

CAPITAL MARKETS

# 4Q22 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.



## 4Q22 SAN ANTONIO MSA MULTIFAMILY STATS

90.8%

average occupancy

\$1,219

average effective rent

\$1.42

average effective rent psf

\$152,948

average sales price per unit

3,206

new units added

44

new units absorbed

Source: CoStar

## 4Q22 ECONOMIC SNAPSHOT

	Current Level		12-Month Change	
	MSA	U.S.	MSA	U.S.
<b>Median Household Income</b>	71,149	75,945	8.0%	8.0%
<b>Unemployment</b>	3.7%	3.6%	-0.5%	-0.6%
<b>Labor Force</b>	1,234,479	165,204,563	1.5%	1.9%
<b>Population</b>	2,636,604	332,968,469	1.1%	0.3%

Source: Oxford Economics

# Rent Growth

Effective rental rates in San Antonio increased 2.2% year-to-date, demonstrating resilience despite a national economic slowdown.

In the last 24 months, San Antonio's average effective rent has increased 15.9% while occupancy rates remain stabilized over 90%.

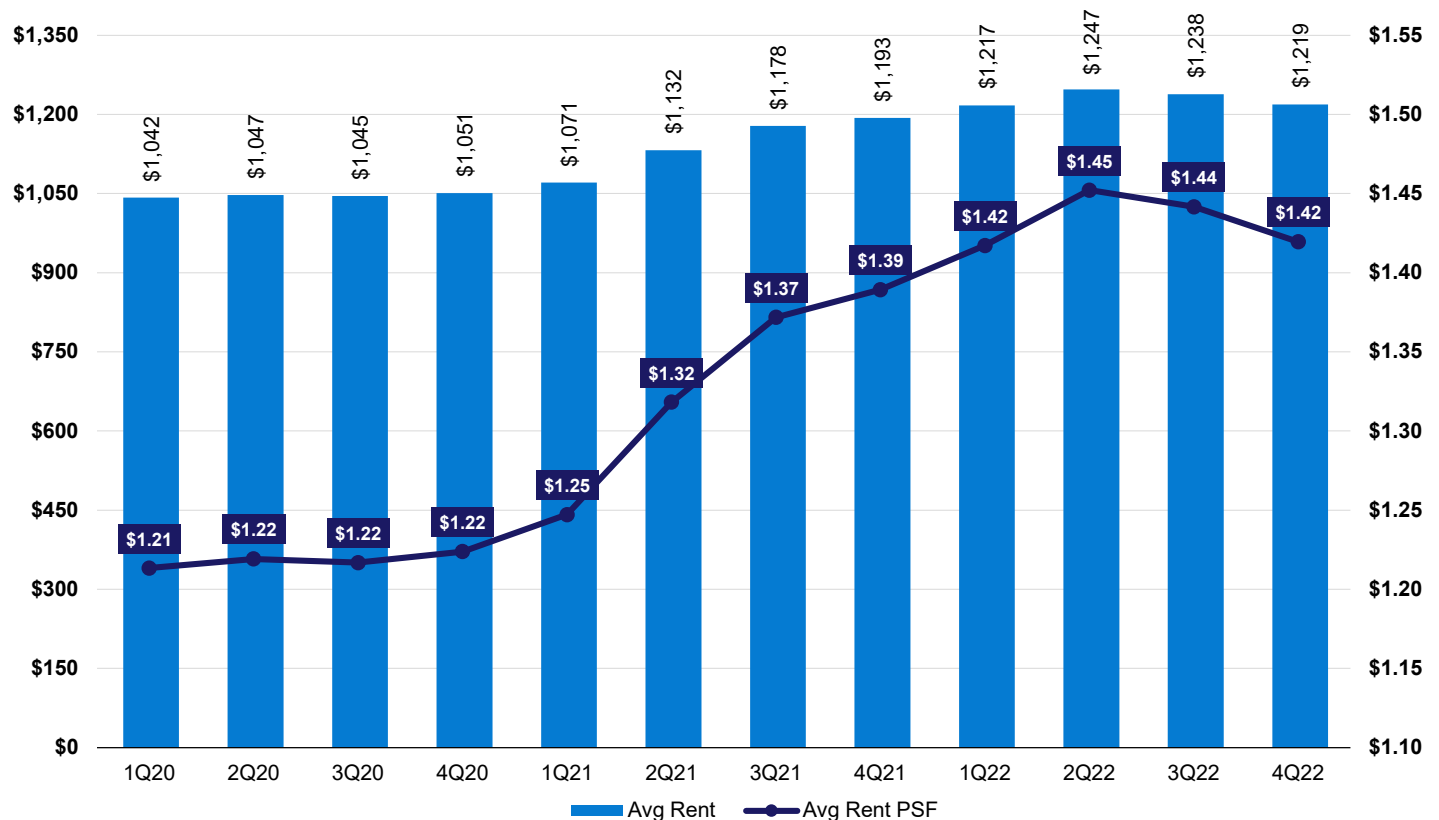
Demand is the primary driver increasing rent, fueled by the migration of renters from higher-priced metro areas to more affordable Sunbelt cities, such as San Antonio. Per CoStar, San Antonio's average asking rents are 24% below the national average, contributing to the demand for more affordable housing.

