



About the Market Report

San Francisco - CA USA

PREPARED BY

Nigel Hughes, Senior Director of Market Analytics



Table of Contents

ABOUT THE MARKET REPORT

Overview	3
Overview	4
Market Rankings	5
Commercial Real Estate Inventory	7
Commercial Real Estate Inventory Mix	8
Commercial Real Estate Density	9
Commercial Real Estate Inventory Detail	10
Population Profile	11
Population	12
Net Migration and Age Distribution	13
Households and Household Income	14
Economy and Employment	15
Economy and Employment	16
Employment	17
Employment by Industry	18
Top Employers and Employment Forecast	19
Appendix	20



About the Market - San Francisco, CA

Overview

Overview

About the Market - San Francisco

Population Rank	Metro GDP Rank	Population Growth Rank	Job Growth Rank	GDP Growth Rank
44th	11th	12th	51st	3rd

San Francisco, located in Northern California, remains a global hub for technology, finance, and innovation. As of 2025, the metro's population is approximately 1.59 million, ranking it 44th among the 54 largest U.S. metropolitan areas.

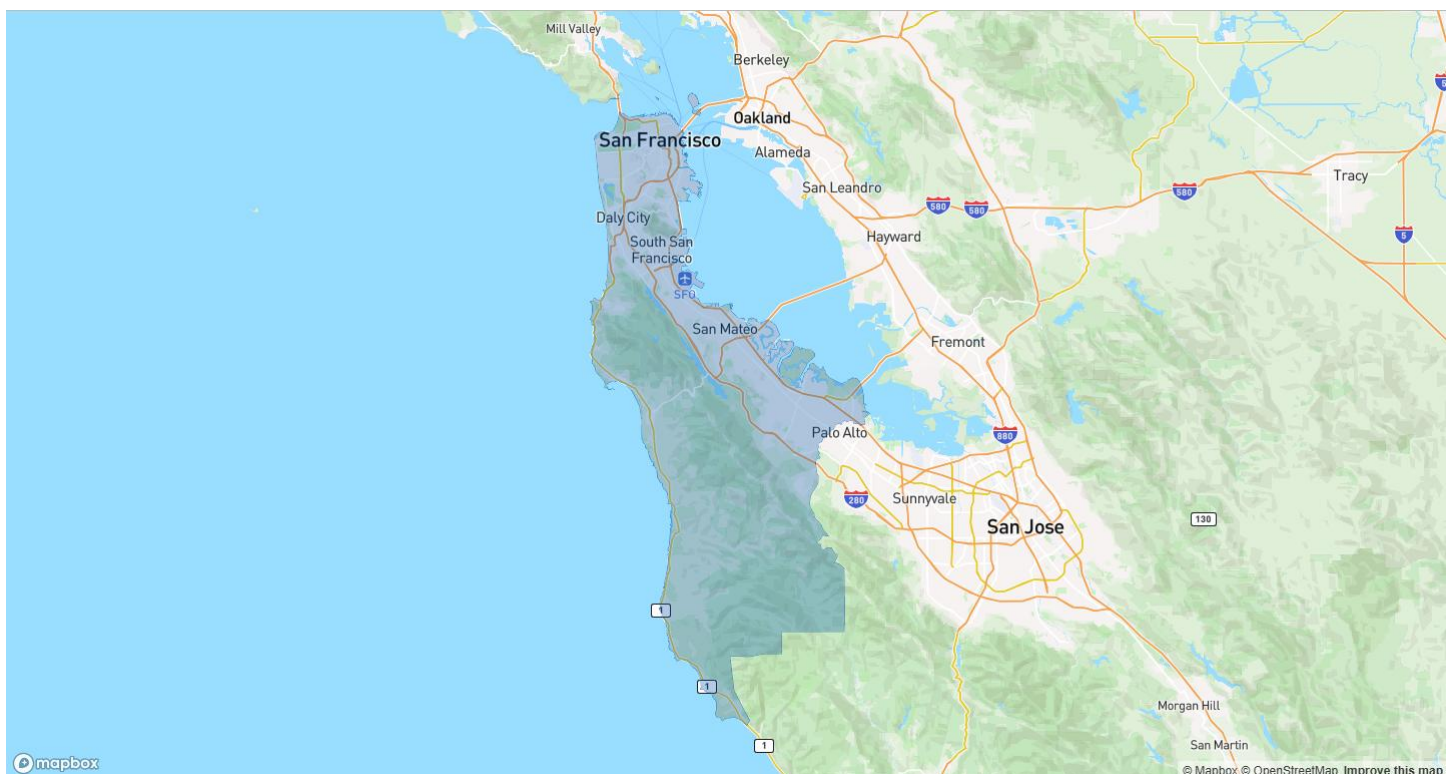
Despite its modest size, San Francisco boasts significant economic clout, with a real GDP growth of 3.4%, placing it 3rd nationally, and a total GDP exceeding \$116 billion. Employment growth, however, has been sluggish at -0.3% annually, ranking 51st, reflecting adjustments in the tech sector and high operating costs.

Population growth is modest at 1.2% annually,

ranking 12th, supported by a rebound in net migration after pandemic-era declines. Key economic drivers, including technology, finance, and professional services, continue to underpin GDP expansion despite employment headwinds. High educational attainment (over 53% with a bachelor's degree or higher) and a median household income of \$116,559 underscore the metro's affluent, skilled workforce.

While affordability challenges persist, San Francisco's innovation ecosystem and global connectivity position it for long-term resilience.

MAP



Market Rankings

About the Market - San Francisco

Market	Annual Employment Growth	Employment Growth Rank	Annual Population Growth	Population Growth Rank	Real GDP Growth	Real GDP Growth Rank	Real GDP Rank
Atlanta, GA	0.4%	35	0.7%	24	2.5%	18	9
Austin, TX	1.1%	16	1.8%	1	3.2%	6	23
Baltimore, MD	0.6%	31	0.2%	42	2.0%	38	21
Boston, MA	0.4%	37	0.7%	23	2.4%	20	7
Charlotte, NC	2.4%	1	1.6%	3	2.8%	12	22
Chicago, IL	0.2%	44	0.1%	48	1.7%	46	3
Cincinnati, OH	0.7%	30	0.4%	37	2.0%	34	34
Cleveland, OH	0.9%	26	-0.1%	54	1.9%	40	40
Columbus, OH	1.2%	13	1.1%	15	2.2%	25	38
Dallas-Fort Worth, TX	1.1%	18	1.2%	13	2.9%	10	4
Denver, CO	0.2%	42	0.7%	29	2.3%	22	18
Detroit, MI	0.4%	34	0.2%	41	2.2%	31	15
East Bay, CA	-0.3%	50	0.8%	21	2.6%	14	19
Fort Lauderdale, FL	0.8%	28	0.7%	28	3.1%	7	41
Hartford, CT	0.5%	33	0.3%	40	2.0%	39	48
Honolulu, HI	1.8%	4	0.2%	44	1.7%	51	54
Houston, TX	1.4%	9	1.4%	7	2.2%	30	6
Indianapolis, IN	0.9%	23	0.8%	22	2.2%	28	32
Inland Empire, CA	0.7%	29	0.7%	25	2.3%	23	26
Jacksonville, FL	1.1%	15	1.4%	6	3.0%	9	45
Kansas City, MO	-0.1%	48	0.7%	30	1.8%	42	36
Las Vegas, NV	-0.3%	52	1.2%	11	1.7%	50	39
Long Island, NY	1.0%	20	0.0%	52	1.8%	43	24
Los Angeles, CA	0.2%	41	0.1%	49	2.1%	32	2
Memphis, TN	0.0%	46	0.2%	43	1.9%	41	52
Miami, FL	1.3%	10	0.6%	31	3.3%	5	27
Milwaukee, WI	-0.5%	53	0.0%	50	1.8%	45	46
Minneapolis, MN	0.8%	27	0.7%	26	1.7%	49	14

Source: Oxford Economics

Market Rankings

About the Market - San Francisco

Market	Annual Employment Growth	Employment Growth Rank	Annual Population Growth	Population Growth Rank	Real GDP Growth	Real GDP Growth Rank	Real GDP Rank
Nashville, TN	0.9%	24	1.1%	14	2.6%	16	31
New Orleans, LA	1.0%	21	0.1%	47	1.3%	54	53
New York, NY	1.2%	12	1.1%	16	2.4%	19	1
Norfolk, VA	-0.1%	47	0.1%	46	2.0%	37	47
Northern New Jersey, NJ	0.3%	40	0.4%	34	1.6%	53	20
Oklahoma City, OK	0.9%	25	0.7%	27	1.7%	47	51
Orange County, CA	0.2%	43	0.1%	45	2.0%	36	16
Orlando, FL	1.4%	8	1.6%	4	3.0%	8	29
Palm Beach, FL	1.1%	17	1.2%	9	2.1%	33	44
Philadelphia, PA	1.3%	11	0.3%	39	2.4%	21	10
Phoenix, AZ	1.4%	7	1.3%	8	2.6%	15	13
Pittsburgh, PA	1.1%	14	-0.1%	53	2.2%	29	33
Portland, OR	-0.6%	54	0.4%	35	1.6%	52	30
Raleigh, NC	1.5%	6	1.7%	2	3.4%	4	43
Richmond, VA	2.0%	3	0.5%	32	2.2%	26	50
Sacramento, CA	0.3%	38	0.5%	33	2.5%	17	35
Saint Louis, MO	-0.3%	49	0.0%	51	1.8%	44	28
Salt Lake City, UT	1.8%	5	1.4%	5	3.5%	2	42
San Antonio, TX	2.2%	2	0.9%	18	2.7%	13	37
San Diego, CA	1.0%	22	0.4%	36	2.3%	24	17
San Francisco, CA	-0.3%	51	1.2%	12	3.4%	3	11
San Jose, CA	0.3%	39	0.8%	19	3.8%	1	12
Seattle, WA	0.6%	32	1.2%	10	2.2%	27	8
Stamford, CT	0.4%	36	0.3%	38	1.7%	48	49
Tampa, FL	1.0%	19	1.0%	17	2.8%	11	25
Washington, DC	0.1%	45	0.8%	20	2.0%	35	5

