



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 MAY 2009

- ***Median home values increased over previous April 2009***
- ***Unemployment rose to 10.4 percent***
- ***Job losses continued to be concentrated in Construction, Professional & Business Services and Retail Trade***
- ***Residential, commercial and industrial construction permit values continued to post declines***

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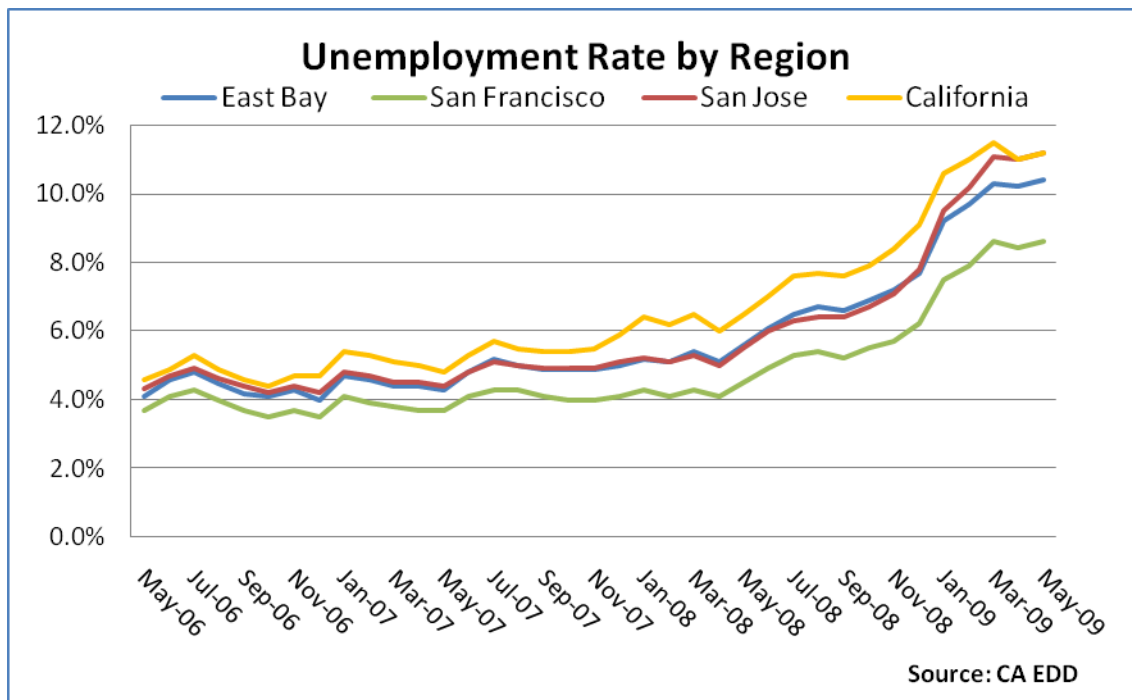
*Serving the East Bay, the **Bright** Side of the San Francisco Bay*

# EMPLOYMENT

## **BAY AREA UNEMPLOYMENT**

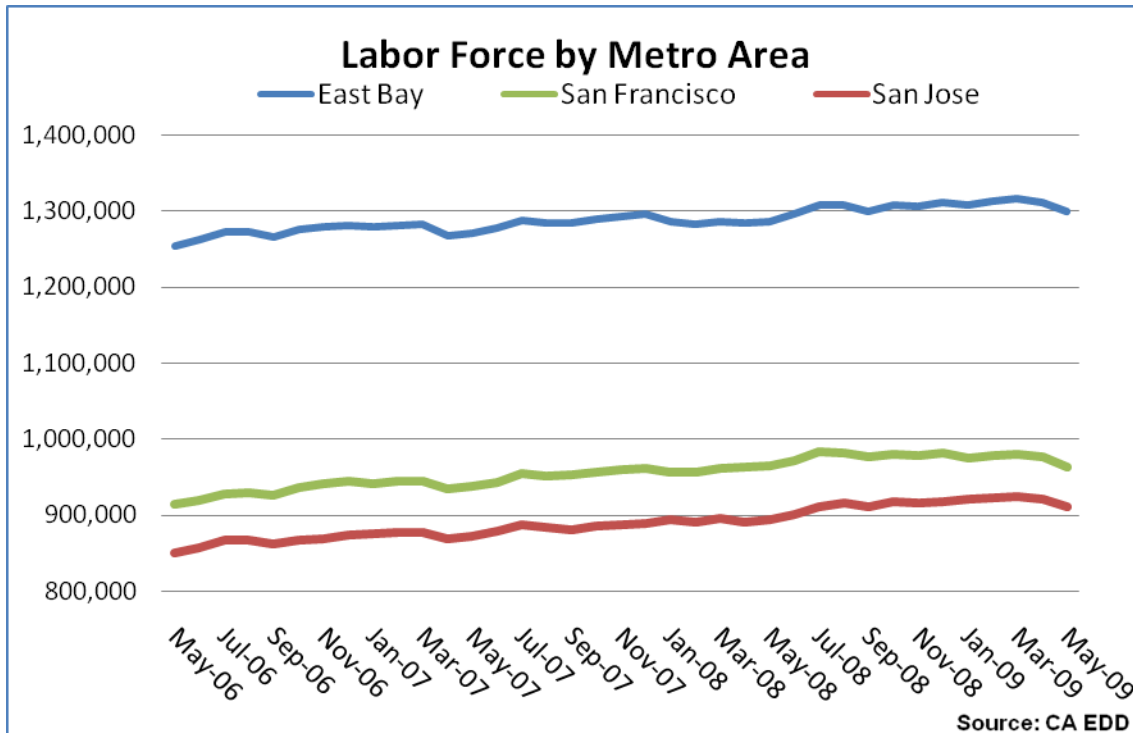
The unemployment rate in the East Bay was 10.4 percent in May 2009, up from a revised 10.2 percent in April 2009, and above the year-ago estimate of 5.6 percent. This compares with an unadjusted unemployment rate of 11.2 percent for California and 9.1 percent for the nation during the same period. The unemployment rate was 10.7 percent in Alameda County, and 10.0 percent in Contra Costa County.

Unemployment rates in the Bay Area's other metro areas also rose during this period. San Francisco's unemployment rate was 8.6 percent in May— up from an adjusted 8.4 percent in April, but significantly higher than the May 2008 estimate of 4.5 percent. The unemployment rate in San Jose rose to 11.2 percent in February, up from from an adjusted 11.0 percent in April, and up from 4.5 percent in May 2008.



