

San Antonio Industrial

Monthly Market Snapshot | September 2022

Demand for San Antonio industrial space continues two-year hot streak.

Market Highlights

An analysis of activity during the first eight months of the year—August 2022 compared to August 2021.

Vacancy rate at 3.9%

Eight months into 2022, overall vacancy in the San Antonio industrial market is at a tight 3.9%, dropping 160 basis points from last year at 5.5%. Availability is at 8.6%, up 110 basis points from August 2021 at 7.5%. The difference between this figure and the vacancy rate reflects expected future move-outs. The San Antonio industrial market has recorded 5.7 million sq. ft. of leasing activity, comprised of new leases and renewals, down 49% from August 2021 at 11 million sq. ft. Net absorption (move-ins minus move-outs) is at 8.3 million sq. ft., up 212% from last year at 2.6 million sq. ft.

Robust leasing activity

Notable transactions during 2022 include Tesla Inc. moving into 429,809 sq. ft. in Becknell-Foster Ridge 2 in the South submarket; a deal for 250,373 sq. ft. in Enterprise Industrial Park Building IV in Comal County; Caterpillar Inc. taking 207,492 sq. ft. in Cornerstone Business Park Building 1 in the Northeast submarket; and Nippon Express moving into 196,800 sq. ft. in Prologis Park D in the Northeast submarket.

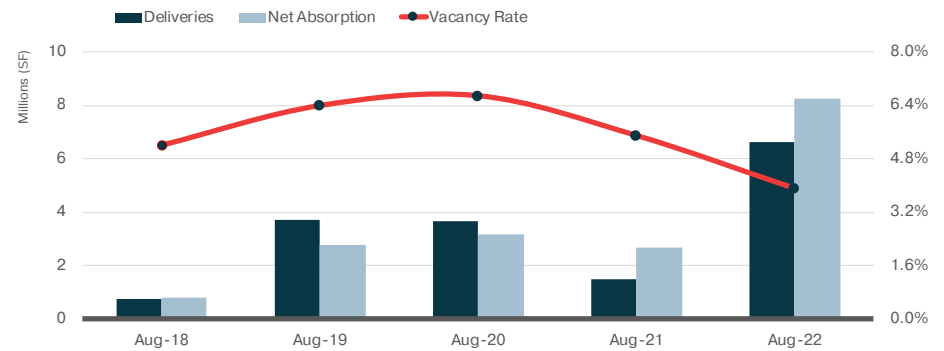
Industrial park to break ground

Construction is set to begin on a 2.2 million-sq.-ft. industrial park in San Antonio, dubbed Foster Commerce Center. The six-building development is planned for 175 acres in the China Grove neighborhood, nine miles east of downtown San Antonio, that could bring 1,950 new jobs to the area. The first phase is getting started on a speculative basis—meaning without any tenants signed on—and will include two buildings totaling 650,000 sq. ft. Completion is scheduled for Q2 2023.

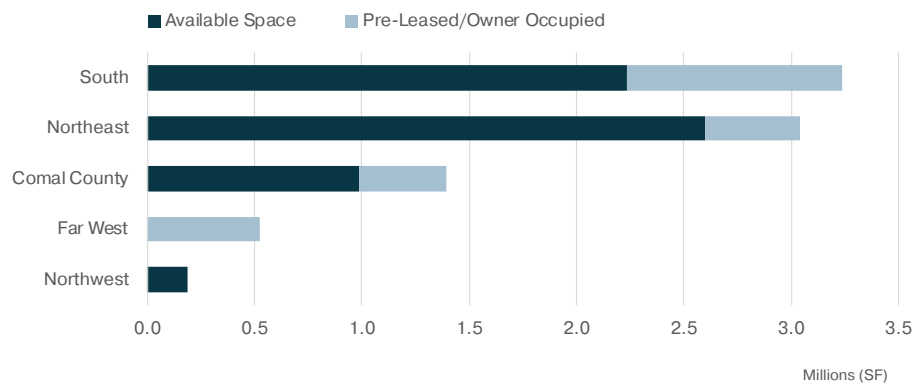
Market Activity

| | August 2022 | vs | August 2021 |
|-------------------------|-------------|----|-------------|
| Vacancy | 3.9% | ↓ | 5.5% |
| Availability | 8.6% | ↑ | 7.5% |
| Under Construction SF | 8,380,240 | ↓ | 10,033,155 |
| NNN Avg Asking Rent/MO | \$0.66 | ↑ | \$0.60 |
| Net Absorption SF YTD | 8,251,450 | ↑ | 2,646,823 |
| Leasing Activity SF YTD | 5,652,419 | ↓ | 11,011,603 |
| Deliveries SF YTD | 6,640,353 | ↑ | 1,483,566 |

Supply & Demand | August - Year Over Year



Construction | August - Year To Date



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Independently written, researched, edited, and produced in-house by Partners.