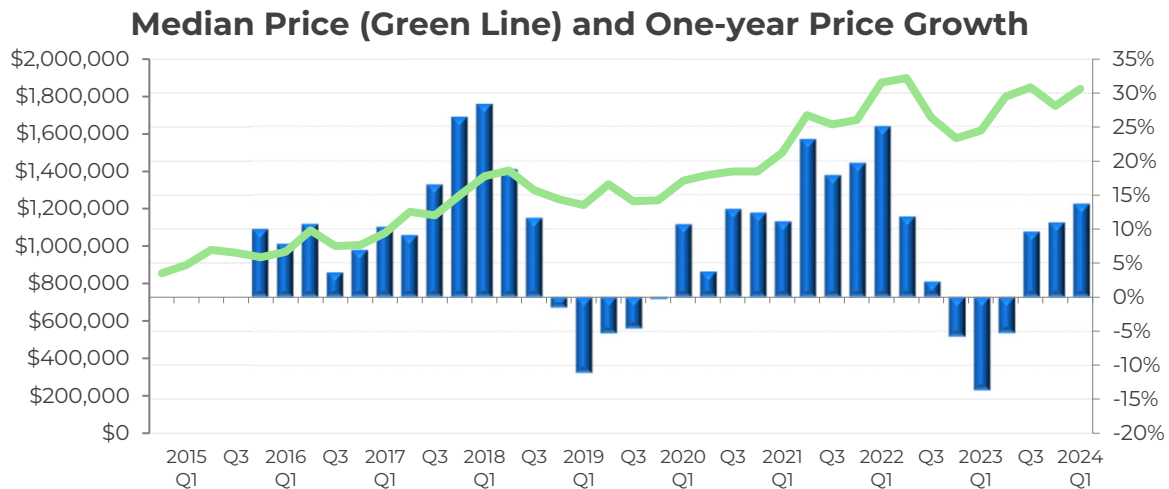


San Jose-Sunnyvale-Santa Clara Area

Local Market Report, First Quarter 2024

Today's Market...



Local Price Trends			
Price Activity	San Jose	U.S.	Local Trend
Current Median Home Price (2024 Q1)	\$1,840,000	\$385,100	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2024 Q1)	13.7%	5.1%	
3-year (12-quarter) Appreciation (2024 Q1)	22.7%	21.2%	
3-year (12-quarter) Housing Equity Gain*	\$340,000	\$67,467	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$770,000	\$154,400	
9-year (36 quarters) Housing Equity Gain*	\$940,000	\$181,700	

*Note: Equity gain reflects price appreciation only

	San Jose	U.S.	Government-backed financing is limited in this market, hampering home sales
Conforming Loan Limit**	\$1,149,825	\$1,149,825	
FHA Loan Limit	\$1,149,825	\$1,149,825	
Local Median to Conforming Limit Ratio	160%	not comparable	

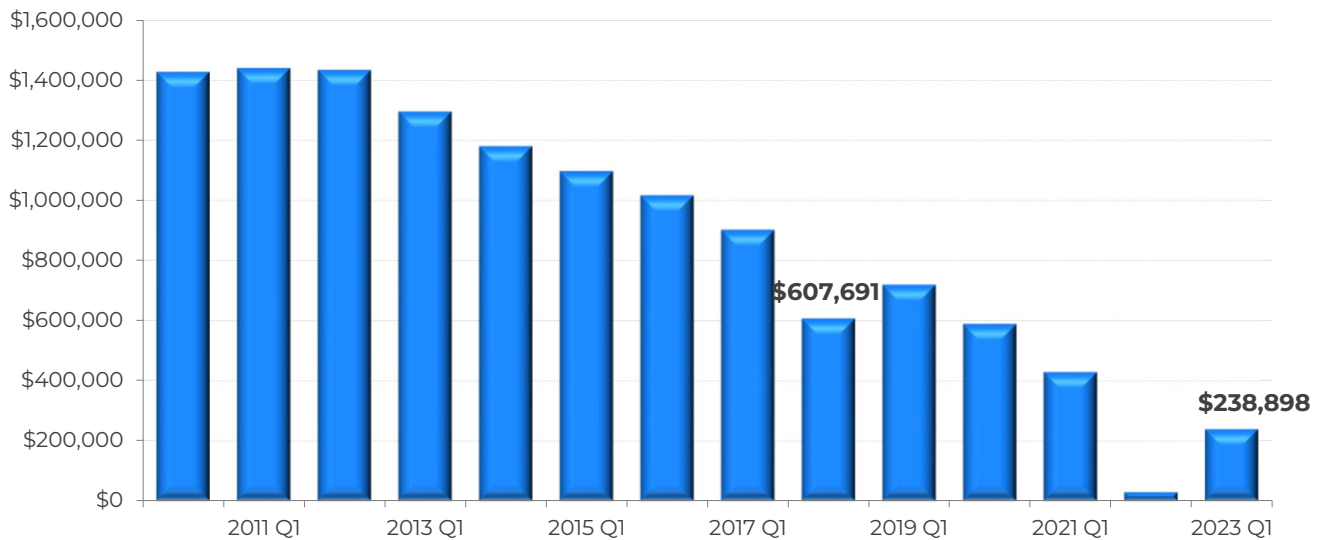
Note: limits are current and include the changes made on January 1st 2024.

