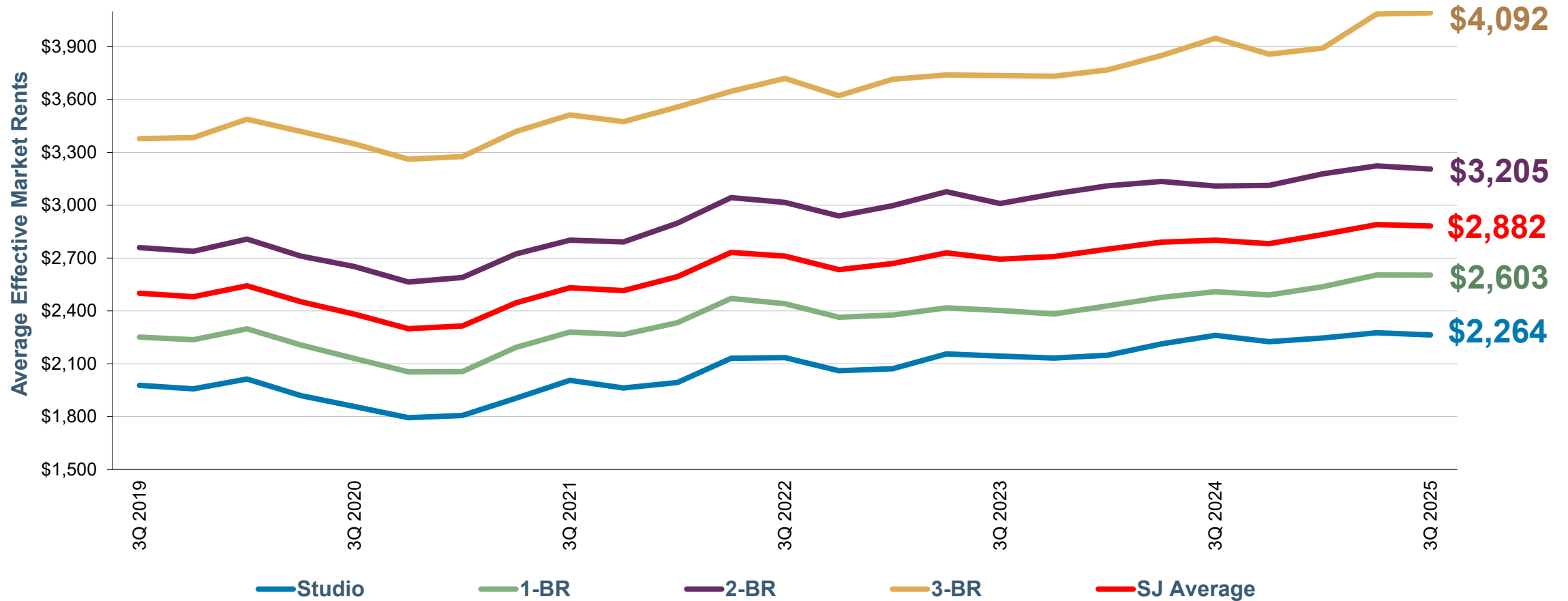




# DEPARTMENT OF HOUSING

## SAN JOSÉ HOUSING MARKET UPDATE Q3 2025

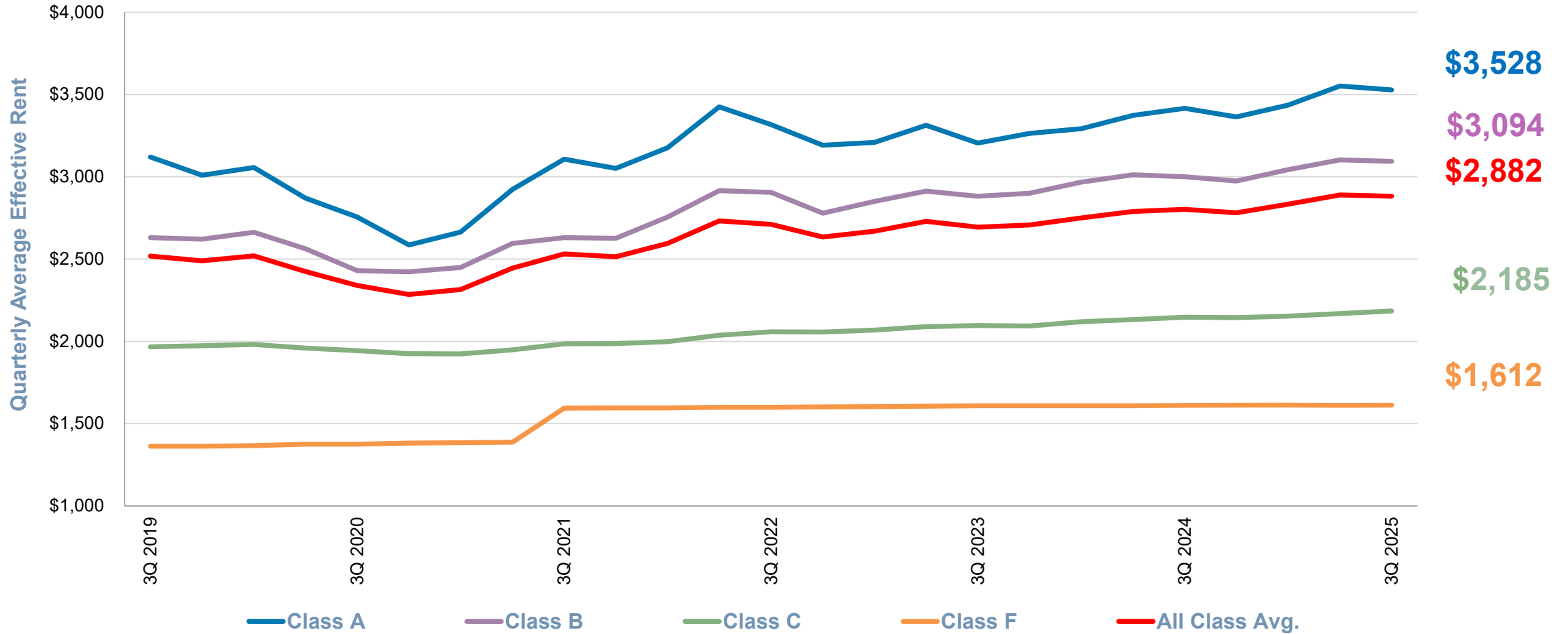
# Average Apartment Rent for All Sizes is \$2,882 – ↑ 0.3% QoQ



