

City of San José

Housing Market Update



First Quarter 2016

As San Jose's first and Silicon Valley's largest mixed-use transit-oriented development, Cottle Transit Village includes nearly 3,000 homes, many at TOD densities near transit stations. (Ken Kay Associates)

Q1 2016 San José Housing Market

- In Q1 2016, **297** residential permits were pulled; all were market-rate - **256** for multi-family and **41** for single-family or duplexes
- The San José Metropolitan Area has only **30** available and affordable units per 100 ELI (Extremely Low-Income) renter households, a shortfall of **38,539** units ¹
- The Met North received **7,000** applicants for **70** apartments in 17 days – over **100** applicants per apartment
- Rents continue to set records, growing **11%** year over year (YoY) ²
- Average monthly rent for a 2 bedroom apartment is **\$2,792**; Renters must earn **\$54/hour** (\$111,680/year) to afford the average rent for a two bedroom, two-bath apartment ³
- Median single-family home price is **\$911,000**, up 14% YoY ⁴

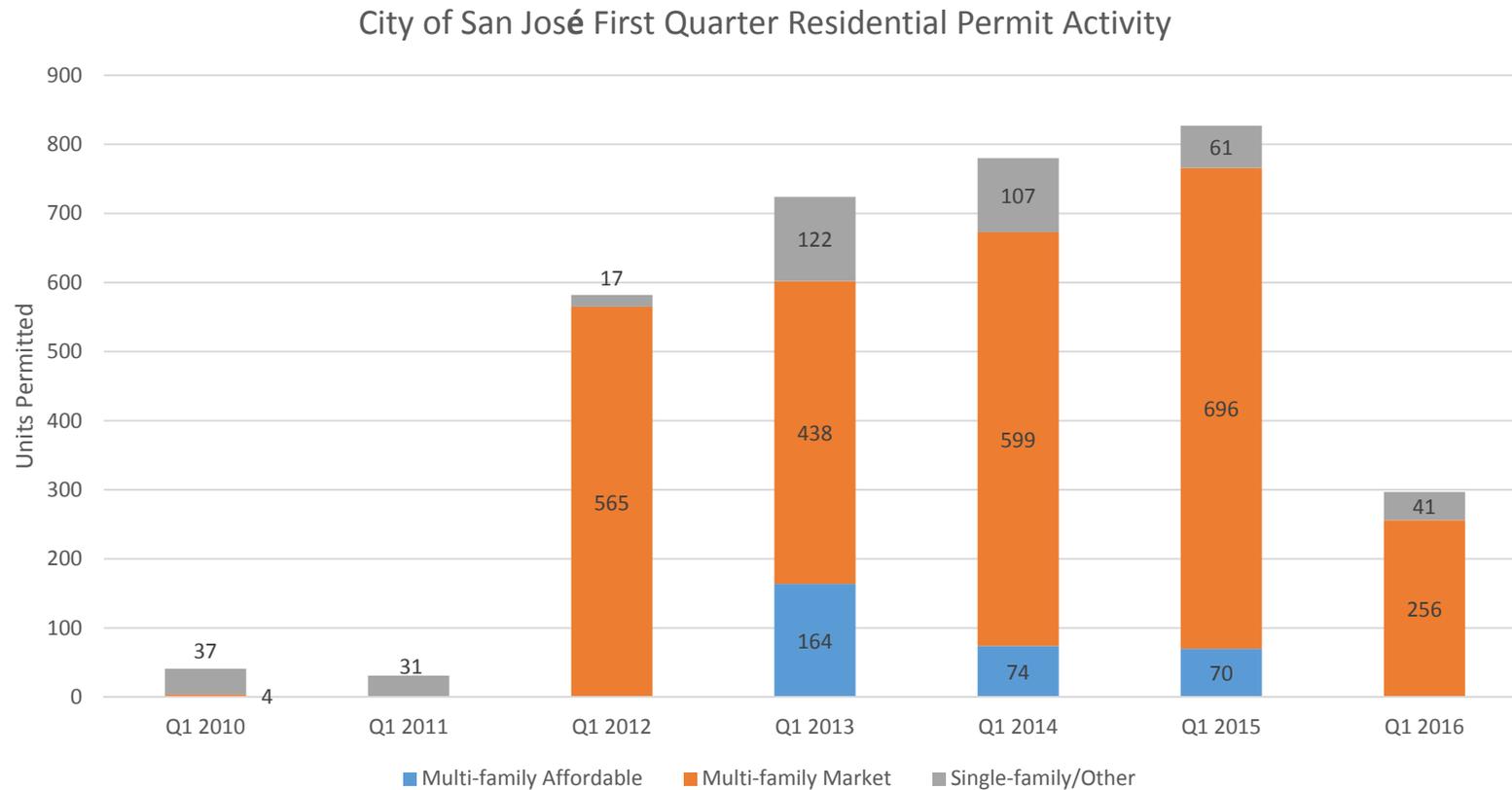
¹ Based on NLIHC Report Affordable Housing GAP Analysis 2016 http://nlihc.org/sites/default/files/Gap-Report_print.pdf; Metropolitan Area includes SJ, Sunnyvale, Santa Clara

² realAnswers, Q1 2016.

