

# City of San José

## Housing Market Update

Q1 2015



*Brookwood Terrace Apartments, ROEM Corporation*

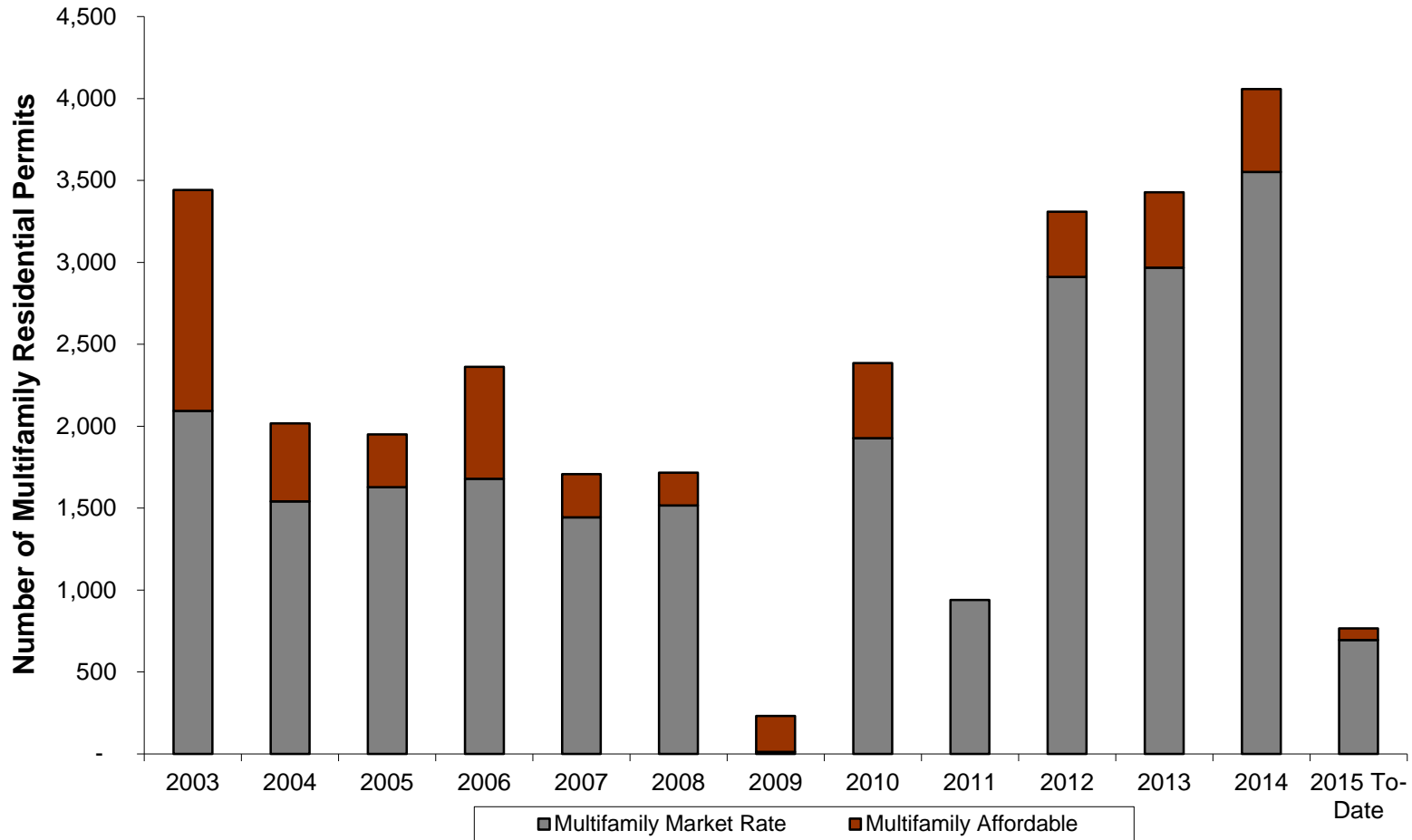
# Q1 2015 San José Housing Market

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- 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 <sup>1</sup>
- 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<sup>2</sup>
- Median single-family home prices up 11% year-over-year, sets record high

