



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 APRIL 2008

- *East Bay unemployment declined, falling to 5.2 percent from 5.5 percent in March*
- *Construction, finance and manufacturing payrolls continued to post larger-than-average monthly and yearly decreases*
- *Median home sale values decreased 19 percent in Alameda County and 32 percent in Contra Costa County on an annual basis*
- *Non-residential construction permit values increased slightly, with much of the activity taking place in the industrial sector*
- *Both single and multi-family residential construction permits continued to post annual decreases*

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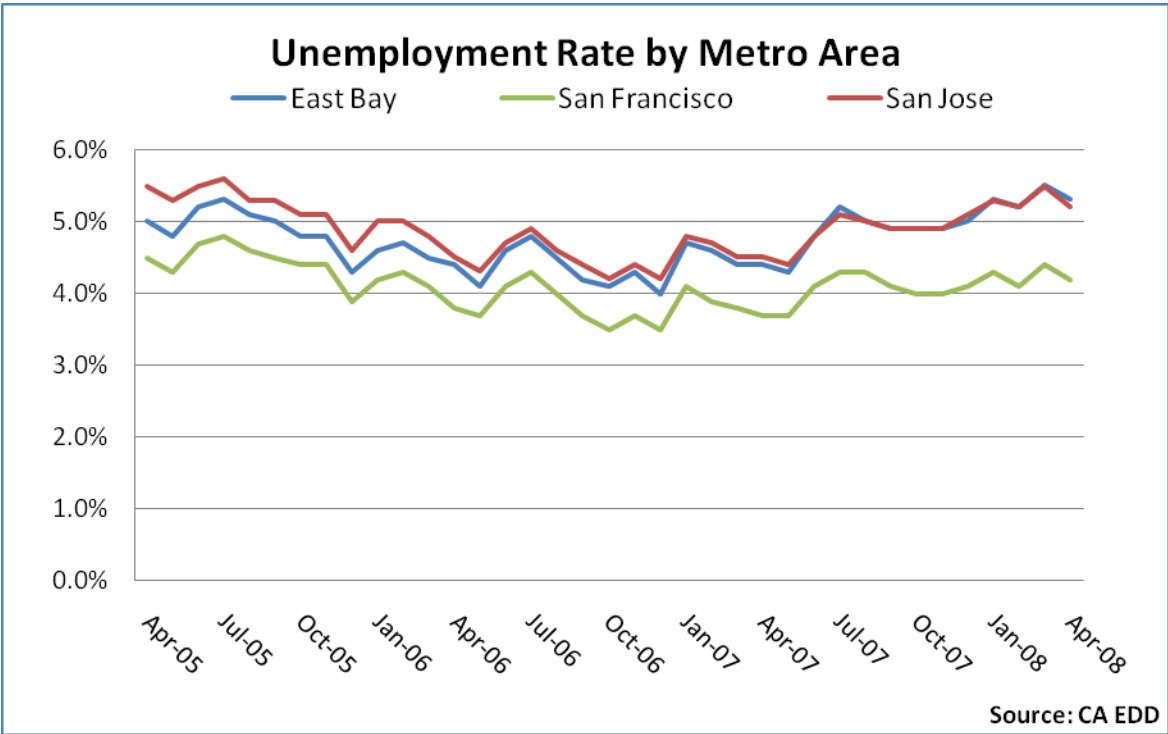
*Serving the East Bay, the **Bright** Side of the San Francisco Bay*

EMPLOYMENT

BAY AREA UNEMPLOYMENT

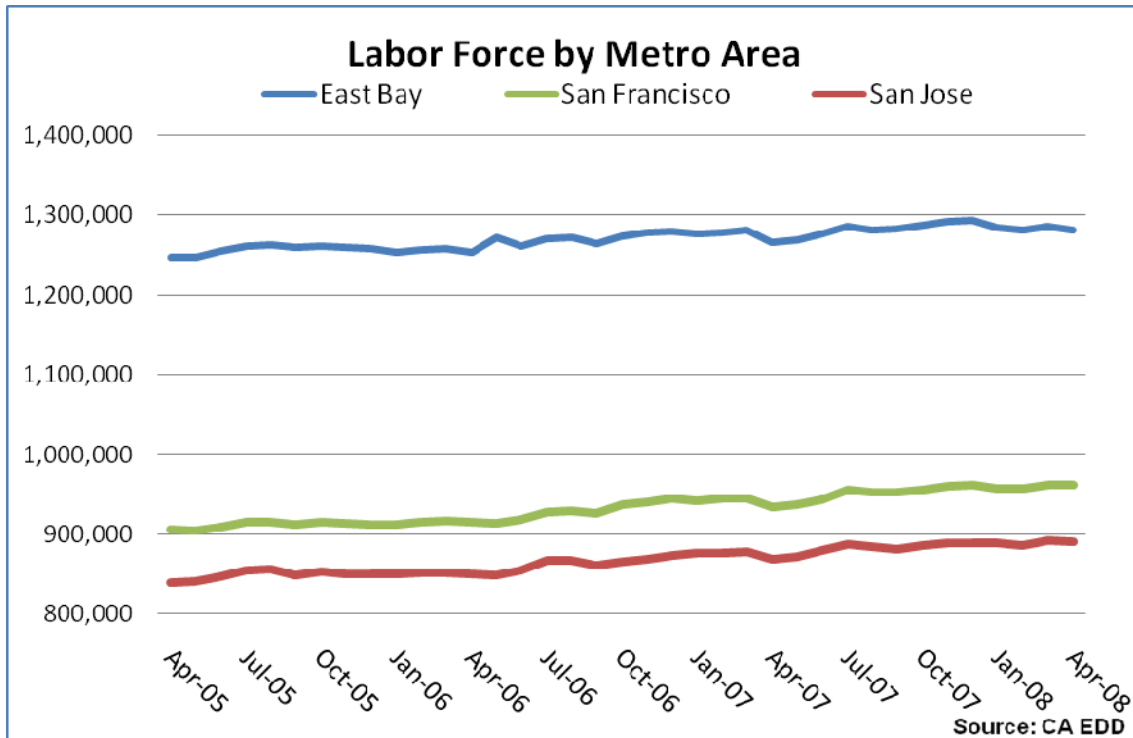
According to the California Employment Development Department, the unemployment rate in the East Bay was 5.3 percent in April 2008, down from a revised 5.5 percent in March 2008, but above the year-ago estimate of 4.4 percent. This compares with an unadjusted unemployment rate of 6.1 percent for California and 4.8 percent for the nation during the same period. The unemployment rate was 5.2 percent in Alameda County and 5.3 percent in Contra Costa County.

Unemployment rates in the Bay Area’s other metro areas also decreased between March and April. San Francisco’s unemployment rate dropped to 4.2 percent, from 4.4 percent in March, while unemployment in San Jose fell from 5.2 percent in March to 4.2 percent in April. Though unemployment fell between March and April, in a year-over-year comparison with April 2007, rates are up in all three Bay Area metro areas.



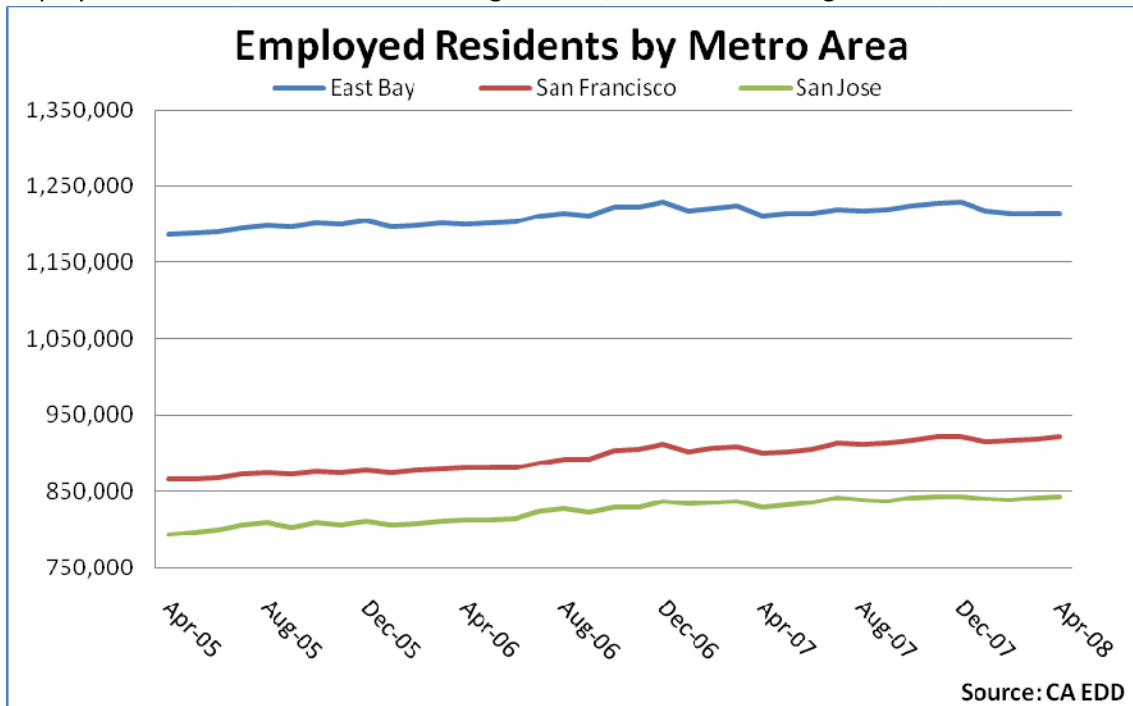
BAY AREA LABOR FORCE

In a month-over-month comparison, the East Bay’s labor force (number of individuals currently employed or actively seeking employment) decreased by 3,700 workers to reach 1,282,200. San Francisco’s labor force gained 200 workers to reach 961,600, and in San Jose the number of workers fell 1,900 to reach 889,600. In a year-over-year comparison, Bay Area regions continued to see gains in labor force numbers. The East Bay had 15,200 more workers in April 2008 than in April 2007, San Francisco gained 26,800, and San Jose added 20,300 workers.



