

# MARCH 2006 EAST BAY MONTHLY ANALYSIS

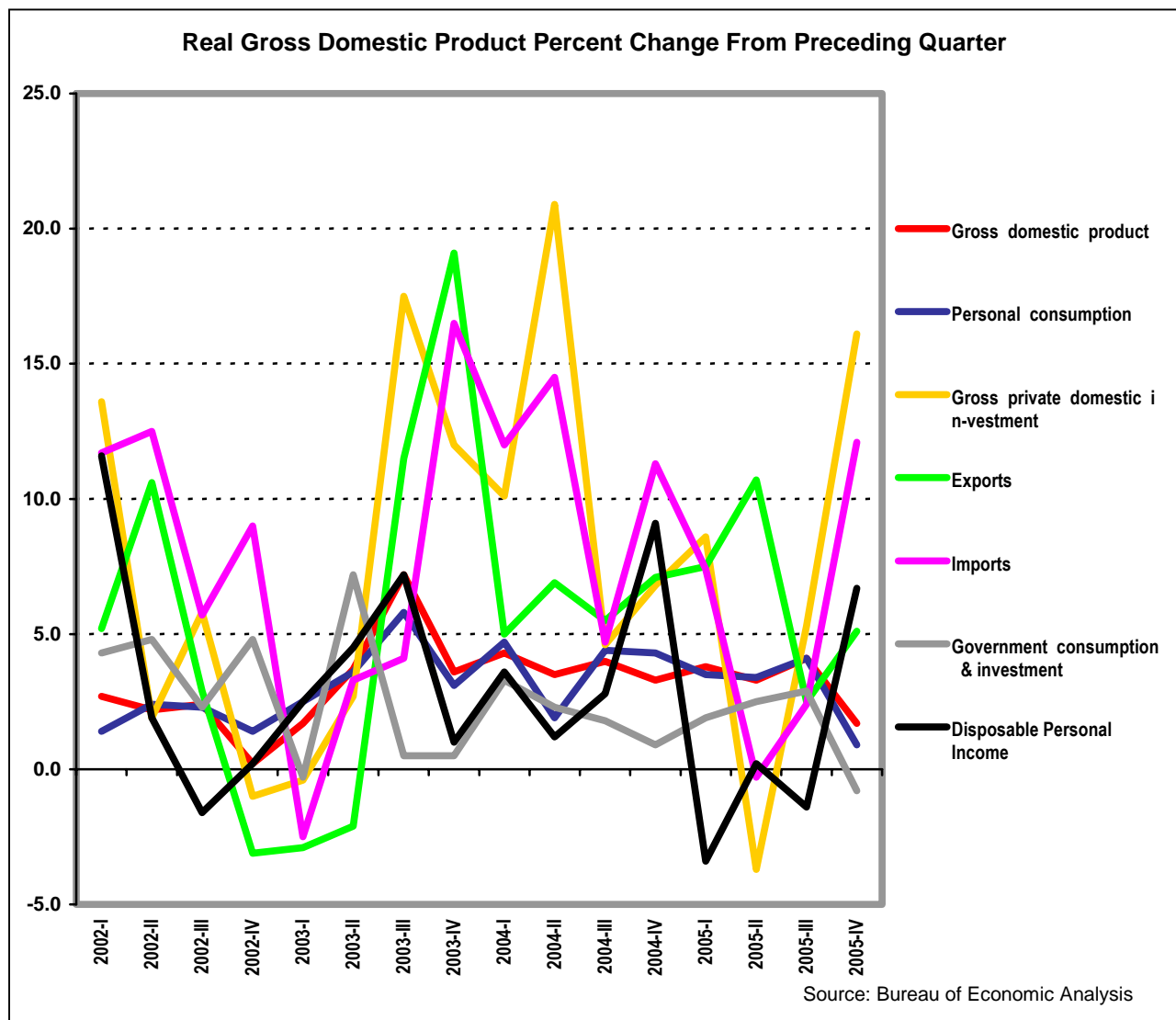
Prepared by the Economic Development Alliance for Business (EDAB).

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](http://www.edab.org/newsletter.html). EDAB welcomes your comments and suggestions. Send your email to [analysis@edab.org](mailto:analysis@edab.org) or call us at (510) 272-3885.

## GDP SUMMARY

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 1.7% in the fourth quarter of 2005, according to final estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.1%.

The slowdown in fourth-quarter GDP growth primarily reflected a deceleration in consumer spending, an acceleration in imports, a downturn in Federal government spending, and decelerations in equipment- and software and residential investment. In contrast, inventory investment turned up, and exports accelerated.

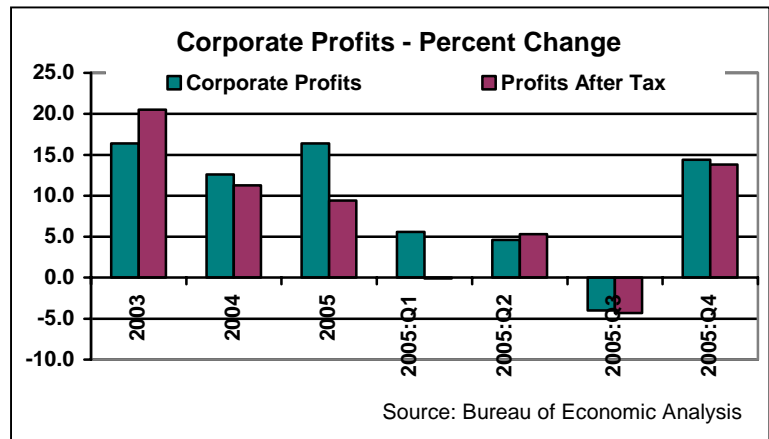


## Corporate Profits

Profits from current production increased 16.4% in 2005, compared to an increase of 12.6% in 2004 and 16.4% in 2003.

Profits after tax with inventory valuation and capital consumption adjustments increased 9.4%, compared with an increase of 11.3% in 2004 and 20.5% in 2003.

Fourth quarter 2005 profits increased by 14.4% (compared to a negative 4% in the third quarter 2005), while Profits After Tax increased 3.8%, compared to -4.3% in the 3<sup>rd</sup> quarter.

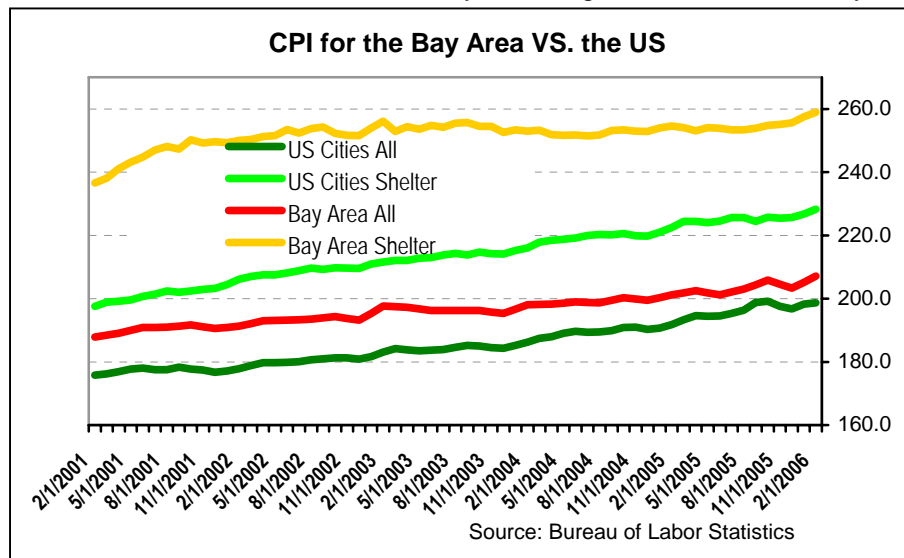


## COST OF LIVING

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2% in February, before seasonal adjustment. The US City February level of 198.7 (1982-84=100) was 3.6% higher than in February 2005. The Bay Area's increase was 3.7%.

On a seasonally adjusted basis, the CPI-U advanced 0.1% in February, following a 0.7% rise in January. Energy costs, which increased 5.0% in January, declined 1.2% in February and the food index rose 0.1% in February after increasing 0.5% in January.

US Cities Shelter costs rose 0.4% in February, while Bay Area Shelter costs increased 1.07% in December 2005, 1.38% in January 2006 and 1.73% in February – substantial increases after very little change since October 2003.



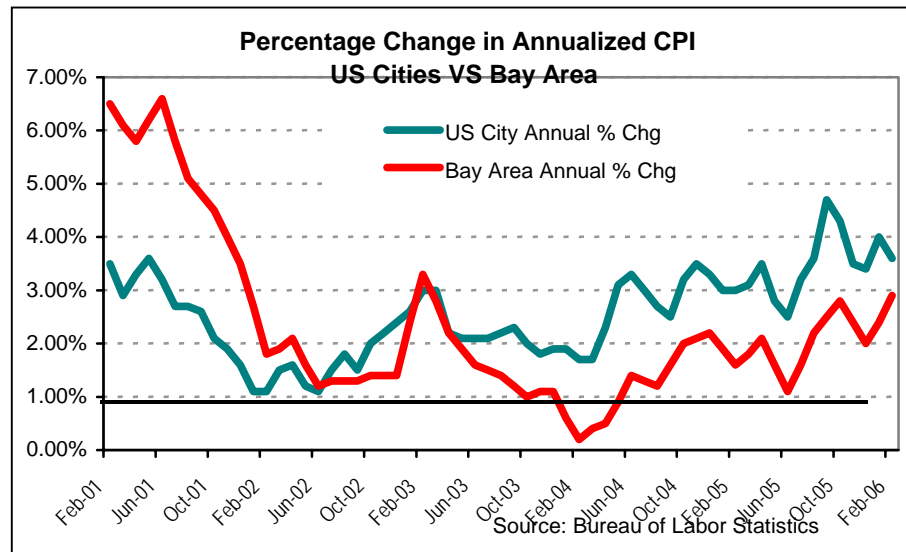
Note: the Bay Area All and Bay Area All Items Less

Shelter data is not available for even months, so the preceding and following months are averaged for trend analysis; the CPI index compares prices with an average of the 36-month period covering the years 1982, 1983, and 1984, which is equal to 100.

	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06
US All Cities - All Items	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	198.3	198.7
US All Cities - Shelter	222.5	224.4	224.4	224	224.5	225.6	225.6	224.4	225.7	225.4	225.6	226.8	228.3
Bay Area - All Items	201.2	201.8	202.5	201.8	201.2	202.1	203.0	204.4	205.9	204.6	203.4	205.2	207.1
Bay Area - All Items Less Shelter	180.3	181.6	182.9	181.7	180.6	182.0	183.4	185.3	187.2	185.1	183.1	185.0	186.9
Bay Area - Shelter	254.6	254.1	253.1	254.1	253.9	253.4	253.4	253.9	254.8	255.1	255.6	257.5	259

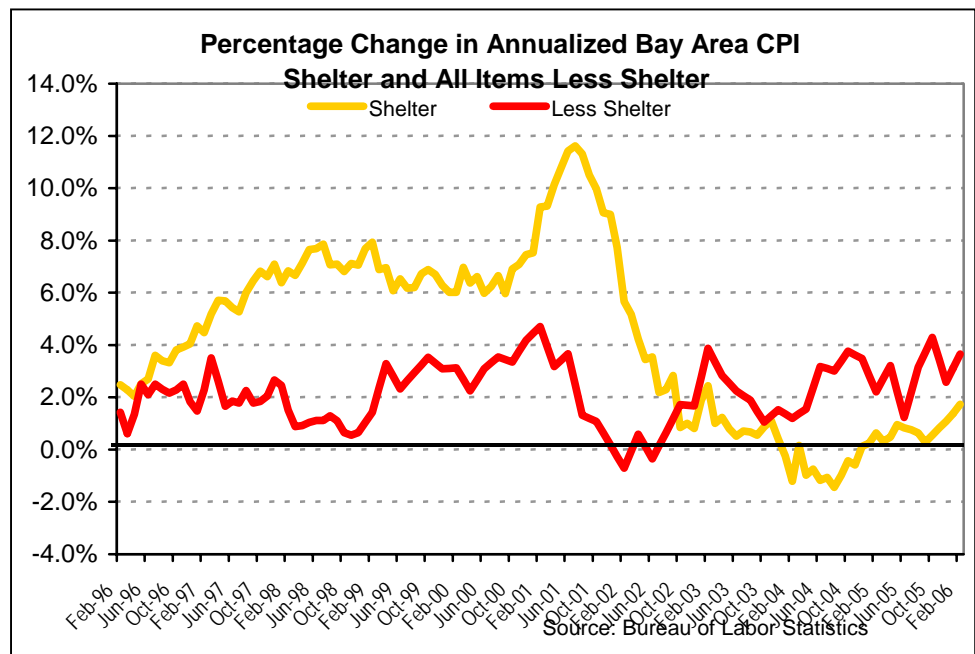
Since February 2003, the Bay Area's CPI has experienced consistently lower monthly increases than the US Cities. In February 2001, the Bay Area's CPI was 6.9% greater than the US City average, but by February 2006, it was only 4.2% greater. However, that grace period may be approaching an end.