Notes: Acronyms used - QoQ for Quarter over Quarter.  
Source: Costar 10/1/25

# Apartment Rents by Class – Class A Rents

↓ 0.7% QoQ

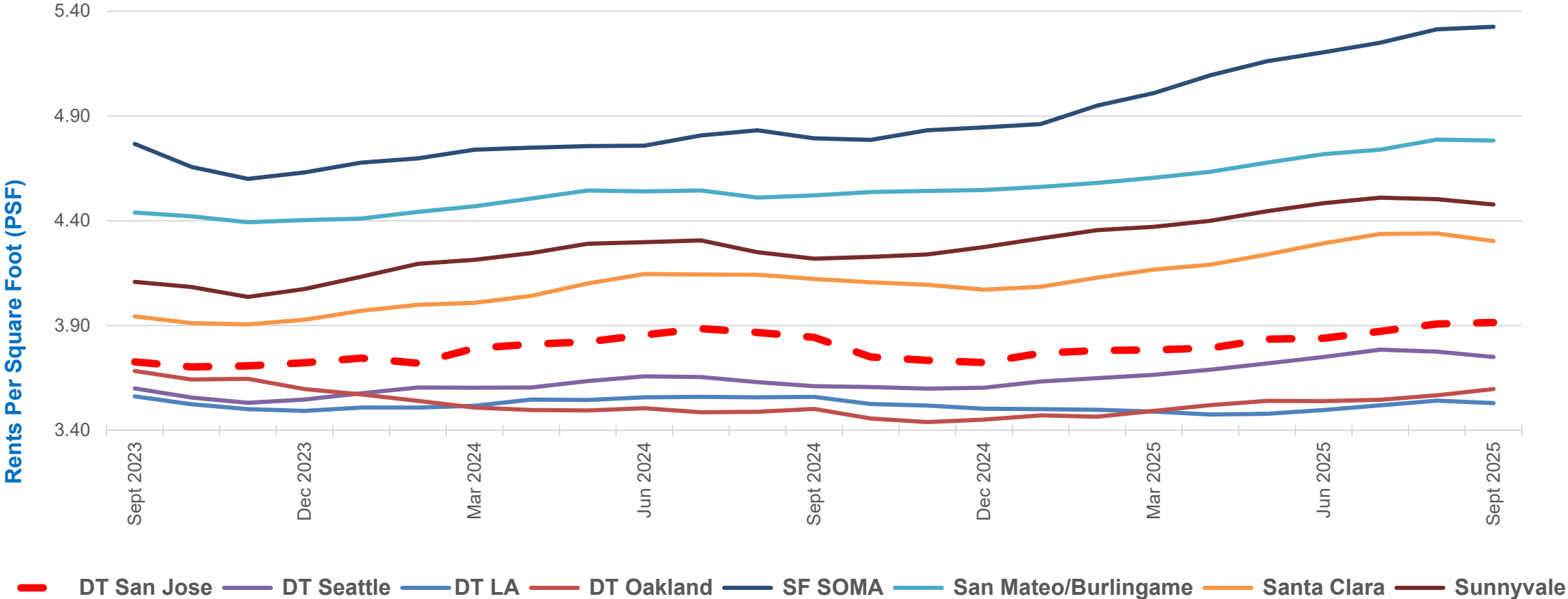


Notes: Acronyms used - QoQ for Quarter over Quarter.

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.