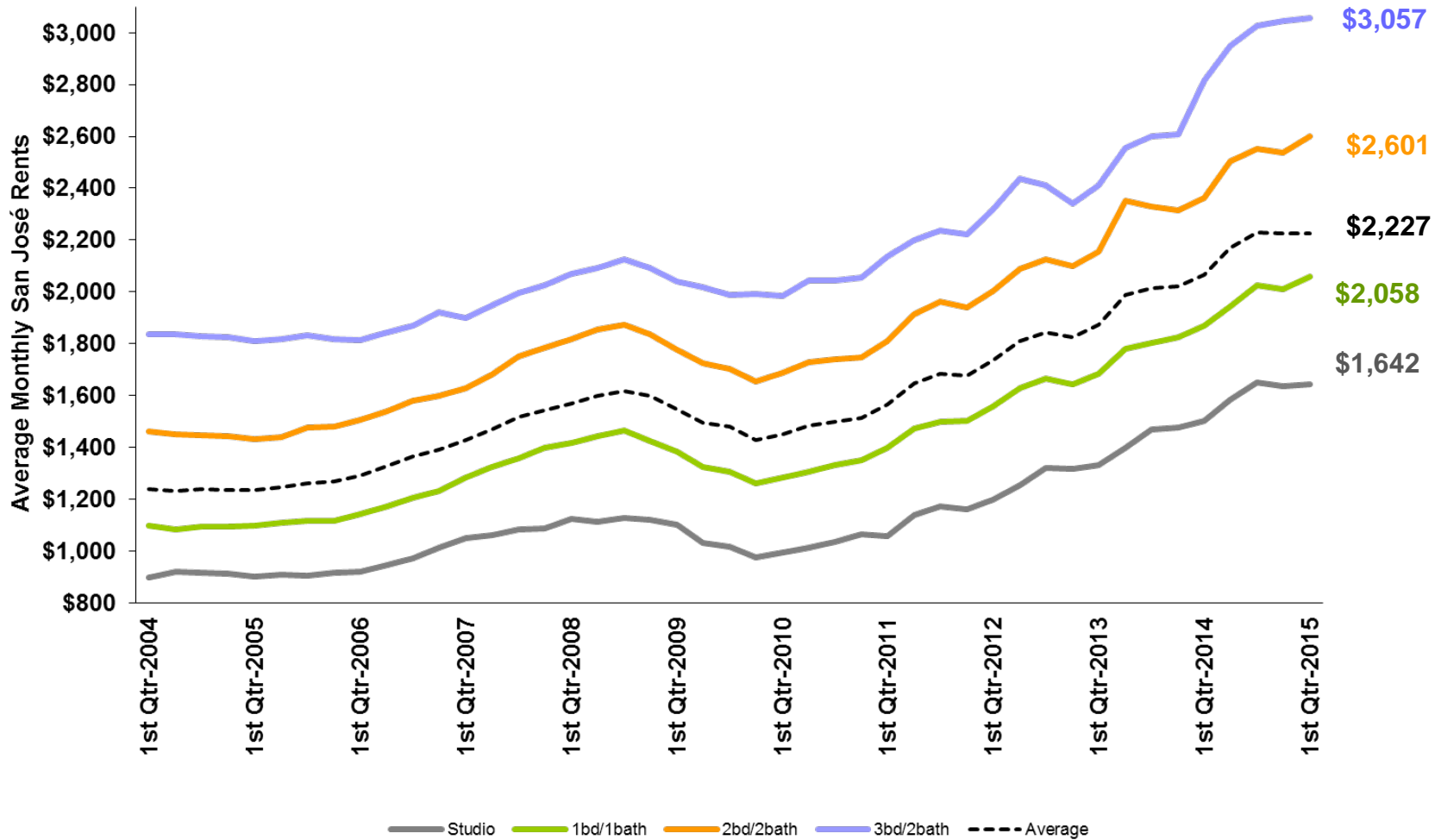
<sup>2</sup>National Association of Home Builders Housing Opportunity Index, Q1 2015 – 26% and 67% SJ and National Index

