

Yardi® Matrix

San Antonio: Slow And Steady

Multifamily Report Fall 2018

Rent Growth Remains Tepid

Development Boom Continues

Population Gains Keep Demand Healthy

SAN ANTONIO MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2018

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Building Surge Keeps Rent Growth Tepid

San Antonio's multifamily market has been somewhat of a steady tortoise in a race against the more agile Texas hares of Austin, Dallas and Houston. Despite the robust pipeline, the Alamo City manages to keep demand relatively healthy, attracting Millennials and Baby Boomers with its strong economy and creating the need for new stock, especially workforce housing. The building surge pushed down the occupancy rate in stabilized assets a mere 10 basis points in the 12 months ending in September, to 93.3%. Meanwhile, rent growth decelerated to 0.5% year-over-year.

Two sectors hold the first spot in job creation—mining, logging and construction, and education and health services—adding 6,200 jobs each. The multifamily pipeline's more than 30,000 units and the many commercial projects around the metro, including the \$200 million Hemisfair and CPS Energy's new headquarters, will likely maintain this trend. Coworking is expanding, too—WeWork has leased five floors in the Kress Building near the Geekdom tech incubator, where it will house more than 1,000 members.

Transaction activity has dwindled since last year, but values remain high: Some \$925 million in apartments traded this year through September. With more than 9,000 units underway, we expect rent growth to remain tepid for the foreseeable future.

Recent San Antonio Transactions

The Flats at Big Tex



City: San Antonio
Buyer: The Accend Cos.
Purchase Price: \$69 MM
Price per Unit: \$205,667

Ridgeline at Rogers Ranch



City: San Antonio
Buyer: Benimax Investment Group
Purchase Price: \$53 MM
Price per Unit: \$176,419

Landmark Grandview



City: San Antonio
Buyer: B & M Management
Purchase Price: \$51 MM
Price per Unit: \$142,322

Republic Woodlake



City: San Antonio
Buyer: Triago Ventures
Purchase Price: \$33 MM
Price per Unit: \$115,741