

# San Jose Housing Market Update Q2 2013

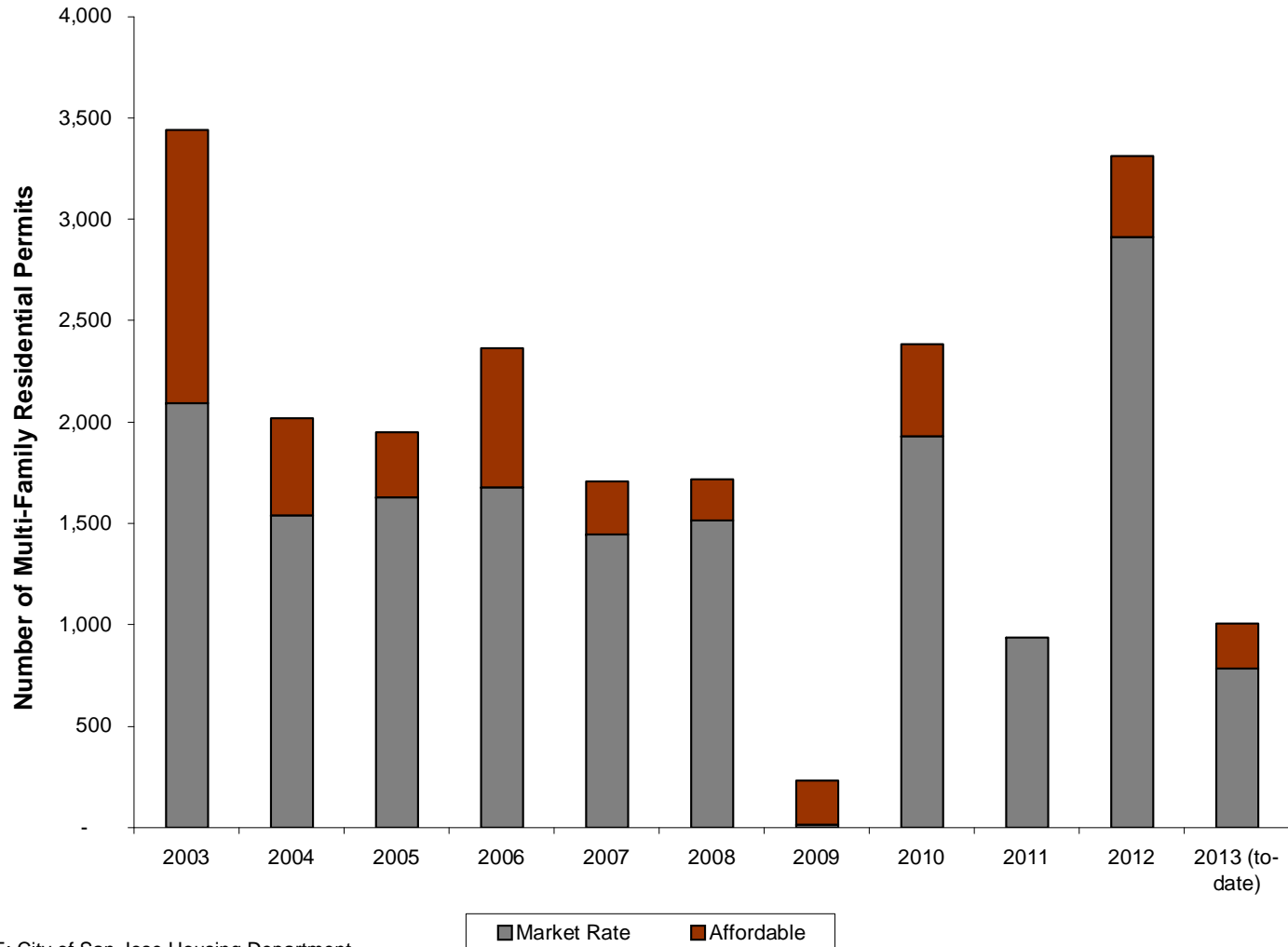


# Market Trends

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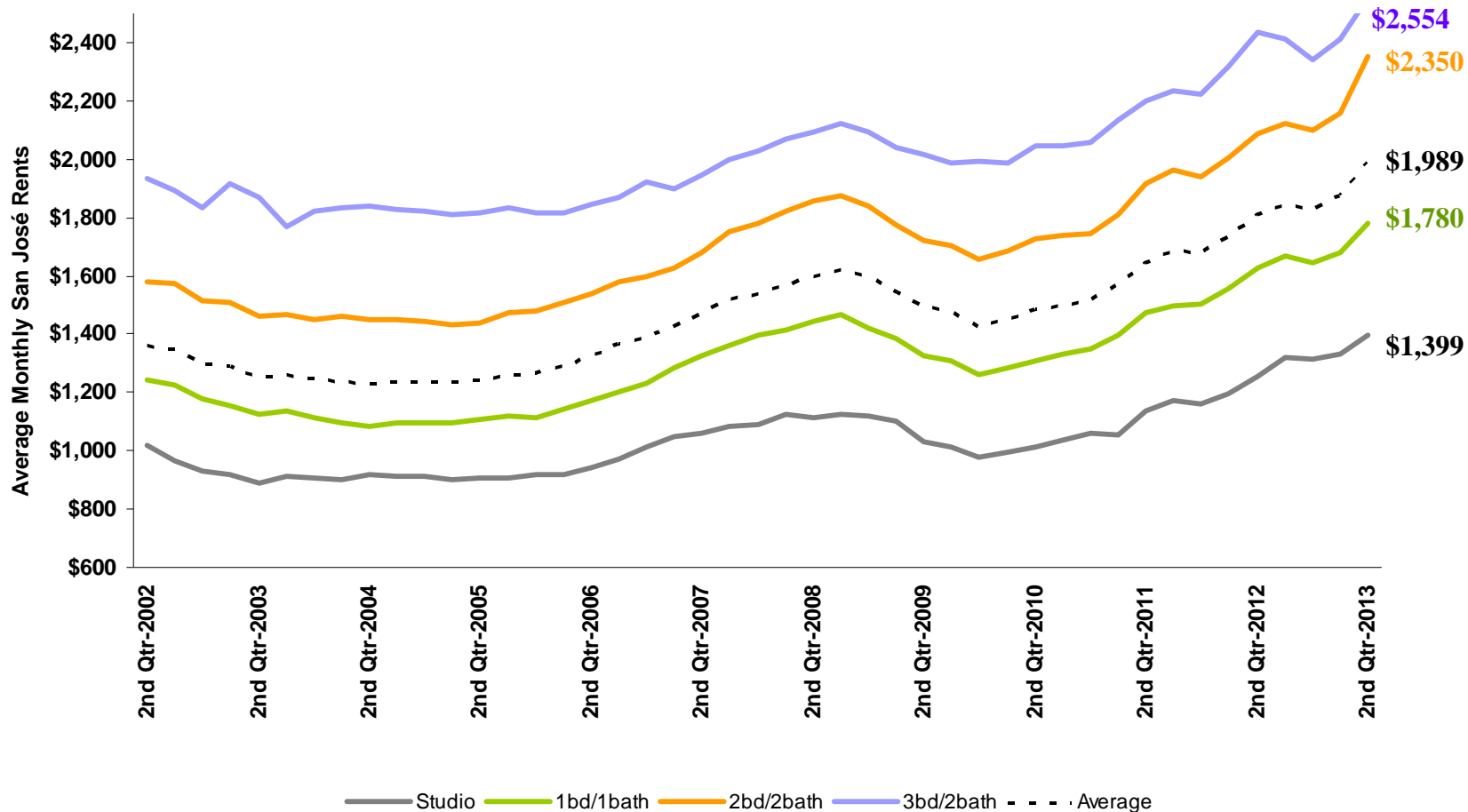
- The San Jose metro area had the highest average rent and highest quarterly rent change for the second quarter of 2013 among 41 markets (RealFacts, 2Q 2013).
- Median sales price for homes in the nine-county Bay Area jumped 33% in June – the largest annual increase in 24 years (Dataquick)
- Over 2,700 residential building permits issued in San Jose between August 2012 and July 2013.
  - 8% were deed-restricted affordable housing
  - 26% of permits were in North San José