BAY AREA EMPLOYED RESIDENTS

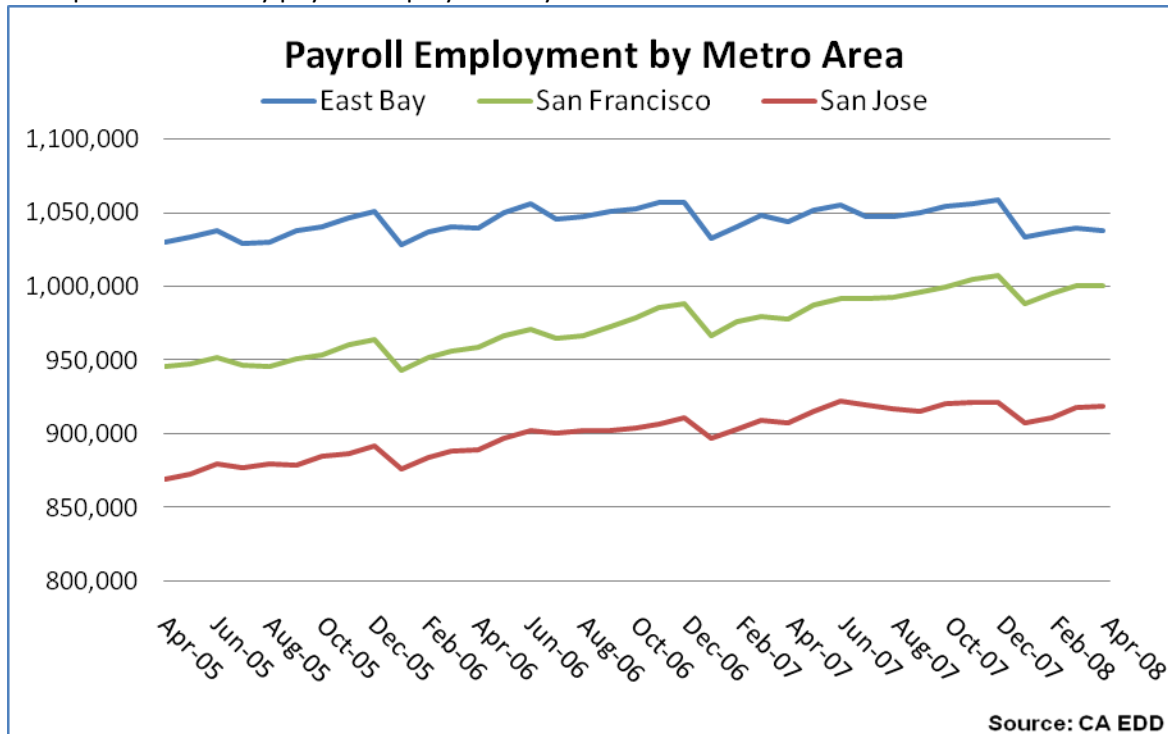
Between March and April 2008, the number of employed residents (employed persons who reside within the specified region) fell 500 in the East Bay, while in San Francisco there were 2,200 more employed residents and in the San Jose metro there were 700 more. When compared with April 2007, a year-over-year comparison showed the East Bay with 3,300 more employed residents, while San Francisco gained 21,400 and San Jose gained 13,100.



BAY AREA PAYROLL EMPLOYMENT

Between March and April 2008, the East Bay lost 1,500 payroll jobs (number of jobs located in the specified region, not including those who are self-employed), while San Francisco gained 700 and San Jose gained 1,100. In a comparison with April 2007, the East Bay's payrolls shrunk by

5,800 jobs, while San Francisco gained 22,600 and San Jose gained 11,700. 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's monthly release, between March 2008 and April 2008, the total number of jobs in the East Bay decreased by 1,500 to reach 1,038,000.

- The major industry with the largest deviation from its usual seasonal pattern was construction; its jobs held stable, although far below its average 800-job increase from March to April over the prior 18 years.
- Manufacturing decreased by 700 jobs, a larger-than-average seasonal decrease, with durable goods (down 500 jobs) accounting for the bulk of the loss.
- Trade, transportation, and utilities netted a decline of 700 jobs, a typical decrease from March to April, with department and other retail stores reducing payrolls by 900 jobs.
- Financial activities lost 600 jobs, a larger-than-average seasonal decrease.
- On the upside, professional and business services gained 600 jobs, a larger-than average seasonal increase. Employment services (up 500 jobs) accounted for most of the gain.

ANNUAL COMPARISON

Between April 2007 and April 2008, the total number of jobs in the East Bay decreased by 5,800 or -0.6 percent.

- Financial activities lost 4,900 jobs, with banks, savings and loan institutions, and credit unions (down 2,900 jobs) accounting for most of the loss.
- Construction fell by 3,800 jobs, mostly in construction of buildings (down 2,300 jobs) and specialty trade contractors (down 1,100 jobs).
- Trade, transportation, and utilities lost 2,200 jobs. Retail trade (down 1,600 jobs) accounted for the majority of the loss.

- On the upside, government led the year-over gains by netting 4,800 jobs. Local and state public schools (up 4,900 jobs) accounted for most of the growth, although somewhat offset by losses in other levels of government.

	Apr-08	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Government	191,700	-200	4,800	2.6%	8,900
Educational and Health Services	126,400	-300	1,800	1.4%	4,000
Professional and Business Services	155,000	600	700	0.5%	1,700
Trans, Warehousing & Utilities	36,200	200	400	1.1%	2,100
Other Services	36,200	0	300	0.8%	300
Leisure and Hospitality	86,800	100	-200	-0.2%	2,300
Information	28,600	0	-900	-3.1%	-1,700
Wholesale Trade	47,600	0	-1,000	-2.1%	-1,000
Manufacturing	92,100	-700	-1,500	-1.6%	-3,900
Retail Trade	109,300	-900	-1,600	-1.4%	-2,000
Construction	66,800	0	-3,800	-5.4%	-2,100
Financial Activities	58,100	-600	-4,900	-7.8%	-10,800
Total All Industries	1,038,000	-1,500	-5,800	-0.6%	-1,600

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 continuing to plague the nation at large. All but the specialty trade and highway, street and bridge construction sectors saw losses in a comparison with April 2007.

