



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 2009

- ***Unemployment rose to 9.6% – up from 9.2% in January***
- ***Trade, Transportation & Utilities employment continued to post losses, shedding 10,200 jobs since February 2008***
- ***High inventory and falling prices continued to spark sales increases in Contra Costa County where sales were up 70% over February 2008***
- ***Commercial construction permit values declined annually, while Industrial construction permits posted increases***

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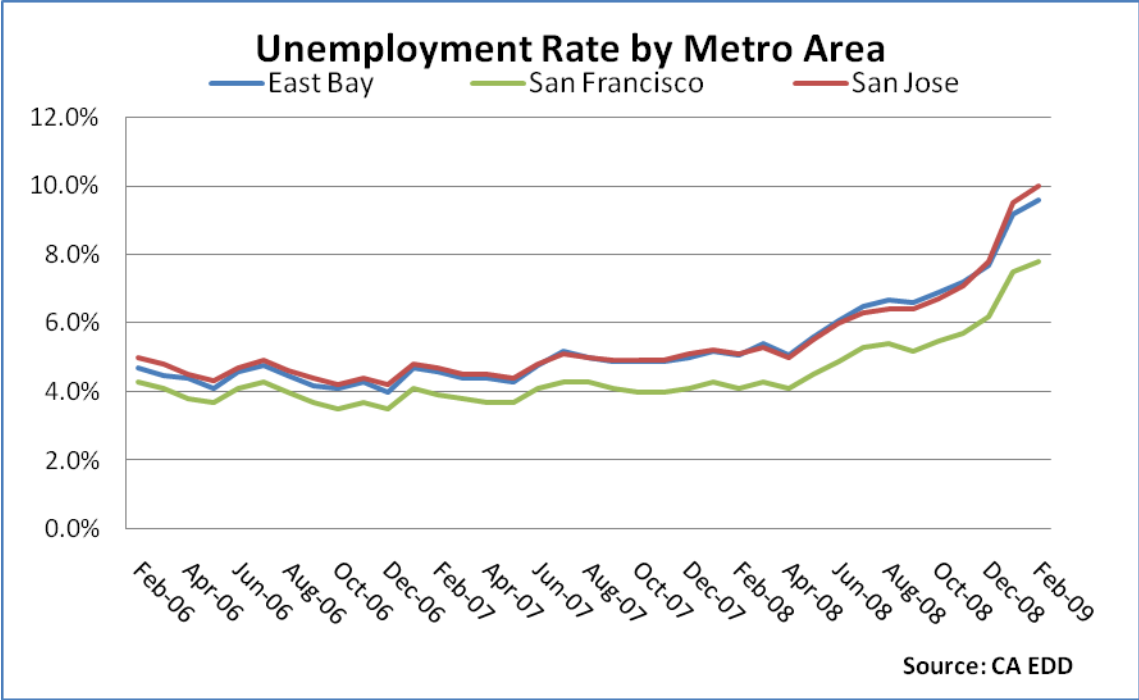
*Serving the East Bay, the **Bright Side** of the San Francisco Bay*

EMPLOYMENT

BAY AREA UNEMPLOYMENT

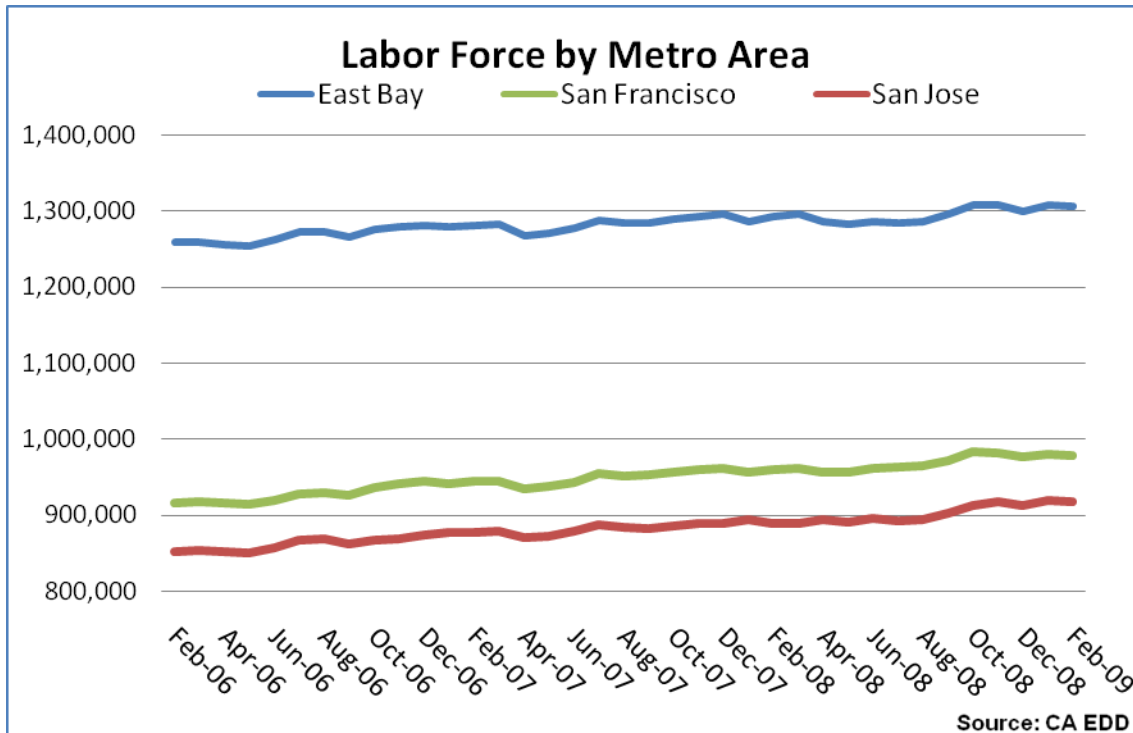
According to the California Employment Development Department, The unemployment rate in the East Bay was 9.6 percent in February 2009, up from a revised 9.2 percent in January 2009, and above the year-ago estimate of 5.1 percent. This compares with an unadjusted unemployment rate of 10.9 percent for California and 8.9 percent for the nation during the same period. The unemployment rate was 9.7 percent in Alameda County, and 9.3 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 7.8 percent in February – up from 7.5 percent in January, and significantly higher than the February 2008 estimate of 4.1 percent. The unemployment rate in San Jose rose to 10 percent in February, up from 9.5 percent in January, and up from 5.1 percent in February 2008.



