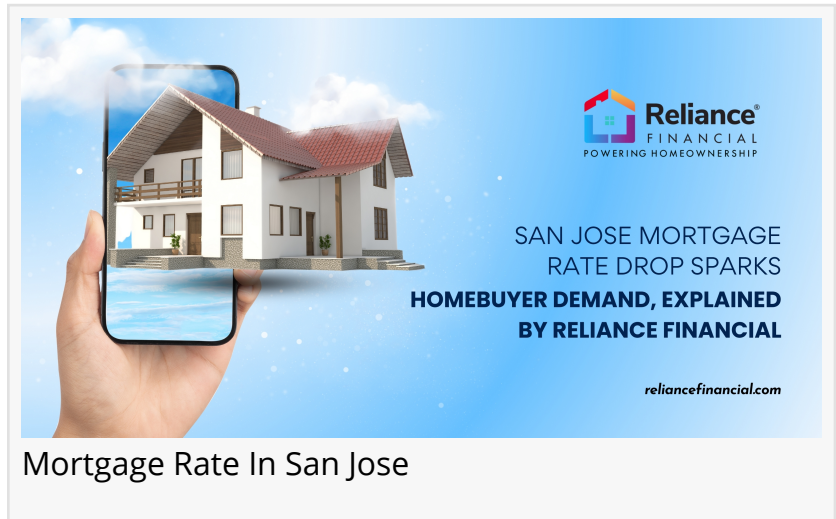


San Jose Mortgage Rate Drop Sparks Homebuyer Demand, Explained by Reliance Financial

DUBLIN, CA, UNITED STATES, October 27, 2025 /EINPresswire.com/ -- A new spark is emerging among homebuyers in San Jose, California. Mortgage rates have dropped, leading to a sudden surge in buyer activity. Experts note that this decline represents one of the lowest mortgage rates of the year in San Jose. As a result, homebuyers and investors are now turning their attention to purchasing homes in San Jose rather than in other cities.



Mortgage Rate In San Jose

Local lenders and real estate professionals have also reported an increase in mortgage applications over the past month. This rate drop is a valuable opportunity for those looking to buy a home. Multiple analysts and industry experts agree that lower rates, a strong job market, and stable housing prices have created an ideal window for potential homeowners in San Jose. This guide provides a detailed look at how the recent mortgage rate drop is driving increased demand among homebuyers in the area.

Current [San Jose Mortgage Rate](#) Trends

Mortgage rates in San Jose have recently fallen, sparking increased interest among homebuyers. According to the realtor, the current mortgage rates in San Jose on 15 October 2025 are below:

30-Year Fixed Mortgage: 6.27%
15-year Fixed Mortgage: 5.33%
5-Year Adjustable Mortgage: 6.24%

It is estimated that new mortgage applications are now increasing by 15–20% month over month due to lower interest rates. In October, the average home price in San Jose was \$1,382,250, down 2.8% from the previous year. According to Zillow, homes in the area are selling quickly, with every listed property selling in approximately 19 days.

Reason Behind the Mortgage Rates in San Jose

Several key factors are influencing mortgage rates in San Jose, including:

- 1) Lower Fed Funds benchmark interest rate, which has helped reduce overall mortgage rates
- 2) A decline in 10-year Treasury yields. For example, the 10-year Treasury yield has dropped from 4.80% in January, 2025 to 4.02% as of mid-October, 2025
- 3) Strong employment levels across the San Jose region
- 4) Slightly lower and more stable home prices in the area
- 5) [Reliance Financial](#)'s Perspective on Buyer Confidence and Affordability

Scott Wise, Senior Mortgage Advisor at Reliance Financial, highlights the impact of mortgage rates on the buyers, stating:

“With mortgage rates easing, we’re seeing a clear resurgence in buyer activity across San Jose,” said Scott Wise, Head of Production at Reliance Financial. “Many families who put their home search on pause last year are now realizing that this window of opportunity may not last long. Our mission is to help them act with confidence, locking in competitive rates and finding the home they truly deserve.”

Factors Behind the Market Surge

In addition to lower mortgage rates, several factors are contributing to the market surge in San Jose. Let’s take a closer look:

Lower Mortgage Rates: Reduced rates attract homebuyers by lowering monthly payments and making housing more affordable.

Strong Job Market: San Jose’s strong job market and high employment levels encourage homebuyers to make purchase decisions with confidence.

Moderate Housing Price Adjustment: Even a small decrease in home prices, combined with lower rates, creates a favorable time to buy a home with a mortgage.

Investor Interest: Lower mortgage rates also attract homebuyers to buy rental or resale properties in San Jose, which also contributes to the high market surge.

Tips for Homebuyers in the Current Market

Here are some tips for those planning to take advantage of the current market surge:

Get Pre-Approved Early

Getting pre-approved is one of the most important steps for homebuyers to secure the best mortgage rate during this market surge. Once pre-approved, your mortgage rate is locked in,

protecting you from potential rate increases while giving you peace of mind throughout the homebuying process.

Monitor Rate Changes

Mortgage rates fluctuate daily, especially in a strong housing market like San Jose. Even a one-percent change can have a significant impact on monthly payments, so it is important to monitor rates regularly. To ensure affordability, consider locking in your rate as soon as possible.

Work with Local Experts

Local experts have in-depth knowledge of current housing trends and mortgage rates. They are familiar with every step of the home loan process, which is why buyers should consider working with local [San Jose Mortgage lenders](#). These experts help buyers make informed decisions and guide them through the necessary paperwork.

Consider Investment Potential

When buying a home, it's important to consider its long-term investment potential. Purchasing a property in a desirable location with easy access to key amenities and strong rental demand can help build lasting value. Buyers should also evaluate the neighborhood, nearby schools, hospitals, and other features that make the property attractive to future renters and buyers alike.

Conclusion

San Jose is currently experiencing remarkable growth in the homebuying market, fueled by declining mortgage rates. To lock in a competitive mortgage rate and the best loan options, partnering with a trusted local lender is essential. Reliance Financial stands out by offering some of the most competitive mortgage rates in San Jose, backed by personalized guidance and full support throughout every step of the home loan process.

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