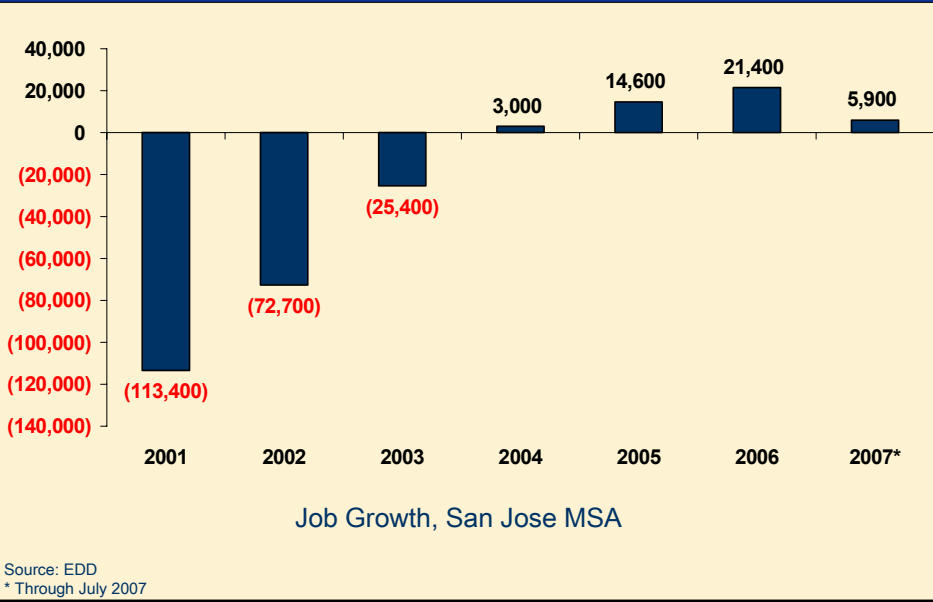


**San Jose Economic Indicators**

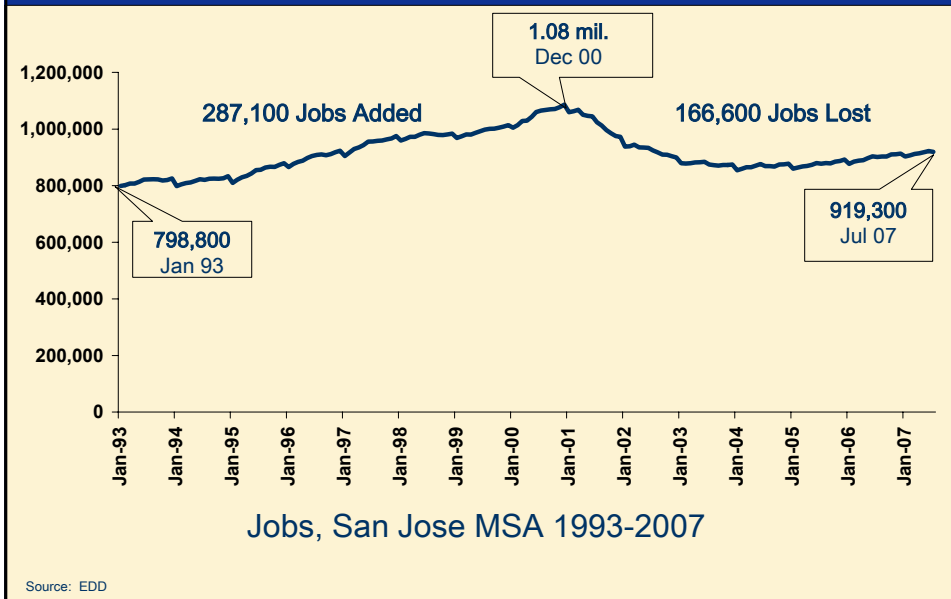
**Office of Economic Development  
August 27, 2007**

- 1. Economic Base: Job Growth Returns**
- 2. Population: Continued Growth and Change**
- 3. National Rankings: San Jose Leading**

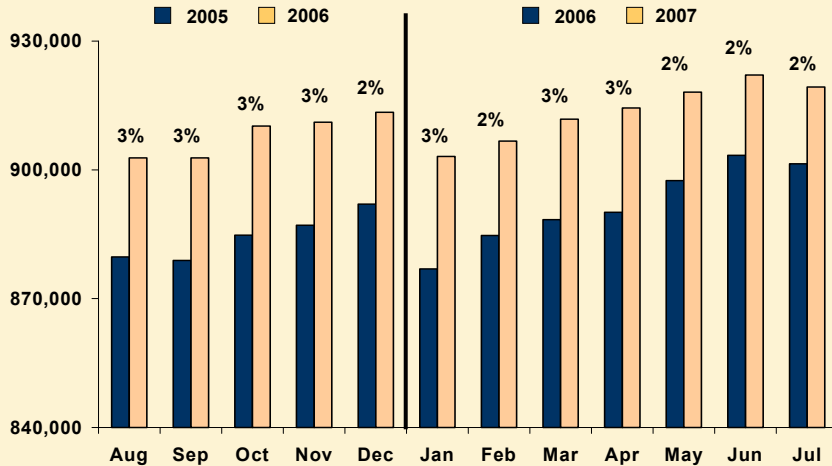
## JOB GROWTH STRONG, BUT SLOWING FROM 2006