Local NAR Leadership

The San Jose-Sunnyvale-Santa Clara market is part of region 13 in the NAR governance system, which includes all of California, Hawaii, and Guam. The 2024 NAR Regional Vice President representing region 13 is Jennifer Branchini.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained through 2024 Q1 from quarter in which home was of purchased**

Price Activity	SanJose	U.S.	Local Trend
1-year (4-quarter)	\$238,898	\$22,451	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$429,365	\$86,390	
5-year (20-quarter)*	\$720,439	\$152,868	
7-year (28 quarters)*	\$902,432	\$182,953	
9-year (36 quarters)*	\$1,098,106	\$217,432	

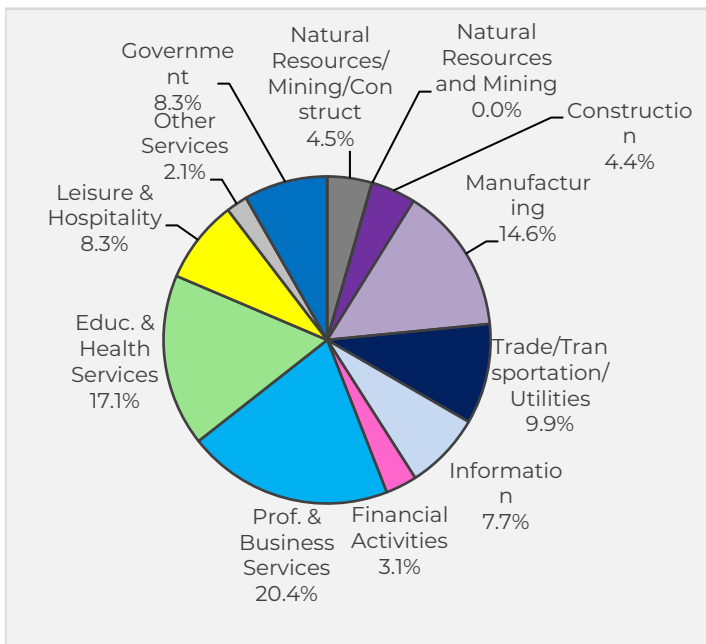
*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

Drivers of Local Supply and Demand...

