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UNITED STATES
OUTLOOK

U.S. ECONOMY: WAGGING THE DOG

April 2026 will mark the sixth year of the current economic expansion, making it one of the longer growth periods of the post–World War II era. Still, it's fair to wonder how much longer it can last, given the ongoing policy whiplash that has defined the second Trump administration. Tariffs have been reduced but not eliminated, budget battles threaten another government shutdown, and the United States is now engaged in a complex war in Iran with little explanation from the administration about its ultimate objectives or timeline. Oil prices have surged and global trade has been disrupted. Throw in weak GDP growth from the 4th quarter of 2025 and a weirdly flat labor market, and it's little wonder financial markets are nervous.

While these developments increase uncertainty and create a drag on the economy, they are not enough on their own to trigger a recession. The U.S. economy today still retains considerable momentum. What they may represent instead is a distraction from the political turmoil facing this administration on several fronts—not unlike the 1997 film Wag the Dog, in which a fictional war is staged to distract from a president's personal scandal. This war, however, is very real. And the economic imbalances it could create might end up being the spark that exposes the deeper and far more serious imbalance: the federal government's current borrowing binge. But for now, the short run indicators still point to continued, if modest, growth.

While the final quarter of 2025 came in weaker than expected, with only 0.7% GDP growth, the softness had a very specific source. Declines in federal spending, driven by the government shutdown, reduced overall growth by more than 1.1 percentage points, according to the national accounts. The spillover from this disturbance caused consumer spending and business investment to slow as well, which is hardly surprising given that total federal spending in the United States now exceeds $7 trillion annually, slightly less one-quarter of U.S. GDP when transfers are included.

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[1] U.S. Bureau of Economic Analysis, National Income and Product Accounts.

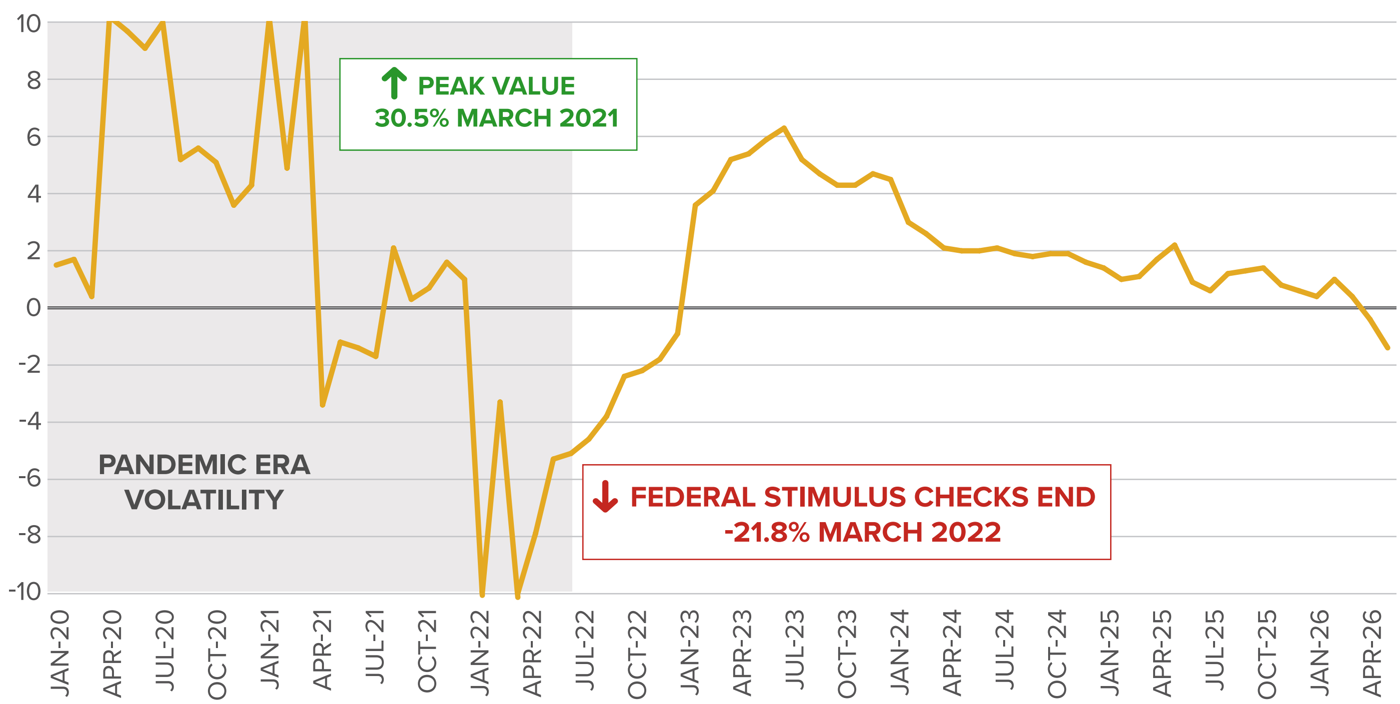
But this shock is transitory. The government has reopened and with military activity now underway in the Middle East, federal spending should rebound sharply in the 1st quarter of 2026.

There are other reasons to expect stronger economic activity in the near future.

- Consumer spending prospects remain positive. U.S. household disposable income has continued to grow, albeit slightly slower, in 2026 in large part due to tax reductions included in last year's 'One Big Beautiful Bill' that offset the ending of Trump's tax cuts from his first administration. The slowdown in spending at the end of 2025 appears to have been driven primarily by an increase in the savings rate rather than deteriorating household finances. [2]

- Concerns about rising oil prices also deserve some perspective. In inflation-adjusted terms, current oil prices remain well below the peaks reached in 2014 and 2022. More importantly, the structure of the U.S. energy economy has changed dramatically. The shale boom of the past decade has transformed the United States into a major producer and exporter of energy. The country now runs a significant trade surplus in petroleum products, totaling roughly $60 billion in 2025.[3] Therefore, rising oil prices create regional winners and losers—benefiting energy-producing states like Texas and New Mexico even as costs for goods producers and consumers increase nationwide (remember, transportation is required for almost every product).

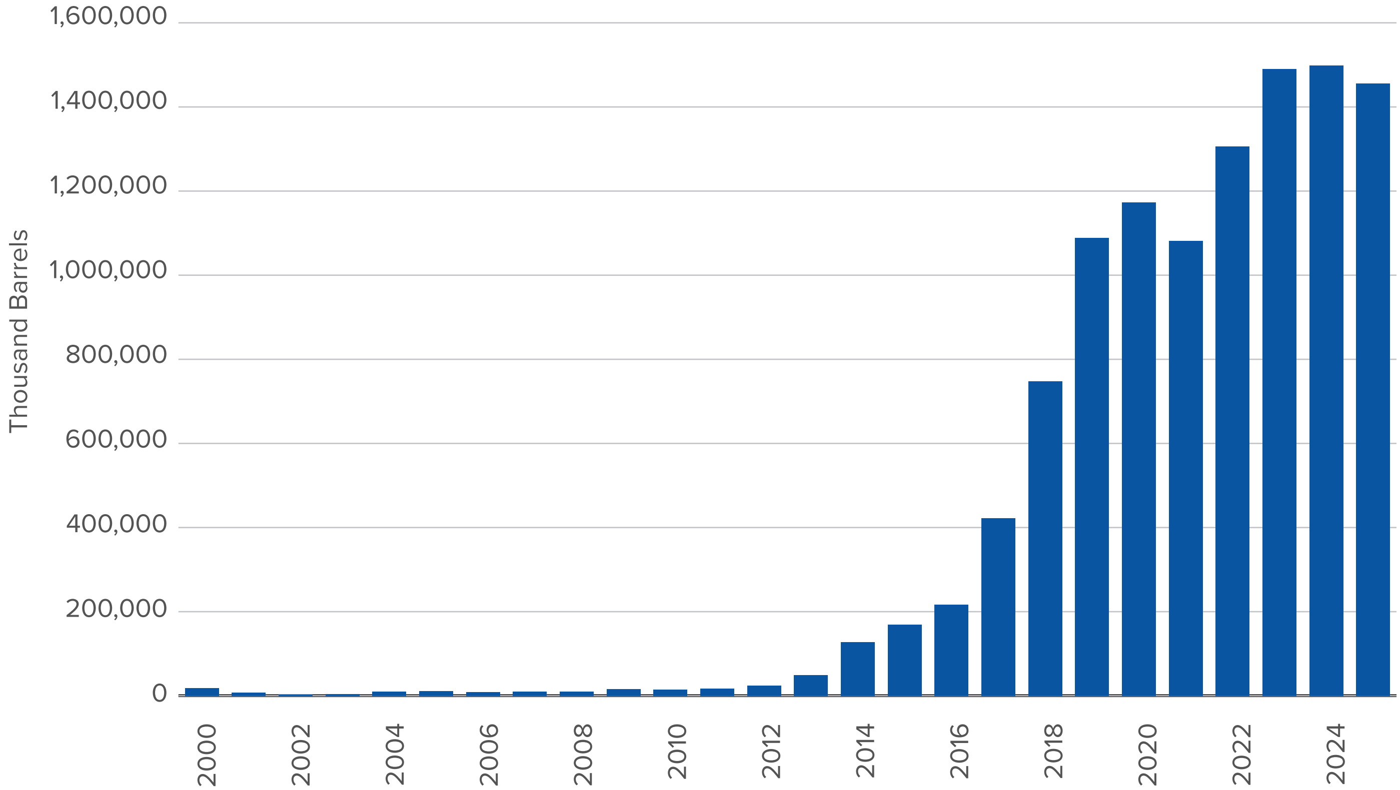
REAL DISPOSABLE PER CAPITA INCOME GROWTH



Source: U.S. Bureau of Economic Analysis

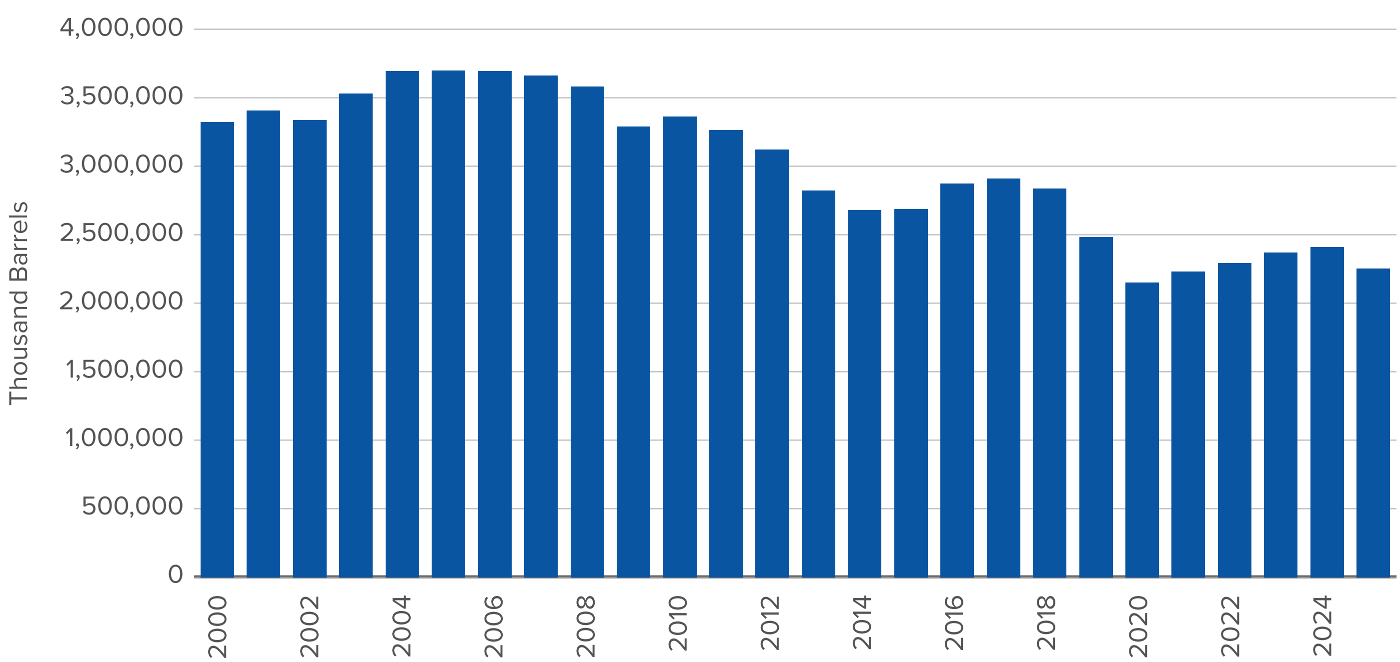
[2] U.S. Bureau of Economic Analysis, Personal Income and Outlays.
[3] U.S. Energy Information Administration, petroleum production, and trade statistics.

U.S. EXPORTS OF CRUDE OIL



Source: U.S. Energy Information Administration

U.S. IMPORTS OF CRUDE OIL

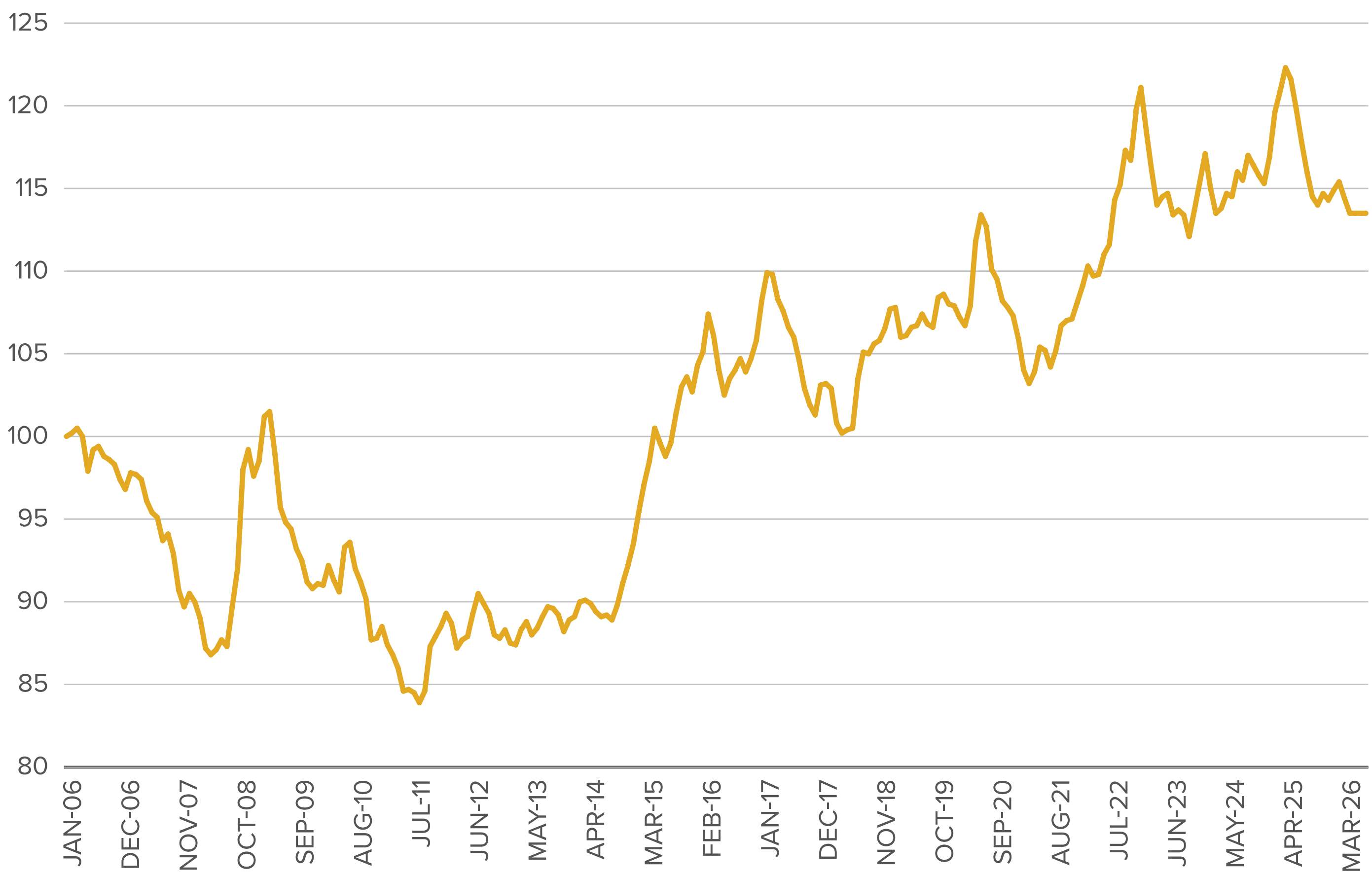


Source: U.S. Energy Information Administration

- Higher oil prices will exert upward pressure on inflation, but that effect is likely to be offset in part by declining import prices following the Supreme Court's removal of most of the tariffs imposed by the Trump administration in 2025. The administration has responded with a temporary 10% blanket tariff to replace those invalidated by the Court, but this measure is substantially smaller than the previous tariff regime and only lasts 150 days. While the original tariffs had limited measurable impact on trade flows, their removal has reduced uncertainty for firms reliant on imported inputs.

- Geopolitical tensions have also strengthened the U.S. dollar. The conflict in the Middle East has pushed the dollar to a ten-month high as investors seek safe-haven assets in U.S. financial markets. This type of capital flow during global crises are a well-documented phenomenon.[4] A stronger dollar helps restrain inflation by lowering the cost of imported goods and reducing pressure on financial markets.

