



The **East Bay Monthly Analysis** is prepared by the East Bay Economic Development Alliance (East Bay EDA) and augments the **East Bay Quarterly Forecast** authored by the UCLA Anderson Forecast.

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East Bay EDA welcomes your comments and suggestions. Send your comments, questions or suggestions to stephanie@eastbayeda.org or call (510) 272-6843.

SNAPSHOT: THE EAST BAY IN FEBRUARY 2008

- *The East Bay's infrastructure-related construction employment continued expand, while residential construction continued to contract*
- *The East Bay's government sector added 4,900 jobs between February 2007 and February 2008*
- *Home sales continued to slow and median home values continued to decrease, falling 16 percent when compared to February 2007*
- *Non-residential construction permit values increased slightly, with much of the activity being in the industrial sector*
- *Both single and multi-family residential construction permits continued to post annual decreases*

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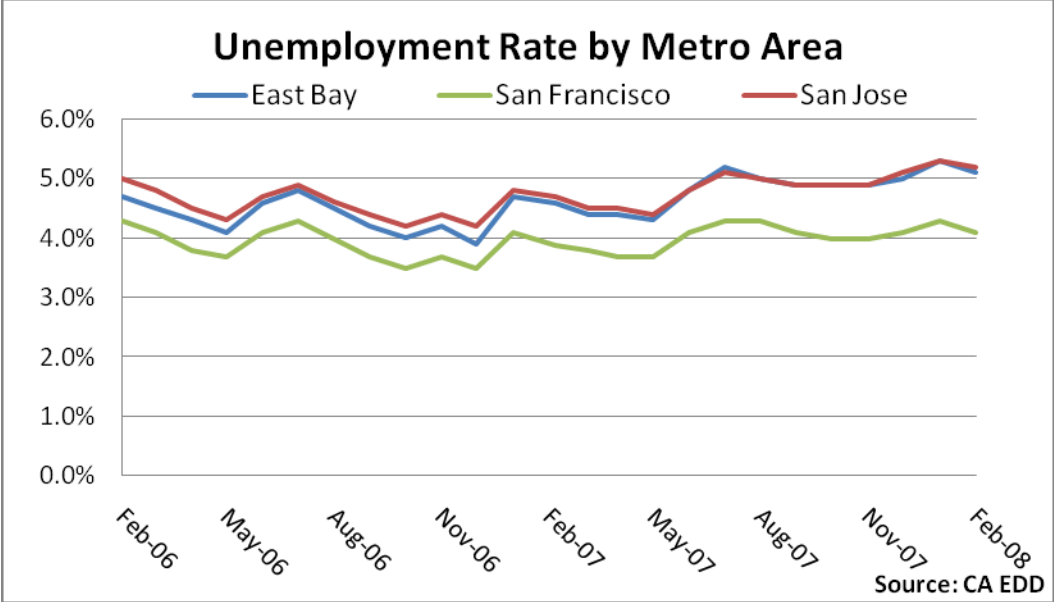
*Serving the East Bay, the **Bright** Side of the San Francisco Bay*

EMPLOYMENT

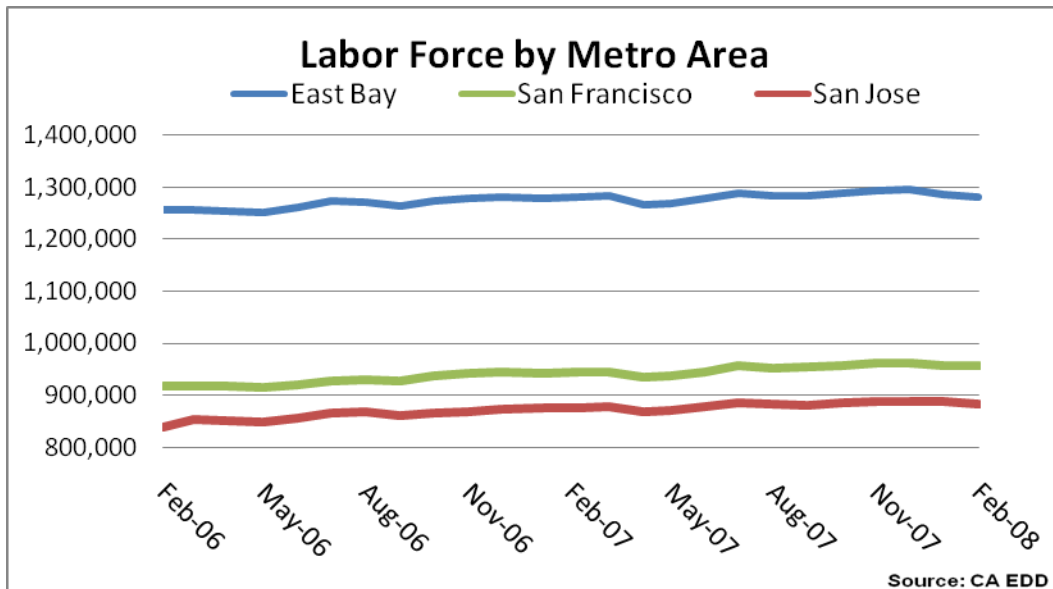
NOTE: Our next Monthly Analysis will reflect the EDD’s complete 2008 Benchmark of Labor Force, Unemployment and Employed residents. Payroll/Industry employment numbers used in this report have been benchmarked and are up to date.

BAY AREA UNEMPLOYMENT The unemployment rate in the Oakland-Fremont-Hayward MD was 5.1 percent in February 2008, down from 5.3 percent in January, and above the year-ago estimate of 4.7 percent. This compares with a rate of 6.1 percent for California and 5.2 percent for the nation during the same period. The unemployment rate was 5.1 percent in Alameda County and 5.2 percent in Contra Costa County.

Unemployment rates in the Bay Area’s other metro areas also declined between January and February. San Francisco’s unemployment rate fell from 4.3 percent in January to 4.1 percent February, while unemployment in San Jose fell from 5.3 to 5.2 percent during the same period. Unemployment rates in both regions were up from February 2007 estimates, when the rate in San Francisco was 3.9 percent and 4.7 percent in San Jose.

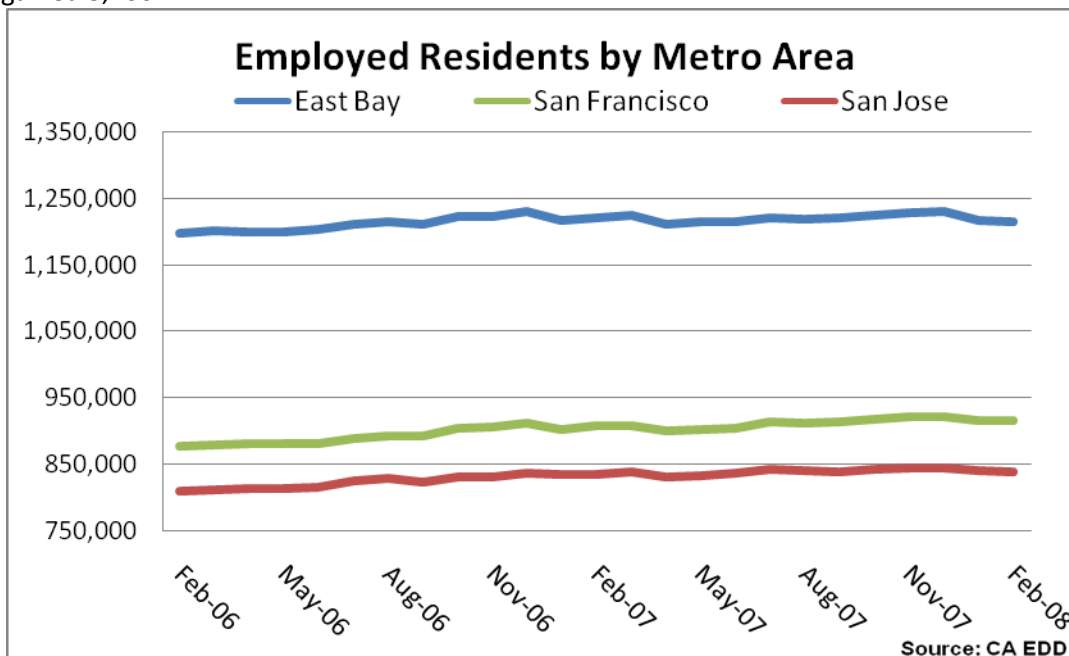


BAY AREA LABOR FORCE Between January and February, the East Bay’s labor force (number of individuals currently employed or actively seeking employment) decreased by 5,000 workers to reach 1,280,400. San Francisco’s labor force decreased by 1,400 workers to reach 955,900, and in San Jose the number of workers fell 3,800 to reach 884,200. In a year-over-year comparison, the East Bay had 1,000 more workers in February 2008 than in February 2007, San Francisco gained 11,500, and San Jose added 7,700 workers.



