

# THE WORLD SHUNS CORRUPT, CRONY, INSIDER-TRADING SAN FRANCISCO

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[San Francisco's hotel industry is being squeezed so badly by crime and homelessness that THREE more sell at foreclosure and revenue is now 23% LOWER than in 2019](#)



Convention bookers are choosing cities such as Las Vegas for events rather than San Francisco due to the crime and homelessness that are rife in the City by the Bay.

**San Francisco's hotel industry is being squeezed by crime and homelessness driving convention bookers away as THREE more sell at foreclosure and revenue is now 23% LOWER than in 2019**

- San Francisco hotels continue to struggle post Covid-19 as crime and homelessness impact the industry
- Multiple hotels are facing foreclosure with as many 20 hotels having loans due by 2025
- Revenue is 23 percent lower than it was in 2019 with convention bookers opting to stay away from the crime ridden city

By [PAUL FARRELL](#)

- [Westfield Mall Abandons San Francisco Amid Massive Retail Crime Wave](#)

Convention bookers are choosing cities such as [Las Vegas](#) for events rather than San Francisco due to the crime and [homelessness](#) that are rife in the City by the Bay.

That is one of the main reasons that the city's lodging industry continues to struggle in the wake of the Covid-19 pandemic with revenue close to 23 percent lower per available room than it was in 2019, reports [the Wall Street Journal](#).

The Journal's report mentions that Yotel San Francisco hotel was sold at a foreclosure auction while in the face of foreclosure, the owners of the Huntington Hotel also sold up. Club Quarters San Francisco could also go the same way having been defaulting on its loan since 2020.

Data company [CoStar](#) said that over 20 hotels in San Francisco have loans due by 2025. The hotels or the exact amount that they owe has not been made public.

Tom Baltimore, the chairman and CEO for Park Hotels and Resorts, told WSJ that San Francisco's 'path to recovery remains clouded and elongated by major challenges - both old and new.'



That comes amid a retail crisis that deepened in May when Nordstrom announced the impending closures of its flagship store and Nordstrom Rack.

In a statement, the company made a diplomatic reference to the 'dramatically' changed 'dynamics' of downtown San Francisco, 'impacting customer foot traffic... and our ability to operate successfully.'

Hotel consulting firm AVE CEO Michelle Russo told the Journal that concerns over safety have left San Francisco as a no-go area for convention organizers. Russo said that the impact of a lack of conventions will be felt for some time as most organizers book space years in advance.

Due to this reason 'hotels are not worth as much today as they were pre-Covid in San Francisco,' Russo said.

Park Hotels and Resorts is no longer repaying back a loan that was secured by the Hilton San Francisco Union Square and Parc 55 San Francisco. The two have 3,000 rooms between them.

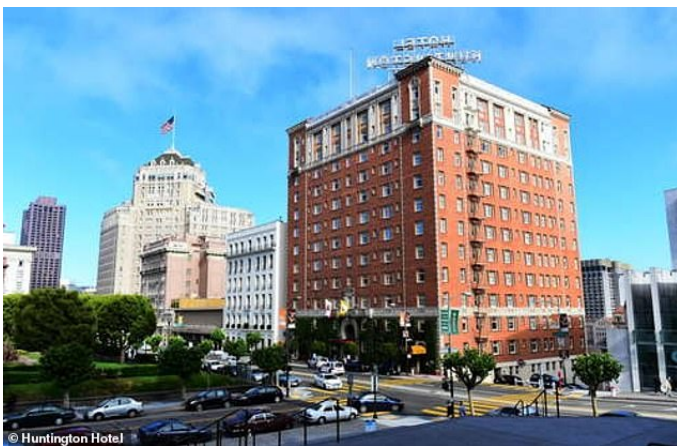
Top retailers like Nordstrom, H&M and Gap have withdrawn from the city in recent months with companies blaming concerns for the safety of staff and customers in the 'deteriorating' downtown district, where drugtaking and crime is rife.

The situation is compounded by data which reveals footfall in the city's struggling downtown is at just 32 percent of pre-Covid levels. The public transport network is also on the brink of a catastrophic failure as passenger numbers remain similarly dire, according official forecasts.

Leaders estimate the situation will contribute to a budget shortfall of \$1.3 billion in five years. The decline in property tax revenue alone could cost nearly \$200 million per year, according to a worst-case scenario drawn up by the city's chief accountant.

DailyMail.com has repeatedly [highlighted these grim hotspots](#) and their devastating impacts on communities.

In terms of tourism, compared against 2019, overnight visits to the city are down 31 percent while Chinese visitor numbers are still low. The Journal reports that there has been a slight uptick in domestic tourists generally in the city.



