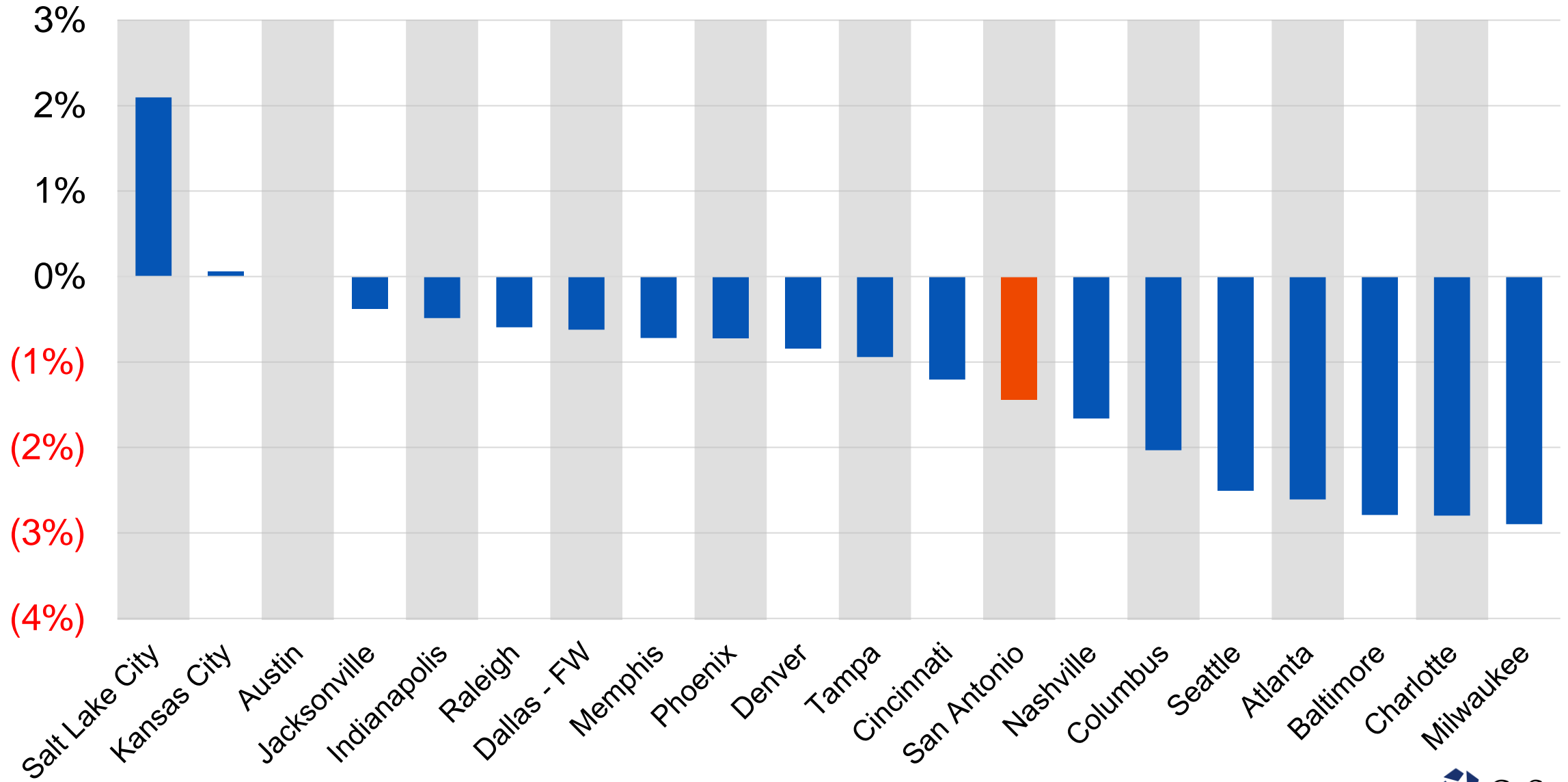


San Antonio CRE Update



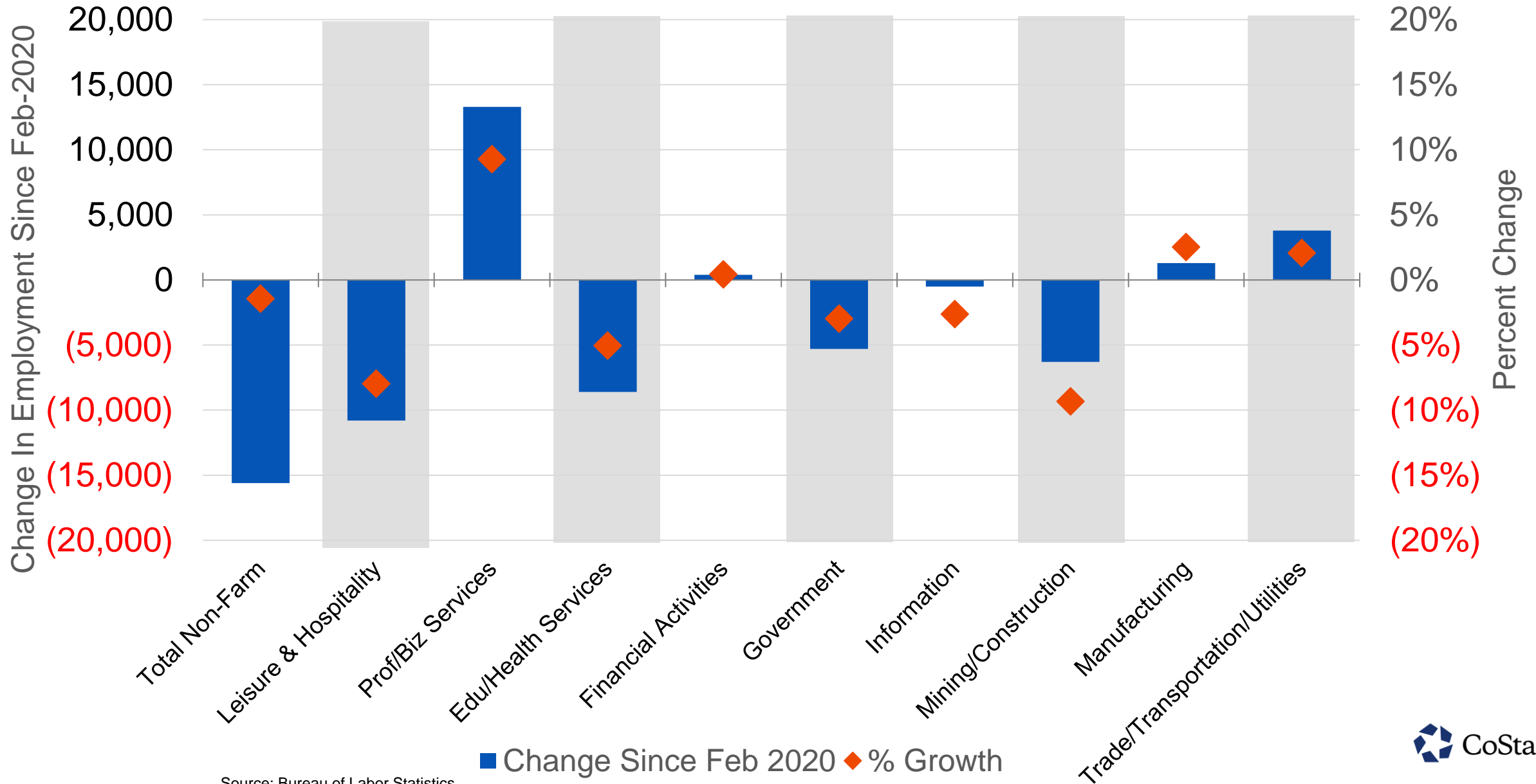
Presented By:
Sam Tenenbaum
Director of Analytics & Central Texas Economist

