

TEXAS QUARTERLY COMMERCIAL REPORT

Dr. Harold D. Hunt
RESEARCH ECONOMIST

Dr. Adam Perdue
RESEARCH ECONOMIST

Dr. Daniel Oney
RESEARCH DIRECTOR

Reece Neathery
RESEARCH INTERN

Michael Mwizerwa
RESEARCH INTERN



TEXAS A&M UNIVERSITY
Texas Real Estate Research Center

TECHNICAL REPORT

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FIRST QUARTER 2023

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Market Summary Comparison



	Apartment				Office				Retail				Warehouse			
	Rent per SF		Vacancy		Rent per SF		Vacancy		Rent per SF		Vacancy		Rent per SF		Vacancy	
	Current	% Δ Y-o-Y	Current	Δ Y-o-Y	Current	% Δ Y-o-Y	Current	Δ Y-o-Y	Current	% Δ Y-o-Y	Current	Δ Y-o-Y	Current	% Δ Y-o-Y	Current	Δ Y-o-Y
Austin	\$1.83	-0.36%	8.70%	1.43%	\$30.16	2.75%	17.40%	2.07%	\$24.04	8.81%	3.60%	-0.53%	\$12.14	8.78%	5.20%	1.37%
Dallas-Fort Worth	\$1.67	0.80%	8.00%	1.67%	\$23.06	3.12%	21.10%	-0.03%	\$18.22	7.45%	5.60%	-0.47%	\$7.41	17.06%	5.90%	-0.43%
Houston	\$1.41	1.20%	8.90%	1.13%	\$20.89	1.34%	23.10%	0.07%	\$19.46	2.51%	5.90%	-0.47%	\$8.29	5.47%	7.10%	-0.93%
San Antonio	\$1.38	0.24%	9.40%	2.67%	\$21.59	-0.52%	14.20%	0.50%	\$16.64	5.43%	4.30%	-0.57%	\$7.31	9.70%	2.70%	-1.63%

Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

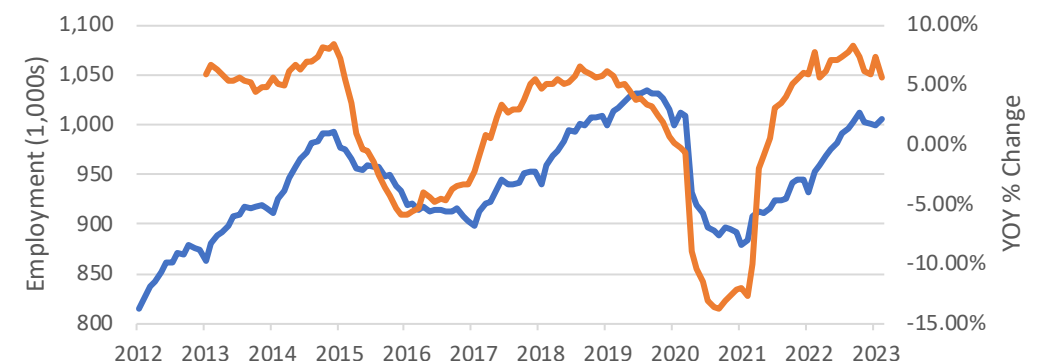
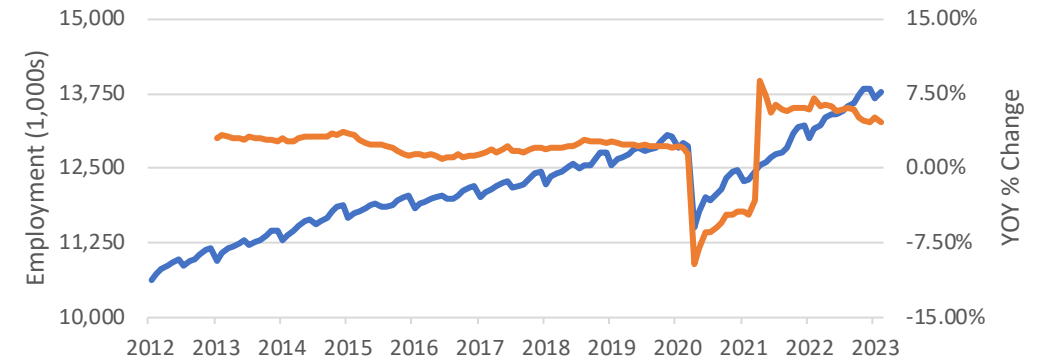
Texas

- Texas employment growth on a year-over-year (YOY) basis, while slowing, continues to outpace expectations and long-term trends across industries and the big four Metropolitan Statistical Areas (MSAs).
- Monthly employment has moderated some, and YOY results are expected to moderate further through 2023, moving closer to long-term trends.
- Office vacancy remains generally elevated across the major MSAs, but it is leveling. In Austin, ongoing delivery of the current square footage under construction (6.55 percent of existing inventory) will increase vacancy. The eventual strength of work-from-home, hybrid-work, and corporate real estate rearrangement will remain a wild card for the midterm in all markets.
- Apartment vacancies remain subdued across Texas markets but have continued their recent upward trend. Continued population growth and work-from-home demand pressures will continue to place downward pressure on vacancy increases. On the other hand, the last two years of unusually high permitted unit volume will continue to come online.

Texas Commercial Markets *key employment trends*

	Feb-23	Feb-22	Change	YOY
TX Total Nonfarm	13,776,700	13,171,900	604,800	4.59%
AUS Total Nonfarm	1,296,200	1,237,400	58,800	4.75%
DFW Total Nonfarm	4,200,300	3,988,700	211,600	5.30%
HOU Total Nonfarm	3,314,600	3,177,300	137,300	4.32%
SAT Total Nonfarm	1,151,400	1,105,600	45,800	4.14%

	Feb-23	Feb-22	Change	YOY
TX Mining, Logging and Construction	1,006,400	952,600	53,800	5.65%
AUS Mining, Logging and Construction	76,500	76,900	(400)	-0.52%
DFW Mining, Logging and Construction	245,900	225,600	20,300	9.00%
HOU Mining, Logging and Construction	290,100	280,900	9,200	3.28%
SAT Mining, Logging and Construction	68,500	65,700	2,800	4.26%

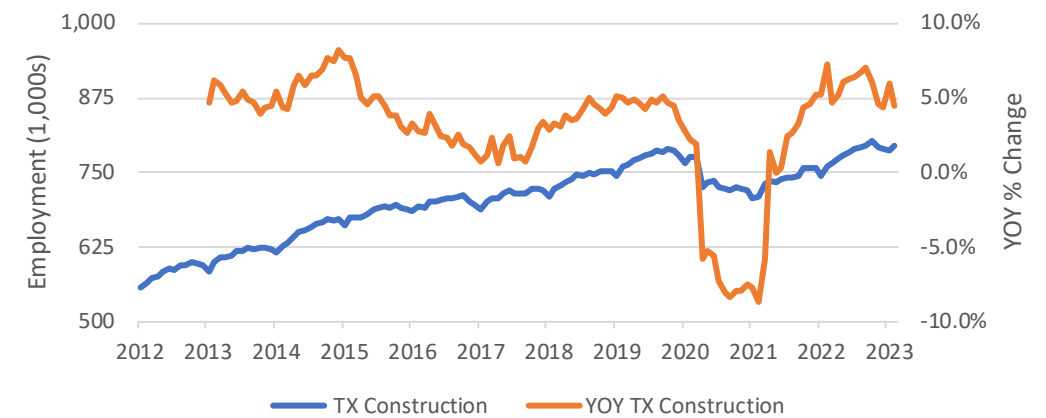
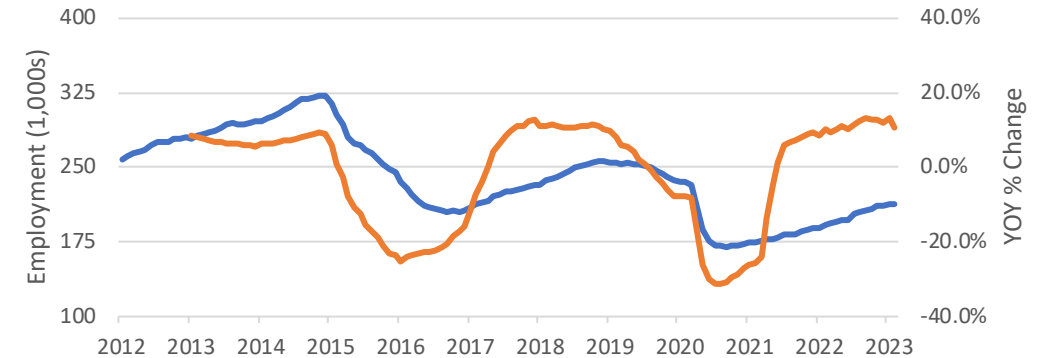


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Feb-23	Feb-22	Change	YOY
TX Mining and Logging	212,000	192,000	20,000	10.42%
AUS Mining and Logging	-	-	-	-
DFW Mining and Logging	-	-	-	-
HOU Mining and Logging	68,000	63,300	4,700	7.42%
SAT Mining and Logging	7,000	6,200	800	12.90%

	Feb-23	Feb-22	Change	YOY
TX Construction	794,400	760,600	33,800	4.44%
AUS Construction	-	-	-	-
DFW Construction	-	-	-	-
HOU Construction	222,100	217,600	4,500	2.07%
SAT Construction	61,500	59,500	2,000	3.36%

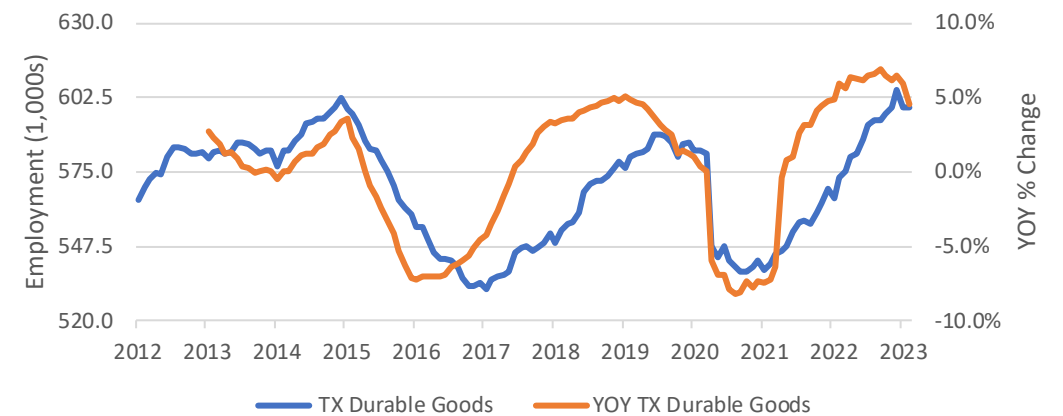
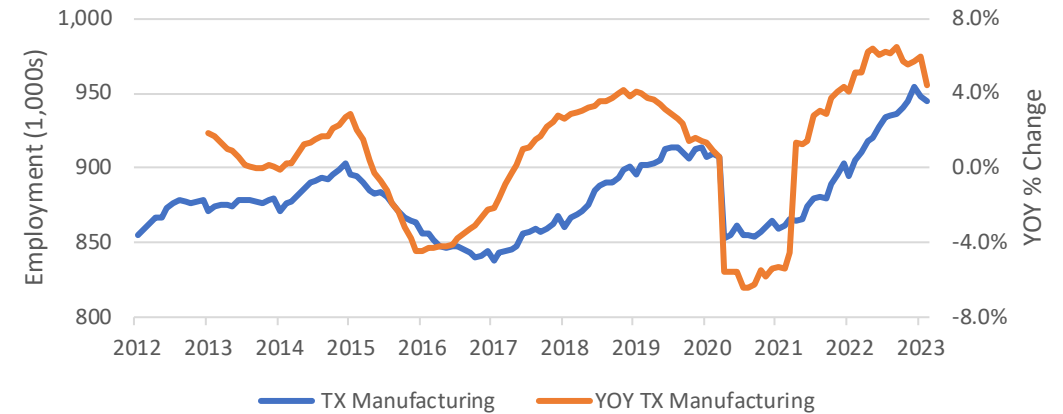


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Feb-23	Feb-22	Change	YOY
TX Manufacturing	945,300	905,100	40,200	4.44%
AUS Manufacturing	73,500	68,300	5,200	7.61%
DFW Manufacturing	305,000	294,500	10,500	3.57%
HOU Manufacturing	225,700	218,900	6,800	3.11%
SAT Manufacturing	58,000	55,200	2,800	5.07%

	Feb-23	Feb-22	Change	YOY
TX Durable Goods	598,600	572,800	25,800	4.50%
AUS Durable Goods	-	-	-	-
DFW Durable Goods	213,700	205,800	7,900	3.84%
HOU Durable Goods	137,000	134,000	3,000	2.24%
SAT Durable Goods	40,000	37,200	2,800	7.53%

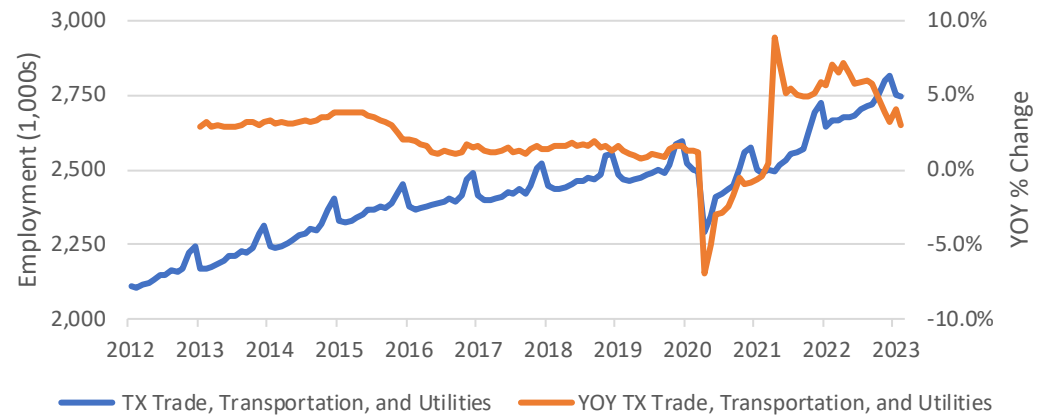
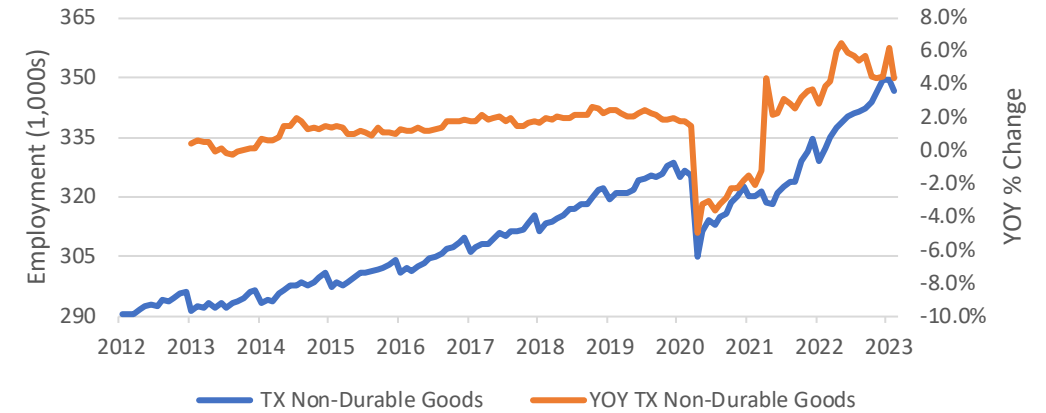


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Feb-23	Feb-22	Change	YOY
TX Non-Durable Goods	346,700	332,300	14,400	4.33%
AUS Non-Durable Goods	-	-	-	-
DFW Non-Durable Goods	91,300	88,700	2,600	2.93%
HOU Non-Durable Goods	88,700	84,900	3,800	4.48%
SAT Non-Durable Goods	18,000	18,000	0	0.00%

	Feb-23	Feb-22	Change	YOY
TX Trade, Transportation, and Utilities	2,746,300	2,665,400	80,900	3.04%
AUS Trade, Transportation, and Utilities	209,300	201,000	8,300	4.13%
DFW Trade, Transportation, and Utilities	899,300	866,500	32,800	3.79%
HOU Trade, Transportation, and Utilities	678,000	659,200	18,800	2.85%
SAT Trade, Transportation, and Utilities	205,100	201,000	4,100	2.04%

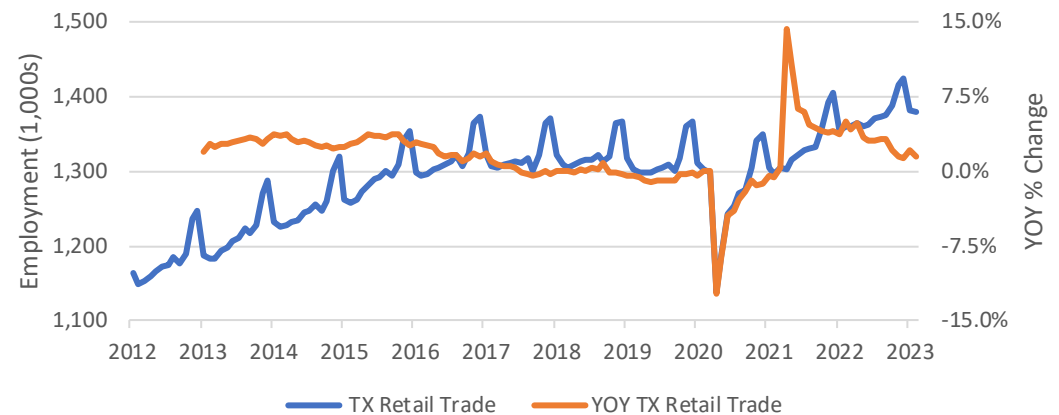
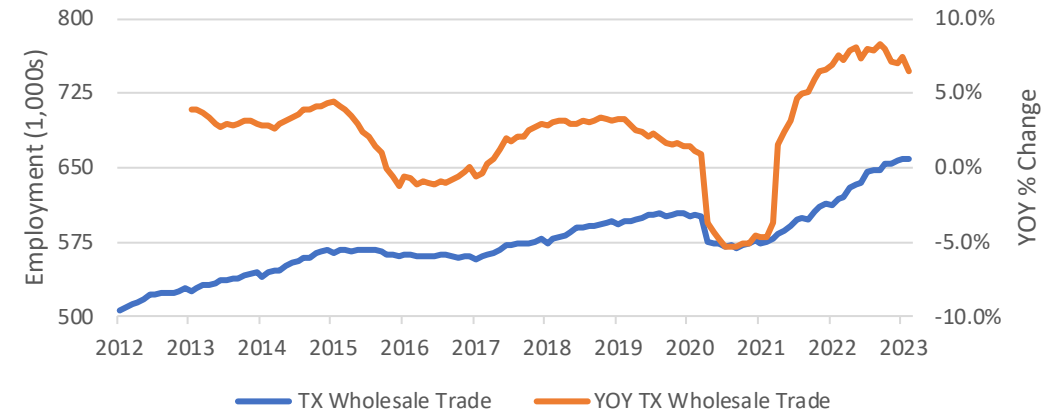


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Feb-23	Feb-22	Change	YOY
TX Wholesale Trade	658,800	618,600	40,200	6.50%
AUS Wholesale Trade	57,800	52,100	5,700	10.94%
DFW Wholesale Trade	235,100	222,000	13,100	5.90%
HOU Wholesale Trade	173,100	165,000	8,100	4.91%
SAT Wholesale Trade	38,500	38,300	200	0.52%

	Feb-23	Feb-22	Change	YOY
TX Retail Trade	1,380,600	1,360,200	20,400	1.50%
AUS Retail Trade	117,000	114,100	2,900	2.54%
DFW Retail Trade	384,700	379,200	5,500	1.45%
HOU Retail Trade	314,400	312,600	1,800	0.58%
SAT Retail Trade	122,600	118,100	4,500	3.81%

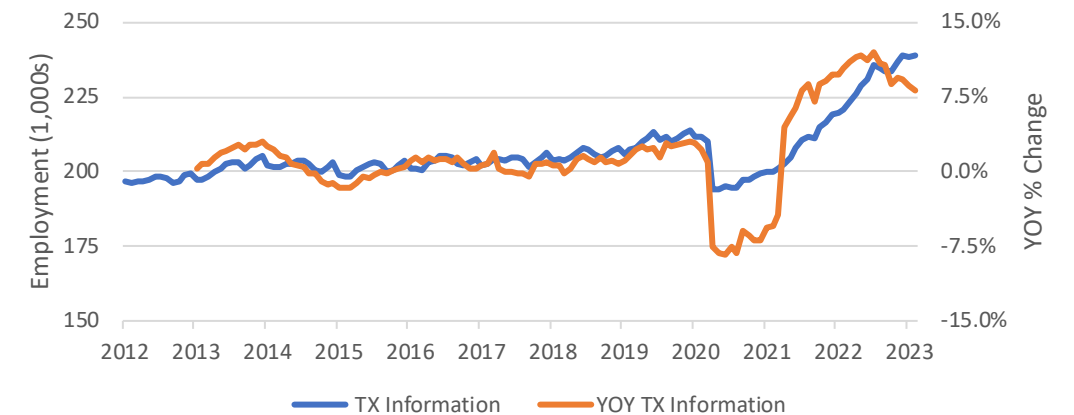
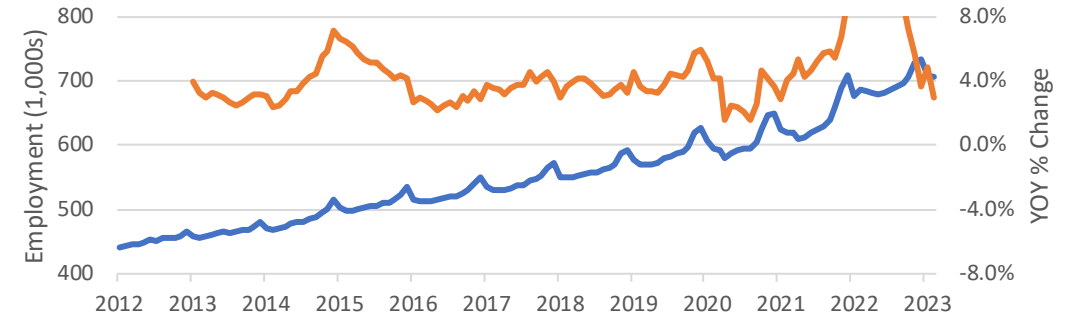


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Feb-23	Feb-22	Change	YOY
TX Transportation, Warehousing, and Utilities	706,900	686,600	20,300	2.96%
AUS Transportation, Warehousing, and Utilities	34,500	34,800	(300)	-0.86%
DFW Transportation, Warehousing, and Utilities	279,500	265,300	14,200	5.35%
HOU Transportation, Warehousing, and Utilities	190,500	181,600	8,900	4.90%
SAT Transportation, Warehousing, and Utilities	44,000	44,600	(600)	-1.35%

	Feb-23	Feb-22	Change	YOY
TX Information	239,000	221,000	18,000	8.14%
AUS Information	52,700	49,300	3,400	6.90%
DFW Information	93,800	87,300	6,500	7.45%
HOU Information	33,300	31,700	1,600	5.05%
SAT Information	19,100	17,700	1,400	7.91%

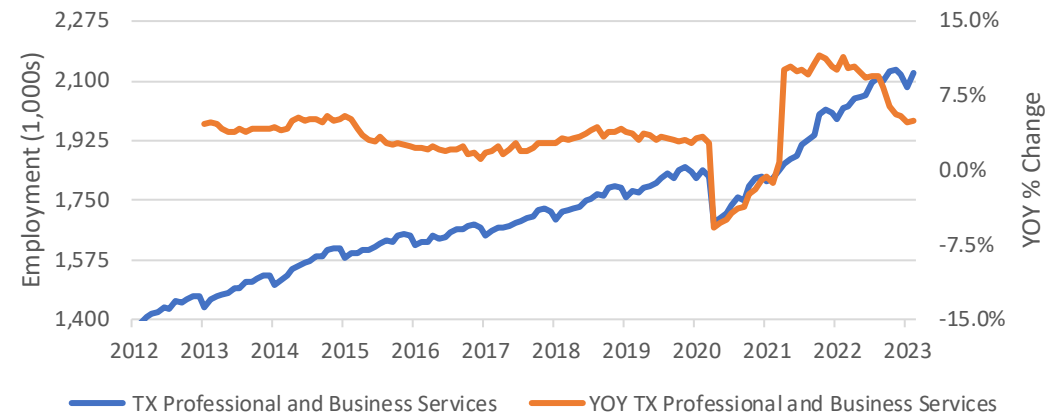
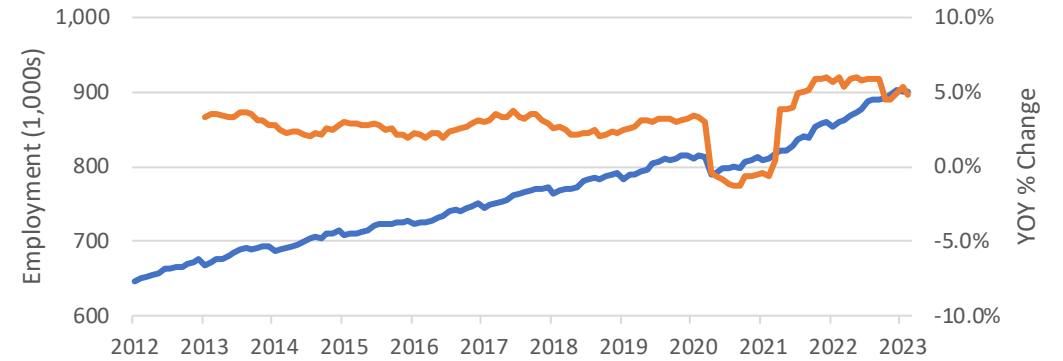


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Feb-23	Feb-22	Change	YOY
TX Financial Activities	901,700	859,900	41,800	4.86%
AUS Financial Activities	77,300	76,400	900	1.18%
DFW Financial Activities	368,400	351,500	16,900	4.81%
HOU Financial Activities	184,400	174,300	10,100	5.79%
SAT Financial Activities	102,200	97,200	5,000	5.14%

	Feb-23	Feb-22	Change	YOY
TX Professional and Business Services	2,124,700	2,022,600	102,100	5.05%
AUS Professional and Business Services	278,500	261,000	17,500	6.70%
DFW Professional and Business Services	787,800	741,400	46,400	6.26%
HOU Professional and Business Services	552,400	523,500	28,900	5.52%
SAT Professional and Business Services	163,500	161,000	2,500	1.55%

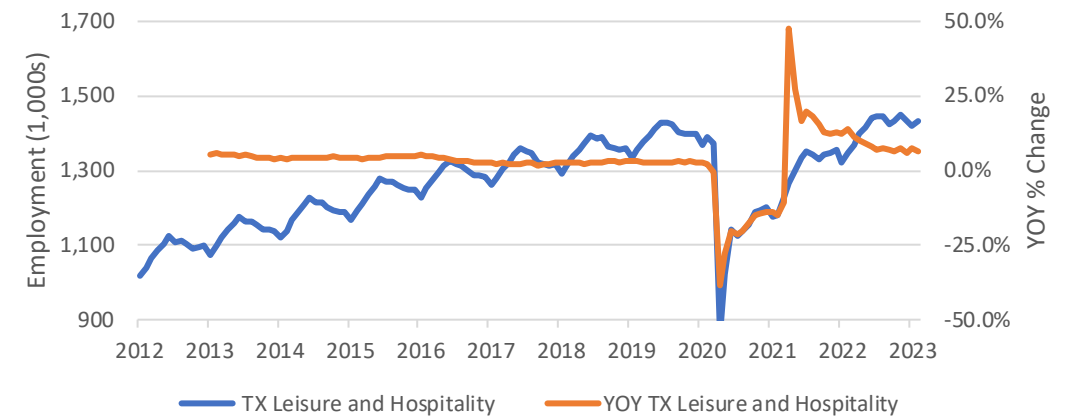
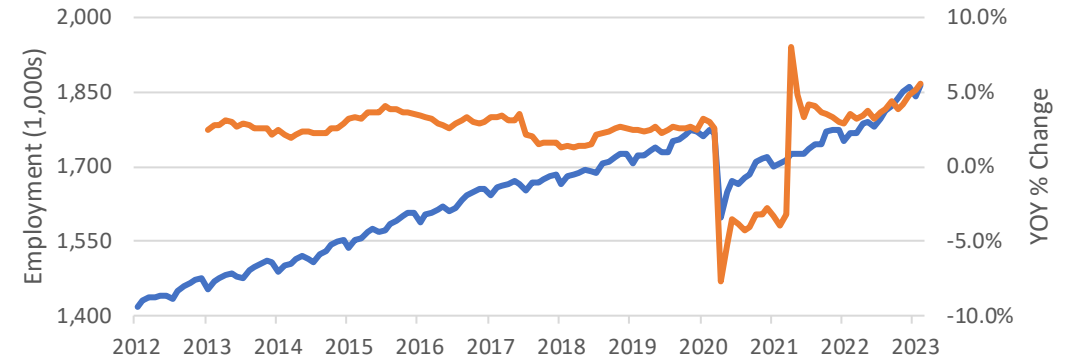


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Feb-23	Feb-22	Change	YOY
TX Private Education and Health Services	1,865,900	1,767,200	98,700	5.59%
AUS Private Education and Health Services	143,700	140,400	3,300	2.35%
DFW Private Education and Health Services	494,900	464,400	30,500	6.57%
HOU Private Education and Health Services	441,300	416,900	24,400	5.85%
SAT Private Education and Health Services	170,200	165,700	4,500	2.72%

	Feb-23	Feb-22	Change	YOY
TX Leisure and Hospitality	1,431,900	1,347,300	84,600	6.28%
AUS Leisure and Hospitality	146,100	128,800	17,300	13.43%
DFW Leisure and Hospitality	400,000	377,400	22,600	5.99%
HOU Leisure and Hospitality	342,600	324,300	18,300	5.64%
SAT Leisure and Hospitality	144,500	129,400	15,100	11.67%

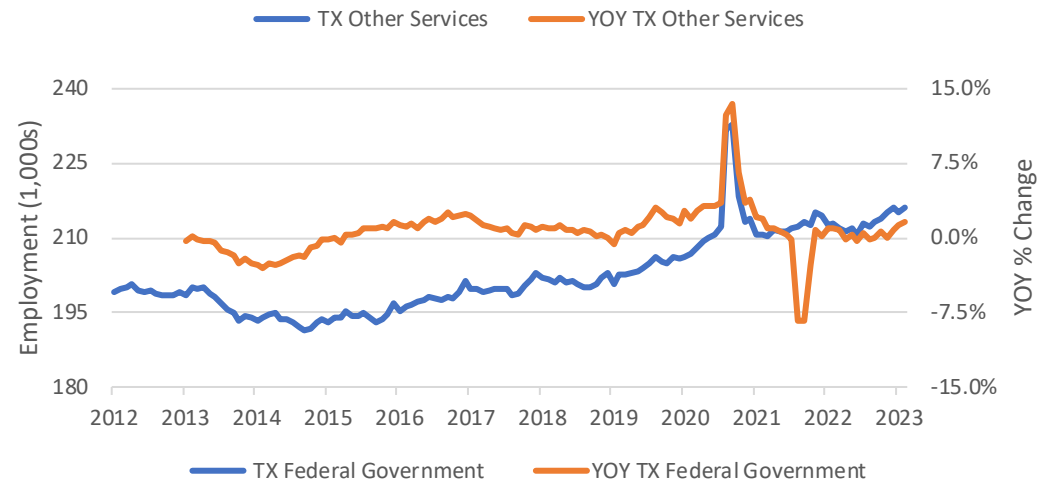
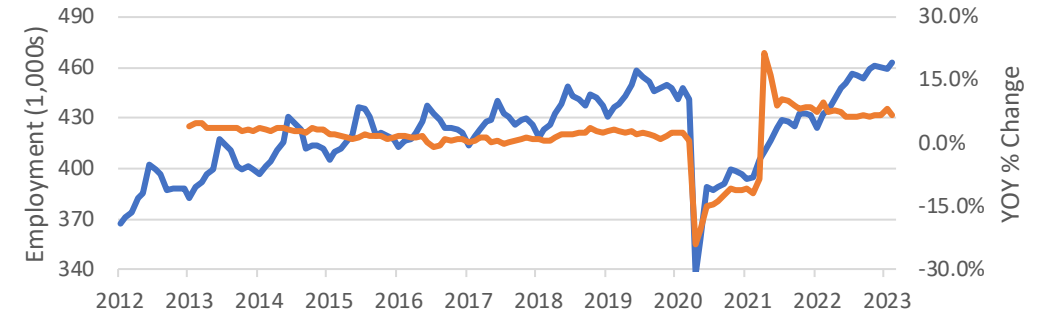


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Feb-23	Feb-22	Change	YOY
TX Other Services	462,500	432,900	29,600	6.84%
AUS Other Services	49,400	46,700	2,700	5.78%
DFW Other Services	134,600	123,500	11,100	8.99%
HOU Other Services	116,300	116,900	(600)	-0.51%
SAT Other Services	40,000	37,200	2,800	7.53%

	Feb-23	Feb-22	Change	YOY
TX Federal Government	216,200	212,800	3,400	1.60%
AUS Federal Government	14,800	15,200	(400)	-2.63%
DFW Federal Government	48,200	48,300	(100)	-0.21%
HOU Federal Government	32,900	31,800	1,100	3.46%
SAT Federal Government	37,600	37,400	200	0.53%

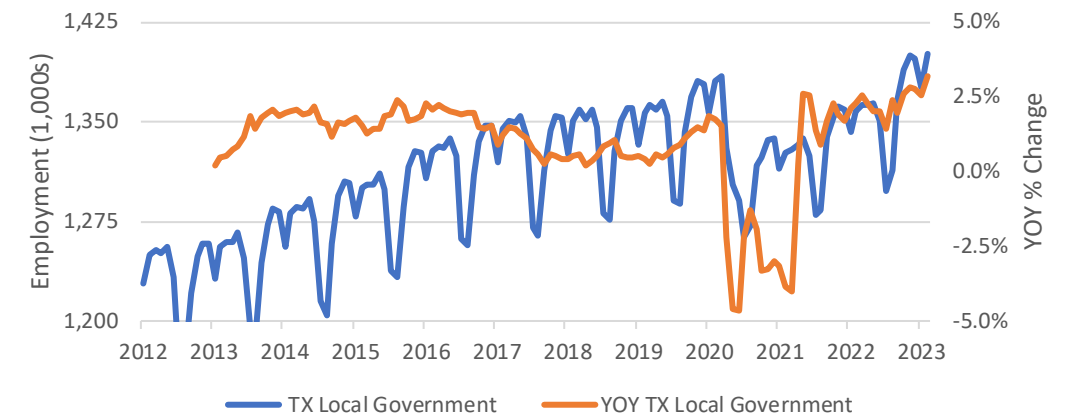
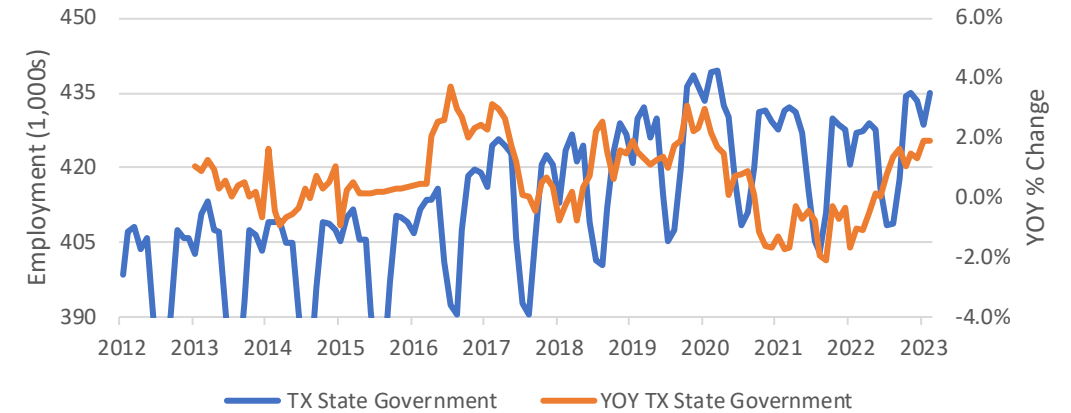


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Feb-23	Feb-22	Change	YOY
TX State Government	435,200	427,100	8,100	1.90%
AUS State Government	75,700	77,900	(2,200)	-2.82%
DFW State Government	79,600	76,700	2,900	3.78%
HOU State Government	95,600	90,300	5,300	5.87%
SAT State Government	21,100	21,600	(500)	-2.31%

	Feb-23	Feb-22	Change	YOY
TX Local Government	1,401,600	1,358,000	43,600	3.21%
AUS Local Government	98,700	95,500	3,200	3.35%
DFW Local Government	342,800	331,600	11,200	3.38%
HOU Local Government	322,000	308,600	13,400	4.34%
SAT Local Government	121,600	116,500	5,100	4.38%



Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Austin

- Economy
- Apartments
- Office
- Retail
- Warehouse



Austin Economy

- Total employment growth in the Austin MSA remains strong on a YOY basis but has flatlined in recent months. Slowdowns in growth are evident in the core information and professional and business services subsectors.
- Long-term employment growth is expected to moderate toward pre-COVID rates.
- Office vacancy remains elevated and continues to receive upward pressure from the shakeout from work-from-home/hybrid work and a large ratio (6.55 percent) of under-construction projects that will continue delivering over the next few years.
- Overall apartment vacancies have returned to above pre-COVID norms. Class A vacancy rates will likely increase over the next few years due to the large proportion of units currently under construction relative to total inventory (13.43 percent). Absorption will fall to ten-year lows.

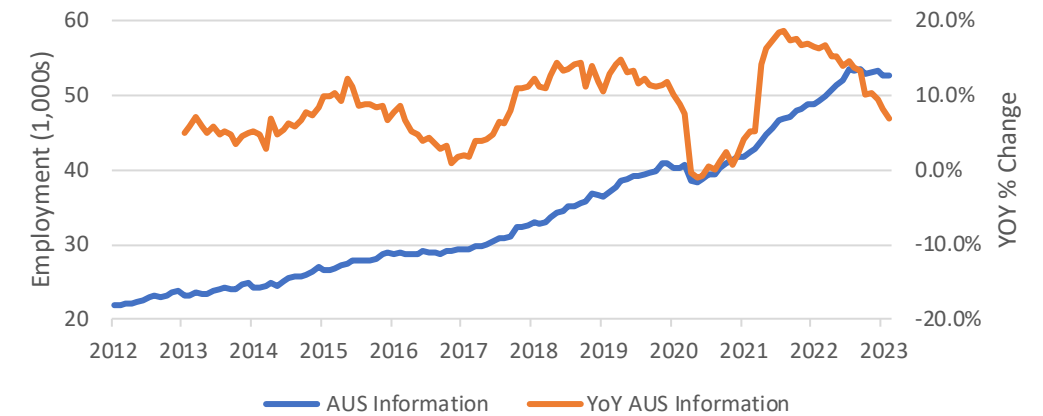
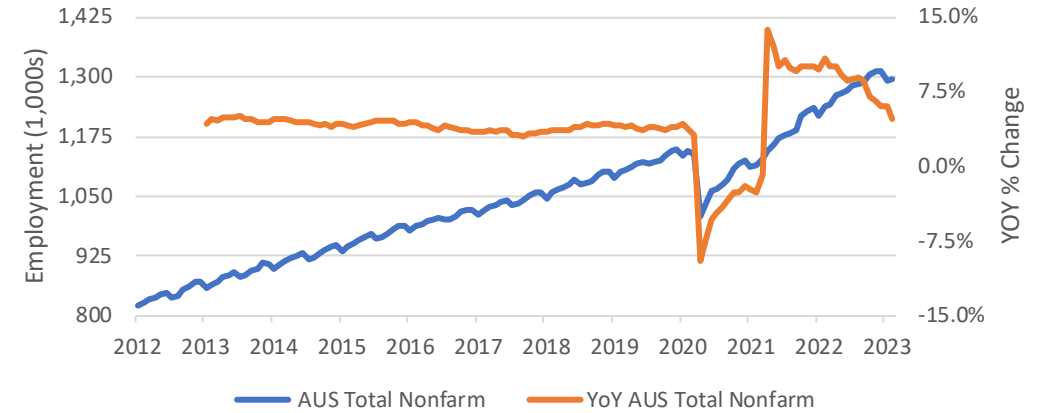
Austin Economy *key employment trends*

AUS Total Nonfarm

Feb-23	Feb-22	Change	YoY
1,296,200	1,237,400	58,800	4.75%

AUS Information

Feb-23	Feb-22	Change	YoY
52,700	49,300	3,400	6.90%

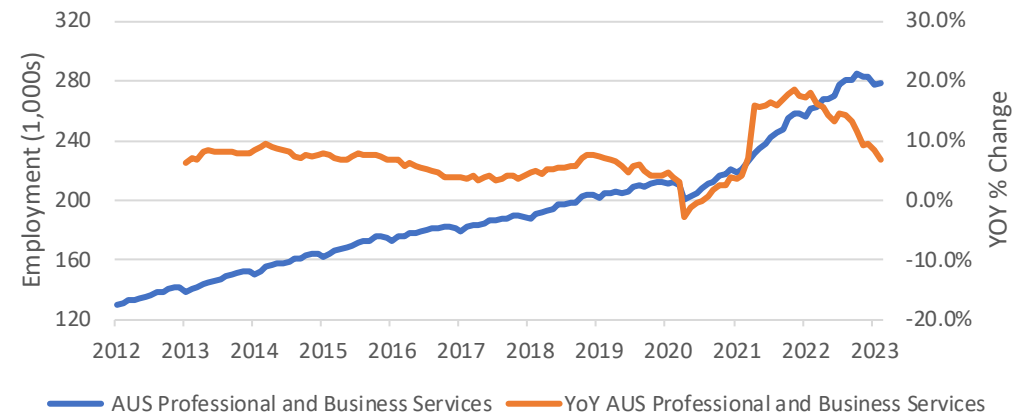


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Austin Economy *key employment trends*



	Feb-23	Feb-22	Change	YoY
AUS Professional and Business Services	278,500	261,000	17,500	6.70%

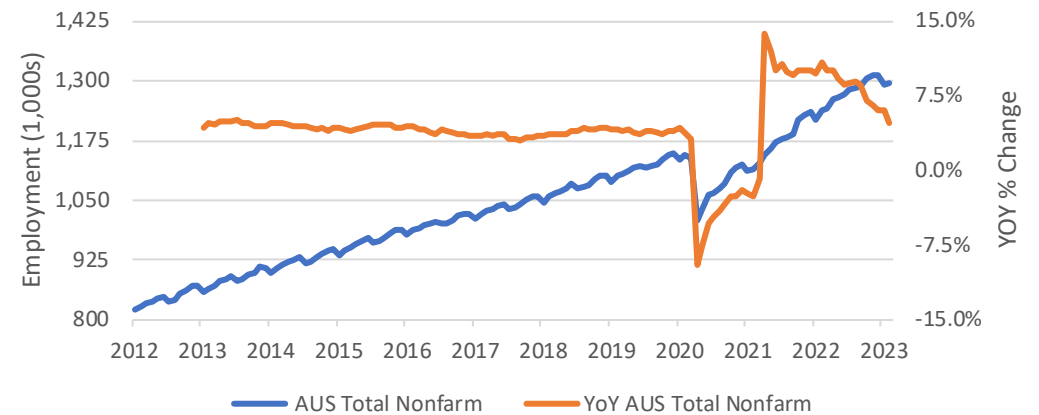


Austin Apartment Market *key employment trends*



AUS Total Nonfarm

Feb-23	Feb-22	Change YoY
1,296,200	1,237,400	58,800 4.75%

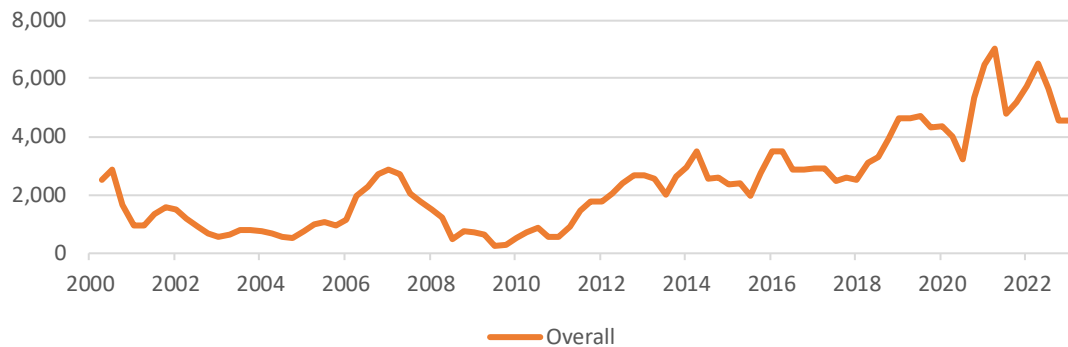


Austin Apartment Market *absorption/construction*

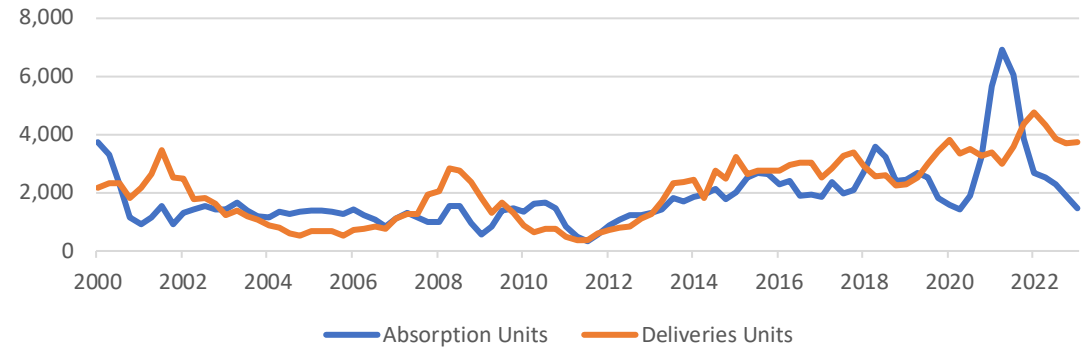
		Current	Previous Quarter	Previous Year
Starts Units	Overall	4,554	4,557	5,720
Absorption Units	Overall	1,450	1,882	2,684
Deliveries Units	Overall	3,717	3,692	4,741
Under Construction Units	Overall	42,241	41,405	36,526

Larger
Smaller
 Than Current

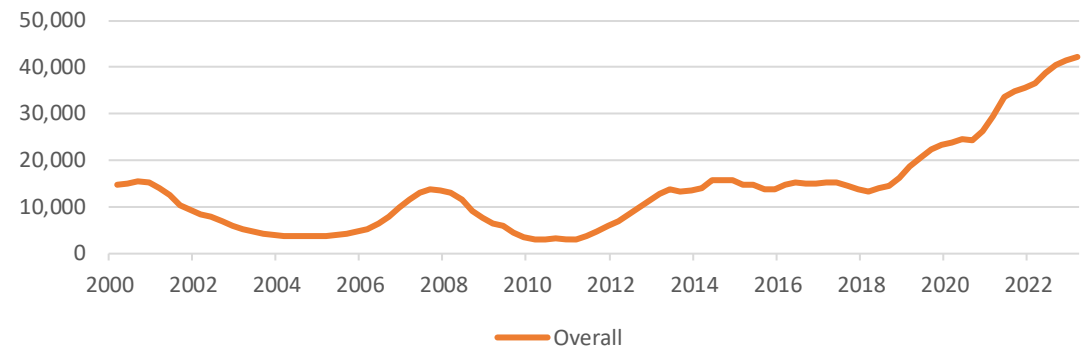
Starts Units



Absorption and Delivery Units



Under Construction Units



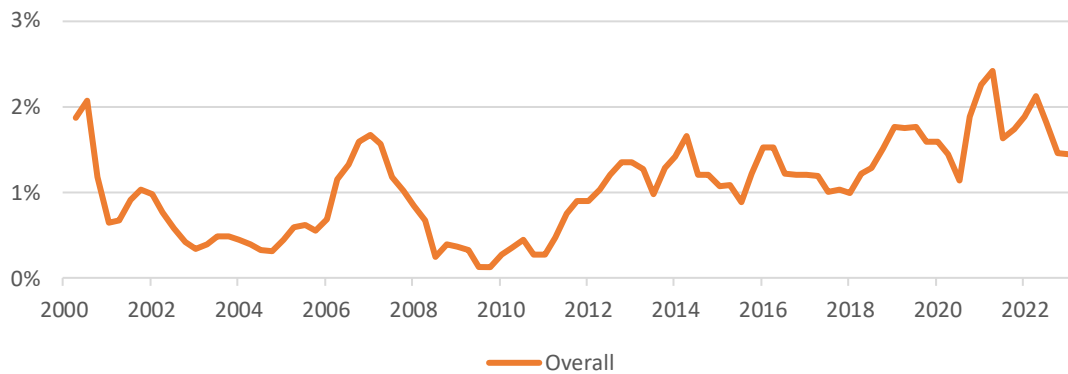
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Apartment Market *absorption/construction*

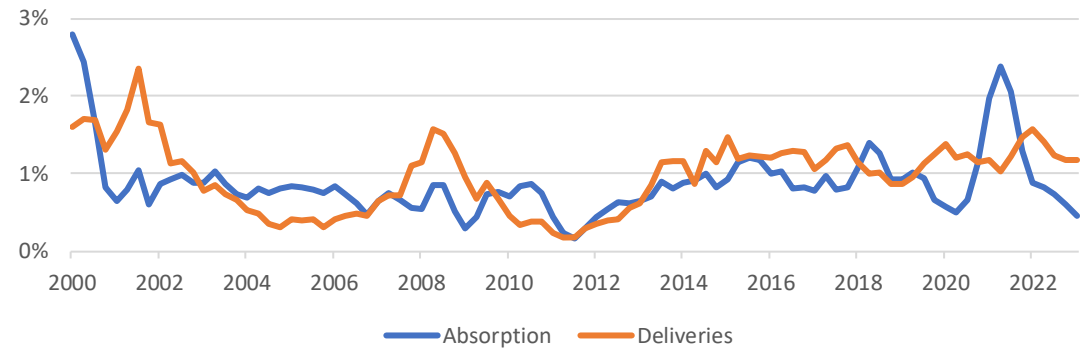
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	1.45%	1.46%	1.89%
Absorption Percent	Overall	0.46%	0.60%	0.89%
Deliveries Percent	Overall	1.18%	1.18%	1.57%
Under Construction Percent	Overall	13.43%	13.25%	12.07%

Larger
Smaller
 Than Current

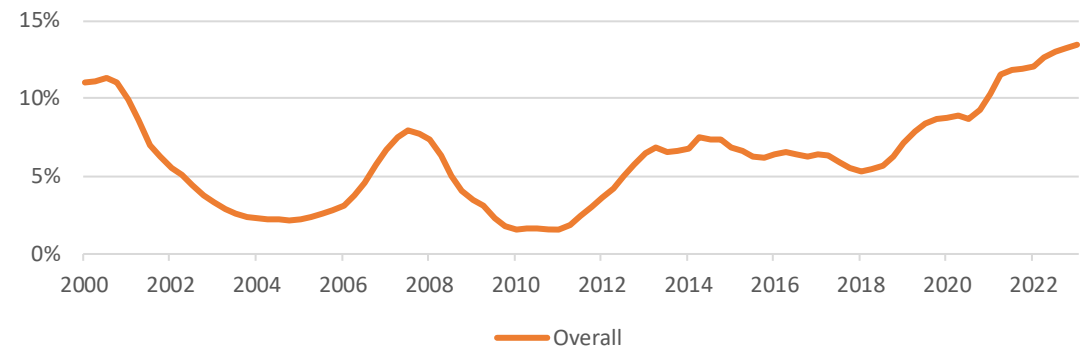
Starts as Percent of Inventory



Absorption and Delivery as Percent of Inventory

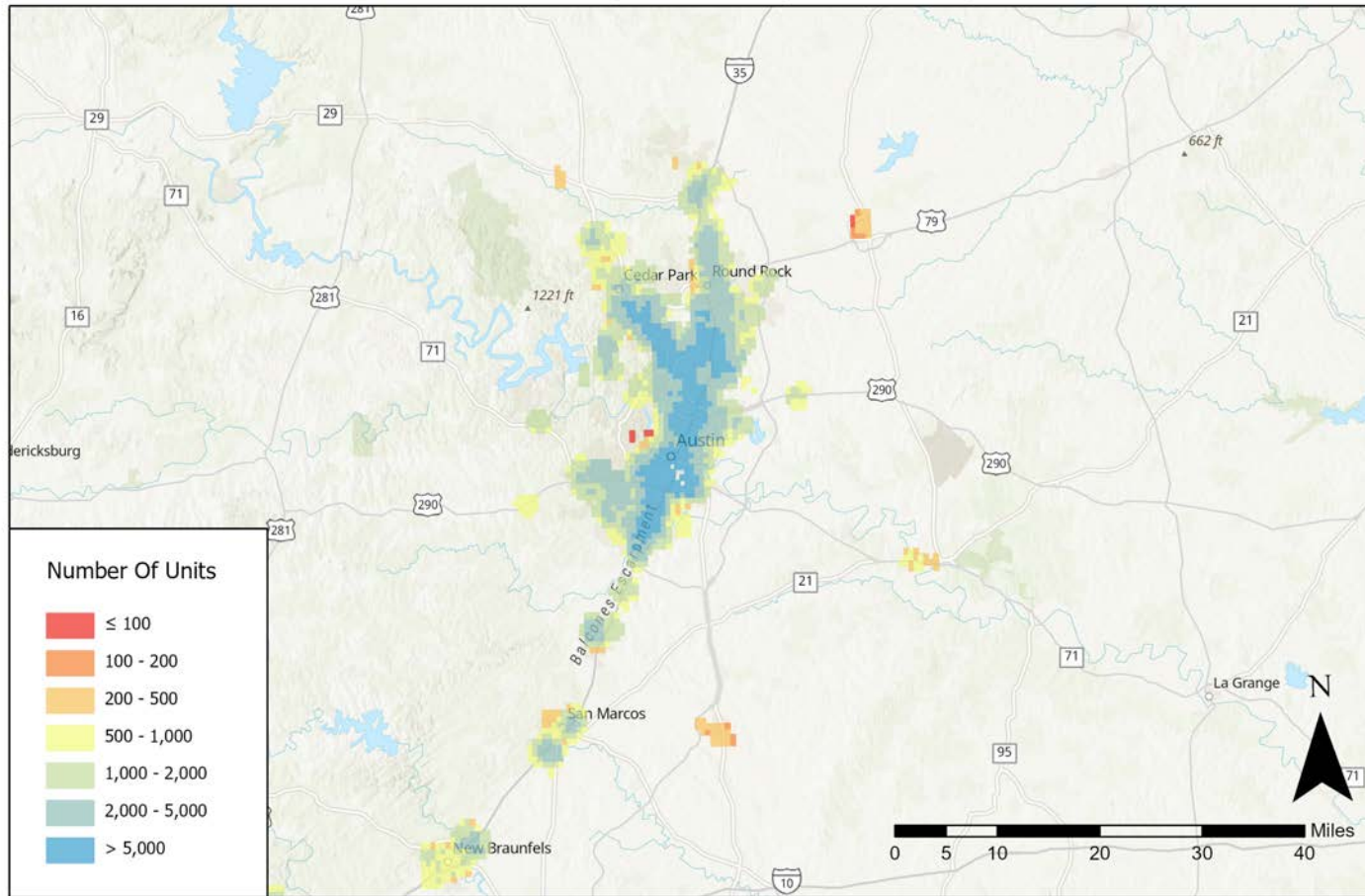


Under Construction as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Metro Number of Units Multifamily LMAs (Q1 2023)



Source: Costar, Esri, USGS, Austin Community College, Baylor University, City of Austin, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

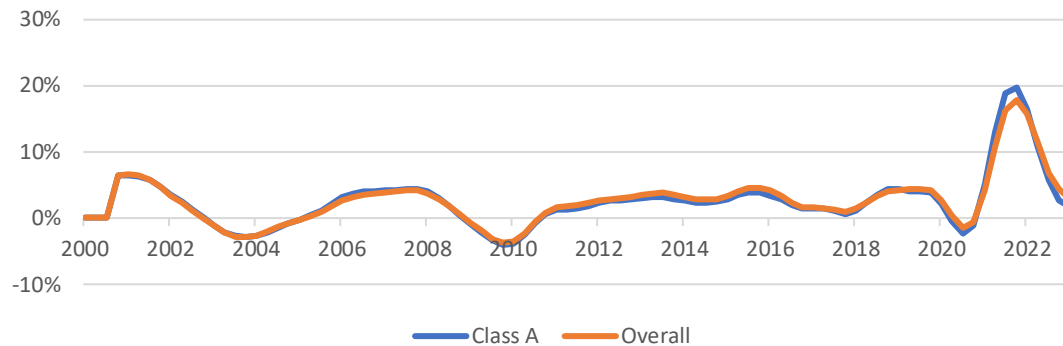
Local Market Area (LMA) Definitions

Austin Apartment Market *rent*

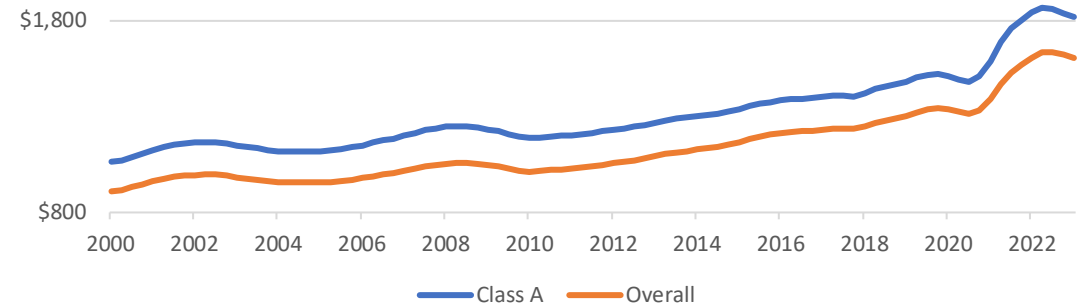
		Current	Previous Quarter	Previous Year
Effective Rent Per Unit	Class A	\$1,815	\$1,835	\$1,842
Effective Rent Per Unit	Overall	\$1,603	\$1,619	\$1,607
Effective Rent Per SF	Class A	\$1.99	2.01	2.02
Effective Rent Per SF	Overall	\$1.83	1.85	1.84

Larger
Smaller
 Than Current

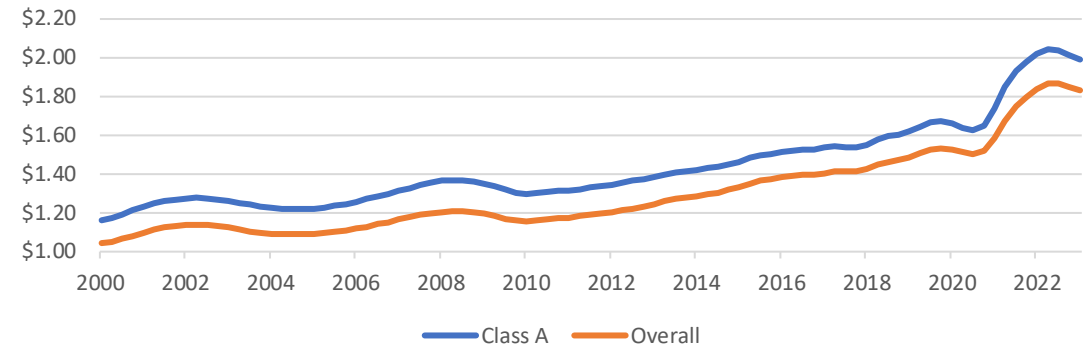
Year over Year Growth in Effective Rent



Effective Rent Per Unit

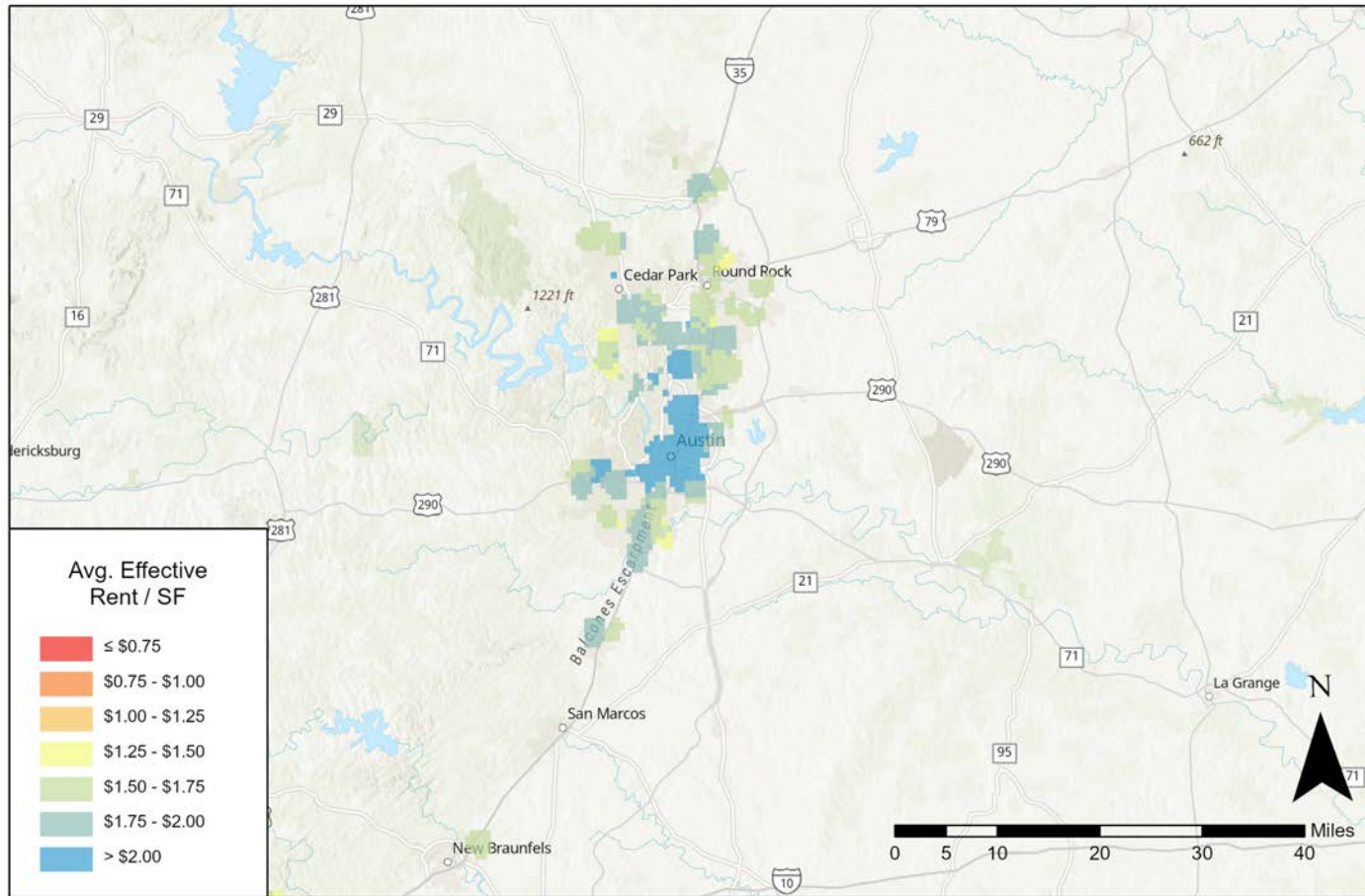


Effective Rent Per Square Foot



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Metro Average Effective Rent / SF Class A Multifamily LMAs (Q1 2023)



Source: Costar, Esri, CGIAR, USGS, Austin Community College, Baylor University, City of Austin, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

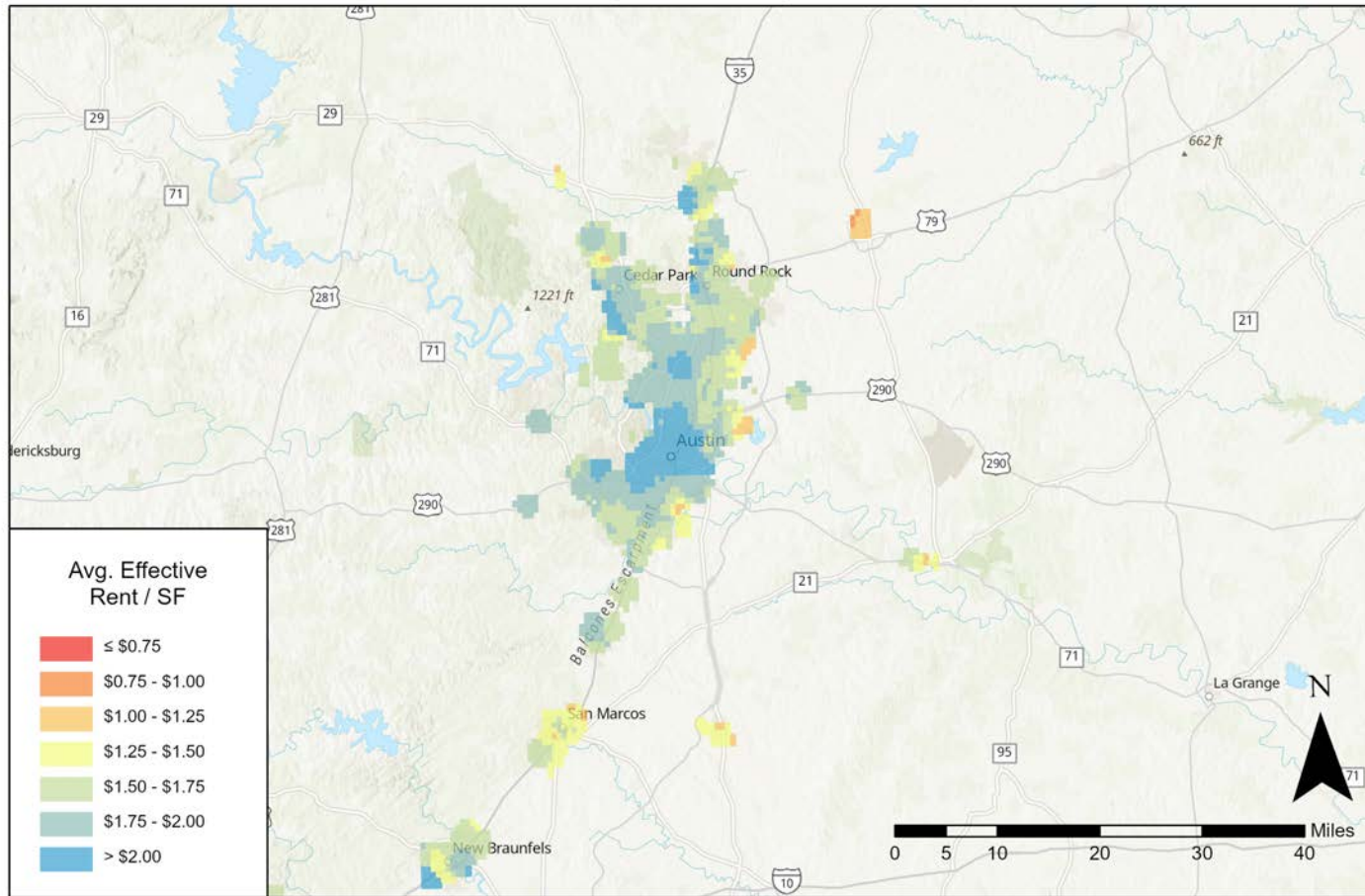
Local Market Area (LMA) Definitions

Austin Apartment Market *rent*



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Texas Real Estate Research Center

Austin Metro Average Effective Rent / SF Multifamily LMAs (Q1 2023)



Source: Costar, Esri, CGIAR, USGS, Austin Community College, Baylor University, City of Austin, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

Local Market Area (LMA) Definitions

Austin Apartment Market *rent*



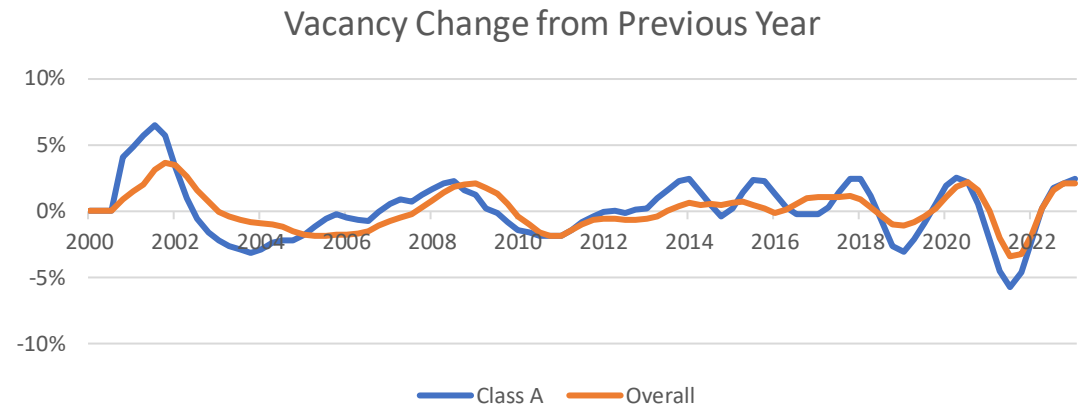
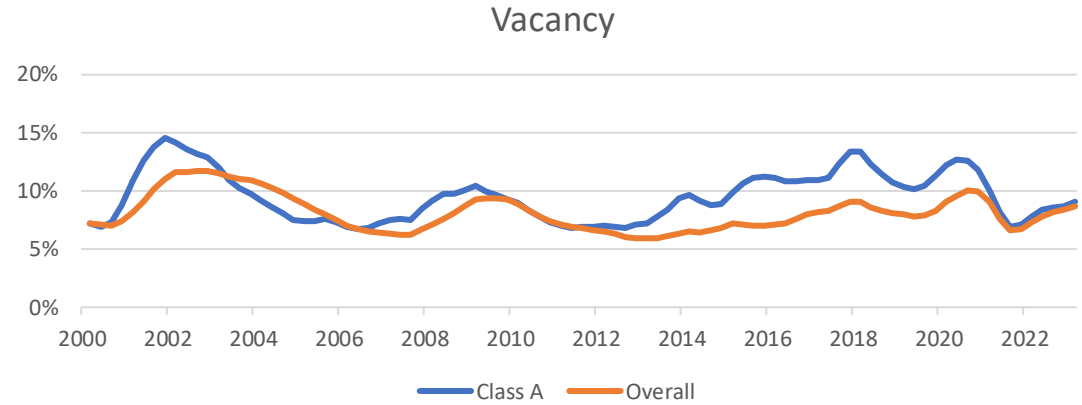
TEXAS A&M UNIVERSITY
Texas Real Estate Research Center

