

# San Jose Housing Market Update Q3 2013

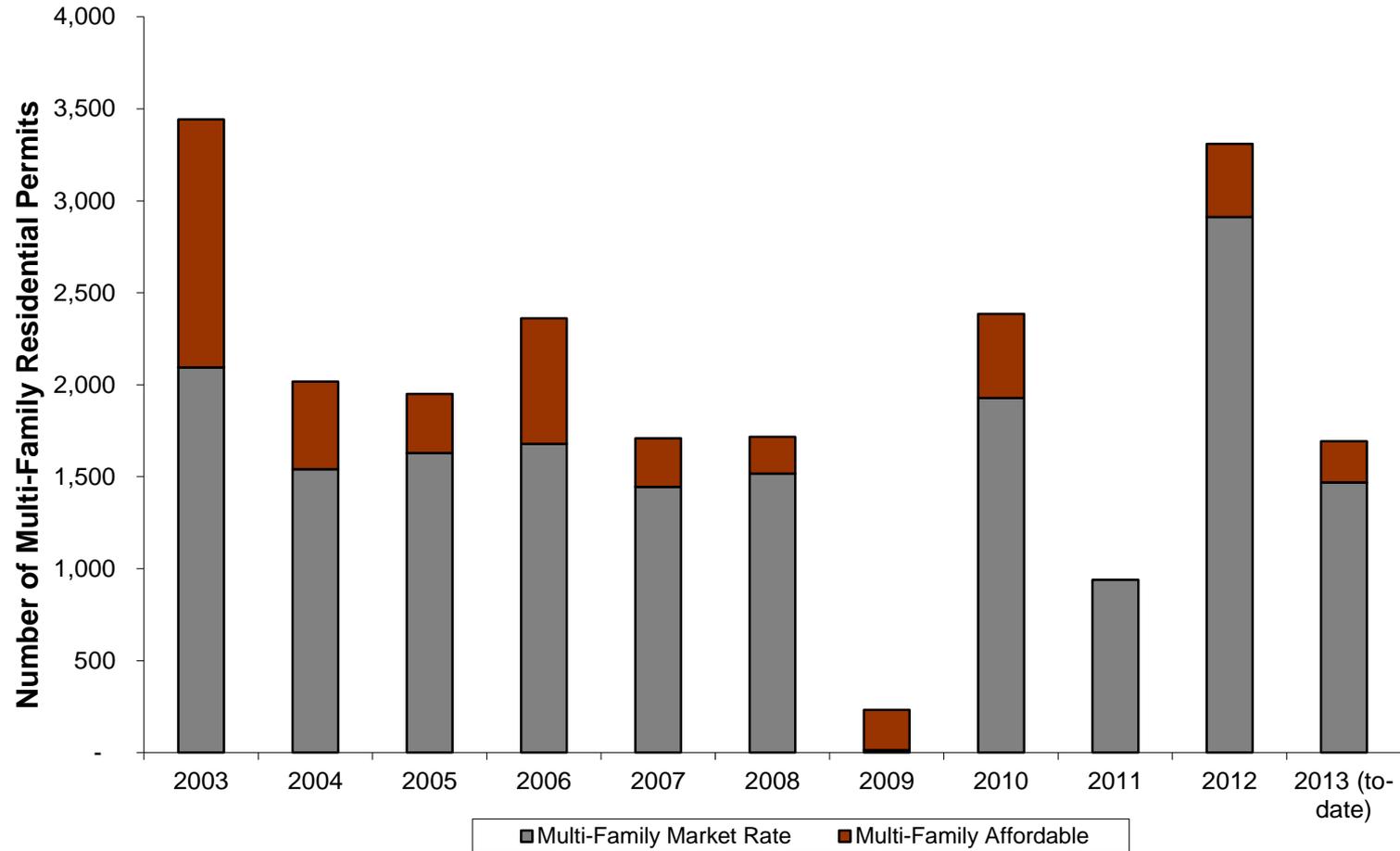


# San José Housing Market Stabilizing

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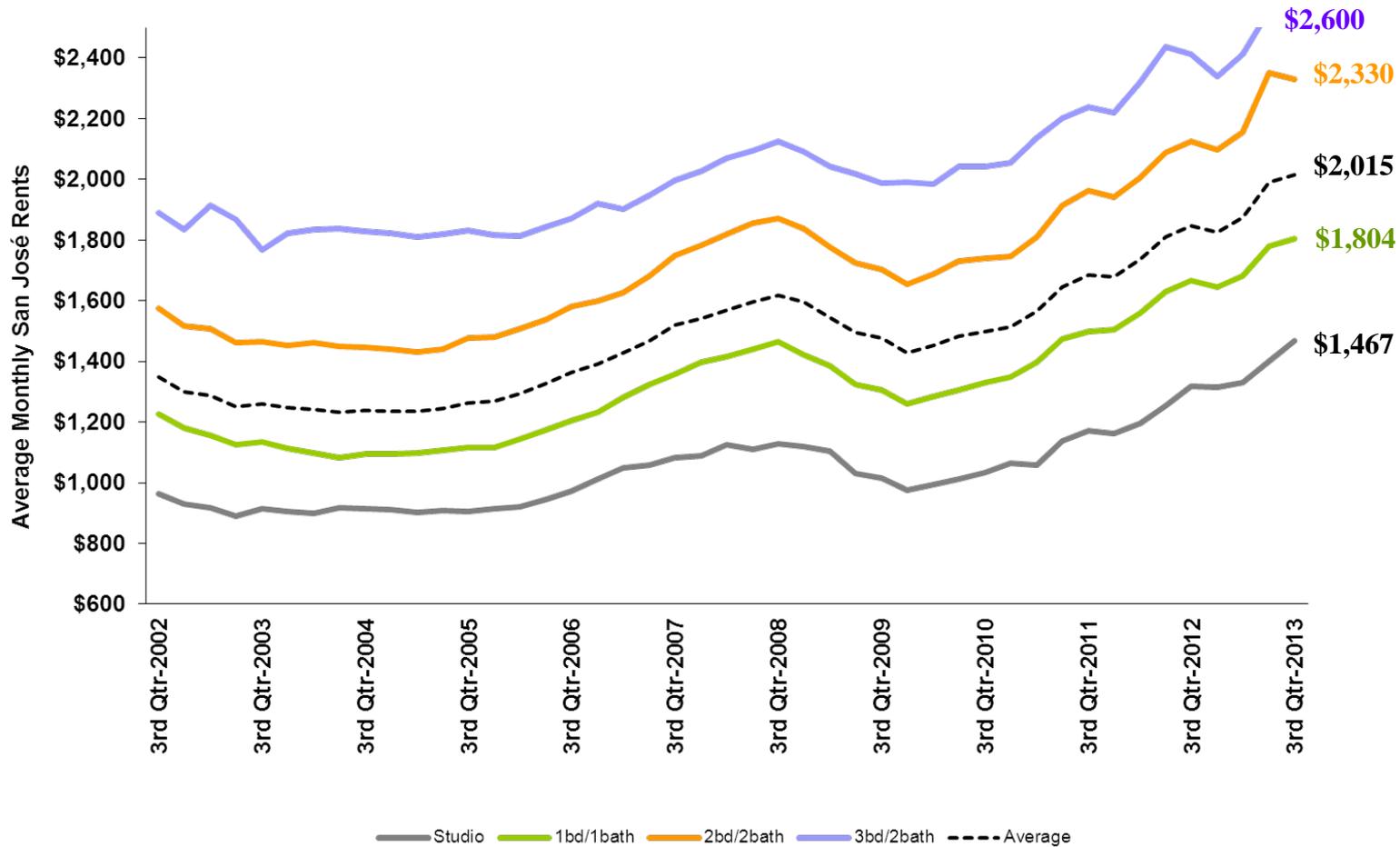
- San Jose ranks **fourth** in the list of the top 10 apartment markets with the most *annual rent growth* as of third quarter 2013.(MPF Research – Oct 2013)
- Single-family home prices stabilizing and days on market increasing; attributable to seasonal swings, rise in interest rates and higher loan qualification standards.