# 766 Residential Permits in Q1 2015, 14% Higher than Q1 2014 Permits



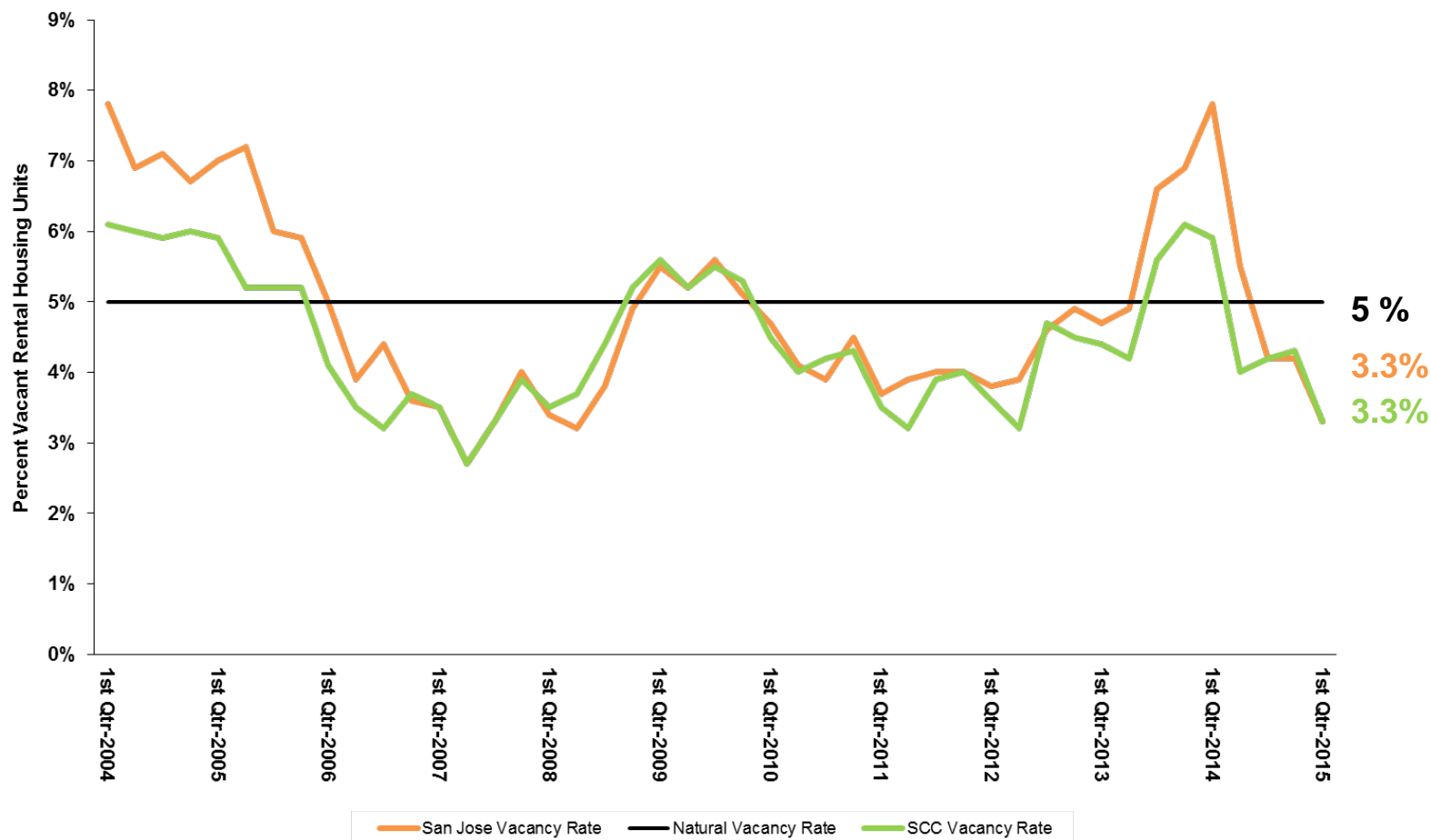
SOURCE: City of San José Housing Department, Q1 2015

# 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



SOURCE: RealFacts Data Q1, 2015– Data only includes rental projects with 50 apartments or more

