

San Francisco Bay Area
State of the Region
2015

Population, Employment, Housing

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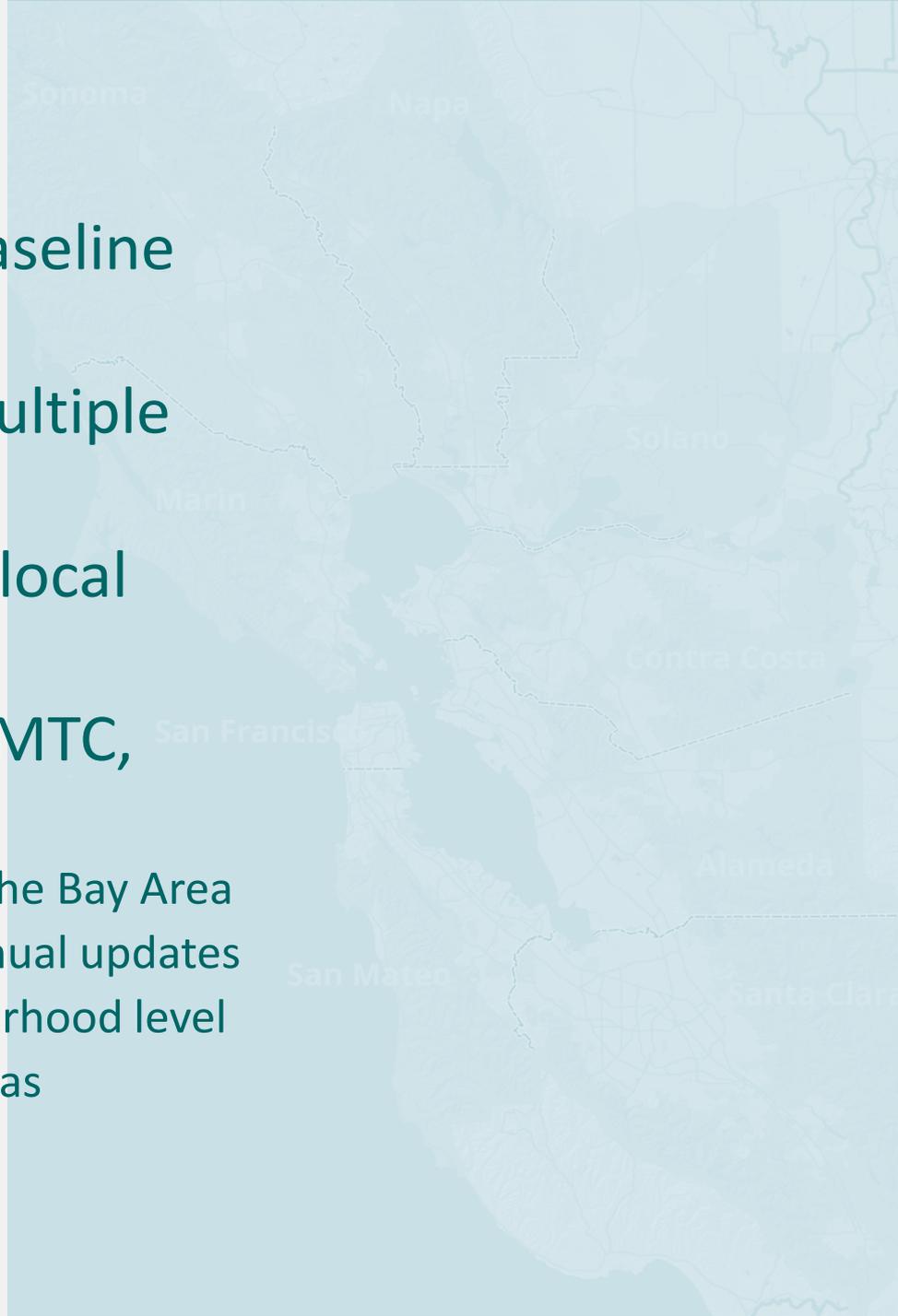
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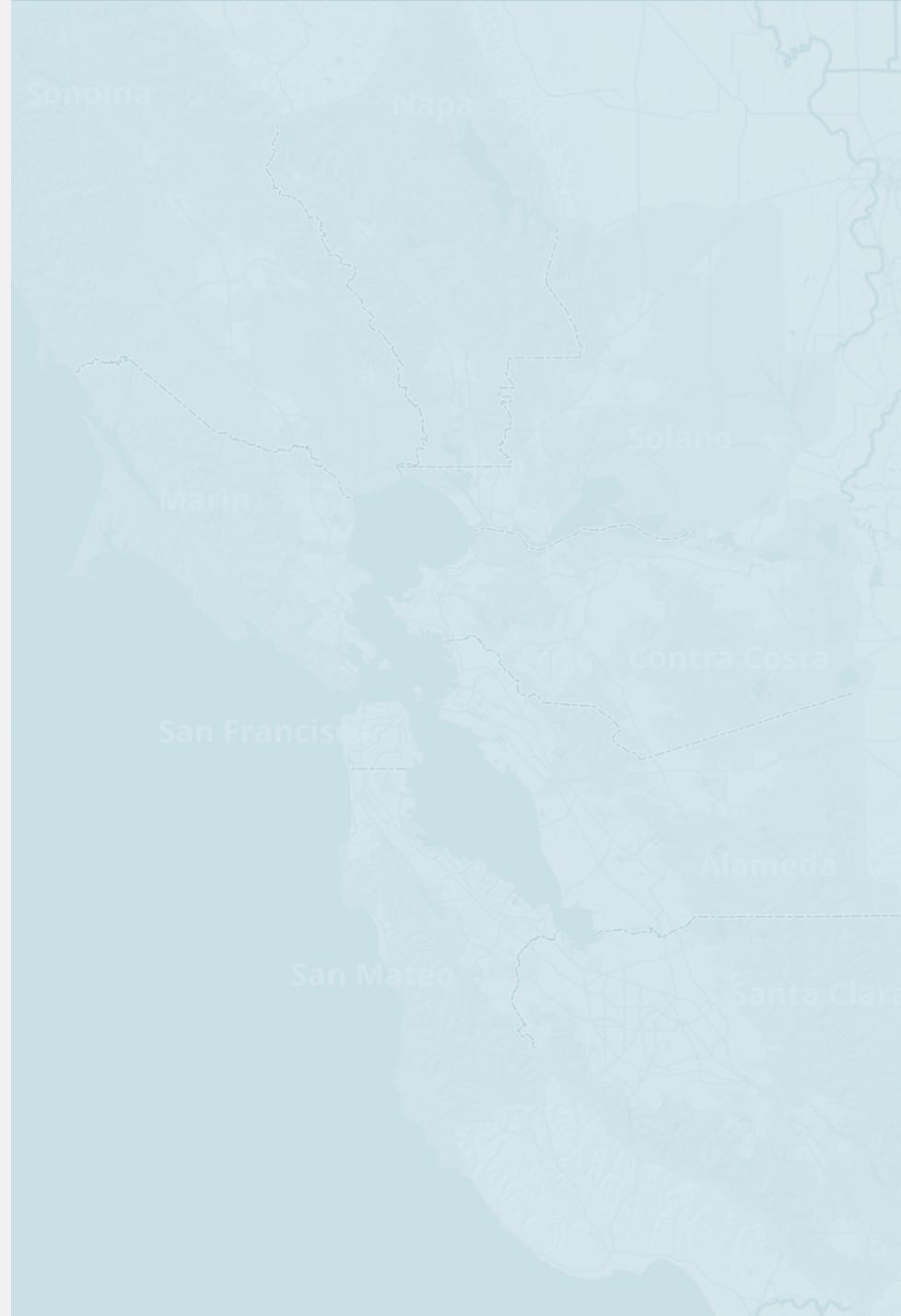
Purpose

- Update on conditions as baseline for 2017 forecast
- Interpretive overview of multiple indicators
- Context for understanding local conditions
- Related effort: Vital Signs (MTC, with ABAG support)
 - Indicators for tracking change in the Bay Area
 - Long-term historic trends and annual updates
 - Details available down to neighborhood level
 - Comparison with other metro areas



Themes

- A strong recovery in the region
- The economy: strengths and consequences
- A diverse and changing population
- Gauging progress on housing goals
- Key findings, challenges and prospects



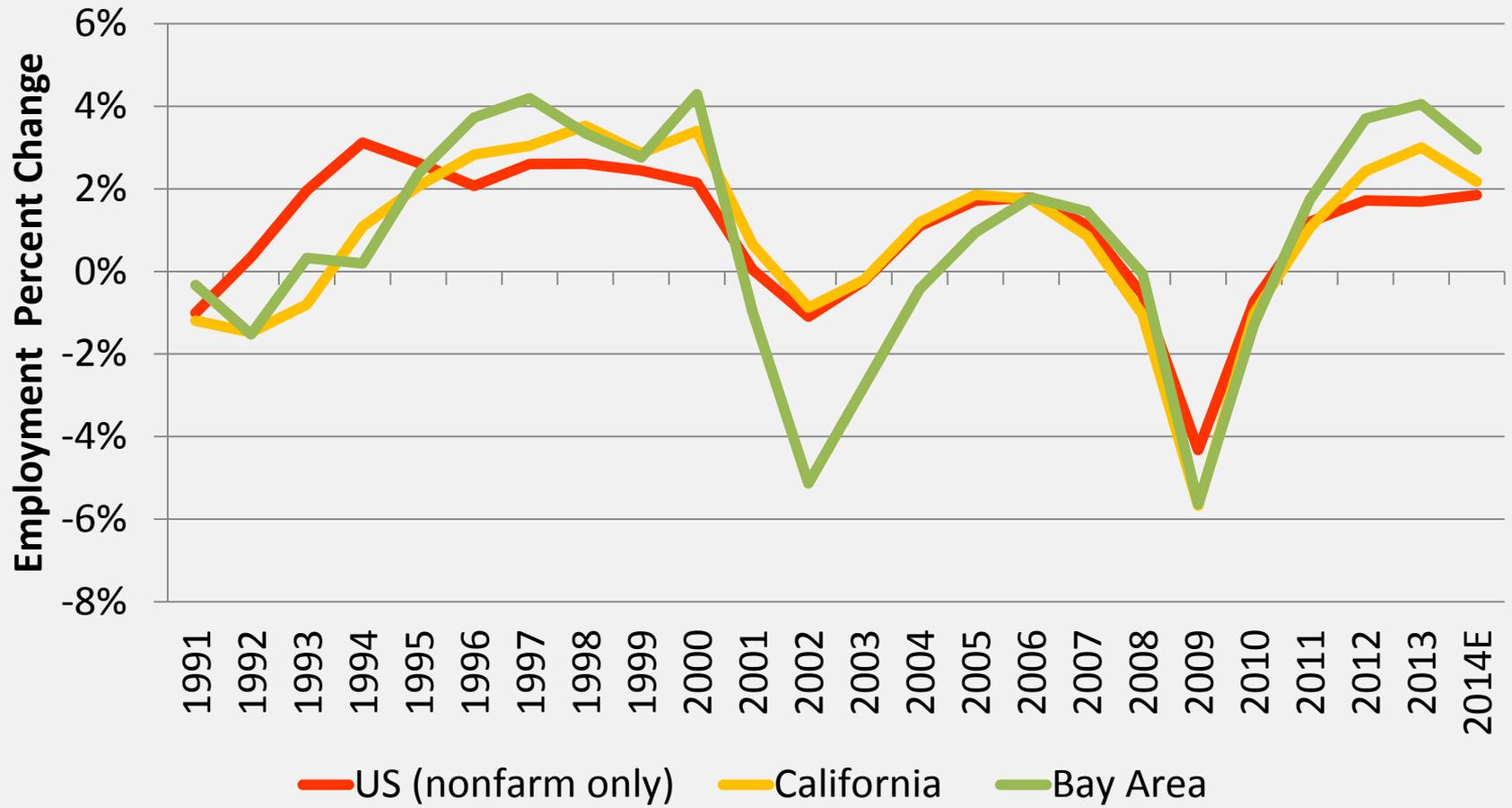
A Strong Recovery

- Region employment and output outpace US and California
- Reaching full employment recovery from the 2001 recession
- Employment growing faster than population
- Population growing faster than housing units



