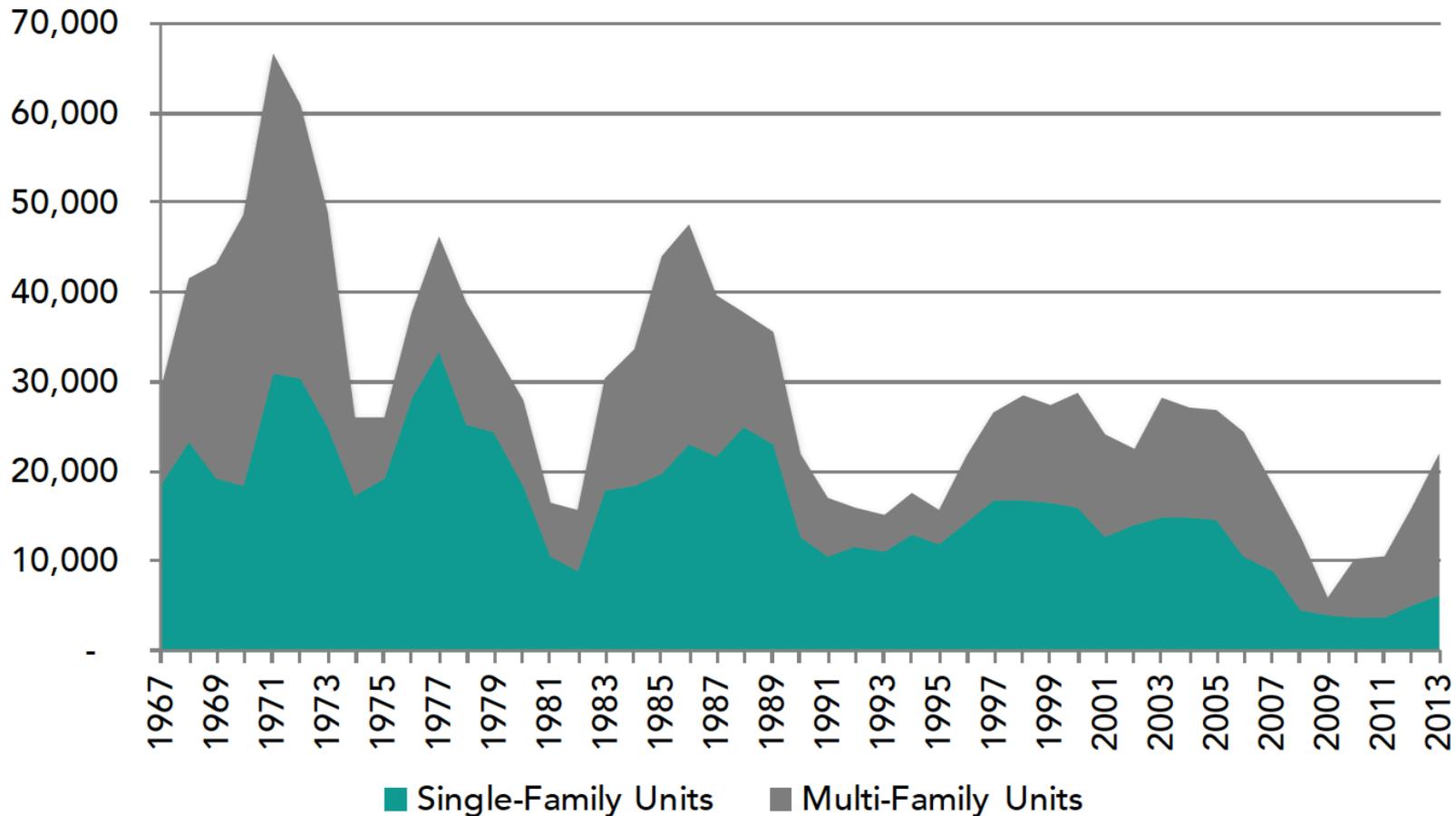


Bay Area employment has grown 8.5 percentage points more than the U.S. since Jan 2007

Bay Area defined as San Jose, San Francisco, Napa, Santa Rosa, and Vallejo MSAs
SOURCE: Bureau of Labor Statistics