³ Based on Q1 2016 realAnswers average rents, income calculation assumes rents are 30% of income, 40 hour work week, and a single income household.

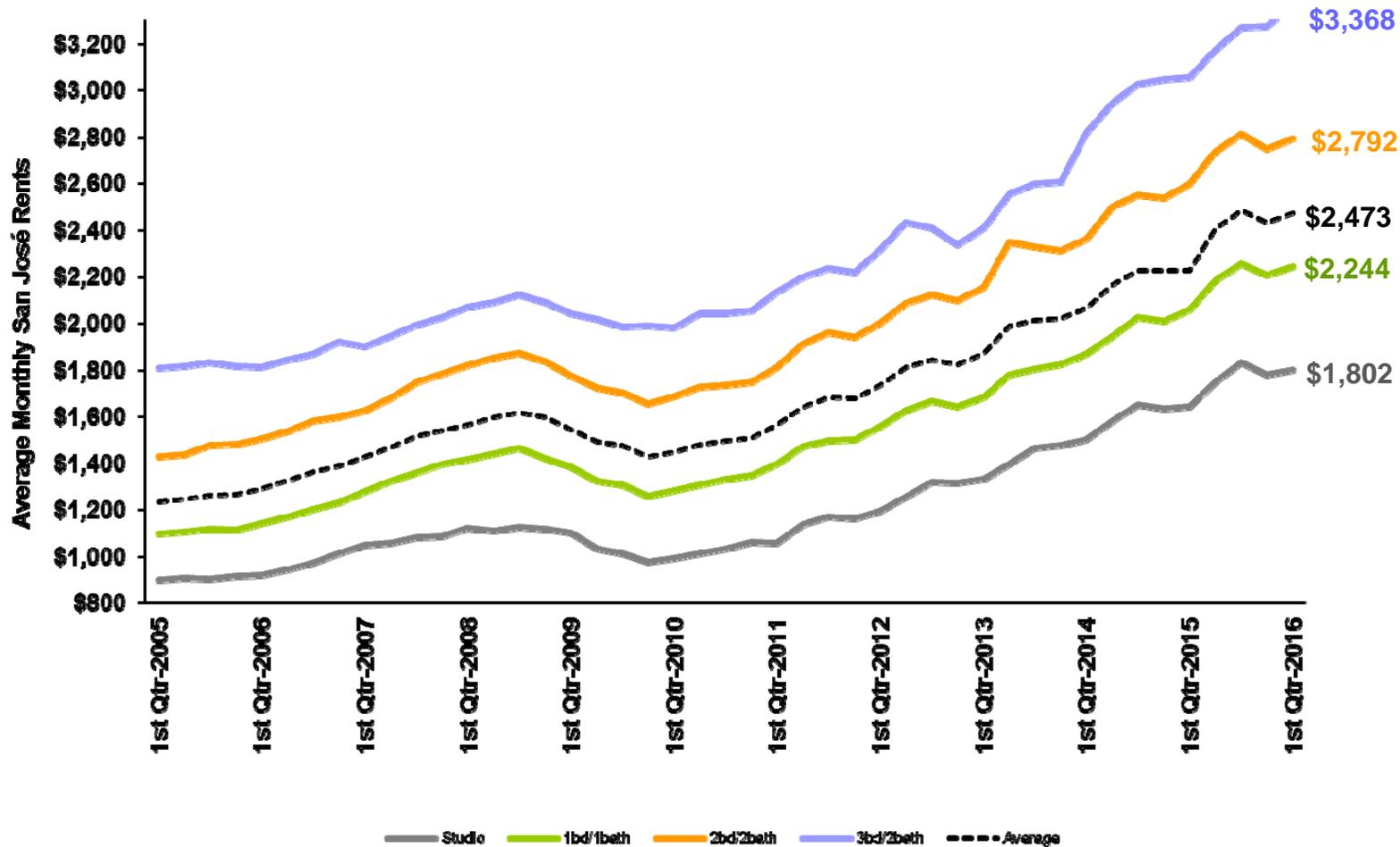
⁴ Santa Clara County Association of Realtors, March 2016.

