

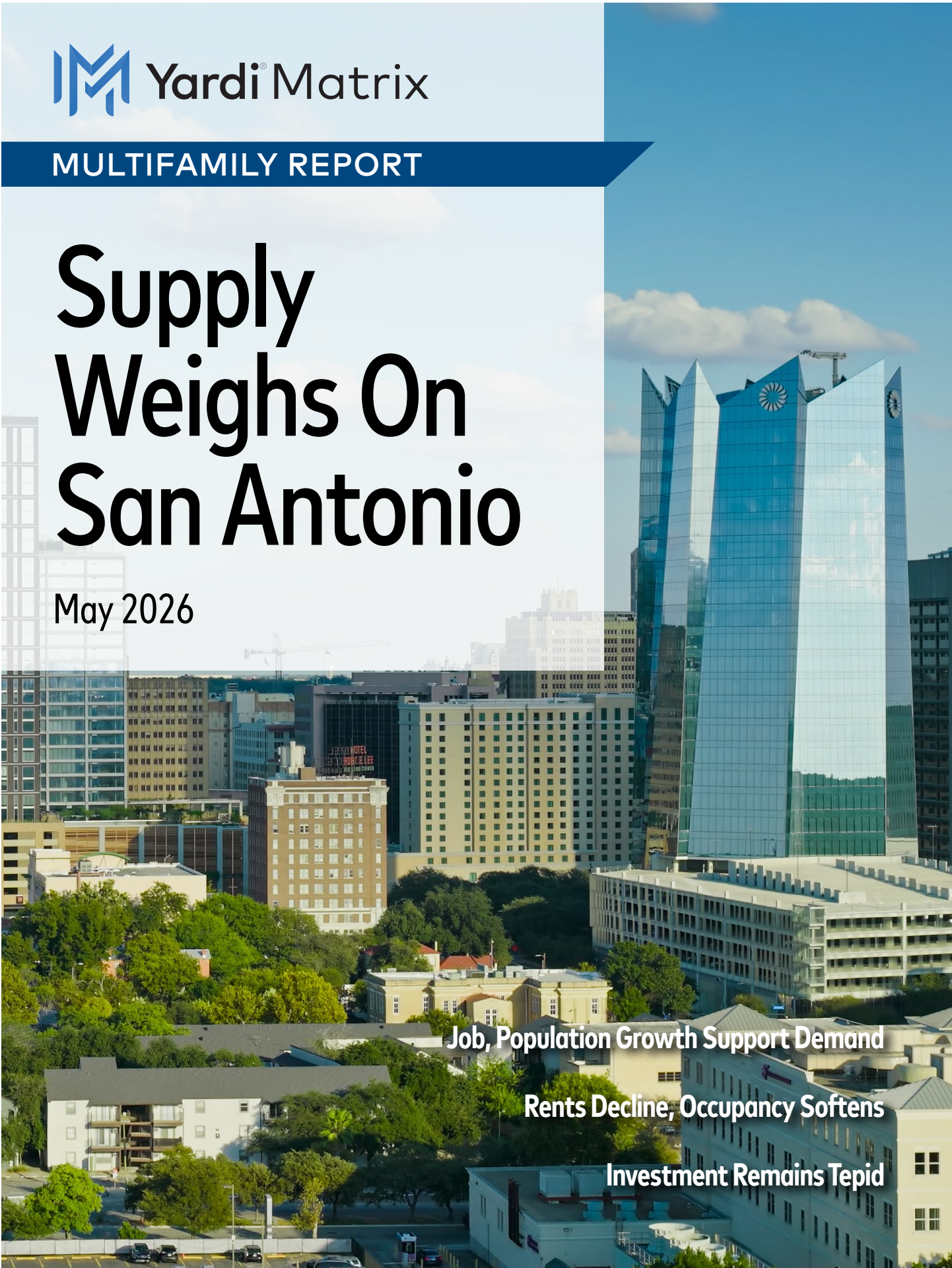
# Supply Weighs On San Antonio

May 2026

Job, Population Growth Support Demand

Rents Decline, Occupancy Softens

Investment Remains Tepid



# SAN ANTONIO MULTIFAMILY



## Starts Slow, Demand Holds

San Antonio fundamentals remained soft through the first quarter of 2026. Average advertised asking rents were flat, on a trailing three-month basis through March, at \$1,232, while the national figure inched up 0.1%, to \$1,750. Year-over-year, rents fell 2.8% in San Antonio, lagging the 0.1% U.S. uptick. Meanwhile, the metro's occupancy in stabilized assets dropped 100 basis points, to 89.8%.

