San Jose Housing Market Update  Q1 2014

Donner Loft, Mid Pen Housing Coalition
San José Housing Market

- 670+ multi-family residential permits issued Q1 2014.
- Moderate increase in median prices & housing inventory in Q1, 2014.
Q1 2014 Residential Permit Activity

SOURCE: City of San Jose Housing Department
San José Average Rent Up 10% Annually

Source: RealFacts – First Quarter 2014 - Data only includes rental projects with 50 units or more
Vacancy Above the “Natural” Rate, Affected by New Communities Coming into Market

SOURCE: RealFacts Data Q1, 2014 – Data only includes rental projects with 50 units or more, which makes up about 20% of rental market
North San José Rents Trend Higher than Average Rents Citywide

<table>
<thead>
<tr>
<th>Project</th>
<th>1BR</th>
<th>2BR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Rent (Q1 2014)</td>
<td>$1868</td>
<td>$2361</td>
</tr>
<tr>
<td>Enclave</td>
<td>$1,878 - $2,318</td>
<td>$2,182 - $2,634</td>
</tr>
<tr>
<td>Elan at River Oaks</td>
<td>$2,167 - $2,308</td>
<td>$2,680 - $2,808</td>
</tr>
<tr>
<td>Aire</td>
<td>$2,180 - $2,735</td>
<td>$2,750 - $4,410</td>
</tr>
<tr>
<td>The Oaks at North Park</td>
<td>$2,390 - $2,665</td>
<td>$3,130 - $3,375</td>
</tr>
<tr>
<td>The Sycamores</td>
<td>$2,495 - $3,895</td>
<td>$3,125 - $3,765</td>
</tr>
</tbody>
</table>

SOURCE: Zillow, May 2014
Market Rents Remain Significantly Out of Reach for San Jose’s Working Class

![Bar chart showing the annual income to rent for different types of apartments:]

- Annual Income to Rent Three-bedroom Apartment ($112,640)
- Annual Income to Rent Two-bedroom Apartment ($94,440)
- Annual Income to Rent One-bedroom Apartment ($74,720)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Income to Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Salesperson</td>
<td>$26,000</td>
</tr>
<tr>
<td>Janitor</td>
<td>$30,000</td>
</tr>
<tr>
<td>Healthcare Support Occupation</td>
<td>$32,000</td>
</tr>
<tr>
<td>Construction Laborer</td>
<td>$35,000</td>
</tr>
<tr>
<td>Elementary School Teacher</td>
<td>$40,000</td>
</tr>
<tr>
<td>Fire Fighter</td>
<td>$92,000</td>
</tr>
<tr>
<td>Police Officer</td>
<td>$120,000</td>
</tr>
</tbody>
</table>

SOURCE: Employment Development Department (EDD) – May 2013 Wages. Income to rent calculation assumes rent is at 30% of income
San José Housing Affordability Remains Low Relative to the Nation

Less than 1/3rd of San Jose’s Families Can Afford a Median Priced Home

65.5%

27.2%

SOURCE: National Association of Home Builders
Mortgage Rates Continue to Remain Historically Low

SOURCE: Federal Reserve, Freddie Mac Primary Mortgage Market Survey
Single-Family Median Price Up 15% YoY in San José, Up 57% in 3 Years

San Jose Housing Market Update : Q1 2014

SOURCE: Santa Clara County Association of Realtors, MLS Listings – March 2014
Townhome/Condo Price Up 19% YoY in San José, Only 10% below the all-time high of March ’07

SOURCE: Santa Clara County Association of Realtors, MLS Listings – March 2014
Inventory, New Listings Rise in First Quarter 2014; Quarterly Sales Drop Slightly

San Jose Housing Market Update: Q1 2014

SOURCE: Santa Clara County Association of Realtors, MLS Listings – March 2014
Days on Market Drops in First Quarter of 2014

Source: Santa Clara County Association of Realtors, MLS Listings – March 2014

Days on the Market in San Jose

SOURCE: Santa Clara County Association of Realtors, MLS Listings – March 2014
Foreclosure Filings Back to Pre-Recession Levels

![Graph showing foreclosure filings in San Jose from September 2006 to March 2014. The y-axis represents the number of filings, and the x-axis represents the months. The graph shows a peak in filings around December 2008 and then a decline.]

SOURCE: San Jose – Foreclosure Radar – March 2014