

## ECONOMIC OVERVIEW

### RESIDENTIAL / MULTI-FAMILY REAL ESTATE

Since the 1980s, much of the Bay Area's residential development has been projected to occur in the East Bay, where, for many years, housing and land prices were substantially below that of other Bay Area regions. Today, the East Bay continues to be desirable to residential developers and homebuyers alike, thanks to land availability, close proximity to job centers in San Jose, San Francisco, and throughout the East Bay, and a variety of communities offering a range of housing, employment and recreation options. In 2005, sale prices peaked, while rental prices began to level, and the East Bay experienced greater overall increases than other Bay Area regions. Due to these trends, the biggest issue in the East Bay continued to be housing, in particular, housing affordability and location.

The percentage of households able to afford to purchase a medium sized home:

	2002	2003	2004	2005
Alameda County:	22%	20%	14%	11%
Contra Costa County:	12%	12%	10%	10%

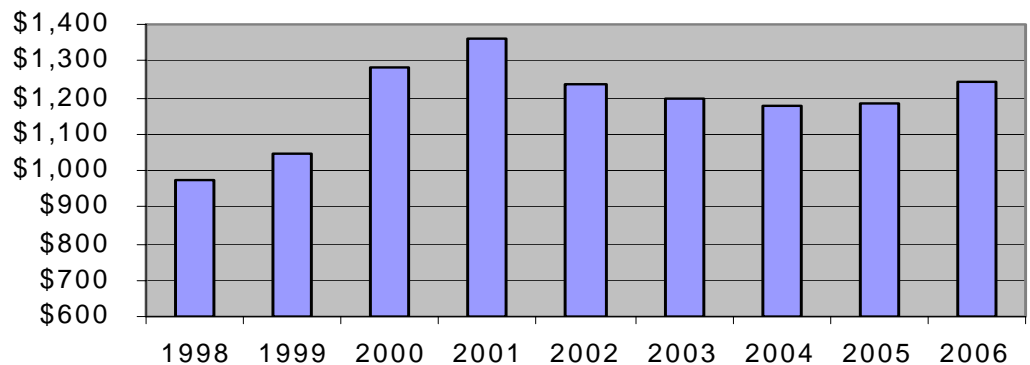
Since affordability has decreased, the average occupancy of Multi-Family housing has increased from 94.5% in 2002 to 95.6% in 2006.

### UNEMPLOYMENT

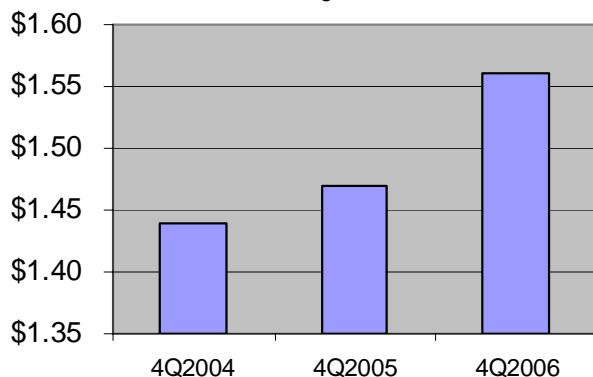
Since 2002 unemployment in the East Bay region has decreased from 6.4% to only 5%, indicative of a growing economy and job market.



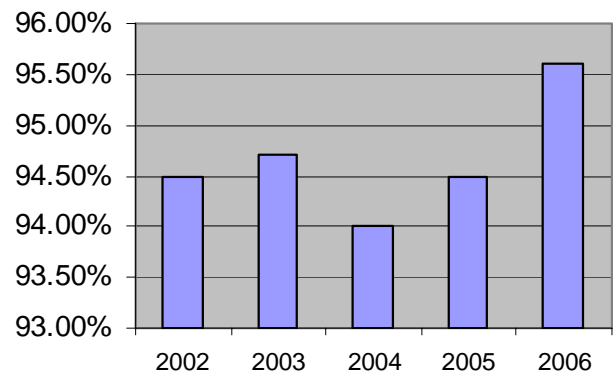
Average Rental Rates



Average Rent / SF



Average Occupancy





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## APARTMENT SALES IN EAST BAY

### CONSTRUCTION PERMITS

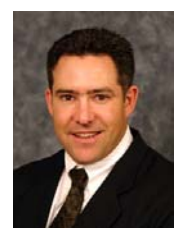
Analysis of the number and value of construction permits issued provides a strong indicator of the Bay Area's sub-economies. Permits for new single and multi-family housing units are a good indicator of each region's ability to assist in meeting the housing needs of the Bay Area. Non-residential permits are a key indicator of economic growth. The East Bay demonstrated its economic leadership as the region with the greatest number of residential and non-residential construction permits issued since 2000 as well as being second only to the South Bay the total value of non-residential permits.

East Bay Apartment Sales	2004	2005	2006
Total # of Apartment Sales	98	81	63
Total \$\$ Volume	\$792,411,750	\$1,084,097,500	\$916,863,850
Average Sales Price	\$8,169,193	\$13,640,594	\$15,281,064
Average \$ / Unit	\$137,773	\$148,103	\$176,939
Average Cap Rate	6.43%	5.81%	5.65%
Average GRM	9.29	10.2	10.32
Average Days on Market	94	75	123



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For more information on any of our listings,  
 or for a free market evaluation of your properties contact:  
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