

BUSINESS CLIMATE INDICATORS

A PUBLICATION BY
THE OFFICE OF ECONOMIC DEVELOPMENT

February 2003

Executive Summary

Unemployment in San José

- The current unemployment rate in the city of **San José** is 8.8% as of December 2002. The prior month was 9.2%. Last year, the December 2001 unemployment rate was 7.1%.

Comparison of Available Space

- The average San José R & D vacancy rate for January 2003 was 21.89%. The average R & D vacancy rate for January 2002 was 14.88%.
- The average San José Office vacancy rate for January 2003 was 21.22%. The average Office vacancy rate for January 2002 was 22.77%.
- The average San José Warehouse vacancy rate for January 2003 was 18.62%. The average Warehouse vacancy rate for January 2002 was 10.39%.
- The average San José Industrial vacancy rate for January 2003 was 12.30%. The average Industrial vacancy rate for January 2002 was 15.39%.

Building Permit Valuations

- Residential Building permit valuations for January 2003 are \$25.4 million. Prior month was \$19.0 million.
- Industrial Building permit valuations for January 2003 are \$2.5 million. Prior month was \$13.4 million.
- Commercial Building permit valuations for January 2003 are \$9.3 million. Prior month was \$23.6 million.

Hotel Occupancy Rates

- Hotel Occupancy Rates for January 2003 are 55.03%. Prior month was 42.76%. January 2002 occupancy rate was 55.36%.

Average Hotel Room Rates

- Average Hotel Room Rates for January 2003 are \$117.52. Prior month was \$108.72. January 2002 hotel rate was \$135.44.

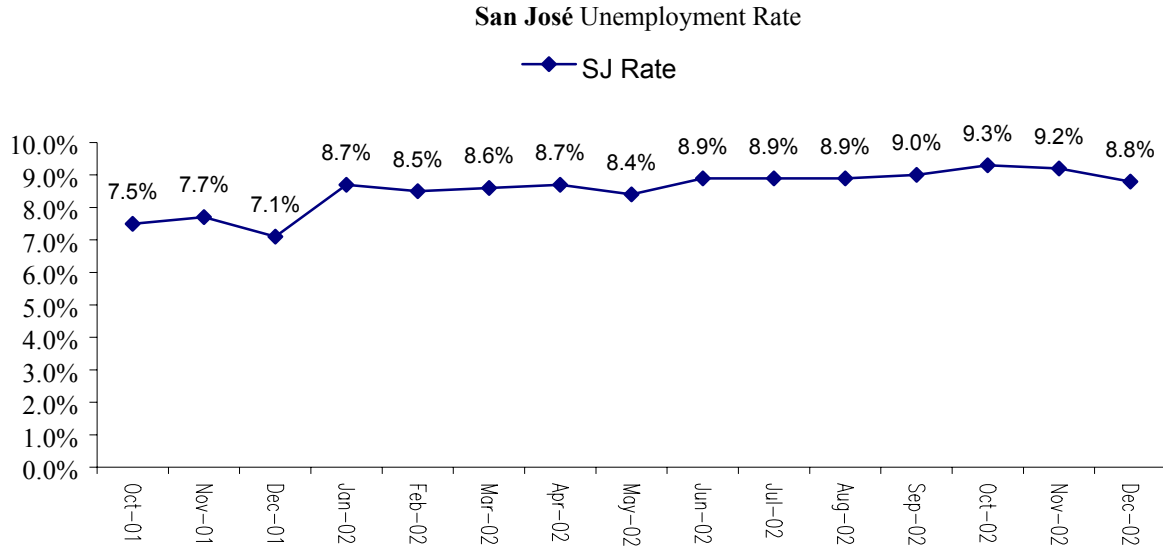
Airport Figures

- December 2002 (YTD) Airport cargo shipped is 309.0 million pounds, down 2.6% (317.3 million pounds) from the prior December (YTD).
- December 2002 (YTD) Airport passengers are 11.1 million, down 15.1 % (13.0 million passengers) from the prior December (YTD).

