

FEBRUARY 2006 EAST BAY MONTHLY ANALYSIS

Prepared by the Economic Development Alliance for Business (EDAB).

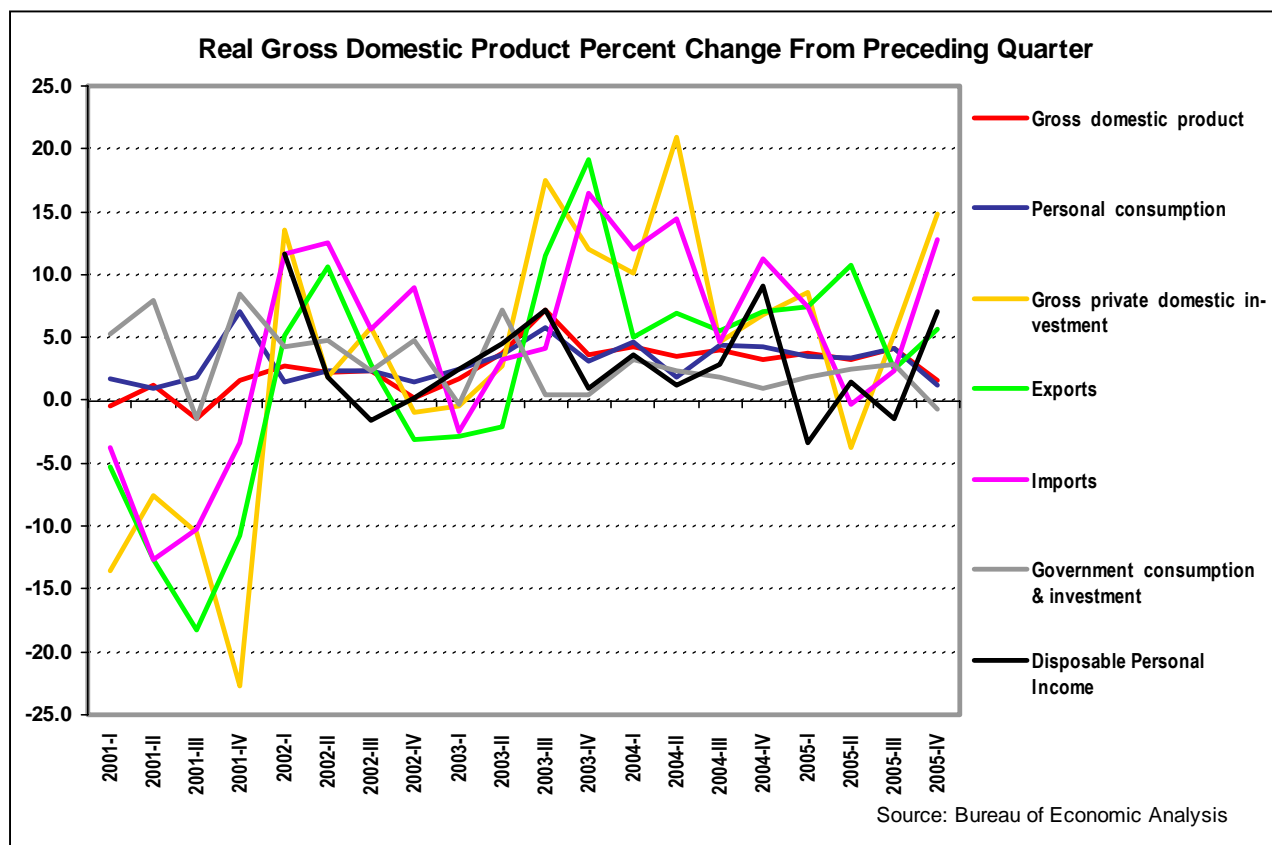
The East Bay Monthly Analysis augments the East Bay Quarterly Forecast authored by the UCLA Anderson Forecast. A free subscription and downloads of both monthly and quarterly reports are available at www.edab.org/newsletter.html. EDAB welcomes your comments and suggestions. Send your email to analysis@edab.org or call us at (510) 272-3885.

GDP SUMMARY

Real Gross Domestic Product (GDP) -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 1.6 % in the fourth quarter of 2005, according to preliminary estimates released by the Bureau of Economic Analysis (in comparison to the 4.1 % increase in the third quarter).

The increase in real GDP in the fourth quarter primarily reflected positive contributions from private inventory investment, personal consumption expenditures (PCE), exports, equipment and software, and residential fixed investment that were partly offset by a negative contribution from federal government spending. Imports, which are a subtraction in the calculation of GDP, increased.

The decline in real GDP growth in the fourth quarter primarily reflected a deceleration in PCE, an acceleration in imports, a downturn in federal government spending, and decelerations in equipment and software and in residential fixed investment that were partly offset by an upturn in inventory investment.



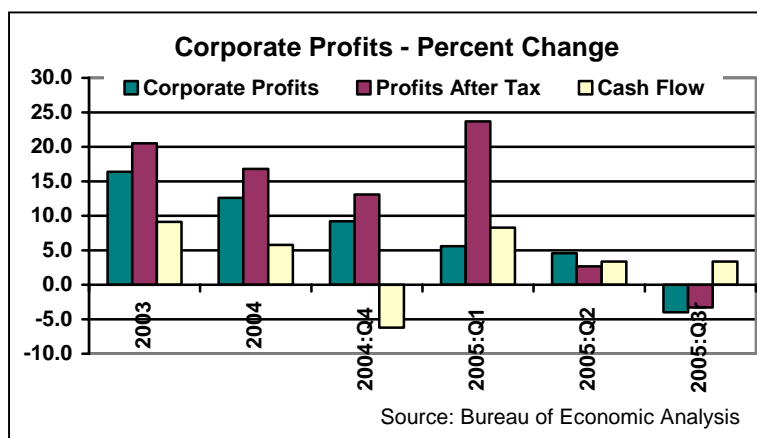
Real personal consumption expenditures increased 1.2% in the fourth quarter, compared with an increase of 4.1% in the third. Real nonresidential fixed investment increased 5.4 percent in the fourth quarter, compared with an increase of 8.5 percent in the third. Nonresidential structures increased 3.3 percent, compared with an increase of 2.2 percent. Equipment and software increased 6.2 percent, compared with an increase of 10.6 percent. Real residential fixed investment increased 2.6 percent, compared with an increase of 7.3 percent. Also, real exports of goods and services increased 5.7 percent in the fourth quarter, compared with an increase of 2.5 percent in the third. Real imports of goods and services increased 12.8 percent, compared with an increase of 2.4 percent

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) decreased -\$54.4 billion in the third quarter of 2005, in contrast to an increase of \$59.3 billion in the second.

Profits after tax with inventory valuation and capital consumption adjustments decreased \$42.2 billion in the third quarter, in contrast to an increase of \$49.4 billion in the second.

Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- increased \$44.0 billion in the third quarter, compared with an increase of \$41.7 billion in the second.



COST OF LIVING

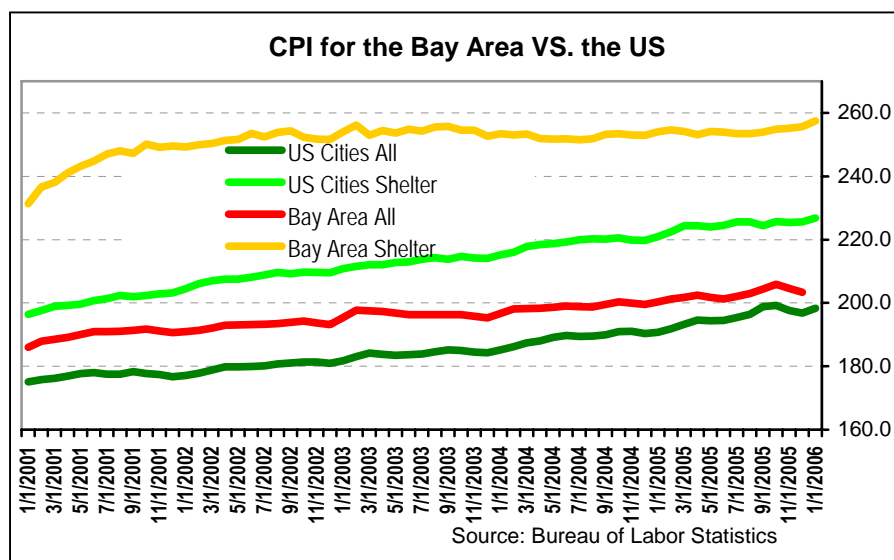
The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.8 % in January, before seasonal adjustment. The January level of 198.3 (1982-84=100) was 4.0 percent higher than in January 2005.

On a seasonally adjusted basis, the CPI-U advanced 0.7 % in January, following declines in each of the previous two months. Energy costs increased 5.0 % in January, its first advance since September and accounted for about 70 % of the advance in the overall CPI-U.

Within energy, the index for petroleum-based energy increased 5.7 % and the index for energy services rose 4.2 %. The food index rose 0.5 % in January after

increasing 0.1 % in December. The index for all items less food and energy increased 0.2 % in January, following a 0.1 % increase in December, reflecting upturns in the indexes for new vehicles and for apparel. The index for shelter increased 0.1 % in January, following a 0.3 % rise in December.

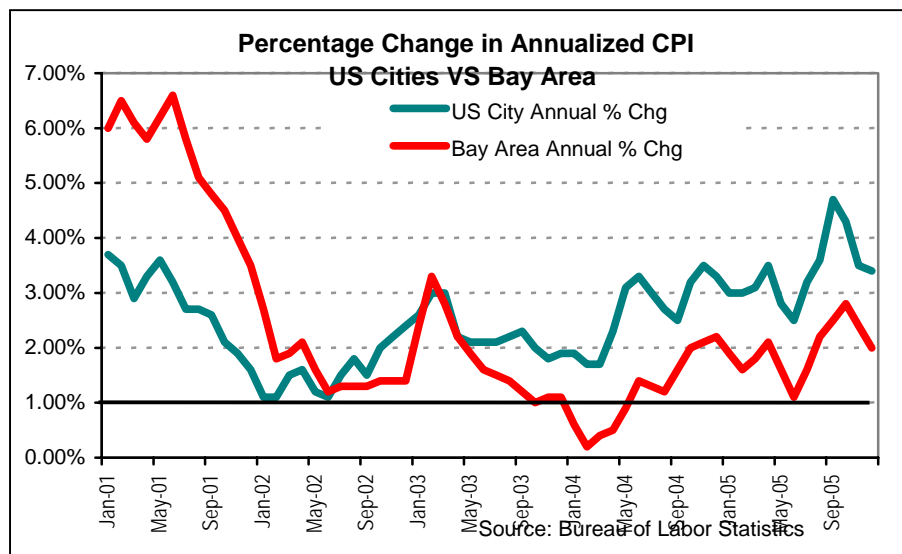
The index for fuels and utilities, which decreased 1.3 % in December, increased 3.4 % in January 2006. Fuel oil declined for the fourth consecutive month--down 1.9 % in January, while electricity and natural gas each increased in January, advancing 5.5 and 1.7 %, respectively.



	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06
US Cities All	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	198.3
US All Cities Shelter	221.0	222.5	224.4	224.4	224.0	224.5	225.6	225.6	224.4	225.7	225.4	225.6	226.8
Bay Area All	200.3	201.2	201.8	202.5	201.8	201.2	202.1	203.0	204.4	205.9	204.6	203.4	N/A
Bay Area Shelter	254.0	254.6	254.1	253.1	254.1	253.9	253.4	253.4	253.9	254.8	255.1	255.6	257.5

The annual growth rate of the Bay Area's CPI decreased from 2.4% in November to 2.0% in December while the US City average decreased only slightly from 3.5% to 3.4%.

In February 2003, the Bay Area's CPI was 197.7, 14.7% above the US City figure of 183.1. Since then, consistently lower monthly rates have reduced that lead to only 3.35%, with the Bay Area reaching 203.4 vs. the US City index of 196.8 (the CIP index compares prices with an average of the 36-month period covering the years 1982, 1983, and 1984, which is equal to 100). (Note: data is only available bi-monthly for Bay Area All and Bay Area Less Shelter, so odd months are averaged.)



