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CCIM San Antonio/South Texas Chapter

#CCIMSA2021

CCIM

ECONOMIC DRIVERS

INDUSTRIAL

RETAIL

OFFICE

MULTIFAMILY



CCIM

OUR ECONOMY



250K+

JOBS ADDED
SINCE 2010



160K

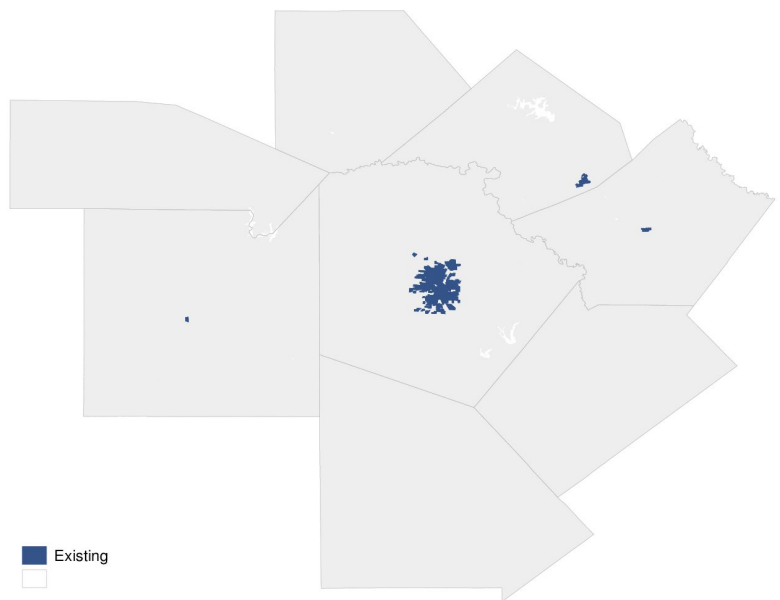
WORKFORCE
UNDER AGE OF 40



50%

MORE RACIAL DIVERSITY
THAN OTHER METROS

San Antonio–New Braunfels, TX Metro Area
As of 1940



Source: BuildZoom

Notes: areas considered developed when they first exceed 200 currently existing homes per square mile.



Largest
**HISPANIC
POPULATION**
in the U.S.



26%
University
Graduate Growth



Population
9%
growth
2015 to 2020

SAN ANTONIO ECONOMY FALL 2021



Unemployment

2.8% December 2019

13.3% April 2020

7.4% September 2020

6.5% March 2021

6% June 2021

4.8% September 2021

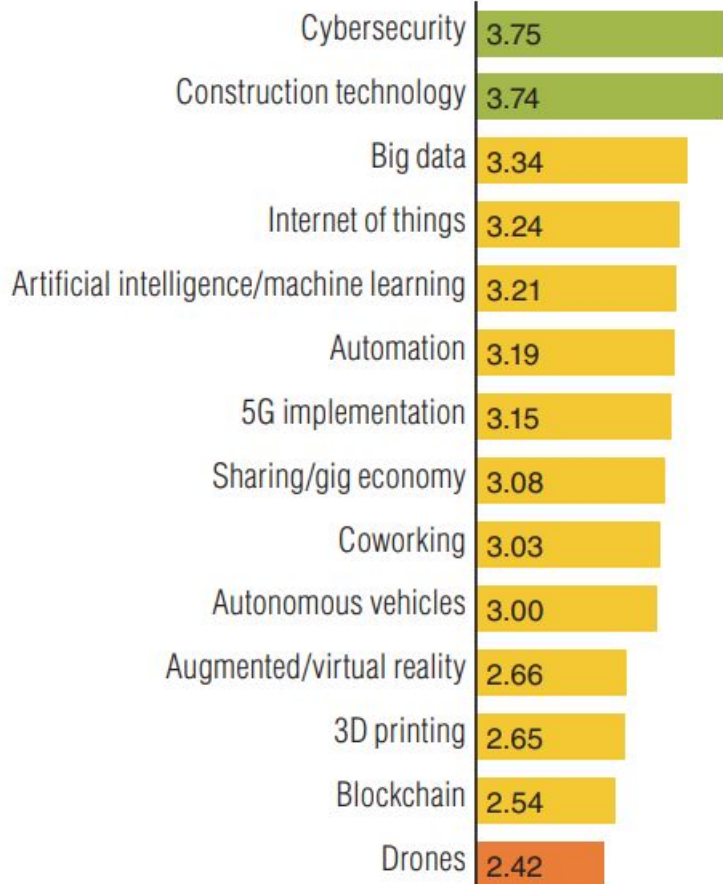
On par with 4.8% National Average



REAL ESTATE INDUSTRY DISRUPTORS



Real estate industry disruptors



Source: Emerging Trends in Real Estate 2022 Survey

ECONOMIC DRIVERS



>300
YEARS OF
Culture and History
(Established in 1717)



The Historic San Antonio Missions
TEXAS' ONLY
UNESCO WORLD
HERITAGE SITE



VALERO
2nd-Largest Corporation
in Texas



USAA
One of the Nation's Most
Reputable Businesses
(Fortune Magazine)



RACKSPACE
Customers in 150 countries
Employees on 4 continents



WHATABURGER
Official Texas Treasure
(77th Texas Legislative Session, 2001)



#1 Grocery Store in America
(Dunnhumby RPI)



**NAVY MEDICINE
EDUCATION
& TRAINING
COMMAND**



**ARMY MEDICAL
COMMAND**



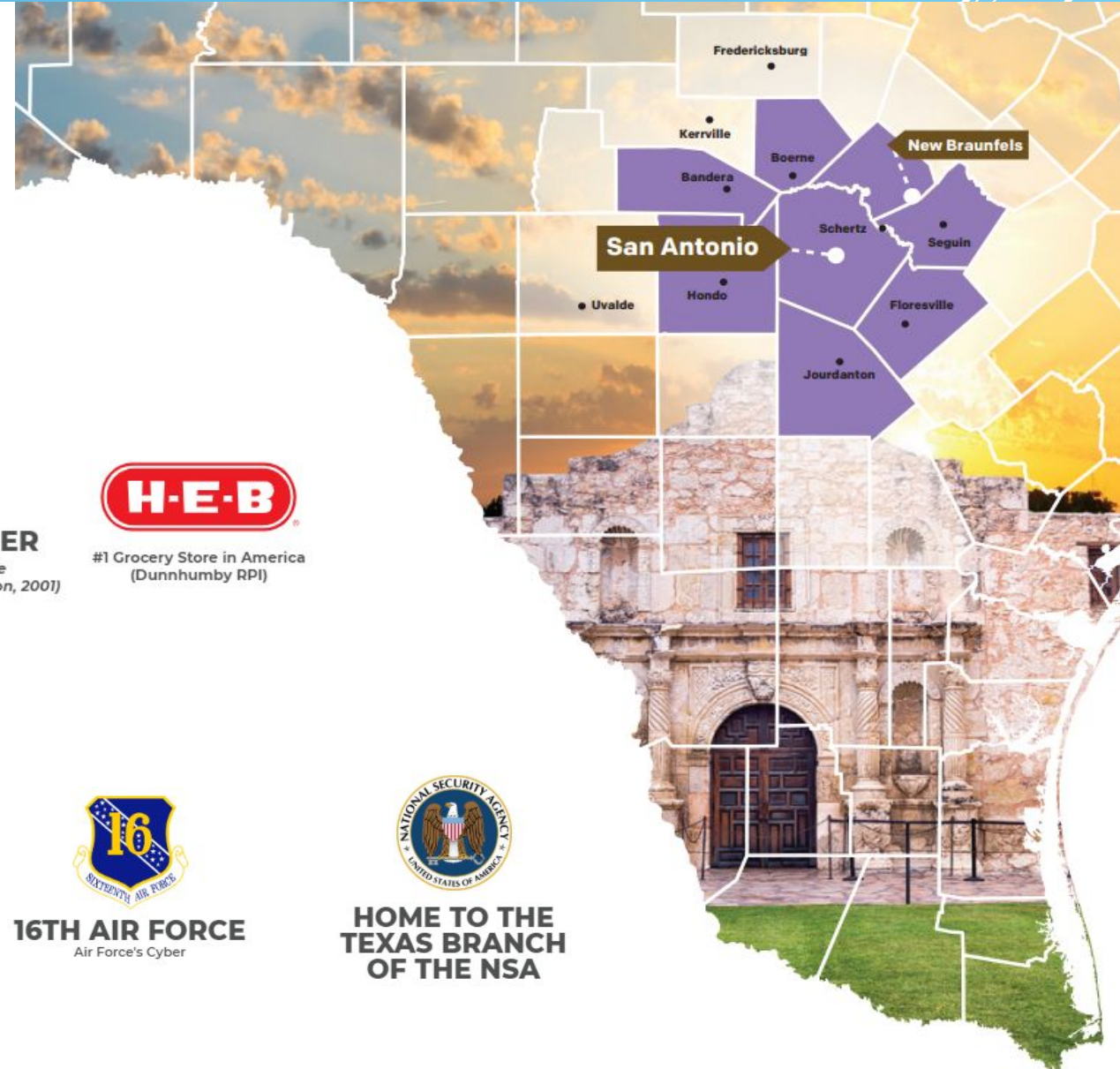
**AIR EDUCATION
& TRAINING
COMMAND**



16TH AIR FORCE
Air Force's Cyber



**HOME TO THE
TEXAS BRANCH
OF THE NSA**

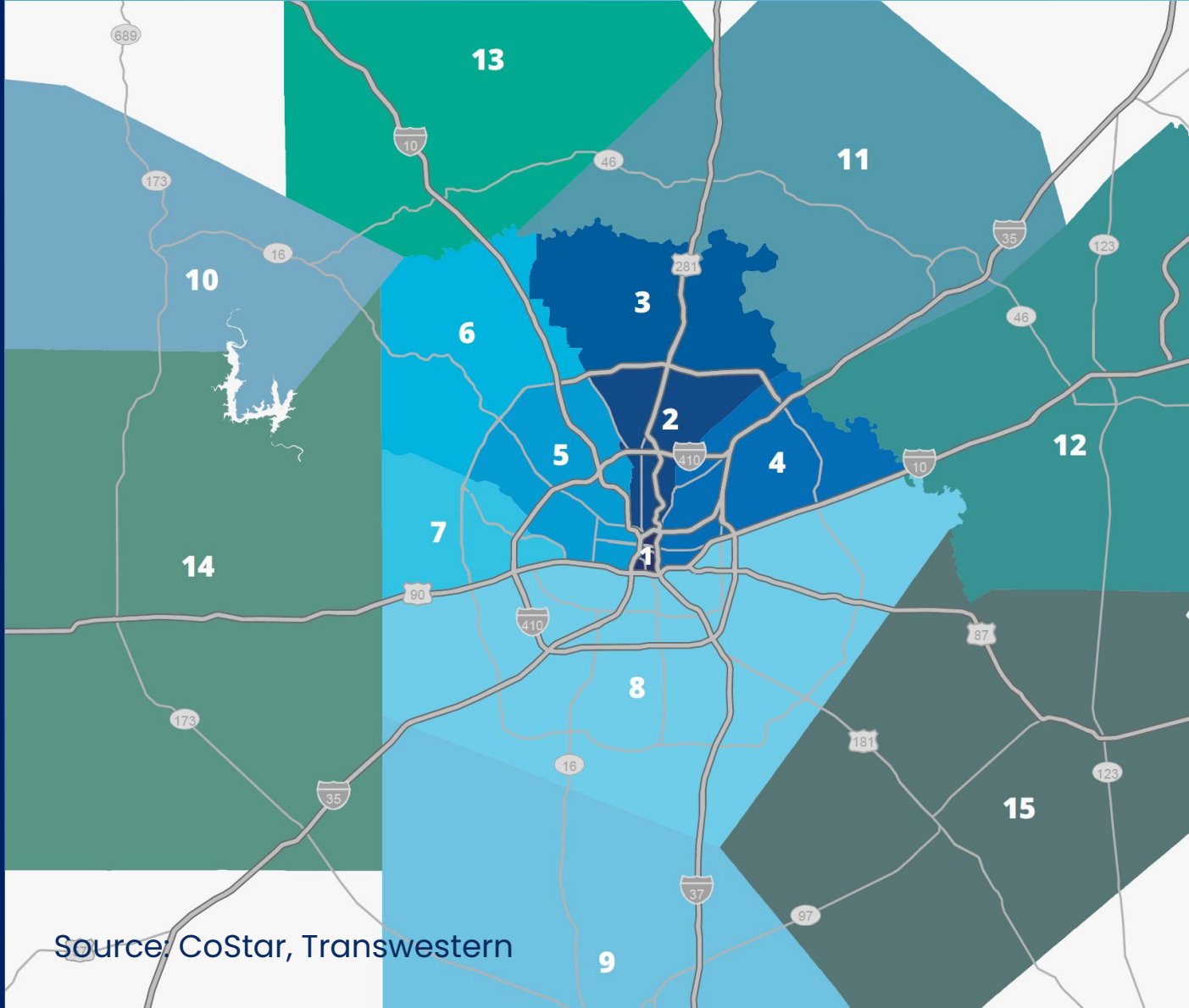


INDUSTRIAL



CCIM

INDUSTRIAL INVENTORY



ALL SAN ANTONIO	132.7M SF
Flex	12.4M SF
Manufacturing	26.7M SF
Logistics/WH/Distribution	93.6M SF

- 1** CBD
- 2** North Central
- 3** Far North Central
- 4** Northeast
- 5** Northwest
- 6** Far Northwest
- 7** Far West
- 8** South
- 9** Atascosa County
- 10** Bandera County
- 11** Comal County
- 12** Guadalupe County
- 13** Kendall County
- 14** Medina County
- 15** Wilson County

