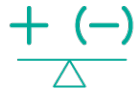


SAN ANTONIO

HEALTHCARE MARKET | Q1 2025



14.5 MSF
Inventory



(69,855) SF
Net Absorption



11.3%
Direct Vacancy



14.3%
Total Availability



53,200 SF
Under Construction



\$30.64 PSF
Asking Rent

Healthcare Vacancies Rise, But Rental Rates Continue to Climb

Market Observations

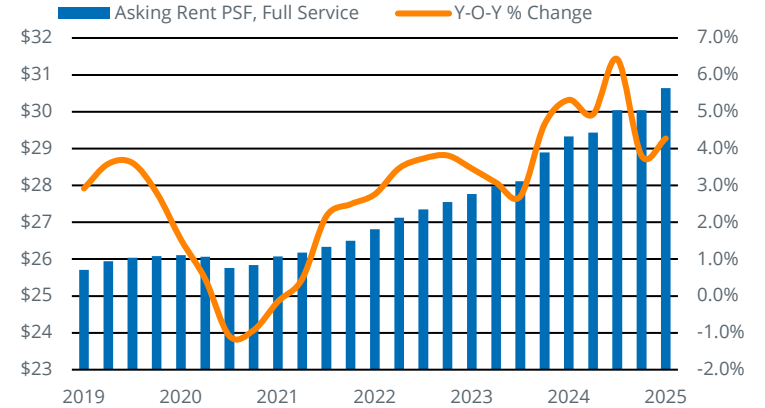
- The direct vacancy rate for San Antonio medical office space increased to 11.3%, while the overall vacancy rate rose to 14.3%. This represents a 40-basis-point rise in direct vacancy and a 20-basis-point increase in overall vacancy compared to the previous quarter.
- Net absorption for this quarter was approximately negative 70,000 square feet, a decrease from the previous quarter's negative 7,000 square feet and from Q1 2024's positive 44,000 square feet.
- Asking rents increase slightly to \$30.64, which is a \$0.60 increase from last quarter and a 4.3% increase year over year.
- The development pipeline totaled 53,200 square feet, down from 140,000 square feet last quarter. This decline is largely due to the recent delivery of a campus-adjacent medical office building in the Far West submarket. Construction activity is expected to continue slowing as developers assess current market conditions.
- The most notable event this quarter was Christus Santa Rosa's closure of its hospital in the San Antonio Medical Center.





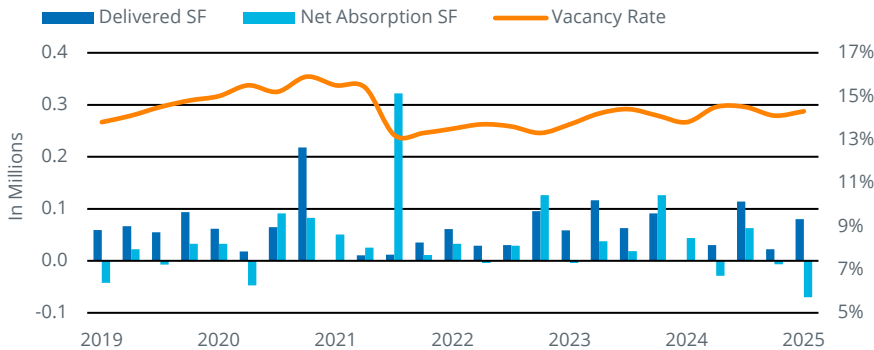
- The overall **vacancy rate** increased to 14.3%, while the direct vacancy rate rose to 11.3% this quarter.
- Class A **net absorption** was approximately positive 18,000 square feet, largely driven by the delivery of a campus-adjacent medical office building in the Far West submarket, where Christus Santa Rosa occupies 34,600 of the building's 60,000 square feet. In contrast, Class B space accounted for the majority of the market's negative absorption, totaling approximately negative 89,000 square feet.
- Class A **vacancy** decreased to 16.5%, marking a 30 basis-point improvement from the previous quarter and a 180 basis-point decline compared to Q1 2024. Meanwhile, Class B vacancy increased to 14.7%, reflecting a 40 basis-point increase from last quarter and a 240 basis-point rise from Q1 2024.