Construction is rebounding, but significant deficits remain

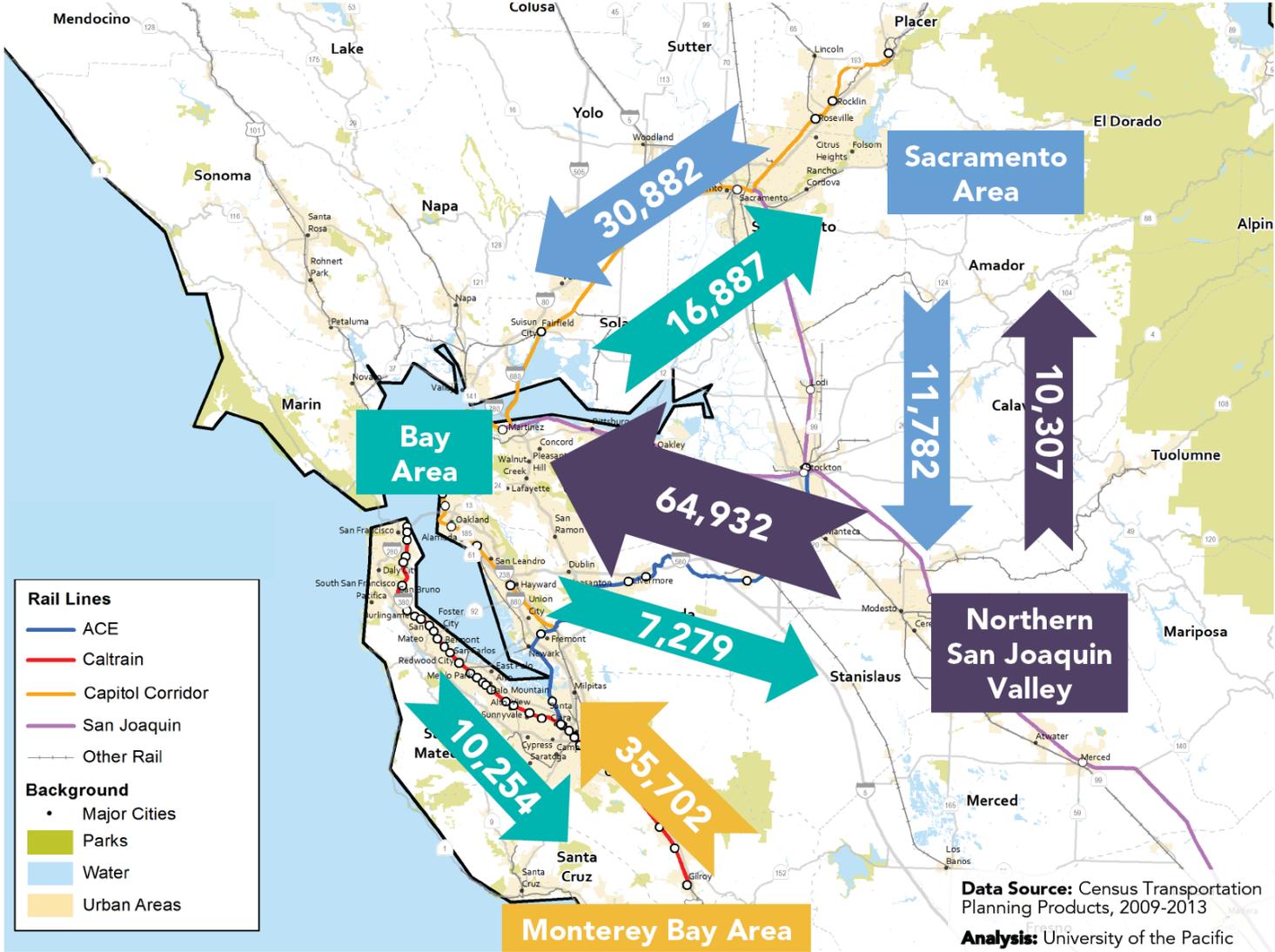
Permitted Units, Single and Multi-Family - Bay Area



SOURCE: California Housing Foundation; Construction Industry Research Board
ANALYSIS: Bay Area Council Economic Institute