Texas Outperforming In Employment Change Since Feb-20



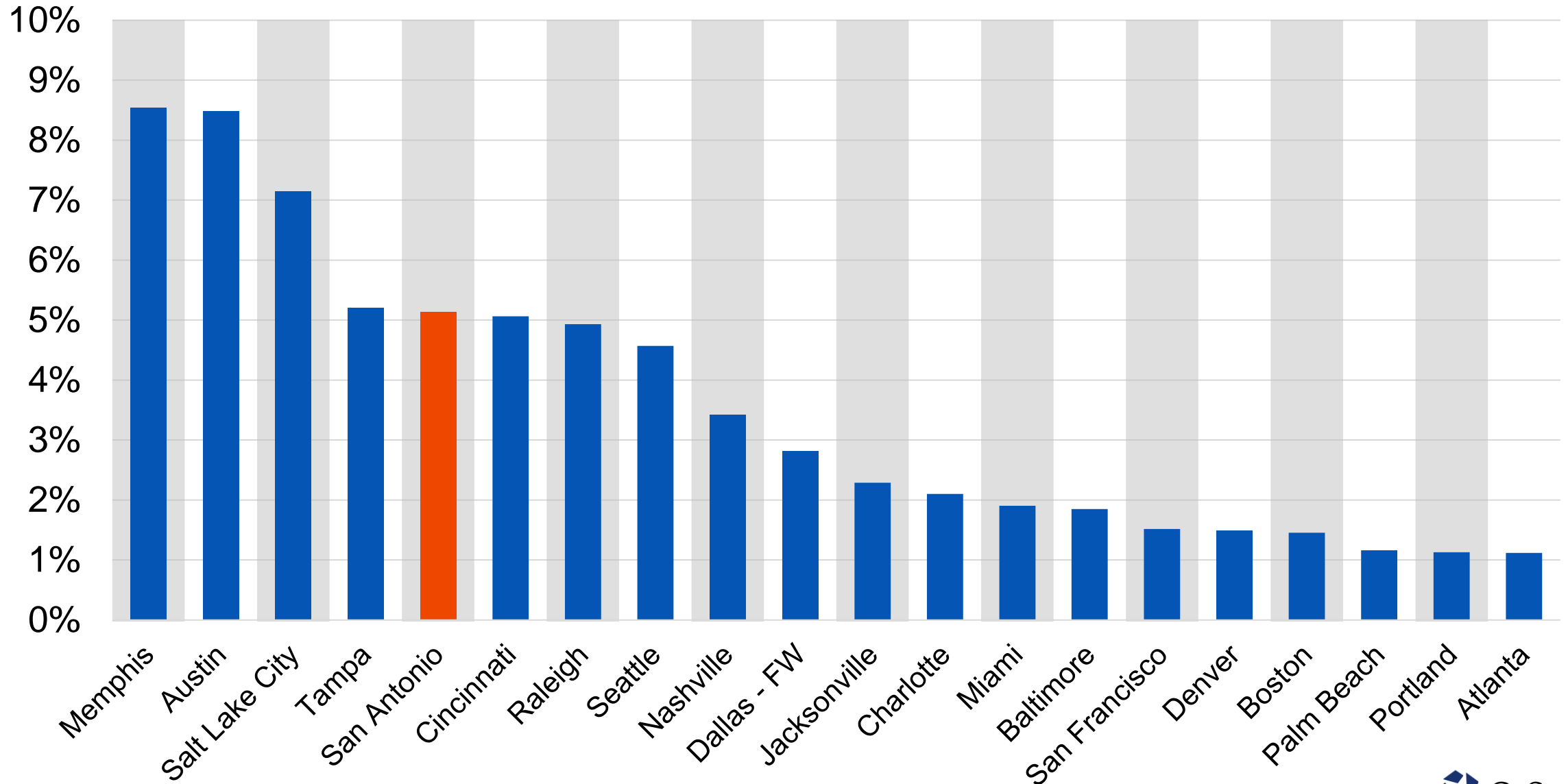
Source: BLS

San Antonio's Employment Change By Sector



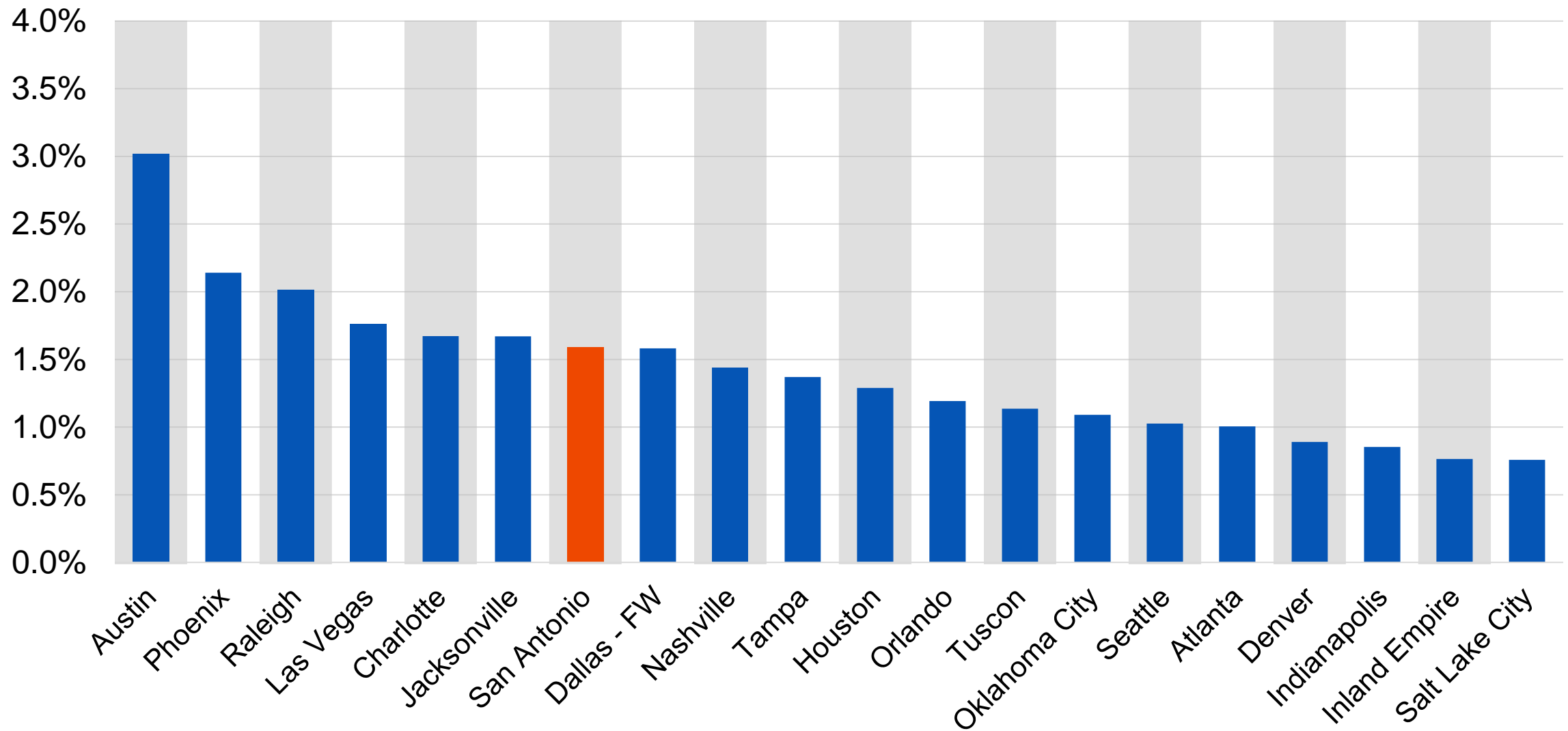
Source: Bureau of Labor Statistics

San Antonio Has Seen Strong Growth In Office-Using Jobs



Source: BLS – Relative to Feb-2020

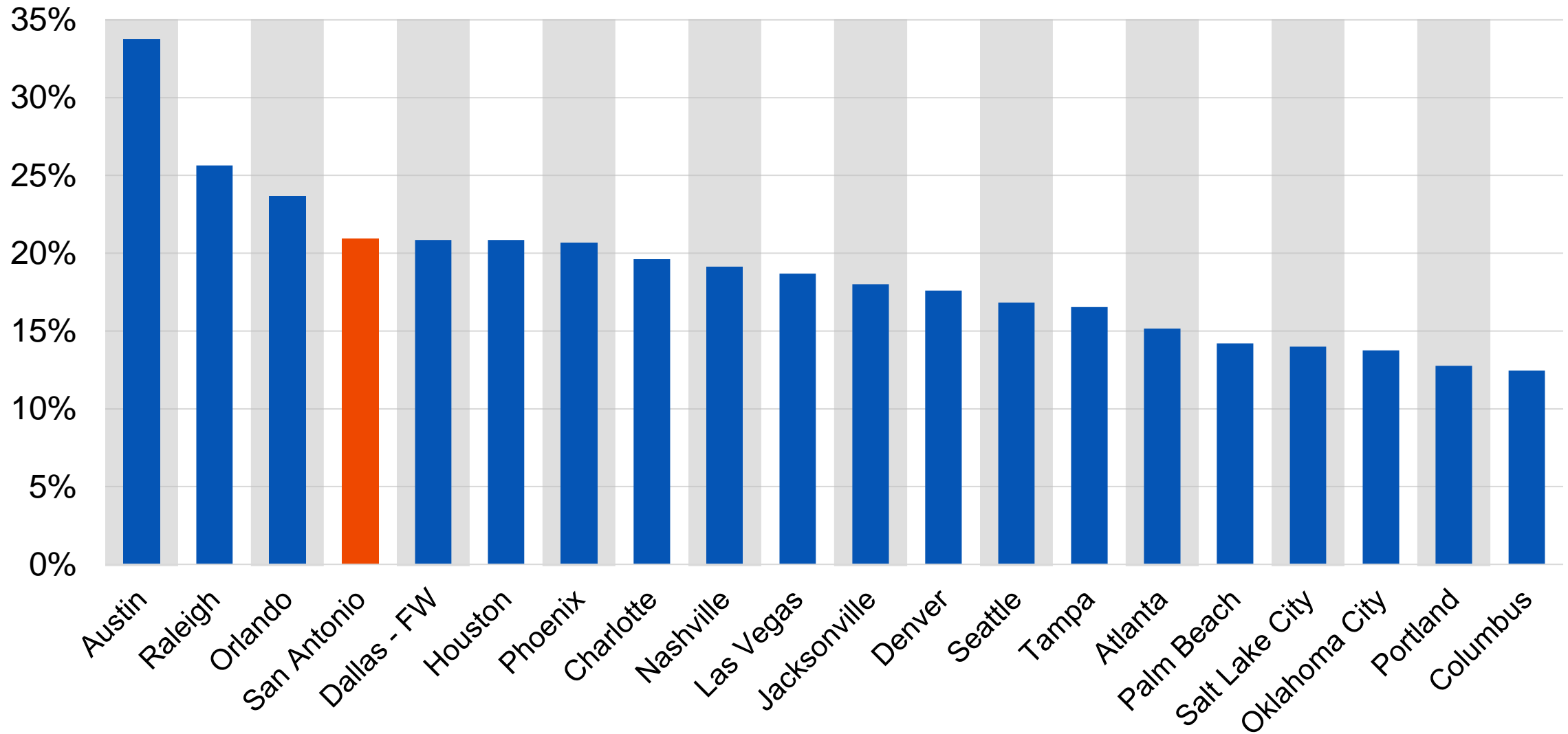
Impressive Population Growth In 2020



■ Percentage Population Growth, Year Over Year



But It's Nothing New

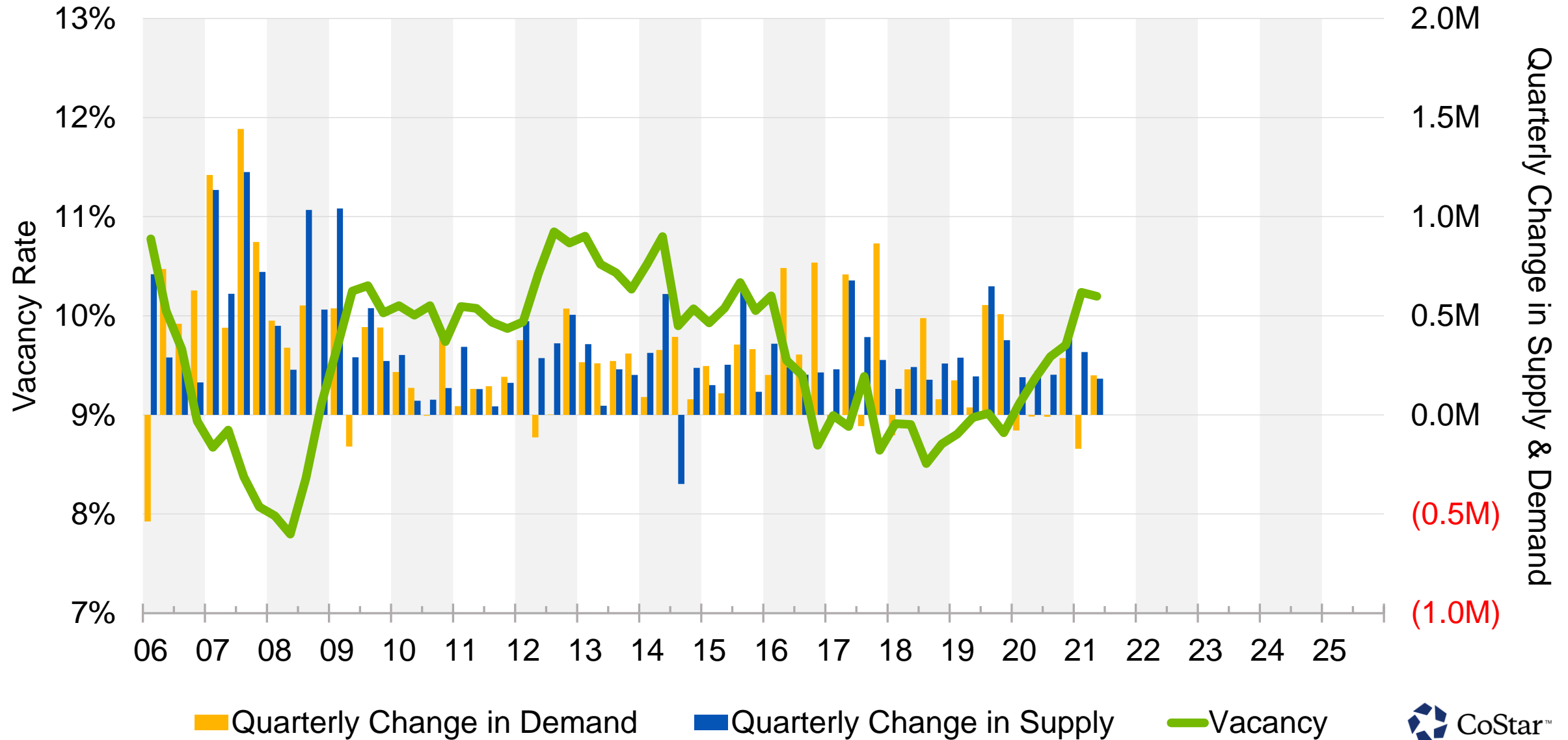


■ Percentage Population Growth, 2010-2020

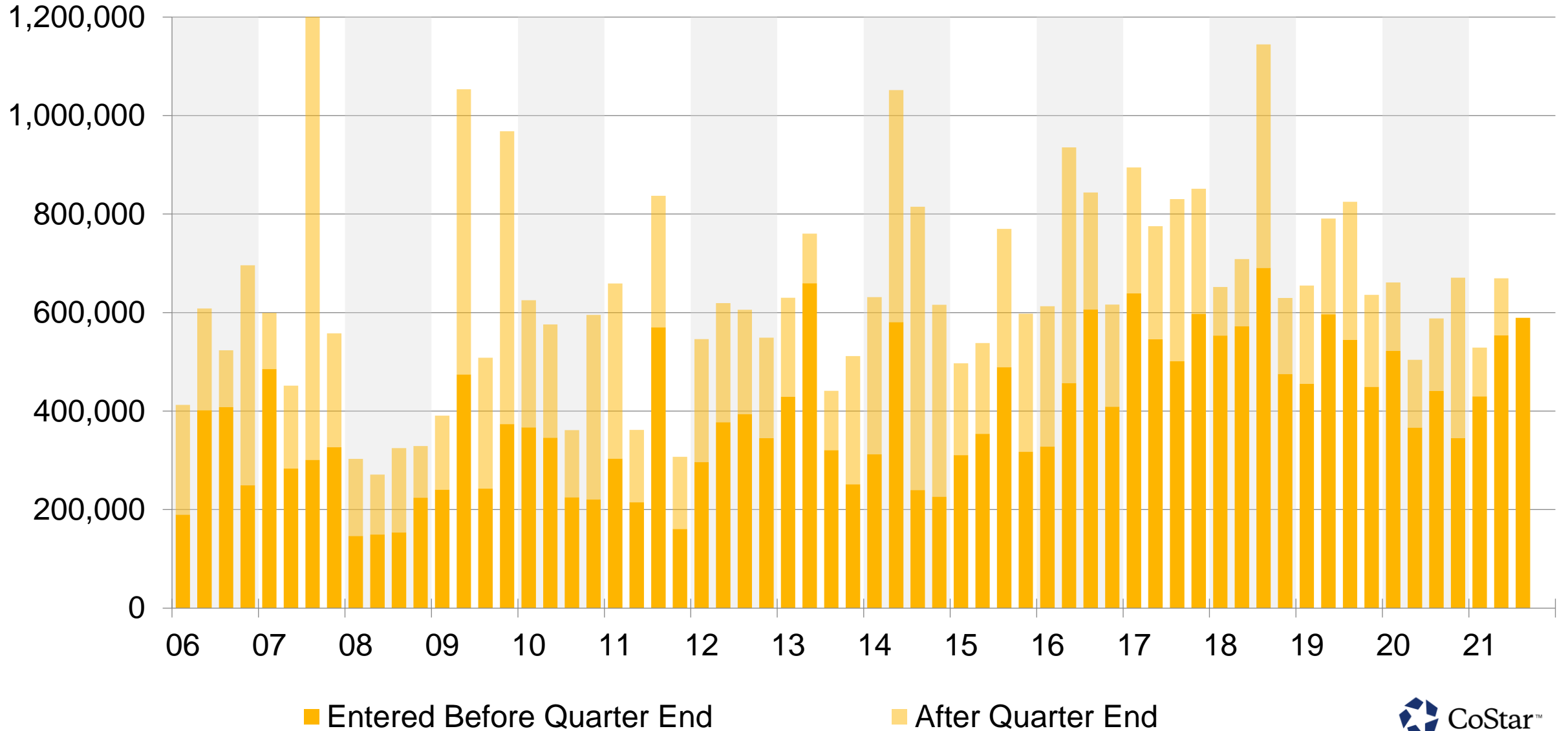
