



Housing Market Update



Third Quarter 2012

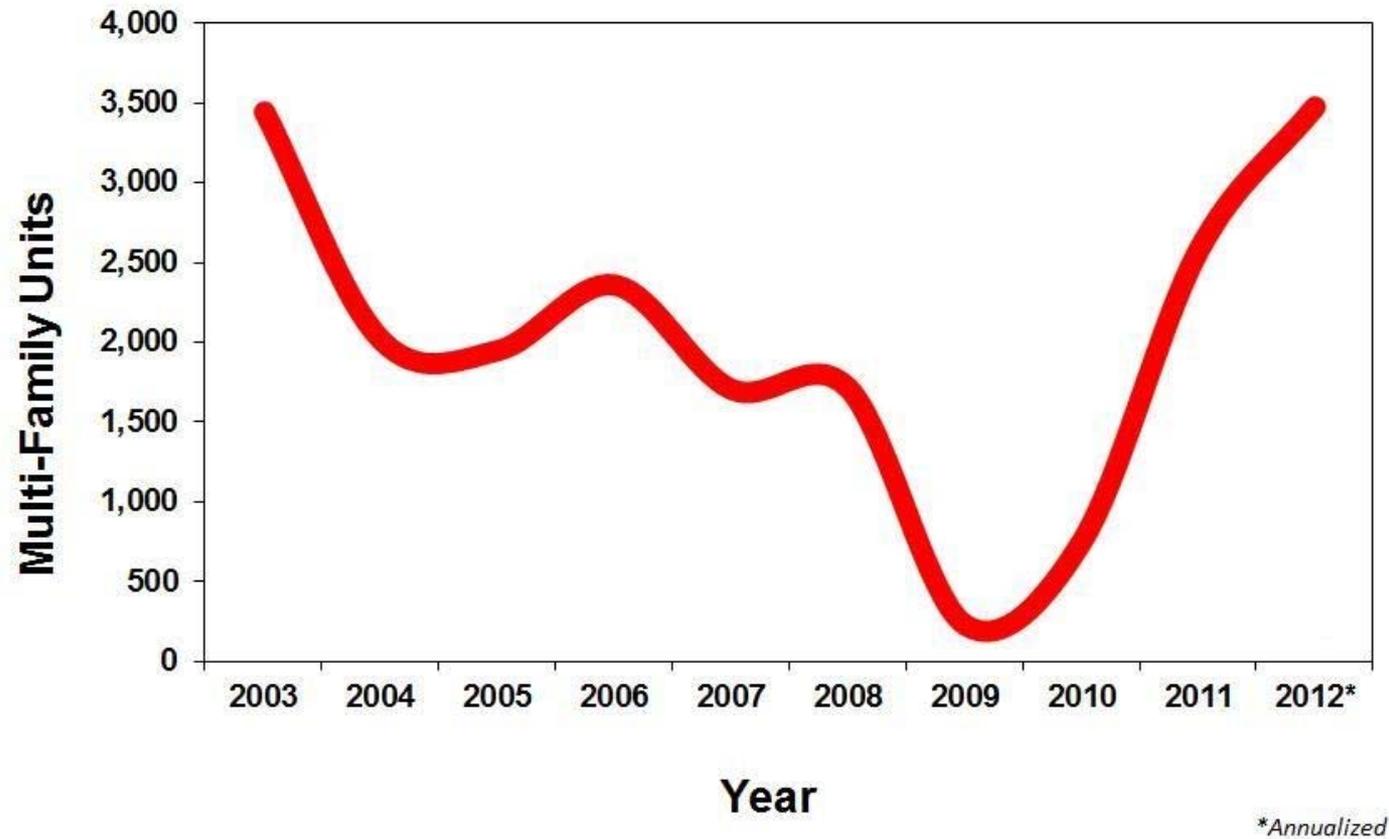


Housing Market Trends

- Booming rental development
- Occupancy in downtown high rise projects continues to increase (rental more than for sale)
- 3,681 residential permits pulled in San José in the last 12 months, 11% of which are affordable. Almost 80% of permits pulled were for projects in North San José.