- Sales of homes listed at \$1.5 million or more (from Jan – Sept 2013) has increased more than 26% from 2012. (MLS Listings – Sept 2013)
- Over 2,900 residential building permits were issued in San Jose in the last twelve months; approximately 8% were deed restricted affordable units; over 1/3<sup>rd</sup> of the permits were issued for projects in North San Jose.

# Moderate Growth for 2013 Multi-Family Residential Permit Activity in San José



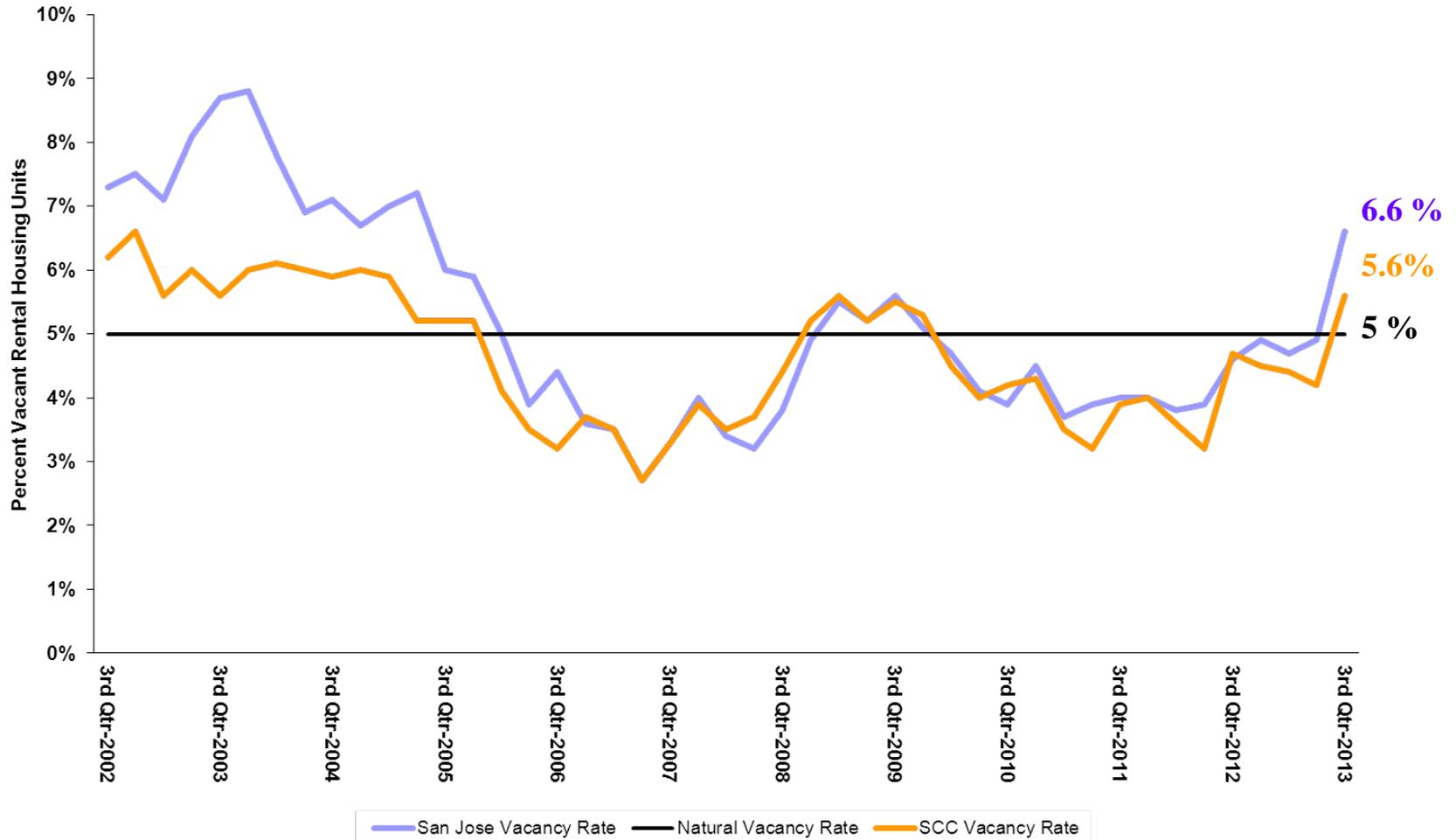
SOURCE: City of San Jose Housing Department