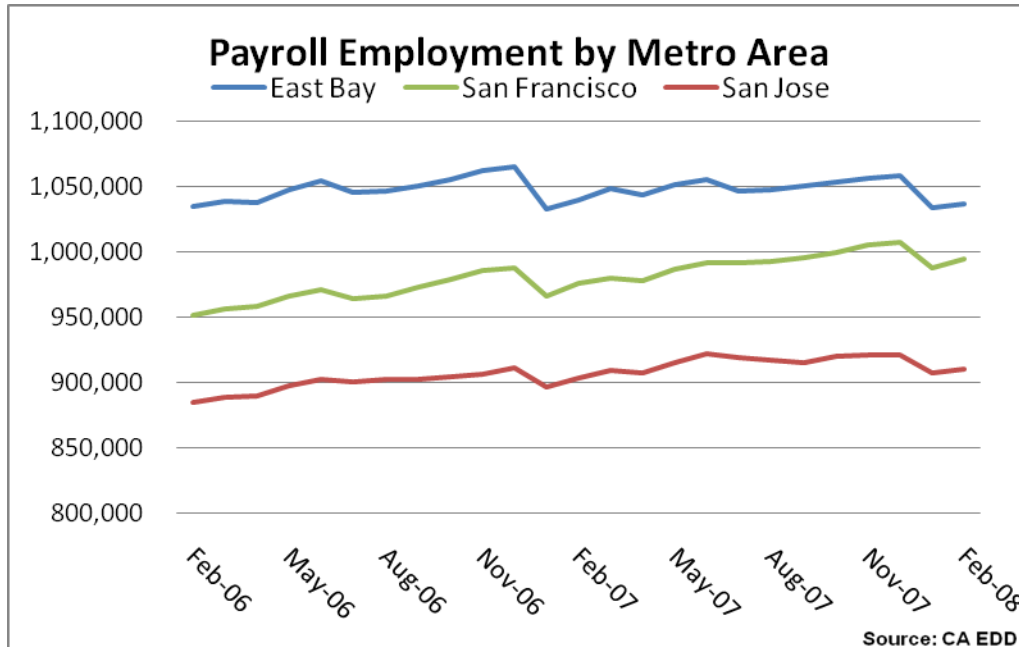
BAY AREA EMPLOYED RESIDENTS

Between January and February, the number of employed residents (employed persons who reside within the specified region) decreased 2,800 in the East Bay and 2,500 in the San Jose region, while San Francisco added 800. An annual comparison showed the East Bay with 6,200 fewer employed residents than in February 2007, while San Francisco gained 9,200 and San Jose gained 3,200.



BAY AREA PAYROLL EMPLOYMENT

Between January and February, the East Bay added 3,400 payroll jobs (number of jobs located in the specified region, not including those who are self-employed), San Francisco added 6,900 and San Jose added 2,900. In a comparison with February 2007, the East Bay lost 3,300 jobs, while San Francisco added 19,000 and San Jose added 7,300. A detailed description of East Bay payroll employment by sector follows in the next section.



EAST BAY PAYROLL EMPLOYMENT

MONTHLY COMPARISON According to the California Employment Development Department, the total number of jobs increased by 3,400 to reach 1,037,400 between January and February 2008.

- Government increased by 2,200 jobs, with local public schools (up 1,500 jobs) and state schools (up 500 jobs) accounting for the bulk of the total, reflecting the seasonal upward trend that occurs at the end of winter break.
- Private educational and health services increased by 1,800 jobs, with schools (up 1,500 jobs) accounting for most of the total, also indicative of the seasonal upward trend that occurs at the end of winter break.
- Professional and business services rose by 900 jobs, while other services increased by 400 jobs.
- Leisure and hospitality gained 300 jobs, below its average 800-job increase from January to February over the prior 18 years.
- On the downside, the trade, transportation, and utilities industry fell by 2,300 jobs. With the normal extended period of layoffs from the winter holiday shopping season, retail trade (down 2,100 jobs) accounted for most of the total loss.

ANNUAL COMPARISON Between February 2007 and February 2008, the total number of jobs decreased by 3,300 or 0.3 percent.

- Financial activities lost 4,800 jobs, with banks, savings and loan institutions, and credit unions (down 3,000 jobs) accounting for most of the loss.
- Manufacturing fell by 1,500 jobs, while construction lost 1,400 jobs, and trade, transportation, and utilities declined by 1,000 jobs.
- On the upside, government led the year-over gains by adding 4,900 jobs, with local public schools (up 4,300 jobs) accounting for most of the growth.
- Educational and health services increased by 1,000 jobs, mostly in health care and social assistance firms (up 800 jobs).

East Bay Payroll by Sector	Feb-08	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Government	191,300	2,200	4,900	2.6%	11,200
Educational and Health Services	125,800	1,800	1,000	0.8%	7,100
Other Services	36,100	400	600	1.7%	1,200
Trans, Warehousing & Utilities	36,200	0	500	1.4%	2,500
Leisure and Hospitality	85,500	300	400	0.5%	4,000
Retail Trade	110,800	-2,100	-700	-0.6%	-4,000
Professional and Business Services	153,600	900	-700	-0.5%	3,000
Wholesale Trade	48,000	-200	-800	-1.6%	-100
Information	28,900	200	-800	-2.7%	-1,100
Construction	67,400	100	-1,400	-2.0%	-1,800
Manufacturing	92,600	0	-1,500	-1.6%	-3,200
Financial Activities	58,800	-200	-4,800	-7.5%	-10,200
Total All Industries	1,037,400	3,400	-3,300	-0.3%	8,700

INDUSTRY EMPLOYMENT DATA SOURCE: California Employment Development Department

EAST BAY CONSTRUCTION EMPLOYMENT

Both the month-over-month and year-over-year changes in the East Bay's construction sector reflect the housing construction downturn affecting the entire nation, with new jobs in infrastructure-related construction and specialty trade contractors making up a majority of gains in this sector. Overall, East Bay construction employment lost 1,400 jobs between February 2007 and February 2008.