Employment growth decelerated to 1.5% at the end of 2025 but still outpaced the 0.6% U.S. rate. Meanwhile, unemployment clocked in at 4.3% in February, on par with both Texas and the nation. San Antonio added 13,100 net jobs in 2025, with gains in six sectors, led by education and health services (9,700 positions) and trade, transportation and utilities (8,300). Government (-3,500) and professional and business services (-2,100) posted the largest declines. A handful of projects expected to bolster the local economy are moving forward, including JCB's 1 million-square-foot plant and the airport terminal expansion.

Supply pressure remained elevated, though new construction slowed. Developers delivered 517 units in 2026 through March, and had another 11,955 units underway. Investment activity remained tepid, with just \$96 million in first-quarter multifamily sales, at an average price per unit of \$142,705. Despite a 20% year-to-date increase, the area's PPU remained below the \$196,464 U.S. average.

## Market Analysis | May 2026

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On the cover: Photo by halbergman/iStockphoto.com

### Recent San Antonio Transactions

#### Estates at TPC



City: San Antonio  
Buyer: Michelson Organization  
Purchase Price: \$51 MM  
Price per Unit: \$148,891

#### Reserve at Canyon Creek



City: San Antonio  
Buyer: Atlantic Pacific Cos.  
Purchase Price: \$50 MM  
Price per Unit: \$158,013

#### The Hills at Fair Oaks



City: Boerne, Texas  
Buyer: Covenant Capital Group  
Purchase Price: \$42 MM  
Price per Unit: \$145,315

#### Knoll Crest

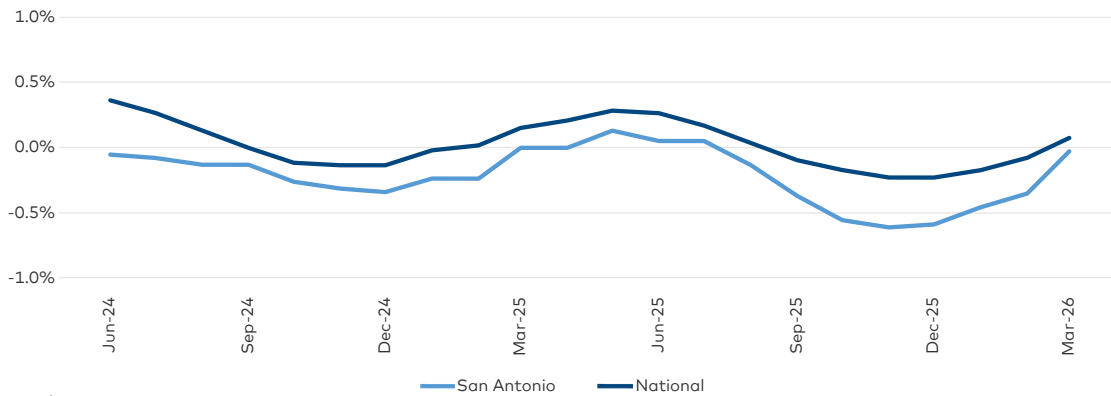


City: San Antonio  
Buyer: Orion Real Estate Partners  
Purchase Price: \$21 MM  
Price per Unit: \$78,409

