SOUTHEAST ECONOMIC ADVISORS

Sports Economics | Regional Report

NC State Wolfpack Hosts California Golden Bears in Raleigh

Week Nine: California at NC State, Carter-Finley Stadium, Raleigh

A Week Nine preview and economic outlook for Raleigh and the Bay Area, a review of the weekend Texas rose eight spots and BYU fell six, the Associated Press Top 25 and the week's key games, and a look at how two research universities anchor two very different economies

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October 30, 2026

California, known as Cal, visits NC State on Saturday, October 31, 2026, at Carter-Finley Stadium in Raleigh, with kickoff at noon Eastern on the ACC Network and the Wolfpack favored by 7.5 points. It is the second meeting between the schools and the first in Raleigh, after NC State won 24-23 in Berkeley on October 19, 2024. NC State is 3-4 after a 31-28 loss to Stanford, which led the university to fire coach Dave Doeren the next day, and Todd Goebbel is the interim coach. Cal is 3-5 after a 59-20 loss to SMU. FanDuel lists the Wolfpack at -275 on the moneyline, and numberFire puts their win probability at 74.6 percent.

This past week saw another shuffling of the top 25, with Texas climbing eight spots to No. 11 after beating Ole Miss 34-27 and BYU falling six spots to No. 8 after a 39-31 double-overtime loss at UCF. Miami remains No. 1 with 59 of the 70 first-place votes, Ohio State moved up to No. 2 and Georgia, Indiana and Utah all gained ground. Five teams that were ranked on October 18, BYU, Texas Tech, Tennessee, USC and Iowa, lost to unranked opponents, and Wisconsin and Oklahoma State entered the poll at Nos. 25 and 24.

Raleigh and the Bay Area anchor two of the best-known university economies in the country, and both are growing, though at different speeds and with different drivers. Raleigh's payrolls rose 2.3 percent over the year through September, the second-fastest pace among large metropolitan areas behind Salt Lake City, and Charlotte added 25,400 jobs, the second-largest gain among areas with statistically significant increases. San Francisco-Oakland payrolls rose 0.3 percent, basically matching the nation, but AI is the key driver in the Bay Area, with the AI buildout pushing San Francisco office leasing toward a record and apartment rent growth to 15.6 percent. Life sciences and next-generation pharmaceuticals are the primary driver in the Raleigh-Cary area, with professional, scientific and technical services adding jobs as well. Our weekly football report is our way of conveying key economic data from a different angle. NC State and Cal are universities and research hubs that produce far more economic benefit than their football programs do, but anyone who underestimates the importance of football Saturdays in Berkeley or Raleigh, particularly among alumni, is clearly misreading the market.

Key takeaways	
Last week	Texas climbed eight spots to No. 11 after beating Ole Miss 34-27, and BYU fell six spots to No. 8 after losing 39-31 at UCF. Five teams ranked on October 18 lost to unranked opponents.
The new poll	Miami is No. 1 with 59 of the 70 first-place votes, followed by Ohio State and Georgia. Oklahoma State and Wisconsin entered the poll at Nos. 24 and 25.
This week	Ohio State visits USC and Miami visits North Carolina, both at 7:30 p.m. Eastern. Georgia plays Florida in Atlanta at 3:30 p.m., and Utah visits Cincinnati at 3:45 p.m.
The game	Cal visits NC State on Saturday, October 31, at noon Eastern on the ACC Network, with NC State favored by 7.5 points.
The teams	NC State is 3-4 under interim coach Todd Goebbel after Dave Doeren was fired on October 24, and it scores 32.3 points a game, while Cal is 3-5 and allows 31.6. Cal's passing offense ranks 16th in the nation and its rushing offense 137th.
Raleigh	Payrolls are up 2.3 percent over the year, second among large metropolitan areas behind Salt Lake City, and the unemployment rate is 3.0 percent. Emerging Trends in Real Estate ranks Raleigh/Durham fourth in the nation for overall prospects, helped by life-sciences and pharmaceutical manufacturing.
The Bay Area	Payrolls in the San Francisco-Oakland metropolitan area, home to UC Berkeley, are up 0.3 percent, in line with the nation. Emerging Trends in Real Estate ranks San Francisco fifth, up from 45th a year ago, as AI companies drive office leasing and venture funding.
Education and football	NC State enrolls more than 40,500 students and UC Berkeley enrolled 46,151 last fall. Each school's research and graduates drive its regional economy, and football fills stadiums of about 57,000 and 63,000 seats.
Our call	NC State at home by about 10 points, with Miami and Ohio State both winning on the road this week. Georgia against Florida is the key afternoon game to watch.

Table 1. Key takeaways, Cal at NC State, October 31, 2026.

2.3%	3.0%	6.4M sf
Raleigh's payroll growth over the year, second among large metropolitan areas behind Salt Lake City	Raleigh's unemployment rate in September, against 4.2% in San Francisco-Oakland	San Francisco office space leased in the first half of 2026, with AI about a quarter of demand

Week Eight in Review: Five Ranked Teams Lose to Unranked Opponents

Texas beat No. 7 Ole Miss 34-27 in Austin and rose eight spots to No. 11, the largest move in the poll. The Longhorns had lost to unranked teams in each of the previous two weeks and were a 3- to 3.5-point favorite. Ole Miss fell five spots to No. 12 and hosts Auburn on Saturday at 12:45 p.m. on the SEC Network.