REAL BROAD U.S. DOLLAR INDEX

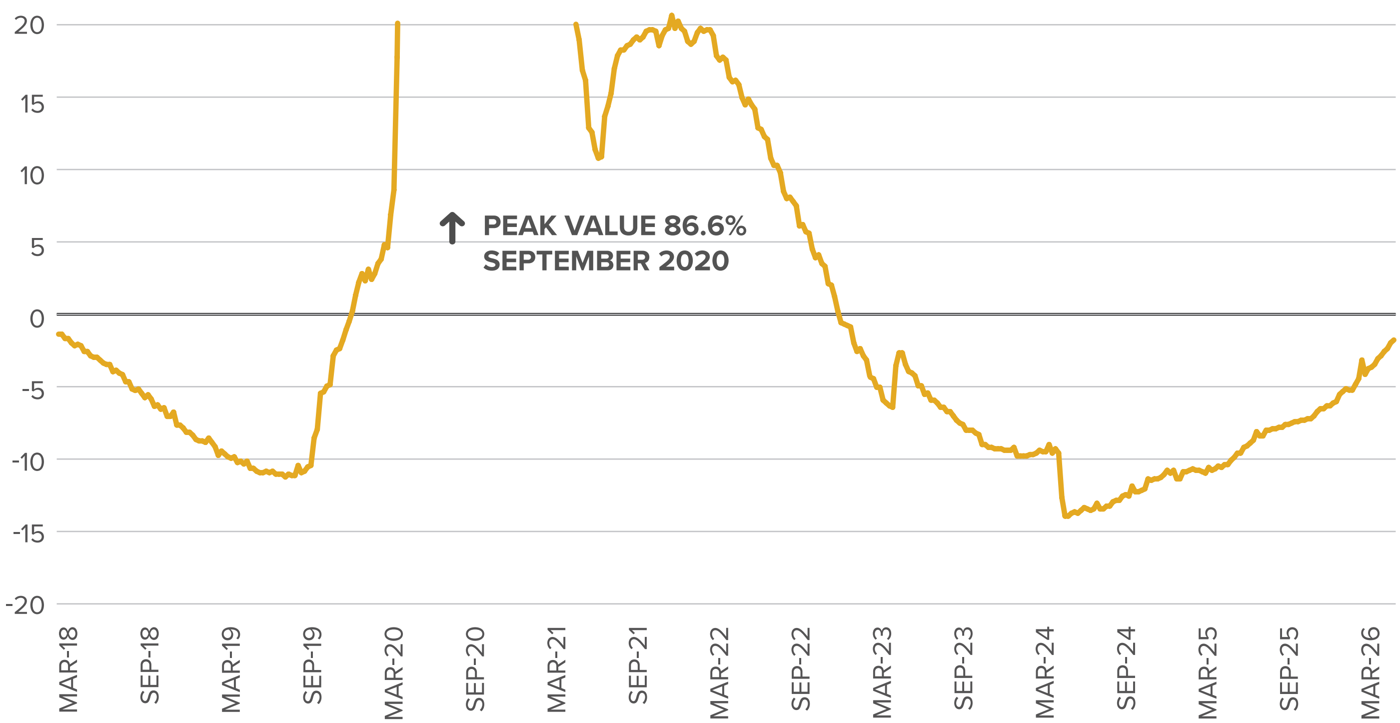


Source: Board of Governors of the Federal Reserve System

[4] Federal Reserve Bank of New York, research on dollar safe-haven flows.

- Monetary policy also remains supportive. Although the Federal Reserve has paused reductions in the Federal Funds Rate, policy remains accommodative. Quantitative tightening, the reduction of the Fed's balance sheet that contributed to tighter credit conditions in recent years, has effectively come to an end. At the same time, the Federal Reserve's Senior Loan Officer Opinion Survey suggests that banks are beginning to observe a modest increase in credit demand from businesses.[5] The easing of financial conditions has begun to revive segments of the commercial real estate market that had been largely dormant because of the sharp rise in interest rates.

YEAR-OVER-YEAR CHANGE IN FED BALANCE SHEET



Source: Board of Governors of the Federal Reserve System

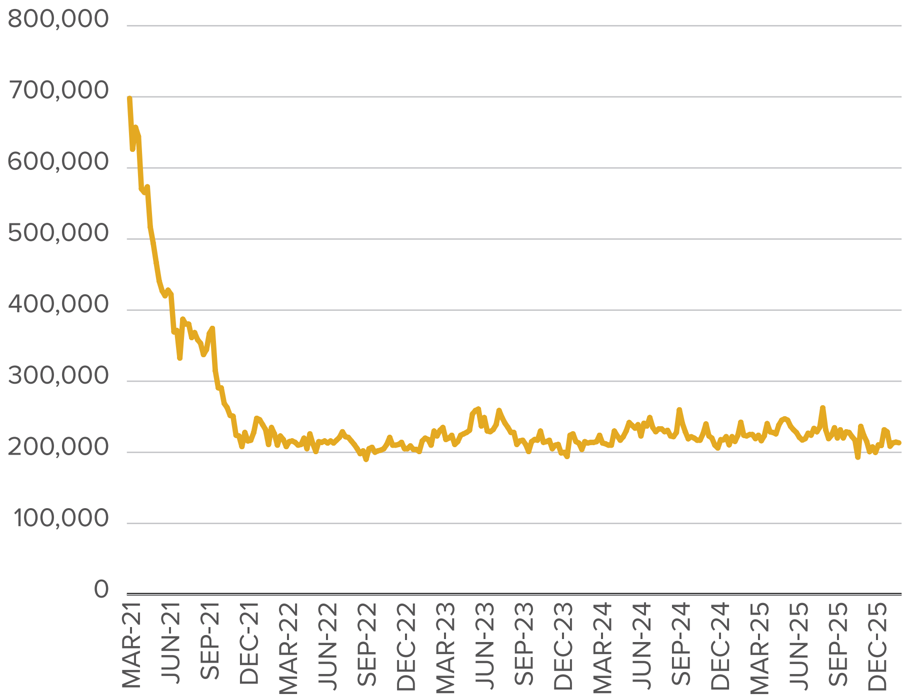
Taken together, these factors suggest a boost to short-term economic growth in the United States in 2026, rather than continued slowing. Wag the dog, indeed. Mind you, this short run growth spurt comes at the expense of economic stability in the mid-term, but it's reasonable to observe that the goals of this administration appear to be largely short term in nature.

[5] Federal Reserve Board, Senior Loan Officer Opinion Survey on Bank Lending Practices.

THE AFFORDABILITY FALLACY

As for the lack of job growth (nonfarm payrolls have expanded just .1% over the last 12 months), when examining the numbers closely we find very little is fundamentally new in the labor market data. For several years the market has been characterized by unusually low hiring and separation rates. That is an illiquid labor market, not a collapsing one. Despite widespread concern about automation and artificial intelligence displacing workers, unemployment insurance claims have not risen in a way that indicates a significant increase in layoffs.

U.S. INITIAL UNEMPLOYMENT CLAIMS

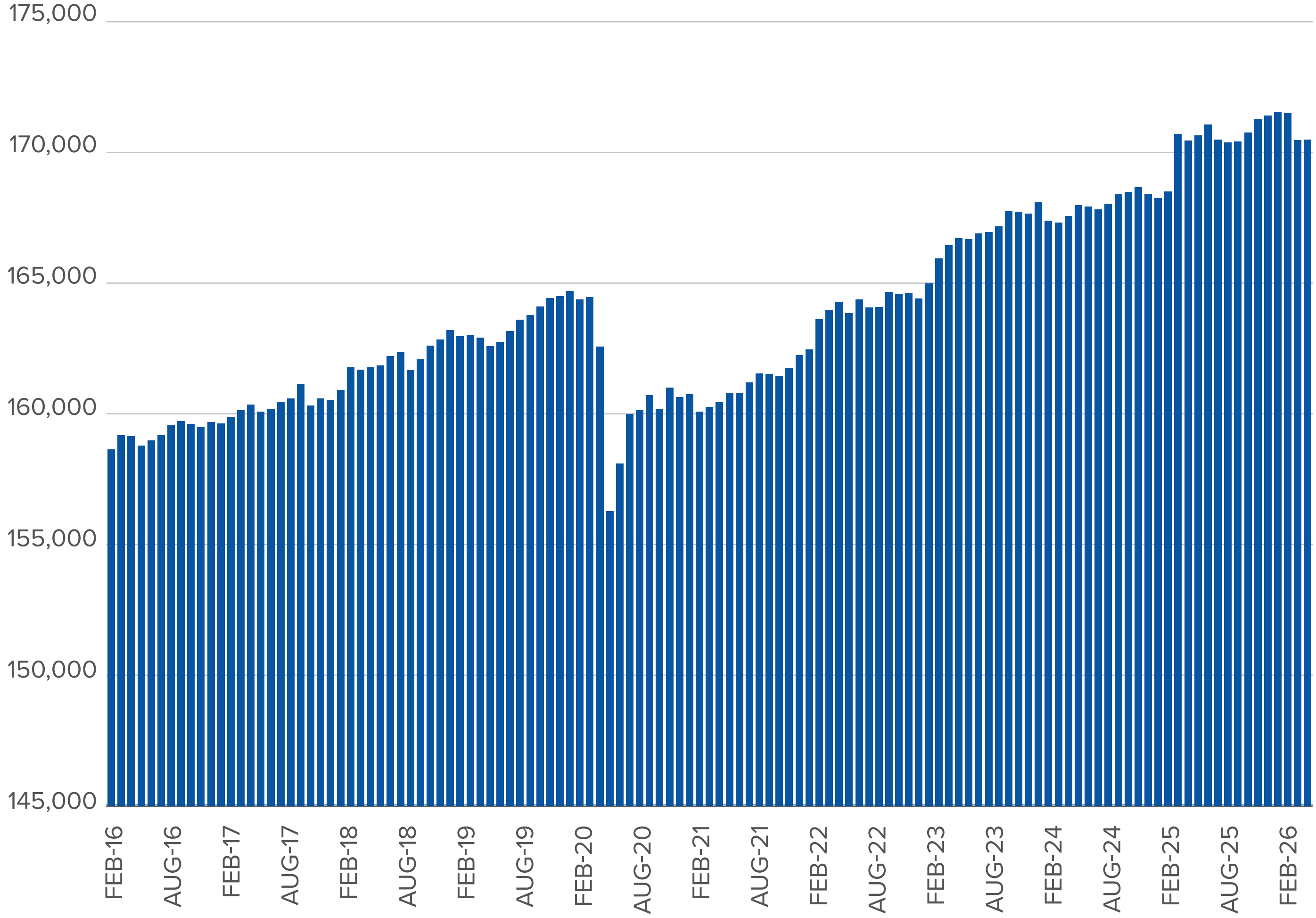


Source: U.S. Employment and Training Administration

One possible explanation for the weak job growth is the contracting U.S. labor force. The nation's dramatic shift towards aggressive immigration enforcement over the last 14 months has caused a complete collapse in undocumented workers migrating into the United States. Some surveys also suggest that undocumented workers who are already here may be self-deporting. According to the U.S. Census Current Population Survey, over half of all new workers entering the U.S. labor force over the past decade were born overseas; clearly a reduction in immigration could slow or even reverse the nation's labor force growth.

You won't see this in the official data. The reality is that we don't know exactly how many people live in the United States, or how many are in the labor market. This isn't because our government statisticians are incompetent, rather they face significant measurement challenges. With a high share of migrants entering the nation without documentation and a 2020 Census that was a statistical disaster due to the pandemic, it's likely we'll have to wait until 2030 to get a true sense of where things stand.

U.S. LABOR FORCE



Source: U.S. Bureau of Labor Statistics

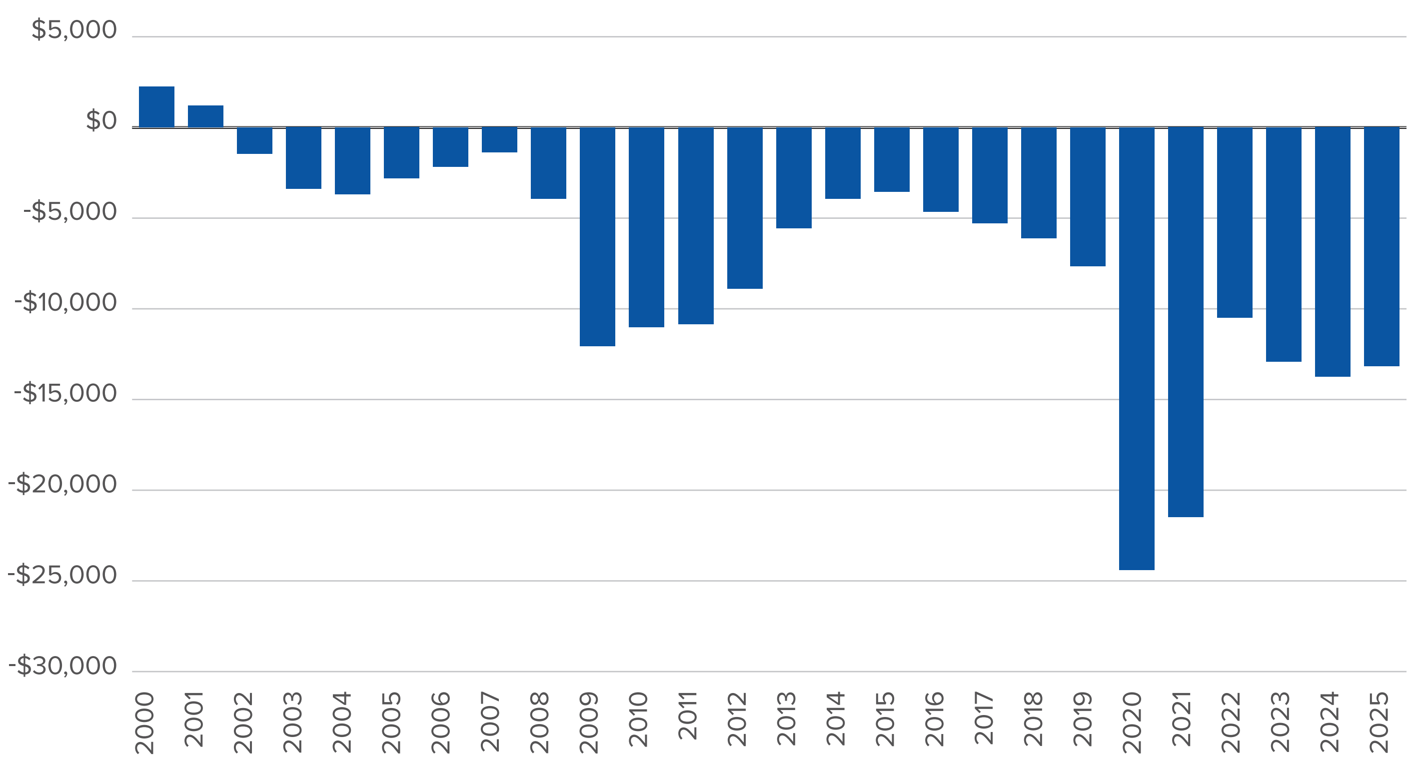
This statistical uncertainty may help explain why per capita disposable income growth appears to be slowing in U.S. Bureau of Economic Analysis data more than would be expected. That data comes from a completely different source and is not tainted by the difficulties related to measuring population size. It would suggest that this slowing is a function of cooling population growth rather than weakening household finances. But the real problem is not that finances are too weak, but too strong—driven by the implicit subsidy built into government borrowing.

THE FEDERAL BUDGET DEFICIT

Prior to the recent Supreme Court decision striking down broad tariffs, the U.S. government was already projected to borrow nearly $1.7 trillion in the current fiscal year.[6] Tariff revenue losses following the Court's decision, paying back last year's $180 billion tariff haul, increased military spending, and reopening the government after on and off closures during the past year will bring the fiscal deficit for FY 2026–27 to over $2 trillion. This will push the entire federal debt to more than $40 trillion, a record share of the nation's GDP. This clearly cannot continue.

The problem is that the current federal deficit represents a substantial injection of purchasing power into U.S. households. The deficit amounts to roughly $15,000 per household annually, equal to about 9% of average disposable household income and nearly 6% of GDP. A decade ago, that figure was closer to $5,000 per household, implying that almost one-fifth of the increase in household disposable income over the past decade has been indirectly financed through reduced taxes, necessitating the surge in federal borrowing.[7] In a short 20 years the nation's public debt has expanded from 60% of GDP to 120% of GDP.

FEDERAL SURPLUS/DEFICIT PER HOUSEHOLDS



Source: U.S. Department of the Treasury, U.S. Census Bureau

[6] Congressional Budget Office, Budget and Economic Outlook.
[7] Furman, Jason & Summers, Lawrence, research on fiscal deficits and macroeconomic demand effects.

The Congressional Budget Office already projects federal debt rising toward historic highs relative to GDP in coming decades. Even these grim projections assume relatively stable interest rates and continued economic growth. As Olivier Blanchard argued in his presidential address to the American Economic Association, debt sustainability ultimately depends on the relationship between interest rates and economic growth.[8] When debt levels are high, even modest shifts in that relationship can quickly destabilize fiscal conditions. Today, even a small increase in interest rates or a modest slowdown in economic growth could cause the fiscal outlook to deteriorate rapidly.[9]

If such a fiscal reset becomes necessary, the resulting policy adjustments would almost certainly trigger a recession and/or a nasty bout of inflation.

Taken together, the outlook for the U.S. economy remains one of moderate growth in the near term, where the lack of employment growth and the impact of political turmoil are offset by growing stimulus from both the federal government and Federal Reserve. Growth of around 2.5% in 2026 remains a reasonable baseline expectation. At the same time, the probability of a more severe disruption continues to rise as fiscal imbalances accumulate—we've said it before, short term growth is being achieved by borrowing from the future.

The largest near-term issue is the conflict in the Middle East. If we go by recent experience, this conflict will be short and ultimately inconsequential to global economic conditions. But if it should morph into something bigger, the administration might see that dog turning around to bite at the hand on its tail.

[8] Blanchard, Olivier (2019), "Public Debt and Low Interest Rates," AEA Presidential Address.
[9] International Monetary Fund, Fiscal Monitor and Debt Sustainability Analysis.

CALIFORNIA OUTLOOK

GROWING ECONOMY, SHRINKING JOB MARKET

Amidst the endless noise about California's economic health, a significant structural divergence has reached new heights, creating an underlying fragility that will complicate the state's stability.

On one hand, California's economy is in good health. While the official figures for the last quarter are still being tallied, the state's economic growth comfortably outpaced the national average of 2.5% in 2025, tracking toward an annual growth rate near 3%. California's share of national GDP has inched up slightly from 14% at the beginning of 2023 to 14.2% at the end of 2025, and consumer spending has been rising at an annual rate of roughly 5%.

