

TEXAS QUARTERLY COMMERCIAL REPORT

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TECHNICAL REPORT
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THIRD QUARTER 2022

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Notes and Definitions

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Third Quarter 2022 Market Summary



	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	\$1.88	7.55%	7.55%	13.82%	\$30.56	6.76%	16.05%	2.67%	\$23.07	8.41%	3.80%	-16.79%	\$11.88	14.19%	4.35%	-15.81%
Dallas-Fort Worth	\$1.70	8.65%	6.70%	5.24%	\$22.79	3.87%	21.25%	0.87%	\$17.40	6.05%	5.70%	-16.18%	\$6.81	11.13%	5.85%	-13.55%
Houston	\$1.41	4.96%	8.00%	5.73%	\$20.84	2.10%	23.15%	1.24%	\$19.33	3.49%	6.10%	-12.44%	\$8.26	8.83%	7.50%	-25.25%
San Antonio	\$1.41	6.71%	7.30%	9.50%	\$21.57	-0.92%	14.15%	12.60%	\$16.21	3.99%	4.45%	-21.93%	\$6.83	6.50%	3.25%	-41.62%

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

Texas Third Quarter 2022 Summary

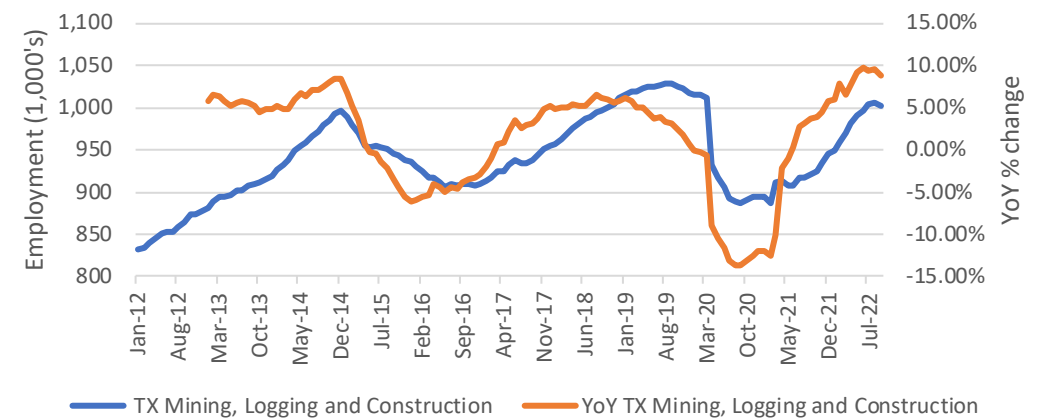
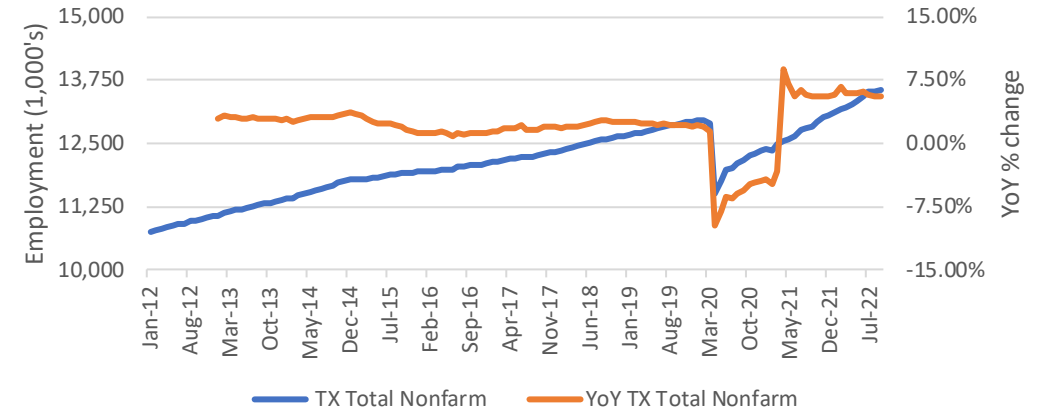
- Texas employment growth on a year-over-year (YOY) basis continues to outpace expectations and long-term trends across industries and in the big four Metropolitan Statistical Areas (MSAs).
- There is some moderation in monthly employment, and YOY results are expected to moderate further through 2023, moving closer to long-term trends.
- Office vacancy remains generally elevated across the major MSAs but is levelling. In Austin, the current square footage under construction (~8 percent of existing inventory) will result in increased 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 vacancy remains subdued across all markets, but it has started to turn upward. Continued population growth and work-from-home demand pressures will contend with the last two years' unusually high permitted unit volumes coming online.



Texas Commercial Markets *key employment trends*

	Sep-22	Sep-21	Change	YoY
TX Total Nonfarm	13,571,800	12,850,000	721,800	5.62%
AUS Total Nonfarm	1,256,100	1,191,000	65,100	5.47%
DFW Total Nonfarm	4,146,000	3,885,200	260,800	6.71%
HOU Total Nonfarm	3,293,500	3,100,600	192,900	6.22%
SAT Total Nonfarm	1,122,000	1,068,800	53,200	4.98%

	Sep-22	Sep-21	Change	YoY
TX Mining, Logging and Construction	1,002,400	921,000	81,400	8.84%
AUS Mining, Logging and Construction	73,300	75,000	(1,700)	-2.27%
DFW Mining, Logging and Construction	233,700	219,800	13,900	6.32%
HOU Mining, Logging and Construction	308,600	270,500	38,100	14.09%
SAT Mining, Logging and Construction	62,300	63,500	(1,200)	-1.89%

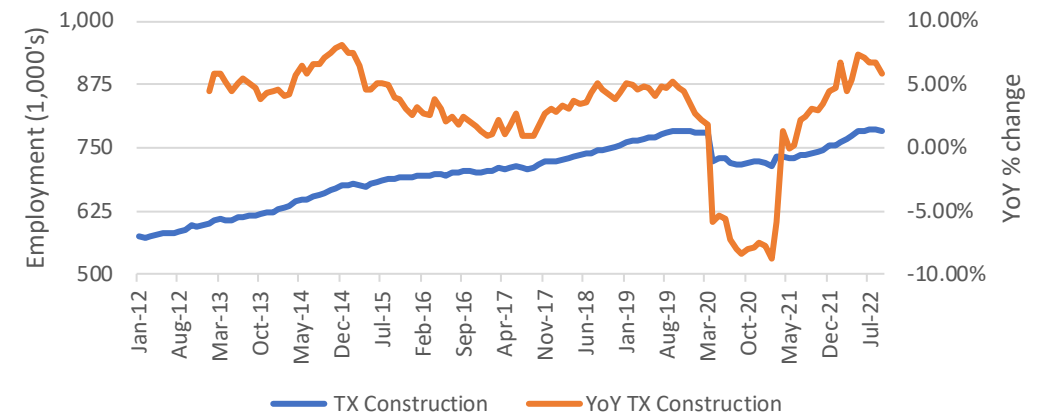
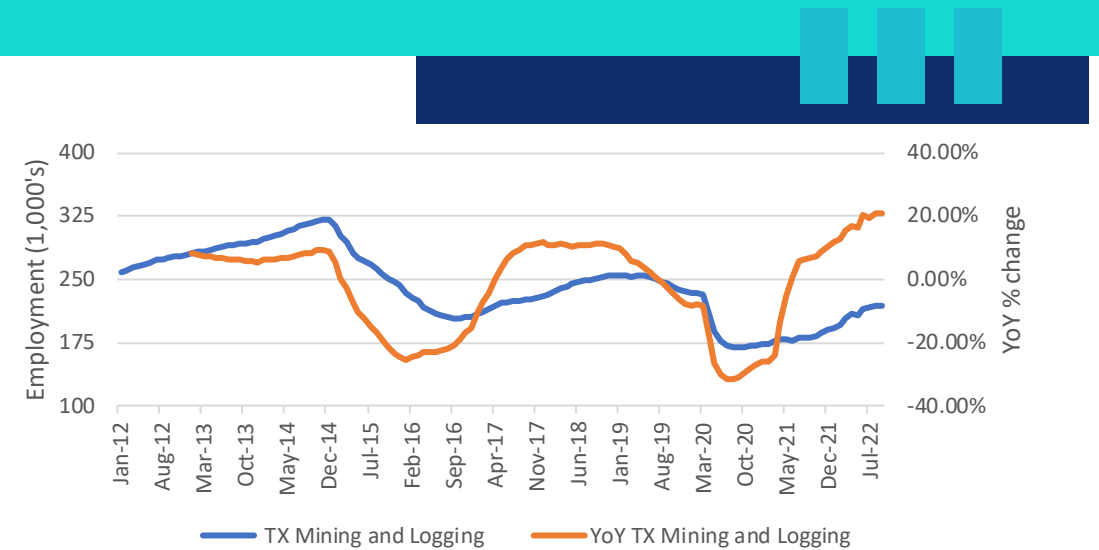


Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Sep-22	Sep-21	Change	YoY
TX Mining and Logging	219,100	180,900	38,200	21.12%
AUS Mining and Logging	-	-	-	-
DFW Mining and Logging	-	-	-	-
HOU Mining and Logging	68,200	59,200	9,000	15.20%
SAT Mining and Logging	6,200	5,700	500	8.77%

	Sep-22	Sep-21	Change	YoY
TX Construction	783,300	740,100	43,200	5.84%
AUS Construction	-	-	-	-
DFW Construction	-	-	-	-
HOU Construction	240,400	211,300	29,100	13.77%
SAT Construction	56,100	57,800	(1,700)	-2.94%

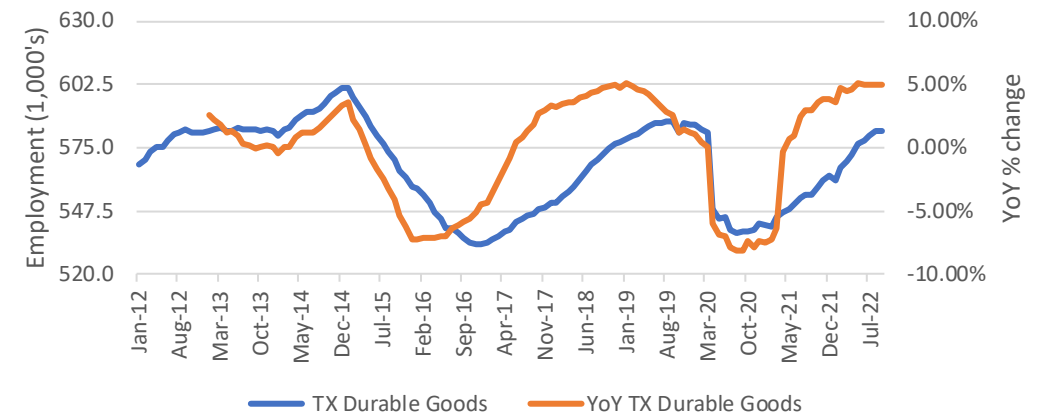
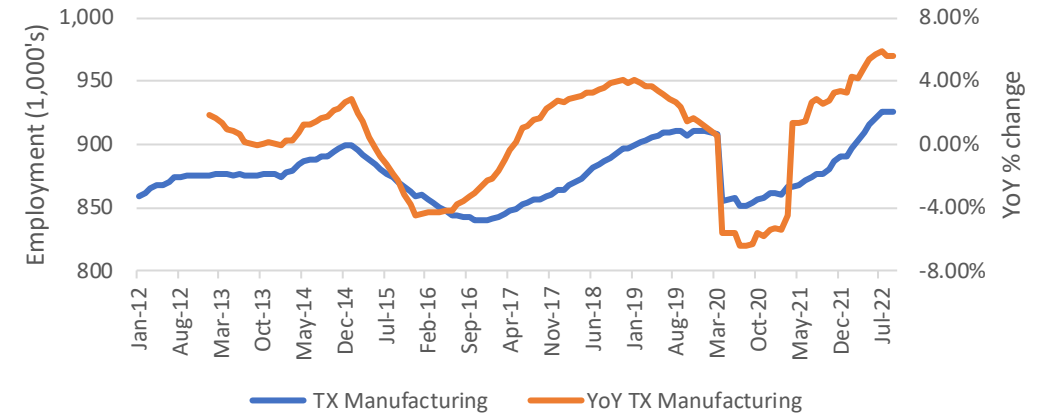


Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Sep-22	Sep-21	Change	YoY
TX Manufacturing	926,400	876,900	49,500	5.64%
AUS Manufacturing	70,000	65,600	4,400	6.71%
DFW Manufacturing	300,900	285,900	15,000	5.25%
HOU Manufacturing	227,300	213,000	14,300	6.71%
SAT Manufacturing	54,500	52,100	2,400	4.61%

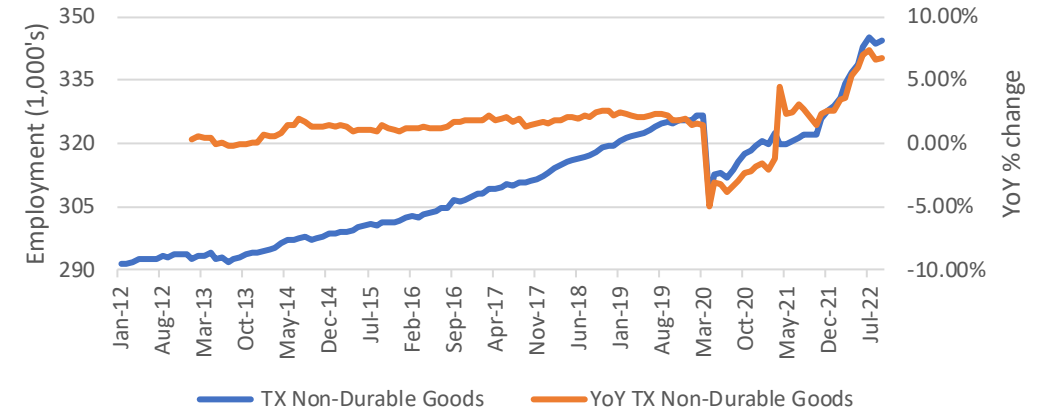
	Sep-22	Sep-21	Change	YoY
TX Durable Goods	582,100	554,600	27,500	4.96%
AUS Durable Goods	-	-	-	-
DFW Durable Goods	206,900	199,800	7,100	3.55%
HOU Durable Goods	142,100	130,700	11,400	8.72%
SAT Durable Goods	37,200	35,400	1,800	5.08%



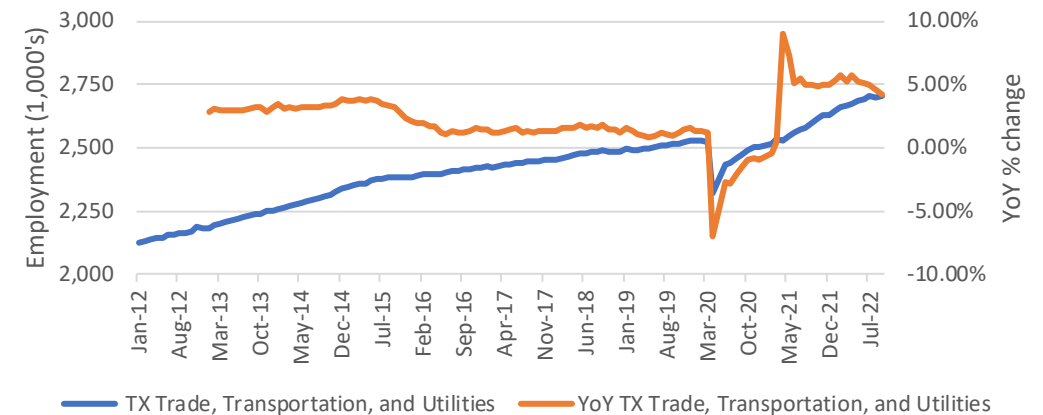
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Sep-22	Sep-21	Change	YoY
TX Non-Durable Goods	344,300	322,300	22,000	6.83%
AUS Non-Durable Goods	-	-	-	-
DFW Non-Durable Goods	94,000	86,100	7,900	9.18%
HOU Non-Durable Goods	85,200	82,300	2,900	3.52%
SAT Non-Durable Goods	17,300	16,700	600	3.59%



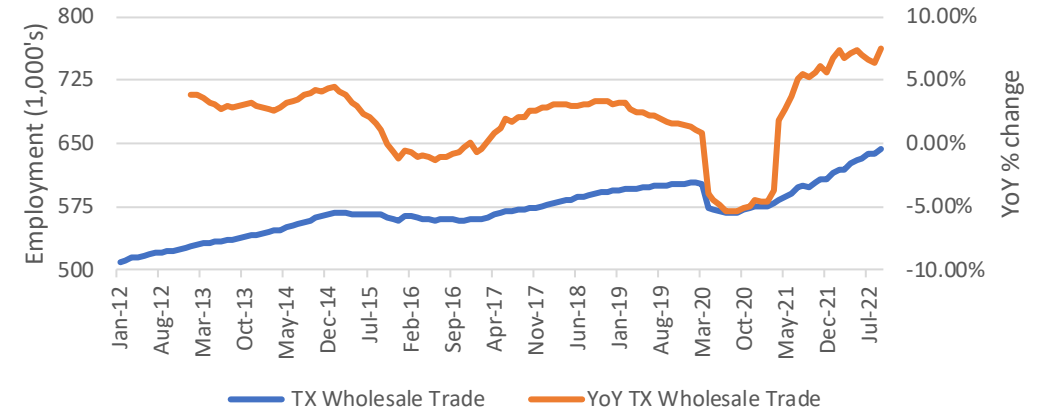
	Sep-22	Sep-21	Change	YoY
TX Trade, Transportation, and Utilities	2,708,900	2,598,100	110,800	4.26%
AUS Trade, Transportation, and Utilities	199,200	191,200	8,000	4.18%
DFW Trade, Transportation, and Utilities	890,800	841,400	49,400	5.87%
HOU Trade, Transportation, and Utilities	661,700	633,400	28,300	4.47%
SAT Trade, Transportation, and Utilities	194,400	189,800	4,600	2.42%



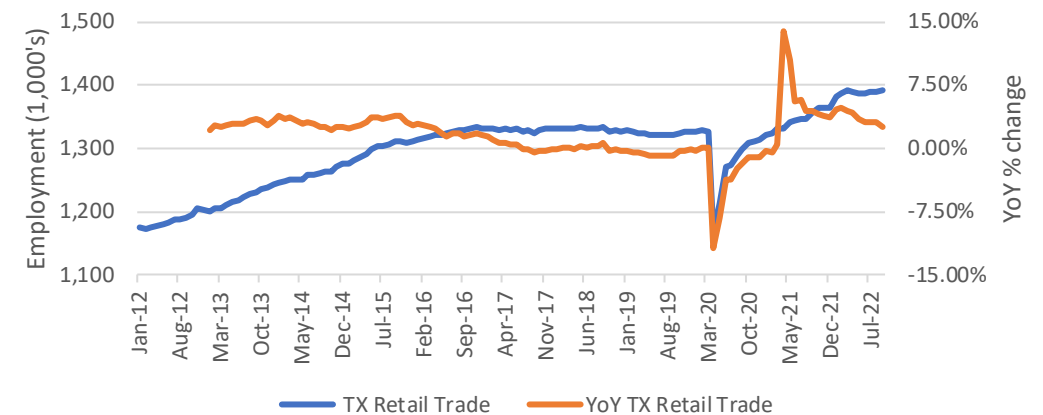
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Sep-22	Sep-21	Change	YoY
TX Wholesale Trade	643,900	598,900	45,000	7.51%
AUS Wholesale Trade	49,400	49,200	200	0.41%
DFW Wholesale Trade	235,600	213,800	21,800	10.20%
HOU Wholesale Trade	174,300	162,300	12,000	7.39%
SAT Wholesale Trade	36,800	36,500	300	0.82%



	Sep-22	Sep-21	Change	YoY
TX Retail Trade	1,391,900	1,357,600	34,300	2.53%
AUS Retail Trade	118,500	112,500	6,000	5.33%
DFW Retail Trade	391,000	381,300	9,700	2.54%
HOU Retail Trade	318,400	305,600	12,800	4.19%
SAT Retail Trade	119,200	115,700	3,500	3.03%

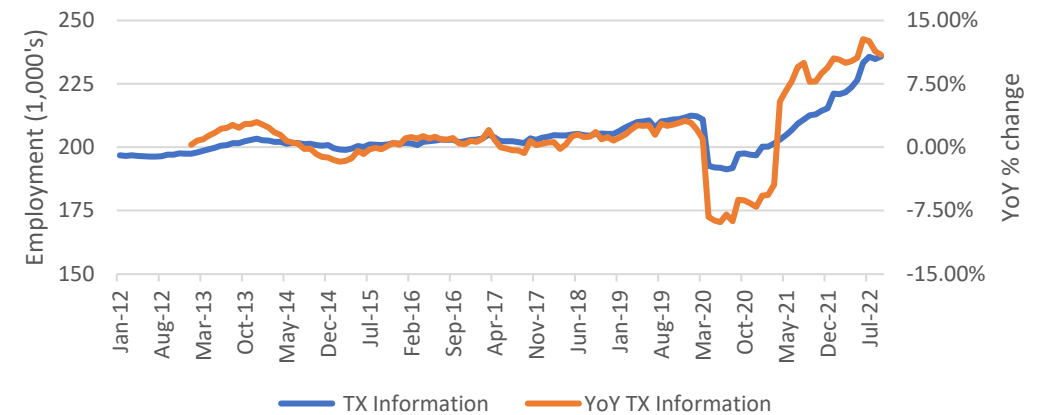
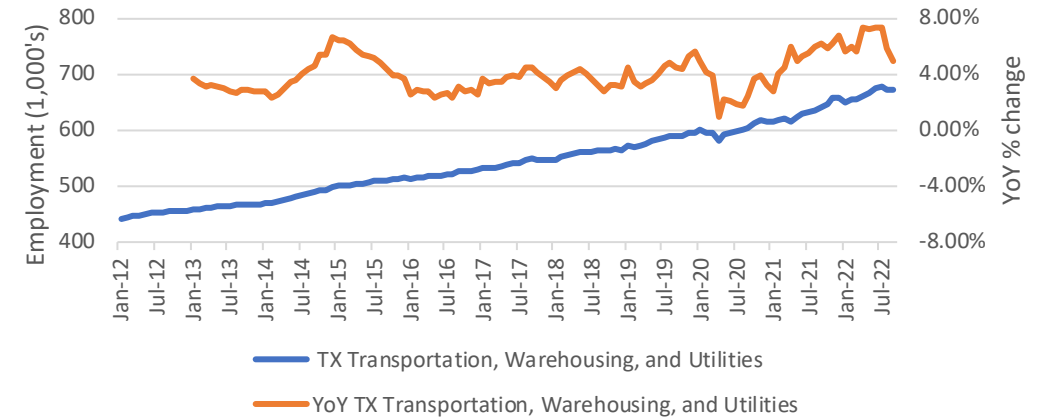


Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Sep-22	Sep-21	Change	YoY
TX Transportation, Warehousing, and Utilities	673,100	641,600	31,500	4.91%
AUS Transportation, Warehousing, and Utilities	31,300	29,500	1,800	6.10%
DFW Transportation, Warehousing, and Utilities	264,200	246,300	17,900	7.27%
HOU Transportation, Warehousing, and Utilities	169,000	165,500	3,500	2.11%
SAT Transportation, Warehousing, and Utilities	38,400	37,600	800	2.13%

	Sep-22	Sep-21	Change	YoY
TX Information	235,800	212,600	23,200	10.91%
AUS Information	50,000	47,200	2,800	5.93%
DFW Information	87,700	82,900	4,800	5.79%
HOU Information	32,300	30,700	1,600	5.21%
SAT Information	18,100	17,200	900	5.23%

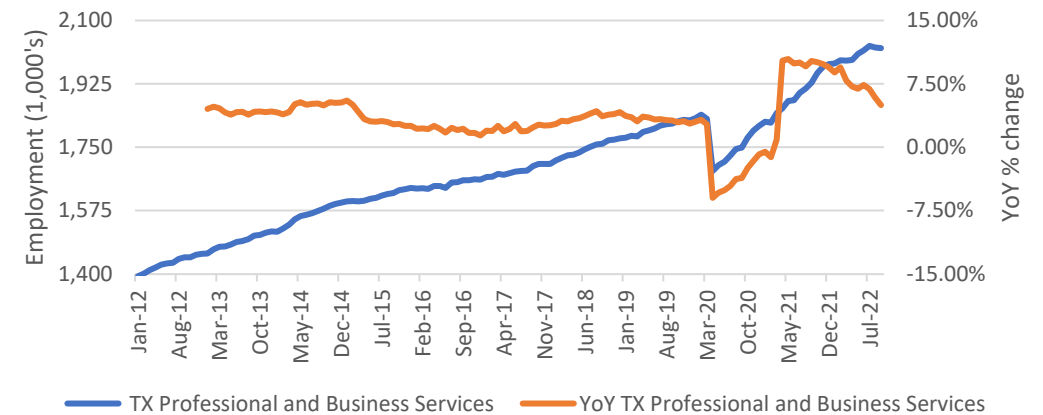
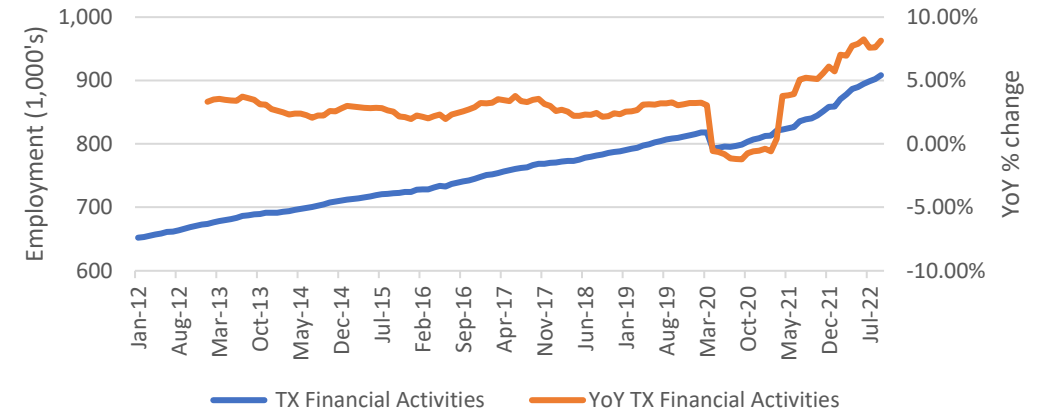


Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Sep-22	Sep-21	Change	YoY
TX Financial Activities	908,400	840,100	68,300	8.13%
AUS Financial Activities	77,300	74,200	3,100	4.18%
DFW Financial Activities	368,000	347,200	20,800	5.99%
HOU Financial Activities	175,600	170,500	5,100	2.99%
SAT Financial Activities	99,500	93,500	6,000	6.42%

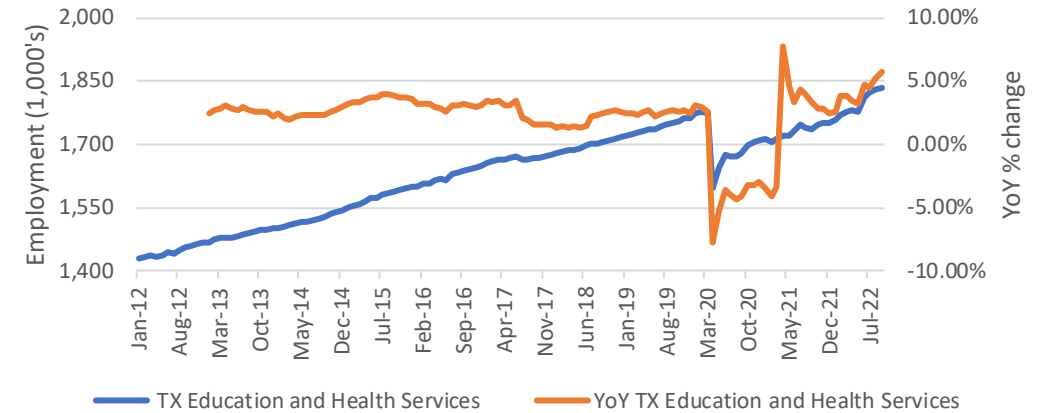
	Sep-22	Sep-21	Change	YoY
TX Professional and Business Services	2,023,700	1,927,700	96,000	4.98%
AUS Professional and Business Services	260,000	243,000	17,000	7.00%
DFW Professional and Business Services	757,700	698,800	58,900	8.43%
HOU Professional and Business Services	537,200	511,100	26,100	5.11%
SAT Professional and Business Services	152,500	151,200	1,300	0.86%



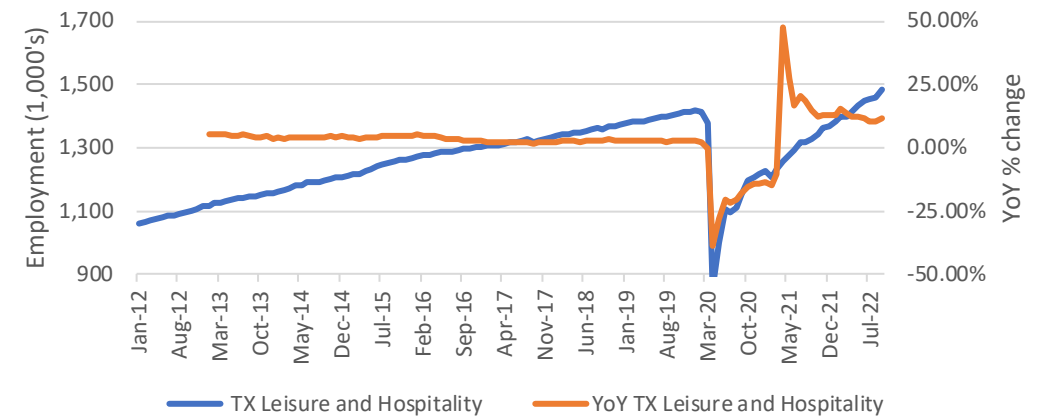
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Sep-22	Sep-21	Change	YoY
TX Education and Health Services	1,835,200	1,736,000	99,200	5.71%
AUS Education and Health Services	145,500	134,500	11,000	8.18%
DFW Education and Health Services	492,600	458,300	34,300	7.48%
HOU Education and Health Services	438,100	411,800	26,300	6.39%
SAT Education and Health Services	177,700	164,700	13,000	7.89%



	Sep-22	Sep-21	Change	YoY
TX Leisure and Hospitality	1,483,000	1,326,600	156,400	11.79%
AUS Leisure and Hospitality	142,800	123,900	18,900	15.25%
DFW Leisure and Hospitality	418,700	372,300	46,400	12.46%
HOU Leisure and Hospitality	361,400	318,000	43,400	13.65%
SAT Leisure and Hospitality	139,400	128,000	11,400	8.91%

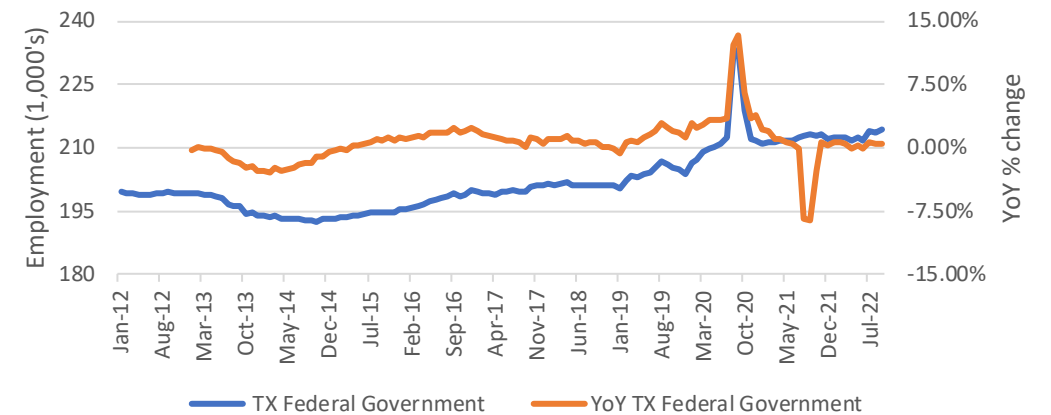
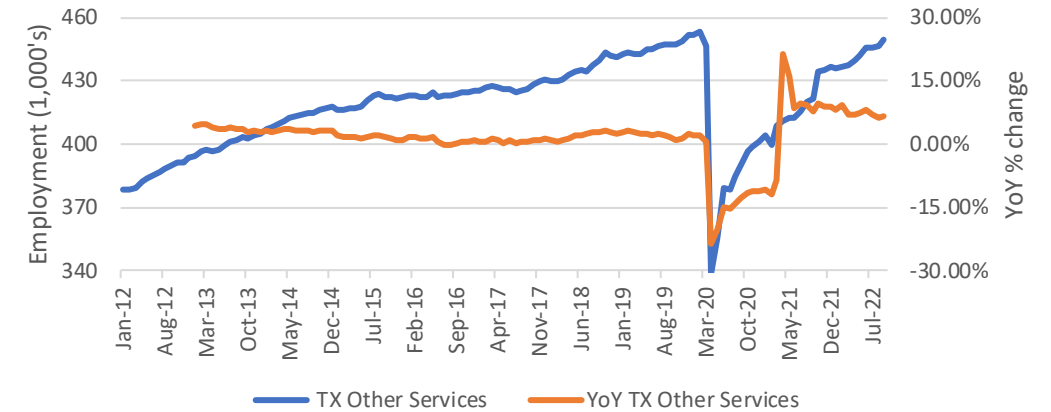


Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Sep-22	Sep-21	Change	YoY
TX Other Services	449,600	422,000	27,600	6.54%
AUS Other Services	46,300	45,500	800	1.76%
DFW Other Services	133,900	122,600	11,300	9.22%
HOU Other Services	112,800	110,900	1,900	1.71%
SAT Other Services	44,500	37,100	7,400	19.95%

