



### MARKET AT A GLANCE



**OCCUPANCY RATE** **94.3%**  
Down **220 bps** since 3Q19



**EFFECTIVE RENT** **\$2,640**  
Down **10.0%** since 3Q19

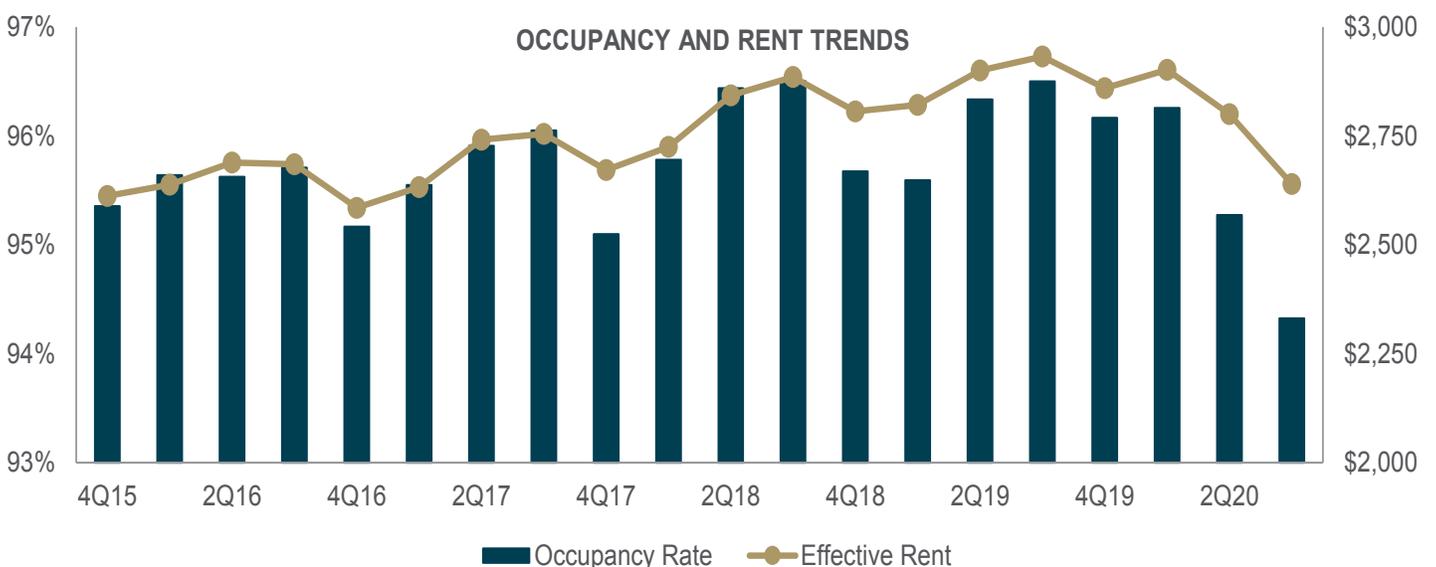


**RENT PAYMENT TRACKER (Oct. 1-13)** **90.7%**  
Up **170 bps** since Sept. 1-13

### OCCUPANCY AND RENT TRENDS

## EXTENDED LOCKDOWN SLOWS RECOVERY BUT INVESTORS REMAIN BULLISH

Restrictions on indoor dining and major gatherings remained in place during the third quarter in Santa Clara County while most major metros nationwide shifted into the later stages of recovery plans. The local economy experienced a slow recovery as a result; just 6,700 of the 87,500 jobs lost due to pandemic restrictions were recovered during July and August. With unemployment at 7.4%, demand for apartments remained negative, but still showed a net improvement from the previous quarter. Developers remained bullish about long-term, post-recovery opportunities in the area and delivered 1,204 apartment units. The supply-side pressure brought down occupancy 100 basis points quarter over quarter to 94.3%. Effective rent decreased 5.7% as apartment operators raised concessions in response to a lack of renter mobility. More renters caught up on their monthly rent payments despite downward pressure on the economy driven by COVID-19; 90.7% of renters were able to make their payment by October 13, up 170 basis points from the previous month. As of October 14, social distancing restrictions have been relaxed and more businesses will re-open, a major improvement for San Jose's economic recovery.



