



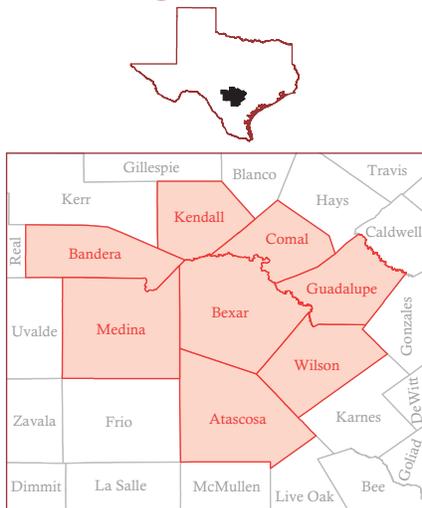
San Antonio-New Braunfels, Texas

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of January 1, 2016



Summary

Housing Market Area



The San Antonio-New Braunfels Housing Market Area (HMA) 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 city of New Braunfels, in Comal and Guadalupe Counties, is 30 miles northeast of the city of San Antonio. Surrounding Bexar County, Atascosa and Wilson Counties to the south, Bandera and Medina Counties to the west, and Kendall County to the north complete the HMA.

Market Details

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Economy

The economy of the San Antonio-New Braunfels HMA has grown since 2010, with nonfarm payrolls expanding at an increasing rate each year. During 2015, total nonfarm payrolls in the HMA expanded by 33,100 jobs, or 3.5 percent, to 980,900 jobs. During the 3-year forecast period, nonfarm payrolls are expected to increase by an average of 29,450 jobs, or 3.0 percent, annually. The largest employers in the HMA are Joint Base San Antonio (JBSA), HEB Grocery Company, LP, and United Services Automobile Association, with 80,200, 20,000, and 17,000 employees, respectively.

Sales Market

The sales housing market in the HMA is balanced, with an estimated sales vacancy rate of 1.5 percent. During the next 3 years, demand is expected for 22,900 new homes, including 1,000 mobile homes (Table 1). The 2,250 homes currently under construction will meet a portion of this demand. In addition, a portion of the estimated 32,800 other vacant units will likely reenter the sales housing market and satisfy some of the forecast demand.

Rental Market

Rental housing market conditions in the HMA are balanced because of job growth and subsequent population growth, which helped absorb high levels of apartment completions during 2014 and 2015. The current overall rental vacancy rate is estimated at 7.0 percent, down from 9.5 percent in April 2010. During the forecast period, demand is estimated for 21,100 new market-rate rental units in the HMA (Table 1). The 7,900 units currently under construction will meet a portion of the forecast demand.

Table 1. Housing Demand in the San Antonio-New Braunfels HMA During the Forecast Period

	San Antonio-New Braunfels HMA	
	Sales Units	Rental Units
Total demand	22,900	21,100
Under construction	2,250	7,900

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2016. A portion of the estimated 32,800 other vacant units in the HMA will likely satisfy some of the forecast demand. Sales demand includes an estimated demand for 1,000 mobile homes. The forecast period is from January 1, 2016, to January 1, 2019.

Source: Estimates by analyst

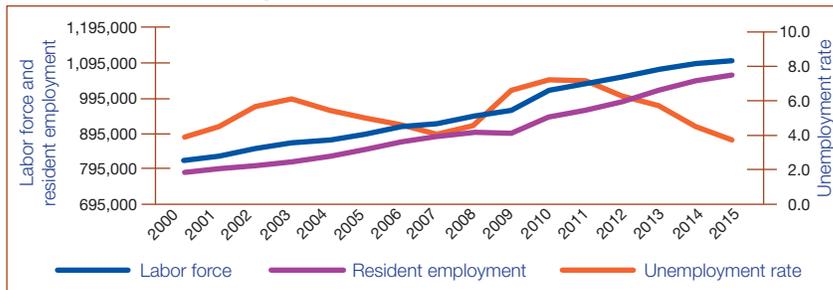
Economic Conditions

Economic conditions in the San Antonio-New Braunfels HMA have improved since 2010, with non-farm payrolls expanding at an increasing rate each year. Payrolls increased by an average of 13,600 jobs, or 1.7 percent, annually from 2001 through 2008 and reached a high of 860,400 jobs, which included the 2,000 manufacturing jobs added in 2006 when Toyota Motor Corporation opened an \$850 million manufacturing facility. As a result of the national recession, which lasted from December 2007 until June 2009, payrolls in the HMA declined in 2009 by 15,900 jobs, or 1.8 percent. The effects of the national recession were moderate in the HMA, in part because of strong growth in the education and health services sector and the stability of the government sector. The education and health