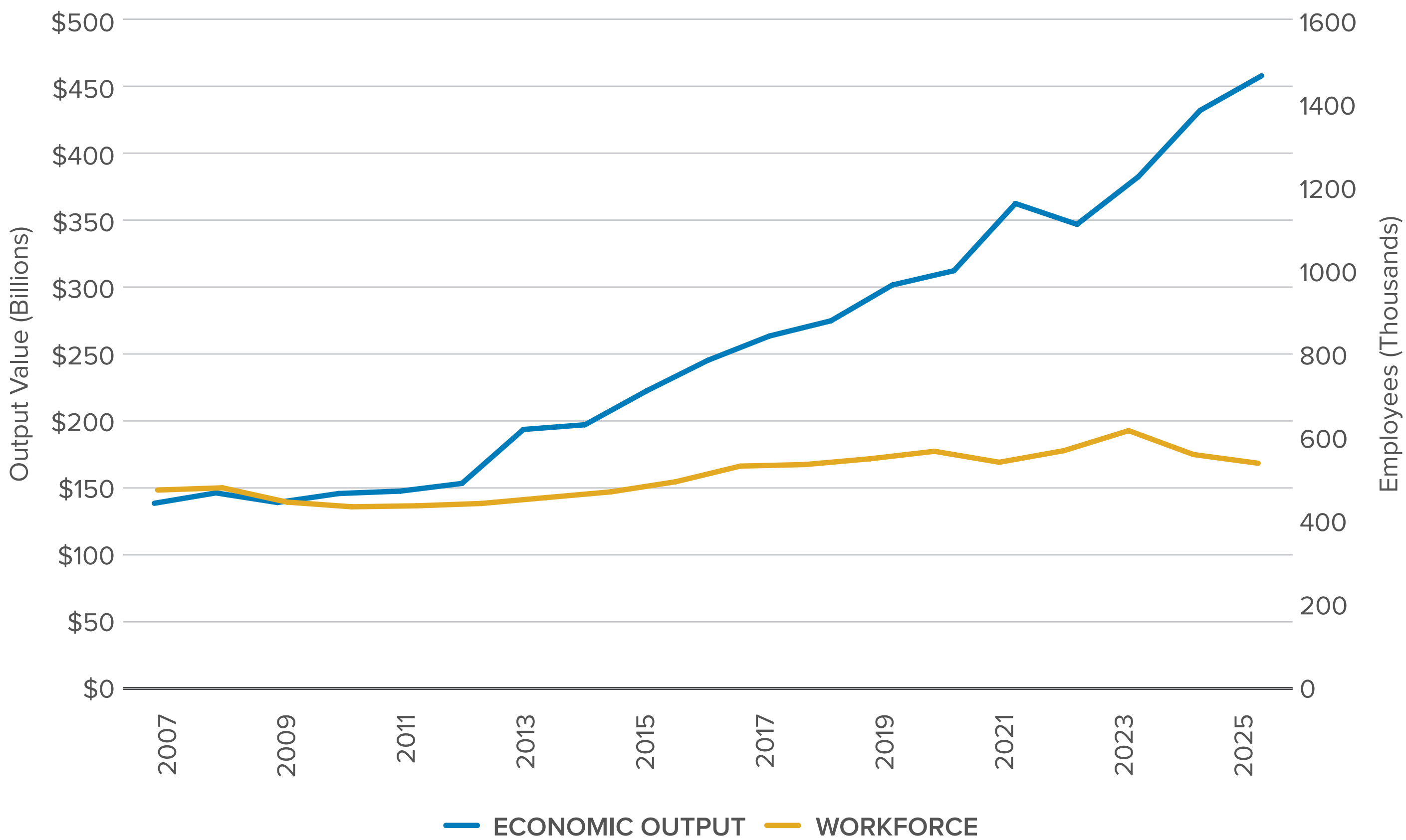
At the same time, the job market is sagging. California now has the highest unemployment rate of all fifty states in the Union, stubbornly hovering at 5.5%, and its job market appears to be going in the wrong direction. The total number of jobs in California actually shrank by 0.6% since the beginning of this year, making it the 17th worst-performing state in the nation in terms of job creation.

What explains this divergence between a healthy, growing economy and an unhealthy, shrinking job market? A large part of the answer lies in the underlying structural dynamics of the industries generating the state's wealth.

The U.S Census classifies the economy into 20 high-level categories. [10]Historically, "Government" has been the largest industry in California, but that changed a couple years ago, when the "Information" industry overtook it.

[10] The NAICS (North American Industry Classification System) is a standardized numbering system used by government agencies to classify businesses based on their primary economic activity.

CALIFORNIA INFORMATION INDUSTRY



Source: California Department of Tax and Fee Administration. Analysis by Beacon Economics.

The Information industry is composed of Tech, Entertainment and Telecommunications companies, although Tech comprises the majority of its output, and is most responsible for its growth. Over the past fifteen years, Information has expanded more rapidly than any other industry in California, with real output surging from $147 billion to roughly $450 billion last year.

However, the sector's labor force has remained effectively stagnant over this same period, hovering around 500,000 workers. As a result, Information stands as the undisputed leader in economic output yet ranks a lowly twelfth in total employment. To put this divergence into perspective: the Healthcare sector employs six times as many workers as the Information industry but generates only 65% of California's economic output.

MAKEUP OF THE CALIFORNIA ECONOMY

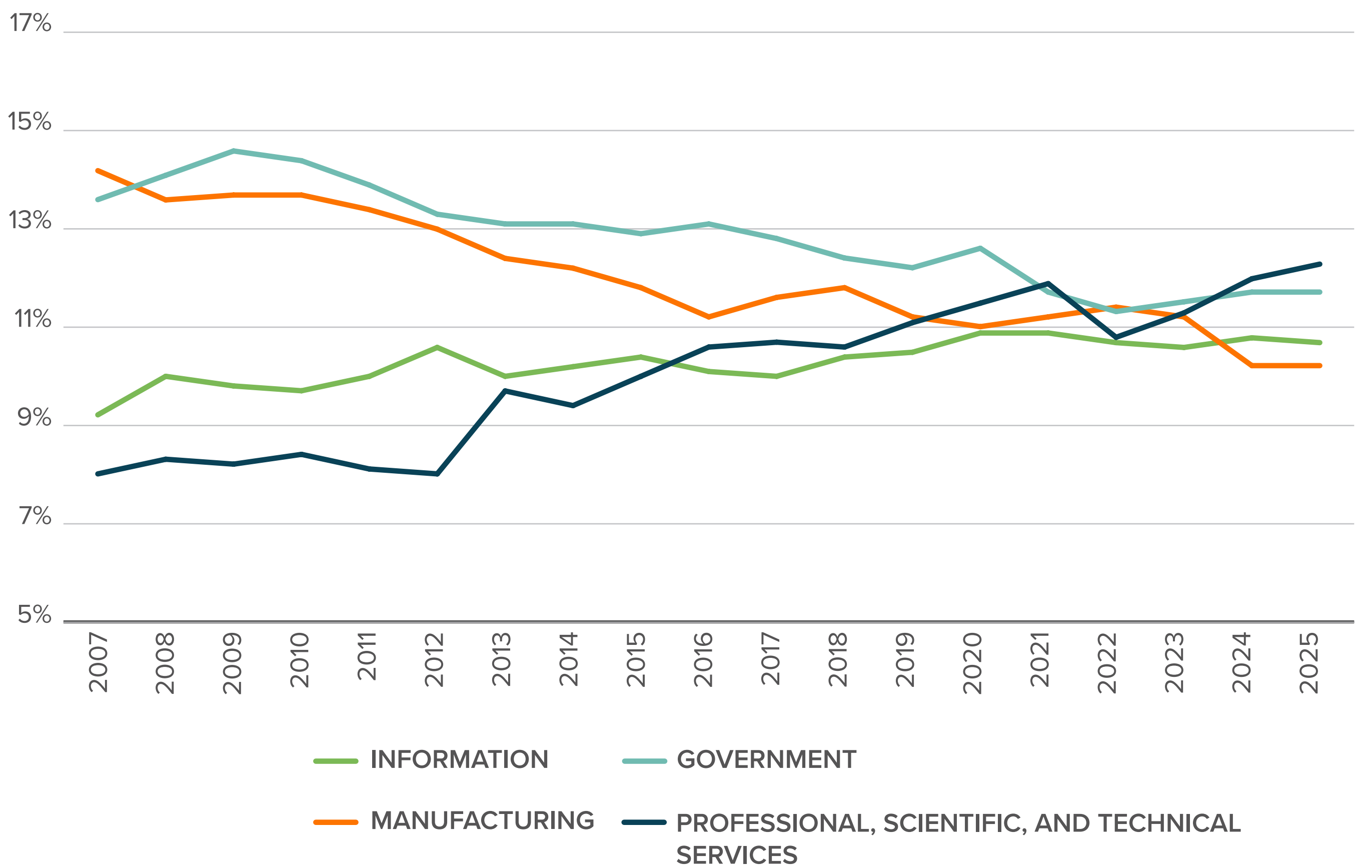
Industry (2-Digit NAICS Code)[11]	2025 GDP	% of CA GDP	Employment	% of CA Employment	Average Earnings
Information	$458.1	12.3%	573,480	2.8%	$324,998
Government	$434.7	11.7%	2,970,022	14.3%	$122,171
Professional, Scientific, and Technical Services	$398.1	10.7%	1,625,005	7.9%	$180,171
Manufacturing	$379.8	10.2%	1,275,258	6.2%	$148,262
Health Care and Social Assistance	$298.7	8.0%	3,078,252	14.9%	$78,971
Finance and Insurance	$253.7	6.8%	568,327	2.7%	$199,023
Retail Trade	$224.5	6.0%	1,671,288	8.1%	$59,943
Wholesale Trade	$199.6	5.4%	670,472	3.2%	$122,740
Real Estate and Rental and Leasing	$166.5	4.5%	394,817	1.9%	$97,361
Construction	$154.9	4.2%	1,134,816	5.5%	$97,214
Accommodation and Food Services	$128.2	3.4%	1,721,109	8.3%	$40,837
Transportation and Warehousing	$123.4	3.3%	872,940	4.2%	$88,994
Administrative and Support and Waste Management and Remediation Services	$122.0	3.3%	1,250,606	6.0%	$70,679
Management of Companies and Enterprises	$85.4	2.3%	286,823	1.4%	$263,128
Other Services (except Public Administration)	$72.0	1.9%	1,099,421	5.3%	$47,120
Arts, Entertainment, and Recreation	$63.9	1.7%	446,844	2.2%	$75,181
Utilities	$57.4	1.5%	68,381	0.3%	$219,087
Educational Services	$43.8	1.2%	542,646	2.6%	$67,938
Agriculture, Forestry, Fishing and Hunting	$40.4	1.1%	432,047	2.1%	$59,655
Mining, Quarrying, and Oil and Gas Extraction	$12.8	0.3%	16,561	0.1%	$183,893

[11] Not all of "Tech" resides in the Information Industry, but a large portion does, including many of the largest players such as Google, Microsoft, and Meta.

Given the frenzy surrounding Silicon Valley and Artificial Intelligence, an understandable response could be to shrug and dismiss this as nothing more than a familiar pattern. However, the scale has reached new heights. The Information industry only became California's largest Industry in the last couple of years, even though it's been making headlines and spinning out billion-dollar companies for decades. Consider the early years of the iPhone and the ascent of social media 15 years ago. Silicon Valley was the leader of tech innovation and growth then as it is today. The difference is that the Information industry represented only 8% of California's GDP back then; today it's grown past 12%.

The state's four largest industries are shown in the graph below. At quick glance it appears that Manufacturing (in which California is an often unacknowledged powerhouse) has been hollowed out. But that's not the case. Manufacturing is doing fine. Its overall output grew from $238 billion in 2010 to roughly $380 billion in 2025, a 60% increase in total output. However, the Information industry increased 220% over the same period. The issue is that traditional, physical industries are struggling to keep up with the exponential scaling of the digital economy. As the processing power of semiconductors and data centers continues to compound, so does the commercial value of Tech companies. Manufacturing is progressing at a steady, more linear pace, and this divergence is fundamentally altering the state's economic center of gravity.

TOP 4 INDUSTRIES SHARE OF CALIFORNIA'S GRP



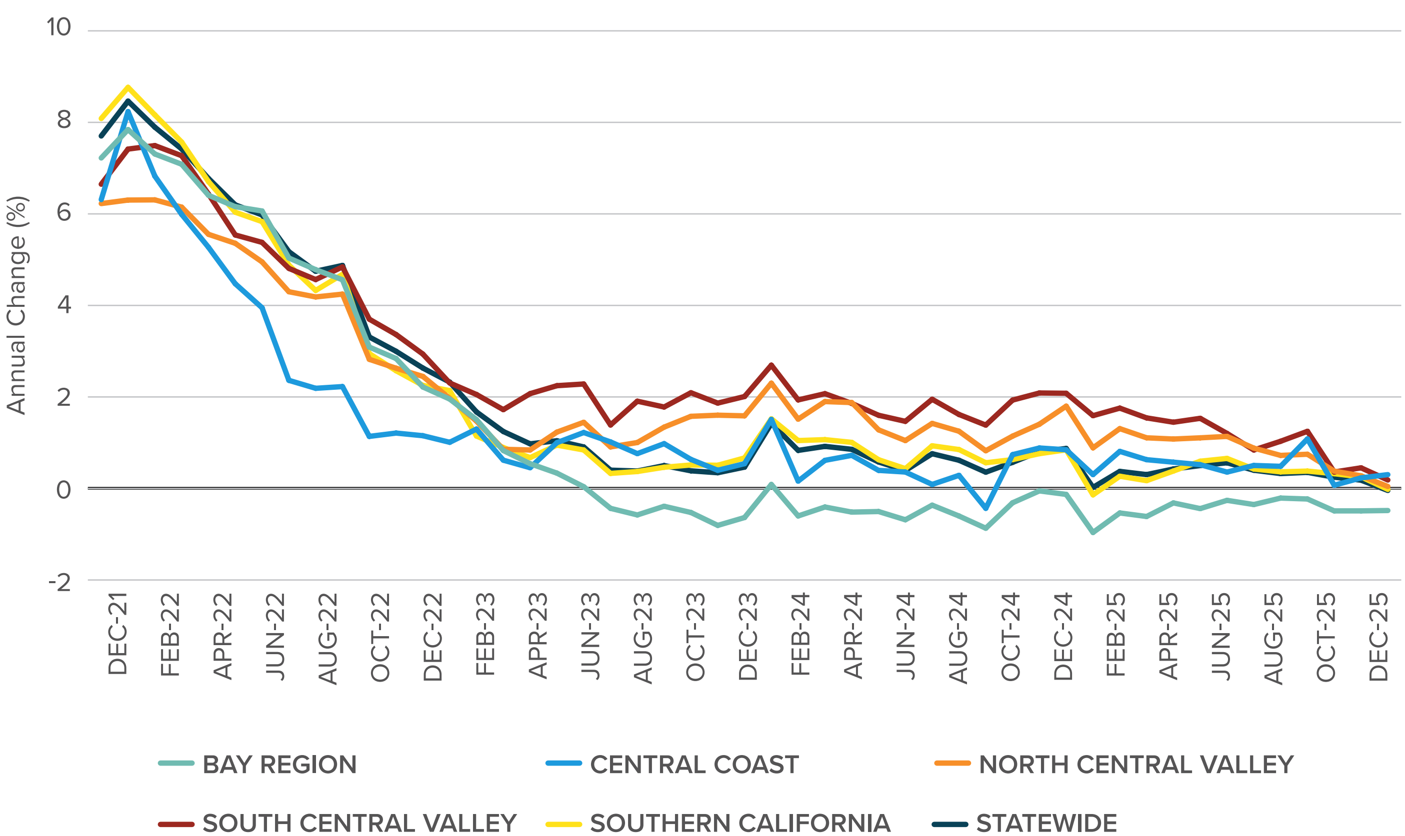
Source: U.S. Bureau of Labor Statistics via FRED®. Analysis by Beacon Economics.

This trend is likely to continue for the foreseeable future, as A.I. attracts record amounts of capital investment. Several highly valued companies such as OpenAI, Anthropic, Databricks, and others are expected to IPO later this year, which will accelerate the astronomical wave of liquidity funneling into Silicon Valley.

There is no doubt that California is fortunate to be the home of this world-changing industry. The positive spillover effects are undeniable, attracting the world's brightest minds, raking in oceans of global capital, and generating the kind of extreme wealth that ultimately funds the state's massive public sector. However, for all their economic glory, Tech companies simply do not create many jobs... at least, not in California. One of the tactics employed by the industry is to offshore the more labor-intensive parts of the supply chain to cheaper geographies.

In the last 20 years, the output of the Information industry has increased 230%, yet its California workforce has only grown 13%. In 2007, each Information worker produced about $292,000 worth of economic output. Now, each information worker produces over $800,000 worth of output. This hyper-productive, low-headcount reality explains why the San Francisco Bay Area - the epicenter of this global wealth creation - has been shedding jobs over the last couple of years, while the rest of California has been generating them.