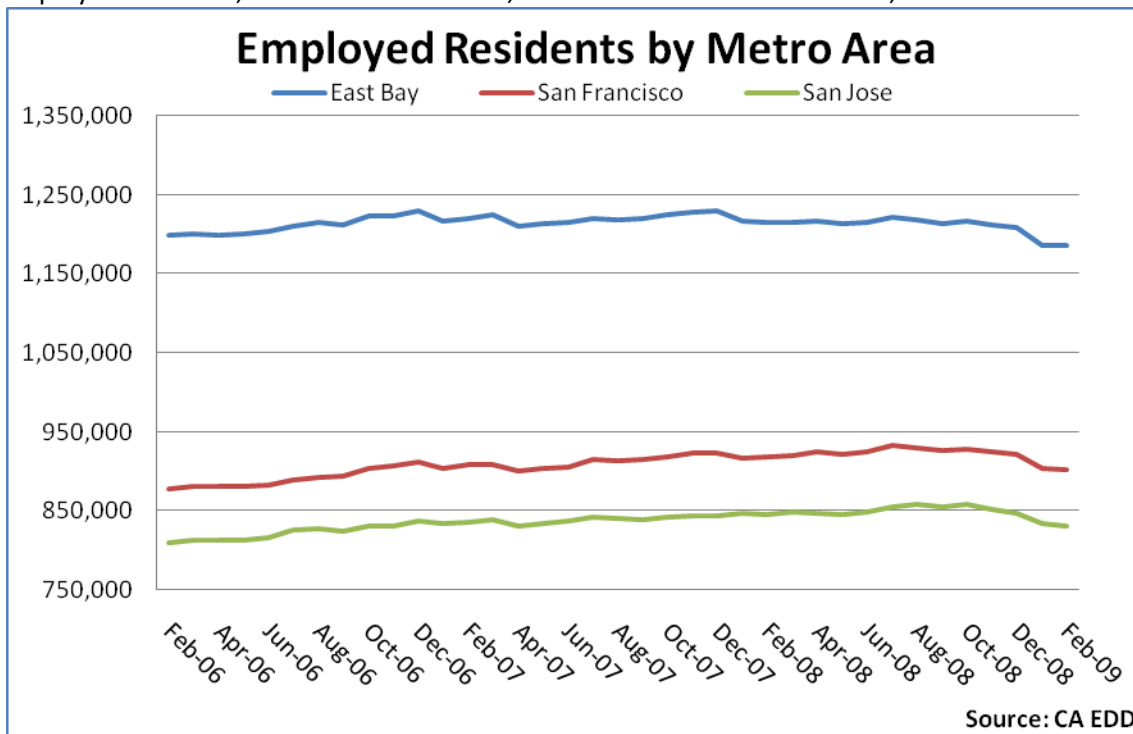
BAY AREA LABOR FORCE

In a month-over-month comparison, the East Bay’s labor force (number of individuals currently employed or actively seeking employment) gained 4,900 workers to reach 1,311,900 in February 2009. San Francisco’s labor force gained 1,900 workers to reach 978,200, and in San Jose the number of workers rose 2,100 to reach 923,600. In a year-over-year comparison, Bay Area regions continued to see gains in labor force numbers. The East Bay had 30,400 more workers in February 2009 than in February 2008, San Francisco gained 21,200, and San Jose added 33,300 workers.



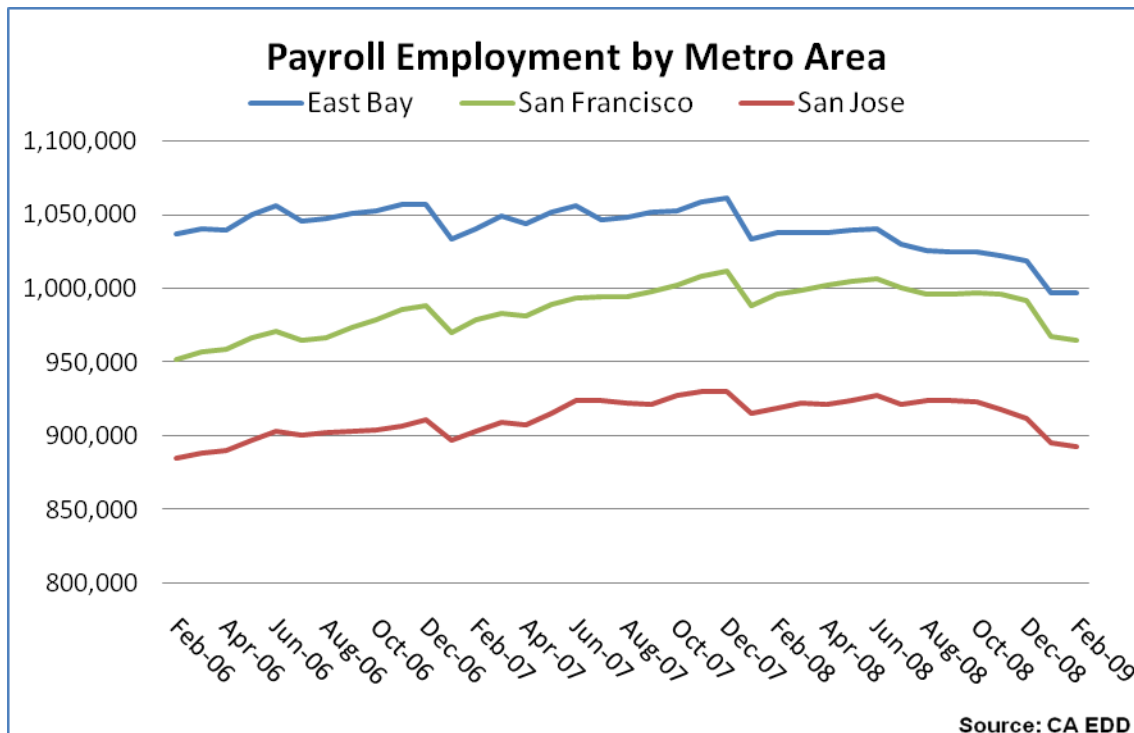
BAY AREA EMPLOYED RESIDENTS

Between January and February 2009, the number of employed residents (employed persons who reside within the region) fell 200 in the East Bay, fell 1,100 in San Francisco, and fell 3,200 in San Jose. When compared to February 2008, a year-over-year comparison showed the East Bay with 29,700 fewer employed residents, San Francisco with 16,000 fewer and San Jose with 14,000 fewer.



BAY AREA PAYROLL EMPLOYMENT

Between January and February 2009, the East Bay gained 400 payroll jobs (number of jobs located in the specified region, not including those who are self-employed), while San Francisco lost 1,800 and San Jose lost 3,100. Since February 2008, the East Bay has lost 40,900 jobs, San Francisco has lost 30,700 and San Jose lost 26,300. 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’s monthly Labor Market release - between January 2009 and February 2009, the total number of jobs located in the East Bay increased by 400 jobs, expanding to 997,400.

- Private educational and health services led the month-over gains with a seasonal increase of 1,600 jobs. Private educational services (up 1,200 jobs) accounted for the bulk of the increase.
- Government netted an increase of 1,300 jobs as the end of winter break resulted in seasonal gains within public schools (up 1,400 jobs).
- On the downside, trade, transportation, and utilities decreased by 2,200 jobs, exceeding its average 1,700-job decrease from January to February over the prior 19 years. Retail trade experienced a seasonal loss of 1,800 jobs.
- Construction lost 700 jobs. Specialty trade contractors (down 400 jobs) accounted for the majority of the decrease.

ANNUAL COMPARISON

Between February 2008 and February 2009, the total number of jobs located in the East Bay decreased by 40,900 jobs or 3.9 percent.

- Trade, transportation, and utilities declined by 10,200 jobs, mostly in retail trade (down 6,800 jobs).
- Construction decreased by 9,900 jobs, largely in specialty trade contractors (down 7,100 jobs).
- Other major industries with losses of at least 4,000 jobs each included professional and business services, manufacturing, and financial activities.
- On the upside, private educational and health services netted an increase of 500 jobs, as health care led the way.

	Feb-09	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Educational and Health Services	128,600	1,600	500	0.4%	4,700
Information	27,500	100	-800	-2.8%	-2,200
Other Services	35,200	300	-800	-2.2%	-300
Wholesale Trade	47,000	100	-1,300	-2.7%	-1,800
Leisure and Hospitality	85,300	100	-1,700	-2.0%	200
Trans, Warehousing & Utilities	34,900	-500	-2,100	-5.7%	-1,700
Government	176,400	1,300	-2,200	-1.2%	-10,000
Financial Activities	54,300	200	-4,000	-6.9%	-9,300
Manufacturing	89,900	-200	-4,500	-4.8%	-4,200
Retail Trade	104,500	-1,800	-6,800	-6.1%	-7,000
Professional and Business Services	155,500	-100	-7,300	-4.5%	1,000
Construction	56,000	-700	-9,900	-15.0%	-12,800
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