Austin Apartment Market *vacancy*



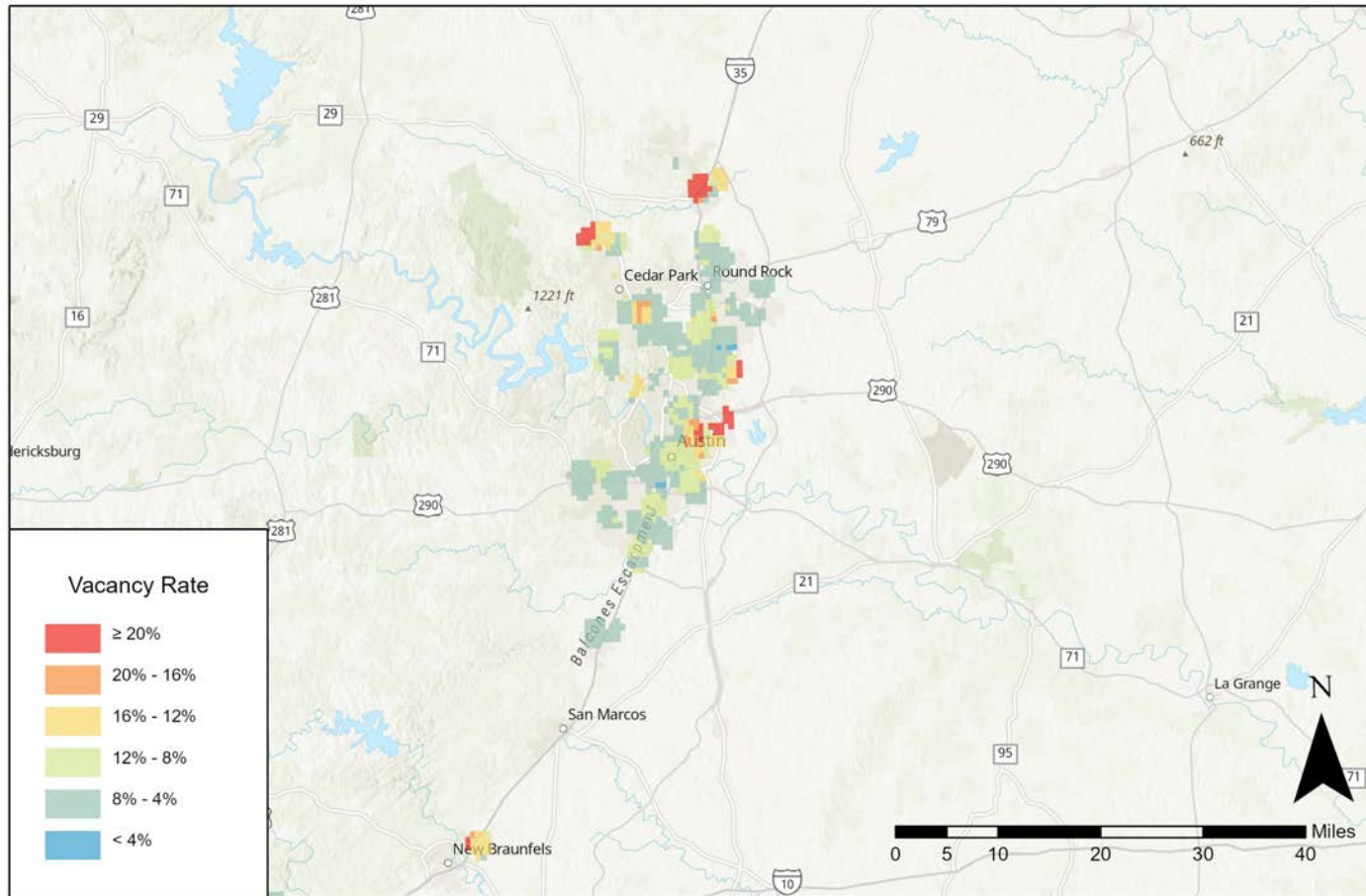
		Current	Previous Quarter	Previous Year
Vacancy Percent	Class A	9.10%	8.70%	7.83%
Vacancy Percent	Overall	8.70%	8.40%	7.27%

Larger
Smaller
 Than Current



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Metro Vacancy Class A Multifamily LMAs (Q1 2023)



Source: Costar, Esri, USGS, Austin Community College, Baylor University, City of Austin, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

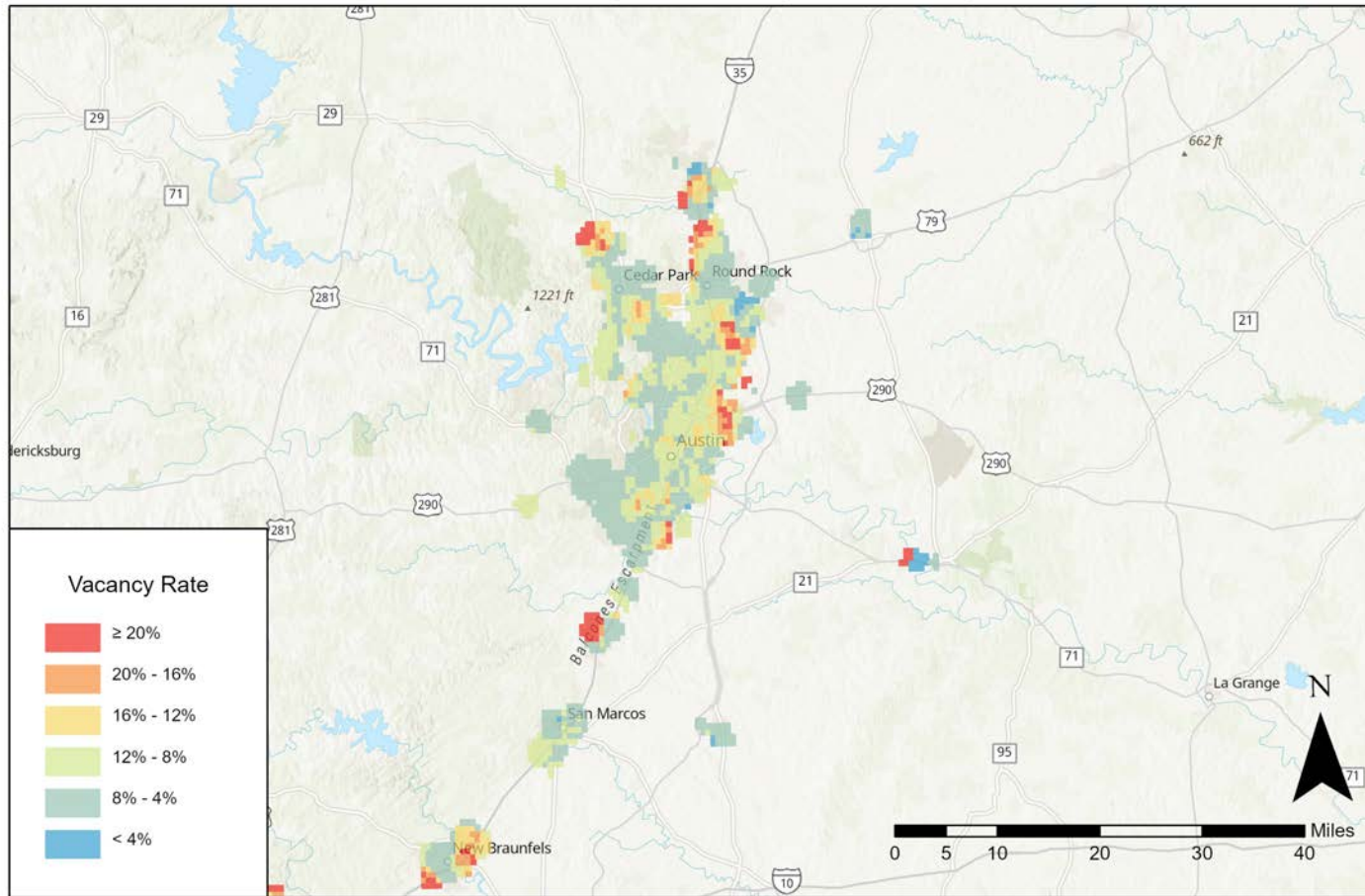
Local Market Area (LMA) Definitions

Austin Apartment Market *vacancy*



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Austin Metro Vacancy Multifamily LMAs (Q1 2023)



Source: Costar, Esri, USGS, Austin Community College, Baylor University, City of Austin, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

Local Market Area (LMA) Definitions

Austin Apartment Market *vacancy*



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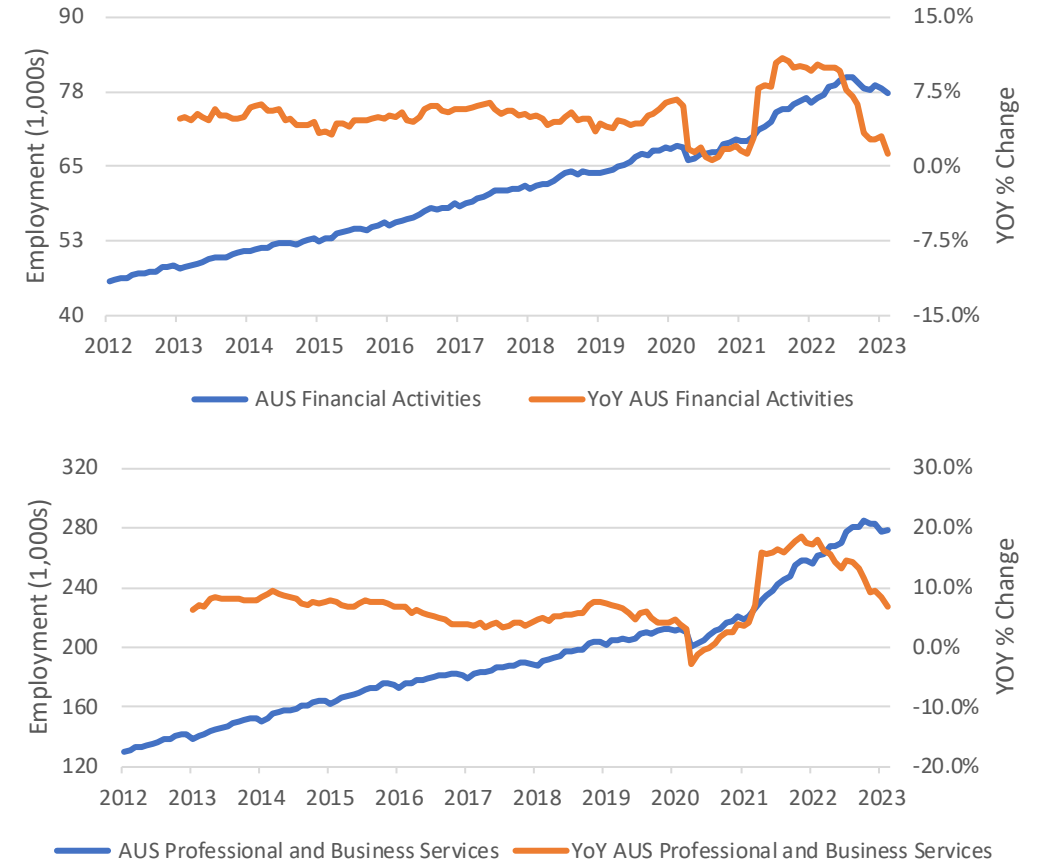
Austin Office Market *key employment trends*

AUS Financial Activities

	Feb-23	Feb-22	Change	YoY
	77,300	76,400	900	1.18%

AUS Professional and Business Services

	Feb-23	Feb-22	Change	YoY
	278,500	261,000	17,500	6.70%



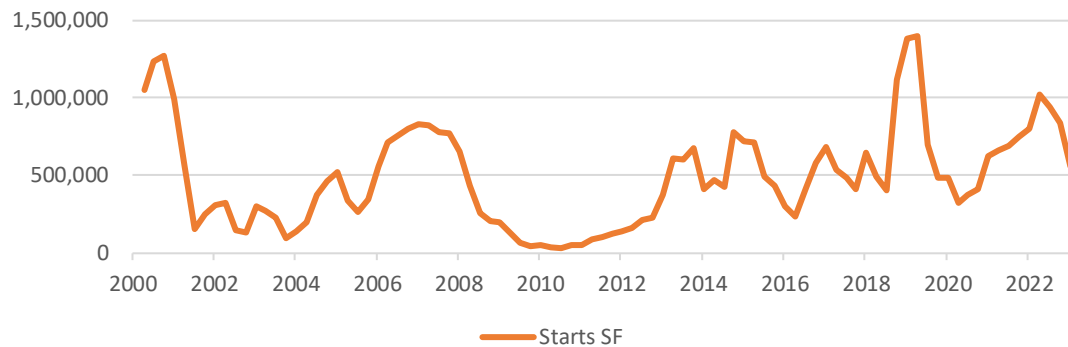
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Austin Office Market *absorption/construction*

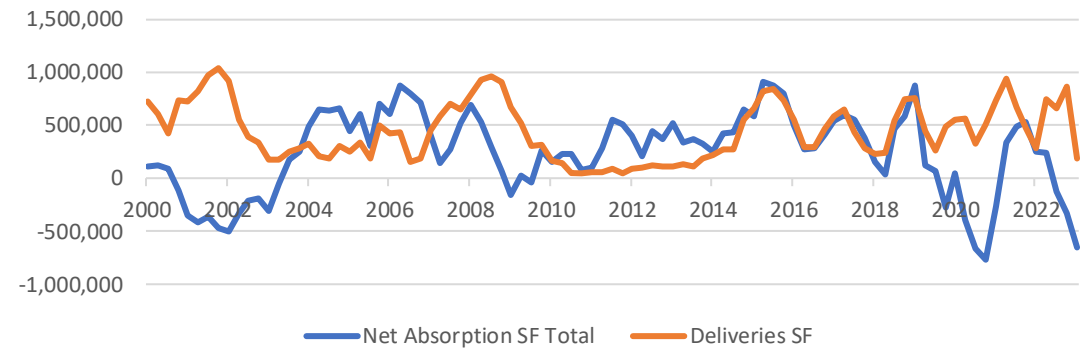
		Current	Previous Quarter	Previous Year
Starts SF	Overall	555,289	840,126	798,311
Net Absorption SF Total	Overall	-650,221	-324,799	254,521
Deliveries SF	Overall	185,695	863,671	281,590
Under Construction SF	Overall	6,442,982	6,073,388	5,549,057

Larger
Smaller
 Than Current

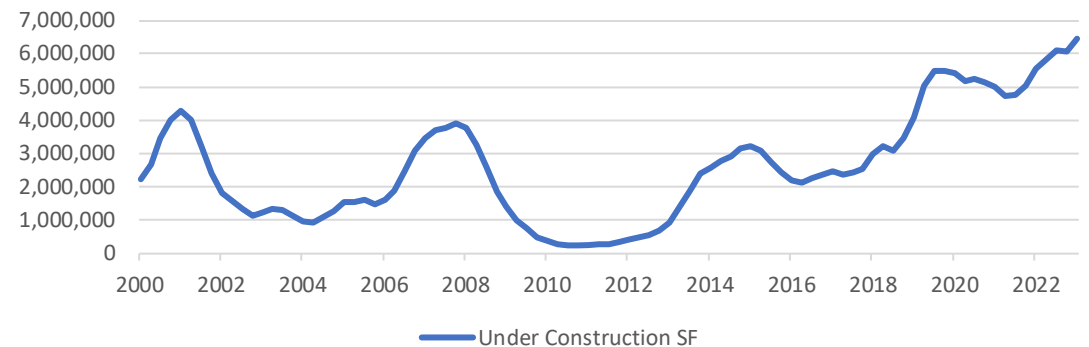
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



Sources: CoStar, Texas Real Estate Research Center

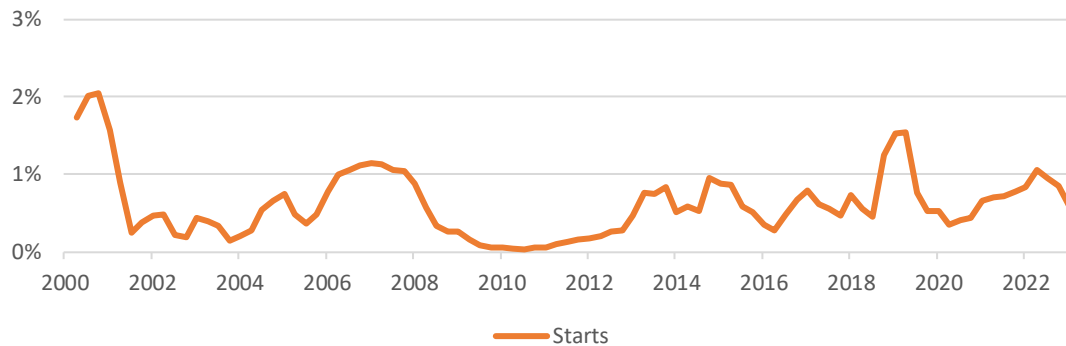
Austin Office Market *absorption/construction*



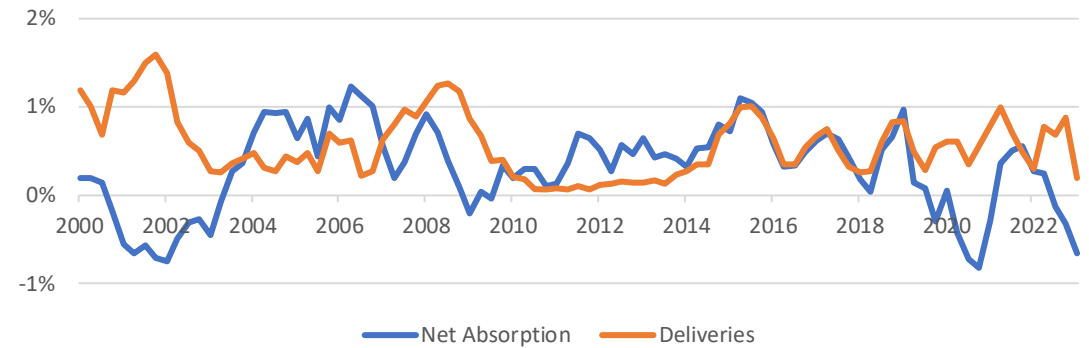
	Current	Previous Quarter	Previous Year
Starts Percent	0.56%	0.86%	0.83%
Under Construction Percent	6.55%	6.18%	5.76%
Absorption Percent	-0.66%	-0.33%	0.26%
Deliveries Percent	0.19%	0.88%	0.29%

Larger
Smaller
 Than Current

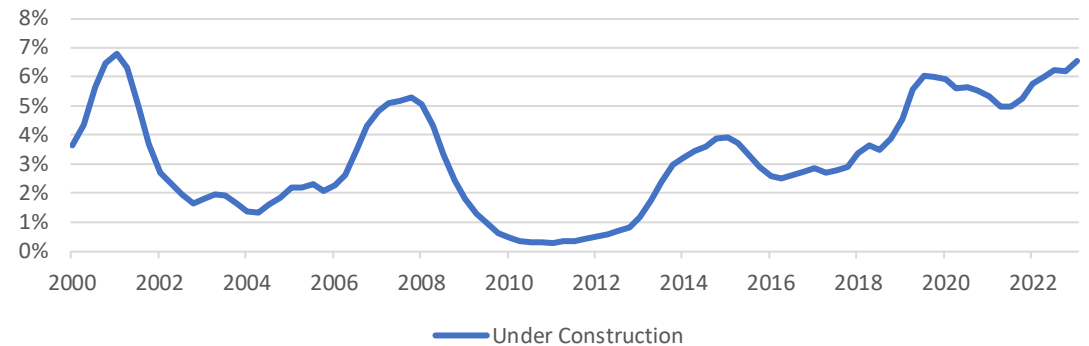
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

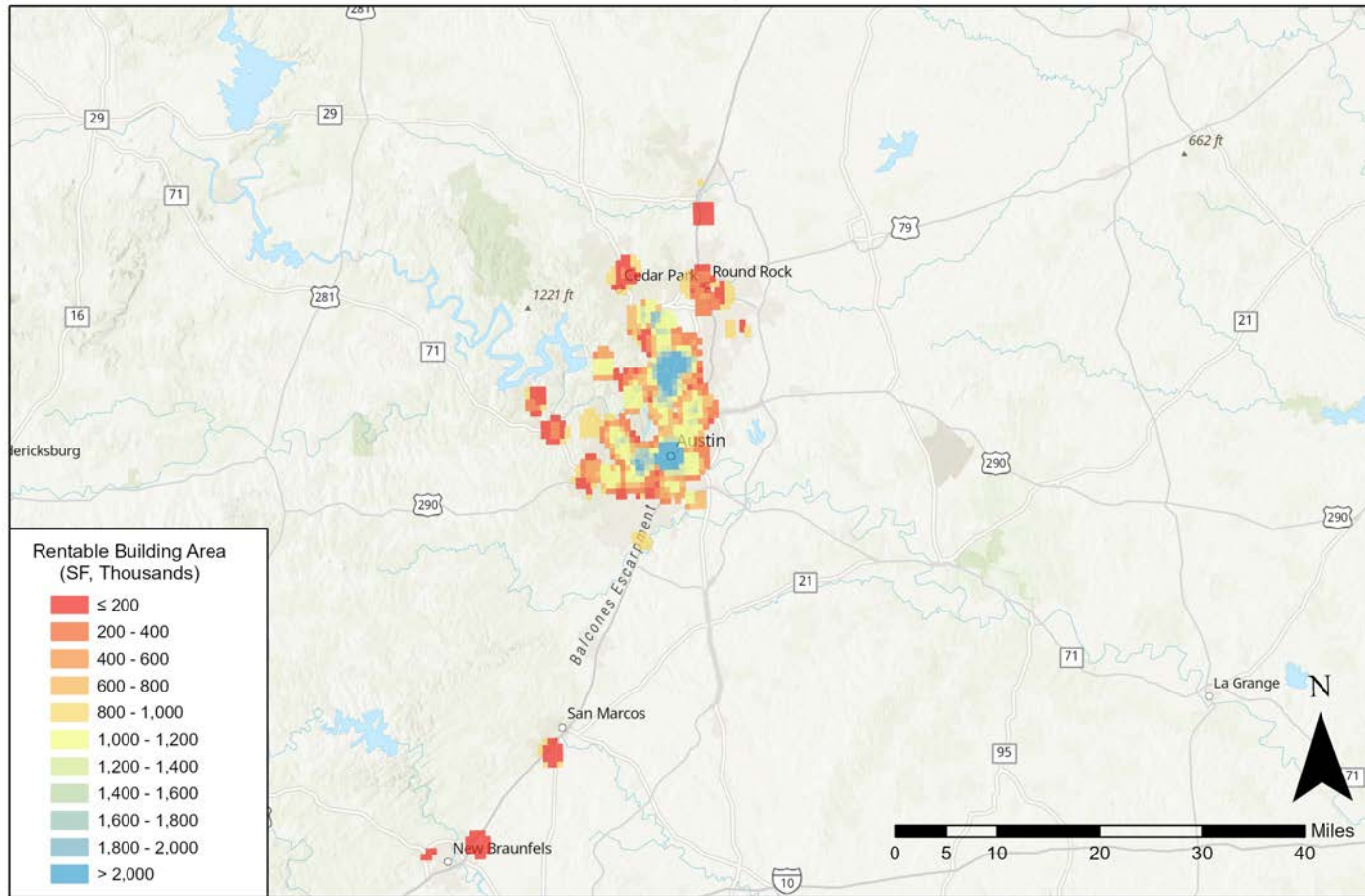


Under Construction as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Metro Rentable Building Area Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

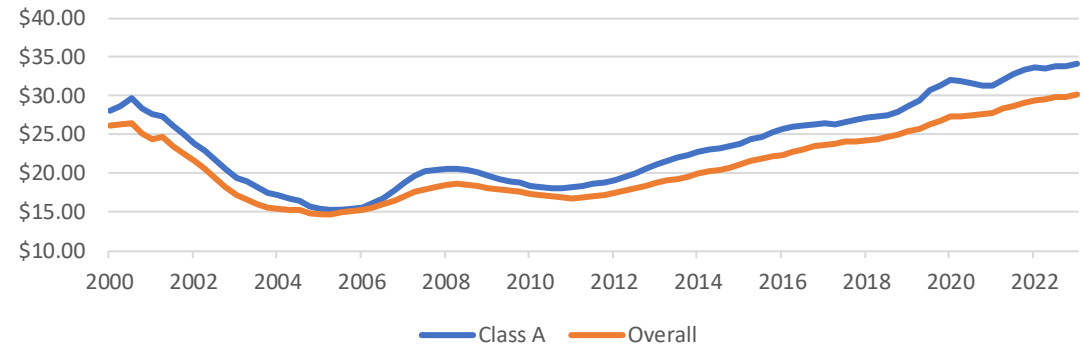
Austin Office Market *rent*



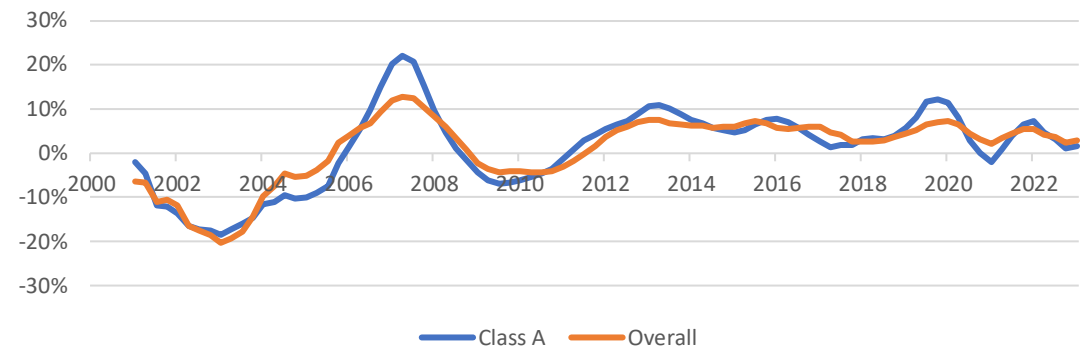
		Current	Previous Quarter	Previous Year
Base Rent	Class A	\$34.12	\$33.73	\$33.59
Base Rent	Overall	\$30.16	\$29.79	\$29.35

Larger
Smaller
 Than Current

Base Rent per square foot

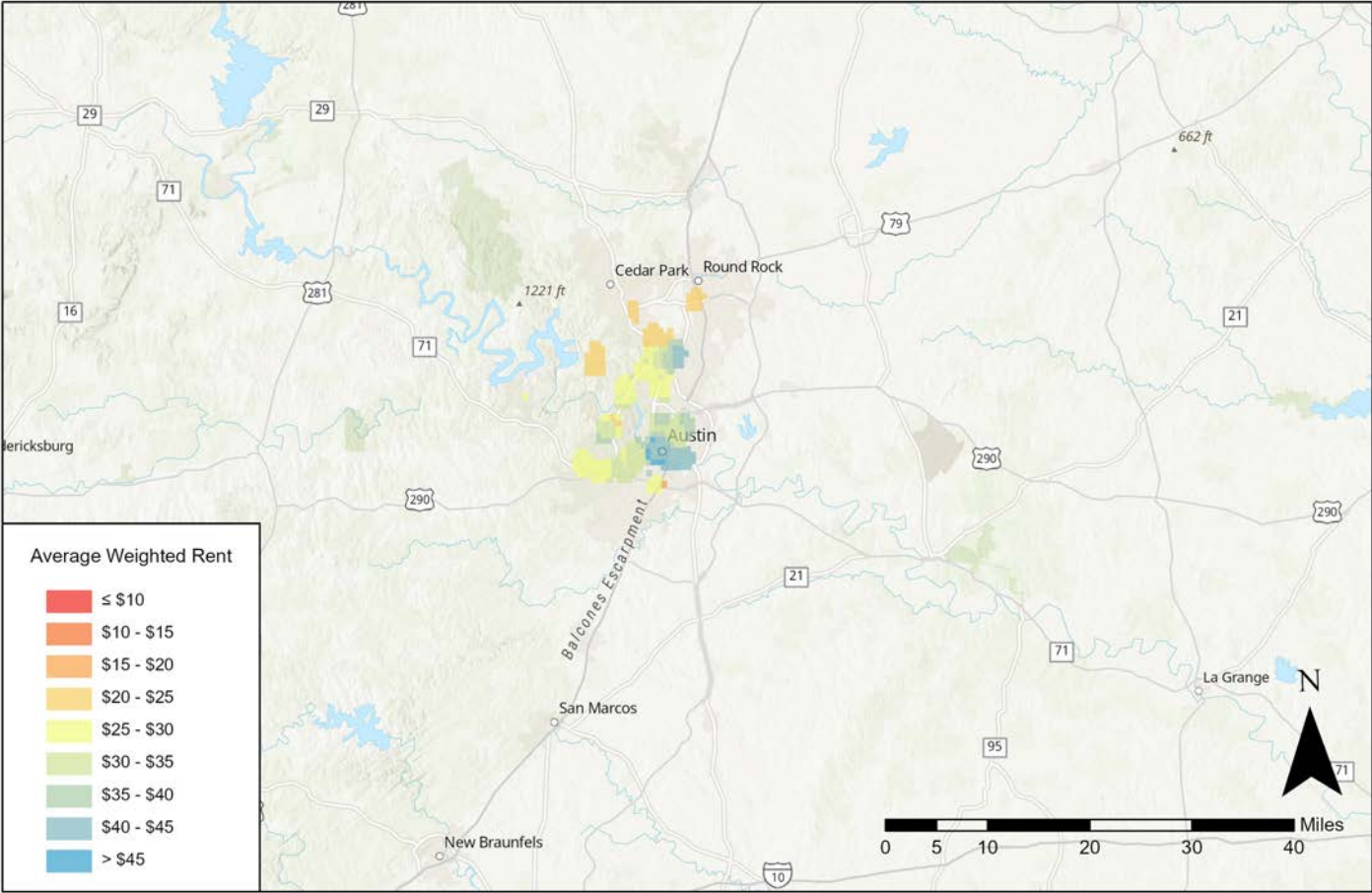


Base Rent YoY Growth



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

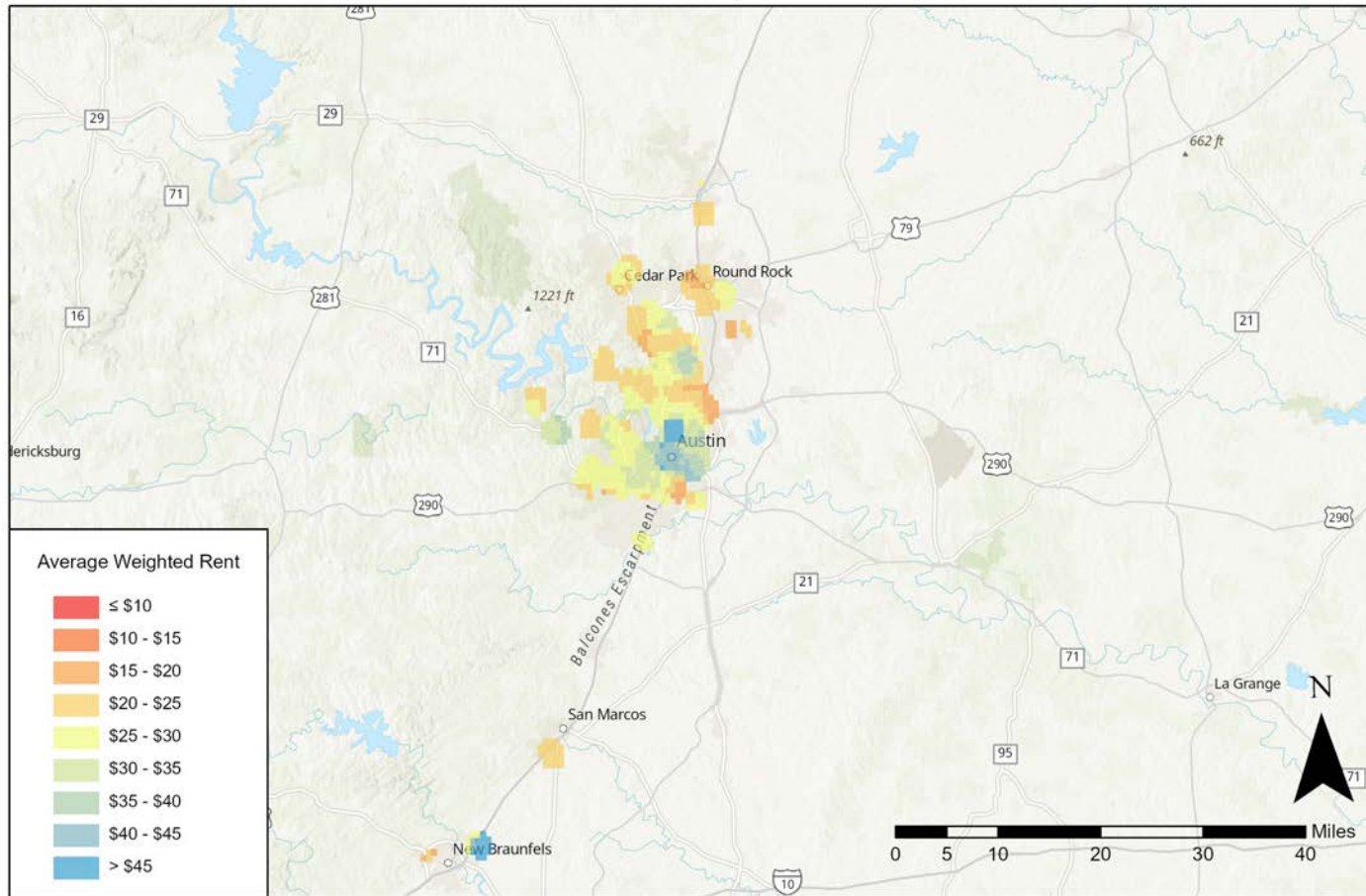
Austin Metro Average Weighted Rent Class A Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Austin Metro Average Weighted Rent Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Austin Office Market *rent*



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Austin Office Market *vacancy*



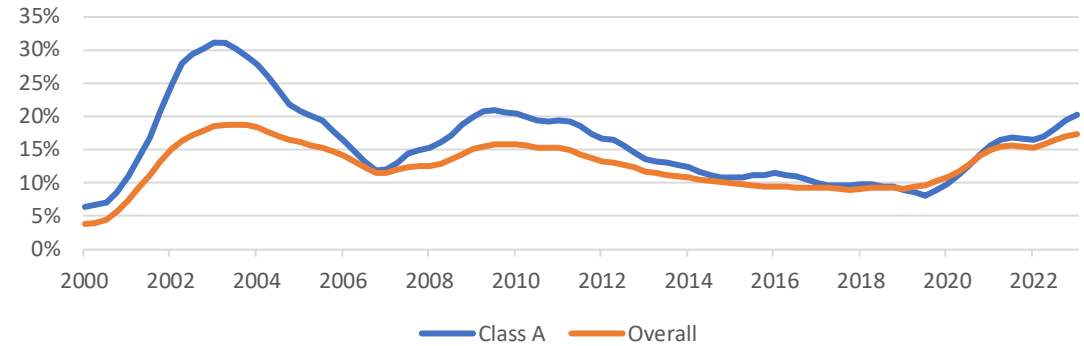
Vacant Percent % Total
 Vacant Percent % Total
 Availability less Vacancy
 Availability less Vacancy

Class A
 Overall
 Class A
 Overall

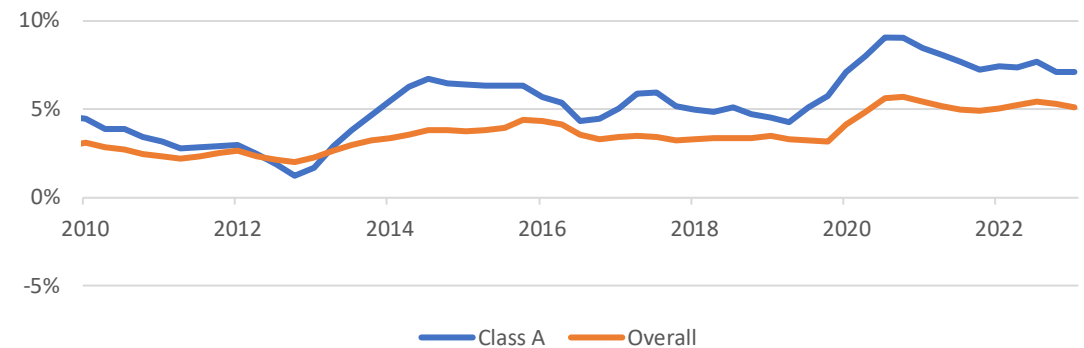
	Current	Previous Quarter	Previous Year
Class A	20.20%	19.40%	16.40%
Overall	17.40%	17.00%	15.33%
Class A	7.10%	7.10%	7.40%
Overall	5.10%	5.30%	5.03%

Larger Than Current
 Smaller Than Current

Vacancy

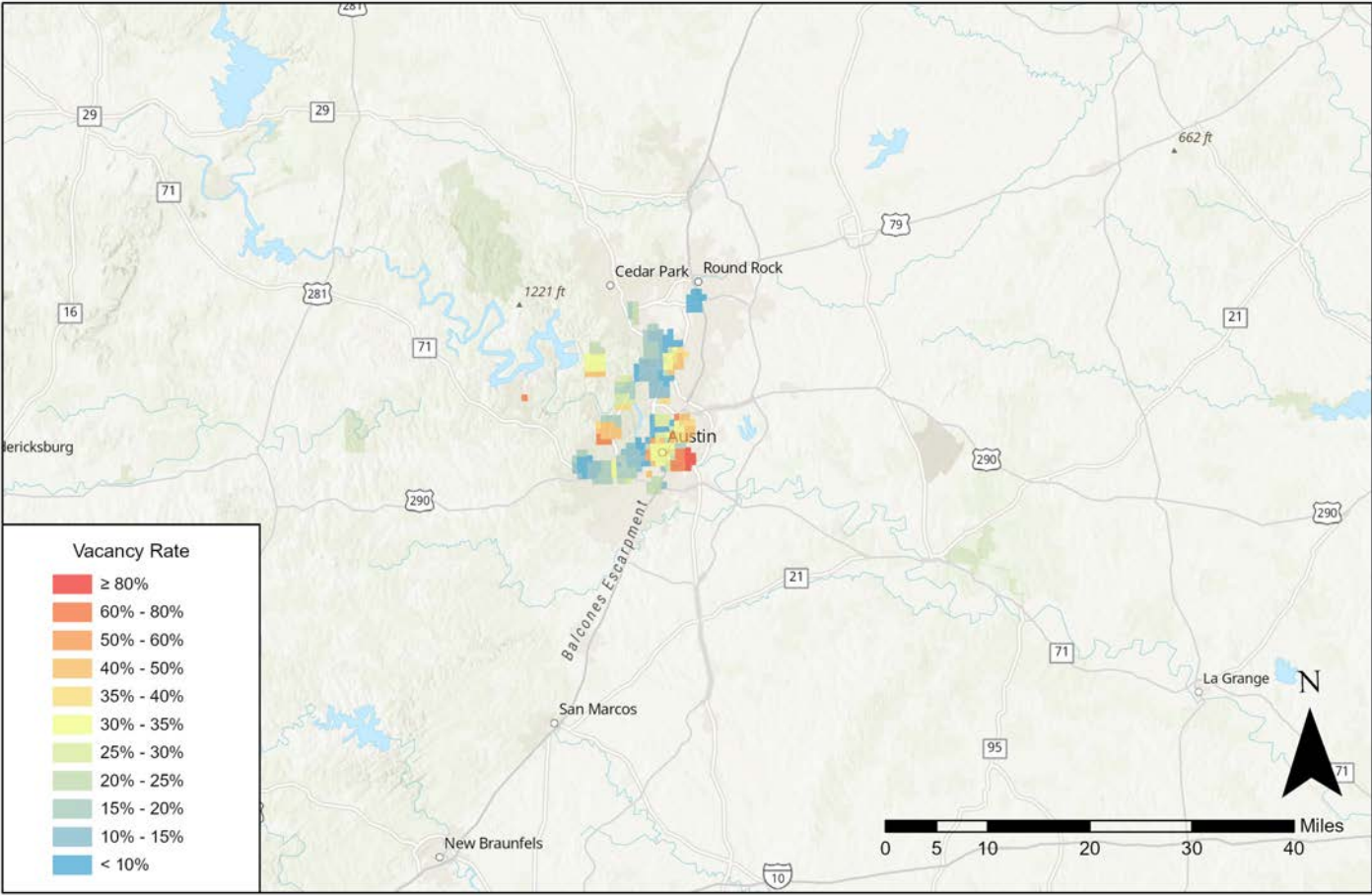


Availability less Vacancy



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Metro Vacancy Class A Office LMAs (Q4 2022)



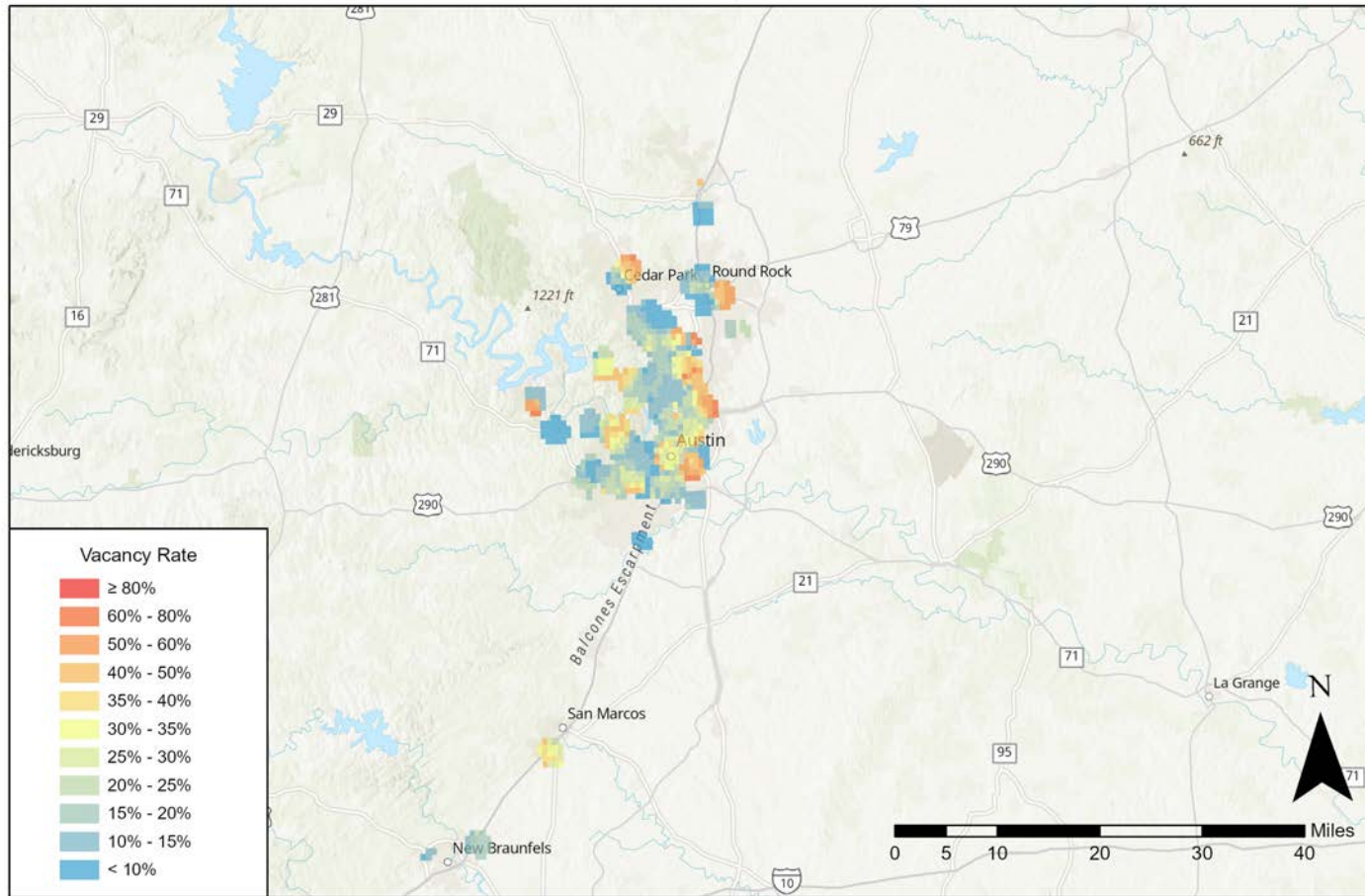
Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Austin Office Market *vacancy*



Austin Metro Vacancy Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Austin Office Market *vacancy*



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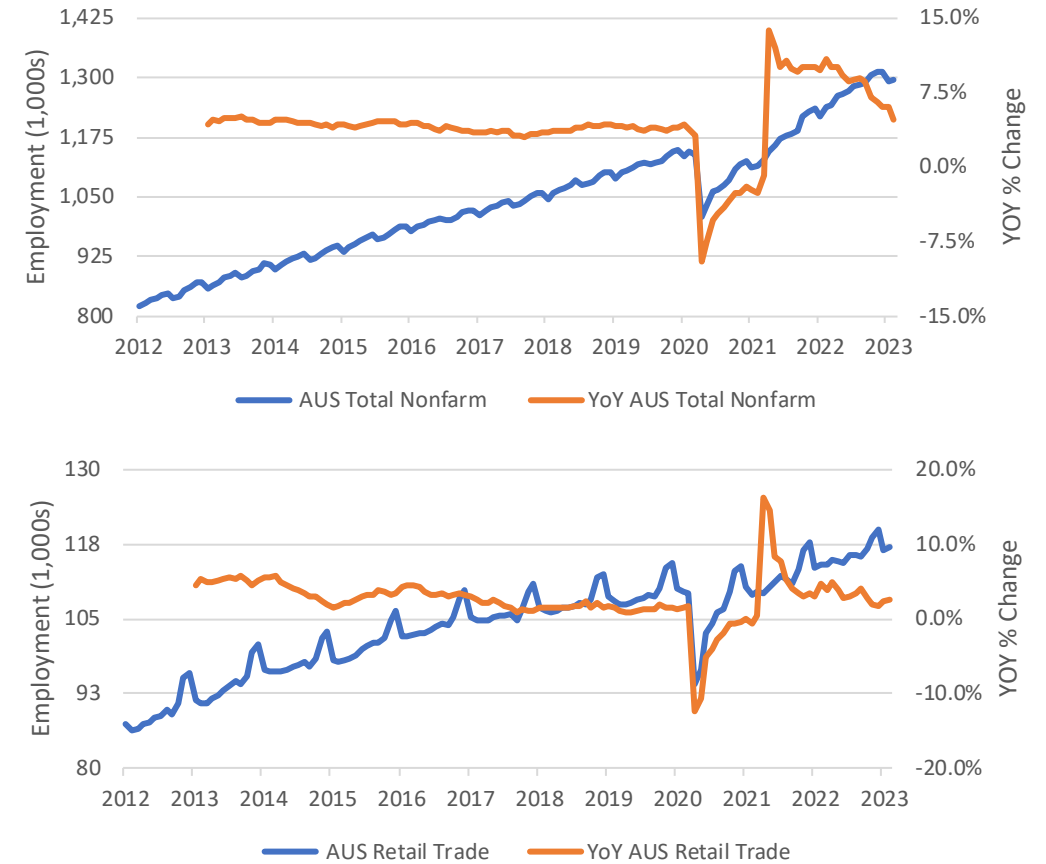
Austin Retail Market *key employment trends*

AUS Total Nonfarm

Feb-23	Feb-22	Change	YoY
1,296,200	1,237,400	58,800	4.75%

AUS Retail Trade

Feb-23	Feb-22	Change	YoY
117,000	114,100	2,900	2.54%



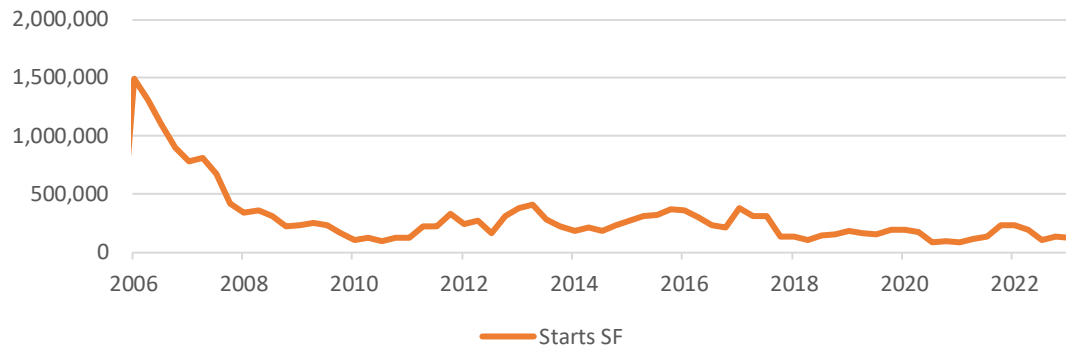
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Austin Retail Market *absorption/construction*

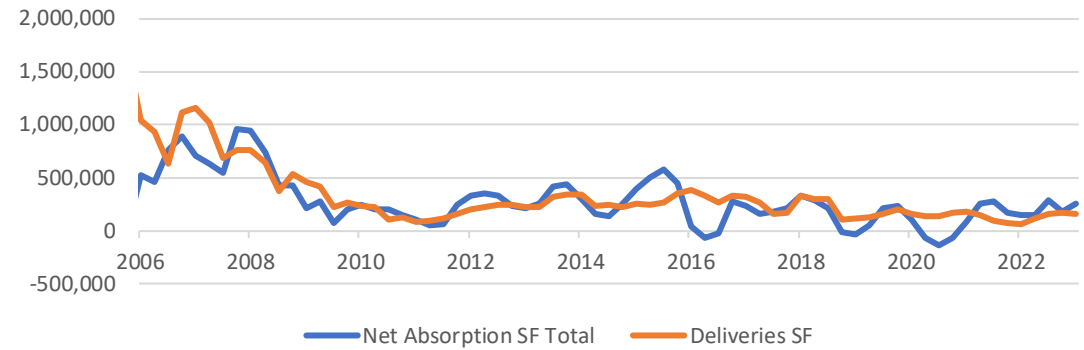
		Current	Previous Quarter	Previous Year
Starts SF	Overall	125,580	136,177	232,208
Net Absorption SF Total	Overall	253,508	176,354	148,103
Deliveries SF	Overall	161,478	169,109	64,625
Under Construction SF	Overall	713,291	749,190	759,407

Larger
Smaller
 Than Current

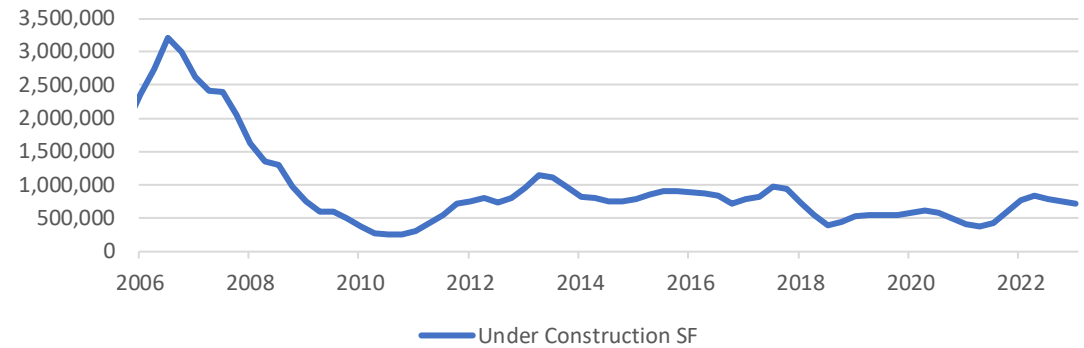
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage

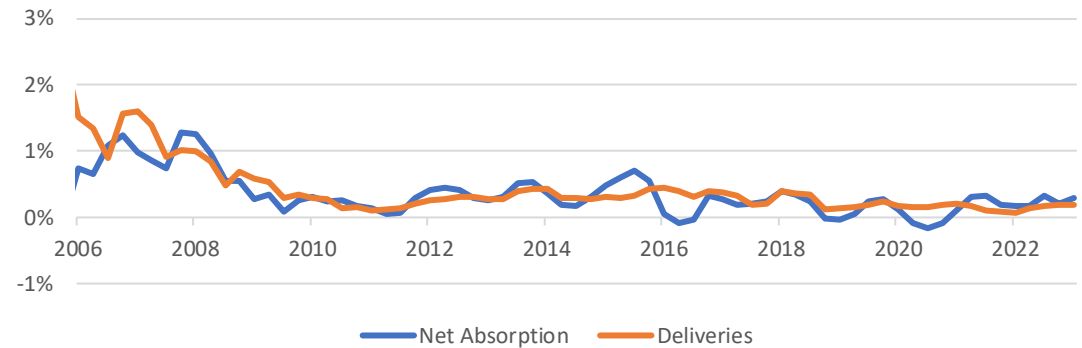


Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

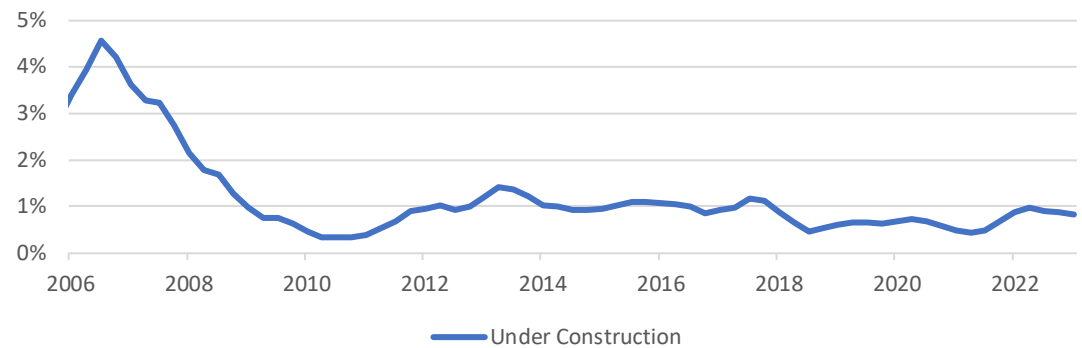
Austin Retail Market *absorption/construction*



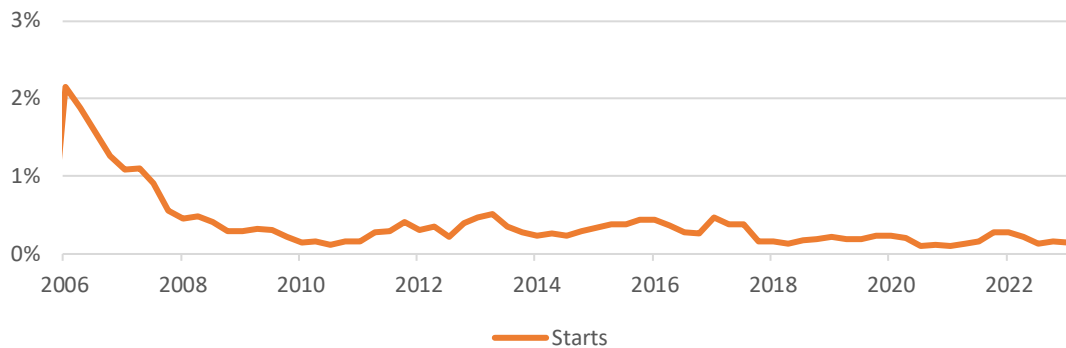
Absorption and Deliveries as Percent of Inventory



Under Construction as Percent of Inventory



Starts as Percent of Inventory



	Current	Previous Quarter	Previous Year
Starts Percent	0.15%	0.16%	0.27%
Under Construction Percent	0.83%	0.87%	0.88%
Absorption Percent	0.29%	0.20%	0.17%
Deliveries Percent	0.19%	0.20%	0.08%

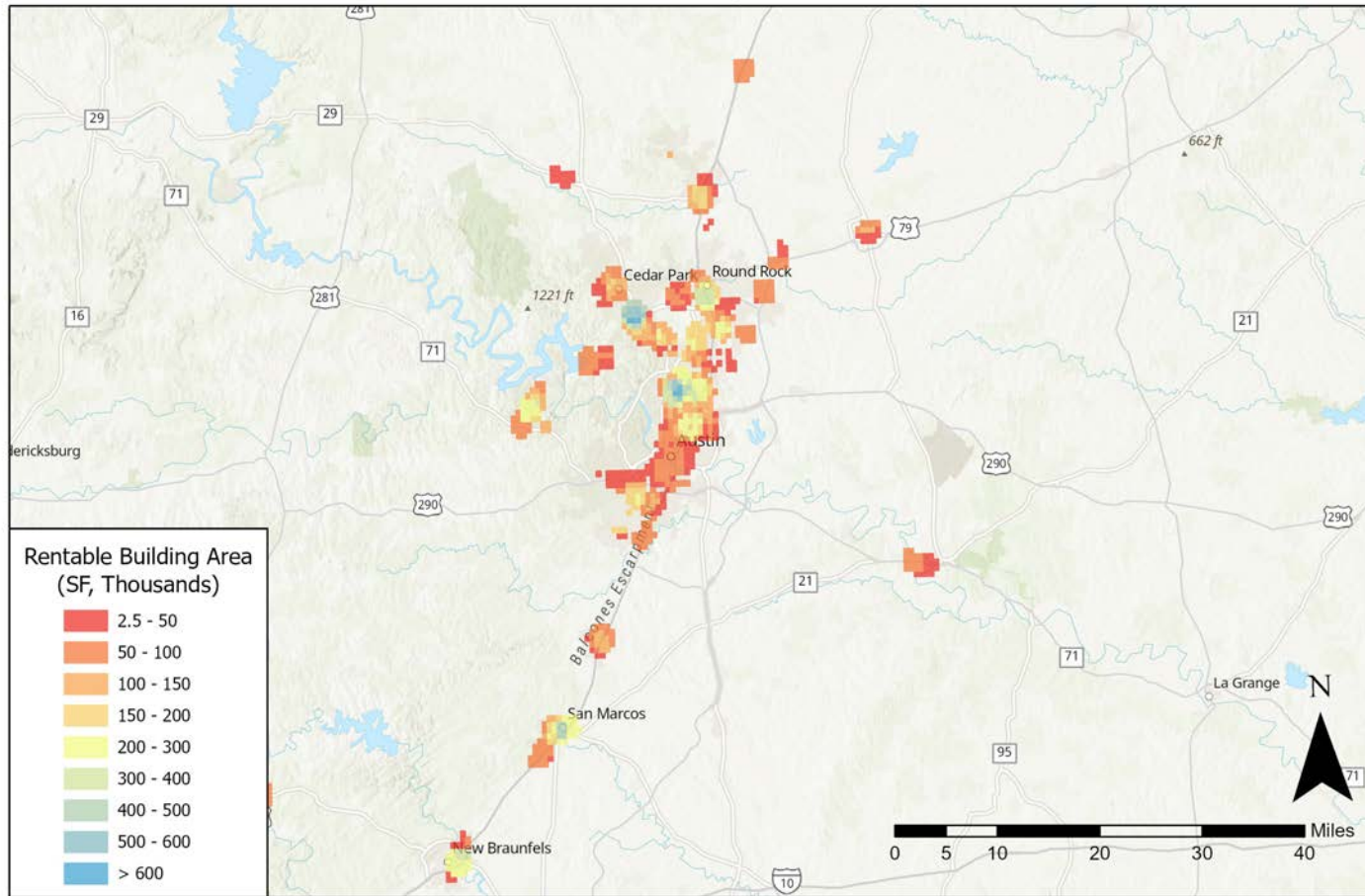
Larger Than Current
Smaller Than Current

Starts Percent
Under Construction Percent
Absorption Percent
Deliveries Percent

Overall
Overall
Overall
Overall

Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Metro Rentable Building Area Retail LMAs (Q2 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

[Local Market Area \(LMA\) Definitions](#)

Austin Retail Market *rent*



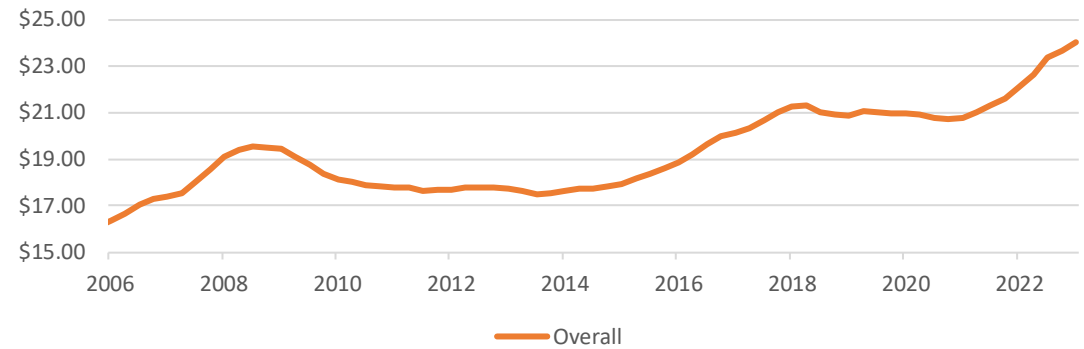
NNN Rent Overall

Overall

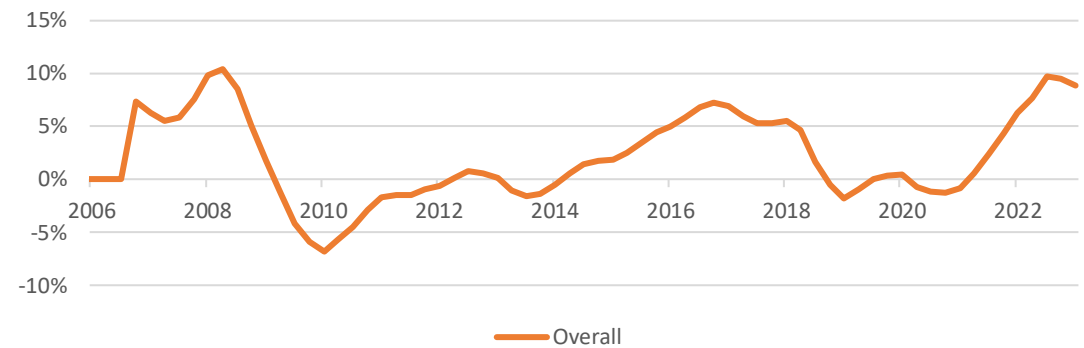
Current	Previous Quarter	Previous Year
\$24.04	\$23.68	\$22.09

Larger
Smaller
 Than Current

NNN Rent

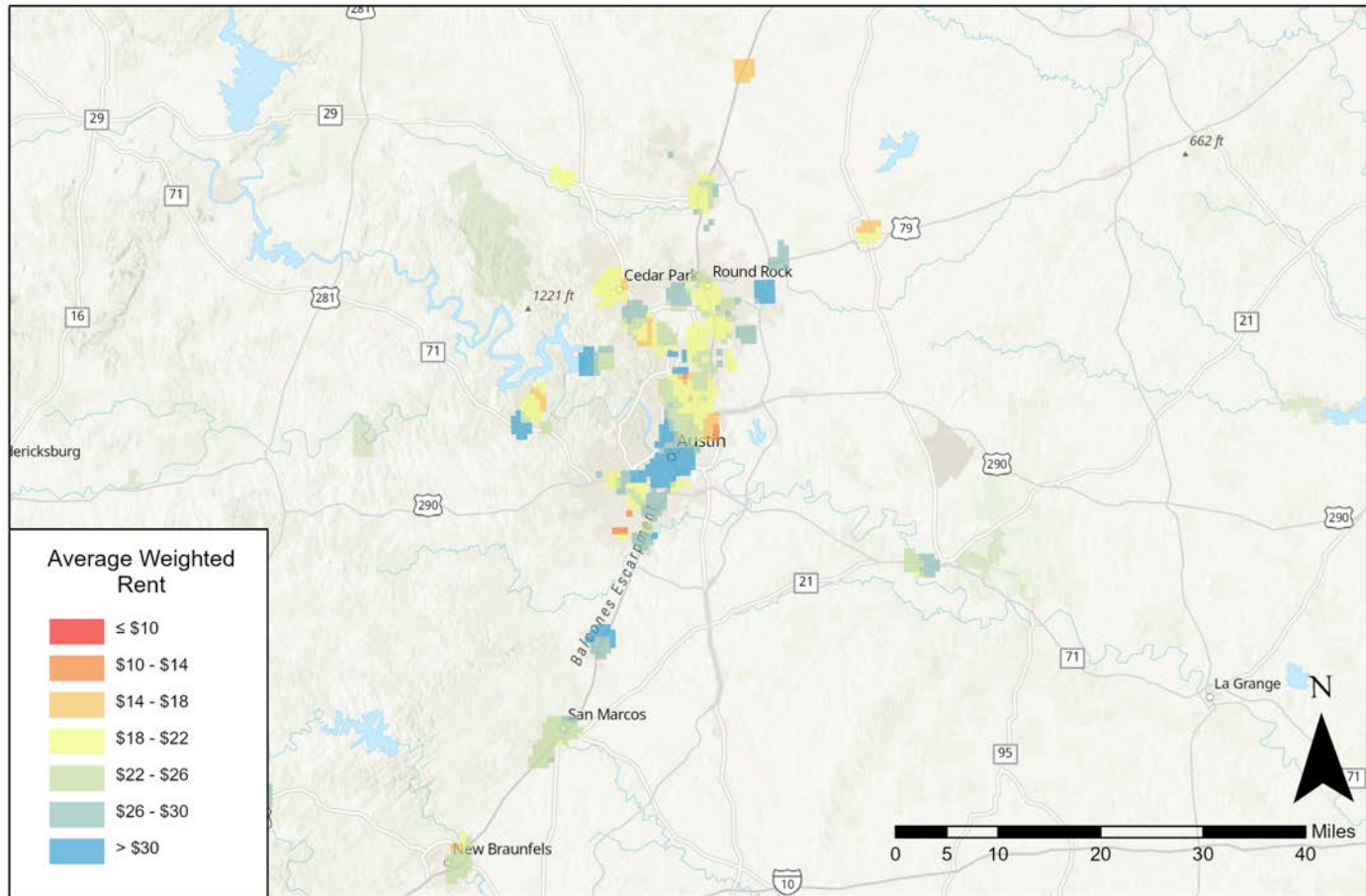


NNN Rent YoY Growth



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Metro Average Weighted Rent Retail LMAs (Q2 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Austin Retail Market *rent*



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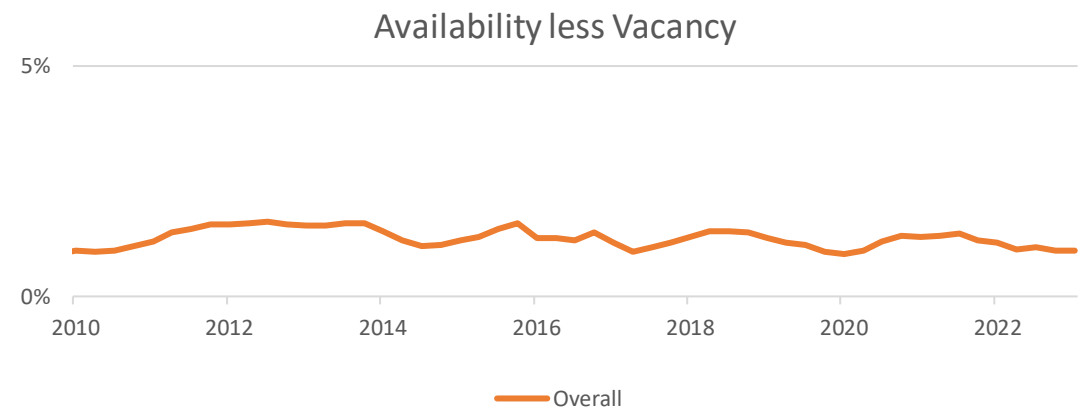
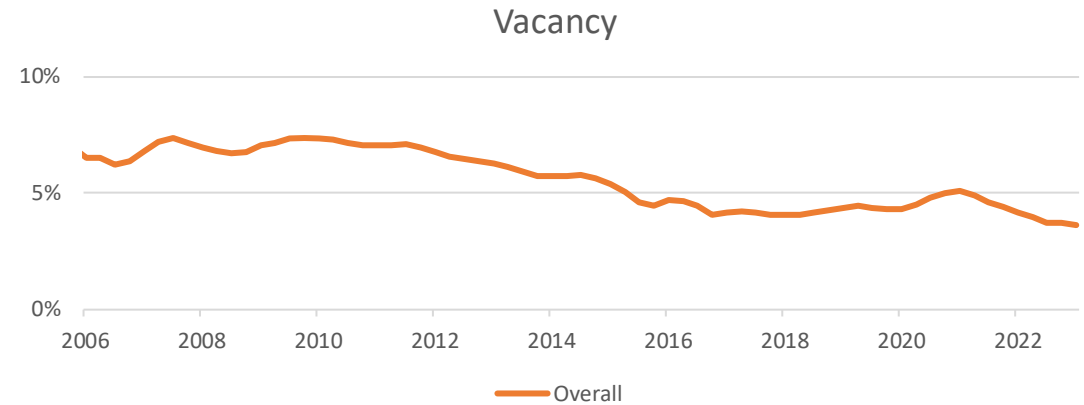
Austin Retail Market *vacancy*