Overall Permit Activity Slowing, Mostly Market-Rate



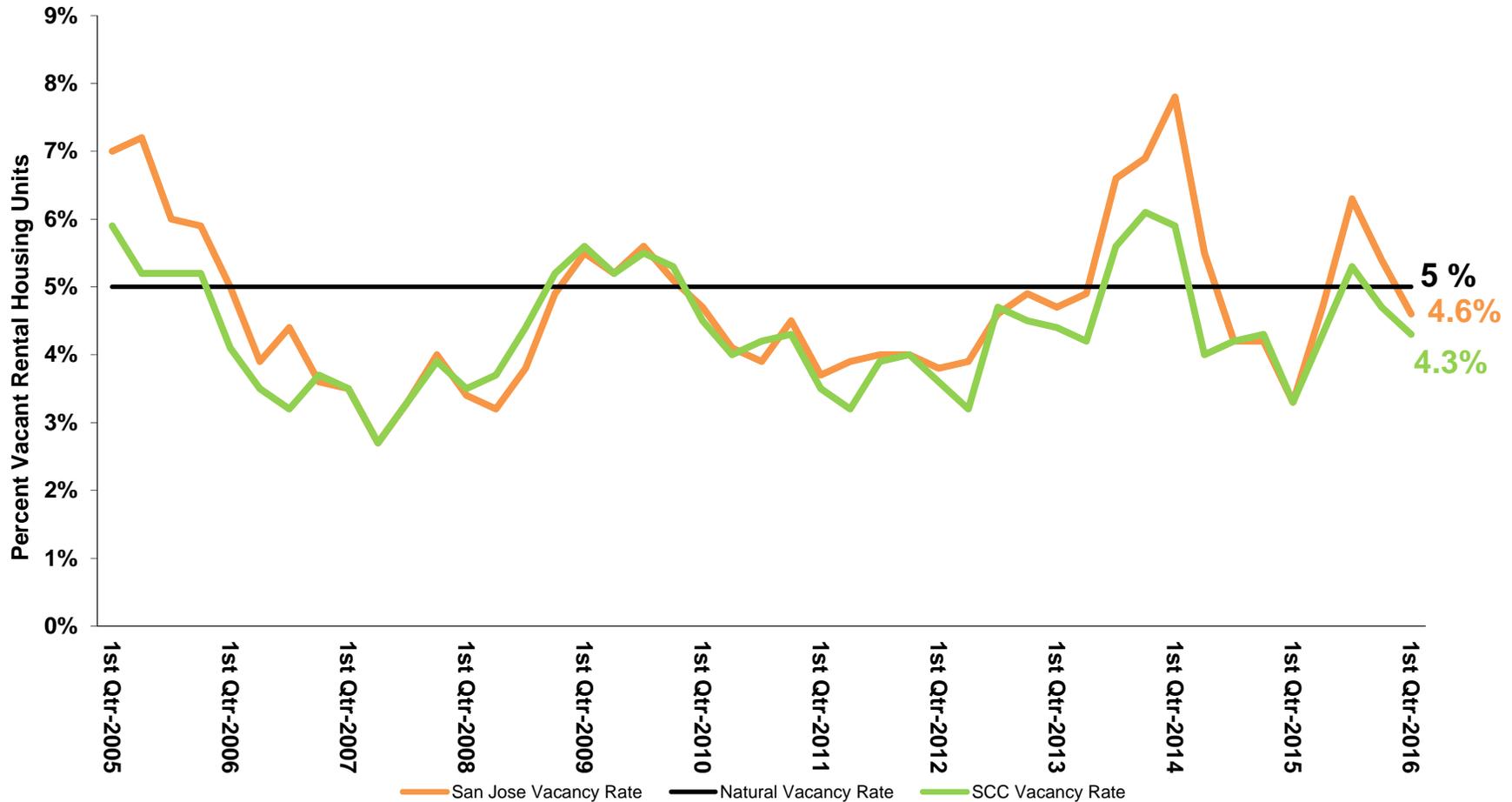
SOURCE: City of San Jose Housing Department, Q1 2016

Average Rent Up 1.5% from Q4 2015, Up 11% Year Over Year (YoY)



SOURCE: realAnswers – Q1 2016 - Data only includes rental projects with 50 apartments or more

SJ Q1 2016 Vacancy at 4.6%, Down from 5.4% in Q4 2015



SOURCE: realAnswers Data Q1, 2016 – Data only includes rental projects with 50 apartments or more

Rents in Some Areas Trend Higher

Project	1BR	2BR
Avg. Citywide Rents (Q12016 realAnswers)	\$2,244	\$2,792
Vista 99 (North SJ)	\$2,600 - \$2,700	\$2,675 - \$4,025
North Park (North SJ)	\$2,300 - \$2,880	\$2,720 - \$3,170
One South Market (Downtown SJ)	\$2,595 - \$3,184	\$4,017 - \$4,208
Centerra (Downtown SJ)	\$2,351 - \$5,686	\$3,159 - \$4,750
Ascent Apartments (Edenvale SJ)	\$2,310 - \$2,705	\$2,695 - \$3,920



