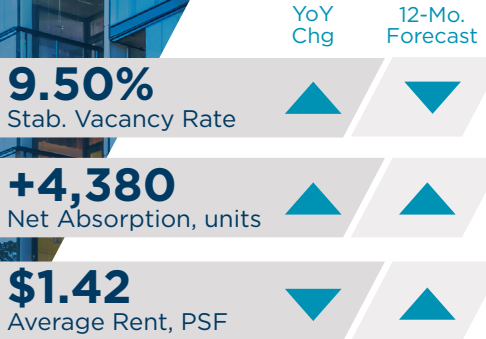
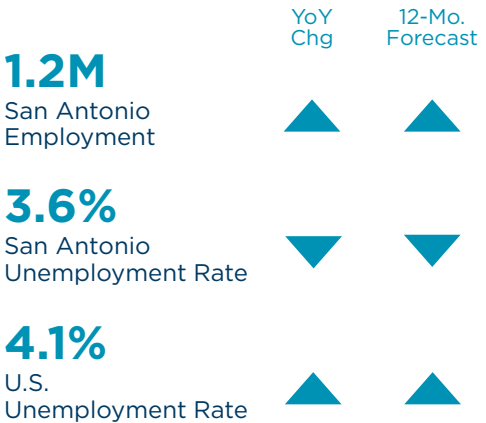


Multifamily Q2 2024



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

ECONOMIC INDICATORS Q2 2024



Source: BLS, Moody's Analytics

ECONOMIC OVERVIEW: San Antonio's Job Growth Remains Strong

San Antonio's economic conditions remain favorable, as population growth remains strong, and unemployment continues to hover below national averages. While national economic pressures persist, the San Antonio market 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 mostly steady, closing the quarter at 3.6%. 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.

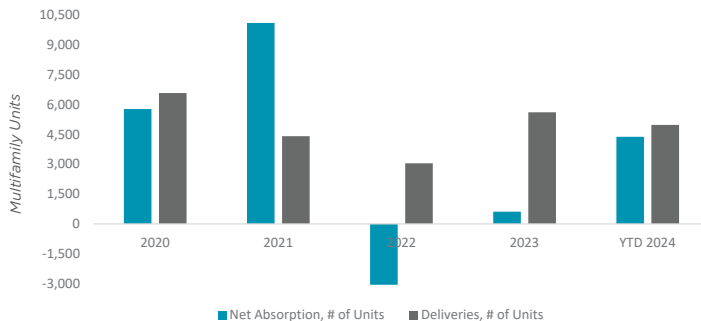
DEMAND: Q2 Absorption Outpacing All of 2023

San Antonio's multifamily market faces challenges amidst a robust supply pipeline, 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. Investors are becoming increasingly optimistic about relief from supply-side pressure due to the looming dropoff in supply following the delivery of under-construction units. 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 supply/demand equilibrium and a resurgence in rental confidence.

PRICING: More Transactions for New-Build Product

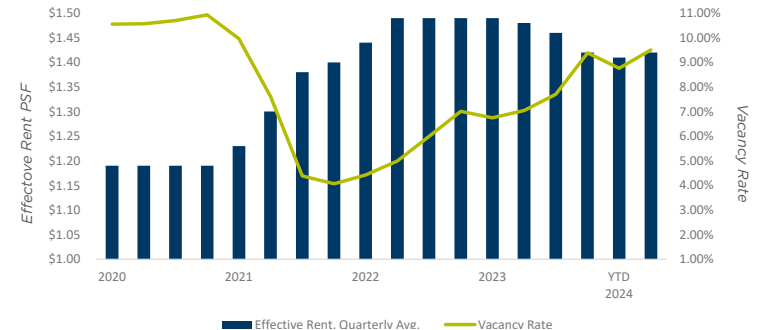
San Antonio had another reasonable quarter of transaction volume, with 8 properties trading hands totaling 1,639 units, with an average year built of 2003. The market saw more Class A properties transact during this quarter than the last, raising the average price per unit in comparison to Q1. A less volatile capital markets environment, the near certainty of imminent interest rate reductions, the steady delivery of new developments, and continued stress on negatively leveraged owners will likely boost transaction volume to close out 2024.

DEMAND / DELIVERIES



Source: ApartmentTrends.com

OVERALL VACANCY & EFFECTIVE RENT



Source: ApartmentTrends.com

Multifamily Q2 2024

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CONSTRUCTION (UNITS)	YTD NET ABSORPTION (UNITS)	STABILIZED 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%	123	163	7.81%	-11.67%	\$1,418	\$1.59	7.47%
Central	6,445	13	0.19%	1,061	132	8.08%	1.73%	\$1,400	\$1.77	-7.18%
East	2,486	0	0.00%	301	-7	7.72%	-0.28%	\$994	\$1.29	0.57%
Far North Central	16,327	269	1.68%	685	262	6.85%	1.17%	\$1,397	\$1.44	-6.49%
Far Northeast	9,644	303	3.24%	249	206	8.67%	2.31%	\$1,140	\$1.44	-4.38%
Far Northwest	13,184	605	4.81%	1,022	488	8.87%	1.23%	\$1,487	\$1.56	-4.58%
Far West	25,247	841	3.45%	2,826	945	8.49%	-0.04%	\$1,187	\$1.42	-4.47%
Kerrville	1,318	0	0.00%	0	-3	6.56%	-0.70%	\$1,120	\$1.25	2.61%
New Braunfels	8,058	661	8.94%	2,364	328	7.78%	5.31%	\$1,375	\$1.57	-4.59%
North Central	5,727	0	-0.97%	321	110	15.66%	-0.40%	\$1,310	\$1.57	2.71%
North Central 2	29,231	230	0.79%	706	131	9.04%	1.90%	\$1,142	\$1.36	-6.55%
Northeast	10,024	780	8.44%	672	345	7.44%	4.65%	\$1,342	\$1.55	1.81%
Northeast 2	14,895	215	4.54%	330	437	8.01%	2.96%	\$1,125	\$1.33	-2.55%
Northwest	5,419	0	-1.24%	0	-151	9.01%	2.06%	\$890	\$1.25	-0.54%
Northwest 2	33,291	797	2.83%	1,118	901	7.62%	0.85%	\$1,123	\$1.32	-5.21%
South Central	5,899	60	1.03%	984	138	7.74%	0.47%	\$1,105	\$1.46	0.67%
Southeast	1,820	72	4.12%	192	5	18.99%	1.20%	\$1,037	\$1.25	-1.30%
Seguin	1,084	0	0.00%	456	24	7.93%	0.65%	\$1,261	\$1.49	-8.42%
Southwest	3,025	0	0.00%	0	-108	5.95%	1.48%	\$980	\$1.30	1.98%
West	1,899	0	0.00%	0	34	21.87%	-2.00%	\$884	\$1.26	-1.83%
Market	197,471	4,979	2.38%	13,410	4,380	9.50%	1.39%	\$1,208	\$1.42	-3.88%

Source: ApartmentTrends.com by Austin Investor Interests, LLC

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