

# SAN ANTONIO INDUSTRIAL Monthly Market Snapshot

JUNE 2019

## Market Highlights

**Emerging Industrial market.** Overall vacancy is at 7.2%, up from this time last year at 5.8%, due in part to the 800,000 sq. ft. of vacant space delivered to the market in 2019—about 42% of the total 1.9 million sq. ft. completed. The vacancy rate for Class A properties is at 15.1%, up from 12.2% in June of 2018. Year-to-date net absorption is at 286,000 sq. ft., up from 124,000 sq. ft. year-over-year. While the asking price for industrial properties has steadily grown over the past few years, it is currently at an average monthly rate of \$0.51 with slight fluctuations during the time in between.

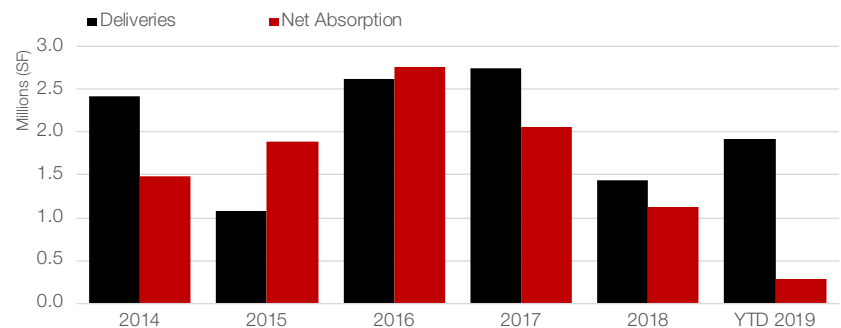
**Corner Ridge Crossing.** The four-building, 578,800-sq.-ft. speculative industrial park in northeast San Antonio is being developed by Hines, its first industrial project in San Antonio. Construction is anticipated to begin in the third quarter of 2019 and should be completed by the second quarter of 2020. Corner Ridge Crossing will be situated on 45 acres in Cornerstone Industrial Park connected by Corner Ridge and Ackerman Road, near Loop 410 and Interstate 10. San Antonio's connectivity to Houston, Dallas, Austin and the Mexican border—all in under four hours—further indicate signs of San Antonio's emerging industrial market.

**Economy expanding at moderate pace.** In the three months ending in April, the metro area added jobs at an annualized rate of 1.7%. Growth was led mainly by the construction sector, which increased by 12.5% (1,600 jobs). Financial activities grew 7.5% (1,700 jobs) and professional and business services grew at 6.6% (2,300 jobs). Areas of contraction included health and education services, which lost a net 1,800 jobs, and leisure and hospitality, which shed close to 1,400 jobs. The San Antonio unemployment rate fell for the third consecutive month, to 2.9% in April, significantly lower than the state's rate at 3.7%, and the nation's rate at 3.6%.

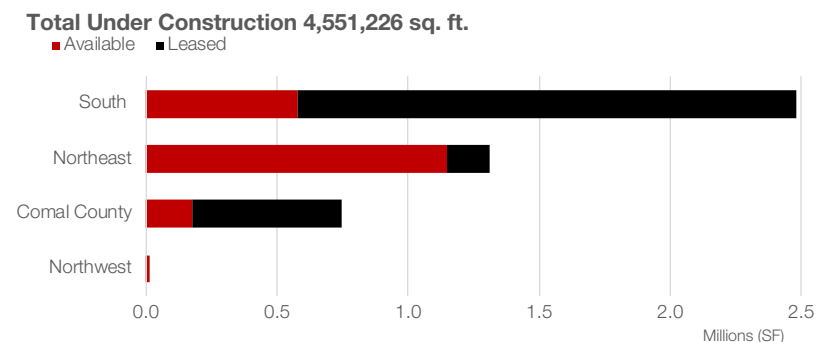
## Market Activity

	Year-to-Date June		
	2019		2018
Vacancy	7.2%	▲	5.8%
Availability	10.1%	▲	9.6%
Net Absorption (SF)	286,125	▲	123,812
Leasing Activity (SF)	1,911,620	▲	1,193,228
Deliveries (SF)	1,914,236	▲	499,147
Under Construction (SF)	4,551,226	▼	4,744,060
NNN Avg Asking Rent (PSF)	\$0.51	▲	\$0.50

## Supply & Demand



## Construction Activity



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