Vacant Percent % Total
Availability less Vacancy

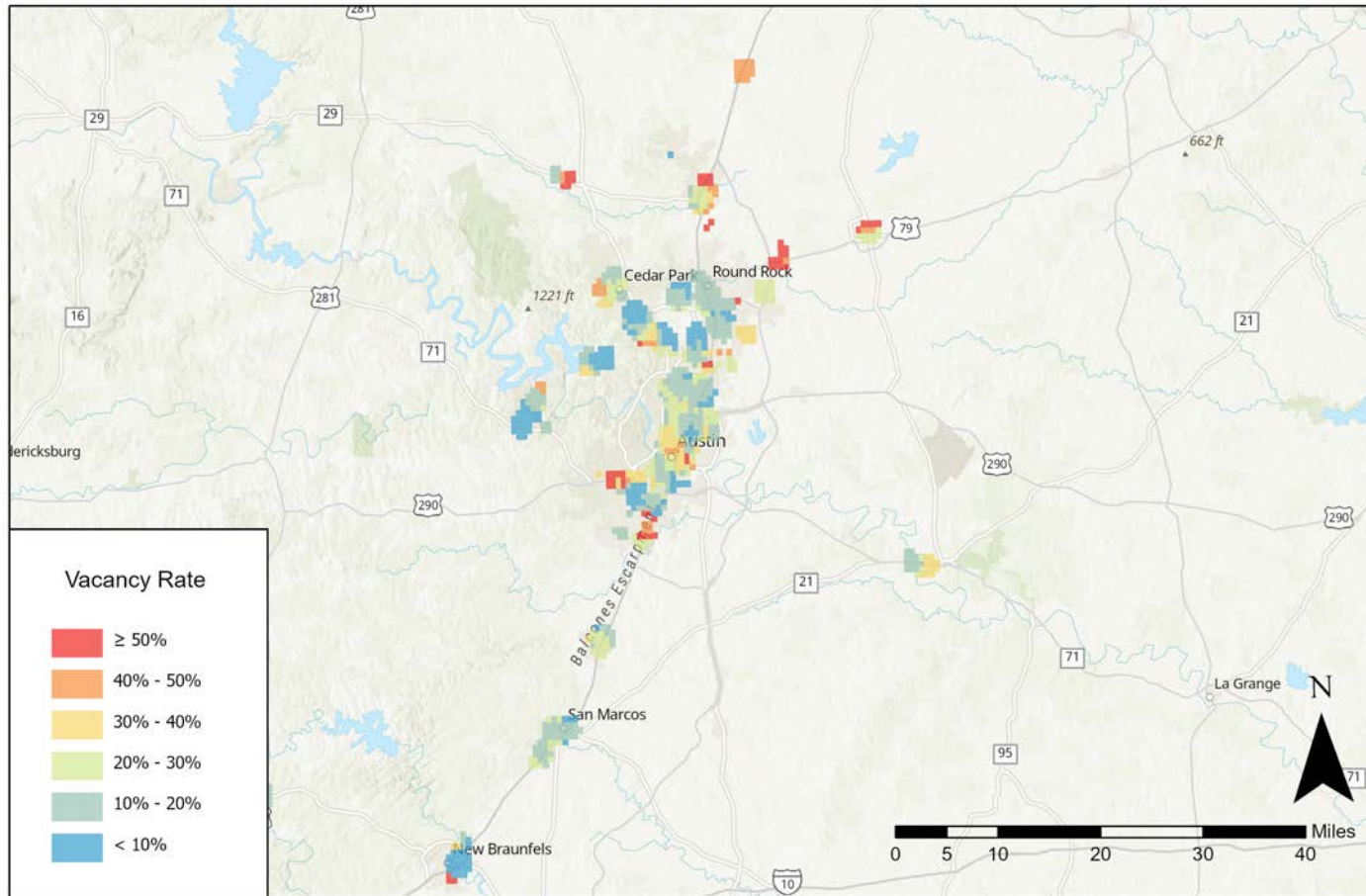
	Current	Previous Quarter	Previous Year
Overall	3.60%	3.70%	4.13%
Overall	1.00%	1.00%	1.17%

Larger Than Current
Smaller Than Current



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Metro Vacancy Retail LMAs (Q2 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

[Local Market Area \(LMA\) Definitions](#)

Austin Retail Market *vacancy*

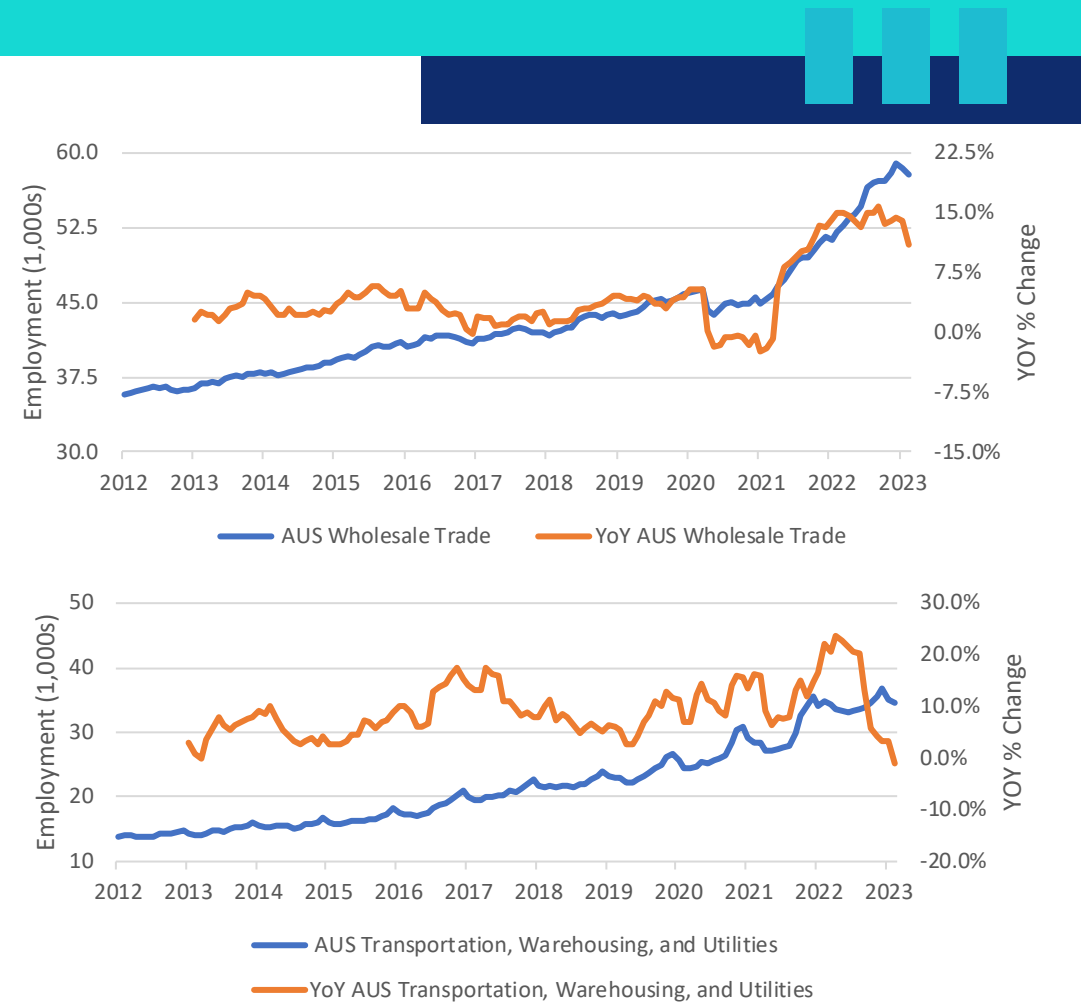


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Austin Warehouse Market *key employment trends*

	Feb-23	Feb-22	Change	YoY
AUS Wholesale Trade	57,800	52,100	5,700	10.94%

	Feb-23	Feb-22	Change	YoY
AUS Transportation, Warehousing, and Utilities	34,500	34,800	(300)	-0.86%



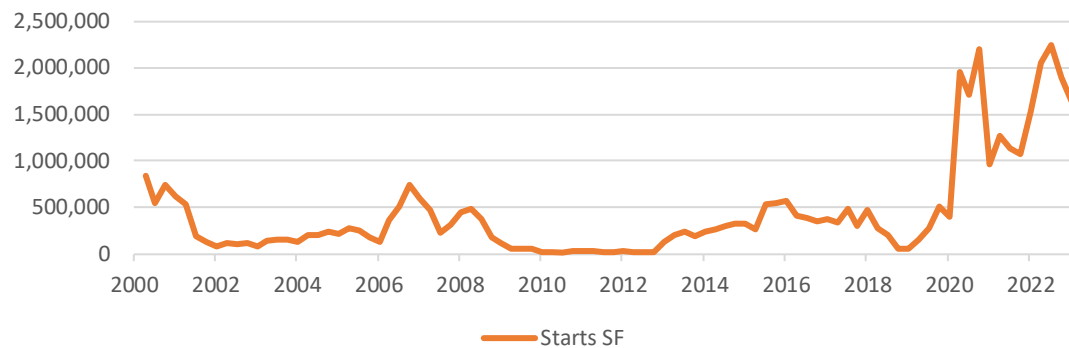
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Austin Warehouse Market *absorption/construction*

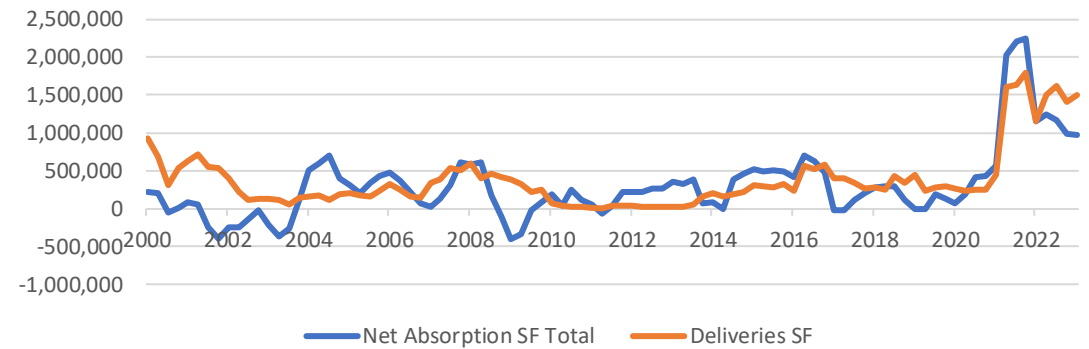
		Current	Previous Quarter	Previous Year
Starts SF	Overall	1,637,566	1,887,773	1,526,207
Net Absorption SF Total	Overall	977,477	985,039	1,157,346
Deliveries SF	Overall	1,498,649	1,409,187	1,159,215
Under Construction SF	Overall	7,098,976	6,960,060	5,308,121

Larger
Smaller
 Than Current

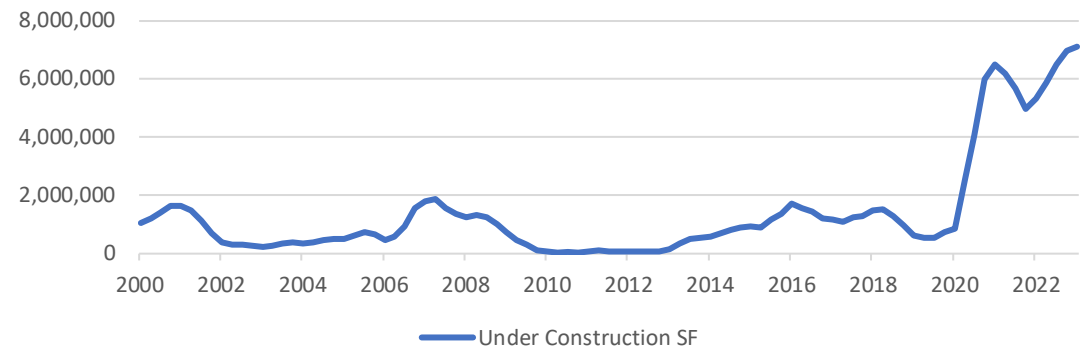
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

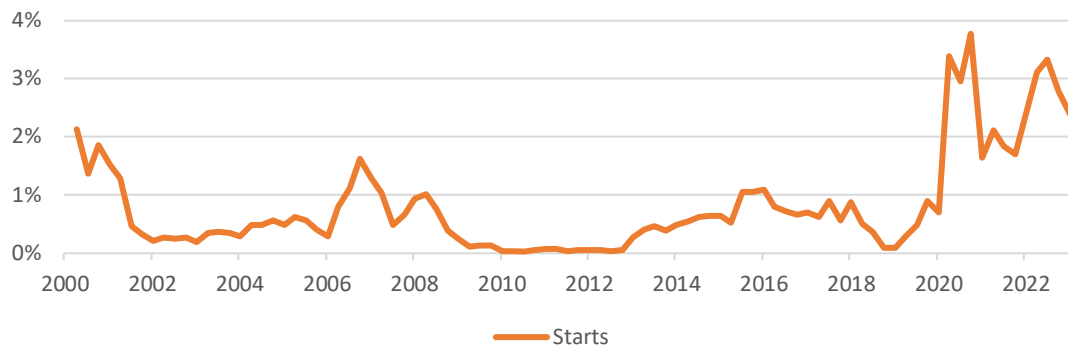
Austin Warehouse Market *absorption/construction*



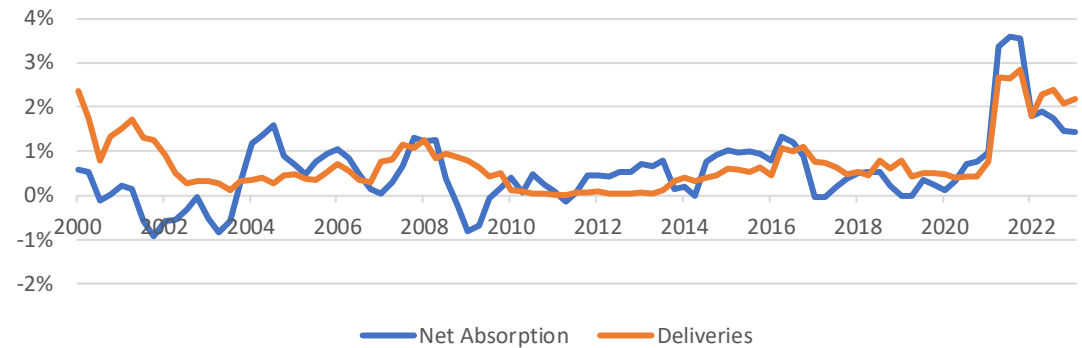
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	2.38%	2.77%	2.37%
Under Construction Percent	Overall	10.30%	10.21%	8.24%
Absorption Percent	Overall	1.42%	1.45%	1.80%
Deliveries Percent	Overall	2.18%	2.07%	1.80%

Larger
Smaller
 Than Current

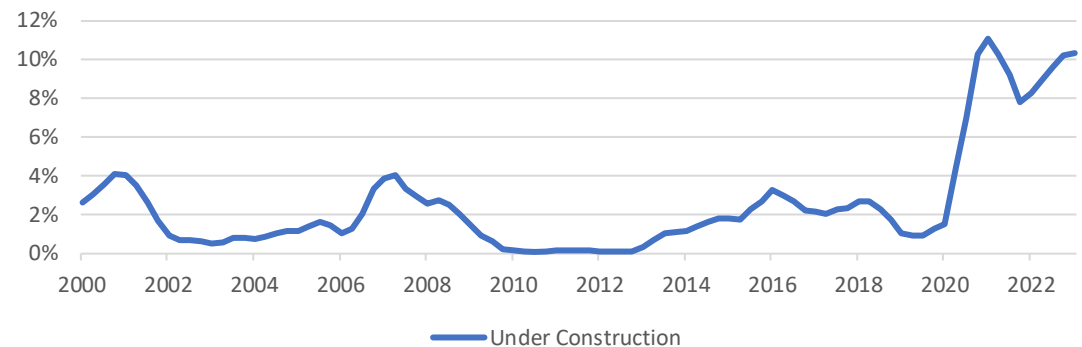
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

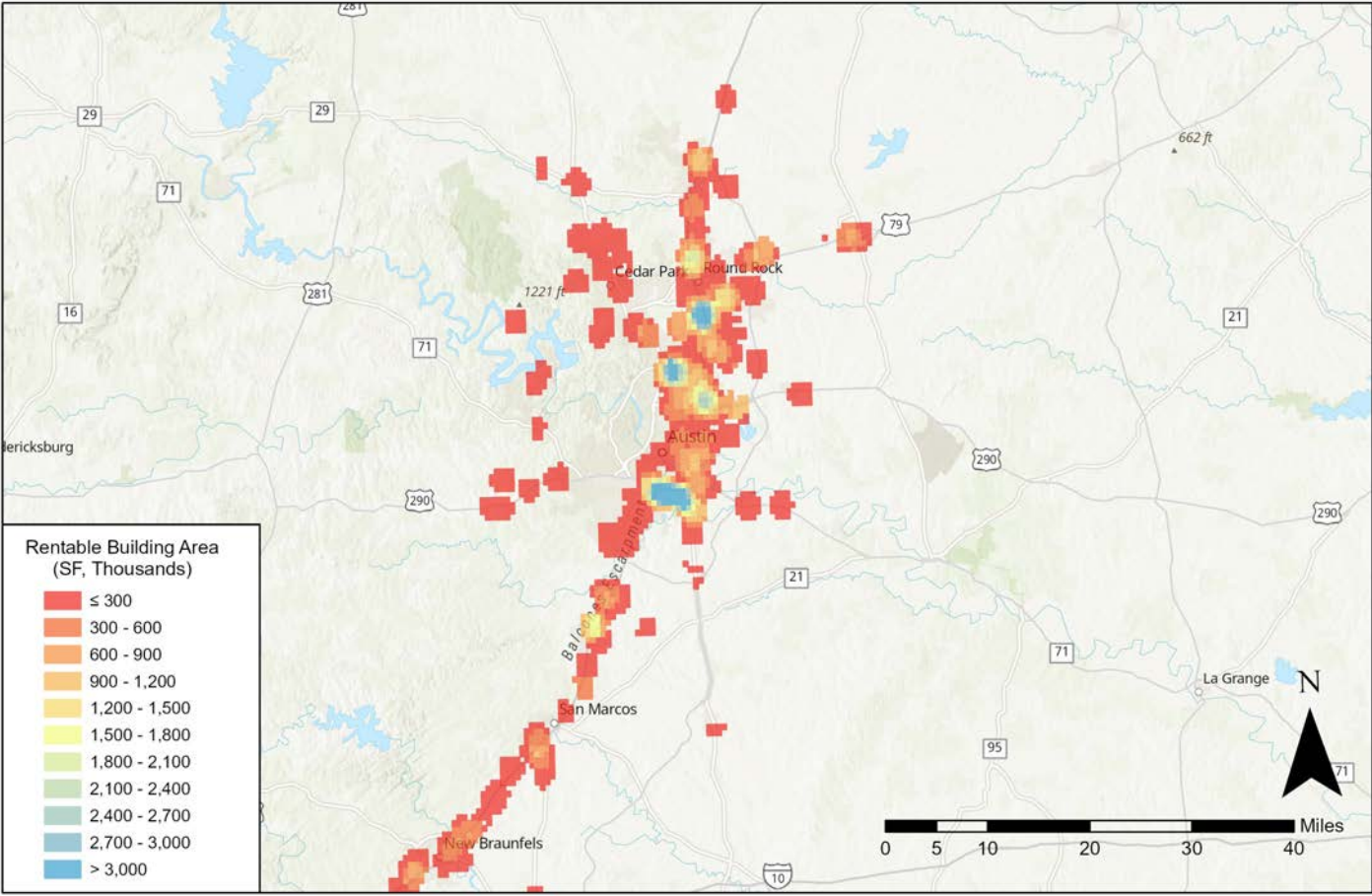


Under Construction as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Metro Rentable Building Area Warehouse LMAs (Q3 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Austin Warehouse Market *inventory*



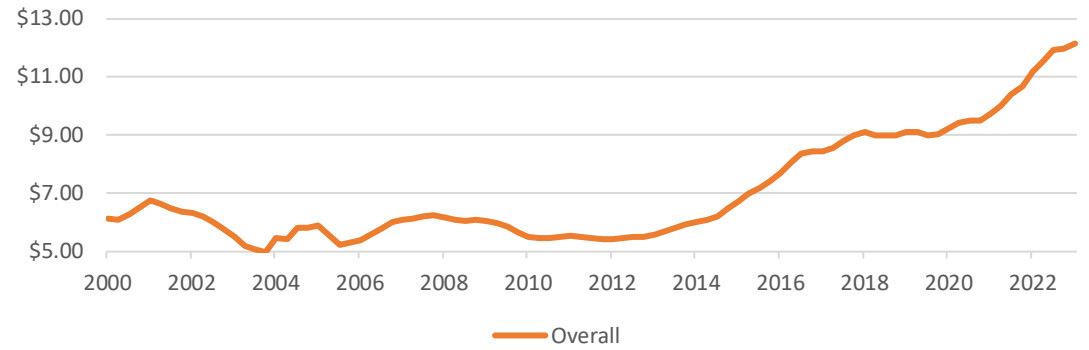
Austin Warehouse Market *rent*



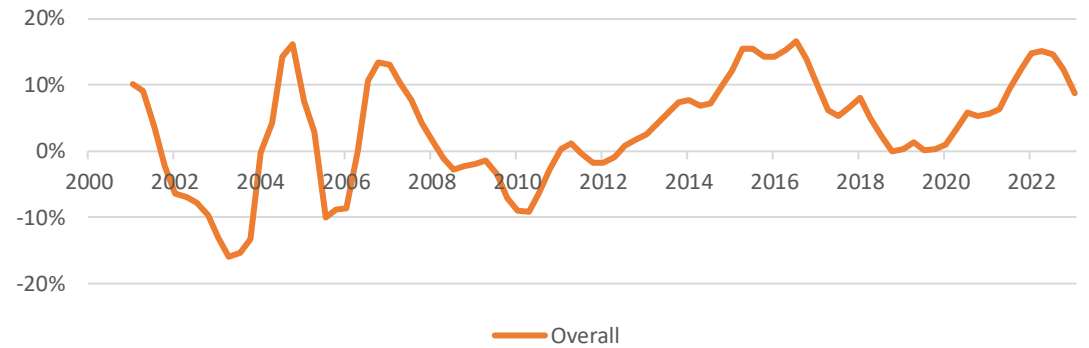
Category	Overall	Current	Previous Quarter	Previous Year
NNN Rent Overall	Overall	\$12.14	\$11.98	\$11.16

Larger
Smaller
 Than Current

NNN Rent



NNN Rent YoY Growth



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Warehouse Market *vacancy*



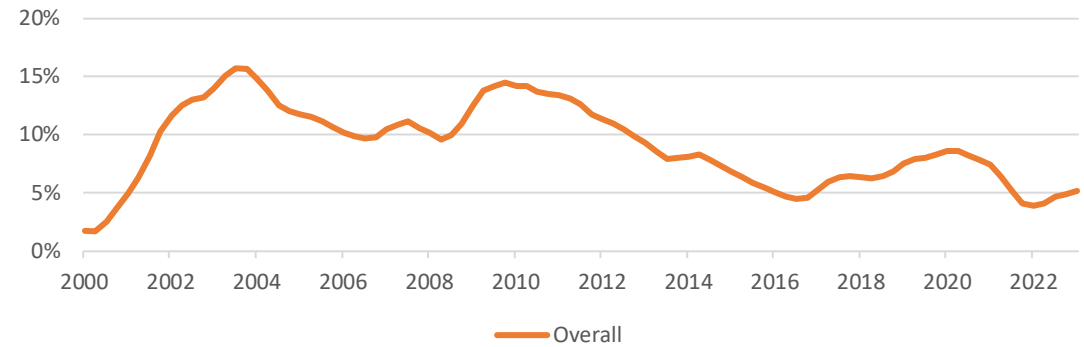
Vacant Percent % Total
Availability less Vacancy

Overall
Overall

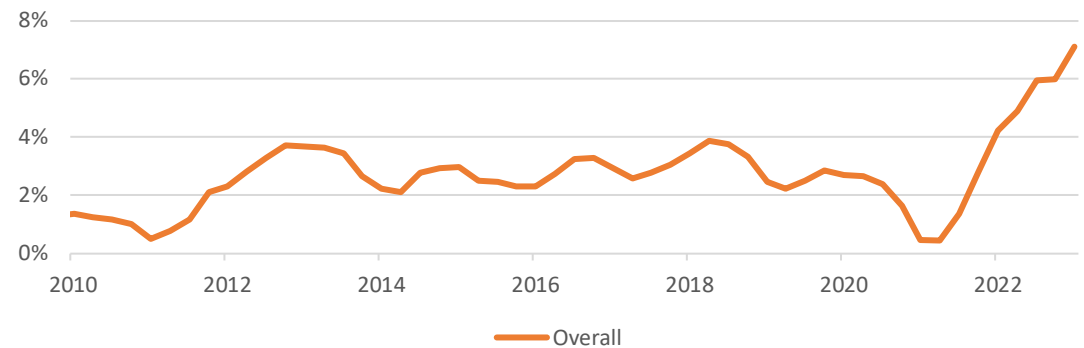
	Current	Previous Quarter	Previous Year
Overall	5.20%	4.90%	3.83%
Overall	7.10%	6.00%	4.20%

Larger
Smaller
Than Current

Vacancy

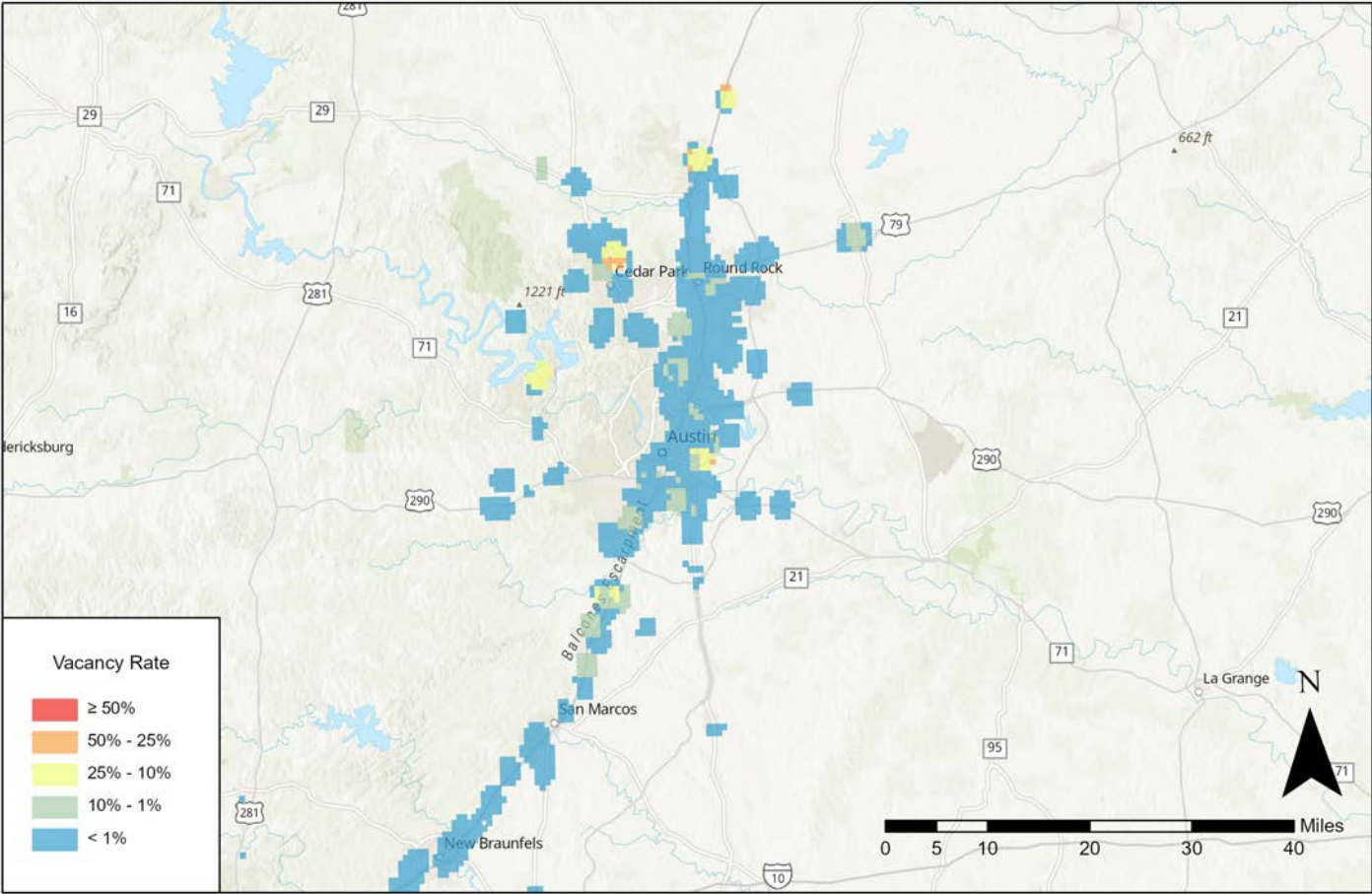


Availability less Vacancy



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Metro Vacancy Warehouse LMAs (Q3 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Austin Warehouse Market *vacancy*



Dallas - Fort Worth

- Economy
- Apartments
- Office
- Retail
- Warehouse



Dallas-Fort Worth Economy

- Total employment in the Dallas-Fort Worth MSA remains strong with growth elevated above pre-COVID trends.
- While remaining above pre-COVID trend YOY, growth rates for the financial and professional and business services industries have slowed in the past few months.
- Long-term employment growth across the economy is expected to moderate toward pre-COVID rates.
- Office vacancy increases have now peaked and fallen for two quarters, but continued upward pressure may remain if employers continue to recalibrate toward a new work-from-home/hybrid work environment. Many of these responses and their extent are still unclear. Falling construction activity along with expectations of continued economic growth will put downward pressure on office vacancies.
- Class A apartment vacancies remain lower than pre-COVID but have rebounded from last year's lows. Overall vacancy has returned to roughly the same level seen just before COVID. The level of units under construction relative to the market inventory remains in line with levels seen in 2016-19, suggesting limited upward vacancy risk from near-term deliveries.

Dallas-Fort Worth Economy

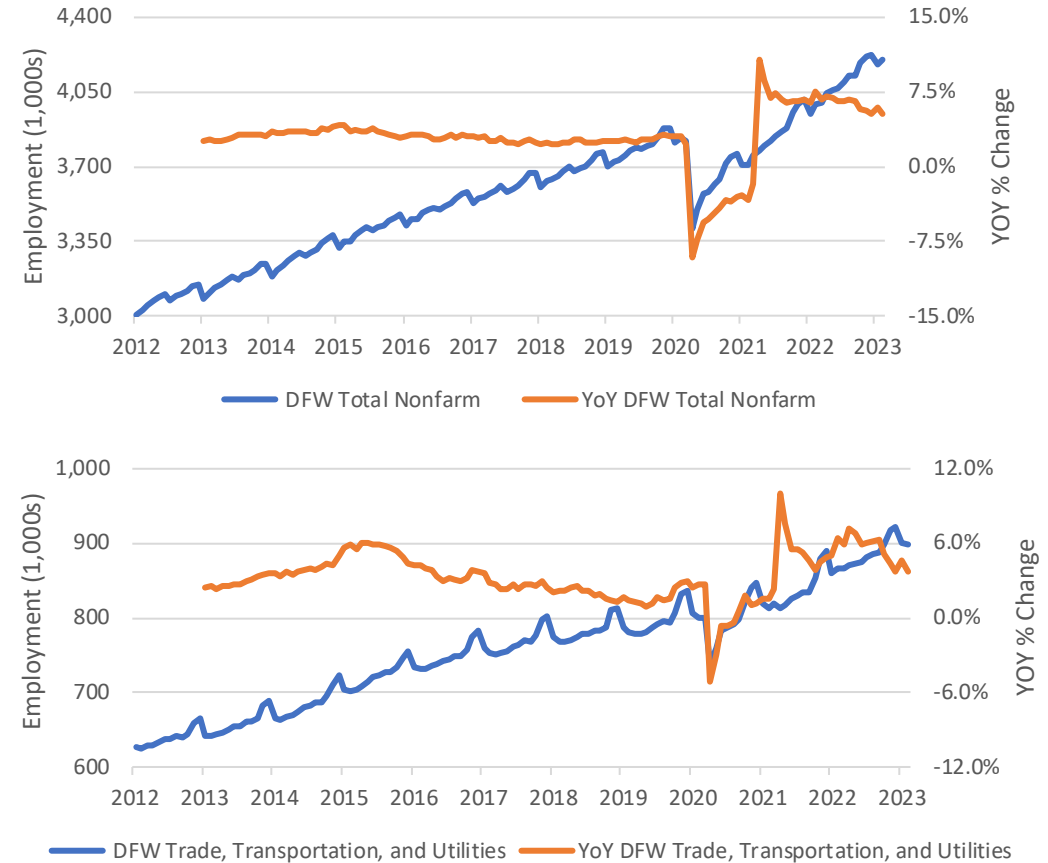
key employment trends

DFW Total Nonfarm

Feb-23	Feb-22	Change	YoY
4,200,300	3,988,700	211,600	5.30%

DFW Trade, Transportation, and Utilities

Feb-23	Feb-22	Change	YoY
899,300	866,500	32,800	3.79%



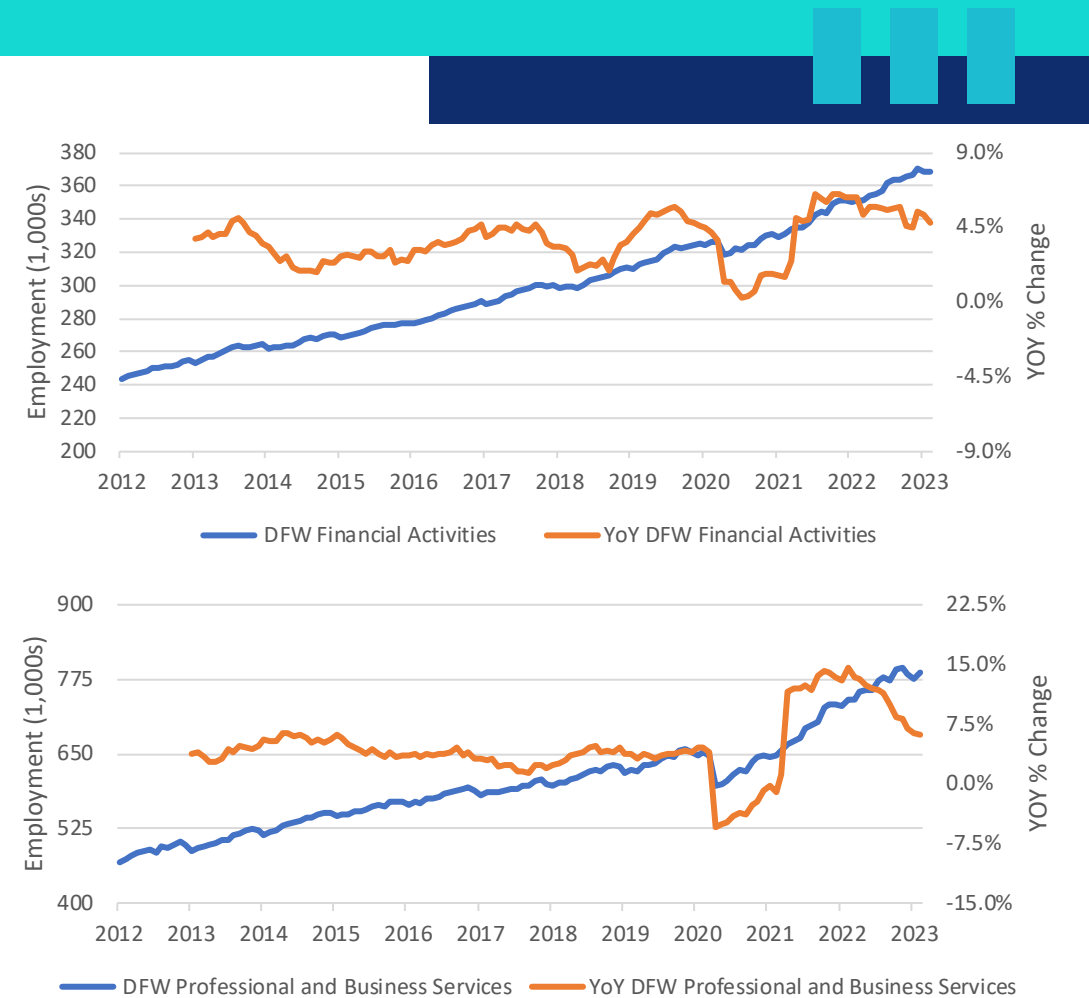
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Economy

key employment trends

	Feb-23	Feb-22	Change	YoY
DFW Financial Activities	368,400	351,500	16,900	4.81%

	Feb-23	Feb-22	Change	YoY
DFW Professional and Business Services	787,800	741,400	46,400	6.26%



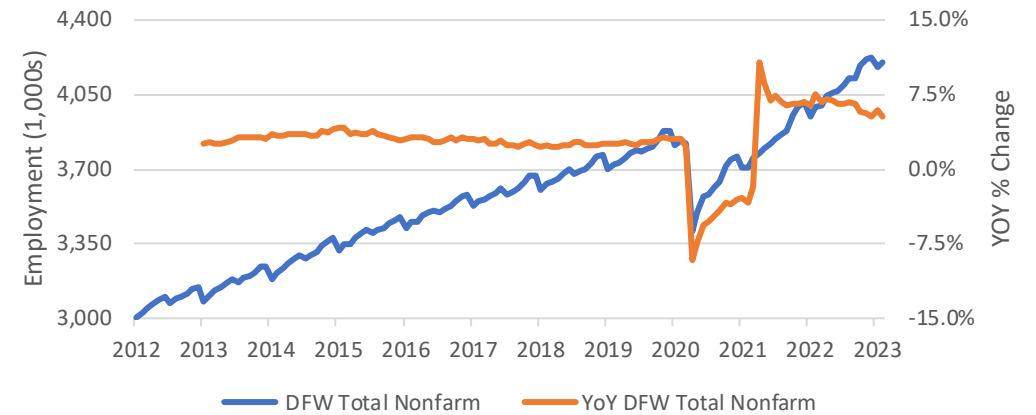
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Apartment Market

key employment trends

DFW Total Nonfarm

Feb-23	Feb-22	Change	YoY
4,200,300	3,988,700	211,600	5.30%



Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Apartment Market

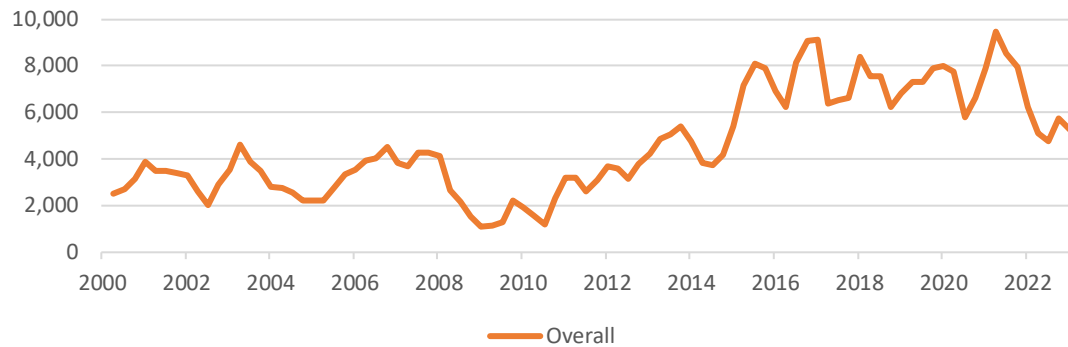
absorption/construction



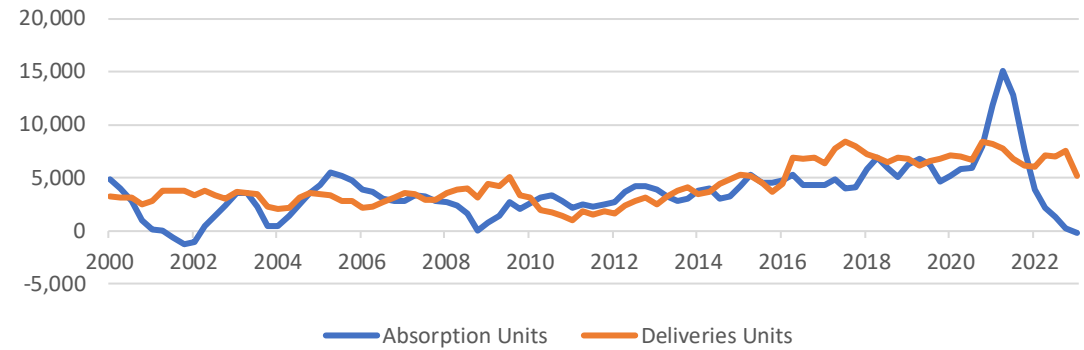
		Current	Previous Quarter	Previous Year
Starts Units	Overall	5,265	5,736	6,234
Absorption Units	Overall	-182	243	3,900
Deliveries Units	Overall	5,196	7,557	6,056
Under Construction Units	Overall	42,561	42,493	48,533

Larger
Smaller
 Than Current

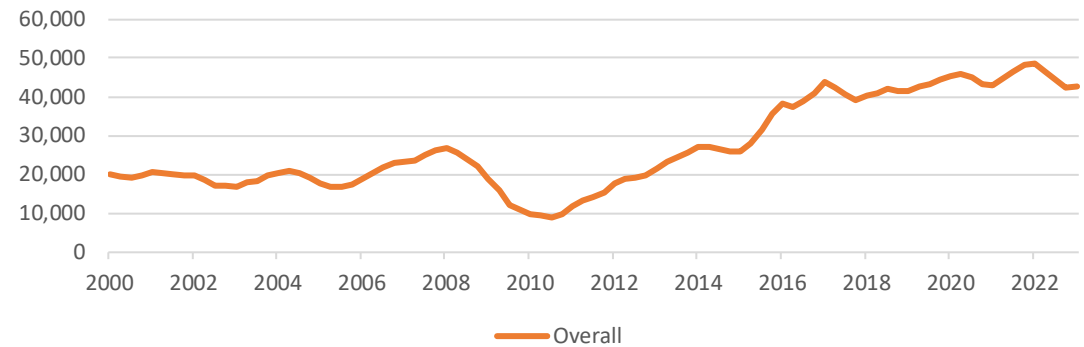
Starts Units



Absorption and Delivery Units



Under Construction Units



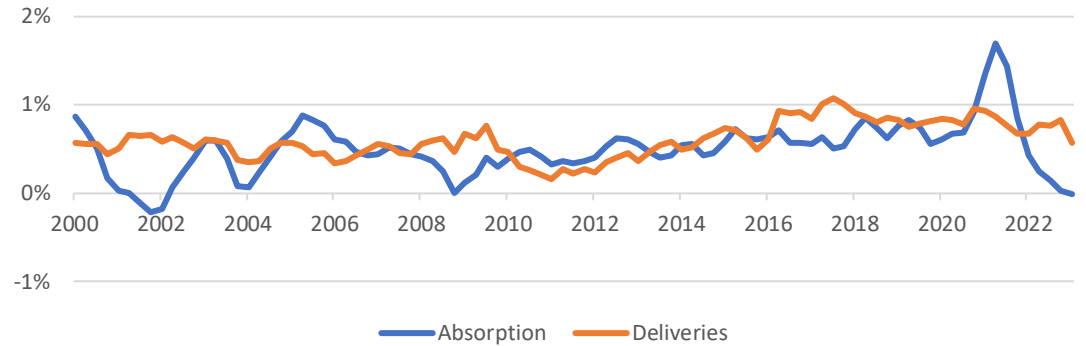
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Apartment Market

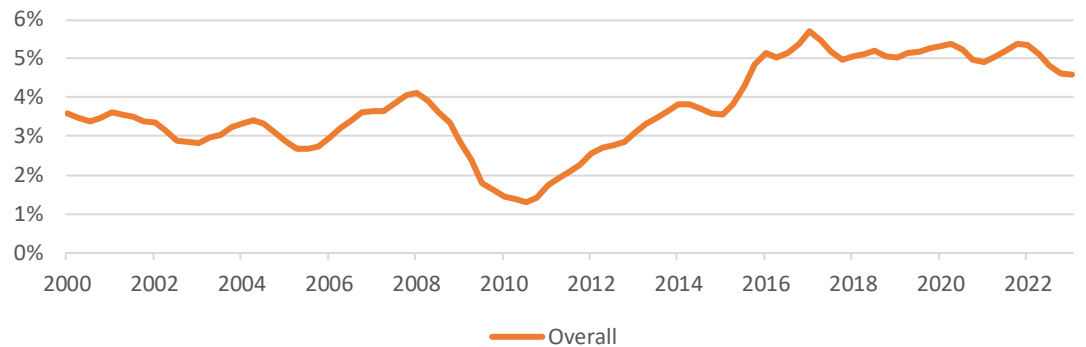
absorption/construction



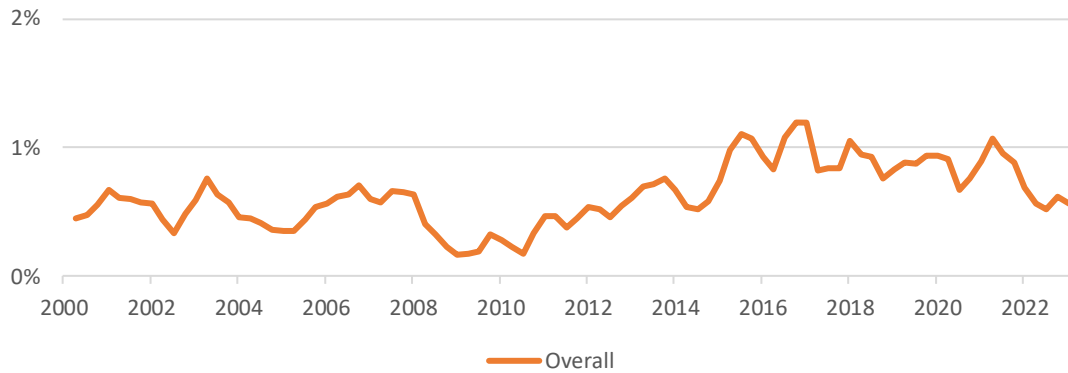
Absorption and Delivery as Percent of Inventory



Under Construction as Percent of Inventory



Starts as Percent of Inventory

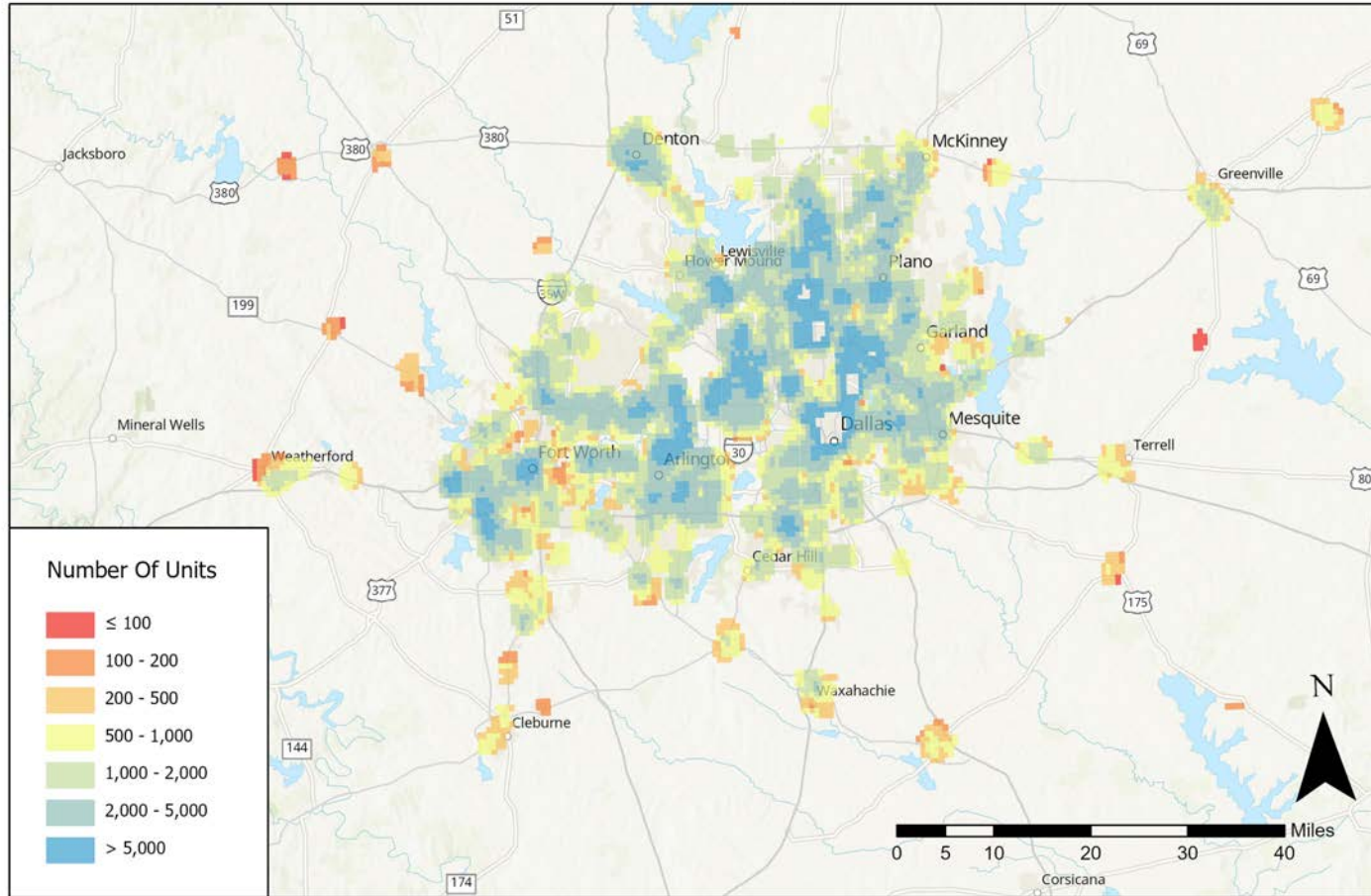


Larger Than Current
Smaller Than Current

		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.57%	0.62%	0.69%
Absorption Percent	Overall	-0.02%	0.03%	0.43%
Deliveries Percent	Overall	0.56%	0.82%	0.67%
Under Construction Percent	Overall	4.60%	4.61%	5.36%

Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Number of Units Multifamily LMAs (Q1 2023)



Source: Costar, Esri, CGIAR, USGS, Baylor University, City of Fort Worth, Texas Parks & Wildlife, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

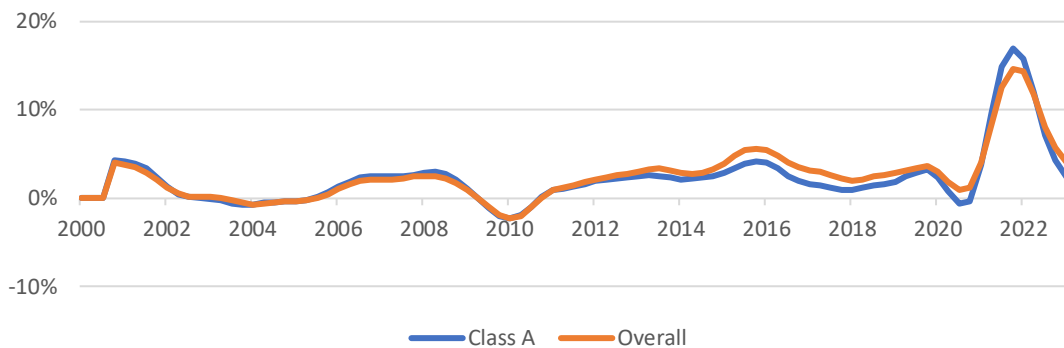
Local Market Area (LMA) Definitions

Dallas-Fort Worth Apartment Market *rent*

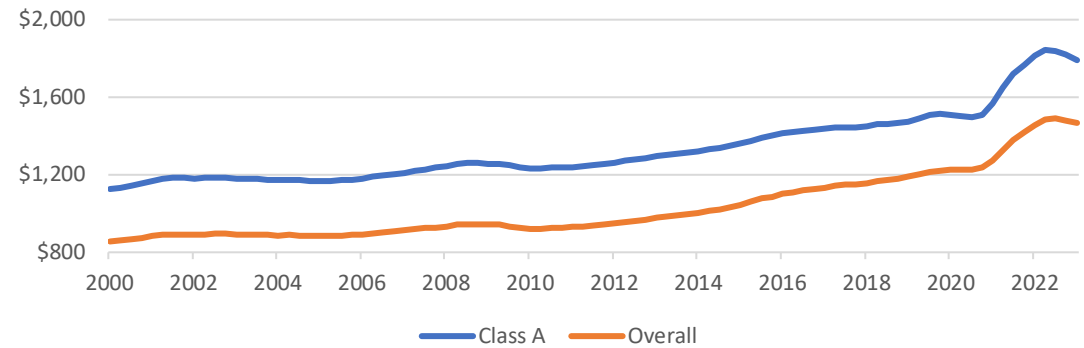
		Current	Previous Quarter	Previous Year
Effective Rent Per Unit	Class A	\$1,791	\$1,817	\$1,809
Effective Rent Per Unit	Overall	\$1,467	\$1,479	\$1,453
Effective Rent Per SF	Class A	\$1.91	1.94	1.93
Effective Rent Per SF	Overall	\$1.67	1.69	1.66

Larger
Smaller
 Than Current

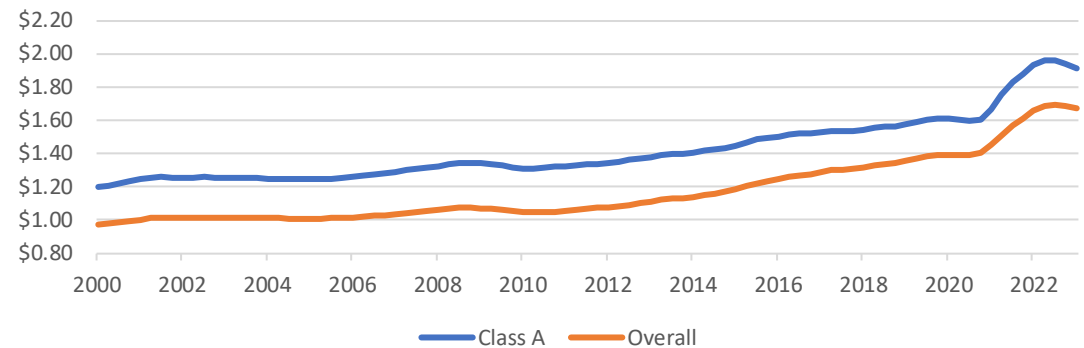
Year over Year Growth in Effective Rent



Effective Rent Per Unit

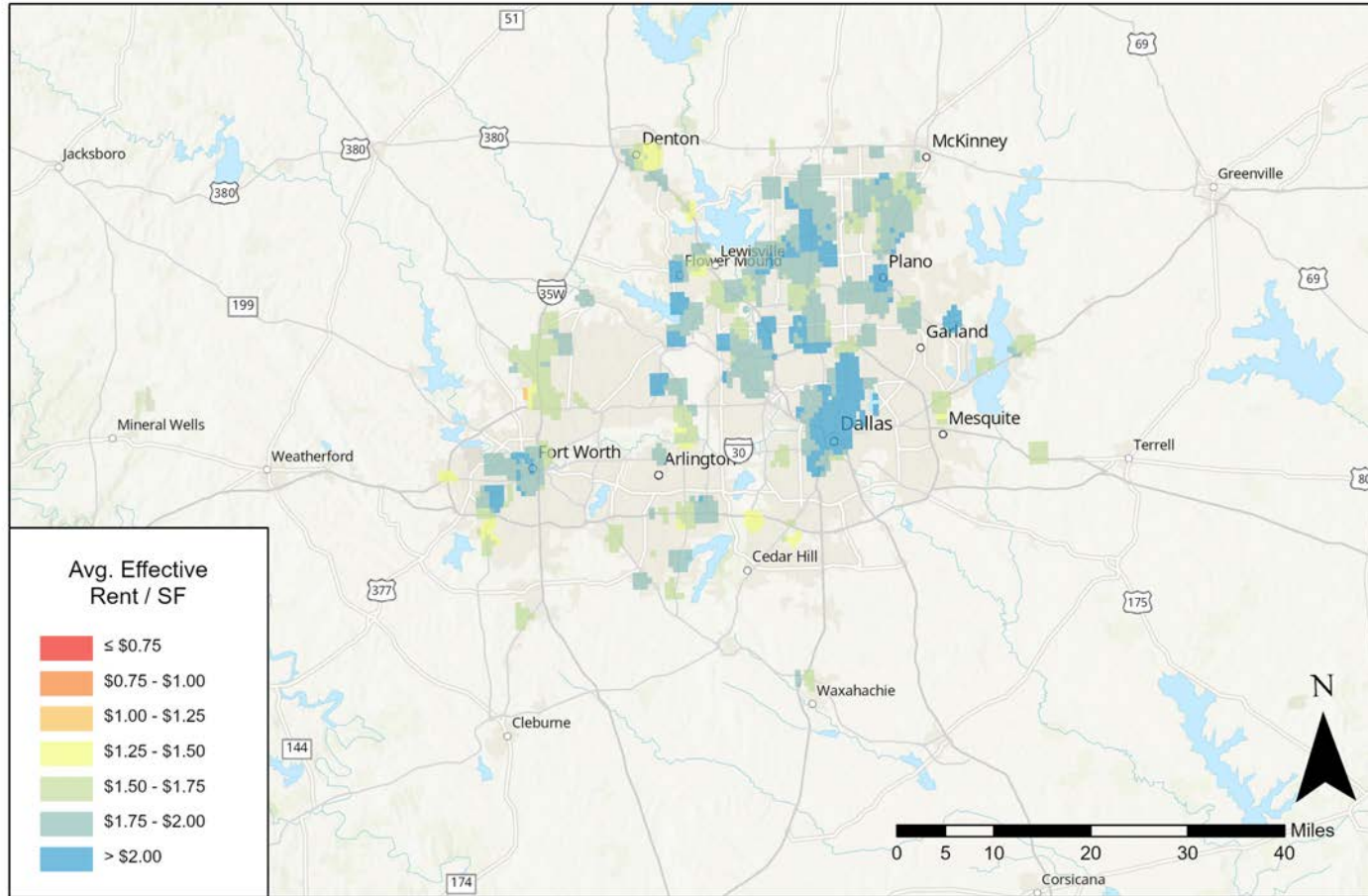


Effective Rent Per Square Foot



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Average Effective Rent / SF Class A Multifamily LMAs (Q1 2023)



Source: Costar, Esri, CGIAR, USGS, Baylor University, City of Fort Worth, Texas Parks & Wildlife, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

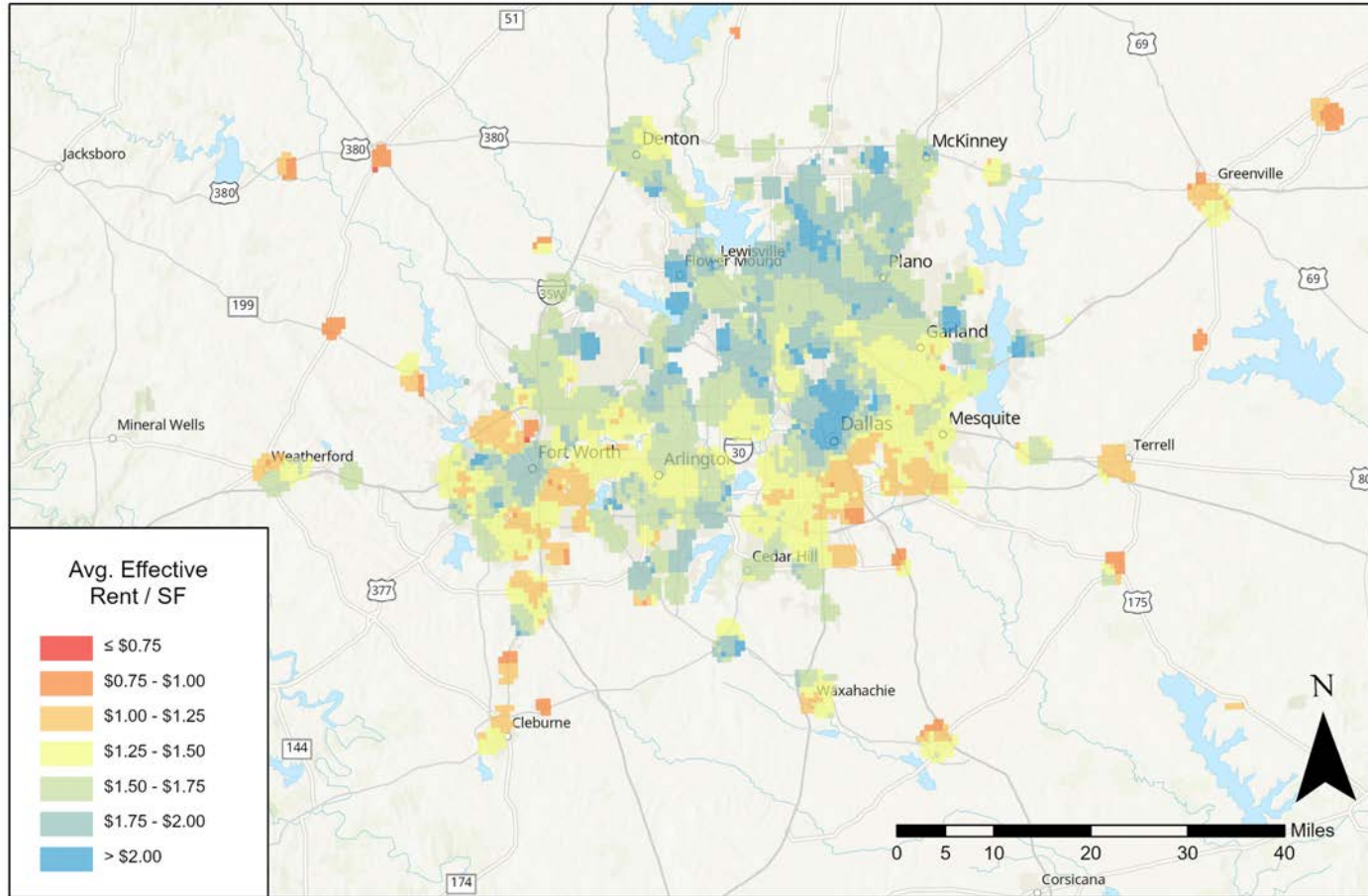
Local Market Area (LMA) Definitions

Dallas-Fort Worth Apartment Market *rent*



TEXAS A&M UNIVERSITY
Texas Real Estate Research Center

DFW Metro Average Effective Rent / SF Multifamily LMAs (Q1 2023)



Source: Costar, Esri, CGIAR, USGS, Baylor University, City of Fort Worth, Texas Parks & Wildlife, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

Local Market Area (LMA) Definitions

Dallas-Fort Worth Apartment Market *rent*



Dallas-Fort Worth Apartment Market *vacancy*



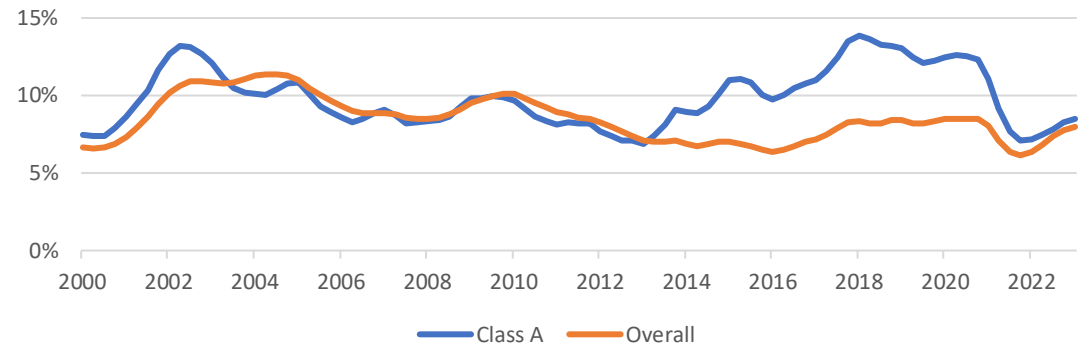
Vacancy Percent
Vacancy Percent

Class A
Overall

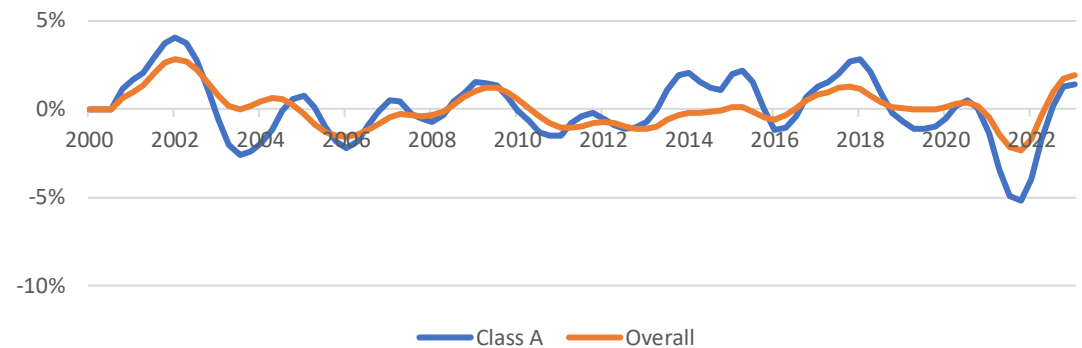
	Current	Previous Quarter	Previous Year
Vacancy Percent	8.50%	8.25%	7.17%
Vacancy Percent	8.00%	7.75%	6.33%

Larger Than Current
Smaller Than Current

Vacancy

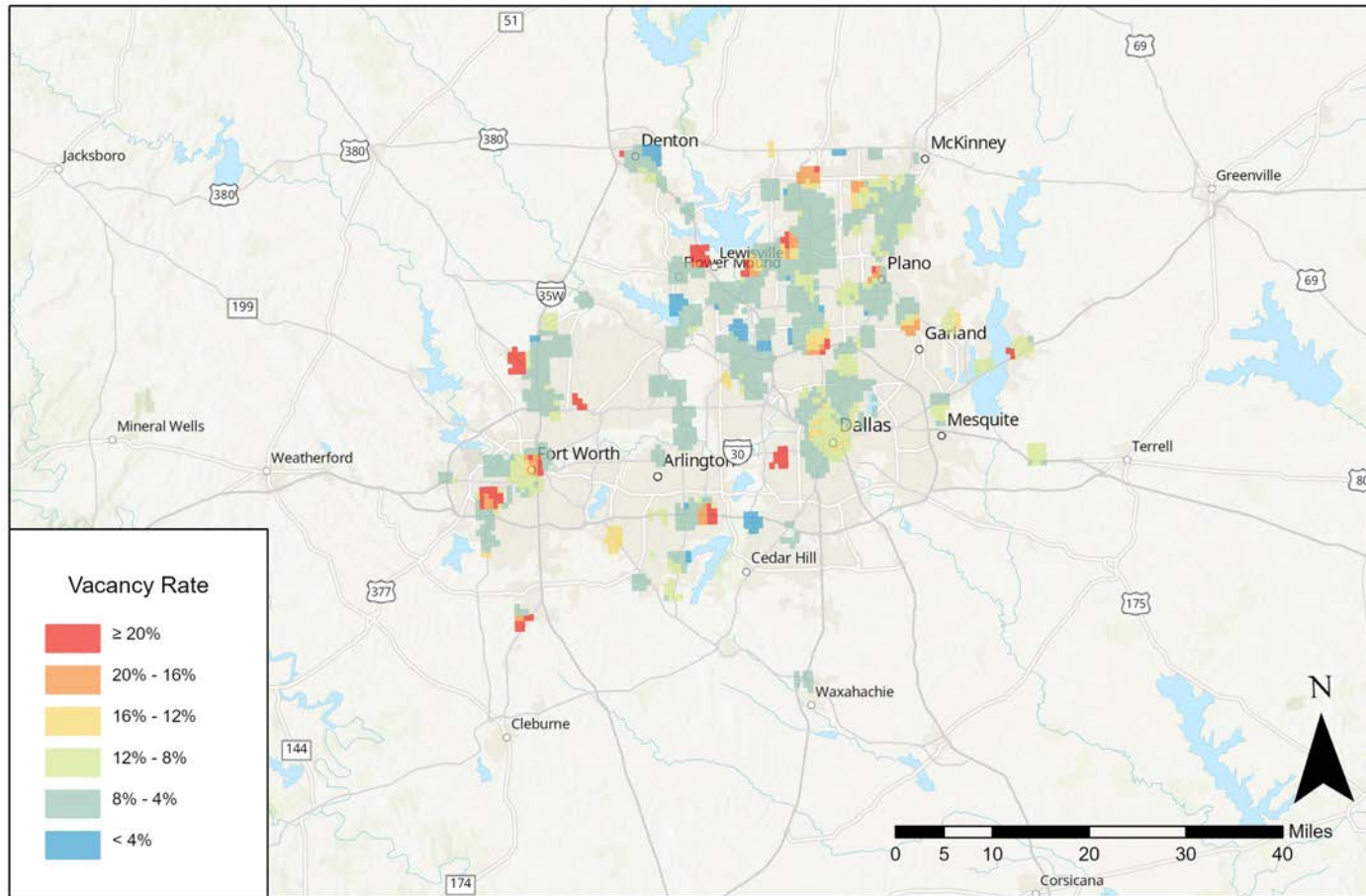


Vacancy Change from Previous Year



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Vacancy Class A Multifamily LMAs (Q1 2023)



Source: Costar, Baylor University, City of Fort Worth, Texas Parks & Wildlife, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, Esri, USGS