## HAVE REGAINED 60,200 JOBS SINCE TROUGH



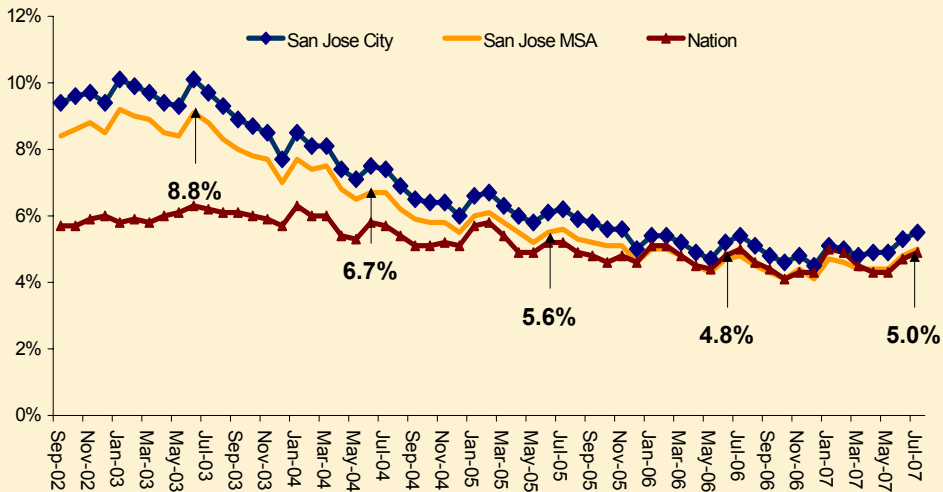
## STEADY JOB GROWTH OF 2-3% YEAR OVER YEAR



Percentage Job Growth, San Jose MSA

Source: EDD

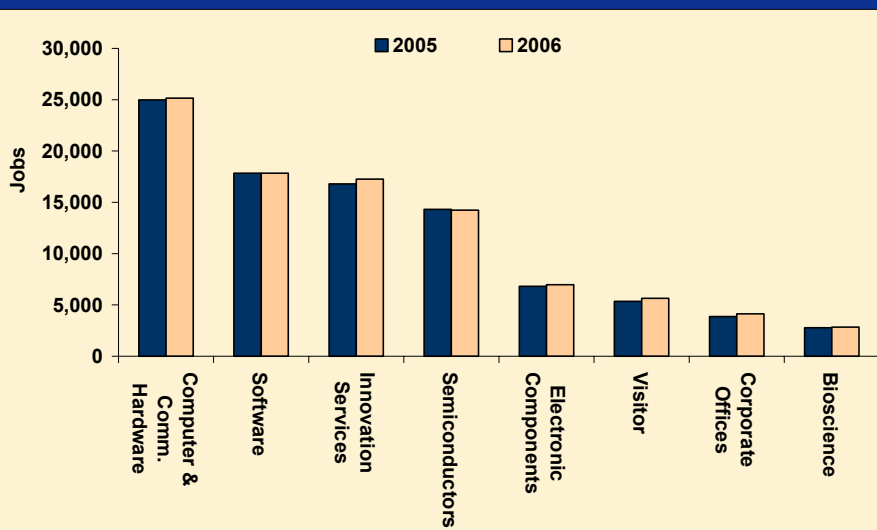
## JOBLESS RATE REMAINS IN LINE WITH THE NATION AT 5.0%



