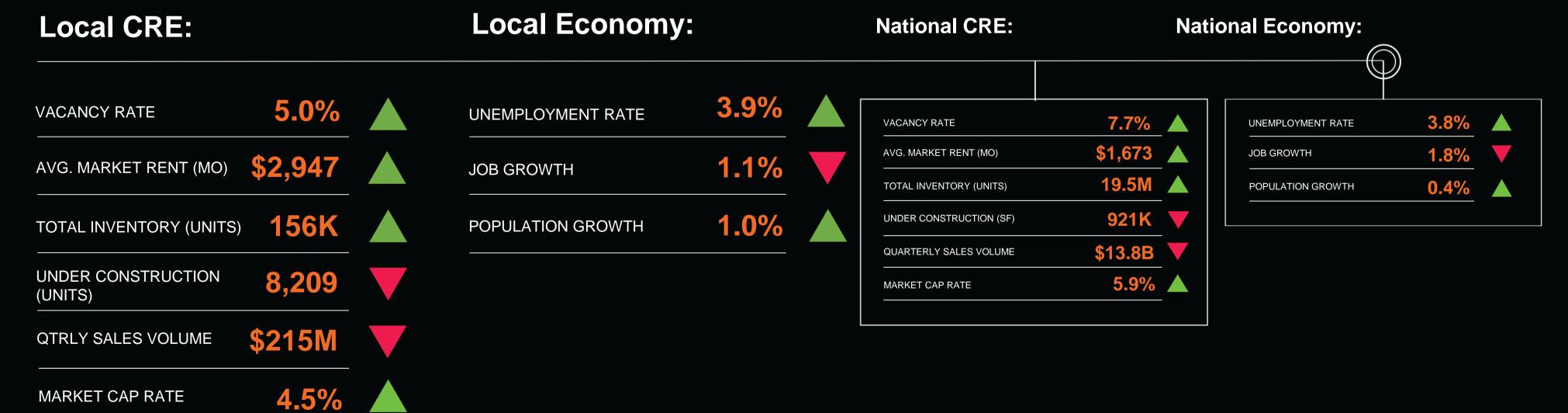


San Jose's multifamily market remains robust. Demand has decreased from the peak in 2021-2022 but still exceeds new unit deliveries, maintaining a low vacancy rate. Silicon Valley's tech-driven growth has led to high housing costs, with apartment rents ranking third-highest in the U.S. Despite a population decline during the pandemic, the latest estimates show growth, potentially boosting renter demand. Economic conditions impacted construction starts in 2023, but 8,200 units are currently underway. The widening affordability gap favors renting over buying. Despite tech-related layoffs, positive factors include population growth, rising incomes, and low historical supply increases, maintaining a low 5.0% vacancy rate in Q1. Certain areas like Sunnyvale, Mountain View, and Downtown San Jose see more development, potentially affecting vacancy and rent growth. Many developments are near transit nodes, although transit usage remains light post-pandemic. San Jose, a tech hub, anticipates continued tech company presence, with Apple and Google posting substantial profit growth.



## **SVN | CAPITAL WEST PARTNERS**

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