



## MARKET AT A GLANCE



**OCCUPANCY RATE** **90.6%**  
Down **70 bps** since 3Q16

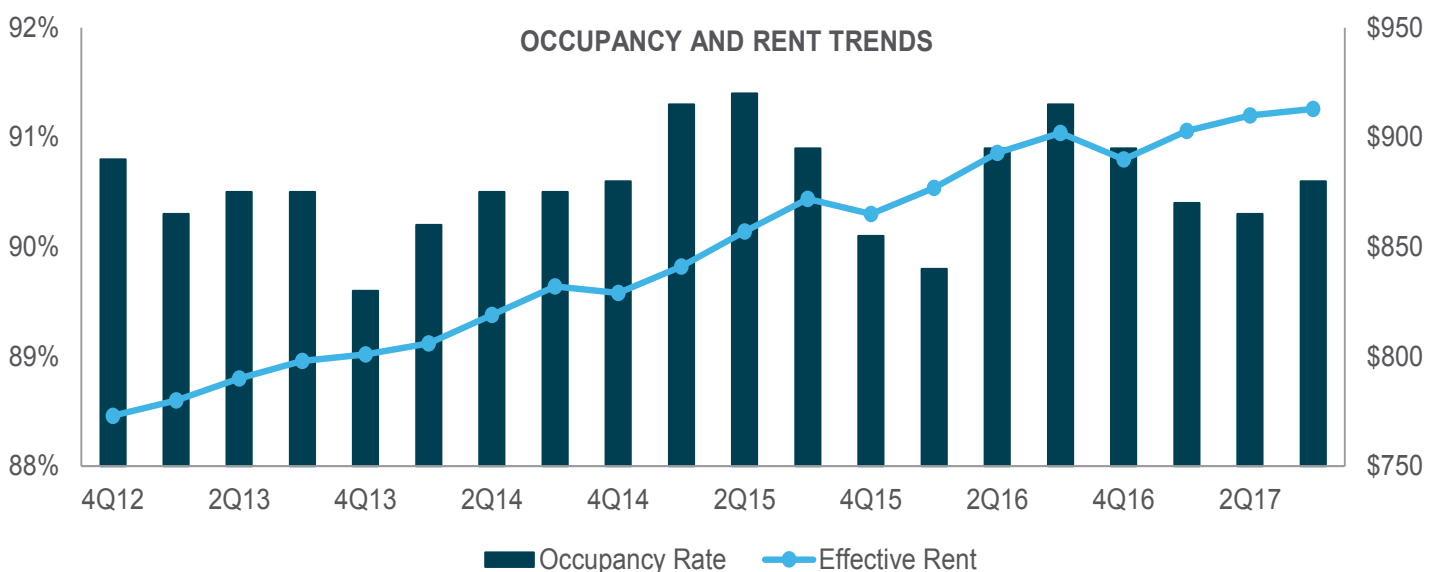


**EFFECTIVE RENT** **\$913**  
Up **1.2%** since 3Q16

## OCCUPANCY AND RENT TRENDS

### METRO DELIVERIES CONCENTRATED AMONG NORTH AND NORTHWEST AREAS

Multifamily builders in the San Antonio metro area completed 5,326 apartments since the beginning of this year, up 27% from the same period in 2016. Approximately half of the new inventory was delivered in the north and northwest portions of the metro in the neighboring UTSA/Bandera Rd./Vance Jackson and Hwy. 151/SeaWorld submarkets. As of the end of the third quarter of this year, 20 apartment communities were under construction in the metro area, totaling 4,863 units. Operators recorded net absorption of 3,825 apartments so far this year, down 37% from the first nine months of 2016. More than a third of year-to-date absorption occurred among the UTSA/Bandera Rd./Vance Jackson and Hwy. 151/SeaWorld submarkets, although leasing activity was also brisk in the Brooks AFB/I-10E and Thousand Oaks/Stone Oak/281 North submarkets. The metrowide supply imbalance fueled a 30-basis-point decrease in occupancy since the beginning of this year to 90.6% in September. Despite the reduction in occupancy, effective rent increased 2.6% during this time, reaching \$913 per month in September.



