

San Antonio Industrial leasing activity exceeds 1 million sq. ft. net for 12th straight year

San Antonio Industrial

The overall vacancy rate in the San Antonio industrial market as of May 2023 is 5.7%, rising 160 basis points from 4.1% in May 2022. Year-to-date, leasing activity—comprised of new leases and renewals— totaled 3.5 million sq. ft., up 14% from 3.1 million sq. ft. the prior year. This marks the 12th consecutive year that leasing activity is over 1 million sq. ft. (net). Net absorption—move-ins minus move-outs—is at 1.1 million sq. ft., down from a more abundant 6.5 million sq. ft. the previous year. The average monthly rental rate increased 17% from May 2022, but only 1.5% since April 2023, currently standing at \$0.69 per sq. ft. Industrial construction experienced minimal year-over-year movement—at 7.3 million sq. ft. in May 2023 (106,000-sq.-ft. increase from May 2022). Lastly, deliveries fell year-over-year by 18% from 5.4 million sq. ft. to 4.4 million sq. ft.

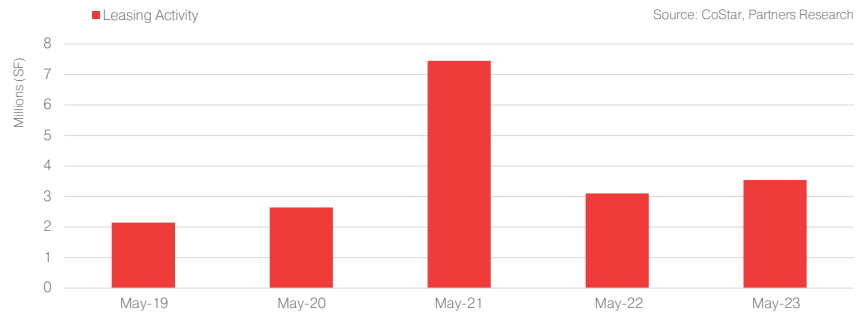
San Antonio Office

Five months into 2023, the overall vacancy rate was 15.3%, marking a 320-basis point increase from 12.1% from the same period last year. Availability reached 18.6%—an all-time high thus far for San Antonio's office market, rising 22% from 15.2% in May 2022. Year-to-date, leasing activity tallied 1.2 million sq. ft., up 39% from 888,186 sq. ft. the previous year. Although still strong, construction declined 24% from 1.5 million sq. ft. in May 2022 to 1.1 million sq. ft. in May 2023. Meanwhile, deliveries increased from 234,489 sq. ft. to 1 million sq. ft., year-over-year. Year-to-date, Fasken Development's North Rim Corporate Campus—a two-building, 717,000-sq.-ft. site delivered in April— still stands as one of the largest contributors to San Antonio's office deliveries in 2023 thus far.

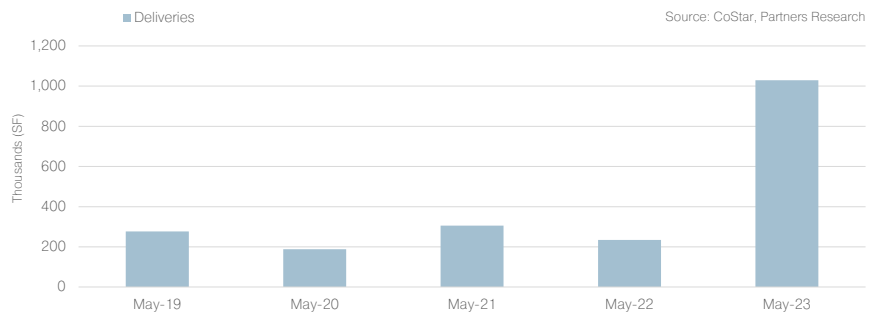
San Antonio Retail

As of May 2023, overall vacancy in the San Antonio retail market remained at 3.9%, unchanged from April 2023. This is in part due to the lack of retail construction driving up competition for currently existing spaces. Retail construction is at 1.1 million sq. ft. as of May 2023, slightly up from April 2023 (1 million sq. ft.), but down 37% from 1.7 million sq. ft. in May 2022. Deliveries fell (62%) from 619,765 sq. ft. to 232,254 sq. ft., year-over-year. Year-to-date, 865,459 sq. ft. of leasing activity has been recorded, decreasing 26% from 1.1 million sq. ft., year-over-year. Net absorption is at 231,884 sq. ft., down 65% from 664,812 sq. ft. last year.

Industrial | Leasing



Office | Deliveries



Retail | Vacancy

