

ESTIMATED UNPAID COMMERCIAL RENT IN SAN FRANCISCO DUE TO THE COVID-19 PANDEMIC

Report for Supervisor Ahsha Safai

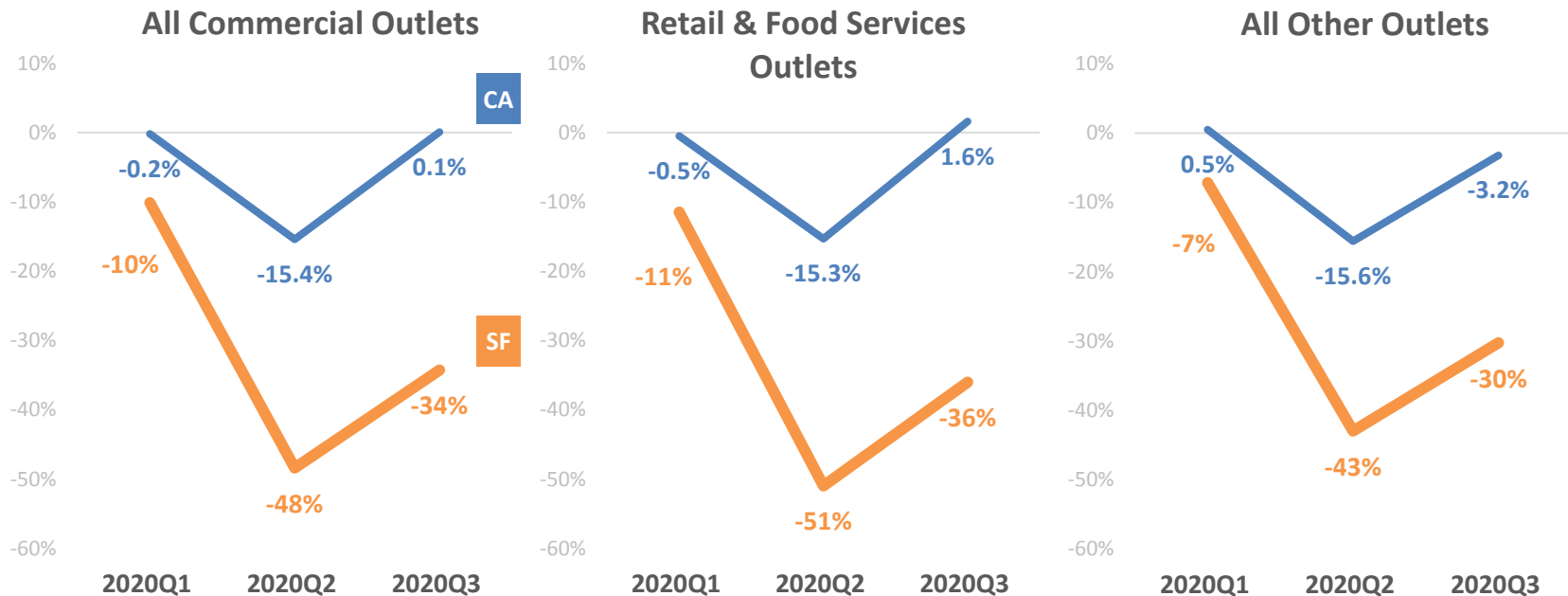
Presentation to:
BUDGET & APPROPRIATIONS COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

