



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](mailto:stephanie@eastbayeda.org) or call (510) 272-6843.

## SNAPSHOT: THE EAST BAY IN AUGUST 2008

- ***Unemployment increased, rising to 6.8 percent from 6.7 in July***
- ***Construction saw a nearly-seasonal increase of 900 jobs between July and August – but lost 6,500 jobs between August 2007 and August 2008, mostly in specialty trade contractors and construction of buildings***
- ***High inventory and falling prices continued to spark increases in Contra Costa County home sales***
- ***Home values fell 28 percent annually in Alameda County and 42 percent annually in Contra Costa County***
- ***Commercial construction permit values increased 20 percent annually in Alameda County***

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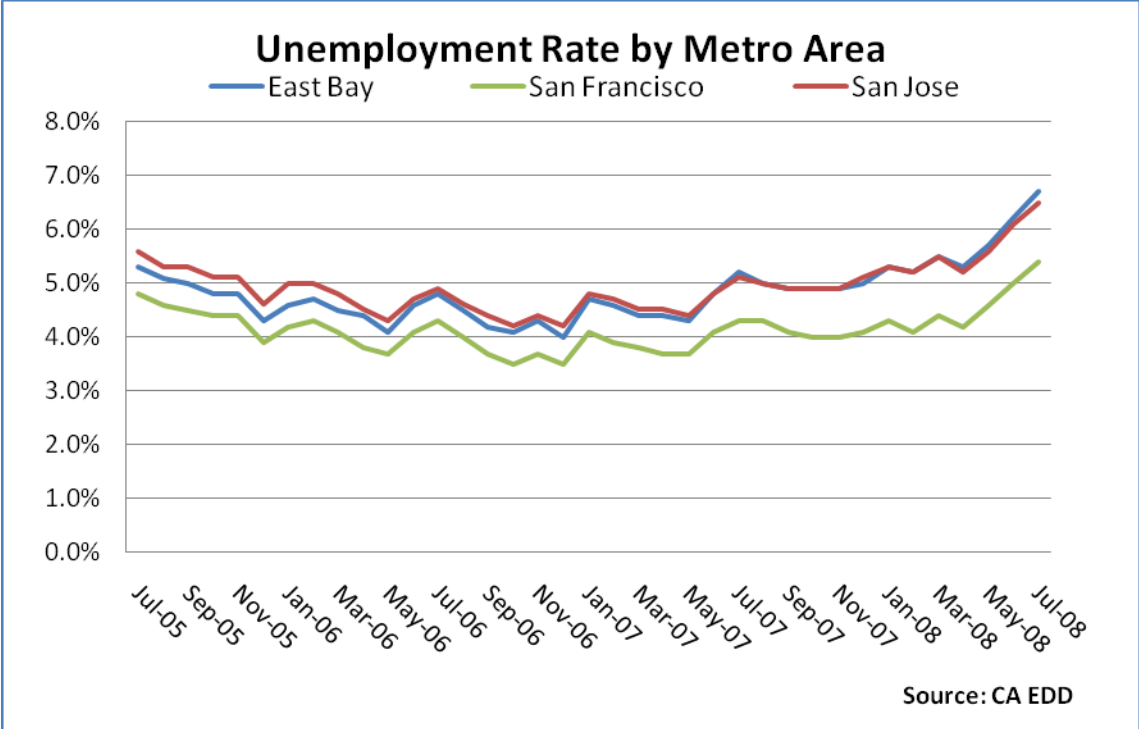
*Serving the East Bay, the **Bright** Side of the San Francisco Bay*

# EMPLOYMENT

## BAY AREA UNEMPLOYMENT

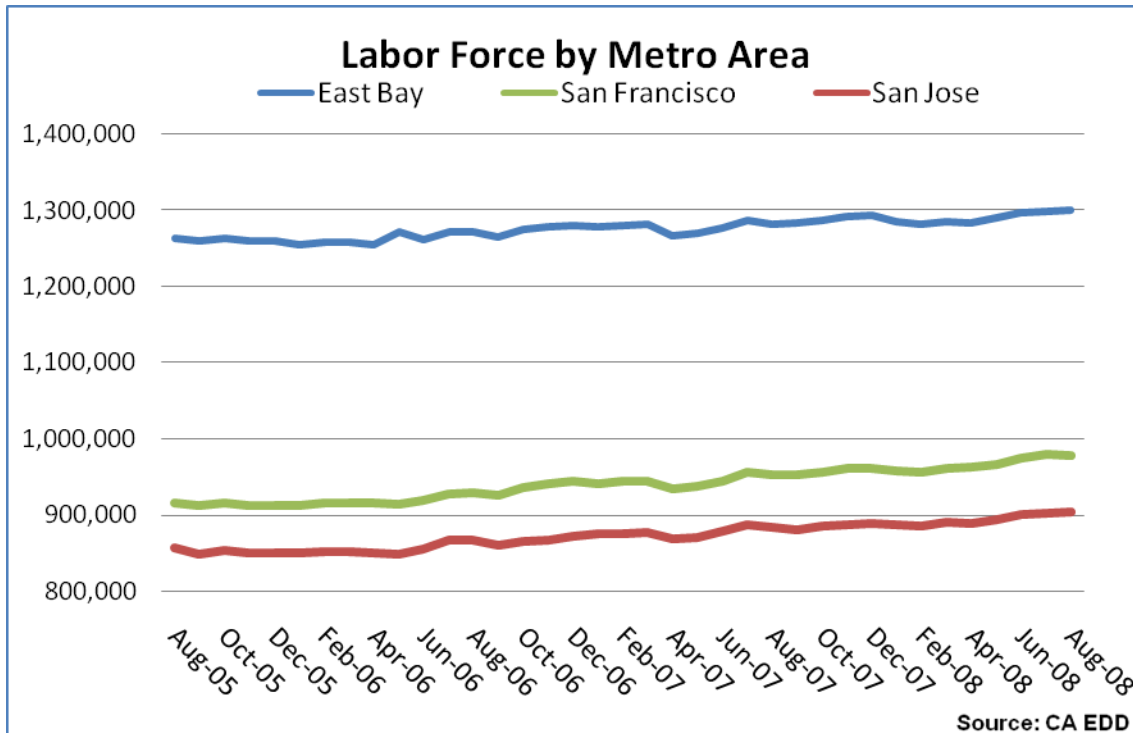
According to the California Employment Development Department, The unemployment rate in the East Bay was 6.8 percent in August 2008, up from a revised 6.7 percent in July 2008, and above the year-ago estimate of 5 percent. This compares with an unadjusted unemployment rate of 7.6 percent for California and 6.1 percent for the nation during the same period. The unemployment rate was 6.9 percent in Alameda County, and 6.7 percent in Contra Costa County.

Unemployment rates in the Bay Area’s other metro areas also increased during this period. San Francisco’s unemployment rate was 5.5 percent in August, up from 5.4 percent in July 2008, and up from 4.3 percent in August 2007. The unemployment rate in San Jose was 6.6 percent in August, up from 6.5 percent in July 2008, and up from 5.0 percent in August 2007. In a year-over-year comparison with July 2007, unemployment was over a full percentage point higher in all three Bay Area regions.



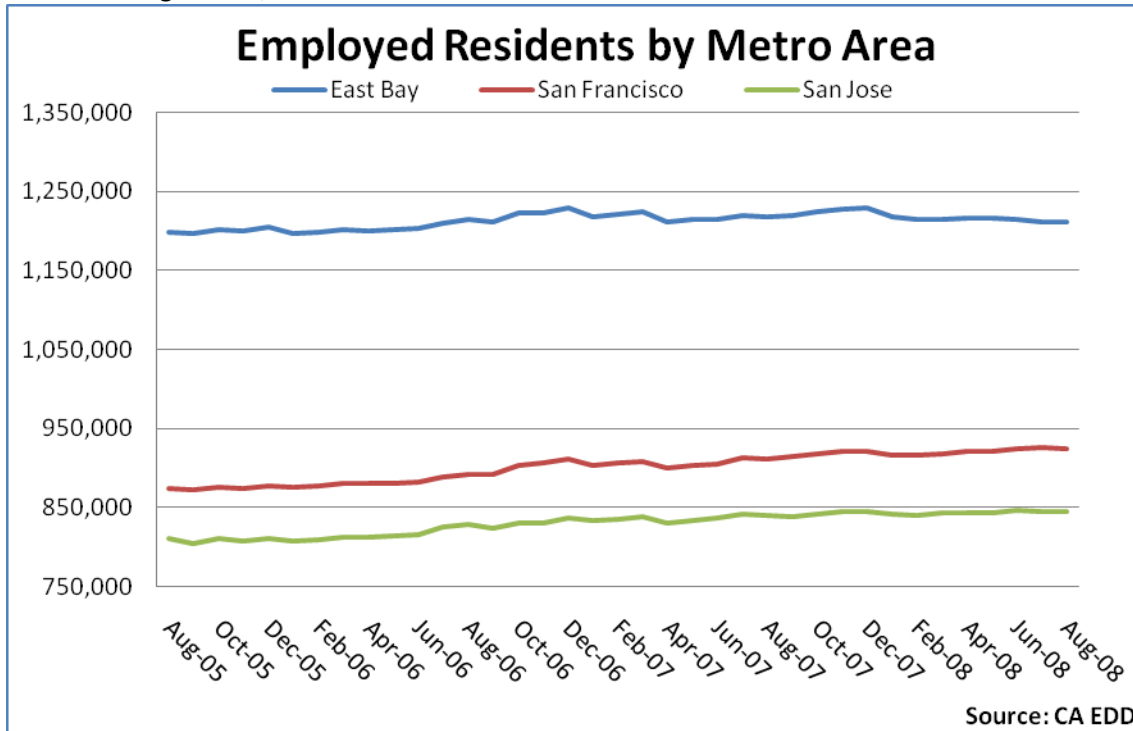
## BAY AREA LABOR FORCE

In a month-over-month comparison, the East Bay’s labor force (number of individuals currently employed or actively seeking employment) gained 1,500 workers to reach 1,300,700 in August 2008. San Francisco’s labor force lost 1,100 workers to reach 978,000, and in San Jose the number of workers rose 2,500 to reach 904,500. In a year-over-year comparison, Bay Area regions continued to see gains in labor force numbers. The East Bay had 18,000 more workers in August 2008 than in August 2007, San Francisco gained 25,400, and San Jose added 21,000 more workers.



