

City of San José

Housing Market Update

Q4 2014



Crescent Village, North San José, Irvine Company

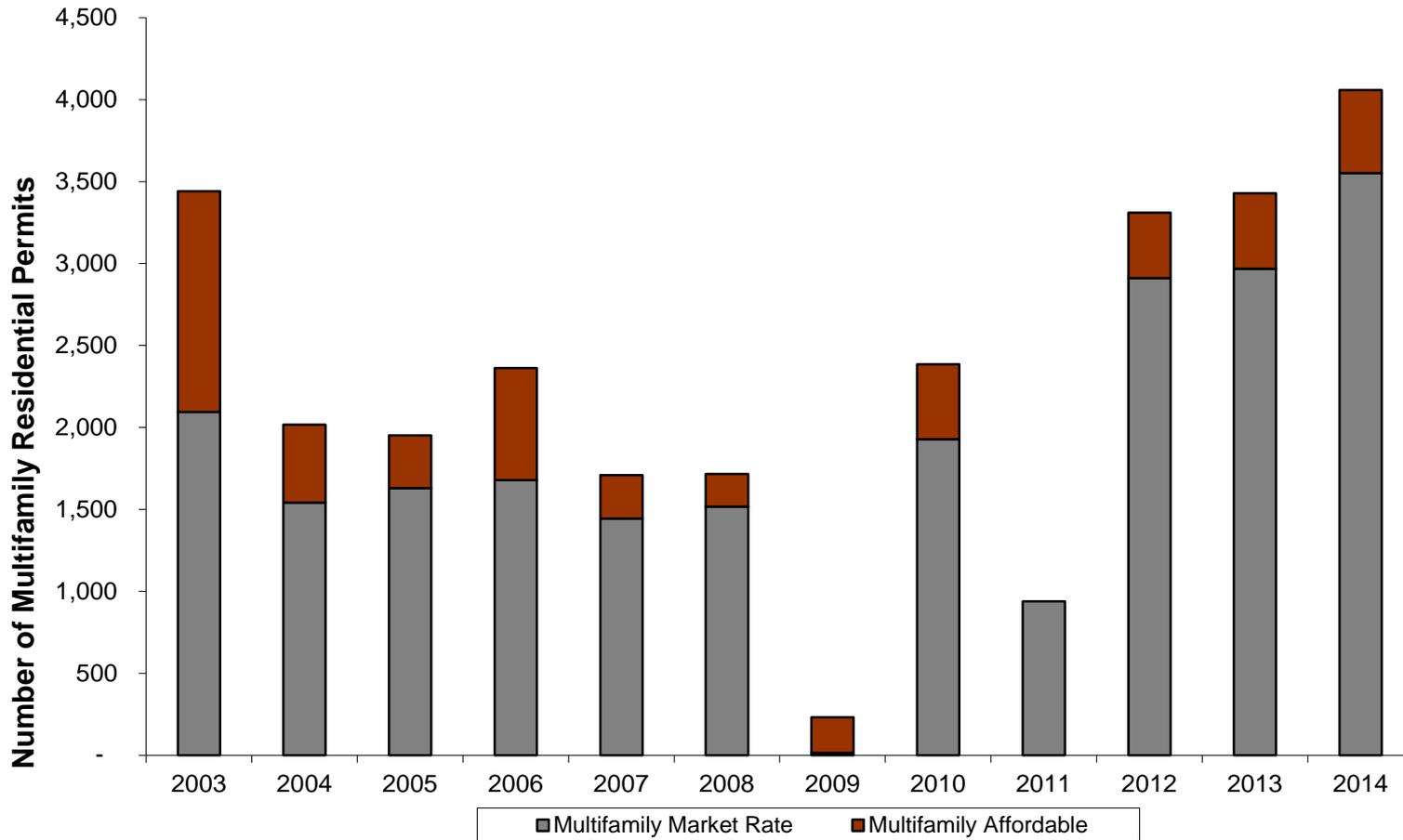
Q4 2014 San José Housing Market

- San José issued 4,058 multi-family residential permits in 2014, largest number issued in a single year since 1980
- Rents continue to climb; average rents up 10% YoY
- Renters must earn \$48.80 an hour to afford the average rent for a two bedroom apartment ¹
- Median single-family home prices up 11% YoY
- Single-family home inventory low, drops 27% from Q3 2014
- Only 22% of the San José households can afford to buy a median priced home vs national average of 63% ²

¹ Based on Realfacts average rents, income calculation assumes rents are 30% of income , 40 hour work week ,and a household size of 1

