

The San Jose Economy

Economic Indicators

August 2003

Overview

- I. Economic Activity Indicators
- II. Economic Outcome Measures
- III. Indicators of Economic Structure

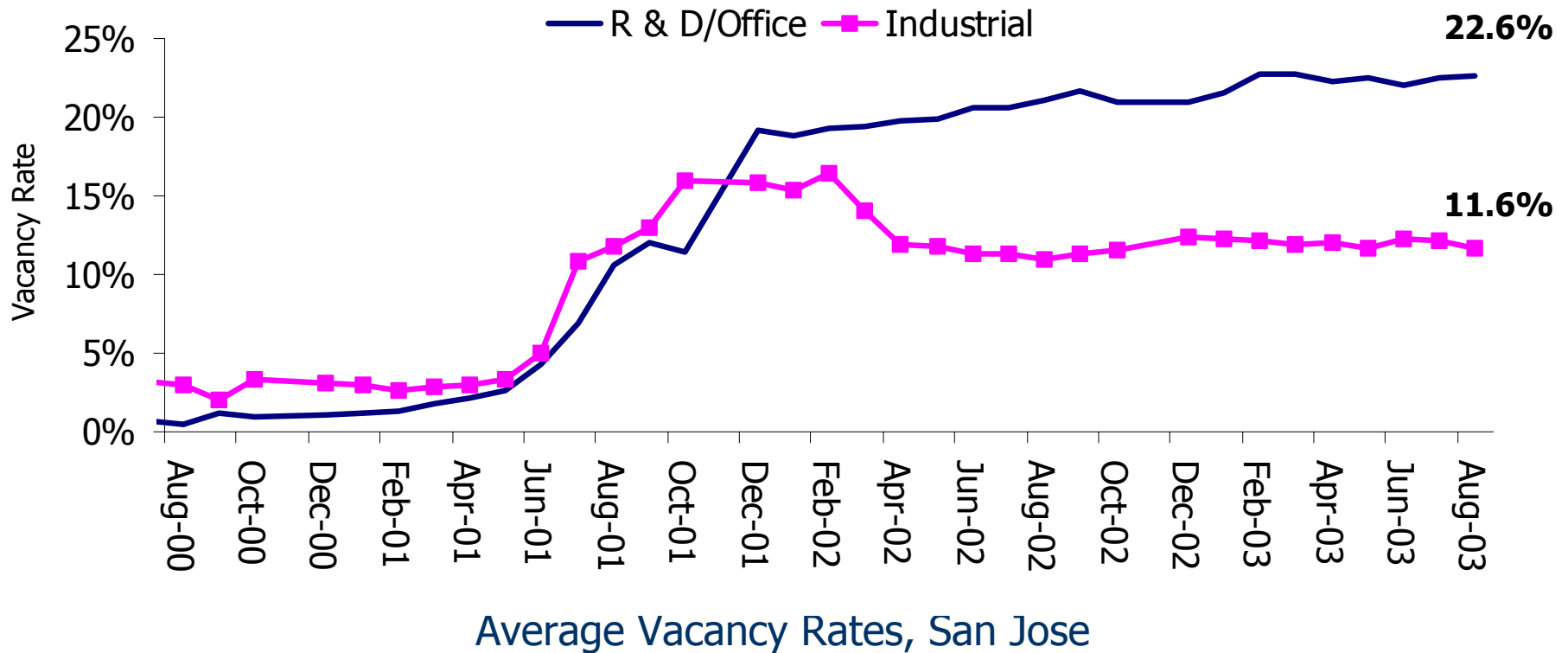
I. Economic Activity Indicators

Real Estate Activity

Visitor Activity

Business Activity

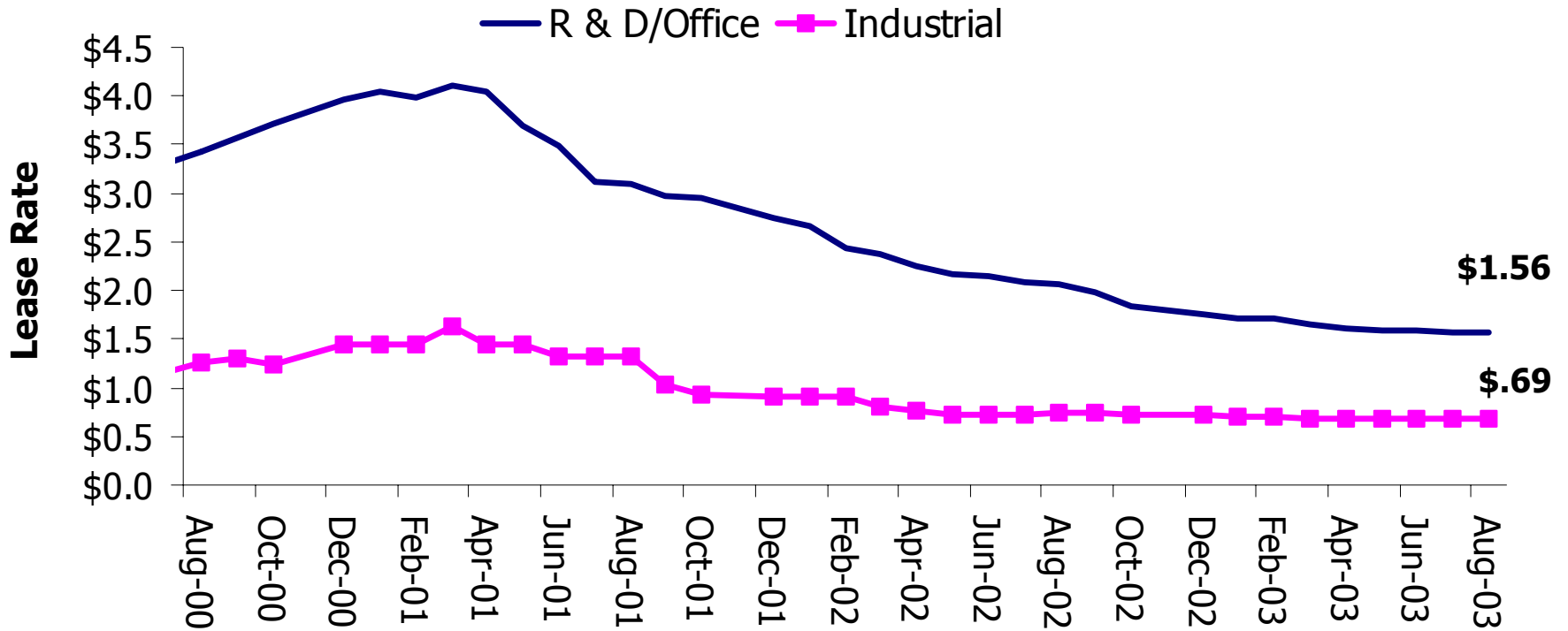
Industrial Vacancies Hold Steady At 12%, R&D/Office at 23%