services and the government sectors recorded job gains of 5,300, or 4.5 percent, and 4,200, or 2.7 percent, respectively, during 2009. By contrast, during 2009, the professional and business services and the mining, logging, and construction sectors lost the most jobs, recording losses of 7,300, or 6.6 percent, and 5,900, or 10.3 percent, respectively. In 2010, the economy began to recover. From 2010 through 2013, nonfarm payrolls in the HMA grew by an average of 18,500 jobs, or 2.1 percent, annually, and the 2009 job losses were fully recouped by 2011. During 2014 and 2015, nonfarm payrolls increased by 29,200 and 33,100, or averages of 3.2 and 3.5 percent, respectively. During 2015, the unemployment rate averaged 3.7 percent, down from 4.6 percent in 2014. By comparison, from 2001 through 2008 and from 2009 through 2013, the unemployment rate averaged 5.0 and 6.6 percent, respectively. Figure 1 shows trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2015.

The military has a large presence in the San Antonio-New Braunfels HMA, and the impact on the local economy is significant. The U.S. Department of Defense has an annual economic impact of \$27.7 billion on the HMA (City of San Antonio, Office of Military Affairs study, 2011, the most recent data available). The largest employer in the HMA is JBSA, with an estimated 80,200 military and civilian personnel (Table 2). JBSA was formed in October 2010 by consolidating Fort Sam Houston, Lackland Air Force Base (AFB), and Randolph AFB, a recommendation of the 2005 Base Closure and Realignment (BRAC) Commission. The 2005 BRAC recommendations

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the San Antonio-New Braunfels HMA, 2000 Through 2015



Source: U.S. Bureau of Labor Statistics

Table 2. Major Employers in the San Antonio-New Braunfels HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Joint Base San Antonio	Government	80,200
HEB Grocery Company, LP	Wholesale & retail trade	20,000
United Services Automobile Association	Financial activities	17,000
City of San Antonio	Government	9,150
Methodist Healthcare System	Education & health services	8,125
Baptist Health System	Education & health services	6,500
JPMorgan Chase & Co.	Financial activities	5,200
Wells Fargo & Company	Financial activities	5,150
AT&T Inc.	Information	4,200
Cullen/Frost Bankers, Inc.	Financial activities	3,975

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 36,850 uniformed military personnel, who are not included in nonfarm payroll survey data.

Source: San Antonio Economic Development Foundation

also resulted in the military consolidating several medical facilities from 2008 through 2010 into San Antonio Military Medical Center, formerly known as Brooke Army Medical Center. Completion of the \$1.2 billion, tri-service Military Education and Training Campus (METC) in 2011 consolidated five major training centers from across the United States, and more than 24,000 military personnel are now trained at METC annually. The BRAC recommendations resulted in the in-migration of an estimated 5,000 military personnel, 5,500 family members, and 9,000 military students to the San Antonio-New Braunfels

HMA. Across-the-board federal spending cuts mandated by the Budget Control Act of 2011 (also known as sequestration) have limited the growth of JBSA during the past 2 years. Although the fiscal year (FY) 2016 operating budget provides an opportunity for expansion, uncertainty over the FY 2017 operating budget makes expansion unlikely during the next year. During 2015, the government sector added 1,800 jobs, an increase of 1.1 percent (Table 3). The gains were concentrated in the local government subsector, which gained 1,500 jobs, or 1.4 percent.

Although the government sector has been the largest sector in the HMA every year since 2000, the education and health services sector has become the second largest sector in the HMA because of rapid growth (Figure 2). From 2000 through the current date, the education and health services sector grew more than 65 percent (Figure 3). During 2015, the education and health services sector gained 5,300 jobs, or 3.7 percent, to total 150,400 jobs. The healthcare and bioscience industry, which constitutes a large portion of the education and health services sector, had an economic impact of \$30.6 billion and had total payrolls of \$7.5 billion, with more than 164,500 employees, in 2013 (Trinity University study). The economic impact is significant partly because of 18,000 University of Texas Health Science Center at San Antonio and military medical training employees counted in the government sector or not reflected in the nonfarm payroll survey. In 2014, University Health System completed the \$787 million Sky Tower, a 1 million-square-foot addition to the University Hospital, and added 975 employees systemwide.

