



MULTIFAMILY REPORT

San Antonio Recalibrates

October 2024

Employment Gains Sustain Demand

Rents Slide Under Supply Pressure

Investment Activity Remains Muted

SAN ANTONIO MULTIFAMILY



Rents, Occupancy Fall Under Robust Supply

San Antonio's strong job and population growth supports its fundamentals, but high supply and economic uncertainty continue to pressure rents and investment activity. The average advertised asking rent slid 0.1% on a trailing three-month basis through August, to \$1,257. The figure was also down 2.4% year-over-year, while the U.S. rate improved 0.8%. Occupancy in stabilized properties decreased 80 basis points year-over-year, to 91.4%, as of July.

Job growth decelerated 2.4%, or 23,800 net jobs, in the 12 months ending in June, trailing only Las Vegas (3.5%) among major markets and well above the 1.3% U.S. rate. Only the information sector lost jobs, down 800 positions. Meanwhile, San Antonio's unemployment rate marked a 20-basis-point month-over-month improvement to 4.0% in July, according to preliminary data from the Bureau of Labor Statistics, outperforming the U.S. (4.3%) and Texas (4.1%). Education and health services led job gains, adding 6,200 positions. UT San Antonio and UT Health San Antonio have announced a merger by 2025, which would create the state's third-largest public research university. In addition, the data center industry is growing rapidly.

Deliveries in 2024 through August totaled 5,944 units, with another 17,531 units underway, even as starts slowed. Meanwhile, investors traded just \$270 million in multifamily assets, for a price per unit down some 10% year-to-date, to \$108,416, as of August.

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Recent San Antonio Transactions

Cottages at Leon Creek



City: San Antonio
Buyer: Bow River Capital
Purchase Price: \$52 MM
Price per Unit: \$183,568

Elevate at Sundance



City: New Braunfels, Texas
Buyer: Viking Capital
Purchase Price: \$30 MM
Price per Unit: \$121,005

Jones & Rio



City: San Antonio
Buyer: Waymaker Ventures
Purchase Price: \$17 MM
Price per Unit: \$90,750

Vivid



City: San Antonio
Buyer: Trinnium Equity Group
Purchase Price: \$9 MM
Price per Unit: \$88,154