June 9, 2021

Information from report for Supervisor Ronen, March 18, 2021

SF taxable sales down 48 percent in Q2 2020, or \$2.6 bn., vs. 2019

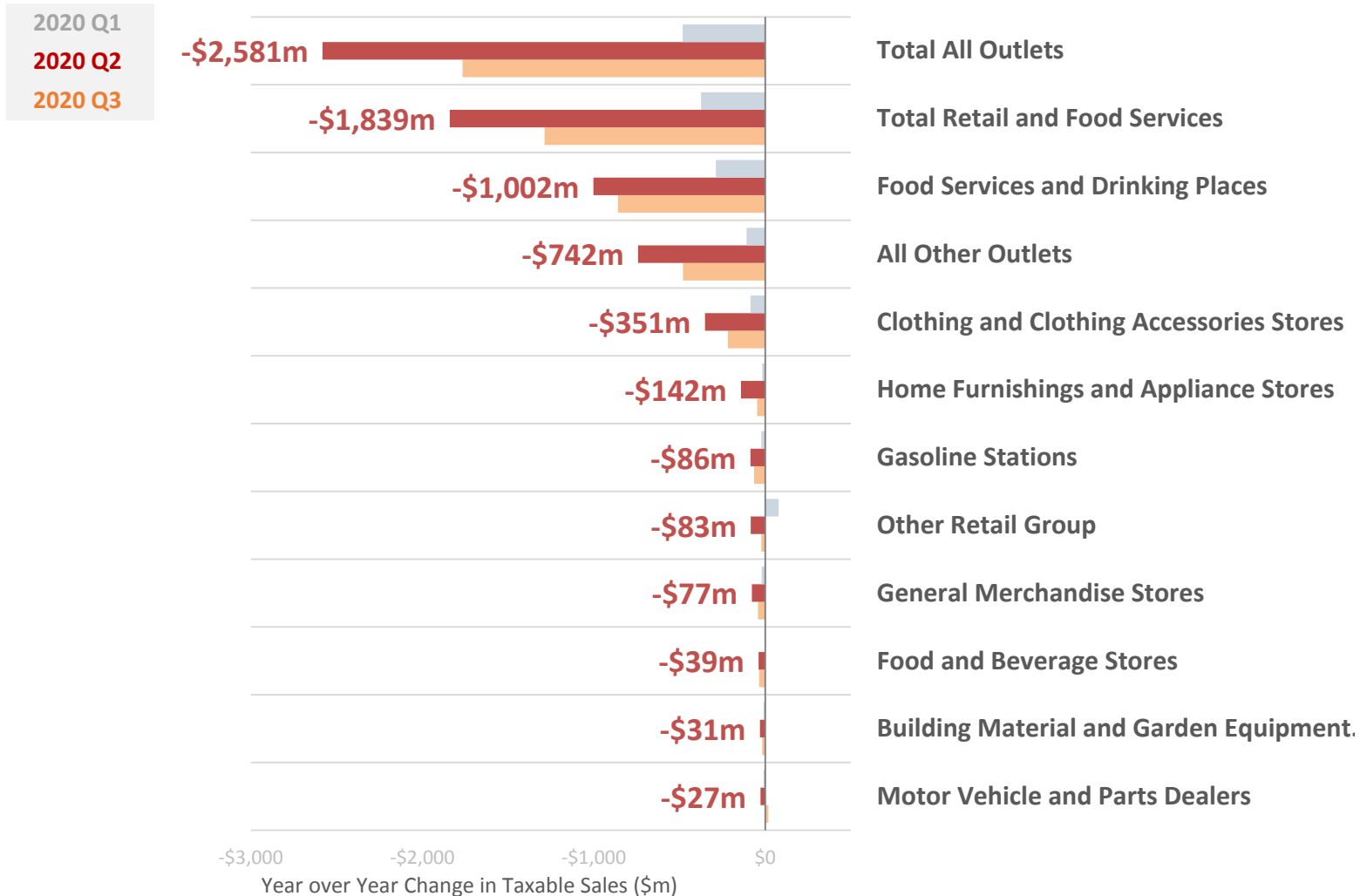
Year over Year % Change in Taxable Sales by Business Type in California & San Francisco County, 2020Q1 to 2020Q3



- 38 percent of the reduction, or \$1 bn., came from Food and Drink Services businesses
- Food Services and Drinking Places were still down 67 percent in the 3rd quarter of 2020 compared to 2019

Retail & food service sales down 51% in Q2 2020 vs. 2019 (-\$1.8 bn.); -36% in Q3

Year over Year Change in Taxable Sales by Business Type in San Francisco County



BLA estimate: \$19 - \$45 mn. unpaid rent per month retail & office during COVID

Sector	Rented CRE* Total Occupied Rented CRE Sq. Ft.	Rent Due		Unpaid Rent	
		Rental Rate per Sq. Ft. per year	Total CRE Rent Due per Month (\$m)	% of Rent Unpaid	Total Unpaid Rent per Month (\$m)
Office	60.9 - 77m	\$ 58.24 - 76.47	\$ 295.9 - 490.8m	0.2 - 0.3%	\$ 0.59 - 1.47m
Retail (Single Use/ Office & Retail)	21 - 26m	\$ 55.73 - 65.47	\$ 97.7 - 142.2m	8.52 - 13.63%	\$ 8.33 - 19.38m
Retail (Commercial & Residential)	9.7m	\$ 44.9 - 44.9	\$ 36.4 - 36.4m	28 - 56%	\$ 10.2 - 20.4m
Hotel/ Accommodation	NA	NA	NA	NA	NA
Industrial	20.5 - 35.5m	\$ 29.64 - 29.64	\$ 50.8 - 87.8m	0 - 4.2%	\$ 0 - 3.69m
Total	112.3 - 148.4m	\$ 51.37 - 58.29	\$ 481 - 720.9m	6.1 - 6.2%	\$ 19.1 - 44.9m
<i>Retail (Total)</i>	<i>40.7 - 47.3m</i>	<i>\$ 52.3 - 59.87</i>	<i>\$ 134.2 - 178.6m</i>	<i>13.8 - 22.27%</i>	<i>\$ 18.53 - 39.78m</i>

*CRE = commercial real estate

Cumulative unpaid commercial rent: impacts of prolonged shutdown

BLA Estimates of Unpaid Commercial Rent in San Francisco: Projections for 1, 3, 6, & 9 months

Sector	1 month	3 months	6 months	9 months
Office	\$0.6 - 1.5m	\$1.8 - 4.4m	\$3.6 - 8.8m	\$5.3 - 13.3m
Retail (Single Use/ Office & Retail)	\$8.3 - 19.4m	\$25 - 58.2m	\$50 - 116.3m	\$75 - 174.5m
Retail (Mixed Use with Residential)	\$10.2 - 20.4m	\$30.6 - 61.2m	\$61.2 - 122.4m	\$91.8 - 183.6m
Industrial	\$0 - 3.7m	\$0 - 11.1m	\$0 - 22.1m	\$0 - 33.2m
Total	\$19.1 - 44.9m	\$57.4 - 134.8m	\$114.7 - 269.7m	\$172.1 - 404.5m
<i>Retail (Total)</i>	<i>\$18.5 - 39.8m</i>	<i>\$55.6 - 119.4m</i>	<i>\$111.2 - 238.7m</i>	<i>\$166.8 - 358.1m</i>

Questions and comments

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Full report prepared for Supervisor Ronen available at: <https://sfbos.org/budget-legislative-analyst-reports>