COMPREHENSIVE HOUSING MARKET ANALYSIS
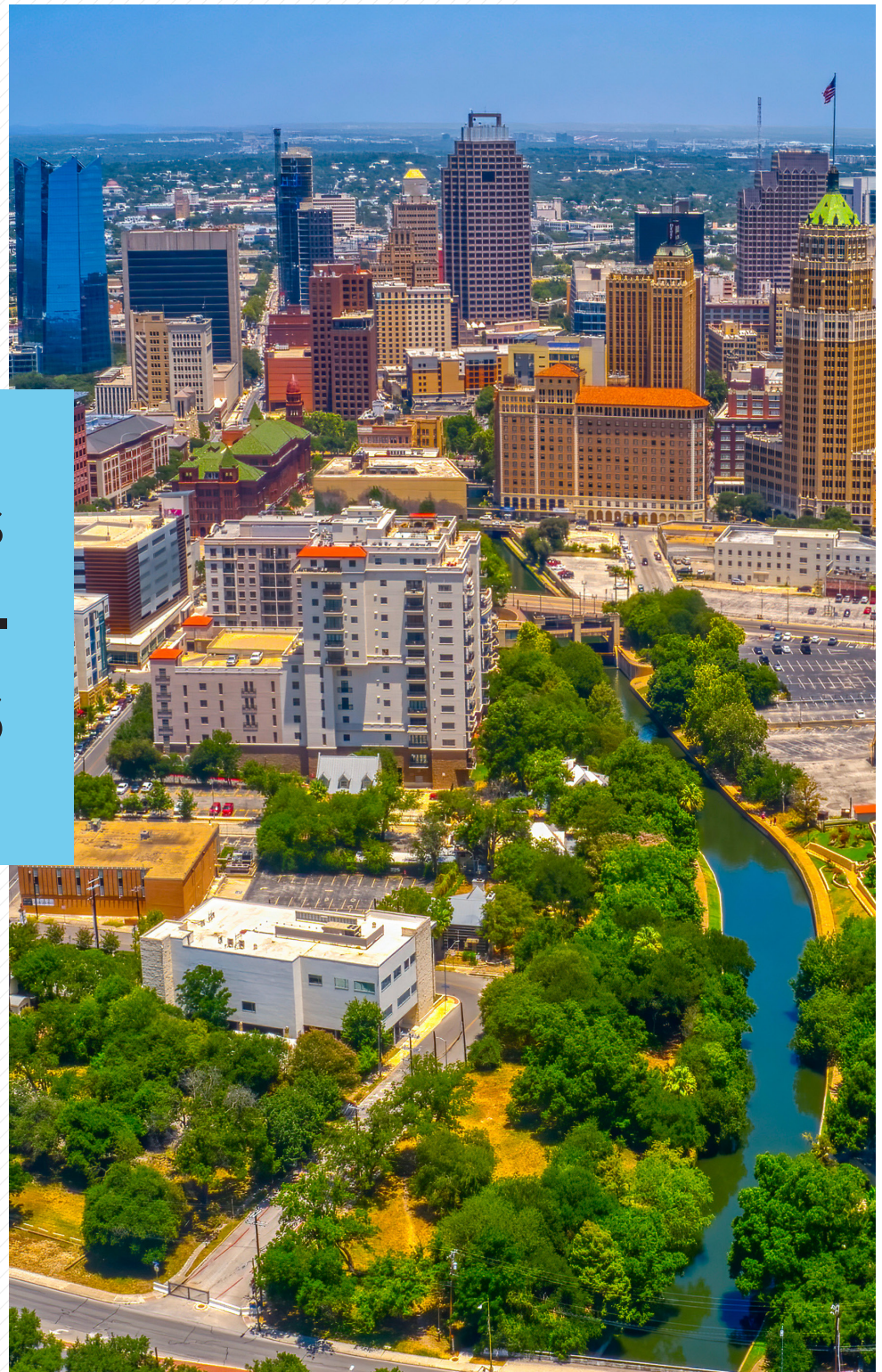
San Antonio-New Braunfels, Texas

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

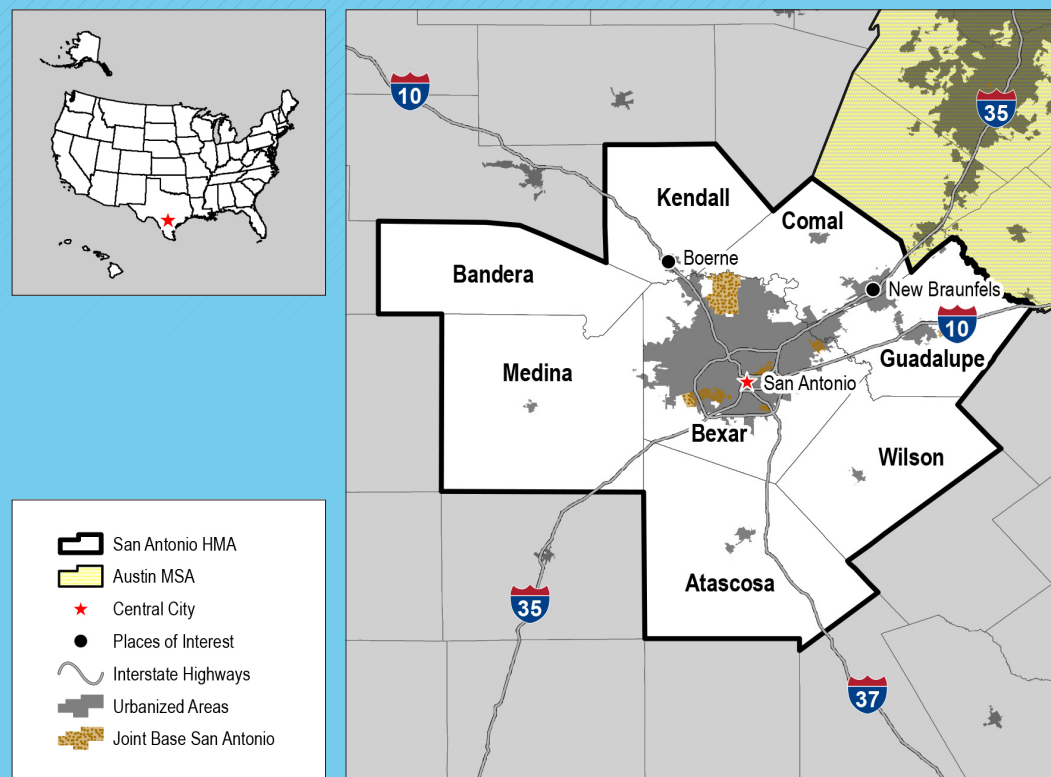As of October 1, 2024

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Executive Summary

Housing Market Area Description

The San Antonio-New Braunfels Housing Market Area (hereafter, San Antonio HMA), which is coterminous with the San Antonio-New Braunfels, TX Metropolitan Statistical Area, encompasses eight counties in south-central Texas. The principal city of San Antonio, the seventh most populous in the United States, is in Bexar County, the central county in the HMA. Atascosa, Bandera, Comal, Guadalupe, Kendall, Medina, and Wilson Counties surround Bexar County. Comal County, northeast of San Antonio, was the fourth fastest growing county in the nation from 2020 to 2023 in percentage terms (U.S. Census Bureau decennial census counts and population estimates as of July 1).

The current population of the HMA is estimated at 2.77 million.

The HMA is an international tourist destination, attracting visitors to the Alamo, the San Antonio Riverwalk, SeaWorld, and Six Flags Fiesta Texas. The HMA attracted an estimated 35.6 million visitors, generating an economic impact of an estimated $21.5 billion in 2023 (*The Economic Impact of San Antonio's Hospitality Industry: 2024 Report*, Trinity University). The HMA is also home to a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site, San Antonio Missions, which includes Spanish frontier mission complexes along the San Antonio River. In 2017, UNESCO designated the city of San Antonio a Creative City of Gastronomy because of the wide variety of foods available in the city.

Legend:
- San Antonio HMA
- Austin MSA
- ★ Central City
- ● Places of Interest
- Interstate Highways
- Urbanized Areas
- Joint Base San Antonio

Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Strong: Nonfarm payrolls during the 12 months ending September 2024 increased by 29,000 jobs, or 2.5 percent, from the previous 12 months.

Nonfarm payrolls were up in 10 of the 11 sectors in the San Antonio HMA during the 12 months ending September 2024, with the government sector leading gains, increasing by 6,800 jobs, or 3.8 percent, from the previous 12 months. The unemployment rate in the HMA during the 12 months ending September 2024 averaged 3.7 percent, down from 3.8 percent during the previous 12 months. During the 3-year forecast period, nonfarm payrolls are expected to continue the strong growth trend and increase an average of 2.0 percent annually.

Sales Market

Balanced: The sales vacancy rate is estimated at 1.8 percent, up slightly from 1.7 percent in April 2020, when the sales market was also balanced.

During the 12 months ending September 2024, home sales totaled 55,150, a decline of 3,750, or more than 6 percent, from the previous 12 months (Zonda). The average sales price of a home was $351,900 during the 12 months ending September 2024, down by $8,775, or nearly 2 percent, from the previous 12 months. During September 2024, the HMA had 5.2 months of inventory for sale, up from 4.2 months 1 year earlier (Texas Real Estate Research Center at Texas A&M University). During the forecast period, demand is estimated for 46,450 new sales units. The 6,000 units under construction will satisfy a small portion of that demand.

Rental Market

Soft: The apartment vacancy rate has more than doubled in the past 36 months, from 6.3 percent as of the third quarter of 2021 to 13.6 percent as of the third quarter of 2024 (CoStar Group).

The overall rental market is soft, with a 13.3-percent estimated vacancy rate, up from 10.4 percent in April 2020. The average monthly rent for an apartment in the San Antonio HMA is currently $1,289, down by 2 percent from 1 year earlier. Very low interest rates coupled with record levels of absorption spurred developers to increase the production of apartment units rapidly during 2022, and permitting was more than 50 percent higher than the previous all-time peak in 2021. The surge in units delivered during the past 24 months and a decline in absorption caused apartment market conditions to soften significantly. During the forecast period, demand is estimated for 6,775 new rental units. The 12,600 units under construction significantly exceed the forecast demand and will likely contribute to continued soft market conditions.