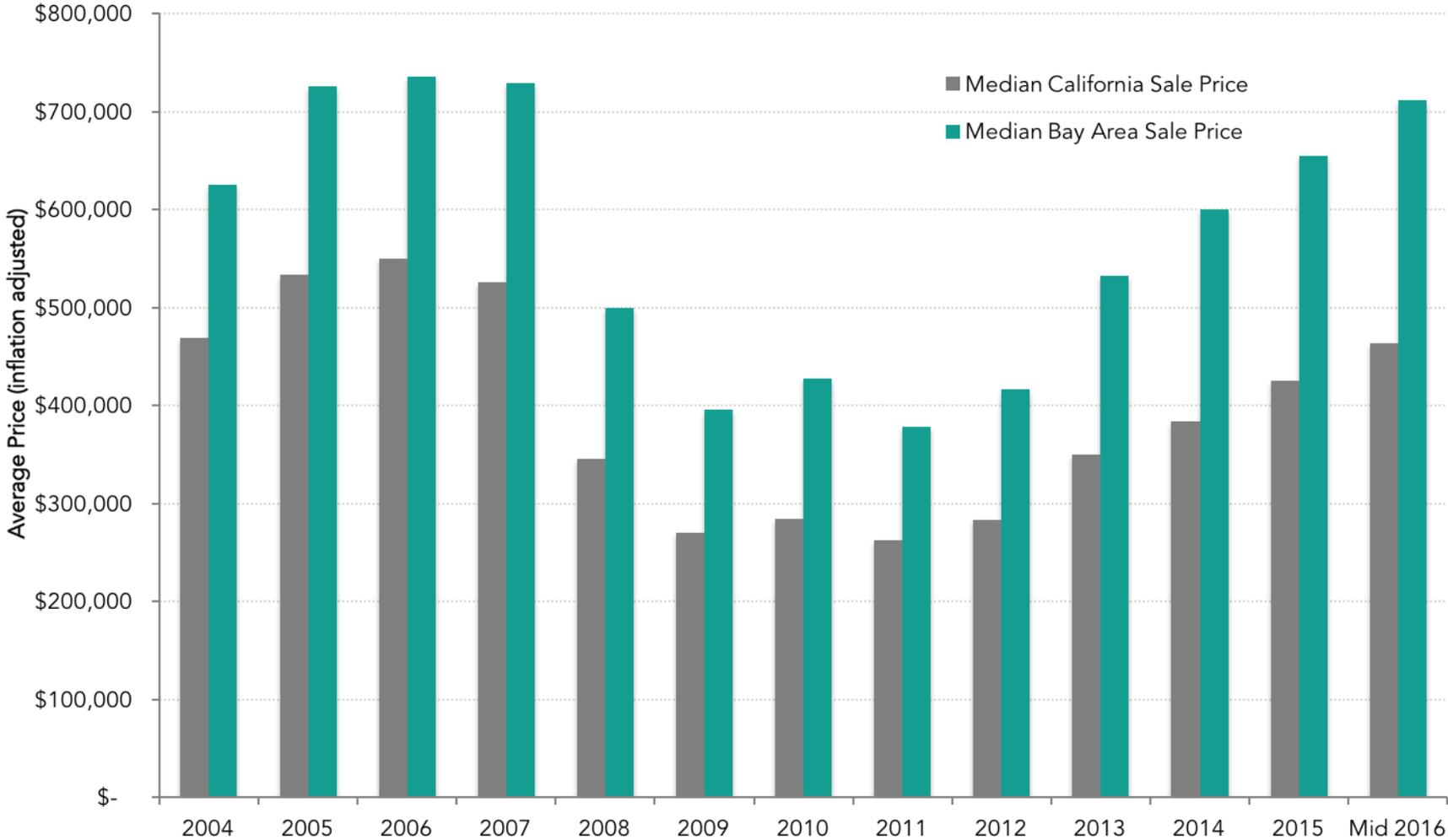
Many cross regional boundaries on a daily basis to get to work...