ASKING RENT



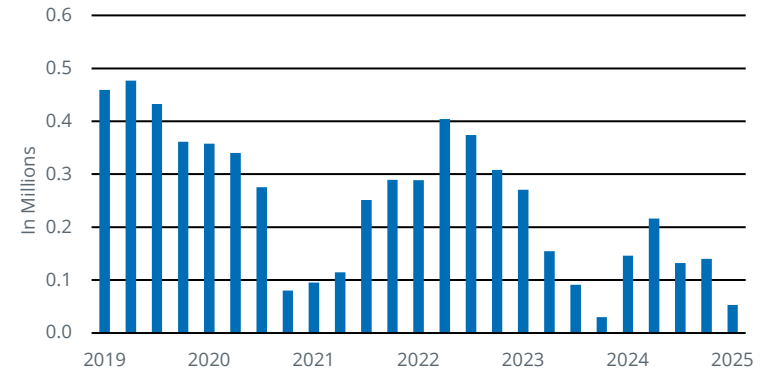
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



SAN ANTONIO HEALTHCARE MARKET | Q1 2025

MARKET INDICATORS TABLE

All Classes of Space | Q1 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
CORE MEDICAL CENTER (NW)	3,454,698	472,128	13.7%	15.6%	0	(25,661)	(55,529)	\$29.96
CENTRAL BUSINESS DISTRICT	701,495	159,262	22.7%	22.9%	0	0	(5,484)	\$28.70
NORTH CENTRAL	1,562,854	192,812	12.3%	14.0%	0	(15,297)	(30,785)	\$29.30
NORTHWEST	5,769,595	694,169	12.0%	16.6%	40,000	(24,972)	(112,156)	\$29.27
NORTHEAST	1,339,465	148,268	11.1%	11.1%	0	(4,437)	61,861	\$28.37
FAR NORTH CENTRAL	1,514,248	138,631	9.2%	13.2%	0	(8,969)	(4,513)	\$34.26
FAR NORTHWEST	229,907	15,248	6.6%	10.3%	0	(1,425)	(6,246)	\$34.12
FAR WEST	1,002,444	88,550	8.8%	17.0%	13,200	(4,505)	94,055	\$33.44
SOUTH	990,886	67,854	6.8%	11.8%	0	(1,134)	(22,542)	\$30.85
OUTLYING SUBMARKETS	1,417,827	104,481	7.4%	12.1%	0	(9,116)	(18,059)	\$32.35
Total	14,528,721	1,609,275	11.3%	14.3%	53,200	(69,855)	(43,869)	\$30.64

Source: CoStar, Transwestern



Research Methodology

The information in this report is the result of a compilation of information on medical office properties located in the San Antonio metropolitan area. This report includes single tenant, multi-tenant and owner-user properties 10,000 SF and larger, excluding condo and hospital facilities and those properties owned and occupied by a government agency.

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at [transwestern.com](https://www.transwestern.com) and @Transwestern.

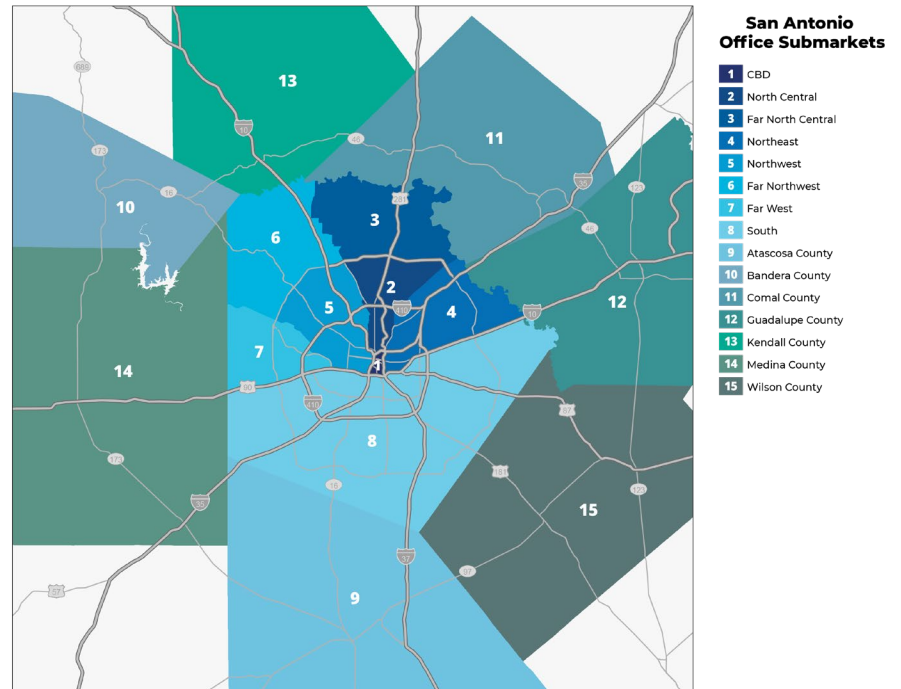
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