The annual growth rate of the US City CPI decreased from 4.0% in January 2006 to 3.6% in February, while the Bay Area's increased from 2.4% to 2.9%.



Percentage Change from the previous year's corresponding month	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06
US City Annual % Chg	3.0%	3.1%	3.5%	2.8%	2.5%	3.2%	3.6%	4.7%	4.3%	3.5%	3.4%	4.0%	3.6%
Bay Area Annual % Chg	1.6%	1.8%	2.1%	1.6%	1.1%	1.6%	2.2%	2.5%	2.8%	2.4%	2.0%	2.4%	2.9%

This chart more clearly shows the comparative increases in Bay Area CPI Shelter costs vs. All Items Less Shelter for a much longer period of time – back to February 1996, when Bay Area Shelter costs began to increase much faster than the rest, with the highest increases occurring between February 2001 and February 2002 (with the highest reaching 11.6% in July 2001).

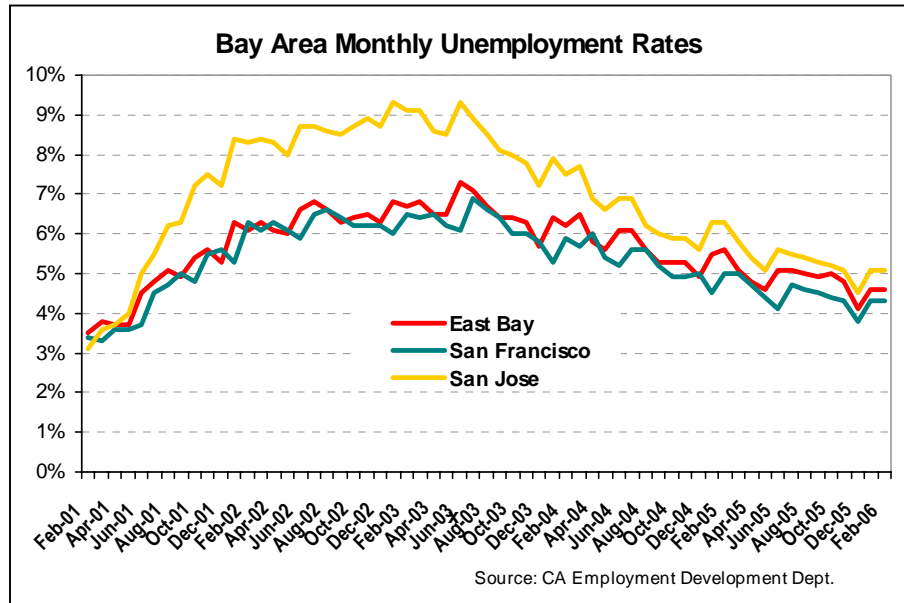


Since then, Bay Area Shelter costs have averaged only 0.85% while All Items Less Shelter averaged 2.21%.

But the Bay Area's Shelter February 2005 to February 2006 percentage increase was 1.73% - a significant increase compared to the previous year - while the cost of All Items Less Shelter experienced a 3.66% increase.

# WORKFORCE, UNEMPLOYMENT AND EMPLOYED RESIDENTS

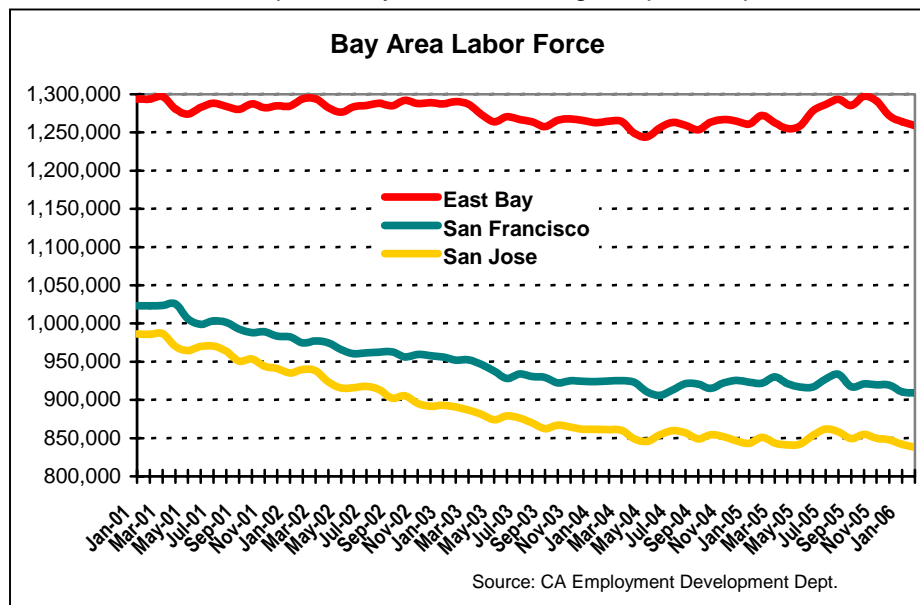
The unemployment rate in the East Bay (the Oakland-Fremont-Hayward MD) remained stable at 4.6% in January and February 2006, and below the year-ago estimate of 5.6%. This compares with an unadjusted unemployment rate of 5.4% for California and 5.1% for the nation during the same period. Within the East Bay, the unemployment rate was 4.7% in Alameda County and 4.5% in Contra Costa County.



The East Bay actually exceeded its January 2001 workforce of 1,293,200 in October and December 2005, by 2,600. But the Bay Area's Labor force numbers have all declined as a whole from October 2005 to February 2006, with the greatest loss occurring in the East Bay, which is down 38,700 (-3%), with San Jose down 12,300 (-1.4%) and San Francisco losing 7,400 (-0.8%).

This decrease happened relatively quickly, and almost reached the East Bay's low point in May 2004 of 905,900. This is a much greater decrease than has previously occurred during comparable periods since 2001.

In that timeframe, the largest East Bay workforce loss was -1,700 in 2002-03. Both San Jose, with a February 2006 workforce of only 838,200, and San Francisco at 909,400, reached all-time workforce lows (since 2001).



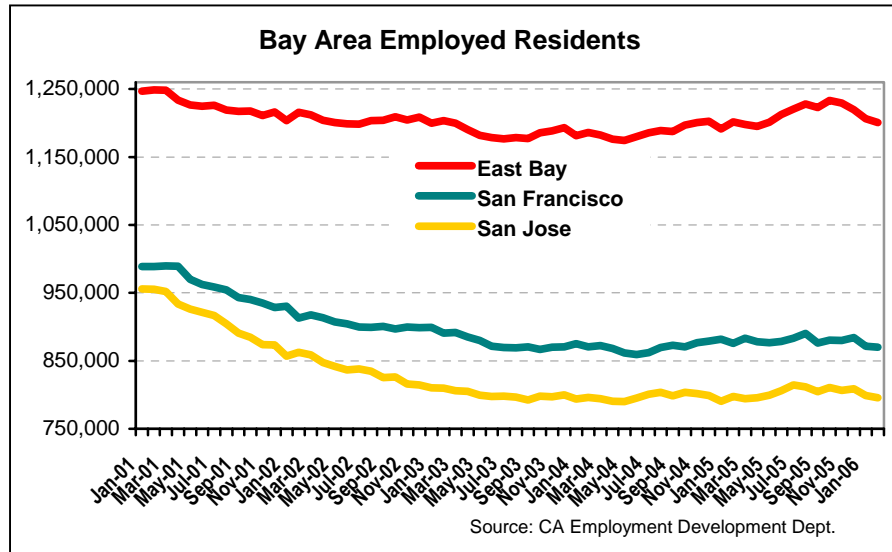
Compared to 12 months ago, there were 13,300 fewer workers in the East Bay, 20,700 less in San Francisco and 12,900 fewer in San Jose. Between January and February 2006, there were 5,200 fewer workers in East Bay, 1,100 fewer in San Francisco and 3,600 less in San Jose.

The comparison of employed residents for the three MSA's is similar, with 32,500 fewer (-2.6%) East Bay residents without jobs since October 2005. This was not quite as large a decrease as in the labor force, and 26,300 more residents were employed than had jobs at the low point of 1,147,300 in May 2004.

In the same October 2005 to February 2006 comparison, San Francisco had 3,500 fewer (-0.4%) employed and there were 8,300 fewer employed residents (-1%) in San Jose.

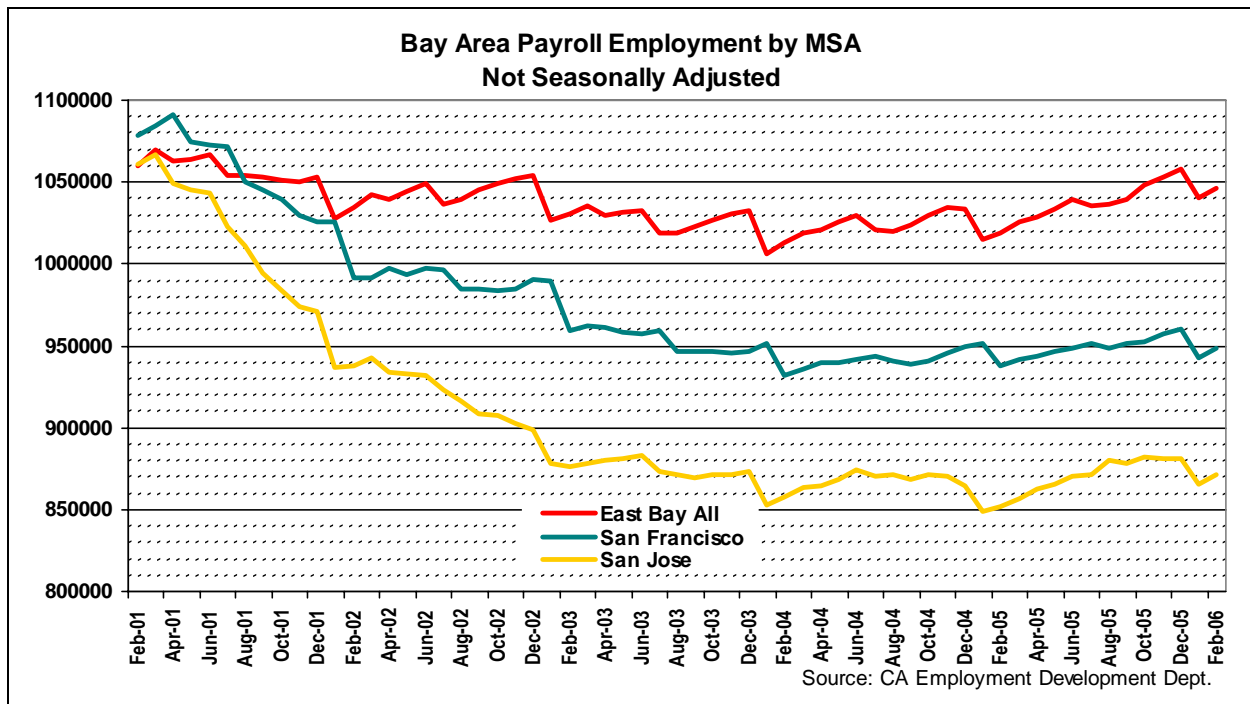
In a comparison of the previous 12-months, there were 900 fewer employed residents in the East Bay and 13,000 less in San

Francisco and 2,200 less in San Jose were employed. But between January and February 2006, there were 5,700 less in East Bay residents with jobs, 1,500 fewer in San Francisco and 3,500 less in San Jose were employed.



## PAYROLL EMPLOYMENT

In February 2001, San Francisco had the most jobs in the Bay Area (1,083,900) San Jose had 1,061,400 and the East Bay had 1,060,300



In February 2006, the East Bay again slipped below its February 2001 number (by -2,400), for a total of 1,045,900 jobs. San Francisco had 948,200 jobs (135,700 fewer than in February 2001, but 39,800 more jobs than employed residents in February 2006) and San Jose had 871,500 (189,900 less).

From February 2005 to February 2006, the picture was brighter, as the East Bay added 26,800 jobs, San Francisco 6,800 and San Jose 19,400; and within the last month, the East Bay added 5,200 jobs, San Francisco 5,300 more and San Jose gained 6,100.

## EAST BAY PAYROLL EMPLOYMENT BY SECTOR

Between February 2005 and February 2006, the number of East Bay jobs grew by 23,500 (2.3%).

East Bay Primary Industry Sectors	1 Month Change	12 Month Change	24 Month Change	Change from 2/01
Construction	1,900	8,800	13,200	10,300
Professional and Business Services	400	4,300	7,800	-9,400
Leisure and Hospitality	600	3,700	4,700	8,200
Financial Activities	400	3,300	5,600	15,600
Retail Trade	-1,800	3,200	5,000	300
Educational and Health Services	1,500	2,400	3,500	9,700
Government	1,400	700	-700	3,100
Other Services	200	100	-1,300	1,100
Wholesale Trade	100	-100	200	-8,400
Trans, Warehousing & Utilities	0	-200	500	-8,100
Manufacturing	300	-1,300	-3,300	-25,000
Information	-100	-1,400	-2,100	-9,600
Source: CA Employment Development Dept.				

