

# San Jose Housing Market Update Q1 2013

Produced by City of San Jose Department of Housing

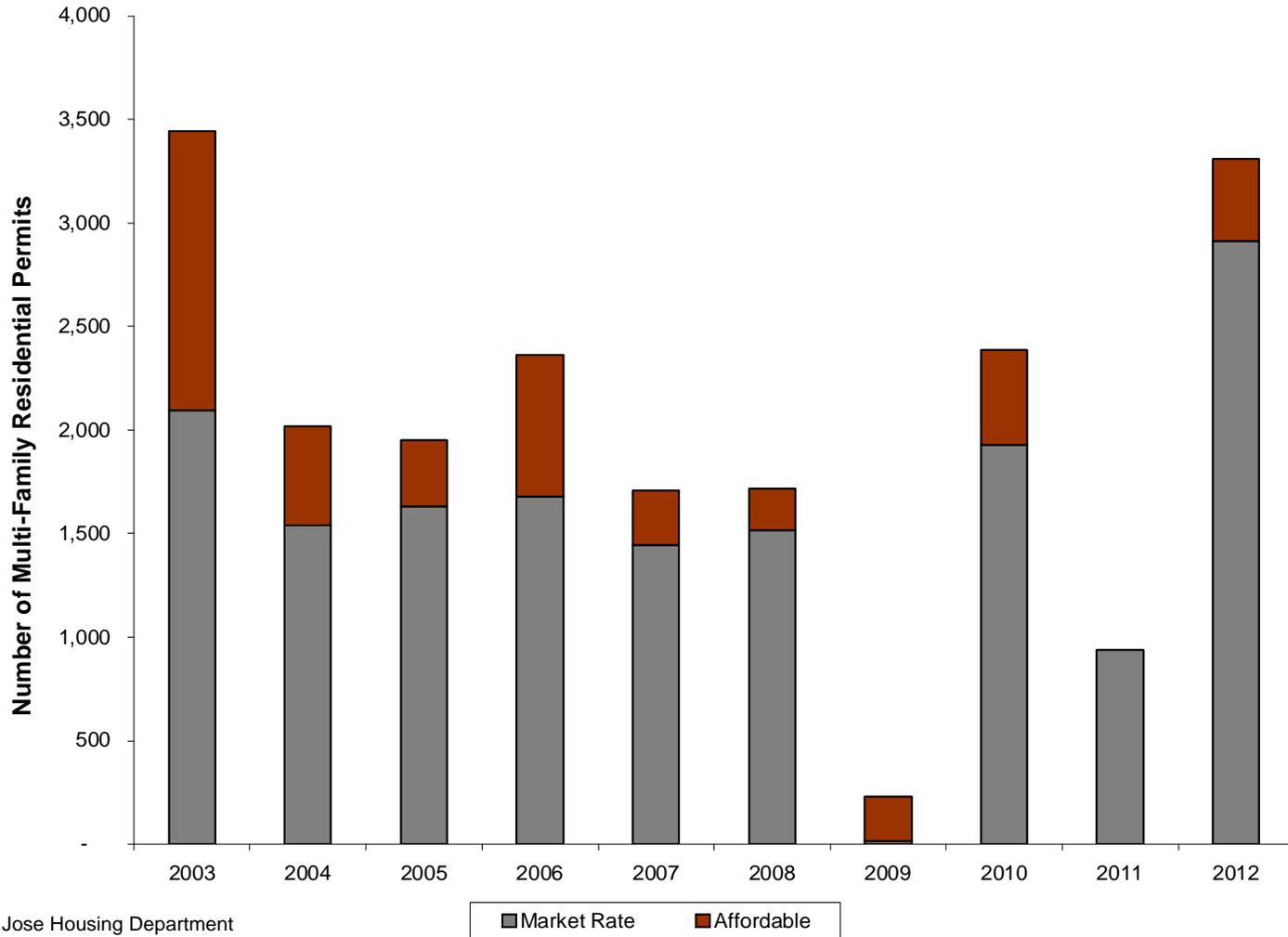


# Market Trends

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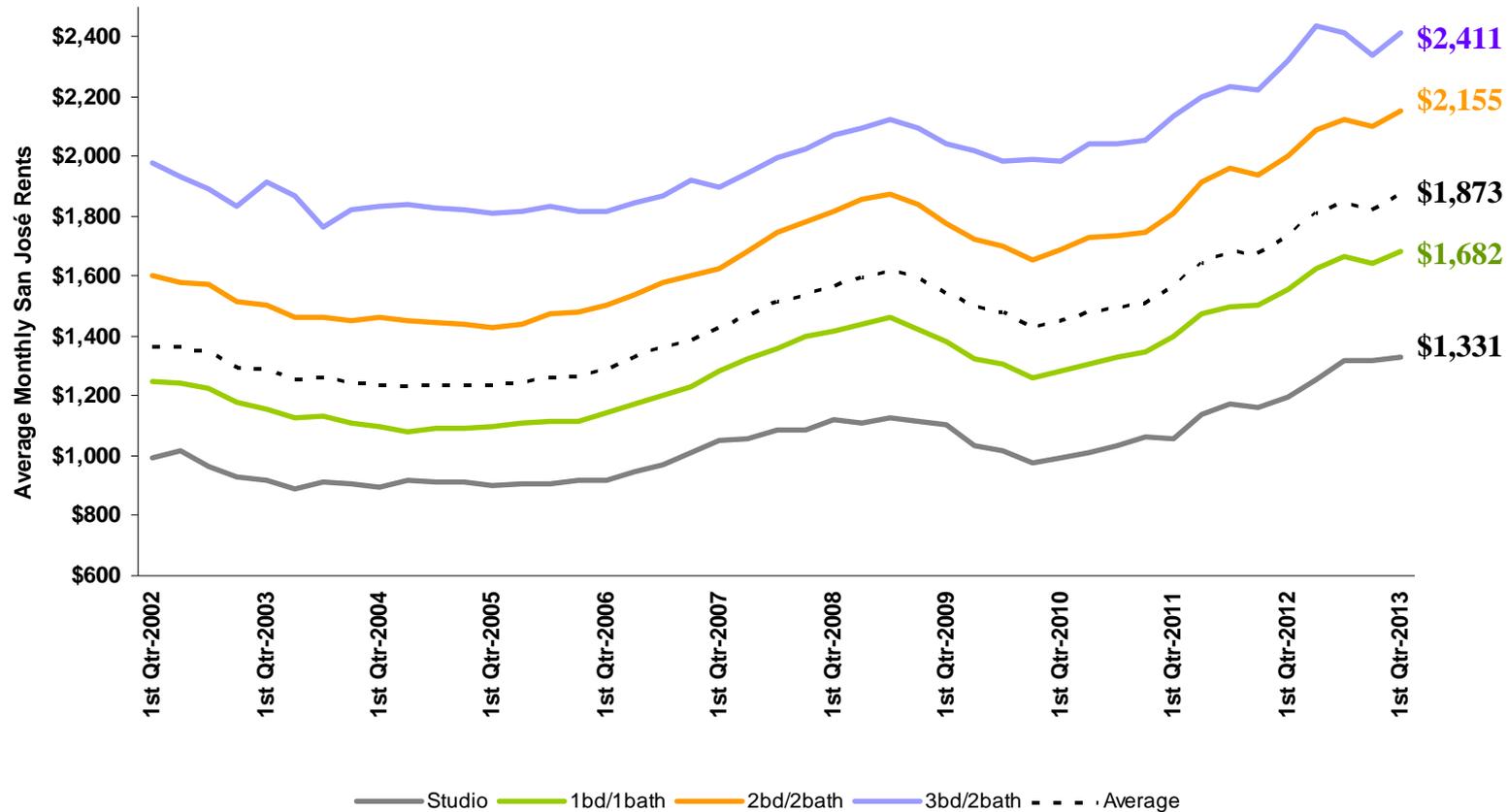
- San Jose had the highest gross rent and the lowest vacancy rate among the nation's 50 most populous metro areas, according to an April 2013 Census Bureau Report - *Rental Housing Market Condition Measures: A Comparison of U.S. Metropolitan Areas From 2009 to 2011*.
- Interest in rental development continues to remain strong.
- Strong housing price increases reflect recovering for-sale market, although there exists some concern about a housing bubble.
- Permits for over 3,600 residential units were awarded in San José in the last 12 months, 15% of which were deed-restricted affordable housing. North San José generated approximately 45% of total permit activity.

