

East Bay Economic Development Alliance Monthly

NOVEMBER 2009

SERVING THE EAST BAY, THE BRIGHT SIDE OF THE SAN FRANCISCO BAY

EAST BAY MONTHLY ANALYSIS

NOVEMBER 2009 EDITION

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 OCTOBER 2009

- Median home values continued to improve month-over-month, but continued to post annual declines
- Unemployment rose to 11.5 percent
- Job losses were concentrated in Construction, Professional & Business Services and Retail
- Residential, commercial and industrial construction permit values continued to post year-over-year declines

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El Cerrito	Pleasanton
Emeryville	Richmond
Fremont	San Leandro
Hayward	San Ramon
Hercules	Alameda County
Livermore	Contra Costa County

CONTACT

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For more information on the East Bay,
click on www.eastbayeda.org

EAST BAY EDA

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

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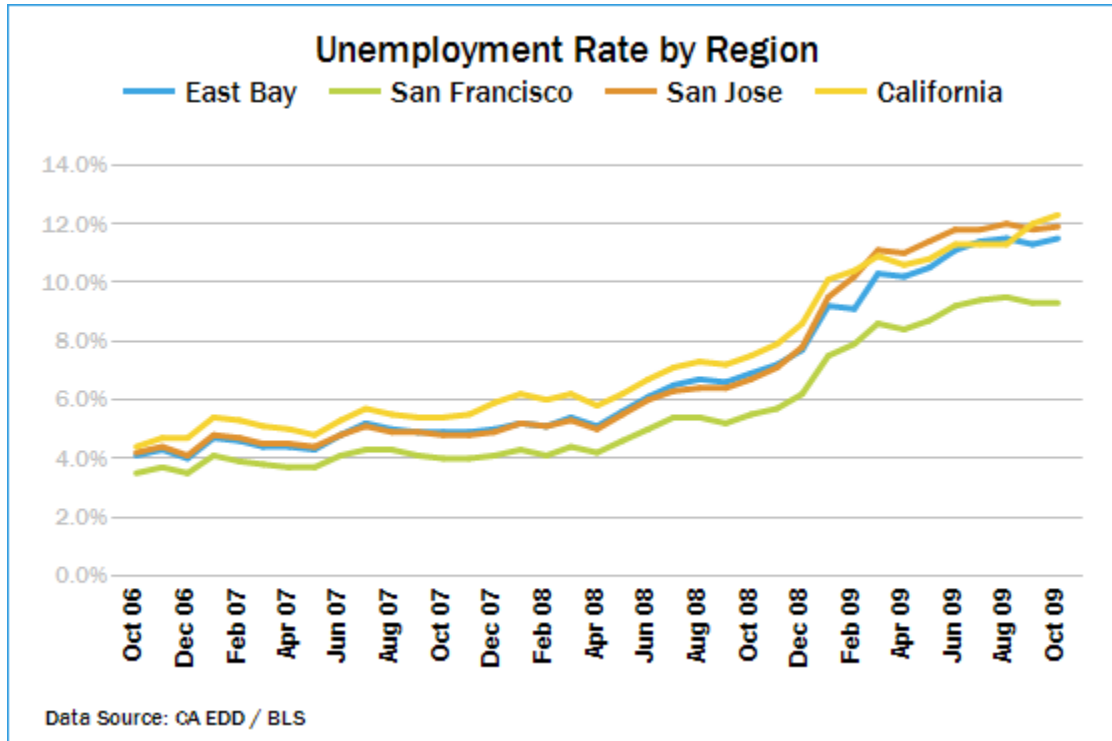


BAY AREA EMPLOYMENT

BAY AREA UNEMPLOYMENT

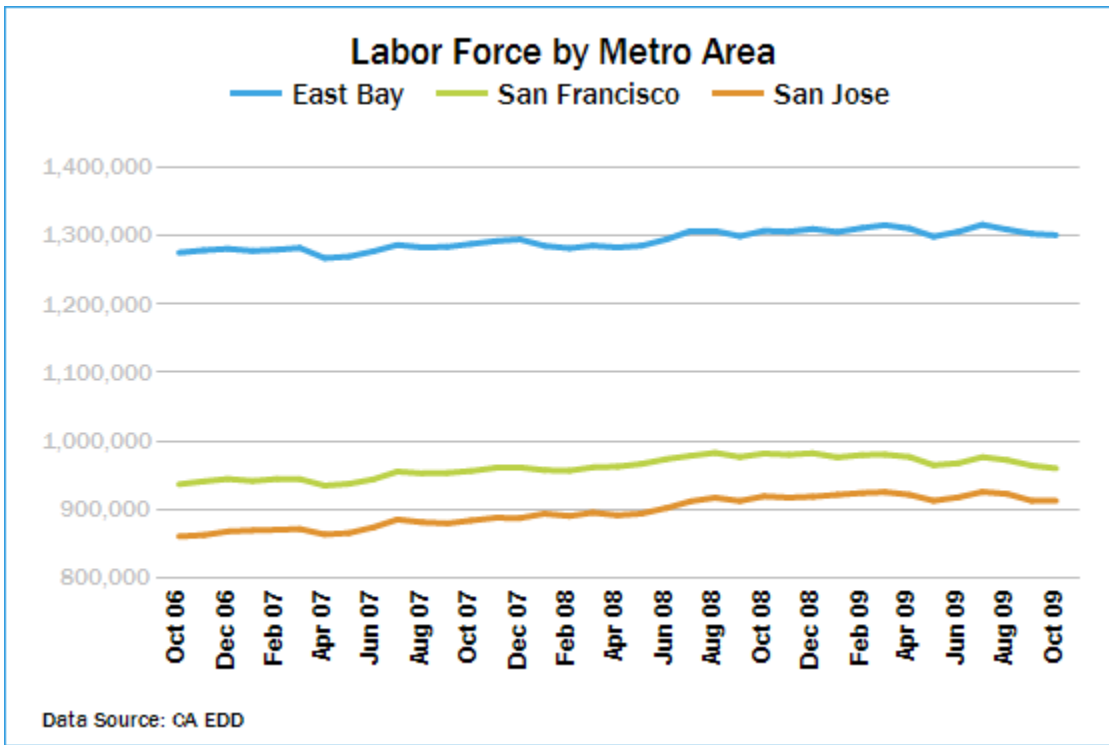
The unemployment rate in the East Bay was 11.5 percent in October 2009, up from a revised 11.3 percent in September 2009, and above the year-ago estimate of 6.9 percent. This compares with an unadjusted unemployment rate of 12.3 percent for California and 9.5 percent for the nation during the same period. The unemployment rate was 11.5 percent in Alameda County, and 11.5 percent in Contra Costa County.

San Francisco's unemployment rate was 9.3 percent in October – unchanged from the September estimate, but significantly higher than the October 2008 estimate of 5.5 percent. The unemployment rate in San Jose rose to 11.9 percent in October, up from from a revised 11.8 percent in September, and up from 6.7 percent in October 2008.