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3-Year Housing Demand Forecast		
	Sales Units	Rental Units
San Antonio-New Braunfels HMA **Total Demand**	46,450	6,775
Under Construction	6,000	12,600

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2024. The forecast period is October 1, 2024, to October 1, 2027.
Source: Estimates by the analyst

Economic Conditions

Largest Sector: Government

> Government is the largest nonfarm payroll sector in the San Antonio HMA, accounting for 16 percent of all jobs.

Primary Local Economic Factors

The city of San Antonio is known as Military City USA because of its large military presence. Joint Base San Antonio (JBSA) is the largest employer in the HMA, with 82,600 military and civilian employees (Table 1), and had an economic impact of $55 billion during 2023 (Texas Comptroller of Public Accounts). Also, JBSA is the largest Department of Defense installation in the nation. It was formed in October 2010 by consolidating Fort Sam Houston, Lackland Air Force Base (AFB), and Randolph AFB, a recommendation of the 2005 Base Realignment and Closure Commission. Known as the Gateway to the Air Force, JBSA is where more than 36,000 Air Force personnel complete basic training each year and is the only basic training location in the nation for enlisted Air Force personnel. The tri-service Medical Education and Training Campus includes 48 medical education programs, which train 16,500 Army, Navy, and Air Force enlisted medical personnel each year.

The HMA is a popular tourist destination, contributing to job growth in both the wholesale and retail trade and the leisure and hospitality sectors, the fourth and fifth largest nonfarm payroll

Figure 1. Share of Nonfarm Payroll Jobs in the San Antonio HMA, by Sector
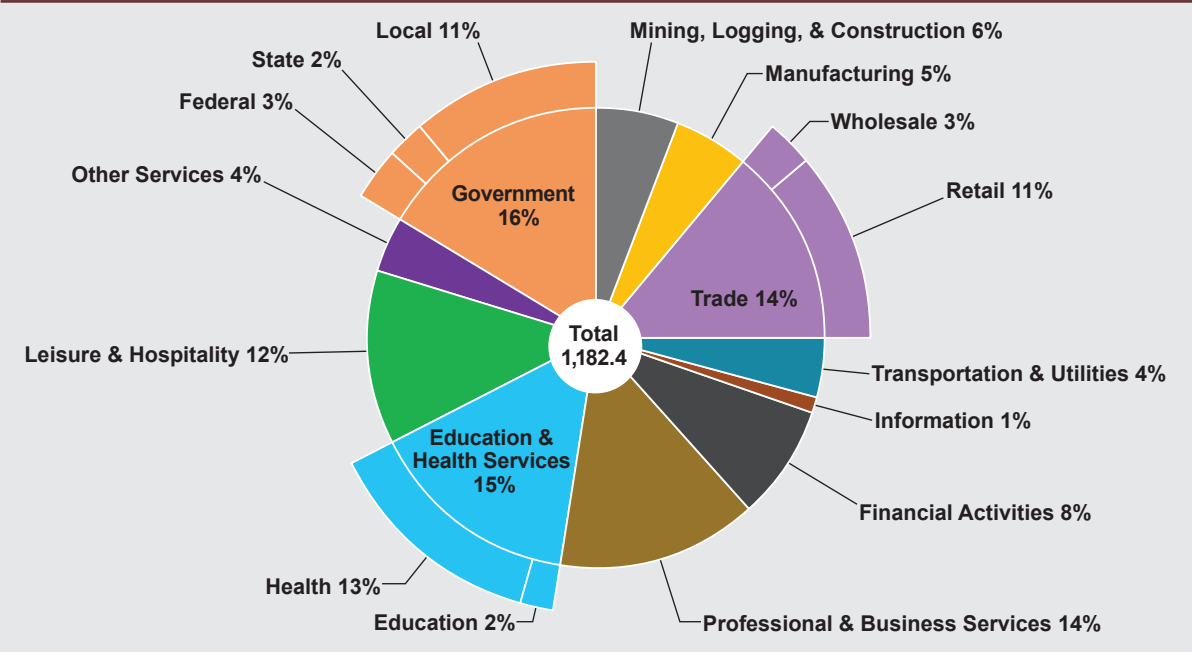
Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through September 2024. Excludes uniformed military personnel.
Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the San Antonio HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Joint Base San Antonio	Government	82,600
H-E-B, LP	Wholesale & Retail Trade	20,000
United Services Automobile Association	Financial Activities	19,000
Methodist Healthcare	Education & Health Services	12,000
UT Health San Antonio	Government	7,930
Baptist Health System	Education & Health Services	6,490
Rush Enterprises, Inc.	Wholesale & Retail Trade	6,000
Whataburger Restaurants LLC	Leisure & Hospitality	5,625
TaskUs, Inc.	Professional & Business Services	4,600
JPMorgan Chase & Co.	Financial Activities	4,400

Notes: Excludes local school districts. Joint Base San Antonio (JBSA) includes Lackland Air Force Base, Fort Sam Houston, and Randolph Air Force Base. Data for JBSA include 51,700 uniformed military personnel, who are not included in nonfarm payroll survey data.
Sources: Texas Comptroller of Public Accounts; Greater SATX Regional Economic Partnership

sectors, respectively. Attractions such as the Texas Hill Country and rivers that flow through the HMA, which provide outdoor recreation opportunities, draw tourists. In addition to the Alamo, the top tourist attraction in Texas, the HMA is home to several art galleries, museums, and theaters. Historic Market Square, the Pearl District, and the La Villita Historic Arts Village provide visitors with opportunities to experience local culture and food. Considered the origin of Tex-Mex cuisine, San Antonio was recognized as one of the top 12 Cities of Gastronomy, part of the worldwide UNESCO Creative Cities Network.

Two Fortune 500 companies are headquartered in the HMA: Valero Energy Corporation and United Services Automobile Association (USAA), an insurance company. USAA is the third largest employer in the HMA, with 19,000 employees. In addition to these two large publicly traded companies, the HMA is also the headquarters location of grocery company H-E-B, LP (hereafter, H-E-B), the fifth largest privately held company in the nation and the largest private employer in the HMA, with 20,000 employees in the corporate offices and stores in the HMA (Map 1). With $43 billion in annual sales and 60 stores in the HMA, H-E-B was named Top Grocery Retailer in the nation in the 2025 dunnhumby Retailer Preference Index.

The city of San Antonio is a major medical center, serving a large area in south Texas, with many people traveling for medical care from the more rural areas. Also, with many retirees in the HMA,

Map 1. H-E-B, LP Locations in the San Antonio HMA
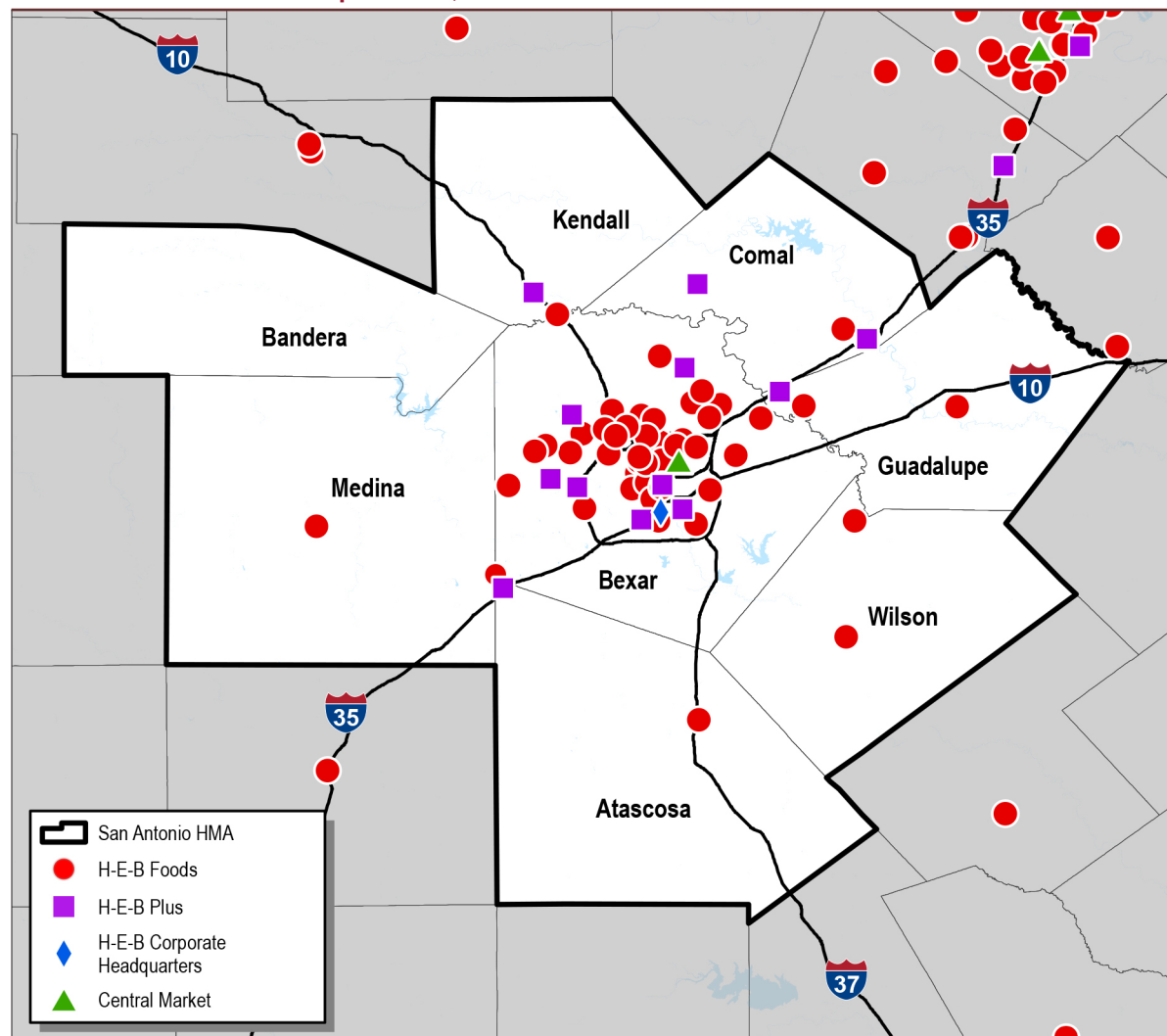
demand for medical services is strong, contributing to the education and health services sector being the second largest nonfarm payroll sector, with 15 percent of all jobs (Figure 1). The South Texas Medical Center, in northwest San Antonio, is the largest medical center in the HMA, with a 900-acre campus that

has 12 major hospitals and 75 medical institutions, including major employers UT [University of Texas] Health San Antonio, Methodist Healthcare, and Baptist Health System. The South Texas Medical Center had an estimated economic impact on the HMA of more than $11 billion during 2022 and a workforce of more than 27,700 people (UTSA Center for Community and Business Research).

