



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 JANUARY 2009

- ***Unemployment jumped to 9.2 percent – up from 7.7 percent in December***
- ***Retail, Construction and Financial Services posted seasonal losses in payroll employment***
- ***High inventory and falling prices continued to spark increases in Contra Costa County home sale activity***
- ***Home values fell 38 percent annually in Alameda County and 52 percent annually in Contra Costa County***
- ***Commercial construction permit values declined annually, while Industrial construction permits posted increases***

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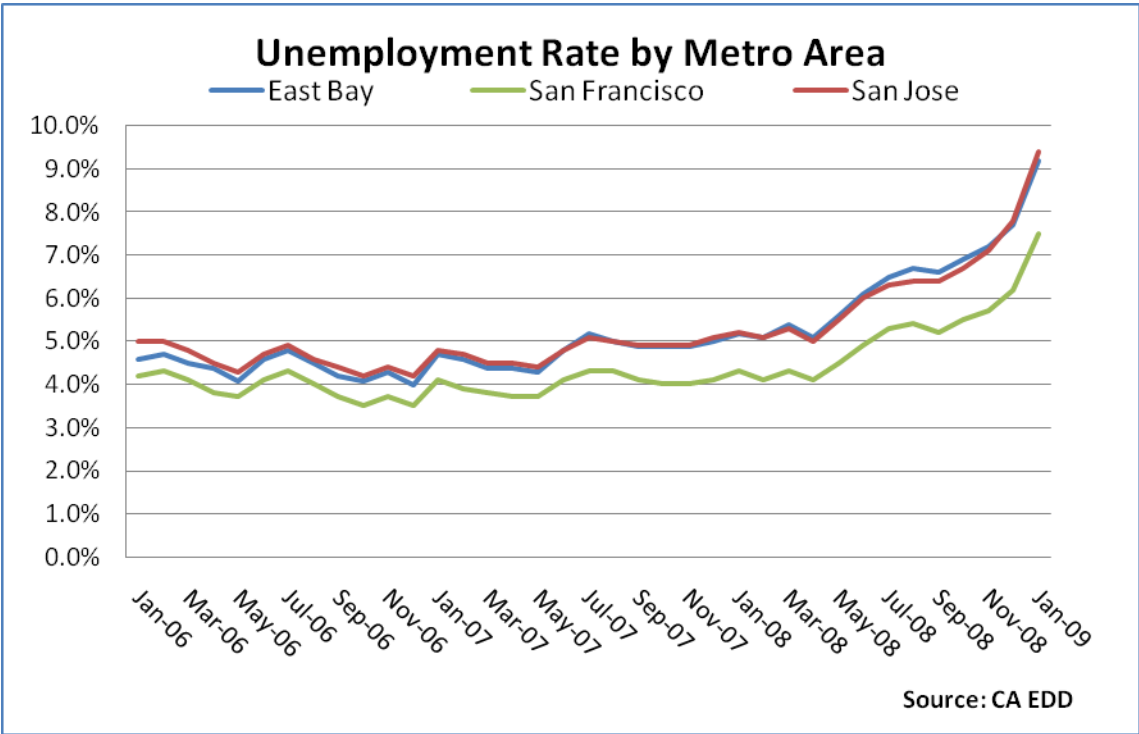
*Serving the East Bay, the **Bright** Side of the San Francisco Bay*

EMPLOYMENT

BAY AREA UNEMPLOYMENT

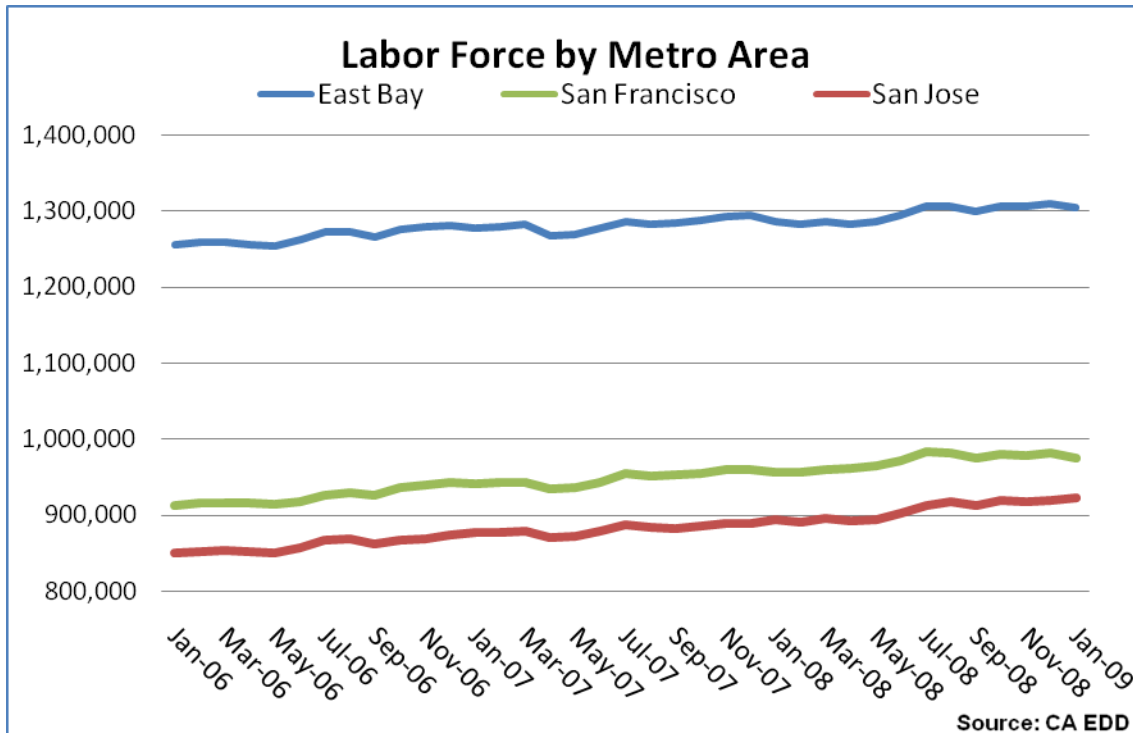
According to the California Employment Development Department, the unemployment rate in the East Bay was 9.2 percent in January 2009, up from a revised 7.7 percent in December 2008, and above the year-ago estimate of 5.2 percent. During the same period, the unadjusted unemployment rate for California was 10.6 percent for California and 8.5 percent for the nation. In the East Bay, the unemployment rate was 9.3 percent in Alameda County, and 9.0 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 7.5 percent in January 2009 up from 6.2 percent in December 2008, and significantly higher than the January 2008 estimate of 4.3 percent. The unemployment rate in San Jose rose to 9.4 percent in January, up from 7.8 percent in December 2008, and up from 5.2 percent in January 2008.



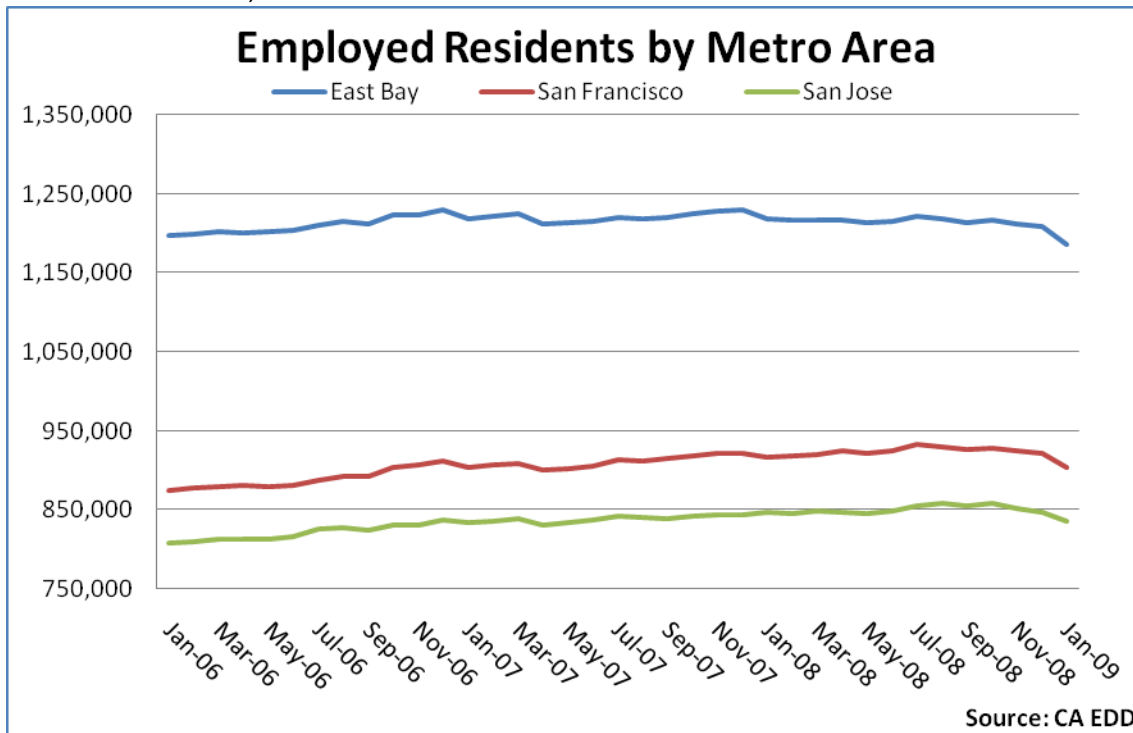
BAY AREA LABOR FORCE

In a month-over-month comparison, the East Bay’s labor force (number of individuals currently employed or actively seeking employment) lost 4,500 workers to reach 1,305,200 in January 2009. San Francisco’s labor force lost 6,000 workers to reach 976,100, and in San Jose the number of workers rose 3,400 to reach 922,000. In a year-over-year comparison, Bay Area regions continued to see gains in labor force numbers. The East Bay had 20,300 more workers in January 2009 than in January 2008, San Francisco gained 18,400, and San Jose added 28,300 workers.