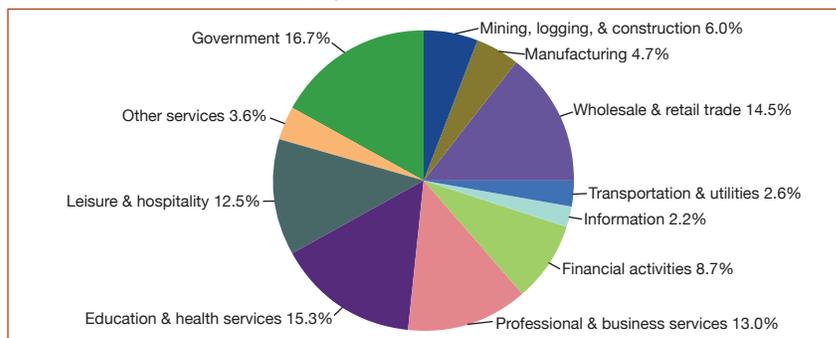
Table 3. 12-Month Average Nonfarm Payroll Jobs in the San Antonio-New Braunfels HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	December 2014	December 2015		
Total nonfarm payroll jobs	947,800	980,900	33,100	3.5
Goods-producing sectors	100,000	104,900	4,900	4.9
Mining, logging, & construction	53,900	59,000	5,100	9.5
Manufacturing	46,000	45,900	- 100	- 0.2
Service-providing sectors	847,800	875,900	28,100	3.3
Wholesale & retail trade	139,200	142,500	3,300	2.4
Transportation & utilities	24,700	25,800	1,100	4.5
Information	21,500	22,100	600	2.8
Financial activities	80,800	85,600	4,800	5.9
Professional & business services	120,600	127,100	6,500	5.4
Education & health services	145,100	150,400	5,300	3.7
Leisure & hospitality	118,900	123,100	4,200	3.5
Other services	34,700	35,400	700	2.0
Government	162,300	164,100	1,800	1.1

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through December 2014 and December 2015.

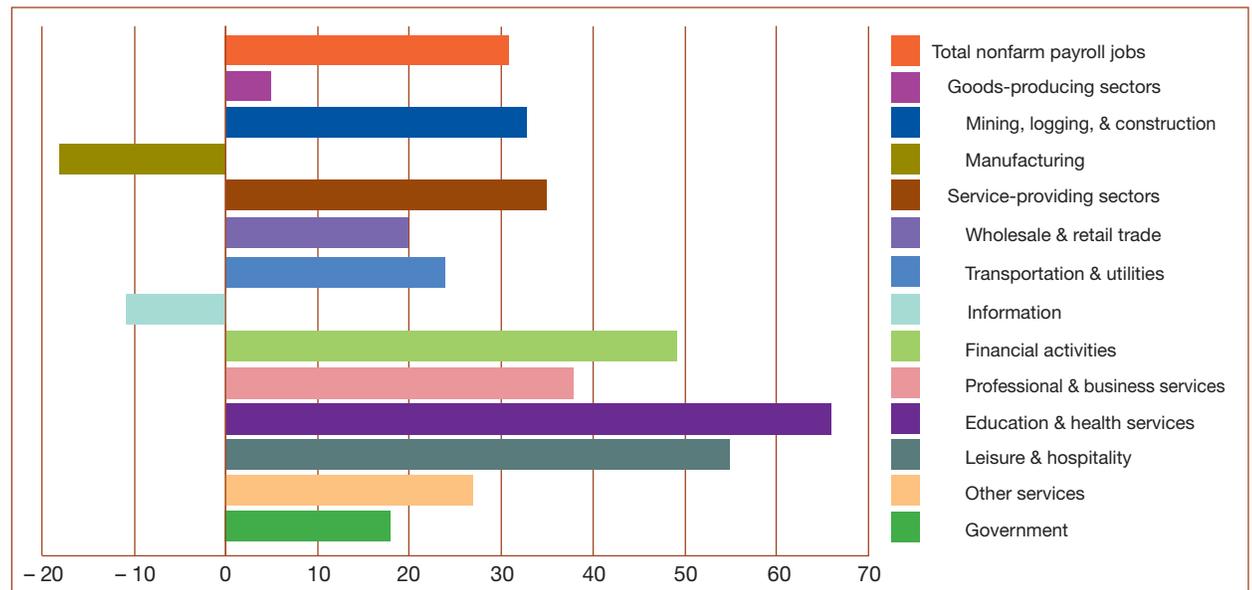
Source: U.S. Bureau of Labor Statistics

Figure 2. Current Nonfarm Payroll Jobs in the San Antonio-New Braunfels HMA, by Sector



Note: Based on 12-month averages through December 2015.

Source: U.S. Bureau of Labor Statistics

Figure 3. Sector Growth in the San Antonio-New Braunfels HMA, Percentage Change, 2000 to Current

Note: Current is based on 12-month averages through December 2015.