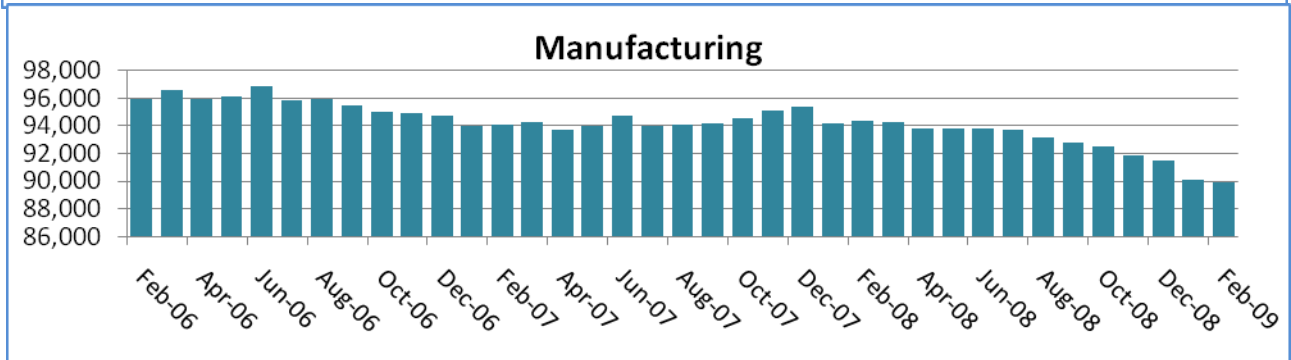
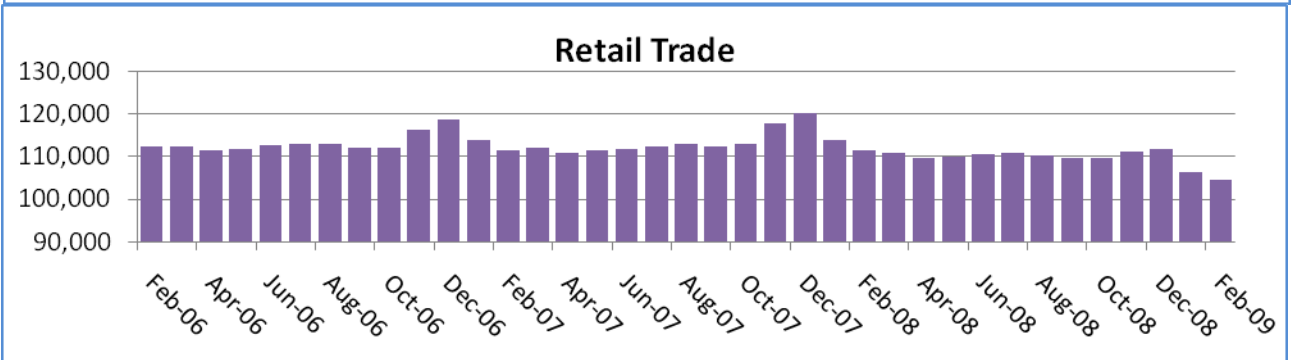
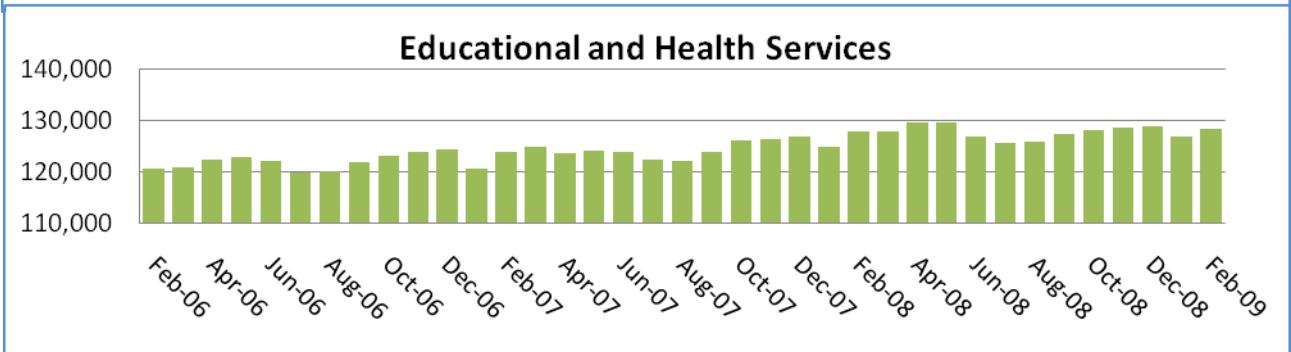
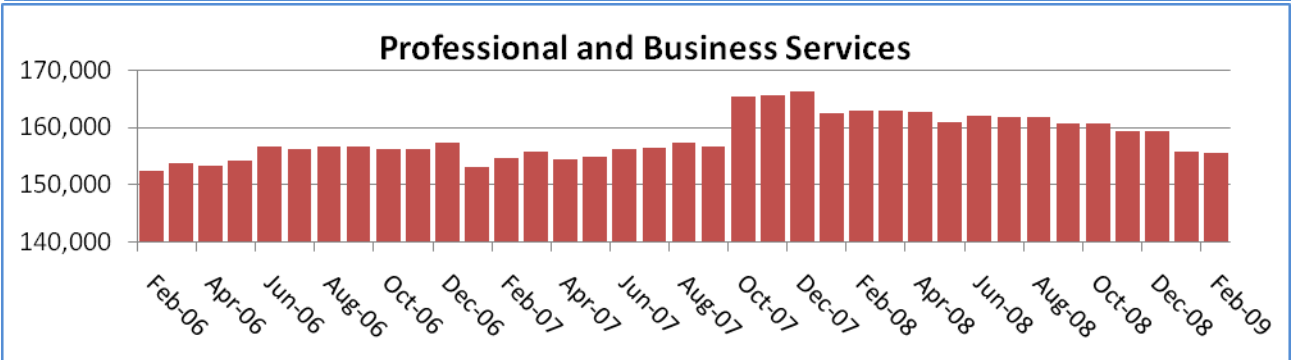
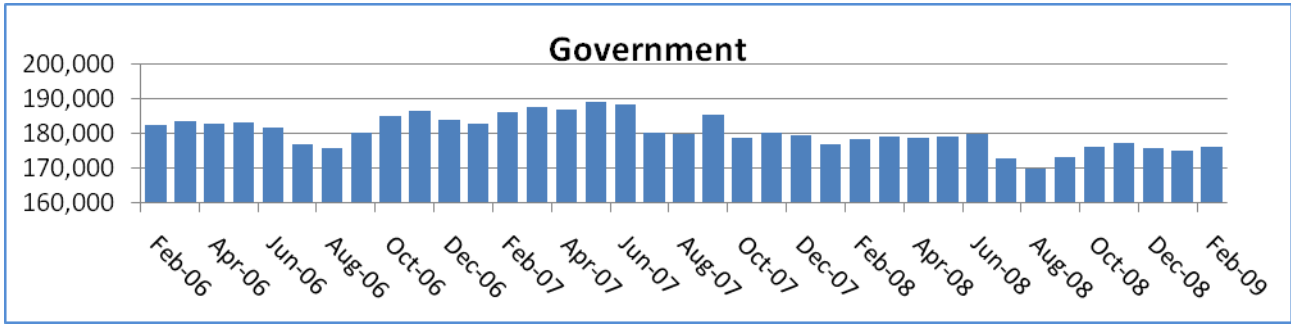
Activity in the East Bay's construction sector reflects the housing downturn continuing to affect the region and the nation at large. All East Bay construction sub-sectors but Highway, Street and Bridge Construction (unchanged) posted losses in the year-over-year comparison.

