SAN JOSE, CA

2025 MARKET AT A GLANCE

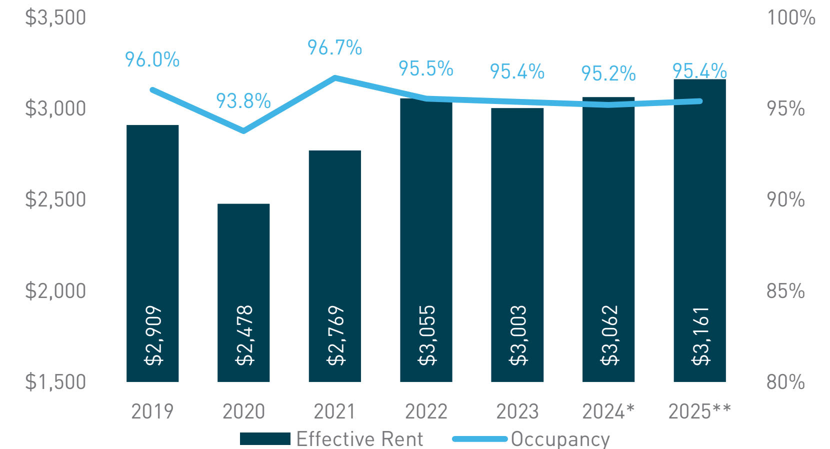
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
95.4%	$3,161	23.6%
UP 20 BPS YOY	UP 3.2% YOY	DOWN 20 BPS YOY

Household Growth Leads to Apartment Occupancy, Rent Gains During 2025

Median home prices in the San Jose metro, which are more than threefold the nation, consistently contribute to a strong renter base as well as an above-average apartment occupancy rate. When paired with a predicted uptick in household formation, the San Jose apartment market is poised for growth in both rent and occupancy. Occupancy is anticipated to reach 95.4% by year-end, well above the projected national average. Demand for apartments will enable rent growth during 2025, with monthly effective rent forecast to reach $3,161 on average by the end of the year, a gain of 3.2%. Two submarkets, North San Jose/Milpitas and West San Jose/Campbell, have the largest forecasted rent gains in San Jose. Both submarkets are expected to have occupancy rates above the market average in 2025, low levels of new supply, and are situated minutes outside of the city center. An uptick in metrowide apartment construction, which is projected to have the largest number of new units come online since 2020, will be met with an elevated number of new leases that are expected to be signed throughout the year. By the fourth quarter, more than 4,270 net units will be absorbed by renters, with the rate of new deliveries slightly trailing this figure. The increase of development activity in San Jose's apartment market during 2025 is not expected to pose a threat to the metro's apartment fundamentals, as in-migration, continued employment expansion, and demand for apartments all outweigh an accelerated rate of new deliveries.

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 2024 are projected values. 2025 figures are forecast projections.