	Sep-22	Sep-21	Change	YoY
TX Federal Government	214,400	213,300	1,100	0.52%
AUS Federal Government	15,000	15,200	(200)	-1.32%
DFW Federal Government	46,900	48,800	(1,900)	-3.89%
HOU Federal Government	32,100	31,500	600	1.90%
SAT Federal Government	37,700	37,300	400	1.07%

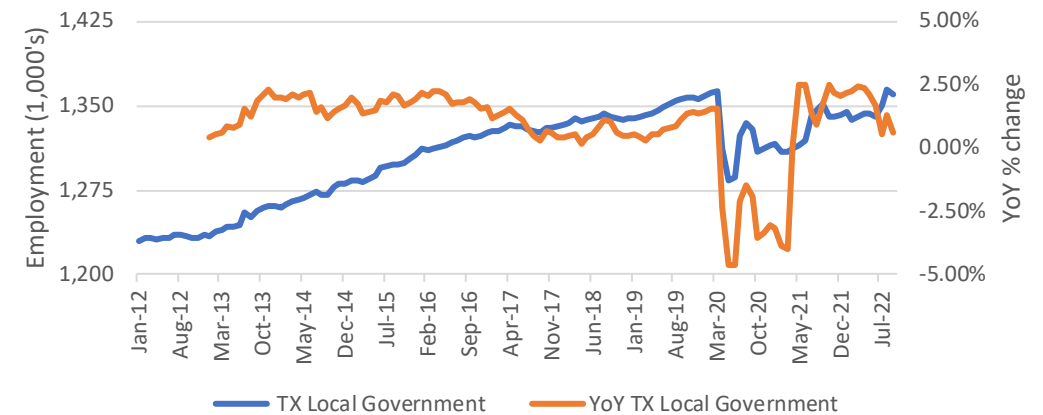
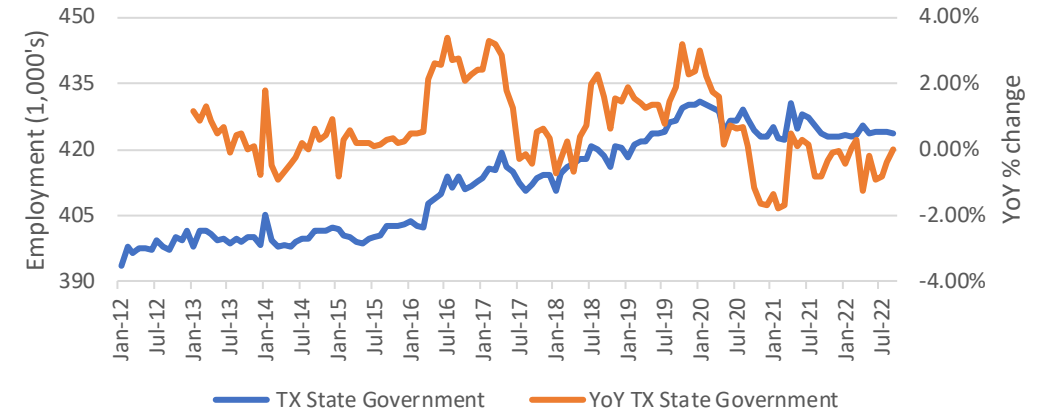


Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Texas Commercial Markets *key employment trends*

	Sep-22	Sep-21	Change	YoY
TX State Government	423,600	423,500	100	0.02%
AUS State Government	71,300	73,000	(1,700)	-2.33%
DFW State Government	71,700	71,500	200	0.28%
HOU State Government	94,600	92,700	1,900	2.05%
SAT State Government	21,500	21,500	0	0.00%

	Sep-22	Sep-21	Change	YoY
TX Local Government	1,360,400	1,352,200	8,200	0.61%
AUS Local Government	97,100	95,100	2,000	2.10%
DFW Local Government	327,200	329,100	(1,900)	-0.58%
HOU Local Government	303,900	303,100	800	0.26%
SAT Local Government	118,100	114,500	3,600	3.14%



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

Austin

- Economy
- Apartments
- Office
- Retail
- Warehouse



Austin Third Quarter 2022 Summary

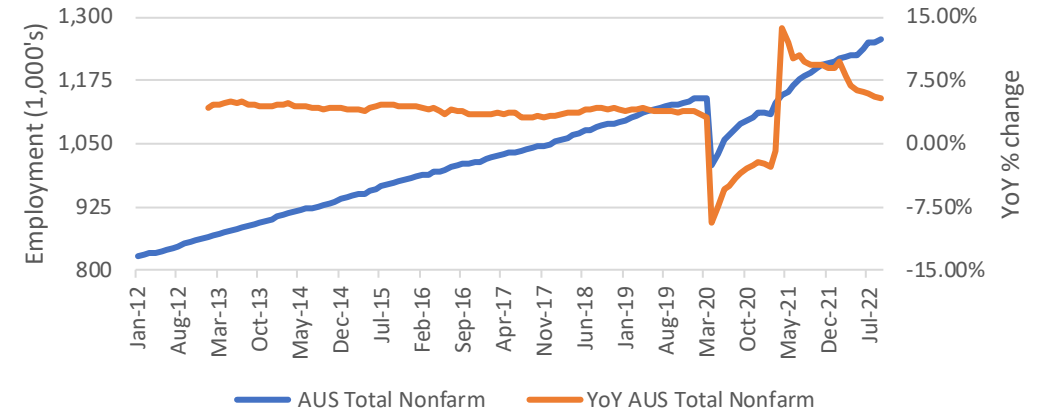


- Total employment growth in the Austin MSA remains strong and elevated above more typical pre-COVID-19 trends on both a YOY basis and through recent months.
- On the other hand, the information and professional business services industries have seen employment growth slow in the last few months.
- Long-term employment growth is expected to moderate toward pre-pandemic rates.
- Office vacancy remains elevated and continues to receive upward pressure from the shakeout from work-from-home/hybrid work and a large ratio of inventory (8 percent) under-construction projects set to deliver over the next few years.
- Apartment vacancies have started rising, but they remain relatively low. Vacancy rates will likely increase over the next few years due to the large proportion of units currently under construction relative to total inventory (12.3 percent).

Austin Economy *key employment trends*

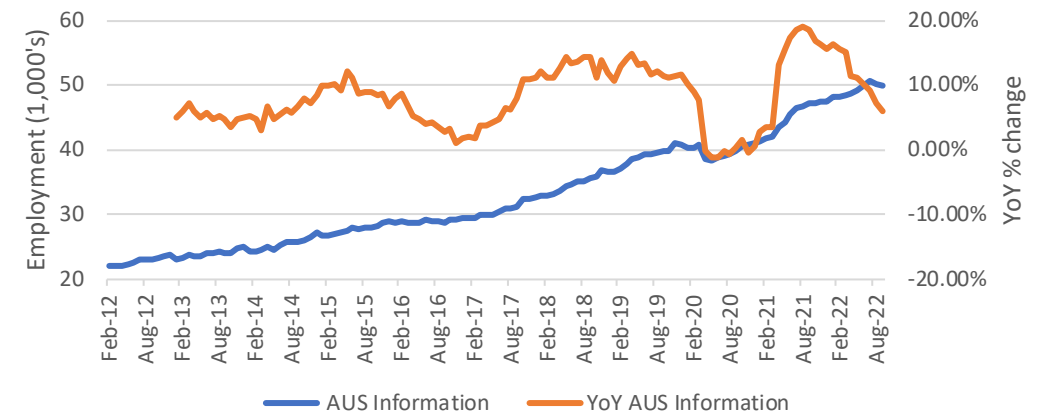
AUS Total Nonfarm

Sep-22	Sep-21	Change	YoY
1,256,100	1,191,000	65,100	5.47%



AUS Information

Sep-22	Sep-21	Change	YoY
50,000	47,200	2,800	5.93%



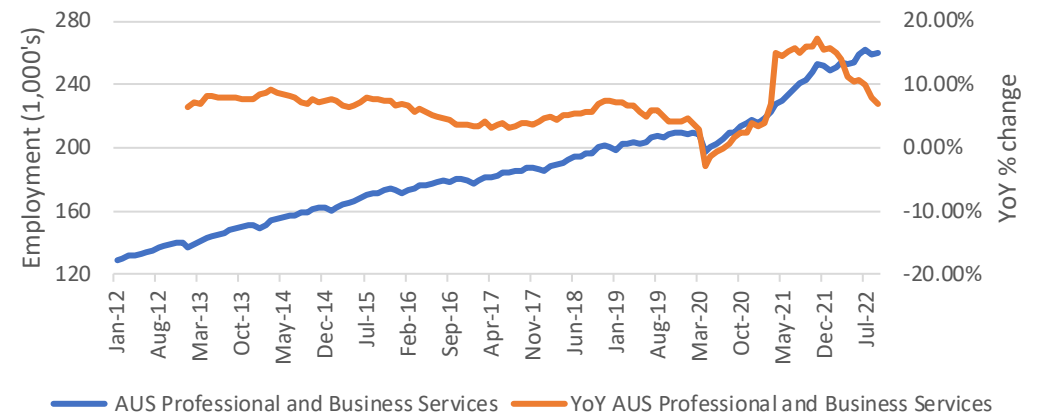
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Austin Economy *key employment trends*



AUS Professional and Business Services

Sep-22	Sep-21	Change	YoY
260,000	243,000	17,000	7.00%



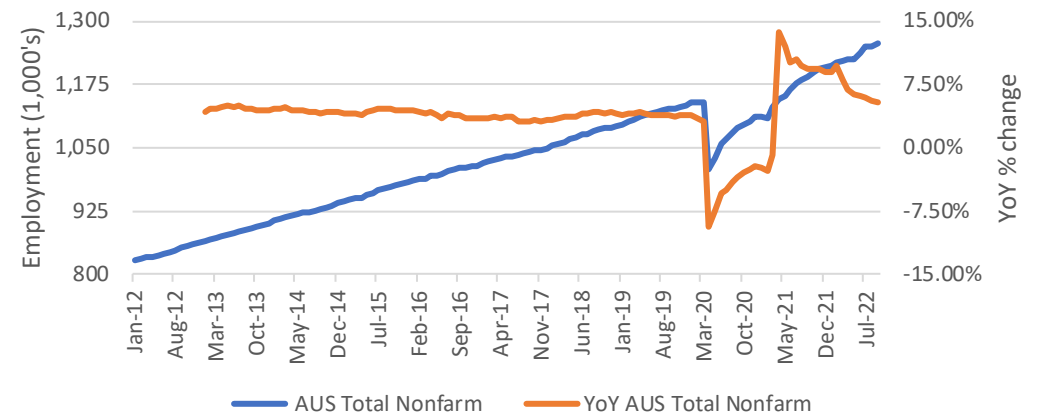
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Austin Apartment Market *key employment trends*



AUS Total Nonfarm

Sep-22	Sep-21	Change	YoY
1,256,100	1,191,000	65,100	5.47%

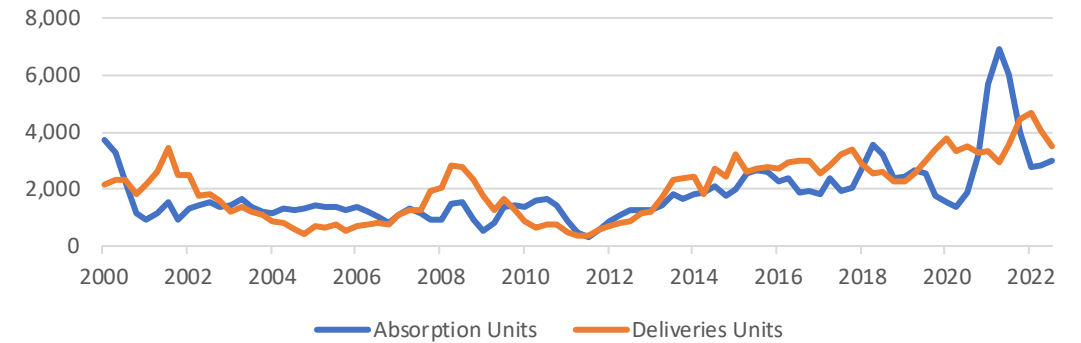


Sources: BLS, Texas Real Estate Research Center at Texas A&M University

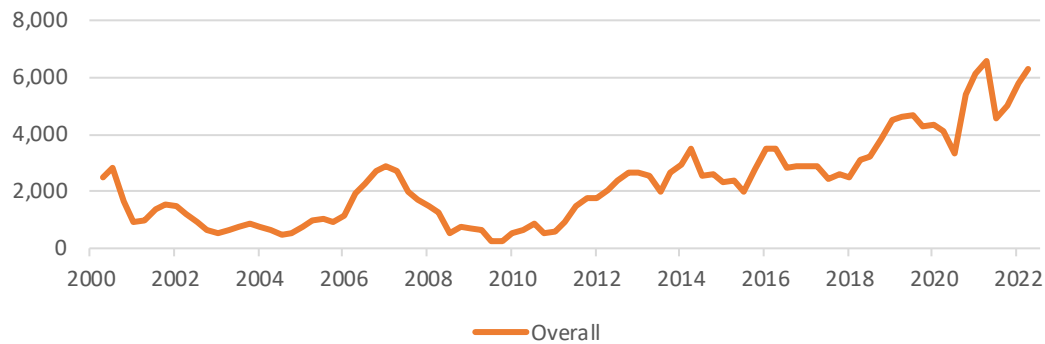
Austin Apartment Market *absorption/construction*

		Current	Previous Quarter	Previous Year
Vacancy Percent	Class A	8.30%	7.83%	8.17%
Vacancy Percent	Overall	7.50%	7.20%	7.57%

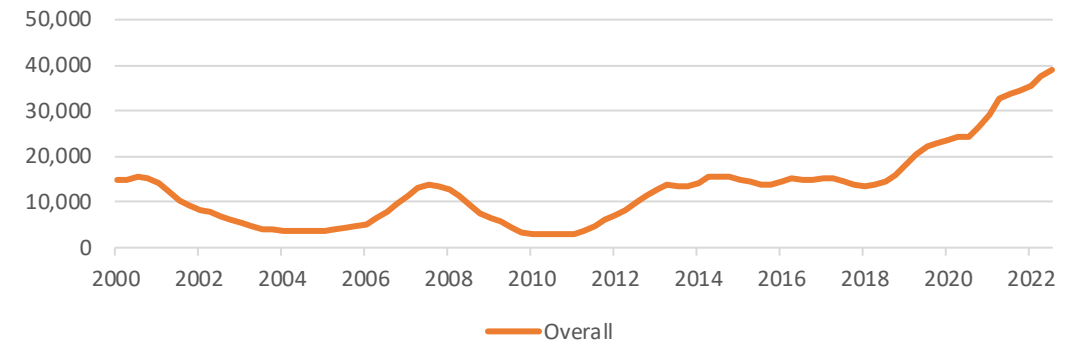
Absorption and Delivery Units



Starts Units



Under Construction Units



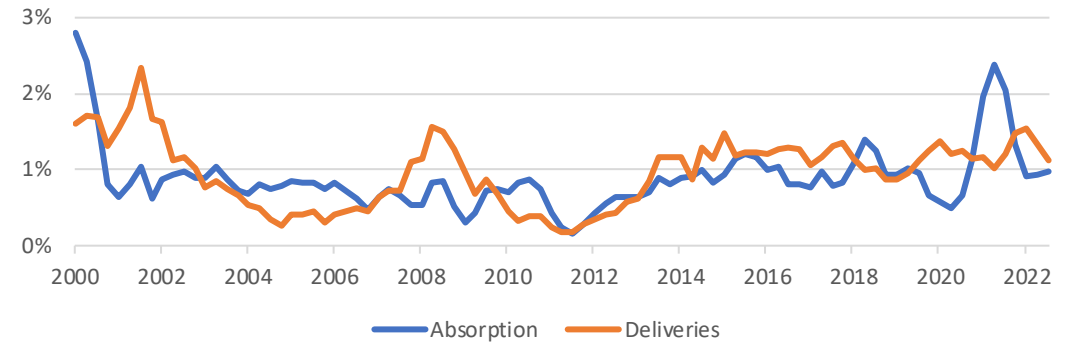
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Apartment Market *absorption/construction*

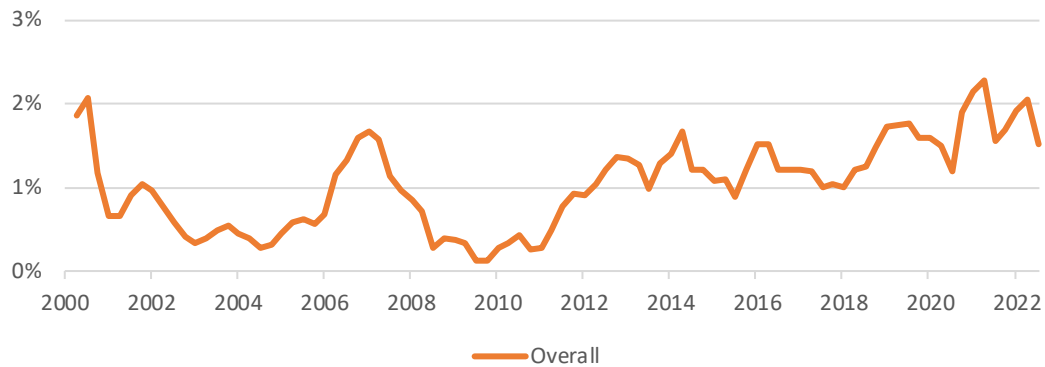
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	2.06%	1.92%	2.28%
Absorption Percent	Overall	0.93%	0.92%	2.39%
Deliveries Percent	Overall	1.33%	1.55%	1.02%
Under Construction Percent	Overall	12.31%	11.74%	11.32%

Larger Smaller
 Than Current

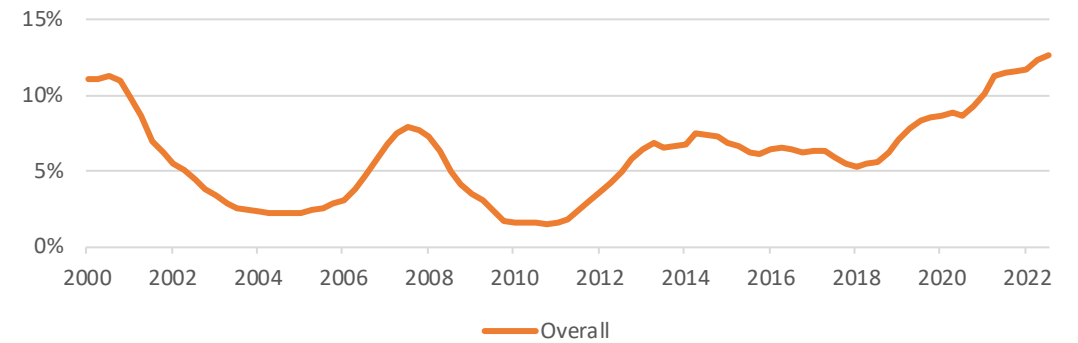
Absorption and Delivery as Percent of Inventory



Starts as Percent of Inventory

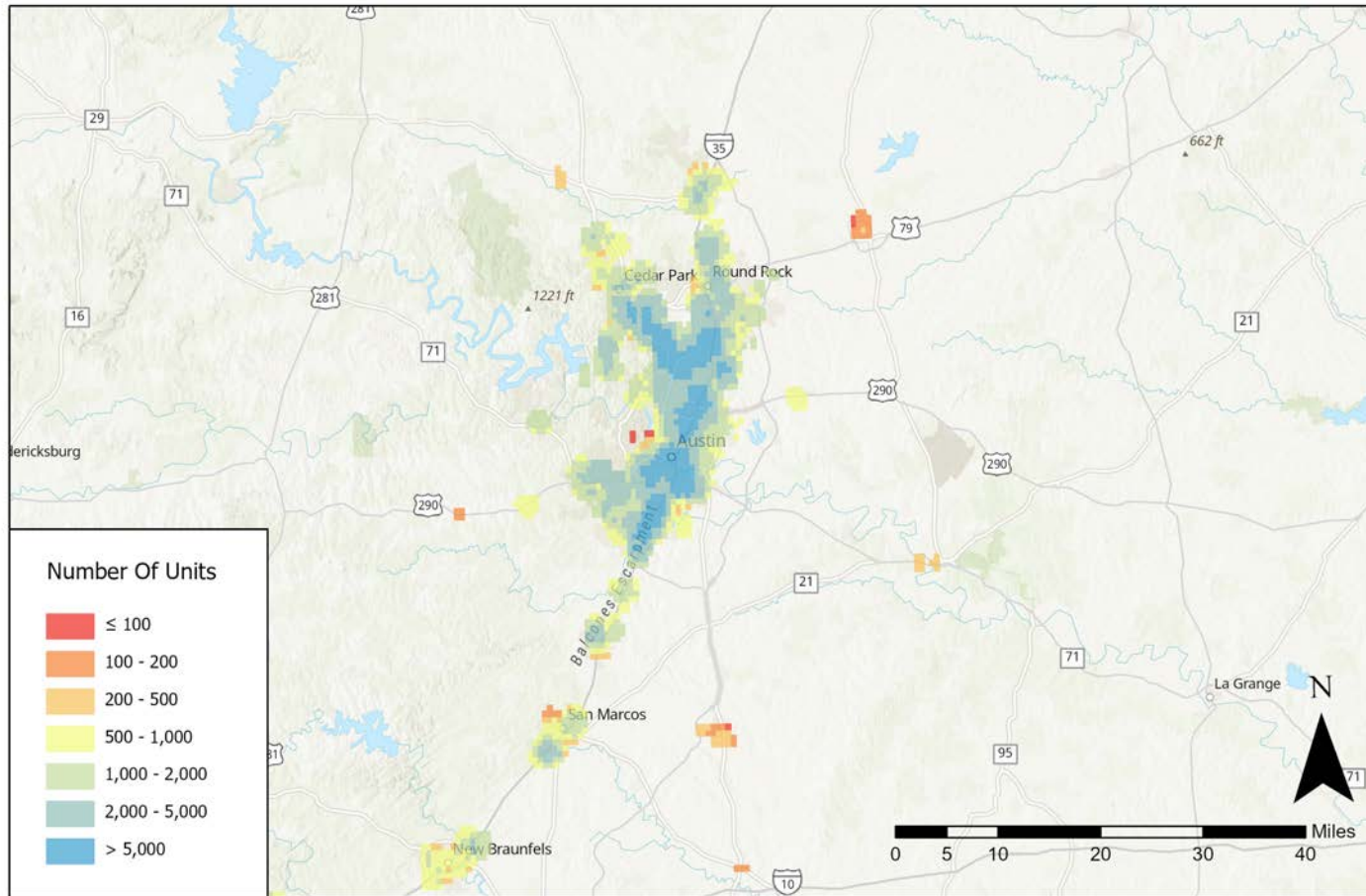


Under Construction as Percent of Inventory



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

Number of Units Austin Metro Multifamily LMAs



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](#)

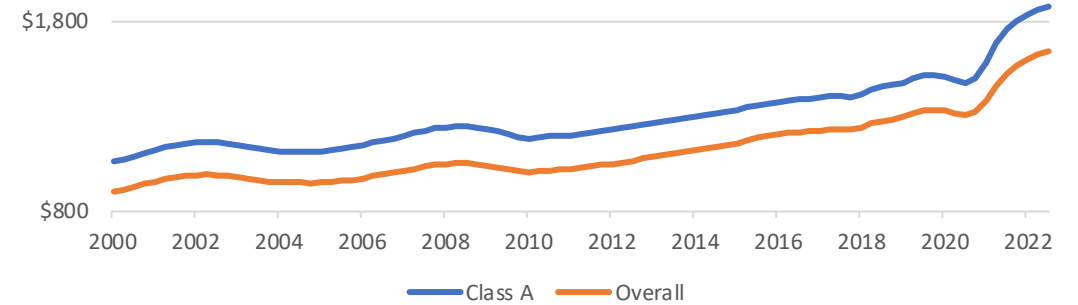
Austin Apartment Market *rent*



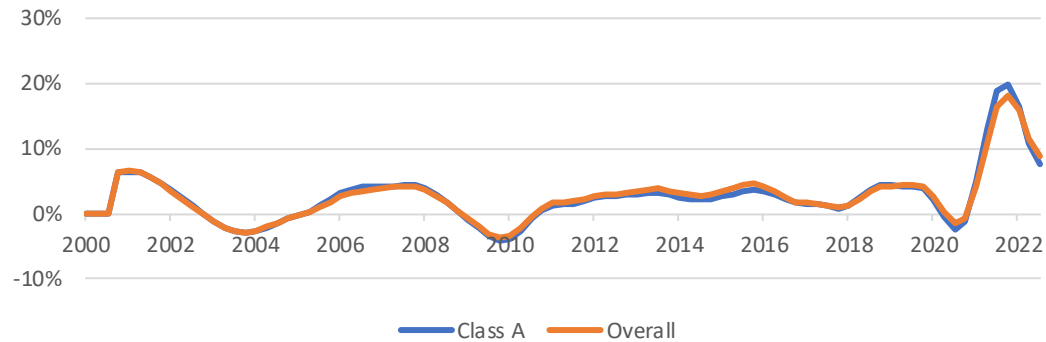
		Current	Previous Quarter	Previous Year
Effective Rent Per Unit	Class A	\$1,861	\$1,840	\$1,683
Effective Rent Per Unit	Overall	\$1,627	\$1,603	\$1,461
Effective Rent Per SF	Class A	\$2.03	2.01	1.84
Effective Rent Per SF	Overall	\$1.86	1.83	1.67

Larger Smaller
 Than Current

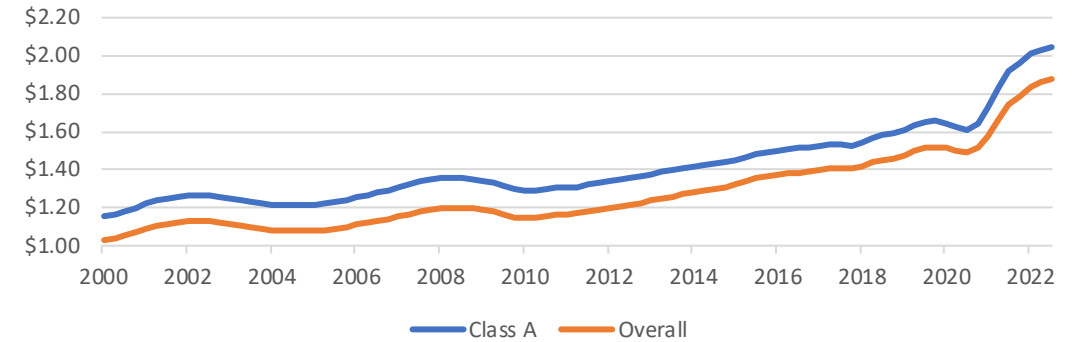
Effective Rent Per Unit



Year over Year Growth in Effective Rent

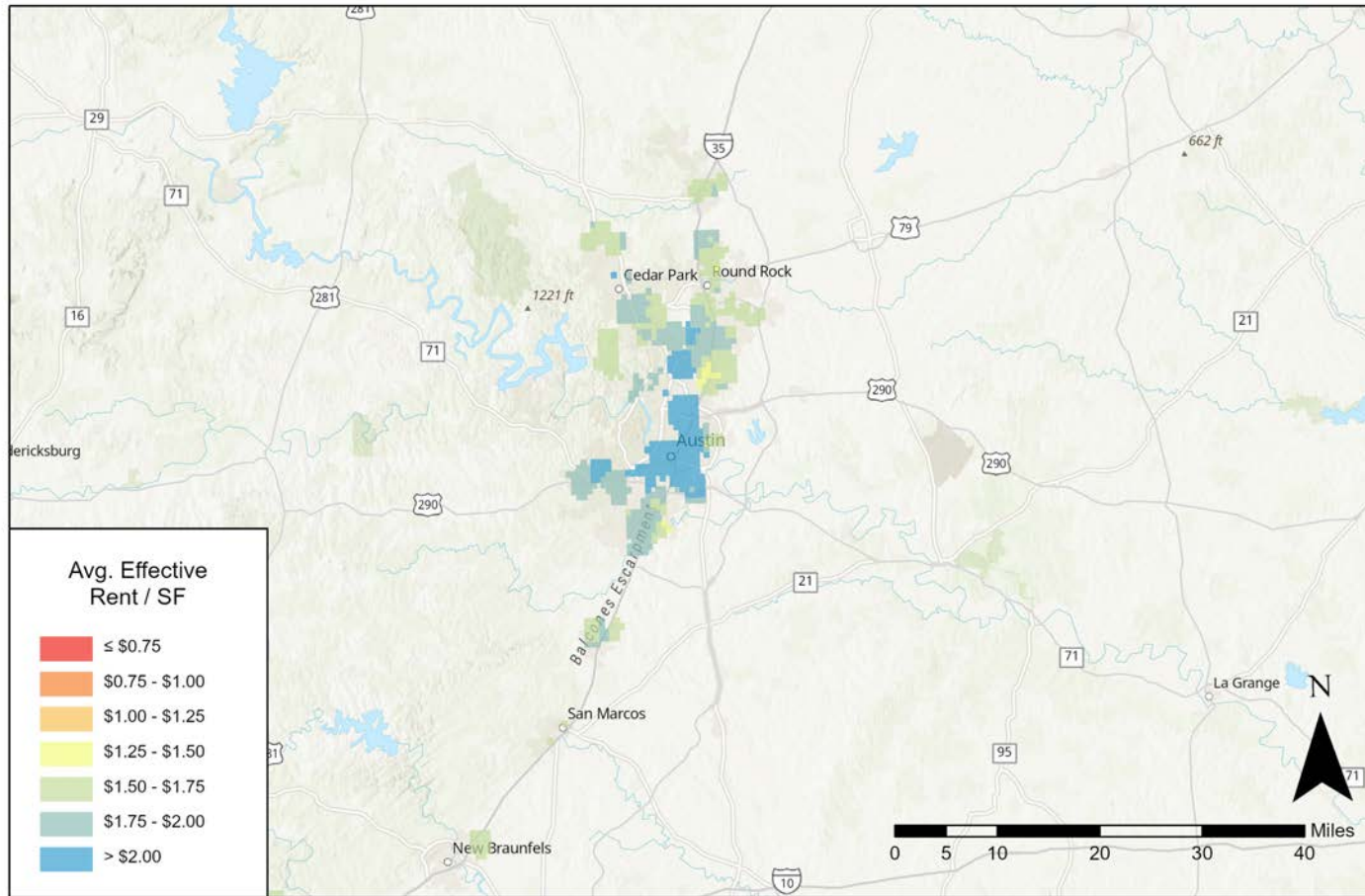


Effective Rent Per Square Foot



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

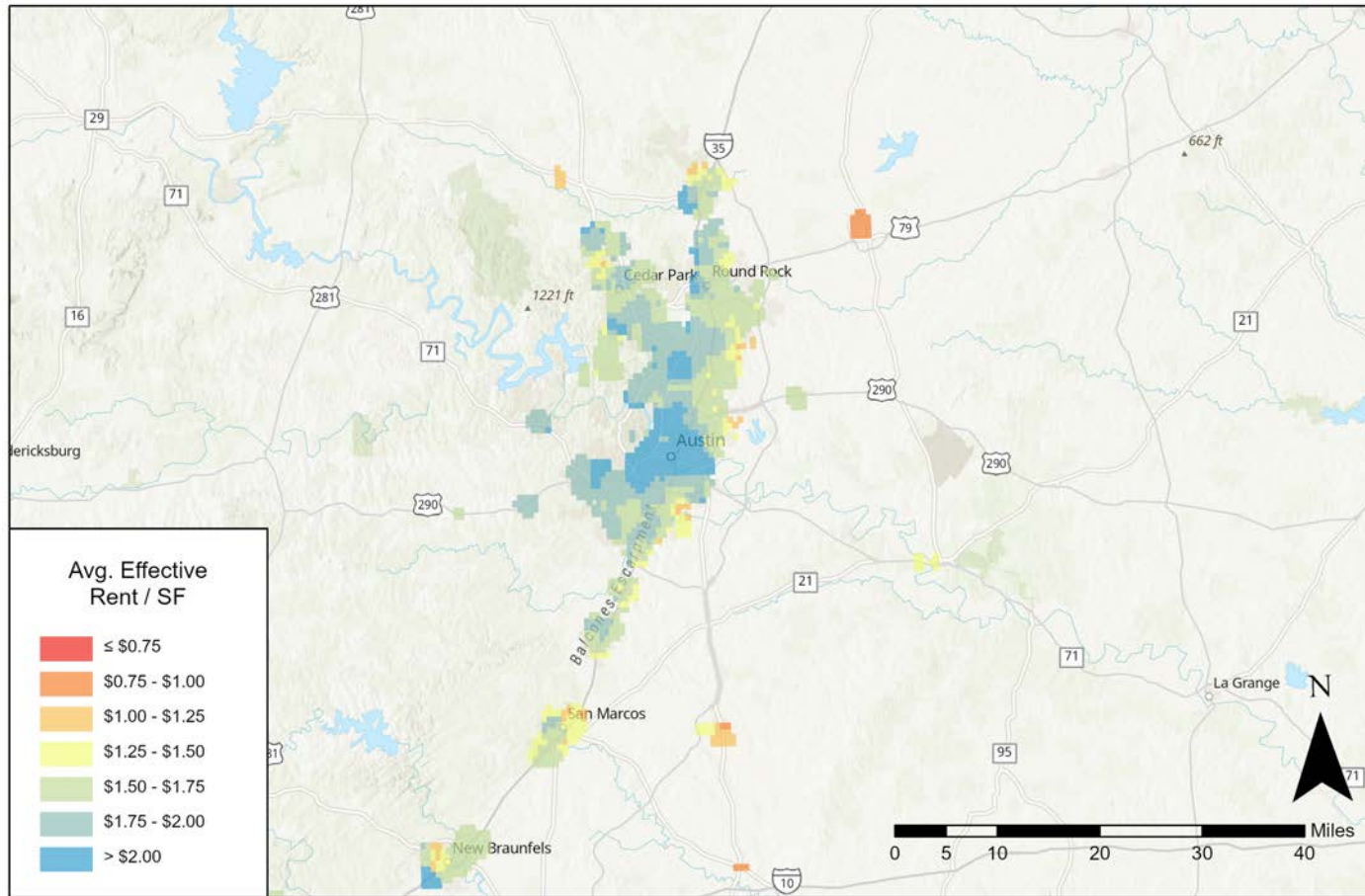
Average Effective Rent / SF Austin Metro Class A Multifamily LMAs