# Multi-Family Residential Permit Activity Returns to Pre-Recession Levels



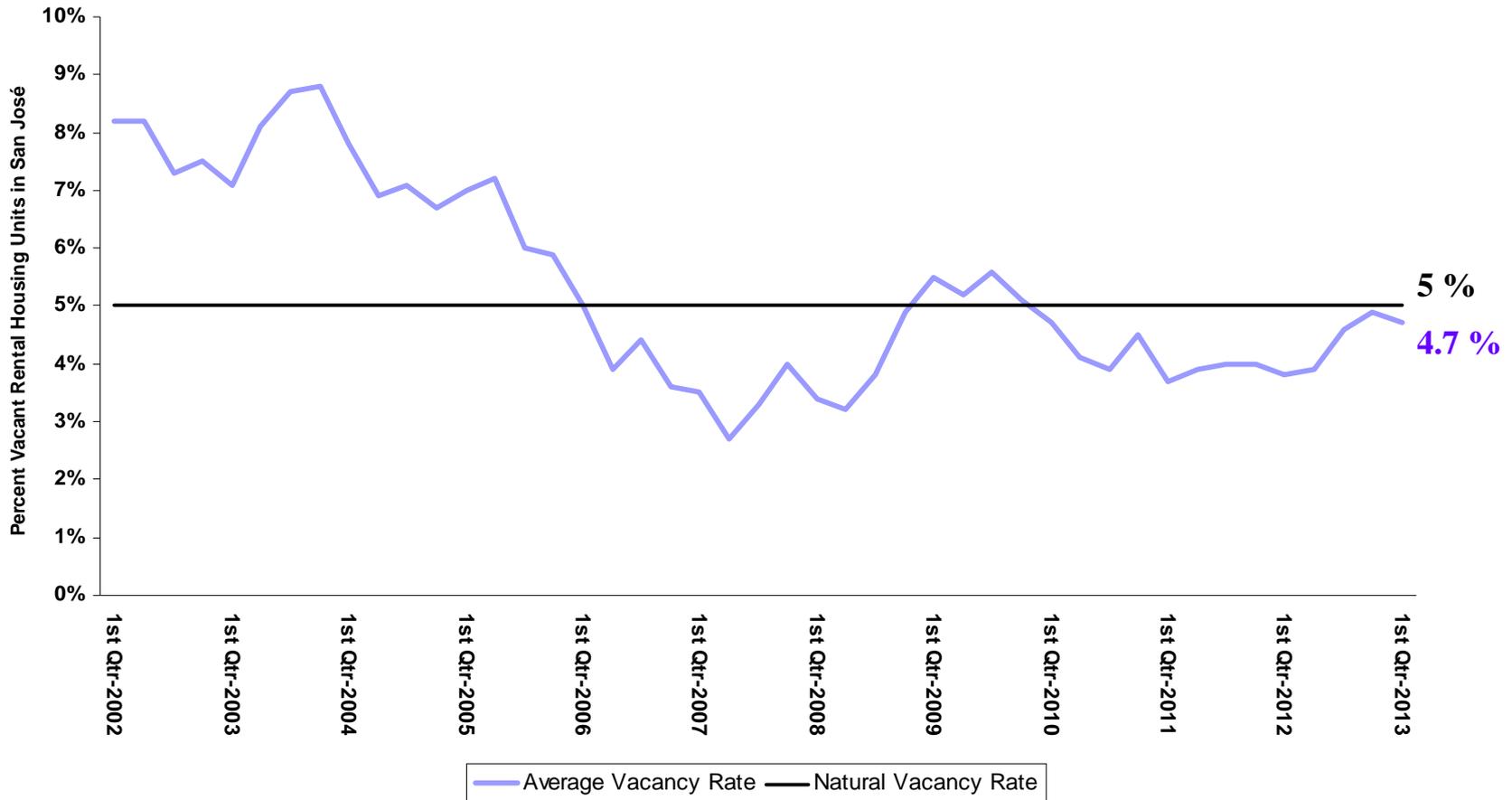
SOURCE: City of San Jose Housing Department

# Average Rents Still Rising - At a Slower Rate (8% YoY)



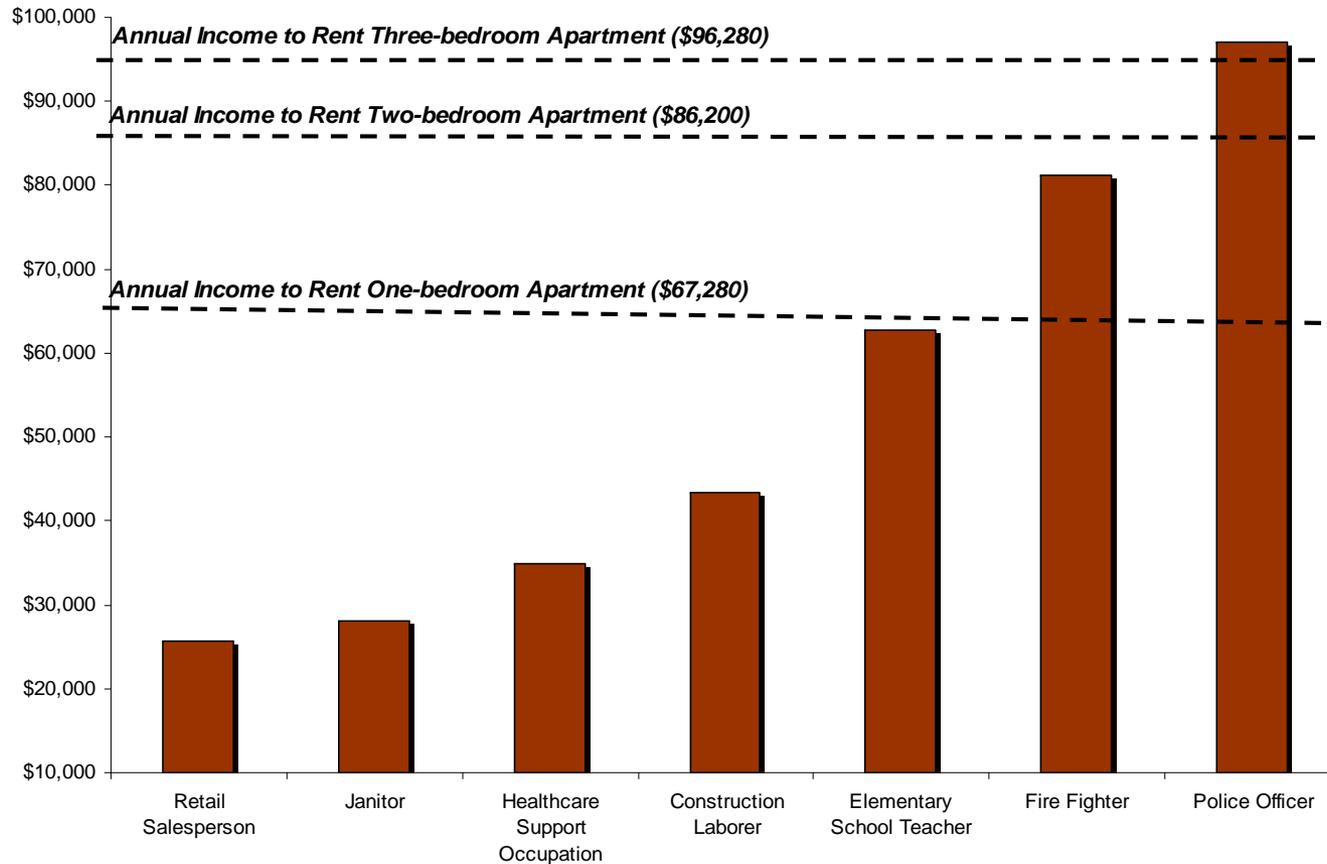
SOURCE: RealFacts – First Quarter 2013 - Data only includes rental projects with 50 units or more