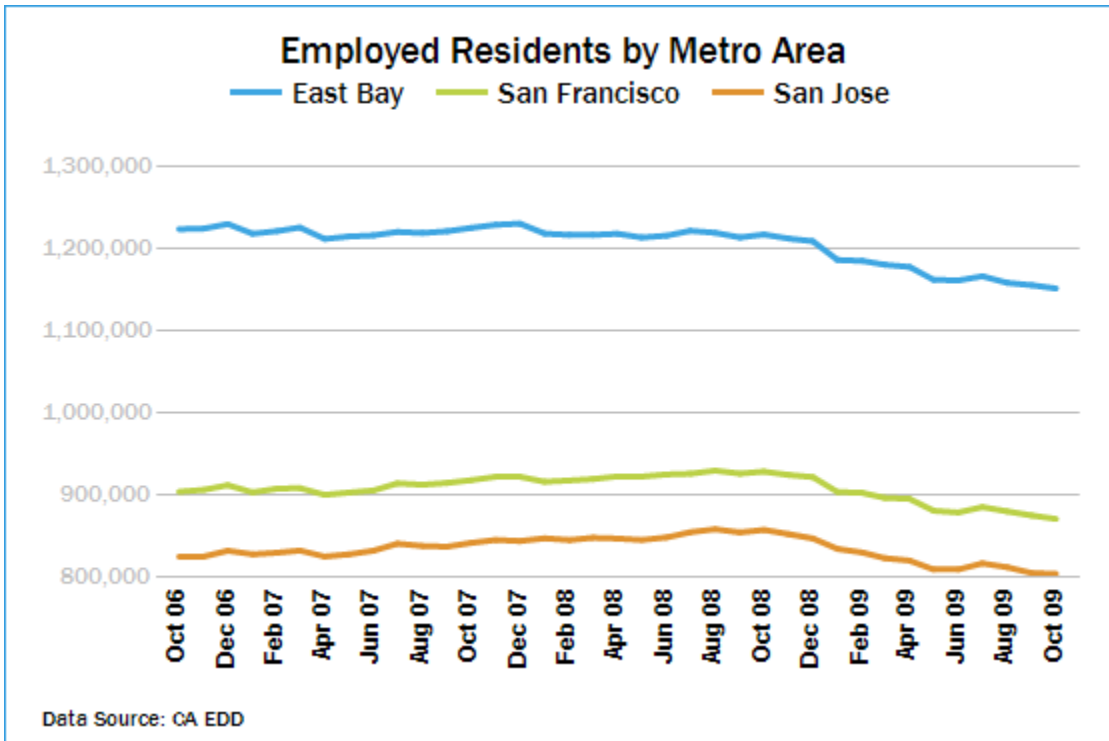
BAY AREA LABOR FORCE

In a month-over-month comparison, the East Bay's labor force (number of individuals currently employed or actively seeking employment) lost 1,900 workers, falling to 1,300,600 in October 2009. San Francisco's labor force lost 3,900 workers, falling to 960,000, and in San Jose the number of workers rose 100 to reach 912,600. In a year-over-year comparison, each of the Bay Area regions profiled saw a decline in the number of workers. The East Bay had 6,400 fewer workers in October 2008 than in October 2009, San Jose lost 6,600 workers and San Francisco lost 21,600 workers.



BAY AREA EMPLOYED RESIDENTS

Between September and October 2009, the number of employed residents (employed persons who reside within the region) fell 4,000 in the East Bay, 4,200 in San Francisco, and 900 in San Jose. When compared to October 2008, a year-over-year comparison showed the East Bay with 65,700 fewer employed residents, San Francisco with 57,600 fewer and San Jose with 53,500 fewer.

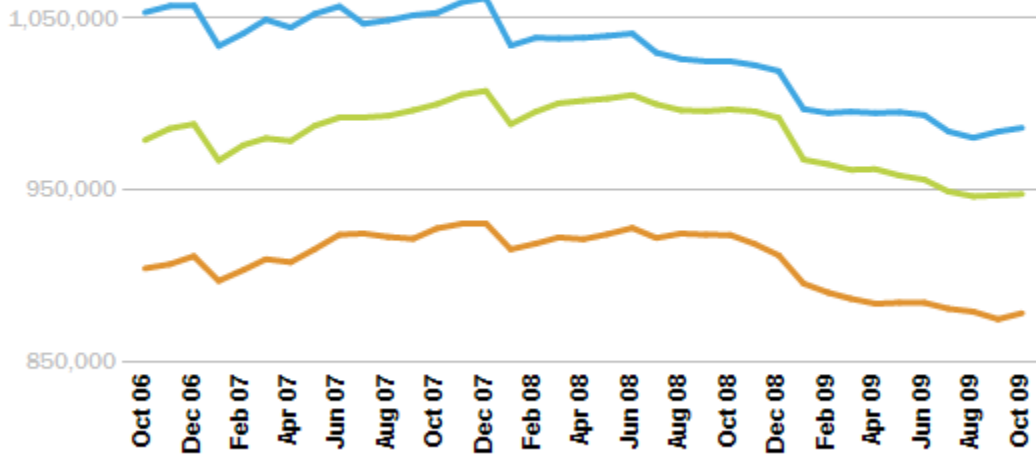


BAY AREA PAYROLL EMPLOYMENT

Between September and October 2009 the East Bay added 2,200 payroll jobs (number of jobs located in the specified region, not including those who are self-employed), while San Francisco added 700 and San Jose added 3,500. Since October 2008, the East Bay has lost 38,700 jobs, San Francisco has lost 49,200 and San Jose has lost 45,500. A detailed description of East Bay payroll employment by sector follows in the next section.

Payroll Employment by Metro Area

— East Bay — San Francisco — San Jose



Data Source: CA EDD

EAST BAY PAYROLL EMPLOYMENT

MONTHLY COMPARISON

According to the California Employment Development Department's Labor Market report, Between September 2009 and October 2009, the total number of jobs located in the East Bay posted a net gain of 2,200 jobs to total 986,000.

- Public and private schools continued to grow with the new school year, adding a combined 2,400 jobs.
- Retail trade rose seasonally by 400 jobs, a smaller-than-average gain compared to the usual 500-job addition at this time of year.
- Construction registered a 300-job increase, much better than the average decline of 700 jobs between September and October over the prior 19 years.
- On the downside, leisure and hospitality seasonally lost 600 jobs, mainly in arts, entertainment, and recreation (down 400 jobs).
- Other services posted a seasonal decrease of 500 jobs, while manufacturing slipped by 400 jobs.

ANNUAL COMPARISON

Between October 2008 and October 2009, the total number of jobs in the East Bay decreased by 38,700 jobs or 3.8 percent.

- Trade, transportation, and utilities reported the 21st month of year-over losses by shedding 9,200 jobs. Retail trade (down 5,700 jobs) accounted for the bulk of the loss.
- Professional and business services reduced payrolls by 7,200 jobs. Employment services trimmed 2,200 of those jobs.
- Construction contracted by 6,000 jobs from last October, with most of the cutbacks occurring in specialty trade contractors (down 3,700 jobs).
- On the upside, private educational and health services added 300 jobs, while total farm increased by 200 jobs.

	Oct-09	1 Month Change	12 Month Change	12 Month % Change	24 Month Change
Educational and Health Services	128,500	1,400	300	0.2%	2,300
Information	26,800	0	-600	-2.2%	-1,500
Other Services	34,500	-500	-1,000	-2.8%	-1,800
Trans, Warehousing & Utilities	34,700	100	-1,700	-4.7%	-2,900
Wholesale Trade	46,000	300	-1,800	-3.8%	-2,800
Financial Activities	52,900	200	-2,400	-4.3%	-7,900
Government	172,400	1,400	-3,800	-2.2%	-6,400
Manufacturing	88,000	-400	-4,500	-4.9%	-6,600
Leisure and Hospitality	84,800	-600	-4,500	-5.0%	-3,400
Retail Trade	103,900	400	-5,700	-5.2%	-9,000
Construction	57,300	300	-6,000	-9.5%	-15,200
Professional and Business Services	153,500	-300	-7,200	-4.5%	-11,700
Total, All Industries	986,000	2,200	-38,700	-3.8%	-66,800

INDUSTRY EMPLOYMENT DATA SOURCE: California Employment Development Department

EAST BAY CONSTRUCTION EMPLOYMENT

All subsectors of the East Bay's construction sector posted losses in the year-over-year comparison, with losses in specialty trade contracting reaching 3,700 between October 2008 and October 2009.