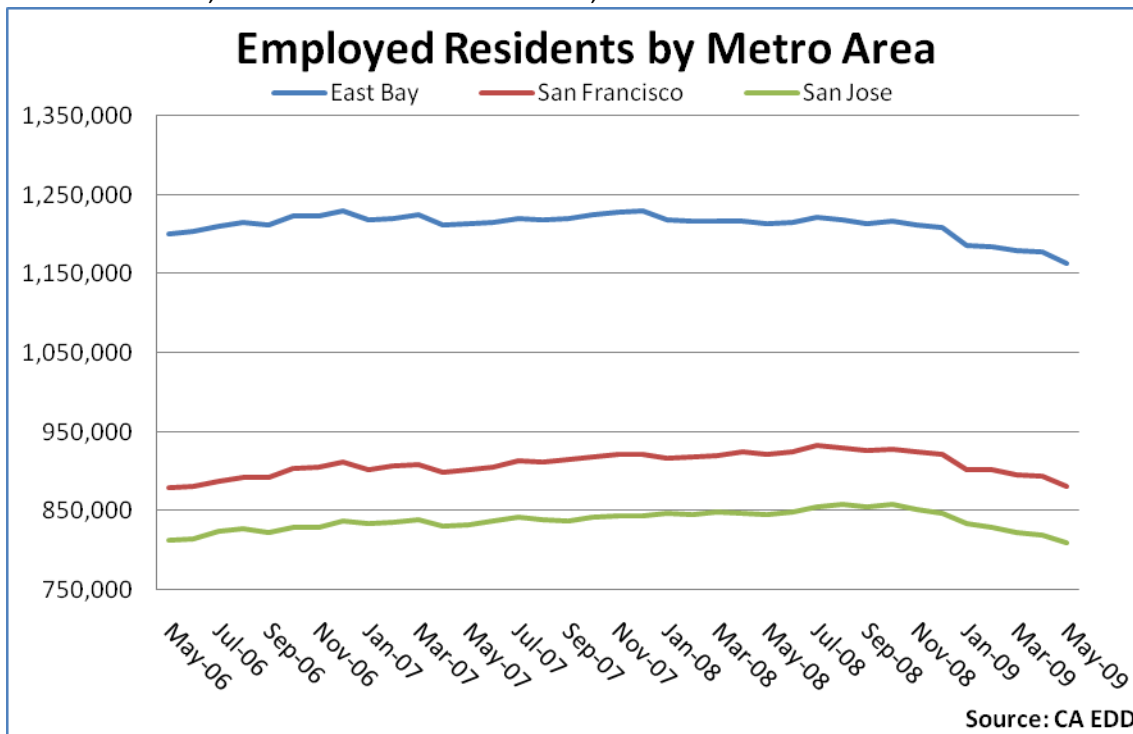
## **BAY AREA LABOR FORCE**

In a month-over-month comparison, the East Bay's labor force (number of individuals currently employed or actively seeking employment) lost 11,800 workers, falling to 1,298,500 in May 2009. San Francisco's labor force lost 12,000 workers to reach 964,500, and in San Jose the number of workers fell 9,200 to reach 912,200. In a year-over-year comparison, the East Bay and San Jose regions continued to see gains in labor force numbers, while San Francisco saw a small decrease. The East Bay had 13,500 more workers in May 2009 than in May 2008, San Jose added 18,300 workers and San Francisco lost 500 workers.



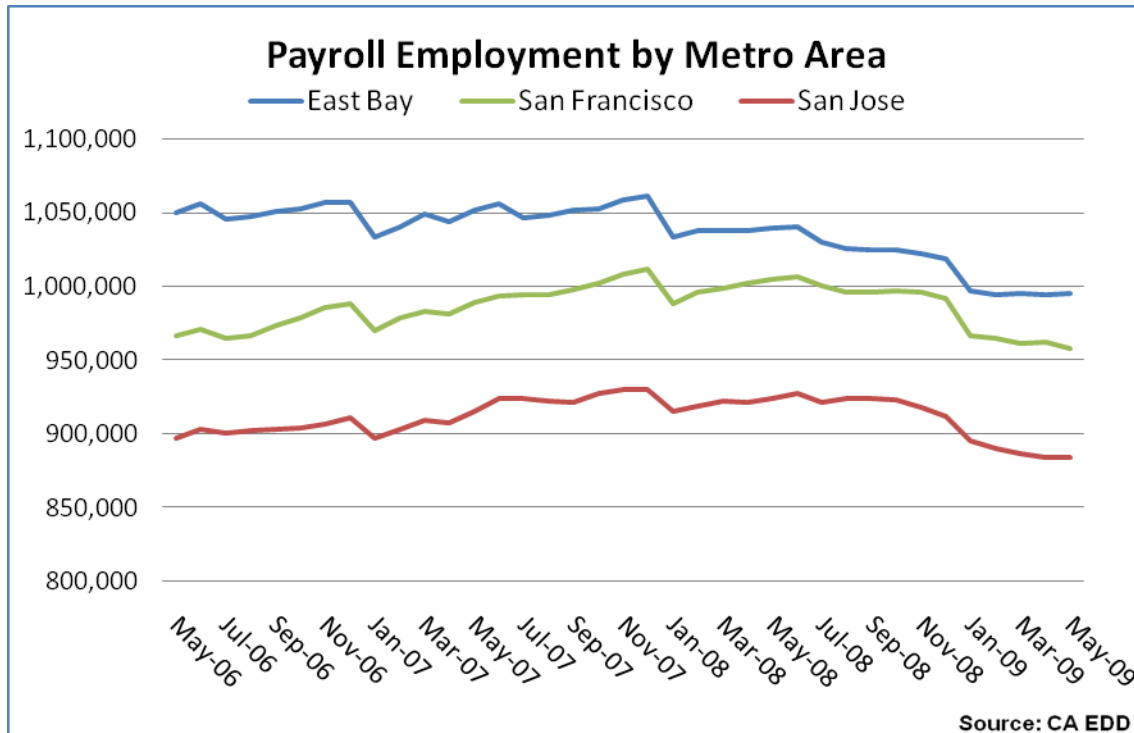
**BAY AREA EMPLOYED RESIDENTS**

Between April and May 2009, the number of employed residents (employed persons who reside within the region) fell 14,200 in the East Bay, 13,500 in San Francisco, and 9,900 in San Jose. When compared to May 2008, a year-over-year comparison showed the East Bay with 50,000 fewer employed residents, San Francisco with 40,300 fewer and San Jose with 35,000 less.



**BAY AREA PAYROLL EMPLOYMENT**

Between April and May 2009, the East Bay gained 600 payroll jobs (number of jobs located in the specified region, not including those who are self-employed), while San Francisco lost 4,000 and San Jose gained 400. Since May 2008, the East Bay has lost 44,500 jobs, San Francisco has lost 46,700 and San Jose has lost 40,000. 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, between April 2009 and May 2009, the total number of jobs located in the East Bay increased by 600 jobs to reach 994,900.

- Leisure and hospitality increased by 1,200 jobs seasonally. Food services and bars (up 700 jobs) accounted for the bulk of the increase.
- Trade, transportation, and utilities netted a gain of 500 jobs. Retail trade (up 500 jobs) accounted for the majority of the net increase.
- On the downside, construction lost 500 jobs, far below its usual 1,100-job increase from April-to-May over the prior 19 years. Specialty trade contractors (down 400 jobs) accounted for most of the decrease.
- Manufacturing and professional and business services each lost 200 jobs.
- Government declined by 100 jobs, far below its usual 500-job increase from April-to-May over the prior 19 years.

### ANNUAL COMPARISON

Between May 2008 and May 2009, the total number of jobs located in the East Bay decreased by 44,500 jobs or 4.3 percent.

- Construction decreased by 9,900 jobs, largely in specialty trade contractors (down 8,100 jobs).
- Trade, transportation, and utilities declined by 9,000 jobs, mostly in retail trade (down 5,600 jobs).
- Professional and business services lost 6,800 jobs, mainly in employment services (down 3,400 jobs).
- Other major industries with losses of at least 4,000 jobs each included manufacturing and financial activities.

SECTOR	May-09	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Construction	55,700	-500	-9,900	-15.1%	-16,200
Professional and Business Services	154,100	-200	-6,800	-4.2%	-700
Retail Trade	104,200	500	-5,600	-5.1%	-7,100
Manufacturing	88,400	-200	-5,400	-5.8%	-5,600
Financial Activities	52,900	-100	-5,000	-8.6%	-10,300
Leisure and Hospitality	86,600	1,200	-3,800	-4.2%	-2,300
Wholesale Trade	46,400	-100	-1,700	-3.5%	-2,400
Trans, Warehousing & Utilities	34,900	100	-1,700	-4.6%	-2,000
Educational and Health Services	128,200	0	-1,600	-1.2%	3,900
Other Services	35,100	100	-1,500	-4.1%	-1,200
Information	26,900	-100	-1,100	-3.9%	-2,700
Government	178,700	-100	-400	-0.2%	-10,500
<b>Total, All Industries</b>	<b>994,900</b>	<b>600</b>	<b>-44,500</b>	<b>-4.3%</b>	<b>-57,300</b>