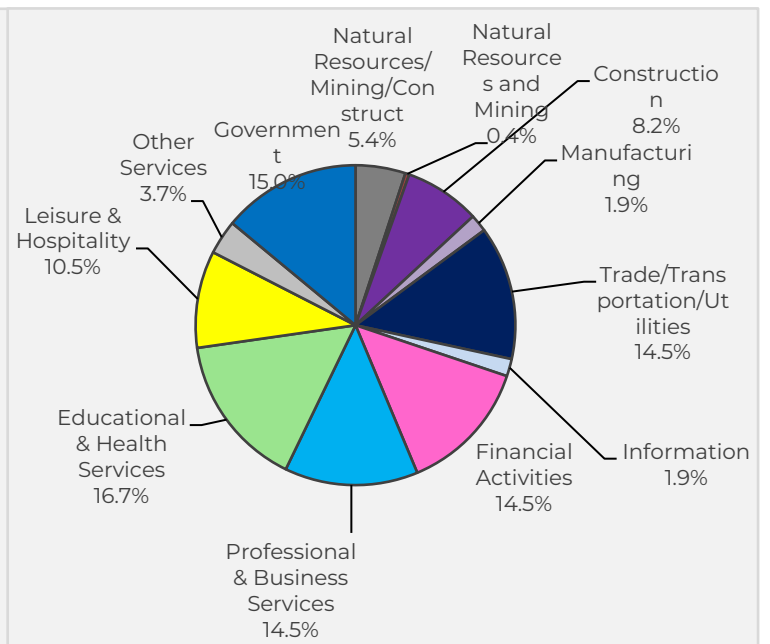
Local Economic Outlook	San Jose	U.S.	
12-month Job Change (Mar)	900	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Feb)	-6,600	Not Comparable	
36-month Job Change (Mar)	81,400	Not Comparable	San Jose's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Mar)	4.2%	3.8%	
Year-ago Unemployment Rate	3.2%	3.5%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	0.1%	2.1%	

Share of Total Employment by Industry

San Jose-Sunnyvale-Santa Clara Area



U.S.

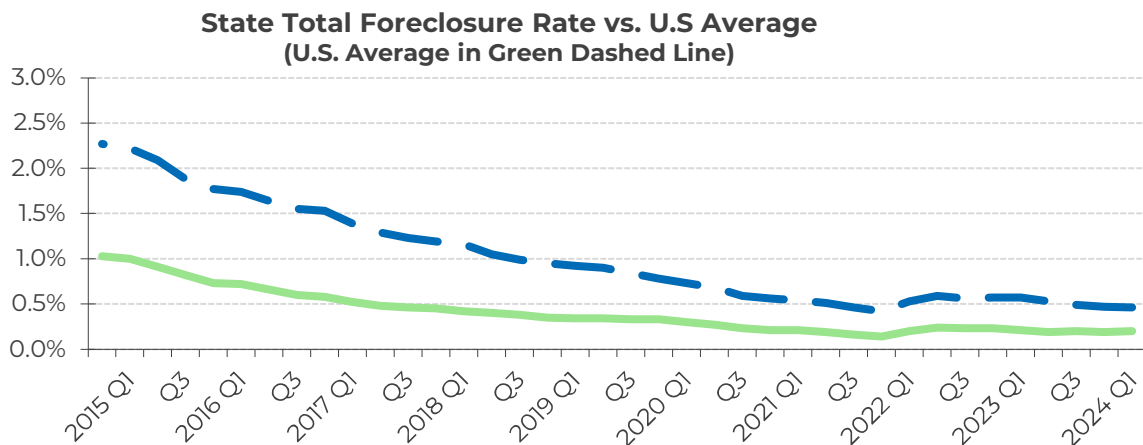
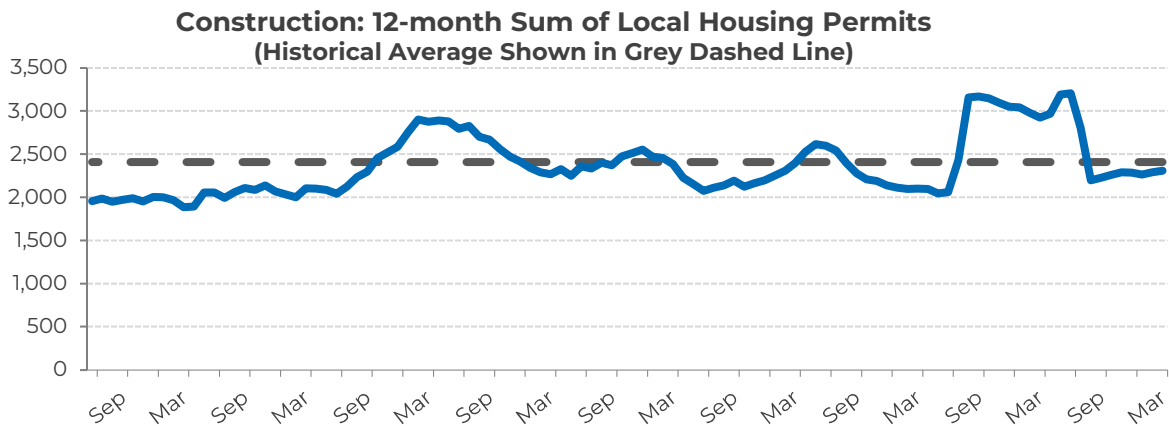