Daily Commuters Crossing Regional Boundaries, 2013



Bay Area home sale prices are persistently higher than the state's

Median Home Sale Price in the Bay Area and California



SOURCE: Data Quick
ANALYSIS: Bay Area Council Economic Institute

As a result, Bay Area rental costs are higher than most peer cities

The Bay Area has 15 cities on the top 30, including the top three in the ranking: Palo Alto, San Francisco and Cupertino



Median monthly rent¹ 2015
US Dollars

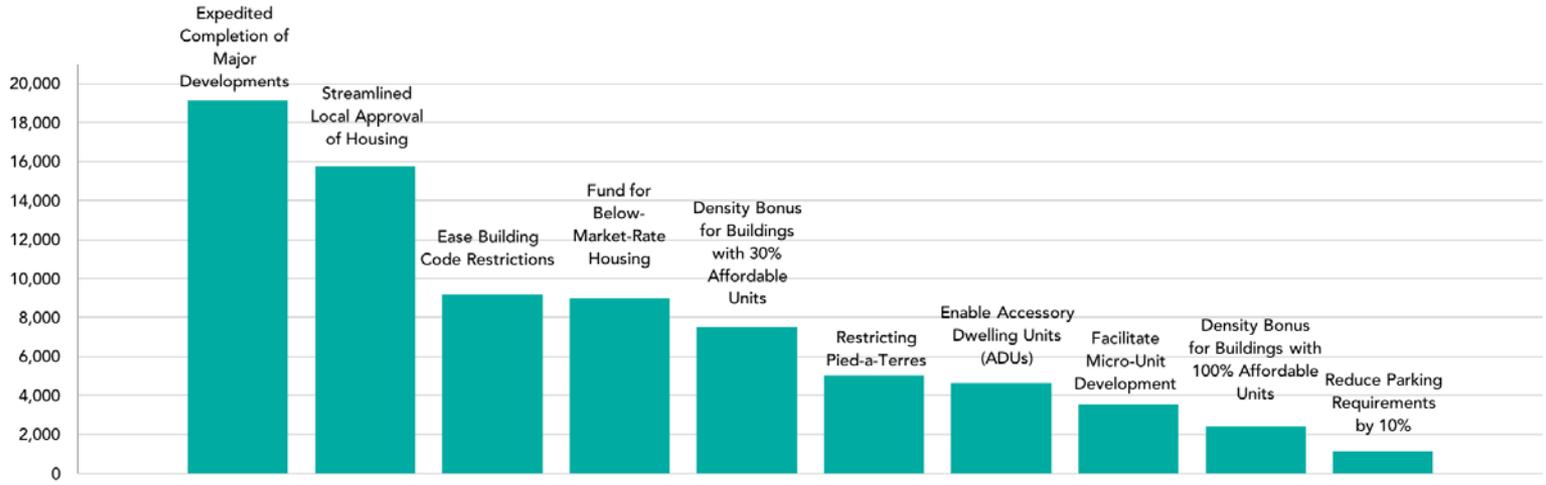
1	Palo Alto, CA	3,645
2	San Francisco, CA	3,488
3	Cupertino, CA	3,136
4	Santa Monica, CA	2,815
5	New York, NY	2,800
6	San Mateo, CA	2,728
7	Redwood City, CA	2,700
8	Mountain View, CA	2,700
9	Hoboken, NJ	2,650
10	Sunnyvale, CA	2,616
11	Cambridge, MA	2,550
12	Weston, FL	2,448
13	Santa Clara, CA	2,446
14	Pleasanton, CA	2,445
15	San Jose, CA	2,400
16	Newton, MA	2,400
17	Daly City, CA	2,400
18	San Rafael, CA	2,351
19	Boston, MA	2,350
20	San Ramon, CA	2,350

¹ Rents calculated for 1 bedroom apartments. Lovely is an aggregating rental real estate site, that compiles data real-time from over 70 US listing sites such as Craig's List and apartments.com