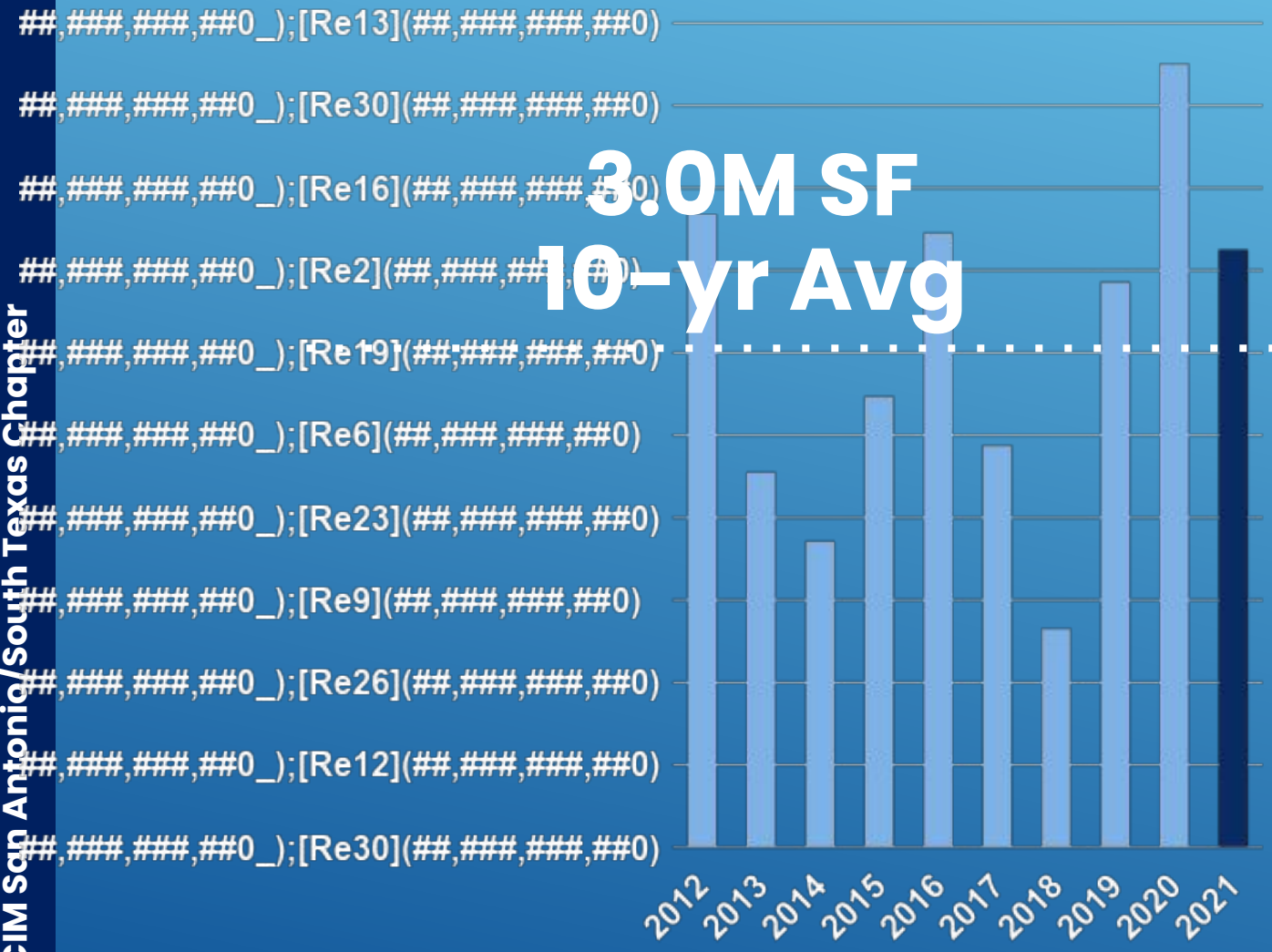
**132.7M
Square
Feet**



Source: CoStar, Transwestern

INDUSTRIAL ABSORPTION

ALL SAN ANTONIO	3.6M SF
Flex	315K SF
Manufacturing	926K SF
Logistics/WH/Distribution	2.4M SF



3.6M SF



CCIM San Antonio/South Texas Chapter

Source: CoStar, Transwestern

BEST-IN-INDUSTRY PRACTICES RIGHT HERE IN SAN ANTONIO



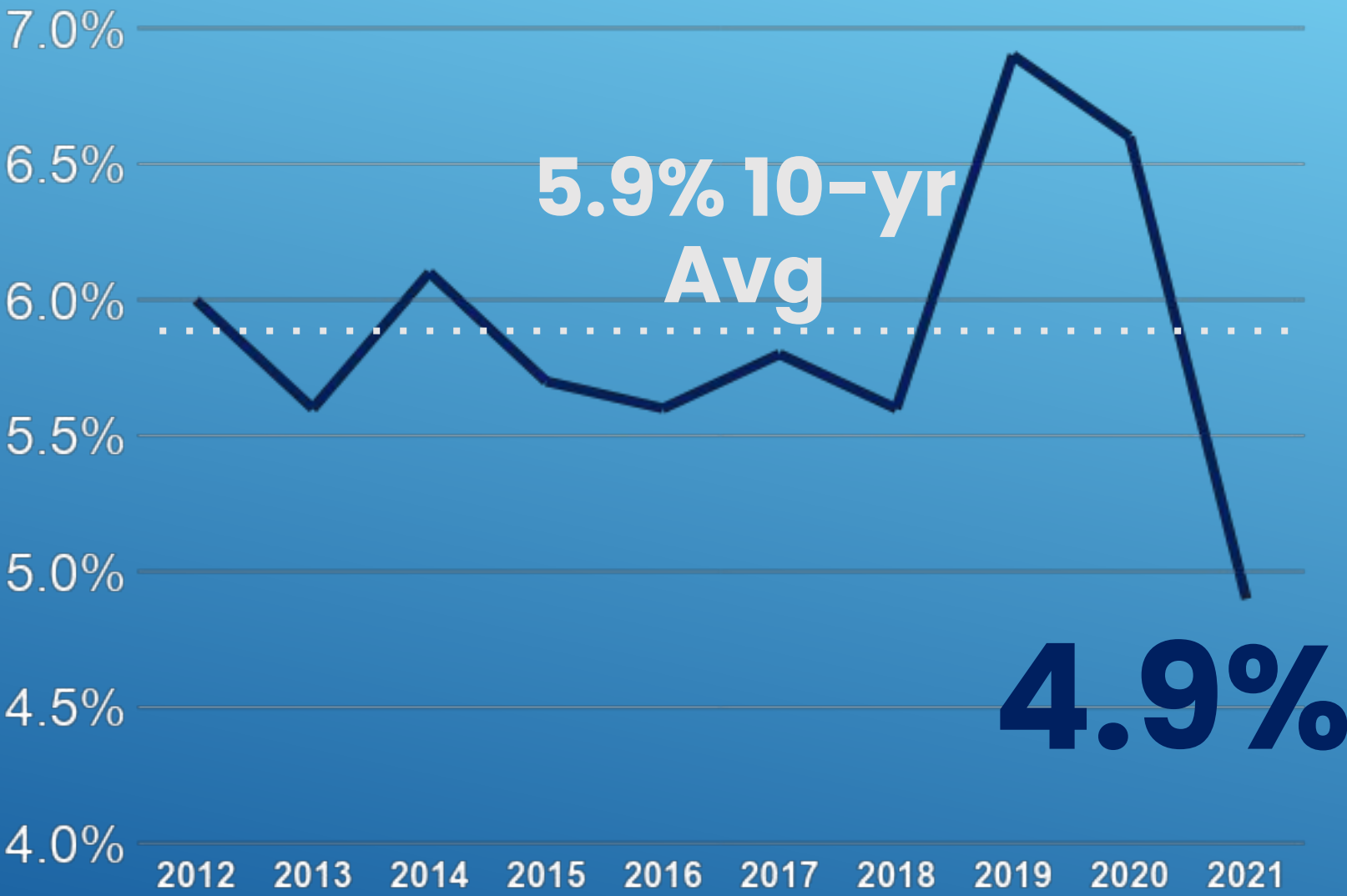
“They show that it’s possible to design, build and bring online a world-class production facility through shutdowns, labor shortages, strict safety protocols, material shortages, travel restrictions and the million other things plants have had to deal with over the last couple years.”

- *Food Engineering* magazine

- Cuisine Solutions Sous Vide Processing Facility at Brooks named 2021 “Sustainable Food Plant of the Year” by Food Engineering Magazine
- \$200M, 315K SF Facility – largest sous vide plant in the world, continuously cook and chill up to 500,000 pounds of product/day



INDUSTRIAL VACANCY



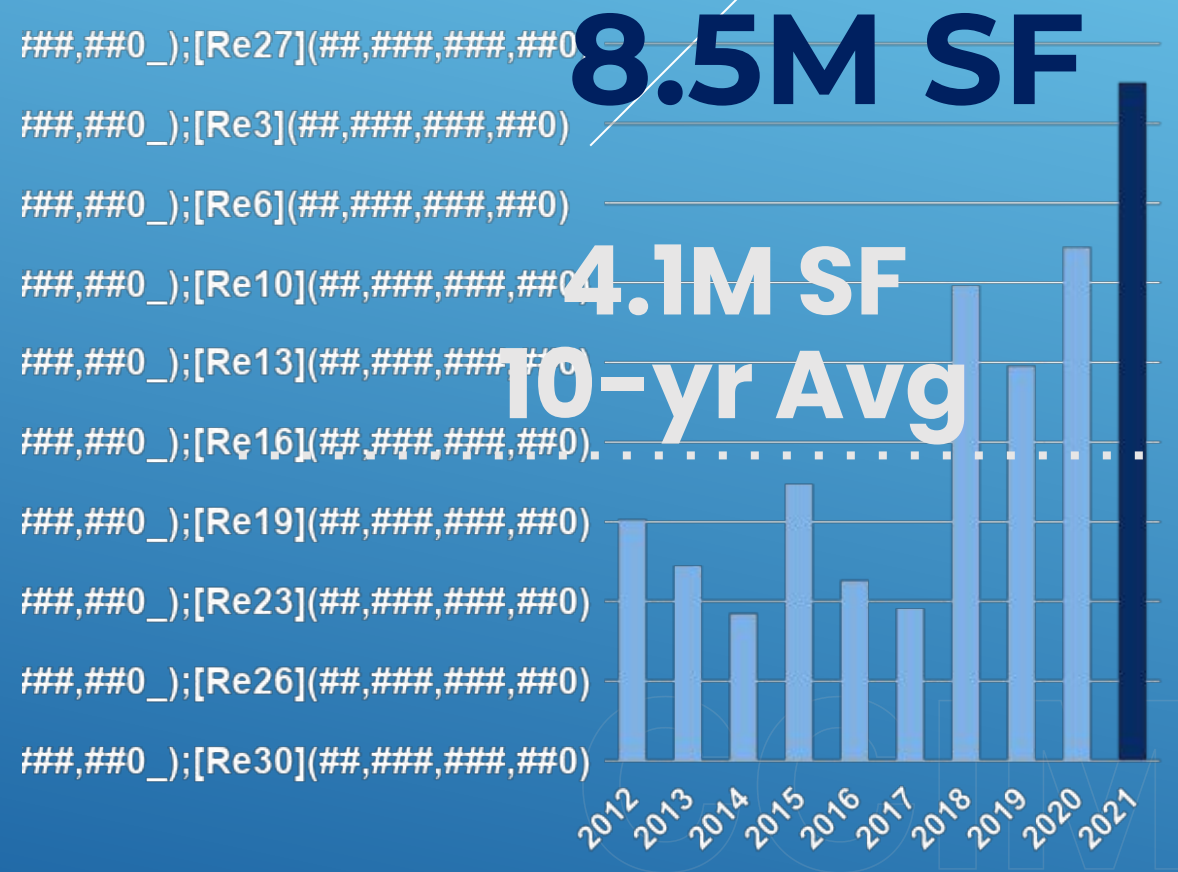
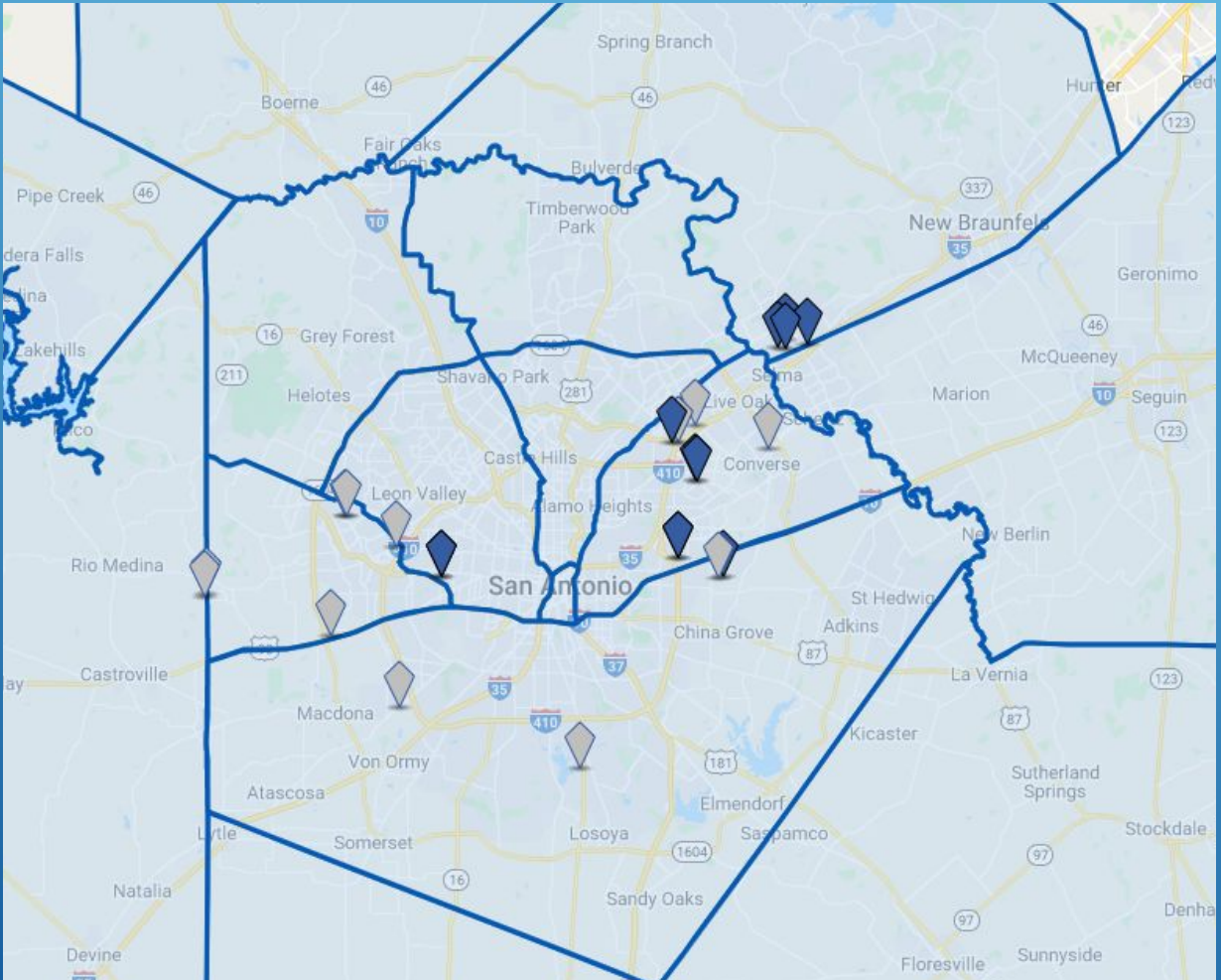
Flex
5.9%