# Multi-Family Residential Permit Activity - San José



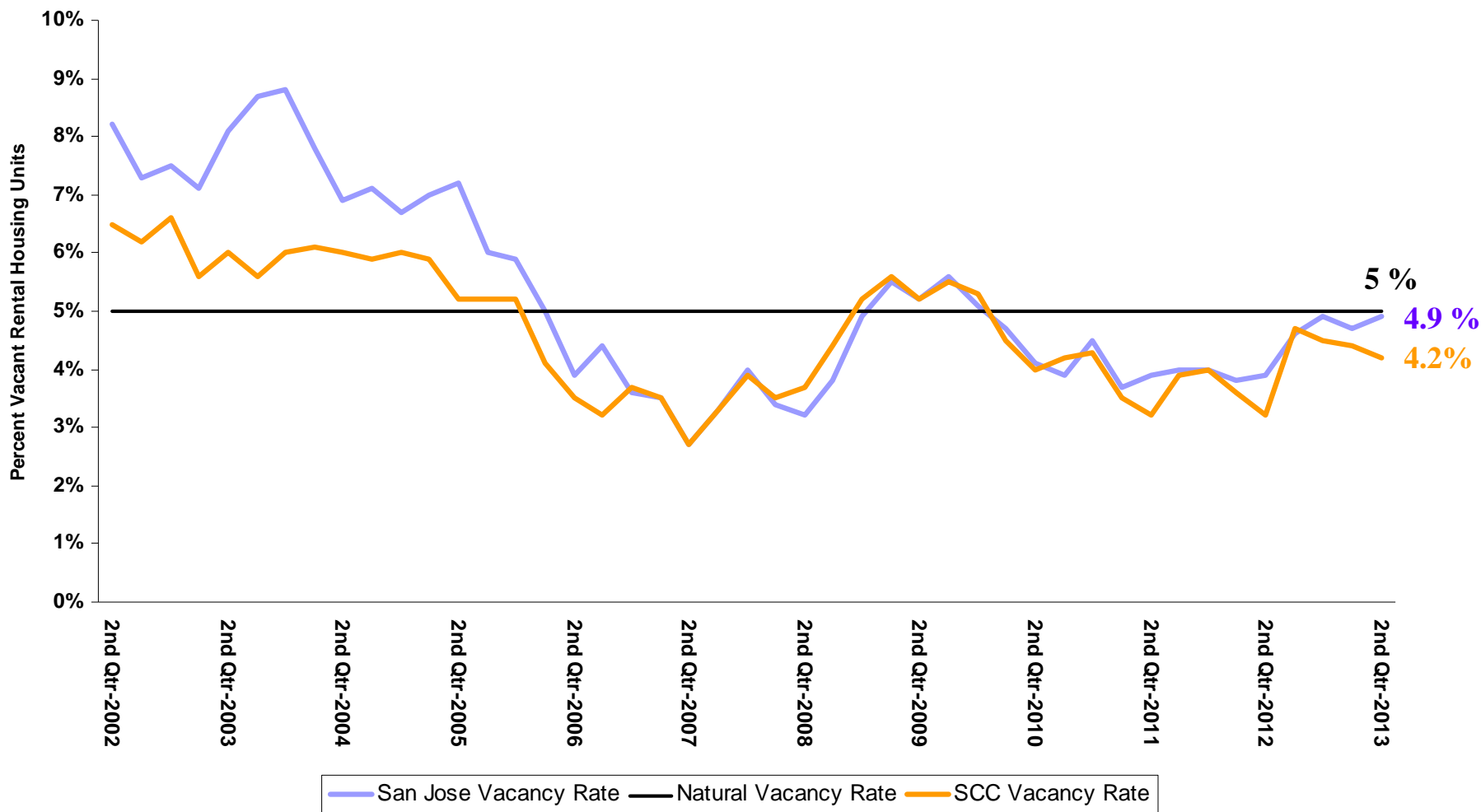
SOURCE: City of San Jose Housing Department

