

San Antonio Office

Monthly Market Snapshot | November 2022

Investments in San Antonio Office properties up 150% year-over-year despite increasing vacancies.

Market Highlights

An analysis of activity during the ten months of the year—October 2022 compared to October 2021.

San Antonio vacancy at 12.3%

Ten months into 2022, overall vacancy is at 12.3%, up 170 basis points from last year at 10.6%. Availability is at 15.5%, up 140 basis points from October 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 2.1 million sq. ft. of leasing activity, comprised of new leases and renewals, down 11% from last year, while net absorption (move-ins minus move-outs) is at negative 761,000 sq. ft., down from a positive 373,000 sq. ft. year-over-year.

Average asking full-service rents increase

Despite the year-over-year decrease in net absorption and leasing activity, significant 2022 transactions include 88,520 sq. ft. leased in One International Centre in the North Central submarket; Spectrum moving into 69,000 sq. ft. in Crosswinds Technology Park in the Northeast submarket; 53,250 sq. ft. spoken for at 5727 Fairnon Drive in the Northwest submarket and Texas Public Radio leasing 45,960 sq. ft. at 321 W. Commerce St. in the CBD. In addition, due in part to the new construction added to the market, the average asking full-service rent in the San Antonio office market metro is at \$24.67 per sq. ft., up by \$0.76 or 3.2% from this time last year at \$23.91.

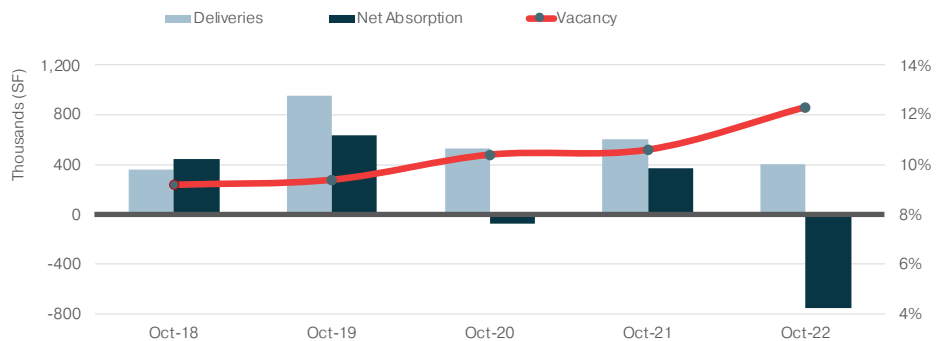
Investment trends

The cumulative monthly sales value year-to-date as of October 31, 2022, in the San Antonio metro area is \$940.4 million, up over 150% from this time last year at \$364.6 million, reported Real Capital Analytics. The primary capital composition for buyers so far in 2022 was made up of 81% private investors and 13% institutional. For sellers, the majority were 60% private investors, 21% REIT/listed, and 12% user/other. One of San Antonio's most notable office transactions in October 2022 was Fuller Realty Interests purchasing five buildings in Parkway Plaza office park in the North Central submarket. The company purchased the buildings, which are listed at 814 and 900 Arion parkway, from Field Investments for an undisclosed price.

Market Activity

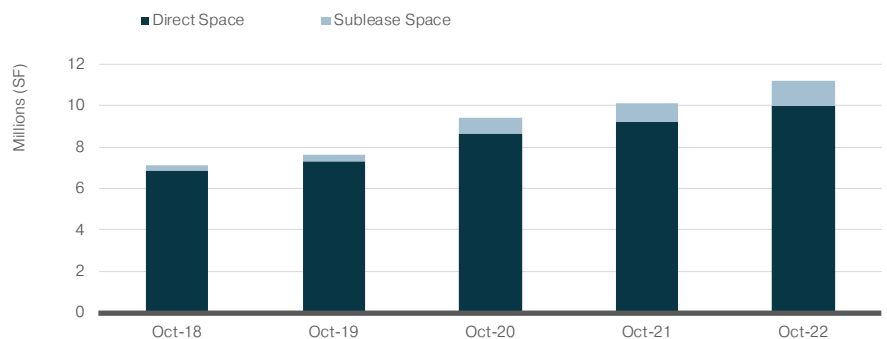
	October 2022	vs	October 2021
Vacancy	12.3%	▲	10.6%
Availability	16.1%	▲	14.7%
Under Construction SF	1,846,139	▲	1,186,079
Gross Average Asking Rent	\$24.67	▲	\$23.91
Net Absorption SF YTD	(760,533)	▼	373,374
Leasing Activity SF YTD	2,084,518	▼	2,336,777
Deliveries SF YTD	397,160	▼	606,525

Supply & Demand | October - Year Over Year



Source: CoStar, Partners Research

Availability | October - Year Over Year



Source: CoStar, Partners Research

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