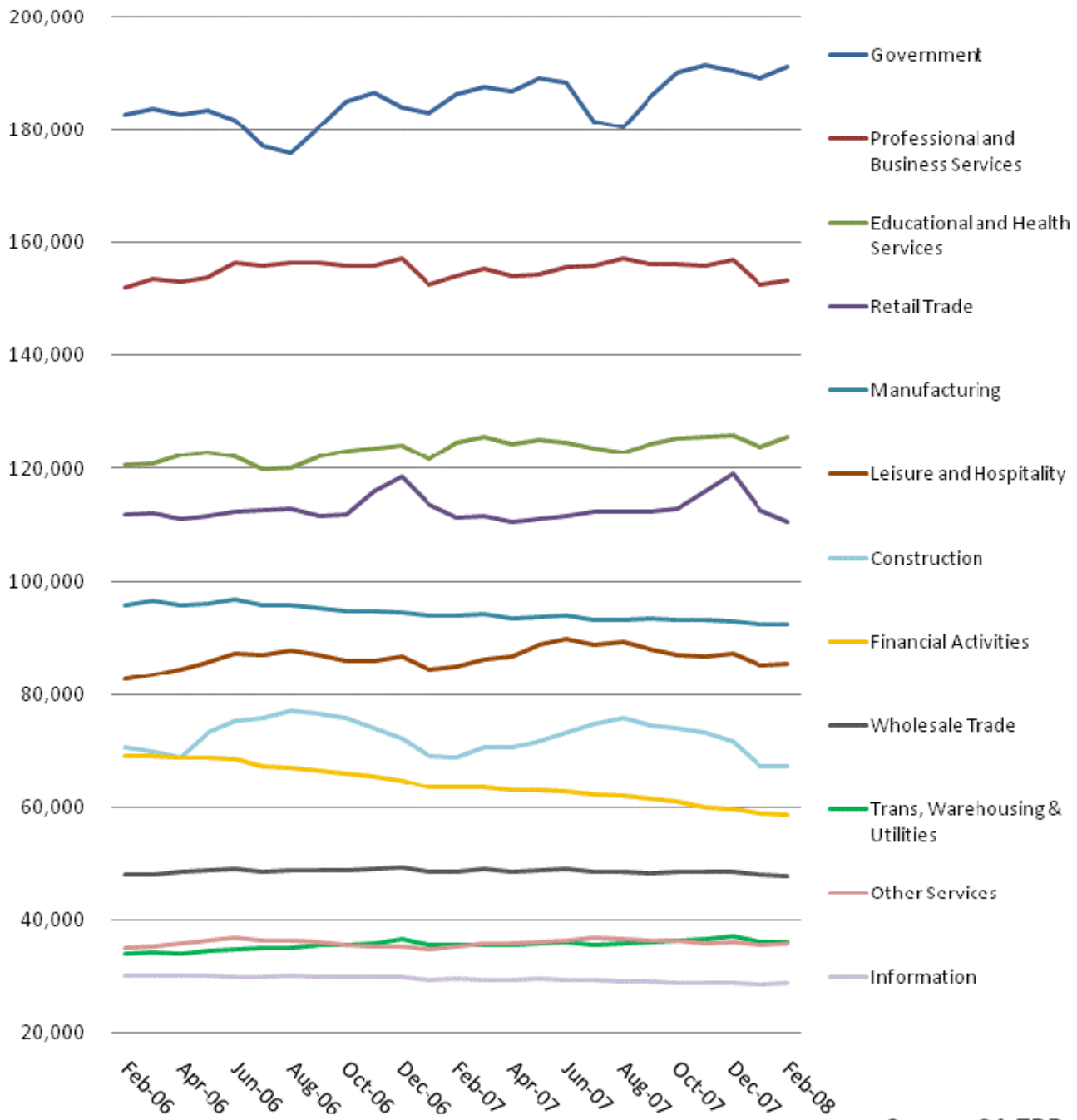
East Bay Construction Sector	Feb-08	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Other Specialty Trade Contract	19,000	500	600	3.3%	1,300
Highway, Street, and Bridge Const	3,500	0	500	16.7%	-100
Residual-Other Heavy and Civil Engineer	5,300	200	100	1.9%	100
Building Equipment Contractors	14,400	-200	-100	-0.7%	500
Nonresidential Building Construction	5,000	0	-700	-12.3%	-200
Residential Building Construction	11,200	0	-800	-6.7%	-2,000
Building Foundation and Ext. Contract	9,000	-400	-1,000	-10.0%	-1,400
Total Construction	67,400	100	-1,400	-2.0%	-1,800

EAST BAY MANUFACTURING PAYROLL EMPLOYMENT

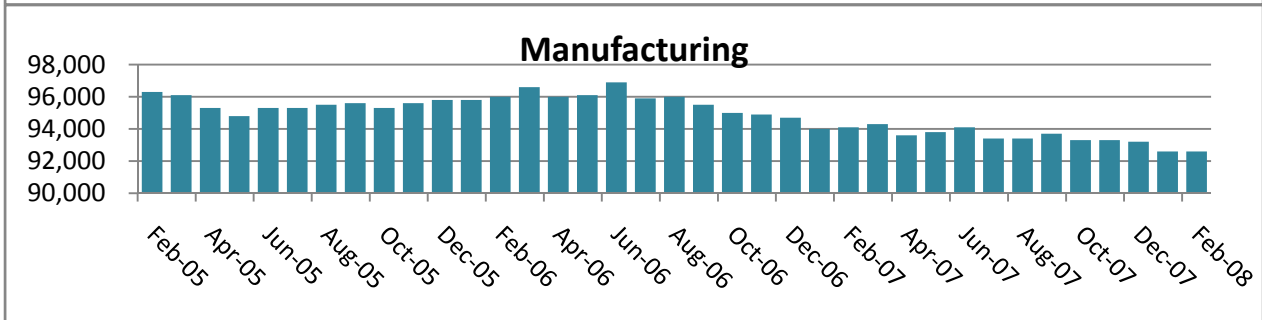
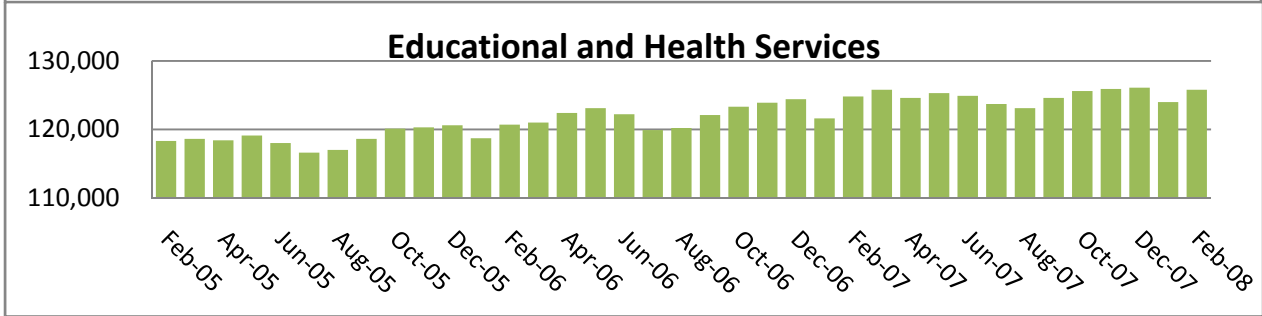
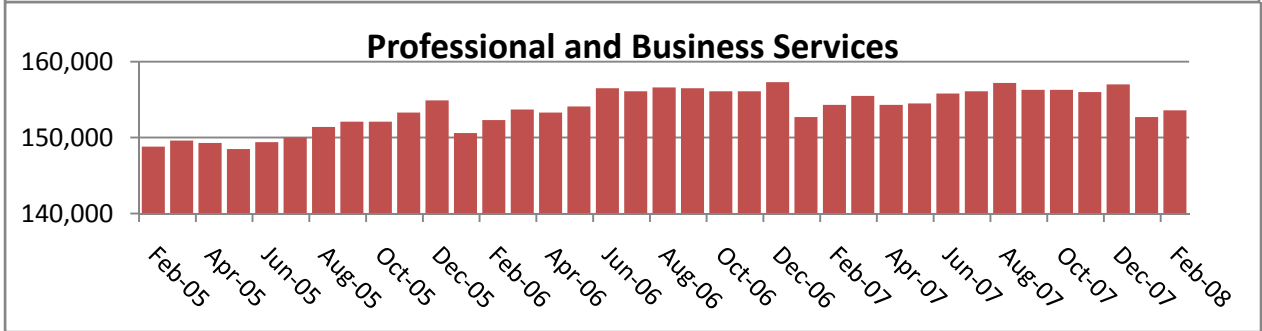
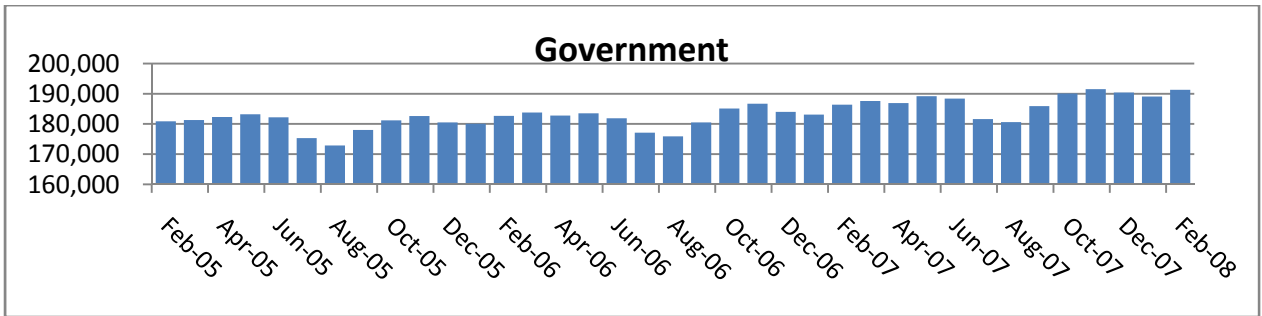
The East Bay's manufacturing sector showed an overall loss of 600 jobs between January and February 2008. A year-over-year comparison showed an overall loss of 1,400 jobs when compared with February 2007.