# Average Rents Continue to Rise - (9.8% YoY)



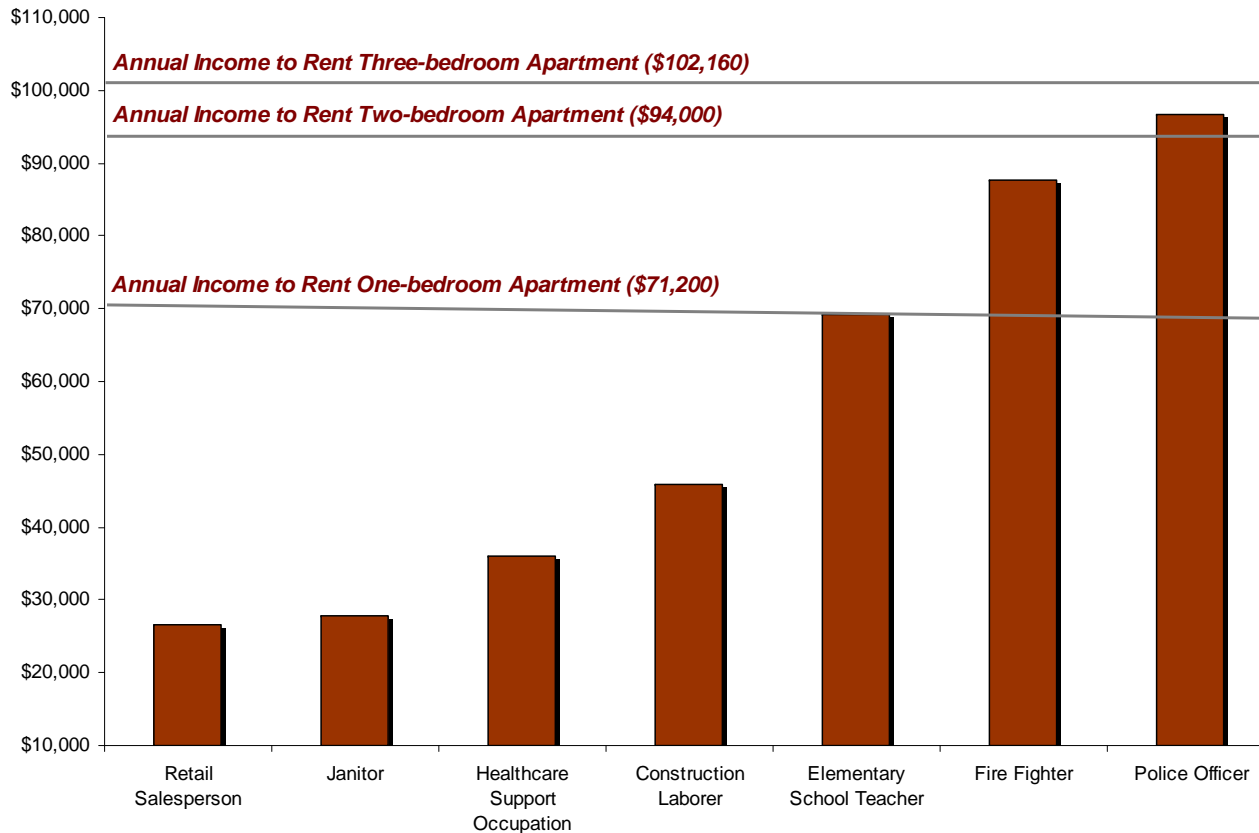
SOURCE: RealFacts – First Quarter 2013 - Data only includes rental projects with 50 units or more

# Tight Rental Market Below “Natural” Vacancy Rate



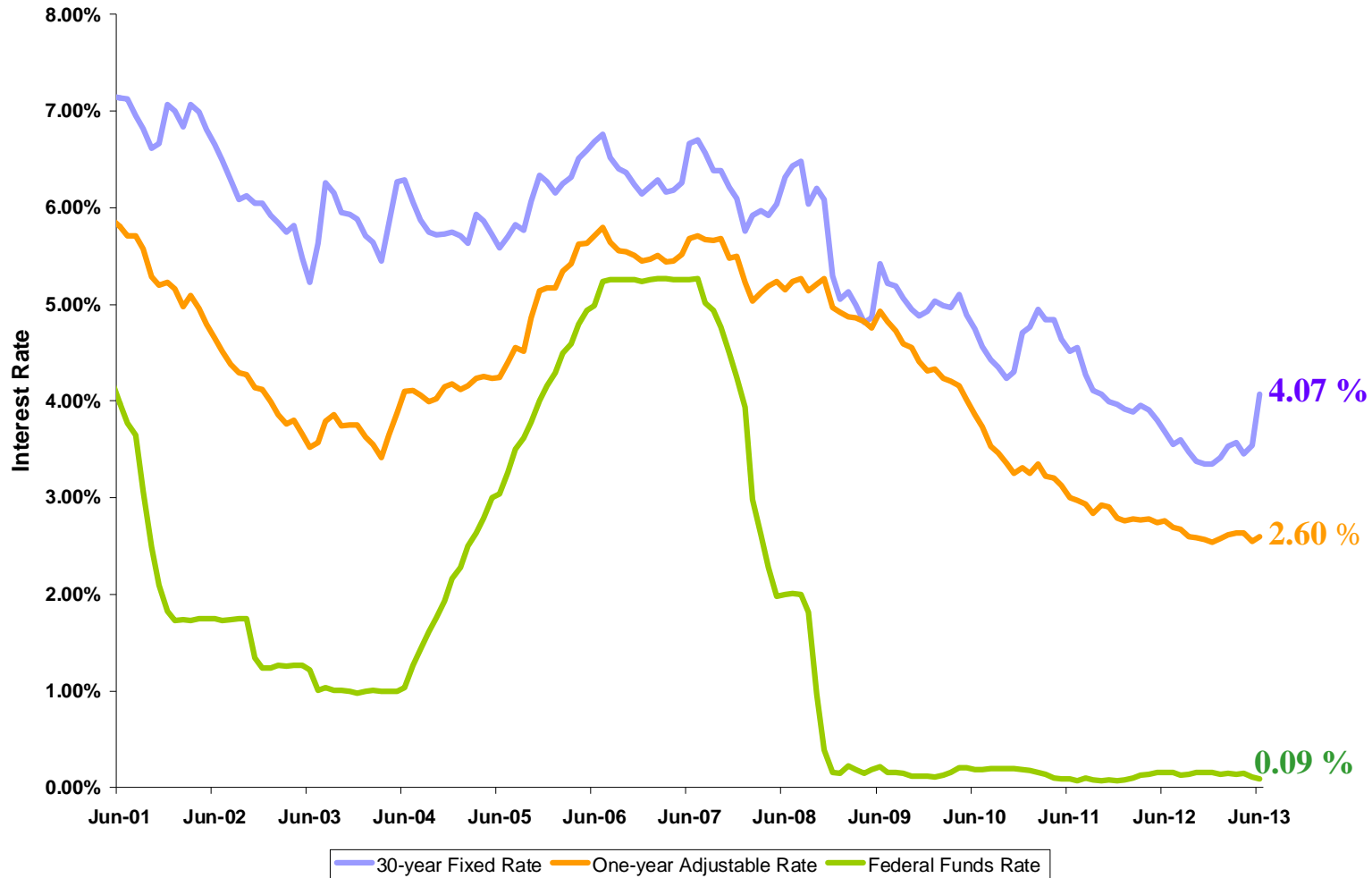
SOURCE: RealFacts Data, 2nd Quarter 2013 – Data only includes rental projects with 50 units or more