BAY AREA EMPLOYED RESIDENTS

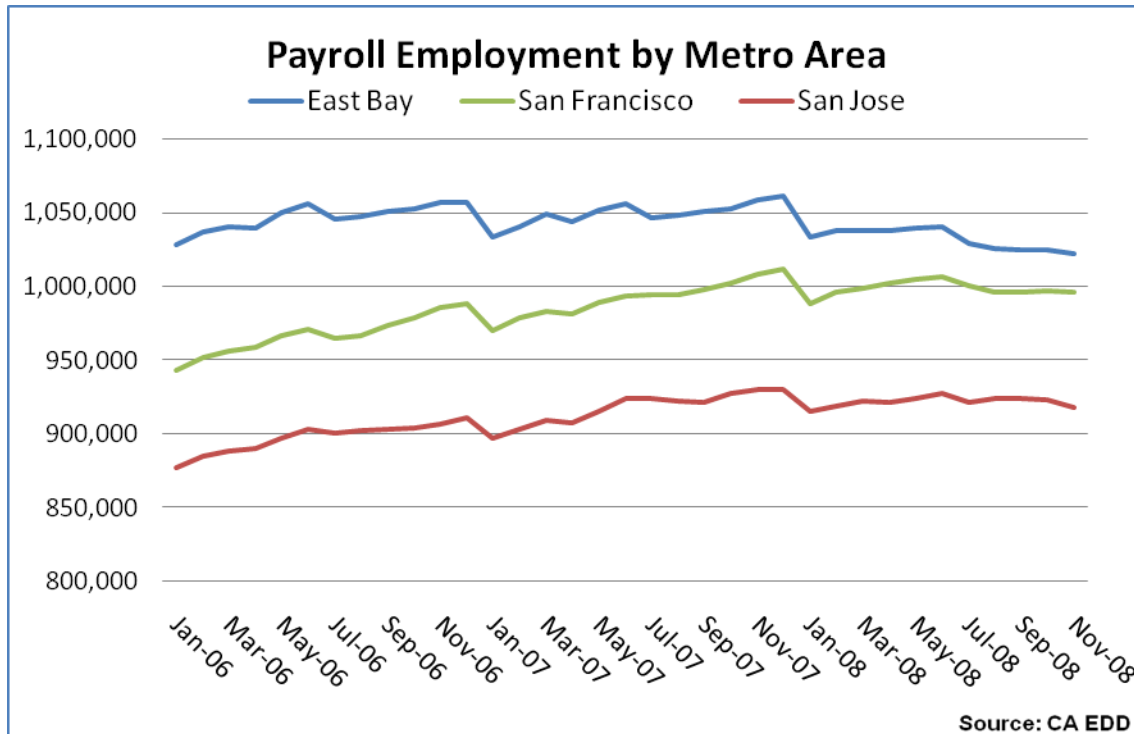
Between December 2008 and January 2009, the number of employed residents (employed persons who reside within the region) fell 22,900 in the East Bay, fell 18,200 in San Francisco, and fell 11,800 in San Jose. When compared to January 2008, a year-over-year comparison showed the East Bay with 32,100 fewer employed residents, San Francisco with 13,100 fewer and San Jose with 12,000 fewer.



BAY AREA PAYROLL EMPLOYMENT

Between December 2008 and January 2009, the East Bay lost 23,000 payroll jobs (number of jobs located in the specified region, not including those who are self-employed), San Francisco lost 24,300 and San Jose lost 14,900. Year-over-year, the East Bay lost 37,800, San Francisco lost

20,700 and San Jose lost 18,400. 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's monthly Labor Market release - between December 2008 and January 2009, decreased by 23,000 jobs, falling to 996,000.

- Trade, transportation, and utilities decreased by 8,600 jobs. Retail trade (down 6,500 jobs) accounted for the majority of the loss, ending the holiday shopping season with seasonal losses concentrated in department and clothing stores.
- Construction experienced a seasonal loss of 3,000 jobs, mostly in specialty trade contractors (down 1,700 jobs) and construction of buildings (down 700 jobs).
- Professional and business services shed 2,800 jobs, partly due to a seasonal cutback in employment services (down 1,200 jobs).
- Leisure and hospitality seasonally contracted by 2,600 jobs, largely in food services and bars (down 2,200 jobs).
- The winter break resulted in seasonal declines within private and public schools that totaled 2,000 jobs.

ANNUAL COMPARISON

Between January 2008 and January 2009, the total number of jobs in the East Bay decreased by 37,800 jobs or 3.7 percent.

- Trade, transportation, and utilities declined by 11,600 jobs mostly in retail trade (down 8,700 jobs).
- Construction decreased by 8,900 jobs, largely in specialty trade contractors (down 6,100 jobs).
- Other major industries with losses of at least 2,000 jobs include professional and business services, financial activities, manufacturing, and government.
- On the upside, private educational and health services netted an increase of 1,900 jobs, as health care led the way.

Industry Sector	Jan-09	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Educational and Health Services	127,000	-1,900	1,900	1.5%	6,300
Information	27,400	100	-700	-2.5%	-2,200
Leisure and Hospitality	85,400	-2,600	-700	-0.8%	1,000
Other Services	34,800	-300	-700	-2.0%	-200
Wholesale Trade	46,900	-700	-1,300	-2.7%	-1,700
Trans, Warehousing & Utilities	35,400	-1,400	-1,600	-4.3%	-1,200
Government	174,800	-1,200	-2,300	-1.3%	-8,300
Manufacturing	89,900	-1,600	-4,300	-4.6%	-4,100
Financial Activities	53,900	-900	-4,600	-7.9%	-9,600
Professional and Business Services	156,400	-2,800	-5,900	-3.6%	3,500
Retail Trade	105,100	-6,500	-8,700	-7.6%	-8,700
Construction	56,700	-3,000	-8,900	-13.6%	-12,300
Total, All Industries	996,000	-23,000	-37,800	-3.7%	-37,600
INDUSTRY EMPLOYMENT DATA SOURCE: California Employment Development Department					