According to new data from Texas A&M University's Texas Real Estate Research Center, San Antonio's strong job growth, incoming migration and affordable housing prices are all strong foundations of economic stability. While the report notes the overall Texas housing market may show a dip in sales between 2022 and 2023, San Antonio may show slight growth.

San Antonio can expect a softer landing than other Texas cities as the economy rebounds in 2023.

TEXAS A&M UNIVERSITY'S TEXAS REAL ESTATE RESEARCH CENTER

## HISTORICAL RENTS, QUARTERLY



Source: CoStar

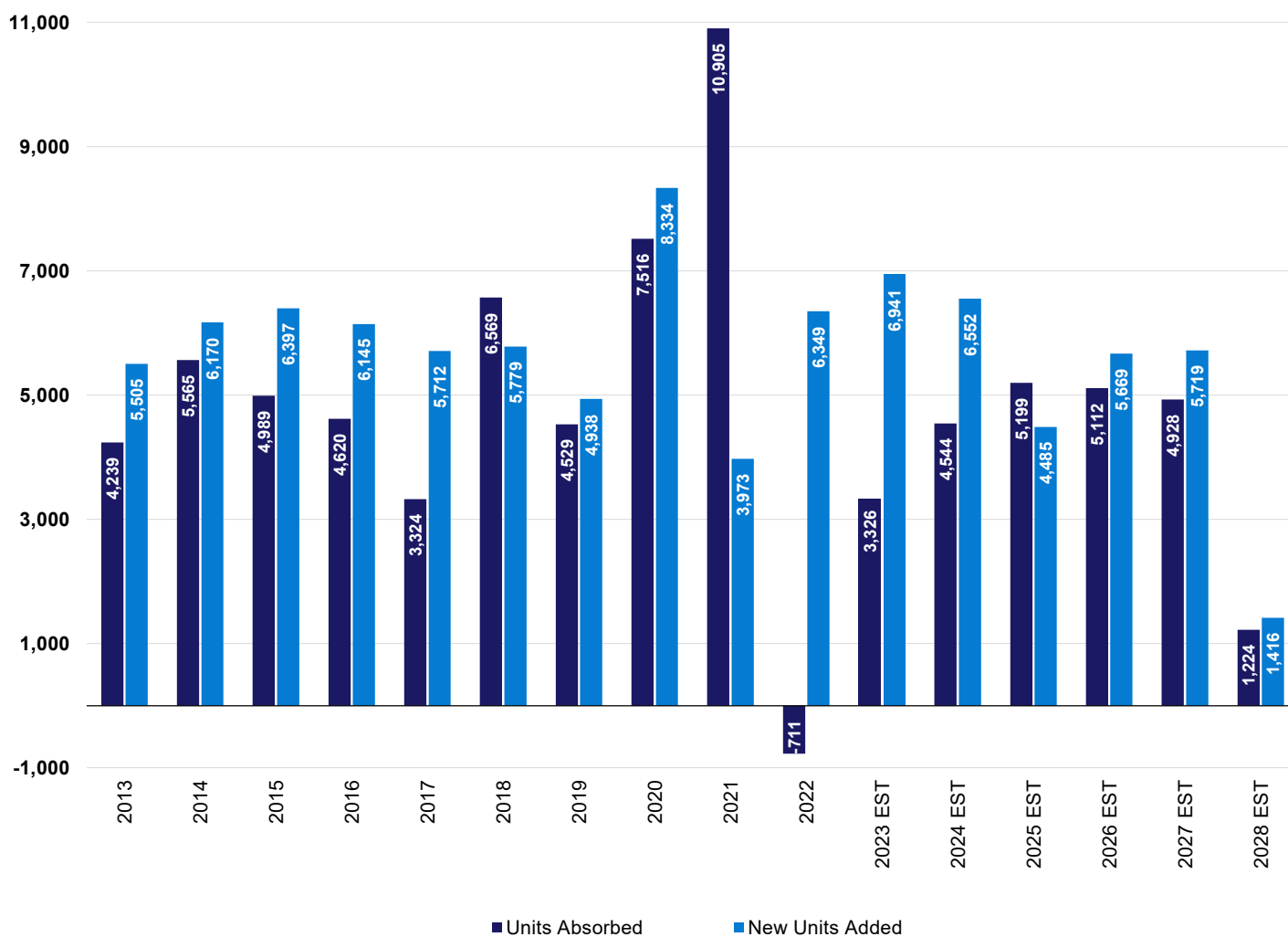
# Supply and Demand

3,206 new units were added to San Antonio’s inventory during the fourth quarter, while 2022 ended with 6,349 total units added.

According to RentCafe’s Most Competitive Rental Markets in 2022 Report, apartments in San Antonio fill up within 33 days of becoming available, while the overall apartment market finds itself at about 95% occupancy. This is positive news for owners, creating a competitive renter market with an estimated 12 prospective renters vying for every available unit.