Source: Oxford Economics



About the Market - San Francisco, CA

Commercial Real Estate Inventory

Commercial Real Estate Inventory Mix

About the Market - San Francisco

Office Square Footage

194M

Industrial Square Footage

104M

Retail Square Footage

76M

Multifamily Square Footage

186M

Hospitality Square Footage

37M

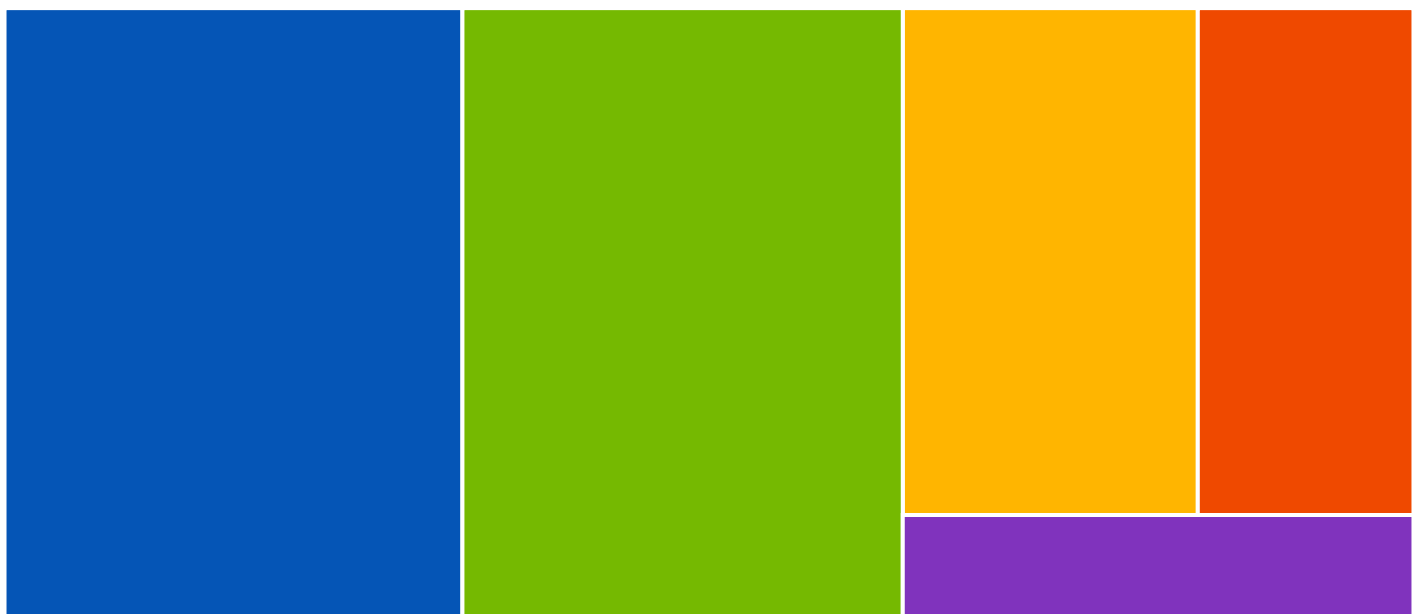
San Francisco's commercial real estate (CRE) market totals 559 million square feet, dominated by office (193.9M SF) and multifamily (186.4M SF), which together account for over 68% of total inventory.

The metro ranks 3rd nationally for office concentration, with a location quotient of 2.20, reflecting its role as a tech and financial hub. Multifamily assets also show strong representation, driven by urban density and housing demand. Retail and industrial sectors are underrepresented, with location quotients of 0.63 and 0.47, respectively, due to geographic constraints and limited logistics infrastructure.

Asset values mirror this distribution: multifamily leads at \$100.1 billion, followed by office at \$82.8 billion. Hospitality, while smaller in footprint (37M SF), has a high location quotient of 1.32, underscoring the city's tourism economy. Notable clusters include downtown office towers, SoMa multifamily developments, and retail corridors along Market Street.

Overall, San Francisco's CRE profile reflects its service-oriented economy and high land values, favoring dense, mixed-use development.

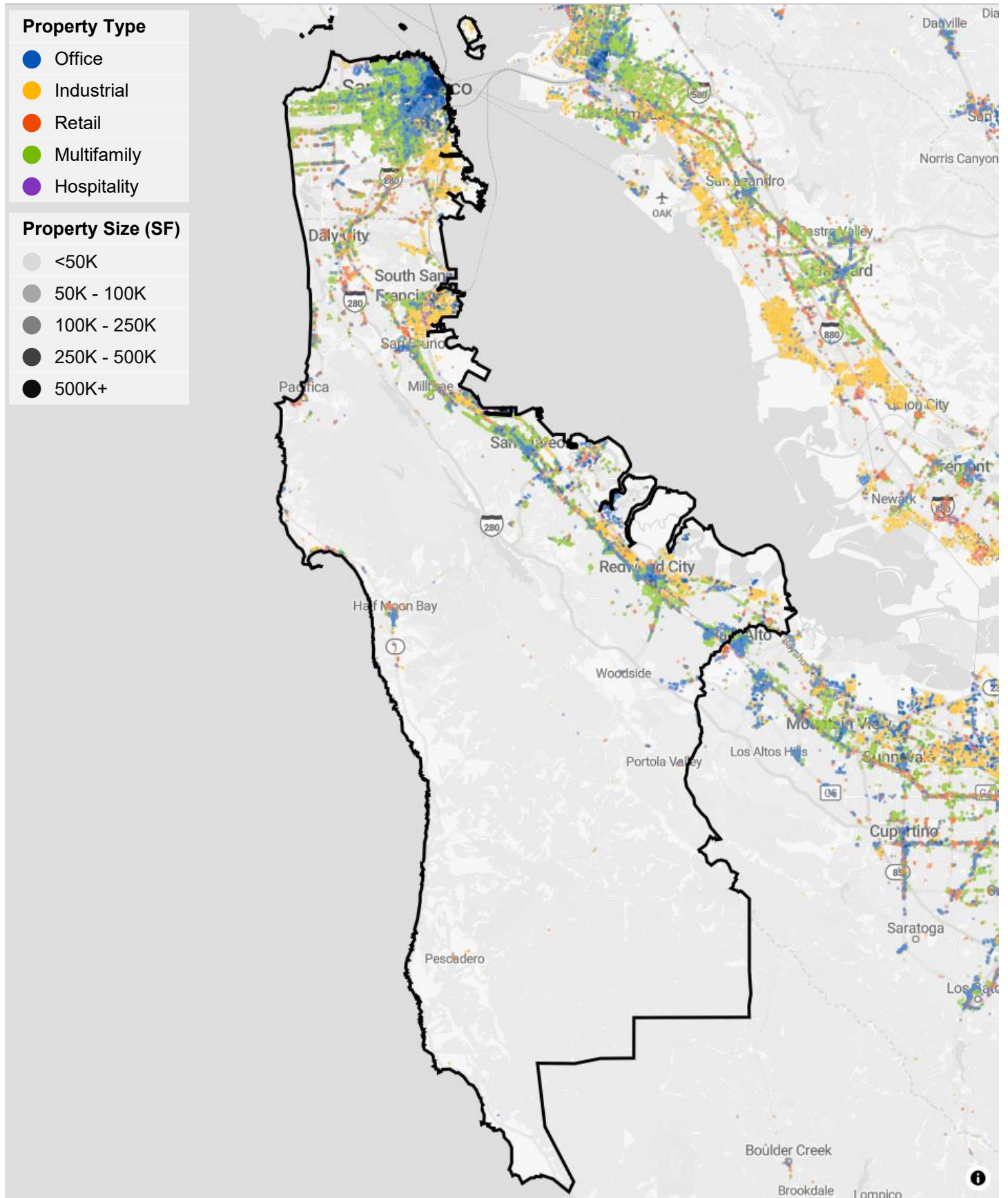
SAN FRANCISCO COMMERCIAL REAL ESTATE INVENTORY MIX



■ Office (32.5%) ■ Industrial (17.4%) ■ Retail (12.7%)
■ Multifamily (31.2%) ■ Hospitality (6.2%)