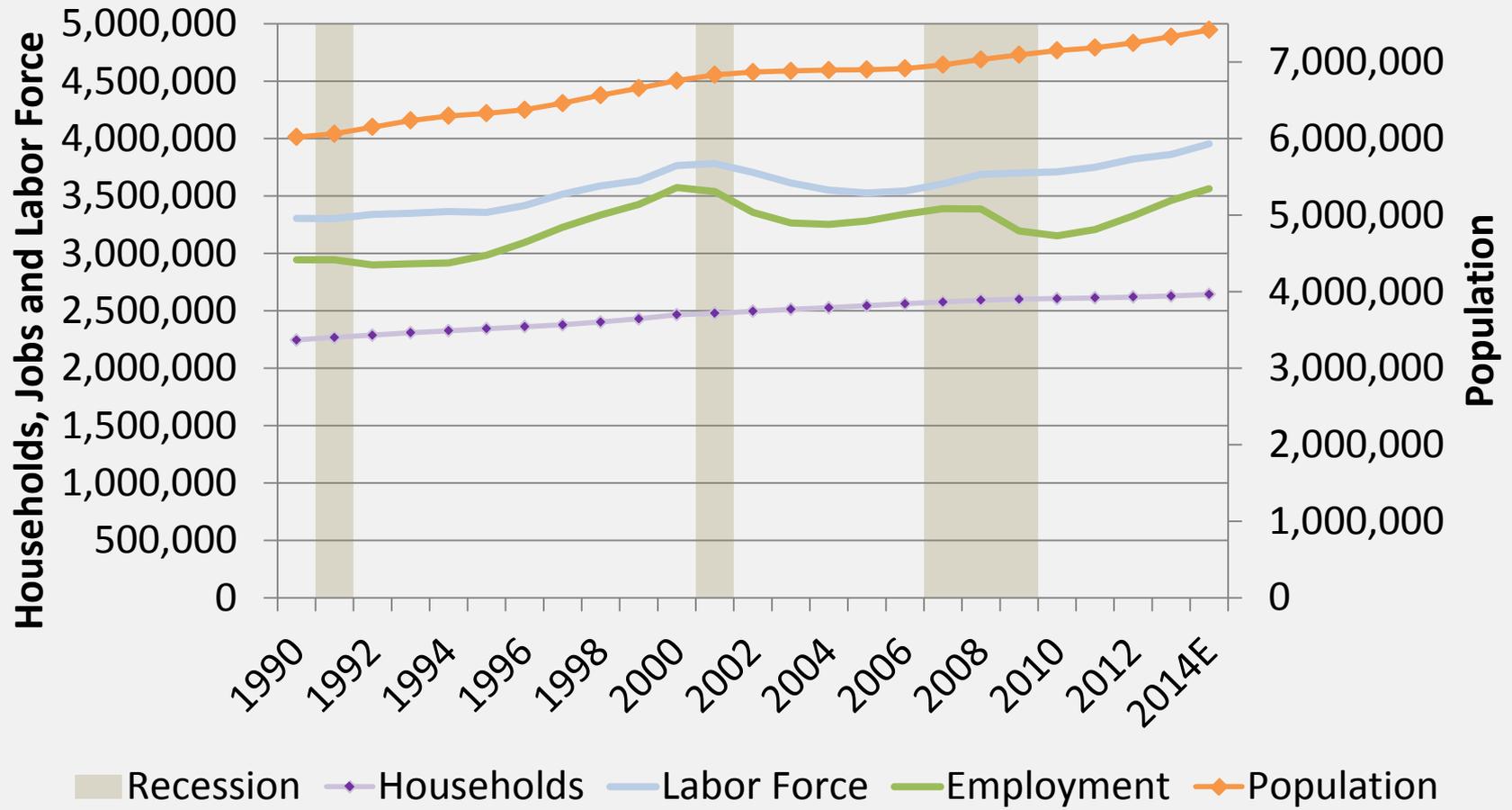
A Strong Recovery

- Region Outpaces US and California



A Strong Recovery

- Employment surge, gradual population, household change

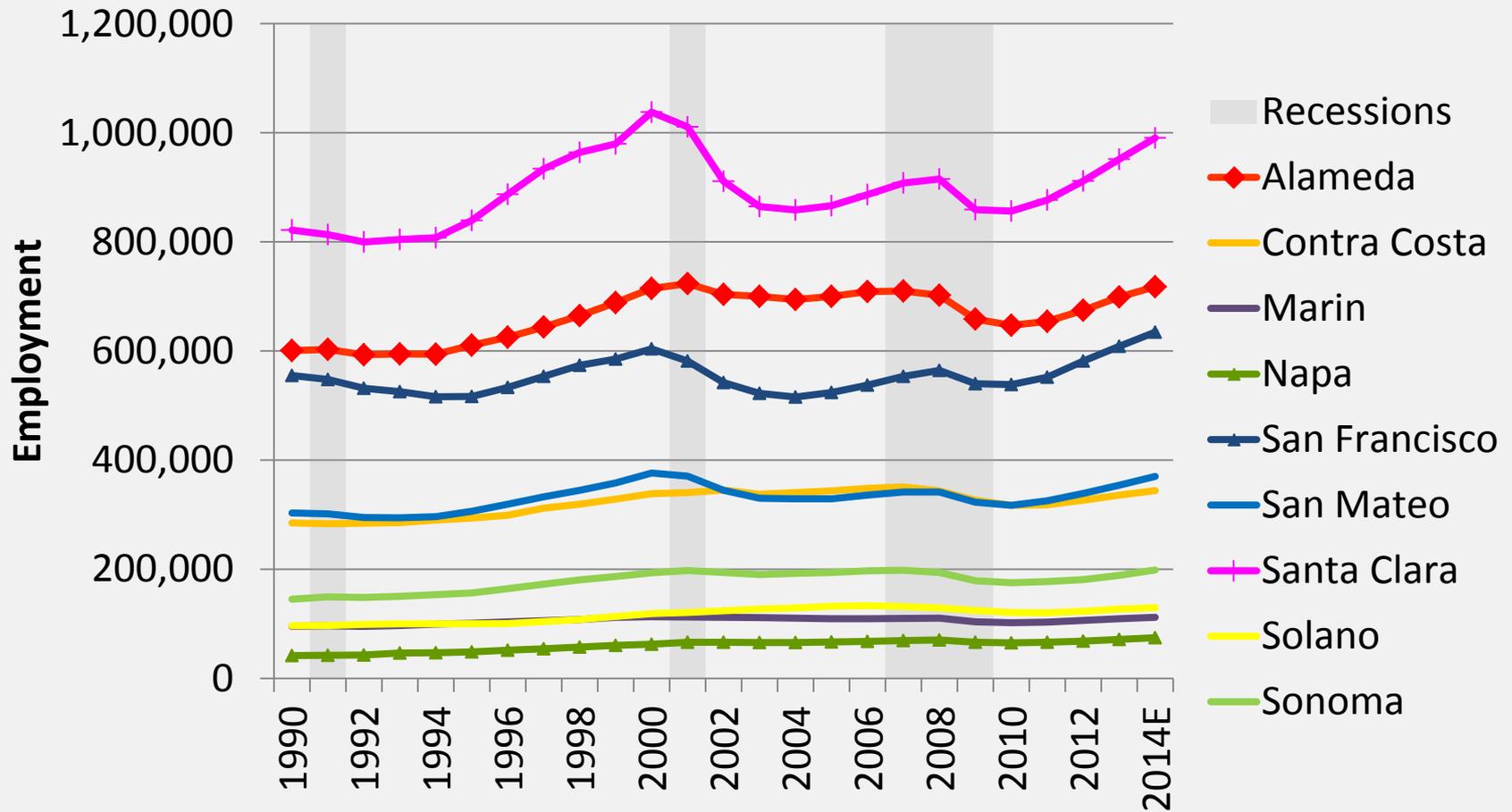


The Economy

- Counties recover at different rates
- Diverse mix of industries lead growth
 - Health and social services
 - Professional and business services
 - Information
 - Accommodations and food
- Labor force participation is rising
- But inflation-adjusted household incomes have declined, wage declines greatest for middle and low income