**BAY AREA EMPLOYED RESIDENTS**

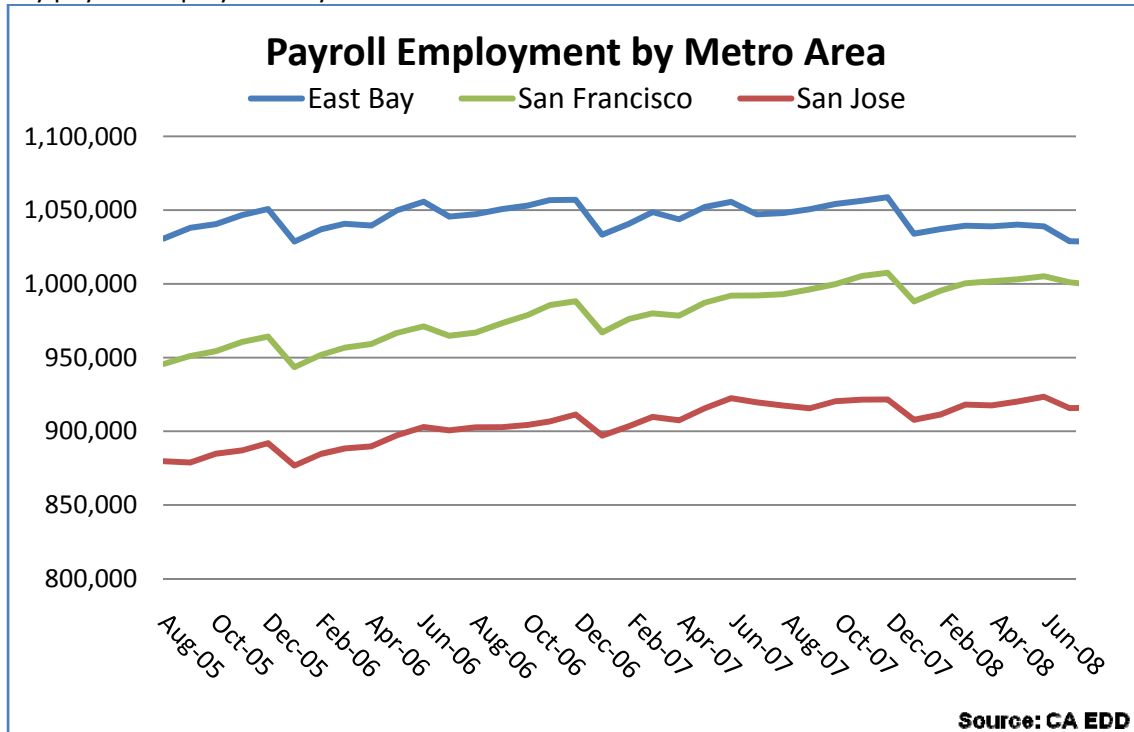
Between July and August 2008, the number of employed residents (employed persons who reside within the specified region) was unchanged in the East Bay, fell 2,100 in San Francisco, and rose 1,300 in San Jose. When compared with August 2007, a year-over-year comparison showed the East Bay with 6,200 fewer employed residents, while San Francisco gained 12,300 and San Jose gained 5,700.



**BAY AREA PAYROLL EMPLOYMENT**

Between July and August 2008, the East Bay lost 300 payroll jobs (number of jobs located in the specified region, not including those who are self-employed), San Francisco lost 1,900 and San Jose added 300. In a comparison with August 2007, the East Bay's payrolls shrunk by 19,400

jobs, while San Francisco gained 6,100 and San Jose lost 1,400. 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 monthly employment release, between July 2008 and August 2008, the total number of jobs in the East Bay decreased by 300, falling to 1,028,600.

- Government decreased by 2,100 jobs, exceeding its average 900-job decrease from July to August over the prior 18 years. Local public schools reduced payrolls by 1,400 jobs, a larger-than-typical decrease.
- Construction led the month-over gains by adding 900 jobs, a nearly typical seasonal increase.
- Professional and business services increased by 500 jobs, although below its average 1,000-job increase from July to August over the prior 18 years. Employment services experienced a smaller-than-usual increase.

### ANNUAL COMPARISON

Between August 2007 and August 2008, the total number of jobs in the East Bay decreased by 19,400 or -1.9 percent.

- Construction lost 6,500 jobs, mostly in specialty trade contractors (down 3,700 jobs) and construction of buildings (down 2,500 jobs).
- Financial activities, another housing oriented industry, fell by 4,200 jobs. Banks, savings and loan institutions, and credit unions (down 2,500 jobs) accounted for most of the financial loss.
- Trade, transportation, and utilities decreased by 4,400 jobs. Retail trade (down 3,400 jobs) accounted for the majority of the loss.
- Leisure and hospitality decreased by 1,300 jobs. Arts, entertainment, and recreation (down 800 jobs) accounted for the bulk of the loss.
- On the upside, private educational and health services led the year-over gains by adding 1,300 jobs.

	Aug-08	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
<b>Educational and Health Services</b>	124,400	-100	<b>1,300</b>	1.1%	4,200
<b>Trans, Warehousing &amp; Utilities</b>	36,100	100	<b>100</b>	0.3%	1,000
<b>Natural Resources and Mining</b>	1,300	0	<b>100</b>	8.3%	100
<b>Information</b>	28,600	0	<b>-700</b>	-2.4%	-1,600
<b>Other Services</b>	36,000	0	<b>-700</b>	-1.9%	-400
<b>Government</b>	179,900	-2,100	<b>-700</b>	-0.4%	4,000
<b>Wholesale Trade</b>	47,600	100	<b>-1,100</b>	-2.3%	-1,300
<b>Professional and Business Services</b>	156,100	500	<b>-1,100</b>	-0.7%	-500
<b>Manufacturing</b>	92,200	0	<b>-1,200</b>	-1.3%	-3,800
<b>Leisure and Hospitality</b>	88,300	300	<b>-1,300</b>	-1.5%	500
<b>Retail Trade</b>	109,200	-100	<b>-3,400</b>	-3.0%	-3,800
<b>Financial Activities</b>	58,000	300	<b>-4,200</b>	-6.8%	-9,100
<b>Construction</b>	69,300	900	<b>-6,500</b>	-8.6%	-7,900