BYU lost 39-31 at UCF in double overtime and fell from No. 2 to No. 8 a week after beating Notre Dame, and the Cougars had been a 6.5-point favorite. Texas Tech lost its first game, 37-24 to Cincinnati, and fell five spots to No. 13, while Tennessee lost 27-24 at South Carolina as a 2.5-point underdog and fell five spots to No. 16. Houston fell four spots to No. 18 after a 21-13 loss at Utah.

Two surprises in the Big Ten last week were Wisconsin beating USC 24-7 and Minnesota defeating Iowa 13-10, and both USC and Iowa dropped out of the poll. Wisconsin entered at No. 25 and visits Iowa on Saturday for the 100th meeting between the schools, with Iowa a 3.5-point favorite.

Miami overwhelmed Pitt 52-23 behind 387 passing yards and four touchdowns from quarterback Darian Mensah. Utah scored 14 unanswered points in the fourth quarter to defeat Houston, UCLA downed Michigan State 28-10 and Kentucky beat Vanderbilt 34-17 and is atop the SEC standings, while Ohio State, Georgia and Notre Dame were idle. Syracuse beat North Carolina 31-30, which leaves the Tar Heels at 4-3 before Miami arrives.

Sources: The Associated Press; NCAA.com; Yahoo Sports; Sports Betting Dime; CBS Sports; ESPN; SportRadar scoreboard data.

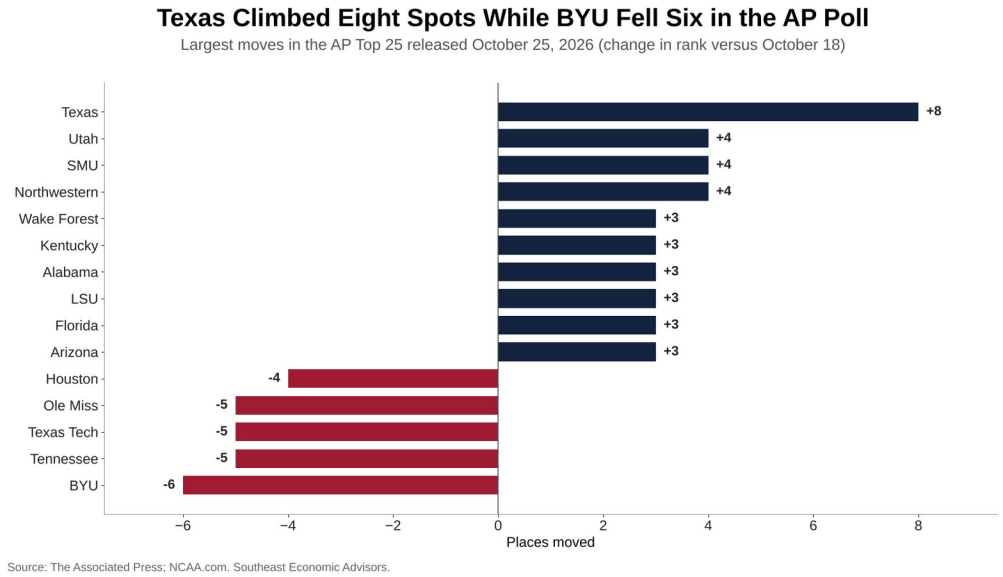


Figure 1. Ten teams rose three or more places and five fell four or more, with Tennessee, Texas Tech and Ole Miss each falling five. Source: The Associated Press Top 25, October 25, 2026, as reported by NCAA.com.

The AP Top 25 Entering Week Nine

Miami is No. 1 with 59 first-place votes, ahead of Ohio State with 10 and Utah with one. The SEC has nine teams in the poll, the Big 12 has six, the Big Ten has five and the ACC has three, with Notre Dame and Boise State the others. Georgia, Kentucky and Alabama are the SEC's three teams in the top ten, and the ACC's highest-ranked teams after Miami are Wake Forest at No. 14 and SMU at No. 19.

Five ranked teams have open dates this weekend: Kentucky, Alabama, LSU, Houston and Tennessee, and Tennessee hosts Kentucky next Saturday. Teams receiving votes were Iowa (76), New Mexico (41), Cincinnati (11), Oregon State (10), South Carolina (8), Minnesota (7), USC (7), UTSA (1) and Virginia Tech (1).

No.	Team	Record	Last	Change	Points (1st)	Saturday, October 31
1	Miami (Fla.)	7-0	1	0	1,735 (59)	at North Carolina
2	Ohio State	6-1	3	+1	1,681 (10)	at USC
3	Georgia	6-1	5	+2	1,511	vs. Florida (Atlanta)
4	Indiana	7-1	6	+2	1,459	vs. Minnesota
5	Notre Dame	6-1	4	-1	1,458	vs. Navy (Foxborough)
6	Utah	7-0	10	+4	1,413 (1)	at Cincinnati
7	UCLA	7-0	9	+2	1,398	vs. Nevada
8	BYU	6-1	2	-6	1,325	vs. Arizona State
9	Kentucky	7-1	12	+3	1,185	Open
10	Alabama	6-2	13	+3	1,063	Open
11	Texas	5-2	19	+8	966	vs. Mississippi State
12	Ole Miss	5-2	7	-5	871	vs. Auburn
13	Texas Tech	6-1	8	-5	861	vs. Arizona
14	Wake Forest	6-1	17	+3	822	vs. Virginia
15	LSU	6-2	18	+3	813	Open
16	Tennessee	6-2	11	-5	662	Open
17	Florida	5-2	20	+3	556	vs. Georgia (Atlanta)
18	Houston	6-2	14	-4	491	Open
19	SMU	6-1	23	+4	440	at Syracuse
T-20	Boise State	6-1	21	+1	422	vs. Texas State
T-20	Northwestern	6-1	24	+4	422	at Oregon
22	Arizona	6-1	25	+3	400	at Texas Tech
23	Missouri	5-2	22	-1	329	at Arkansas
24	Oklahoma State	5-2	NR	New	180	at Iowa State
25	Wisconsin	5-2	NR	New	125	at Iowa

Table 2. AP Top 25 poll released October 25, 2026, with each team's Saturday opponent. Shaded rows play a game in Table 3. Sources: The Associated Press; NCAA.com; Yahoo Sports; fbschedules.com; team schedules.