Percentage Change from the previous year's corresponding month	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05
US City Annual % Chg	3.3%	3.0%	3.0%	3.1%	3.5%	2.8%	2.5%	3.2%	3.6%	4.7%	4.3%	3.5%	3.4%
Bay Area Annual % Chg	2.2%	1.9%	1.6%	1.8%	2.1%	1.6%	1.1%	1.6%	2.2%	2.5%	2.8%	2.4%	2.0%

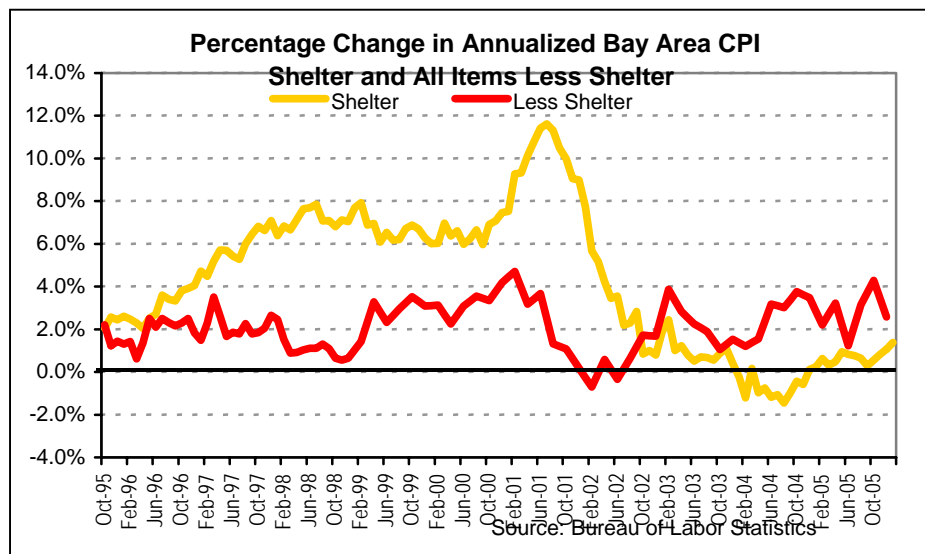
The annually averaged CPI rates increased for both the US and the Bay Area from 2004 to 2005 – a 0.8 percentage point increase in the Bay Area and a 0.7 increase in the US City average (not seasonally adjusted).

% Change In Annual Ave. CPI	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
US City Average	3.0%	2.3%	1.6%	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%
Bay Area	2.3%	3.4%	3.2%	4.2%	4.5%	5.4%	1.6%	1.8%	1.2%	2.0%

Shelter cost increases have been below that of All Items Less Shelter in the Bay Area for 49 months – since October 2002.

Since then, Bay Area All Items Less Shelter has increased from 171.2 to 183.1 in December 2005, a 7.0% increase, while Shelter costs rose from 252.3 to 255.6 – a 1.3% increase.

The December 2004 to December 2005 percentage increases were 1.1% for Bay Area Shelter costs, a significant increase from 0.55% in the October 2004 to October 2005 comparison, while the cost of All Items Less Shelter decreased from 4.29% in the October to 2.6% in the December comparison.

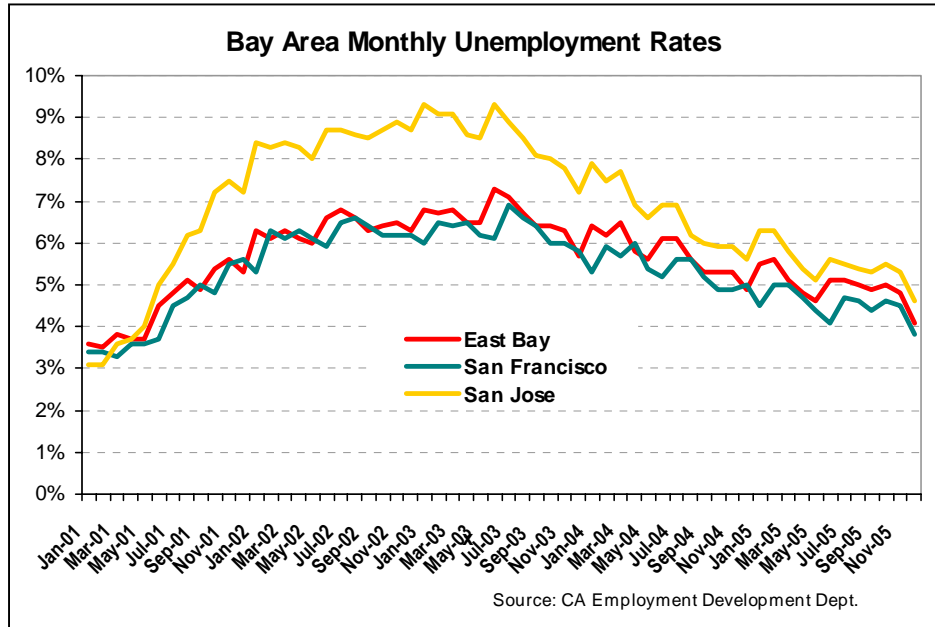


WORKFORCE, UNEMPLOYMENT AND EMPLOYED RESIDENTS

Unemployment rates (not seasonally adjusted) for the major Bay Area MSAs all decreased by 0.7% from November 2005 to December 2005, after remaining fairly stable for about six months. In the East Bay, the rate decreased from 4.8% for November to 4.1% in December 2005, San Jose's went from 5.3% to 4.6%, and San Francisco (which continued to have the lowest rate of the three) went from 4.5% to 3.8%.

California's unemployment rate also decreased from 5.1% in November to 4.8% in December 2005, while the national rate declined from 4.8% to 4.6%.

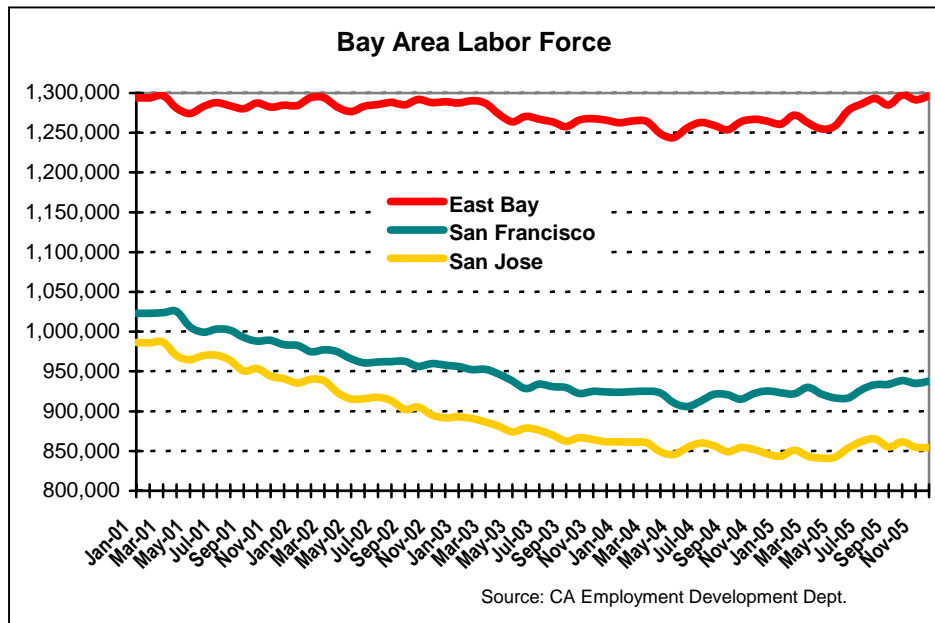
Within the East Bay, the December unemployment rate was 4.2 percent in Alameda County and 4.0 percent in Contra Costa County.



The Bay Area's Labor force numbers have improved as a whole since May 2004, though San Jose has changed very little.

The region that suffered the most in the recent recession, San Jose, still has 132,300 fewer workers than it had in January 2001. San Jose experienced a 500-person decrease in its workforce from November to December, but has added 7,800 to its workforce since December 2004 and only 8,700 since May 2004.

San Francisco's labor force is also a long way from recovering its previous numbers, as it still has 85,600 fewer workers than in January 2001. But San Francisco has added 26,900 since May 2004, with 12,100 in the last year and 2,700 in the last month



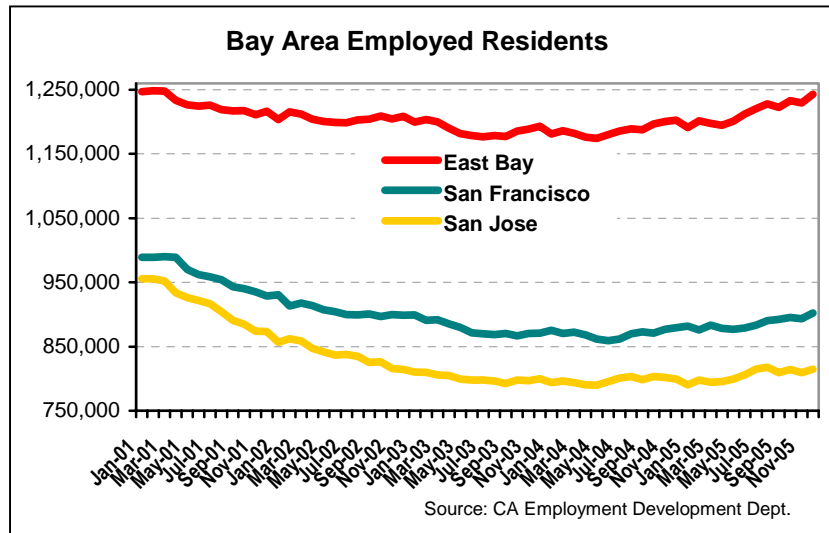
The East Bay finally regained its January 2001 workforce of 1,293,200 in October 2005 and in December 2005, it exceeded that amount by 2,600. The East Bay has added almost twice as many to its workforce as San Francisco, with a total of 52,300 since December 2004, and 5,100 added in the last month.

In 2000, San Jose imported 23% of its workforce from outside Santa Clara County. The East Bay provided the majority of these workers, so its unemployment rate and number of employed residents was impacted significantly by the jobs lost in San Jose.

The comparison of employed residents for the three MSA's is similar – with only the East Bay close to approaching 2001 levels.

In the January 2001 to October 2005 comparison, the East Bay had only 12,300 fewer employed residents, while San Francisco had 90,800 fewer employed and there were 139,600 fewer employed residents in San Jose.

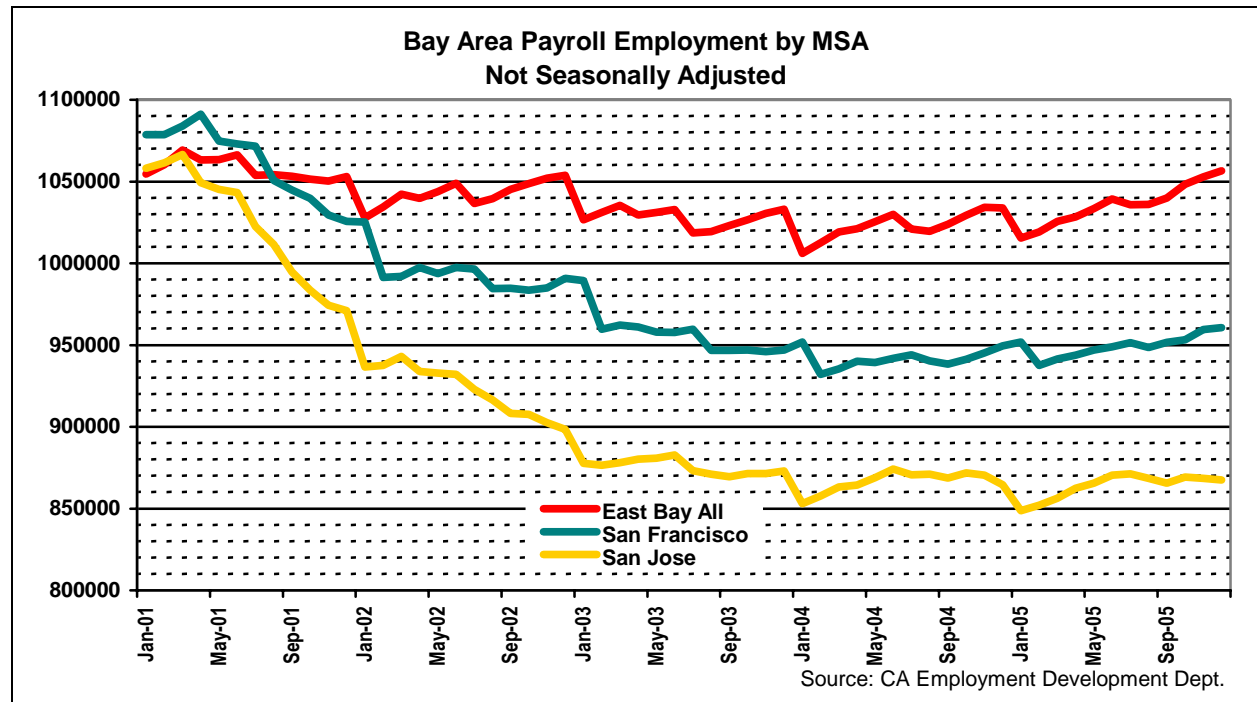
In a comparison of the last 12 months, there were 37,700 more residents in the East Bay, 21,100 in San Francisco and 12,700 in San Jose were employed. Within the last month, 11,800 more East Bay residents had jobs, while 5,700 more in San Francisco and 6,600 more San Jose were employed.