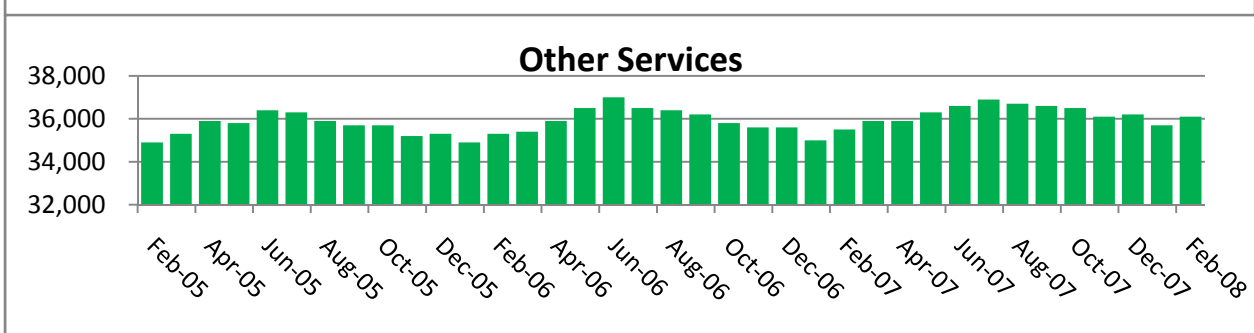
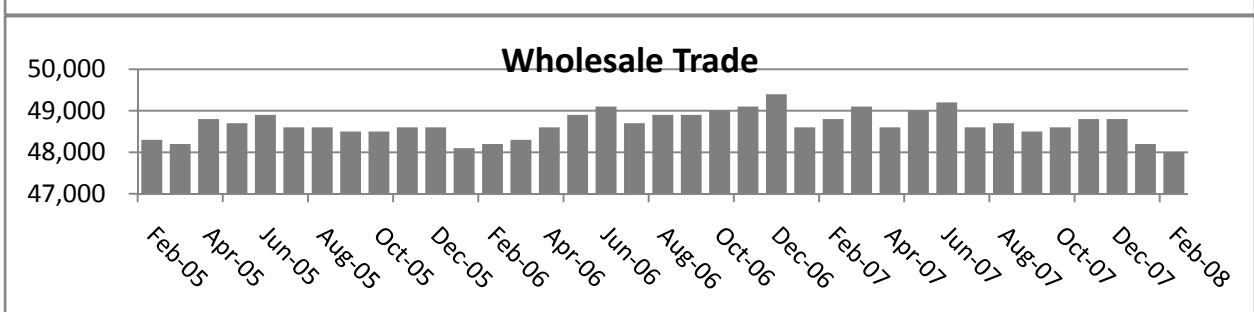
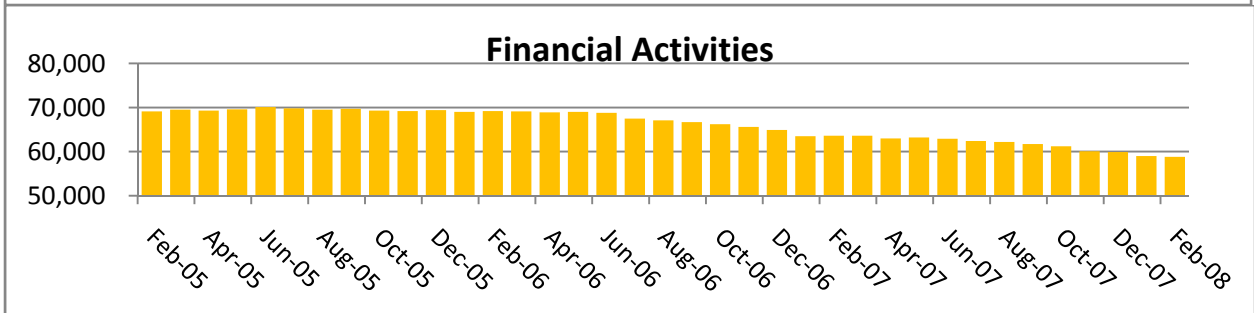
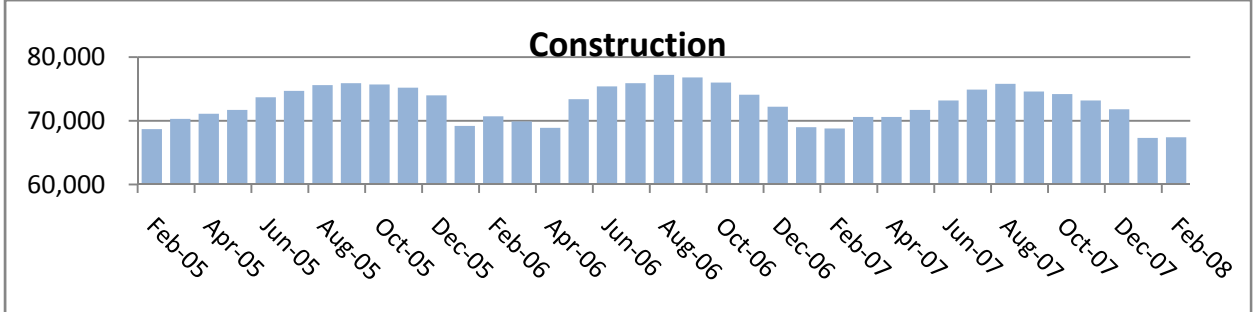
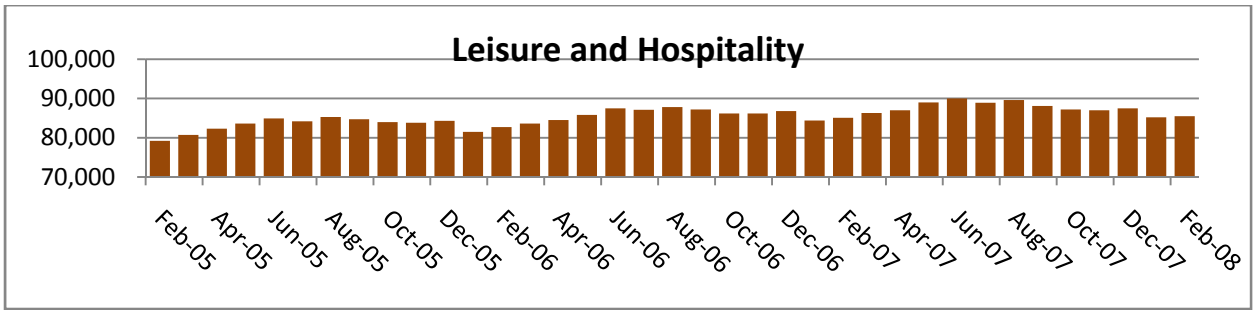
	Feb-08	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Chemical	7,400	0	300	4.2%	300
Computer and Electronic Product	20,100	100	0	0.0%	-1,300
Transportation Equipment	7,600	0	0	0.0%	-200
Petroleum and Coal Products	7,100	0	-300	-4.1%	500
Residual-Food	19,300	-400	-500	-2.5%	-1,400
Residual-Miscellaneous	31,300	-500	-600	-1.9%	-900
Total Manufacturing	92,600	-600	-1,400	-1.5%	-3,200

