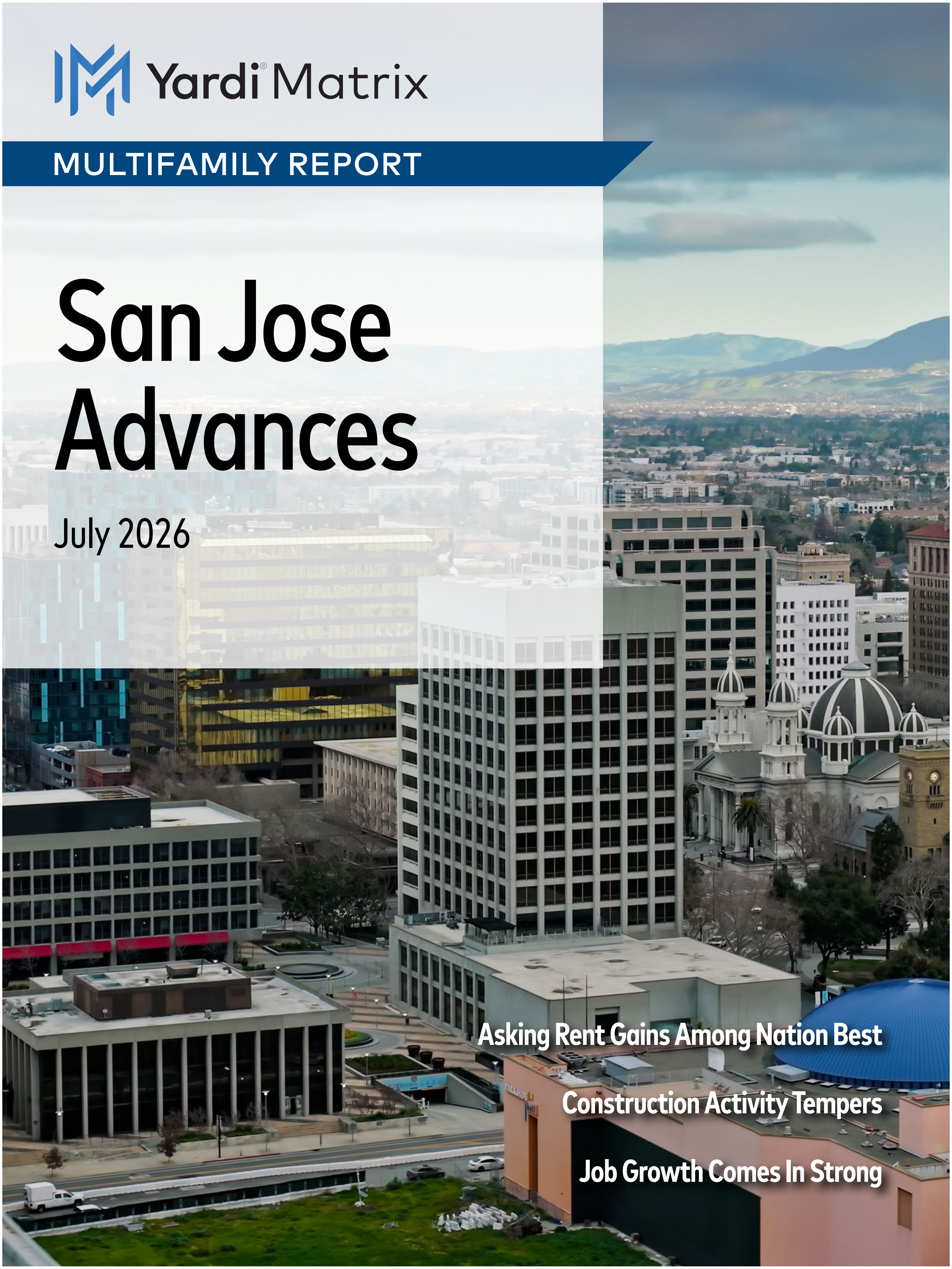
Yardi Matrix

MULTIFAMILY REPORT

San Jose Advances

July 2026



Asking Rent Gains Among Nation Best

Construction Activity Tempers

Job Growth Comes In Strong

SAN JOSE MULTIFAMILY

Yardi Matrix

Solid Gains In Silicon Valley

San Jose multifamily regained its strength during the spring leasing season, with most fundamentals on track to outperform last year. Average advertised asking rents were up 0.8%, on a trailing three-month basis through May, to $3,414. That was 50 basis points ahead of the U.S. average. Year-over-year, Silicon Valley asking rents grew 3.6%, marking one of the strongest paces nationwide. The U.S. average ticked up 0.1% year-over-year, to $1,767. Occupancy withstood two solid years of supply, with the rate in stabilized assets ticking up 10 basis points year-over-year, to 96.6% as of April. Meanwhile, national occupancy slid 60 basis points.

