



MULTIFAMILY REPORT

The Alamo: Weakened, Not Defeated

Spring 2021



Rent Growth Flattens

Construction Powers Through

Employment Market Outperforms Nation

SAN ANTONIO MULTIFAMILY



Demand Persists, Supply Weakens Rent Growth

The pandemic's disruptions paired with substantial inventory expansion pressured San Antonio's multifamily fundamentals at the start of 2021. Rents remained flat on a trailing three-month basis through March at \$1,056, but demand stemming from strong in-migration pushed up the occupancy rate in stabilized properties by 40 basis points during the 12 months ending in February, to 92.9%. Year-over-year, the average San Antonio rent was almost flat, up just 10 basis points through March.

Unemployment slid to 6.6% in January, 30 basis points above the U.S. average, while February preliminary data pointed to a slight uptick, to 6.8%. Yet, the employment market outperformed the country by 270 points, marking a 4.1% contraction last year. Trade, transportation and utilities, the only sector that gained jobs (up 0.8%), will likely continue to help strengthen the economy. Amazon plans to open two fulfillment centers by 2022, set to employ 1,500 people. In addition, work is underway at the Innovation Center at Port San Antonio on a new facility that could draw aerospace, cybersecurity and robotics firms.

Nearly 1,000 units came online in the first quarter and an additional 10,165 units were underway as of March. Meanwhile, \$359 million in multifamily assets traded, for a price per unit that rose 13.7% from the same quarter last year, to \$120,392.

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Recent San Antonio Transactions

Overlook at Stone Oak Park



City: San Antonio
Buyer: Univest
Purchase Price: \$38 MM
Price per Unit: \$104,204

Echelon at Monterrey Village



City: San Antonio
Buyer: 180 Multifamily Properties
Purchase Price: \$36 MM
Price per Unit: \$150,000