

# URBAN VILLAGE IMPLEMENTATION ANALYSIS

PREPARED FOR: CITY OF SAN JOSE  
PREPARED BY: KEYSER MARSTON ASSOCIATES  
MAY 1, 2018



# CASE STUDY SITES

<b>Sites 1-2</b>	North 1 <sup>st</sup> Street West San Carlos
<b>Site 3</b>	Stevens Creek Blvd
<b>Sites 4- 8</b>	Southwest Expy. Curtner LR Blossom Hill/ Snell Alum Rock Capitol LR
<b>Site 9</b>	Downtown Tower
<b>Site 10</b>	North San Jose



# 7-STORY PROTOTYPE

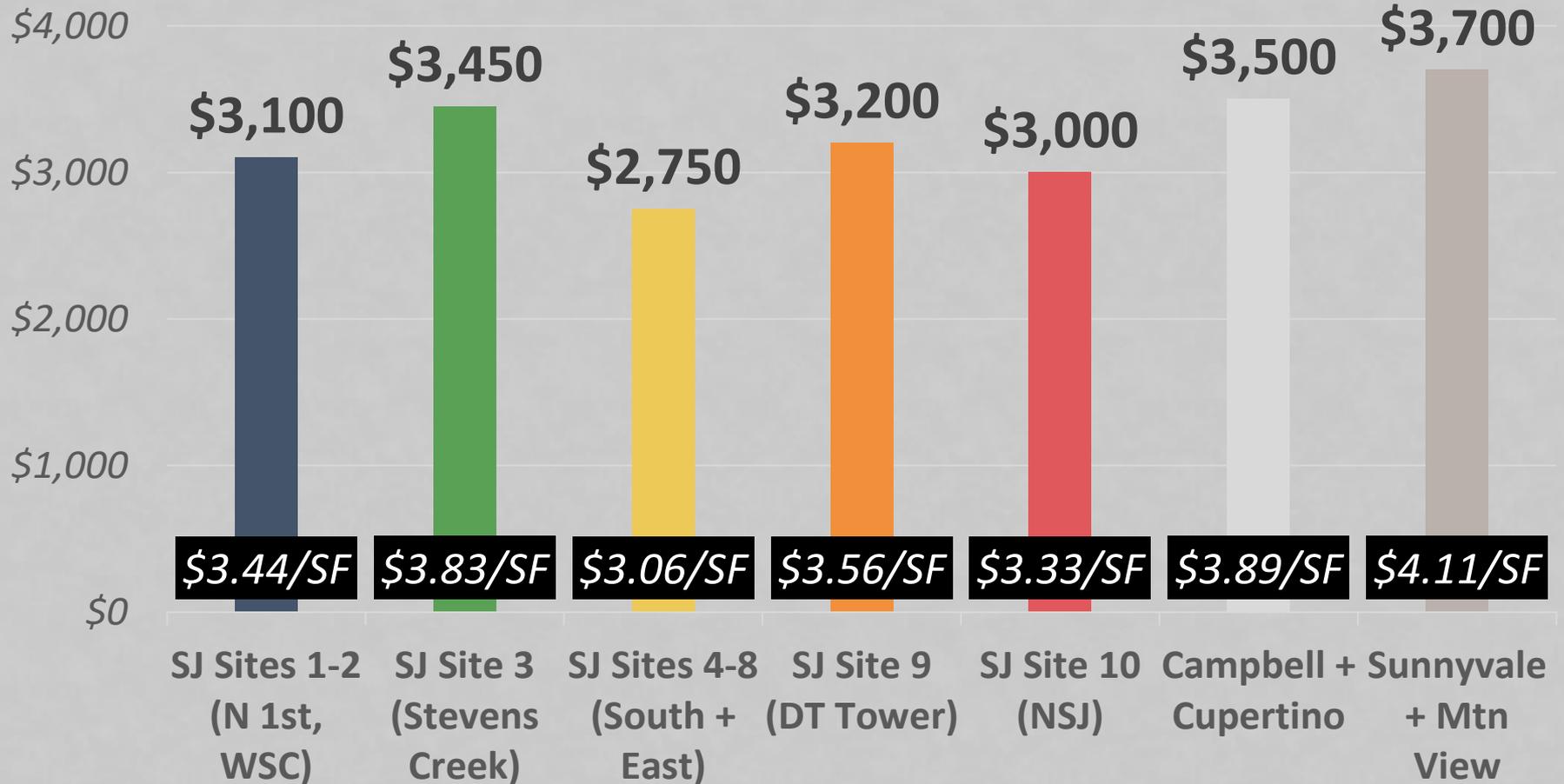


Source: Sares Regis



# AVERAGE PRO FORMA RENT

BASED ON RECENTLY BUILT PROJECTS, ADJUSTED FOR UNIT SIZE (900 SF)\*

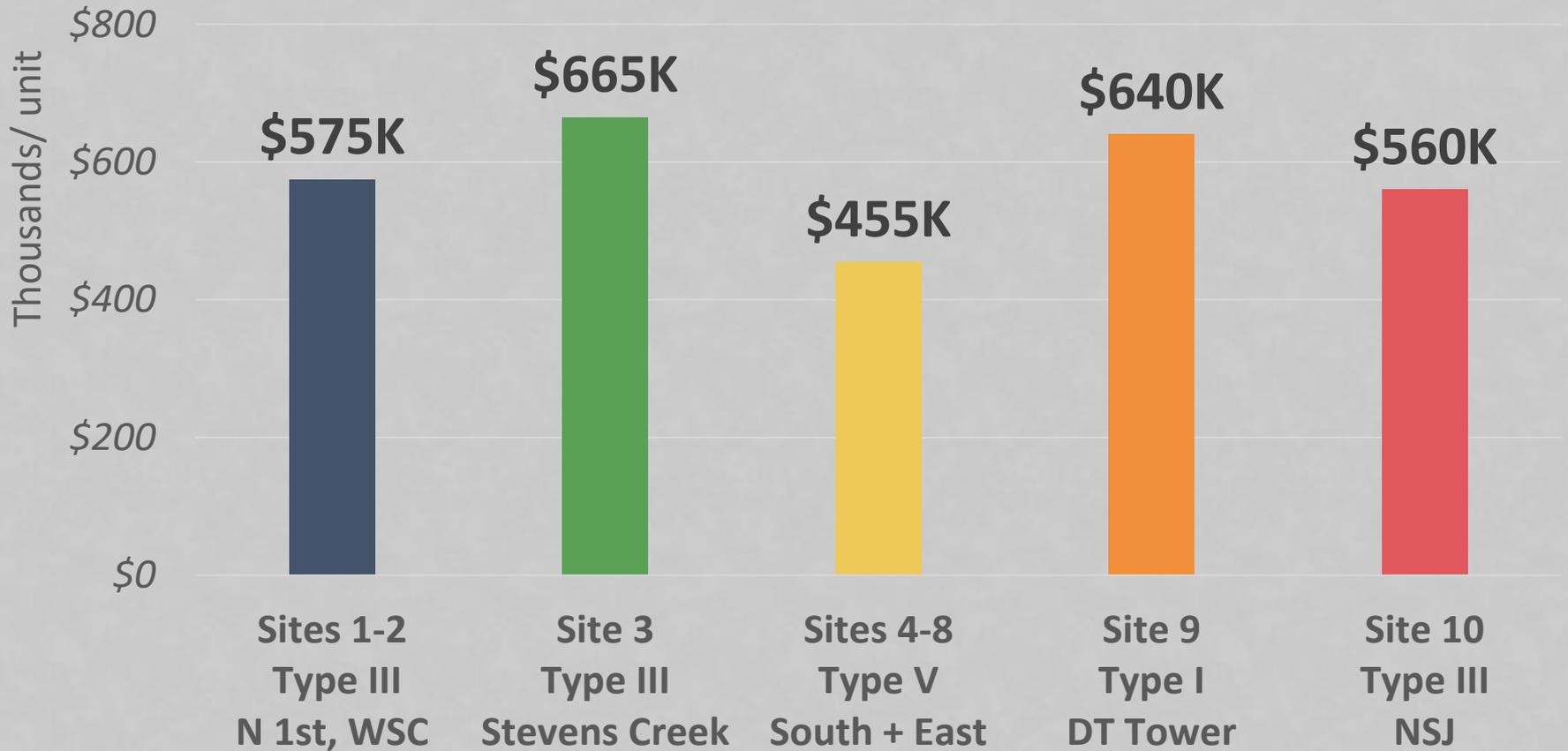


\* Rents are net of estimated concessions.



