



# San Francisco-San Mateo-Redwood City, California

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of August 1, 2013

PD&R

## Housing Market Area



The San Francisco-San Mateo-Redwood City Housing Market Area (hereafter, the San Francisco HMA), along the Pacific coast of California, consists of Marin, San Francisco, and San Mateo Counties and is coterminous with the San Francisco-San Mateo-Redwood City, CA Metropolitan Division. The HMA is a center for high-technology industry and tourism and is a regional center for government. For purposes of this analysis, the HMA is divided into three submarkets: (1) the San Francisco County submarket, which is coterminous with the city and county of San Francisco; (2) the San Mateo County submarket; and (3) the Marin County submarket.

## Summary

### Economy

Led by job growth in the professional and business services and the leisure and hospitality sectors, the economy of the San Francisco HMA has expanded since 2010, after 2 years of job losses. During the 12 months ending July 2013, nonfarm payrolls increased by 34,000 jobs, or 3.5 percent, after an increase of 34,100 jobs, or 3.6 percent, during the previous 12 months. Nonfarm payrolls are projected to increase an average of 3.2 percent annually during the 3-year forecast period. Table DP-1 at the end of this report provides employment data for the HMA.

### Sales Market

The sales housing market in the HMA is tight, with an estimated vacancy rate of 1.0 percent. Total home sales increased 10 percent, to 18,350, during the 12 months ending July 2013,

the most homes sold since the 18,650 homes sold during the 12 months ending July 2007. During the forecast period, demand is expected for 9,115 new homes (Table 1). The 3,130 homes currently under construction and a portion of the 20,450 other vacant units in the HMA that might return to the market will satisfy some of the forecast demand.

### Rental Market

The rental housing market in the HMA is tight, with an estimated overall vacancy rate of 3.3 percent, down from 5.2 percent in 2010. The average market rent in the HMA was \$2,070 in the second quarter of 2013, a 4-percent increase from the average rent of \$1,990 a year earlier. During the forecast period, demand is expected for 12,885 new market-rate rental units (Table 1). The 7,625 units currently under construction will satisfy a portion of that demand.

## Market Details

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**Table 1.** Housing Demand in the San Francisco HMA,\* 3-Year Forecast, August 1, 2013, to August 1, 2016

	San Francisco HMA*		San Francisco County Submarket		San Mateo County Submarket		Marin County Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	9,115	12,885	4,600	9,250	3,775	3,225	740	410
Under construction	3,130	7,625	2,575	5,800	480	1,625	75	200

\* San Francisco-San Mateo-Redwood City HMA.

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of August 1, 2013. A portion of the estimated 20,450 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

## Economic Conditions

The economy of the San Francisco HMA experienced two separate periods of substantial job losses during the 2000s, but payrolls have expanded at a rate more than twice the national average since 2010. Nonfarm payrolls in the HMA declined from 1,082,100 jobs in 2000 to 940,100 jobs in 2004, an average annual decrease of 35,500 jobs, or 3.5 percent, as a result of the bursting of the dot-com bubble. The economy of the HMA relies heavily on investment in high-technology industries. The amount of venture capital (funding provided to startup companies in exchange for equity) invested in the San Francisco Bay Area decreased from \$33.4 billion in 2000 to \$8.0 billion in 2004, a 76-percent decline (National Venture Capital Association). Thousands of Internet-related businesses were forced to close during this period, including Webvan, which laid off 2,000 employees in 2001, and Pets.com, which laid off 320 employees in late 2000. The greatest job losses occurred in the professional and business services sector, which includes the computer design and related services subsector, and in the information sector, which declined by averages of 12,100 and 5,375 jobs, or 5.9 and 9.1 percent,

a year, respectively. From 2004 through 2008, venture capital investment in the HMA increased 43 percent and nonfarm payrolls increased by an average of 14,150 jobs, or 1.5 percent, annually. The professional and business services sector led job gains from 2004 through 2008, expanding by an average of 8,350 jobs, or 4.4 percent, annually, and accounting for 59 percent of nonfarm payroll growth. The computer design and related services subsector expanded by an average of 2,525 jobs, or 6.9 percent, a year, as technology companies such as Twitter, Inc. (founded in 2006) and Zynga Inc. (founded in 2007) began operations. In addition, the leisure and hospitality sector expanded by an average of 2,575 jobs, or 2.2 percent, annually, with visitors' spending in the HMA increasing from \$9.6 billion in 2004 to \$12.7 billion in 2008 (Visit California).

Nonfarm payrolls in the HMA declined by an average of 30,300 jobs, or 3.1 percent, annually, from 2008 through 2010 as a result of the nationwide economic recession. Job losses were greatest in the professional and business services and the financial activities sectors, which declined by 6,300 and

4,850 jobs, or 3.0 and 5.8 percent, a year, respectively. During this period, an 18-percent decline in venture capital investment slowed the creation and expansion of startup companies.

The HMA has experienced a strong economic recovery since 2010. Non-farm payrolls expanded from 936,100 jobs in 2010 to 998,100 jobs in 2012, an average annual increase of 3.3 percent, or more than double the national rate of 1.5 percent. The professional and business services sector, which expanded by an average of 15,450 jobs, or 7.5 percent, a year led job growth

in the HMA from 2010 through 2012. The computer systems design and related services subsector accounted for 46 percent of job gains in the sector during the period, as venture capital investment increased 18 percent and several technology-oriented employers expanded or relocated their operations to the HMA. These employers included Twitter, which added approximately 700 jobs, and Salesforce.com, Inc., which added approximately 500 jobs. The leisure and hospitality sector increased by an average of 5,350 jobs, or 4.3 percent, annually, as revenue generated by tourism in the San Francisco Bay Area reached a record \$23 billion in 2012, a 13-percent increase from \$20 billion in 2010 (State of California).

Job growth continued at a strong pace during the 12 months ending July 2013, as nonfarm payrolls expanded by 34,000 jobs, or 3.5 percent (Table 2). The professional and business services sector, which is the largest employment sector in the HMA, accounting for 23.1 percent of nonfarm payrolls (Figure 1), added the most jobs, increasing by 13,300 jobs, or 6.0 percent. The computer design and related services subsector increased by 5,650 jobs, or 12.6 percent, accounting for 43 percent of job growth in the sector during the period. The leisure and hospitality sector also continued to expand, adding 6,200 jobs, a 4.7-percent increase. The mining, logging, and construction sector added 2,600 jobs, a 7.6-percent increase, as construction activity in the HMA, particularly in downtown San Francisco, accelerated. Investment in technology generated growth of 2,600 jobs, a 5.9-percent increase, in the information sector, primarily in the software and Internet publishing subsectors. The government sector, which includes 22,650 jobs with the

**Table 2. 12-Month Average Nonfarm Payroll Jobs in the San Francisco HMA,\* by Sector**

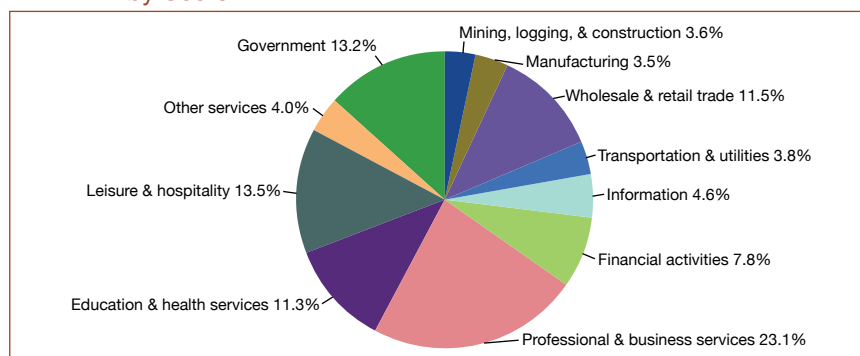
	12 Months Ending July 2012	12 Months Ending July 2013	Absolute Change	Percent Change
Total nonfarm payroll jobs	981,300	1,015,300	34,000	3.5
Goods-producing sectors	70,100	72,900	2,800	4.0
Mining, logging, & construction	34,400	37,000	2,600	7.6
Manufacturing	35,700	35,800	100	0.3
Service-providing sectors	911,200	942,400	31,200	3.4
Wholesale & retail trade	113,300	116,400	3,100	2.7
Transportation & utilities	36,400	38,200	1,800	4.9
Information	44,400	47,000	2,600	5.9
Financial activities	77,700	79,400	1,700	2.2
Professional & business services	221,200	234,500	13,300	6.0
Education & health services	112,200	114,900	2,700	2.4
Leisure & hospitality	130,800	137,000	6,200	4.7
Other services	39,800	40,700	900	2.3
Government	135,400	134,300	-1,100	-0.8

\* San Francisco-San Mateo-Redwood City HMA.

