

# San Jose Housing Market Update Q4 2013

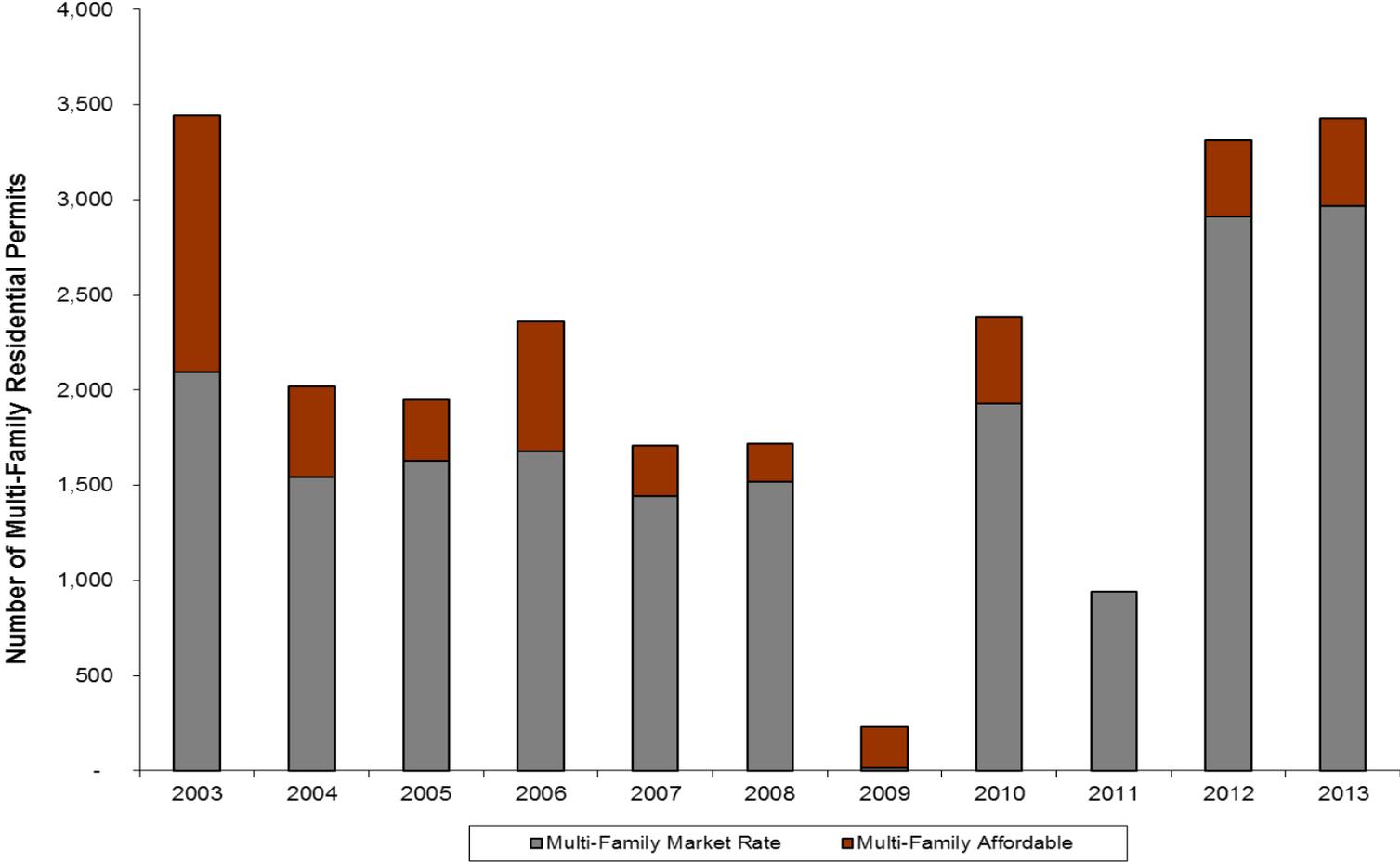


# San José Housing Market

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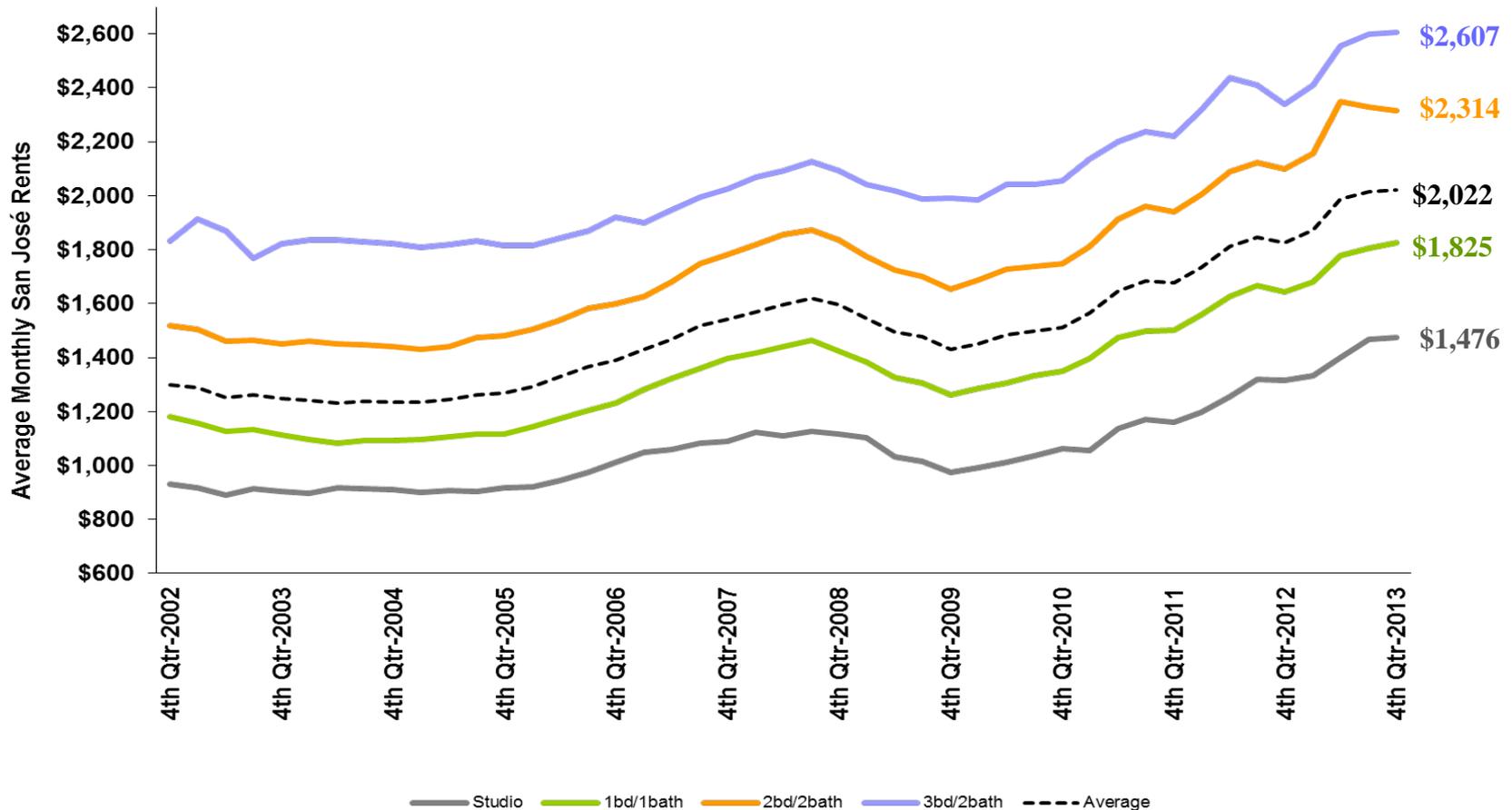
- 3,700+ permits issued in 2013
  - 90% rental
  - 12.5% affordable
  - 20% in North San Jose.
- San Jose ranks **fourth** in the nation for rent growth in 2014. (Multifamily Executive– Dec 2013)
- Single-family home prices stabilizing and days on market increasing; inventory at an all-time low;
- Sales of homes listed at \$2 million or more has increased more than 28% from 2012. (Dataquick, Dec 2013)