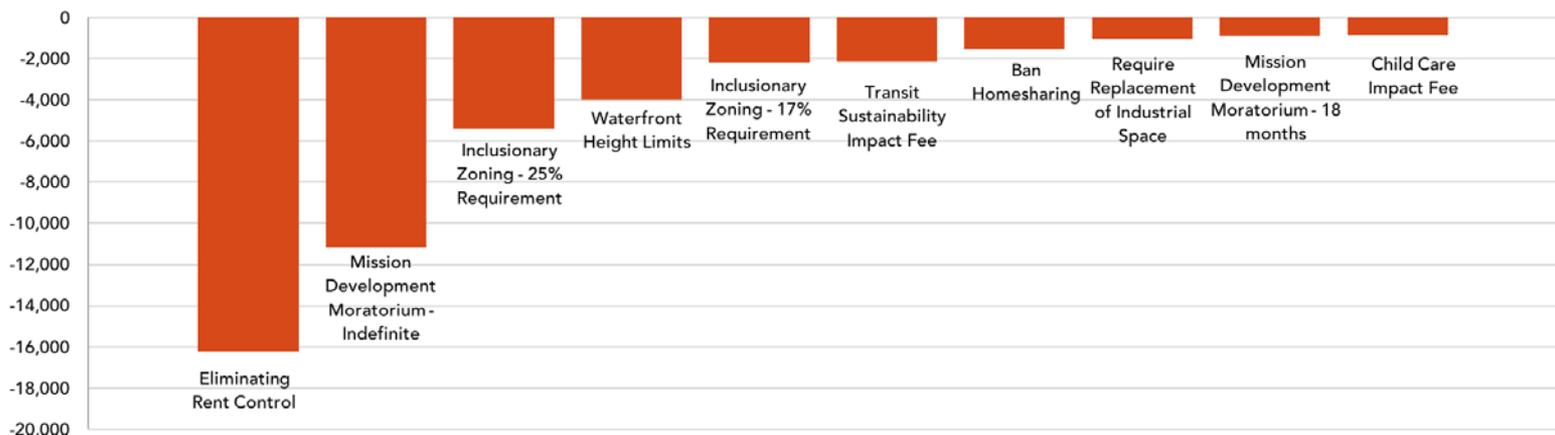
SOURCE: Lovely

San Francisco policy choices impact the number of households burdened by housing costs

Top ten policies that increase affordability



Top ten policies that worsen affordability



Source: Bay Area Council Economic Institute

A Ban on homesharing decreases affordability for many households...

Supply Effects

- Banning homesharing would push San Francisco housing market prices down by 0.24% over 20 years.
- 918 households would cross the 30% affordability threshold

Income Effects

- 2,474 households would become housing-cost burdened without their income from Airbnb*

The outlawing of private short-term home rentals would make **1,556** households unable to afford to live in San Francisco

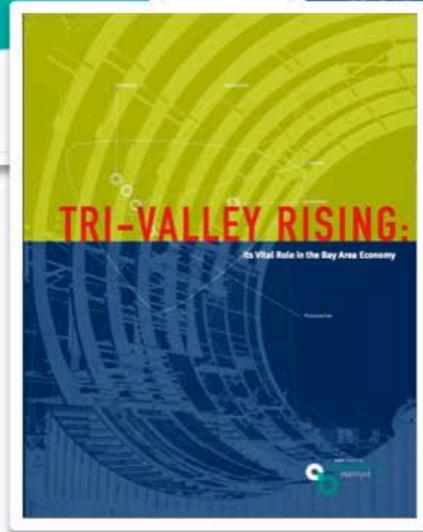
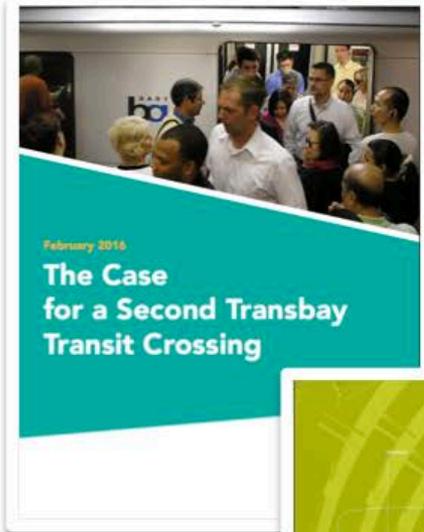


Source: Bay Area Council Economic Institute

*While Airbnb is one of multiple homesharing companies in San Francisco, it is the only one to publish its rental data.

 = 3,000 households

Focus on Economic Development Fundamentals





Thank you

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President

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