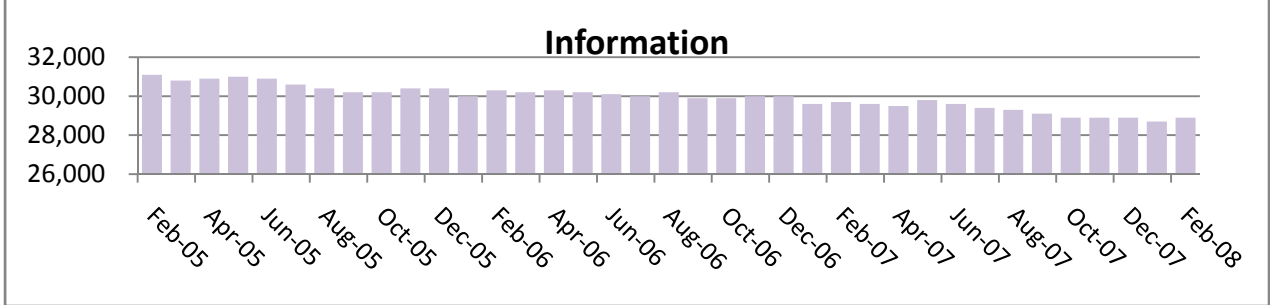
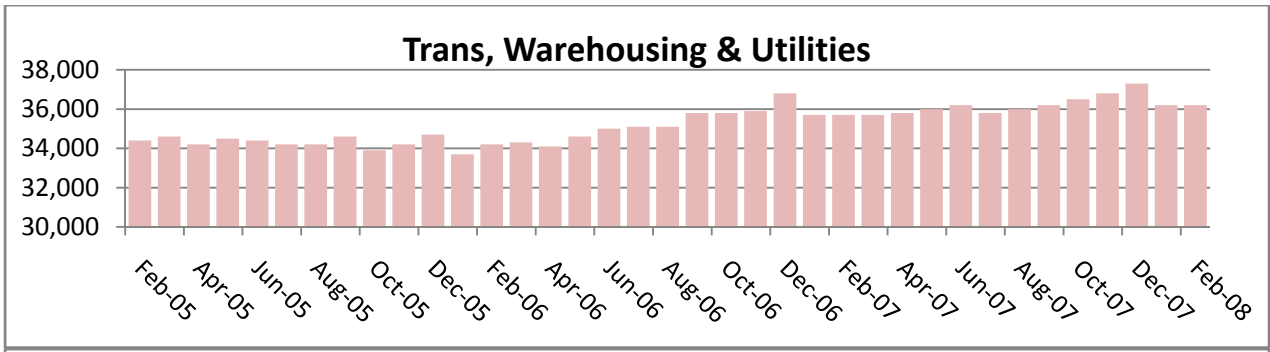
East Bay Payroll Employment by Sector (Not Seasonally Adjusted)



Source: CA EDD







BAY AREA HOME SALES

A total of 3,989 new and resale houses and condos sold in the nine- county Bay Area in February. That was up 11.2 percent from 3,586 in January, and down 36.7 percent from 6,305 for February 2007, DataQuick Information Systems reported.

The median price paid for a Bay Area home was \$548,000 last month, down 0.4 percent from \$550,000 in January, and down 11.6 percent from \$620,000 in February last year. Last month's median was 17.6 percent lower than the peak median of \$665,000 reached last June and July.

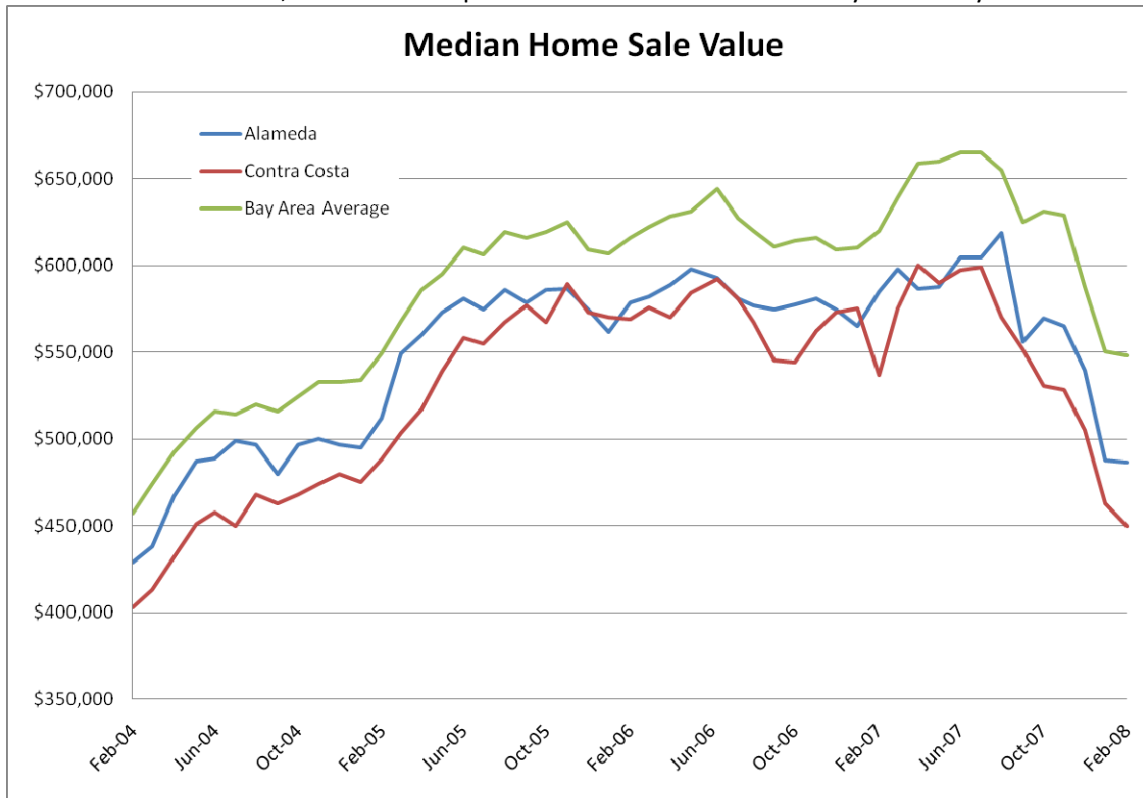
According to DataQuick, last month's median price might have been higher if jumbo loans had been more stable and available. These loans, which are

mortgages over \$417,000, are crucial in high home value areas like the Bay Area, and accounted for 59.8 percent of all Bay Area home loans in February of 2007. In February 2008 they only made up 28.9 percent of all Bay Area home loans.

All Homes by County	Number Sold Feb 2008	Sales Annual Pct. Chg	Median Feb 2008	Median Annual Pct. Chg
Alameda	753	-44.50%	\$486,500	-16.80%
Contra Costa	753	-35.10%	\$450,000	-16.20%
Marin	136	-40.40%	\$775,000	-6.50%
Napa	57	-38.70%	\$525,000	-14.30%
Santa Clara	984	-40.50%	\$658,000	-2.80%
San Francisco	431	14.90%	\$736,000	-2.80%
San Mateo	343	-35.00%	\$646,500	-10.20%
Solano	278	-39.30%	\$350,000	-21.30%
Sonoma	254	-43.90%	\$400,000	-22.30%
Bay Area	3,989	-36.70%	\$548,000	-11.60%

Source: Data Quick Information Systems

In the East Bay, both Alameda and Contra Costa Counties continued to post sharp losses in the numbers of homes sold, while median prices continued to decline on a year-over-year basis.



EAST BAY HOME SALES

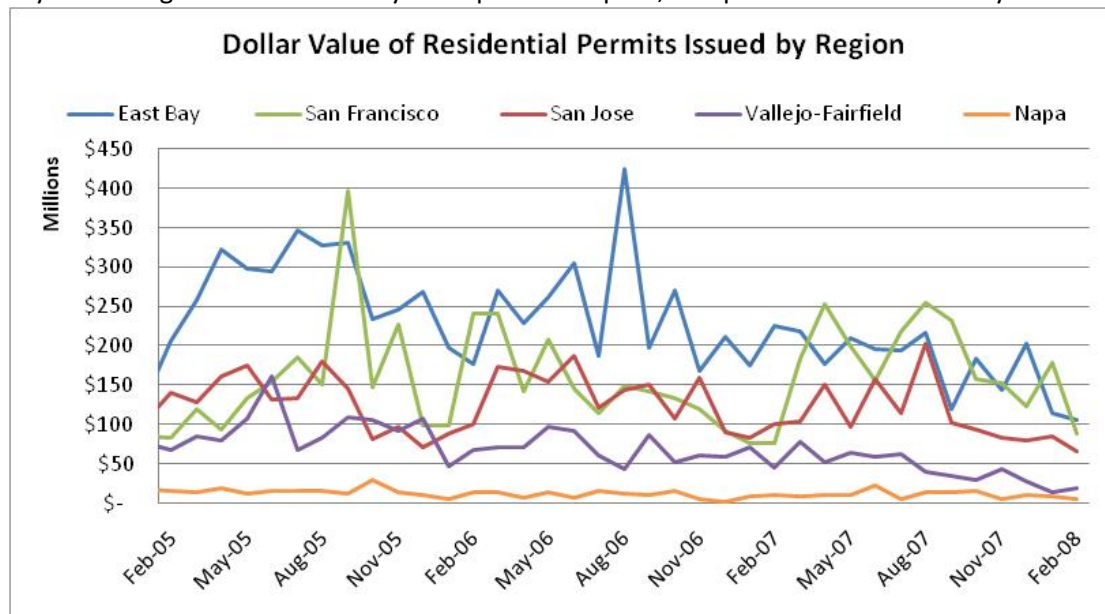
In February 2008 the median home sale price in Alameda County was \$500,000 – a 13.04 percent (\$75,000) decrease compared with January 2007. In Contra Costa County the median home sale price was \$464,000 in January 2008 - a 15.64 percent (\$86,000) decrease compared to January 2007. A majority of cities in both counties saw year-over-year declines in median home values.