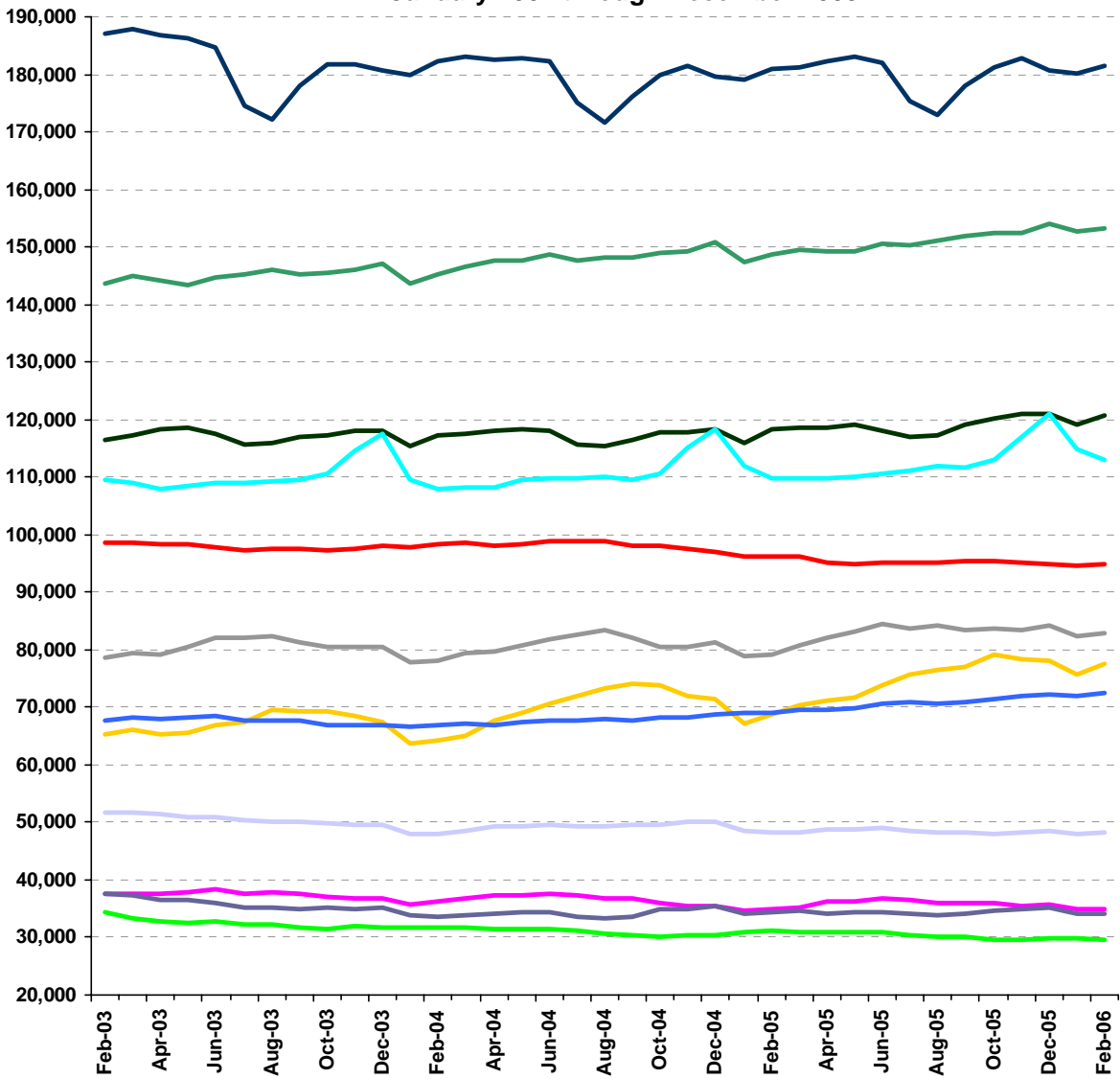
- The construction boom continued to bolster payrolls, up 8,800 jobs, predominantly in specialty trade contractors (up 6,000 jobs).
- Professional and business services added 4,300 jobs, mainly in administrative and support services (up 3,300 jobs).
- Leisure and hospitality increased payrolls by 3,700 jobs, mostly in accommodation and food services (up 2,300 jobs).
- Information declined by 1,400 jobs, largely in publishing industries (down 700 jobs).

East Bay manufacturers are having a very hard time. In 2005, the manufacturing industry business lost -2,100 more jobs, after what appeared to be the beginning of a recovery in 2004 (that ended up in the loss of -800). Computer and Peripheral Equipment has lost the most (-2,100) in the last two years, while Petroleum & Coal Products lost jobs -700 jobs.

Communications Equipment lost the most (-8,800) in the previous three years but actually added 600 in the last two years.

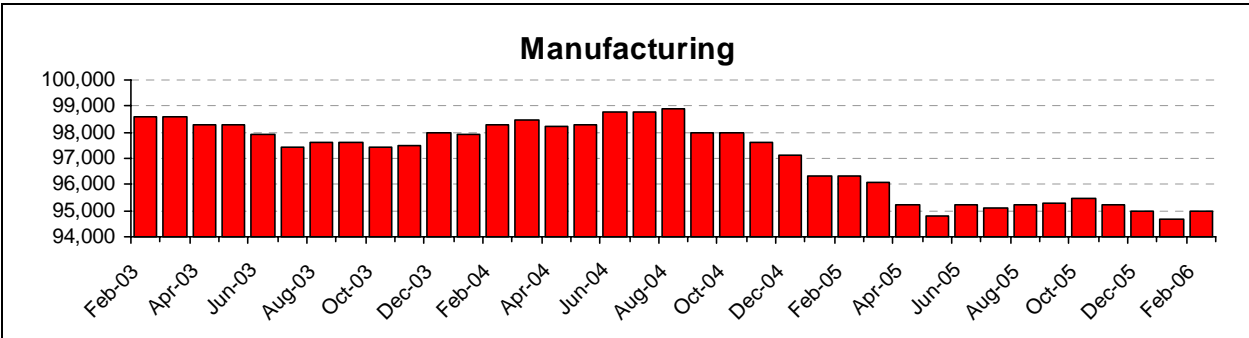
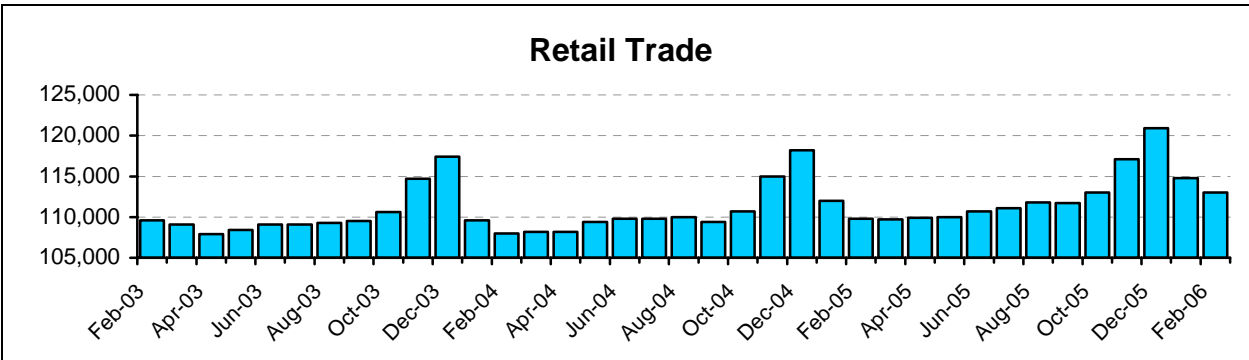
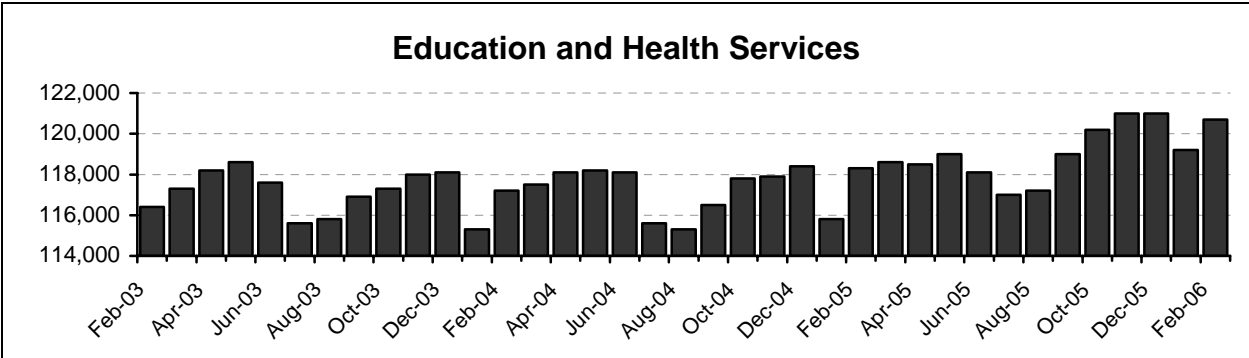
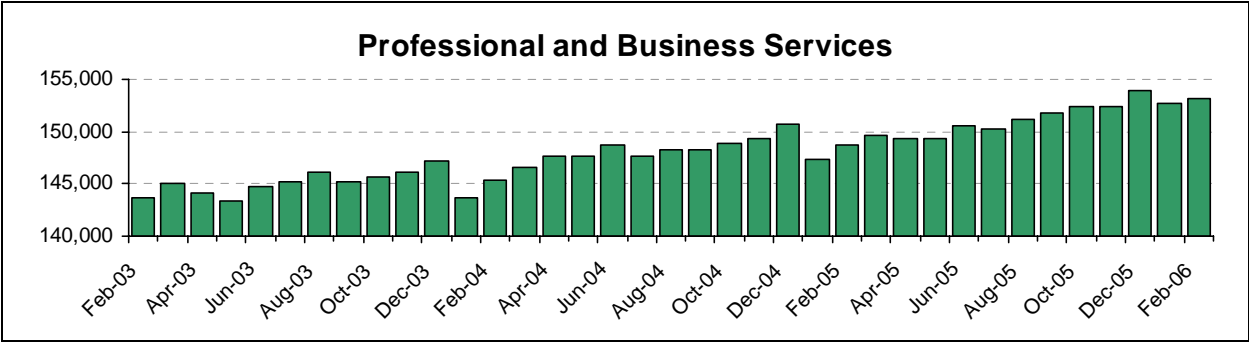
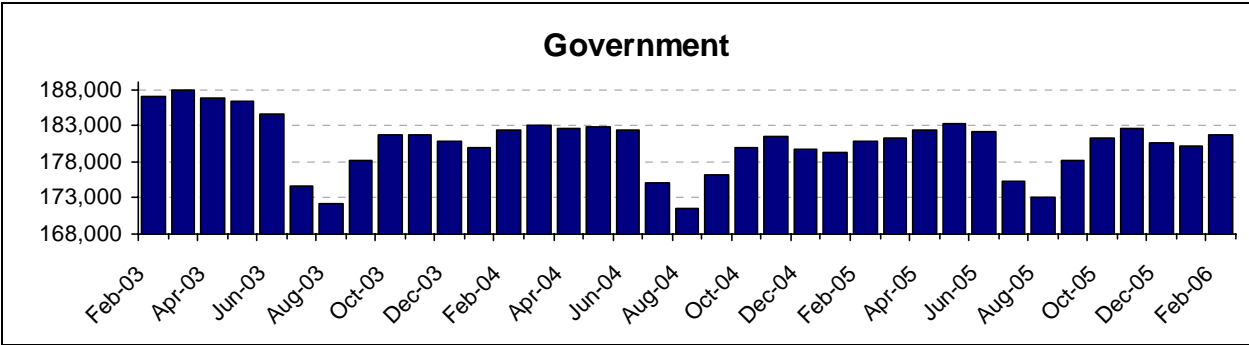
East Bay Manufacturing Sector	2/1/2006 Employment	1 Month Change	Change From 10/05	12 Month Change	24 Month Change	Change from 2/01
Primary Metal Manufacturing	2,900	100	0	0	-100	-400
Industrial Machinery Manufacturing	3,000	0	0	100	200	-2,600
Residual-Other General Purpose Machinery Manufacturing	2,900	0	-100	-200	-400	-600
Computer and Peripheral Equipment Manufacturing	4,100	0	-200	-600	-2,100	-2,800
Residual-Communications Equipment Manufacturing	17,200	100	200	0	600	-8,200
Transportation Equipment Manufacturing	7,600	100	-100	0	-300	400
Residual-Miscellaneous Manufacturing	22,400	100	0	-300	-300	-5,400
Petroleum and Coal Products Manufacturing	6,300	0	-200	-500	-700	-700
Chemical Manufacturing	7,200	-100	0	100	-100	-1,000
Residual-Food Manufacturing	21,400	0	-100	100	-100	-3,700
Total Manufacturing	95,000	300	-500	-1,300	-3,300	-25,000
Source: CA Employment Development Dept.						