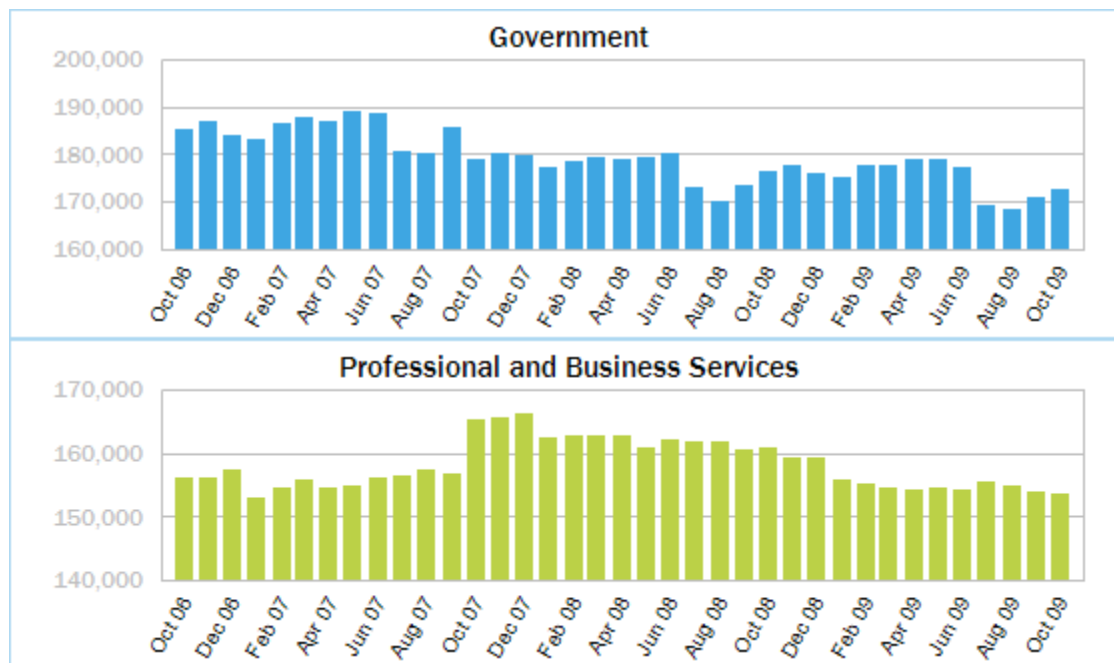
	Oct-09	1 Month Change	12 Month Change	12 Month % Change	24 Month Change	24 Month % Change
Nonresidential Building Construction	5,400	-100	0	0.0%	-400	-6.9%
Highway, Street, and Bridge Const	3,400	-100	-100	-2.9%	-200	-5.6%
Residual-Other Heavy and Civil Engineer	3,900	0	-700	-15.2%	-1,600	-29.1%
Building Equipment Contractors	13,700	-100	-900	-6.2%	-1,700	-11.0%

Building Foundation and Exterior Contractors	8,200	200	-1,100	-11.8%	-2,200	-21.2%
Residential Building Construction	8,000	0	-1,500	-15.8%	-3,700	-31.6%
Other Specialty Trade Contract	14,700	400	-1,700	-10.4%	-5,400	-26.9%
Construction of Buildings	13,400	-100	-1,500	-10.1%	-4,100	-23.4%
Heavy and Civil Engineering Construction	7,300	-100	-800	-9.9%	-1,800	-19.8%
Specialty Trade Contractors	36,600	500	-3,700	-9.2%	-9,300	-20.3%
All Construction	57,300	300	-6,000	-9.5%	-15,200	-21.0%

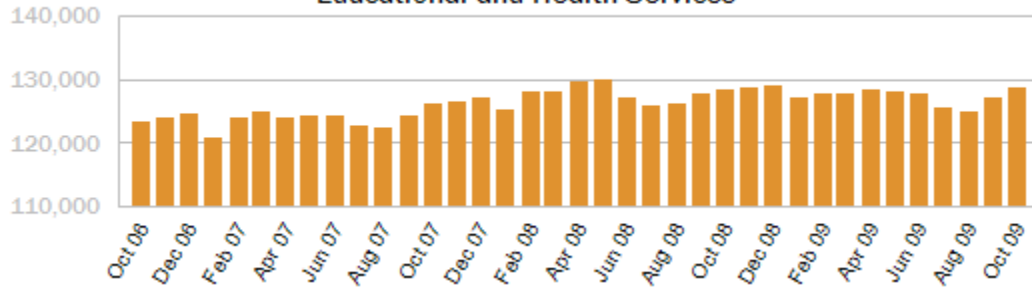
EAST BAY MANUFACTURING PAYROLL EMPLOYMENT

The East Bay's manufacturing sector showed an overall loss of 4,500 jobs between October 2008 and October 2009 with most losses occurring in Durable Goods production.

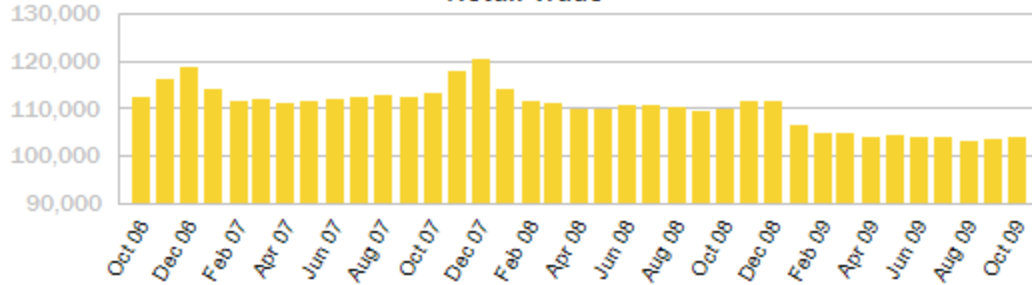
	Oct-09	1 Month Change	12 Month Change	12 Month % Change	24 Month Change	24 Month % Change
Residual-Miscellaneous Manufacturing	28,200	-100	-2,300	-7.5%	-3,700	-11.6%
Computer and Electronic Product Manufacturing	17,800	-100	-1,700	-8.7%	-2,100	-10.6%
Transportation Equipment Manufacturing	7,100	0	-300	-4.1%	-500	-6.6%
Residual-Food Manufacturing	19,600	-300	-300	-1.5%	-800	-3.9%
Chemical Manufacturing	7,000	100	-100	-1.4%	-200	-2.8%
Petroleum and Coal Products Manufacturing	8,300	0	200	2.5%	700	9.2%
Durable Goods	53,100	-200	-4,300	-7.5%	-6,300	-10.6%
Nondurable Goods	34,900	-200	-200	-0.6%	-300	-0.9%
All Manufacturing	88,000	-400	-4,500	-4.9%	-6,600	-7.0%



