City of San José

Housing Market Update

Q2 2015
• Rents continue to set records, grow 11% annually
• Renters must earn around $52/hour ($109,440/year) to afford the average rent for a two bedroom apartment ¹
• No-cause evictions filed with City continue to rise
• Median single-family home prices continue to set record highs, up 9% year over year (YoY); townhome prices increase even more, up 20% YoY
• Only 1 in 5 families can afford to purchase a median priced home in the San José, Sunnyvale, Santa Clara Metropolitan Service Area (MSA), compared to 3 of 5 families, nationally²

¹ Based on Realfacts average rents, income calculation assumes rents are 30% of income , 40 hour work week , and a single income household
² National Association of Home Builders Housing Opportunity Index, Q2 2015
Q2 2015 Multi-Family Residential Permit Activity Trends Low - 166 (all Market-Rate) Permits Pulled vs 1,287 Permits in Q2 2014

![Graph showing number of multifamily residential permits from 2003 to 2015 (To-Date)](image_url)

Number of Multifamily Residential Permits

- Multifamily Market Rate
- Multifamily Affordable

SOURCE: City of San José Housing Department, Q2 2015
Average Rent Continues to Rise, Up 8% Quarterly and 11% YoY

Average Monthly San José Rents

SOURCE: RealFacts – Q2 2015 - Data only includes rental projects with 50 apartments or more
SJ Vacancy Rate rises from 3.3% in Q1 to 4.7% in Q2 2015, Just Below the "Natural" Rate

SOURCE: RealFacts Data Q2, 2015– Data only includes rental projects with 50 apartments or more
### 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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</thead>
<tbody>
<tr>
<td><strong>Average Citywide Rents</strong> (Q2 2015 Realfacts)</td>
<td>$2,186</td>
<td>$2,736</td>
</tr>
<tr>
<td>Riverview (North SJ)</td>
<td>$2,645 - $3,185</td>
<td>$3,335 - $3,685</td>
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<tr>
<td>Sycamores at North Park (North SJ)</td>
<td>$2,650 - $3,215</td>
<td>$3,130 - $3,520</td>
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<tr>
<td>One South Market (Downtown SJ)</td>
<td>$2,616 - $3,316</td>
<td>$3,342 - $8,858</td>
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<tr>
<td>101 San Fernando (Downtown SJ)</td>
<td>$2,348 - $2,894</td>
<td>$3,393 - $3,893</td>
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<tr>
<td>Ascent Apartments (Edenvale SJ)</td>
<td>$2,136 - $2,526</td>
<td>$2,809 - $3,382</td>
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</tbody>
</table>

*SOURCE: Zillow, Aug 11, 2015*
Market Rents Significantly Out of Reach for Many San José Workers

SOURCE: Employment Development Department (EDD) – May 2015 Wages; Income to rent calculation assumes rent at 30% of income and a single income household
No Cause Evictions Filed with the City Continue to Climb

Evictions

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 (5th least affordable)

Only 1/5th of San José’s Families Can Afford a Median Priced Home

SOURCE: National Association of Home Builders, Housing Opportunity Index Q2 2015
Mortgage Rates Record Slight Increase from Q1 2015

Single-Family Median Home Prices Continue to Climb after Reaching Record Levels, Up 10% (SCC) & 9% (SJ) YoY

SOURCE: Santa Clara County Association of Realtors, June 2015

San José Housing Market Update: Q2 2015
Townhome/Condo Median Price at Record High, Up 22% (SCC) and 20% (SJ) YoY

Median Townhome Price ($)
Inventory remains low

 SOURCE: Santa Clara County Association of Realtors, MLS Listings June 2015

San José Data

NEW LISTINGS  SALES  TOTAL LISTINGS

Jun-08  Jun-09  Jun-10  Jun-11  Jun-12  Jun-13  Jun-14  Jun-15

SOURCE: Santa Clara County Association of Realtors, MLS Listings June 2015
Hot Market - DOM at Lowest Level since Mid 2005, SF down by 4 days and Condo down by 9 days from Q1 2015

![Graph showing Days on the Market in San Jose over time for Single Family and Condo/Townhomes. The graph indicates a decreasing trend with 14 Days for Single Family and 19 Days for Condo/Townhomes.]

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

Notice of Defaults  
Auctions  
Bank-owned

SOURCE: San José – PropertyRadar.com June 2015