Notes: Based on 12-month averages through July 2012 and July 2013. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

**Figure 1. Current Nonfarm Payroll Jobs in the San Francisco HMA,\* by Sector**



\* San Francisco-San Mateo-Redwood City HMA.

Note: Based on 12-month averages through July 2013.

Source: U.S. Bureau of Labor Statistics

University of California, San Francisco (Table 3), was the only sector to lose jobs during the 12 months ending July 2013. The federal government and state government subsectors declined by 600 and 500 jobs, or 3.2 and 1.4 percent, respectively, because of budget tightening, and the local government subsector, which accounts for 60 percent of total government sector employment in the HMA, remained unchanged at 81,200 jobs.

The unemployment rate in the HMA averaged 6.0 percent during the 12 months ending July 2013, down from 7.5 percent during the previous 12 months and down from a peak of 9.1 percent during the 12 months ending July 2010. The average unemployment rate in the Marin County submarket

was 5.5 percent during the 12 months ending July 2013, the lowest of any county in California. The average unemployment rate in the San Francisco County submarket was 6.4 percent, and the average unemployment rate in the San Mateo County submarket was 5.9 percent. By comparison, the statewide unemployment rate averaged 9.5 percent during the 12 months ending July 2013. Figure 2 shows trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2012.

Nonfarm payrolls in the HMA are expected to expand by an average of 33,700 jobs, or 3.2 percent, each year during the 3-year forecast period. The professional and business services sector is projected to lead job gains. Salesforce.com is expected to nearly double its 3,000-employee workforce in the HMA as part of a major expansion in downtown San Francisco, and Twitter is projected to add as many as 1,800 jobs. Job growth is also forecast to continue in the education and health services sector, the fastest growing sector in the HMA, in percentage terms, since 2000 (Figure 3). The education and health services sector includes California Pacific Medical Center, with 8,550 workers, and Kaiser Permanente, with 5,425 workers. Academy of Art University, which employs 2,300 workers, plans to expand its enrollment by as many as 5,000 students during the next 4 years and is also likely to add jobs during the forecast period. The development of two new California Pacific Medical Center facilities is expected to create as many as 1,500 construction subsector jobs when it begins in 2014. The University of California, San Francisco Medical Center at Mission Bay is also in the midst of an expansion that will be complete in 2015.

**Table 3. Major Employers in the San Francisco HMA\***

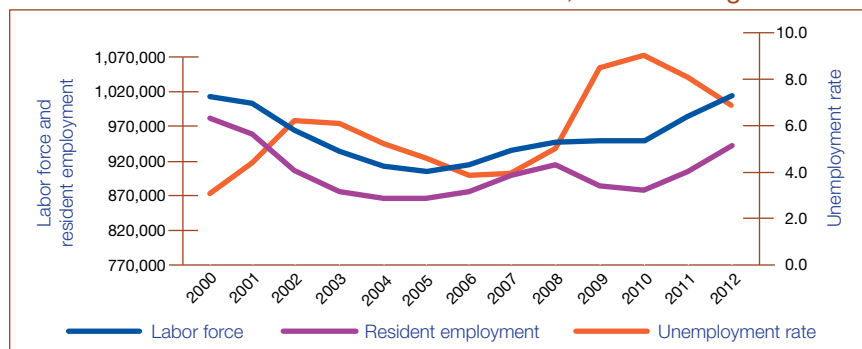
Name of Employer	Nonfarm Payroll Sector	Number of Employees
University of California, San Francisco	Government	22,650
United Airlines	Transportation & utilities	9,000
Wells Fargo & Company	Financial activities	8,950
Genentech, Inc.	Professional & business services	8,800
California Pacific Medical Center	Education & health services	8,550
Oracle Corporation	Professional & business services	7,000
Kaiser Permanente®	Education & health services	5,425
Salesforce.com, Inc.	Professional & business services	3,000
Academy of Art University	Education & health services	2,300
Zynga Inc.	Professional & business services	2,000

\* San Francisco-San Mateo-Redwood City HMA.

Note: Excludes local school districts.

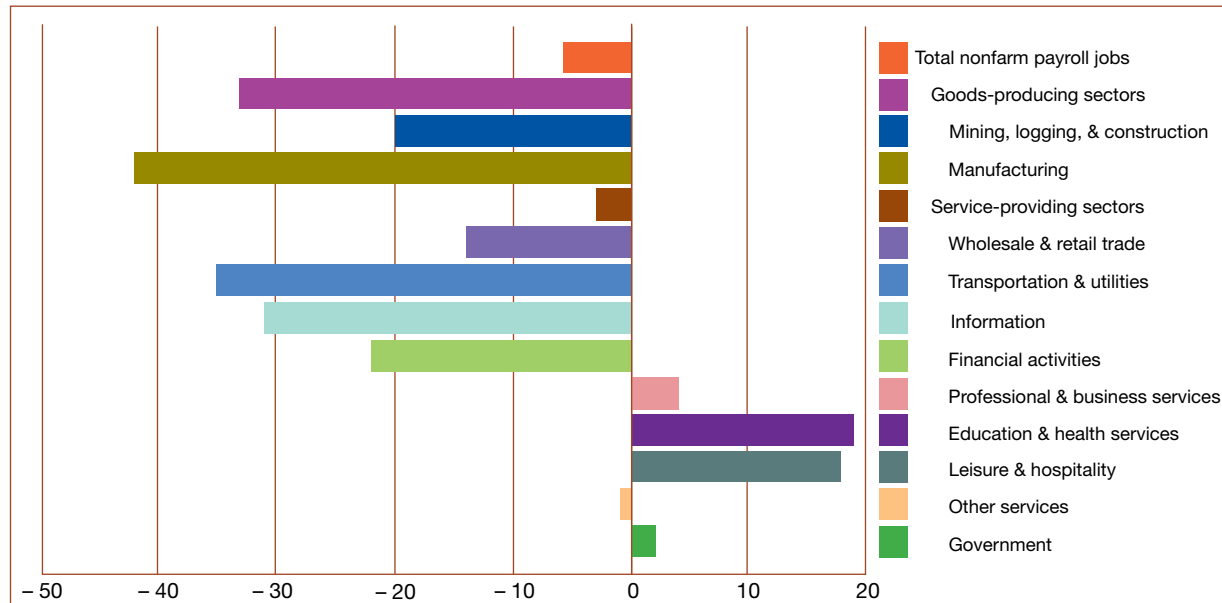
Sources: North Bay Business Journal (2013); San Francisco Business Times (2013)

**Figure 2. Trends in Labor Force, Resident Employment, and Unemployment Rate in the San Francisco HMA,\* 2000 Through 2012**



\* San Francisco-San Mateo-Redwood City HMA.

Source: U.S. Bureau of Labor Statistics

**Figure 3. Sector Growth in the San Francisco HMA,\* Percentage Change, 2000 to Current**

\* San Francisco-San Mateo-Redwood City HMA.

Note: Current is based on 12-month averages through July 2013.