**INDUSTRY EMPLOYMENT DATA SOURCE: California Employment Development Department**

## **EAST BAY CONSTRUCTION EMPLOYMENT**

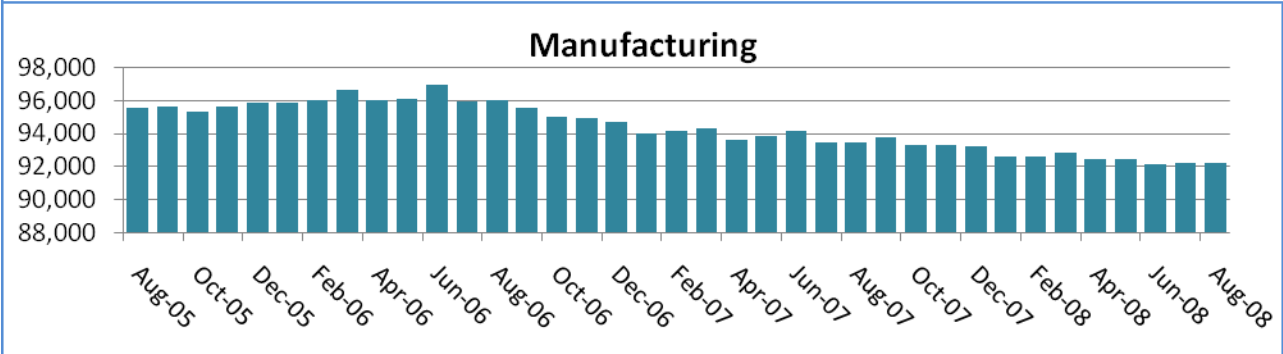
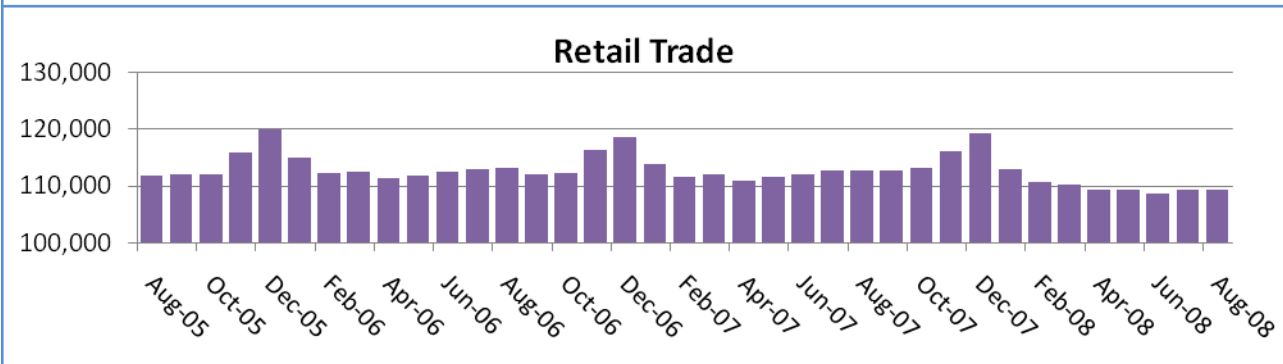
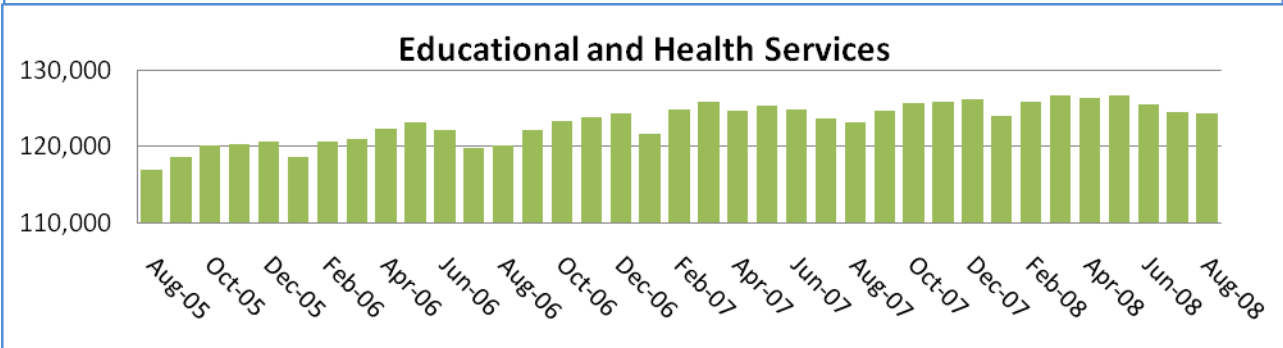
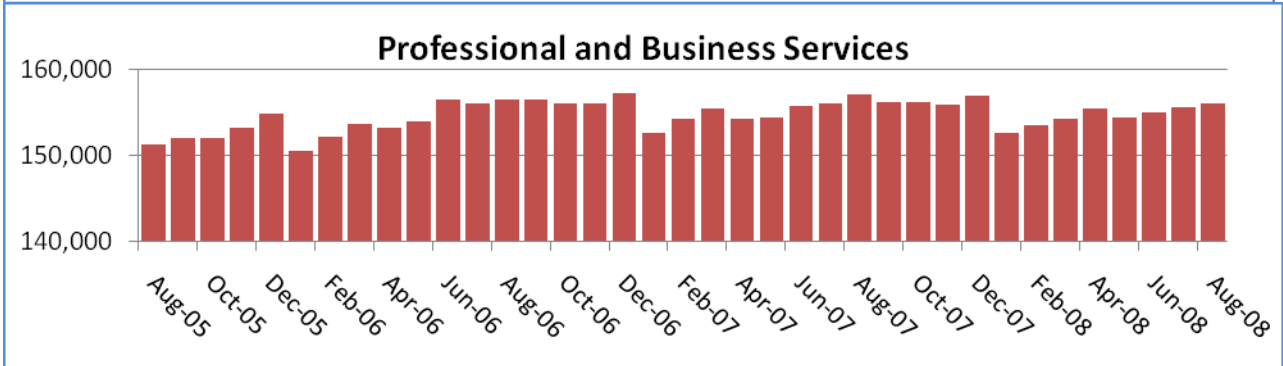
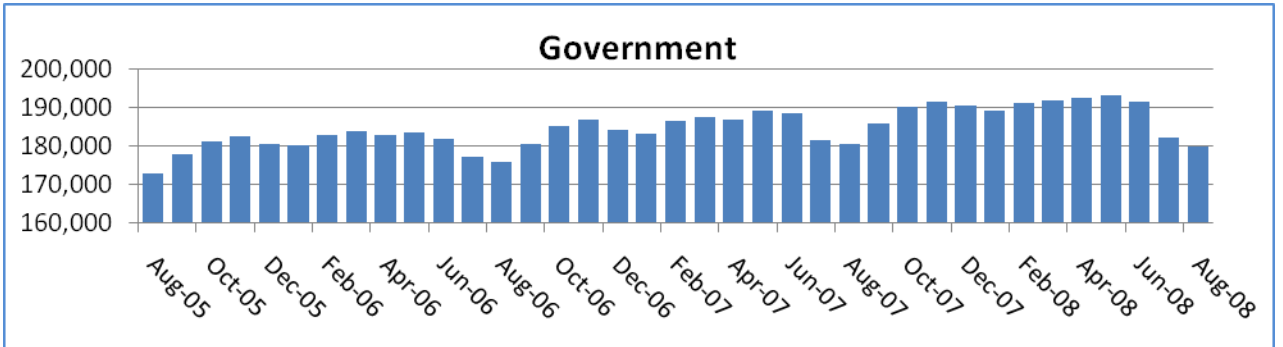
Activity in the East Bay's construction sector reflects the housing downturn continuing to affect the region and the nation at large. All East Bay construction sub-sectors posted losses in the year-over-year comparison.

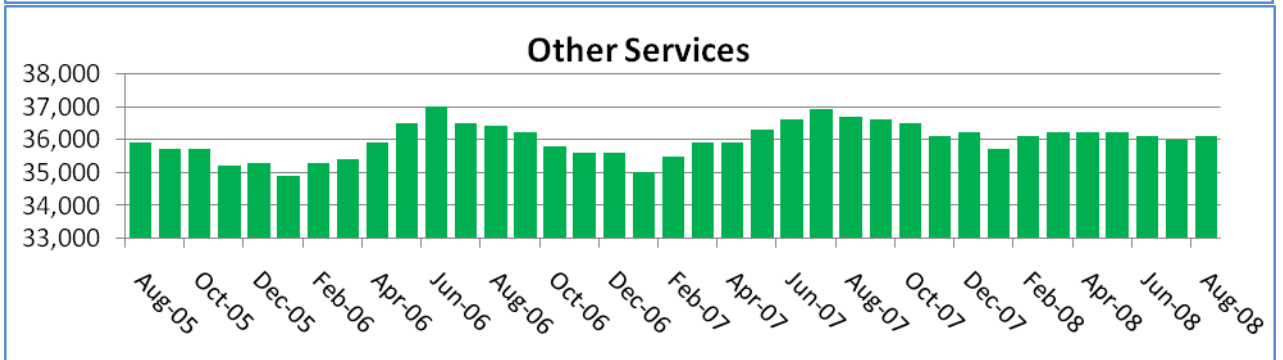
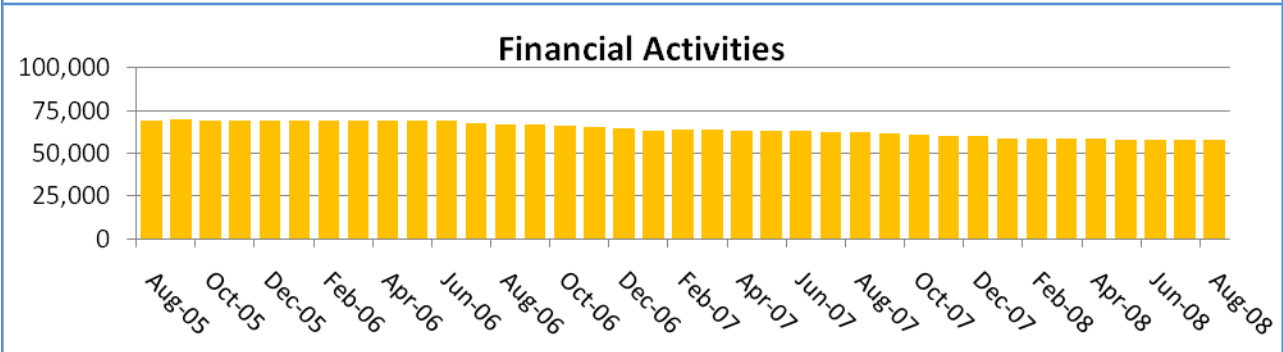
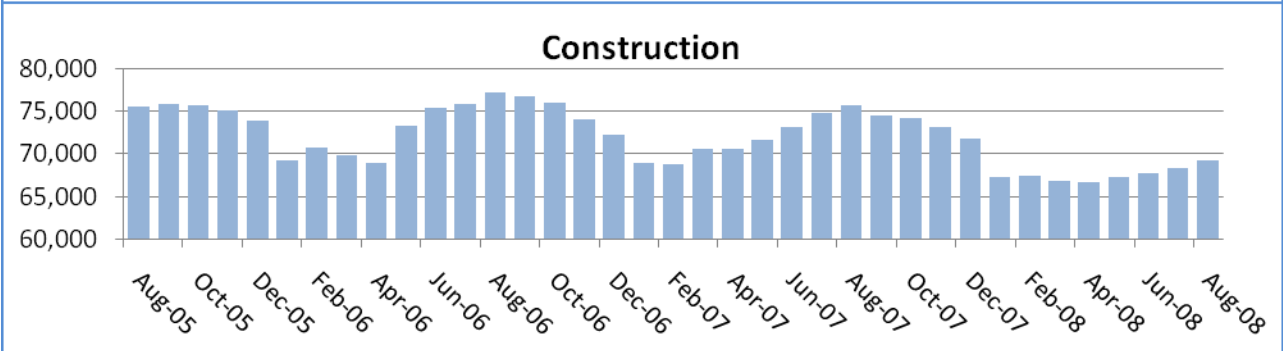
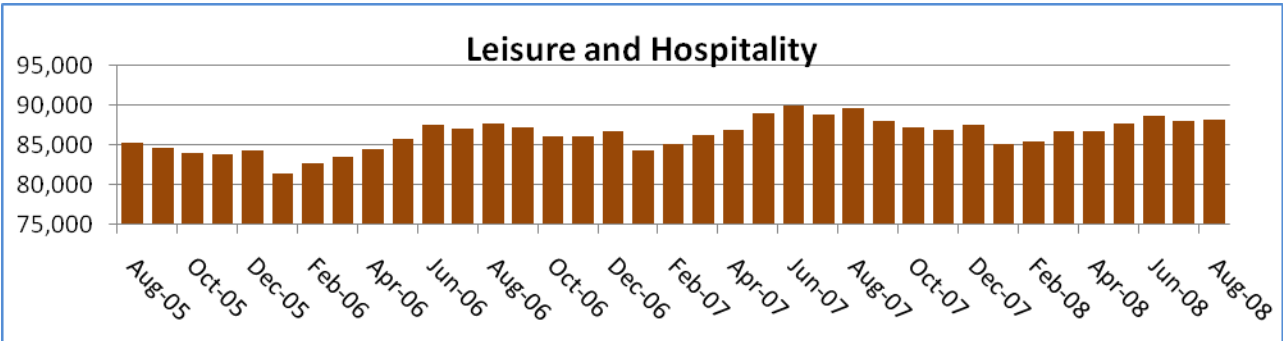
	Aug-08	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
<b>Highway, Street, and Bridge Const</b>	3,900	100	<b>300</b>	8.3%	-500
<b>Residual-Other Heavy and Civil Engineer</b>	5,400	100	<b>-600</b>	-10.0%	-900
<b>Building Equipment Contractors</b>	14,600	200	<b>-900</b>	-5.8%	-100
<b>Nonresidential Building Construction</b>	4,800	0	<b>-1,000</b>	-17.2%	-900
<b>Other Specialty Trade Contract</b>	20,400	300	<b>-1,200</b>	-5.6%	-700
<b>Residential Building Construction</b>	10,800	100	<b>-1,500</b>	-12.2%	-2,700
<b>Building Foundation and Exterior Contractors</b>	9,400	100	<b>-1,600</b>	-14.5%	-2,100
<b>All Construction</b>	<b>69,300</b>	<b>900</b>	<b>-6,500</b>	<b>-8.6%</b>	<b>-7,900</b>