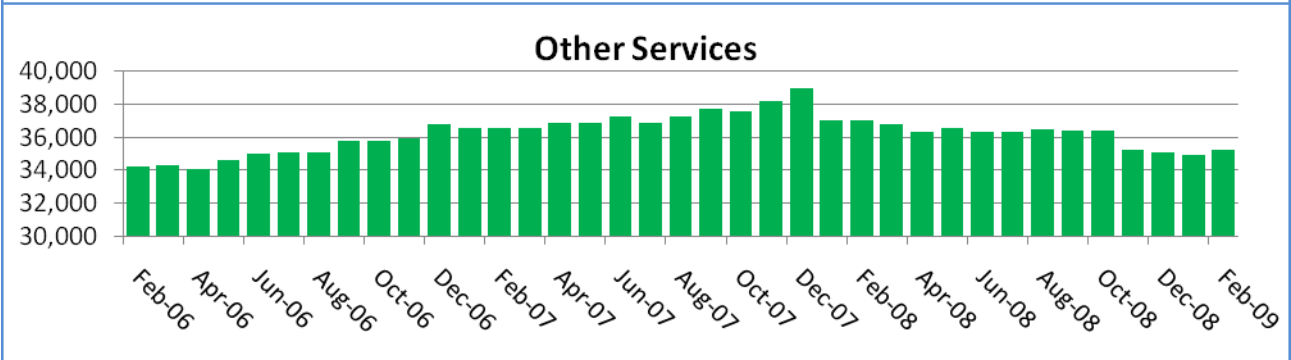
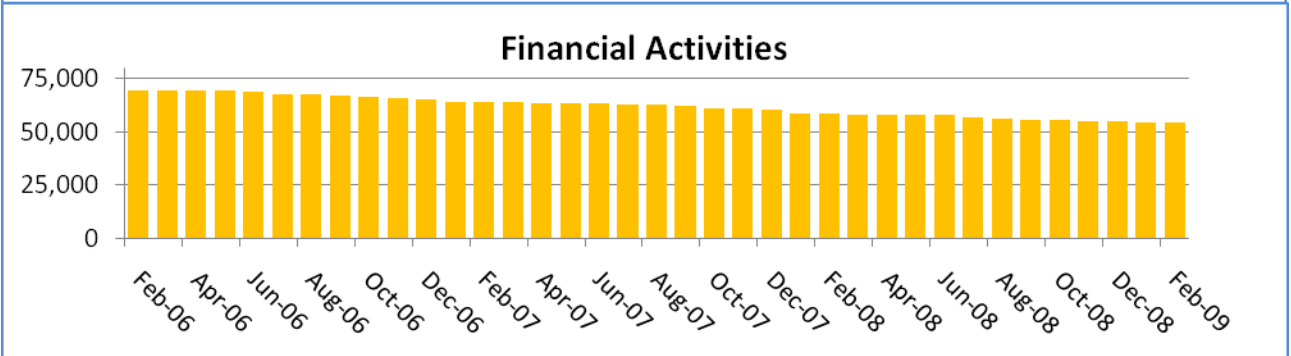
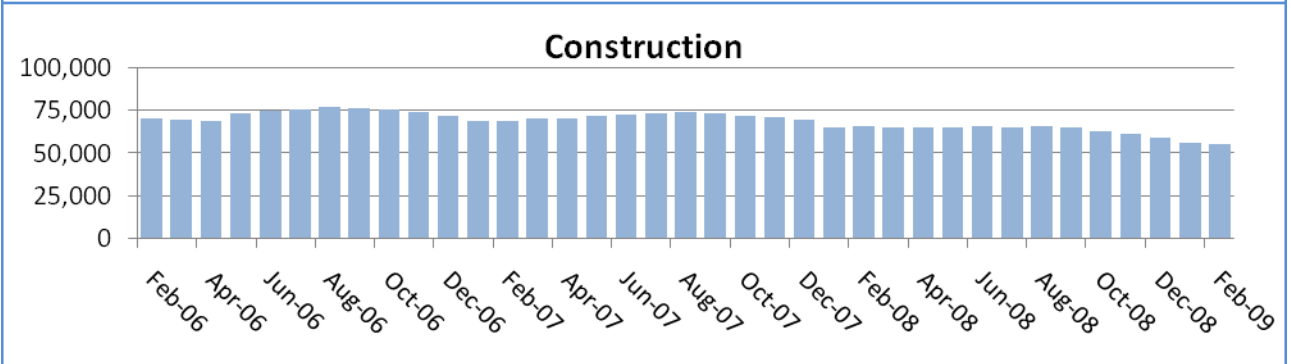
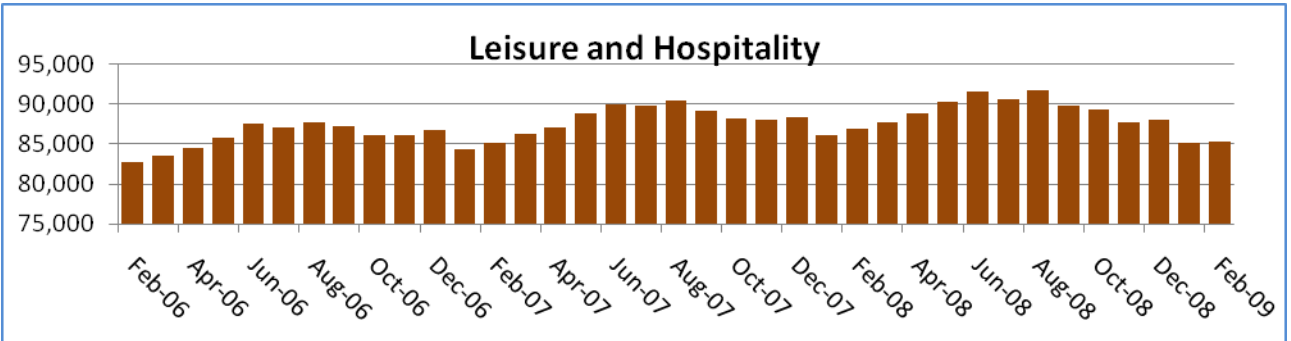
	Feb 2009	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Highway, Street, and Bridge Const	3,100	0	0	0.0%	100
Nonresidential Building	5,100	-200	-500	-8.9%	-600
Residual-Other Heavy and Civil Engineer	4,200	0	-700	-14.3%	-1,000
Building Equipment Contractors	13,600	-100	-1,000	-6.8%	-900
Residential Building	8,400	-100	-1,600	-16.0%	-3,600
Building Foundation and Exterior Contractors	7,600	-300	-2,100	-21.6%	-2,400
Other Specialty Trade Contract	14,000	0	-4,000	-22.2%	-4,400
All Construction	56,000	-700	-9,900	-15.0%	-12,800

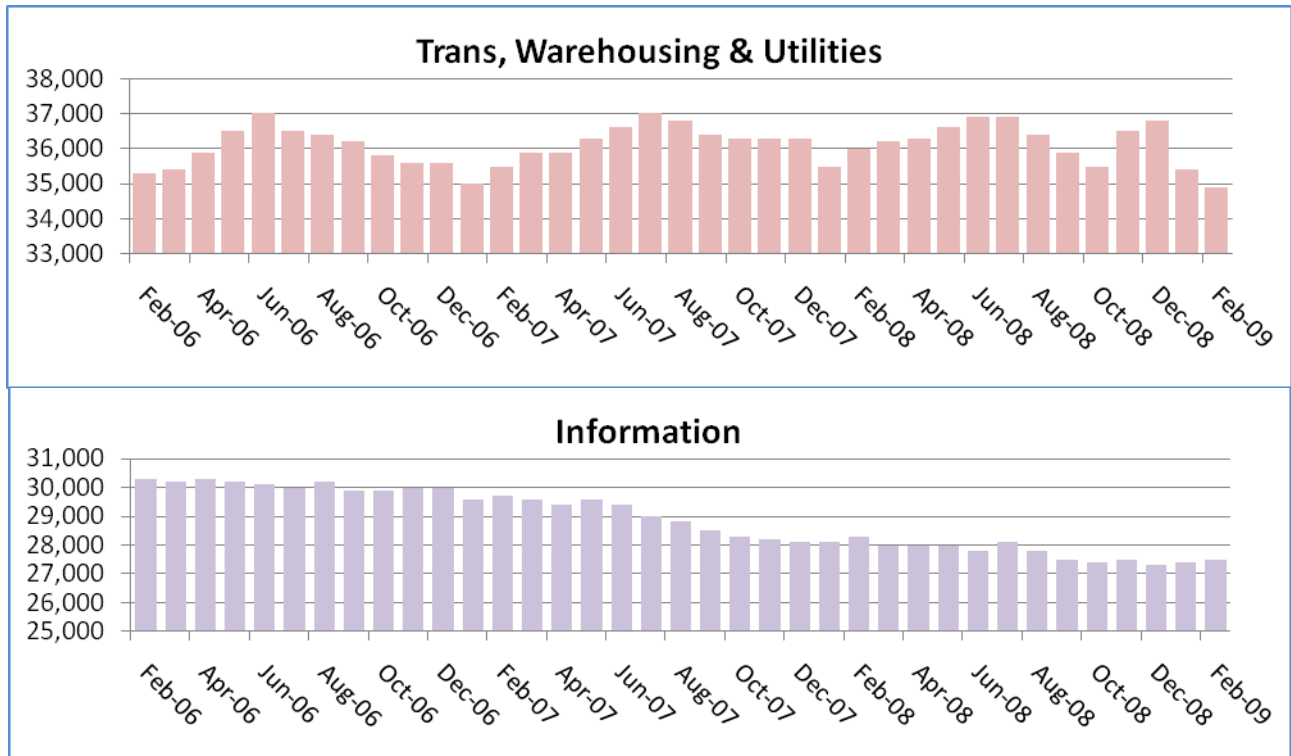
EAST BAY MANUFACTURING PAYROLL EMPLOYMENT

