Second Street Studios, developed by First Community Housing, is scheduled to open in 2018. It will provide 134 apartments dedicated to permanent supportive housing for the chronically homeless. It will have nearly 9,000 square feet of ground-floor space for a health clinic and office space for case managers, one for every 20 residents.
Q3 2016 San José Housing Market

- In Q3 2016, residential permits doubled from Q2 2016 - 737 permits were issued - 635 multi-family market, 102 single-family/other permits, 0 affordable permits

- SJ average rent growth cools, up 0.6% year over year (YoY); vacancy remains low at 4.3%  
  
- Average monthly rent for a 2 bedroom apartment is $2,826; Renters must earn $54/hour ($113,040/year) to afford the average rent for a two bedroom, two-bath apartment  

- SJ median single-family home price is $851,000; Residents must earn $87/hour ($181,646/year) to afford to buy a median priced home  

1 realAnswers, Q3 2016.  
2 Based on Q3 2016 realAnswers average rents, income calculation assumes rents are 30% of income, 40 hour work week and a single income household.  
3 Based on Santa Clara County Association of Realtors, September 2016 median prices; income calculation assumes monthly payments are 30% of income, 20% down, 3.5% interest rate, 1.25% property tax, 40 hour work week and a single income household.
Q3 2016 Residential Permits Double from Q2 2016 and Up 87% YoY

City of San Jose Third Quarter Residential Permit Activity

SOURCE: City of San José Housing Department, Q3 2016
Average Rent Growth Cools, Down 0.1% from Q2 2016 and Up 0.6% YoY

Average Monthly San José Rents

SOURCE: realAnswers – Q3 2016 - Data only includes rental developments with 50 apartments or more

San José Housing Market Update : Q3 2016
San José Housing Market Update: Q3 2016

SJ Q3 2016 Vacancy at 4.3%, Drops 16% from Q2 2016 & 32% YoY

SOURCE: realAnswers Data Q3, 2016 – Note that data only includes rental developments with 50 apartments or more; demand for affordable housing far exceeds the supply and the vacancy rate for affordable housing is nearly 0% as evidenced by long wait lists at most developments.
### Rents in Some San José Areas Trend Higher

<table>
<thead>
<tr>
<th>Project</th>
<th>1BR</th>
<th>2BR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Avg. Citywide Rents</strong></td>
<td>$2,275</td>
<td>$2,826</td>
</tr>
<tr>
<td><strong>(Q3 2016 realAnswers)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>360 Residences (Downtown)</td>
<td>$2,699 - $2,912</td>
<td>$3,522 - $3,886</td>
</tr>
<tr>
<td>Centerra (Downtown)</td>
<td>$2,318 - $5,937</td>
<td>$3,206 - $7,008</td>
</tr>
<tr>
<td>Waterford Place (North SJ)</td>
<td>$2,301 - $2,322</td>
<td>$2,554 - $2,831</td>
</tr>
<tr>
<td>North Park (North SJ)</td>
<td>$2,474 - $5,686</td>
<td>$3,564 - $4,909</td>
</tr>
<tr>
<td>Ascent Apartments (Edenvale SJ)</td>
<td>$2,360 - $2,805</td>
<td>$2,810 - $3,180</td>
</tr>
</tbody>
</table>

SOURCE: Zillow.com, October 20, 2016
Housing Costs Significantly Out of Reach for Many San José Workers

SOURCE: Employment Development Department (EDD) – First Quarter 2016 Wages; Q3 2016 Rents; Income to rent calculation assumes rent at 30% of income and a single income household; Santa Clara County Association of Realtors Oct 2016 median prices; Income to mortgage calculations assume payments at 30% of income, 20% down, 3.5% interest, 1.25% Property Tax, $300 HOA dues for condos and a single-income household
SJ Renters Spend Greater % of Income on Rent than Renters Nationwide

SOURCE: Zillow Rental Affordability Index Q2 2016
San Jose’s SF Median Home Price Down 7.5% from Q2 2016 and Up 0.1% YoY

SOURCE: Santa Clara County Association of Realtors, September 2016
Taken as a multiple of Median Income, SJ Metro Area Median Home Prices Almost 3 Times the National Average

SOURCE: Zillow Price to Income Index Q2 2016
SJ 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

SJ Homeowners Pay Almost 3 Times the Mortgage Costs of the Average US Homeowner

SOURCE: Zillow Mortgage Affordability Index Q2 2016

San José Housing Market Update : Q3 2016
SJ Townhome/Condo Median Prices Down 2.6% from Q2 2016 and Up 29% YoY
SF Sales Down 25% from Q2 2016; Total Listings & New Listings also Down 4% & 14%

SOURCE: Santa Clara County Association of Realtors, September 2016
SF Days on Market Rises 35% from Q2 2016 and 25% YoY
Interest Rates Remain Low