# San José Rent Increases 9% Annually



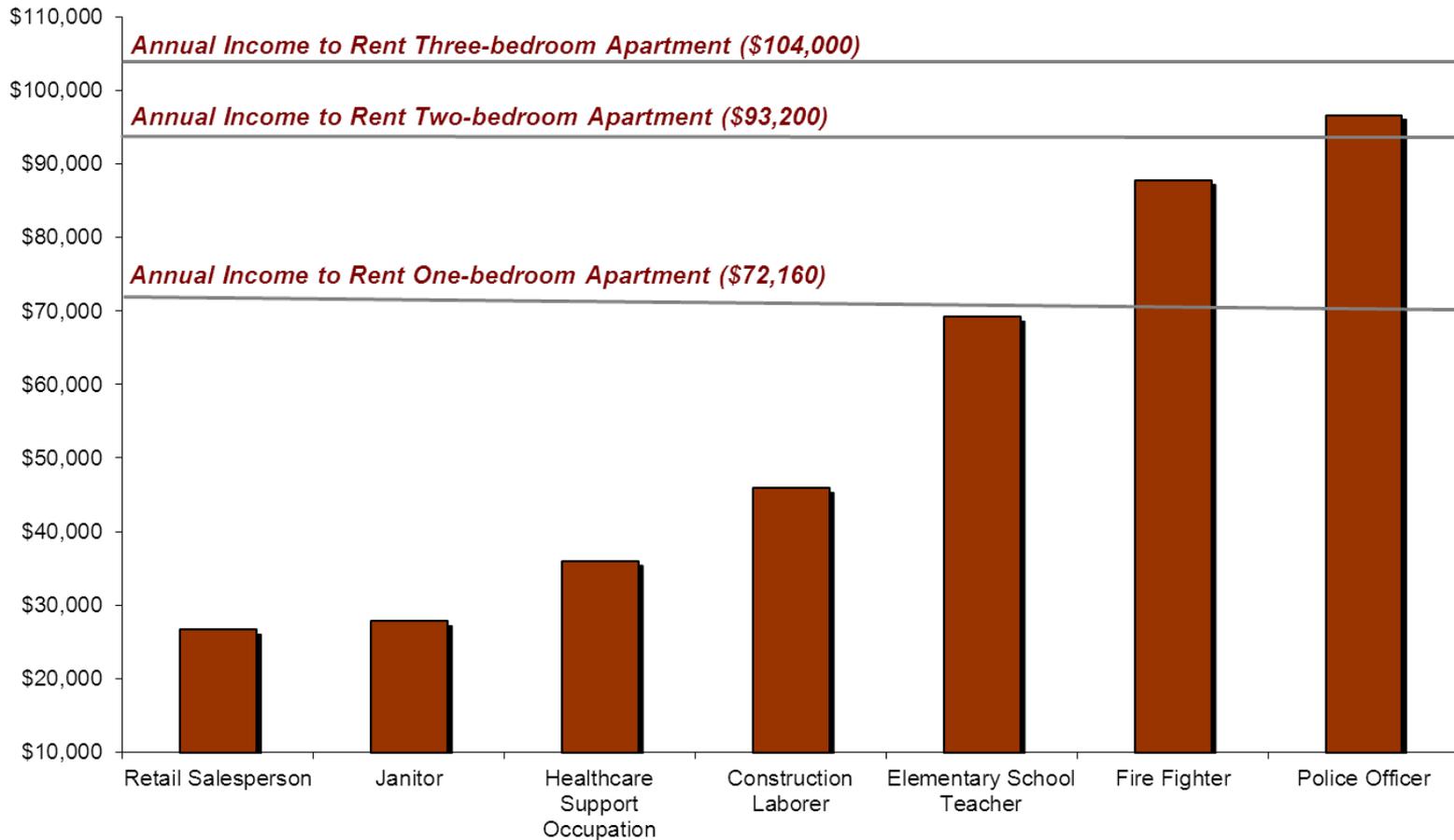
SOURCE: RealFacts – Third Quarter 2013 - Data only includes rental projects with 50 units or more

