



MULTIFAMILY REPORT

Ongoing Recovery In San Jose

March 2022



Deliveries Hit High Note

Rent Rebound Feels Seasonal Pinch

Job Market Continues Positive Trend

SAN JOSE MULTIFAMILY



Fundamentals Point To Sustained Recovery

San Jose ended 2021 on a positive note. Rent growth peaked in August and started to cool off toward the end of the year, clocking in at 0.1% on a trailing three-month (T3) basis through January. The average rate reached \$2,832, up 10.1% year-over-year and significantly above the \$1,604 U.S. figure. While recovering later than most of the country, Silicon Valley did not lose its steam. Month-over-month, it recorded the highest jump among major markets tracked by Yardi Matrix, up 1.2% in January.

As of November, San Jose's employment gains reached 4.2%, 40 basis points below the national figure. The city added 48,000 positions in the 12 months ending in November 2021. The unemployment rate clocked in at a tight 3.0% as of December, Silicon Valley's best figure since March 2020. Besides Google's massive plans for downtown, Boston Properties also received approvals for a mixed-use development, The Almaden Office Project, which is estimated to generate some \$4.3 million annually in taxes for the city.

Multifamily development also hit a high note in 2021, with 5,901 units delivered, nearly double the metro's five-year average. San Jose had an additional 8,288 apartments underway going into 2022, the vast majority of which are aimed at Lifestyle renters.

Market Analysis | March 2022

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Recent San Jose Transactions

One38



City: San Jose, Calif.
Buyer: Carmel Partners
Purchase Price: \$54 MM
Price per Unit: \$529,207

678 Bellflower



City: Sunnyvale, Calif.
Buyer: Sack Properties
Purchase Price: \$49 MM
Price per Unit: \$526,881

Alhambra Gardens



City: Santa Clara, Calif.
Buyer: Stanford Properties
Purchase Price: \$29 MM
Price per Unit: \$467,741