

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
13.9% Stabilized Vacancy Rate	▲	▼
5,029 YTD Net Absorption, units	▲	▲
\$1.31 Effective Rent, PSF	▼	▬
\$85,500 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.2M San Antonio Employment	▲	▲
4.3% San Antonio Unemployment Rate	▲	▬
1.6% San Antonio Household Growth Rate YOY		
0.5% U.S. Household Growth Rate YOY		

SUPPLY AND DEMAND

San Antonio’s multifamily market advanced toward balance in Q3 as the supply pipeline continued to contract and new deliveries slowed markedly. Units under construction totaled 3,993, down 31.7% year-over-year (YOY) and more than 75% below the 2023 peak. Deliveries of 677 units marked the lowest quarterly total since at least 2021 and brought year-to-date (YTD) completions to 4,356 units, 26.2% below the same period of 2025. Three submarkets had no units under construction, limiting competitive supply in those areas.

Demand remained constructive. Net absorption totaled 1,497 units in Q3, roughly double the Q3 2025 total and 820 units above new deliveries, marking a second consecutive quarter in which absorption outpaced new supply. YTD absorption reached 5,029 units, 21.7% ahead of the prior-year pace and 673 units above YTD completions. Leasing was broad-based, with 11 of 13 submarkets recording positive YTD absorption, led by Far West San Antonio and Comal County, reflecting the depth of renter demand across the metro.

Stabilized vacancy ended the quarter at 13.9%, edging up 20 basis points (bps) quarter-over-quarter. The YOY increase, however, narrowed for a second consecutive quarter to 100 bps, the smallest since Q3 2024, indicating that leasing momentum increasingly offset recent additions to inventory. With construction activity well below peak levels and demand remaining firm, conditions appeared increasingly supportive of vacancy stabilization and eventual improvement.

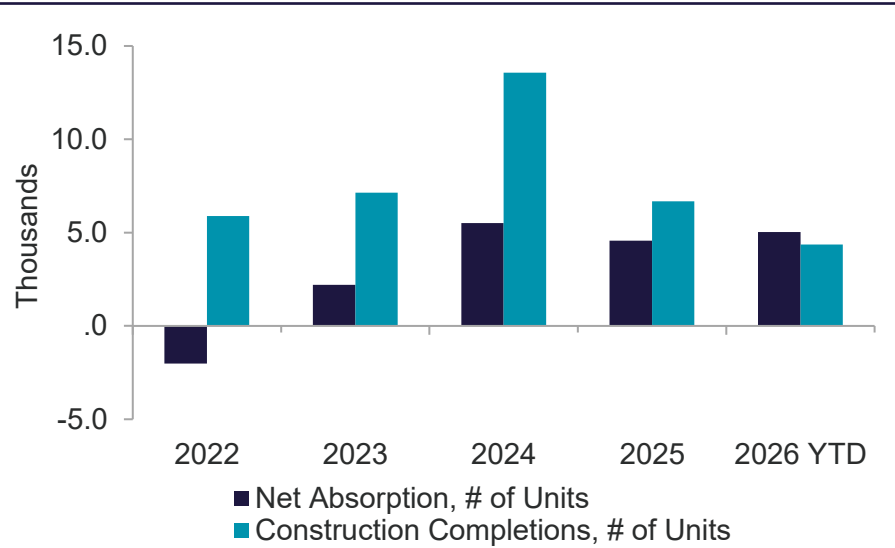
PRICING

Rent performance showed clear improvement on a YOY basis. Effective rents averaged \$1,148 per unit and \$1.31 per square foot, with the YOY decline narrowing to 3.5%, the smallest since Q1 2025. The improvement was widespread, with the pace of YOY decline easing in 11 of 13 submarkets relative to the prior quarter, and North Central San Antonio posting positive YOY growth. Moderating supply and improving absorption supported a more stable pricing backdrop.