Current Conditions—Nonfarm Payrolls

Nonfarm payrolls during the 12 months ending September 2024 totaled more than 1.18 million jobs, an increase of 29,000, or 2.5 percent, from the previous 12 months (Table 2). The government sector led job growth, increasing by 6,800 jobs, or 3.8 percent, from the previous 12 months. Most of the job growth was in the local government subsector, which increased by 5,400 jobs, or 4.5 percent, as strong population growth increased the demand for local government services, including schools. The mining, logging, and construction sector had the largest percentage increase during the 12 months ending September 2024, up 4.6 percent

and adding 3,300 jobs. Most of that gain was in the construction subsector, which added 3,200 jobs, an increase of 5.0 percent. Among the projects contributing to growth in this sector was a new factory on a 400-acre site in the South Side of the city of San Antonio for J.C. Bamford Excavators Ltd., a British equipment manufacturing company. Several new hospitals are also under construction in the HMA. The new $550 million University Health Palo Alto Hospital broke ground in January 2024. UT Health San Antonio is building a new $100 million Center for Brain Health, expected to be complete in late 2025. The education and health services sector added the second greatest number of jobs during the 12 months ending September 2024, increasing by 6,300, or 3.6 percent, from a year ago to 182,200 jobs. Baptist Health System added 500 jobs with the completion of the Westover Hills Baptist Hospital and several smaller clinics throughout the HMA in the summer of 2024. Although the transportation and utilities sector grew by only 1.1 percent during the 12 months ending September 2024, it has been the fastest growing sector in the HMA since 2011, far surpassing growth in other sectors. Figure 2 shows nonfarm payroll growth by sector from 2011 to current.

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the San Antonio HMA, by Sector

	12 Months Ending Sep 2023	12 Months Ending Sep 2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**1,153.4**	**1,182.4**	**29.0**	**2.5**
Goods-Producing Sectors	131.5	136.7	5.2	4.0
Mining, Logging, & Construction	71.0	74.3	3.3	4.6
Manufacturing	60.5	62.4	1.9	3.1
Service-Providing Sectors	1,021.8	1,045.7	23.9	2.3
Wholesale & Retail Trade	161.5	163.3	1.8	1.1
Transportation & Utilities	45.0	45.6	0.6	1.3
Information	18.1	17.1	-1.0	-5.5
Financial Activities	99.4	100.3	0.9	0.9
Professional & Business Services	161.0	161.9	0.9	0.6
Education & Health Services	175.9	182.3	6.4	3.6
Leisure & Hospitality	141.2	146.9	5.7	4.0
Other Services	40.6	42.4	1.8	4.4
Government	179.4	186.1	6.7	3.7

Notes: Based on 12-month averages through September 2023 and September 2024. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

**Figure 2. Sector Growth in the San Antonio HMA, 2011 to Current**
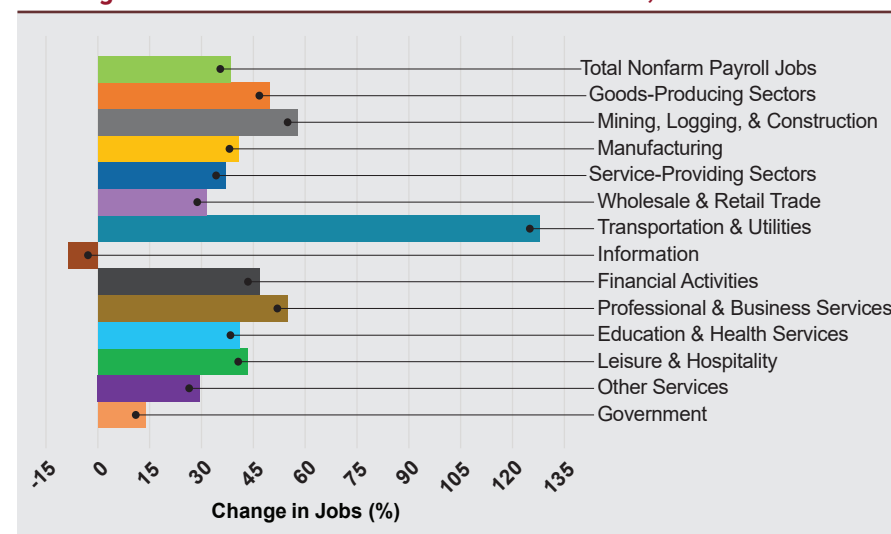
Note: Current data are based on the 12-month averages ending September 2024.
Source: U.S. Bureau of Labor Statistics

Current Conditions— Unemployment

The unemployment rate in the HMA averaged 3.7 percent during the 12 months ending September 2024, down slightly from 3.8 percent during the previous 12 months. The unemployment rate in the HMA is below the national rate of 3.9 percent, and historically, the unemployment rate in the fast growing HMA has been below the national average. One exception was during 2022, when the unemployment rate drifted slightly higher than the national average because the tourism industry in the HMA was one of the slowest to recover from the COVID-19 pandemic. Figure 3 shows the 12-month average unemployment rate in the HMA and the nation.

Figure 3. 12-Month Average Unemployment Rate in the San Antonio HMA and the Nation
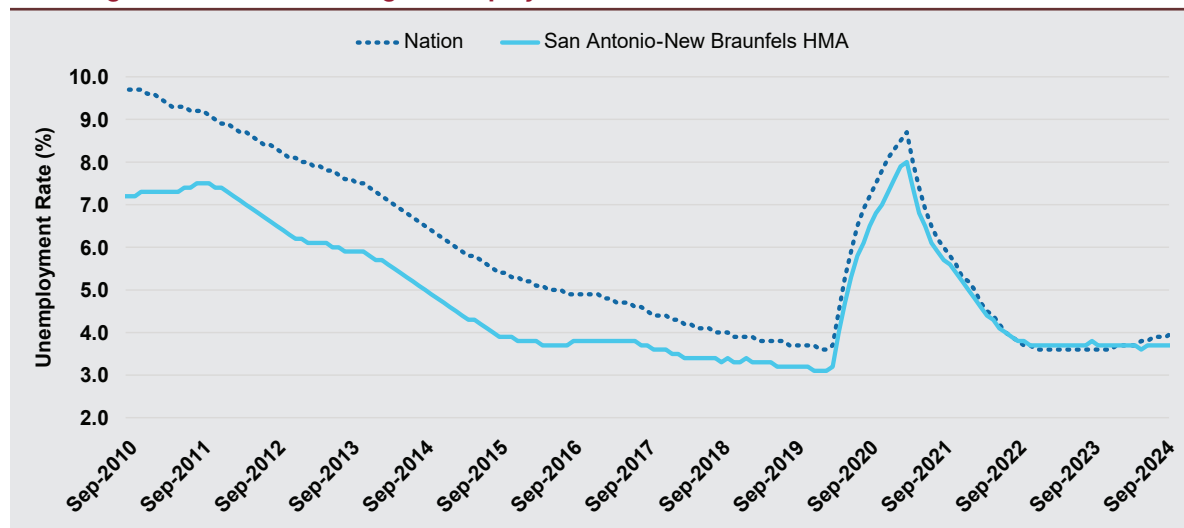
Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

2011 Through 2016

Economic growth was strong in the HMA from 2011 through 2016 as the area rapidly recovered from the Great Recession and entered a prolonged period of expansion beginning in 2012. With job growth attracting people to the HMA and creating increased demand for goods and services, every nonfarm payroll sector expanded, and nonfarm payroll growth averaged 27,000 jobs, or 2.9 percent, annually during these years. The education and health services and the leisure and hospitality sectors led job gains, each adding an average of 4,500 jobs, or increases of 3.2 and 4.0 percent, annually, respectively. On a percentage basis, the transportation and utilities sector had the most rapid expansion, increasing an average of 6.7 percent annually, adding an average of 1,600 jobs a year. Much of the increase was the result of a boom in energy production in the Eagle Ford Shale play, a 27-county area that includes Atascosa and Wilson Counties (Map 2). Energy production in the Eagle Ford Shale play created transportation jobs to move material and equipment for fracking operations, and many of the companies that provided those services were in the HMA.

2017 Through 2019

Nonfarm payroll growth from 2017 through 2019 slowed from the previous period but remained strong. Nonfarm payrolls increased by an average of 20,200 jobs, or 2.0 percent, annually. The