CALIFORNIA JOB GROWTH BY MAJOR REGION



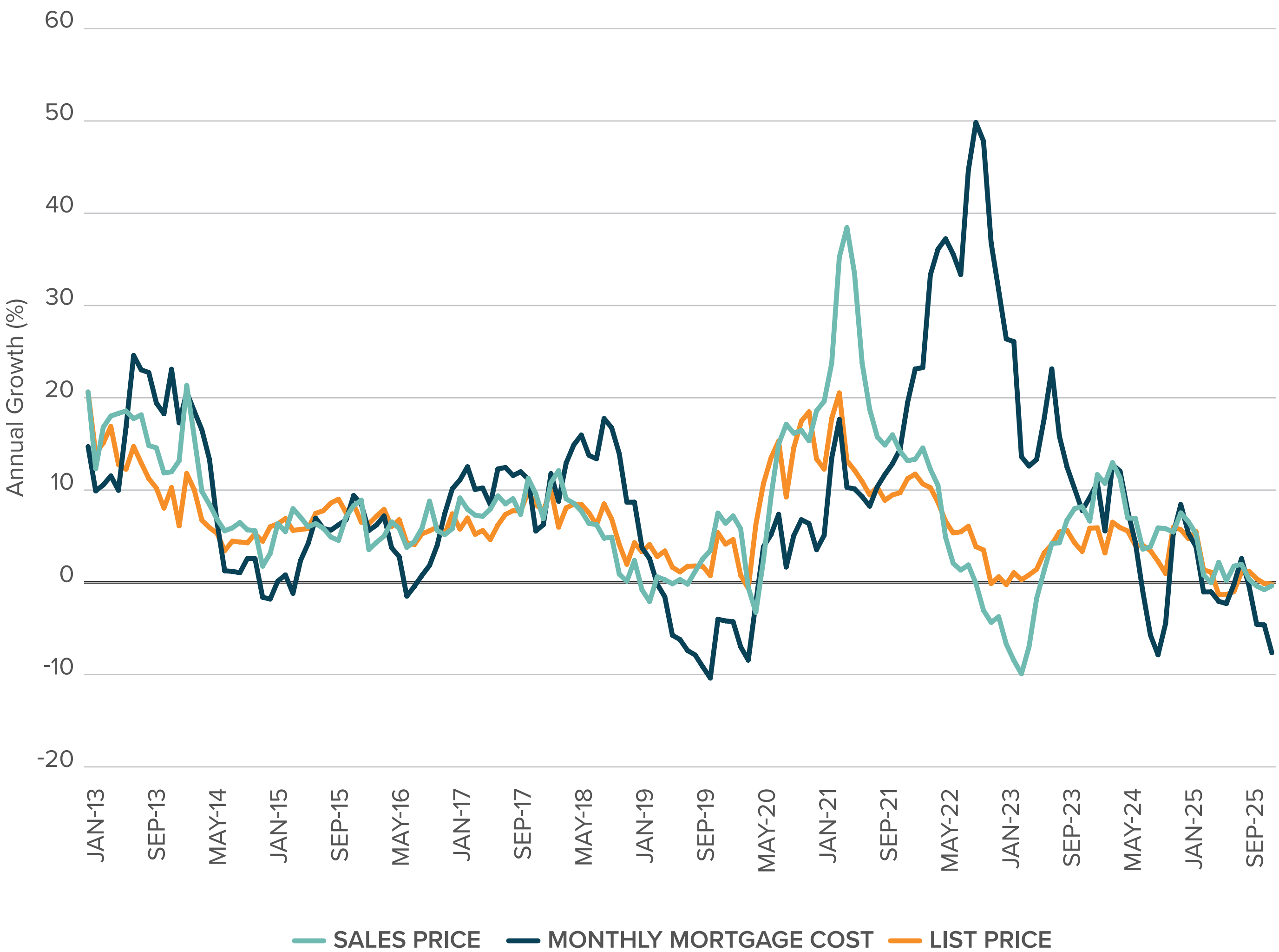
Source: California Employment Development Department. Analysis by Beacon Economics.

In fact, most job creation has occurred in the Sacramento area and in the Central Valley, away from the Information Industry regions. Coastal markets have become mature, saturated, and prohibitively expensive, so economic growth in traditional and service-based sectors is naturally migrating eastward to locations with more available land and slightly lower operating costs.

A SLUGGISH HOUSING MARKET

The soft job market partially explains the sluggish housing market. Housing is a frequent topic at Beacon Economics because it's the largest single line-item in a household budget, meaning its fluctuations ripple through the entire consumer economy. Interestingly, despite mortgage rates dropping to roughly 6.0% recently, both listing and sale prices have fallen slightly over the last two months.

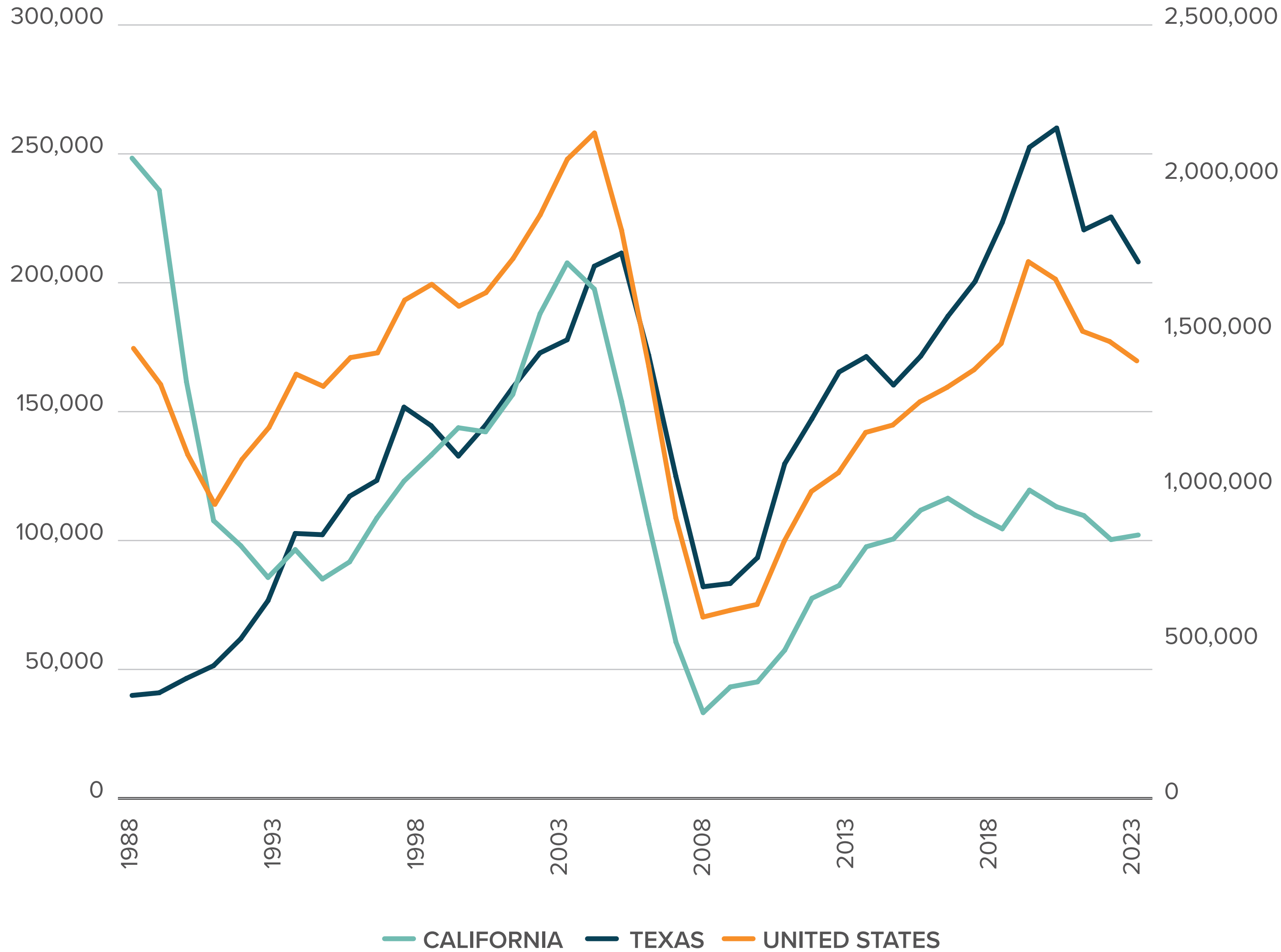
CALIFORNIA HOUSING DYNAMICS



Source: Redfin, Freddie Mac. Analysis by Beacon Economics.

It is also important to note that this slight cooling in home prices is entirely disconnected from any meaningful expansion in California's housing supply. The state's government has passed a slate of housing bills over the last few legislative sessions designed to spur development (such as AB 130 and SB 9), but so far, these measures have failed to generate a noticeable acceleration in new residential permits.

NEW PRIVATE HOUSING UNITS AUTHORIZED BY BUILDING PERMITS



Source: Redfin, Freddie Mac. Analysis by Beacon Economics.

POLICY AND THE FUTURE

In the near term, Beacon Economics expects the current trajectory to hold firm. The Information sector will continue to drive immense gains in economic output, supercharged by the advancement of A.I. and influxes of capital. However, it will do so without creating a meaningful number of new jobs. While state revenues and global investors will benefit from Tech's success, it will not offer any relief to the average California worker.

Furthermore, relying heavily on this single sector creates profound state budget volatility. California's tax revenue is directly tethered to the capital gains and high-income earners of the Tech sector, so the state ledger is highly susceptible to the industry's boom-and-bust cycles. Even when the state's broader GDP is growing steadily, a brief cooling in tech valuations or the NASDAQ can quickly carve massive deficits into the public budget. This structural issue will persist because rigid budget laws mandate that California spend specific proportions of its tax revenue, preventing the state from storing up surplus during the fat years to survive the lean ones.

This also means the state cannot rely on the next tech boom to solve its employment woes. The structural issue is compounded by California regulatory hurdles, such as aggressive minimum wage increases. Past empirical analysis from Beacon Economics has shown that California's high unemployment rate is partly a result of an increasing minimum wage in various industries and sectors. By rapidly driving up the baseline cost of labor, these policies inadvertently price young people and those on the fringes of employability out of the market, artificially constricting job growth in the service and retail sectors that would traditionally absorb them.

With the gubernatorial elections quickly approaching, the next administration will be forced to confront this bifurcated reality. There is no front-runner in the race currently. No candidate is polling over 20%, so it's unclear what economic messaging or policy platforms will be most popular with voters. Ultimately, if California's main wealth-generating industry does not also generate jobs, policymakers should foster more hospitable business climates for those industries that do. This means meaningfully clearing roadblocks for construction and easing the regulatory burdens that make it difficult for traditional, labor-intensive industries to hire and expand in California. A thriving tech sector is undeniably a tremendous asset, but it will take a balanced, broad-based economy to secure California's future.

SOUTH BAY OUTLOOK

OVERVIEW

The South Bay's economy is performing well, driven by increases in payrolls and consumer and business spending. Evidence suggests the region's tech industry is also starting to grow after several years of job losses. In addition, venture capital funding remains high, thanks largely to artificial intelligence, while the seeds of the next cycle of tech growth are beginning to sprout.

- After several years of weak job growth, the South Bay's labor market turned the corner in 2025 and continues to grow, with payrolls up 1.5% over the last year. This is stronger growth than the United States (0.2%), California (0.8%), the East Bay (unchanged) and San Francisco (MD) (0.5%).

- The South Bay's Tech industry has struggled recently. Payrolls fell by 1.1% over the last seven years, compared to a 4.1% increase in the US overall. However, over the last year, the trend reversed, with the South Bay growing by 0.6% while the United States contracted by 2.3%.

- The South Bay's labor force has almost returned to pre-pandemic levels, with a net loss of 3,000 workers between February 2020 and March 2026, a decline of 0.3%. This is in contrast to increases in some inland areas of Northern California and the United States as a whole. However, labor force declines have been steeper in other parts of the Bay Area, the East Bay (-2.9%), and San Francisco (MD) (-7.7%).

- AI remains the driving force behind growth in venture capital funding in the Greater Silicon Valley. In 2025, venture capital funding to AI companies totaled $68.7 billion, easily outpacing the figure of $40.9 billion. San Francisco-based Anthropic accounted for $31.5 billion in funding in 2025, while OpenAI accounted for $17.5 billion.

- Demand for San Jose's office market remains below pre-pandemic levels, with elevated office vacancies and limited construction activity. Office vacancies climbed to over 16% in 2024, a level not seen since the dot-com bubble burst in the early 2000s. More recently, positive net absorption over the last year has pushed the vacancy rate down to 15.3% in the first quarter of 2026, lower than San Francisco (21.8%) and the East Bay (16%).

- Sentiment for the South Bay's office market appears to be improving. While legacy firms like Intel continue to cut jobs, AI-driven companies such as Nvidia and Apple are expanding. Nvidia filed plans for a nearly 700,000-square-foot headquarters expansion and spent almost $1 billion acquiring properties near its campus. Similarly, Apple invested more than $1.1 billion in Silicon Valley office acquisitions in 2025.

- Demand for industrial space also rebounded over the past year. However, demand failed to keep pace with new supply, pushing vacancy rates in the South Bay higher over the past year. Recent developments have focused on modern logistics facilities, advanced manufacturing, and power-intensive R&D configurations aligned with demand from robotics, clean energy, semiconductor, and AI-adjacent users.

- Consumer spending in the South Bay has increased over the last year. From the fourth quarter of 2024 to the fourth quarter of 2025, taxable receipts in the region grew by 3.7%, outpacing California (1.2%), San Rafael (MD (1.7%), and the East Bay (0.8%), but trailing San Francisco (MD) (5.6%).

- Local hotels continue to struggle. In March 2026, revenue per available unit was just 1.3% higher than in December 2019. This was well below the 19.2% increase nationwide but stronger than San Francisco's 0.2% decline over the same period.

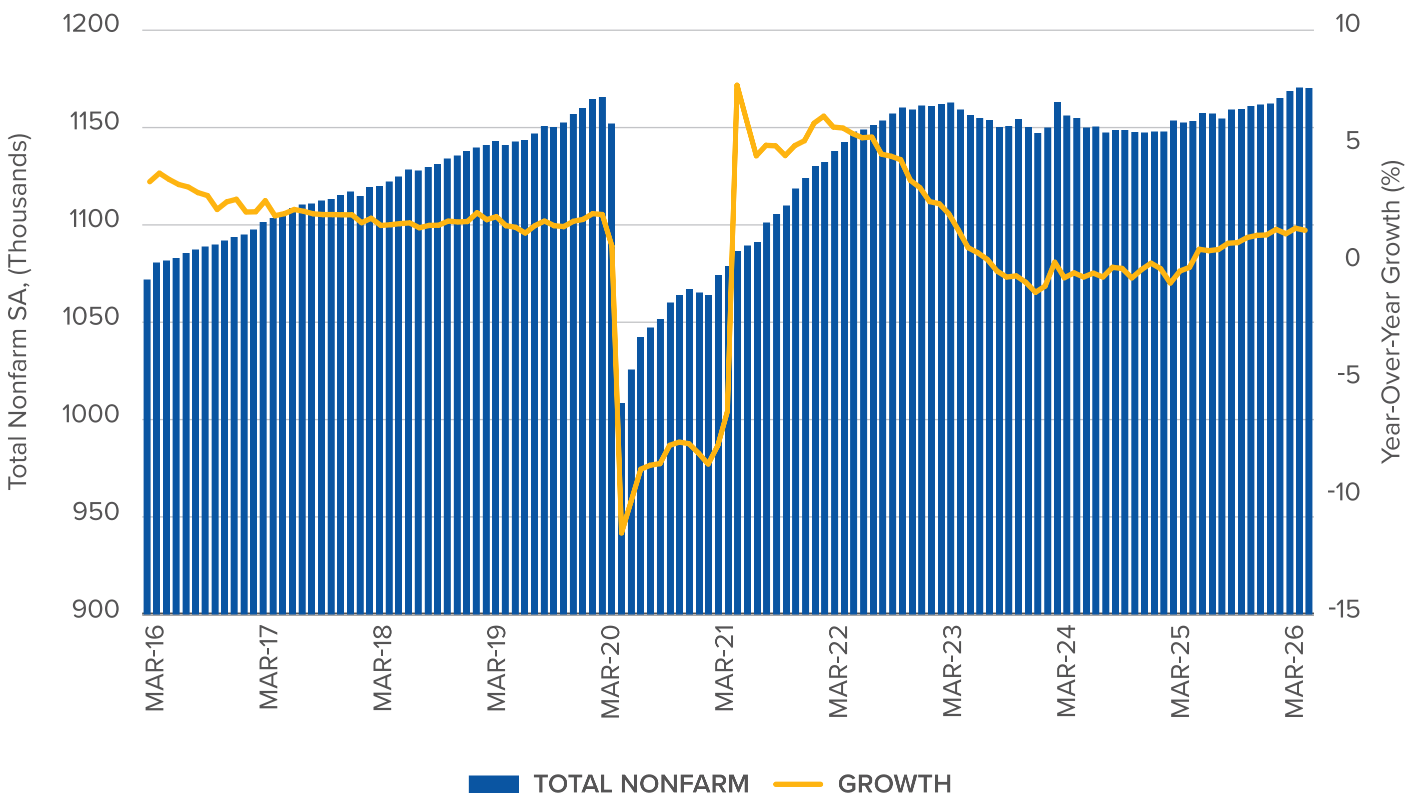
- Rising incomes and limited inventory have kept residential real estate prices high in the South Bay. However, prices have pulled back slightly in 2026. From March 2025 to March 2026, the median single-family home price fell by 0.2%, similar to the East Bay but trailing growth in San Francisco (MD). With the Middle East conflict driving up treasury yields, mortgage rates have risen in recent weeks, hurting affordability and likely slowing the housing market in the year ahead.

EMPLOYMENT

After several years of weak job growth, the South Bay's labor market performed strongly over the last year, with payrolls growing 1.5%. This outpaced the United States (0.2%), California (0.8%), the East Bay (unchanged), and San Francisco (MD) (0.5%).

Payrolls in the South Bay are now 0.4% above pre-pandemic levels, higher than the East Bay (-1.3%), San Rafael (MD) (-4.5%), and San Francisco (MD) (-7%).

SOUTH BAY TOTAL NONFARM EMPLOYMENT AND GROWTH



Source: California Employment Development Department. Analysis by Beacon Economics.

At the industry level, growth has been mixed, with some sectors adding jobs while others lost them. Education and Health Care led payroll gains over the last year, expanding by 11,700 jobs, or 5.4%. This is stronger than the East Bay (4.4%) and San Francisco (MD) (2.4%), and a major reason why the South Bay is growing faster than these areas. Education and Health Care payrolls in the South Bay are now well above pre-pandemic levels, up 23.5% (or 43,100 jobs) since February 2020.

Other sectors with significant job gains include Natural Resources and Construction (4,000 jobs, or 7.6%); Manufacturing (1,500 jobs, or 1.1%); Other Services (1,300 jobs, or 4.6%); Information (900 jobs, or 1.1%), and Retail Trade (500 jobs, or 0.6%). Most of these sectors are also growing faster in the South Bay than in San Francisco (MD) and the East Bay.