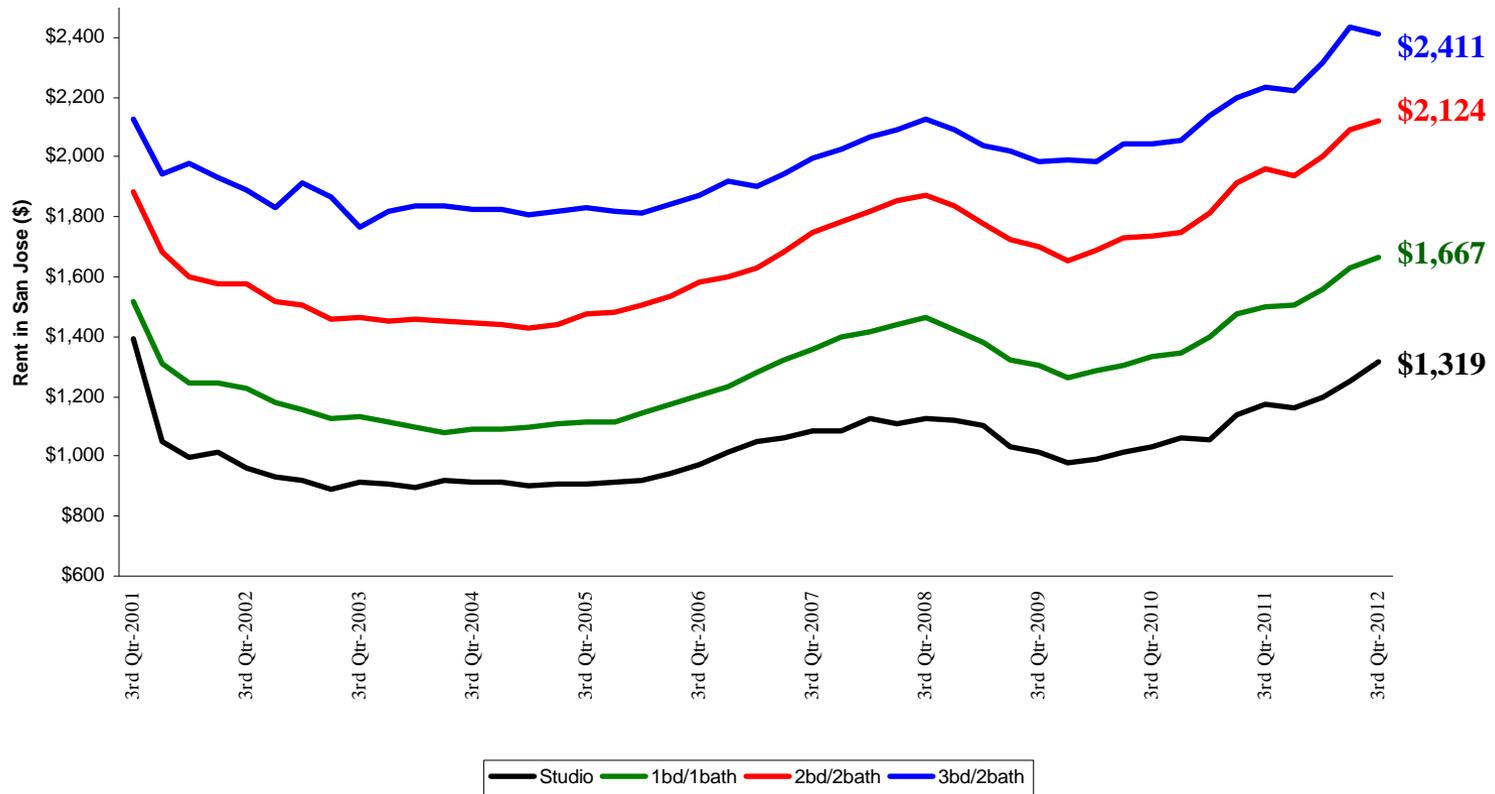
"Boom-Bust-Boom" Decade, 2003-2012

Building Permits Issued