# SAN ANTONIO

## MULTIFAMILY REPORT

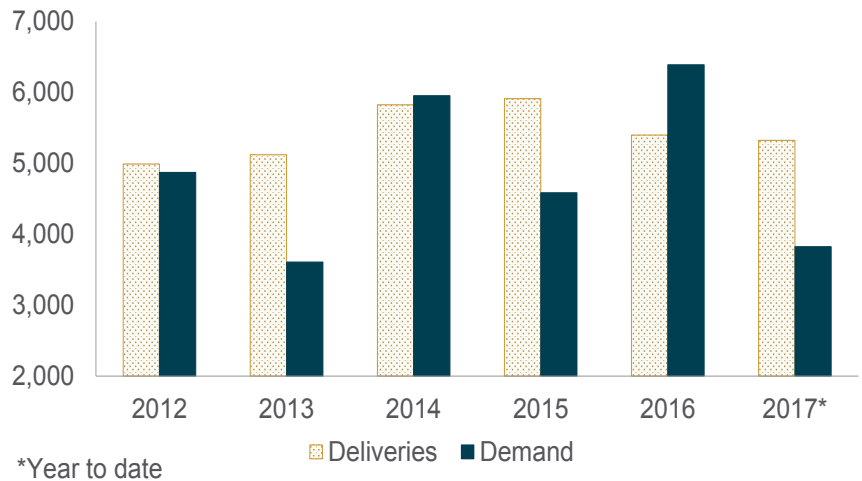
### DELIVERIES AND DEMAND



**DELIVERIES** 5,326  
Units YTD



**NET ABSORPTION** 3,825  
Units YTD



### ECONOMIC TRENDS

2016 **UNEMPLOYMENT\*** 2017  
3.8% ..... **-40 BPS** ..... 3.4%  
CHANGE

2016 **EMPLOYMENT\*** 2017  
1.02m ..... **2.4%** ..... 1.05m  
CHANGE

2016 **EXISTING SFH SALES\*\*** 2017  
35.5k ..... **12.7%** ..... 40.0k  
CHANGE

2016 **MEDIAN SFH PRICE\*\*** 2017  
\$209.6k ..... **3.3%** ..... \$216.5k  
CHANGE

2016 **10-YEAR TREASURY\*\*** 2017  
1.63% ..... **60 BPS** ..... 2.20%  
CHANGE

Metrowide employment grew 2.4% year over year as businesses and institutions hired 25,000 additional workers through August of 2017. Businesses and institutions in the education and health services sector led expansion with 9,600 newly created jobs, a 6.1% annual gain. In the professional and business services segment, companies recruited 4,900 workers, equating to 3.7% growth. Construction industry year-over-year expansion of 8.6% was boosted by several projects underway, including the \$142 million Frost Bank Tower in Downtown San Antonio. Companies in the construction industry added 4,400 workers during the last 12 months. Meanwhile, in the public sector, government agencies filled 3,400 jobs, a 2.0% increase. In the near term, Hulu LLC plans to hire 300 associates at its new campus in San Antonio, plus 200 additional workers in 2018. Over the long term, expansion at Port San Antonio and planned development at the Schumacher-UTSA Master-Planned Community District bode well for broad-based economic growth in the metro area.

\*August; \*\*September



# SAN ANTONIO

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	# OF COMMUNITIES	# OF UNITS	SIZE (SF)	PRICE (\$ / MO.)	RENTAL RATE (\$ / SF / MO.)	OCCUPANCY
Downtown/Southtown/Brackenridge	42	7,035	793	1,157	1.46	88.6%
Alamo Heights/The Quarry	37	6,503	897	1,048	1.17	89.3%
Nacogdoches Rd/Perrin Beitel Rd	50	9,663	837	797	0.95	90.1%
Windcrest/Universal City	57	11,635	806	844	1.05	92.1%
New Braunfels/Seguin	37	5,723	880	1,068	1.21	90.3%
Castle Hills/San Pedro/Jackson-Keller	50	7,619	798	741	0.93	91.5%
Blanco Rd/West Ave	54	13,936	833	890	1.07	93.4%
Thousand Oaks/Stone Oak/281 North	68	18,604	949	1,065	1.12	93.2%
Balcones Heights/St Mary's University	40	5,718	719	640	0.89	93.8%
Medical Center/USAA/Leon Valley	111	26,144	838	862	1.03	90.7%
UTSA/Bandera Rd/Vance Jackson	82	22,886	891	1,076	1.21	86.7%
Leon Springs/Boerne/Kerrville	27	3,328	913	965	1.06	82.8%
Brooks AFB/I-10E	50	9,969	818	778	0.95	90.5%
Port San Antonio/I-35S	58	9,025	845	726	0.86	90.2%
Hwy 151/SeaWorld	95	23,322	822	880	1.07	90.9%
<b>TOTALS</b>	<b>858</b>	<b>181,110</b>	<b>848</b>	<b>913</b>	<b>1.08</b>	<b>90.6%</b>



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