OFFICE



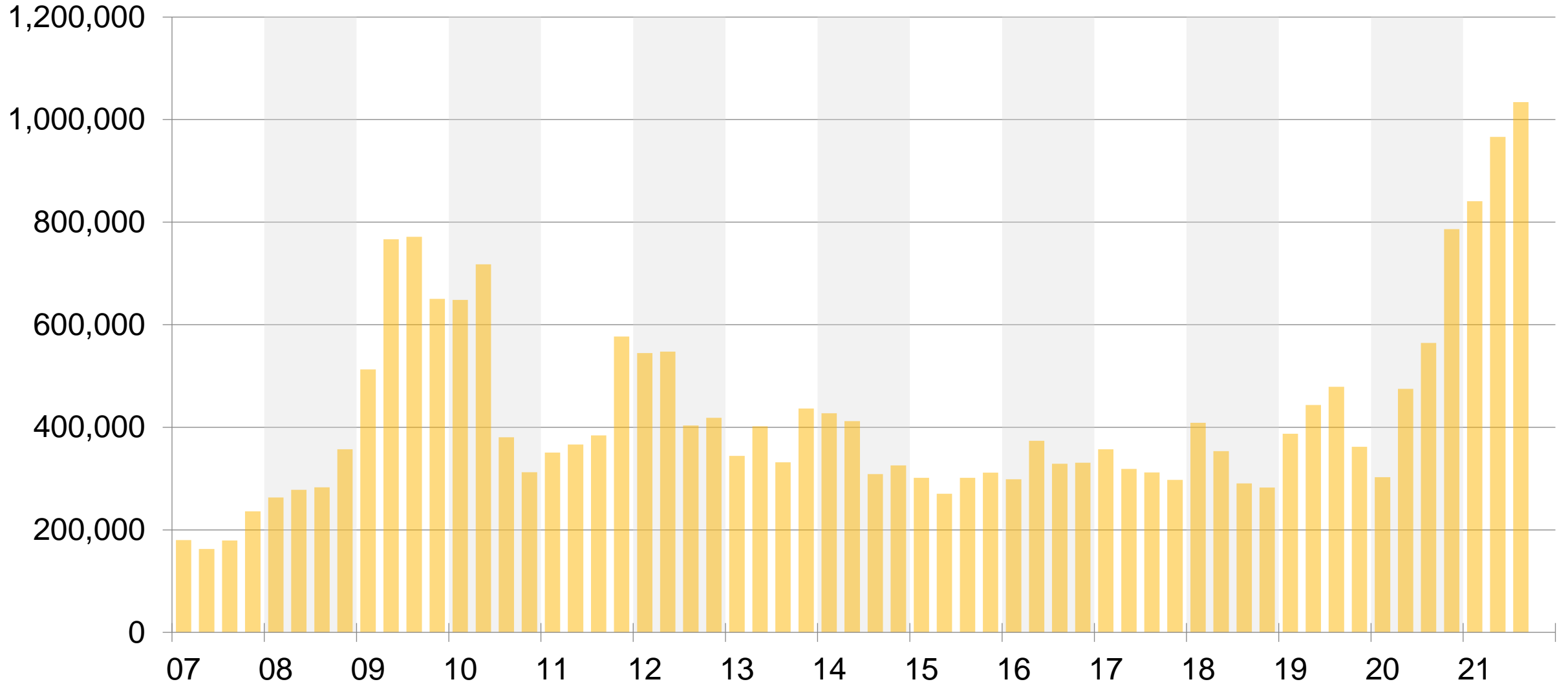
Supply, Demand, and Vacancy



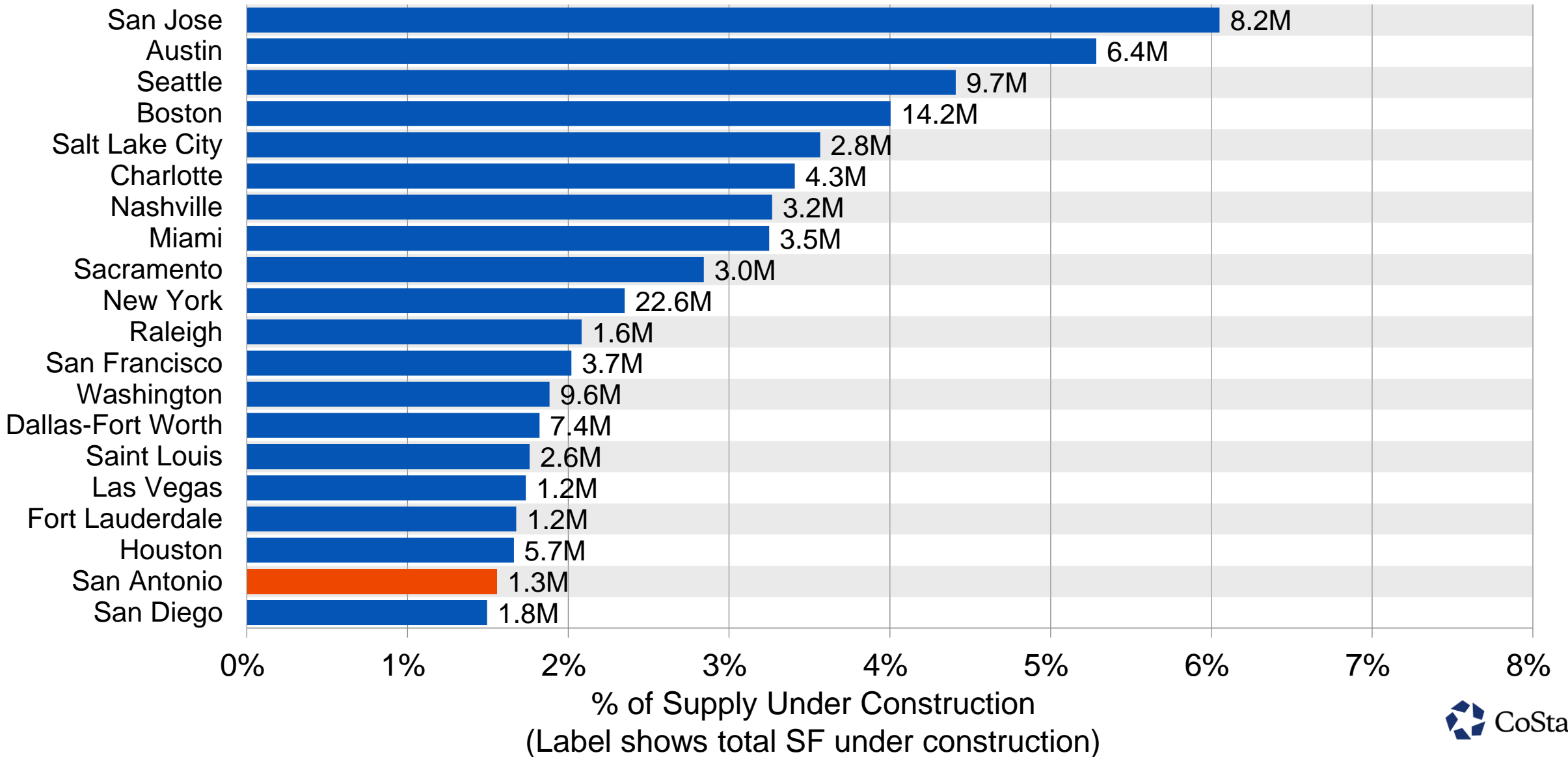
San Antonio Office Leasing Activity



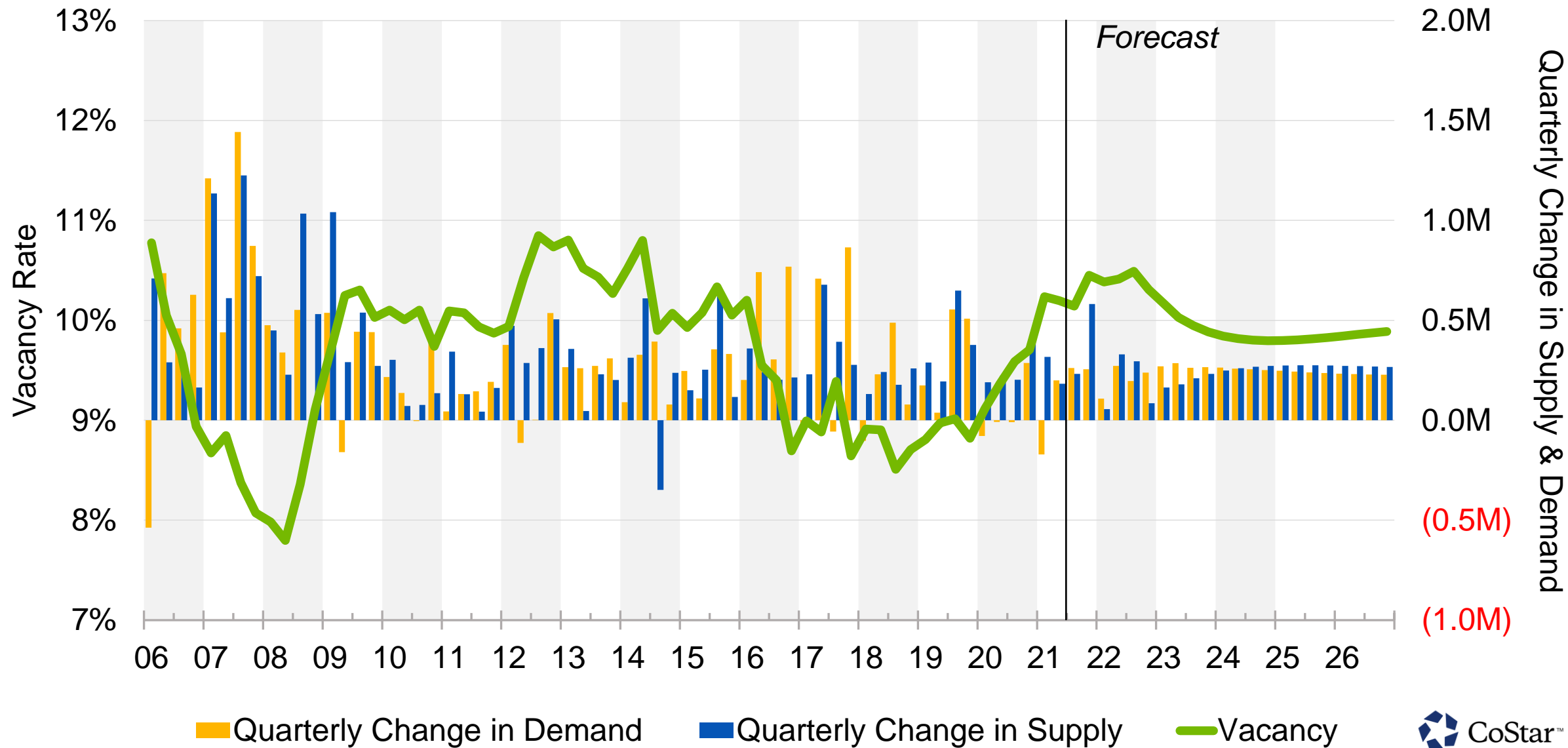
Available Sublease Space Rising



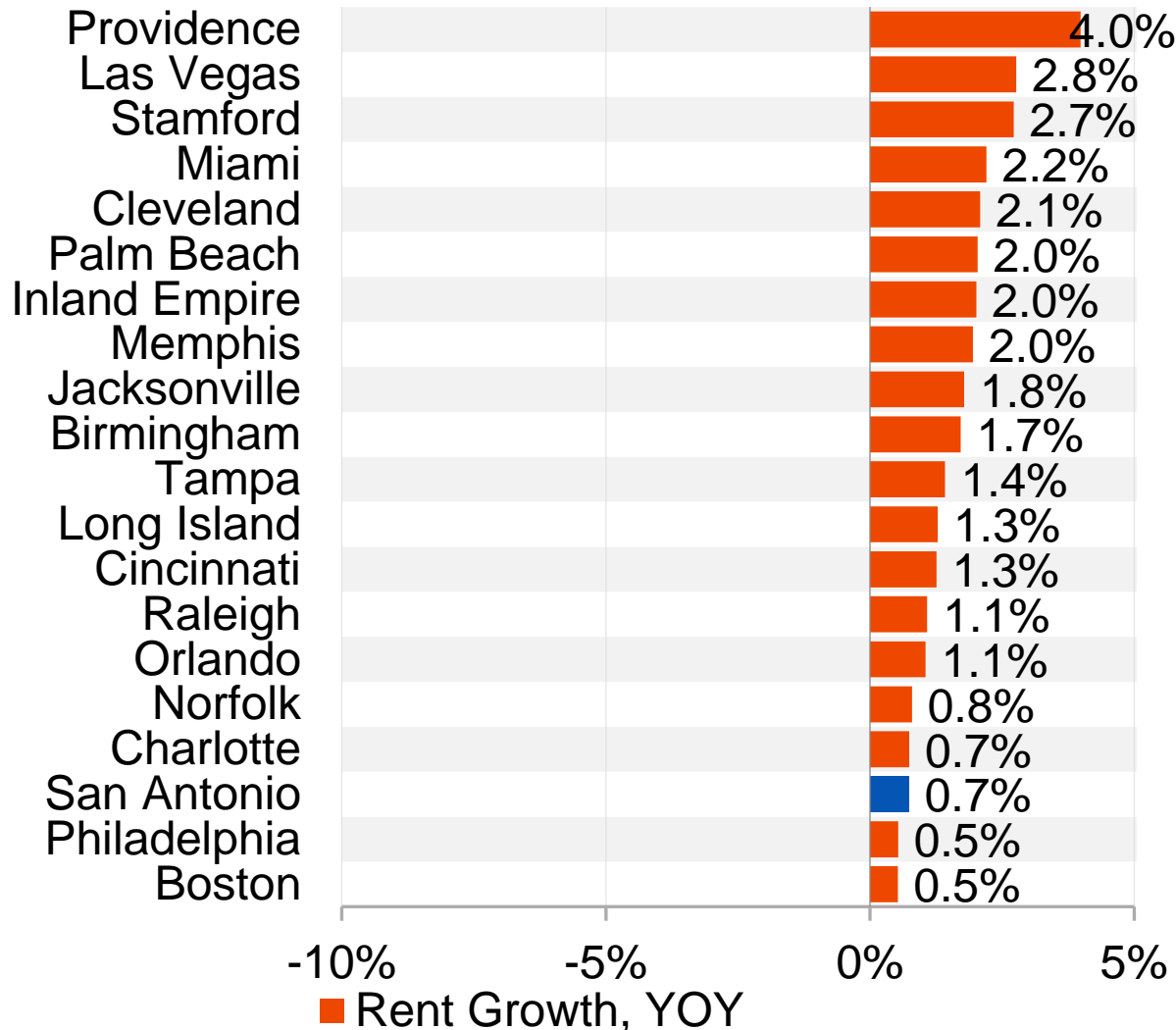
Space Under Construction by Market



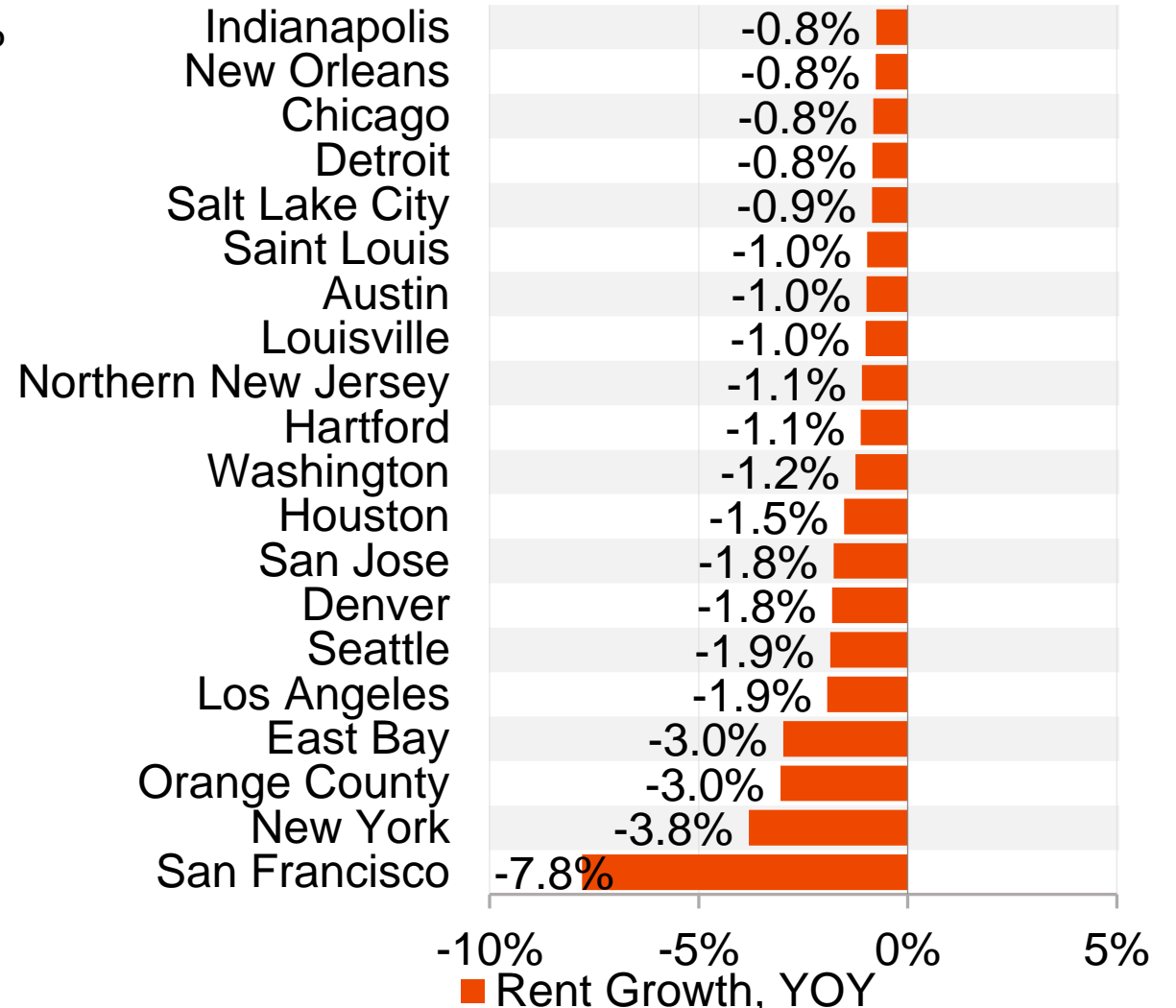
Supply, Demand, and Vacancy



Top Rent Growth Markets

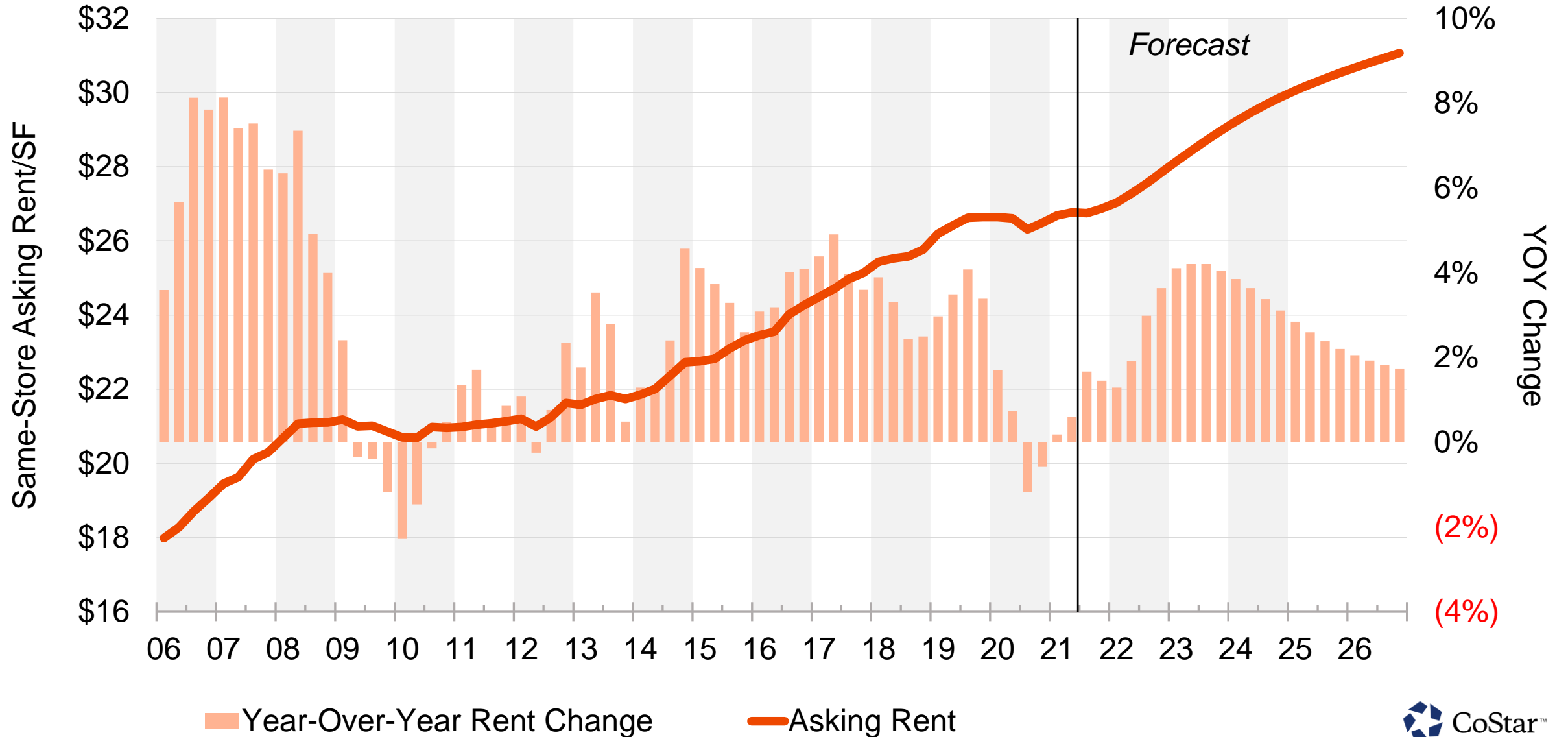


Note: Includes markets with 100M+ SF inventory.

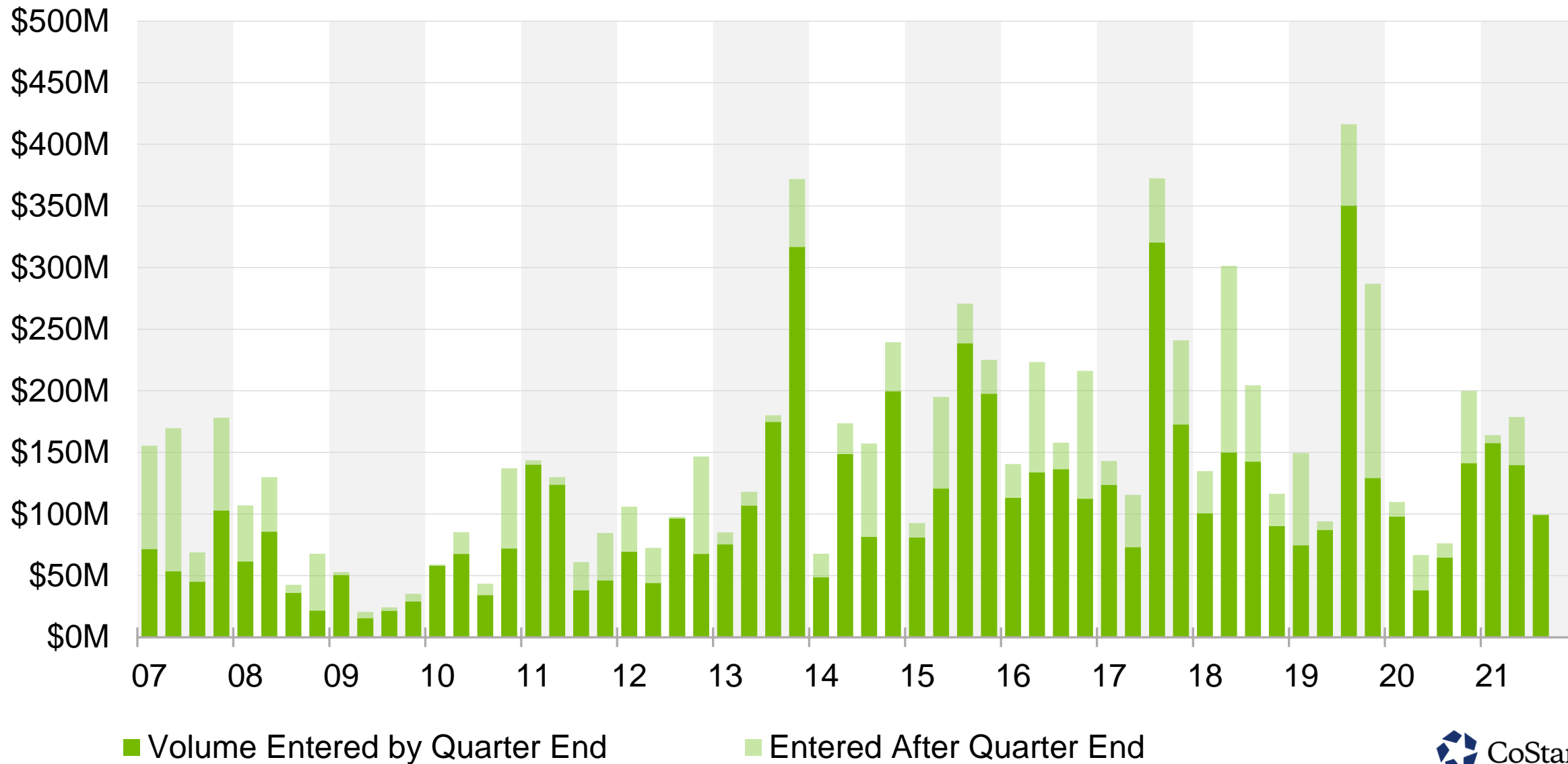


Note: Includes markets with 100M+ SF inventory.