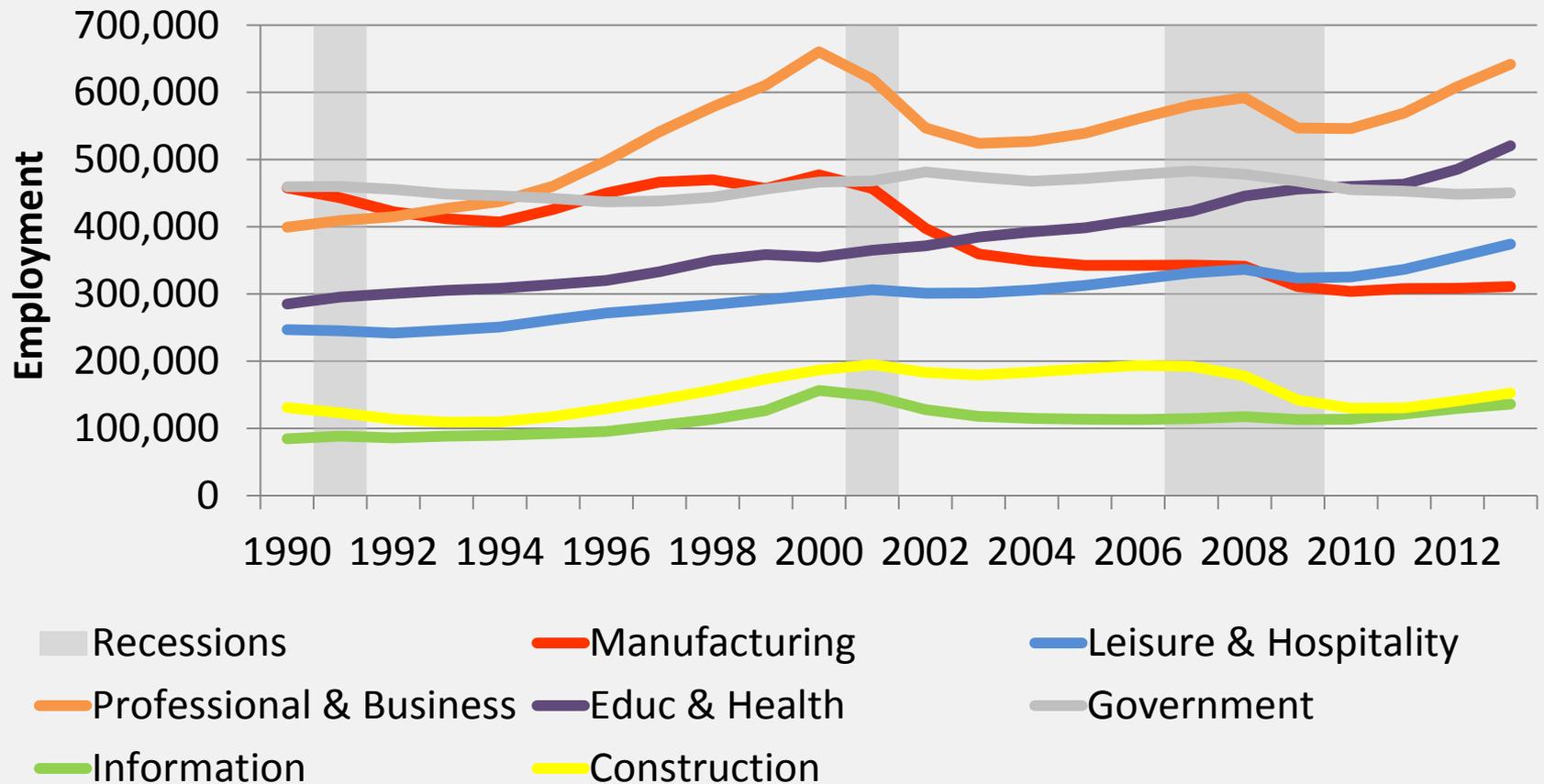
Economy

- Some Counties Have Fully Recovered



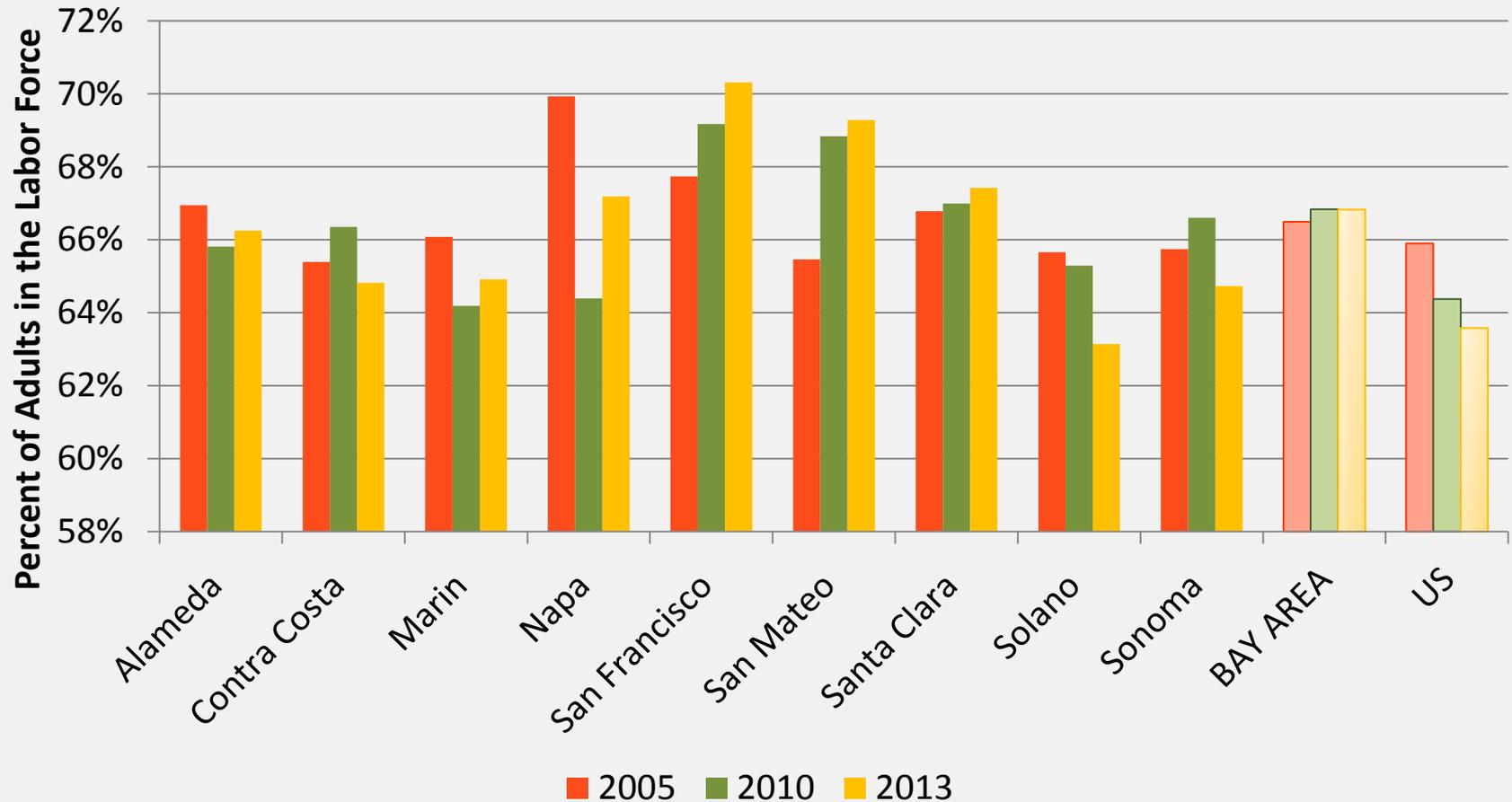
Economy

- Industry Strengths and Shifts



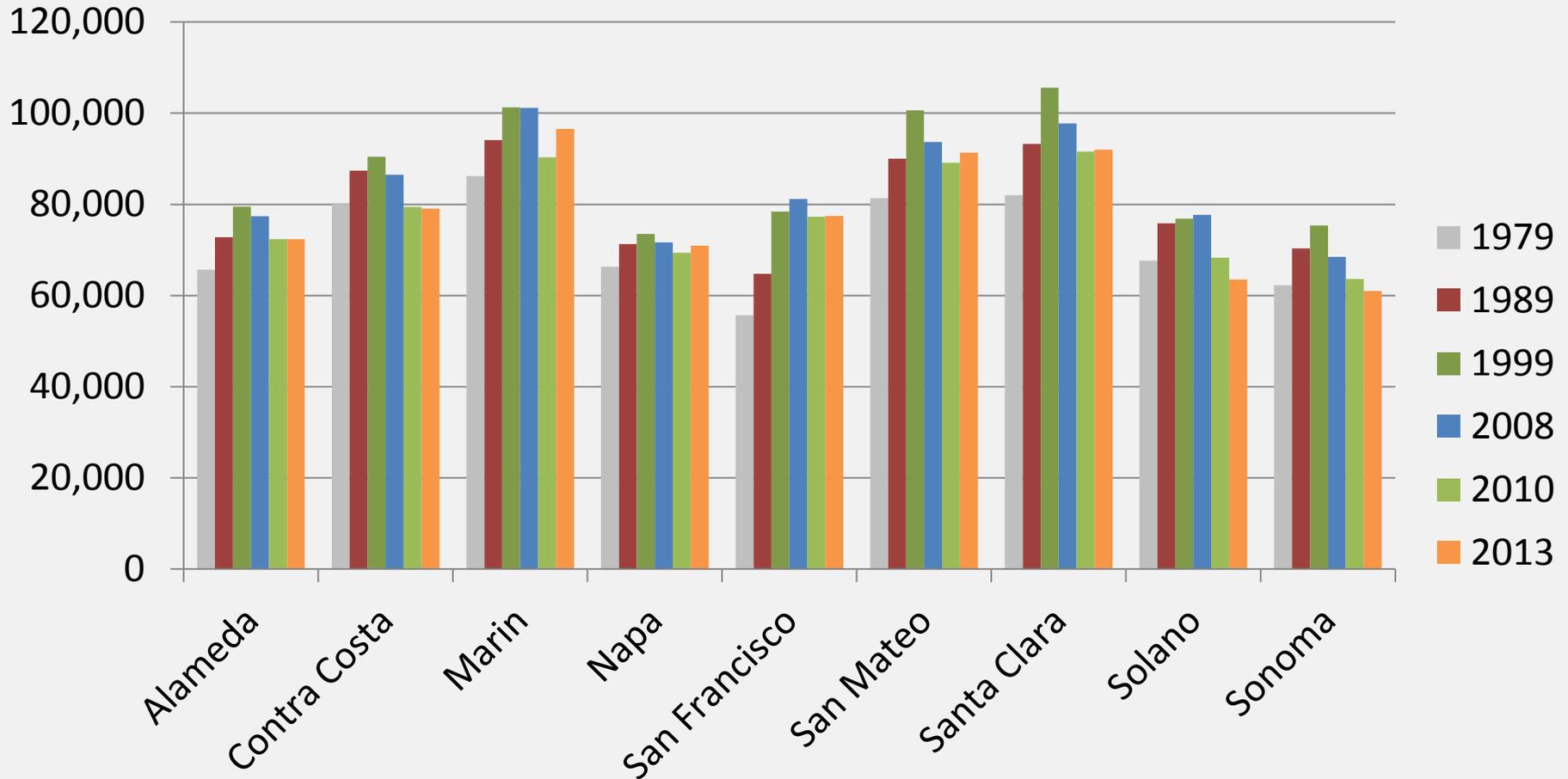
Economy

- Bay Area Workers in the Labor Force



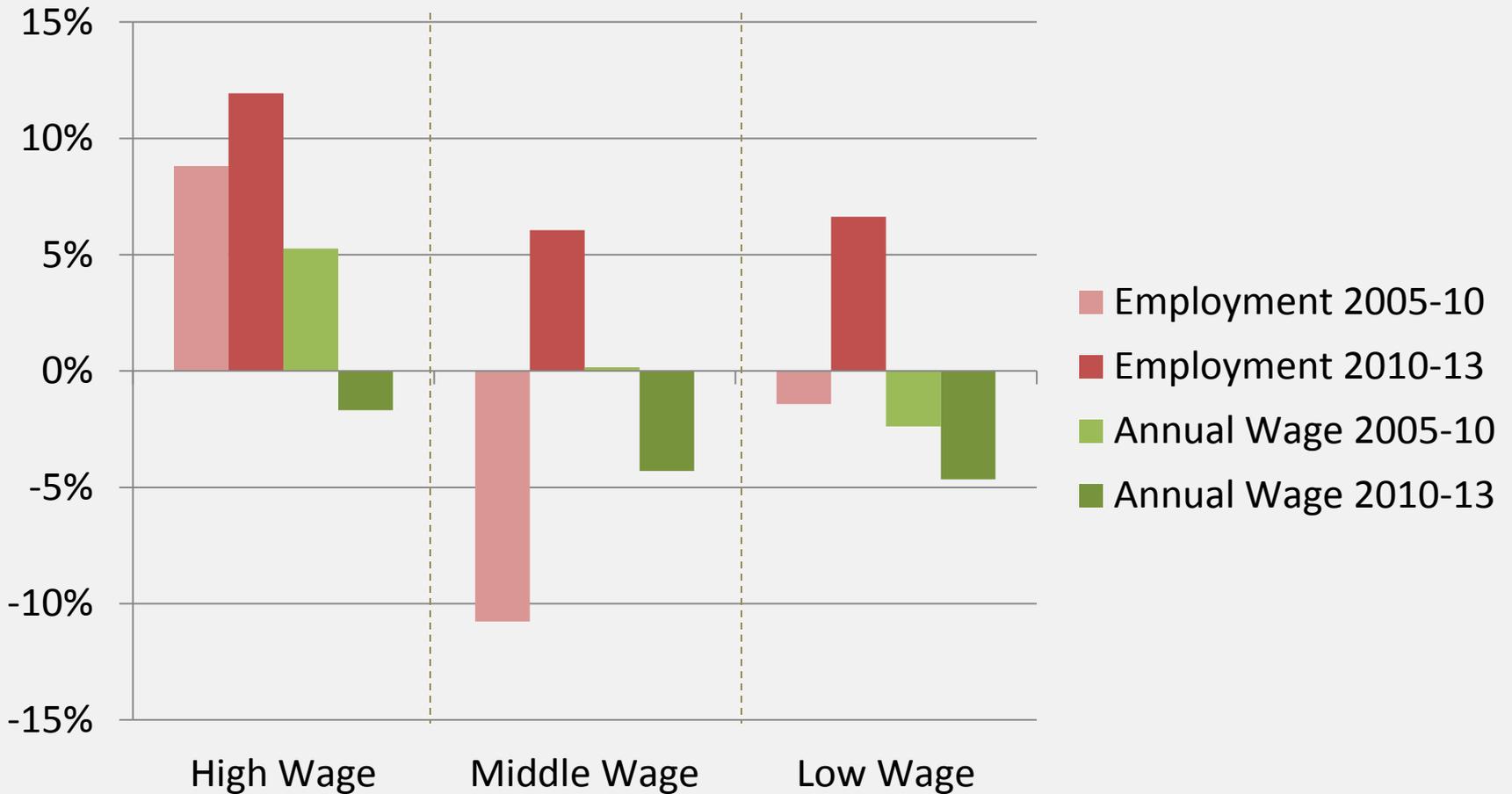
Economy

