

SAN ANTONIO OFFICE Monthly Market Snapshot

JUNE 2018

Market Highlights

Asking rents continue to rise; absorption remains in the red.

The San Antonio office market vacancy rate rose to 10.1% nearing the end of the second quarter—up 10 basis points from 10.0% at the end of May. Year-to-date net absorption is in the red at negative 41,287 sq. ft., as 86,442 sq. ft. of new space has been delivered to the market at 3202 General Hudnell Drive – Project Tech in Port San Antonio. Project Tech, a state-of-the-art technology complex will house firms supporting San Antonio’s growing cybersecurity community. The quoted average full-service rent continues to climb at \$22.19 per sq. ft. for existing space—the highest figure ever recorded—while the asking rent for space under construction is around \$34.71 per sq. ft.

Inwood Village Breaks Ground. The 76,000-sq.-ft. office building is located at 2722 Bitters Rd. in north central San Antonio. Scheduled to deliver in December 2018, the two-story property in Inwood Village will ultimately include a second, 71,000-sq.-ft. office building.

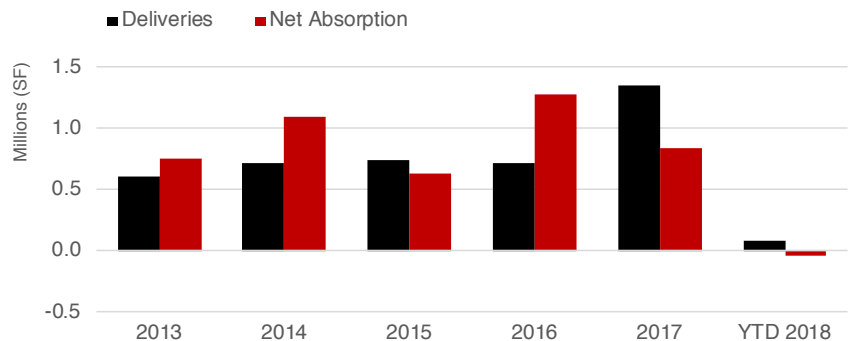
San Antonio economic growth picked up in April.

San Antonio jobs increased at a 0.7% annualized rate over the three months through April. Service sectors were mixed as information and other services added jobs at a rapid pace, but trade, professional services and financial activities dropped jobs. The unemployment rate decreased to 3.4% in April, while the Texas rate edged up to 4.1%, and the U.S. rate fell to an 18-year low of 3.9%.

Market Activity

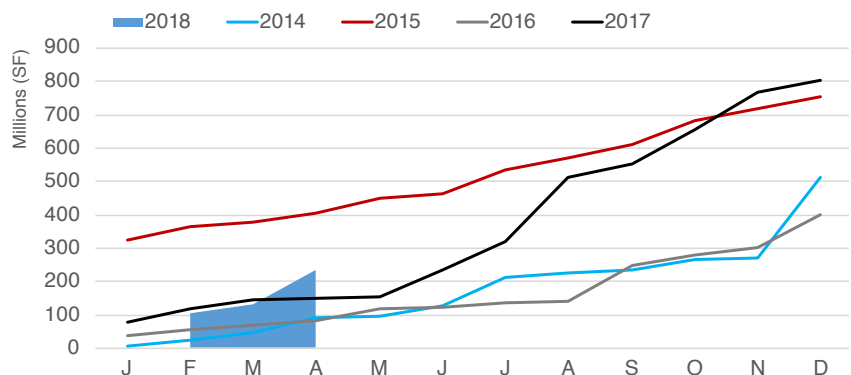
	Year-to-Date 2018		
	June		May
Vacancy	10.1%	▲	10.0%
Availability	12.7%	▼	12.9%
Net Absorption (SF)	-41,287	▲	-75,381
Leasing Activity (SF)	717,233	▲	463,446
Deliveries (SF)	86,442	▲	0
Under Construction (SF)	978,791	▼	1,194,207
Gross Avg Asking Rent	\$22.19	▲	\$22.11

Supply & Demand



San Antonio Office Cumulative Monthly Sales Volume

Year-to-date volume: \$236 million | Year-over-year change: 54.6% | Source: Real Capital Analytics, May 2018



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