EAST BAY CONSTRUCTION EMPLOYMENT

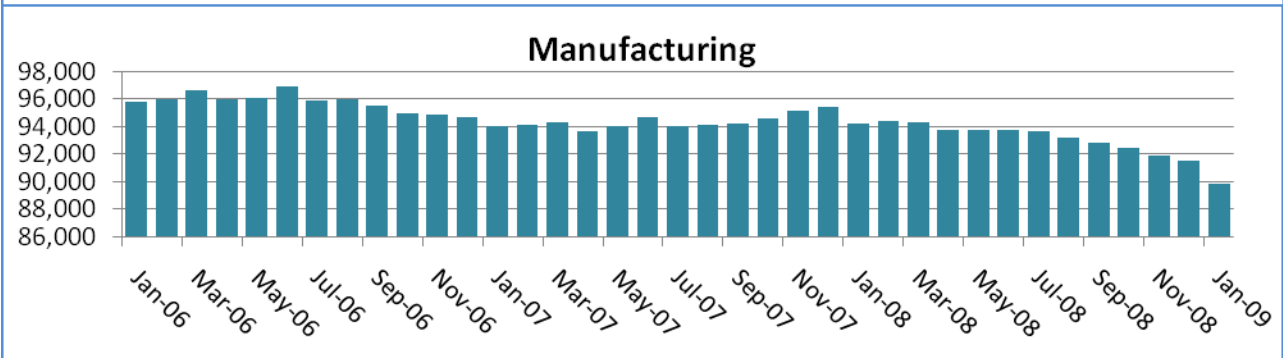
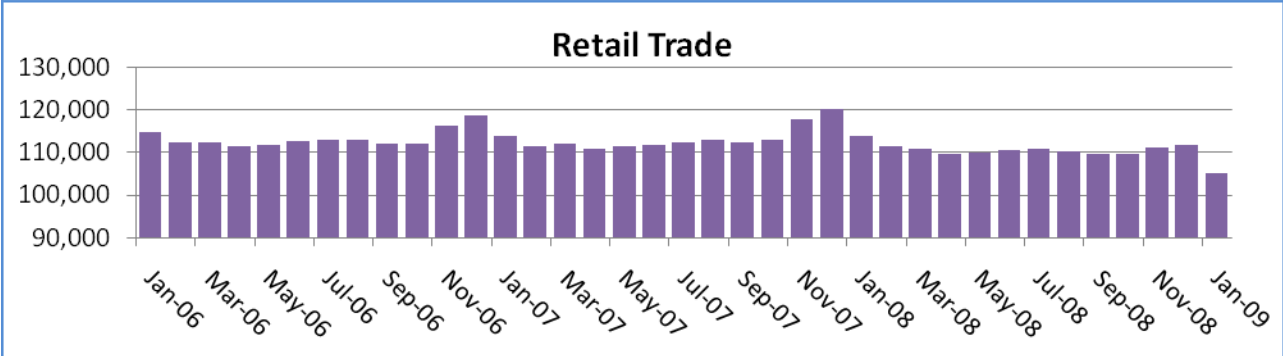
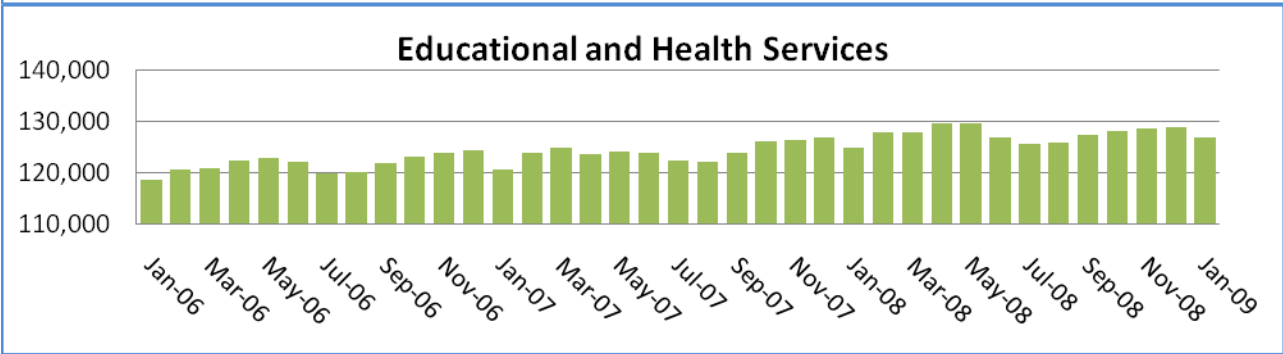
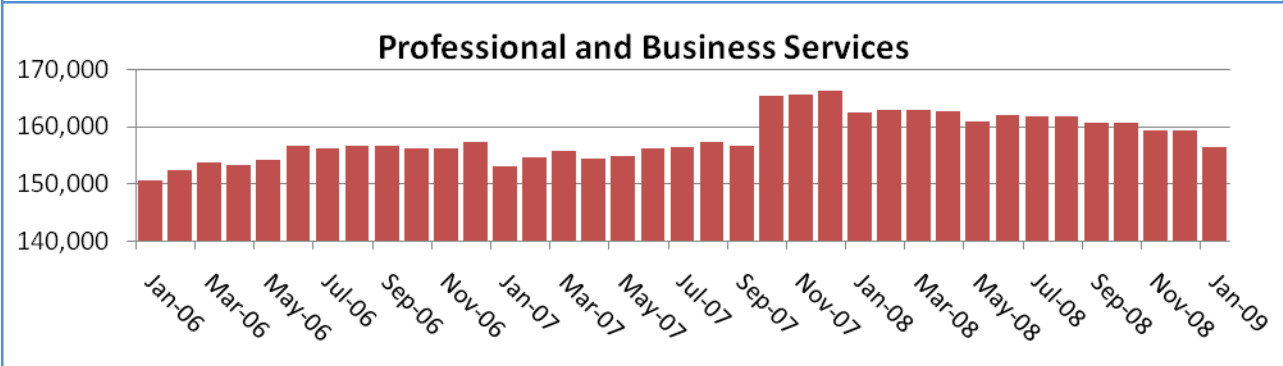
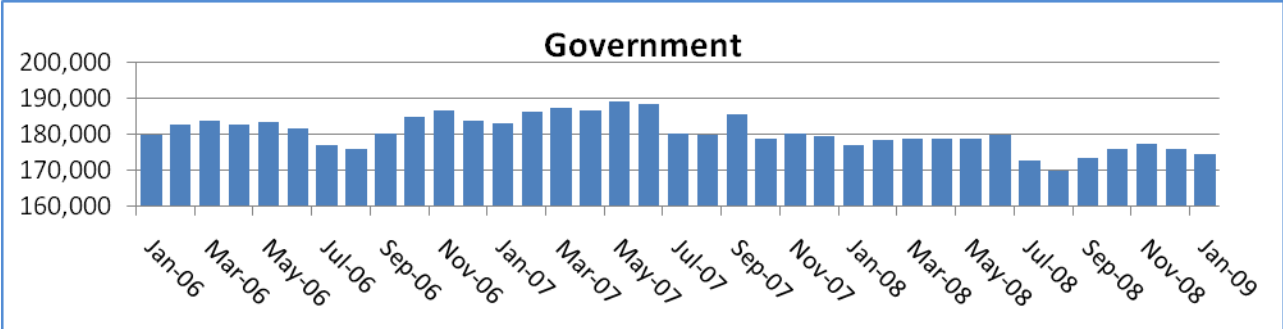
Activity in the East Bay's construction sector reflects the housing downturn continuing to affect the region and the nation at large. All East Bay construction sub-sectors but Highway, Street and Bridge Construction (up 6.9 percent) posted losses in the year-over-year comparison.

