



MULTIFAMILY REPORT

# San Antonio Rents Take A Step Back

October 2023



**Economic Growth Endures**

**Rents Decline in Upscale Assets**

**Construction Starts Hold Steady**

# SAN ANTONIO MULTIFAMILY



## Persisiting Volatility Softens Fundamentals

The string of Federal Reserve decisions in an attempt to bring down inflation amid a soft landing is prolonging uncertainty, and San Antonio multifamily fundamentals, which are steady but softening, have felt the pinch. Rent growth fell back into negative territory, down 0.1% on a trailing three-month basis through August, to \$1,287. Year-over-year, the San Antonio average was down 0.6%, while the U.S. figure rose 1.5%, to \$1,728. The metro's slide was solely due to the Lifestyle segment, where rates dropped 2.2%, while rents in Renter-by-Necessity assets were actually up 1.6%.

In the 12 months ending in June, the metro gained 41,700 jobs, a 4.2% expansion, well ahead of the 2.8% national average. All sectors added jobs, led by leisure and hospitality (7,500 jobs) and education and health services (6,600 jobs). Meanwhile, the unemployment rate clocked in at 4.2% in July, trailing the U.S. and outperforming the state by only 10 basis points. San Antonio's hosting of high-profile events such as the U.S. Travel Association's IPW trade show could further bolster the sector's expansion in the coming years. In addition, San Antonio International Airport will embark on a \$2.5 billion upgrade in 2025, with completion slated for 2028.

Development remained healthy, but softened. Deliveries amounted to 2,090 units in 2023 through August and the pipeline had 17,943 units underway. Mirroring the overall trend, transactions moderated sharply, to \$560 million in total volume through August.

## Market Analysis | October 2023

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### Recent San Antonio Transactions

#### Signature Ridge



City: San Antonio  
Buyer: Kairoi Residential  
Purchase Price: \$76 MM  
Price per Unit: \$124,830

#### Presidium Chase Hill



City: San Antonio  
Buyer: Edgewood REIT  
Purchase Price: \$67 MM  
Price per Unit: \$181,081

#### Diamond Ridge



City: San Antonio  
Buyer: Sapphire Partners  
Purchase Price: \$31 MM  
Price per Unit: \$101,974

#### Republic at Alamo Heights



City: San Antonio  
Buyer: JW Capital Management  
Purchase Price: \$31 MM  
Price per Unit: \$110,432