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](#)

Average Effective Rent / SF Austin Metro Multifamily LMAs



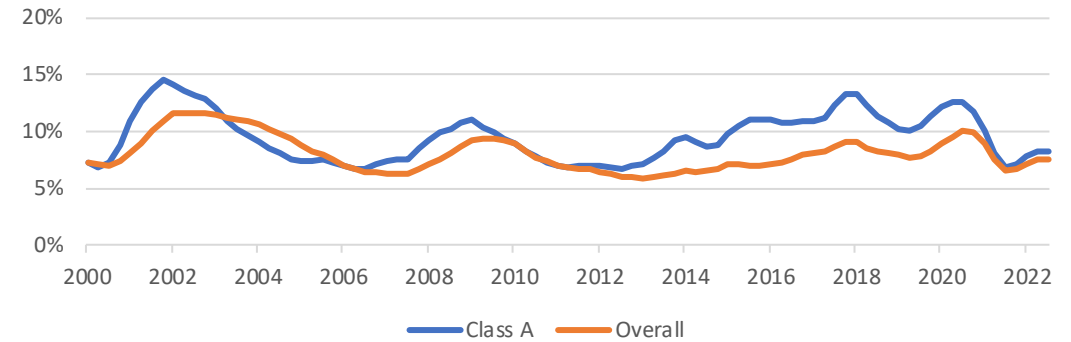
Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

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

Austin Apartment Market *vacancy*



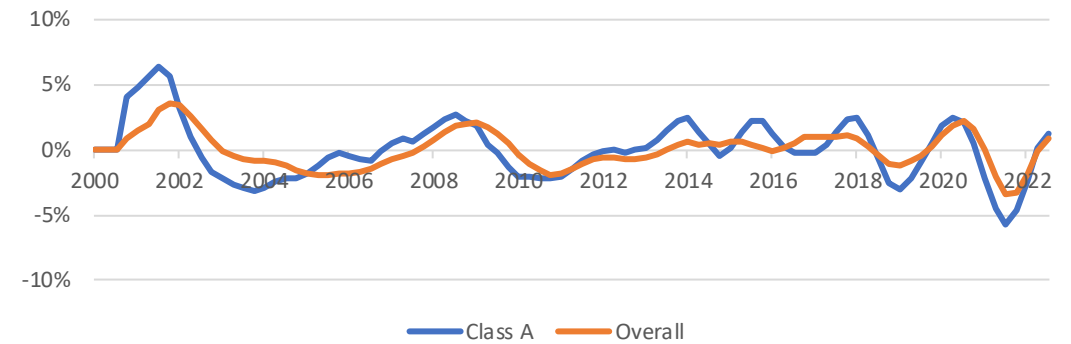
Vacancy



		Current	Previous Quarter	Previous Year
Vacancy Percent	Class A	8.30%	7.83%	8.17%
Vacancy Percent	Overall	7.50%	7.20%	7.57%

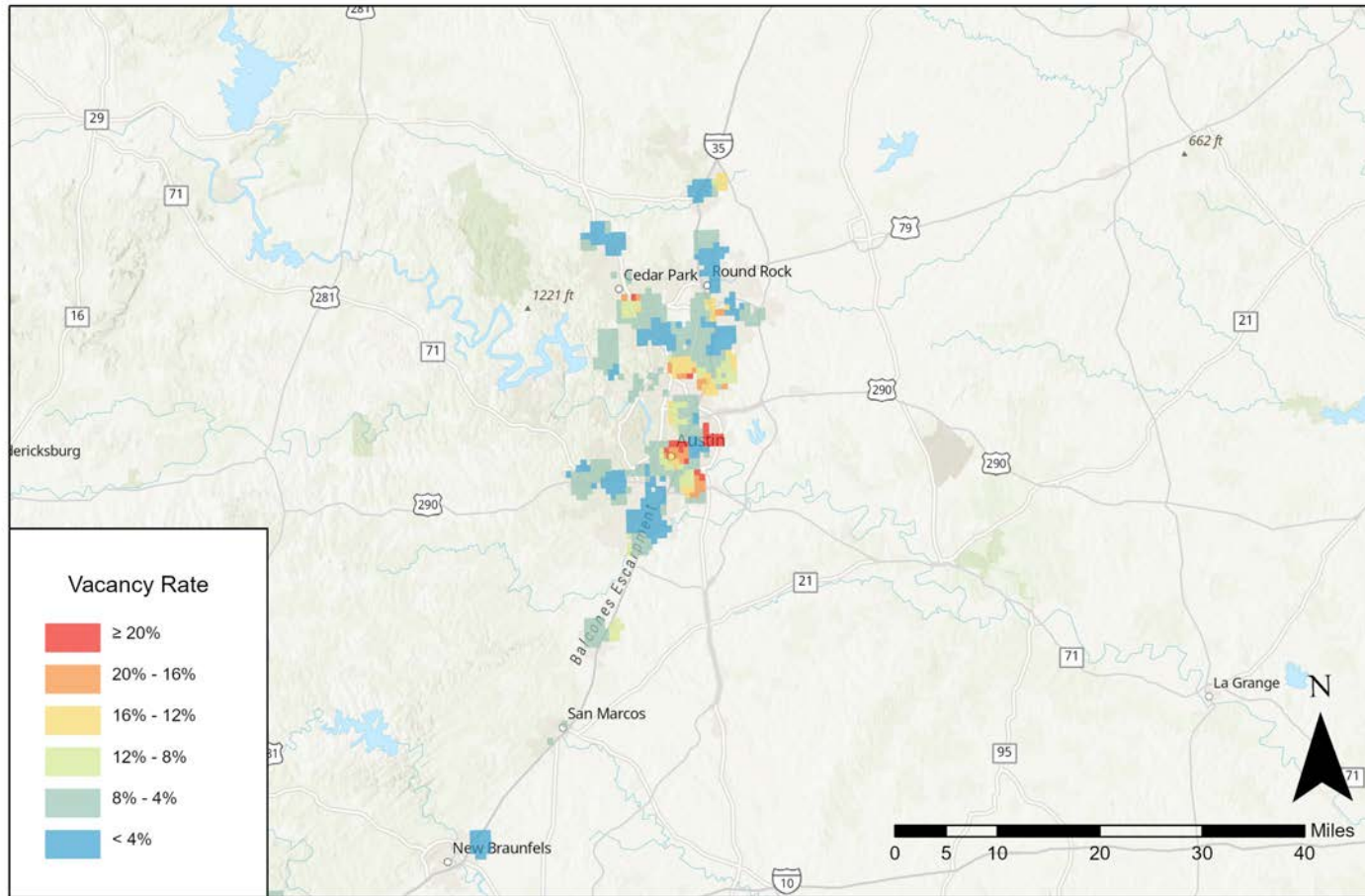
Larger Smaller
 Than Current

Vacancy Change from Previous Year



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

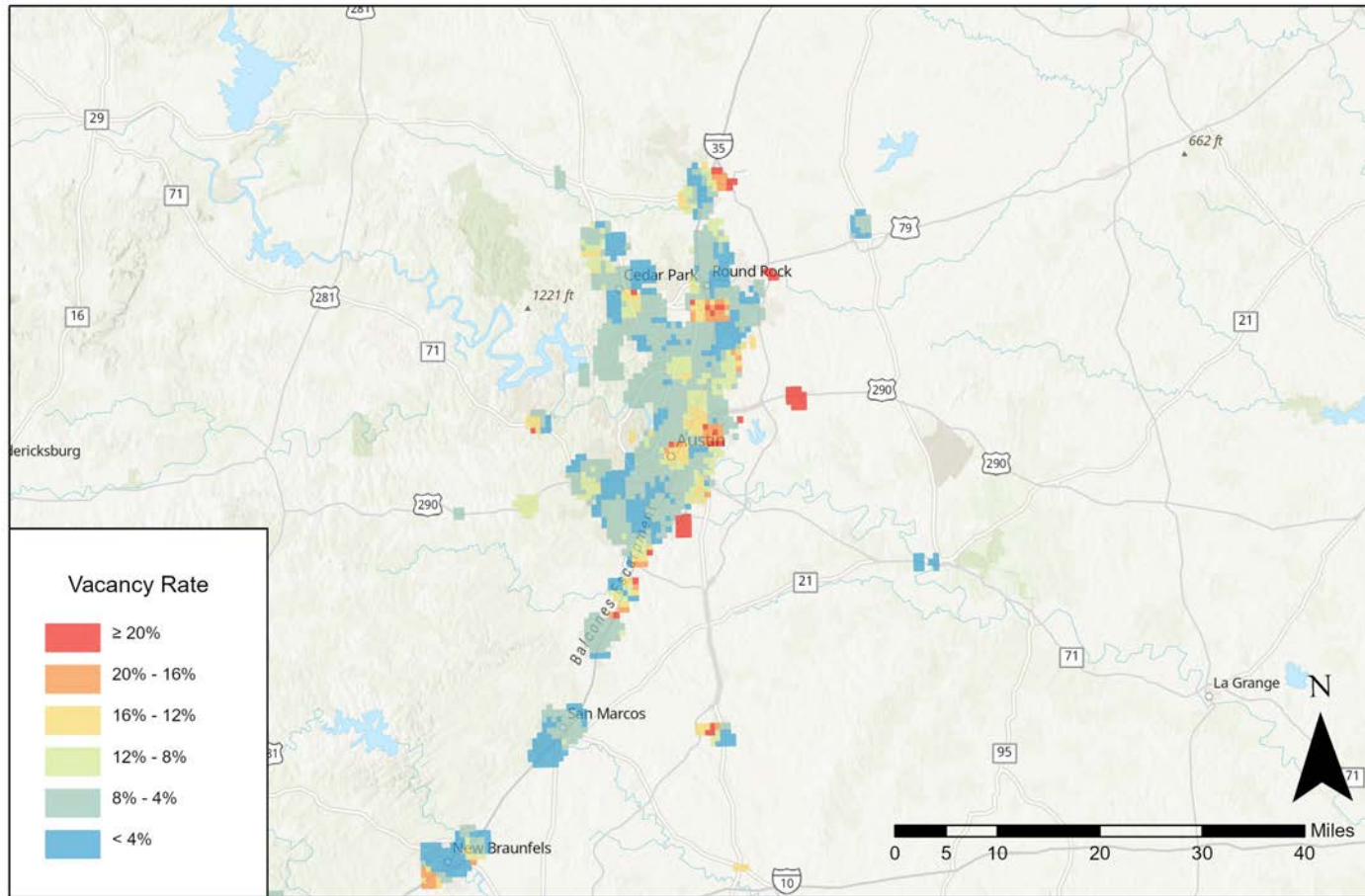
Vacancy Austin Metro Class A Multifamily LMAs



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](#)

Vacancy Austin Metro Multifamily LMAs



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](#)

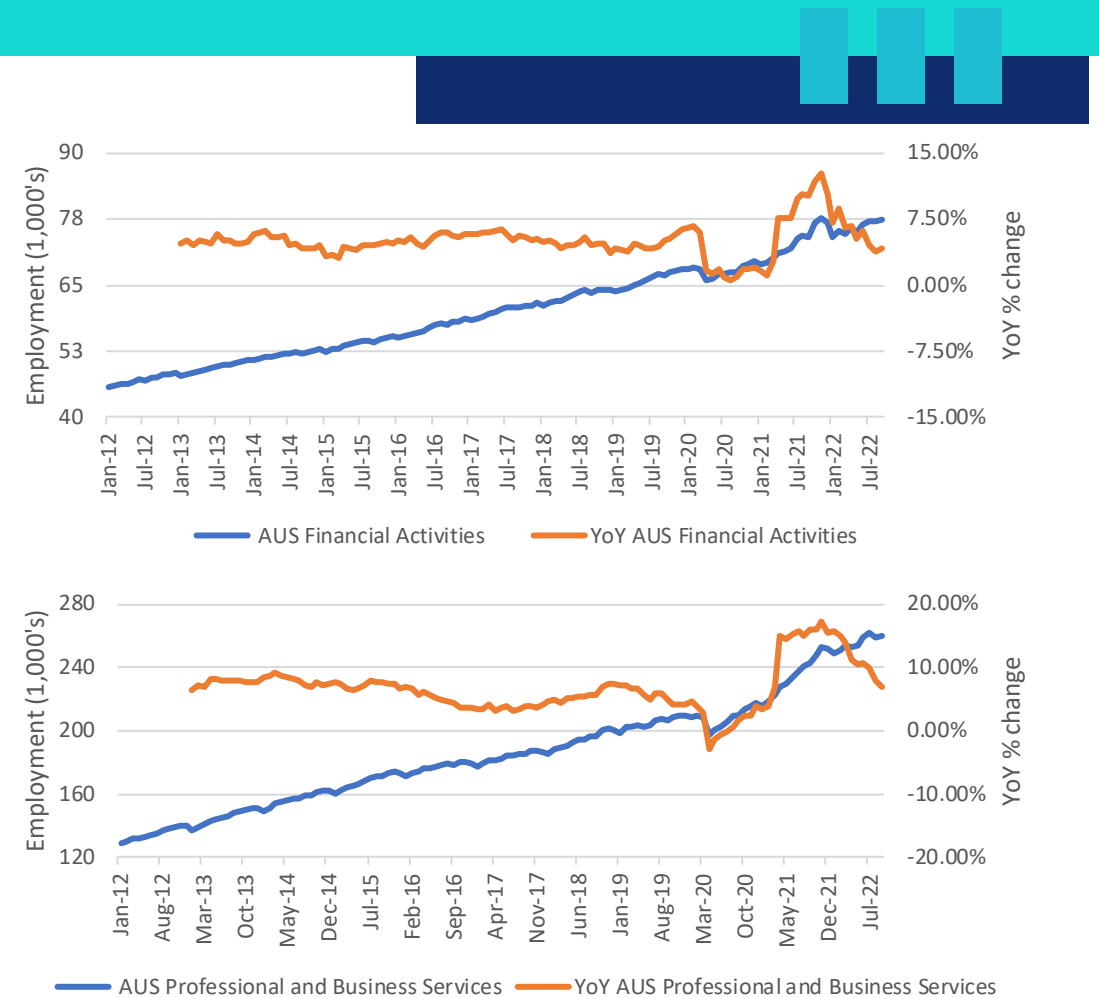
Austin Office Market *key employment trends*

AUS Financial Activities

Sep-22	Sep-21	Change	YoY
77,300	74,200	3,100	4.18%

AUS Professional and Business Services

Sep-22	Sep-21	Change	YoY
260,000	243,000	17,000	7.00%



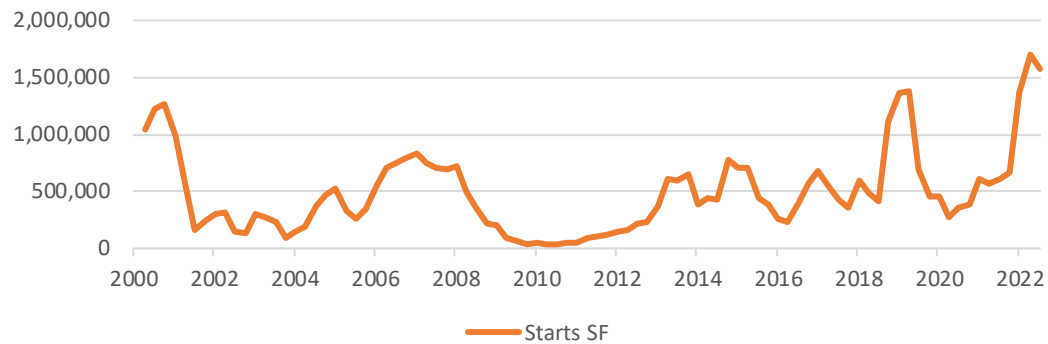
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Austin Office Market *absorption/construction*

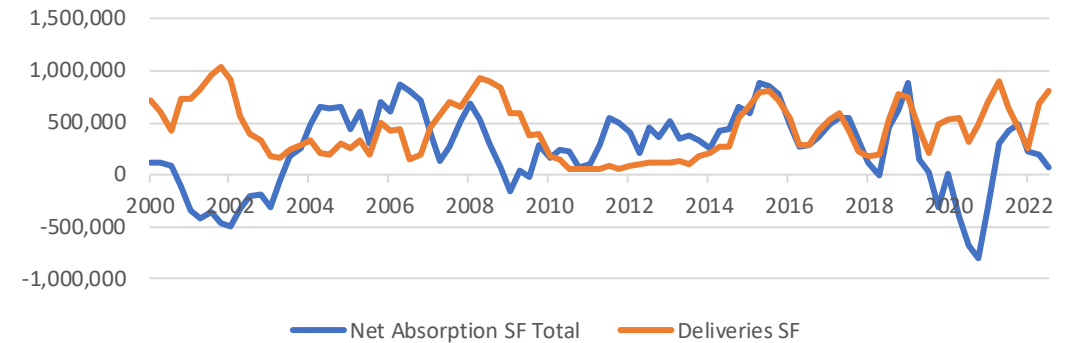
		Current	Previous Quarter	Previous Year
Starts SF	Overall	1,709,221	1,371,297	562,985
Net Absorption SF Total	Overall	191,035	220,799	295,919
Deliveries SF	Overall	687,767	259,415	901,063
Under Construction SF	Overall	6,888,858	5,867,404	4,570,498

Larger
Smaller
 Than Current

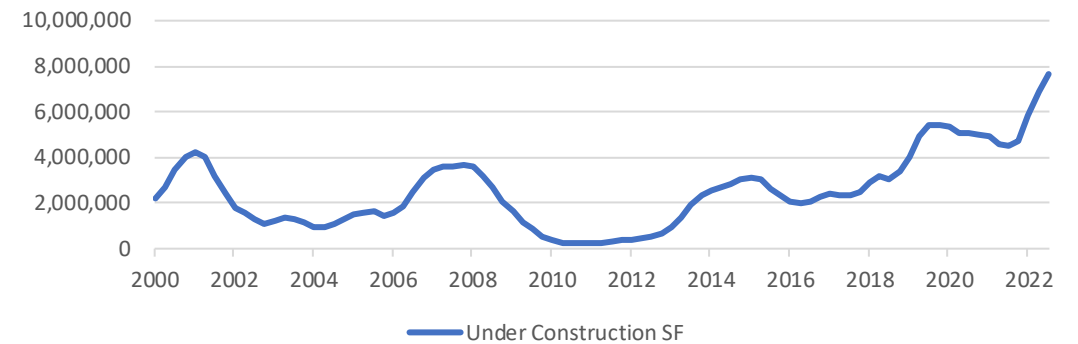
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



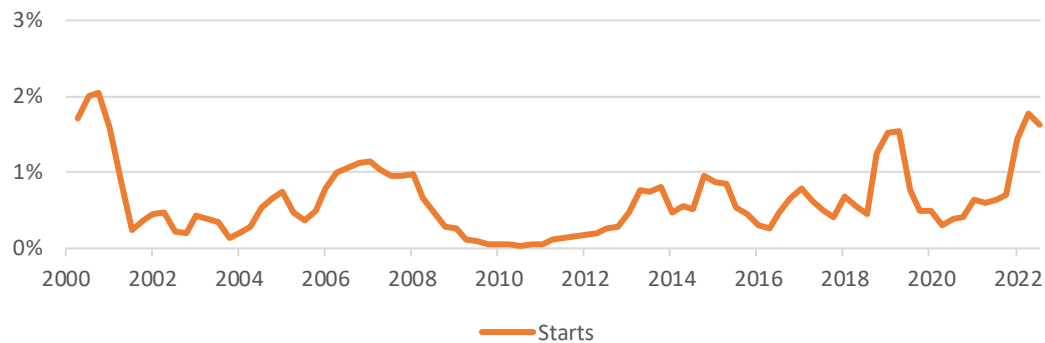
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Office Market *absorption/construction*

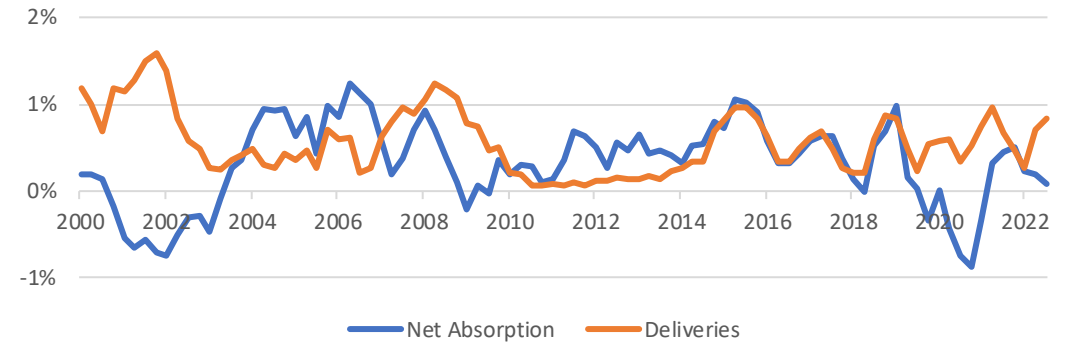
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	1.78%	1.44%	0.60%
Under Construction Percent	Overall	7.17%	6.15%	4.86%
Absorption Percent	Overall	0.20%	0.23%	0.31%
Deliveries Percent	Overall	0.72%	0.27%	0.96%

Larger
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 Than Current

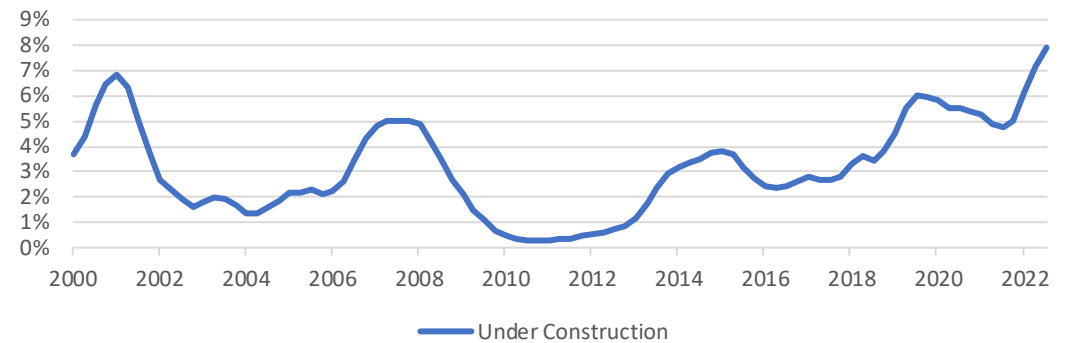
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

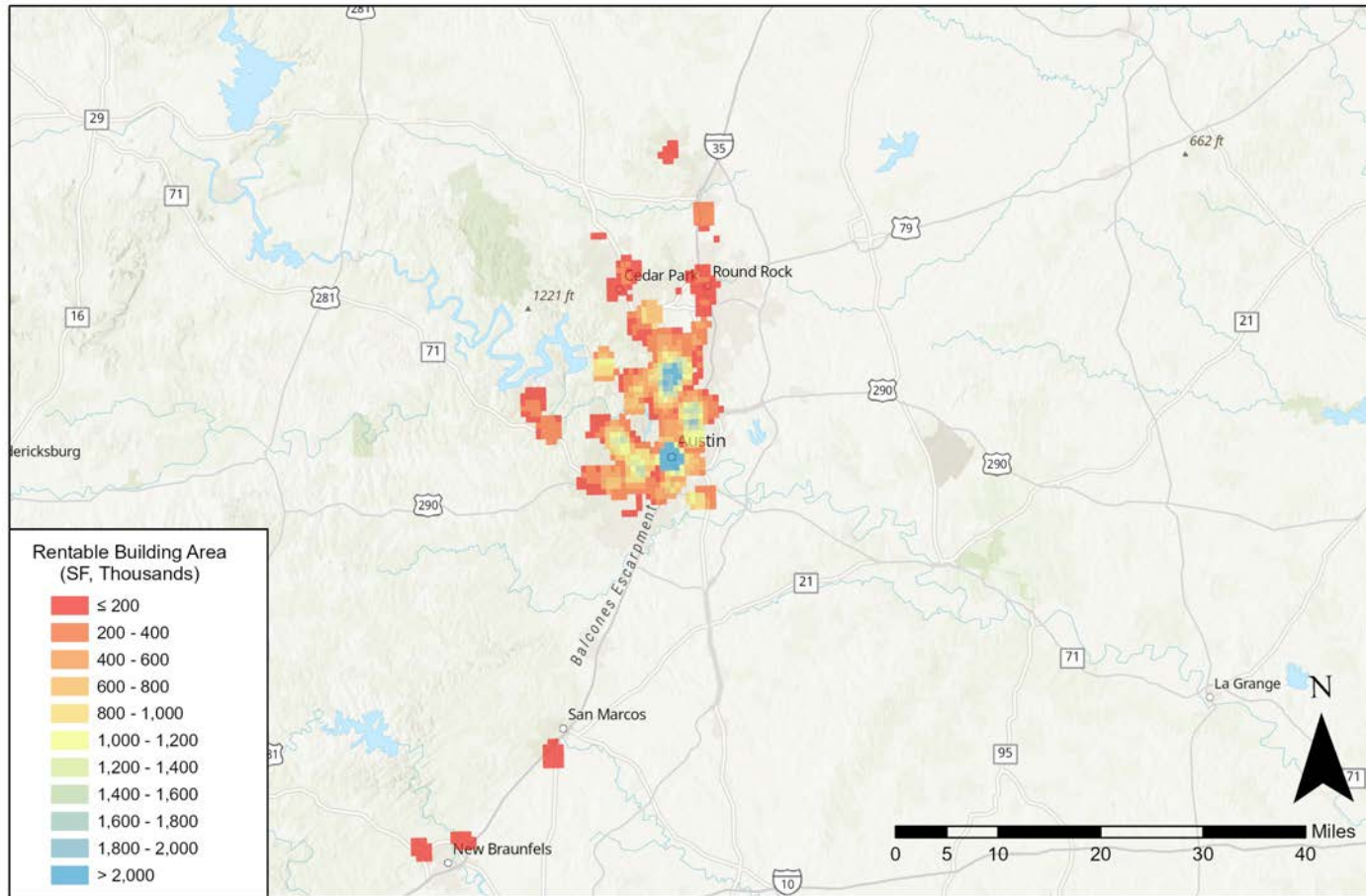


Under Construction as Percent of Inventory



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

Rentable Building Area Austin Metro Office LMAs



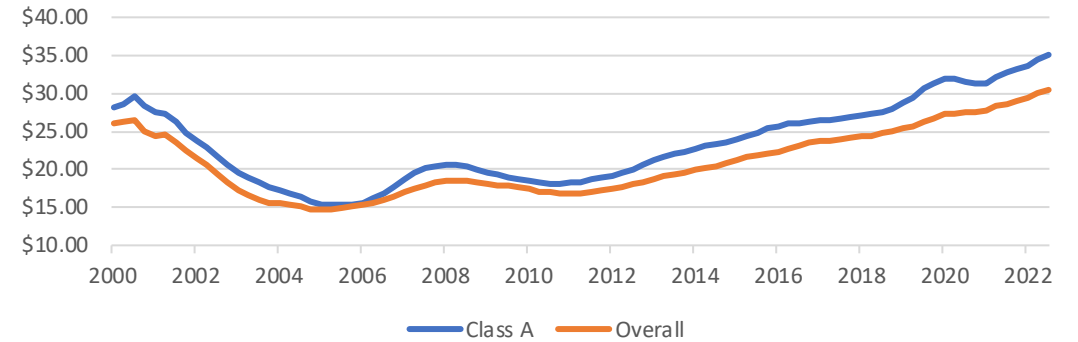
Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

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

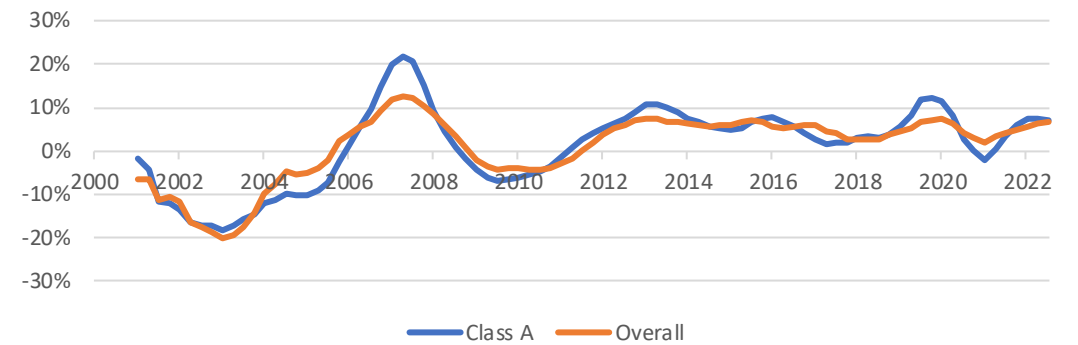
Austin Office Market *rent*



Base Rent per square foot



Base Rent YoY Growth

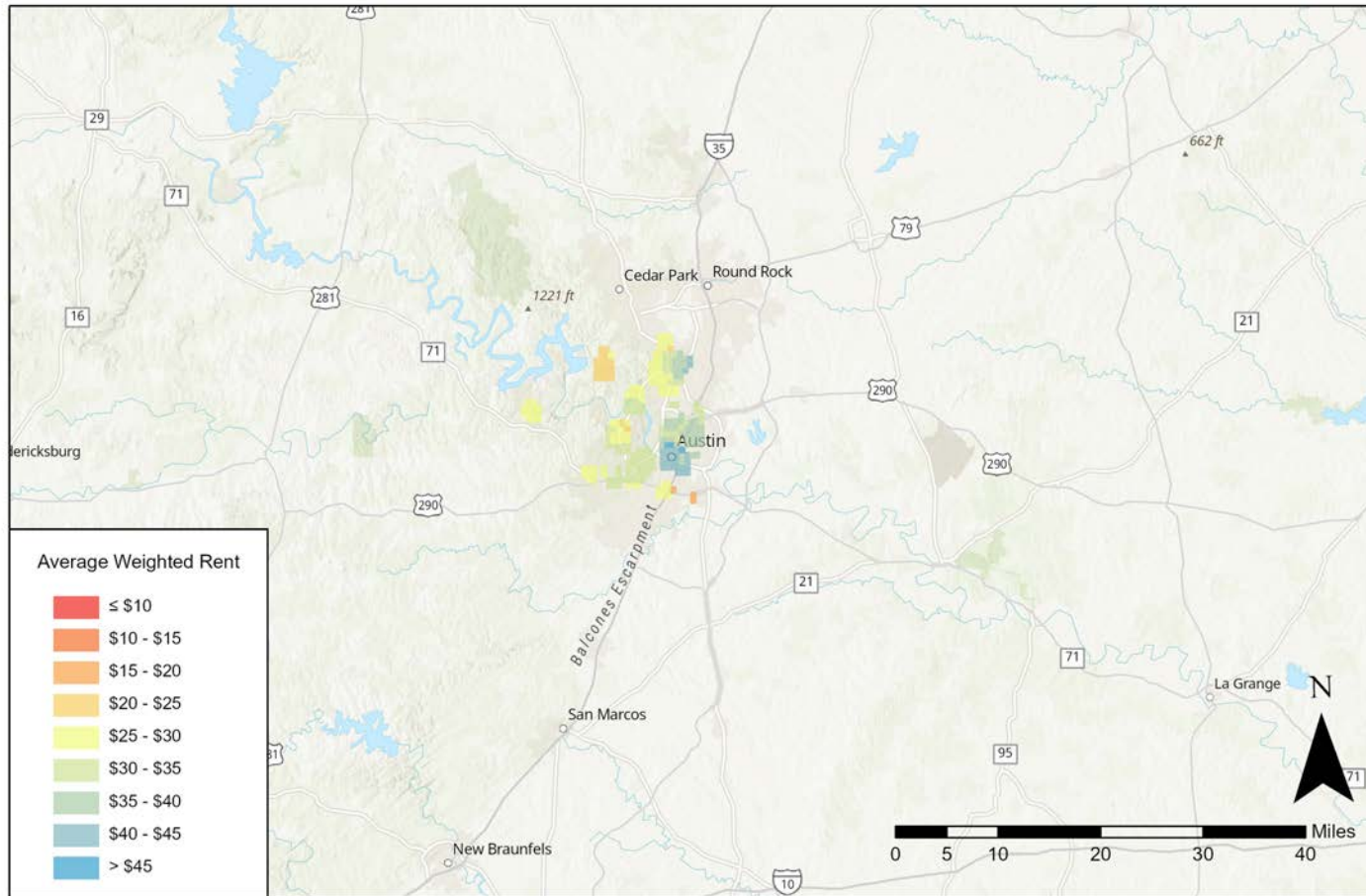


		Current	Previous Quarter	Previous Year
Base Rent	Class A	\$34.49	\$33.75	\$32.09
Base Rent	Overall	\$30.08	\$29.43	\$28.30