Manufacturing
1.7%

**Logistics/
Warehouse/
Distribution**
5.5%

INDUSTRIAL NEW CONSTRUCTION

ALL SAN ANTONIO	8.5M SF
Flex	277K SF
Manufacturing	935K SF
Logistics/WH/Distribution	7.3M SF



CCIM San Antonio/South Texas Chapter

Source: CoStar, Transwestern

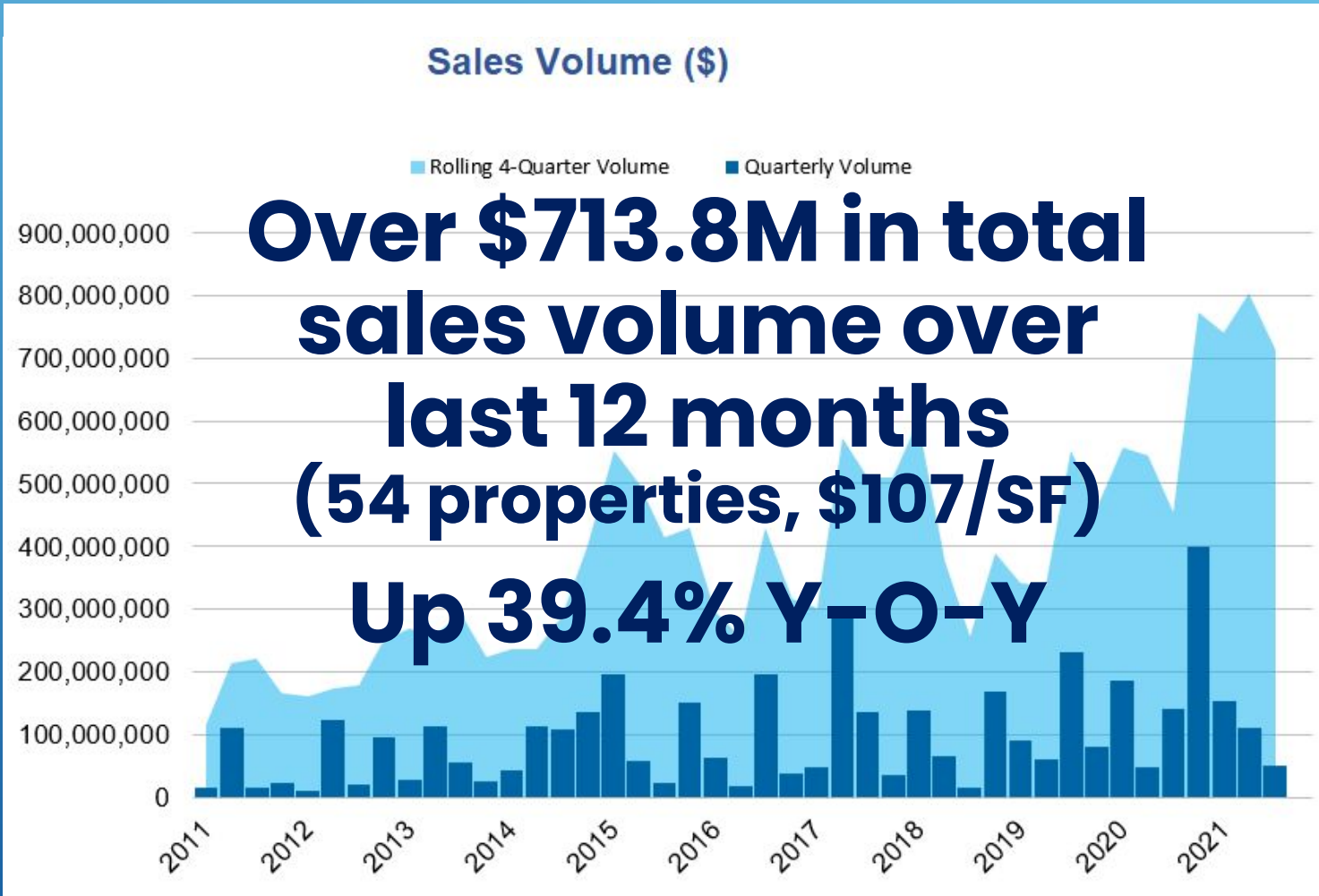
A photograph of a warehouse interior. In the center, a black and orange forklift is carrying a large pallet stacked high with cardboard boxes. The boxes are wrapped in clear plastic. The warehouse has a polished concrete floor with yellow safety lines. In the background, there are more stacks of boxes and a large open bay door. The lighting is bright, coming from overhead fixtures.

**Asking rates up 10.1%
in 24 months**

\$8.45 PSF (NNN)

10-yr avg = \$6.83 PSF (NNN)

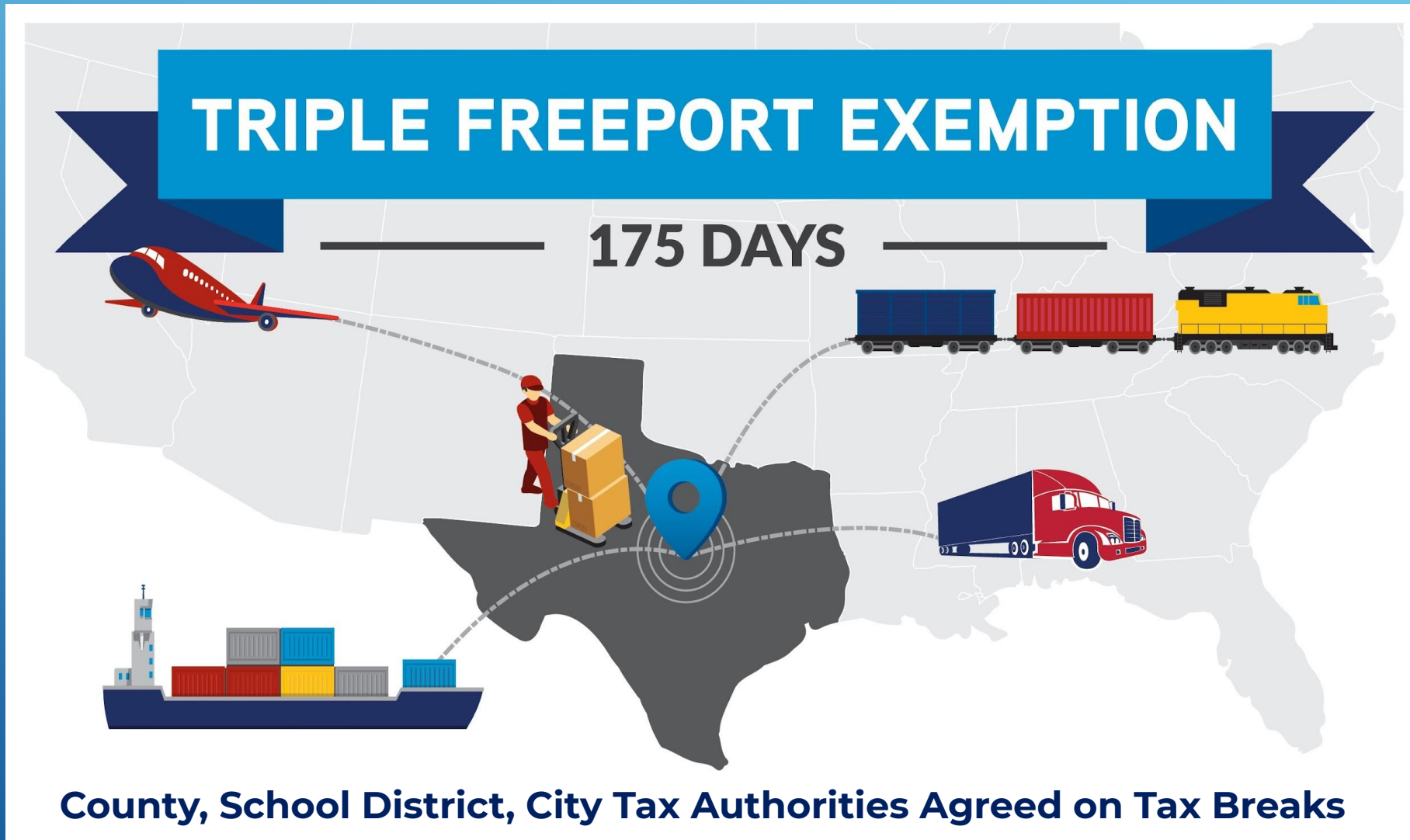
INDUSTRIAL INVESTMENT SALES



1150 Schwab Road, Schertz, TX

Source: Real Capital Analytics, Transwestern

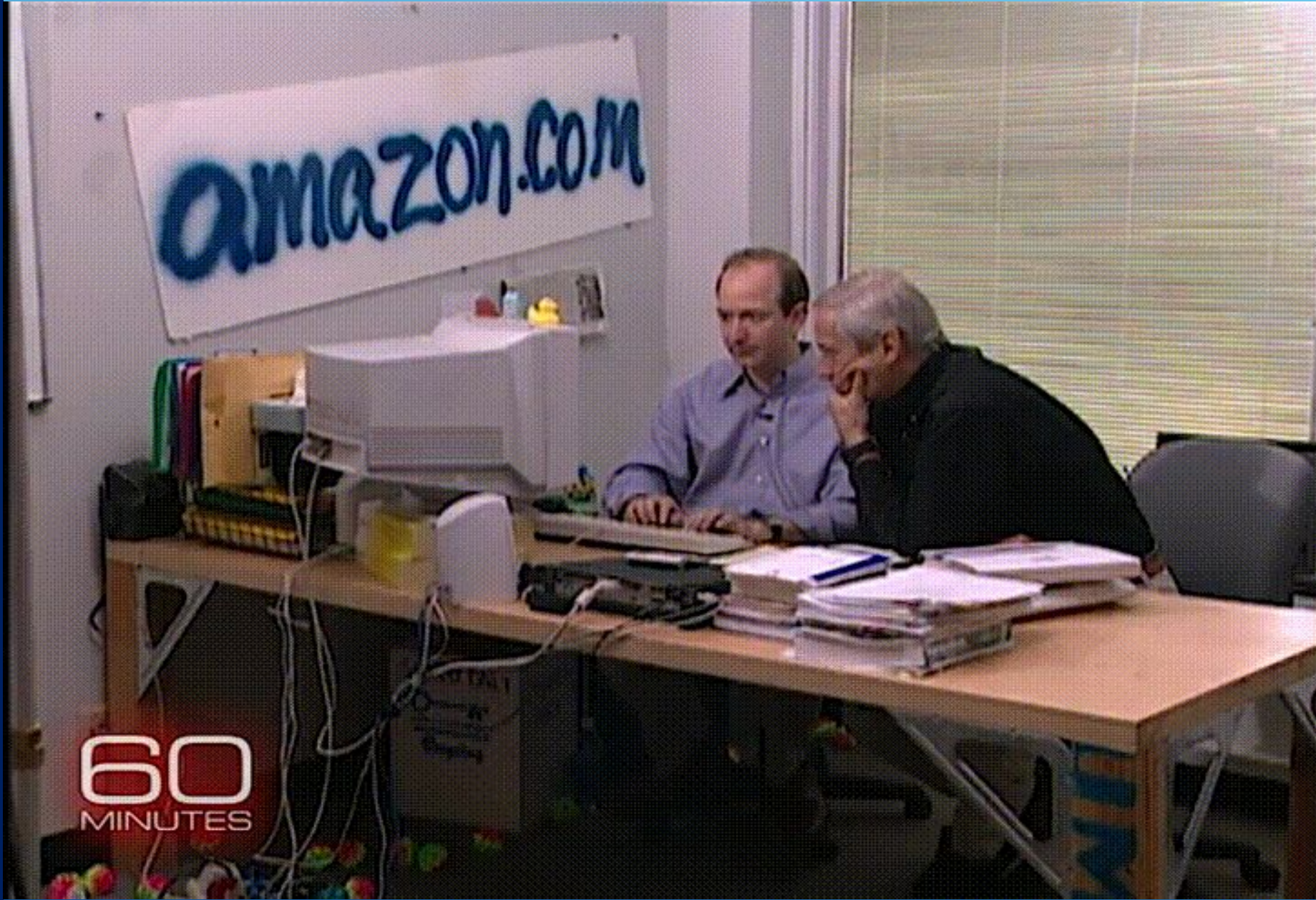
WHAT'S TRIPLE FREEPORT?



- On all eligible inventory housed in warehouse space
- No inventory tax on goods that move in/out of TX within 175-days
- Who can benefit?