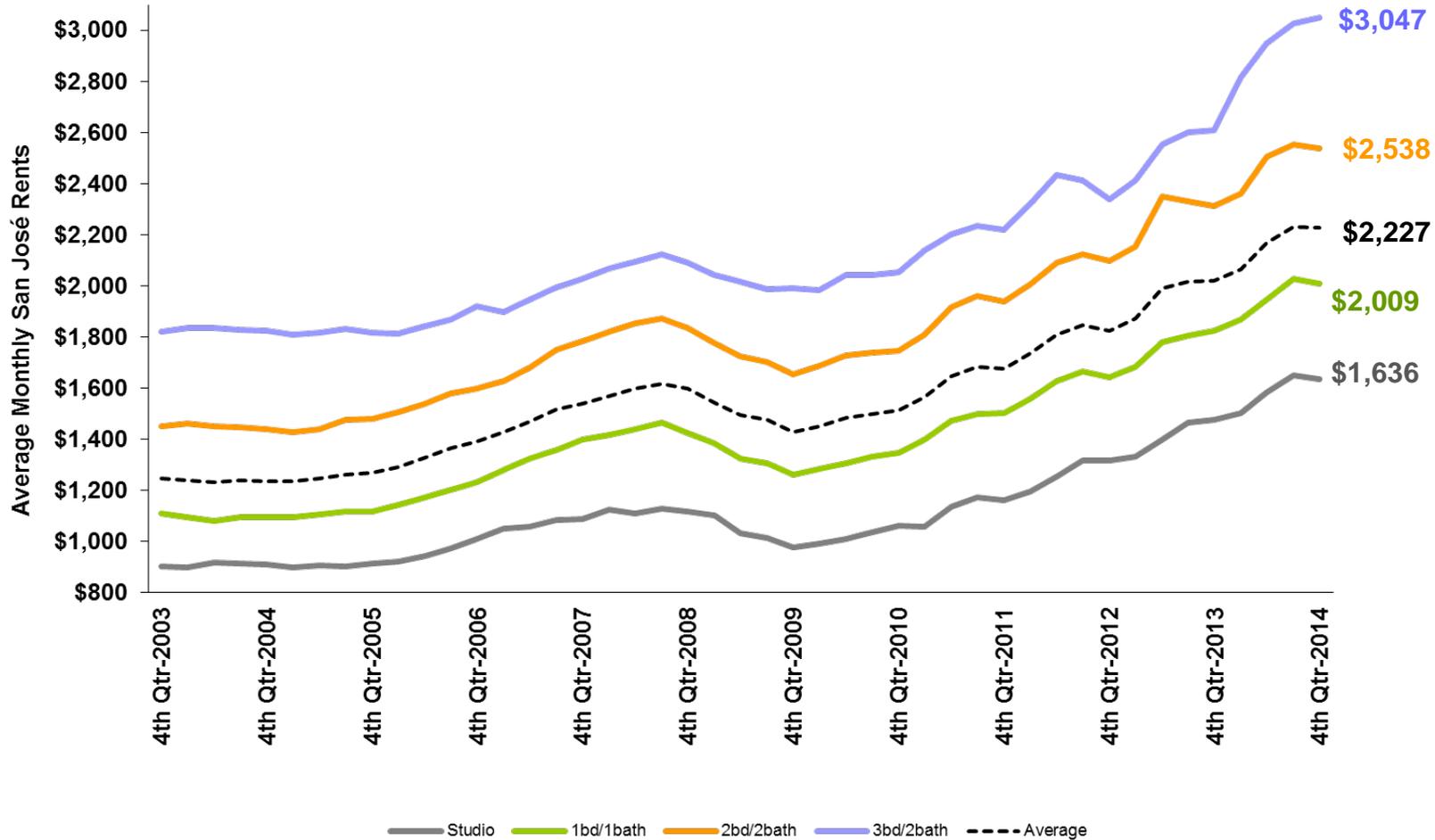
² National Association of Home Builders Housing Opportunity Index, Q4 2014