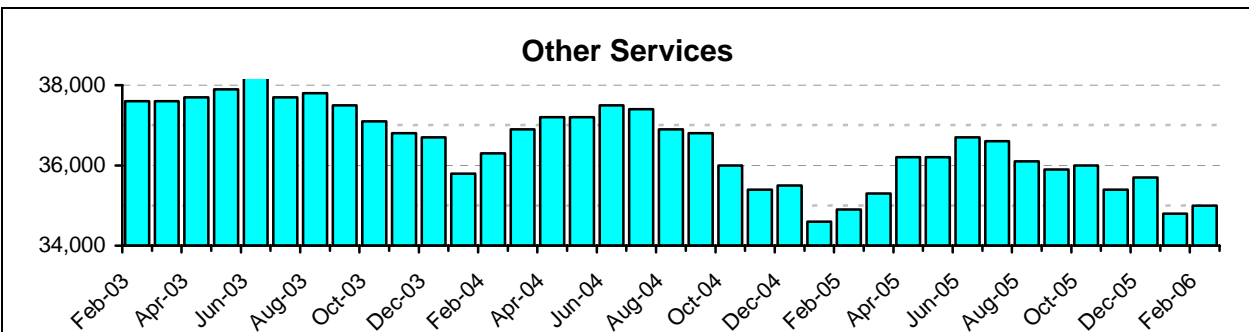
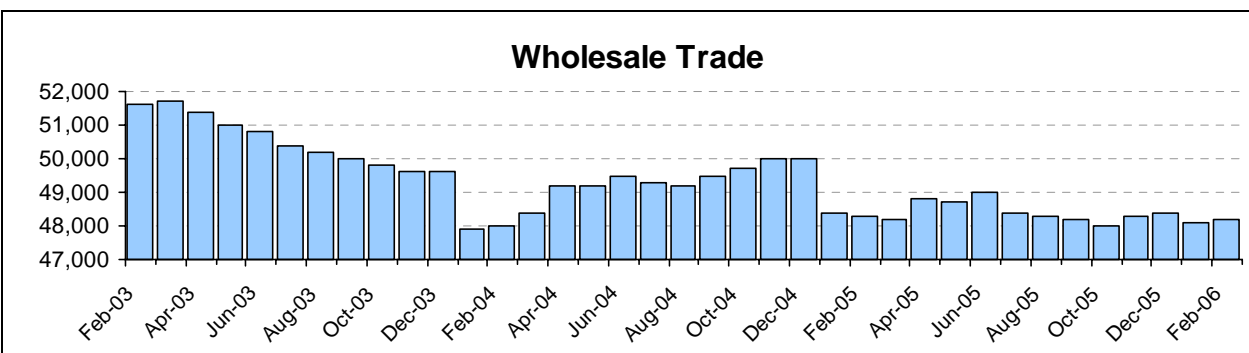
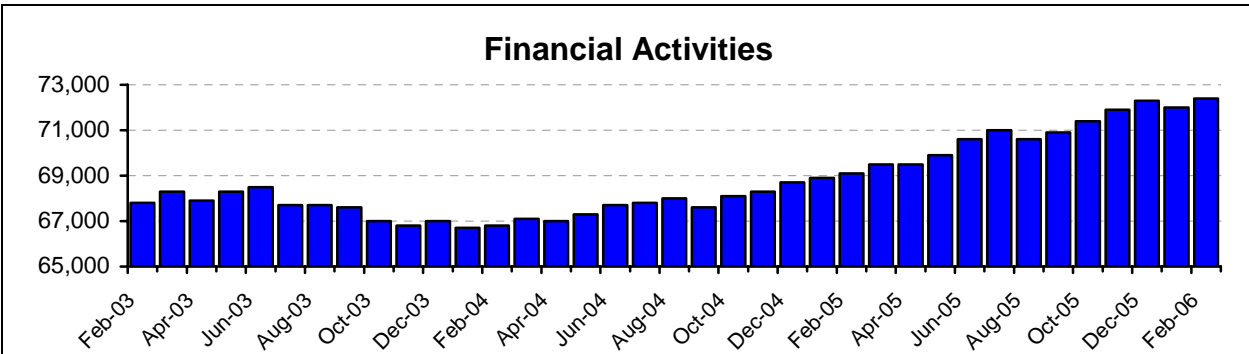
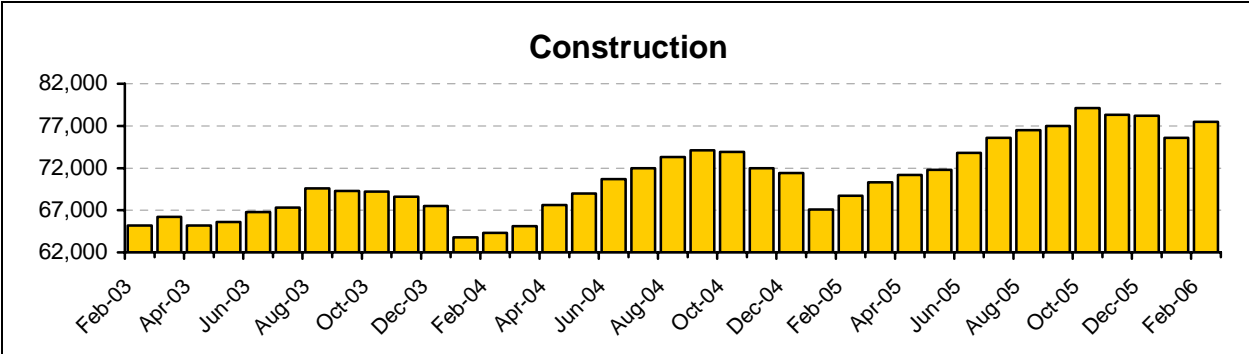
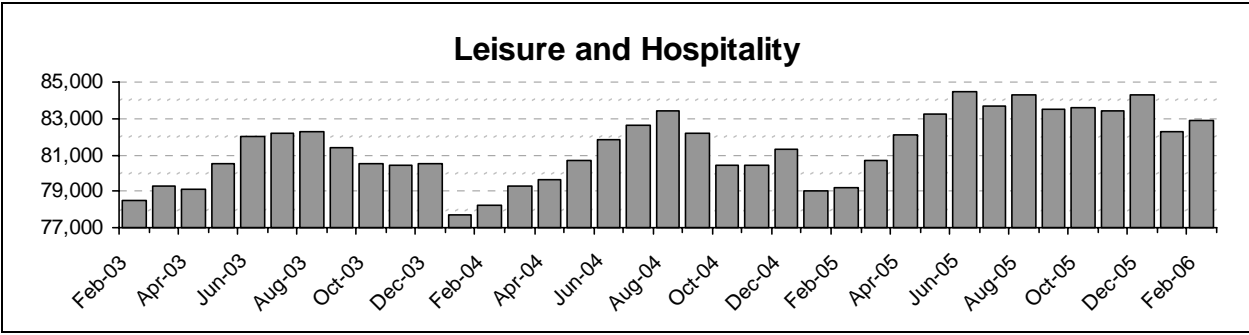
### East Bay Sector Employment Summary Not Seasonally Adjusted January 2001 through December 2005

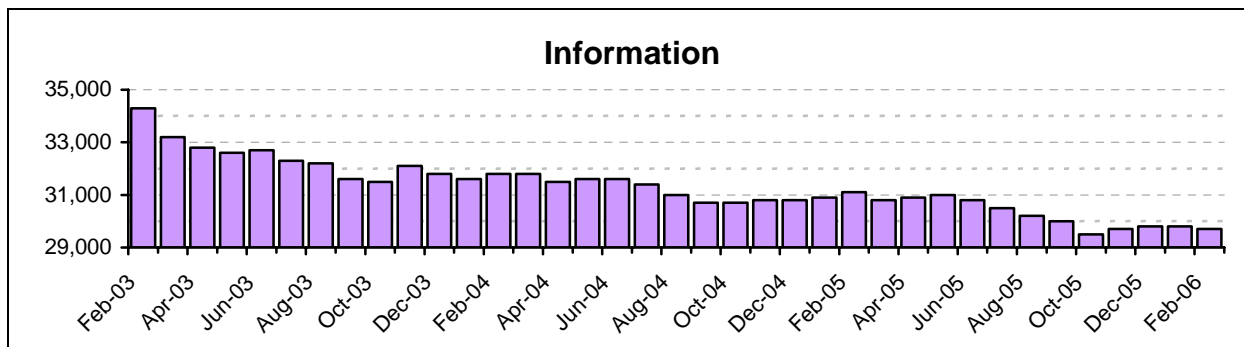
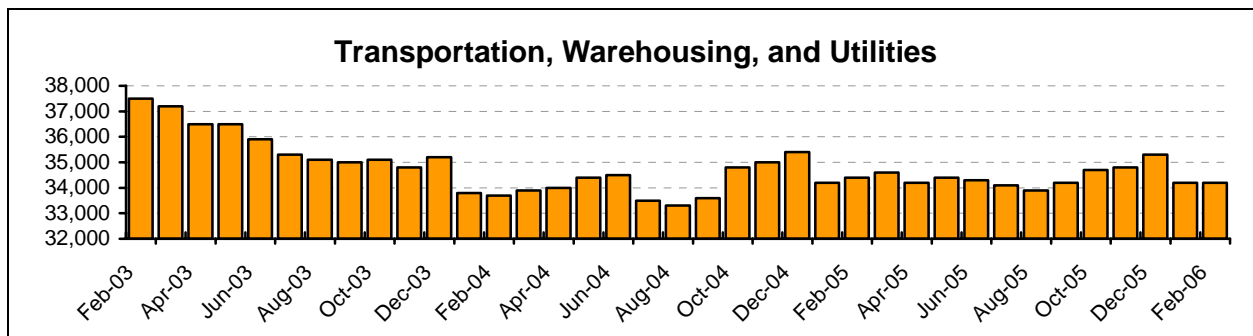


- Government
- Professional and Business Services
- Educational and Health Services
- Retail Trade
- Manufacturing
- Leisure and Hospitality
- Construction
- Financial Activities
- Wholesale Trade
- Other Services
- Trans, Warehousing & Utilities
- Information

Source: CA Employment Development Dept.







## HOUSING

Bay Area home sales remained at their lowest level in five years in February, as price increases continued to slow, according to DataQuick Information Systems.

A total of 6,206 new and resale houses and condos were sold in the nine-county region last month. That was up 3.4% from 6,004 for January, but down 16.8% from 7,463 in February 2005.

Normally sales decline from January to February, but February 2005 was the strongest in DataQuick's records, which go back to 1988. However, February 2006 was the eleventh in a row to see a year-over-year sales decline.

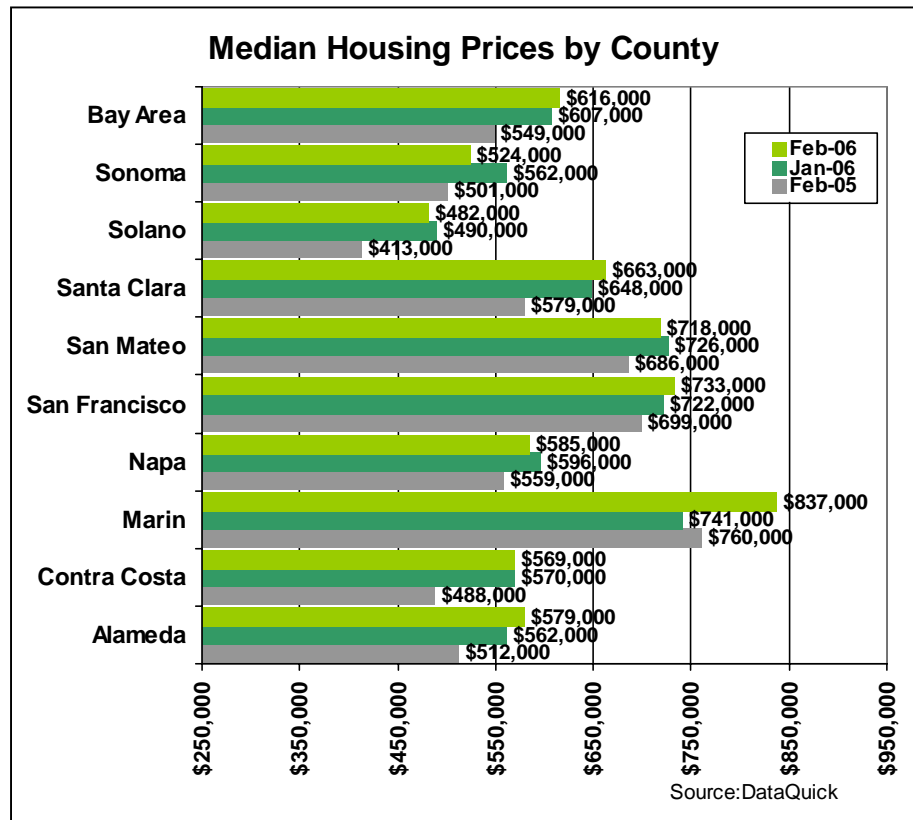
The median price paid for a Bay Area home was \$616,000 last month. That was up 1.5% from January's \$607,000, and up 12.2% from \$549,000 for February a year ago. The annual price increase was the lowest since prices rose 9.7% to \$443,000 in January 2004. It's probable that appreciation will dip into the single digits again this spring.