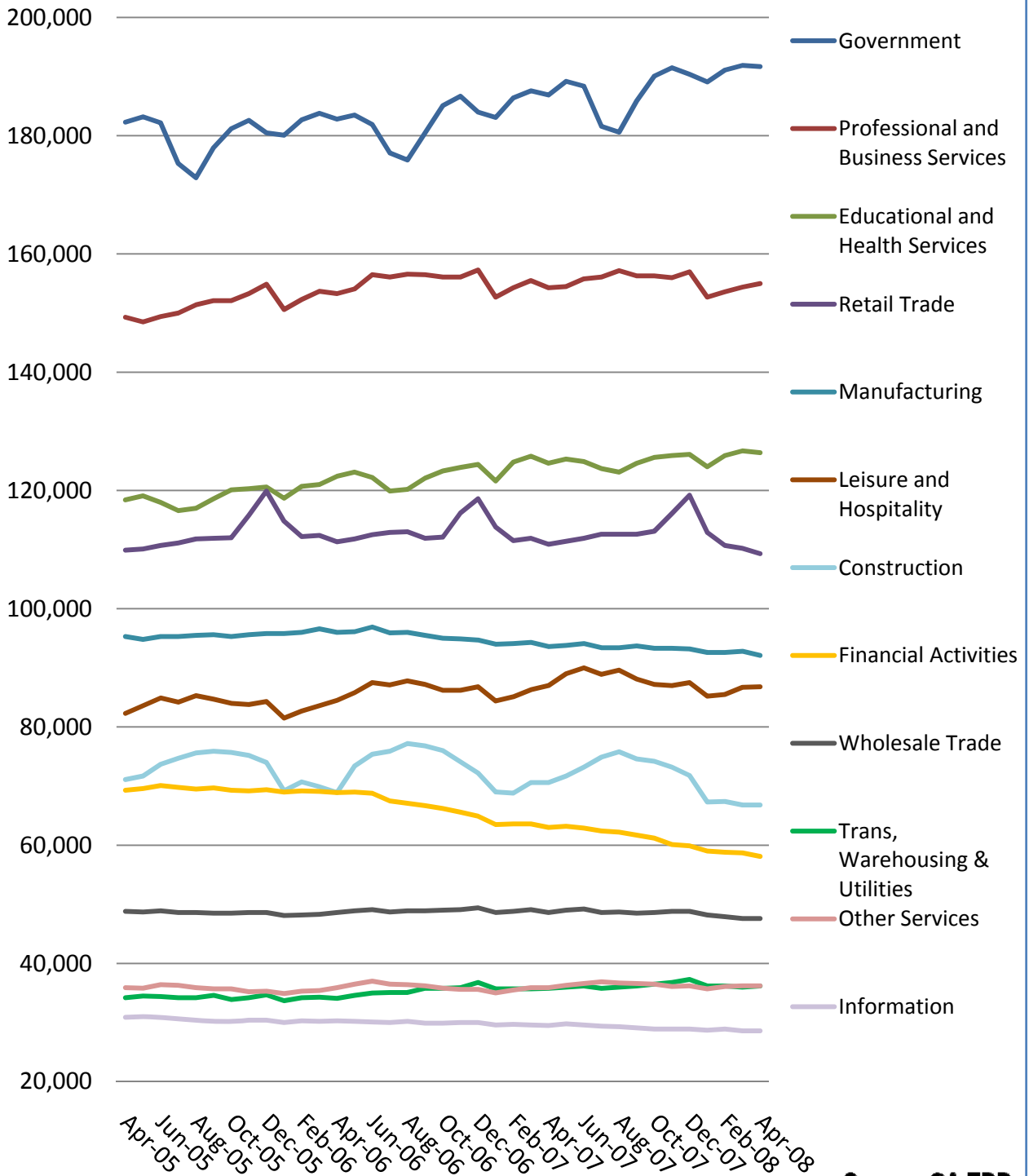
East Bay Construction Employment	Apr-08	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Other Specialty Trade Contract	19,400	200	700	3.7%	1,300
Highway, Street, and Bridge Const	3,500	100	200	6.1%	300
Residual-Other Heavy and Civil Engineer	5,100	0	-600	-10.5%	100
Building Equipment Contractors	14,300	100	-600	-4.0%	500
Nonresidential Building Construction	4,700	-200	-700	-13.0%	-500
Building Foundation and Exterior Contractors	9,100	0	-1,200	-11.7%	-1,300
Residential Building Construction	10,700	-200	-1,600	-13.0%	-2,500
Total Construction	66,800	0	-3,800	-5.4%	-2,100

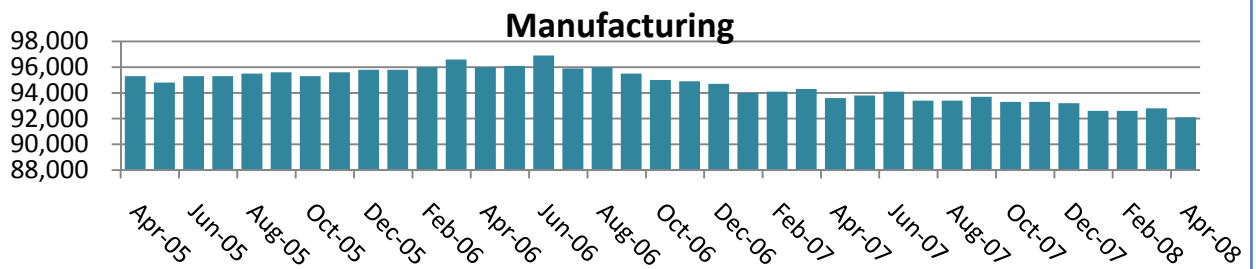
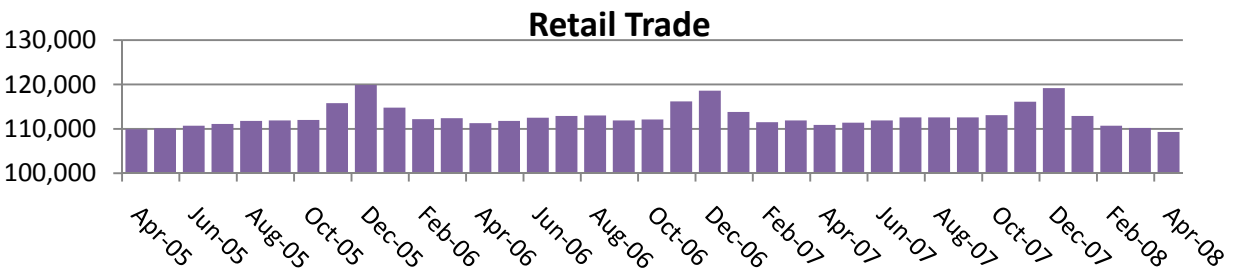
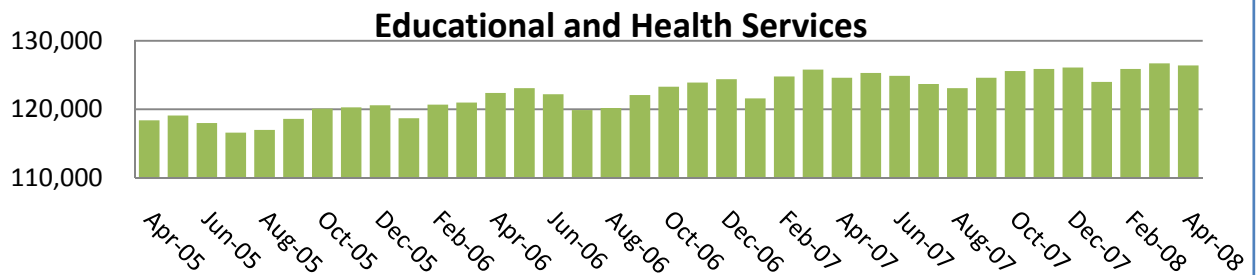
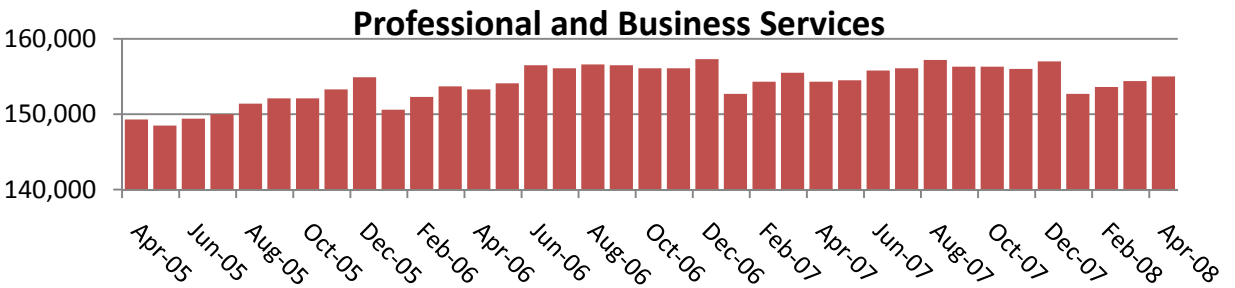
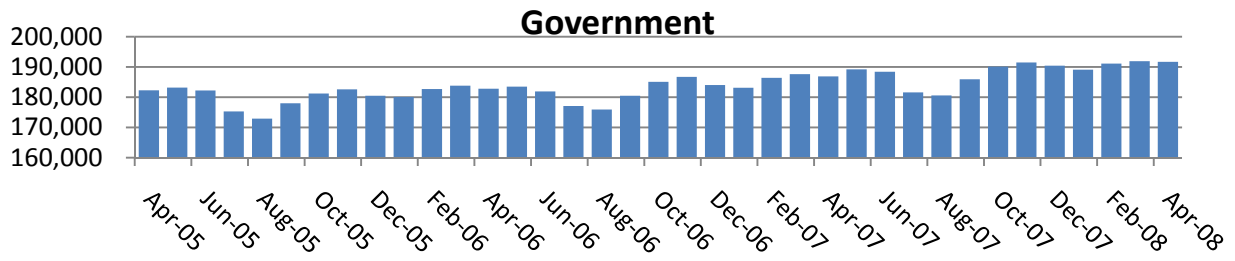
EAST BAY MANUFACTURING PAYROLL EMPLOYMENT

