

Commercial Real Estate's Contribution to the Local Economy: U.S. Private Office Sector, San Francisco

| Office Market | Total Outlay ⁱ | Total Contribution to GRP ⁱⁱ | New Personal Earnings ⁱⁱⁱ | Jobs Supported ^{iv} |
|---------------|---------------------------|---|--------------------------------------|------------------------------|
| San Francisco | \$1,280,000,000 | \$2,453,378,249 | \$653,681,988 | 14,370 |

Source: Fuller, PhD, Stephen S., "The Contribution of Office Building Operating Outlays on the U.S. and States' Economies in 2009," BOMA International, Washington, D.C., February 2010

- BOMA San Francisco is one of the City's oldest business organizations. BOMA San Francisco members own, operate and service more than **75 million square feet** of office space locally.
- The commercial office building industry is a significant contributor to the City's economic engine. In 2009, the office building industry contributed **\$2.5 billion** to San Francisco's economy. Further, the San Francisco office building industry contributed \$3 billion to California's gross state product.
- Real estate is a leading employer. Firms in the commercial real estate industry employ building managers, asset managers, custodial staff, security staff, brokers, and accountants and retain a myriad of other services through contracts, such as legal consulting, landscape maintenance, and window cleaning to name just a few. In 2009, San Francisco's office building industry supported **14,370 jobs at the local level**. At the state level, San Francisco's office building industry supported **23,227 jobs**. These jobs are generated as a result of the office building operating outlays throughout the breadth of the local, state and national economies and they are in addition to the direct employment on site to operate and service these office buildings.
- The **\$1.3 billion in operating outlays** by San Francisco office building owner/operators generated **\$653,681,988 in new personal earnings** for workers residing within this office market.

- In San Francisco, secured commercial parcels represent 31% of the City's asset valuation. Office buildings represent an assessed value of **\$22,130,170,999** according to the 2009 Assessor's Annual Report.
- Local property taxes paid by the commercial office sector over the last decade amounted to **\$1,805,844,575** according to the tax collector's office.
- In addition to annual property taxes, office building sales generate substantial revenues for San Francisco in the form of property transfer taxes. In the last decade, office building sales have generated **\$762,003,100** in additional revenues to The City according to the Assessor.

ⁱ The total annual outlay for office building operations for private office buildings exceeding 10,000 square feet and not owner occupied. Government buildings are excluded.

ⁱⁱ The total contribution of the annual outlays for office building operations in the local office market on the city's economy – gross regional product.

ⁱⁱⁱ Represents the new personal earnings (wages and salaries) generated as a result of the office building operating outlays. These new personal earnings represent new income that accrues to local workers residing within the state.

^{iv} Represents the employment impact of the total office building operating outlays. Jobs supported by these outlays reflect the indirect and induced job impacts and do not include the jobs directly associated with building operations (these are estimated at 20-25 full-time job equivalents per 100,000 square feet of office building).