Educational and Health Services



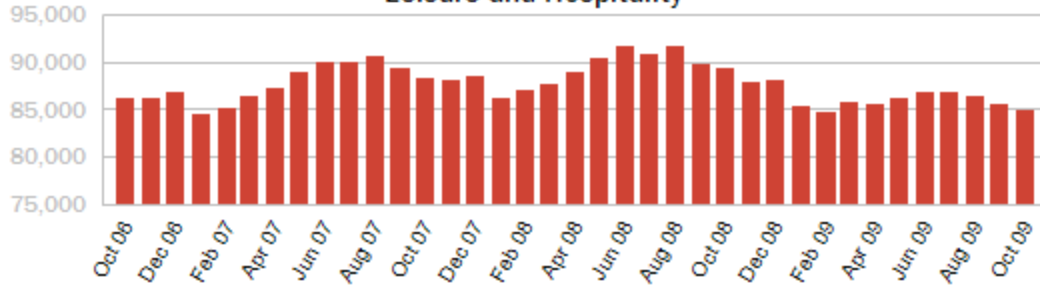
Retail Trade



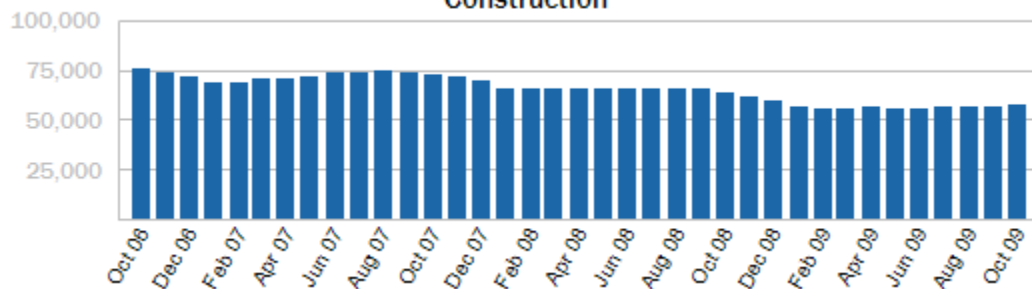
Manufacturing



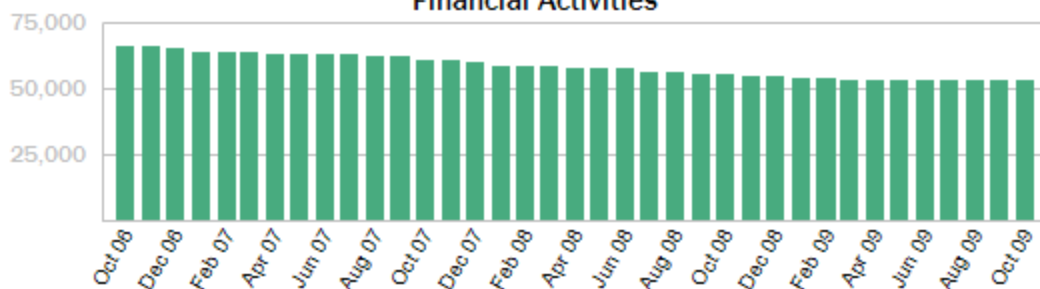
Leisure and Hospitality



Construction



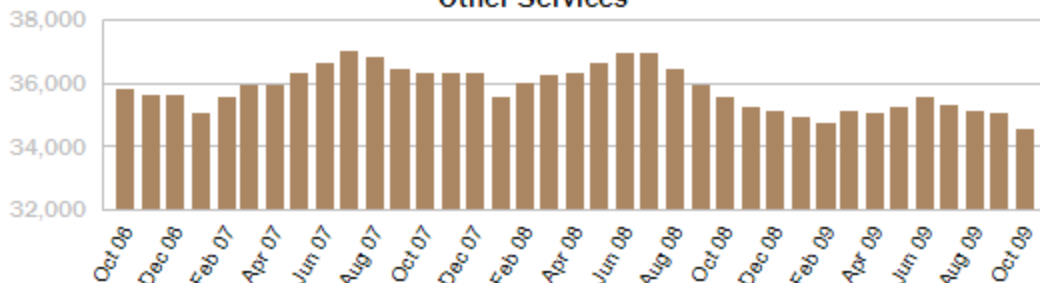
Financial Activities



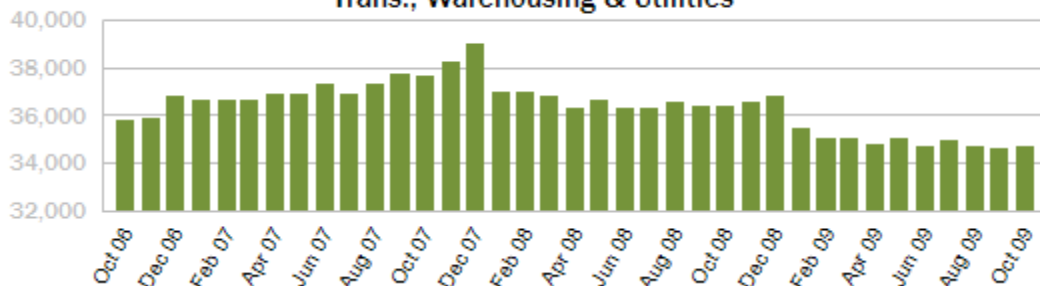
Wholesale Trade



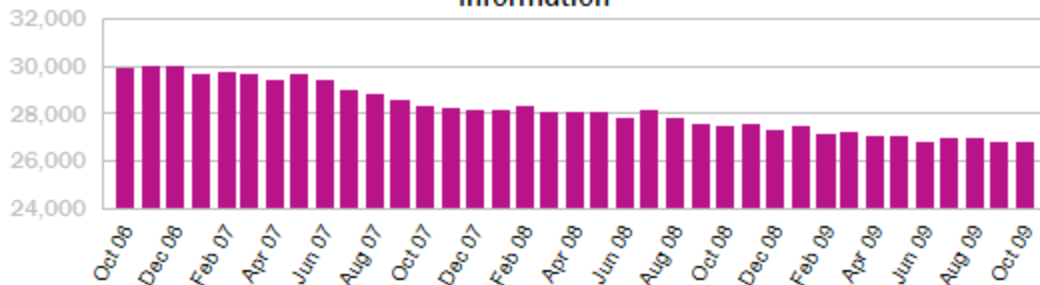
Other Services



Trans., Warehousing & Utilities



Information



BAY AREA HOME SALES

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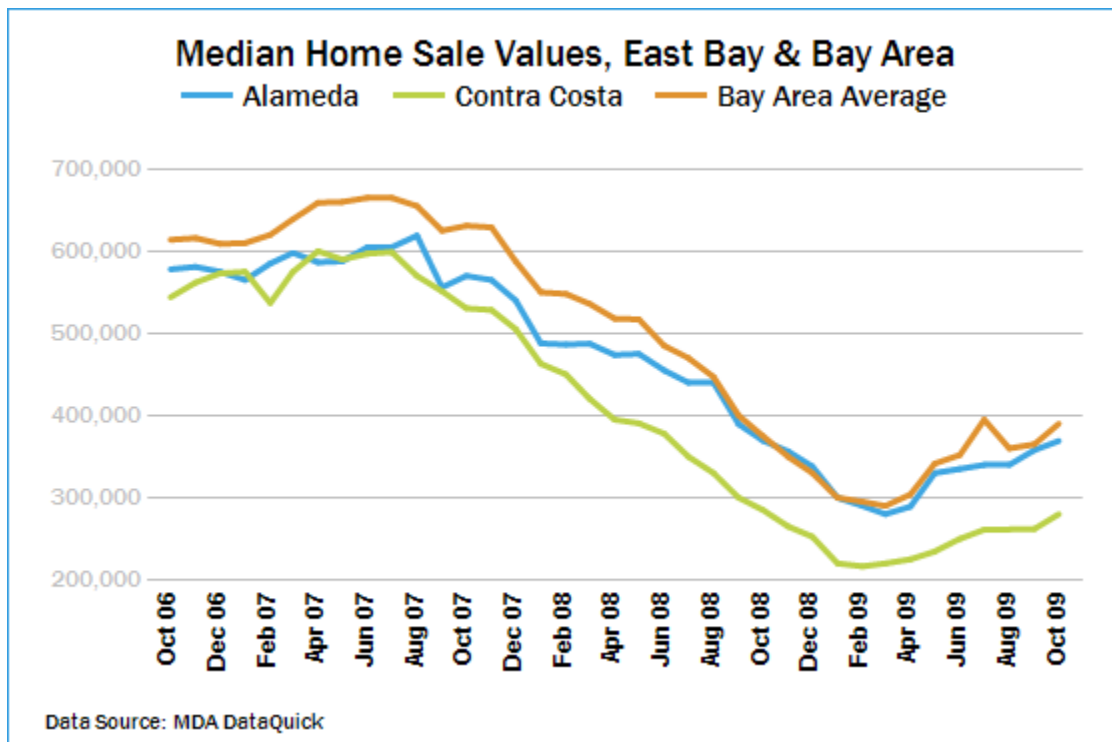
According to MDA DataQuick, the median price paid for all new and resale houses and condos last month in the Bay Area rose to \$390,000 – up 6.8 percent from \$365,000 in September and up 4.0 percent from \$375 in October 2008.