- Median Household Income by County



Economy

- Occupation Employment and Wages

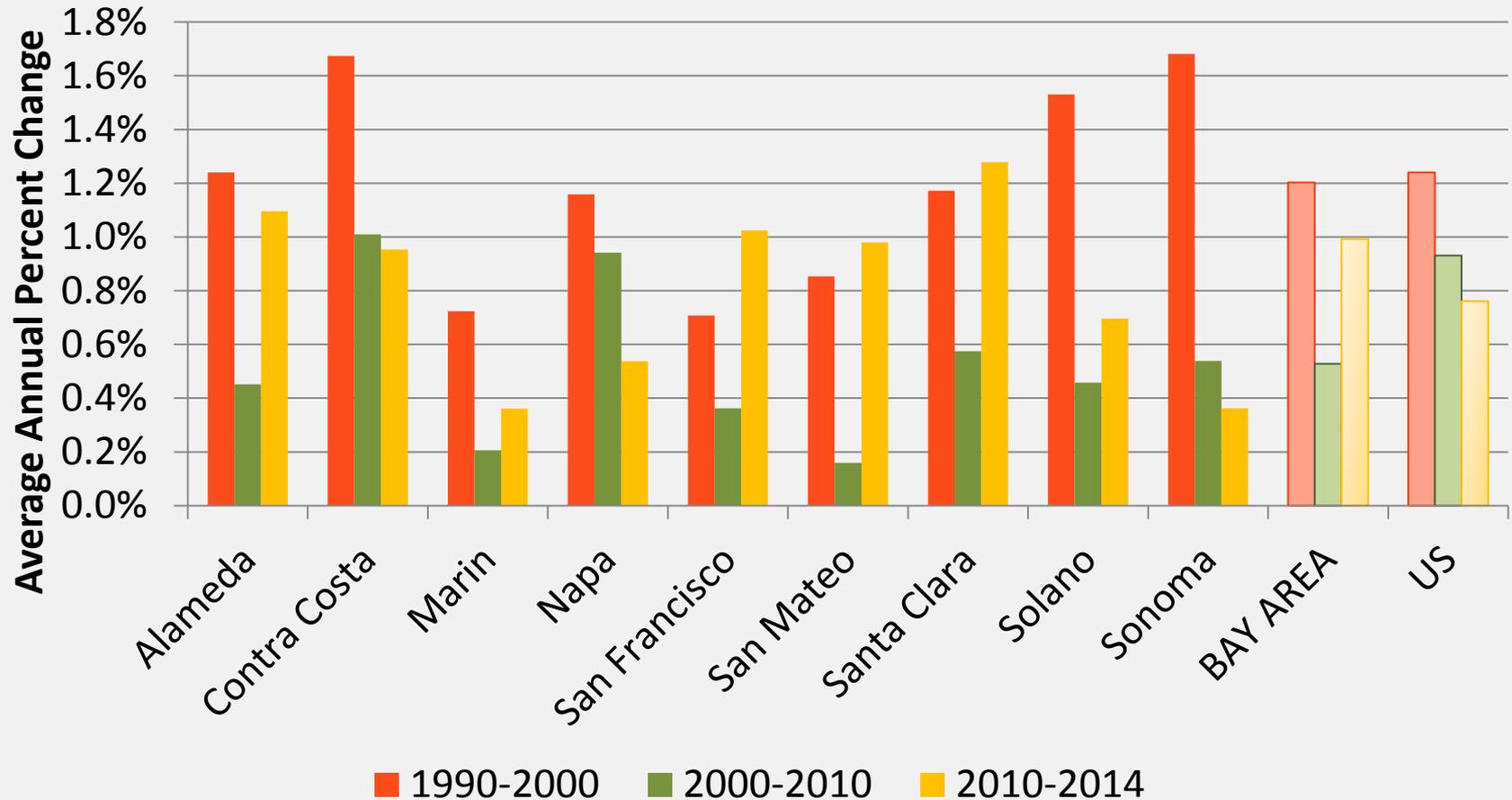


Population

- Growing more slowly than jobs but faster than housing
- Increases concentrated in larger, more urban counties
- Aging and continuing to diversify
- Net migration becoming positive, with influx of young adults