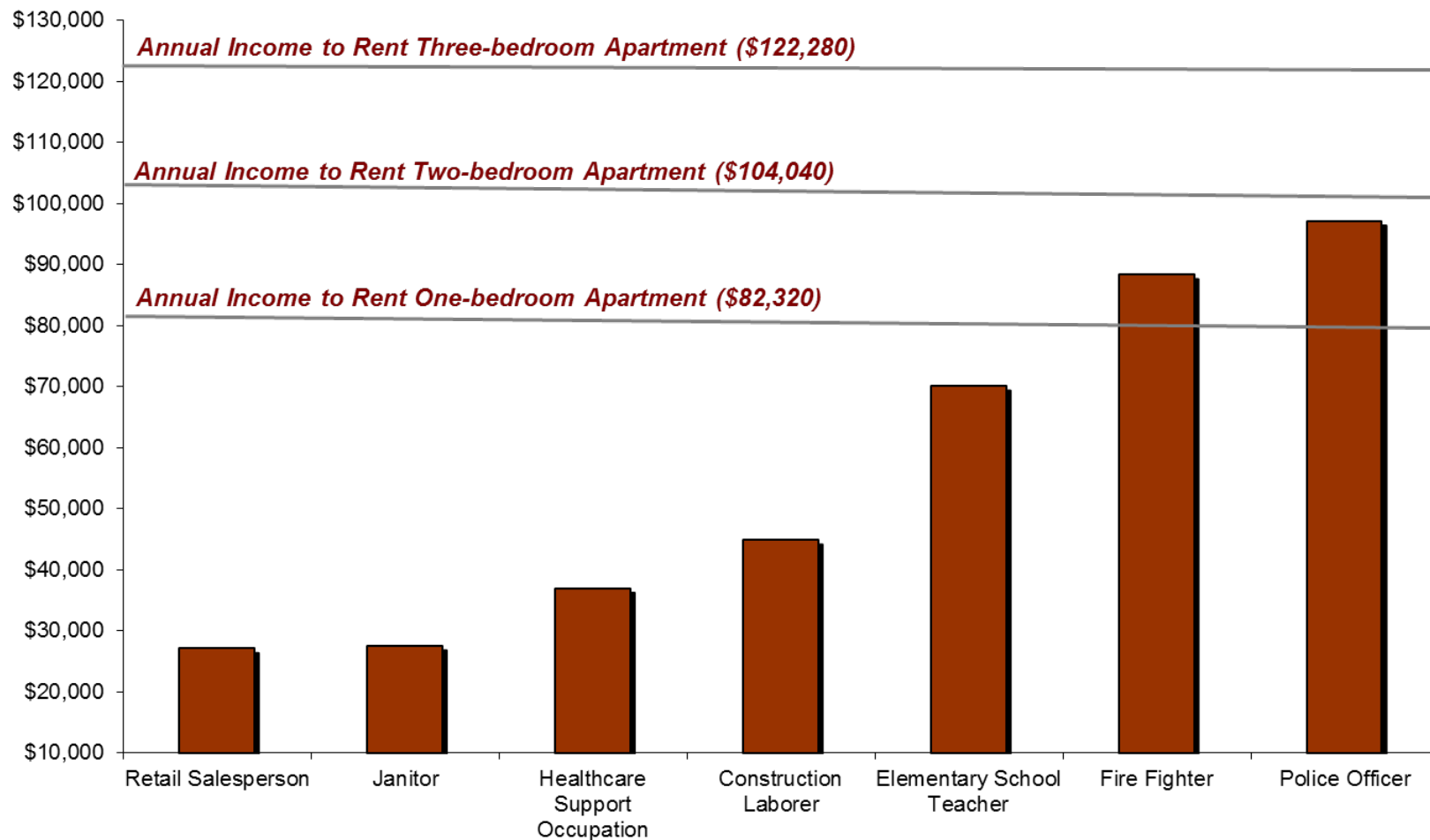
# North San José Rents Trend Higher than Average Rents Citywide

Project	1BR	2BR
<b>Average SJ Rent (Q1 2015 Realfacts)</b>	<b>\$2,058</b>	<b>\$2,601</b>
Enso	\$2,495 - \$2,720	\$3,130 - \$3,290
The Verdant	\$2,430 - \$2,798	\$2,907 - \$3211
The Laurels	\$2,415 - \$2,470	\$2,925 - \$2,970
The Oaks	\$2,430	\$3,110 - \$3,260
Crescent Village	\$2,435 - \$3,070	\$2,965 - \$3,855