Source: Supply Chain Real Estate

AMAZON

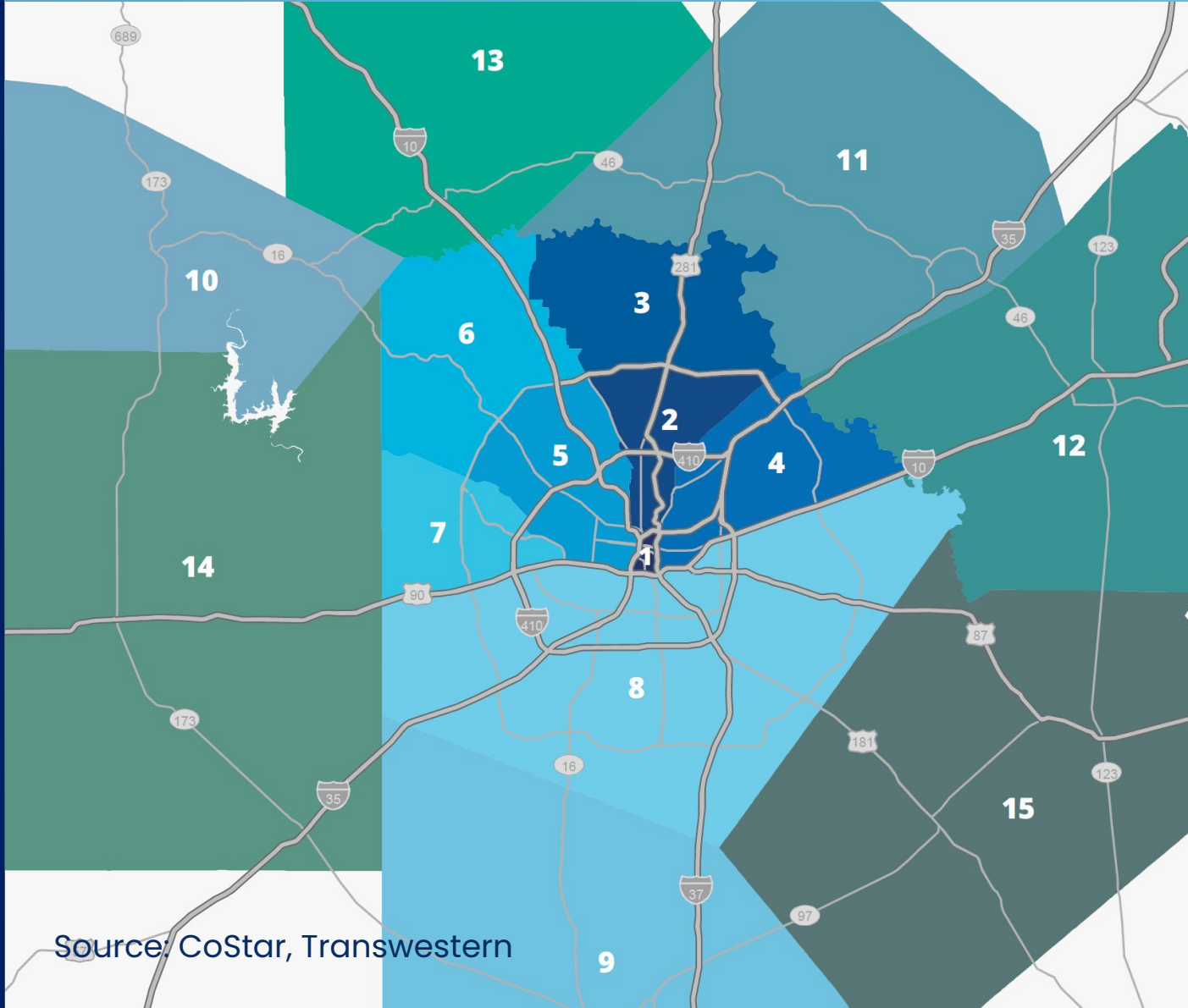


- **3 New delivery stations this year**
- **Span 38 miles along IH-35 corridor**
- **Each bring 500 jobs, \$15/hr starting wages**
- **Future stations = electric delivery vehicles**
- **10,000 EDV on the road in**



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RETAIL INVENTORY



ALL SAN ANTONIO	101.4M SF
Strip Centers	6.7M SF
Community/Grocery-Anchored	31.5M SF
Power/Regional/Super-Regional	16.5M SF

- 1** CBD
- 2** North Central
- 3** Far North Central
- 4** Northeast
- 5** Northwest
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- 9** Atascosa County
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**101.4M
Square
Feet**

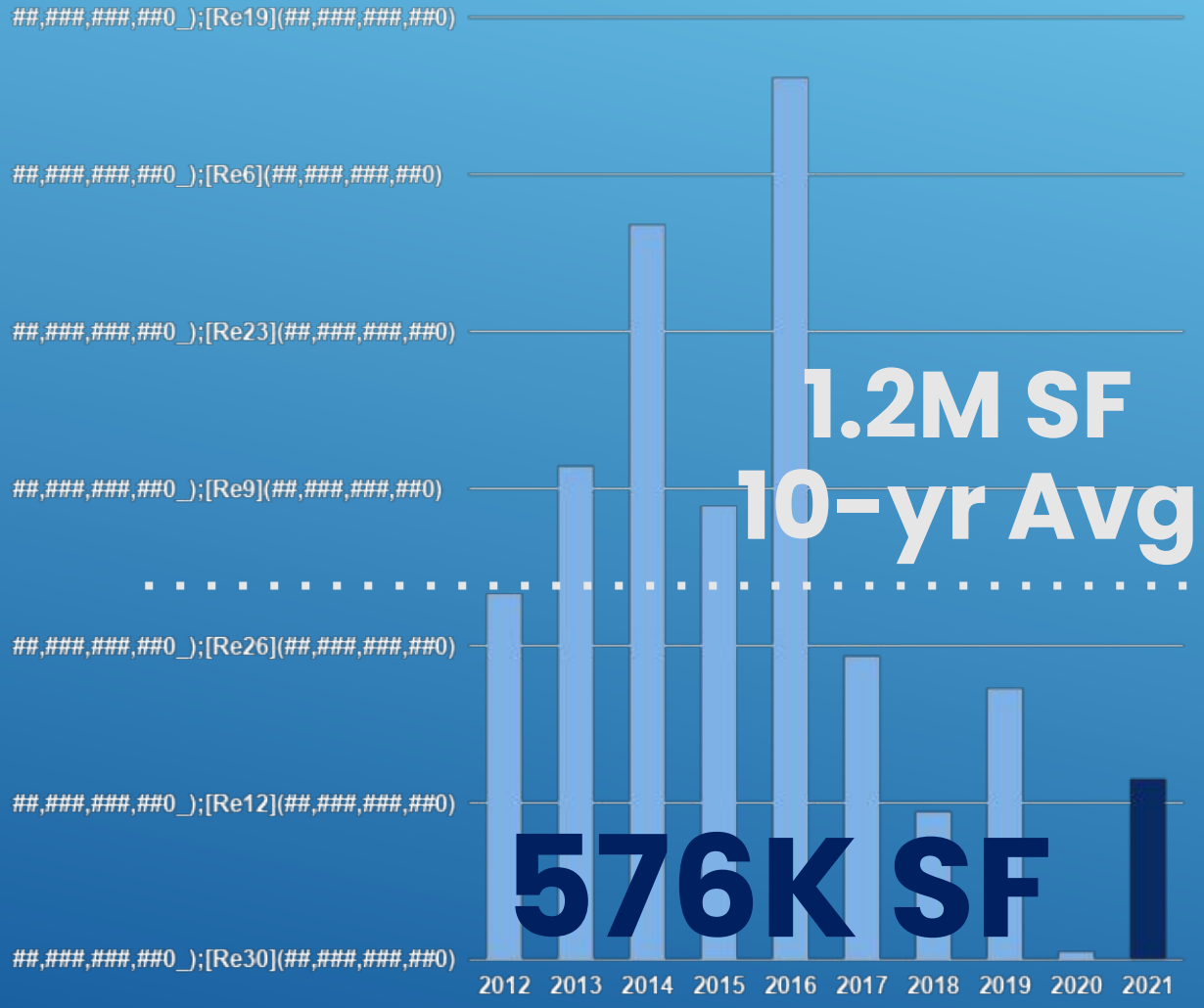
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Source: CoStar, Transwestern

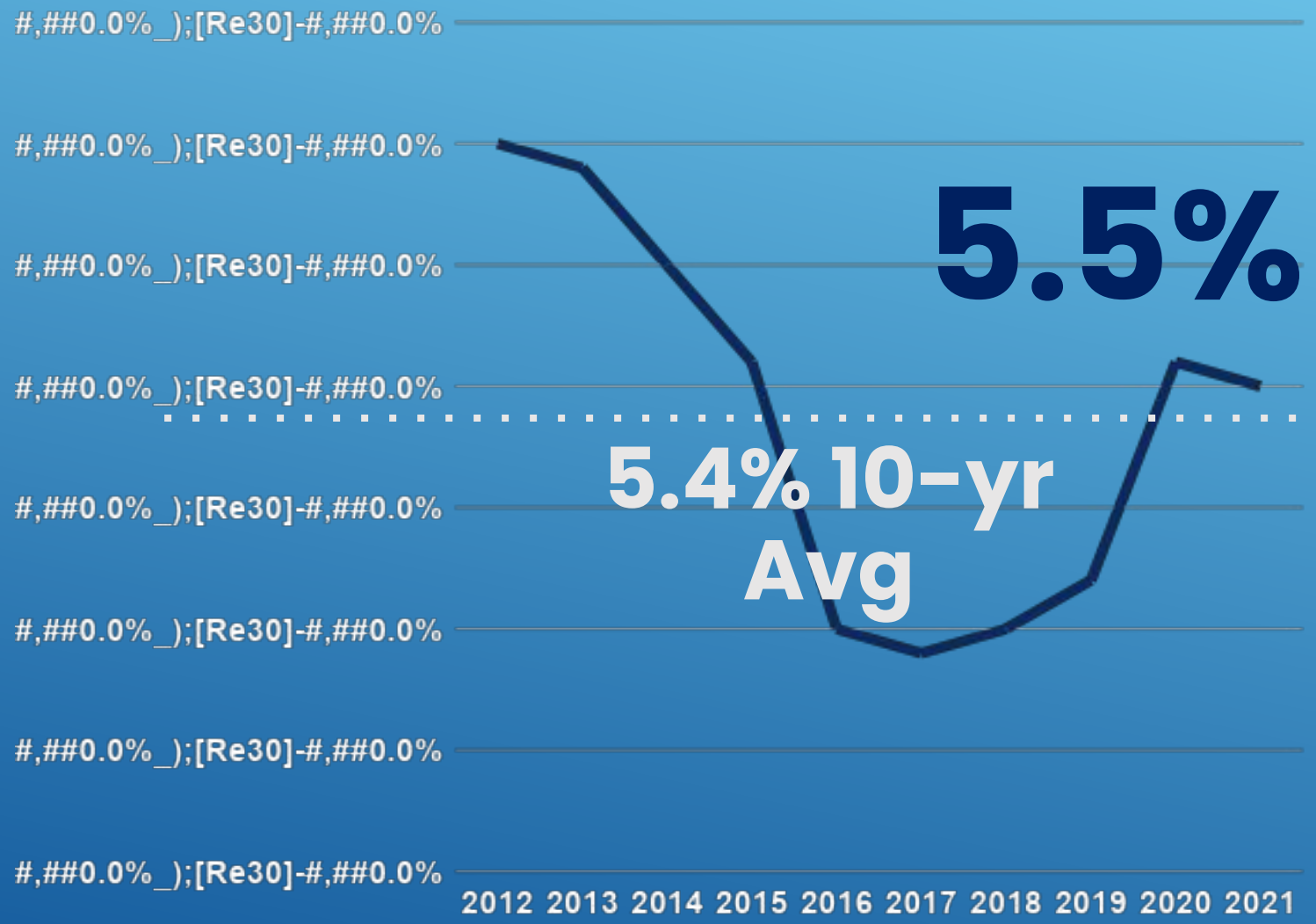


RETAIL ABSORPTION

ALL SAN ANTONIO	576K SF
Strip Centers	167.6K SF
Community/Grocery-Anchored	138.2K SF
Power/Regional/Super-Regional	-212.6K SF