Even as the national picture depicts a slowdown in population growth compared to decades past, San Antonio was ranked as the fastest-growing U.S. city in terms of numeric population growth between 2021 and 2022, according to population estimates released by the U.S. Census Bureau earlier this year.

## SUPPLY AND DEMAND, ANNUALIZED + PROJECTION



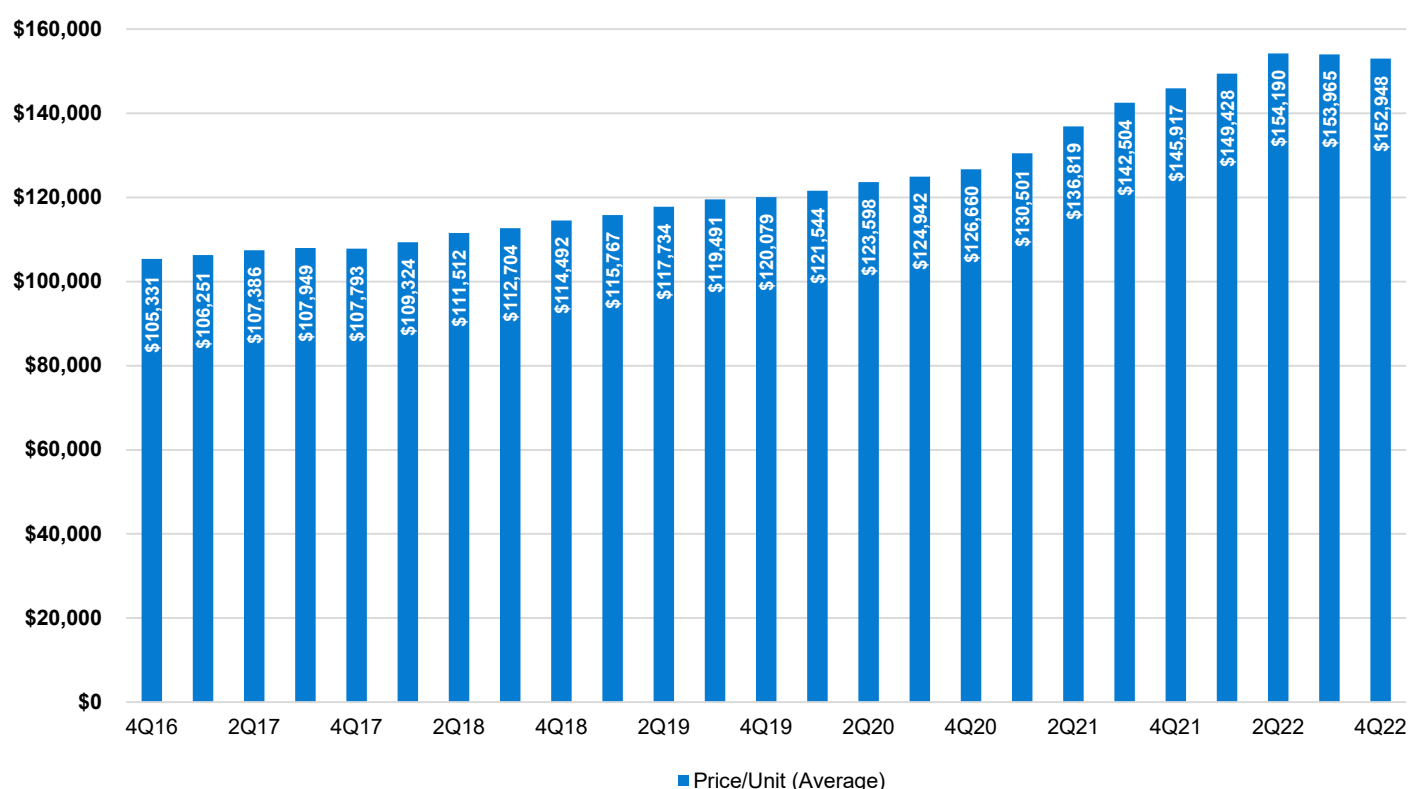
Source: CoStar



# Sales Volume

San Antonio’s average sales price per unit was \$152,948 in 4Q22, representing an 4.82% year-over-year change.

SALES VOLUME (PRICE PER UNIT), QUARTERLY



Source: CoStar

## TRAILING 12 MONTH

	Low	Median	High
<b>Sales Price</b>	\$685,000	\$29,786,992	\$150,777,500
<b>Price/Unit</b>	\$33,333	\$129,596	\$438,306
<b>Cap Rate</b>	3.3%	5.2%	9.1%

Source: CoStar

San Antonio is the #12 U.S. market to watch, due to its fast-growing population, affordability and reliable economic performance.

URBAN LAND INSTITUTE, ANNUAL EMERGING TRENDS IN REAL ESTATE 2023

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CoStar  
Oxford Economics  
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San Antonio Business Journal  
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