

SAN ANTONIO OFFICE Monthly Market Snapshot

JUNE 2020

Market Highlights

Vacancy rate at 10.5%. Overall vacancy is at 10.5%, down from this time last year at 10.8%. Of the 1.5 million sq. ft. under construction, 65.4% has been spoken for. The vacancy rate for Class A properties is at 13.2%, up from the prior period at 13.0%. The asking price for office properties has steadily grown over the past several years, and is currently at an average annual rate of \$23.31 per sq. ft., up from this time last year, at \$23.18 per sq. ft.

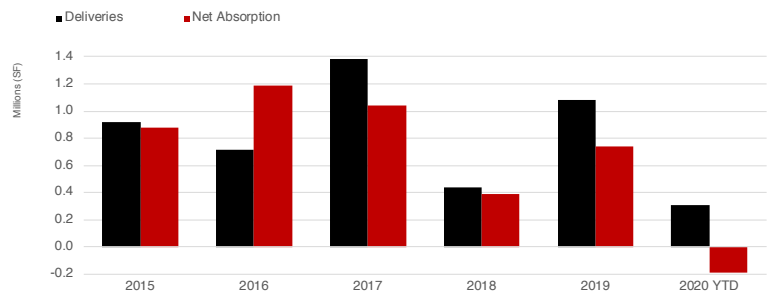
Walker Ranch Business Park breaks ground. The two-building, 135,000-sq.-ft. office park is located on 10.8 acres at the corner of Wurzbach Parkway and West Avenue in the city's North Central submarket near the airport. Walker Ranch will include a 58,000-sq.-ft., two-story office building, and a second building with 78,000 sq. ft. of flex office space. The flex building will deliver in Q1 2021 and the office building in the second quarter of 2021. Worth & Associates acquired the land from Coker United Methodist Church in January 2020, according to county records.

San Antonio economic indicators. The Federal Reserve Bank of Dallas reported that San Antonio's economy tightened further in April as a result of the impacts of COVID-19. The San Antonio Business-Cycle Index declined at a historic pace. The unemployment rate continued to increase, and payrolls weakened. However, recent data on weekly initial claims for unemployment insurance suggest a sharp drop in job losses. Home sales activity dropped for the second consecutive month. In May, stock prices of San Antonio-based companies posted increases.

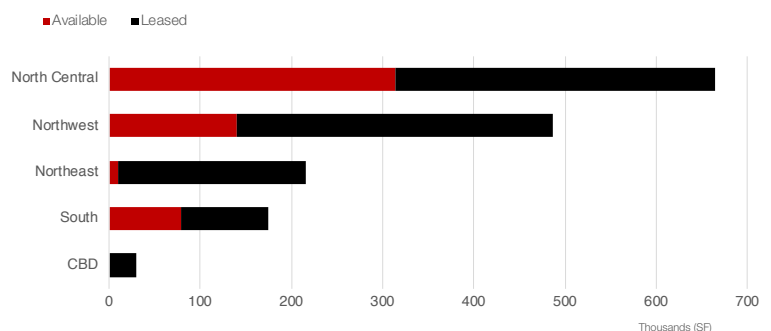
Market Activity

	Year-to-Date	
	June 2020	June 2019
Vacancy	10.5%	↓ 10.8%
Availability	13.6%	↑ 13.0%
Net Absorption (SF)	-191,201	↓ -103,569
Leasing Activity (SF)	928,870	↓ 1,177,102
Deliveries (SF)	307,365	↓ 368,125
Under Construction (SF)	1,515,561	▬ 1,537,030
Gross Avg Asking Rent	\$23.31	↑ \$23.18

Supply & Demand



Under Construction



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