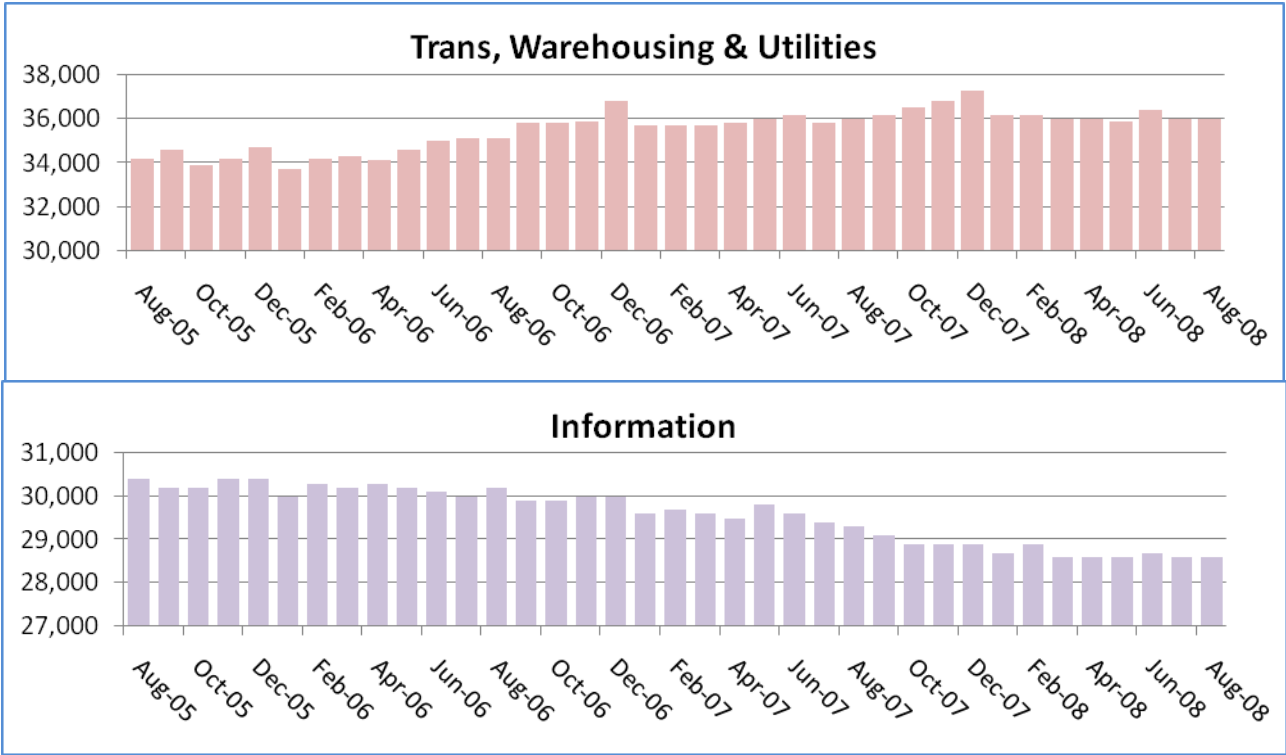
## **EAST BAY MANUFACTURING PAYROLL EMPLOYMENT**

The East Bay's manufacturing sector showed an overall loss of 1,200 jobs when compared with August 2007, with most losses occurring in the food and residual-miscellaneous manufacturing sectors.

	Aug-08	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
<b>Petroleum and Coal Products</b>	7,600	0	<b>400</b>	5.6%	600
<b>Chemical</b>	7,300	-100	<b>200</b>	2.8%	0
<b>Computer and Electronic Product</b>	19,900	0	<b>100</b>	0.5%	-1,400
<b>Transportation Equipment</b>	7,400	-100	<b>-200</b>	-2.6%	-300
<b>Residual-Food</b>	19,100	100	<b>-800</b>	-4.0%	-1,300
<b>Residual-Miscellaneous</b>	30,900	100	<b>-900</b>	-2.8%	-1,400
<b>All Manufacturing</b>	<b>92,200</b>	<b>0</b>	<b>-1,200</b>	<b>-1.3%</b>	<b>-3,800</b>







### BAY AREA HOME SALES

According to MDA DataQuick, the pace of Bay Area home sales reversed its July uptick and dropped again in August. Contra Costa, Solano and Napa Counties, hardest hit by foreclosures, were the only Bay Area counties to see significant increases in home sales activity.

