



MULTIFAMILY REPORT

# San Jose Maintains Course

March 2026

**Investment Hits Decade Peak in '25**

**Rents Tick Down in Winter, Solid YoY**

**Affordable Projects Push Pipeline Forward**

# SAN JOSE MULTIFAMILY



## Investment Thrives, Rents Decelerate

The San Jose multifamily market entered 2026 with mixed performance, but the metro continues to benefit from solid long-term fundamentals. Advertised asking rents ticked down 0.1%, on a trailing three-month basis through January, to \$3,297, marking an improvement over the last two months of 2025. Silicon Valley occupancy in stabilized assets remained solid, at 96.5% as of December 2025, two full percentage points above the national average.

The metro's employment market remained on a downward trend, with the growth rate at -0.2% through September, lagging the nation by 100 basis points. Unemployment stood at 4.0% as of December, 40 basis points below the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. In the 12 months ending in September 2025, San Jose recorded a net loss of 1,500 jobs, with professional and business services marking the steepest decline (-8,200). Gains were led by education and health services (7,100) and leisure and hospitality (1,800). Following the San Jose Sharks' lease extension through the 2050-51 NHL season, the city approved a half a billion renovation of the team's main arena, the SAP Center.

Developers added 3,861 units to San Jose's inventory in 2025, in line with the decade's historical performance. Meanwhile, investment totaled \$2 billion in 2025, making it the best-performing year of the past decade.

## Market Analysis | March 2026

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### Recent San Jose Transactions

#### Sofia



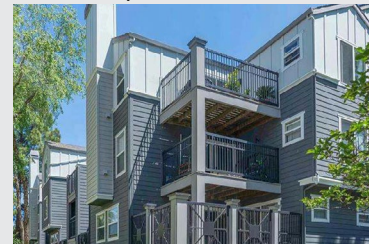
City: Santa Clara, Calif.  
Buyer: Acacia Capital  
Purchase Price: \$183 MM  
Price per Unit: \$637,631

#### Catalyst Mountain View



City: Mountain View, Calif.  
Buyer: Interstate Equities Corp.  
Purchase Price: \$87 MM  
Price per Unit: \$580,000

#### Sofi Sunnyvale



City: Sunnyvale, Calif.  
Buyer: PGIM Real Estate  
Purchase Price: \$77 MM  
Price per Unit: \$376,961

#### The Maddox Sunnyvale

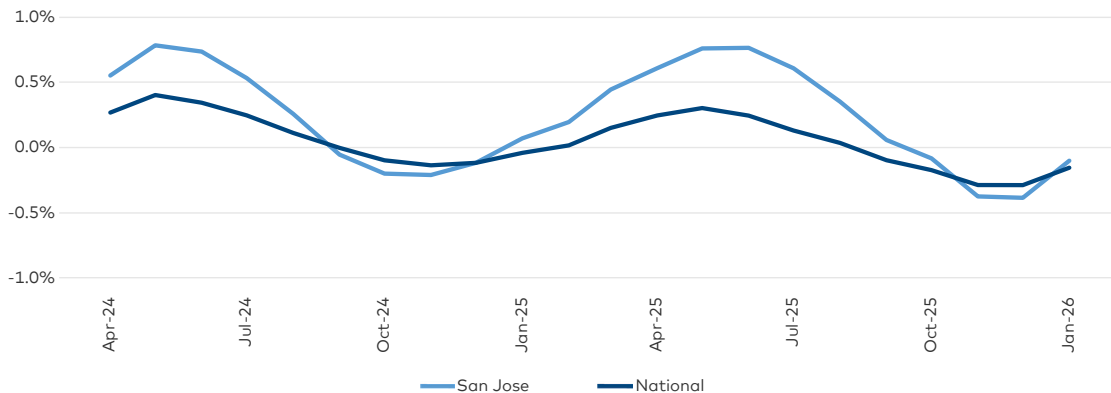


City: Sunnyvale, Calif.  
Buyer: Interstate Equities Corp.  
Purchase Price: \$77 MM  
Price per Unit: \$417,663