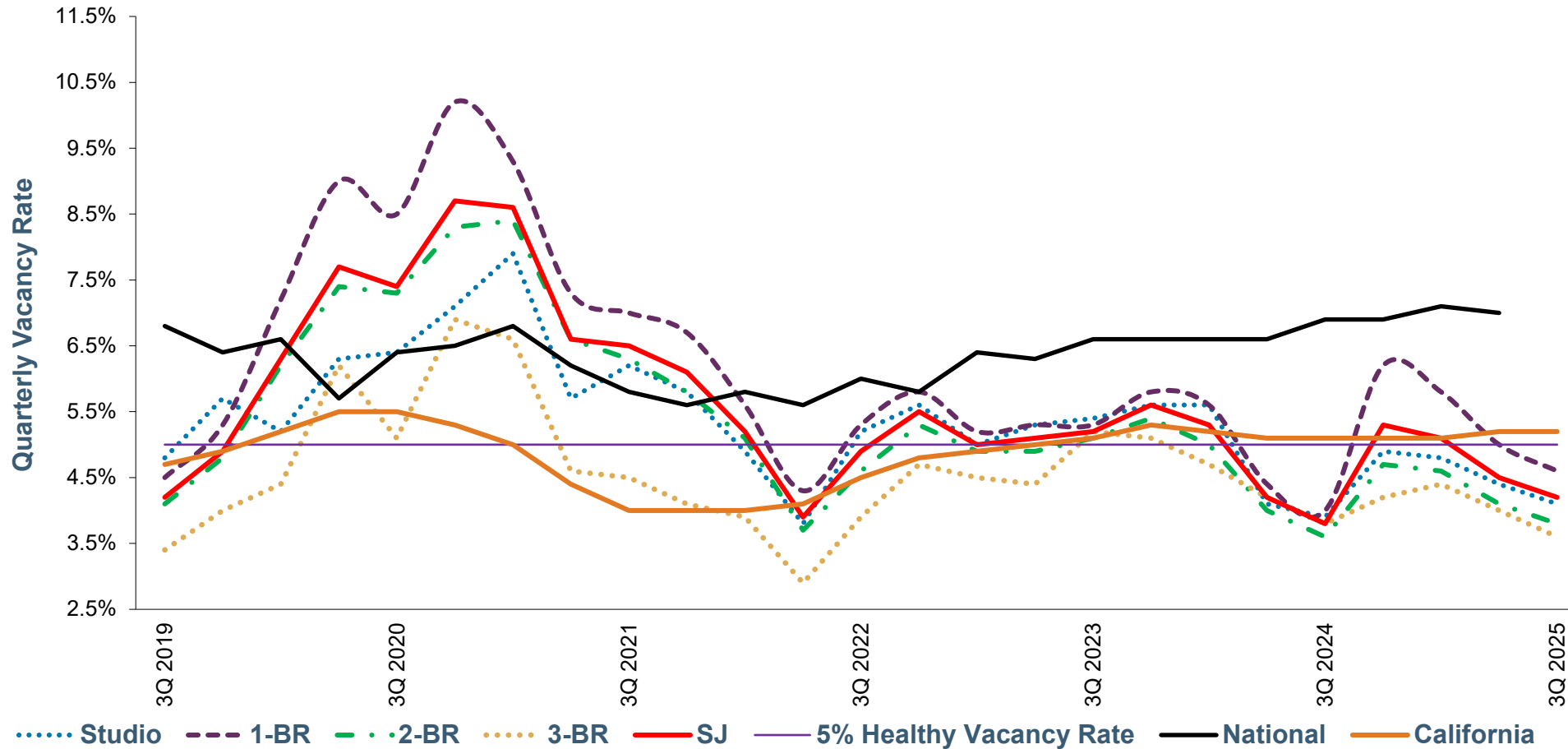
Source: Costar 10/1/25.

# Average Rents for 4&5 Star Properties in Downtown SJ were \$3.91 PSF - ↑ 1.8% QoQ



Notes: Acronyms used :PSF for Per Square Foot, MF for Multifamily, QoQ for Quarter over Quarter, LA for Los Angeles, SF SOMA for San Francisco South of Market; Quarterly data reflects data from the last month of the quarter (Ex Q3 = Sept data, Q2 = June data).  
Source: Costar 10/1/25.

