



MULTIFAMILY REPORT

San Antonio Slowing

May 2023

An aerial photograph of San Antonio, Texas, showing a dense urban landscape with various buildings, including high-rise skyscrapers in the background and lower-rise commercial and residential buildings in the foreground. A multi-lane highway with several overpasses runs horizontally across the middle of the image. The sky is clear and blue.

Rent Movement Stays Negative
Deliveries, Transactions Moderate
Job Gains Outpace Nation

SAN ANTONIO MULTIFAMILY



Rents, Occupancy Follow Market Slowdown

San Antonio multifamily market fundamentals began softening, especially in transaction and new construction volume. The metro's rent movement was negative for four consecutive months, down 0.3% on a trailing three-month basis through March to an overall average of \$1,274. The rate trailed the U.S. figure, which remained flat, at \$1,706. The occupancy rate in stabilized properties also fell 170 basis points in the 12 months ending in February, to 93.0%.

The jobless rate clocked in at 4.3% in February, faring better than the state (4.0%) and Houston (4.8%), but lagging the U.S. (3.6%), Austin (3.7%) and Dallas (4.1%) according to preliminary data from the Bureau of Labor Statistics. The employment market expanded by 4.6%, or 46,600 jobs, in 2022, leading the 3.7% U.S. figure. Two sectors lost a combined 4,100 jobs—professional and business services and mining, logging and construction—but San Antonio's economy is strong and diverse enough to withstand upcoming distress.

Deliveries through March were scarce, with just 78 units in one fully affordable community coming online, but the construction pipeline had 16,000 units underway, 8,455 of which Yardi Matrix forecasts will be completed by year-end. Meanwhile, investors traded just \$176 million in multifamily assets, coming in at just over \$100,000 for an average price per unit.

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Recent San Antonio Transactions

The Redland



City: San Antonio
Buyer: Ilan Investments
Purchase Price: \$44 MM
Price per Unit: \$159,420

Reata at Alamo Ranch



City: San Antonio
Buyer: MLG Capital
Purchase Price: \$35 MM
Price per Unit: \$151,305

Broad Viewe



City: San Antonio
Buyer: Raven Capital Group
Purchase Price: \$16 MM
Price per Unit: \$90,220

Torrey Place



City: New Braunfels, Texas
Buyer: MLG Capital
Purchase Price: \$14 MM
Price per Unit: \$94,468