Week Nine Look-Ahead: Ohio State at USC and the Rest of the Slate

One of the best games of the day will be USC hosting No. 2 Ohio State on Saturday evening at 7:30 p.m. Eastern on NBC, with Ohio State favored by 6.5 points. Quarterback Julian Sayin is out with a throwing arm injury and no replacement starter has been named, so the game may turn on how well an inexperienced quarterback uses receiver Jeremiah Smith. USC (6-2) is smarting after scoring seven points in its loss at Wisconsin, and Ohio State is coming off its open date.

No. 1 Miami visits North Carolina at 7:30 p.m. on ABC as a 14-point favorite, and No. 3 Georgia plays No. 17 Florida in Atlanta at 3:30 p.m. on ABC as an 11.5-point favorite. The spread is surprising, given Florida's wins over Texas and Ole Miss, which was ranked No. 4 when the Gators beat it 52-28 on September 26. North Carolina (4-3) lost to Syracuse by a point last week, and Miami plays at Notre Dame next week. Florida has not settled on a starting quarterback. Georgia is coming off an open date after its 27-24 home loss to unranked Auburn on October 17.

No. 4 Indiana is a 20.5-point favorite over Minnesota at 3:30 p.m. on CBS, and No. 8 BYU is a 16-point favorite over Arizona State at 3:30 p.m. on FOX. No. 6 Utah is a 6.5-point favorite at Cincinnati at 3:45 p.m. on ESPN against the team that handed Texas Tech its first loss, and Utah plays BYU next. No. 22 Arizona visits No. 13 Texas Tech at noon on ESPN, where Texas Tech is a 3.5-point favorite and has won 12 straight at home.

Game	Kickoff (ET), TV	Line	Why it matters
Cal at NC State	Noon, ACC Network	NC State -7.5	NC State won 24-23 in Berkeley in 2024
No. 22 Arizona at No. 13 Texas Tech	Noon, ESPN	Texas Tech -3.5	Texas Tech has won 12 straight at home
No. 25 Wisconsin at Iowa	Noon, FOX	Iowa -3.5	The 100th meeting between the schools
No. 3 Georgia vs. No. 17 Florida (Atlanta)	3:30 p.m., ABC	Georgia -11.5	Florida beat Texas on October 17
No. 4 Indiana vs. Minnesota	3:30 p.m., CBS	Indiana -20.5	Minnesota beat Iowa 13-10
No. 8 BYU vs. Arizona State	3:30 p.m., FOX	BYU -16	BYU's first game since the UCF loss
No. 6 Utah at Cincinnati	3:45 p.m., ESPN	Utah -6.5	Cincinnati beat Texas Tech 37-24
No. 1 Miami at North Carolina	7:30 p.m., ABC	Miami -14	Miami plays at Notre Dame next
No. 2 Ohio State at USC	7:30 p.m., NBC	Ohio State -6.5	Sayin is out with an arm injury

Table 3. Key games, Saturday, October 31, 2026. Lines are from BetMGM (October 28) and FanDuel and move daily; the gaming disclaimer is at the end of this report. Sources: BetMGM; FanDuel; Sports Betting Dime; CBS Sports; fbschedules.com; team athletics.

Cal at NC State: A Home Favorite Against a Passing Offense

NC State is favored by 7.5 points because it scores more and converts more third downs than Cal does. The Wolfpack average 32.3 points a game against 23.4 for Cal and convert 52.0 percent of their third downs, 11th in the FBS. Cal's defense allows 31.6 points a game and 40.7 percent on third down, but NC State's defense allows 28.1 points and ranks 111th against the pass, and it lost its defensive coordinator in the coaching change.

Cal can move the ball through the air, with quarterback Jaron-Keawe Sagapolutele completing 68.0 percent of his passes for 1,555 yards, and has almost no running game. The Bears average 285.3 passing yards a game, 16th in the nation, and 84.0 rushing yards, 137th, and they give up 84.6 penalty yards a game, 136th. NC State quarterback C.J. Bailey has thrown for 1,763 yards and 11 touchdowns with four interceptions, and receiver Keenan Jackson has 456 yards and six touchdowns.

Neither team has covered often, with NC State 2-5 and Cal 2-6 against the spread. NC State is 1-2 against the spread as a favorite of 7.5 points or more, and the total has gone over in five of its seven games. NC State hosts Duke on November 7, and Cal plays at Virginia on November 14.

The teams have met once, a 24-23 NC State win in Berkeley on October 19, 2024, during Cal's first season in the ACC. NC State fired Dave Doeren, the program's winningest coach, on October 24 in his 14th season, and Todd Goebbel, a member of the staff since 2019, is the interim coach. NC State finished 8-5 in 2025 and beat Memphis 31-7 in the Gasparilla Bowl. Tosh Lupoi is in his first season at Cal, which finished 7-6 in 2025 and lost 35-31 to Hawaii in the Hawaii Bowl, after Justin Wilcox was let go in November 2025.