# Apartment Vacancies All Sizes – Average Vacancy 4.2%, ↓ from 4.5% in Q2 2025



**Q3 2025**

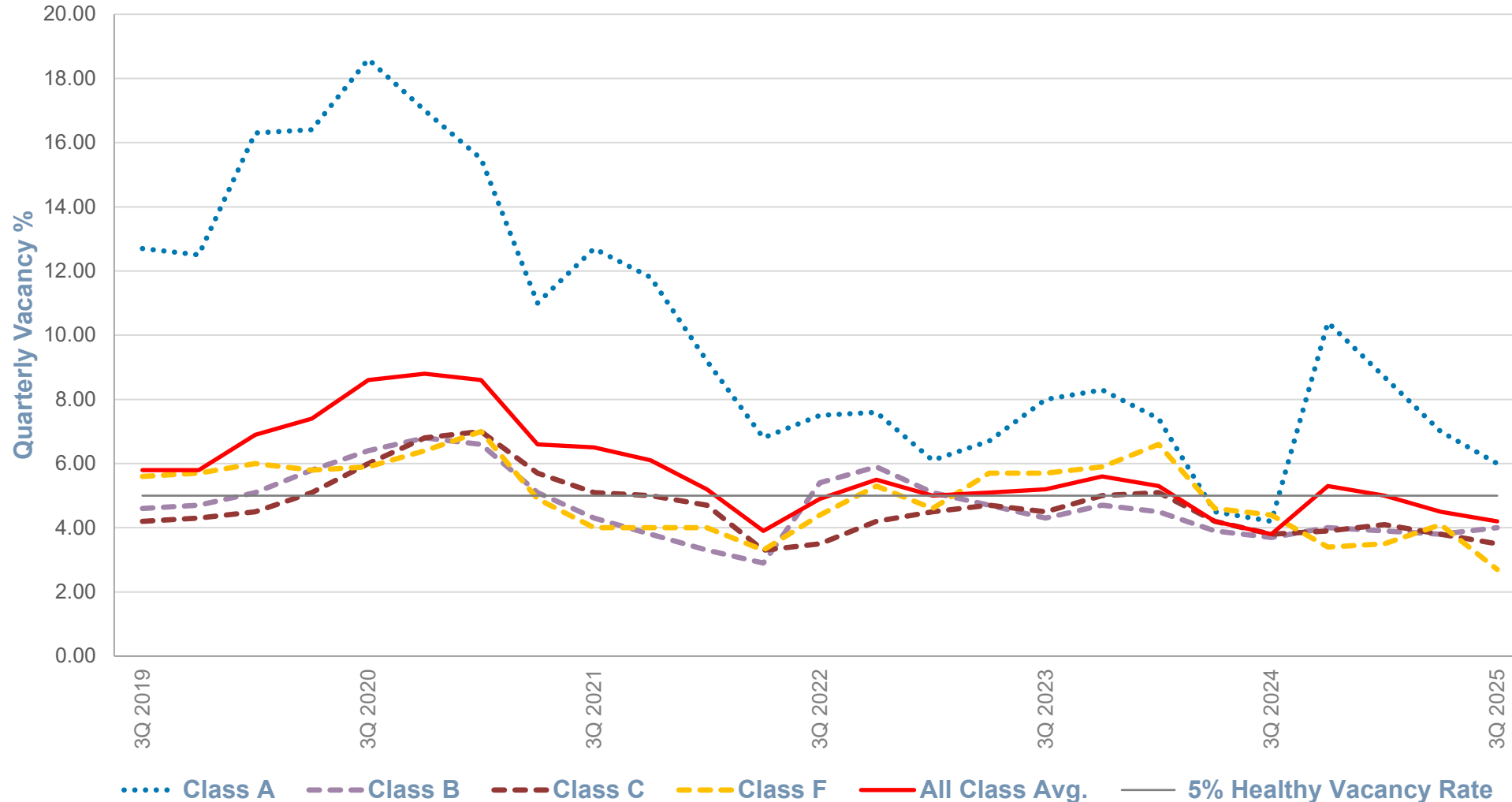
**Vacancy Rates**

- Studio – 4.1%
- 1-BR – 4.6%
- 2-BR – 3.8%
- 3-BR – 3.6%

**SJ Average – 4.2%**  
**County Average – 4.6%**  
**CA Average – 5.2%**

Sources: Costar 10/1/25; US Average from US Census Bureau [Census.gov Housing Vacancies and Homeownership data](https://www.census.gov/housing/vacancies); Q3 National Vacancy data unavailable due to Federal Shutdown

# Apartment Vacancies by Class – Class A Vacancy at 6%, ↓ from 7% in Q2 2025



**Q3 2025 Vacancy By Class**

- Class A – 6.0 %
- Class B – 4.0 %
- Class C – 3.5 %
- Class F – 2.7 %

**SJ Average – 4.2 %**

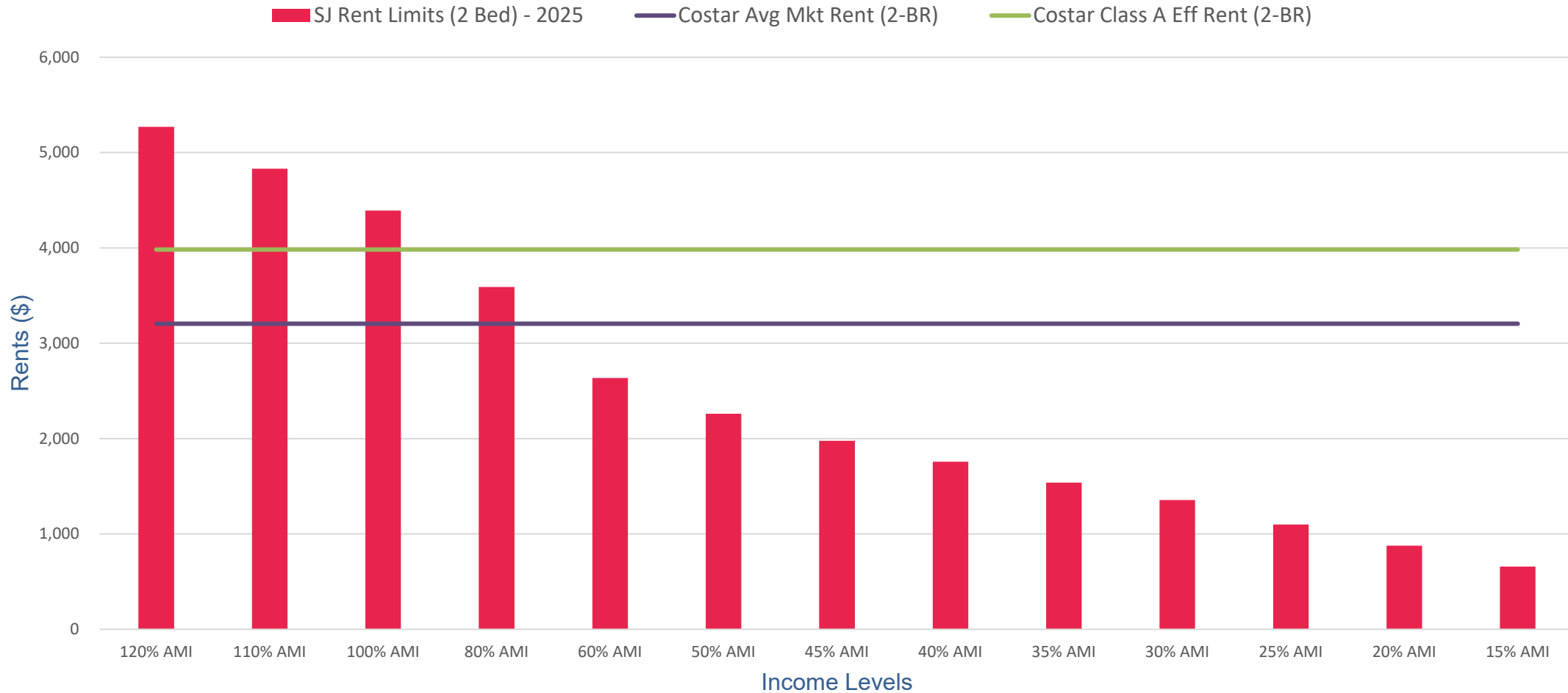
Notes: Class A are newest and highest quality buildings while Class F are oldest and poorest quality buildings. For Costar Class definitions, please see last slide.  
Source: Costar Subscription 10/1/25.