All Homes	Number Sold Feb 06	Annual Pct. Chg	Median Feb - 06	Annual Pct. Chg
Alameda	1,149	-19.20%	\$579,000	13.10%
Contra Costa	1,305	-10.40%	\$569,000	16.60%
Marin	207	-17.50%	\$837,000	10.10%
Napa	111	-35.80%	\$585,000	4.70%
San Francisco	385	-18.90%	\$733,000	4.90%
San Mateo	488	-15.30%	\$718,000	4.70%
Santa Clara	1,614	-14.20%	\$663,000	14.50%
Solano	493	-30.10%	\$482,000	16.70%
Sonoma	454	-13.20%	\$524,000	4.60%
Bay Area	6,206	-16.80%	\$616,000	12.20%

Source: DataQuick Information Systems

The typical monthly mortgage payment that Bay Area buyers committed themselves to paying was \$2,889 in February 2006. That was up from \$2,798 in January 2006, and up from \$2,460 for February a year ago. Adjusted for inflation, mortgage payments are 16% higher than they were at the peak of the prior cycle sixteen years ago.

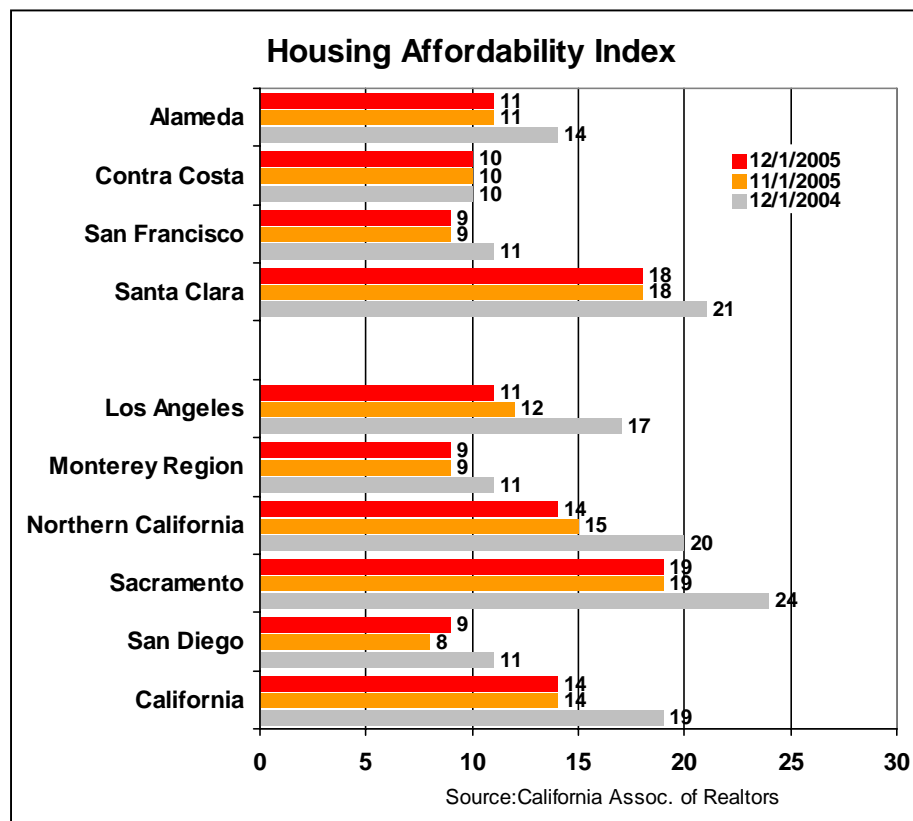
The percentage of households in California able to afford a median-priced home stood at 14% in December 2005, compared with 19% for the same period a year ago, according to the California Association of REALTORS® (C.A.R.).



The minimum household income needed to purchase a \$548,430 median-priced California home 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 February 2006, the city with the highest average price of homes sold in the East Bay was Alamo, where the average price of the 14 homes sold was \$1,250,000. In Alameda County, two cities tied for the highest average price: Pleasanton, where 60 homes were sold and Berkeley, where 39 homes were sold for an average price of \$775,000.

In Contra Costa County, Rodeo experienced the highest percentage year-to-year price increase rate 50.3%, which equals \$188,500. In Alameda County, Emeryville had a 28.8% increase of \$106,250.

In February 2006, the average price of the homes sold in Alameda County was \$44,000 more than those sold in Contra Costa County, with 98 more homes were sold in Alameda County than in Contra Costa County. The price difference in February 2005 was \$53,000 greater in Alameda County.

The city with the lowest average price for Alameda County was Oakland, where the average price was \$465,000, a \$55,500 increase (13.6%) from February 2005.

The lowest average sales price percentage increase/decrease in the East Bay was in Contra Costa County, where Alamo experienced a \$500,000 decrease (-28.6%).

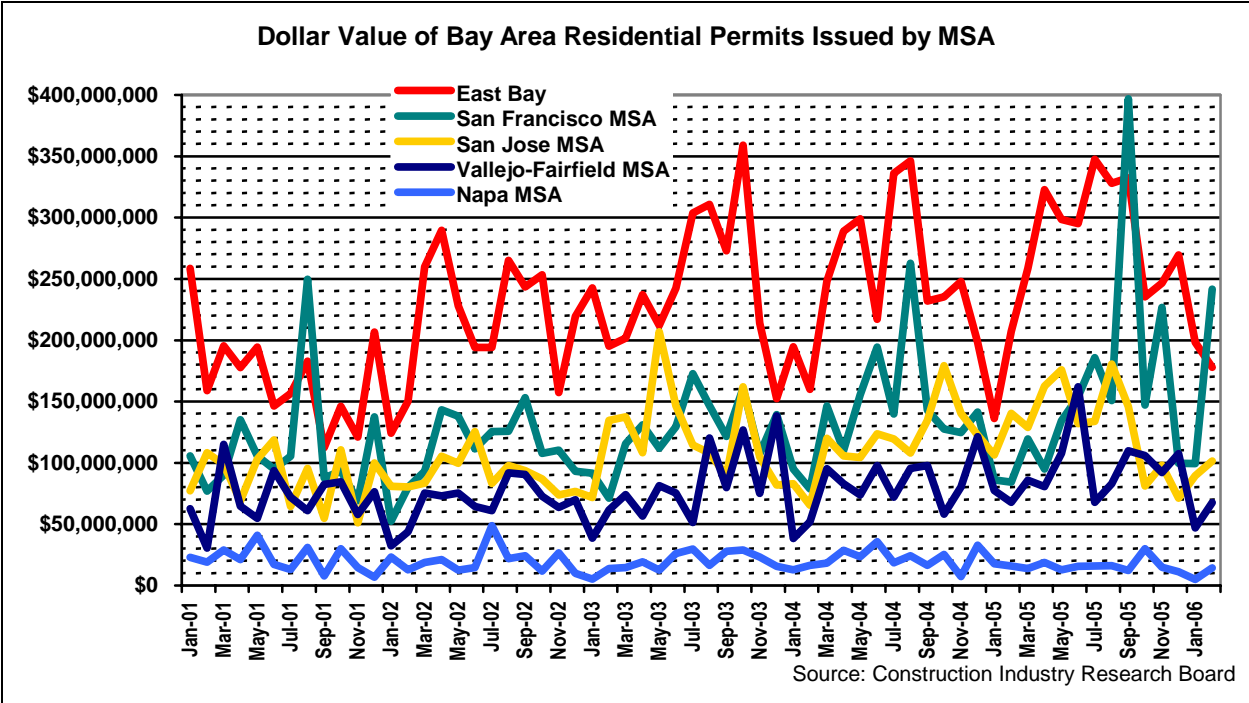
NOTE: The price statistics are derived from all types of home sales -- new and existing, condos and single-family, and were provided by DataQuick.

County/City/Area	# Sold	Feb 2006	Feb 2005	% Change Yr-To-Yr
<b>Alameda County</b>	<b>1,163</b>	<b>\$584,000</b>	<b>\$520,000</b>	<b>12.3%</b>
Alameda	48	\$635,500	\$535,000	18.8%
Albany	7	\$520,000	\$580,000	-10.3%
Berkeley	39	\$775,000	\$671,000	15.5%
Castro Valley	58	\$649,750	\$550,000	18.1%
Dublin	49	\$639,500	\$647,500	-1.2%
Emeryville	21	\$475,000	\$368,750	28.8%
Fremont	174	\$629,250	\$585,000	7.6%
Hayward	119	\$580,000	\$485,000	19.6%
Livermore	95	\$592,500	\$584,000	1.5%
Newark	47	\$595,500	\$547,000	8.9%
Oakland	269	\$465,000	\$409,500	13.6%
Pleasanton	56	\$775,000	\$687,500	12.7%
San Leandro	82	\$550,000	\$480,000	14.6%
San Lorenzo	17	\$540,000	\$447,500	20.7%
Union City	82	\$640,000	\$560,000	14.3%
<b>Contra Costa County</b>	<b>1,065</b>	<b>\$540,000</b>	<b>\$467,000</b>	<b>15.6%</b>
Alamo	14	\$1,250,000	\$1,750,000	-28.6%
Antioch	130	\$480,000	\$435,000	10.3%
Brentwood	102	\$706,250	\$531,000	33.0%
Byron	32	\$668,250	\$584,000	14.4%
Clayton	13	\$799,000	\$810,000	-1.4%
Concord	125	\$528,000	\$440,000	20.0%
Crockett	2	\$495,000	\$502,500	-1.5%
Danville	42	\$862,500	\$880,000	-2.0%
El Cerrito	18	\$637,500	\$565,500	12.7%
El Sobrante	23	\$510,000	\$485,500	5.0%
Hercules	23	\$475,000	\$490,000	-3.1%
Lafayette	14	\$982,500	\$836,000	17.5%
Martinez	41	\$599,500	\$487,000	23.1%
Moraga	11	\$779,000	\$559,000	39.4%
Oakley	57	\$494,500	\$441,500	12.0%
Orinda	9	\$992,000	\$912,000	8.8%
Pinole	10	\$532,500	\$469,500	13.4%
Pittsburg	102	\$449,500	\$390,000	15.3%
Pleasant Hill	16	\$593,750	\$580,000	2.4%
Richmond	89	\$460,000	\$360,000	27.8%
Rodeo	4	\$563,500	\$375,000	50.3%
San Pablo	57	\$450,000	\$392,500	14.6%
San Ramon	35	\$695,000	\$705,000	-1.4%
Walnut Creek	95	\$665,000	\$577,500	15.2%

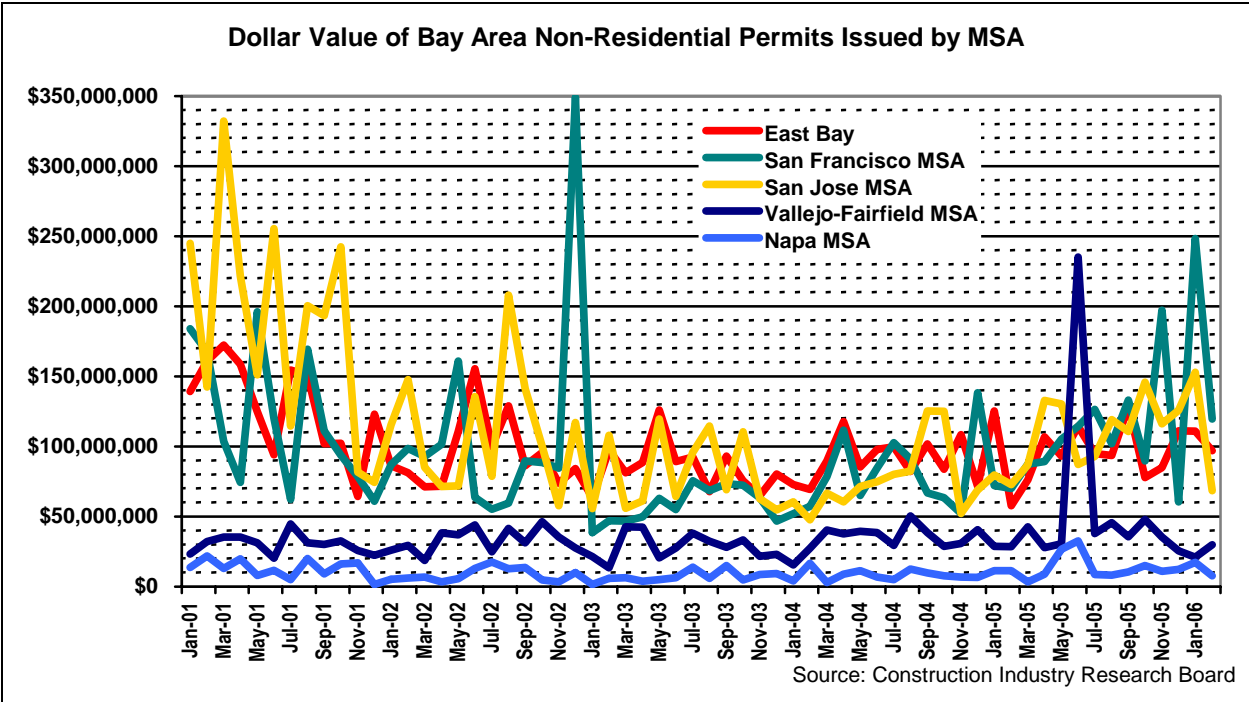
Source: DataQuick

# CONSTRUCTION PERMITS

The following chart of Bay Area MSA residential permit values issued since January 2001 provides a quick comparative view of activity. Data follow in subsequent tables.



