

SAN JOSE, CA

2023 MARKET AT A GLANCE

Occupancy Rate

96.9%



UP 30 BPS YOY

Effective Rent

\$3,180



UP 4.8% YOY

Rent Share of Wallet

21.9%



UP 30 BPS YOY

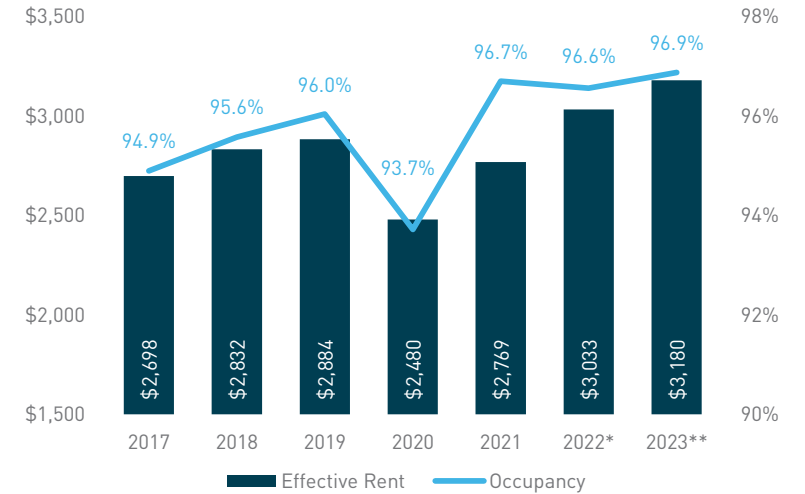
Steady Migration and High Housing Prices Fuel Elevated Multifamily Demand

Renters have made their way back into the San Jose region and will continue to lease multifamily units at a greater rate than before the pandemic. Net migration into San Jose is projected to approach 2,500 individuals in 2023. While it might not be as high as neighboring San Francisco, it is projected to be the metro's highest single-year total since 2015. Those relocating to San Jose are finding a single-family housing market that remains prohibitively expensive thanks to high interest rates and supply not keeping pace with demand. As a result, a sizable portion of new households will continue to become renters, creating a backstop for apartment demand. Roughly 3,260 net new leases are expected to be signed this year, with the bulk of leasing activity expected in the tech-heavy employment hubs of Sunnyvale, Mountain View, and Downtown San Jose. While remote work will remain a prevalent option for many major San Jose employers, most companies require an office presence of at least a few days a week. Since the metro is geographically constrained, commutes to and from areas with lower-priced homes are often time-consuming and arduous. As a result, many Silicon Valley workers are willing to pay higher rental rates for multifamily housing near office campuses, including Apple and Google, driving demand in those submarkets. Apple recently signed a lease for six buildings in Sunnyvale's Pathline Park office complex. Apple plans to employ between 2,800 and 3,500 employees at the site, which is fully leased.

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 2022 are projected values. 2023 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.

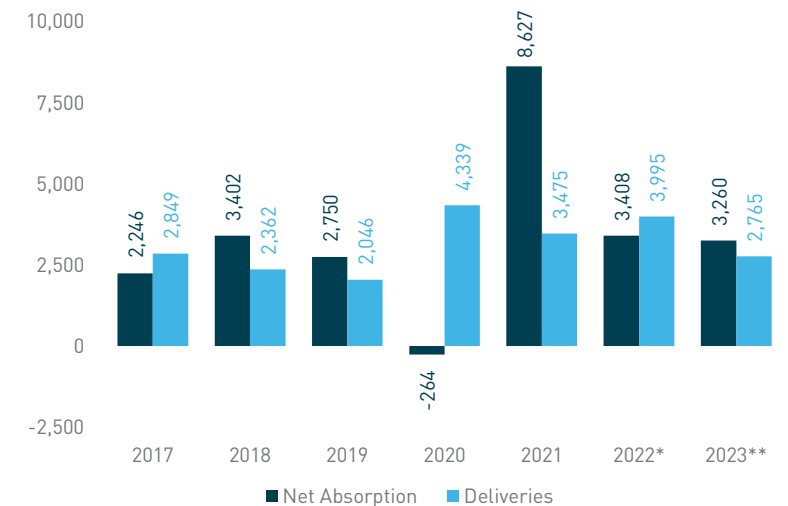
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