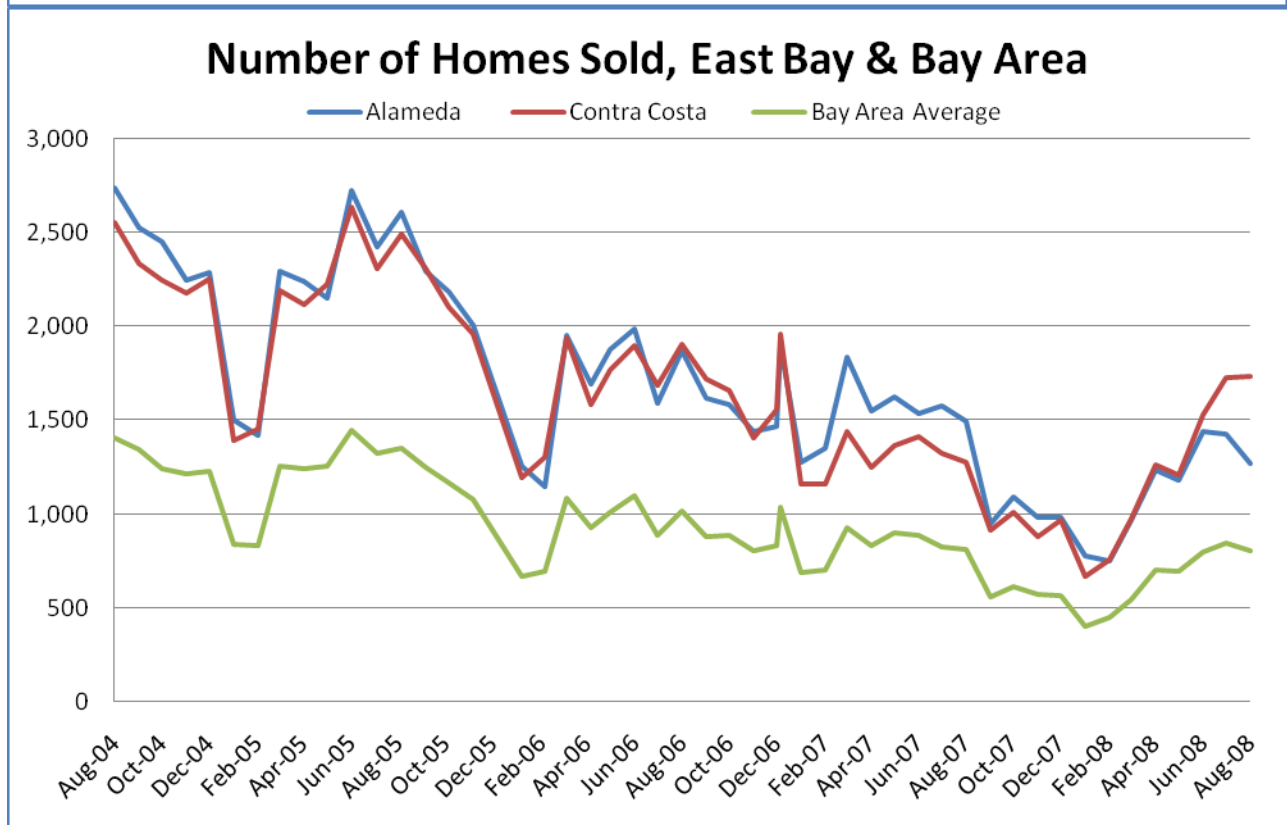
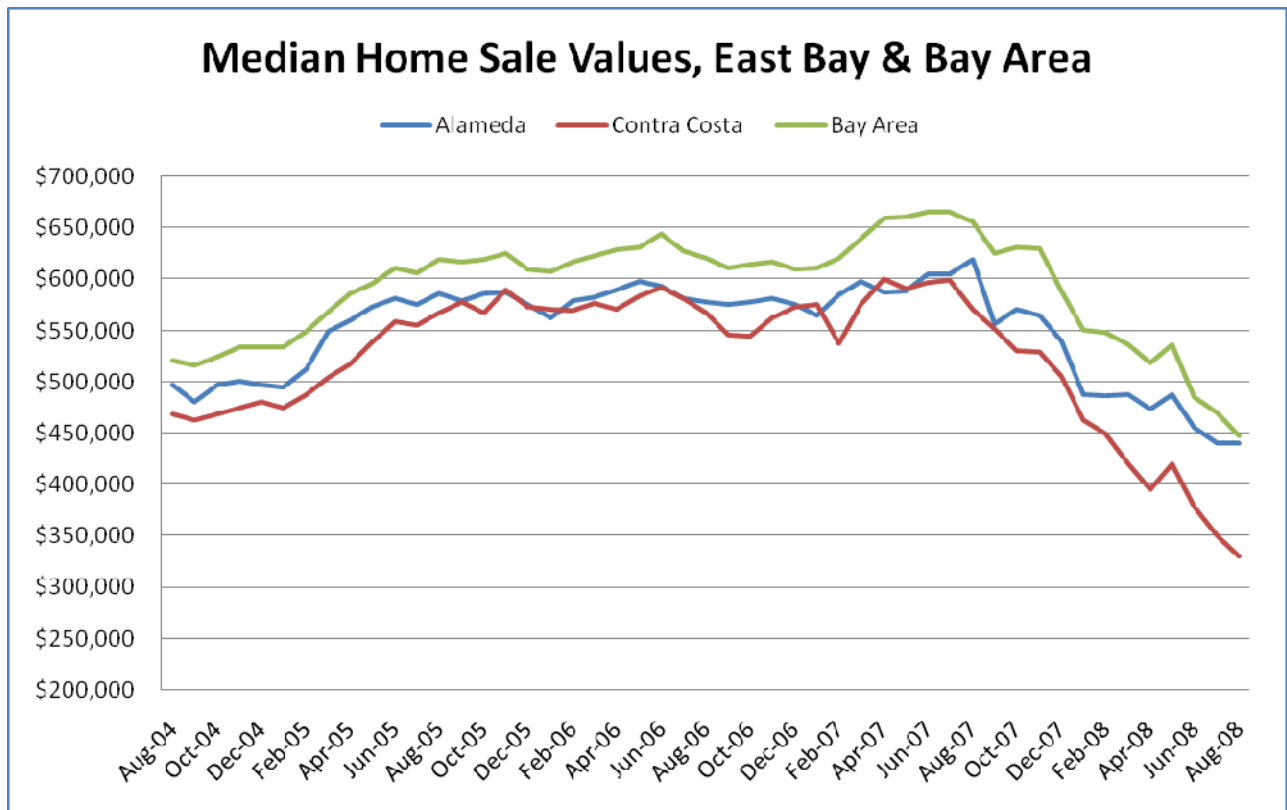
A total of 7,232 new and resale houses and condos were sold in the nine-county Bay Area in August. Sales in Contra Costa County gained 35.5 percent over

August 2007, and sales numbers in Solano and Napa Counties climbed 43.1 percent and 20.4 percent, respectively.

All Homes by County	Number Sold August 2008	Sales Annual Pct. Change	Median August 2008	Median Annual Pct. Change
Alameda	1,271	-15.30%	\$440,000	-28.90%
Contra Costa	1,733	35.50%	\$330,000	-42.10%
Marin	247	-6.40%	\$675,000	-25.00%
Napa	124	20.40%	\$453,500	-24.10%
San Francisco	529	-8.30%	\$725,000	-11.80%
San Mateo	560	-23.40%	\$632,000	-19.80%
Santa Clara	1,648	-13.60%	\$555,500	-20.60%
Solano	598	43.10%	\$270,000	-35.70%
Sonoma	522	0.80%	\$350,000	-30.70%
Bay Area	7,232	-0.90%	\$447,000	-31.80%

Source: MDA DataQuick

All Bay Area counties continued to see year-over-year price declines in August. In the East Bay, Alameda County's median value was \$440,000, a 28.9 percent decline over August 2007. The Contra Costa County median home sale value was \$330,000, a 42.1 percent decline over August 2007. Of all nine Bay Area counties, Contra Costa had the largest annual decline in median home sale values between August 2007 and August 2008.



## EAST BAY HOME SALES

In August 2008, all East Bay cities saw annual declines in median home values.

City	# Sold August 2008	Median	Median August 2007	Y-o-Y
<b>ALAMEDA COUNTY</b>	<b>1,348</b>	<b>\$421,000</b>	<b>\$616,500</b>	<b>-31.71%</b>
ALAMEDA	46	\$595,000	\$690,000	-13.77%
ALBANY	13	\$575,000	\$612,500	-6.12%
BERKELEY	60	\$699,000	\$750,000	-6.80%
CASTRO VALLEY	59	\$440,000	\$570,000	-22.81%
DUBLIN	77	\$512,000	\$620,000	-17.42%
EMERYVILLE	38	\$346,250	\$429,000	-19.29%
FREMONT	167	\$525,000	\$652,500	-19.54%
HAYWARD	190	\$300,000	\$492,500	-39.09%
LIVERMORE	108	\$450,000	\$620,000	-27.42%
NEWARK	34	\$439,750	\$574,500	-23.46%
OAKLAND	274	\$310,000	\$583,750	-46.90%
PLEASANTON	72	\$702,500	\$799,000	-12.08%
SAN LEANDRO	104	\$345,000	\$463,000	-25.49%
SAN LORENZO	27	\$338,000	\$496,500	-31.92%
UNION CITY	79	\$430,000	\$650,000	-33.85%
<b>CONTRA COSTA COUNTY</b>	<b>1,666</b>	<b>\$329,000</b>	<b>\$575,000</b>	<b>-42.78%</b>
ALAMO	10	\$1,298,500	\$1,587,500	-18.20%
ANTIOCH	253	\$235,000	\$385,000	-38.96%
BRENTWOOD	134	\$365,000	\$515,000	-29.13%
CLAYTON	14	\$600,000	\$635,000	-5.51%
CONCORD	159	\$277,000	\$500,000	-44.60%
DANVILLE	71	\$885,000	\$942,000	-6.05%
DISCOVERY BAY	44	\$359,750	\$592,500	-39.28%
EL CERRITO	28	\$512,000	\$645,000	-20.62%
EL SOBRANTE	26	\$332,500	\$505,000	-34.16%
HERCULES	41	\$360,000	\$581,250	-38.06%
LAFAYETTE	21	\$1,205,000	\$1,212,500	-0.62%
MARTINEZ	52	\$377,000	\$504,750	-25.31%
MORAGA	15	\$775,000	\$1,008,000	-23.12%
OAKLEY	104	\$265,000	\$479,000	-44.68%
ORINDA	17	\$1,190,000	\$950,000	25.26%
PINOLE	23	\$294,500	\$505,000	-41.68%
PITTSBURG	165	\$225,000	\$406,000	-44.58%
PLEASANT HILL	34	\$427,500	\$585,250	-26.95%
RICHMOND	119	\$189,000	\$437,000	-56.75%
RODEO	12	\$313,500	\$380,500	-17.61%
SAN PABLO	92	\$203,000	\$437,000	-53.55%
SAN RAMON	132	\$700,000	\$806,500	-13.21%
WALNUT CREEK	93	\$610,000	\$626,000	-2.56%