Commercial Real Estate Density

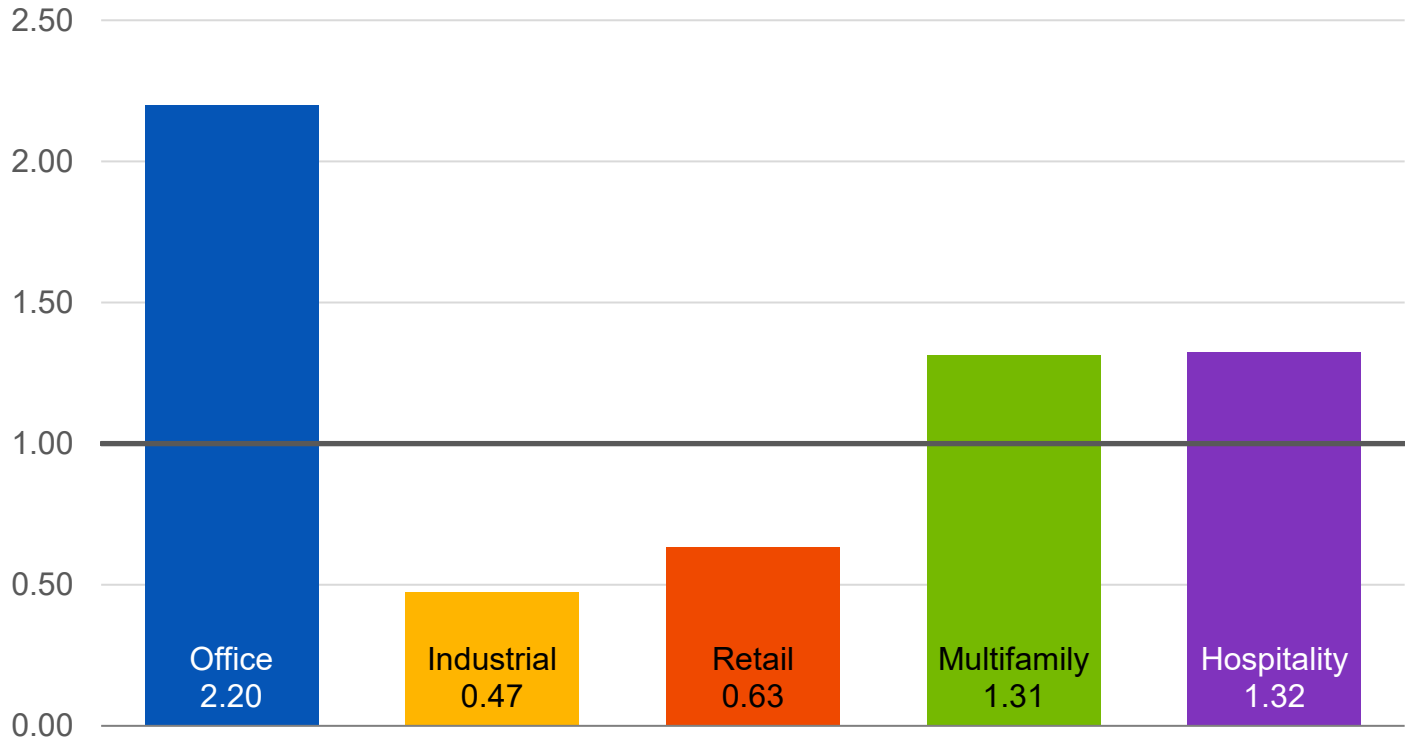
About the Market - San Francisco



Commercial Real Estate Inventory Detail

About the Market - San Francisco

SAN FRANCISCO COMMERCIAL REAL ESTATE INVENTORY – LOCATION QUOTIENT



SAN FRANCISCO COMMERCIAL REAL ESTATE DETAILS & RANKINGS

	OFFICE	INDUSTRIAL	RETAIL	MULTIFAMILY	HOSPITALITY	ALL CRE
Number of Properties	4.1K	4.8K	10.2K	9.9K	0.5K	29.5K
Square Footage	194M	104M	76M	186M	37M	597M
Percent of Total SF	33%	17%	13%	31%	6%	100%
U.S. SF Ranking	14	50	51	31	23	40
U.S. Location Quotient	2.20	0.47	0.63	1.31	1.32	1.00
Location Quotient Diff	120%	-53%	-37%	31%	32%	0%
Estimated Value	\$82.8B	\$47.2B	\$41.8B	\$100.1B	\$16.3B	\$288.3B
Percent of Total Value	29%	16%	14%	35%	6%	100%
U.S. Value Ranking	8	20	20	13	14	14



About the Market - San Francisco, CA

Population Profile

Population

About the Market - San Francisco

Total Population	Annual Population Growth	Net Annual Migration	Population with Bachelor's Degree	Median Household Income
1.59M	1.2%	14K	57.9%	\$153K

San Francisco's population stands at 1.59 million, with an annual growth rate of 1.2%, ranking it 12th among major metropolitan areas. Recent net migration gains of 2,638 people have reversed earlier declines, signaling renewed urban appeal.

The metro is highly educated, with 53.2% holding a bachelor's degree or higher, and affluent, boasting a median household income of \$116,559, which is well above the national average.

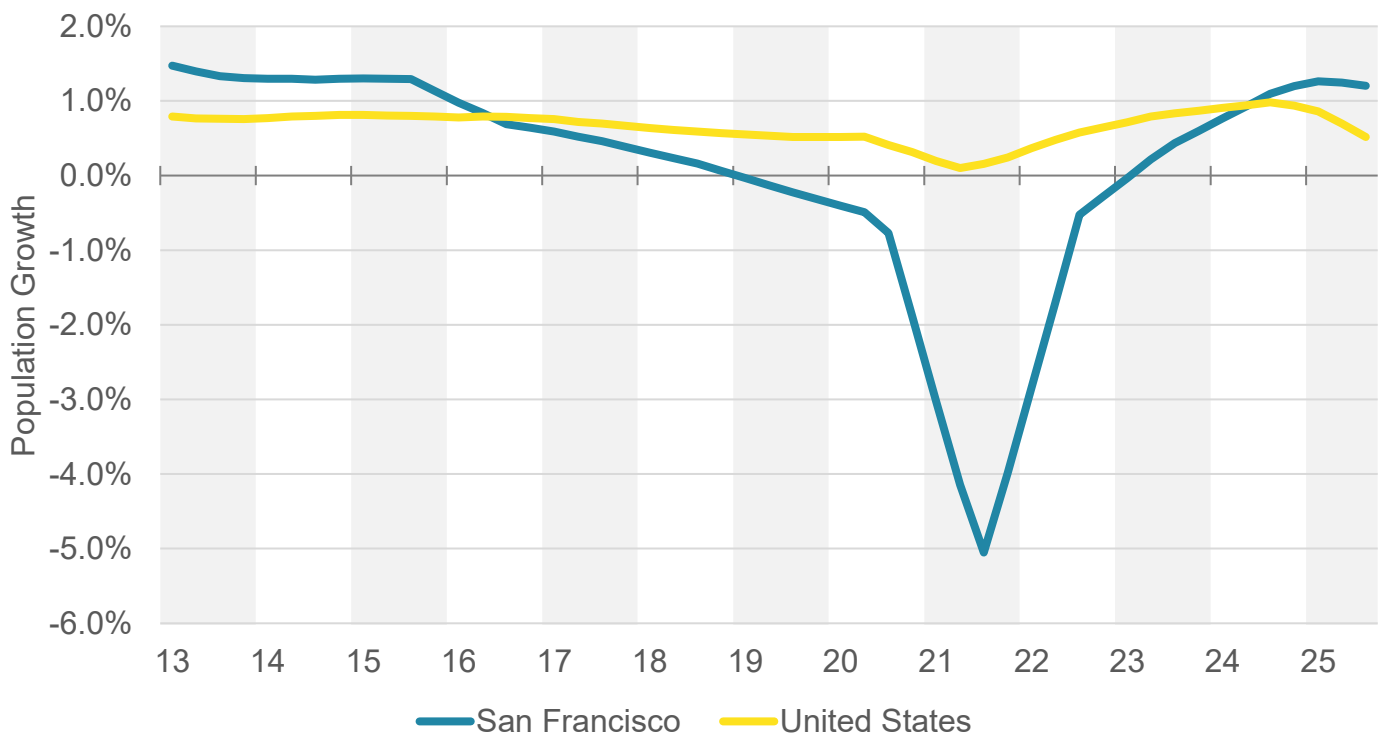
The age distribution skews toward working-age adults, with 25–44-year-olds comprising over 30%. Meanwhile, the share of residents aged 65 and above is rising, now at 18.9%, reflecting

an aging trend.

Household formation remains steady at 657,688 households, supported by high incomes and job opportunities in high-value sectors. However, affordability challenges persist, influencing migration patterns and slowing growth among younger cohorts.

Compared to national norms, San Francisco has a lower proportion of children and teens but a higher proportion of professionals and retirees. These demographic dynamics shape housing demand and labor force trends, reinforcing the metro's reputation as an educated, high-income market.