- **A little more than 1/4 of the region's vacant office/R&D space is in San Jose.**

Industrial Lease Rates

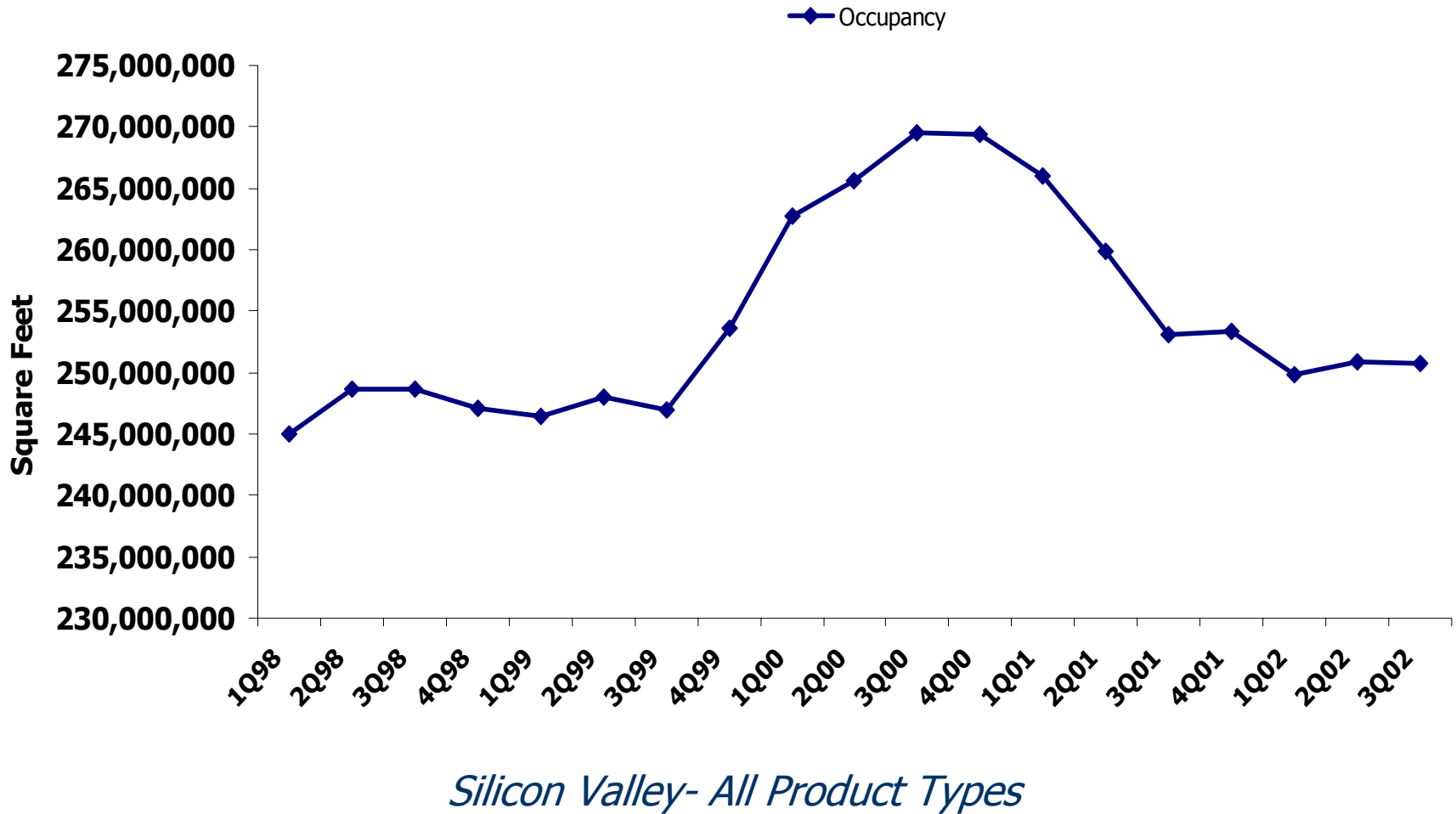
Hold Steady At \$.69, R&D/Office at \$1.56



