



EAST BAY MONTHLY ANALYSIS

MARCH 2010 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 (510-272-6843) or simonyee@eastbayeda.org (510-272-6342).

SNAPSHOT: THE EAST BAY IN FEBRUARY 2010

- Median home values continued to post annual increases, but sales decreased
- Unemployment decreased to 11.6 percent - down from 12 percent in January 2010
- Job losses were concentrated in Construction, Trade, Transportation, and Utilities
- Residential, commercial and industrial construction permit values continued to post year-over-year declines

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EAST BAY EDA

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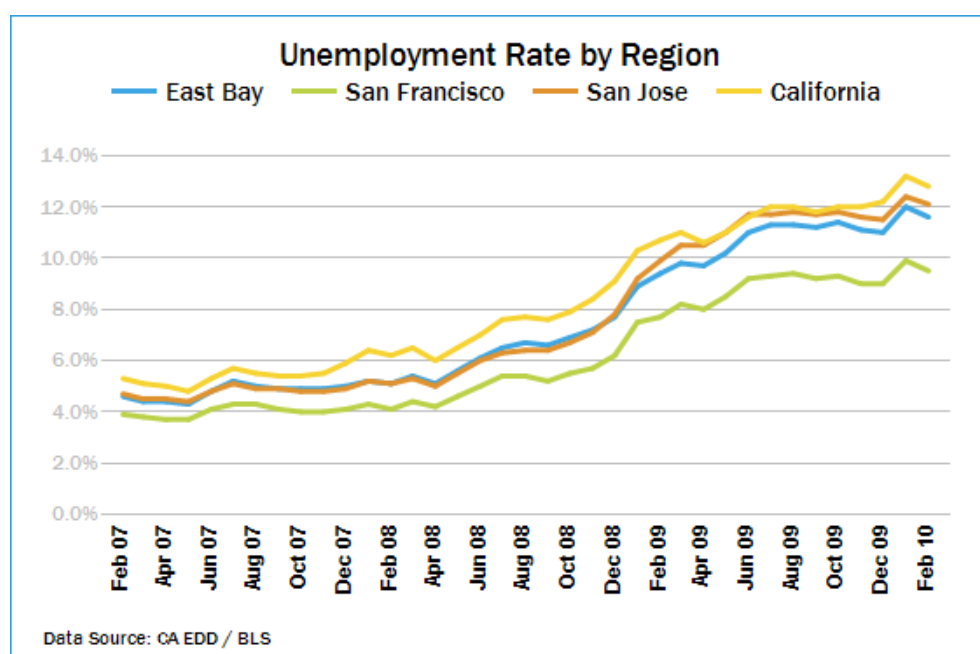
BAY AREA EMPLOYMENT

Note: The California EDD is currently going through their annual benchmark. Please note that data before January 2009 have not yet been revised.

BAY AREA UNEMPLOYMENT

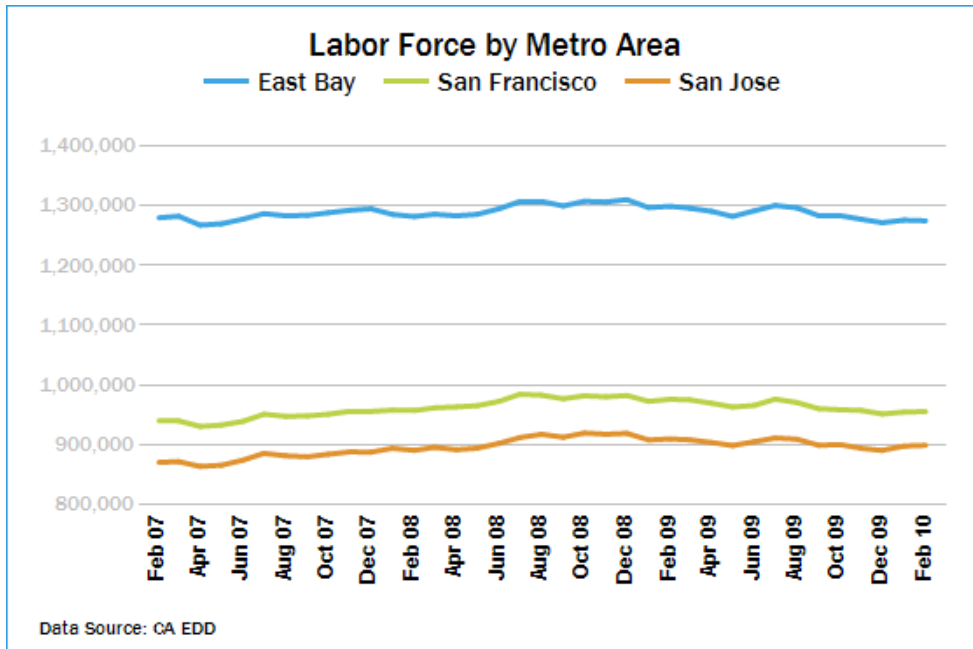
The unemployment rate in the East Bay was 11.6 percent in February 2010, down from a revised 12 percent in January 2010, and above the year-ago estimate of 9.4 percent. This compares with an unadjusted unemployment rate of 12.8 percent for California and 10.4 percent for the nation during the same period. The unemployment rate was 11.5 percent in Alameda County, and 11.7 percent in Contra Costa County.

San Francisco's unemployment rate was 9.5 percent in February – down from 9.9 percent in January, and significantly higher than the February 2009 estimate of 7.7 percent. The unemployment rate in San Jose was 12.1 percent in February, down from a revised 12.4 percent in January, and up from 9.9 percent in the February 2009 estimate.