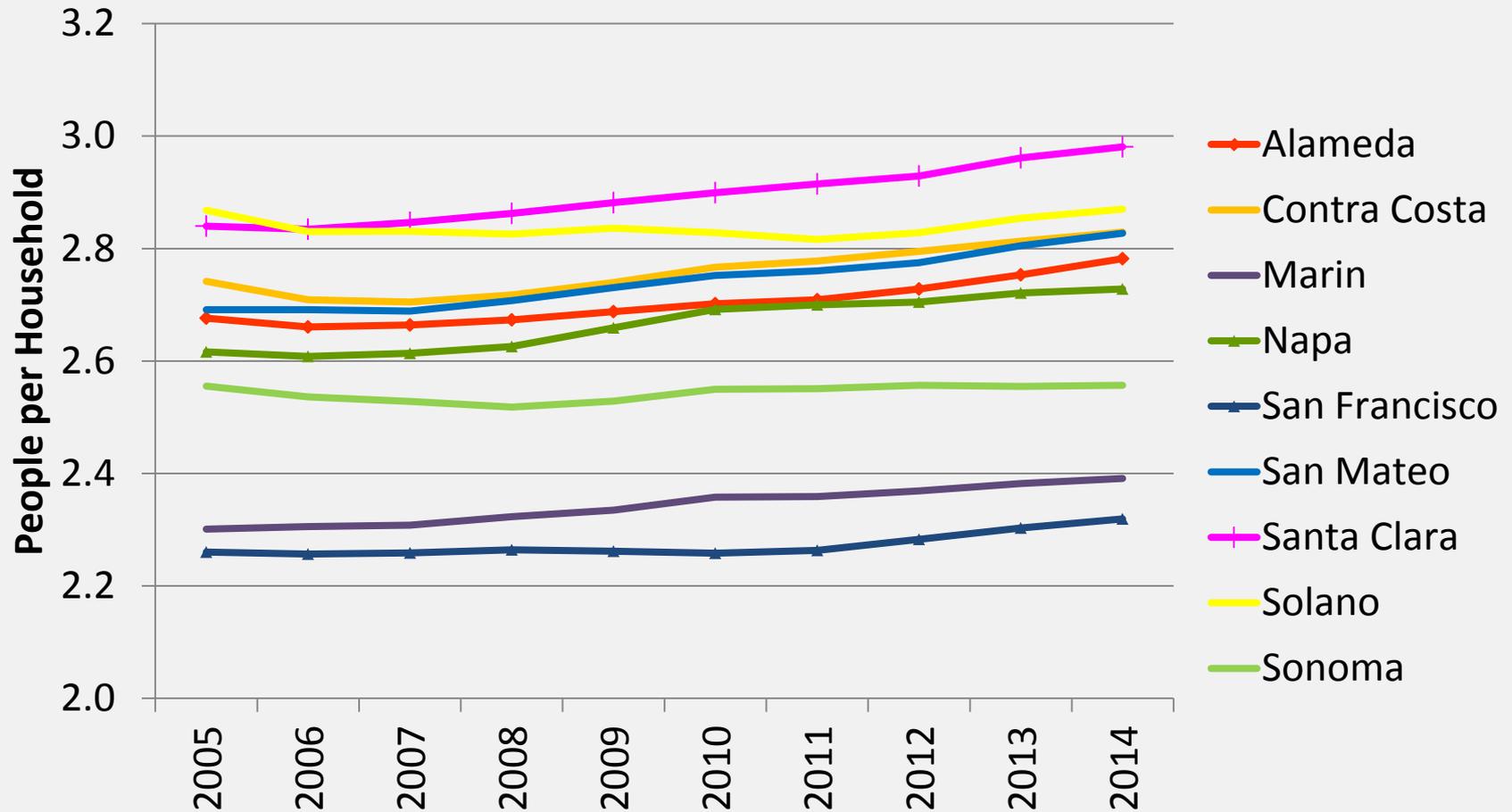
Population

- Change in Average Annual Growth Rate



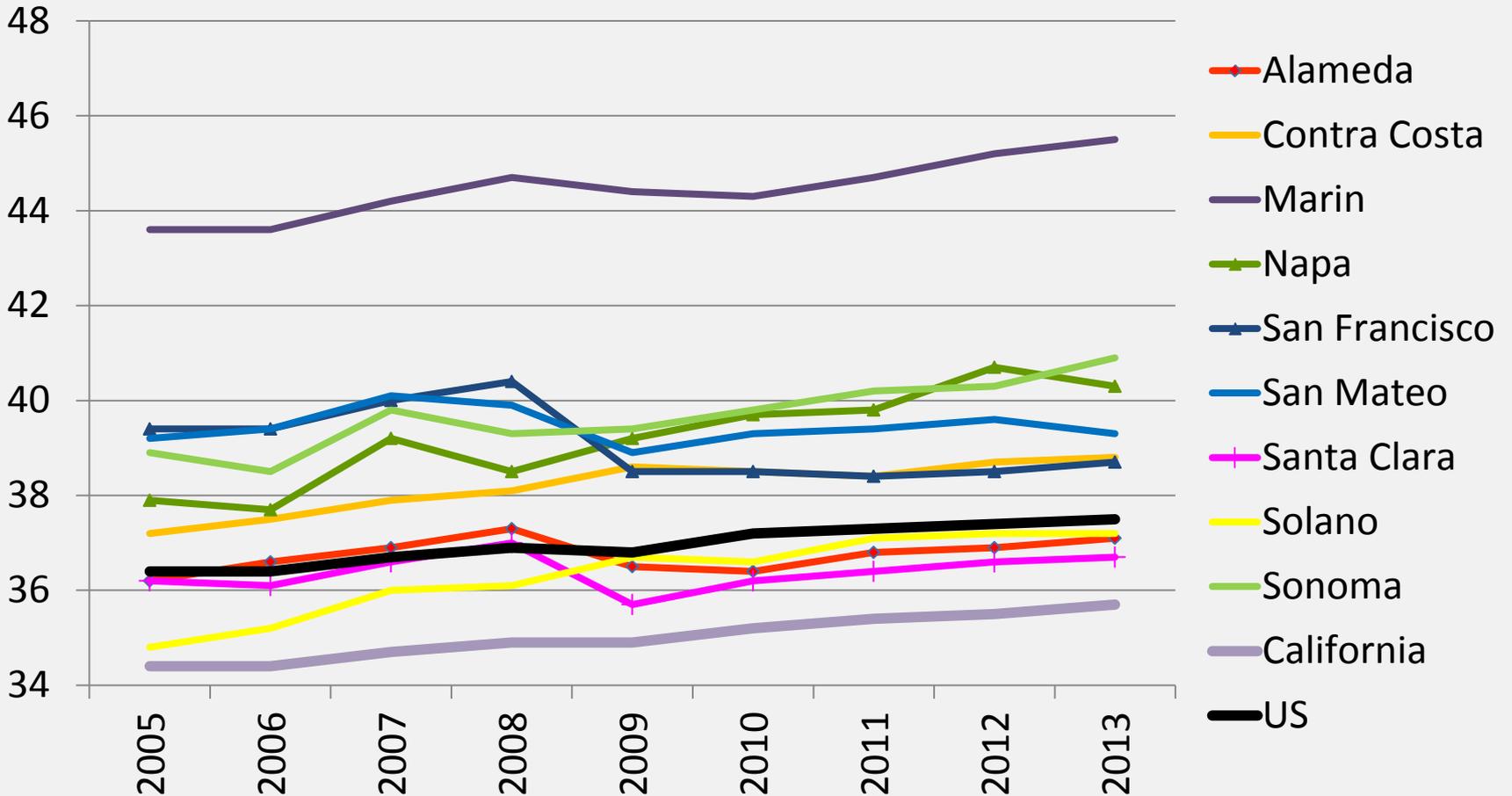
Population

- Household Size is Rising



Population

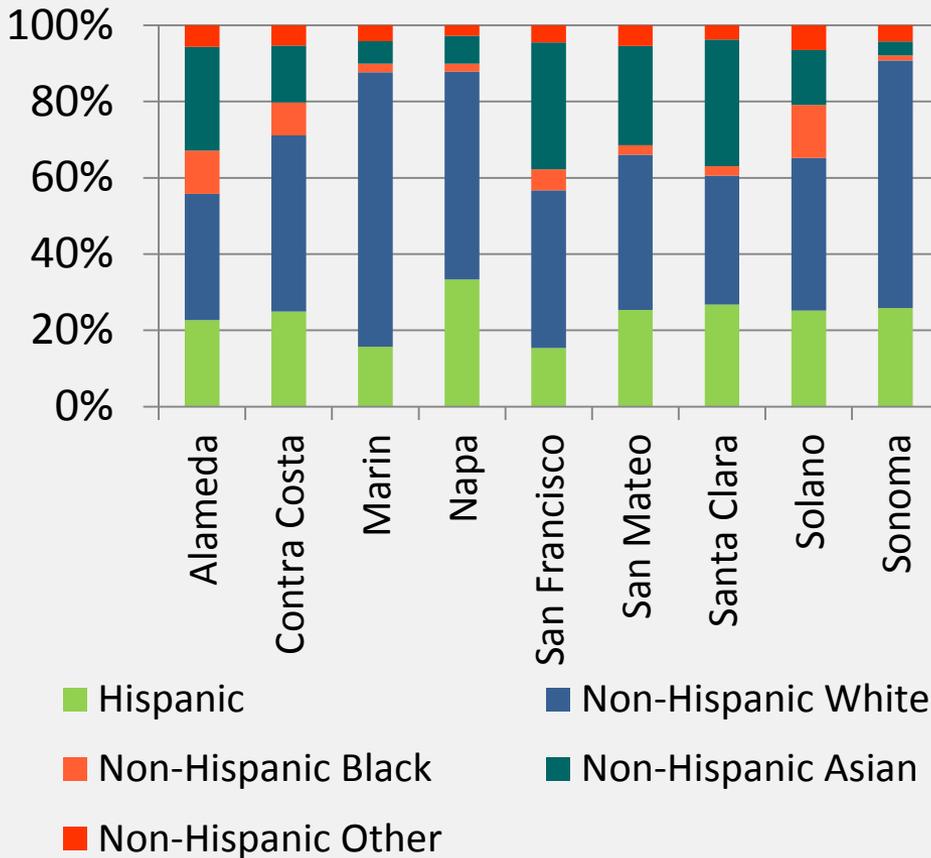
- Median Age is Rising



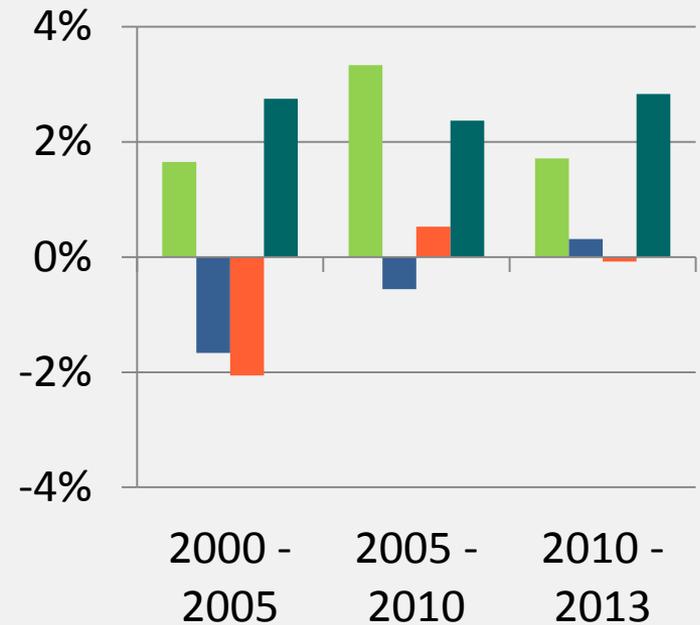
Population

- The Ethnic Mix is Diverse

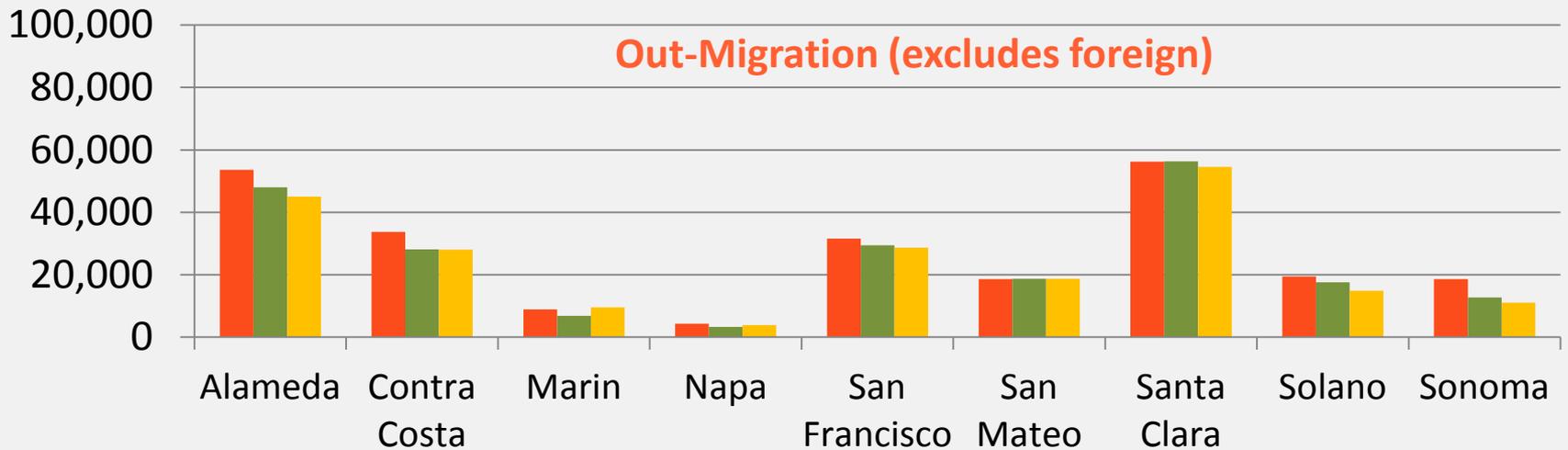
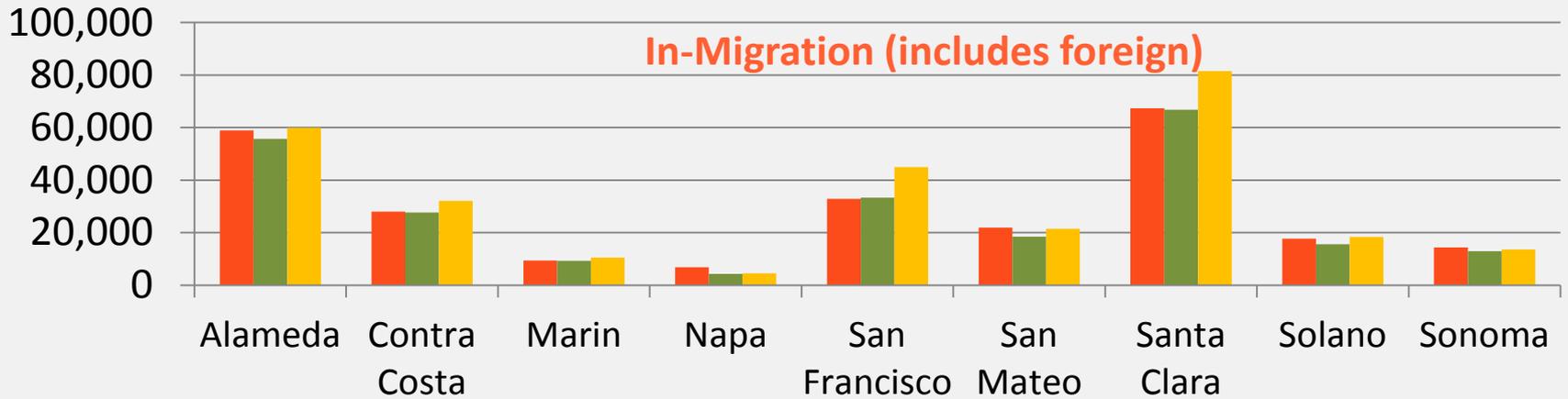
Percent of Total, by County



Ethnic Group, Percent Change



Population: Migration Shifts



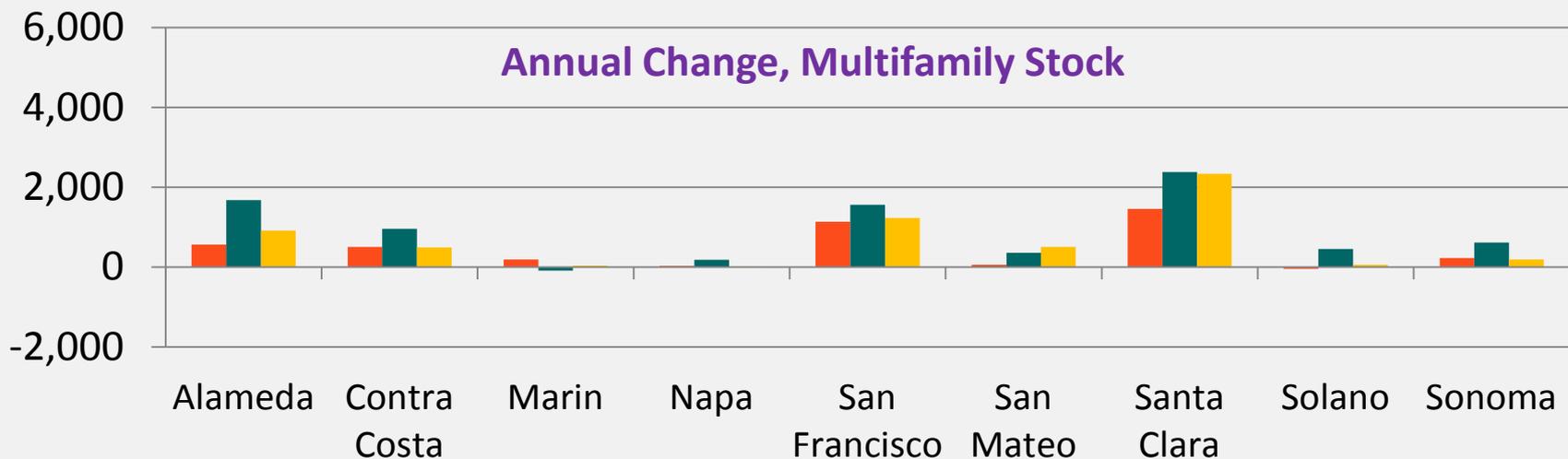