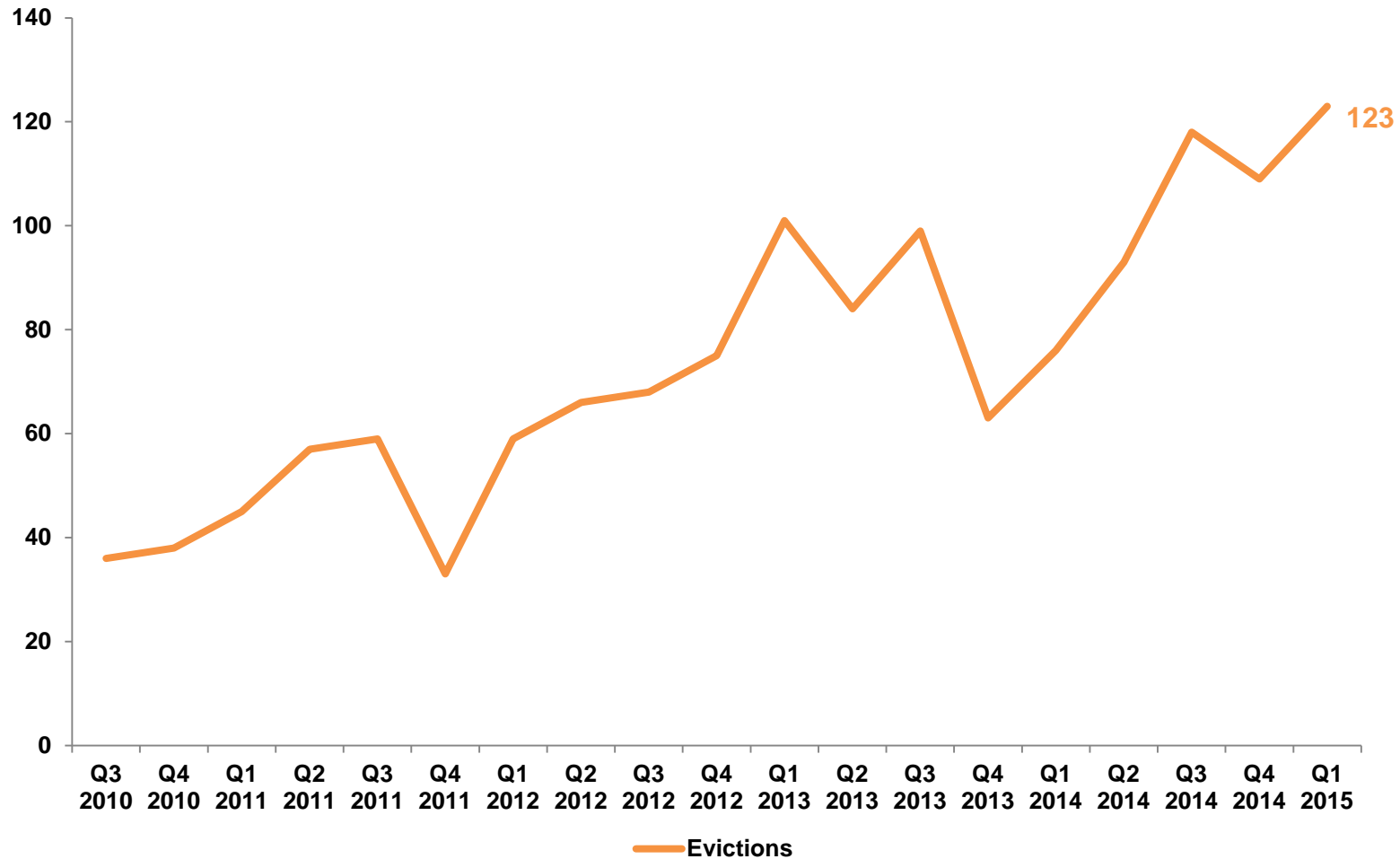
SOURCE: Zillow, May 13, 2015

# 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

# No Cause Evictions Filed with the City Since 2010 at Highest Level Recorded



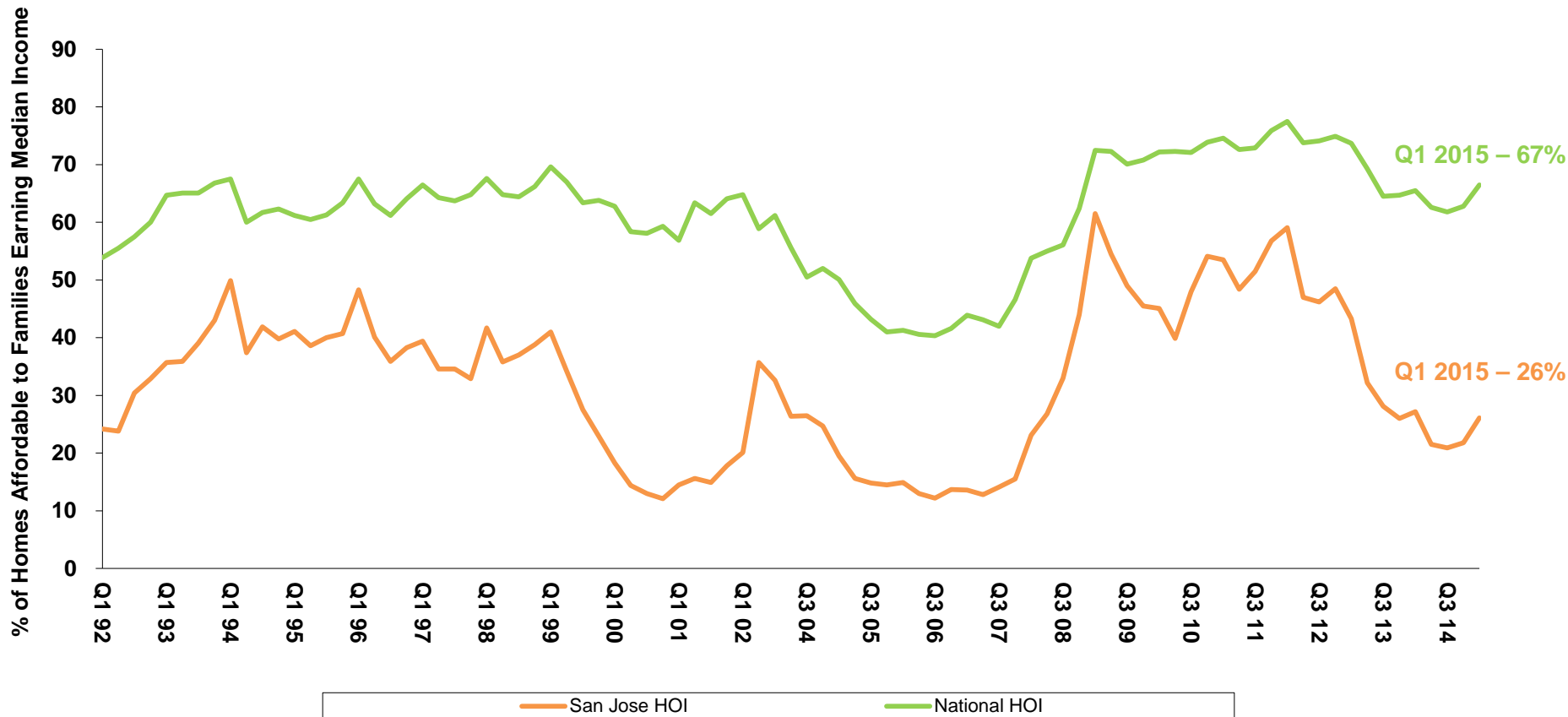
Source: City of San José Housing Department