Map 2. Eagle Ford Shale

Legend:
- San Antonio HMA
- Eagle Ford Shale
- Place of Interest
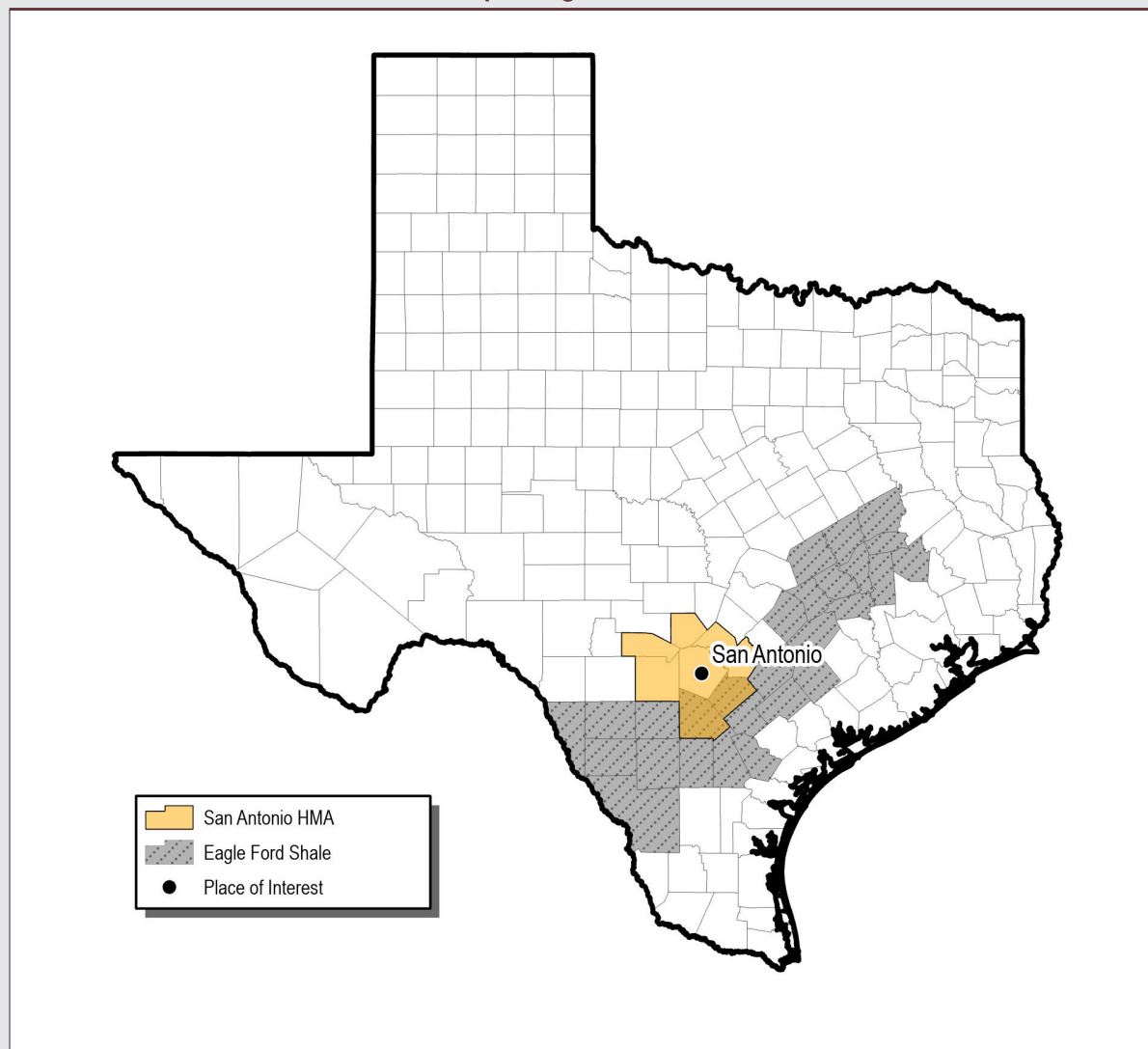
education and health services sector, which was up an average of 3,900 jobs, or 2.5 percent, annually, led job gains. Continued population growth contributed to increasing demand for healthcare during these years. The mining, logging, and construction sector had the largest percentage increase, averaging 5.2 percent annually, adding an average of 3,200 jobs each year. The construction of the 23-story Frost Tower in Downtown San Antonio, which was completed in 2019, contributed to this growth. Another major construction project was the expansion of Interstate 10 in the eastern part of the HMA to increase the capacity of the highway to accommodate the growing population.

2020

With the onset of the pandemic and the subsequent recession, jobs declined, but the rate of job loss in the HMA was less severe than job losses in the nation, helped by the presence of large government employers. During 2020, nonfarm payrolls in the HMA declined by 50,500 jobs, or 4.7 percent, compared with a decline of 5.8 percent nationally. During 2020, 10 of the 11 employment sectors lost jobs; the notable exception was the transportation and utilities sector, which added 2,200 jobs, a 6.8-percent increase, because the demand for online purchases and delivery services spiked. The leisure and hospitality sector declined by 26,000 jobs and accounted for more than 50 percent of all job losses during 2020. Figure 4 shows the 12-month average nonfarm payrolls in the HMA.
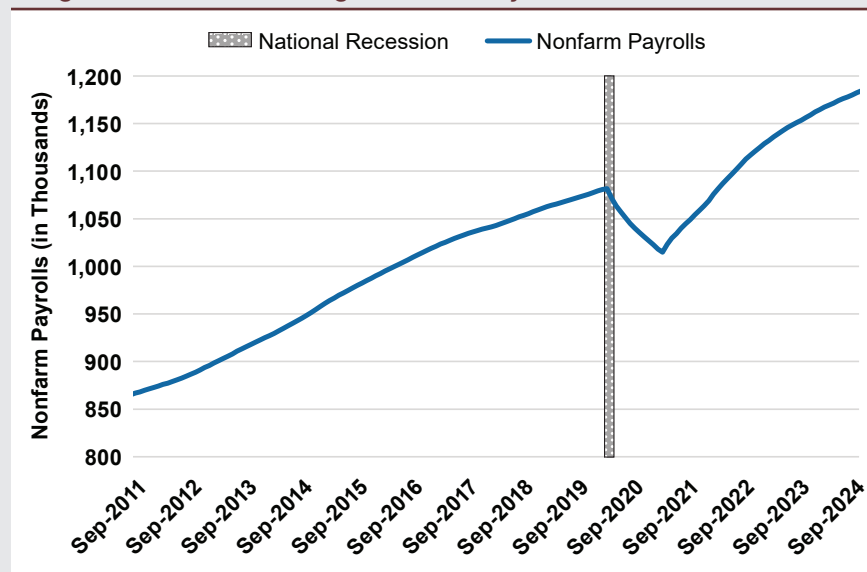
2021 Through 2023

The local economy made a robust recovery following the pandemic downturn and recovered the total number of nonfarm payroll jobs lost by 2022. From 2021 through 2023, nonfarm payroll growth averaged 45,100 jobs, or 4.2 percent,

Figure 4. 12-Month Average Nonfarm Payrolls in the San Antonio HMA

Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

annually, with 10 of the 11 employment sectors adding jobs. The leisure and hospitality sector—the hardest hit sector during the downturn in 2020—led job growth, increasing by an average of 10,300 jobs, or 8.5 percent, annually. The transportation and utilities sector continued to have strong growth, increasing 9.3 percent annually and adding an average of 3,500 jobs a year. By 2023, 10 of the 11 nonfarm payroll sectors had exceeded the levels from 2019, with only the information sector down from 2019, similar to the national trend of declining employment in that sector.

Forecast

During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 2.0 percent annually. Ongoing large-scale construction projects that are expected to be completed during the forecast period and several job announcements will support job growth. Guidehouse, a global consulting firm, is

opening offices in the city of San Antonio and will add nearly 1,000 jobs during the next several years. Toyota Motor Manufacturing, Texas, Inc., which produces the Toyota Tundra and Sequoia in the city of San Antonio, recently announced plans for a $531 million production facility that will create 400 new jobs.

Population and Households

Current Population: 2.77 Million

Bexar County is the most populous county in the San Antonio HMA and accounts for more than 77 percent of the total population.

Population Trends

The population of the HMA is estimated at 2.77 million, an average increase of 47,100, or 1.8 percent, annually from 2020 (Table 3). Since 2020, net in-migration has averaged 37,250 people annually and accounted for 79 percent of population growth. The period included greater net in-migration to the HMA compared with the preceding decade, as strong job growth, along with relatively affordable home sales prices, attracted many people. From 2010 to 2016, population growth averaged 42,900 people, or 1.9 percent, annually, with net in-migration averaging 26,450 people annually, accounting for nearly 62 percent of population growth. Population growth slowed slightly to an average of 39,300 people, or 1.6 percent, annually from 2016 to 2020 because of slower job growth in the HMA. During this period, net in-migration averaged 24,900 people annually and accounted for more than 63 percent of all population growth. Figure 5 shows the components of population change from 2010 through the 3-year forecast period.

Table 3. San Antonio HMA Population and Household Quick Facts

		2020	Current	Forecast
Population Quick Facts	Population	2,558,143	2,770,000	2,916,000
	Average Annual Change	41,550	47,100	48,550
	Percentage Change	1.8	1.8	1.7
		2020	**Current**	**Forecast**
Household Quick Facts	Households	925,609	1,018,800	1,075,000
	Average Annual Change	16,250	20,700	18,750
	Percentage Change	2.0	2.2	1.8

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is from the current date (October 1, 2024) to October 1, 2027.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the San Antonio HMA, 2010 Through the Forecast
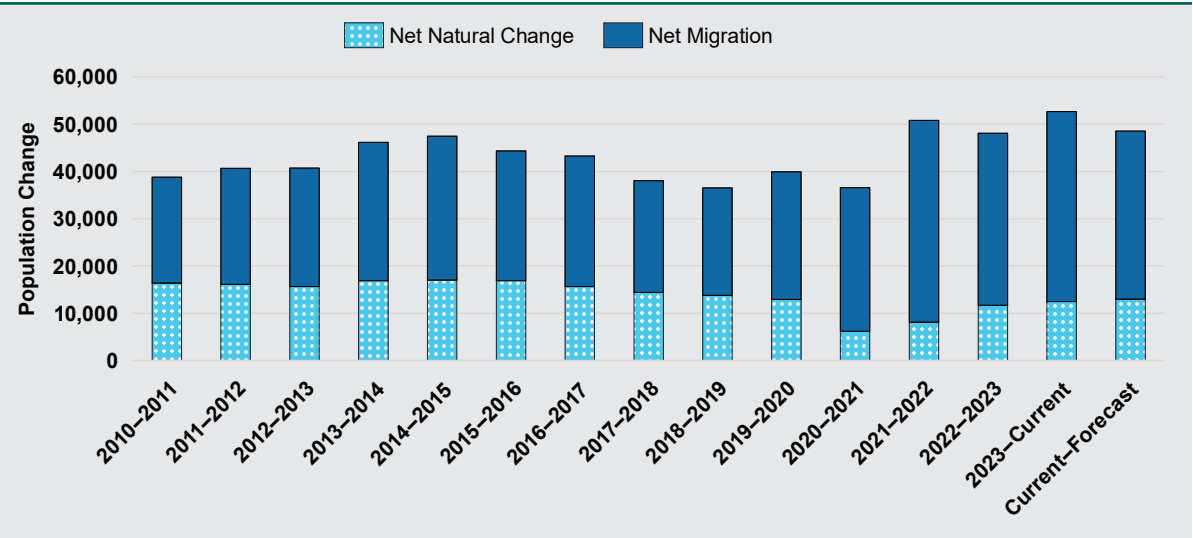
Notes: Data displayed are average annual totals. The forecast period is the current date (October 1, 2024) to October 1, 2027.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Population by Geography

Bexar County is among the 20 most populous counties in the nation. Although Bexar County accounts for most of the population in the HMA, at 77 percent of the total population, that number is down from 80 percent in 2010 because some of the outlying counties had stronger population growth. Comal and

Guadalupe Counties, the only two other counties with populations that exceed 100,000, have had significant recent growth. Both counties are northwest of Bexar County, along the Interstate 35 corridor between San Antonio and Austin. From 2020 to 2023, Comal County was the fourth fastest growing county in the nation in percentage terms, increasing by an average of 5.8 percent annually. Kendall County, in the northwest portion of the HMA, was also among the 25 fastest growing counties nationally from 2020 to 2023.