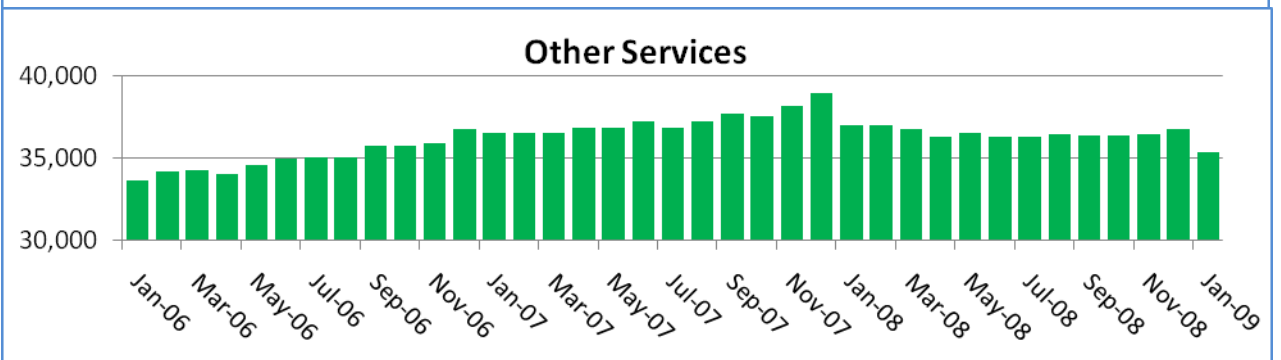
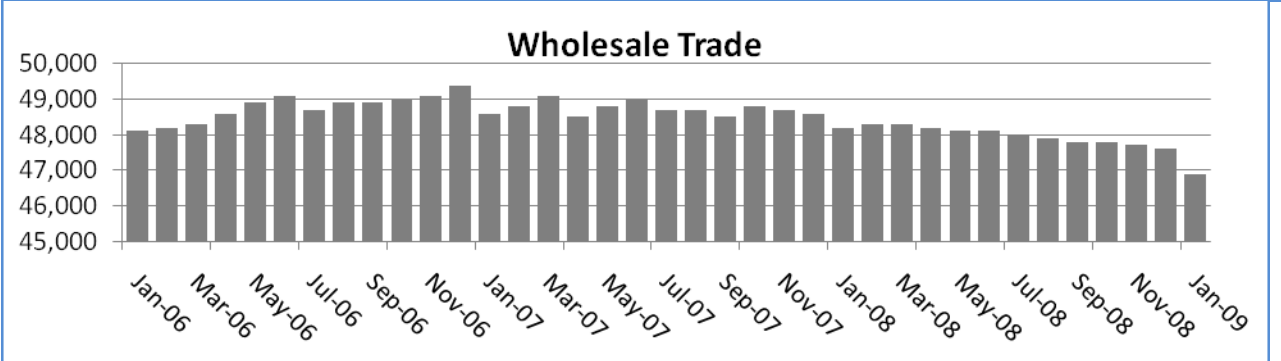
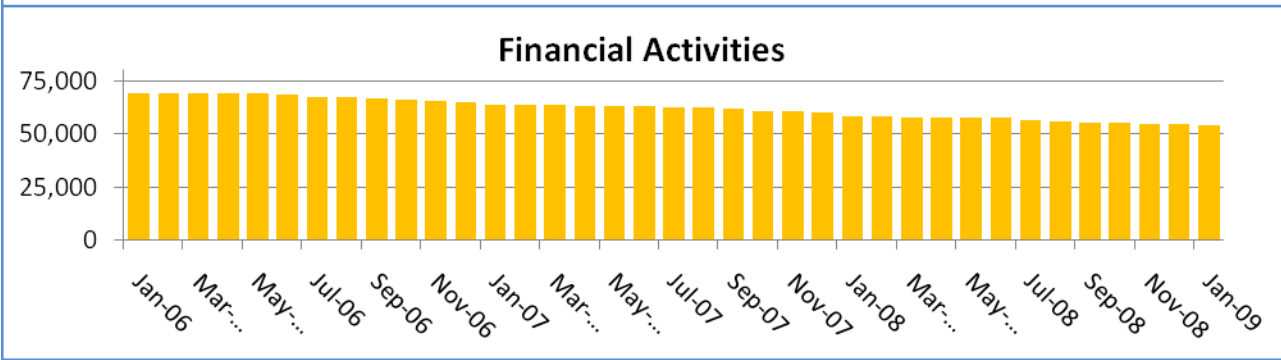
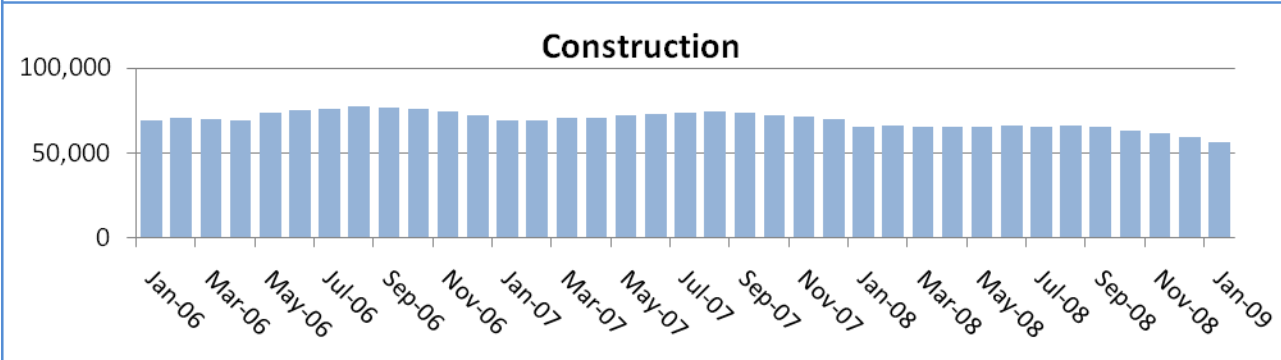
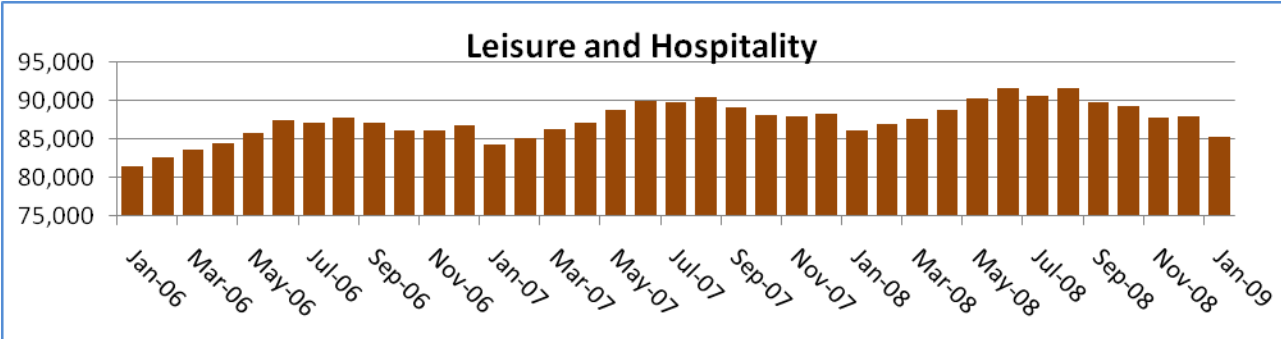
	Jan-09	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Highway, Street, and Bridge Const	3,100	-300	200	6.9%	-100
Nonresidential Building	5,300	-100	-500	-8.6%	-400
Residual-Other Heavy and Civil Engineer	4,200	-300	-800	-16.0%	-1,300
Building Equipment Contractors	13,700	-500	-1,100	-7.4%	-700
Building Foundation and Exterior Contractors	7,900	-300	-1,400	-15.1%	-2,100
Residential Building	8,500	-600	-1,700	-16.7%	-3,400
Other Specialty Trade Contract	14,000	-900	-3,600	-20.5%	-4,300
All Construction	56,700	-3,000	-8,900	-13.6%	-12,300

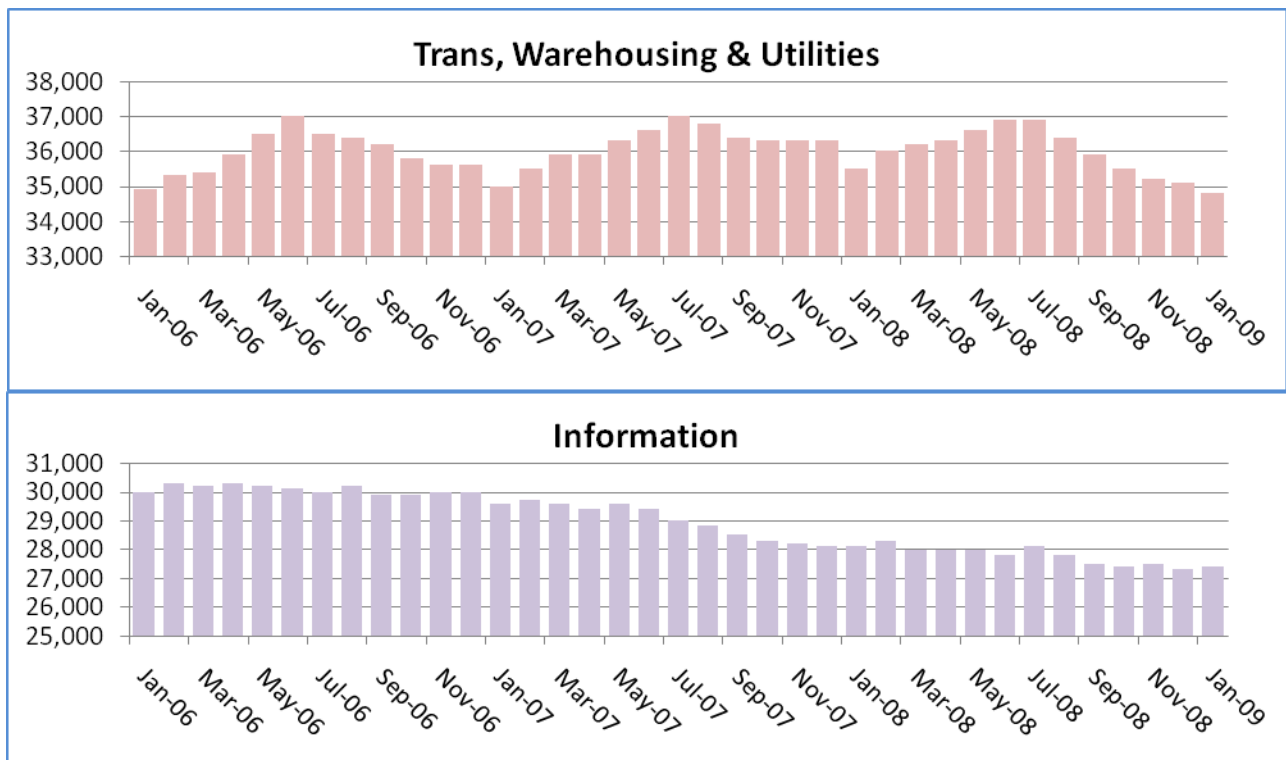
EAST BAY MANUFACTURING PAYROLL EMPLOYMENT

The East Bay's manufacturing sector showed an overall loss of 4,300 jobs when compared with January 2008. Most losses occurred in the food and residual-miscellaneous sectors.