Source: U.S. Bureau of Labor Statistics

## Population and Households

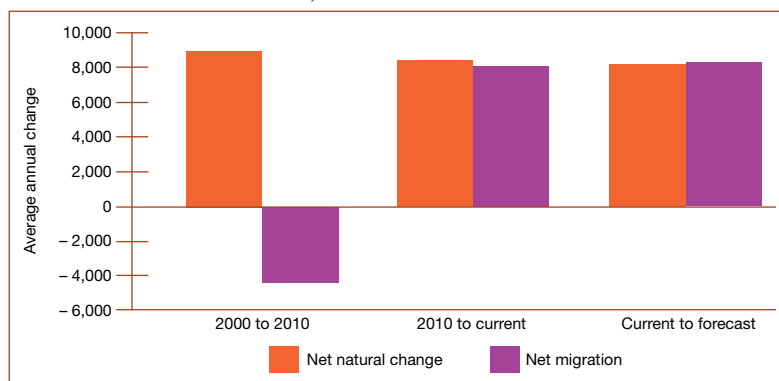
As of August 1, 2013, the estimated population of the San Francisco HMA was 1,831,000, reflecting an average annual gain of 16,450, or 0.9 percent, since April 1, 2010. The recent growth in the technology industry fueled increased net in-migration of 8,050 people annually, which has accounted for 49 percent of population growth. From 2000 through 2006, the bursting of the dot-com bubble resulted in an average annual population decline of 860 people, or 0.1 percent, as net out-migration reached an average of 9,575 people annually. According to data from the Internal Revenue Service, during this period, residents from the HMA migrated primarily to other California metropolitan areas, including San Diego, Riverside-San Bernardino, and Fresno, where job growth was stronger. Population growth resumed

from 2006 through 2009, averaging 13,250 people, or 0.8 percent, annually but slowed in 2010 to 10,225 people, or 0.6 percent, because of job losses caused by the recession.

Since 2010, improving economic conditions have led to an increase in net in-migration, primarily from outside the United States, which has resulted in increased population growth. In Silicon Valley (which includes part of the San Mateo County submarket) foreign-born entrepreneurs led 44 percent of all high-technology company startups (Kauffman Foundation, 2012 study). Figure 4 shows the components of population change in the HMA from 2000 to the forecast date.

The San Francisco County submarket is the most populous of the three submarkets in the HMA, with a current estimated population of 829,000. Since



**Figure 4. Components of Population Change in the San Francisco HMA,\* 2000 to Forecast**

\* San Francisco-San Mateo-Redwood City HMA.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

2010, population growth in the submarket has averaged 7,125 people, or 0.9 percent, annually and net in-migration has averaged approximately 3,400 people annually, accounting for 48 percent of population growth. Similar to trends in the HMA, population growth in the submarket was essentially flat from 2000 through 2006, with an average increase of 660 people annually, representing a change of less than 0.1 percent, and net out-migration averaged 1,650 people annually. Since 2007, population growth has averaged 6,200 people, or 0.8 percent, annually, and net in-migration to the submarket has averaged 3,225 people annually and accounted for 52 percent of population growth during this period.

The San Mateo County submarket has been the fastest growing submarket since 2010, as population growth has averaged 8,200 people, or 1.1 percent, annually. The current estimated population of the submarket is 745,800. The effect of the bursting of the dot-com bubble was particularly pronounced in the submarket because it serves as a bedroom community for the high-technology job centers in the cities of San Francisco and San Jose and has its own strong technology-industry base. From 2000 through 2006, net out-migration averaged 6,925 people

annually, representing more than 70 percent of total net out-migration from the HMA and nearly equal to the entire population decline recorded in the San Francisco HMA. The trend of net out-migration reversed from 2007 through 2008, when net in-migration to the submarket averaged 630 people annually. Population growth slowed from 2009 through 2010, when net out-migration averaged 940 people annually, because of the recession but has rebounded since 2010 with improving economic conditions. Since 2010, net in-migration has averaged 2,650 people annually in the submarket.

The current estimated population of the Marin County submarket is 256,000, reflecting an average annual increase of 1,075 people, or 0.4 percent, since April 1, 2010. Net natural change (resident births minus resident deaths) accounted for all the net population change from 2000 through 2006 in the submarket, as net out-migration averaged 1,025 people annually. Since 2007, population growth has averaged 1,200 people, or 0.5 percent, annually and net in-migration has averaged 480 people in the submarket.

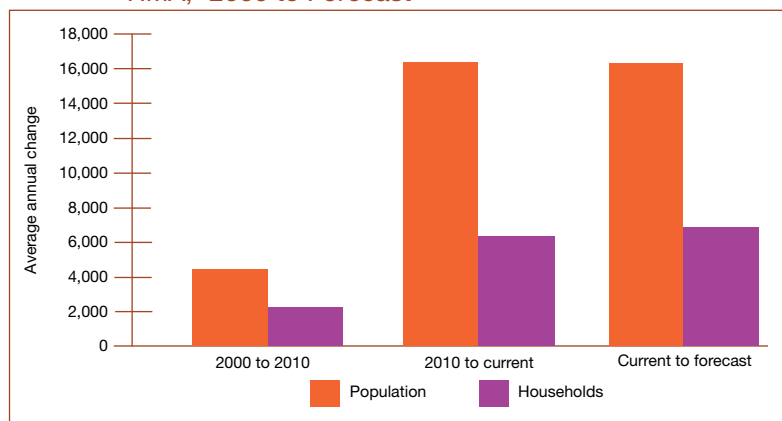
During the next 3 years, population growth in the HMA and in each of the submarkets is expected to remain

at rates similar to growth rates since 2010. Population growth for the HMA is expected to average 16,350 people, or 0.9 percent, annually. Most of the growth will be in the San Mateo County submarket, which is expected to add an average of 8,200 people, a 1.1-percent increase, annually. The

San Francisco County submarket is forecast to add an average of 7,100 people, a 0.8-percent increase, annually, and population growth in the Marin County submarket is expected to average 1,075 people, or 0.4 percent, annually.

Because of greater population growth and a trend toward smaller households, the rate of household growth in the HMA has increased more significantly since 2010 compared with household growth during the previous decade. Since 2010, the number of households in the HMA has increased by 6,400, or 0.9 percent, a year compared with an average increase of 2,250 households, or 0.3 percent, a year from 2000 to 2010 (Figure 5). In the San Francisco County submarket, household growth has averaged 4,350, or 1.2 percent, annually since 2010, compared with average annual growth of 1,600, or 0.5 percent, during the previous decade. In the San Mateo County submarket, the number of households has increased by an average of 1,600, or 0.6 percent, annually since 2010, compared with an average increase of 370 households annually from 2000 to 2010. In the Marin County submarket, household growth has nearly doubled, from an average increase of 260 households annually from 2000 to 2010 to an average increase of 480 households annually since 2010. An estimated 728,200 households currently reside in the HMA, with 360,300 households in the San Francisco County submarket, 263,200 in the San Mateo County submarket, and 104,800 in the Marin County submarket. During the 3-year forecast period, the number of households is expected to increase by an average of 6,975, or 0.9 percent, annually in the HMA. Figures 6, 7, and 8 illustrate the number of households by tenure in each submarket from 2000 to the current date.

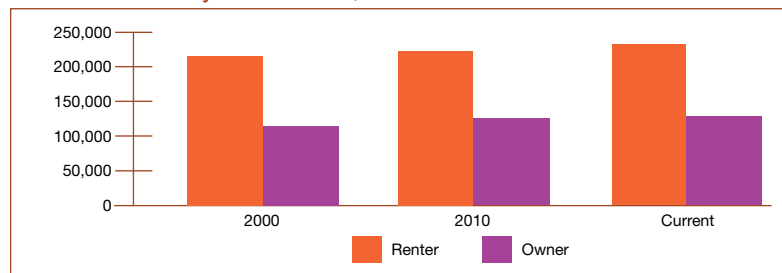
**Figure 5. Population and Household Growth in the San Francisco HMA,\* 2000 to Forecast**



\* San Francisco-San Mateo-Redwood City HMA.