The above chart shows how many people who live in the MSA have jobs. The following section provides an analysis of the number and types of jobs that are in each MSA.

PAYROLL EMPLOYMENT

In January 2001, San Francisco had the most jobs in the Bay Area (1,078,600) San Jose had 1,058,100 and the East Bay had 1,054,600



In December 2005, the East Bay exceeded its January 2001 number by 31,100, reaching a total of 1,056,600 jobs. San Francisco had 960,600 jobs ((118,000 fewer) and San Jose 867,500 (190,600 less).

From December 2004 to December 2005, the East Bay added 22,700 jobs, San Francisco 11,000 and San Jose 2,900. From November 2005 to December 2005, the East Bay had 3,800 more, San Francisco 1,200 more and San Jose lost 1,000. While this news is great for the East Bay and San Francisco has definitely turned the corner, San Jose has yet to make any significant improvement in job production – its increase in employed residents are from those working outside the MSA.

EAST BAY PAYROLL EMPLOYMENT BY SECTOR

January 2001 to December 2005 and December 2004 to December 2005 East Bay Analysis

The highly developed high-tech and value-added industries in the Bay Area were hit very hard with the high-tech recession of 2001-2004. In the East Bay, the industry sectors most impacted by the recession were Information, Manufacturing, and Professional and Business Services.

Wholesale Trade and the Transportation, Warehousing & Utilities sectors have also have been impacted by recession and the rising cost of land in the Bay Area, so quite a few of these jobs were moved out to the Central Valley where land is relatively cheaper. However, rising transportation costs (especially for those products that need to be shipped back into the Bay Area) and “just-in-time” delivery requirements are encouraging some of these businesses to move back into the East Bay.

Industry Sector	Change in Employment from 1/2001 to 12/2005	Percent Change from 1/2001
Educational and Health Services	17,100	15.7%
Financial Activities	15,600	27.8%
Leisure and Hospitality	10,600	14.3%
Construction	8,300	12.4%
Retail Trade	4,100	3.6%
Other Services	2,900	8.7%
Government	1,600	0.9%
Trans, Warehousing & Utilities	-7,000	-16.5%
Wholesale Trade	-7,500	-13.4%
Information	-9,400	-23.7%
Professional and Business Services	-12,600	-7.8%
Manufacturing	-19,800	-16.5%

Source: CA Employment Development Dept.

The East Bay's manufacturing businesses that made high-tech products, component parts or provided the machinery for component and product manufacturers, lost the most jobs of the East Bay industry sectors since 2001. The manufacturing sector lost -19,800 jobs since January 2001, and that -16.5% loss is only recently beginning to be recover with 500 jobs gained in the last 12 months and no change in the last month.

Within the Manufacturing sector, the Communications Equipment sub-sector took the hardest hit because too much production capacity was built. This sub-sector lost -8,400 jobs (-32.8% of that sector's employment) since 2001. It lost -200 more in 2005 but regained 100 in the last month.

Of the other sub-sectors in Manufacturing, Industrial Machinery Manufacturing lost -2,600 (-47%), Computer and Peripheral Equipment Manufacturing lost -900 (-13.6%) and Residual-Miscellaneous Manufacturing lost -4,900 (-17.5%). The latter sub-sector has continued to lose jobs, -500 in the last year and -100 in the last month. Transportation Equipment Manufacturing actually gained 400 jobs (5.6%) also since January 2001.

Another industry sector hard hit in the recession, Professional and Business Services, includes technology related subgroups like Computer Systems Design and Related Services that lost –3,400 jobs (-17.3%) and Management of Companies and Enterprises (lost –5,000 jobs, -18.6%) and the hardest hit sub-sector, Employment Services, lost -12,600 since 2001, a –7.8% decrease.

The Information sector, a much smaller job creator, experienced the third biggest decline (–9,400), and it lost almost a quarter of its jobs (-23.7%). In the last 12 months, this sector lost another 100 jobs, but from November to December 2005, it finally showed a 100-job gain.

When data comparisons are made just within the last 12 months, Educational and Health Services is still the leading growth sector with 6,300 more jobs, mainly in healthcare and social assistance (up 4,700 jobs). But Construction jumped up past Financial Activities and Leisure and Hospitality to second on the job growth list, due largely to growth in the Specialty Trade Contractors sub-sector (up 2,800).

Industry Sectors that lost jobs included Information (-100), Other Services (-400 jobs) - with declines in Religious, Grant-Making, Civic And Similar Organizations (down 600), and Personal And Laundry (down 100 jobs), slightly offset by 300 new jobs in Repair And Maintenance – and Wholesale Trade, down -600.

Primary Industry Sectors	Change from December 2004 to December 2005	Change from January 2001
Educational and Health Services	6,300	17,100
Construction	5,000	8,300
Financial Activities	3,300	15,600
Leisure and Hospitality	3,100	10,600
Retail Trade	2,500	4,100
Professional and Business Services	1,800	-12,600
Government	900	1,600
Manufacturing	500	-19,800
Trans, Warehousing & Utilities	400	-7,000
Information	-100	-9,400
Other Services	-400	2,900
Wholesale Trade	-600	-7,500

Source: CA Employment Development Dept.

November 2005 to December 2005 East Bay Analysis

In the last month, the total number of East Bay payroll jobs increased by 3,800, or 0.4%, to reach a high of 1,056,600 jobs.

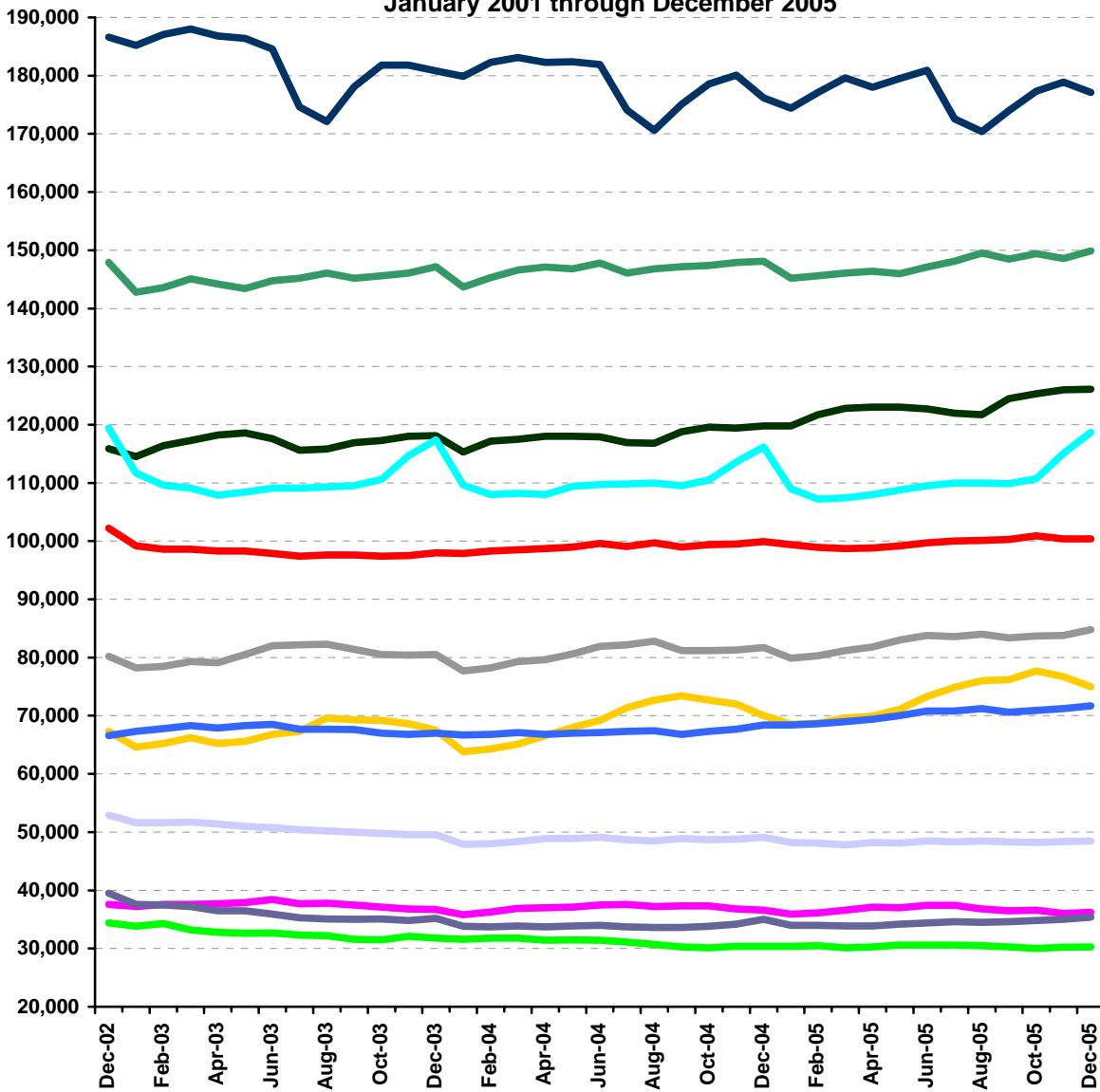
Much of that growth is associated with the holidays, with Retail Trade (up 3,600 jobs), and Leisure and Hospitality up 1,000 and Professional And Business Services 1,300 jobs, primarily in Administrative And Support Services (up 600 jobs, 300 of which were in Employment Services).

But Government continued to lose jobs (-1,800), -300 in State employment and –1,500 in Local Government, of which Local Government Education was down -1,300 jobs and County employment, -200).

