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CAPITAL MARKETS

# 3Q21 San Antonio Multifamily Market Update

NEWMARK





# Market Snapshot

San Antonio remains one of the most desirable markets for both renters and investors due to its steady economic growth trajectory.



## 3Q21 SAN ANTONIO MSA MULTIFAMILY STATS

93.9%

average occupancy

\$1,156

average effective rent

\$1.35

average effective rent psf

\$124,713

average sales price per unit

1,965

new units added

3,306

new units absorbed

Source: CoStar

## 3Q21 ECONOMIC SNAPSHOT

	Current Level		12-Month Change	
	MSA	U.S.	MSA	U.S.
Median Household Income	63,610	68,258	5.4%	5.6%
Unemployment	5.2%	5.2%	-1.9%	-3.0%
Labor Force	1,225,024	161,956,578	1.3%	1.0%
Population	2,593,528	332,345,125	1.0%	0.2%

Source: Oxford Economics

# Rent Growth

Effective rental rates continued to reach new heights throughout San Antonio, increasing 4% during the third quarter.

Nationally, rents increased more than 10% between 1Q20 and 3Q21. More than 30 metropolitan areas, including San Antonio, surpassed that rate of rent growth during the same period.

San Antonio's 13% year-to-date rent growth is a function of strong economic fundamentals as the San Antonio market reached pre-pandemic levels prior to the end of 2020.

Demand is the primary driver, fueled by the migration of renters from higher-priced metro areas to more affordable Sunbelt cities.