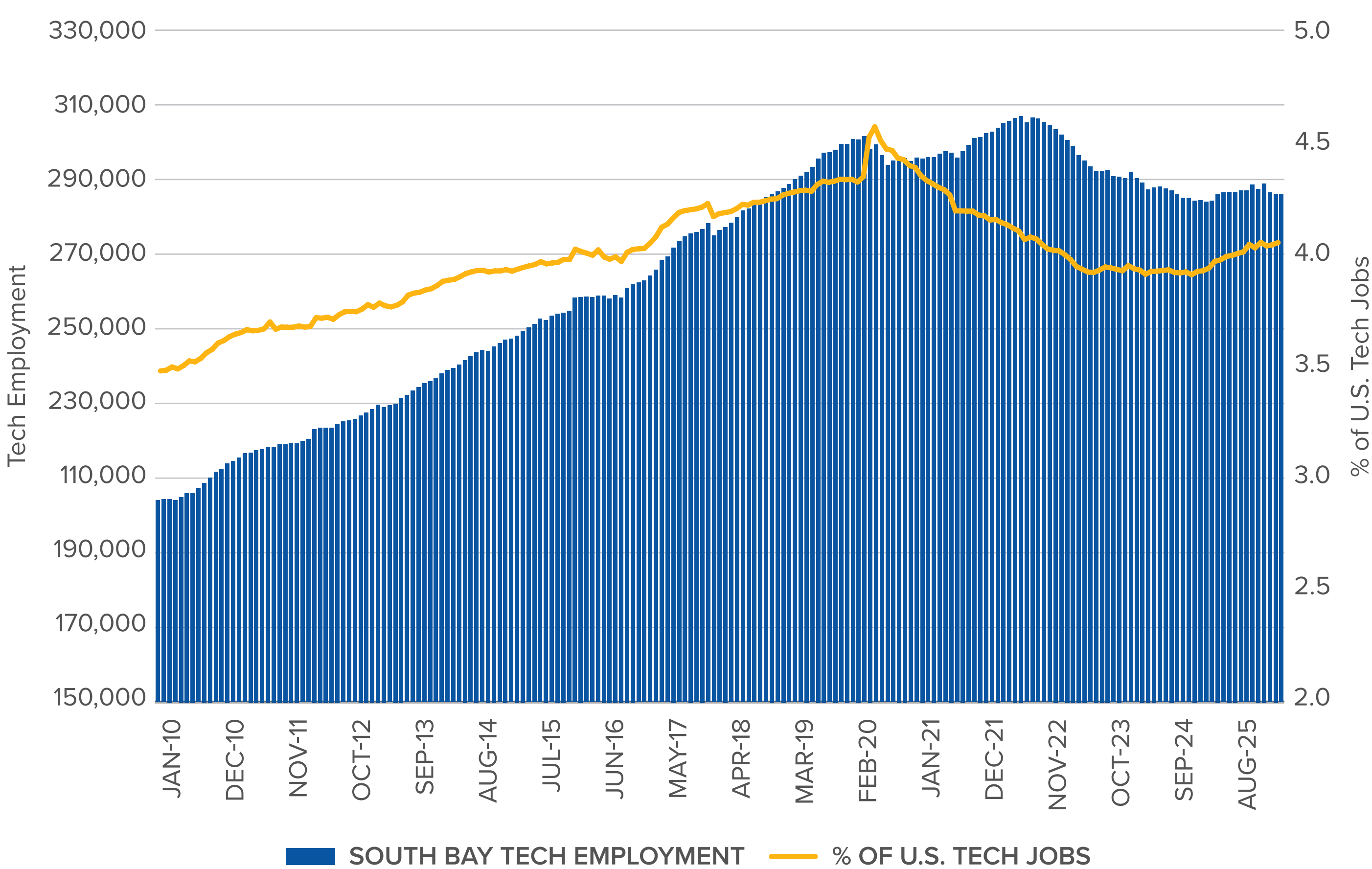
Despite overall payroll gains in the last year, several sectors in the South Bay shed jobs, with losses most pronounced in Leisure and Hospitality, where payrolls are down by -2,100 jobs, a -2.0% decline. Other significant job losses occurred in Financial Activities, Government, and Professional, Scientific, and Technical Services.

SOUTH BAY INDUSTRY EMPLOYMENT

Sector	Mar-26 Emplt (00s)	Yoy Chg. (%)	YoY Chg. (000s)
NR/Construction	55.9	7.6	4.0
Education/Health	226.4	5.4	11.7
Other Services	29.0	4.6	1.3
Management	59.1	1.8	1.1
Manufacturing	128.7	1.1	1.5
Information	97.3	1.0	0.9
Wholesale Trade	27.9	0.6	0.2
Retail Trade	72.5	0.6	0.5
Admin Support	58.3	0.2	0.1
Prof Sci and Tech	159.4	-0.3	-0.4
Government	101.2	-0.5	-0.6
Financial Activities	36.0	-2.0	-0.7
Leisure and Hospitality	101.9	-2.0	-2.1
Total Nonfarm	**1,170.2**	**1.5**	**16.9**

Source: California Employment Development Department. Analysis by Beacon Economics.

SOUTH BAY TECH EMPLOYMENT



Source: California Employment Development Department. Analysis by Beacon Economics.

Payrolls in the South Bay's Tech industry fell by 1.1% over the last seven years, compared to a 4.1% increase in the US overall. However, this trend has shifted over the last year, with the South Bay (0.6%) growing while the United States (-2.3%) contracted.

SOUTH BAY TECH EMPLOYMENT

Sector	South Bay			California		U.S.	
	Emplt. Mar-26	1-Year Chg. (%)	7-Year Chg. (%)	1-Year Chg. (%)	7-Year Chg. (%)	1-Year Chg. (%)	7-Year Chg. (%)
Computer Mfg	76,400	1.2	-6.5	-0.4	-6.8	-1.6	-4.5
Information	97,100	1.0	0.5	-1.5	-8.7	-2.9	-2.3
Computer Systems Design	84,600	-0.6	-4.5	-1.1	-5.8	-1.8	9.0
Scientific R&D	26,700	1.5	27.1	-0.2	23.1	-2.2	27.1
Total Tech	**284,800**	**0.6**	**-1.1**	**-1.0**	**-4.0**	**-2.3**	**4.1**

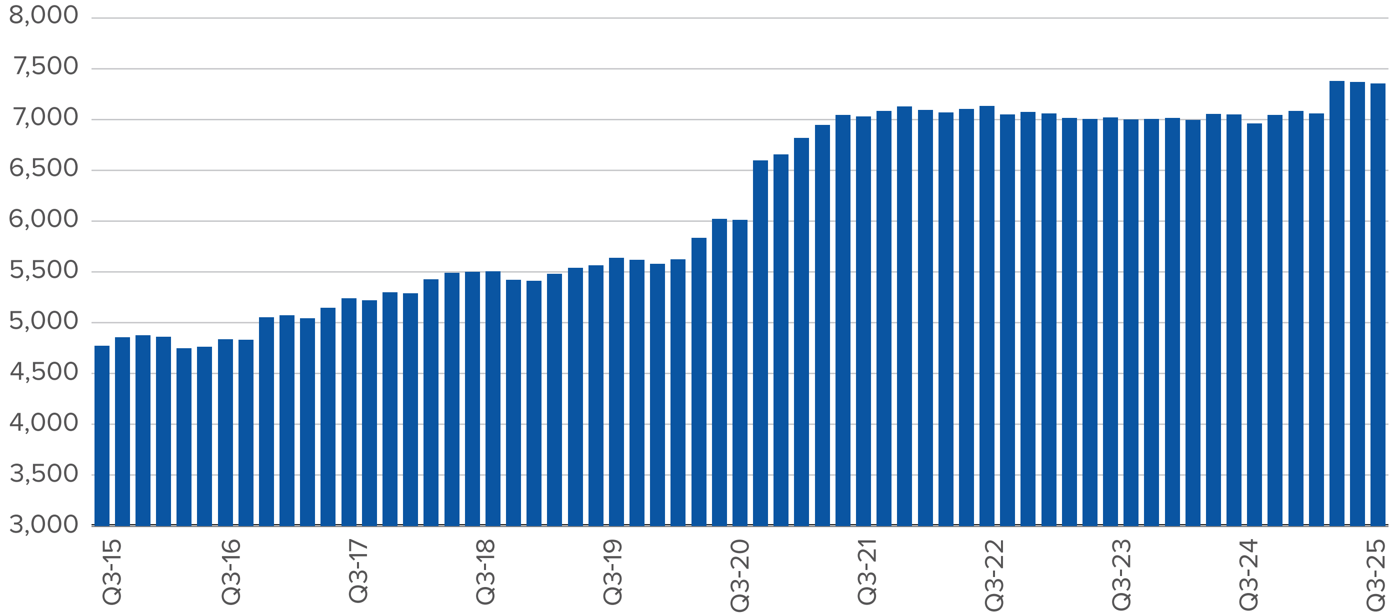
Source: U.S. Bureau of Labor Statistics. Analysis by Beacon Economics.

At the subsector level, declines were most pronounced in Computer and Electronic Product Manufacturing and Computer Systems Design and Related Services. From March 2019 to March 2026, payrolls in Computer Manufacturing in the South Bay fell by 6.5%, more substantial than the 4.5% decline in the United States over the same period. Similarly, Computer Systems Design and Related Services fell by 4.5% over this period, a stark contrast to the 9% increase in the United States. In spite of overall declines, the South Bay has seen a substantial uptick in Scientific Research and Development Services, with payrolls growing by 27.1% over the last seven years, matching growth in the United States overall.

An important question is how AI will impact the labor market in the coming years. While AI is expected to disrupt some occupations, past technological advances such as automation and computing also reshaped labor markets, displacing some forms of work while creating new industries and occupations over time. AI will likely follow a similar pattern, increasing productivity in some sectors while changing the nature of work in others.

While tech employment has declined from its post-pandemic peak, the South Bay recorded a record number of tech establishments in 2025. From the third quarter of 2024 to the third quarter of 2025, the number of tech establishments grew by 3.8%. This was fueled by growth in Scientific Research and Development Services (5.7%), Computer Systems Design and Related Services (5.4%), and Information (2.9%). In contrast, Computer and Electronic Product Manufacturing establishments saw a slight contraction (-2.5%). This suggests that firms are adapting to rapid industry changes and maintaining similar levels of output with fewer staff.

SOUTH BAY TECH ESTABLISHMENTS



Source: U.S. Bureau of Labor Statistics. Analysis by Beacon Economics.

While tech losses have eased over the past year, several companies have recently issued Worker Adjustment and Retraining Notification (WARN) notices. From July 1, 2025, to May 4, 2025, Amazon (1,309), Intel (893), Jabil Inc. (393), Stanford University (363), and Intuitive Surgical, Inc. (331) issued the largest number of layoffs in Santa Clara County. Other companies in the Bay Area and other parts of California also issued WARN notices over the period. In addition, venture capital investment in the region's growing AI start-ups has helped offset some of these losses.

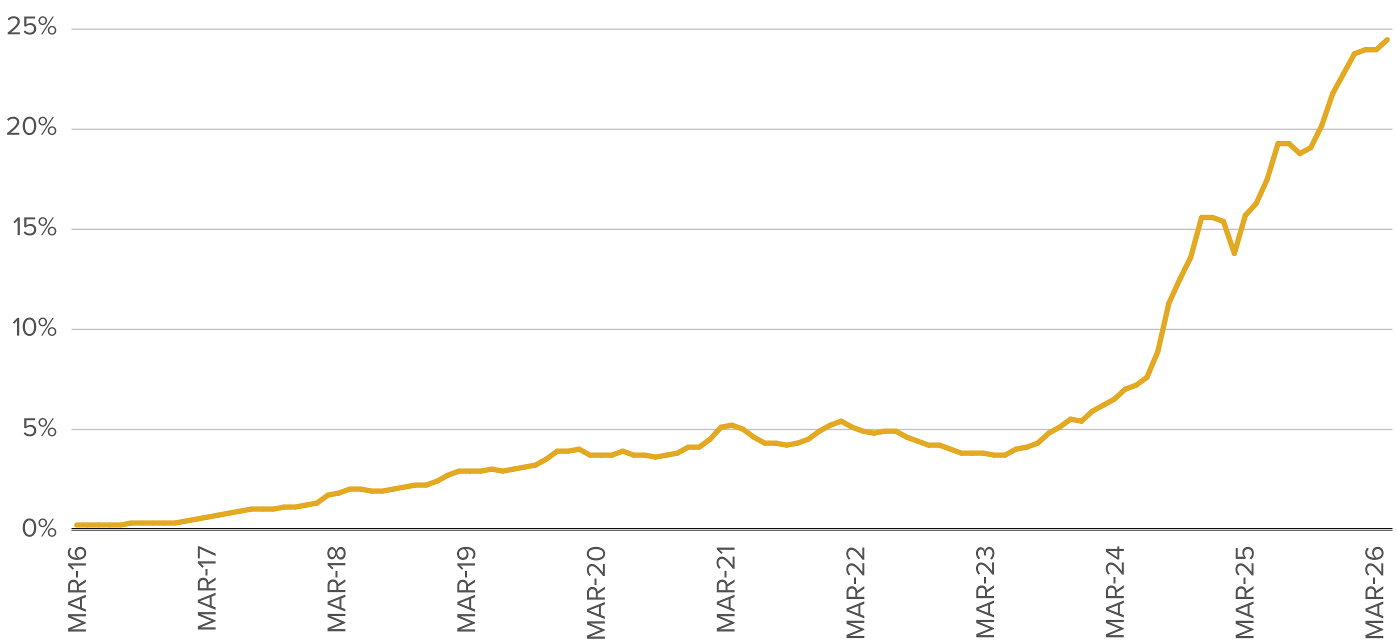
SANTA CLARA COUNTY: WARN NOTICES

Company	Layoffs 07/01/25 to 05/04/2026
Amazon	1,309
Intel	893
Jabil Inc.	393
Stanford University	363
Intuitive Surgical, Inc.	331
Oracle America, Inc.	316
Broadcom Inc.	247
eBay Inc.	243
Synopsys, Inc.	230
Six Flags Entertainment Corporation	184
Clari Inc.	172
Cisco Systems, Inc.	157

Source: California Employment Development Department. Analysis by Beacon Economics.

Despite the overall decline in payrolls, there were 64,052 unique job postings in the South Bay in March 2026, a 10.3% increase from March 2025. However, the number of postings remains well below the 2019 average of 114,100 per month. The recent increase has been aided by demand for workers familiar with AI. Experience with AI was listed as a desired job skill in 24.5% of South Bay postings in March 2026, an increase from 16.3% in March 2025 and just 2.9% in March 2019.

SHARE OF SAN JOSE MSA JOB POSTINGS WITH AI IN DESCRIPTION



Source: Lightcast. Analysis by Beacon Economics.

The South Bay's labor force has nearly returned to pre-pandemic levels. From February 2020 to March 2026, 3,000 workers left the region's labor force, a -0.3% decline. This is in contrast to increases in some inland regions of Northern California and the United States overall. However, labor force declines have been larger in other parts of the Bay Area, the East Bay (-2.9%), and San Francisco (MD) (-7.7%).

Workforce declines in the South Bay have been driven in part by the region's shrinking population. The core issue remains a shortage of housing. While the population has contracted over the last seven years, the number of households has increased. This was primarily due to a sharp decline in the number of people per household, the result of rising incomes and demographic shifts.

Commuting patterns underscore Santa Clara County's housing shortfall. The county experiences net inbound commuting flows from Alameda, Contra Costa, San Mateo, Santa Cruz, and San Joaquin counties, while San Francisco is the only neighboring county to which more Santa Clara County residents commute than travel in. By occupation, the largest inbound commuter flows were in Computer and Mathematical, Management, Food Preparation, Business and Financial Operations, and Office and Administrative Support roles.

SANTA CLARA COUNTY NET COMMUTERS BY OCCUPATION

Occupation	2025 Net Commuters
Total	**181,349**
Computer and Mathematical	37,327
Management	21,089
Food Preparation and Serving Related	15,388
Business and Financial Operations	15,236
Office and Administrative Support	13,997
Healthcare Practitioners and Technical	13,673
Healthcare Support	11,801
Construction and Extraction	9,987
Sales and Related	8,863
Educational Instruction and Library	8,385
Architecture and Engineering	7,659
Building and Grounds Cleaning and Maintenance	6,957
Personal Care and Service	5,002
Protective Service	3,377
Community and Social Service	2,987
Installation, Maintenance, and Repair	2,701
Transportation and Material Moving	892
Legal	-69
Military-only	-215
Farming, Fishing, and Forestry	-352
Production	-491
Life, Physical, and Social Science	-1,148
Arts, Design, Entertainment, Sports, and Media	-1,698

Source: Lightcast. Analysis by Beacon Economics.

More restrictive immigration policies could constrain labor force growth in the coming years, as the South Bay has one of the nation's highest shares of foreign-born residents. Many skilled workers in the region enter through the H-1B visa program, which allows U.S. employers to hire foreign workers in specialized occupations. Santa Clara County recorded net foreign immigration of 10,799 in 2025, a 37.9% decline from 2024. Foreign immigration has accounted for much of the region's recent population growth. While the county's population increased by 0.3% in 2025, it would have declined by 0.3% without net foreign immigration.

WAGES

Wages in the South Bay have grown significantly over the last year and remain well above pre-pandemic levels. Average annual wages across the region increased from the third quarter of 2024 to the third quarter of 2025, growing 10.5% to $198,798. The South Bay outpaced Alameda (6.2%), Contra Costa (0.8%), San Joaquin (1.7%), California (7.2%), and the United States (4.7%), but trailed growth in San Francisco and San Mateo.

Wage growth was strongest in the Manufacturing sector, with average annual wages up by 23.7%. The South Bay's higher wage sectors also posted significant gains over the last year, with Information, Financial Activities, and Professional and Business Services all posting sizeable gains. Industries paying modest wages grew more slowly. Natural Resources and Construction was the only sector to post wage declines over the last year.