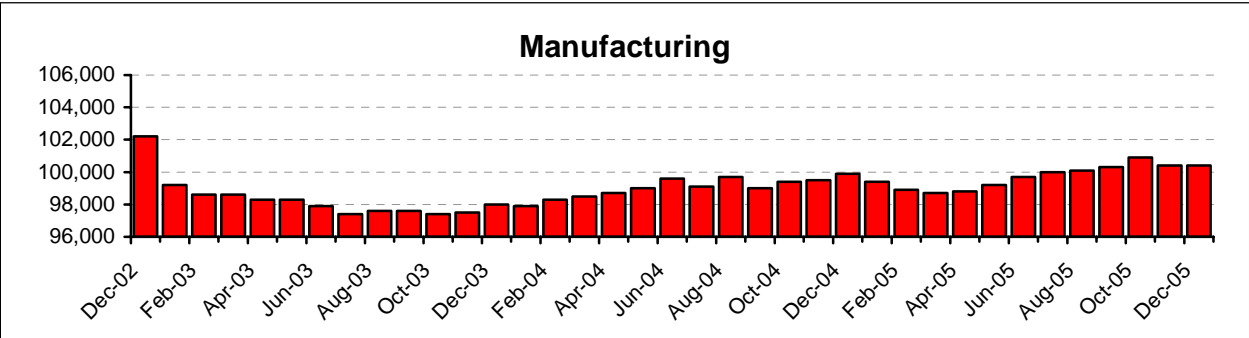
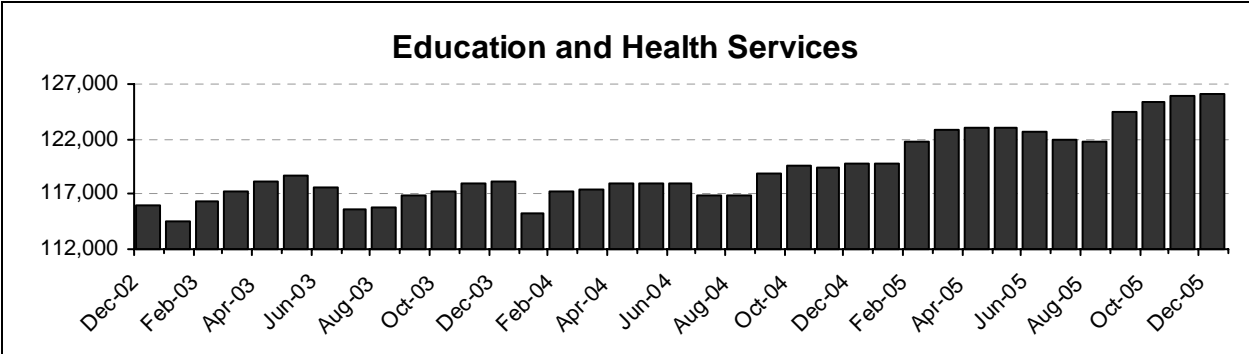
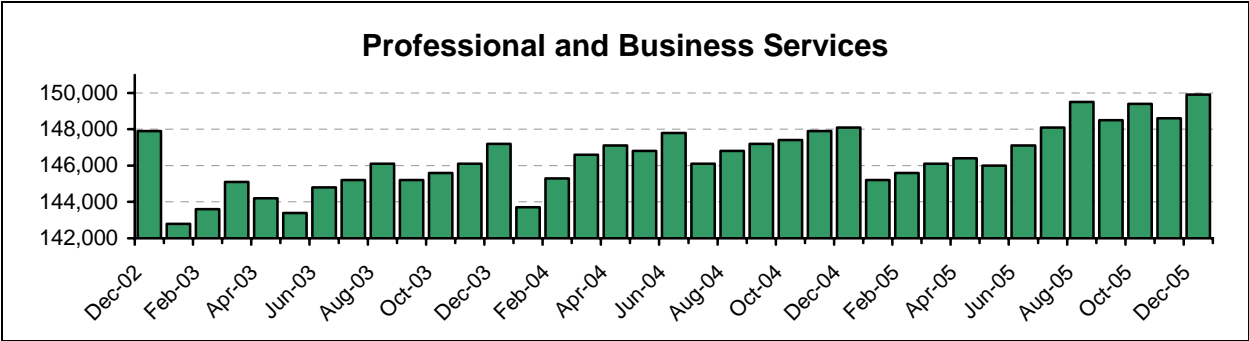
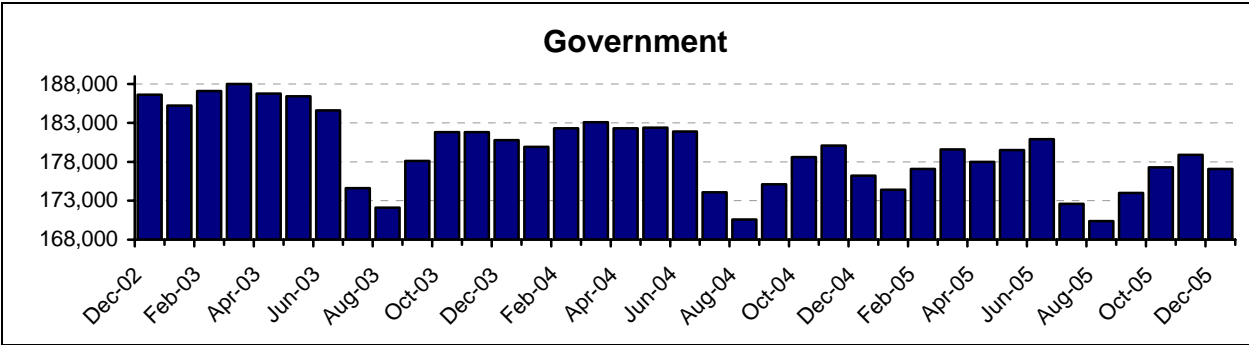
The season also had an effect on Construction employment, which saw decreases in all of its sub-sectors, with Specialty Trade Contractors (-900) the largest hit.

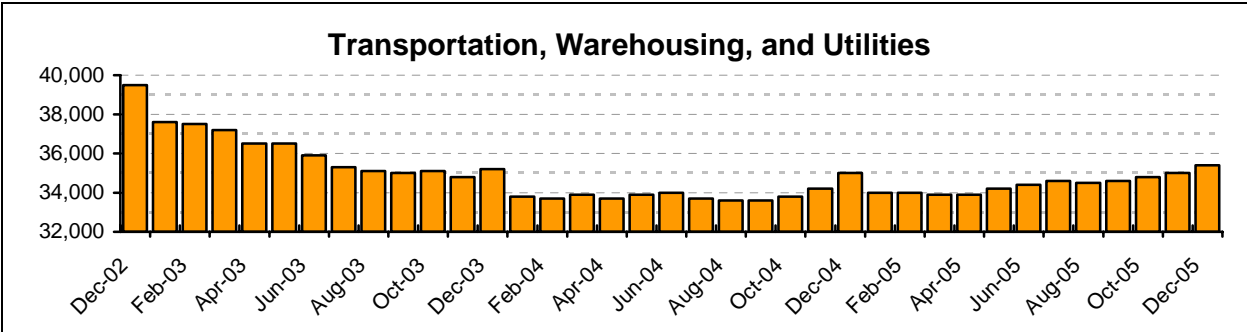
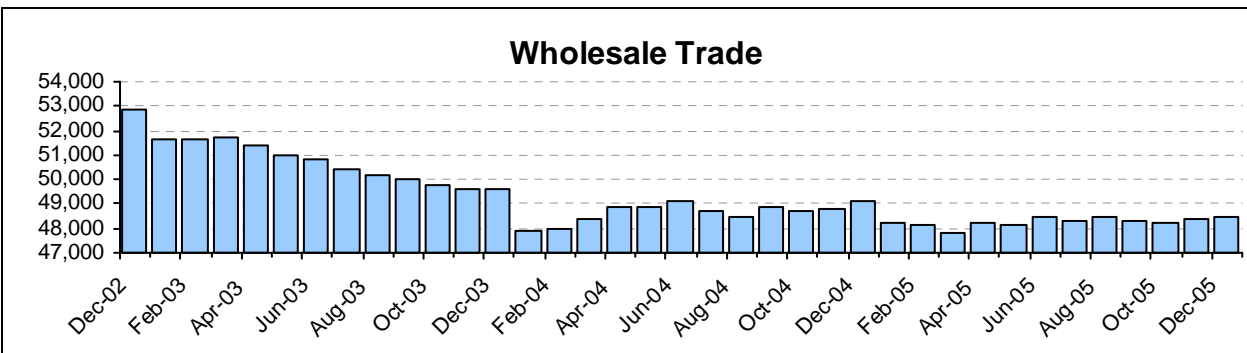
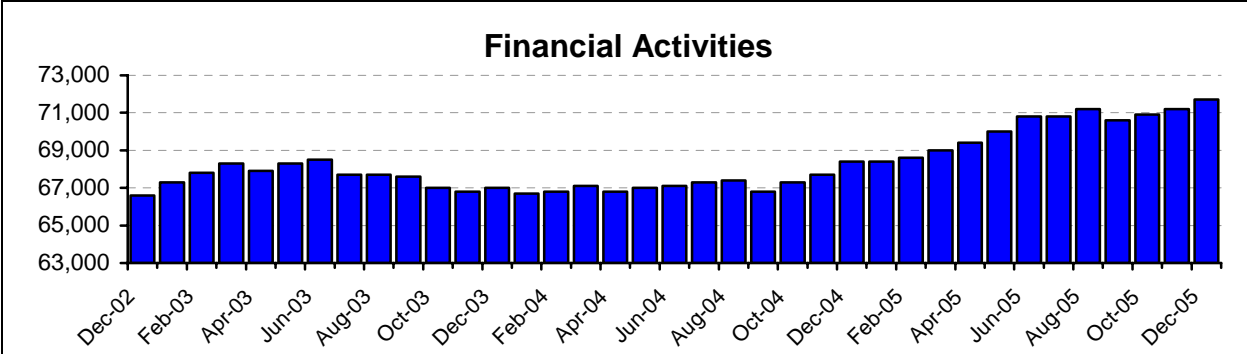
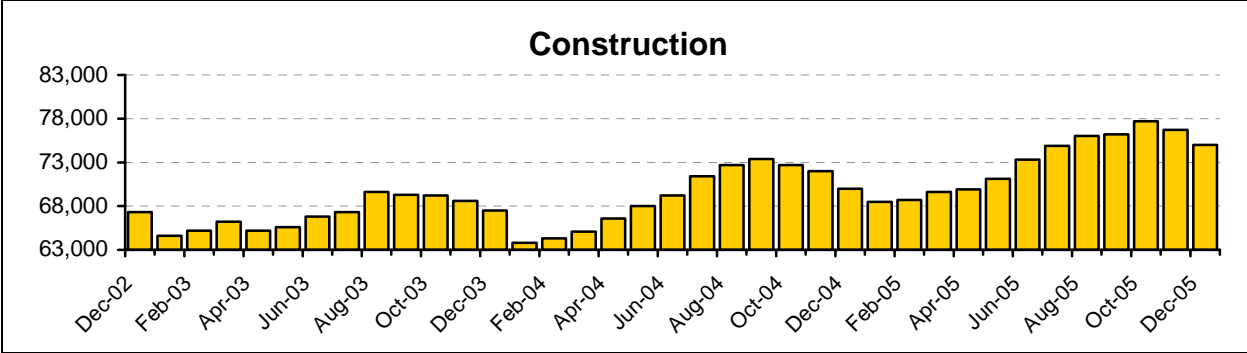
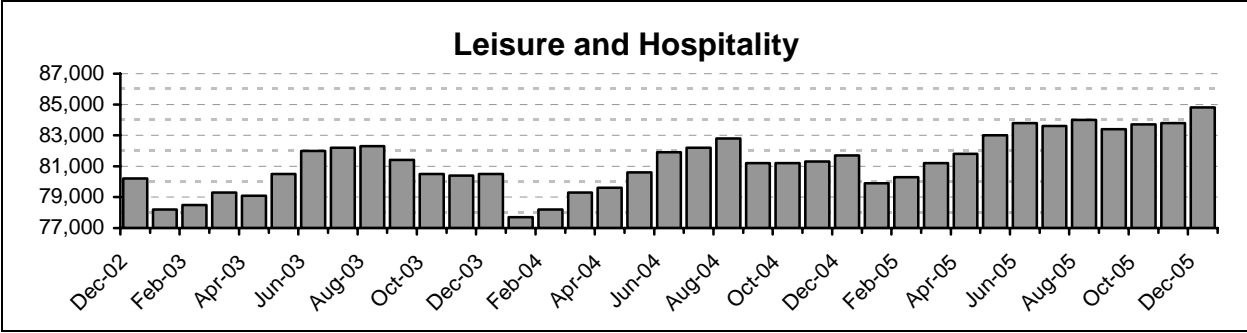
East Bay Sector Employment Summary Not Seasonally Adjusted

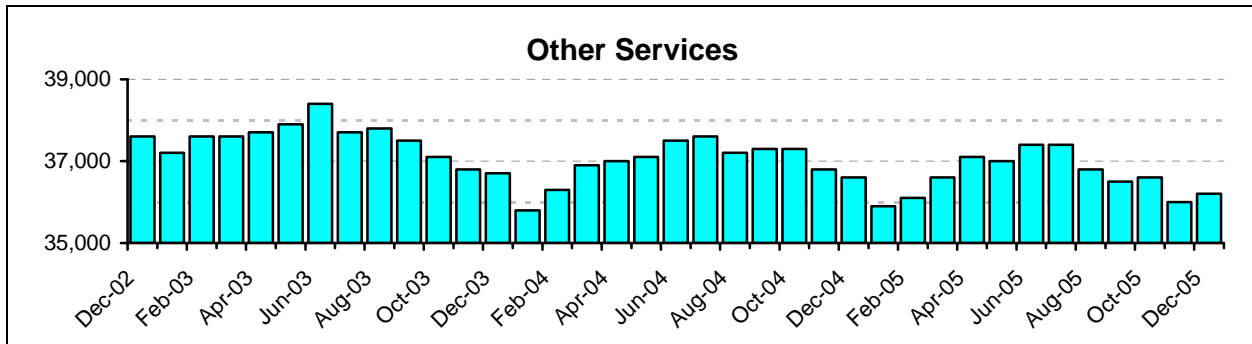
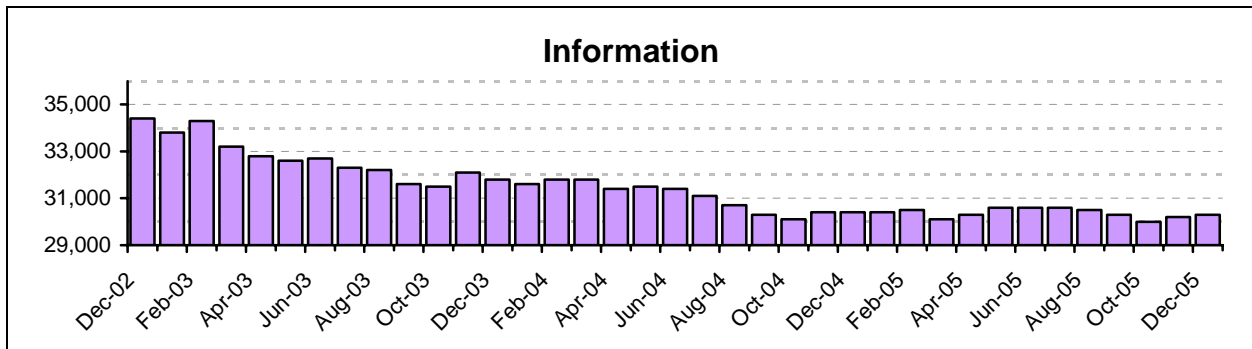
January 2001 through December 2005



Source: CA Employment Development Dept.