## RENT TRENDS

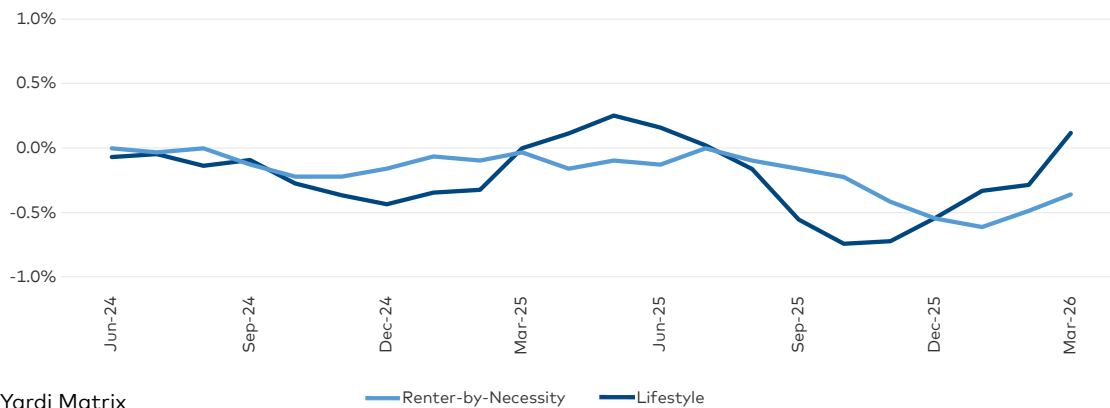
- ▶ The average advertised San Antonio asking rent was unchanged on a trailing three-month (T3) basis through March, at \$1,232, while the U.S. rate inched up 0.1%, to \$1,750. The metro's T3 figure marked a swift, 40-basis-point increase over the previous month. Year-over-year, area rent movement was in the red, down 2.8% as of March, lagging the 0.1% U.S. uptick.
- ▶ San Antonio's Lifestyle rates rebounded, up 0.1%, on a T3 basis through March, to \$1,413, following seven consecutive months of negative movement. Meanwhile, working-class Renter-by-Necessity rates lagged, down 0.4% to \$1,018 on a T3 basis, with no gains recorded in 24 months.
- ▶ Occupancy in stabilized assets fell 100 basis points year-over-year through February, to an all-time low of 89.8%. Elevated supply slashed 150 basis points off RBN occupancy, to 87.6%, while the Lifestyle rate slid 70 basis points, to 91.6%.
- ▶ Year-over-year, rents increased in 11 of the 45 submarkets tracked by Yardi Matrix, with some of the largest gains in Northwest Bexar County (4.4% to \$1,367), Terrell Hills (4.1% to \$1,479) and West Alamo Heights (2.6% to \$1,166). Meanwhile, six submarkets registered decreases of 5.0% or more, led by the USAA Area (-7.8% to \$1,066), Hill Country Village (-6.7% to \$1,047) and the Northeast Side (-5.1% to \$1,181).
- ▶ The San Antonio BTR/SFR sector is largely in line with multifamily. Year-over-year, advertised asking rents were down 2.5%, to \$2,067, while occupancy dropped 2.8%, to 90.8%.

### San Antonio vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

### San Antonio Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- ▶ San Antonio's employment growth decelerated to 1.5% at the end of 2025, but still heavily outpaced the 0.6% U.S. rate. Area unemployment stood at 4.3% in February, in line with Texas and the U.S., which were both also at 4.3%.
- ▶ Sector breakdowns remained mixed but positive overall. San Antonio added 13,100 net jobs in 2025, with gains across six sectors, led by education and health services (9,700) and trade, transportation and utilities (8,300). Offsetting some of that momentum, four sectors lost jobs, with the steepest declines in government (-3,500), professional and business services (-2,100) and leisure and hospitality (-1,400), which together shed 7,000 positions.
- ▶ Several large projects should continue to support the local economy. JCB's \$500 million, 1 million-square-foot plant on the South Side is scheduled to begin production in September 2026. The facility is expected to employ about 1,500 workers at peak staffing. At Port San Antonio, design work is advancing on the 300,000-square-foot Innovation Tower after the board approved \$7.5 million in March 2025 to finalize plans, with groundbreaking targeted for 2026 and completion for 2028. At San Antonio International Airport, terminal expansion is underway and is expected to add up to 18 gates and more than 850,000 square feet of new space by mid-2028.

### San Antonio Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	192.1	15.8%
40	Trade, Transportation and Utilities	224.1	18.4%
15	Mining, Logging and Construction	76.9	6.3%
30	Manufacturing	63.6	5.2%
55	Financial Activities	102.6	8.4%
80	Other Services	42.3	3.5%
50	Information	19.6	1.6%
70	Leisure and Hospitality	145.3	12.0%
60	Professional and Business Services	158.3	13.0%
90	Government	190.2	15.7%

Sources: Yardi Matrix, Bureau of Labor Statistics

## Population

- ▶ San Antonio's population increased 4.2% between 2019 and 2022, more than double the 2.0% U.S. rate.
- ▶ From mid-2023 to mid-2025, San Antonio added some 93,000 residents, for a 3.4% gain, according to the most recent Census estimates. The U.S. pace clocked in at 1.5%.