# Market Rents Significantly Out of Reach for San Jose's Working Poor



SOURCE: Employment Development Department (EDD) – 2013 1st Quarter Wages, Income to rent calculation assumes rent is at 30% of income

# Mortgage Rates Increase, but Remain Near Record Lows



SOURCE: Federal Reserve, Freddie Mac Primary Mortgage Market Survey

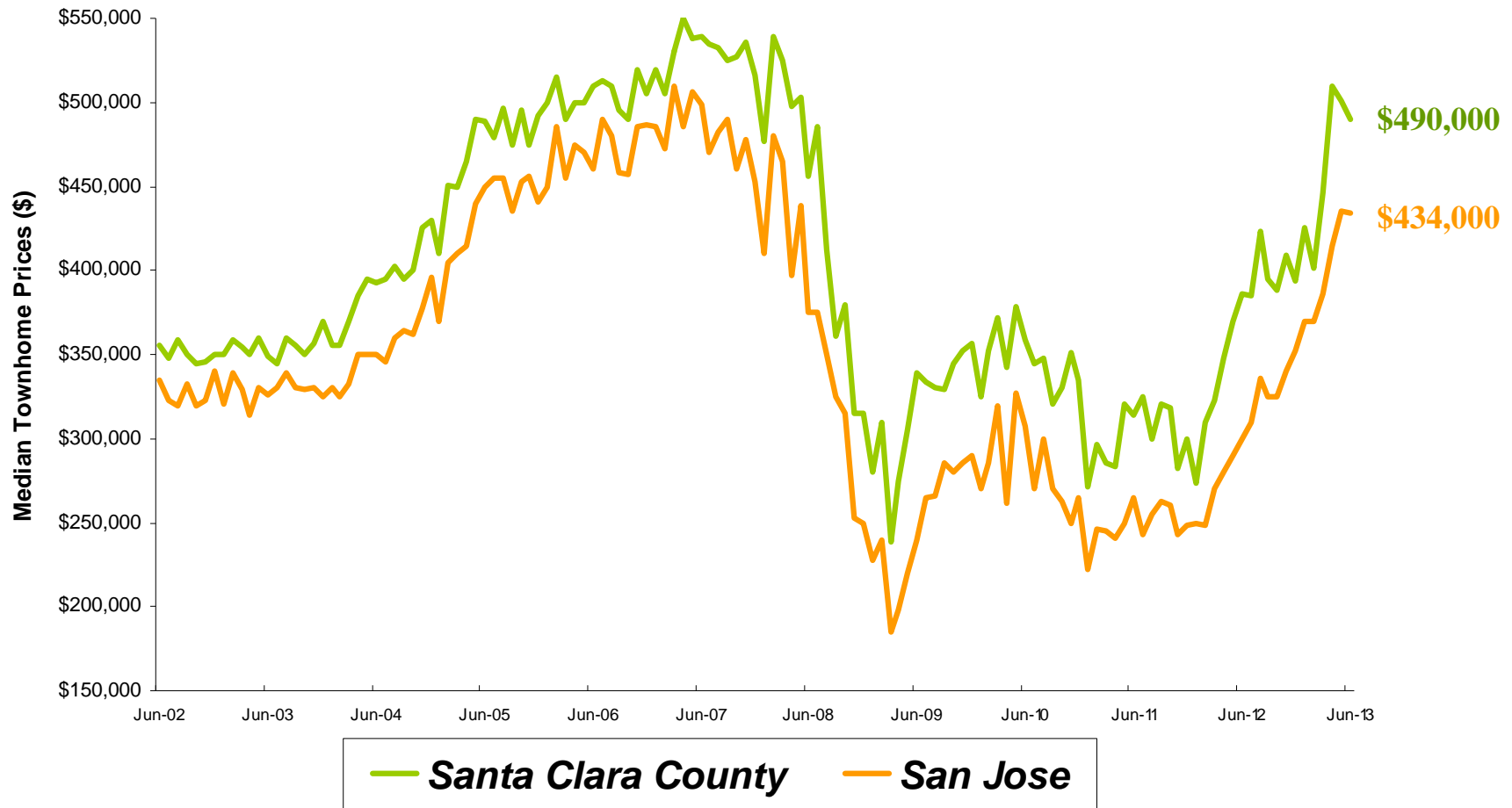
# Single-family Homes Median Price Up 25% YoY in San José, <5% below peak in June 2007