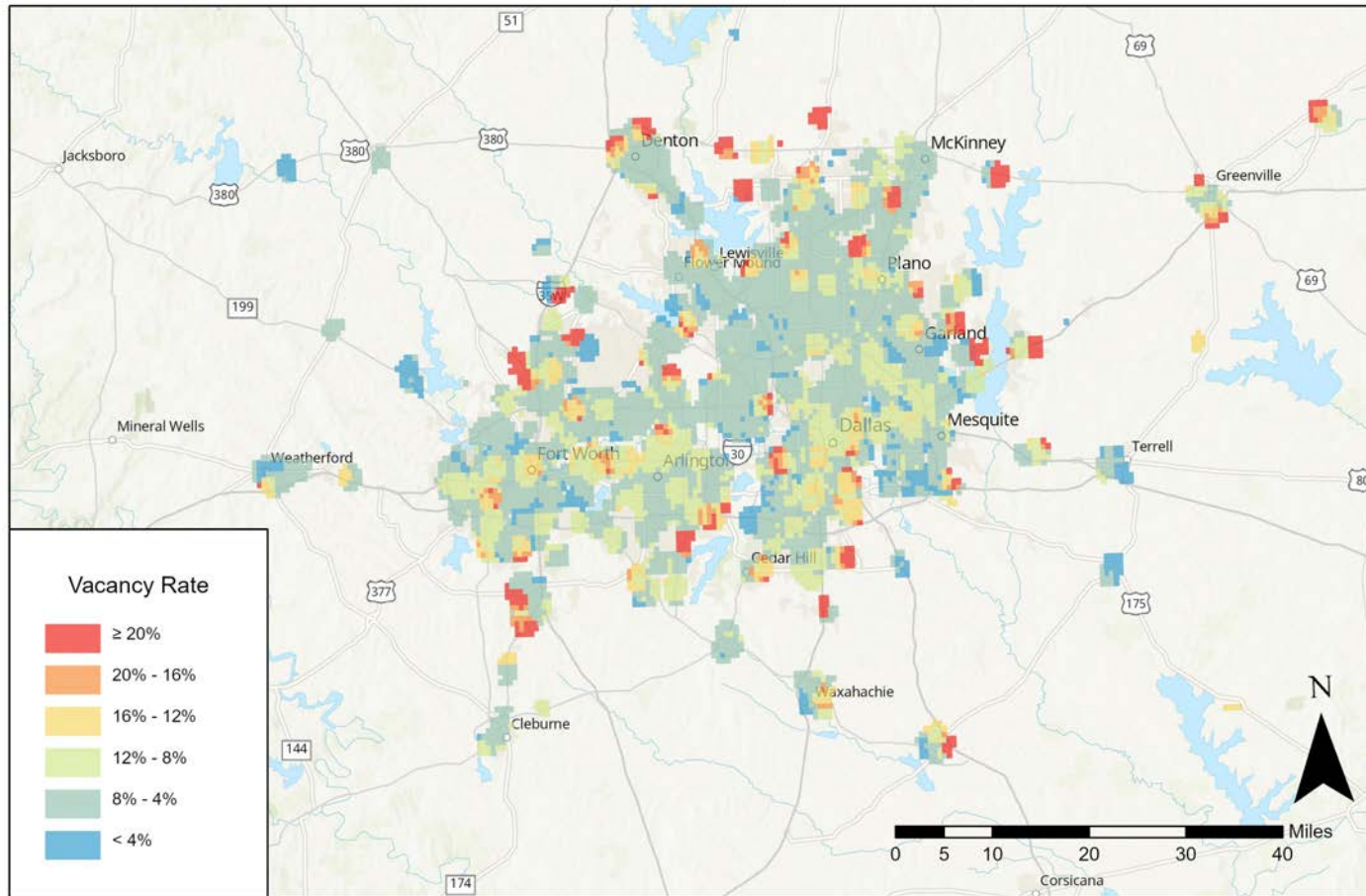
Local Market Area (LMA) Definitions

Dallas-Fort Worth Apartment Market *vacancy*



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DFW Metro Vacancy Multifamily LMAs (Q1 2023)



Source: Costar, Esri, CGIAR, USGS, Baylor University, City of Fort Worth, Texas Parks & Wildlife, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

Local Market Area (LMA) Definitions

Dallas-Fort Worth Apartment Market *vacancy*



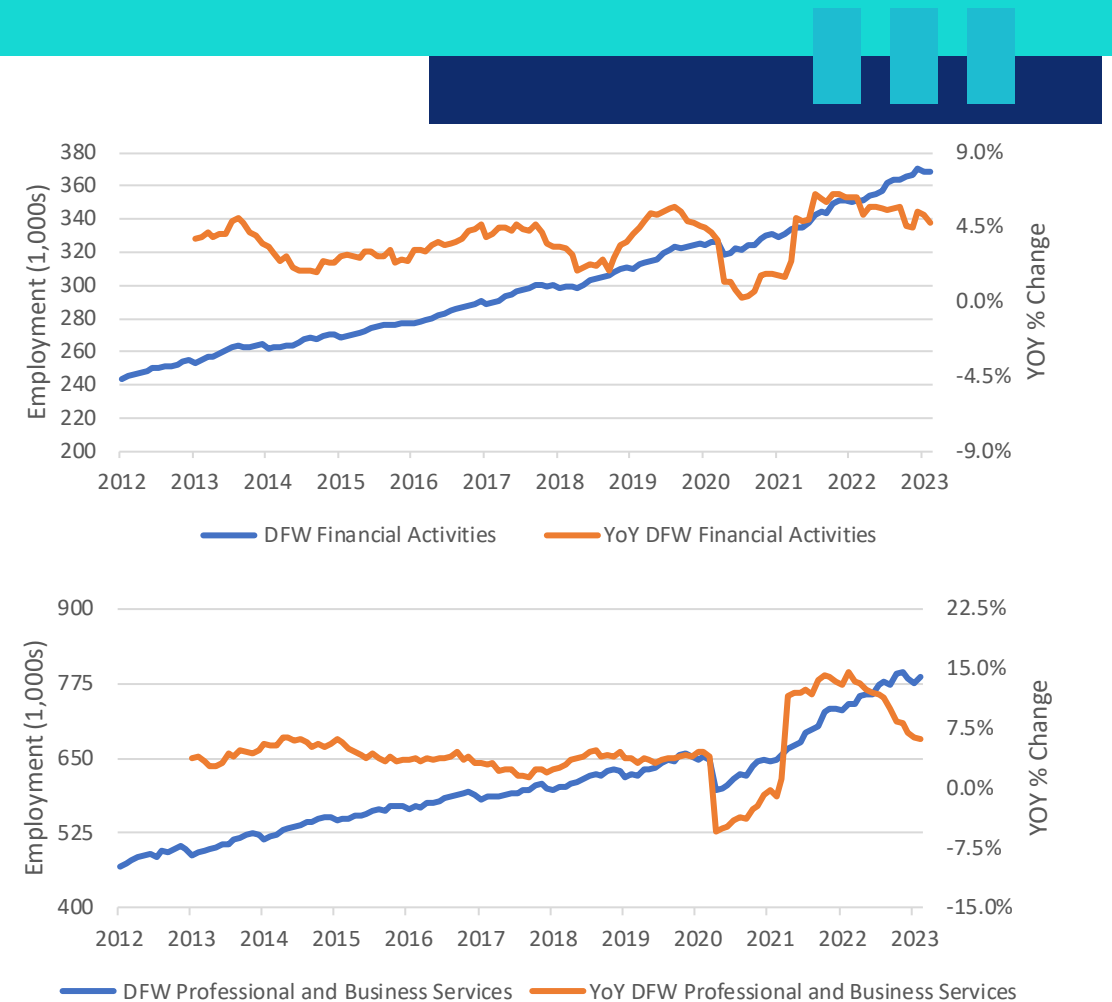
TEXAS A&M UNIVERSITY
Texas Real Estate Research Center

Dallas-Fort Worth Office Market

key employment trends

	Feb-23	Feb-22	Change	YoY
DFW Financial Activities	368,400	351,500	16,900	4.81%

	Feb-23	Feb-22	Change	YoY
DFW Professional and Business Services	787,800	741,400	46,400	6.26%



Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Office Market

absorption/construction

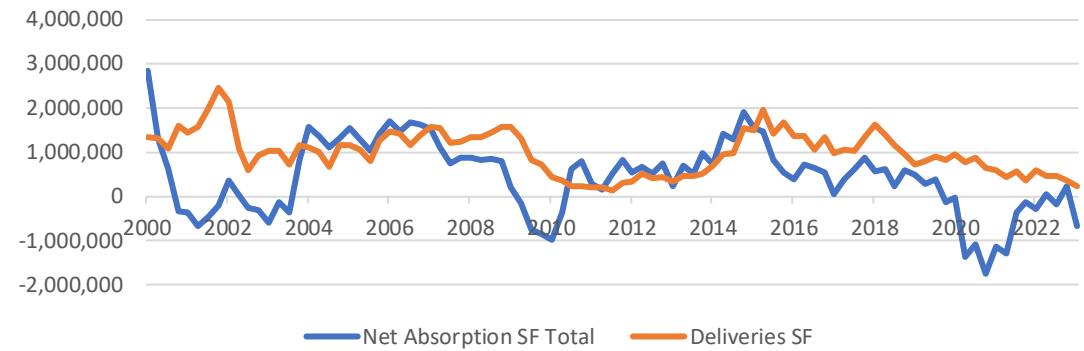
		Current	Previous Quarter	Previous Year
Starts SF	Overall	408,835	317,707	436,912
Net Absorption SF Total	Overall	-670,801	232,380	-275,011
Deliveries SF	Overall	236,390	345,766	580,075
Under Construction SF	Overall	2,592,473	2,420,029	2,751,863

Larger
Smaller
 Than Current

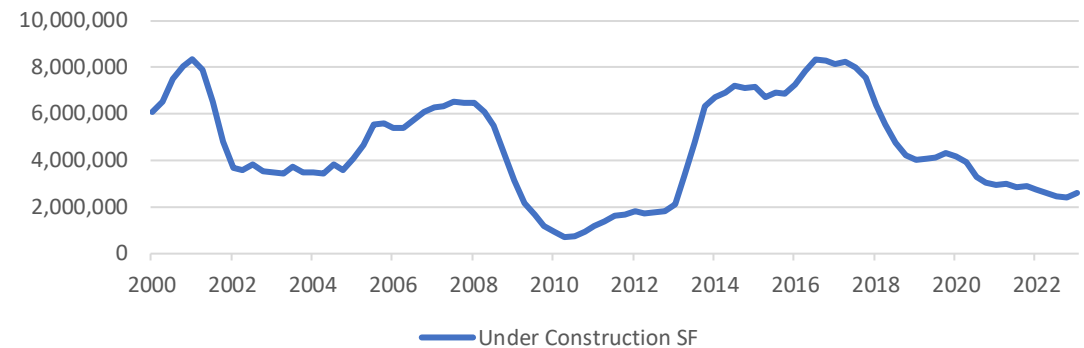
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

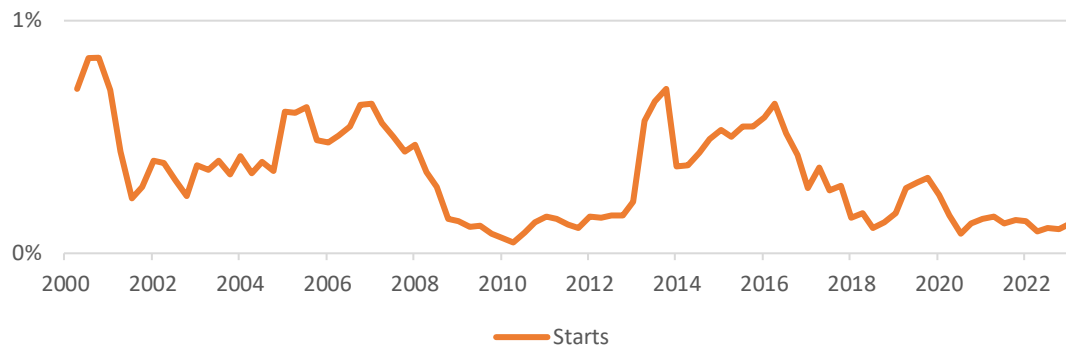
Dallas-Fort Worth Office Market

absorption/construction

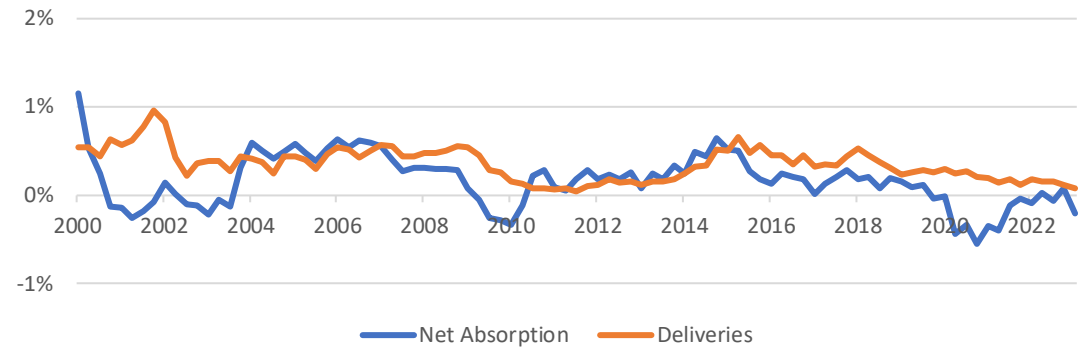
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.13%	0.10%	0.14%
Under Construction Percent	Overall	0.81%	0.76%	0.86%
Absorption Percent	Overall	-0.21%	0.07%	-0.09%
Deliveries Percent	Overall	0.07%	0.11%	0.18%

Larger
Smaller
 Than Current

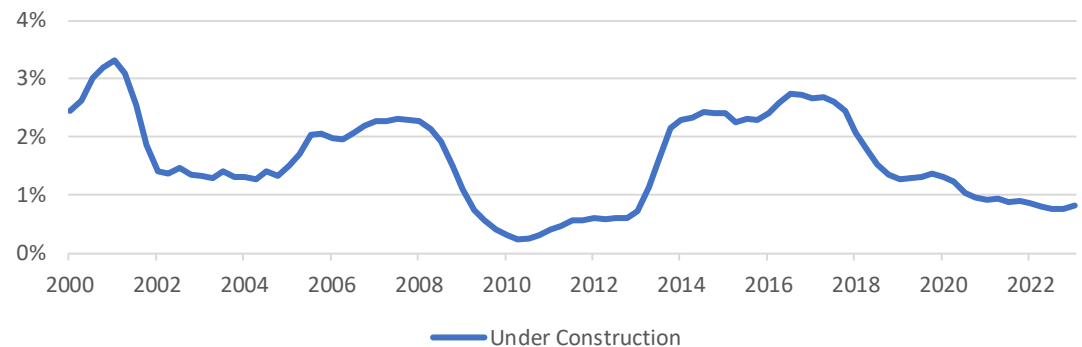
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

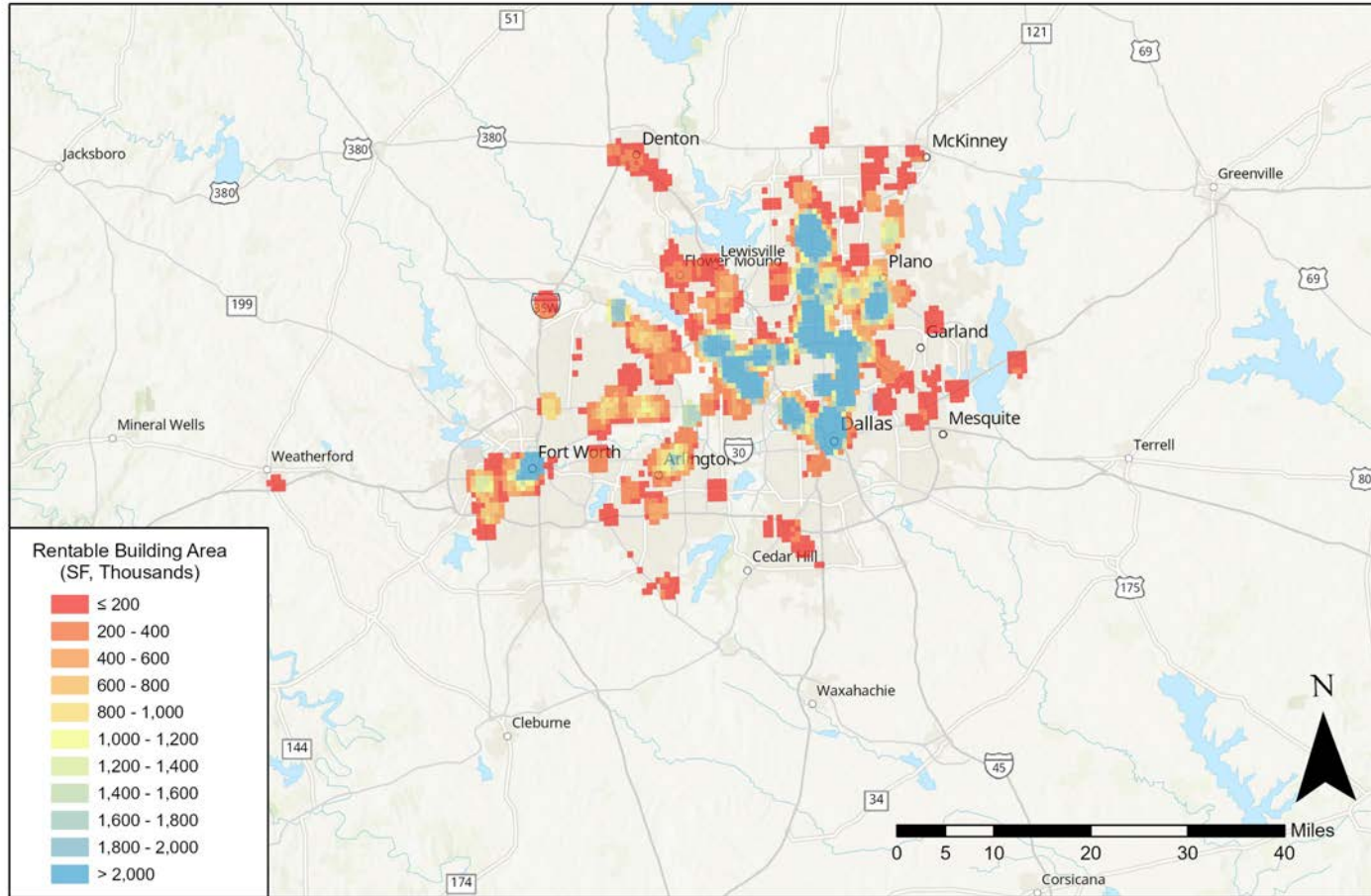


Under Construction as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Rentable Building Area Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

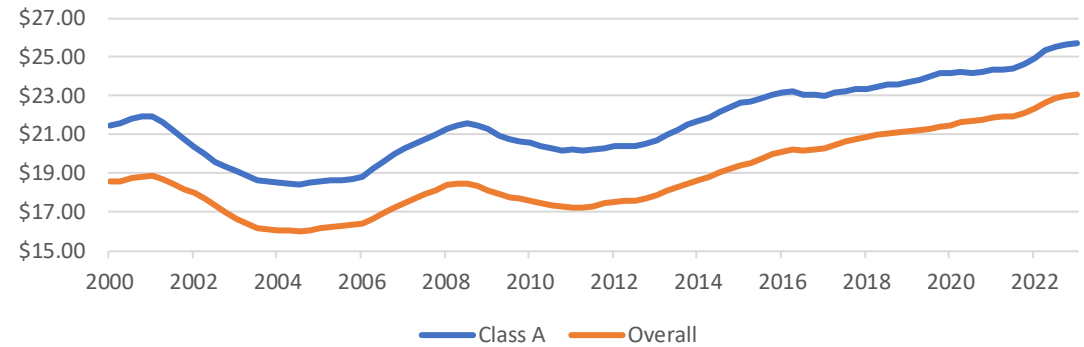
Local Market Area (LMA) Definitions

Dallas-Fort Worth Office Market *inventory*

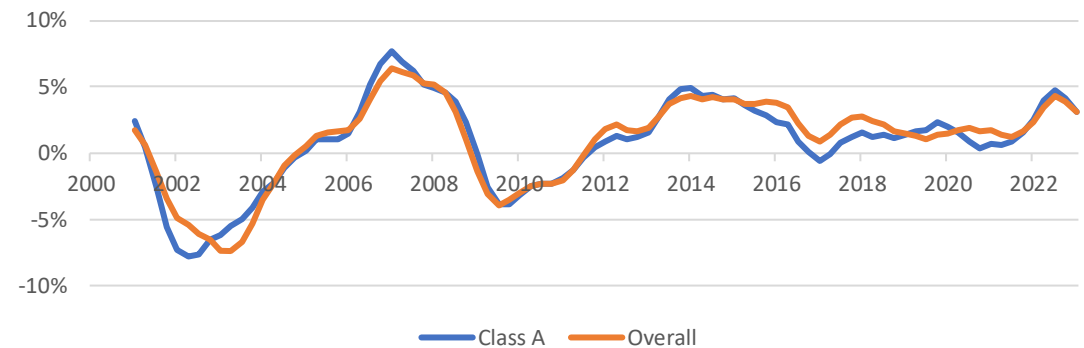


Dallas-Fort Worth Office Market *rent*

Office Base Rent



Office Base Rent YoY Growth



Base Rent
Base Rent

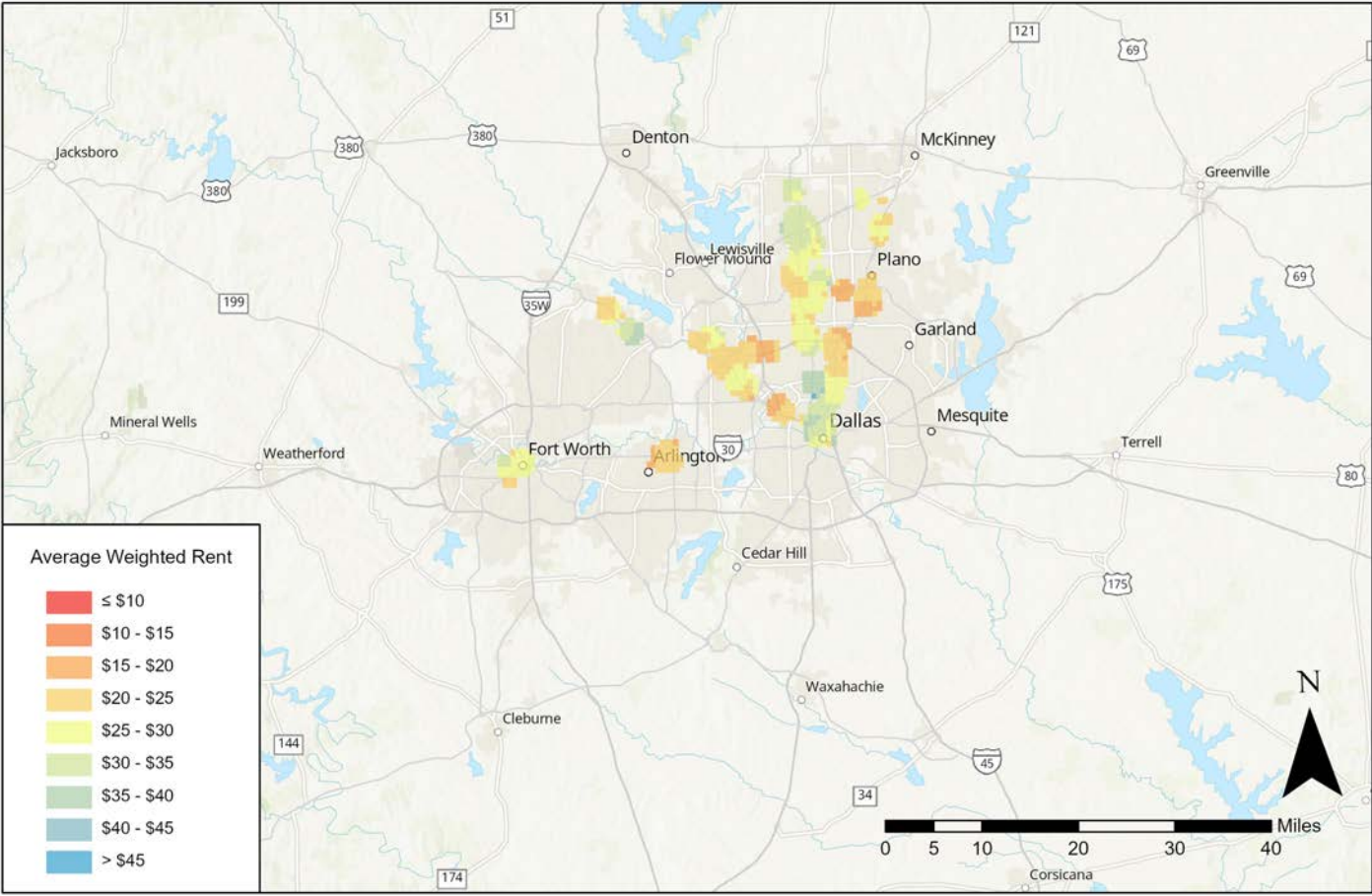
Class A
Overall

	Current	Previous Quarter	Previous Year
Class A	\$25.71	\$25.63	\$24.94
Overall	\$23.06	\$22.98	\$22.36

Larger Than Current
Smaller Than Current

Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Average Weighted Rent Class A Office LMAs (Q4 2022)



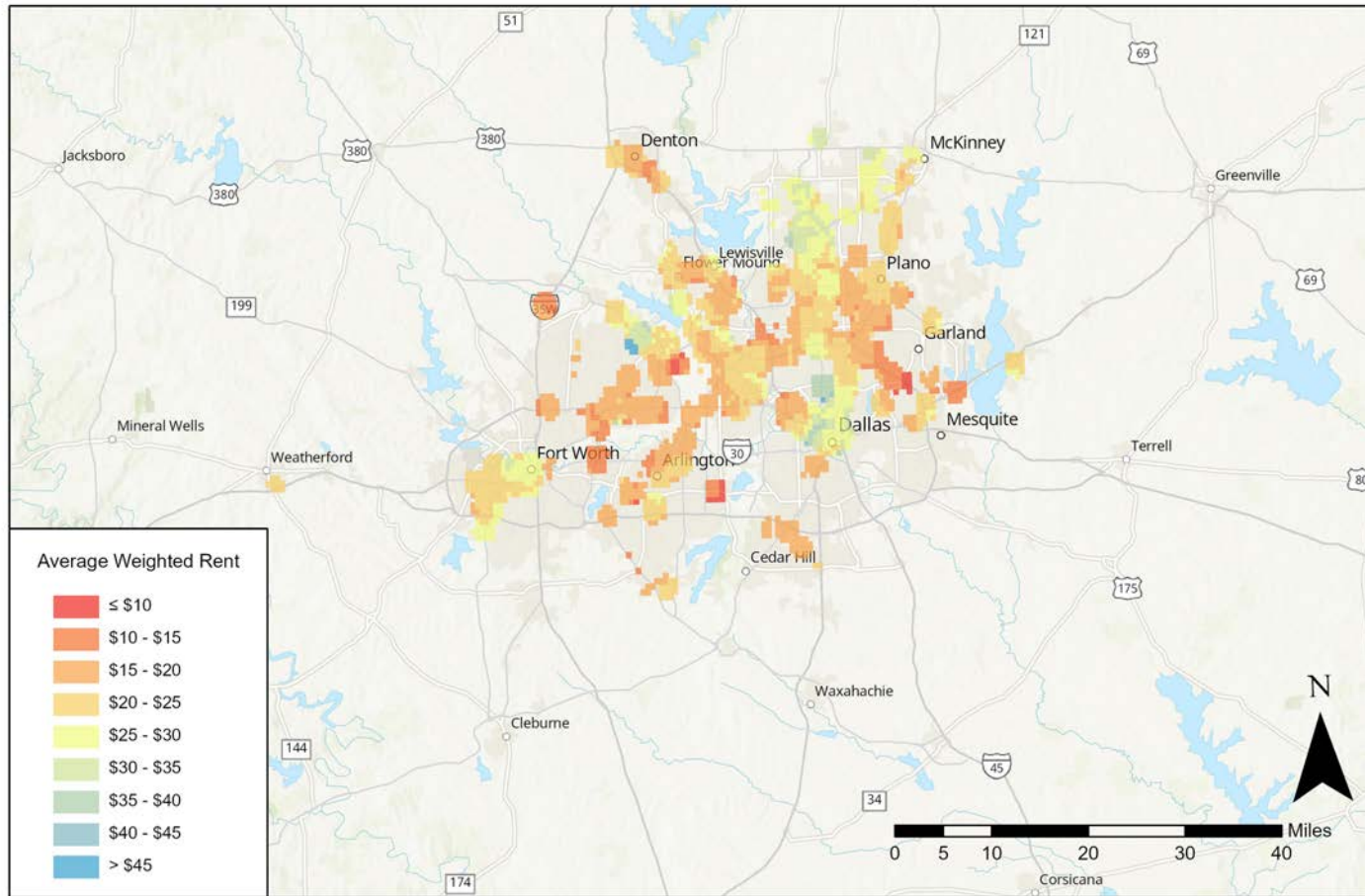
Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Dallas-Fort Worth Office Market *rent*



DFW Metro Average Weighted Rent Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Dallas-Fort Worth Office Market *rent*



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Dallas-Fort Worth Office Market *vacancy*

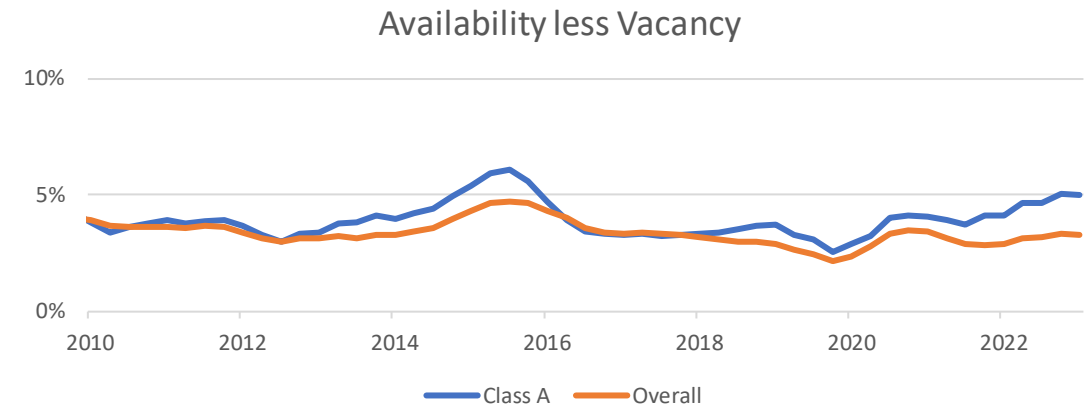
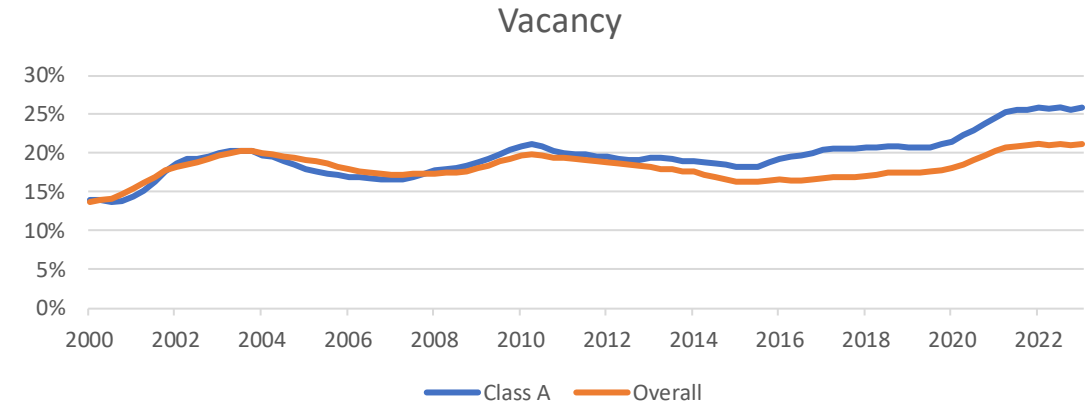


Vacant Percent % Total
 Vacant Percent % Total
 Availability less Vacancy
 Availability less Vacancy

Class A
 Overall
 Class A
 Overall

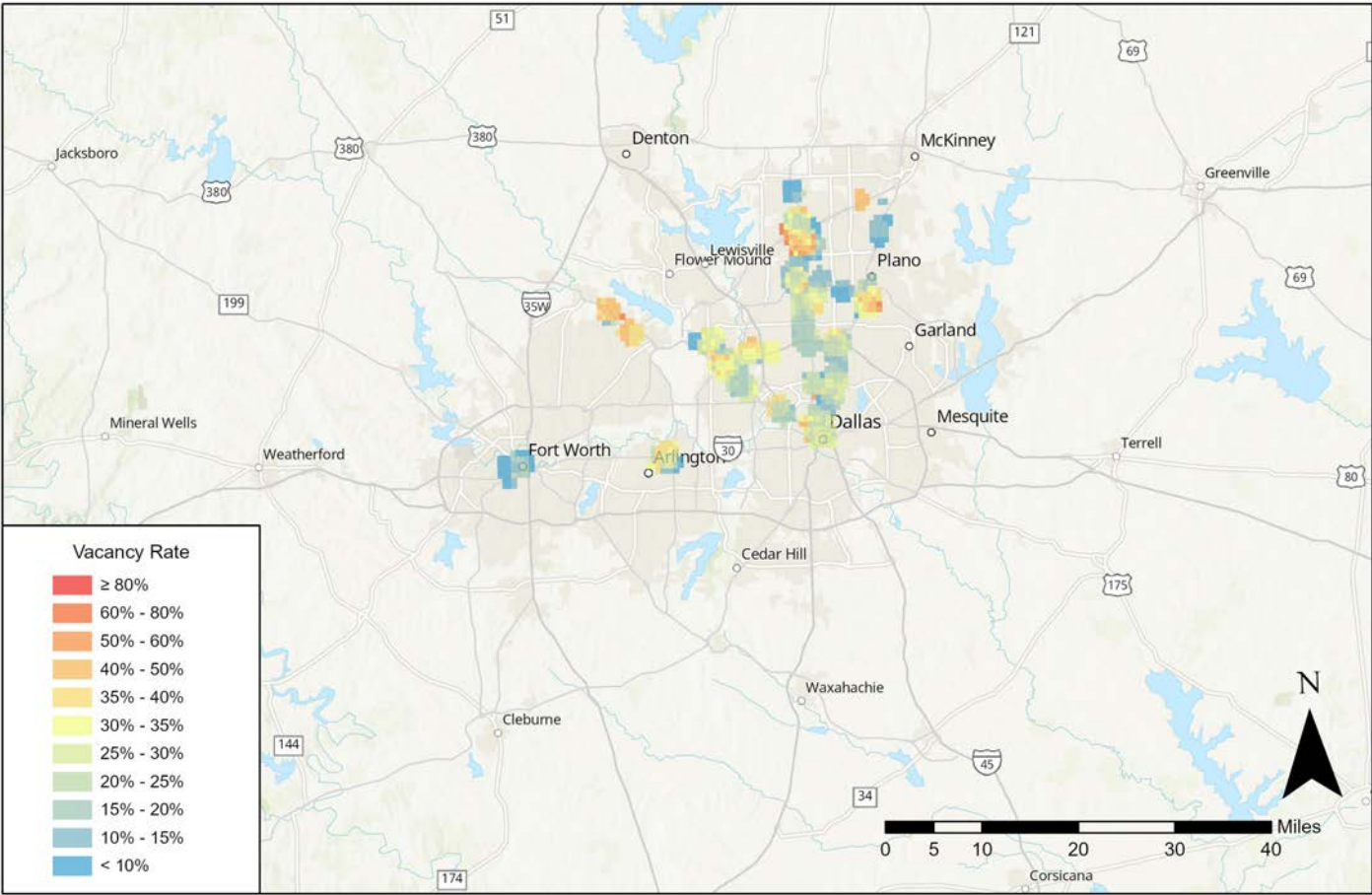
	Current	Previous Quarter	Previous Year
Class A	25.80%	25.60%	25.80%
Overall	21.10%	20.95%	21.13%
Class A	5.00%	5.05%	4.10%
Overall	3.30%	3.35%	2.87%

Larger
 Smaller
 Than Current



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Vacancy Class A Office LMAs (Q4 2022)



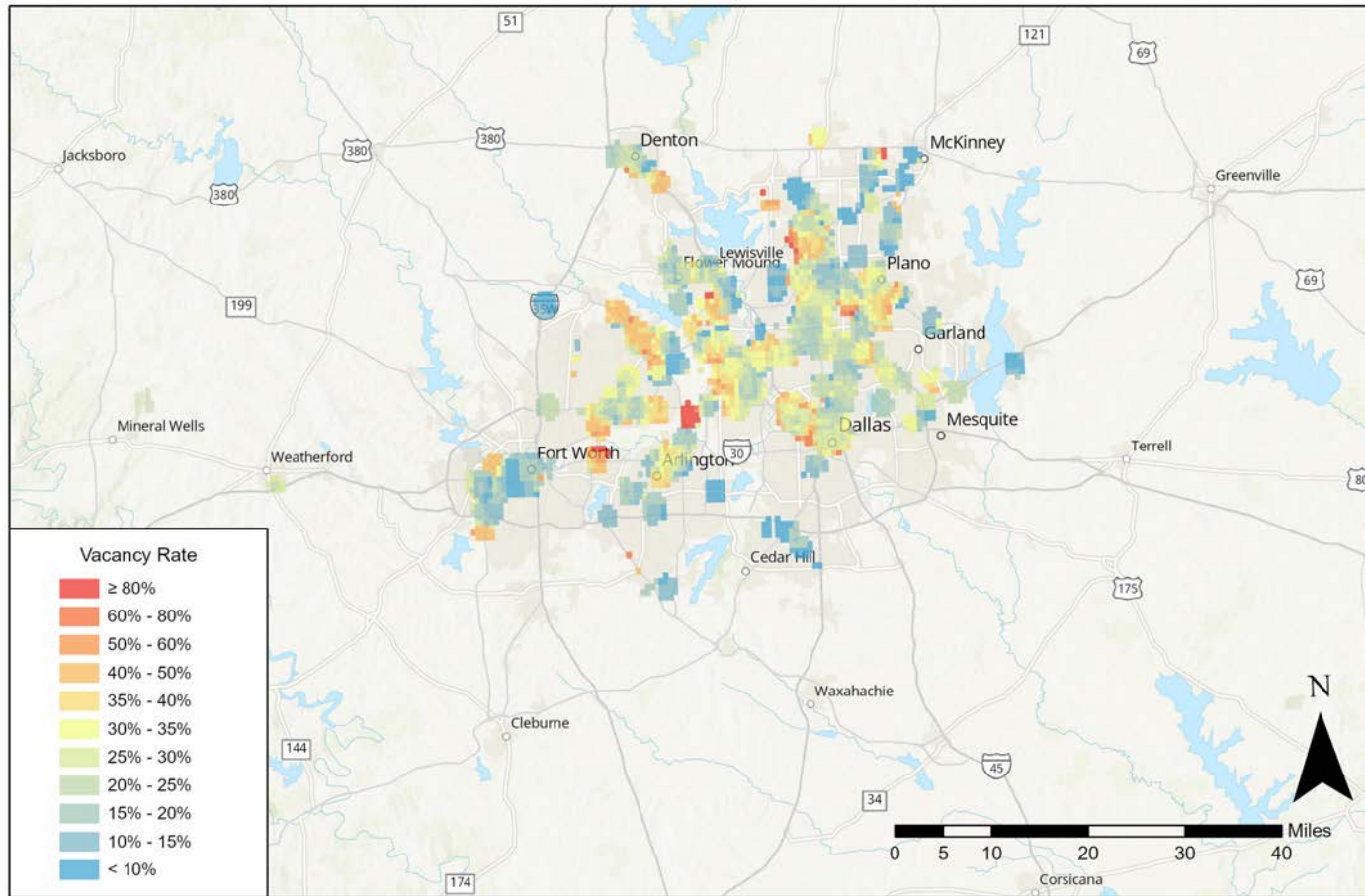
Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Dallas-Fort Worth Office Market *vacancy*



DFW Metro Vacancy Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Dallas-Fort Worth Office Market *vacancy*



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Texas Real Estate Research Center

Dallas-Fort Worth Retail Market

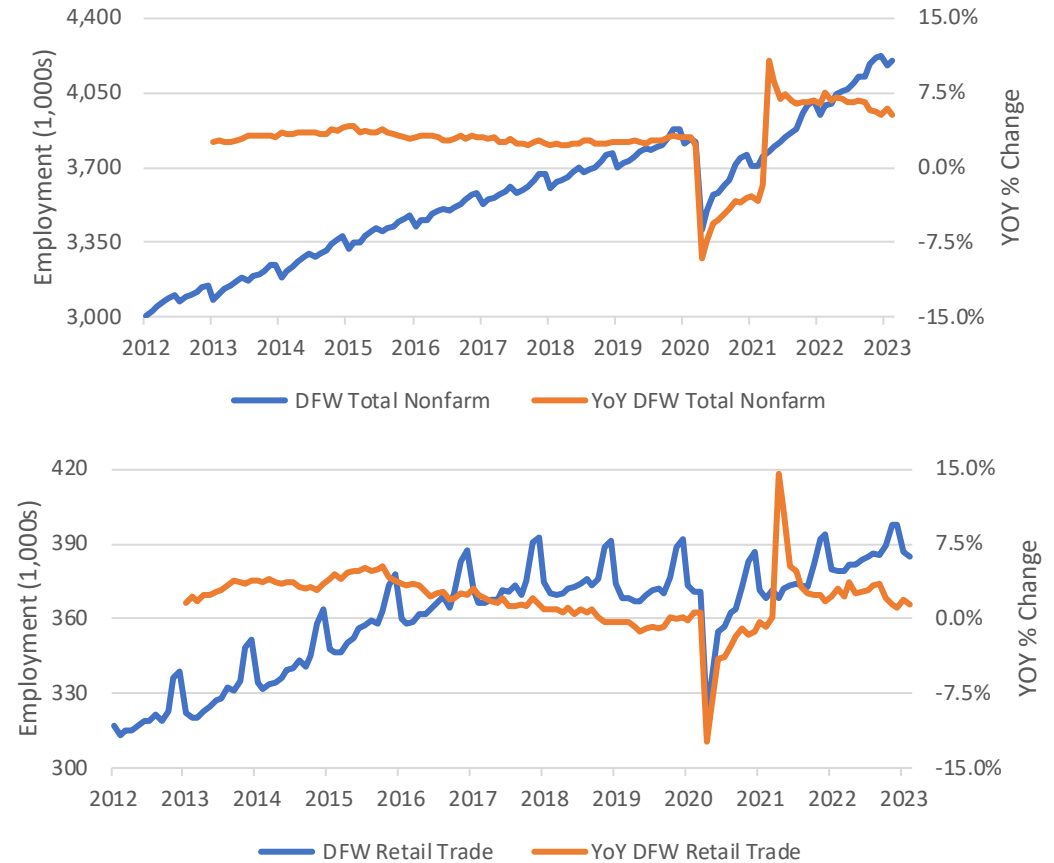
key employment trends

DFW Total Nonfarm

Feb-23	Feb-22	Change	YoY
4,200,300	3,988,700	211,600	5.30%

DFW Retail Trade

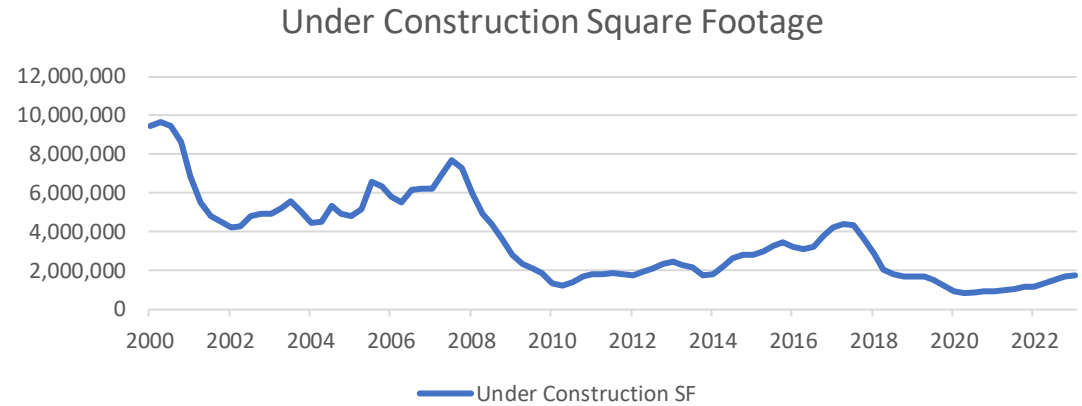
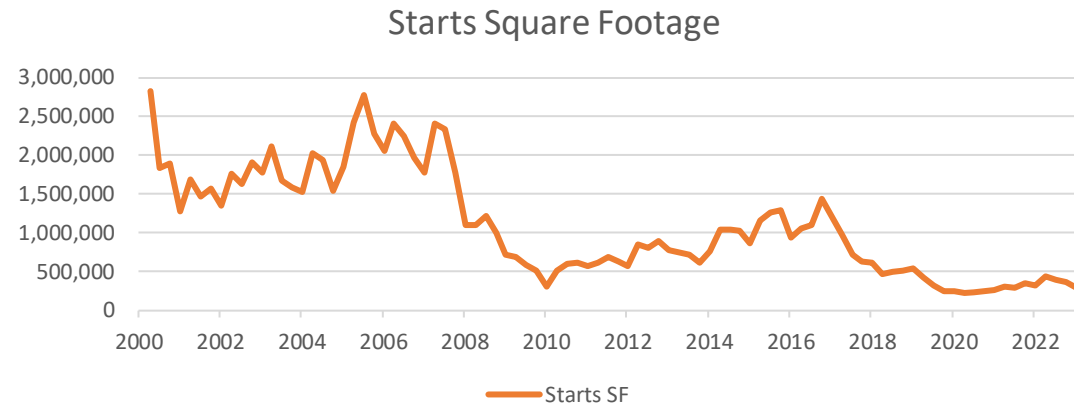
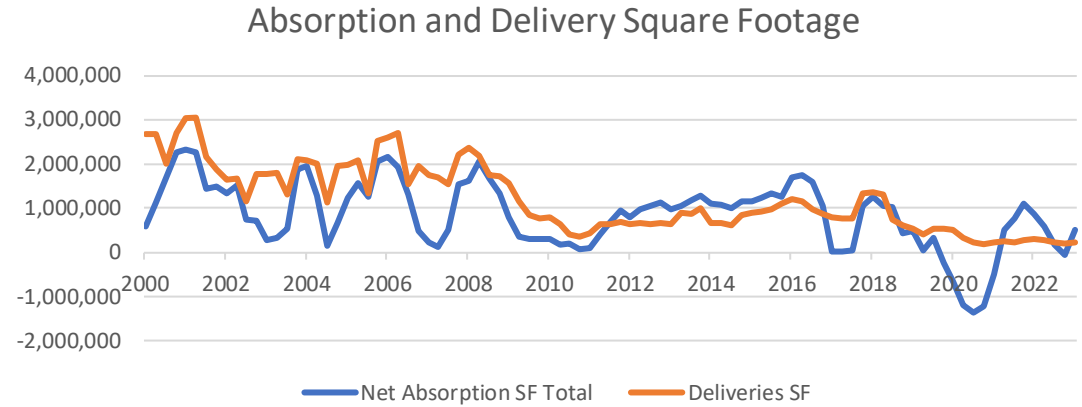
Feb-23	Feb-22	Change	YoY
384,700	379,200	5,500	1.45%



Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Retail Market *absorption/construction*

		Current	Previous Quarter	Previous Year
Starts SF	Overall	287,419	357,706	320,540
Net Absorption SF Total	Overall	505,678	-65,881	872,850
Deliveries SF	Overall	220,787	187,367	297,967
Under Construction SF	Overall	1,732,635	1,666,004	1,157,302



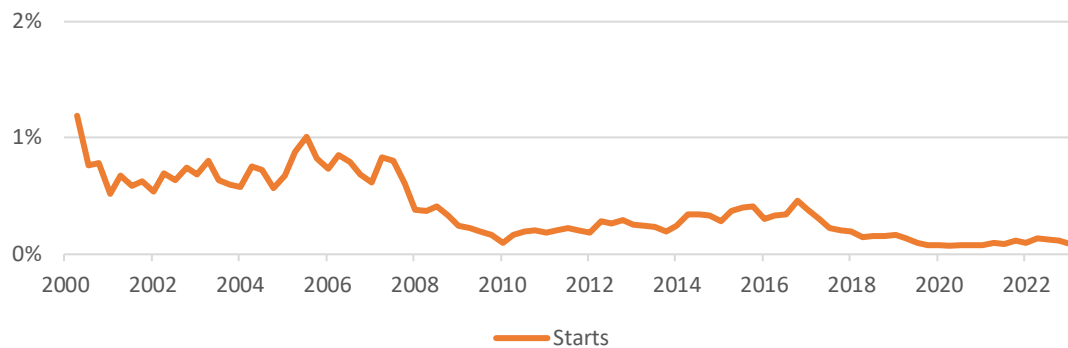
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Retail Market *absorption/construction*

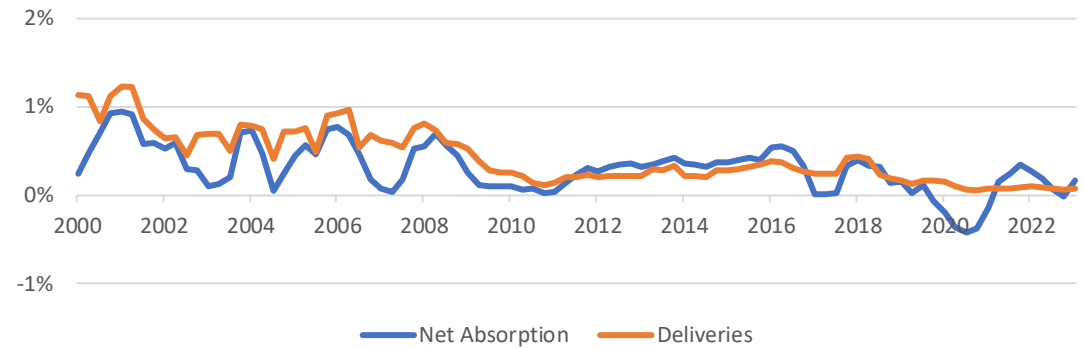
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.09%	0.11%	0.10%
Under Construction Percent	Overall	0.54%	0.52%	0.36%
Absorption Percent	Overall	0.16%	-0.02%	0.27%
Deliveries Percent	Overall	0.07%	0.06%	0.09%

Larger
Smaller
 Than Current

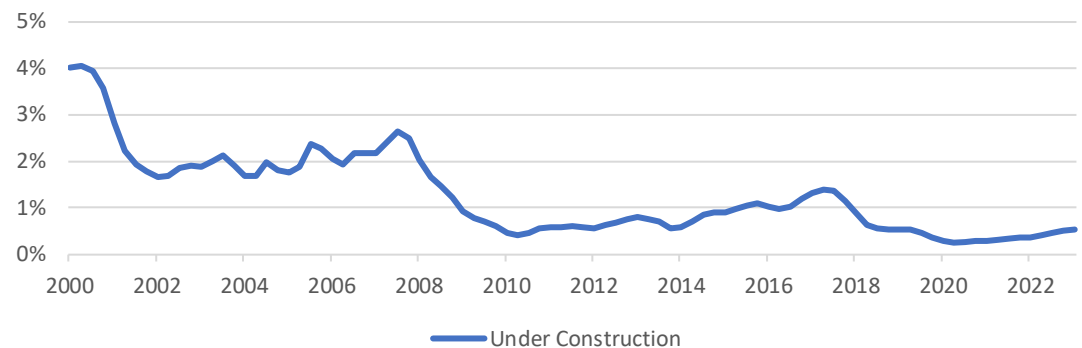
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

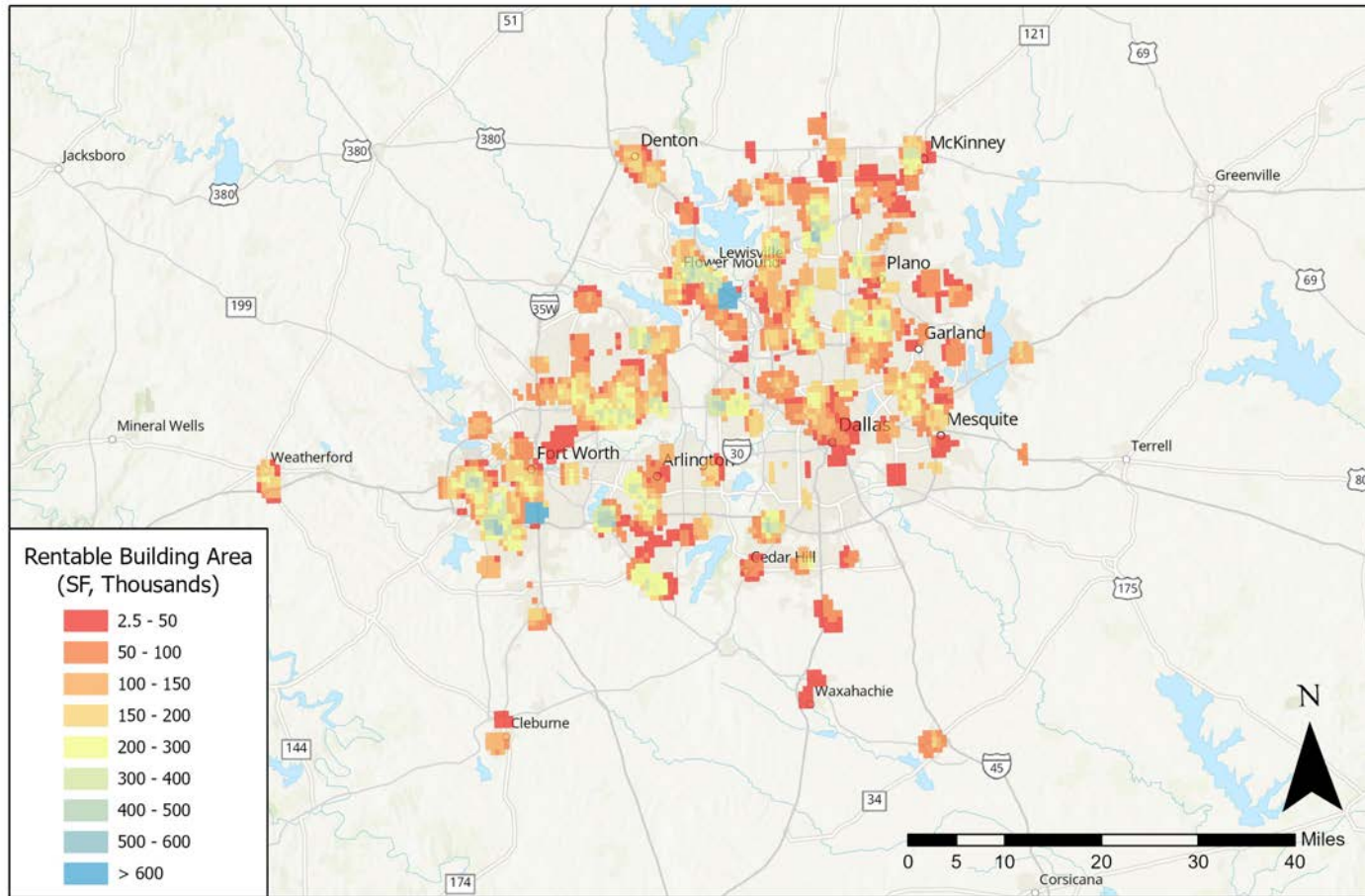


Under Construction as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Rentable Building Area Retail LMAs (Q2 2022)



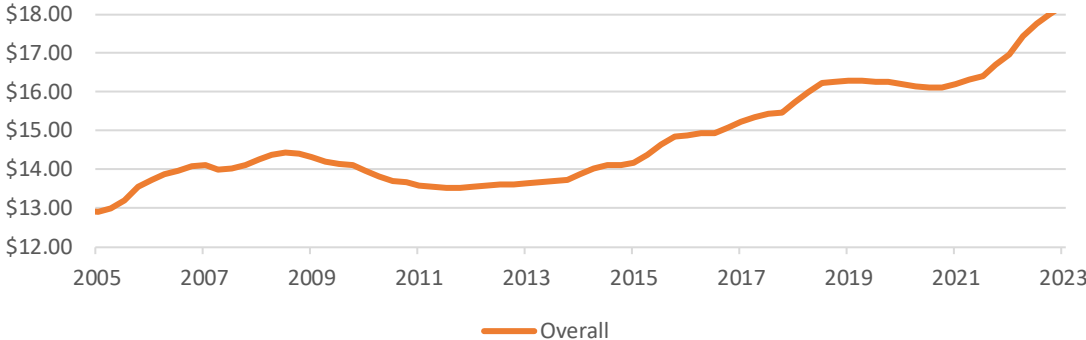
Sources: Costar, Esri, CGIAR, USGS, Baylor University, Texas Parks & Wildlife, HERE, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

[Local Market Area \(LMA\) Definitions](#)

Dallas-Fort Worth Retail Market *rent*



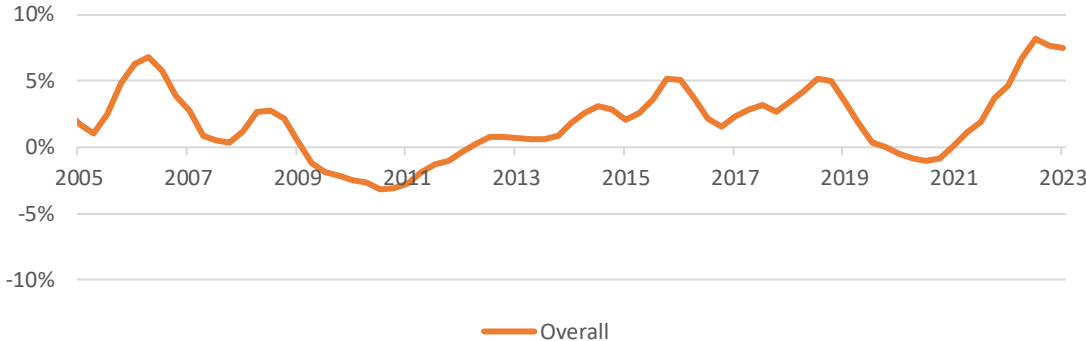
NNN Rent



NNN Rent Overall		Current	Previous Quarter	Previous Year
Overall		\$18.22	\$17.99	\$16.96

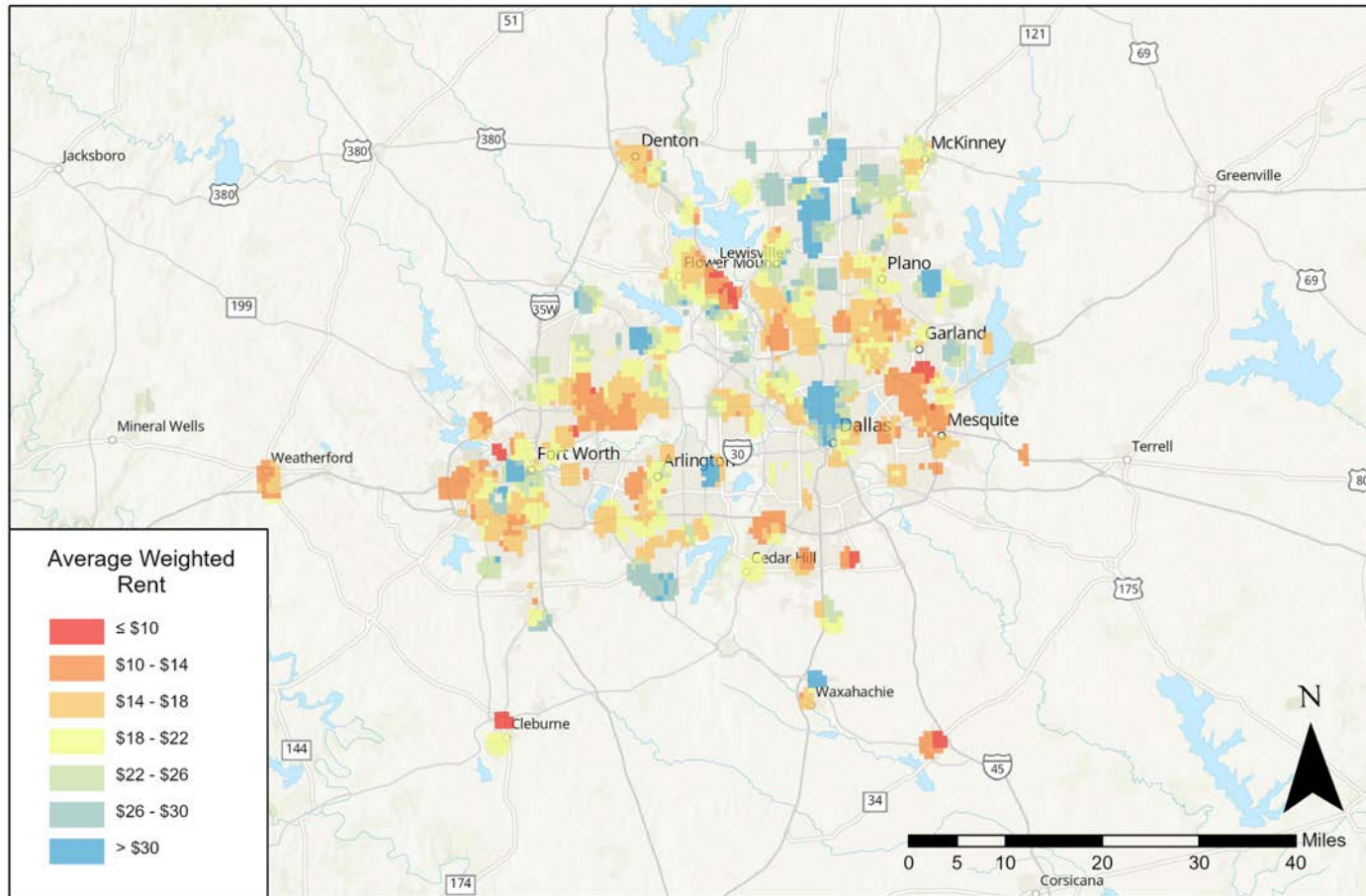
Larger
Smaller
 Than Current

NNN Rent YoY Growth



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Average Weighted Rent Retail LMAs (Q2 2022)



Sources: Costar, Esri, CGIAR, USGS, Baylor University, Texas Parks & Wildlife, HERE, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

[Local Market Area \(LMA\) Definitions](#)

Dallas-Fort Worth Retail Market *rent*



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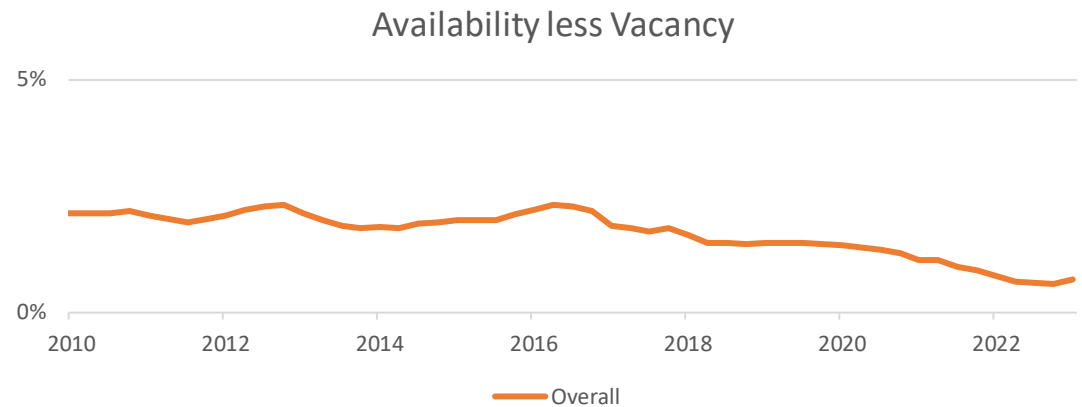
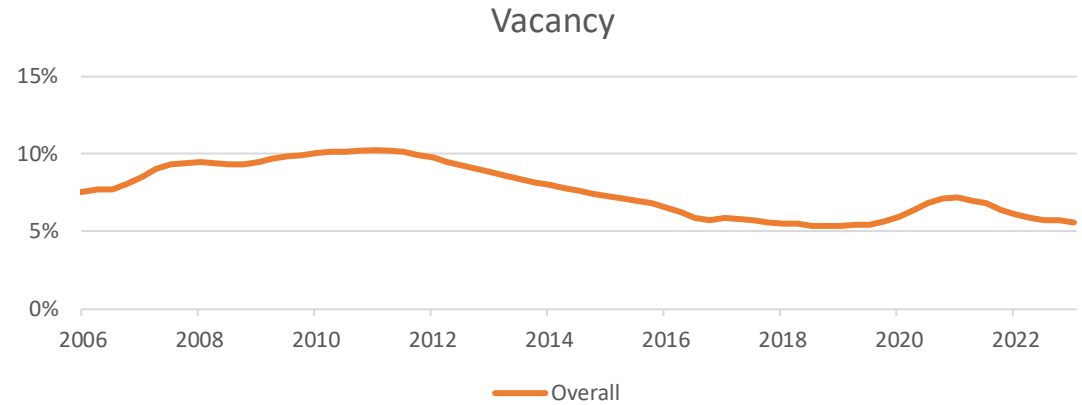
Dallas-Fort Worth Retail Market *vacancy*



Vacant Percent % Total
Availability less Vacancy

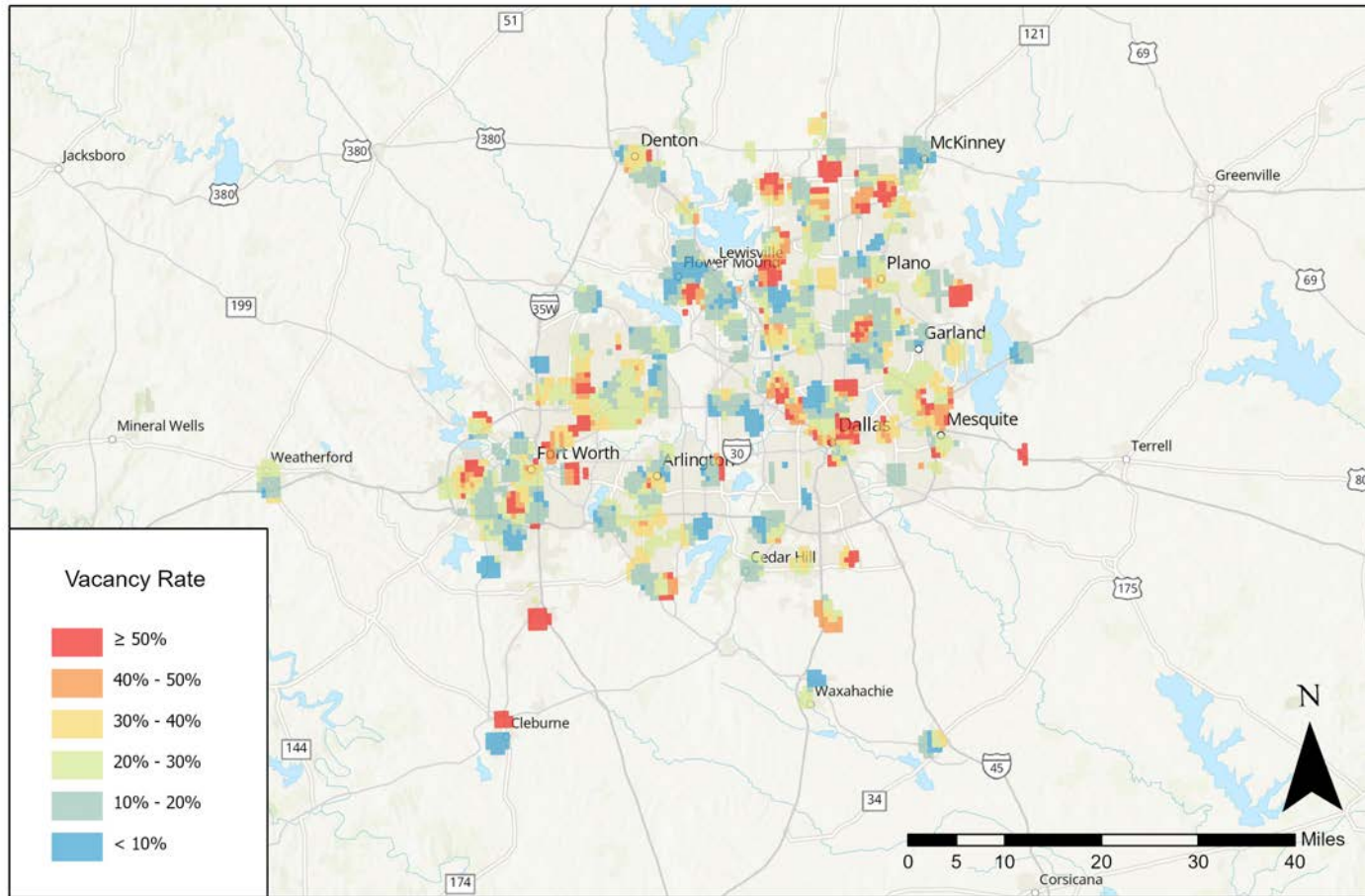
	Current	Previous Quarter	Previous Year
Overall	5.60%	5.75%	6.07%
Overall	0.70%	0.60%	0.77%

Larger
Smaller
 Than Current



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Vacancy Retail LMAs (Q2 2022)



Sources: Costar, Esri, CGIAR, USGS, Baylor University, Texas Parks & Wildlife, HERE, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Dallas-Fort Worth Retail Market *vacancy*



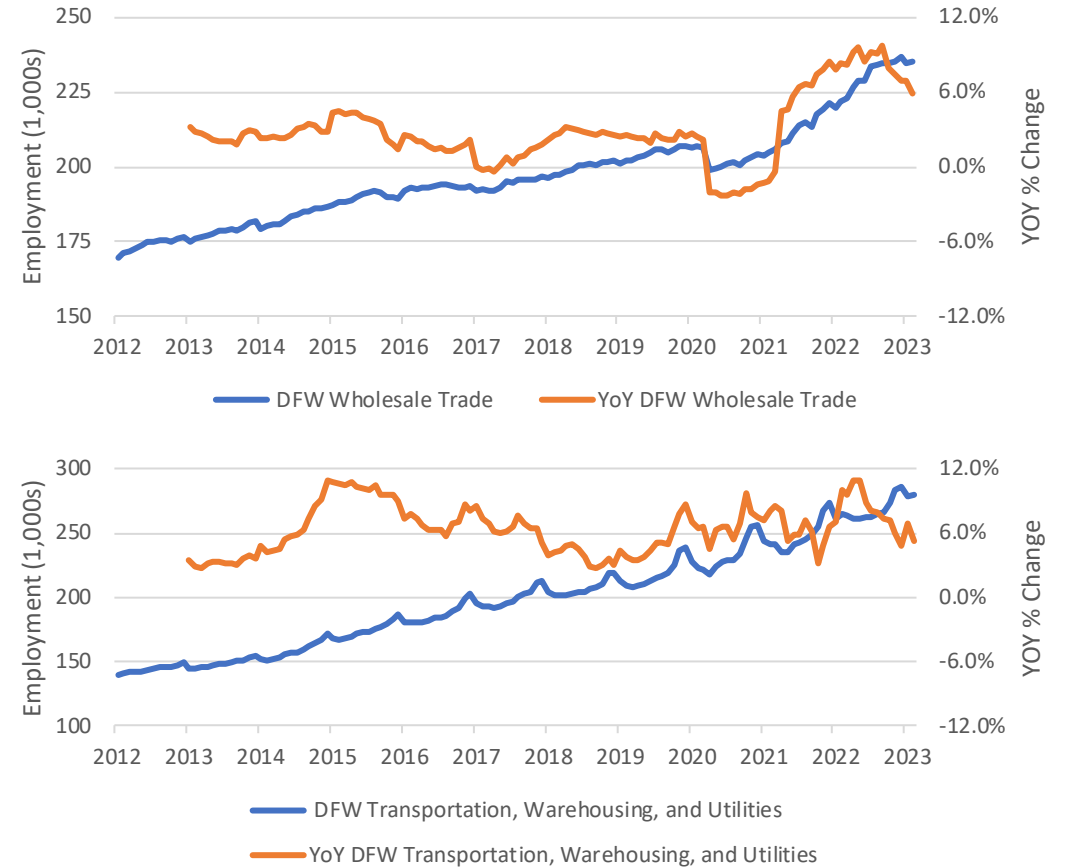
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Texas Real Estate Research Center

