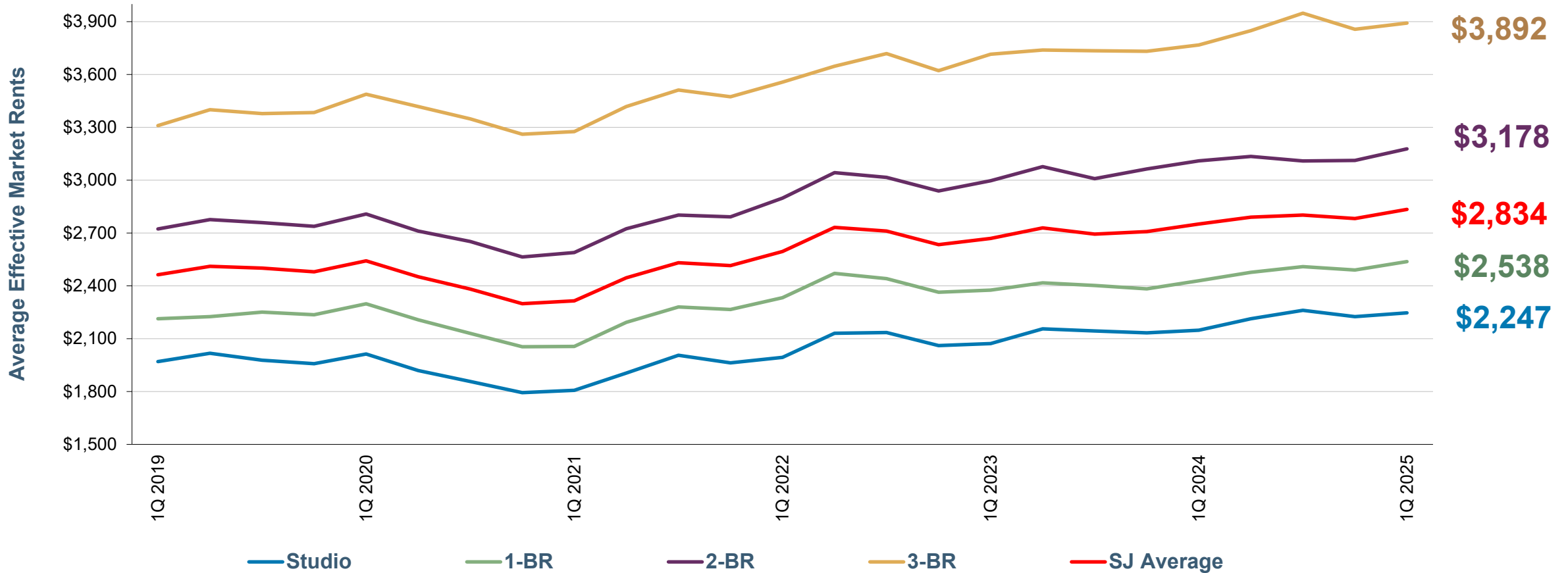




# DEPARTMENT OF HOUSING

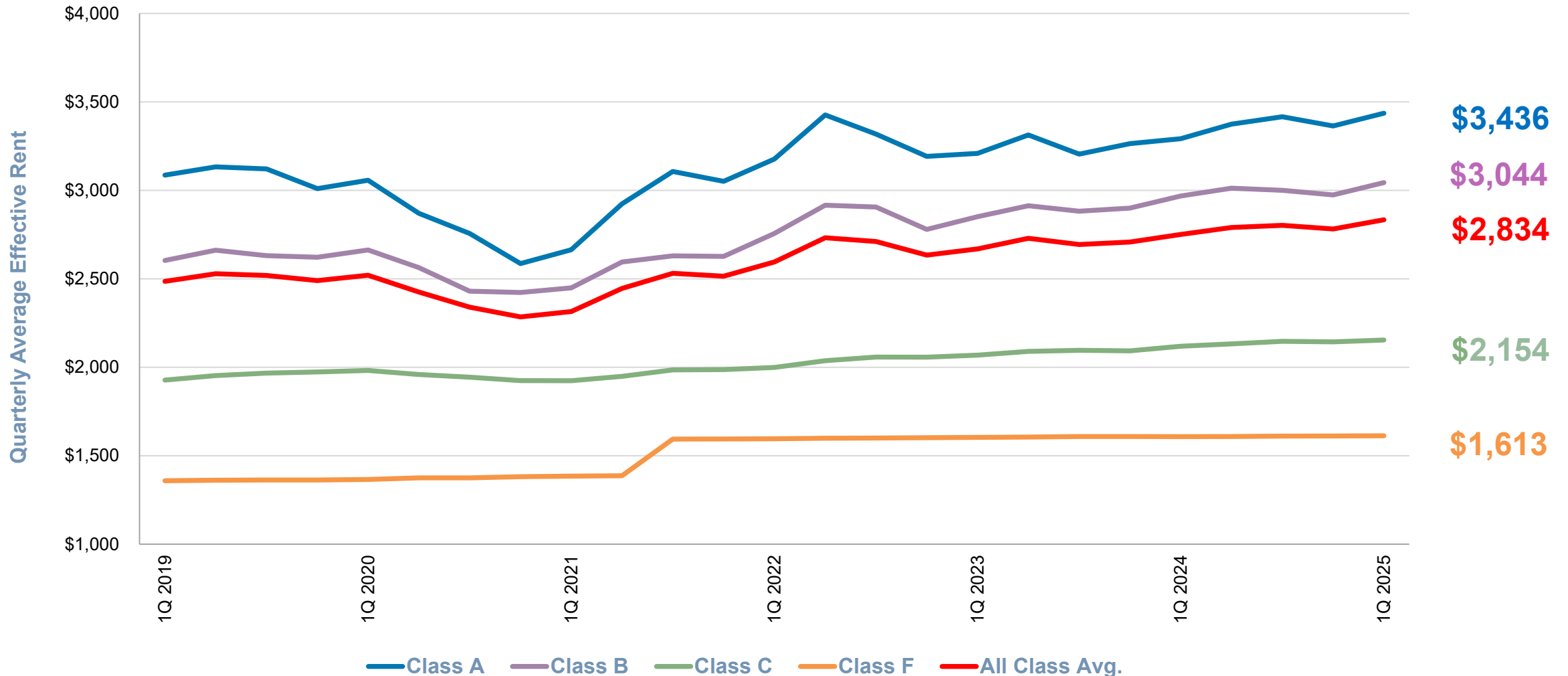
## SAN JOSÉ HOUSING MARKET UPDATE Q1 2025