# 3% Annual Growth for 2013 Multi-Family Residential Permit Activity in San José



SOURCE: City of San Jose Housing Department

# San José Average Rent Up 10.8% Annually



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

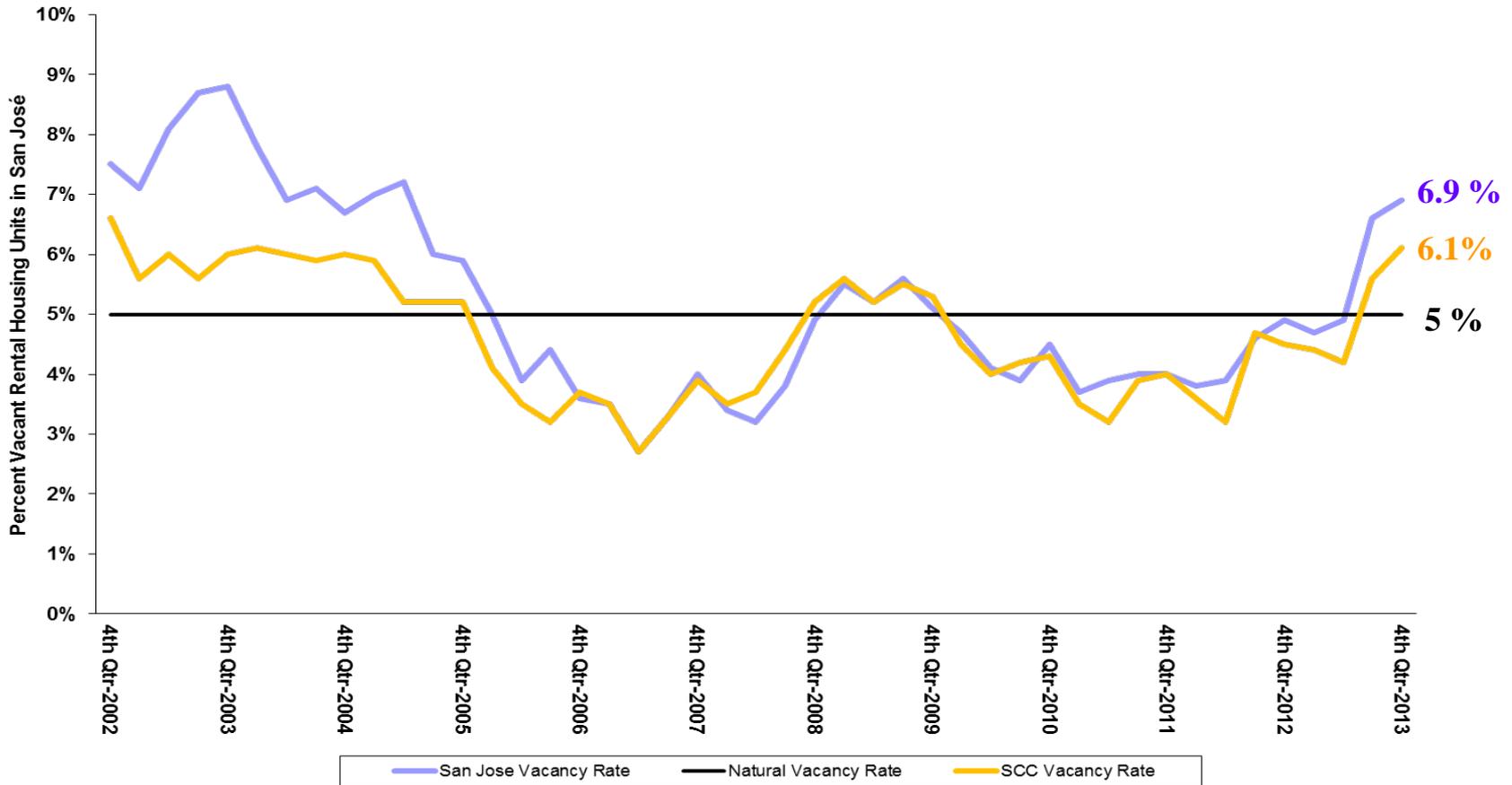
# North San José Rents Trend Higher than Average Rents Citywide

