

SAN JOSE, CA

2022 MARKET AT A GLANCE

Occupancy Rate

96.8%



UP 80 BPS YOY

Effective Rent

\$2,834



UP 9.5% YOY

Rent Share of Wallet

25.5%



UP 160 BPS YOY

Employees and Students Returning to Drive Apartment Demand and Higher Occupancy

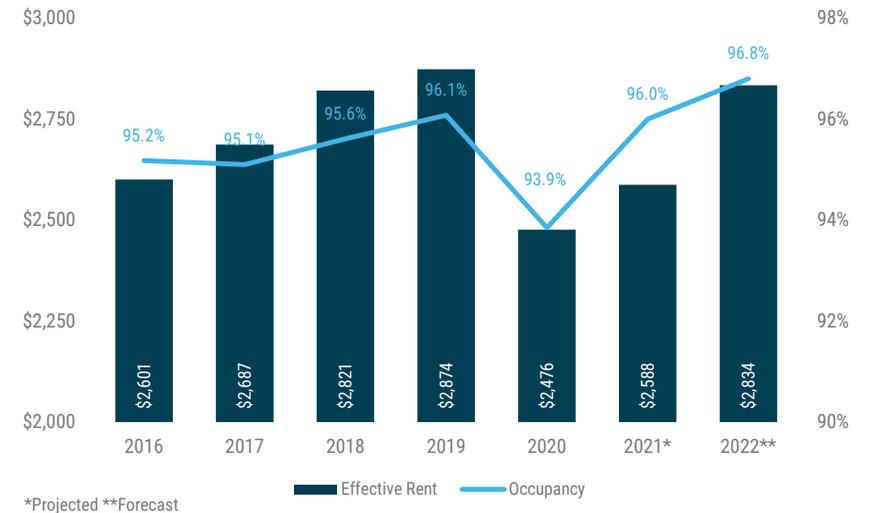
With the return of students to in-person learning and many employees coming back into the office, San Jose apartment occupancy is forecast to reach the highest year-end average in 15 years. By year-end 2022, Greater San Jose is projected to have an occupancy rate of 96.8%, up 80 basis points year over year. A contributor to the increase is the return of students to major universities in the area. Between Stanford University, San Jose State University, and Santa Clara University, more than 50,000 students need off-campus housing within the San Jose MSA. Along with students returning to the area, expanding employment will attract more individuals to the area. The workforce is forecast to grow 3.1% in 2022 and nearly on par with the pre-pandemic level. More residents returning to the metro will be needed as 5,455 units are expected to come online throughout 2022, a 39% increase from 2021. The acceleration is in part due to the stalled construction process during the pandemic with inflated prices of building materials. Even with the increase in deliveries, absorption is predicted to outpace new supply in 2022. The Central San Jose, the Santa Clara, and the Mountain View/Palo Alto/Los Altos submarkets, the locations of the universities, are expected to have the highest demand out of the nine submarkets in the metro. Over 1,000 units are projected to be absorbed in both the Central San Jose and the Mountain View/Palo Alto/Los Altos submarkets.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy

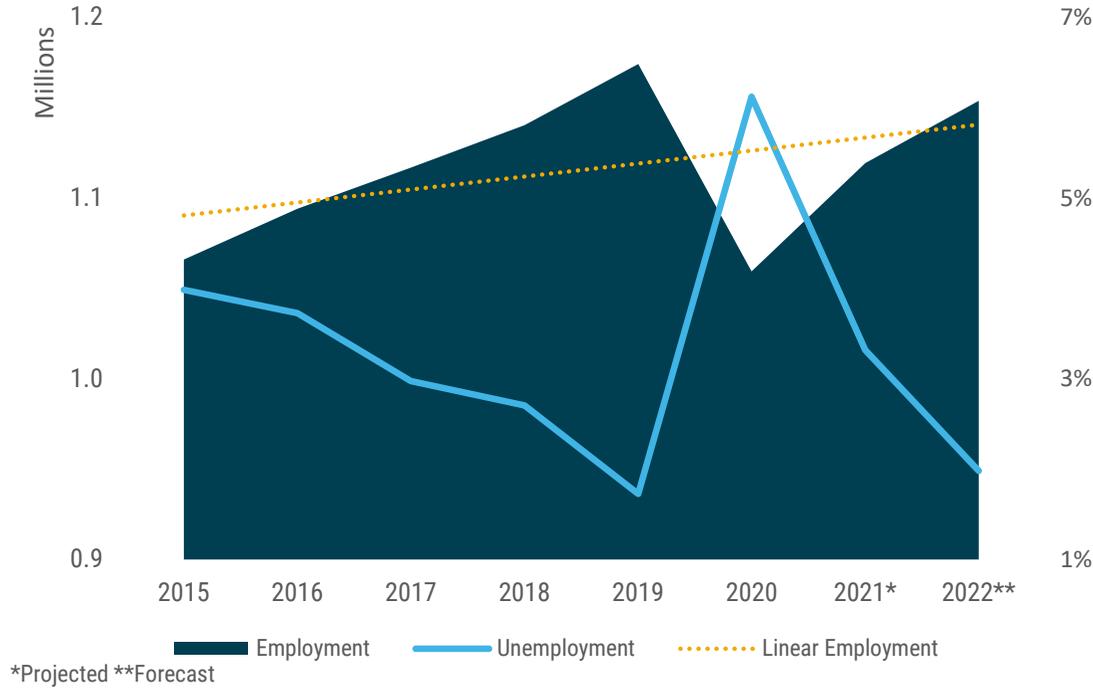


Absorption & Deliveries



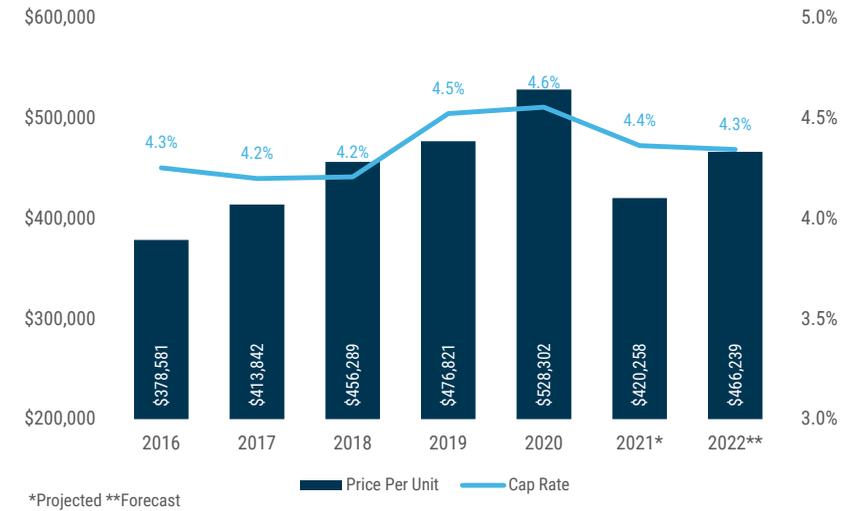
EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



Employment

1,153,900



UP 3.1% YOY

Unemployment

2.0%



DOWN 130 BPS YOY

Median Household Income

\$133,205



UP 2.6% YOY

Price Per Unit

\$466,239



UP 10.9% YOY

Cap Rate

4.3%



DOWN 10 BPS YOY