

YARDI® Matrix

What's Fueling San Antonio's Growth

Multifamily Fall Report 2015

**How Much Can
Rents Rise?**

**Tourism Leads
Job Gains**

**Supply's Slow
but Steady Advance**

SAN ANTONIO MULTIFAMILY

YARDI® Matrix

Market Analysis

Fall 2015

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Robust Jobs Engine Drives San Antonio

Strong employment and population gains are triggering demand for apartments, helping to accelerate development and rent increases in San Antonio. The metro is increasingly a destination for investors looking for assets in secondary markets.

Employment was up 3.5% to 30,700 jobs through July 2015, with further job creation expected to be driven by non-energy-related sectors. For example, the National Security Agency continues to expand its local cybersecurity operations, adding 1,000 positions over the course of three years, while insurance giant USAA and business services and outsourcing firm IBEX Global are creating as many as 1,000 positions each.

Construction is fairly strong, with 4,400 units forecast to come online this year, but the supply total is below last year's 5,700 units. San Antonio will add a solid 2.6% to total stock, but is well below the 4% national average. This year marks the first year since 2008 that the metro is trailing the national growth rate. Transaction volume continues to be healthy, keeping the market on pace to match 2014's sales. Rent growth of 4.9% year-over-year has already exceeded our forecast of 3% growth for the year. Given the strong economy and slowing development pipeline, rents should continue to move up at a steady pace.

Recent San Antonio Transactions

The M on Mulberry



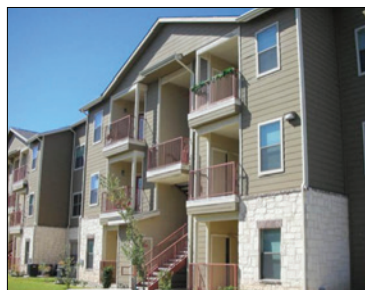
City: San Antonio, Texas
Buyer: M. Douglas Jaffe III
Purchase Price: \$6 MM
Price per Unit: \$64,000

The Place at Oak Hills



City: San Antonio, Texas
Buyer: MC Cos.
Purchase Price: \$24 MM
Price per Unit: \$69,260

The Flats at Westover Hills



City: San Antonio, Texas
Buyer: Cortland Partners
Purchase Price: \$24 MM
Price per Unit: \$88,039

Sonterra Heights



City: San Antonio, Texas
Buyer: Fulton Property Group
Purchase Price: \$38 MM
Price per Unit: \$113,253