

Yardi® Matrix

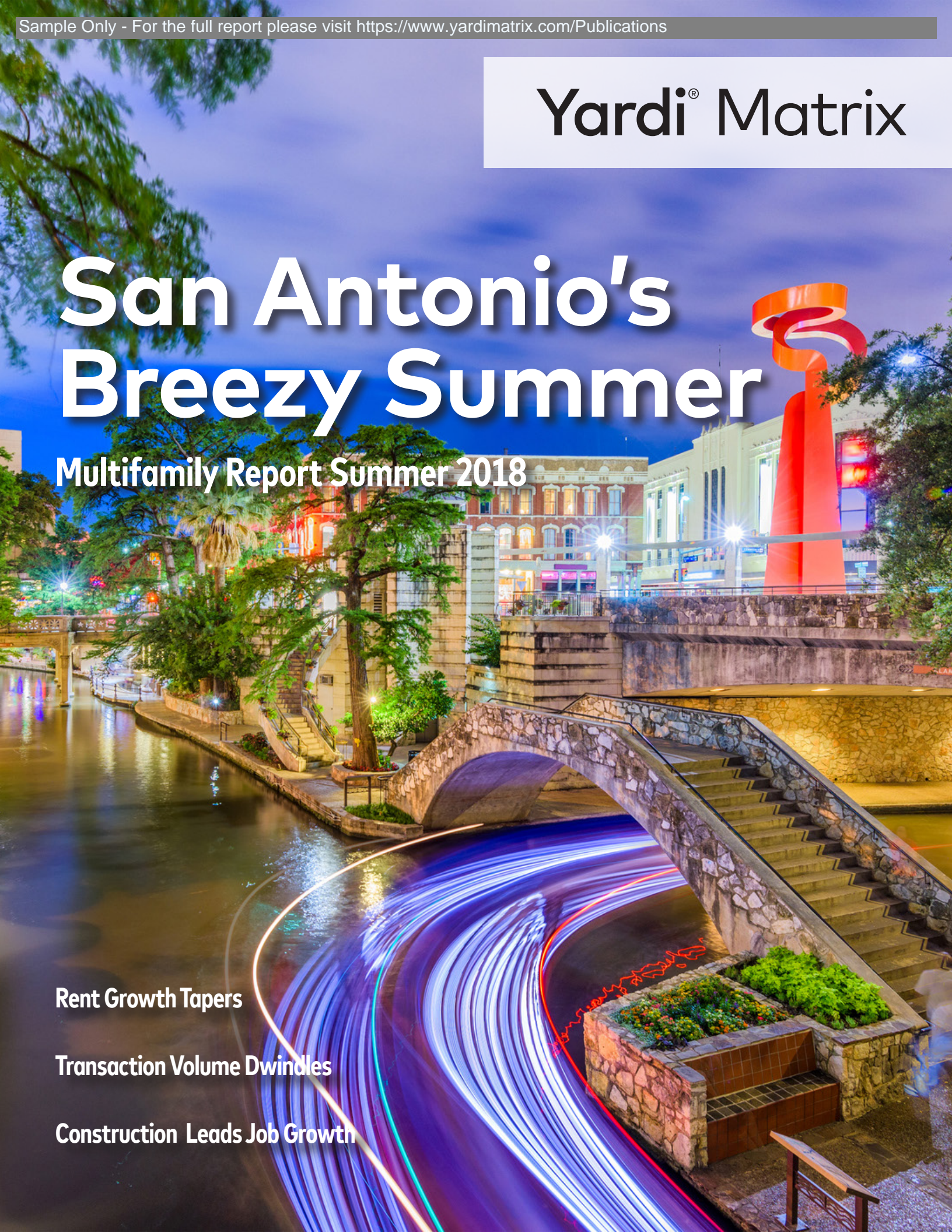
San Antonio's Breezy Summer

Multifamily Report Summer 2018

Rent Growth Tapers

Transaction Volume Dwindles

Construction Leads Job Growth



SAN ANTONIO MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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Job Growth Fuels South Texas

On its 300th anniversary, San Antonio has a strong economy to show, with a thriving luxury multifamily market that's creating opportunities for investors looking to enter a stable market. The strong economic and population growth keep creating demand for housing, despite the recent wave of supply that has tempered rent growth, up 1.1% year-over-year through May to \$1,002 and below the \$1,381 U.S. average.

Up by 10.1%, the mining, logging and construction sector led San Antonio's employment expansion in the 12 months ending in March with the addition of 5,800 jobs. With nearly 8,000 rental units underway, development activity in the multifamily sector will likely maintain this positive trend. Several other developments across the metro will boost the construction sector, with a number of projects lined up, as well: the 462,000-square-foot Frost Bank Tower, the multi-phase Essex Modern City and the \$320-million University Village mixed-use project near University of Texas at San Antonio.

The multifamily transaction volume hit \$427 million in 2018 through April. Most of the traded assets were in lower-rated classes, which influenced the per-unit price, resulting in a \$2,000 slide to \$101,428. With 6,700 units scheduled for completion by year's end, we expect rents to rise 1.8% this year.

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

Legacy Flats



City: San Antonio
Buyer: PEM Real Estate Group
Purchase Price: \$35 MM
Price per Unit: \$112,839

Monterra



City: San Antonio
Buyer: Knightvest Capital
Purchase Price: \$34 MM
Price per Unit: \$97,362

Whispering Creek Villas



City: San Antonio
Buyer: Hilltop Residential
Purchase Price: \$32 MM
Price per Unit: \$123,411