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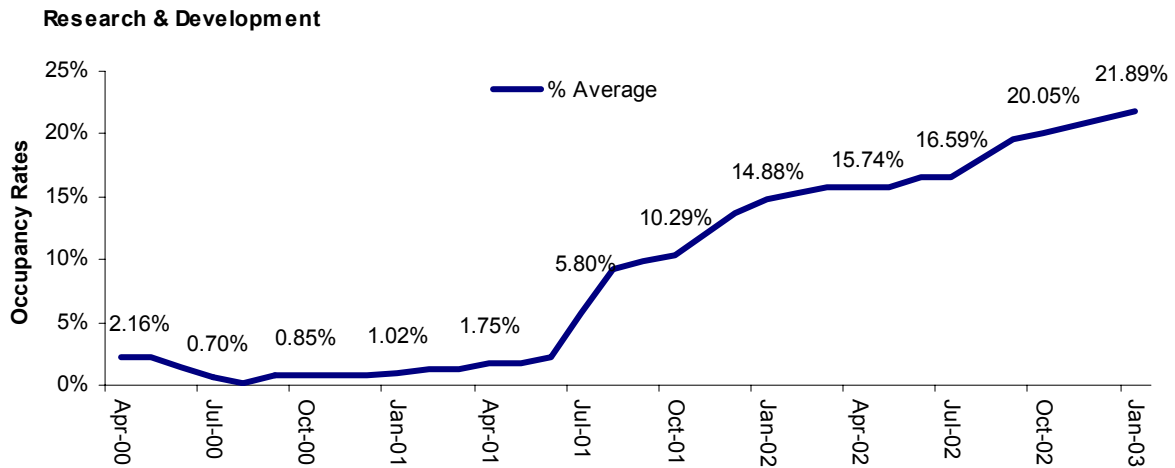
• **Unemployment in San José**

The current unemployment rate in **San José** is 8.8 % as of December 2002. The unemployment rate represents the number of San José residents that are unemployed.



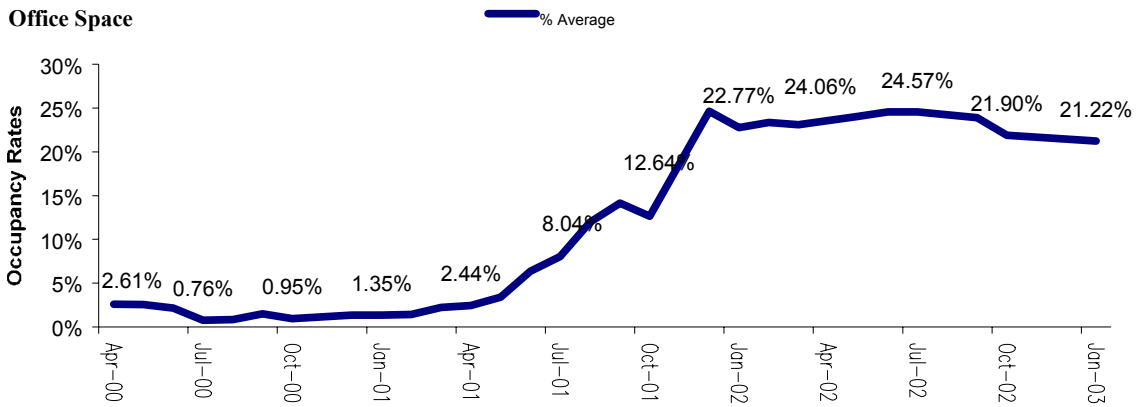
Source: Employment Development Department (EDD) <http://www.calmis.ca.gov/htmlfile/msa/sjose.htm>

