

Yardi® Matrix

MULTIFAMILY REPORT

San Antonio's Balanced Year

Winter 2020



**Investor Confidence
Remains Strong**

**Population Growth
Boosts Demand**

Deliveries Moderate



SAN ANTONIO MULTIFAMILY

Yardi® Matrix

Tepid Supply Sustains Rent Growth

San Antonio's multifamily market continued to benefit from sustained population and employment growth through 2019's second half. Following robust supply for the better part of this cycle, the metro recorded a sharp deceleration in deliveries during 2019. This has helped keep demand in check, with rents going up 2.1% to \$1,050 year-over-year as of November. On the other hand, a consequence of the metro's long-term strong pipeline is a descending occupancy rate in stabilized assets—93.0% as of October, down 20 basis points over 12 months and one of the lowest across all major national metros.

San Antonio gained 27,500 jobs in the 12 months ending in September, a 2.0% expansion and 20 basis points above the national rate. Professional and business services led gains (6,500 jobs), followed closely by leisure and hospitality (6,400 jobs). Manufacturing lost 100 positions but could bounce back as several firms—such as Navistar International and Aisin AW— have announced investments in the metro, which would require some 1,500 employees combined.

Multifamily sales totaled \$1.1 billion in 2019 through October, at an average per-unit price of \$94,554—almost on par with the 2018 average—with investors predominantly focusing on value-add assets. While only 2,833 units came online last year through November—all in upscale communities—the current construction pipeline is once again robust with more than 10,000 units underway.

Market Analysis | Winter 2020

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Recent San Antonio Transactions

Tribute at the Rim



City: San Antonio
Buyer: PASSCO Real Estate
Purchase Price: \$60 MM
Price per Unit: \$156,989

The Vistana



City: San Antonio
Buyer: Ares Management
Purchase Price: \$55 MM
Price per Unit: \$223,908

The Jax



City: San Antonio
Buyer: PPA Group
Purchase Price: \$47 MM
Price per Unit: \$146,998

Vista del Rey



City: Leon Valley, Texas
Buyer: GVA Real Estate
Investments
Purchase Price: \$38 MM
Price per Unit: \$84,621