ANNUAL POPULATION GROWTH

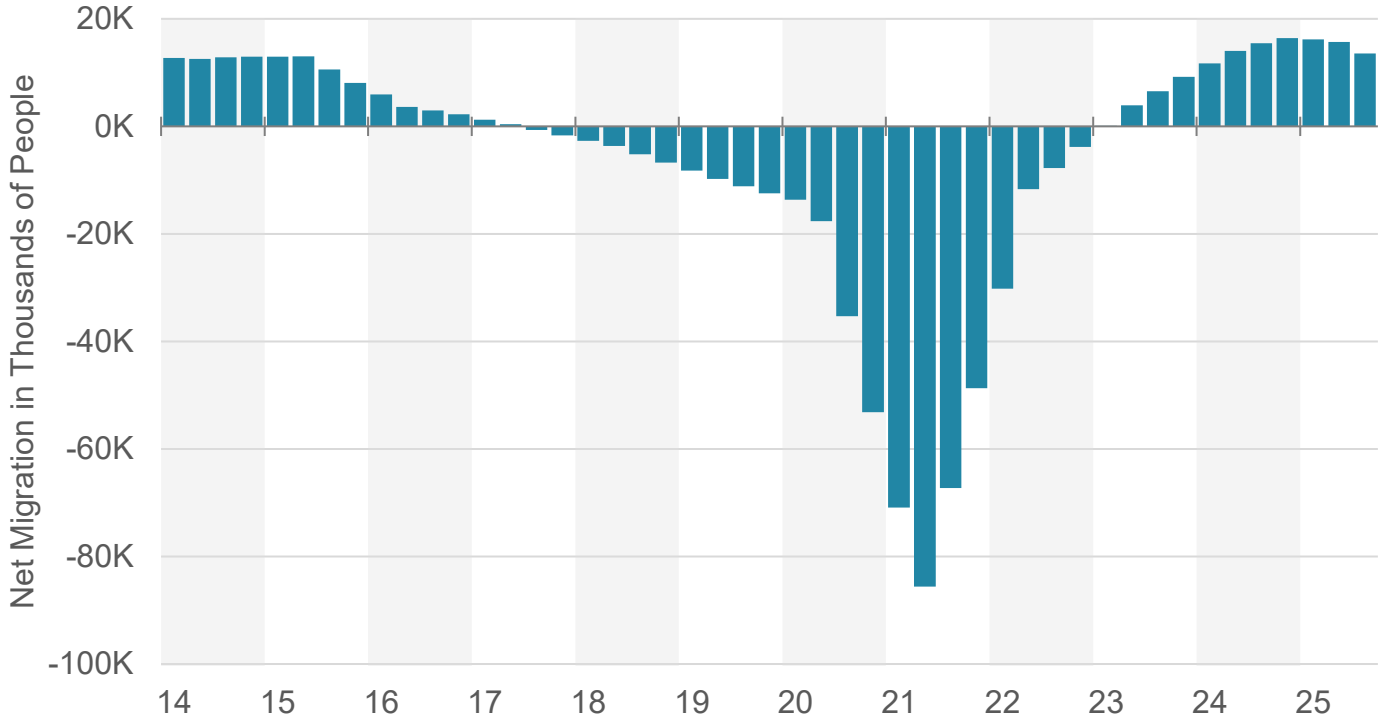


Source: Oxford Economics

Net Migration and Age Distribution

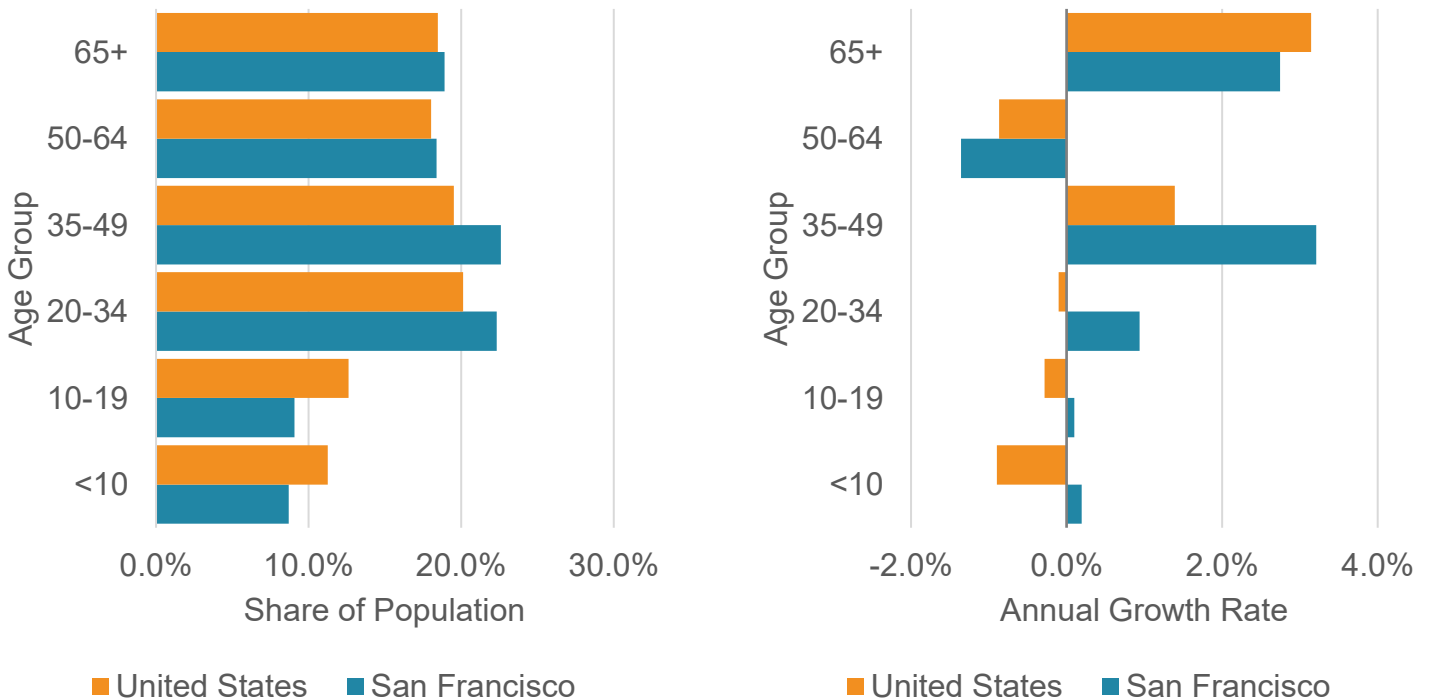
About the Market - San Francisco

ANNUAL NET MIGRATION



Source: Oxford Economics

AGE DISTRIBUTION AND GROWTH

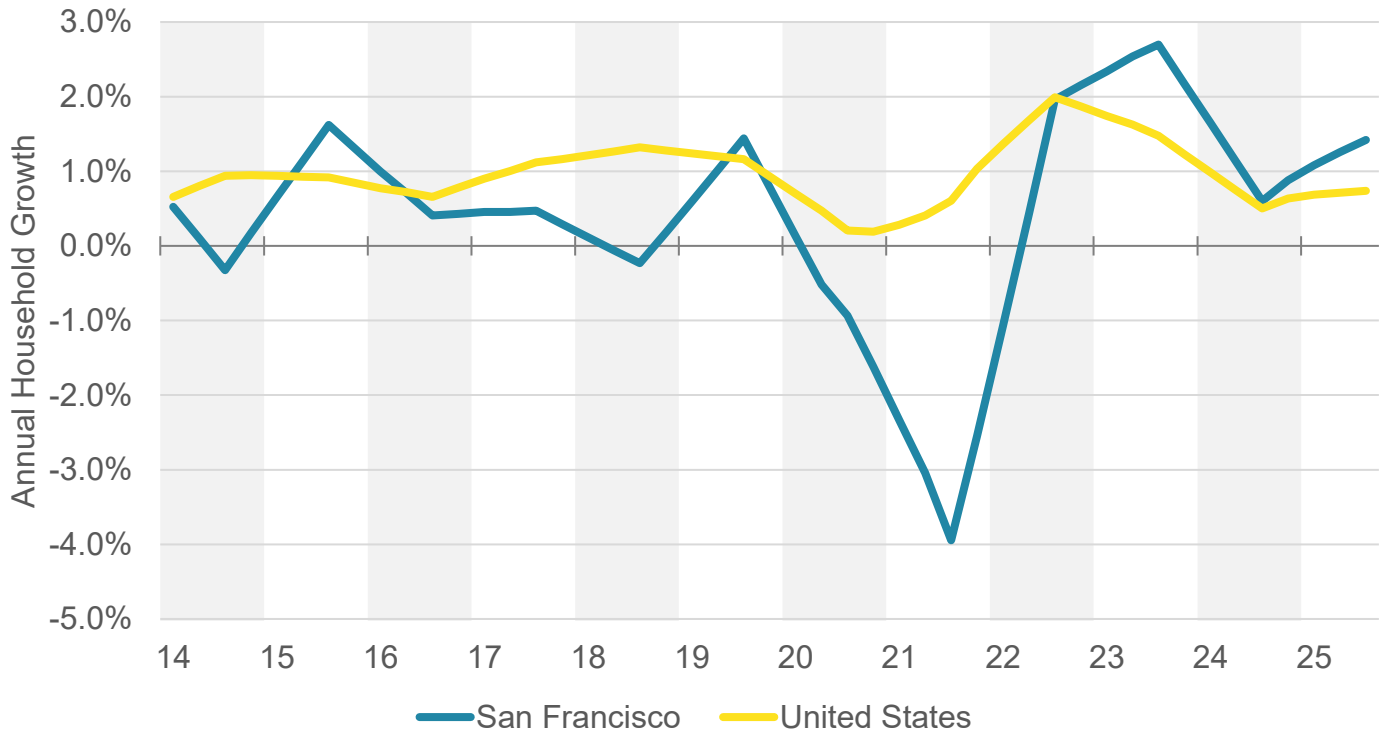


Source: Oxford Economics

Households and Household Income

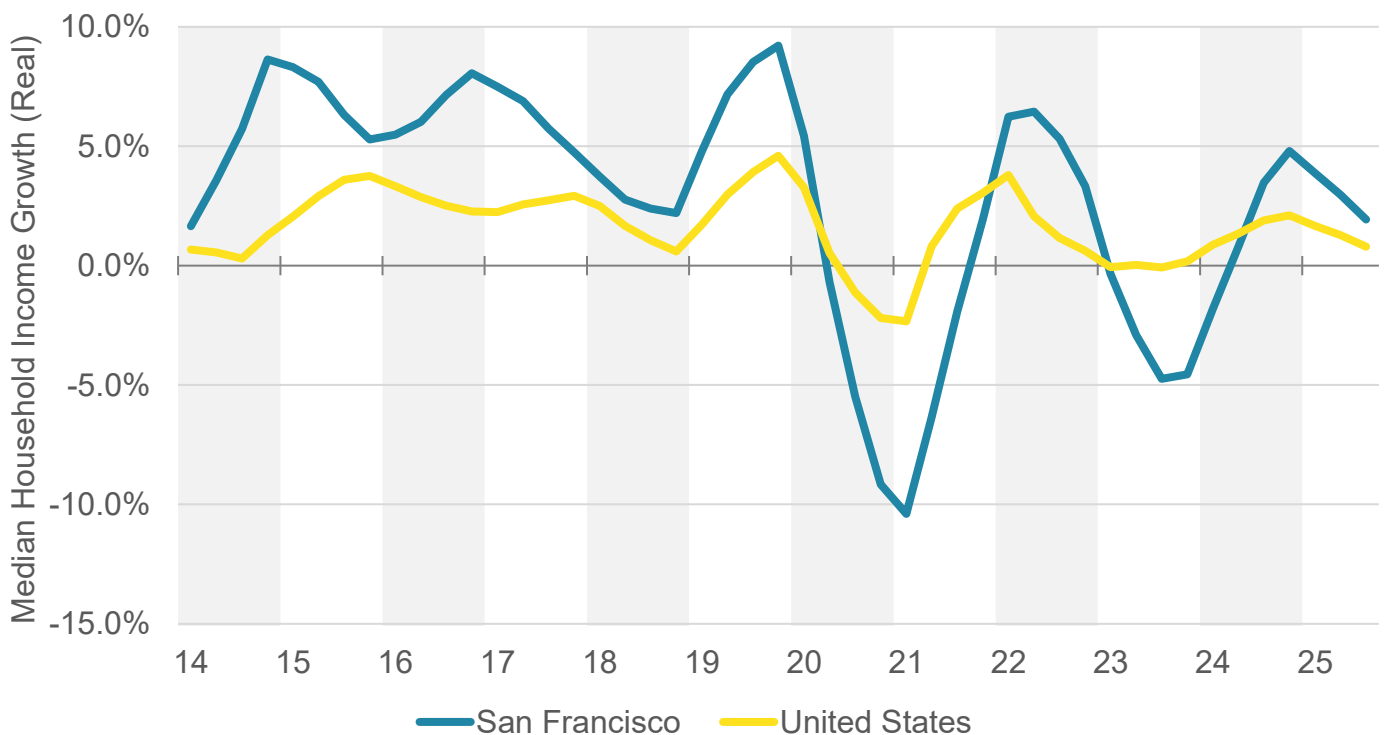
About the Market - San Francisco

ANNUAL GROWTH IN HOUSEHOLDS



Source: Oxford Economics

REAL MEDIAN HOUSEHOLD INCOME GROWTH



Source: Oxford Economics



About the Market - San Francisco, CA

Economy and Employment

Economy and Employment

About the Market - San Francisco

Total Employment	Annual Employment Growth	Real GDP Growth	Unemployment Rate	Total People in Labor Force
1.14M	-0.3%	3.4%	3.9%	930K

San Francisco's economy is anchored by technology, finance, healthcare, and education, sectors that collectively drive its innovation ecosystem.

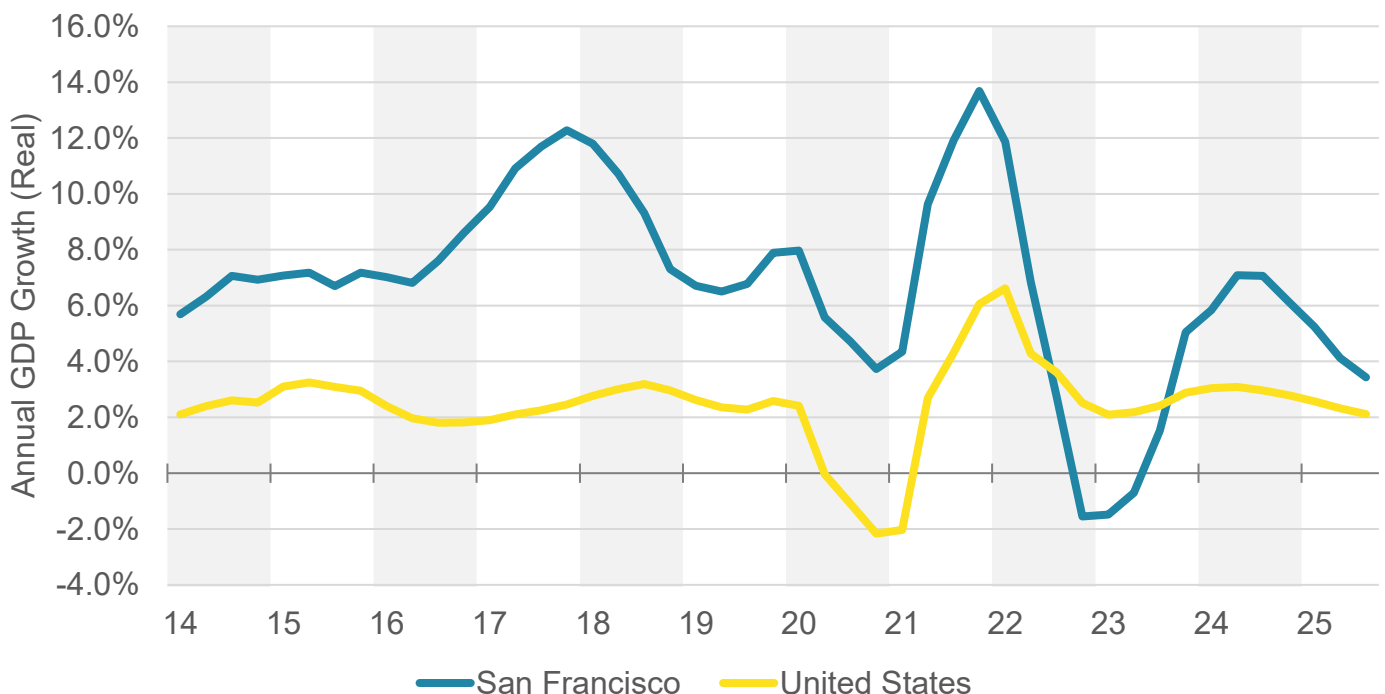
Total employment stands at 1.14 million, comprising a labor force of 930,000 and an unemployment rate of 3.88%, which is slightly higher than the national average.

Office-using industries dominate, accounting for 41.2% of employment, while healthcare and education contribute 26.8%. The two largest employers are Kaiser Permanente and the University of California. In the business sector, Salesforce and Wells Fargo have the largest number of employees.

Employment growth has been modest at 0.1% annually, ranking 48th nationally, as tech layoffs and corporate relocations offset gains in healthcare and education. Leisure and hospitality, with 110,738 jobs, continues its post-pandemic recovery.

Despite short-term volatility, the GDP growth of 3.4% underscores the strength of productivity and capital investment. Recent expansions in biotech and AI signal future opportunities, though affordability and regulatory hurdles pose risks. Overall, San Francisco's economic fundamentals remain robust, supported by a skilled workforce and global connectivity, positioning the metro for long-term growth.