INDUSTRY EMPLOYMENT DATA SOURCE: California Employment Development Department

### EAST BAY CONSTRUCTION EMPLOYMENT

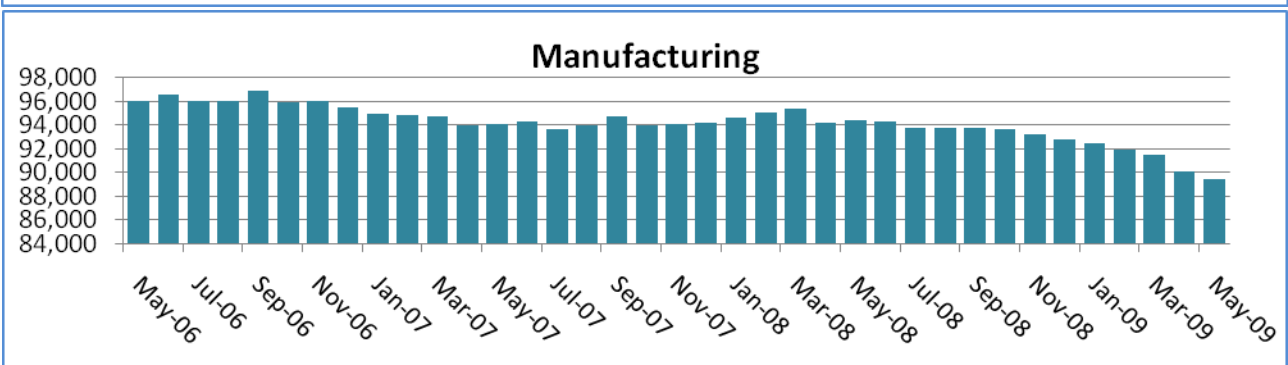
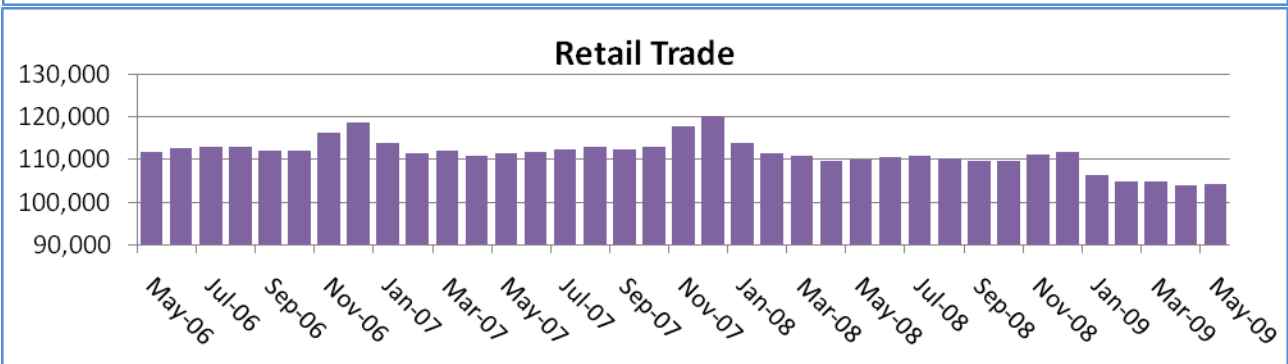
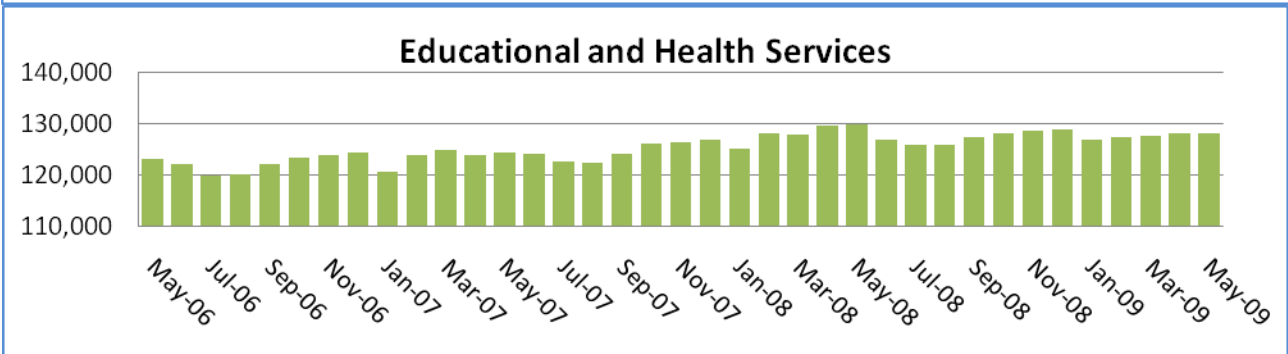
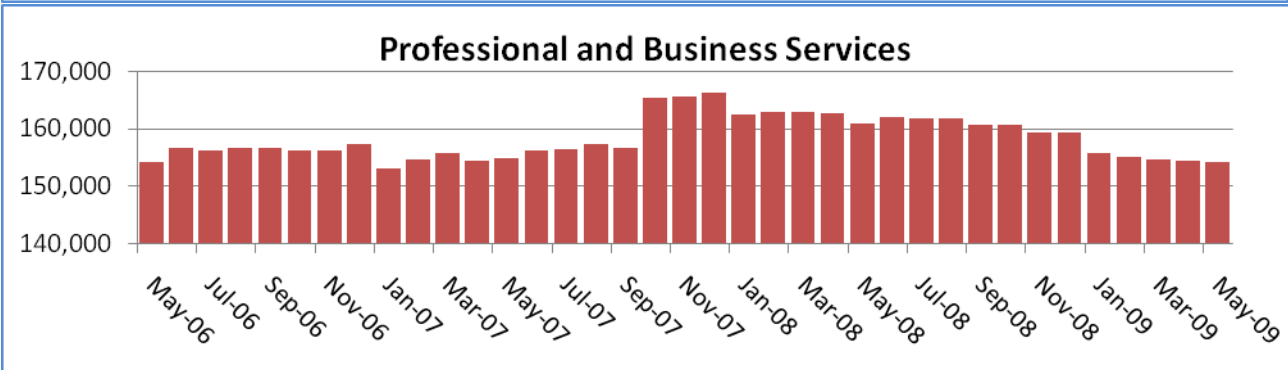
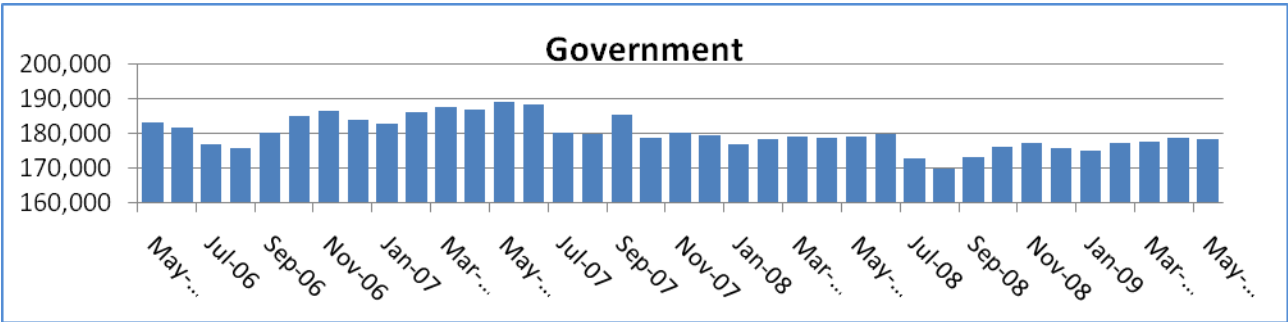
Activity in the East Bay's construction sector reflects the housing downturn continuing to affect the region and the nation at large. All East Bay construction sub-sectors but Nonresidential building (unchanged) posted losses in the year-over-year comparison.

