

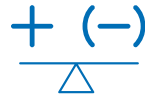
# SAN ANTONIO

OFFICE MARKET | Q3 2025



**61.3 MSF**

Inventory



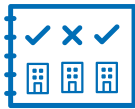
**(110,043) SF**

Net Absorption



**12.6%**

Direct Vacancy



**13.0%**

Total Vacancy



**0 SF**

Under Construction



**\$30.33 PSF**

Avg Rental Rate

## Office Market Continues To Face Challenges

### Market Observations

- San Antonio's direct vacancy stands at 12.6% which is a 40 basis point decline from the 13.0% direct vacancy rate in Q2. This reflects a 20 basis point decline from the 12.8% direct vacancy year-over-year.
- San Antonio recorded approximately negative 110,000 square feet of net absorption, increasing from the negative 72,000 square feet posted in the previous quarter. Year to Date, San Antonio overall net absorption stands at negative 305,000 square feet and trailing 12 month shows negative 220,000 square feet.
- As of this quarter, there is no under-construction office space in the San Antonio metro area. There were no new office deliveries for the quarter.
- Approximately \$55 million dollars of office sales traded this quarter, consisting mostly of smaller, Class B product.



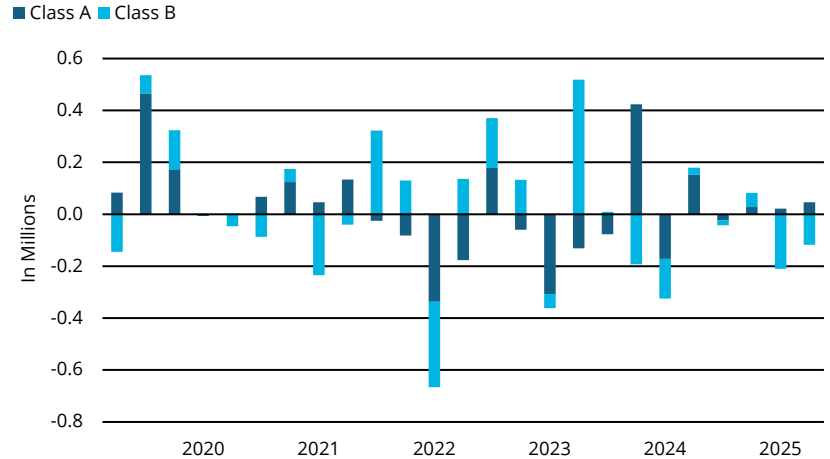


## NET ABSORPTION

### Absorption Continues Negative Trend

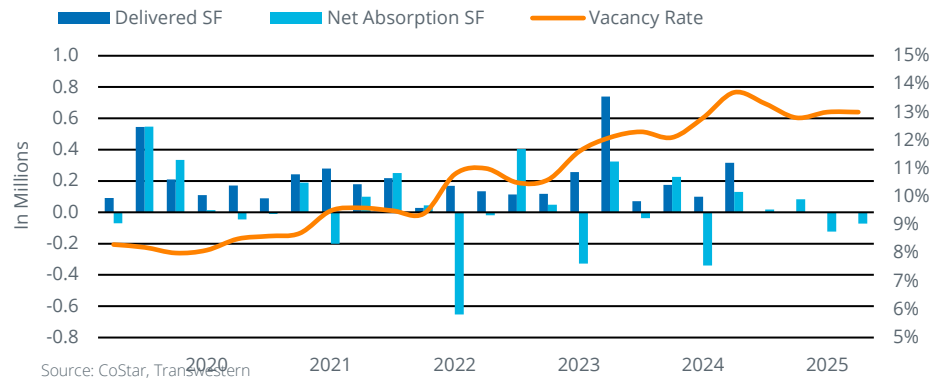
- San Antonio recorded approximately negative 110,000 square feet of net absorption, increasing from the negative 72,000 square feet posted in the previous quarter. Year to Date, San Antonio overall net absorption stands at negative 305,000 square feet and trailing 12 month shows negative 220,000 square feet.
- Class A office space posted a negative 35,000 square feet of net absorption, compared to last quarter's positive 46,000 square feet. The trailing 12 month shows a positive 61,000 square feet, while year to date stands at positive 33,000 square feet.
- Class B office space experienced negative 75,000 square feet, which is an improvement from last quarter negative 117,000 square feet. The trailing 12 months posted a negative 348,000 square feet and year to date stand at negative 402,000 square feet.
- The outlying submarkets showcase the most positive net absorption, which was largely attributed to 42,000 square foot lease from Alamo Group at the IBEX Global building in New Braunfels.
- North Central had the most negative net absorption at 67,000 square feet with the largest move out being a 17,000 SF lease.

