City of San José

Housing Market Update

Q4 2015

Rendering of 777 West San Carlos Urban Village, SVGA Architecture & Planning
In 2015, San José met 3% of its annual affordable housing RHNA goal and 121% of its market-rate RHNA goal. San José is the third most expensive rental market and the second most expensive homeownership market in the nation. Rents continue to set records, growing 9% year over year (YoY). Average monthly rent for a 2 bedroom apartment is $2,750; Renters must earn $53/hour ($110,000/year) to afford the average rent for a two bedroom, two-bath apartment. Median single-family home price is $825,000, up 14% YoY.

1 San José's Regional Housing Needs Allocation (RHNA) January 2014 – October 2022 is 35,080 units; annualized goal is 3,987 units assuming an 8.8 year RHNA cycle
2 Based on NHC Report Paycheck to Paycheck 2015 - http://www2.nhc.org/CHP/P2P/
3 Based on Q4 2015 realAnswers average rents, income calculation assumes rents are 30% of income, 40 hour work week, and a single income household.
2015 Regional Housing Needs Allocation (RHNA) Performance – Residential Permits Fall Short of Annual Goal

SOURCE: City of San José Housing Department, Q4 2015; RHNA goal set by Association of Bay Area Governors (ABAG)
Average Rent Down 2% from Q3 2015, Up 9% Year Over Year (YoY)
SJ Vacancy Rate Falls From 6.3% in Q3 to 5.4% in Q4 2015, Still Above the “Natural” Rate
### Rents in Some Areas Trend Higher than Average Citywide Rents

<table>
<thead>
<tr>
<th>Project</th>
<th>1BR</th>
<th>2BR</th>
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<tbody>
<tr>
<td><strong>Average Citywide Rents</strong></td>
<td>$2,209</td>
<td>$2,750</td>
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<td><em>(Q4 2015 realAnswers)</em></td>
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<tr>
<td>Crescent Village (North SJ)</td>
<td>$2,715 - $3,385</td>
<td>$3,165 - $4,120</td>
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<td>North Park (North SJ)</td>
<td>$2,365 - $3,800</td>
<td>$2,605 - $3,425</td>
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<tr>
<td>One South Market (Downtown SJ)</td>
<td>$2,823</td>
<td>$4,255 - $6,245</td>
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<td>Centerra (Downtown SJ)</td>
<td>$2,514 - $5,686</td>
<td>$3,274 - $4,594</td>
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<tr>
<td>Ascent Apartments (Edenvale SJ)</td>
<td>$2,355 - $2,685</td>
<td>$2,745 - $4,280</td>
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*Source: Zillow.com, February 16, 2016*
Market Rents Significantly Out of Reach for Many San José Workers

SOURCE: Employment Development Department (EDD) – July 2015 Wages; Income to rent calculation assumes rent at 30% of income and a single income household
Days on Market Rises 11 Days for Single Family and 15 Days for Condos/Townhomes from Q3 2015

Days on the Market in San Jose

SOURCE: Santa Clara County Association of Realtors December 2015
San José Housing Affordability Remains Low Relative to the Nation (6th least affordable)

Less than 1 in 5 families in San José can afford a median priced home

SOURCE: National Association of Home Builders, Housing Opportunity Index Q4 2015
Interest Rates Record Slight Uptick from Q3 2015

SF Median Home Prices Fall Slightly from Q3 2015, up 9% YoY

SOURCE: Santa Clara County Association of Realtors, December 2015
Townhome/Condo Median Prices Up Slightly from Q3 2015; YoY Rises 25% in SCC, Remains Unchanged in SJ

SOURCE: Santa Clara County Association of Realtors, December 2015
SF New Listings & Total Listings Down 60%, Sales Down 13% from Q3 2015

SOURCE: Santa Clara County Association of Realtors, MLS Listings December 2015
Foreclosure Filings Stay Low, at Pre-Recession Levels

![Graph showing the number of filings in San José from 2006 to 2015, with peaks in 2007 and 2008. The number of filings has steadily decreased since then, with a slight increase in 2014 and 2015. The graph includes three lines representing Notice of Defaults, Auctions, and Bank-owned properties.]

SOURCE: San José – PropertyRadar.com December 2015