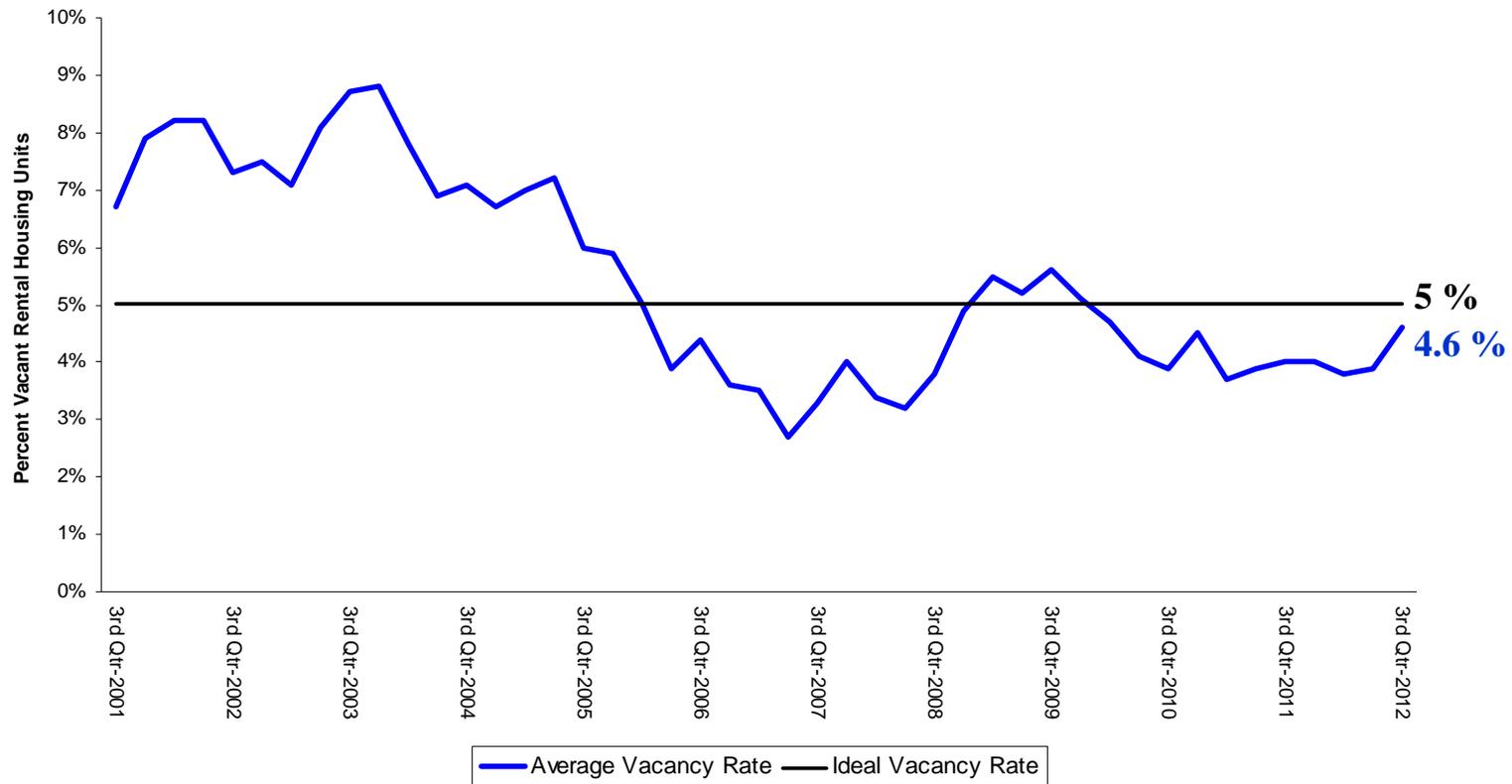
Average Rents Continue Upward Trend, Up 10% YoY