SOUTH BAY ANNUAL AVERAGE WAGE BY INDUSTRY, Q3-2025

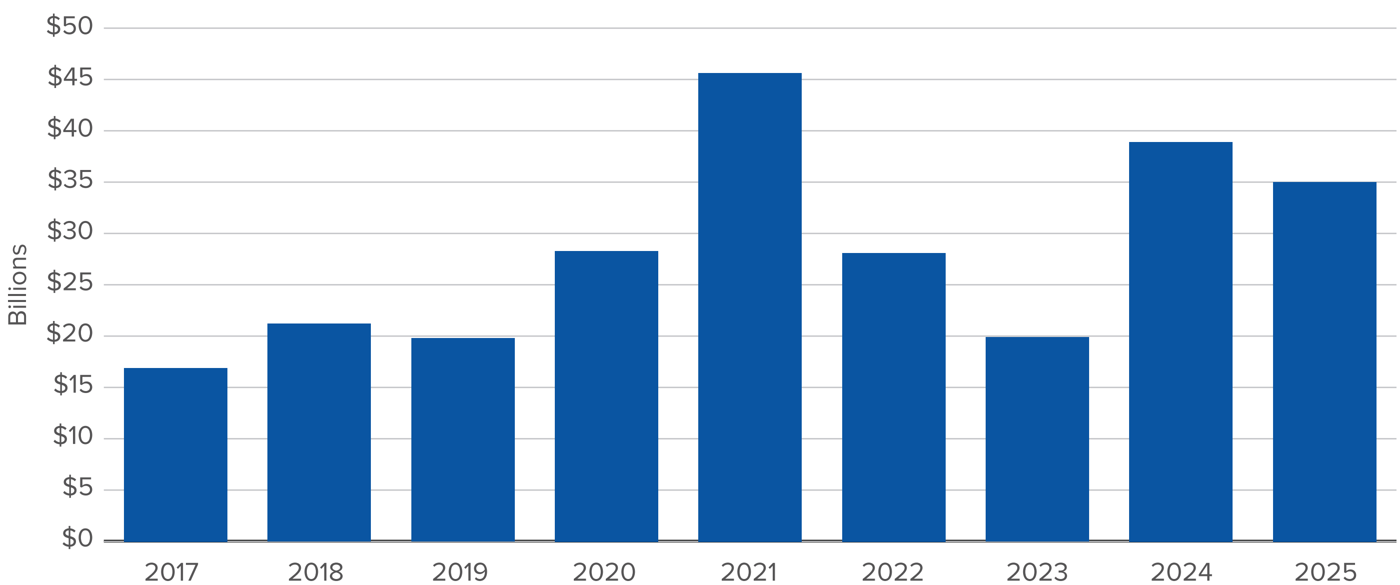
Sector	Q3-2025 ($)	1-Year % Growth
Manufacturing	360,092	23.2
Information	542,809	16.4
Financial Activities	165,329	12.3
Trade, Transportation, and Utilities	99,525	11.1
Government	108,918	6.3
Professional/Business	254,259	6.1
Education/Health	91,974	3.7
Other Services	59,013	2.9
Leisure and Hospitality	43,352	2.8
NR/Construction	119,642	-11.7
Total Nonfarm	**198,798**	**10.5**

Source: Quarterly Census of Employment and Wages. Analysis by Beacon Economics.

VENTURE CAPITAL

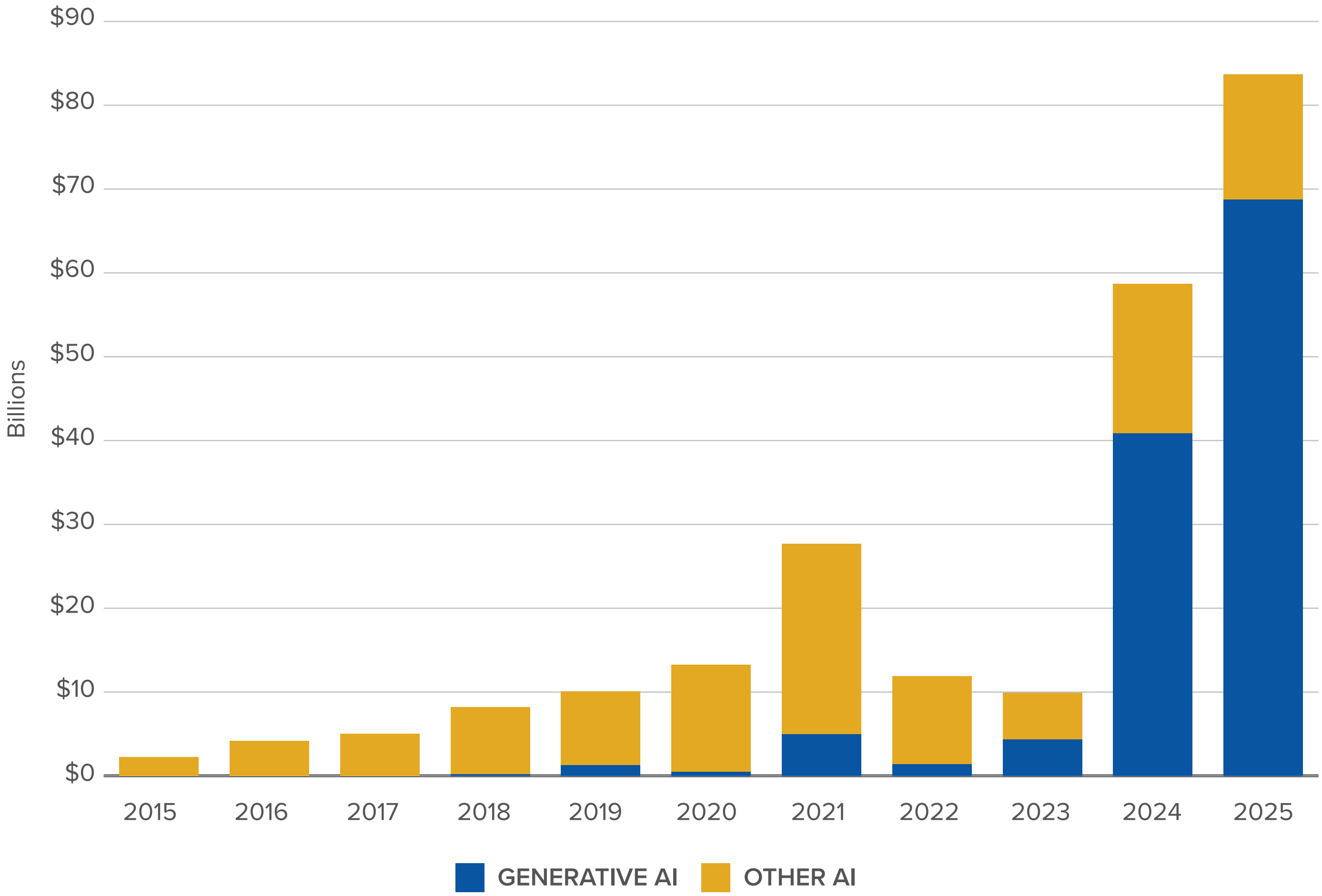
Venture capital funding retreated from last year's highs. In 2025, venture capital totaled $35 billion in Silicon Valley, a 10% decline from 2024. Silicon Valley and San Francisco accounted for 49% of venture capital funding in the United States in 2025, matching the region's highest share on record.

SILICON VALLEY VENTURE CAPITAL INVESTMENT



Source: CB Insights. Analysis by Beacon Economics.

GREATER SILICON VALLEY VC FUNDING TO AI COMPANIES



Source: CB Insights. Analysis by Beacon Economics.

AI continues to drive growth in venture capital funding in the Greater Silicon Valley. In 2025, venture capital funding to AI companies totaled $68.7 billion, outpacing the $40.9 billion from 2024 by a wide margin. Anthropic and OpenAI accounted for a substantial share of AI investment in 2025, raising $31.5 billion and $17.5 billion, respectively.

xAI, based in Palo Alto, received the largest venture capital investment in Santa Clara County in 2025, totaling $12.5 billion. Other companies securing major investments included Safe Superintelligence, Lambda, Cerebras, PsiQuantum, Figure, Luma AI, and Groq.

SANTA CLARA COUNTY TOP DEALS IN 2025

Investee Company	City	Amount (millions)
xAI	Palo Alto	$12,500
Safe Superintelligence	Palo Alto	$2,000
Lambda	San Jose	$1,500
Cerebras	Sunnyvale	$1,100
PsiQuantum	Palo Alto	$1,000
Figure	Sunnyvale	$1,000
Luma AI	Palo Alto	$900
Groq	San Jose	$750

Source: CB Insights. Analysis by Beacon Economics.

While Santa Clara's tech industry has struggled in recent years, the inflow of venture capital funding shows that the region is still a tech giant. However, there are concerns about an AI bubble. As irrational enthusiasm and unrealistic expectations bloom, financial and physical resources are sucked into AI. As a result, resources must be diverted away from less novel areas of the economy.[12] This could hurt the broader economy, especially in areas that are already heavily concentrated in tech, like the South Bay. If a region invests too heavily in tech, the region could face Dutch Disease, an economic phenomenon where a boom in a specific sector causes a sharp rise in a region's economy. This appreciation makes other sectors, Manufacturing and Construction, for instance, less competitive, leading to deindustrialization and long-term economic instability.

A recent pivot from the failing shoe brand Allbirds highlights the irrational enthusiasm some investors have for AI. The venture-capital-backed direct-to-consumer shoe company was once worth $4 billion. In March, the company sold its brand for $39 million, less than 1% of that figure. But rising from the ashes of an eco-friendly shoe business is an AI company called NewBird AI. Allbird's stock got a massive boost when it made the announcement, growing nearly sevenfold in value. And while the share price has settled significantly lower since then, it's still up by around 167% from its pre-pivot price. This isn't the first time a struggling company has made a shift into a trendy business that's completely unrelated to anything it has done before. During the dot-com bubble, dozens of companies chose to add ".com" or ".net" to their names, and the market rewarded them for doing so. While the debut of NewBird AI doesn't necessarily signal that this phase of the AI trend is peaking, or that it faces a similar fate to the doomed dot-coms, it should give investors pause.[13]

[12] https://www.weforum.org/stories/2026/01/how-would-the-bursting-of-an-ai-bubble-actually-play-out/
[13] https://www.fool.com/investing/2026/05/04/allbirds-is-now-an-ai-company-and-it-should-strike/

BUSINESS ACTIVITY

Consumer spending in the South Bay has increased over the last year. From the fourth quarter of 2024 to the fourth quarter of 2025, taxable receipts in the region grew by 3.7%, outpacing California (1.2%), San Rafael (MD) (1.7%), and the East Bay (0.8%), but trailing San Francisco (MD) (5.6%). Taxable receipts in the region have risen 17.1% over the last six years, surpassing the East Bay (12.7%) but trailing California (24.7%), San Rafael (MD) (17.5%), San Francisco (MD) (24.6%), and Stockton (73.3%).

SOUTH BAY SALES TAX RECEIPTS BY CATEGORY

Category	Q4-25 ($, 000s)	1-Year Chg. (%)	Chg. Since Q4-19 (%)
County and State Pool	35,413	23.9	49.1
General Consumer Goods	21,073	4.7	13.5
Restaurants and Hotels	18,978	3.8	33.5
Building and Construction	9,739	2.1	11.2
Food and Drugs	4,375	1.3	-6.3
Fuel and Service Stations	6,498	-2.6	-3.7
Business and Industry	37,169	-5.4	8.0
Autos and Transportation	15,993	-8.4	-1.6
Total	**149,651**	**3.7**	**17.1**

Source: HdL Companies. Analysis by Beacon Economics.

Consumer spending gains were led by the County and State Pool, which grew 23.9% year-over-year. General Consumer goods, Restaurants and Hotels, Building and Construction, and Food and Drugs also posted steady gains over the same period.

Taxable receipts at Auto and Transportation, the only major category with declines over this period, fell by -8.4% over the last year, and spending is down 1.6% from six years ago. Other sectors with significant declines in taxable receipts over the last year include Business and Industry and Fuel and Service Stations.

The most recent data from Placer.ai shows that retail traffic in downtown San Jose is just 1% lower than pre-pandemic levels, matching Santa Clara County (-1%) but trailing California (+1%). In Santa Clara County, foot traffic at fitness centers, grocery stores, and superstores has surpassed pre-pandemic levels, while office supply stores, electronics retailers, apparel stores, and other leisure-oriented businesses remain below pre-pandemic levels.[3]

[13] Source: Placer.ai

While retail spending is above pre-pandemic levels, local hotels continue to struggle. In March 2026, revenue per available unit was just 1.3% higher than in December 2019. This is well below the 19.2% increase in the United States over the same period. However, the South Bay has performed better than San Francisco (-0.2%). The decline in visitors is also evident at San Jose International Airport, with passenger traffic down 9.7% over the last year and by 31.7% over the last six years. In addition, while the South Bay played host to the 2026 Super Bowl, the airport did not see an increase in passenger traffic during the event. San Jose International Airport saw just 326,259 passengers in February 2026, a 11.6% decline from 2025.

HOTEL REVPAR IN SELECT MSAS

Location	Mar-26 RevPAR ($)	1-Year Chg. (%)	Chg. since Dec-19 (%)
United States	102.74	1.8	19.2
San Francisco	195.55	26.2	-0.2
Miami	181.48	9.2	23.5
San Diego	164.41	3.2	28.8
Orange County	163.12	7.8	23.5
Las Vegas	158.34	0.8	35.2
Los Angeles	150.22	4.2	12.1
San Jose	138.02	14.9	1.3
Phoenix	123.14	6.8	30.4
Atlanta	80.30	-1.8	8.5
Houston	76.56	3.2	20.9

Source: CoStar. Analysis by Beacon Economics.

Slower-than-anticipated growth in consumer spending and lower visitor volume have put a strain on city budgets. The City of San Jose's budget shortfall is projected to be $50 million in the 2026-27 fiscal year. While the city was able to avoid layoffs in its latest budget, the proposed budget for the coming fiscal year includes broad cuts to city services, including reductions to public safety initiatives, library programs, youth services, and other priorities.[14]

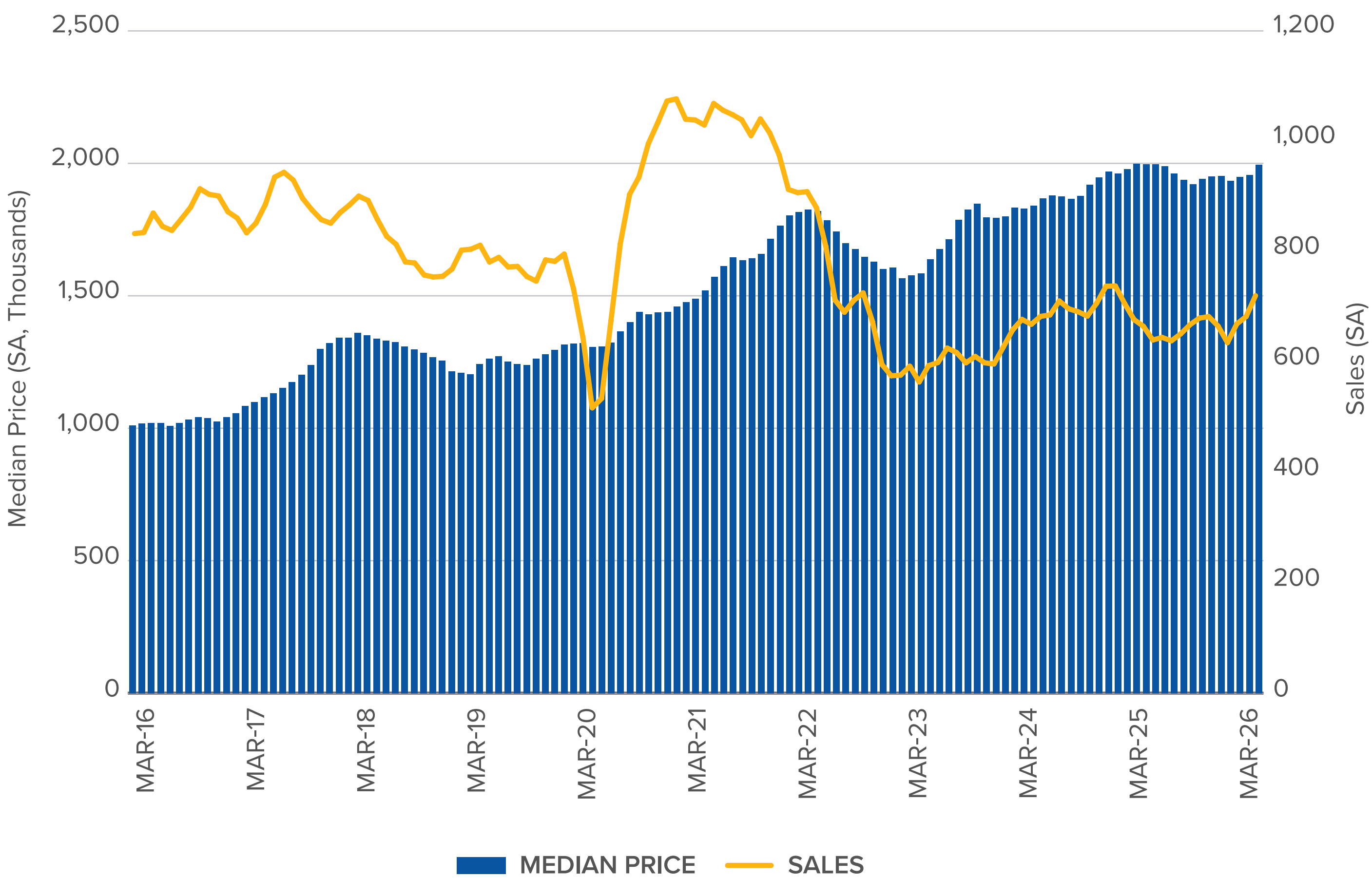
[14] https://sanjosespotlight.com/san-joses-projected-budget-deficit-skyrockets/

RESIDENTIAL REAL ESTATE

Rising incomes and limited inventory have helped keep residential real estate prices high in the South Bay. High mortgage rates have dampened demand and kept sales low. While this would normally push prices down, limited inventories are having the opposite effect. An increase in supply, whether through new construction or more existing homes being offered for sale, is needed to balance the market. Inventory has been constrained by high interest rates, unpredictable tariffs, and minimal construction activity in recent years.

