



MARKET AT A GLANCE



OCCUPANCY RATE **95.3%**

Down **100 bps** since 2Q19



EFFECTIVE RENT **\$2,803**

Down **3.5%** since 2Q19



RENT PAYMENT TRACKER (July 1-13) **92.4%**

Up **30 bps** since June 1-13

OCCUPANCY AND RENT TRENDS

NEW RAPID TRANSIT & RESILIENT JOB MARKET SIGNAL FUTURE OPPORTUNITIES

Occupancy in the metro fell 100 basis points to 95.3% during the second quarter in part due to downward pressure on the economy from the pandemic and the elevated delivery of new supply. Operators responded by hedging rent 3.5% to \$2,803. Several factors suggest that the metro's long-term outlook is optimistic, including a median household income more than twice the national average. Rent collections remained steady during the second quarter; 92.4% of apartment households made payments in the first two weeks of July compared to 92.1% during the same time in June. Additionally, just 17% of the San Jose workforce is made up of employees in high-risk sectors compared to the national average of 20%. May unemployment in San Jose was lower than the national average of 13.3% by 160 basis points. New BART service stations expanded transportation options in and out of the metro during the second quarter, a major long-term advantage for the San Jose economy. That said, the market faces short-term headwinds. On July 15, Santa Clara County was forced to reverse recent businesses reopenings due to metro's rising COVID-19 case counts, the second highest among Bay Area counties behind Alameda County.



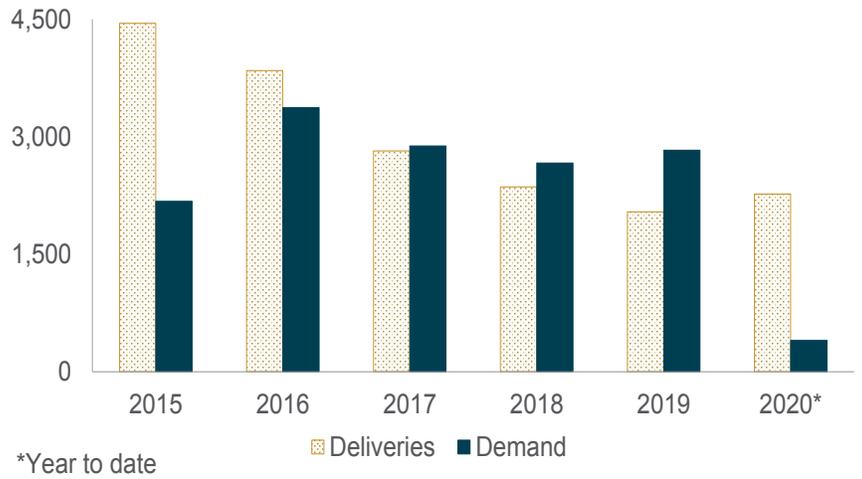
DELIVERIES AND DEMAND



DELIVERIES 2,268
Units YTD



NET ABSORPTION 400
Units YTD



ECONOMIC TRENDS

2019 2.7% **UNEMPLOYMENT*** 2020 11.7%
900 BPS CHANGE

2019 1.1m **EMPLOYMENT**** 2020 1.1m
-8.0% CHANGE

2019 12.3k **EXISTING SFH SALES**** 2020 10.9k
-11.4% CHANGE

2019 2.0m **POPULATION**** 2020 2.0m
0.5% CHANGE

2019 2.07% **10-YEAR TREASURY**** 2020 0.73%
-130 BPS CHANGE

*May; **June



SAN JOSE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Central San Jose	95.5%	-80	-40	\$2,687	-3.8%	-3.5%	129	1,112	362	1,284
East San Jose	96.9%	-50	-100	\$2,321	-0.7%	3.2%	61	306	138	459
Mountain View/Palo Alto/Los Altos	93.6%	-110	-250	\$3,241	-3.5%	-4.9%	-53	-101	291	697
North San Jose/Milpitas	95.6%	-100	-70	\$2,855	-3.5%	-3.7%	-21	49	189	189
North Sunnyvale	95.5%	-160	-150	\$2,925	-5.3%	-5.1%	-272	-249	0	0
Santa Clara	94.9%	-150	-140	\$2,876	-4.6%	-4.3%	-140	476	144	763
South San Jose	95.4%	-50	-40	\$2,548	-1.2%	-1.5%	-275	-242	0	0
South Sunnyvale/Cupertino	95.4%	-160	-140	\$3,055	-4.8%	-4.3%	-170	-151	0	0
West San Jose/Campbell	96.1%	-20	0	\$2,555	-3.7%	-3.5%	67	160	117	156
TOTALS	95.3%	-100	-100	\$2,803	-3.5%	-3.5%	-675	1,359	1,241	3,548



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