



## MULTIFAMILY REPORT

# San Jose's Stability

March 2024

**Rents Improve in January**

**Construction Starts Slow**

**Occupancy Bucks National Trend**

# SAN JOSE MULTIFAMILY



## Fundamentals Steady Amid Sluggish Economy

While national multifamily rents started 2024 on a downswing as economic growth slowed, San Jose was one of the few metros that recorded positive movement. The metro's rents were up 0.1% on a trailing three-month basis through January, while the nation recorded a 0.2% decline. Demand in San Jose remained steady, as occupancy improved 20 basis points year-over-year, to 95.9% as of January, 130 basis points above the U.S. rate.

Unemployment climbed to 4.0% in December, the highest rate since October 2021, according to preliminary data from the Bureau of Labor Statistics. As the job market slowed, a total of 11,800 jobs were added over the 12-month period ending in November. That accounts for a growth rate of 1.7%—50 basis points behind the 2.2% U.S. figure. The rate exceeded the national figure for the first eight months of the year. Education and health services led growth with 11,100 jobs. A few sectors recorded losses, with manufacturing taking a big hit, down 4,100 jobs for a 2.2% slide.

Development activity reflected a clear downward trend. San Jose had 10,488 units under construction as of January. In 2023, a total of 2,738 units came online, up 10.1% year-over-year. However, construction starts declined by a hefty 69.6% when compared to 2022, signaling an upcoming decline in new supply.

## Market Analysis | March 2024

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### Recent San Jose Transactions

#### Diridon West



City: San Jose, Calif.  
Buyer: Hines Interests  
Purchase Price: \$118 MM  
Price per Unit: \$471,887

#### The Grove



City: San Jose, Calif.  
Buyer: Jonathan Rose Cos.  
Purchase Price: \$102 MM  
Price per Unit: \$308,157

#### The James



City: San Jose, Calif.  
Buyer: Virtu Investments  
Purchase Price: \$74 MM  
Price per Unit: \$390,789

#### Villa Del Sol



City: Sunnyvale, Calif.  
Buyer: Acacia Capital  
Purchase Price: \$62 MM  
Price per Unit: \$502,016