SOURCE: Santa Clara County Association of Realtors, MLS Listings June 2013

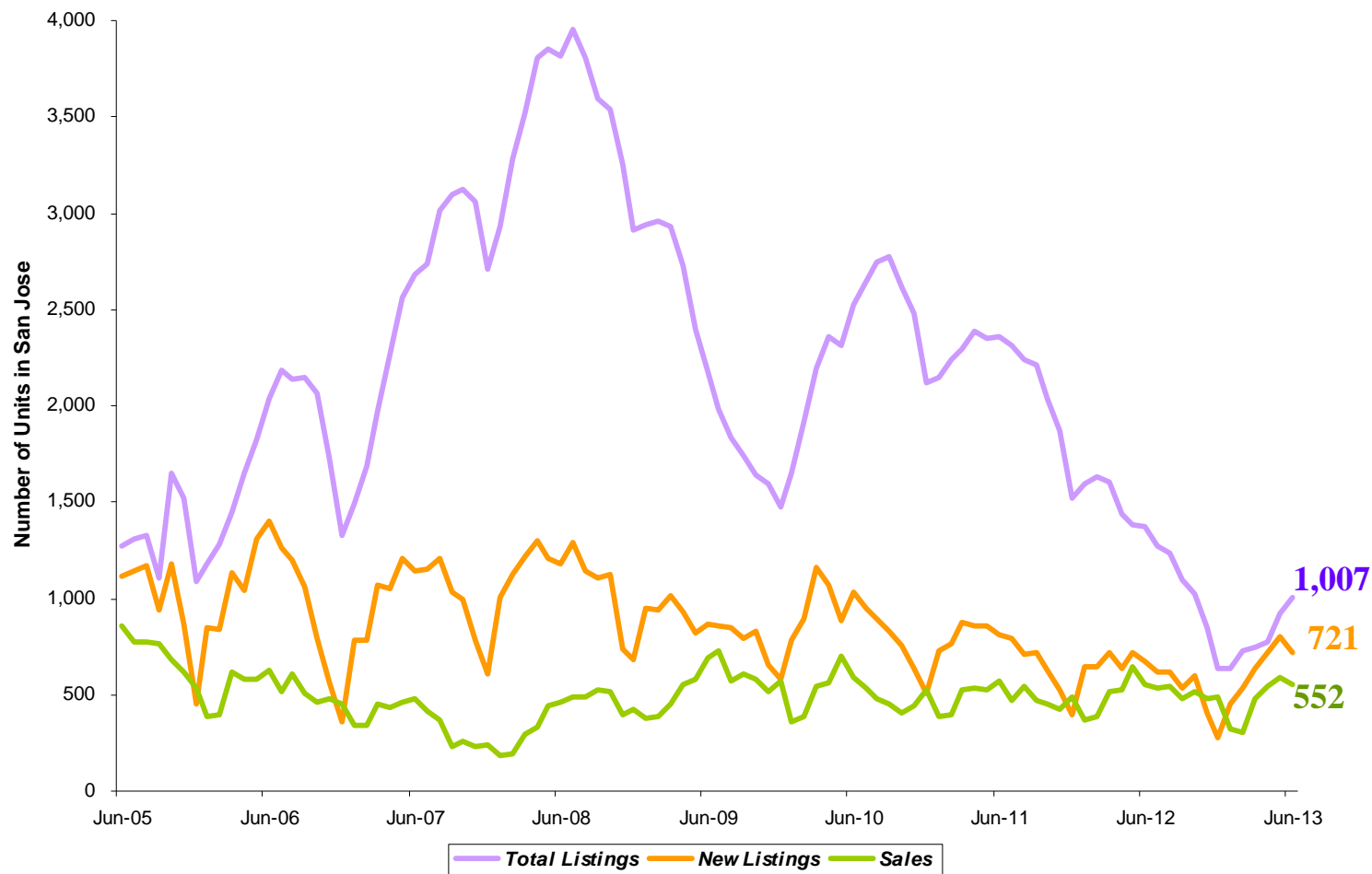


# Townhome/Condo Price Posts Strong