Source: U.S. Bureau of Labor Statistics

The professional and business services sector added more jobs than any other sector during 2015, expanding by 6,500 jobs, or 5.4 percent, to total 127,100 jobs. A notable addition to the professional and business services sector occurred in 2014, when KACO new energy, Inc., a renewable energy equipment manufacturer, relocated its U.S. headquarters from California to the city of San Antonio, adding more than 200 jobs. The HMA is home to several corporate headquarters, including HEB Grocery Company, LP, United Services Automobile Association, and Cullen/Frost Bankers, Inc., which employ 20,000, 17,000, and 3,975 employees, respectively.

The mining, logging, and construction sector was the fastest growing sector during 2015, gaining 5,100 jobs, or 9.5 percent, to total 59,000 jobs. Some of this job growth was related to activity in the Eagle Ford Shale, a geological formation rich in hydrocarbons that is south of the city of San Antonio. Although most of the drilling activity

is outside the HMA, a portion does occur in Atascosa and Wilson Counties. Also, support operations for drilling activities, such as trucking, are often based within the HMA. The University of Texas at San Antonio (UTSA) estimated the economic impact of the Eagle Ford Shale activity in Bexar County in 2013 at approximately \$1.85 billion and 13,900 jobs (UTSA Center for Community and Business Research, September 2014). Production in the Eagle Ford Shale increased to 1.1 million barrels of oil and 4.0 billion cubic feet of natural gas per day during 2014. Natural gas production in the Eagle Ford Shale has resulted in job gains in the mining, logging, and construction sector even while oil prices have fallen during the past year.

During the 3-year forecast period, nonfarm payrolls are expected to increase by an average of 29,450 jobs, or 3.0 percent, annually. Microsoft Corporation will begin construction on an eight-building data center in early 2016. The data center will cost an

estimated \$1 billion, will take 5 years to complete, and is expected to create 900 jobs in the construction subsector. In early 2016, General Motors Financial Company, Inc., will begin construction on a \$24.5 million customer service center in the city of San Antonio, which

will add about 700 jobs to the professional and business services sector in 2017. Crockett National Bank will move its headquarters from San Angelo to the city of San Antonio during 2016, adding 350 jobs to the HMA.

Population and Households

As of January 1, 2016, the population of the San Antonio-New Braunfels HMA is estimated at 2.40 million, reflecting an average annual increase of 43,900, or 2.0 percent, from approximately 2.14 million on April 1, 2010. By comparison, from 2000 through 2010, the population increased at an average annual rate of 43,100, or 2.3 percent. Population growth averaged 35,150 people, or 2.0 percent, a year from 2000 to 2005 and accelerated to 55,000, or 2.8 percent, annually from 2005 to 2008, when the economy was expanding more rapidly, partly because of the opening of a Toyota manufacturing plant in November 2006 and the military-related construction that resulted from the 2005 BRAC recommendations. From 2008 to 2010, population growth slowed to an average of 46,000 people, or 2.2 percent, annually because of weak economic conditions. Population growth continued to slow from 2010 to 2012, when it averaged 1.9 percent, or 42,250 people annually, and unemployment averaged 7.2 percent. Population growth averaged 2.0 percent a year from 2012 to the current date, while economic conditions improved. During the 3-year forecast period, the

population is expected to increase by 45,000, or 1.8 percent, annually to 2.53 million by January 1, 2019.

During the 2000s, net in-migration accounted for nearly 60 percent of population growth, or an average of 25,700 people annually; the remainder came from net natural increase (resident births minus resident deaths). From July 1, 2010, to July 1, 2012, net in-migration accounted for approximately 61 percent of population growth, or an average of 25,900 people annually. Since 2012, net in-migration has increased to approximately 64 percent of population growth, or an average of 28,850 people, primarily because of job gains. International in-migration to the HMA has increased since 2010, with a concentration in Bexar County. From July 2010 to July 2014, 20 percent of in-migration was from outside the United States compared with 9 percent during the 2000s. During the same period, 94 percent of international in-migration was to Bexar County. By comparison, only 62 percent of domestic in-migration to the HMA was into Bexar County. During the forecast period, net in-migration is expected to average 28,800 people a year as the economy

Population and Households *Continued*

continues to expand. Figure 4 illustrates the components of population change in the HMA from 2000 to the forecast date.

