



## **2011 BANNER YEAR FOR ALAMO CITY MULTIFAMILY?**

SAN ANTONIO (Marcus & Millichap) – This year could be a banner year for San Antonio's apartment operations, reports Marcus & Millichap in its recently released market outlook.

According to the report, growth in traditional areas — particularly call centers and energy — will remain the backbone of new apartment demand.

In addition, Marcus & Millichap forecasts:

- San Antonio metro payrolls will expand 2.4 percent this year as employers add 20,000 positions. The professional and business services and education and health services sectors will increase by 3 percent and 4 percent, respectively.
- Builders will deliver 1,200 units this year, a 0.8 percent inventory expansion. An additional 5,200 units are planned, including 2,400 units in the far northwest submarket. Last year, 2,700 apartments were completed.
- After improving 180 basis points in 2010, vacancy will fall 120 basis points this year to 7.2 percent. Submarkets in the northern suburbs, where development was concentrated in recent years, will all report vacancies below the market average by year end.
- Owners will be more aggressive with rent hikes this year because of tight overall conditions and limited additions to stock. Asking rents will increase 3.4 percent to \$729 per month, and effective rents will gain 4.5 percent to \$690 per month.

**Courtesy of JB Goodwin**