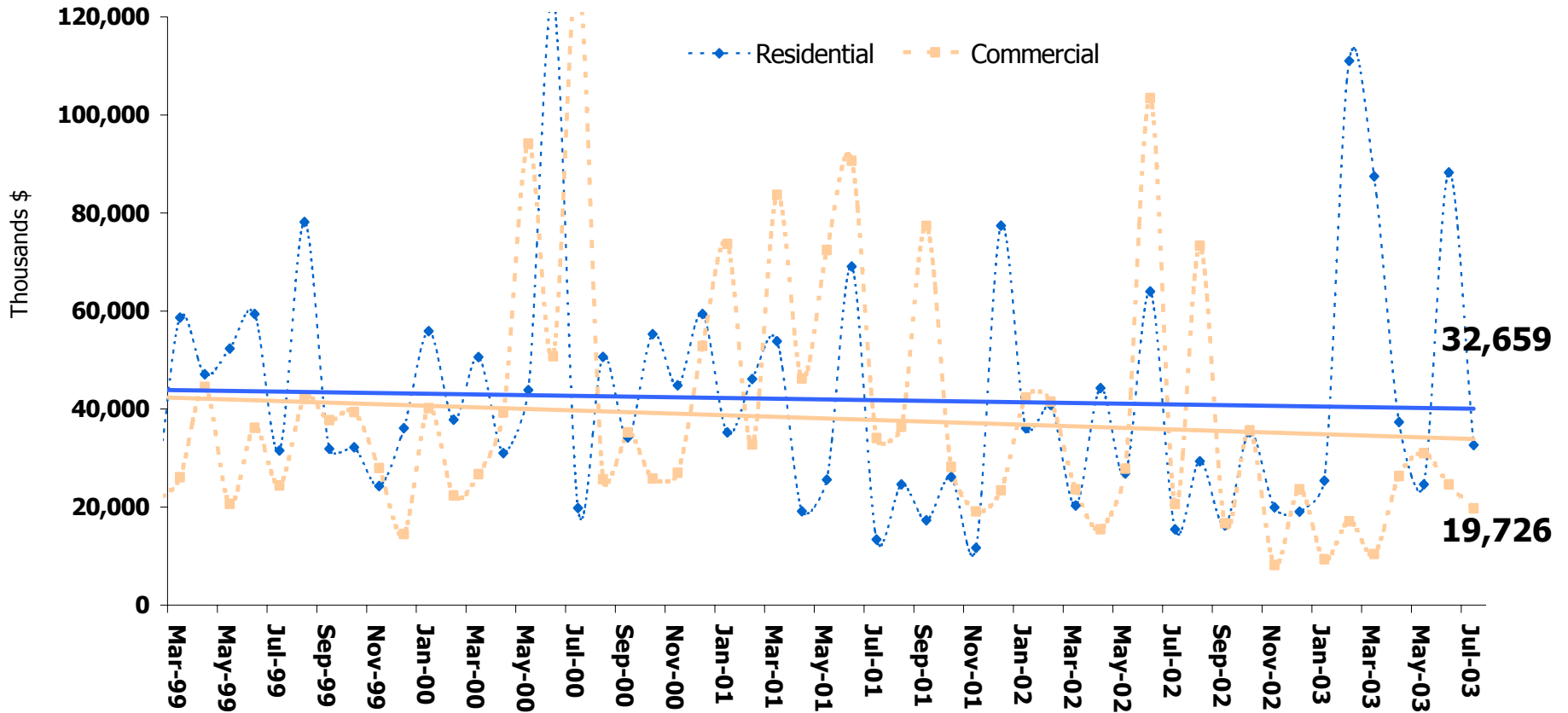
Average Lease Rates, San Jose

Lease rates are at 1997 levels

Occupancy Levels are Solid

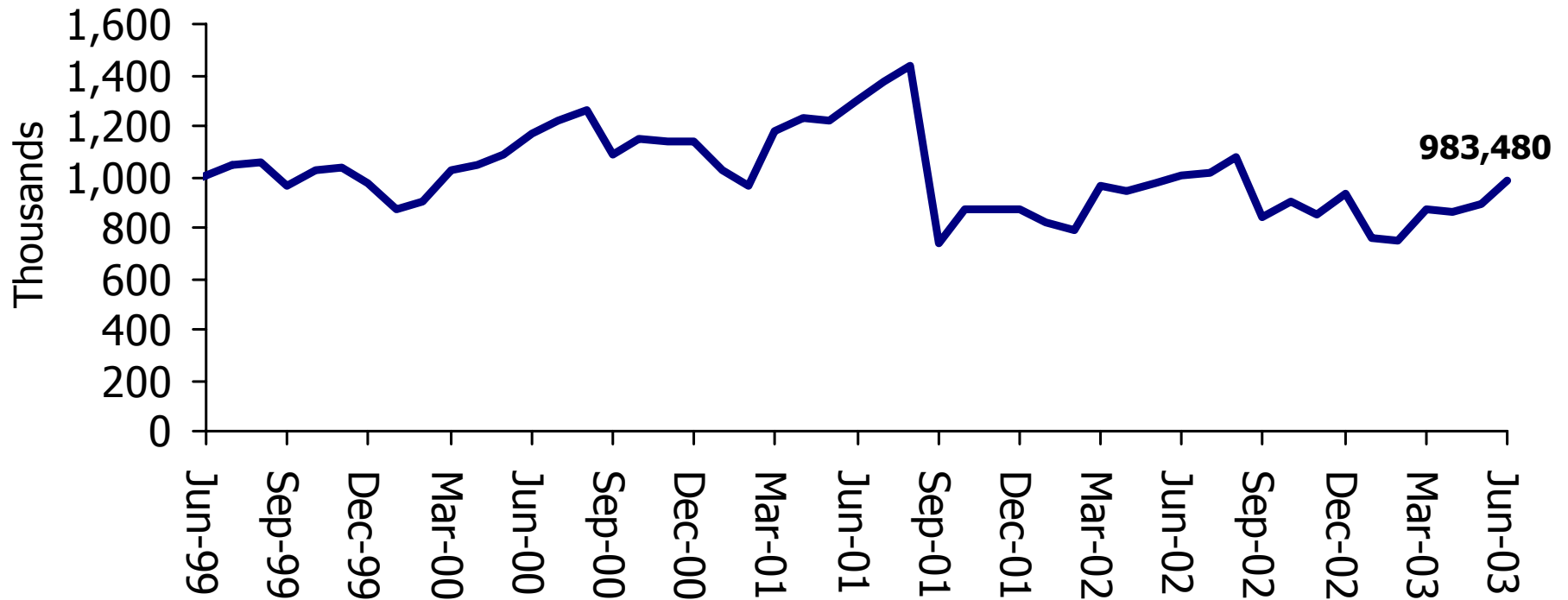


Residential Building Permit Valuations Decreased in July