Note: City-level data for February were compiled from an alternate source, as DataQuick numbers were not available for many East Bay cities. Source: SF Chronicle Zip Code Chart via DQNews.com

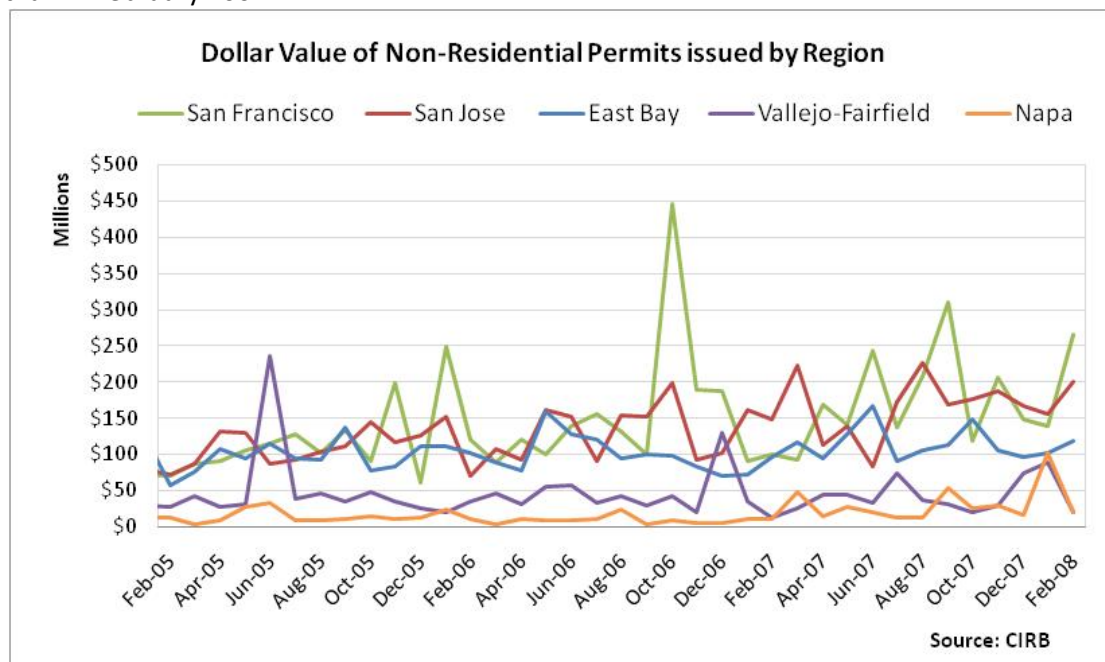
County/City/Area	# Sold Feb 2008	Feb 2008
Alameda	26	\$ 597,000
Albany	8	\$ 440,000
Berkeley	28	\$ 653,000
Castro Valley	30	\$ 645,000
Dublin	48	\$ 510,000
Emeryville	16	\$ 375,454
Fremont	130	\$ 549,157
Hayward	58	\$ 392,250
Livermore	19	\$ 470,000
Livermore	65	\$ 525,000
Newark	18	\$ 475,000
Oakland	137	\$ 390,500
Piedmont	22	\$ 720,000
Pleasanton	24	\$ 918,750
San Lorenzo	15	\$ 383,500
Union City	42	\$ 451,000
Alamo	10	\$ 1,650,000
Antioch	80	\$ 289,500
Brentwood	64	\$ 440,000
Byron	1	\$ 170,000
Clayton	11	\$ 598,500
El Cerrito	12	\$ 600,000
El Sobrante	14	\$ 396,000
Hercules	18	\$ 457,500
Lafayette	7	\$ 1,281,500
Martinez	17	\$ 460,000
Moraga	4	\$ 557,500
Oakley	34	\$ 386,000
Orinda	14	\$ 1,275,000
Pinole	8	\$ 417,000
Pittsburg	45	\$ 327,750
Pleasant Hill	10	\$ 550,000
Richmond	43	\$ 350,500
Rodeo	4	\$ 587,500
San Pablo	30	\$ 375,000
San Ramon	78	\$ 697,125

BAY AREA CONSTRUCTION PERMITS

The following two charts of residential and non-residential permit values issued in each of the Bay Area's regions since February 2005 provide a quick, comparative view of activity.



Between January and February 2008, the dollar value of residential construction permits fell \$9 million in the East Bay, and fell \$89 million in San Francisco and \$18 million in San Jose. When comparing February 2007 and February 2008, permit values the East Bay decreased \$118 million, while San Jose fell \$34 million. In San Francisco, permit values were \$12 million higher than in February 2007.



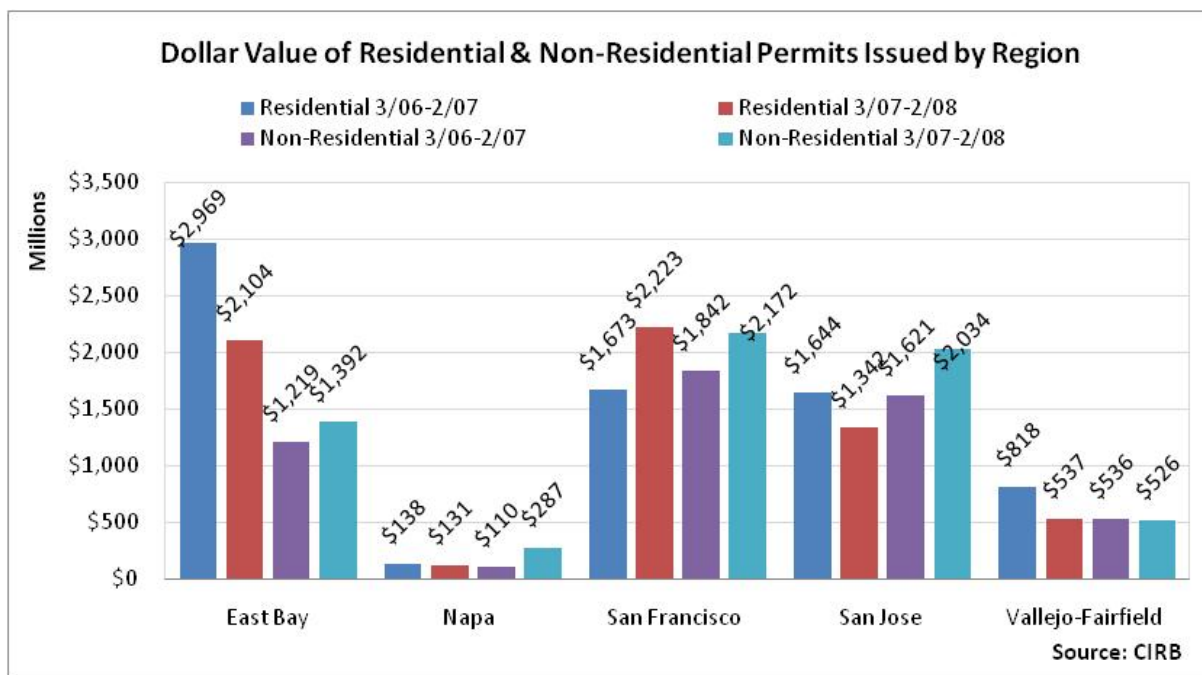
With the exception of the Vallejo-Fairfield and Napa regions, non-residential permit values increased between January and February 2008 around the Bay Area. In the East Bay, values were up \$15 million over January, while San Francisco gained \$125 million and San Jose gained \$45 million. When compared with February 2007, permit values were up in all Bay Area regions,

with the East Bay issuing \$25 million more in non-residential permits, San Francisco issuing \$164 million more and San Jose \$53 million more.