Strong Calendar Year 2014 San José Multifamily Residential Permit Activity



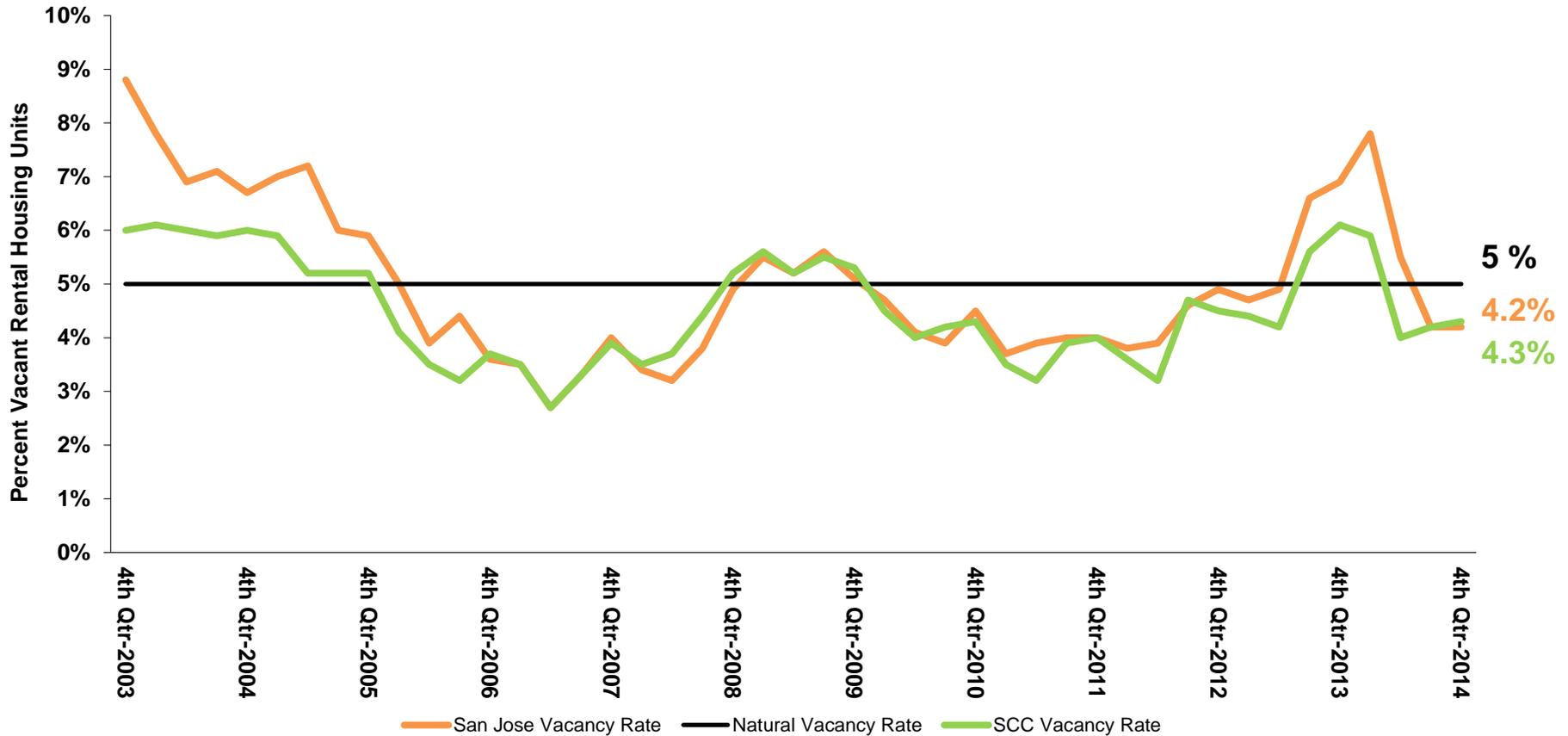
SOURCE: City of San José Housing Department, Q4 2014

San José Average Rent Continues to Rise, Up 10% Annually



SOURCE: RealFacts – Fourth Quarter 2014 - Data only includes rental projects with 50 units or more

Vacancy Remains Below the “Natural” Rate



SOURCE: RealFacts Data Q4, 2014 – Data only includes rental projects with 50 units or more