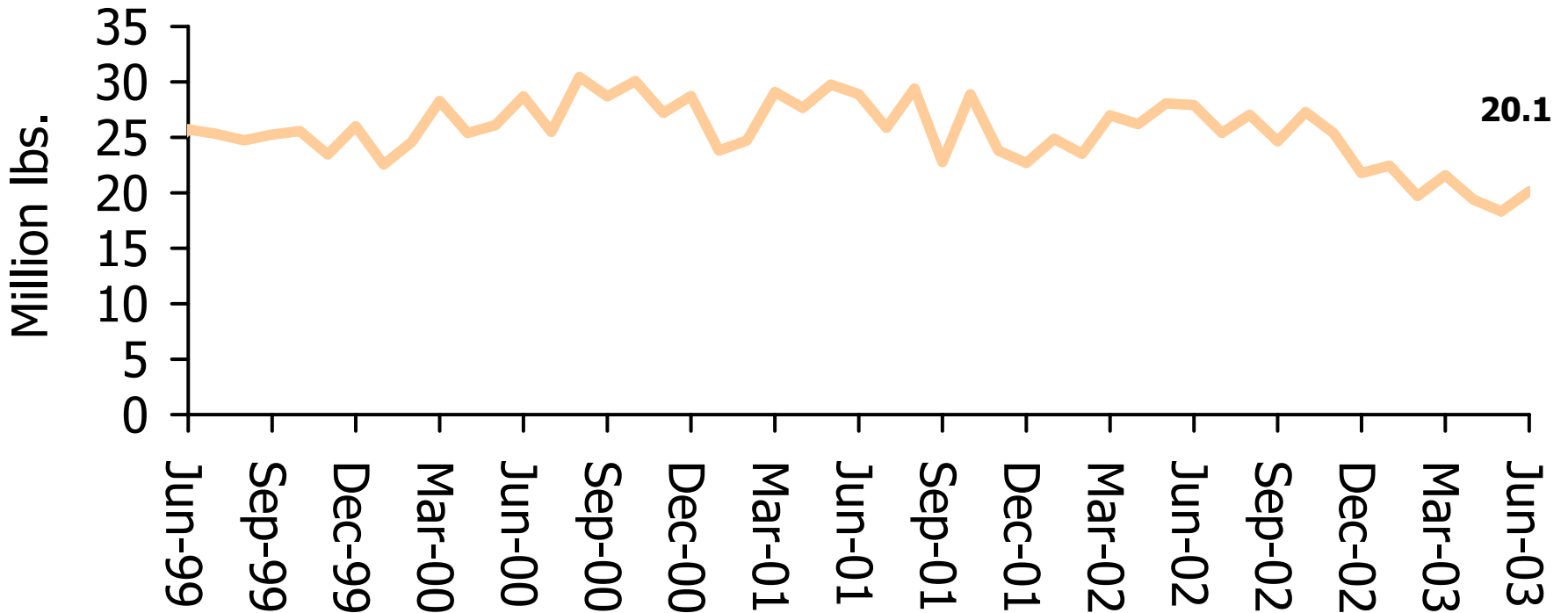
Building Permit Valuations, San Jose

Airport Passenger Traffic Increases for Start of Summer



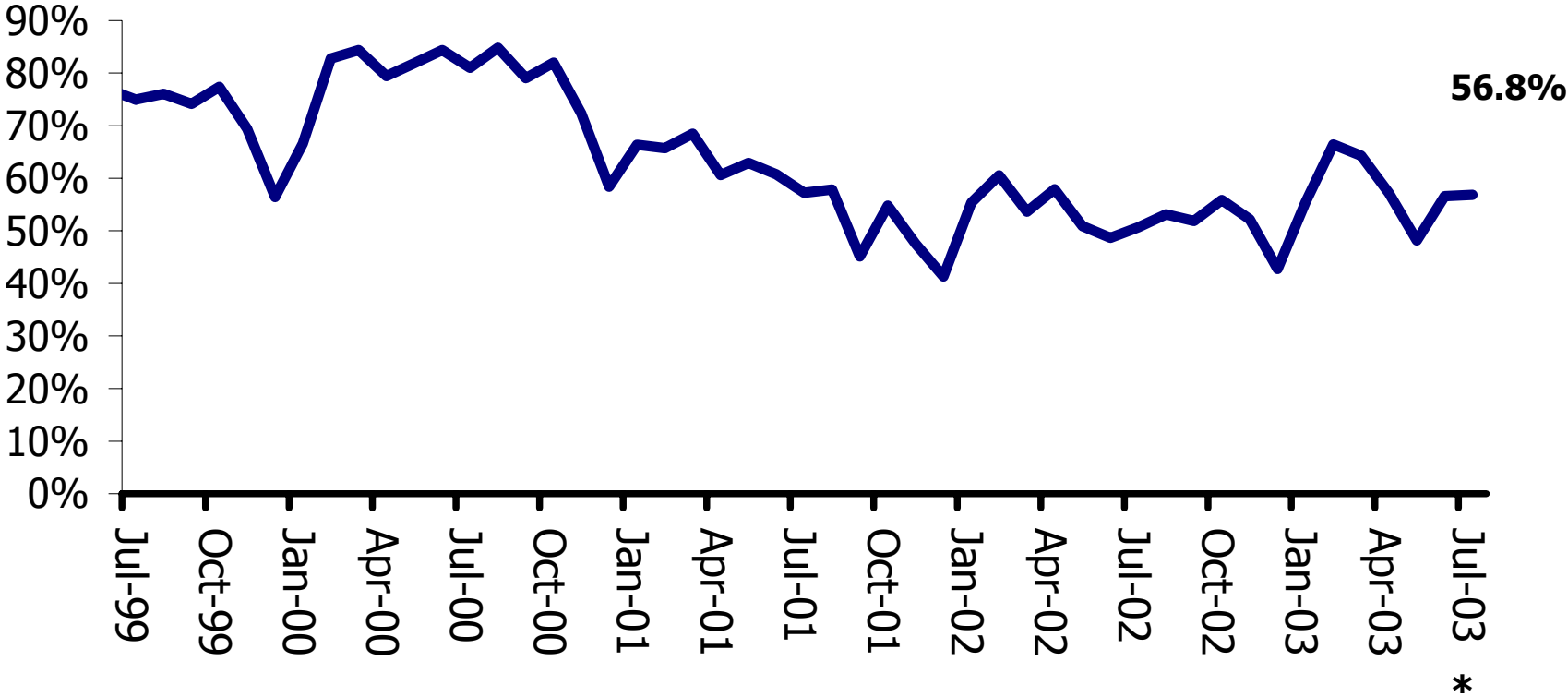
Passengers, Mineta San Jose International Airport