Project	1BR	2BR
<b>Average Rent (Q4 2013)</b>	<b>\$1825</b>	<b>\$2314</b>
121 East Tasman	\$1,865 - \$2,400	\$2,635 - \$3,170
Elan Apartments at River Oaks	\$1,931 - \$2,492	\$2,368 - \$2,789
The Pines at North Park	\$2,130 - \$2,520	\$2,840 - \$2,895
Epic	\$2,279 - \$2,697	\$2,794 - \$3,280
Aire Apartments	\$2,150 - \$3,025	\$2,690 - \$4,800

SOURCE: Project websites, 3/3/2014

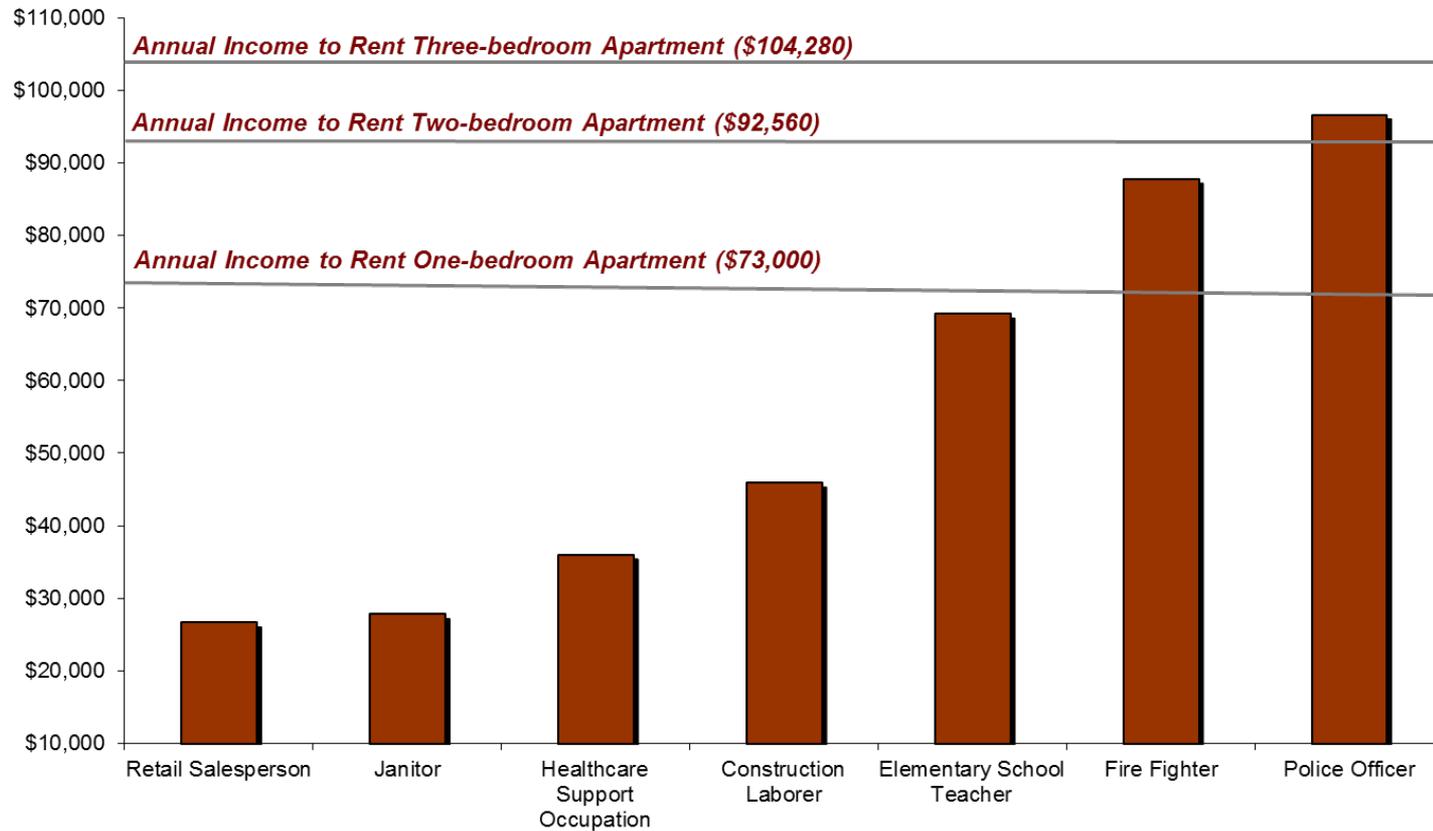


# Vacancy Stays Above the “Natural“ Rate



SOURCE: RealFacts Data 4<sup>th</sup> Quarter 2013 – Data only includes rental projects with 50 units or more

