

MARKETBEAT

San Antonio, TX

Office Q2 2018



SAN ANTONIO OFFICE

Economic Indicators

	Q2 17	Q2 18	12-Month Forecast
San Antonio Employment	1,035k	1,055k	▲
San Antonio Unemployment	3.6%	3.4%	▼
U.S. Unemployment	4.3%	3.8%	▼

Economy

A strong economy based on science, healthcare, the US military, tourism, and trade, San Antonio's robust market continues to pick up steam halfway through it's Tri-Centennial. With employment up by over 20k jobs from the previous year, and unemployment falling by 20 basis points over the same period, The River City continues to be one of the Nation's most stable areas for growth and employment. San Antonio's position along major international and interstate highways allows the city to enjoy both foreign and domestic trade, providing growth and expansion for multiple industries dependent on goods and service. With one of the most diverse workforces, San Antonio continues to build towards a stronger and more vibrant economy than ever before.

Market Overview & Outlook

While the first quarter of 2018 showed slowed growth, Q2 for the Office market shows an increase in productivity and fervor. Class A rents have stabilized at a significantly higher rate (\$1.28 more) than the year before, fueled by an increase in quality construction projects near the City's CBD in the Lower Broadway, Midtown, and The Pearl submarkets. With renovation and construction projects underway at The Light Building, The Hixon, and The Milam Building, Class A space near the CBD is seeing a high demand from the market. Sites further out, like the Landmark One building, provide an opportunity for growth in San Antonio's North Side, with growth in the North East, and North Central submarkets as well. With a total of 1.1M square feet under construction, space continues to be available for high profile companies looking to migrate to the Alamo City market.

With demand and rental rates high and new construction allowing more growth and options for industrial clients, San Antonio's Office forecast continues to be one of optimism and sustainability.

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About Cushman & Wakefield

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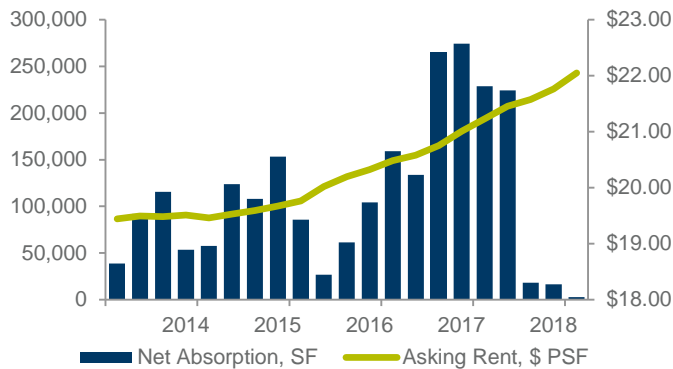
Market Indicators (Overall, All Classes)

	Q2 17	Q2 18	12-Month Forecast
Vacancy	12.1%	13.5%	▼
YTD Net Absorption (sf)	404K	-199k	▼
Under Construction (sf)	864k	1.1M	▲
Average Asking Rent*	\$20.77	\$22.05	▲

*Rental rates reflect gross asking \$psf/year

Overall Net Absorption/Overall Asking Rent

4-QTR TRAILING AVERAGE FOR BOTH



Overall Vacancy