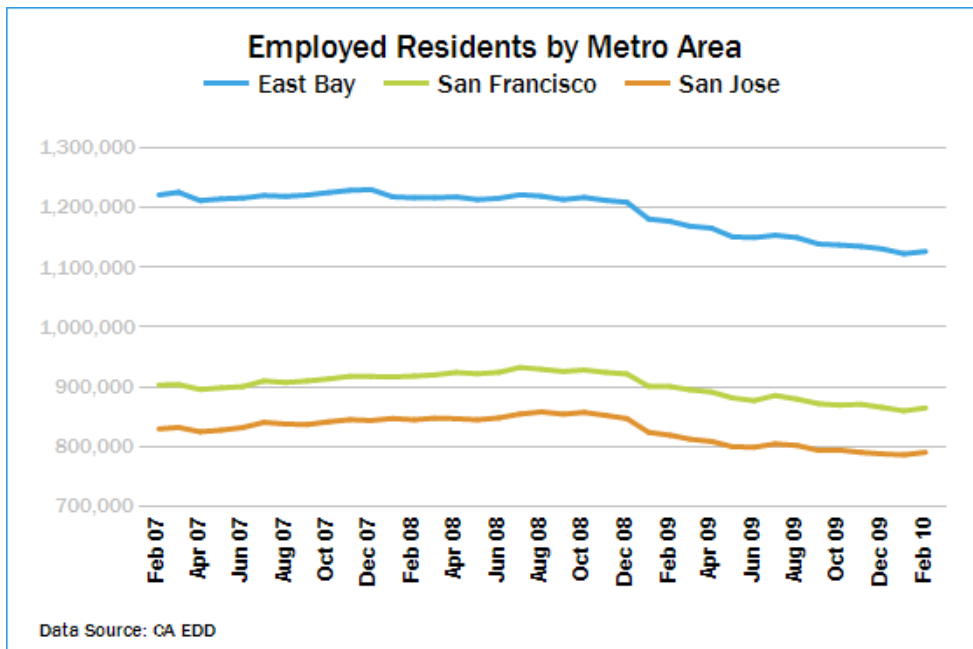
BAY AREA LABOR FORCE

In a month-over-month comparison, the East Bay's labor force (number of individuals currently employed or actively seeking employment) decreased by 1,100 workers, reducing to 1,274,200 in February 2010. San Francisco's labor force increased by 900 workers, growing to 955,200 and in San Jose the number of workers grew 1,300, to 898,700 in February. In a year-over-year comparison, each of the Bay Area regions saw a decline in the number of workers. The East Bay had 24,300 fewer workers in February 2010 than in February 2009, San Francisco lost 20,500 workers and San Jose lost 10,600 workers.



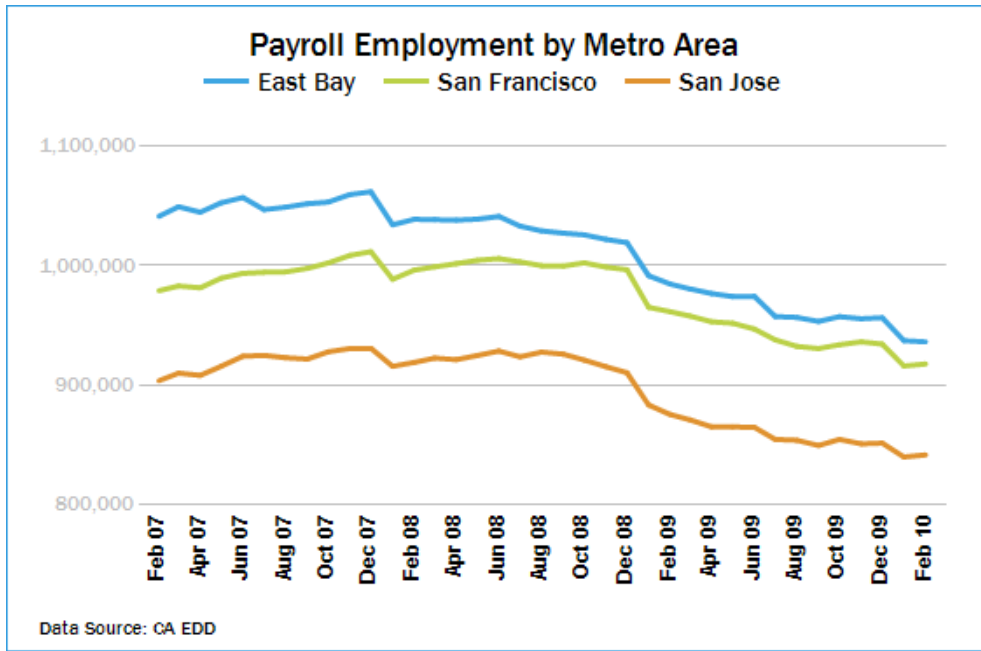
BAY AREA EMPLOYED RESIDENTS

Between January 2010 and February 2010, the number of employed residents (employed persons who reside within the region) increased 3,700 in the East Bay, 4,900 in San Francisco, and 4,100 in San Jose. When compared to February 2009, a year-over-year comparison showed the East Bay with 50,300 fewer employed residents, San Francisco with 45,700 fewer and San Jose with 28,600 fewer.



BAY AREA PAYROLL EMPLOYMENT

Between January 2010 and February 2010, the East Bay lost 1,000 payroll jobs (number of jobs located in the specified region, not including those who are self-employed), while San Francisco gained 1,700 and San Jose gained 1,700. Since February 2009, the East Bay has lost 48,300 jobs, San Francisco has lost 43,700 and San Jose has lost 33,800. A detailed description of East Bay payroll employment by sector follows in the next section.



EAST BAY PAYROLL EMPLOYMENT

Note: The California EDD is currently going through their annual benchmark. Please note the East Bay Payroll Employment graphs below only contain revised data from the past twelve months.

MONTHLY COMPARISON

According to the California Employment Development Department's Labor Market report, between January 2010 and February 2010, the total number of jobs in the East Bay lost 1,000 jobs to reach 935,900.

- Construction led the month-over cutbacks, down 1,300 jobs. Specialty trade contractors shed 800 of those jobs.
- Trade, transportation, and utilities lost 700 jobs. Retail trade trimmed a net 200 jobs, far less than its typical 2,100-job decrease between the same months over the last 20 years.
- Private education services gained 1,000 jobs, in line with this industry's typical seasonal trend.
- Manufacturing, seasonal leisure and hospitality, and other services posted gains of 500 jobs, 200 jobs, and 100 jobs, respectively.

ANNUAL COMPARISON

Between February 2009 and February 2010, the total number of jobs in the East Bay receded by 48,300 or 4.9 percent.

- Trade, transportation, and utilities contracted by 9,700 jobs. Cutbacks at motor vehicles and parts dealers accounted for more than one-fifth of the job losses in retail trade, which decreased 4,400 jobs from last February.
- Professional and business services posted a drop of 9,600 jobs, primarily within professional, scientific, and technical services.
- Construction fell by 6,500 jobs over the year, while manufacturing contracted by 5,600 jobs. Well over one-third of the manufacturing job losses occurred in computer and electronic products.
- Other industries which lost at least 2,000 jobs compared to last year included financial activities, information, and private educational and health services.