Growth, Up 45% YoY in San José



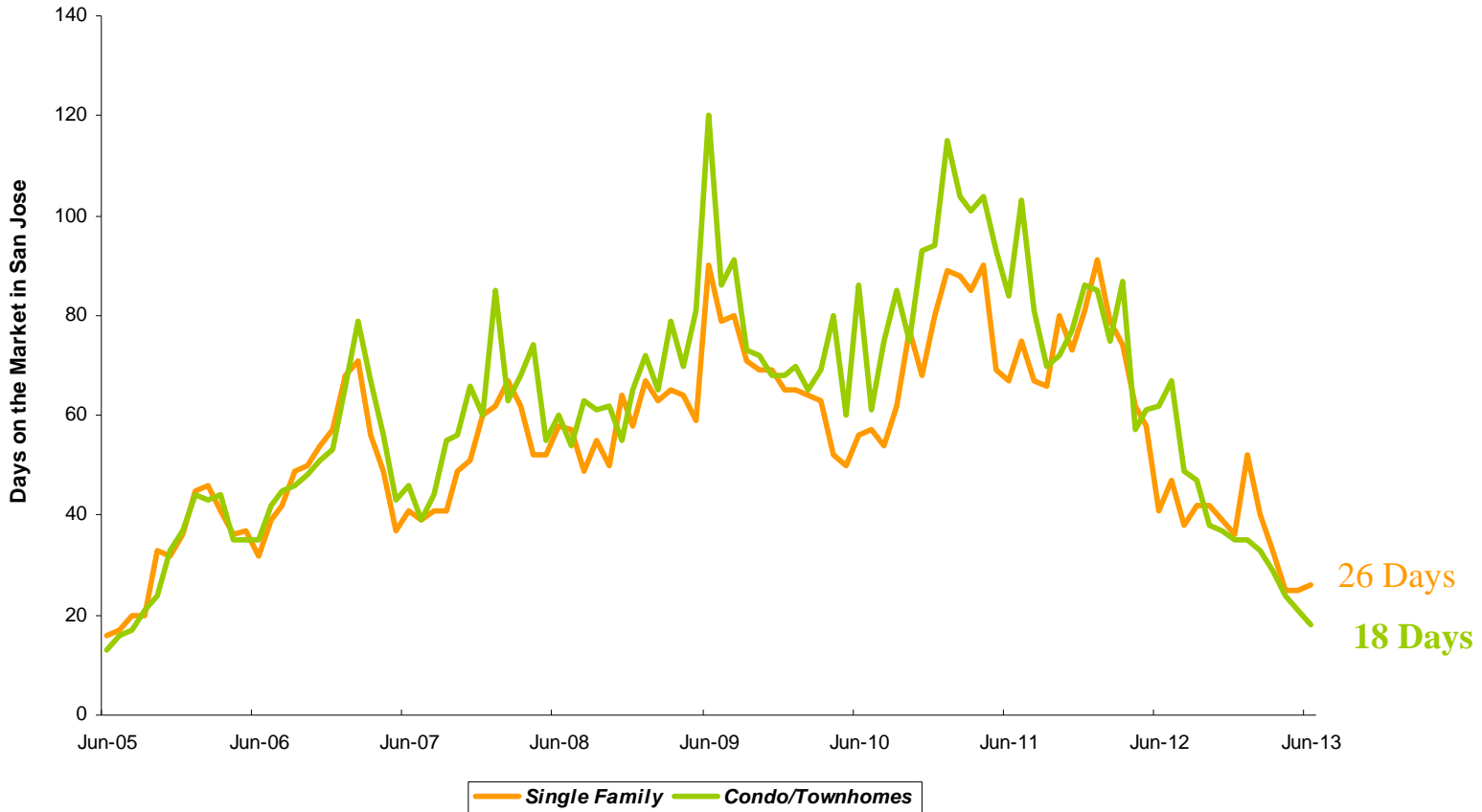
SOURCE: Santa Clara County Association of Realtors, MLS Listings - June 2013