	NC State Wolfpack	California Golden Bears
Conference	ACC	ACC
Head coach	Todd Goebbel, interim (Dave Doeren fired Oct. 24)	Tosh Lupoi, first season
2026 record	3-4	3-5
Last game	Lost 31-28 to Stanford (Oct. 23)	Lost 59-20 to SMU (Oct. 24)
2025 record	8-5; won Gasparilla Bowl, 31-7 over Memphis	7-6; lost Hawaii Bowl, 35-31 to Hawaii
Points scored / allowed per game	32.3 / 28.1	23.4 / 31.6
Passing yards per game	257.6	285.3
Rushing yards per game	162.3	84.0
Penalty yards per game	48.6	84.6
Leading passer	C.J. Bailey: 1,763 yds, 11 TD, 4 INT	J.-K. Sagapolutele: 1,555 yds, 10 TD, 5 INT
Against the spread	2-5	2-6
Stadium	Carter-Finley, about 57,000	California Memorial, about 63,000
All-time series	NC State leads 1-0	Cal trails 0-1

Table 4. Tale of the tape. Statistics are through Week Eight. Sources: ABC11; FanDuel; ESPN; NC State Athletics; California Athletics; Southeast Economic Advisors.

We expect NC State to win by about 10 points, with a final score near 34-24. The Wolfpack have the better offense and the better third-down rate, and Cal's rushing offense ranks 137th, so a double-digit win would cover the 7.5-point line. The risks are Cal's passing game, which could keep the score close if NC State's secondary cannot get stops, and an interim staff that has had one week to settle in, and NC State has covered only two of its seven games.

Education Drives Both Economies, and Football Still Matters

NC State enrolls more than 40,500 students and UC Berkeley enrolled 46,151 in fall 2025, and each university does more for its regional economy than its football team does. NC State research has produced more than 265 startups and spinoffs, the university holds more than 2,500 U.S. patents and it ranks sixth nationally in research spending among universities without a medical school. The Milken Institute credits NC State and its Centennial Campus, which hosts more than 70 corporate, government and nonprofit partners, as key reasons Raleigh is a top-performing metro area.

Berkeley supplies the Bay Area with talent, with 33,122 undergraduates and 13,029 graduate students feeding its technology and biotechnology employers. The AI boom has sent employers scrambling for new office space in San Francisco, drawing on the same pool of engineers and scientists that Berkeley trains. The research base has also become more valuable as AI companies compete for graduates.

Football still matters at both schools because it fills stadiums of about 57,000 seats at Carter-Finley and about 63,000 at California Memorial and carries each school's name onto national television. Saturday's game also tests the ACC's coast-to-coast footprint, which began in 2024 when California, Stanford and SMU joined the conference and puts two campuses roughly 2,800 miles apart in the same league.

Raleigh and the Research Triangle: Job Growth Second Only to Salt Lake City

Raleigh anchors the Research Triangle with Durham and Chapel Hill, and Research Triangle Park, a 7,000-acre campus, houses more than 300 companies and about 55,000 jobs. The park began in the late 1950s as an effort to keep North Carolina's university graduates in the state, and IBM established a research hub there in the mid-1960s. Today it hosts Biogen, Cisco, Fidelity and IBM, and the Triangle's three research universities, NC State, Duke and North Carolina, supply its workforce.

Raleigh added 17,400 jobs in the Raleigh-Cary metropolitan area over the year through September, a 2.3 percent increase that ranked second among large metropolitan areas behind Salt Lake City at 2.7 percent. Payrolls reached 783,200, and Raleigh grew faster than Charlotte (1.8 percent), Austin (1.1 percent), Dallas-Fort Worth (1.0 percent), Houston (1.0 percent), Nashville (1.0 percent) and Atlanta, where payrolls fell 0.1 percent. Washington was the only large metropolitan area with a statistically significant decline, at 1.8 percent.

Charlotte added 25,400 jobs, the second-largest gain among metropolitan areas with statistically significant increases, behind only Dallas-Fort Worth at 43,900. Charlotte payrolls are up 1.8 percent over the year and 11.8 percent from September 2019, against 21.3 percent for Raleigh.