# Q1 Average Apartment Rents of All Sizes is **\$2,834**, Up 1.9% QoQ



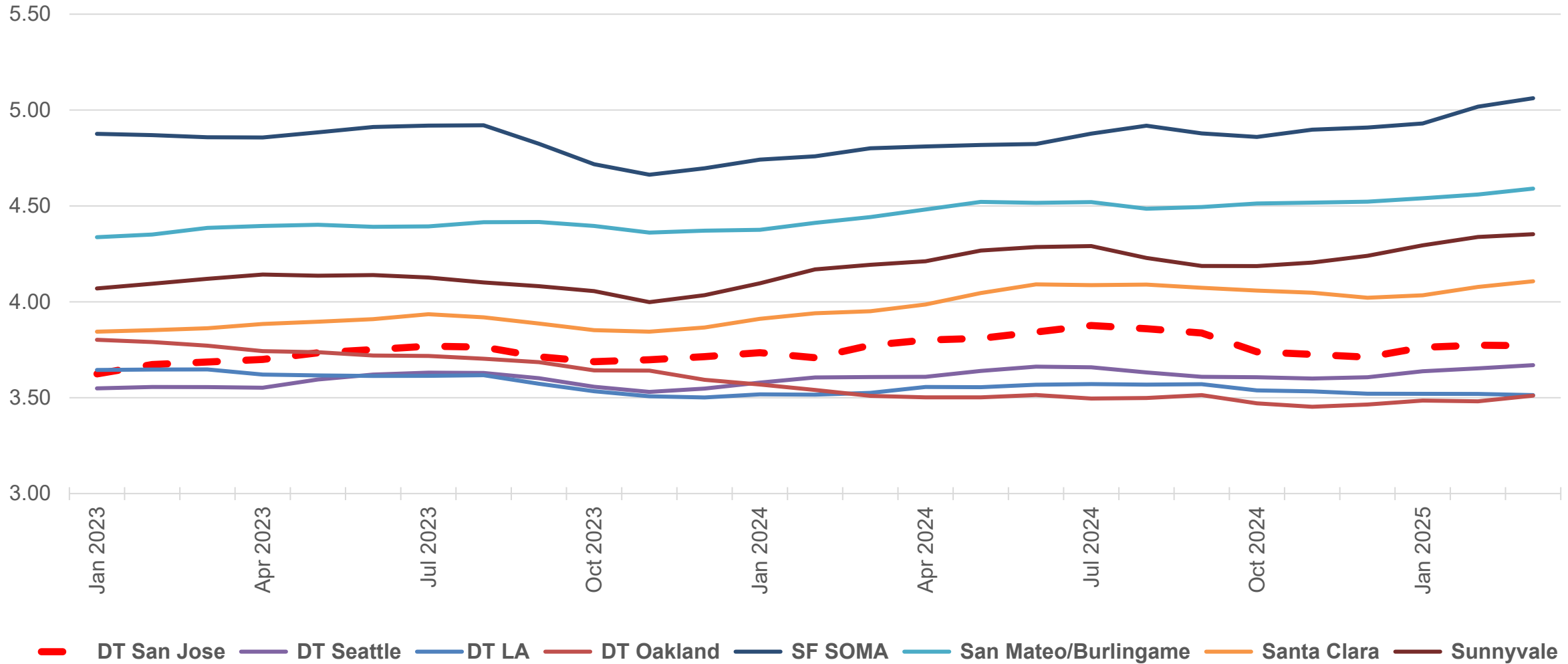
Notes: Acronyms used - QoQ for Quarter over Quarter, YoY for Year over Year;  
 Source: Costar Subscription 4/2/25