The following chart of Bay Area MSA non-residential permit values issued since January 2001 is also included to provide a quick, comparative view of activity.

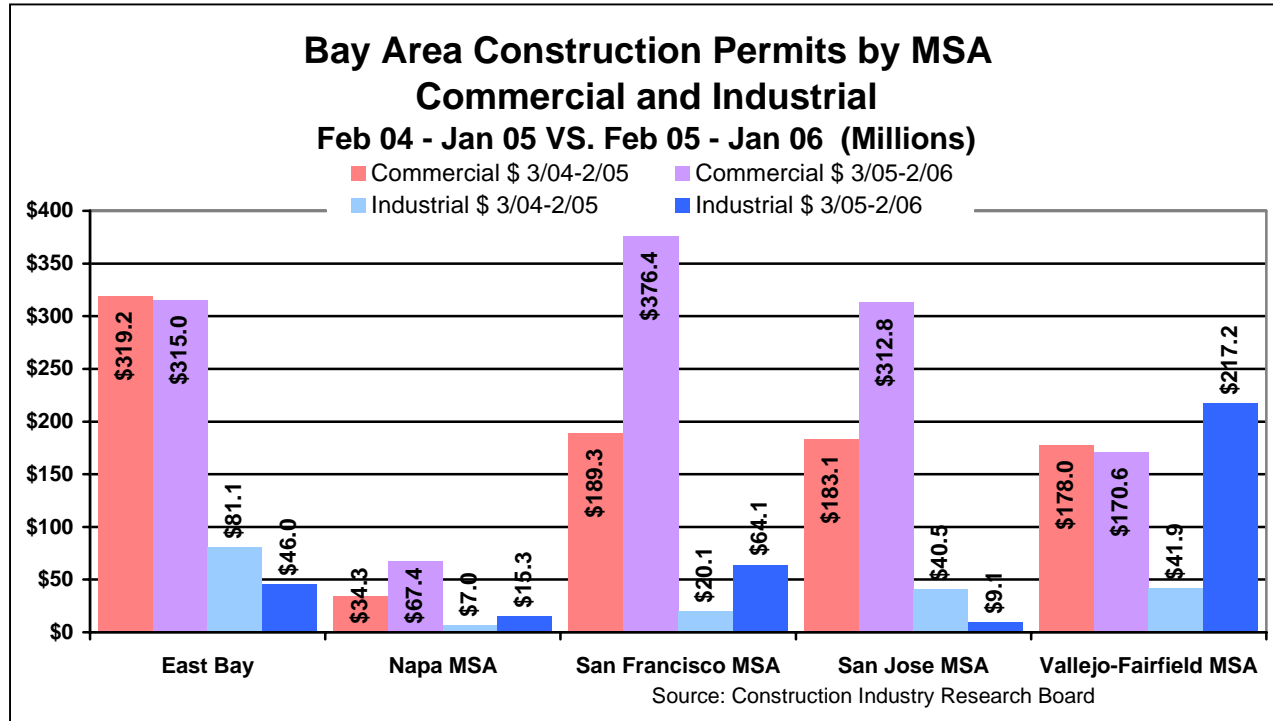


In December 2002, commercial project(s) in San Francisco brought the non-residential permit total for the month to \$348,783,036, and that will continue to give San Francisco a substantial boost in the 12-month commercial and total permit comparisons that follow.

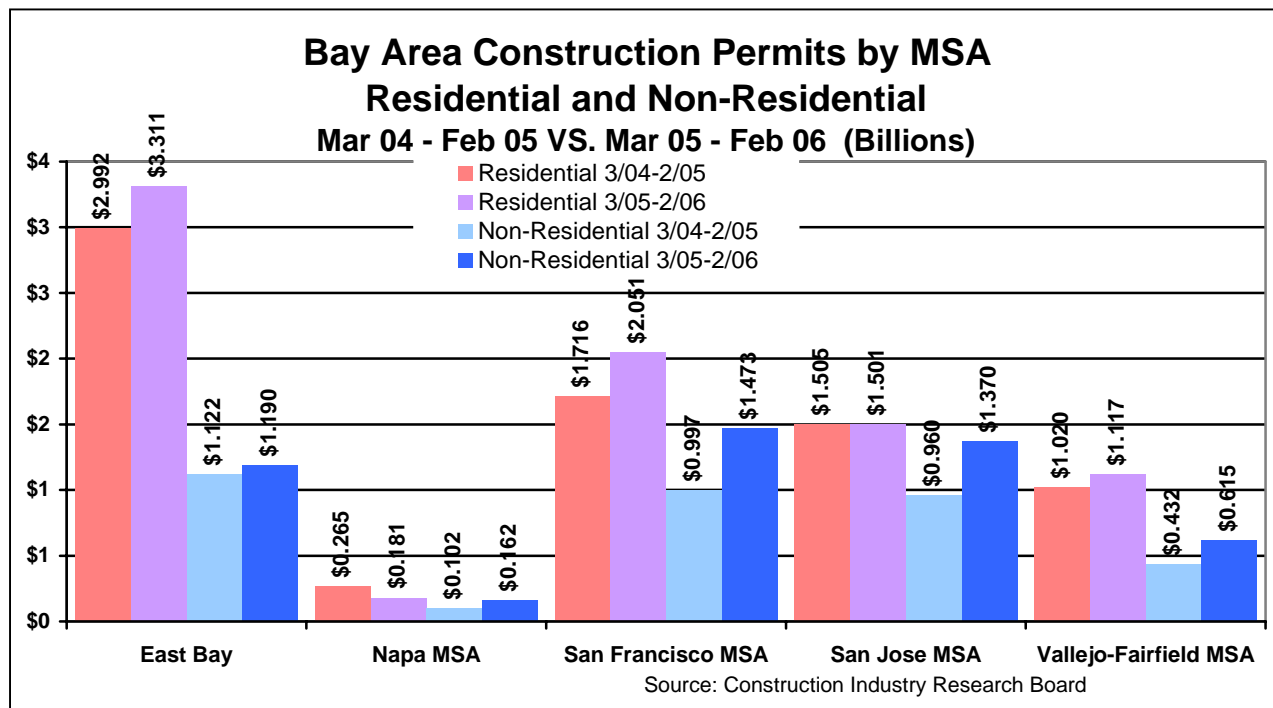
In a comparison of two, twelve-month periods (March 2004 to February 2005 vs. March 2005 to February 2006), the Bay Area MSA's (except for Napa) experienced an increase in the total value of construction permits issued.

When Commercial and Industrial permits are compared, only the San Francisco, San Jose and Napa MSA's showed an improvement.

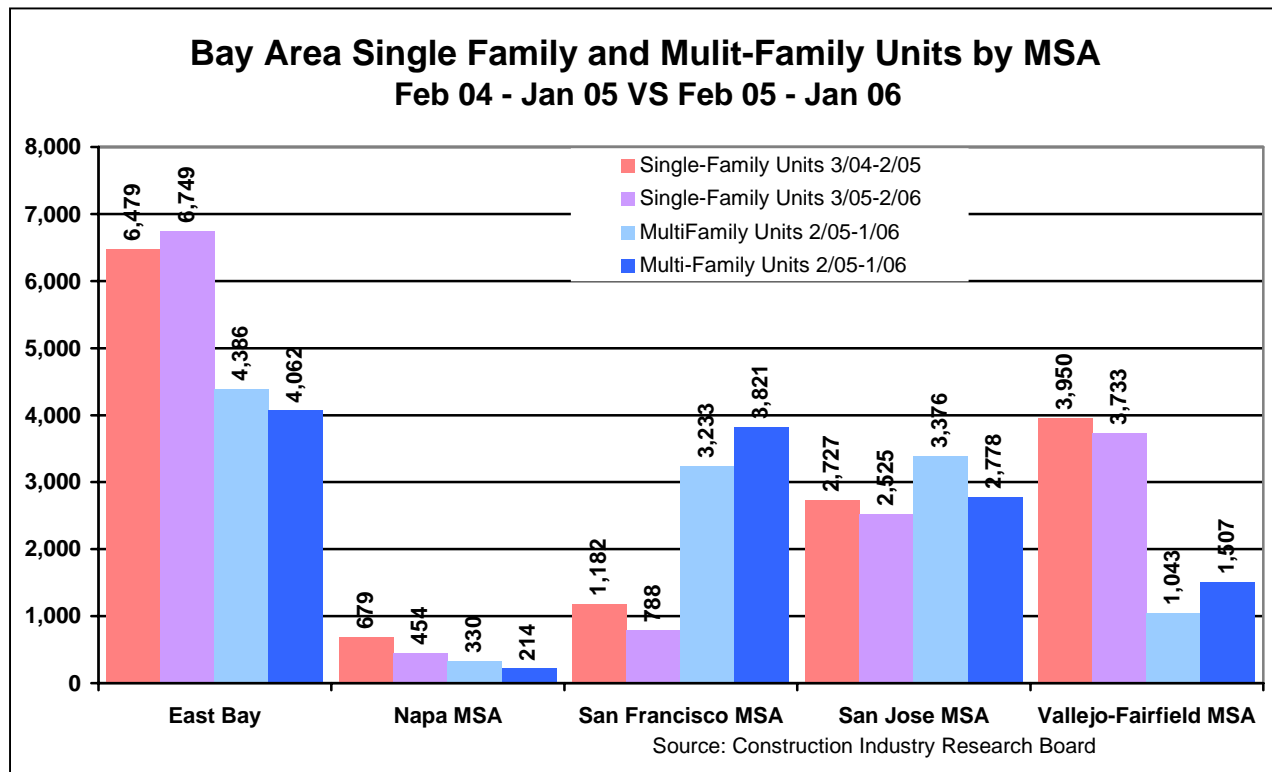
Bay Area MSA	Total Permit Change	Total Permit % Change
East Bay	\$387,527,507	9.4%
Napa MSA	-\$23,154,140	-6.3%
San Francisco MSA	\$811,187,301	29.9%
San Jose MSA	\$406,047,236	16.5%
Vallejo-Fairfield MSA	\$279,672,983	19.3%



In a comparison of residential and non-residential permits for the same two twelve-month periods, the Bay Area MSA's (except for Napa and San Jose) experienced an increase in residential permits and all showed an increase in non-residential permits issued.



In a comparison of Single and Multi-Family Unit permits issued for the same time periods, the East Bay issued 270, (4.2%) more Single-Family unit permits but 324 fewer (-7.4%) Multi-Family Unit permits.



The following tables break down these permit categories for the same comparative time periods, for Alameda and Contra Costa Counties.