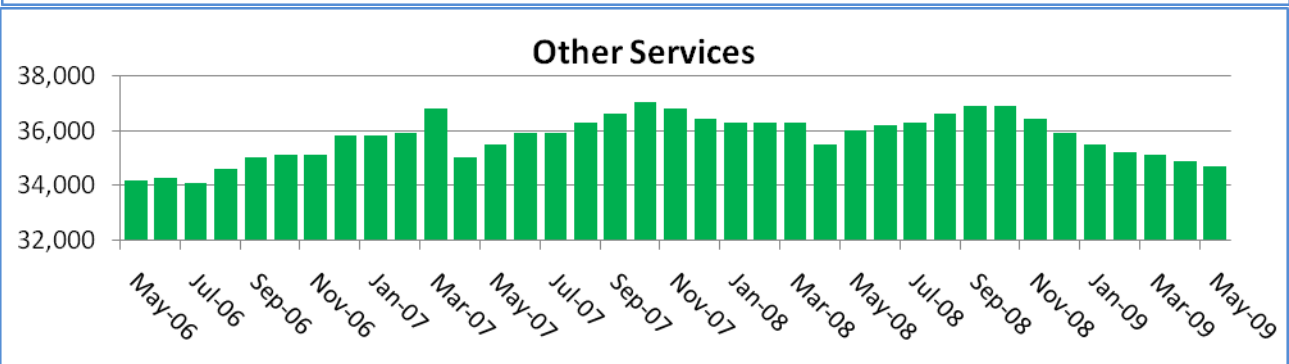
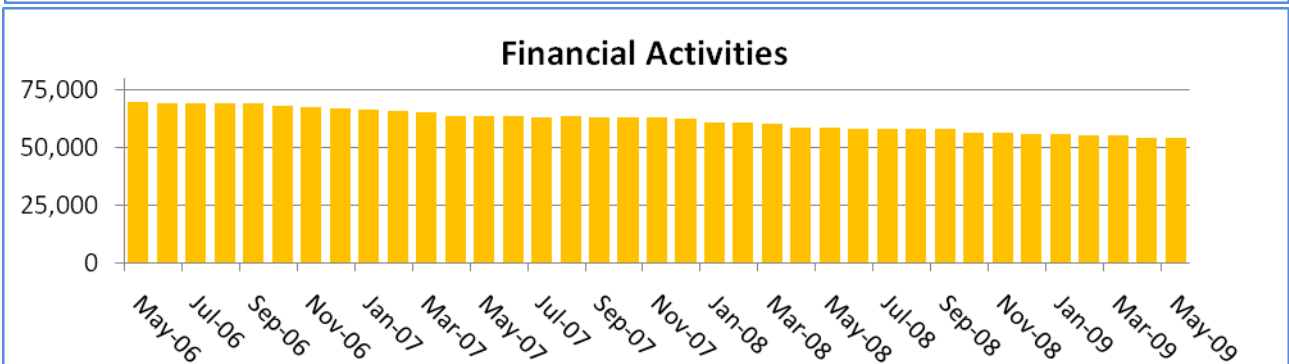
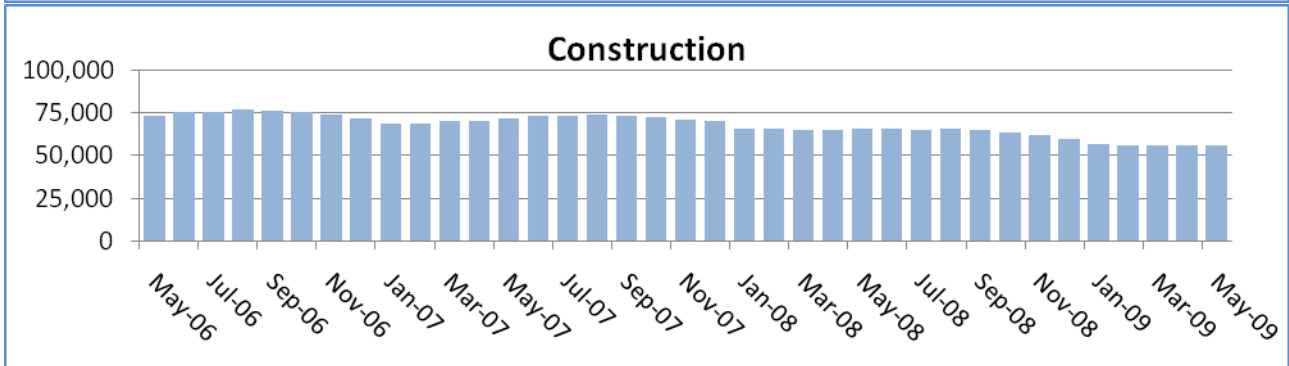
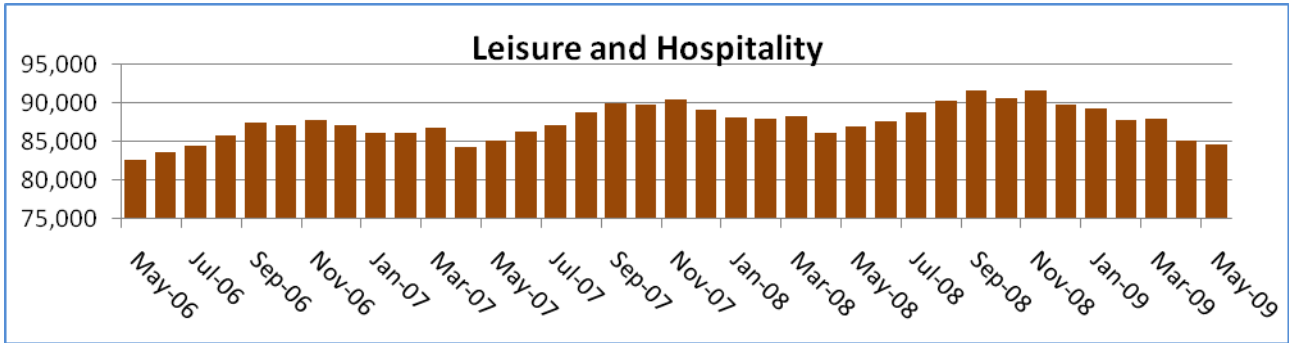
	May-09	Change 1 MO	Change 12 MO	12 Month % Change	24 Month Change
Nonresidential Building	5,600	200	0	0.0%	100
Highway, Street, and Bridge	3,200	0	-100	-3.0%	-200
Residual-Other Heavy and Civil Engineer	4,200	-100	-400	-8.7%	-1,500
Building Equipment Contractors	13,300	-100	-1,500	-10.1%	-1,900
Residential Building	8,200	-200	-1,300	-13.7%	-4,200
Building Foundation and Exterior Contractors	7,600	-200	-1,800	-19.1%	-2,900
Other Specialty Trade Contract	13,600	-100	-4,800	-26.1%	-5,600
<i>Heavy and Civil Engineering Construction</i>	<i>7,400</i>	<i>-100</i>	<i>-500</i>	<i>-6.3%</i>	<i>-1,700</i>
<i>Construction of Buildings</i>	<i>13,800</i>	<i>0</i>	<i>-1,300</i>	<i>-8.6%</i>	<i>-4,100</i>
<i>Specialty Trade Contractors</i>	<i>34,500</i>	<i>-400</i>	<i>-8,100</i>	<i>-19.0%</i>	<i>-10,400</i>
<b>All East Bay Construction</b>	<b>55,700</b>	<b>-500</b>	<b>-9,900</b>	<b>-15.1%</b>	<b>-16,200</b>