	Feb-10	1 Month Change	12 Month Change	12 Month % Change	24 Month Change	24 Month % Change
Educational and Health Services	129,200	900	-2,000	-1.50%	1,100	0.90%
Information	24,000	-100	-2,300	-8.70%	-4,300	-15.20%
Other Services	33,400	100	-1,000	-2.90%	-2,600	-7.20%
Trans, Warehousing & Utilities	31,600	-200	-2,600	-7.60%	-5,500	-14.80%
Wholesale Trade	42,200	-300	-2,700	-6.00%	-6,100	-12.60%
Financial Activities	50,800	0	-2,900	-5.40%	-7,500	-12.90%
Leisure and Hospitality	84,000	200	100	0.10%	-3,000	-3.40%
Government	168,600	-100	-8,800	-5.00%	-10,000	-5.60%
Manufacturing	80,500	500	-5,600	-6.50%	-13,900	-14.70%
Retail Trade	98,900	-200	-4,400	-4.30%	-12,400	-11.10%
Construction	47,500	-1,300	-6,500	-12.00%	-18,400	-27.90%
Professional and Business Services	142,900	-500	-9,600	-6.30%	-19,900	-12.20%
Total, All Industries	935,900	-1,000	-48,300	-4.90%	-102,500	-9.90%

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 - adding up to a loss of 6,500 jobs between February 2009 and February 2010.

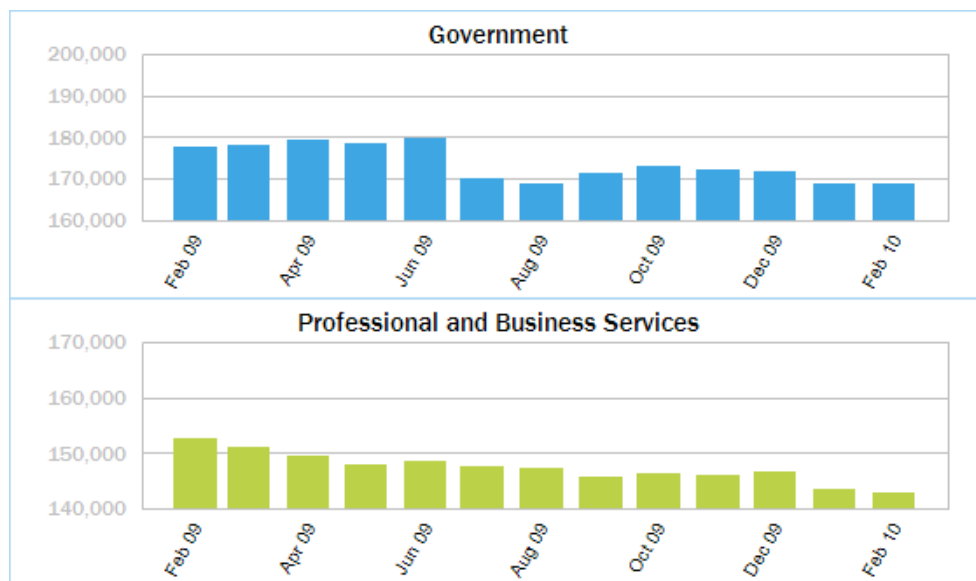
	Feb-10	1 Month Change	12 Month Change	12 Month % Change	24 Month Change	24 Month % Change
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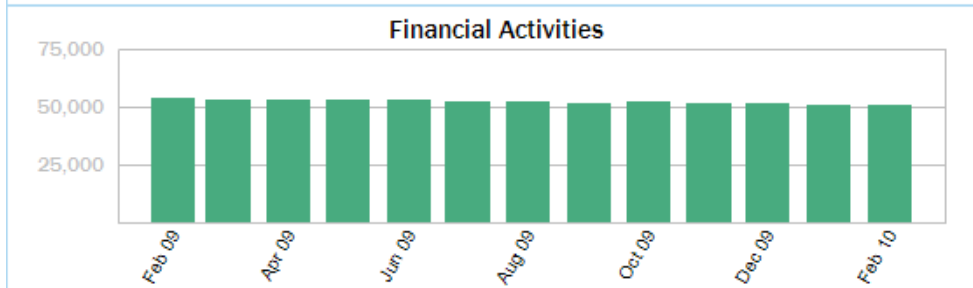
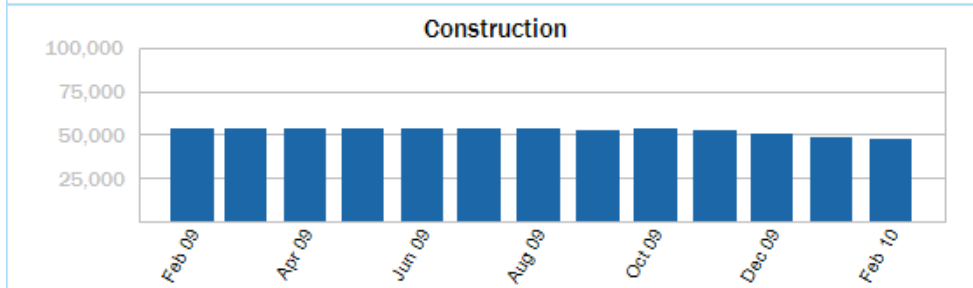
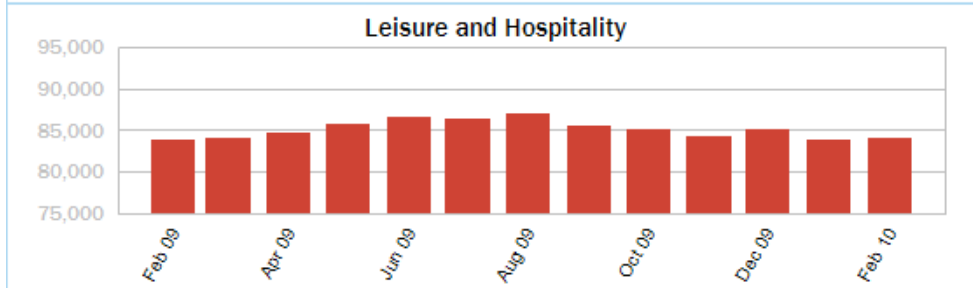
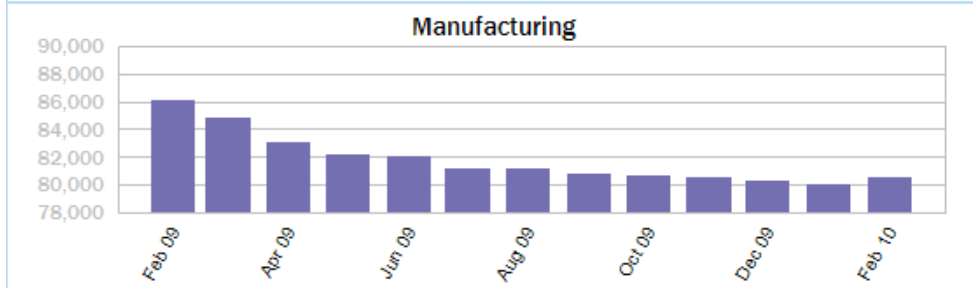
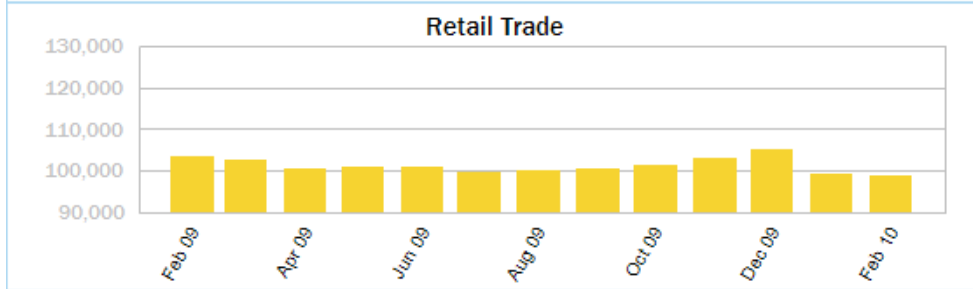
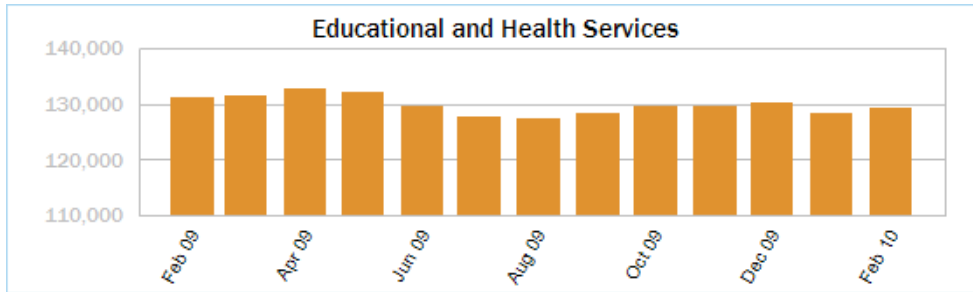
Nonresidential Building Construction	4,300	-100	-700	-14.00%	-1,300	-23.20%
Building Foundation and Exterior Contractors	6,700	-100	-700	-9.50%	-3,000	-30.90%
Building Equipment Contractors	12,600	-100	-1,200	-8.70%	-2,000	-13.70%
Residential Building Construction	6,100	-100	-1,600	-20.80%	-3,900	-39.00%
Specialty Trade Contractors - Residual	12,200	-600	-1,800	-12.90%	-5,800	-32.20%
Heavy and Civil Engineering Construction	5,600	-300	-500	-8.20%	-2,400	-30.00%
Construction of Buildings	10,400	-200	-2,300	-18.10%	-5,200	-33.30%
Specialty Trade Contractors	31,500	-800	-3,700	-10.50%	-10,800	-25.50%
Construction	47,500	-1,300	-6,500	-12.00%	-18,400	-27.90%