Given these dynamics, home prices in Santa Clara County remain well above pre-pandemic levels. However, from March 2025 to March 2026, the median single-family home price fell by 0.2%, similar to the East Bay but trailing growth in San Francisco (MD). With the Middle East conflict driving up treasury yields, mortgage rates have risen in recent weeks, hurting affordability and likely slowing the housing market in the year ahead.

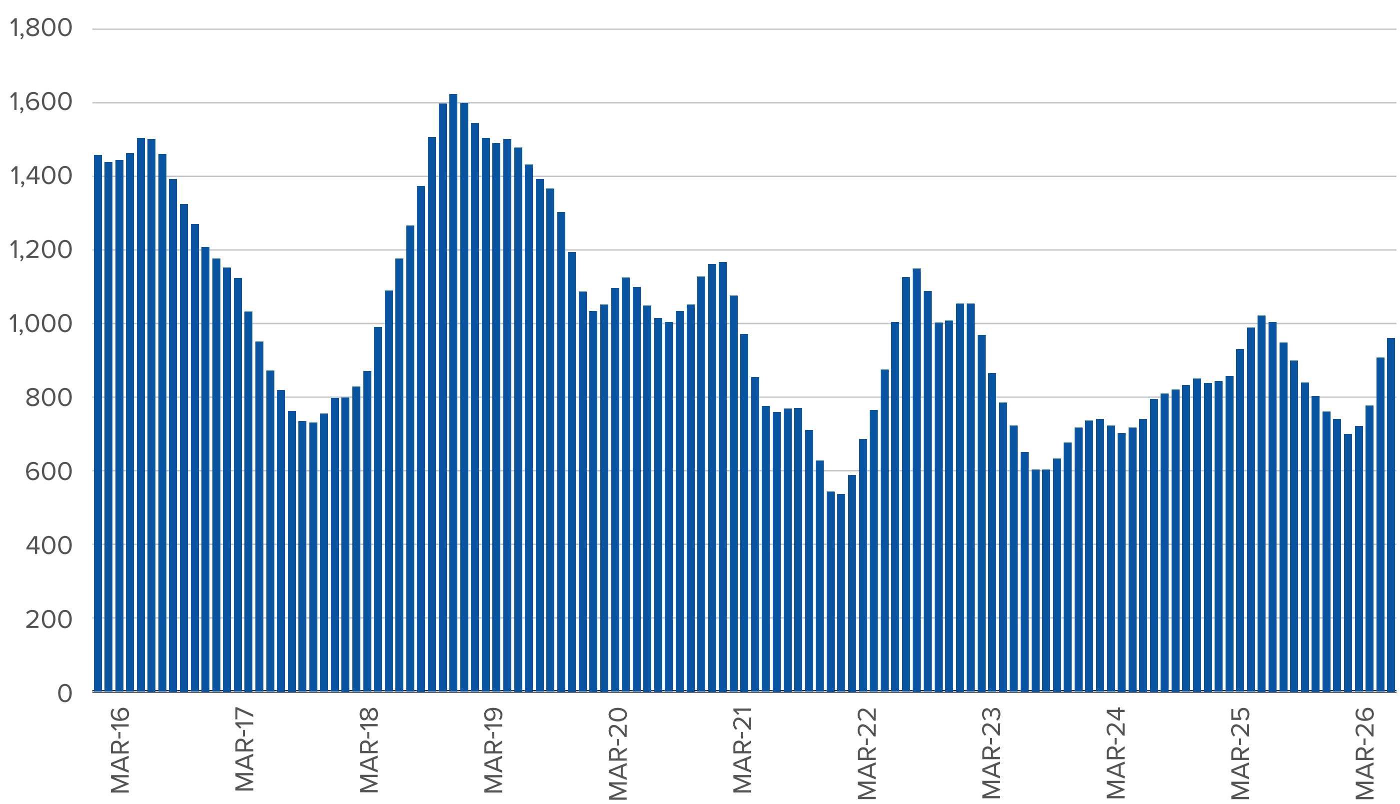
SANTA CLARA COUNTY SINGLE-FAMILY HOME PRICES AND SALES



Source: Redfin. Analysis by Beacon Economics.

After rebounding in the first half of 2025, inventories fell by 7.8% from March 2025 to March 2026, a more modest decline compared to the East Bay (-15.1%) and San Francisco (MD) (-18.1%).

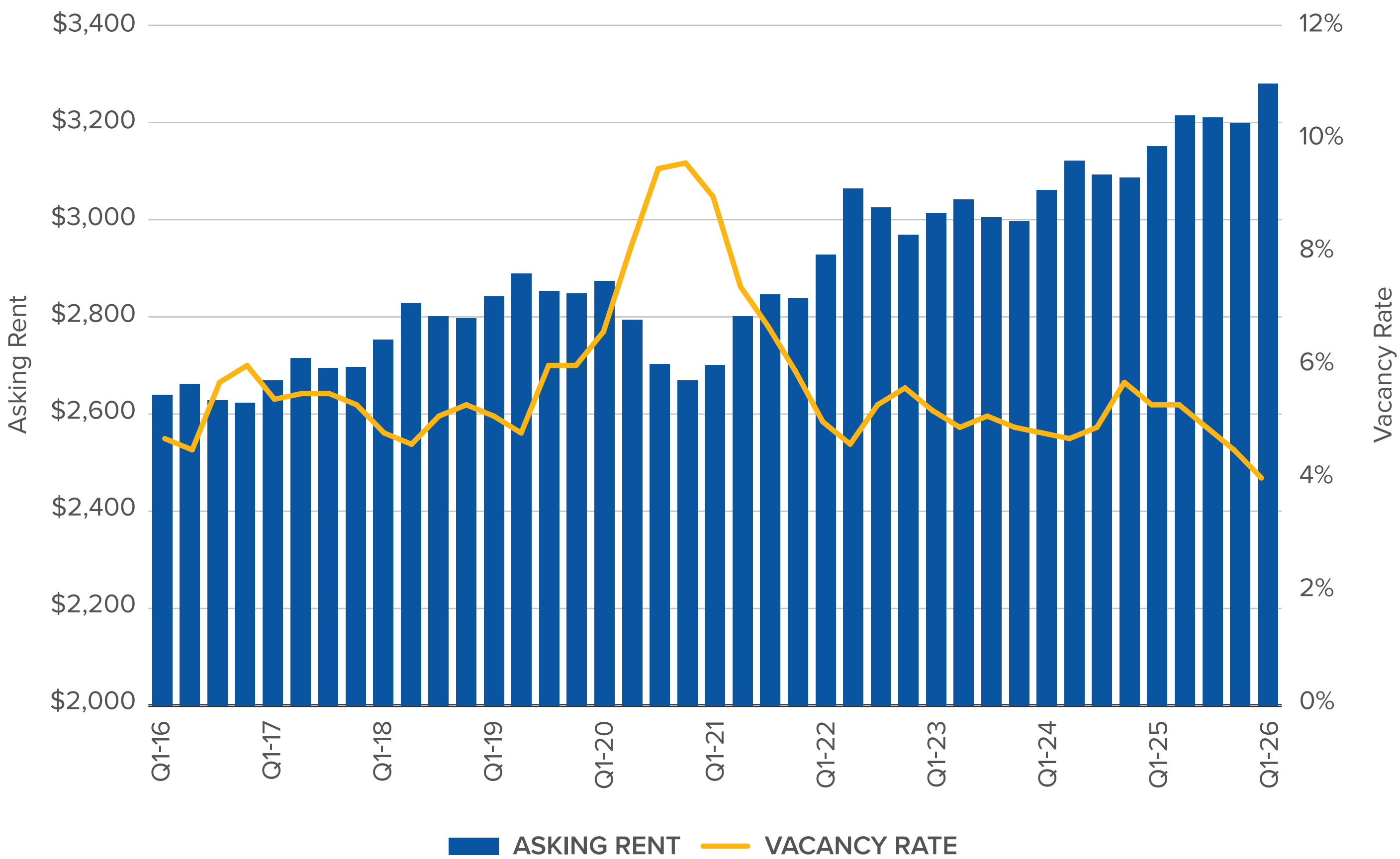
SANTA CLARA COUNTY SINGLE-FAMILY HOME INVENTORY



Source: Redfin. Analysis by Beacon Economics.

A lack of liquidity in the housing market has hindered potential homebuyers, even as incomes rise. At present, demand for apartments in the South Bay remains strong. The number of occupied units has grown by 13.1% since the fourth quarter of 2019, outpacing the East Bay (10.2%), Stockton (10.2%), and San Francisco (9.5%). In addition, vacancy rates fell to 4% in the first quarter of 2026, down 1.3 percentage points from a year earlier. Vacancies were higher in the East Bay (5.8%) and the same in San Francisco (4%). Submarkets such as Sunnyvale, Mountain View/Los Altos, and Palo Alto recorded the tightest conditions, driven by strong employment gains and minimal new construction. Asking rents grew 4.1% to $3,280 per unit per month, meaning the South Bay is more affordable than San Francisco (MD) ($3,465), but more expensive than the East Bay ($2,497).

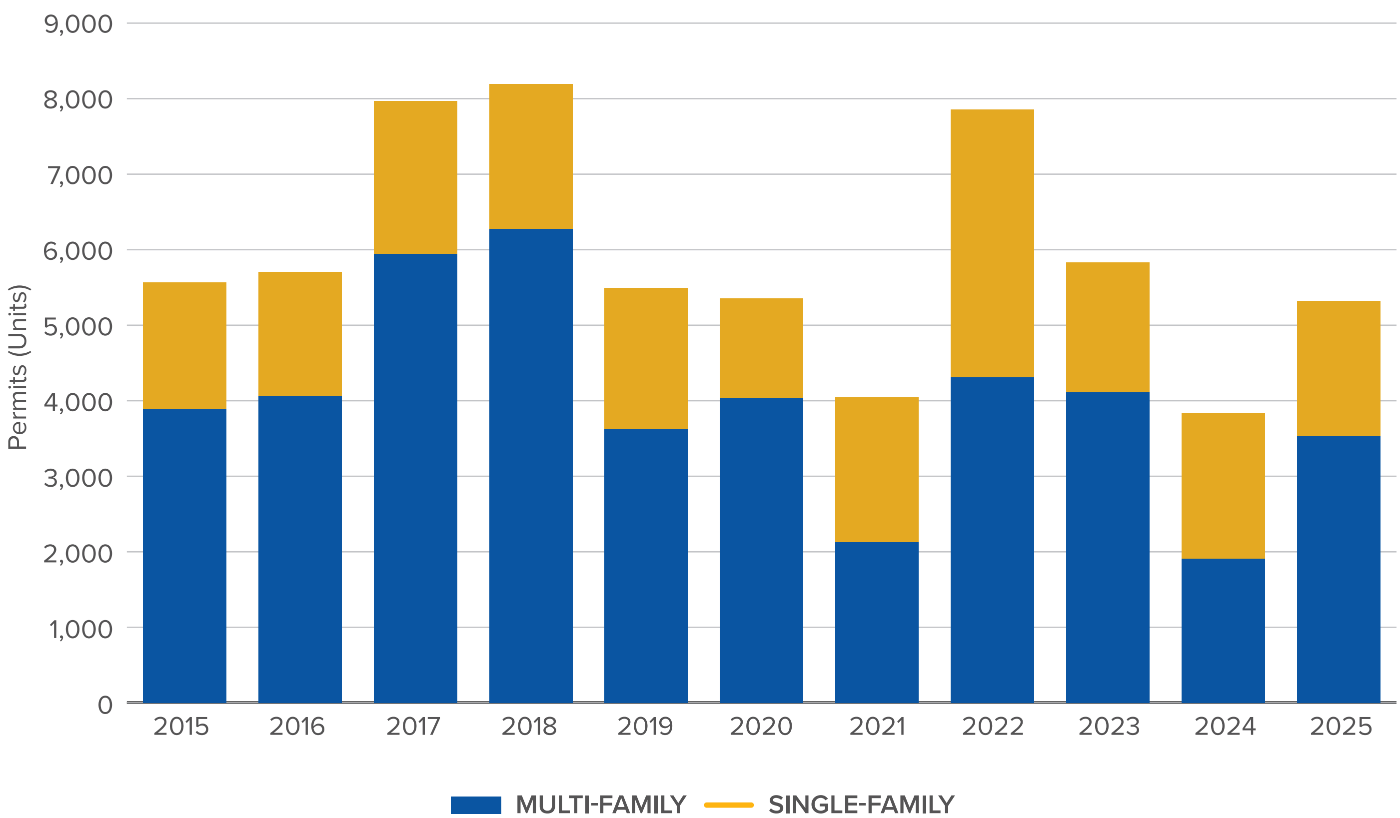
SOUTH BAY APARTMENT MARKET



Source: CoStar. Analysis by Beacon Economics.

Residential construction in the region has increased over the last year. Santa Clara County issued just 3,528 multifamily permits in 2025, a 84% increase from 2024. There were 1,795 single-family permits issued in 2025, a 6.8% decrease from 2024. In 2025, Santa Clara County issued 5,323 residential permits, a 38.8% increase from 2024.

SANTA CLARA COUNTY RESIDENTIAL PERMITS



Source: U.S. Department of Housing and Urban Development. Analysis by Beacon Economics.

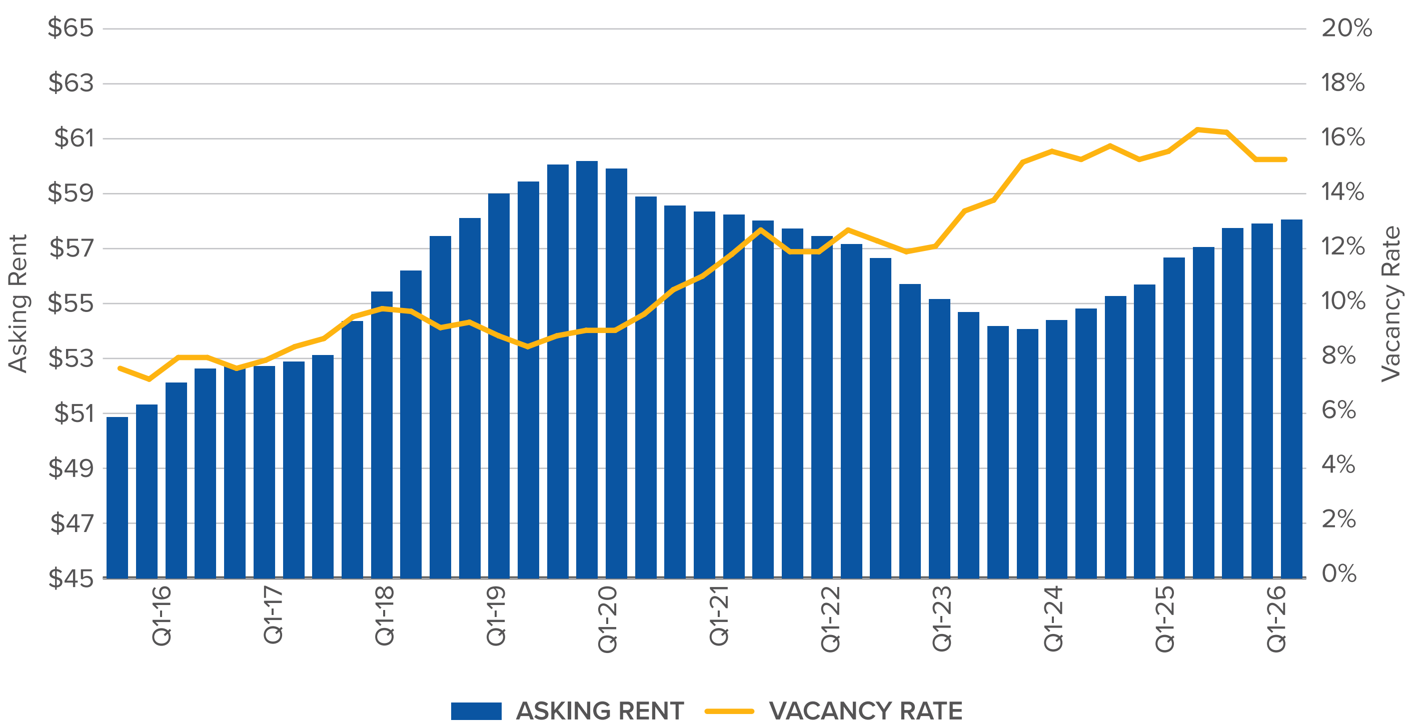
Continuing to increase housing stock is essential to sustaining future economic growth. Santa Clara County, and the Bay Area overall, have added housing units at a faster pace than other areas of California. Santa Clara County increased its stock by 8.1% over the last decade, outpacing the 6.2% increase in California. However, this is a more modest increase compared to counties like Placer (14.5%), Riverside (12.7%), and Kern (11.1%), which have seen their populations and economies expand significantly over the last decade.

California's strict zoning laws and high building costs continue to limit new housing supply. California lawmakers recently passed amendments to the California Environmental Quality Act (CEQA), although it remains to be seen how these changes will affect development. While they're a step in the right direction, the amendments only affect infill development, so they probably won't have much impact on the state's housing shortage. In addition, a prolonged conflict in the Middle East will keep interest rates elevated and increase construction input prices.

COMMERCIAL REAL ESTATE

Demand for office space in San Jose remains below pre-pandemic levels, with elevated vacancies and limited construction activity. Office vacancies climbed to over 16% in 2024, a level not seen since the dot-com bubble burst in the early 2000s. However, positive net absorptions over the last year have put downward pressure on vacancies, with rates falling to 15.3% in the first quarter of 2026, lower than San Francisco (21.8%) and the East Bay (16%), but still among the highest in the nation. The office vacancy rate in San Jose was below 9% before the pandemic.