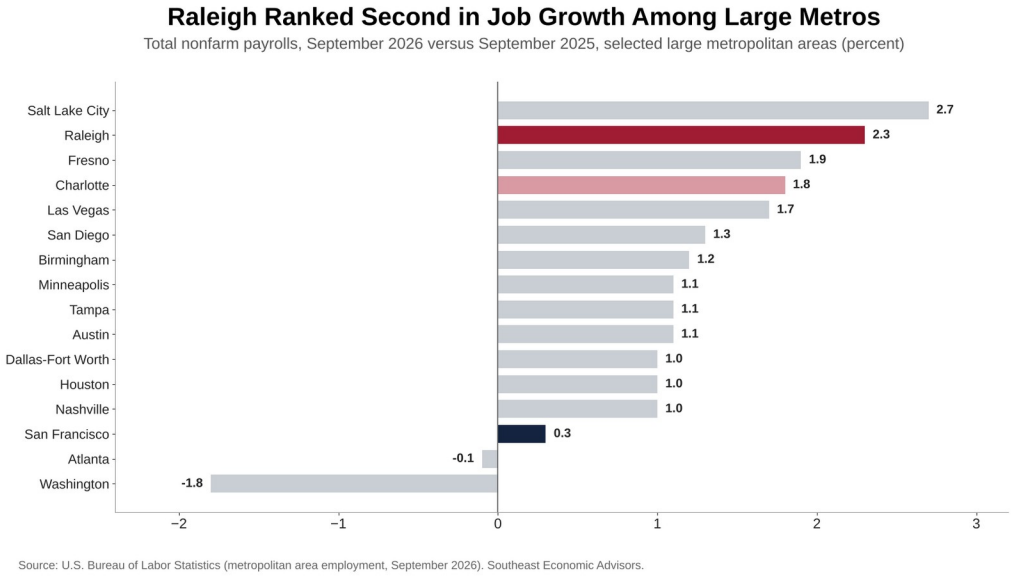


Figure 2. Three of the 17 metropolitan areas shown, San Francisco, Atlanta and Washington, had payroll growth of 0.3 percent or less. Source: U.S. Bureau of Labor Statistics, Metropolitan Area Employment and Unemployment, September 2026; selected large metropolitan areas.

Life sciences are the largest new source of growth in the Triangle, and North Carolina booked $3.79 billion of life-sciences investment across 18 companies in 2025, with 1,380 jobs announced. Biogen plans to spend $2 billion on a new manufacturing facility in Research Triangle Park, its eighth manufacturing site in the state, and is not seeking incentives. Genentech raised its Holly Springs investment from $700 million to $2 billion in January, after announcing the plant with 420 jobs, and Novartis announced $771 million of projects in Morrisville and Durham with 380 jobs. Amgen, FUJIFILM Biotechnologies, CSL, Eli Lilly and Novo Nordisk also have large facilities in Holly Springs.

The payroll data show the life-sciences effect in professional, scientific and technical services, which added 4,300 jobs, or 5.3 percent, in Raleigh over the year. Professional and business services, the broader category shown in Figure 3, added 5,700 jobs, or 3.8 percent. Education and health services added 5,300 jobs, up 5.0 percent, while information jobs fell 6.8 percent, to 23,400, and manufacturing fell 1.7 percent. Professional, scientific and technical services are only a proxy for life-sciences employment, since the category also includes engineering, legal and software services.

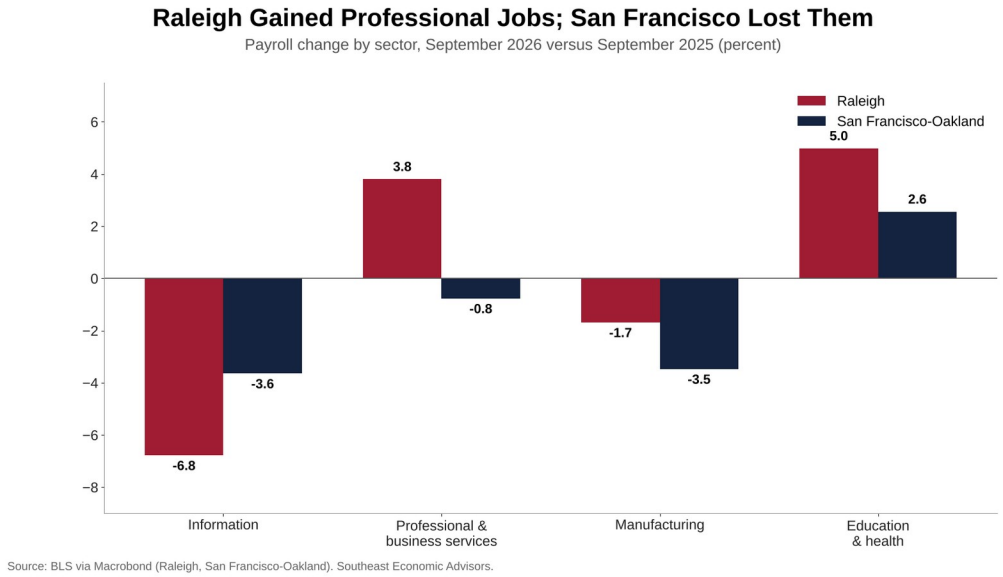


Figure 3. Education and health services grew 5.0 percent in Raleigh and 2.6 percent in San Francisco-Oakland, the only sector where both metropolitan areas added jobs, and professional and business services rose 3.8 percent in Raleigh and fell 0.8 percent in San Francisco-Oakland. Source: U.S. Bureau of Labor Statistics via Macrobond, September 2026 versus September 2025, not seasonally adjusted.

Emerging Trends in Real Estate 2027, published by PwC and the Urban Land Institute, ranks Raleigh/Durham fourth among U.S. markets for overall real estate prospects. The report says the region's real estate story has shifted from life-science laboratories to the factories that manufacturing investment will bring, with statewide manufacturing investment now estimated near $140 billion by Industrial Sage. A large pharmaceutical company chose Durham in April 2026 for a $1.4 billion, 185-acre campus, and Research Triangle Park has become a premier pharmaceutical manufacturing hub, drawing on a highly educated workforce and competitive labor costs. The park's RTP 3.0 initiative is repositioning it from a research campus into a mixed-use district with housing, retail and amenities.

Office and life-science space are the soft spots, though both have stopped getting worse. Office vacancy is 21.5 percent, flat since the second half of 2024 and far above the 7 to 8 percent that was normal before the pandemic, and life-science vacancy is 26.4 percent, down from a peak of 29.5 percent. Construction is nonexistent in both sectors, office absorption has been positive in five of the last eight quarters and tenants are looking for 3.1 million square feet. Demand is concentrated in newer buildings in Cary, West Raleigh and Six Forks, where top-tier rents of $37.37 a square foot run 18.3 percent above the market average. Office investment is up 10.6 percent in 2026, led by the $206.7 million purchase of Bloc83, one of the largest office deals in the region since before the pandemic.