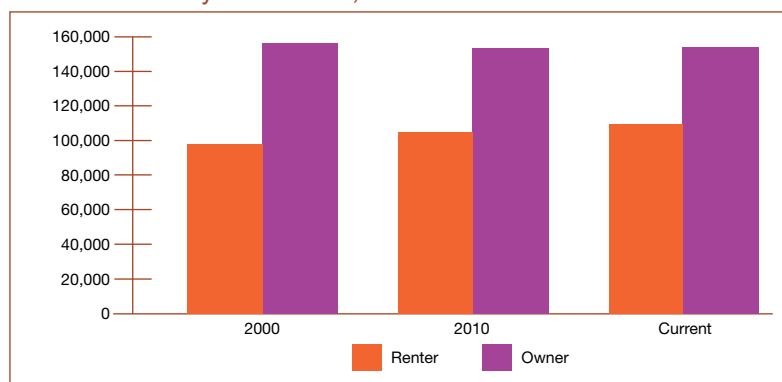
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 6. Number of Households by Tenure in the San Francisco County Submarket, 2000 to Current**



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

**Figure 7. Number of Households by Tenure in the San Mateo County Submarket, 2000 to Current**



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

**Figure 8.** Number of Households by Tenure in the Marin County Submarket, 2000 to Current

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

## Housing Market Trends

### Sales Market—San Francisco County Submarket

Sales housing market conditions in the San Francisco County submarket are tight, with a 1.4-percent sales vacancy rate, down from 2.4 percent in 2010 (Table DP-2 at the end of this report). Approximately 7,625 new and existing homes sold during the 12 months ending July 2013, a 20-percent increase from the 6,325 sold during the previous 12-month period (Metrostudy, A Hanley Wood Company). The number of home sales declined each year from 2005 through 2009, from 8,475 new and existing homes sold in 2005 to 5,775 homes sold in 2009, before increasing to 6,000 homes sold in 2010. After a 1-percent decline in 2011, the number of new and existing homes sold increased 24 percent, to 7,325, in 2012. The median time on the market for homes sold in July 2013 was 24 days, down from 30 days in July 2012 (California Association of REALTORS®).

The number of new homes sold in the submarket declined each year, at an average annual rate of 44 percent, from 1,825 in 2008 to 320 in 2011.

As a result of improving economic conditions, however, the number of new home sales has increased since 2012. During the 12 months ending July 2013, approximately 510 new homes sold in the submarket, up 32 percent from the 390 sold during the 12 months ending July 2012. The average sales price for new homes declined 8 percent, to \$920,700, during the same period, mostly because the construction of two projects with units priced well below average for the submarket accounted for more than one-third of all new home sales. Candlestick Cove, which consists of 150 townhomes ranging in price from \$476,000 for a two-bedroom unit to \$651,000 for a four-bedroom unit, and Fillmore Park, a 32-unit below market-rate condominium project for income-qualified first-time homebuyers with prices ranging from \$233,000 for a one-bedroom unit to \$336,000 for a three-bedroom unit, were both completed in mid-2012. Condominium sales comprise a significant share of total home sales because of the limited developable land in the submarket.



## Housing Market Trends

Sales Market—San Francisco County Submarket *Continued*

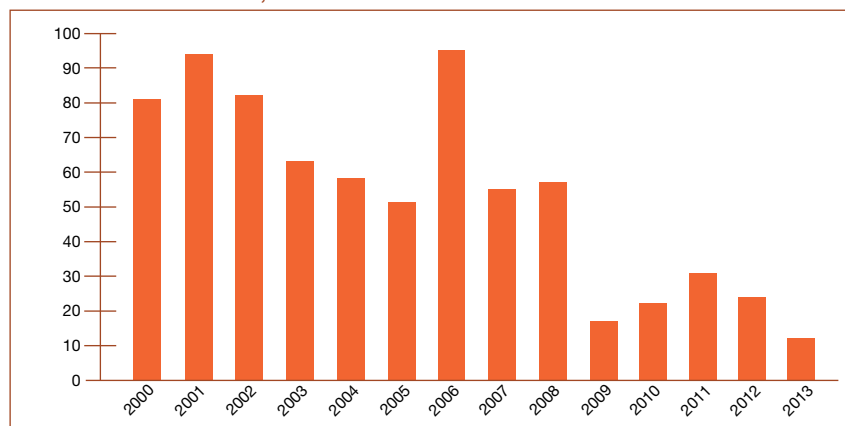
Condominiums have accounted for 94 percent of new home sales in the submarket since 2010, down from 98 percent from 2007 through 2009 because tighter lending requirements and softening housing market conditions made large-scale developments less appealing to developers. This trend appears to be reversing, however, as condominiums represent an estimated 99 percent of for-sale homes currently under construction. During the 12 months ending July 2013, the average sales price of a new condominium or townhome in the submarket was \$908,300 compared with \$1,244,000 for a new single-family home.

Sales of existing homes in the San Francisco County submarket declined an average of 13 percent a year from 2005 through 2009, as economic conditions in the HMA weakened, but increased an average of 14 percent a year from 2010 through 2012, as job growth accelerated. Existing home sales totaled 7,100 during the 12 months ending July 2013, up 20 percent from 5,950 during the previous 12 months (Metrostudy, A Hanley Wood Company). The average sales price of existing homes declined 15 percent, from a peak of \$1,015,000 in 2007 to \$859,600 in 2009, before increasing 2 percent, to \$877,100, in 2010.

A 6-percent increase in the number of REO (Real Estate Owned) sales contributed to a 3-percent decline in the average sales price of existing homes in 2011. Existing home prices have increased in the submarket since 2012, however. During the 12 months ending July 2013, the average sales price of an existing home was \$1,021,000, up 16 percent from \$880,700 during the 12 months ending July 2012. The increase in existing home prices is partially the result of a decline in the number of REO properties sold. The 610 REO sales during the 12 months ending July 2013 represented 9 percent of all existing home sales in the submarket, down from 680 sales, or 11 percent of all existing sales, during the previous 12 months. The average sales price of an REO property was \$663,200, 37 percent less than that of a non-REO sale. As of July 2013, 1.5 percent of home loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down from 2.4 percent in July 2012 and well below the national average of 6.2 percent (Black Knight Financial Services, Inc.).

Single-family home construction, as measured by the number of single-family homes permitted, averaged approximately 75 homes annually from 2000 through 2006. The average number of single-family homes permitted declined 40 percent, to 45 each year, from 2007 through 2009, as the economy and housing market weakened. Despite improving economic conditions, single-family home construction in the submarket remained subdued, averaging only 25 homes each year from 2010 to 2012. During the 12 months ending July 2013, 25 single-family homes were permitted (preliminary data), unchanged from the previous 12 months (Figure 9). As a result of the dot-com bust, new condominium construction in the

**Figure 9.** Single-Family Homes Permitted in the San Francisco County Submarket, 2000 to 2013



Notes: Includes townhomes. Includes data through July 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

Sales Market—San Francisco County Submarket *Continued*

submarket declined 63 percent, from 990 units permitted in 2000 to an average of 370 units permitted each year from 2001 through 2003. Improved economic conditions resulted in increased condominium development from 2004 through 2007, with an average of 1,150 units permitted each year. Condominium development declined sharply, to an average of 160 units permitted, from 2008 through 2009 because of job losses and weakening demand for sales housing. Job growth and a tightening sales market have resulted in increased condominium development since 2010, however. An average of 450 condominium units were permitted annually from 2010 through 2012.

Recent condominium development concentrated in the northeastern part of the submarket. The 329-unit Madrone at Mission Bay was completed in July

2011, with prices currently ranging from \$585,000 for a one-bedroom unit to as much as \$1,942,000 for a two-bedroom unit. Condominium projects currently under construction include Marlow, which will consist of 98 units with prices starting at \$725,000 for a 746-square-foot, one-bedroom unit and \$994,000 for a 954-square-foot, two-bedroom unit; the project is scheduled to be complete in early 2014. LUMINA, a 655-unit condominium project currently under construction in the Financial District, will become the largest condominium development in the submarket on its scheduled completion in 2015. Prices have yet to be released, but the project will consist of units ranging from studio to three-bedroom units and include 10,500 square feet of retail space.

During the 3-year forecast period, demand in the San Francisco County submarket is expected for 4,600 new homes (Table 1). The 2,575 homes currently under construction and a portion of the 11,500 other vacant units that might return to the market will satisfy some of the forecast demand. Table 4 illustrates the estimated demand for new sales housing in the submarket by price range. Demand is estimated to be greatest in the first year of the forecast period and to moderate during the second and third years, as job growth and net in-migration are expected to slow slightly.