12-month Employment Change by Industry (Mar - 2024)

Goods Producing	NA	Information	-8,600
Natural Resources/Mining/Construction	-2,500	Financial Activities	-100
Natural Resources and Mining	0	Prof. & Business Services	-4,400
Construction	-2,500	Educ. & Health Services	11,800
Manufacturing	-3,800	Leisure & Hospitality	1,100
Service Providing Excluding Government	NA	Other Services	-800
Trade/Transportation/Utilities	-1,900	Government	2,600

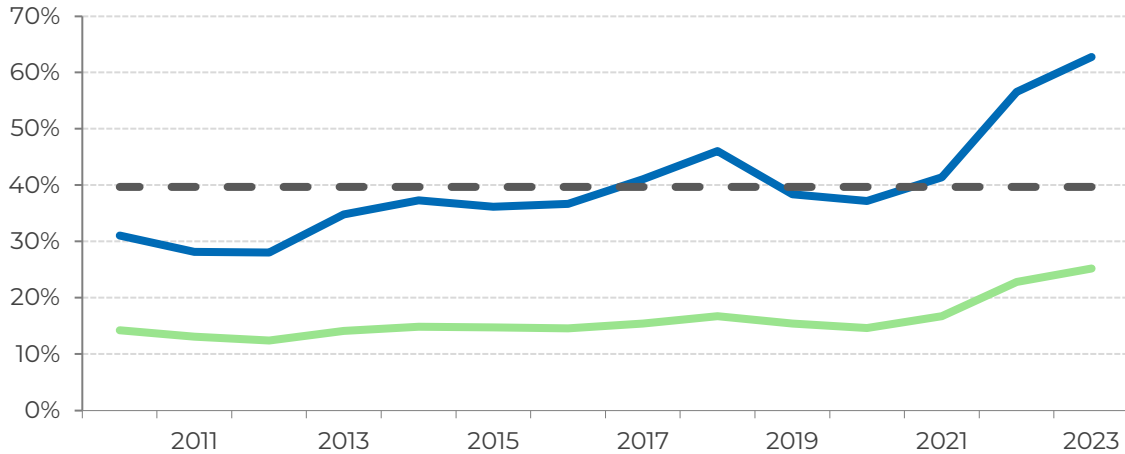
State Economic Activity Index	California	U.S.	
12-month change (2024 - Mar)	1.6%	2.9%	The economy of California is growing more slowly than the rest of the nation, but improved modestly from last month's 1.56% change
36-month change (2024 - Mar)	16.5%	12.9%	

New Housing Construction			
Local Fundamentals	San Jose	U.S.	
12-month Sum of 1-unit Building Permits through Mar	2,308	not comparable	The current level of construction is 4.1% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	2,407	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Mar) 12-month sum vs. a year ago	-21.0%	8.8%	Construction is down from last year, but appears to have bottomed.