In the East Bay, Alameda County's median value was \$369,000 in October – a 3.1 percent increase over September and a 0.1 percent decrease when compared to October 2008. In Contra Costa County the median home value was \$280,000 – a 6.9 percent increase over September and a 1.8 percent decrease when compared to October 2008.

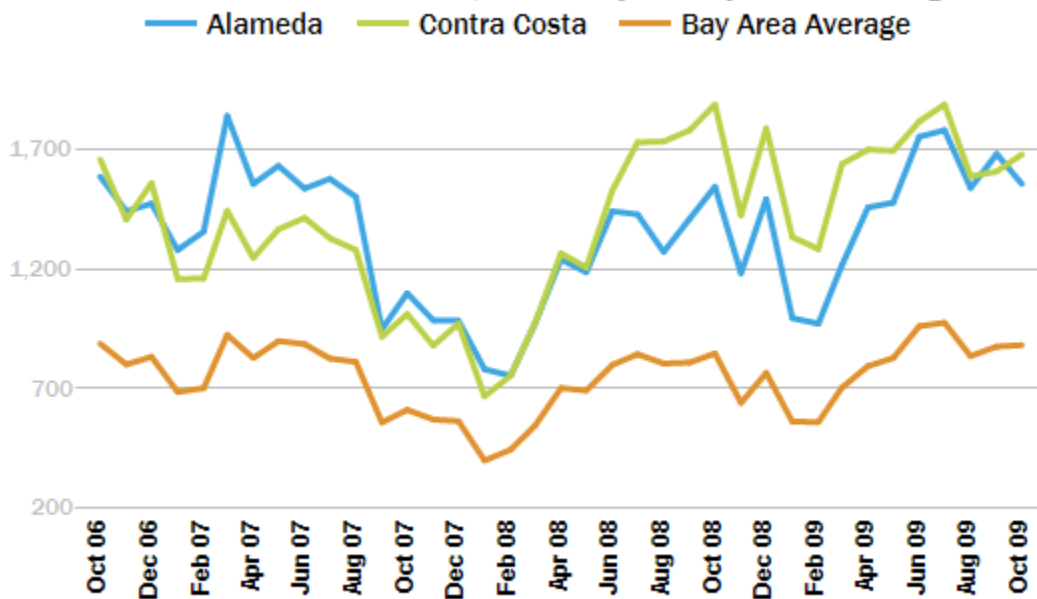
A total of 7,933 new and resale houses and condos closed escrow in the nine-county Bay Area in October 2009 - up 0.7 percent from 7,879 in September and up 4.2 percent from 7,613 in October 2008. In the East Bay, Alameda County saw a minimal increase in sales volume over October 2008, while in Contra Costa County sales decreased 11.10 percent over the previous year.

All Homes by County	Number Sold Oct 2009	Sales Annual Pct. Change	Median Oct 2009	Median Annual Pct. Change
Alameda	1,555	0.70%	\$369,000	-0.10%
Contra Costa	1,679	-11.10%	\$280,000	-1.80%
Marin	264	20.00%	\$648,000	8.00%
Napa	121	-10.40%	\$360,000	-10.00%
San Francisco	553	33.60%	\$690,824	-1.20%
San Mateo	586	10.60%	\$580,000	-4.10%
Santa Clara	1,944	27.90%	\$500,000	4.80%
Solano	681	-8.60%	\$195,000	-18.80%
Sonoma	550	-10.90%	\$331,000	0.30%
Bay Area	7,933	4.20%	\$390,000	4.00%

Source: MDA DataQuick



Number of Homes Sold, East Bay & Bay Area Average



Data Source: DataQuick

EAST BAY HOME SALES

County/City/Area	# Sold	OCT 2009	OCT 2008	% Change
Alameda County	1,385	\$371,000	\$373,500	-0.67%
ALAMEDA	61	\$570,000	\$570,000	0.00%
ALBANY	11	\$590,000	\$570,000	3.51%
BERKELEY	40	\$621,500	\$675,000	-7.93%
CASTRO VALLEY	47	\$470,000	\$475,000	-1.05%
DUBLIN	54	\$430,000	\$510,000	-15.69%
EMERYVILLE	34	\$336,000	\$275,000	22.18%
FREMONT	223	\$475,000	\$482,500	-1.55%
HAYWARD	167	\$245,000	\$290,000	-15.52%
LIVERMORE	100	\$470,000	\$390,000	20.51%
NEWARK	51	\$390,000	\$380,000	2.63%
OAKLAND	340	\$250,000	\$238,000	5.04%
PLEASANTON	67	\$625,000	\$715,000	-12.59%
SAN LEANDRO	93	\$320,000	\$350,500	-8.70%
SAN LORENZO	25	\$322,000	\$325,000	-0.92%
UNION CITY	72	\$339,500	\$425,000	-20.12%
Contra Costa County	1,613	\$275,000	\$281,250	-2.22%
ALAMO	22	\$1,144,000	\$1,270,000	-9.92%
ANTIOCH	227	\$210,000	\$229,500	-8.50%
BRENTWOOD2	126	\$290,000	\$315,000	-7.94%
CLAYTON	12	\$550,000	\$640,000	-14.06%
CONCORD	166	\$267,500	\$260,000	2.88%
CROCKETT	3	\$299,000	\$368,500	-18.86%
DANVILLE	59	\$748,000	\$883,250	-15.31%
DISCOVERY BAY	33	\$266,500	\$350,000	-23.86%
EL CERRITO	25	\$539,500	\$584,000	-7.62%

EL SOBRANTE	30	\$237,500	\$312,500	-24.00%
HERCULES	42	\$345,750	\$322,500	7.21%
LAFAYETTE	42	\$867,500	\$1,065,000	-18.54%
MARTINEZ	49	\$317,000	\$318,000	-0.31%
MORAGA	11	\$815,000	\$840,000	-2.98%
OAKLEY	109	\$255,000	\$237,500	7.37%
ORINDA	19	\$981,000	\$1,021,000	-3.92%
PINOLE	17	\$270,000	\$305,000	-11.48%
PITTSBURG	148	\$184,000	\$200,000	-8.00%
PLEASANT HILL	35	\$500,000	\$427,500	16.96%
RICHMOND	125	\$130,000	\$152,500	-14.75%
RODEO	8	\$218,000	\$276,500	-21.16%
SAN PABLO	91	\$168,000	\$200,000	-16.00%
SAN RAMON	103	\$612,000	\$681,500	-10.20%
WALNUT CREEK	103	\$485,000	\$510,000	-4.90%