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the San Francisco County Submarket, August 1, 2013, to August 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
525,000	724,999	780	17.0
725,000	924,999	1,000	22.0
925,000	1,124,999	920	20.0
1,125,000	1,324,999	740	16.0
1,325,000	1,524,999	550	12.0
1,525,000	1,724,999	370	8.0
1,725,000	and higher	230	5.0

*Note: The 2,575 homes currently under construction and a portion of the estimated 11,500 other vacant units in the submarket will likely satisfy some of the forecast demand.*

*Source: Estimates by analyst*

## Rental Market—San Francisco County Submarket

The rental housing market in the San Francisco County submarket is currently tight, with an estimated vacancy rate of 3.2 percent, down from 5.5 percent in April 2010 (Figure 10). Strong economic growth and net in-migration to the submarket since 2010 have increased demand for rental housing. The apartment vacancy rate was 3.5

percent during the second quarter of 2013, relatively unchanged from 3.6 percent during the second quarter of 2012 (Reis, Inc.). Of the six Reis-defined market areas (hereafter, areas) that comprise the San Francisco County submarket, apartment vacancy rates in the second quarter of 2013 were lowest in the Marina/Pacific Heights

## Housing Market Trends

### Rental Market—San Francisco County Submarket *Continued*

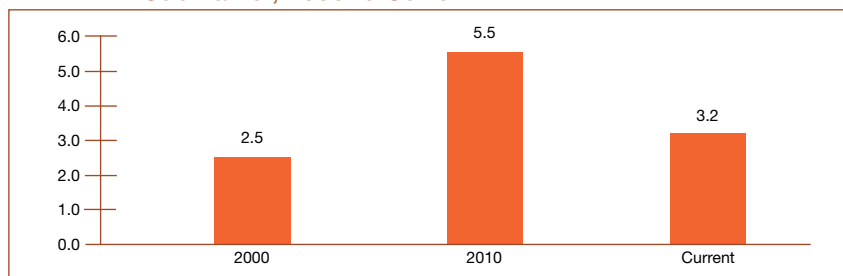
and the Russian Hill/Embarcadero areas, at 1.9 and 2.4 percent, respectively. During the second quarter of 2013, the average market rent in the San Francisco County submarket increased nearly 4 percent, to \$2,225, from the same quarter a year ago and increased 13 percent from the average rent of \$1,960 during the second quarter of 2010. Average rents increased more than 3.5 percent in four of the six Reis-defined areas, including Haight/Ashbury, Russian Hill/Embarcadero, South of Market, and West San Francisco, with average rents of \$2,175, \$2,800, \$2,550, and \$2,125, respectively. Average rents in the Civic Center area increased 2.8 percent, to \$1,625, and average rents in the Marina/Pacific Heights area increased 3.0 percent, to \$2,400.

Since 2011, nearly 70 percent of the multifamily units permitted in the San Francisco County submarket have

been apartments. Because of significant job losses and reduced rental demand, apartment construction slowed to an average of 330 units permitted annually from 2008 through 2010 compared with an average of 1,800 units permitted annually from 2005 through 2008, during the peak of apartment construction. Multifamily construction activity increased by approximately 1,450 units, or 62 percent, to 3,775 units during the 12 months ending July 2013 (preliminary data) compared with multifamily construction activity during the previous 12 months (Figure 11). NEMA, a 754-unit apartment complex with studio, one-bedroom, and two-bedroom units, currently is under construction in the Civic Center area. The development will consist of two towers and two midrise buildings, with occupancy of the 24-story south tower and 11-story south midrise expected in October 2013 and completion of the 37-story north tower and 15-story north midrise expected by March 2014. Rents in the south tower and south midrise buildings range from \$2,425 to \$2,750 for studio units starting at 470 square feet and from \$3,125 to \$4,725 for one-bedroom units starting at 757 square feet. Of the 317 planned units in the north tower and north midrise, 12 percent are reserved for low- to middle-income households, in accordance with a city of San Francisco inclusionary policy. The below market-rate units include 22 studios with monthly rents of \$939 and 16 one-bedroom units with monthly rents of \$1,066. The north tower will contain studio, one-bedroom, and two-bedroom units, with 54 below market-rate units.

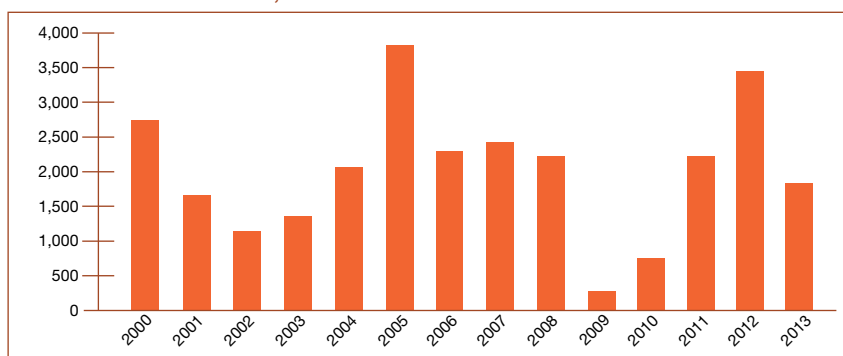
The arrival of high-technology companies such as Twitter made the Civic Center area attractive for new residential development. Of the apartment units currently under construction in the San Francisco County submarket, 41 percent are in the Civic Center area.

**Figure 10. Rental Vacancy Rates in the San Francisco County Submarket, 2000 to Current**



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

**Figure 11. Multifamily Units Permitted in the San Francisco County Submarket, 2000 to 2013**



Notes: Excludes townhomes. Includes data through July 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

### Rental Market—San Francisco County Submarket *Continued*

The area has experienced significantly increased levels of construction since 2011, and 40 major residential, commercial, and nonprofit construction projects, including NEMA, are currently under way there. The largest residential project currently under construction in the area is Trinity Place, which is in its third phase of construction. Eventually, the project will contain four apartment towers with 1,900 studio and one-bedroom units, 60,000 square feet of commercial space, a 42,000-square-foot open plaza, and 1,450 off-street parking spaces. The second phase of construction, completed in June 2013, added 418 units to the project. Two apartment buildings with 858 units currently are occupied. The currently underway demolition of the Del Webb's Towne

House hotel will allow for the start of the third phase of construction, consisting of 545 units. The construction of the remaining 497 units of the project currently is in the early stages of planning. Rents start at \$2,314 for studio units and \$2,574 for one-bedroom units.

During the 3-year forecast period, demand is expected for 9,250 rental units (Table 1). Demand is expected to decrease during the second and third years of the forecast period as economic growth moderates. The 5,800 apartment units currently under construction will meet more than 60 percent of the forecast demand. Table 5 shows the estimated demand by rent level and number of bedrooms for new market-rate rental housing in the submarket during the forecast period.

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the San Francisco County Submarket, August 1, 2013, to August 1, 2016

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
2,400 to 2,599	430	2,900 to 3,099	3,075	3,625 to 3,824	1,500	4,950 to 5,149	960
2,600 to 2,799	1,500	3,100 to 3,299	340	3,825 to 4,024	1,000	5,150 to 5,349	240
2,800 to 2,999	210						
Total	2,125	Total	3,425	Total	2,500	Total	1,200

*Notes:* Numbers may not add to totals because of rounding. The 5,800 units currently under construction will likely satisfy some of the estimated demand.

*Source:* Estimates by analyst

## Sales Market—San Mateo County Submarket

The sales housing market in the San Mateo County submarket is tight, with a current estimated vacancy rate of 0.7 percent, down from 1.3 percent in 2010 (Table DP-3 at the end of this report). Job growth and increased net in-migration have resulted in increased existing home sales since 2010. The number of existing homes sold, including single-family homes and condominiums, increased to 7,200 during the 12 months ending July 2013, up slightly from 7,175 sold during the previous 12 months (Metrostudy,

A Hanley Wood Company). By comparison, the number of existing homes sold increased 5 percent during the 12 months ending July 2012. Existing home sales remain less than the previous peak, however. From 2005 through 2007, an average of 8,375 existing homes sold annually in the submarket, before the number of existing homes sold declined to an average of 5,875 annually from 2008 through 2010.