HOUSING

A total of 6,004 new and resale houses and condos were sold in the nine-county region last month. That was down 35.8% from the 9,347 sold in December 2005, 20.0% below the January 2005 total of 7,509.

Sales of Bay Area homes in January 2006 fell to the lowest level in five years as price increases continued to ease back, according to DataQuick Information Systems.

A seasonal decline is normal from December to January, but last month was the tenth in a row to see a year-over-year sales decline. The January sales count was the lowest for any month since January 2001 when 5,977 homes were sold.

The median price paid for a Bay Area home was \$607,000 last month. That was down

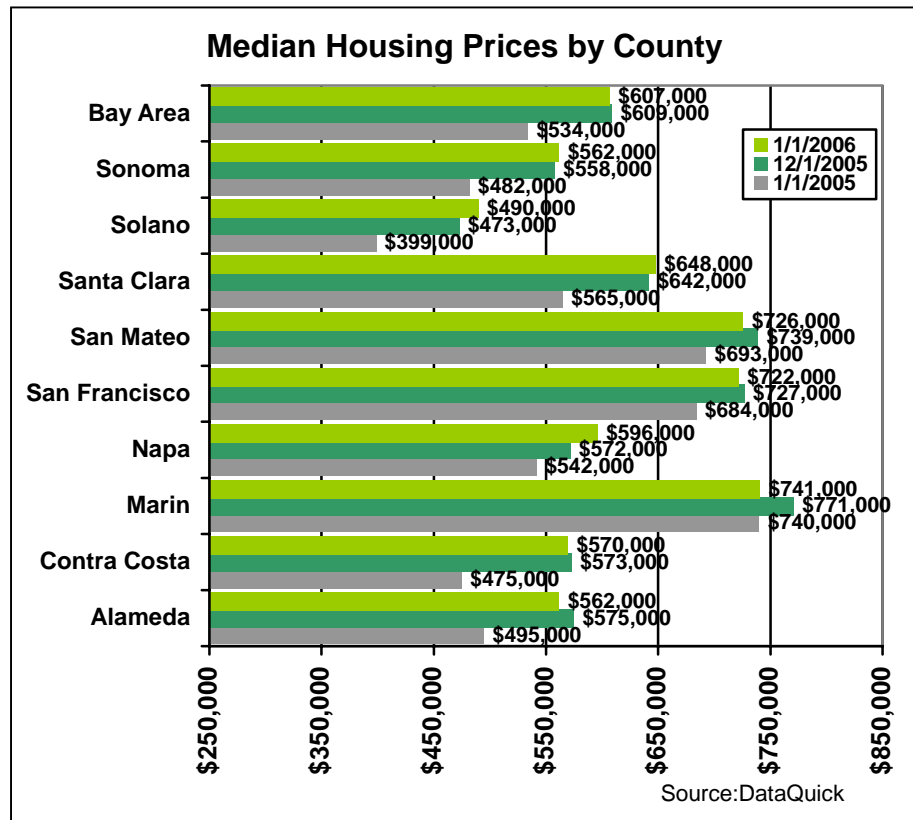
0.3% from December's \$609,000, but up 13.7% from \$534,000 for January 2005. That annual price increase was the lowest since prices rose only 13.1% to \$474,000 in March 2004. Appreciation is expected to decrease to a single digit during the next month or two.

All Homes	Number Sold Jan 06	Annual Pct. Chg	Median Oct - 05	Annual Pct. Chg
Alameda	1,259	-16.2%	\$562,000	13.50%
Contra Costa	1,197	-14.1%	\$570,000	20.00%
Marin	210	-32.0%	\$741,000	0.10%
Napa	103	-37.2%	\$596,000	10.00%
San Francisco	335	-20.8%	\$722,000	5.60%
San Mateo	450	-16.2%	\$562,000	4.80%
Santa Clara	1,486	-14.1%	\$570,000	14.70%
Solano	504	-32.0%	\$741,000	22.80%
Sonoma	460	-37.2%	\$596,000	16.60%
Bay Area	6,004	-20.8%	\$722,000	13.70%

Source: DataQuick Information Systems

The typical monthly mortgage payment that Bay Area buyers committed themselves to paying was \$2,798 in January 2006. That was down from \$2,867 in December 2005, and up from \$2,344 for January 2005. Adjusted for inflation, mortgage payments are 13% higher than they were at the peak of the prior cycle sixteen years ago.

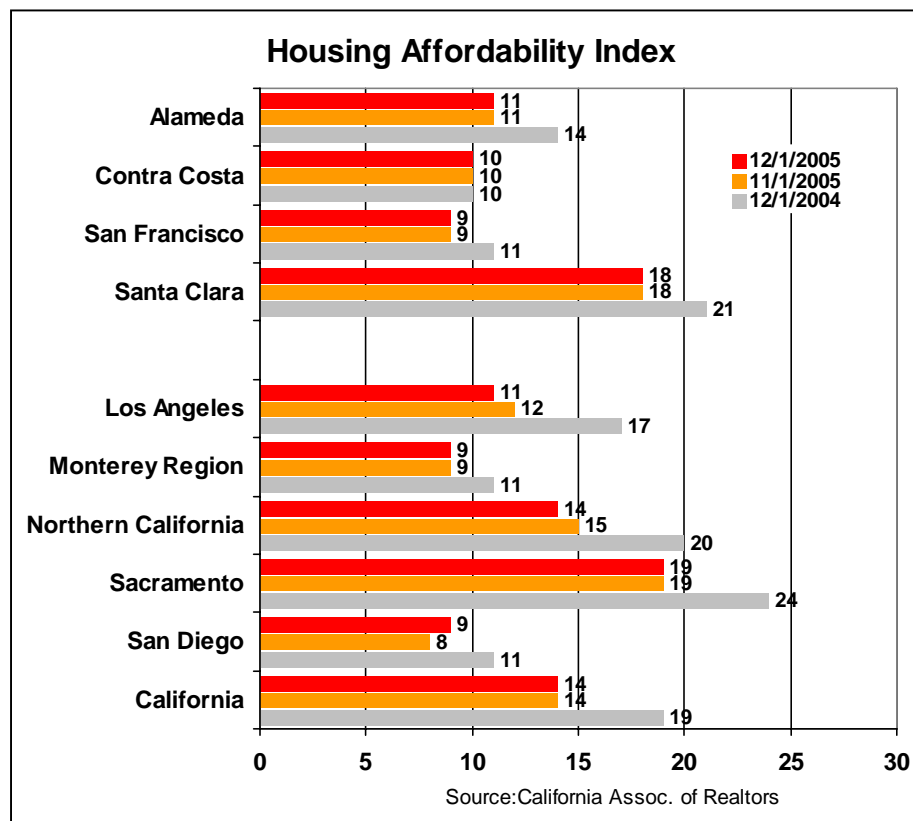
The percentage of households in California able to afford a median-priced home stood at 14% in December 2005, compared with 19% for the same period a year ago, according to the California Association of REALTORS® (C.A.R.).



The minimum household income needed to purchase a \$548,430 median-priced home California in December 2005 was \$134,200, based on an average effective mortgage interest rate of 6.33% and assuming a 20% down payment.

The Alameda County December index remained unchanged from November 2005 at 11%, down 3 percentage-points from December 2004, while Contra Costa County's index remained at 10%.

At 24%, the High Desert region was the most affordable C.A.R. region in the state, followed by the Sacramento region at 19%. Santa Barbara County was the least affordable region in the state at 6%, followed by the Northern Wine Country region at 7%.



In December 2005, the city with the highest average price of homes sold in the East Bay was Alamo, where the average price of the 10 homes sold was \$1,756,000. In Alameda County, the highest average price was found Pleasanton, where 60 homes were sold for an average price of \$769,500.

In Contra Costa County, Moraga again experienced the highest percentage year-to-year price increase rate with 80.5%, which equals \$368,100. In Alameda County, Union City had a 31.9% increase of \$160,500.

In December 2005, the average price of the homes sold in Alameda County was only \$25,000 more than those sold in Contra Costa County. And 126 more homes were sold in Alameda County than in Contra Costa County. The price difference in December 2004 was \$40,000 greater in Alameda County.

The lowest average price for Alameda County was Oakland, where the average price was \$470,000, an \$80,000 increase (20.5%) from December 2004. The lowest average sales price in the East Bay was in Contra Costa County, where Hercules experienced a \$100,000 decrease (-18.9%).

NOTE: The price statistics are derived from all types of home sales -- new and existing, condos and single-family, and were provided by DataQuick.

County/City/Area	# Sold	December 2005	November 2005	% Change Yr-To-Yr
Alameda County	1104	\$570,000	\$500,000	14.0%
Alameda	40	\$682,000	\$597,500	14.1%
Albany	13	\$500,000	\$500,000	0.0%
Berkeley	43	\$585,000	\$485,000	20.6%
Castro Valley	38	\$619,500	\$558,000	11.0%
Dublin	49	\$609,000	\$585,000	4.1%
Emeryville	48	\$475,750	\$382,500	24.4%
Fremont	169	\$613,000	\$568,500	7.8%
Hayward	134	\$576,000	\$478,000	20.5%
Livermore	71	\$590,000	\$545,000	8.3%
Newark	36	\$622,500	\$495,000	25.8%
Oakland	256	\$470,000	\$390,000	20.5%
Pleasanton	60	\$769,500	\$692,500	11.1%
San Leandro	68	\$542,500	\$500,000	8.5%
San Lorenzo	19	\$540,000	\$487,000	10.9%
Union City	60	\$664,000	\$503,500	31.9%
Contra Costa County	978	\$545,000	\$460,000	18.5%
Alamo	10	\$1,756,000	\$1,500,000	17.1%
Antioch	116	\$487,500	\$424,500	14.8%
Brentwood	101	\$714,500	\$550,000	29.9%
Byron	41	\$661,500	\$580,750	13.9%
Clayton	4	\$737,500	\$619,000	19.1%
Concord	120	\$532,250	\$440,000	21.0%
Danville	45	\$936,000	\$779,000	20.2%
El Cerrito	19	\$600,000	\$577,500	3.9%
El Sobrante	24	\$522,000	\$491,000	6.3%
Hercules	21	\$430,000	\$530,000	-18.9%
Lafayette	16	\$982,500	\$884,250	11.1%
Martinez	36	\$551,250	\$413,000	33.5%
Moraga	10	\$826,000	\$457,500	80.5%
Oakley	42	\$457,500	\$422,250	8.3%
Orinda	4	\$1,179,000	\$1,026,250	14.9%
Pinole	20	\$575,000	\$500,000	15.0%
Pittsburg	83	\$475,000	\$407,500	16.6%