Affordability

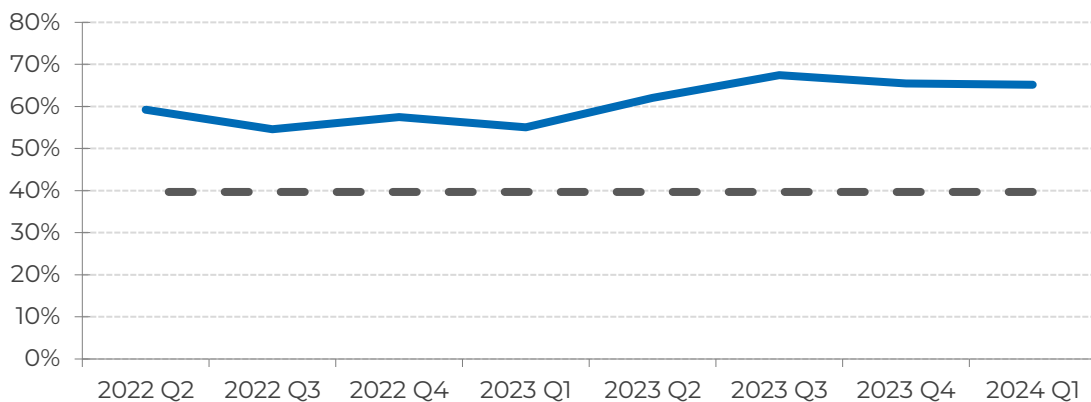
Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Grey, U.S. Average in Green)



Monthly Mortgage Payment to Income*	San Jose	U.S.	
Ratio for 2023	62.8%	25.2%	Weak by local standards, but better than the fourth quarter of 2023
Ratio for 2024 Q1	65.1%	23.7%	
Historical Average	39.7%	17.0%	Weaker affordability than most markets

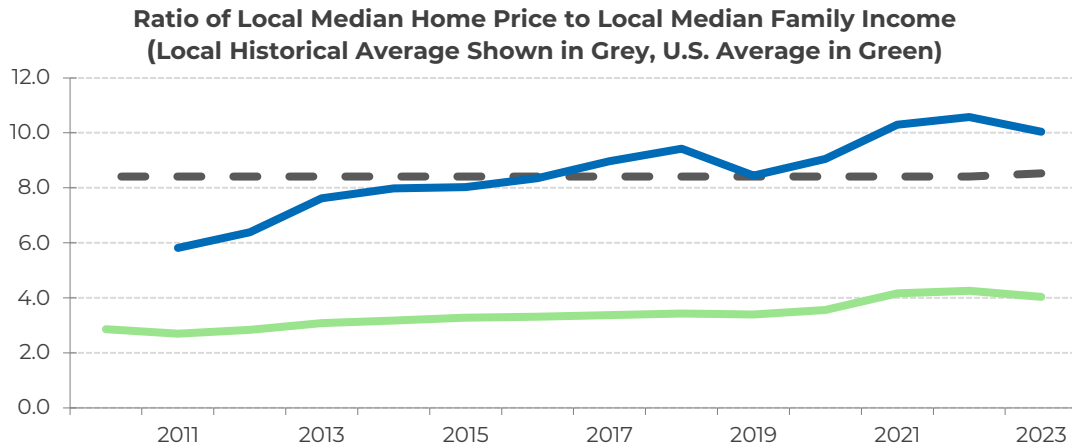
*The median family income was included for the calculation of the mortgage payment to income ratio

Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Grey Dashed Line)



Median Home Price to Income*	San Jose	U.S.	
Ratio for 2023	10.0	4.0	The price-to-income ratio eased, but could be better
Ratio for 2024 Q1	10.5	3.8	
Historical Average	8.5	3.4	Less affordable than most markets

*The median family income was included for the calculation of the median home price to income ratio



The Mortgage Market



During the first quarter of the year, housing affordability improved as mortgage rates fell below 7%. Steady interest rates from the Federal Reserve helped mortgage rates to ease in the first three months of the year. Nevertheless, even with this decrease, mortgage rates continued to be higher than a year ago. According to the mortgage provider Freddie Mac, the 30-year fixed mortgage rate rose to 6.75% in the first quarter from 6.36% a year earlier.

With lower interest rates on the horizon, mortgage rates are expected to ease later this year, thereby enhancing affordability for potential homebuyers. NAR forecasts the 30-year fixed mortgage rate to average 6.5% at the last quarter of the year.

Geographic Coverage for this Report

The San Jose area referred to in this report covers the geographic area of the San Jose-Sunnyvale-Santa Clara metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

San Benito County and Santa Clara County

More information on the OMB's geographic definitions can be found at
https://obamawhitehouse.archives.gov/omb/bulletins_default/