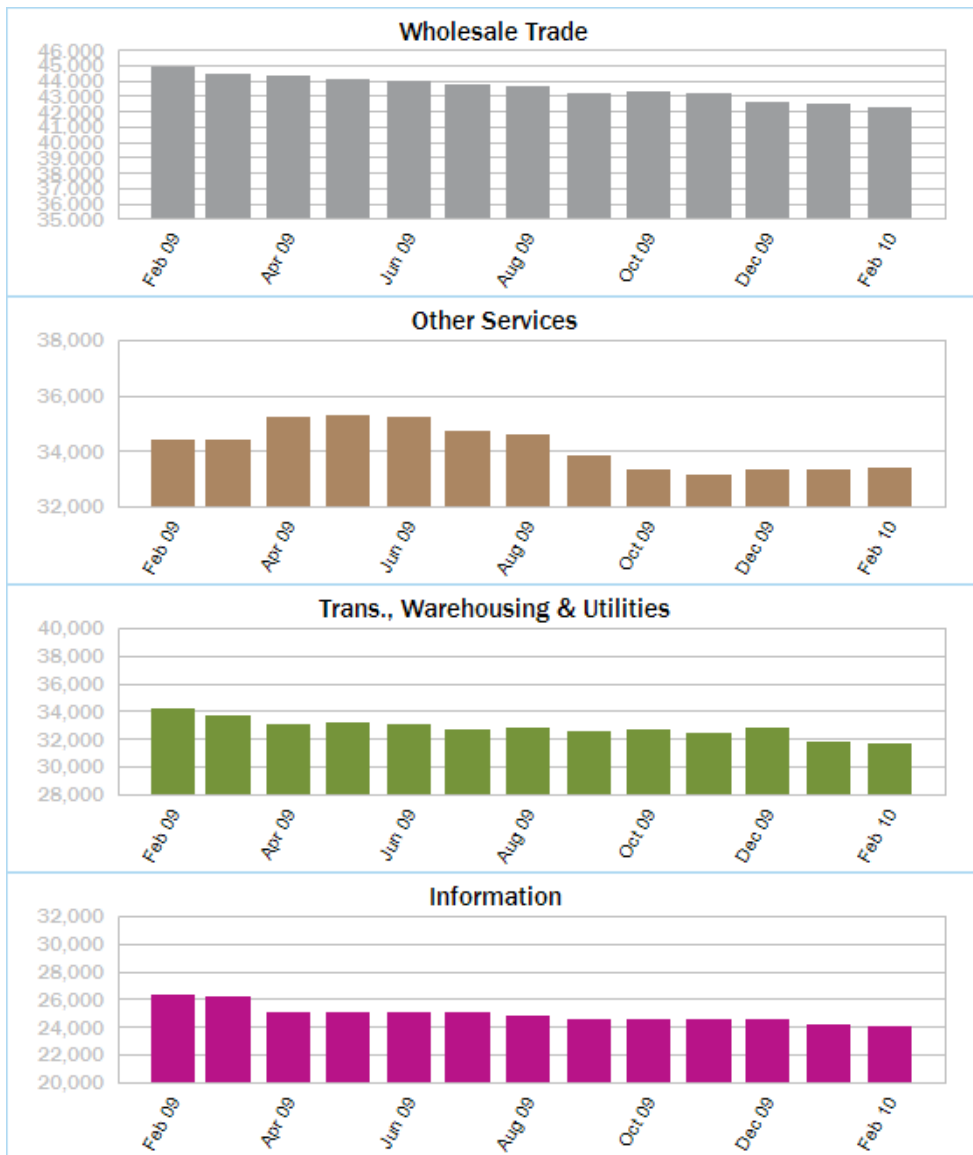
EAST BAY MANUFACTURING PAYROLL EMPLOYMENT

The East Bay's manufacturing sector showed an overall loss of 5,600 jobs between February 2009 and February 2010.