# Vacancies Remain Below “Natural” 5% Rate = Tight Rental Market



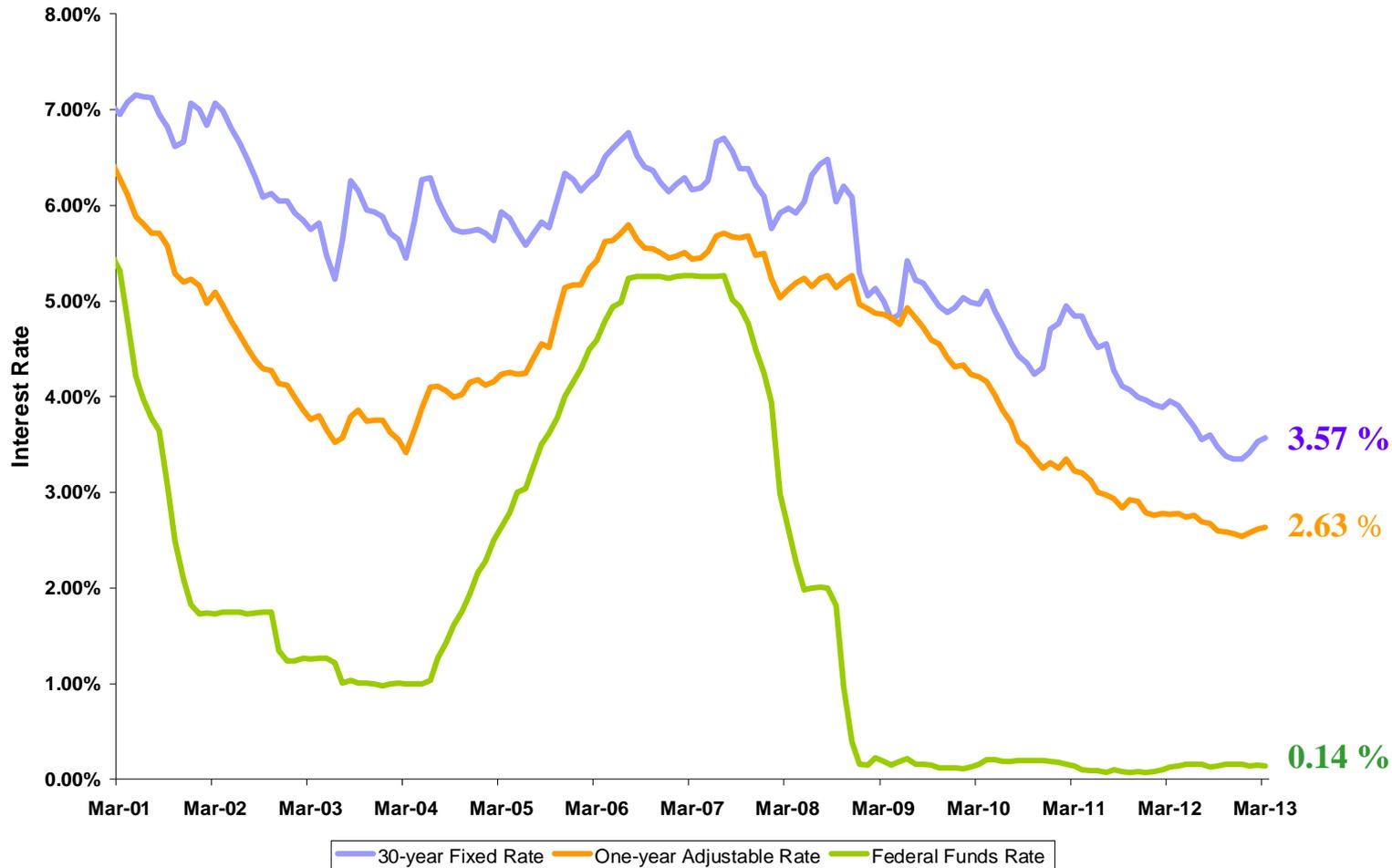
SOURCE: RealFacts Data, 1st Quarter 2013 – Data only includes rental projects with 50 units or more