## RENT TRENDS

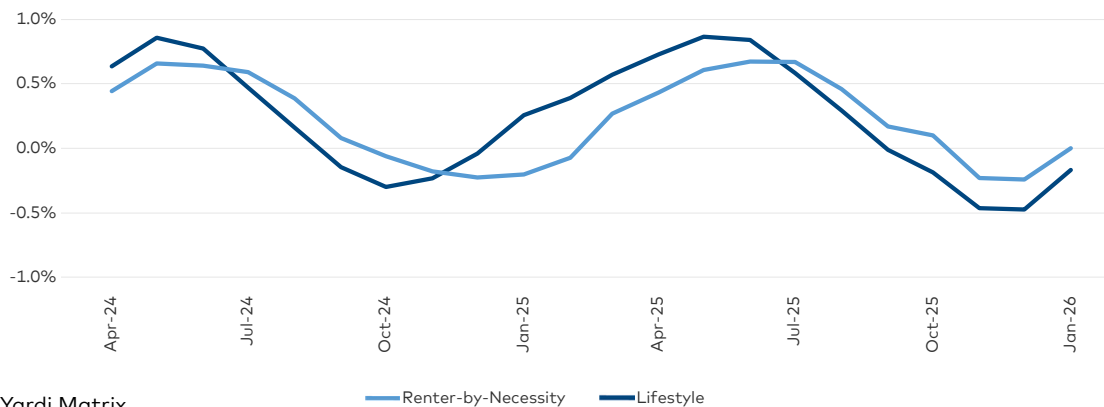
- ▶ San Jose advertised asking rents slid 0.1% on a trailing three-month (T3) basis through January, to an average of \$3,297. Meanwhile, the U.S. figure was down 0.2%, to \$1,741. Silicon Valley rent movement has been negative for four consecutive months on a T3 basis, but the January figure marked a 30-basis-point improvement over the previous two months. Meanwhile, area asking rents were up a solid 3.2% year-over-year through January, in line with larger coastal markets and well above the 0.2% U.S. average.
- ▶ Asking rent movement in both quality segments might indicate that San Jose is nearing the tail end of the seasonal slowdown. Working-class Renter-by-Necessity rates were flat, on a T3 basis through January, at \$2,925. Meanwhile, the Lifestyle average was down 0.2%, to \$3,588.
- ▶ Overall occupancy in stabilized assets ticked up 20 basis points year-over-year, to 96.5% as of December, a significant 200 basis points above the 94.5% U.S. average. The area's Lifestyle figure inched up 10 basis points, to 96.7%, while the RBN average was up 40 basis points, to 96.2%.
- ▶ Some of San Jose's densest submarkets recorded the largest increases in year-over-year advertised asking rent growth through January. Gains were led by Sunnyvale (7.4% to \$3,396), Mountain View–Los Altos (5.8% to \$3,757), Santa Clara (4.0% to \$3,483), North San Jose (4.0% to \$3,395) and Central San Jose (3.5% to \$3,174). Palo Alto–Stanford (3.0%) remained the most expensive submarket, with the average at \$3,765.

### San Jose vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

### San Jose Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix



## ECONOMIC SNAPSHOT

- ▶ San Jose job gains slid 0.2% through September 2025, some 100 basis points below the U.S. average. That marked the ninth consecutive month of contractions for the metro, as cautious hiring and subdued office demand pressured gains for the area's core sectors. Still, the -0.2% rate was a slight improvement over the previous quarter.
- ▶ Unemployment clocked in at 4.0% as of December and was 40 basis points below the U.S. average, according to preliminary data from the BLS. Following a 90-basis-point climb through June, to 4.9%, the job market in San Jose somewhat stabilized in the second half of the year. California unemployment stood at 5.5% in December.
- ▶ Metro San Jose lost 1,500 net jobs in the 12 months ending in September 2025. Professional and business services shed 8,200 positions, followed by manufacturing (-3,800). Still, education and health services (7,100 jobs), leisure and hospitality (1,800) and government (1,400) recorded significant gains.
- ▶ San Jose's development pipeline continues to expand. Alongside large infrastructure projects such as the Diridon Integrated Station and the \$12.7 billion BART Silicon Valley Phase 2, the city approved the \$500 million upgrade of the SAP Center. Following the Sharks' lease extension through the 2050-51 NHL season, the sports arena will undergo a multi-year improvement program.

### San Jose Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	214	18.7%
70	Leisure and Hospitality	105.3	9.2%
90	Government	101.4	8.9%
15	Mining, Logging and Construction	54	4.7%
80	Other Services	27.6	2.4%
50	Information	92.8	8.1%
40	Trade, Transportation and Utilities	116	10.1%
55	Financial Activities	35.2	3.1%
30	Manufacturing	121	10.6%
60	Professional and Business Services	276.4	24.2%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- ▶ Silicon Valley's population started fluctuating after the COVID-19 pandemic, as remote and hybrid work became a prerogative for many tech workers.
- ▶ However, recent estimates show that San Jose gained 30,000 people between mid-2023 and mid-2024.

