

MARKET AT A GLANCE



OCCUPANCY RATE

93.2%

Up 10 bps since 1Q19



EFFECTIVE RENT

\$1,011

Up 1.5% since 1Q19



DELIVERIES

1,099

Units YTD

MARKET IMPACT ANALYSIS

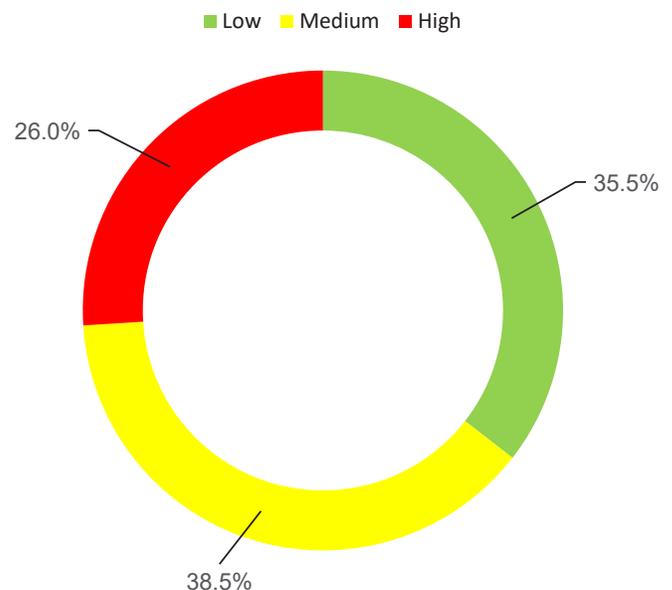
TEMPORARY ROUGH PATCH ANTICIPATED FOR MULTIFAMILY IN 2020

The San Antonio economy and apartment market will face headwinds in 2020. Entering 2020, supply side pressure in the local apartment market was anticipated. Because of the stay-at-home order, new apartment leasing activity is expected to be subdued in spring and at least part of summer 2020, likely aggravating a supply imbalance. The leisure and hospitality sector and the health care industry are getting battered. Together, these two job sectors account for more than 26% of those employed in the metro area in February 2020. Most of the local \$15.2 billion tourism industry has stalled, so related tax revenues have shriveled to the point that the city of San Antonio anticipates a 2020 budget shortfall of up to \$158 million. Already the city has furloughed 270 employees. Many of the furloughed hospitality workers live in Class C apartments, so these communities may face rising delinquencies. Class A apartment communities, home to many health care workers, will also face challenges. Those personnel not in the front lines of COVID-19 care are vulnerable to furloughs, working fewer hours, or pay cuts. These measures are being taken at Methodist Healthcare System, Baptist Health System, and Southwest General Hospital. Multifamily owners and investors need to realize this economic environment is temporary, and San Antonio's broad-based economy will once again fuel excellent investment opportunities.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	0.1%	1.1%
Finance & insurance	7.9%	4.7%
Health care & social assistance	16.9%	16.0%
Information	2.3%	2.2%
Mining, quarrying, & oil & gas extraction	0.8%	0.5%
Transportation & warehousing	3.5%	4.4%
Utilities	0.1%	0.4%
Wholesale trade	4.0%	4.7%
Total	35.5%	33.9%
MEDIUM		
Administrative & waste services	8.3%	7.4%
Educational services	2.2%	2.3%
Manufacturing	5.9%	10.1%
Other services, except public administration	3.4%	3.6%
Professional & technical services	6.1%	7.5%
Retail trade	12.6%	12.2%
Total	38.5%	43.1%
HIGH		
Accommodation & food services	14.1%	11.1%
Arts, entertainment, & recreation	2.0%	1.9%
Construction	6.2%	6.1%
Management of companies & enterprises	1.7%	1.9%
Real estate & rental & leasing	2.0%	1.8%
Unclassified	0.1%	0.1%
Total	26.0%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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