



# San Antonio, Texas

Tenant's Guide ▪ North American Markets ▪ First Quarter 2012

## Overview

The San Antonio market continued to outperform the national economy in 2011, and vacancy rates and rental rates have basically remained unchanged during the last quarter. A diversified employment base has helped San Antonio weather the economic storms of a meltdown in the lending markets and a drop in consumer confidence.

## Market Trends

- Citywide, vacancy rates are at 14.3%.
- Average rental rates are at \$19.50.
- Economic development efforts continue to be successful in attracting large call center and data center users to San Antonio.
- Industrial vacancy is at 10.3%.

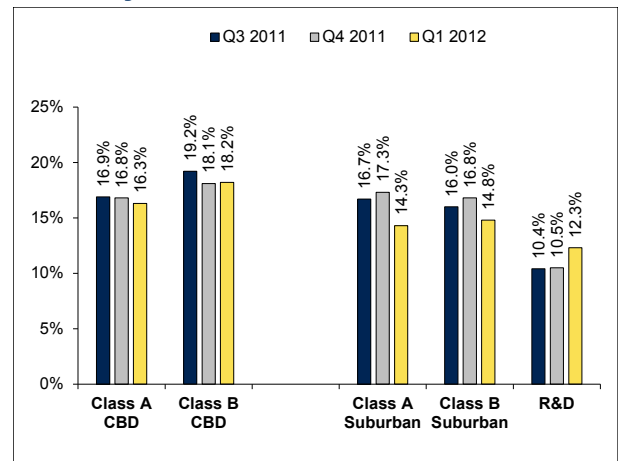
## Tenant's Perspective

San Antonio remains a relatively stable market for tenants. However there are very few existing blocks of vacant space in the market. The immediate impact has been that tenants are required to compete for the most desirable blocks of space, and landlords are looking more closely at tenants' credit. Increasing consolidation in the real estate industry makes it imperative that tenants work more closely with their real estate advisors to most effectively develop their real estate strategies for the future.

## Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Cyrus One	126,690	Office	Sale
Bergstrom Climate	101,461	Industrial	Lease
City of San Antonio	34,555	Office	Lease
Northrop Grumman	13,605	Office	Lease

## Vacancy Rate



## Average Rental Rates

CBD	Q3 2011	Q4 2011	Q1 2012
Class A Office	\$20.80	\$20.70	\$20.40
Class B Office	\$18.10	\$17.35	\$17.39
<b>Suburban</b>	<b>Q3 2011</b>	<b>Q4 2011</b>	<b>Q1 2012</b>
Class A Office	\$21.68	\$21.83	\$21.95
Class B Office	\$18.75	\$18.85	\$18.75
R&D	\$9.02	\$9.00	\$ 9.13