The Triangle's apartment market is absorbing the growth, with CoStar showing 6,408 apartments absorbed against 4,219 delivered over the past 12 months and vacancy down 1.9 points to 9.3 percent. Emerging Trends sees the same turn, with third-quarter vacancy of 9.4 percent, down more than 200 basis points from a year earlier, after more than 29,000 units were

delivered since 2023. Net absorption has exceeded deliveries by more than 150 percent over the past four quarters, household formation is among the strongest in the nation and rent growth has edged up to 1.6 percent, though Yardi has Raleigh-Durham rents up only 0.1 percent over the year.

Sources: U.S. Bureau of Labor Statistics (Metropolitan Area Employment and Unemployment, September 2026; Current Employment Statistics via Macrobond); PwC and Urban Land Institute, Emerging Trends in Real Estate 2027 (market profiles by Cushman & Wakefield); CoStar; Yardi Matrix; North Carolina Biotechnology Center; Axios Raleigh; NC State University; Research Triangle Park.

Berkeley and the Bay Area: AI Has Revived Demand Faster Than Jobs

The Bay Area's payroll recovery is slower than Raleigh's but has turned positive, with San Francisco-Oakland payrolls up 0.3 percent over the year to 2,422,500 in September, about the same as the nation's 0.3 percent. Payrolls there are still 3.0 percent below September 2019, and the area lost jobs over the year for most of 2023 and 2024 as technology employment adjusted before turning positive in December 2025.

Silicon Valley once meant a narrower place than it does today. The name came into use in 1971, when journalist Don Hoefler used it in Electronic News for the Santa Clara Valley, and through the early days of the internet it described the San Francisco Peninsula and San Jose, from Palo Alto and Mountain View south to San Jose. That stretch was home to Stanford, Hewlett-Packard, Intel, Apple, Netscape, Yahoo, Google, Cisco and eBay. San Francisco was known then for its own dot-com cluster, which was separate from the Valley. Today many people use Silicon Valley for the whole Bay Area, because AI companies such as OpenAI and Anthropic and much of the venture capital behind them are in San Francisco, with Berkeley and Oakland across the bay. UC Berkeley sits in the San Francisco-Oakland metropolitan area, while Stanford, which NC State played last week, sits in the San Jose area, so we compare Raleigh with San Francisco-Oakland and leave San Jose out.

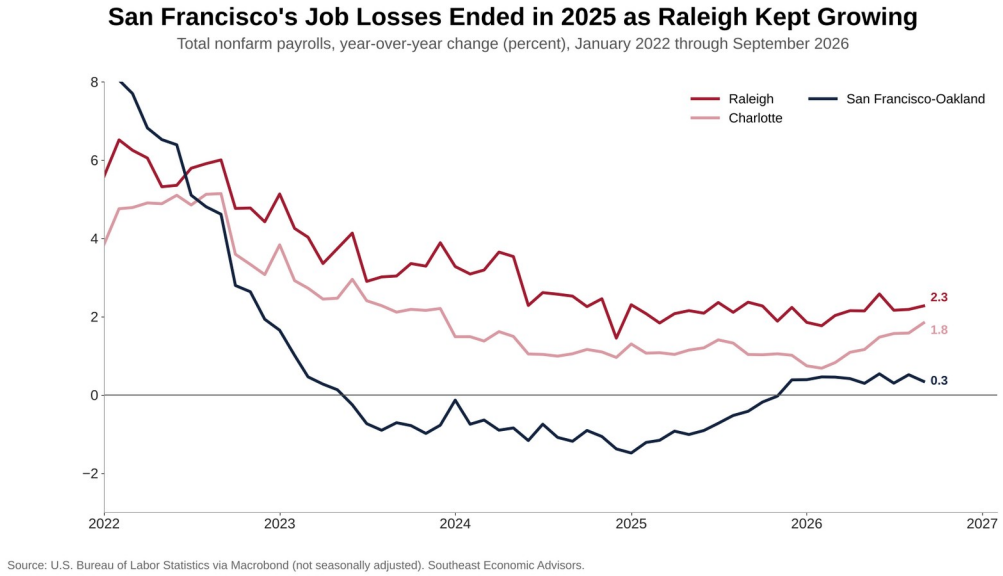


Figure 4. Raleigh's year-over-year payroll growth has stayed between 1.8 and 2.6 percent since January 2025, while San Francisco-Oakland turned positive in December 2025 and has since grown 0.3 to 0.5 percent a year. Source: U.S. Bureau of Labor Statistics via Macrobond, not seasonally adjusted.

AI shows up in San Francisco's office and apartment markets and in venture funding before it shows up in sector payrolls. In San Francisco-Oakland, information jobs fell 3.6 percent and professional and business services jobs fell 0.8 percent over the year, while manufacturing fell 3.5 percent and education and health services rose 2.6 percent. The sectors most tied to AI appear to be adding output faster than jobs, since many AI companies are small and venture funded, and we expect payroll growth to follow demand only gradually.

San Francisco leased 6.4 million square feet of office space in the first half of 2026, and AI companies account for about a quarter of tenant demand, according to Newmark. OpenAI and Anthropic have each leased more than one million square feet in the city. Emerging Trends, drawing on Cushman & Wakefield, ranks San Francisco fifth among U.S. markets for overall real estate prospects, up 40 places from 45th a year ago, and puts AI companies at 29 percent of office tenant requirements.