Source: DataQuick / SF Chronicle

## BAY AREA CONSTRUCTION PERMITS

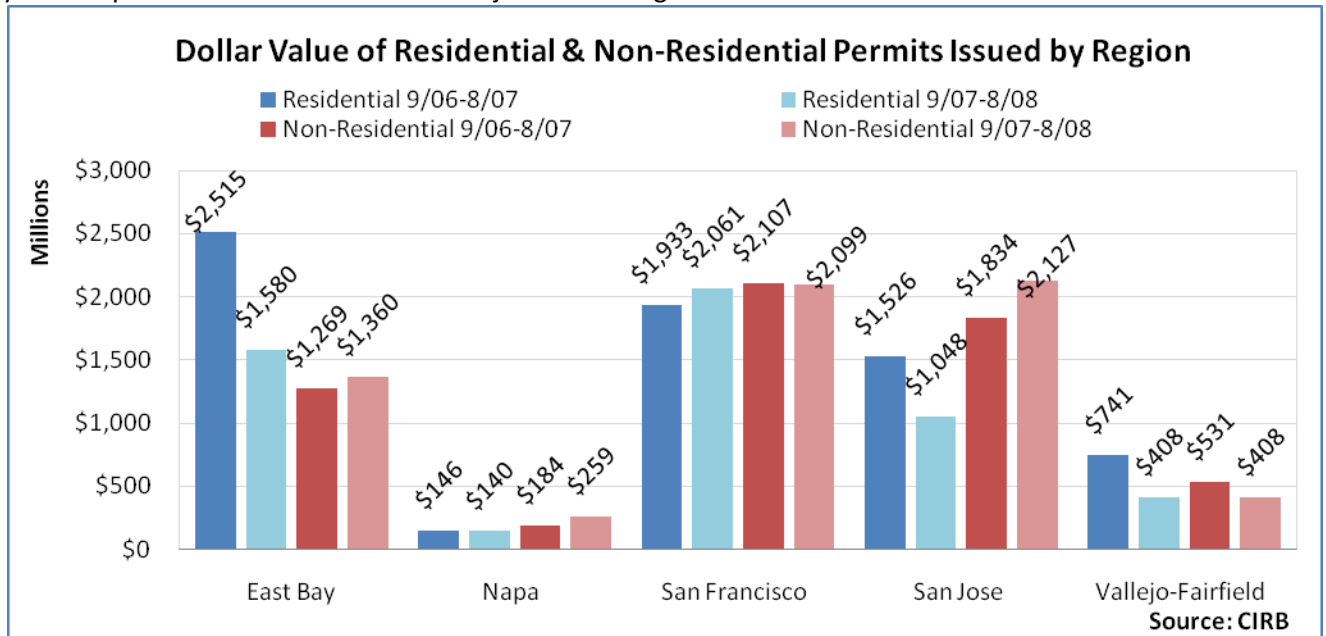
The following tables and graphs compare the 12-month periods of September 2006 – August 2007 and September 2007 – August 2008. This method provides a year-over-year comparison and can be less volatile than the month-over-month comparison.

Region	Total Value of Construction Permits 9/07 – 8/08	Annual Change in Total Value of Construction Permits 9/06-8/07 vs. 9/07-8/08	Annual Percent Change
East Bay	\$2,940,413,001	-\$843,160,218	-22.3%
Napa	\$398,501,691	\$68,211,306	20.7%
San Francisco	\$4,159,749,439	\$119,584,688	3.0%
San Jose	\$3,174,565,116	-\$185,253,694	-5.5%
Vallejo-Fairfield	\$815,687,553	-\$456,749,644	-35.9%

In a comparison of these two twelve-month periods, the East Bay showed a decrease in construction permit values, falling 22.3 percent (over \$840 million) from the previous period. The San Francisco, Napa and regions posted increases over the previous period, while the San Jose and Vallejo-Fairfield regions showed losses as well.

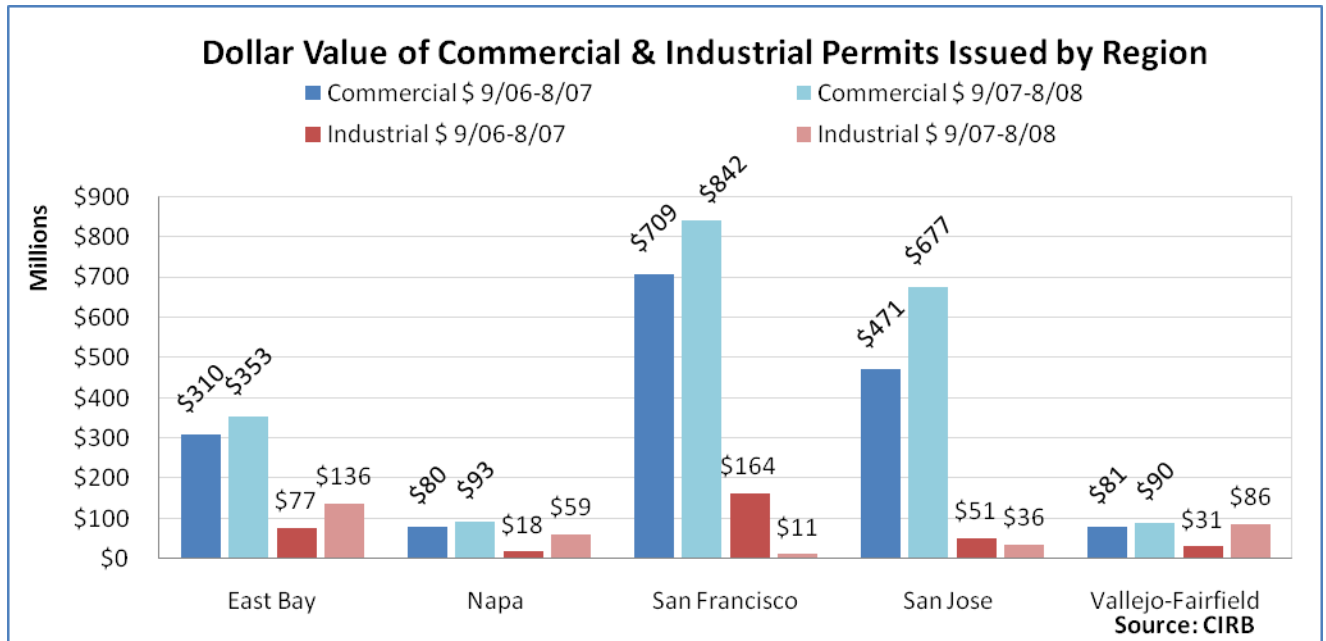
### RESIDENTIAL & NON-RESIDENTIAL PERMITS

When comparing the two previous 12-month periods of September 2006 – August 2007 and September 2007 – August 2008, San Francisco was the only region to post an increase in the dollar value of residential permits issued. The steepest decline in this comparison was in the East Bay region, where residential permit values fell over 60 percent from \$2.7 billion in 2007 to \$1.6 billion in 2008. Non-residential permit values continued to post increases in a year-over-year comparison in all areas but the Vallejo-Fairfield region.

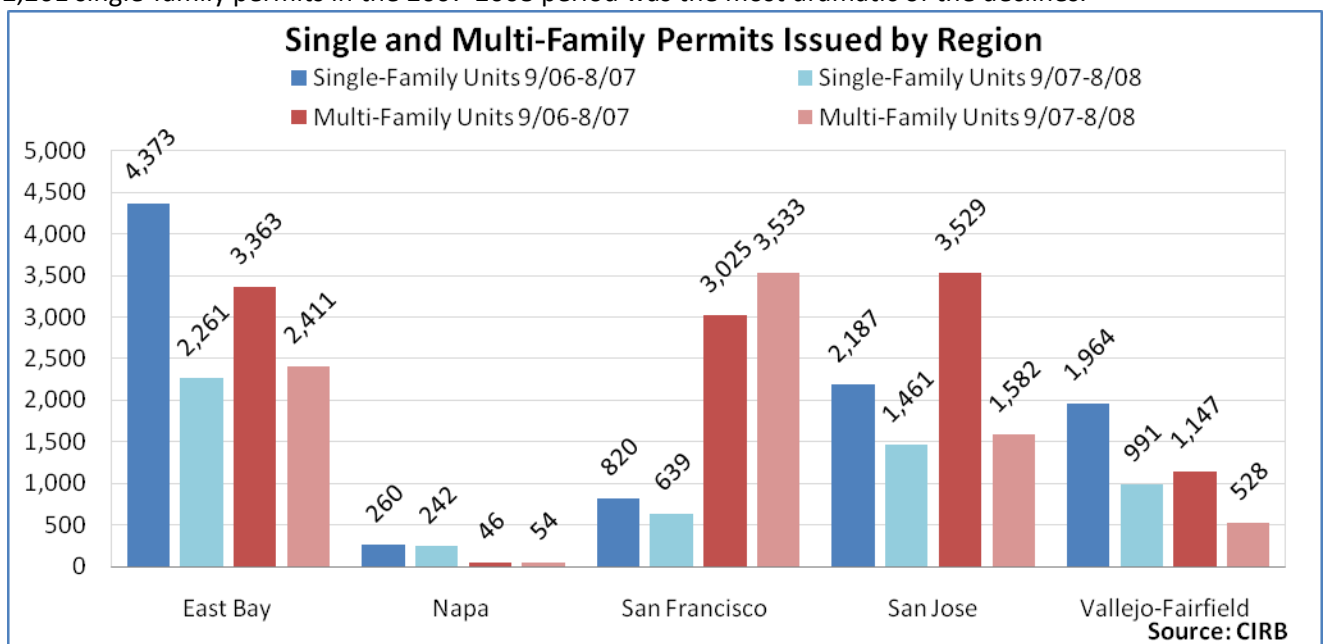


**COMMERCIAL & INDUSTRIAL PERMITS** In a comparison of commercial and industrial construction permits issued during the same two 12-month periods, the dollar value of commercial permits issued in the East Bay increased 14 percent when compared to the previous period. In the other Bay Area regions, commercial permit values also increased, with the San Jose region seeing the steepest increase of 43.8 percent. Industrial permit values jumped 77 percent in the East Bay region, 181 percent in Vallejo-Fairfield and 232 percent in Napa.

Industrial permits in San Francisco and San Jose were both down over the previous period, posting declines of 93.0 percent and 30.5 percent, respectively.