The East Bay's manufacturing sector showed an overall loss of 4,500 jobs when compared with February 2008. Most losses occurred in the food and residual-miscellaneous sectors.

	Feb 2009	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Chemical	6,900	-100	100	1.5%	-200
Petroleum and Coal Products	7,800	0	0	0.0%	400
Transportation Equipment	7,100	0	-700	-9.0%	-500
Computer and Electronic Product	19,000	-100	-900	-4.5%	-1,100
Residual-Food	19,500	100	-1,100	-5.3%	-500
Residual-Miscellaneous	29,600	-100	-1,900	-6.0%	-2,300
All Manufacturing	89,900	-200	-4,500	-4.8%	-4,200







BAY AREA HOME SALES

According to MDA DataQuick, the median price paid for all new and resale houses and condos combined in the Bay Area fell to \$295,000 in February 2009. That was down 1.7 percent from \$300,000 in January and down a record 46.2 percent from \$548,000 a year ago.

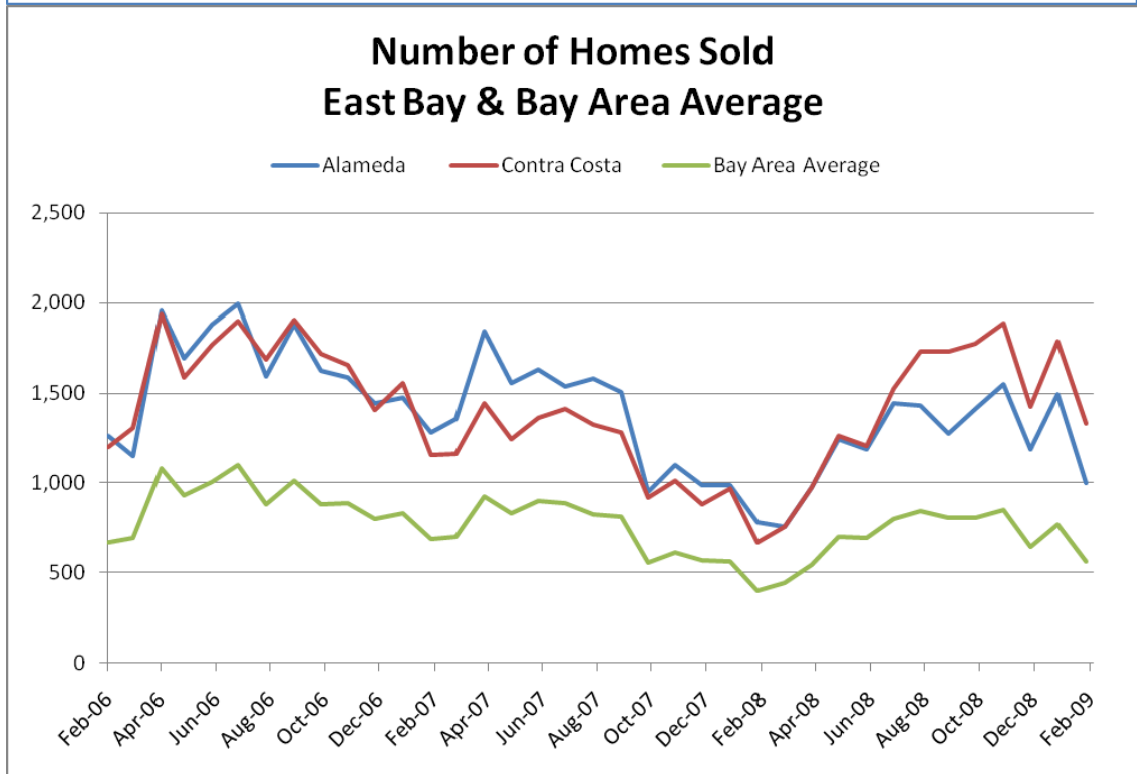
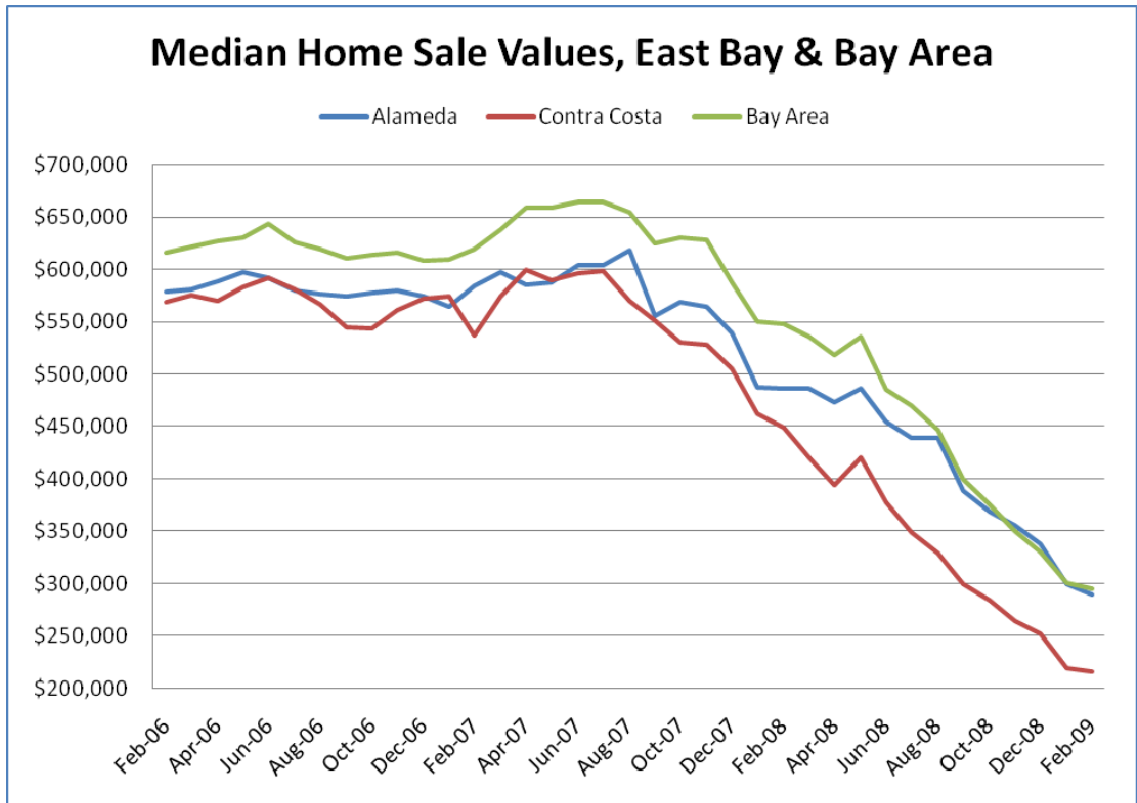
In the East Bay, Alameda County's median value was \$29,000, a 29.0 percent decline from February 2008. The Contra Costa County median home sale value in January 2009 was \$216,500, a 51.9 percent decline from February 2008 – due in part to foreclosure-related sales. In February, Contra Costa County continued to post the highest sales volume and the steepest annual decline in median sale prices throughout the Bay Area.