RETAIL VACANCY



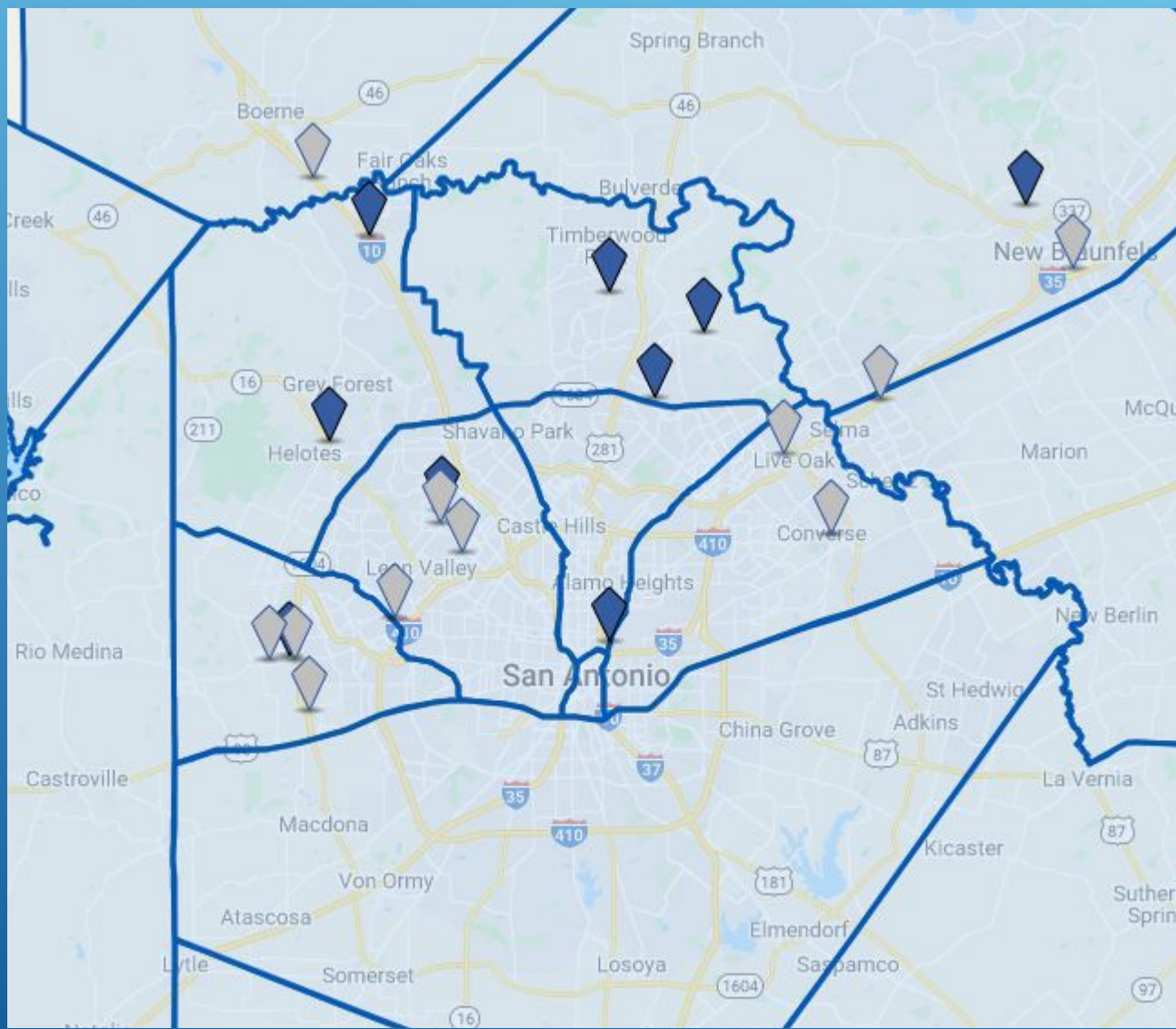
Strip Centers
9.2%

**Community/
Grocery-Anc
hored**
8.2%

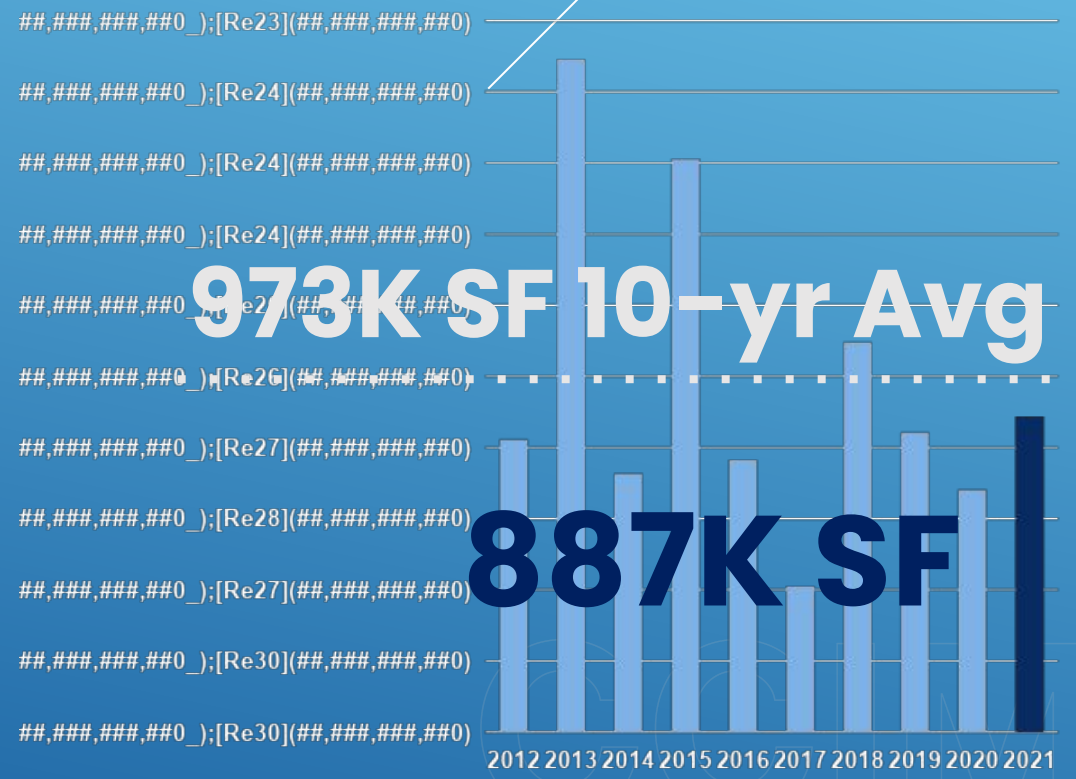
**Power/
Regional**
6.9%

RETAIL NEW CONSTRUCTION

CCIM San Antonio/South Texas Chapter



ALL SAN ANTONIO	887K SF
Strip Centers	13.2K SF
Community/Grocery-Anchored	34K SF
Power/Regional/Super-Regional	18.1K SF



Source: CoStar, Transwestern

COFFEE BEAN BOOM



CCIM San Antonio/South Texas Chapter

Source: Yesenia driving around the market, sipping coffee and noticing trends

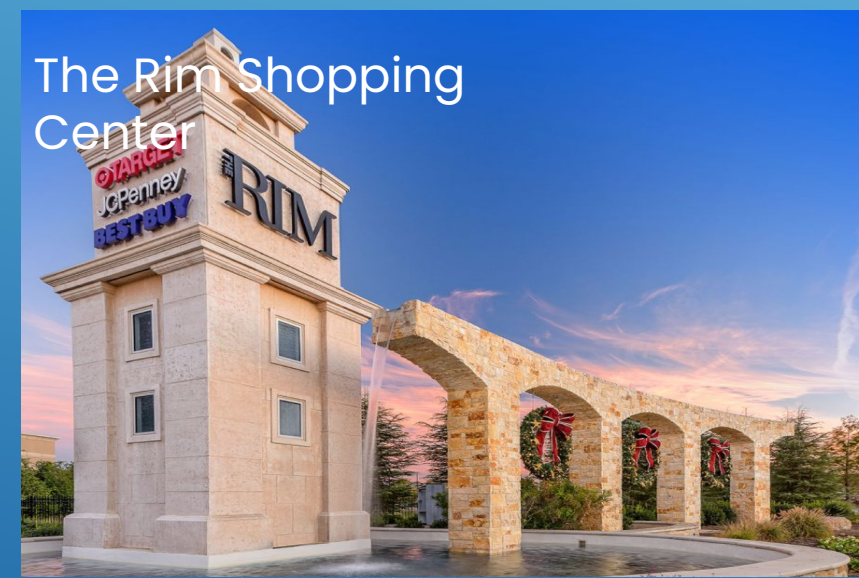
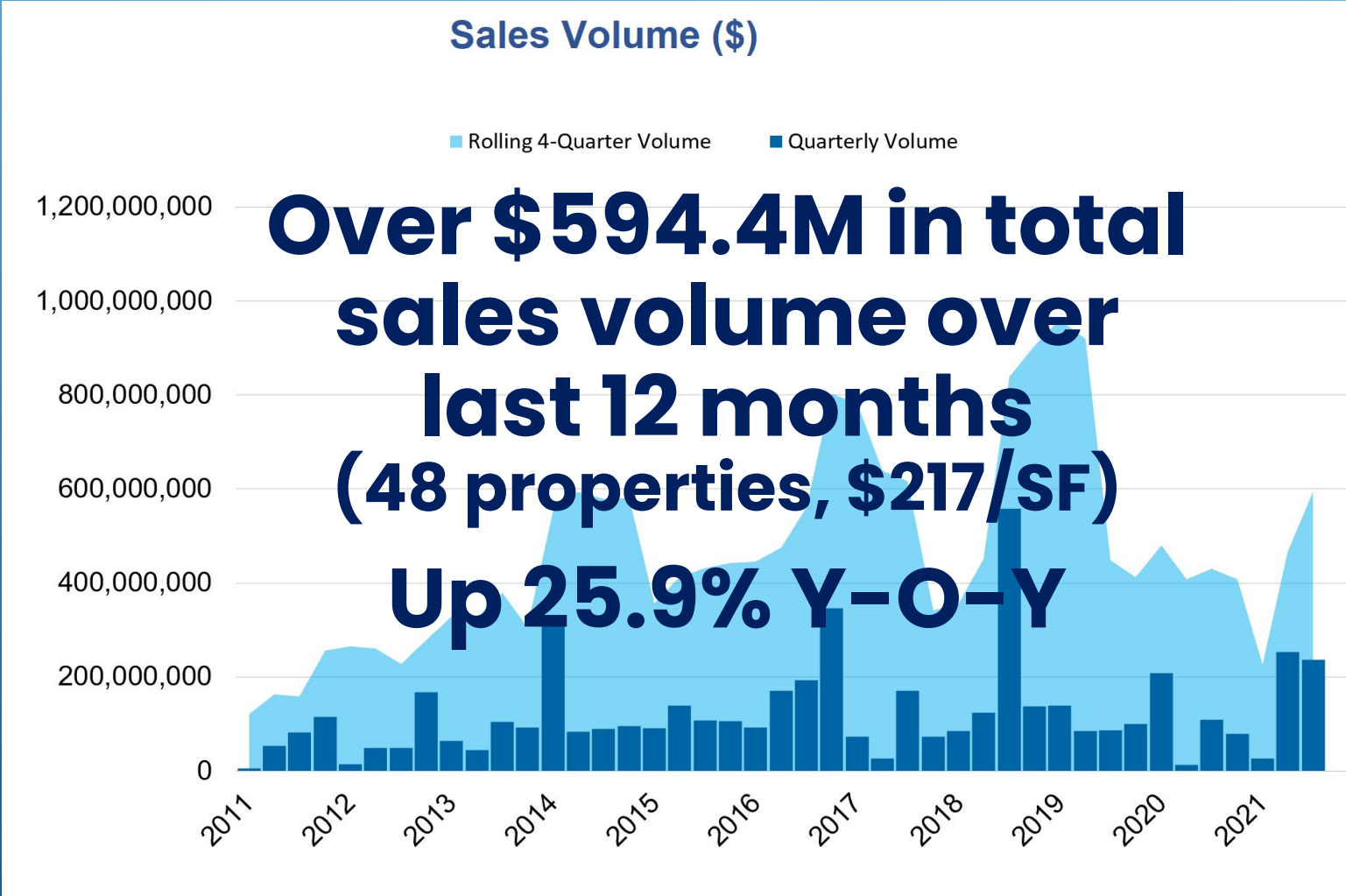


**Asking rates steadily
increasing every quarter**

\$20.07 PSF (NNN)

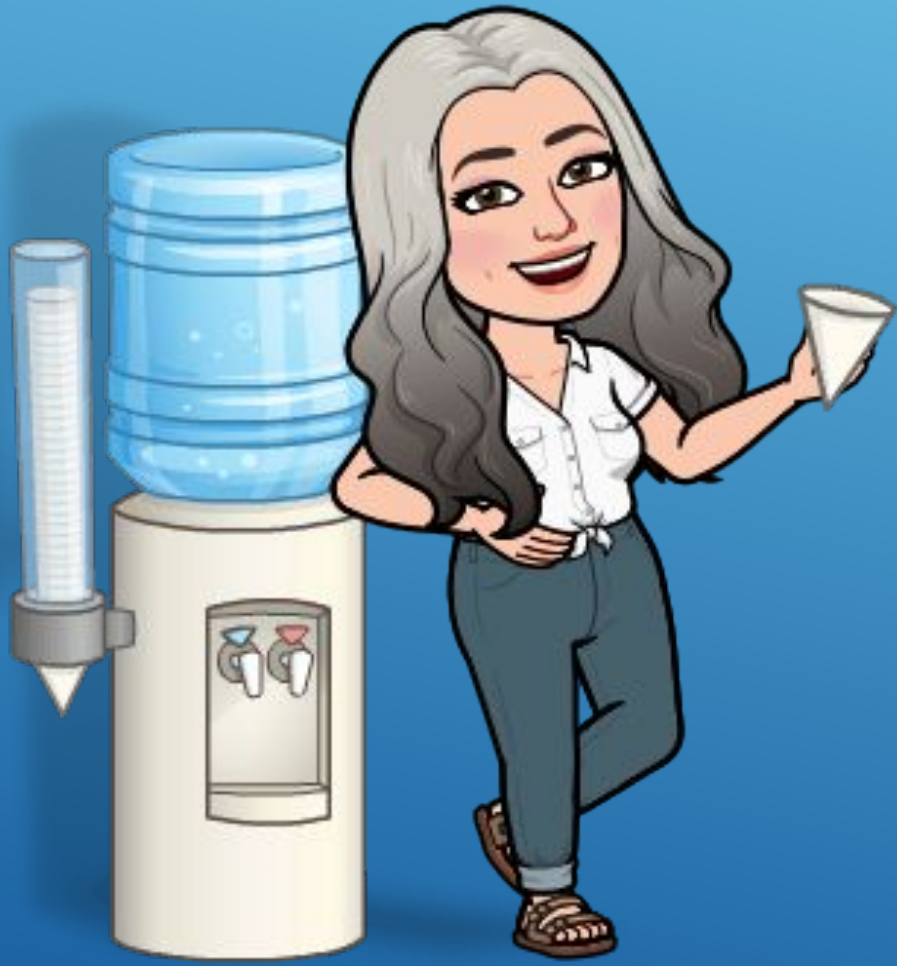
3.1% increase Y-O-Y

RETAIL INVESTMENT SALES



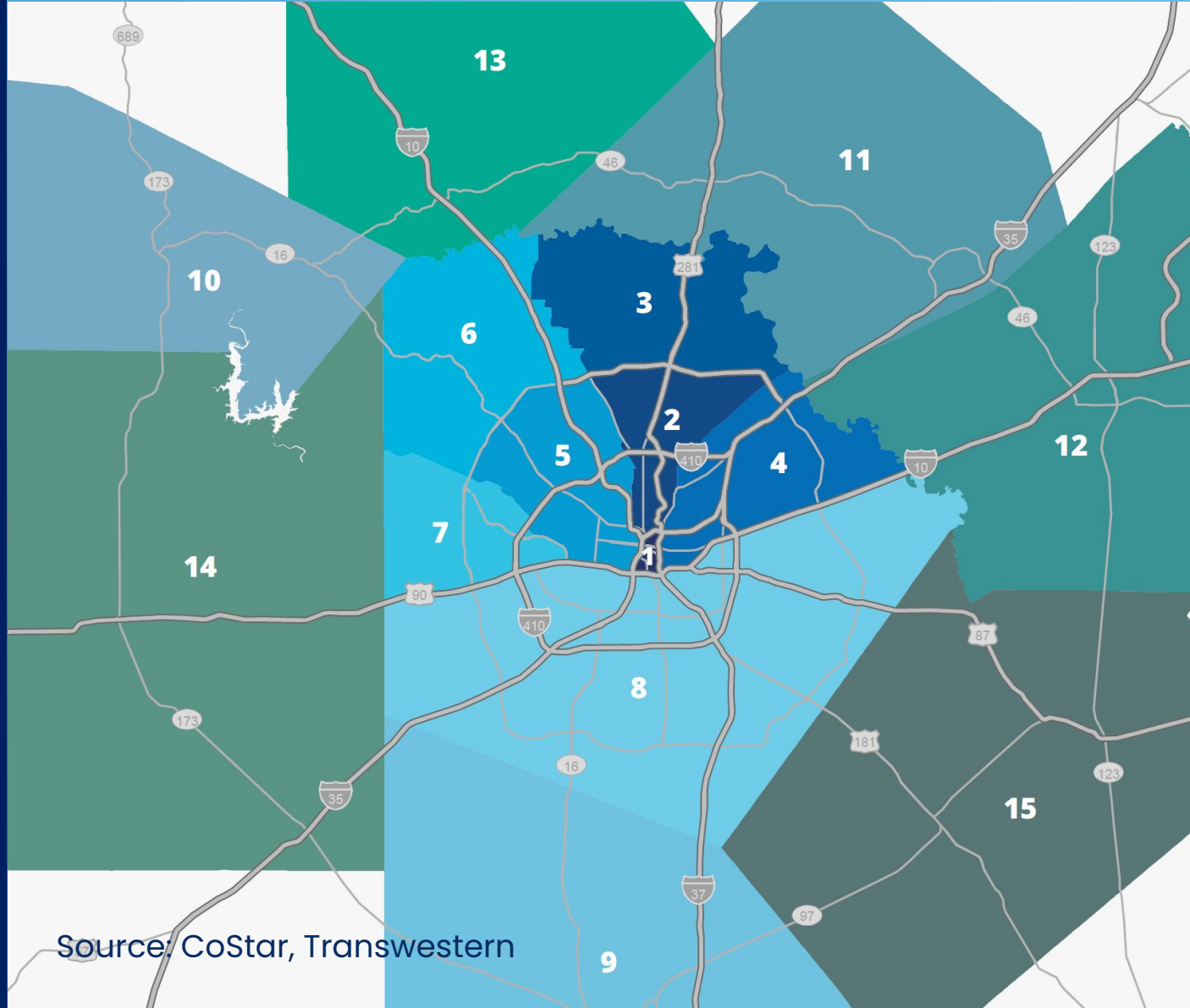
Source: Real Capital Analytics, Transwestern