Unemployment Rate

Source: Employment Development Department

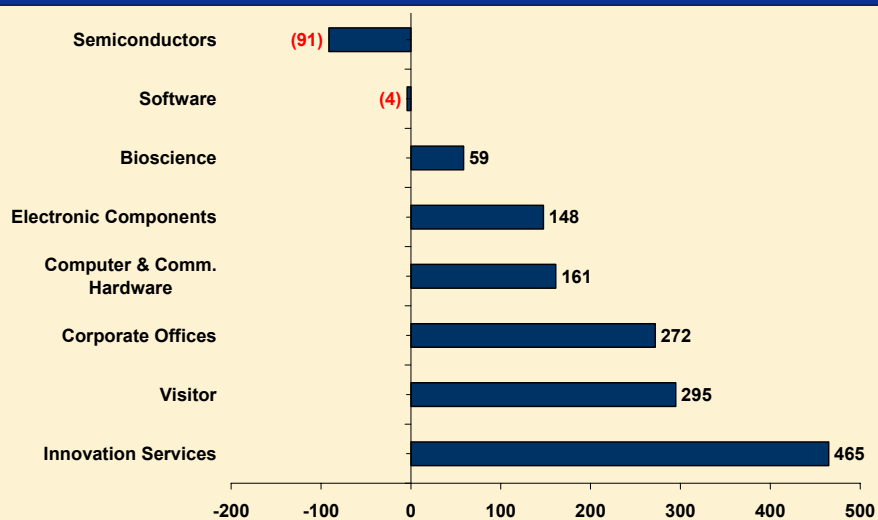
## DRIVING INDUSTRIES SHOWING JOB GAINS



San Jose Driving Industry Jobs by Sector, 2005 and 2006

Source: EDD

## DRIVING INDUSTRIES SHOWING JOB GAINS



San Jose Driving Industry New Jobs by Sector, 2005 and 2006

Source: EDD

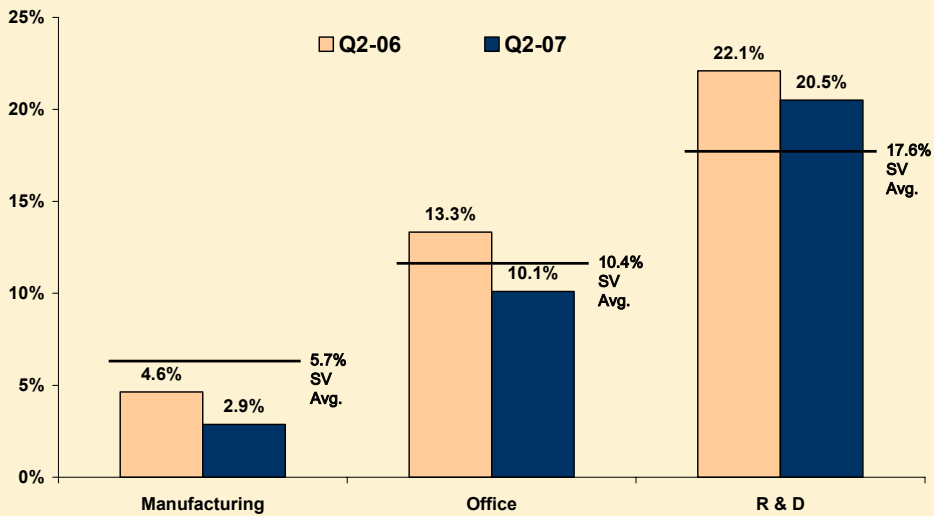
## FUTURE JOBS GEARED TOWARDS SERVICE INDUSTRIES

| Largest Job Gains                                  | 2004   | 2014   | Change  | Average Wage (hourly) |
|--|--------|--------|---------|-----------------------|
| Clothing, grocery & other retail stores            | 82,900 | 93,700 | +10,800 | \$ 10.73              |
| Private health care services, including hospitals  | 57,000 | 66,000 | +9,000  | \$ 15.73              |
| Construction                                       | 43,000 | 51,500 | +8,500  | \$ 24.35              |
| Restaurants, bars, fast food & other food services | 51,600 | 57,700 | +6,100  | \$ 8.53               |
| Internet service providers & Web search portals    | 9,000  | 14,600 | +5,600  | \$ 40.34              |
| Local public schools                               | 41,700 | 47,000 | +5,300  | \$ 22.80              |
| Computer systems design & related services         | 42,700 | 47,800 | +5,100  | \$ 44.36              |

