

SAN ANTONIO OFFICE MONTHLY MARKET SNAPSHOT | SEPTEMBER 2021

Asking rent in San Antonio Office market remains elevated at second-highest average on record

MARKET HIGHLIGHTS

SUPPLY & DEMAND

Demand for office space is in the red at negative 33,400 sq. ft., outpaced by supply at 645,000 sq. ft. during the first eight months of 2021 in the San Antonio metro. Supply outpacing demand has been the case for this exact timeframe annually since 2016. With 645,000 sq. ft. delivered since the beginning of the year, 1.1 million sq. ft. under construction, and another 1.7 million sq. ft. planned through 2022, supply may continue to overtake demand with the availability rate of this space at about half.

VACANCY

Overall vacancy in the San Antonio office market is at 11.4%, up from 10.3% in August 2020. The vacancy rate for Class A properties is at 14.3%, up from the prior period at 12.4%, while Class B properties are at 10.9% vacancy, up from 9.9%. The San Antonio office market has recorded 1.3 million sq. ft. of leasing activity—which is comprised of both new leases and renewals—down from 3.2 million sq. ft. this time last year. In addition, the full-service asking price for office properties is currently at an average annual rate of \$23.87 per sq. ft., up slightly from this time last year at \$23.55 per sq. ft.

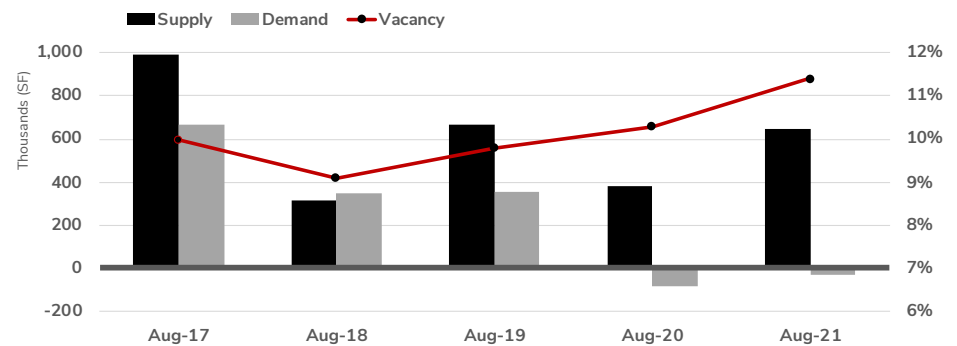
OFFICE AND PRODUCTION LEASE FOR 102,485 SQ. FT.

Postal Central International (PCI)—has chosen San Antonio for its first office and production facility outside of Florida. The deal was signed in July for 102,485 sq. ft. at 4958 Stout Drive in the South submarket. It is expected to open in the fall of this year. The facility totals 174,821 sq. ft. and also has Anemostat as a tenant, occupying 72,336 sq. ft. This is the first in a series of regional office, production and presort mailing sites outside of the company's headquarters, according to PCI.

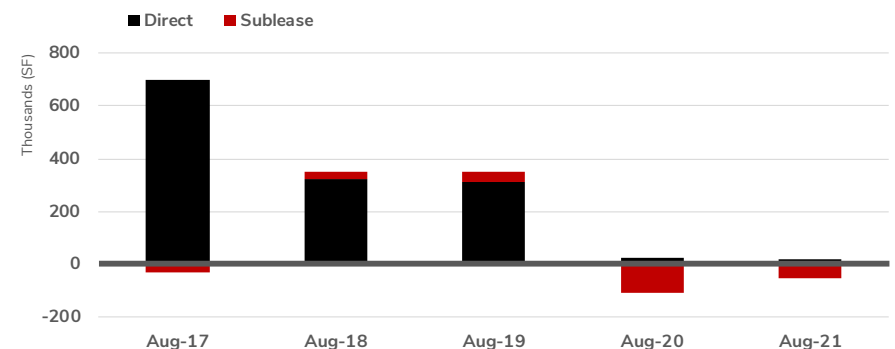
MARKET ACTIVITY

	AUGUST 2021	vs	AUGUST 2020
Vacancy	11.4%	▲	10.3%
Availability	15.1%	▲	13.9%
Under Construction SF	1,096,548	▼	1,284,045
Gross Average Asking Rent	\$23.87	▲	\$23.55
Net Absorption SF YTD	(33,371)	▲	(85,185)
Leasing Activity SF YTD	1,349,081	▼	3,187,716
Deliveries SF YTD	644,837	▲	381,267

SUPPLY & DEMAND | AUGUST - YEAR OVER YEAR



NET ABSORPTION | AUGUST - YEAR OVER YEAR



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