Larger
Smaller
 Than Current

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

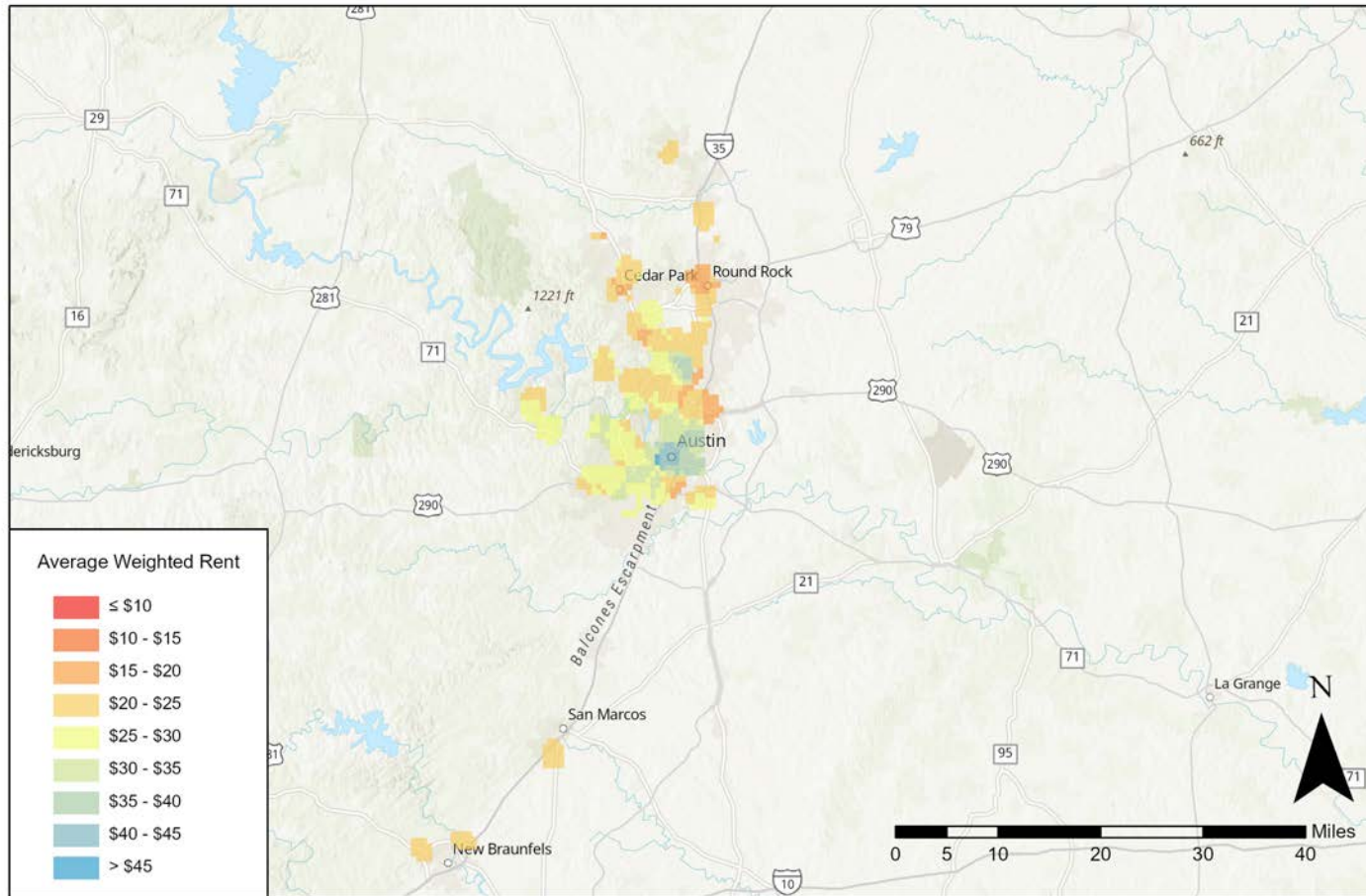
Average Weighted Rent Austin Metro Class A Office LMAs



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](#)

Average Weighted Rent Austin Metro Office LMAs



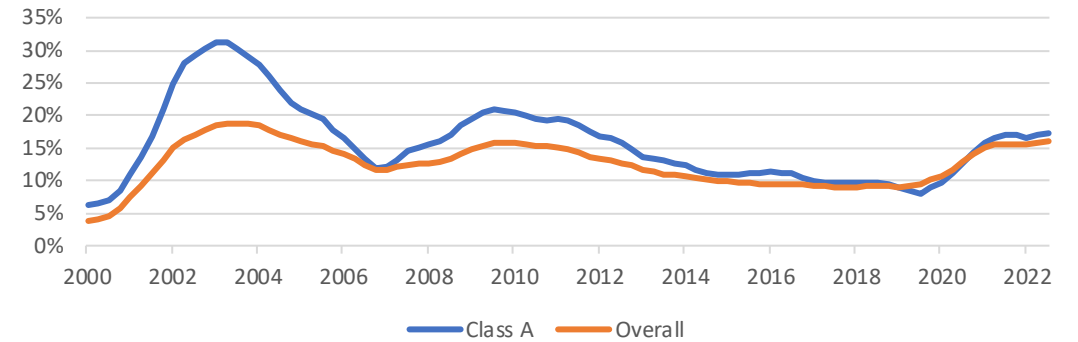
Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

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

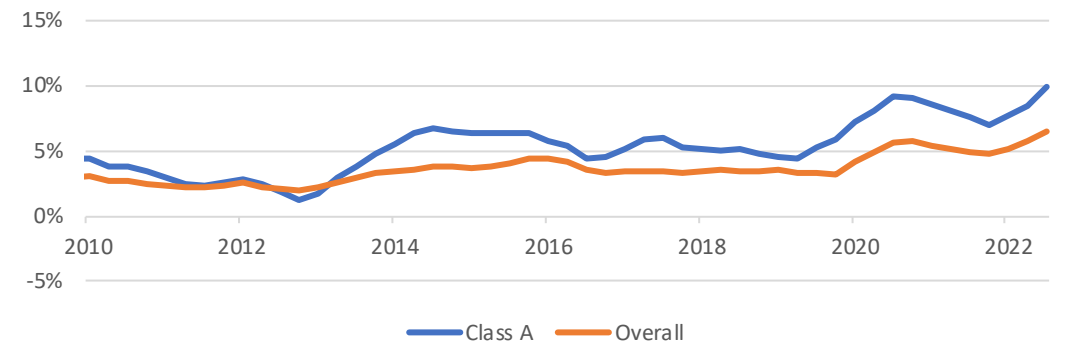
Austin Office Market *vacancy*



Vacancy



Availability less Vacancy

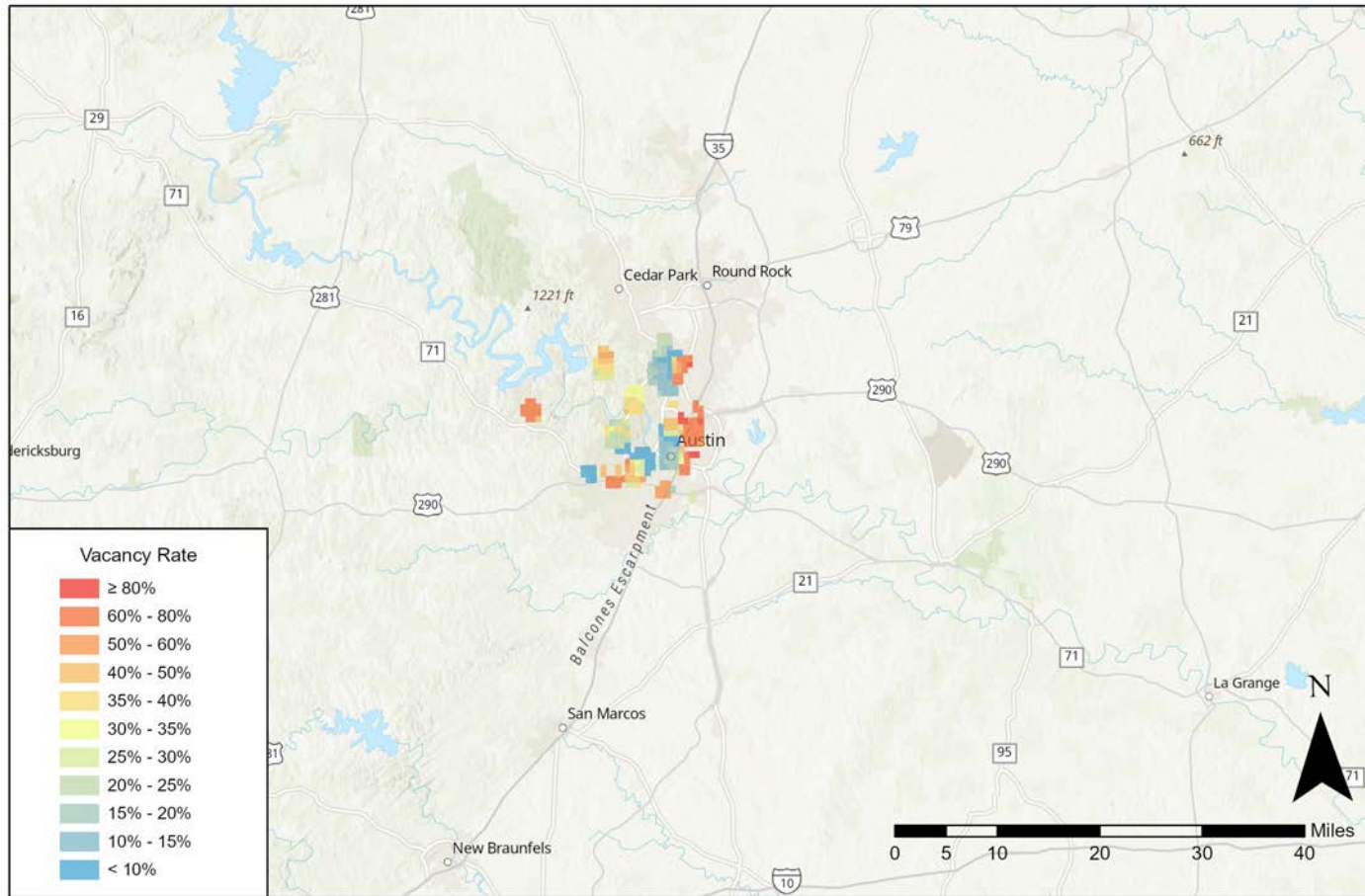


		Current	Previous Quarter	Previous Year
Vacant Percent % Total	Class A	17.17%	16.67%	16.57%
Vacant Percent % Total	Overall	15.87%	15.50%	15.50%
Availability less Vacancy	Class A	8.53%	7.77%	8.10%
Availability less Vacancy	Overall	5.80%	5.20%	5.17%

Larger
Smaller
 Than Current

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

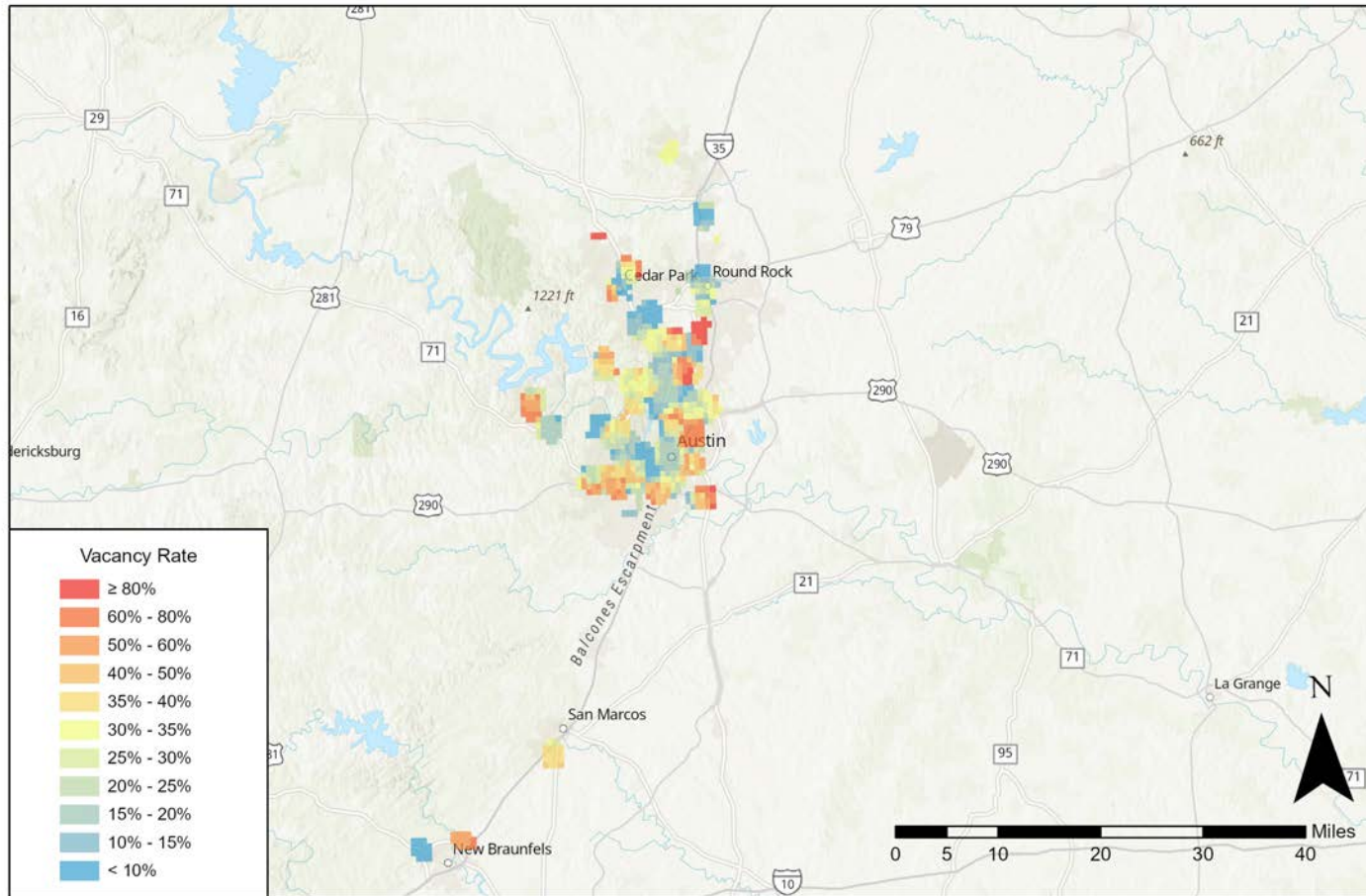
Vacancy Austin Metro Class A Office LMAs



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](#)

Vacancy Austin Metro Office LMAs



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](#)

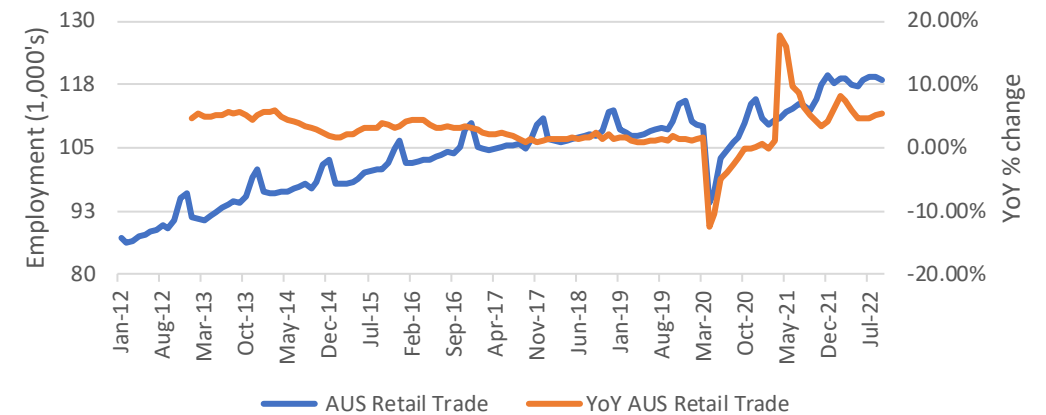
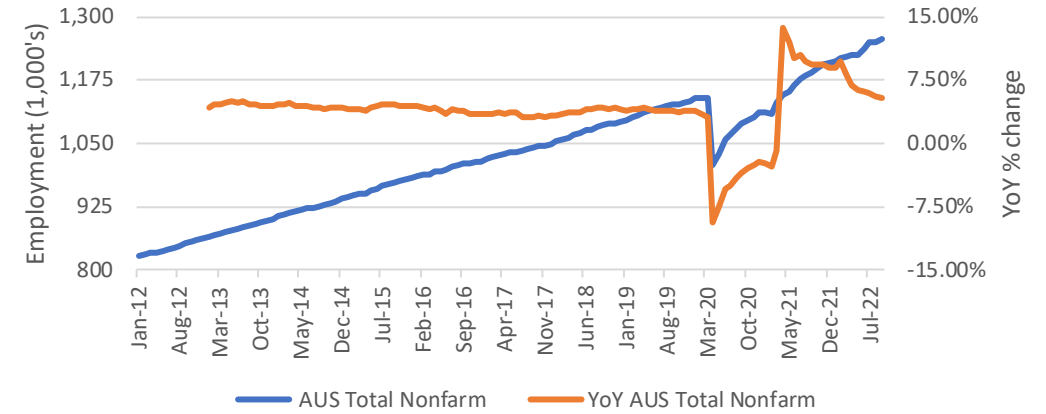
Austin Retail Market *key employment trends*

AUS Total Nonfarm

Sep-22	Sep-21	Change	YoY
1,256,100	1,191,000	65,100	5.47%

AUS Retail Trade

Sep-22	Sep-21	Change	YoY
118,500	112,500	6,000	5.33%



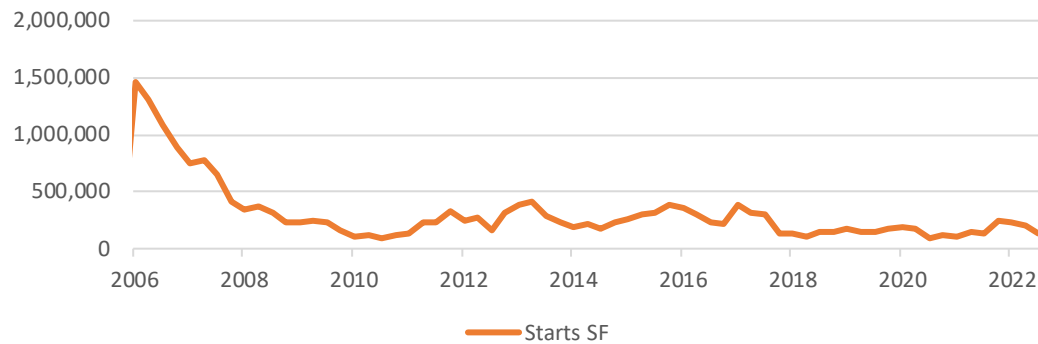
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Austin Retail Market *absorption/construction*

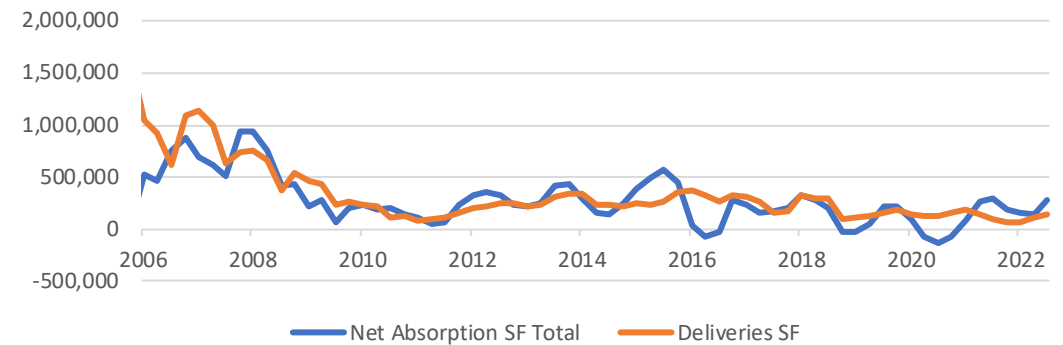
		Current	Previous Quarter	Previous Year
Starts SF	Overall	203,563	235,339	140,085
Net Absorption SF Total	Overall	137,400	154,466	258,750
Deliveries SF	Overall	115,282	64,019	144,778
Under Construction SF	Overall	913,162	824,880	437,107

Larger
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 Than Current

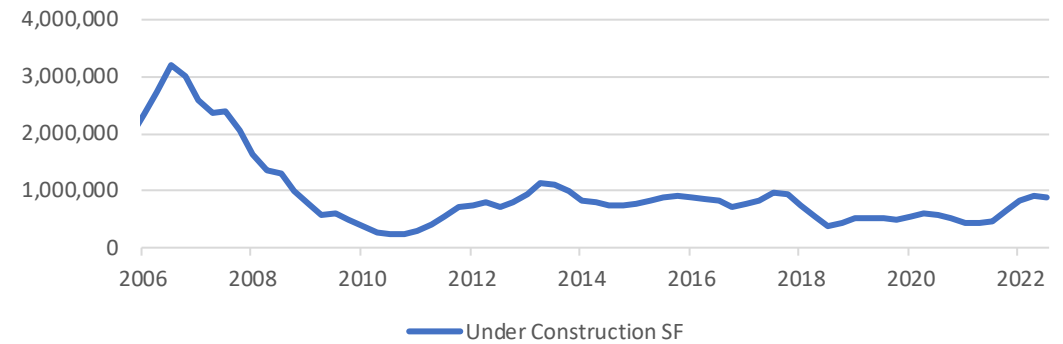
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



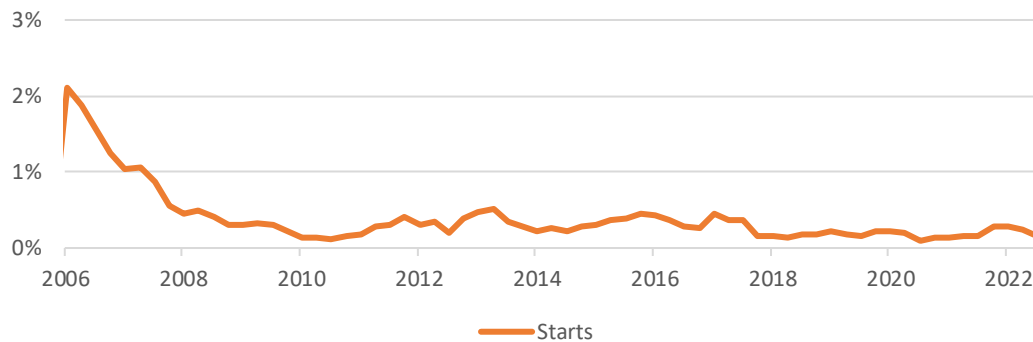
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Retail Market *absorption/construction*

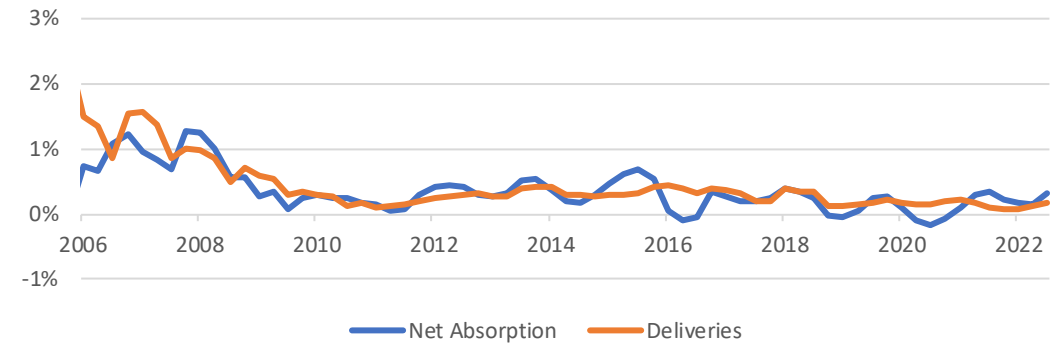
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.24%	0.28%	0.16%
Under Construction Percent	Overall	1.07%	0.97%	0.51%
Absorption Percent	Overall	0.16%	0.18%	0.30%
Deliveries Percent	Overall	0.13%	0.07%	0.17%

Larger
Smaller
 Than Current

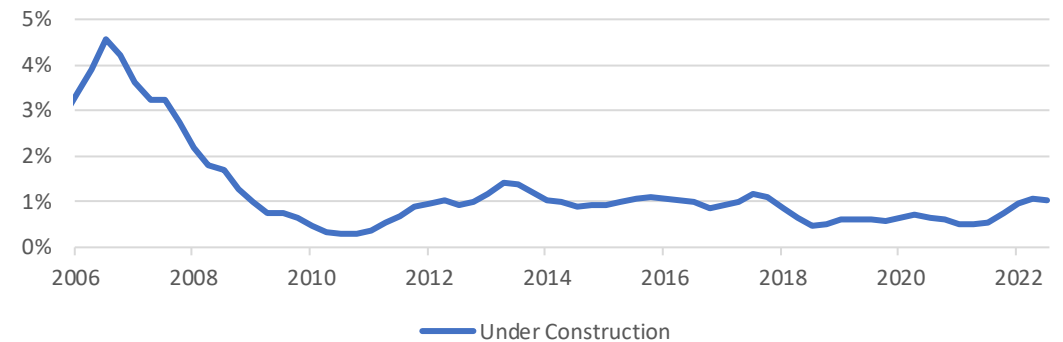
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

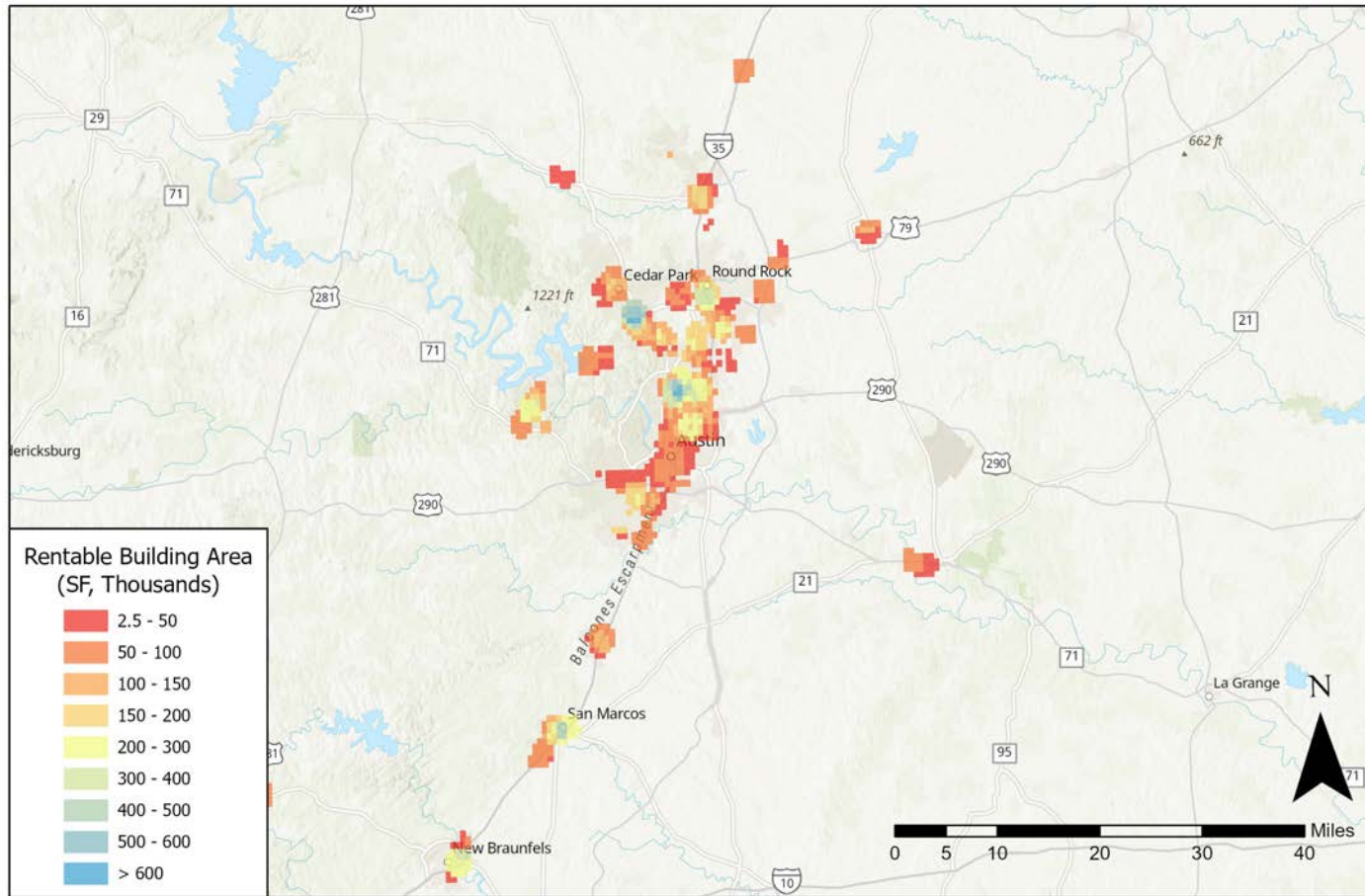


Under Construction as Percent of Inventory



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

Rentable Building Area Austin Metro Retail LMAs



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](#)

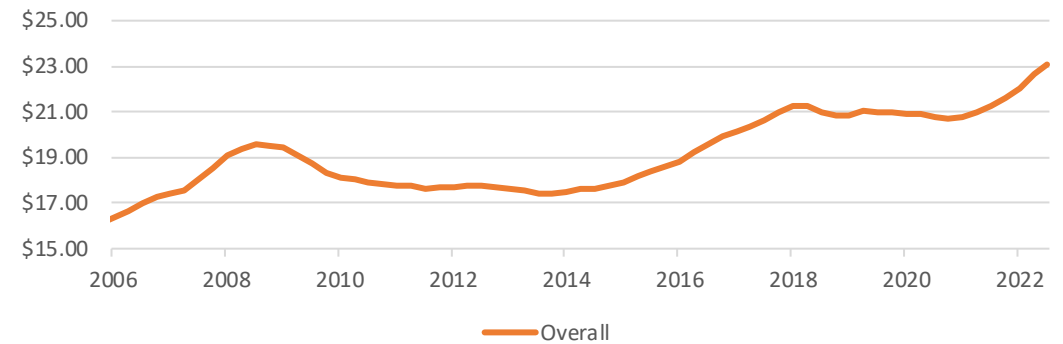
Austin Retail Market *rent*



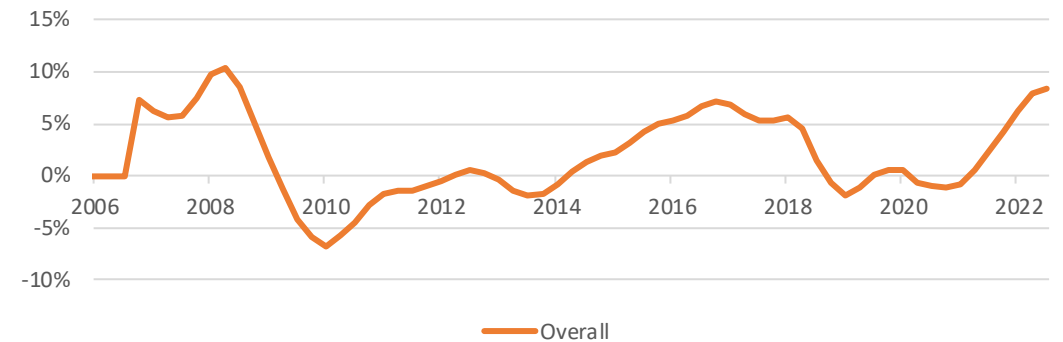
NNN Rent Overall		Current	Previous Quarter	Previous Year
Overall		\$22.68	\$22.08	\$21.02

Larger Smaller
 Than Current

NNN Rent

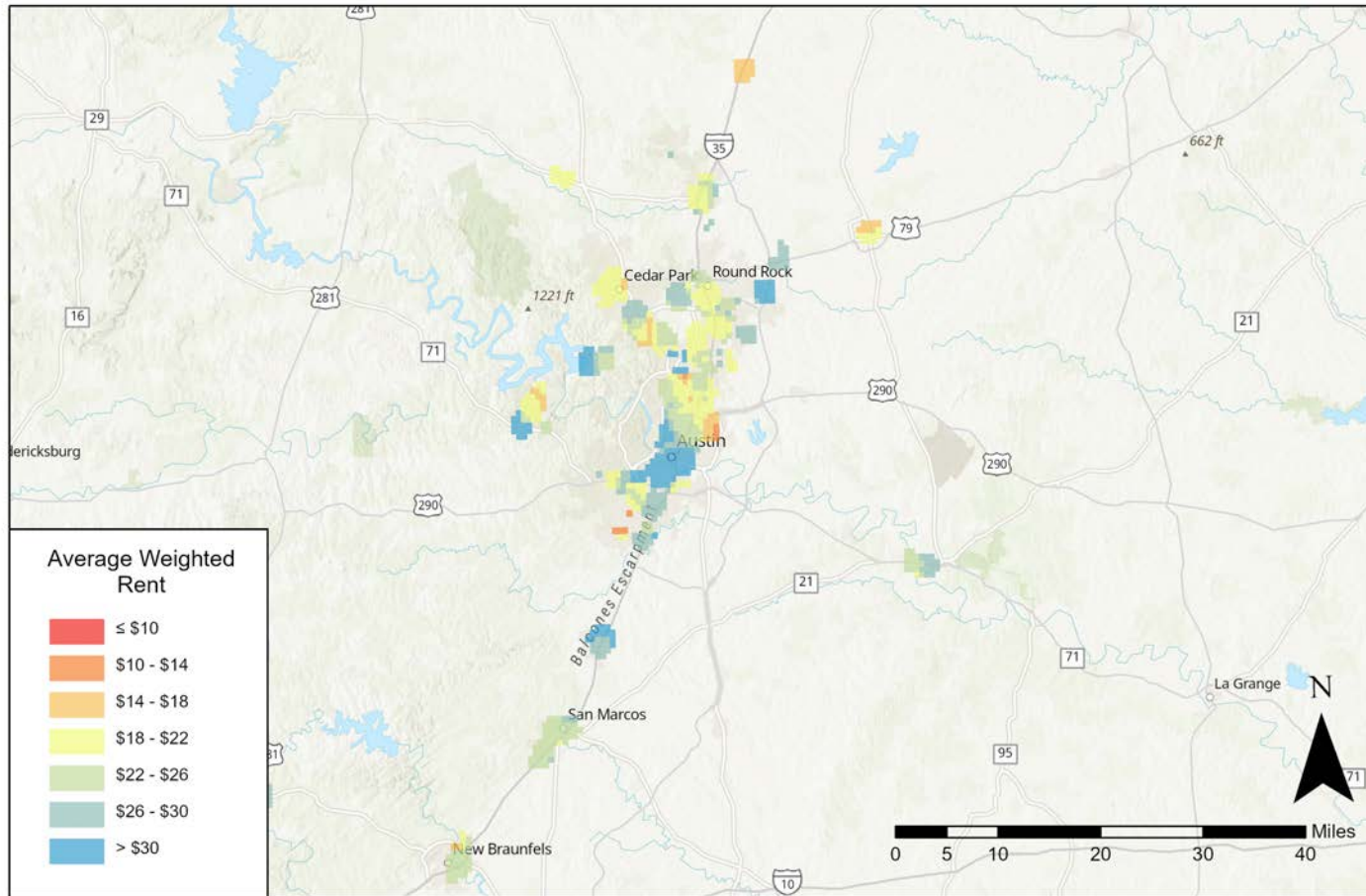


NNN Rent YoY Growth



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

Average Weighted Rent Austin Metro Retail LMAs



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](#)