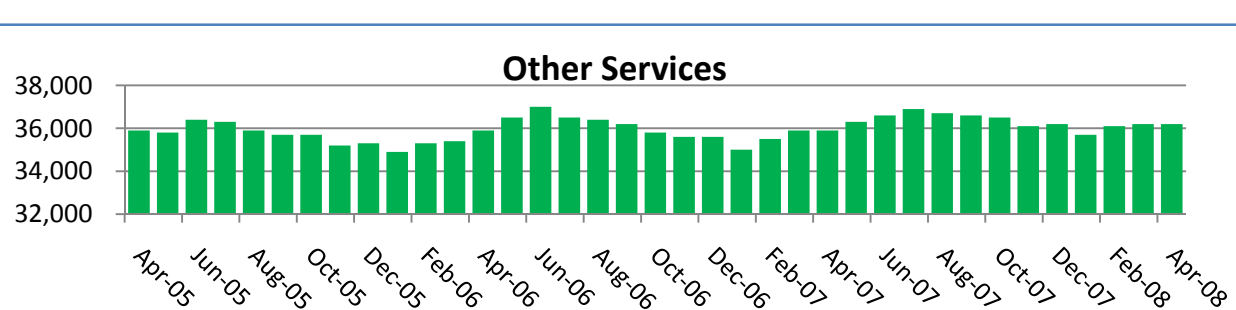
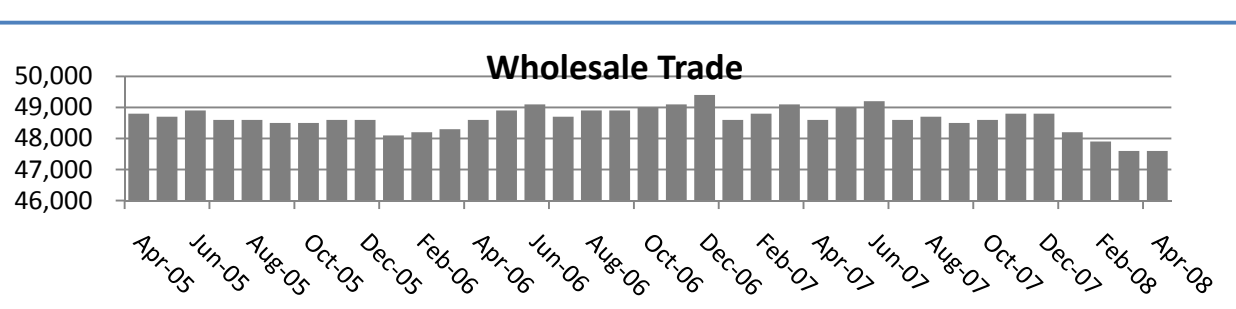
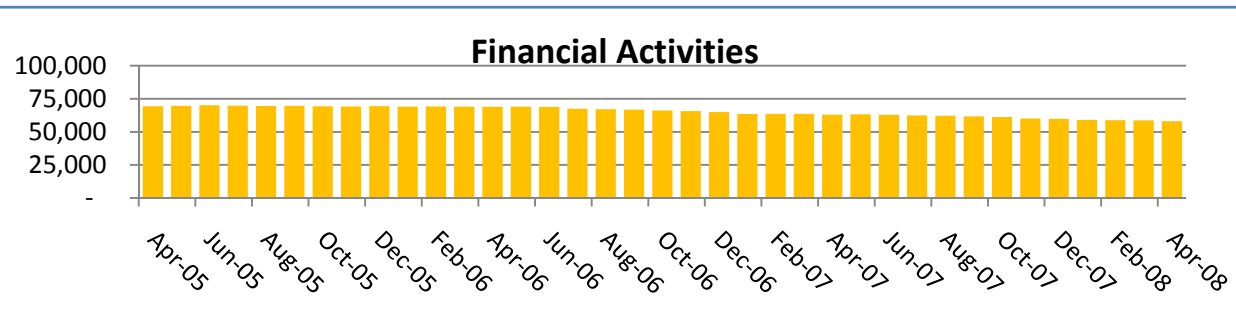
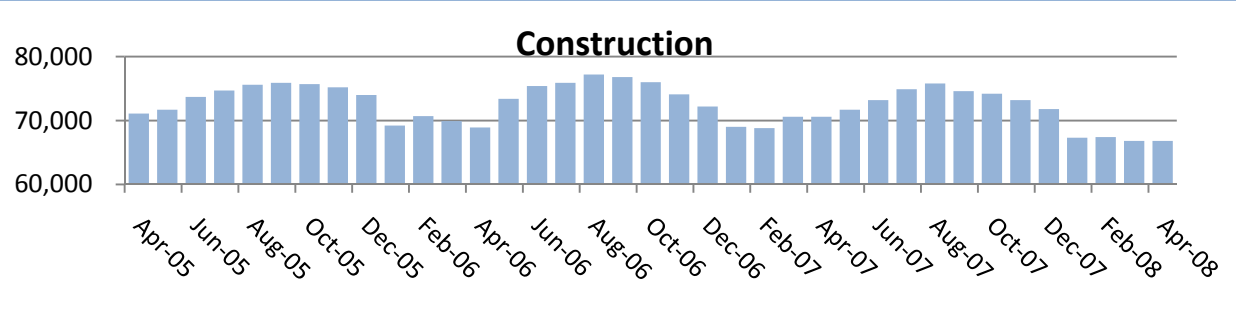
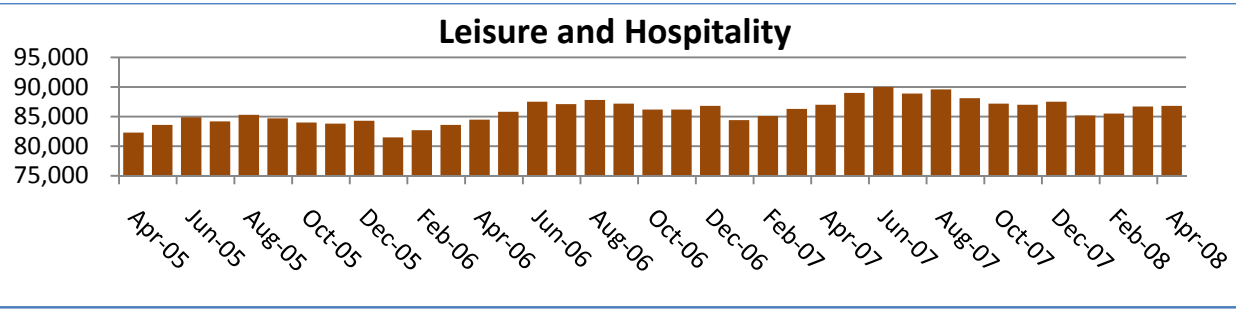
The East Bay's manufacturing sector showed an overall loss of 1,500 jobs when compared with April 2007, with most losses occurring in the food manufacturing sector.

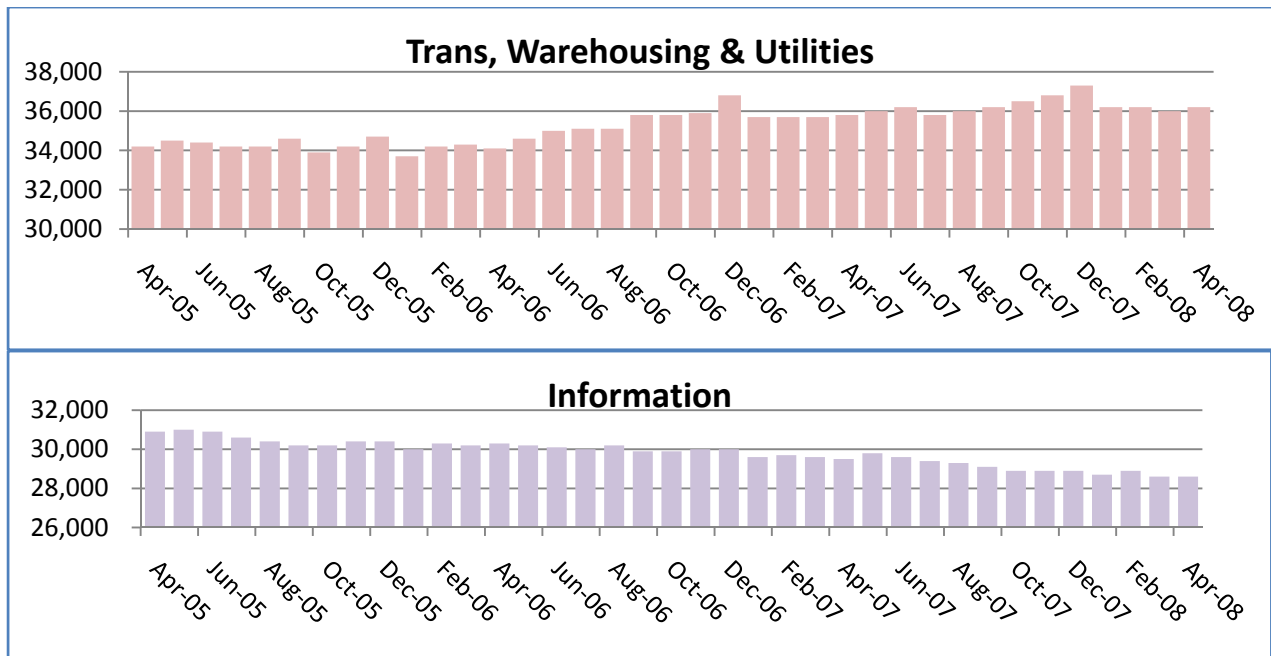
East Bay Manufacturing Employment	Apr-08	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Chemical	7,400	0	200	2.8%	300
Computer and Electronic Product	20,000	-100	100	0.5%	-1,500
Transportation Equipment	7,500	-100	0	0.0%	-200
Petroleum and Coal Products	7,200	0	-200	-2.7%	600
Residual-Miscellaneous	31,000	-300	-600	-1.9%	-1,300
Residual-Food	19,000	-200	-1,000	-5.0%	-1,800

