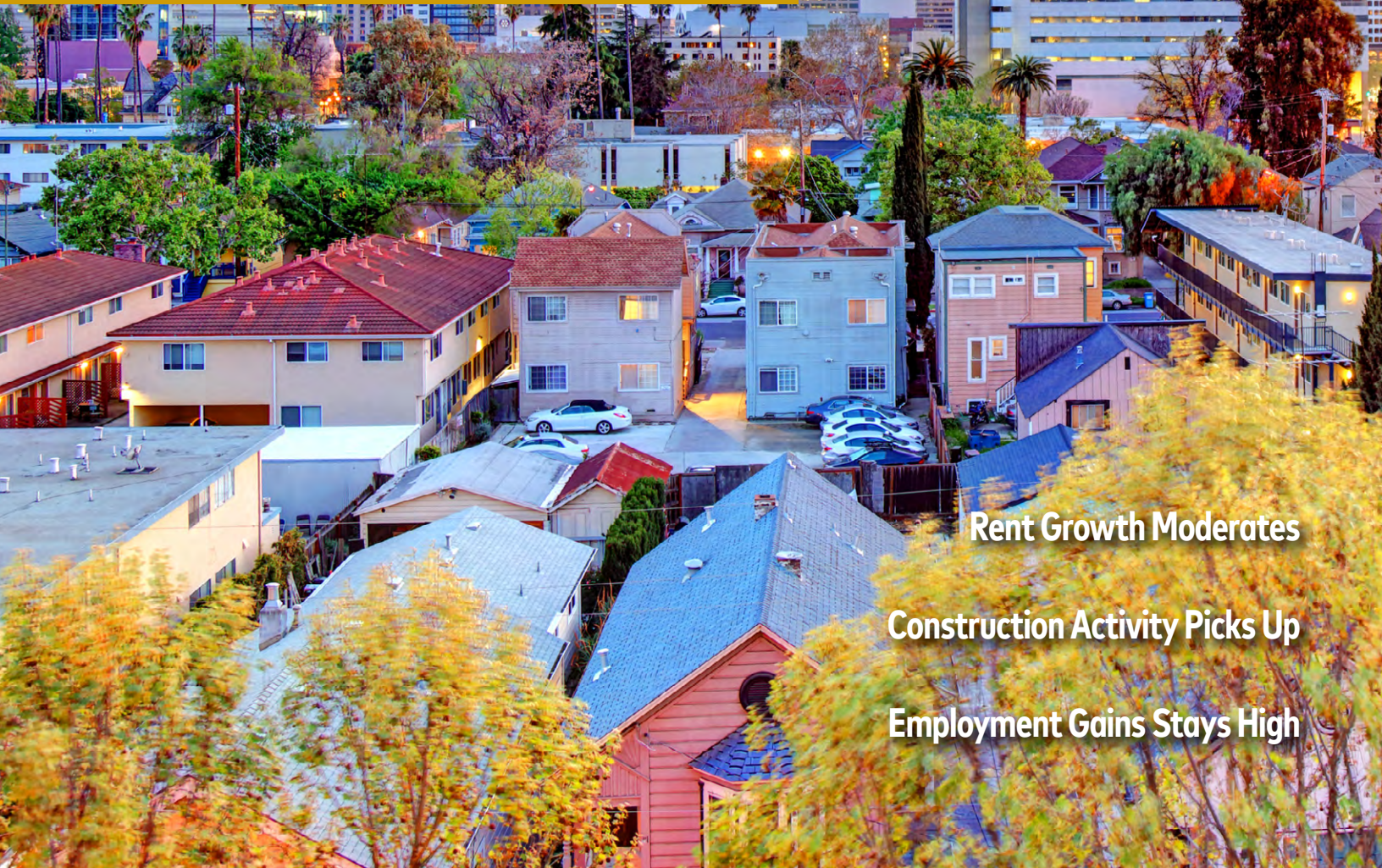


Yardi® Matrix

MULTIFAMILY REPORT

Garden City: Still In Full Bloom

Winter 2020



Rent Growth Moderates

Construction Activity Picks Up

Employment Gains Stays High

SAN JOSE MULTIFAMILY

Yardi® Matrix

Job Increases Support Demand

San Jose's multifamily market is sustained by one of the country's strongest economies. Rent growth stagnated in the second part of 2019, advancing 0.1% year-over-year through November to \$2,876. Despite the elevated rents in the metro, the occupancy rate in stabilized properties inched up another 10 basis points year-over-year to 95.7% in October.

After hovering below the 2.0% mark for most of 2018, job growth picked up in 2019, rising 2.6% year-over-year through September—80 basis points above the national rate. San Jose gained 33,600 jobs in the 12 months ending in September, with the professional and business services sector leading job growth (9,500 jobs), followed by the information sector (7,800 positions). Manufacturing—San Jose's second-largest employment sector—rounded out the top three, expanding by 6,300 jobs. This growth is poised to continue with support from top companies including Tesla, Apple and Splunk, among others.

Apartment deliveries picked up again in 2019 with 2,393 units, or 2.0% of total stock, coming online year-to-date through November. The transaction volume crossed the \$1 billion mark in the first 10 months of the year, for an average price per unit of \$497,574, more than three times the \$162,751 national average per-unit price.

Market Analysis | Winter 2020

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Recent San Jose Transactions

The Village Residences



City: Mountain View, Calif.
Buyer: Brookfield Properties
Purchase Price: \$292 MM
Price per Unit: \$884,848

Lex



City: San Jose, Calif.
Buyer: Equity Residential
Purchase Price: \$181 MM
Price per Unit: \$466,408

Domain



City: San Jose, Calif.
Buyer: Prime Group
Purchase Price: \$256MM
Price per Unit: \$575,450

Sofi Riverview Park



City: San Jose, Calif.
Buyer: Pacific Urban Residential
Purchase Price: \$61 MM
Price per Unit: \$226,576