### San Jose Metro Area Employment Projections

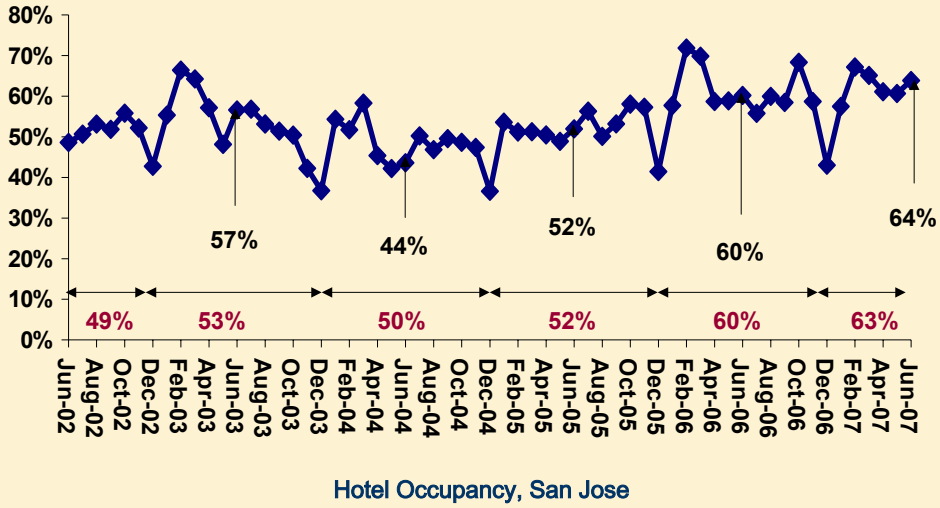
Source: EDD

## SAN JOSE'S VACANCY DECLINES, ONLY R&D LAGS REGION



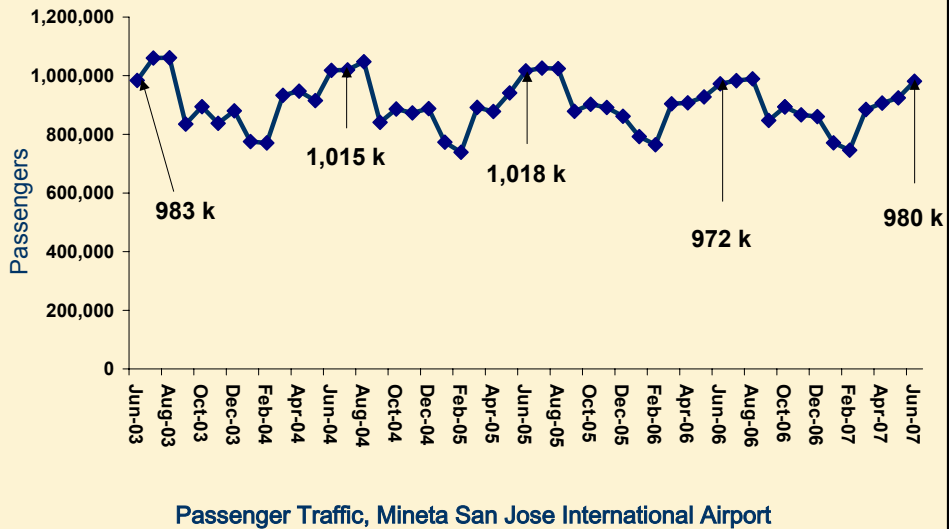
Source: NAIBT Commercial

## HOTEL OCCUPANCY CONTINUES RISING INTO 2007



Source: San Jose Convention & Visitors Bureau, Calendar Year

## AIRPORT PASSENGER LEVELS AT 2003



Source: Mineta San Jose International Airport, Calendar Year

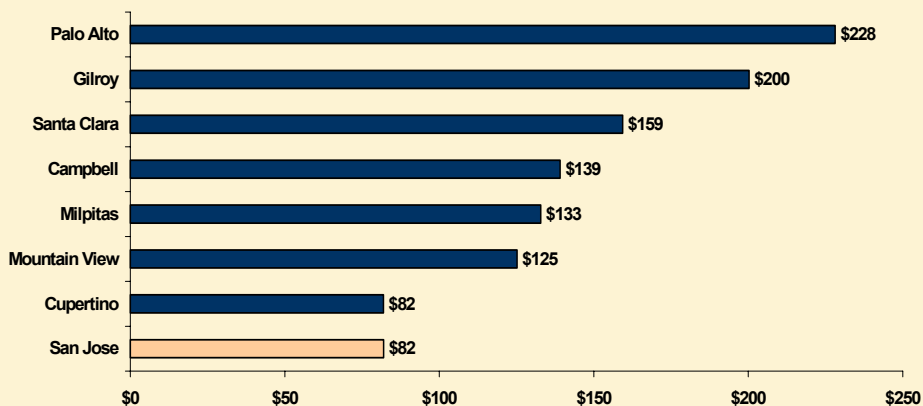
## SJC NON-STOP FLIGHT WISH LIST

- New York City
- London
- Maui
- Washington D.C.
- Boston
- Tokyo

Passenger Surveys, Mineta San Jose International Airport

Source: Mineta San Jose International Airport

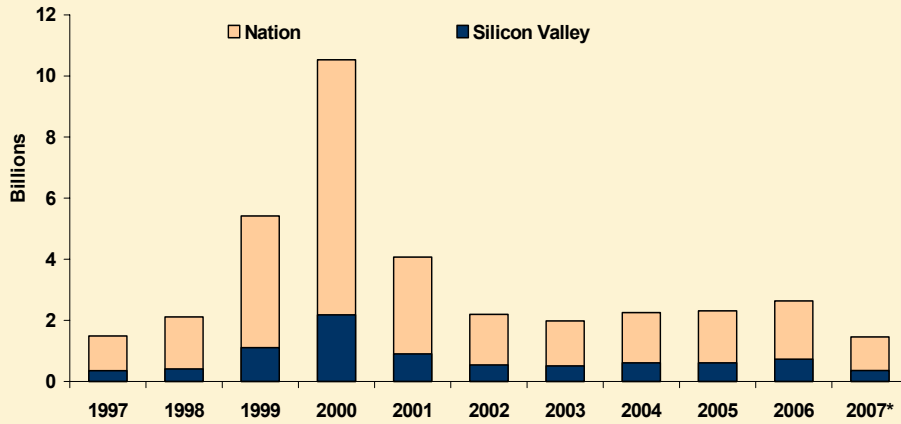
## PER CAPITA CONSUMER SALES TAX CONTINUES TO LAG REST OF THE VALLEY