# Vacancy Climbs Above the “Natural“ Rate for the first time since 2009



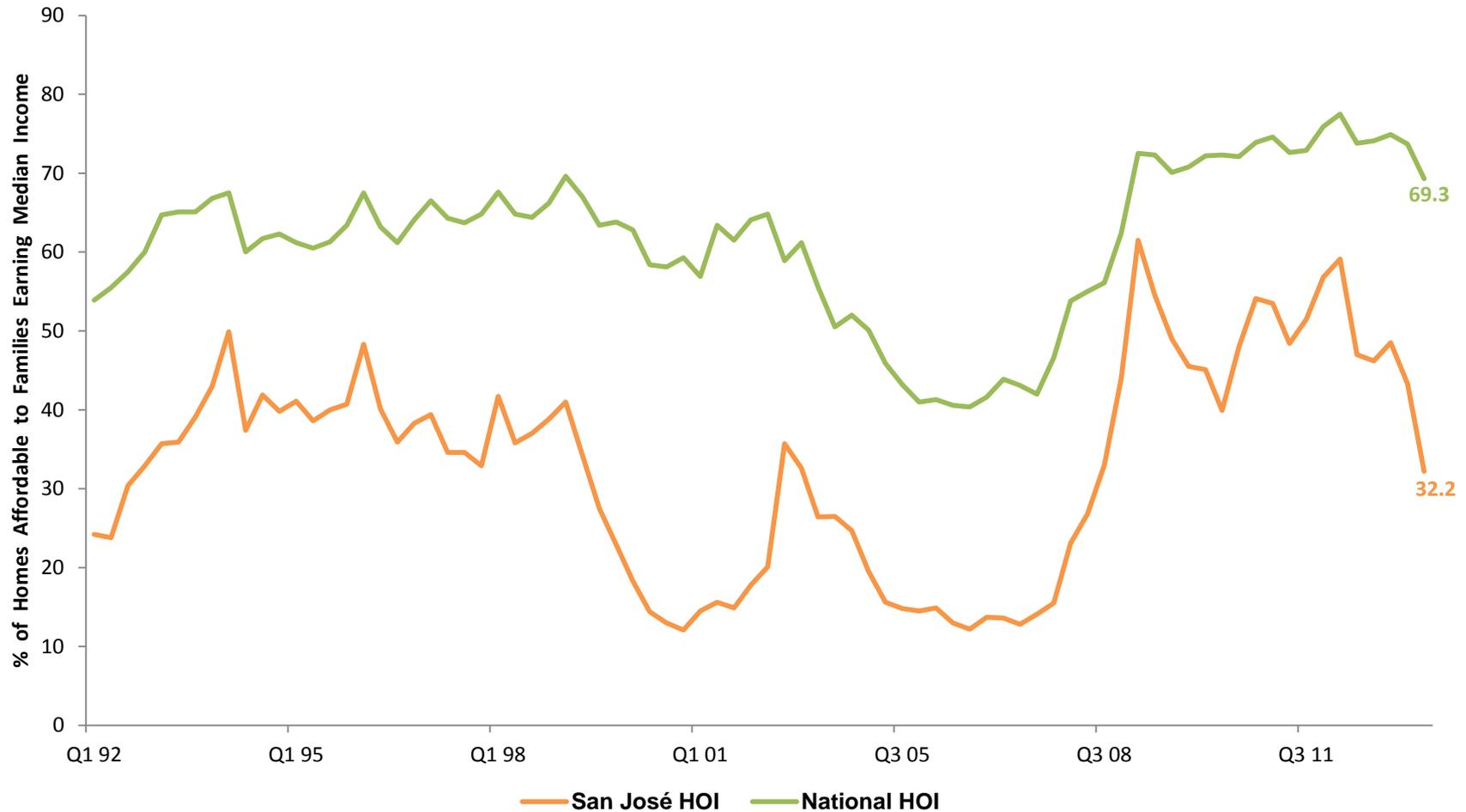
SOURCE: RealFacts Data, 3rd Quarter 2013 – Data only includes rental projects with 50 units or more

