

Yardi® Matrix

San Antonio's Solid Footing

Multifamily Report Summer 2019

Healthy Demographics Elevate Demand

Transaction Activity Remains Strong

Construction Surge Continues

SAN ANTONIO MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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

Healthy Demand Sustains Rent Growth

The nation's seventh-largest city is facing a sizable economic shift, which is spilling over into the multifamily market. Despite continued robust supply, year-over-year rent growth in San Antonio was on par with the U.S. average, at 2.5% through May, more than double the figure recorded at the same time last year. The surge in completions met healthy demand and the occupancy rate in stabilized assets actually inched up 20 basis points over 12 months, to 92.9% as of April.

Alamo City is heading toward an urban revival that has picked up pace over the past year. While the leading sector in employment growth was leisure and hospitality (up 8,100 jobs), boosted by the metro's 300th anniversary, professional and business services added 5,000 positions. This trend is likely to continue, given a sustained interest from office-using companies such as OKIN Business Process Services, which is set to bring more than 1,400 jobs to the city. Ernst & Young also announced the expansion of its financial services and public sector business lines, with plans to hire more than 900 employees combined by 2023.

Transaction activity totaled \$457 million in the first five months of the year, following last year's cycle peak, when more than \$1.4 billion in assets traded. With 9,000 units underway, we expect rents to rise 2.6% in 2019.

Recent San Antonio Transactions

Legacy Heights



City: San Antonio
Buyer: RIM
Purchase Price: \$47 MM
Price per Unit: \$154,248

Legacy Brooks



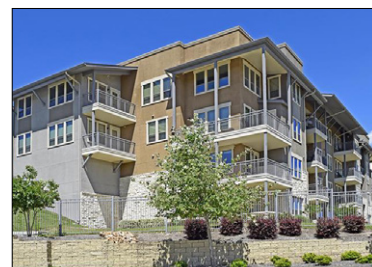
City: San Antonio
Buyer: Commerce Capital Partners
Purchase Price: \$46 MM
Price per Unit: \$111,359

The Luxx



City: San Antonio
Buyer: The Preiss Co.
Purchase Price: \$36 MM
Price per Unit: \$161,515

Belleza at Cresta Bella



City: San Antonio
Buyer: CWS Capital Partners
Purchase Price: \$33 MM
Price per Unit: \$112,963