East Bay Payroll Employment by Sector (Not Seasonally Adjusted)









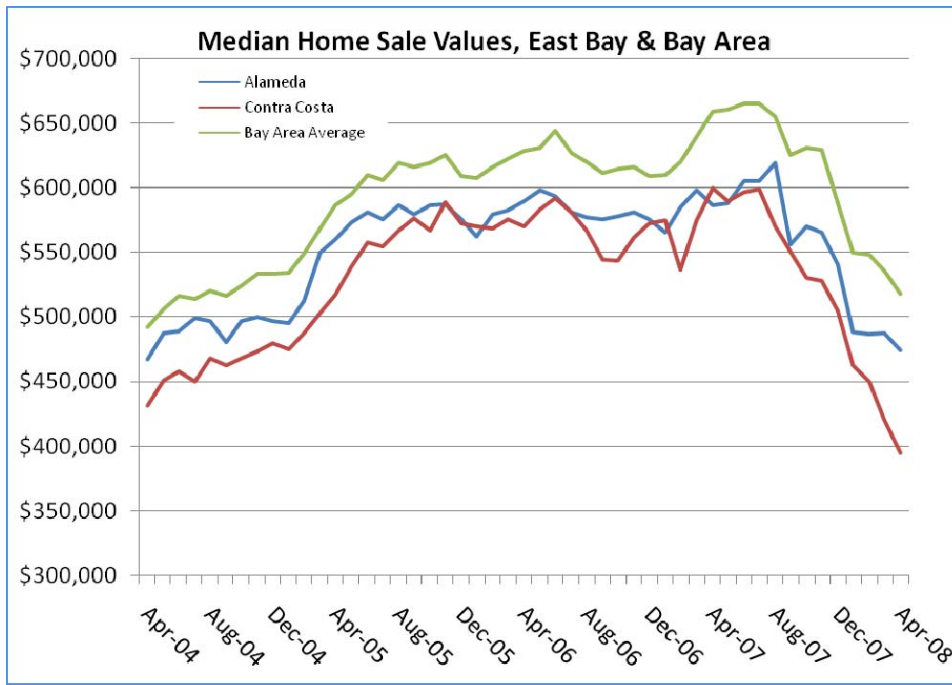
BAY AREA HOME SALES

All Homes by County	Number Sold April 2008	Sales Annual Pct. Chg	Median April 2008	Median Annual Pct. Chg
Alameda	1,240	-20.30%	\$473,750	-19.20%
Contra Costa	1,265	1.50%	\$395,000	-34.20%
Marin	216	-31.00%	\$800,000	-13.50%
Napa	100	-8.30%	\$499,000	-11.40%
Santa Clara	1,440	-28.30%	\$615,000	-13.30%
San Francisco	605	6.50%	\$750,000	-5.10%
San Mateo	573	-15.90%	\$672,500	-17.00%
Solano	429	-2.50%	\$319,500	-25.40%
Sonoma	442	-16.00%	\$414,250	-20.20%
Bay Area	6,310	-15.30%	\$518,000	-21.40%

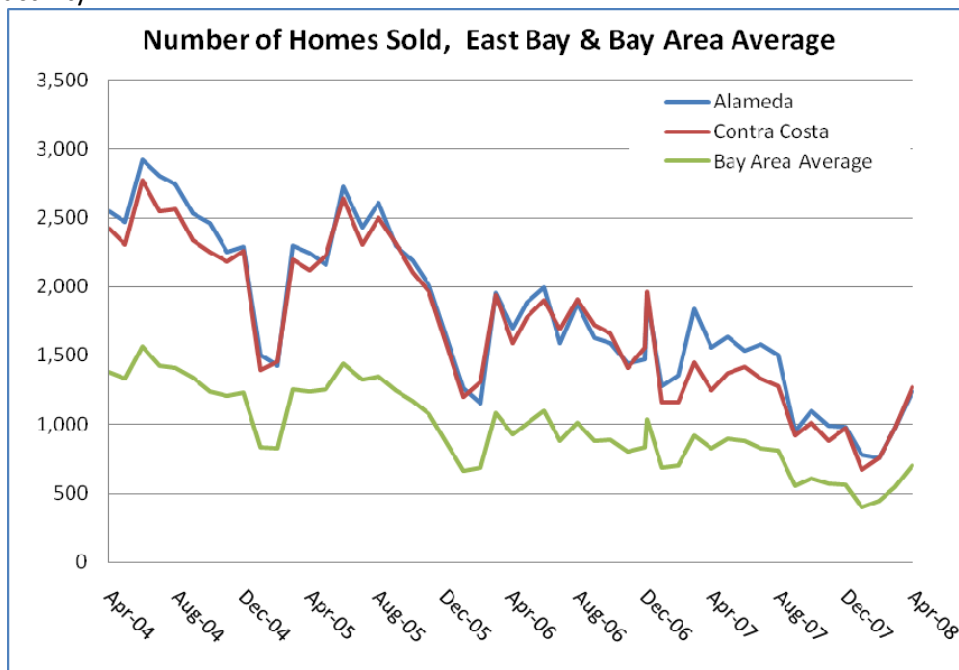
Source: Data Quick Information Systems

According to DataQuick Information Systems, Bay Area home sales edged up from a seven-month run of record lows last month, indicating that mortgage availability is improving and that an increasing number of fence sitters have decided they like today's lower prices.

A total of 6,310 new and resale houses and condos sold in the nine-county Bay Area in April. That was up 28.8 percent from 4,898 in March, and down 15.3 percent from 7,447 for April 2007, DataQuick Information Systems reported.



Alameda County saw 1,240 homes sell in April 2008, a 20.30 percent decrease from April 2007. The number of homes sold in Contra Costa was up 1.50 percent from April 2007 – and along with San Francisco County, was the only Bay Area region to see an annual increase in home sale activity.



In terms of median values, all Bay Area counties continue to see year-over-year decreases. The median price paid for a Bay Area home was \$518,000 last month, down 3.4 percent from \$536,000 in March, and down 21.4 percent from \$659,000 in April last year. Last month's median was 22.1 percent lower than the peak median of \$665,000 reached in June and July last year.

Though high, Alameda County's year-over-year home value decrease of 19.20 percent is within the average range for Bay Area counties, as all have seen dramatic decreases over the past 12 months. Contra Costa County's year-over-year price decrease was the highest in the Bay Area, with values dropping 34.20 percent compared to last April. Contra Costa County's new median

value of \$395,000 is the lowest for that County since January 2004 (according to DataQuick releases).

EAST BAY HOME SALES

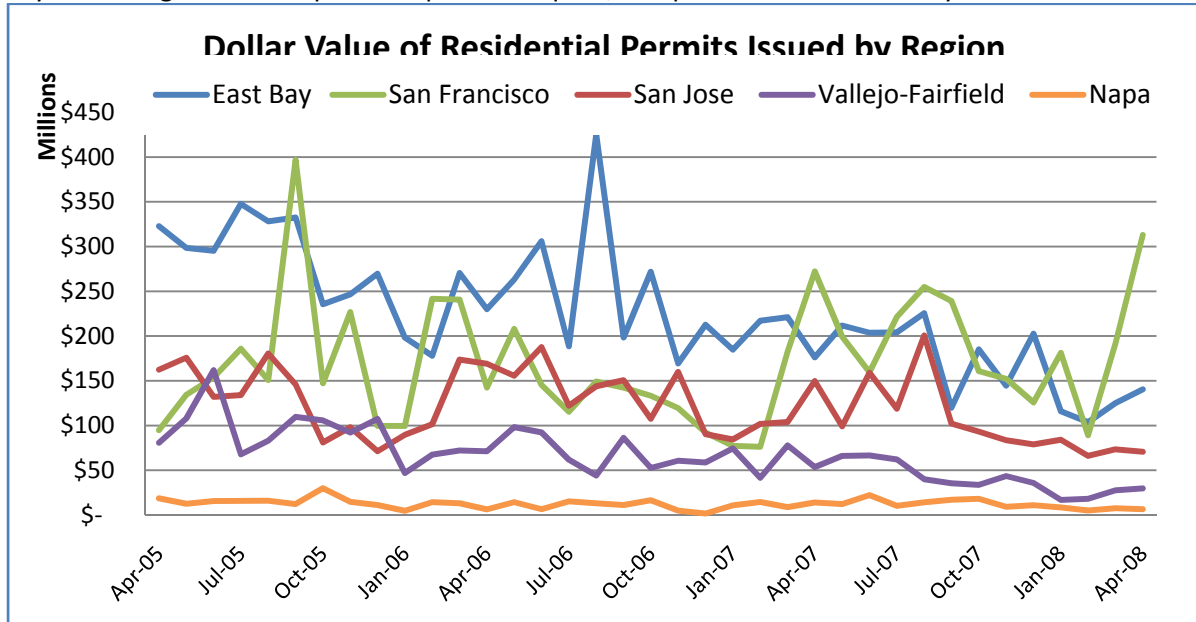
In April 2008, a majority of cities in both Alameda and Contra Costa counties saw year-over-year declines in median home values.