Consumer Sales Tax, 2007

Source: MBIA, Consumer Sales Tax=General Retail, Transportation and Food Products

## 2007 VENTURE CAPITAL DOWN 10% FROM SAME TIME LAST YEAR



Silicon Valley Venture Capital

\*2nd Quarter 2007

Source: PriceWaterhouseCoopers

## 15 SJ COMPANIES GET VENTURE FUNDING IN Q2

|                              | San Jose    | Silicon Valley |
|------------------------------|-------------|----------------|
| 2 <sup>nd</sup> Quarter 2007 | 15<br>(14%) | 169            |
| 1 <sup>st</sup> Quarter 2007 | 17<br>(10%) | 171            |
| 4 <sup>th</sup> Quarter 2006 | 13<br>(5%)  | 184            |
| 3 <sup>rd</sup> Quarter 2006 | 16<br>(12%) | 189            |
| 2 <sup>nd</sup> Quarter 2006 | 21<br>(11%) | 235            |
| 1 <sup>st</sup> Quarter 2006 | 19<br>(8%)  | 199            |
| 4 <sup>th</sup> Quarter 2005 | 11<br>(4%)  | 189            |

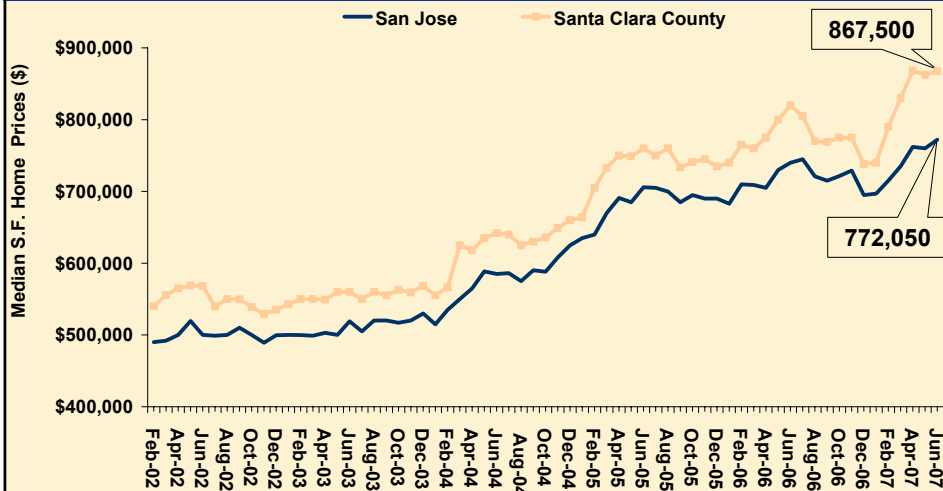
Source: Mercury News, SiliconValley.com

## SAN JOSE VENTURE COMPANIES Q2

| Company Name              | Sector                        | Location       |
|---------------------------|-------------------------------|----------------|
| Intacct                   | Business Services             | Downtown       |
| Storewiz                  | Business Services             | Airport        |
| ProVina                   | Consumer Goods/Services       | North San Jose |
| Shocking Technologies     | Hardware/Industrial/Energy    | North San Jose |
| Danal                     | Networking/Telecommunications | North San Jose |
| DVC Labs                  | Networking/Telecommunications | North San Jose |
| Force10 Networks          | Networking/Telecommunications | North San Jose |
| Silicon Genesis           | Semiconductors                | North San Jose |
| Cybernet Software Systems | Software                      | North San Jose |
| Cybernet-SlashSupport     | Software                      | North San Jose |
| deCarta                   | Software                      | Downtown       |
| PlayPhone                 | Software                      | Airport        |
| Skybox Security           | Software                      | Airport        |
| U-Systems                 | Software                      | North San Jose |
| Xactly                    | Software                      | Downtown       |