# Market Rents Remain Significantly Out of Reach for San Jose's Working Class



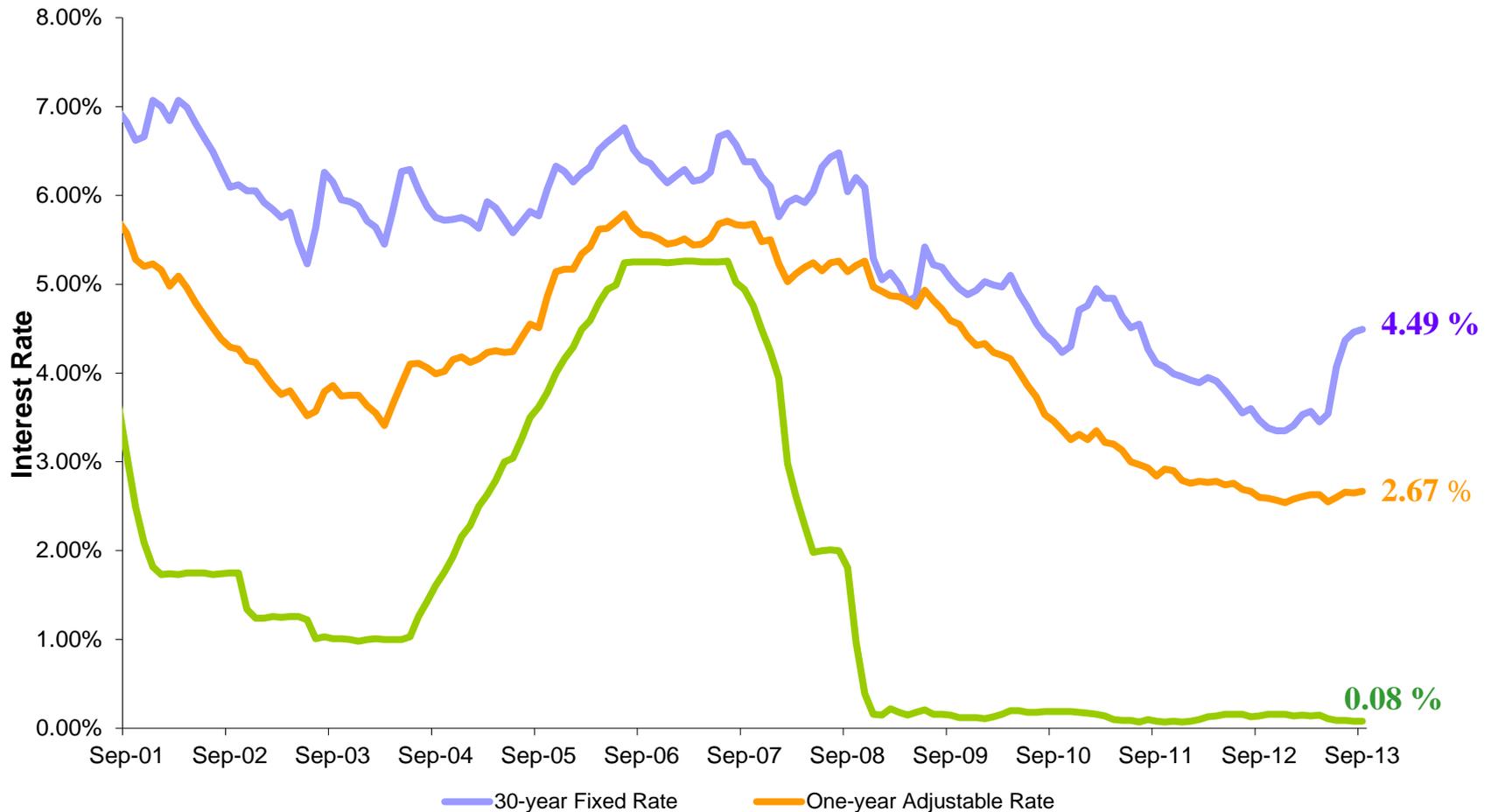
SOURCE: Employment Development Department (EDD) – 2013 1<sup>st</sup> Quarter Wages, Income to rent calculation assumes rent is at 30% of income

# Housing Opportunity Index (HOI) Declines in San José Due to Market Recovery



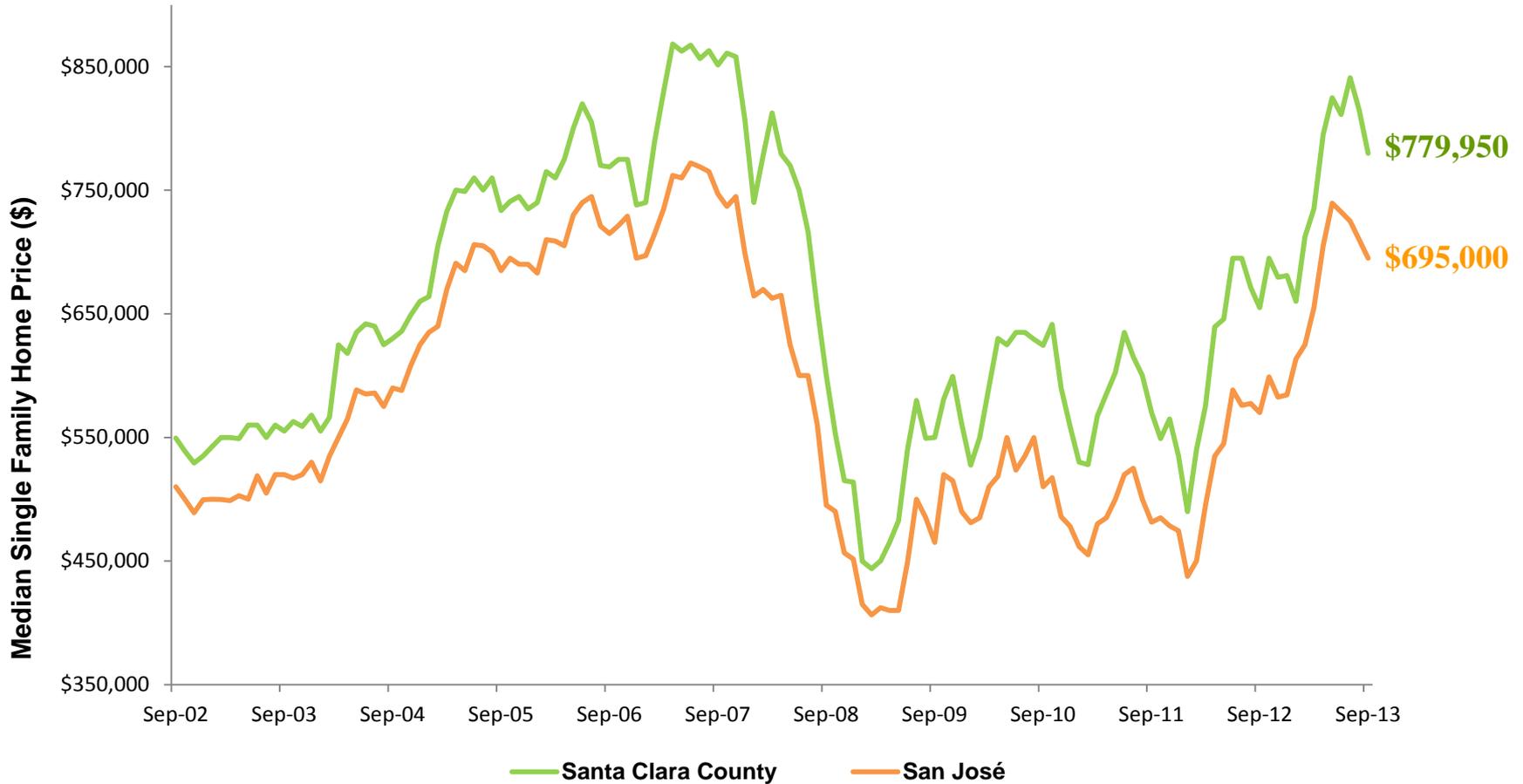
SOURCE: National Association of Home Builders

