

# San Antonio

## Industrial continues to record occupancy gains as year ends

- Industrial momentum continued in Q4, adding over a million square feet of absorption
- Amazon headlined major moves as they occupied their newly constructed facility
- Pipeline expanded with multiple projects underway

After a year of strong occupancy gains, the San Antonio industrial market continued its considerable momentum into Q4, with 1.3 m.s.f. of positive absorption. Industrial's remarkable hot streak, combined with an expanding construction pipeline, inspires great optimism among the landlord and brokerage communities for continued success into 2023.

Total net absorption for the quarter was 1.3 million s.f., bringing the 2022 year-to-date total to 4.5 million s.f. Leading the charge in Q4 was Amazon, who occupied 1.0 m.s.f. at their newly delivered fulfillment center at 10360 US-90. Other moves included Icon OEM taking 54,000 s.f. at Centerpoint Logistics Park, CED taking 39,000 s.f. at Ridgeview 35, and Freedom Solar taking 34,000 s.f. at Tri-County Crossing. Direct asking rates increased by 3.5% quarter-over-quarter to \$6.46 p.s.f., in conjunction with the decrease in available space.

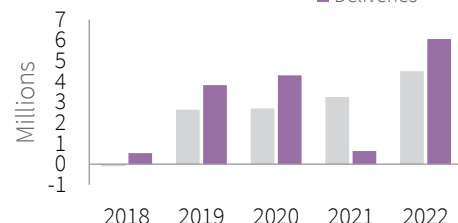
Q4 saw a handful of projects deliver, including the 243,000-s.f. Rise at Connection Industrial Park at 6674 Cal Turner Drive in the northeast submarket, adding a significant chunk of vacant space to the market. Moreover, multiple new buildings were announced as under construction. These new facilities included Selma Industrial Building III, a 429,000-s.f. project at 17654 Ben E. Keith Way, four buildings totaling over 450,000 s.f. at Leon Creek Logistics Park, and two 120,000-s.f. buildings at Mid-City Industrial Park on Highway 90.

### Outlook

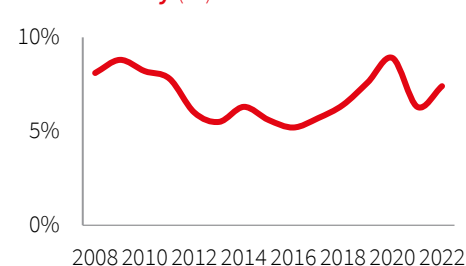
San Antonio's industrial sector achieved great success in 2022, boasting over 4 million s.f. of occupancy gains. As tenant demand remains steadily high, and the construction pipeline continues to add new product, look for the industrial sector to maintain its momentum into 2023.

Fundamentals	Forecast
YTD net absorption	4,556,070 s.f. ▲
Under construction	2,417,875 s.f. ▼
Total vacancy	7.4% ▼
Sublease vacancy	550,801 s.f. ▲
Direct asking rent	\$6.46 p.s.f. ▲
Sublease asking rent	\$4.66 p.s.f. ▲
Concessions	Stable ►

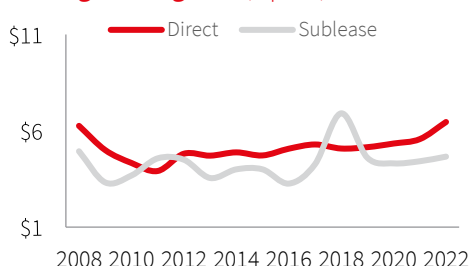
### Supply and demand (s.f.)



### Total vacancy (%)



### Average asking rent (\$ p.s.f.)



As part of a continuous process of data quality improvement, JLL Research has expanded its tracked inventory to include corporate owner-occupied properties. Buildings owned by government, educational and medical entities remain outside of statistical inventory.

Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
San Antonio total										
Warehouse & Distribution	86,582,378	1,359,986	3,896,019	4.5%	7.8%	9.3%	\$6.42	1,458,385	5,126,834	2,417,875
Manufacturing	22,370,832	11,043	660,051	3.0%	6.0%	5.6%	\$6.27	0	935,000	0
Overall Total	108,953,210	1,371,029	4,556,070	4.2%	7.4%	8.6%	\$6.40	1,458,385	6,061,834	2,417,875
New Braunfels										
Warehouse & Distribution	4,402,906	8,450	31,307	0.7%	0.9%	4.5%	\$6.27	0	0	0
Manufacturing	1,581,582	0	-108,769	-6.9%	8.6%	7.3%	\$10.70	0	0	0
Overall Total	5,984,488	8,450	-77,462	-1.3%	2.9%	5.3%	\$8.01	0	0	0
Tri County										
Warehouse & Distribution	9,099,938	3,358	115,097	1.3%	3.8%	5.3%	\$6.92	0	0	0
Manufacturing	2,138,041	24,824	-25,000	-1.2%	1.2%	1.2%	\$6.38	0	0	0
Overall Total	11,237,979	28,182	90,097	0.8%	3.3%	4.5%	\$6.88	0	0	0
Downtown total										
Warehouse & Distribution	1,671,546	-16,000	-59,473	-3.6%	6.6%	6.4%	\$6.64	0	0	0
Manufacturing	809,420	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	2,480,966	-16,000	-59,473	-2.4%	4.5%	4.3%	\$6.64	0	0	0
CBD										
Warehouse & Distribution	1,671,546	-16,000	-59,473	-3.6%	6.6%	6.4%	\$6.64	0	0	0
Manufacturing	809,420	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	2,480,966	-16,000	-59,473	-2.4%	4.5%	4.3%	\$6.64	0	0	0
Suburban total										
Warehouse & Distribution	71,407,988	1,364,178	3,809,088	5.3%	8.8%	10.2%	\$6.39	1,458,385	5,126,834	2,417,875
Manufacturing	17,841,789	-13,781	793,820	4.4%	6.6%	6.2%	\$5.80	0	935,000	0
Overall Total	89,249,777	1,350,397	4,602,908	5.2%	8.3%	9.4%	\$6.31	1,458,385	6,061,834	2,417,875
Comal County										
Warehouse & Distribution	1,390,902	248,546	351,179	25.2%	59.8%	41.6%	\$6.42	215,000	925,071	0
Overall Total	1,390,902	248,546	351,179	25.2%	59.8%	41.6%	\$6.42	215,000	925,071	0
Guadalupe County										
Warehouse & Distribution	260,933	0	0	0.0%	65.0%	23.7%	\$6.65	0	169,525	179,346
Overall Total	260,933	0	0	0.0%	65.0%	23.7%	\$6.65	0	169,525	179,346
North Central										
Warehouse & Distribution	8,136,643	38,247	33,395	0.4%	4.4%	5.9%	\$8.74	0	20,693	0
Manufacturing	1,524,603	0	-23,025	-1.5%	11.5%	13.3%	\$6.63	0	0	0
Overall Total	9,661,246	38,247	10,370	0.1%	5.6%	7.0%	\$7.97	0	20,693	0
Northeast										
Warehouse & Distribution	35,690,124	57,618	2,326,765	6.5%	9.4%	10.2%	\$6.22	0	2,500,320	474,804
Manufacturing	6,868,220	4,900	3,583	0.1%	7.2%	5.9%	\$6.27	0	35,000	0
Overall Total	42,558,344	62,518	2,330,348	5.5%	9.0%	9.5%	\$6.23	0	2,535,320	474,804
Northwest										
Warehouse & Distribution	9,049,698	-743	60,899	0.7%	4.4%	5.8%	\$7.02	0	0	187,200
Manufacturing	2,753,314	-18,681	-81,067	-2.9%	8.9%	8.9%	\$6.53	0	0	0
Overall Total	11,803,012	-19,424	-20,168	-0.2%	5.5%	6.5%	\$6.86	0	0	187,200
South										
Warehouse & Distribution	16,879,688	1,020,510	1,036,850	6.1%	6.9%	11.4%	\$6.10	1,243,385	1,511,225	1,576,525
Manufacturing	6,695,652	0	894,329	13.4%	3.9%	3.8%	\$3.67	0	900,000	0
Overall Total	23,575,340	1,020,510	1,931,179	8.2%	6.1%	9.4%	\$5.84	1,243,385	2,411,225	1,576,525