

SAN ANTONIO OFFICE MONTHLY MARKET SNAPSHOT

San Antonio Office market vacancy rate at 11.0%

June 2021

MARKET HIGHLIGHTS

VACANCY RATE AT 11.0%

The overall vacancy rate in the San Antonio office market is at 11.0%, up 90 basis points from this time last year at 10.1%. The vacancy rate for Class A properties is at 13.0%, up from 12.6% in the prior period. Net absorption (move-ins minus move-outs) of negative 50,000 sq. ft. was up from negative 84,000 sq. ft. at this time in 2020. In addition, 328,000 sq. ft. of new supply has been delivered to the market so far in 2021, with an occupancy rate of 75%. Year-to-date through May, the office market has recorded 885,000 sq. ft. of leasing activity—which is comprised of both new leases and renewals—down 68% from one year ago.

ZACHRY MOVING HQ'S INTO WALKER RANCH

Zachry Construction Materials is moving its headquarters to Walker Ranch Business Park, a 150,000-sq. ft. office park at 14410 Wurzbach Parkway in the North Central submarket. The company will occupy 57,718 sq. ft. in the 93,000-sq. ft. Class A Building II. The building is under construction with completion scheduled for Q3 2021. Zachry is planning to move around 190 employees into the new space in Q4 2021.

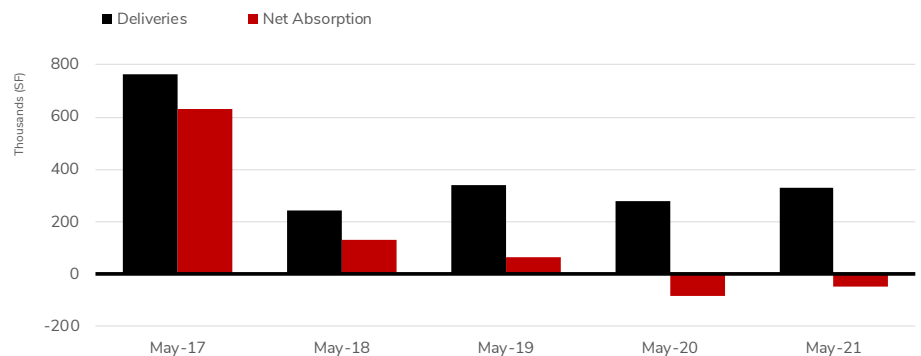
SAN ANTONIO LABOR MARKET

The metro's unemployment rate declined to 6.0% in April, the lowest since March 2020. The state's unemployment rate fell to 6.7%, while the nation's jobless rate ticked up slightly to 6.1%. Recent job growth has been largely positive across all sectors, reported the Federal Reserve Bank of Dallas. Net payrolls in San Antonio expanded an annualized 7.0% (17,790 jobs) in the three months ending in April, with positive performances across most sectors. Leisure and hospitality led the growth (26.7%, or 6,875 jobs) and was followed by construction (16.3%, or 1,690 jobs). In March and April 2020 combined, 130,511 jobs were lost as the pandemic hit. As of April 2021, 74.9% of those jobs had been recovered, and overall, the number of jobs was 3.0% below pre-pandemic levels.

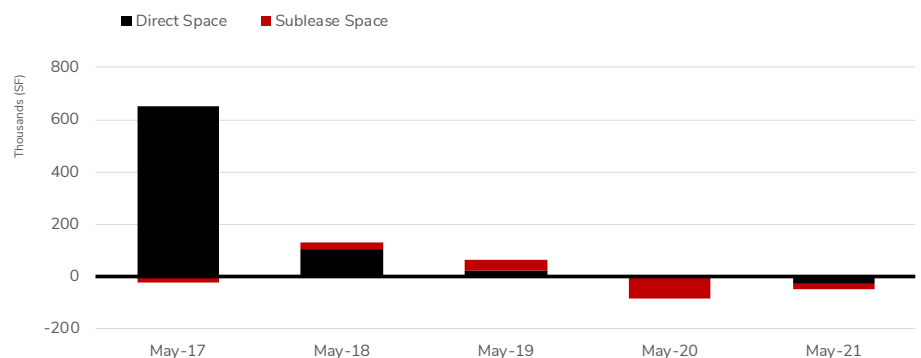
MARKET ACTIVITY

	MAY 2021		MAY 2020
Vacancy	11.0%	▲	10.1%
Availability	15.0%	▲	13.1%
Under Construction SF	1,574,102	▲	1,438,689
Gross Average Asking Rent	\$23.93	▲	\$23.43
Net Absorption SF YTD	-49,723	▲	-83,877
Leasing Activity SF YTD	884,796	▼	2,725,741
Deliveries SF YTD	328,401	▼	278,171

SUPPLY & DEMAND | MAY - YEAR OVER YEAR



NET ABSORPTION | MAY 2021



LETA WAUSON

DIRECTOR OF RESEARCH
leta.wauson@naipartners.com
tel 713 275 9618

NAIpartners
BROKERAGE SERVICES
www.naipartners.com