
CAPITAL MARKETS

4Q21 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.



4Q21 SAN ANTONIO MSA MULTIFAMILY STATS

94.5%

average occupancy

\$1,168

average effective rent

\$1.37

average effective rent psf

\$136,575

average sales price per unit

650

new units added

1,506

new units absorbed

Source: CoStar

4Q21 ECONOMIC SNAPSHOT

	Current Level		12-Month Change	
	MSA	U.S.	MSA	U.S.
Median Household Income	64,564	69,216	7.5%	7.1%
Unemployment	5.2%	5.2%	-1.2%	-1.6%
Labor Force	1,231,584	162,569,875	1.0%	1.2%
Population	2,599,394	332,585,438	1.0%	0.2%

Source: Oxford Economics

Rent Growth

Effective rental rates continued to reach new heights throughout San Antonio, increasing more than 100 basis points during the fourth quarter.

Nationally, rents increased more than 10% between 4Q20 and 4Q21. More than 30 metropolitan areas, including San Antonio, surpassed that rate of rent growth during the same period.

San Antonio's 14% year-over-year rent growth is a function of strong economic fundamentals, as the San Antonio market reached pre-pandemic rental rates prior to the end of 2020.

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

14%
YOY rent growth YE 2021

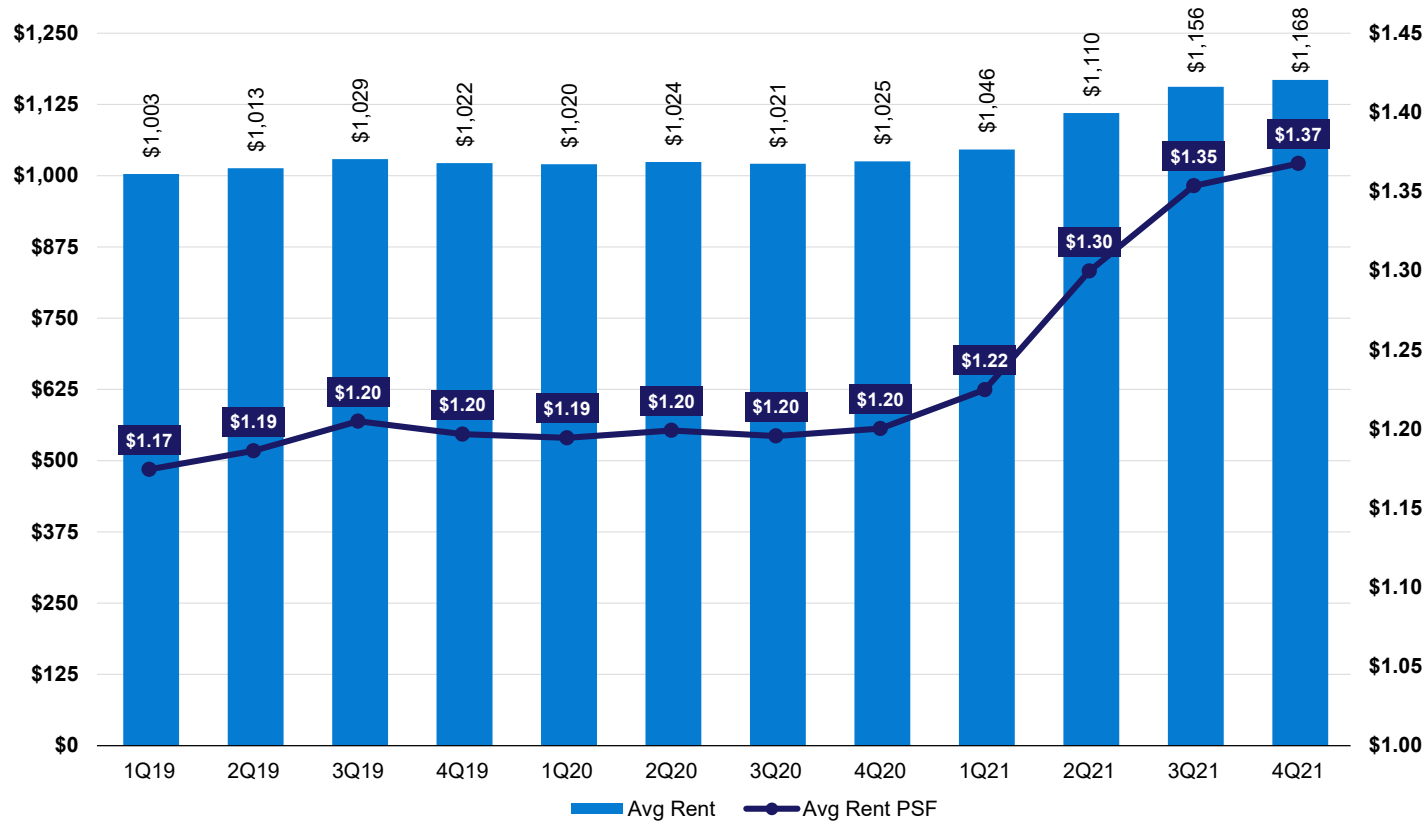
9%
estimated YOY rent growth YE 2022



Rent growth is expected across all markets in 2022 due to strong demand driven by improving economic conditions with Sunbelt markets expected to outperform the nation.

FREDDIE MAC

HISTORICAL RENTS, QUARTERLY



Source: CoStar

Supply and Demand

650 new units were added to San Antonio’s inventory during the fourth quarter, while 1,506 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. In 2021, approximately 4,180 new units were added and over 11,660 units were 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.

4,187

new units added in 2021

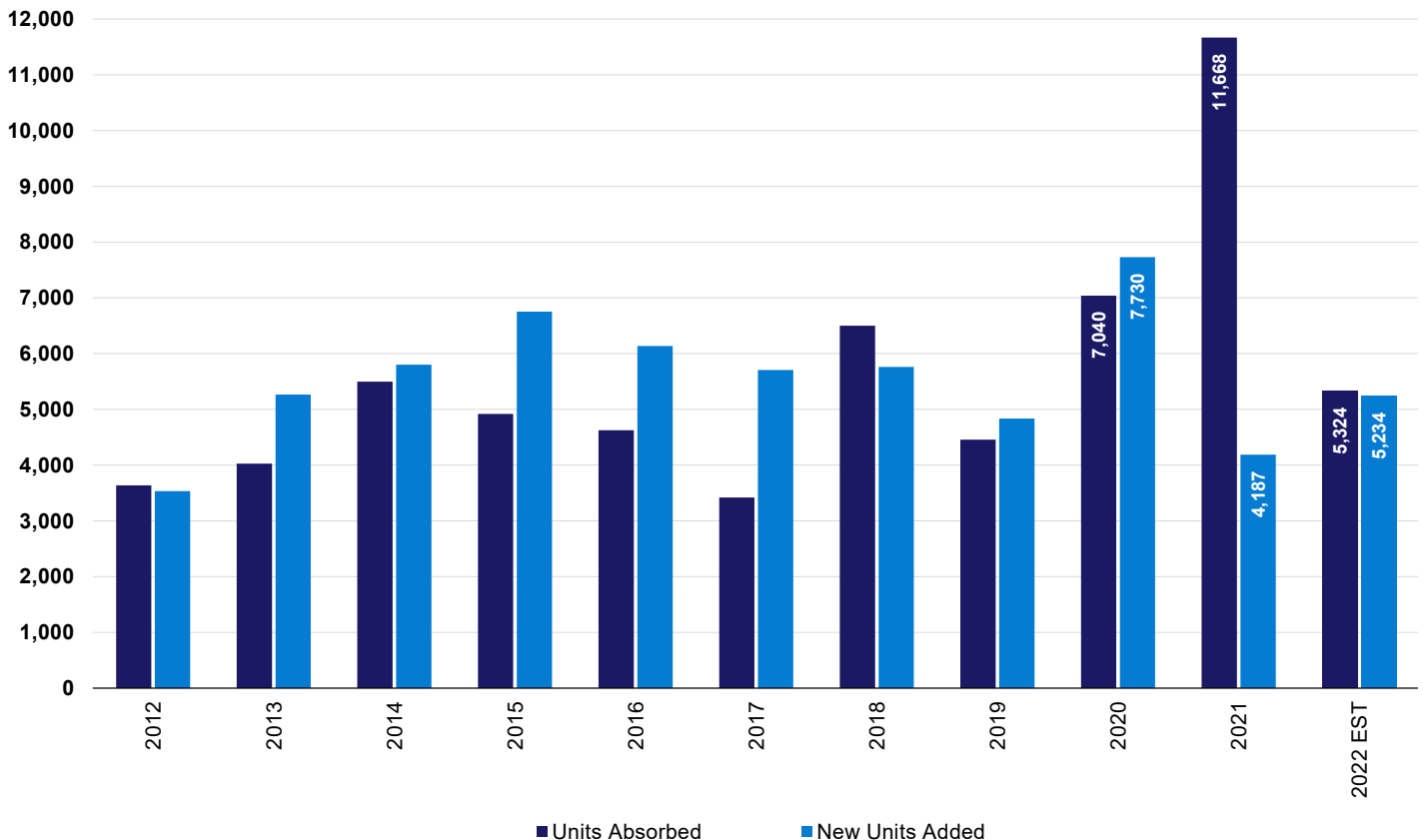
11,668

new units absorbed in 2021

5,584

average annual deliveries (2019-2021)