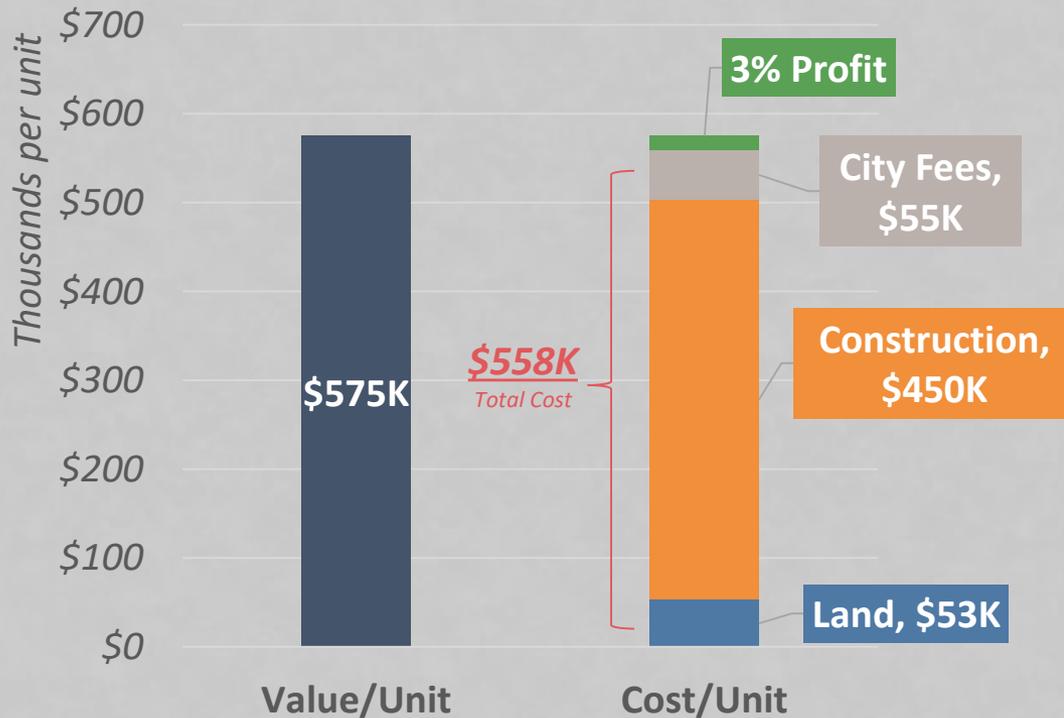
# VALUES PER UNIT

BASED ON CAPITALIZED VALUE OF PRO FORMA RENTS



# CONCEPTUAL PRO FORMA | SITES 1 & 2

NORTH 1<sup>ST</sup> ST. & W. SAN CARLOS | VALUE PER UNIT VS. COSTS PER UNIT



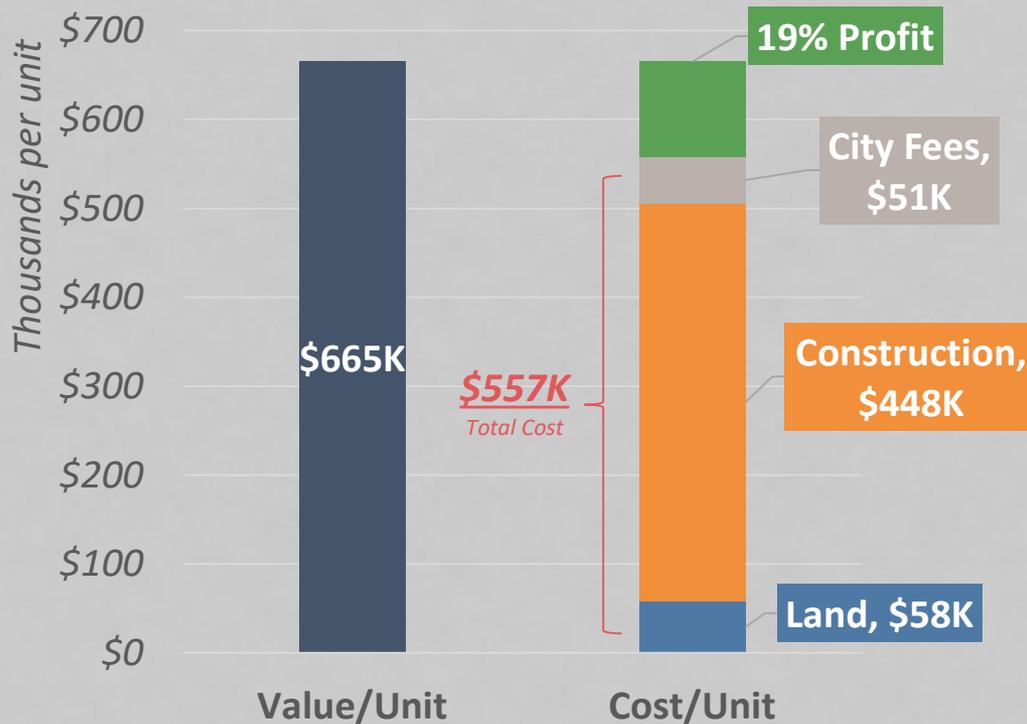
Construction Type	Type III Over Podium
Land Price	\$4.8M/acre
Density	90 du/acre
Avg. Monthly Rent	\$3,100/unit (900 SF avg.)
City Fees	Affordable Hsg.: \$25K/du Park In-Lieu (net): \$16K/du Construction Tax: \$6K/du Remainder: \$8K/du
CEQA Mitigations & Off-sites	To be determined