Age Cohort Trends

The median age in the HMA during 2023 was 36.2 years, up from 34.2 years in 2010 (2010 and 2023 American Community Survey [ACS] 1-year data). The median age in the HMA was below the national median age of 39.2 years during 2023 because the fast growing economy attracts significant numbers of young professionals. Although the percentage of people aged 65 and older is higher in the HMA than in the three other most populous Texas metropolitan areas (Houston, Dallas, and Austin) because of the large number of military retirees, it is still below the national average. During 2023, 14.3 percent of the population in the HMA was aged 65 and older, well below the national average of 17.7 percent (2023 ACS 1-year data; Figure 6). As in most metropolitan areas in the nation, the population aged 65 and older is the fastest growing age group in the HMA.

Demographic Characteristics

The HMA had the lowest percentage of foreign-born residents of any of the four largest Texas metropolitan areas, at 12.5 percent of the population in 2023 (ACS 1-year data; Table 4). By comparison, the Houston metropolitan area had the highest share of foreign-born residents, at 24.8 percent of the population, followed by the Dallas and Austin metropolitan areas, with 20 and 16 percent, respectively. The HMA has a large military population, and with fewer firms conducting international business, it has significantly less foreign net in-migration than the other three large metropolitan areas in Texas. Although the share of foreign-born residents in the HMA has increased slightly from 12.3 percent of the population during 2010, that share is significantly smaller compared with the three other major Texas metropolitan areas (2010 ACS

Figure 6. Population by Age Range in the San Antonio HMA
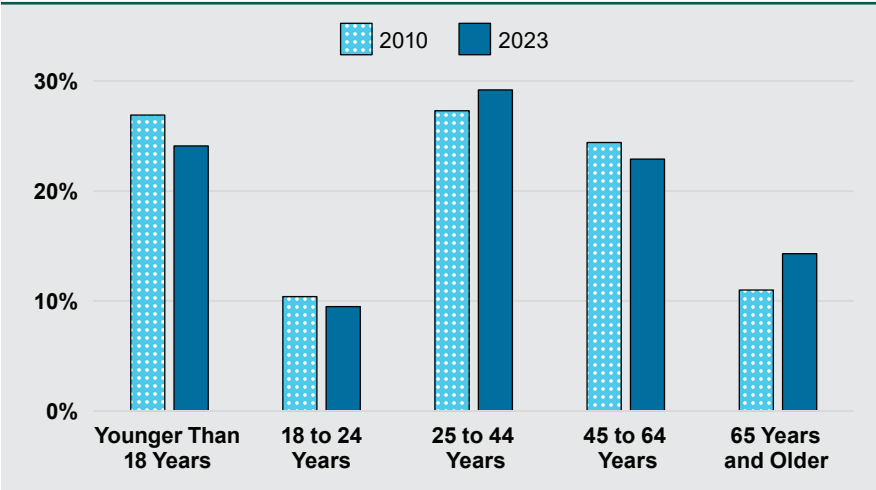
Source: 2010 and 2023 American Community Survey 1-year data

Table 4. Selected Population and Household Demographics

	San Antonio-New Braunfels HMA	Nation
Population Younger Than 18 Years of Age	24.1%	21.7%
Population Aged 65 and Older	14.3%	17.7%
Median Age	36.2	39.2
Foreign Born	12.5%	14.3%
English Only Language Spoken at Home	66.3%	77.5%
Population Aged 25 and Older With a Bachelor's Degree or Higher	33.1%	36.2%
Householder Living Alone	27.4%	28.8%
Household Living in Different Housing Unit from 1 year Ago	15.6%	12.1%
Median Household Income	$73,195	$77,719
Households with One or More People Aged 65 and Older	28.4%	32.2%
Households with One or More Children Younger Than Age 18	32.1%	28.8%

Source: 2023 American Community Survey 1-year data

1-year data). The population aged 25 and older with at least a bachelor's degree was 33.1 percent, up from 25.4 percent in 2010, partly because many young professionals have moved to the HMA. Despite that increase, the rate in the HMA is below the national percentage of 36.2 percent and is the lowest of the four major Texas metropolitan areas and significantly below the proportion in the Austin metropolitan area, where 52 percent of the population aged 25 and older has at least a bachelor's degree.

Household Trends

Nearly 1.02 million households live in the HMA, an average increase of 20,700, or 2.2 percent, annually since 2020. The rate of household growth accelerated from the average increase of 16,250, or 2.0 percent, annually from 2010 to 2020. More than 76 percent of all households in the HMA live in Bexar County, although this number is down from 2010, when 80 percent of all households resided in Bexar County. Figure 7 shows the number of households by tenure and the homeownership rate in the HMA since 2010. With significant net in-migration to the HMA recently, nearly 16 percent of all households in 2023 resided in a different housing unit from 1 year earlier, above the national share of 12 percent (2023 ACS 1-year data).

Figure 7. Households by Tenure and Homeownership Rate in the San Antonio HMA
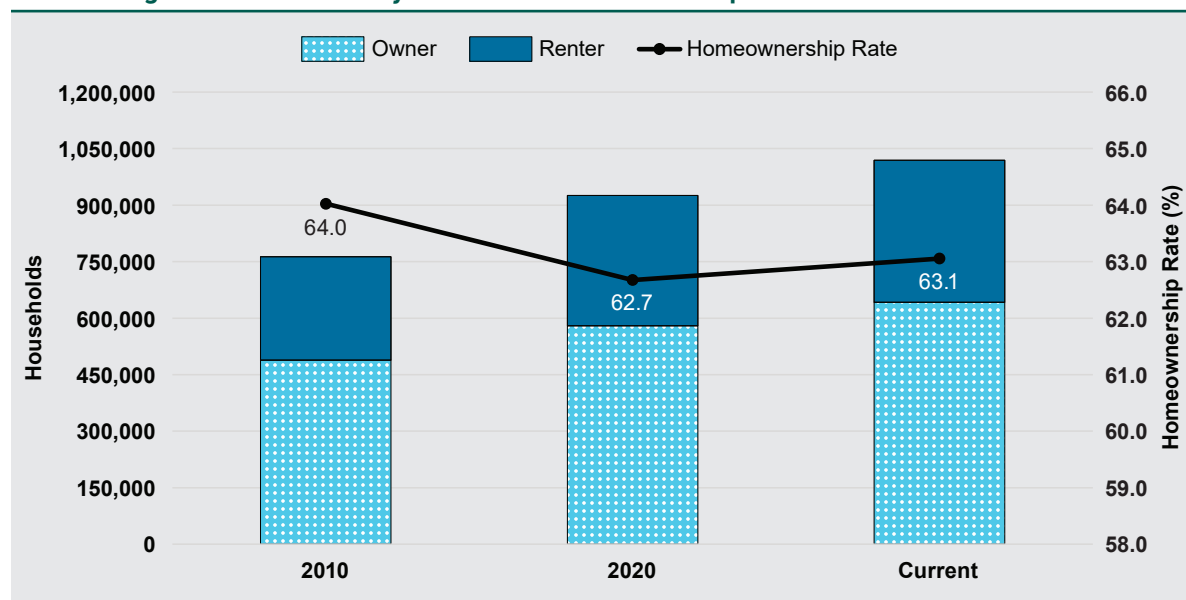
Note: The current date is October 1, 2024.
Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Forecast

During the 3-year forecast period, the population of the HMA is expected to increase an average of 1.7 percent annually, and household growth is expected to average 1.8 percent annually. Population and household growth will remain strongest in the northeastern counties of the HMA. The strong population and household growth in the nearby Austin metropolitan area will contribute to growth in the HMA. Growth in Comal and Guadalupe Counties along the Interstate 35 corridor will remain strong, partly because workers in this area can commute to either Austin or San Antonio. The two metropolitan areas are starting to form one larger urban conurbation.

Home Sales Market

Market Conditions: Balanced

> During the past 12 months, the average sales price of an existing home surpassed the average price of a new home because developers are building smaller, lower priced homes.