# Rents Remain Unaffordable for Many San José Workers



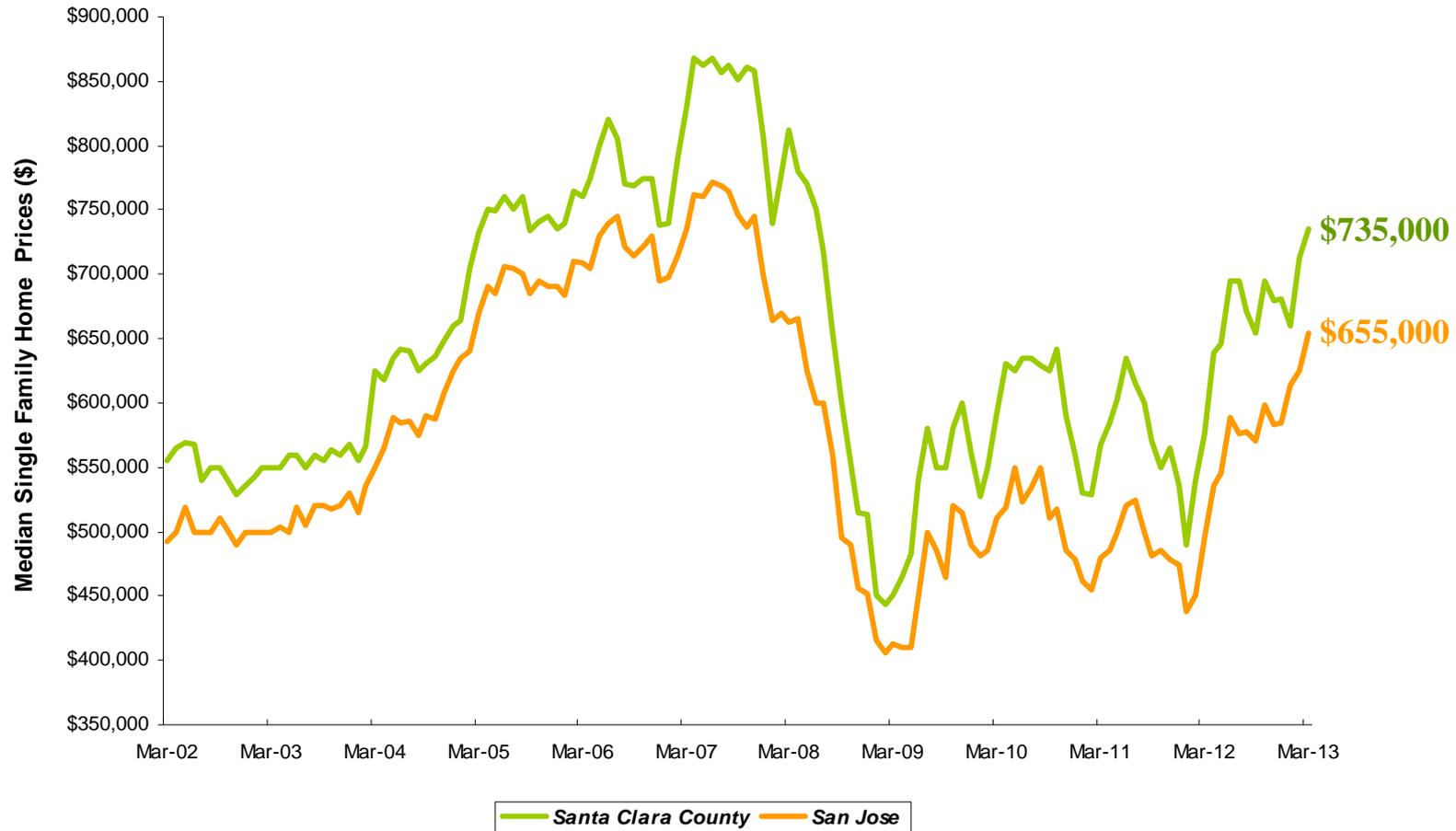
SOURCE: Employment Development Department (EDD) – 2012 1st Quarter Wages, Income to rent calculation assumes rent is at 30% of income