Average Rental Rates for Units in San José



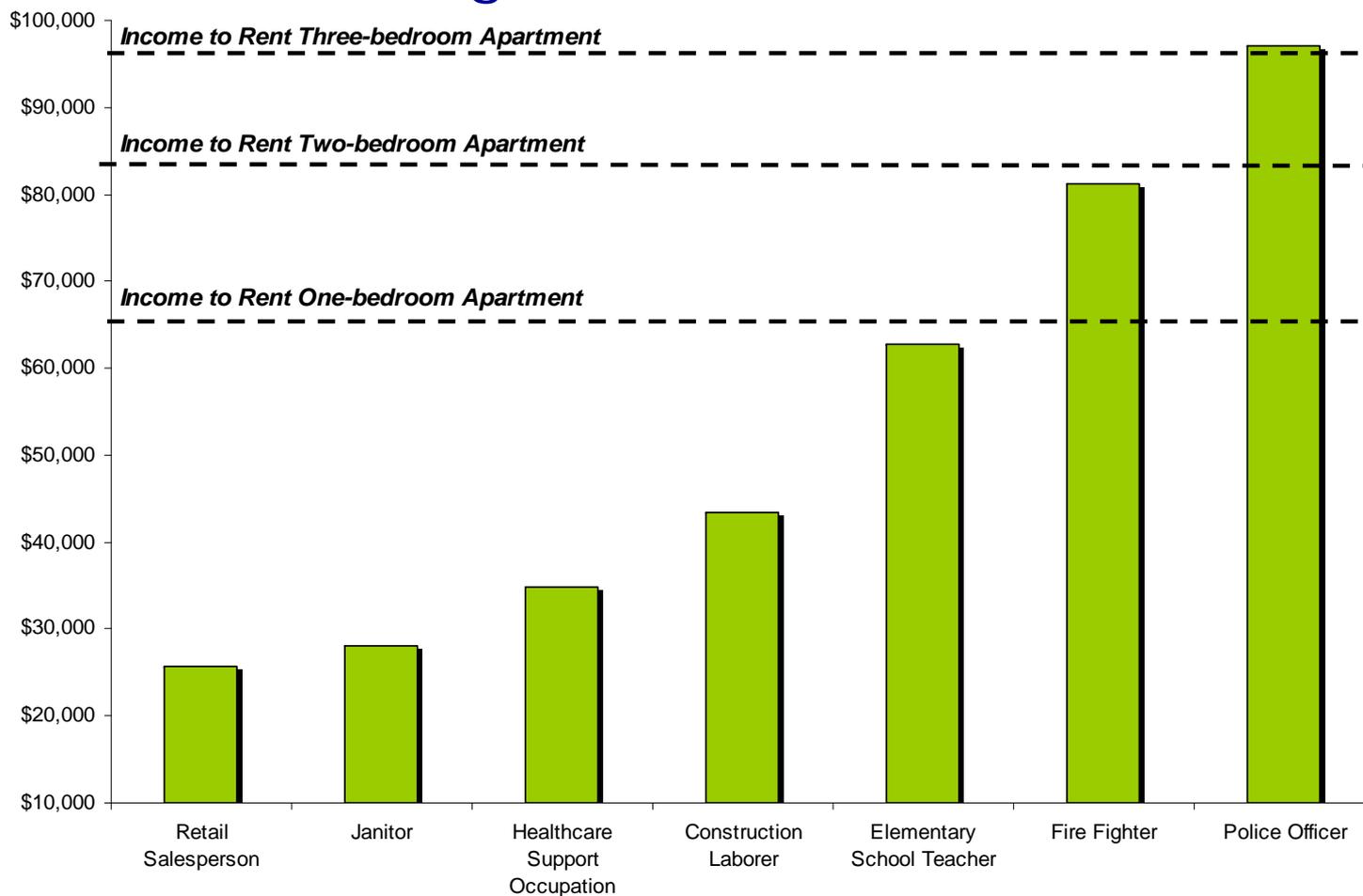
Tight Rental Market: Vacancy Rates below "Ideal" Rate