# Q1 Apartment Rents Peak for All Classes



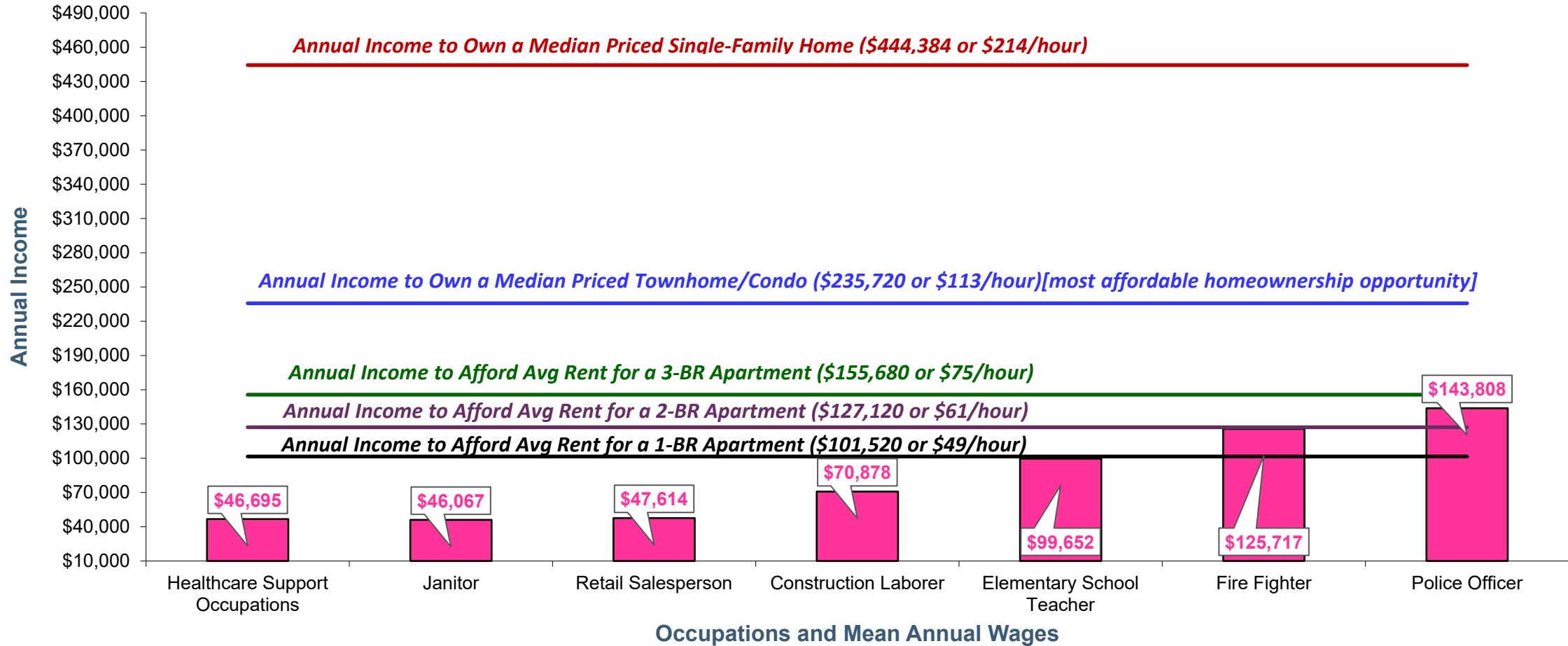
Notes: Class A are newest and highest quality buildings while Class F are oldest and poorest quality buildings. For Costar Class definitions, please see last slide.  
Source: Costar Subscription 4/2/25;

# Average Downtown Multifamily Rents PSF for 4&5 Star Properties Lower than Local Cities



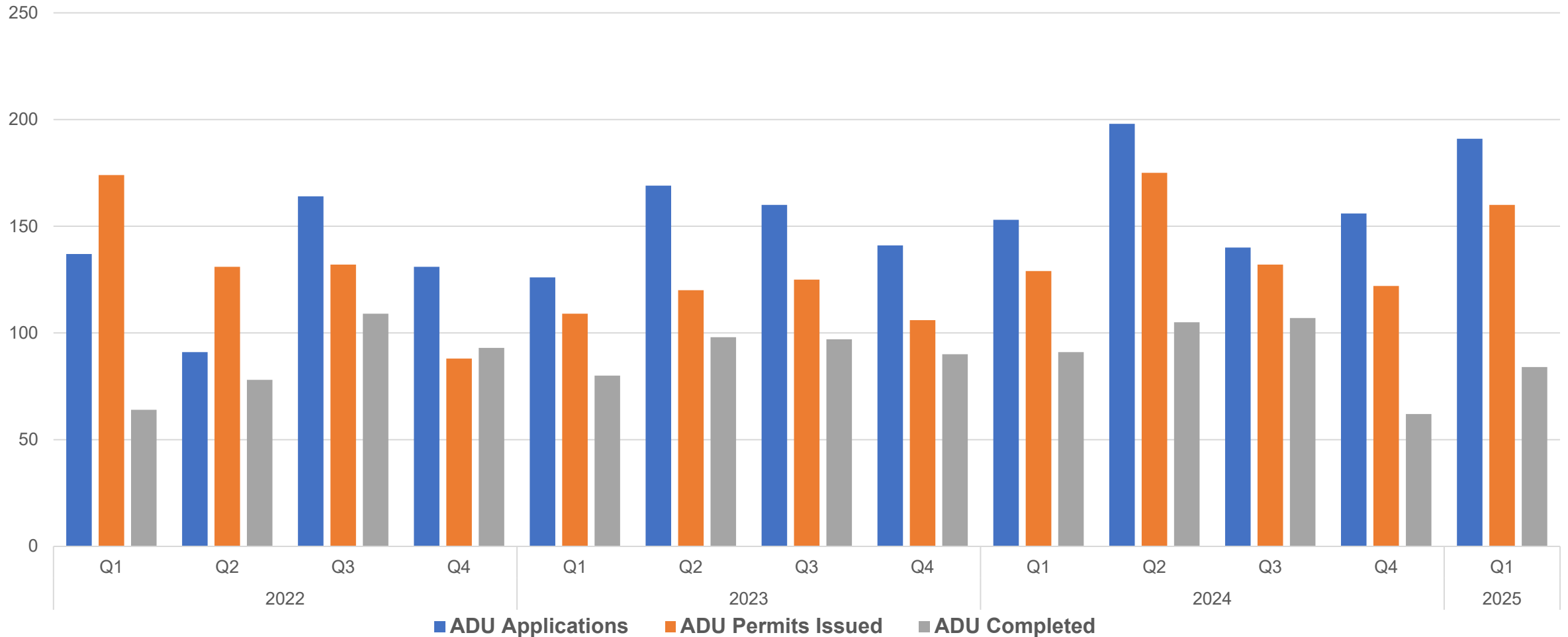
Notes: Acronyms used - DT for Downtown, LA for Los Angeles, SF SOMA for San Francisco South of Market  
 Source: Costar Subscription 4/17/2025