Source: Mercury News, SiliconValley.com

## HOME PRICE APPRECIATION UP 4% LAST 12 MONTHS



### Santa Clara County/San Jose Median Sale Prices

Source: Santa Clara County Association of Realtors, June 2007

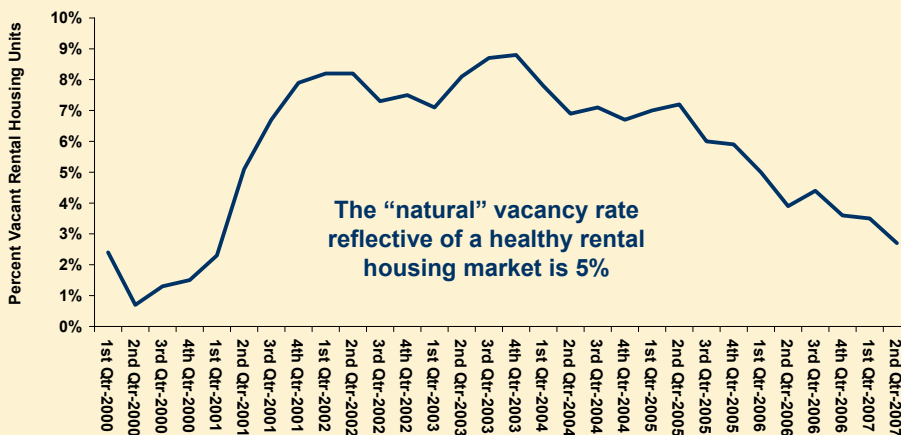
## SAN JOSE LESS LIKELY THAN OTHER CA METRO'S TO HAVE A PRICE DECLINE

| Area  | Index Score |
|---|-------------|
| <b>Riverside-San Bernardino-Ontario, CA</b>           | <b>652</b>  |
| Phoenix-Mesa-Scottsdale, AZ                           | 646         |
| Las Vegas-Paradise, NV                                | 614         |
| West Palm Beach-Boca Raton-Boynton Beach, FL (MSAD)   | 607         |
| <b>Los Angeles-Long Beach-Glendale, CA (MSAD)</b>     | <b>586</b>  |
| <b>Santa Ana-Anaheim-Irvine, CA (MSAD)</b>            | <b>577</b>  |
| <b>Oakland-Fremont-Hayward, CA (MSAD)</b>             | <b>572</b>  |
| Orlando-Kissimmee, FL                                 | 563         |
| <b>Sacramento-Arden-Arcade-Roseville, CA</b>          | <b>560</b>  |
| <b>San Diego-Carlsbad-San Marcos, CA</b>              | <b>555</b>  |
| Fort Lauderdale-Pompano Beach-Deerfield Beach, FL (M) | 542         |
| Miami-Miami Beach-Kendall, FL (MSAD)                  | 524         |
| Tampa-St. Petersburg-Clearwater, FL                   | 506         |
| Boston-Quincy, MA (MSAD)                              | 501         |
| Washington-Arlington-Alexandria, DC-VA-MD-WV (MSAD)   | 500         |
| <b>San Jose-Sunnyvale-Santa Clara, CA</b>             | <b>491</b>  |

Metro Markets, U.S. Market Risk Index

Source: PMI Mortgage Insurance Co.

## VACANCY RATES FALL TO 2.7% LOWEST SINCE EARLY 2001

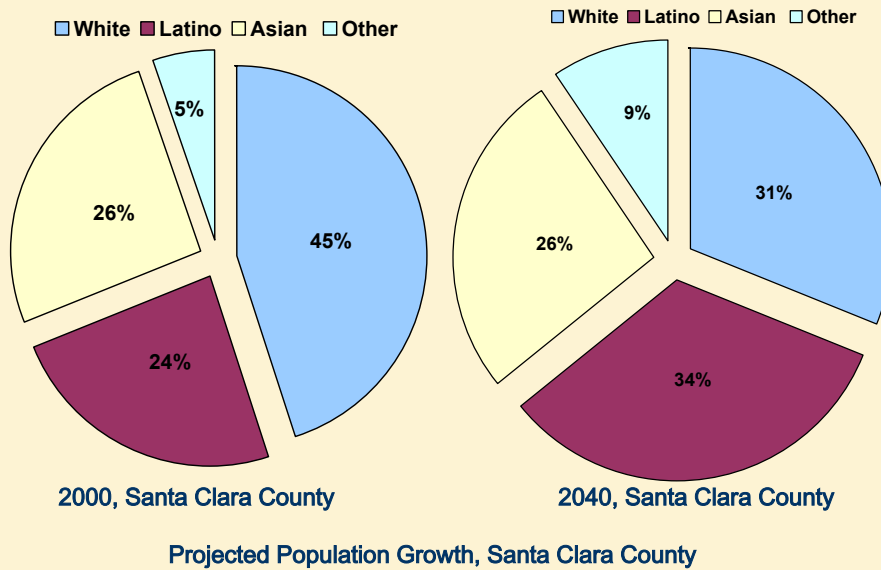


San Jose Rental Housing Vacancy Rates

Source: RealFacts through June 2007 – Data only includes rental projects with 50 units or more