	Feb-10	1 Month Change	12 Month Change	12 Month % Change	24 Month Change	24 Month % Change
Petroleum and Coal Products Manufacturing	7,900	0	-200	-2.50%	100	1.30%
Transportation Equipment Manufacturing	6,800	0	-300	-4.20%	-1,000	-12.80%
Chemical Manufacturing	6,100	-200	-400	-6.20%	-700	-10.30%
Nondurable Goods - Residual	17,600	100	-1,000	-5.40%	-3,000	-14.60%
Computer and Electronic Product Manufacturing	16,000	100	-2,100	-11.60%	-3,900	-19.60%
Durable Goods - Residual	26,100	500	-1,600	-5.80%	-5,400	-17.10%
Nondurable Goods	31,600	-100	-1,600	-4.80%	-3,600	-10.20%
Durable Goods	48,900	600	-4,000	-7.60%	-10,300	-17.40%
Manufacturing	80,500	500	-5,600	-6.50%	-13,900	-14.70%







BAY AREA HOME SALES

BAY AREA HOME SALES

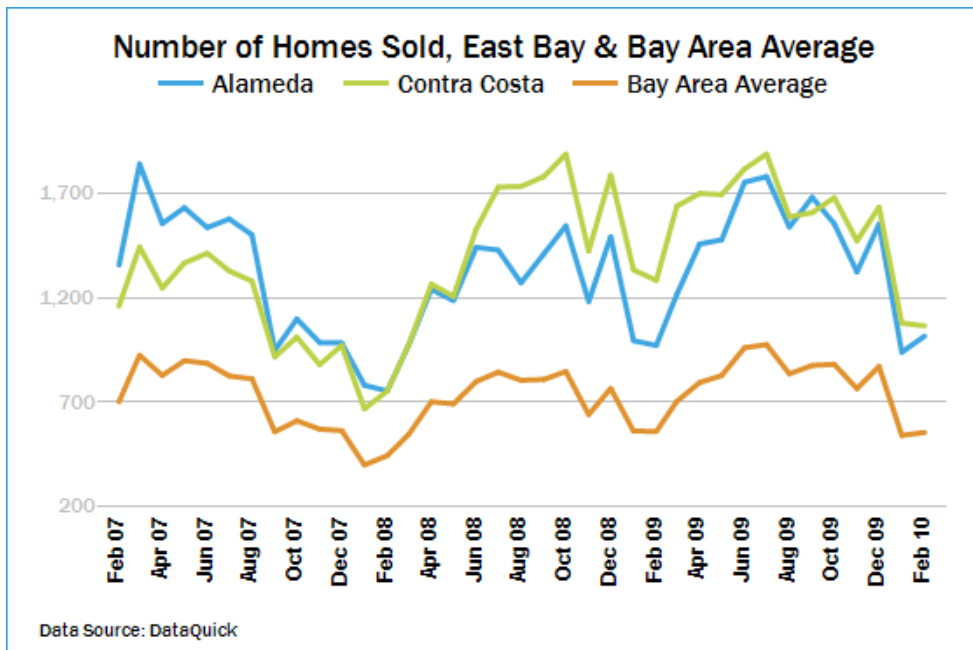
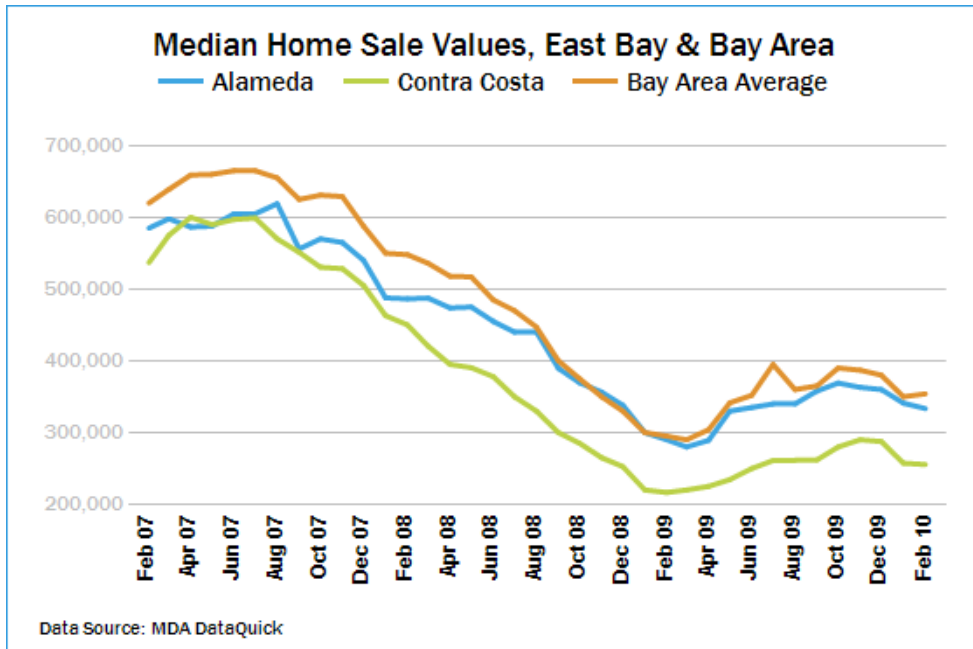
According to MDA DataQuick, the number of Bay Area homes sold in February was below average and fell below the year-ago level for the second straight month. This was due to potential buyers worrying about job security, financing, and a thin inventory of homes for sale. In a year-over-year basis, the median sale price increased for the fifth consecutive month due to fewer foreclosures being sold and more higher-end homes being turned over this year. A total of 4,987 new and resale houses and condos closed escrow in the nine-county Bay Area last month. That was up 2.8 percent from 4,853 sales in January and down 0.9 percent from 5,032 sales in February 2009.

In the East Bay, Alameda County's median value was \$333,500 in February 2010 – a 2.2 percent decrease from January and a 15 percent increase when compared to February 2009. In Contra Costa County the median home value was \$255,500 – a 0.7 percent decrease from January and an 18 percent increase when compared to February 2009.

The median price paid for a Bay Area home was \$354,000 in February 2010. That was up 1.1 percent from \$350,000 for the month of January, and up 20 percent from \$295,000 for February 2009. Last month had the second-lowest number of homes sold for the month of February since 1995, only behind the record-low 3,989 homes sold in February 2008. January and February this year were also the only two months since August 2008 in which sales have fallen year-over-year.