### San Antonio vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
San Antonio	2,468,193	2,510,211	2,529,453	2,570,862

Source: U.S. Census

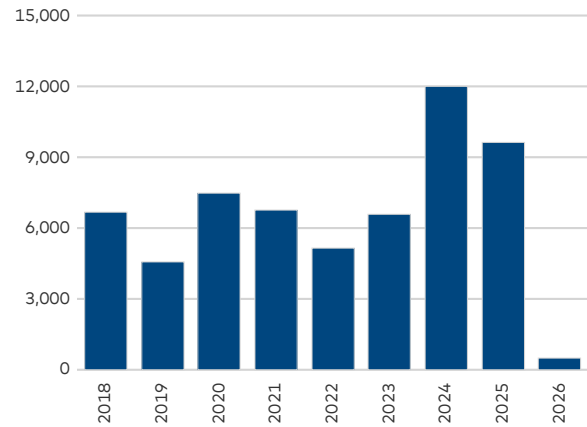
## SUPPLY

- ▶ In 2026 through March, developers delivered 517 units in San Antonio. Deliveries were mainly Lifestyle apartments, except for an 80-unit fully affordable project. Supply pressure remained elevated, even as the pace slowed from the 2024 peak, with completions reaching 9,626 units in 2025. That was 3.9% of total stock and above the 3.3% national rate.
- ▶ The construction pipeline is robust, totaling 11,955 units underway as of March, and another 33,000 apartments in the planning and permitting phases. The composition of projects underway remained tilted toward the Lifestyle segment, accounting for 60.4%, followed by fully affordable (32.9%) and RBN (6.7%) projects.
- ▶ Construction starts slowed in the first quarter of 2026, as 1,361 units across four properties broke ground, less than the 2,020 units across eight properties recorded during the same period last year. Notably, first-quarter 2025 starts accounted for roughly 44% of the full-year total of 4,567 units across 19 properties.
- ▶ Construction activity was balanced across the metro, with 24 of the 45 submarkets tracked by Yardi Matrix having at least one property with more than 50 units underway as of March. The

leaders by units underway were the Southeast Side (1,783), Northwest Bexar County (1,468) and Southtown/King William (1,169).

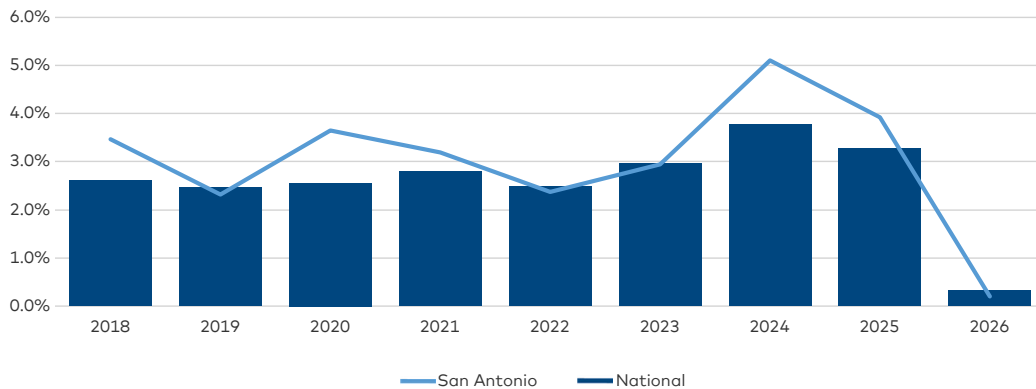
- ▶ The largest delivery of 2026 through March was Alta Westover Hills, a 312-unit Lifestyle project in Leon Valley–West. Owned by Wood Partners, the property was developed with help from a \$36.4 million construction loan originated by BOKF in mid-2024.