Airport Cargo Traffic Rebounds Slightly



Cargo Volume, Mineta San Jose International Airport

Hotel Occupancy Rebounds in July, Including Marriott

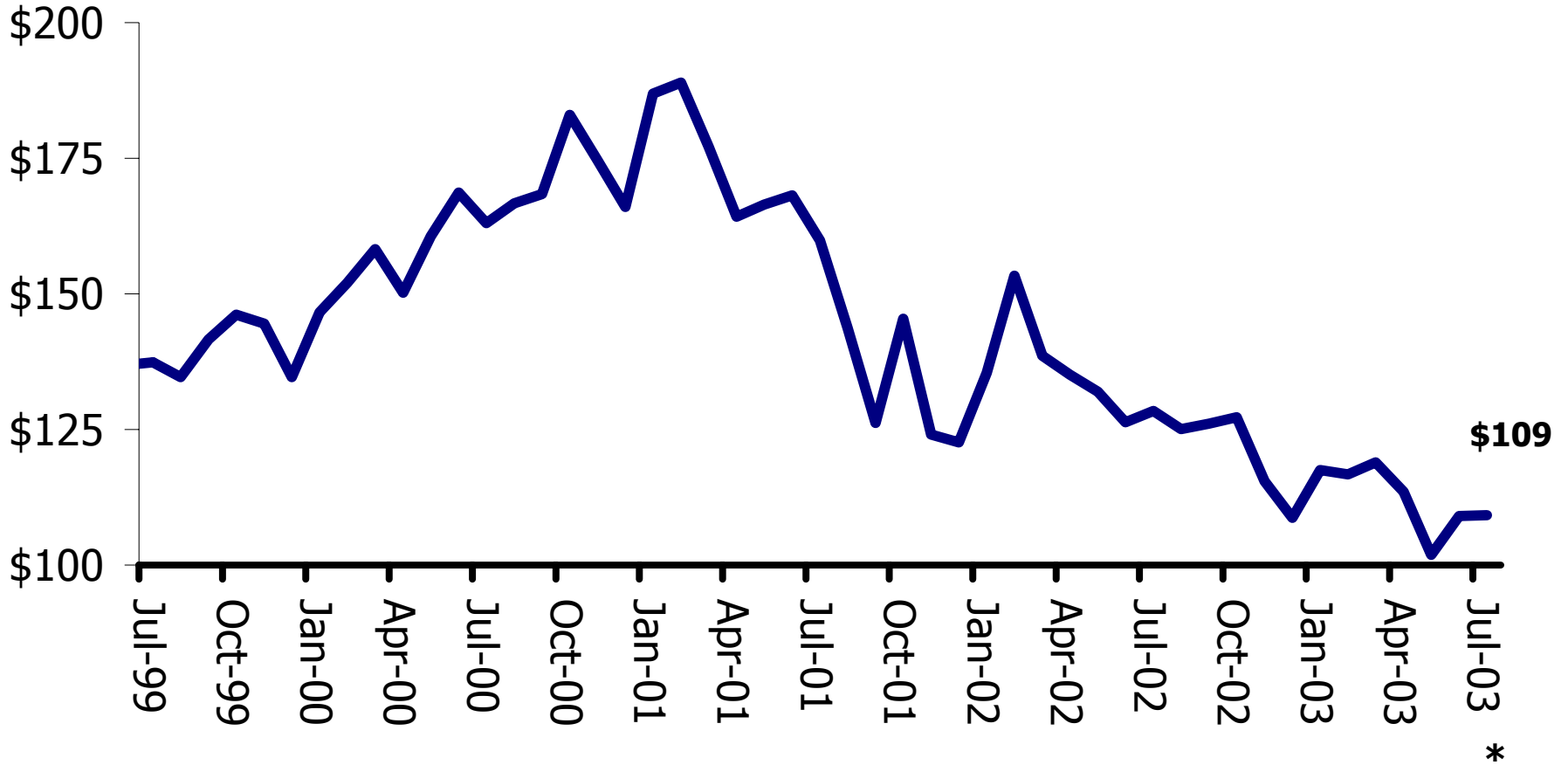


Hotel Occupancy, San Jose

Source: San Jose Convention & Visitors Bureau

*New Downtown Marriott Hotel included in July Figures

...And Room Rates Steady

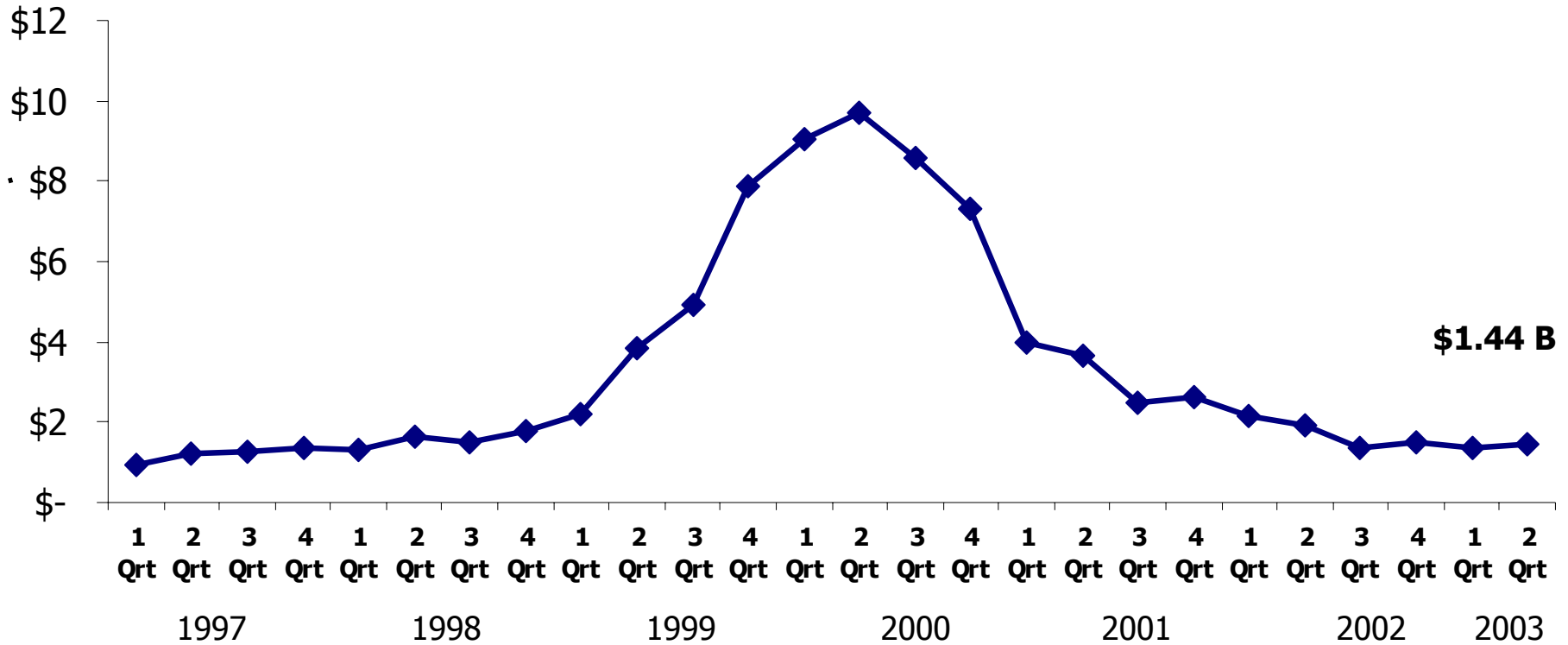