# Mortgage Rates Increase Slightly but Remain Near Low



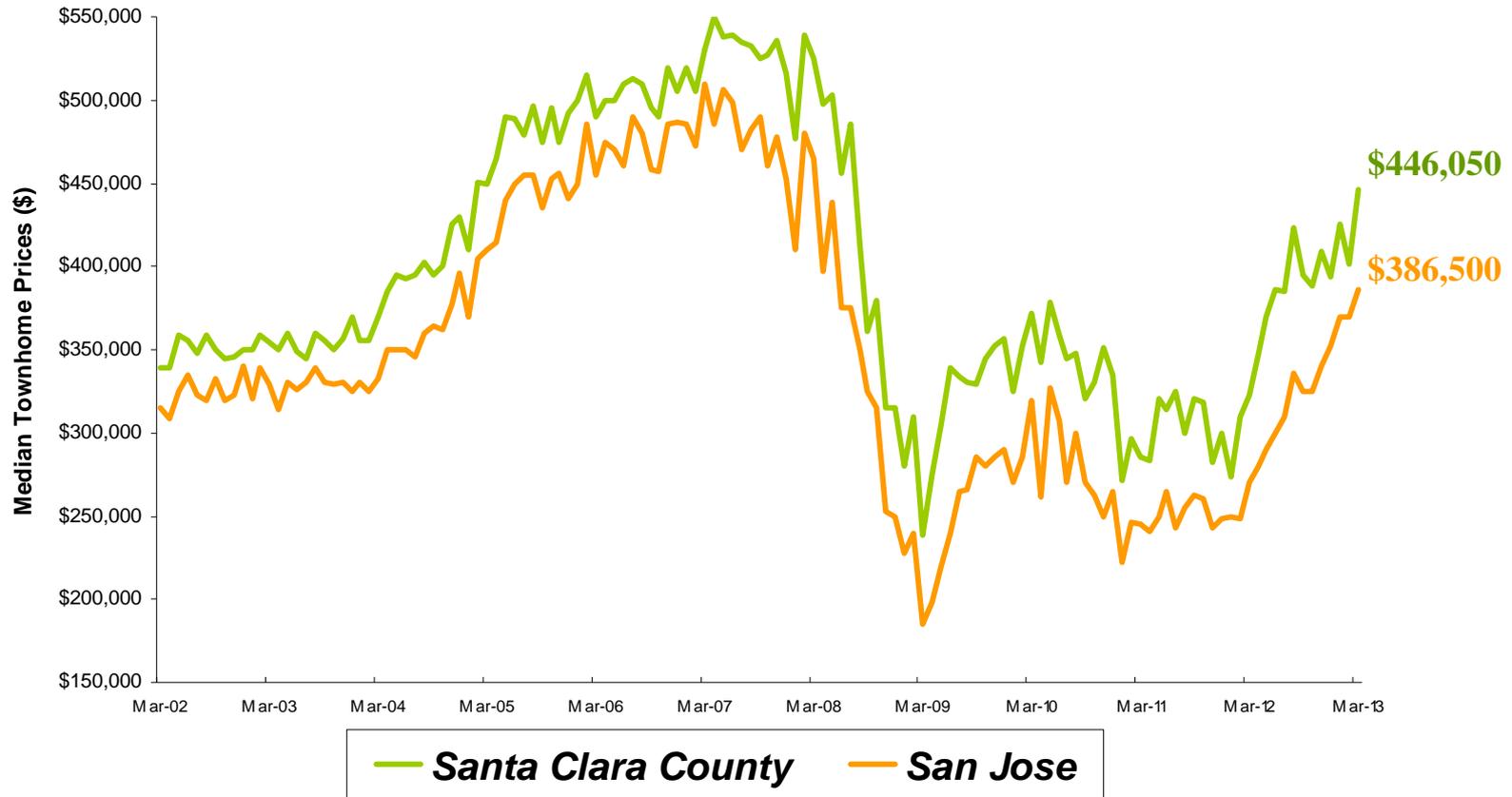
SOURCE: Federal Reserve, Freddie Mac Primary Mortgage Market Survey

# Single-family Homes Median Price Climbs Steadily, Up 32% YoY in San José



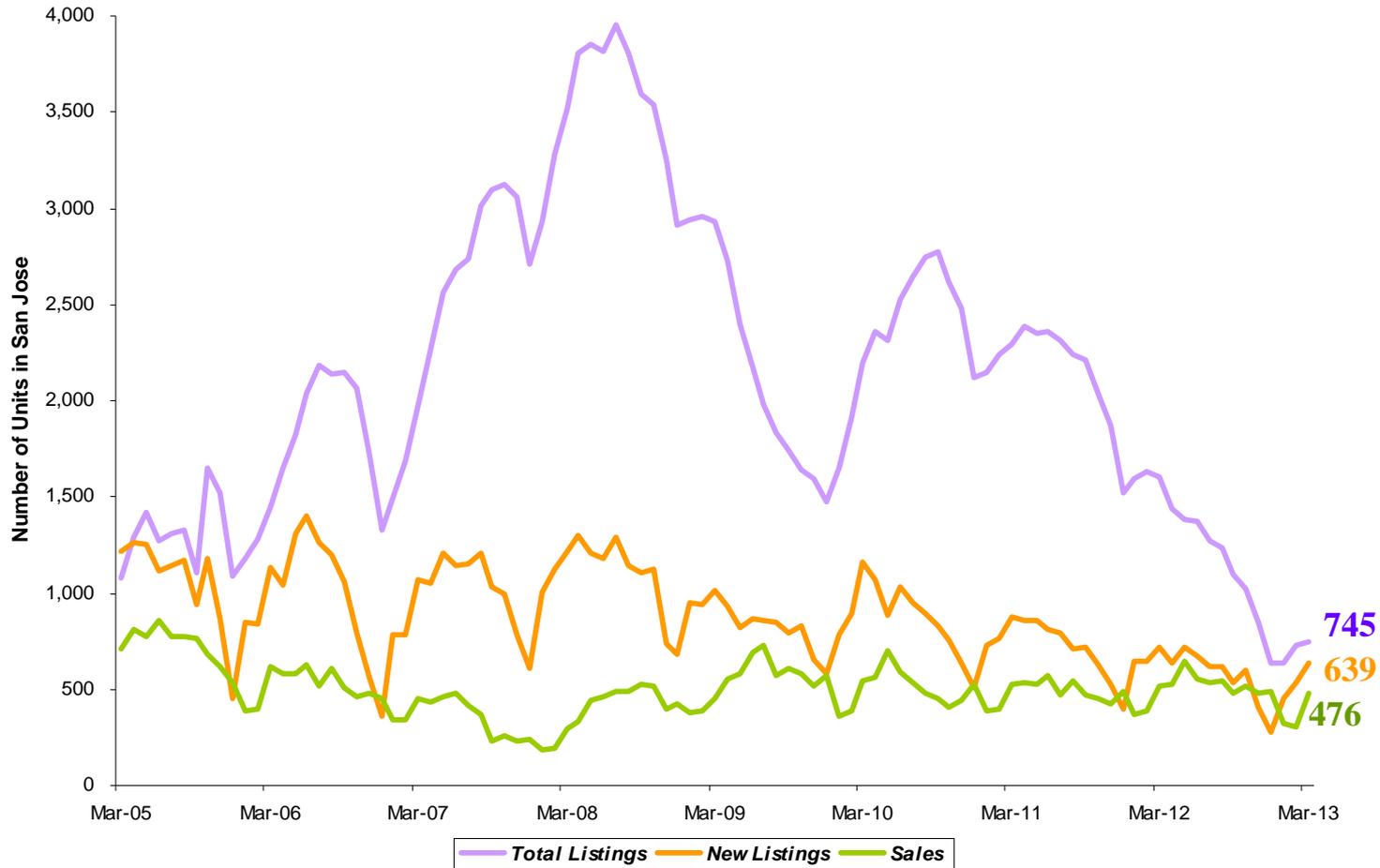
SOURCE: Santa Clara County Association of Realtors, March 2013