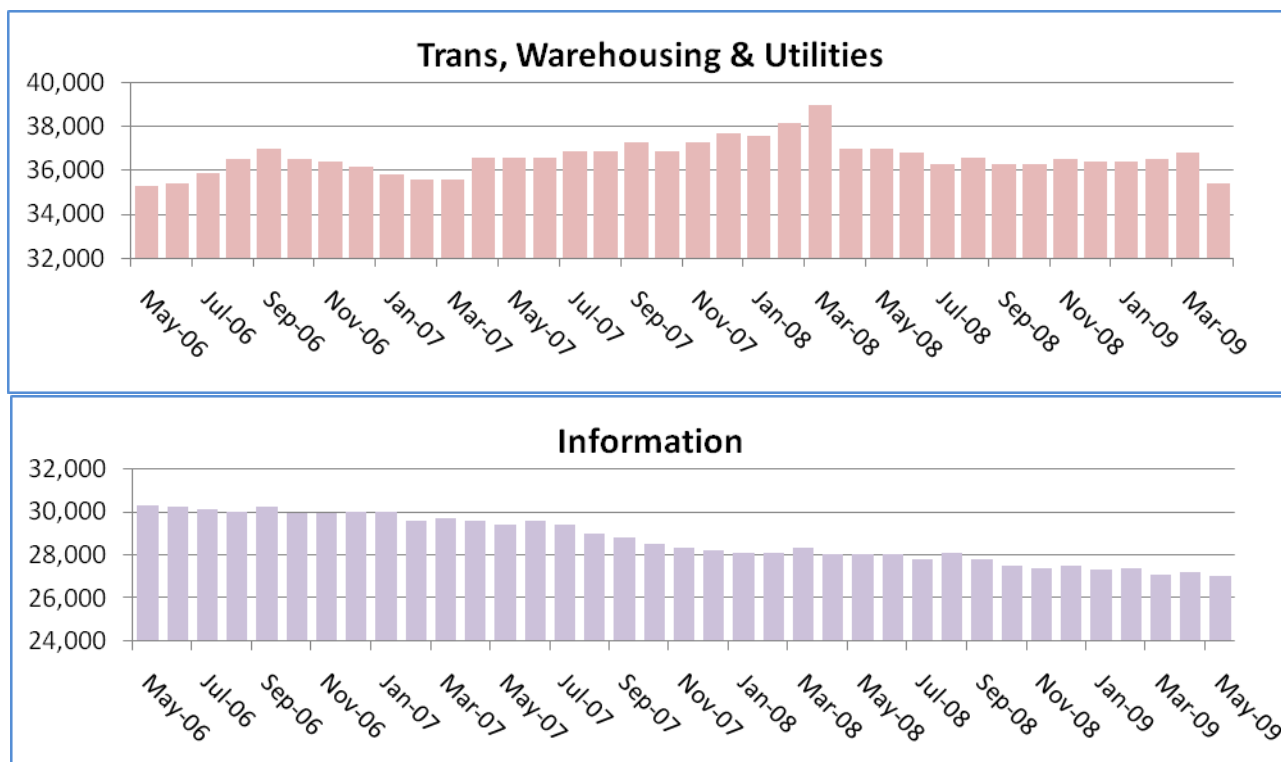
### EAST BAY MANUFACTURING PAYROLL EMPLOYMENT

The East Bay's manufacturing sector showed an overall loss of 5,400 jobs when compared with May 2008. Most losses occurred in the food and residual-miscellaneous sectors.

	May-09	Change 1 MO	Change 12 MO	12 Month % Change	24 Month Change
Petroleum and Coal Products	8,100	100	200	2.5%	700
Chemical	6,900	0	100	1.5%	-300
Residual-Food	19,300	200	-1,100	-5.4%	-900
Transportation Equipment	7,100	0	-500	-6.6%	-500
Computer and Electronic Product	18,300	0	-1,500	-7.6%	-1,600
Residual-Miscellaneous	28,700	-500	-2,600	-8.3%	-3,000
<i>Nondurable Goods</i>	<i>34,300</i>	<i>300</i>	<i>-800</i>	<i>-2.3%</i>	<i>-500</i>
<i>Durable Goods</i>	<i>54,100</i>	<i>-500</i>	<i>-4,600</i>	<i>-7.8%</i>	<i>-5,100</i>
<b>All East Bay Manufacturing</b>	<b>88,400</b>	<b>-200</b>	<b>-5,400</b>	<b>-5.8%</b>	<b>-5,600</b>







## BAY AREA HOME SALES

According to MDA DataQuick, the median price paid for all new and resale Bay Area houses and condos combined was \$341,500 in May 2009. That was up 12.3 percent from \$304,000 in April but down 33.9 percent from \$517,000 a year ago. The median stood 48.6 percent below the peak median of \$665,000 reached in June and July of 2007.

In the East Bay, Alameda County's median value was \$330,000 – up 14.1 percent over April, but down 30.5 percent since May 2008. The Contra Costa County median home sale value in April 2009 was \$234,500 – up 4.2 percent over April, but down 39.9 since May 2008. Due

All Homes by County	Number Sold May 2009	Sales Annual Pct. Change	Median May 2009	Median Annual Pct. Change
Alameda	1,477	24.50%	\$330,000	-30.50%
Contra Costa	1,694	40.50%	\$234,500	-39.90%
Marin	220	-2.70%	\$620,000	-31.00%
Napa	121	15.20%	\$370,000	-22.10%
San Francisco	498	-16.00%	\$634,000	-19.70%
San Mateo	516	1.00%	\$550,000	-22.30%
Santa Clara	1,688	15.10%	\$445,000	-28.30%
Solano	706	51.80%	\$189,500	-36.80%
Sonoma	527	15.30%	\$302,000	-27.20%
Bay Area	7,447	19.80%	\$341,500	-33.90%

Source: MDA DataQuick

to foreclosure-related short sales, in May Contra Costa County continued to post both the highest sales volume and the steepest annual decline in median sale prices throughout the Bay Area. Home purchases financed with “jumbo” mortgages (loans over \$417k) accounted for 25.5 percent of May sales in Bay Area counties – a high not reached since October 2008. These higher priced homes returning to the market helped the May median value increase in counties throughout the region, including Alameda and Contra

Costa.

A total of 7,447 new and resale houses and condos sold in the nine-county Bay Area last month. That was up 4.3 percent from 7,139 in April and up 19.8 percent from 6,216 in May 2008. In the East Bay, Alameda and Contra Costa Counties both posted double-digit sales volume increases between May 2008 and May 2009.

## EAST BAY HOME SALES

County/City/Area	# Sold	MAY 2009	May 2008	% Change
<b>Alameda County- thru May 22</b>	1,106	\$330,000	\$470,000	-29.79%
<b>ALAMEDA</b>	25	\$540,000	\$640,000	-15.63%
<b>ALBANY</b>	7	\$429,000	\$585,000	-26.67%
<b>BERKELEY</b>	43	\$555,000	\$735,000	-24.49%
<b>CASTRO VALLEY</b>	42	\$454,000	\$510,500	-11.07%
<b>DUBLIN</b>	48	\$517,500	\$525,000	-1.43%
<b>EMERYVILLE</b>	17	\$205,000	\$325,000	-36.92%
<b>FREMONT</b>	191	\$432,000	\$585,000	-26.15%
<b>HAYWARD</b>	148	\$240,000	\$350,000	-31.43%
<b>LIVERMORE</b>	73	\$353,500	\$444,000	-20.38%
<b>NEWARK</b>	44	\$307,500	\$420,000	-26.79%
<b>OAKLAND</b>	263	\$165,000	\$415,000	-60.24%
<b>PLEASANTON</b>	51	\$595,000	\$680,000	-12.50%
<b>SAN LEANDRO</b>	84	\$316,500	\$391,000	-19.05%
<b>SAN LORENZO</b>	24	\$319,750	\$362,500	-11.79%
<b>UNION CITY</b>	46	\$346,500	\$437,500	-20.80%
<b>Contra Costa County</b>	1,625	\$232,000	\$390,000	-40.51%
<b>ALAMO</b>	6	\$894,500	\$1,299,000	-31.14%
<b>ANTIOCH</b>	240	\$170,500	\$284,000	-39.96%
<b>BETHEL ISLAND</b>	2	\$308,000	\$276,500	11.39%
<b>BRENTWOOD2</b>	117	\$270,000	\$409,000	-33.99%
<b>CLAYTON</b>	12	\$502,000	\$612,000	-17.97%
<b>CONCORD</b>	146	\$236,500	\$379,500	-37.68%
<b>CROCKETT</b>	3	\$389,000	\$336,500	15.60%
<b>DANVILLE</b>	50	\$785,500	\$860,000	-8.66%
<b>DISCOVERY BAY</b>	28	\$302,500	\$395,000	-23.42%
<b>EL CERRITO</b>	15	\$544,000	\$499,000	9.02%
<b>EL SOBRANTE</b>	33	\$245,000	\$318,250	-23.02%
<b>HERCULES</b>	37	\$250,000	\$398,000	-37.19%
<b>LAFAYETTE</b>	18	\$805,000	\$1,100,000	-26.82%
<b>MARTINEZ</b>	44	\$280,500	\$410,000	-31.59%
<b>MORAGA</b>	17	\$680,000	\$960,000	-29.17%
<b>OAKLEY</b>	94	\$199,500	\$285,000	-30.00%
<b>ORINDA</b>	23	\$925,000	\$1,187,500	-22.11%
<b>PINOLE</b>	29	\$260,000	\$341,500	-23.87%
<b>PITTSBURG</b>	222	\$132,750	\$264,750	-49.86%
<b>PLEASANT HILL</b>	37	\$405,000	\$533,500	-24.09%
<b>RICHMOND</b>	140	\$97,000	\$243,250	-60.12%