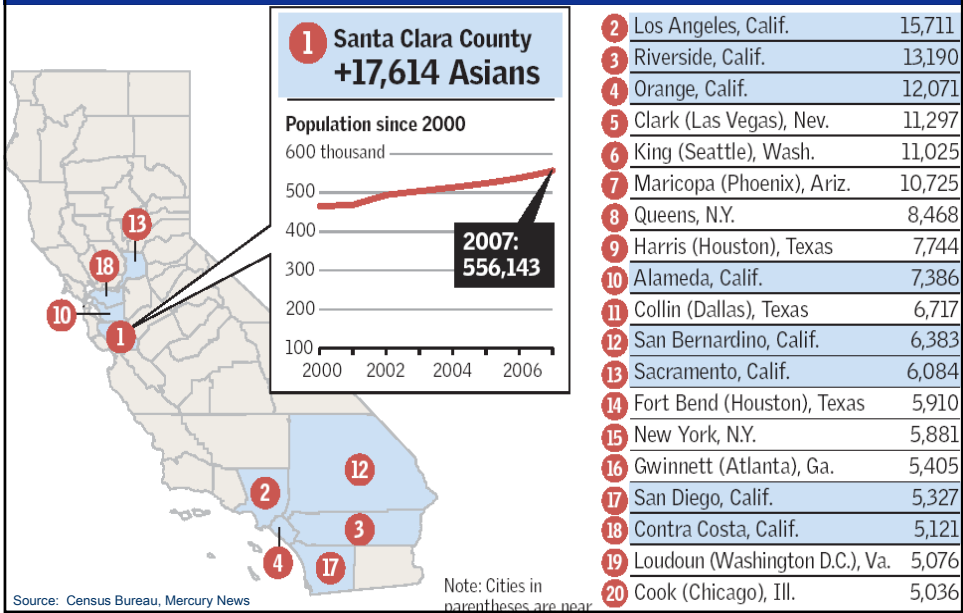
## 2. Population: Continued Growth and Change