Dallas-Fort Worth Warehouse Market

key employment trends

	Feb-23	Feb-22	Change	YoY
DFW Wholesale Trade	235,100	222,000	13,100	5.90%

	Feb-23	Feb-22	Change	YoY
DFW Transportation, Warehousing, and Utilities	279,500	265,300	14,200	5.35%



Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Warehouse Market

absorption/construction

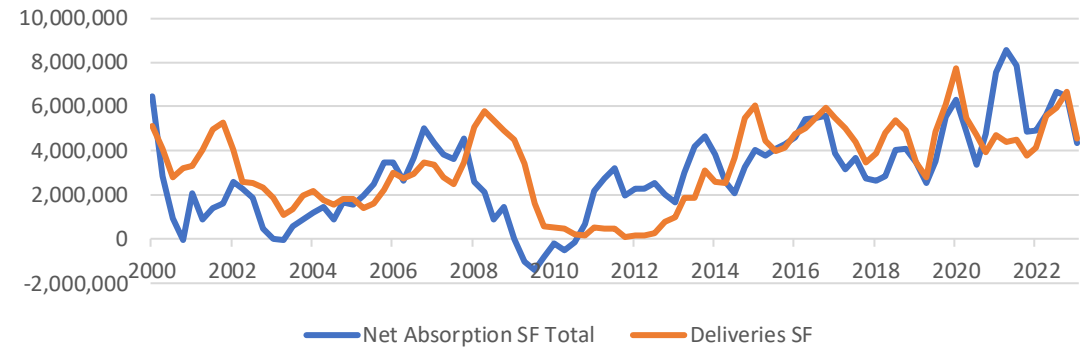
		Current	Previous Quarter	Previous Year
Starts SF	Overall	6,503,245	11,100,491	5,114,765
Net Absorption SF Total	Overall	4,365,719	6,458,119	4,895,845
Deliveries SF	Overall	4,576,966	6,644,660	4,121,314
Under Construction SF	Overall	42,075,989	40,149,711	26,233,709

Larger
Smaller
 Than Current

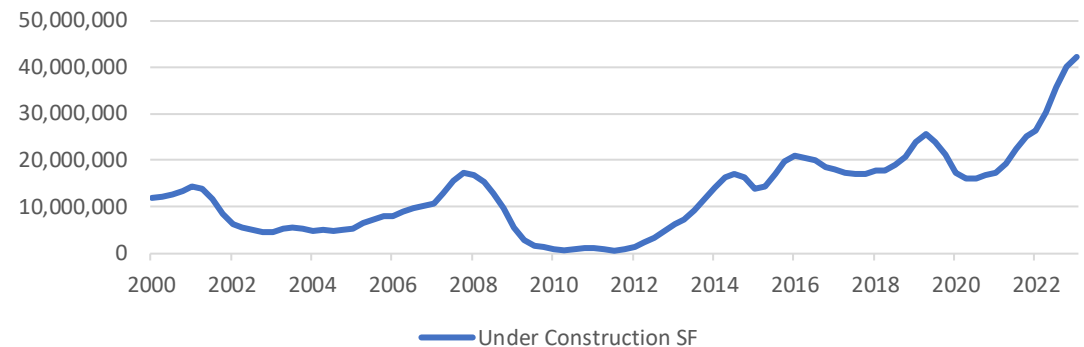
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Warehouse Market

absorption/construction

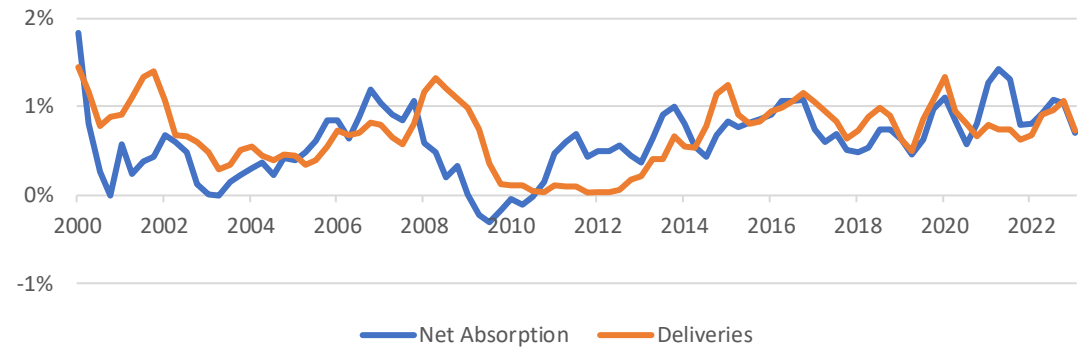
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	1.04%	1.78%	0.84%
Under Construction Percent	Overall	6.71%	6.42%	4.30%
Absorption Percent	Overall	0.70%	1.03%	0.80%
Deliveries Percent	Overall	0.73%	1.06%	0.67%

Larger
Smaller
 Than Current

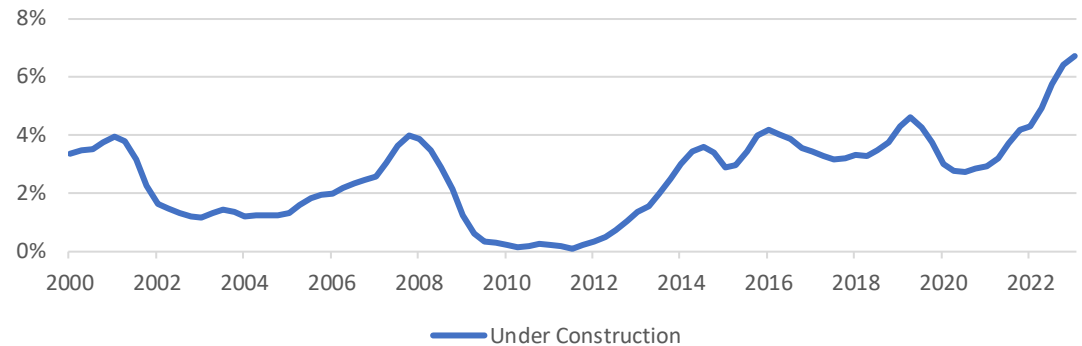
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

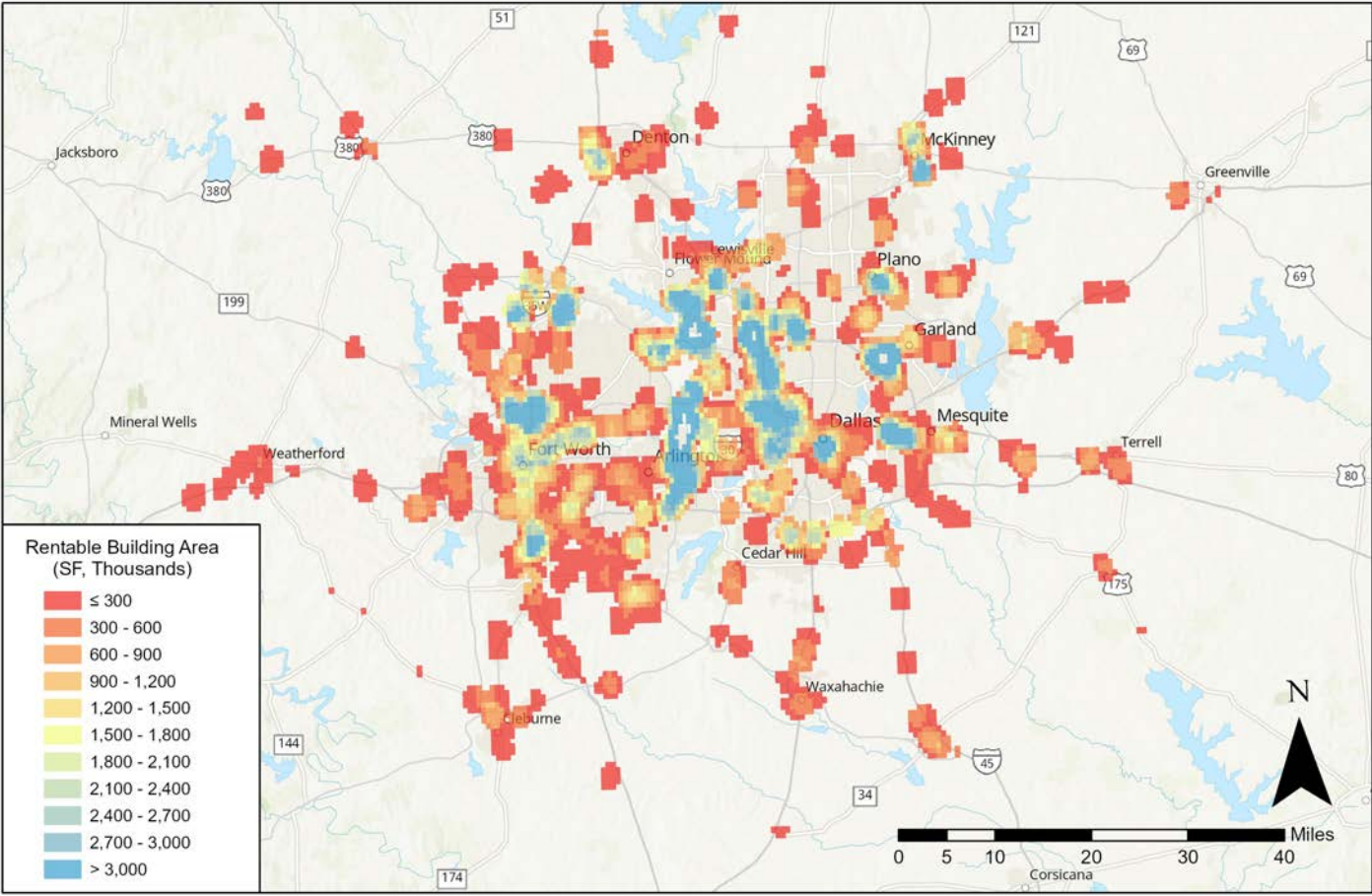


Under Construction as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Rentable Building Area Warehouse LMAs (Q3 2022)



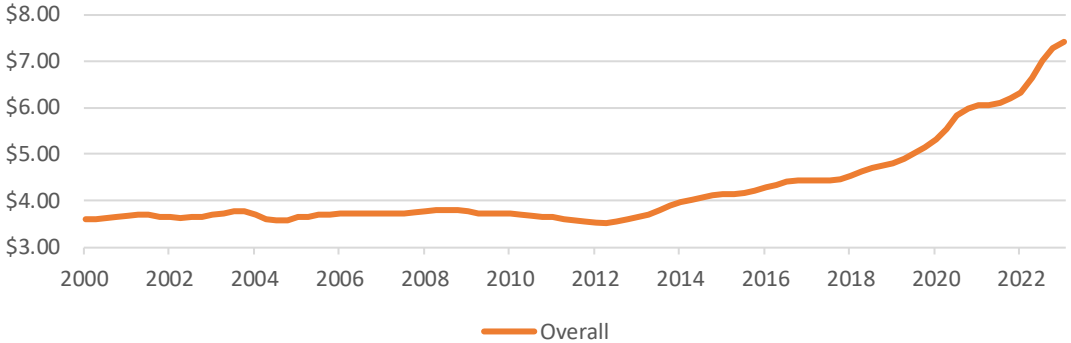
Sources: Costar, Esri, CGIAR, USGS, Baylor University, Texas Parks & Wildlife, HERE, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Dallas-Fort Worth Warehouse Market *rent*



NNN Rent



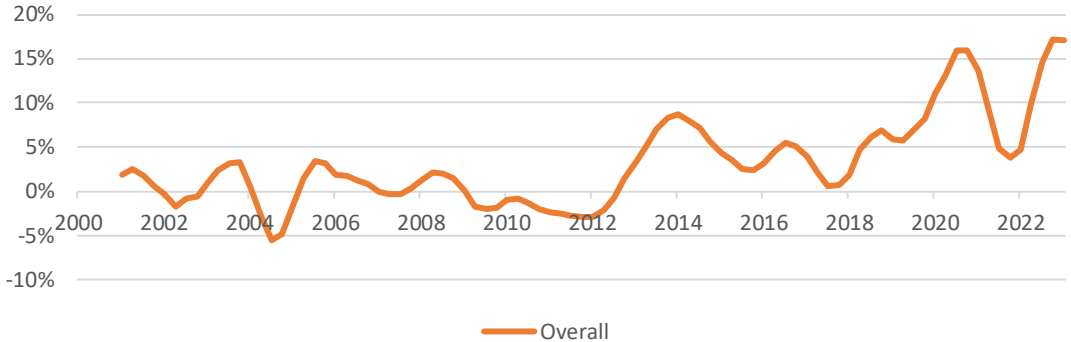
NNN Rent Overall

Overall

Current	Previous Quarter	Previous Year
\$7.41	\$7.27	\$6.33

Larger Than Current
Smaller Than Current

NNN Rent YoY Growth



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Warehouse Market *vacancy*

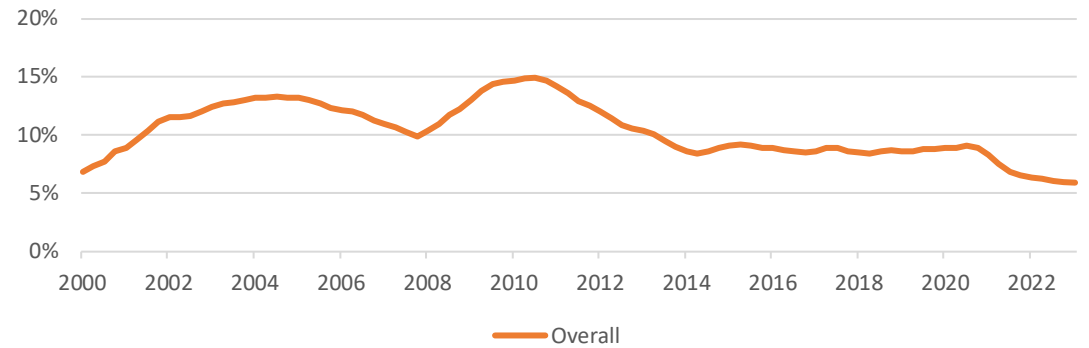


Vacant Percent % Total
Availability less Vacancy

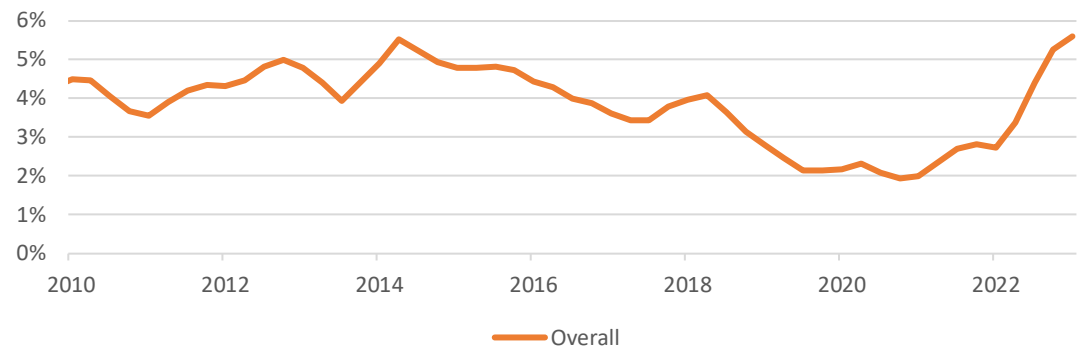
	Current	Previous Quarter	Previous Year
Overall	5.90%	5.95%	6.33%
Overall	5.60%	5.25%	2.73%

Larger Than Current
Smaller Than Current

Vacancy

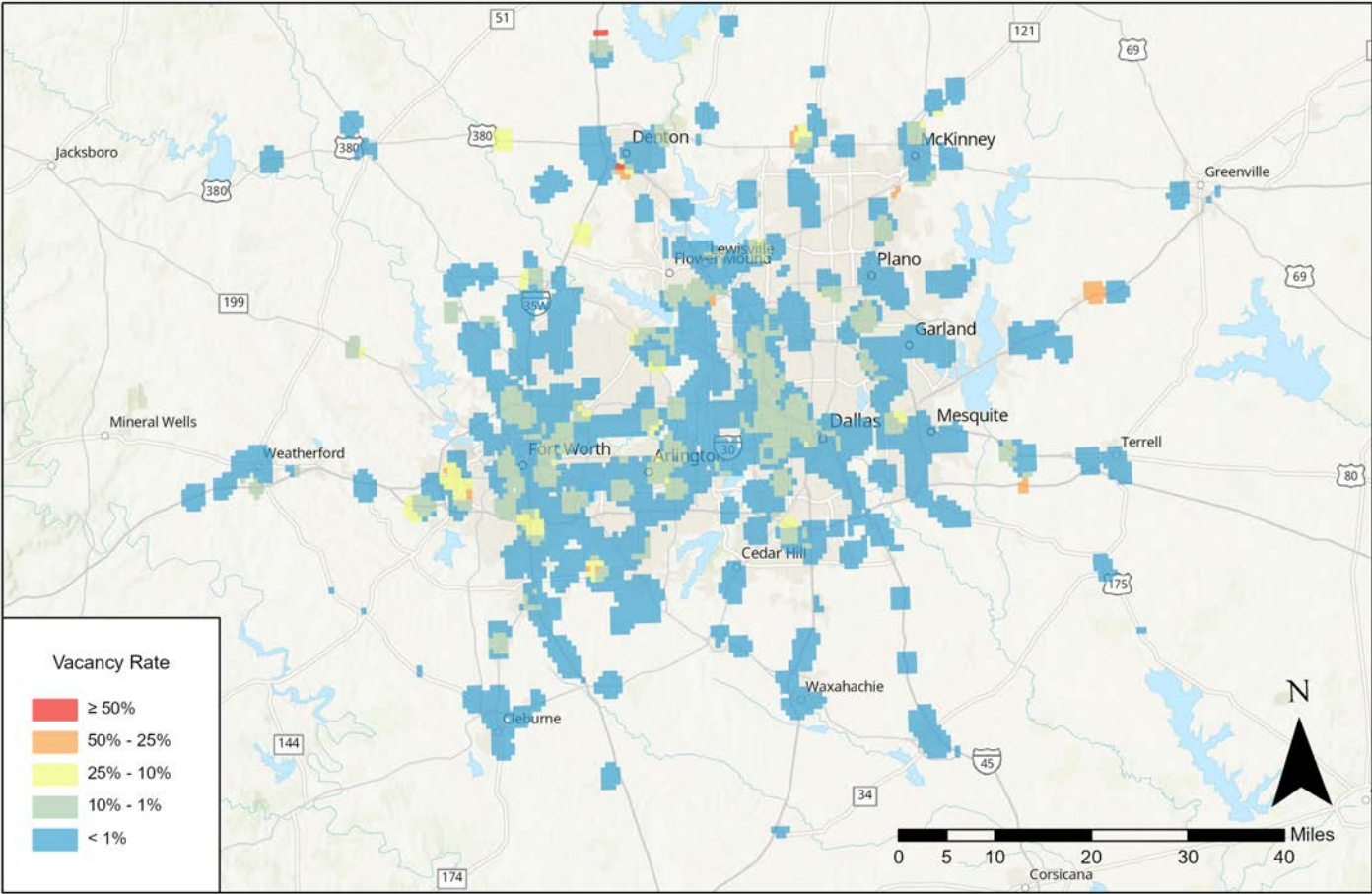


Availability less Vacancy



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

DFW Metro Vacancy Warehouse LMAs (Q3 2022)



Sources: Costar, Esri, CGIAR, USGS, Baylor University, Texas Parks & Wildlife, HERE, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Dallas-Fort Worth Warehouse Market *vacancy*

Houston

- Economy
- Apartments
- Office
- Retail
- Warehouse



Houston Economy

- Total Houston employment remains strong with growth elevated above pre-COVID trends. Long-term employment growth across the economy is expected to moderate toward pre-COVID rates.
- Direct oil and gas employment has shown significant recovery from the lows of 2021 on a YOY basis, but it has flatlined in recent months without returning to pre-COVID levels.
- Trade and transportation employment continues to perform well based on movement through the port as well as retail trade.
- Office vacancy increases have leveled off, but continued upward pressure is possible if employers recalibrate to the new work-from-home/hybrid work environment. These responses and their extent are still unclear.
- Apartment rents peaked in the fourth quarter and moderated slightly last quarter. Growth remains above historic trends but is moderating. Falling construction levels should mean lower downside risk even as absorptions fall.

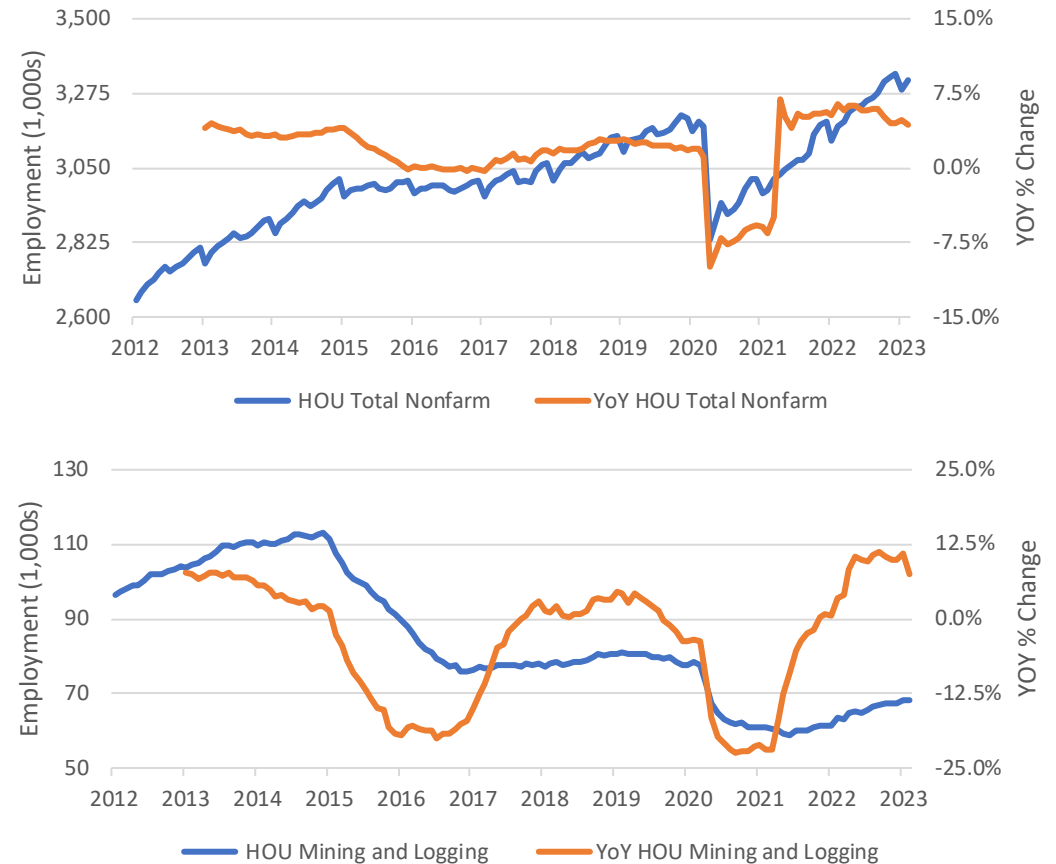
Houston Economy *key employment trends*

HOU Total Nonfarm

Feb-23	Feb-22	Change	YoY
3,314,600	3,177,300	137,300	4.32%

HOU Mining and Logging

Feb-23	Feb-22	Change	YoY
68,000	63,300	4,700	7.42%

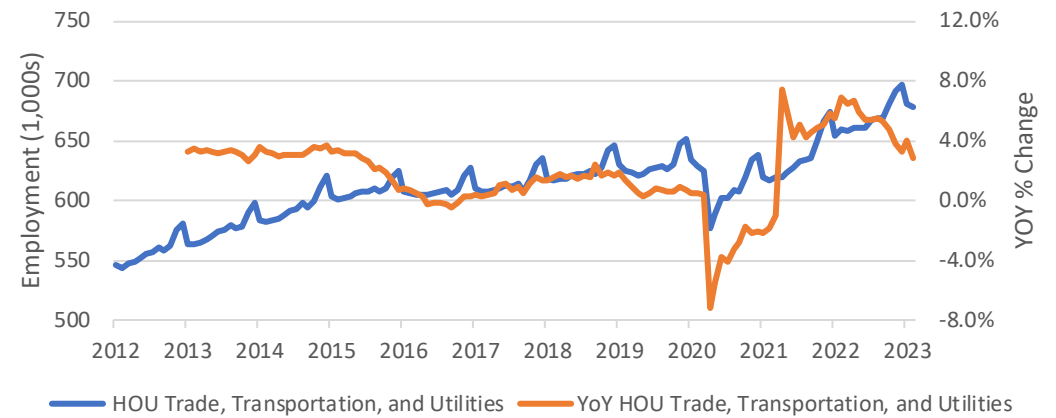


Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Houston Economy *key employment trends*



	Feb-23	Feb-22	Change	YoY
HOU Trade, Transportation, and Utilities	678,000	659,200	18,800	2.85%



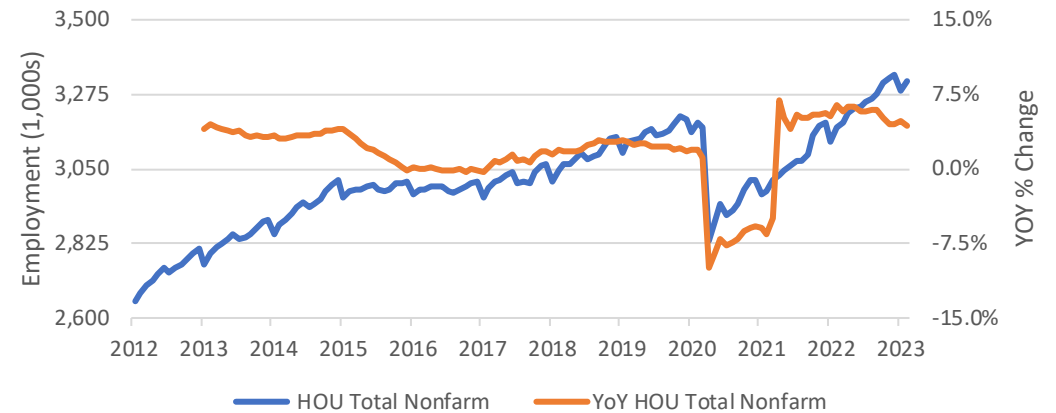
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Houston Apartment Market *key employment trends*



HOU Total Nonfarm

Feb-23	Feb-22	Change YoY	YoY % Change
3,314,600	3,177,300	137,300	4.32%

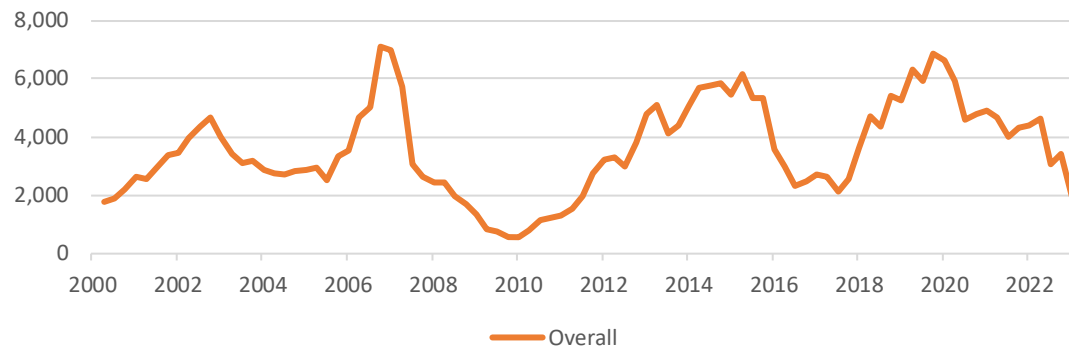


Houston Apartment Market *absorption/construction*

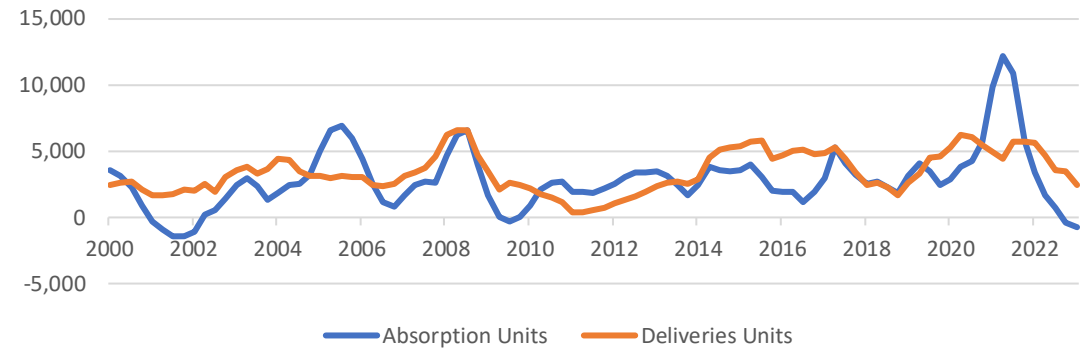
	Current	Previous Quarter	Previous Year
Starts Units	Overall 1,887	3,428	4,389
Absorption Units	Overall -768	-417	3,350
Deliveries Units	Overall 2,438	3,446	5,606
Under Construction Units	Overall 27,008	27,560	28,131

Larger
Smaller
 Than Current

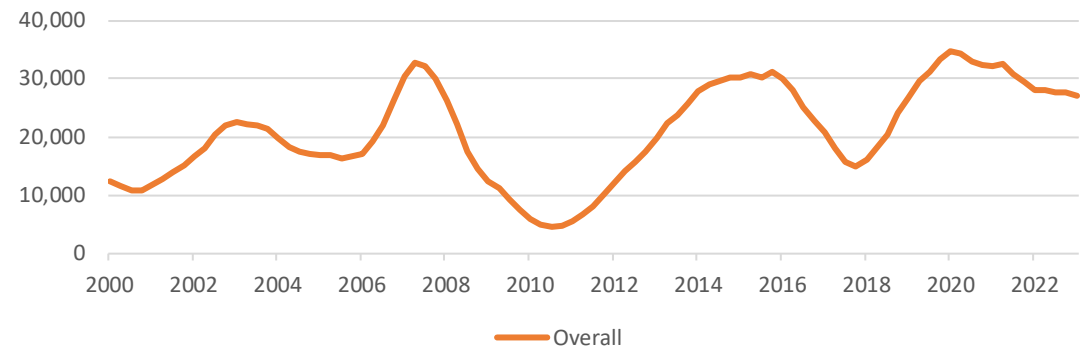
Starts Units



Absorption and Delivery Units



Under Construction Units

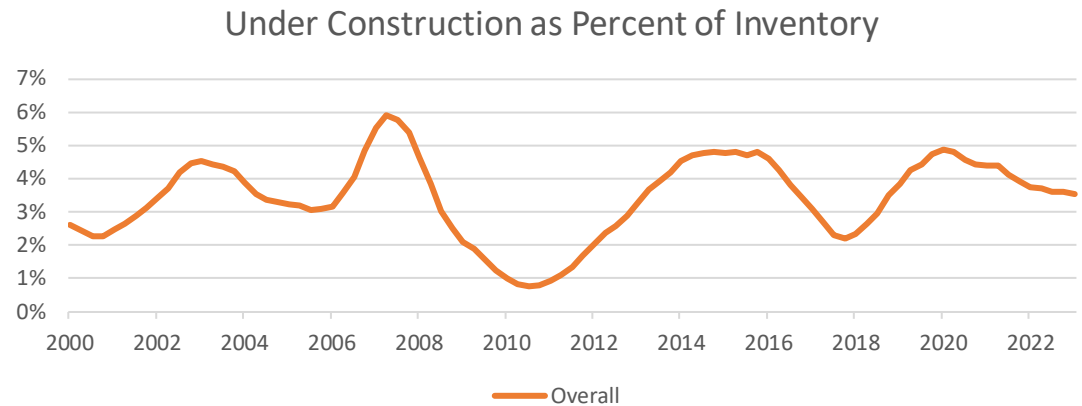
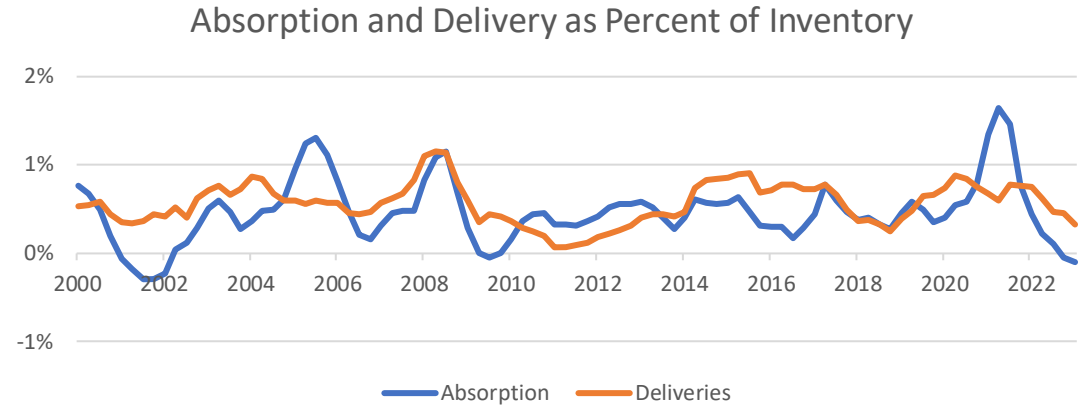
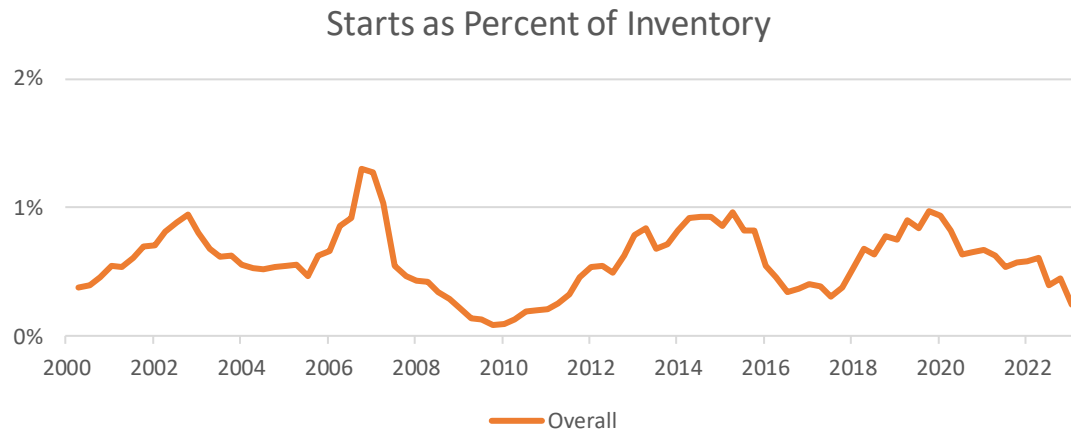


Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Apartment Market *absorption/construction*

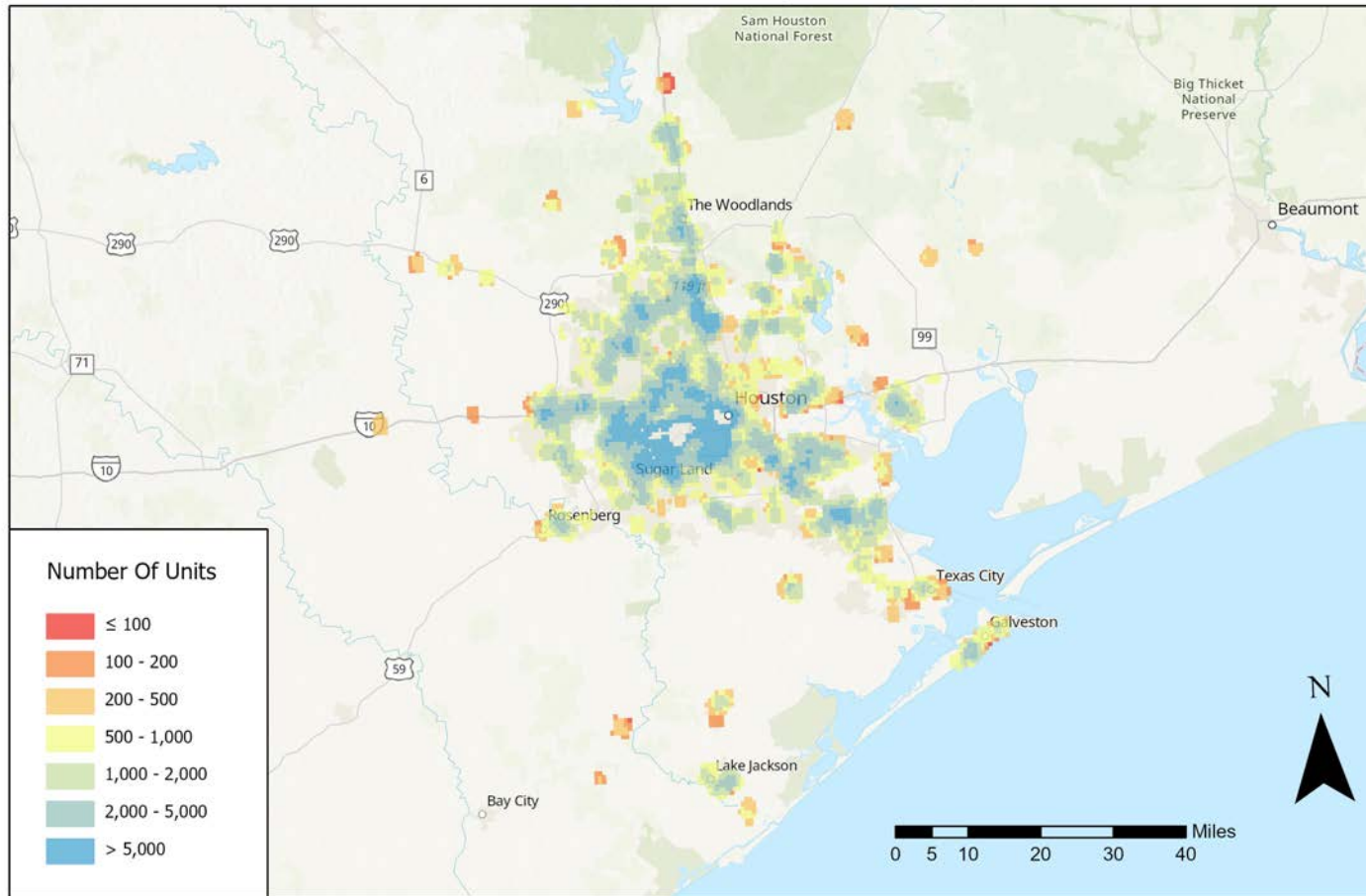
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.25%	0.45%	0.58%
Absorption Percent	Overall	-0.10%	-0.05%	0.44%
Deliveries Percent	Overall	0.32%	0.45%	0.74%
Under Construction Percent	Overall	3.52%	3.60%	3.72%

Larger
Smaller
 Than Current



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Metro Number of Units Multifamily LMAs (Q1 2023)



Source: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, Esri, CGIAR, USGS

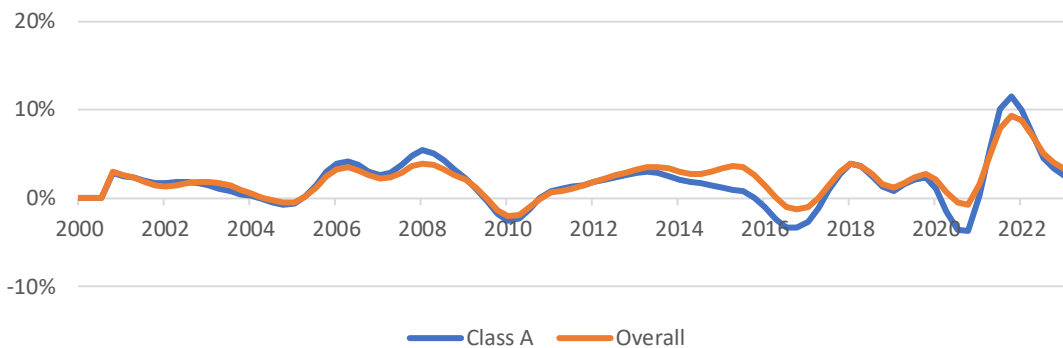
Local Market Area (LMA) Definitions

Houston Apartment Market *rent*

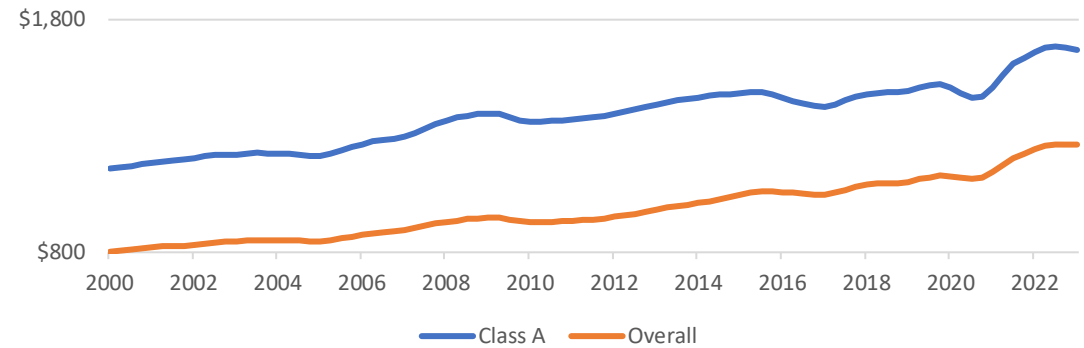
		Current	Previous Quarter	Previous Year
Effective Rent Per Unit	Class A	\$1,669	\$1,677	\$1,657
Effective Rent Per Unit	Overall	\$1,259	\$1,262	\$1,241
Effective Rent Per SF	Class A	\$1.73	1.74	1.72
Effective Rent Per SF	Overall	\$1.41	1.42	1.39

Larger
Smaller
 Than Current

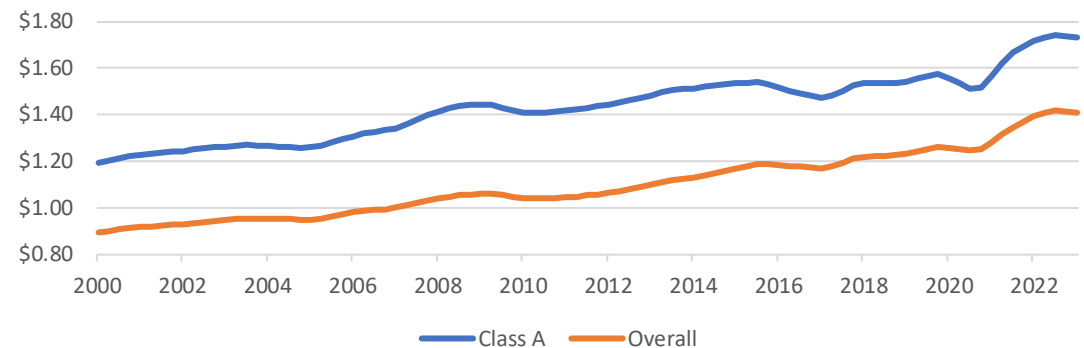
Year over Year Growth in Effective Rent



Effective Rent Per Unit

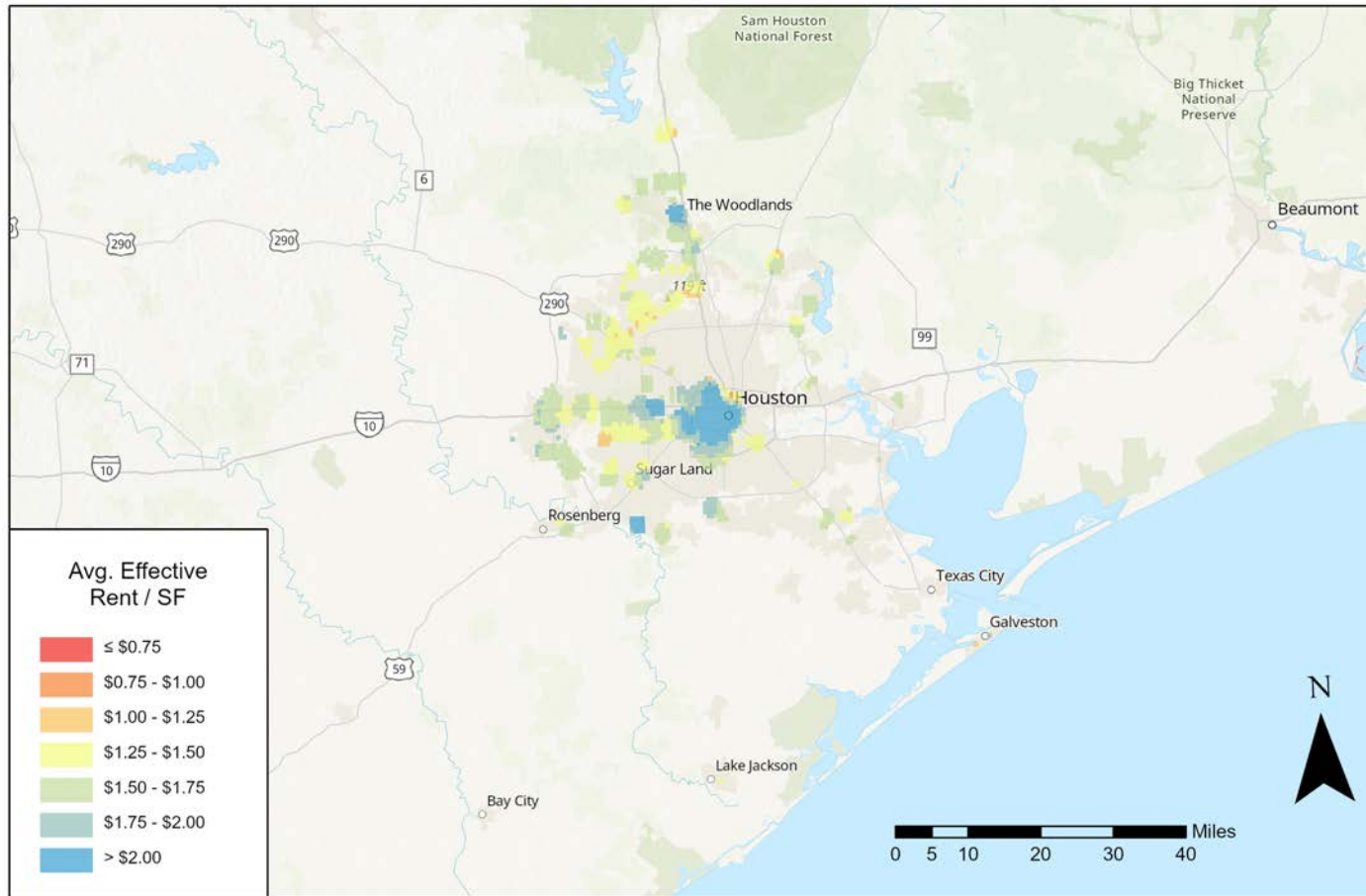


Effective Rent Per Square Foot



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

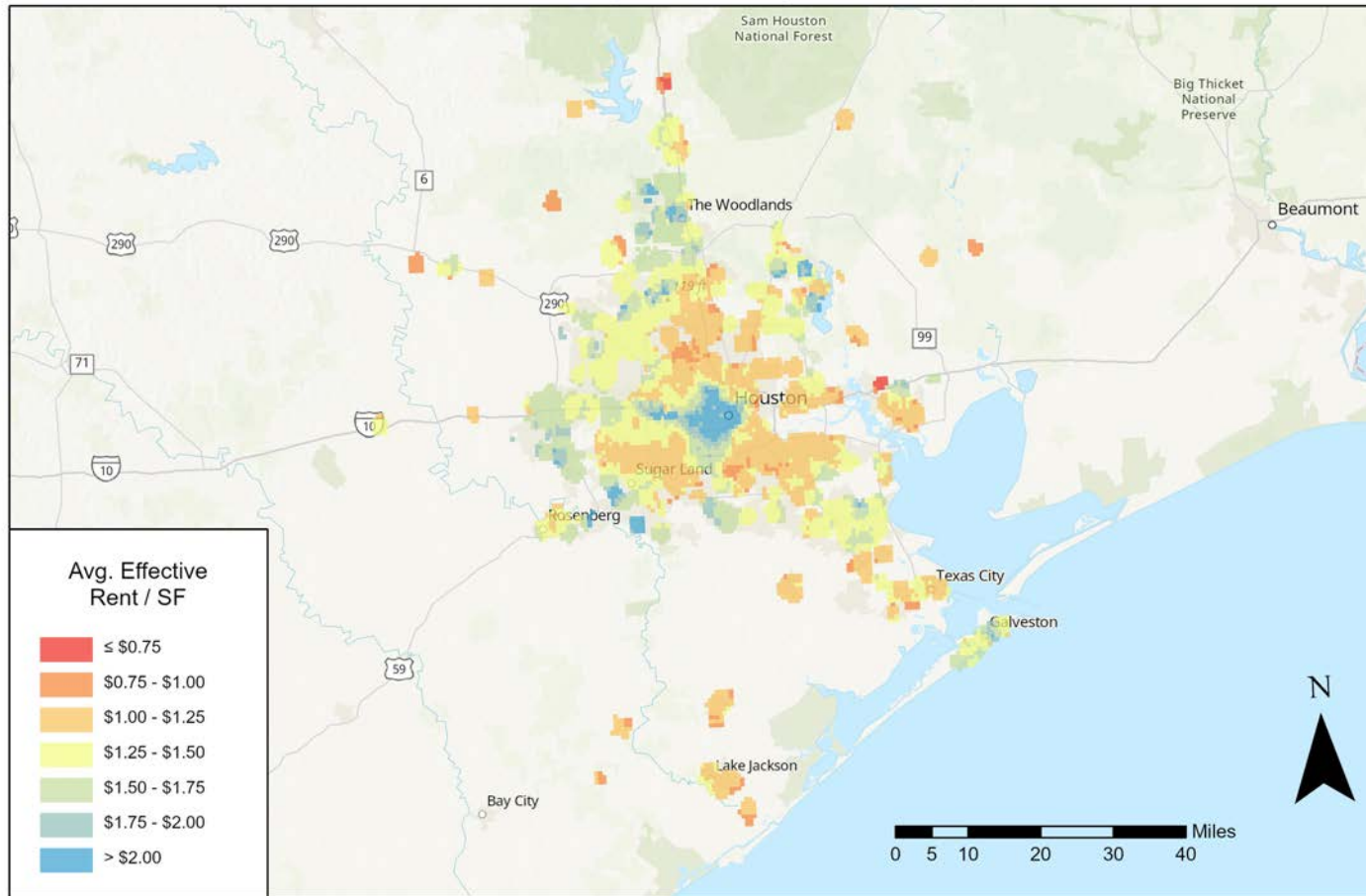
Houston Metro Average Effective Rent / SF Class A Multifamily LMAs (Q1 2023)



Source: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, Esri, USGS

[Local Market Area \(LMA\) Definitions](#)

Houston Metro Average Effective Rent / SF Multifamily LMAs (Q1 2023)



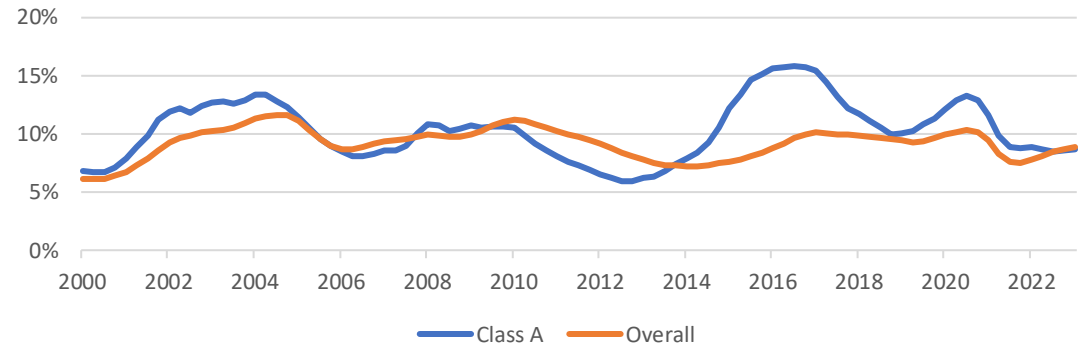
Source: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, Esri, USGS

[Local Market Area \(LMA\) Definitions](#)

Houston Apartment Market *vacancy*



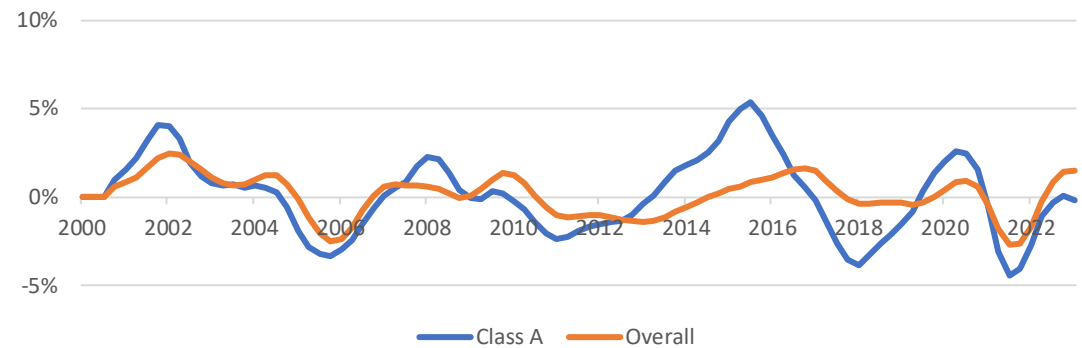
Vacancy



	Current	Previous Quarter	Previous Year
Vacancy Percent Class A	8.70%	8.55%	8.87%
Vacancy Percent Overall	8.90%	8.70%	7.77%

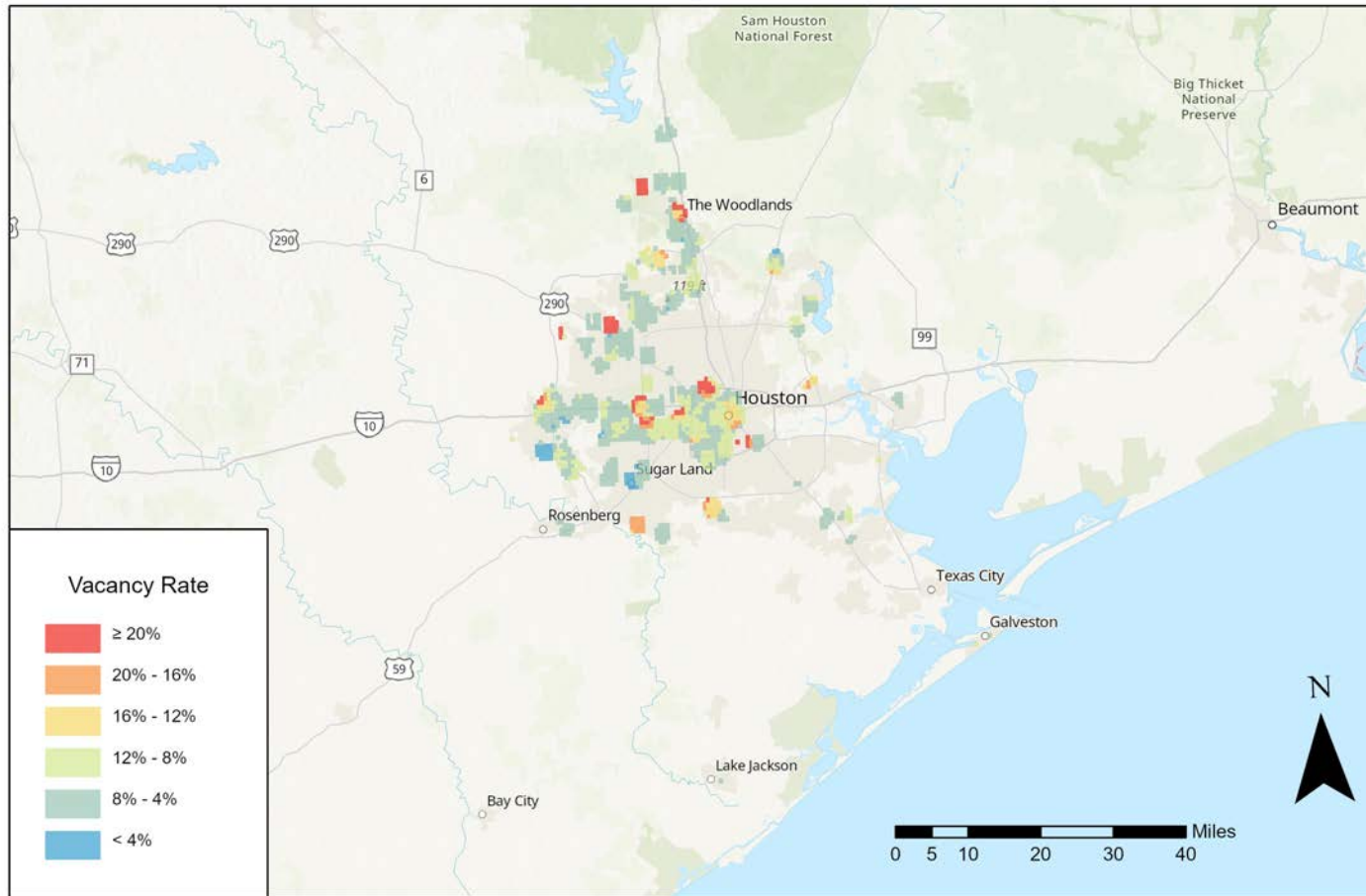
Larger
Smaller
 Than Current

Vacancy Change from Previous Year



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

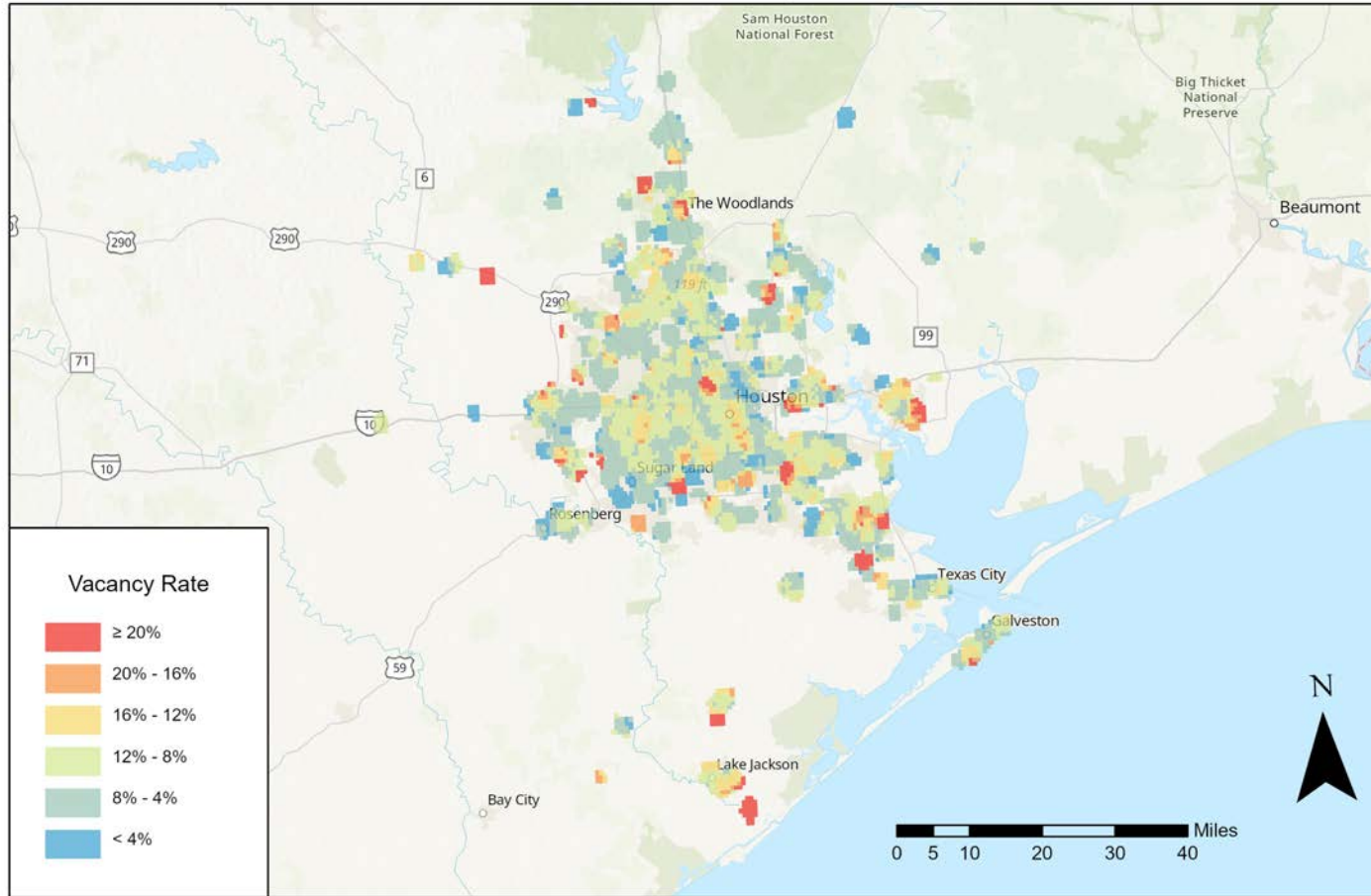
Houston Metro Vacancy Class A Multifamily LMAs (Q1 2023)



Source: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, Esri, USGS

[Local Market Area \(LMA\) Definitions](#)

Houston Metro Vacancy Multifamily LMAs (Q1 2023)



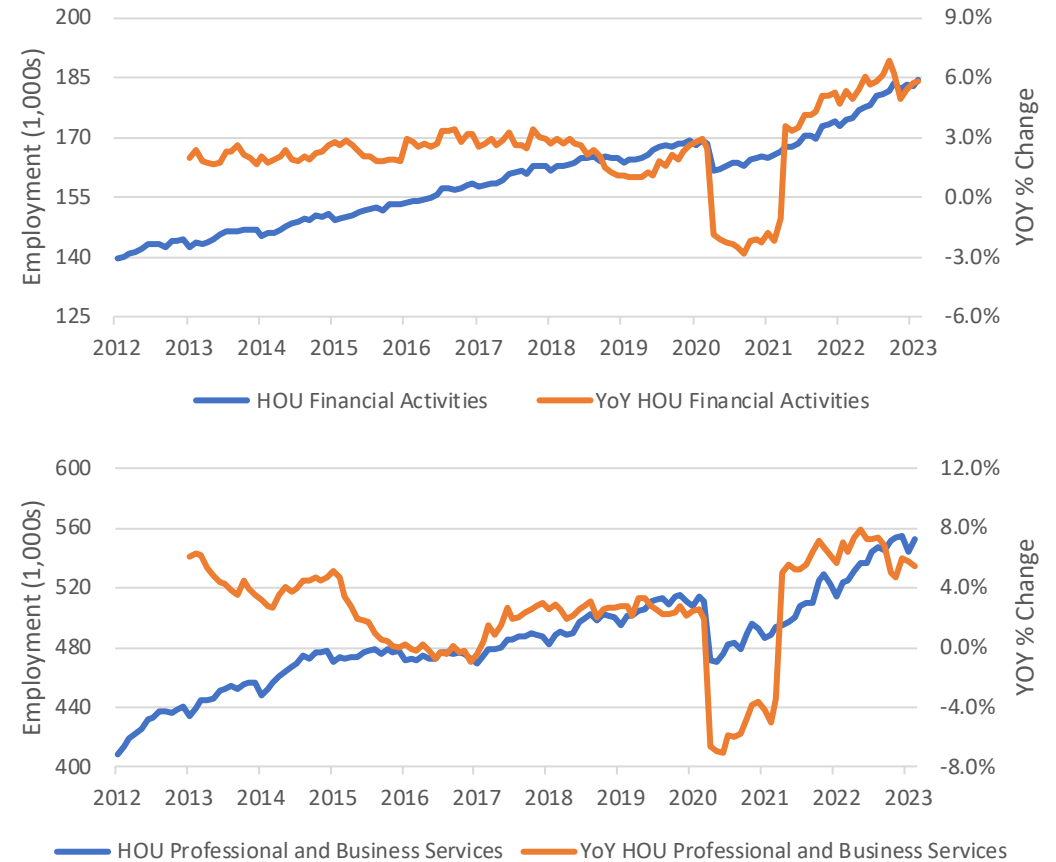
Source: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, Esri, USGS

[Local Market Area \(LMA\) Definitions](#)

Houston Office Market *key employment trends*

HOU Financial Activities	Feb-23	Feb-22	Change	YoY
	184,400	174,300	10,100	5.79%

HOU Professional and Business Services	Feb-23	Feb-22	Change	YoY
	552,400	523,500	28,900	5.52%



Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Houston Office Market *absorption/construction*

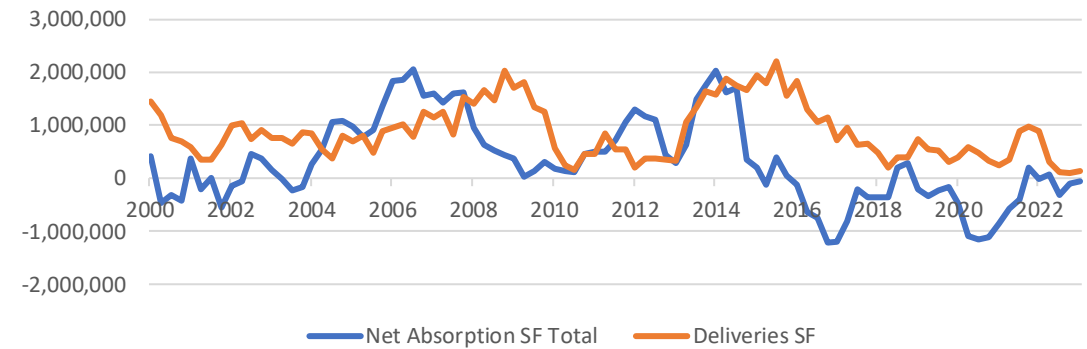
		Current	Previous Quarter	Previous Year
Starts SF	Overall	107,634	172,047	539,039
Net Absorption SF Total	Overall	-51,624	-106,847	-10,984
Deliveries SF	Overall	143,377	98,495	880,170
Under Construction SF	Overall	3,420,580	3,456,324	3,281,682

Larger
Smaller
 Than Current

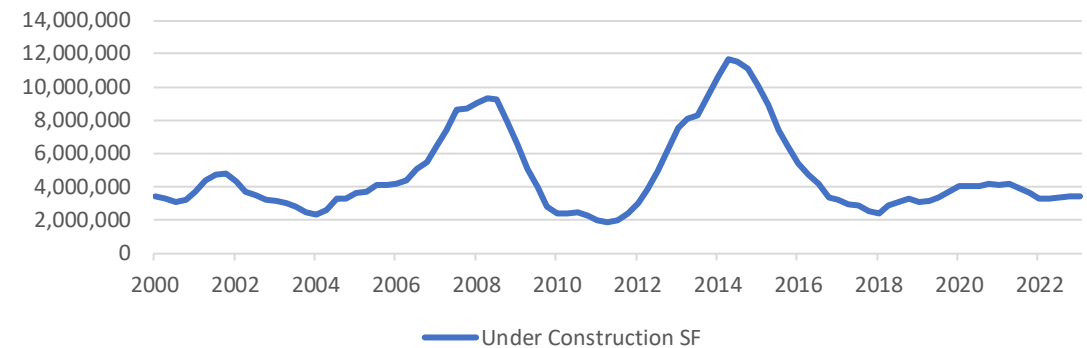
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



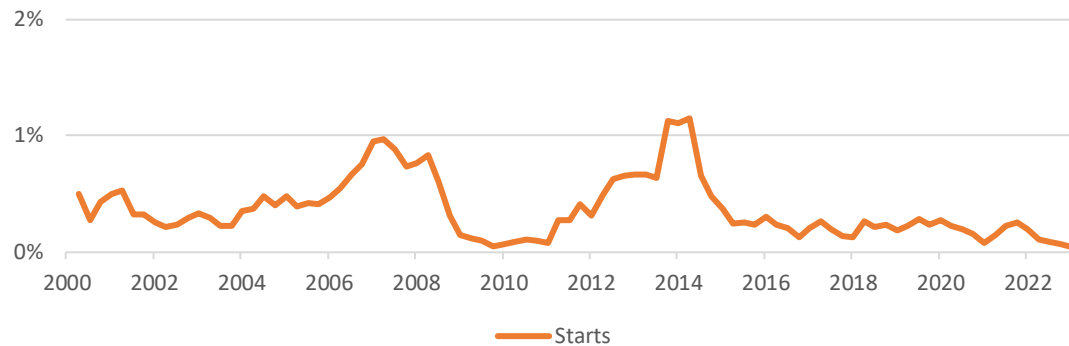
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Office Market *absorption/construction*