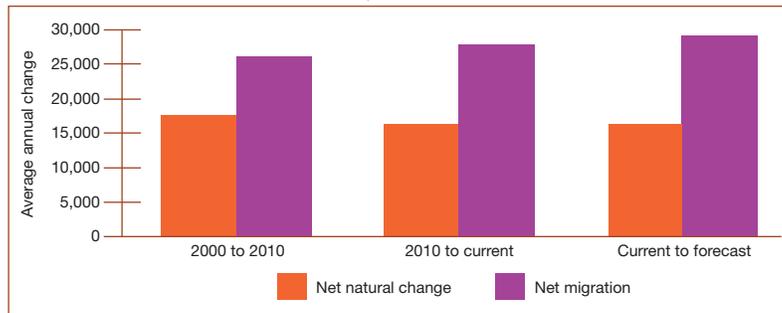
During the 2000s, 81 percent of net natural increase in the HMA occurred in Bexar County. Since 2010, 90 percent

of net natural increase has occurred in Bexar County, partly a result of a younger population assigned to JBSA. The median age in Bexar County was 33.2 years of age compared with 36.3 and 42.4 years of age in Guadalupe and Comal Counties, respectively. During the same period, net in-migration into Bexar County accounted for 68 percent of total net in-migration into the HMA compared with 59 percent during the 2000s, partly the result of the 2005 BRAC and increased international in-migration. Although Comal and Guadalupe Counties account for only 11 percent of the total population of the HMA, they have accounted for 21 percent of total net in-migration into the HMA, and as a result 17 percent of the population increase in the HMA, since 2010.

Largely because of the decline in the rate of population growth since 2010, the rate of household growth in the HMA has been slower than during the previous decade. The increased in-migration from outside the United States has resulted in a larger household size and slower household growth relative to population growth. From 2000 to 2010, the number of households increased by an average of 16,200, or 2.4 percent, annually to total 763,022 as of April 1, 2010. The HMA currently has 838,400 households, an average annual increase of 13,100, or 1.7 percent, compared with the number of households on April 1, 2010. Figure 5 illustrates the number of households by tenure in the HMA for 2000, 2010, and the current date.

During the forecast period, the number of households is expected to increase by 13,300, or 1.6 percent, annually, to approximately 878,300 by January 1, 2019. Figure 6 shows population and

Figure 4. Components of Population Change in the San Antonio-New Braunfels HMA, 2000 to Forecast



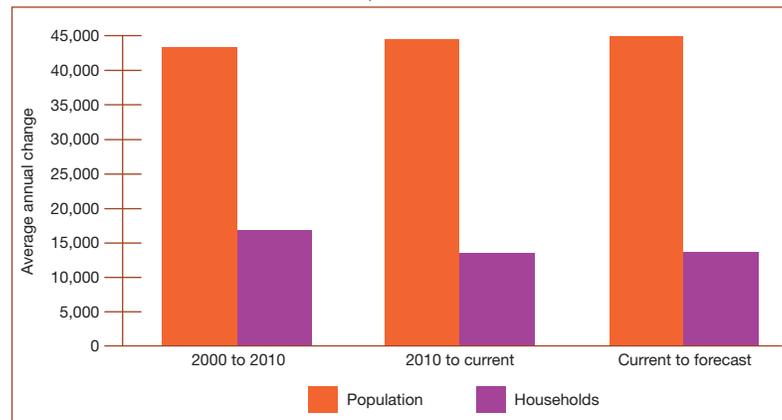
Notes: The current date is January 1, 2016. The forecast date is January 1, 2019.
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 5. Number of Households by Tenure in the San Antonio-New Braunfels HMA, 2000 to Current



Note: The current date is January 1, 2016.
Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Figure 6. Population and Household Growth in the San Antonio-New Braunfels HMA, 2000 to Forecast



Notes: The current date is January 1, 2016. The forecast date is January 1, 2019.
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

household growth in the HMA from 2000 to the forecast date. The homeownership rate in the HMA declined from 64.5 percent in 2000 to 64.0 percent in 2010. The number of renter households grew at a faster pace than the number of owner households during this time, in part because of tighter lending standards that began

during the latter part of the decade. Since 2010, the decline in the homeownership rate in the HMA has accelerated to an average of 0.4 percentage points a year. The current estimated homeownership rate is 62.2 percent. Table DP-1 at the end of this report provides additional demographic data for the HMA.

Housing Market Trends

Sales Market

The sales housing market in the San Antonio-New Braunfels HMA is balanced. The home sales vacancy rate is currently estimated at 1.5 percent, down from 2.0 percent in April 2010. During 2015, the number of new single-family homes, townhomes, and condominiums sold in the HMA totaled 9,675, up 8 percent from 2014 (CoreLogic, Inc., with adjustments by the analyst). The current level of sales exceeds the average of 7,575 homes sold annually from 2009 through 2011 but is significantly less than the average of 15,100 homes sold annually from 2004 through 2008, when population growth was strongest. During 2015, the number of existing single-family homes, townhomes, and condominiums sold in the HMA totaled 39,000, up 3 percent from 2014, while the economy continued to expand. The current level of sales exceeds the average of 30,850 existing homes sold annually from 2009 through 2011 but is slightly less than the average of 40,000 homes sold annually from 2004 through 2008. Despite the recent increase in the volume of home sales, the homeownership rate in the

HMA is currently estimated at 62.2 percent, down from 64.0 percent in April 2010.