## 14%

estimated YOY rent growth YE 2021

## 9%

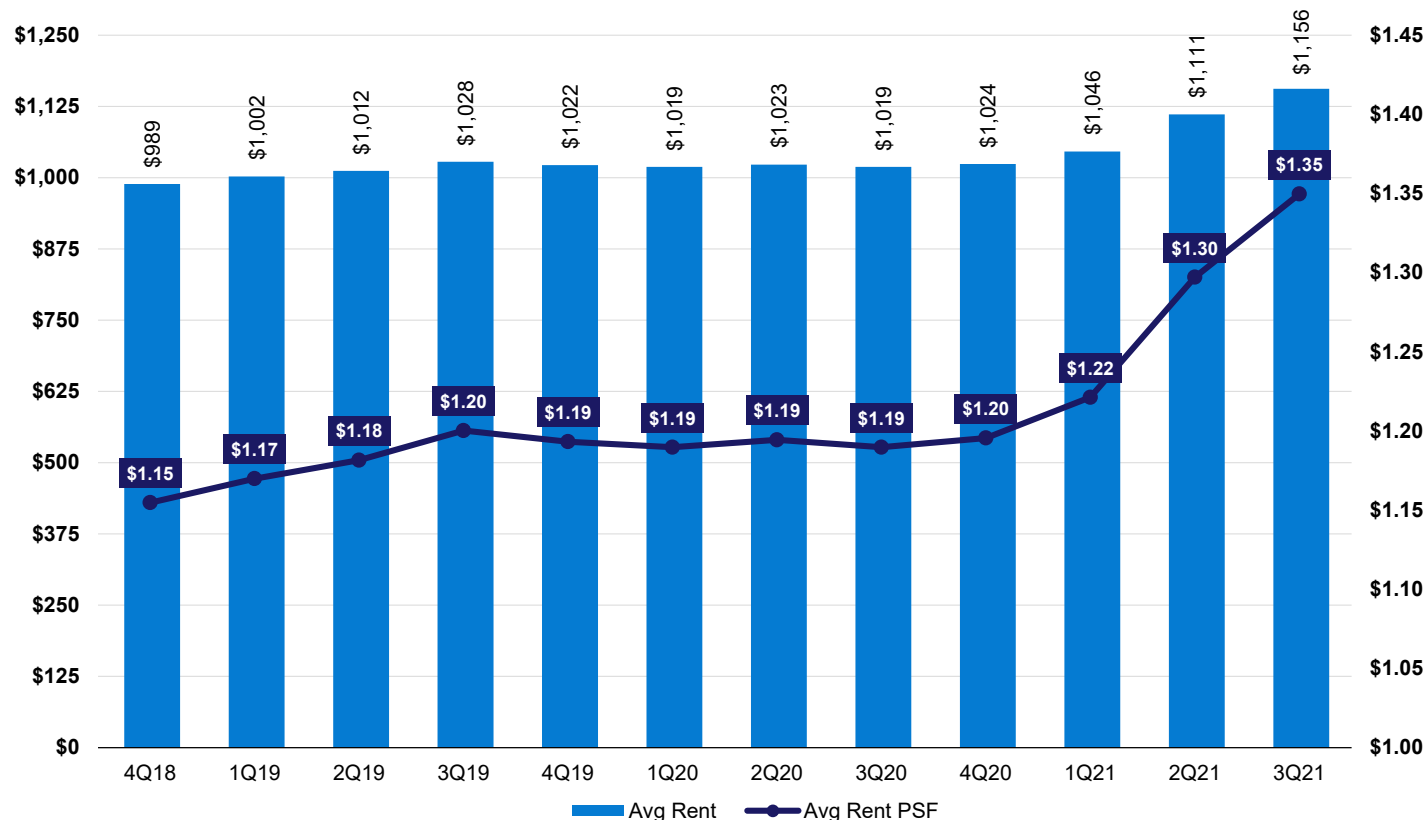
estimated YOY rent growth YE 2022



This year, rents rebounded back in the big cities and continued to grow in emerging markets. This new period of rent growth is likely to be the new normal over the next 12 months.

GLOBEST

## HISTORICAL RENTS, QUARTERLY



# Supply and Demand

1,965 new units were added to San Antonio's inventory during the third quarter, while 3,306 units were absorbed.

Sunbelt markets continue to drive the highest demand and garner the most attention from multifamily investors and developers, and San Antonio is no exception. Year-to-date, approximately 3,800 new units have been added and over 10,250 units have been absorbed.

Despite elevated supply, five-year forecasts show the market balancing as demand is likely to remain strong due to strong economic drivers, namely continued job and population growth.

3,807

new units  
added YTD

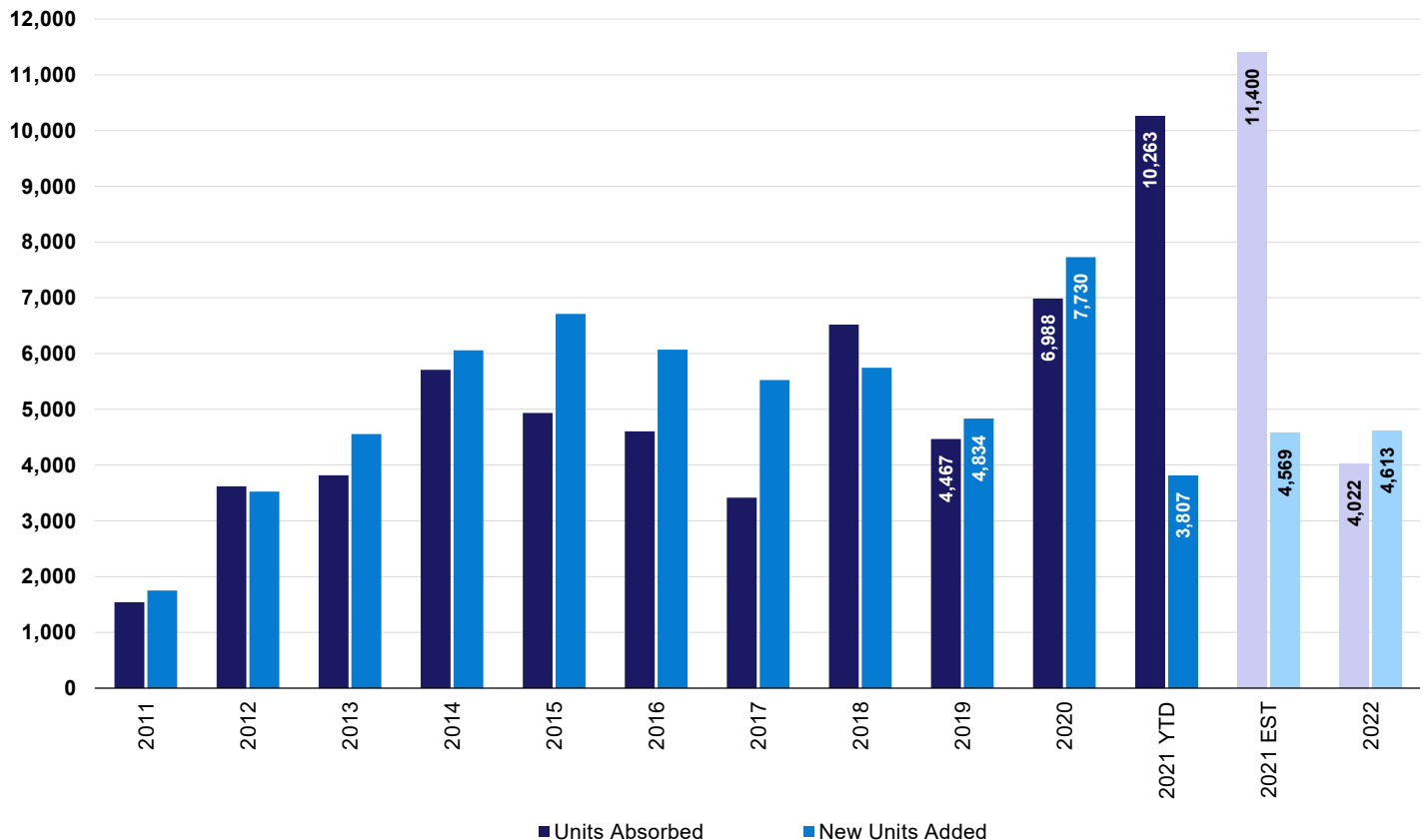
10,263

new units  
absorbed YTD

6,103

average annual  
deliveries (2018-2020)