<b>RODEO</b>	10	\$250,500	\$254,000	-1.38%
<b>SAN PABLO</b>	95	\$146,000	\$275,000	-46.91%
<b>SAN RAMON</b>	125	\$600,000	\$767,500	-21.82%
<b>WALNUT CREEK</b>	74	\$470,000	\$597,500	-21.34%

Source: DataQuick / SF Chronicle

## BAY AREA CONSTRUCTION PERMITS

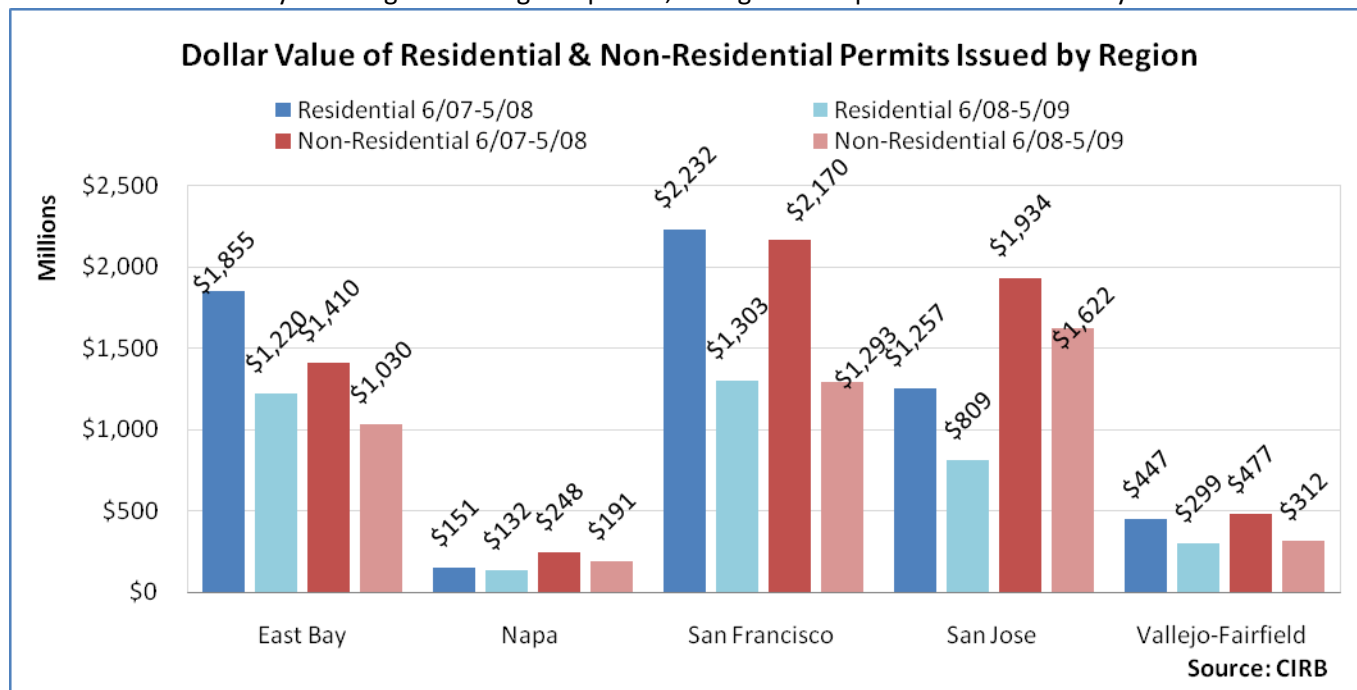
Region	Total Value of Construction Permits 6/08 – 5/09	Annual Change in Total Value of Construction Permits 6/07-5/08 vs. 6/08-5/09	Annual Percent Change
<b>East Bay</b>	\$2,249,981,861	-\$1,014,347,847	-31.1%
<b>Napa</b>	\$322,508,738	-\$76,898,961	-19.3%
<b>San Francisco</b>	\$2,596,150,648	-\$1,805,568,684	-41.0%
<b>San Jose</b>	\$2,430,871,709	-\$760,848,225	-23.8%
<b>Vallejo-Fairfield</b>	\$611,409,552	-\$312,655,212	-33.8%

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

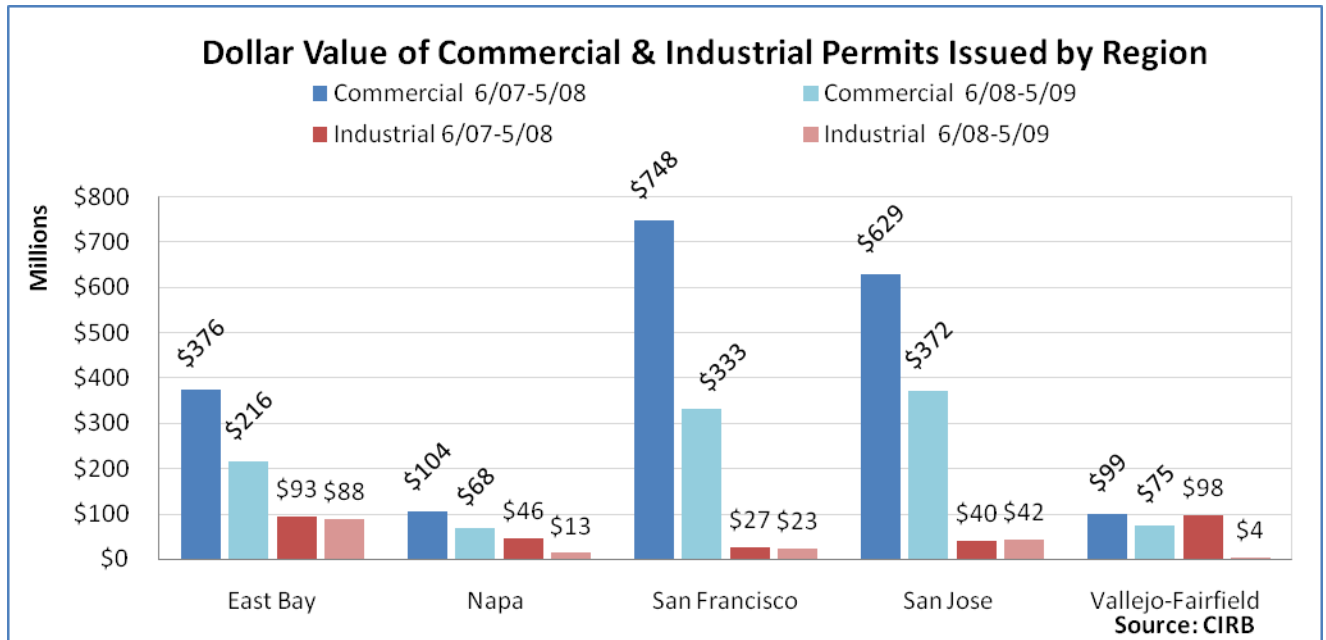
In a comparison of these two twelve-month periods, the East Bay showed a decrease in construction permit values, falling 31.1 percent (over \$1 billion) from the previous period. All other Bay Area regions posted losses during this period as well.