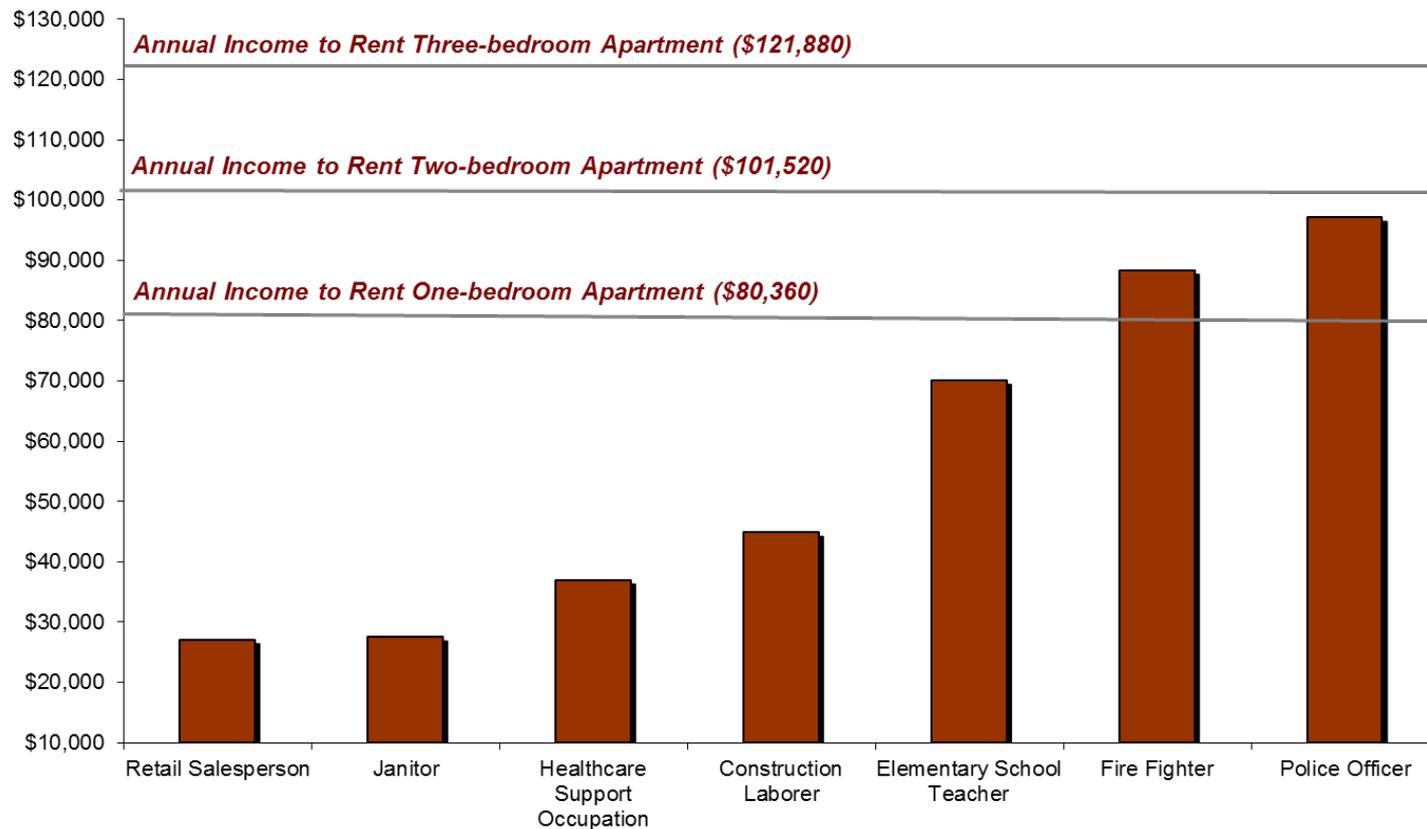
North San José Rents Trend Higher than Average Rents Citywide

Project	1BR	2BR
Average San José Rent (Q4 2014)	\$2,009	\$2,538
Domaine	\$2,695 - \$2,755	\$2,900 - \$3,215
Aire	\$2,430 - \$2,890	\$3,010 - \$4,410
Riverview	\$2,185 - \$2,365	\$3,120 - \$3,170
Enclave	\$2,207 - \$2,614	\$2,750 - \$2,818
Crescent Village	\$2,400 - \$3,035	\$2,860 - \$3,765