In 2015, the average sales price for new homes in the HMA was \$263,500, an increase of 6 percent compared with the average sales price in 2014 and the highest on record for the HMA (CoreLogic, Inc., with adjustments by the analyst). The average new home sales price was \$213,800 during 2007 before declining 5 percent annually to \$191,600 during 2009, when the economy in the HMA was most affected by the national recession. From 2010 through 2013, the new home sales price recovered, increasing 6 percent annually to reach an average of \$239,500. In 2015, the average sales price for existing homes in the HMA was \$207,600, an increase of 4 percent compared with the average sales price in 2014 (CoreLogic, Inc., with adjustments by the analyst). The average existing home sales price was \$185,900 during 2007 before declining 7 percent annually to \$162,500 during 2009. From 2010 through 2013, the average existing home sales price recovered, increasing 4 percent

Housing Market Trends

Sales Market *Continued*

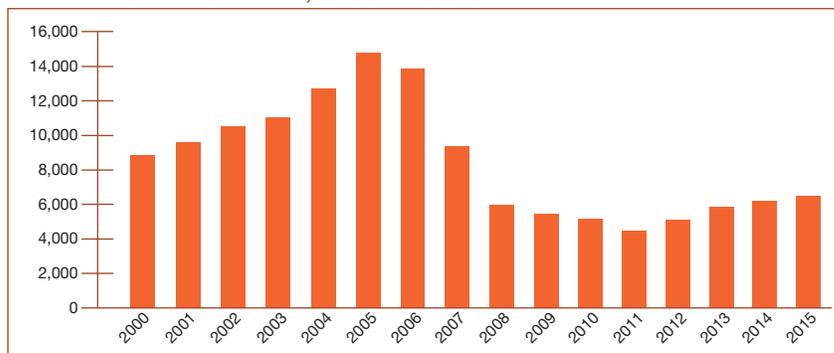
annually to reach \$192,300, because the economy was recovering from the downturn of 2009. During 2015, the inventory of available new and existing homes in the HMA averaged a 3.8-month supply compared with a 4.3-month supply recorded during 2014; the supply level is the lowest recorded since data became available in 1990 (Real Estate Center at Texas A&M University), a result of strong population and nonfarm payroll growth. In December 2015, 2.9 percent of mortgage loans were 90 or more days delinquent, were in foreclosure, or had transitioned into real estate owned (REO) status, down slightly from 3.3 percent in December 2014 (CoreLogic, Inc.). By comparison, the corresponding rates for Texas and the nation were 2.7 and 3.3 percent, respectively.

During 2015, the average sales price for new and existing condominiums and townhomes increased 7 percent, to \$178,600 (Metrostudy, A Hanley Wood Company). By contrast, from 2009 through 2011, sales prices averaged \$157,000 annually. During 2012 and 2013, condominium sales prices averaged \$369,900, primarily because of the sale of luxury condominiums at The Broadway and Alteza. Sales at The Broadway included penthouses priced at \$3.0 million, and sales at

Alteza included penthouses priced at \$2.4 million. During 2015, the number of condominiums and townhomes sold decreased 4 percent, to 890, compared with the 930 sales during 2014. Despite the recent decrease, the current level of sales is higher than the average of 640 per year recorded from 2009 through 2013. New condominium sales during 2015 represented 3 percent of total new home sales in the San Antonio-New Braunfels HMA, virtually unchanged during the past decade (Metrostudy, A Hanley Wood Company). Nearly one-half of all new condominium sales in the HMA occurred in the city of San Antonio, within the Interstate-410 loop.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, increased during 2015 in response to increased sales and the resulting decline in the available new and existing home inventory (Figure 7). The number of single-family homes permitted increased 4 percent, to 6,450 homes, compared with the 6,225 homes permitted during the previous 12-month period (preliminary data). The current level of permitting activity is more than the average of 6,075 homes permitted annually from 2007 through 2011, but it remains much less than the average of 11,550 homes permitted annually from 2000 through 2006, when mortgage lending standards were less restrictive. Sales prices for new three-bedroom, single-family homes in the HMA start at about \$100,000, although the lowest sales prices are found primarily in the outlying areas of Bexar County. New developments include the third phase of Luckey Ranch. Located west of downtown San Antonio, Luckey Ranch was first developed in 2011, expanded in 2013,

Figure 7. Single-Family Homes Permitted in the San Antonio-New Braunfels HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through December 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Housing Market Trends

Sales Market *Continued*

and is expected to include approximately 2,400 homes when the third phase is complete. New home sales prices at Luckey Ranch are expected to start at \$260,000.