**San Antonio Completions** (as of March 2026)



Source: Yardi Matrix

**San Antonio vs. National Completions as a Percentage of Total Stock** (as of March 2026)



Source: Yardi Matrix

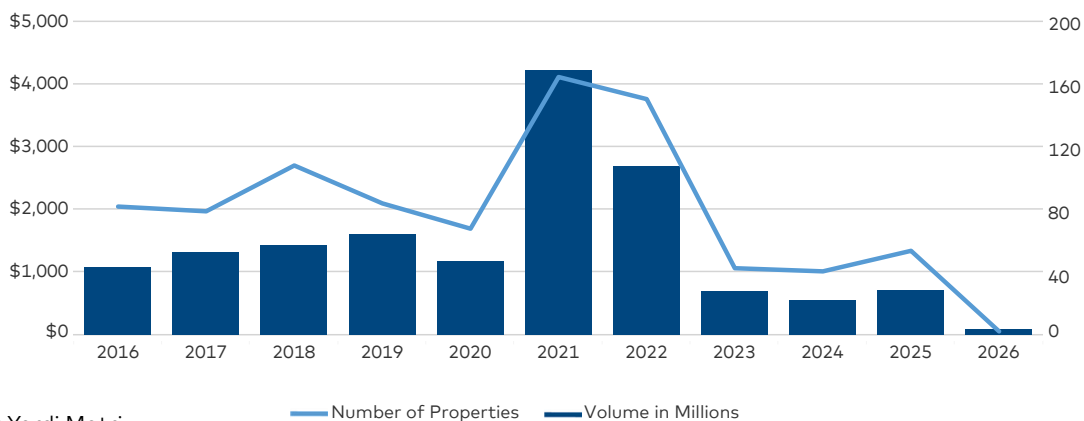
## TRANSACTIONS

- ▶ Investment activity remained tepid in San Antonio, with investors trading just \$96 million in multifamily assets in the first quarter of 2026. Transactions reached \$707 million in 2025, marking the third-lowest annual volume since 2016, and remained well below the \$1.3 billion average recorded in the five years before 2021.
- ▶ The average price per unit rose 20% year-to-date, to \$142,705 as of March, boosted by the sales composition that was slightly tilted toward

Lifestyle assets. Meanwhile, the national average decreased 3.0%, to \$196,464.

- ▶ Through March, one of the most notable transactions closed between buyer Atlantic Pacific Cos. and seller The Connor Group, for the 314-unit Reserve at Canyon Creek, located in the Shavano Park area. The sale of the Lifestyle asset was aided by a \$37.2 million Freddie Mac loan originated by CBRE Capital Markets.

### San Antonio Sales Volume and Number of Properties Sold (as of March 2026)



Source: Yardi Matrix

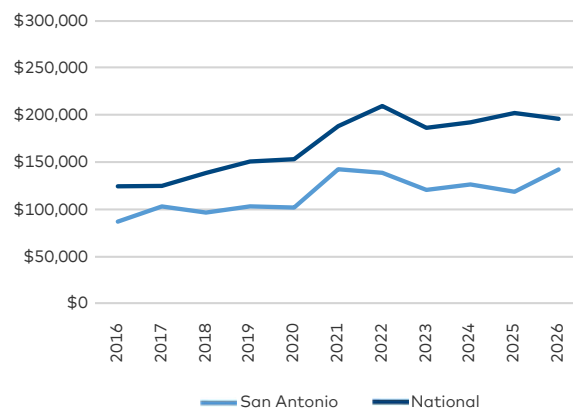
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Hill Country Village	100
Shavano Park	93
USAA Area	67
Southtown/King William	63
Terrell Hills	52
Far North Side	51
New Braunfels	43