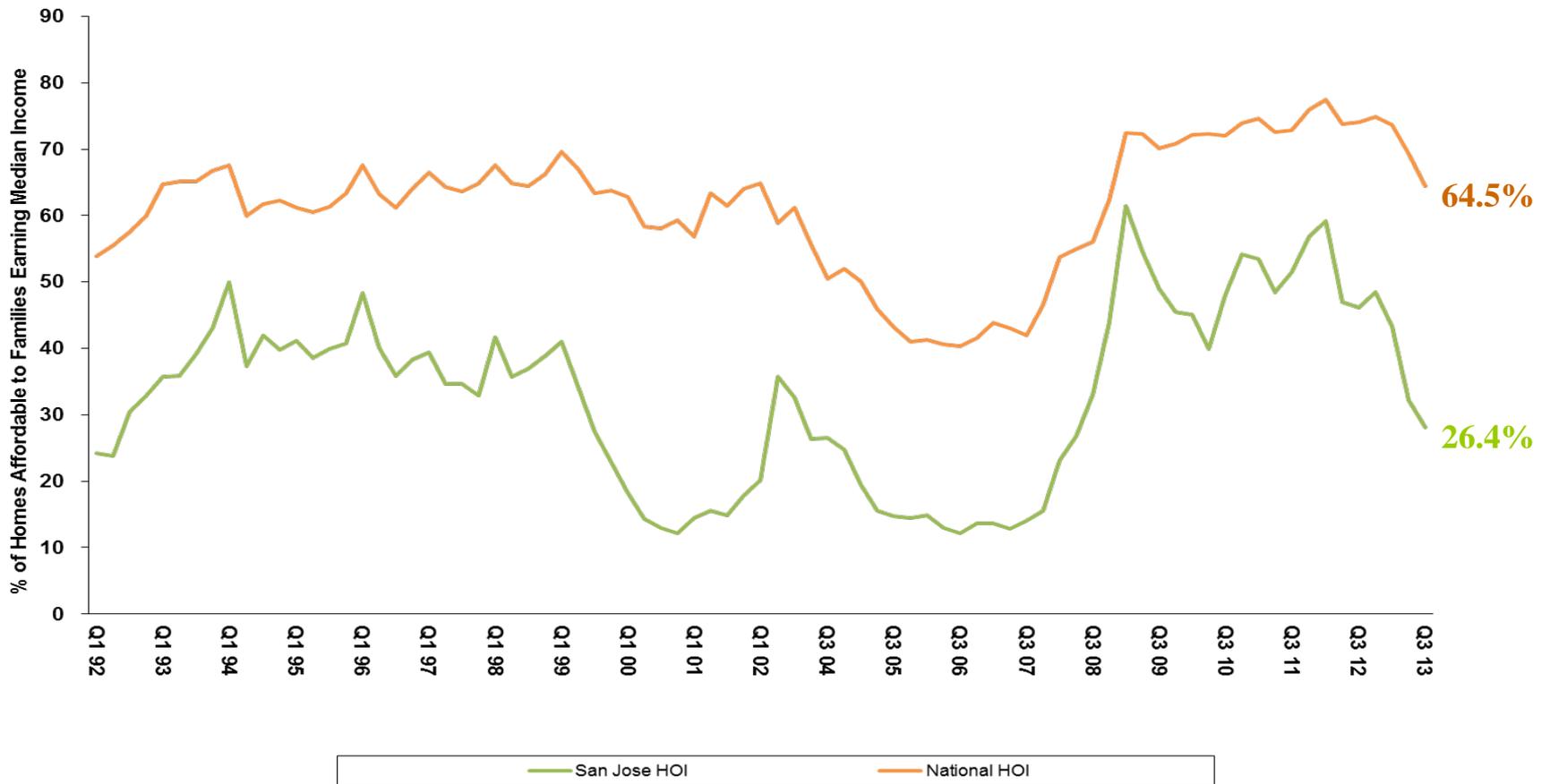
# Market Rents Remain Significantly Out of Reach for San Jose's Working Class



SOURCE: Employment Development Department (EDD) – May 2013 Wages. Income to rent calculation assumes rent is at 30% of income