The average sales price of an existing home increased 19 percent, to



## Housing Market Trends

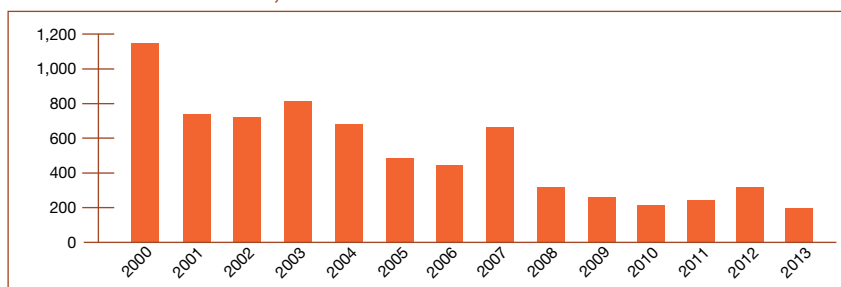
Sales Market—San Mateo County Submarket *Continued*

\$984,900, during the 12 months ending July 2013 compared with a 1-percent increase during the previous 12 months. Existing home sales prices peaked at \$1,016,000 during 2007 before declining roughly 24 percent, to \$769,600, during 2009. The sales price of an existing home in the submarket averaged \$816,400 from 2010 through 2011. Much of the decline in existing home sales prices from 2007 through 2009 was because of an increase in the number of REO sales. During 2005 and 2006, before the housing market downturn, REO sales accounted for less than 1 percent of all existing home sales in the submarket; the share increased to more than 3 percent during 2007 and peaked at 25 percent during 2009. REO sales accounted for 20 percent of existing home sales from 2010 through 2011 and approximately 10 percent of existing home sales during the 12 months ending July 2013, down from 18 percent during the previous 12 months. The average sales price of an REO home during the 12 months ending July 2013 was \$593,000, 42 percent less than the \$1,028,000 average sales price of a non-REO existing home. As of July 2013, 2.0 percent of home loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down from 3.5 percent in July 2012 and 4.5 percent in July 2011 (Black Knight Financial Services, Inc.).

The number of new homes sold in the San Mateo County submarket increased to 170 during the 12 months ending July 2013, up 16 percent from the previous 12 months. By comparison, the number of new homes sold decreased 46 percent during the 12 months ending July 2012. The number of new homes sold peaked at 540 in 2007 but declined to 340 in 2008. Despite job growth, the number of new homes sold averaged only 260 annually from 2009 through 2012 because relatively high foreclosure rates limited demand for new sales housing. The average sales price of new homes in the submarket was \$626,300 during the 12 months ending July 2013, down 5 percent from the previous 12 months. The decline coincided with a 14-percent decrease in the average size of new homes sold; the average sales price per square foot increased 8 percent, from \$450 to \$490. The average new home sales price currently is 20 percent less than the average of \$783,200 recorded from 2005 through 2007 and 15 percent less than the average of \$736,500 recorded from 2008 through 2010.

Since 2010, job growth and net immigration in the submarket have resulted in increased single-family homebuilding activity, as measured by the number of single-family homes permitted, but single-family permitting remains less than historic averages. During the 12 months ending July 2013, 350 single-family homes were permitted (preliminary data), a 29-percent increase from the 270 permitted during the previous 12 months. From 2000 through 2007, an average of 710 single-family homes were permitted annually, but the number of single-family homes permitted declined each year from 2008 through 2010 (Figure 12) as a result of job losses in the San Francisco HMA. An average of 260 single-family homes were

**Figure 12.** Single-Family Homes Permitted in the San Mateo County Submarket, 2000 to 2013



Notes: Includes townhomes. Includes data through July 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst



## Housing Market Trends

Sales Market—San Mateo County Submarket *Continued*

permitted each year from 2008 through 2010, which is approximately 64 percent less than the annual average of 710 from 2000 through 2007.

A number of new developments recently opened in the San Mateo County submarket. Landsdowne, which

consists of 93 two- to four-bedroom townhomes in the city of San Mateo, opened in early 2013 with prices starting at \$730,000. Tri Pointe Homes opened Amelia at Bay Meadows in March of 2013. The development consists of 63 two-bedroom townhomes in the city of San Mateo with prices starting at \$725,900.

During the next 3 years, demand is expected for 3,775 new homes (Table 1). The 480 homes currently under construction and some of the estimated 4,300 other vacant units that will likely reenter the market will satisfy part of the forecast demand. Prices for new units currently start at \$325,000. Table 6 presents detailed information on the estimated demand for new market-rate sales housing, by price range, in the submarket during the 3-year forecast period.

**Table 6.** Estimated Demand for New Market-Rate Sales Housing in the San Mateo County Submarket, August 1, 2013, to August 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
325,000	499,999	1,050	28.0
500,000	599,999	570	15.0
600,000	699,999	1,250	33.0
700,000	799,999	450	12.0
800,000	1,099,999	380	10.0
1,100,000	1,399,999	40	1.0
1,400,000	and higher	40	1.0

*Note: The 480 homes currently under construction and a portion of the estimated 4,300 other vacant units in the submarket will likely satisfy some of the forecast demand.*

*Source: Estimates by analyst*

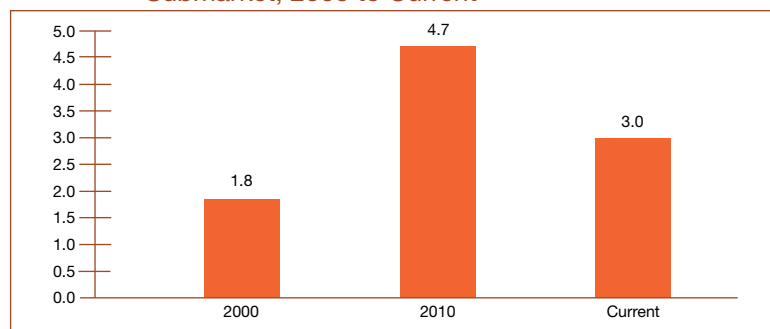
## Rental Market—San Mateo County Submarket

As a result of limited multifamily construction and increased population growth since 2010, the rental housing market in the San Mateo County submarket remains tight, with an estimated overall rental vacancy rate of 3.0 percent, down from 4.7 percent in April 2010 (Figure 13). Recent multifamily building activity resulted in a slight increase in the apartment vacancy rate, from 2.6 percent during the second quarter of 2012 to 3.3 percent during

the second quarter of 2013 (Reis, Inc.). The average market apartment rent in the submarket was \$1,900 during the second quarter of 2013, up nearly 6 percent from \$1,800 during the second quarter of 2012 and up 17 percent from \$1,625 during the second quarter of 2010.

Economic growth and an influx of young professionals with a preference for renting apartments have spurred multifamily development, as measured by the number of multifamily units permitted, since 2010. During the 12 months ending July 2013, 700 multifamily units were permitted, a 100-percent increase compared with the 350 units permitted during the previous 12-month period (Figure 14). All the multifamily construction during the 12 months ending July 2013 was of apartment units. By comparison, an average of only 200 units were permitted annually from 2009 through

**Figure 13.** Rental Vacancy Rates in the San Mateo County Submarket, 2000 to Current



*Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst*

## Housing Market Trends

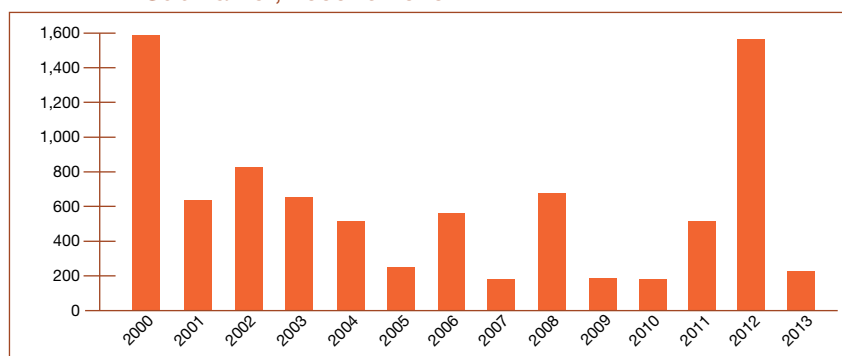
### Rental Market—San Mateo County Submarket *Continued*

2010, as job losses and net out-migration resulted in reduced multifamily construction. Occupancy of the recently completed, 307-unit The Plaza, in Foster City, began in February 2013 with rents starting at \$2,825 for one-bedroom/one-bathroom units, \$3,125 for two-bedroom/two-bathroom units, and \$4,500 for three-bedroom/

two-bathroom units. The complex also contains 60 affordable units reserved for households with incomes at or below 50, 80, and 120 percent of the Area Median Income.

