



## 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