# San José Metro Area Workforce and Housing Affordability



Sources: Wages from [Employment Development Department \(EDD\) data](#) for San José-Santa Clara MSA – published July 2024; Income to afford average rent uses SJ Costar Q1 2025 Average Effective Rents, rent at 30% of income, and a single-income household; Income to afford mortgage uses [SCCAOR data](#), March 2025 SJ median home sales prices; payments at 30% of income, 20% down, March 2025 [Freddie Mac 30-year fixed interest rate](#) of 6.65%, [1.46% Property Tax](#), [\\$557 HOA dues](#) for condos, and a single-income household.

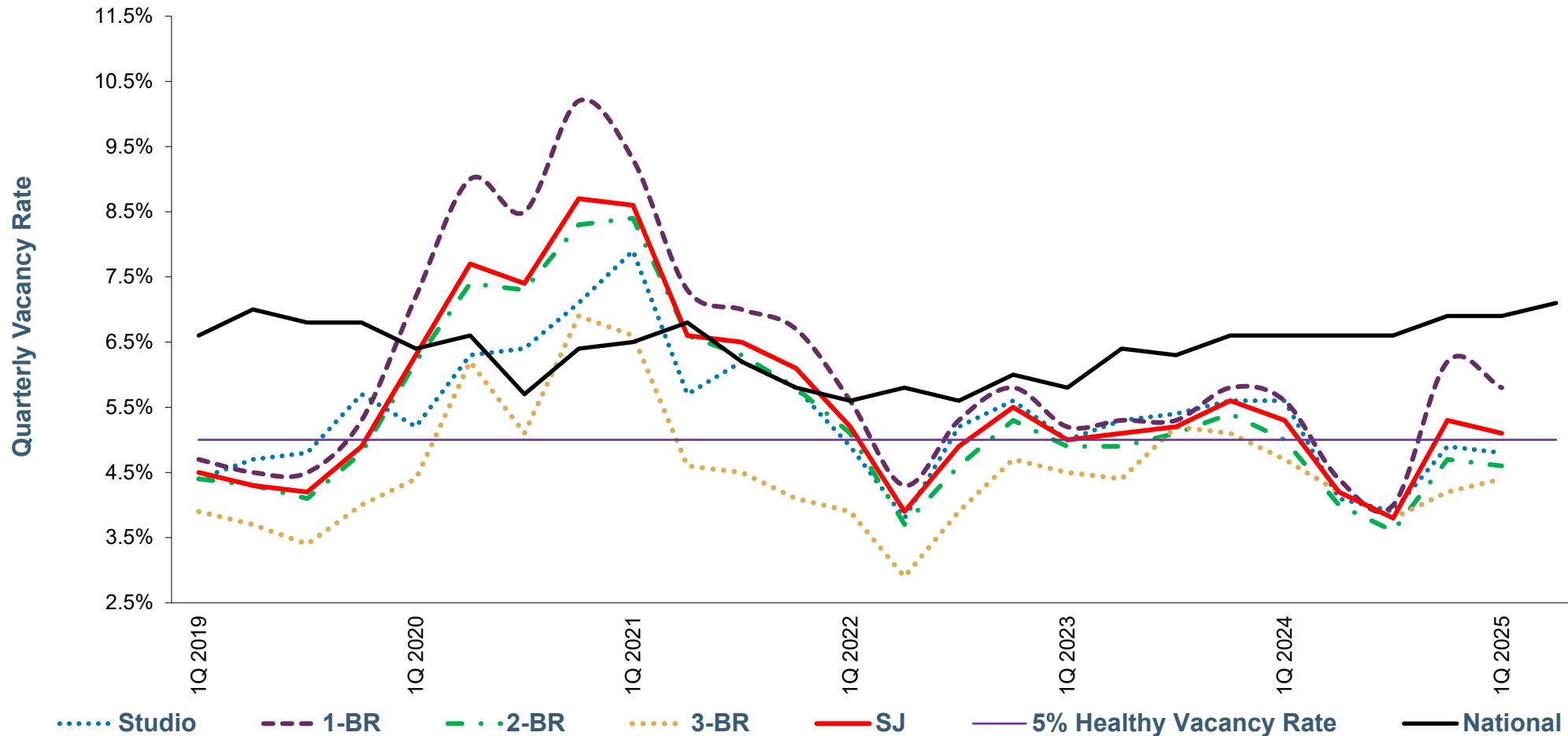
# Q1 ADU Permits Issued Up 68% QoQ



Notes: Acronyms used - ADU for Accessory Dwelling Units, QoQ for Quarter over Quarter; Zoning code updated in Nov. 2016 and in June 2018 to conform with new State Legislation and to facilitate construction of ADUs;

