

SAN ANTONIO OFFICE Monthly Market Snapshot

SEPTEMBER 2020

Market Highlights

Vacancy rate at 10.7%. The overall vacancy rate is at 10.7%, up from this time last year at 10.1%, due in part to the 251,000 sq. ft. of vacant space delivered to the market so far in 2020—62.8% of the total 400,000 sq. ft. completed. Of the 1.7 million sq. ft. currently under construction, 32.1% of that space is available for lease. The vacancy rate for Class A properties is at 14.0%, up from 13.1% this time last year. The San Antonio office market has recorded net absorption (move-ins minus move-outs) of negative 183,000 sq. ft., down from positive 930,000 sq. ft. at this time in 2019.

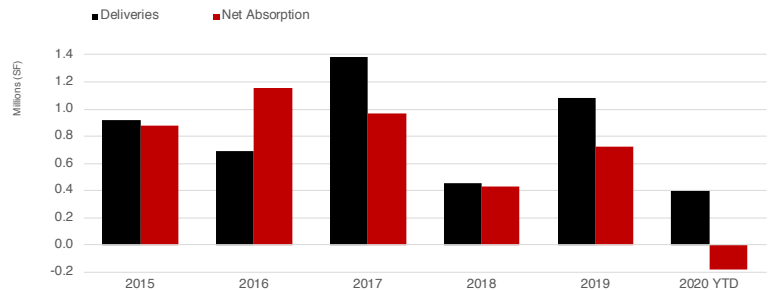
USAA subleasing Vista Corporate Center. USAA has vacated all five floors of the Class A space it occupied at the Vista Corporate Center at 13805 1-10 W, adding 157,470 sq. ft. to the sublease market. The approximately 830 affected employees and contractors either moved to other campuses or continued working from home, as did the majority of USAA's 35,000 employees in response to cases of COVID-19 in the San Antonio area.

San Antonio Economic Indicators. 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. San Antonio jobs increased a nonannualized 5.8% (56,200 jobs) in the three months ending in July. Leisure and hospitality saw the most gains (46.8%, or 37,000 jobs) and was followed by other services (9.6%, or 3,100 jobs). While increases over the past three months have generally been strong, they have not been large enough to offset the declines in March and April. So far this year, jobs have declined by 5.8%, with losses across all sectors.

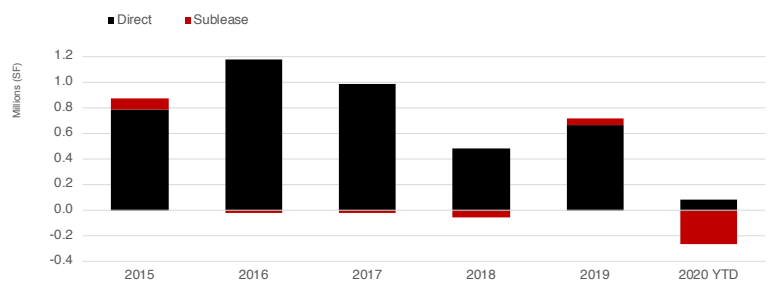
Market Activity

	August 2020 Year-to-Date		August 2019 Year-to-Date
Vacancy	10.7%	▲	10.1%
Availability	14.0%	▲	12.2%
Net Absorption (SF)	-182,864	▼	930,336
Leasing Activity (SF)	1,285,974	▼	1,546,750
Deliveries (SF)	400,318	▼	1,019,411
Under Construction (SF)	1,674,961	▲	1,138,976
Gross Avg Asking Rent	\$23.58	▲	\$22.78

Supply & Demand



Net Absorption



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