All Homes by County	Number Sold Feb 2009	Sales Annual Pct. Change	Median Jan. 2009	Median Annual Pct. Change
Alameda	971	29.0%	\$290,000	-40.40%
Contra Costa	1,283	70.4%	\$216,500	-51.90%
Marin	111	-18.4%	\$573,409	-26.00%
Napa	88	54.4%	\$322,500	-38.60%
San Francisco	272	-36.9%	\$640,000	-13.00%
San Mateo	311	-9.3%	\$502,250	-22.30%
Santa Clara	1,079	9.7%	\$408,750	-37.90%
Solano	557	100.4%	\$195,000	-44.30%
Sonoma	360	41.7%	\$282,000	-29.50%
Bay Area	5,032	26.1%	\$295,000	-46.20%

Source: MDA DataQuick

A total of 5,032 new and resale houses and condos closed escrow in the nine-county Bay Area last month. That was essentially unchanged from 5,050 in January but up 26.1 percent from 3,989 in February 2008. In the East Bay, Alameda and Contra Costa Counties both posted double-digit sales volume increases

between February 2008 and February 2009 – with sales in Contra Costa County shooting up 70.4 percent over the previous period.



EAST BAY HOME SALES

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

County/City/Area	# Sold	Feb-09	Feb-08	% Change
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%
BRENTWOOD	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

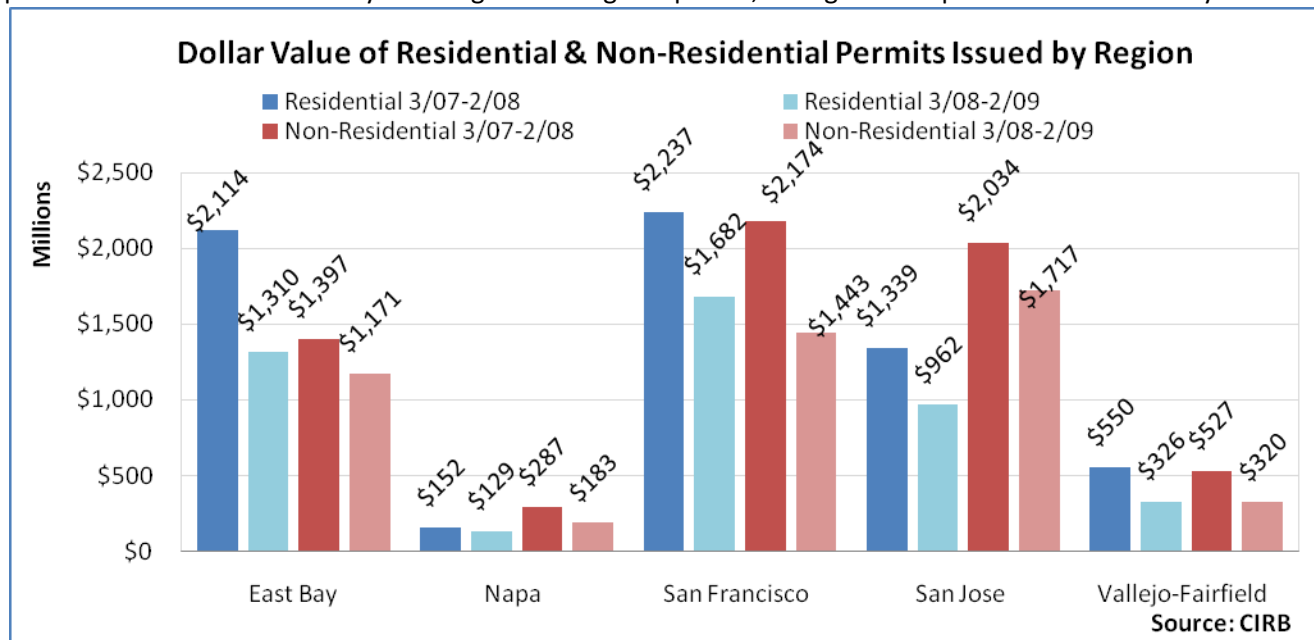
Region	Total Value of Construction Permits 3/08 – 2/09	Annual Change in Total Value of Construction Permits 3/07-2/08 vs. 3/08-2/09	Annual Percent Change
East Bay	\$2,480,944,125	-\$1,030,486,470	-29.3%
Napa	\$311,806,525	-\$127,130,723	-29.0%
San Francisco	\$3,125,444,482	-\$1,285,960,390	-29.2%
San Jose	\$2,679,660,571	-\$692,890,571	-20.5%
Vallejo-Fairfield	\$645,848,149	-\$430,756,693	-40.0%

The following tables and graphs compare the 12-month periods of March 2007 – February 2008 and March 2008 – February 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 29.3 percent (over \$1 billion) from the previous period. All other Bay Area regions posted losses during this period as well.

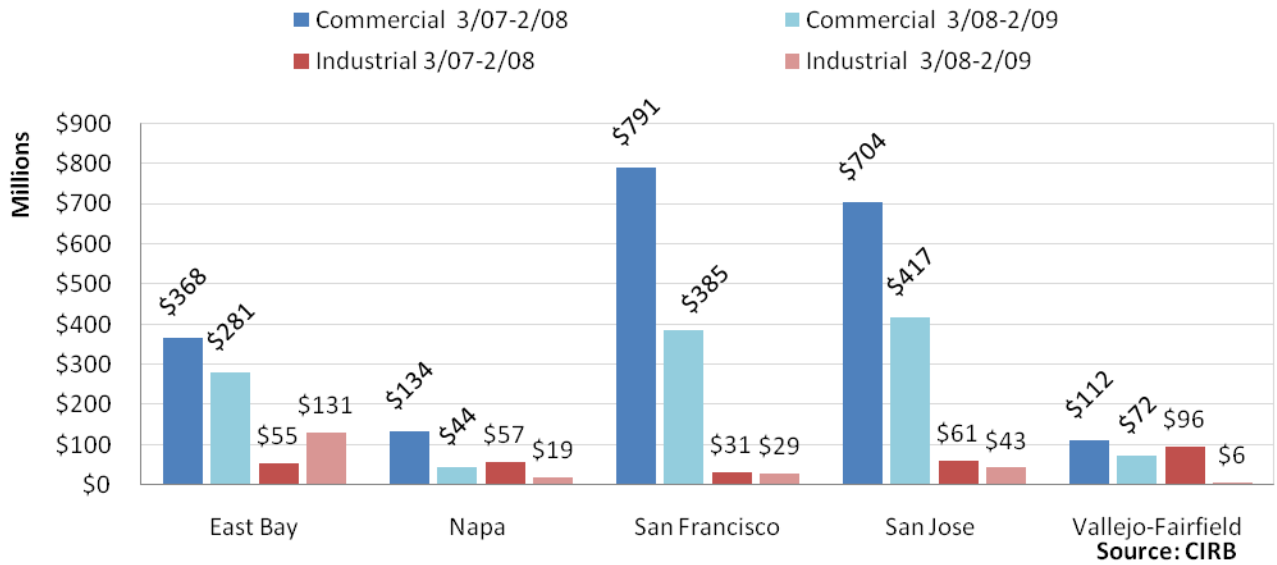
RESIDENTIAL & NON-RESIDENTIAL PERMITS

When comparing the two previous 12-month periods of March 2007 – February 2008 and March 2008 – February 2009, residential permit values fell throughout the Bay Area with the steepest declines occurring in the East Bay (down 38.1 percent) and Vallejo-Fairfield regions. Non-residential construction permit values also fell in all Bay Area regions during this period, falling over 16 percent in the East Bay.