## SUPPLY AND DEMAND, ANNUALIZED + PROJECTION

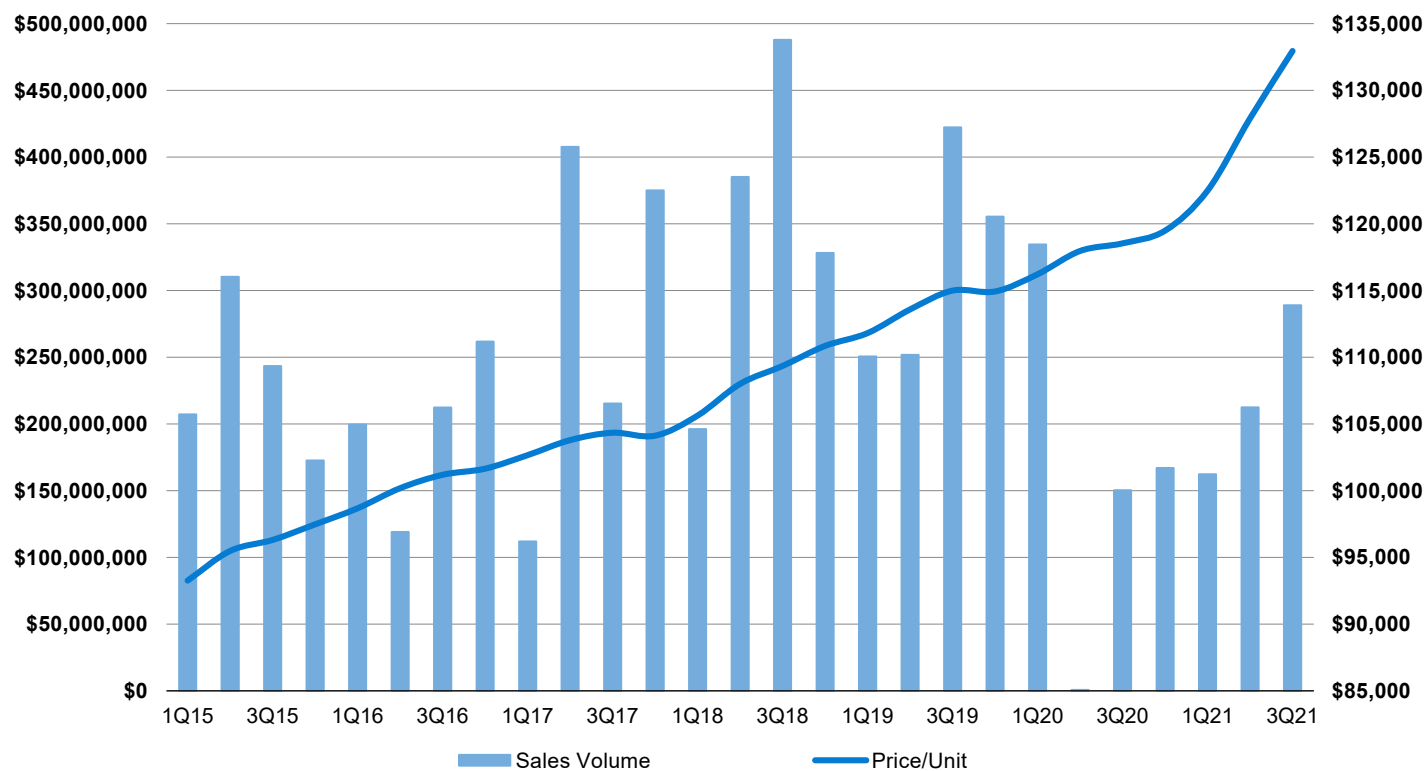


Source: CoStar

# Sales Volume

San Antonio's multifamily sales volume during 3Q21 totaled \$288.8M, representing a 92.3% year-over-year increase.

## SALES VOLUME, QUARTERLY



Source: CoStar

## TRAILING 12 MONTH

	Low	Median	High
<b>Sales Price</b>	\$715,000	\$22,750,000	\$73,000,000
<b>Price/Unit</b>	\$64,155	\$112,195	\$235,483
<b>Cap Rate</b>	3.9%	5.0%	7.4%

Source: CoStar

Multifamily property remains the most favored property type, with 86% of investors surveyed intending to increase exposure in the next three to five years.

AFIRE INTERNATIONAL INVESTOR SURVEY

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Peru  
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United Arab Emirates

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