San José Rental Housing Vacancy Rates



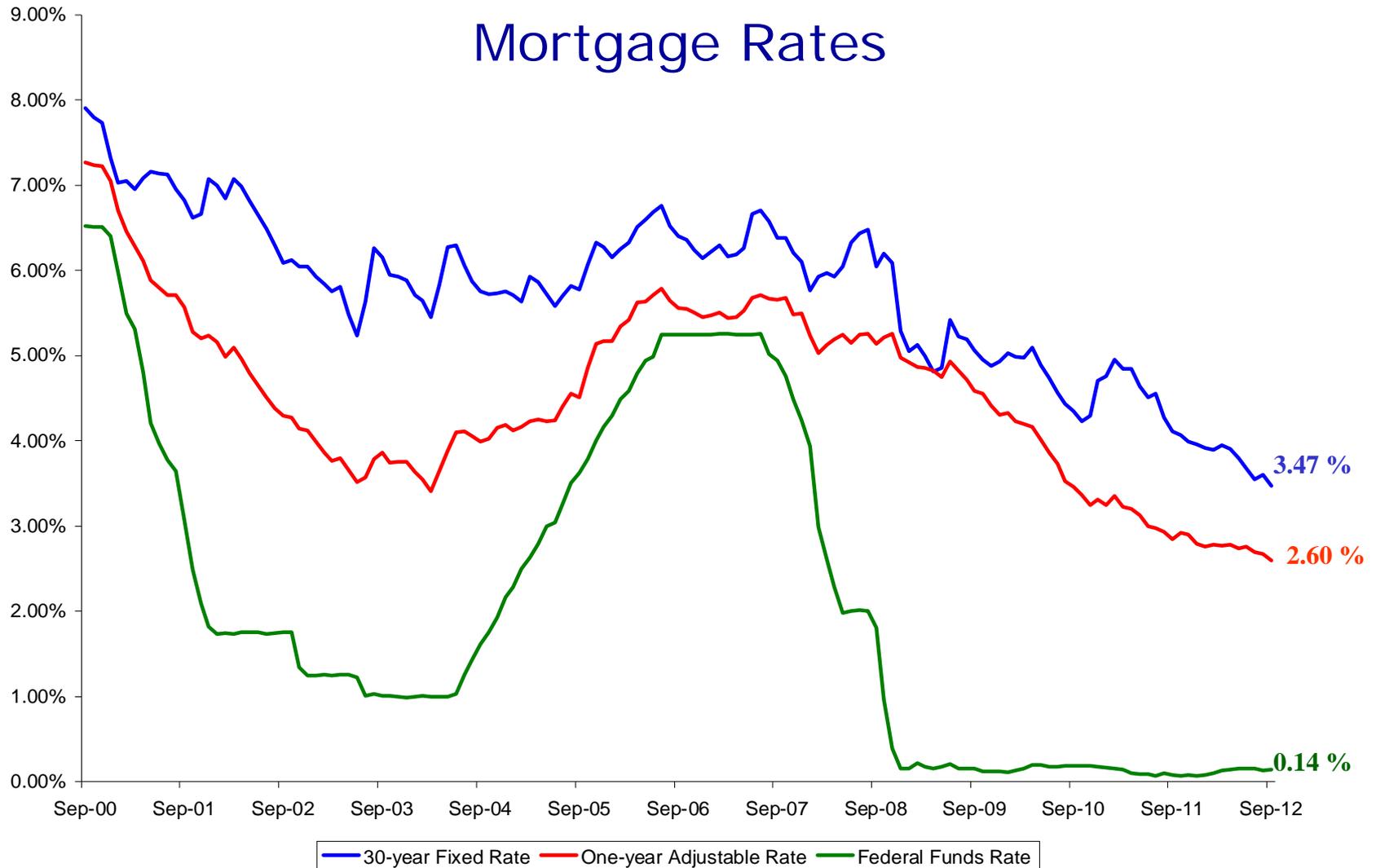
Rents Remain Unaffordable for Most San José Workers