San Antonio Office Rent



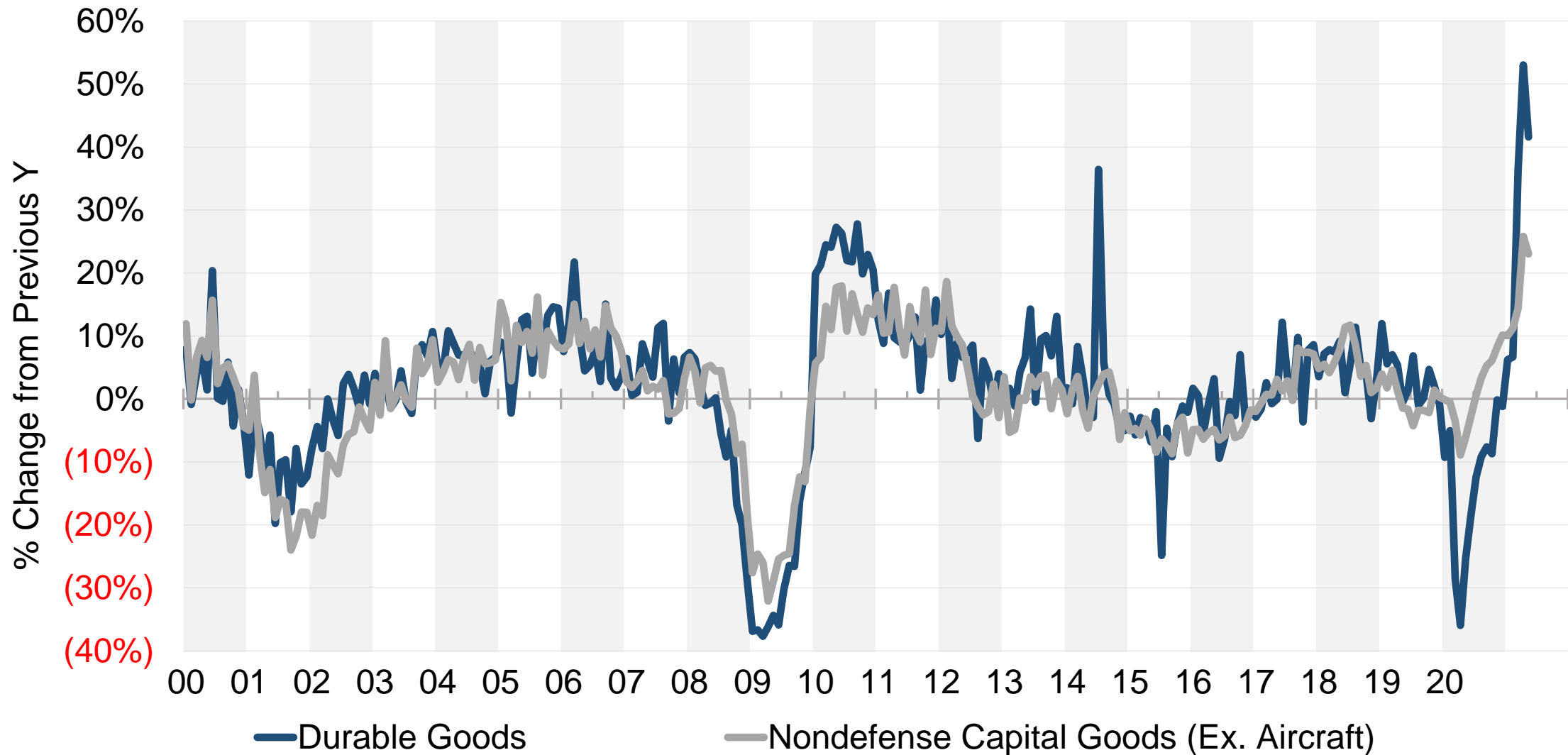
Quarterly Office Transaction Volume



INDUSTRIAL



Manufacturers' New Orders



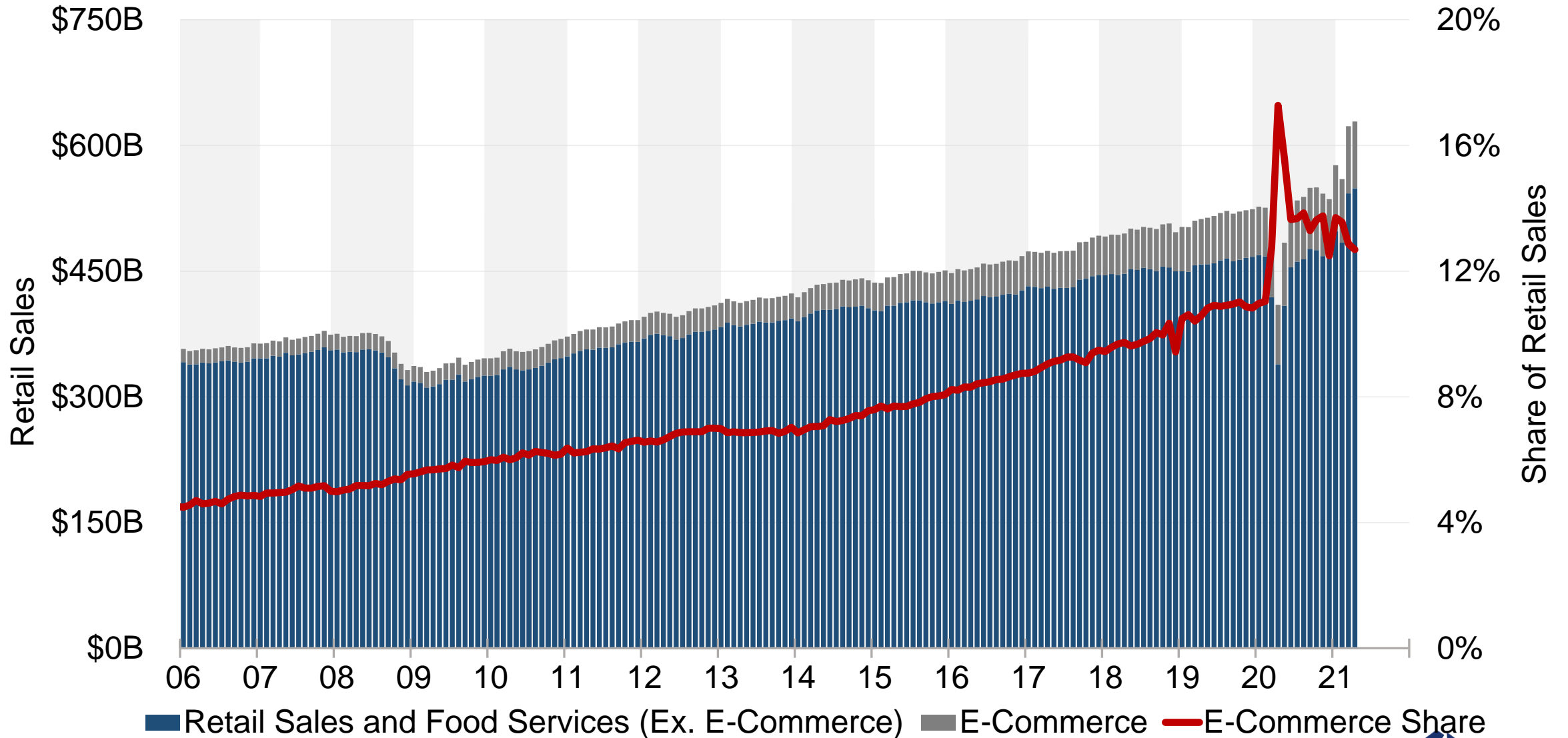
Source: Census Bureau

ISM Purchasing Managers Indices



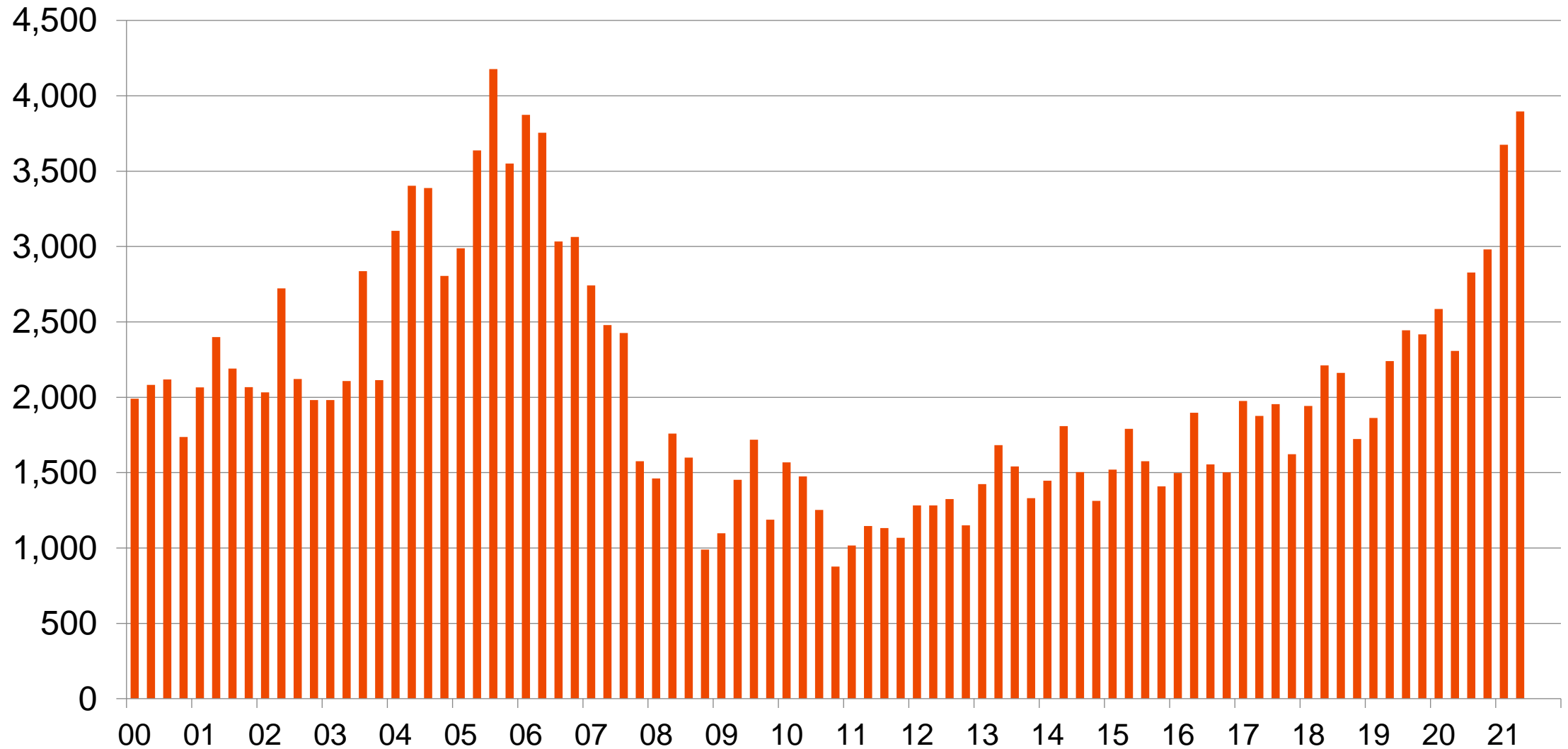
Source: Institute for Supply Management

E-Commerce and Retail Sales

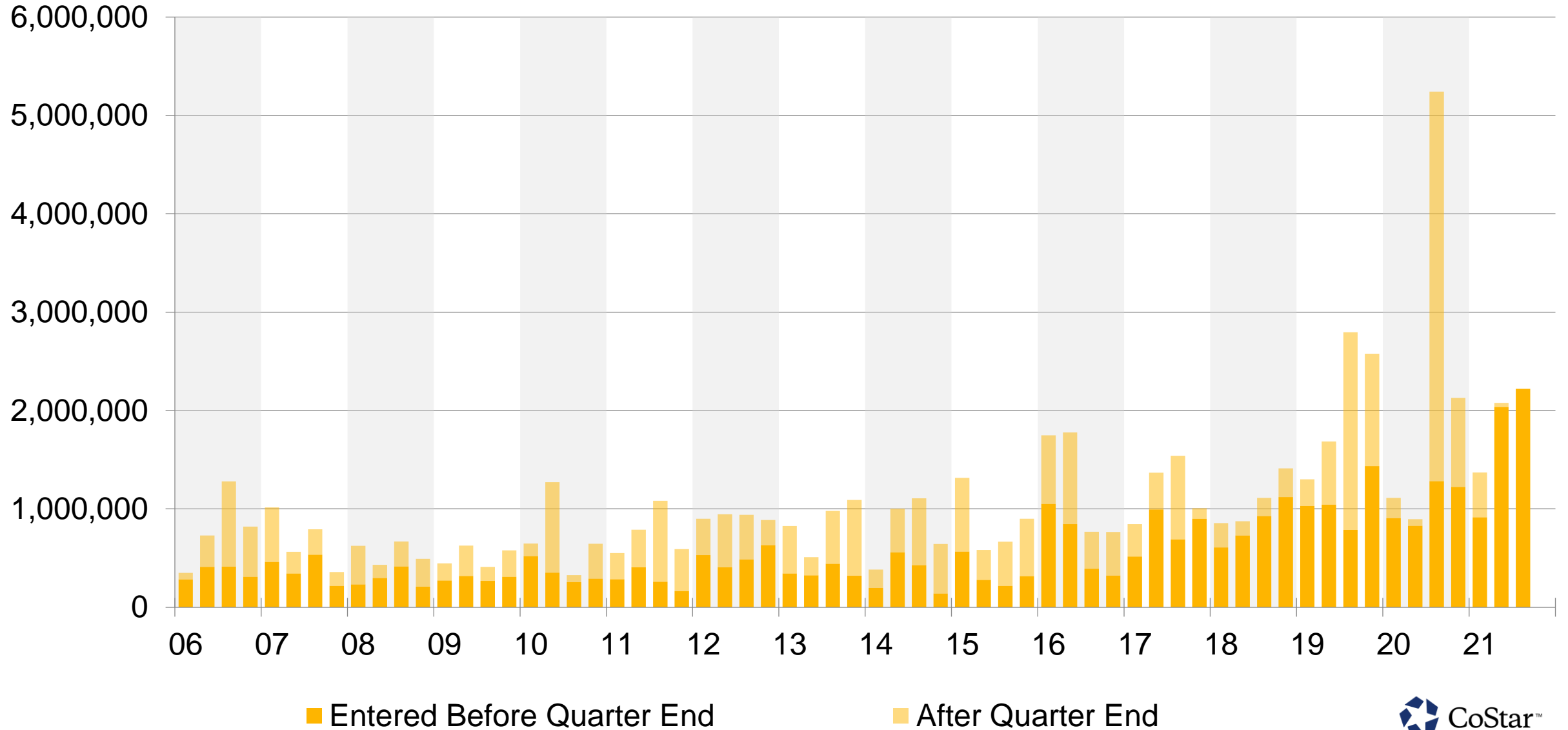


Source: Census Bureau Monthly Retail Sales Report

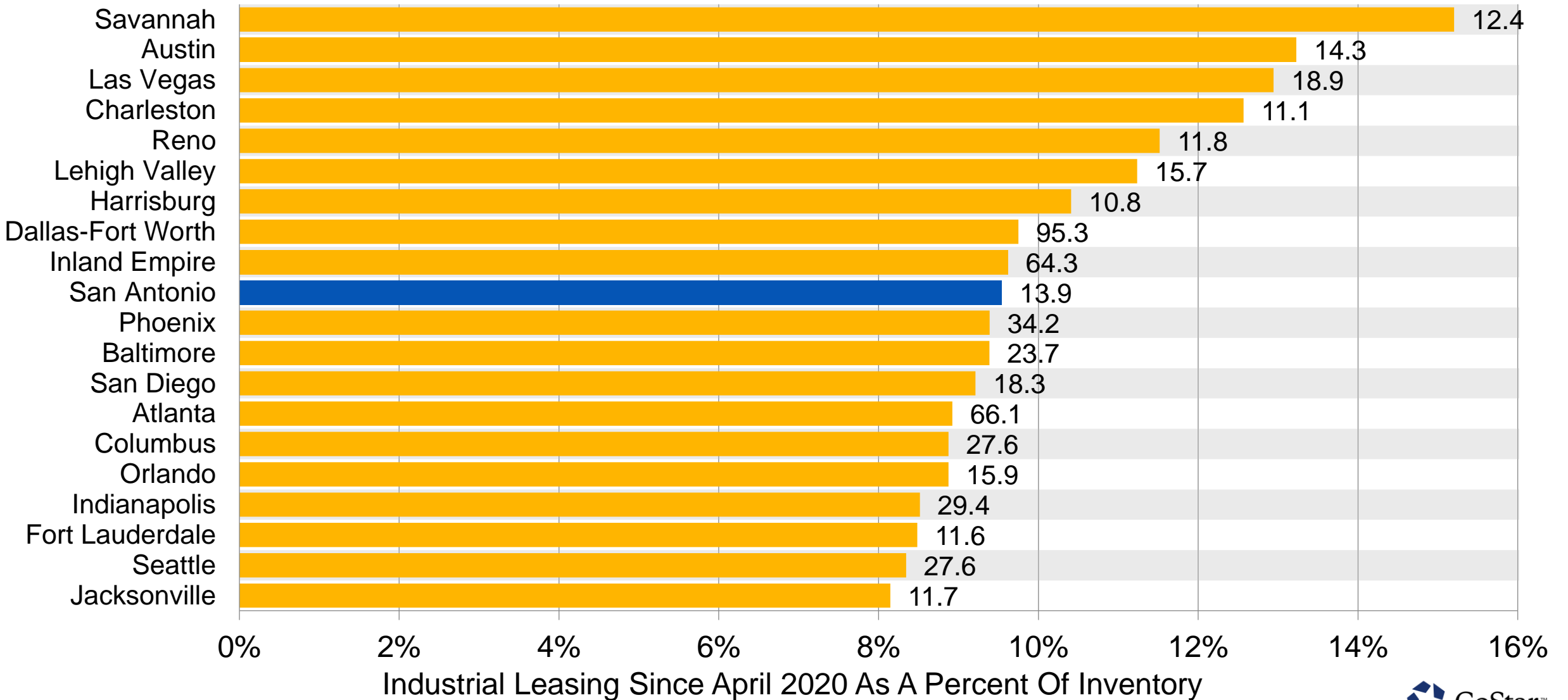
San Antonio Single-Family Housing Permits Near GFC Peak



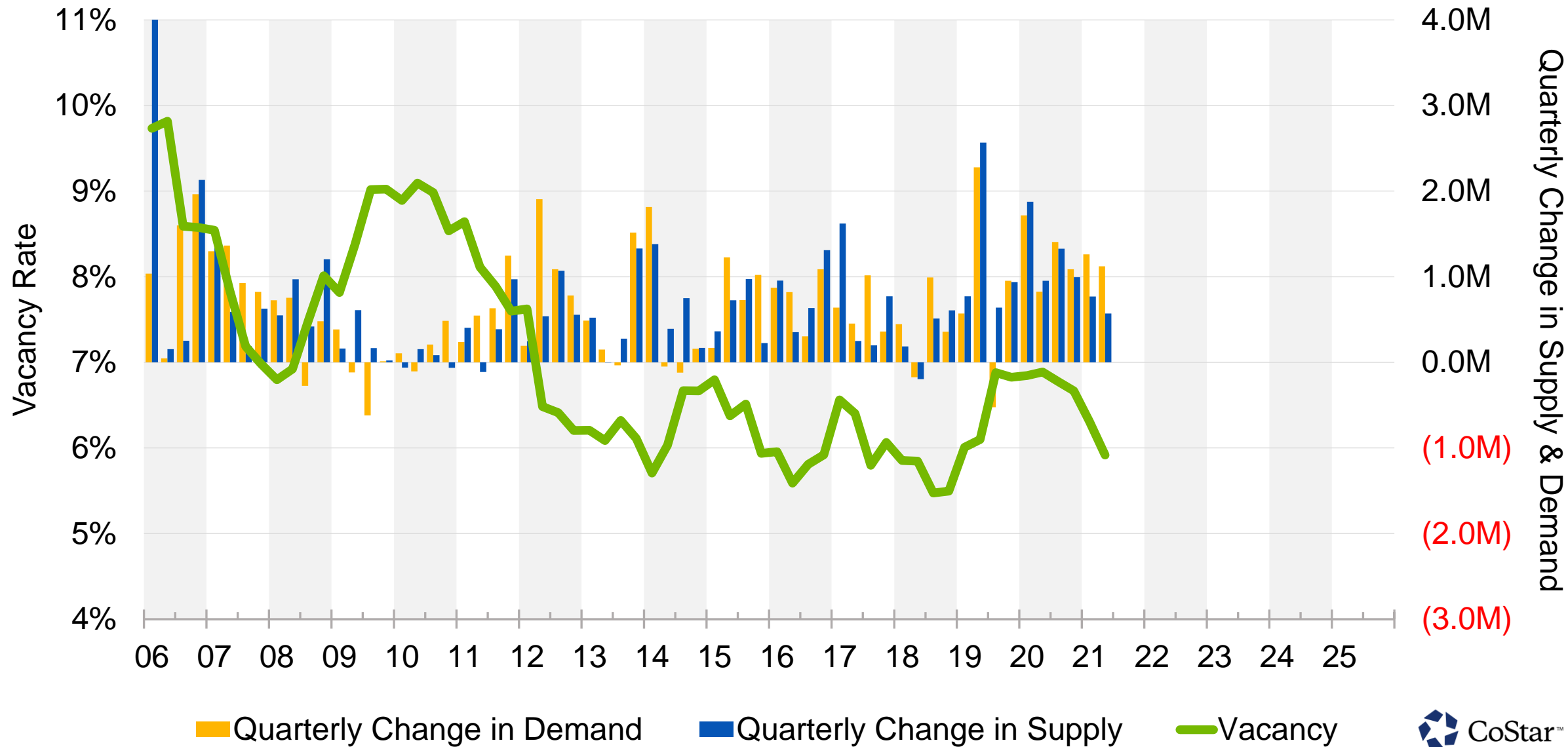
San Antonio Industrial Leasing Activity



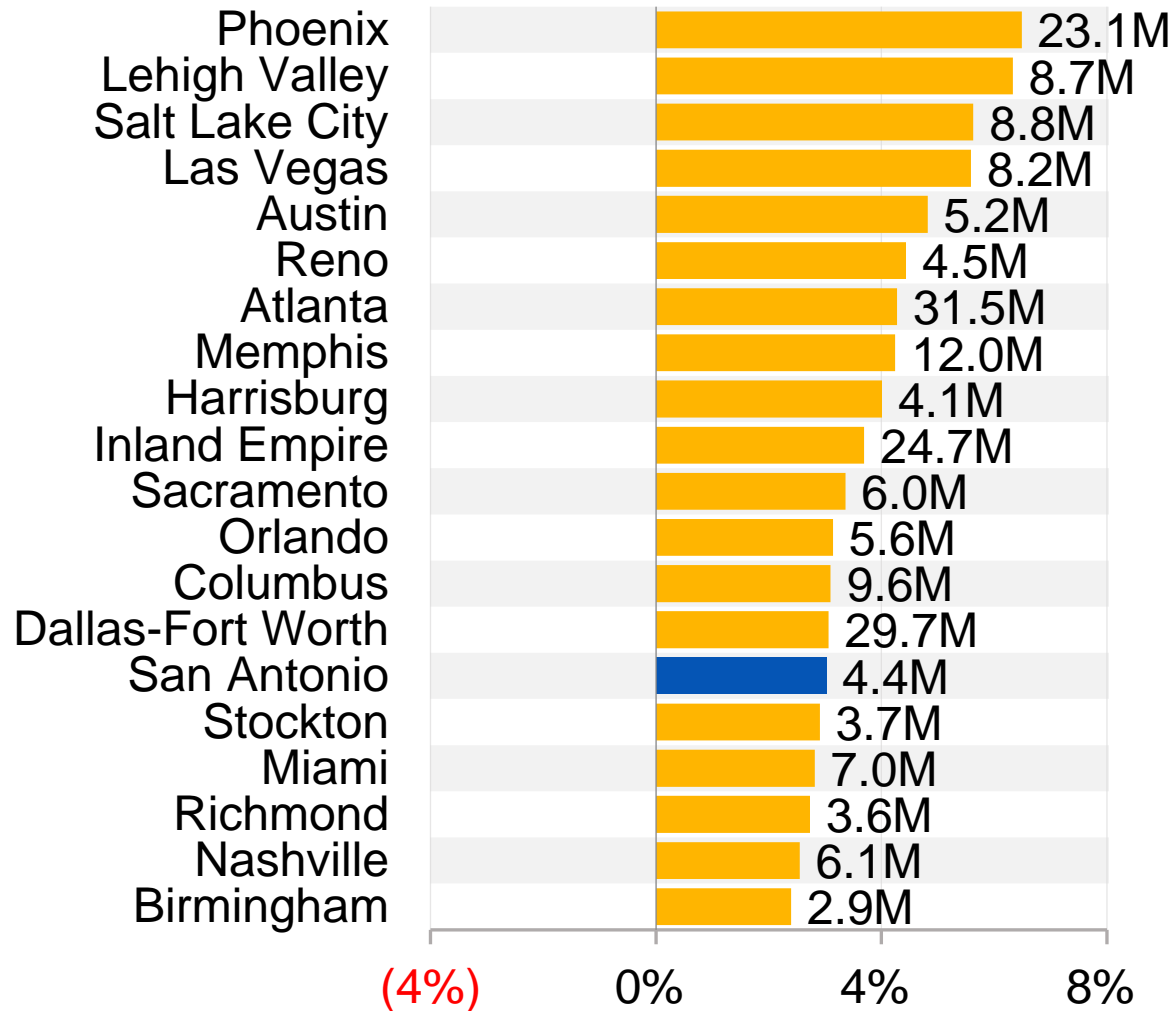
Pandemic Leasing Has Been Incredibly Strong



Supply, Demand, and Vacancy

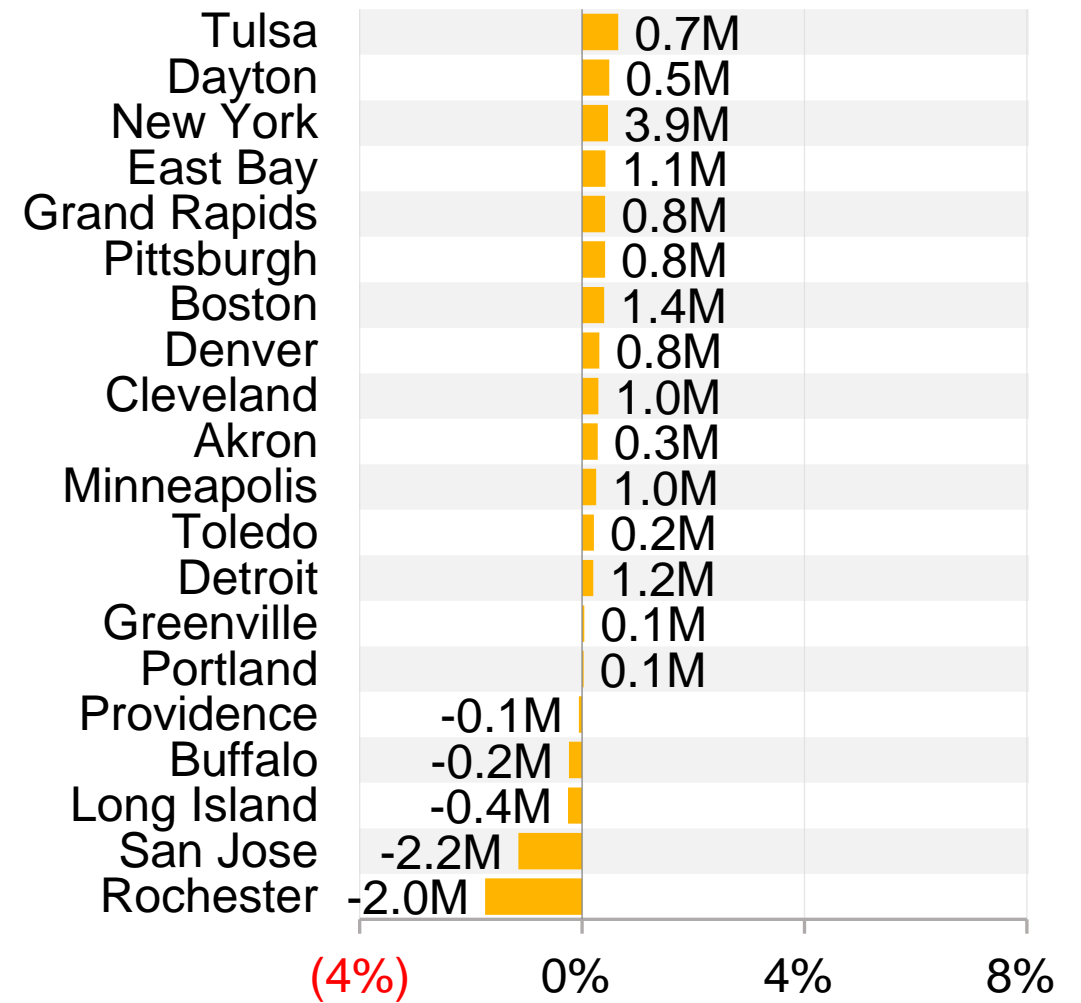


Net Absorption As Share of Inventory



■ Net Absorption as Share of Inventory (Last 4 Quarters)

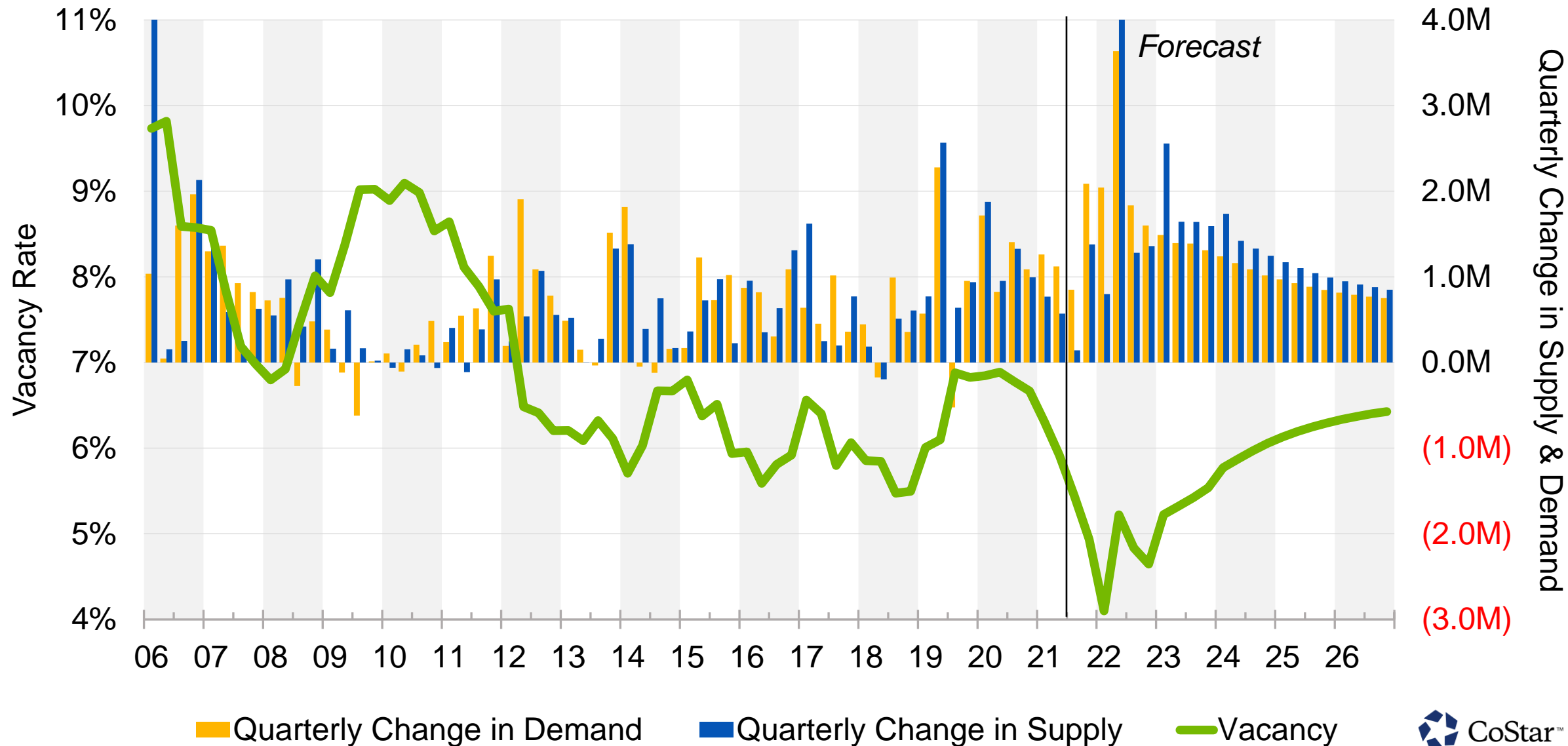
Note: Includes markets with 100M+ SF inventory.