Hotel Average Room Rates, San Jose

Source: San Jose Convention & Visitors Bureau

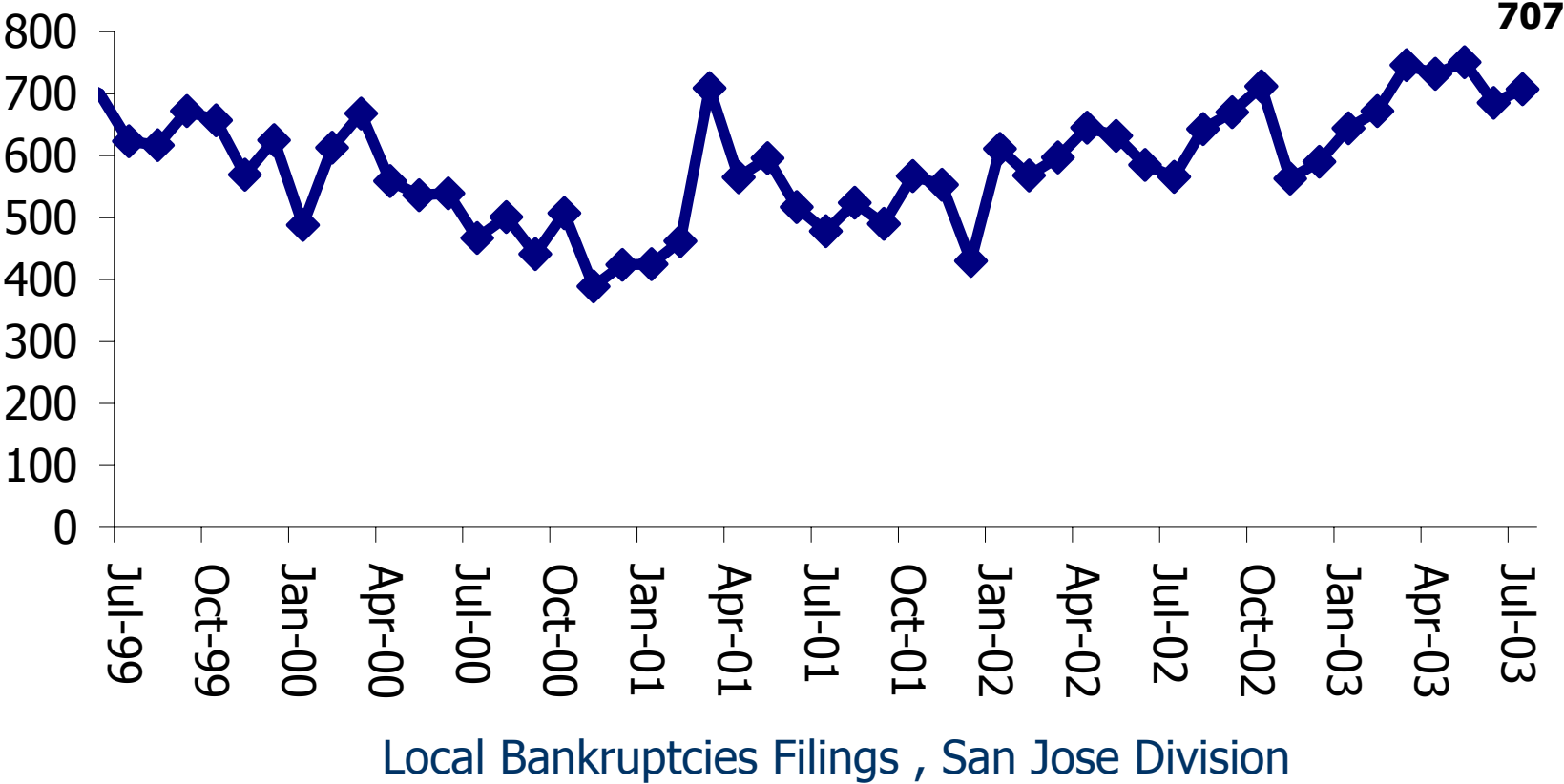
*New Downtown Marriott Hotel included in July Figures

Venture Capital Continues to Hover at 1997 Levels



Venture Capital Funding, Silicon Valley

Bankruptcy Filings Remain High



Source: U.S. Bankruptcy Court (San Jose Division)