Source: Yardi Matrix

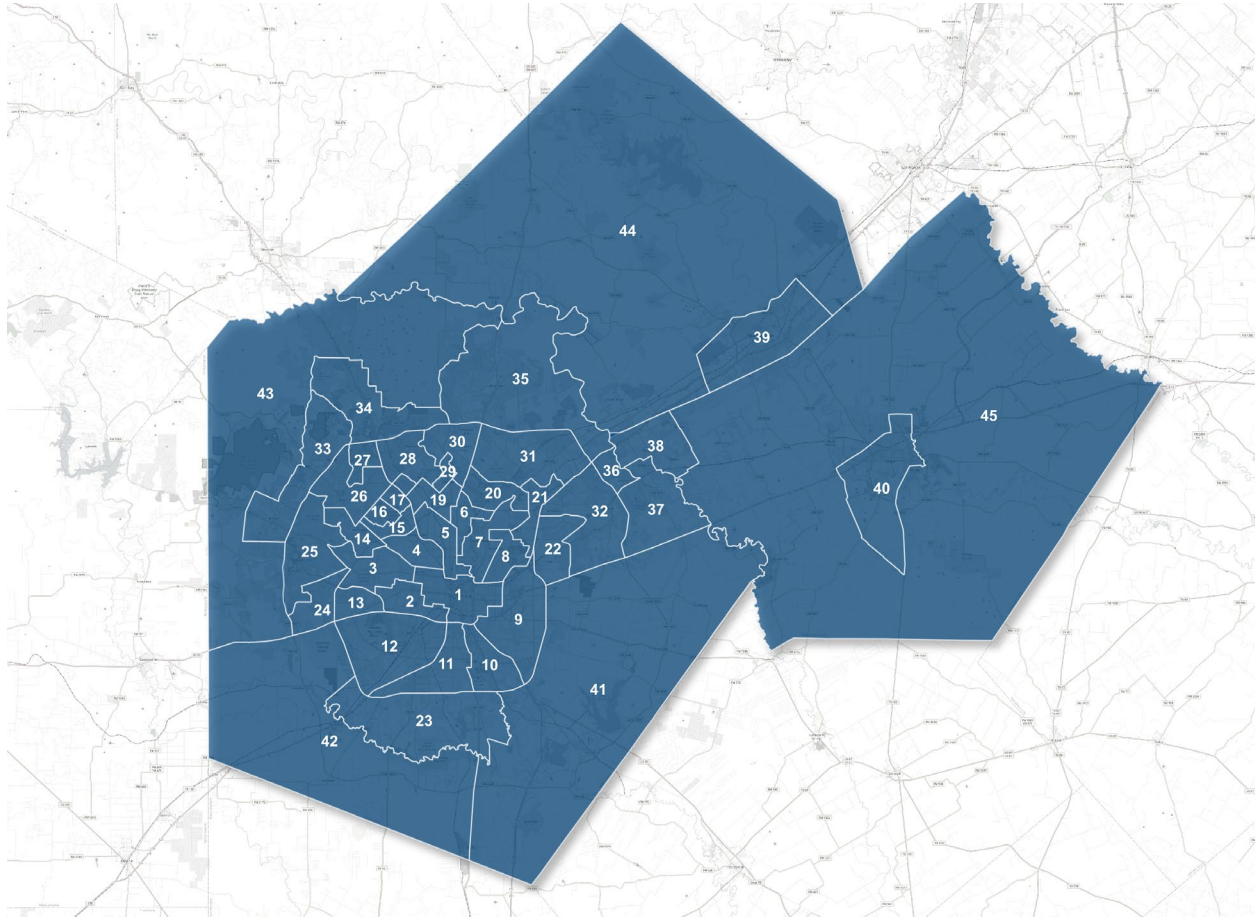
<sup>1</sup> From April 2025 to March 2026

### San Antonio vs. National Sales Price per Unit



Source: Yardi Matrix

## SAN ANTONIO SUBMARKETS



Area No.	Submarket
1	Southtown/King William
2	West Side
3	Southwest Research Institute
4	Balcones Heights
5	West Alamo Heights
6	Alamo Heights-Central
7	Terrell Hills
8	Fort Sam Houston
9	East Side
10	Southeast Side
11	Terrell Wells
12	Southside/Columbia Heights
13	Lackland Terrace
14	Leon Valley-East
15	Oak Hills Country Club

Area No.	Submarket
16	Oakland Estates
17	USAA Area
18	Robards
19	Castle Hills
20	North Loop
21	Longhorn
22	Windcrest
23	City South
24	Far West Side
25	Leon Valley-West
26	Northwest Side
27	University of Texas at San Antonio
28	Shavano Park
29	Hill Country Village
30	Far North Central

Area No.	Submarket
31	Hollywood Park/Welmore
32	Northeast Side
33	Helotes
34	Beckmann
35	Far North Side
36	Universal City
37	Schertz
38	Selma
39	New Braunfels
40	Seguin
41	Southeast Bexar County
42	Southwest Bexar County
43	Northwest Bexar County
44	Outlying Comal County
45	Outlying Guadalupe County

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- ▶ *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- ▶ *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- ▶ *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- ▶ *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- ▶ *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- ▶ *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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