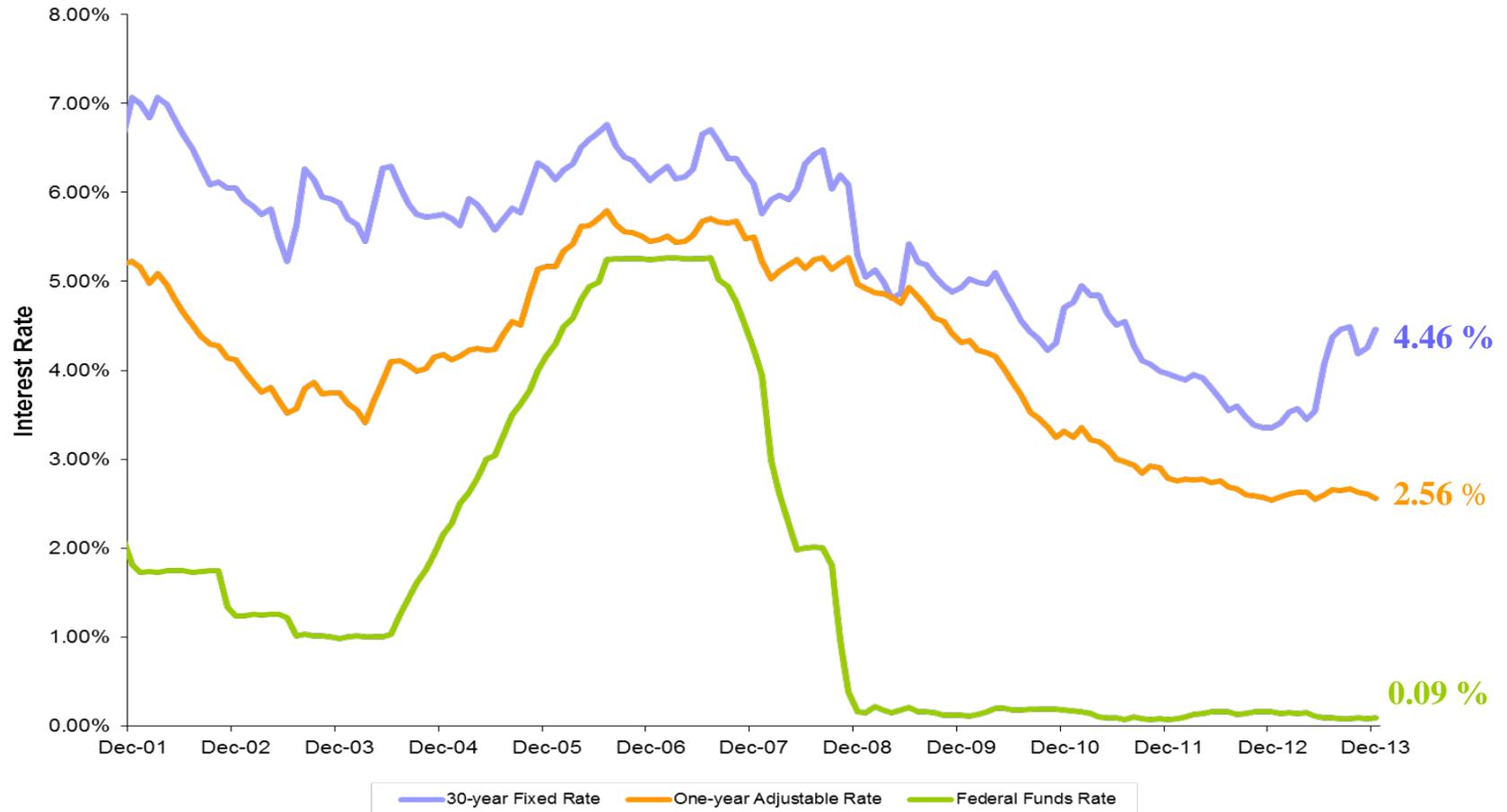
# San José Housing Affordability Remains Low Relative to the Nation

Less than 1/3<sup>rd</sup> of San Jose's Families Can Afford a Median Priced Home