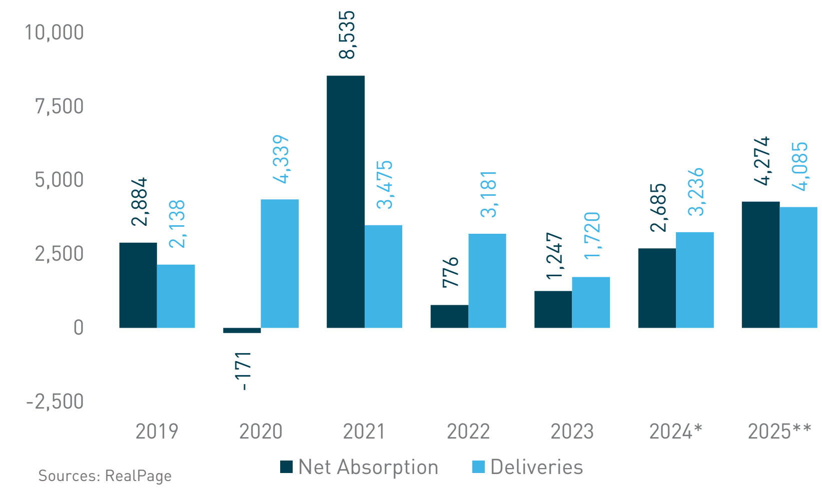
APARTMENT TRENDS



Source: RealPage

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

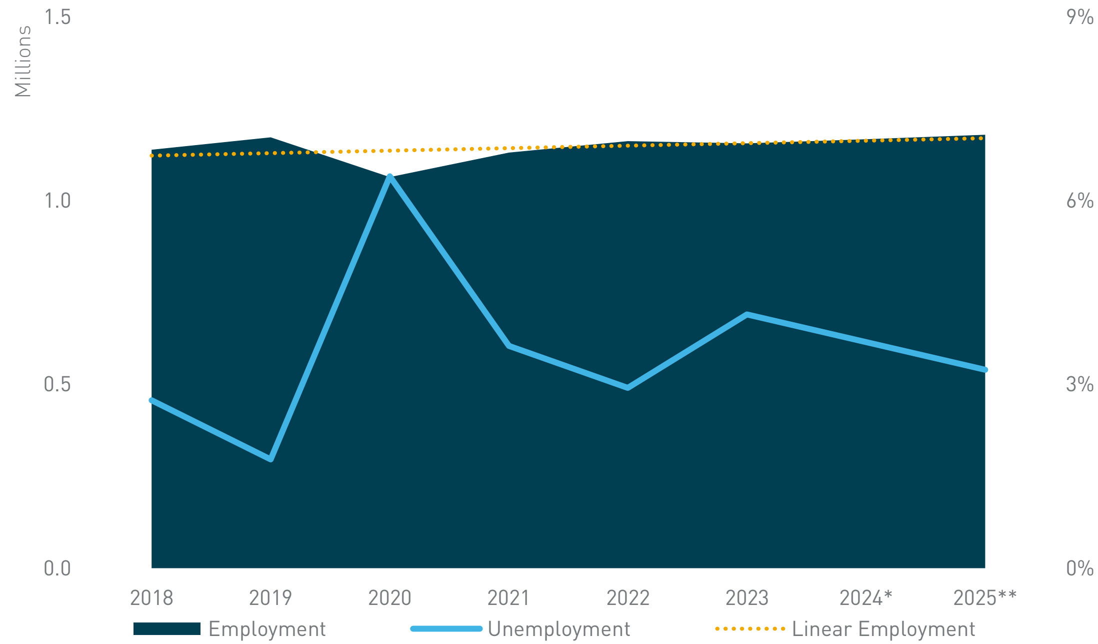


Sources: RealPage

*Projected **Forecast

SAN JOSE, CA

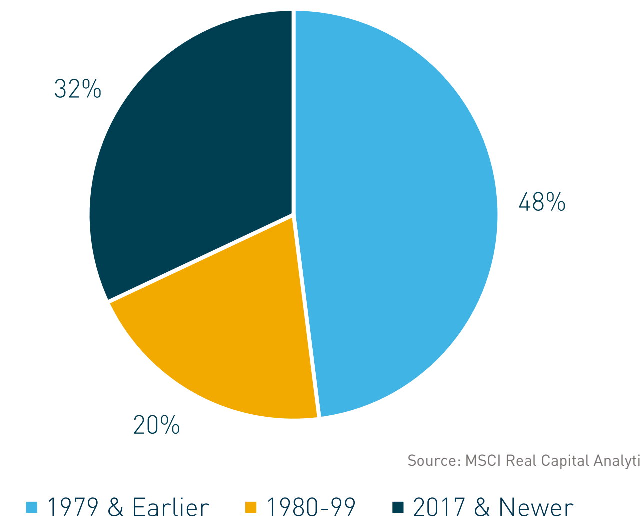
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



*YTD through Oct.

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
1,179,700	3.2%	$160,565	$415,581	5.2%
UP 1.0% YOY	DOWN 50 BPS YOY	UP 3.8% YOY	UP 1.0% YOY	UP 60 BPS YOY