

Downtown San Antonio, TX: Building for the Future

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Downtown San Antonio boasts a diverse array of buildings built during multiple decades, as can be expected in a city that is more than 300 years old. These structures contribute to the city’s historical charm, and contemporary buildings were not prevalent in the past. However, spurred by the “Decade of Downtown” within the city’s **SA2020** growth plan created in 2010, revitalization and new-build projects became more common in the years prior to the COVID-19 pandemic. The modernization was anchored by the 2019 opening of **Frost Tower**, the city’s first new high-rise since 1989. Since 2020, roughly 20 development projects, reportedly totaling more than \$2 billion, have been completed or are under construction in the city’s central core, including **Broadway East**, **Alamo Plaza**, and a number of hotels. The map below shows hotels that have opened since COVID, are currently under construction or redevelopment, or are planned for development in the downtown area.



Source: HVS Research

A development that would require further new hotel inventory downtown is the planned new stadium. In May 2024, city officials announced a funding plan for the new baseball stadium in the northwest area of downtown for the **San Antonio Missions (Minor League Baseball AA affiliate)**. This project would stimulate further

Summary

San Antonio has long been steeped in tradition and culture, with the city home to numerous historical landmarks such as the Alamo and the River Walk. However, Downtown San Antonio is in the midst of growth and modernization, led by new hotel development.

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development in this submarket, and the project itself is forecast to increase the local property tax roll by \$1 billion by the time all four phases are completed in 2031.

Hotel demand in Downtown San Antonio is significant. The district is a tourism hotspot, anchored by the extremely popular **River Walk** and historic **Alamo**, with the **Alamodome**, **Frost Bank Center**, and dozens of other attractions further supporting leisure demand. Downtown is also home to the **Henry B. González Convention Center**, which hosts roughly 250 events with 500,000 attendees each year, according to **Visit San Antonio**.



Ongoing visitation growth is illustrated in the passenger traffic trends at the **San Antonio International Airport**. The facility set a new passenger traffic record in July 2024, with 1,032,610 passengers; the prior record of 1,000,172 passengers was set in July 2023. As a result of the growth throughout San Antonio and continuous passenger increases, the airport is undergoing a \$2.5-billion expansion and improvement that will be completed over the next four to six years. The project is anticipated to support greater passenger traffic and provide infrastructure that will draw more international and transatlantic flights.

Downtown San Antonio is experiencing revitalization, fueled by a variety of development projects. Moreover, with roughly 39 million visitors annually, San Antonio is set to remain a top leisure destination in the southern United States, and the highly popular Downtown district is a draw for some of the largest conventions and events in the country. These factors, along with the airport expansion, point to a city ready for new hotels. However, with roughly 950 keys added since the onset of the pandemic and approximately 1,200 guestrooms in the current development pipeline, the lodging metrics of a particular project or area should be examined to determine what type of hotel would be feasible.

For more insight on developments in the greater San Antonio-New Braunfels MSA or for help making informed investment decisions in this market, contact **Shannon Sampson** or **David Bone**, your South-Central Texas hospitality experts.

Sources:

<https://www.visitsanantonio.com/media/media-kit/san-antonio-overview/>

<https://www.ktsa.com/san-antonio-international-sets-new-record-in-july-with-more-than-1-million-passengers/>

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