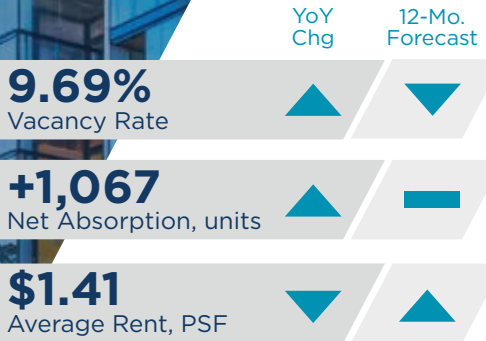
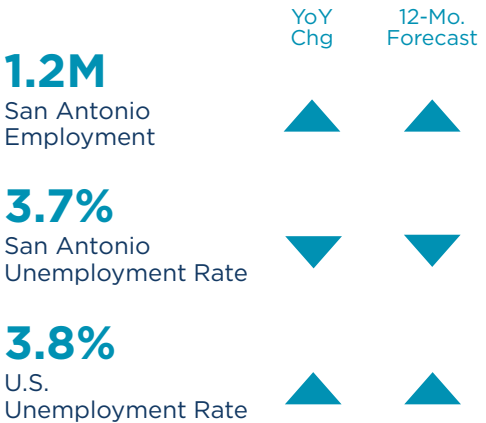


## Multifamily Q1 2024



Source: ApartmentTrends.com by Austin Investor Interests, LLC, CoStar, RealPage

### ECONOMIC INDICATORS Q1 2024



Source: BLS, Moody's Analytics

### ECONOMIC OVERVIEW: Strong Population Growth Bolsters San Antonio's Economic Conditions

San Antonio's economic conditions remain favorable, as population growth remains strong, and unemployment continues to hover below national averages. While macroeconomic pressures persist, San Antonio is well suited to combat these challenges with its diverse industry profile that is driving its sustained growth. With a local economy that is anchored by several resilient industries such as healthcare and manufacturing, San Antonio's unemployment rate remained level, closing the quarter at 3.7%. Like previous quarters, San Antonio experienced steady job growth as approximately 26,000 jobs were added year-over-year (YOY). Employment levels are forecasted to increase going forward, continuing the city's upward trajectory.

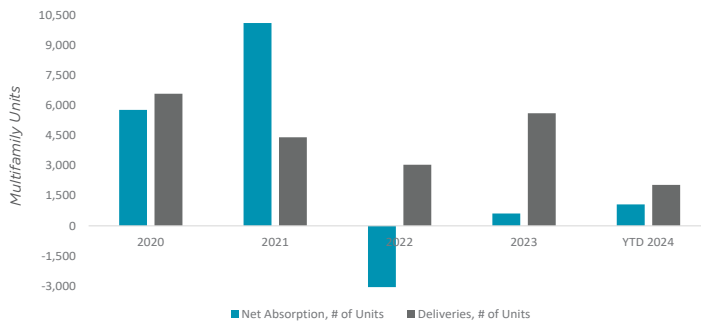
### DEMAND: Equilibrium is Near as Absorption Figures Grow

San Antonio's multifamily market faces challenges amidst a robust supply and construction landscape, yet there are signs of resilience and optimism. Absorption, though impacted by a continuous influx of new units, had an extremely promising quarter, outperforming 2023 entirely and showcasing the city's enduring demand for rental housing despite the construction surge. With very little in the pipeline beyond the roughly 15,000 units under construction today, investors are increasingly optimistic about a relief from near-constant supply-side pressure they've experienced over the past few years. This anticipation instills confidence, as the expected slowdown in deliveries promises to bolster occupancy rates and stabilize market rent figures. Despite rents dipping slightly to \$1.41 per square foot in the first quarter, there's a prevailing sense of optimism that San Antonio is gradually finding its footing post-pandemic. The city's multifamily market is poised for a positive trajectory in 2024, marked by the gradual restoration of equilibrium and a resurgence in rental confidence.

### PRICING: More Stable Market Conditions Bring More Transactions

San Antonio had a promising quarter regarding transaction volume, as 10 properties traded hands totaling 2,834 with an average year built of 1994. The older-vintage properties seem to be more transactable right now, as the capital markets environment continues to stabilize with interest rate cuts on the horizon. Continued delivery of new product and stress on negatively leveraged owners indicate that the coming quarters will bring more transactions.