Does not include all evictions in San Jose, only evictions filed with the City on rent controlled buildings.



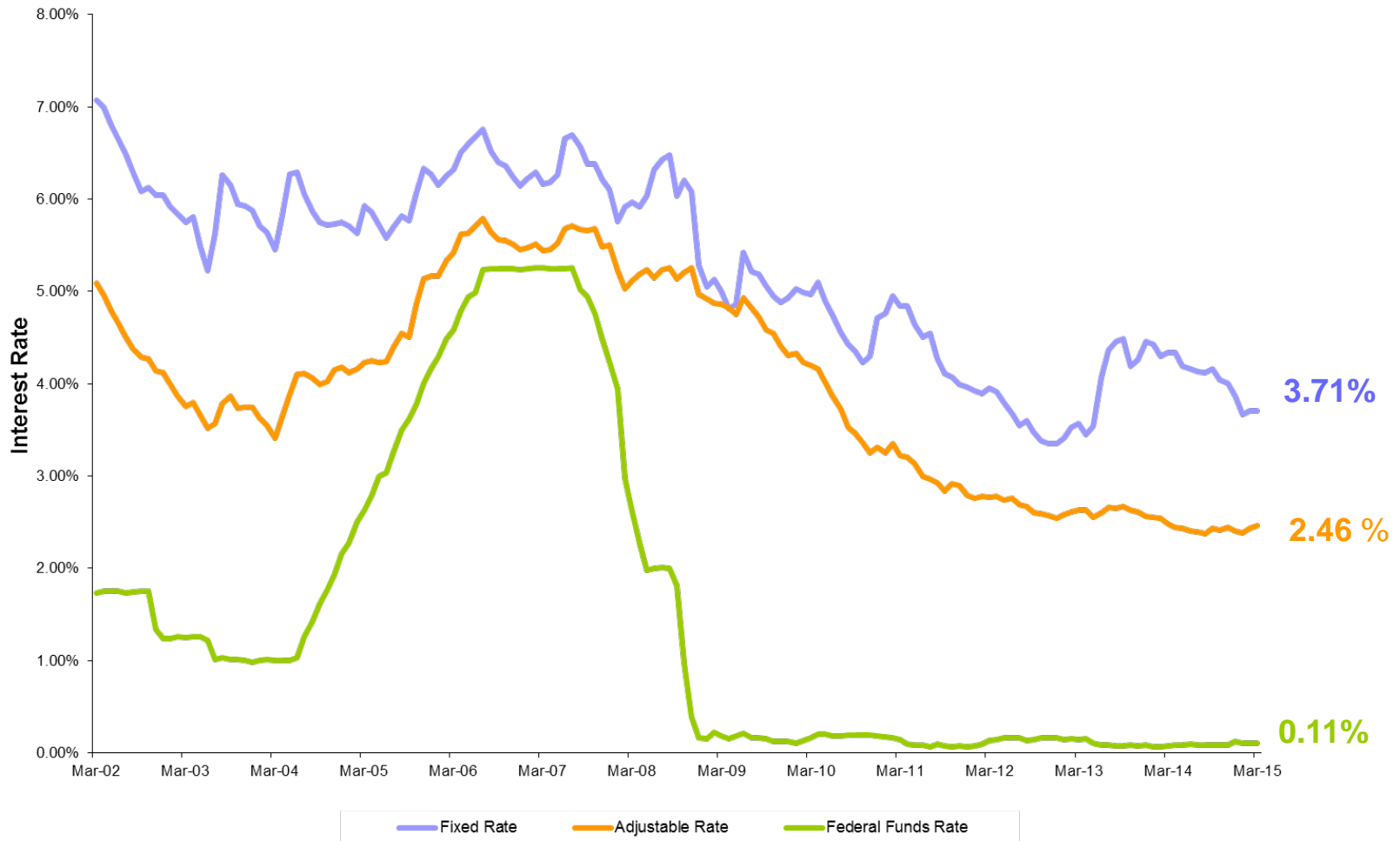
# San José Housing Affordability Remains Low Relative to the Nation