Area employment also regained momentum, with job gains clocking in at 1.4% as of February, far outpacing the national average. Metro San Jose unemployment stood at 3.7% in April, besting both the U.S. (4.3%) and California (5.3%) rates, according to preliminary data from the Bureau of Labor Statistics. The metro added 17,400 net jobs in the 12 months ending in February, with education and health services accounting for the bulk of those gains (11,700). Promising projects for the sector include the $1.3 billion Good Samaritan campus expansion and Santa Clara Valley Healthcare's growing footprint.

The past two years brought nearly 10,000 new apartments to the market's inventory. Yet developers have slowed down somewhat, with only 283 units completed year-to-date through May.

Market Analysis | July 2026

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Recent San Jose Transactions

Sofia

City: Santa Clara, Calif.
Buyer: Acacia Capital
Purchase Price: $183 MM
Price per Unit: $637,630

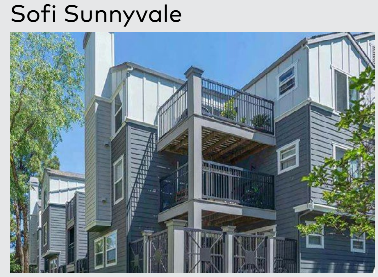
Misora

City: San Jose, Calif.
Buyer: Waterton
Purchase Price: $149 MM
Price per Unit: $700,472

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

RENT TRENDS

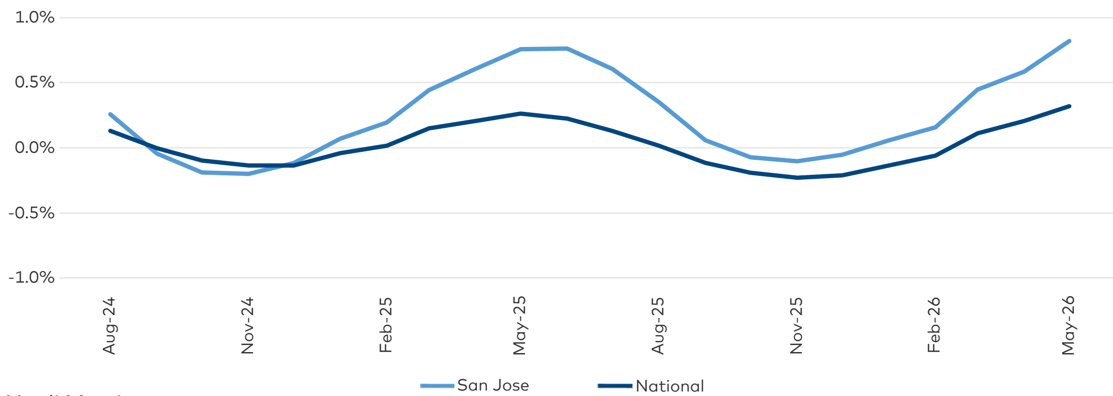
- San Jose advertised asking rents were up 0.8%, on a trailing three-month (T3) basis through May, to an average of $3,414. That was 50 basis points ahead of the U.S. average. Area growth regained momentum during the spring leasing season after a quarter of modest contractions at the end of 2025. Year-over-year, rents were up a relatively solid 3.6%, placing San Jose among the country's top markets, in line with neighboring San Francisco (4.5%). No other California metro came close in terms of asking rent gains.

- Performance across asset classes was in lockstep on a T3 basis through May, with both the working-class Renter-by-Necessity segment and the upscale Lifestyle one recording 0.8% increases, to $2,975 and $3,748, respectively.

- The area's overall occupancy in stabilized assets inched up 10 basis points in the 12 months ending in April, to 96.6%, even as it was pressured by recent deliveries. Meanwhile, the U.S. average clocked in at 94.1%, down 60 basis points in one year. Silicon Valley's RBN average ticked up 40 basis points in 12 months, to 96.4%, while the Lifestyle rate slid 10 basis points, to 96.8%.