	Jan-09	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Chemical	7,100	100	200	2.9%	0
Petroleum and Coal Products	7,800	-200	100	1.3%	400
Transportation Equipment	7,100	-100	-700	-9.0%	-400
Computer and Electronic Products	19,000	-200	-900	-4.5%	-1,300
Residual-Food	19,400	-500	-1,100	-5.4%	-400
Residual-Miscellaneous	29,500	-700	-1,900	-6.1%	-2,400
All Manufacturing	89,900	-1,600	-4,300	-4.6%	-4,100







BAY AREA HOME SALES

According to MDA DataQuick, the median price paid for all new and resale houses and condos combined in the nine-county Bay Area fell to \$300,000 in January 2009. A 9.1 percent decrease from \$330,000 in December 2008, and down a record 45.5 percent from \$550,000 in January 2008.

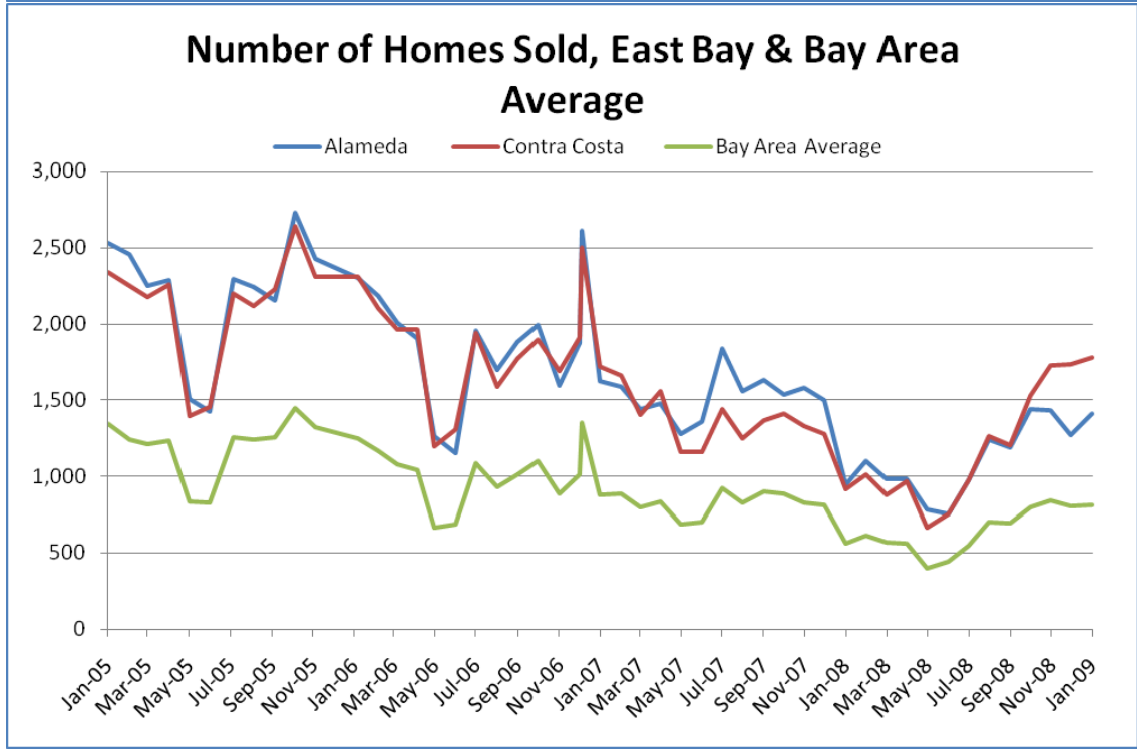
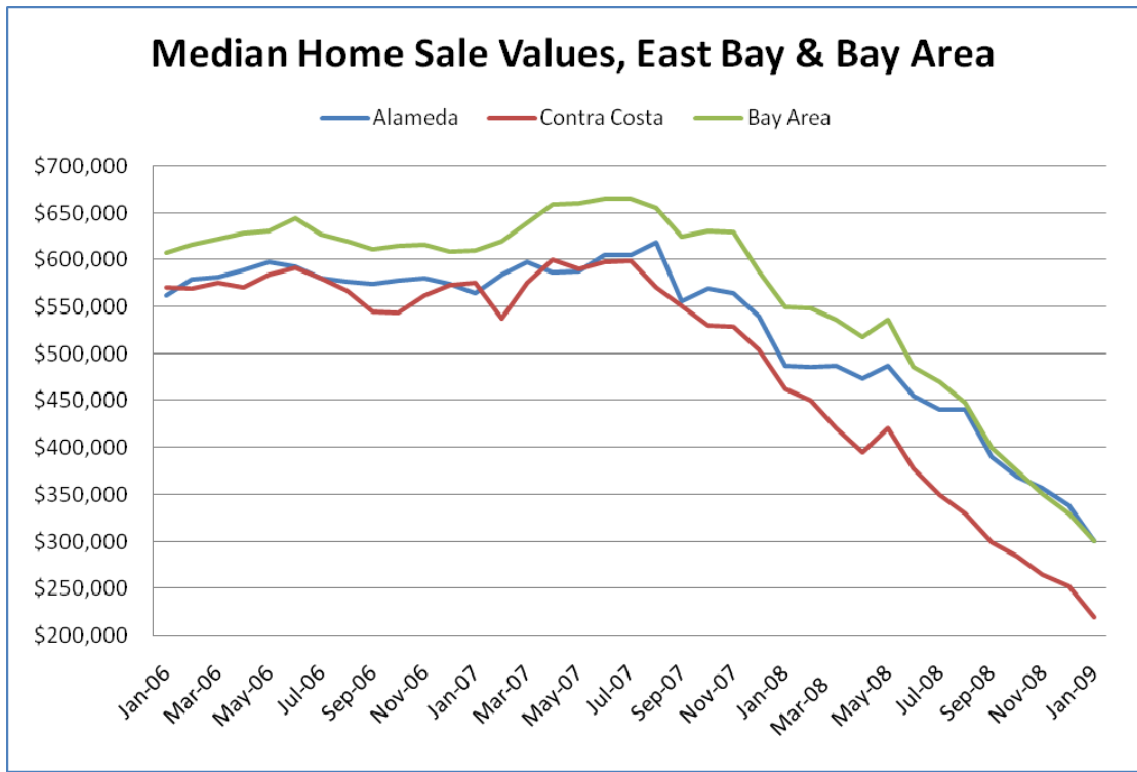
In the East Bay, Alameda County's median value was \$300,000, a 38.5 percent decline from January 2008. The

All Homes by County	Number Sold Jan 2009	Sales Annual Pct. Change	Median Jan. 2009	Median Annual Pct. Change
Alameda	994	27.40%	\$300,000	-38.50%
Contra Costa	1,333	99.90%	\$220,000	-52.50%
Marin	122	0.00%	\$525,000	-37.90%
Napa	78	77.30%	\$370,000	-30.50%
San Francisco	229	-21.80%	\$562,000	-24.50%
San Mateo	273	-7.50%	\$489,500	-27.50%
Santa Clara	1,037	19.30%	\$400,000	-37.40%
Solano	560	126.70%	\$192,500	-44.60%
Sonoma	424	57.60%	\$299,750	-29.50%
Bay Area	5,050	40.80%	\$300,000	-45.50%

Source: MDA DataQuick

Contra Costa County median home sale value in January 2009 was \$220,000, a 52.5 percent decline over January 2008 – due in part to foreclosure-related sales. In January, Contra Costa County continued to post the highest sales volume and the steepest annual decline in median sale prices.

A total of 5,050 new and resale houses and condos closed escrow in the region in January 2009 – a 40.80 percent increase from only 3,586 sales in January 2008, the period when the current economic downturn was beginning to affect home sales. In the East Bay, Alameda and Contra Costa Counties both posted double-digit sales volume increases between January 2008 and January 2009 – with sales in Contra Costa County almost doubling over the previous period.



EAST BAY HOME SALES

In January 2009, the vast majority of East Bay cities saw annual declines in median home values.

