

SAN ANTONIO OFFICE MONTHLY MARKET SNAPSHOT | MARCH 2022

San Antonio Office tenants still planning remote work strategies

MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST TWO MONTHS OF THE YEAR—FEBRUARY 2022 COMPARED TO FEBRUARY 2021.

SAN ANTONIO OFFICE VACANCY AT 12.1%

Two months into 2022, overall vacancy is at 12.1%, up 120 basis points from this time last year at 10.9%. Availability is at 13.7%, down 40 basis points from February 2021 at 14.1%. The difference between this figure and the vacancy rate reflects expected future move-outs. The San Antonio office market has recorded 542,000 sq. ft. of leasing activity, comprised of new leases and renewals, while net absorption (move-ins minus move-outs) is at negative 854,000 sq. ft., down from negative 82,000 sq. ft. year-over-year.

LEASING ACTIVITY UP YEAR-OVER-YEAR

Even with the increase in vacancy, leasing activity was up 44% year-over-year. The largest transaction year-to-date was 69,000 sq. ft. leased at Crosswinds Building B in the Northeast submarket. Net absorption remained negative during the first two months of the year 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; 74,654 sq. ft. of vacant space in the Spectrum Building at 613 NW Loop 410; and 45,279 sq. ft. becoming vacant at Petroleum Tower 1 at 8700 Tesoro Drive.

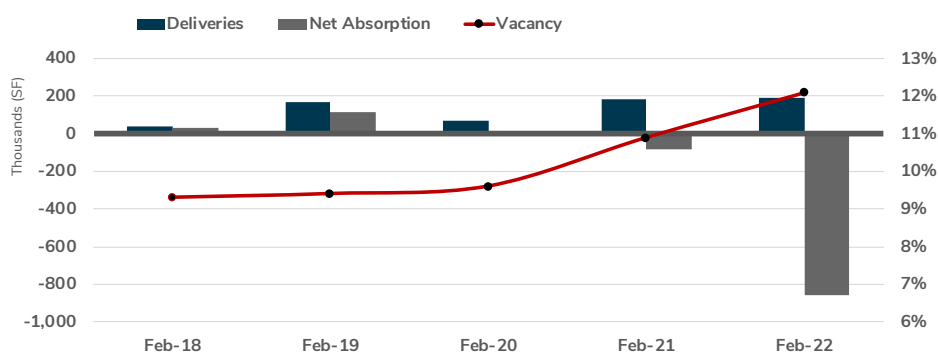
FROST BANK EXPANDING ON EAST SIDE

Frost Bank is expanding with its new \$6.6 million mobile banking facility on the East Side. The new, 4,150-sq.-ft. space at 1739 S WW White Road on the East Side will be near the full-service Frost WW White Financial Center. Construction on the drive-thru bank is planned to begin in March 2022, with a completion date in Q3 2022. In the San Antonio metro area, Frost Bank has 7% of the market share, the third-largest of any other bank in the area, according to the Federal Deposit Corporation.

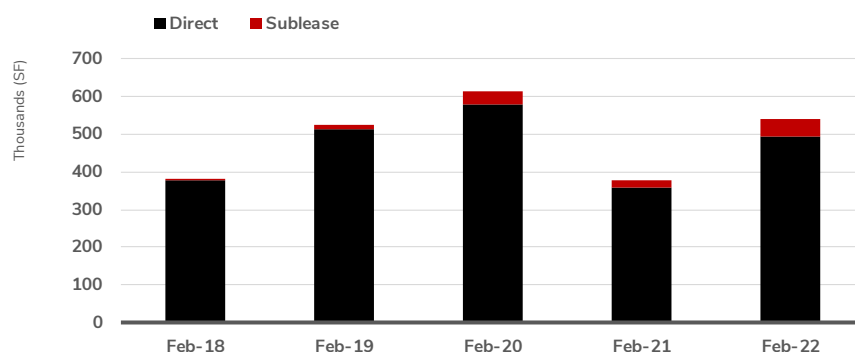
MARKET ACTIVITY

	FEBRUARY 2022	vs	FEBRUARY 2021
Vacancy	12.1%	▲	10.9%
Availability	13.7%	▼	14.1%
Under Construction SF	1,409,783	▲	1,322,890
Gross Average Asking Rent	\$22.04	▲	\$21.72
Net Absorption SF YTD	(854,443)	▼	(81,895)
Leasing Activity SF YTD	542,433	▲	376,515
Deliveries SF YTD	194,000	▲	182,237

SUPPLY & DEMAND | FEBRUARY - YEAR OVER YEAR



LEASING ACTIVITY | FEBRUARY - YEAR OVER YEAR



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