

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
11.5% Stabilized Vacancy Rate	▲	▼
4.3K YTD Net Absorption, units	▲	▲
\$1.41 Effective Rent, PSF	▼	▲
\$77,000 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.2M San Antonio Employment	▲	▲
3.4% San Antonio Unemployment Rate	▬	▲
1.8% San Antonio Household Growth Rate YOY	▲	▲
0.9% U.S. Household Growth Rate YOY	▲	▲

ECONOMY

San Antonio continued its steady growth despite lingering economic concerns. The region’s unemployment rate remained stable compared to last year at 3.8% but remained below the national average of 4.2%. Over the past year, the region added nearly 23,000 jobs, an increase of 1.9%.

SUPPLY AND DEMAND

The multifamily market demonstrated continued momentum in Q2 2025, with fundamentals reflecting a more sustainable pace of growth and steady renter demand. Stabilized vacancy rose to 11.5%, up from 10.1% year-over-year, marking a cyclical high. While elevated vacancy is expected to persist over the next year, it is anticipated to gradually decline thereafter, indicating a long-term path toward market equilibrium.

Net absorption reached 4,252 units year-to-date (YTD), matching the pace of the first half of 2024 and already surpassing total annual absorption in both 2022 and 2023. This sustained demand highlights the market’s resilience and the strength of leasing activity, even amid elevated vacancy.

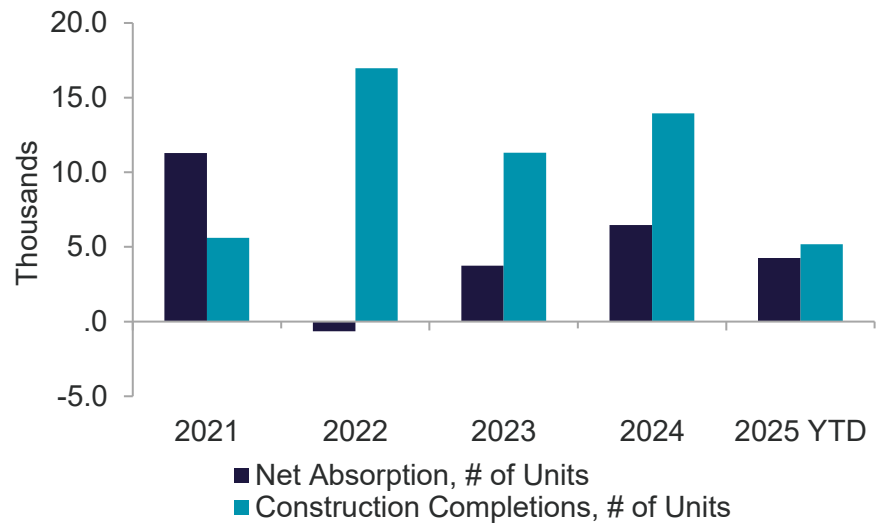
On the supply side, 5,171 units were delivered through the first half of 2025. This volume represents a notable shift toward more sustainable construction levels, especially compared to the record-setting delivery pace of the past three years. The development pipeline continues to moderate as well, with 7,481 units under construction across the market. This is a significant reduction from the peak of 22,000 units at the end of 2021 and further supports the trend toward normalized development activity.

Effective rents remained stable at the close of Q2 2025, with the average rent at \$1,247 per unit and \$1.41 per square foot. This consistency, observed over the past 18 months, underscores the market’s underlying stability despite elevated vacancy and a shifting supply landscape.

