



MULTIFAMILY REPORT

San Antonio's Steady Improvement

October 2022



YoY Rent Growth Above US Rate

Transaction Activity Surpasses \$2B

Construction Starts, Deliveries Soften

SAN ANTONIO MULTIFAMILY



Robust Supply Outpaces Demand

San Antonio's economy recovered all jobs lost during the pandemic and entered expansion mode, but progression has slightly moderated, as some of the market's main economic drivers tend to be slow-moving. Meanwhile, the metro's multifamily sector fared well overall, with rents up 0.5% on a trailing three-month basis, to an average of \$1,295, well below the \$1,718 U.S. figure. Growth has remained relatively modest, mostly due to the rental pipeline's propensity for the Lifestyle segment, leading to a drop in the occupancy rate of 80 basis points year-over-year as of July, to 94.9%. Meanwhile, rent gains in the segment also underperformed, up 0.2% on a trailing three-month basis in August.

Unemployment jumped to 4.0% in July from 3.3% in April, trailing the U.S. rate (3.5%) and on par with the state. Of the big four Texas markets, San Antonio only outperformed Houston (4.8%). The job market expanded 5.2% in the 12 months ending in June, 50 basis points above the national rate. Of all sectors, only construction lost jobs (-900). San Antonio is making big strides in the cybersecurity industry, ranking sixth among major U.S. cities for tech job postings.

Development is moderating, with 3,279 units delivered through August, and 12,705 underway. Meanwhile, investment remained high, surpassing \$2 billion, for a per-unit price that's just 6.0% higher than last year, at \$141,251.

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Recent San Antonio Transactions

Sonterra Blue



City: San Antonio
Buyer: The Connor Group
Purchase Price: \$77 MM
Price per Unit: \$224,561

ReNew at TPC



City: San Antonio
Buyer: DB Capital Management
Purchase Price: \$76 MM
Price per Unit: \$186,765

Timberhill Commons



City: Leon Valley, Texas
Buyer: Dreamstone Investments
Purchase Price: \$75 MM
Price per Unit: \$224,206

Lantower Alamo Heights



City: San Antonio
Buyer: Old Three Hundred Capital
Purchase Price: \$63 MM
Price per Unit: \$202,094