### DEMAND / DELIVERIES



Source: ApartmentTrends.com

### OVERALL VACANCY & EFFECTIVE RENT



Source: ApartmentTrends.com

## Multifamily Q1 2024

## MARKET STATISTICS

| SUBMARKET         | INVENTORY (UNITS) | YTD DELIVERIES (UNITS) | YTD % INVENTORY GROWTH | UNDER CONSTRUCTION (UNITS) | YTD NET ABSORPTION (UNITS) | VACANCY RATE | YOY VACANCY RATE CHANGE (BPS) | AVG EFFECTIVE RENT / UNIT | AVG EFFECTIVE RENT PSF | YOY % EFFECTIVE RENT GROWTH |
|-------------------|-------------------|------------------------|------------------------|----------------------------|----------------------------|--------------|-------------------------------|---------------------------|------------------------|-----------------------------|
| Boerne            | 2,448             | 133                    | 5.75%                  | 0                          | 164                        | 7.51%        | -1.92%                        | \$1,352                   | \$1.52                 | -1.11%                      |
| Central           | 6,445             | 13                     | 0.19%                  | 1,061                      | 62                         | 8.54%        | 2.57%                         | \$1,407                   | \$1.78                 | -9.14%                      |
| East              | 2,486             | 0                      | 0.00%                  | 301                        | 14                         | 8.00%        | -1.90%                        | \$992                     | \$1.29                 | -3.24%                      |
| Far North Central | 16,126            | 68                     | 0.42%                  | 886                        | -69                        | 7.80%        | 1.64%                         | \$1,396                   | \$1.44                 | -6.44%                      |
| Far Northeast     | 9,461             | 120                    | 1.28%                  | 432                        | 63                         | 9.19%        | 2.49%                         | \$1,150                   | \$1.45                 | -3.38%                      |
| Far Northwest     | 12,712            | 133                    | 1.06%                  | 1,494                      | 74                         | 9.50%        | 1.72%                         | \$1,447                   | \$1.52                 | -8.03%                      |
| Far West          | 24,949            | 543                    | 2.22%                  | 2,812                      | 301                        | 9.75%        | 1.77%                         | \$1,181                   | \$1.41                 | -7.58%                      |
| Kerrville         | 1,318             | 0                      | 0.00%                  | 0                          | -4                         | 4.40%        | 0.10%                         | \$1,117                   | \$1.25                 | 3.23%                       |
| New Braunfels     | 7,436             | 250                    | 0.53%                  | 2,775                      | -80                        | 8.21%        | 0.30%                         | \$1,356                   | \$1.52                 | -6.88%                      |
| North Central     | 5,763             | 0                      | -0.35%                 | 321                        | 121                        | 11.06%       | -0.01%                        | \$1,280                   | \$1.53                 | 0.69%                       |
| North Central 2   | 29,076            | 75                     | 0.26%                  | 861                        | 11                         | 10.79%       | 1.53%                         | \$1,162                   | \$1.38                 | -5.36%                      |
| Northeast         | 9,527             | 283                    | 3.06%                  | 814                        | 76                         | 10.83%       | 1.25%                         | \$1,289                   | \$1.48                 | -2.80%                      |
| Northeast 2       | 14,401            | 153                    | 1.07%                  | 392                        | 14                         | 10.74%       | 3.50%                         | \$1,128                   | \$1.33                 | -3.13%                      |
| Northwest         | 5,487             | 0                      | 0.00%                  | 0                          | -27                        | 7.84%        | 2.44%                         | \$888                     | \$1.25                 | 0.13%                       |
| Northwest 2       | 32,571            | 187                    | 0.60%                  | 1,736                      | 325                        | 10.22%       | 0.87%                         | \$1,109                   | \$1.31                 | -5.56%                      |
| South Central     | 5,899             | 60                     | 1.03%                  | 660                        | 11                         | 10.48%       | 1.30%                         | \$1,099                   | \$1.45                 | -1.16%                      |
| Southeast         | 1,772             | 24                     | 1.37%                  | 240                        | 8                          | 9.27%        | 1.72%                         | \$1,046                   | \$1.26                 | 0.02%                       |
| Seguin            | 1,084             | 0                      | 0.00%                  | 456                        | 34                         | 6.09%        | -1.48%                        | \$1,249                   | \$1.48                 | 2.13%                       |
| Southwest         | 3,025             | 0                      | 0.00%                  | 0                          | -88                        | 10.65%       | 0.24%                         | \$937                     | \$1.24                 | -0.97%                      |
| West              | 1,899             | 0                      | 0.00%                  | 0                          | 57                         | 6.11%        | -0.90%                        | \$876                     | \$1.25                 | -0.26%                      |
| <b>Market</b>     | <b>193,885</b>    | <b>2,042</b>           | <b>0.93%</b>           | <b>15,241</b>              | <b>1,067</b>               | <b>9.69%</b> | <b>1.46%</b>                  | <b>\$1,199</b>            | <b>\$1.41</b>          | <b>-5.02%</b>               |

Source: ApartmentTrends.com by Austin Investor Interests, LLC

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