

SAN ANTONIO OFFICE MONTHLY MARKET SNAPSHOT | DECEMBER 2021

San Antonio Office market sees substantial year-over-year increase in net absorption

MARKET HIGHLIGHTS

VACANCY RATE REMAINS BELOW 11%

Overall vacancy in the San Antonio office market ticked up to 10.9%, an increase from 10.3% in November 2020. Net absorption (move-ins minus move-outs) is at positive 238,000 sq. ft., up from 72,000 sq. ft. at this time last year. There have been eight properties totaling 669,000 sq. ft. delivered so far in 2021, with 211,000 sq. ft. delivered so far in 2021, with 211,000 sq. ft., or 32% of available space. The amount of square feet delivered to the San Antonio office market has been equal to or outpaced net absorption—representing demand for office space—for the fifth consecutive period since 2017.

CONSTRUCTION ACTIVITY STEADY

San Antonio has 1.3 million sq. ft. underway (26% space available), representing 2.1% of inventory, on top of the 669,000 sq. ft. that delivered (32% space available) during 2021. There is 793,000 sq. ft. of proposed projects that have been announced, although they have not broken ground yet. The amount of construction underway and in the pipeline has been on average about 1.3 million sq. ft. over the past decade. After delivering a number of projects in Northwest San Antonio, the CBD and the adjacent Pearl district have seen the bulk of this latest round of construction, with much of the product like the headquarters for Credit Human and Jefferson Bank representing most of what's come to market during the pandemic.

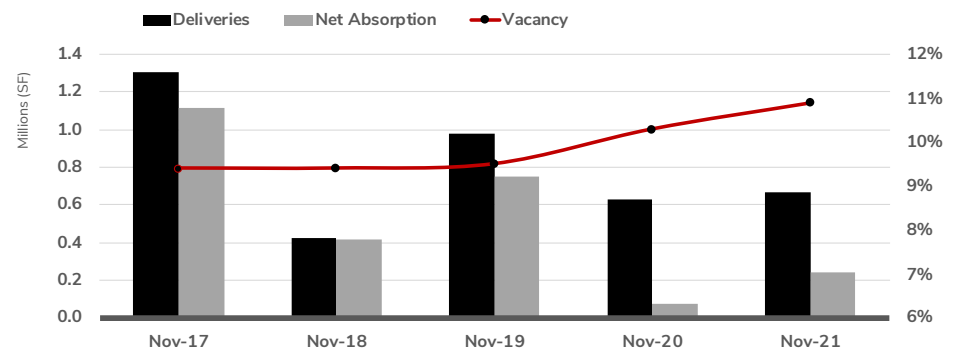
SIGNIFICANT LEASE TRANSACTIONS IN 2021

Medtronic signed a renewal for 145,025 sq. ft. in Overlook at the Rim in the Far Northwest submarket in September; TaskUs Inc. expanded its leased headquarters at Heritage Plaza in New Braunfels, adding 35,000 sq. ft. to its existing space to total three stories and 105,729 sq. ft.; a lease for 80,312 sq. ft. in Port San Antonio was signed in July; and University Health inked a deal for 40,544 sq. ft. in Wonderland of the Americas in the Northwest submarket in July.

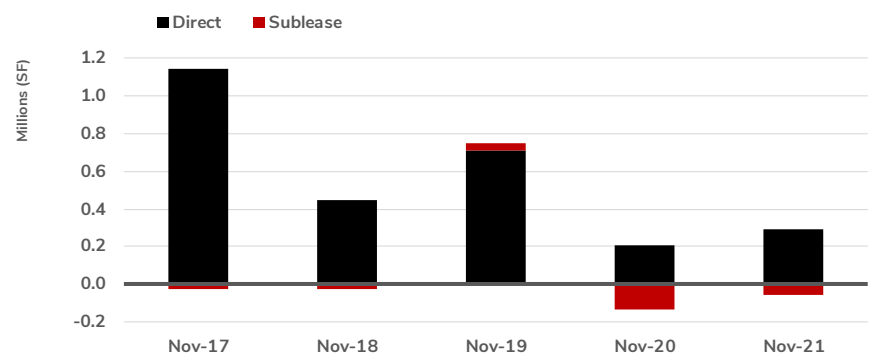
MARKET ACTIVITY

	NOVEMBER 2021	vs	NOVEMBER 2020
Vacancy	10.9%	▲	10.3%
Availability	15.0%	▲	13.9%
Under Construction SF	1,338,559	▼	1,660,613
Gross Average Asking Rent	\$23.89	▲	\$23.54
Net Absorption SF YTD	238,177	▲	72,258
Leasing Activity SF YTD	1,988,004	▼	3,992,535
Deliveries SF YTD	669,123	▲	632,730

SUPPLY & DEMAND | NOVEMBER - YEAR OVER YEAR



NET ABSORPTION | NOVEMBER - YEAR OVER YEAR



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