During the next 3 years, demand is expected for 22,900 new homes, including 1,000 mobile homes (Table 1). The 2,250 homes currently under construction will meet a portion of this

demand. Demand is expected to remain constant during the 3-year forecast period at about 7,300 homes annually. Most of the demand is expected to be for homes priced between \$150,000 and \$399,999 (Table 4). A portion of the estimated 32,800 other vacant units likely will reenter the sales market and satisfy some of the forecast demand.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the San Antonio-New Braunfels HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	660	3.0
150,000	199,999	4,375	20.0
200,000	249,999	4,825	22.0
250,000	299,999	4,375	20.0
300,000	399,999	4,375	20.0
400,000	499,999	2,400	11.0
500,000	and higher	880	4.0

Notes: The 2,250 homes currently under construction and a portion of the estimated 32,800 other vacant units in the HMA will likely satisfy some of the forecast demand. Demand for 1,000 mobile homes during the forecast period is excluded from this table. The forecast period is January 1, 2016, to January 1, 2019.

Source: Estimates by analyst

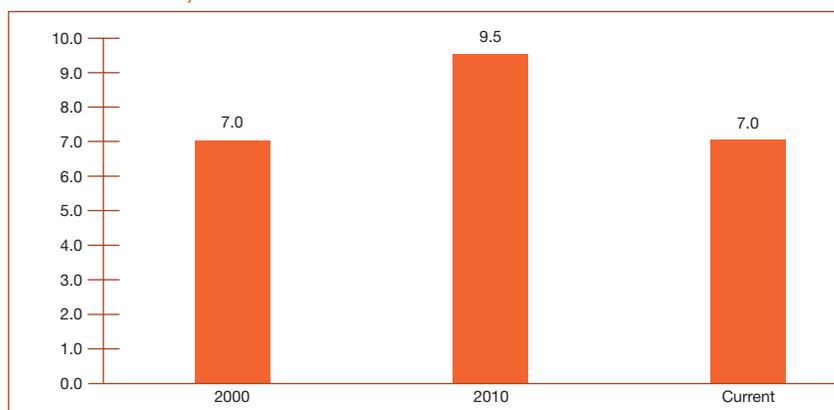
Rental Market

Rental housing market conditions in the San Antonio-New Braunfels HMA are balanced because of job growth and subsequent population growth, which helped absorb high levels of apartment completions

during 2014 and 2015. The current overall rental vacancy rate is estimated at 7.0 percent, which is lower than the rate of 9.5 percent recorded in April 2010 (Figure 8). The apartment market is also balanced. The apartment vacancy rate was 6.1 percent during the fourth quarter of 2015, down from 7.2 percent in the same quarter a year ago (MPF Research). The Central San Antonio and North Central San Antonio MFP Research-defined market areas recorded the lowest vacancy rates in the HMA during the fourth quarter of 2015, at 3.8 and 3.9 percent, respectively.

Although the apartment vacancy rate declined year over year, it increased during the past 6 months because a large number of new units entered the

Figure 8. Rental Vacancy Rates in the San Antonio-New Braunfels HMA, 2000 to Current



Note: The current date is January 1, 2016.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

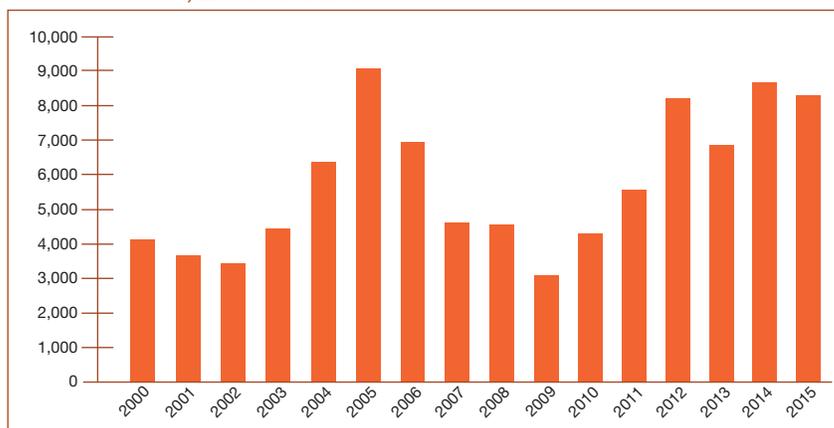
market. During the third and fourth quarters of 2015, 2,575 apartment units were completed, while only 2,125 units were absorbed. Effective apartment rents currently average \$751, \$988, and \$1,328 for one-, two-, and three-bedroom units, respectively. The average effective rent for all apartment units increased 4 percent, to \$895, compared with the rents recorded a year ago. The Far Northwest San Antonio and Far North Central San Antonio areas recorded the highest average rents in the HMA during the fourth quarter of 2015, at \$1,210 and \$1,172, respectively. Approximately 10 percent of units are currently being offered with concessions, down from 13 percent a year ago and 55 percent during the fourth quarter of 2010. An estimated 40 percent of the current rental inventory consists of single-family homes, up slightly since 2000. By comparison, apartments currently comprise an estimated 45 percent of the rental inventory, nearly unchanged since 2000.