SOURCE: Zillow, March 3, 2015

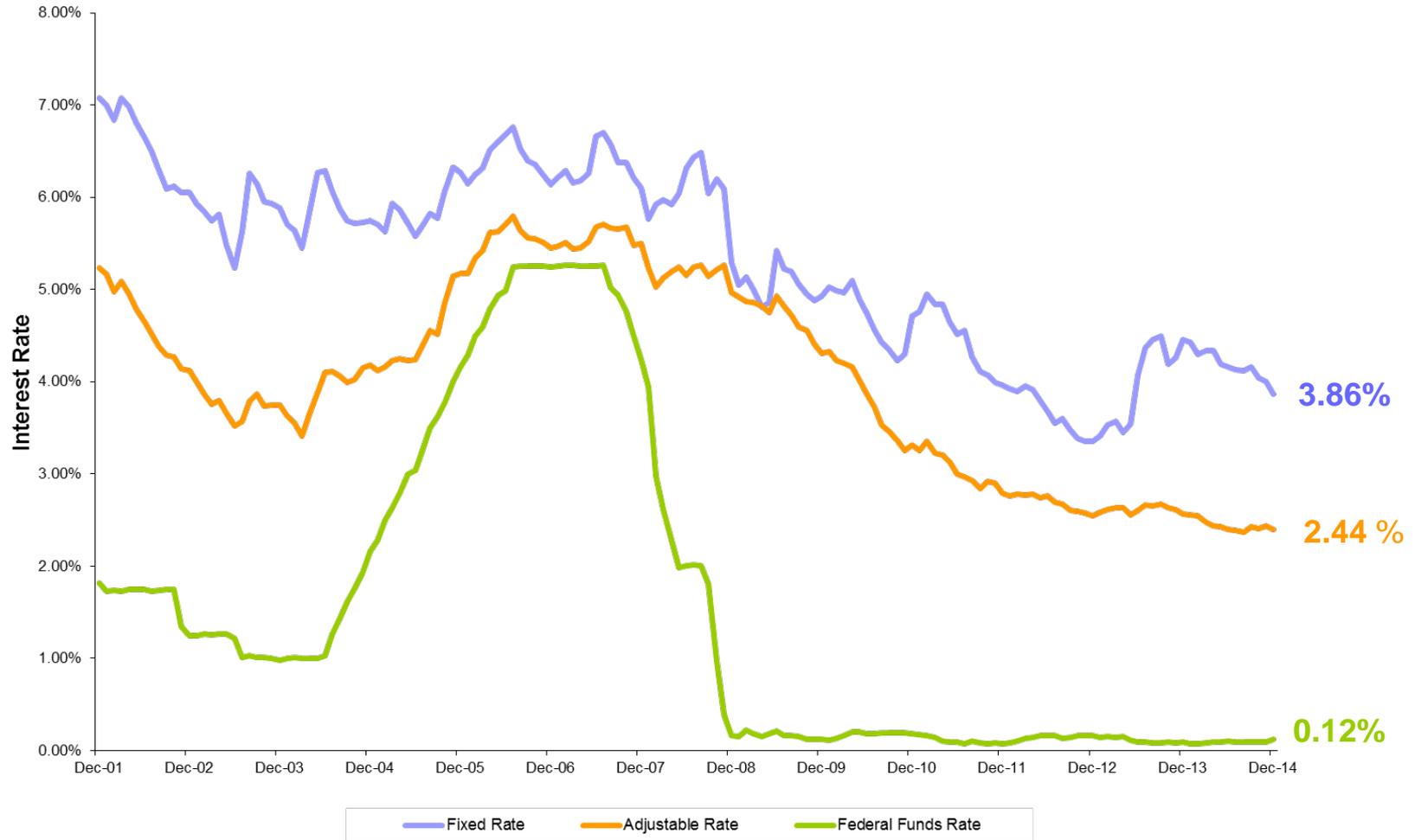


Market Rents Significantly Out of Reach for Many San José Workers



SOURCE: Employment Development Department (EDD) – May 2014 Wages; Income to rent calculation assumes rent is at 30% of income; Household size of 1

Mortgage Rates Remain Historically Low



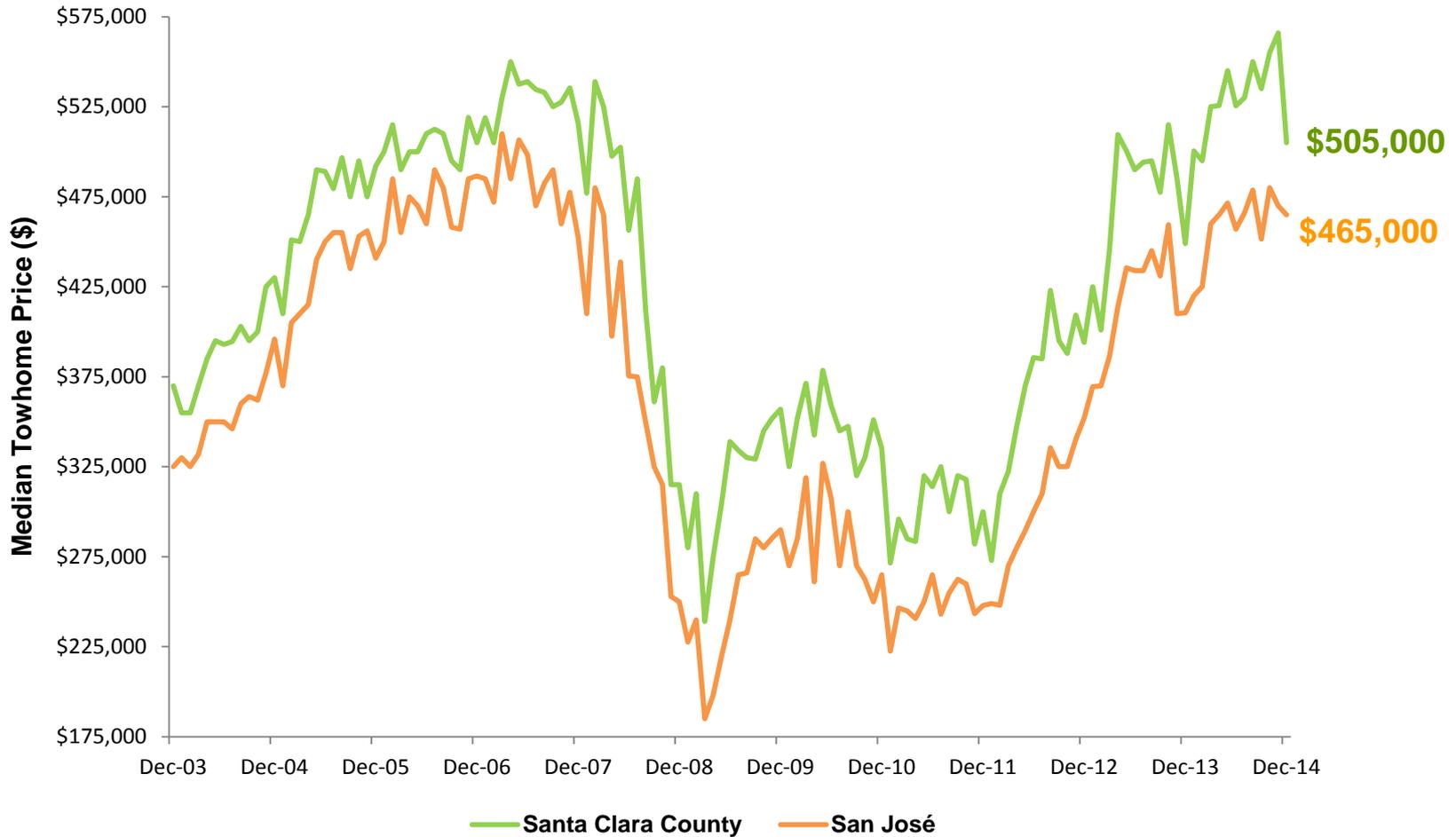
SOURCE: Federal Reserve, Freddie Mac Primary Mortgage Market Survey, Dec 2014

