

# SAN ANTONIO OFFICE Monthly Market Snapshot

JUNE 2019

## Market Highlights

**Asking rents keeps getting higher.** Overall vacancy is at 10.8%, up from this time last year at 10.1%. All the while, gross average asking rental rates keep climbing, rising to \$23.18 per sq. ft., an all-time record high, up \$0.99 year-over-year. Occupancy of the 368,000 sq. ft. delivered to the market year-to-date stands at 84.3%, and of the 1.5 million sq. ft. currently under construction, 57.9% of that space is already spoken for. In addition, there has been 1.2 million sq. ft. of leasing activity year-to-date—which is comprised of both new leases and renewals—up 64.1% from this time a year ago.

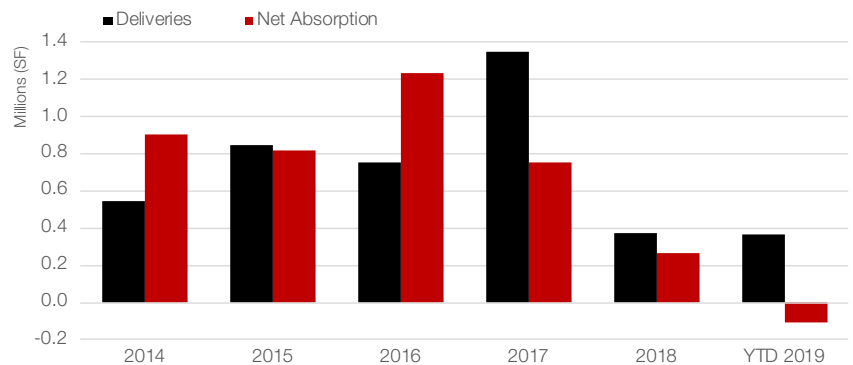
**50-acre office park and mixed-use development.** Parkline, the new \$500 million development is being built near the University of Texas at San Antonio at Interstate 10 between University Boulevard and West Hausman Road. Construction has started on the initial phase of Parkline that includes apartments as well as roadways to support the rest of the mixed-use development. Upon full build-out, Parkline is expected to include 1 million sq. ft. of office space, 1,149 apartments and townhome units, the Aloft Hotel and up to 108,000 sq. ft. of restaurant and retail space.

**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

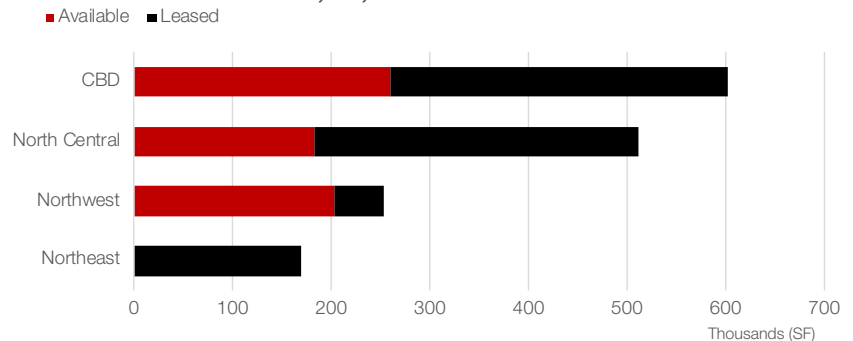
	Year-to-Date June	
	2019	2018
<b>Vacancy</b>	10.8%	10.1%
<b>Availability</b>	13.0%	12.7%
<b>Net Absorption (SF)</b>	-103,569	-41,287
<b>Leasing Activity (SF)</b>	1,177,102	717,233
<b>Deliveries (SF)</b>	368,125	86,442
<b>Under Construction (SF)</b>	1,537,030	978,791
<b>Gross Avg Asking Rent</b>	\$23.18	\$22.19

## Supply & Demand



## Under Construction

**Total Under Construction: 1,537,030 SF**



**Leta Wauson**

Director of Research

leta.wauson@naipartners.com

tel 713 275 9618

**NAIPartners**

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[www.naipartners.com](http://www.naipartners.com)