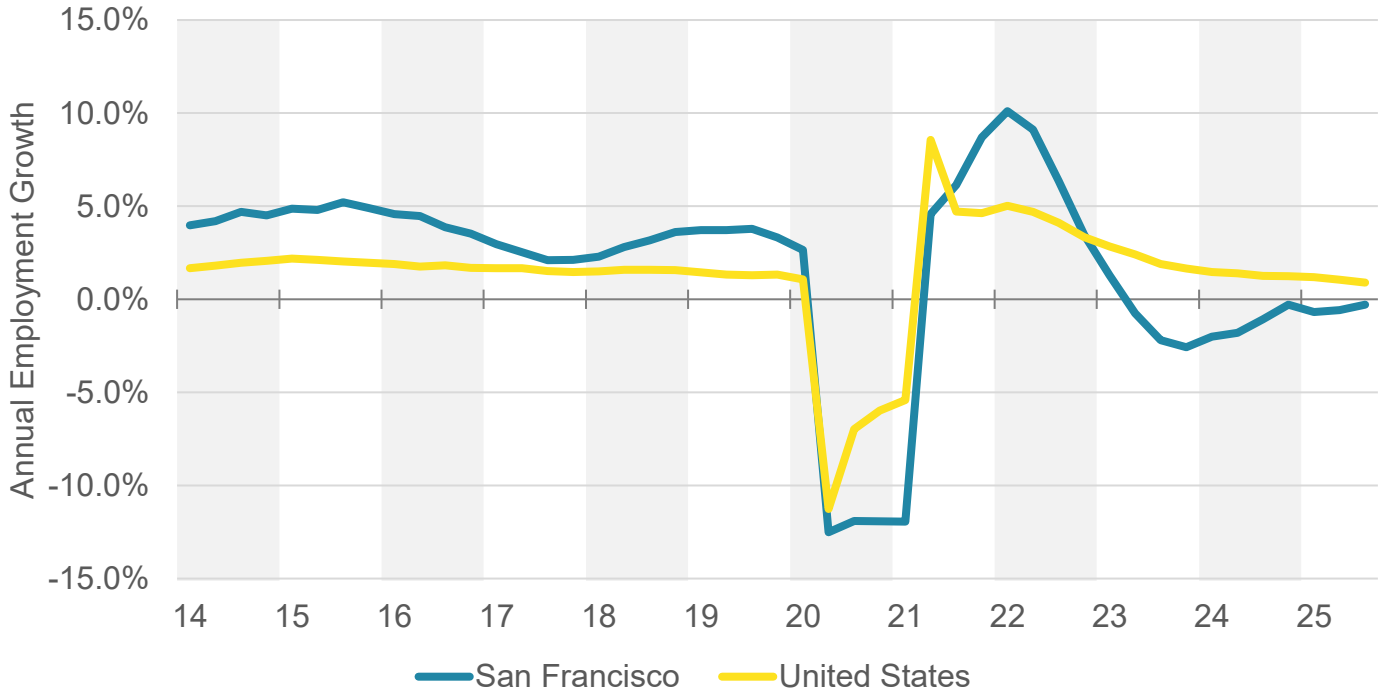
ANNUAL REAL GDP GROWTH



Source: Oxford Economics

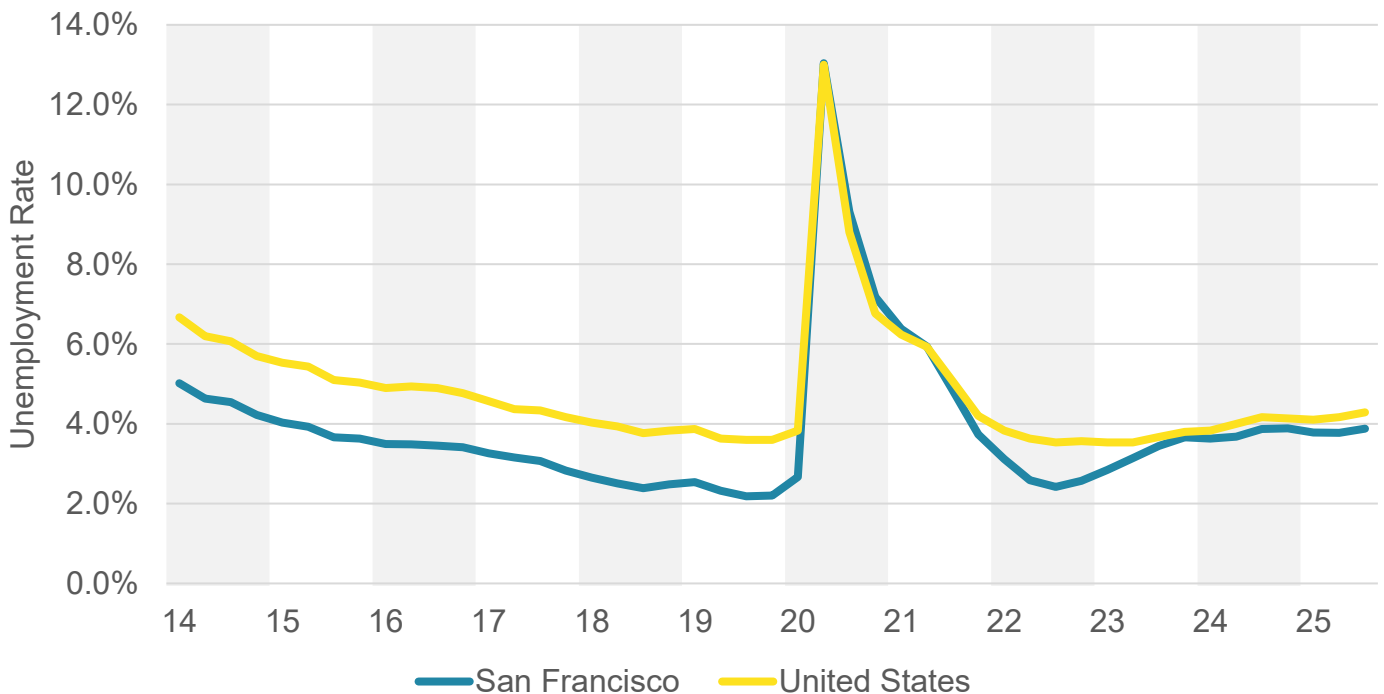
Employment

ANNUAL JOB GROWTH



Source: Oxford Economics

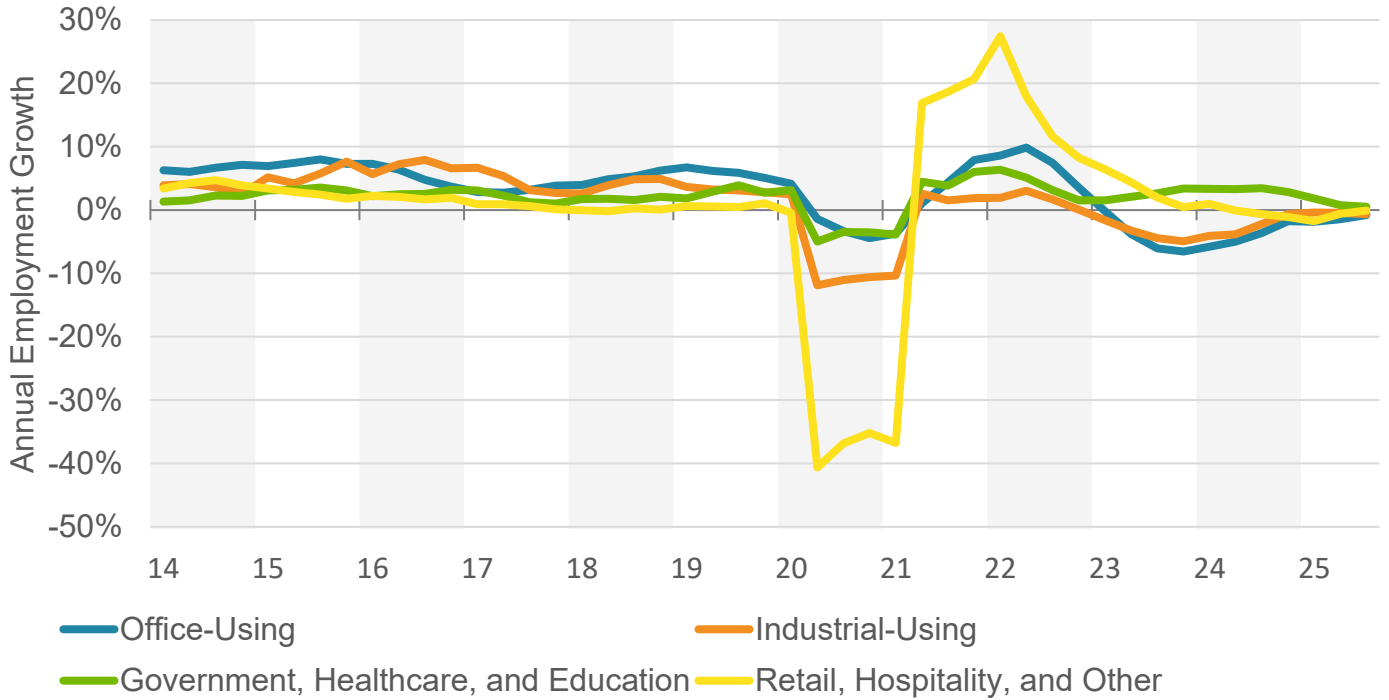
UNEMPLOYMENT RATE



Source: Oxford Economics

Employment By Industry

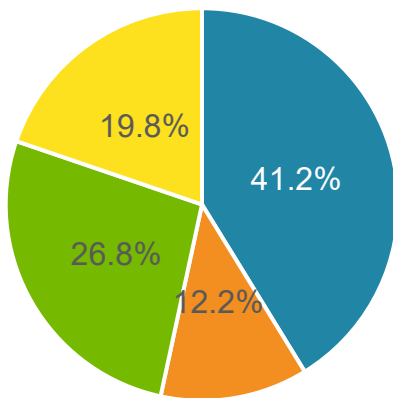
ANNUAL JOB GROWTH BY INDUSTRY



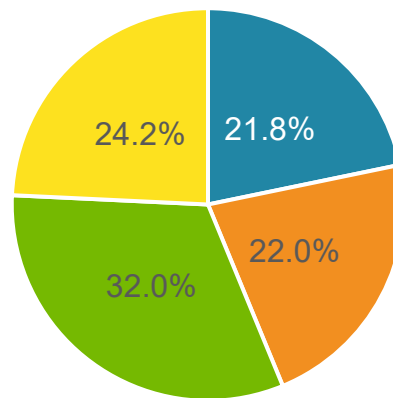
Source: Oxford Economics

EMPLOYMENT BY SECTOR

San Francisco



United States



- Office-Using
- Industrial-Using
- Government, Healthcare, and Education
- Retail, Hospitality, and Other

- Office-Using
- Industrial-Using
- Government, Healthcare, and Education
- Retail, Hospitality, and Other