Source: DataQuick / SF Chronicle

BAY AREA CONSTRUCTION PERMITS

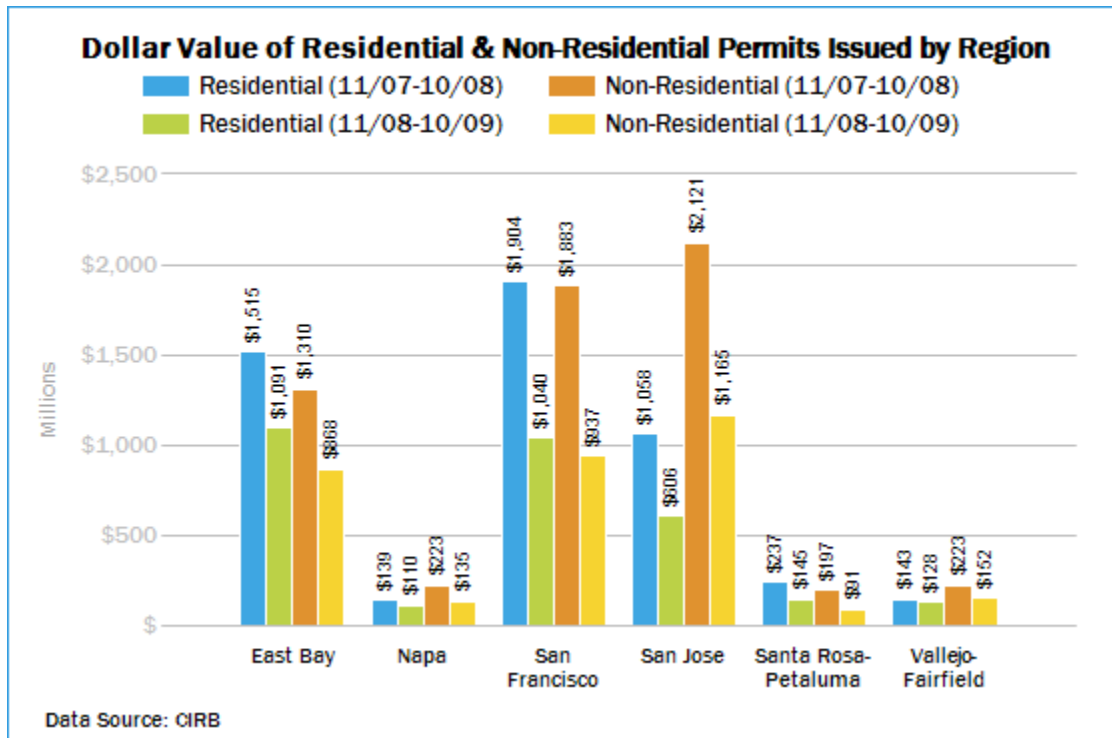
Region	Total Value of Construction Permits 11/08 – 10/09	Annual Change in Total Value of Construction Permits 11/07-10/08 vs. 11/08-10/09	Annual Percent Change
East Bay	\$1,959,214,140	-\$865,589,447	-30.6%
Napa	\$244,493,845	-\$117,939,988	-32.5%
San Francisco	\$1,976,171,633	-\$1,810,742,614	-47.8%
San Jose	\$1,771,108,714	-\$1,407,865,713	-44.3%
Vallejo-Fairfield	\$514,947,136	-\$285,906,040	-35.7%

The following tables and graphs compare the 12-month periods of November 2007 to October 2008 and November 2008 to October 2009.

In a comparison of these two twelve-month periods, the East Bay showed a decrease in construction permit values, falling 30.6 percent from the previous period. All other Bay Area regions posted losses during this period as well, with San Francisco showing the sharpest decrease of over 47 percent over the previous 12-month period.

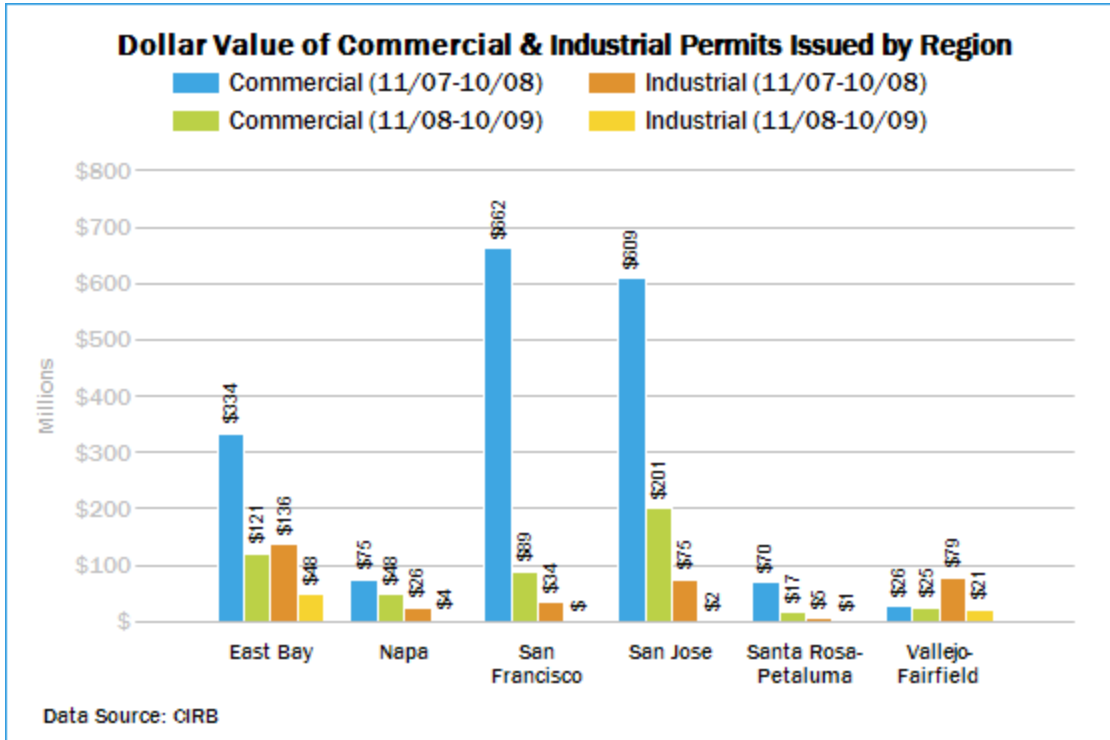
RESIDENTIAL & NON-RESIDENTIAL PERMITS

When comparing the two previous 12-month periods of November 2007 to October 2008 and November 2008 to October 2009, residential permit values fell throughout the Bay Area with the steepest declines occurring in the San Francisco (down 45.4 percent) and San Jose (down 42.7 percent) regions. In the East Bay, residential construction fell 28.0 percent. Non-residential construction permit values also declined in all Bay Area regions during this period, falling 33.7 percent in the East Bay and over 50 percent in the San Francisco region.