Profit expressed as a percentage of costs.



# CONCEPTUAL PRO FORMA | SITE 3

## STEVENS CREEK | VALUE PER UNIT VS. COSTS PER UNIT



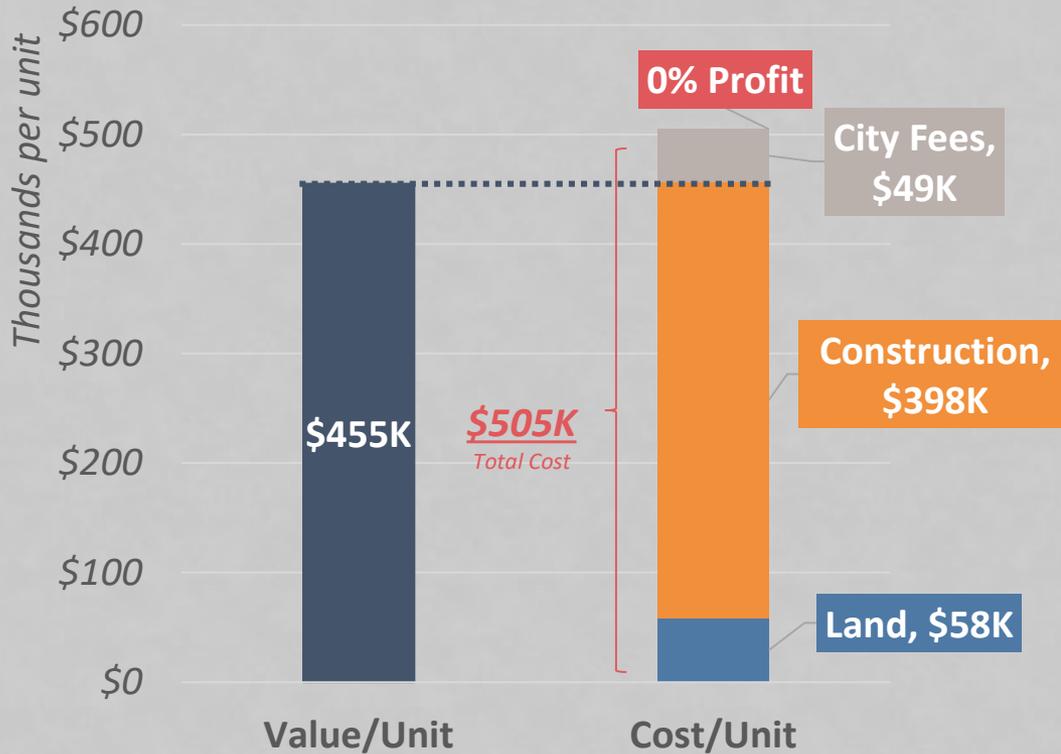
Construction Type	Type III Over Podium
Land Price	\$5.2M/acre
Density	90 du/acre
Avg. Monthly Rent	\$3,450/unit (900 SF avg.)
City Fees	Affordable Hsg.: \$25K/du Park In-Lieu (net): \$14K/du Construction Tax: \$6K/du Remainder: \$6K/du
CEQA Mitigations & Off-sites	To be determined

Profit expressed as a percentage of costs.