Source: DataQuick

CONSTRUCTION PERMITS

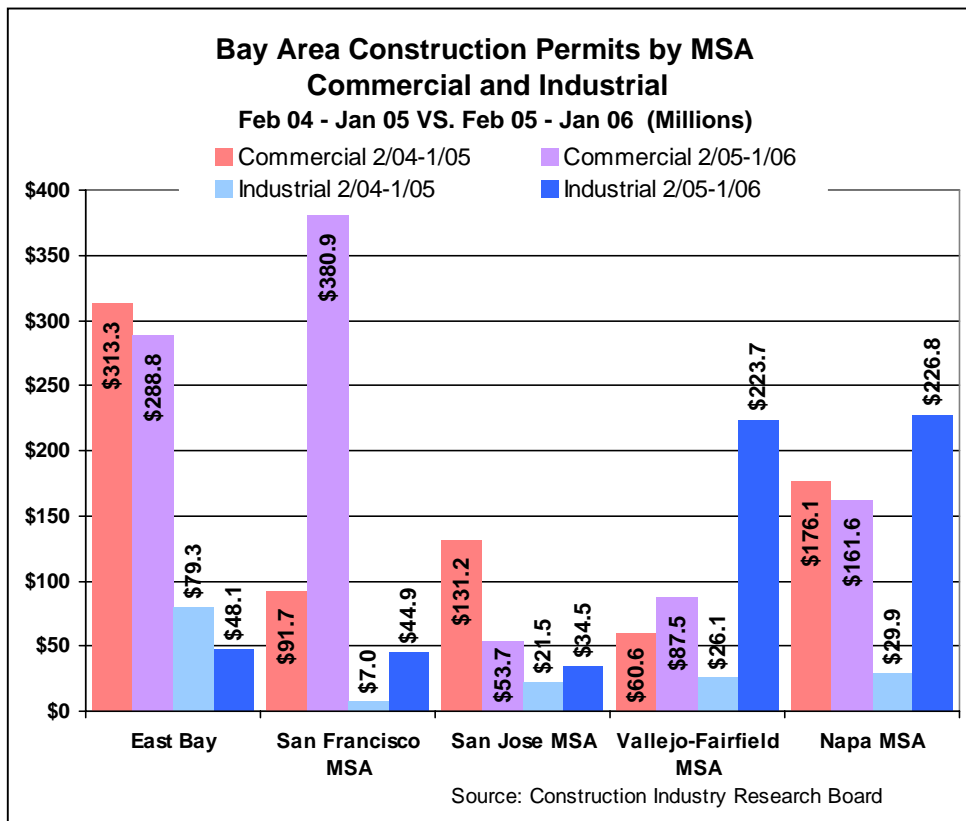
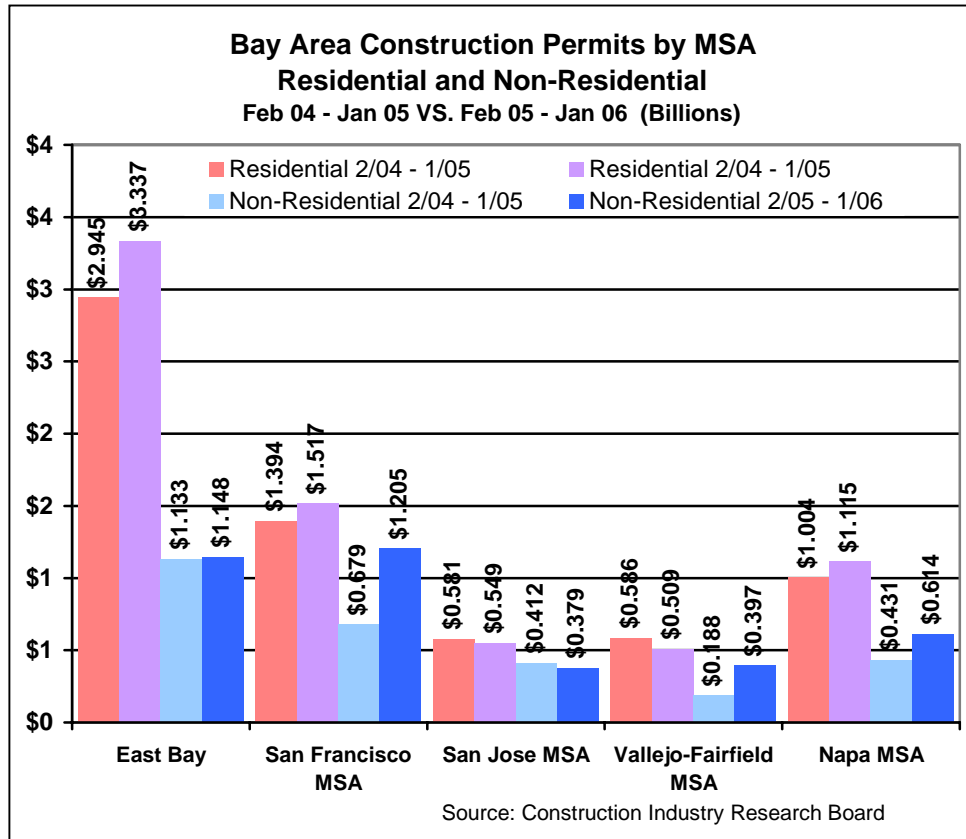
In a comparison of two, twelve-month periods (February 2004 to January 2005 vs. February 2005 to January 2006), the Bay Area MSA's (except for San Jose) experienced a substantial increase in the total value of construction permits issued. The East Bay issued over \$4.08 billion the first 12-month period, and \$4.48 billion in the most recent 12-month period, a 10% increase totaling \$405.8 million in construction permits.

In the same time period comparison, San Francisco issued \$2.73 billion total in the first 12-months and \$2.72 billion in the second period: a 31.3% increase totaling \$648.9 million.

Meanwhile, San Jose issued \$992.8 million in the first 12-months and only \$928.1 million in the most recent 12-month period, a -6.5% decline totaling \$64.7 million.

When Commercial and Industrial permits are compared for the same periods, only San Francisco showed an improvement, (and it was huge) a 315% increase (\$289.2 million more) in Commercial permits and 536% increase (\$37.8 million more) in Industrial permits.

Meanwhile, the East Bay issued -7.8% (\$24.9 million) less in Commercial and -39.3% (\$31.2 million) less in Industrial Permits.

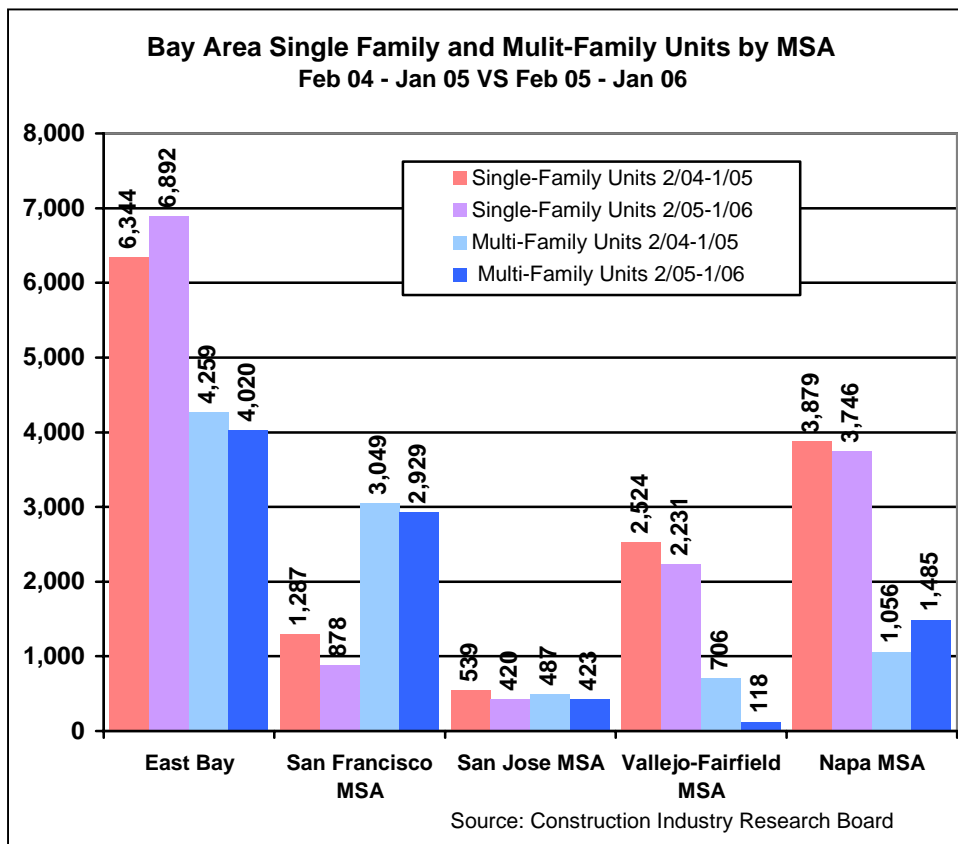


In a comparison of Single and Multi-Family Unit permits issued for the same time periods, the East Bay issued 548, (8.6%) more Single-Family but -239 fewer (-5.6%) Multi-Family Unit permits.

San Francisco issued -409, fewer (-31.8%) Single Family Unit permits, and -120 fewer (-3.9%) Multifamily Unit permits.

Meanwhile, San Jose issued -119 less (-22.1%) Single Family and -64 fewer (-13.1%) Multifamily Unit permits.

Within the East Bay, Alameda County issued permits totaling \$2.235 billion between February 2004 and January 2005 and \$2.228 billion between February 2005 and January 2006, a -2.7% decrease.



Meanwhile, Contra Costa County issued permits totaling \$1.843 billion between February 2004 and January 2005 and \$2.256 billion between February 2005 and January 2006, a 24.5% increase.

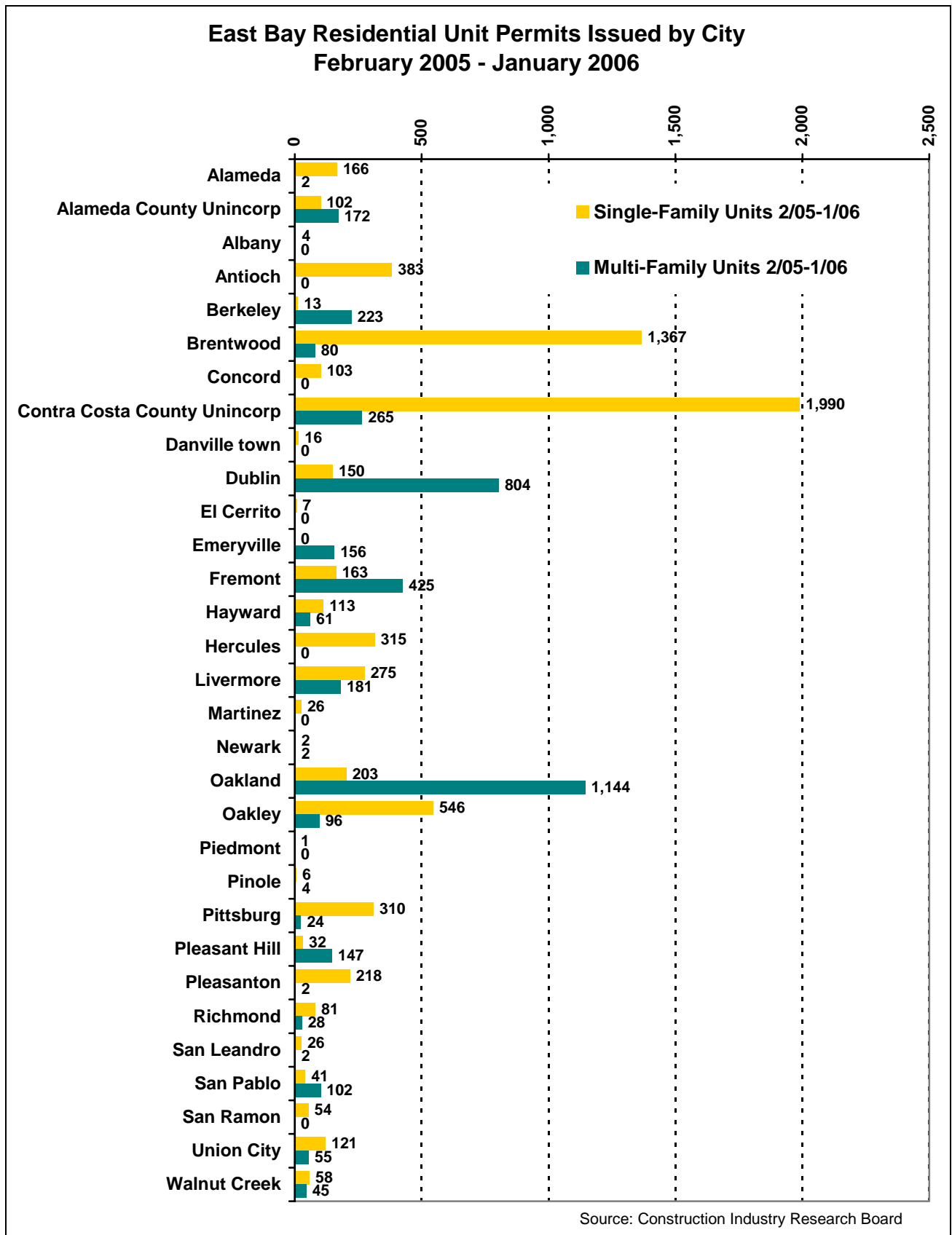
The following tables show that Alameda County had a 7.4% increase in Non-Residential permits and Contra Costa a 31.4% increase in Single Family Residential permits as well as substantial declines in Commercial and Industrial permit volume as well as Multifamily Units.