# SAN JOSE

MULTIFAMILY REPORT

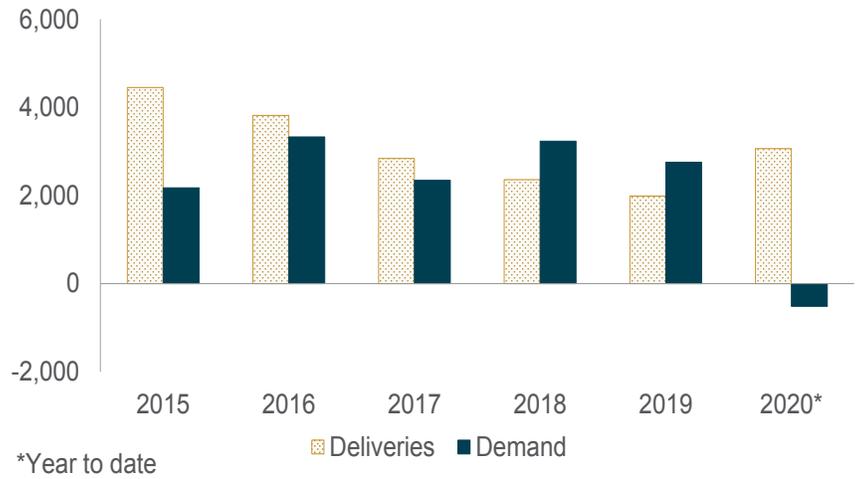
## DELIVERIES AND DEMAND



**DELIVERIES** 3,065  
Units YTD



**NET ABSORPTION** -515  
Units YTD



## ECONOMIC TRENDS

2019 2.5% ..... **UNEMPLOYMENT\*** ..... 2020 7.4%  
**490 BPS CHANGE**

2019 1.2m ..... **EMPLOYMENT\*** ..... 2020 1.1m  
**-8.3% CHANGE**

2019 12.3k ..... **EXISTING SFH SALES\*\*** ..... 2020 13.6k  
**10.6% CHANGE**

2019 2.0m ..... **POPULATION\*\*** ..... 2020 2.0m  
**0.6% CHANGE**

2019 1.70% ..... **10-YEAR TREASURY\*\*** ..... 2020 0.68%  
**-100 BPS CHANGE**

\*August; \*\*September



# SAN JOSE

MULTIFAMILY REPORT

## SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	3Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	3Q20	Q-o-Q Change	Y-o-Y Change	3Q20	Annual	3Q20	Annual
Central San Jose	95.1%	-30	-70	\$2,588	-4.3%	-8.6%	37	924	134	1,160
East San Jose	96.6%	-30	-150	\$2,250	-3.0%	-2.4%	59	173	99	387
Mountain View/Palo Alto/Los Altos	91.6%	-200	-490	\$3,004	-7.7%	-12.8%	-169	-578	436	931
North San Jose/Milpitas	95.4%	-20	-110	\$2,684	-5.4%	-10.3%	104	-57	158	158
North Sunnyvale	94.0%	-160	-310	\$2,636	-9.4%	-14.5%	-138	-403	141	141
Santa Clara	93.8%	-110	-280	\$2,671	-6.3%	-11.5%	-208	133	0	675
South San Jose	95.2%	-20	-120	\$2,488	-2.7%	-5.6%	81	-284	116	116
South Sunnyvale/Cupertino	93.4%	-190	-250	\$2,781	-7.9%	-11.9%	-207	-266	0	0
West San Jose/Campbell	95.1%	-100	-120	\$2,456	-3.8%	-7.8%	-81	17	120	276
<b>TOTALS</b>	<b>94.3%</b>	<b>-100</b>	<b>-220</b>	<b>\$2,640</b>	<b>-5.7%</b>	<b>-10.0%</b>	<b>-521</b>	<b>-341</b>	<b>1,204</b>	<b>3,844</b>

# **BERKADIA**<sup>®</sup>

## **CORPORATE HEADQUARTERS**

521 Fifth Avenue  
20th Floor  
New York, NY 10175  
(646) 600-7800 | Fax: (646) 600-7838  
[www.Berkadia.com](http://www.Berkadia.com)

a Berkshire Hathaway and Jefferies Financial Group company

© 2020 Berkadia Proprietary Holding LLC  
Berkadia<sup>®</sup> is a trademark of Berkadia Proprietary Holding LLC.  
Axiometrics<sup>®</sup> is a trademark of Axiometrics Inc.

Commercial mortgage loan origination and servicing businesses are conducted exclusively by Berkadia Commercial Mortgage LLC and Berkadia Commercial Mortgage Inc. This website is not intended to solicit commercial mortgage loan brokerage business in Nevada. Investment sales and real estate brokerage businesses are conducted exclusively by Berkadia Real Estate Advisors LLC and Berkadia Real Estate Advisors Inc. For state licensing details for the above entities, visit: [www.berkadia.com/legal/licensing.aspx](http://www.berkadia.com/legal/licensing.aspx)

The information contained in this flyer has been obtained from sources we believe to be reliable; however, we have not conducted any investigation regarding these matters and make no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. While we do not doubt its accuracy, we have not verified it and neither we, nor the Owner, make any guarantee, warranty or representation of any kind or nature about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example and do not necessarily represent past, current or future performance of the property. You and your advisors should conduct a careful and independent investigation of the property to determine to your satisfaction the suitability of the property and the quality of its tenancy for your records.