

SAN ANTONIO OFFICE MONTHLY MARKET SNAPSHOT | FEBRUARY 2022

San Antonio Office market strong out of the chute in 2022 with leasing activity nearly double its year-prior tally

MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST MONTH OF THE YEAR—JANUARY 2022 COMPARED TO JANUARY 2021.

SAN ANTONIO OFFICE VACANCY AT 11.2%

One month into 2022, overall vacancy is at 11.2%, up 30 basis points from this time last year. Availability is at 14.7%, down 20 basis points from January 2021. The difference between this figure and the vacancy rate reflects expected future move-outs. The San Antonio office market has recorded 334,000 sq. ft. of leasing activity—which is comprised of both new leases and renewals—while net absorption (move-ins minus move-outs) is at negative 363,000 sq. ft., down from negative 41,000 sq. ft. year-over-year.

LEASING ACTIVITY UP YEAR-OVER-YEAR

Even with the increase in vacancy, leasing activity was up 82% year-over-year. There were about 50 lease transactions that took place in January 2022 ranging in size from 400 sq. ft. to 20,000 sq. ft. Net absorption fell further into the red during the month of January due in part to 90,435 sq. ft. being added back to the market at 305-315 E. Houston St. in The Grant & Kress Building; 73,024 sq. ft. of vacant space in the Spectrum Building at 613 NW Loop 410; and 69,000 sq. ft. becoming vacant at 11826 Tech Com Road in Crosswinds Building B.

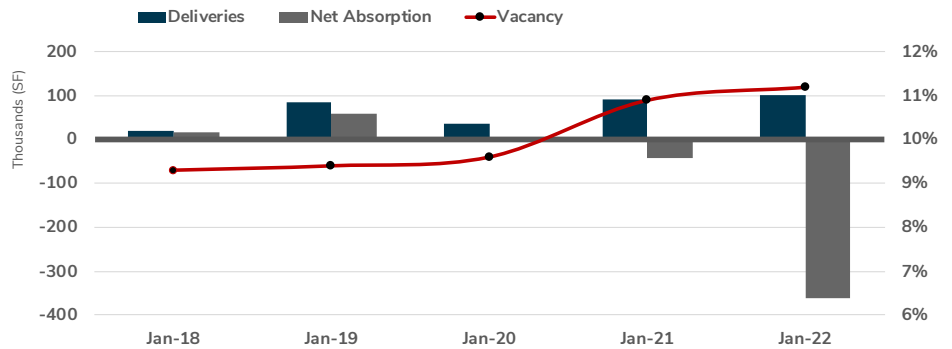
CONSTRUCTION ACTIVITY STEADY

San Antonio has 1.4 million sq. ft. underway (35% space available), representing 2.2% of inventory. One single building delivered 100,000 sq. ft. in the first month of 2022. Jackson Walker has signed a lease to occupy the 13-story Jefferson Bank building currently under construction at 1900 Broadway. The law firm plans to occupy space on multiple floors within the building, with the 12th floor serving as the main reception area. The move to the new office space is planned for Q2 2023. The firm is currently in two full floors and part of a third level in the Weston Centre downtown. It has been in that space for more than 20 years.

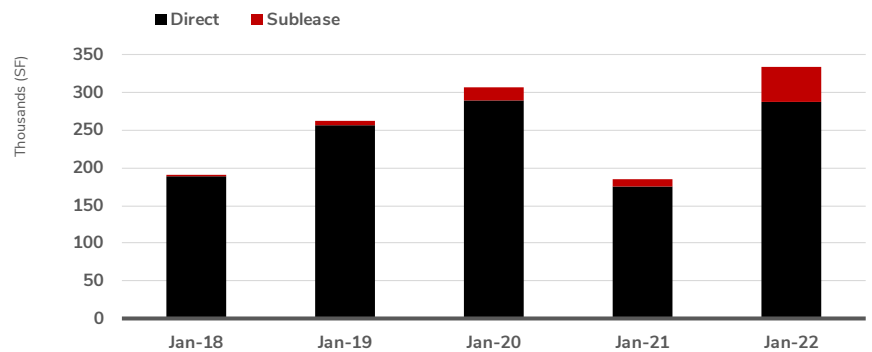
MARKET ACTIVITY

	JANUARY 2022	vs	JANUARY 2021
Vacancy	11.2%	▲	10.9%
Availability	14.7%	▼	14.9%
Under Construction SF	1,443,783	▼	1,599,164
Gross Average Asking Rent	\$24.04	▲	\$23.58
Net Absorption SF YTD	(362,596)	▼	(40,947)
Leasing Activity SF YTD	334,457	▲	184,072
Deliveries SF YTD	100,000	▲	91,118

SUPPLY & DEMAND | JANUARY - YEAR OVER YEAR



LEASING ACTIVITY | JANUARY - YEAR OVER YEAR



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IN-HOUSE BY PARTNERS REAL ESTATE COMPANY