# San José Affordable Rent Limits vs. Market Rents – One-Bedroom



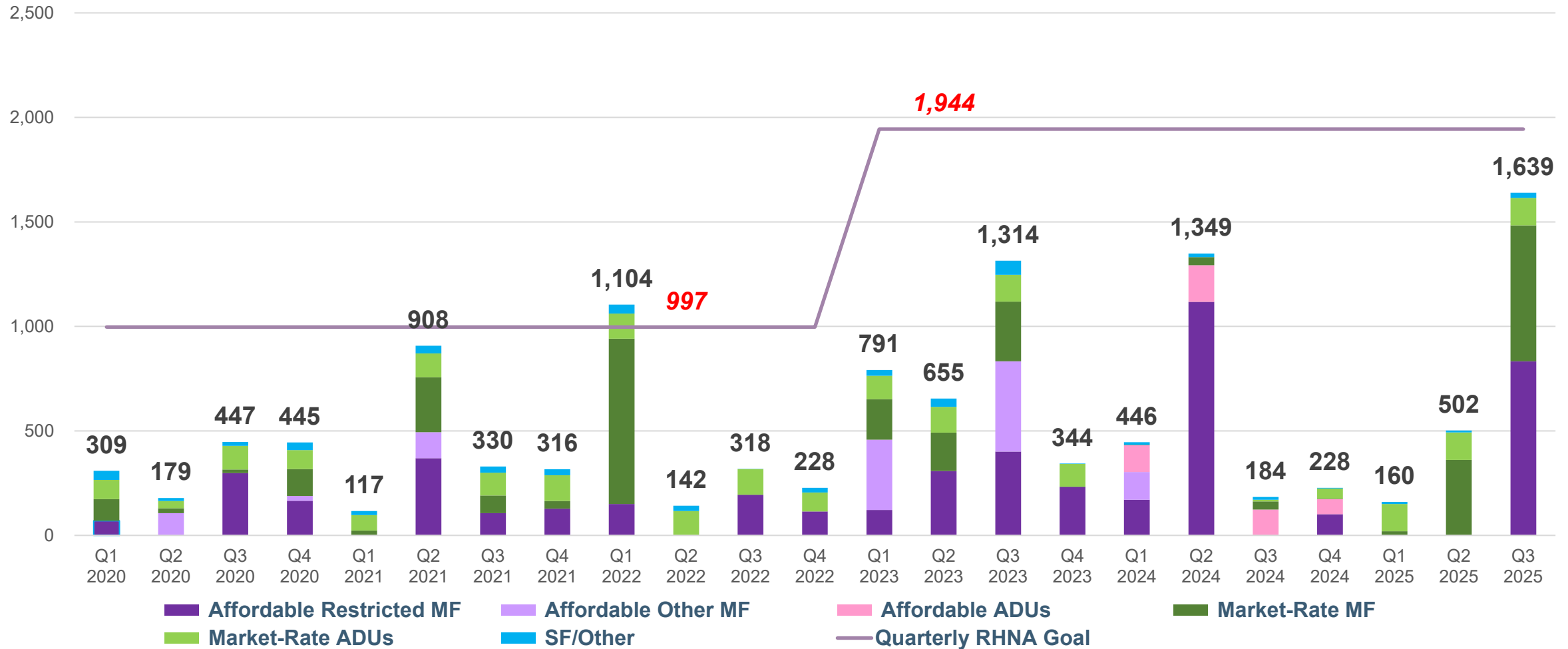
Sources: [CSJ Rent Limits](#), Costar

# San José Affordable Rent Limits vs. Market Rents – Two-Bedroom



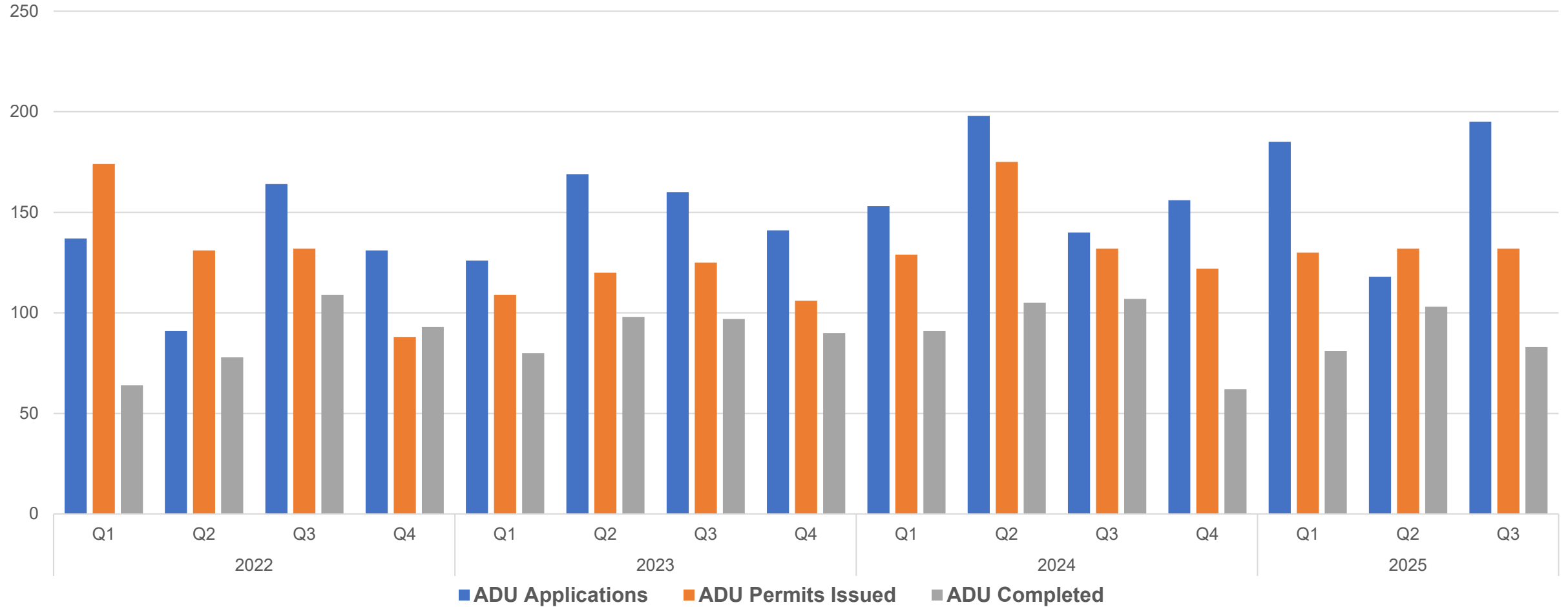
Sources: [CSJ Rent Limits](#), Costar

# Residential Permit Activity, ↑ Tripled QoQ, with Affordable Permits 50.8% of Q3 Permits issued



Notes: MF stands for Multifamily. Affordable Other shows market-rate units counted as moderate-income without deed restriction, 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 9/30/2025 & Annual RHNA Reports to HCD.

# ADU Permits Issued Were Level QoQ



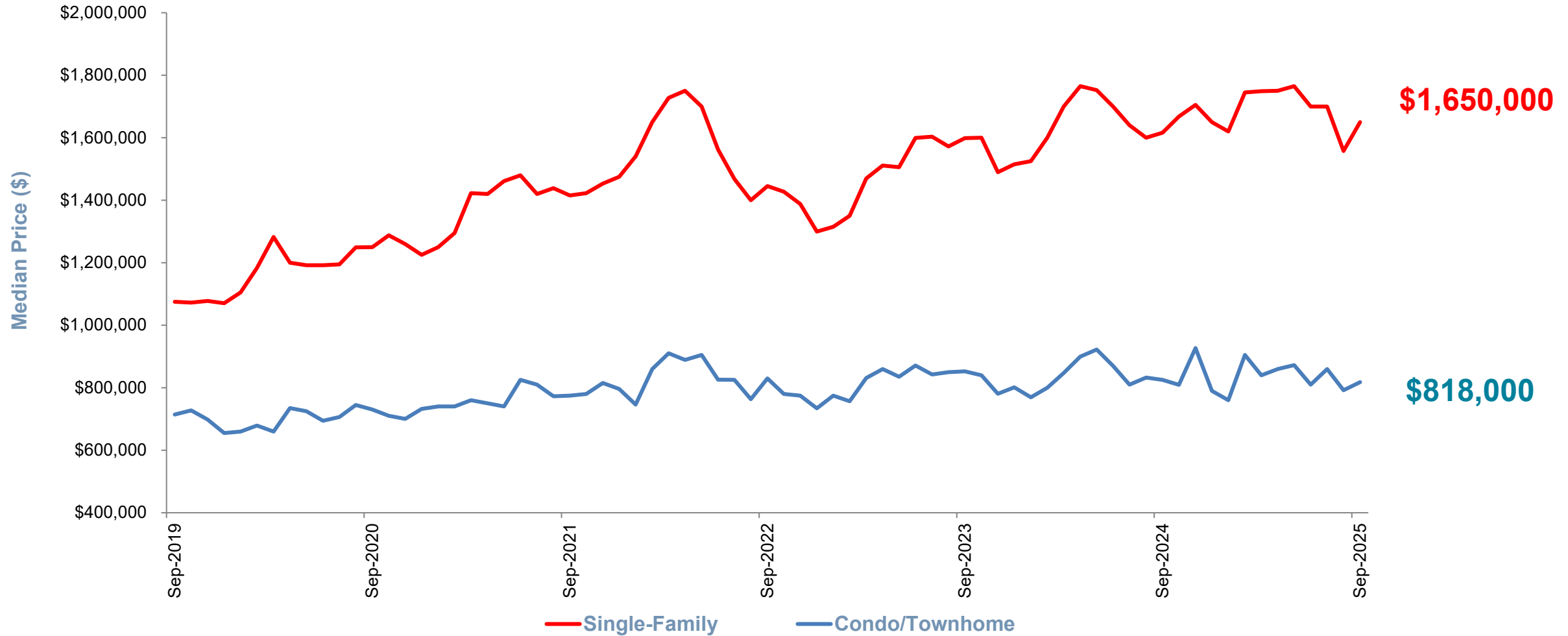
Notes: Acronyms used - ADU for Accessory Dwelling Units, QoQ for Quarter over Quarter; Zoning code updated in Nov. 2016 and in June 2018 to conform with new State Legislation and to facilitate construction of ADUs;

Source: City of San José [PBCE Housing Production Dashboard](#) as of 9/30/2025.

# Residential Multifamily Rental Market Summary – **YoY Change**

- ↑ Average *effective rents* (all sizes, all classes) at **\$2,882** – **up** 2.9% from \$2,802 in Q3 2024.
- ↑ Average *vacancy* (all sizes, all classes) at **4.2%** – **up** from 3.8% in Q3 2024.
- ↑ Average *Class A vacancy* at **6%** – **up** from 4.2% in Q3 2024.
- ↓ Q1 average *vacancy* for more affordable *Class C* apartments at **3.5%** – **down** from 3.8% in Q3 2024.
- ↑ Downtown San José *average rents per square foot* at **\$3.91** – **up** from \$3.84 in Q3 2024.