• **Comparison of Available Space for January***

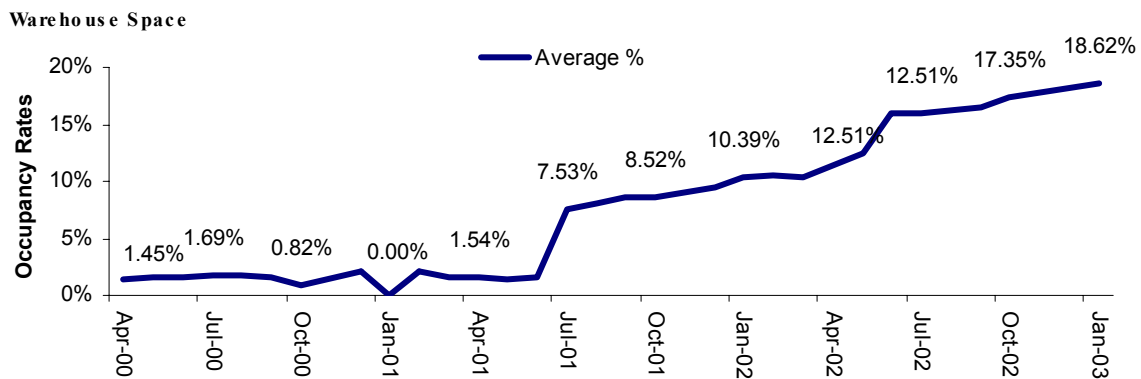


The average San Jose R & D vacancy rate for January 2003 was 21.89%

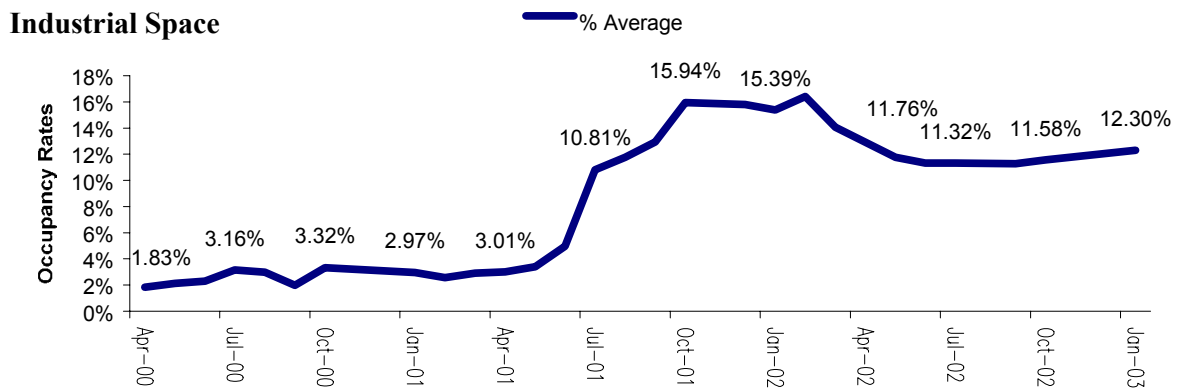
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The average San Jose Office vacancy rate for January 2003 was 21.22%



The average San Jose Warehouse vacancy rate for January 2003 was 18.62%



The average San Jose Industrial vacancy rate for January 2003 was 12.30%

*Vacancy rate is a combination of vacant space and space that is on the market which is occupied.
 Source: Colliers Parrish International, San José, CA, <http://www.colliersparrish.com/html/>

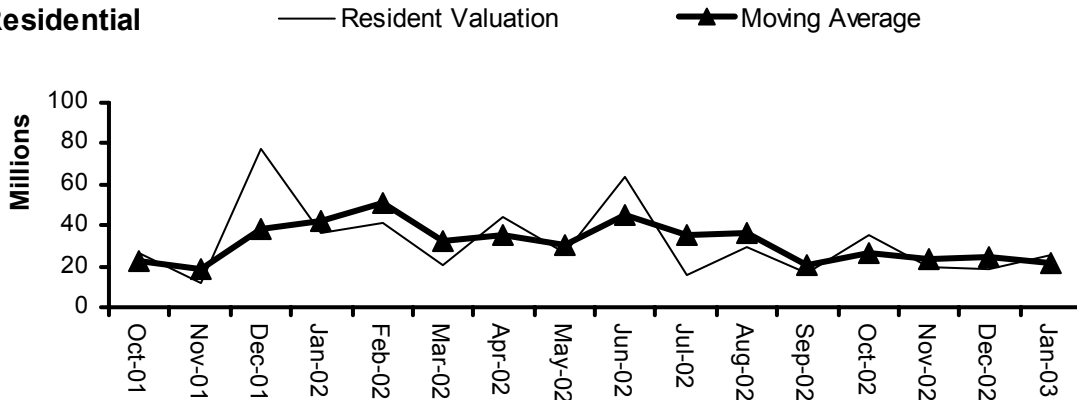
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Building Permit Valuations