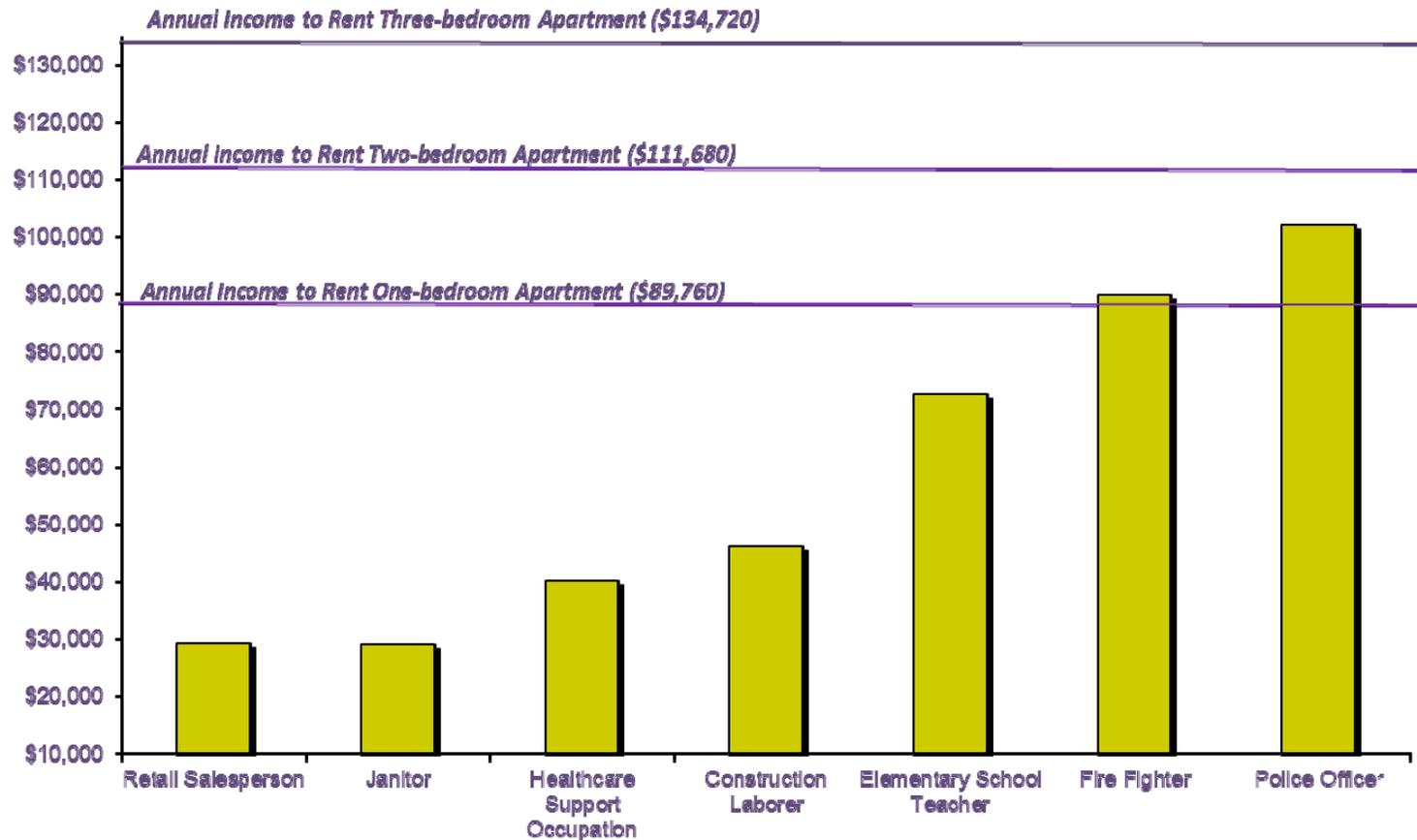
One South Market



Vista 99

SOURCE: Zillow.com, April 26, 2016

Market Rents Significantly Out of Reach for Many San José Workers



SOURCE: Employment Development Department (EDD) – First Quarter 2015 Wages; Income to rent calculation assumes rent at 30% of income and a single income household

