



## San Francisco Is On The Verge Of An Economic Reckoning

### Description

USA: Known for decades as a bug hive of progressive ideology and ground zero for many socialist movements within the US, San Francisco is no stranger to instability. However, the political schizophrenia of the region was long tempered by extensive business interests and California's profit potential. Entrepreneurs helped to balance out the cultism and CA was lucky enough to see unprecedented economic fortune. Many leftist politicians to this day try to take credit for the prosperity of the state, but the days of wine and roses are long gone.

While LA lost its shining gloss in the early 1970s when crime rates began to skyrocket, San Francisco was able to hold on to its affluent image for much longer and was once considered one of the greatest cities in the US. The silicon valley revolution extended the otherwise dwindling life span of the area as major tech companies set up shop well into the 2000s, but the past decade in particular has not been so kind to the Bay Area.

This may be because the traditional dynamic has changed. The free market mentality of the business contingent used to keep the insanity of the Frisco leftist ideologues in check, but now, the corporate world has joined the cult and is engaging in activism right along side all the crazies. There is no longer any balance – California and specifically San Francisco went “full retard.”

The city is now famous for its depravity and decline. With multiple “poop tracking” apps to help residents avoid stepping in human fecal matter piled on the sidewalks as well as entire neighborhoods and street corners overrun with homeless people and Fentanyl addicts, it's very hard for the city to play itself off as a destination of dreams (though they still try). Much like LA and the city of Portland, wherever the political left takes full control these are the kinds of unfortunate scenes you are likely to witness on a regular basis in San Francisco:

Recent estimates project at least 20,000 homeless will reside in the city in 2022, and poverty levels will remain around 11.3% of the population. Previous homeless estimates date back to 2019, and surveys were skipped in 2020 due to the covid lockdowns. The Bay Area's crime rates are FAR above the national average according to FBI stats, with property crime more than double that of the rest of the US.

The social implosion along with the draconian CA covid mandates caused hundreds of thousands of people to flee the state. Progressives moved out of the major cities as well, but only about one hour away on average. The top destinations for people leaving San Francisco were Sacramento, Stockton and San Diego according to U-Haul statistics. The rumors of conservative states like Texas being overtaken by CA leftists are greatly exaggerated, but the stats do show that CA residents are indeed moving away from the big cities in large numbers and expanding into 2nd tier cities and smaller towns close by.

San Francisco saw a 6.8% population decline from 2020 to 2021. Sales tax revenues dropped by 50% from 2019 to 2020 and city officials do not expect a recovery until 2025.

The effects of the exodus along with political mismanagement by Democrats is leading to a complete implosion of California's major cities. The mainstream media and the state's PR spin teams are fond of citing their global financial standings, but what they have been hiding is the steady decline in major population centers and the fact that places like San Francisco are built on foundations of economic sand.

The most visible signals of collapse are in the real estate market for now. Residential home sales have cratered by around 30% and prices are beginning to drop. Though, a loss in home sales is happening across the country and median home prices in California spiked by at least 36% in the past two years. It's unlikely that they will fall back to previous lows anytime soon, even with the Federal Reserve raising interest rates.

The real damage is in commercial real estate. Mass office vacancies in San Francisco have not been repaired and the city's downtown recovery has ranked dead-last out of 60 US metropolitan areas. Commercial property value losses are now estimated to average around 40%. In some cases, bids for office space in downtown San Francisco are coming in at 60%-70% less than they would have in 2019.

The region's core financial support comes from the wealth activity in the city's center, and now it's crumbling because no businesses want to operate there (nor can many of them afford to operate there due to taxation). The amazing thing is, they did it to themselves.

Impractical and destructive green tech and carbon laws, totalitarian covid lockdowns and mandates, extremely high taxes and endless bureaucratic red tape have all incrementally sabotaged the cities of the Golden State. And, the worst of it began the moment business interests decided to stop caring about profits and growth and instead felt the need to virtue signal their political loyalties and push leftist propaganda. This emboldened far-left factions within the cities and gave them a free pass to implement whatever insane policies they wanted. Thus, the golden goose has been destroyed.

CA politicians and leftists will continue to deny reality, but the state is on life support and it's fading fast. San Francisco is a prime example of the obvious fall. By this time next year they won't even try to hide it, they'll only be looking for a scapegoat to blame.

by Tyler Durden

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