



MULTIFAMILY REPORT

San Antonio On Shaky Ground

Summer 2020

Developers Face Delays and Restrictions

Employment Growth Turns Negative

Transaction Volume Plummetts



SAN ANTONIO MULTIFAMILY



Uncertainty Disrupts The Metro

San Antonio's multifamily market performance has slowed considerably amid the COVID-19 outbreak. The average rent in the metro fell 0.2% on a trailing three-month basis through June—10 basis points higher than the U.S. rate—with the \$1,043 average well behind the \$1,457 national figure. The occupancy rate in stabilized properties slid 120 points, to 92.1%, year-over-year through May.

All employment sectors except construction marked contractions year-over-year through May, highlighting the immediate economic impact of the health crisis. Of the 2.8 million unemployment claims filed across the state through July, more than 188,000 were filed in San Antonio, according to the Real Estate Center at Texas A&M University. The unemployment rate, which indicated a tight labor market at the end of 2019, rose to 13.2% in April. In May, Gov. Greg Abbott reopened Texas, but a recent spike in cases could lead to reinstated restrictions.

Multifamily investment during the first half of 2020 totaled just \$259 million, significantly trailing last year's sales total of \$1.5 billion. The per-unit price rose 1.0% to \$101,563, well behind the \$163,799 national average. Meanwhile, developers delivered 2,781 units and had another 9,057 underway. We expect rents to decrease by 1.9% by the end of the year.

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Recent San Antonio Transactions

Tradehouse at Bulverde Marketplace



City: San Antonio
Buyer: Sun Holdings Group
Purchase Price: \$41 MM
Price per Unit: \$124,444

Brynwood



City: San Antonio
Buyer: Shippy Property Management
Purchase Price: \$29 MM
Price per Unit: \$106,159

Sereno Park



City: San Antonio
Buyer: Shippy Property Management
Purchase Price: \$25 MM
Price per Unit: \$123,529

Oaks on Clark



City: San Antonio
Buyer: Texas Housing Foundation
Purchase Price: \$13 MM
Price per Unit: \$166,667