All Homes by County	Number Sold Feb 2010	Sales Annual Pct. Change	Median Feb 2010	Median Annual Pct. Change
Alameda	1,016	4.60%	\$333,500	15.00%
Contra Costa	1,065	-17.00%	\$255,500	18.00%
Marin	153	37.80%	\$615,000	7.30%
Napa	76	-13.6%	\$320,000	-0.80%
San Francisco	327	20.20%	\$627,500	-2.00%
San Mateo	328	5.50%	\$554,000	10.30%
Santa Clara	1,183	9.60%	\$460,000	12.50%
Solano	450	-19.20%	\$208,500	6.90%
Sonoma	389	8.10%	\$310,000	9.90%
Bay Area	4,987	-0.90%	\$354,000	20.00%

Source: MDA DataQuick



EAST BAY HOME SALES

County/City/Area	# Sold	Feb10	Feb-09	% Change
ALAMEDA COUNTY	1,008	\$331,409	\$300,000	10.47%
ALAMEDA	22	\$500,000	\$525,000	-4.76%
ALBANY	6	\$593,000	\$356,500	66.48%
BERKELEY	31	\$490,000	\$651,000	-24.73%

CASTRO VALLEY	42	\$410,000	\$425,750	-3.70%
DUBLIN	51	\$450,000	\$422,000	6.64%
EMERYVILLE	26	\$241,000	\$325,000	-25.85%
FREMONT	145	\$451,000	\$358,000	25.98%
HAYWARD	144	\$270,000	\$250,000	8.00%
LIVERMORE	76	\$442,500	\$370,000	19.59%
NEWARK	31	\$335,000	\$311,000	7.72%
OAKLAND	257	\$195,000	\$150,000	30.00%
PLEASANTON	39	\$650,000	\$567,500	14.54%
SAN LEANDRO	67	\$323,000	\$300,000	7.67%
SAN LORENZO	29	\$303,500	\$303,000	0.17%
UNION CITY	42	\$371,750	\$350,000	6.21%
CONTRA COSTA COUNTY	1,019	\$252,500	\$216,000	16.90%
ALAMO	6	\$1,077,500	\$1,245,000	-13.45%
ANTIOCH	136	\$207,500	\$189,000	9.79%
BRENTWOOD	82	\$312,500	\$325,000	-3.85%
CLAYTON	8	\$582,500	\$417,000	39.69%
CONCORD	115	\$228,000	\$205,000	11.22%
DANVILLE	39	\$755,000	\$740,000	2.03%
DISCOVERY BAY	34	\$309,000	\$301,500	2.49%
EL CERRITO	7	\$515,000	\$456,000	12.94%
EL SOBRANTE	18	\$192,500	\$225,000	-14.44%
HERCULES	21	\$338,000	\$275,000	22.91%

LAFAYETTE	16	\$662,500	\$777,500	-14.79%
MARTINEZ	31	\$250,000	\$310,000	-19.35%
MORAGA	11	\$525,000	\$358,000	46.65%
OAKLEY	57	\$225,000	\$216,000	4.17%
ORINDA	6	\$822,500	\$1,050,500	-21.70%
PINOLE	18	\$231,250	\$315,000	-26.59%
PITTSBURG	116	\$187,500	\$149,000	25.84%
PLEASANT HILL	16	\$418,750	\$450,000	-6.94%
RICHMOND	86	\$125,000	\$90,000	38.89%
RODEO	6	\$175,500	227,500	-22.86%
SAN PABLO	50	\$164,250	\$130,000	26.35%
SAN RAMON	68	\$572,500	\$561,250	2.00%
WALNUT CREEK	66	\$422,500	\$450,000	-6.11%
Source: DataQuick / SF Chronicle				

BAY AREA CONSTRUCTION PERMITS

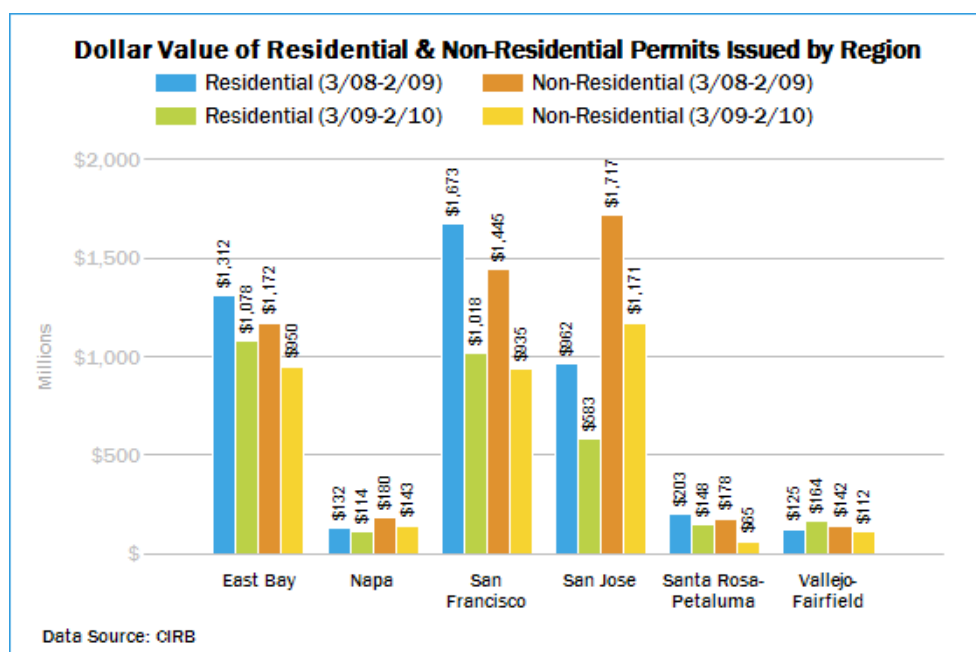
Region	Total Value of Construction Permits 3/09 – 2/10	Annual Change in Total Value of Construction Permits 3/08-2/09 vs. 3/09-2/10	Annual Percent Change
East Bay	\$2,027,923,076	-\$455,789,993	-18.4%
Napa	\$257,255,073	-\$55,015,352	-17.6%
San Francisco	\$1,953,046,846	-\$1,164,385,963	-37.4%
San Jose	\$1,754,400,274	-\$924,678,933	-34.5%
Vallejo-Fairfield	\$487,409,164	-\$160,289,010	-24.7%

The following tables and graphs compare the 12-month periods of March 2008 to February 2009 and March 2009 to February 2010.

In a comparison of these two 12-month periods, the East Bay showed a decrease in construction permit values, falling 18.4 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 37.4 percent over the previous 12-month period.