# Townhome/Condo Price Posts Strong Growth, Up 43% YoY in San José



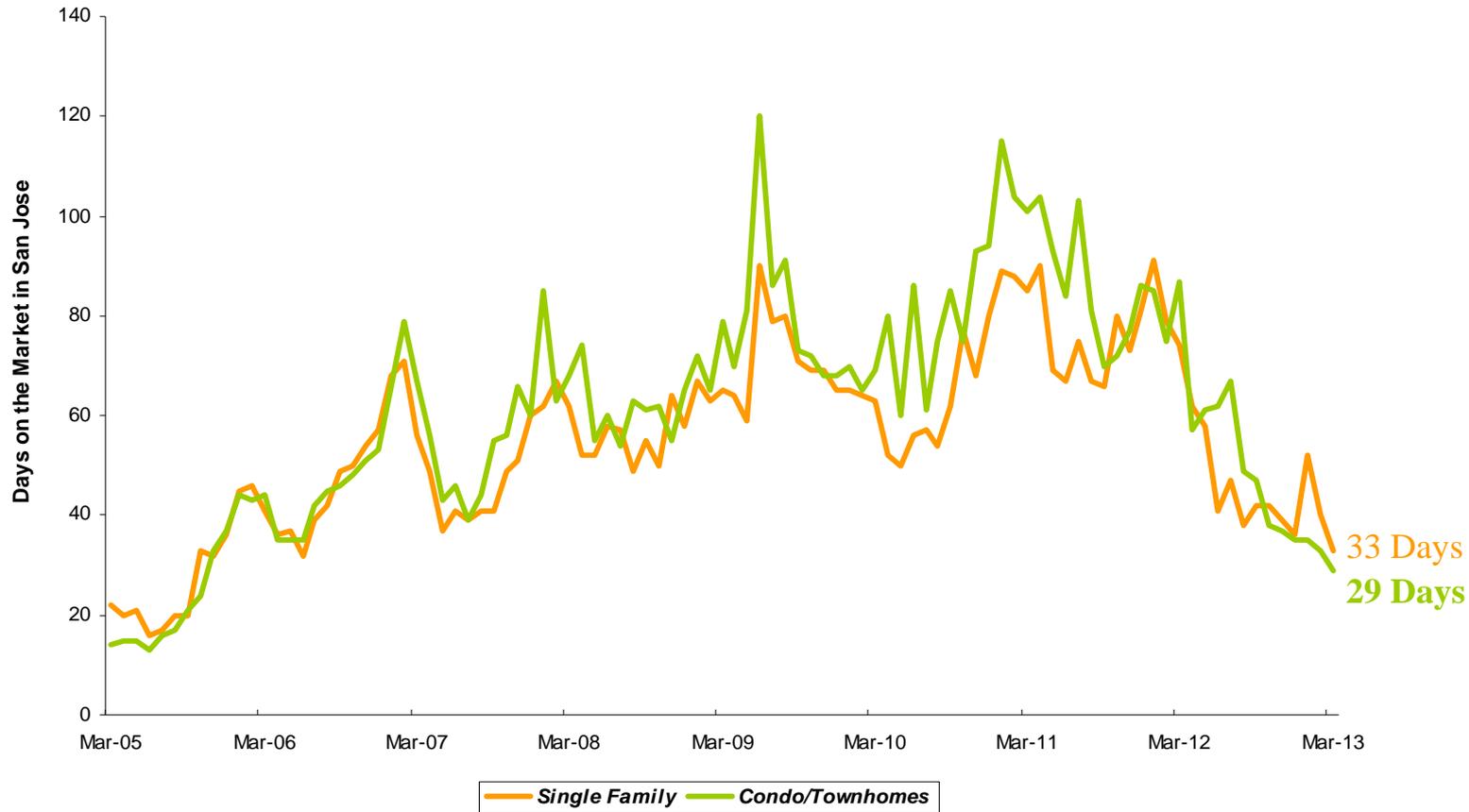
SOURCE: Santa Clara County Association of Realtors, March 2013