Source: City of San José [PBCE Housing Production Dashboard](#) as of 5/8/2025

# Q1 Apartment Vacancies All Sizes - Average Vacancy **5.1%**, Down from 5.3% in Q4 2024



**Q1 2025 Vacancy Rates**

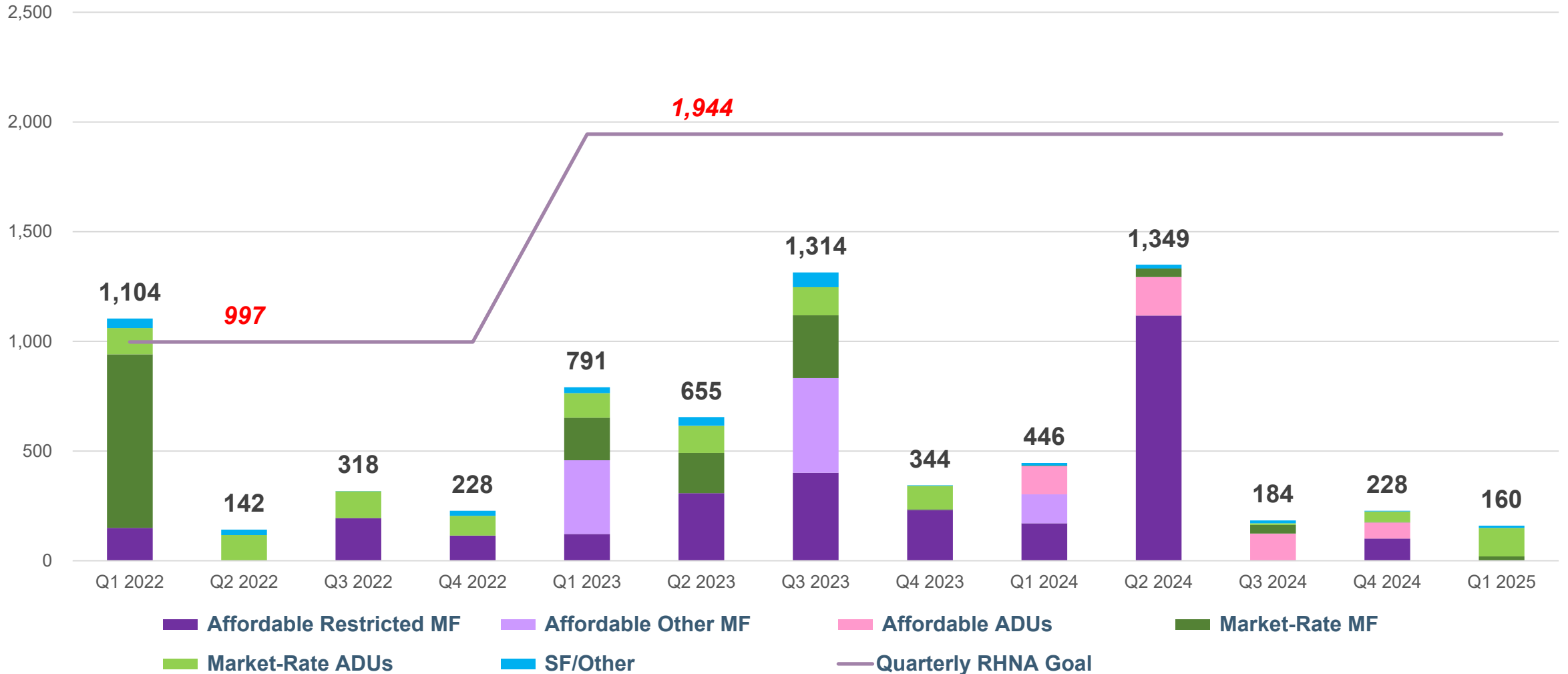
- Studio – 4.8%
- 1-BR – 5.8%
- 2-BR – 4.6%
- 3-BR – 4.4%