SJ Single-Family Median Home Prices Up 10% from Q4 2015 and Up 14%YoY



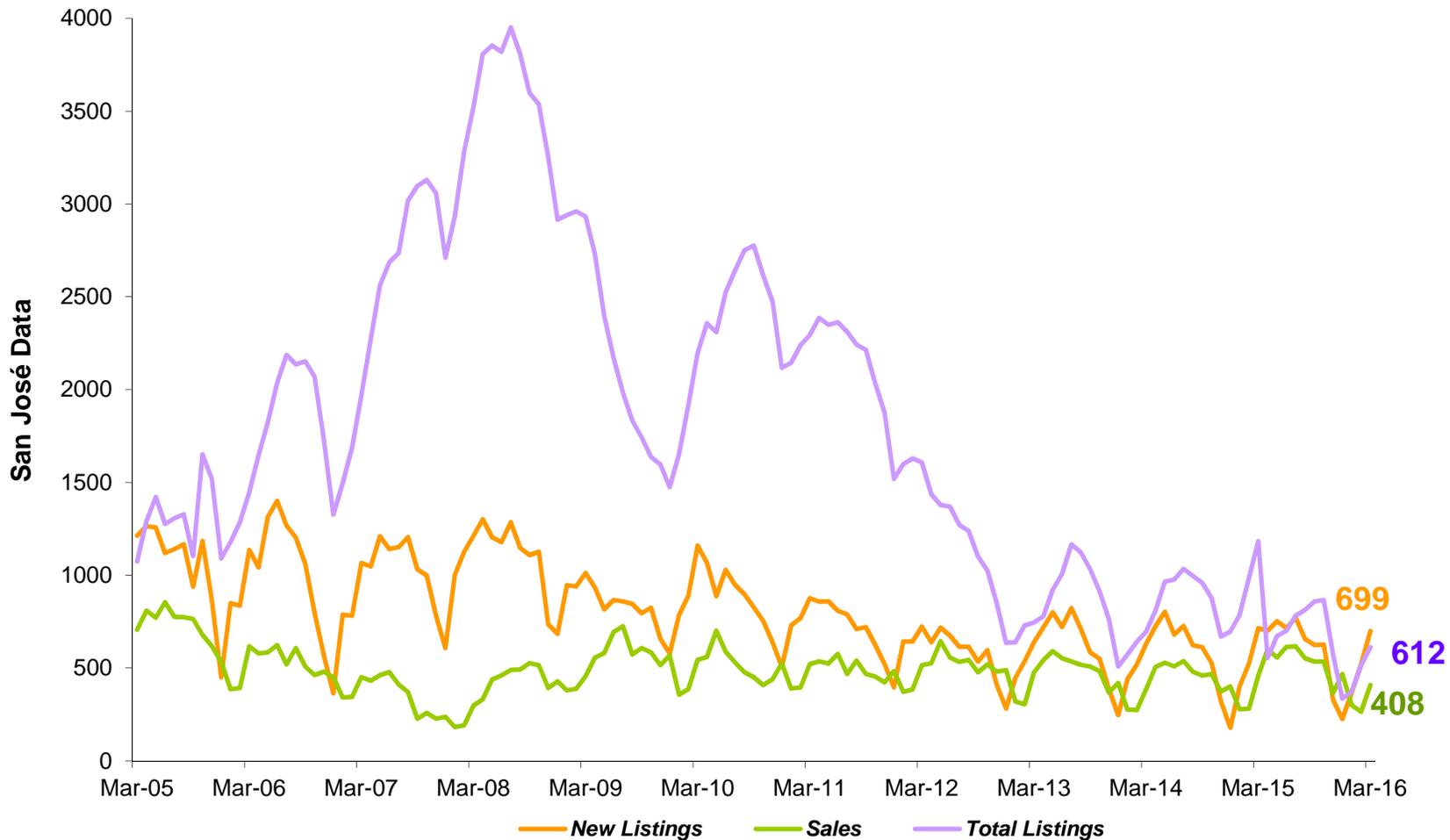
SOURCE: Santa Clara County Association of Realtors, March 2016