The office recovery is real but narrow. Vacancy is 29.3 percent, down from a peak of 34.7 percent, absorption has been positive in seven of the last eight quarters and asking rents rose 3.4 percent in the third quarter to $72.68 a square foot, the highest since 2023. Top-tier downtown towers are 13.4 percent vacant against 35.2 percent for the bottom tier, and Mission Bay, at 8.5 percent vacant, is the most competitive submarket in the country. No office space is under construction, though 20 million square feet is planned, and sublease space is down 60 percent from its 2024 peak.

Capital is returning to the city along with the tenants. San Francisco-based companies attracted about $281.5 billion of venture capital through the third quarter of 2026, roughly 54 percent of global AI and machine learning funding, although funding is concentrated, with 86 percent of all rounds going to four companies. Office sales total $3.8 billion this year, including about $450 million for 47.5 percent of 101 California and $692 million for the Transamerica Pyramid, and multifamily sales of $5.8 billion through August are nearly double the previous record of $3.2 billion. Retail is recovering as tourism, conferences and return to office take hold, and life-science occupancy in the Bay Area is showing modest gains. The population losses of 2020 to 2024 have abated, but the city is not adding residents to any real degree.

Apartment rents show the same demand, with Yardi reporting San Francisco rents up 7.0 percent over the year. CoStar shows asking rents up 12.7 percent in San Francisco, with vacancy of 3.6 percent and only 1.2 percent of stock completed over the past year. CoStar forecasts San Francisco rent growth of 13.5 percent this year, cooling to 9.7 percent in 2027 and 6.3 percent in 2028, with 3,409 units under construction in 4 and 5 Star product as the main risk to that path. Emerging Trends puts third-quarter vacancy at 3.2 percent and rent growth at 15.6 percent over the year, with no deliveries for three straight quarters.

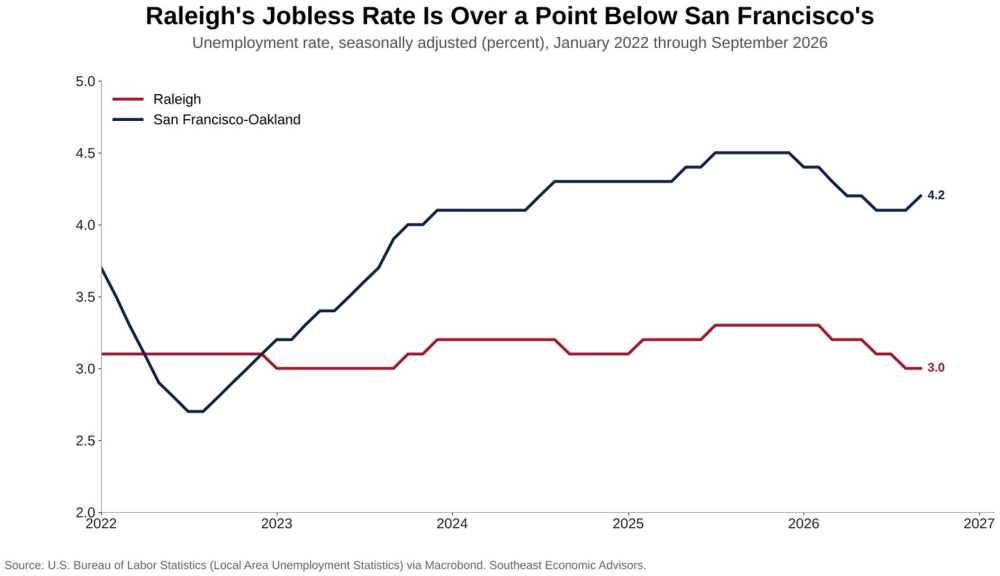


Figure 5. San Francisco-Oakland's rate peaked at 4.5 percent in late 2025 and has eased to 4.2 percent, while Raleigh's has stayed between 3.0 and 3.3 percent since January 2023. Source: U.S. Bureau of Labor Statistics (Local Area Unemployment Statistics) via Macrobond, seasonally adjusted.

Raleigh's unemployment rate was 3.0 percent in September, compared with 4.2 percent in San Francisco-Oakland. Raleigh's rate has stayed between 3.0 and 3.3 percent since January 2023, while San Francisco-Oakland's rate rose to 4.5 percent in 2025 and has since eased. The national rate was 4.2 percent.

Home prices show the cost gap, with the Freddie Mac index up 73 percent in Raleigh from January 2019 to August 2026, compared with 25 percent in San Francisco-Oakland. The San Francisco-Oakland index peaked in April 2022 and is now 3.2 percent below that peak. Over the past year the index rose 1.6 percent in Raleigh and 1.3 percent in San Francisco-Oakland, and it tracks changes in prices and says nothing about price levels, which remain far higher in San Francisco. Raleigh's price growth has likely slowed as the 30-year mortgage rate has reached 7.32 percent.

