
FOR THE EXCLUSIVE USE OF INFO@DOWNTOWNSF.ORG

From the San Francisco Business Times:

<https://www.bizjournals.com/sanfrancisco/news/2022/03/30/san-francisco-sought-a-big-return-to-office-in-mar.html>

San Francisco sought a big return to office in March. Did it happen?

Mar 30, 2022, 2:54pm PDT **Updated: Mar 30, 2022, 5:06pm PDT**

In early March, San Francisco Mayor London Breed elicited pledges from over two dozen of the city's biggest companies to help re-energize largely moribund downtown by making plans in March to bring workforces back on site under the title, "Welcome Back to San Francisco."

As the designated back-to-work month drew to a close, a momentum-boosting wave of thousands of workers streaming back to their downtown offices has as yet failed to materialize. But even as some of those companies, including Visa, Bank of America, Uber and Salesforce, unveil plans to return large portions of their workforces back to the office, hybrid work schedules and corporate policies that accommodate those who prefer to be fully remote mean that the effect of any eventual return is likely to be muted.



TODD JOHNSON | SAN FRANCISCO
BUSINESS TIMES

Bank of America is back in the office five days a week and Gioia McCarthy, market president for San Francisco and the East Bay, says she sees signs downtown is starting to rebound.

San Francisco's downtown, in other words, is not going to resemble its pre-pandemic self anytime soon, and whether it's enough to throw a lifeline to restaurants, retailers and others who have been waiting two years for the return of the downtown office crowd remains to be seen.

Those coming into the office in San Francisco stood at 31.2% of the pre-pandemic level for the week that ended March 23, up 1.1 percentage point from the prior week, according to the latest weekly occupancy report from Kastle, which provides workplace security systems. San Jose stood at 32.1%, up 1.9 percentage point from the prior week. The Bay Area cities are the lowest of any major metro in the country, far behind Austin at 52.9%, and even hard-hit New York at 36.1%

"I don't think we're going to be up there with the leading metros for some time. We'd be lucky to get there this year," Ted Egan, chief economist in the controller's office for the City and County of San Francisco, told me.

Egan is also monitoring daily exits from the BART stations in or near downtown San Francisco — at Embarcadero, Montgomery, Powell and Civic Center. The numbers illustrate the long road back for the city's downtown. Weekday riders exiting the four downtown stations combined is 25% of pre-pandemic normal at best, Egan said. The Powell station hits as high as 50% — on some weekends, when shoppers are coming downtown.

Other data shows downtown San Francisco is rebounding but is nowhere near pre-pandemic levels. San Francisco's Downtown Community Benefit District saw just 42,000 unique workers in its district between January 1 and March 15. That's up from the 23,000 unique workers during that period a year-ago but far behind the 101,000 unique workers in 2020 or the almost 112,000 in 2019, according to the DowntownSF CBD, citing data from geolocation company Placer.ai. The DowntownSF CBD excludes Salesforce Tower and Embarcadero Center, two of the largest concentrations of office workers in downtown San Francisco.

Although Mayor Breed and business leaders made much fanfare of their call for a big return to work in early March, the Mayor's Office had a more nuanced message this week.

“Downtown’s economic revival isn’t going to happen in one day or one month, but the major employers in San Francisco who joined the pledge are committed to the city’s economic success, and we’re going to continue to do everything we can to make downtown inviting to employees and appealing to employers,” Andy Lynch, a spokesperson in the San Francisco Mayor’s Office, told me Wednesday. “This month is the start of a transition for many of them to either return full-time to the office or to a hybrid model, and we know that will be an ongoing process as companies work out what their policies will look like moving forward.

“We expect that some version of work-from-home policies will remain,” Lynch added.

Still, major players are now fleshing out the terms and specifics of a return-to-the office.

Visa and Uber are among the Bay Area companies asking employees to be in the office at least half the time, while Bank of America expects employees in the office five days a week.

“We’ve chosen a hybrid working model where most employees will spend at least half of their time in the office,” Uber said on March 22. Last summer, Uber indicated that employees will have more freedom to choose their preferred office location from a list of team hubs instead of being limited to their pre-pandemic location. Employees will also have flexibility in deciding when they work in the office.

“While we still believe in the value of in-person collaboration and the community that builds, we also value our employees having the choice to decide where they want to work while they’re not in the office,” Uber told employees last summer in the company’s return-to-office blog. “Our hope is that this provides a chance to spend more time with family, an opportunity to explore new places, and a refreshing change of scenery.”

Visa, which employs 500 at its One Market headquarters in downtown San Francisco, has set April 5 as the return-to-office date for its entire workforce.

“We believe that our best thinking and most innovative ideas come from in-person collaboration with each other,” Visa said. Visa will

require that employees be in the office half the time, with attendance required on so-called collaboration days on Tuesdays and Wednesdays. Visa is also allowing employees to work remotely for four weeks a year, but must take that time in full-week increments.

Then there's Salesforce, which is embracing work from anywhere but still sees value in meeting in person.

"Generally, we've been seeing week-over-week increases with employees coming into the office," said Salesforce spokesperson Brittany Hendrickson. For the week of March 14, Salesforce saw more than 2,500 people come into the office, more than 25% of the company's San Francisco workforce. The prior week was about 20%.

Some of those working downtown say they see the early signs of a renaissance.

"I walk to work everyday, so I see the difference," said Bank of America market president Gioia McCarthy, adding that she's seeing more commuter traffic, taxis in front of the Fairmont and other hotels and a busier Montgomery Street at lunchtime. "There's so much that comes from having a strong downtown."

Robbie Silver, executive director of the DowntownSF CBD, was eager to tout this week the 70% increase in workers coming back between January and March, with pedestrian traffic along Montgomery Street more than doubling over the first three months of the year.

"It is a big worry for me when tech companies say to their workforce, 'Go ahead and work from home forever.' They're dangerous words to the sustainability and economic health of the city and downtown," Silver said.

Mark Calvey

Senior Reporter

San Francisco Business Times