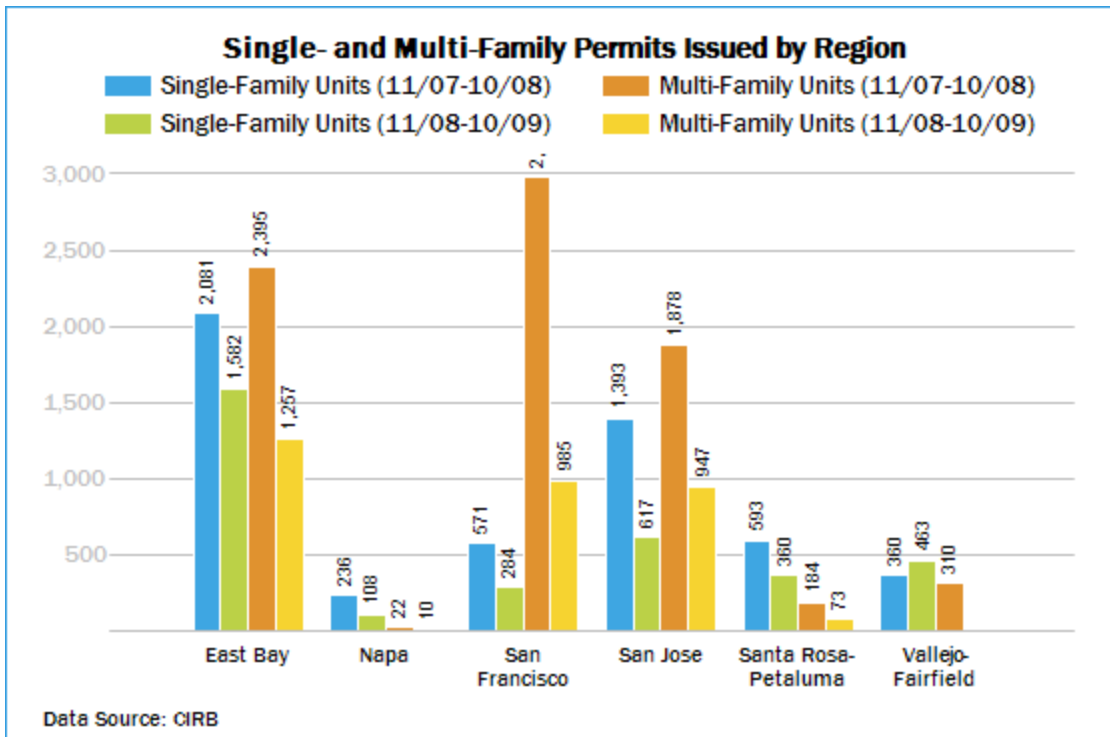
COMMERCIAL & INDUSTRIAL PERMITS

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 fell 63.8 percent when compared with the previous period. Commercial building permit values declined throughout the Bay Area during this period, falling most sharply in the San Francisco region (down 86.5 percent). Industrial permit values were also down during this period, falling 64 percent in the East Bay.



SINGLE AND MULTI-FAMILY PERMITS

All Bay Area regions saw significant residential construction declines when compared with the previous 12-month period. Single family building permits in the East Bay fell 24.0 percent during this period, while the number of multi-family permits issued fell 47.5 percent.

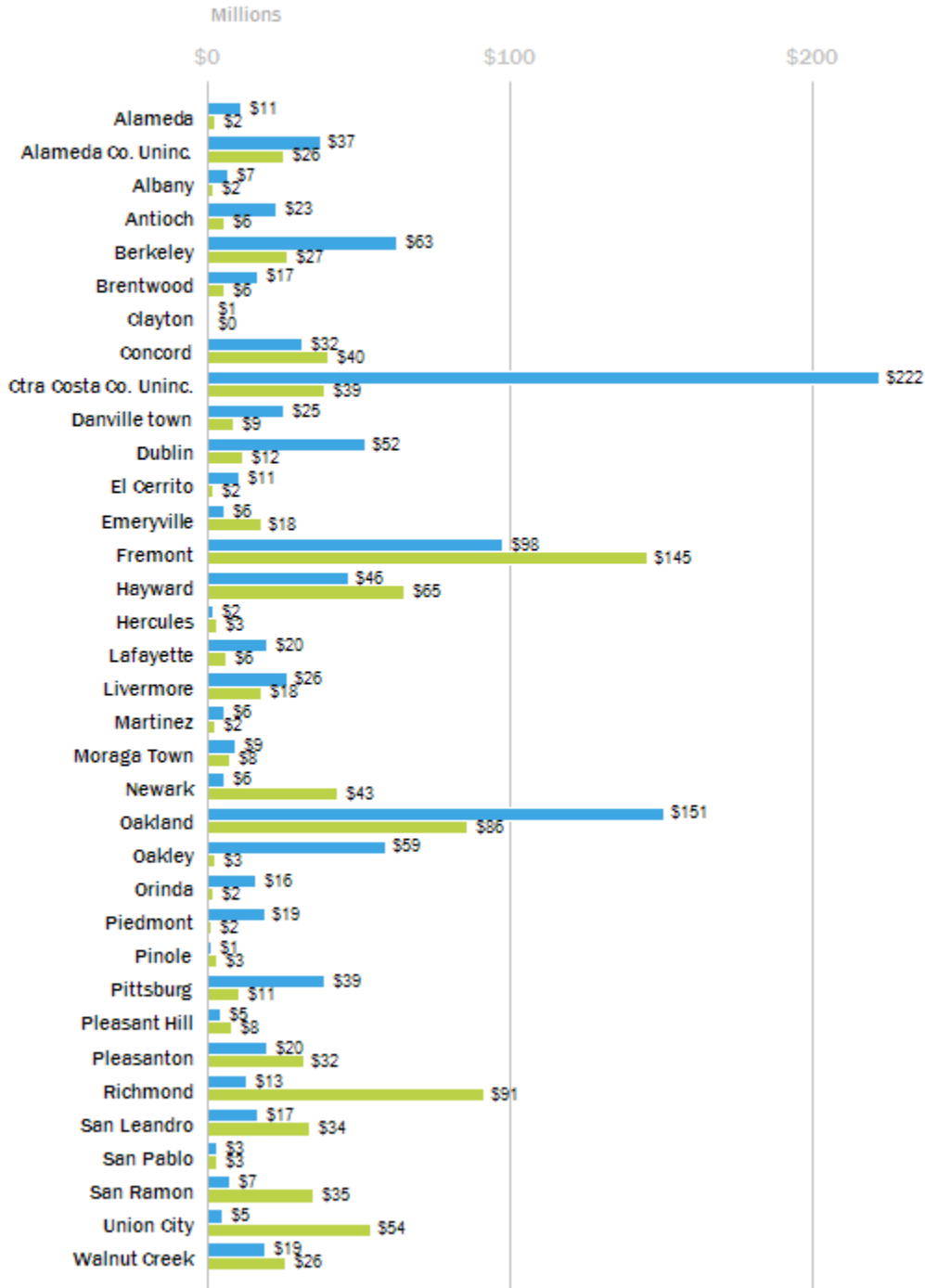


EAST BAY CONSTRUCTION

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 October 2009.

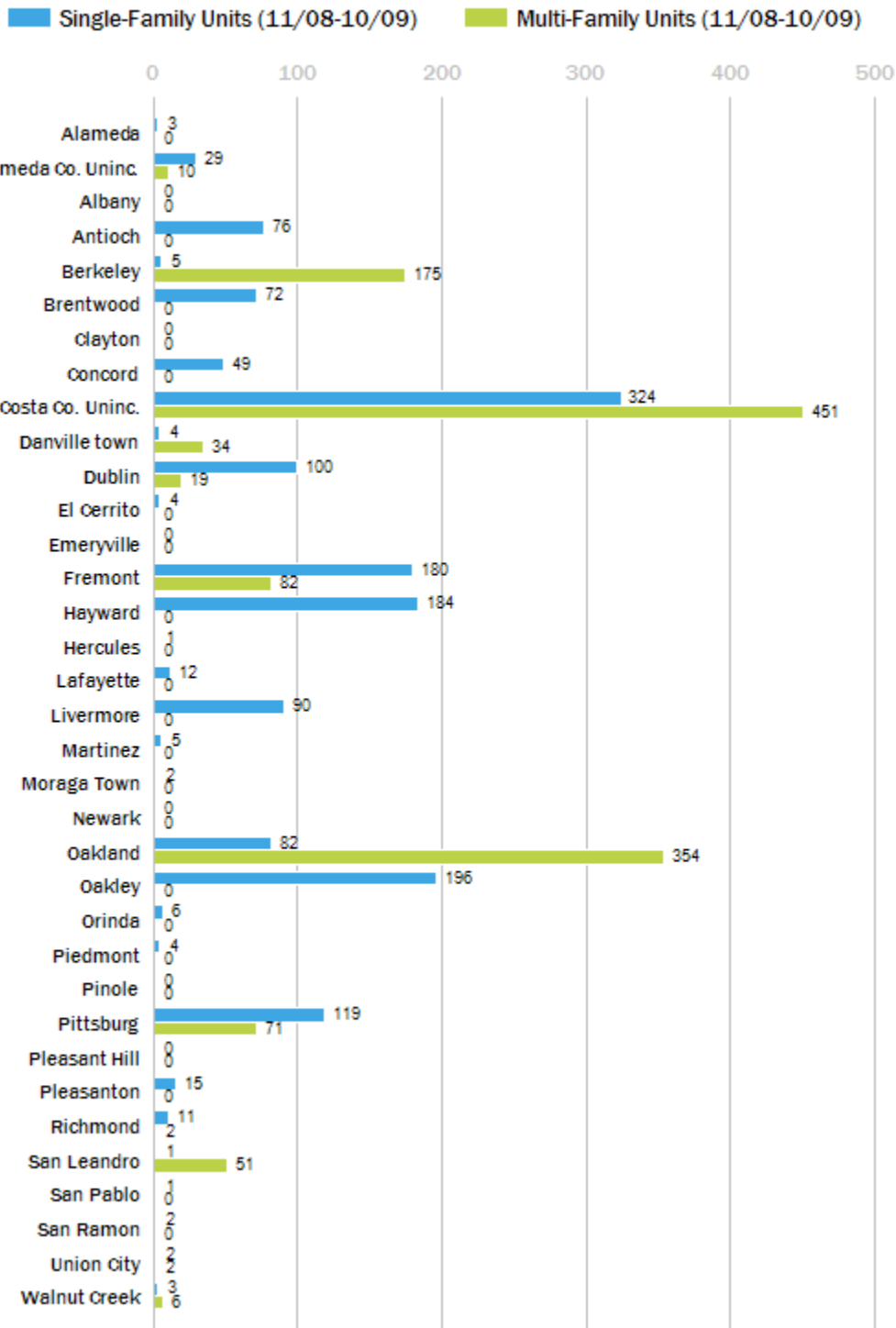
Dollar Value of Permits Issued by East Bay City