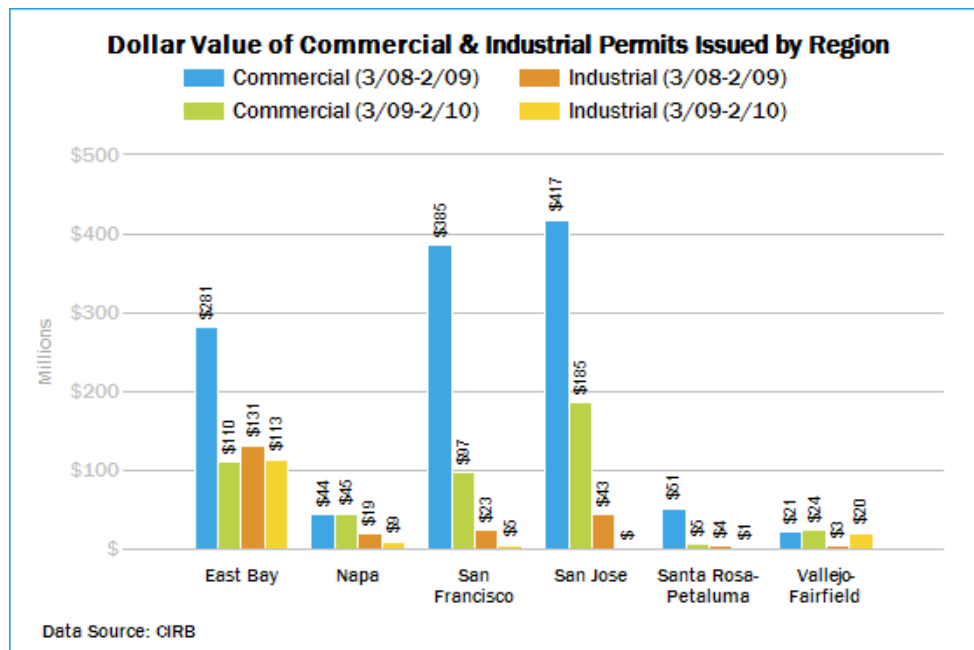
RESIDENTIAL & NON-RESIDENTIAL PERMITS

When comparing the two previous 12-month periods of March 2008 to February 2009 and March 2009 to February 2010, residential permit values fell throughout the Bay Area with the steepest declines occurring in the San Jose (down 39.4 percent) and San Francisco (down 39.2 percent) regions. In the East Bay, residential construction fell 17.9 percent. Non-residential construction permit values also declined in all Bay Area regions during this period, falling 18.9 percent in the East Bay and over 35.3 percent in the San Francisco region.



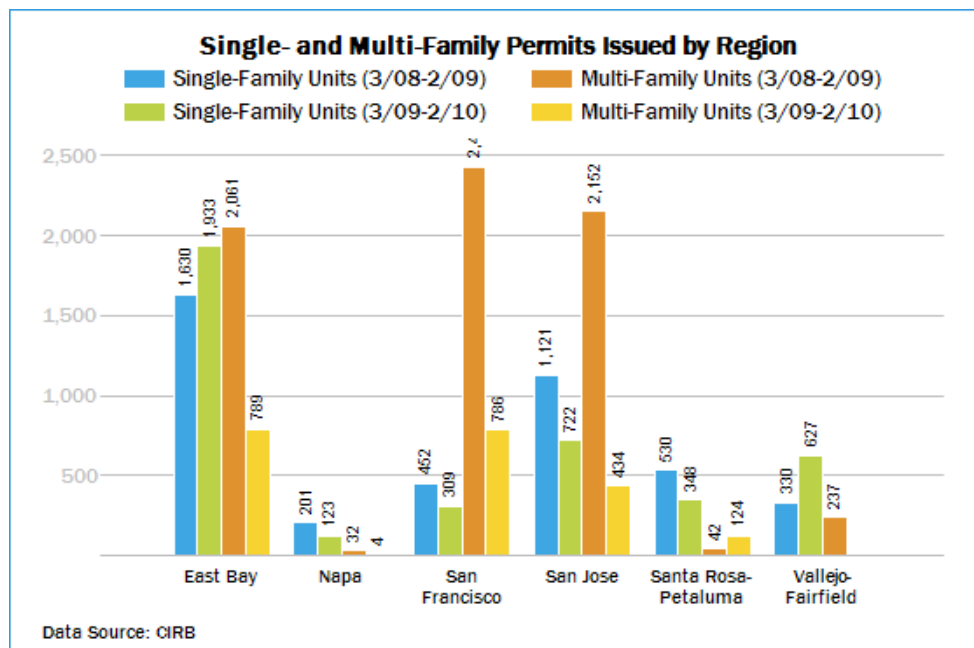
COMMERCIAL & INDUSTRIAL PERMITS

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 60.7 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 74.8 percent). Industrial permit values were also down during this period, falling 13.8 percent in the East Bay.