San José's Single-Family Median Home Price Up 11%YoY



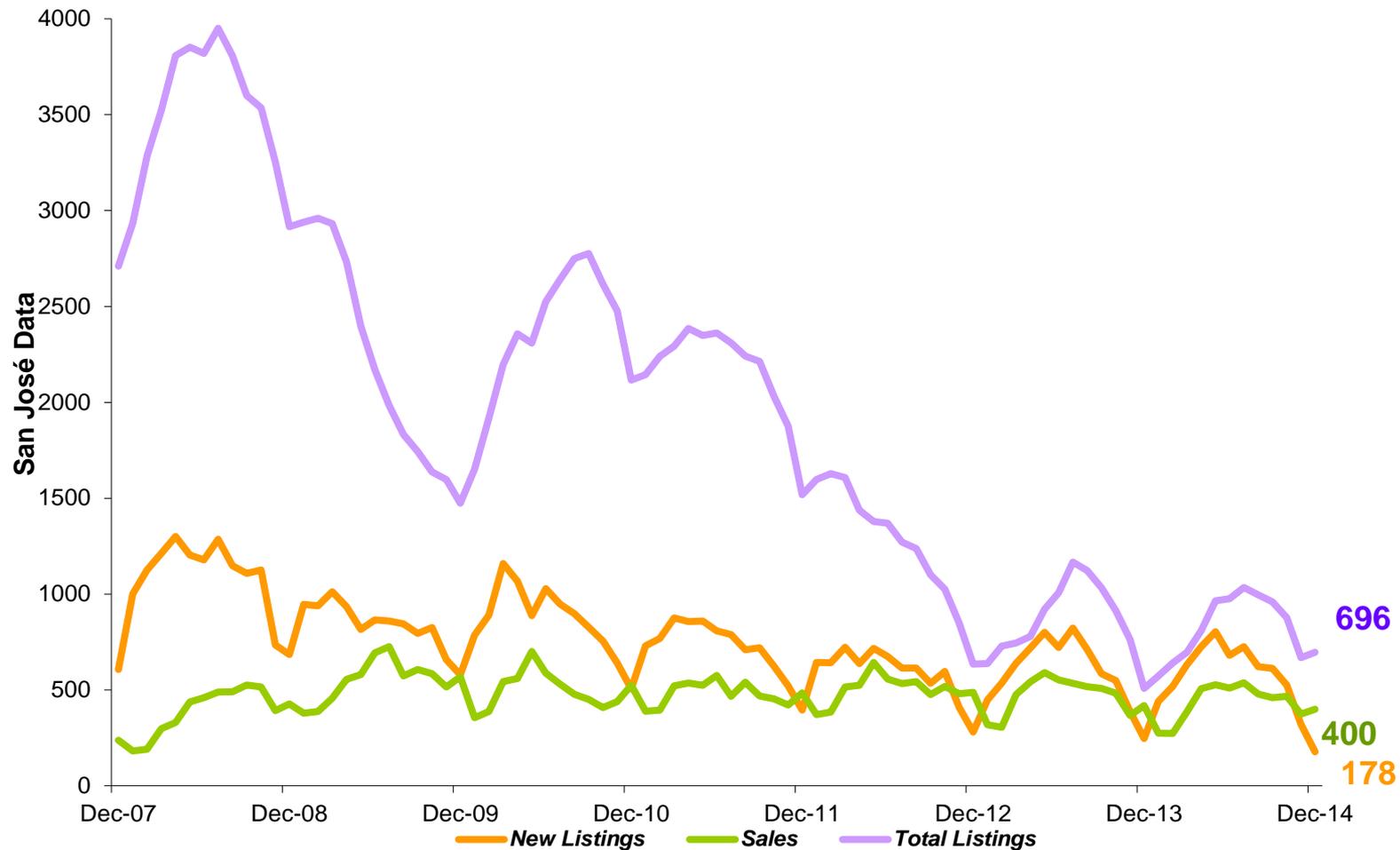
SOURCE: Santa Clara County Association of Realtors, MLS Listings, Dec 2014