City	# Sold April 2008	Y-o-Y % Change	Median April 2008	Y-o-Y % Change
Alameda City	56	-15.70%	\$594,500	-3.3%
Albany	10	-50.00%	\$442,000	-26.00%
Berkeley	62	48.13%	\$781,857	13.1%
Castro Valley	52	-6.70%	\$653,250	-7.35%
Dublin	78	30.00%	\$441,500	-26.00%
Emeryville	26	-50.00%	\$300,000	-33.30%
Fremont	166	-34.23%	\$360,750	-9.30%
Hayward	105	11.78%	\$395,563	-24.90%
Livermore	74	-40.30%	\$601,000	-0.50%
Newark	41	13.90%	\$435,000	-16.30%
Oakland	170	-37.60%	\$413,607	-22.46%
Piedmont	29	-31.00%	\$750,000	-14.40%
Pleasanton	55	-42.30%	\$680,000	-17.15%
San Leandro	74	14.23	\$383,333	-28.57%
San Lorenzo	18	-25.00%	\$331,000	-37.00%
Union City	35	-52.10%	\$459,000	-21.50%
Alamo	21	10.50%	\$1,212,500	-25.30%
Antioch	162	90.45%	\$284,750	-40.55%
Brentwood	125	83.80%	\$399,000	-33.50%
Concord	113	-8.70%	\$330,750	-35.88%
Danville	72	-33.30%	\$831,250	-3.4%
El Cerrito	16	-36.00%	\$599,000	-1.60%
El Sobrante	25	13.60%	\$397,000	-17.30%
Hercules	31	10.70%	\$450,000	-29.10%
Lafayette	20	-37.50%	\$1,212,500	1.30%
Martinez	31	-35.40%	\$375,000	-29.50%
Moraga	21	0.00%	\$960,000	3.50%
Oakley	67	21.80%	\$328,750	-35.80%
Orinda	16	-11.10%	\$1,322,500	3.50%
Pinole	13	62.50%	\$357,500	-36.40%
Pittsburg	90	20.00%	\$229,500	-47.30%
Pleasant Hill	29	-42.00%	\$497,750	-24.90%
Richmond	58	-19.13%	\$232,167	-48.83%
Rodeo	6	200.00%	\$277,500	-30.40%
San Pablo	42	-26.30%	\$294,000	-38.40%
San Ramon	156	3.00%	\$659,125	-18.05%
Walnut Creek	80	-15.20%	\$655,313	-9.55%

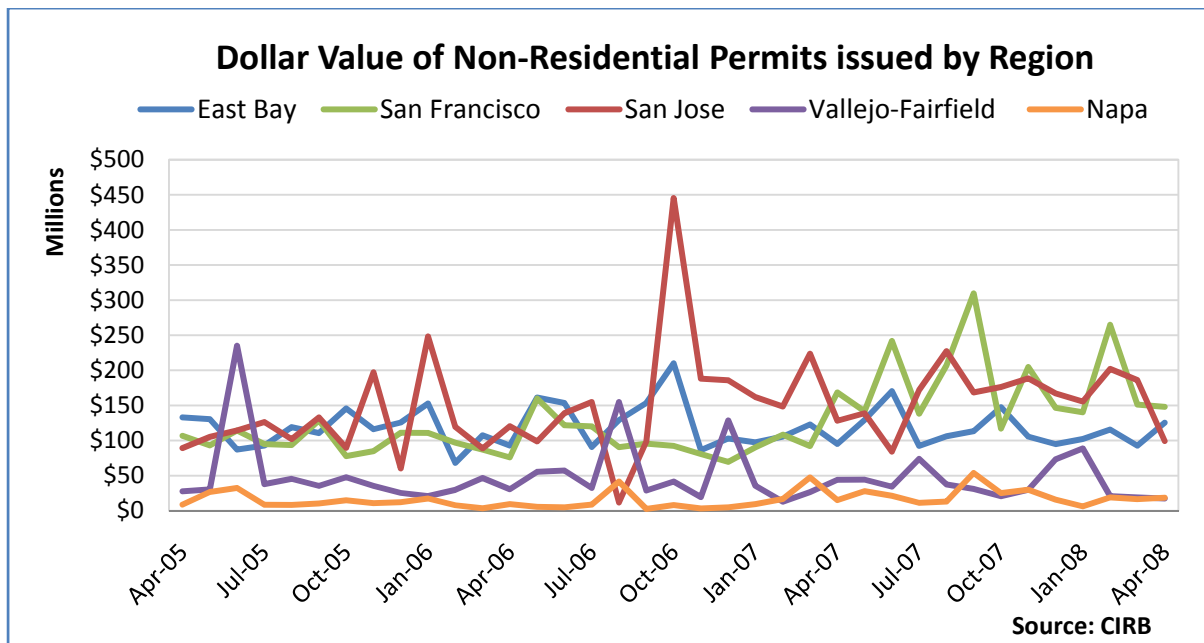
Source: DataQuick / SF Chronicle

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 April 2005 provide a quick, comparative view of activity.



Between March and April 2008, residential construction permit activity in the Bay Area was varied. The East Bay saw an increase of \$15.2 million and San Francisco an increase of over \$121.4 million, while other Bay Area regions saw only minor month-over-month changes. Permit values in the Vallejo-Fairfield region increased \$2.1 million over March 2008, while the San Jose and Napa areas posted losses of \$2.6 and \$1.1 million, respectively. In a year-over-year comparison with April 2007, the East Bay declined \$35.7 million while the San Francisco area showed a \$40.8 million increase. The San Jose region posted a \$79 million decline, while the Vallejo-Fairfield and Napa regions declined \$23.7 and \$7.6 million, respectively.



Between March and April 2008, the East Bay and Napa regions were the only two Bay Area regions to post increases in non-residential permit values. Permit values in the East Bay were \$32.7 million higher in April than in March, and in Napa permit values were \$1.8 million higher during the same period. During the same period, the San Francisco, San Jose and Vallejo-Fairfield regions saw losses of \$3.2 and \$86.7 million and \$1.4 million, respectively. In a year-over-year comparison with April 2007 the East Bay gained \$30.4 million and the Napa region gained \$1.8 million, while the San Jose, San Francisco and Vallejo-Fairfield regions decreased by \$28.7 million, \$20.6 million, and \$26.6 million, respectively.

12-Month Analysis of Construction Permits

The following tables and graphs compare the 12-month periods of May 2006 – April 2007 and

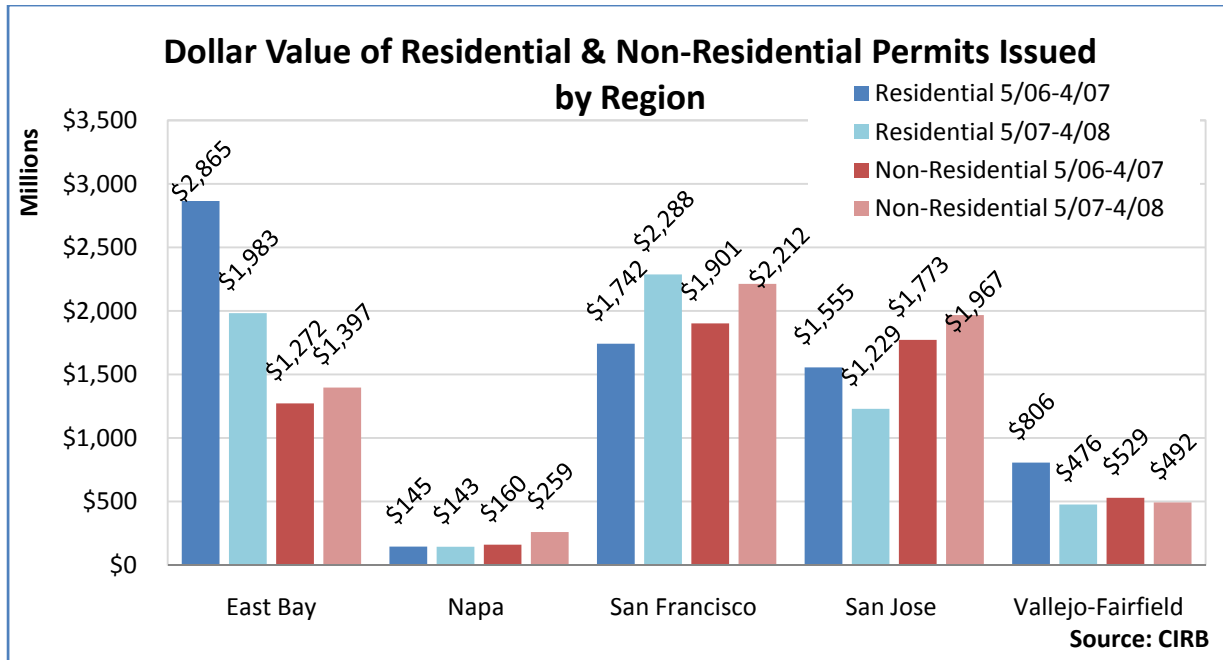
May 2007 – April 2008. This method provides a year-over-year comparison and can be less volatile than the month-over-month comparison in the previous section (used to show a historic overview of all construction permit values).