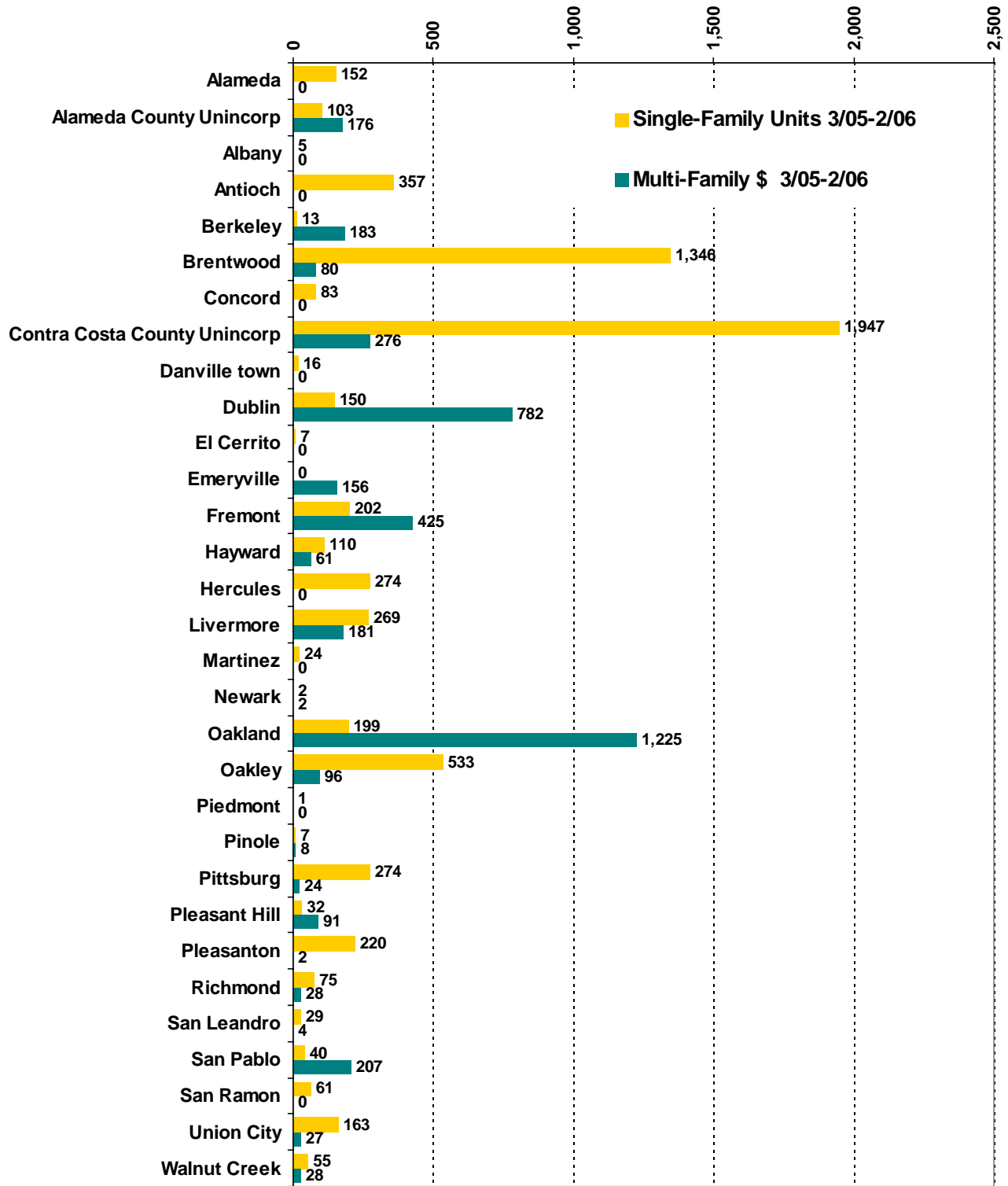
	3/04-2/05	3/05-2/06	Change	% Change
Alameda County Residential	\$1,460,053,669	\$1,500,549,902	\$40,496,233	2.8%
Alameda County Non-Residential	\$823,285,772	\$720,670,937	-\$102,614,835	-12.5%
Alameda County Commercial	\$214,476,201	\$229,102,836	\$14,626,635	6.8%
Alameda County Industrial	\$63,030,624	\$31,120,481	-\$31,910,143	-50.6%
Contra Costa County Residential	\$1,851,221,316	\$1,500,549,902	-\$350,671,414	-18.9%
Contra Costa County Non-Residential	\$366,743,049	\$85,904,285	-\$280,838,764	-76.6%
Contra Costa County Commercial	\$104,721,654	\$85,904,285	-\$18,817,369	-18.0%
Contra Costa County Industrial	\$18,101,420	\$14,875,897	-\$3,225,523	-17.8%

The percentage of single-family to multi-family units permitted in Alameda County during this time period was 38.7% for the first 12-months and 33.4% for the second. In Contra Costa County, the percentage of single family permits increased from 81.7% to 86.0%.

Housing Unit Permit Comparison	3/04-2/05	3/05-2/06	Change	% Change
Alameda County Single-Family Units	2,155	1,618	-537	-24.9%
Contra Costa County Single-Family Units	4,324	5,131	807	18.7%
Alameda County Multi-Family Units	3,418	3,224	-194	-5.7%
Contra Costa County Multi-Family Units	968	838	-130	-13.4%

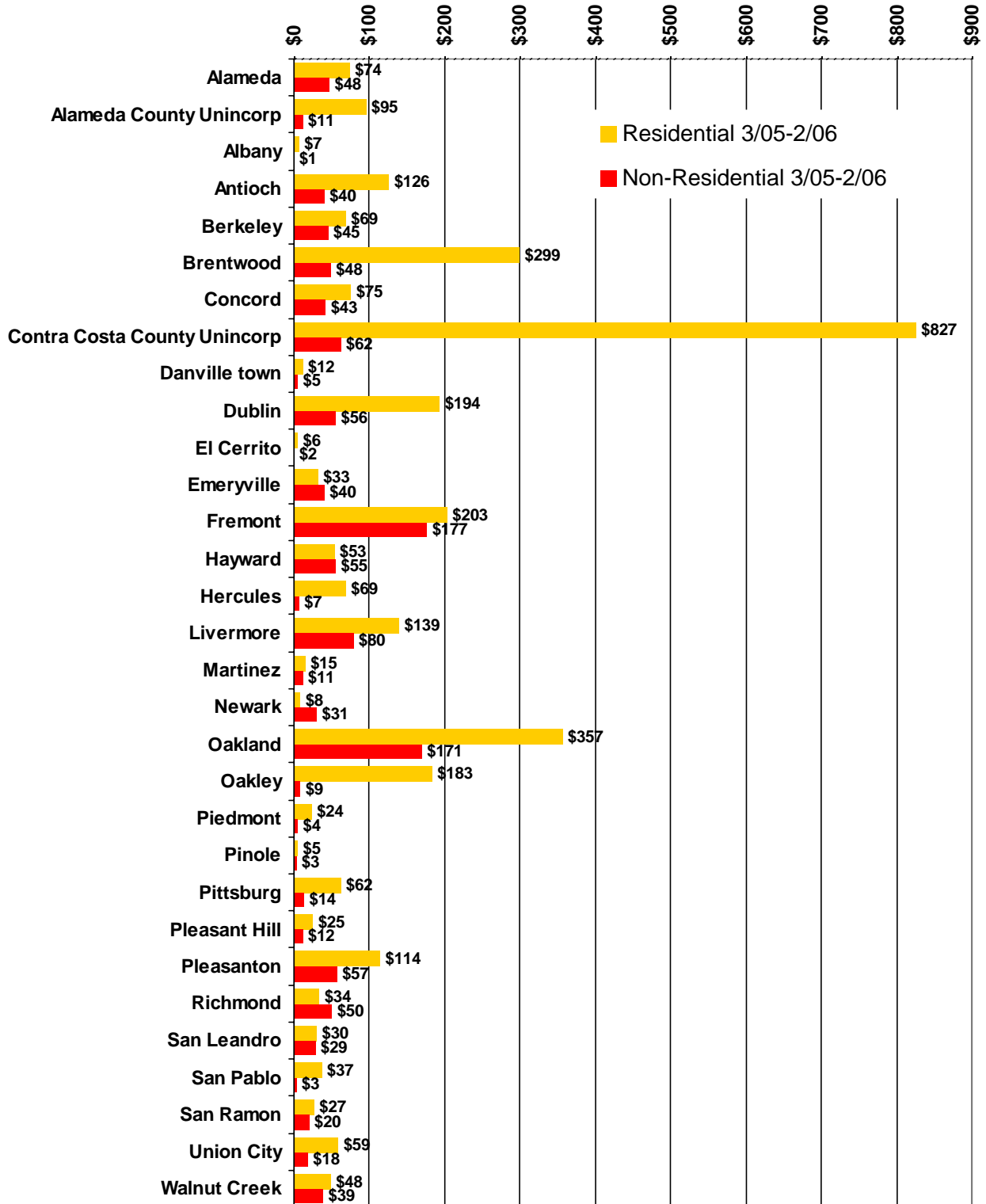
The number of housing permits issued during the previous 12 months is also being shown to be consistent with our other comparisons. Tables providing the data for the comparisons follow the charts.

### East Bay Residential Unit Permits Issued by City February 2005 - January 2006



Source: Construction Industry Research Board

## 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.

East Bay Housing Unit Permits Issued by City								
March 2004 – February 2005 VS. March 2005 - February 2006								
	Single-Family 3/04-2/05	Single-Family Units 3/05-2/06	Single Family Change	Single Family % Change	Multi-Family Units 3/04-2/05	Multi-Family Units 3/05-2/06	Multi-Family Change	Multi-Family % Change
Alameda	119	152	33	27.7%	54	0	-54	-100.0%
Alameda County Unincorp	99	103	4	4.0%	45	176	131	291.1%
Albany	8	5	-3	-37.5%	0	0	0	
Antioch	147	357	210	142.9%	2	0	-2	-100.0%
Berkeley	14	13	-1	-7.1%	356	183	-173	-48.6%
Brentwood	1,373	1,346	-27	-2.0%	220	80	-140	-63.6%
Concord	148	83	-65	-43.9%	0	0	0	
Contra Costa County Unincorp	1,658	1,947	289	17.4%	346	276	-70	-20.2%
Danville town	37	16	-21	-56.8%	9	0	-9	-100.0%
Dublin	315	150	-165	-52.4%	867	782	-85	-9.8%
El Cerrito	7	7	0	0.0%	0	0	0	
Emeryville	0	0	0		401	156	-245	-61.1%
Fremont	142	202	60	42.3%	86	425	339	394.2%
Hayward	394	110	-284	-72.1%	117	61	-56	-47.9%
Hercules	236	274	38	16.1%	77	0	-77	-100.0%
Livermore	307	269	-38	-12.4%	201	181	-20	-10.0%
Martinez	10	24	14	140.0%	0	0	0	
Newark	4	2	-2	-50.0%	0	2	2	
Oakland	347	199	-148	-42.7%	915	1,225	310	33.9%
Oakley	207	533	326	157.5%	0	96	96	
Piedmont	6	1	-5	-83.3%	0	0	0	
Pinole	2	7	5	250.0%	0	8	8	
Pittsburg	243	274	31	12.8%	10	24	14	140.0%
Pleasant Hill	3	32	29	966.7%	56	91	35	62.5%
Pleasanton	249	220	-29	-11.6%	172	2	-170	-98.8%
Richmond	205	75	-130	-63.4%	123	28	-95	-77.2%
San Leandro	25	29	4	16.0%	2	4	2	100.0%
San Pablo	15	40	25	166.7%	84	207	123	146.4%
San Ramon	1	61	60	6000.0%	0	0	0	
Union City	126	163	37	29.4%	202	27	-175	-86.6%
Walnut Creek	32	55	23	71.9%	41	28	-13	-31.7%
Total	6,479	6,749	270	4.2%	4,386	4,062	-324	-7.4%

Source: Construction Industry Research Board

The average cost of a Single-Family unit increased from \$287,040 during the first 12-months to \$293,700 in the second, a 2.3% increase of \$6,660. Meanwhile, the average Multi-Family permit increased from \$132,823 to \$154,011, a 16% increase of \$21,188. .