**SINGLE AND MULTI-FAMILY PERMITS** With the exception of an increase in multi-family residential permits seen in the San Francisco and Napa regions, all Bay Area regions saw significant residential construction declines when compared with the previous 12-month period. The East Bay's drop from 4,373 single-family unit permits in the 2006-2007 period to just under 2,261 single-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.

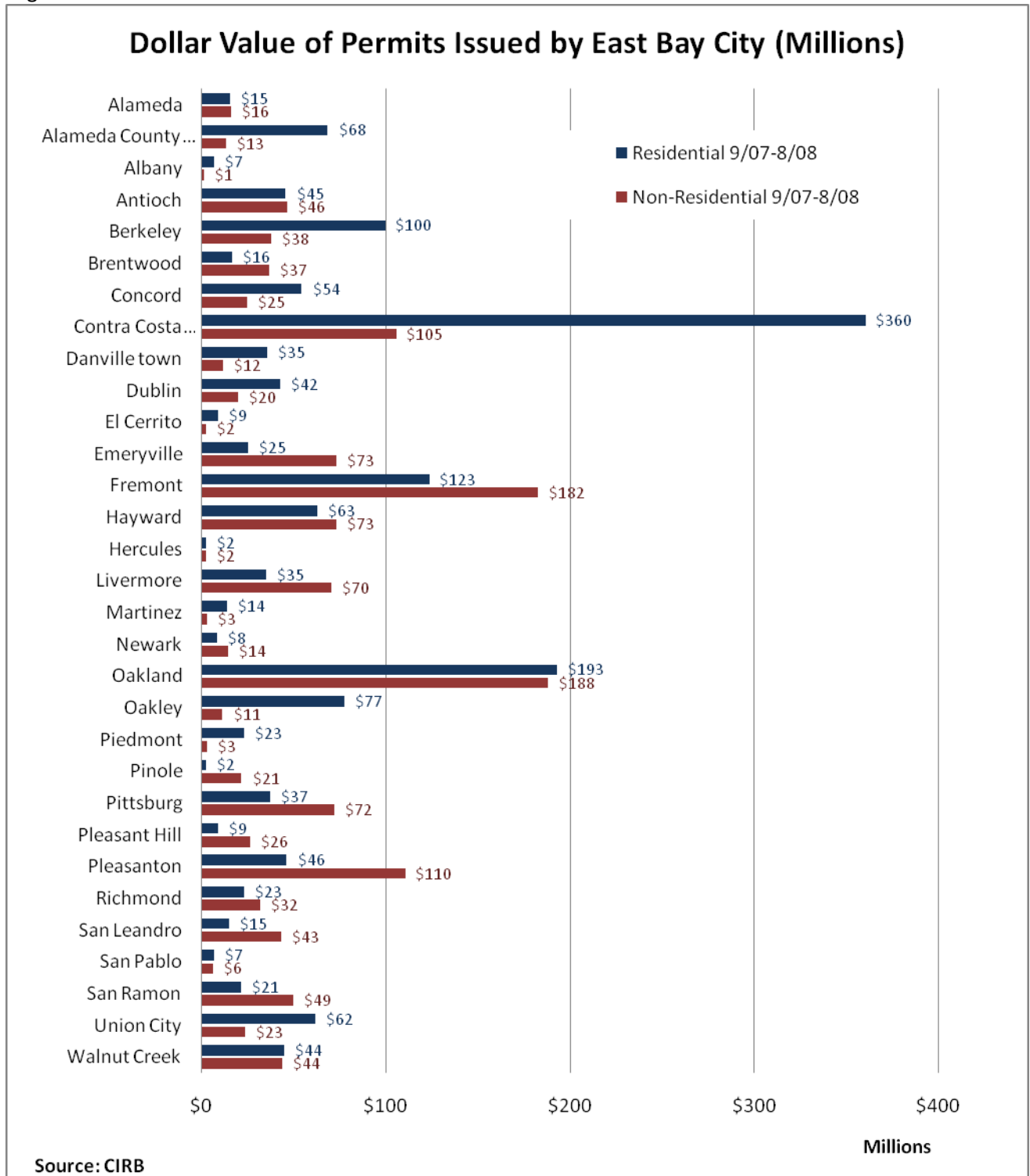
Alameda County continued to see non-residential permits increase between 2007 and 2008, with commercial construction contributing to the increase and industrial construction declining slightly. Commercial construction showed a small increase in Contra Costa County while the unusually low dollar value of industrial permits issued during the September 2006 – August 2007 period caused the most recent 2007-2008 to show dramatic growth. Residential permits in both Alameda and Contra Costa Counties continued to decrease dramatically.

Construction Permit Values	Sep 2006 – Aug 2007	Sep 2007 – Aug 2008	Change	% Change
ALCO Residential	\$1,214,408,117	\$824,112,424	-\$390,295,693	-32.1%
ALCO Non-Residential	\$815,457,694	\$866,656,372	\$51,198,678	6.3%
ALCO Commercial	\$177,650,935	\$214,842,492	\$37,191,557	20.9%
ALCO Industrial	\$71,522,344	\$69,211,017	-\$2,311,327	-3.2%
CCC Residential	\$1,300,641,687	\$756,148,683	-\$544,493,004	-41.9%
CCC Non-Residential	\$453,065,721	\$493,495,522	\$40,429,801	8.9%
CCC Commercial	\$131,975,075	\$138,182,109	\$6,207,034	4.7%
CCC Industrial	\$5,208,182	\$67,109,391	\$61,901,209	1188.5%
			<b>Source: CIRB</b>	

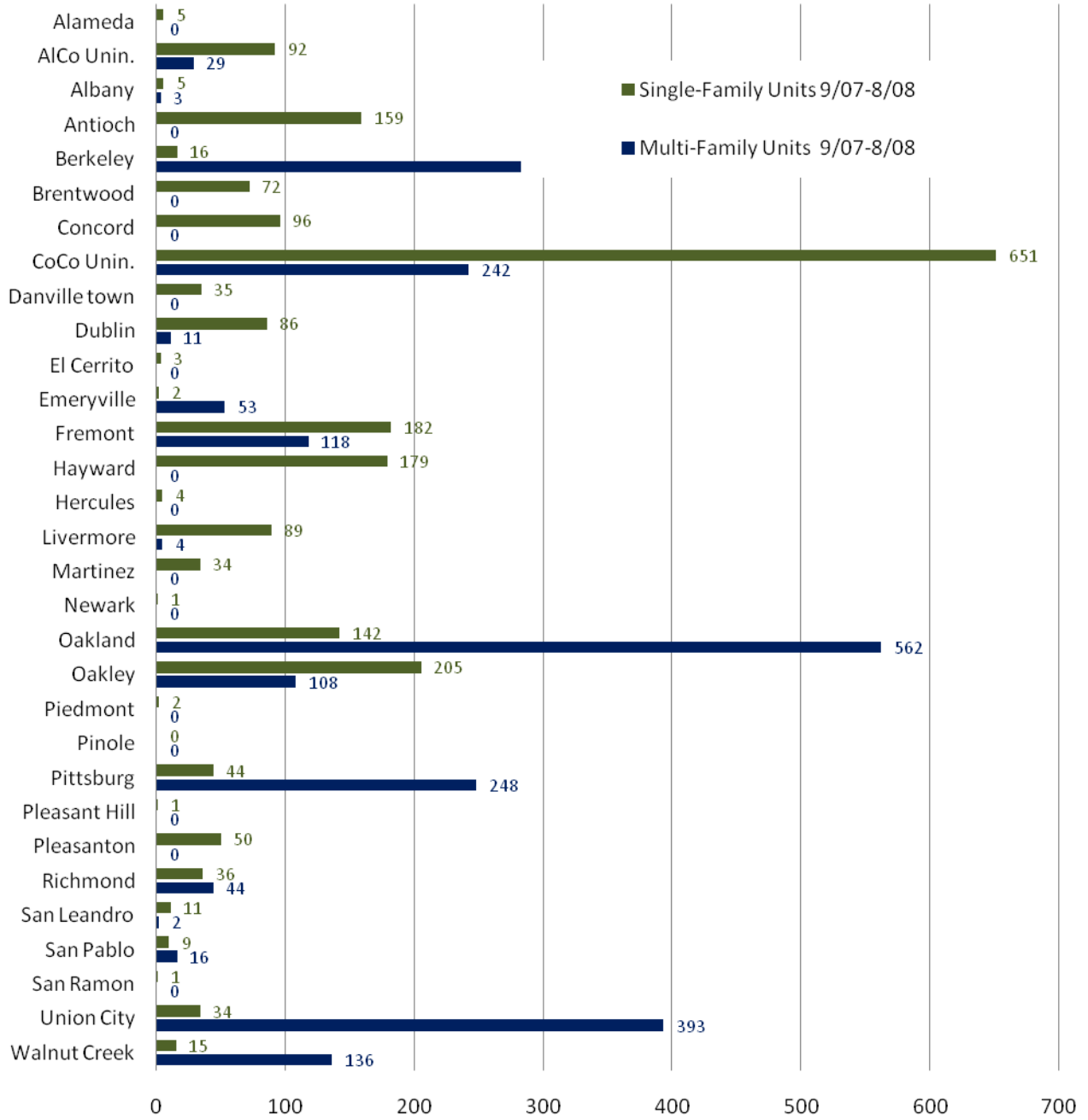
The slowing of the housing market was visible in the declines in both single and multi-family construction permits issued over the past twelve months in the East Bay. In this comparison, single-family construction in Contra Costa County was hardest hit, dropping over 50 percent when compared with the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

Housing Unit Permit Comparison by Type	Sep 2006 – Aug 2007	Sep 2007 – Aug 2008	Change	% Change
ALCO Single-Family Units	1,567	896	-671	-42.8%
CCC Single-Family Units	2,806	1,365	-1441	-51.4%
ALCO Multi-Family Units	2,249	1,617	-632	-28.1%
CCC Multi-Family Units	1,114	794	-320	-28.7%
			<b>Source: CIRB</b>	

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 August 2008.