Demand is expected for 3,225 new rental units during the next 3 years. Demand is expected to be strongest during the first 2 years of the 3-year forecast period because of the in-migration of young professionals to the submarket, a result of growth in high-technology industries. As economic growth moderates during the forecast period, rental demand is anticipated to decline. The 1,625 units currently under construction will meet a portion of the forecast demand (Table 1). Table 7 shows the estimated demand, by rent level and number of bedrooms, for new market-rate rental housing in the submarket during the forecast period.

**Figure 14.** Multifamily Units Permitted in the San Mateo County Submarket, 2000 to 2013



Notes: Excludes townhomes. Includes data through July 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 7.** Estimated Demand for New Market-Rate Rental Housing in the San Mateo County Submarket, August 1, 2013, to August 1, 2016

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
1,900 to 2,099	260	2,400 to 2,599	900	3,000 to 3,199	1,025	4,400 to 4,599	390
2,100 to 2,299	65	2,600 to 2,799	230	3,200 to 3,399	260	4,600 to 4,799	95
<b>Total</b>	<b>320</b>	<b>Total</b>	<b>1,125</b>	<b>Total</b>	<b>1,300</b>	<b>Total</b>	<b>480</b>

Notes: Numbers may not add to totals because of rounding. The 1,625 units currently under construction will likely satisfy some of the estimated demand.

Source: Estimates by analyst

## Sales Market—Marin County Submarket

The sales housing market in the Marin County submarket is tight, with a current estimated vacancy rate of 1.0 percent, down from 1.3 percent in 2010 (Table DP-4 at the end of this report). Job growth and net in-migration have resulted in increased existing home sales in the submarket since 2011. During the 12 months ending July 2013, the number of existing home sales increased 10 percent, to 3,350 homes (Metrostudy, A Hanley Wood Company) compared with a 29-percent increase during the previous 12 months.

From 2005 through 2007, an average of 3,250 existing homes sold each year in the submarket, before sales dropped to an average of 2,300 homes annually from 2008 through 2011.

The average sales price of an existing home increased 16 percent, to \$920,800, during the 12 months ending July 2013 compared with a 5-percent decline during the previous 12 months. Existing home prices peaked at approximately \$1,104,000 in 2007 before declining 27 percent, to \$804,900, in 2012. Much

## Housing Market Trends

Sales Market—Marin County Submarket *Continued*

of the decline in existing home prices during this time was because of an increase in the number of REO sales. In 2007, before the housing market downturn, REO sales accounted for less than 1 percent of all existing home sales in the submarket. REO sales accounted for 9 percent of existing home sales during the 12 months ending July 2013, down from 18 percent during the previous 12 months. The average price of an REO sale in the submarket was \$573,900 during the 12 months ending July 2013, 40 percent less than the average of \$954,000 for a non-REO sale. As of July 2013, 1.9 percent of home loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down from 3.2 percent in July 2012 and one-half of the 3.8-percent rate recorded in July 2011 (Black Knight Financial Services, Inc.).

During the 12 months ending July 2013, 15 new homes sold in the Marin County submarket, unchanged from the previous 12 months. New home sales have remained subdued since declining from an average of 290 each year from 2005 through 2007 to 35 and 10 new homes sold in 2008 and 2009, respectively. Despite improving economic conditions, the average sales price of a new home in the submarket declined 6 percent, to \$752,300, during the 12 months ending July 2013, 49 percent less than the peak of \$1,462,000 in 2007 and 28 percent less than the

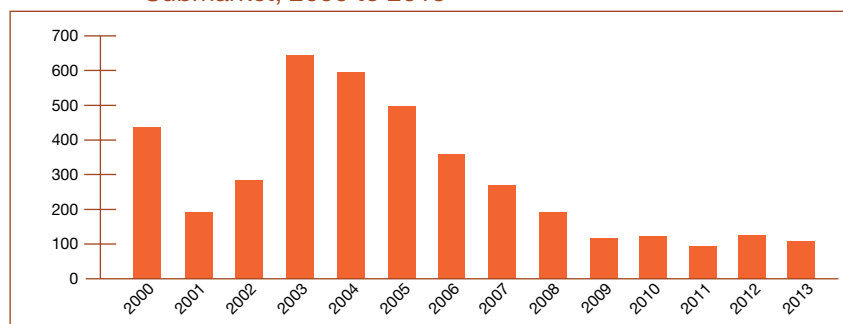
average sales price of \$1,043,000 from 2008 through 2011. The prolonged decline in new home sales prices is in part because of an increased concentration of new home sales in the less expensive northern part of the submarket, particularly the city of Novato. Condominiums are not a significant part of the new home sales market in the submarket, accounting for none of the new homes sold since 2009.

Greater net in-migration resulted in increased single-family homebuilding activity, as measured by the number of single-family homes permitted, during the most recent 12 months. The level of new single-family home construction remains low relative to historic averages, however. The number of single-family homes permitted increased to 150 during the 12 months ending July 2013 (preliminary data), up 50 percent from the 100 homes permitted during the previous 12-month period. Single-family homebuilding activity peaked at 640 homes in 2003 but declined each year from 2004 through 2009 (Figure 15). From 2010 through 2012, an average of 120 homes were permitted annually, nearly 80 percent less than the average of 580 a year recorded from 2003 through 2005.

Stringent regulations limiting high-density development in the southern portion of the Marin County submarket pushed much of the new home construction to the northern portion. The Landing at Hamilton, in Novato, the largest single-family development currently under way in the submarket, includes 27 lots with new homes starting at \$840,000.

During the next 3 years, demand is expected for 740 new homes (Table 1). Demand is expected to increase each year during the 3-year forecast period but remain below the levels recorded in the mid-2000s. The 75 homes currently under construction and some

**Figure 15.** Single-Family Homes Permitted in the Marin County Submarket, 2000 to 2013



Notes: Includes townhomes. Includes data through July 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

Sales Market—Marin County Submarket *Continued***Table 8.** Estimated Demand for New Market-Rate Sales Housing in the Marin County Submarket, August 1, 2013, to August 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
400,000	599,999	130	18.0
600,000	799,999	150	20.0
800,000	999,999	160	22.0
1,000,000	1,199,999	120	16.0
1,200,000	1,399,999	75	10.0
1,400,000	1,599,999	60	8.0
1,600,000	and higher	45	6.0

*Note: The 75 homes currently under construction and a portion of the estimated 4,650 other vacant units in the submarket will likely satisfy some of the forecast demand.*

*Source: Estimates by analyst*

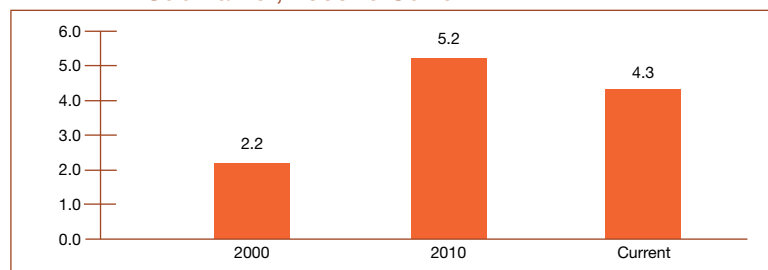
of the estimated 4,650 other vacant units that will likely reenter the sales market will satisfy part of the forecast demand. Sales prices for new units currently start at \$400,000. Table 8 presents detailed information on the estimated demand for new market-rate sales housing, by price range, in the submarket during the forecast period.