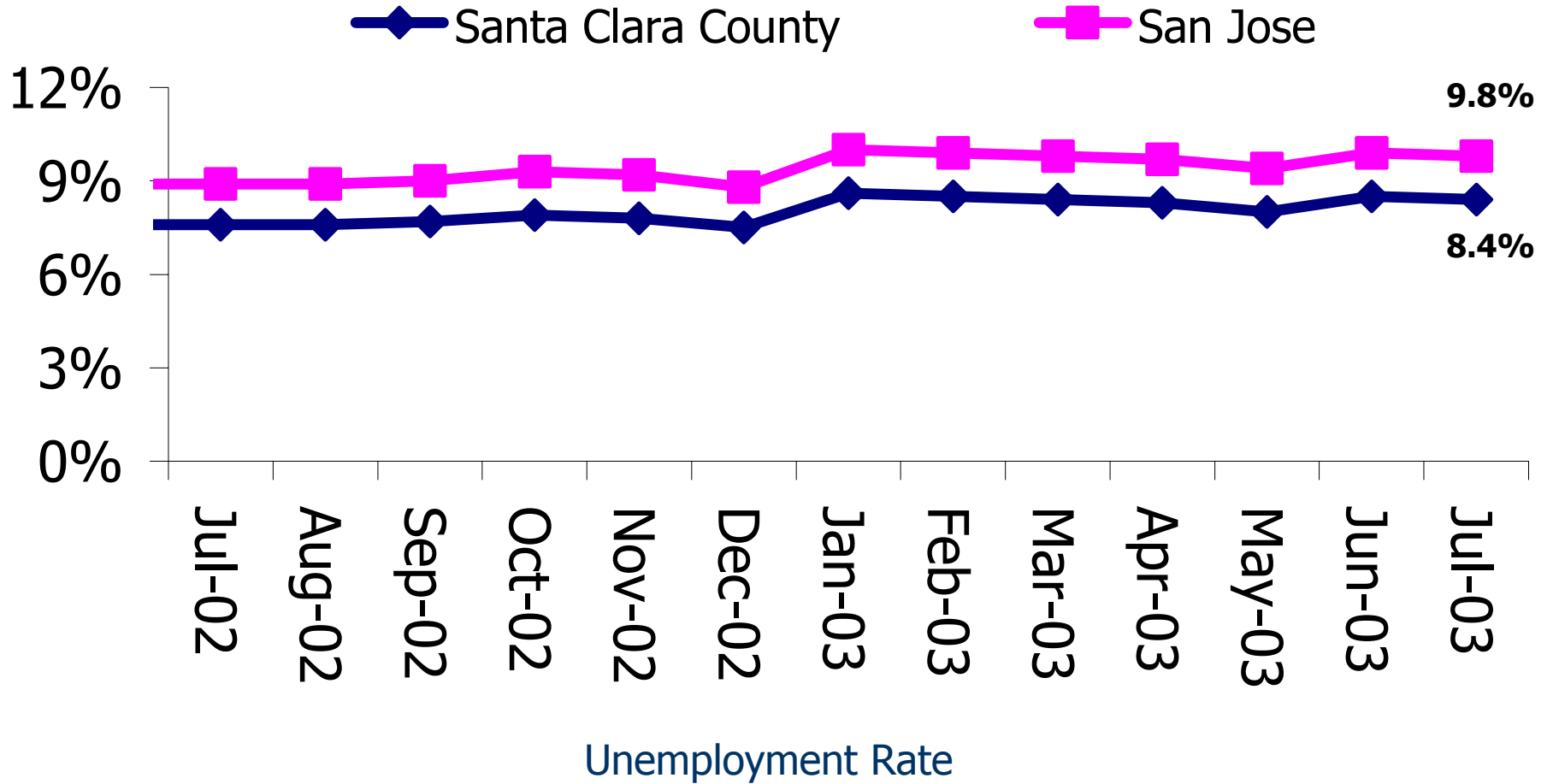
II. Economic Outcome Measures

Increase Prosperity

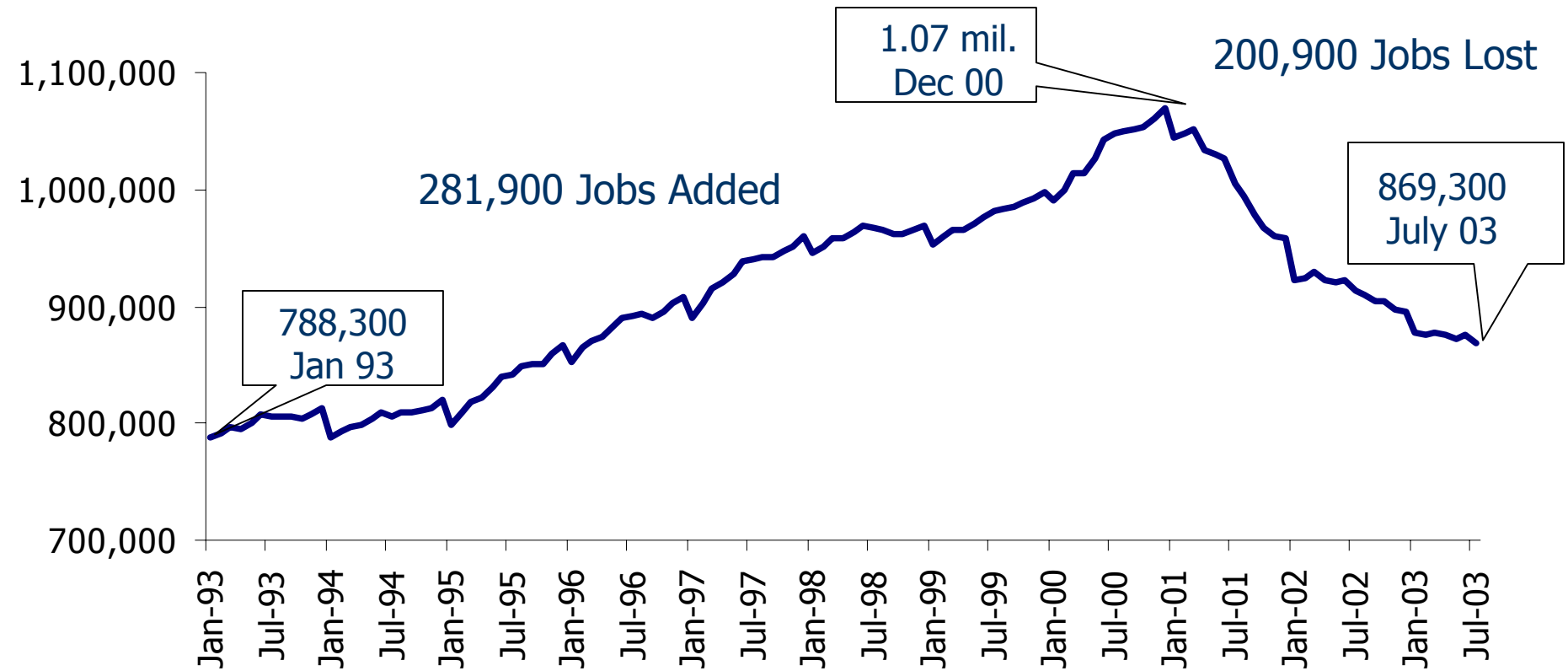
Increase Economic Opportunity

Sustain Revenue Growth

San Jose Unemployment Remains Near 10%



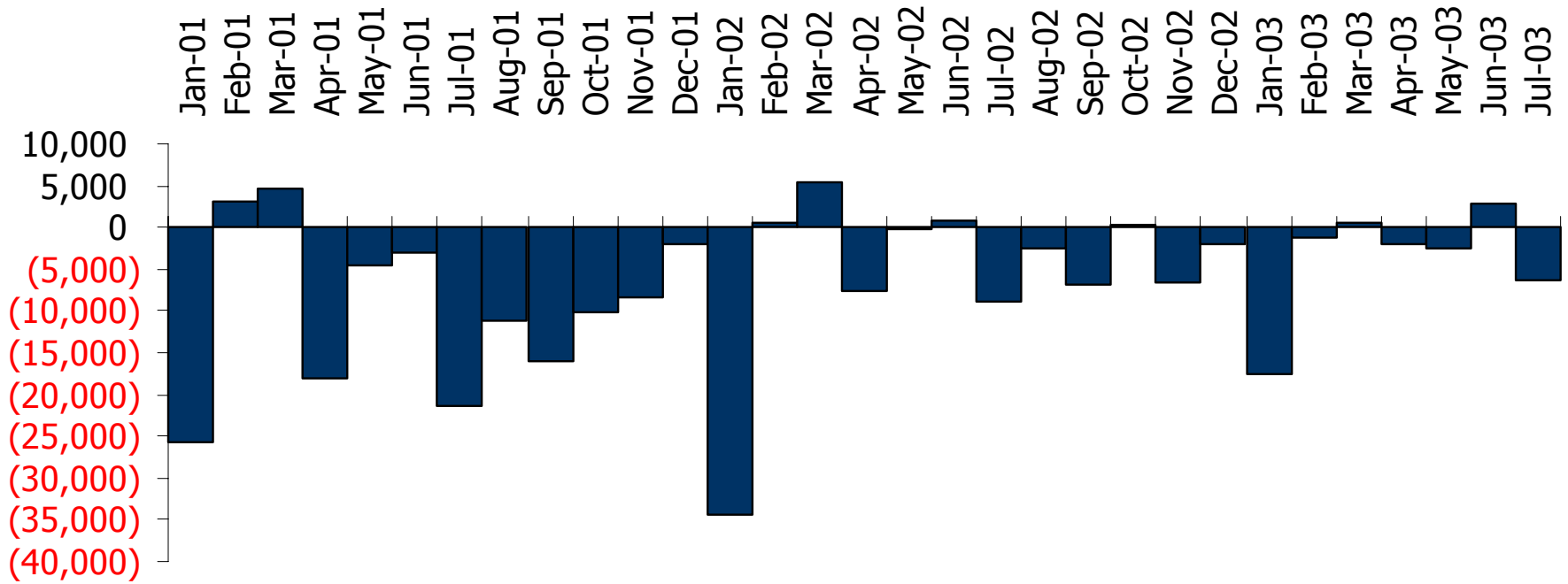
County Has Lost 200,000 Jobs, San Jose About 90,000



Jobs, Santa Clara County 1993-2003

An estimated 90,500 jobs have been lost in San Jose

Monthly Job Loss Have Slowed

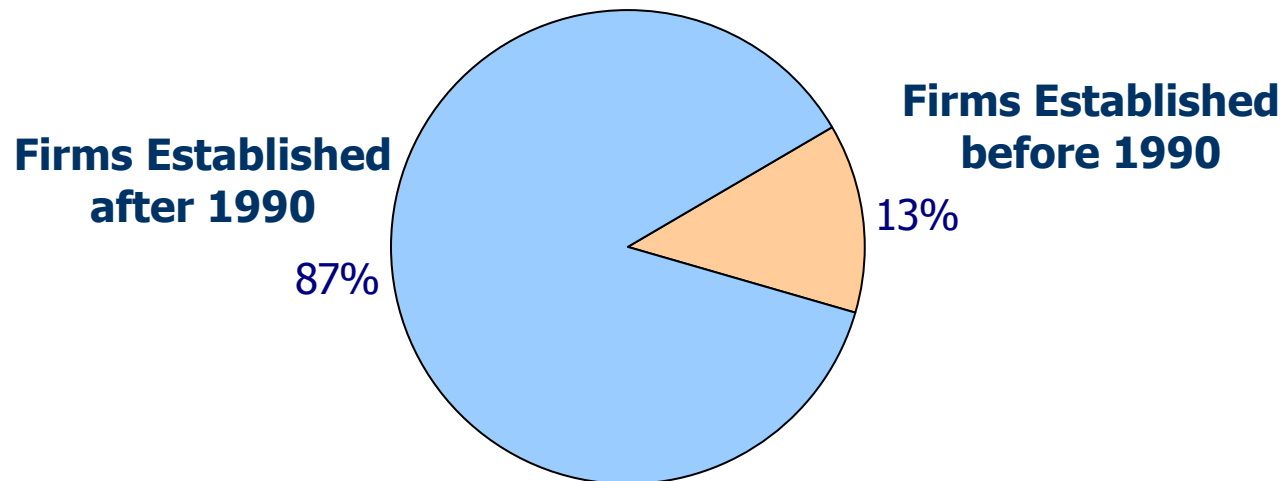


Net Jobs Gained/Lost, Santa Clara County

III. Indicators of Economic Structure

Young, Growing Companies Drove Job Creation in the 1990s

- Firms founded after 1990 created **almost all of the job growth** in Silicon Valley between 1990 and 2001.
- The major job creators were the **one-fourth of new firms that hired 5 or more employees.**



**Share of Silicon Valley Job Creation
1990-2001**

Only 24 Companies Have More Than 1,000 Employees in San Jose

Adobe Systems

Albertson's

Altera Corporation

American Airlines

Atmel Corporation

Brocade Communication

Cadence Design System

Cisco Systems

Cypress Semiconductor

eBay Inc

E-Tek Dynamics

Flextronics International

Fry's Electronics

IBM Corp

Infineon Technologies

KLA-Tencor

Lockheed Martin

Novellus

Rosendin Electric

Safeway

San Jose Mercury News

