

# MULTIFAMILY | SAN ANTONIO INVESTMENT SALES MARKET REPORT

Vacancy compression a welcome sign, although still elevated

## Q2 2021

### EXECUTIVE SUMMARY

The improvement in recent months has only cemented San Antonio's strong performance since the onset of the pandemic. Absorption has kept up with new deliveries over the past year, and vacancies actually fell during that time. While rent growth hasn't been as strong as years past, it's seen better growth than any other Texas market. The good news is that San Antonio is still one of the country's fastest-growing metro areas. San Antonio ranked seventh nationally among major markets for population growth in 2020.

### VACANCY

Even with a global pandemic, apartment demand has been robust. In fact, San Antonio has seen more than 7,500 units absorbed over the past year, the highest figure recorded this century. That robust demand actually outpaced new deliveries over the past year, bringing vacancies down by slightly more than a full percentage point on the year. That compression in vacancy has been a welcome sign, but unfortunately for landlords, vacancies remain elevated. Only a handful of markets nationally have a higher vacancy rate than San Antonio, which puts the market in a risky position given the continued uncertainty.

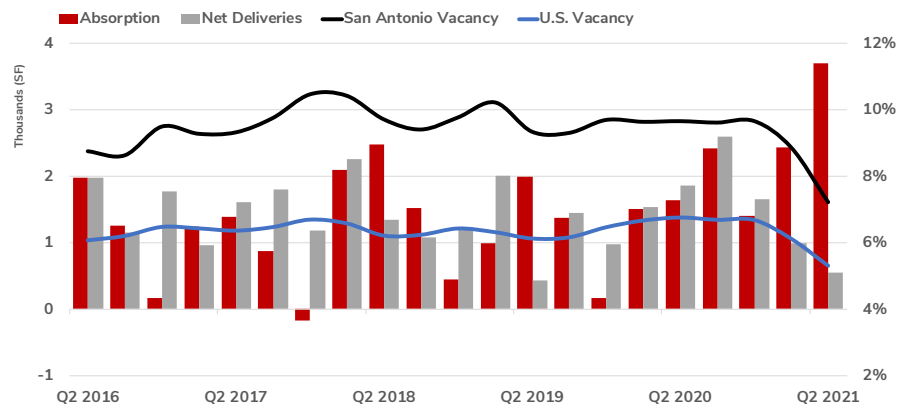
### SALES

The coronavirus outbreak caused rapid changes as transaction activity took a tailspin as buyers and sellers reported wide bid-ask spreads. But now that most investors understand the scope and depth of the pandemic, the market has thawed, and investment has come rushing back to the Alamo City. The market saw new peaks set for sales volume year after year, and based on recent movements, 2021 could surpass 2019 levels. It may point to the fact that liquidity shouldn't be as much of a concern in San Antonio as it has in years past as more than 17,000 units changed hands in 2019.

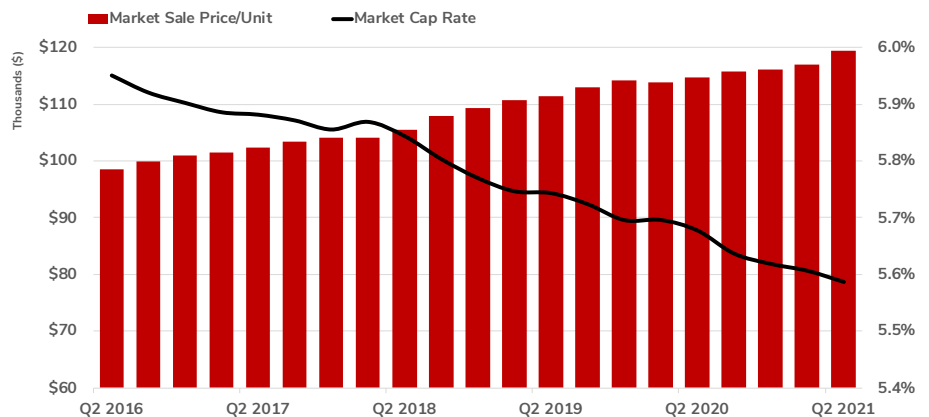
### MARKET INDICATORS

	San Antonio Market		National Index	
Market Sale Price/Unit	\$122,000	▲	\$210,000	▲
12 Mo Asking Sale Price/Unit	\$78,400	▼	\$174,000	▲
Market Cap Rate	5.5%	▼	5.5%	▼
12 Mo Sales Volume	\$472 M	▼	\$109 B	▼
12 Mo Transactions	117	▼	15,263	▼
For Sale Listings	24	▲	5,466	▲

### SUPPLY & DEMAND



### MARKET SALES PRICE & CAP RATE



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