



## MULTIFAMILY REPORT

# San Jose's Resilience

December 2024

**Supply Growth Returns to Normal**

**Transactions on Par With 2023**

**T3 Rents in Negative Territory**

# SAN JOSE MULTIFAMILY



## Development and Sales Stable, While Rents Slip

San Jose's multifamily market entered the fourth quarter with mixed results. Average advertised asking rents were down 0.2% on a trailing three-month basis through October, to \$3,171, 10 basis points below the U.S. figure. As development slowed down, occupancy climbed 50 basis points year-over-year, to 96.4%, as of October, above the 94.7% national average.

Unemployment in the metro reached 4.1% in September, on par with the U.S. figure, according to preliminary Bureau of Labor Statistics data. After registering a new wave of tech layoffs in 2024, San Jose's employment growth rate stood at 0.3% in August, 110 basis points below the U.S. figure. Over the 12-month period ending in August, San Jose added 7,100 net jobs. Education and health services led growth, with 12,000 positions gained, while information and manufacturing each lost 6,100 jobs. Major projects underway include HCA Healthcare's upcoming \$1.2 billion expansion of Good Samaritan Hospital.

Completions this year through October totaled 2,601 units, which was a return to San Jose's historical average. Meanwhile, construction starts decreased significantly, with developers breaking ground on only 889 units in the first 10 months of the year. Investment remained afloat despite the increased cost of capital, as \$693 million changed hands, for a \$13 million year-over-year increase.

## Market Analysis | December 2024

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### Recent San Jose Transactions

#### The Harlowe



City: Milpitas, Calif.  
Buyer: Pacific Urban Investors  
Purchase Price: \$109 MM  
Price per Unit: \$410,714

#### ARLO Mountain View



City: Mountain View, Calif.  
Buyer: Essex Property Trust  
Purchase Price: \$101 MM  
Price per Unit: \$616,463

#### Moreland



City: San Jose, Calif.  
Buyer: Reliant Group  
Purchase Price: \$71 MM  
Price per Unit: \$443,750