

# SAN ANTONIO OFFICE MONTHLY MARKET SNAPSHOT | JUNE 2022

Office leasing activity in San Antonio remains steadfast.

## MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST FIVE MONTHS OF THE YEAR—MAY 2022 COMPARED TO MAY 2021.

### SAN ANTONIO OFFICE VACANCY AT 12%

Almost halfway through 2022, overall vacancy is at 12%, up 130 basis points from this time last year at 10.7%. Availability is at 15.2%, up 50 basis points from May 2021 at 14.7%. The difference between this figure and the vacancy rate reflects expected future move-outs. The San Antonio office market has recorded 991,000 sq. ft. of leasing activity, comprised of new leases and renewals, almost unchanged from this time last year, while net absorption (move-ins minus move-outs) is at negative 820,000 sq. ft., down from negative 80,000 sq. ft. year-over-year.

### DOWNTOWN RENOVATIONS

Investment firm BH Properties will start a \$10 million project to renovate 146 Navarro, a 100,000-sq.-ft. office building in downtown San Antonio. The building was originally constructed in 1987 as the headquarters of CPS Energy. The project will add approximately 20,000 sq. ft. of ground-floor retail and restaurant space. In addition, San Antonio's Tower Life Building is under new ownership. Built-in 1929, the 31-story tower was placed on the National Register of Historic Places in 1991. Recently, the building was occupied by several law firms. Last appraised at \$10.1 million, the building was renovated in 2012 and again earlier this year.

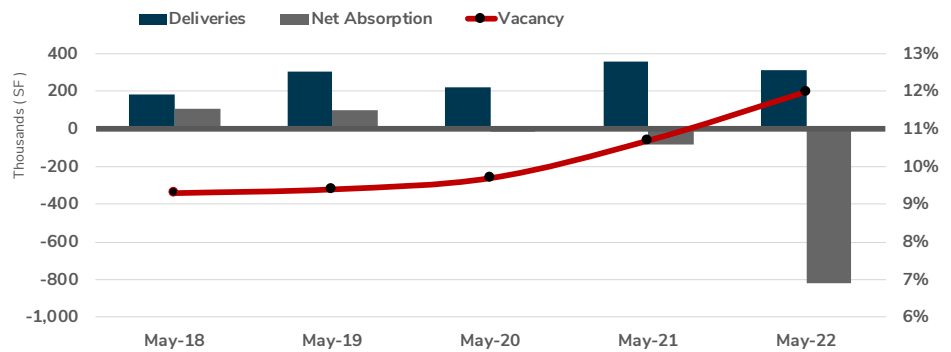
### ECONOMIC INDICATORS

The San Antonio unemployment rate increased in April to 3.7%, though this is near its lowest rate since the start of the pandemic. The regional labor force shrank slightly, down 1.0% from its peak in February 2022. San Antonio payrolls expanded by 7,718 jobs over the three months ending in April. Among the major sectors, other services—including auto repair and personal care services—led growth with an increase of 15.5% (or 1,403 jobs). Financial activities followed with 13.6% growth (3,032 jobs). With the overall increase in April employment, San Antonio has surpassed its pre-pandemic level of jobs.

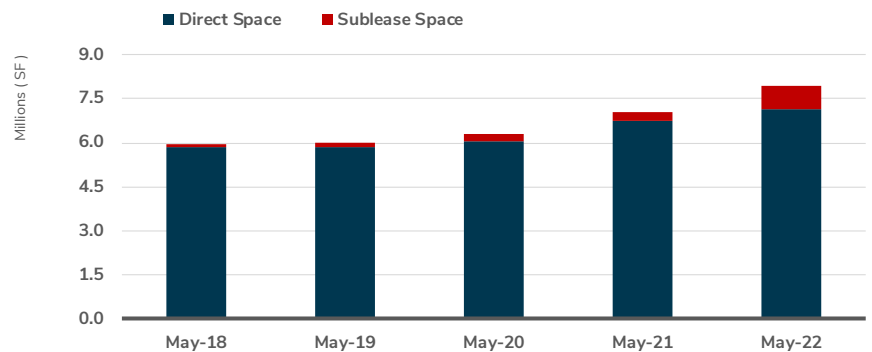
## MARKET ACTIVITY

	MAY 2022	vs	MAY 2021
Vacancy	12.0%	▲	10.7%
Availability	15.2%	▲	14.7%
Under Construction SF	1,252,982	▲	1,184,303
Gross Average Asking Rent	\$24.76	▲	\$23.94
Net Absorption SF YTD	(820,187)	▼	(79,989)
Leasing Activity SF YTD	991,171	▼	995,849
Deliveries SF YTD	314,160	▼	361,746

## SUPPLY & DEMAND | MAY - YEAR OVER YEAR



## VACANCY | MAY - YEAR OVER YEAR



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