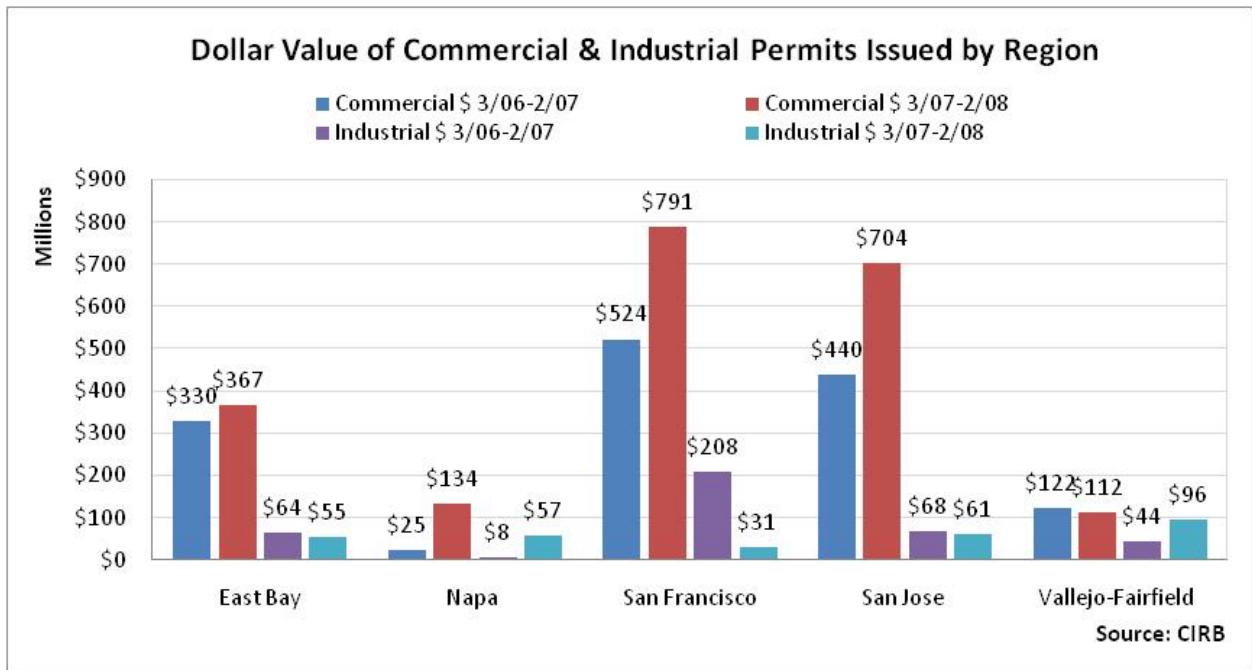
12-Month Analysis of Construction Permits

The following tables and graphs compare the 12-month periods of March 2006 – February 2007 and January 2007 – February 2008. This method provides a year-over-year comparison and can be less volatile than the month-over-month comparison in the previous section (used to show a historic overview of construction permit values).

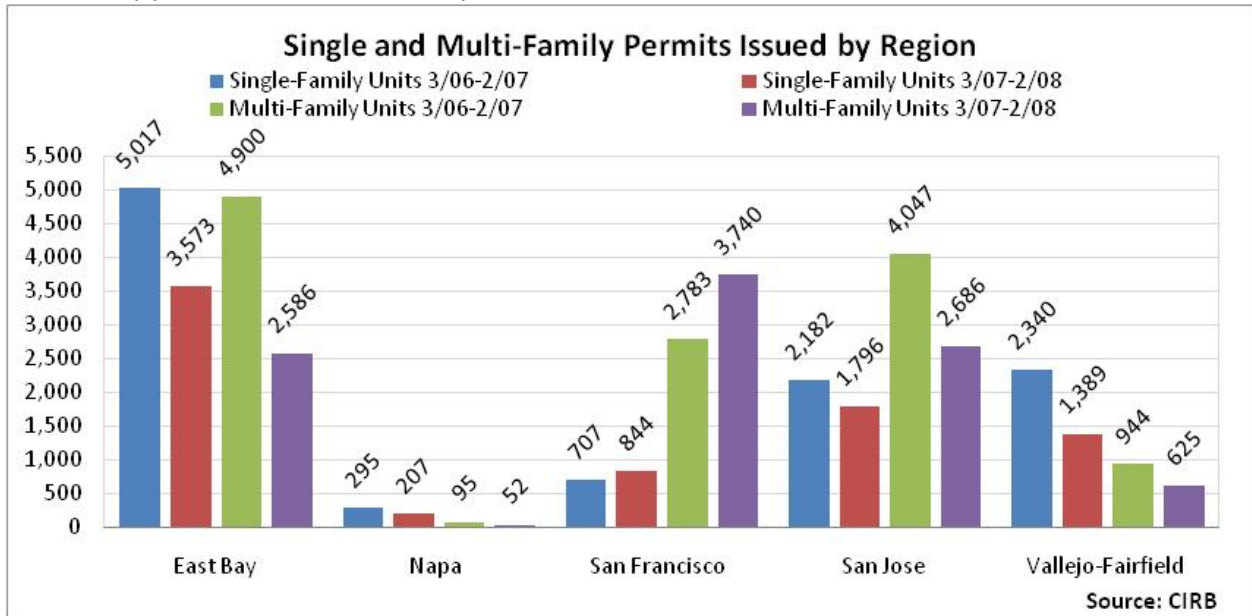
RESIDENTIAL & NON-RESIDENTIAL PERMITS When comparing the two previous 12-month periods of March 2006 – February 2007 and March 2007 – February 2008, the San Francisco region was the only MSA to see an increase in the dollar value of residential permits issued. The steepest decline in this comparison of residential permit values was in the East Bay region, where residential permit values fell over 29 percent. With the exception of the Vallejo-Fairfield region, total non-residential (commercial, industrial and institutional) permit values increased around the Bay Area, with the largest increase in San Francisco.



COMMERCIAL & INDUSTRIAL PERMITS In a comparison of commercial and industrial construction permits issued during the same two 12-month periods, the dollar value of commercial permits issued in the East Bay showed a small increase of \$37 million. In the Napa, San Francisco and San Jose regions, larger increases in commercial permit values occurred, with these regions seeing increases of \$109, \$267, and \$264 million, respectively. Industrial permit values fell \$9 million in the East Bay region, fell \$176 million in San Francisco and fell \$77 million in the San Jose region. The Napa and Vallejo-Fairfield regions saw increases of \$49 and \$52 million, respectively.



SINGLE AND MULTI-FAMILY PERMITS With the exception of the moderate increase in residential permits seen in the San Francisco region, all Bay Area regions saw declines when compared with the previous 12-month period. The East Bay's multi-family construction has fallen from close to 5,000 multi-family unit permits in the 2006-2007 period to just under 2,600 multi-family permits in the 2007-2008 period.



EAST BAY CONSTRUCTION

The following tables detail construction permits for the same comparative time periods for Alameda and Contra Costa Counties.