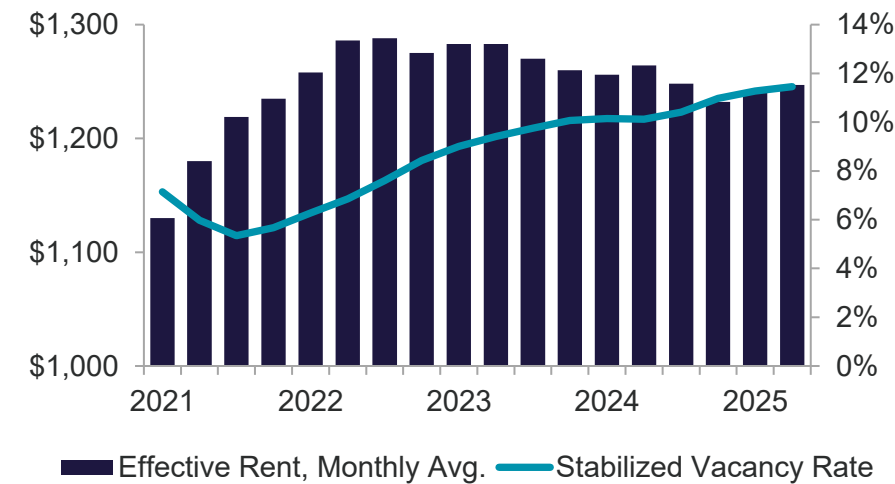
PRICING

San Antonio’s capital markets showed measured activity in 2025, with 20 transactions totaling 2,700 units YTD. Total sales volume reached approximately \$25.5M, translating to an average of \$178.3K per unit. While this represents a more subdued pace compared to peak years, it reflects a market adjusting to current economic conditions and investor expectations. San Antonio’s investment landscape is being driven primarily by private and regionally focused buyers accounting for a growing share of activity, favoring smaller, more targeted acquisitions.

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
Central/Downtown	7,392	63	0.9%	849	145	10.3%	60	\$1,523	\$1.91	0.6%
Comal County/New Braunfels	16,548	676	4.3%	1,026	752	10.9%	239	\$1,416	\$1.50	-5.3%
Far West	38,390	740	2.0%	1,751	963	10.9%	167	\$1,244	\$1.40	-2.6%
Guadalupe County/Seguin	7,003	0	0.0%	596	302	7.7%	72	\$1,284	\$1.40	-4.5%
Kendall County/Boerne	2,737	0	0.0%	406	31	7.6%	50	\$1,467	\$1.61	-3.2%
Midtown	4,234	716	20.4%	80	293	14.8%	199	\$1,869	\$2.22	1.3%
North	41,806	565	1.4%	350	682	10.8%	118	\$1,308	\$1.43	-1.8%
North Central	16,503	65	0.4%	0	-2	12.0%	13	\$1,198	\$1.42	1.2%
Northeast	26,908	587	2.2%	640	-132	12.9%	192	\$1,146	\$1.32	0.8%
Northwest	67,257	263	0.4%	518	560	10.9%	109	\$1,256	\$1.43	-1.3%
Southeast	23,971	441	1.9%	977	318	12.5%	115	\$1,176	\$1.34	0.9%
Southwest	10,878	644	6.3%	288	314	13.1%	7	\$1,041	\$1.15	-3.7%
Westside	13,996	411	3.0%	0	26	13.4%	337	\$959	\$1.16	1.0%
TOTAL MARKET	277,623	5,171	1.9%	7,481	4,252	11.5%	134	\$1,247	\$1.41	-1.3%

KEY RECENT SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER   BUYER	UNITS	YEAR BUILT
Heritage Plaza	Downtown	Cypress Real Estate Advisors   RPM	341	2020
The Flats at Big Tex	Downtown	The Accend Companies   Kairoi Residential	338	2016
Escapade	North	Arbor Realty Trust   DGE Investments	319	1976
The Keller	Northwest	Arbor Realty Trust   DGE Investments	318	1981

CONSTRUCTION PIPELINE HIGHLIGHTS

PROPERTY	SUBMARKET	OWNER/DEVELOPER	UNITS	EST DELIVERY
Prose On The Range	Far West	Alliance Residential	384	Q3 2025
Landhaus at Gruene	Comal County	BridgeView Real Estate	356	Q3 2025
Hartwin Bulverde	North	Daniel Corporation	350	Q3 2025
Aviator 1518	Northeast	The NRP Group	300	Q3 2025

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