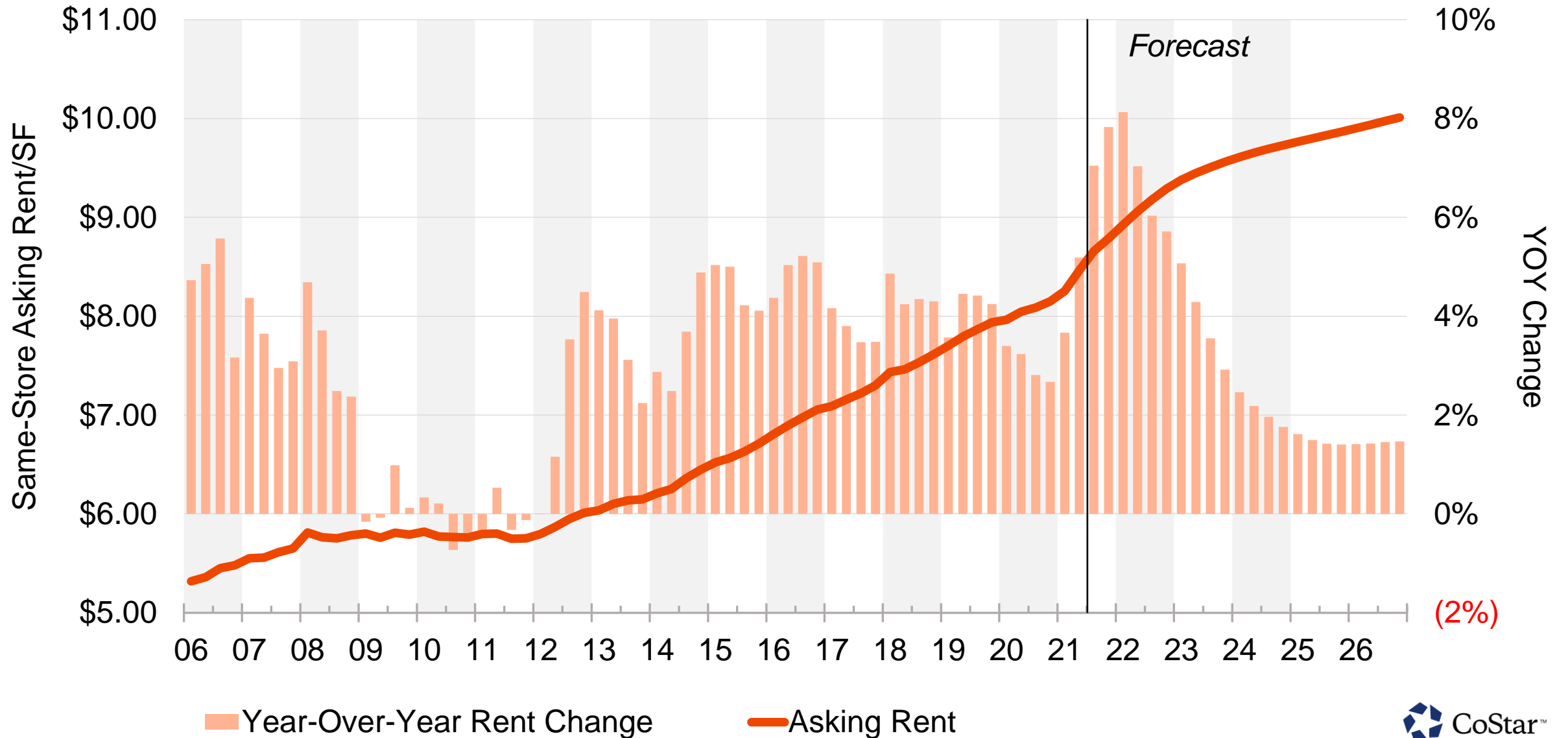
■ Net Absorption as Share of Inventory (Last 4 Quarters)

Note: Includes markets with 100M+ SF inventory.

Supply, Demand, and Vacancy



San Antonio Industrial Rent



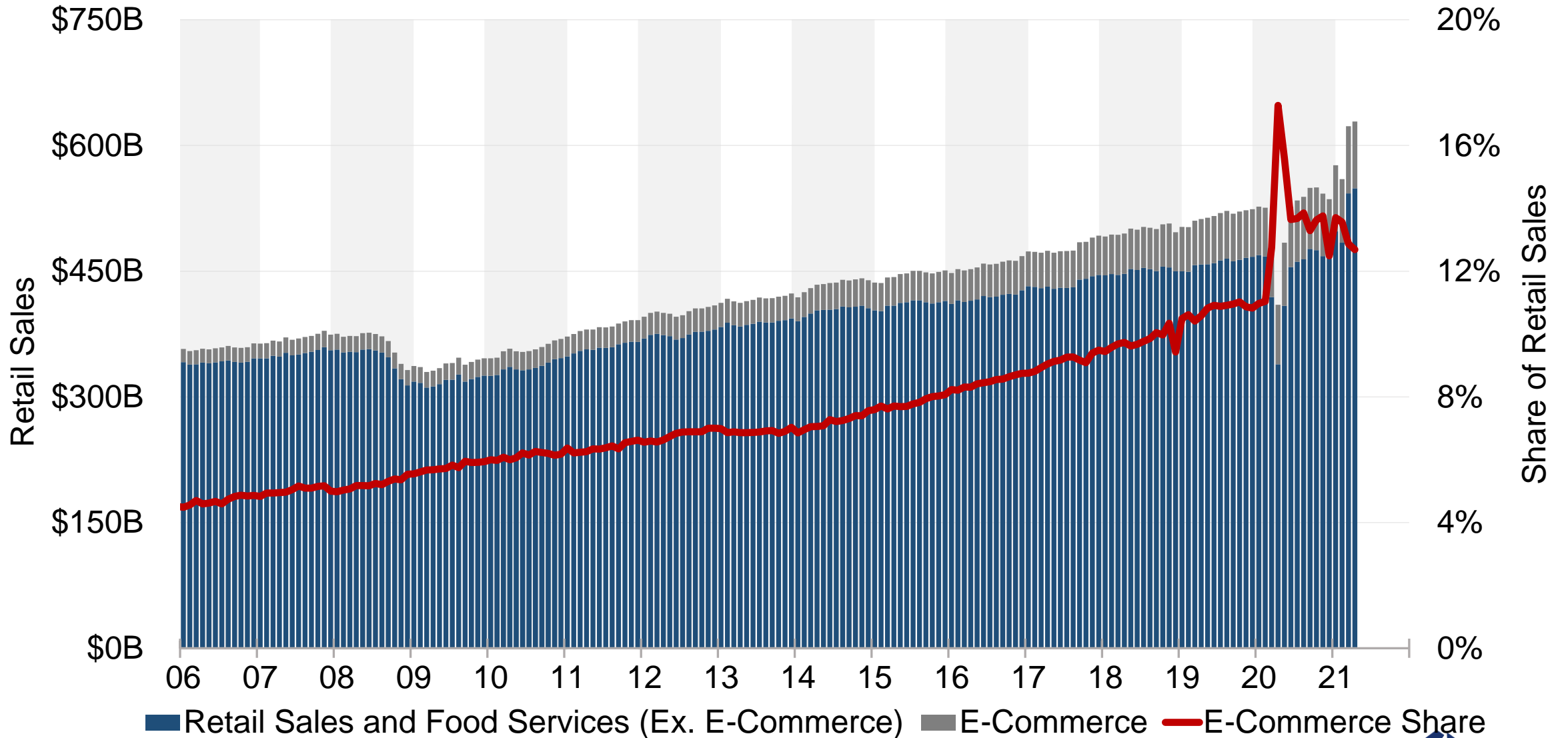
RETAIL



CoStar™

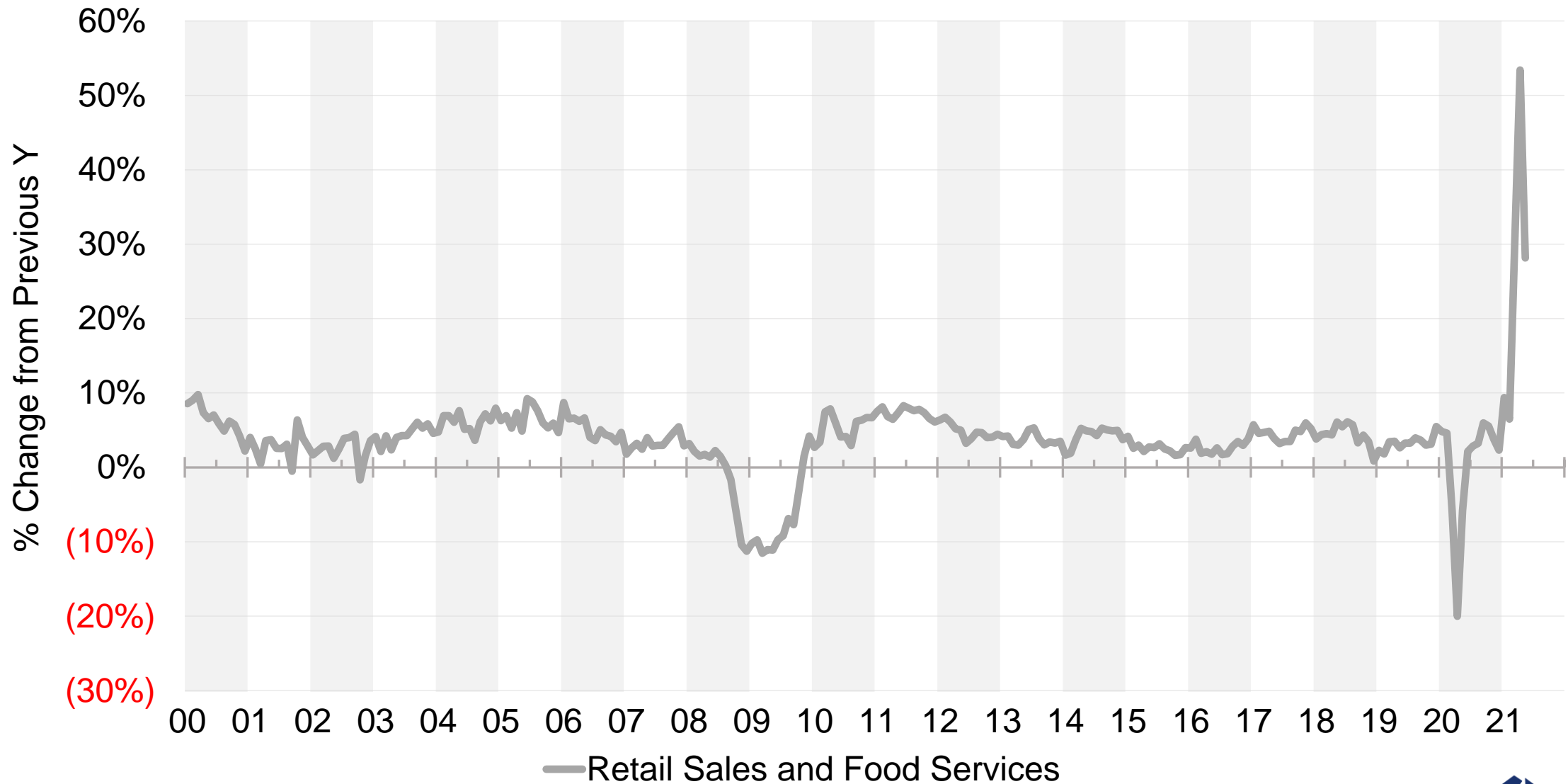


E-Commerce and Retail Sales



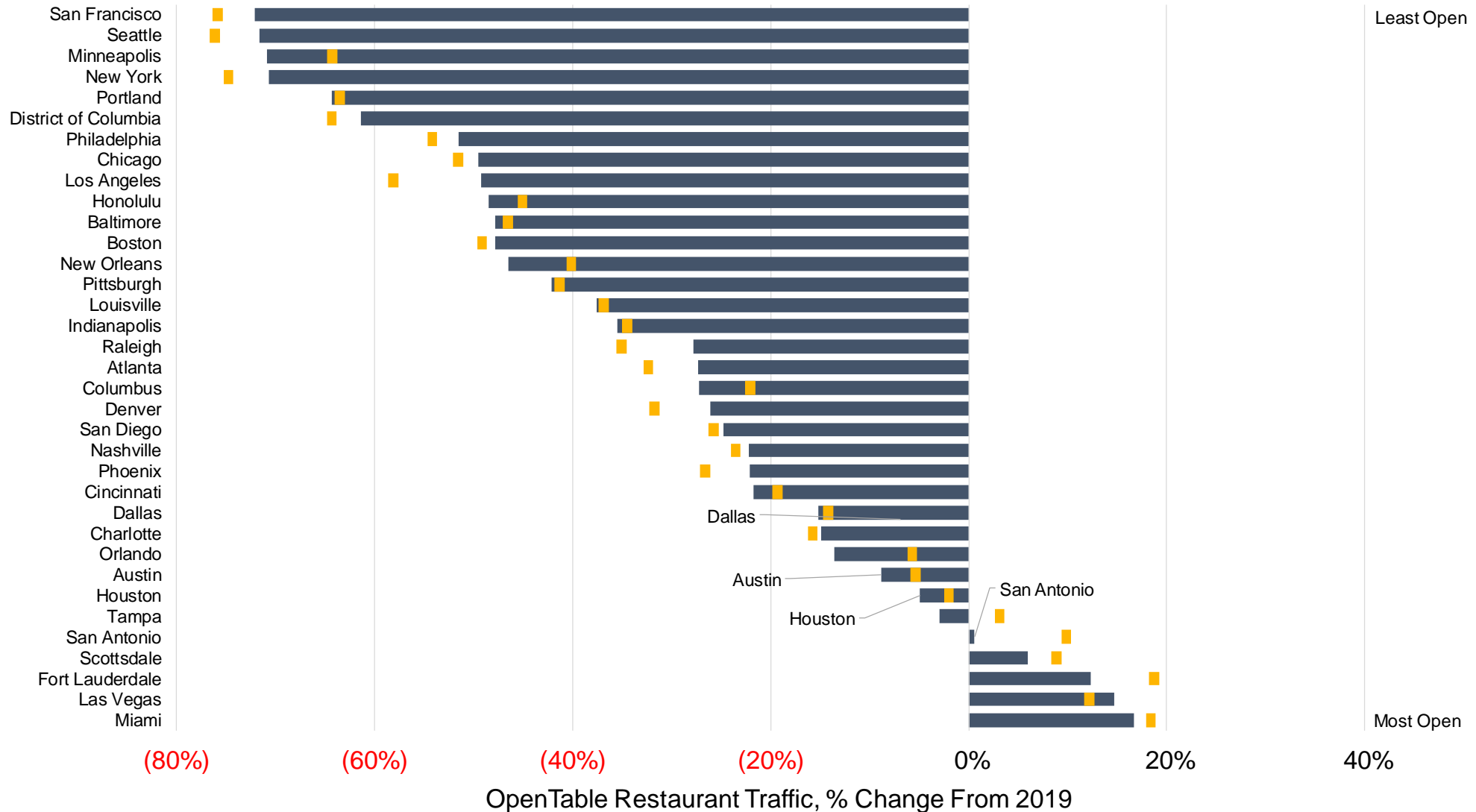
Source: Census Bureau Monthly Retail Sales Report