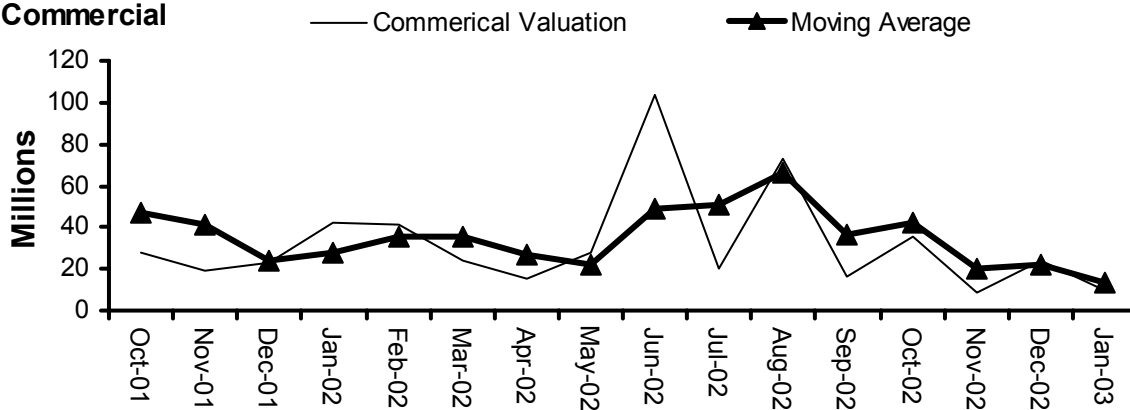
According to the City of San José’s Planning Department, the building permit valuations for the past year in San José are:

*Valuations include New Construction as well as alterations combined

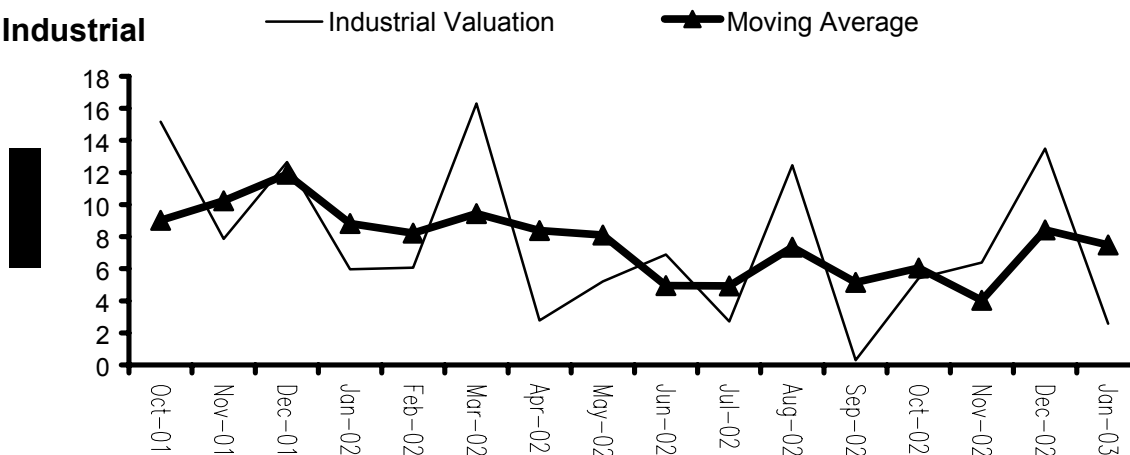
Residential



Commercial



Industrial



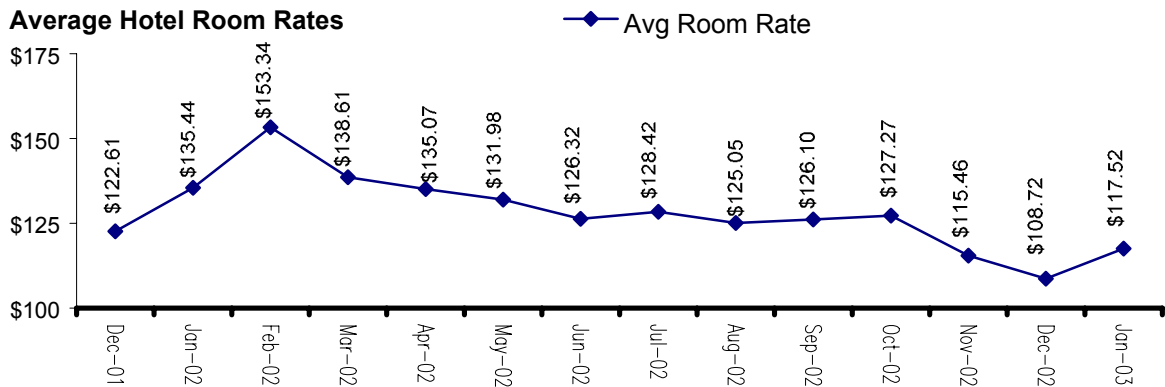
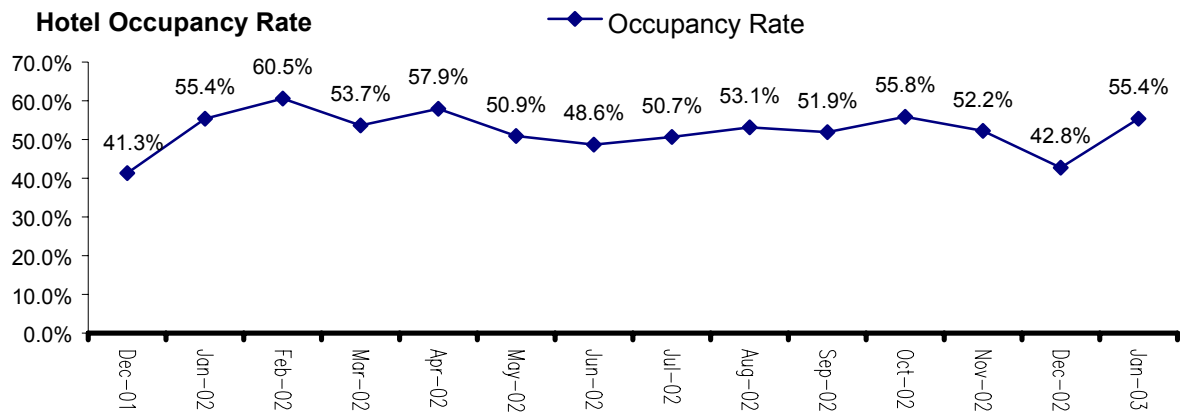
*Valuations include New Construction as well as alterations combined

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According to the Construction Industry Research Board Building Permit Valuations for the last 12 months in Santa Clara are:

Month	Commercial (\$)	Industrial (\$)	Residential (\$)
Dec 2002	56,614,000	0	74,377,000
Nov 2002	7,809,000	3,993,000	71,995,000
Oct 2002	17,976,000	3,519,000	86,084,000
Sept 2002	21,675,000	0	91,300,000
August 2002	58,448,000	12,894,000	98,841,000
July 2002	10,173,000	0	79,589,000
June 2002	81,823,000	1,208,000	131,955,000
May 2002	8,085,000	294,000	84,170,000
Apr 2002	19,787,000	0	103,798,000
Mar 2002	28,289,000	3,870,000	82,077,000
Feb 2002	38,734,000	2,603,000	78,427,000
Jan 2002	54,909,000	980,000	82,473,000
Dec 2001	9,809,000	1,990,000	100,794,000

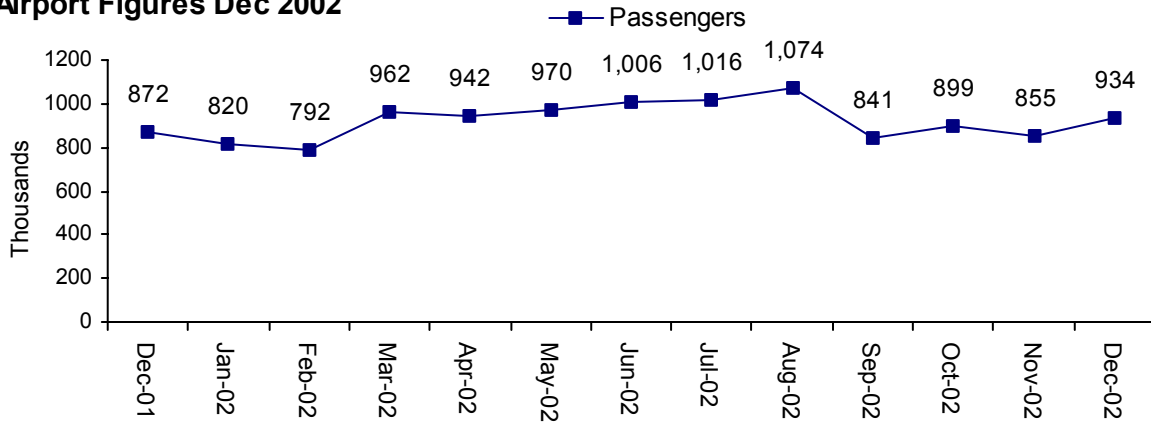
Source: Construction Industry Research Board, <http://www.cirbdata.com/>



