

Yardi® Matrix

San Antonio Lures Investors

Multifamily Report Spring 2017

Employment Sustains Demand

Developers Target North, Northwest Areas

Transaction Volume Tops \$1B

SAN ANTONIO MULTIFAMILY

Yardi® Matrix

Market Analysis

Spring 2017

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Anca Gagiuc

Associate Editor

Job Growth Keeps Demand Strong

San Antonio has a diversified economy and employment is growing in most industries. That has fueled demand for apartments, which is expected to remain high as the metro continues to add jobs and households at a rate above the national trend, and as more residents move south to avoid the growing cost of housing in Austin.

Driving the economy are education and health services; professional and business services; and trade, transportation and utilities. While employment growth cooled off after the drop in energy prices in 2015, the metro continued to add jobs above the national rate. San Antonio's office market saw its best year since 2006, with 1.3 million square feet of positive net absorption in 2016.

Rents increased 1.9% year-over-year through April, while occupancy for stabilized properties reached 92.6% as of March. Apartment construction marked a new high in 2016, with developers delivering 6,600 new units, a 3.7% increase in inventory. Furthermore, there were 8,000 units under construction as of April. Transaction volume surpassed the \$1 billion mark for the second consecutive year, with value-add projects seeing the strongest interest from investors pursuing higher yields. Yardi Matrix forecasts rent growth to be on par with the 2016 rate, keeping rent appreciation to 2.0% for 2017.

Recent San Antonio Transactions

327 Sunset



City: San Antonio
Buyer: Lantower Residential
Purchase Price: \$55 MM
Price per Unit: \$176,282

The View at Encino Commons



City: San Antonio
Buyer: Draper & Kramer
Purchase Price: \$46 MM
Price per Unit: \$140,481

Mira Loma



City: San Antonio
Buyer: Crescent Real Estate
Purchase Price: \$43 MM
Price per Unit: \$112,698

Vineyard Springs



City: San Antonio
Buyer: Ilan Investments
Purchase Price: \$38 MM
Price per Unit: \$104,637

To Subscribe

Hollie Zepke

Audience Development Specialist
Hollie.Zepke@Yardi.com
(800) 866-1124 x5389