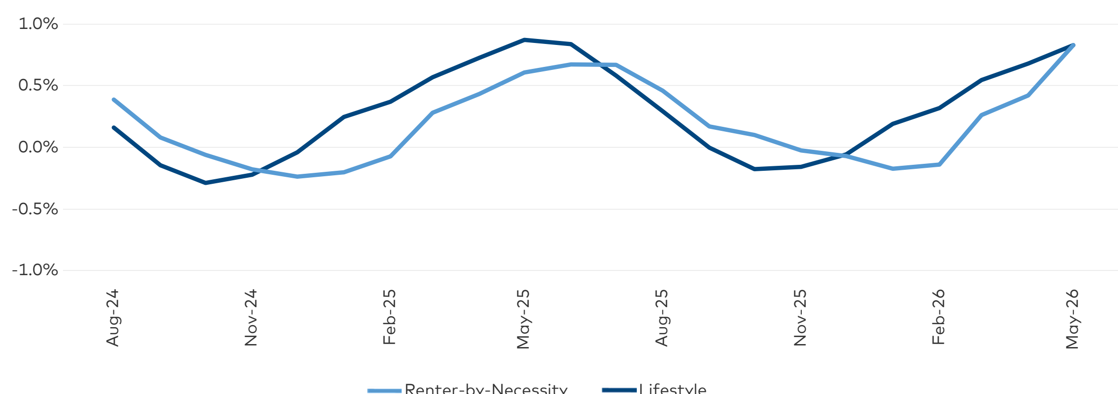
- Rate growth remained solid in some of the metro's most active submarkets for construction. Cupertino, also the most expensive area to rent in, led gains year-over-year through May (7.9% to $3,957). Sunnyvale (6.6% to $3,491), Central San Jose West (6.5% to $3,213), Santa Clara (5.8% to $3,654) and Mountain View–Los Altos (5.3% to $3,862) rounded out the top five.

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 unemployment reached 3.7% in April, down 30 basis points year-over-year and 60 basis points below the U.S. average, according to preliminary data from the BLS. Meanwhile, California's rate stood at 5.3%. San Jose also outperformed other major metros in the state, including San Francisco (3.9%), San Diego (4.1%) and Greater Los Angeles (4.8%).
- San Jose employment growth rebounded to 1.4% through February, up 170 basis points since February 2025 and 150 basis points ahead of the current U.S. figure. After trailing the nation for the first seven months of last year, San Jose's employment growth regained solid momentum.
- The metro added 17,400 net jobs in the 12 months ending in February. Two sectors carried this growth: education and health services (11,700 jobs) and construction (2,900). Meanwhile, three sectors lost a combined 1,200 jobs.
- Education and health services is the metro's second-largest economic sector, and structural demand continues to benefit from recent expansion activity, as it has nationwide. Health-care systems are adding capacity through projects such as the $1.3 billion Good Samaritan campus expansion and Santa Clara Valley Healthcare's growing footprint. On the education side, SJSU recorded its largest enrollment in fall last year—nearly 40,000 students.

San Jose Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	226.9	19.5%
15	Mining, Logging and Construction	53.6	4.6%
30	Manufacturing	127.5	11.0%
80	Other Services	28.6	2.5%
50	Information	96.,8	8.3%
60	Professional and Business Services	275.7	23.7%
40	Trade, Transportation and Utilities	115.9	10.0%
90	Government	101.1	8.7%
55	Financial Activities	36	3.1%
70	Leisure and Hospitality	99.8	8.6%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- The area's population increased 0.4% between mid-2024 and mid-2025, according to recent U.S. Census estimates. That was the equivalent of roughly 7,500 net residents.
- The U.S. population is estimated to have grown by 0.5% during the same time frame.