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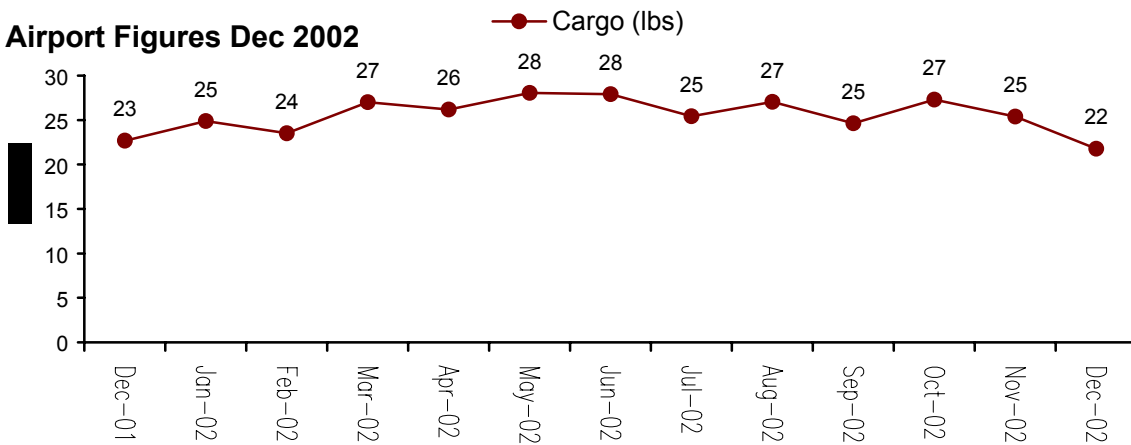
San Jose Convention & Visitors Bureau, <http://www.sanjose.org/>

Airport Figures Dec 2002



Number of Passengers for December 2001 was 872 thousand
 Number of Passengers for November 2002 was 855 thousand
 Number of Passengers for December 2002 was 934 thousand.

Airport Figures Dec 2002

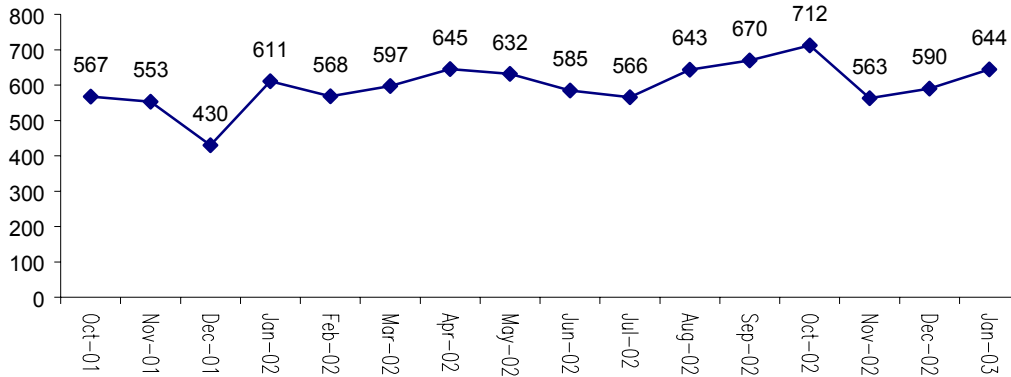


Pounds of cargo for December 2001 was 22.6 million
 Pounds of cargo for November 2002 was 25.3 million
 Pounds of cargo for December 2002 was 21.7 million