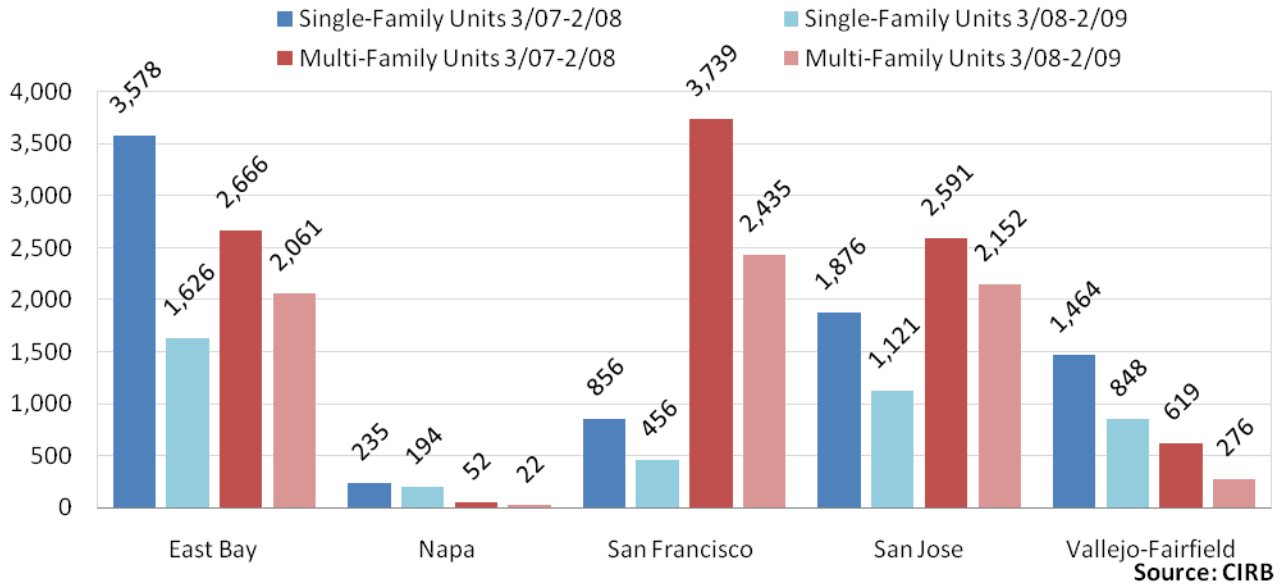
COMMERCIAL & INDUSTRIAL PERMITS In a comparison of commercial and industrial construction permits issued during the same two 12-month periods, the dollar value of commercial permits issued in the East Bay fell 23.6 percent when compared to the previous period. Commercial building permit values fell in the double-digits throughout the Bay Area during this period, falling most sharply in the San Francisco region (down 51.3 percent). Industrial permit values jumped 137.9 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



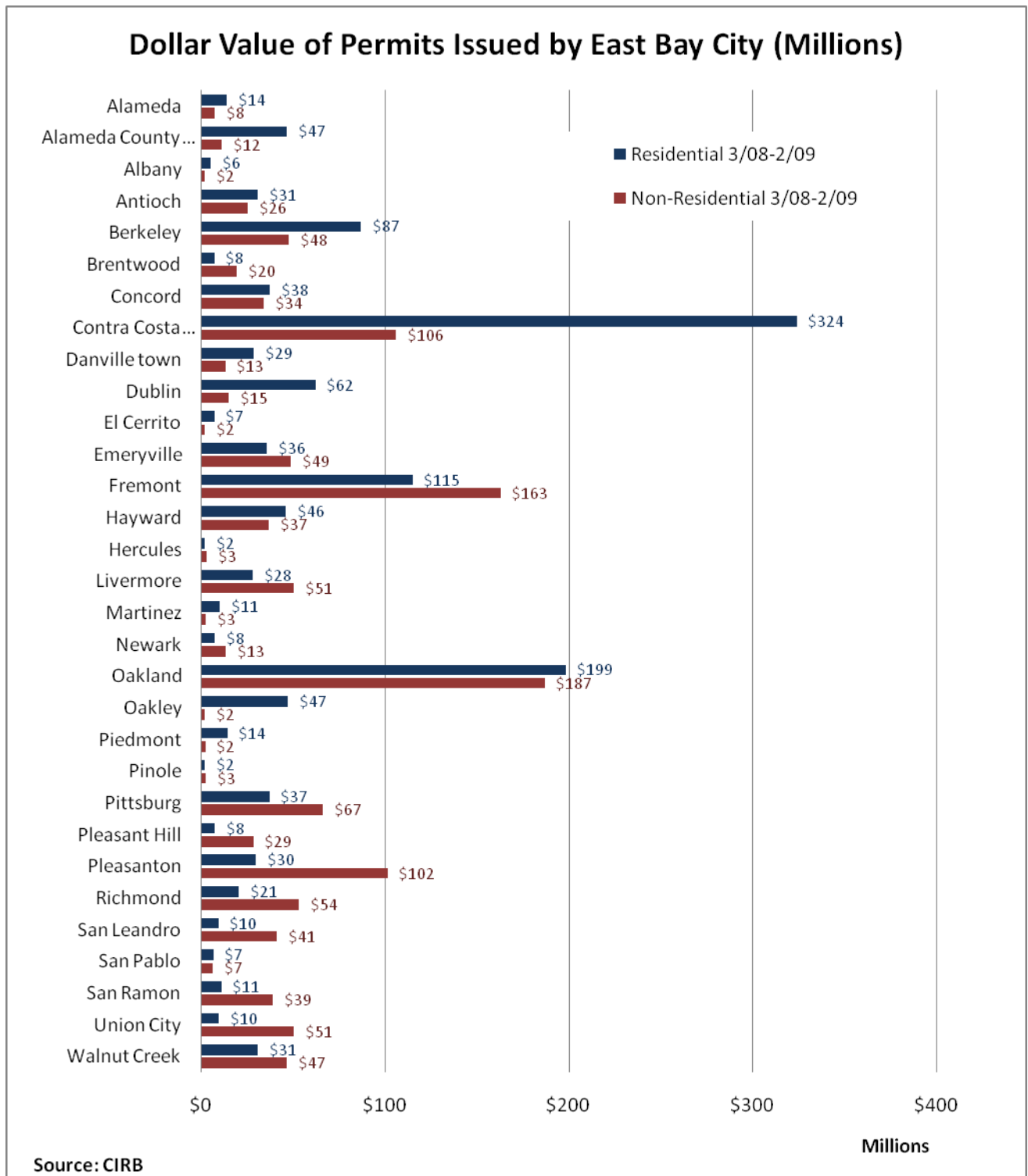
SINGLE AND MULTI-FAMILY PERMITS All Bay Area regions saw significant residential construction declines when compared with the previous 12-month period. The East Bay's drop from 3,578 single-family unit permits in the 2007-2008 period to 1,626 single-family permits in the 2008-2009 period was the most dramatic of the declines.