San Jose vs. National Population

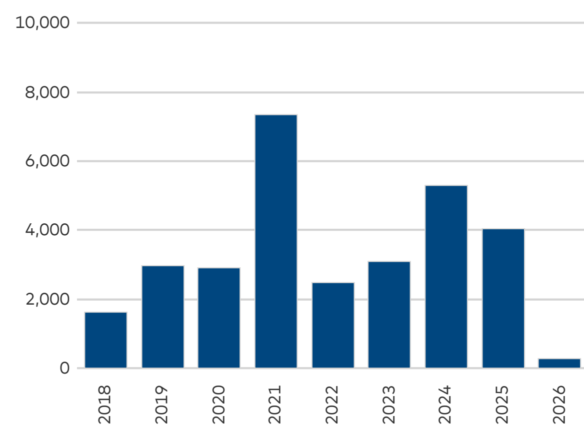
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
San Jose	1,987,846	1,985,926	1,995,351	1,981,584

Source: U.S. Census

SUPPLY

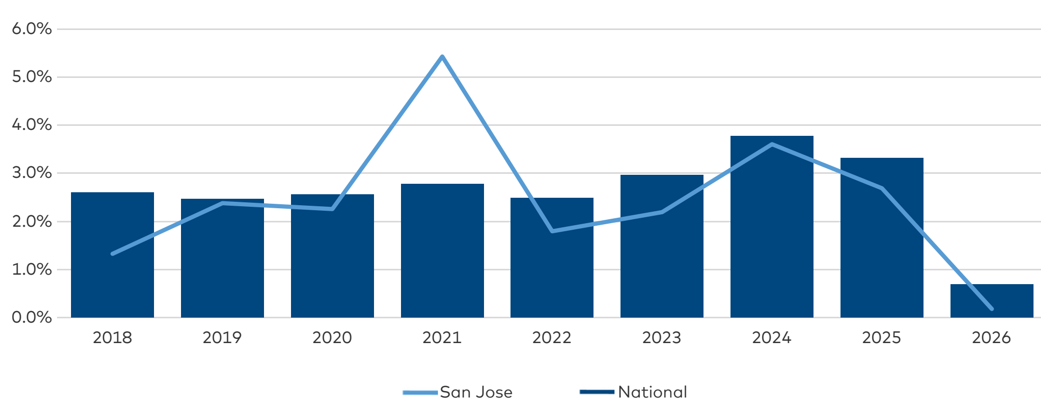
- San Jose developers had 6,570 units under construction in May, along with an additional 60,000 apartments in the planning and permitting stages. Of all units underway, 56% are in fully affordable projects, placing San Jose ahead of most major metros. Units in Lifestyle developments comprised 42% of the pipeline, while the remaining 2% were in RBN assets.
- In the first five months of the year, developers completed 283 units, or 0.2% of existing stock, lagging the U.S. average by 50 basis points. This was a steep drop from the 1,966 units that came online in the same period last year. Yardi Matrix expects roughly 1,800 units to come online in 2026, well below the 3,726-unit annual average recorded since 2018.
- Fewer new projects are moving forward following the previous two years' above-average gains (more than 9,000 units combined). Six new developments (1,303 units) started construction year-to-date through May. That was just below the seven projects (1,408 units) that developers started work on during the same period last year.
- Construction activity remained concentrated around areas with infill potential and transit-oriented advantages. Two submarkets stood out: West San Jose (1,203 units underway), and Central San Jose West (1,165 units). The former has room for large projects—a rare sight in the market—while the latter attracts developers through regional transit availability and proximity to areas of interest.
- Highlighting West San Jose's appeal is San Hill Property Co.'s El Paseo & 1777 Saratoga, set to comprise 772 units and currently the largest project underway in the metro.

San Jose Completions (as of May 2026)