OFFICE



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OFFICE INVENTORY



ALL SAN ANTONIO	59.0M SF
Class A	17.6M SF
Class B	34.0M SF
Class C	7.4M SF

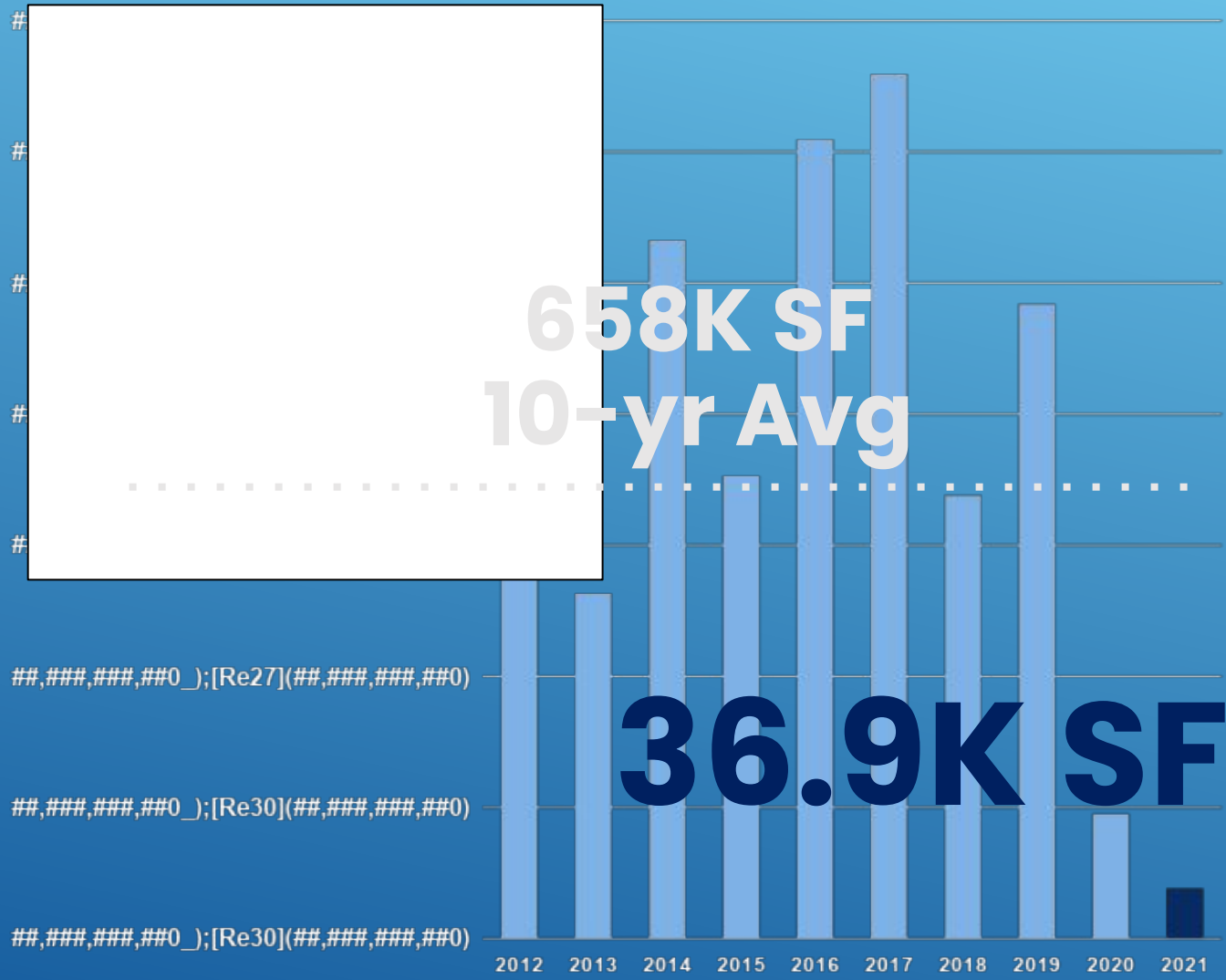
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59.0M
Square
Feet

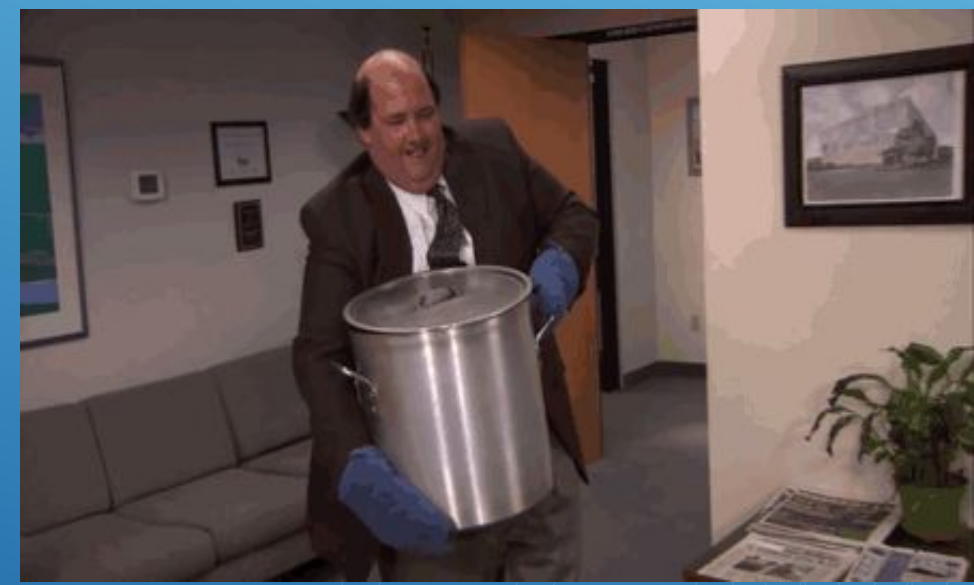
Source: CoStar, Transwestern



OFFICE ABSORPTION



ALL SAN ANTONIO	76.6K SF
Class A	168K SF
Class B	-115.4K SF
Class C	24K SF

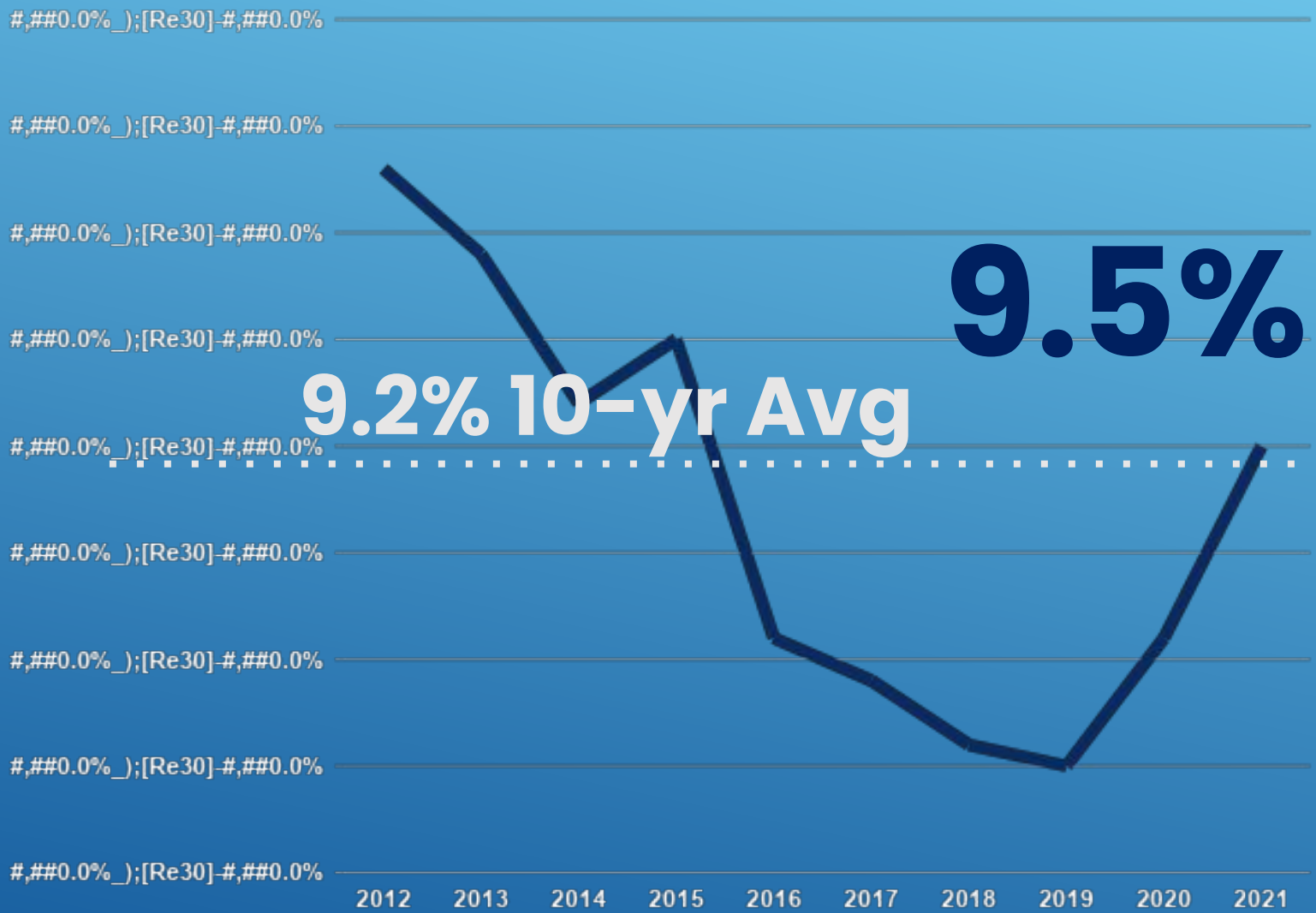


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Source: CoStar, Transwestern



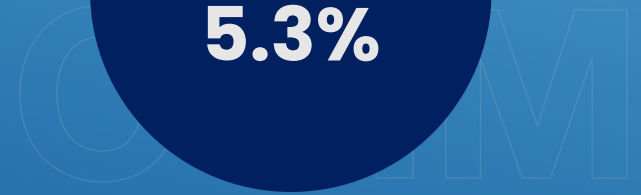
OFFICE VACANCY



Class A
12.6%

Class B
8.9%

Class C
5.3%



***Raise your hand if
you think most of
the U.S.
professional
workforce is under
the age of 45.***

***Regina
George***

Source: Mean Girls (2004), BTW everyone in this image is still under the age of 45

OFFICE TRENDS

YOUNGER GENERATIONS HAVE A BROADER CONCEPTION OF THE OFFICE'S VALUE AND PRIORITIZE INDIVIDUAL PRODUCTIVITY HIGHER

IN YOUR OPINION, THE PRIMARY PURPOSE OF THE OFFICE IS TO...