### San Jose vs. National Population

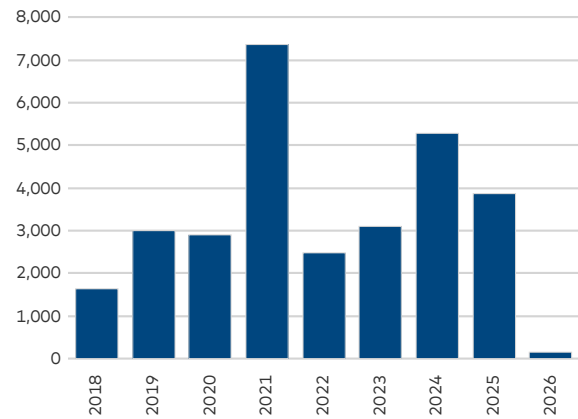
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
San Jose	1,987,846	1,985,926	1,995,351	1,981,584

Source: U.S. Census

## SUPPLY

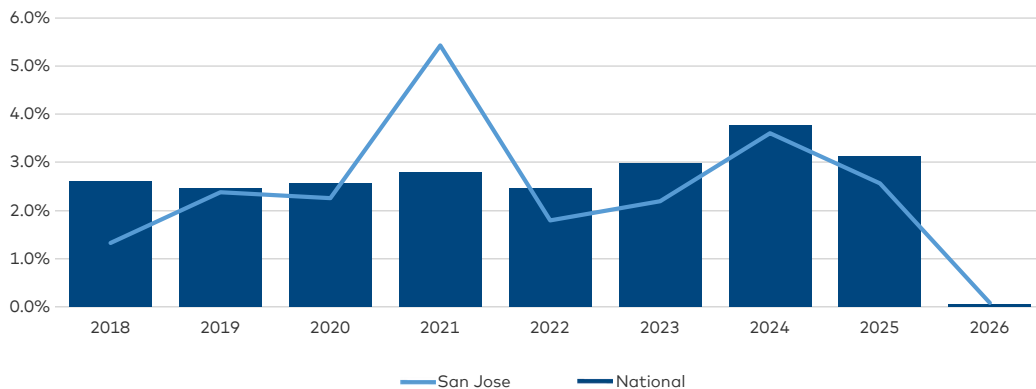
- ▶ San Jose had 4,372 units under construction as of January, along with an additional 59,000 units in the planning and permitting stages. Almost two-thirds of all units underway were in fully affordable developments, a significant lead over most major U.S. markets. Meanwhile, 35.8% of units were in Lifestyle projects, while only 2.6% were in future RBN communities.
- ▶ Developers added 3,861 units to San Jose's inventory in 2025. That was 2.6% of stock and 50 basis points below the national average. Of these, 871 units were in fully affordable communities, while 2,990 were in Lifestyle properties.
- ▶ The metro saw a slowdown after the 5,285 units added in 2024, which was the second-best year for deliveries this decade. Still, 2025 was well within the band of the 3,700-unit average recorded over the past eight years. In 2026, only 1,200 units are projected to come online. Yet, the pace is expected to pick up again in 2027.
- ▶ In 2025, Silicon Valley construction starts totaled 2,666 units across 13 projects. Although that was a significant increase from the 1,532 units in 10 properties that broke ground in 2024, new development remained very limited considering the area's deep housing crisis.
- ▶ Transit adjacency, expedited or standardized entitlements and long-term demand drivers shaped the top three areas for construction as of January: Central San Jose West (932 units), East San Jose (863) and Sunnyvale (634).
- ▶ A single, 135-unit property came online in January this year. The Core Cos. completed Tamien Station, a fully affordable, transit-oriented development, in partnership with Santa Clara VTA, from whom the developer leases the land.