San José's Townhome/Condo Median Price Up 13% YoY



SOURCE: Santa Clara County Association of Realtors, MLS Listings, Dec 2014

YoY Total Listings Up 37%, but Trends Low



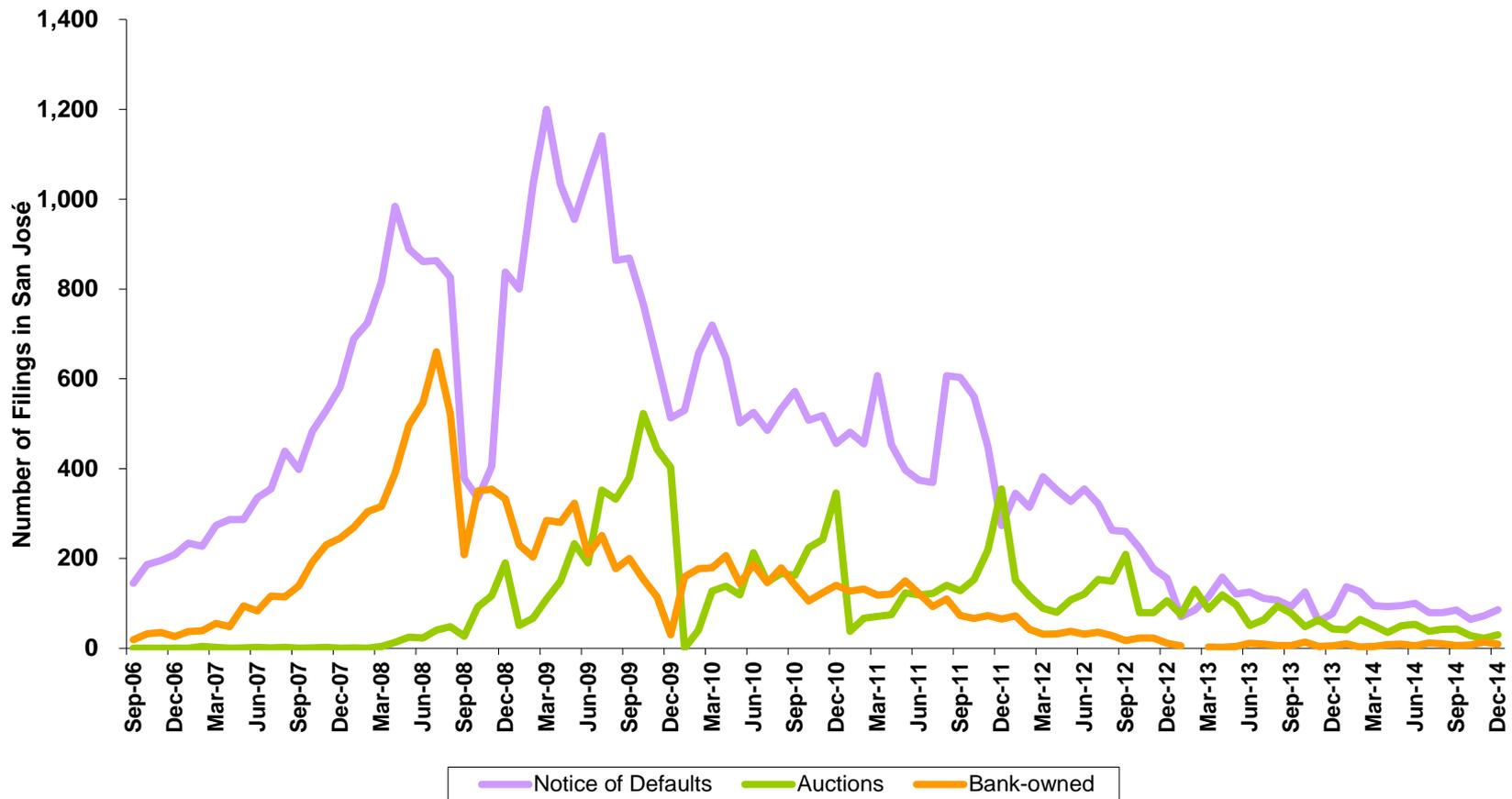
SOURCE: Santa Clara County Association of Realtors, MLS Listings, Dec 2014