Source: Oxford Economics

Top Employers and Employment Forecast

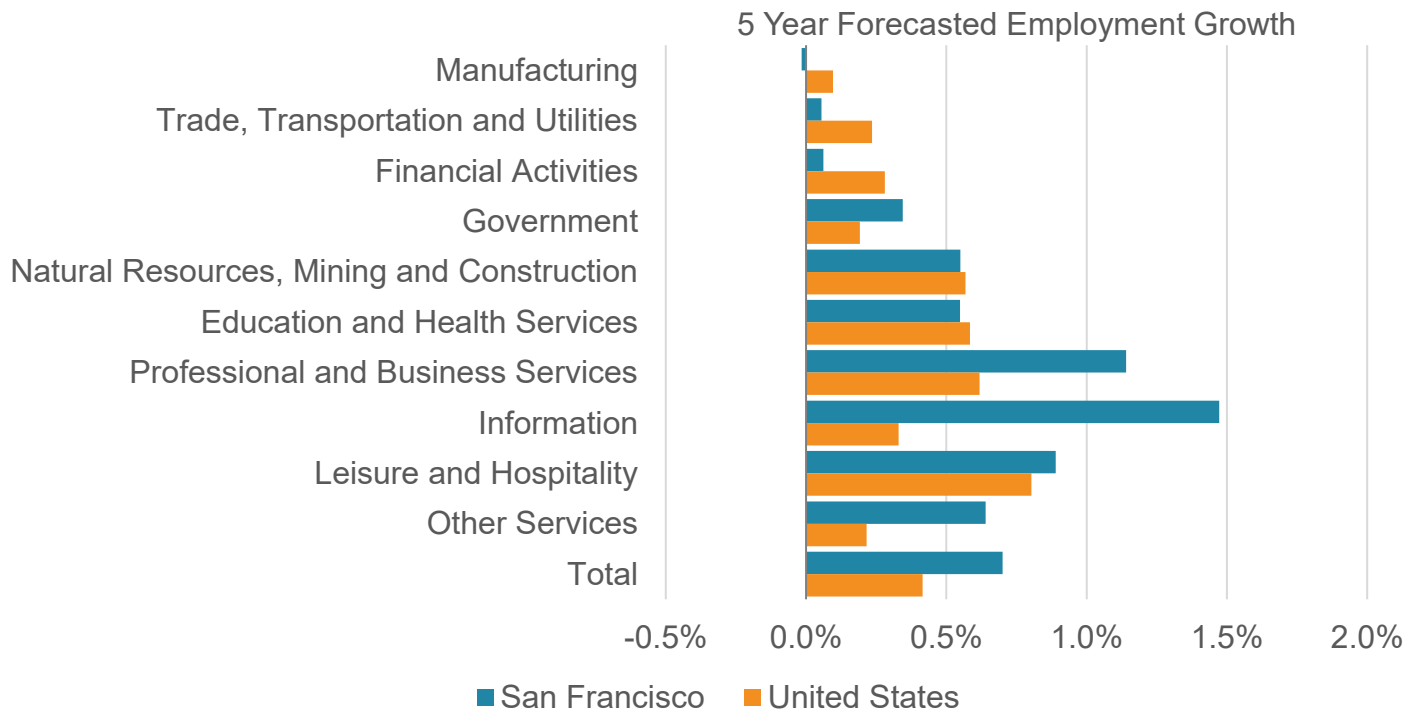
About the Market - San Francisco

TOP EMPLOYERS

RANK	COMPANY	LOCAL EMPLOYEES	INDUSTRY
1	Kaiser Permanente	20,000-30,000	Healthcare
2	University of California, San Francisco (UCSF)	15,000-20,000	Education
3	City and County of San Francisco	10,000-20,000	Government
4	Salesforce	10,000-20,000	Technology
5	Wells Fargo	5,000-10,000	Finance
6	Visa Inc.	5,000-10,000	Finance
7	Gap Inc.	5,000-10,000	Retail
8	Levi Strauss & Co.	5,000-10,000	Retail
9	Uber Technologies	5,000-10,000	Technology
10	Airbnb	5,000-10,000	Technology