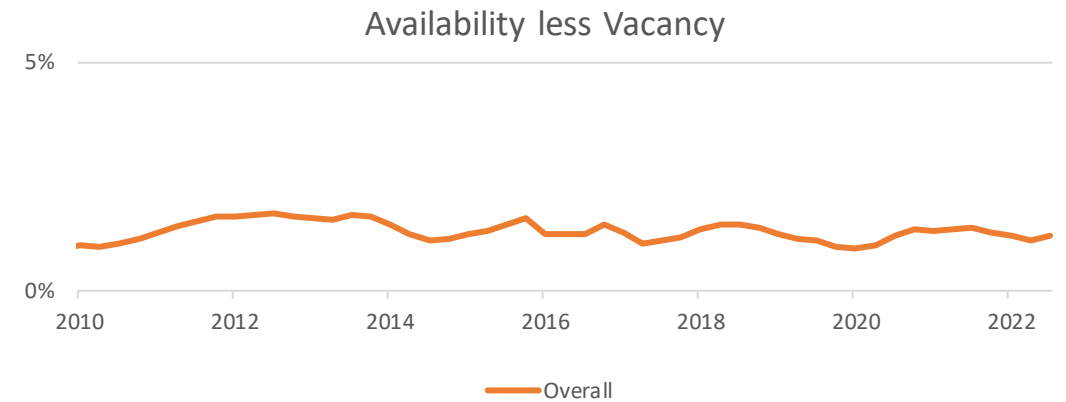
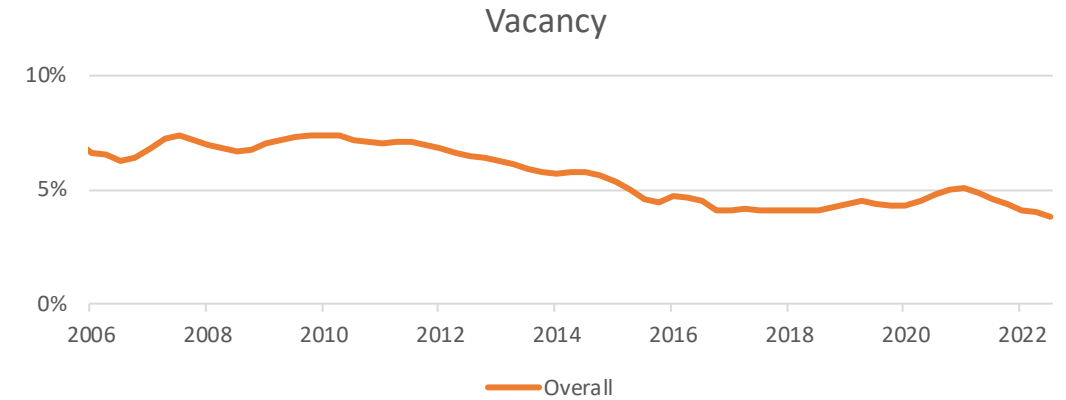
Austin Retail Market *vacancy*



Vacant Percent % Total
Availability less Vacancy

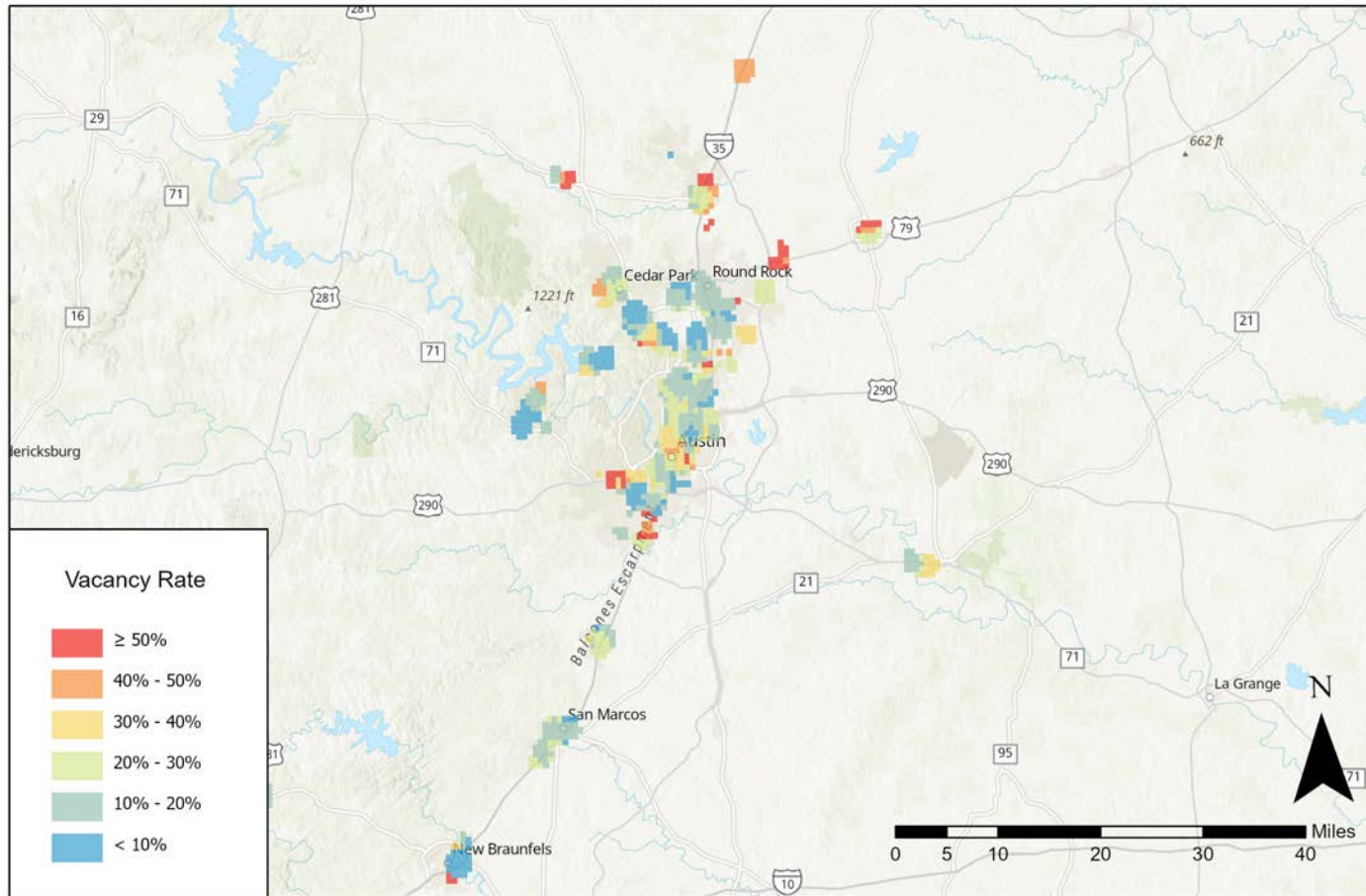
	Current	Previous Quarter	Previous Year
Overall	4.00%	4.13%	4.87%
Overall	1.10%	1.20%	1.33%

Larger
Smaller
Than Current



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

Vacancy Austin Metro Retail LMAs

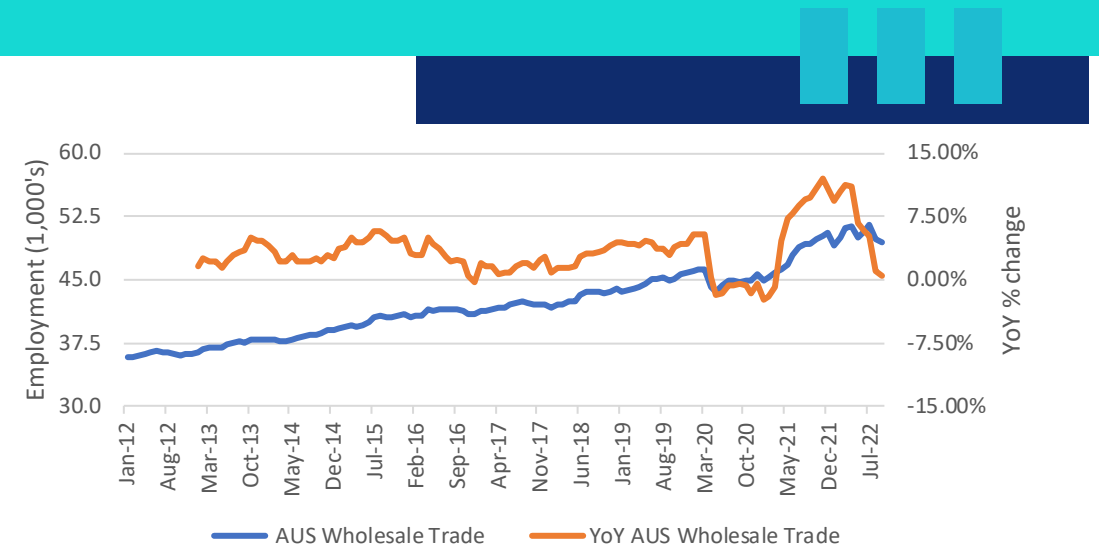


Sources: Costar, Esri, CGIAR, USGS, Austin Community College, City of Austin, Texas Parks & Wildlife, CONANP, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

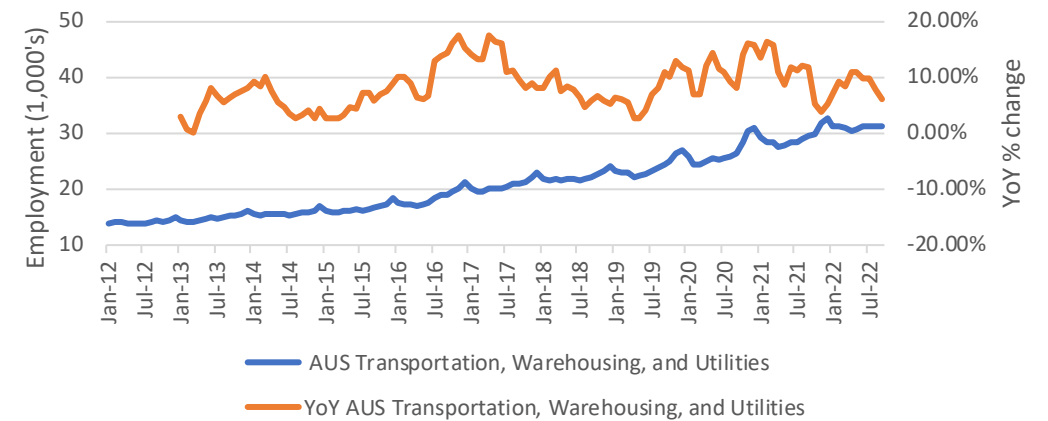
[Local Market Area \(LMA\) Definitions](#)

Austin Warehouse Market *key employment trends*

	Sep-22	Sep-21	Change	YoY
AUS Wholesale Trade	49,400	49,200	200	0.41%



	Sep-22	Sep-21	Change	YoY
AUS Transportation, Warehousing, and Utilities	31,300	29,500	1,800	6.10%



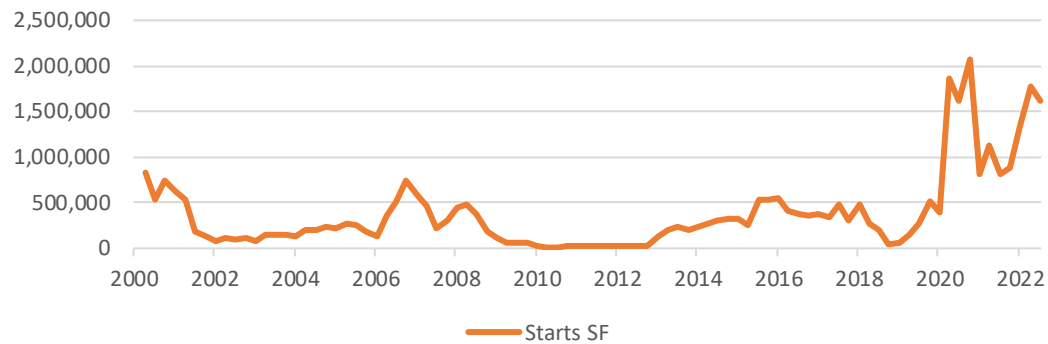
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Austin Warehouse Market *absorption/construction*

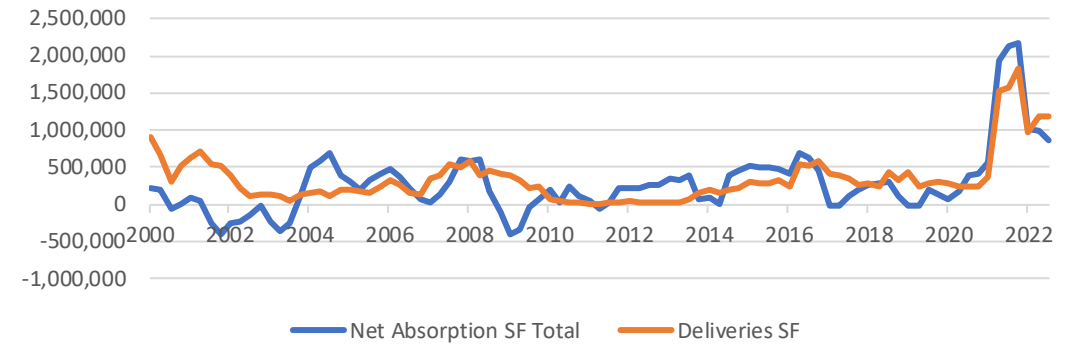
		Current	Previous Quarter	Previous Year
Starts SF	Overall	1,778,905	1,322,361	1,130,300
Net Absorption SF Total	Overall	985,851	1,015,738	1,932,780
Deliveries SF	Overall	1,180,859	970,386	1,524,353
Under Construction SF	Overall	5,027,683	4,429,637	5,763,592

Larger
Smaller
 Than Current

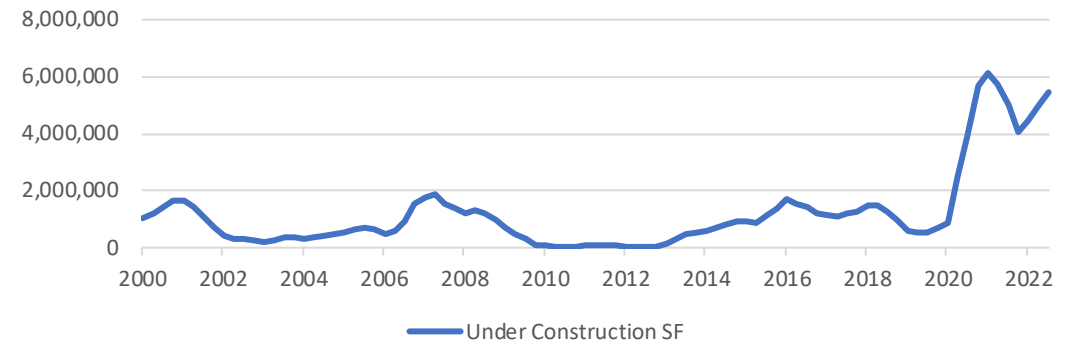
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



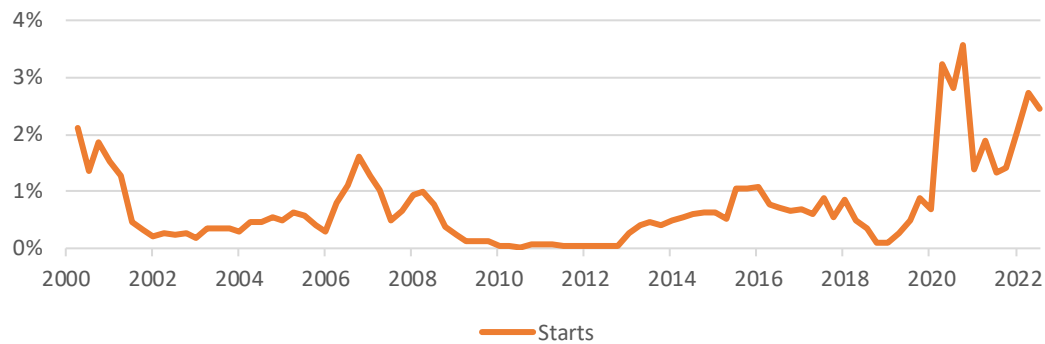
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Austin Warehouse Market *absorption/construction*

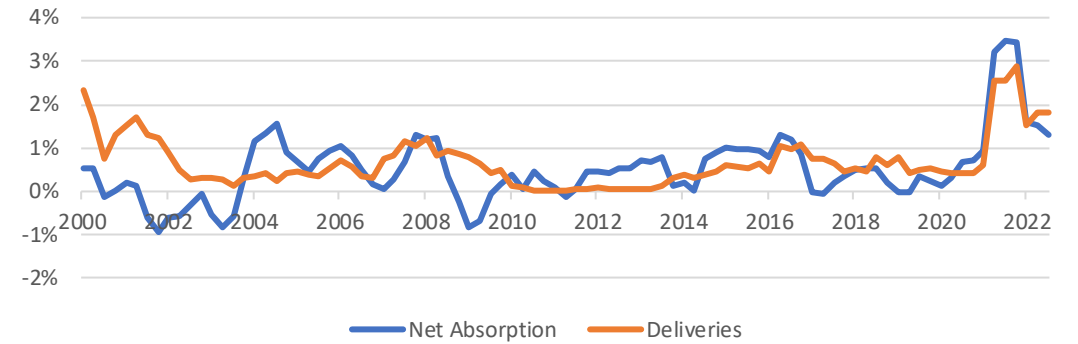
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	2.73%	2.07%	1.89%
Under Construction Percent	Overall	7.73%	6.93%	9.62%
Absorption Percent	Overall	1.51%	1.59%	3.23%
Deliveries Percent	Overall	1.81%	1.52%	2.54%

Larger
Smaller
 Than Current

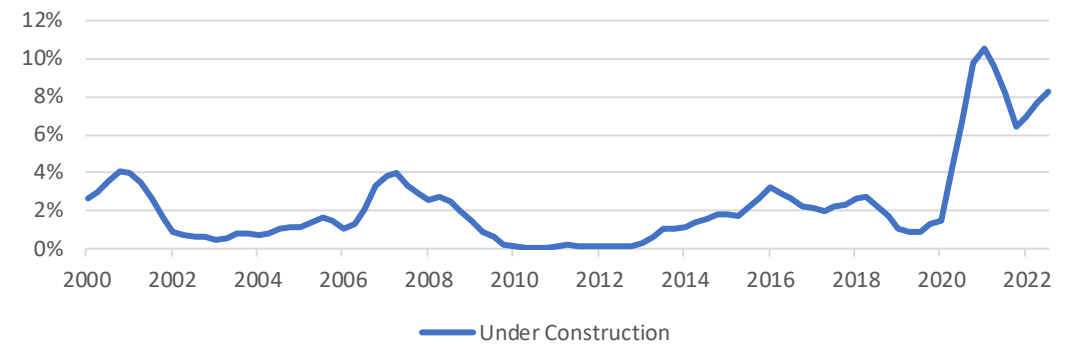
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

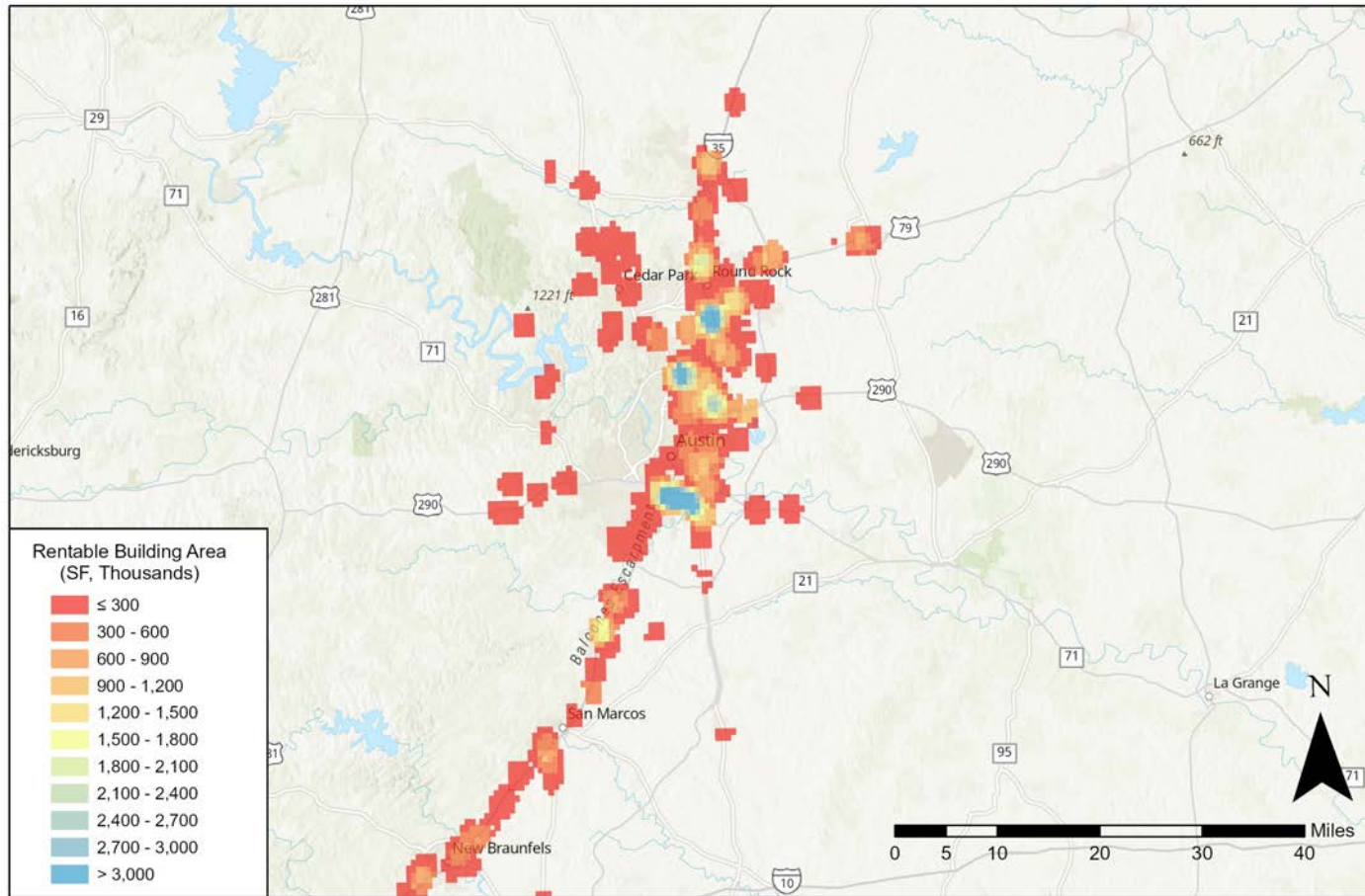


Under Construction as Percent of Inventory



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

Rentable Building Area Austin Metro Warehouse LMAs



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 *rent*

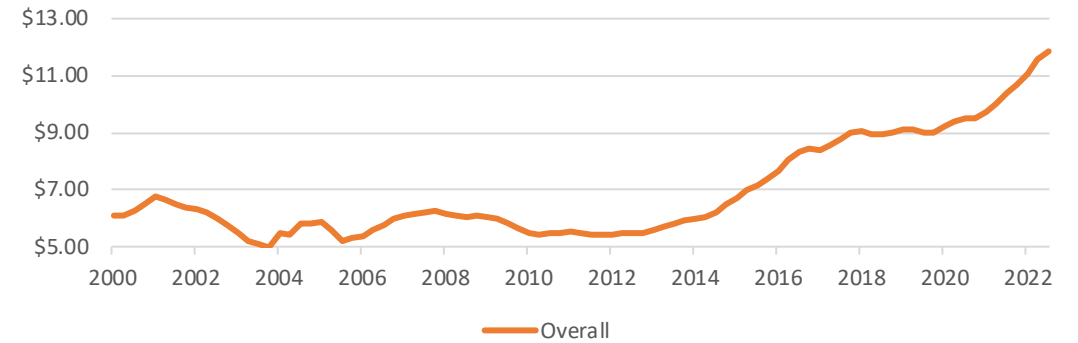


NNN Rent Overall

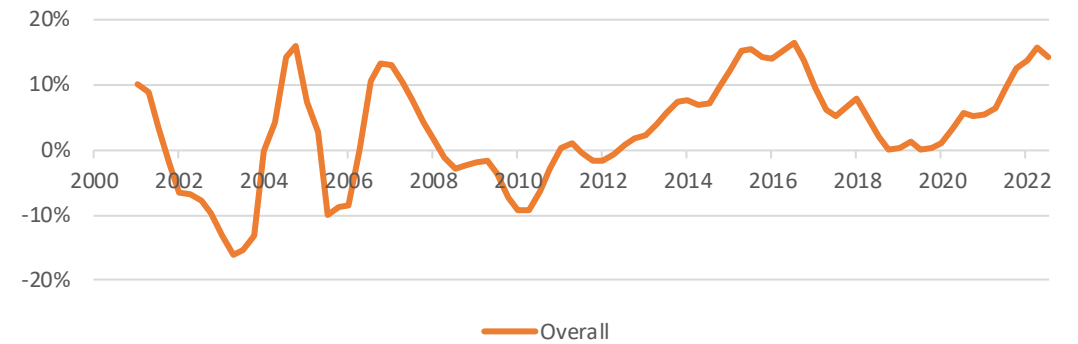
Overall	Current	Previous Quarter	Previous Year
	\$11.58	\$11.07	\$10.00

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*

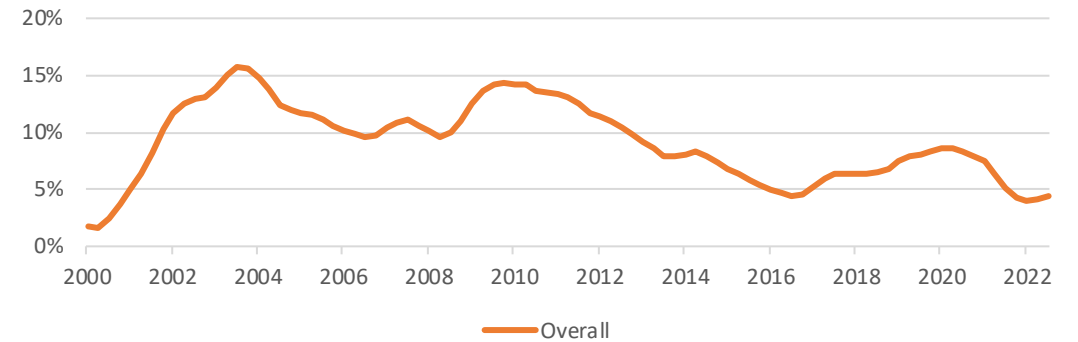


Vacant Percent % Total
Availability less Vacancy

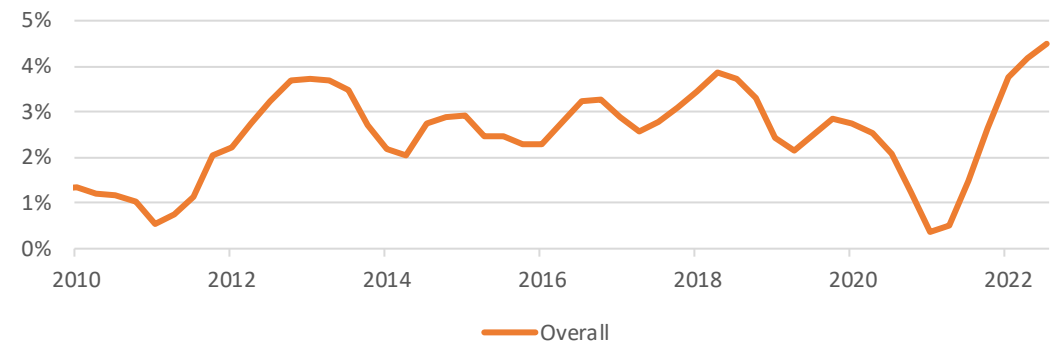
	Current	Previous Quarter	Previous Year
Overall	4.13%	3.97%	6.43%
Overall	4.20%	3.77%	0.50%

Larger
Smaller
Than Current

Vacancy

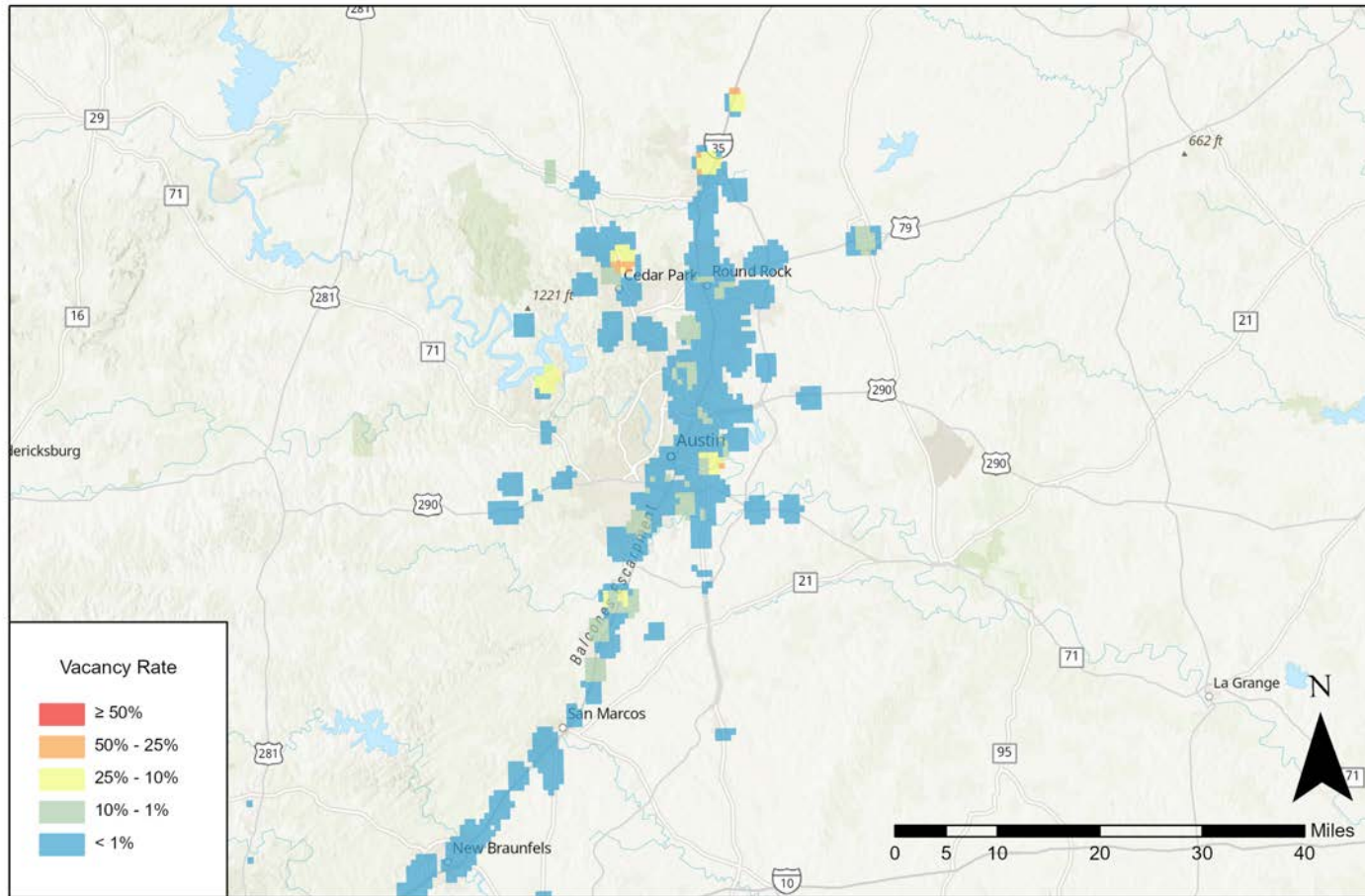


Availability less Vacancy



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

Vacancy Austin Metro Warehouse LMAs



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

- Economy
- Apartments
- Office
- Retail
- Warehouse

Dallas-Fort Worth Third Quarter 2022 Summary



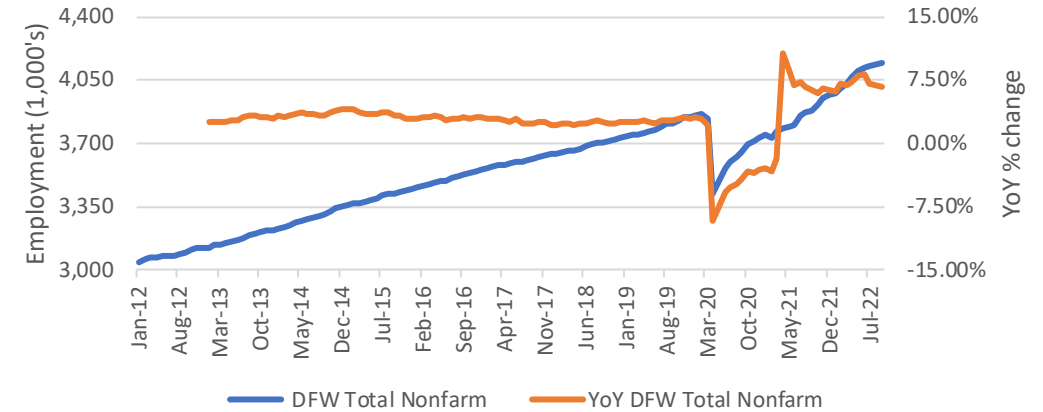
- Total employment in the Dallas-Fort Worth MSA remains strong, growing faster than pre-COVID trends on both a YOY and monthly basis.
- While remaining above pre-pandemic trends YOY, the financial and professional and business services industries have experienced slowing growth rates in the past few months.
- Long-term employment growth across the metro is expected to moderate toward pre-COVID rates.
- Office vacancy increases have leveled off, but continued upward pressure may remain if employers recalibrate to the 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.
- Apartment vacancies remain lower than pre-COVID but have flattened (Class A) or even risen marginally (overall). The level of units under construction relative to the market inventory remains in line with levels seen from 2016-19, suggesting limited upward vacancy risk from near-term deliveries.