# CONCEPTUAL PRO FORMA | SITES 4 - 8

## SOUTH & EAST URBAN VILLAGES | VALUE PER UNIT VS. COSTS PER UNIT



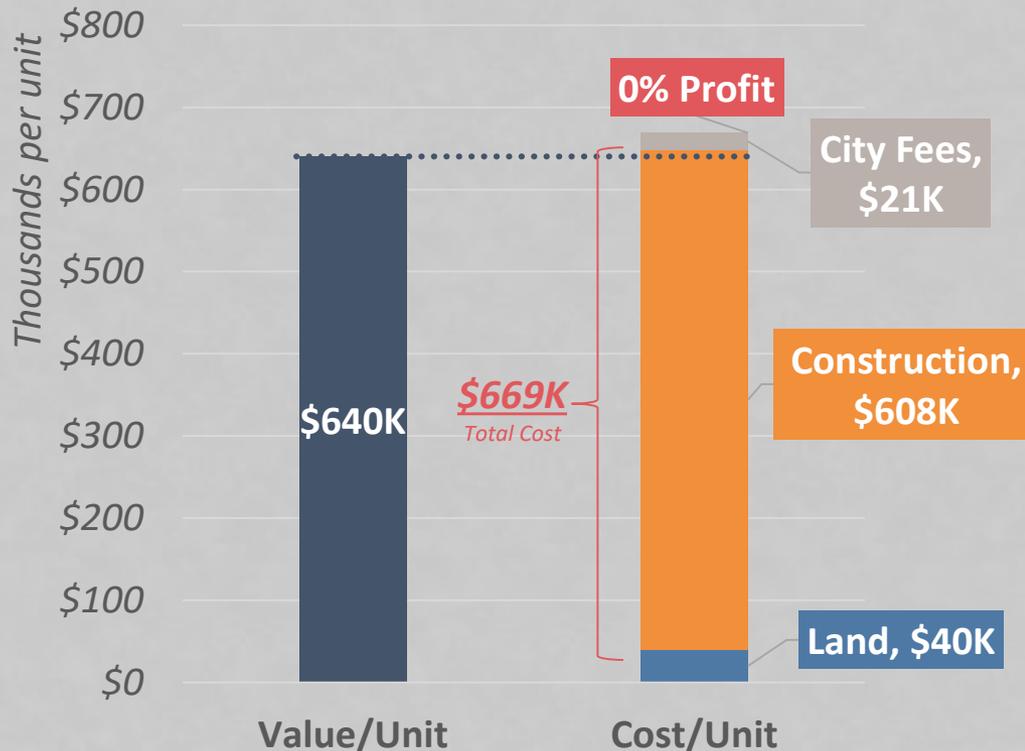
Construction Type	Type V over Podium
Land Price	\$3.8M/acre
Density	65 du/acre
Avg. Monthly Rent	\$2,750/unit (900 SF avg.)
City Fees	Affordable Hsg.: \$25K/du Park In-Lieu (net): \$11K/du Construction Tax: \$6K/du Remainder: \$7K/du
CEQA Mitigations & Off-sites	To be determined

Profit expressed as a percentage of costs.



# CONCEPTUAL PRO FORMA | SITE 9

DOWNTOWN | VALUE PER UNIT VS. COSTS PER UNIT: WITH INCENTIVES\*



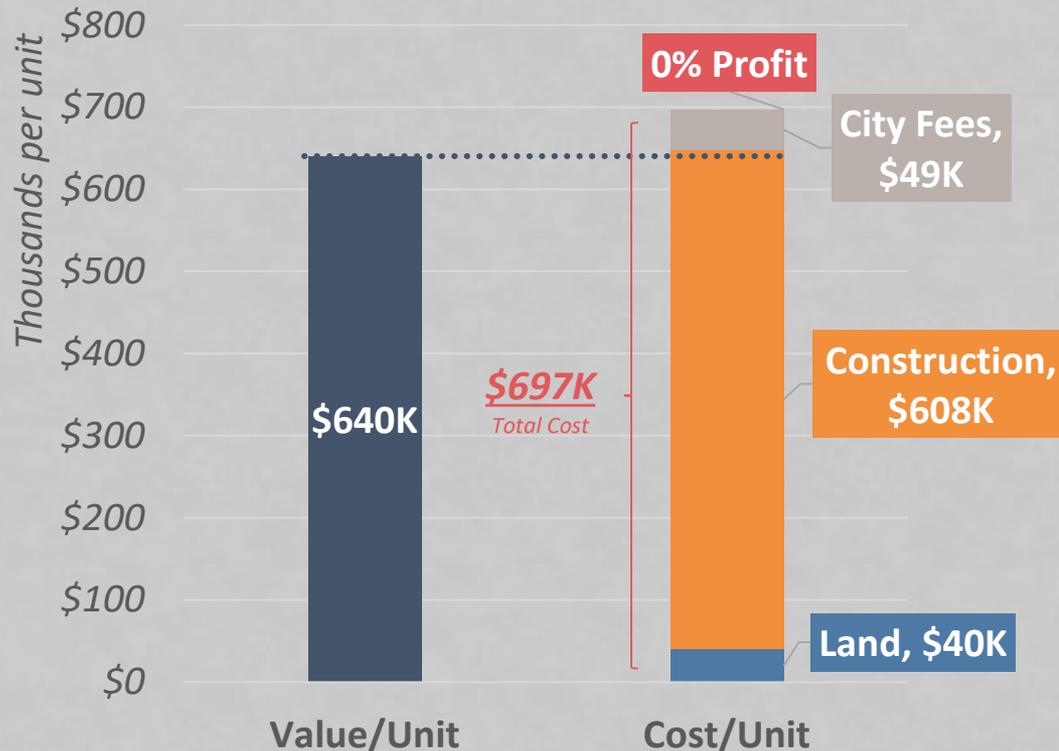
Construction Type	Type I (Tower)
Land Price	\$12.8M/acre
Density	320 du/acre
Avg. Monthly Rent	\$3,200/unit (900 SF avg.)
City Fees	Affordable Hsg.: \$0 Park (incentive): \$11K/du Construction Tax: \$3K/du Remainder: \$7K/du
CEQA Mitigations & Off-sites	To be determined