Sanmina Corp

Therma

Xilinx

San Jose's Largest Privately Held Companies

1	Turner Construction	General Contracting
8	Cupertino Electric	Electrical Contracting
10	Rosendin Electric	Electrical Contracting
13	San Jose Construction	General Contracting
16	Barry Swensen Builder	Developer
20	Bob Lewis Volkswagen	Automotive Dealership
27	Toeniskoetter & Breeding	Construction Managers
31	Pivot Interiors	Contract Furniture Sales
32	MAI Industries	General Contracting
34	Steven Creek Dodge	Automotive Dealership
35	Butler-Johnson Corp	Wholesale distributor
38	XL Construction	General Contracting
39	ICOM Mechanical	Mechanical Contractor
41	Normandin Chrysler Jeep	Automotive Dealership
43	Technical Builders	General Contracting
44	Sprig Electric	Electrical Contracting
51	Mission Valley Ford Truck Sales	Automotive Dealership
52	O.C. McDonald	Mechanical Contractor

Ranked by Fiscal Year Revenue, List Compiled December 2002

San Jose's Fastest-Growing Privately Held Companies

5	CRC Health Corp	Healthcare Services
7	Wagic Inc	Manufacturing Planning Services
8	Landmark Protection	Corporate Security Personal
12	Toeniskoetter & Breeding	Construction Mangers
13	Coware Inc	Software Developer
17	ACFN-American Consumer Financial Network	Provide ATM service

Ranked by One-Year Revenue Growth, List Compiled May 2003