## NET ABSORPTION BY CLASS



Source: CoStar, Transwestern

## DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

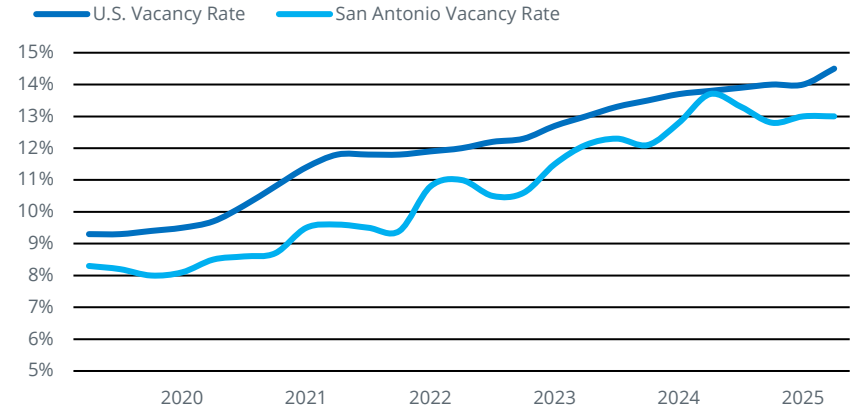


## VACANCY

### Vacancy Shows Slight Decline This Quarter

- San Antonio's direct vacancy stands at 12.6% which is a 40 basis point decline from the 13.0% direct vacancy rate in Q2. This reflects a 20 basis point decline from the 12.8% direct vacancy year-over-year.
- Class A direct office vacancy is at 17.5% this quarter, which reflects a 30 basis point decline from the previous quarter.
- Class B direct office vacancy is at 13.1% this quarter, which reflects a 50 basis point increase from last quarter.

## VACANCY RATE



Source: CoStar, Transwestern

## VACANCY RATE BY CLASS



Source: CoStar, Transwestern



## UNDER CONSTRUCTION

### No Construction Activity This Quarter

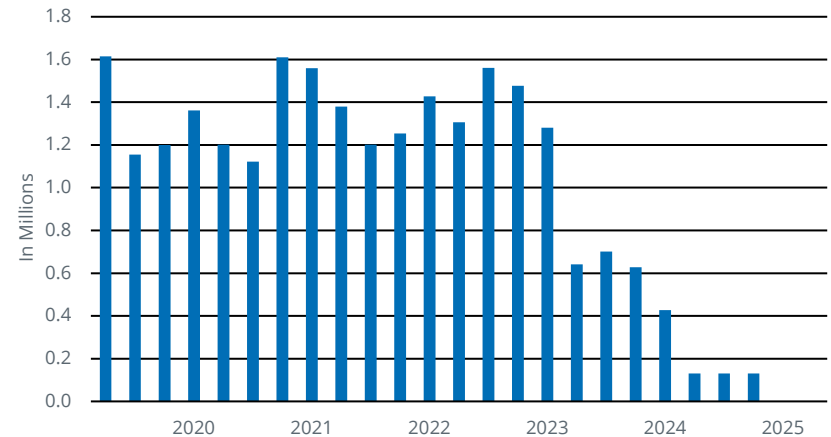
- As of this quarter, there is no under-construction office space in the San Antonio metro area. There were no new office deliveries for the quarter.
- Despite decreases in Fed Funds rate in 2024 (100 bps) and 2025 (50 bps YTD), interest rates tied to the 10- year Treasury yield have not moved significantly lower. As a result, San Antonio is not expected to see an increase in construction activity for the remainder of the year.

## SALES

### Sales Remain Depressed For The Quarter

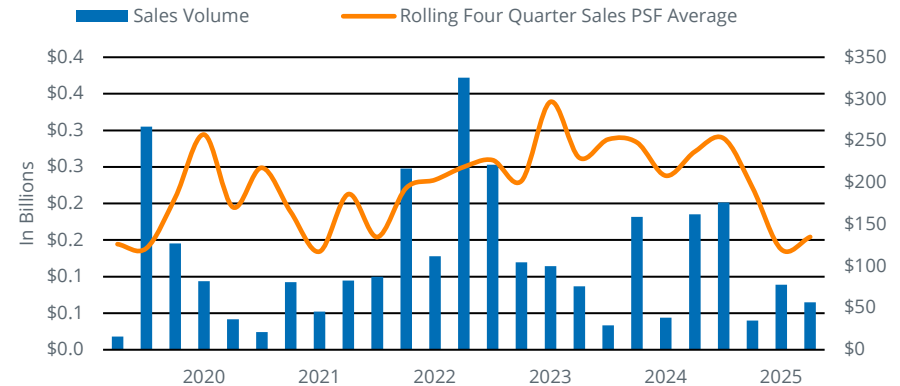
- Approximately \$55 million dollars of office sales traded this quarter, consisting mostly of smaller, Class B product.
- The largest transaction this quarter is 10000 Rogers Run (198,000 square feet), which was purchased as an owner/user property by Alamo Community College District. The building was formerly leased to Kohl's and owned by SageView Partners.