Retail Sales and Food Services



Source: Census Bureau

Texas Restaurants Are Back Open

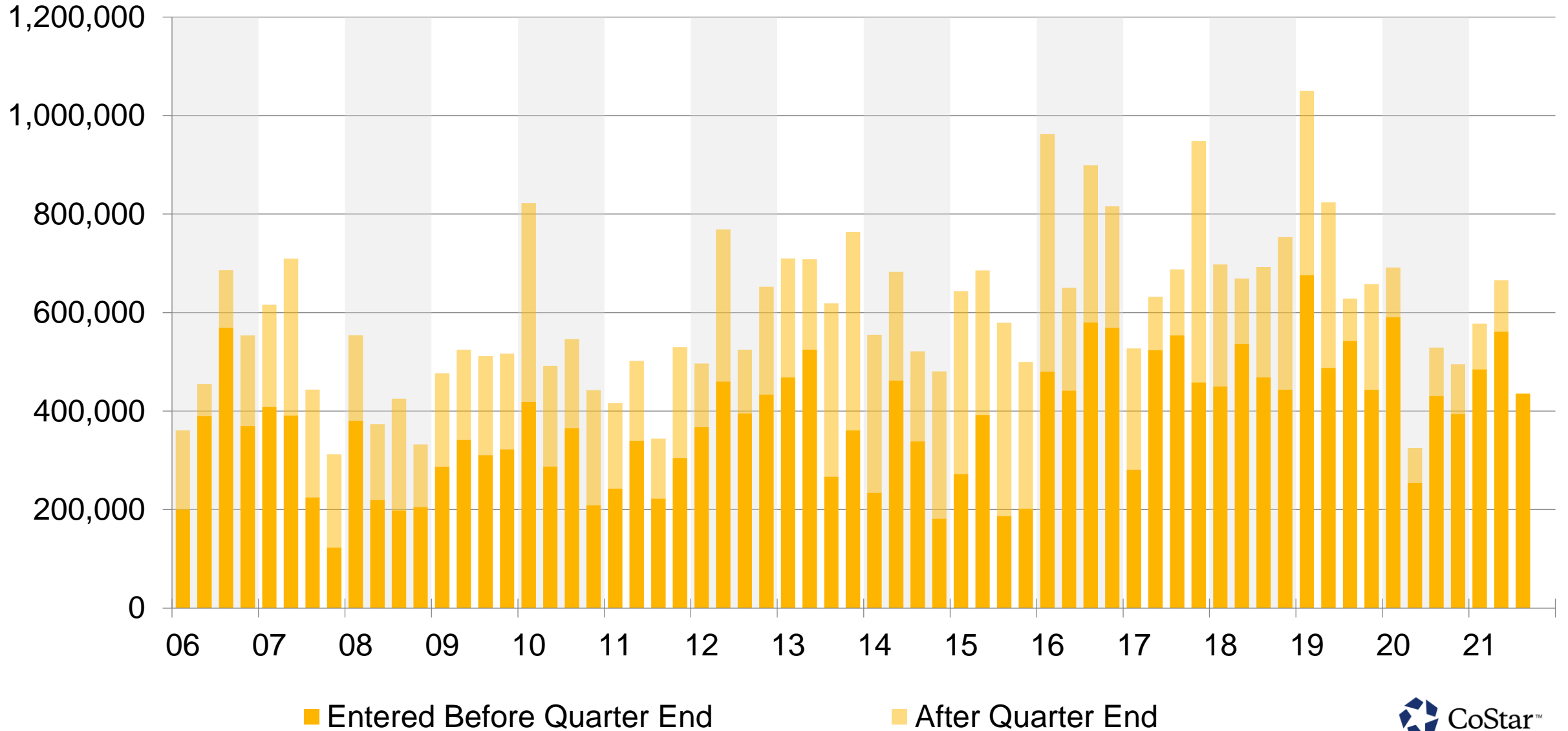


Source: OpenTable
As of May-21

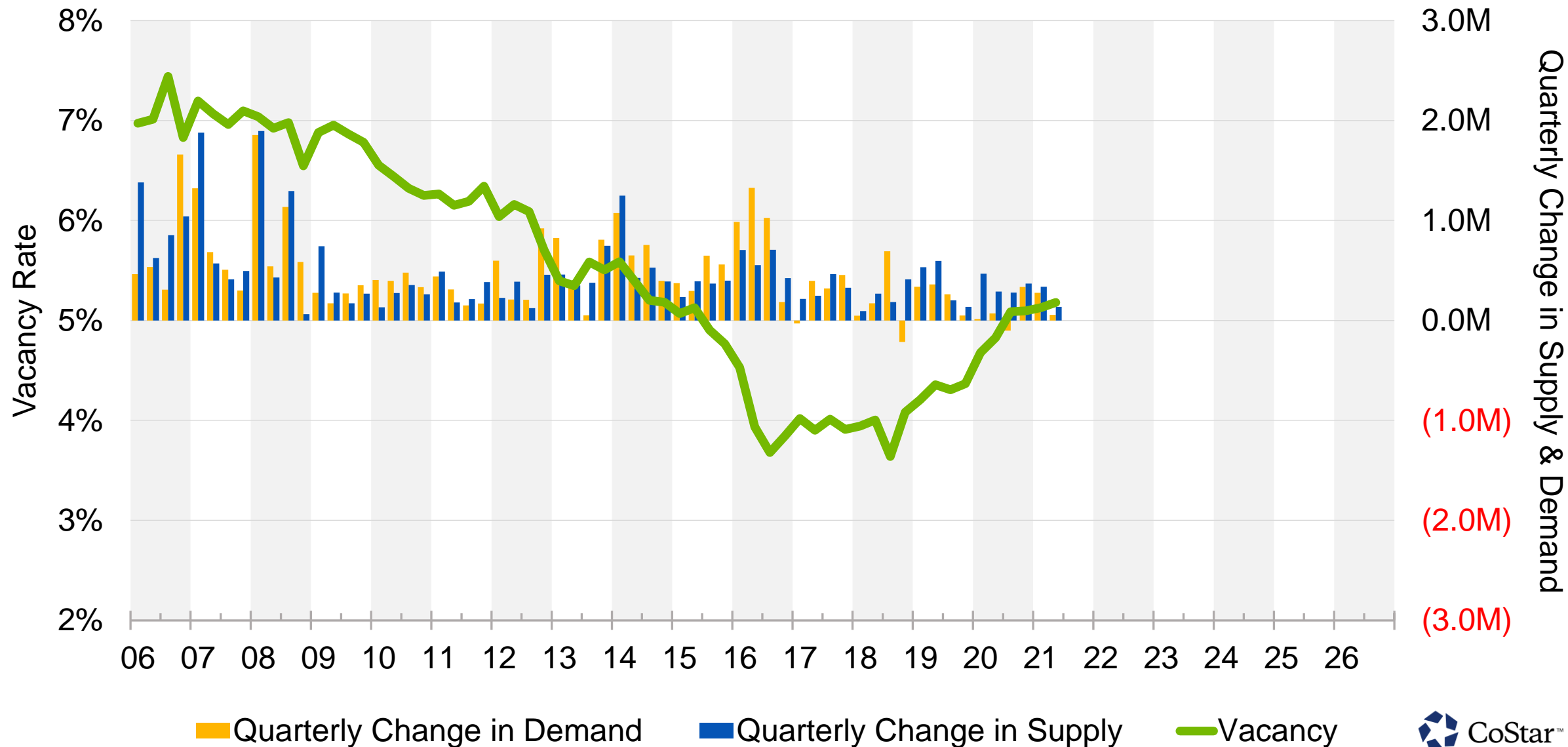
■ Latest Month ■ Month Prior



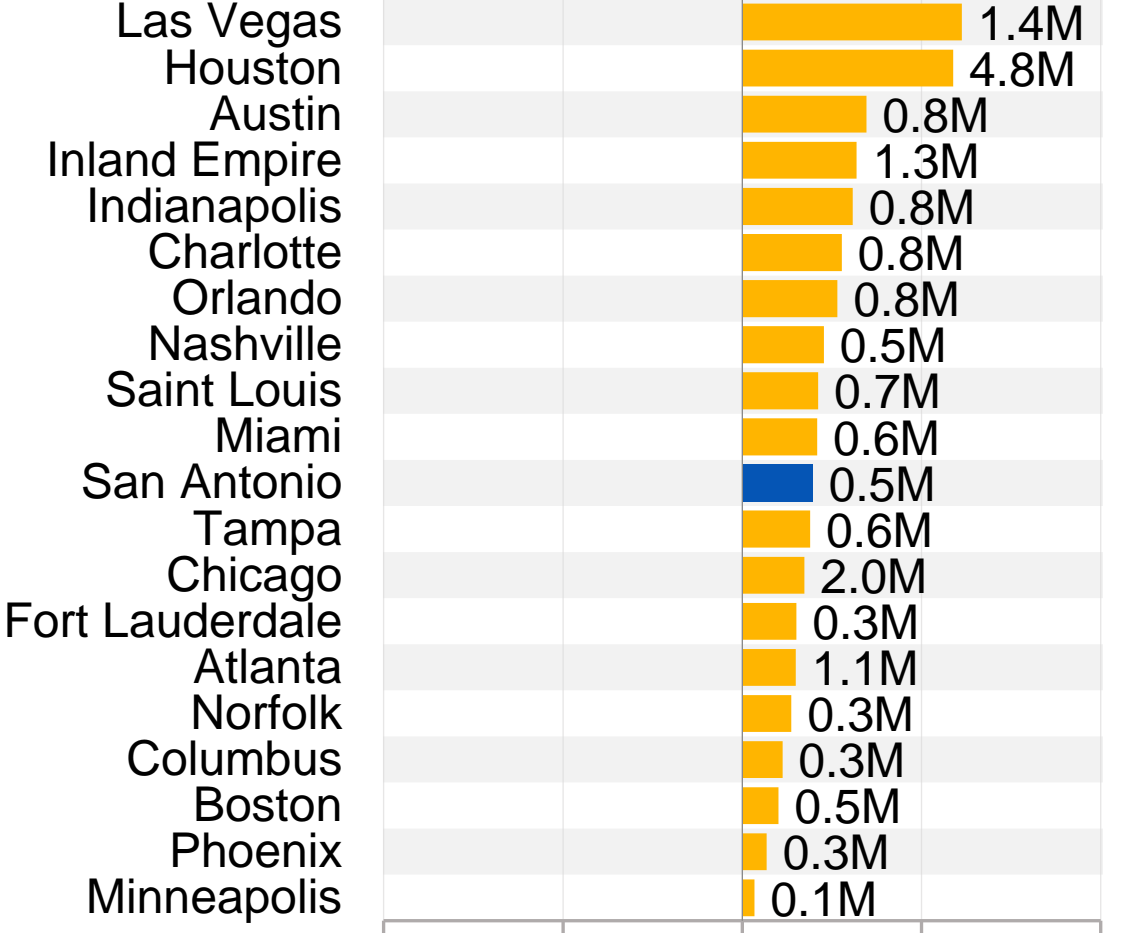
San Antonio Retail Leasing Activity



Supply, Demand, and Vacancy



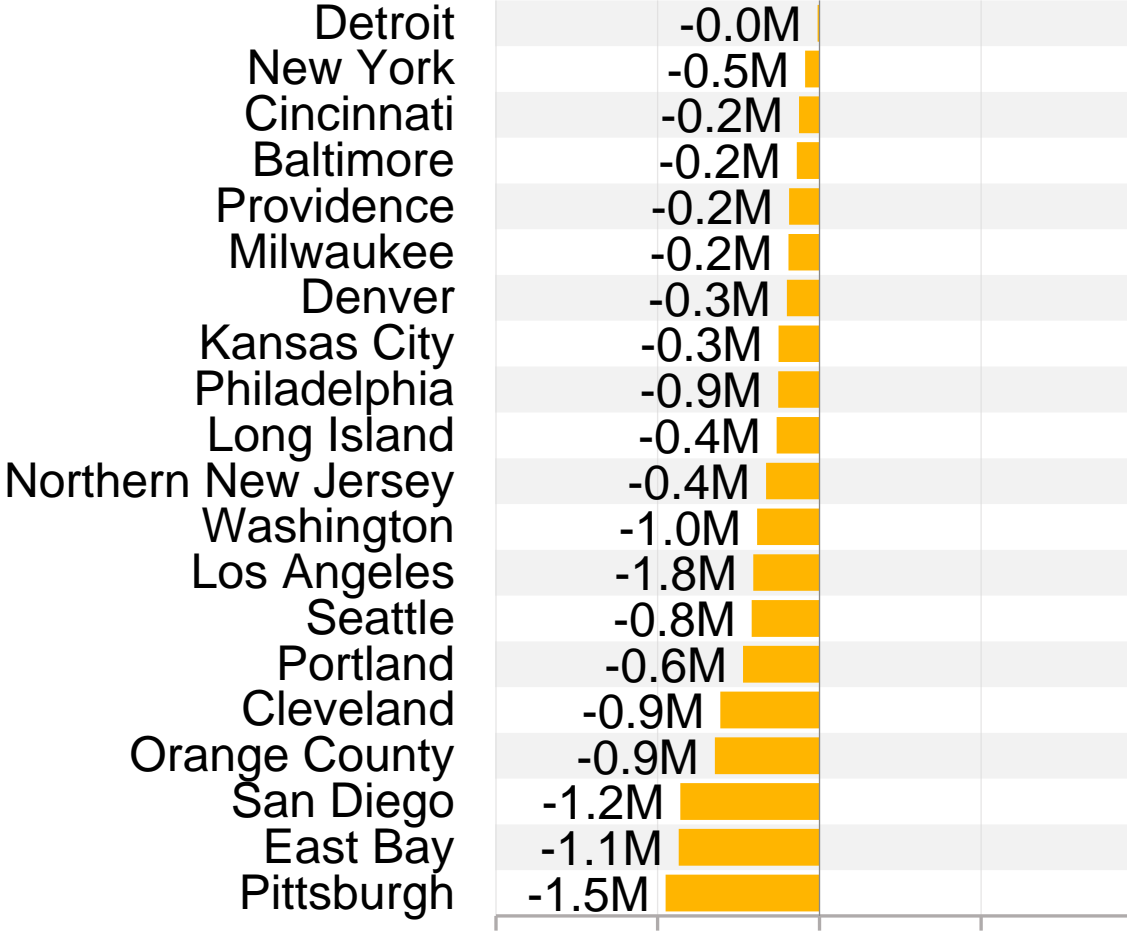
Net Absorption As Share of Inventory



(2%) (1%) 0% 1% 2%

■ Net Absorption as Share of Inventory (Last 4 Quarters)

Note: Includes markets with 100M+ SF inventory.

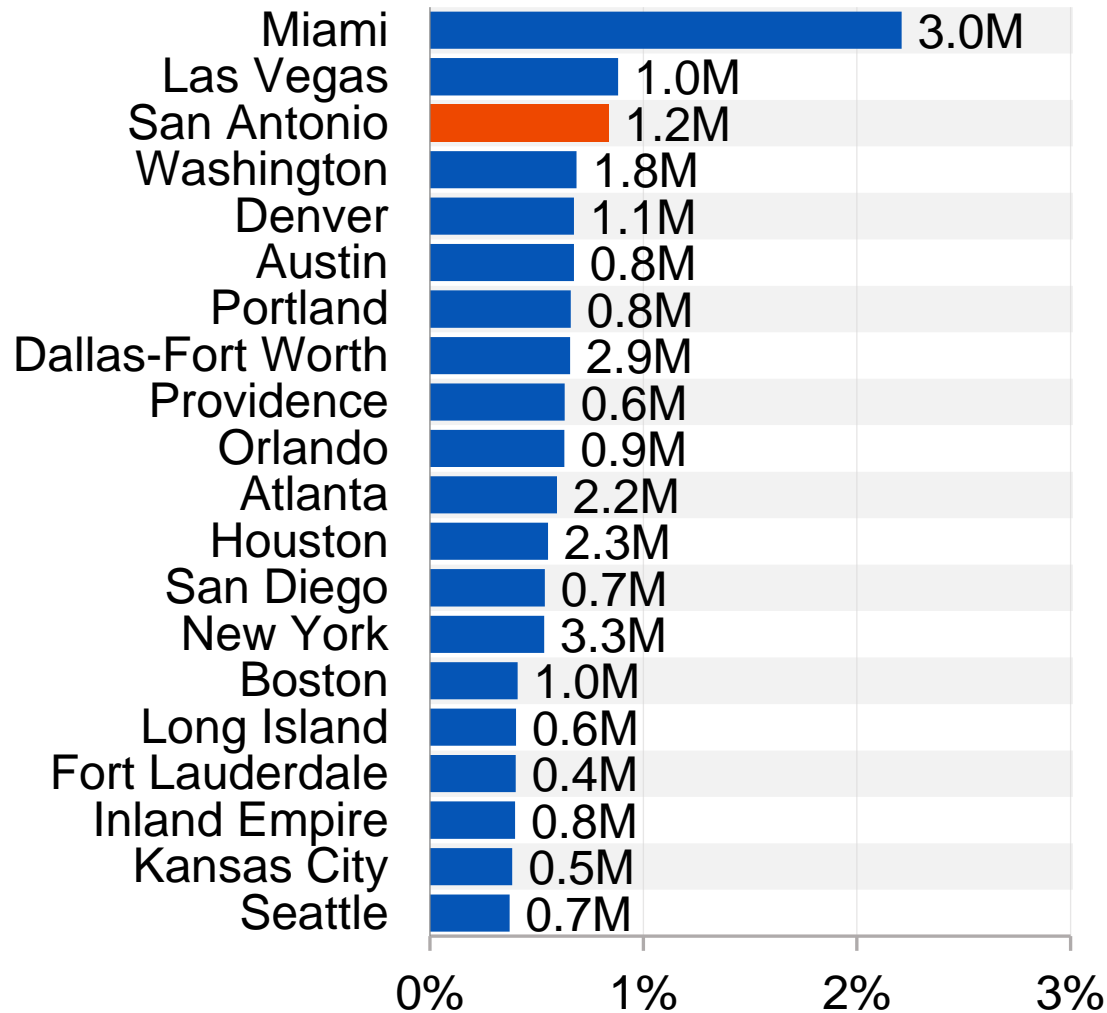


(2%) (1%) 0% 1% 2%

■ Net Absorption as Share of Inventory (Last 4 Quarters)

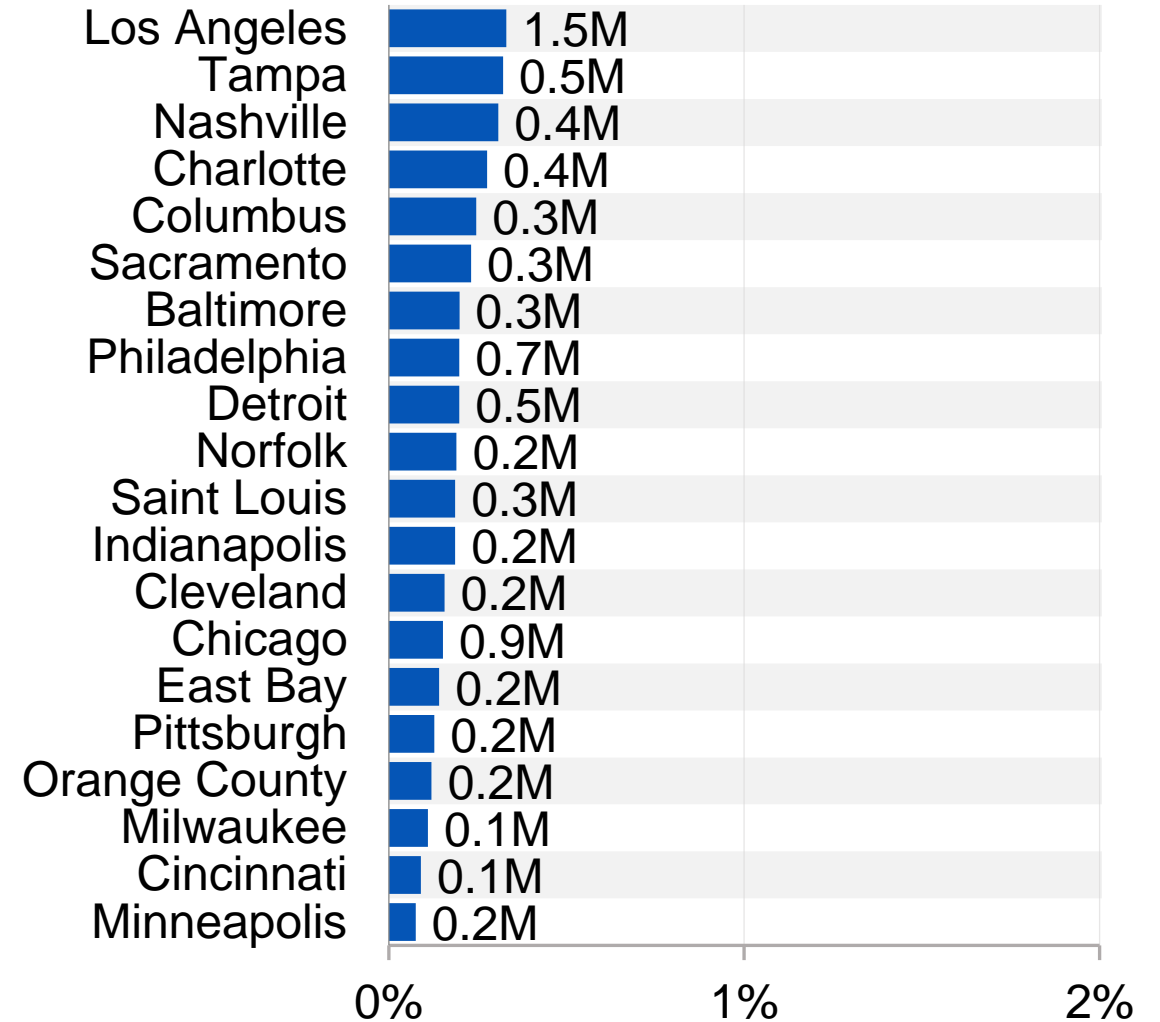
Note: Includes markets with 100M+ SF inventory.

Space Under Construction As Share of Inventory



■ Under Construction as Share of Inventory

Note: Includes markets with 100M+ SF inventory.