### COUNTY TO BECOME MORE LATINO

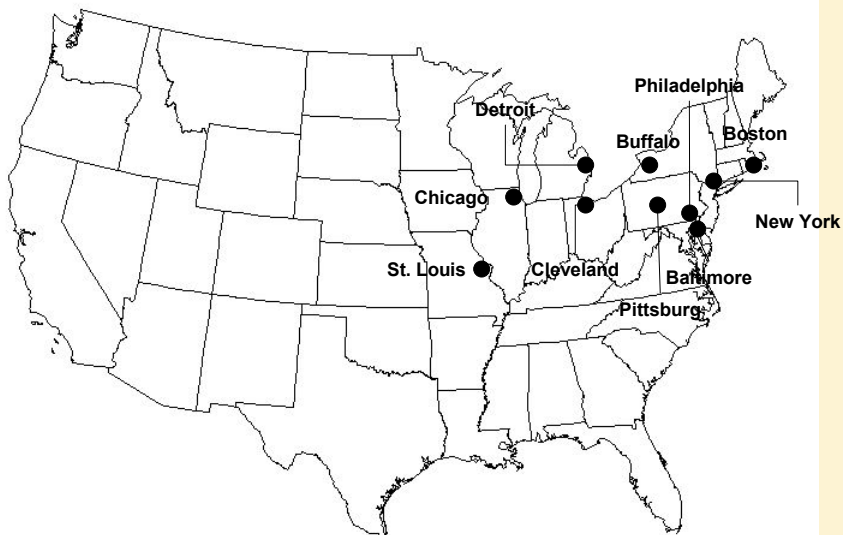


Source: California Dept. of Finance

## SANTA CLARA COUNTY, BIGGEST INCREASE IN NUMBER OF ASIANS NATIONALLY 2005-2006

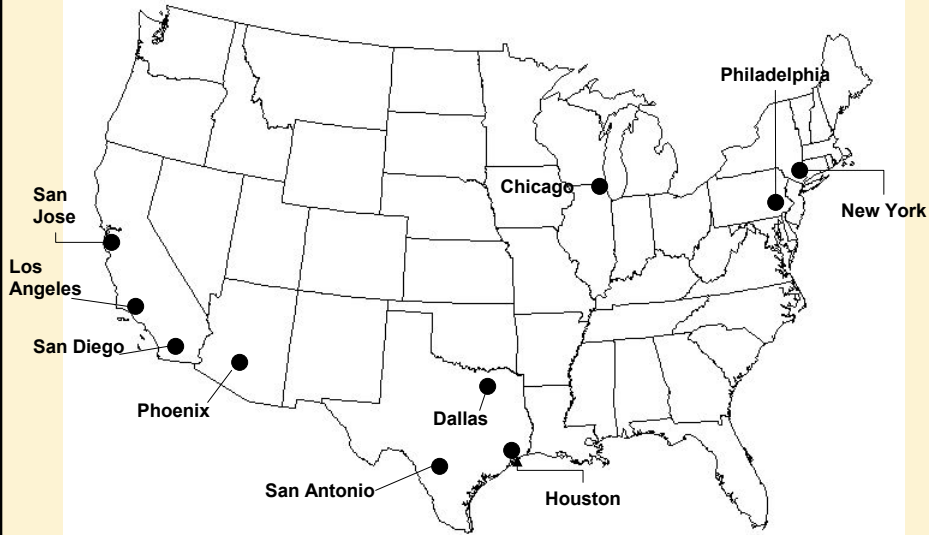


## 1910: 10 LARGEST CITIES



Source: San Jose Mercury News June 28, 2007

## 2000: 10 LARGEST CITIES



*3. National Rankings: San Jose Leading*

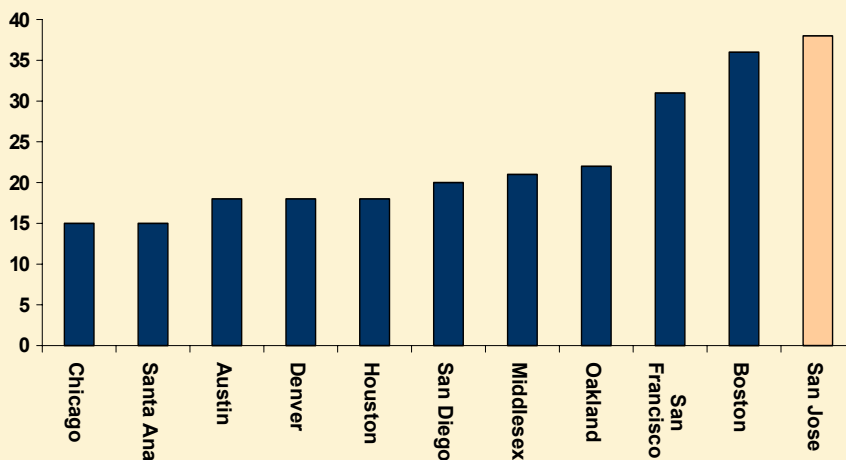
## LOWEST RETAIL VACANCY IN NATION

**San Jose had the second lowest quarter vacancy rate in neighborhood and community shopping centers in U.S.**

|   |                     |             |
|---|---------------------|-------------|
| 1 | Los Angeles, CA     | 2.9%        |
| 2 | <b>San Jose, CA</b> | <b>3.1%</b> |
| 3 | Honolulu, HI        | 3.2%        |
| 4 | San Diego, CA       | 3.5%        |
| 5 | San Francisco, CA   | 3.6%        |

Source: REIS

## SAN JOSE LEADER IN NANOTECHNOLOGY



Number of Companies, Universities, Government Labs, & Organizations

Source: Project on Emerging Technologies

## SAN JOSE'S LEADING NANOTECHNOLOGY FIRMS

Ahwahnee, Inc  
Applied Microstructures, Inc  
BlueMoonGoods, LLC  
Cadence Design Systems  
Komag, Inc  
Magma Design Automation  
NanoNexus Inc  
NeoPhotonics Corp  
Silicon Genesis Corp  
Ultratech, Inc

Source: Project on Emerging Technologies

## SAN JOSE LEADING THE CLEANTECH ECONOMIC REVOLUTION

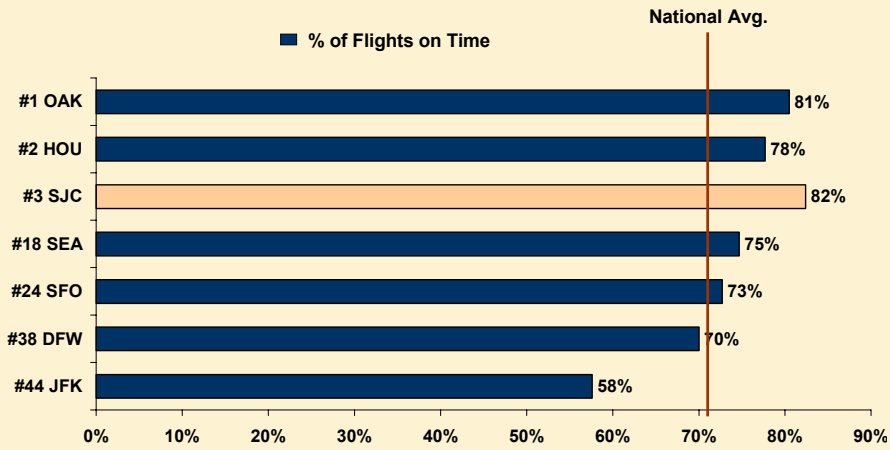
Top Five US Cities  
For **Cleantech**



|          |                     |
|----------|---------------------|
| 1        | Austin, TX          |
| <b>2</b> | <b>San Jose, CA</b> |
| 3        | Berkeley, CA        |
| 4        | Pasadena, CA        |
| 5        | Boston, MA          |

Source: Sustainlane Governments

## ON-TIME BAY AREA LEADER, SAN JOSE



Airport Misery Index, 47 Largest Airports

Sources: Bureau of Transportation Statistics, Dept. of Transportation; The Boyd Group

## WITH OVER 2,000 MILES OF TRAILS, SAN JOSE IN TOP TEN, "BEST WALKING CITY"

- 1 Madison
- 2 Austin
- 3 San Francisco
- 4 Charlotte
- 5 Seattle
- 8 San Jose



Ranking of Best Walking Cities

Source: Prevention Magazine

**San Jose Economic Indicators**

**Office of Economic Development  
August 27, 2007**