City	# Sold November 2008	Median Jan 2009	Median Jan 2008	Y-o-Y
Alameda County	989	\$300,000	\$495,000	-39.39%
ALAMEDA	28	\$544,000	\$570,000	-4.56%
ALBANY	9	\$675,000	\$537,000	25.70%
BERKELEY	20	\$635,000	\$538,000	18.03%
CASTRO VALLEY	24	\$405,500	\$555,000	-26.94%
DUBLIN	31	\$447,000	\$491,500	-9.05%
EMERYVILLE	25	\$250,000	\$350,000	-28.57%
FREMONT	99	\$415,000	\$603,750	-31.26%
HAYWARD	174	\$253,500	\$432,000	-41.32%
LIVERMORE	78	\$343,000	\$480,000	-28.54%
NEWARK	31	\$330,000	\$386,000	-14.51%
OAKLAND	277	\$165,000	\$409,500	-59.71%
PLEASANTON	30	\$655,000	\$715,000	-8.39%
SAN LEANDRO	69	\$319,000	\$421,000	-24.23%
SAN LORENZO	30	\$300,000	\$402,000	-25.37%
UNION CITY	64	\$352,500	\$437,500	-19.43%
Contra Costa County	1,288	\$220,000	\$468,500	-53.04%
ALAMO	10	\$1,357,500	\$1,187,500	14.32%
ANTIOCH	229	\$188,500	\$352,000	-46.45%
BETHEL ISLAND	2	\$172,000	\$425,000	-59.53%
BRENTWOOD2	80	\$317,000	\$457,500	-30.71%
CLAYTON	4	\$543,000	\$575,000	-5.57%
CONCORD	150	\$219,500	\$390,000	-43.72%
CROCKETT	2	\$160,000	\$290,000	-44.83%
DANVILLE	26	\$762,500	\$1,036,500	-26.44%
DISCOVERY BAY	25	\$285,000	\$450,000	-36.67%
EL CERRITO	7	\$475,000	\$639,000	-25.67%
EL SOBRANTE	20	\$271,500	\$439,000	-38.15%
HERCULES	28	\$358,000	\$459,000	-22.00%
LAFAYETTE	4	\$1,012,500	\$1,130,000	-10.40%
MARTINEZ	34	\$362,500	\$425,000	-14.71%
MORAGA	4	\$558,500	\$730,000	-23.49%
OAKLEY	88	\$216,000	\$420,000	-48.57%
ORINDA	7	\$790,000	\$970,000	-18.56%
PINOLE	10	\$315,000	\$377,500	-16.56%
PITTSBURG	185	\$150,000	\$325,500	-53.92%
PLEASANT HILL	20	\$417,500	\$510,000	-18.14%
RICHMOND	141	\$113,000	\$342,750	-67.03%
RODEO	12	\$292,500	\$425,000	-31.18%
SAN PABLO	99	\$157,000	\$345,000	-54.49%
SAN RAMON	45	\$582,000	\$795,000	-26.79%
WALNUT CREEK	51	\$465,000	\$590,000	-21.19%

Source: DataQuick / SF Chronicle

BAY AREA CONSTRUCTION PERMITS

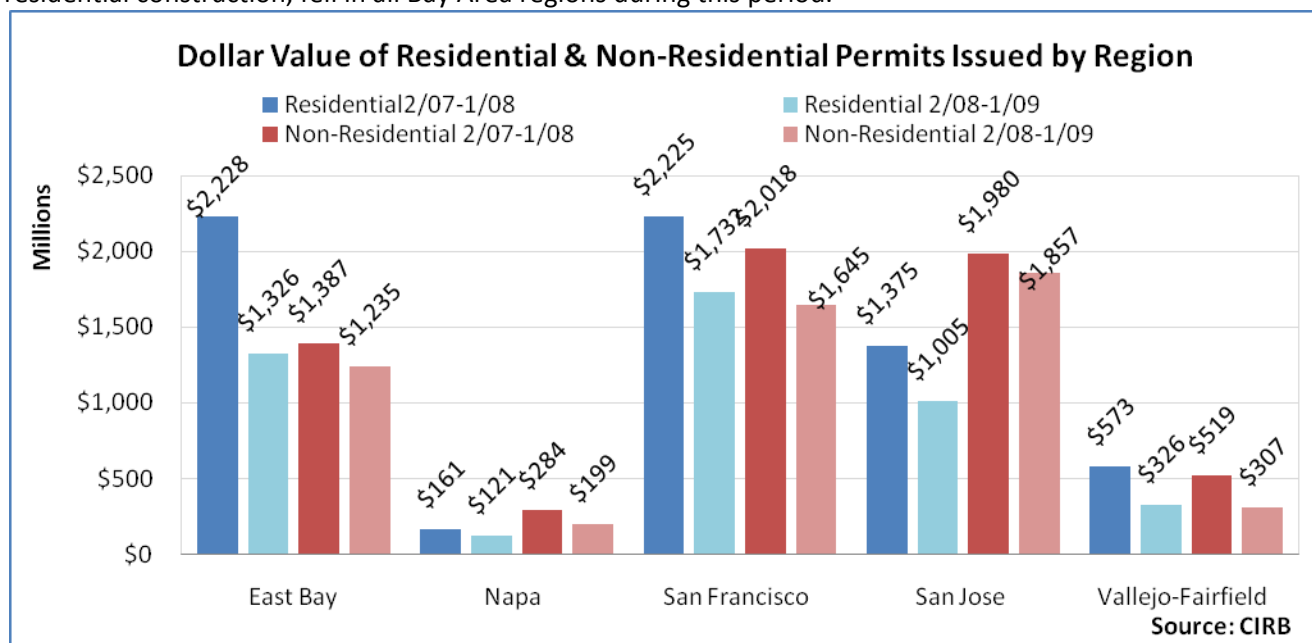
The following tables and graphs compare the 12-month periods of February 2007 – January 2008 and February 2008 – January 2009. This method provides a year-over-year comparison and can be less volatile than the month-over-month comparison.

Region	Total Value of Construction Permits 2/08 – 1/09	Annual Change in Total Value of Construction Permits 2/07-1/08 vs. 2/08-1/09	Annual Percent Change
East Bay	\$2,561,654,580	-\$1,052,929,093	-29.1%
Napa	\$319,638,261	-\$126,334,250	-28.3%
San Francisco	\$3,377,048,151	-\$865,647,139	-20.4%
San Jose	\$2,862,116,965	-\$492,647,256	-14.7%
Vallejo-Fairfield	\$632,437,287	-\$459,656,898	-42.1%

In a comparison of these two twelve-month periods, the East Bay showed a decrease in construction permit values, falling 29.1 percent (over \$1 billion) from the previous period. All other Bay Area regions posted losses during this period as well.

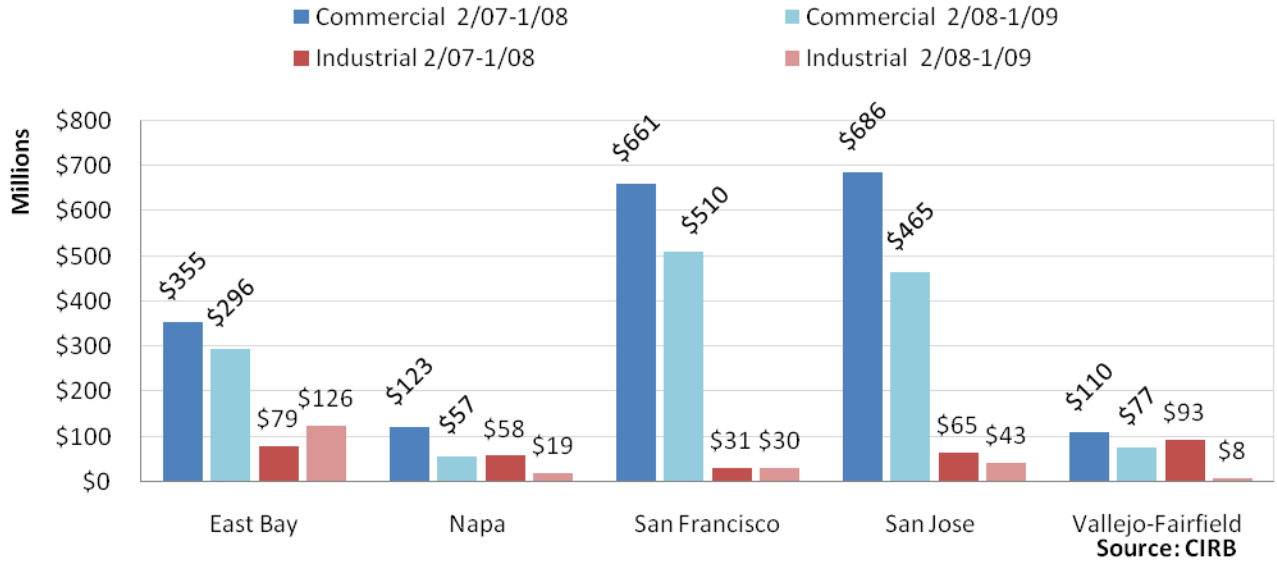
RESIDENTIAL & NON-RESIDENTIAL PERMITS

When comparing the two previous 12-month periods of February 2007 – January 2008 and February 2008 – January 2009, residential permit values fell throughout the Bay Area with the steepest declines occurring in the East Bay and Vallejo-Fairfield regions. Non-residential construction permit values, which had been posting annual increases despite continued losses in residential construction, fell in all Bay Area regions during this period.