County/Permit Type	Feb 04- Jan 05	Feb 05- Jan 06	\$Change	% Chang
Alameda County Residential	\$1,506,699,348	\$1,446,151,919	-\$60,547,429	-4.0%
Alameda County Non-Residential	\$728,331,282	\$781,865,677	\$53,534,395	7.4%
Alameda County Commercial	\$212,016,810	\$201,479,838	-\$10,536,972	-5.0%
Alameda County Industrial	\$61,841,024	\$32,541,419	-\$29,299,605	-47.4%
Contra Costa County Residential	\$1,438,399,339	\$1,890,435,728	\$452,036,389	31.4%
Contra Costa County Non-Residential	\$404,983,145	\$365,794,185	-\$39,188,960	-9.7%
Contra Costa County Commercial	\$101,330,614	\$87,318,535	-\$14,012,079	-13.8%
Contra Costa County Industrial	\$17,421,420	\$15,555,897	-\$1,865,523	-10.7%

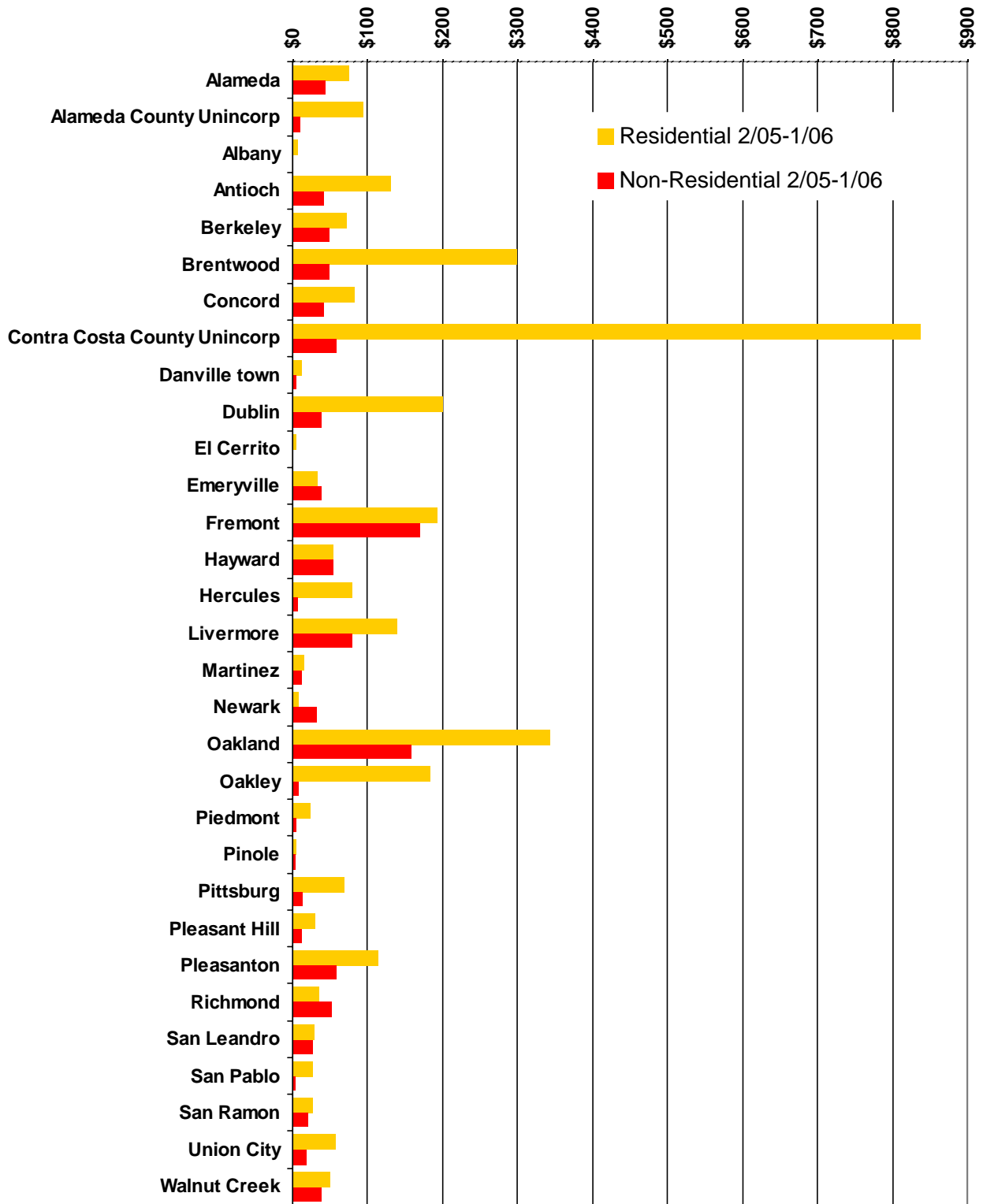
Despite the fact that more homes have been sold in Alameda County than Contra Costa County, the number of single family permits issued in Alameda County decreased by over one fourth, while Contra Costa's increased by over one-fourth.

Housing Unit Permit Comparison	Feb 04- Jan 05	Feb 05- Jan 06	\$Change	% Chang
ALCO Single-Family Units	2167	1557	-610	-28.1%
CCC Single-Family Units	4177	5335	1,158	27.7%
ALCO Multi-Family Units	3370	3229	-141	-4.2%
CCC Multi-Family Units	889	791	-98	-11.0%

We have decided to show the number of housing permits issued during the previous 12 months to be consistent with our other comparisons. Tables providing the same comparisons follow the charts.



East Bay Permit Value Issued by City February 2005 - January 2006 (Millions)



Source: Construction Industry Research Board

While charts and graphs provide comparative data for analysis in formats that are quick to understand, they do not always provide the data in a format that can be used for further analysis, so we have included tables that we feel provide the most important data in this update. In some cases like the two charts above, it is not possible to provide all of the information needed to make the year-to-year comparison in a chart, so we are including the following tables as well.

In the year-to-year comparison of the total number of Single and Multi-Family units issued in the East Bay, the number of Single Family units increased by 8.6% (548 units) in the most recent 12-month period while the number of Multi-Family units decreased by -5.6%, a -239 unit decrease.

East Bay Housing Unit Permits Issued by City								
February 2004 – January 2005 VS. February 2005 - January 2006								
	Single Family Units 2/04-1/05	Multifamily Units 2/04-1/05	Single Family Units 2/05-1/06	Multifamily Units 2/05-1/06	Single Family Change	Multifamily Change	Single Family % Change	Multifamily % Change
Alameda	102	52	166	2	64	-50	62.7%	-96.2%
Alameda County Unincorp.	97	45	102	172	5	127	5.2%	282.2%
Albany	8	0	4	0	-4	0	-50.0%	
Antioch	133	2	383	0	250	-2	188.0%	-100.0%
Berkeley	15	316	13	223	-2	-93	-13.3%	-29.4%
Brentwood	1,341	228	1,367	80	26	-148	1.9%	-64.9%
Concord	134	0	103	0	-31	0	-23.1%	
Contra Costa County Unincorp.	1,606	346	1,990	265	384	-81	23.9%	-23.4%
Danville town	36	9	16	0	-20	-9	-55.6%	-100.0%
Dublin	339	845	150	804	-189	-41	-55.8%	-4.9%
El Cerrito	6	0	7	0	1	0	16.7%	
Emeryville	0	401	0	156	0	-245		-61.1%
Fremont	141	86	163	425	22	339	15.6%	394.2%
Hayward	416	129	113	61	-303	-68	-72.8%	-52.7%
Hercules	230	77	315	0	85	-77	37.0%	-100.0%
Livermore	316	235	275	181	-41	-54	-13.0%	-23.0%
Martinez	8	0	26	0	18	0	225.0%	
Newark	4	0	2	2	-2	2	-50.0%	
Oakland	345	885	203	1,144	-142	259	-41.2%	29.3%
Oakley	180	0	546	96	366	96	203.3%	
Piedmont	6	0	1	0	-5	0	-83.3%	
Pinole	2	0	6	4	4	4	200.0%	
Pittsburg	213	10	310	24	97	14	45.5%	140.0%
Pleasant Hill	3	0	32	147	29	147	966.7%	
Pleasanton	237	172	218	2	-19	-170	-8.0%	-98.8%
Richmond	221	123	81	28	-140	-95	-63.3%	-77.2%
San Leandro	25	2	26	2	1	0	4.0%	0.0%
San Pablo	36	70	41	102	5	32	13.9%	45.7%
San Ramon	0	0	54	0	54	0		
Union City	116	202	121	55	5	-147	4.3%	-72.8%
Walnut Creek	28	24	58	45	30	21	107.1%	87.5%
Total	6,344	4,259	6,892	4,020	548	-239	8.6%	-5.6%

Source: Construction Industry Research Board

When the total value of the Single and Multi-Family housing permit issued is compared for the same period, both types showed an increase: Single Family permits increased by 13.3% (\$391,488,960) while the total value of the Multi-Family permits issued increased by 1.3% (\$14,345,435).

Thus the average cost of a Single-Family unit increased from \$464,234 during the first 12-months to \$484,125 in the second, a 4.3% increase of \$19,891. Meanwhile, the average Multi-Family permit increased from \$266,099 to \$285,488, a 7.3% increase of \$19,389. So while the average Multi-Family permit fee increased 3% more than the Single-Family, the amount of the increase was \$502 less.

East Bay Permit Value Issued by City								
February 2004 – January 2005 VS. February 2005 - January 2006								
City/County	Residential 2/04-1/05	Non- Residential 2/04-1/05	Residential 2/05- 1/06	Non- Residential 2/05-1/06	Residential Change	Non- Residential Change	Residential % Change	Non- Residential % Change
Alameda	\$60,673,263	\$39,986,825	\$76,181,482	\$42,927,871	\$15,508,219	\$2,941,046	25.6%	7.4%
Alameda County Unincorp.	\$67,504,631	\$17,124,585	\$94,665,979	\$10,910,473	\$27,161,348	-\$6,214,112	40.2%	-36.3%
Albany	\$4,660,357	\$840,496	\$6,573,083	\$1,514,633	\$1,912,726	\$674,137	41.0%	80.2%
Antioch	\$35,999,225	\$62,009,449	\$131,490,513	\$41,560,555	\$95,491,288	-\$20,448,894	265.3%	-33.0%
Berkeley	\$79,257,511	\$18,841,125	\$72,694,219	\$49,093,984	-\$6,563,292	\$30,252,859	-8.3%	160.6%
Brentwood	\$300,853,631	\$64,299,087	\$299,082,623	\$49,491,272	-\$1,771,008	-\$14,807,815	-0.6%	-23.0%
Concord	\$73,848,799	\$37,803,079	\$82,294,546	\$41,334,259	\$8,445,747	\$3,531,180	11.4%	9.3%
Contra Costa County Unincorp.	\$663,934,235	\$53,826,907	\$838,519,040	\$58,728,790	\$174,584,805	\$4,901,883	26.3%	9.1%
Danville town	\$14,874,725	\$4,732,000	\$12,123,282	\$4,542,000	-\$2,751,443	-\$190,000	-18.5%	-4.0%
Dublin	\$319,134,874	\$50,314,249	\$200,153,254	\$38,836,454	-\$118,981,620	-\$11,477,795	-37.3%	-22.8%
El Cerrito	\$5,306,000	\$1,760,000	\$5,557,500	\$2,035,000	\$251,500	\$275,000	4.7%	15.6%
Emeryville	\$73,460,488	\$33,113,691	\$32,943,803	\$39,274,021	-\$40,516,685	\$6,160,330	-55.2%	18.6%
Fremont	\$115,616,840	\$209,816,262	\$193,907,554	\$169,822,652	\$78,290,714	-\$39,993,610	67.7%	-19.1%
Hayward	\$130,838,714	\$46,452,605	\$53,389,180	\$53,765,498	-\$77,449,534	\$7,312,893	-59.2%	15.7%
Hercules	\$70,321,372	\$13,162,263	\$79,631,669	\$6,612,899	\$9,310,297	-\$6,549,364	13.2%	-49.8%
Livermore	\$154,902,057	\$63,607,676	\$140,344,457	\$78,667,513	-\$14,557,600	\$15,059,837	-9.4%	23.7%
Martinez	\$9,504,921	\$4,697,151	\$14,625,383	\$11,498,532	\$5,120,462	\$6,801,381	53.9%	144.8%
Newark	\$8,245,364	\$20,826,000	\$8,138,360	\$31,419,400	-\$107,004	\$10,593,400	-1.3%	50.9%
Oakland	\$249,202,649	\$124,327,282	\$343,897,599	\$157,850,048	\$94,694,950	\$33,522,766	38.0%	27.0%
Oakley	\$57,383,312	\$8,739,068	\$183,228,748	\$8,908,277	\$125,845,436	\$169,209	219.3%	1.9%
Piedmont	\$22,927,067	\$2,120,851	\$24,167,517	\$4,477,730	\$1,240,450	\$2,356,879	5.4%	111.1%
Pinole	\$2,863,480	\$2,473,690	\$4,827,596	\$2,587,782	\$1,964,116	\$114,092	68.6%	4.6%
Pittsburg	\$44,332,466	\$20,455,713	\$69,141,559	\$12,816,700	\$24,809,093	-\$7,639,013	56.0%	-37.3%
Pleasant Hill	\$9,349,531	\$5,709,418	\$29,788,054	\$12,446,153	\$20,438,523	\$6,736,735	218.6%	118.0%
Pleasanton	\$140,401,250	\$47,243,774	\$114,097,971	\$58,132,424	-\$26,303,279	\$10,888,650	-18.7%	23.0%
Richmond	\$85,619,000	\$54,698,000	\$35,336,000	\$52,830,000	-\$50,283,000	-\$1,868,000	-58.7%	-3.4%
San Leandro	\$20,779,301	\$39,020,475	\$28,293,860	\$27,016,449	\$7,514,559	-\$12,004,026	36.2%	-30.8%
San Pablo	\$19,744,102	\$1,639,978	\$26,993,884	\$2,637,780	\$7,249,782	\$997,802	36.7%	60.8%
San Ramon	\$12,935,594	\$42,012,439	\$26,654,723	\$19,760,684	\$13,719,129	-\$22,251,755	106.1%	-53.0%
Union City	\$59,094,982	\$14,695,386	\$56,703,601	\$18,156,527	-\$2,391,381	\$3,461,141	-4.0%	23.6%
Walnut Creek	\$31,528,946	\$26,964,903	\$51,140,608	\$38,003,502	\$19,611,662	\$11,038,599	62.2%	40.9%
Total	\$2,945,098,687	\$1,133,314,427	\$3,336,587,647	\$1,147,659,862	\$391,488,960	\$14,345,435	13.3%	1.3%