Region	Total Value of Construction Permits 5/07 – 4/08	Annual Change in Total Value of Construction Permits 5/06-4/07 vs. 5/07-4/08	Percent Change
East Bay	\$3,379,964,970	-\$757,300,222	-18.3%
Napa	\$402,381,196	\$97,957,923	32.2%
San Francisco	\$4,499,920,494	\$856,647,241	23.5%
San Jose	\$3,196,653,911	-\$130,846,549	-3.9%
Vallejo-Fairfield	\$968,337,553	-\$366,349,733	-27.4%

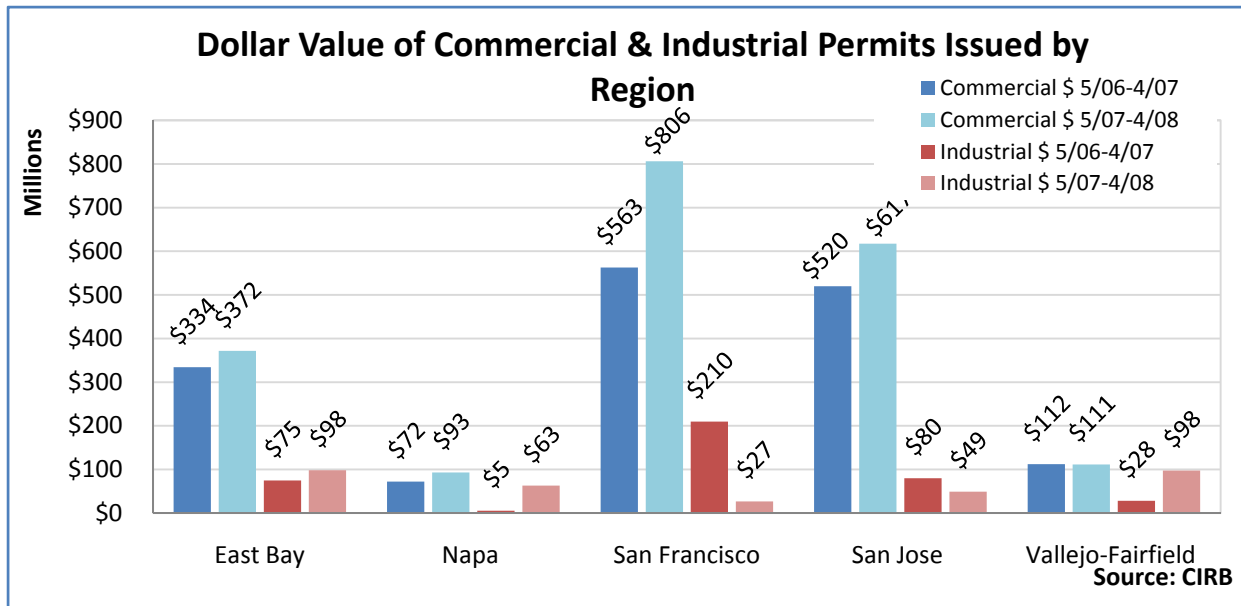
In a comparison of these two twelve-month periods, the East Bay showed a decrease in construction permit values, falling 18.3 percent (\$757.5 million) from the previous period. The San Francisco and Napa regions posted increases of \$856 million and \$97 million, respectively, while the San Jose and Vallejo-Fairfield regions saw decreases during the period.

RESIDENTIAL & NON-RESIDENTIAL PERMITS

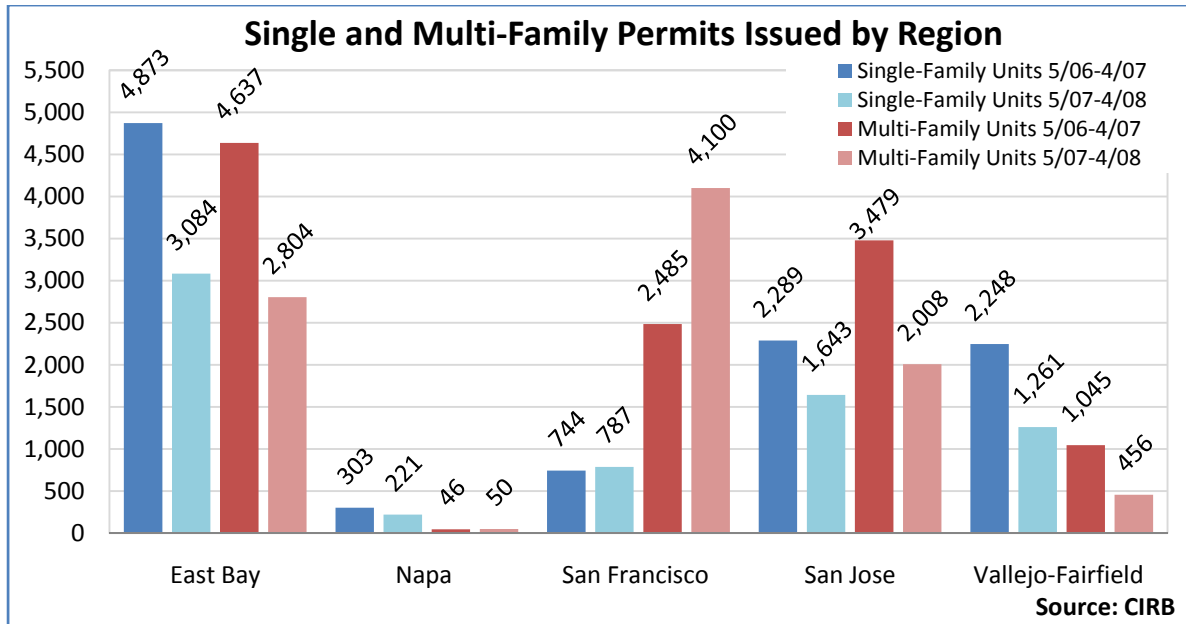
When comparing the two previous 12-month periods of May 2006 – April 2007 and May 2007 – April 2008, the San Francisco region was the only MSA to see an increase in the dollar value of residential permits issued. The steepest decline in this comparison of residential permit values was in the East Bay region, where residential permit values fell over 31 percent. Non-residential permit values in the second 12-month period continued to be higher than those in the previous period in all areas but the Vallejo-Fairfield region. Non-residential permits in the Napa region jumped 62 percent when compared with the previous 12-month period.



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 rose \$37.3 million when compared to the previous period. In the Napa, San Francisco and San Jose regions, commercial permit values were also higher, with these regions seeing increases of \$20.8, \$243.3, and \$97.5 million, respectively. Industrial permit values jumped \$23.3 million in the East Bay region, and increased over \$57.4 million in Napa, while the San Francisco region saw a steep decrease of \$183.1 million in the second 12-month period.



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 drop from over 4,600 multi-family unit permits in the 2006-2007 period to just over 2,800 multi-family permits in the 2007-2008 period was the most dramatic of the declines.



EAST BAY CONSTRUCTION

The following tables examine these permit categories for the same comparative time periods in Alameda and Contra Costa Counties.

When compared with the twelve-month period ending in 2007, Alameda County continued to see non-residential permits increase, with Industrial construction making up the lion's share of this increase. Residential permits in Alameda County continued to decrease dramatically. In the same comparison, Contra Costa County residential and non-residential permit values declined overall, while commercial and industrial permits advanced 10.3 and 19.5 percent, respectively, over the previous period. The small decline in overall non-residential permits in Contra Costa County can be attributed to permits issued for institutional projects.