Single and Multi-Family Permits Issued by Region

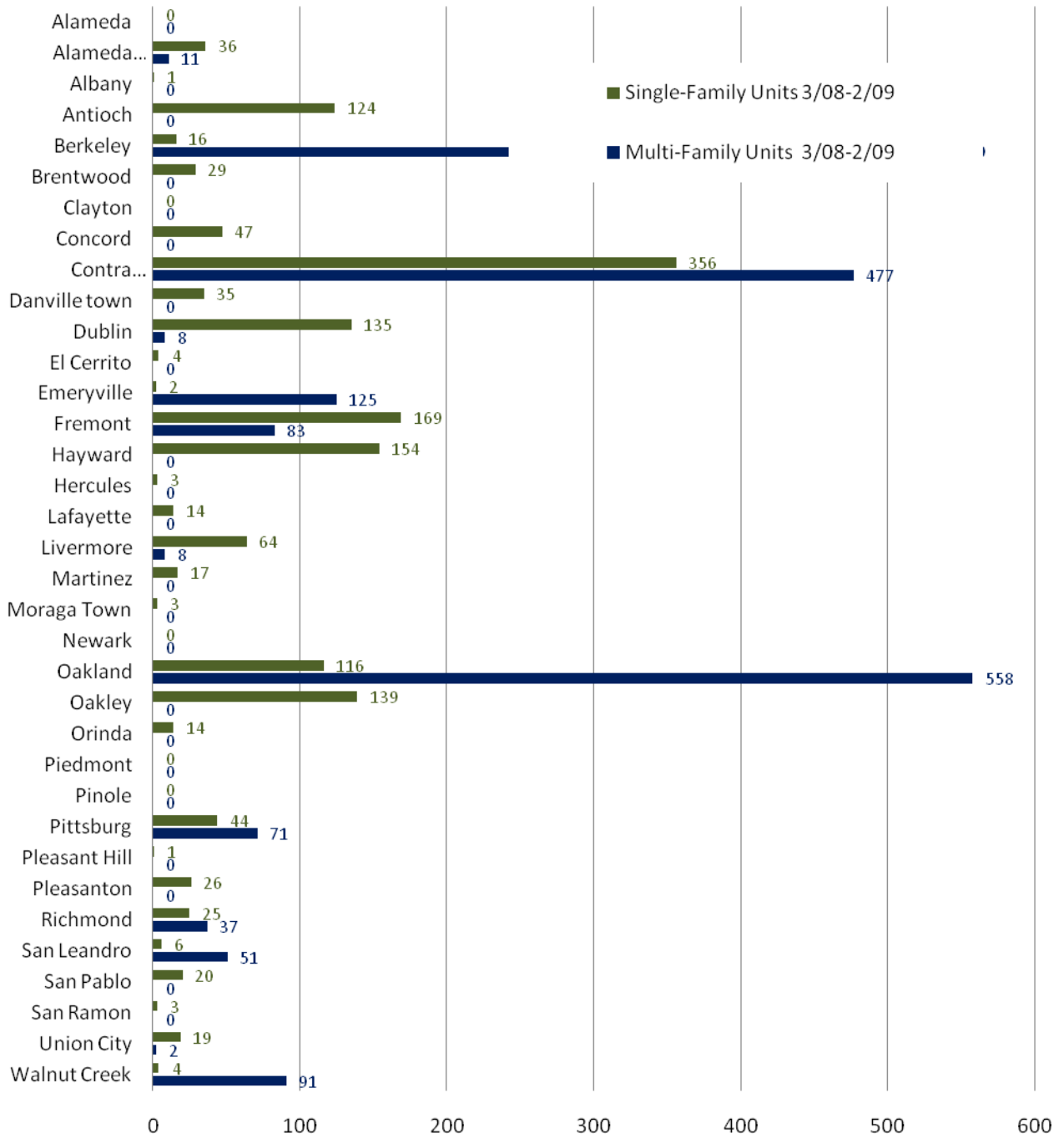


EAST BAY CONSTRUCTION

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 February 2009.

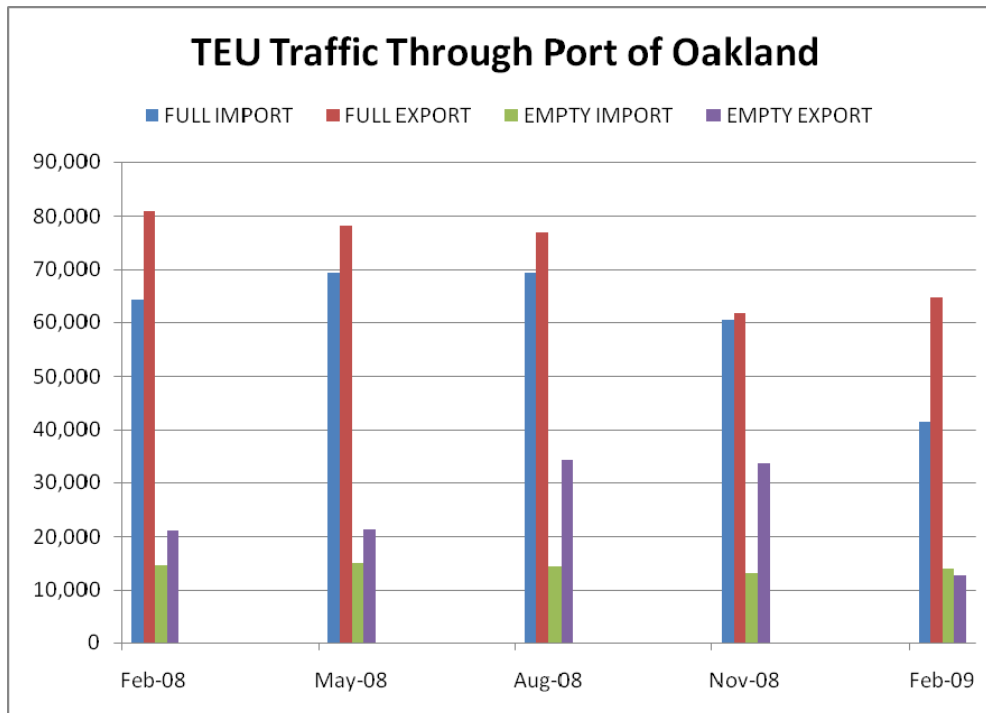


Single and Multi-Family Permits Issued by East Bay City

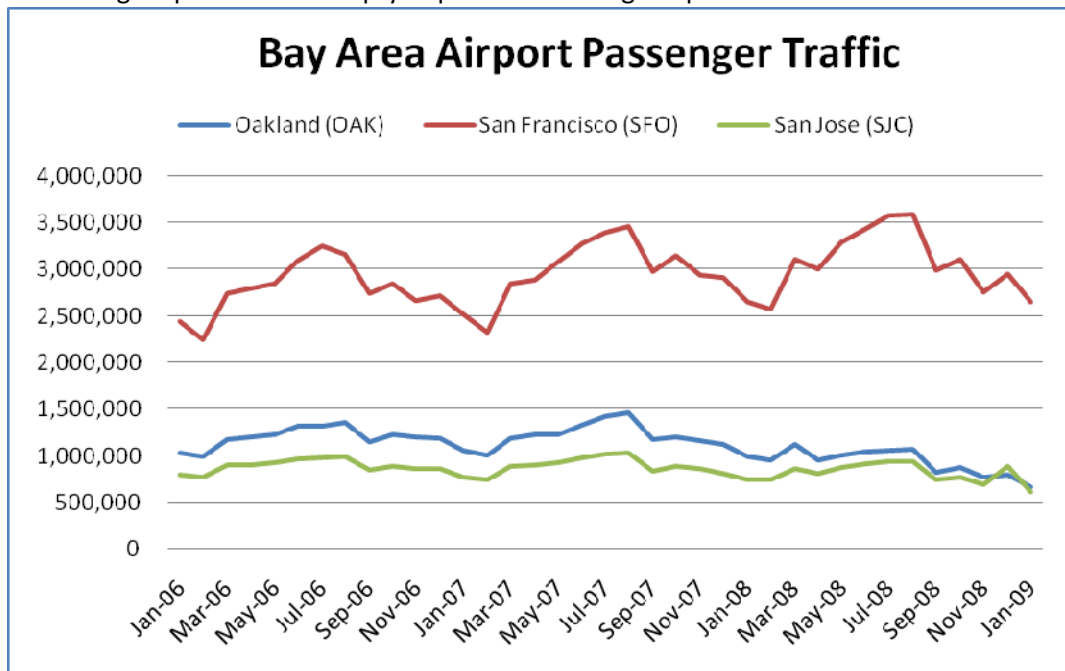


Source: CIRB

TRADE & TRAVEL



The traffic of both full export and import containers traveling through the Port of Oakland decreased between February 2008 and February 2009 – full exports decreased 20 percent while full imports decreased 35 percent. Empty container traffic also declined during this period, with empty exports decreasing 40 percent and empty imports decreasing 4.3 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 decreased 32.8 percent from the January 2008 figure, while ridership at SJC (down 17.8) also declined during the same period. At SFO, ridership was virtually unchanged in a year-over-year comparison, falling less than 1 percent. (February 2009 data was not available).