Rank	Gen Z	Millennial	Gen X	Boomer
1	Collaborate with my team	Collaborate with my team	Collaborate with my team	Collaborate with my team
2	Meet with clients	Foster professional & personal relationships	Foster professional & personal relationships	Share knowledge and best practices
3	Maximize individual productivity	Share knowledge and best practices	Meet with clients	Access specific spaces, materials or resources
4	Be visible for promotion	Maximize individual productivity	Build social connections and fostering camaraderie	Foster professional & personal relationships
5	Inspire creativity and innovation	Meet with clients	Access specific spaces, materials or resources	Maximize individual productivity
6	Build social connections and fostering camaraderie	Access the latest technology and tools	Share knowledge and best practices	Meet with clients
7	Communicate shared mission, values, and culture	Build social connections and fostering camaraderie	Maximize individual productivity	Build social connections and fostering camaraderie
8	Access to senior leaders/ decision makers	Access specific spaces, materials or resources	Communicate shared mission, values, and culture	Access the latest technology and tools
9	Access specific spaces, materials or resources	Inspire creativity and innovation	Access the latest technology and tools	Communicate shared mission, values, and culture
10	Foster professional & personal relationships	Communicate shared mission, values, and culture	Access to senior leaders/ decision makers	Access to senior leaders/ decision makers

U.S. WORKPLACE SURVEY SUMMER 2021

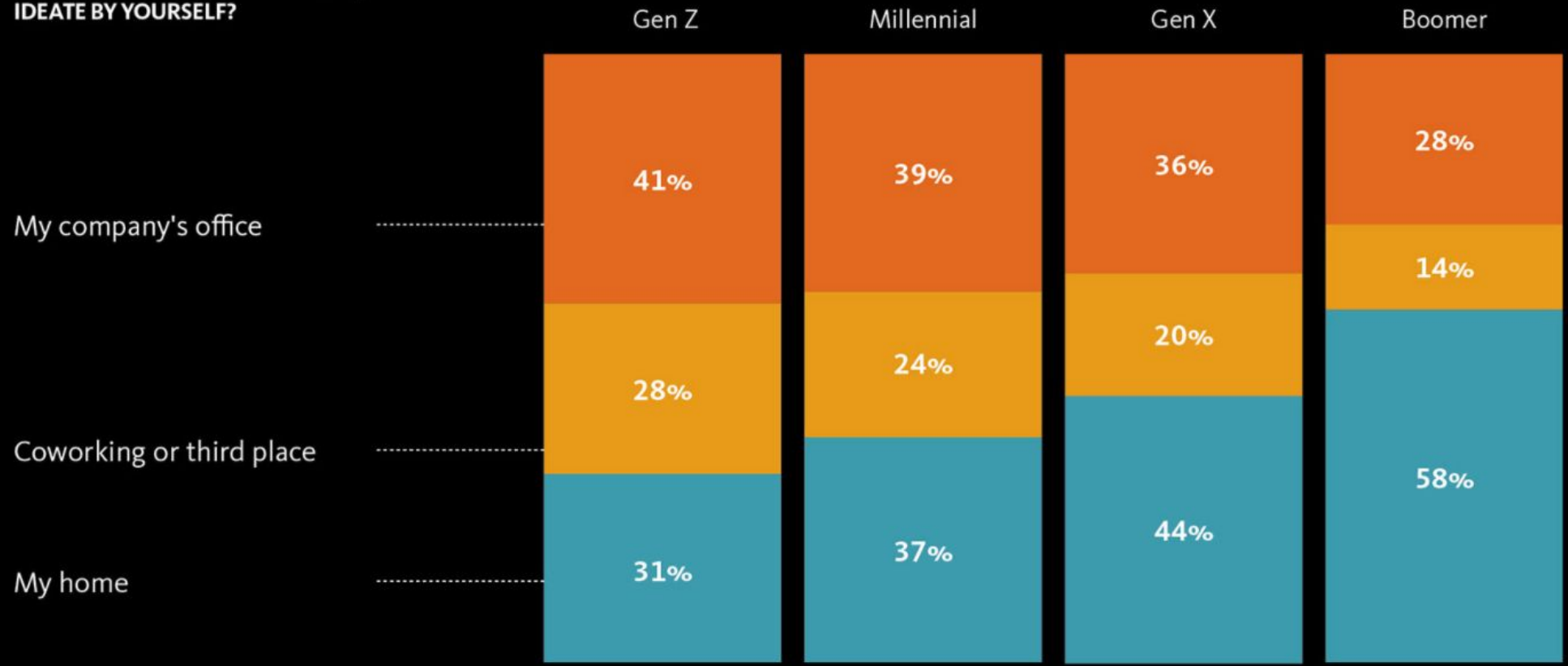
Gensler RESEARCH INSTITUTE © 2021



OFFICE TRENDS

YOUNGER GENERATIONS ARE MORE LIKELY TO WANT TO THINK/IDEATE AT THE OFFICE, AS WELL AS OTHER THIRD-PLACE LOCATIONS

WHERE DO YOU PREFER TO THINK/IDEATE BY YOURSELF?

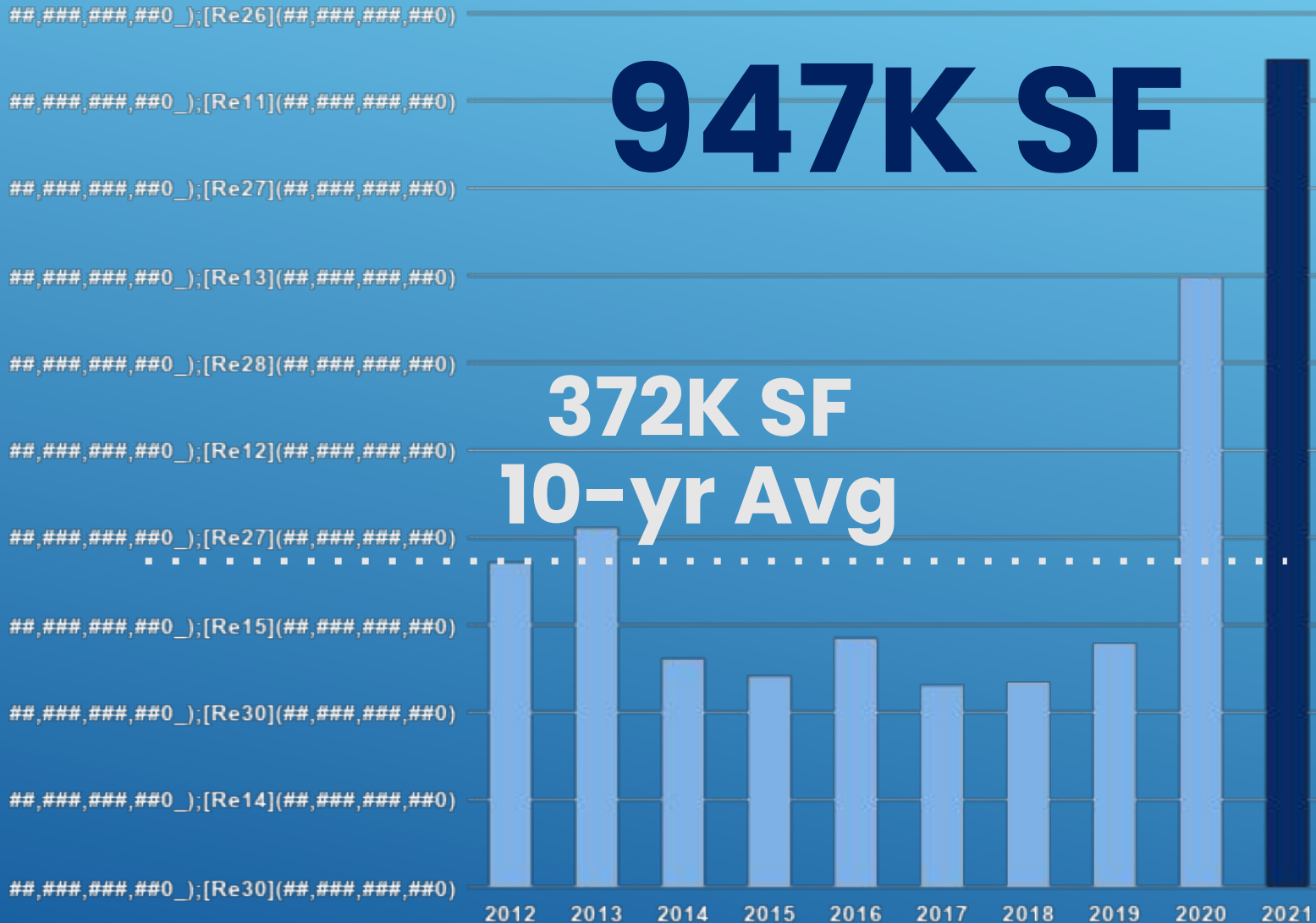


***Raise your hand
if you think
office is here to
stay!***

**Rachel
McAdams**

Source: Mean Girls (2004), BTW everyone in this image is still under the age of 45

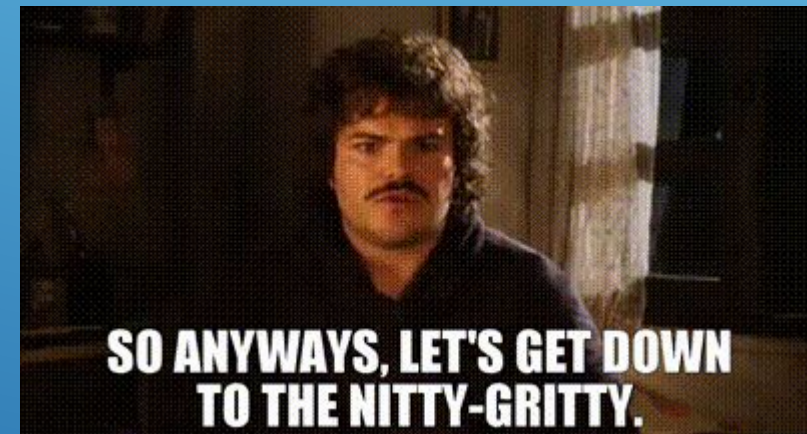
SUBLEASE SPACE TOTAL AVAILABLE



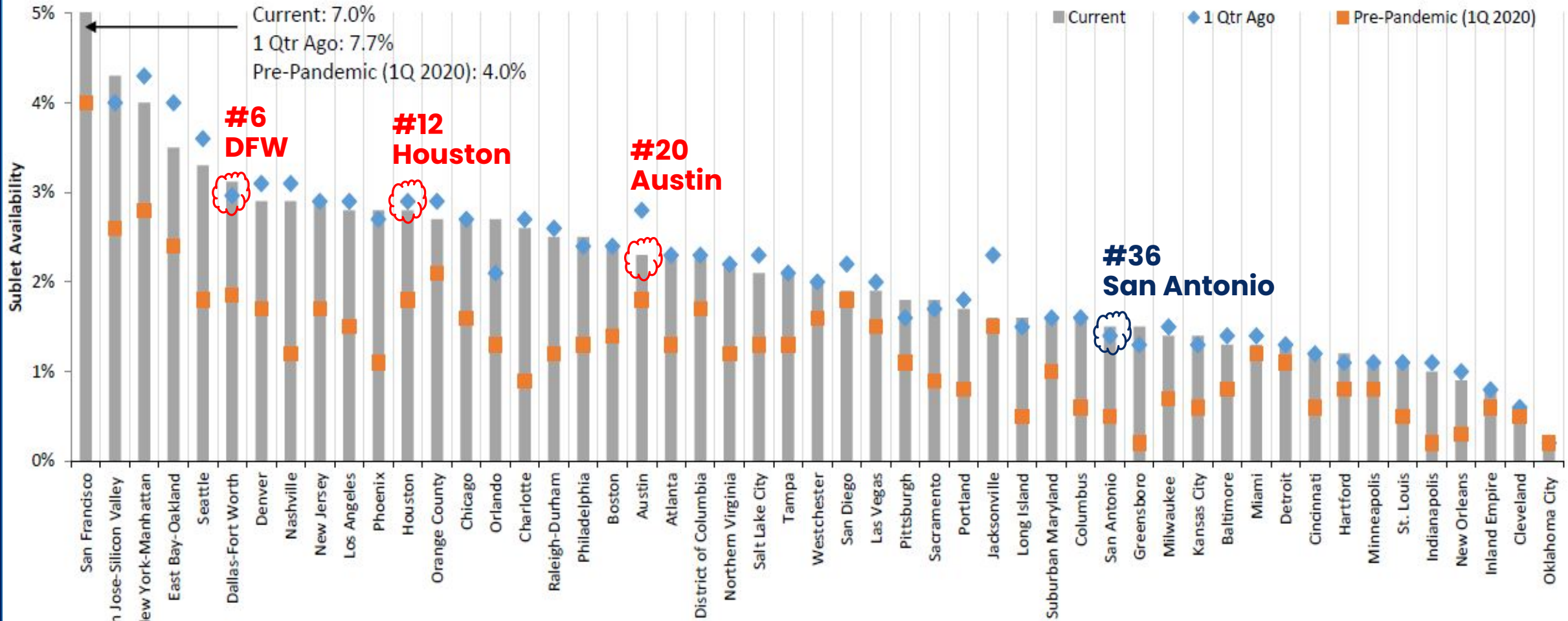
947K SF

372K SF
10-yr Avg

- Can react quickly given changes in demand
- Pre-pandemic 279K SF



SUBLEASE SPACE TOTAL AVAILABLE % OF STOCK



A blurred office scene with two people working at desks. A woman is on the left and a man is on the right, both focused on their work. The background shows office furniture, a lamp, and framed pictures on the wall.

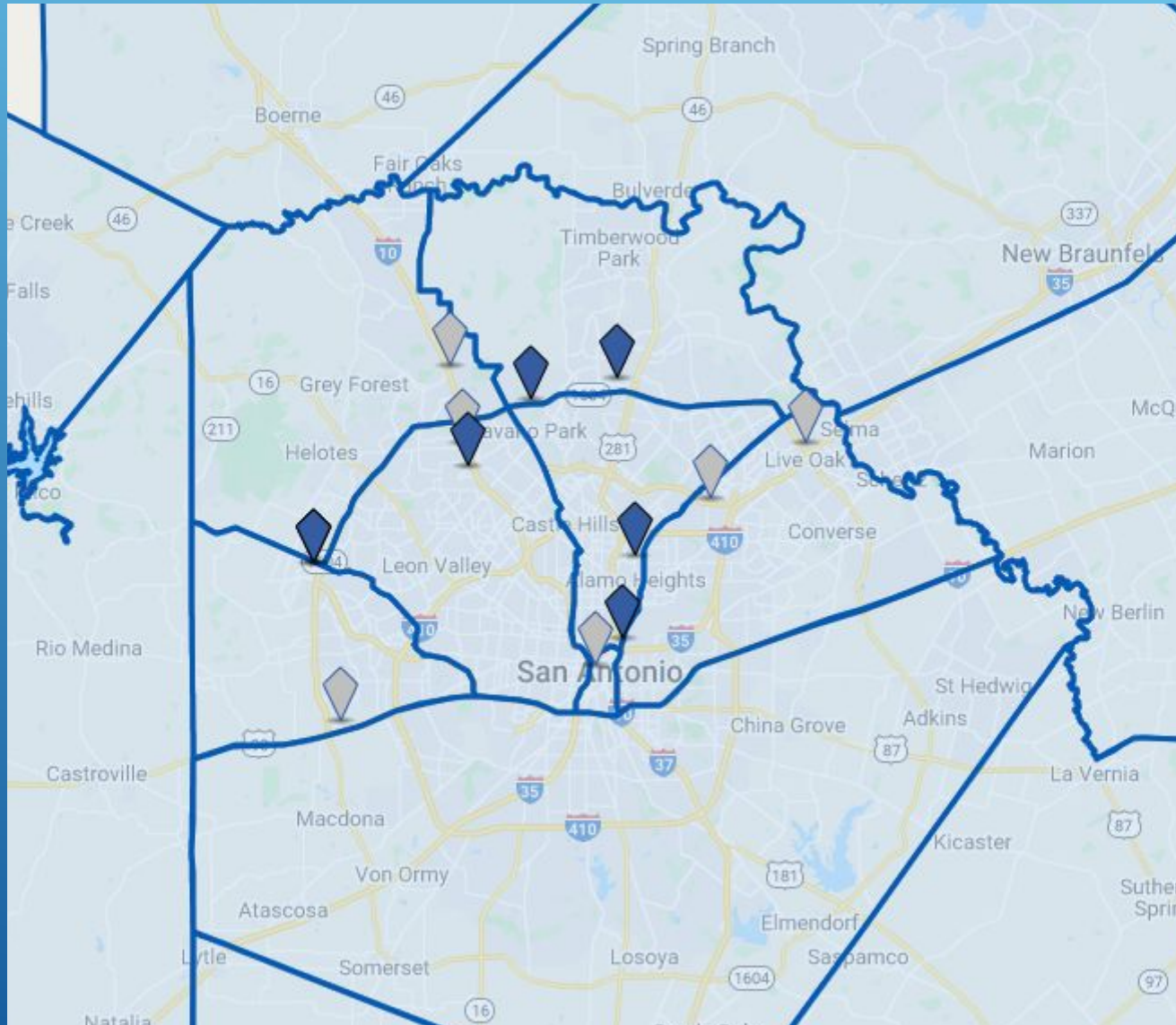
**Asking rates back to
pre-pandemic levels**