Source: Yardi Matrix

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

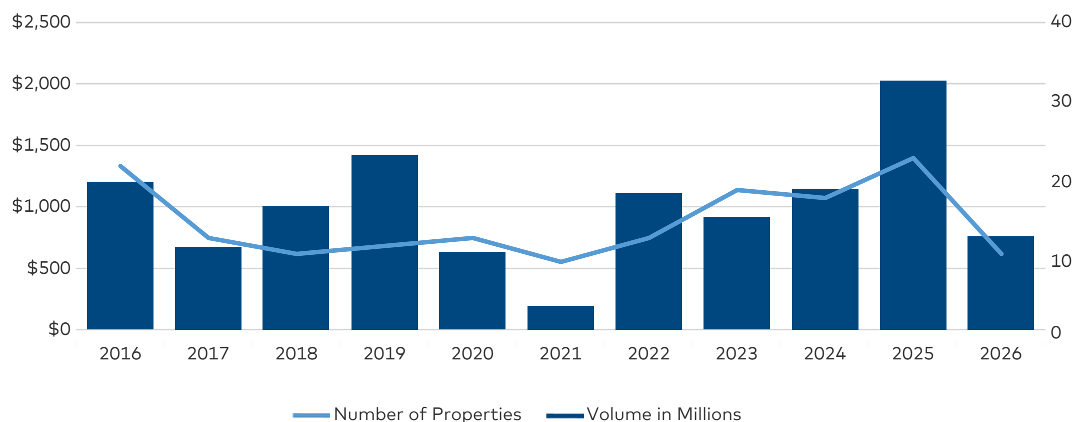


Source: Yardi Matrix

TRANSACTIONS

- Investors traded $760 million year-to-date through May across Silicon Valley, 14% more than the volume during the same time last year. This bucked the national trend, as the expected rebound in deal volume during early 2026 did not materialize. Yet, San Jose recorded its strongest year of the decade in 2025, with $2 billion in transactions. The average yearly volume has clocked in at $1 billion since 2016.
- The metro's overall per-unit average reached $424,926 for sales completed in the first five months and was virtually flat from last year (+1.5%). Eleven single-asset deals closed through May, including four Lifestyle properties and seven RBN assets. The former's per-unit price was $495,400, while the latter averaged $264,650.
- Acacia Capital's $183 million acquisition of Sofia, a 287-unit community in Santa Clara, was the largest multifamily deal closed so far this year. SummerHill Apartment Communities sold the 2024-built asset for $637,630 per unit.

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



Source: Yardi Matrix

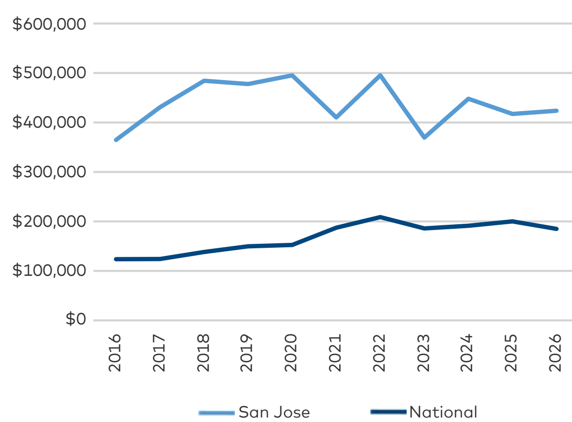
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Sunnyvale	668
West San Jose	519
Far South San Jose	423
Mountain View–Los Altos	143
South San Jose	102
East San Jose	102
Cupertino	67

