City of San José

Housing Market Update

Q4 2014
San José issued 4,058 multi-family residential permits in 2014, largest number issued in a single year since 1980

• Rents continue to climb; average rents up 10% YoY

• Renters must earn $48.80 an hour to afford the average rent for a two bedroom apartment ¹

• Median single-family home prices up 11% YoY

• Single-family home inventory low, drops 27% from Q3 2014

• Only 22% of the San José households can afford to buy a median priced home vs national average of 63% ²

¹ Based on Realfacts average rents, income calculation assumes rents are 30% of income, 40 hour work week, and a household size of 1

² National Association of Home Builders Housing Opportunity Index, Q4 2014
Strong Calendar Year 2014 San José Multifamily Residential Permit Activity

SOURCE: City of San José Housing Department, Q4 2014
San José Average Rent Continues to Rise, Up 10% Annually

San José Housing Market Update: Q4 2014

SOURCE: RealFacts – Fourth Quarter 2014 - Data only includes rental projects with 50 units or more
Vacancy Remains Below the “Natural“ Rate

SOURCE: RealFacts Data Q4, 2014 – Data only includes rental projects with 50 units or more
North San José Rents Trend Higher than Average Rents Citywide

<table>
<thead>
<tr>
<th>Project</th>
<th>1BR</th>
<th>2BR</th>
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</thead>
<tbody>
<tr>
<td>Average San José Rent</td>
<td>$2,009</td>
<td>$2,538</td>
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<tr>
<td>(Q4 2014)</td>
<td></td>
<td></td>
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<tr>
<td>Domaine</td>
<td>$2,695 - $2,755</td>
<td>$2,900 - $3,215</td>
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<tr>
<td>Aire</td>
<td>$2,430 - $2,890</td>
<td>$3,010 - $4,410</td>
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<tr>
<td>Riverview</td>
<td>$2,185 - $2,365</td>
<td>$3,120 - $3,170</td>
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<tr>
<td>Enclave</td>
<td>$2,207 - $2,614</td>
<td>$2,750 - $2,818</td>
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<tr>
<td>Crescent Village</td>
<td>$2,400 - $3,035</td>
<td>$2,860 - $3,765</td>
</tr>
</tbody>
</table>

Market Rents Significantly Out of Reach for Many San José Workers

SOURCE: Employment Development Department (EDD) – May 2014 Wages; Income to rent calculation assumes rent is at 30% of income; Household size of 1.
Mortgage Rates Remain Historically Low

San José’s Single-Family Median Home Price Up 11%YoY

SOURCE: Santa Clara County Association of Realtors, MLS Listings, Dec 2014

San José Housing Market Update : Q4 2014
San José’s Townhome/Condo Median Price Up 13% YoY

SOURCE: Santa Clara County Association of Realtors, MLS Listings, Dec 2014

San José Housing Market Update : Q4 2014
YoY Total Listings Up 37%, but Trends Low

San José Housing Market Update: Q4 2014

SOURCE: Santa Clara County Association of Realtors, MLS Listings, Dec 2014
SF DOM Rises by 4 days YoY and by 7 days from Q3, 2014
Foreclosure Filings Stay at Pre-Recession Levels

Number of Filings in San José

- Notice of Defaults
- Auctions
- Bank-owned

SOURCE: San José – PropertyRadar.com Dec 2014
San José Housing Affordability Remains Low Relative to the Nation

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

SOURCE: National Association of Home Builders, Q4 2014