# Low Total Listings = Tight Inventory & Higher Prices



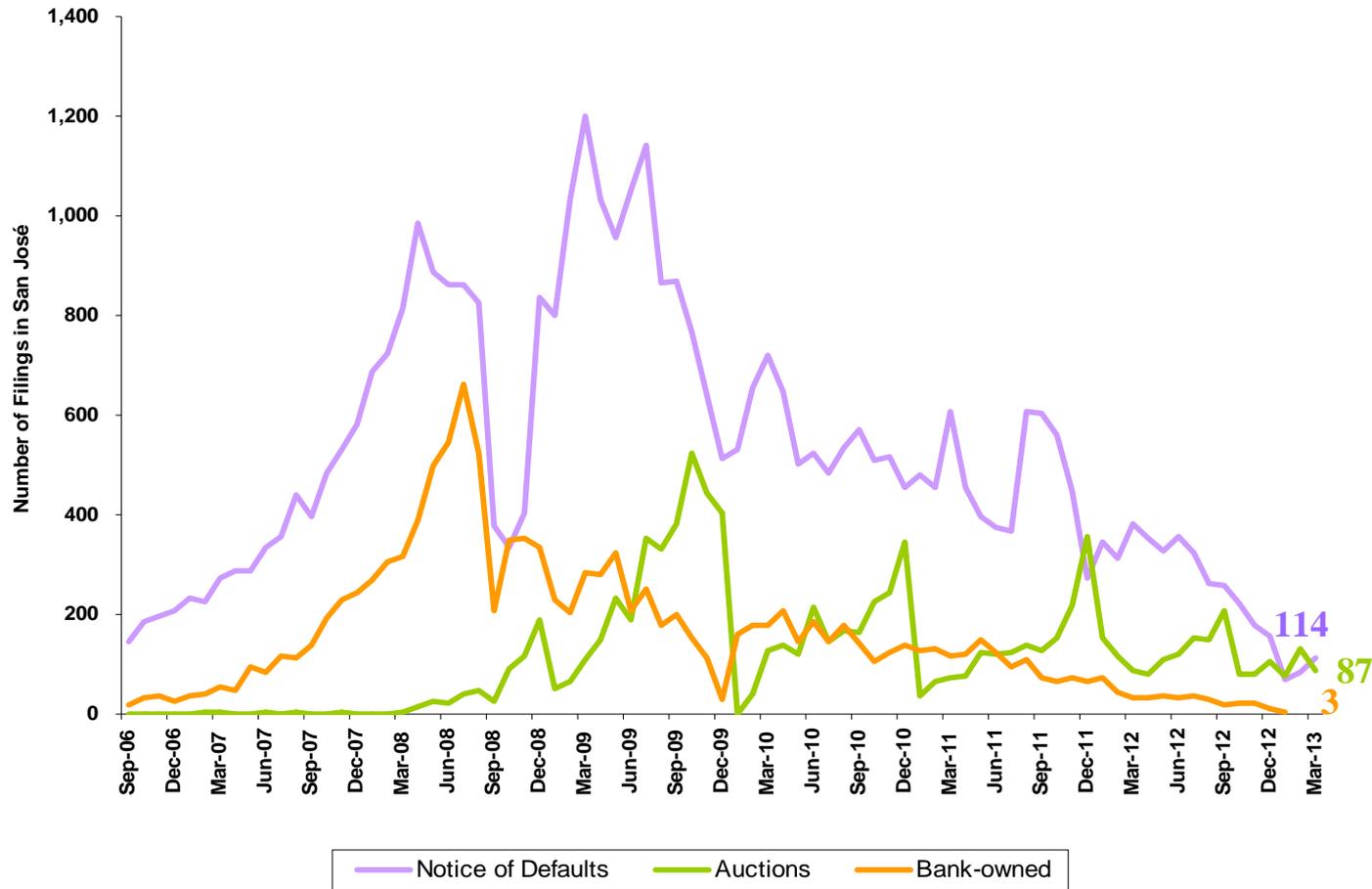
SOURCE: Santa Clara County Association of Realtors, March 2013

# SFD Homes Selling 2x Faster than a Year Ago, Condos Selling 3x Faster



SOURCE: Santa Clara County Association of Realtors, March 2013

# Foreclosure Filings Reflect a Longer-term Downtrend



SOURCE: San Jose – Foreclosure Radar – March 2013