\* **Incentives** = Affordable Hsg. exemption, construction tax partial exemption, park incentive. Profit expressed as a percentage of costs.



# CONCEPTUAL PRO FORMA | SITE 9

DOWNTOWN | VALUE PER UNIT VS. COSTS PER UNIT: WITHOUT INCENTIVES\*



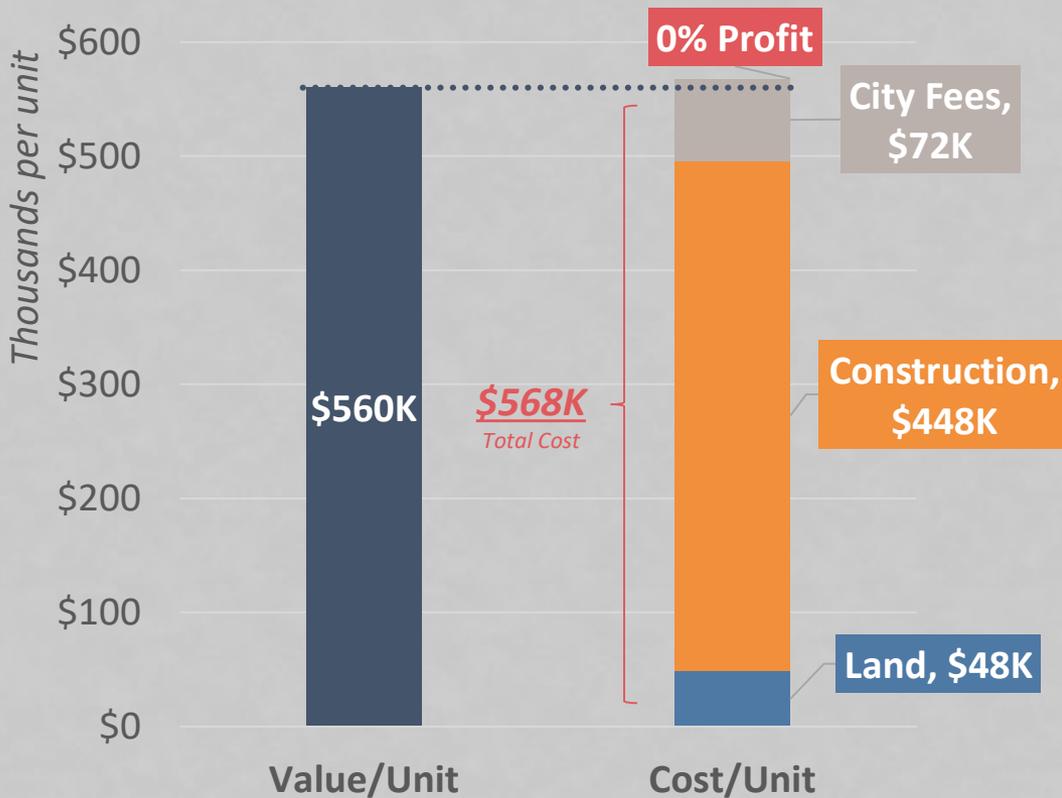
Construction Type	Type I (Tower)
Land Price	\$12.8M/acre
Density	320 du/acre
Avg. Monthly Rent	\$3,200/unit (900 SF avg.)
City Fees	Affordable Hsg.: \$25K/du Park In-Lieu (net): \$12K/du Construction Tax: \$6K Remainder: \$6K/du
CEQA Mitigations & Off-sites	To be determined

\* **Incentives** = Affordable Hsg. exemption, construction tax partial exemption, park incentive.  
Profit expressed as a percentage of costs.