East Bay Average Per Unit Value by City								
March 2004 – February 2005 VS. March 2005 - February 2006								
	Single-Family 3/04-2/05	Single-Family 3/05-2/06	Single Family Change	Single Family % Change	Multi-Family 3/04-2/05	Multi-Family 3/05-2/06	Multi-Family Change	Multi- Family % Change
Alameda	\$320,216	\$322,553	\$2,337	0.7%	\$95,800	0	0	0
Alameda County Unincorp.	\$369,839	\$441,651	\$71,812	19.4%	\$180,094	\$86,963	-\$93,131	-51.7%
Albany	\$192,055	\$250,050	\$57,995	30.2%	0	0	0	0
Antioch	\$231,559	\$339,257	\$107,698	46.5%	\$101,368	0	0	0
Berkeley	\$192,676	\$233,937	\$41,261	21.4%	\$111,930	\$117,694	\$5,764	5.1%
Brentwood	\$207,186	\$217,689	\$10,504	5.1%	\$85,080	\$47,876	-\$37,204	-43.7%
Concord	\$268,293	\$289,797	\$21,504	8.0%	0	0	0	0
Contra Costa Co. Unincorp.	\$331,088	\$335,004	\$3,917	1.2%	\$102,875	\$153,936	\$51,062	49.6%
Danville	\$214,999	\$351,455	\$136,456	63.5%	\$91,863	0	0	0
Dublin	\$480,466	\$341,460	-\$139,006	-28.9%	\$177,638	\$177,542	-\$97	-0.1%
El Cerrito	\$280,000	\$280,000	\$0	0.0%	0	0	0	0
Emeryville	0	0	0	0	\$181,741	\$205,141	\$23,400	12.9%
Fremont	\$258,692	\$243,923	-\$14,769	-5.7%	\$150,511	\$149,237	-\$1,274	-0.8%
Hayward	\$233,277	\$215,502	-\$17,775	-7.6%	\$148,828	\$136,382	-\$12,446	-8.4%
Hercules	\$262,879	\$231,545	-\$31,335	-11.9%	\$86,813	0	0	0
Livermore	\$348,766	\$354,042	\$5,276	1.5%	\$132,954	\$140,433	\$7,478	5.6%
Martinez	\$245,056	\$300,152	\$55,097	22.5%	0	0	0	0
Newark	\$266,341	\$346,449	\$80,108	30.1%	0	\$207,731	0	0
Oakland	\$226,853	\$321,949	\$95,096	41.9%	\$115,370	\$173,351	\$57,981	50.3%
Oakley	\$293,989	\$316,773	\$22,784	7.7%	0	\$114,394	0	0
Piedmont	\$814,833	\$1,000,000	\$185,167	22.7%	0	0	0	0
Pinole	\$239,841	\$276,634	\$36,793	15.3%	0	\$90,000	0	0
Pittsburg	\$186,083	\$194,353	\$8,269	4.4%	\$70,929	\$46,822	-\$24,107	-34.0%
Pleasant Hill	\$371,706	\$150,212	-\$221,494	-59.6%	\$89,518	\$119,541	\$30,023	33.5%
Pleasanton	\$471,845	\$442,343	-\$29,502	-6.3%	\$68,725	\$128,120	\$59,395	86.4%
Richmond	\$238,751	\$234,800	-\$3,951	-1.7%	\$166,650	\$125,714	-\$40,936	-24.6%
San Leandro	\$272,452	\$259,207	-\$13,245	-4.9%	\$196,339	\$244,839	\$48,500	24.7%
San Pablo	\$142,329	\$151,711	\$9,382	6.6%	\$136,958	\$117,475	-\$19,483	-14.2%
San Ramon	\$700,000	\$181,791	-\$518,209	-74.0%	0	0	0	0
Union City	\$286,508	\$287,768	\$1,260	0.4%	\$105,135	\$199,331	\$94,196	89.6%
Walnut Creek	\$238,462	\$257,686	\$19,224	8.1%	\$163,415	\$125,000	-\$38,415	-23.5%
Average	\$287,040	\$293,700	\$6,660	2.3%	\$132,823	\$154,011	\$21,188	16.0%

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).

East Bay Permit Value Issued by City								
March 2004 – February 2005 VS. March 2005 - February 2006								
	Residential 3/04-2/05	Residential 3/05-2/06	Residential Change	Residential % Change	Non- Residential 3/04-2/05	Non- Residential 3/05-2/06	Non- Residential Change	Non- Residential % Change
Alameda	\$66,919,228	\$73,792,526	\$6,873,298	10.3%	\$34,542,358	\$47,674,394	\$13,132,036	38.0%
Alameda County Unincorp.	\$69,643,360	\$95,203,507	\$25,560,147	36.7%	\$17,118,091	\$11,316,609	-\$5,801,482	-33.9%
Albany	\$4,402,436	\$6,883,360	\$2,480,924	56.4%	\$1,112,831	\$1,250,298	\$137,467	12.4%
Antioch	\$38,310,023	\$125,947,659	\$87,637,636	228.8%	\$62,000,708	\$39,955,739	-\$22,044,969	-35.6%
Berkeley	\$82,466,438	\$68,544,357	-\$13,922,081	-16.9%	\$22,832,220	\$45,315,622	\$22,483,402	98.5%
Brentwood	\$306,286,297	\$299,358,968	-\$6,927,329	-2.3%	\$63,822,748	\$48,443,127	-\$15,379,621	-24.1%
Concord	\$81,222,813	\$75,437,558	-\$5,785,255	-7.1%	\$34,250,179	\$42,636,683	\$8,386,504	24.5%
Contra Costa Co. Unincorp.	\$682,469,673	\$826,702,117	\$144,232,444	21.1%	\$54,827,692	\$62,064,126	\$7,236,434	13.2%
Danville	\$15,134,725	\$11,963,282	-\$3,171,443	-21.0%	\$4,752,000	\$4,507,000	-\$245,000	-5.2%
Dublin	\$310,350,970	\$194,288,720	-\$116,062,250	-37.4%	\$51,012,925	\$56,015,419	\$5,002,494	9.8%
El Cerrito	\$5,585,500	\$5,578,000	-\$7,500	-0.1%	\$1,784,000	\$2,035,000	\$251,000	14.1%
Emeryville	\$73,626,125	\$32,687,970	-\$40,938,155	-55.6%	\$33,077,049	\$40,190,286	\$7,113,237	21.5%
Fremont	\$116,343,166	\$203,010,431	\$86,667,265	74.5%	\$202,863,611	\$177,370,916	-\$25,492,695	-12.6%
Hayward	\$121,872,168	\$53,284,471	-\$68,587,697	-56.3%	\$47,437,543	\$54,820,387	\$7,382,844	15.6%
Hercules	\$70,793,235	\$69,291,023	-\$1,502,212	-2.1%	\$12,299,263	\$6,610,675	-\$5,688,588	-46.3%
Livermore	\$146,627,359	\$138,850,022	-\$7,777,337	-5.3%	\$62,047,314	\$79,887,013	\$17,839,699	28.8%
Martinez	\$10,022,562	\$14,785,399	\$4,762,837	47.5%	\$4,686,733	\$11,435,932	\$6,749,199	144.0%
Newark	\$8,245,364	\$8,138,360	-\$107,004	-1.3%	\$20,597,000	\$30,939,400	\$10,342,400	50.2%
Oakland	\$249,308,608	\$357,359,754	\$108,051,146	43.3%	\$124,806,322	\$170,730,582	\$45,924,260	36.8%
Oakley	\$63,031,001	\$182,843,940	\$119,812,939	190.1%	\$8,556,987	\$8,824,266	\$267,279	3.1%
Piedmont	\$22,665,215	\$24,335,439	\$1,670,224	7.4%	\$2,128,851	\$4,472,030	\$2,343,179	110.1%
Pinole	\$1,746,980	\$5,078,964	\$3,331,984	190.7%	\$2,097,190	\$2,587,782	\$490,592	23.4%
Pittsburg	\$51,005,696	\$62,215,530	\$11,209,834	22.0%	\$20,058,318	\$13,566,056	-\$6,492,262	-32.4%
Pleasant Hill	\$14,221,941	\$25,191,652	\$10,969,711	77.1%	\$6,140,983	\$12,393,838	\$6,252,855	101.8%
Pleasanton	\$144,371,266	\$114,319,571	-\$30,051,695	-20.8%	\$48,012,146	\$56,643,313	\$8,631,167	18.0%
Richmond	\$81,636,000	\$33,870,000	-\$47,766,000	-58.5%	\$56,748,000	\$50,220,000	-\$6,528,000	-11.5%
San Leandro	\$20,611,675	\$30,425,496	\$9,813,821	47.6%	\$39,109,857	\$28,758,149	-\$10,351,708	-26.5%
San Pablo	\$19,055,395	\$37,359,487	\$18,304,092	96.1%	\$1,594,030	\$3,246,492	\$1,652,462	103.7%
San Ramon	\$14,008,332	\$27,483,884	\$13,475,552	96.2%	\$39,722,297	\$19,585,039	-\$20,137,258	-50.7%
Union City	\$63,096,524	\$58,929,685	-\$4,166,839	-6.6%	\$13,972,819	\$17,901,354	\$3,928,535	28.1%
Walnut Creek	\$37,049,926	\$48,113,853	\$11,063,927	29.9%	\$27,634,233	\$38,631,294	\$10,997,061	39.8%
Total	\$2,992,130,001	\$3,311,274,985	\$319,144,984	10.7%	\$1,121,646,298	\$1,190,028,821	\$68,382,523	6.1%

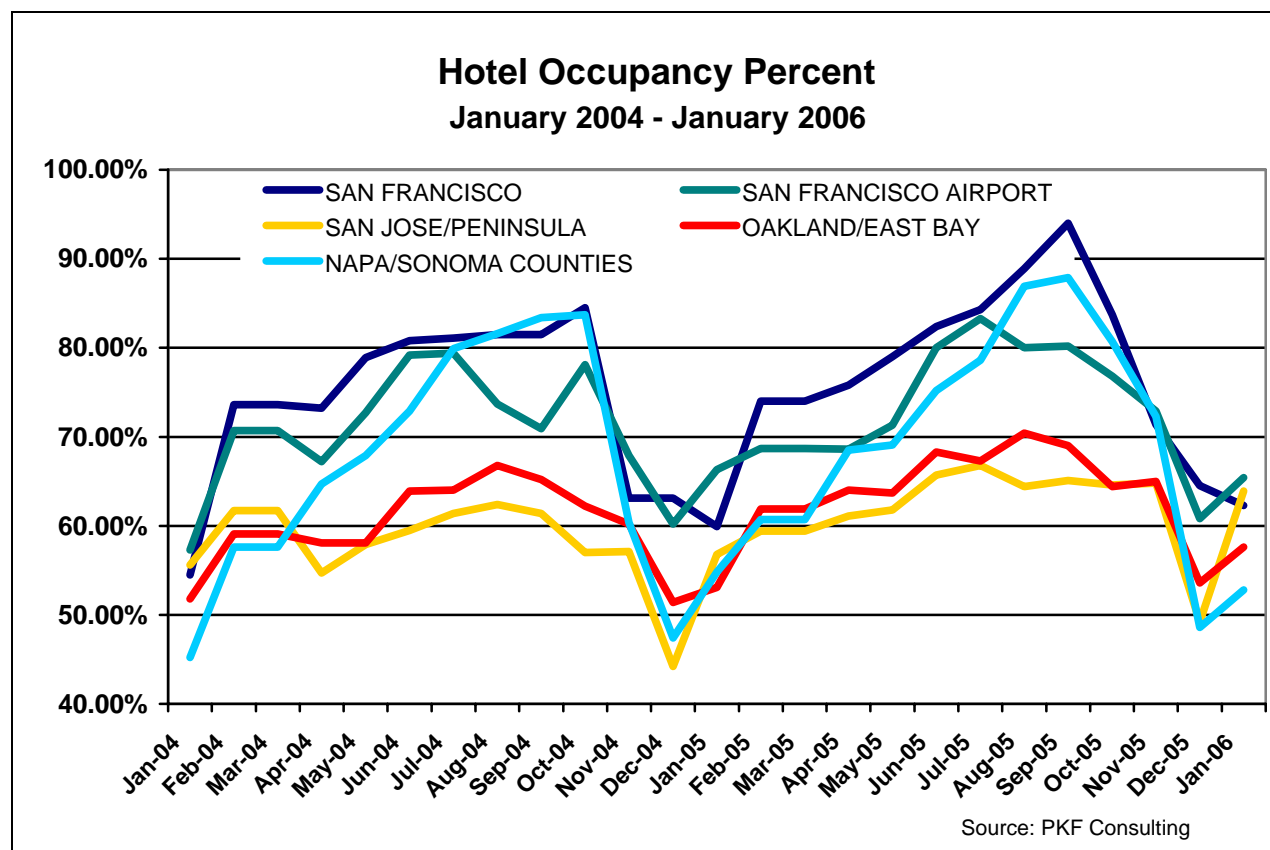
# HOTEL OCCUPANCY

The PKF Consulting report on hotel trends for January 2006 shows an increase in room rates throughout Northern California of 6.5%. The East Bay's Average Daily Room Rate increased by 2.3% to \$100.96 but moved down to 8<sup>th</sup> on the list. East Bay hotels experienced the second to the lowest percentage increase in room rates from January 2005 to January 2006.

Occupancy rates generally increased, with only the Napa County, San Francisco Airports and Sacramento areas declining. The East Bay experienced the 5<sup>th</sup> highest percentage increase in occupancy with an improvement of 8.5%, raising the East Bay occupancy rate to 57.6%, but it remains and 9<sup>th</sup> on that list, the same position it had in January 2005.

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT		
	Jan-06	Jan-05	% Change	Jan-06	Jan-05	% Change
San Francisco	\$159.41	\$146.81	8.6%	62.3%	59.9%	4.0%
Monterey/Carmel	156.09	167.18	-6.6%	51.4%	50.2%	2.4%
Marin County	129.02	118.72	8.7%	61.5%	57.1%	7.7%
Napa County	118.92	116.78	1.8%	52.8%	54.8%	-3.7%
San Jose/Peninsula	113.01	107.33	5.3%	63.9%	56.8%	12.5%
San Francisco Airport	101.52	93.8	8.2%	65.4%	66.3%	-1.4%
Sonoma County	101.47	90.35	12.3%	55.5%	50.2%	10.4%
Oakland/East Bay	100.96	98.7	2.3%	57.6%	53.1%	8.5%
Sacramento	92.05	86.77	6.1%	63.2%	63.3%	-0.2%
Other Northern California	84.33	76.07	10.9%	58.3%	53.8%	8.3%
Central Valley	69.02	63.29	9.1%	65.2%	59.9%	9.0%
Overall Average	\$120.00	\$112.73	6.5%	61.5%	58.2%	5.7%

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.