SUPPLY AND DEMAND, ANNUALIZED + PROJECTION

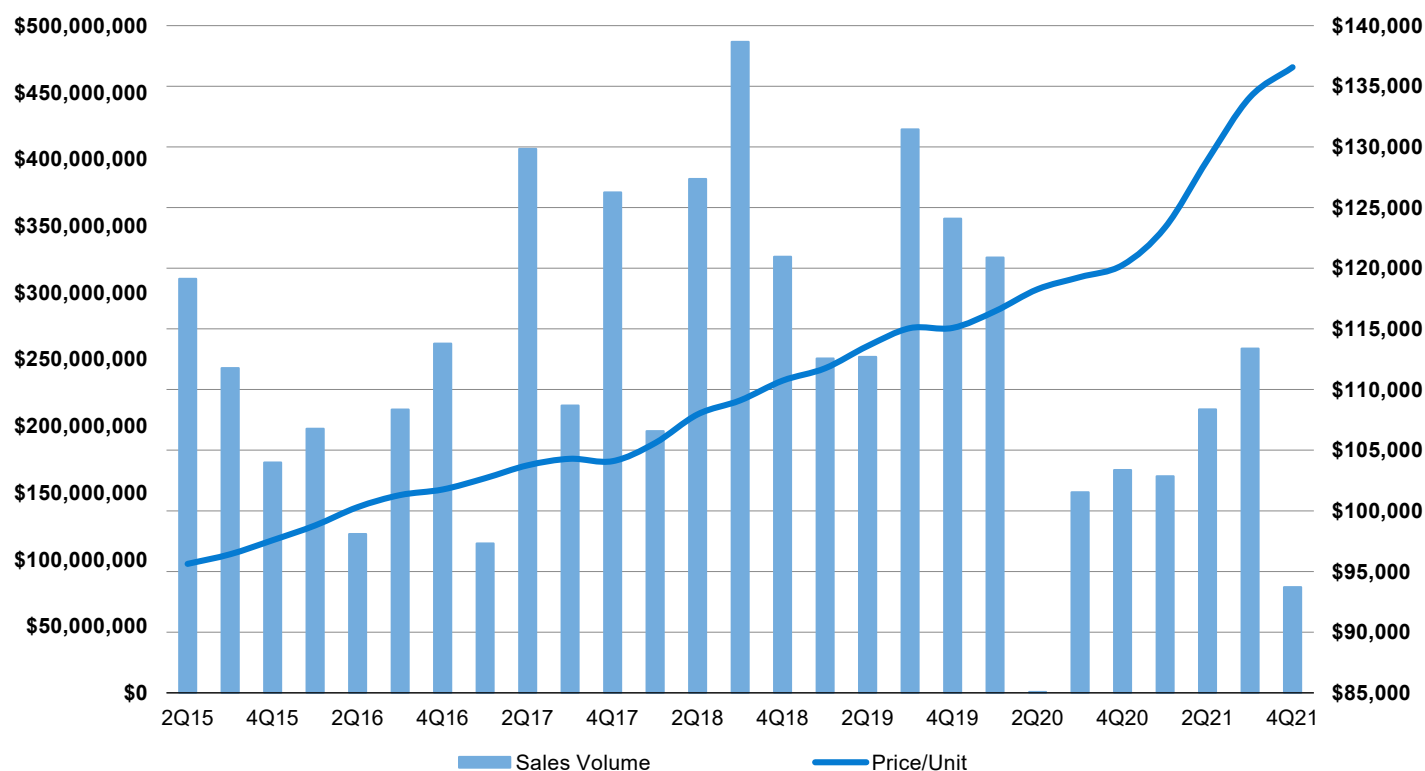


Source: CoStar

Sales Volume

San Antonio’s multifamily sales volume during 2021 totaled \$712M, representing a 10.5% increase from 2020.

SALES VOLUME, QUARTERLY



Source: CoStar

TRAILING 12 MONTH

	Low	Median	High
Sales Price	\$715,000	\$20,575,000	\$73,000,000
Price/Unit	\$52,487	\$115,160	\$239,000
Cap Rate	4.3%	5.5%	7.4%

Source: CoStar

San Antonio has become an investor favorite as the market combines high-growth prospects with value to create an attractive atmosphere for capital.

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