Residential (11/08-10/09) Non-Residential (11/08-10/09)



Data Source: CIRB

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



Data Source: CIRB

BAY AREA HOME SALES

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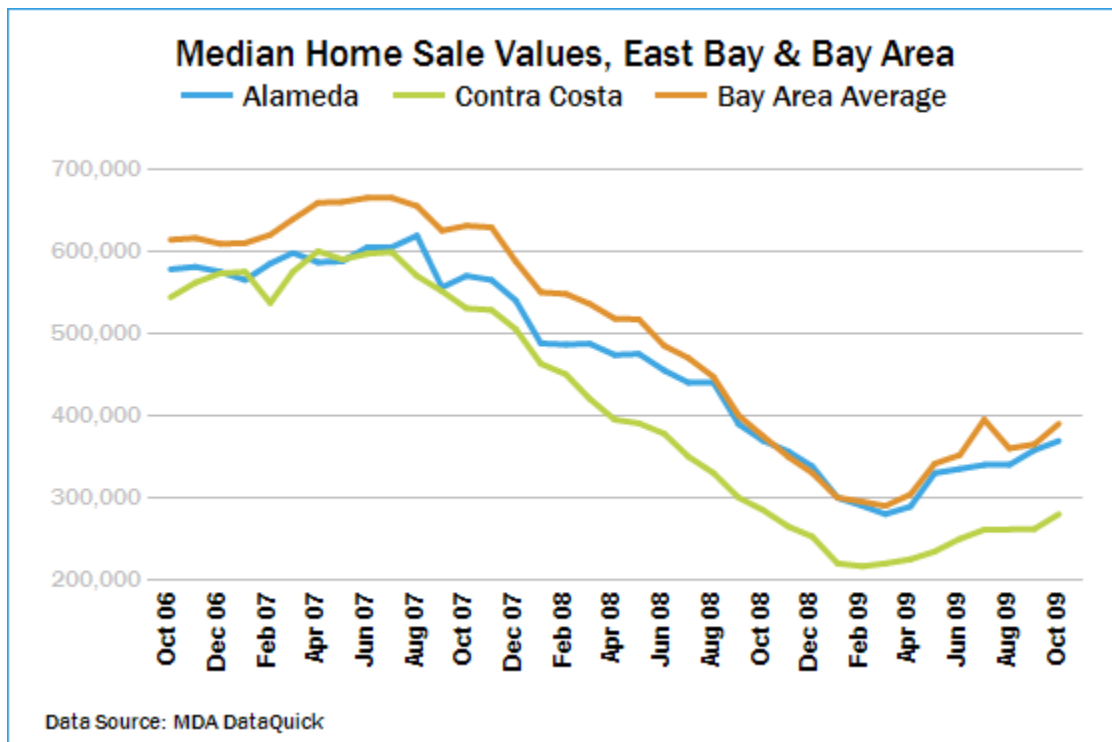
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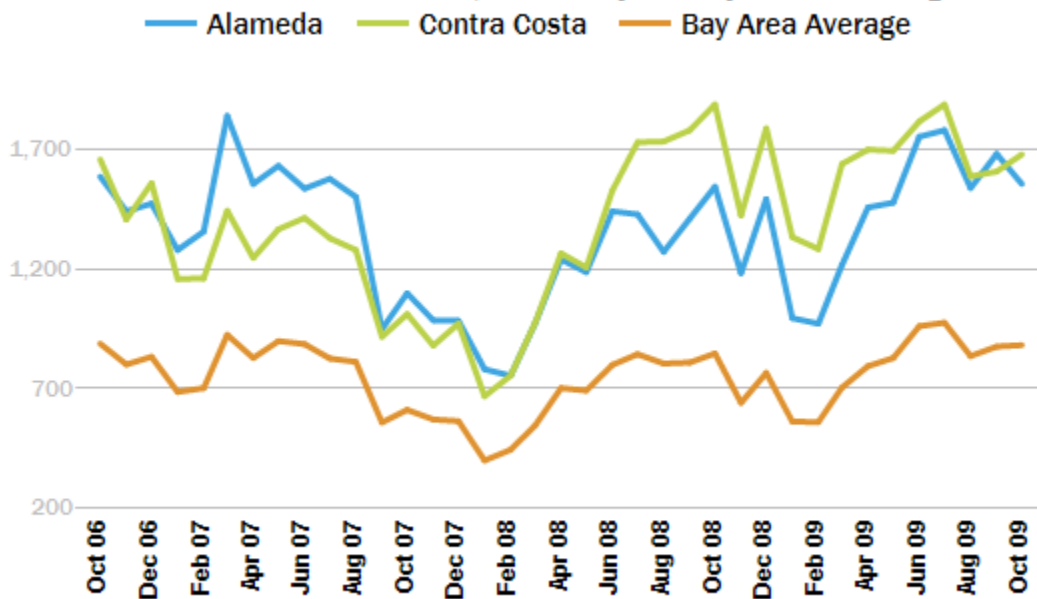
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DISCOVERY BAY	33	\$266,500	\$350,000	-23.86%
EL CERRITO	25	\$539,500	\$584,000	-7.62%

EL SOBRANTE	30	\$237,500	\$312,500	-24.00%
HERCULES	42	\$345,750	\$322,500	7.21%
LAFAYETTE	42	\$867,500	\$1,065,000	-18.54%
MARTINEZ	49	\$317,000	\$318,000	-0.31%
MORAGA	11	\$815,000	\$840,000	-2.98%
OAKLEY	109	\$255,000	\$237,500	7.37%
ORINDA	19	\$981,000	\$1,021,000	-3.92%
PINOLE	17	\$270,000	\$305,000	-11.48%
PITTSBURG	148	\$184,000	\$200,000	-8.00%
PLEASANT HILL	35	\$500,000	\$427,500	16.96%
RICHMOND	125	\$130,000	\$152,500	-14.75%
RODEO	8	\$218,000	\$276,500	-21.16%
SAN PABLO	91	\$168,000	\$200,000	-16.00%
SAN RAMON	103	\$612,000	\$681,500	-10.20%
WALNUT CREEK	103	\$485,000	\$510,000	-4.90%

Source: DataQuick / SF Chronicle