© Huntington Hotel  
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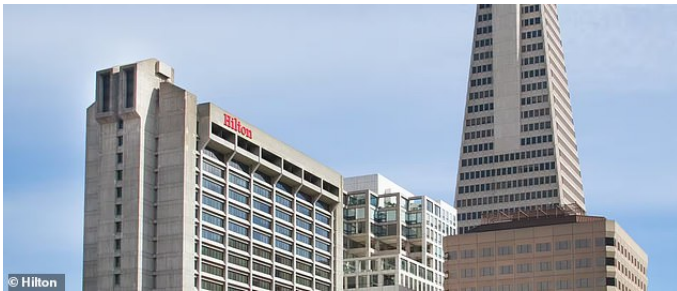
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[AT&T becomes latest San Francisco casualty: Telecommunications giant shuts flagship store as major retailers, including Cinemark and Nordstrom shut up shop in Westfield mall](#)



AT&T has announced that it will close its flagship store in downtown San Francisco.

The Huntington on Nob Hill was sold at a foreclosure auction earlier this year after its owners defaulted on a \$56.2million mortgage



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The Hilton San Francisco Financial District faces a \$97million loan maturation in 2024 and could be the next San Francisco hotel to see its owners leave



San Francisco's largest hotel, the Hilton Union Square, left, is set to be foreclosed upon as the owner of the hotel and Parc 55, right, announced on Monday that it will no longer make payments on its \$725 million loan



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Traveler numbers remain down in San Francisco have not return to its pre-pandemic figures



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Graph of San Francisco's hotel room rate relative to other major US markets. San Francisco is the only city that has not yet bounced back to its 2019 levels

Westfield, which operates the mall where Nordstrom was based, was less delicate in its assessment. It blamed the 'deteriorating situation in downtown San Francisco' and 'unsafe conditions for customers, retailers, and employees'.

H&M closed its flagship store in the 2020 and the lease for its Westfield property is set to expire in January.

A damning report published in May said [95 retailers in the city's downtown](#) have closed since the start of the Covid pandemic. The departing business include desirable brands

Lululemon, Ray Ban to Christian Louboutin.

CoStar's senior director of hospitality Emmy Hise told [the San Francisco Chronicle](#) that the issue of crime and stores leaving the area have impacted the public's view of the Bay Area.

'Most downtowns are struggling with this issue,' she said. 'San Francisco has been getting a lot of the national press.'

The Huntington was sold to two hotel investment and management firms that say they plan to ['restore and elevate every aspect'](#) of the hotel, 'returning it to its original glory while reestablishing it as the single finest luxury hotel in San Francisco.'

The hotel defaulted on its \$56.2million mortgage.



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Major stores continue to back out of crime-ridden San Francisco, with a disturbing report showing 95 retailers downtown - more than half - have closed since the start of the COVID pandemic. This map shows a small selection of the big-name departures



© Pedro Cole for DailyMail.com

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San Francisco is dealing with widespread crime, homeless and drug use that has driven away companies and consumers



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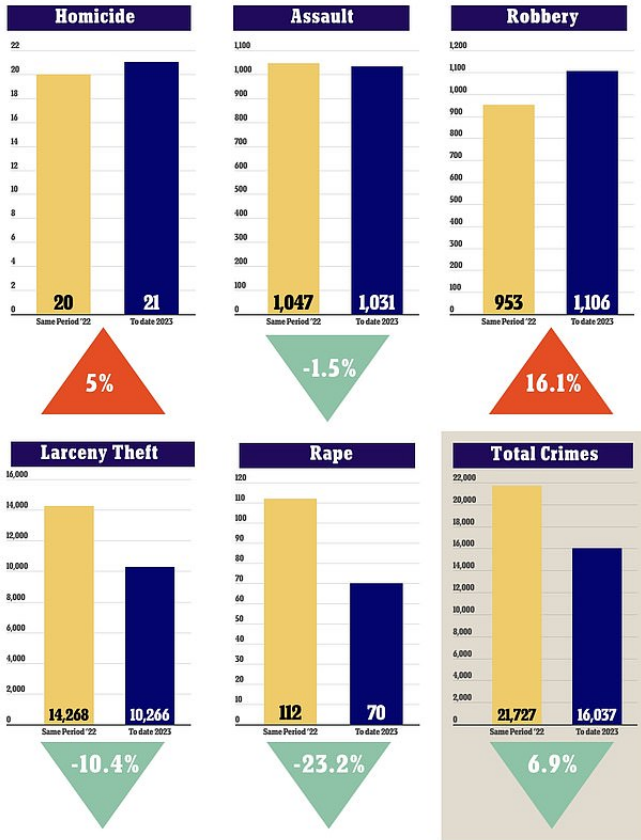
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The number of homeless people in San Francisco was tallied in February of last year at almost 8,000



# Crime in San Francisco

Through May 2023



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Homicides in the city are now up 5 percent from the same time last year, while robberies are up more than 16 percent

The Yotel on Market Street, a tech-savvy hotel with micro hotel rooms, was purchased last year for \$62million at a foreclosure auction.