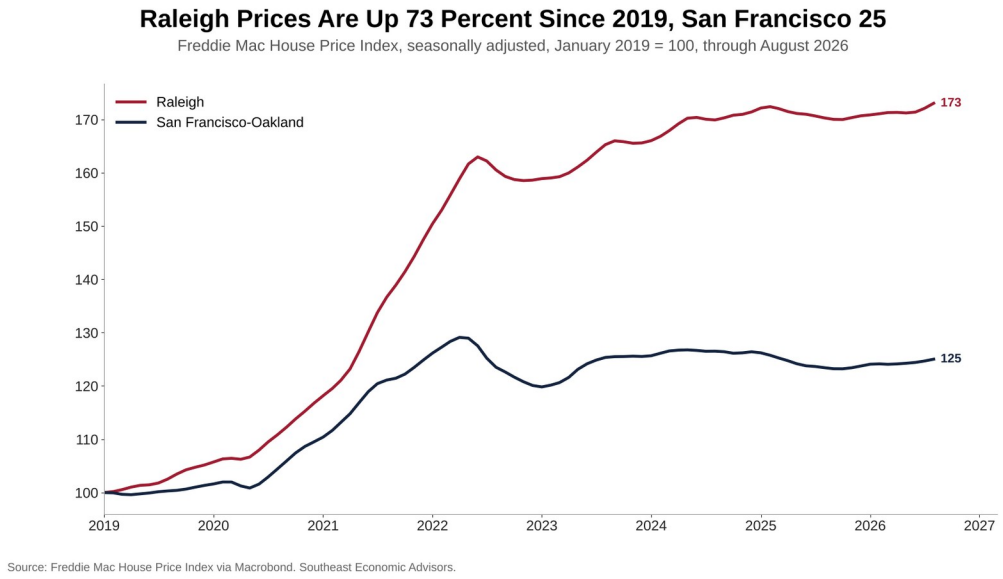


Figure 6. Raleigh's index is 48 points above San Francisco-Oakland's after both started at 100 in January 2019. Source: Freddie Mac House Price Index (seasonally adjusted) via Macrobond, through August 2026.

	Raleigh / Research Triangle	Berkeley / Bay Area
Anchor university (students)	NC State, more than 40,500	UC Berkeley, 46,151 (fall 2025)
Payrolls, September 2026	Raleigh: 783,200, up 2.3%	San Francisco-Oakland: 2,422,500, up 0.3%
Payrolls versus September 2019	Raleigh: up 21.3%	San Francisco-Oakland: down 3.0%
Unemployment rate, September	3.0%	San Francisco-Oakland: 4.2%
Home prices since January 2019	Up 73%	San Francisco-Oakland: up 25%
Apartment rents, Yardi, over the year	Raleigh-Durham: up 0.1%	San Francisco: up 7.0%
Apartment rent growth, 3Q 2026	Raleigh/Durham: 1.6%	San Francisco: 15.6%
Apartment vacancy, CoStar	Raleigh-Durham: 9.3%	San Francisco: 3.6%
Office vacancy, 3Q 2026	Raleigh/Durham: 21.5%	San Francisco: 29.3%
Emerging Trends 2027 rank	Raleigh/Durham: 4th	San Francisco: 5th (45th last year)
Growth driver	Life-sciences manufacturing and research	AI, venture funding and office leasing

Table 5. Two university economies. Payroll, unemployment and house-price figures are from the Bureau of Labor Statistics and Freddie Mac via Macrobond; apartment rent and vacancy figures are from Yardi Matrix and CoStar, and office vacancy, third-quarter rent growth and rankings are from Emerging Trends in Real Estate 2027, which draws on Cushman & Wakefield.

Sources: U.S. Bureau of Labor Statistics via Macrobond; Freddie Mac; Newmark as reported by the San Francisco Business Times and The Real Deal; PwC and Urban Land Institute, Emerging Trends in Real Estate 2027 (market profiles by Cushman & Wakefield); CoStar; Yardi Matrix; UC Berkeley Office of Planning and Analysis.

The Bottom Line

We expect NC State to beat Cal by about 10 points, with the home field, the better offense and the better third-down rate on the Wolfpack's side. Cal's passing offense, ranked 16th in the nation, is the most likely route to a close game, along with the adjustment to an interim coach, and NC State has covered only two of seven spreads this season.

On the national slate, we expect Miami and Ohio State to win, provided Ohio State's replacement quarterback protects the ball against a USC team that scored seven points last week. The games most likely to reshuffle the poll are Ohio State at USC, Utah at Cincinnati and Georgia against Florida, and Notre Dame, a 30-point favorite over Navy, plays Miami next week.

We expect Raleigh to keep adding jobs at a pace above 2 percent over the next year, supported by the life-sciences plants under construction, and we expect the Bay Area to improve more slowly, with AI lifting office and apartment demand before it lifts payrolls. The main risks are a pullback in AI venture funding, which would hit San Francisco first, and higher interest rates, with the 30-year mortgage rate at 7.32 percent.

Education drives both economies, and football keeps alumni and neighbors attached to the school. NC State and Cal are separated by 2,800 miles, three time zones and a wide gap in housing costs, and Saturday's game is the second meeting in a series that began in 2024.

About this report

This Week Nine preview is published by Southeast Economic Advisors and pairs an on-field preview with an economic outlook for the two communities that host the participating universities. Economic figures come from the U.S. Bureau of Labor Statistics, Freddie Mac, Newmark, CoStar, Yardi Matrix, PwC and the Urban Land Institute (Emerging Trends in Real Estate 2027) and university sources, and are subject to revision. Metropolitan payroll changes are for September 2026 and are not seasonally adjusted; metropolitan unemployment rates are seasonally adjusted for September 2026; the Freddie Mac house price indexes are seasonally adjusted through August 2026 with January 2019 equal to 100. Football statistics run through Week Eight of 2026, and the Associated Press poll cited is from Sunday, October 25, 2026. Lines are from BetMGM as of October 28 and from FanDuel.

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