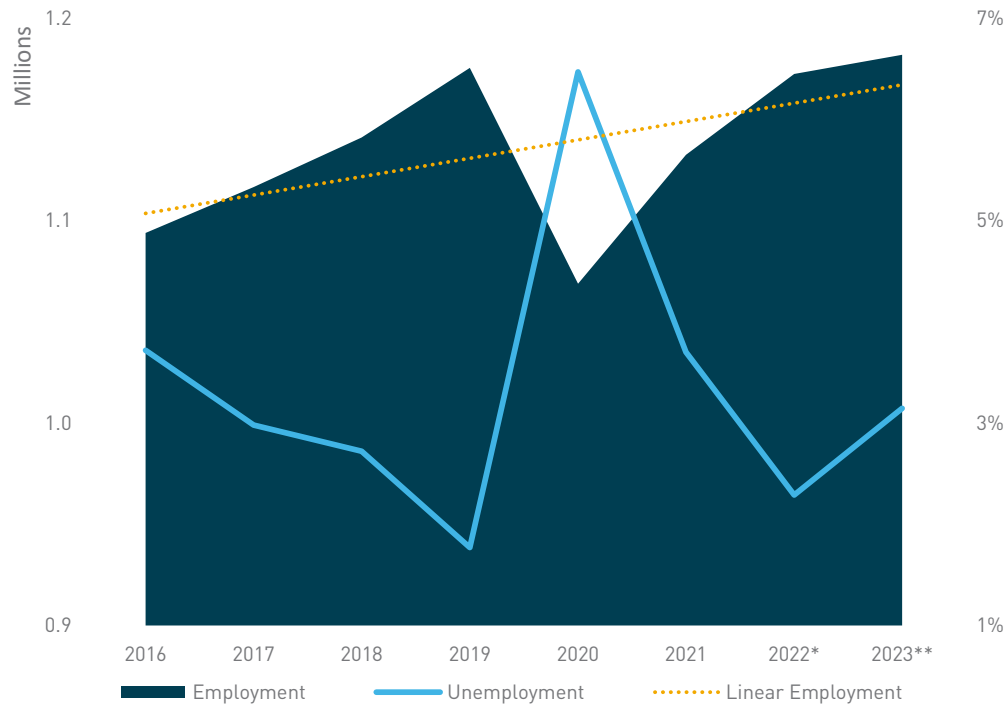


*Projected **Forecast

SAN JOSE, CA

Employment Trends

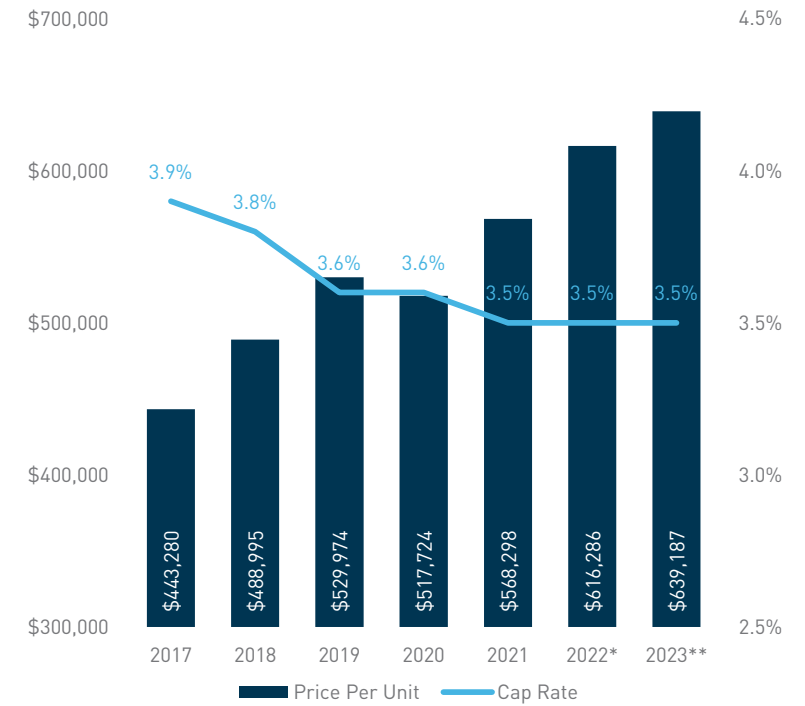
Market Employment Trends



*Projected **Forecast

Sales Trends

Price Per Unit & Cap Rate



*Projected **Forecast

<p>Employment</p> <p>1,182,000</p> <p>↑</p> <p>UP 0.8% YOY</p>	<p>Unemployment</p> <p>3.1%</p> <p>↑</p> <p>UP 80 BPS YOY</p>	<p>Median Household Income</p> <p>\$174,460</p> <p>↑</p> <p>UP 3.4% YOY</p>
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<p>Price Per Unit</p> <p>\$639,187</p> <p>↑</p> <p>UP 3.7% YOY</p>	<p>Cap Rate</p> <p>3.5%</p> <p>=</p> <p>UNCHANGED YOY</p>
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