Dallas-Fort Worth Economy

key employment trends

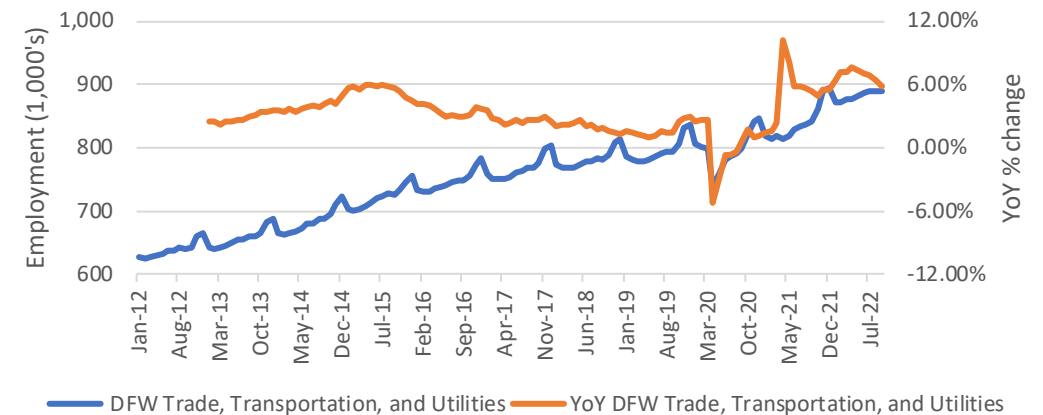
DFW Total Nonfarm

Sep-22	Sep-21	Change	YoY
4,146,000	3,885,200	260,800	6.71%



DFW Trade, Transportation, and Utilities

Sep-22	Sep-21	Change	YoY
890,800	841,400	49,400	5.87%



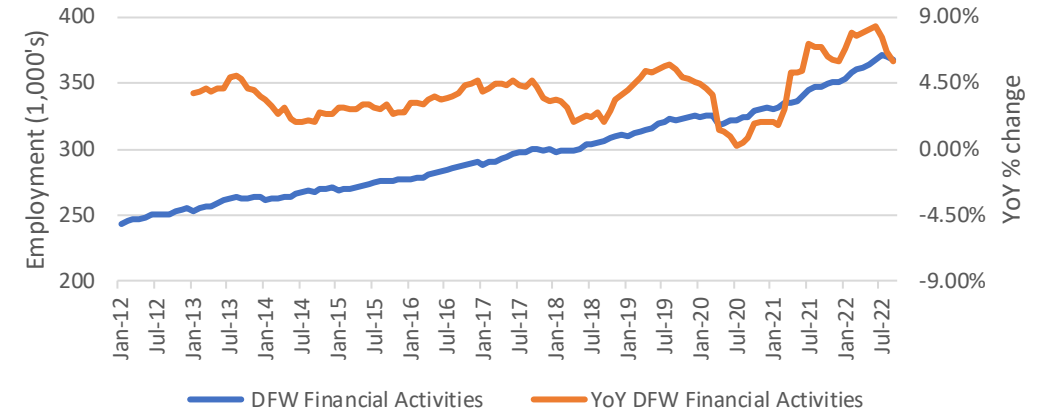
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Economy

key employment trends

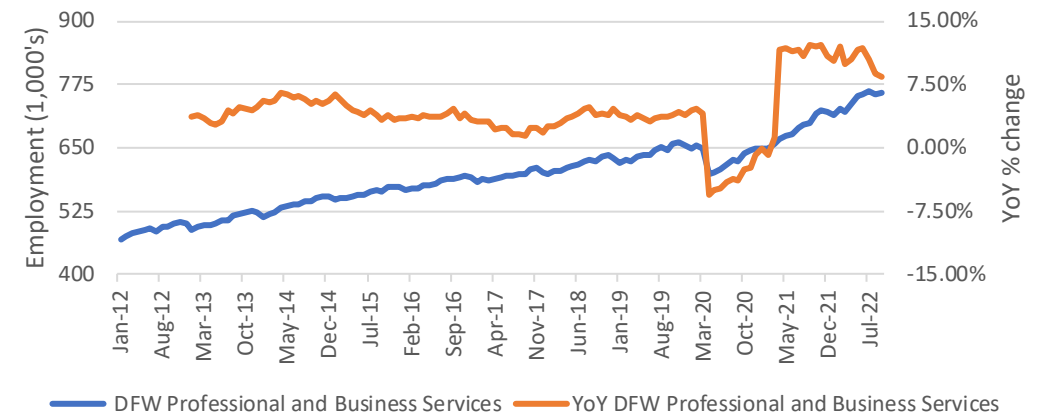
DFW Financial Activities

Sep-22	Sep-21	Change	YoY
368,000	347,200	20,800	5.99%



DFW Professional and Business Services

Sep-22	Sep-21	Change	YoY
757,700	698,800	58,900	8.43%



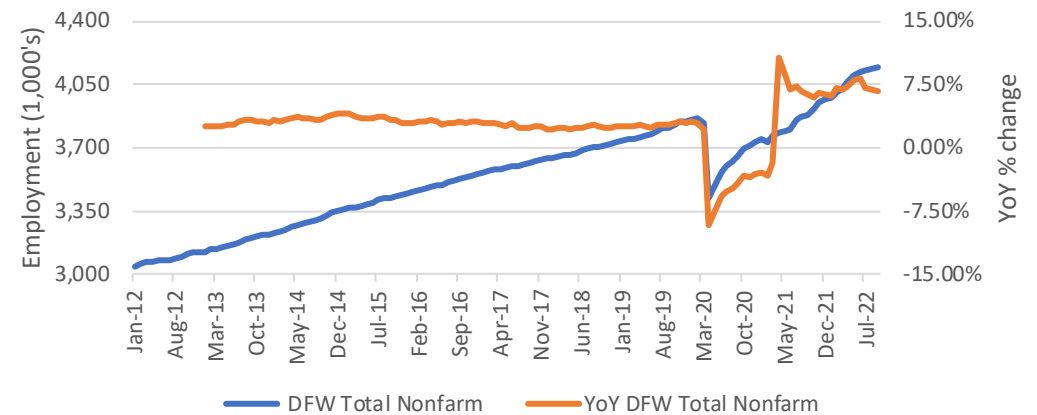
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Apartment Market

key employment trends

DFW Total Nonfarm

Sep-22	Sep-21	Change	YoY
4,146,000	3,885,200	260,800	6.71%



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

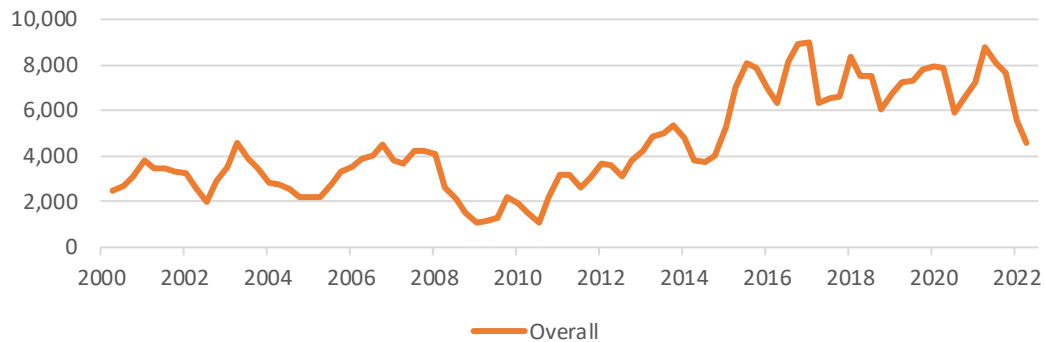
Dallas-Fort Worth Apartment Market

absorption/construction

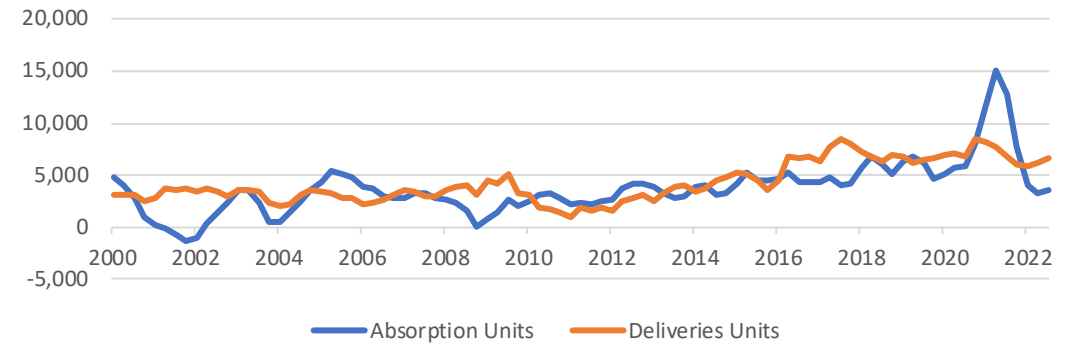
		Current	Previous Quarter	Previous Year
Starts Units	Overall	4,613	5,574	8,825
Absorption Units	Overall	3,267	4,047	15,010
Deliveries Units	Overall	6,178	5,930	7,669
Under Construction Units	Overall	44,760	46,325	43,667

Larger
Smaller
 Than Current

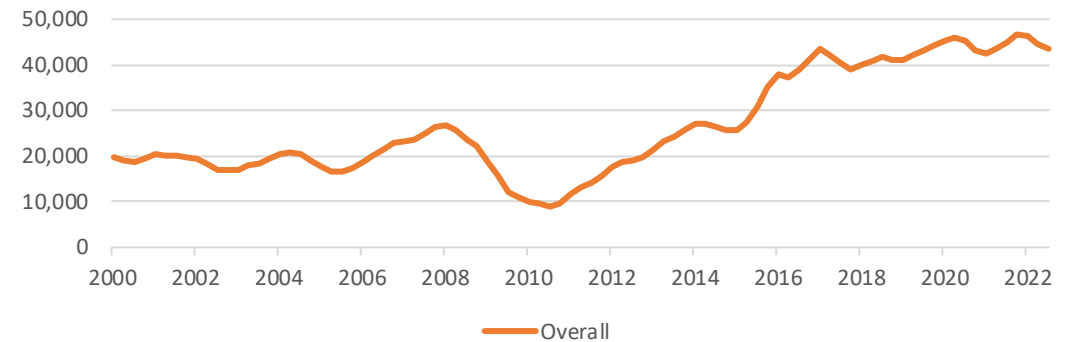
Starts Units



Absorption and Delivery Units



Under Construction Units



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

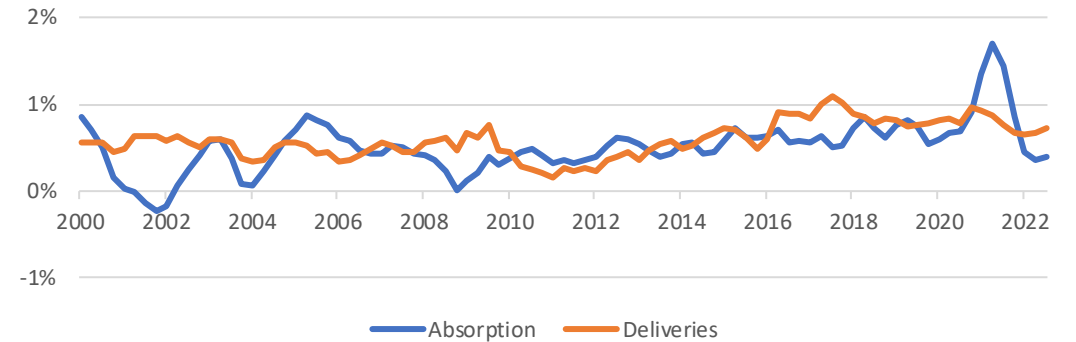
Dallas-Fort Worth Apartment Market

absorption/construction

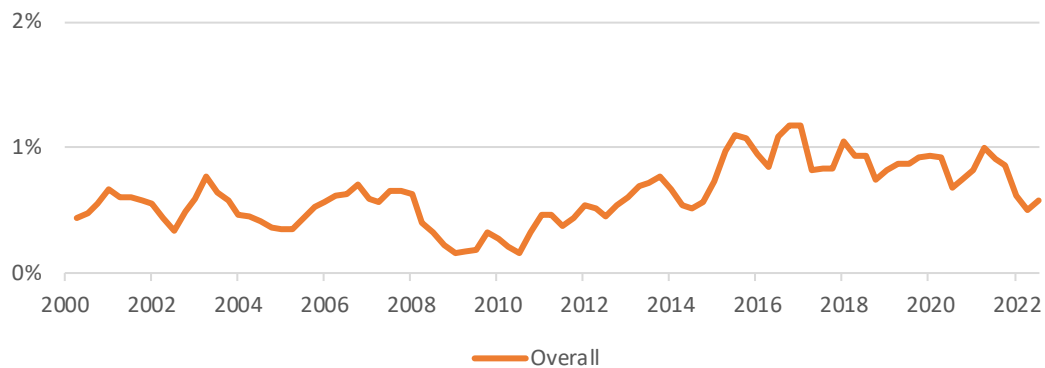
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.51%	0.62%	1.00%
Absorption Percent	Overall	0.36%	0.45%	1.70%
Deliveries Percent	Overall	0.68%	0.66%	0.87%
Under Construction Percent	Overall	4.92%	5.13%	4.93%

Larger
Smaller
 Than Current

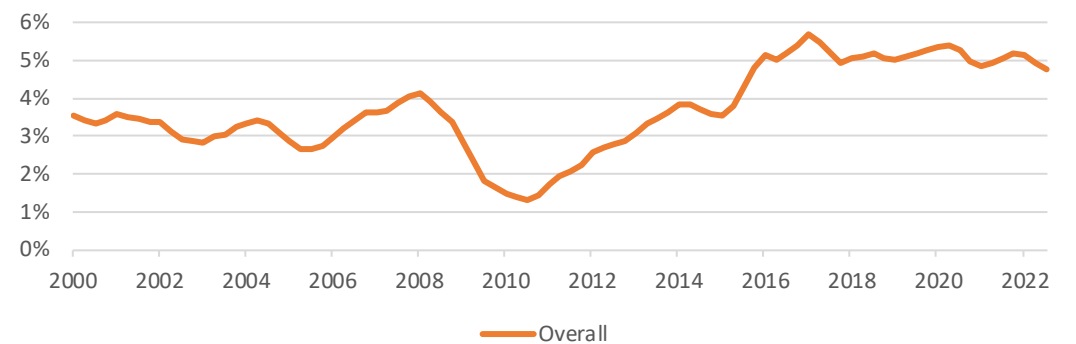
Absorption and Delivery as Percent of Inventory



Starts as Percent of Inventory

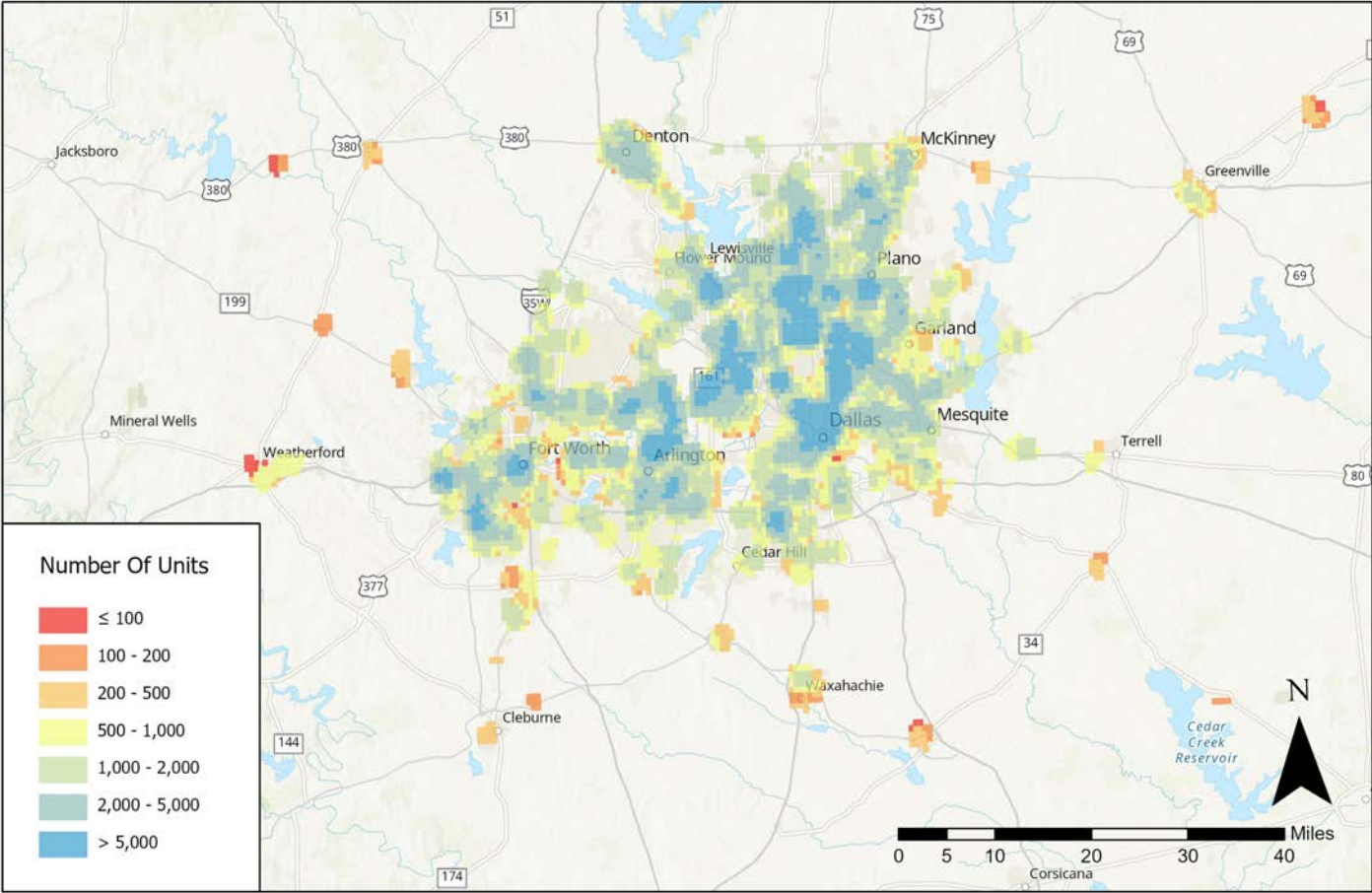


Under Construction as Percent of Inventory



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

Number of Units DFW Metro Multifamily LMAs



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

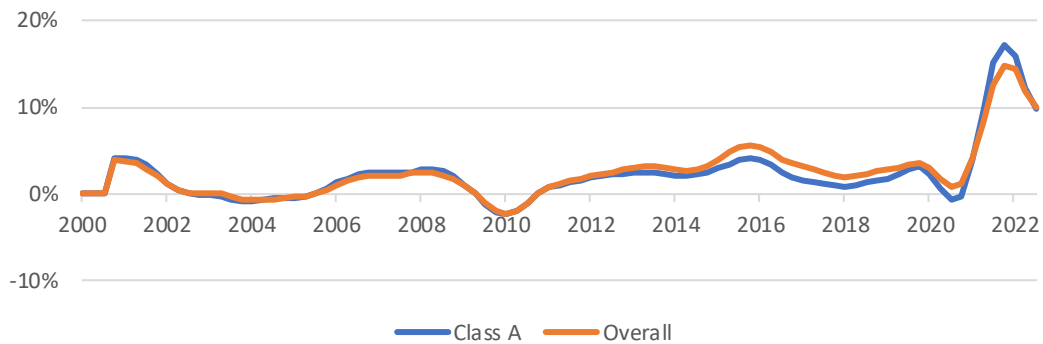
[Local Market Area \(LMA\) Definitions](#)

Dallas-Fort Worth Apartment Market *rent*

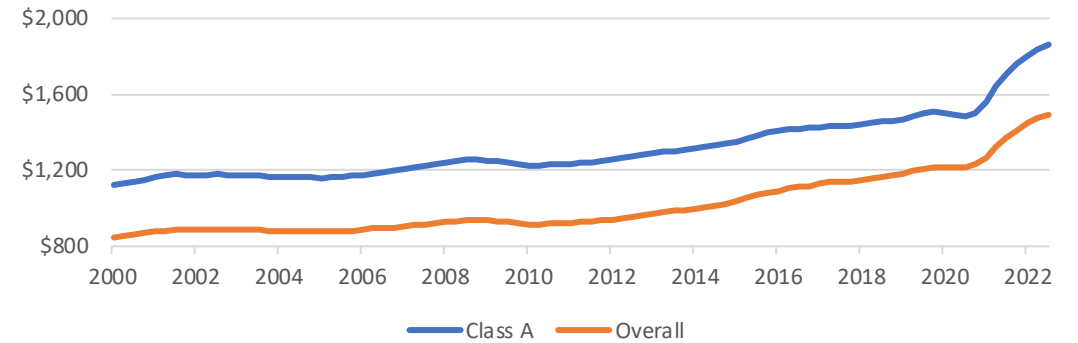
		Current	Previous Quarter	Previous Year
Effective Rent Per Unit	Class A	\$1,841	\$1,809	\$1,643
Effective Rent Per Unit	Overall	\$1,476	\$1,449	\$1,322
Effective Rent Per SF	Class A	\$1.96	1.93	1.75
Effective Rent Per SF	Overall	\$1.68	1.65	1.50

Larger
Smaller
 Than Current

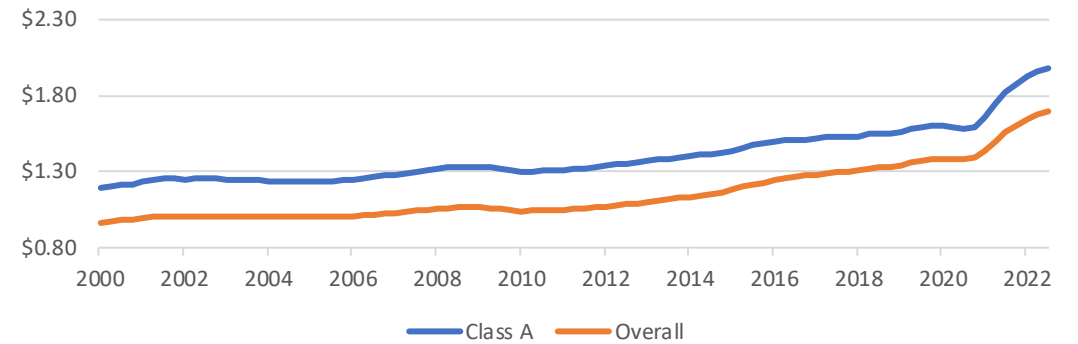
Year over Year Growth in Effective Rent



Effective Rent Per Unit

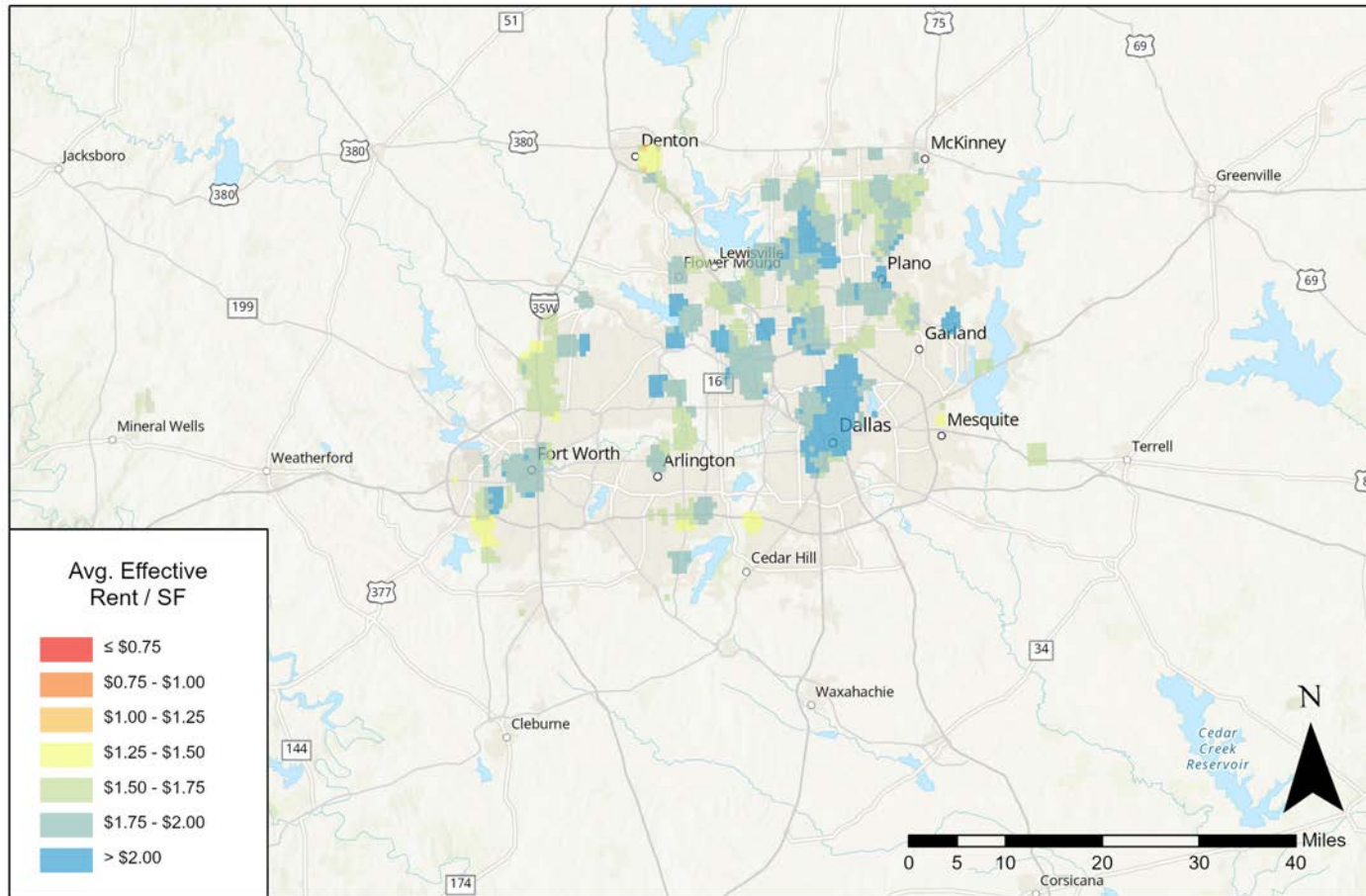


Effective Rent Per Square Foot



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

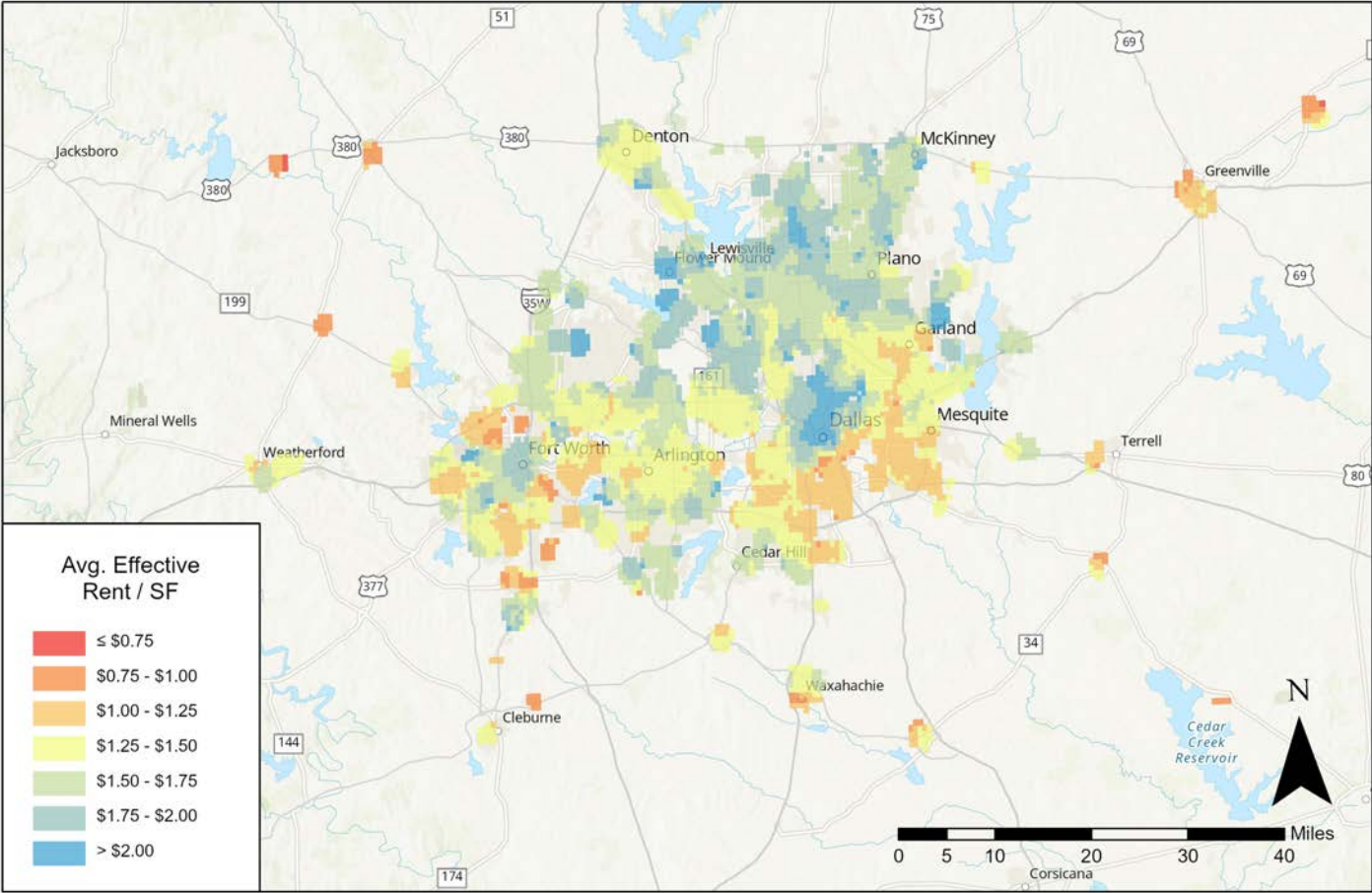
Average Effective Rent / SF DFW Metro Class A Multifamily LMAs



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

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

Average Effective Rent / SF DFW Metro Multifamily LMAs



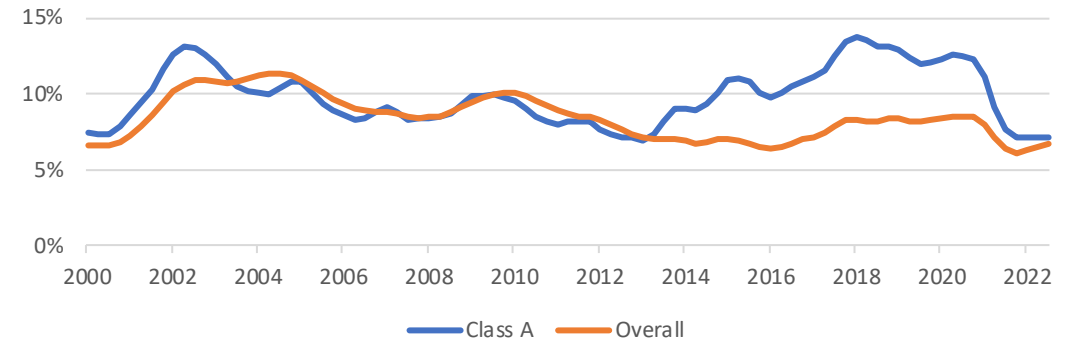
Sources: Costar, Esri, CGIAR, USGS, Baylor University, Texas Parks & Wildlife, HERE, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

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

Dallas-Fort Worth Apartment Market *vacancy*



Vacancy

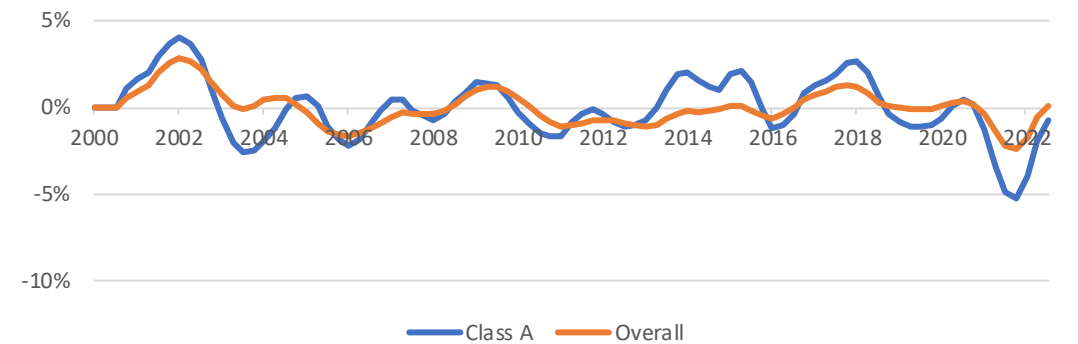


Vacancy Percent
Vacancy Percent

	Current	Previous Quarter	Previous Year
Class A	7.20%	7.13%	9.17%
Overall	6.57%	6.30%	7.10%