### RESIDENTIAL & NON-RESIDENTIAL PERMITS

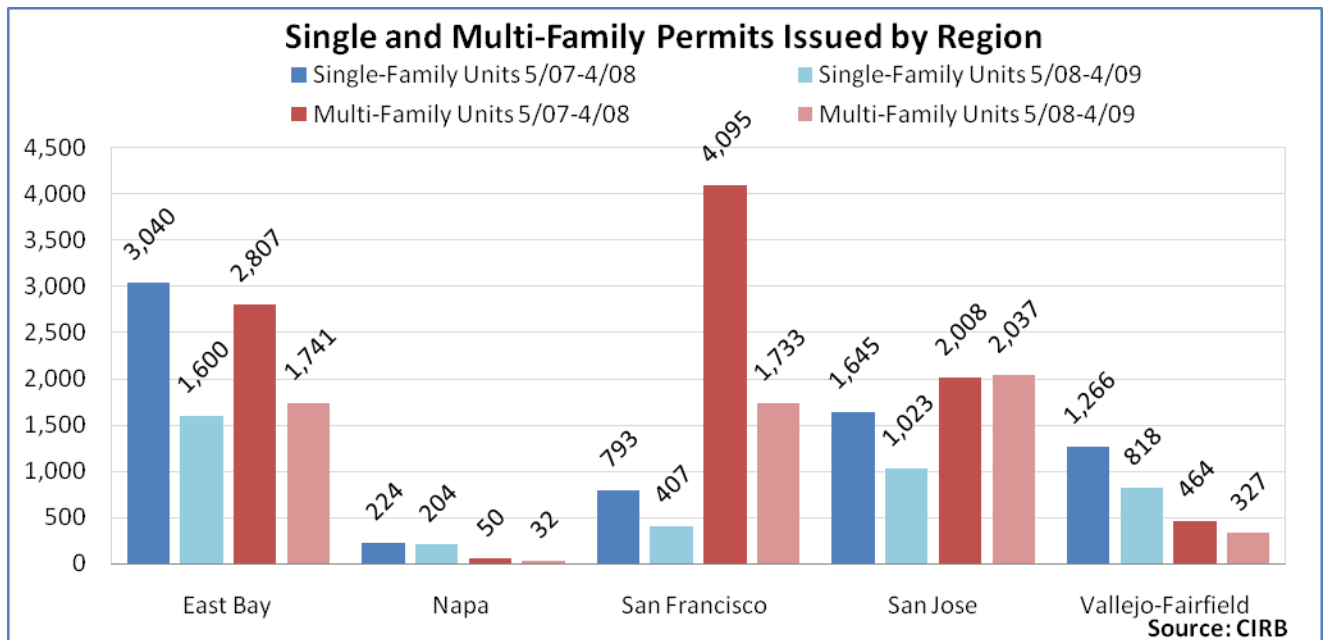
When comparing the two previous 12-month periods of June 2007-May 2008 and June 2008-May 2009, residential permit values fell throughout the Bay Area with the steepest declines occurring in San Francisco (down 41 percent) and the East Bay (down 34 percent). Non-residential construction permit values also fell in all Bay Area regions during this period, falling over 26 percent in the East Bay.



**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 42.6 percent when compared with the previous period. Commercial building permit values fell in the double-digits throughout the Bay Area during this period, falling most sharply in the San Francisco region (down 55.5 percent). Industrial permit values were also down during this period, though the East Bay's 5.9 percent decline was not significant compared to other Bay Area regions such as Fairfield MSA (down 95.6 percent) and the Napa region (down 71.6 percent).

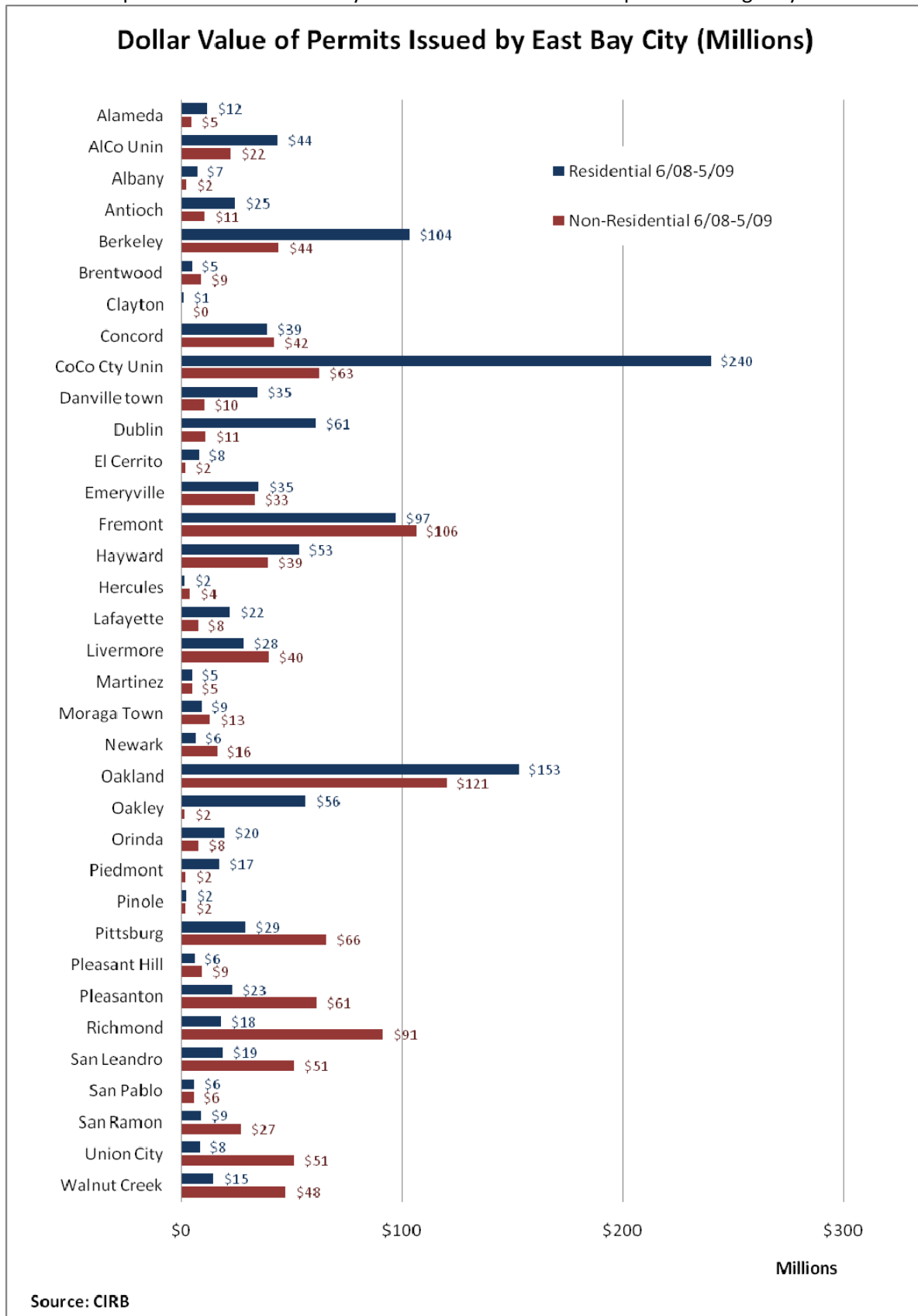


**SINGLE AND MULTI-FAMILY PERMITS** All Bay Area regions saw significant residential construction declines when compared with the previous 12-month period. Single family permits in the East Bay fell 40.9 percent during this period, while multi-family permits fell 36.5 percent.