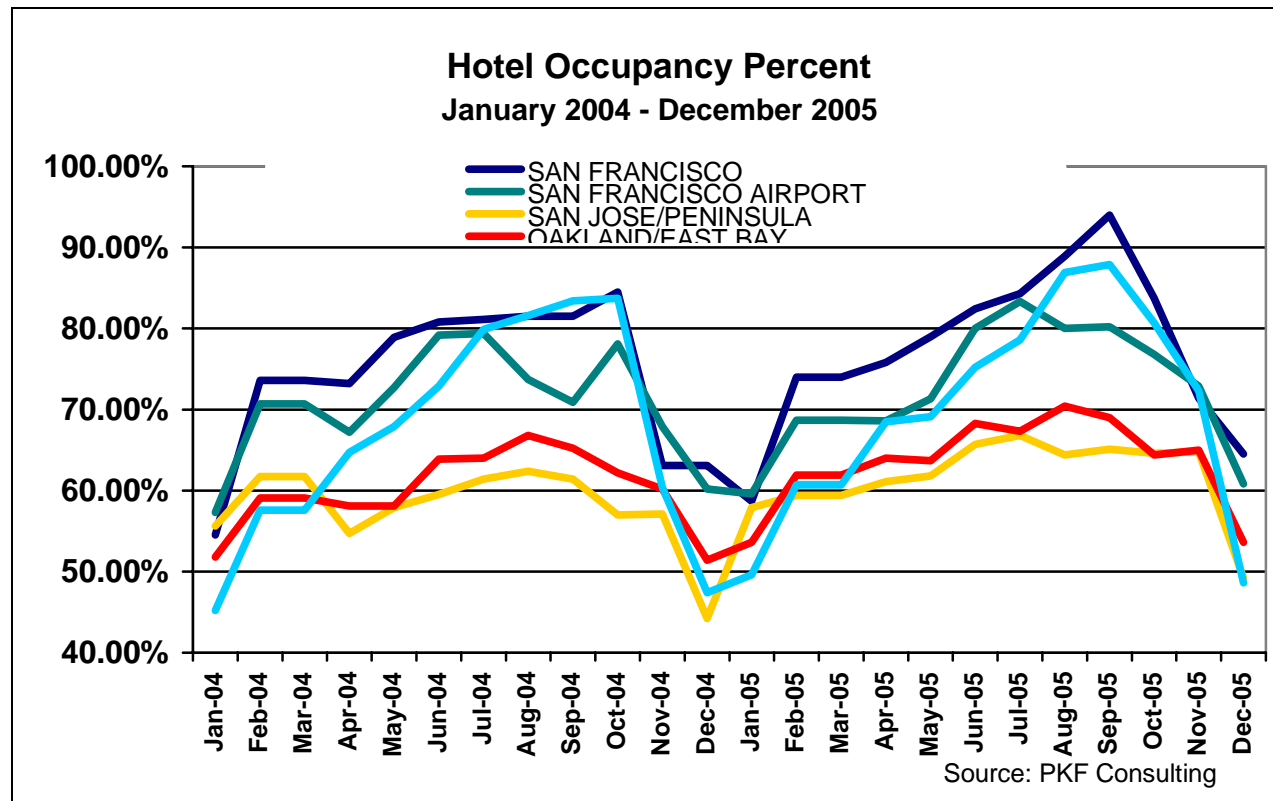
HOTEL OCCUPANCY

The PKF Consulting report on hotel trends for November 2005 shows an increase in room rates throughout Northern California. The East Bay's Average Daily Room Rate reported in our November 2005 Update was \$105.26 in September, and it was 6th on the list. In December 2005, it had decreased to \$101.88 and moved down to 7th on the list. But East Bay hotels experienced the second to the lowest percentage increase in room rates from December 2004 to December 2005 of 0.4%. The San Francisco Airport hotels had a rate decrease of -1.2%.

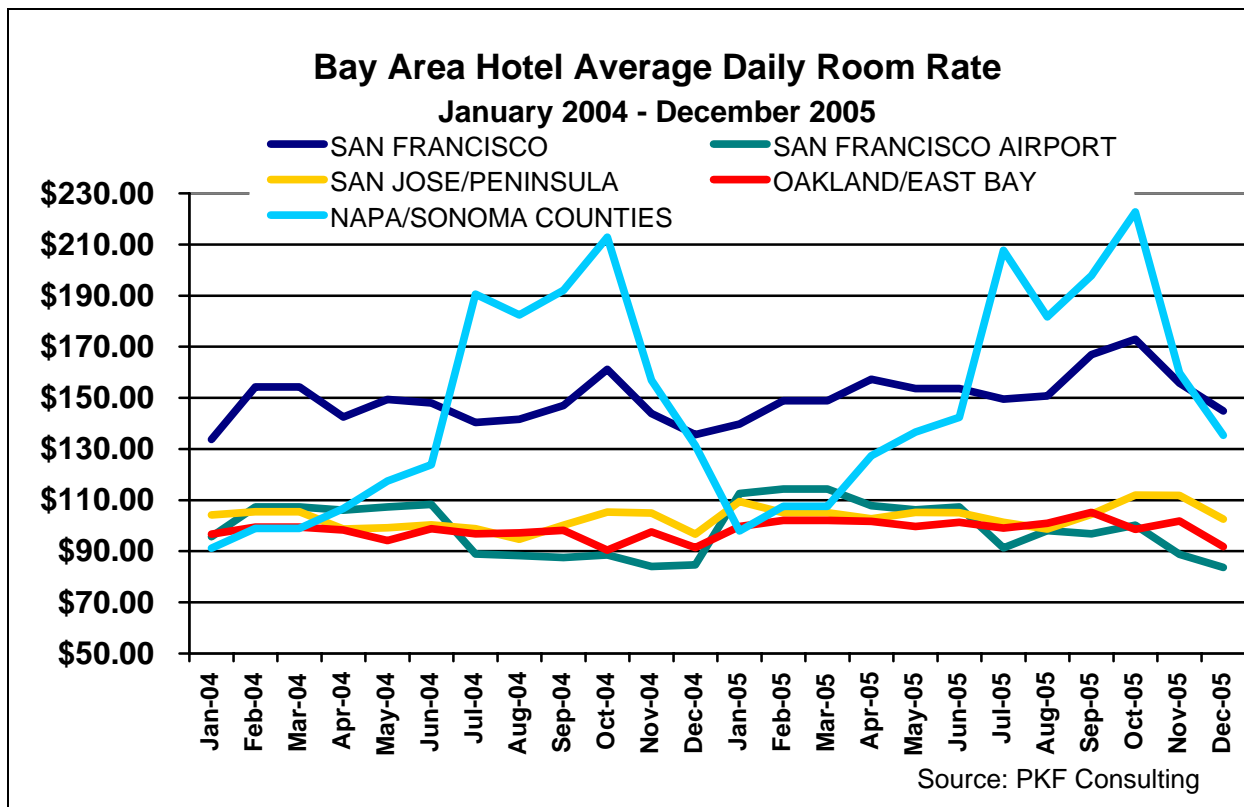
Occupancy rates generally increased, with only Sacramento and Other Northern California areas declining. The East Bay experienced the 4th highest percentage increase in Occupancy with an improvement of 4.3%, raising the East Bay occupancy rate to 53.6% and 7th on the list, the same position it had in December 2004.

December 2005	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT		
	2005	2004	VAR	2005	2004	VAR
San Francisco	\$144.87	\$135.65	6.8%	64.5%	63.1%	2.2%
San Francisco Airport	83.68	84.67	-1.2%	60.8%	60.2%	0.9%
San Jose/Peninsula	102.56	96.70	6.1%	49.2%	44.2%	11.3%
Oakland/East Bay	91.83	91.43	0.4%	53.6%	51.4%	4.3%
Monterey/Carmel	174.83	169.19	3.3%	48.9%	48.8%	0.1%
Central Valley	64.24	61.15	5.1%	62.9%	61.2%	2.8%
Sacramento	87.04	82.07	6.1%	59.2%	59.8%	-1.0%
Marin County	128.35	120.87	6.2%	71.1%	64.5%	10.2%
Napa County	135.32	131.37	3.0%	48.6%	47.4%	2.4%
Sonoma County	97.00	81.07	19.7%	53.2%	49.8%	6.8%
Other Northern California	86.50	83.21	4.0%	54.0%	56.2%	-3.9%
Overall Average	\$114.39	\$108.66	5.3%	58.5%	56.8%	3.0%

Source: PKF Consulting



The East Bay's Average Daily Room Rate tends to be steadier than the other areas' rates – perhaps because it has a larger percentage of commercial business travelers it caters to. The Napa/Sonoma rate certainly reflects the large numbers of visitors to those Napa Valley wineries.



The East Bay's Average Daily Room Rate had the lowest percentage increase (3.9%) from 2004 to 2005, and subsequently was lower than the San Francisco Airport hotel rate for 2005.

	Ave. Daily Room Rate 2005	Ave. Daily Room Rate 2004	ADDR % Change	Ave Occupancy Percent 2005	Ave Occupancy Percent 2004	AOP % Change
San Francisco	\$153.57	\$145.98	5.2%	77.6%	74.1%	4.6%
San Francisco Airport	\$101.79	\$96.18	5.8%	72.6%	70.7%	2.7%
San Jose/Peninsula	\$105.27	\$101.16	4.1%	61.7%	57.9%	6.6%
Oakland/East Bay	\$100.34	\$96.53	3.9%	63.6%	60.0%	6.0%
Monterey/Carmel	\$220.35	\$208.14	5.9%	69.6%	70.5%	-1.3%
Central Valley	\$65.18	\$62.40	4.5%	71.6%	71.1%	0.7%
Sacramento	\$94.59	\$89.59	5.6%	72.9%	73.1%	-0.2%
Marin County	\$129.07	\$123.27	4.7%	73.6%	69.4%	6.0%
Napa/Sonoma Counties	\$152.06	\$141.96	7.1%	69.9%	66.9%	4.5%
Other Northern Ca	\$88.15	\$83.55	5.5%	66.6%	65.9%	1.1%
Overall Average	\$117.90	\$112.26	5.0%	70.7%	68.4%	3.3%

Source: PKF Consulting

In Occupancy Percent, the East Bay only exceeded that of the San Jose/Peninsula, however, its 6% increase from 2004 was second only to the San Jose/Peninsula's 6.6% increase. The good news is that the East Bay continues to offer the most competitive hotel rates in the Bay Area.