SJ Townhome/Condo Median Prices Up 27% from Q4 2015 and Up 20% YoY



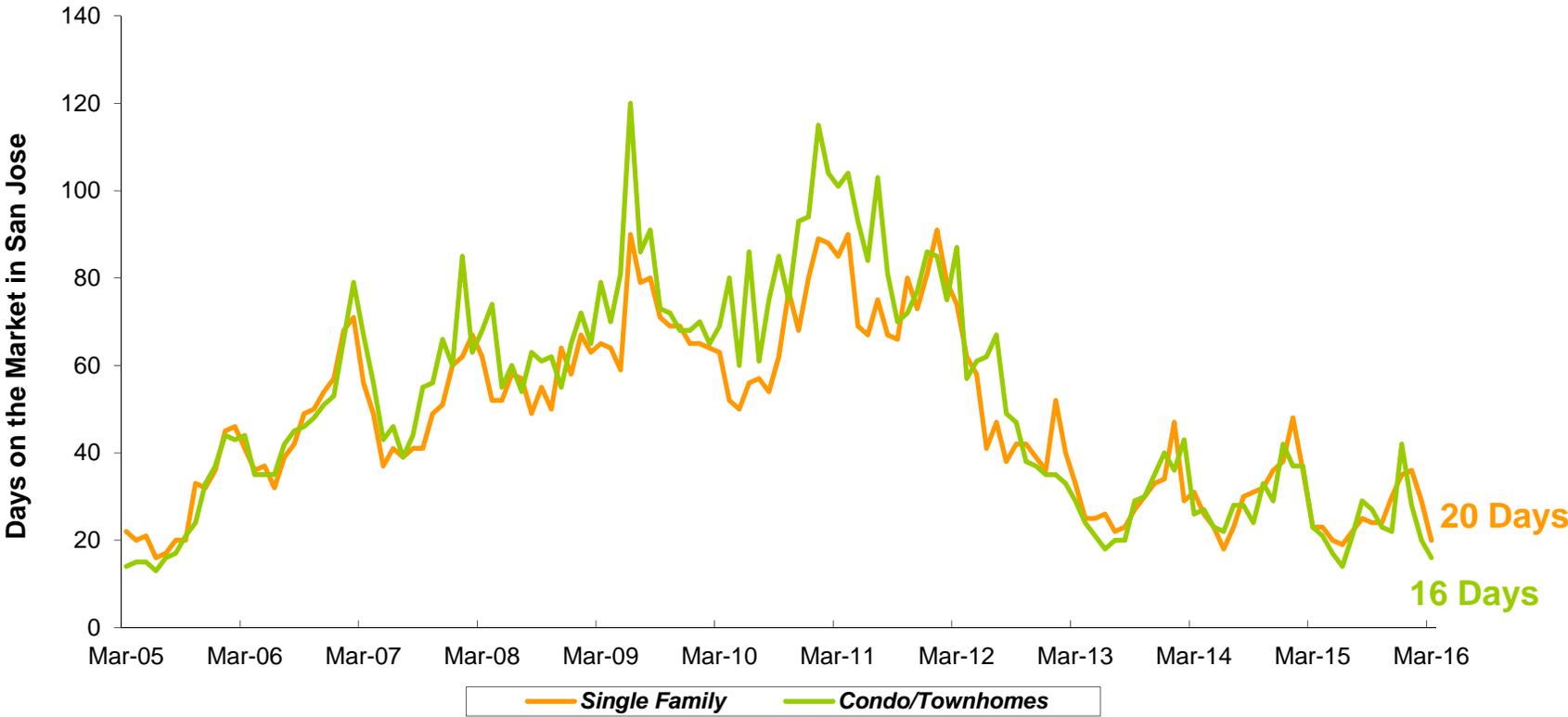
SOURCE: Santa Clara County Association of Realtors , March 2016

Single-Family New Listings & Total Listings Up from Q4 2015 and Down YoY



SOURCE: Santa Clara County Association of Realtors, MLS Listings March 2016

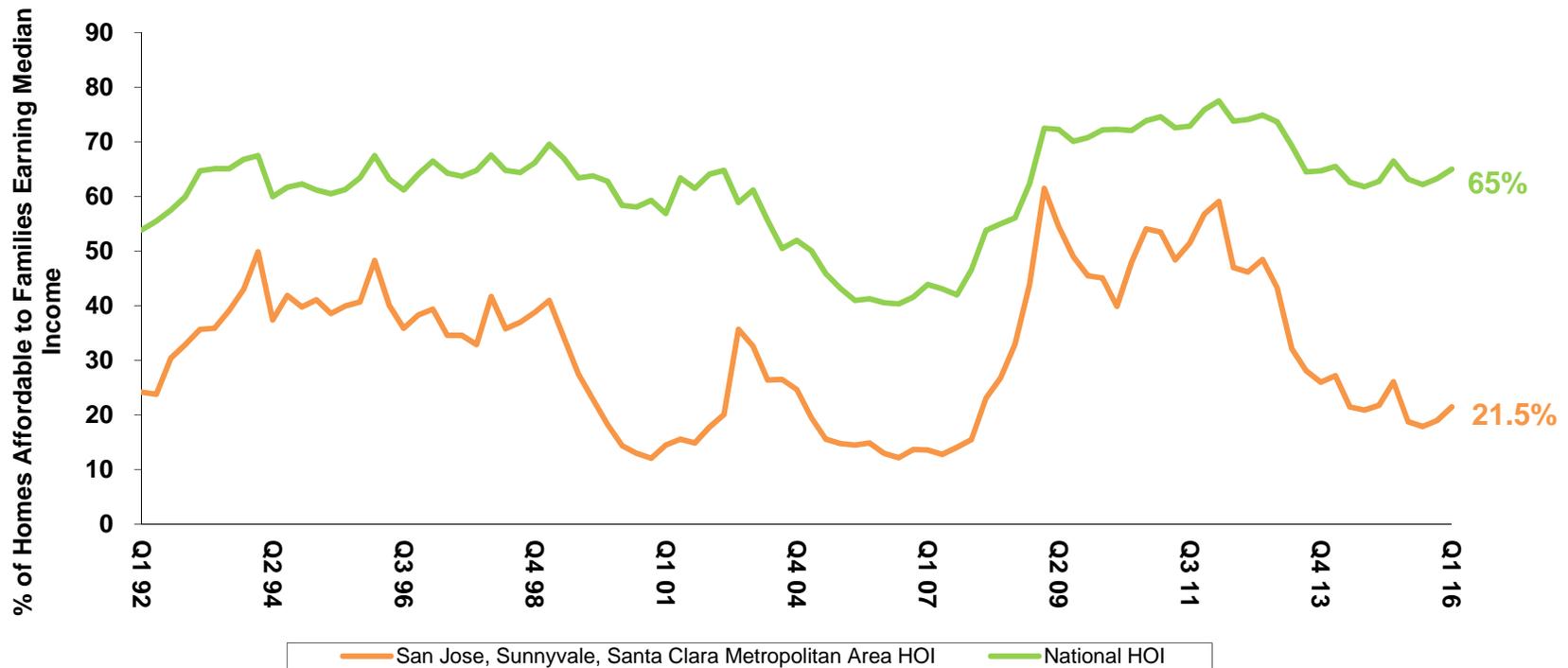
Days on Market Drops from Prior Quarter and YoY