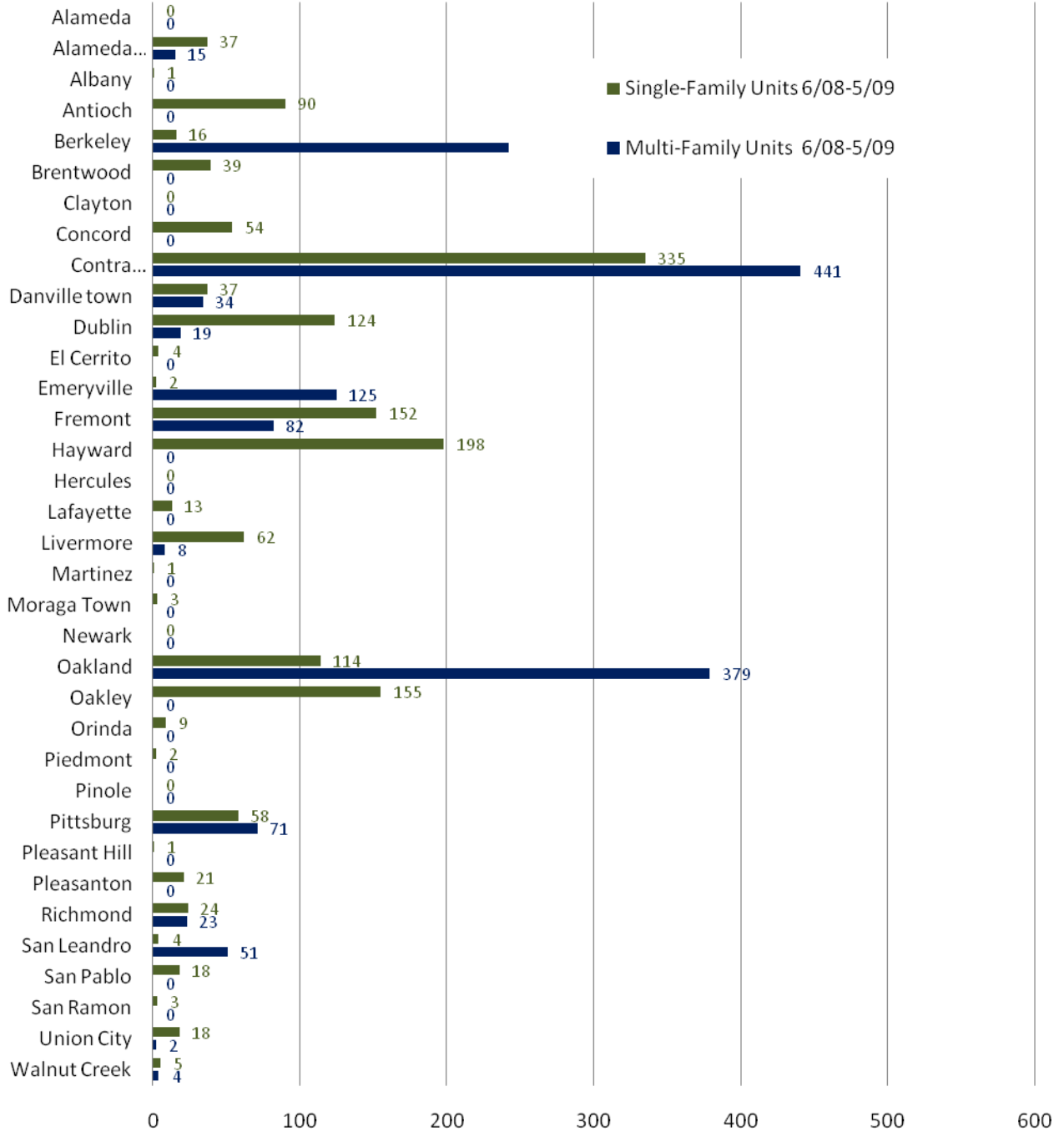


# EAST BAY CONSTRUCTION

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 May 2009.

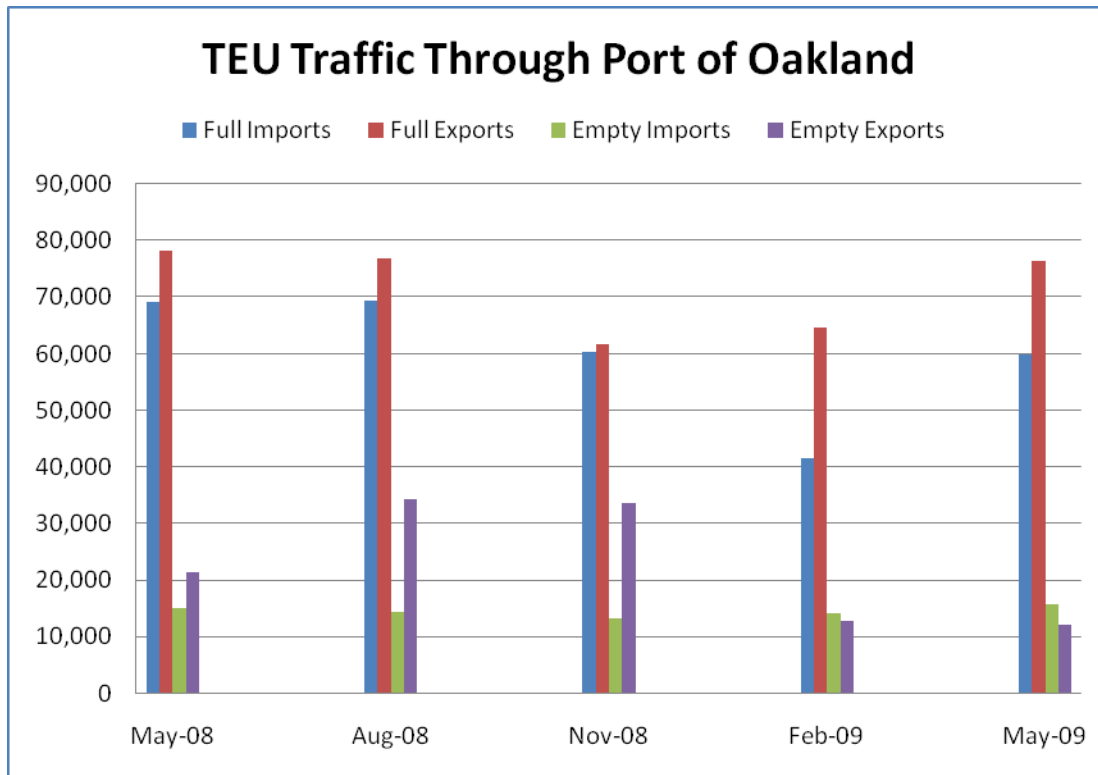


## Single and Multi-Family Permits Issued by East Bay City

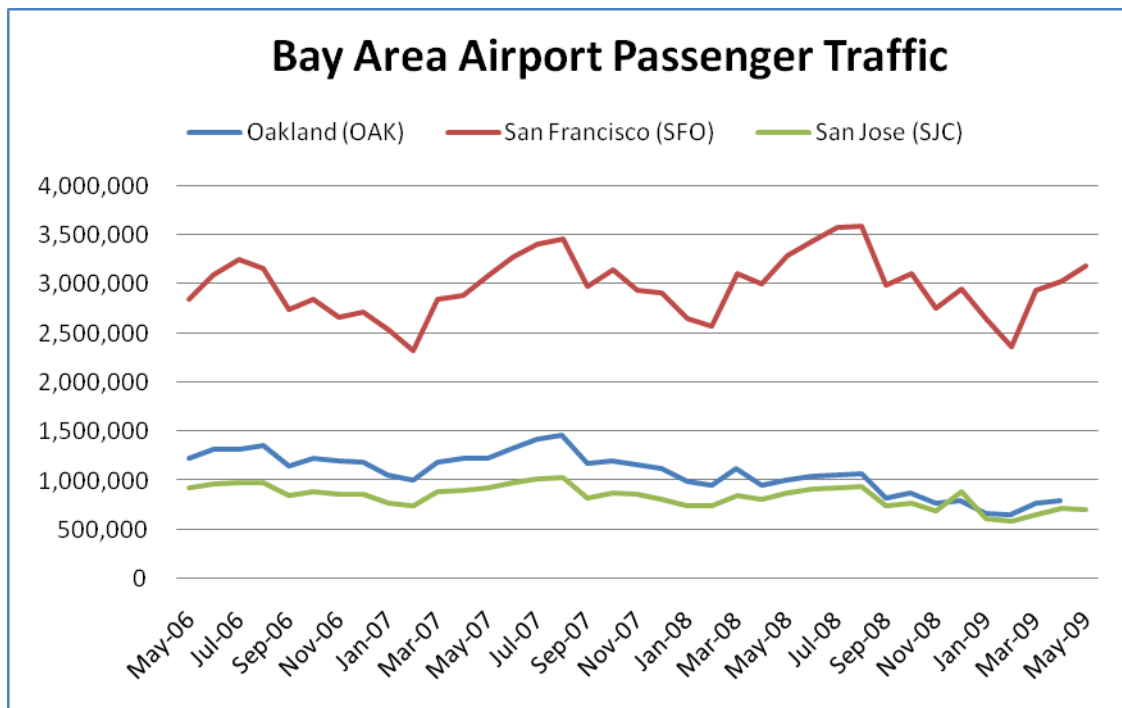


Source: CIRB

## TRADE & TRAVEL



Traffic of full import containers traveling through the Port of Oakland decreased 13.5 percent between May 2008 and May 2009, while full exports increased 2.3 percent. Empty container imports increased 4.1 percent and empty exports decreased 44 percent.



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. SFO ridership increased between May 2008 and May 2009, while OAK posted an annual decrease of 17 percent and SJC a decrease of 11.9 percent. May ridership data for OAK was not available.