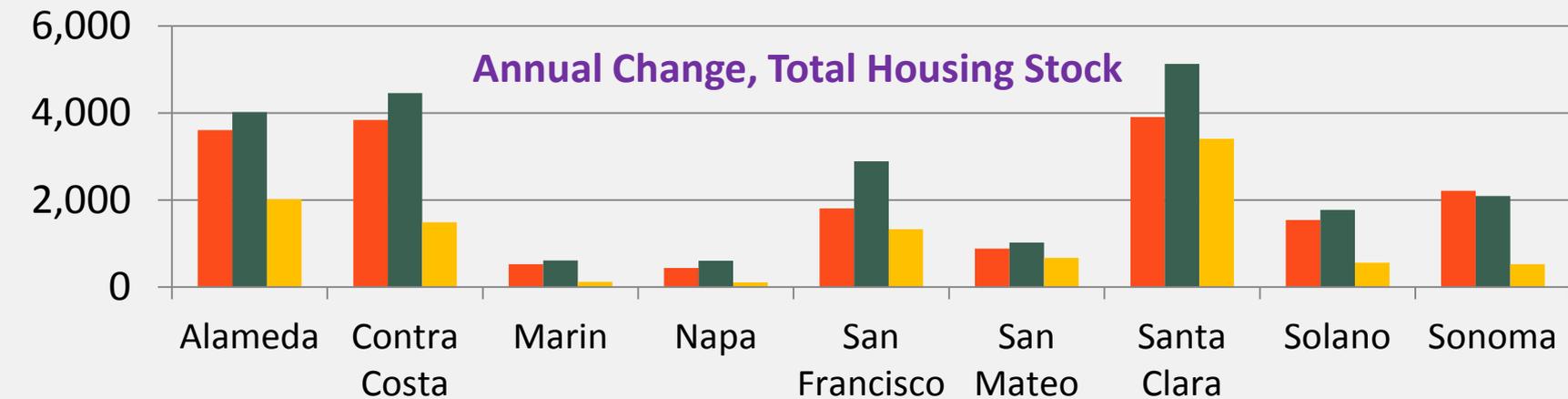
■ 2005-2007
 ■ 2008-2010
 ■ 2011-2013



Housing

- Housing stock lags population and job growth
- New construction shifting toward urban areas and newer job centers
- Increasing share of permits since 2010 are for multifamily units; multifamily permits are primarily in PDAs
- Prices and rents are rising, but homeowner cost/income has dropped while renter cost/income is up
- Divergence in jobs/housing ratios despite urban building

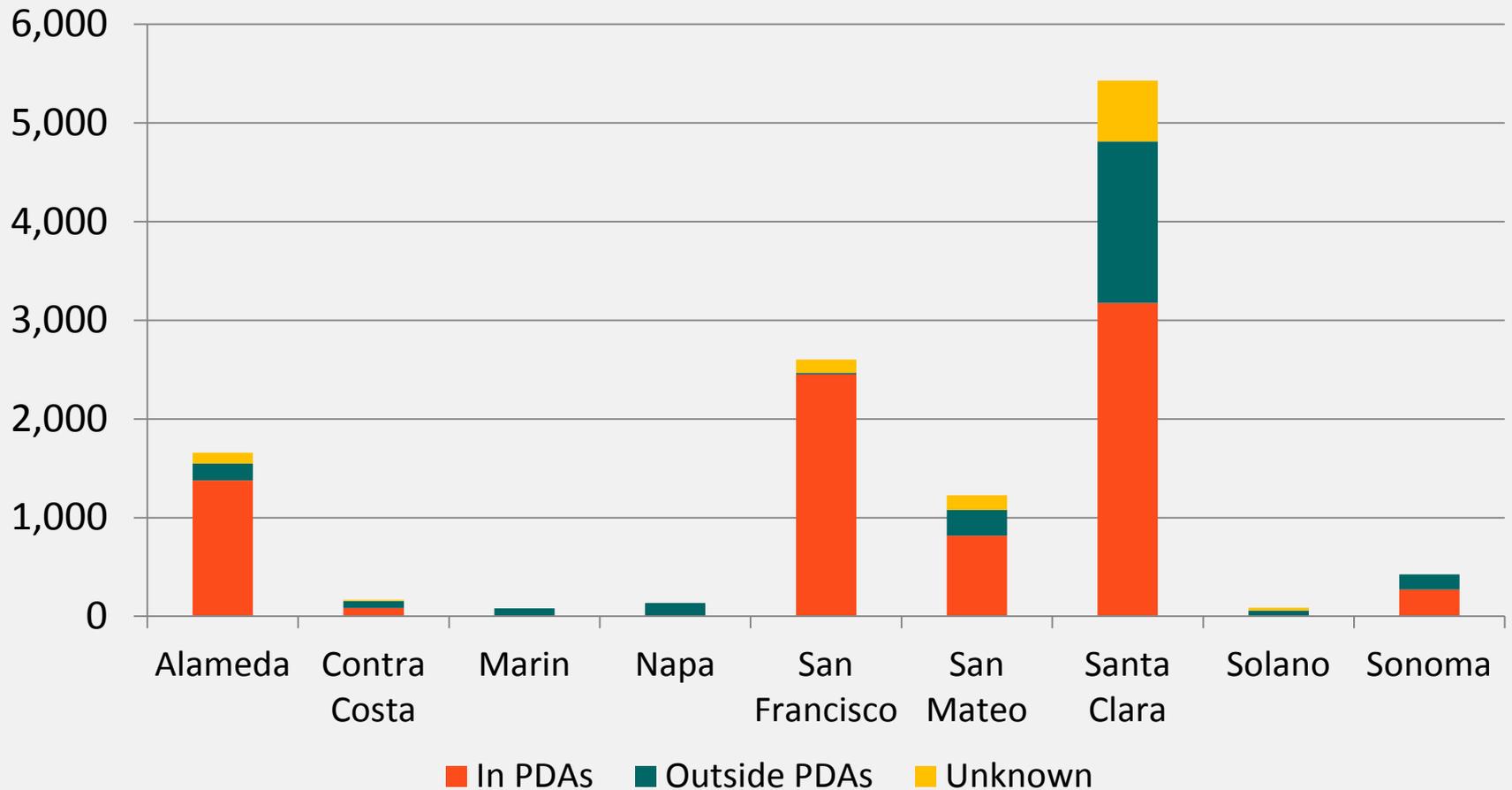
Housing Unit Growth Has Slowed— But Less for Multifamily