Larger Smaller
 Than Current

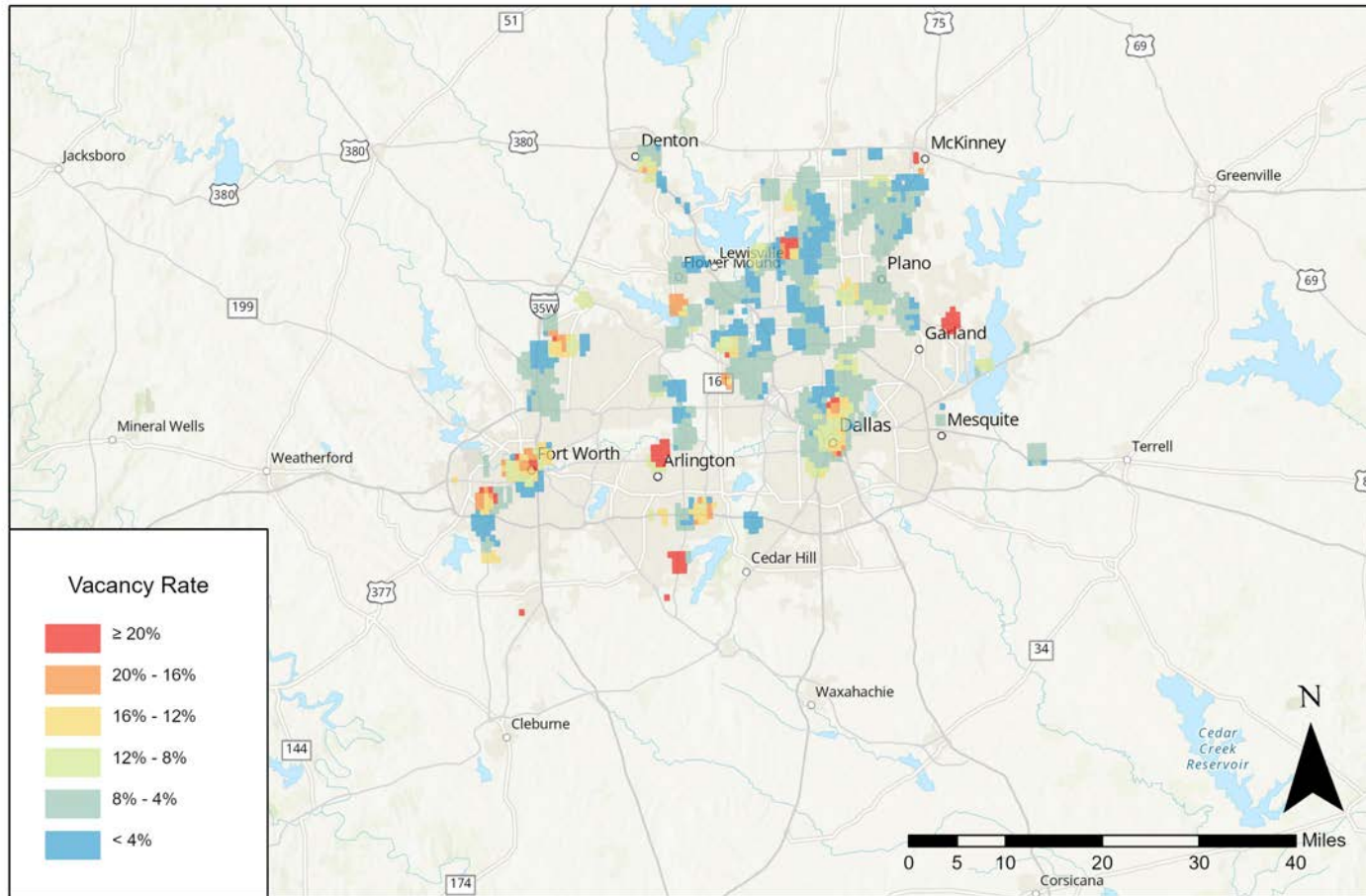
Vacancy Change from Previous Year



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

Vacancy

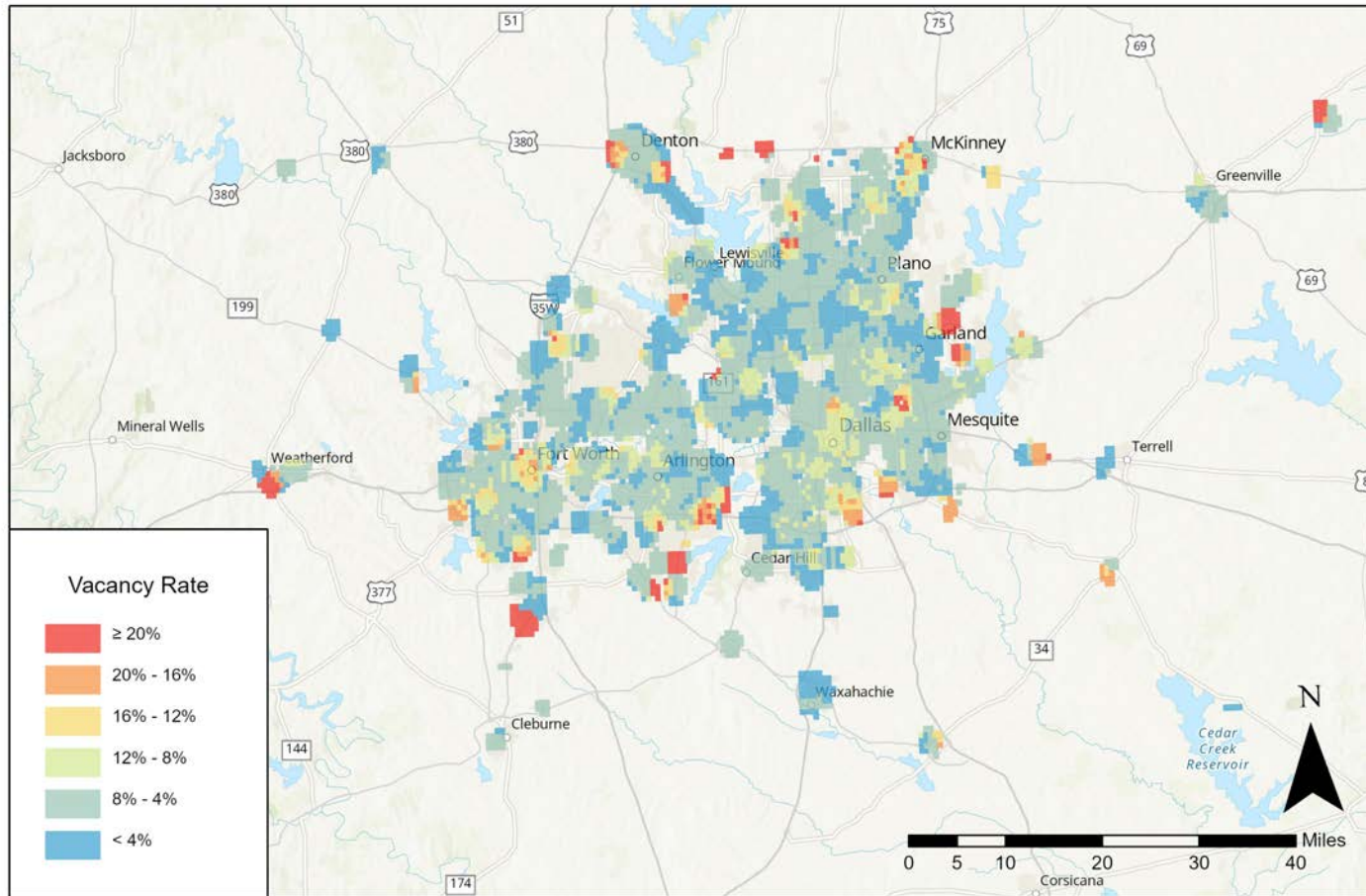
DFW Metro Class A Multifamily LMAs



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

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

Vacancy DFW Metro Multifamily LMAs



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

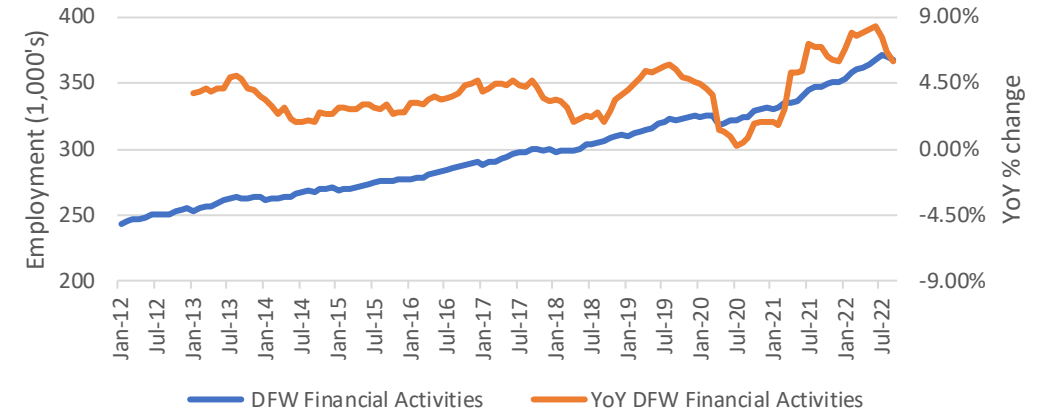
[Local Market Area \(LMA\) Definitions](#)

Dallas-Fort Worth Office Market

key employment trends

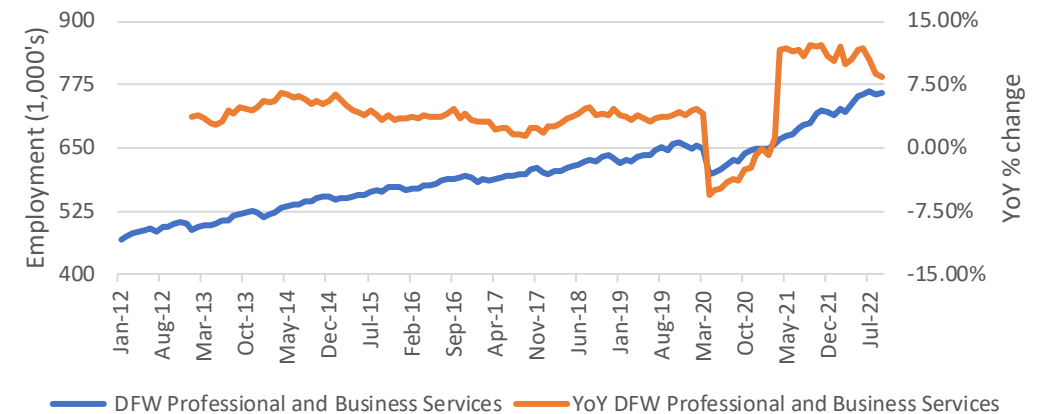
DFW Financial Activities

	Sep-22	Sep-21	Change	YoY
Employment (1,000's)	368,000	347,200	20,800	5.99%



DFW Professional and Business Services

	Sep-22	Sep-21	Change	YoY
Employment (1,000's)	757,700	698,800	58,900	8.43%



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

Dallas-Fort Worth Office Market

absorption/construction

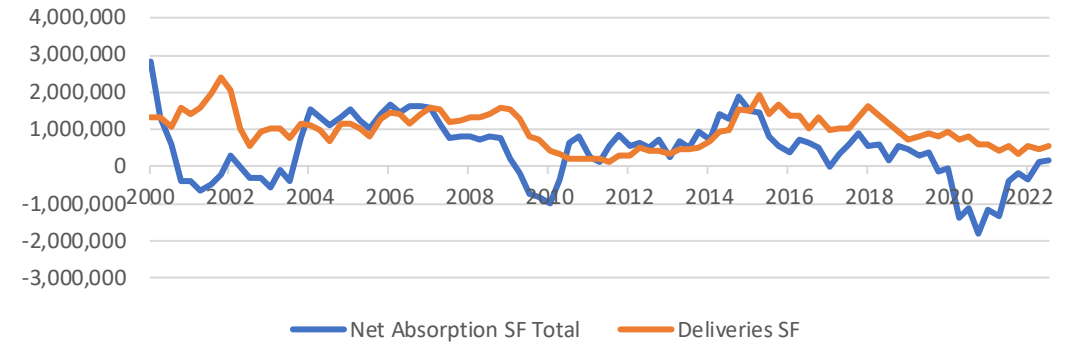
		Current	Previous Quarter	Previous Year
Starts SF	Overall	271,116	453,378	378,988
Net Absorption SF Total	Overall	125,507	-366,214	-1,340,976
Deliveries SF	Overall	466,550	577,653	438,469
Under Construction SF	Overall	2,258,681	2,454,115	2,635,204

Larger
Smaller
 Than Current

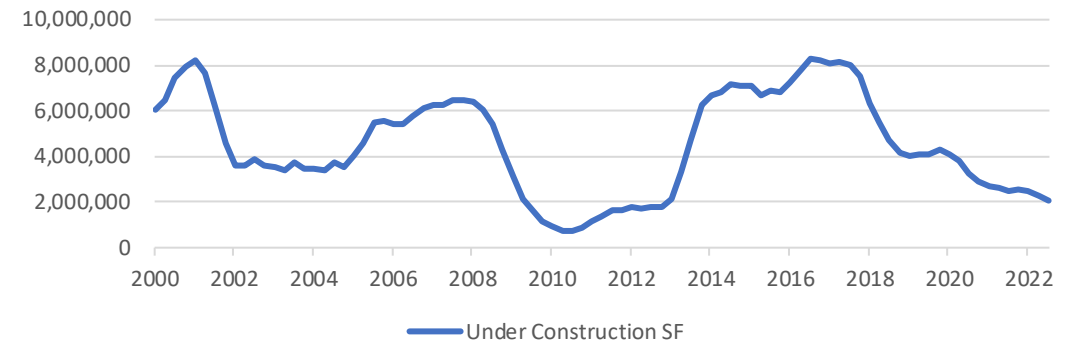
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



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

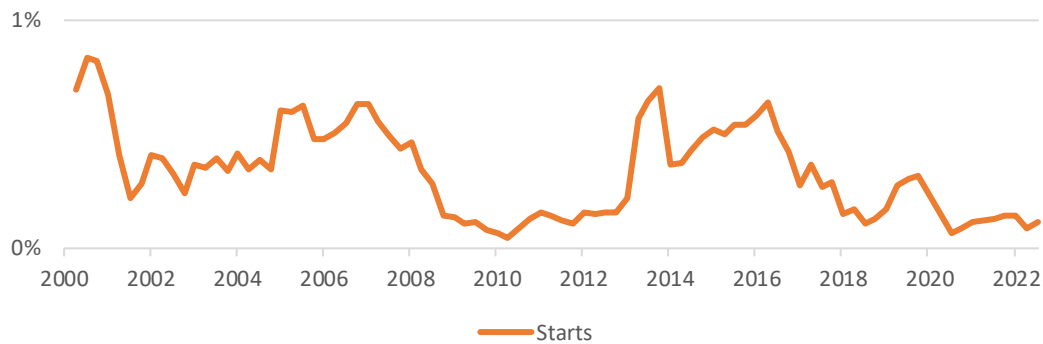
Dallas-Fort Worth Office Market

absorption/construction

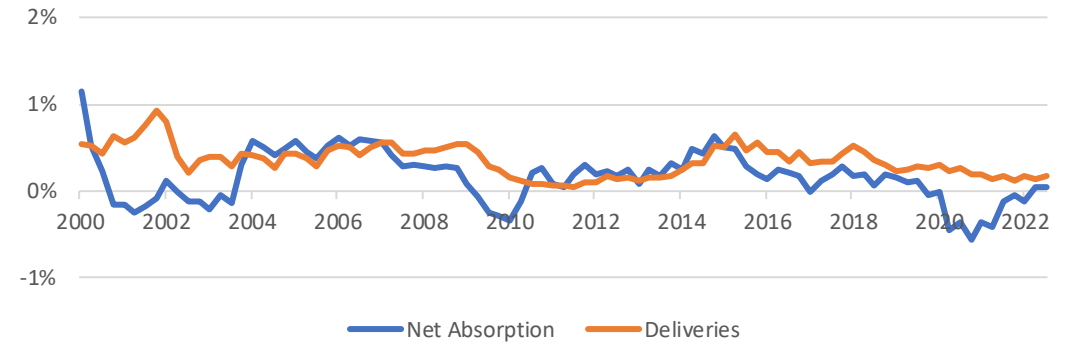
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.09%	0.14%	0.12%
Under Construction Percent	Overall	0.71%	0.77%	0.83%
Absorption Percent	Overall	0.04%	-0.12%	-0.42%
Deliveries Percent	Overall	0.15%	0.18%	0.14%

Larger
Smaller
 Than Current

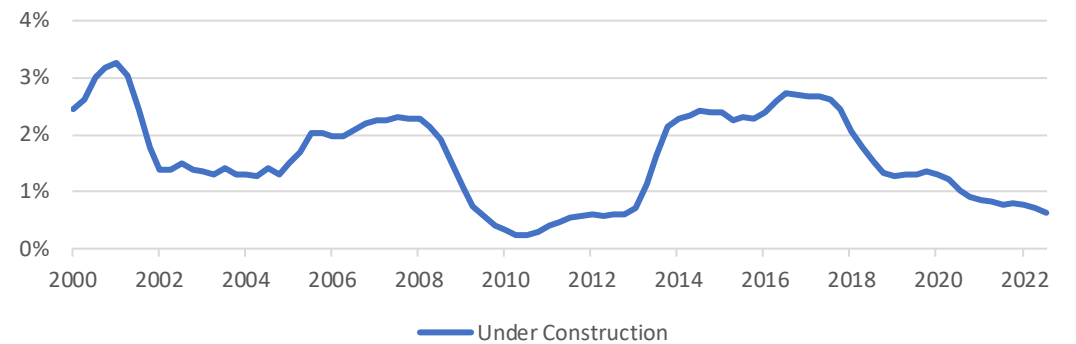
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

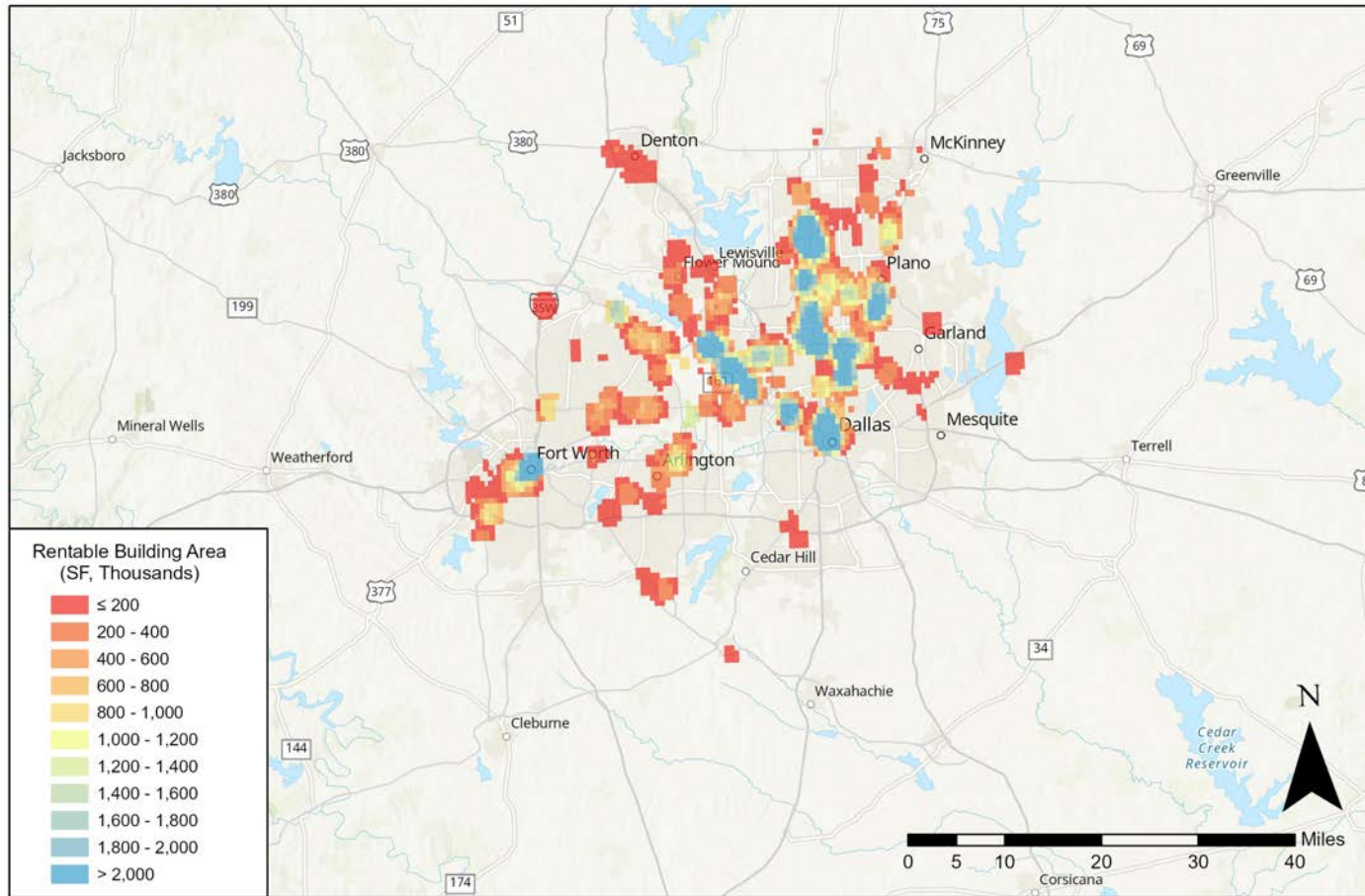


Under Construction as Percent of Inventory



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

Rentable Building Area DFW Metro Office LMAs



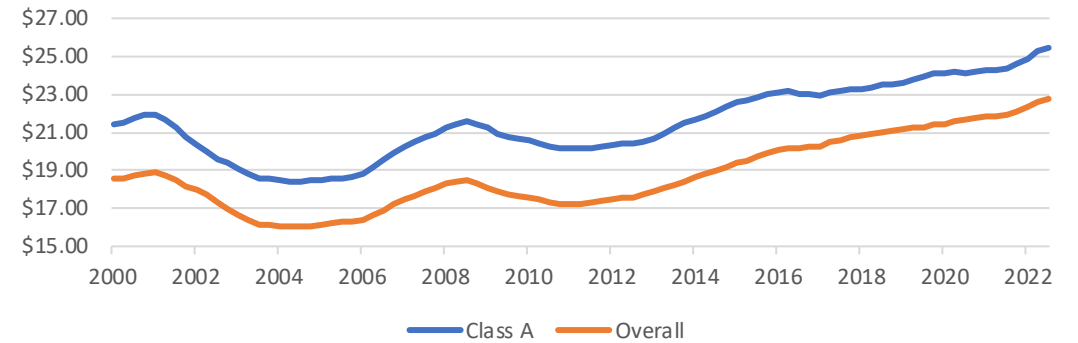
Sources: Costar, Esri, CGIAR, USGS, Baylor University, Texas Parks & Wildlife, HERE, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

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

Dallas-Fort Worth Office Market *rent*



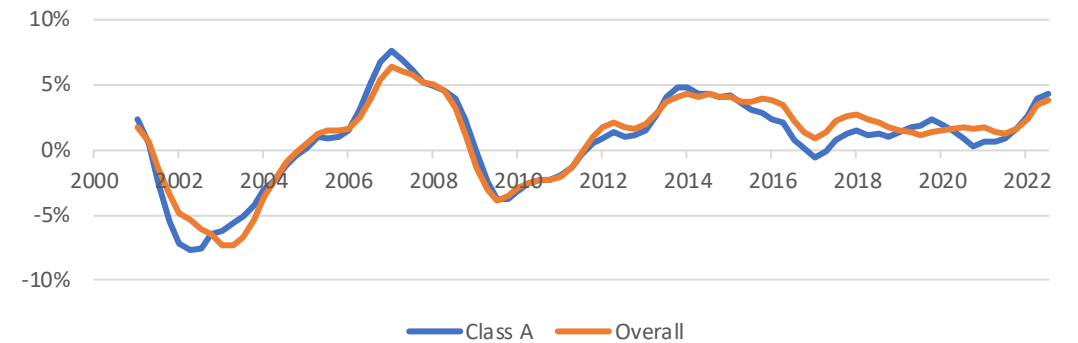
Office Base Rent



		Current	Previous Quarter	Previous Year
Base Rent	Class A	\$25.29	\$24.92	\$24.33
Base Rent	Overall	\$22.65	\$22.35	\$21.89

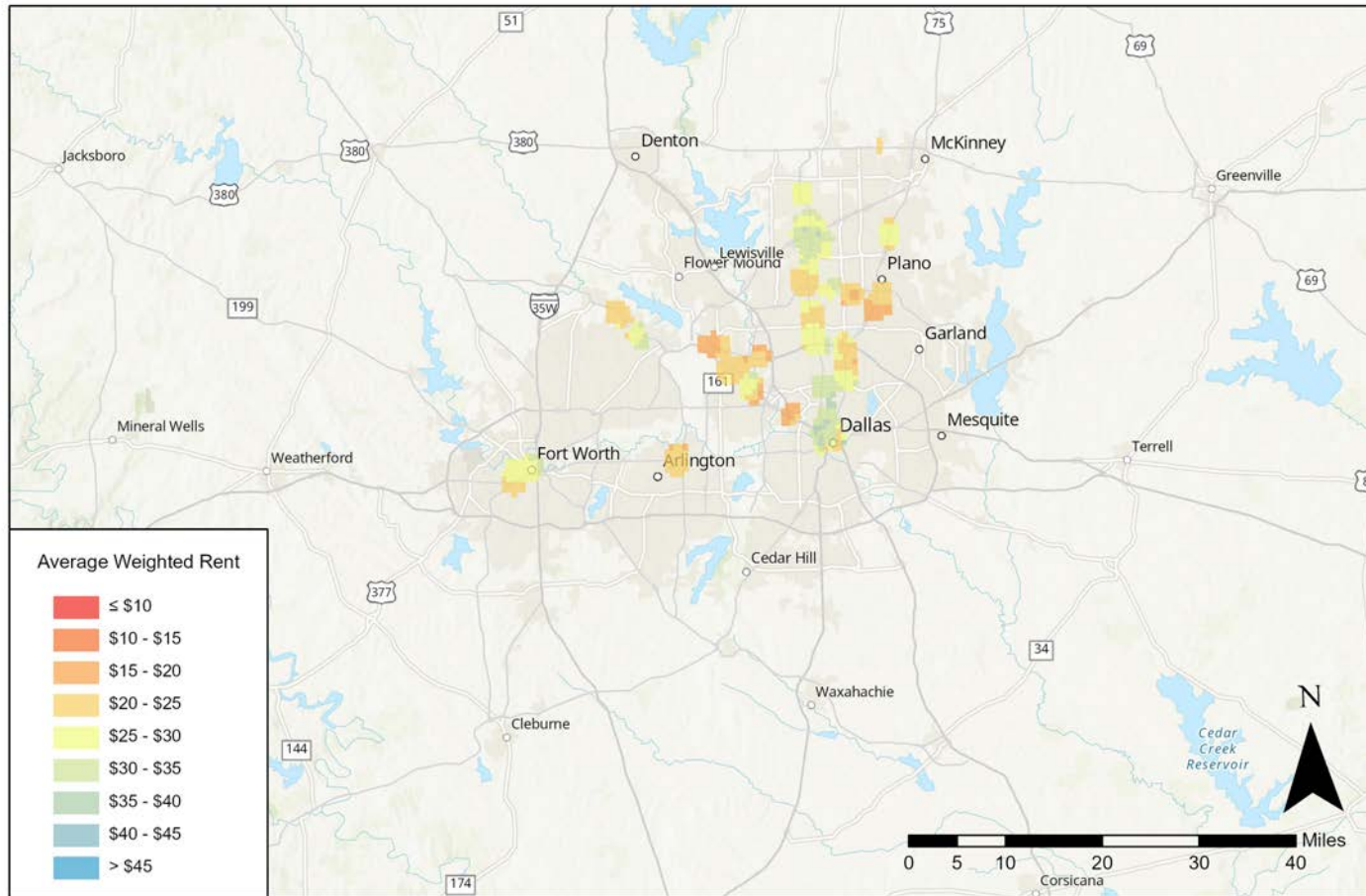
Larger Than Current
Smaller Than Current

Office Base Rent YoY Growth



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

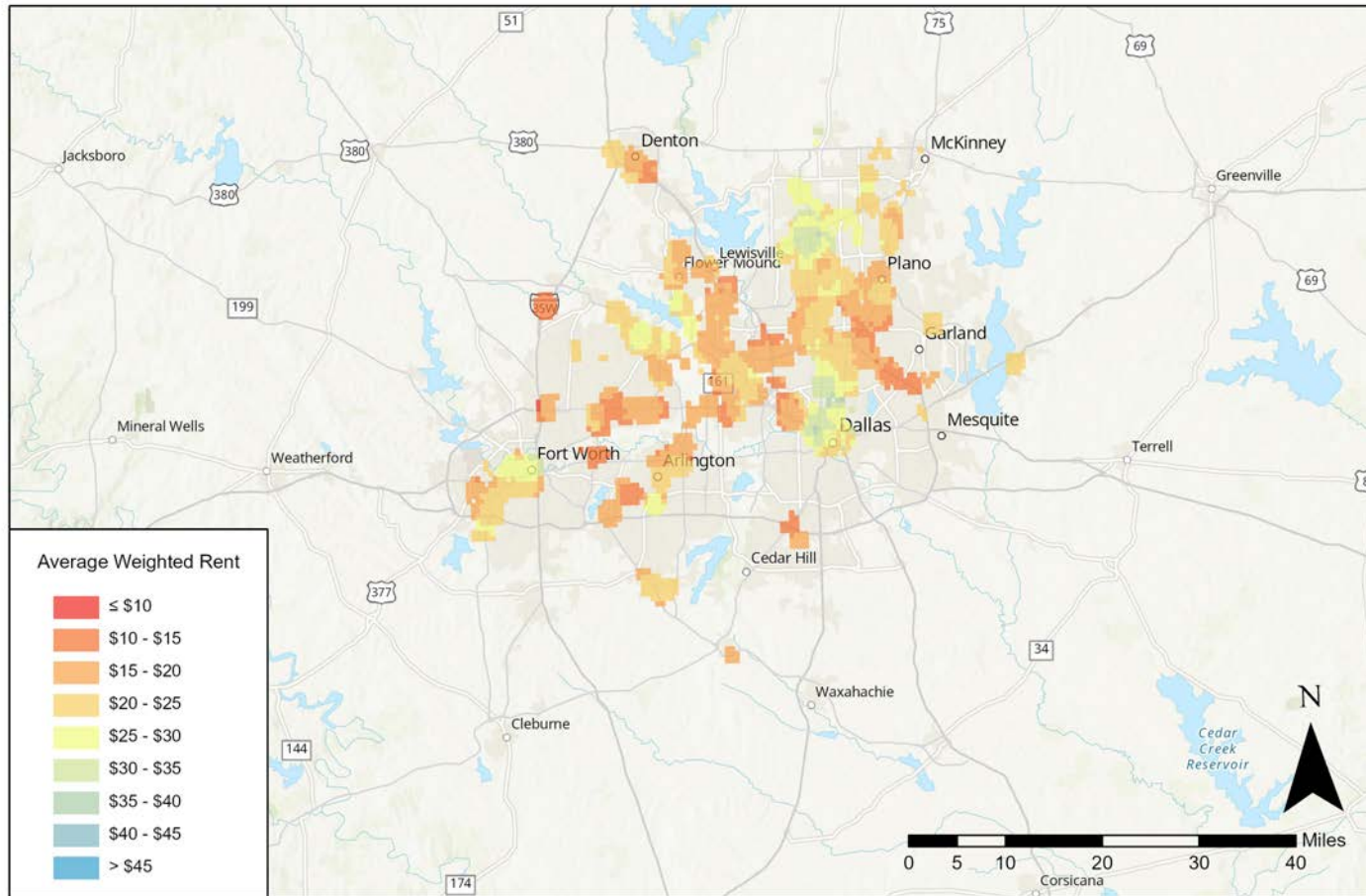
Average Weighted Rent DFW Metro Class A Office Buildings



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

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

Average Weighted Rent DFW Metro Office LMAs



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 Office Market *vacancy*



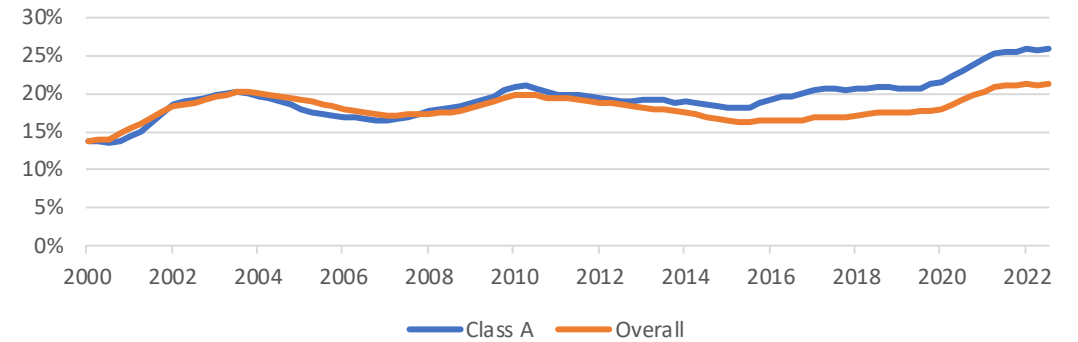
Vacant Percent % Total
 Vacant Percent % Total
 Availability less Vacancy
 Availability less Vacancy

