



### MARKET AT A GLANCE



**OCCUPANCY RATE** 93.7%

Down 260 bps since 1Q20



**EFFECTIVE RENT** \$2,459

Down 15.1% since 1Q20



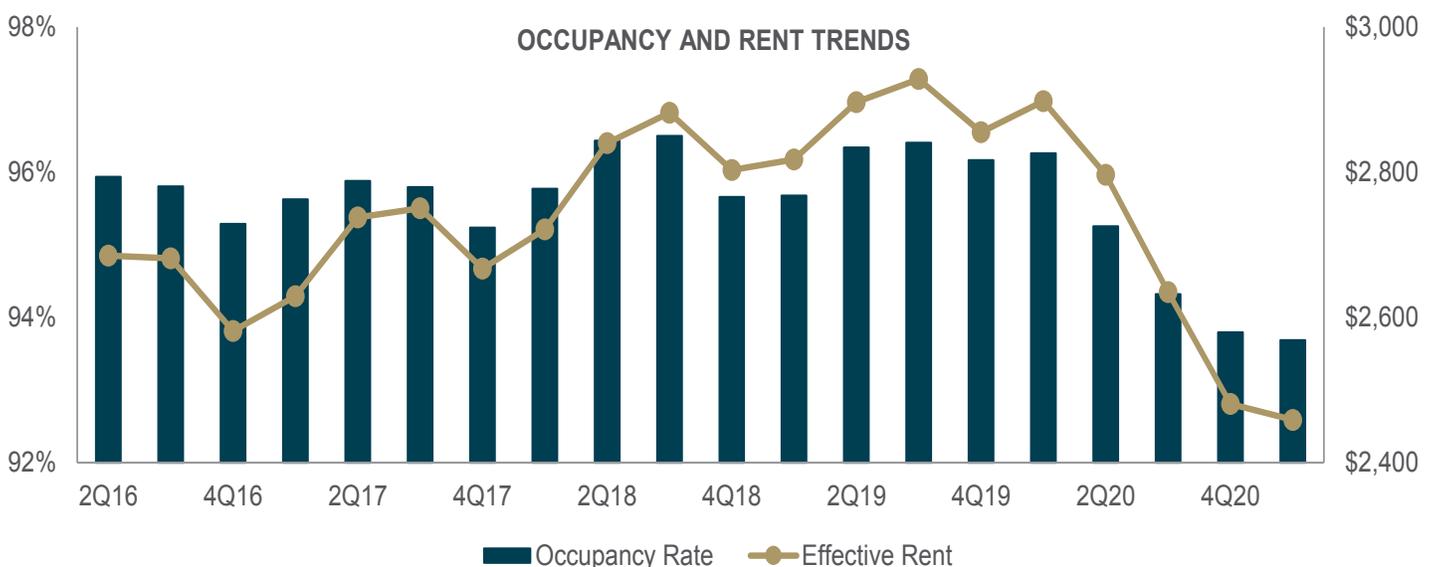
**RENT PAYMENT TRACKER (APRIL 1-13)** 88.5%

Down 190 bps YOY

### OCCUPANCY AND RENT TRENDS

## SAN JOSE RESPONDS TO COVID-19 HURDLES WITH SIGNS OF RECOVERY

San Jose's apartment market was among the hardest hit metros in 2020 by the trend of renters retreating from their luxurious coastal rentals to more wallet-friendly metros. The most obvious evidence was effective rent, down 15.1% annually through the first quarter to \$2,459 due to operators extending major concessions to their tenants amid occupancy falling 260 basis points to 93.7% during the same period. While the year-over-year performance was below expectations, there were also signs during the first quarter of 2021 that those headwinds may soon be blowing in a more positive direction. Developers brought 819 apart units online in the last three months. Renters absorbed 581 net units during the first quarter, over four times the number of units absorbed during the final quarter of 2020. Overall, effective rent in the metro decreased by just 0.9% during the quarter, indicating that operators forced to offer major concessions over the past three months may soon reach a turning point. Supporting this notion is the metro's ongoing economic rebound. By February 2021, employment reached 74% of pre-COVID-19 levels, led by hiring in white-collar sectors like financial activities and professional and business services.