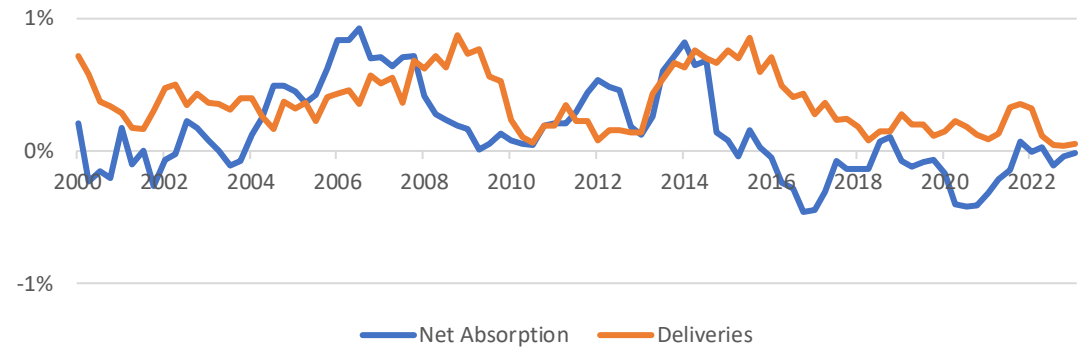
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.04%	0.06%	0.20%
Under Construction Percent	Overall	1.25%	1.27%	1.20%
Absorption Percent	Overall	-0.02%	-0.04%	0.00%
Deliveries Percent	Overall	0.05%	0.04%	0.32%

Larger
Smaller
 Than Current

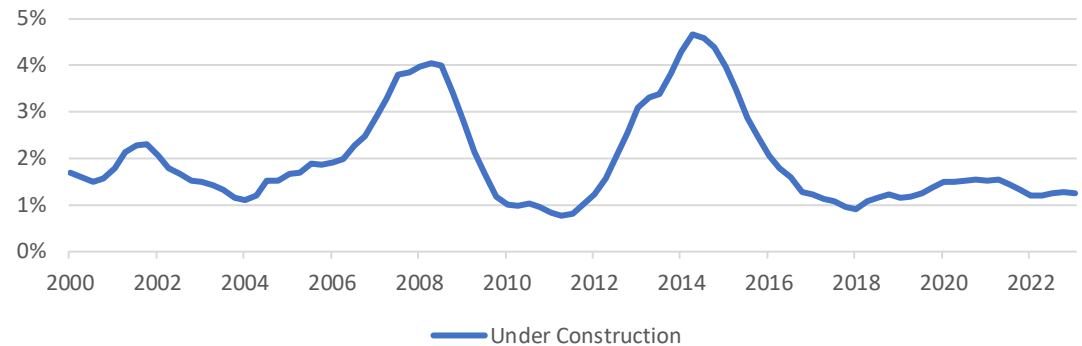
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

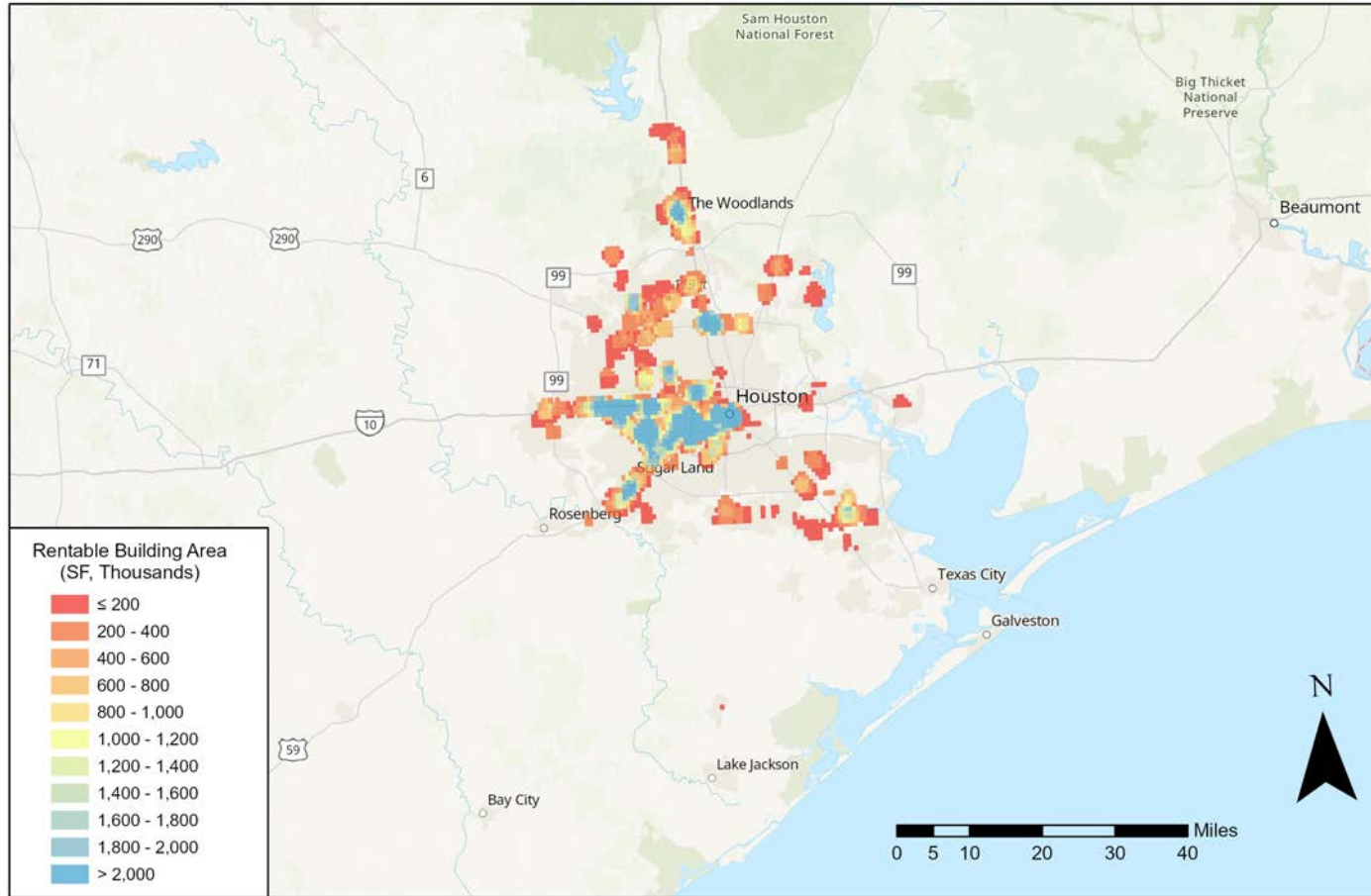


Under Construction as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Metro Rentable Building Area Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

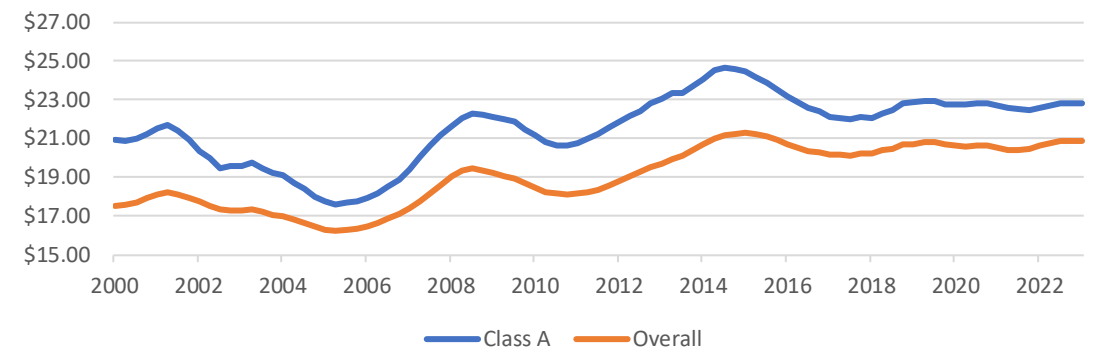
Local Market Area (LMA) Definitions

Houston Office Market *inventory*

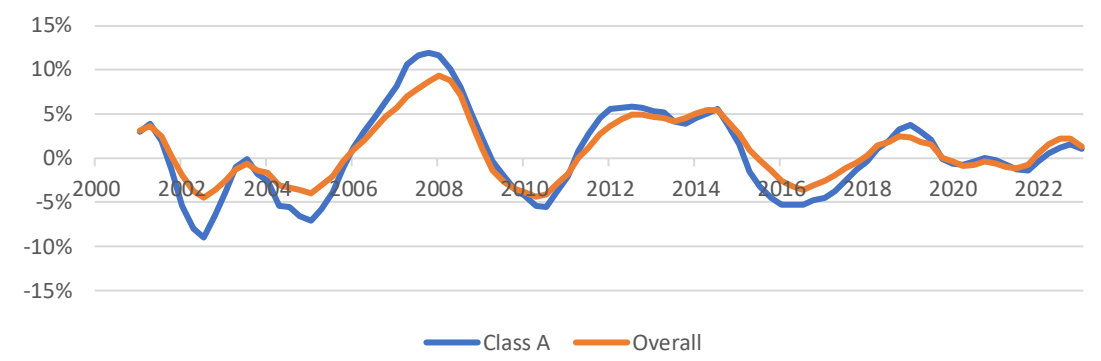


Houston Office Market *rent*

Office Base Rent



Office Base Rent YoY Growth

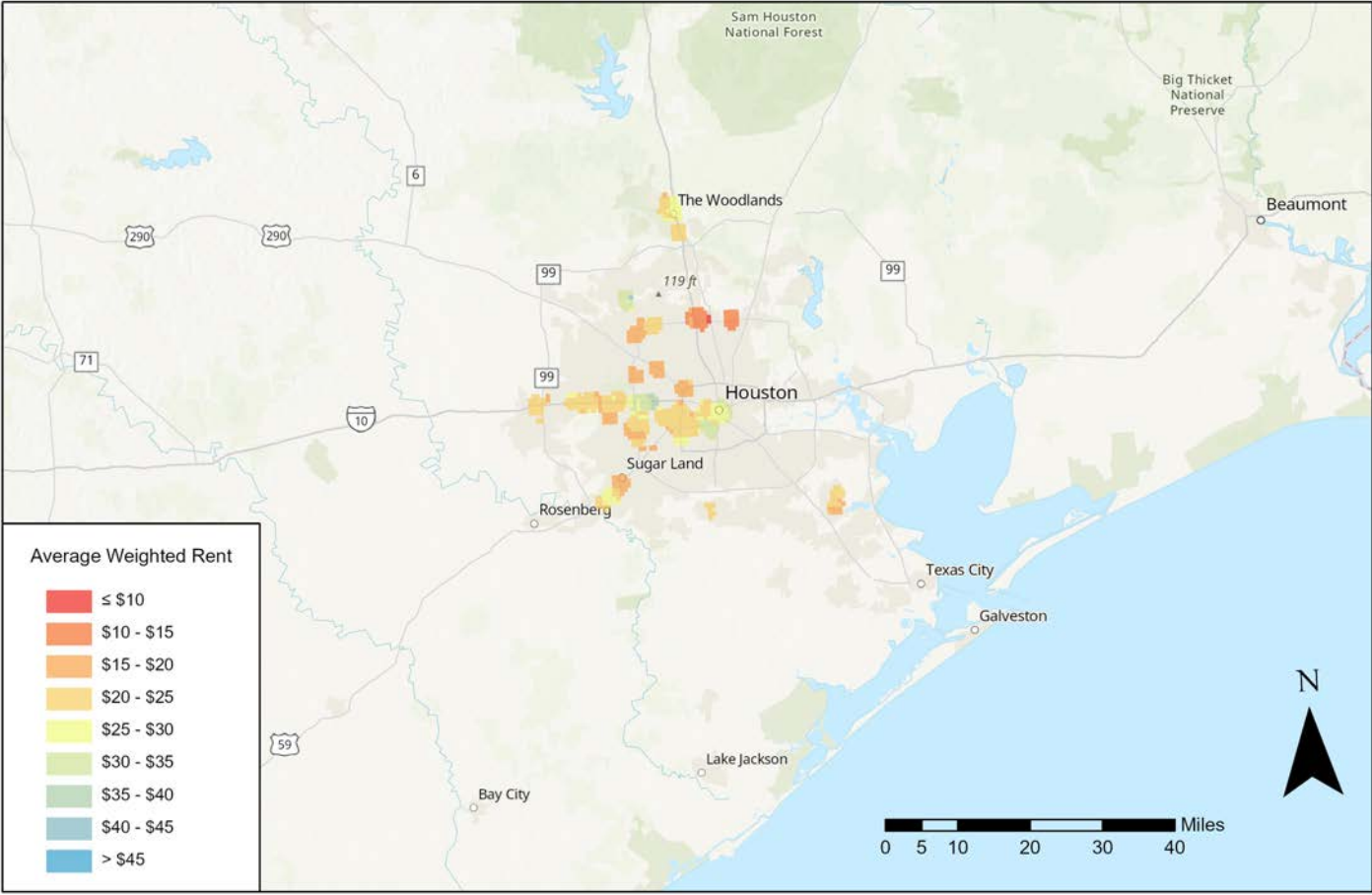


		Current	Previous Quarter	Previous Year
Base Rent	Class A	\$22.83	\$22.81	\$22.60
Base Rent	Overall	\$20.89	\$20.90	\$20.61

Larger
Smaller
 Than Current

Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Metro Average Weighted Rent Class A Office LMAs (Q4 2022)



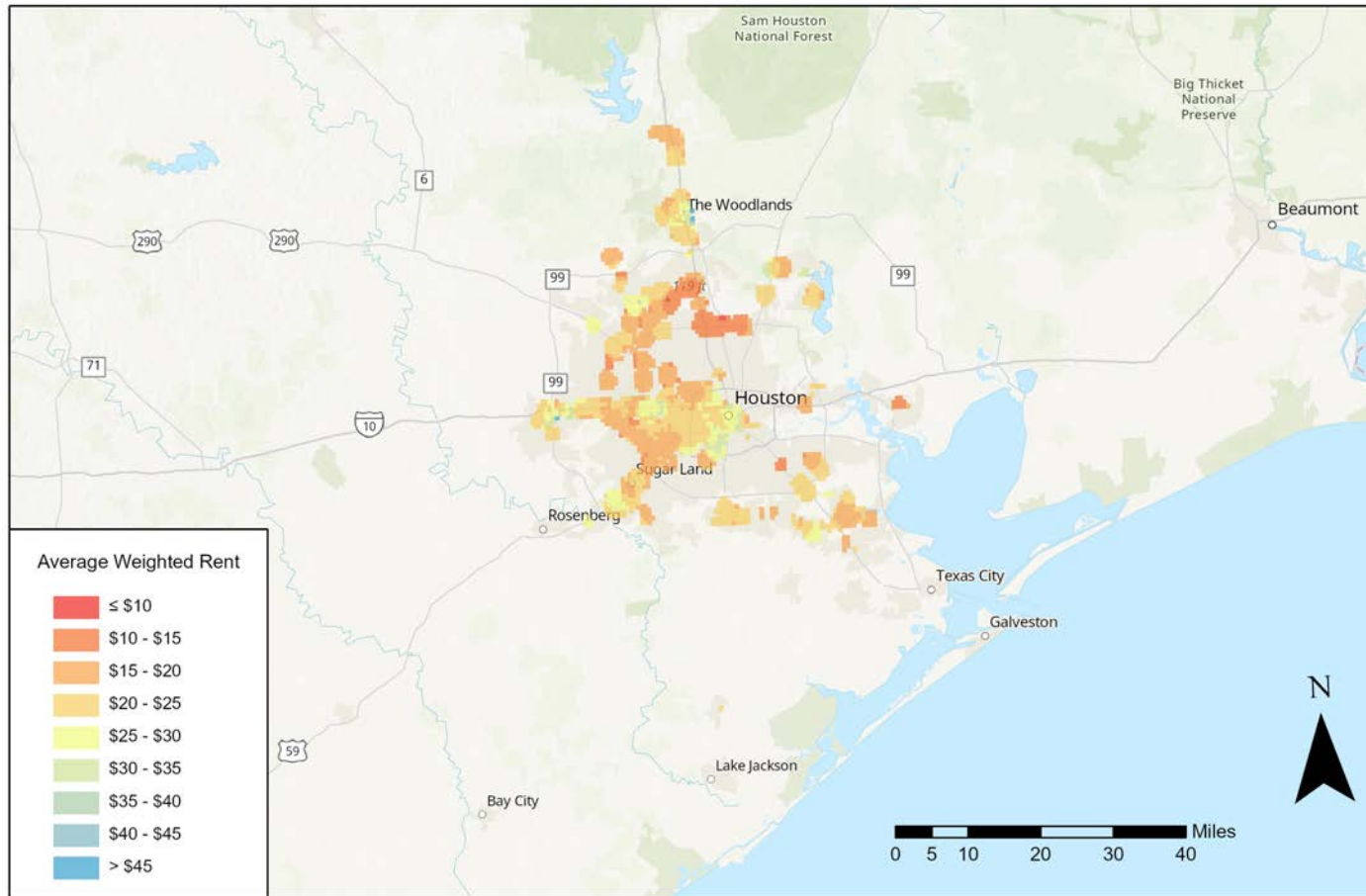
Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Houston Office Market *rent*



Houston Metro Average Weighted Rent Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Houston Office Market *rent*



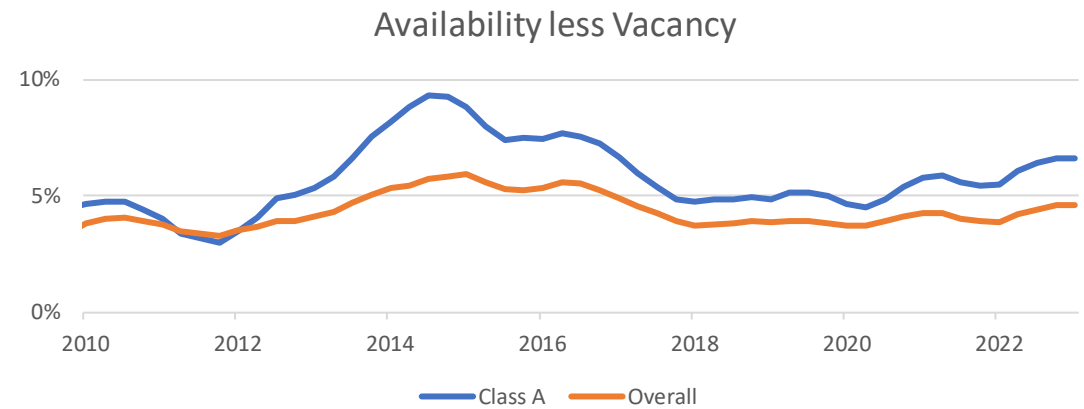
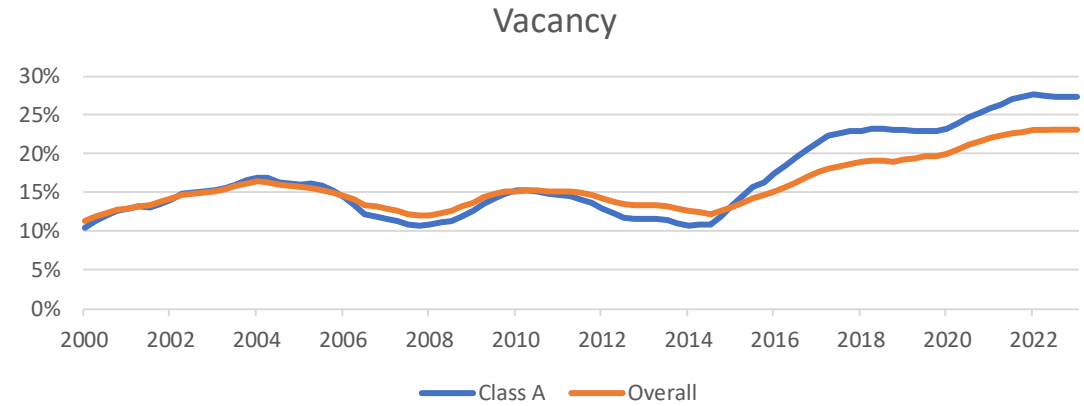
TEXAS A&M UNIVERSITY
Texas Real Estate Research Center

Houston Office Market *vacancy*



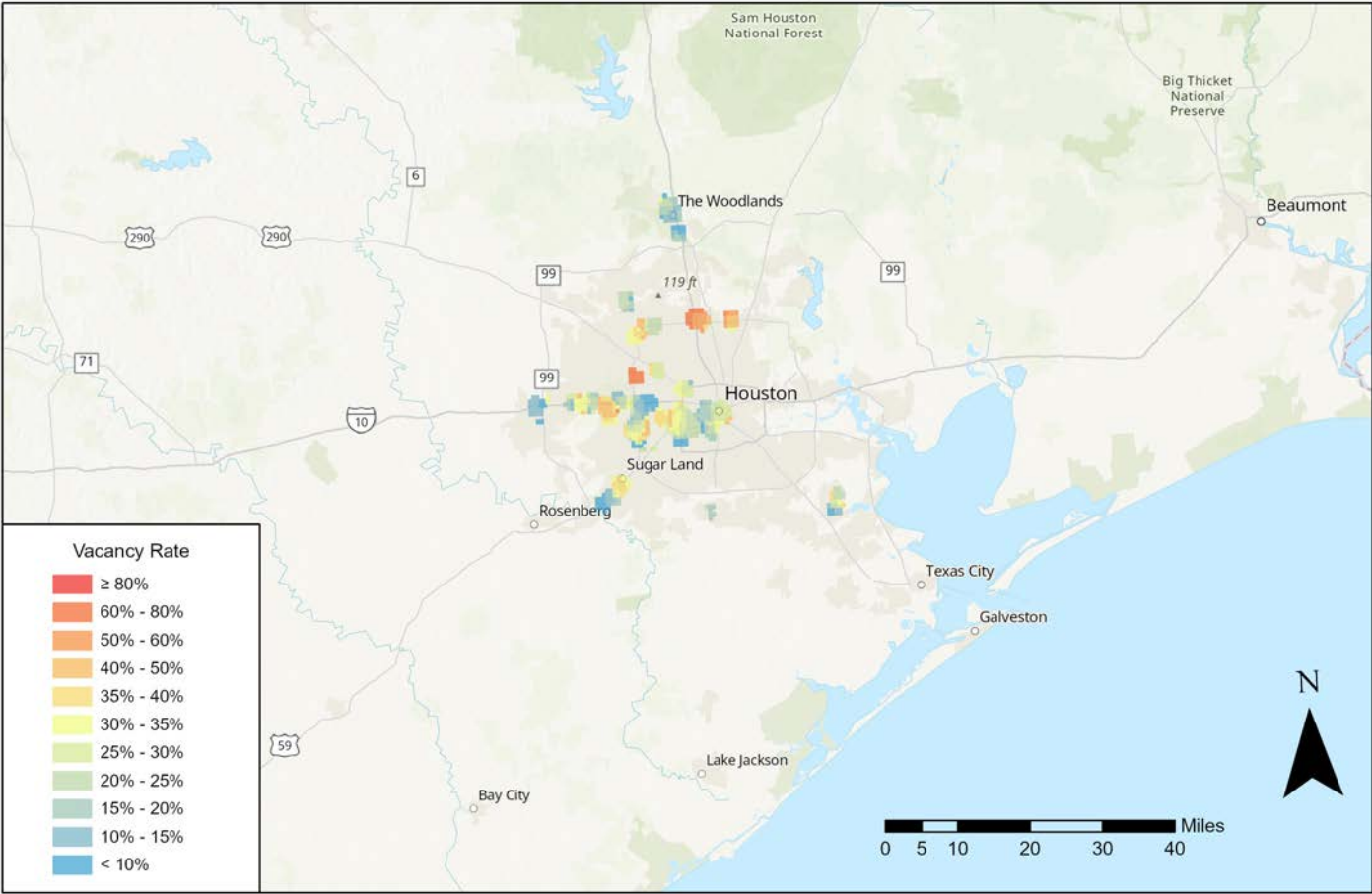
		Current	Previous Quarter	Previous Year
Vacant Percent % Total	Class A	27.30%	27.35%	27.70%
Vacant Percent % Total	Overall	23.10%	23.10%	23.03%
Availability less Vacancy	Class A	6.60%	6.60%	5.50%
Availability less Vacancy	Overall	4.60%	4.60%	3.87%

Larger
Smaller
 Than Current



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Metro Vacancy Class A Office LMAs (Q4 2022)



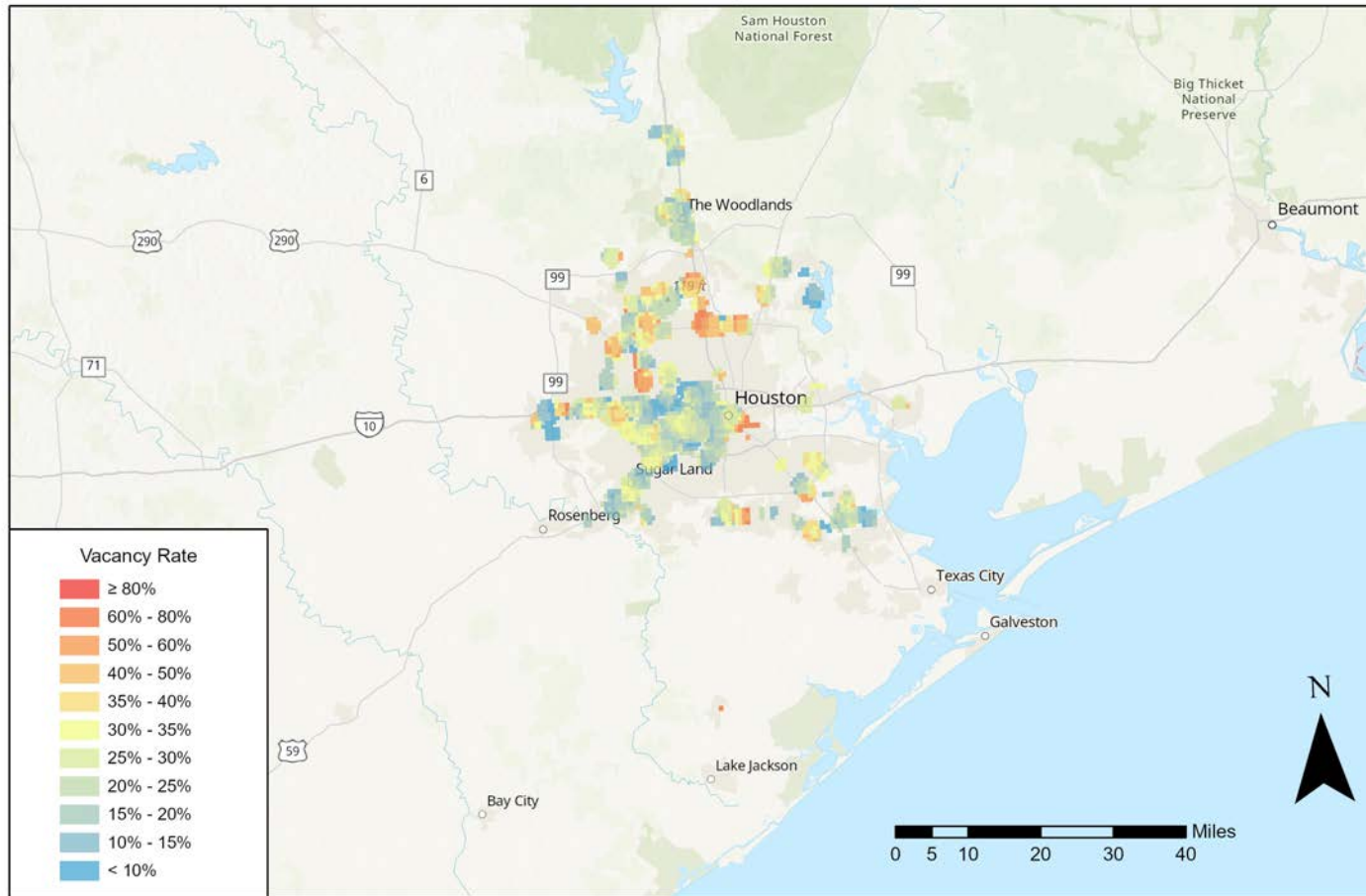
Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

[Local Market Area \(LMA\) Definitions](#)

Houston Office Market *vacancy*



Houston Metro Vacancy Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

Houston Office Market *vacancy*



TEXAS A&M UNIVERSITY
Texas Real Estate Research Center

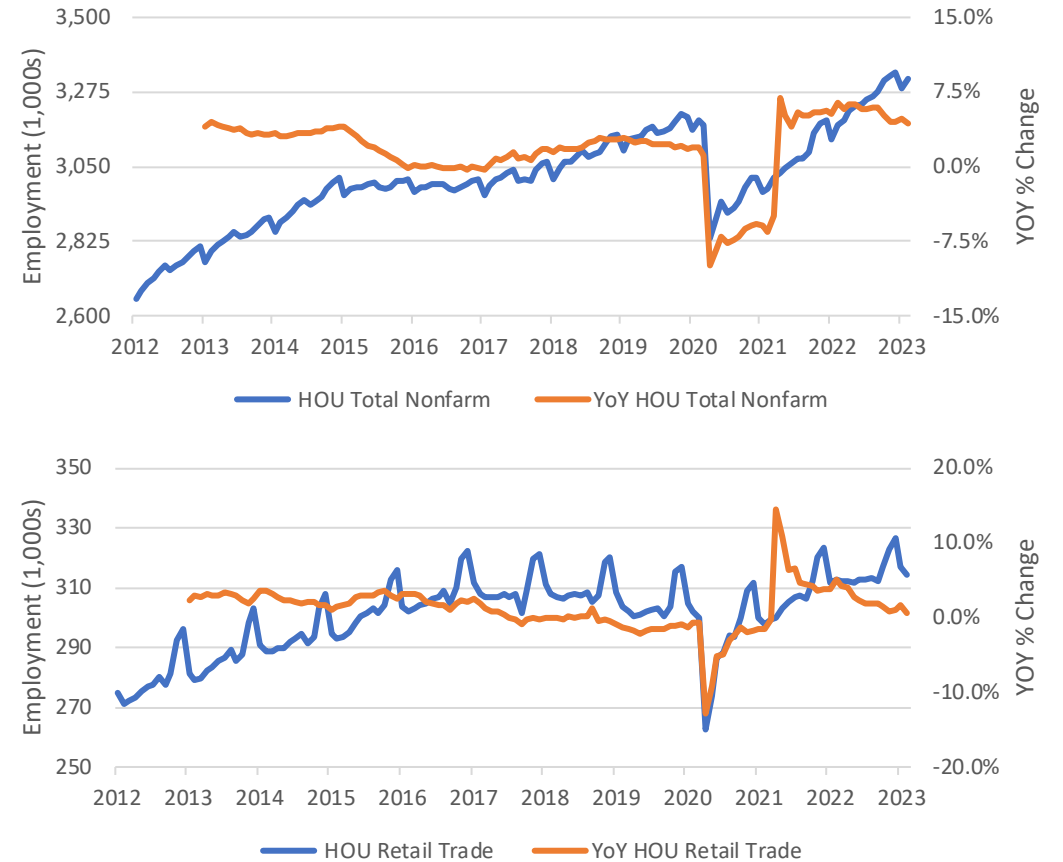
Houston Retail Market *key employment trends*

HOU Total Nonfarm

Feb-23	Feb-22	Change	YoY
3,314,600	3,177,300	137,300	4.32%

HOU Retail Trade

Feb-23	Feb-22	Change	YoY
314,400	312,600	1,800	0.58%



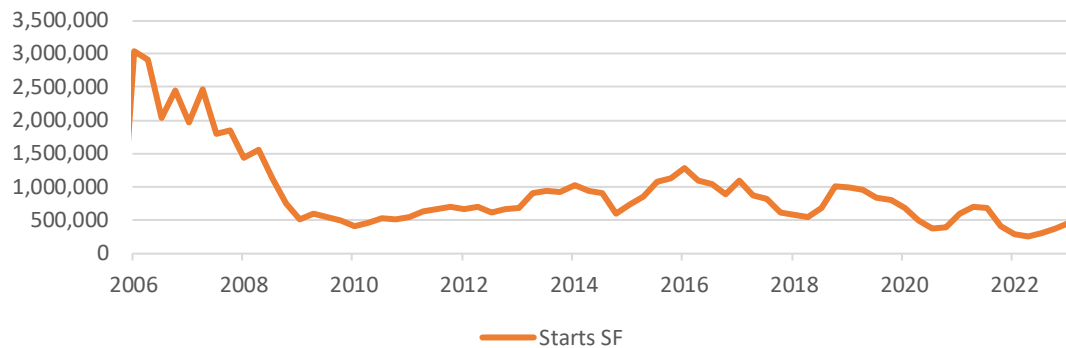
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

Houston Retail Market *absorption/construction*

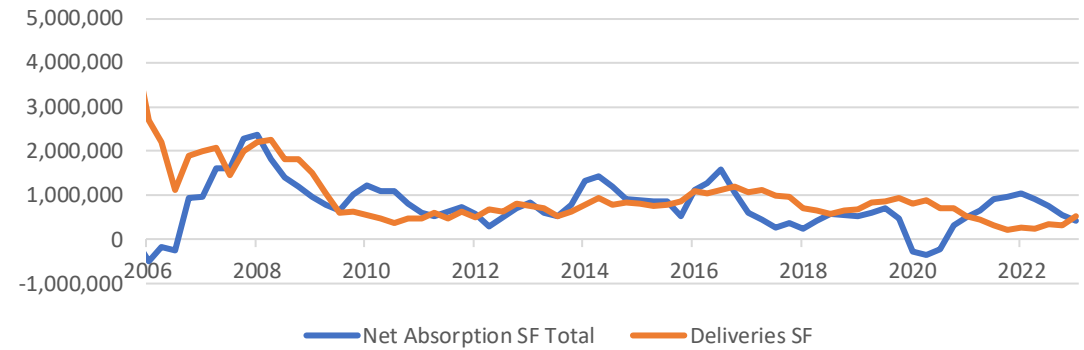
		Current	Previous Quarter	Previous Year
Starts SF	Overall	462,142	378,225	286,488
Net Absorption SF Total	Overall	428,103	557,787	1,053,708
Deliveries SF	Overall	519,069	333,497	275,798
Under Construction SF	Overall	2,409,413	2,466,341	2,451,634

Larger
Smaller
 Than Current

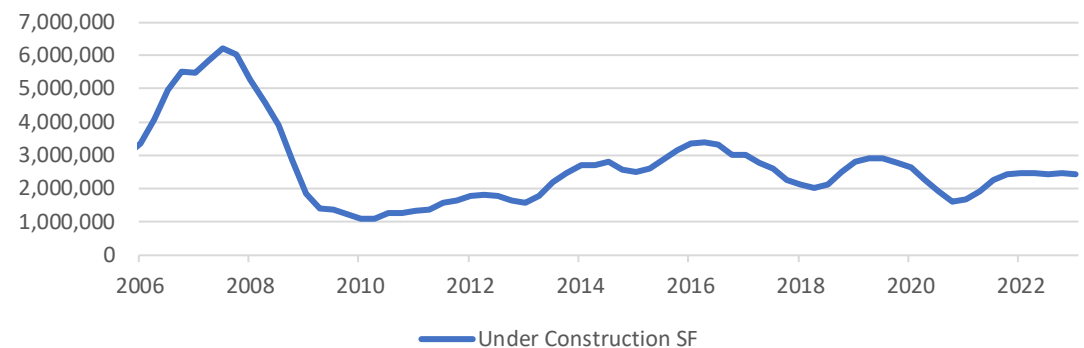
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage

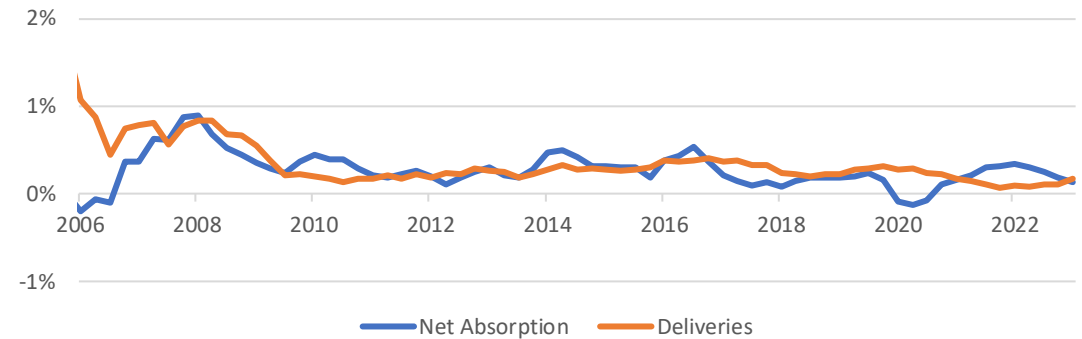


Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

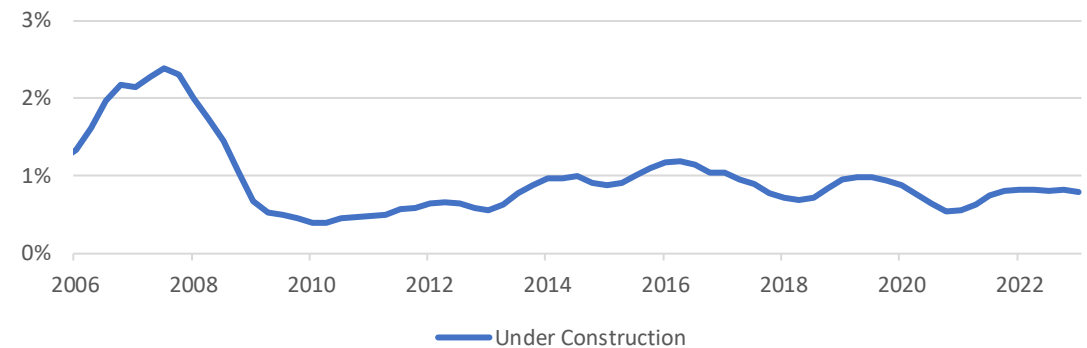
Houston Retail Market *absorption/construction*



Absorption and Deliveries as Percent of Inventory



Under Construction as Percent of Inventory



		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.15%	0.12%	0.09%
Under Construction Percent	Overall	0.80%	0.82%	0.81%
Absorption Percent	Overall	0.14%	0.18%	0.35%
Deliveries Percent	Overall	0.17%	0.11%	0.09%

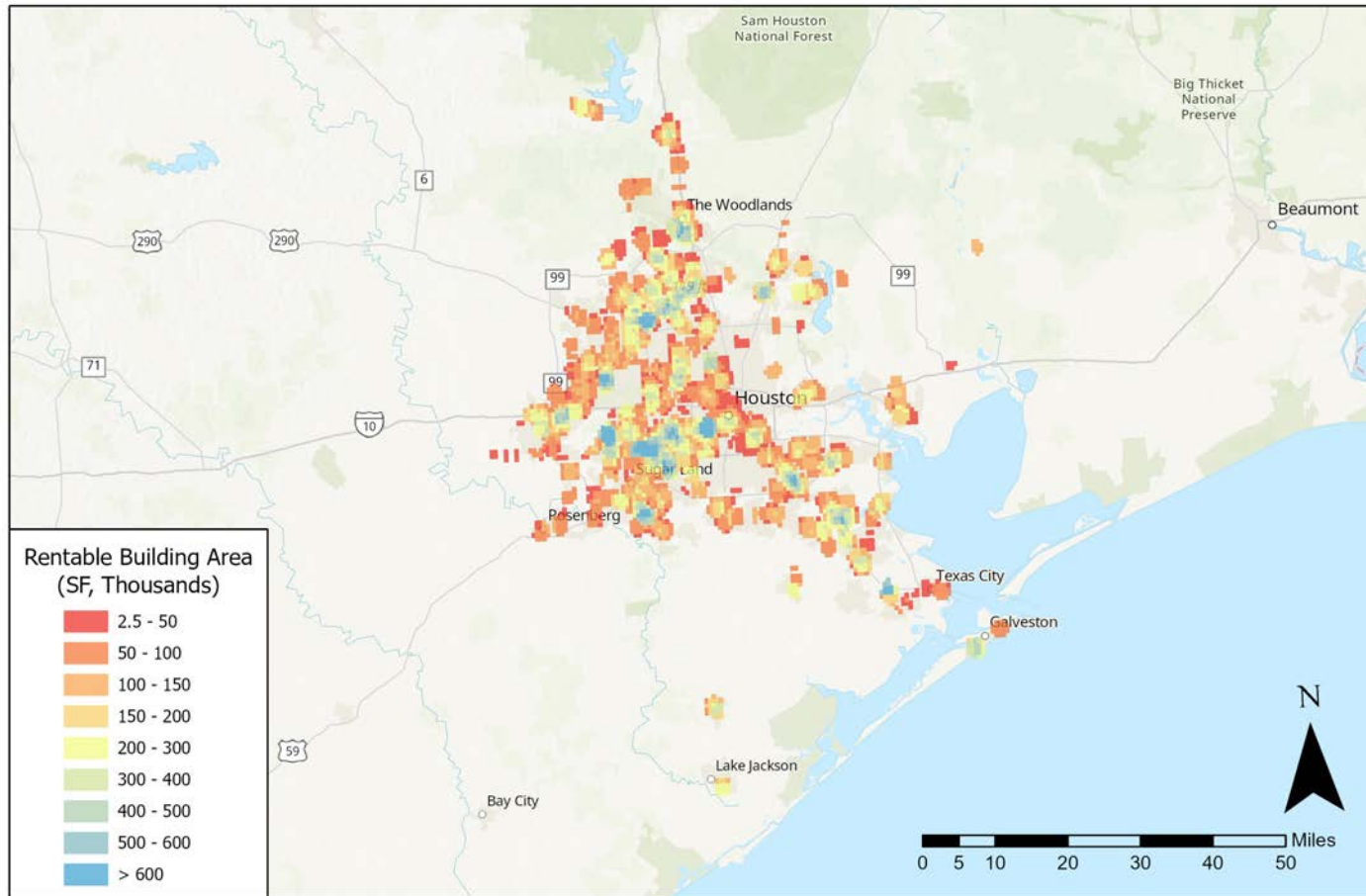
Larger Than Current
Smaller Than Current

Starts as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Metro Rentable Building Area Retail LMAs (Q2 2022)



Sources: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPA, CGIAR

Local Market Area (LMA) Definitions

Houston Retail Market *inventory*



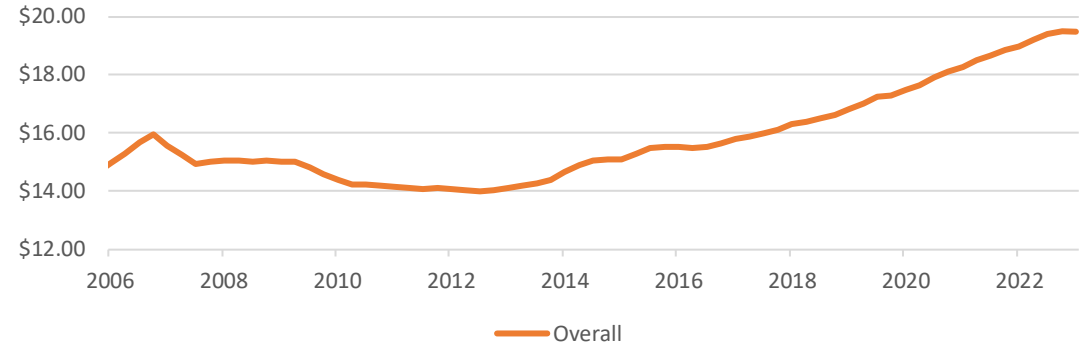
Houston Retail Market *rent*



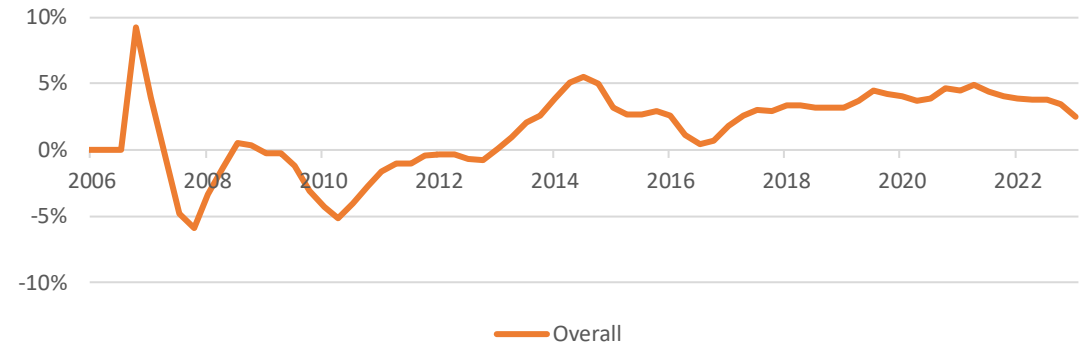
Category	Overall	Current	Previous Quarter	Previous Year
NNN Rent Overall	Overall	\$19.46	\$19.48	\$18.98

Larger
Smaller
 Than Current

NNN Rent

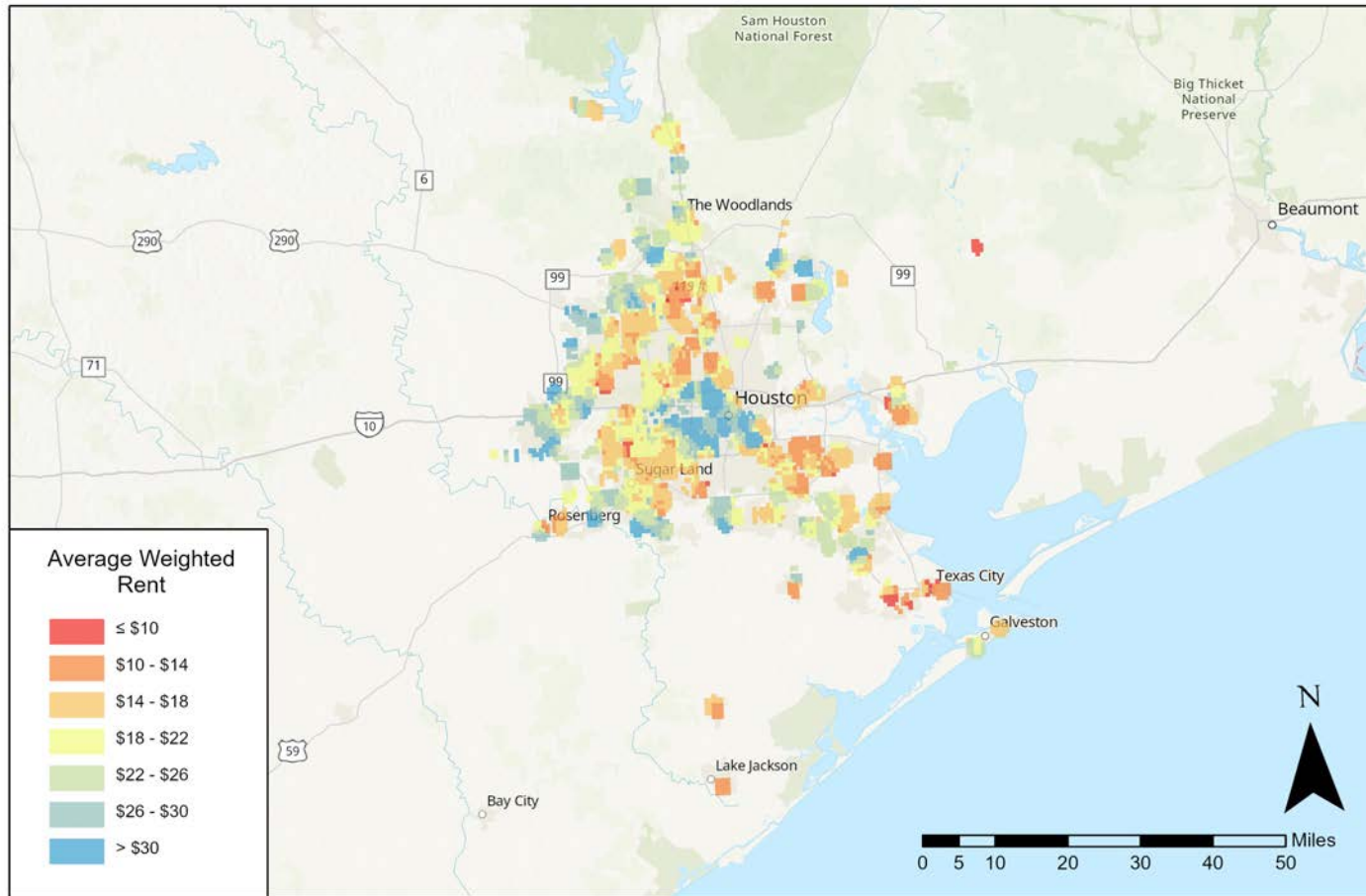


NNN Rent YoY Growth



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Metro Average Weighted Rent Retail LMAs (Q2 2022)



Sources: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPA, CGIAR

Local Market Area (LMA) Definitions

Houston Retail Market *rent*

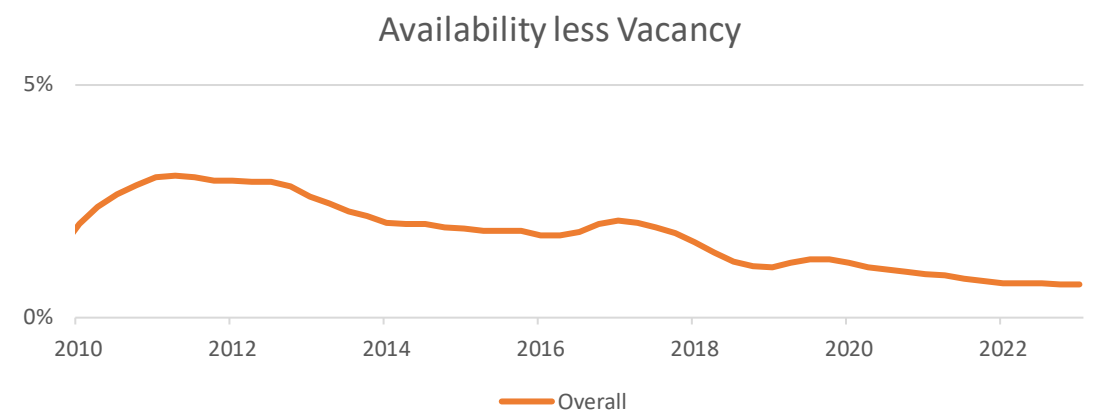
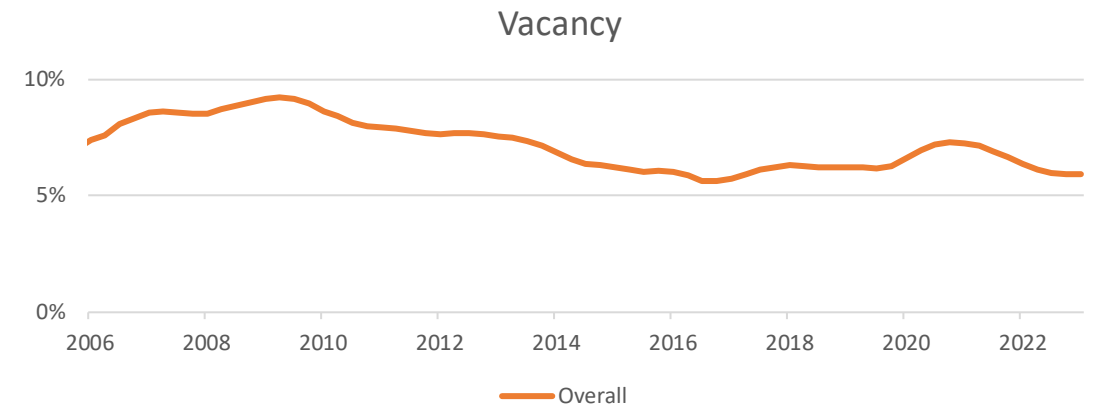


Houston Retail Market *vacancy*



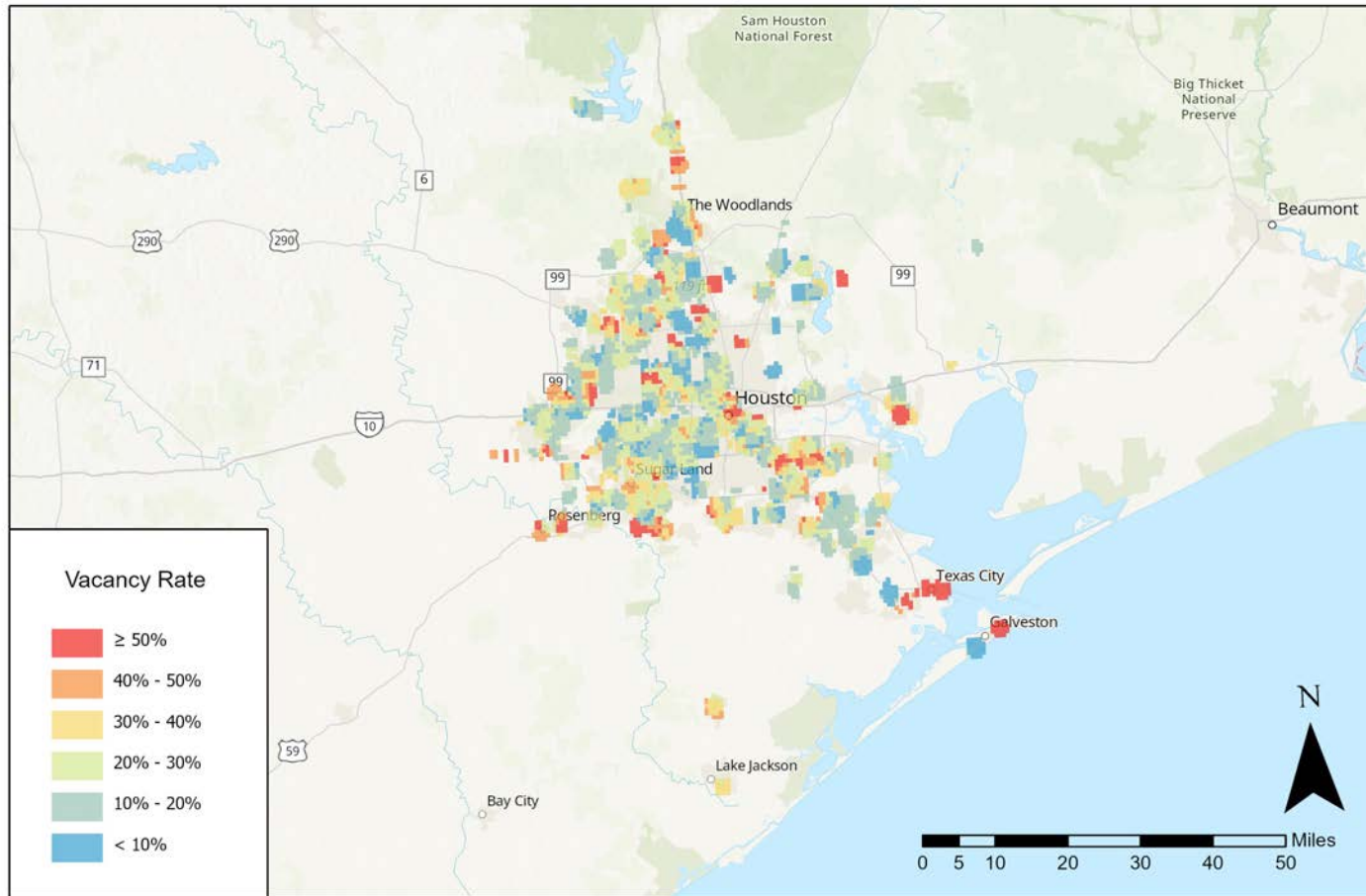
		Current	Previous Quarter	Previous Year
Vacant Percent % Total	Overall	5.90%	5.90%	6.37%
Availability less Vacancy	Overall	0.70%	0.70%	0.73%

Larger
Smaller
 Than Current



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Metro Vacancy Retail LMAs (Q2 2022)



Sources: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPA, CGIAR

[Local Market Area \(LMA\) Definitions](#)

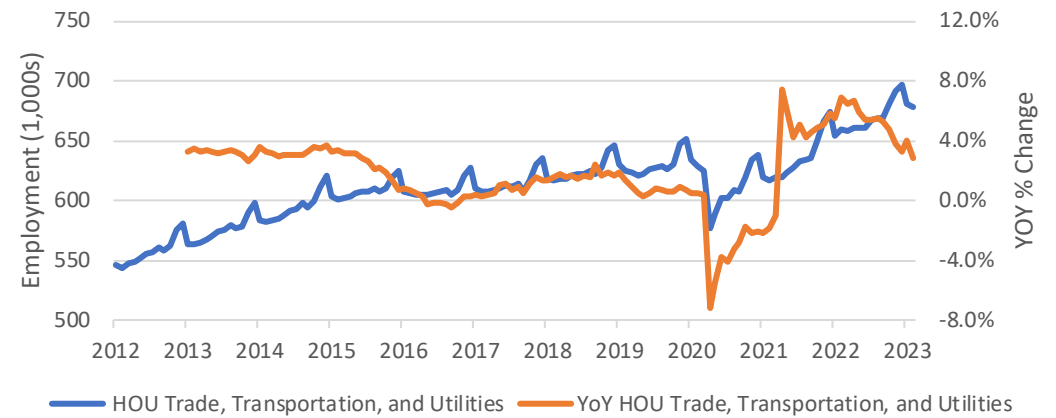
Houston Retail Market *vacancy*



TEXAS A&M UNIVERSITY
Texas Real Estate Research Center

Houston Warehouse Market *key employment trends*

	Feb-23	Feb-22	Change	YoY
HOU Trade, Transportation, and Utilities	678,000	659,200	18,800	2.85%



Houston Warehouse Market *absorption/construction*

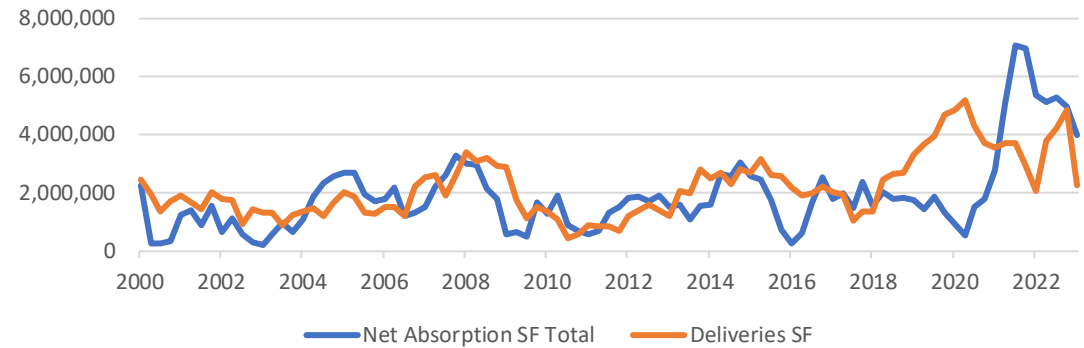
		Current	Previous Quarter	Previous Year
Starts SF	Overall	3,236,643	5,454,232	4,367,153
Net Absorption SF Total	Overall	3,982,091	4,970,299	5,354,320
Deliveries SF	Overall	2,245,753	4,857,289	2,073,026
Under Construction SF	Overall	19,074,340	18,083,450	14,193,336

Larger
Smaller
 Than Current

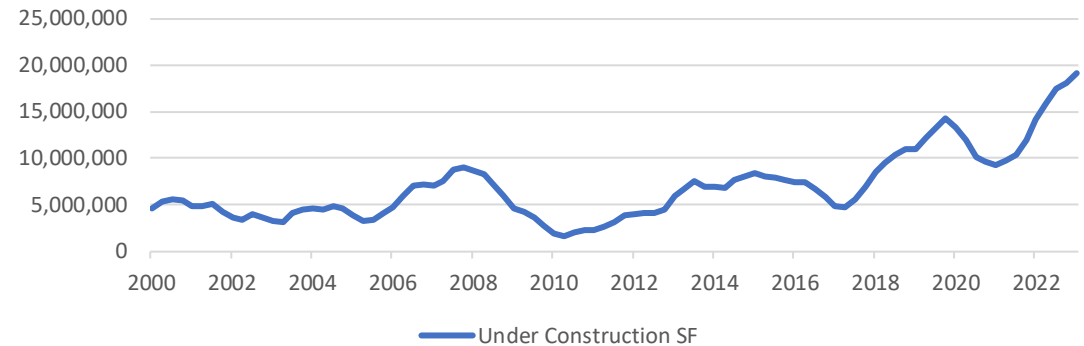
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



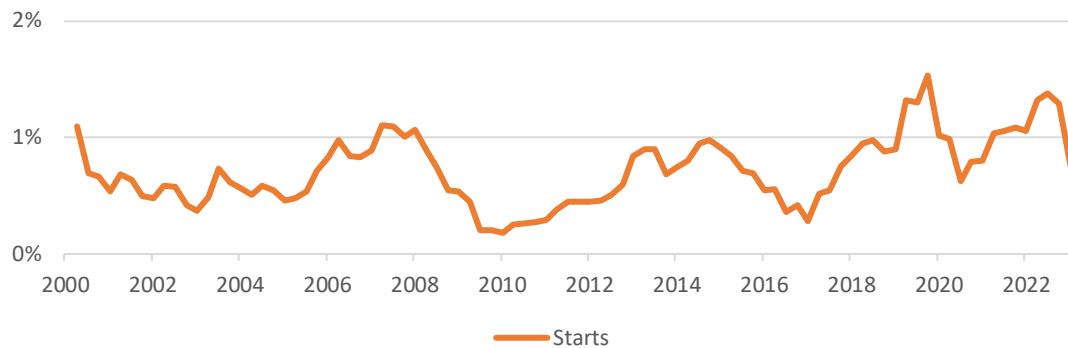
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Warehouse Market *absorption/construction*

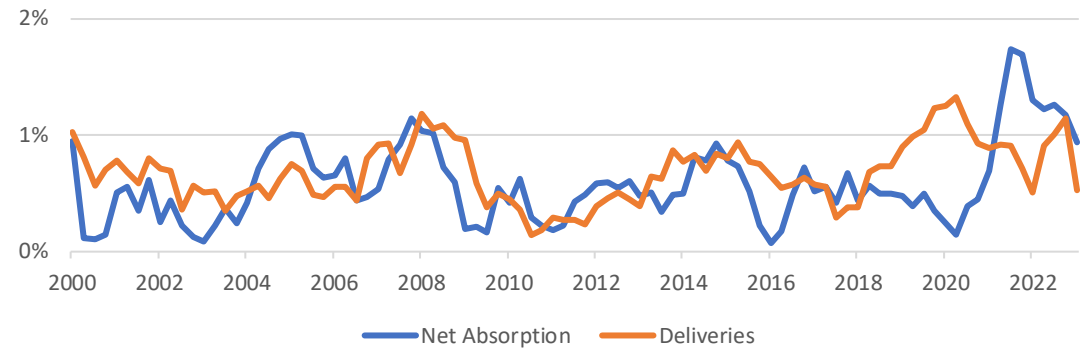
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.76%	1.29%	1.06%
Under Construction Percent	Overall	4.49%	4.26%	3.43%
Absorption Percent	Overall	0.94%	1.17%	1.30%
Deliveries Percent	Overall	0.53%	1.15%	0.50%

Larger
Smaller
 Than Current

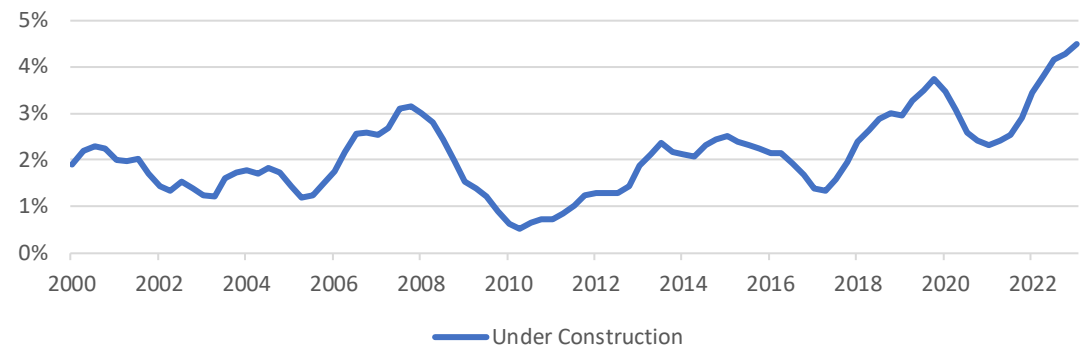
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

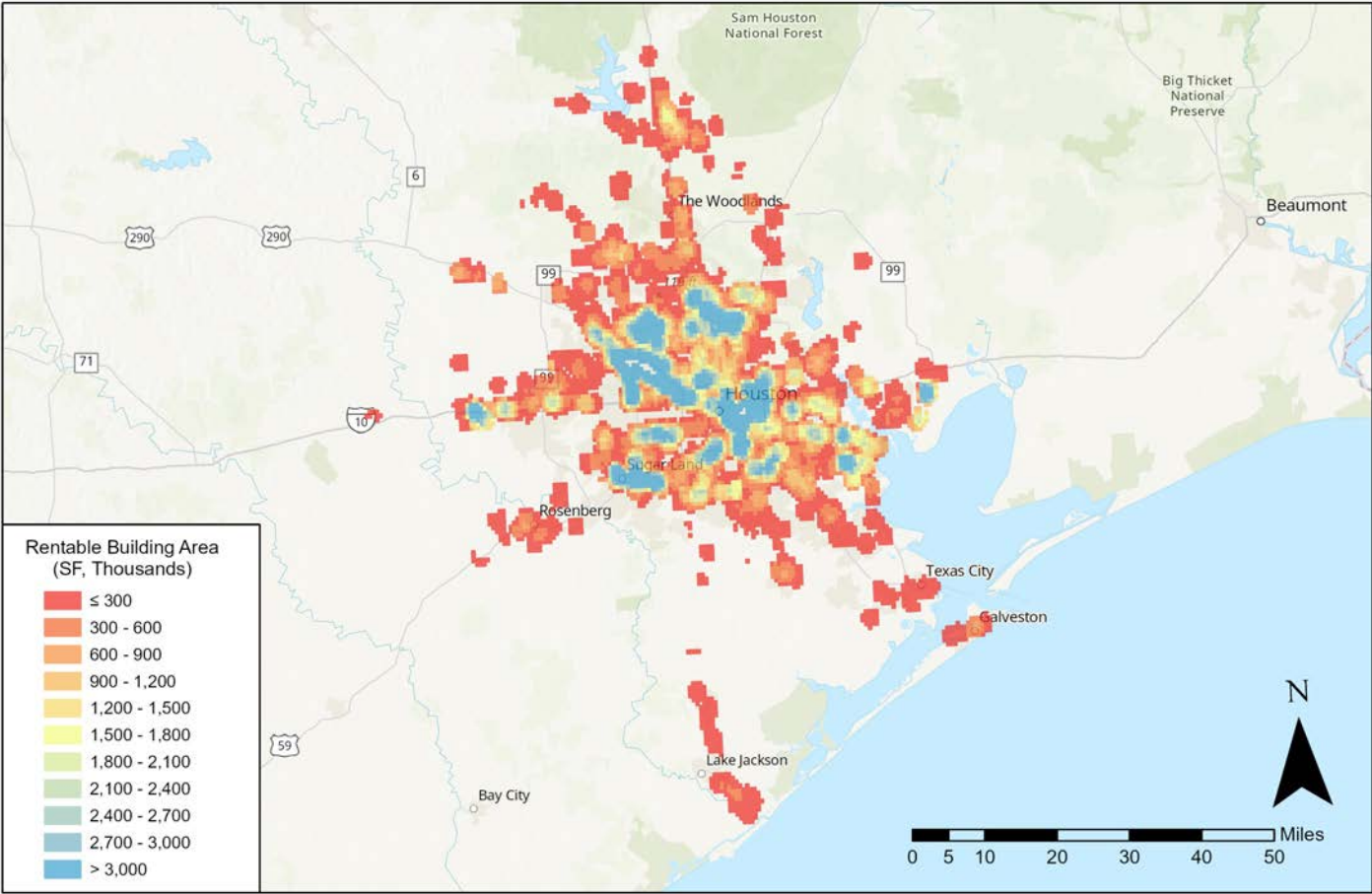


Under Construction as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Metro Rentable Building Area Warehouse LMAs (Q3 2022)



Sources: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPA, CGIAR

Local Market Area (LMA) Definitions

Houston Warehouse Market *inventory*



Houston Warehouse Market *rent*

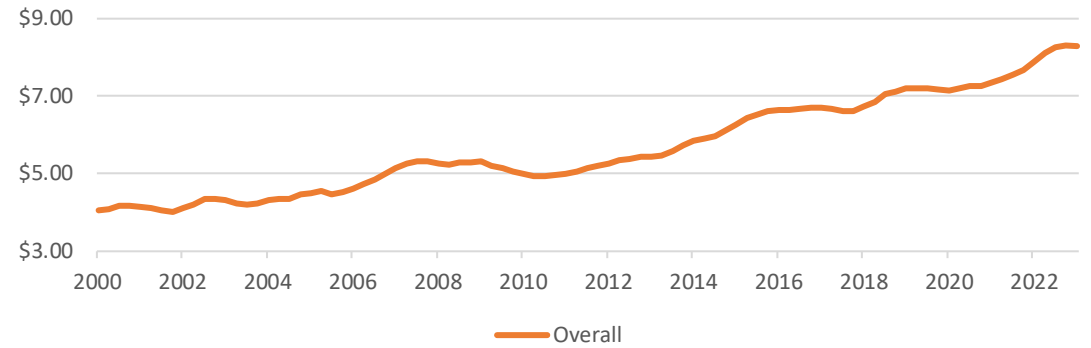


Category	Current	Previous Quarter	Previous Year
NNN Rent Overall	\$8.29	\$8.31	\$7.86

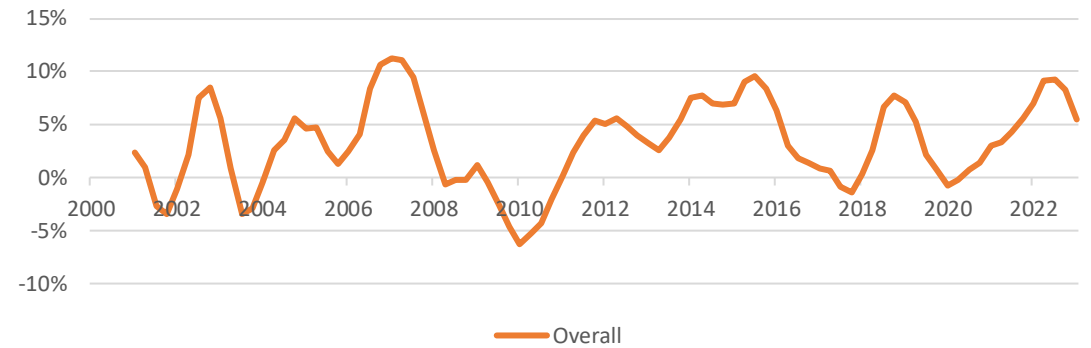
Overall

Larger Than Current
Smaller Than Current

NNN Rent



NNN Rent YoY Growth



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Warehouse Market *vacancy*

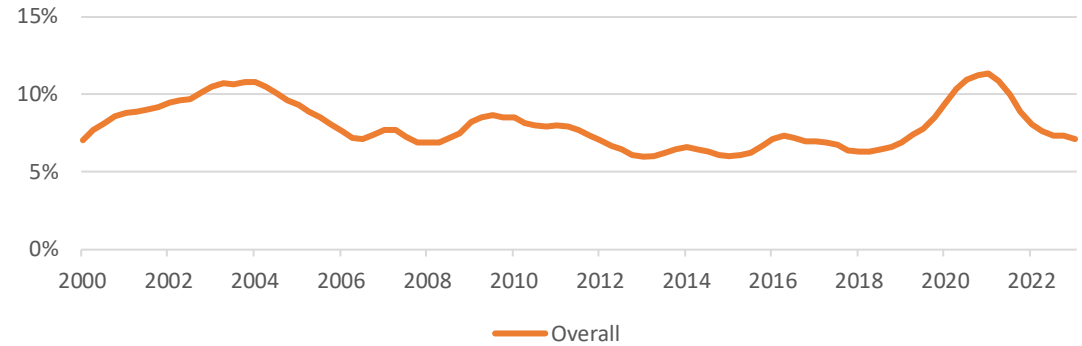


Vacant Percent % Total
Availability less Vacancy

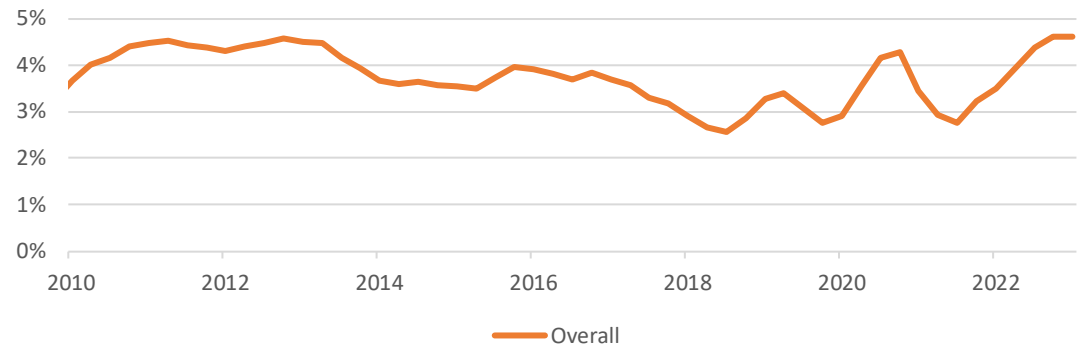
	Current	Previous Quarter	Previous Year
Overall	7.10%	7.30%	8.03%
Overall	4.60%	4.60%	3.50%

Larger
Smaller
 Than Current

Vacancy

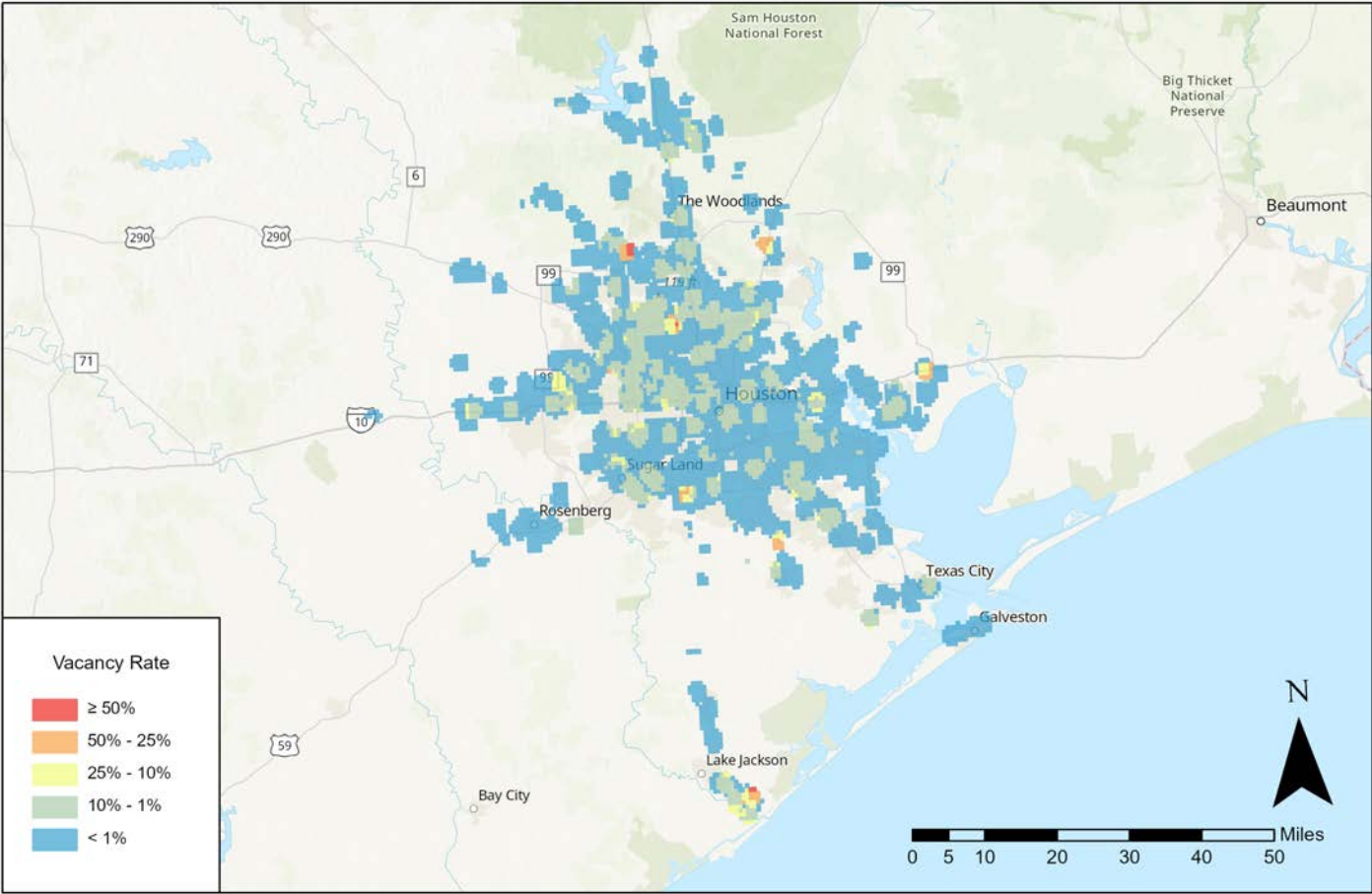


Availability less Vacancy



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Metro Vacancy Warehouse LMAs (Q3 2022)



Sources: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPA, CGIAR

Local Market Area (LMA) Definitions

Houston Warehouse Market *Vacancy*



San Antonio

- Economy
- Apartments
- Office
- Retail
- Warehouse

San Antonio Economy

- Total employment in San Antonio remains strong with growth above pre-COVID trends. Leisure and hospitality employment growth rates had slowed through mid-2022 but picked up the last few quarters.
- Long-term employment growth across the economy is expected to moderate toward pre-COVID rates.
- Office vacancy increases have leveled off but may increase if employers recalibrate to the new work-from-home/hybrid work environment. These responses and their extent are still unclear. Falling construction levels and expectations of continued economic growth will put downward pressure on office vacancies.
- Apartment rent growth has slowed quickly and now fallen slightly quarter over quarter. Elevated construction levels will place downward pressure. Continued economic growth should provide some support.