# CONCEPTUAL PRO FORMA | SITE 10

## NORTH SAN JOSE | VALUE PER UNIT VS. COSTS PER UNIT



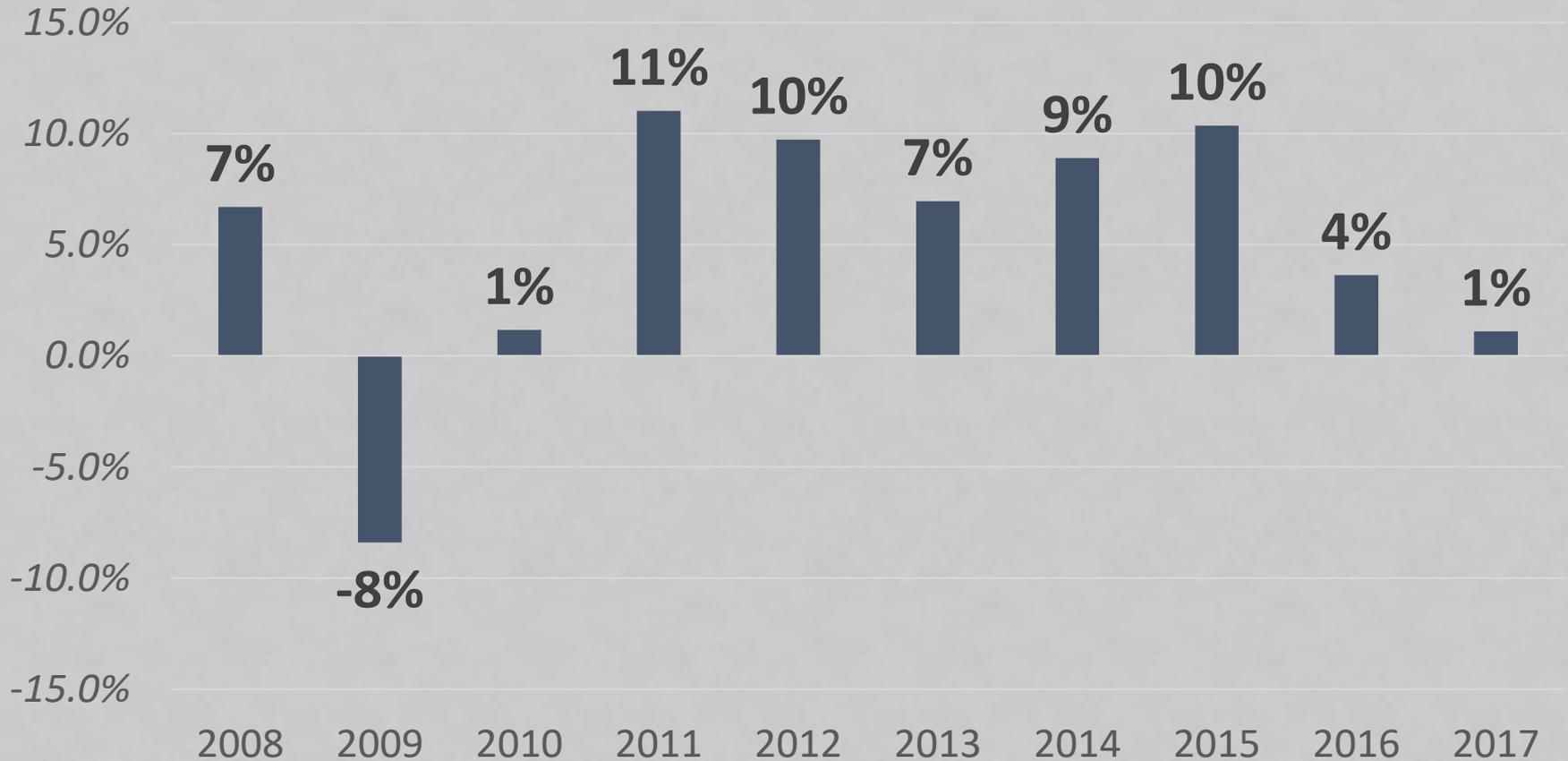
Construction Type	Type III over Podium
Land Price	\$4.3M/acre
Density	90 du/acre
Avg. Monthly Rent	\$3,000/unit (900 SF avg.)
City Fees	Affordable Hsg.: \$25K/du Park In-Lieu (net): \$29K/du Traffic Impact: \$5K/du Construction Tax: \$6K/du Remainder: \$7K/du
CEQA Mitigations & Off-sites	To be determined

Profit expressed as a percentage of costs.