Only 1/4<sup>th</sup> of San José's Families Can Afford a Median Priced Home



SOURCE: National Association of Home Builders, Q1 2015

# Mortgage Rates Remain Low



SOURCE: Federal Reserve, Freddie Mac Primary Mortgage Market Survey, March 2015

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



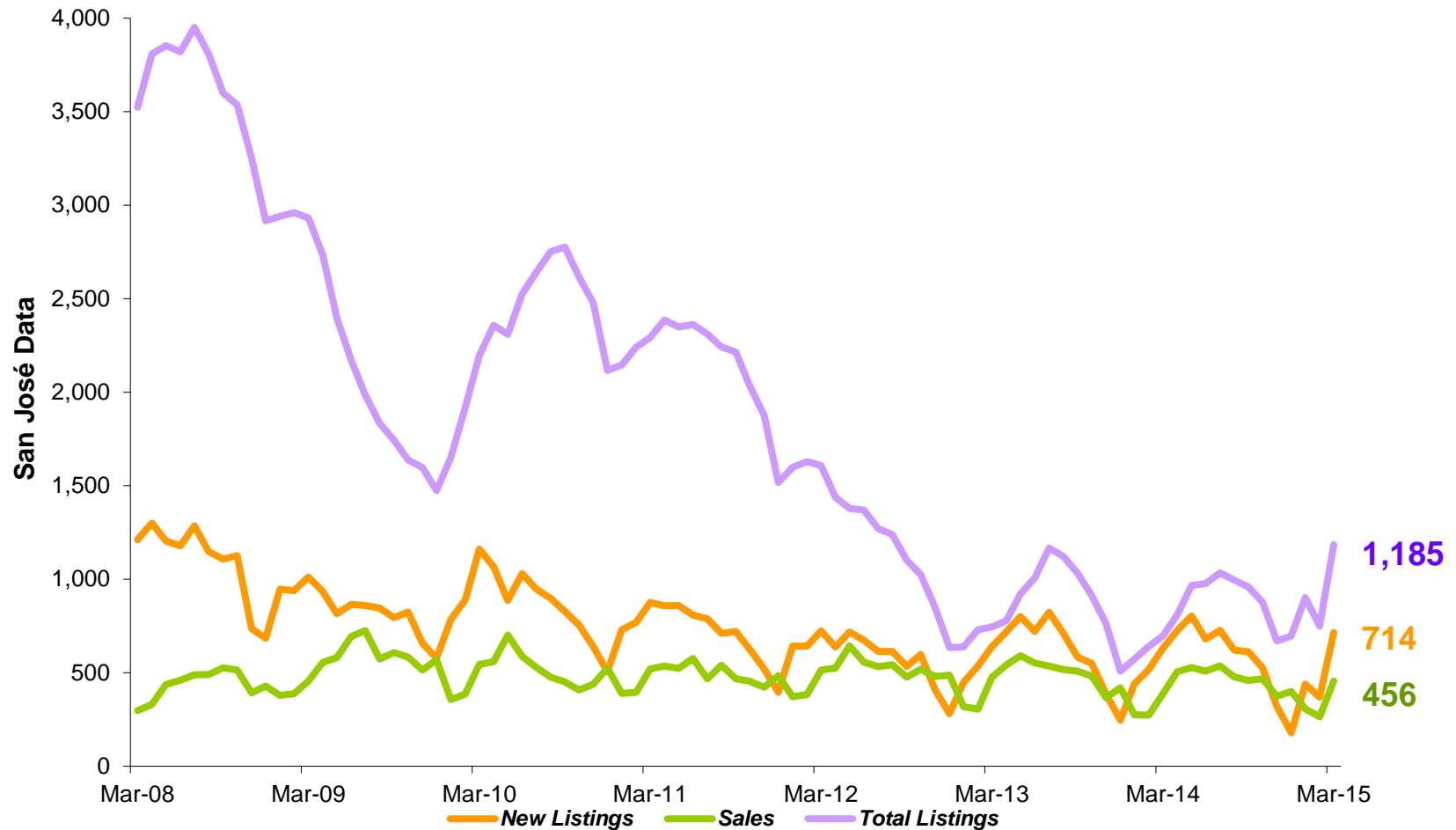
SOURCE: Santa Clara County Association of Realtors, MLS Listings, March 2015