SF DOM Rises by 4 days YoY and by 7 days from Q3, 2014



SOURCE: Santa Clara County Association of Realtors, MLS Listings, Dec 2014

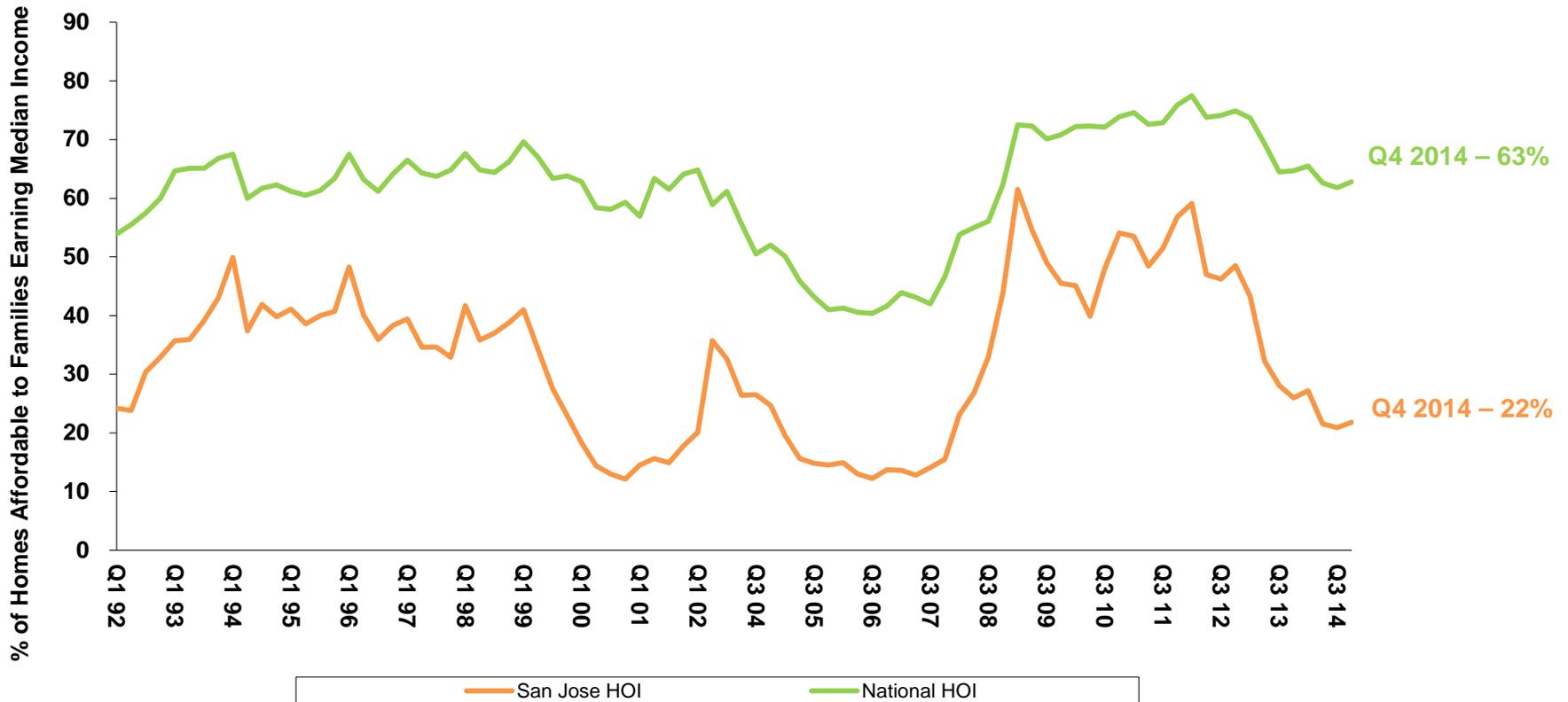
Foreclosure Filings Stay at Pre-Recession Levels



SOURCE: San José – PropertyRadar.com Dec 2014

San José Housing Affordability Remains Low Relative to the Nation

Less than 1/3rd of San José's Families Can Afford a Median Priced Home



SOURCE: National Association of Home Builders, Q4 2014