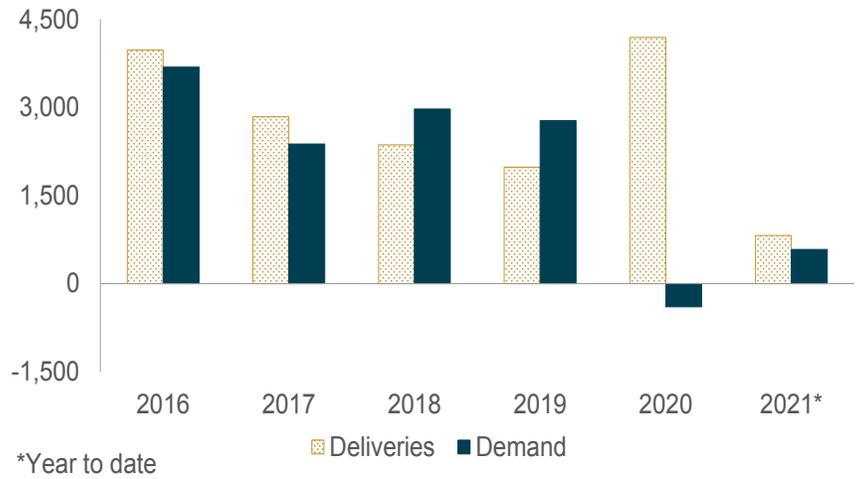
**DELIVERIES AND DEMAND**



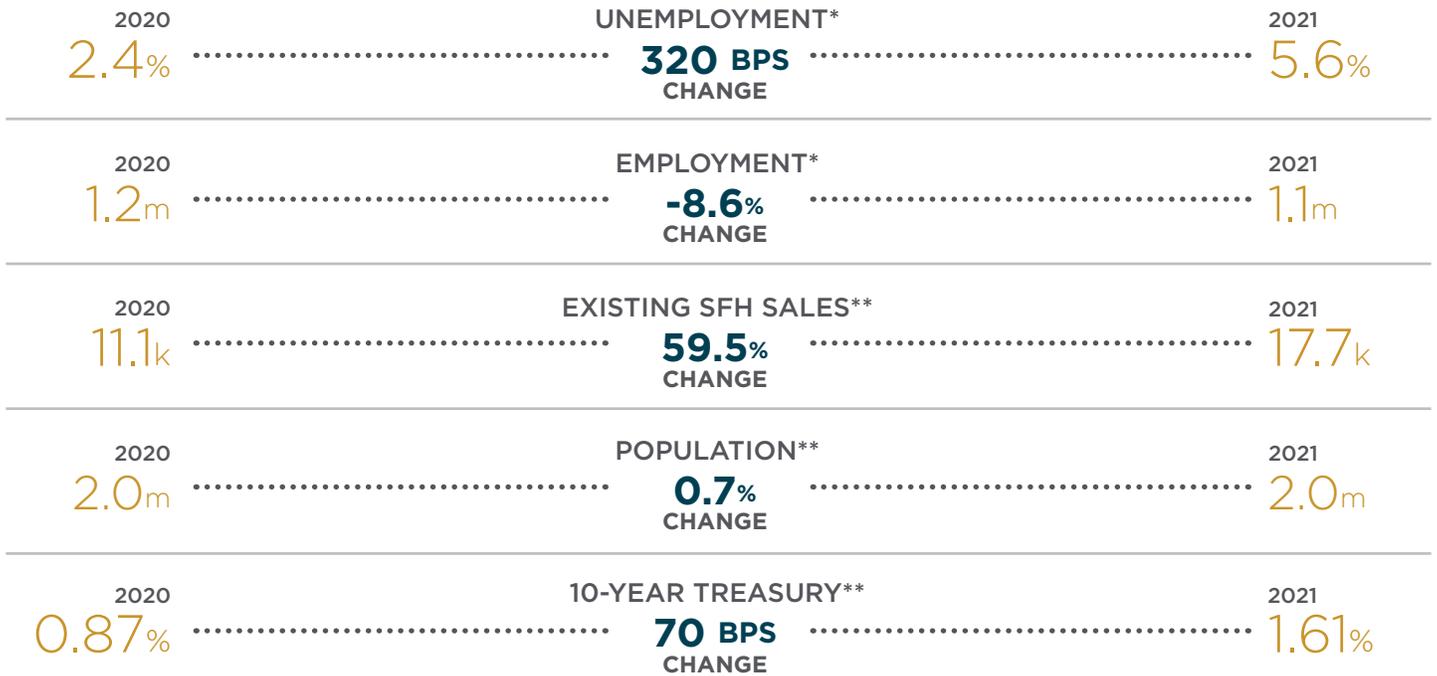
**DELIVERIES** 819  
Units YTD



**NET ABSORPTION** 581  
Units YTD



**ECONOMIC TRENDS**



\*February; \*\*March



# SAN JOSE

MULTIFAMILY REPORT

## SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	1Q21	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	1Q21	Q-o-Q Change	Y-o-Y Change	1Q21	Annual	1Q21	Annual
Central San Jose	94.9%	30	-140	\$2,417	-0.6%	-13.5%	330	454	254	860
East San Jose	95.1%	-30	-230	\$2,182	-1.2%	-6.5%	-8	-1	33	327
Mountain View/Palo Alto/Los Altos	90.9%	-10	-380	\$2,802	-0.9%	-17.9%	-26	-246	0	923
North San Jose/Milpitas	94.8%	-10	-200	\$2,532	1.4%	-13.5%	81	19	111	428
North Sunnyvale	92.7%	30	-440	\$2,409	-0.5%	-20.9%	216	-279	174	520
Santa Clara	93.8%	-20	-260	\$2,436	-2.6%	-18.3%	27	-287	70	214
South San Jose	94.9%	-40	-100	\$2,358	-2.6%	-8.9%	-30	7	57	395
South Sunnyvale/Cupertino	93.7%	20	-330	\$2,544	0.9%	-18.9%	17	-353	0	0
West San Jose/Campbell	93.7%	-70	-260	\$2,256	-1.2%	-14.1%	-24	-73	120	477
<b>TOTALS</b>	<b>93.7%</b>	<b>-10</b>	<b>-260</b>	<b>\$2,459</b>	<b>-0.9%</b>	<b>-15.1%</b>	<b>581</b>	<b>-759</b>	<b>819</b>	<b>4,144</b>

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