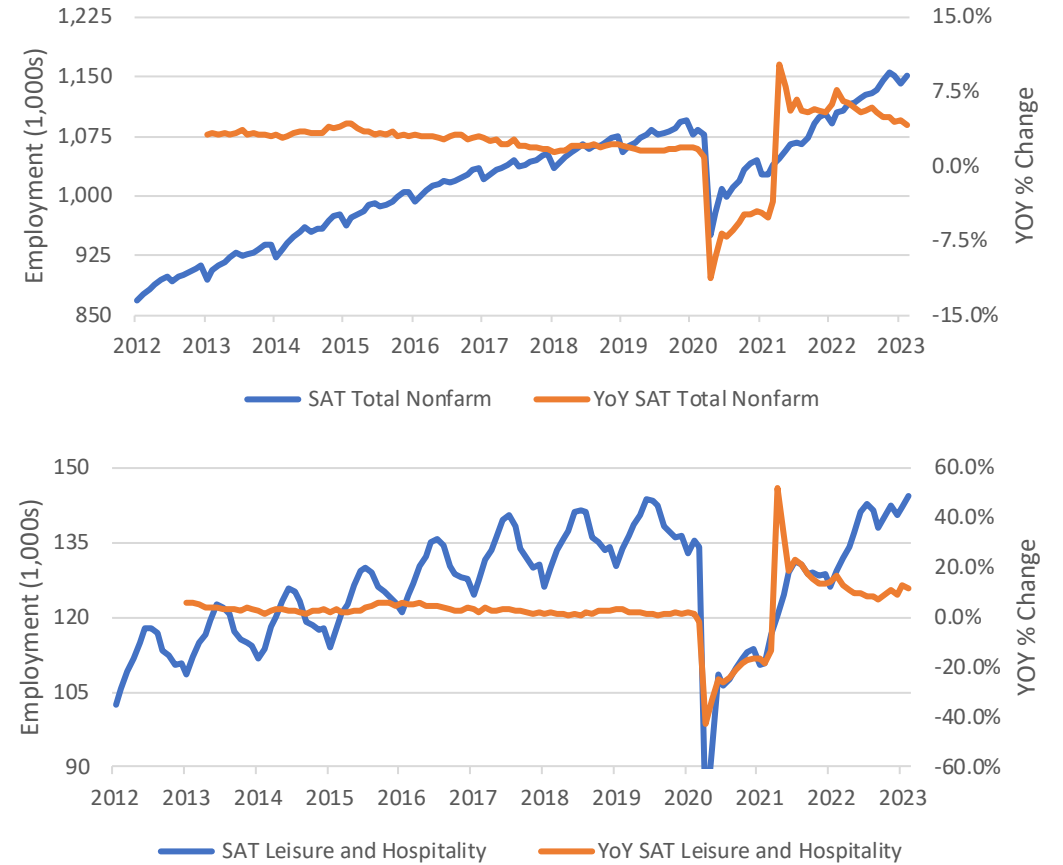
San Antonio Economy *key employment trends*

SAT Total Nonfarm

Feb-23	Feb-22	Change	YoY
1,151,400	1,105,600	45,800	4.14%

SAT Leisure and Hospitality

Feb-23	Feb-22	Change	YoY
144,500	129,400	15,100	11.67%



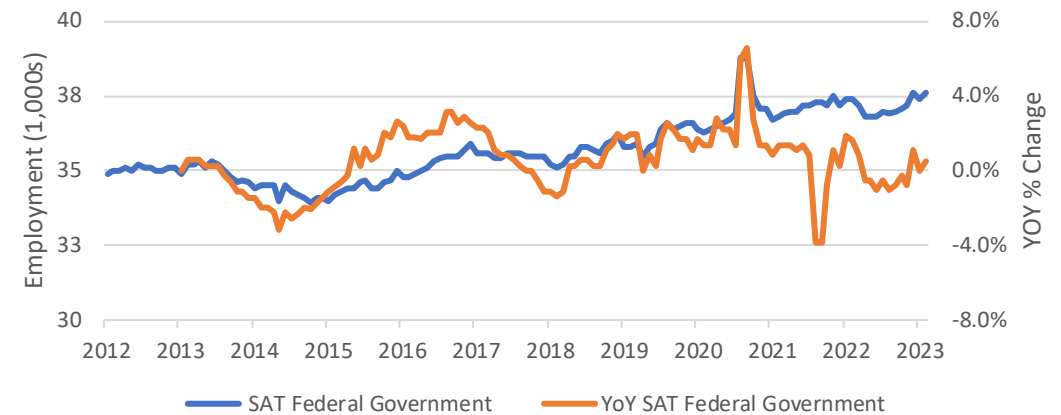
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

San Antonio Economy *key employment trends*



SAT Federal Government

	Feb-23	Feb-22	Change	YoY
	37,600	37,400	200	0.53%



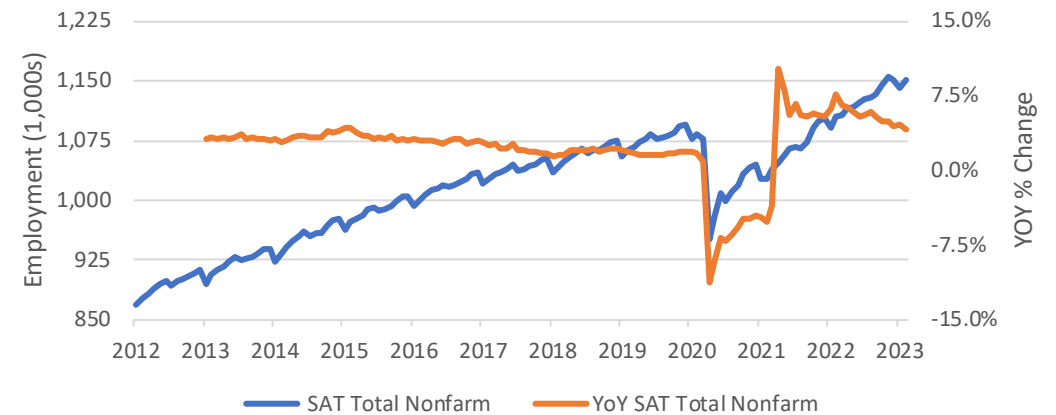
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

San Antonio Apartment Market

key employment trends

SAT Total Nonfarm

Feb-23	Feb-22	Change	YoY
1,151,400	1,105,600	45,800	4.14%



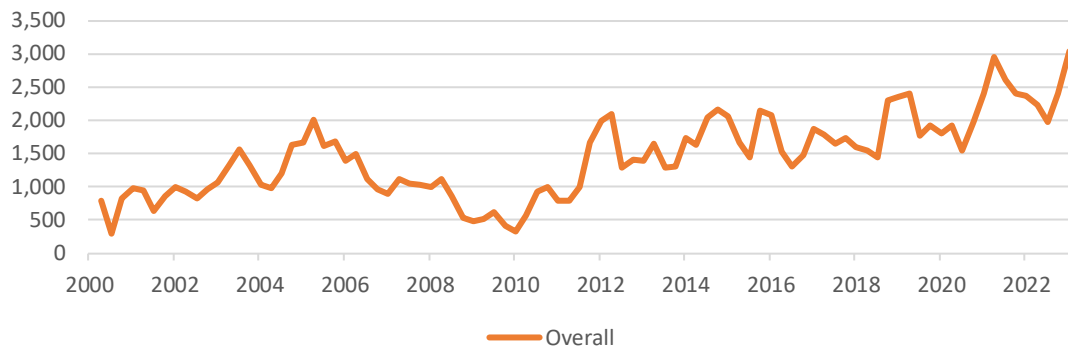
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

San Antonio Apartment Market *absorption/construction*

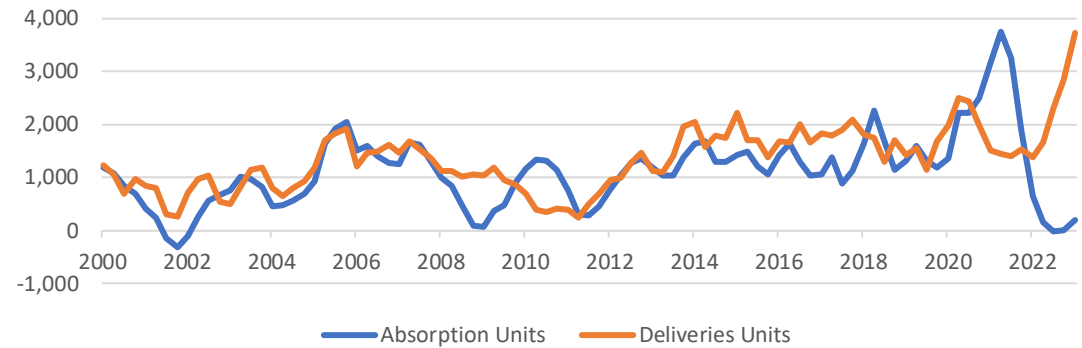
	Current	Previous Quarter	Previous Year
Starts Units	3,037	2,397	2,360
Absorption Units	198	-3	653
Deliveries Units	3,720	2,839	1,382
Under Construction Units	13,971	14,654	14,847

Larger
Smaller
 Than Current

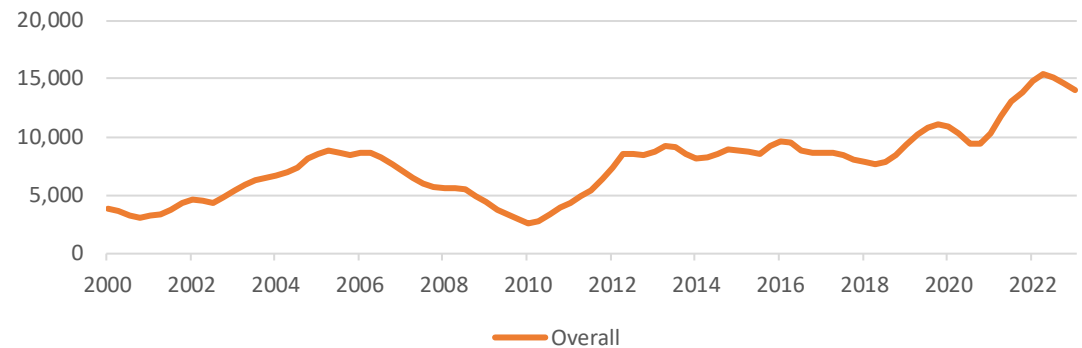
Starts Units



Absorption and Delivery Units



Under Construction Units



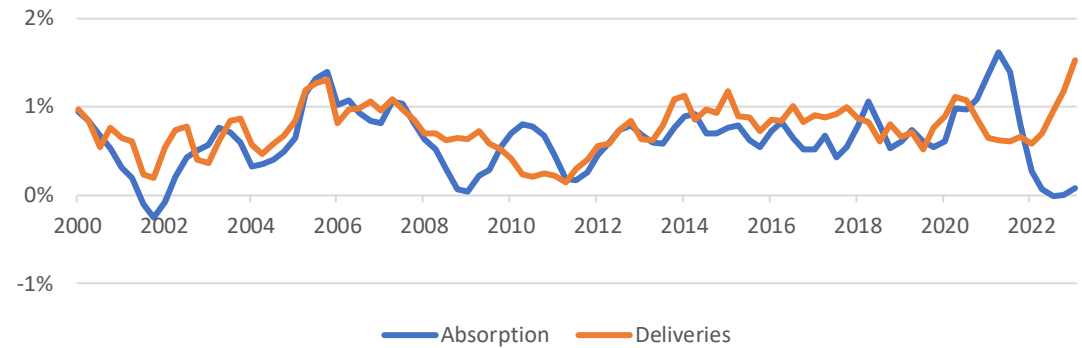
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Apartment Market *absorption/construction*

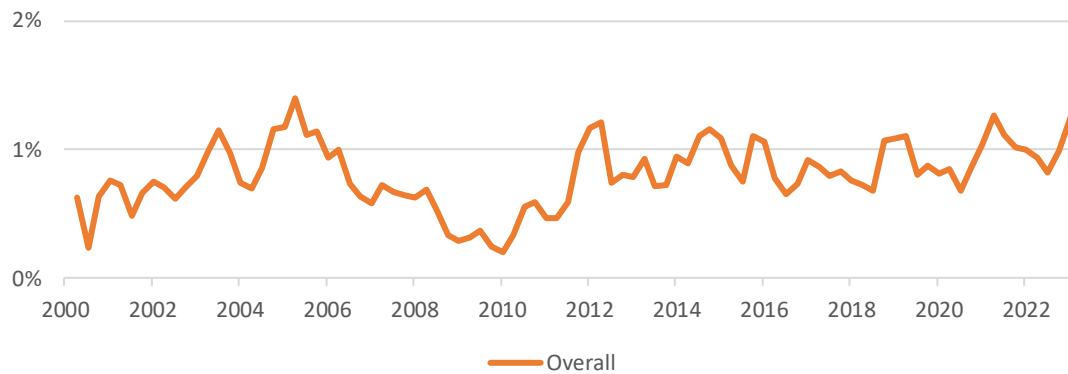
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	1.25%	0.99%	1.00%
Absorption Percent	Overall	0.08%	0.00%	0.28%
Deliveries Percent	Overall	1.53%	1.17%	0.58%
Under Construction Percent	Overall	5.73%	6.06%	6.28%

Larger
Smaller
 Than Current

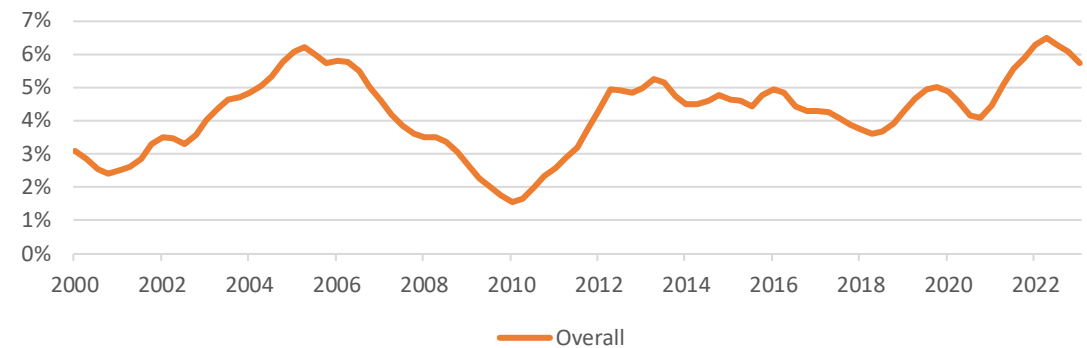
Absorption and Delivery Units as Percent of Inventory



Starts Units as Percent of Inventory

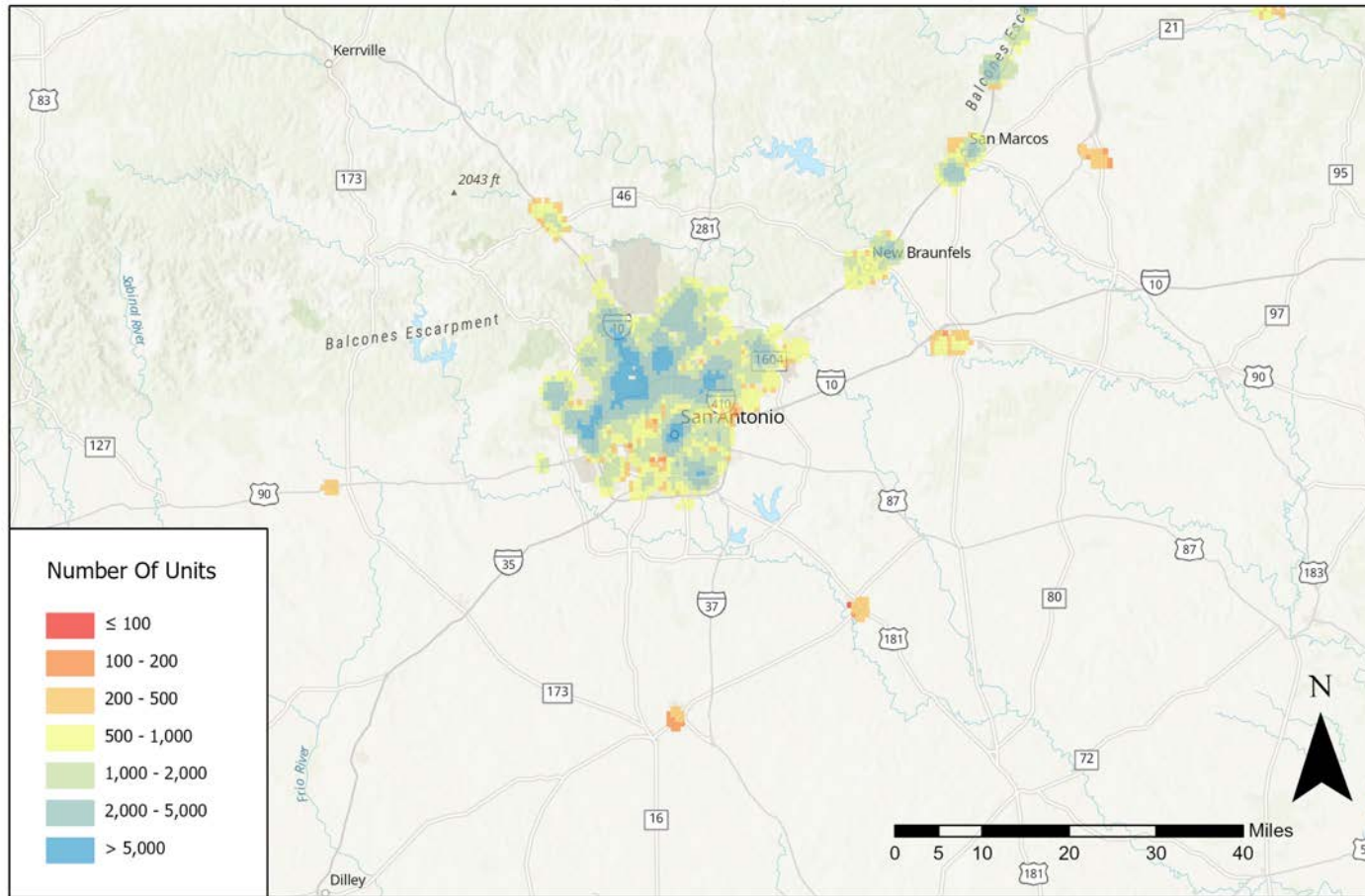


Under Construction Units as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Metro Number of Units Multifamily LMAs (Q1 2023)



Source: Costar, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, Esri, USGS

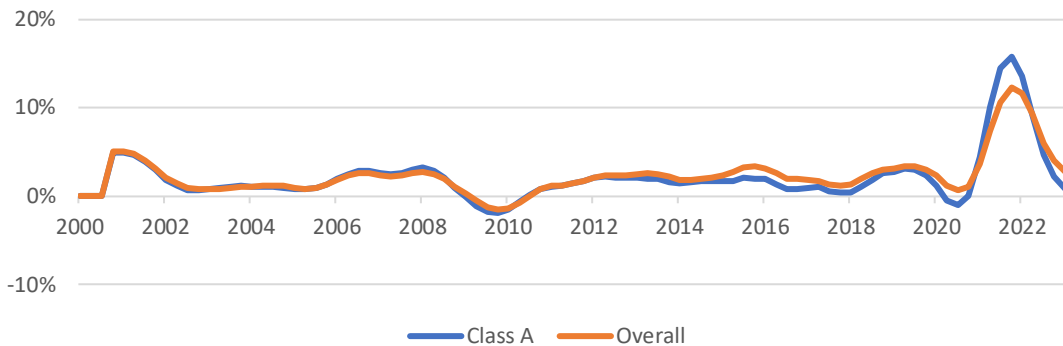
Local Market Area (LMA) Definitions

San Antonio Apartment Market *rent*

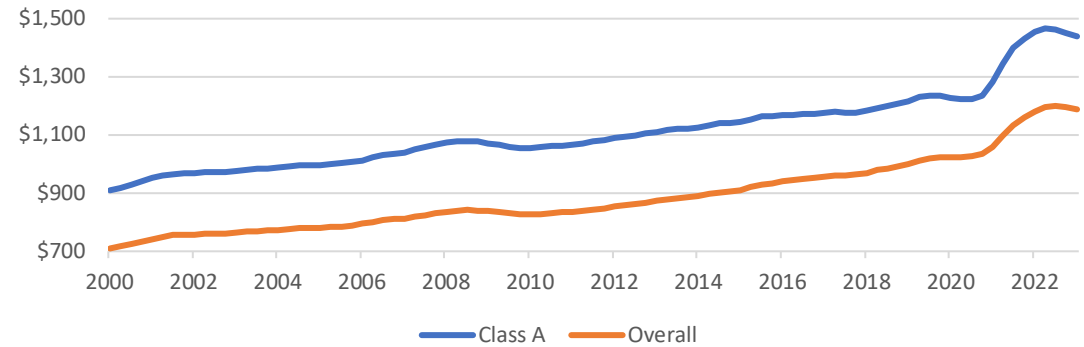
		Current	Previous Quarter	Previous Year
Effective Rent Per Unit	Class A	\$1,436	\$1,450	\$1,452
Effective Rent Per Unit	Overall	\$1,186	\$1,194	\$1,180
Effective Rent Per SF	Class A	\$1.57	1.59	1.58
Effective Rent Per SF	Overall	\$1.38	1.39	1.38

Larger
Smaller
 Than Current

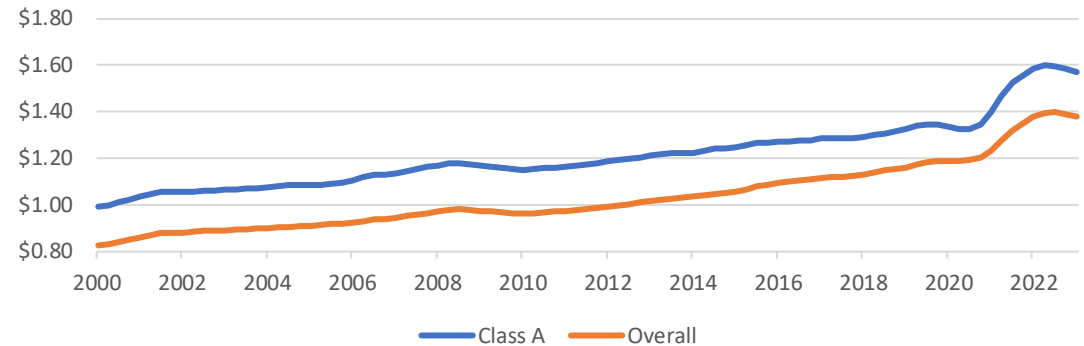
Year over Year Growth in Effective Rent



Effective Rent Per Unit

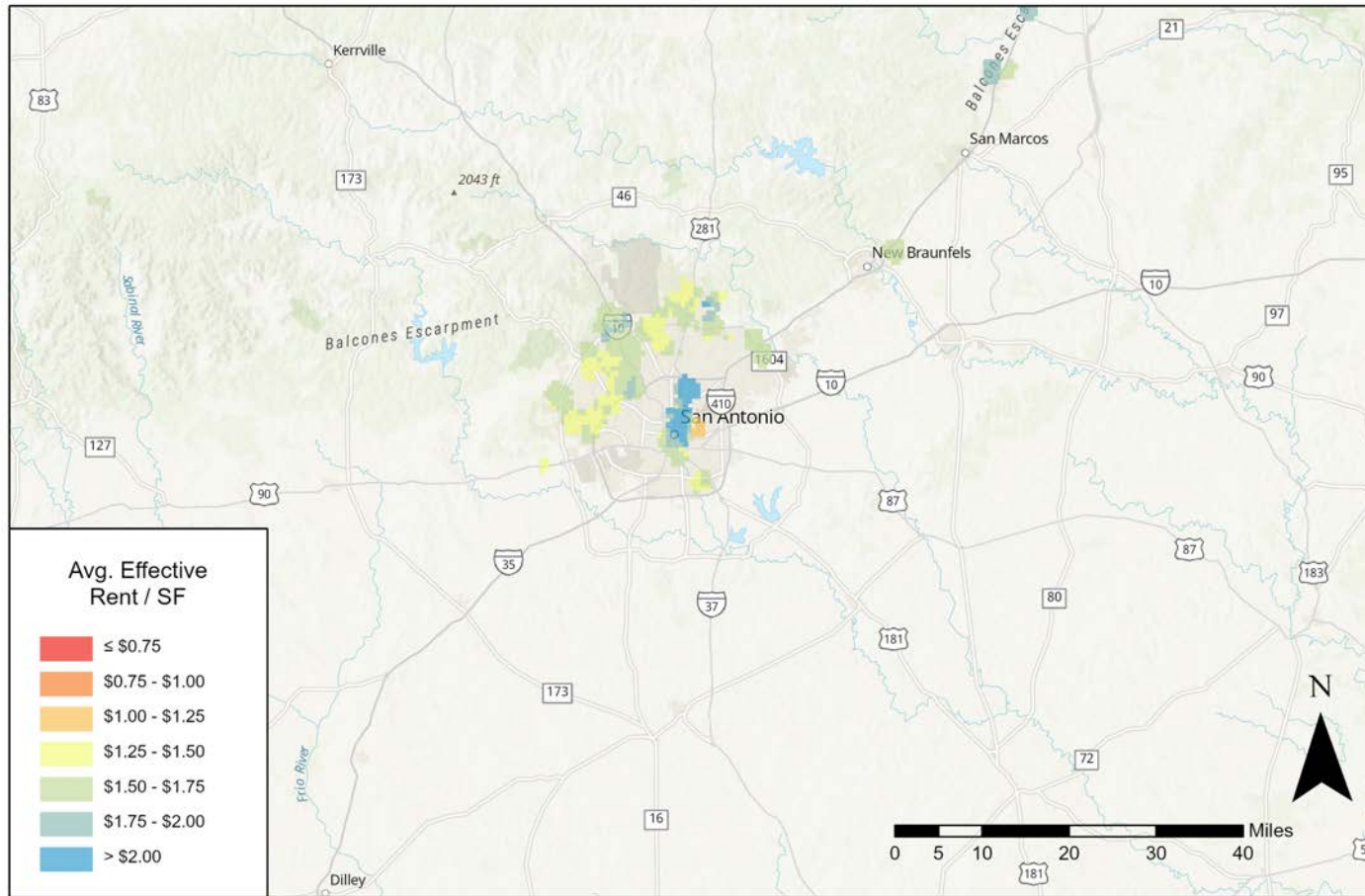


Effective Rent Per Square Foot



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

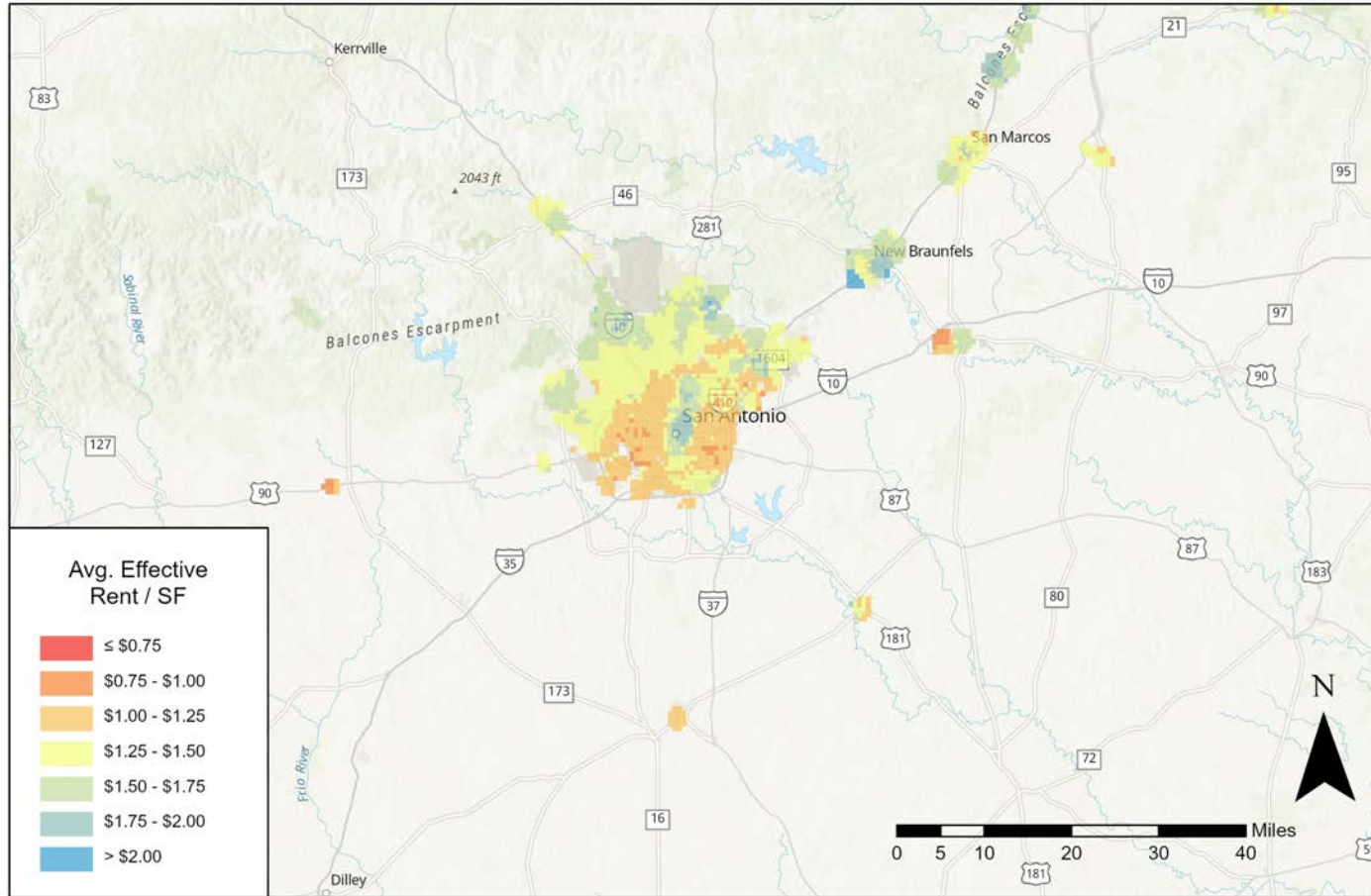
San Antonio Metro Average Effective Rent / SF Class A Multifamily LMAs (Q1 2023)



Source: Costar, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, Esri, USGS

Local Market Area (LMA) Definitions

San Antonio Metro Average Effective Rent / SF Multifamily LMAs (Q1 2023)



Source: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

Local Market Area (LMA) Definitions

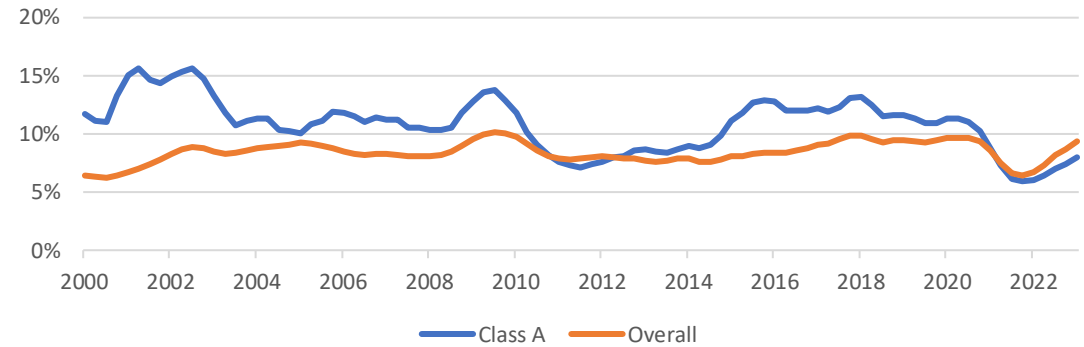
San Antonio Apartment Market *rent*



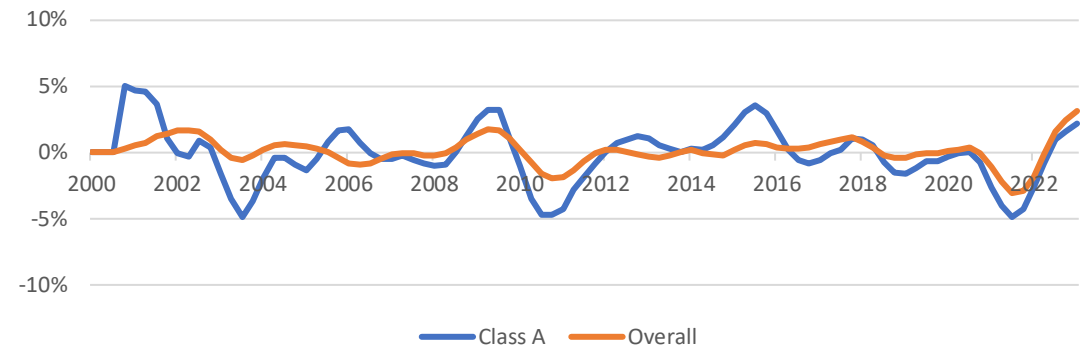
San Antonio Apartment Market *vacancy*



Vacancy



Vacancy Change from Previous Year



Vacancy Percent
Vacancy Percent

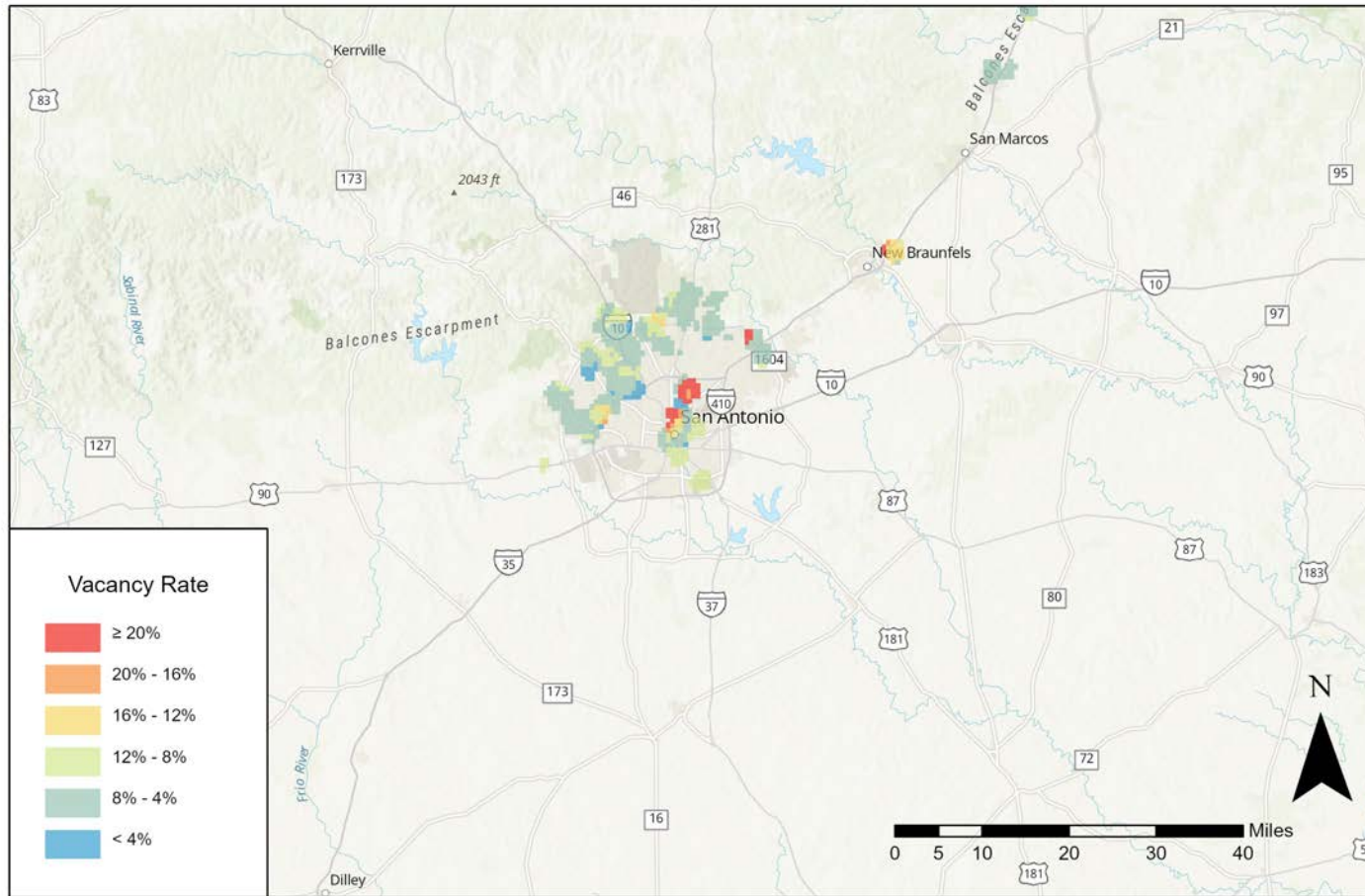
Class A
Overall

	Current	Previous Quarter	Previous Year
Class A	8.00%	7.45%	6.07%
Overall	9.40%	8.70%	6.73%

Larger Than Current
Smaller Than Current

Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Metro Vacancy Class A Multifamily LMAs (Q1 2023)



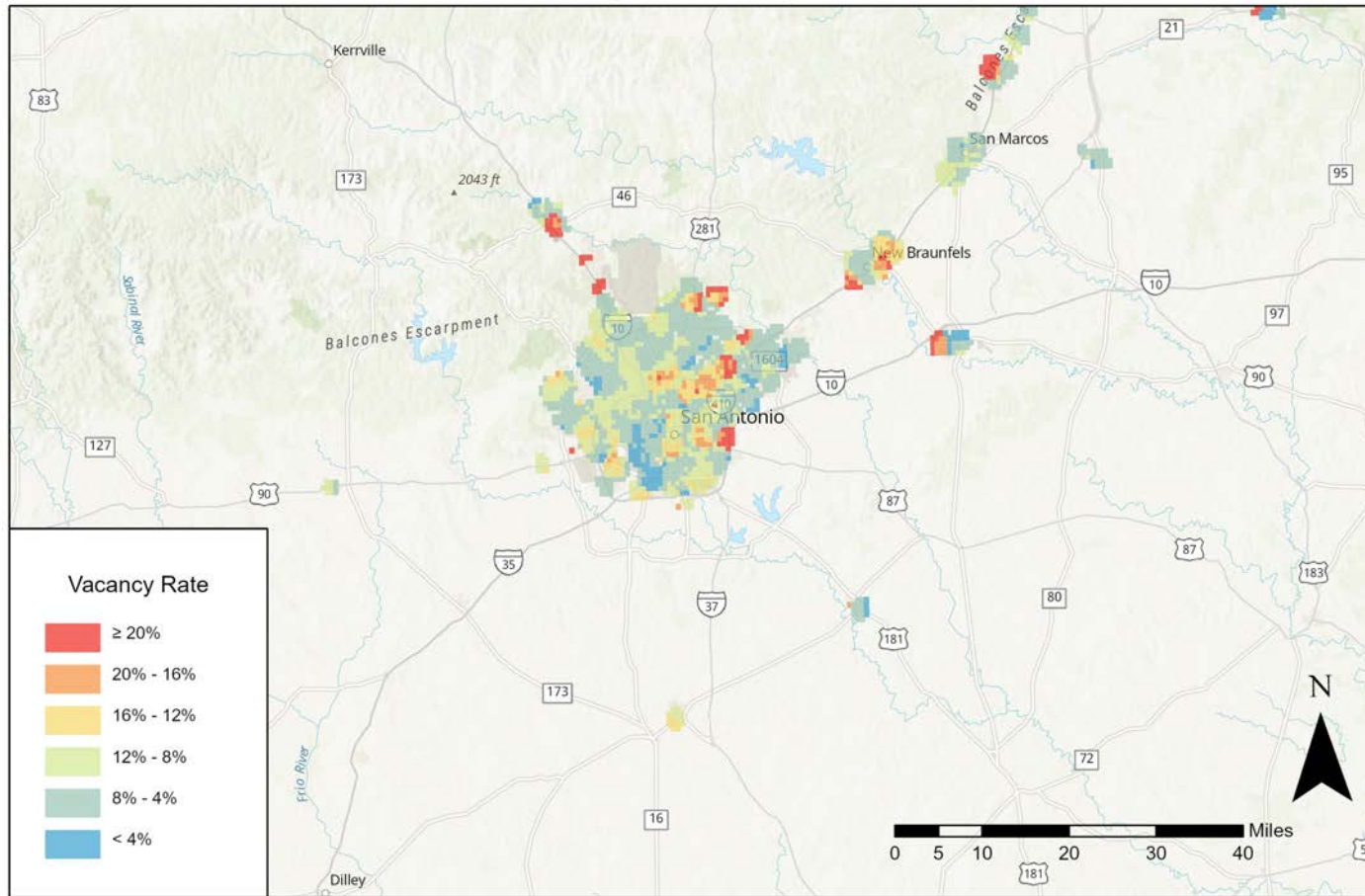
Source: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

Local Market Area (LMA) Definitions

San Antonio Apartment Market *vacancy*



San Antonio Metro Vacancy Multifamily LMAs (Q1 2023)



Source: Costar, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, Esri, USGS

Local Market Area (LMA) Definitions

San Antonio Apartment Market *vacancy*



San Antonio Office Market

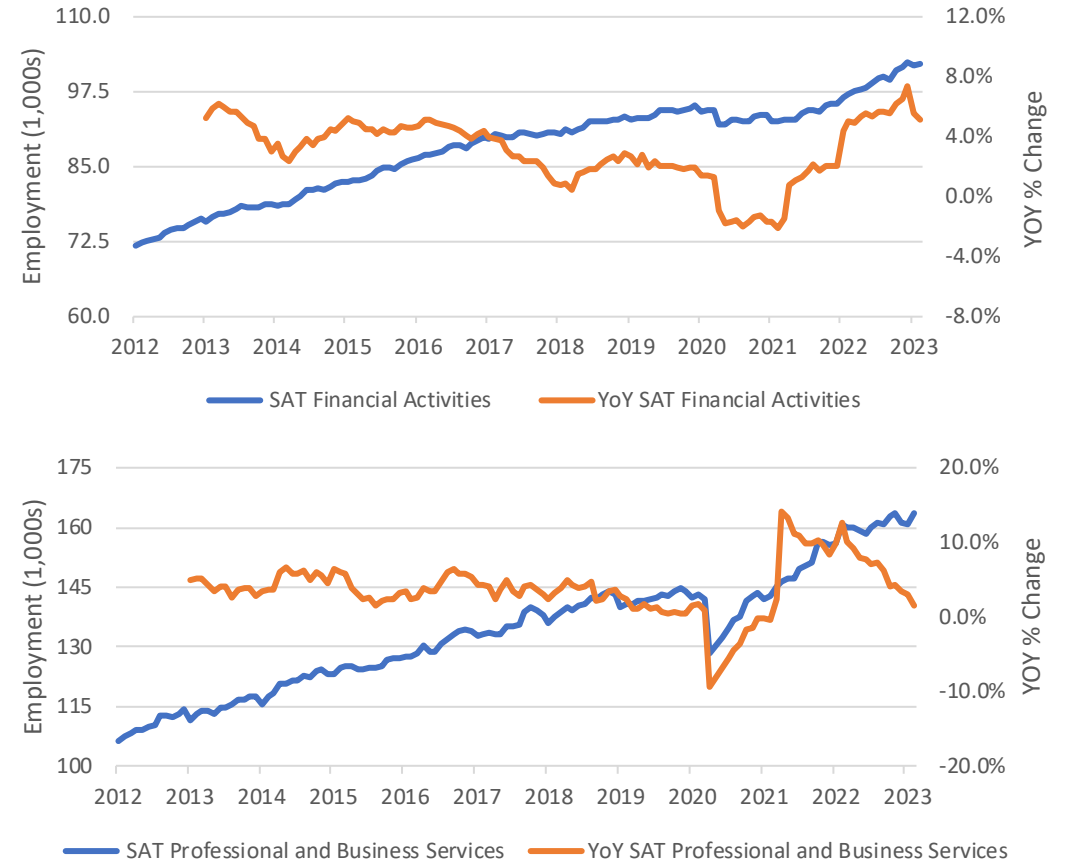
key employment trends

SAT Financial Activities

	Feb-23	Feb-22	Change	YoY
	102,200	97,200	5,000	5.14%

SAT Professional and Business Services

	Feb-23	Feb-22	Change	YoY
	163,500	161,000	2,500	1.55%



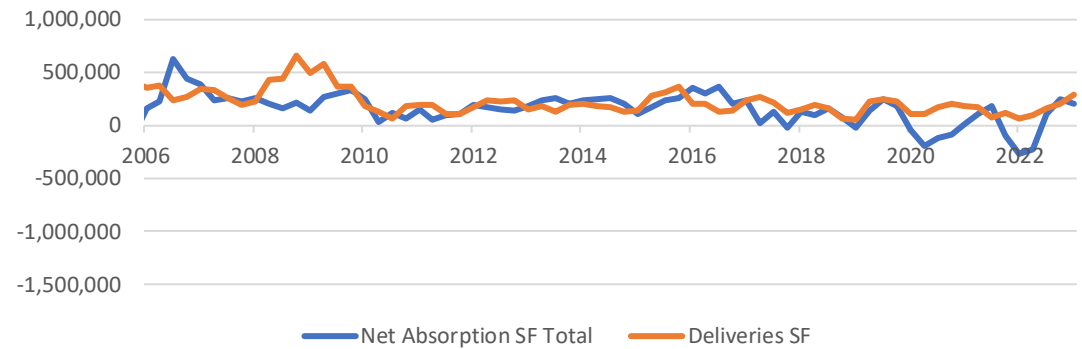
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

San Antonio Office Market *absorption/construction*

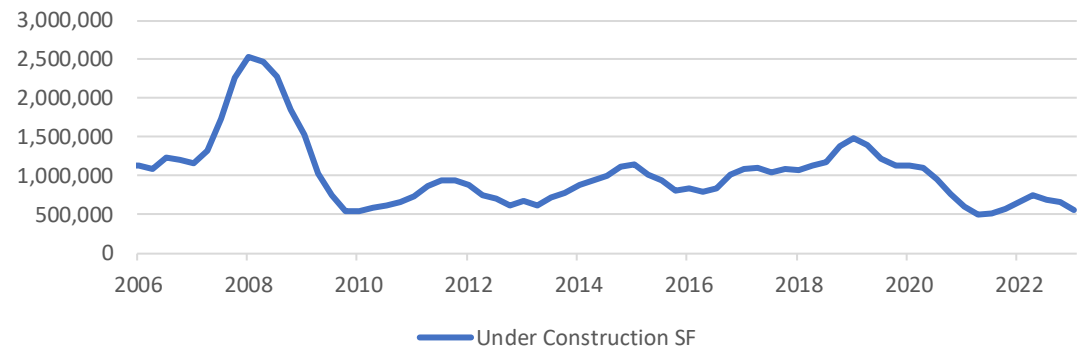
		Current	Previous Quarter	Previous Year
Starts SF	Overall	170,924	185,474	149,044
Net Absorption SF Total	Overall	206,686	242,512	-275,068
Deliveries SF	Overall	284,654	202,353	62,268
Under Construction SF	Overall	553,070	666,801	663,297

Larger
Smaller
 Than Current

Absorption and Delivery Square Footage



Under Construction Square Footage



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

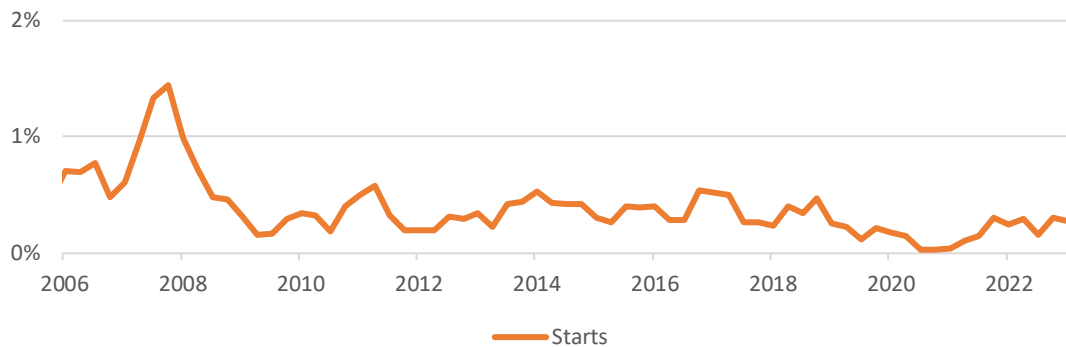
San Antonio Office Market *absorption/construction*



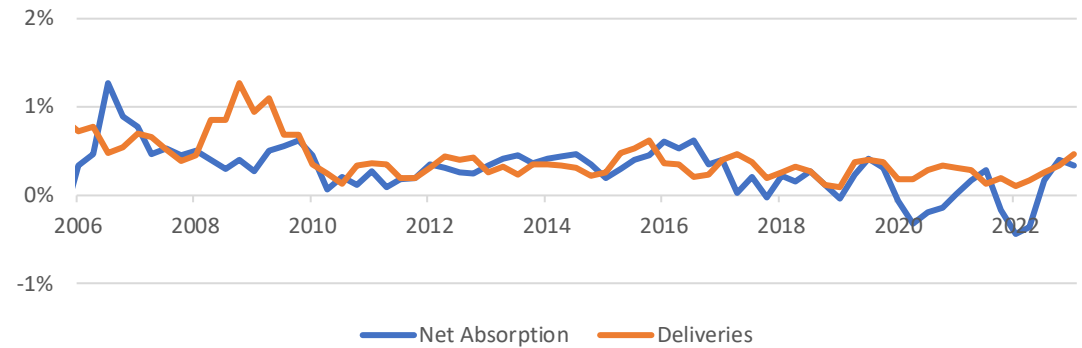
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.28%	0.30%	0.24%
Under Construction Percent	Overall	0.89%	1.08%	1.08%
Absorption Percent	Overall	0.33%	0.39%	-0.45%
Deliveries Percent	Overall	0.46%	0.33%	0.10%

Larger
Smaller
 Than Current

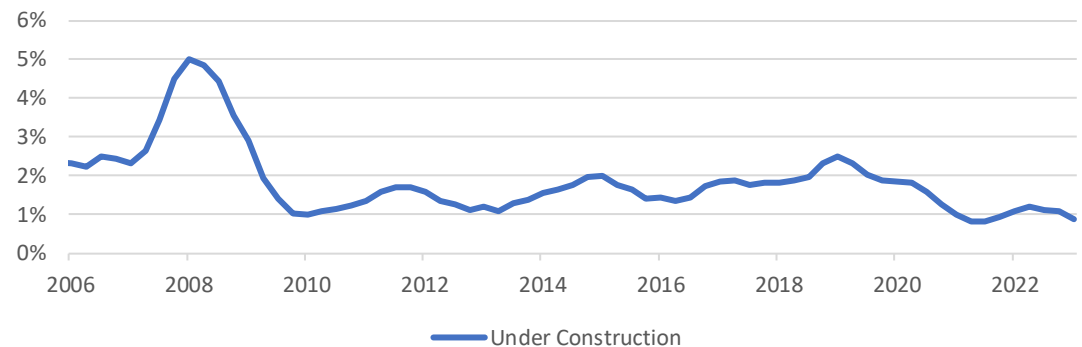
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

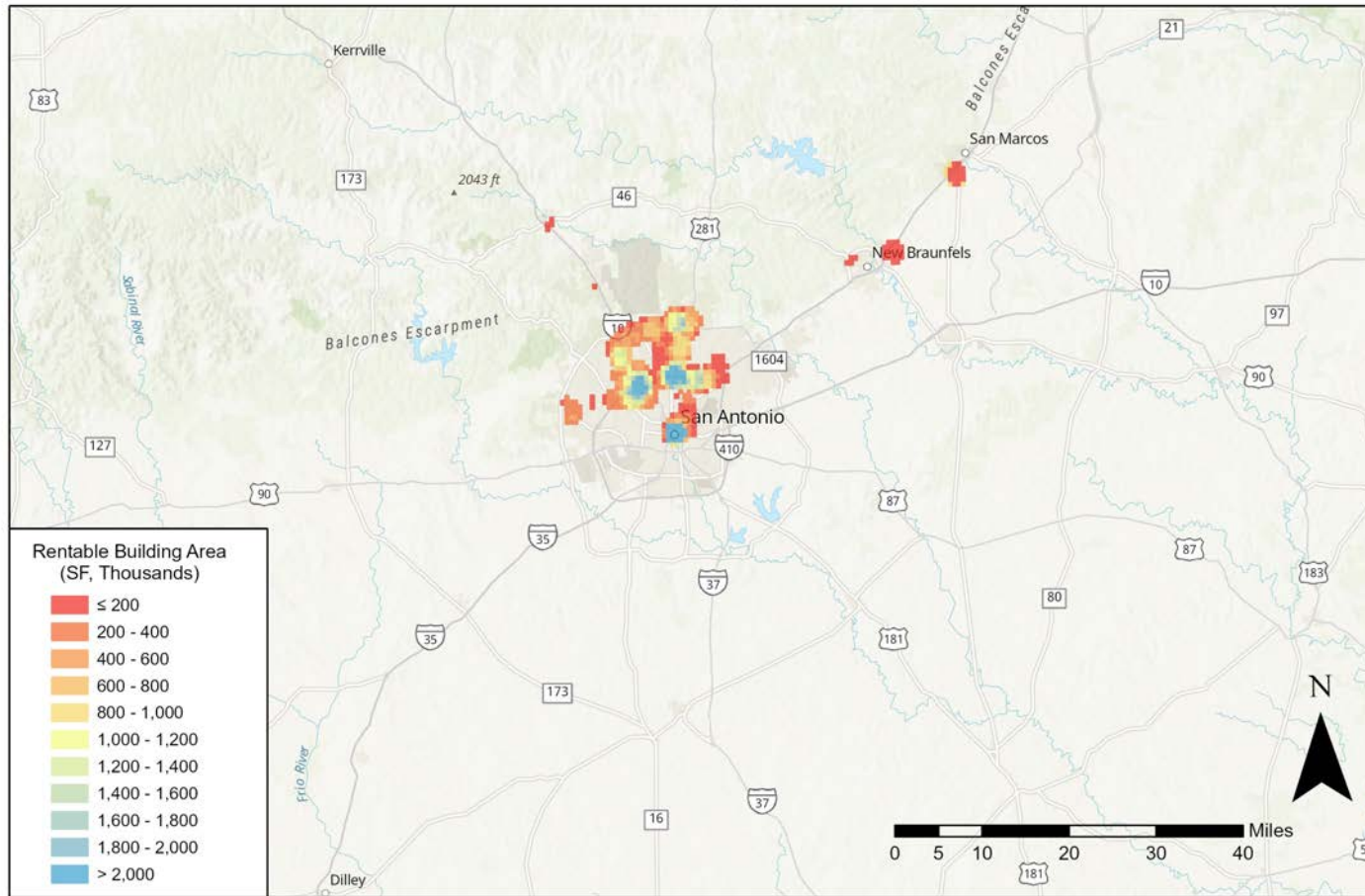


Under Construction as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Metro Rentable Building Area Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

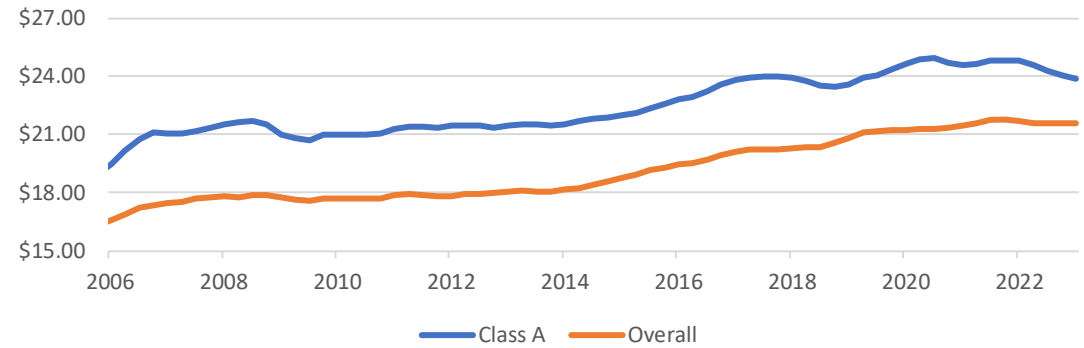
Local Market Area (LMA) Definitions

San Antonio Office Market *inventory*

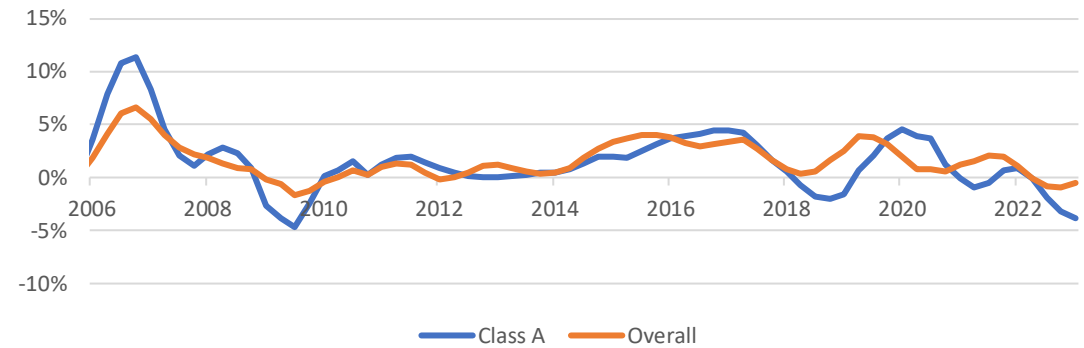


San Antonio Office Market *rent*

Office Base Rent



Office Base Rent YoY Growth



Base Rent
Base Rent

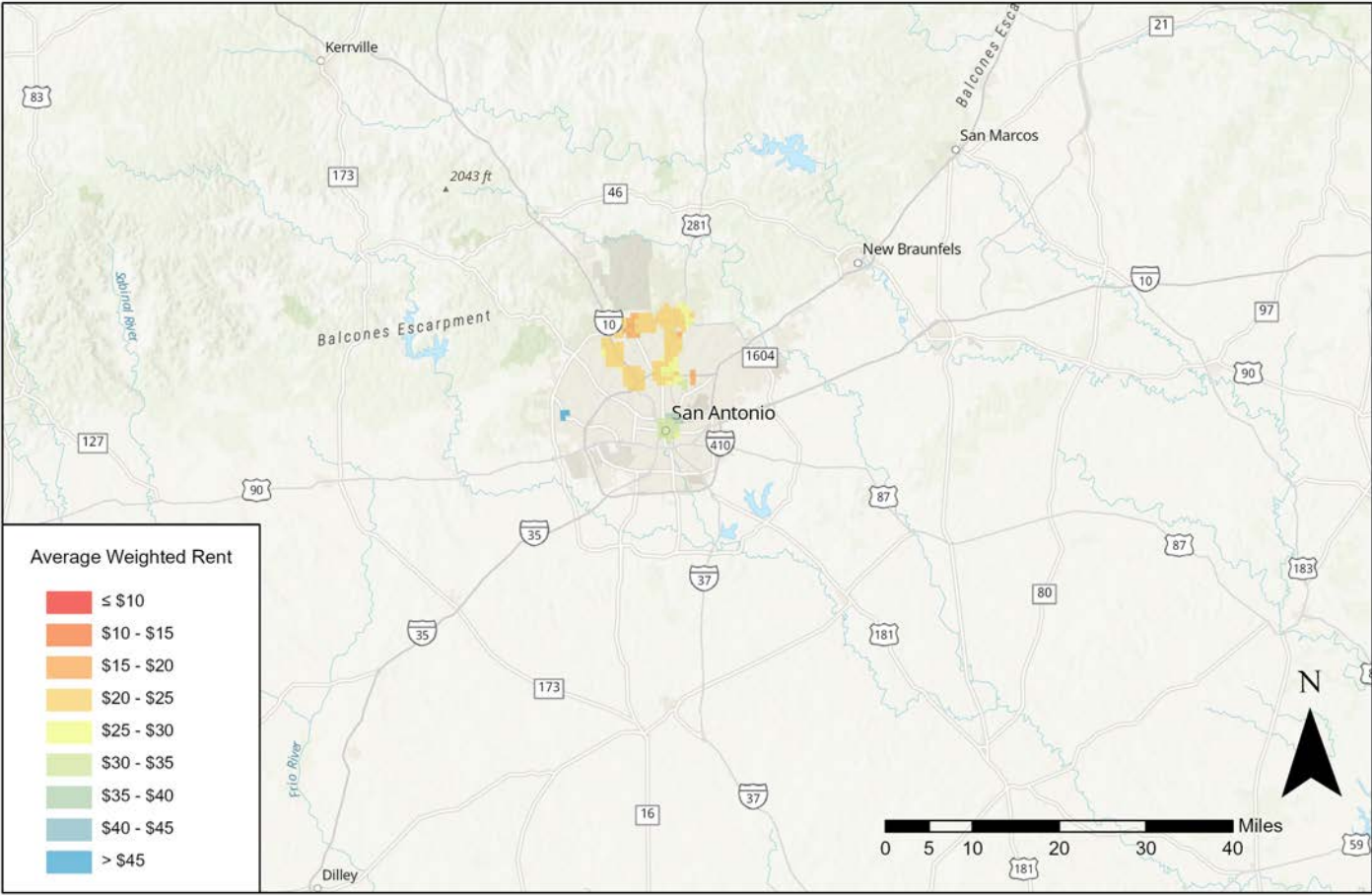
Class A
Overall

	Current	Previous Quarter	Previous Year
Class A	\$23.88	\$24.06	\$24.83
Overall	\$21.59	\$21.57	\$21.70

Larger Than Current
Smaller Than Current

Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Metro Average Weighted Rent Class A Office LMAs (Q4 2022)