# RENT TRENDS – MAJOR PROPERTIES

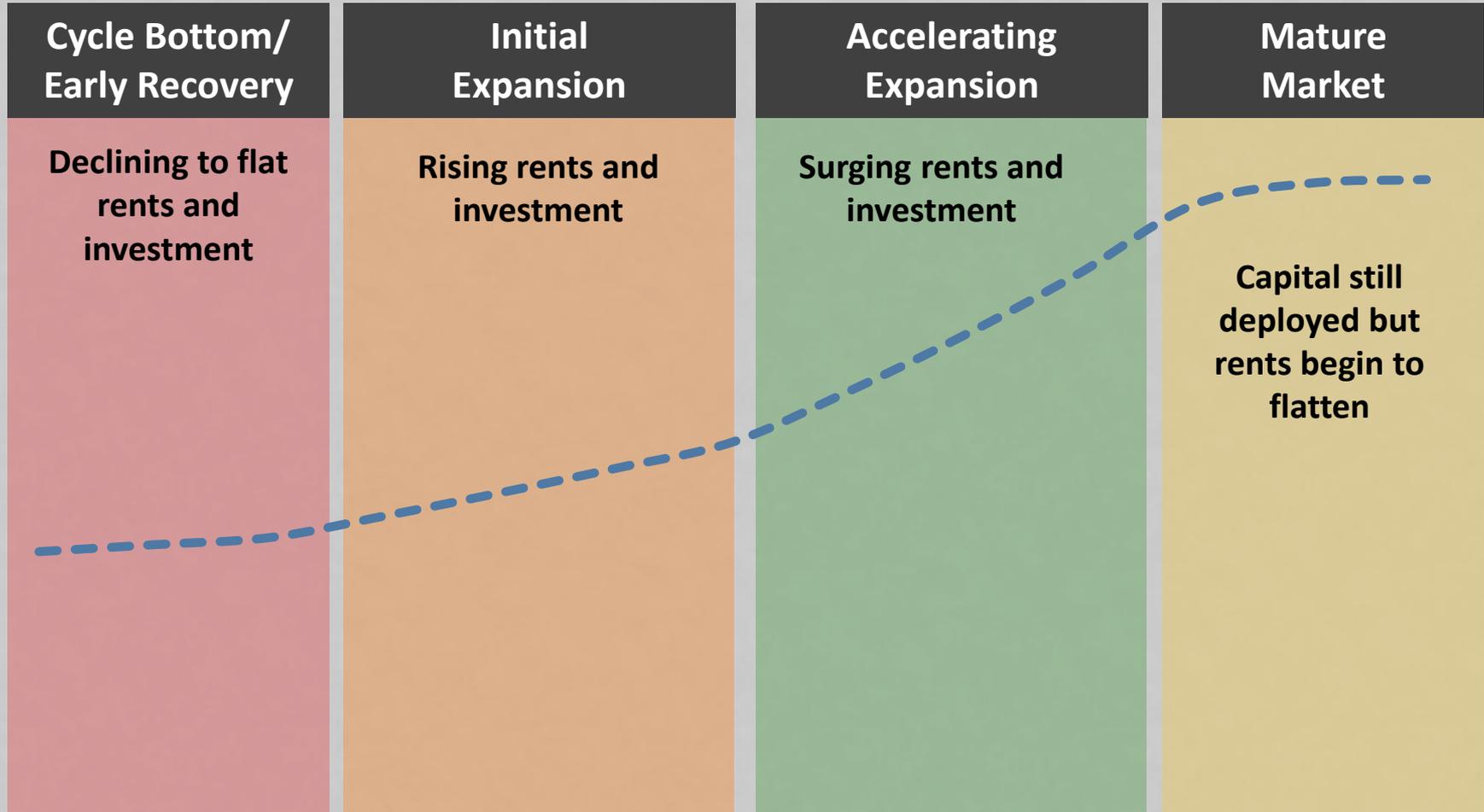
YEAR-OVER-YEAR RENT GROWTH, SAN JOSE AND NEARBY



*Equity Residential, Avalon Bay, and Essex*



# APARTMENT MARKET CYCLE



Adapted from  
John Burns Real Estate Consulting