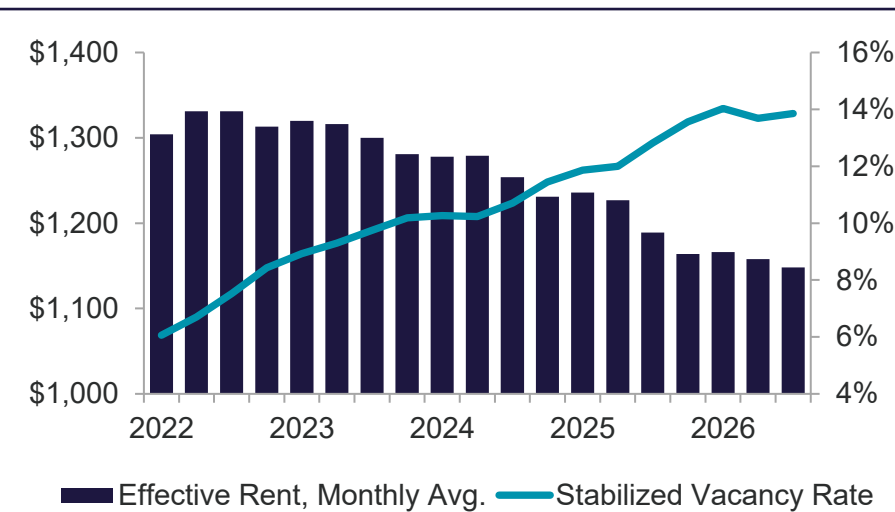
INVESTMENT SALES

Investment activity remained constructive through the first three quarters of 2026, with 29 transactions totaling 4,980 units recorded YTD, a 7.4% increase in transaction count from the same period of 2025. Improving leasing momentum, a contracting construction pipeline, and narrowing rent declines strengthened the underwriting case for multifamily assets, drawing investor interest despite a still-selective capital markets environment. Buyers increasingly targeted assets positioned to benefit from improving supply-demand fundamentals, supporting a favorable outlook for transaction activity in the coming quarters.

DEMAND / DELIVERIES



STABILIZED VACANCY & EFFECTIVE RENT



Source: BLS, BOC, Moody's Analytics, CoStar, Cushman & Wakefield Research

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	STABILIZED VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Comal County	13,618	462	3.5%	303	1,258	13.0%	20	\$1,260	\$1.31	-3.2%
Downtown San Antonio	6,709	290	4.5%	443	244	13.8%	10	\$1,427	\$1.78	-2.5%
Far West San Antonio	33,082	1,105	3.5%	740	1,379	12.7%	100	\$1,124	\$1.26	-3.1%
Guadalupe County	4,553	350	8.3%	282	485	10.7%	40	\$1,212	\$1.33	-5.7%
Kendall County	1,870	0	0.0%	324	143	8.5%	270	\$1,256	\$1.38	-9.8%
Midtown San Antonio	3,586	75	2.1%	225	224	11.3%	-10	\$1,982	\$2.28	-2.5%
North Central San Antonio	14,097	0	0.0%	0	-284	18.4%	340	\$1,146	\$1.36	0.7%
North San Antonio	39,399	0	0.0%	312	470	12.7%	-10	\$1,159	\$1.27	-4.8%
Northeast San Antonio	20,933	460	2.2%	0	261	15.0%	-10	\$1,020	\$1.22	-5.4%
Northwest San Antonio	62,641	643	1.0%	635	600	12.5%	120	\$1,122	\$1.28	-3.9%
Southeast San Antonio	13,998	864	6.6%	353	366	17.7%	360	\$1,165	\$1.31	-1.4%
Southwest San Antonio	4,644	107	2.4%	376	35	17.6%	260	\$1,017	\$1.17	-1.0%
Westside San Antonio	7,103	0	0.0%	0	-152	20.5%	290	\$897	\$1.17	-0.6%
TOTAL MARKET	226,233	4,356	2.0%	3,993	5,029	13.9%	100	\$1,148	\$1.31	-3.5%

KEY RECENT SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER BUYER	UNITS	YEAR BUILT
Westwood Plaza	Westside San Antonio	Impact Community Capital Big Blue Properties	308	1960
SkyVue	Northwest San Antonio	MBP Capital Cooper Street/Coulton Creek Capital	232	1978
Winston Square	Southwest San Antonio	Bluestone Asset Management Prosperity Equity Group	120	1972
The Selena	Southeast San Antonio	Q Investments Group Ancdi Tx Selena	119	1975

CONSTRUCTION PIPELINE HIGHLIGHTS

PROPERTY	SUBMARKET	OWNER/DEVELOPER	UNITS	EST DELIVERY
Lucia at Brooks	Southeast San Antonio	The NRP Group	353	Q1 2027
Creek Bend Apartments	North San Antonio	Pedcor Companies	312	Q2 2027
Lily Springs	Guadalupe County	Lightpath Company	282	Q2 2027
Tower Life	Downtown San Antonio	McCombs Enterprises	243	Q3 2027

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