# Mortgage Rates Increase, but Still Relatively Low Historically



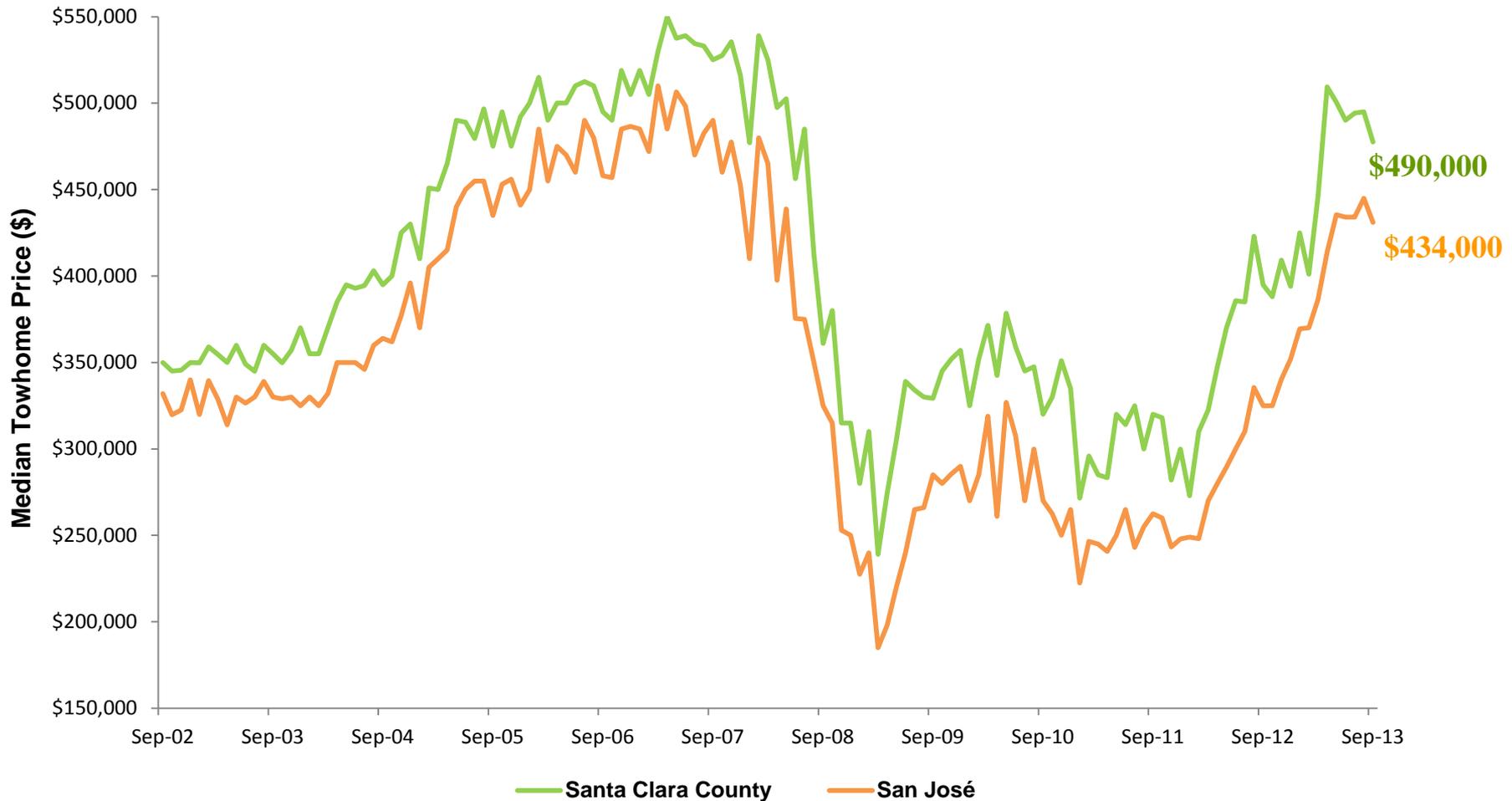
SOURCE: Federal Reserve, Freddie Mac Primary Mortgage Market Survey