SOURCE: National Association of Home Builders

# Mortgage Rates Climb, but Remain Historically Low



SOURCE: Federal Reserve, Freddie Mac Primary Mortgage Market Survey

# Single-Family Median Price Up 17% YoY in San José, Drops 5% from Prior Quarter



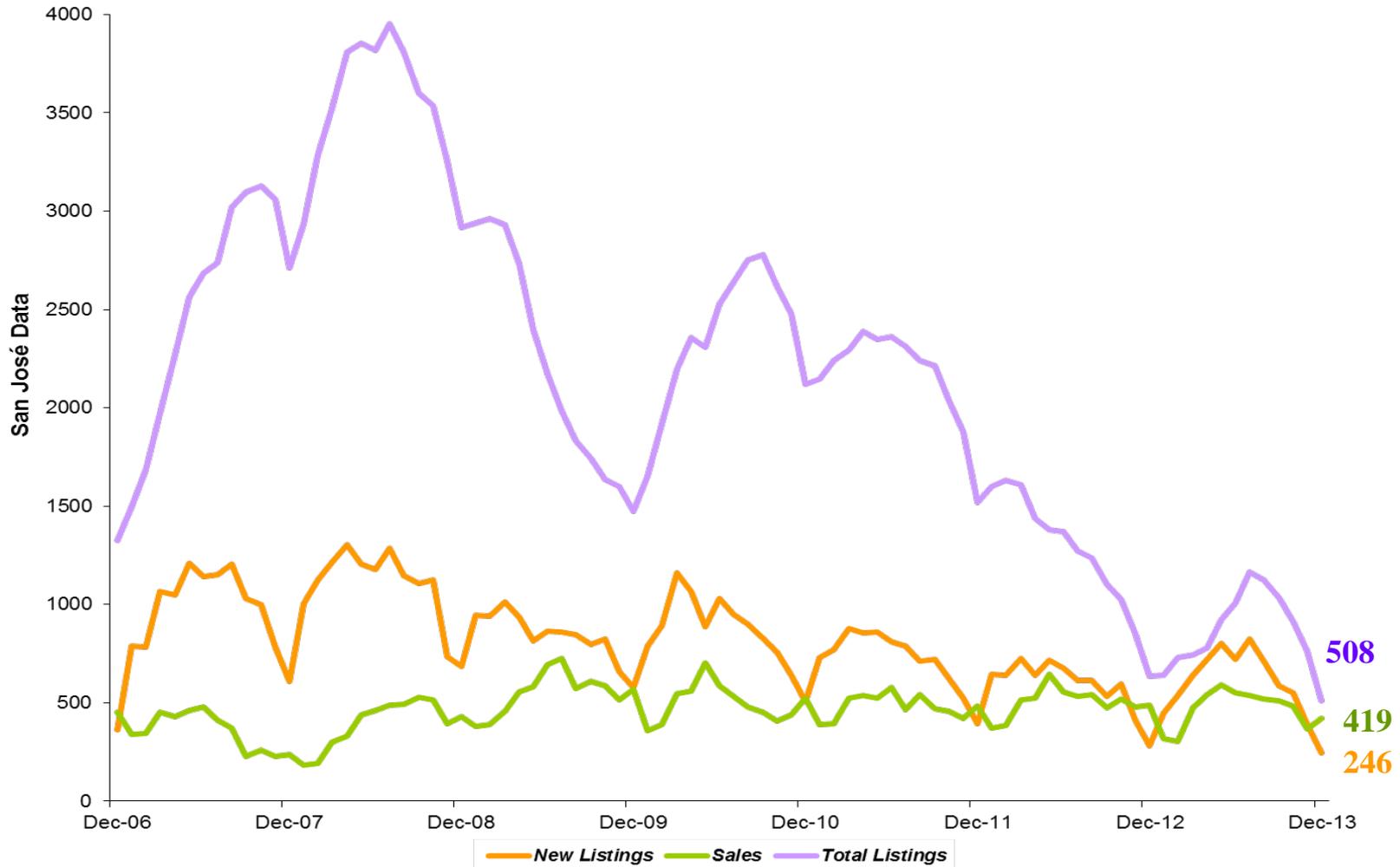
SOURCE: Santa Clara County Association of Realtors, MLS Listings - Dec 2013