Current Conditions

The sales market in the San Antonio HMA is balanced, with an estimated 1.8-percent vacancy rate, up slightly from 1.7 percent in 2020 (Table 5). During the 12 months ending September 2024, total home sales declined by 3,750, or more than 6 percent, as high mortgage interest rates have led to slower sales (Zonda; Figure 8). During September 2024, the HMA had 5.2 months of available for-sale inventory, up from 4.2 months a year earlier and above the 1.1 months of inventory during March 2022, before mortgage interest rates started rising significantly (Texas Real Estate Research Center at Texas A&M University). The current level of for-sale inventory in the HMA is the highest since 2013. Although sales are declining and the for-sale inventory is rising in the HMA as a whole, sales have increased in the fast growing northeastern counties of Comal and Guadalupe, partly because of spillover demand from the Austin metropolitan area. These counties are about a 45-minute drive from downtown Austin and attract people seeking more affordable sales housing. The median price of a home in the San Antonio

Table 5. Home Sales Quick Facts in the San Antonio HMA

Home Sales Quick Facts		San Antonio-New Braunfels HMA	Nation
	Vacancy Rate	1.8%	NA
	Months of Inventory	5.2	3.6
	Total Home Sales	55,150	4,545,000
	1-Year Change	-6%	-6%
	New Home Sales Price	$343,100	$504,100
	1-Year Change	-11%	-1%
	Existing Home Sales Price	$356,100	$468,500
	1-Year Change	2%	7%
	Mortgage Delinquency Rate	1.2%	1.0%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending September 2024; and months of inventory and mortgage delinquency data are as of September 2024. The current date is October 1, 2024.
Sources: Vacancy rate—estimates by the analyst; months of inventory—Texas Real Estate Research Center at Texas A&M; mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—Zonda

Figure 8. 12-Month Sales Totals by Type in the San Antonio HMA
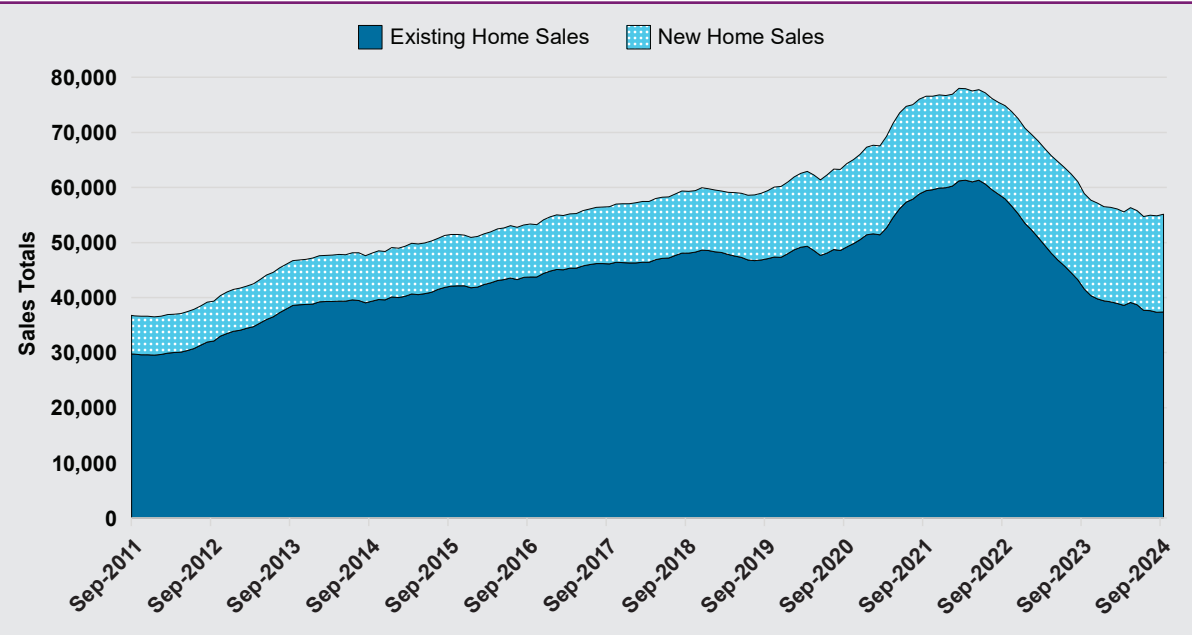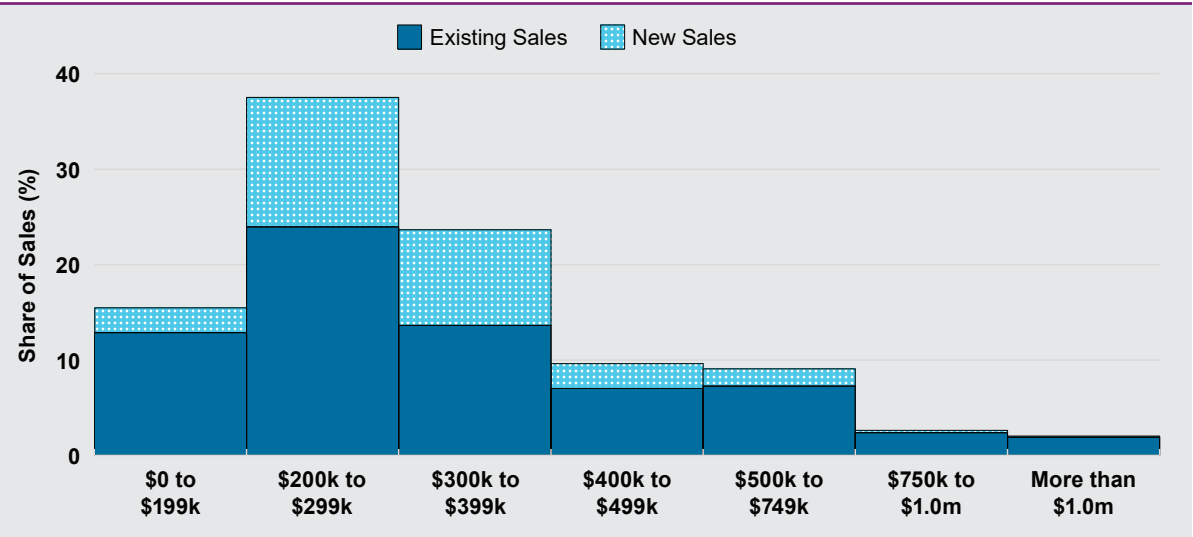

Source: Zonda

HMA is 28 percent less than in the Austin HMA. As of September 2024, the HMA had 14,450 active listings, and in 2024, the number of active listings was above 14,000 for the first time since 2008. During the 12 months ending September 2024, the largest share of home sales by price range, 38 percent, were in the $200,000-to-$299,999 price range (Zonda; Figure 9).

Existing Home Sales

During the 12 months ending September 2024, the number of existing home sales totaled 37,400, a decline of 4,100, or nearly 10 percent, from the previous 12 months, as high interest rates limited demand (Zonda). This level of home sales is the lowest since 2012, when the housing market in the HMA was still recovering from the Great Recession. During 2010, existing home sales totaled 30,850, but from 2011 through 2014, with a rapidly improving economy, existing home sales increased by an average of 2,325, or 7 percent, annually and totaled 40,100 sales in 2014. From 2015 through 2019, existing home sales continued to increase but at a slightly slower pace than the previous period because job and population growth slowed slightly. During 2019, existing home sales totaled 47,950, reflecting an average increase of 1,575, or 4 percent, annually from 2015 through 2019. During 2020, existing home sales totaled 51,400, surpassing the 2006 peak for the first time, and continued to rise through 2021, as low interest rates and increased investor purchases pushed existing home sales to record

Figure 9. Share of Overall Sales by Price Range During the 12 Months Ending September 2024 in the San Antonio HMA

Note: New and existing sales include single-family homes, townhomes, and condominiums.
Source: Zonda

levels. During 2021, existing home sales totaled 59,950, and sales increased by an average of 6,000, or 12 percent, annually during 2020 and 2021. During 2022, as rising interest rates started to dampen the demand for homes, existing home sales in the HMA declined significantly. During 2022 and 2023, existing home sales declined by an average of 10,300, or 19 percent, annually to 39,400 homes during 2023.

New Home Sales

New home sales during the 12 months ending September 2024 totaled 17,700, an increase of 350, or 2 percent, from the previous 12 months. Unlike existing home sales, new home sales have not surpassed the previous peak from 2006, before the Great Recession, of more than 19,000 new home sales. New home construction declined more precipitously in the HMA during the Great Recession compared with the other major Texas metropolitan areas, partly because the local economy was more dependent on the tourism industry, which declined more severely and took much longer to recover compared with other industries. During 2010, new home sales totaled 8,100, a decline of 1,150, or 14 percent, to reach a low of 6,950 homes during 2011. From 2012 through 2014, new home sales began increasing because of the growing economy and, by 2014, totaled 8,950 homes, an average increase of 670, or 9 percent, annually.

During 2015, the growth in new home sales slowed significantly, partly because of a downturn in world oil prices and falling employment in the Eagle Ford Shale play. New home sales totaled 9,125 homes in 2015, an increase of 170, or only 2 percent, from the previous year. With the initial impacts from the slowdown in energy production waning and continued population growth in the HMA, the rate of growth of new home sales picked up and, by 2018, totaled 11,250, reflecting an average increase of 720, or 7 percent, annually from 2016 through 2018. During 2019 and 2020, sales of new homes accelerated as mortgage interest rates reached record lows. By 2020, sales totaled 15,900, an average increase of 2,300, or 19 percent, annually. During 2021 and 2022, sales continued to increase but at a much slower pace as rising prices and interest rates priced many would-be buyers out of the market. During 2022, new home sales totaled nearly 17,300, an average increase of 700 sales, or 4 percent, annually since 2020. With continued high interest rates, sales of new homes slowed slightly during 2023, with only 17,100 sales, a 1-percent decline from 2022.

Existing Home Sales Prices

The average price of an existing home in the HMA during the 12 months ending September 2024 was $356,100, an increase of nearly $5,700, or 2 percent, from the previous 12 months (Figure 10). Despite rising interest rates and slower existing home sales during the past few years, the average

Figure 10. 12-Month Average Sales Price by Type of Sale in the San Antonio HMA
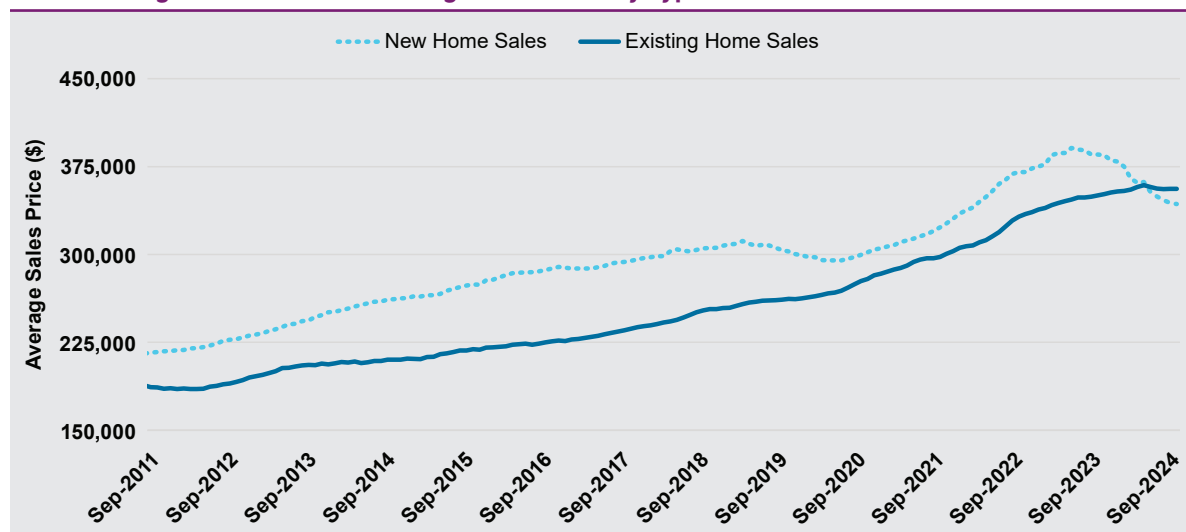
REO = real estate owned.
Source: Zonda

home price continued to rise because many people purchasing homes have higher incomes and can afford the higher monthly payments due to high interest rates, and significantly fewer home sales have been at lower price points. Price growth for existing homes has been steady since 2010, when the HMA recovered from the Great Recession and the average price of an existing home was $185,800. From 2011 through 2019, the price of an existing home increased by an average of $8,525, or 4 percent, annually and reached an average price of $262,500 during 2019. The price of an existing home started to increase more rapidly as interest rates dropped to record lows during 2020 and large numbers of investors purchased homes. From 2020 through 2023, the average price of an existing home increased by an average of $22,800, or 8 percent, annually and was up to $353,700 by 2023.