SOURCE: Santa Clara County Association of Realtors March 2016

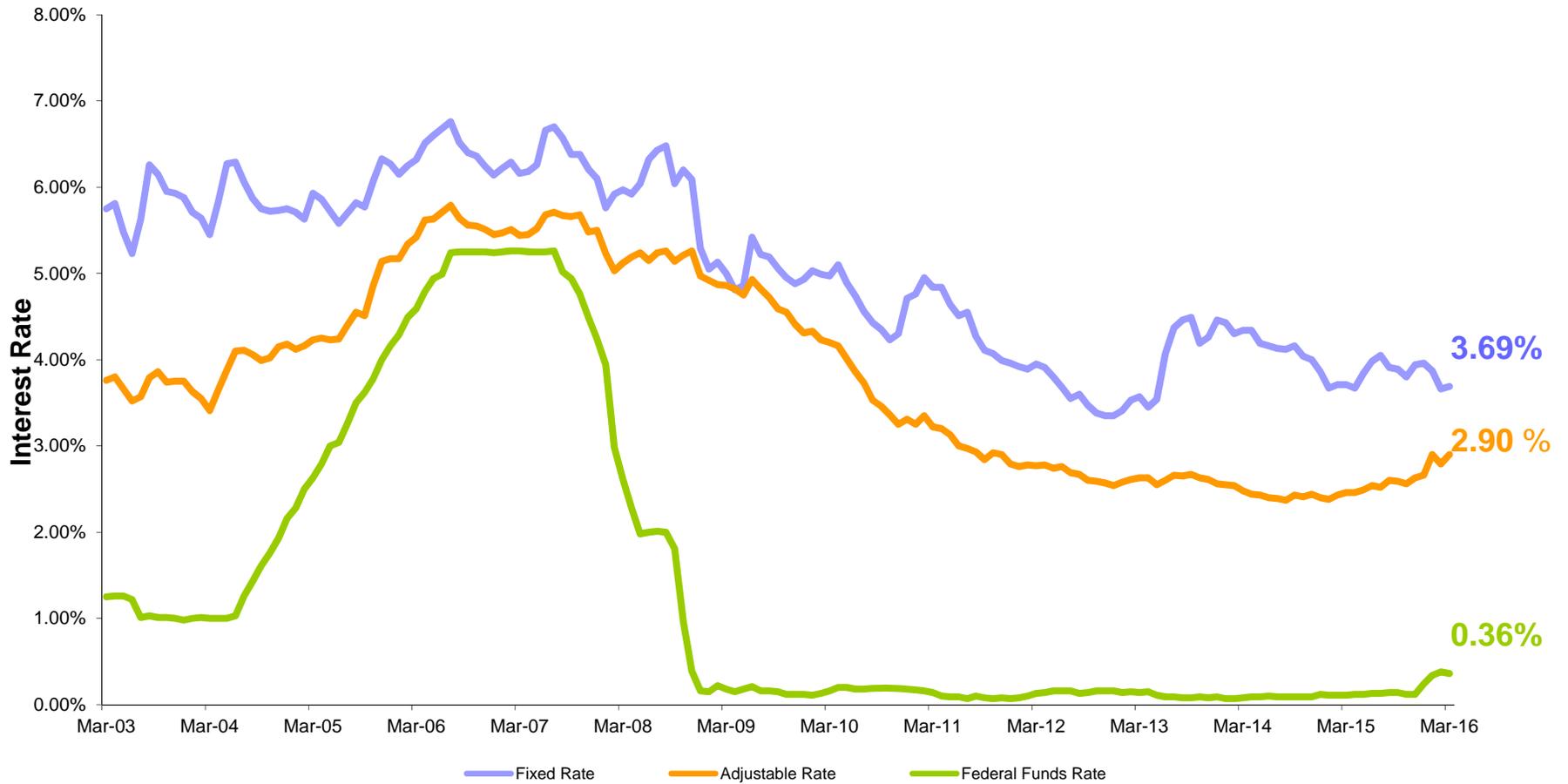
SJ Housing Affordability Remains Low Relative to the Nation (7th least affordable)