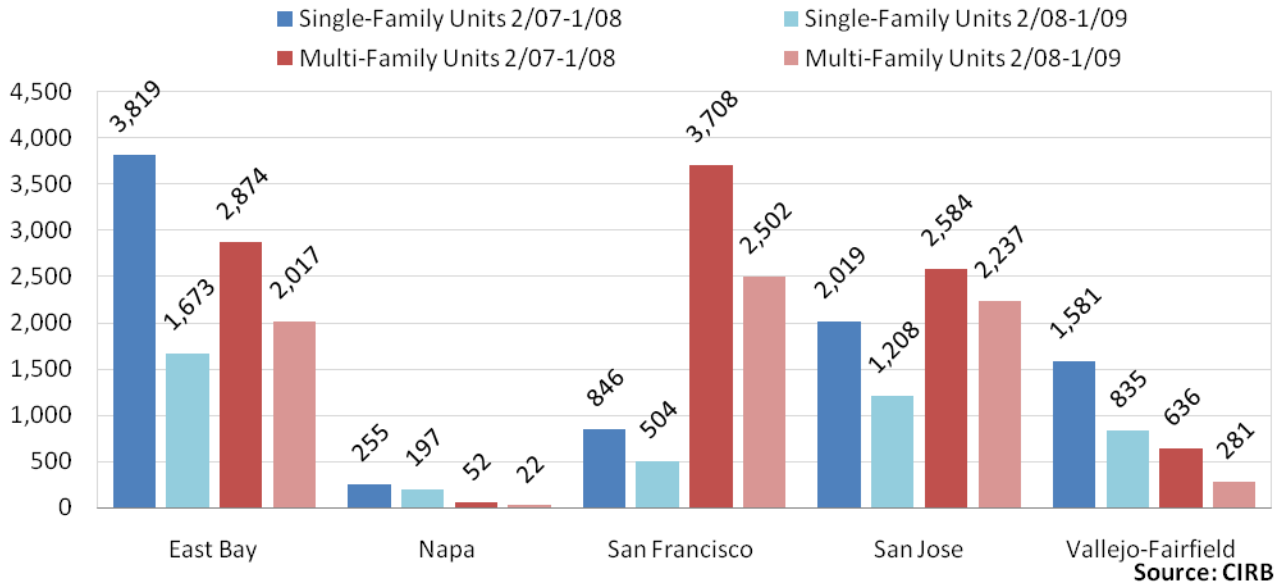
COMMERCIAL & INDUSTRIAL PERMITS In a comparison of commercial and industrial construction permits issued during the same two 12-month periods, the dollar value of commercial permits issued in the East Bay fell 16.8 percent when compared to the previous period. Commercial building permit values fell in the double-digits throughout the Bay Area during this period, falling most sharply in the Napa region (down 53.4 percent). Industrial permit values jumped 59.8 percent in the East Bay region during the same period, and posted losses in the Bay Area’s other regions.

Dollar Value of Commercial & Industrial Permits Issued by Region



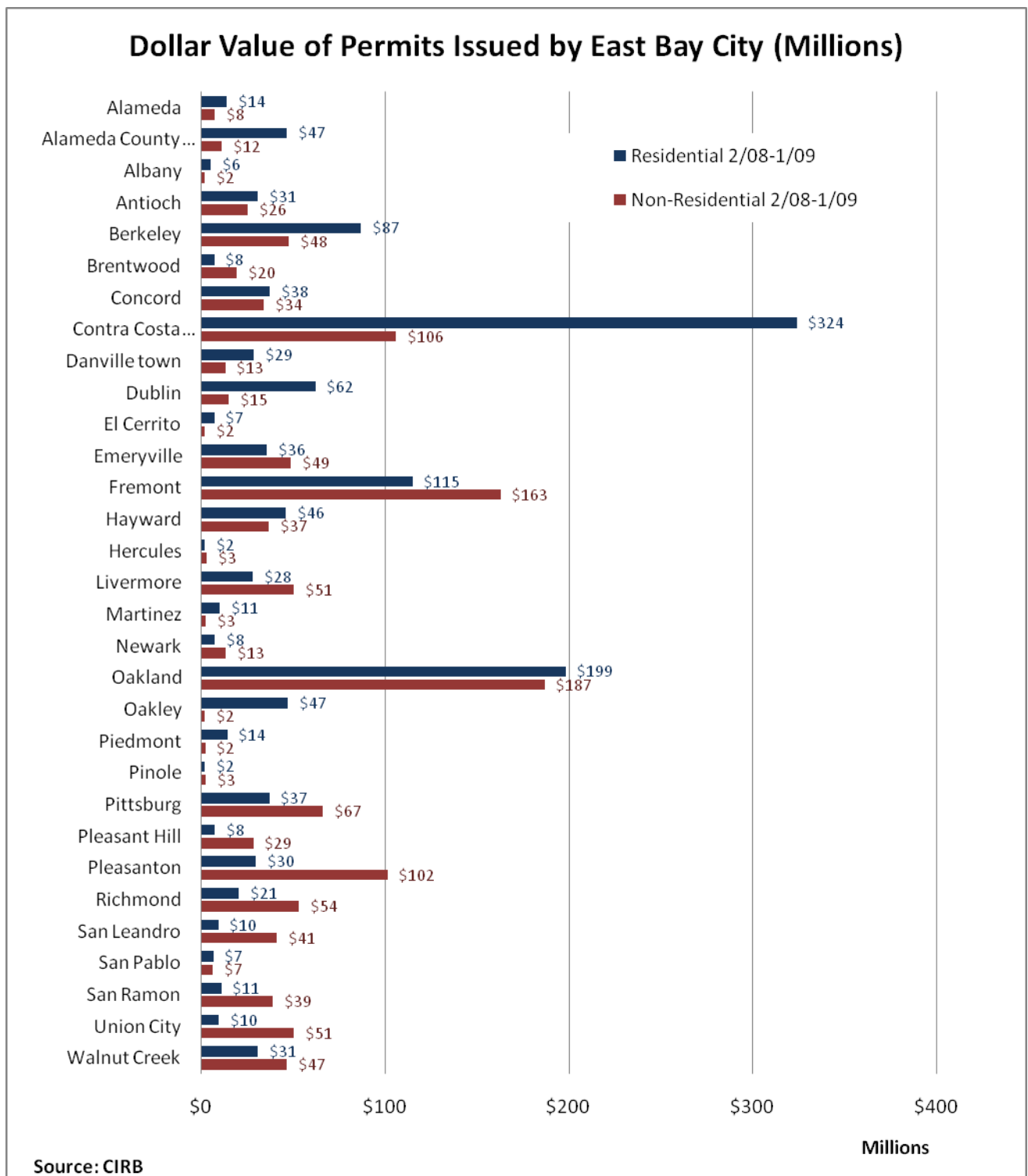
SINGLE AND MULTI-FAMILY PERMITS All Bay Area regions saw significant residential construction declines when compared with the previous 12-month period. The East Bay's drop from 3,819 single-family unit permits in the 2007-2008 period to 1,673 single-family permits in the 2008-2009 period was the most dramatic of the declines.