New Home Sales Price

Whereas the average price of an existing home in the HMA continues to increase, the average price of a new home has declined during the past year. During the 12 months ending September 2024, the average price of a new home was $343,100, a decline of $42,200, or 11 percent, from the previous 12 months, when the average price was $385,300. Part of the price drop was the result of developers building smaller homes at lower prices, making new homes more affordable. As of the third quarter of 2024, the average size of

a newly constructed home in the HMA was 1,970 square feet, down from 2,115 square feet as of the third quarter of 2023 and well below the peak of 2,474 square feet as of the third quarter of 2016.

The average price of a new home during 2010 was $207,600, but the price increased by an average of $12,500, or 5 percent, annually from 2011 through 2018 as continued net in-migration supported demand. During 2018, the average new home price was $307,400, the first time the average price of a new home in the HMA had exceeded $300,000. During 2019, the average price of a new home declined by $8,275, or 3 percent, as the proportion of sales increased significantly in the outlying counties of Comal and Guadalupe, where prices are lower. The average price of new homes in the HMA started to increase rapidly once more. From 2020 through 2022, the average new home price increased by an average of $25,350, or 8 percent, annually and reached $375,200 during 2022. With builders trying to satisfy demand in the lower price ranges by building smaller homes, the rate of price growth for a new home slowed during 2023 and was up by only 1 percent to $379,200.

Sales Construction

The production of new sales units, as measured by the number of homes authorized by building permits, started to rebound during the past 12 months after declining from the most recent peak in 2021 because rising interest rates contributed

to a slowdown in building activity. During the 12 months ending September 2024, approximately 17,800 new sales units were permitted, up by 2,650, or more than 17 percent, from the previous 12 months (Figure 11). The peak level of production during 2021 was more than double the average production during 2010 and 2011, when the HMA was recovering from the Great Recession. During 2010, the construction of sales units totaled 10,750 homes but dropped to 9,325 homes during 2011. After 2011, building activity steadily increased as strong population growth created demand for new housing. From 2012 through 2019, the construction of sales units increased by an average of 1,175, or 9 percent, annually and reached 18,650 units permitted during 2019. During 2020, with the onset of the pandemic-induced recession, building activity dropped by 1,100, or 6 percent, to 17,550 but rebounded sharply during 2021 to a record level of 22,300 new sales units permitted, an increase of 4,750, or 27 percent. With rising interest rates, production declined from 2022 through 2023 by an average of 3,425 homes, or 17 percent, annually.

Some recent developments include Cordova Trails, a 158-home development in Guadalupe County with home prices starting at $321,000 for three-bedroom single-family homes. Morgan Meadows in Bexar County is a 117-home development that is approximately 80 percent complete, with single-family home prices starting at $279,000.

Figure 11. Annual Sales Permitting Activity in the San Antonio HMA
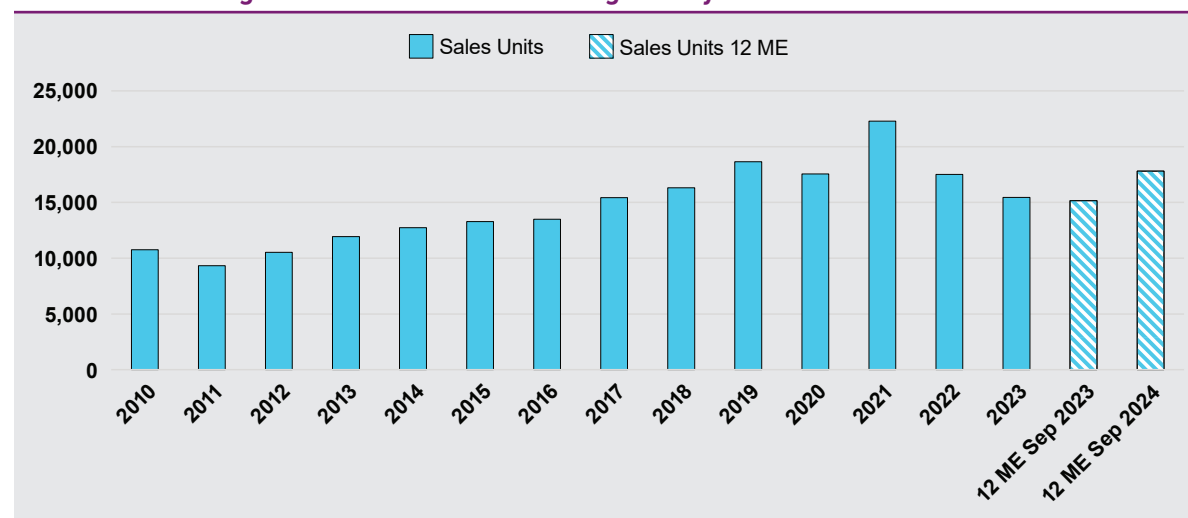
12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Forecast

During the 3-year forecast period, demand is estimated for 46,450 new sales units. The 6,000 units under construction will satisfy a portion of that demand (Table 6). Demand for new homes will be strongest in northern Bexar County and in Comal and Guadalupe Counties as growth from the Austin metropolitan area spills over to the lower priced HMA.

Table 6. Demand for New Sales Units in the San Antonio HMA During the Forecast Period

Sales Units	
Demand	46,450 Units
Under Construction	6,000 Units

Note: The forecast period is October 1, 2024, to October 1, 2027.
Source: Estimates by the analyst

Rental Market

Market Conditions: Soft

The 12,900 apartment units delivered in the San Antonio HMA during the past 12 months were an all-time high and surpassed the record 9,000 units delivered during the previous 12 months (CoStar Group).

Current Conditions and Recent Trends

The rental market in the HMA is soft, with an estimated 13.3-percent rental vacancy rate, up from 10.4 percent in 2020, when conditions were balanced (Table 7). Nearly 33 percent of all renter households in the HMA live in single-family homes, and nearly 53 percent live in structures with five or more units, typically apartments (2023 ACS 1-year data).

The apartment market in the HMA as of the third quarter of 2024 is soft, with a 13.6-percent vacancy rate, up from 11.4 percent as of the third quarter of 2023 (CoStar Group; Figure 12). During the 12 months ending September 2024, absorption of apartment units totaled nearly 6,700, up significantly from 2,050 units during the previous 12 months. Even with this high level of absorption, the vacancy rate increased because 12,900 new apartment units entered the market during the past 12 months. The apartment vacancy rate has risen significantly since the record low of 6.3 percent as of the third quarter of 2021. The rate declined during the third quarter of 2021 due to record

Table 7. Rental and Apartment Market Quick Facts in the San Antonio HMA

		2020 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	10.4	13.3
		2021 (%)	**2023 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	34	33
	Multifamily (2–4 Units)	13	11
	Multifamily (5+ Units)	48	53
	Other (Including Mobile Homes)	4	3

		Q3 2024	YoY Change
Apartment Market Quick Facts	**Apartment Vacancy Rate**	13.6	2.2
	Average Rent	$1,289	-2%
	Studio	$920	0%
	One-Bedroom	$1,123	-1%
	Two-Bedroom	$1,421	-1%
	Three-Bedroom	$1,819	-1%

Q3 = third quarter. YoY = year-over-year.
Notes: The current date is October 1, 2024. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2023 American Community Survey 1-year data; apartment data—CoStar Group

Figure 12. Apartment Rents and Vacancy Rates in the San Antonio HMA
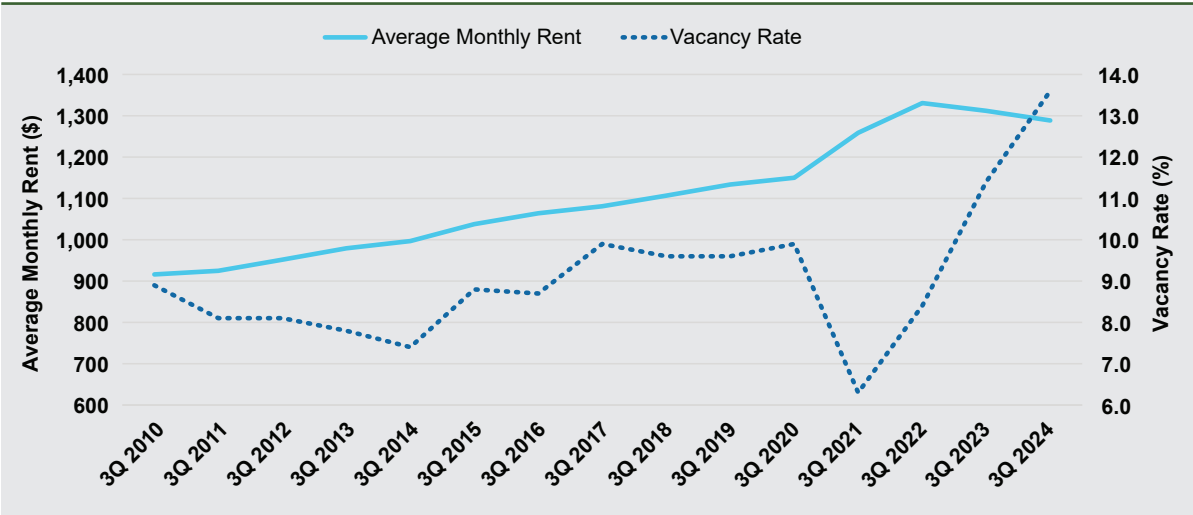
3Q = third quarter.
Source: CoStar Group

absorption during the previous 24 months as household formation increased rapidly. Absorption of apartment units totaled more than 11,200 during the 12 months ending September 2021, up from the previous record of 6,000 during the 12 months ending September 2020. The faster rate of household formation following the onset of the pandemic partly reflected an increasing number of one-person households. During the early stages of the pandemic, spending on travel, dining, and entertainment declined; student loan payments were suspended; people received stimulus payments; and household savings reached record levels, allowing some multiperson households to disperse into separate households.