**San Jose Completions** (as of January 2026)



Source: Yardi Matrix

**San Jose vs. National Completions as a Percentage of Total Stock** (as of January 2026)



Source: Yardi Matrix

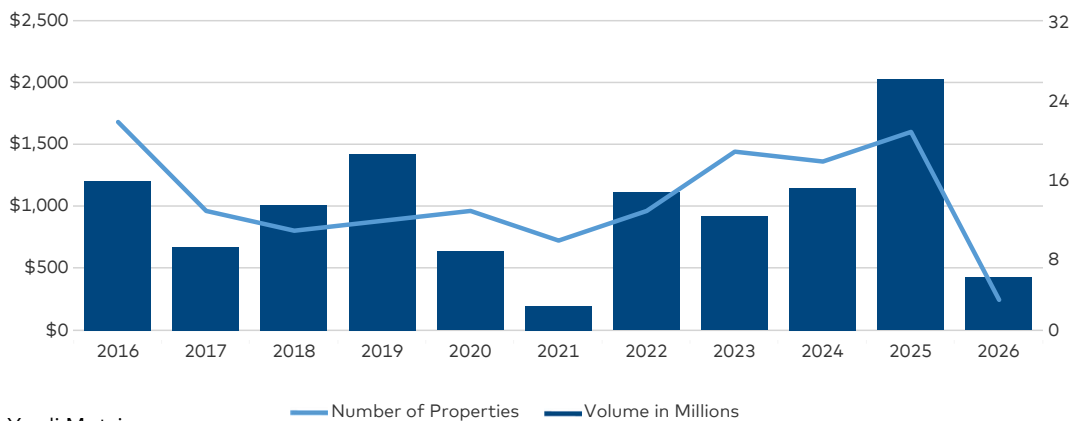
## TRANSACTIONS

- ▶ Investors traded \$2 billion in San Jose assets in 2025, marking Silicon Valley's best year in more than a decade. This is a rare feat, with almost all U.S. metros hitting peaks in 2021-23. The annual average of the decade ending in 2025 clocked in at \$1 billion. San Jose started the new year with good momentum, as four assets traded for a total of \$424 million in January.
- ▶ Last year, a total of 21 single-asset transactions closed, of which 13 were RBN and eight were

Lifestyle. The average price per unit reached \$418,445 in 2025, ticking down 6.8 percent year-over-year. The gap between quality segments remained wide, with Lifestyle units trading for \$517,058 on average, and RBN for \$354,983.

- ▶ In January 2026, Acacia Capital paid \$183 million for the 287-unit Sofia, a multifamily community in Santa Clara, Calif. SummerHill Apartment Communities sold the 2024-completed asset for \$637,631 per unit.

### San Jose Sales Volume and Number of Properties Sold (as of January 2026)



Source: Yardi Matrix

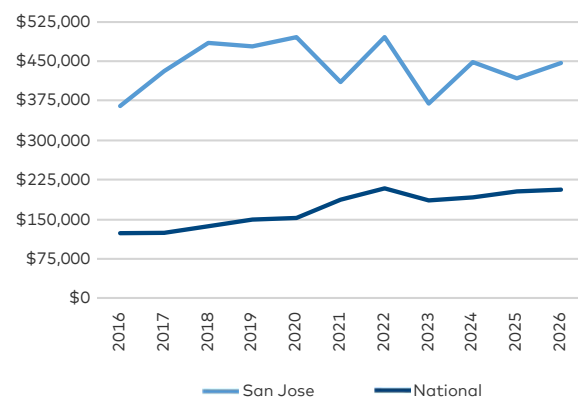
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Sunnyvale	600
West San Jose	507
Far South San Jose	423
Cupertino	274
Campbell	241
East San Jose	186
Mountain View–Los Altos	110

