

SAN ANTONIO INDUSTRIAL Monthly Market Snapshot

SEPTEMBER 2020

Market Highlights

Steady vacancy rate at 6.9%. Overall vacancy is at 6.9%, up slightly from this time last year at 6.8%. The occupancy rate of the 2.6 million sq. ft. delivered to the market so far in 2020 stands at 75.4%, and of the 3.4 million sq. ft. under construction, 53.9% has been spoken for. The vacancy rate for Class A properties is at 19.7%, up from the prior period at 19.2%. The asking price for industrial properties is currently at an average monthly rate of \$0.55 per sq. ft., up from this time last year at \$0.50 per sq. ft. due primarily to the new product added to the market.

Project Star. Seefried Industrial Properties is developing a 3.8 million-sq.-ft. building that will include a large sortation facility, a guard house and fire pump accessory structures, according to filing documents. The Atlanta developer has a history of making deals with Amazon, although the tenant behind the \$200 million fulfillment center project is cited as confidential. The filing refers to the development as Project Star with a proposed location of 6806 Cal Turner Drive in South San Antonio. Construction is scheduled to begin in Q4 2020 with completion planned for Q1 2022.

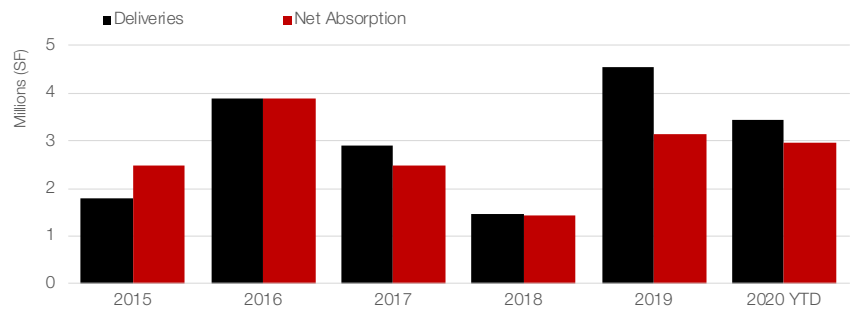
Strong in spite of COVID-19 pandemic.

The San Antonio industrial market has recorded 4.1 million sq. ft. of leasing activity—which is comprised of both new leases and renewals—up from 3.1 million sq. ft. as of August 2019. To support the additional industrial demand—other than strong growth in ecommerce—the single-family home market remains robust with limited inventory and low interest rates supporting higher prices. The metro's unemployment rate declined to a still-elevated 6.9% in July, below the Texas and U.S. rates of 8.0% and 10.2%, respectively. While job increases over the past three months have generally been strong, they have not been large enough to offset the declines in March and April.

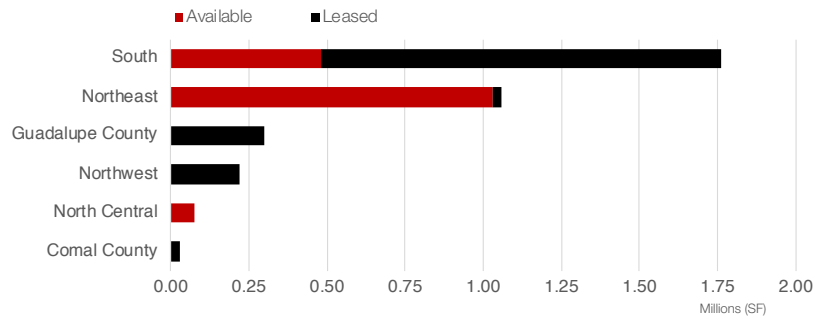
Market Activity

	August 2020 Year-to-Date		August 2019 Year-to-Date
Vacancy	6.9%	↑	6.8%
Availability	9.8%	▬	9.8%
Net Absorption (SF)	2,953,801	↑	2,304,527
Leasing Activity (SF)	4,081,953	↑	3,061,334
Deliveries (SF)	3,434,539	↓	3,570,561
Under Construction (SF)	3,446,043	↑	2,421,143
Gross Avg Asking Rent (PSF)	\$0.55	↑	\$0.50

Supply & Demand



Under Construction



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