As of the third quarter of 2010, the apartment vacancy rate in the HMA was 8.9 percent. The rate declined as the economy recovered and then expanded following the Great Recession to reach 7.4 percent as of the third quarter of 2014. With the decline in the vacancy rate and stronger population growth, developers began to increase production; 7,750 apartment units were completed during the 12 months ending September 2015, which was a record at the time, causing the vacancy rate to rise to 8.8 percent as of the third quarter of 2015. During the 12 months ending September 2016, new apartment deliveries slowed to 5,750 units, allowing for a small drop in the vacancy rate to 8.7 percent as of the third quarter of 2016. Developers then increased production despite slower population growth, and the number of apartment units delivered averaged 6,225 annually from 2017 through 2020. The units delivered during these years outpaced absorption that averaged 5,100 units annually, causing the apartment vacancy rate to increase to 9.9 percent as of the third quarter of 2020.

Apartment Rent Trends

The average rent for an apartment unit in the HMA as of the third quarter of 2024 was $1,289, a decline of $23, or 2 percent, from the third quarter of 2023, when rents declined by $19, or 1 percent. The large number of units entering the market during the past 2 years caused vacancy rates to increase and put downward pressure on rents as apartment owners cut rents to maintain occupancy and maximize revenue. The past 2 years of

rent declines followed 2 years of record-setting rent growth in the HMA. As of the third quarter of 2020, the average apartment rent in the HMA was $1,150, but by the third quarter of 2022, the rent had increased by an average of $91, or 8 percent, annually to $1,331, which was more than double the next strongest 2-year period of rent growth. Even with the declining rents during the past 2 years, the average rent for an apartment in the HMA has increased by an average of $35, or nearly 3 percent, annually since the third quarter of 2020, which is slightly above the longer term average rent increase from 2010 to 2020 of $23, or more than 2 percent, annually.

As of the third quarter of 2010, the average rent for an apartment in the HMA was $916, which was below the previous peak before the Great Recession. With the local economy recovering all the job losses from the Great Recession during 2011 and entering an expansion during 2012, the average rent surpassed the previous peak. As of the third quarter of 2012, the average rent had increased to $952, an average increase of $18, or 2 percent, annually from 2010. With the local economy continuing to expand and many people relocating to the HMA for work, including for high-paying jobs in the Eagle Ford Shale play, the average rent started to increase at a faster pace. As of the third quarter of 2015, the average rent was up to $1,038, an average increase of $29, or slightly less than 3 percent, annually from the third quarter of 2012. Oil prices subsequently fell, limiting drilling and exploration activity in the Eagle Ford Shale play. Job growth and net in-migration to the HMA slowed, contributing to rising apartment vacancy rates, and rent growth began to slow. By the third quarter of 2020, the average rent for an apartment in the HMA was up to $1,150, an average increase of $22, or slightly more than 2 percent, annually from the third quarter of 2015.

Market Conditions by Geography

Of the 17 CoStar-defined market areas in the HMA, only two, the Bandera County and Medina County market areas, had vacancy rates below 10.0 percent as of the third quarter of 2024. These two counties are the westernmost of the HMA, are primarily rural, and have had no apartment units built in the past 15 years. The two market areas with the highest vacancy rates are the fast

growing Comal County and Guadalupe County market areas, which both have vacancy rates above 20 percent. New apartment deliveries during the past 24 months increased the total inventory of units in these market areas by more than 40 percent, pushing up the vacancy rates because the units have been absorbed slowly. The Midtown market area, north of downtown and east of Interstate 10 near Fort Sam Houston, has the highest average rent of any market area in the HMA at $1,840 as of the third quarter of 2024. The second highest average rent, at $1,560 per month, is the Downtown market area, which is just south of Interstate 35 and the Midtown market area. The Bandera County market area has the lowest average rent of the 17 market areas at $637, and the Medina County submarket has the second lowest average rent at $905. As of the third quarter of 2024, the average rent declined in 9 of the 17 market areas from the third quarter of 2023. The Kendall County market area had the largest rent decline, dropping 4 percent, and the Medina County market area had the largest average rent increase at 2 percent.

Rental Construction

Building activity, as measured by the number of rental units permitted, totaled 3,950 during the 12 months ending September 2024, down significantly from the 9,750 units permitted during the previous 12 months (Figure 13).

Figure 13. Annual Rental Permitting Activity in the San Antonio HMA
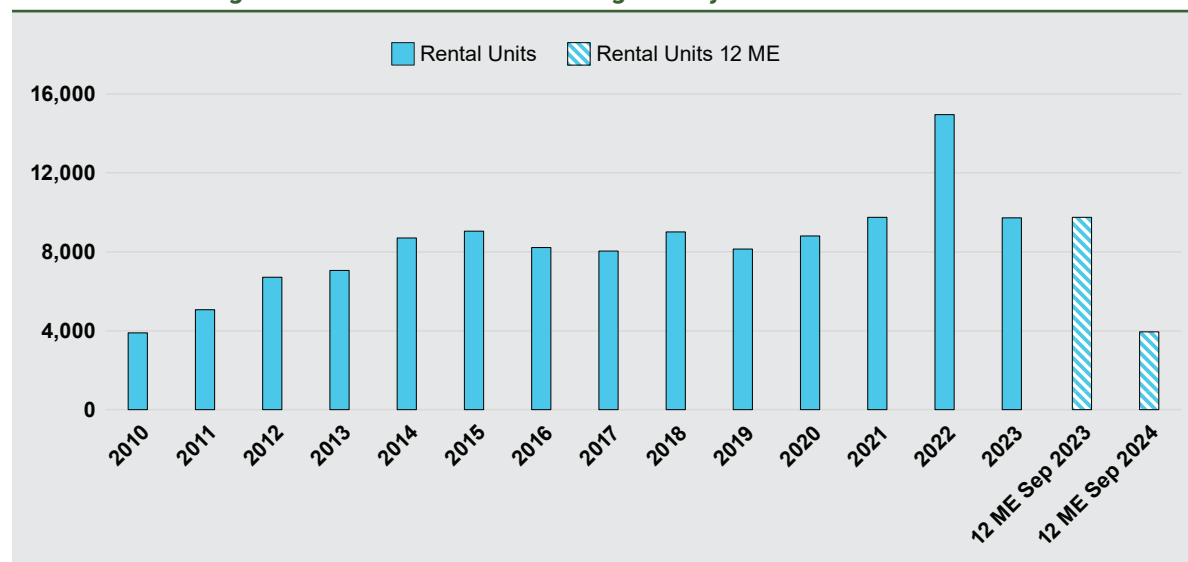
12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Developers responded to rising vacancy rates and declining rents in the HMA by cutting production to the lowest levels since 2010, when the economy was still recovering from the Great Recession. During 2010, 3,900 rental units were permitted, but as the local economy expanded and net in-migration to the HMA remained strong, developers ramped up production by an average of 1,025 units, or 18 percent, annually from 2011 through 2015. The 9,050 rental units permitted during 2015 represented the highest level of production in the HMA since 1984, following an earlier housing boom. Production declined slightly in 2016 but was still higher than production during most years earlier in the decade. From 2016 through 2020, the production of rental units averaged 8,450 units annually. During 2021, strong rent growth and declining vacancy rates led developers to ramp up production, and 9,750 rental units were permitted. The production of rental units increased 53 percent during 2022, reaching an all-time high of 14,950 rental units permitted—far surpassing the previous peak. The production of rental units declined during 2023, with 9,725 rental units permitted, a 35-percent decline from 2022 but still the third highest level since 2010.

Recent Developments

Recently completed properties in the HMA include the Alexan Gruene Crossing apartments in New Braunfels, near Interstate 35 in Comal County. This property has 198 one- and 99 two-bedroom units, with monthly rents ranging from $1,325 to $1,699. The Istana at Wurzbach, in northwest San Antonio near the South Texas Medical Center, opened in 2024. This property has 216 one-bedroom units and 108 two-bedroom units, with rents ranging from $1,370 to $1,899 per month.

Forecast

During the 3-year forecast period, demand is estimated for 6,775 new rental units (Table 8). The 12,600 rental units under construction significantly exceed the rental demand during the next 3 years. To avoid contributing to further softening in the market and to allow for the absorption of the current excess supply and the units under construction, builders should consider not planning for additional units to enter the market during the forecast period.

Table 8. Demand for New Rental Units in the San Antonio HMA During the Forecast Period

Rental Units	
Demand	6,775 Units
Under Construction	12,600 Units

Note: The forecast period is October 1, 2024, to October 1, 2027.
Source: Estimates by the analyst

Terminology Definitions and Notes

A.   Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/ Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Eagle Ford Shale Play	An area defined by the Texas Railroad Commission as consisting of 27 counties: Atascosa, Bastrop, Bee, Brazos, Burleson, DeWitt, Dimmitt, Fayette, Frio, Gonzales, Grimes, Karnes, LaSalle, Lavaca, Lee, Leon, Live Oak, Madison, Maverick, McMullen, Milam, Robertson, Walker, Washington, Webb, Wilson, Zavala.
Existing Home Sales	Includes regular resales and real estate owned sales.
Forecast Period	10/1/2024–10/1/2027—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.

Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.

B.   Notes on Geography

1.	The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau's 2020 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2020 Census.

C.   Additional Notes

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D.   Photo/Map Credits

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Contact Information

Tim McDonald, Lead Economist
Fort Worth, TX HUD Regional Office
817–978–9401
timothy.j.mcdonald@hud.gov