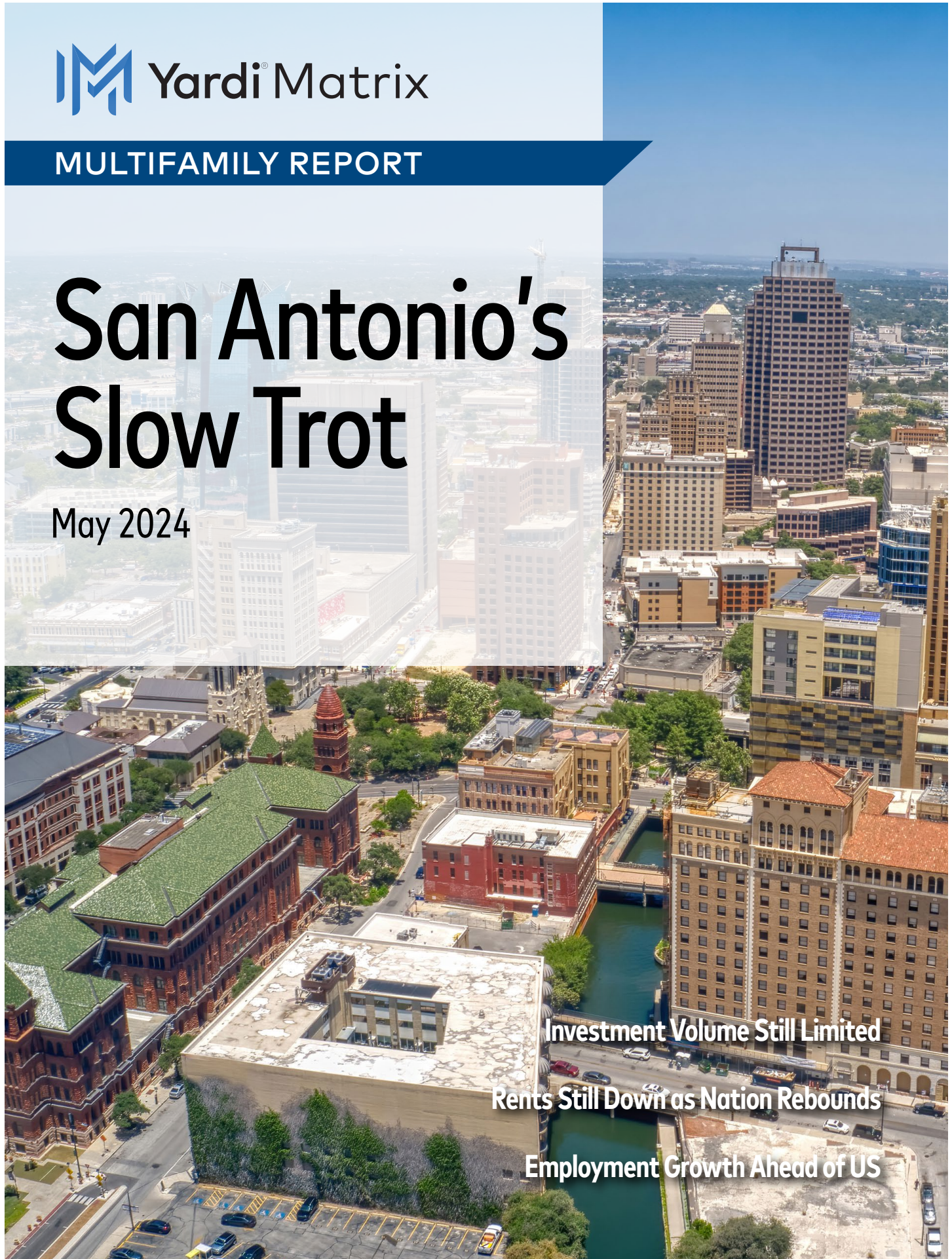




MULTIFAMILY REPORT

San Antonio's Slow Trot

May 2024



Investment Volume Still Limited

Rents Still Down as Nation Rebounds

Employment Growth Ahead of US

SAN ANTONIO MULTIFAMILY



Fundamentals Oscillating In San Antonio

San Antonio's multifamily market was a mixed bag at the start of the second quarter. Rent growth marked the eighth consecutive month in negative territory, down 0.1% on a trailing three-month basis through March, to \$1,259, while the national rate rose 0.2%, to \$1,721. On a year-over-year basis, the metro's rent decline was at -1.9%, while the U.S. rate rose 0.9%. Meanwhile, occupancy decreased, down 140 basis points year-over-year, to 91.4%.

San Antonio unemployment stood at 4.1% in February, lagging the state and U.S. rates, which both held at 3.9%, according to preliminary data from the Bureau of Labor Statistics. In 2023, the job market expanded 2.7%, or 36,700 jobs, outperforming the 2.0% national rate. Two sectors lost jobs—information and manufacturing—but the losses were limited, at just 400 jobs combined. Moreover, the latter is poised for expansion, as JCB announced plans for a manufacturing facility that will create 1,500 jobs over the next five years. Education and health services and government led employment gains, accounting for half of the positions added in 2023.

San Antonio's supply expanded by 1,035 units during the first quarter of 2024. The pipeline had 21,103 units under construction, but activity is softening, with fewer construction starts recorded during the period compared to last year's corresponding time frame. Meanwhile, investment volume totaled just \$124 million, for a price per unit of \$105,384 in March, well behind the \$196,096 U.S. figure.

Market Analysis | May 2024

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Recent San Antonio Transactions

Maddox Hills



City: San Antonio
Buyer: Timberlane
Purchase Price: \$59 MM
Price per Unit: \$176,398

Avasa at 1604



City: San Antonio
Buyer: Ventera Realty
Purchase Price: \$56 MM
Price per Unit: \$131,588

Aspire



City: San Antonio
Buyer: Lone Star Capital Group
Purchase Price: \$28 MM
Price per Unit: \$84,044

Renata



City: San Antonio
Buyer: 29th Street Capital
Purchase Price: \$26 MM
Price per Unit: \$91,144