Mean Annual Wages for San José Service Workers



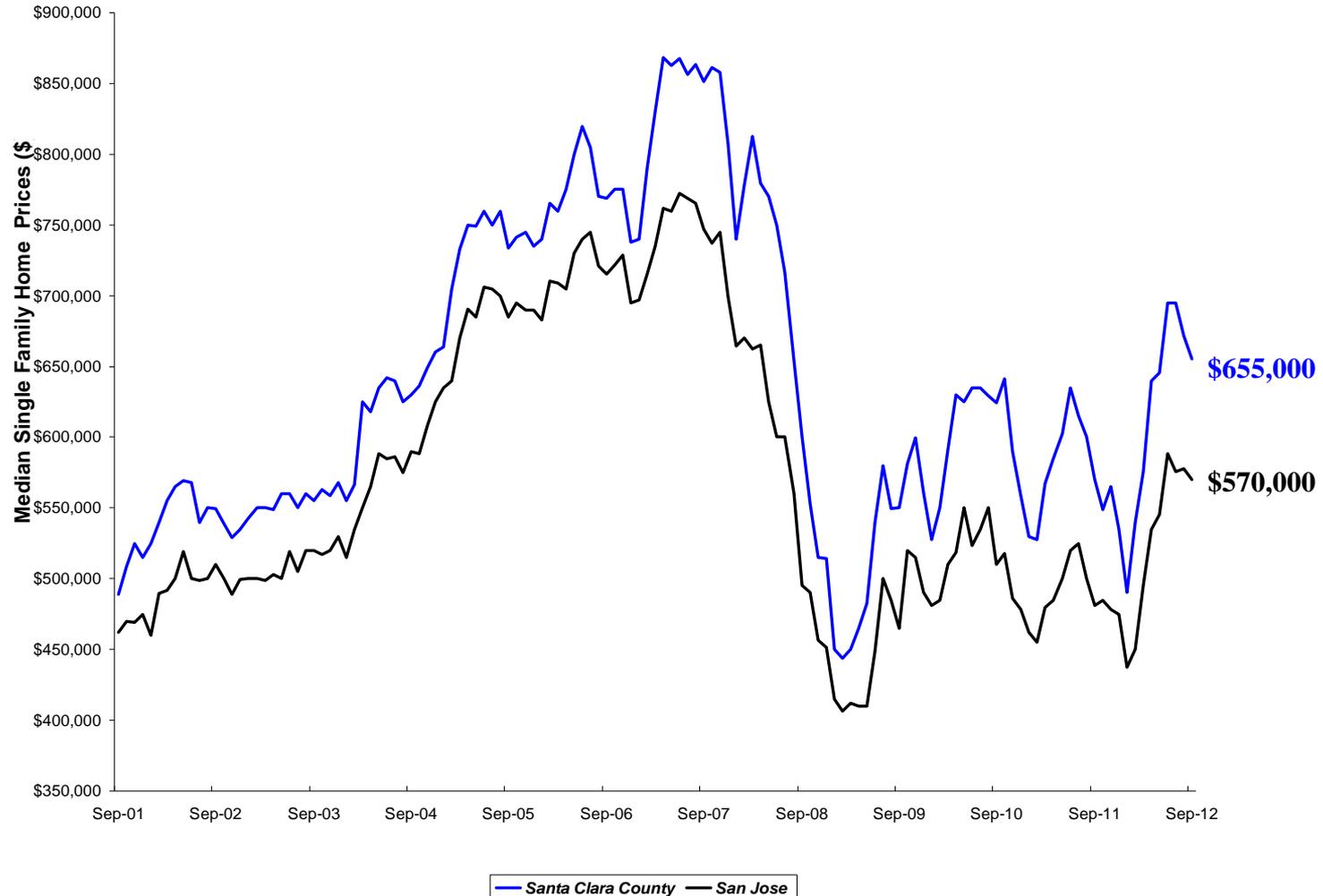
SOURCE: Employment Development Department (EDD) – 2012 1st Quarter Wages, Income required to rent assumes rent is 30% of income