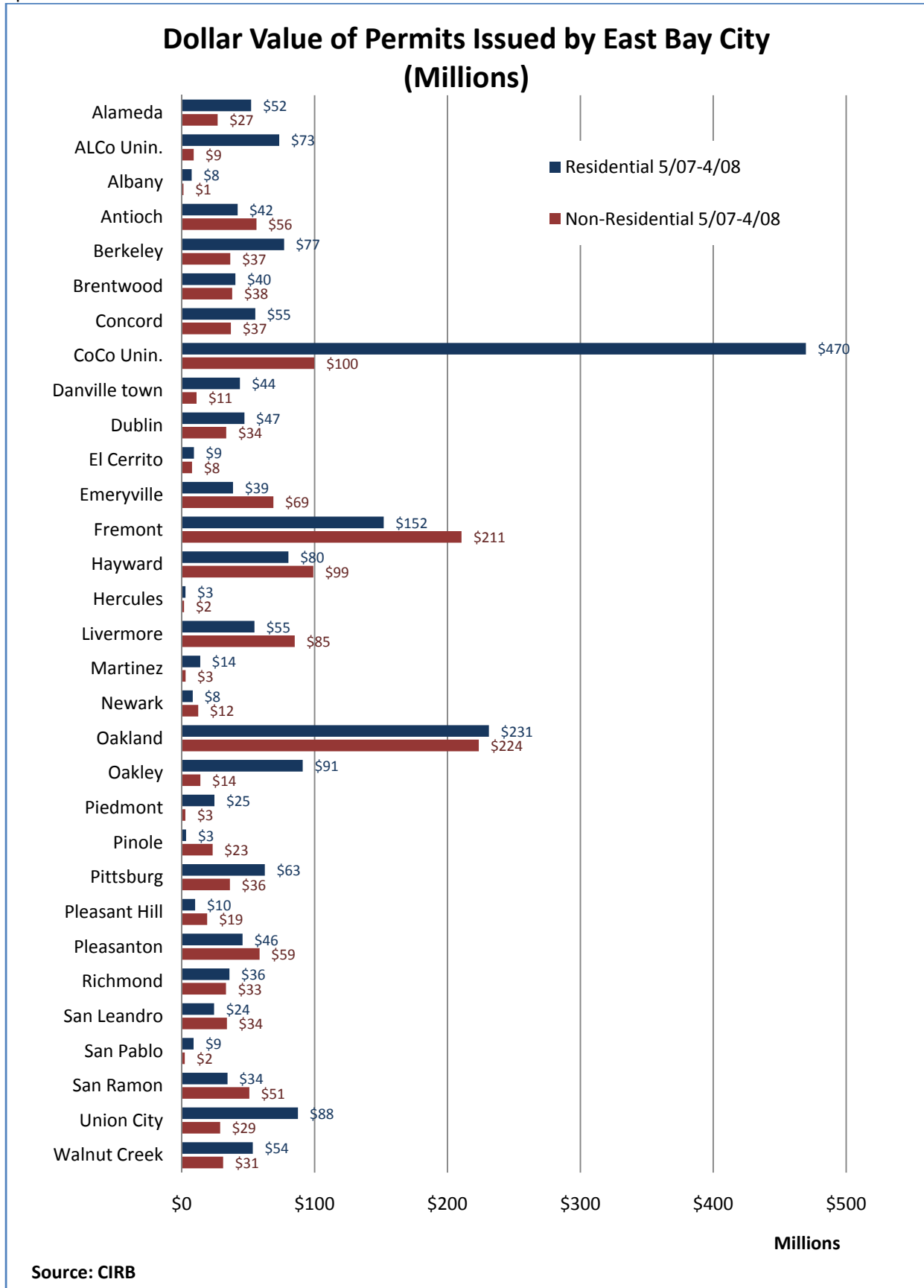
Construction Permit Values	May 2006 – April 2007	May 2007 – April 2008	Change	% Change
Alameda County Residential	\$1,465,939,971	\$1,005,164,769	-\$460,775,202	-31.4%
Alameda County Non-Res	\$792,102,948	\$931,598,694	\$139,495,746	17.6%
Alameda County Commercial	\$192,826,347	\$215,646,067	\$22,819,720	11.8%
Alameda County Industrial	\$59,754,411	\$80,184,966	\$20,430,555	34.2%
Contra Costa County Residential	\$1,399,261,766	\$977,659,852	-\$421,601,914	-30.1%
Contra Costa County Non-Res	\$479,960,507	\$465,541,655	-\$14,418,852	-3.0%
Contra Costa County Commercial	\$141,411,164	\$155,940,358	\$14,529,194	10.3%
Contra Costa County Industrial	\$15,029,412	\$17,954,073	\$2,924,661	19.5%

Source: CIRB

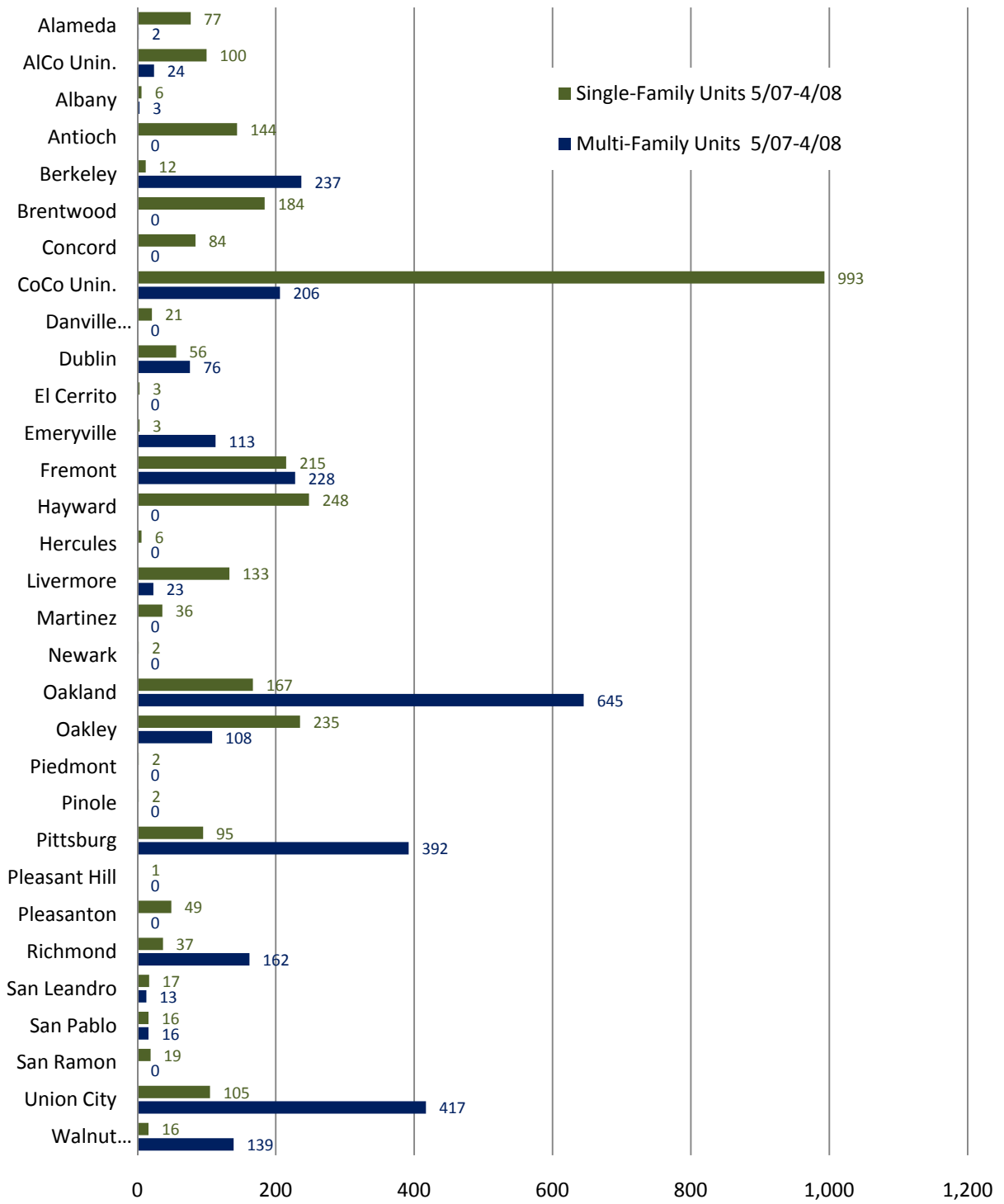
The slowing of the housing market was visible in the declines in both single and multi-family construction permits issued over the past twelve months. In this comparison, multi-family construction in Alameda County was hardest hit, dropping over 50 percent when compared with the previous period.

Housing Unit Permit Comparison by Type	May 2006 – April 2007	May 2007 – April 2008	Change	% Change
ALCO Single-Family Units	1,660	1,192	-468	-28.2%
CCC Single-Family Units	3,213	1,892	-1321	-41.1%
ALCO Multi-Family Units	3,609	1,781	-1828	-50.7%
CCC Multi-Family Units	1,028	1,023	-5	-0.5%
				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 April 2008.



Single and Multi-Family Permits Issued by East Bay City



Source: CIRB