# Slight Uptick in Total Listings but Overall Inventory Remains Low



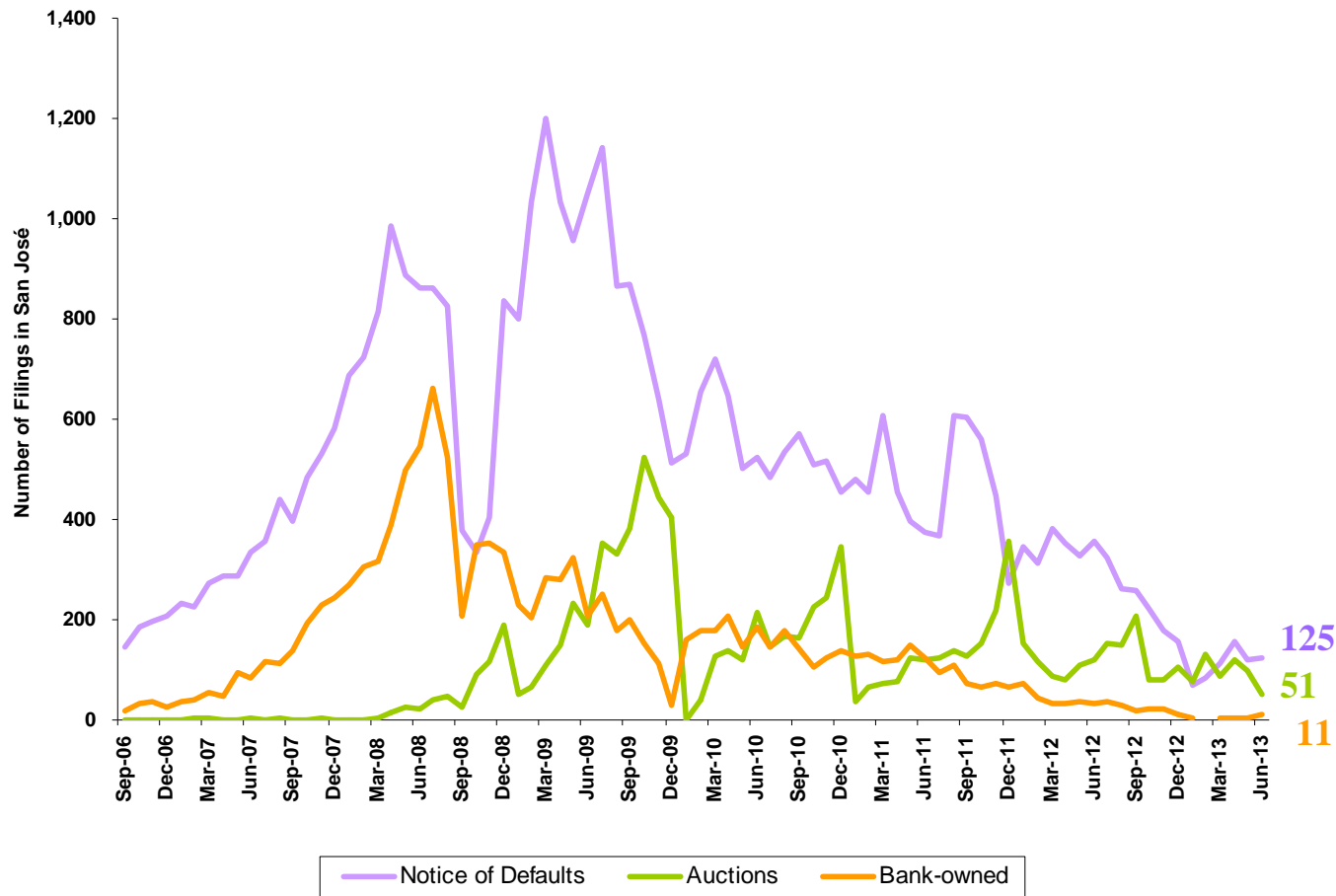
SOURCE: Santa Clara County Association of Realtors, MLS Listings - June 2013

# SFD Homes Selling 1.5x Faster than a Year Ago, Condos Selling 3x Faster



SOURCE: Santa Clara County Association of Realtors, MLS Listings - June 2013

# Foreclosure Filings Reflect a Longer-term Downtrend



SOURCE: San Jose – Foreclosure Radar – June 2013