**SJ Average – 5.1%**

**US Average – 7.1%**

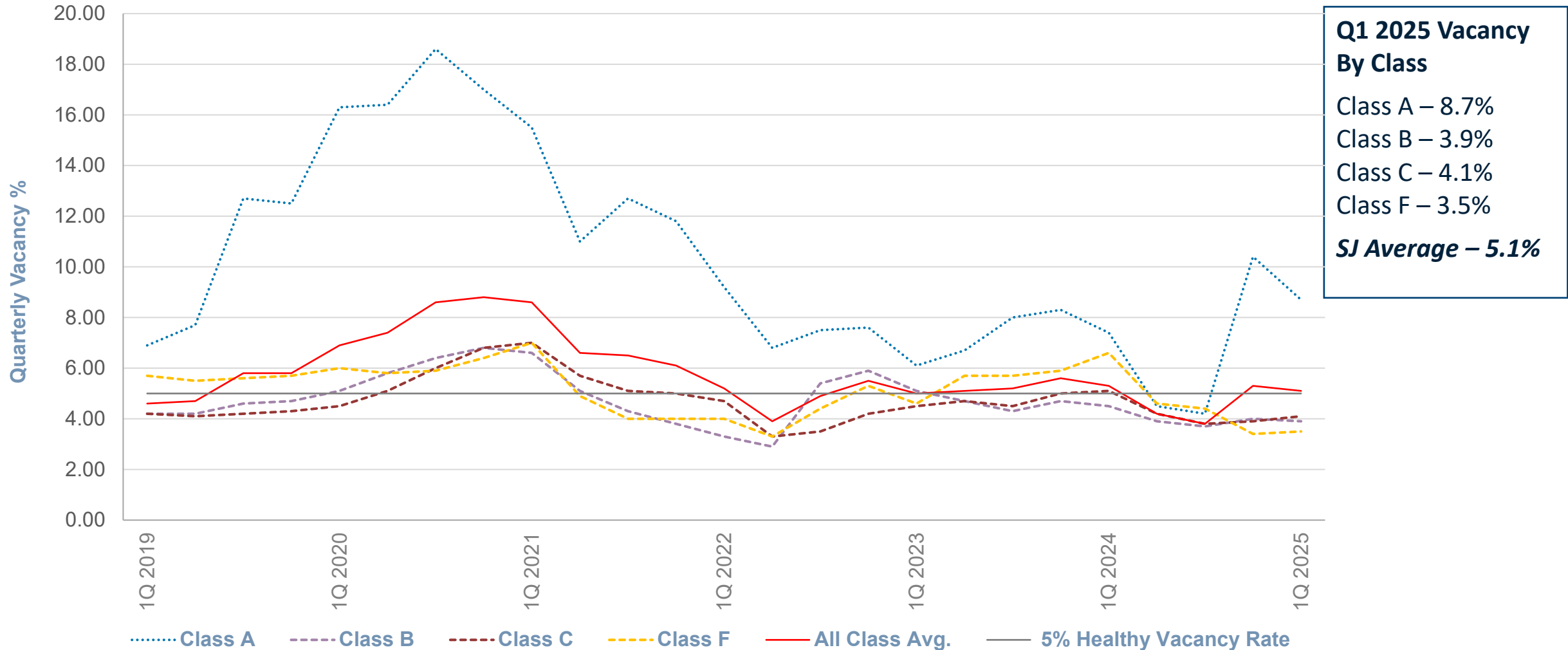
Sources: Costar Subscription 4/2/25; US Average from US Census Bureau [Census.gov Housing Vacancies and Homeownership data](https://www.census.gov/housing/hvacancies/)

# Q1 Residential Permit Activity Weak



Notes: Affordable Other shows market-rate units counted as affordable without deed restrictions, per HCD guidelines for RHNA reporting; Affordable ADUs show ADUs deemed affordable without deed restrictions per ABAG study approved by HCD; Source: City of San José [PBCE Housing Production Dashboard](#) as of 5/6/2025 & Annual RHNA Reports to HCD

# Q1 Apartment Vacancies All Classes at **5.1%**



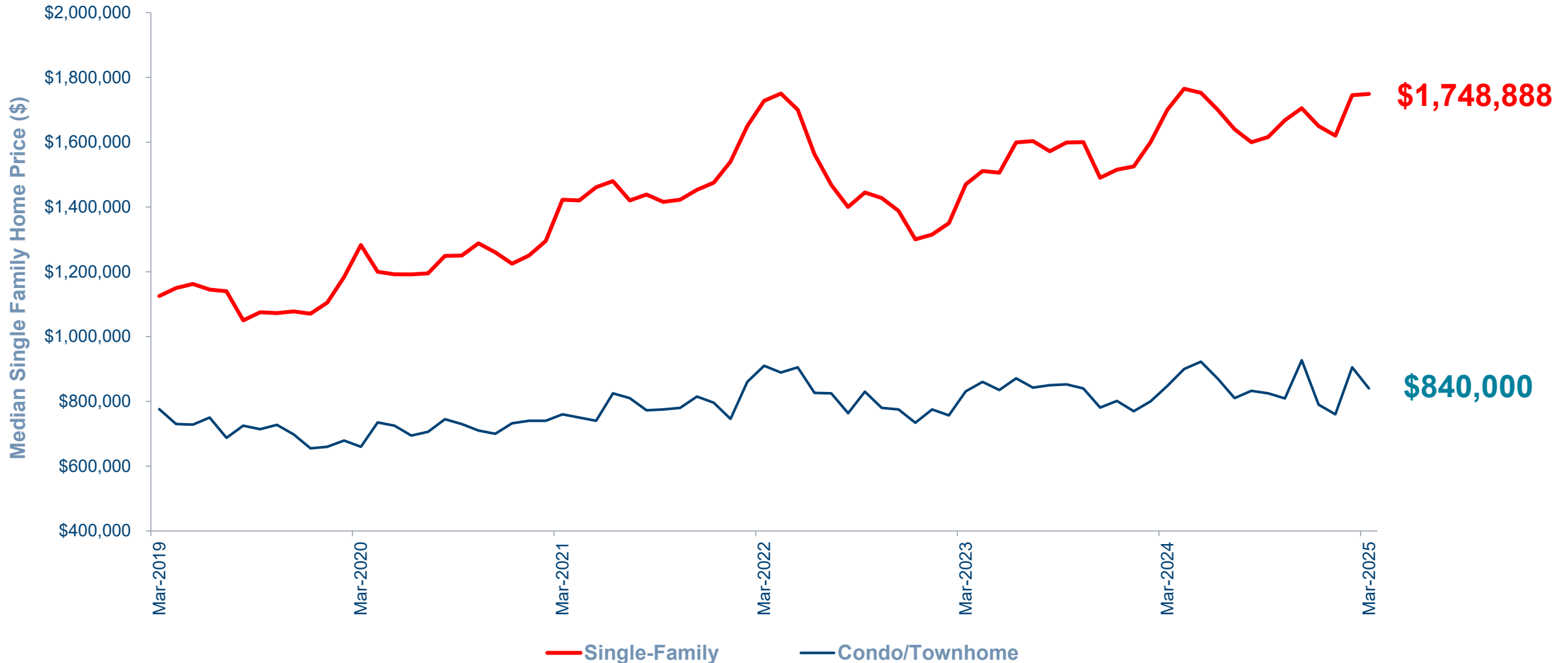
Notes: Class A are newest and highest quality buildings while Class F are oldest and poorest quality buildings. For Costar Class definitions, please see last slide.  
Source: Costar Subscription 4/2/25;