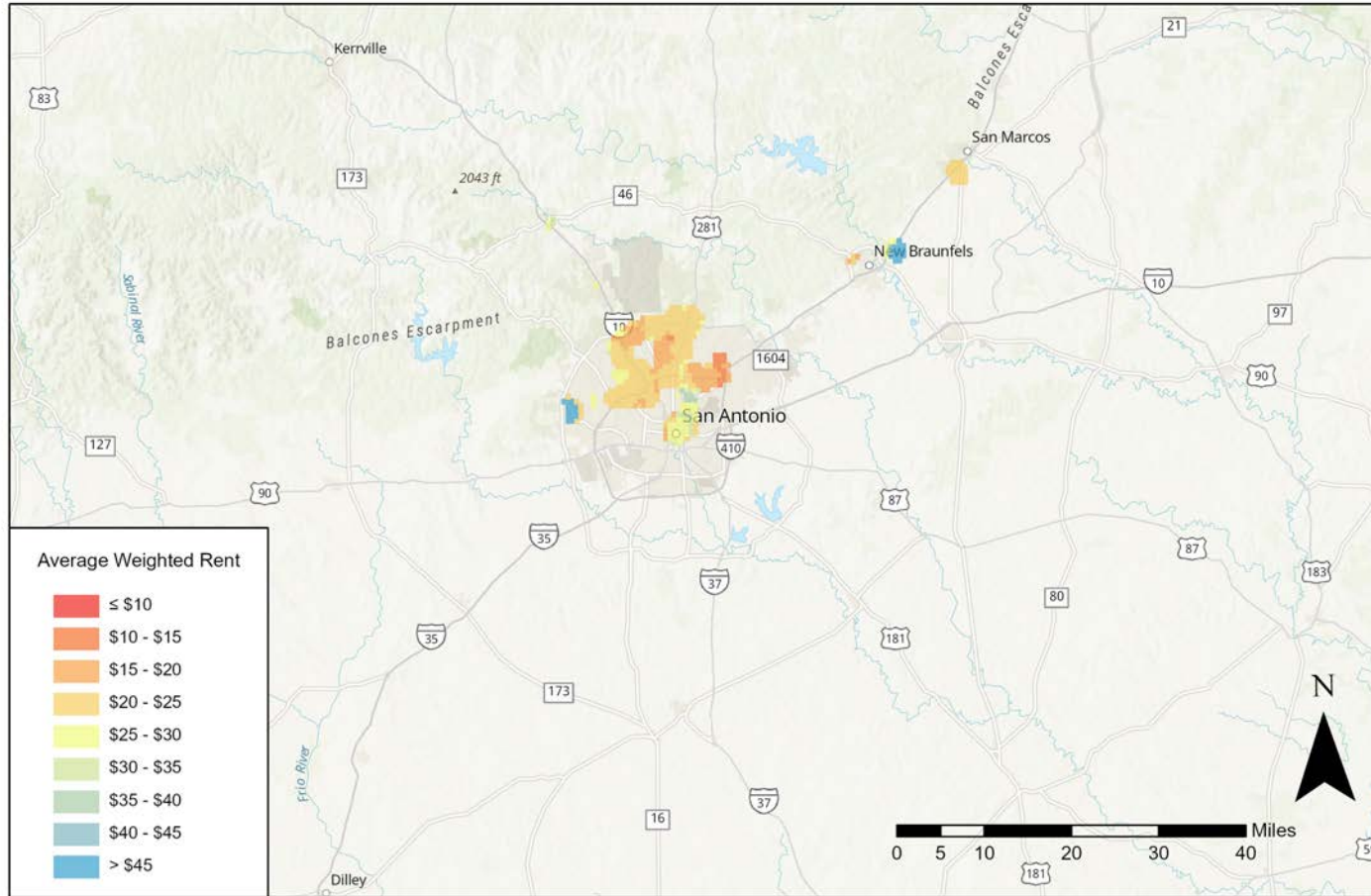
Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

San Antonio Office Market *rent*



San Antonio Metro Average Weighted Rent Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

San Antonio Office Market *rent*

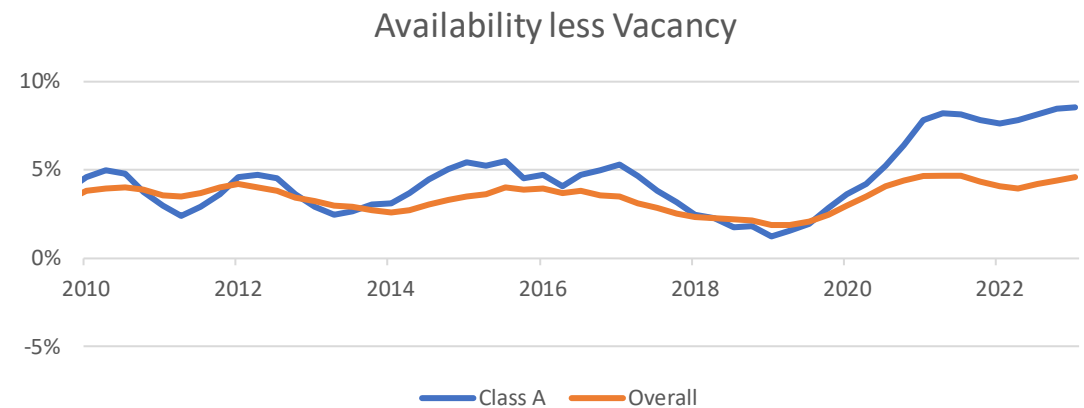
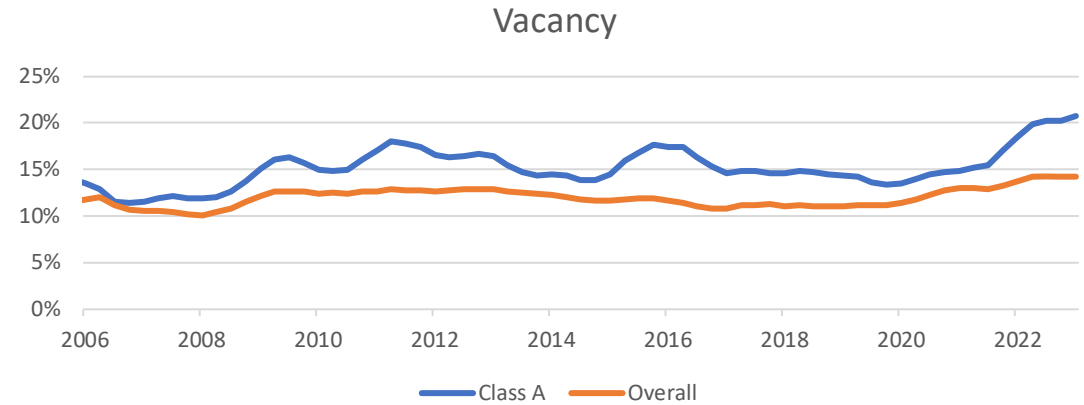


San Antonio Office Market *vacancy*



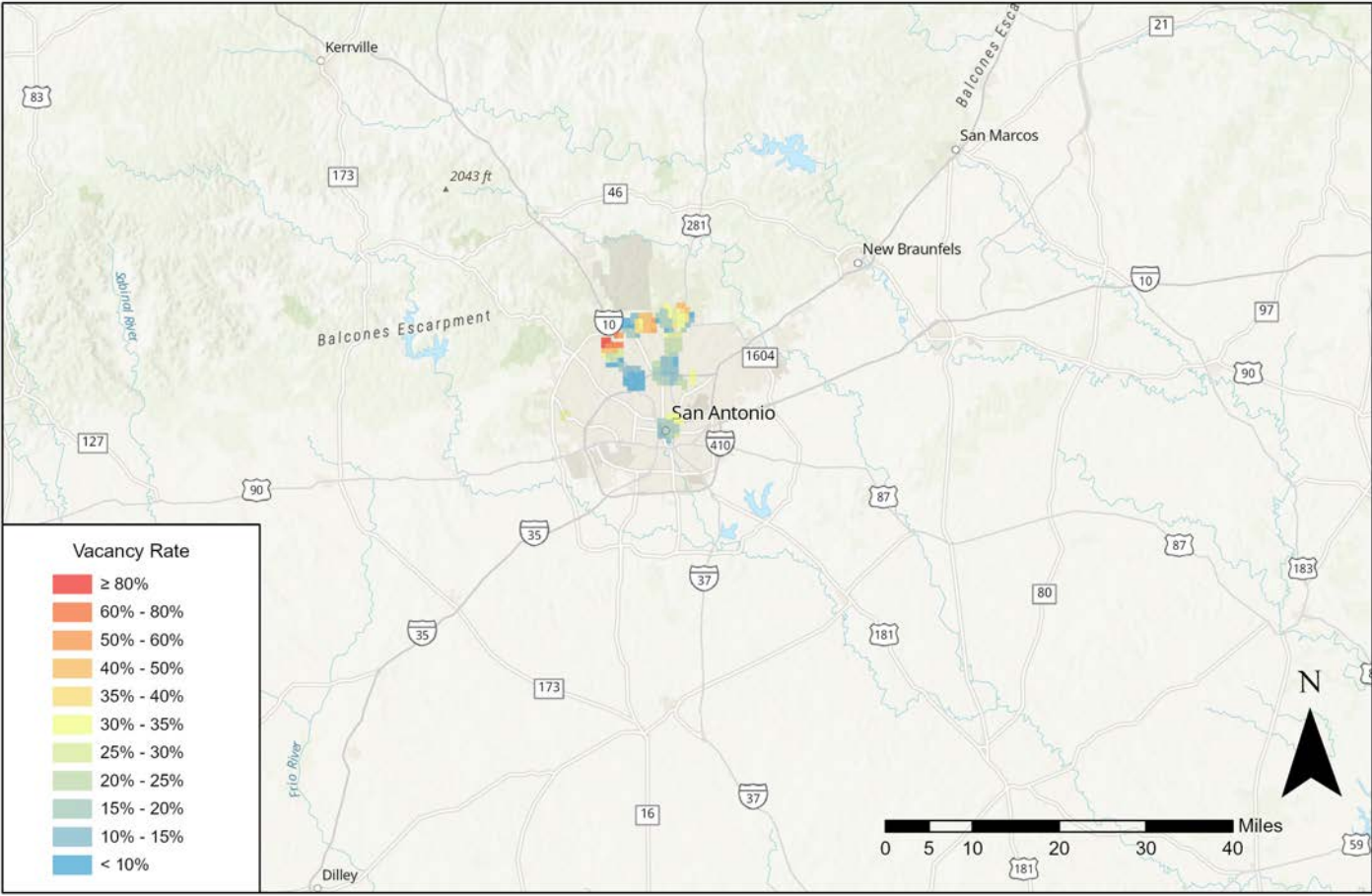
		Current	Previous Quarter	Previous Year
Vacant Percent % Total	Class A	20.70%	20.20%	18.53%
Vacant Percent % Total	Overall	14.20%	14.15%	13.70%
Availability less Vacancy	Class A	8.50%	8.45%	7.63%
Availability less Vacancy	Overall	4.60%	4.40%	4.07%

Larger
Smaller
 Than Current



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Metro Vacancy Class A Office LMAs (Q4 2022)



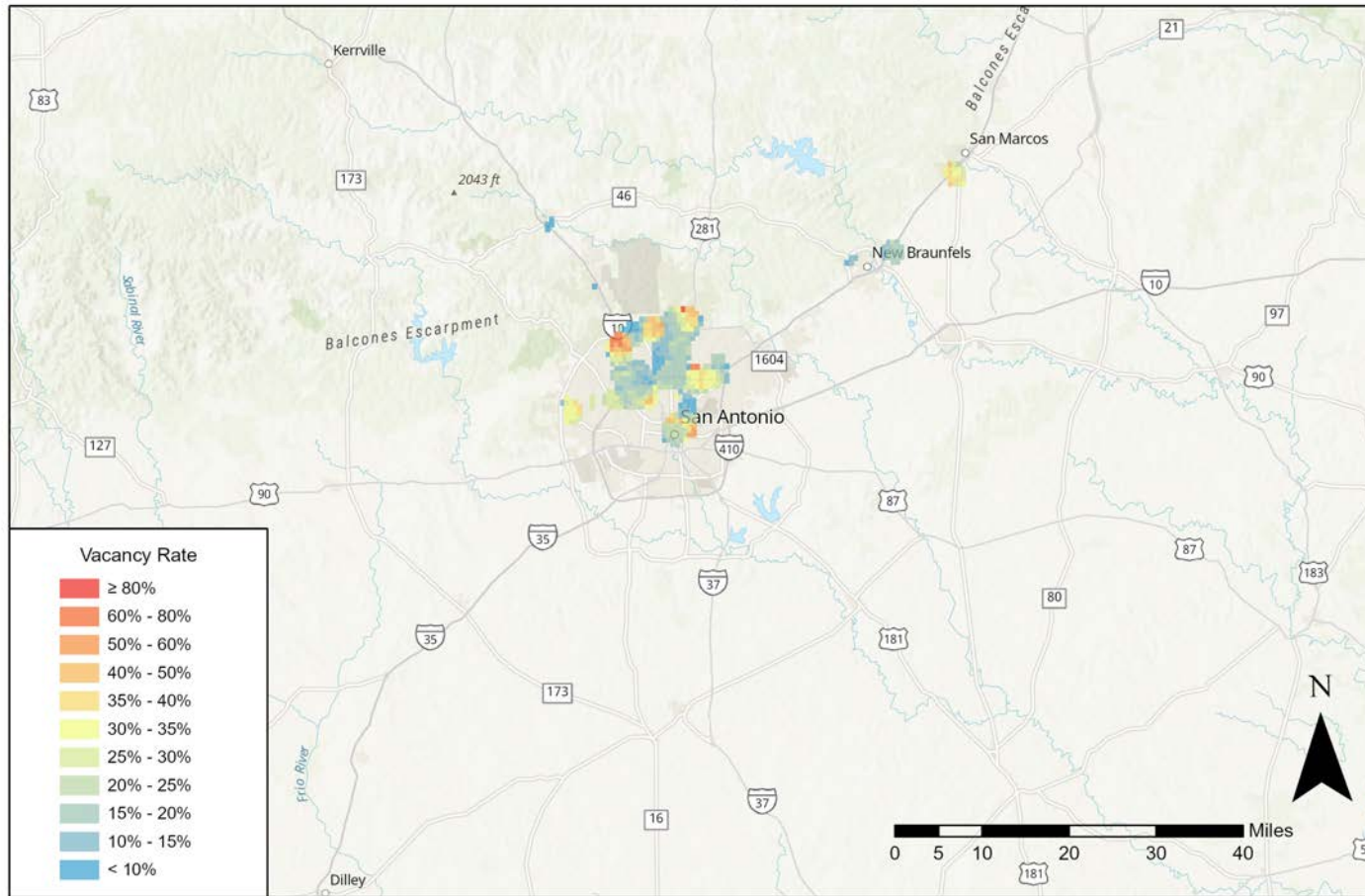
Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

San Antonio Office Market *vacancy*



San Antonio Metro Vacancy Office LMAs (Q4 2022)



Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

San Antonio Office Market *vacancy*



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Texas Real Estate Research Center

San Antonio Retail Market

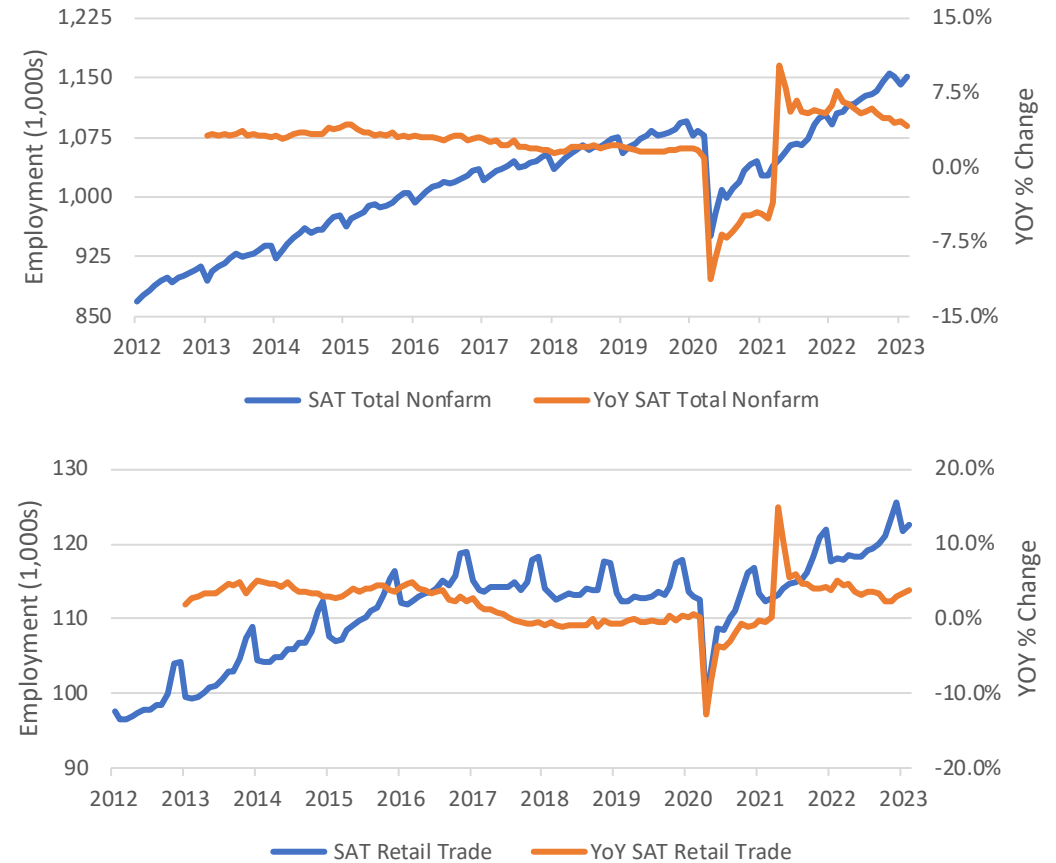
key employment trends

SAT Total Nonfarm

Feb-23	Feb-22	Change	YoY
1,151,400	1,105,600	45,800	4.14%

SAT Retail Trade

Feb-23	Feb-22	Change	YoY
122,600	118,100	4,500	3.81%



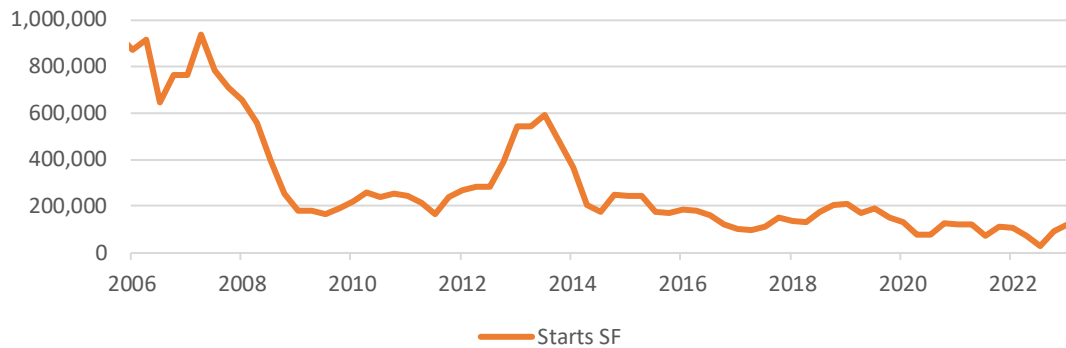
Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

San Antonio Retail Market *absorption/construction*

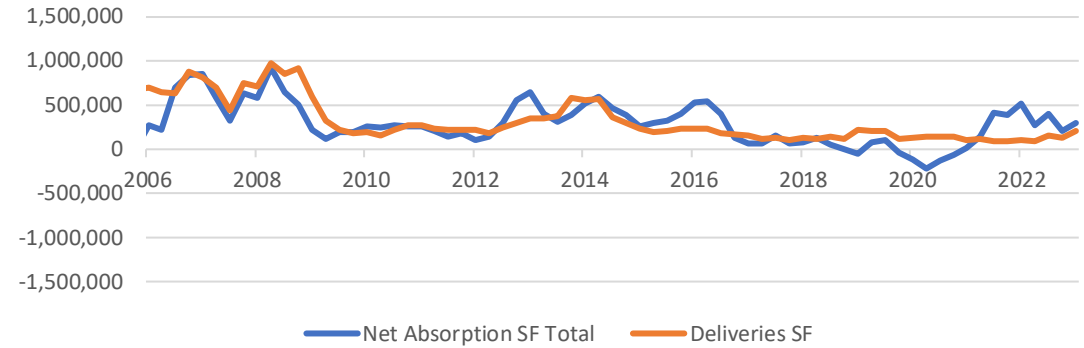
		Current	Previous Quarter	Previous Year
Starts SF	Overall	122,484	92,742	107,698
Net Absorption SF Total	Overall	300,859	211,641	513,085
Deliveries SF	Overall	206,963	130,017	108,098
Under Construction SF	Overall	111,425	195,905	377,627

Larger
Smaller
 Than Current

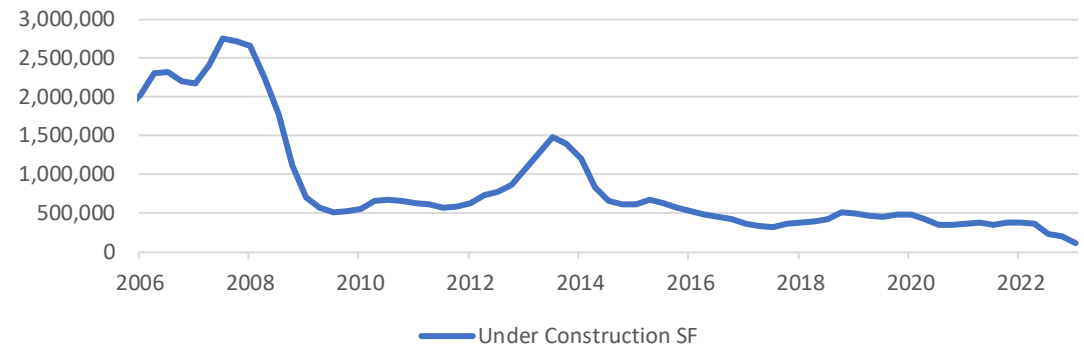
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage

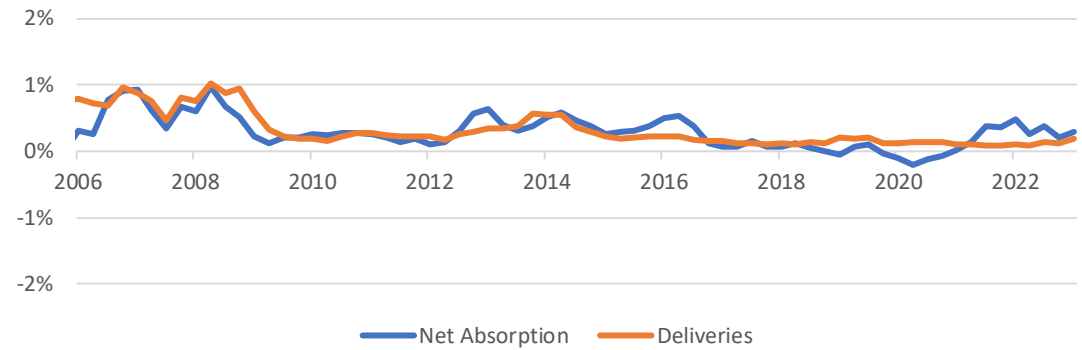


Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

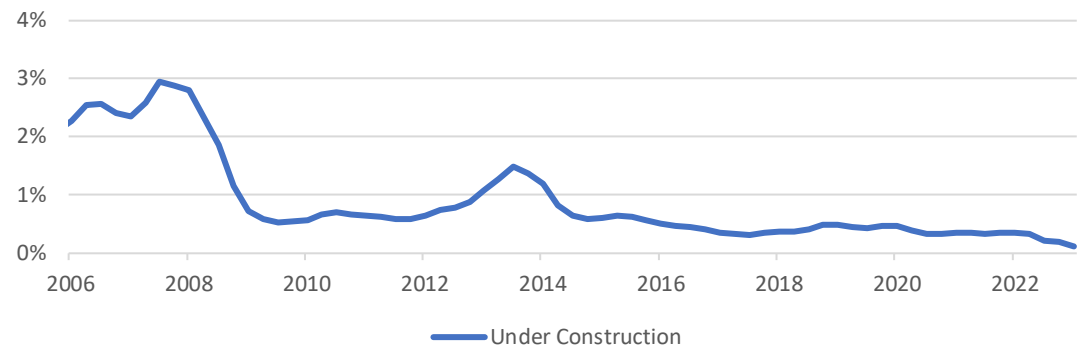
San Antonio Retail Market *absorption/construction*



Absorption and Deliveries as Percent of Inventory



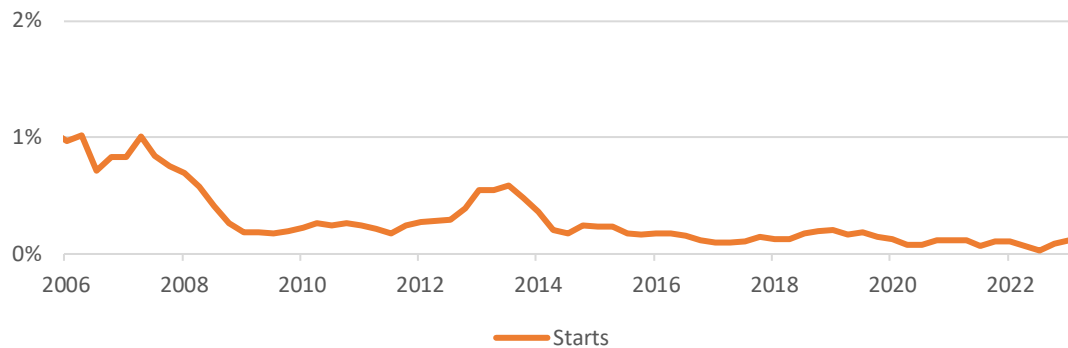
Under Construction as Percent of Inventory



	Overall	Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.11%	0.09%	0.10%
Under Construction Percent	Overall	0.10%	0.18%	0.36%
Absorption Percent	Overall	0.28%	0.20%	0.48%
Deliveries Percent	Overall	0.19%	0.12%	0.10%

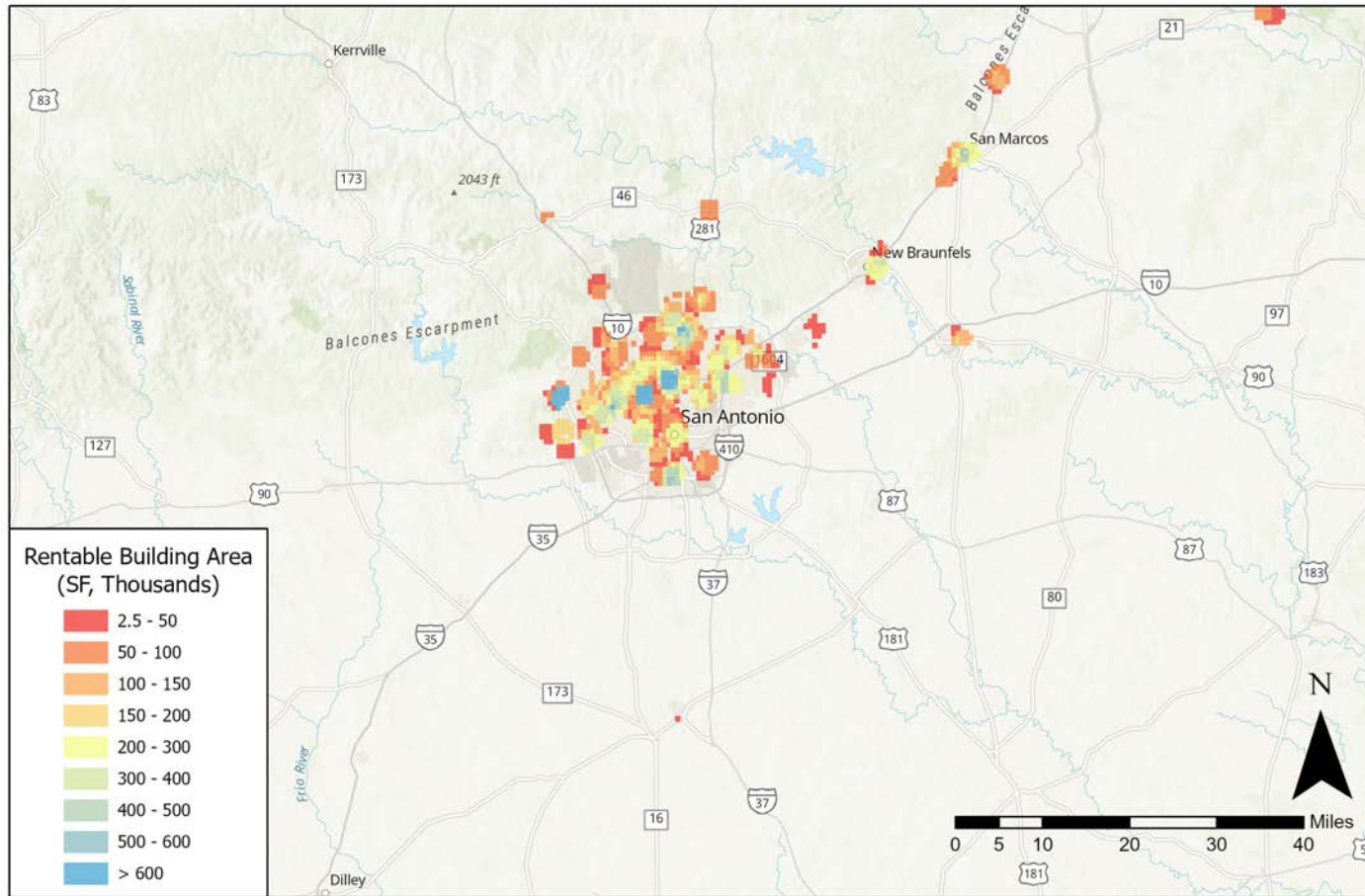
Larger Than Current (green box) / Smaller Than Current (orange box)

Starts as Percent of Inventory



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Metro Rentable Building Area Retail LMAs (Q2 2022)



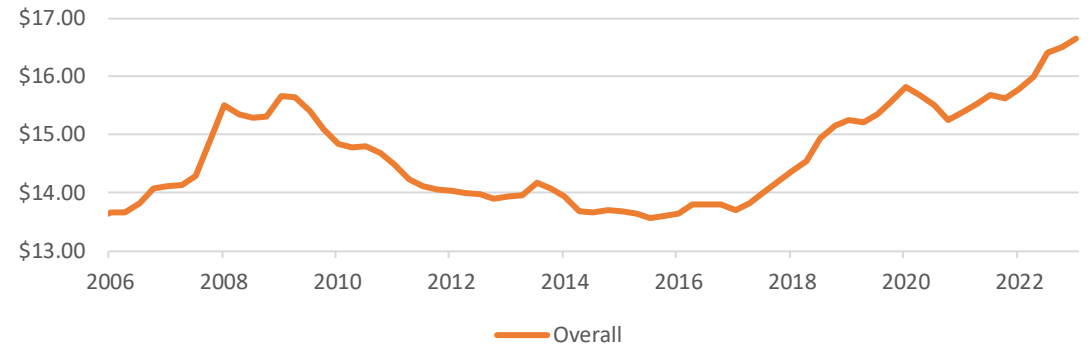
Sources: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

San Antonio Retail Market *rent*



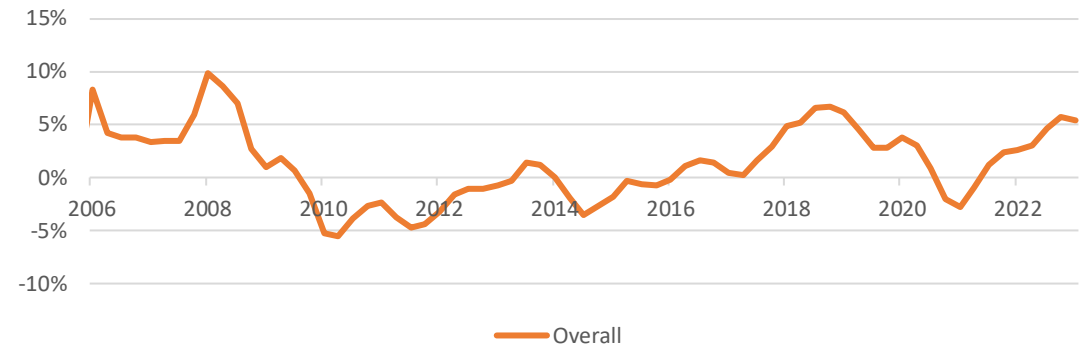
NNN Rent



NNN Rent Overall	Overall	Current	Previous Quarter	Previous Year
		\$16.64	\$16.51	\$15.78

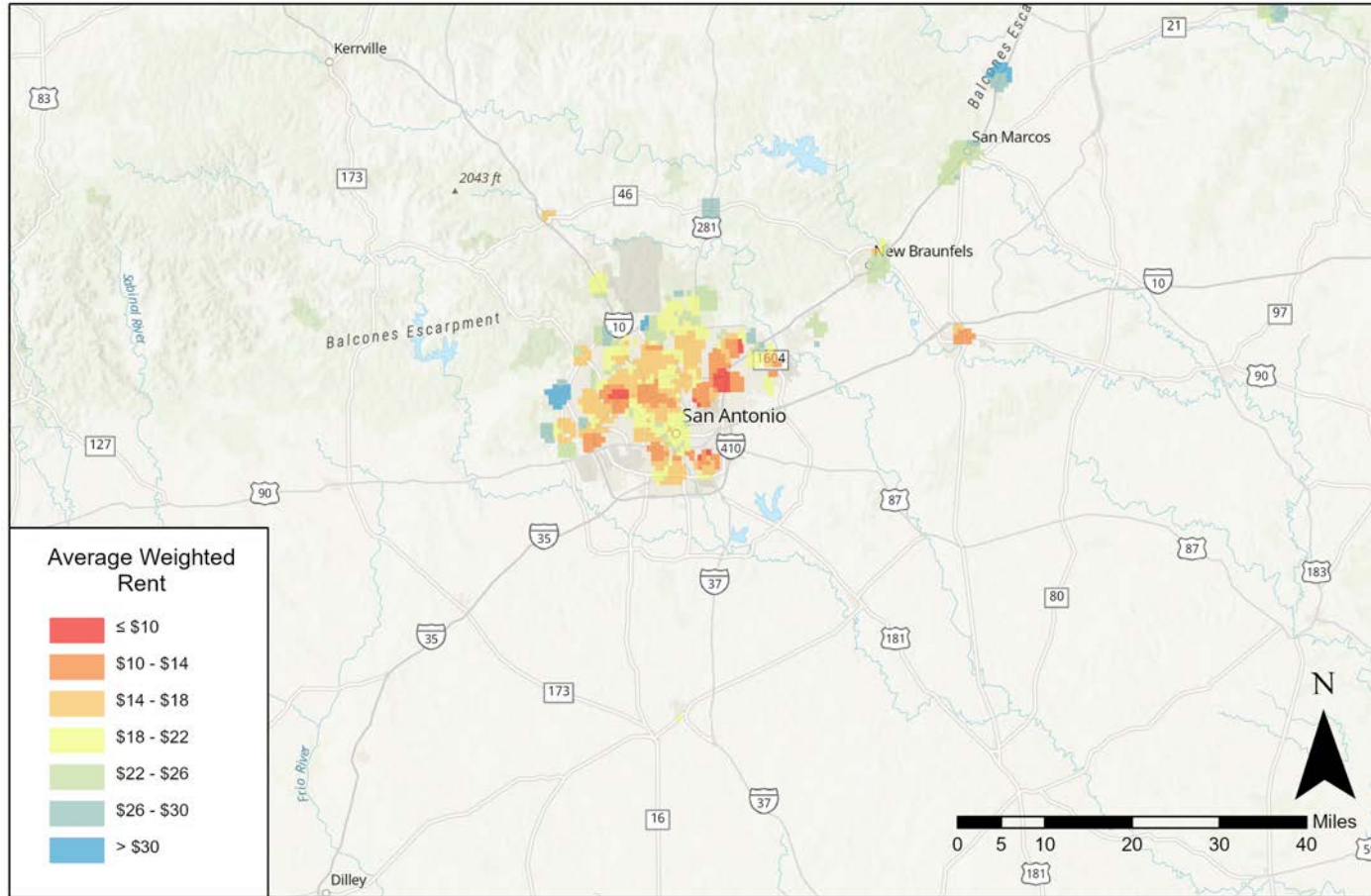
Larger
Smaller
 Than Current

NNN Rent YoY Growth



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Metro Average Weighted Rent Retail LMAs (Q2 2022)



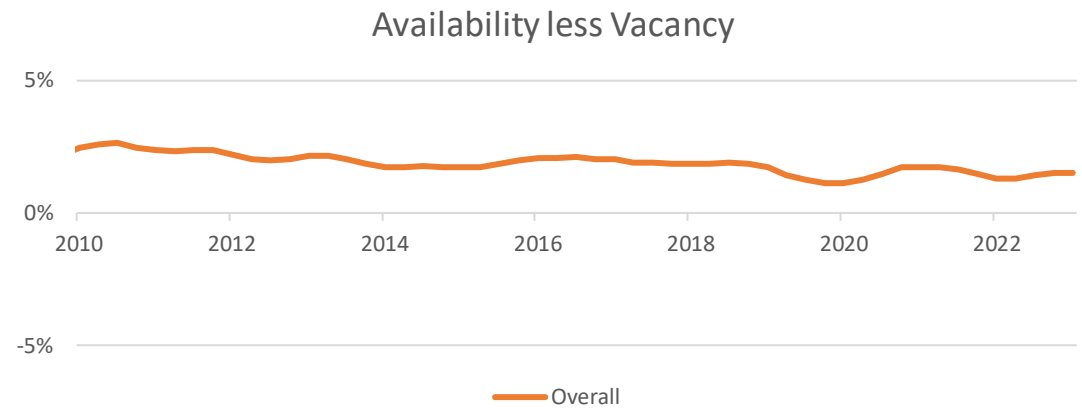
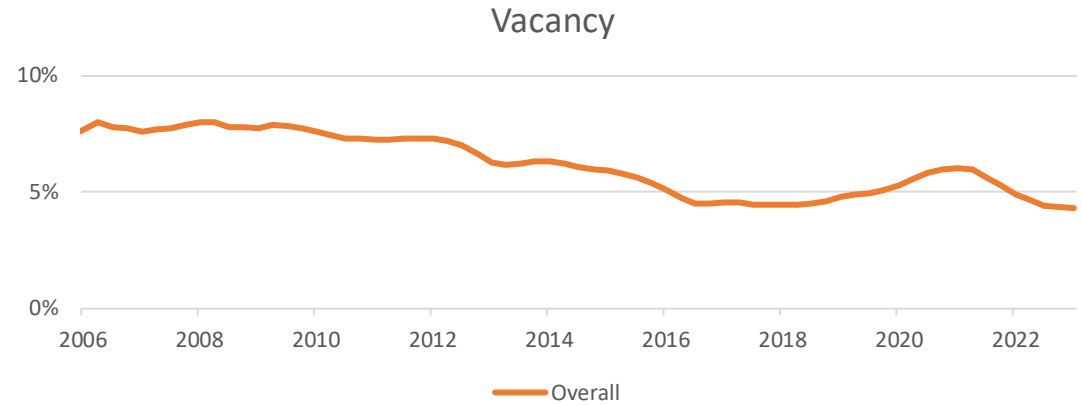
Sources: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

San Antonio Retail Market *rent*



San Antonio Retail Market *vacancy*

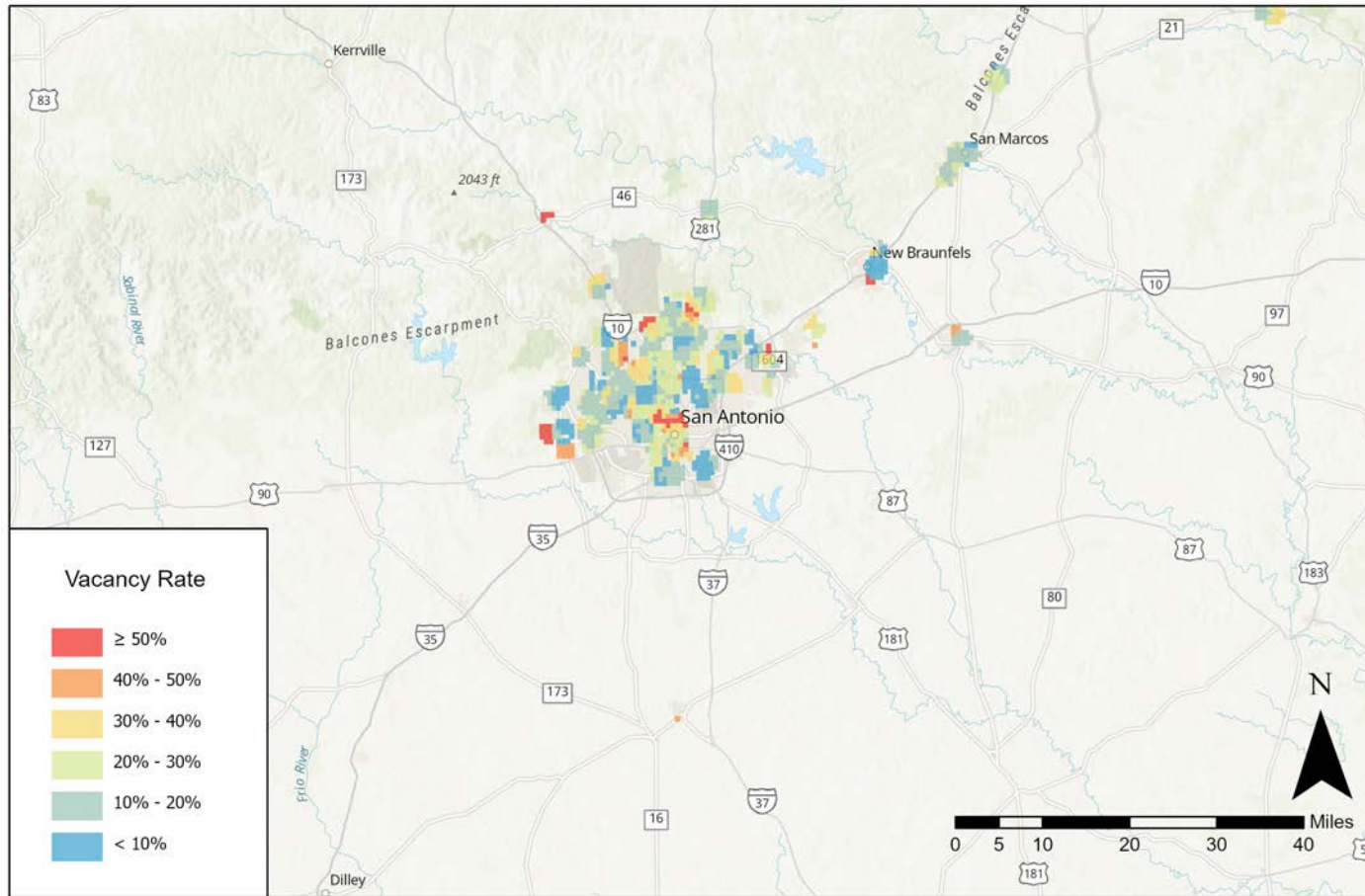


	Current	Previous Quarter	Previous Year
Vacant Percent % Total	4.30%	4.35%	4.87%
Availability less Vacancy	1.50%	1.50%	1.30%

Larger
Smaller
 Than Current

Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Metro Vacancy Retail LMAs (Q2 2022)



Sources: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, EPS, NPS

[Local Market Area \(LMA\) Definitions](#)

San Antonio Retail Market *vacancy*



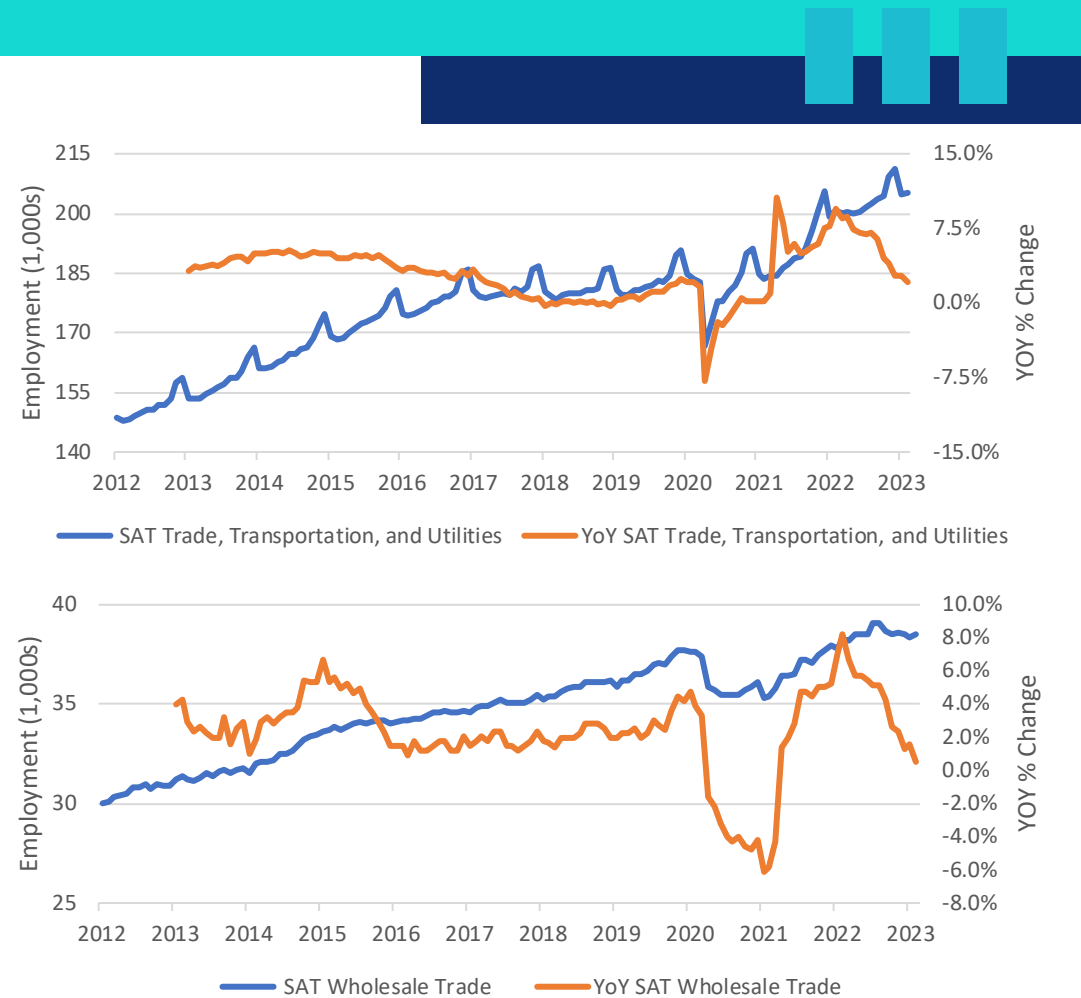
TEXAS A&M UNIVERSITY
Texas Real Estate Research Center

San Antonio Warehouse Market

key employment trends

SAT Trade, Transportation, and Utilities	Feb-23	Feb-22	Change	YoY
	205,100	201,000	4,100	2.04%

SAT Wholesale Trade	Feb-23	Feb-22	Change	YoY
	38,500	38,300	200	0.52%



Sources: Texas Workforce Commission, Texas Real Estate Research Center at Texas A&M University

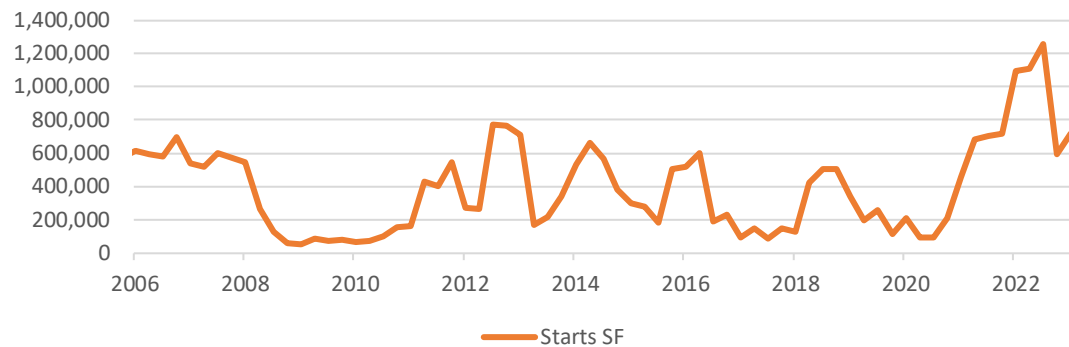
San Antonio Warehouse Market

absorption/construction

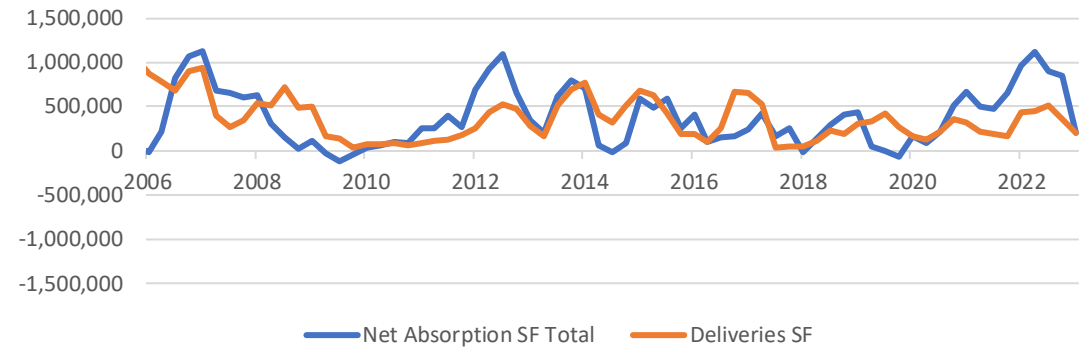
		Current	Previous Quarter	Previous Year
Starts SF	Overall	715,742	595,634	1,093,881
Net Absorption SF Total	Overall	204,294	844,295	965,934
Deliveries SF	Overall	199,950	352,851	440,467
Under Construction SF	Overall	5,249,078	4,733,287	3,098,859

Larger Than Current
Smaller Than Current

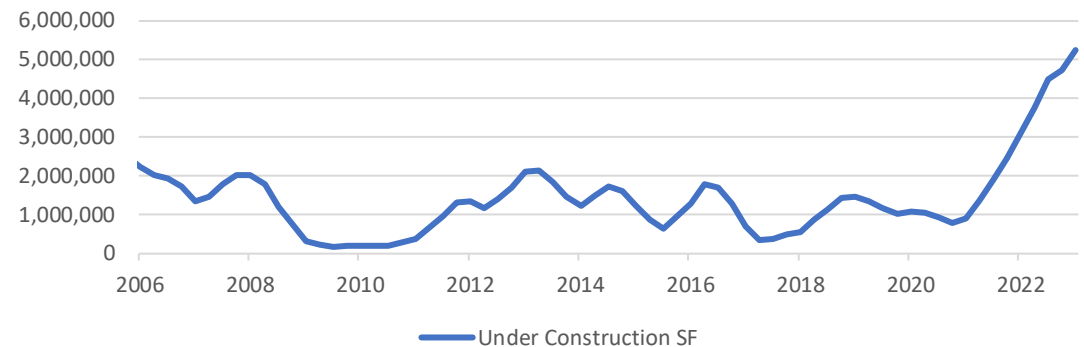
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



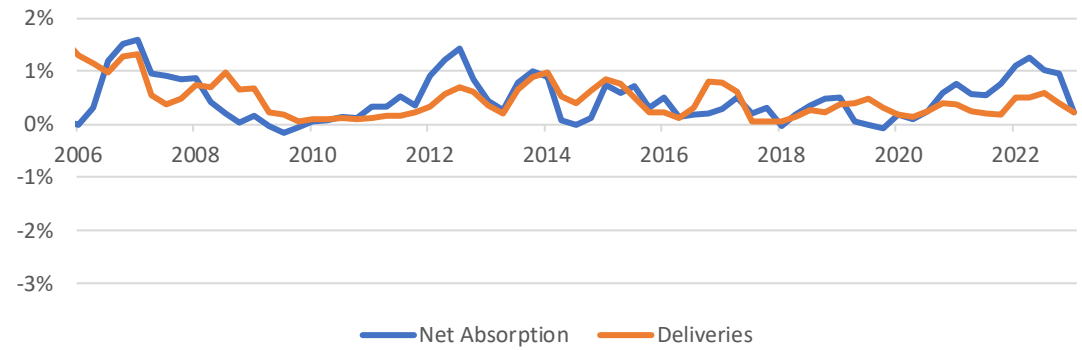
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Warehouse Market

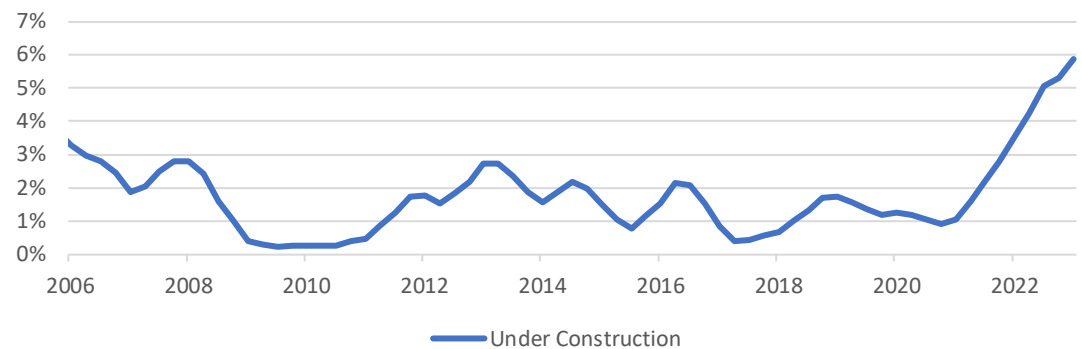
absorption/construction



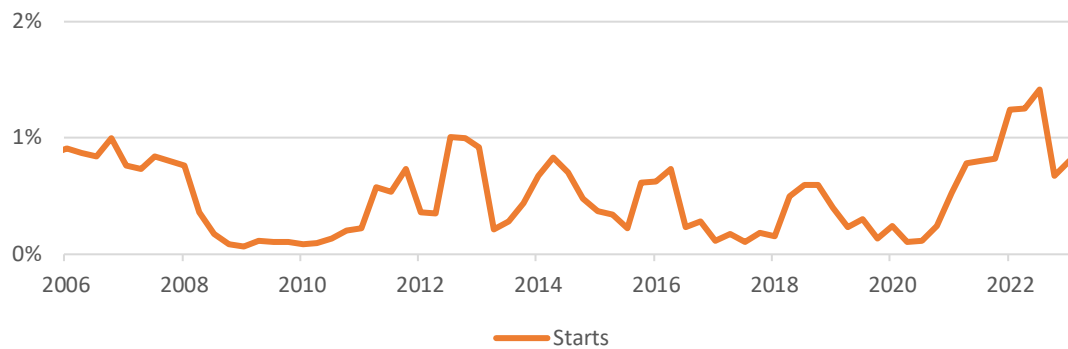
Absorption and Deliveries as Percent of Inventory



Under Construction as Percent of Inventory



Starts as Percent of Inventory



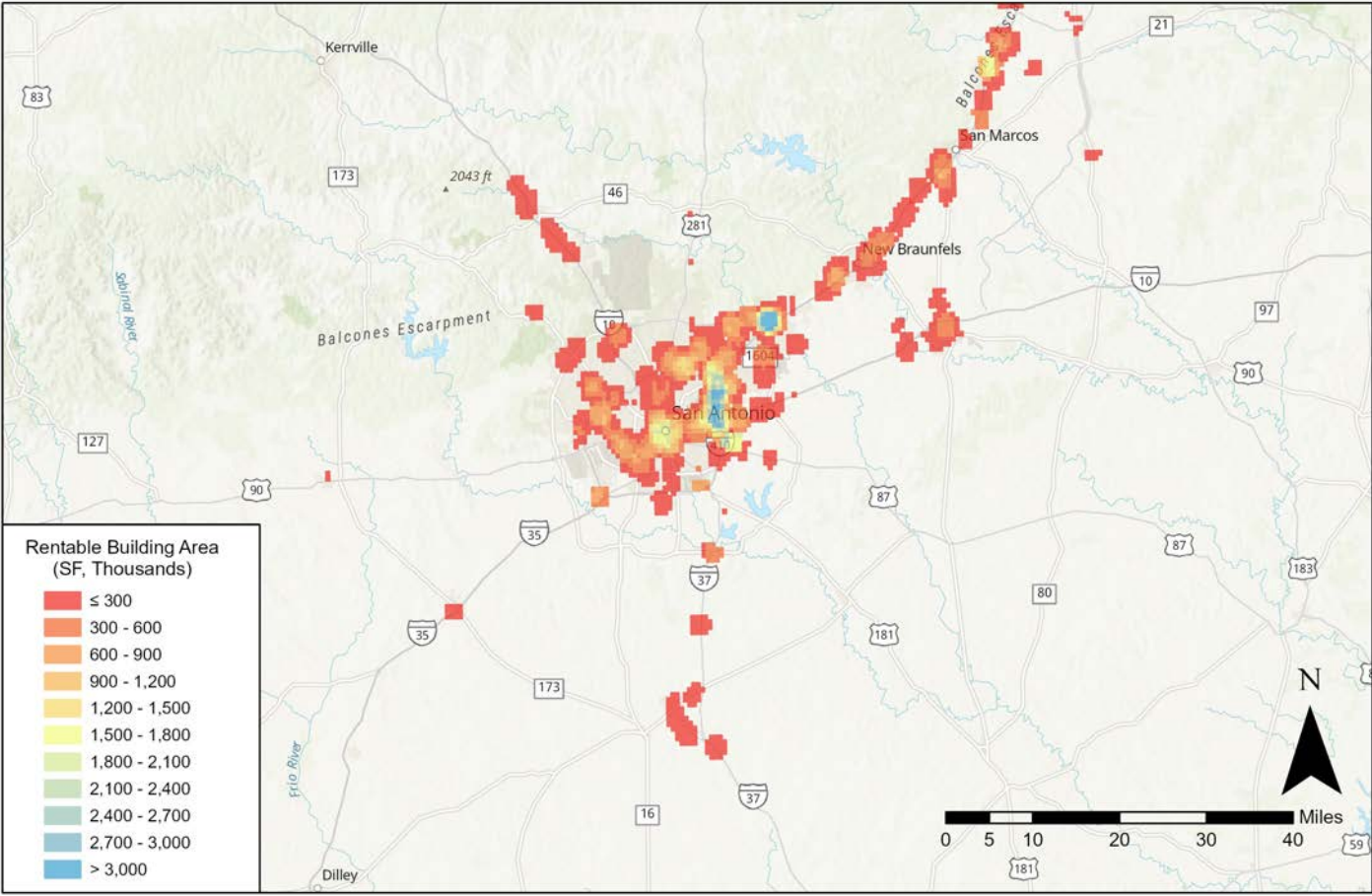
	Current	Previous Quarter	Previous Year
Starts Percent	0.80%	0.67%	1.24%
Under Construction Percent	5.89%	5.31%	3.52%
Absorption Percent	0.23%	0.95%	1.10%
Deliveries Percent	0.22%	0.40%	0.50%

Larger Than Current (Green)
Smaller Than Current (Orange)

Starts Percent
Under Construction Percent
Absorption Percent
Deliveries Percent

Overall
Overall
Overall
Overall

San Antonio Metro Rentable Building Area Warehouse LMAs (Q3 2022)



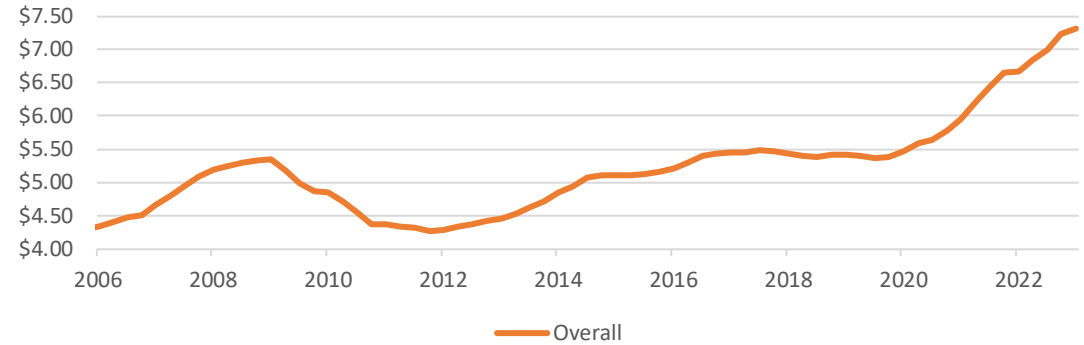
Sources: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

San Antonio Warehouse Market *rent*



NNN Rent



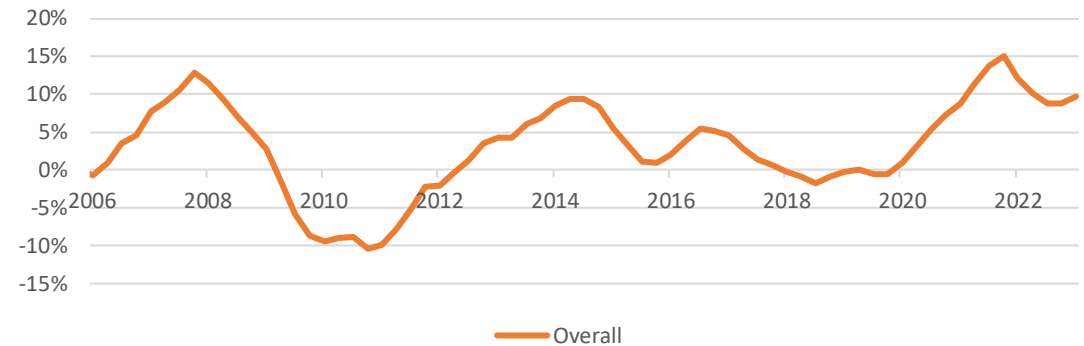
NNN Rent Overall

Overall

Current	Previous Quarter	Previous Year
\$7.31	\$7.24	\$6.66

Larger Than Current
Smaller Than Current

NNN Rent YoY Growth



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

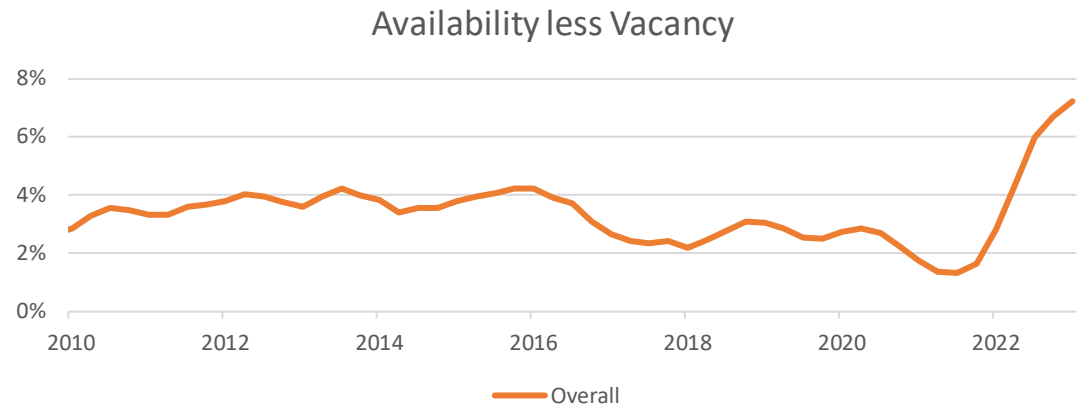
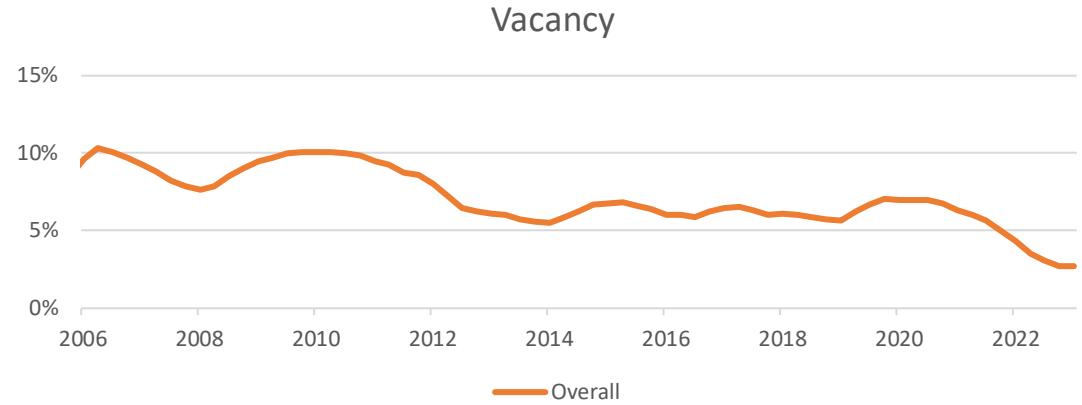
San Antonio Warehouse Market *vacancy*



Vacant Percent % Total
Availability less Vacancy

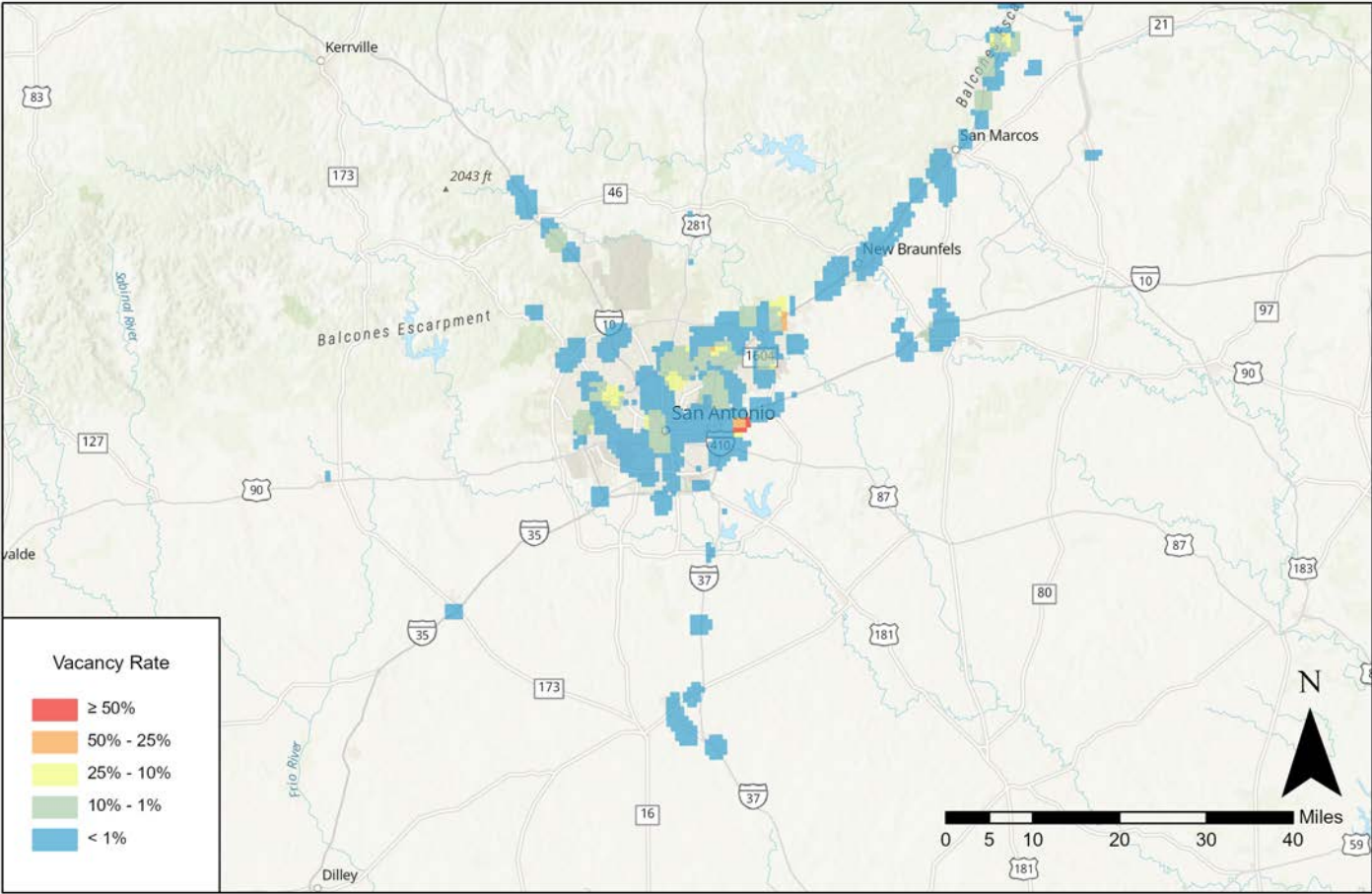
	Current	Previous Quarter	Previous Year
Overall	2.70%	2.70%	4.33%
Overall	7.20%	6.70%	2.80%

Larger
Smaller
 Than Current



Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Metro Vacancy Warehouse LMAs (Q3 2022)



Sources: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, EPS, NPS

Local Market Area (LMA) Definitions

San Antonio Warehouse Market *vacancy*



Notes and Definitions

- **Asking rents.** The dollar amount per square foot the landlord requests from a tenant, excluding tenant improvements and concessions. Leases typically dictate this amount paid annually.
- **Effective rents.** The dollar amount per square foot the landlord requests from a tenant after deducting concessions.
- **Absorption.** The net change in occupied space, measured in square feet, over a given period. Net absorption reflects the amount of space occupied as well as the amount of space vacated. Net absorption includes direct and sublease space.
- **Nominal.** Value or rate reflecting current prices or rates without adjusting for inflation. Values are not inflation-adjusted in this report.
- **SF.** Square feet.
- **Under construction.** The square footage being built within a particular market; applies to buildings that have not received a certificate of occupancy.
- **Vacancy rate.** A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory.

Notes and Definitions

- **Local Market Area Map Analysis.** To facilitate spatial visualization of individual building data, a grid of points was distributed across each metropolitan area with the points one-half mile apart. Key market statistics were calculated at these reference points. Local Market Area parameters are then recalculated for all the buildings within one mile of each grid point for those grid points that contain at least three buildings within one mile. At each Local Market Area point shown, the parameters calculated are for the “sub-market” within one mile of that point. **Rentable Building Area** is the sum of rentable building area within each Local Market Area. The sum of all Local Market Areas’ Rentable Building Areas will overstate total market Rentable Building Area due to the overlapping nature of the Local Market Areas. **Vacancy** is the weighted vacancy of the buildings within each Local Market Area. **Average Weighted Rent** is the weighted rent of the buildings within each Local Market Area.



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DIVISION OF ACADEMIC AND STRATEGIC COLLABORATIONS

Texas A&M University
2115 TAMU
College Station, Texas 77843-2115

<http://www.recenter.tamu.edu>
979-845-2031

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