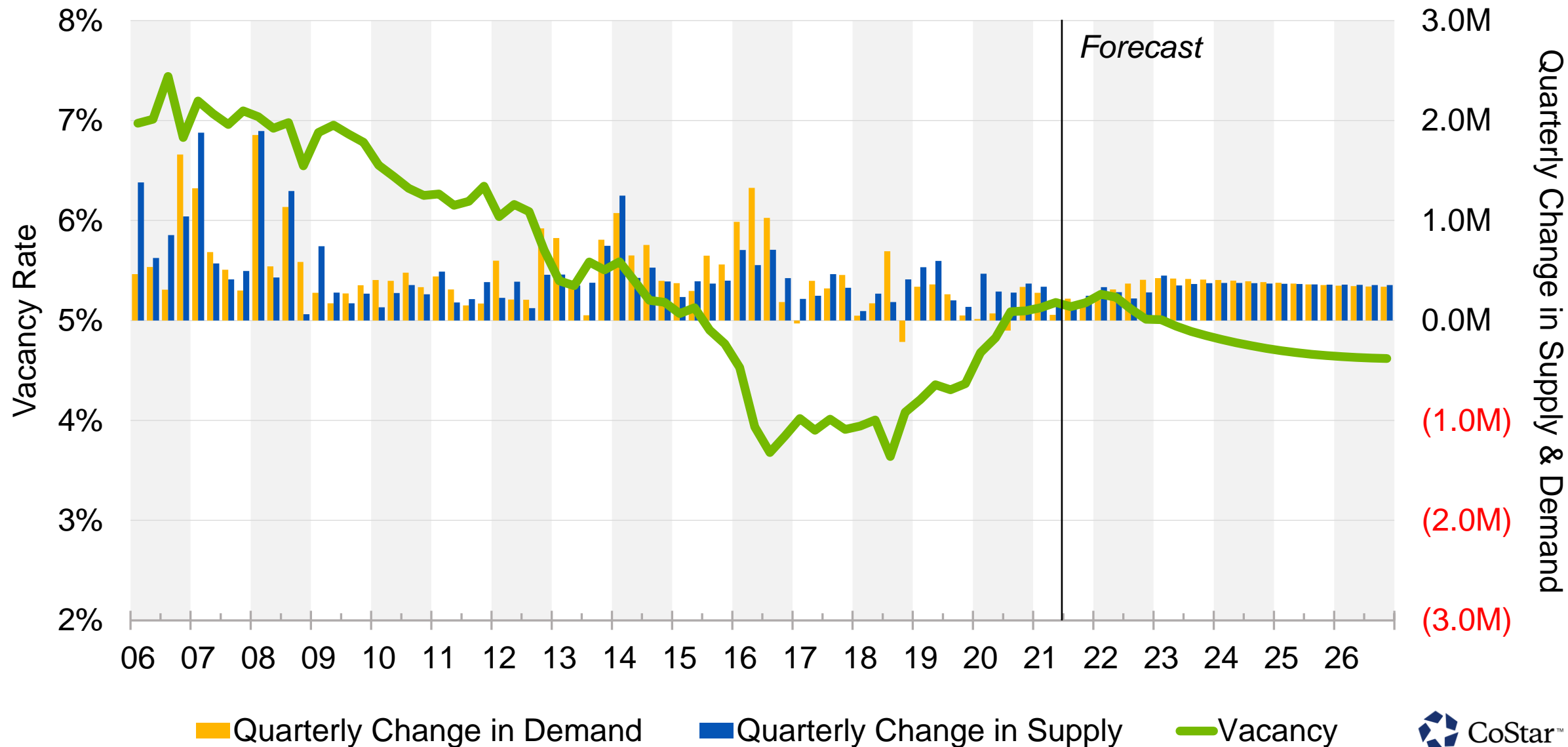


■ Under Construction as Share of Inventory

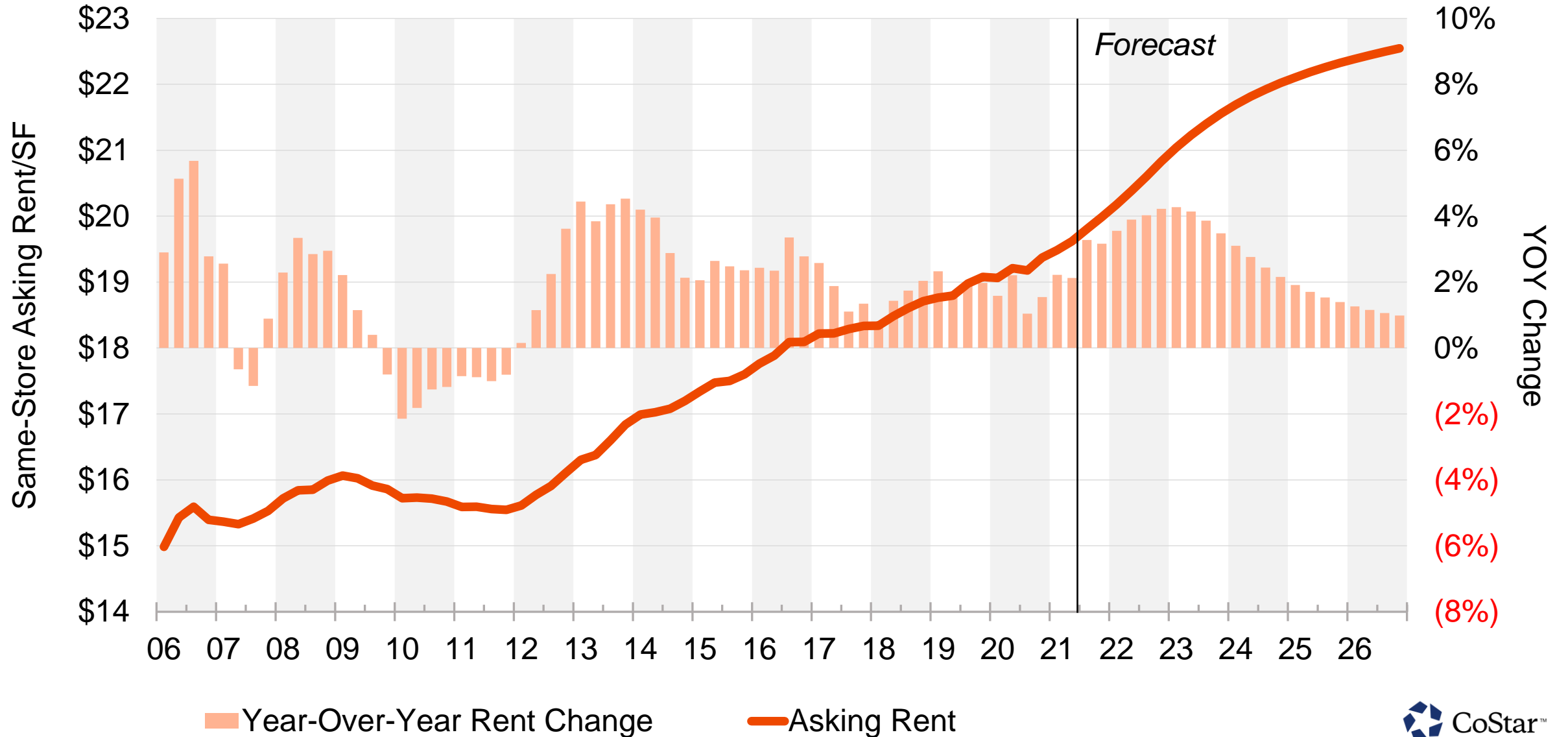
Note: Includes markets with 100M+ SF inventory.



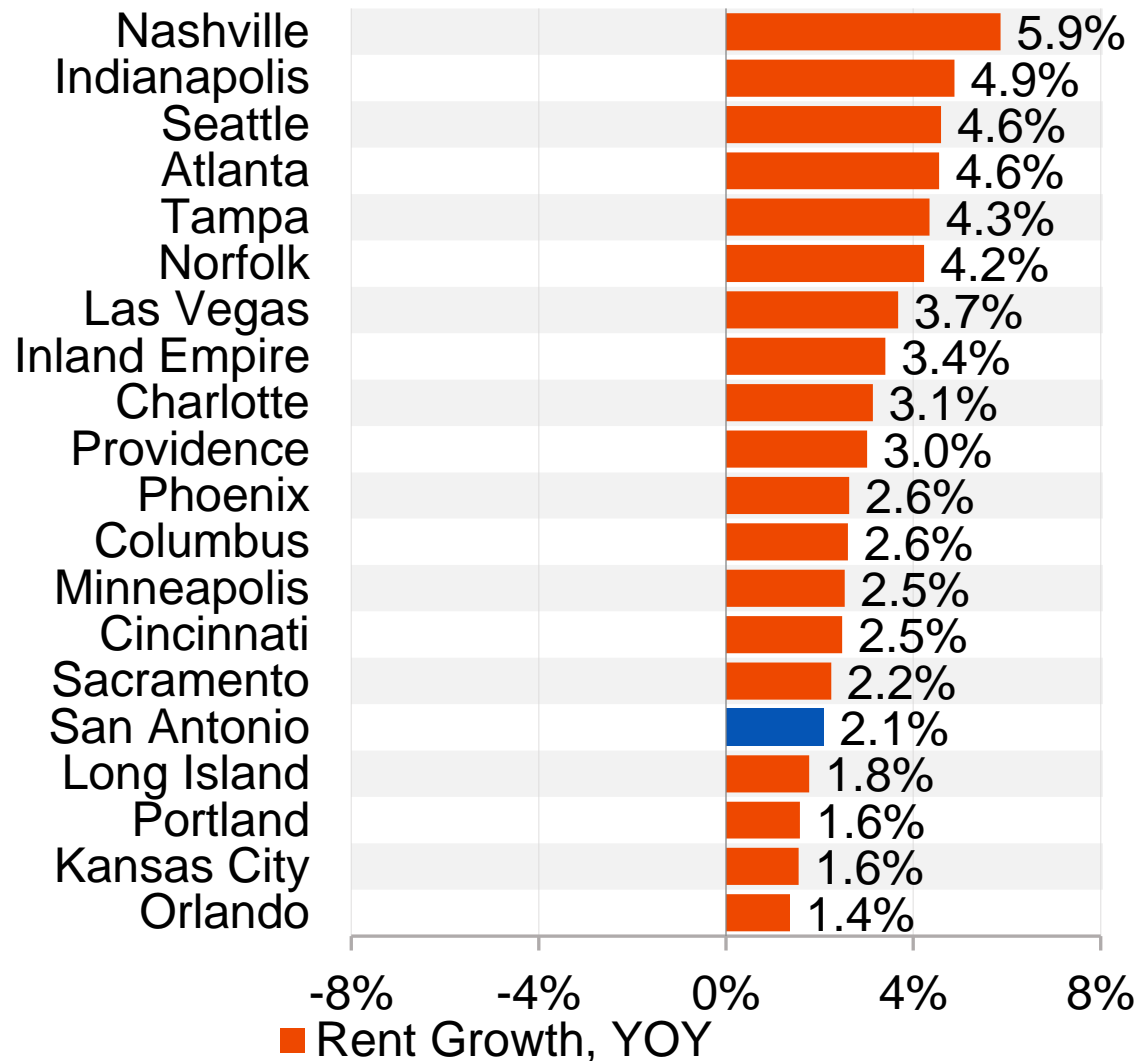
Supply, Demand, and Vacancy



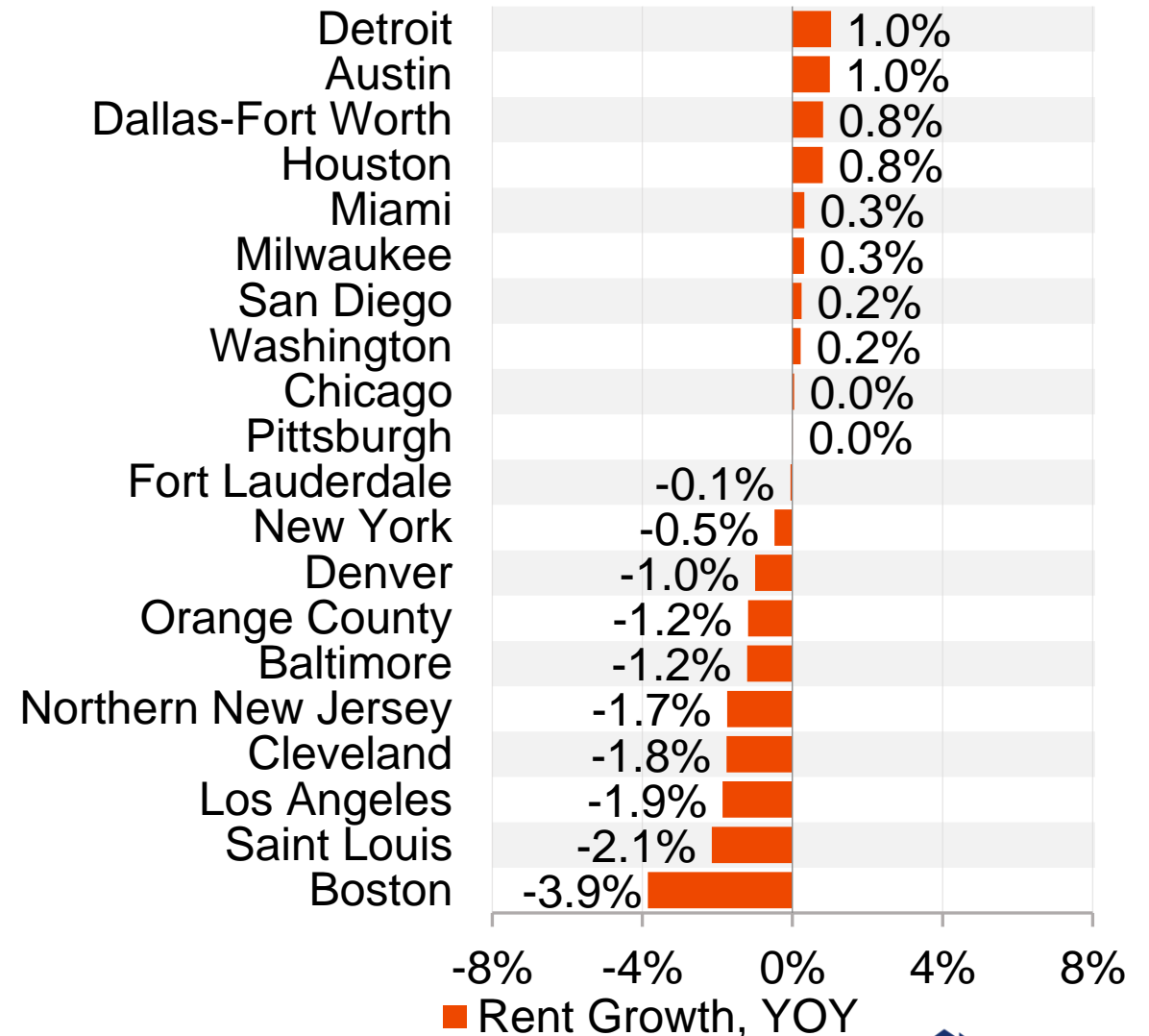
San Antonio Retail Rent



Rent Growth, by Market



Note: Includes markets with 100M+ SF inventory.

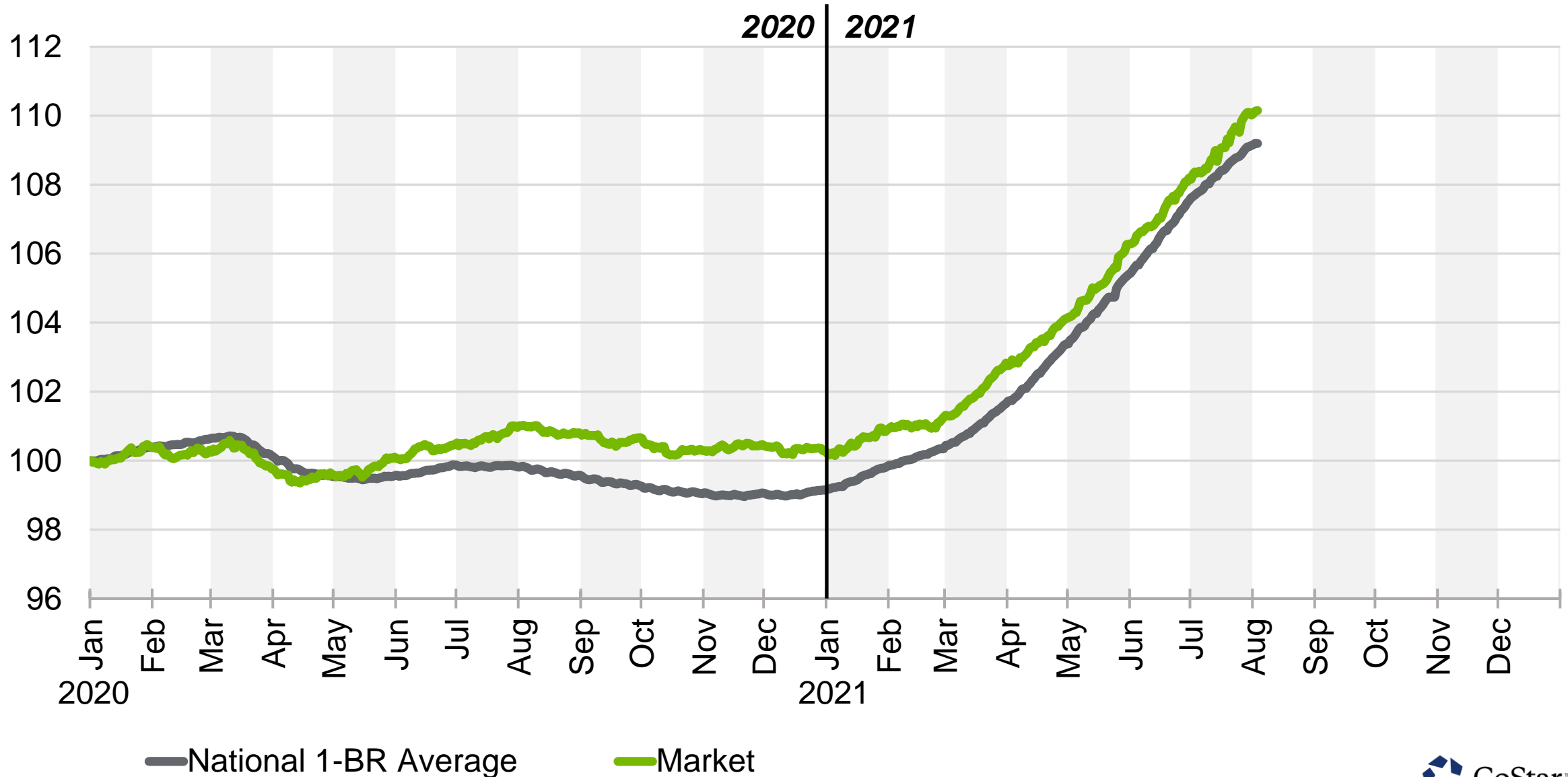


Note: Includes markets with 100M+ SF inventory.