## UNDER CONSTRUCTION



Source: CoStar, Transwestern

## SALES VOLUME



Source: CoStar, Real Capital Analytics, Transwestern



# SAN ANTONIO OFFICE MARKET | Q3 2025

## MARKET INDICATORS TABLE

All Classes of Space | Q3 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL VACANT SF	OVERALL AVAILABILITY RATE	NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
CENTRAL BUSINESS DISTRICT	7,452,462	1,548,197	20.8%	1,565,059	21.0%	(34,358)	\$29.64
NORTH CENTRAL	13,921,488	1,802,006	12.9%	1,911,256	13.7%	(67,339)	\$27.96
NORTHWEST	20,092,268	1,855,187	9.2%	2,006,809	10.0%	(25,157)	\$27.14
NORTHEAST	4,082,720	656,348	16.1%	696,709	17.1%	(2,613)	\$25.09
FAR NORTH CENTRAL	3,440,270	349,390	10.2%	431,490	12.5%	(13,932)	\$32.46
FAR NORTHWEST	1,809,721	419,114	23.2%	419,114	23.2%	(6,045)	\$33.29
FAR WEST	5,867,901	447,079	7.6%	447,079	7.6%	-	\$25.74
SOUTH	2,277,330	211,282	9.3%	211,282	9.3%	753	\$25.91
OUTLYING SUBMARKETS	2,320,196	70,964	3.1%	70,964	3.1%	38,648	\$30.28
<b>Total</b>	<b>61,264,356</b>	<b>7,359,567</b>	<b>12.6%</b>	<b>7,759,762</b>	<b>13.0%</b>	<b>(110,043)</b>	<b>\$30.33</b>

Source: CoStar, Transwestern



# SAN ANTONIO OFFICE MARKET | Q3 2025

## NOTABLE SALES

ADDRESS	SUBMARKET	BUILDING SF	YR BUILT	STORIES	CLASS	BUYER	SELLER
<b>10000 Rogers Rund</b>	Far West	198,000	2008	3	B	Alamo Community College District	SageView Partners
<b>University Park Business Ctr D</b>	Northwest	42,262	2001	1	B	NVision Biomedical Technologies	R.L. Worth & Associates
<b>First Commercial Bank Bldg</b>	North Central	31,071	1985	3	B	13333 Blanco LLC	MWS Acquisitions
<b>12915 Jones Maltsberger Rd</b>	North Central	33,703	1986	2	B	Starlie Jones LLC	Ameritas Life

= Transwestern deal

Source: CoStar, Real Capital Analytics, Transwestern

## NOTABLE LEASES

TENANT	ADDRESS	SUBMARKET	TYPE	SF LEASED
<b>Mytech Partners </b>	Centre Plaza	North Central	New	20,754
<b>Alamo Group</b>	IBEX Global Building	Comal County	New	41,994
<b>SWBC</b>	4500 Lockhill Selma	Northwest	Sublease	21,734
<b>Jefferson Capital Systems</b>	The Spectrum Building	North Central	New	10,235

= Transwestern deal

Source: CoStar, Transwestern



## Research Methodology

The information in this report is the result of a compilation of information on 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 medical office 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://transwestern.com) and @Transwestern.

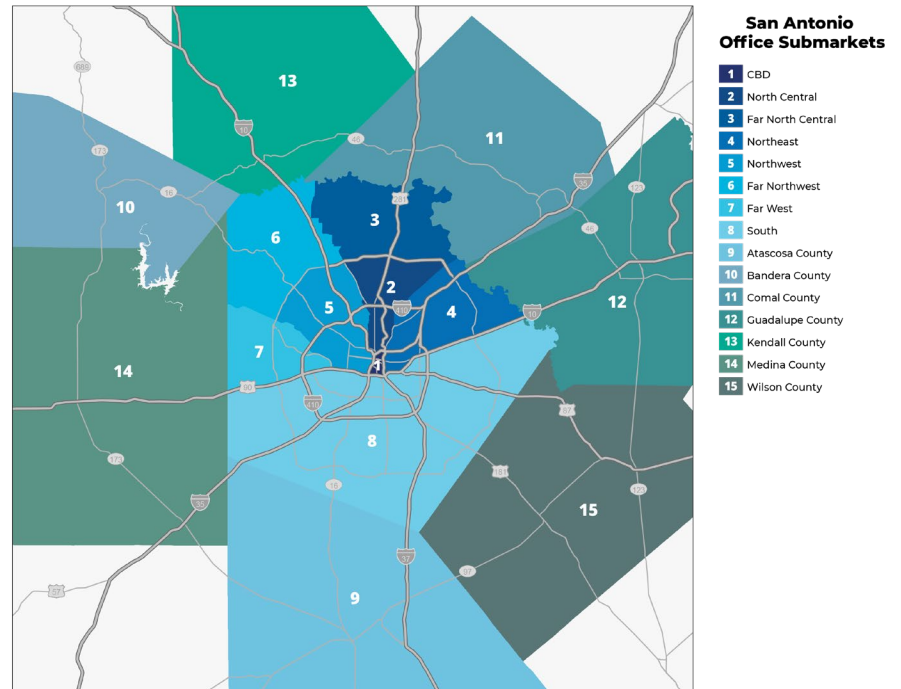
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