# 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



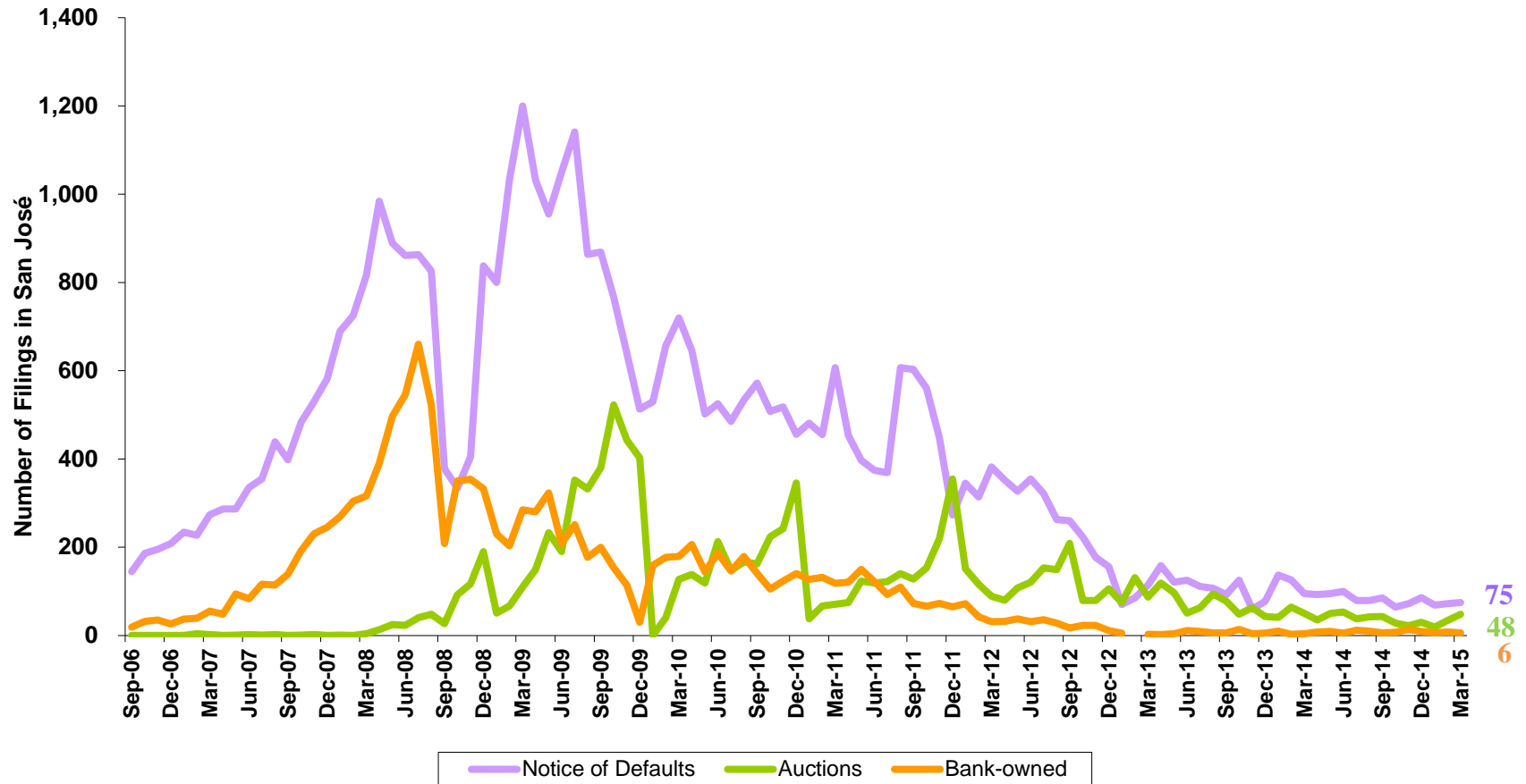
SOURCE: Santa Clara County Association of Realtors, MLS Listings March 2015

# Hot Market - SF DOM Falls by 15 days and Condo DOM Falls by 19 days from Q4 2014



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

# Foreclosure Filings Stay Low, at Pre-Recession Levels



SOURCE: San José – PropertyRadar.com March 2015