\$27.51 PSF (FSG)

**All Class A
now quoting
\$32.07 PSF FSG**

(1.1% increase Y-O-Y, FLAT)

OFFICE NEW CONSTRUCTION



13 Projects

**Approx 1.1M SF
total under
construction**

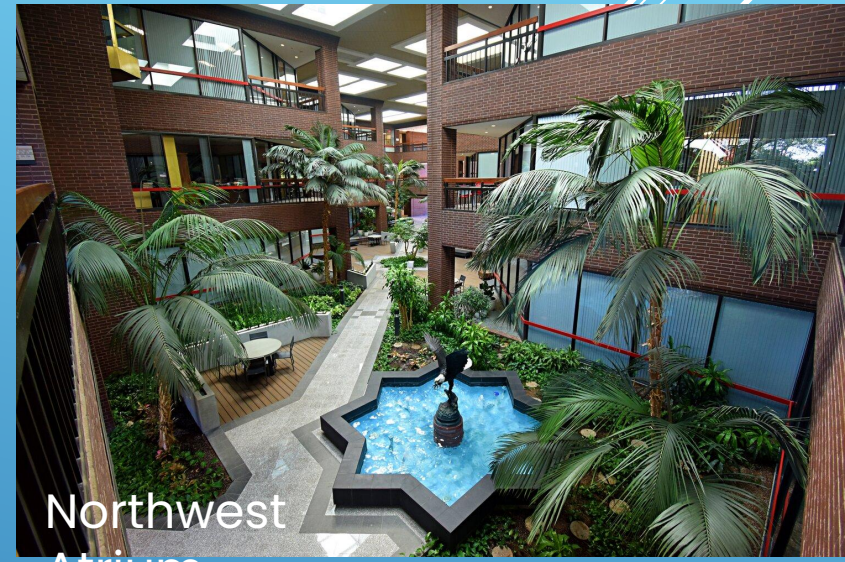
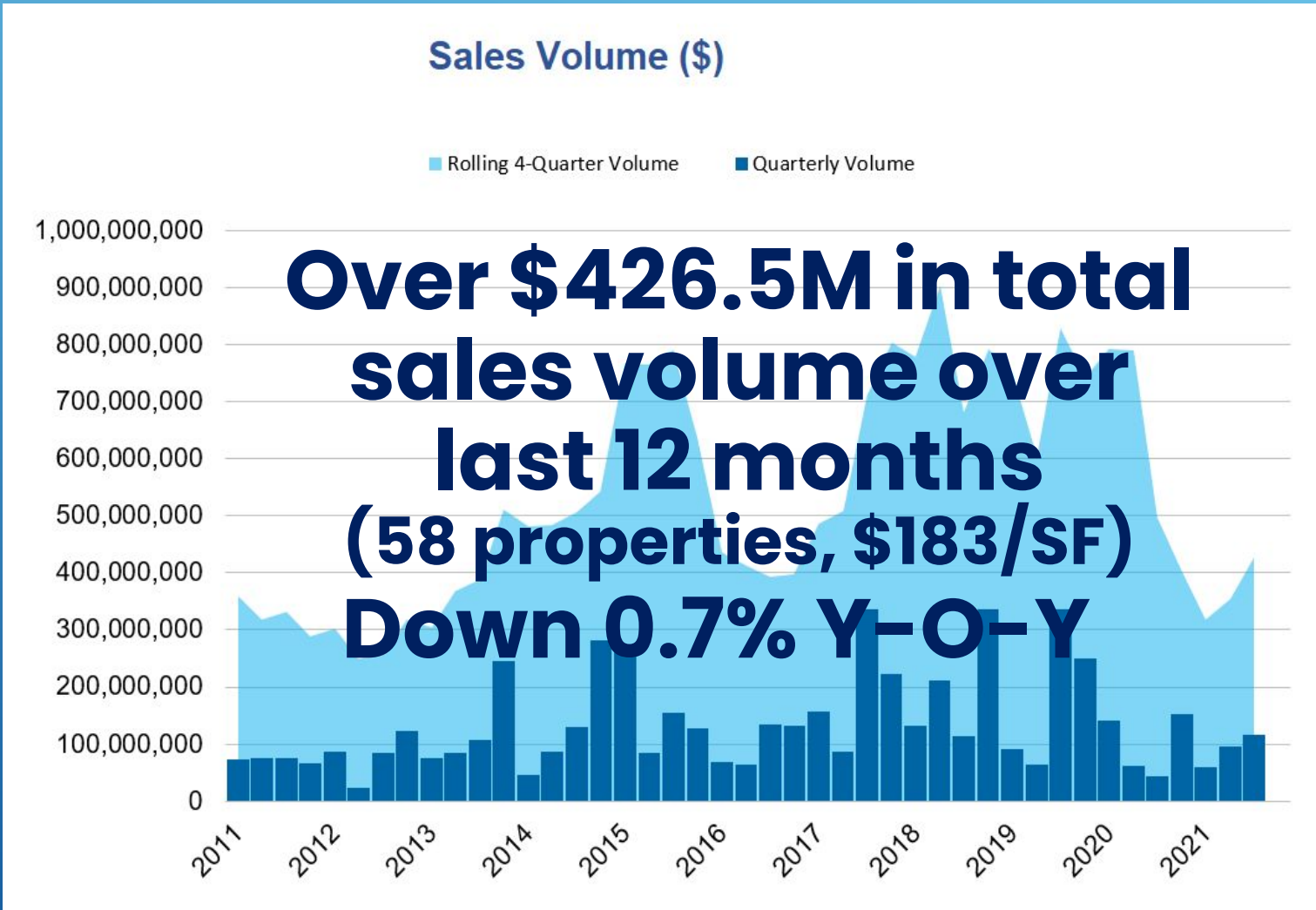
**2 started
pre-COVID**

\$32.35/SF (FSG)

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Source: CoStar, Transwestern

OFFICE INVESTMENT SALES



Northwest Atrium



Lincoln Center

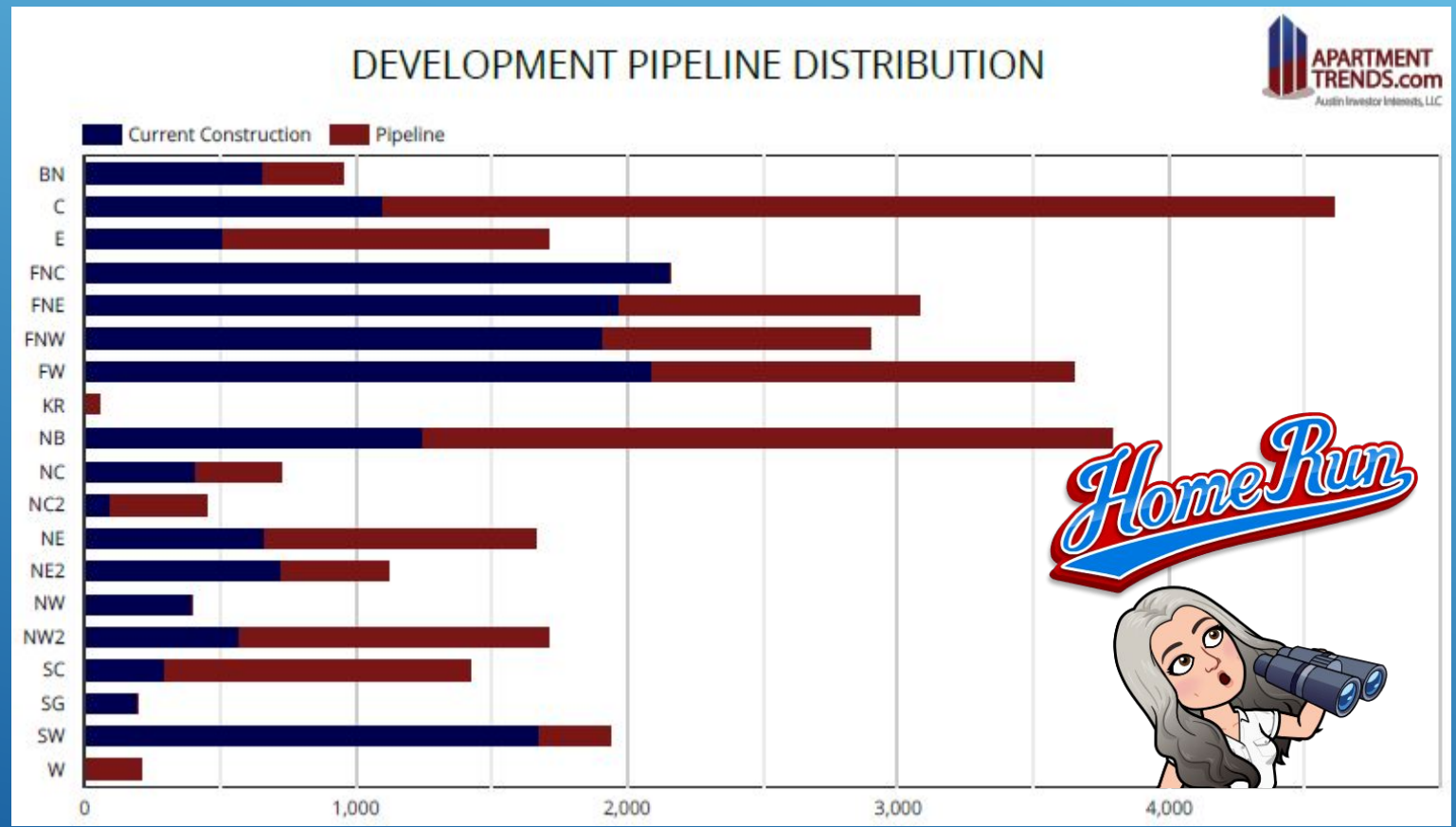
MULTIFAMILY



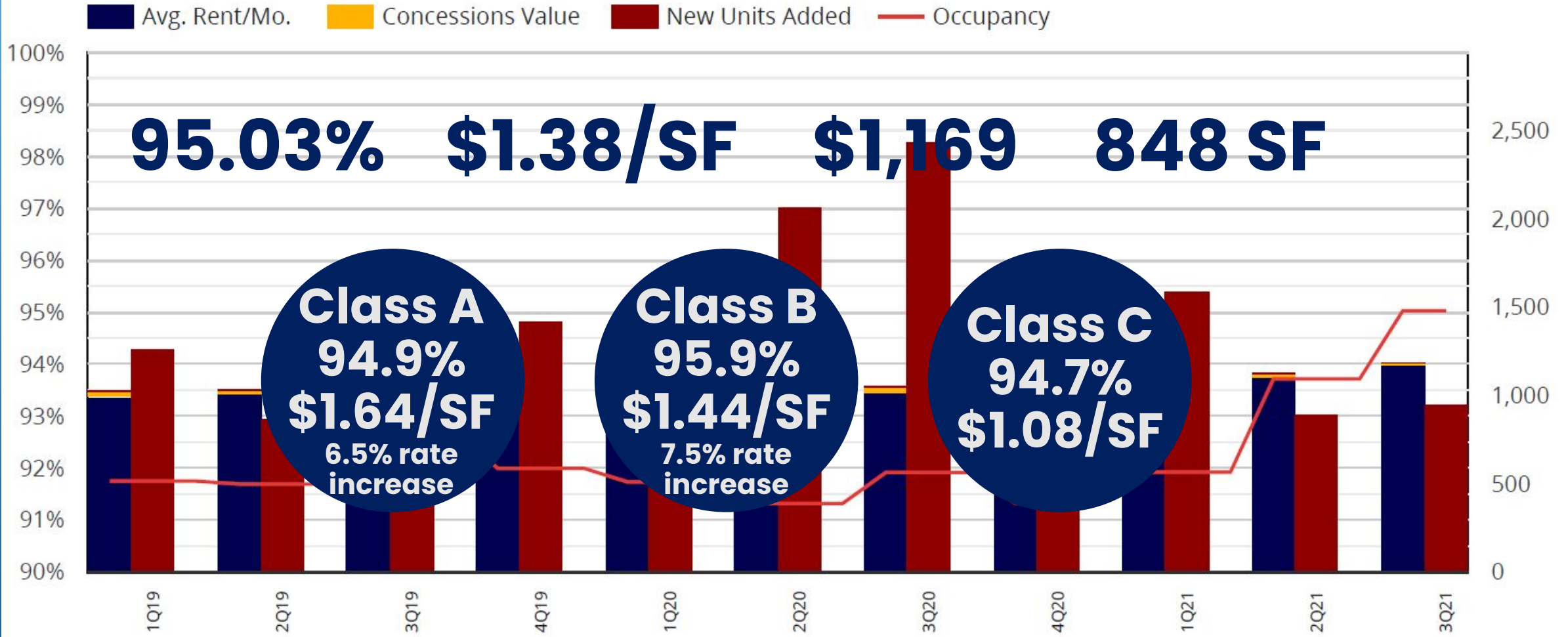
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MULTIFAMILY NEW CONSTRUCTION

All San Antonio	# of Units
Entered Permitting	3,828
Delivered in Q3	955
Under Construction	16,657



MULTIFAMILY RENTS, OCCUPANCY



MULTIFAMILY INVESTMENT SALES



Source: Real Capital Analytics, Transwestern





San Antonio/South Texas
CCIM Chapter

THANK YOU!

NEVER STOP
CELEBRATING



FRONTLINE
WORKERS

