

# SAN ANTONIO INDUSTRIAL Monthly Market Snapshot

FEBRUARY 2020

## Market Highlights

**Demand outpacing deliveries.** Overall vacancy is at 7.0%, up from this time last year at 6.1%. Of the 4.9 million sq. ft. under construction, 37% is available for lease. The vacancy rate for Class A properties is at 15.9%, up from the prior period at 13.4%. Year-to-date net absorption is at 92,000 sq. ft., compared to 674,000 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 \$0.50 per sq. ft. with slight fluctuations during the time in between.

### New \$35 million manufacturing plant.

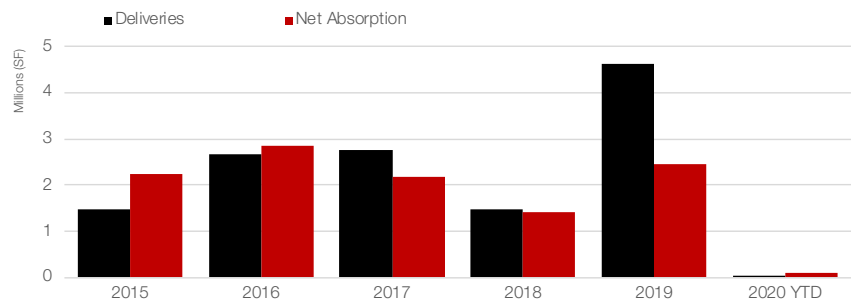
United Alloy is building a new \$35 million manufacturing facility in Seguin, located about 35 miles east of downtown San Antonio. The state-of-the-art plant will be built on 27 acres between Eighth Street and Guadalupe Street, just south of Interstate 10. The metal fabrication company's project is planned to create 100 jobs over the next three years. United Alloy expects to break ground on its Seguin facility in Q1 2020, with operations beginning by the end of the year.

**Strong quarterly job growth.** In 2019, San Antonio's labor force expanded 2.1%, slightly above 2018's 2.0%. Job growth in the fourth quarter showed construction posting strong gains at 15.2% or 2,160 net jobs; leisure and hospitality registered at 12.5% or 4,190 jobs; and manufacturing listed an increase of 9.6% or 1,200 jobs. In December, the metro unemployment rate dropped to 3.0%, while the state jobless rate ticked up to 3.5%, and the nation remained at 3.5%. Recent solid job growth and a lower unemployment rate suggests continued growth in the San Antonio economy.

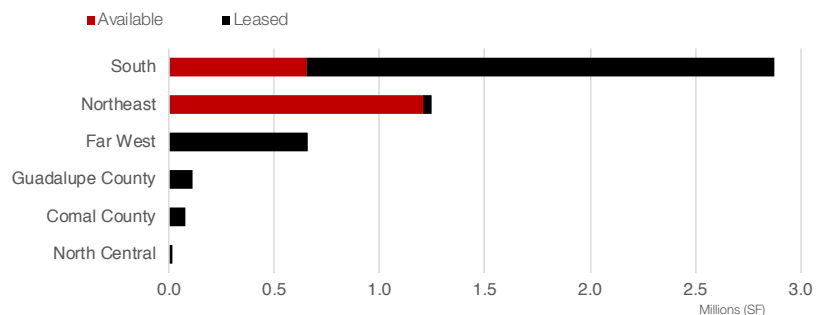
## Market Activity

	Year-to-Date January	
	2020	2019
Vacancy	7.0% <span style="color: green;">▲</span>	6.1%
Availability	9.9% <span style="color: red;">▼</span>	10.2%
Net Absorption (SF)	91,562 <span style="color: red;">▼</span>	674,386
Leasing Activity (SF)	122,706 <span style="color: red;">▼</span>	440,521
Deliveries (SF)	16,250 <span style="color: red;">▼</span>	734,227
Under Construction (SF)	4,938,403 <span style="color: green;">▲</span>	3,721,692
NNN Avg Asking Rent (PSF)	\$0.50 <span style="color: red;">▼</span>	\$0.51

## Supply & Demand



## Under Construction



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