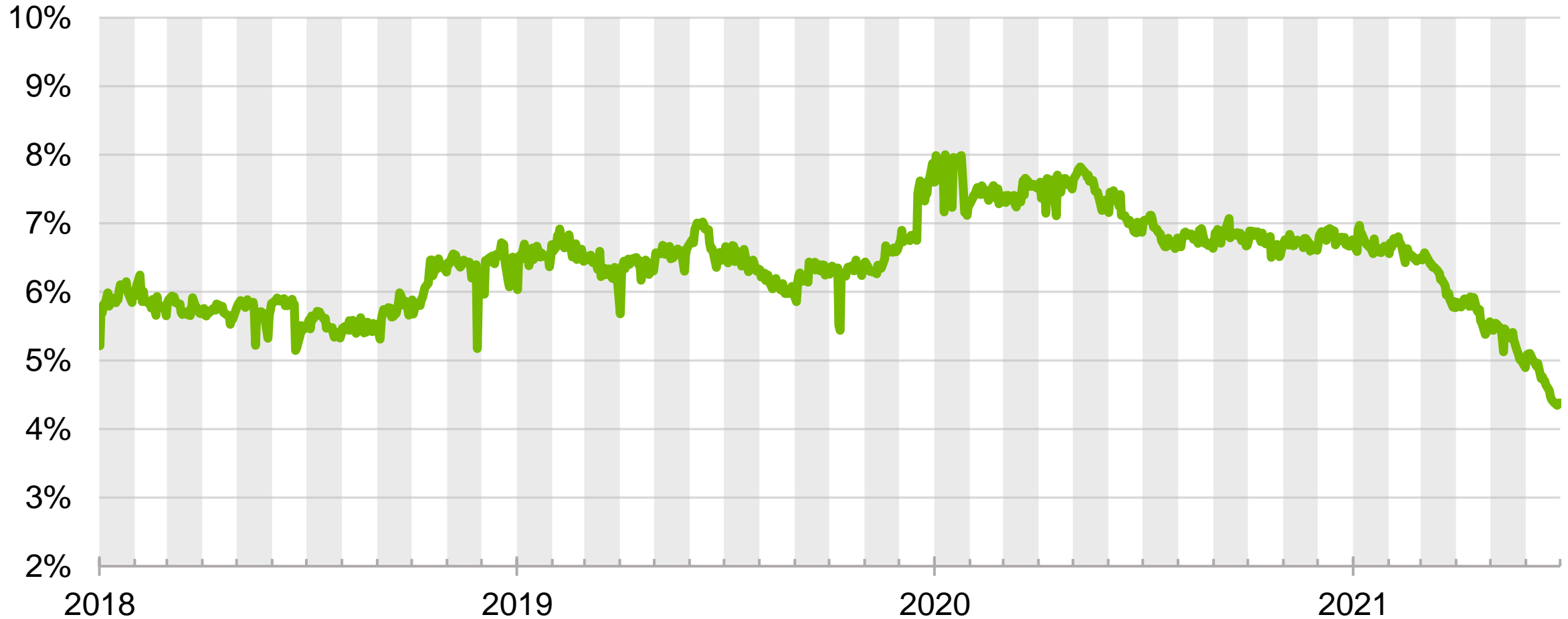
MULTIFAMILY UPDATE



San Antonio One-Bed Rent Trends

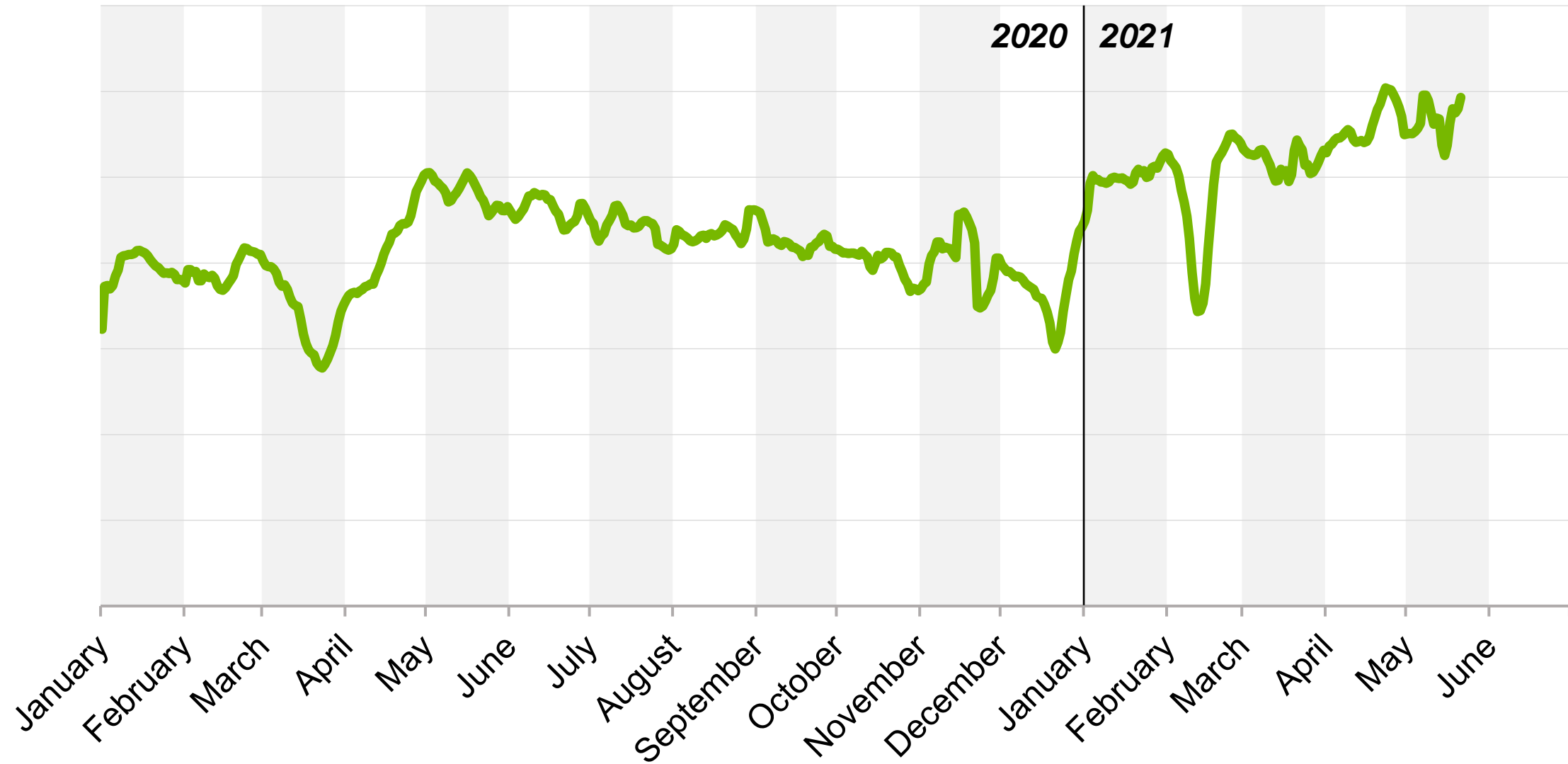


Availability Rate

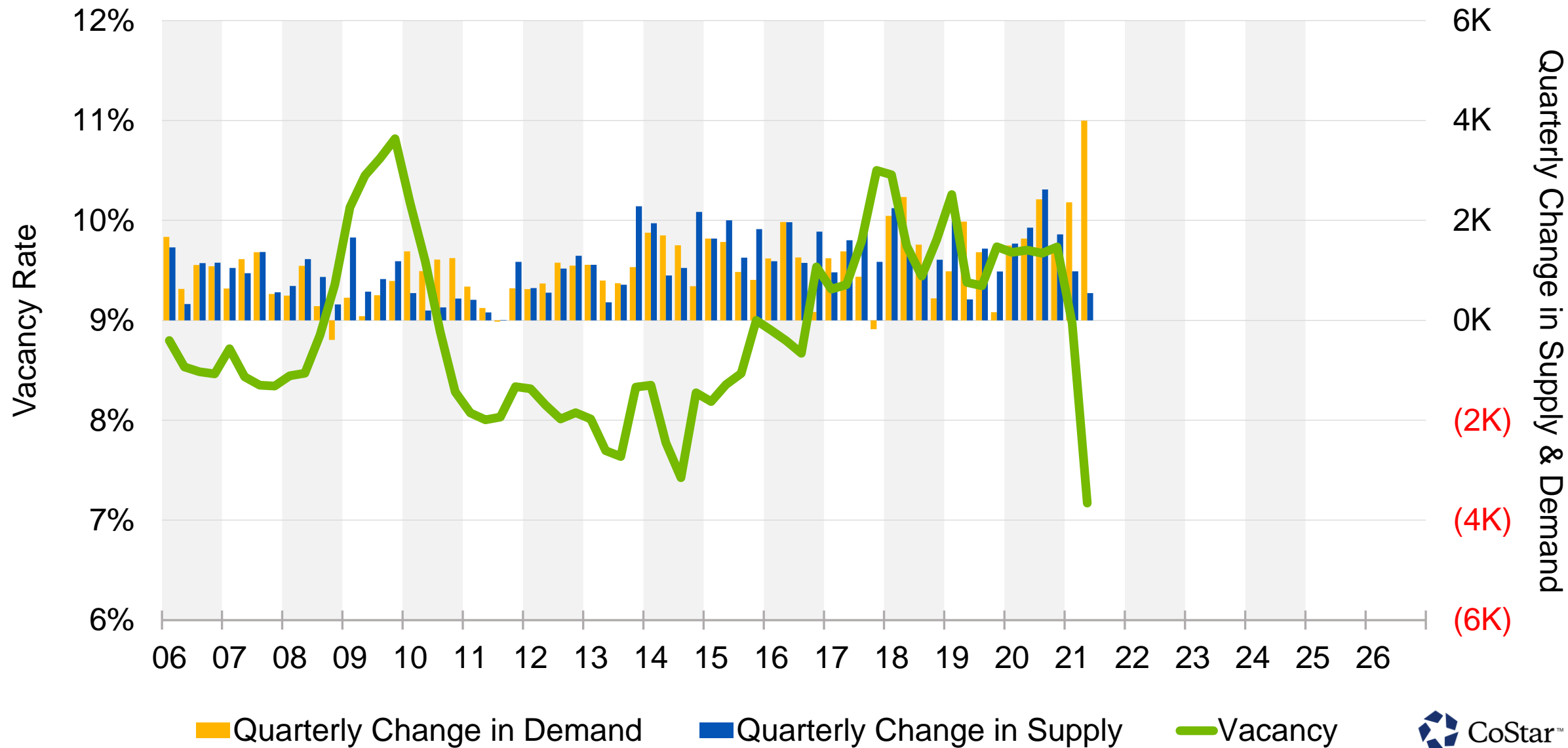


Includes properties with at least 50 units built prior to 2017.

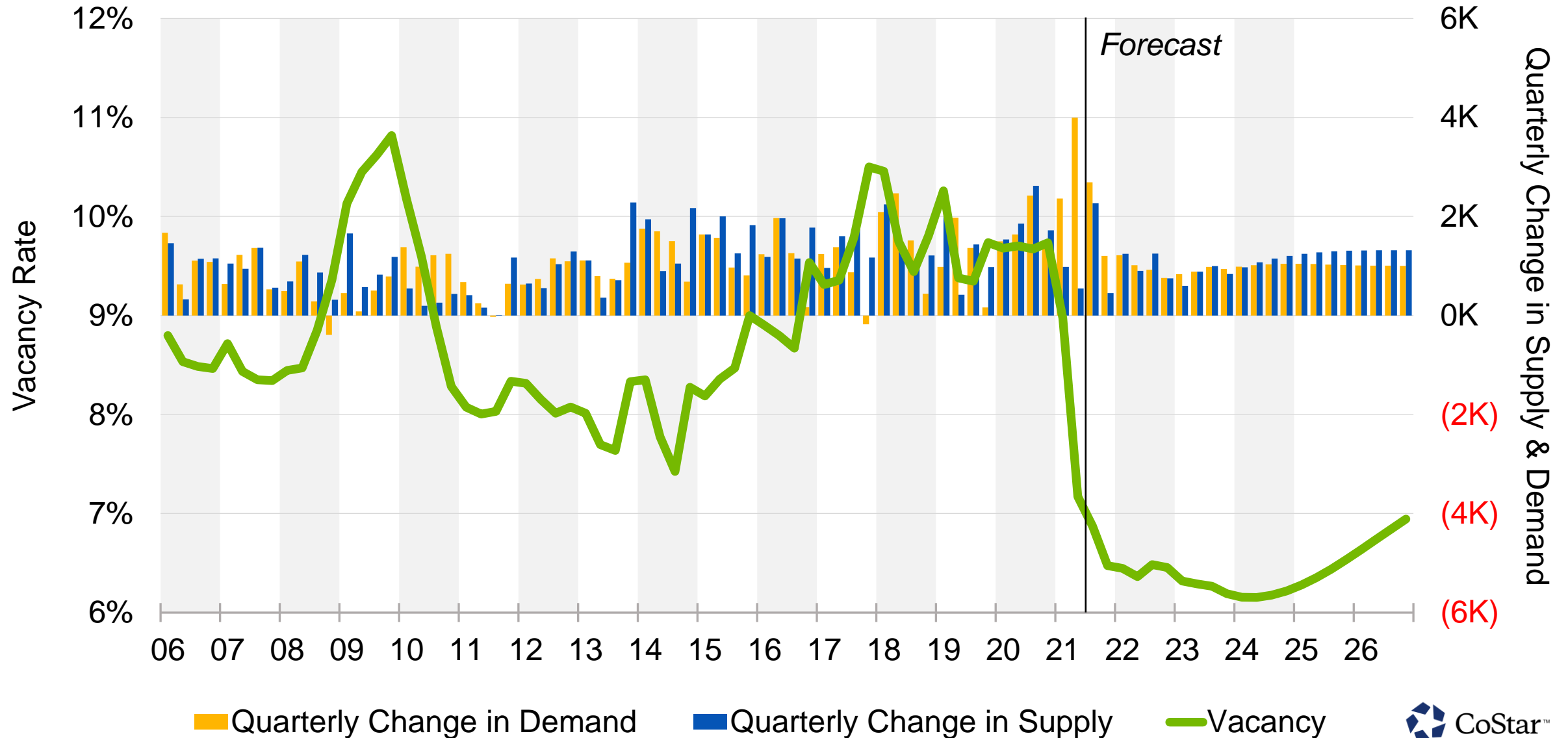
Apartments.com Search Activity for San Antonio



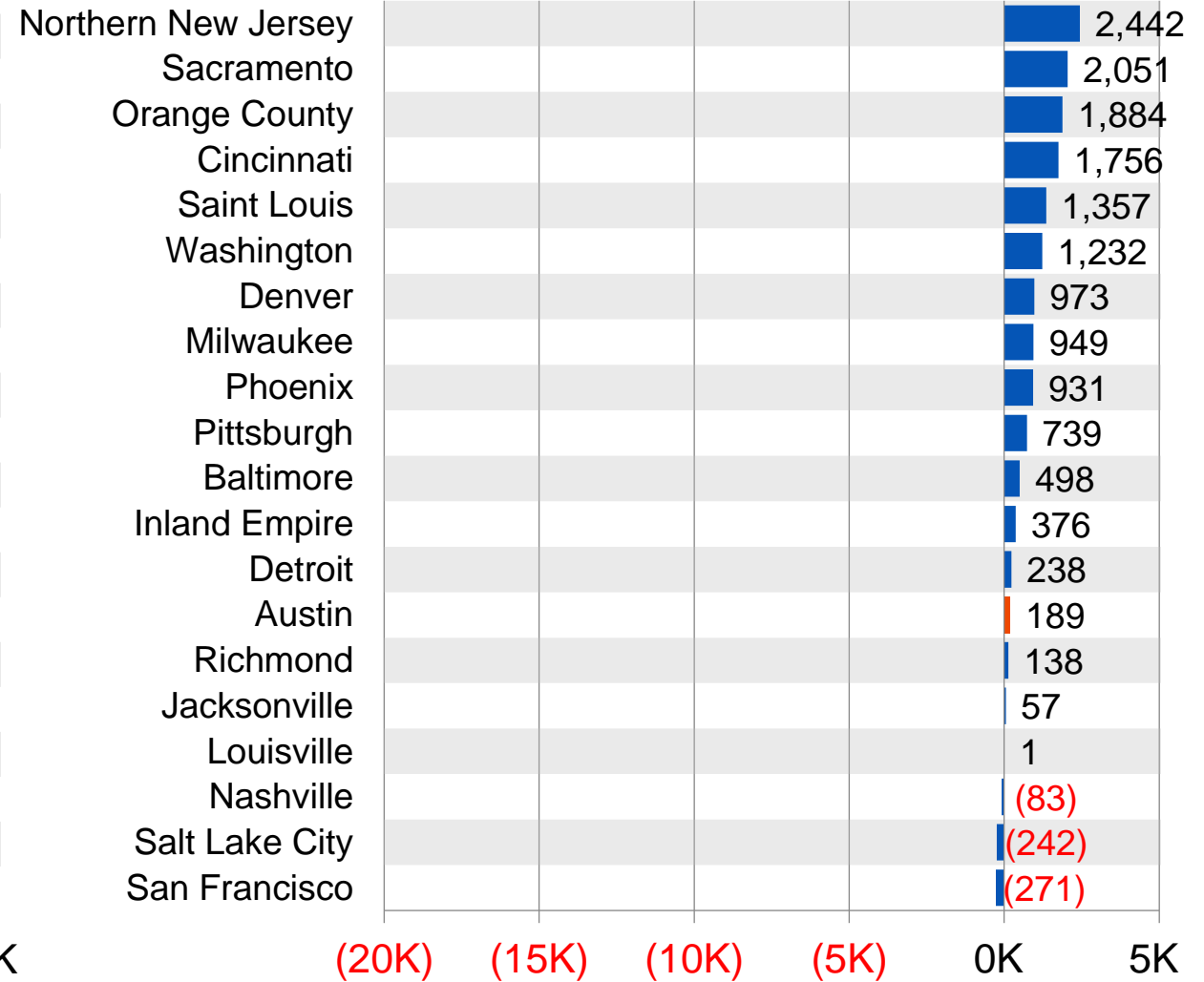
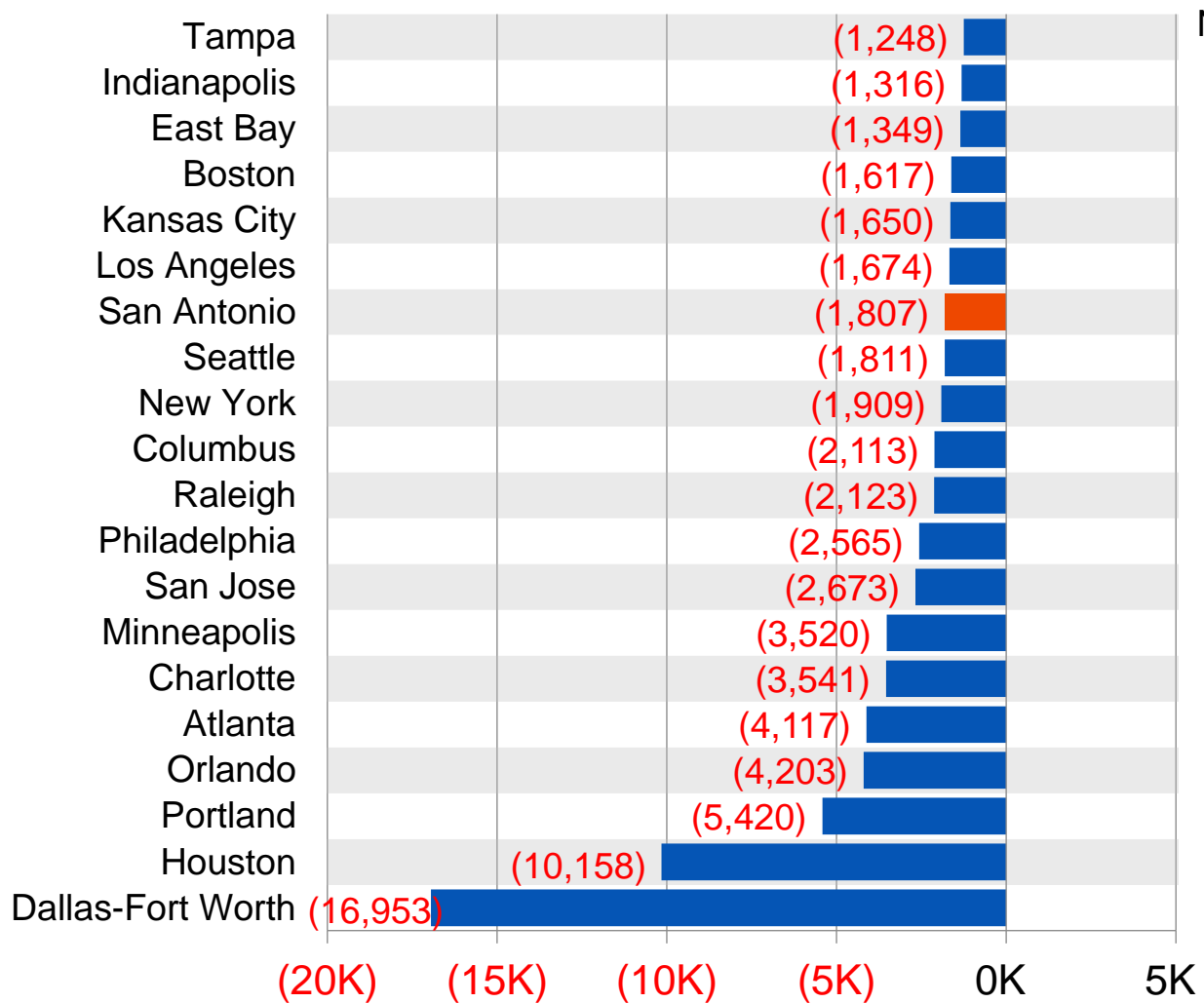
Apartment Supply, Demand, and Vacancy



Apartment Forecast: Baseline

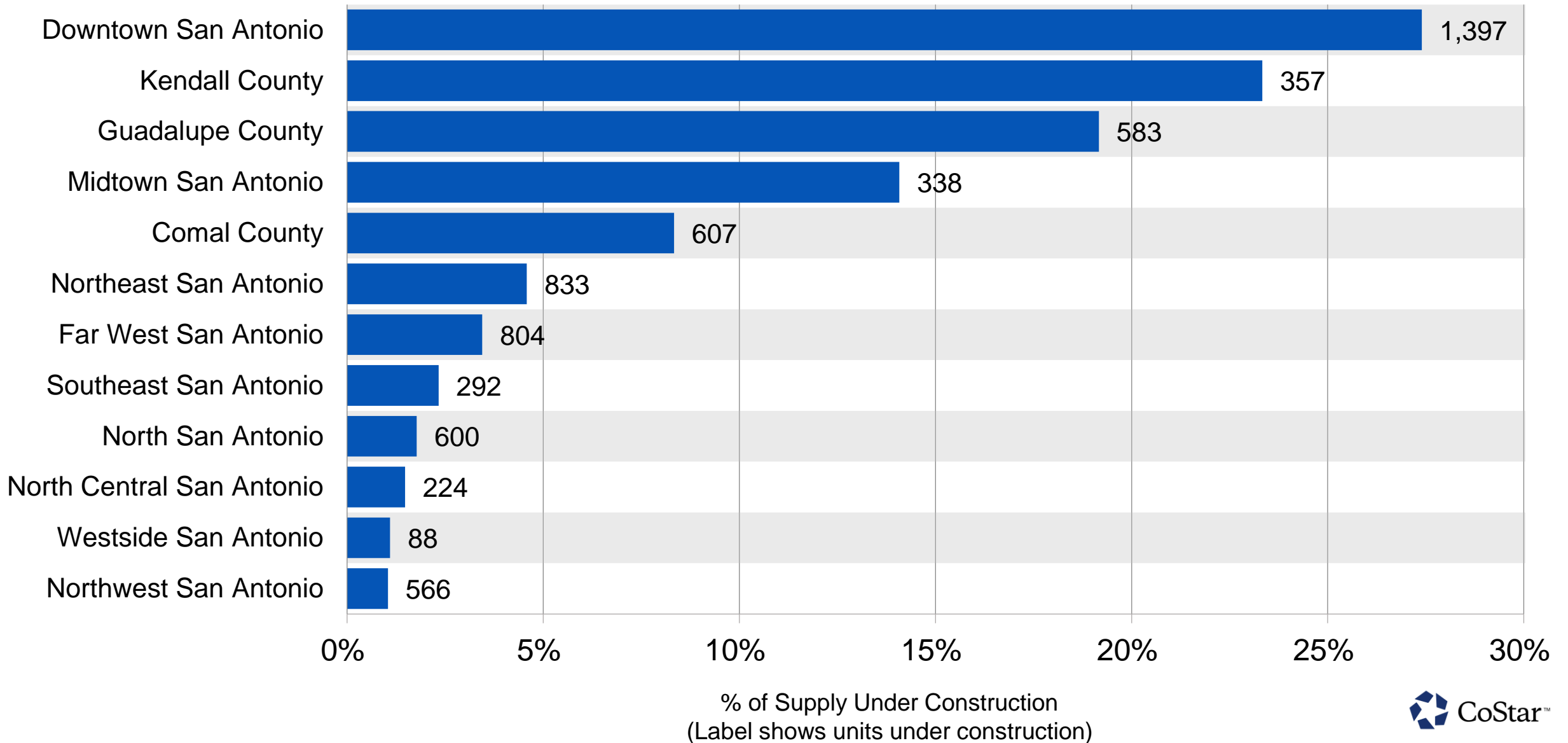


Change in Units Under Construction, 21Q2 vs. 20Q2



Change in Units Under Construction, 21Q2 vs. 20Q2

Units Under Construction, by Submarket



Closing Thoughts

- San Antonio's economy remains strong, which could set the metro up for outperformance in the years to come.
- Stability benefitting San Antonio during the pandemic – little signs of overdevelopment across asset classes
- Plenty of tailwinds for future growth: population expansion, high-paying job growth, e-commerce, single-family homebuilding
- Capital markets are thawing, which should prompt more price appreciation



CoStar MARKET ANALYTICS™

Thank You!

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Director of Analytics, Central Texas

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<https://www.linkedin.com/in/samtenenbaum/>

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