# Q1 2025 San José Residential Multifamily Rental Market Summary

- Q1 average effective rents (all sizes, all classes) was \$2,834 – up 3% from \$2,751 in Q4 2024.
- Q1 average vacancy (all sizes, all classes) was 5.1% – down slightly from 5.3% in Q4 2024.
- Q1 average Class A vacancy was 8.7% – down from 10.4% in Q4 2024.
- Q1 average vacancy for more affordable Class C apartments was 4.1% – slightly up from 3.9% in Q4 2024.
- Downtown San José average rents per square foot are below those of some Bay Area cities but above those of other large cities like Los Angeles and Seattle.

# Q1 San José Single-Family Median Home Price

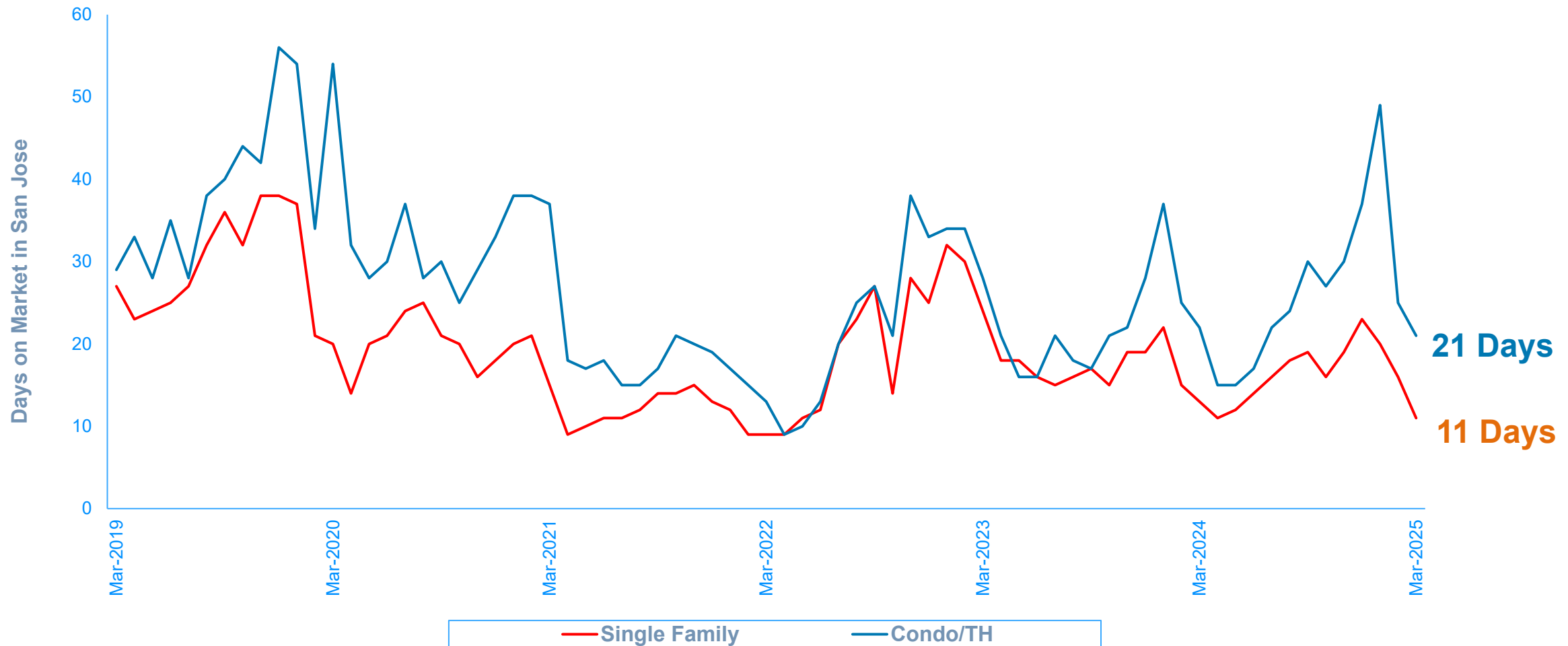
## \$1.75M, Townhomes \$840K



Note: Quarterly data is from the last month of the quarter.