## Rental Market—Marin County Submarket

Rental housing market conditions in the Marin County submarket are tight, with an estimated overall rental vacancy rate of 4.3 percent, down from 5.2 percent in April 2010 (Figure 16). Limited land availability and resistance to high-density projects among existing residents have restricted multifamily development in the submarket in the past, resulting in an apartment market that is tighter than the overall rental market. As of September 2013, nearly 49 percent of the land in the submarket was under local, state, or federal protection. By comparison, approximately 19 percent of the land in the San Francisco County submarket and 39 percent of the land in the San Mateo County submarket was under local, state, or federal protection as of September 2013 (California's Protected Areas Database; 2010 Census). The

apartment vacancy rate was 1.9 percent during the second quarter of 2013, down from 2.1 percent during the second quarter of 2012 and 3.3 percent during the second quarter of 2010 (Reis, Inc.). The average market rent increased nearly 4 percent, to \$1,725, during the second quarter of 2013 compared with the average market rent during the same period a year earlier. Single-family homes made up about 38 percent of the rental inventory in the Marin County submarket in 2010, up from 31 percent in 2000 (2000 and 2010 Censuses).

The very tight rental market conditions recently led to increased multifamily development in the Marin County submarket. Multifamily building activity, as measured by the number of units permitted, increased despite the obstacles to multifamily development. During the 12 months ending July 2013, 330 multifamily units were permitted, up from 110 in the previous 12-month period (preliminary data). From 2004 through 2006, multifamily construction activity averaged 320 units permitted annually (Figure 17). Projects currently under construction include 195 Tamal Vista, a 180-unit development in Corte Madera with one-, two-, and three-bedroom units within walking

**Figure 16.** Rental Vacancy Rates in the Marin County Submarket, 2000 to Current

*Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst*

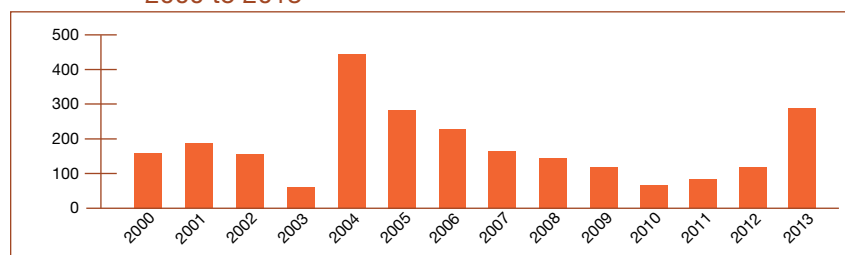
## Housing Market Trends

### Rental Market—Marin County Submarket Continued

distance of a transit site with bus service to the city of San Francisco. The development, which has not yet announced asking rents, will include 18 affordable units restricted to qualifying low- to moderate-income households. The project is expected to be complete by early 2014, with occupancy beginning in the spring.

Demand is expected for 410 rental units in the submarket during the 3-year forecast period. The 200 units currently under construction will satisfy a portion of the demand (Table 1). Table 9 shows the estimated demand, by rent level and number of bedrooms, for new market-rate rental housing in the submarket during the forecast period.

**Figure 17.** Multifamily Units Permitted in the Marin County Submarket, 2000 to 2013



Notes: Excludes townhomes. Includes data through July 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 9.** Estimated Demand for New Market-Rate Rental Housing in the Marin County Submarket, August 1, 2013, to August 1, 2016

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
1,450 to 1,649	5	2,100 to 2,299	35	2,550 to 2,749	35	3,000 to 3,199	15
1,650 to 1,849	10	2,300 to 2,499	60	2,750 to 2,949	65	3,200 to 3,399	35
1,850 to 2,049	5	2,500 to 2,699	20	2,950 to 3,149	35	3,400 to 3,599	20
		2,700 to 2,899	20	3,150 to 3,349	35	3,600 to 3,799	15
Total	25	Total	140	Total	160	Total	85

Notes: Numbers may not add to totals because of rounding. The 200 units currently under construction will likely satisfy some of the estimated demand.

Source: Estimates by analyst



# Data Profiles

**Table DP-1. San Francisco HMA\* Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	981,205	878,219	961,100	- 1.1	3.6
Unemployment rate	3.1%	9.0%	6.0%		
Nonfarm payroll jobs	1,082,100	936,100	1,015,000	- 1.4	3.2
Total population	1,731,183	1,776,095	1,831,000	0.3	0.9
Total households	684,453	706,858	728,200	0.3	0.9
Owner households	335,548	341,393	348,800	0.2	0.6
Percent owner	49.0%	48.3%	47.9%		
Renter households	348,905	365,465	379,400	0.5	1.1
Percent renter	51.0%	51.7%	52.1%		
Total housing units	712,093	759,187	765,100	0.6	0.2
Owner vacancy rate	0.6%	1.7%	1.0%		
Rental vacancy rate	2.3%	5.2%	3.3%		
Median Family Income	\$75,219	\$96,800	\$101,600	2.6	2.4

\* San Francisco-San Mateo-Redwood City HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through July 2013. Median Family Incomes are for 1999, 2009, and 2011.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

**Table DP-2. San Francisco County Submarket Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	776,733	805,235	829,000	0.4	0.9
Total households	329,700	345,811	360,300	0.5	1.2
Owner households	115,391	123,646	129,800	0.7	1.5
Percent owner	35.0%	35.8%	36.0%		
Rental households	214,309	222,165	230,400	0.4	1.1
Percent renter	65.0%	64.2%	64.0%		
Total housing units	346,527	376,942	381,200	0.8	0.3
Owner vacancy rate	0.8%	2.4%	1.4%		
Rental vacancy rate	2.5%	5.5%	3.2%		

Note: Numbers may not add to totals because of rounding.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

**Table DP-3. San Mateo County Submarket Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	707,161	718,451	745,800	0.2	1.1
Total households	254,103	257,837	263,200	0.1	0.6
Owner households	156,133	153,110	153,800	- 0.2	0.1
Percent owner	61.4%	59.4%	58.4%		
Rental households	97,970	104,727	109,400	0.7	1.3
Percent renter	38.6%	40.6%	41.6%		
Total housing units	260,576	271,031	272,000	0.4	0.1
Owner vacancy rate	0.5%	1.3%	0.7%		
Rental vacancy rate	1.8%	4.7%	3.0%		

*Note: Numbers may not add to totals because of rounding.*

*Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst*

**Table DP-4. Marin County Submarket Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	247,289	252,409	256,000	0.2	0.4
Total households	100,650	103,210	104,800	0.3	0.5
Owner households	64,024	64,637	65,150	0.1	0.2
Percent owner	63.6%	62.6%	62.2%		
Rental households	36,626	38,573	39,650	0.5	0.8
Percent renter	36.4%	37.4%	37.8%		
Total housing units	104,990	111,214	111,900	0.6	0.2
Owner vacancy rate	0.7%	1.3%	1.0%		
Rental vacancy rate	2.2%	5.2%	4.3%		

*Note: Numbers may not add to totals because of rounding.*

*Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst*

## Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census  
 2010: 4/1/2010—U.S. Decennial Census  
 Current date: 8/1/2013—Analyst's estimates  
 Forecast period: 8/1/2013–8/1/2016—Analyst's estimates

The metropolitan division definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated December 1, 2009, and does not reflect changes defined by the OMB Bulletin dated February 28, 2013.

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

**Other Vacant Units:** In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

**Building Permits:** Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction

activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to [www.huduser.org/publications/pdf/CMARtables\\_SanFrancisco-SanMateo-RedwoodCityCA\\_14.pdf](http://www.huduser.org/publications/pdf/CMARtables_SanFrancisco-SanMateo-RedwoodCityCA_14.pdf).

## Contact Information

Casey Blount, Economist  
 San Francisco HUD Regional Office  
 415-489-6520  
[casey.m.blount@hud.gov](mailto:casey.m.blount@hud.gov)

Elaine Ng, Economist  
 San Francisco HUD Regional Office  
 415-489-6777  
[elaine.ng@hud.gov](mailto:elaine.ng@hud.gov)

This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to  
[www.huduser.org/publications/econdev/mkt\\_analysis.html](http://www.huduser.org/publications/econdev/mkt_analysis.html).