# Townhome/Condo Price Up 17% YoY in San José, Drops 5% from Prior Quarter



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

# Tight Single-Family Homes Inventory: Total Listings Drop 50% from Q3



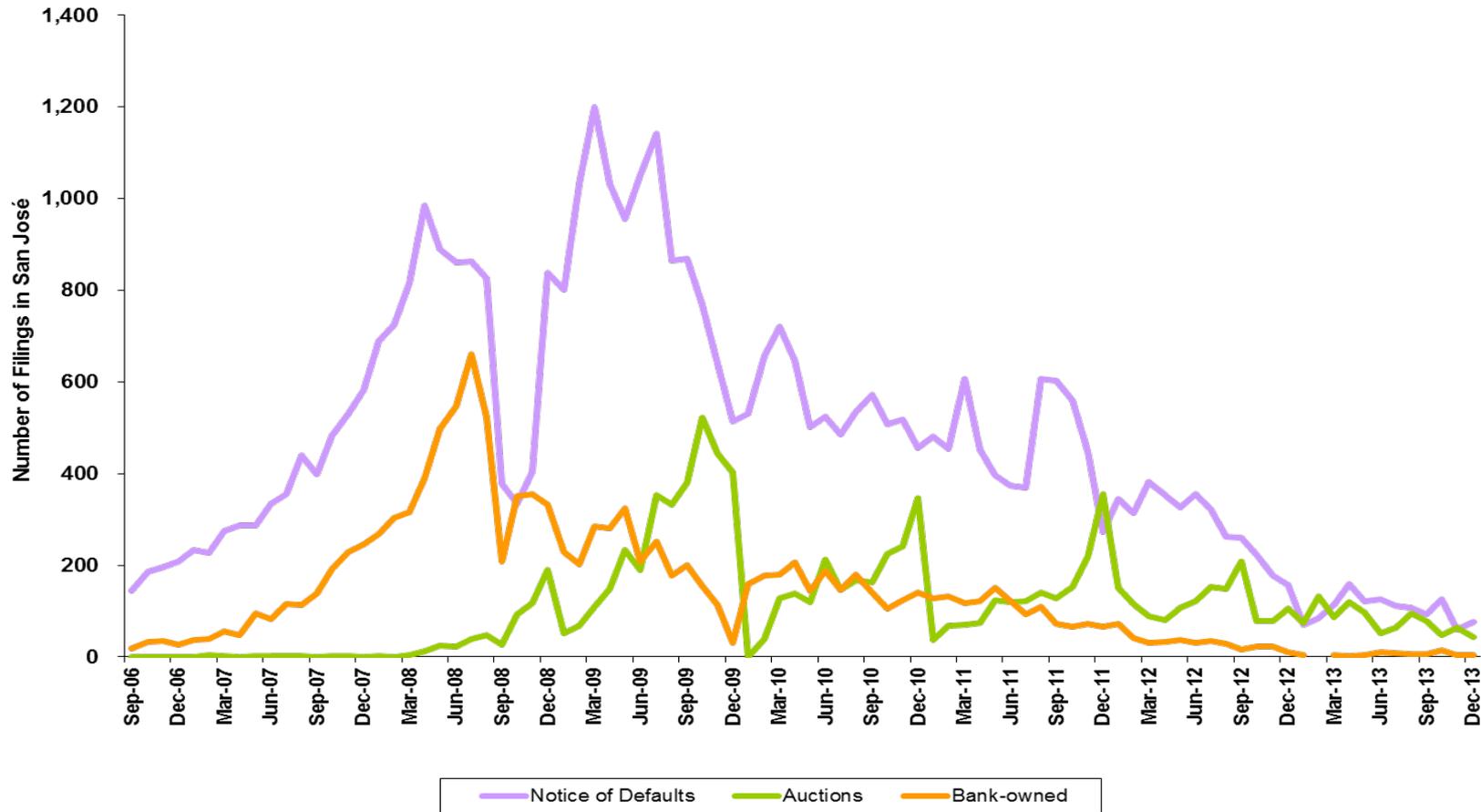
SOURCE: Santa Clara County Association of Realtors, MLS Listings - Dec 2013

# Inventory Moving Relatively Quickly Despite Recent Uptick in Days-On-Market



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

# Foreclosure Filings Remain Low: Back to Pre-Recession levels



SOURCE: San Jose – Foreclosure Radar – Dec 2013