Source: Yardi Matrix

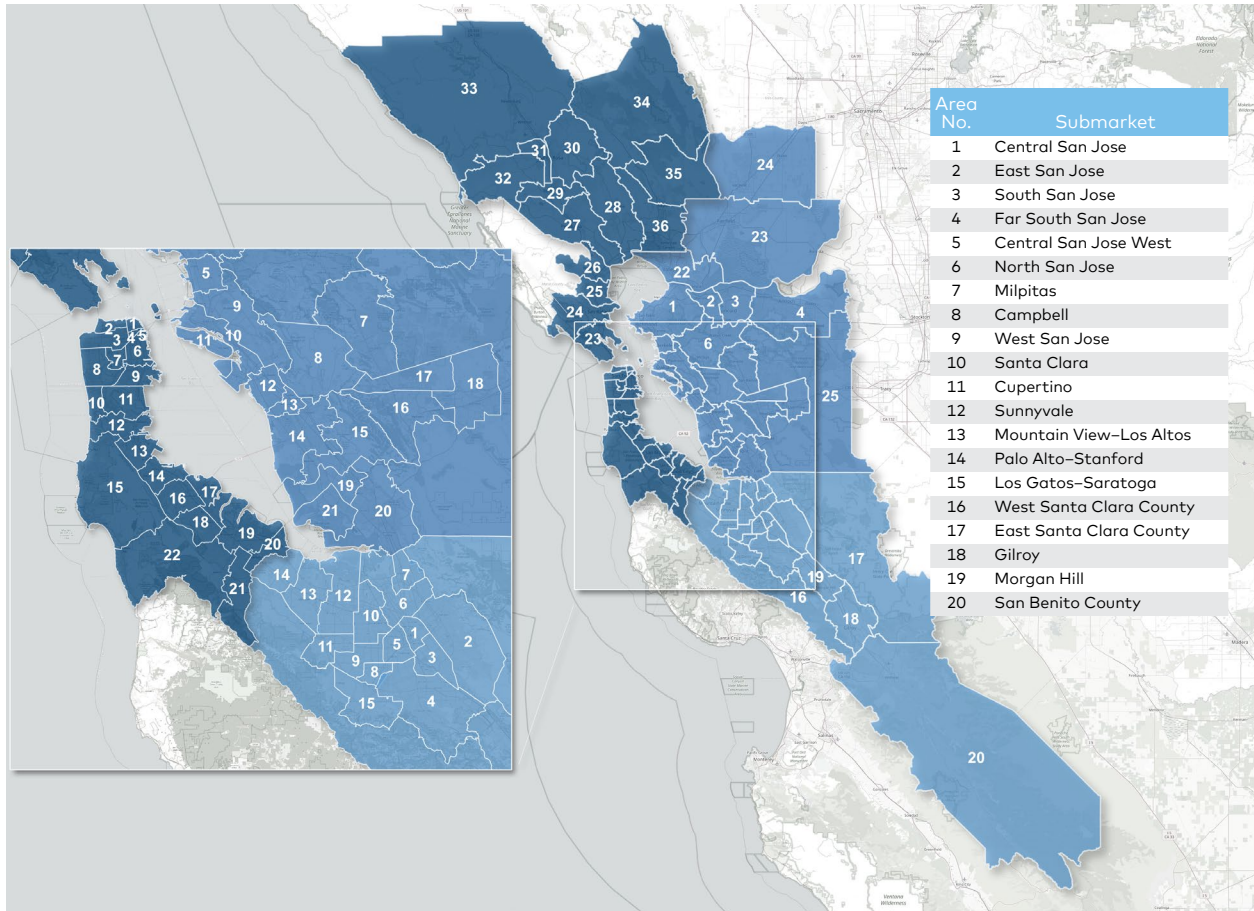
<sup>1</sup> From February 2025 to January 2026

### San Jose vs. National Sales Price per Unit



Source: Yardi Matrix

# SAN JOSE SUBMARKETS



Area No.	Submarket
1	Northeast San Francisco
2	Northwest San Francisco
3	Golden Gate Park
4	Market Street
5	China Basin
6	Eastern San Francisco
7	Central San Francisco
8	Southwest San Francisco
9	Southeast San Francisco
10	Broadmoor/Daly City
11	Colma/Brisbane
12	South San Francisco
13	Millbrae/Airport
14	Burlingame
15	Moss Beach
16	San Mateo
17	Foster City
18	Belmont/San Carlos

Area No.	Submarket
19	Redwood City
20	Menlo Park/East Palo Alto
21	Atherton/Portola
22	Woodside
23	Tiburon/Sausalito
24	San Rafael
25	Lucas Valley
26	Novato
27	Petaluma
28	Sonoma
29	Rohnert Park
30	Santa Rosa
31	Roseland
32	Sebastapol
33	Northern Sonoma County
34	Deer Park/St. Helena
35	Napa North
36	Napa South

Area No.	Submarket
1	Richmond
2	Pleasant Hill/Martinez
3	Concord
4	Antioch/Oakley
5	Berkeley
6	Walnut Creek/Lafayette
7	San Ramon-West/Danville
8	Castro Valley
9	Oakland East/Oakland Hills
10	Downtown Oakland
11	Alameda
12	San Leandro
13	San Lorenzo

Area No.	Submarket
14	Hayward
15	Union City
16	Pleasanton
17	Dublin
18	Livermore
19	West Fremont
20	East Fremont
21	Newark
22	Vallejo/Benicia
23	Fairfield
24	Vacaville
25	San Ramon-East

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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