Single and Multi-Family Permits Issued by Region

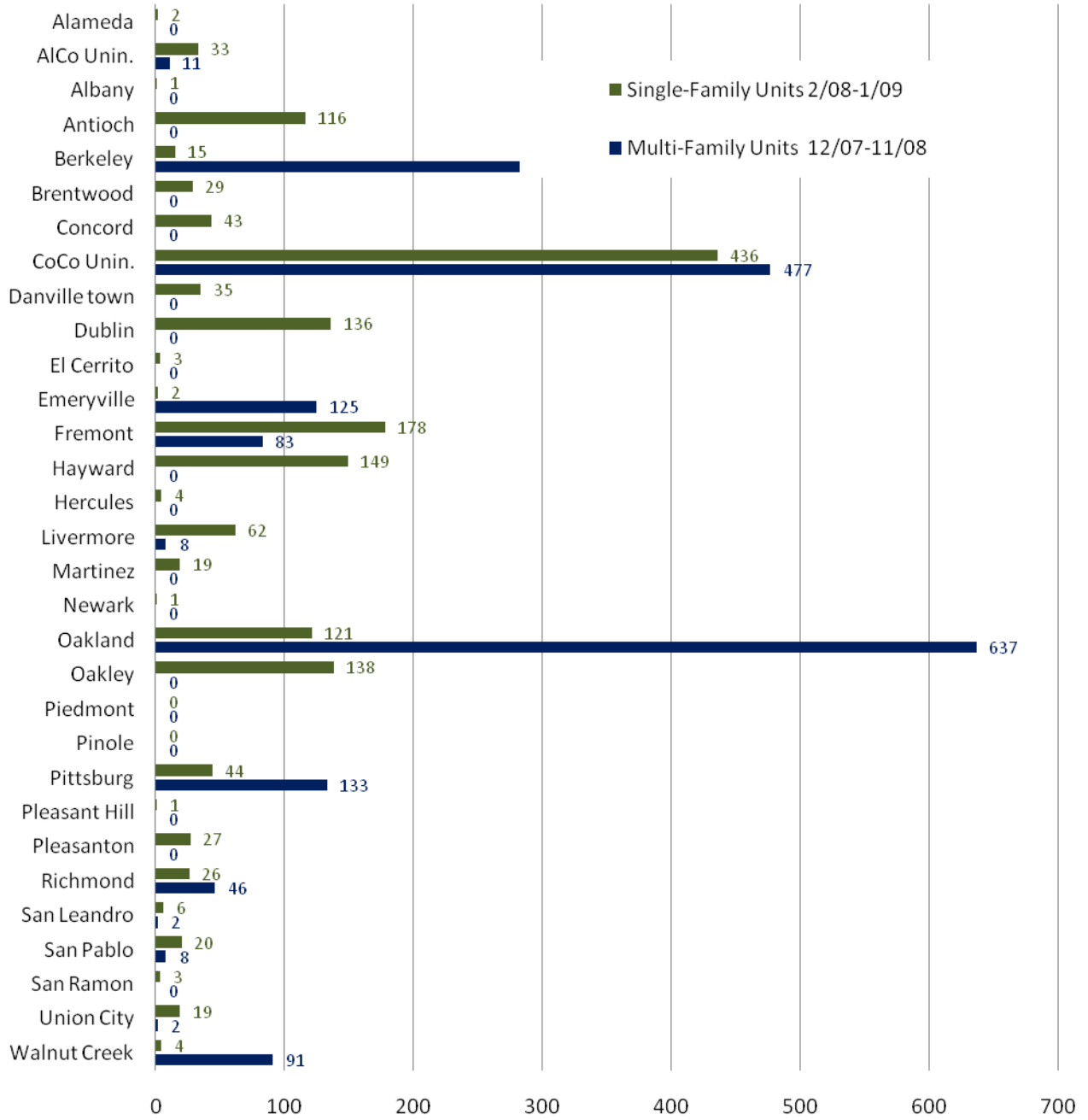


EAST BAY CONSTRUCTION

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 January 2009.

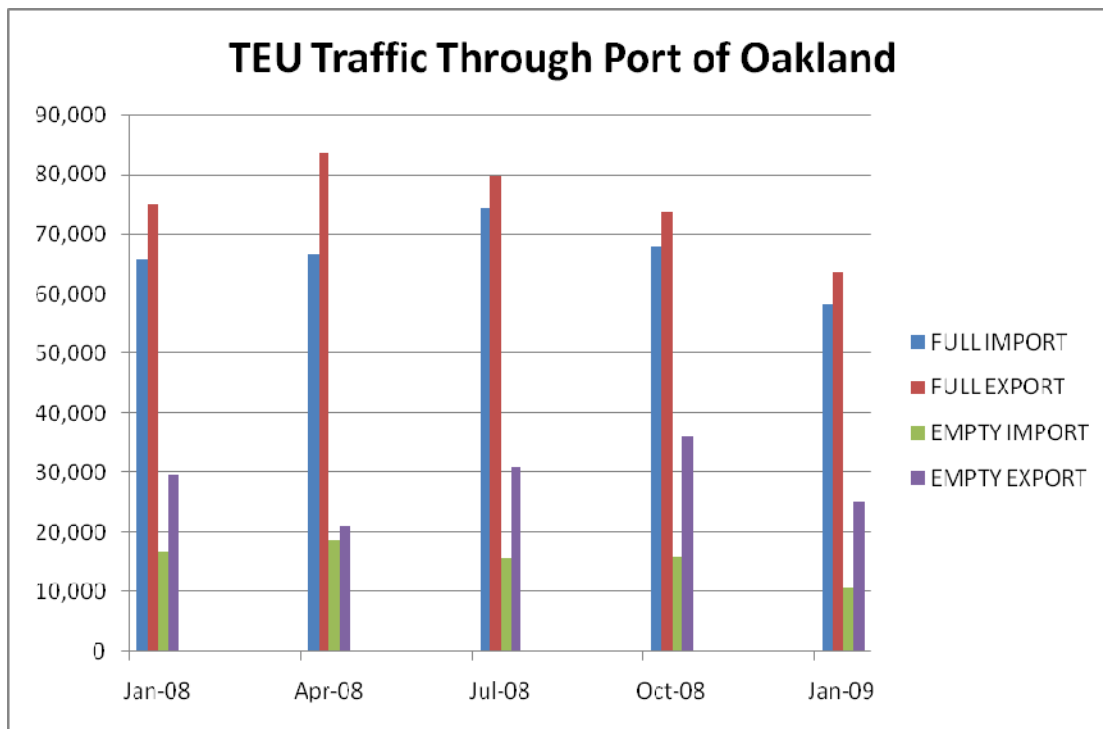


Single and Multi-Family Permits Issued by East Bay City

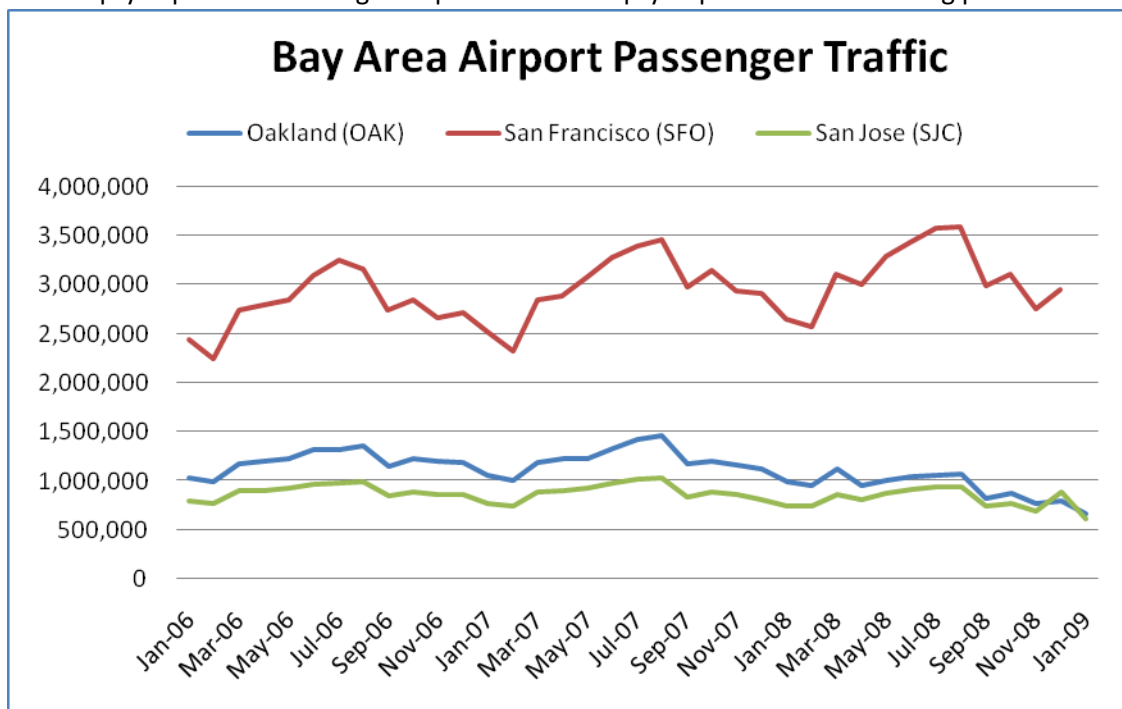


Source: CIRB

TRADE & TRANSPORT



The traffic of both full export and import containers traveling through the Port of Oakland decreased between January 2008 and January 2009 – full exports decreased 15.2 percent while full imports decreased 11.3 percent. Empty container traffic also declined during this period, with empty exports decreasing 15.1 percent and empty imports 36.0 decreasing percent.



Oakland International (OAK), San Francisco International (SFO) and San Jose Mineta (SJC) Airports continued to see year-over-year decreases in passenger traffic in January 2009. 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. Ridership at OAK in January 2009 was decreased 32.8 percent from the January 2008 number, while ridership at SJC also fell 17.8

during the same period. SFO posted a 1.3 percent increase in ridership between December 2007 and December 2008*.

*January numbers for SFO were not available at print.