Source: Yardi Matrix

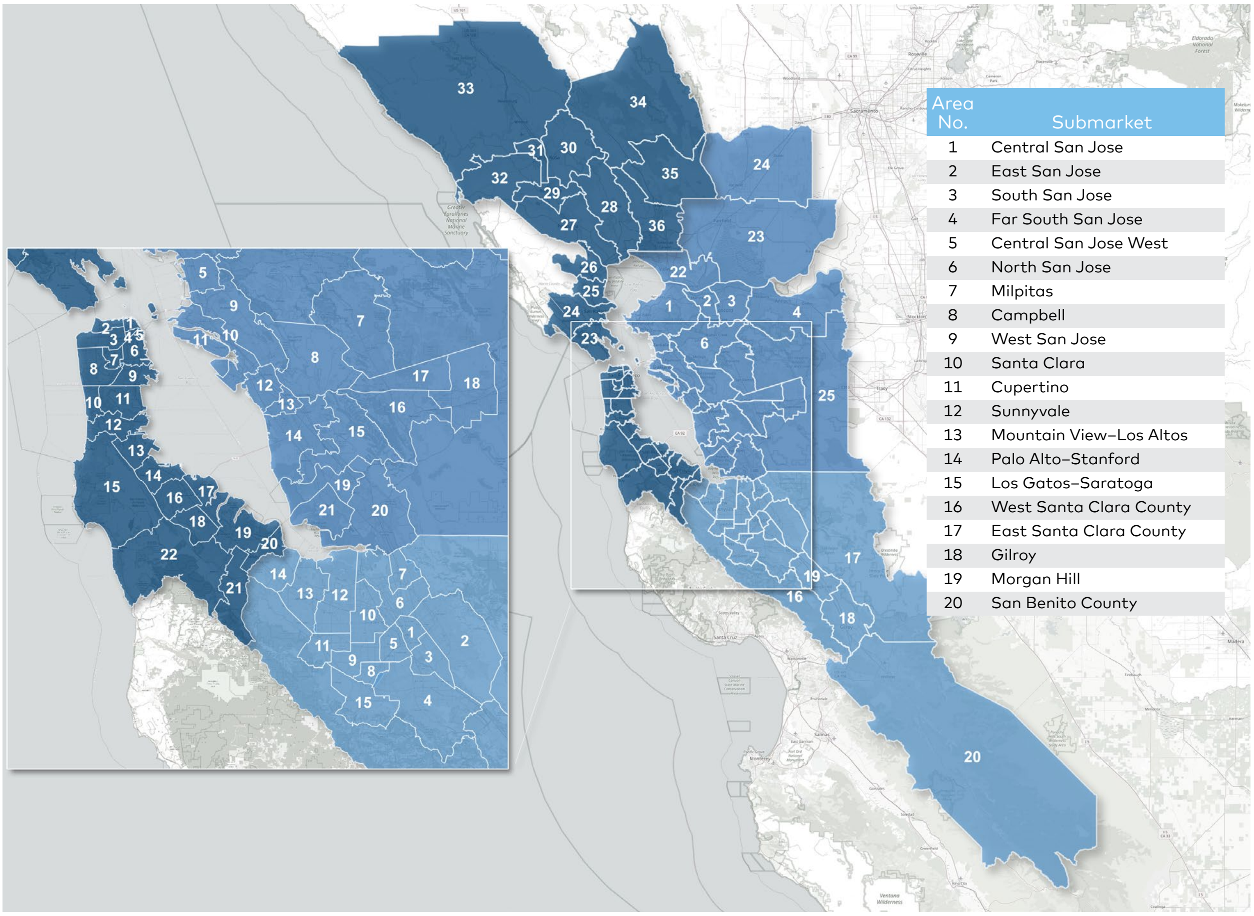
[1] From June 2025 to May 2026

San Jose vs. National Sales Price per Unit



Source: Yardi Matrix

SAN JOSE SUBMARKETS



Area No.	Submarket
1	Central San Jose
2	East San Jose
3	South San Jose
4	Far South San Jose
5	Central San Jose West
6	North San Jose
7	Milpitas
8	Campbell
9	West San Jose
10	Santa Clara
11	Cupertino
12	Sunnyvale
13	Mountain View–Los Altos
14	Palo Alto–Stanford
15	Los Gatos–Saratoga
16	West Santa Clara County
17	East Santa Clara County
18	Gilroy
19	Morgan Hill
20	San Benito County

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	Sebastopol
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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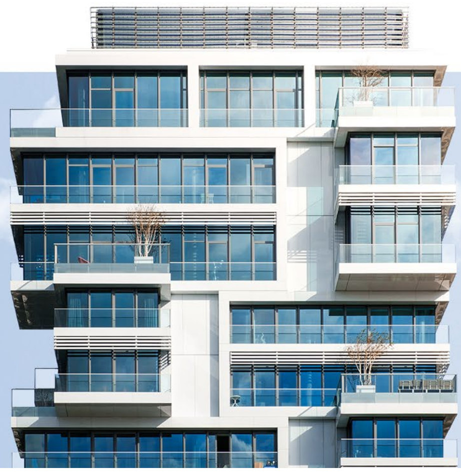
Yardi Matrix



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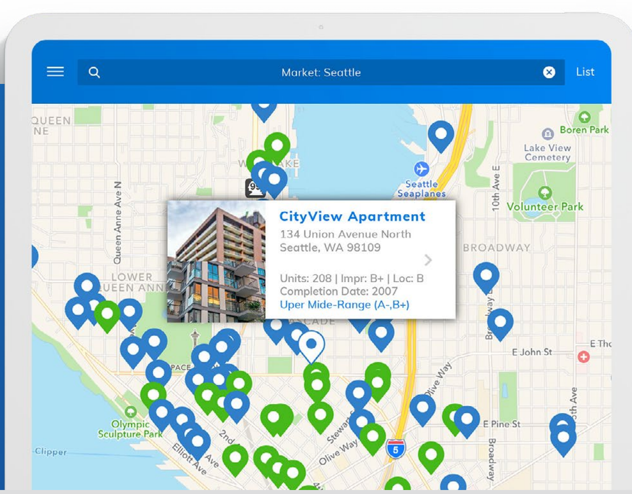
MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23.5 million units,** covering over **92% of the U.S. population.**

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