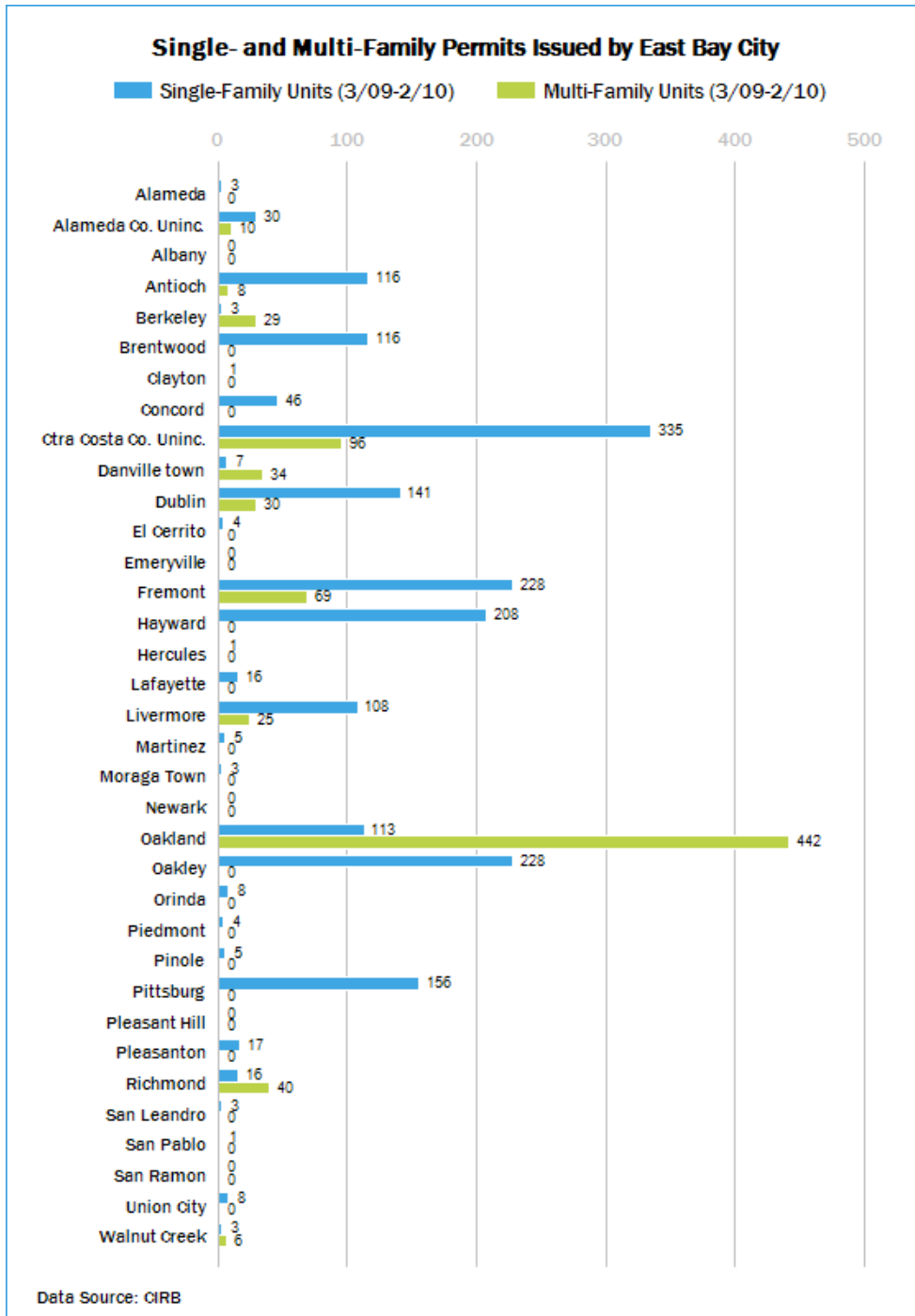
SINGLE AND MULTI-FAMILY PERMITS

All Bay Area regions saw significant overall residential construction declines when compared with the previous 12-month period. Single family building permits in the East Bay rose 18.6 percent during this period, but the number of multi-family permits issued fell 61.7 percent.

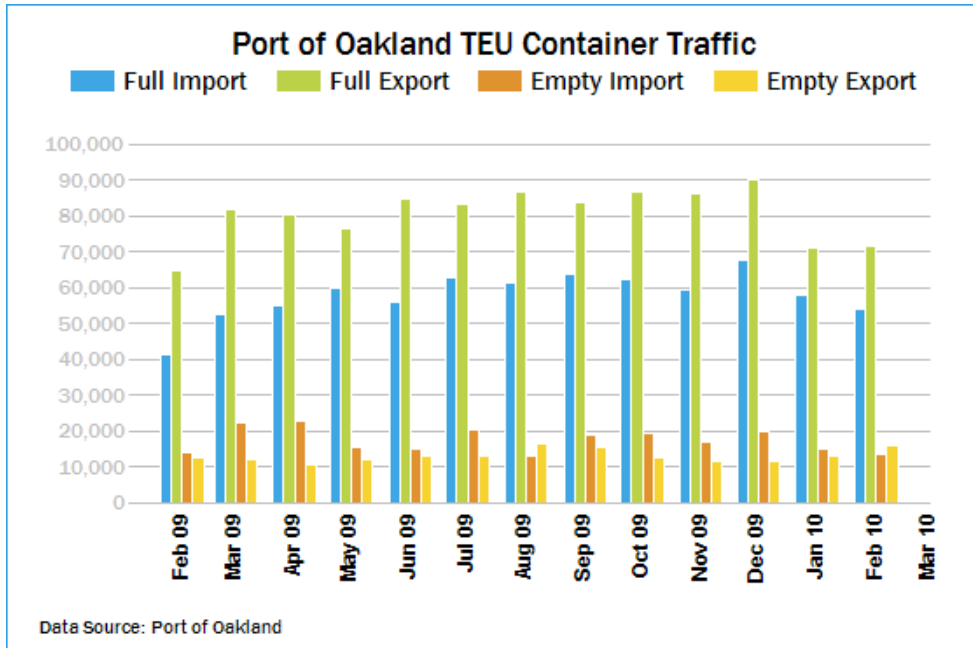


EAST BAY CONSTRUCTION

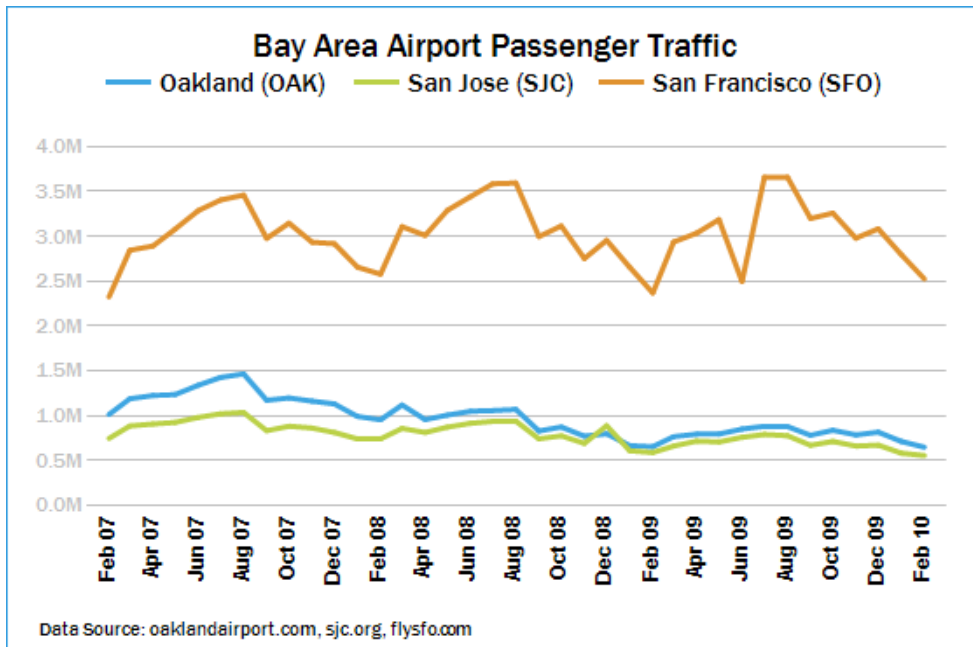
The following charts show the number and value of single, multi-family, residential, and non-residential construction permits issued



TRADE & TRAVEL



Traffic of full import containers traveling through the Port of Oakland increased at 30.6 percent between February 2009 and February 2010, while full exports increased 11 percent. Empty container imports decreased slightly at 2.7 percent and empty exports increased 27.4 percent.



At Oakland International Airport, ridership decreased 1 percent between February 2009 and February 2010. Traffic through San Francisco International Airport increased 6.6 percent annually, and at San Jose Mineta Airport traffic decreased 5.9 percent during the same period.