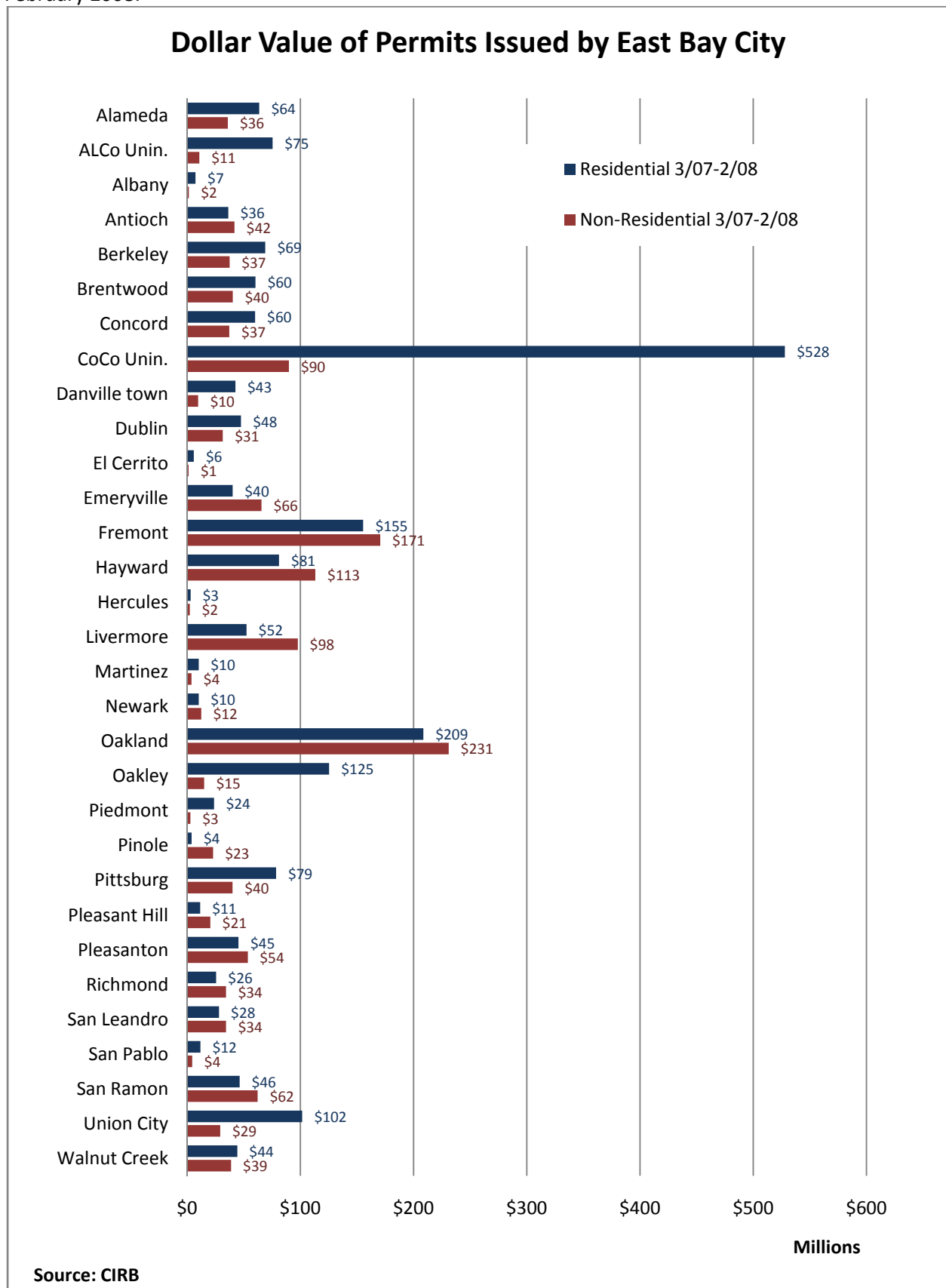
When compared with the twelve-month period ending in 2007, Alameda County continued to see non-residential permits increase, all in commercial construction. Residential permits in Alameda County continued to decrease dramatically. In the same comparison, Contra Costa County residential and commercial permit values declined, while industrial permits advanced 20.5 percent over the previous period.

Construction Permit Values	March 2006 – Feb 2007	March 2007 – Feb 2008	Change	% Change
Alameda County Residential	\$1,493,521,440	\$1,009,708,168	-\$483,813,272	-32.4%
Alameda County Non-Residential	\$757,858,334	\$927,829,106	\$169,970,772	22.4%
Alameda County Commercial	\$189,394,043	\$234,658,001	\$45,263,958	23.9%
Alameda County Industrial	\$49,933,708	\$37,705,669	-\$12,228,039	-24.5%
Contra Costa County Residential	\$1,475,225,993	\$1,093,867,853	-\$381,358,140	-25.9%
Contra Costa County Non-Residential	\$461,226,266	\$464,609,434	\$3,383,168	0.7%
Contra Costa County Commercial	\$140,283,584	\$132,484,030	-\$7,799,554	-5.6%
Contra Costa County Industrial	\$14,529,412	\$17,504,073	\$2,974,661	20.5%
			Source: CIRB	

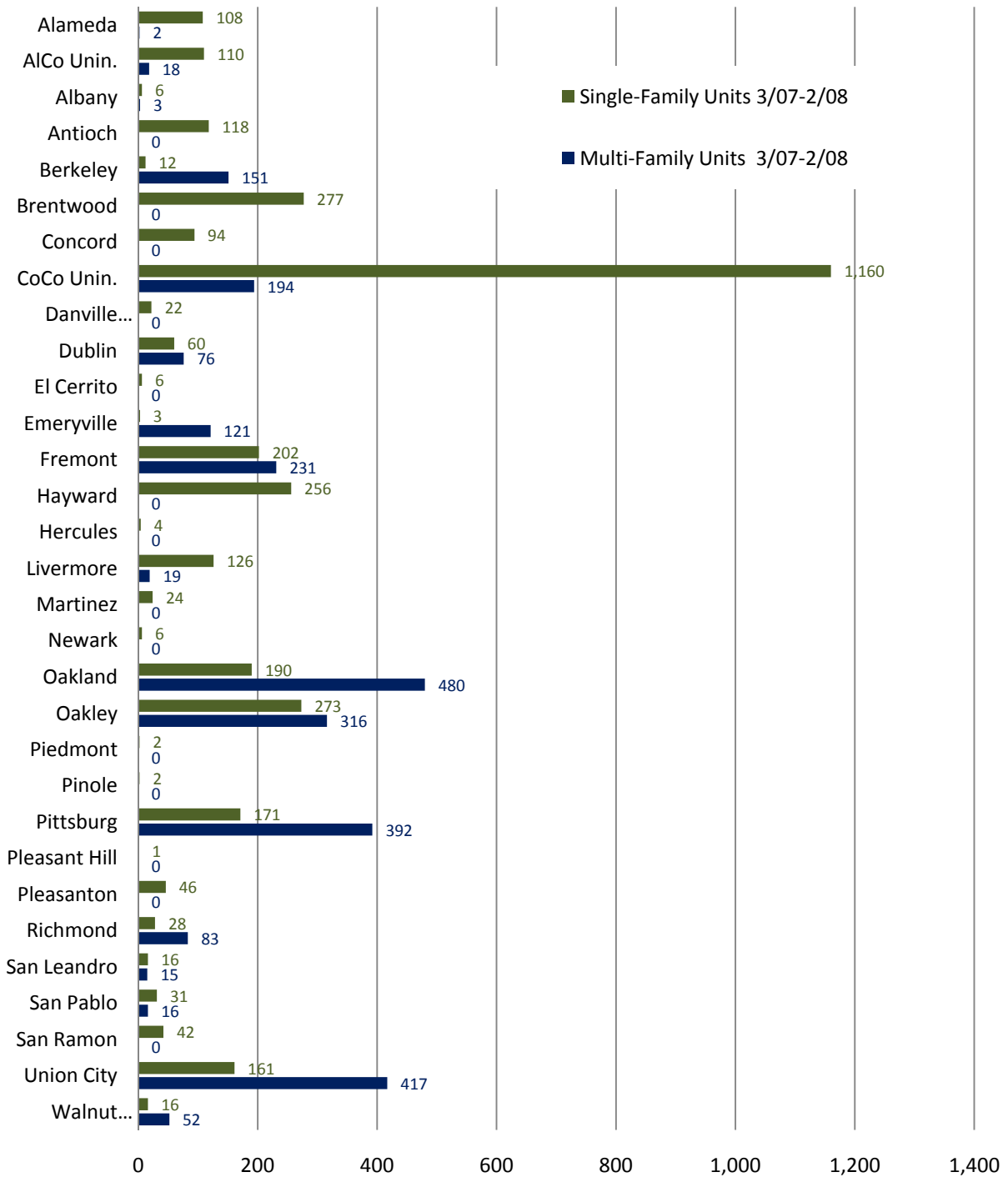
The slowing of the housing market was visible in the declines in both single and multi-family construction permits issued over the past twelve months. In this comparison, multi-family construction in Alameda County was hardest hit, dropping over 60 percent when compared with the previous period.

Housing Unit Permit Comparison by Type	Feb 2006 – Jan 2007	Feb 2007 – Jan 2008	Change	% Change
ALCO Single-Family Units	1,604	1,304	-300	-18.7%
CCC Single-Family Units	3,413	2,269	-1144	-33.5%
ALCO Multi-Family Units	3,860	1,533	-2327	-60.3%
CCC Multi-Family Units	1,040	1,053	13	1.3%
			Source: CIRB	

The following charts show the number and value of single, multi-family, residential and non-residential construction permits issued in East Bay cities for the twelve-month period ending February 2008.



Single and Multi-Family Permits Issued by East Bay City



Source: CIRB