Source: [Santa Clara County Association of Realtors](#)

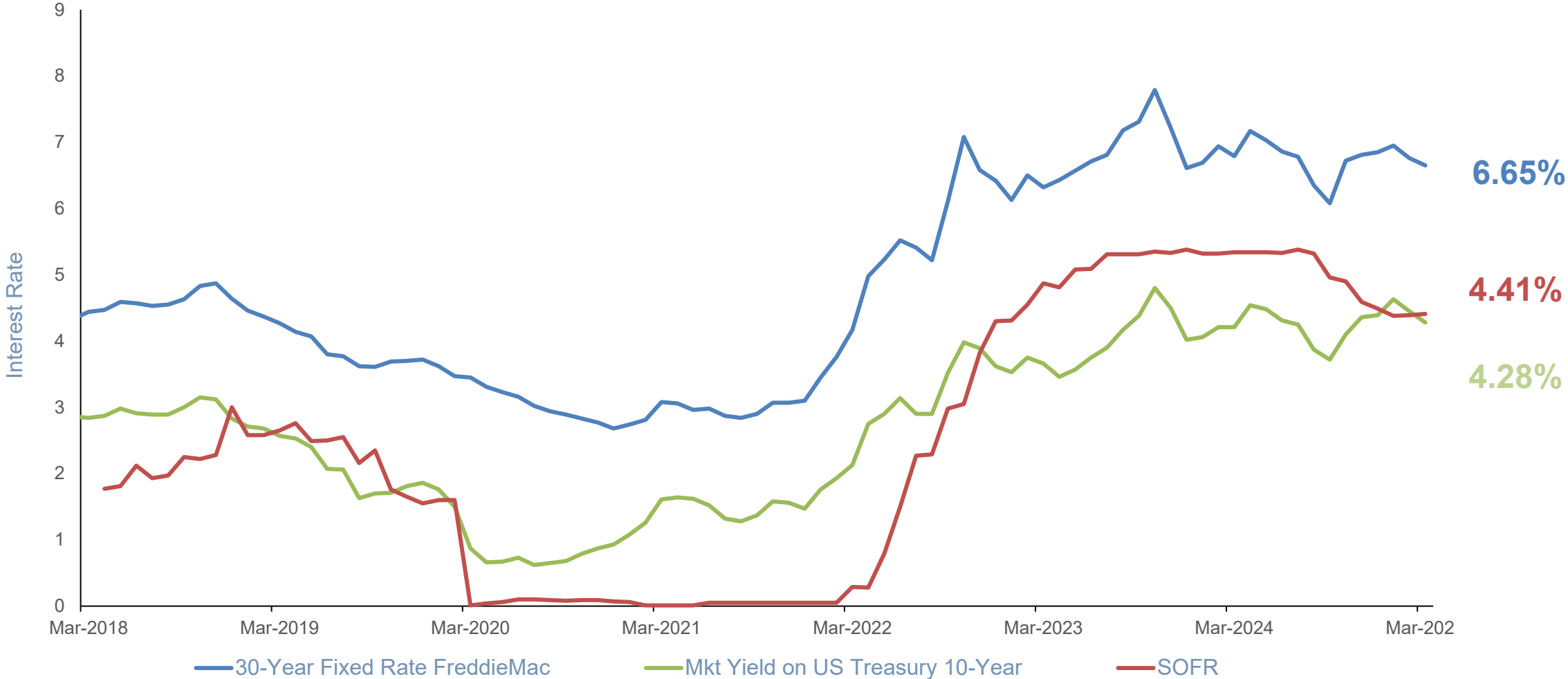
# Q1 San José Single-Family Homes 10+ Days to Sell, Townhomes 20+ Days to Sell



Note: Quarterly data is from the last month of the quarter.

Source: [Santa Clara County Association of Realtors](#).

# Mortgage Interest Rates Remain High



Sources: 30-Yr Fixed Rate from [Freddie Mac Primary Mortgage Market Survey](#); 10-Year US Treasury Yield (most frequently referred to Treasury Rate) from [Federal Reserve](#); SOFR – Secured Overnight Financing Rate from [Federal Reserve Bank of NY](#)

# Q1 2025 San José Residential Ownership Market Summary

- March 2025 single-family home median sales price was \$1,748,888 – up 3% from \$1,700,000 in March 2024
- March 2025 condo and townhome median sales price was \$840,000 – down 0.9% from \$847,500 in March 2024
- March 2025 average days on market for single-family homes was 11 days – down from 13 days in March 2024
- March 2025 average days on market for condos and townhomes was 21 days – down slightly from 22 days in March 2024

Note: Quarterly data is from the last month of the quarter.

Source: [Santa Clara County Association of Realtors](#).

# Source and Definition

- Quarterly rents and vacancy data reflect *average, effective, market-rate apartment rents* for the geography encompassing the City of San José, as reported in Costar’s proprietary database.
- *Effective rent* is the average rent paid over the term by a tenant that is adjusted downward for concessions paid for by the landlord (such as free rent, moving expenses, or other allowances), and upward for costs that are the responsibility of the tenant (such as operating expense pass-throughs).
- Costar Class Definitions: Class A refers to extremely desirable investment-grade property with the highest quality construction and workmanship. Class B offers more utilitarian space without the abundant amenities and location that a Class A building will have. Class C refers to a no-frills, older building that offers basic space. Class F buildings will usually have physical or structural features that render them undesirable.
- Costar updates rents data once a month for apartments with more than 30 units and once a quarter for apartments with fewer than 30 units.
- For questions, please email the Housing Department at [housingcomms@sanjoseca.gov](mailto:housingcomms@sanjoseca.gov).