# Single-Family Median Price Up 22% YoY in San José, Drops 5% from Prior Quarter



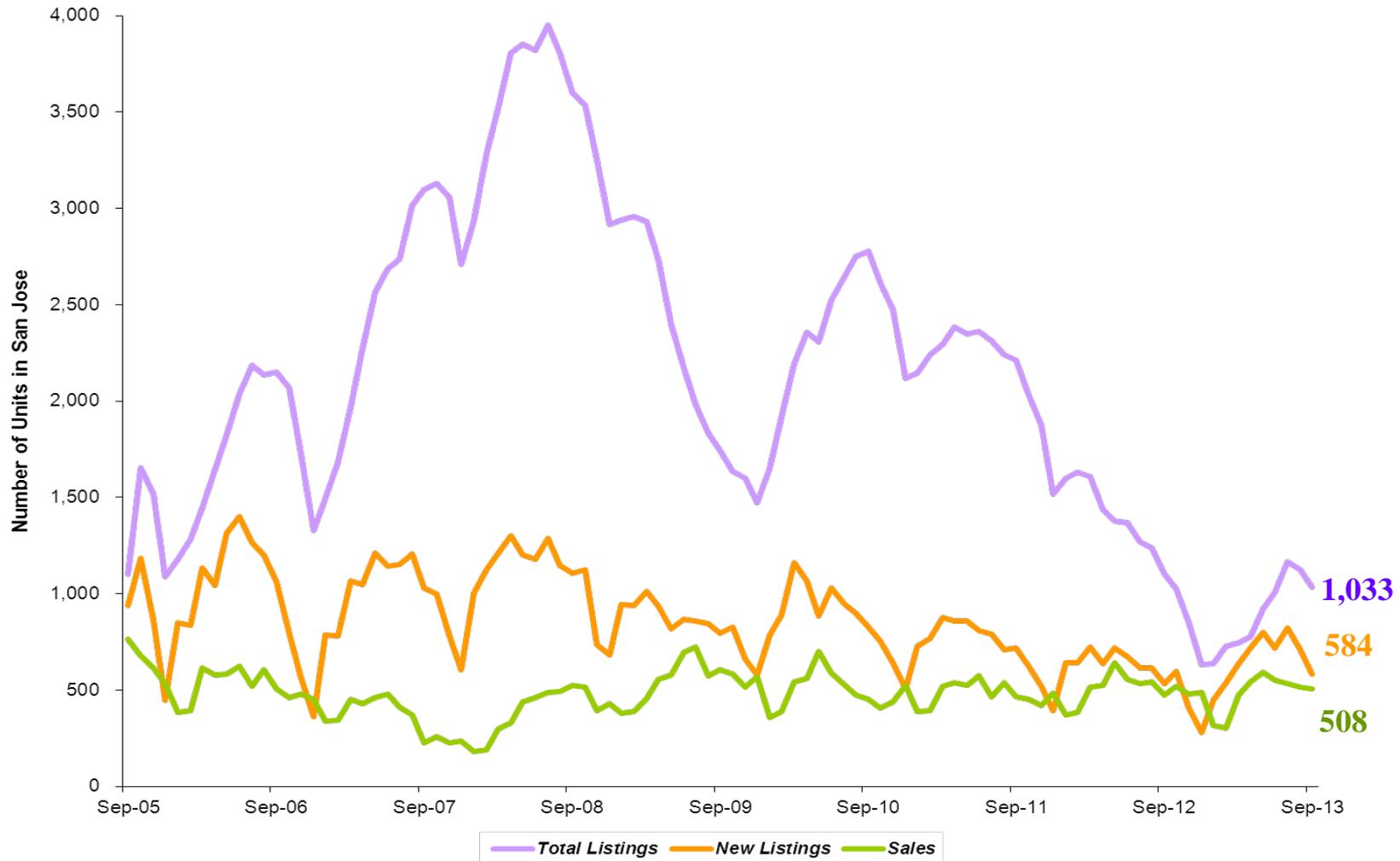
SOURCE: Santa Clara County Association of Realtors, MLS Listings Sept 2013

# Townhome/Condo Price Up 33% YoY in San José, but Slowing from Prior Quarter



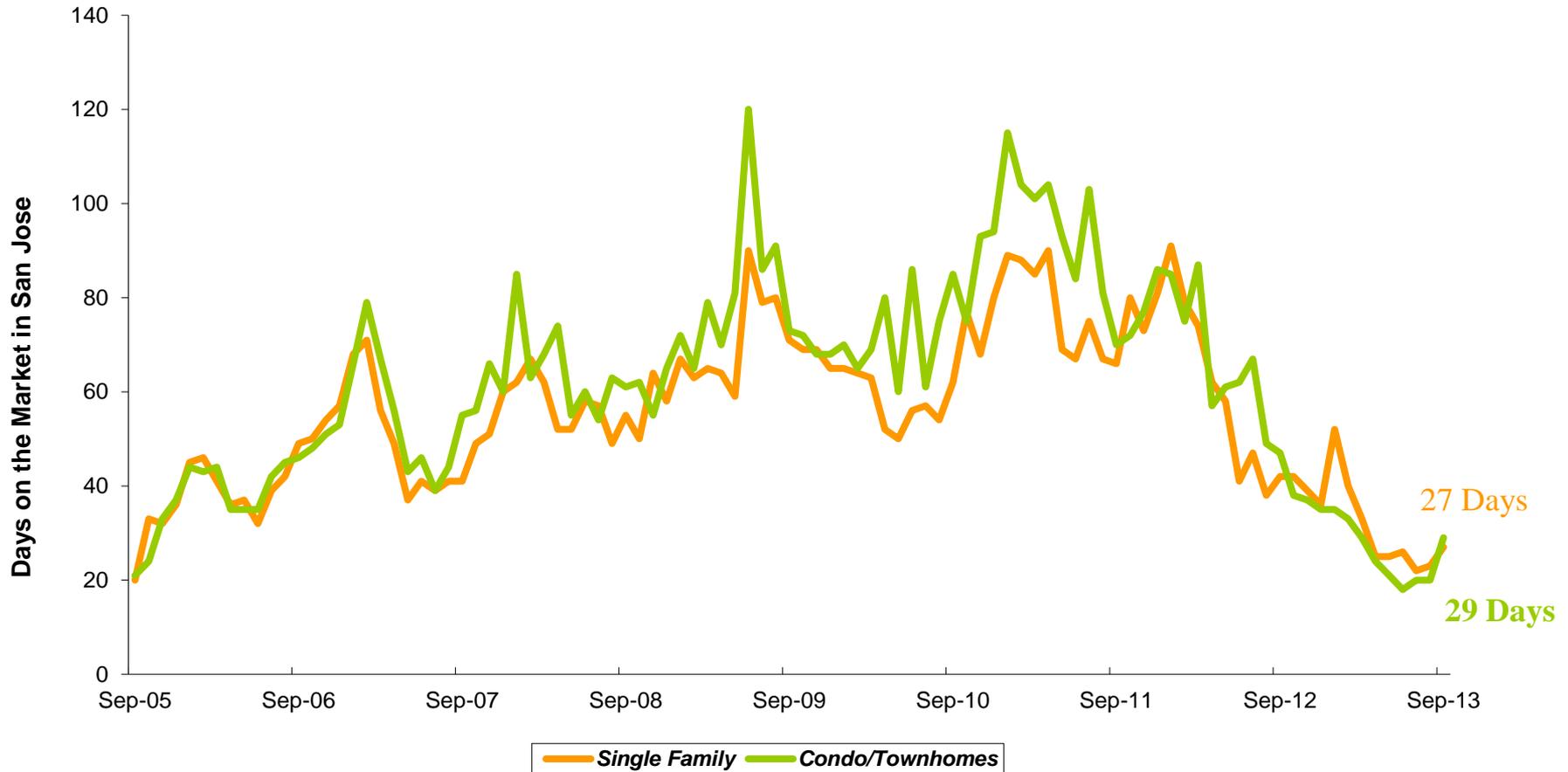
SOURCE: Santa Clara County Association of Realtors, MLS Listings - Sept 2013