Interest Rates Remain at Historic Lows



Single-family Detached Homes (SFD) Sales Price Up 18% YoY in San José

Santa Clara County/San José Median SFD Sales Prices



Townhome/Condo Prices Up 23% YoY in San José

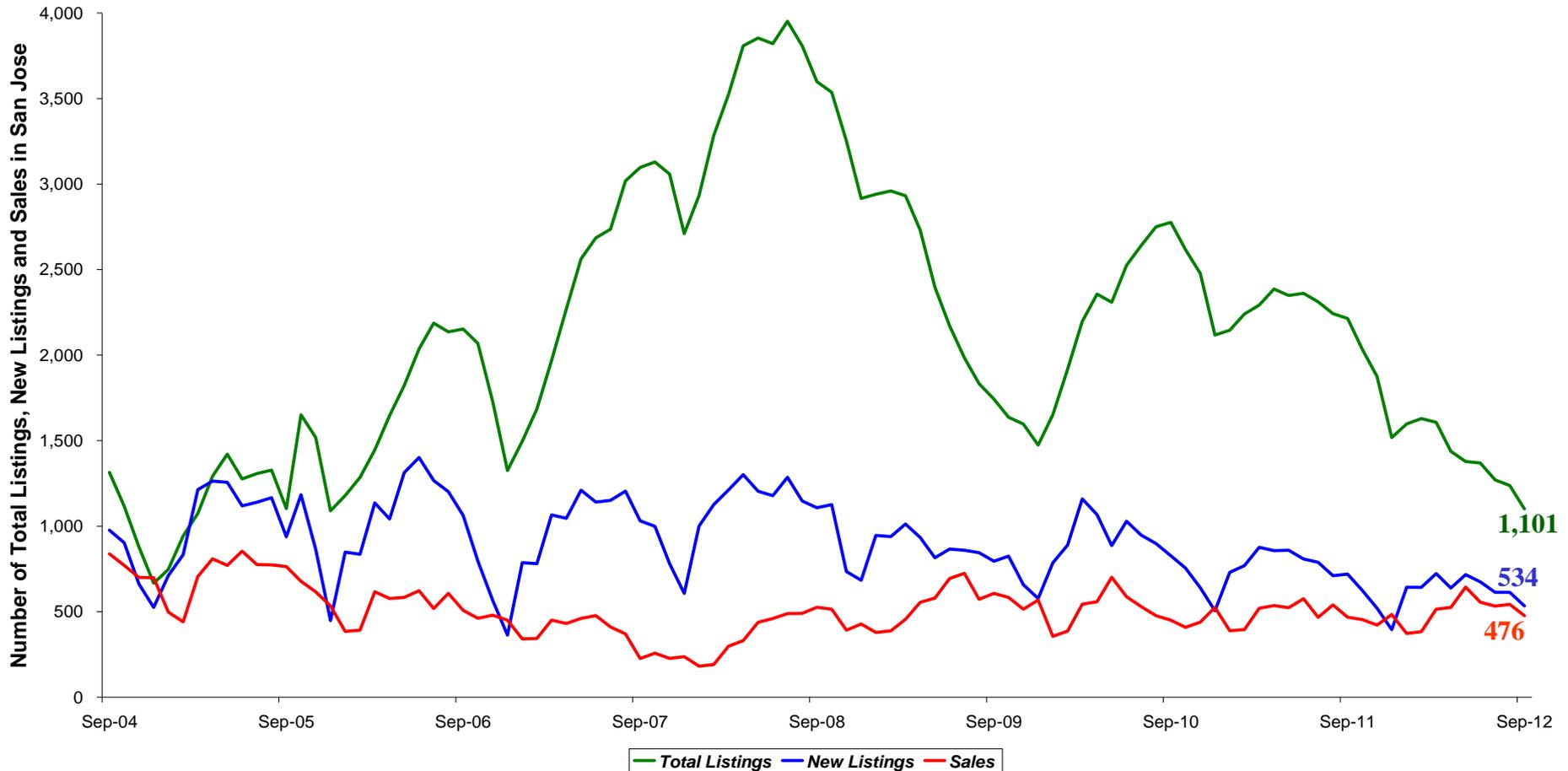
Santa Clara County/San José Condos Median Sales Prices



