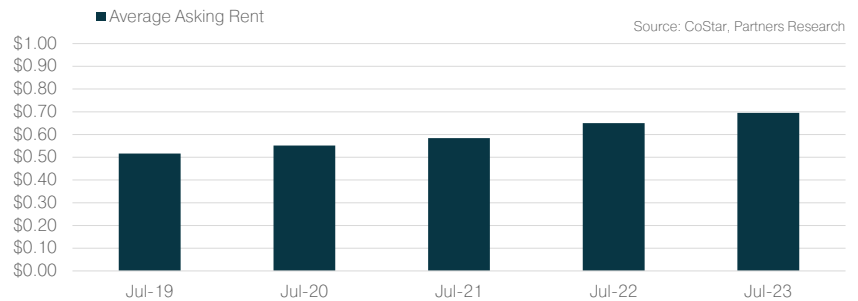


San Antonio Industrial asking rent reaches historic high

San Antonio Industrial

The overall vacancy rate in the San Antonio industrial market as of July 2023 was 5.6%, up 210 basis points from 3.5%, year-over-year. Year-to-date, net absorption is at 1.1 million sq. ft., down from 8.3 million sq. ft. in 2022. Large move-outs contributing to this decrease in absorption include Famsa USA vacating 198,000 sq. ft. at 10120 Fischer Road in February 2023; and Flasher Equipment leaving 96,396 sq. ft. at 5827 West US 290 in July 2023. On the flip side, the average asking rent reached \$0.70 per sq. ft. in July 2023—a record-high for San Antonio’s industrial market—up 7% from \$0.65 per sq. ft. one year prior.

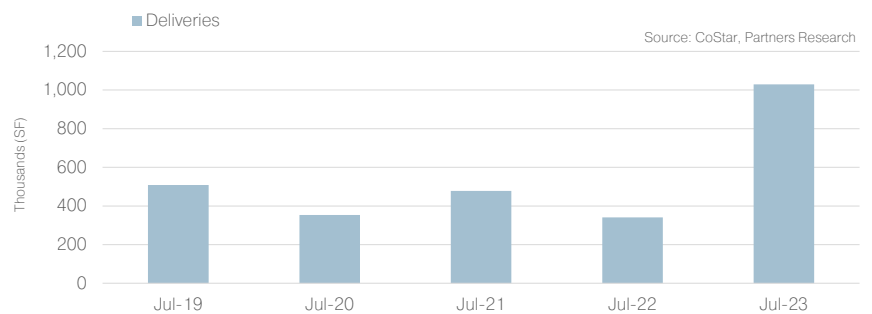
Industrial | Rent



San Antonio Office

Seven months into 2023, overall vacancy was at 15.7%, marking a 380-basis point increase from 11.9% in July 2022. Year-to-date, net absorption—move-ins minus move-outs—is at -373,240 sq. ft., up 45% from the prior year-to-date tally of -676,785 sq. ft. This improvement in net absorption is partially due to the surge in office deliveries year-over-year. By July 2023, year-to-date deliveries nearly tripled from 341,208 sq. ft. in July 2022 to 1.0 million sq. ft. in July 2023. Fasken Development’s 717,000-sq.-ft. campus delivered in April still reigns as one of the largest office deliveries thus far in 2023. Lastly, the average monthly rate increased slightly year-over-year, currently standing at \$24.55 per sq. ft.

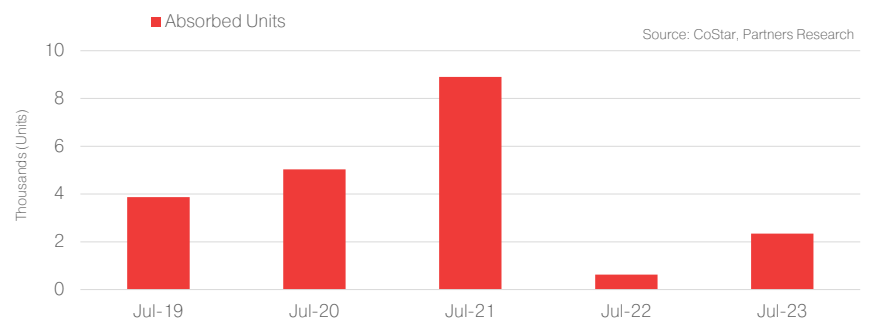
Office | Deliveries



San Antonio Multifamily

Year-to-date, 2,345 multifamily units have been absorbed in San Antonio—with Class A space contributing 2,747 units of positive absorption. Overall occupancy tightened to 89.1% in July 2023, down 270 basis points from 91.8% in July 2022. Year-to-date, deliveries total 5,503 units, up 49% from the prior year-to-date number at 3,685 units. As of July 2023, 20,082 units filled San Antonio’s multifamily construction pipeline. Over the prior three years, construction averaged roughly 12,000 units annually. Lastly, multifamily monthly rental rates in San Antonio decreased slightly year-over-year, from \$1,231 in July 2022 to \$1,226 in July 2023.

Multifamily | Absorption



San Antonio Retail

As of July 2023, the overall vacancy rate in San Antonio’s retail market was 4.0%, down 10 basis points from 4.1% the previous year. Year-to-date, net absorption is at 567,531 sq. ft., 57% down from previous year-to-date amount of 1.3 million sq. ft. in 2022. Year-to-date, deliveries equal 710,758 sq. ft. Roughly 99% of the deliveries are 100% leased, contributing to the year-over-year decrease in the vacancy rate. The average monthly rate keeps pace with inflation, increasing 4% year-over-year, currently standing at \$18.95 per sq. ft.

Retail | Supply & Demand

