Q1 2015 San José Housing Market

- San José issued 766 multi-family residential building permits in Q1 2015 - 71 were for affordable apartments
- Extremely tight rental market, with 3.3% vacancy and rents climbing 8% year-over-year
- Renters must earn $50/hour to afford the average rent of $2,600 for a two bedroom apartment
- No-cause evictions filed with City are at an all time high with 123 in the first three months of the year
- Only 1 in 5 families can afford to purchase a median priced home, compared to 3 of 5 families, nationally
- Median single-family home prices up 11% year-over-year, sets record high

1 Based on Realfacts average 2 bdrm rent of $2,611; 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, Q1 2015 – 26% and 67% SJ and National Index
766 Residential Permits in Q1 2015, 14% Higher than Q1 2014 Permits

SOURCE: City of San José Housing Department, Q1 2015
Average Rent Continues to Rise, Up 8% Annually

SOURCE: RealFacts – Q1 2015 - Data only includes rental projects with 50 apartments or more
Vacancy Drops from 4.2% in Q4 2014, Remains Well Below the “Natural” Rate

San Jose Vacancy Rate

SOURCE: RealFacts Data Q1, 2015—Data only includes rental projects with 50 apartments or more
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 SJ Rent</td>
<td>$2,058</td>
<td>$2,601</td>
</tr>
<tr>
<td>(Q1 2015 Realfacts)</td>
<td></td>
<td></td>
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<tr>
<td>Enso</td>
<td>$2,495 - $2,720</td>
<td>$3,130 - $3,290</td>
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<tr>
<td>The Verdant</td>
<td>$2,430 - $2,798</td>
<td>$2,907 - $3211</td>
</tr>
<tr>
<td>The Laurels</td>
<td>$2,415 - $2,470</td>
<td>$2,925 - $2,970</td>
</tr>
<tr>
<td>The Oaks</td>
<td>$2,430</td>
<td>$3,110 - $3,260</td>
</tr>
<tr>
<td>Crescent Village</td>
<td>$2,435 - $3,070</td>
<td>$2,965 - $3,855</td>
</tr>
</tbody>
</table>

SOURCE: Zillow, May 13, 2015
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

Annual Income to Rent Three-bedroom Apartment ($122,280)

Annual Income to Rent Two-bedroom Apartment ($104,040)

Annual Income to Rent One-bedroom Apartment ($82,320)

Retail Salesperson
Janitor
Healthcare Support Occupation
Construction Laborer
Elementary School Teacher
Fire Fighter
Police Officer

San José Housing Market Update : Q1 2015
No Cause Evictions Filed with the City Since 2010 at Highest Level Recorded

Source: City of San José Housing Department
Does not include all evictions in San Jose, only evictions filed with the City on rent controlled buildings.
San José Housing Affordability Remains Low Relative to the Nation

Only 1/4\textsuperscript{th} of San José’s Families Can Afford a Median Priced Home

% of Homes Affordable to Families Earning Median Income

San Jose HOI
National HOI

SOURCE: National Association of Home Builders, Q1 2015
Mortgage Rates Remain Low

Single-Family Median Home Prices Reach Record Levels, Up 9% (SCC) & 6% (SJ) Year-Over-Year

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**Source:** Santa Clara County Association of Realtors, MLS Listings, March 2015

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**Graph Description:**
- The graph depicts the median single-family home price trends in Santa Clara County and San José from March 2004 to March 2015.
- The median home prices in Santa Clara County reached $939,000 in March 2015, marking a new record.
- In San José, the median home price reached $801,000 in the same period, also setting a new record.

**Graph Axes:**
- Y-axis: Median Single Family Home Price ($)
- X-axis: Months from Mar-04 to Mar-15

**Legend:**
- Green line: Santa Clara County
- Orange line: San José

**Note:**
- The median home prices have increased significantly over the years, reflecting strong housing market conditions in both counties.

**Source:** Santa Clara County Association of Realtors, MLS Listings, March 2015
Townhome/Condo Median Price Approaching Record High, Up 7% (SJ) Year-Over-Year

SOURCE: Santa Clara County Association of Realtors, MLS Listings, March 2015
All Inventory Data Up from Q4 2014 and from Prior Year

San José Housing Market Update: Q1 2015

San José Data

- New Listings
- Sales
- Total Listings

SOURCE: Santa Clara County Association of Realtors, MLS Listings March 2015
Hot Market - SF DOM Falls by 15 days and Condo DOM Falls by 19 days from Q4 2014

[Graph showing Days on Market in San Jose from Mar-08 to Mar-15 for Single Family and Condo/Townhomes.

23 Days
23 Days

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

Number of Filings in San José

Notice of Defaults
Auctions
Bank-owned

SOURCE: San José – PropertyRadar.com March 2015