SOURCE: Santa Clara County Association of Realtors, September 2012

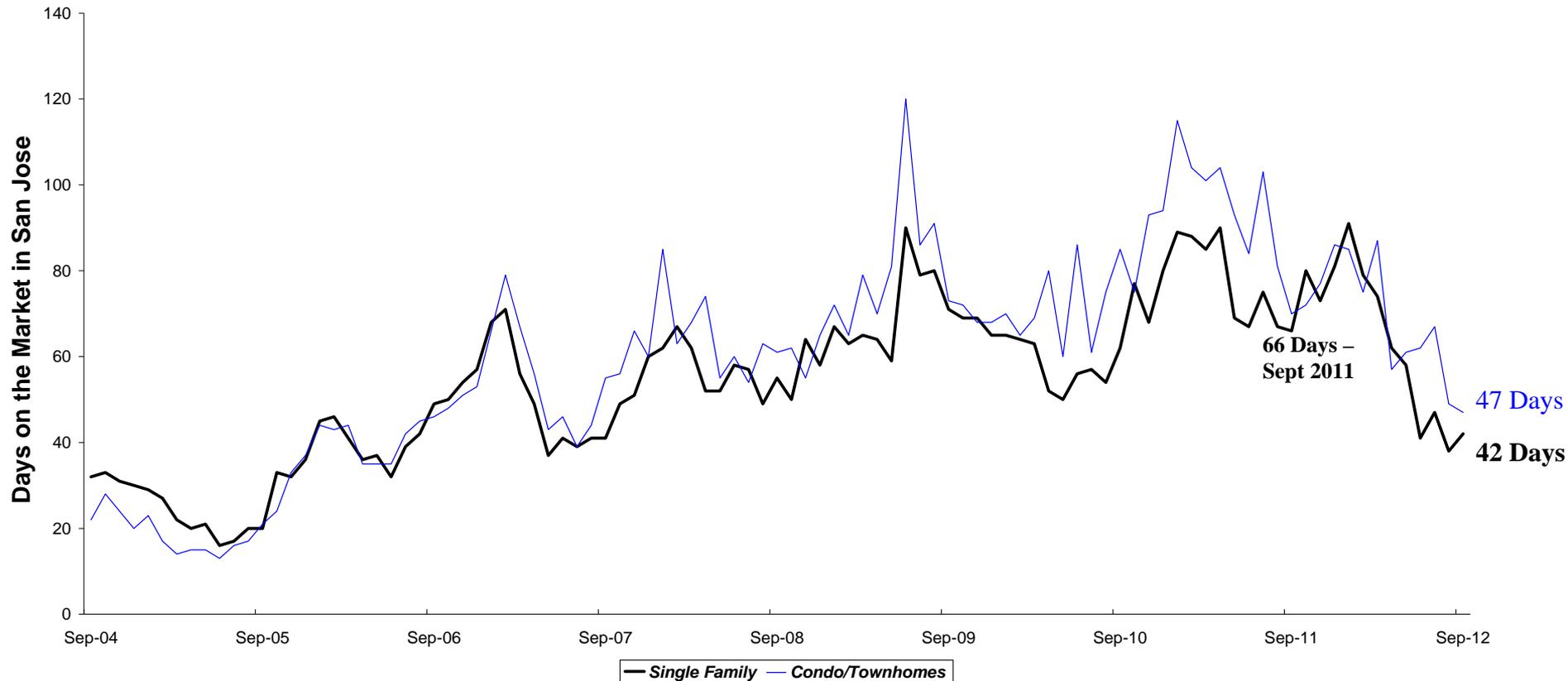
Limited Inventory Curtails Sales and Maintains Price Increases

Listings and Sales of SFD Homes in San José



SFD Homes Selling Almost 40% Faster than a Year Ago

Days on Market in San José



Foreclosure Filings Reflect a Longer-term Downtrend

