

San Antonio Retail Monthly Market Snapshot | December 2022

Post-pandemic demand for retail space spurs NNN rent to all-time high.

Market Highlights

An analysis of activity during the eleven months of the year—November 2022 compared to November 2021.

Vacancy tightens to 4.2%

Eleven months into 2022, overall vacancy in San Antonio's retail market is at 4.2%, dropping 60 basis points from last year's 4.7%. Availability is at 5.8%, down 40 basis points from November 2021 at 6.2%. The difference between this figure and the vacancy rate reflects expected future move-outs. 2.4 million sq. ft. of leasing activity comprised of both new leases and renewals was recorded, while net absorption (move-ins minus move-outs) is at 1.7 million sq. ft., up 11% from last year.

Leasing activity steady

Leasing activity was down 9% at 2.4 million sq. ft. compared to November 2021 at 2.6 million sq. ft. The largest transaction year-to-date was 121,581 sq. ft. leased at Schertz Corporate Center in Guadalupe County. In addition, Pinstack leased 54,000 sq. ft. at Park North Shopping Center in the North Central submarket; Valor Healthcare subleased 41,117 sq. ft. at the former Walmart Neighborhood Market at 3418 E. Southcross Blvd. in the South submarket, and Best Buy Outlet took 37,000 sq. ft. in Fiesta Trails in the Northwest submarket. Overall positive trends in leasing activity have driven average retail asking rents higher. The San Antonio metro NNN rent is at an all-time high of \$17.57 per sq. ft., up 7% from \$16.49 last year.

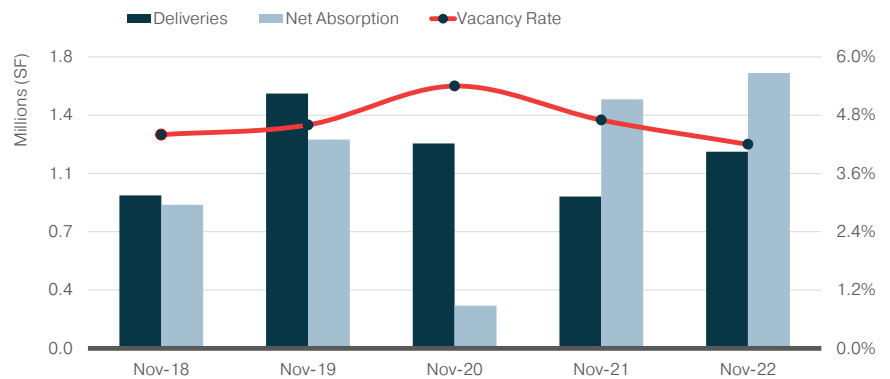
Retail and Rooftops

Sales continue to decline while prices increase, according to the San Antonio Board of REALTORS®. The average and median prices for all (new and existing) homes rose 4 and 5% to \$372,126 and \$314,625, respectively, from a year ago. For the eighth consecutive month this year, home sales saw a decrease, this time by 24%. This is the biggest year-over-year decline we've seen since May 2020, when sales were down 20% from the prior year. In November, there was a significant increase in the number of days a home stayed on the market. Compared to the same month in 2021, homes were on the market for 52 days, a year-over-year hike of 68%.

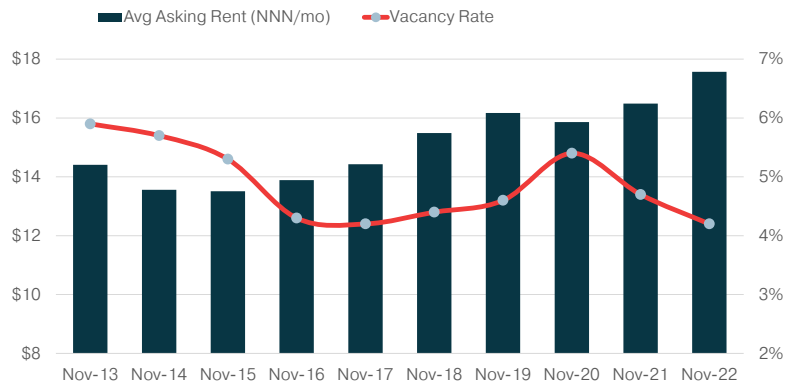
Market Activity

	November 2022	vs	November 2021
Vacancy	4.2%	↓	4.7%
Availability	5.8%	↓	6.2%
Under Construction SF	777,460	↓	969,080
NNN Avg Asking Rent/MO	\$17.57	↑	\$16.49
Net Absorption SF YTD	1,700,358	↑	1,537,919
Leasing Activity SF YTD	2,411,778	↓	2,638,393
Deliveries SF YTD	1,214,290	↑	937,728

Supply & Demand | November - Year Over Year



Vacancy & Rent | November - Year To Date



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