Approximately 1 in 5 families in San José can afford a median priced home



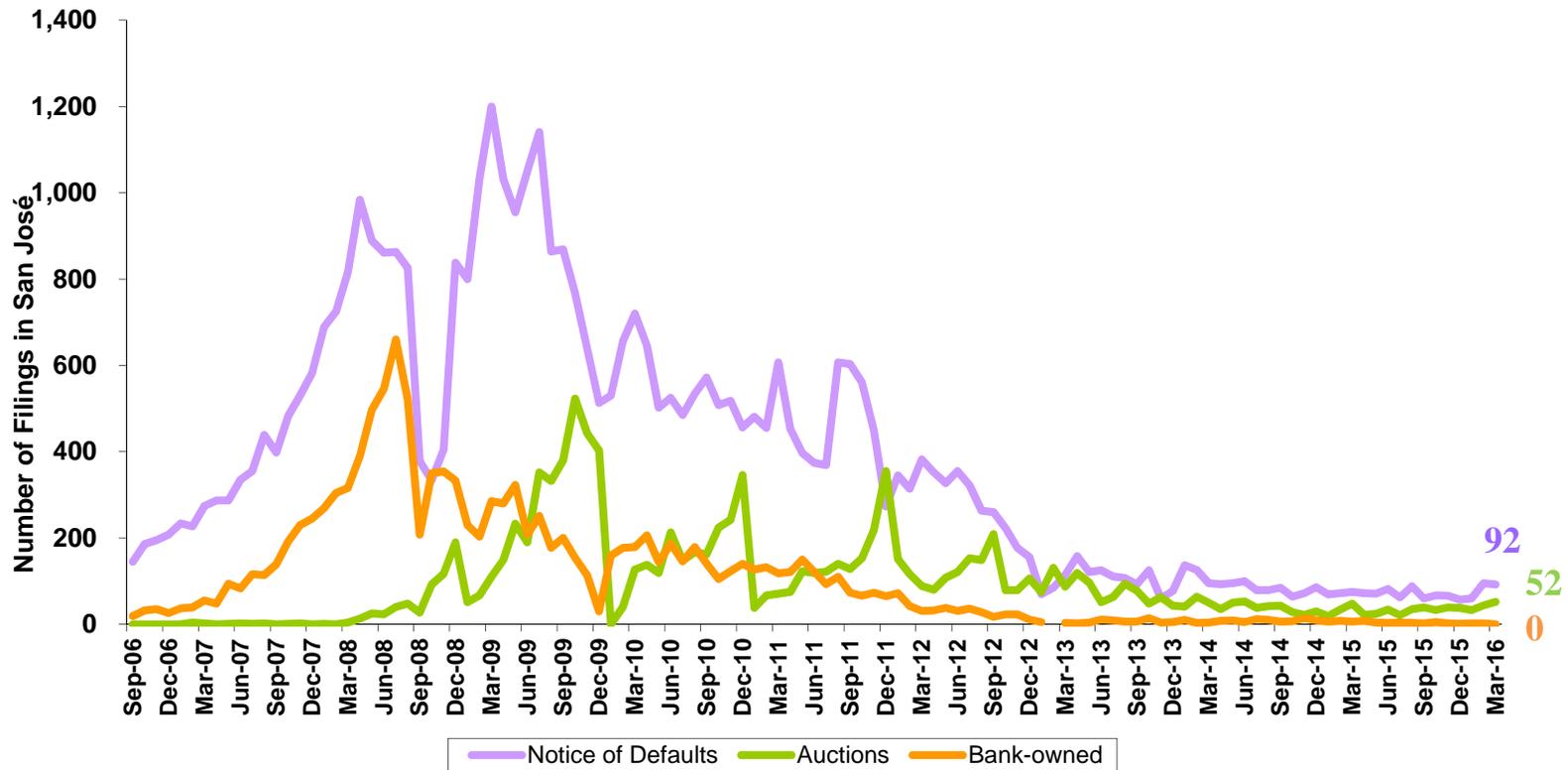
SOURCE: National Association of Home Builders, Housing Opportunity Index Q1 2016

Interest Rates Remain Low



SOURCE: Federal Reserve, Freddie Mac Primary Mortgage Market Survey, March 2016

Foreclosure Filings Remain Low



SOURCE: San José – PropertyRadar.com March 2016