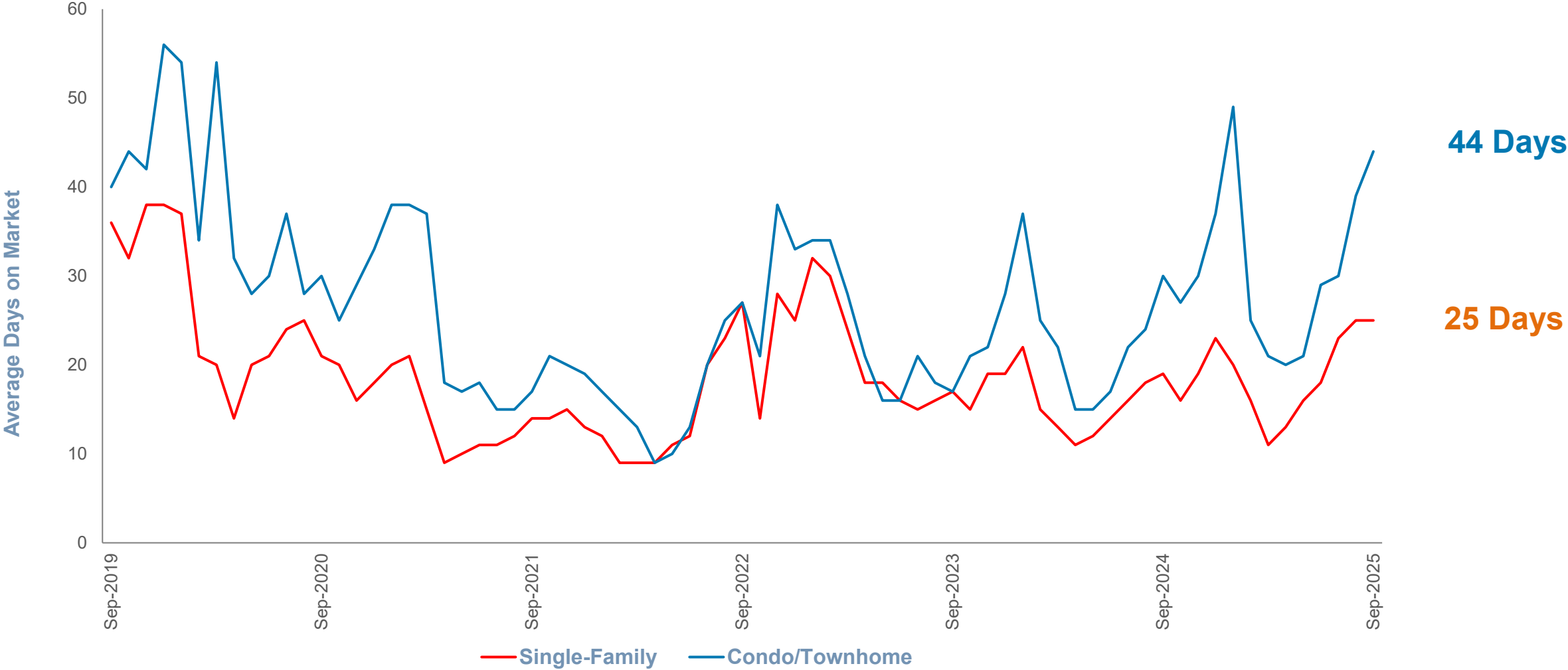
# Single-Family Home Median Price **↓ 2.9% QoQ**, Townhome Prices **↑ 1.0% QoQ**



Note: Acronyms used: QoQ is quarter over quarter. Quarterly data reflects data from the last month of the quarter (Ex Q3 = Sept data, Q2 = June data).

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

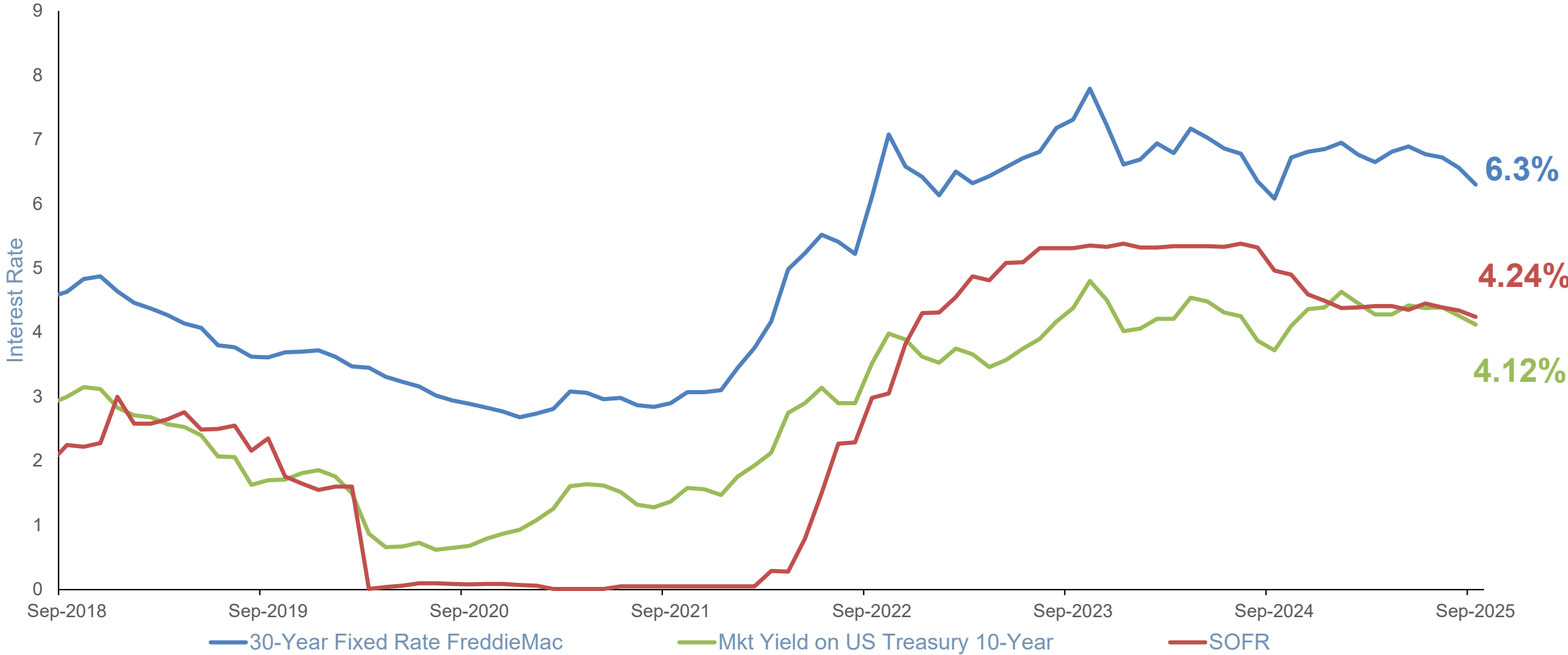
# Days on Market – Single Family Homes ↑ 7 days & Townhomes ↑ 15 Days, QoQ