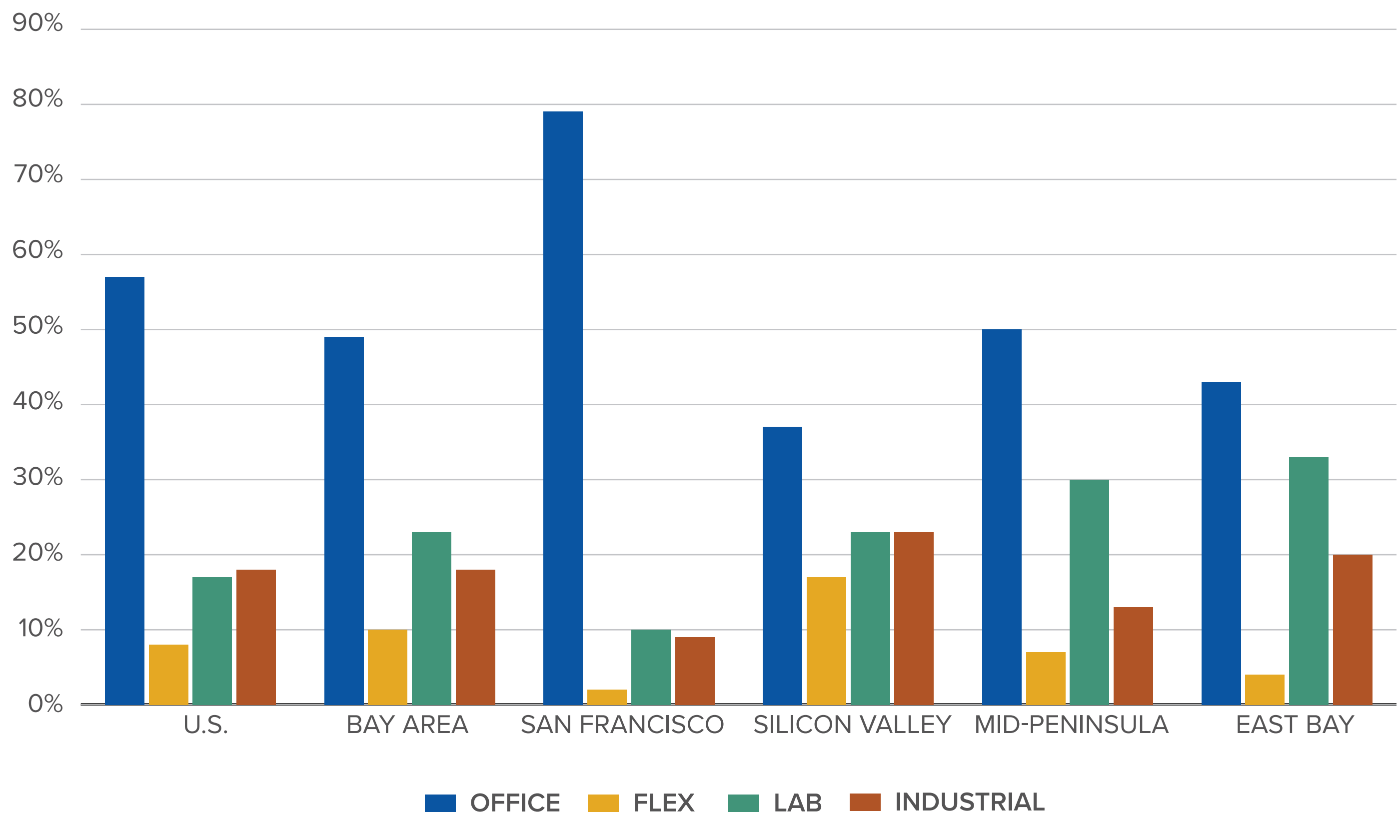
SOUTH BAY OFFICE MARKET



Source: CoStar. Analysis by Beacon Economics.

With most of office-using employment still below pre-pandemic levels, occupied office space in San Jose remains 0.1% below its fourth-quarter 2019 level. The decline in occupied stock has been more severe in San Francisco (MD) (-2.8%) and the East Bay (-2.0%), while the United States (1.5%) has seen occupied stock grow. Sunnyvale/Cupertino has been the best-performing submarket, posting the strongest net absorption and maintaining vacancy well below the market average. Moffett Park has also performed well, supported by large, campus-style leases and fully pre-leased new construction. Central Santa Clara has seen steady absorption tied to semiconductor and advanced manufacturing tenants. In contrast, Downtown San Jose and parts of North San Jose continue to face elevated vacancy and slower leasing velocity, reflecting both older inventory and weaker tenant preference.[15]

TYPE OF SPACE OCCUPIED BY AI COMPANIES



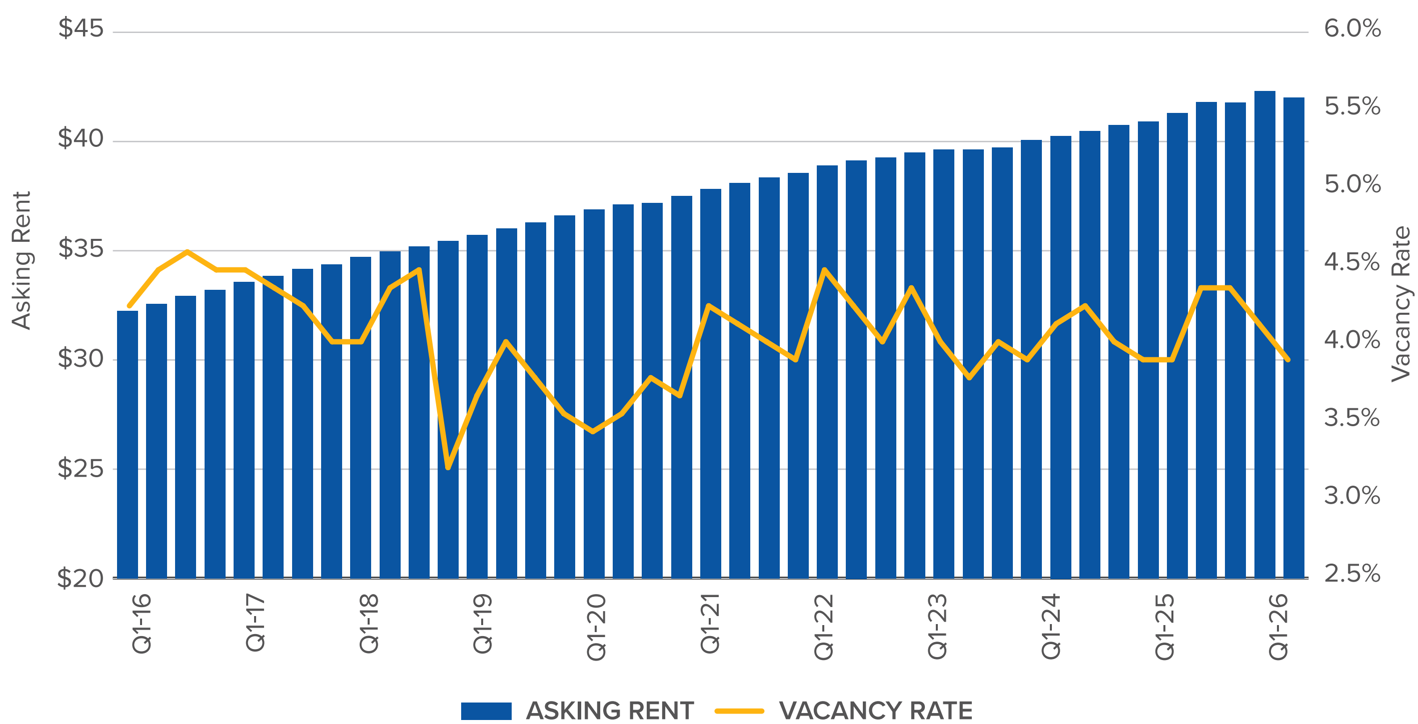
Source: JLL and Pitchbook. Analysis by Beacon Economics.

[15] https://sanjosespotlight.com/san-joses-projected-budget-deficit-skyrockets/

Sentiment appears to be improving for the South Bay's office market. While legacy firms like Intel continue to cut jobs, AI-driven companies such as Nvidia and Apple are expanding. Nvidia filed plans for a nearly 700,000-square-foot headquarters expansion and spent close to $1 billion acquiring properties near its campus. Similarly, Apple invested more than $1.1 billion in Silicon Valley office acquisitions in 2025. Developers are also cautiously re-entering the market. A plan for a 294,000 square-foot speculative office project in Sunnyvale was recently announced by Ellis Partners, signaling renewed optimism over the office market.[16]

The South Bay's retail market is stabilizing, with positive net absorption over the last year. The South Bay's retail vacancy rate was just 4.2% in the first quarter of 2026, lower than the East Bay (5.8%), San Francisco (5.6%), and the United States (4.4%). Leasing activity for retail space has been strongest among experiential, fitness, and food-and-beverage users, as well as service-oriented tenants that benefit from steady local traffic. Smaller-format spaces are leasing quickly, particularly in well-located neighborhood and strip centers. In contrast, big box stores have had more difficulty attracting tenants. Despite this renewed stability, new supply remains limited in the South Bay. Elevated construction and financing costs, tighter capital markets, and a preference among retailers for flexibility over long-term commitments continue to suppress speculative development.[17]

SOUTH BAY RETAIL MARKET



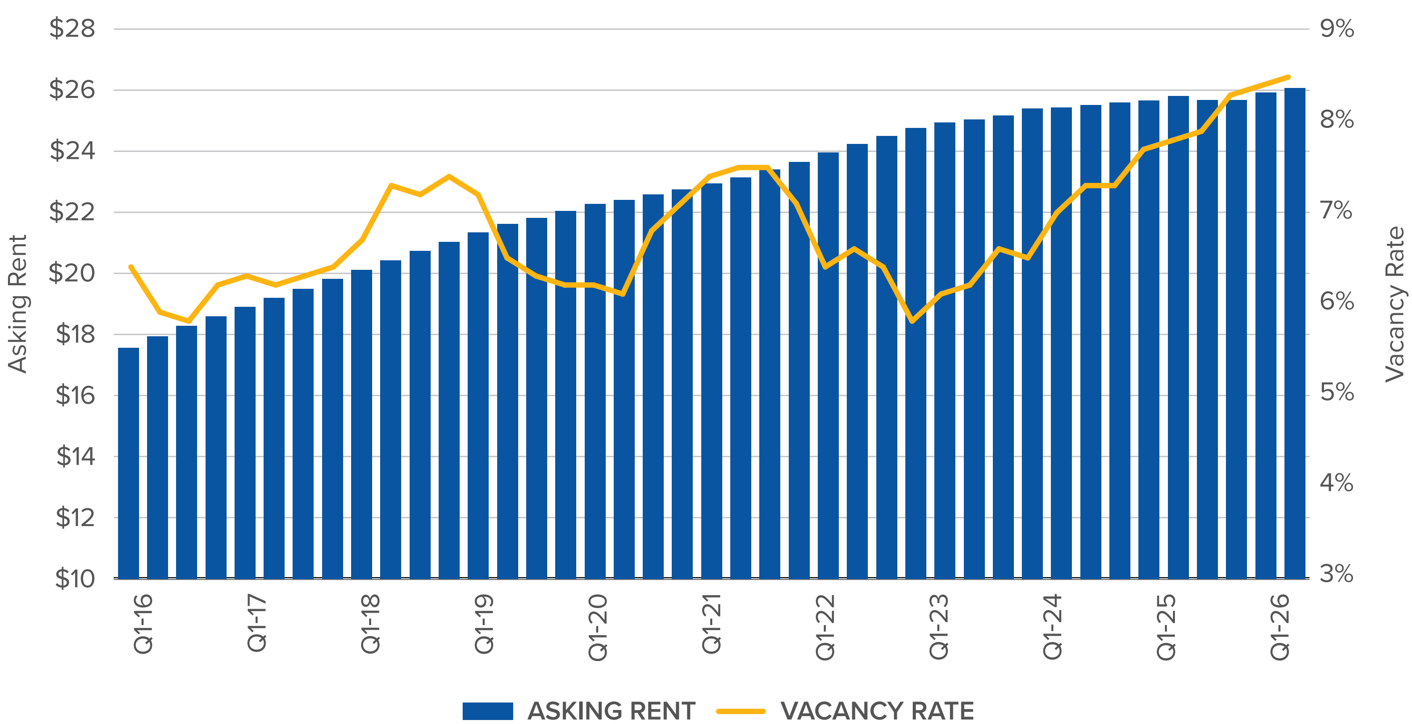
Source: CoStar. Analysis by Beacon Economics.

[16] https://sanjosespotlight.com/san-joses-projected-budget-deficit-skyrockets/
[17] Source: CoStar

Demand for industrial space also rebounded over the past year, with occupied space increasing by 0.7%. However, demand was not strong enough to keep pace with new supply, pushing South Bay vacancy rates higher over the past year. Roughly 2.6 million square feet was delivered over the past year, while the construction pipeline expanded to an estimated 2.7 million square feet. Recent developments have been focused on modern logistics facilities, advanced manufacturing, and power-intensive R&D configurations aligned with demand from robotics, clean energy, semiconductor, and AI-adjacent users. Construction is concentrated in a handful of high-demand submarkets. The Airport and North Industrial corridors remain particularly active, driven by strong transportation access and continued interest from logistics and distribution users.[18]

As industrial supply increased, vacancy rates rose across much of the market. While several submarkets, including San Jose/Berryessa and Central Santa Clara, posted positive net absorption, other areas struggled with weaker demand. In terms of property type, flex vacancy hovered in the double digits, reflecting weaker demand from traditional office-adjacent R&D users. In contrast, logistics properties continued to attract tenants. Specialized industrial maintained the lowest vacancy levels due to sustained interest from data center and advanced manufacturing tenants seeking power-rich sites.

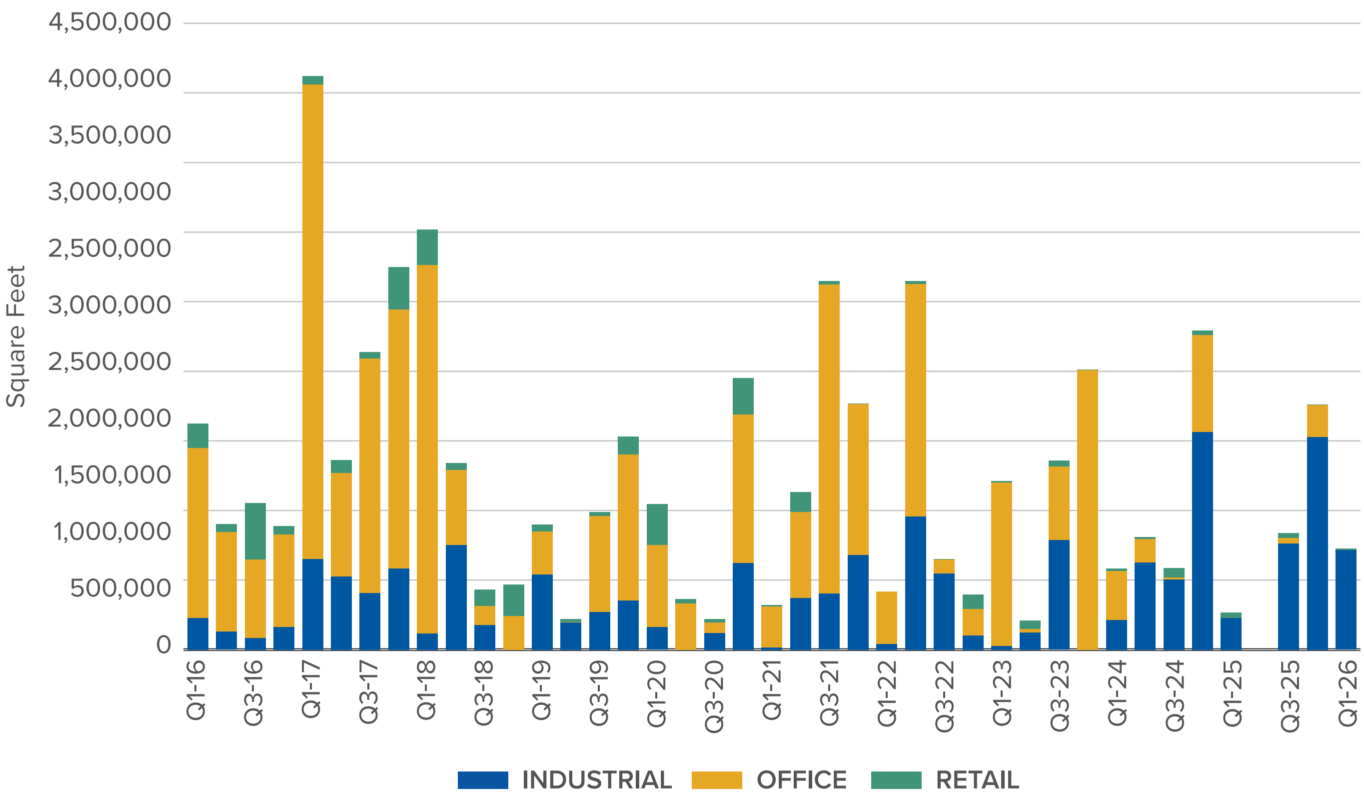
SOUTH BAY INDUSTRIAL MARKET



Source: CoStar. Analysis by Beacon Economics.

[18] Source: CoStar

SOUTH BAY COMPLETIONS



Source: CoStar. Analysis by Beacon Economics.

ABOUT BEACON ECONOMICS

Founded in 2006, Beacon Economics, an LLC and certified Small Business Enterprise with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objectively based economic analysis. Employing unique proprietary models, vast databases, and sophisticated data processing, the company's specialized practice areas include sustainable growth and development, real estate market analysis, economic forecasting, industry analysis, economic policy analysis, and economic impact studies. Beacon Economics equips its clients with the data and analysis required to understand the significance of on-the-ground realities and to make informed business and policy decisions.

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PROJECT TEAM

Justin Niakamal
Manager, Regional and
Sub-Regional Analysis

Brian Vanderplas
Senior Research Associate

For further information about this report, or to learn more about Beacon Economics please contact:

Sherif Hanna
Managing Partner
Sherif@BeaconEcon.com

Victoria Pike Bond
Director of Marketing and Communications
Victoria@BeaconEcon.com

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