Source: Local Source

EMPLOYMENT BY INDUSTRY



Source: Oxford Economics



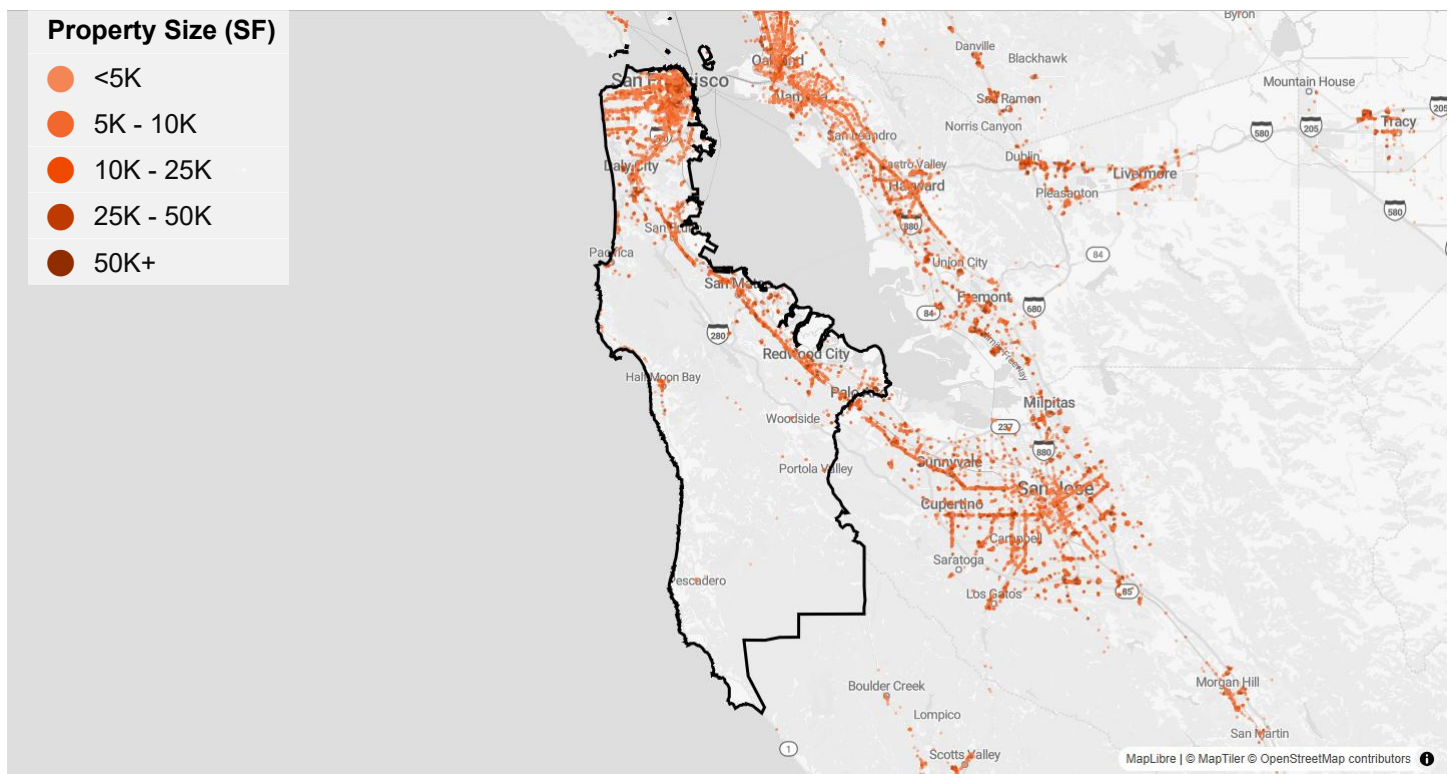
About the Market - San Francisco, CA

Appendix

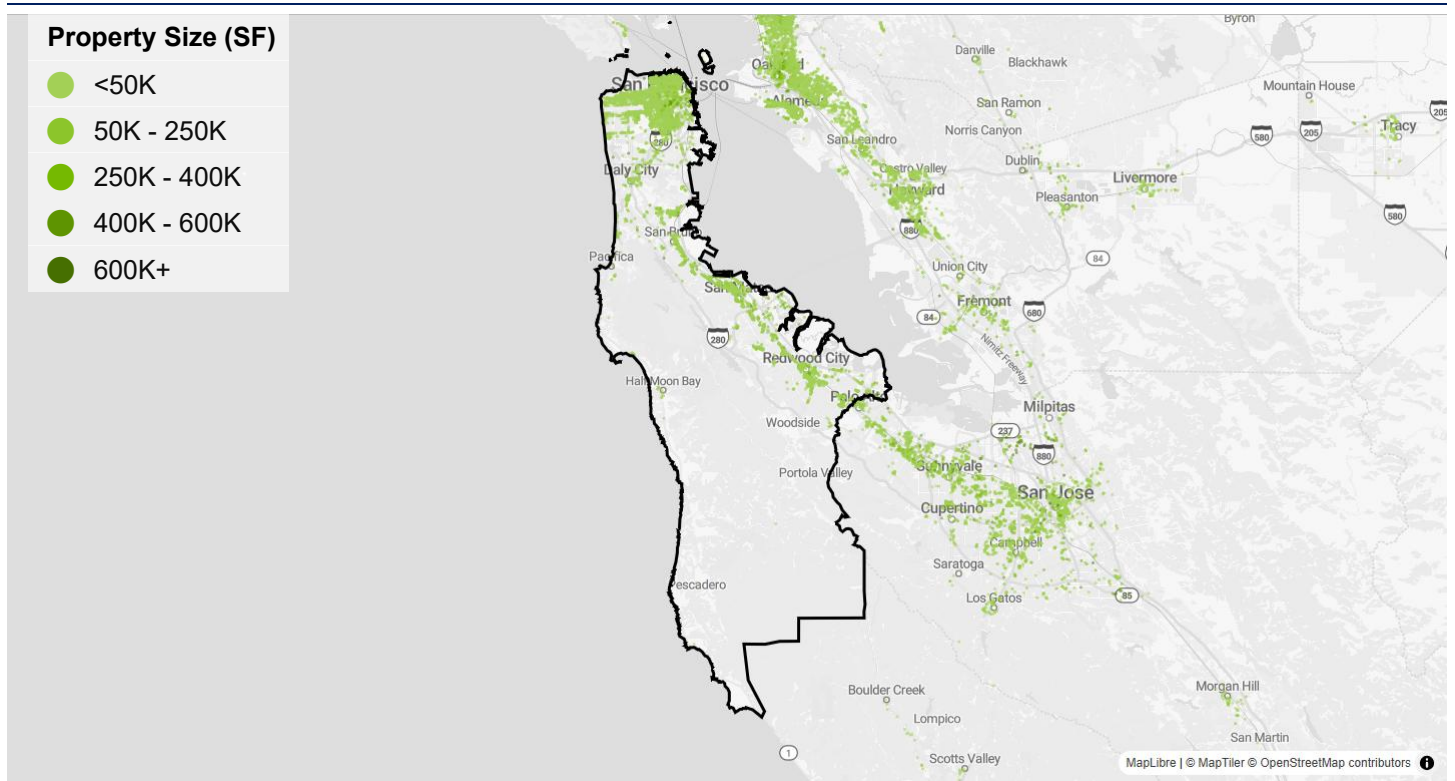
Commercial Real Estate Density

About the Market - San Francisco

SAN FRANCISCO RETAIL REAL ESTATE DENSITY



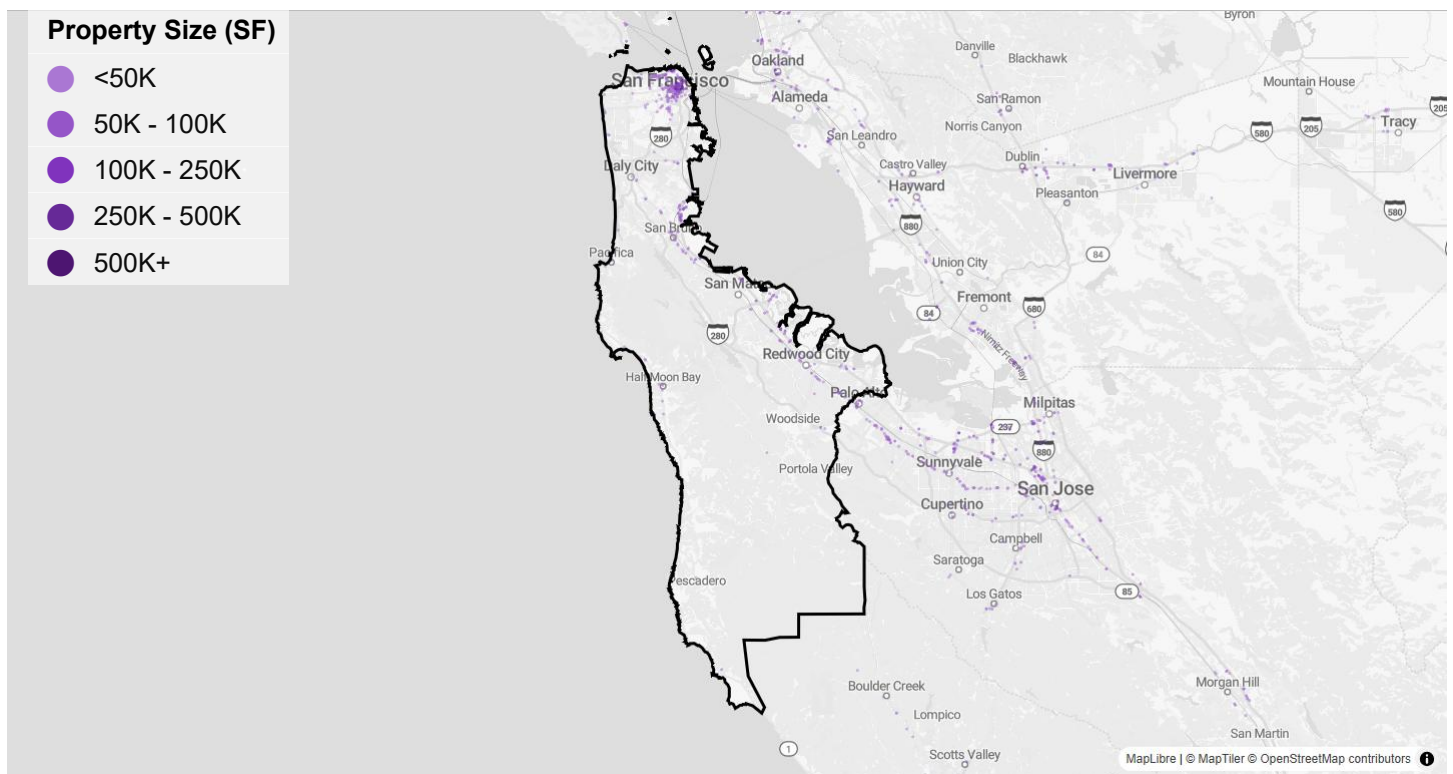
SAN FRANCISCO MULTIFAMILY REAL ESTATE DENSITY



Commercial Real Estate Density

About the Market - San Francisco

SAN FRANCISCO HOSPITALITY REAL ESTATE DENSITY



San Francisco Analyst

About the Market - San Francisco



Nigel Hughes
Senior Director of Market Analytics
nhughes@costar.com

Nigel Hughes is Senior Director of Market Analytics for CoStar, where he is responsible for researching and analyzing real estate trends in the San Francisco Bay Area. Hughes has over 25 years of experience in commercial real estate, serving in both corporate and advisory roles worldwide. Before joining CoStar, he served as a Director in Navigant Consulting's

real estate practice in San Francisco, where he provided advisory services to real estate investment companies, lenders and corporate occupiers.



DEFINITIONS

Market Geography – Market geographies are based on Metropolitan Statistical Areas or Metropolitan Divisions as defined by the U.S. Census Bureau.

Overview

Gross Domestic Product (GDP) Growth – Year-over-year percentage change in the most recent four-quarter total market value of all final goods and services produced within the market. Real GDP estimates are adjusted for inflation. Source: Oxford Economics

Population Growth – Annual change in total population living within the market. Source: Oxford Economics quarterly estimates based on US Census Bureau data.

Employment (Jobs and Job Growth) – Total full-time, part-time, or temporary workers on nonfarm payrolls whose place of work is an establishment within the region. Excludes self-employed, proprietors, farm workers, and domestic workers, as well as uniformed members of the armed services. Source: Oxford Economics.

Rankings - Based on ranking among the 54 largest market geographies.

Commercial Real Estate Inventory

Location Quotient (LQ): A measure of a market's industrial or property-type specialization relative to the United States. The LQ is computed as a share of the regional total for metrics (i.e., employment, GDP, total square footage for property types) divided by the metric's share for the nation. An LQ of 1.0 would indicate the region has the same concentration as the nation, while an LQ of 1.8 would indicate an 80% higher share in the region than in the nation.

Population

Households and Household Growth – Annual change in the number of housing units occupied. A household includes all people who occupy the same housing unit as their usual place of residence. Real Median Household Income estimates are adjusted for inflation. Source: Oxford Economics.

Household Median Income - Median of the total income in the most recent four quarters among all household members 15 years or older within the market. Source: Oxford Economics based on American Community Survey Estimates.

DEFINITIONS

Net Annual Migration - The sum of population moving to the market minus the population moving out of the market in the preceding year. Source: Oxford Economics.

Population with Bachelor's Degree - Share of population aged 25 and older who have obtained a bachelor's degree or higher level of education. Source: U.S. Census Bureau's American Community Survey.

Economy and Employment

Unemployment Rate – Share of market residents in the labor force who are currently employed. The labor force includes all civilian, noninstitutionalized residents who are either employed, actively seeking employment within the past four weeks, or waiting recall from a temporary layoff. Source: Oxford Economics based on U.S. Bureau of Labor Statistics estimates.

Labor Force Participation Rate – The share of civilian, noninstitutionalized market residents 16 years or older who are either employed, actively looking for work, or waiting recall from a temporary layoff. Source: Oxford Economics based on U.S. Bureau of Labor Statistics estimates.

Office-Using Employment – Total full-time, part-time, or temporary workers on nonfarm payrolls within the market in the following industries: Financial Activities; Information; Professional and Business Services. Source: Oxford Economics.

Industrial-Using Employment - Total full-time, part-time, or temporary workers on nonfarm payrolls within the market in the following industries: Construction; Mining; Manufacturing; Transportation and Warehousing, Utilities; and Wholesale Trade. Source: Oxford Economics.

Government, Health Care and Education Employment - Total full-time, part-time, or temporary workers on nonfarm payrolls within the market in the following industries: Educational Services; Health Care and Social Assistance; Federal, State, and Local Government. Source: Oxford Economics.

Retail, Hospitality, and Other Employment - Total full-time, part-time, or temporary workers on nonfarm payrolls within the market in the following industries: Accommodations and Food Services, Arts, Entertainment and Recreation; Retail Trade; Other Services excluding Public Administration.

ABOUT THE MARKET DATA

The *About the Market Report* provides a comprehensive overview of the economic, demographic, and commercial real estate fundamentals shaping the local market. Drawing on CoStar's proprietary data and analytics, this report synthesizes key indicators across population trends, employment dynamics, GDP performance, and real estate inventory to offer a holistic view of the market's trajectory.

Our methodology integrates both macroeconomic and micro-market insights. Population, employment, and GDP data are sourced from various sources including Oxford Economics, the U.S. Census Bureau, the Bureau of Labor Statistics, and the U.S. Bureau of Economic Analysis. These are complemented by CoStar's real-time commercial real estate data, which includes office, industrial, retail, multifamily, and hospitality sectors. Market tapestry figures are reflective of currently rated existing buildings (excludes buildings under construction or under renovation).

Each section of the report is designed to contextualize the market performance within both regional and national frameworks. Rankings and growth metrics are benchmarked against peer metros to highlight relative strengths and emerging trends. The report also incorporates location quotient analysis to assess the market's specialization across property types.

This report contains Oxford Economics data thru 2025 Q3 as of the 9/29/2025 vintage. CoStar tapestry data and rankings are reflective of internal data pulled on 11/19/2025.