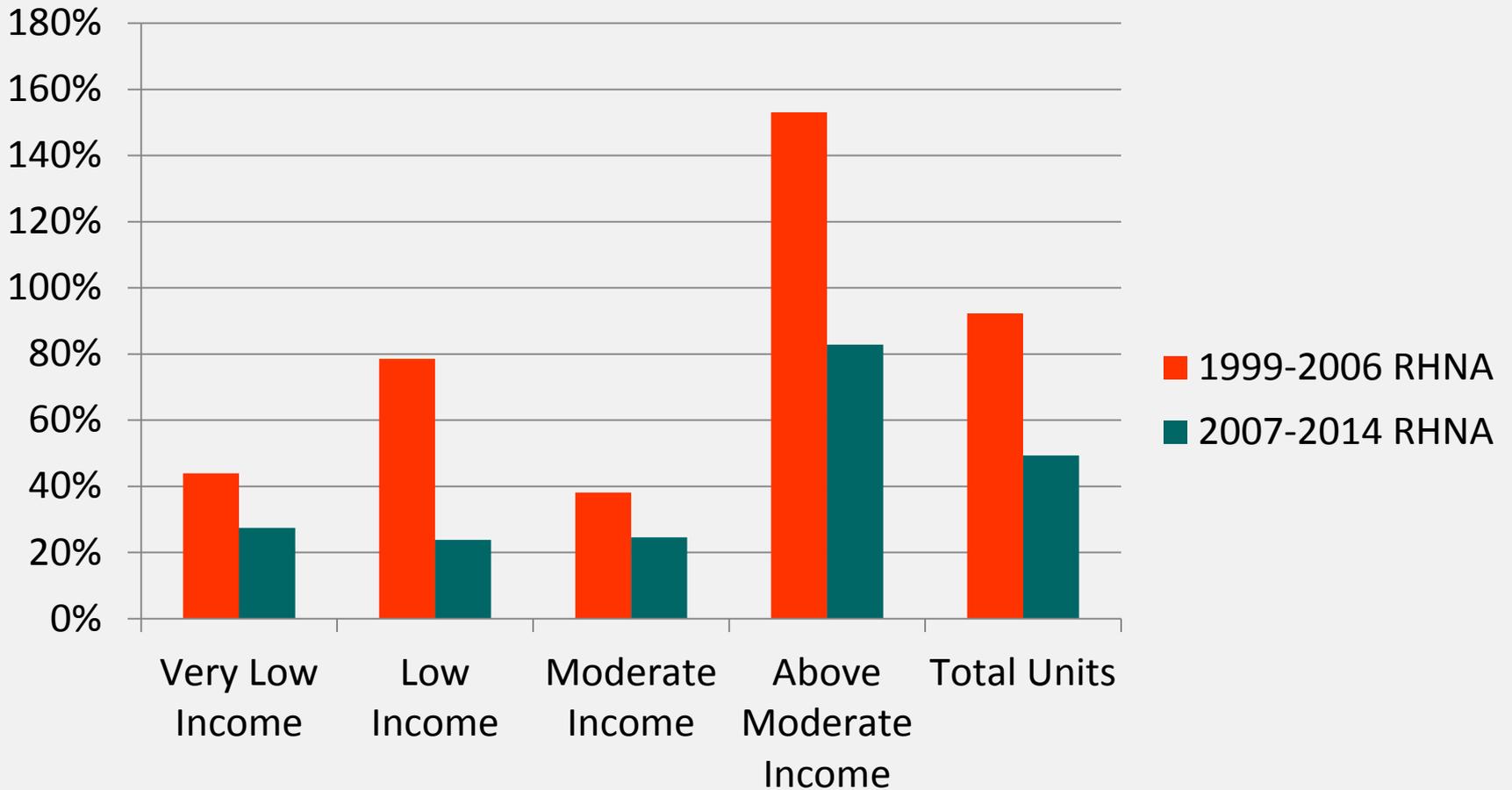
■ 1990-1999 ■ 2000-2009 ■ 2010-2013



New Multifamily Residential Permits Concentrate in PDAs

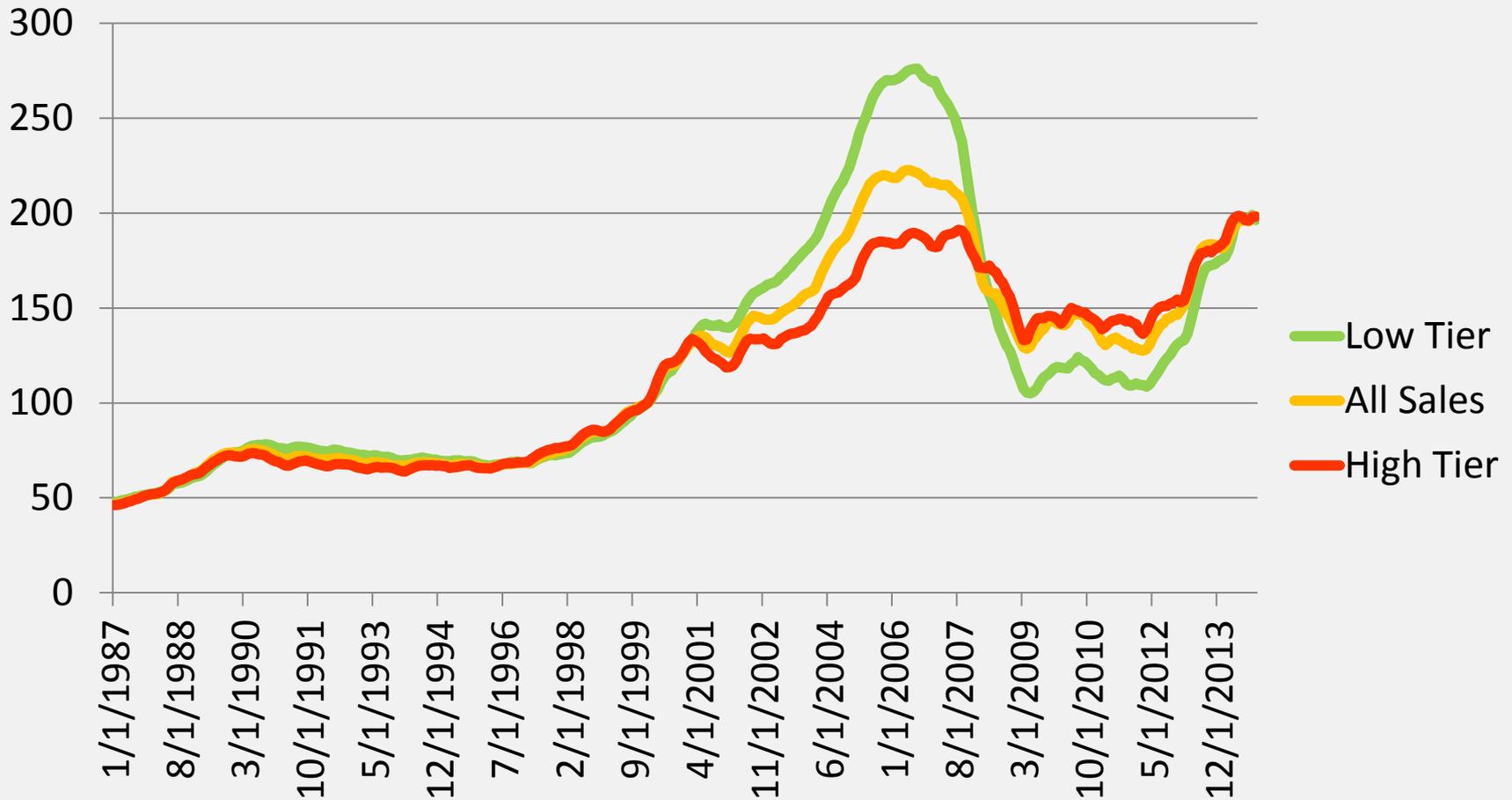


Affordable Housing Permits Less Than Need

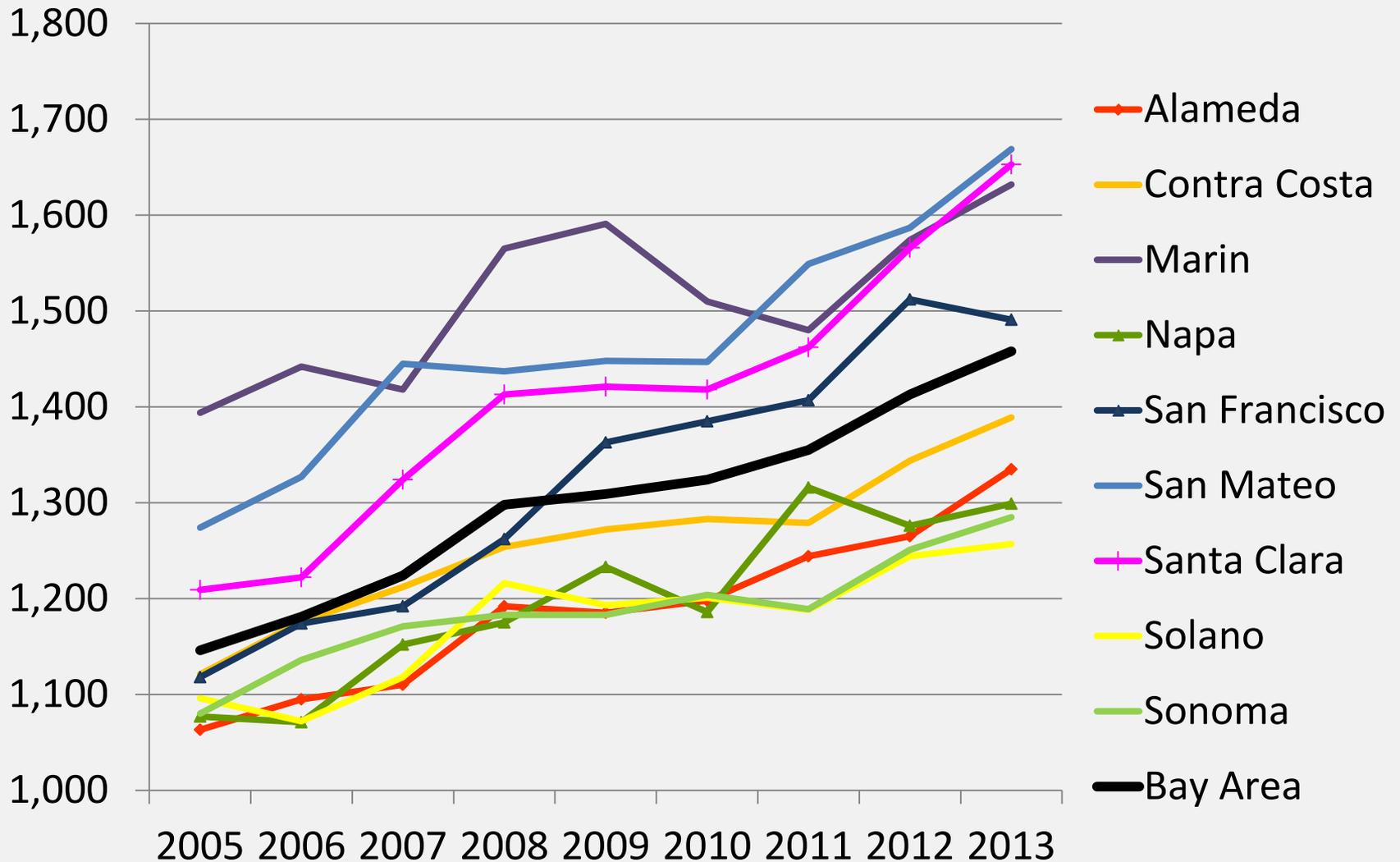


Prices and Rents are Rising—Again

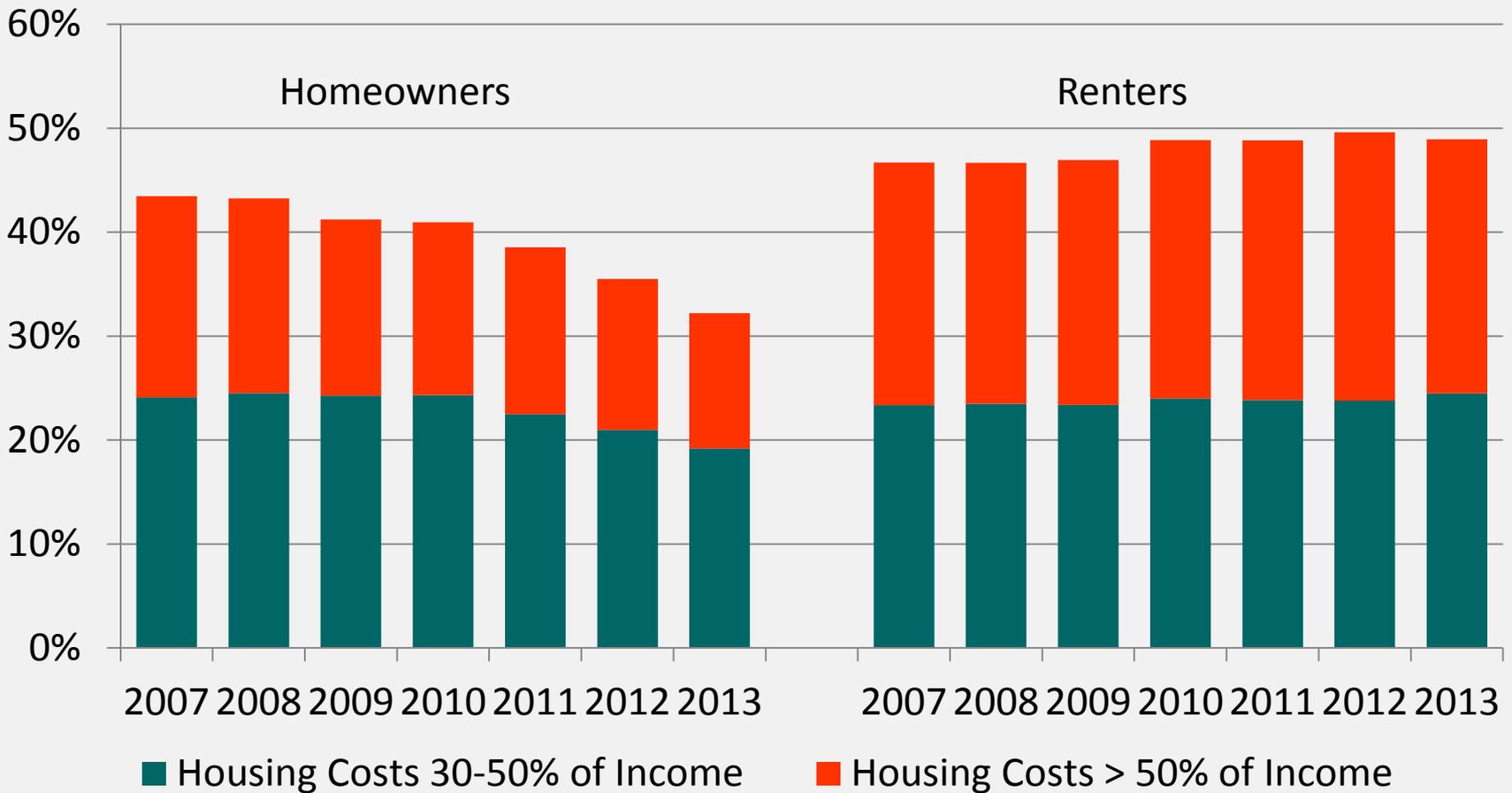
Case-Shiller Home Price Index, Bay Area



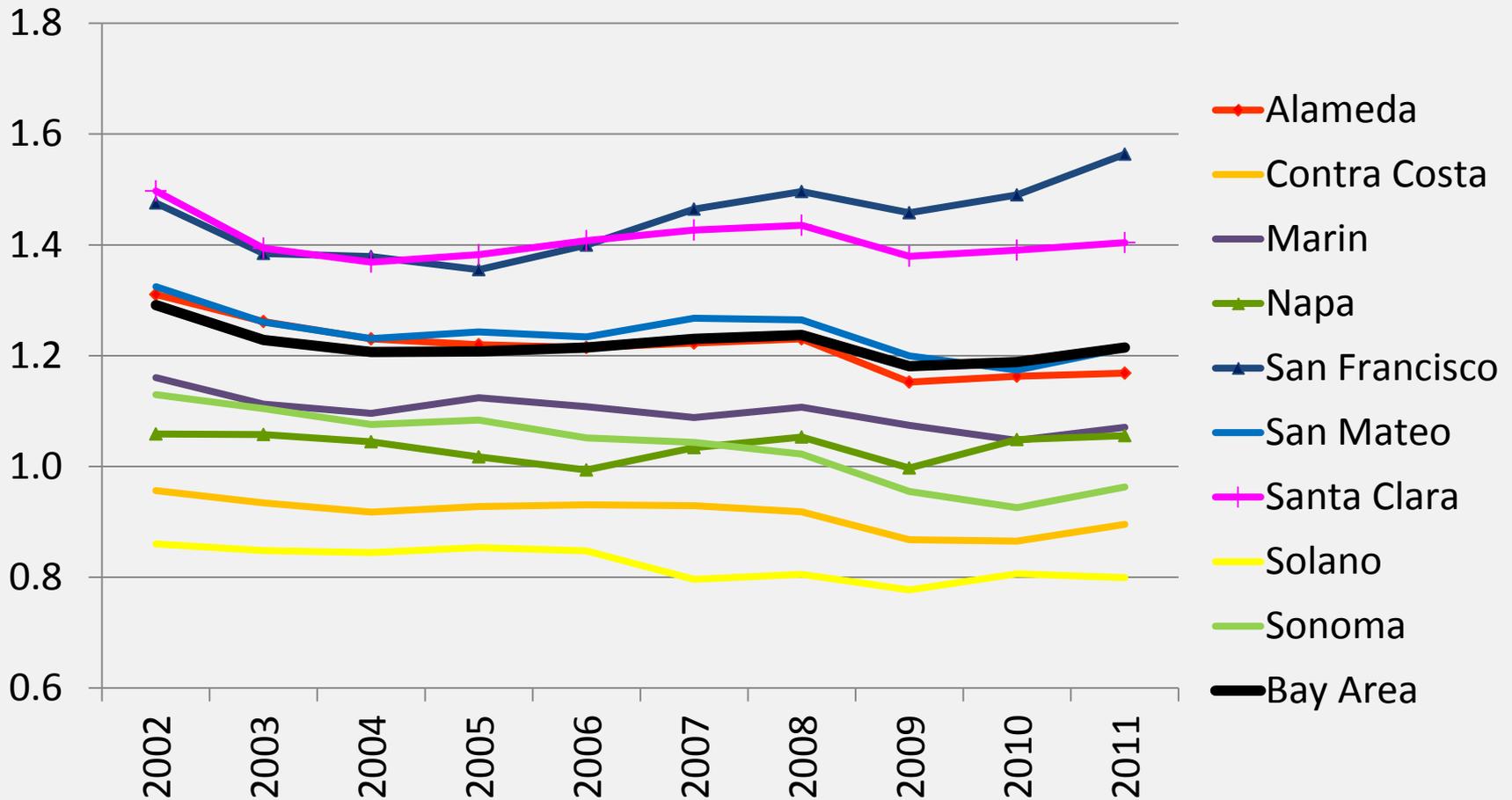
Median Gross Monthly Rent



Cost Burden Better for Owners, Worse for Renters



Diverging Jobs to Housing Ratio



Conclusions and Further Directions

- The region's economy is strong but with short term volatility
- Growth and prosperity spread unevenly throughout the region
- The population has shown signs of aging and urbanizing, but how long will it continue?
- Housing growth has lagged population and jobs, with consequences for costs, affordability, and commute patterns
- The one certainty about the economy is its changeability—forecasts and planning should account for uncertainty
- The report presents a framework for identifying changing conditions and their implications

More To Come

- **Website:**
<http://reports.abag.ca.gov/sotr/2015/>
- **Supplemental data**
- **Subject area briefs**

Thank you!