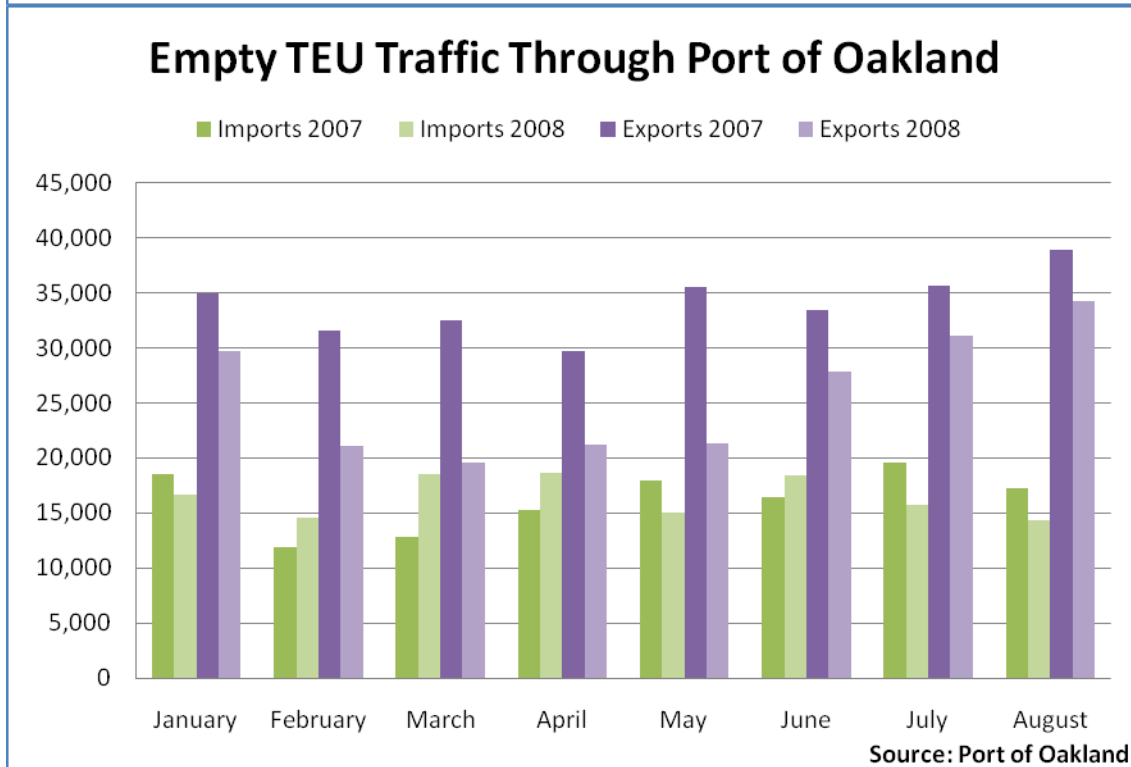
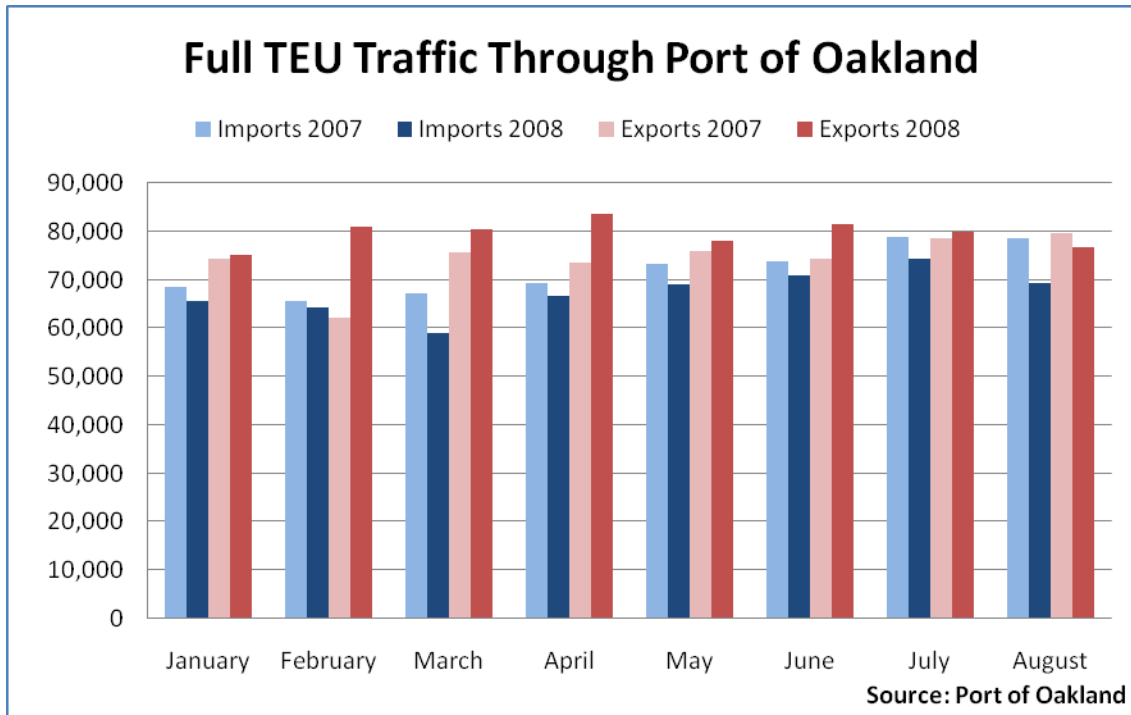
## Single and Multi-Family Permits Issued by East Bay City



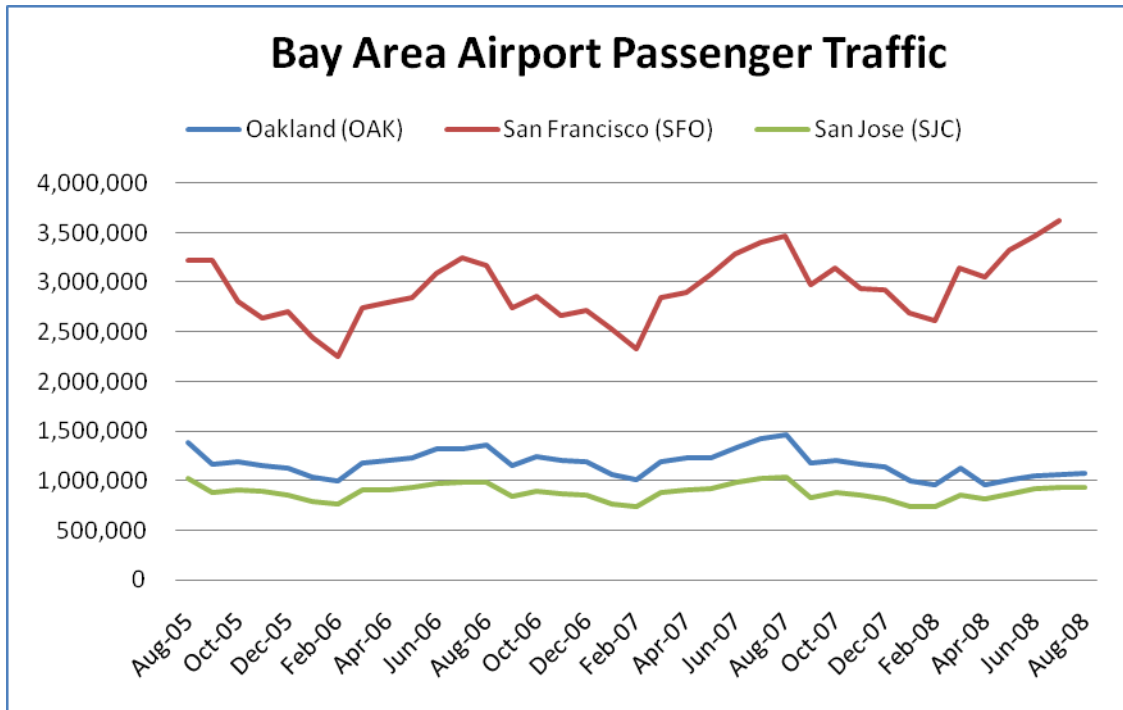
Source: CIRB

# TRADE & TRANSPORT

## Container Traffic & Airline Passengers



The traffic of both imports and exports transported in **full** twenty-foot equivalent unit (TEU) containers through the Port of Oakland posted year-over-year decreases in August 2008. Prior to the decline posted in August, exports had consistently outperformed the previous year. Both import and export **empty** TEUs declined in August 2008 in a year-over-year comparison with August 2007.



Oakland International (OAK) and San Jose Mineta (SJC) Airports continued to see year-over-year decreases in passenger traffic in August, data for San Francisco International (SFO) was not available at the release of this report. Various air carrier closures and reductions in the number of flights have caused ridership numbers at OAK and SJC to trend downward since the fall of 2007. This trend has sent more traffic to SFO as airlines consolidate flights to metropolitan areas in an effort to cut down on fuel and other costs.