Multifamily construction activity, as measured by the number of units permitted, has recovered from the lows

recorded from 2007 through 2010, a period when the San Antonio-New Braunfels HMA recorded lower levels of population growth and in-migration. From 2011 through 2014, an average 7,350 multifamily units were permitted annually, up from 4,100 units permitted annually from 2007 through 2010 (Figure 9). The level of multifamily units permitted since 2011 has been even higher than the average of 6,700 units permitted annually from 2003 through 2006, when the HMA experienced significant job growth and net in-migration before the most recent recession. During 2015, the number of multifamily units permitted decreased slightly, by 5 percent, but remained at a high level of 8,300 units permitted (preliminary data). Developments currently under construction in the city of San Antonio include the 427-unit Villas at The Rim, with unspecified rents, which is expected to be complete by the first quarter of 2017 in the Far North Central San Antonio area; the 289-unit Dwell at Legacy, with rents for one- and two-bedroom units starting at \$931 and \$1,447, respectively, which is expected to begin leasing by the first quarter of 2016 in the Far North Central San Antonio area; and the 302-unit Rivera, with rents for one- and two-bedroom units starting at \$1,140 and \$1,990, respectively, which is expected to begin leasing by the second quarter of 2016 in the Central San Antonio area.

During the 3-year forecast period, demand is estimated for 21,100 new market-rate rental units in the HMA (Table 1). The 7,900 units currently under construction should satisfy the demand for rental housing during the

Figure 9. Multifamily Units Permitted in the San Antonio-New Braunfels HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through December 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Housing Market Trends

Rental Market *Continued*

first year of the forecast period. Demand will be consistent in all 3 years of the forecast period because of steady population and household growth.

Rental housing demand is expected to be greatest for one-bedroom units at rents ranging from \$1,000 to \$1,199 (Table 5).

Table 5. Estimated Demand for New Market-Rate Rental Housing in the San Antonio-New Braunfels HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
750 to 949	380	800 to 999	2,700	950 to 1,149	1,850	1,150 to 1,349	460
950 to 1,149	220	1,000 to 1,199	5,375	1,150 to 1,349	2,225	1,350 to 1,549	810
1,150 or more	30	1,200 to 1,399	1,625	1,350 to 1,549	1,850	1,550 to 1,749	580
		1,400 to 1,599	540	1,550 to 1,749	1,100	1,750 to 1,949	350
		1,600 to 1,799	320	1,750 to 1,949	220	1,950 to 2,149	70
		1,800 or more	220	1,950 or more	150	2,150 or more	45
Total	630	Total	10,750	Total	7,400	Total	2,325

Notes: Numbers may not add to totals because of rounding. The 7,900 units currently under construction will likely satisfy some of the estimated demand. The forecast period is January 1, 2016, to January 1, 2019.

Source: Estimates by analyst

Data Profile

Table DP-1. San Antonio-New Braunfels HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	787,868	943,771	1,060,000	1.8	2.4
Unemployment rate	3.9%	7.2%	3.7%		
Nonfarm payroll jobs	751,200	851,700	980,900	1.3	2.9
Total population	1,711,703	2,142,508	2,395,000	2.3	2.0
Total households	601,265	763,022	838,400	2.4	1.7
Owner households	387,770	488,523	521,300	2.3	1.1
Percent owner	64.5%	64.0%	62.2%		
Renter households	213,495	274,499	317,100	2.5	2.5
Percent renter	35.5%	36.0%	37.8%		
Total housing units	648,593	837,999	903,000	2.6	1.3
Owner vacancy rate	1.5%	2.0%	1.5%		
Rental vacancy rate	7.0%	9.5%	7.0%		
Median Family Income	\$41,900	\$57,200	\$58,800	3.2	0.6

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through December 2015. Median Family Incomes are for 1999, 2009, and 2014. The current date is January 1, 2016.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 1/1/2016—Analyst's estimates
Forecast period: 1/1/2016–1/1/2019—Analyst's estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

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.

Other Vacant Units: In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_SanAntonio_NewBraunfelsTX_16.pdf.

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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.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. 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.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.