Its owner, Synapse Development Group, [defaulted on \\$64.5million](#) in loans last March. It was purchased by New York-based investment firm Monarch Alternative Capital.

San Francisco has struggled to rebound following the pandemic, much more so than other major cities. Its daily hotel room rate of \$234 over the course of the last year is below 2019 levels. While every other major market is above 2019 figures - partially due to inflation.

The city's highest spending group of leisure tourists were from China, and they were barred from returning until the Chinese government ended its strict travel controls earlier this year.

Corporate travel has also taken a hit as tech firms reduce firm size and attempt to cut costs. Some major conferences formerly hosted in San Francisco have also chosen new cities due to rising crime.

A significant handful of high-profile criminal episodes, in addition to a number of retail closures prompted by rampant and unprosecuted theft, have tarnished the city's image to potential visitors.

According to one analysis, San Francisco is suffering from the slowest downtown recovery of any of the 62 largest cities in the US and Canada post-pandemic.

Making that recovery even slower are the stores that have announced they are ditching the downtown area.

Nordstrom, Whole Foods, Saks Off 5th, Anthropologie, Banana Republic, Old Navy and Office Depot have all made the decision to abandon their downtown locations. Williams-Sonoma also announced it will shut down in 2024.

Out of 203 retailers open in 2019 in the city's Union Square area, just 107 are still operating, a drop of 47 percent in just a few pandemic-ravaged years.

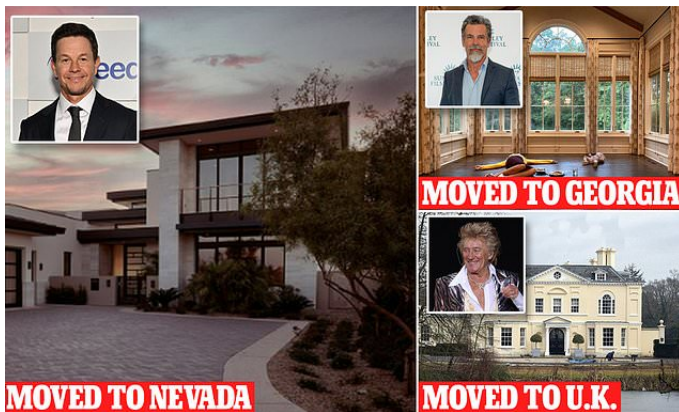
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## San Francisco's hotel industry is being squeezed by crime and homelessness driving convention away

[Gavin Newsom admits California's homeless situation IS out of control as hotels and shopping malls abandon San Francisco and encampments blight San Diego](#)

Democratic governor Gavin Newsom has admitted that California's homelessness crisis is 'a disgrace' - but tried to blame Republicans for creating the situation. The Golden State is facing an opioid-fueled vagrancy crisis, with cities such as San Francisco and San Diego besieged with encampments and businesses shutting up shop. Newsom was grilled on the subject by Fox News host Sean Hannity after the latest blow to San Francisco's downtown as Westfield stopped making mortgage payments on its massive mall due to crime and tanking sales.

[Escape from the not-so Golden State! The stars who have FLED California 'in droves' to avoid punishing taxes and soft-on-crime policies](#)



In the past few years, a slew of Hollywood stars have ditched California and moved their families elsewhere in the U.S. and across the world amid the increase in taxes and high crime rates in the Golden State. Superman actor Dean Cain became the latest Hollywood star to flee California as he joined the likes of Rod Stewart, Mark Wahlberg and more turning their back on Tinseltown. Cain claimed he was forced to leave his Malibu mansion for Nevada because there was less traffic and lower taxes. Elsewhere, DailyMail.com revealed that rock legend Rod Stewart was choosing to put his LA mansion up for sale so that he and wife Penny Lancaster could permanently settle down back in the UK. Fellow rock legend Ozzy Osbourne and his wife, Sharon, are also in the process of making the move to the UK, while many other stars have made their home in upstate New York City over the years. Elsewhere, states such as Texas and Nashville are now home to the industry's biggest names. While Nevada has become a popular location with Wahlberg relocating to Sin City.

[San Francisco's Cinemark cinema becomes the latest casualty at Westfield mall - as vacancies swell due to crime and mall stops payments on \\$500M loan](#)





NEW Cinemark cinema will close inside Westfield mall in downtown San Francisco on Friday - days after Westfield defaulted on its own loan for the building. The mall will remain open for now, but Cinemark becomes the 24th major store or facility to close in the Union Square area since the pandemic. Out of 203 retailers open in 2019 in the city's Union Square area, just 107 are still operating - a drop of 47 percent in just a few pandemic-ravaged years. The city is in something of a vicious cycle: office workers are now working from home, leaving the downtown area significantly quieter, and making the empty streets more dangerous. The rise in crime then deters people from entering downtown. And as the downtown empties, the city loses essential tax revenues, and the area becomes less appealing.