Norman Y Mineta San José International Airport, <http://www.sjc.org/>

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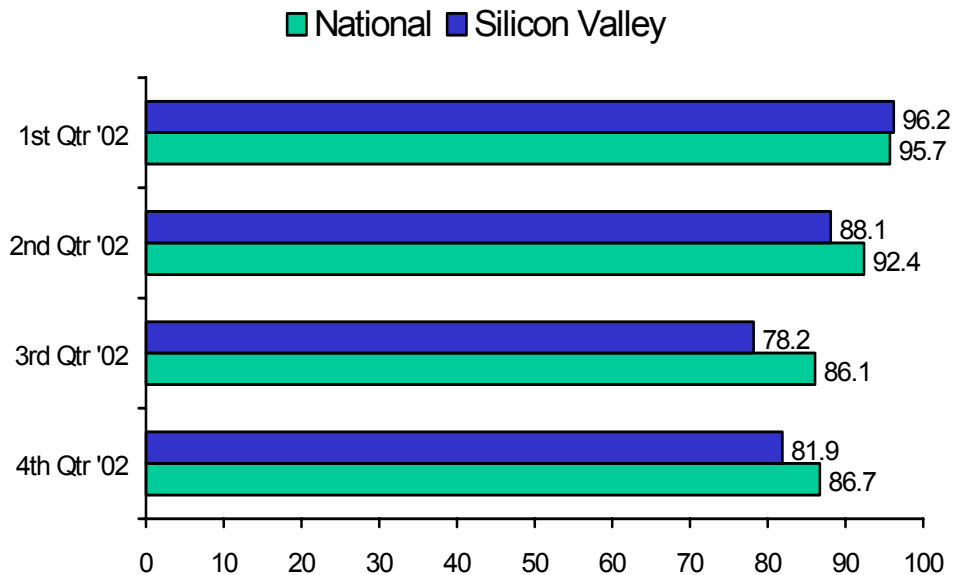
Bankruptcy Cases (San Jose Division)



U.S. Bankruptcy Court (San Jose Division), <http://www.canb.uscourts.gov/>

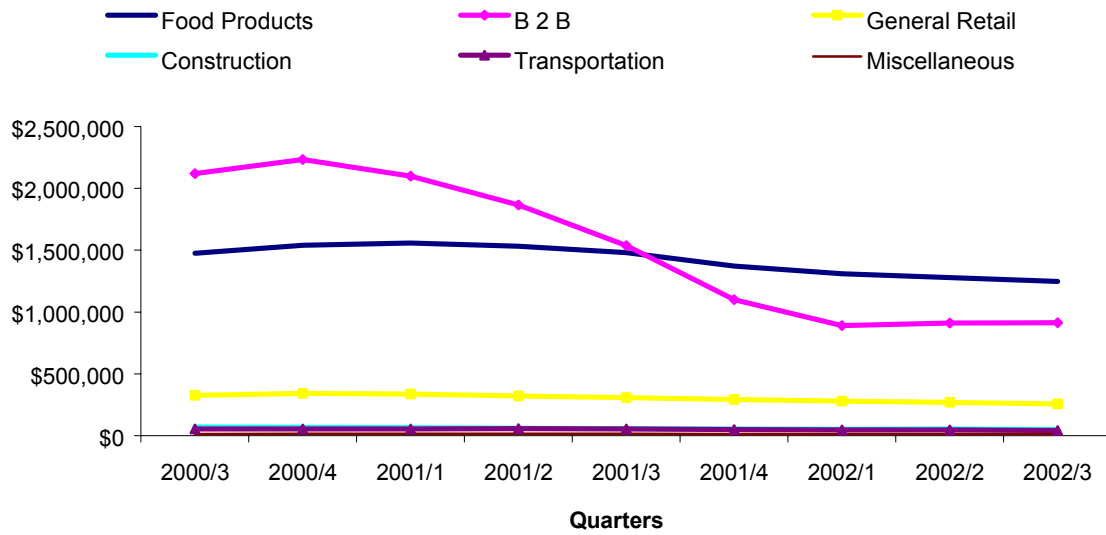
Consumer Sentiment

Univ. of Michigan National Index vs. SJSU Silicon Valley Index



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Downtown Sales Tax by Category



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