Note: Acronyms used: QoQ is quarter over quarter. Quarterly data reflects data from the last month of the quarter (Ex. Q3 = Sep. data, Q2 = June data).

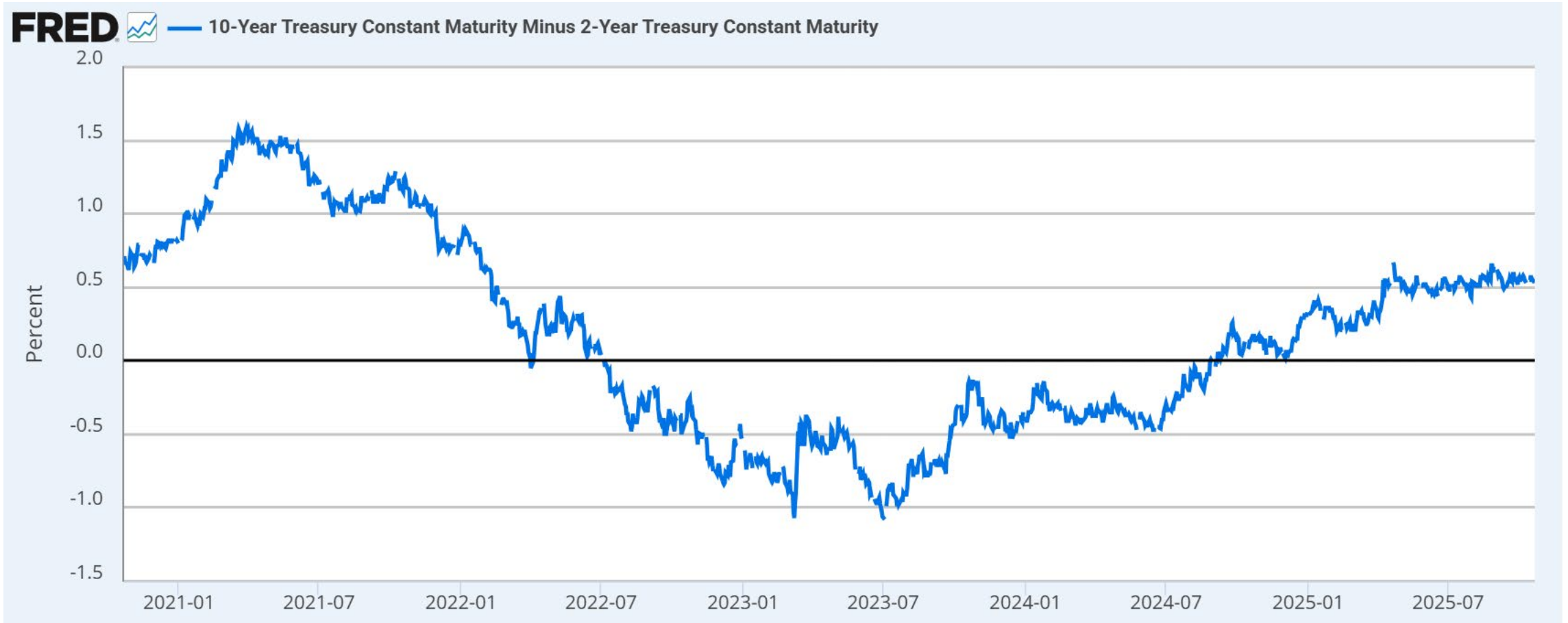
Source: [Santa Clara County Association of Realtors](#).

# 30-Year Mortgage Rate at 6.3%, ↓ from 6.9% QoQ



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](#)

# Yield Spread – Treasury Bills, 10-Yr vs. 2-Yr



Source: [10-Year Treasury Constant Maturity Minus 2-Year Treasury Constant Maturity \(T10Y2Y\)](#) | FRED | St. Louis Fed

# Residential Ownership Market Summary

## YoY Change

↑ Single-family home *median sales price* at **\$1,650,000**, **up 2.1%** from 1,616,000 in September 2024

↓ Condo and townhome *median sales price* at **\$818,000** – **down 0.8%** from \$825,000 in September 2024

↑ Average *days on market* for single-family homes at **25 days** – **up** from 19 days in September 2024

↑ June 2025 average *days on market* for condos and townhomes at **44 days** – **up** from 30 days in September 2024

↑ 30-Year *Mortgage Rates* at **6.3%** - **up** from 6.08% in September 2024

Note: Acronyms used: YoY is Year over Year

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 Building 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 rental 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’s Policy Team at [HSG-Policy@sanjoseca.gov](mailto:HSG-Policy@sanjoseca.gov)