# YoY Sales up 6%, YoY Listings Down 6%



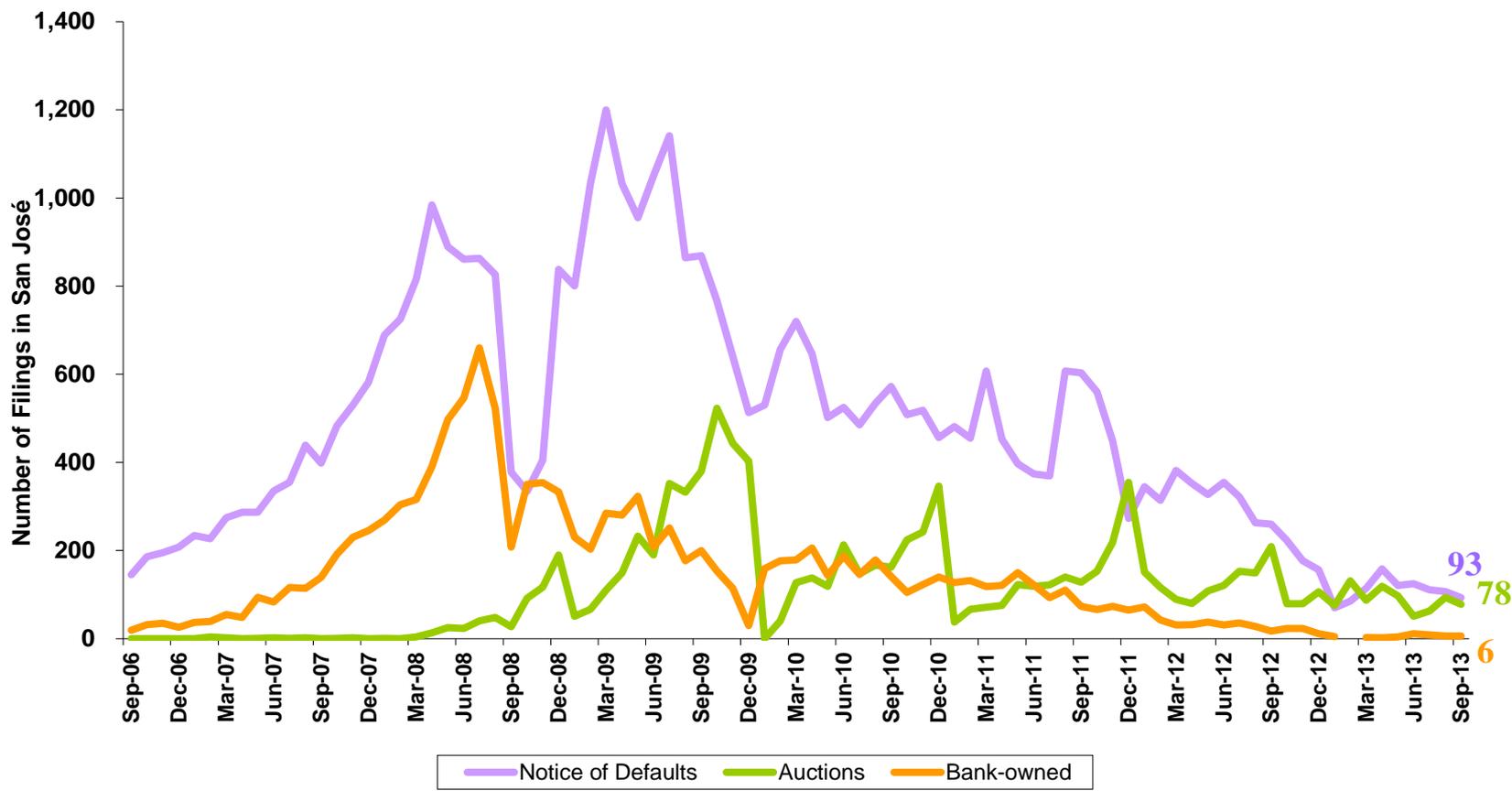
SOURCE: Santa Clara County Association of Realtors, MLS Listings - Sept 2013

# Days on Market At 2005 Levels



SOURCE: Santa Clara County Association of Realtors, MLS Listings - Sept 2013

# Foreclosure Filings Near Pre-Recession Levels



SOURCE: San Jose – Foreclosure Radar – Sept 2013