Class A
 Overall
 Class A
 Overall

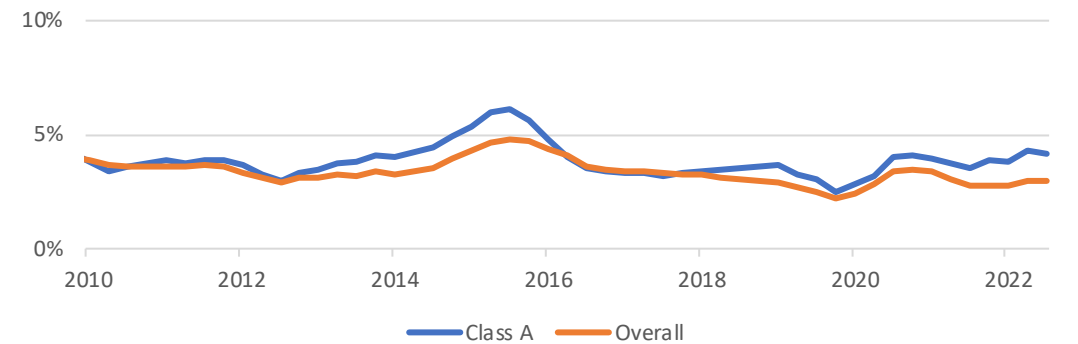
	Current	Previous Quarter	Previous Year
Vacant Percent % Total (Class A)	25.83%	25.90%	25.33%
Vacant Percent % Total (Overall)	21.23%	21.33%	20.83%
Availability less Vacancy (Class A)	4.33%	3.80%	3.77%
Availability less Vacancy (Overall)	3.00%	2.77%	3.07%

Larger Than Current
 Smaller Than Current

Vacancy

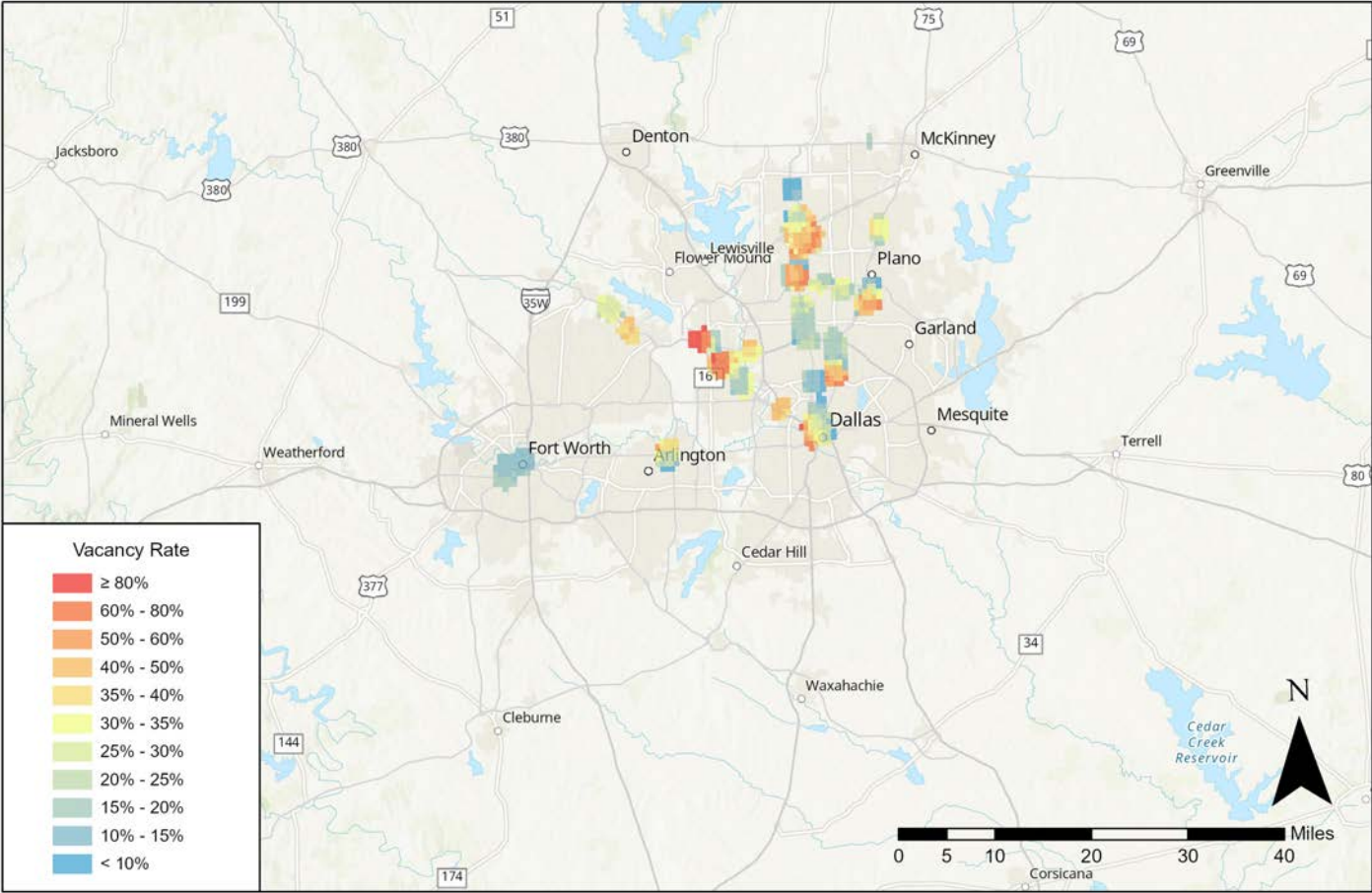


Availability less Vacancy



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

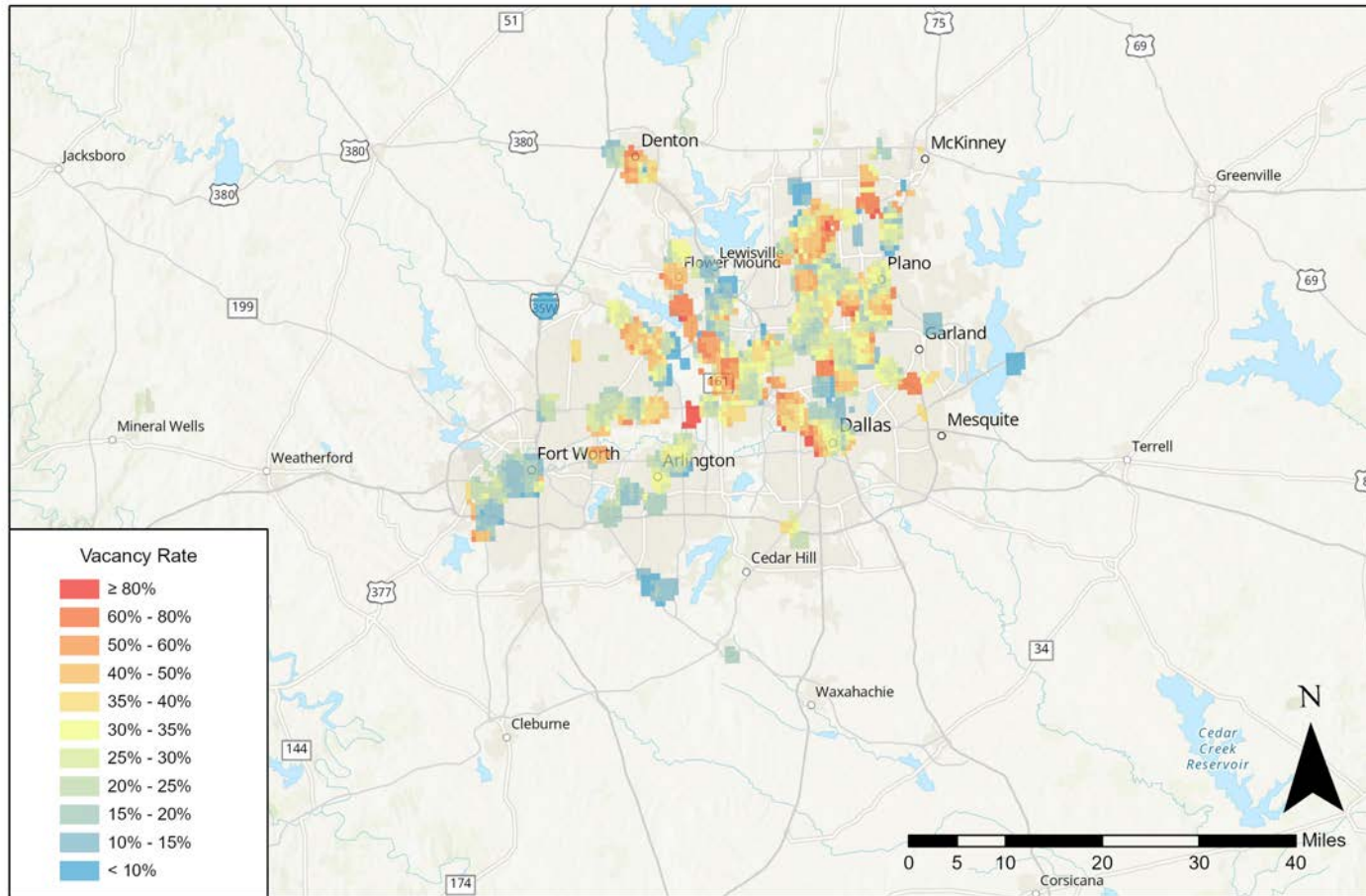
Vacancy DFW Metro Class A Office LMAs



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

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

Vacancy DFW Metro Office LMAs



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

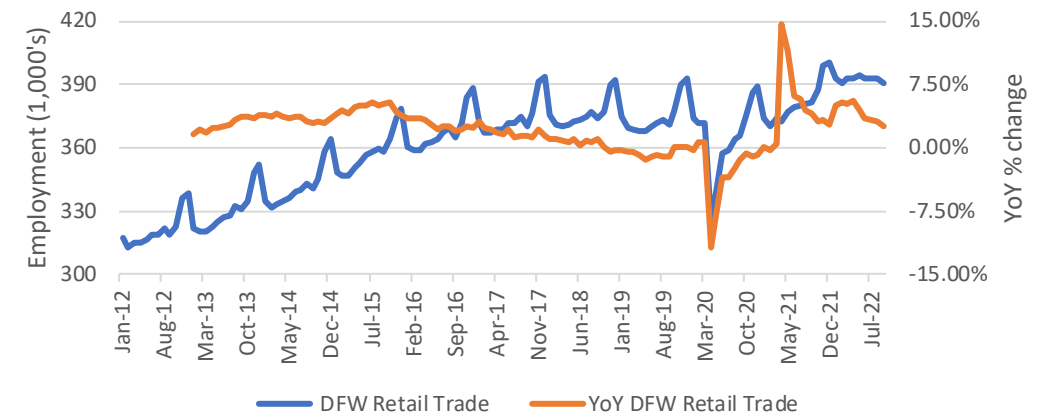
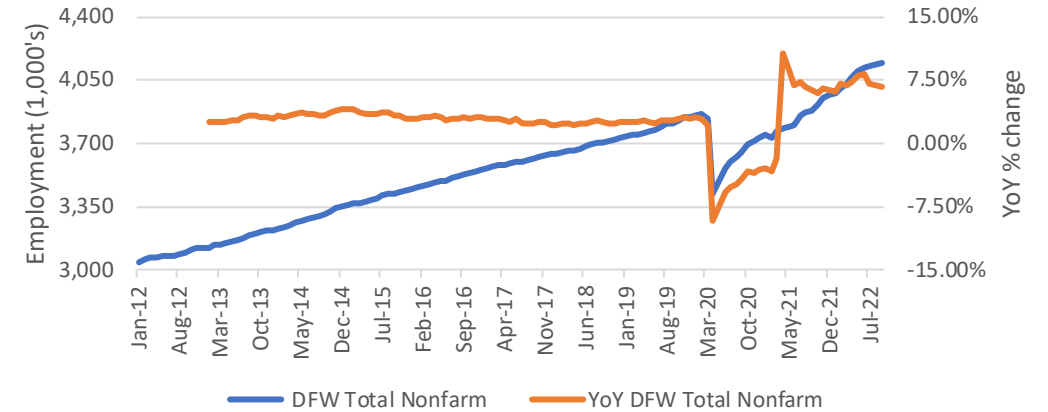
key employment trends

DFW Total Nonfarm

Sep-22	Sep-21	Change	YoY
4,146,000	3,885,200	260,800	6.71%

DFW Retail Trade

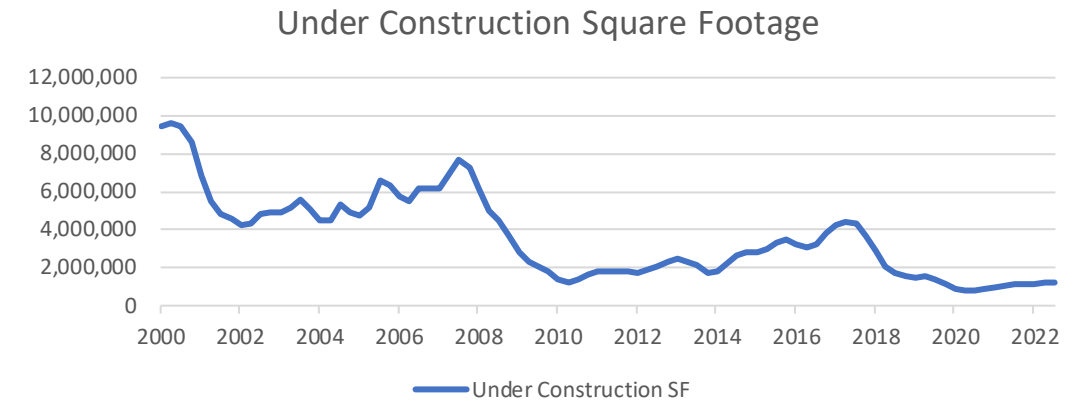
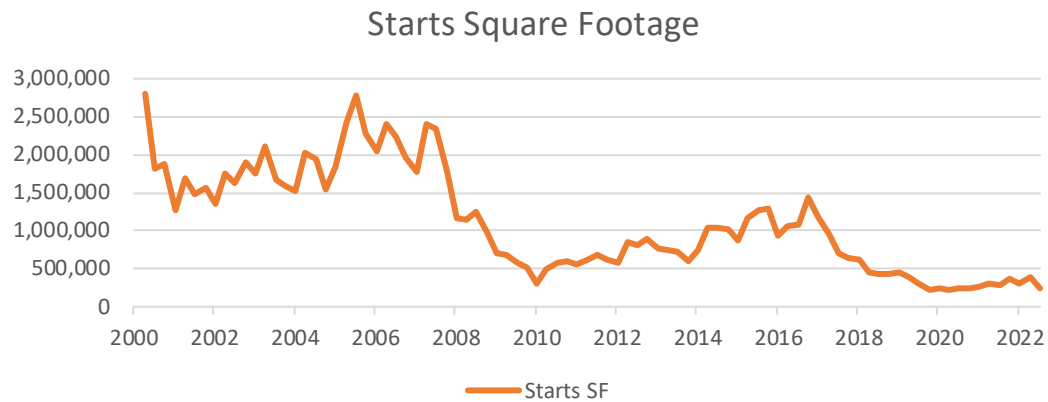
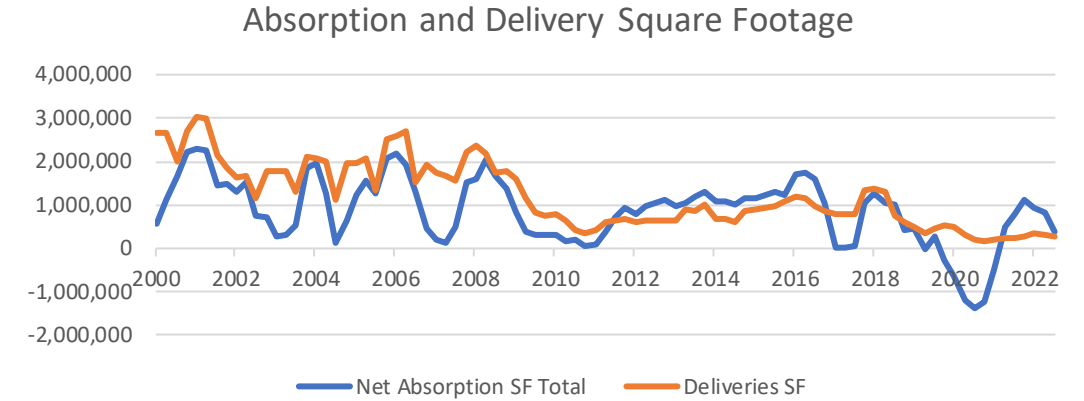
Sep-22	Sep-21	Change	YoY
391,000	381,300	9,700	2.54%



Sources: BLS, 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	385,725	301,990	305,518
Net Absorption SF Total	Overall	811,240	926,194	481,127
Deliveries SF	Overall	315,294	345,295	221,358
Under Construction SF	Overall	1,199,944	1,129,513	1,036,389



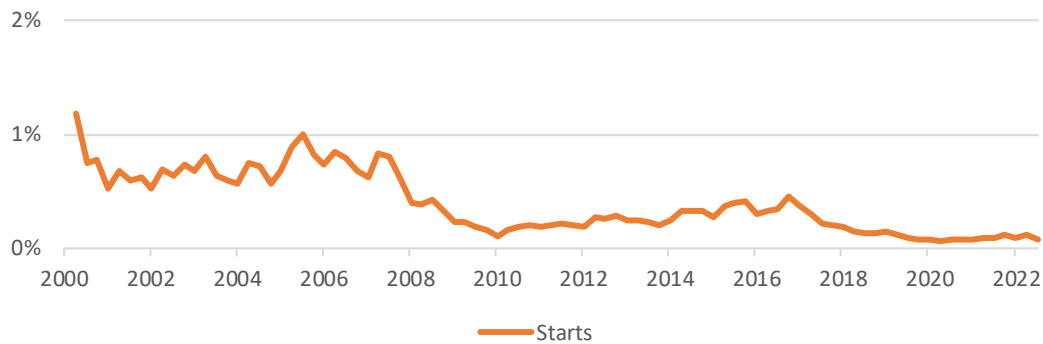
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Dallas-Fort Worth Retail Market *absorption/construction*

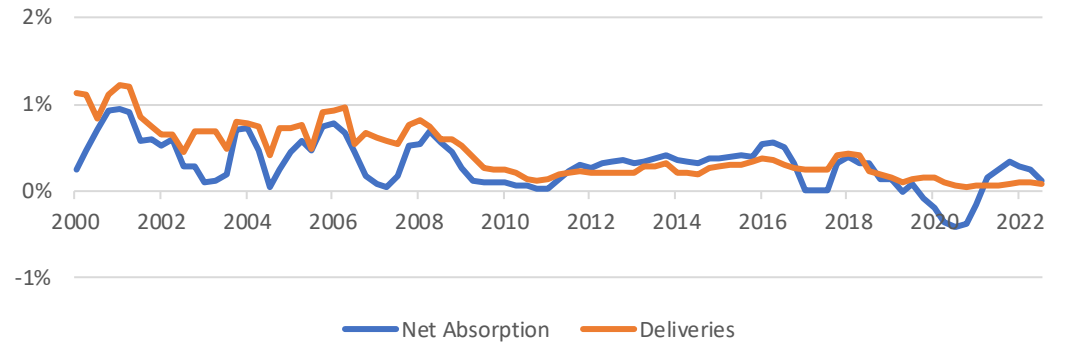
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.12%	0.09%	0.09%
Under Construction Percent	Overall	0.37%	0.35%	0.32%
Absorption Percent	Overall	0.25%	0.29%	0.15%
Deliveries Percent	Overall	0.10%	0.11%	0.07%

Larger
Smaller
 Than Current

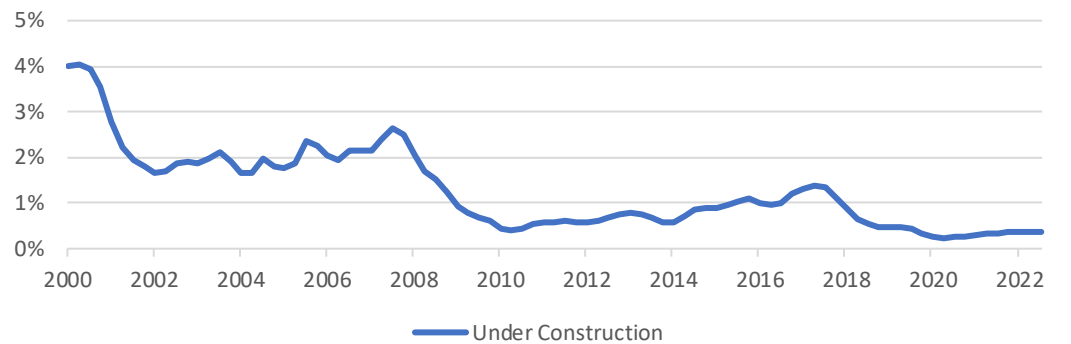
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

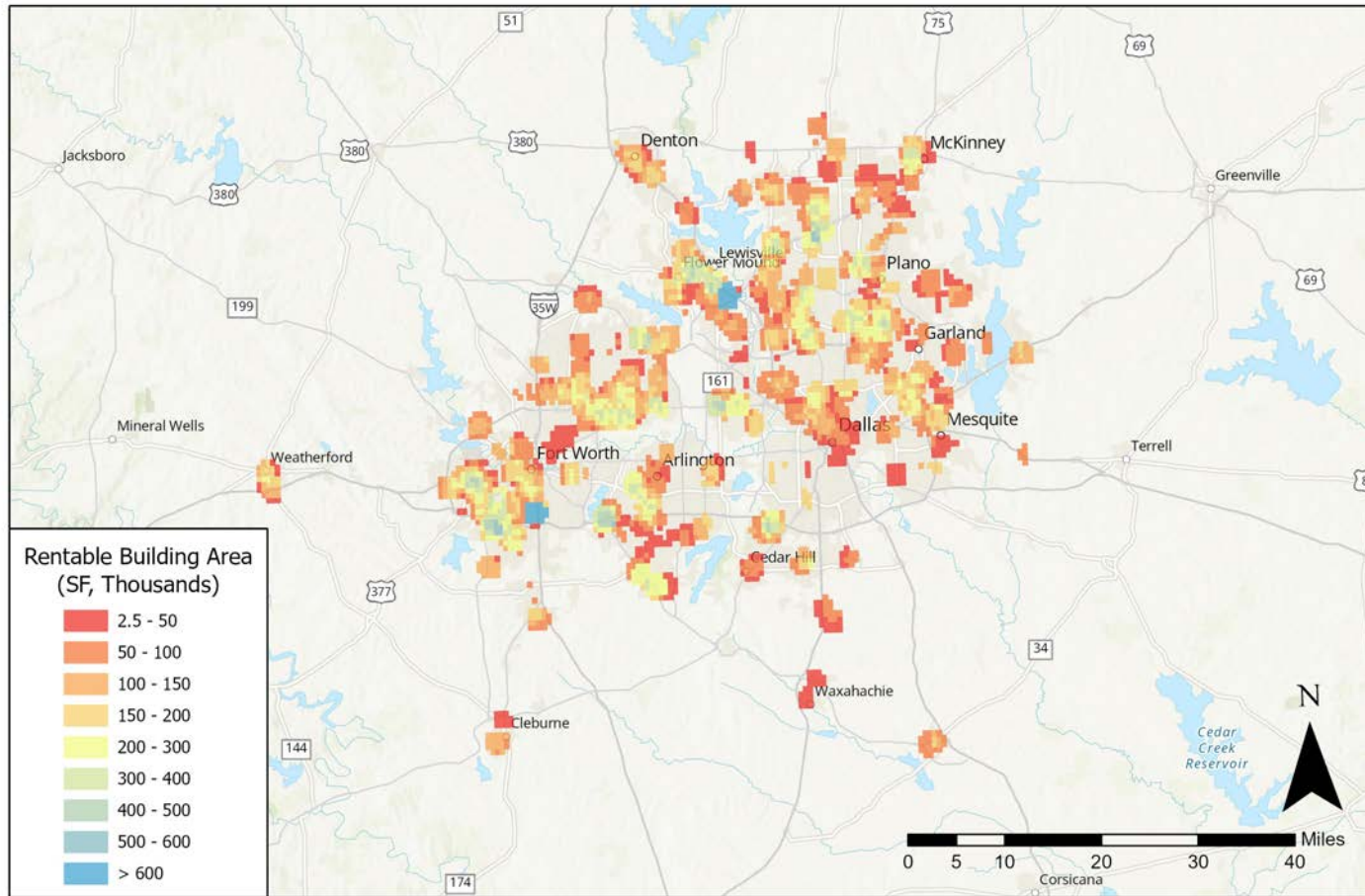


Under Construction as Percent of Inventory



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

Rentable Building Area DFW Metro Retail LMAs



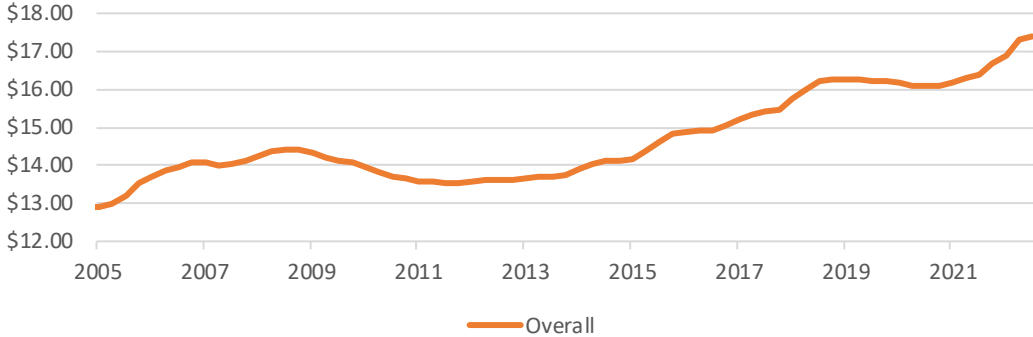
Sources: Costar, Esri, CGIAR, USGS, Baylor University, Texas Parks & Wildlife, HERE, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

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

Dallas-Fort Worth Retail Market *rent*



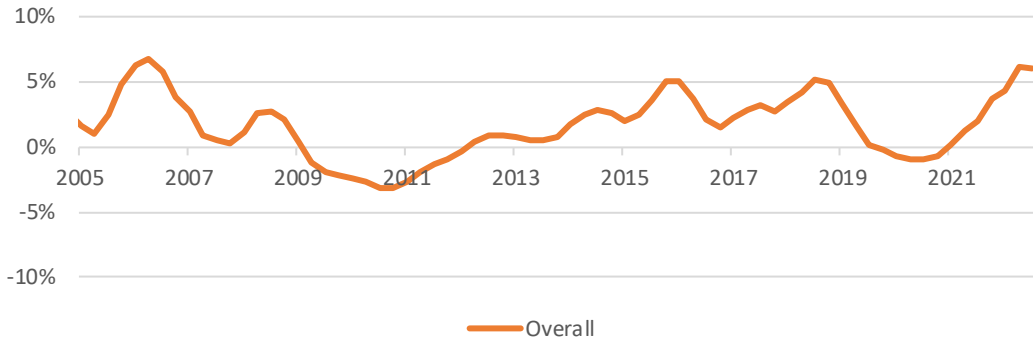
NNN Rent



Category	Overall	Current	Previous Quarter	Previous Year
NNN Rent Overall	Overall	\$17.33	\$16.91	\$16.32

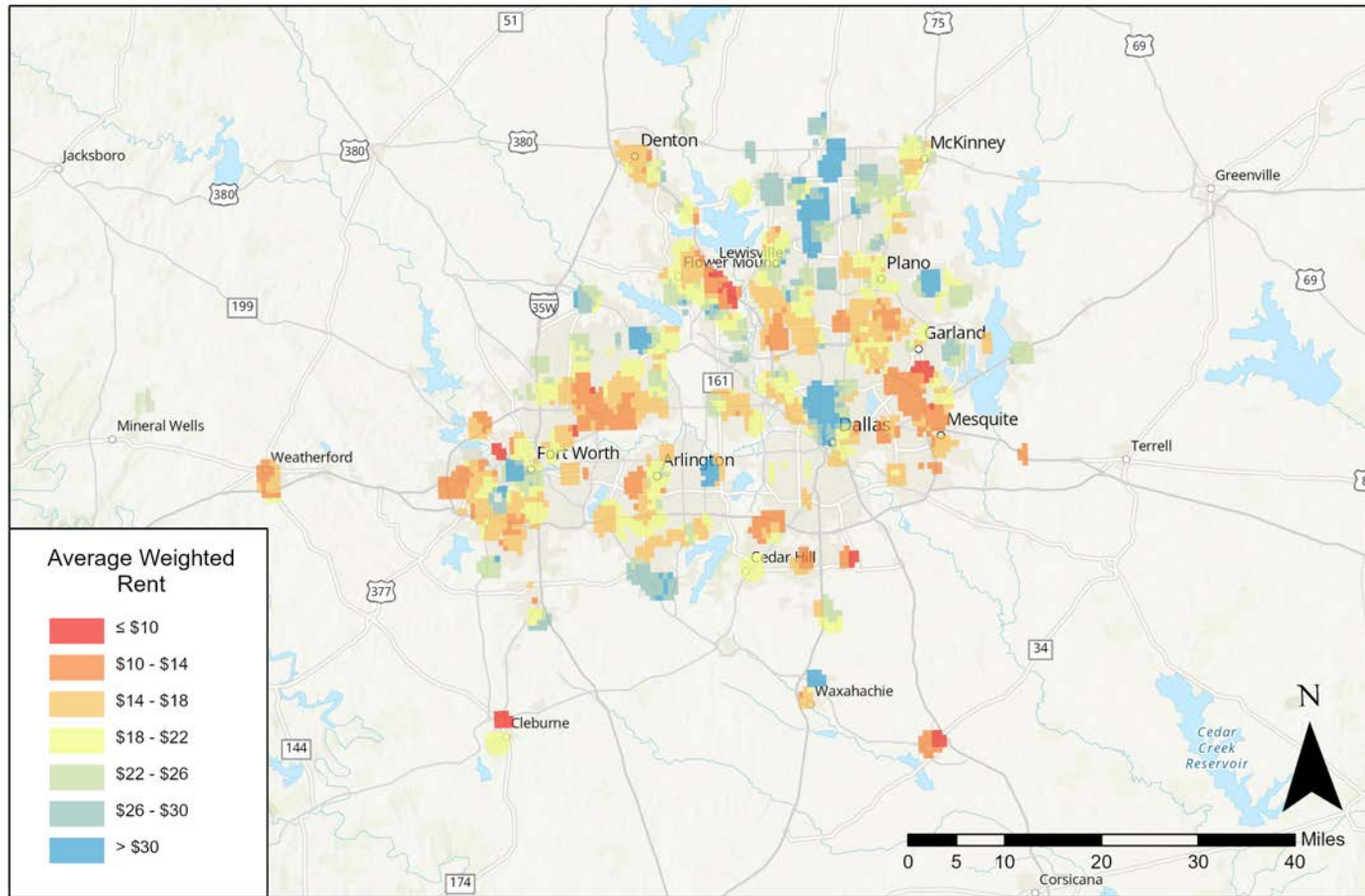
Larger
Smaller
 Than Current

NNN Rent YoY Growth



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

Average Weighted Rent DFW Metro Retail LMAs



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*

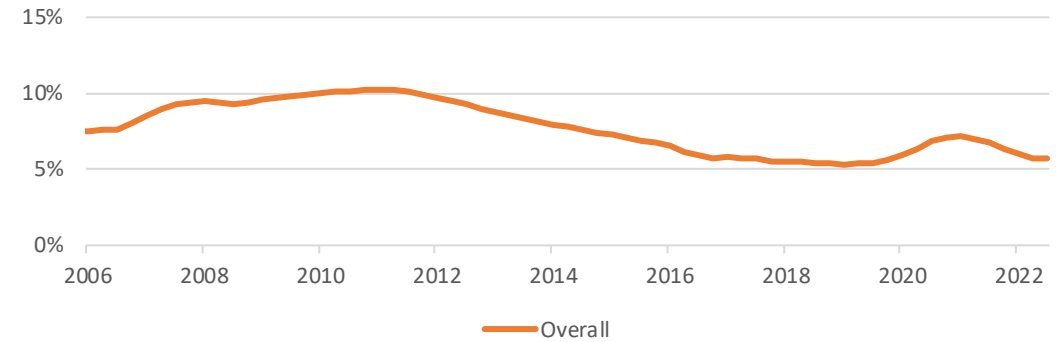


Vacant Percent % Total
Availability less Vacancy

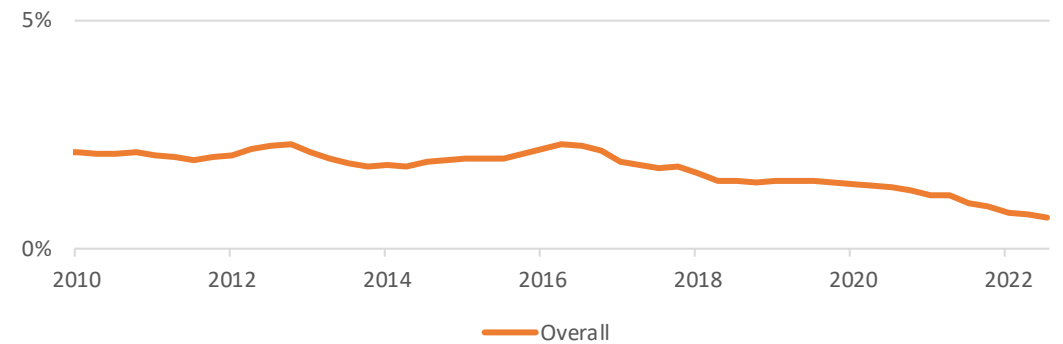
	Current	Previous Quarter	Previous Year
Overall	5.77%	6.07%	7.00%
Overall	0.77%	0.80%	1.17%

Larger
Smaller
Than Current

Vacancy

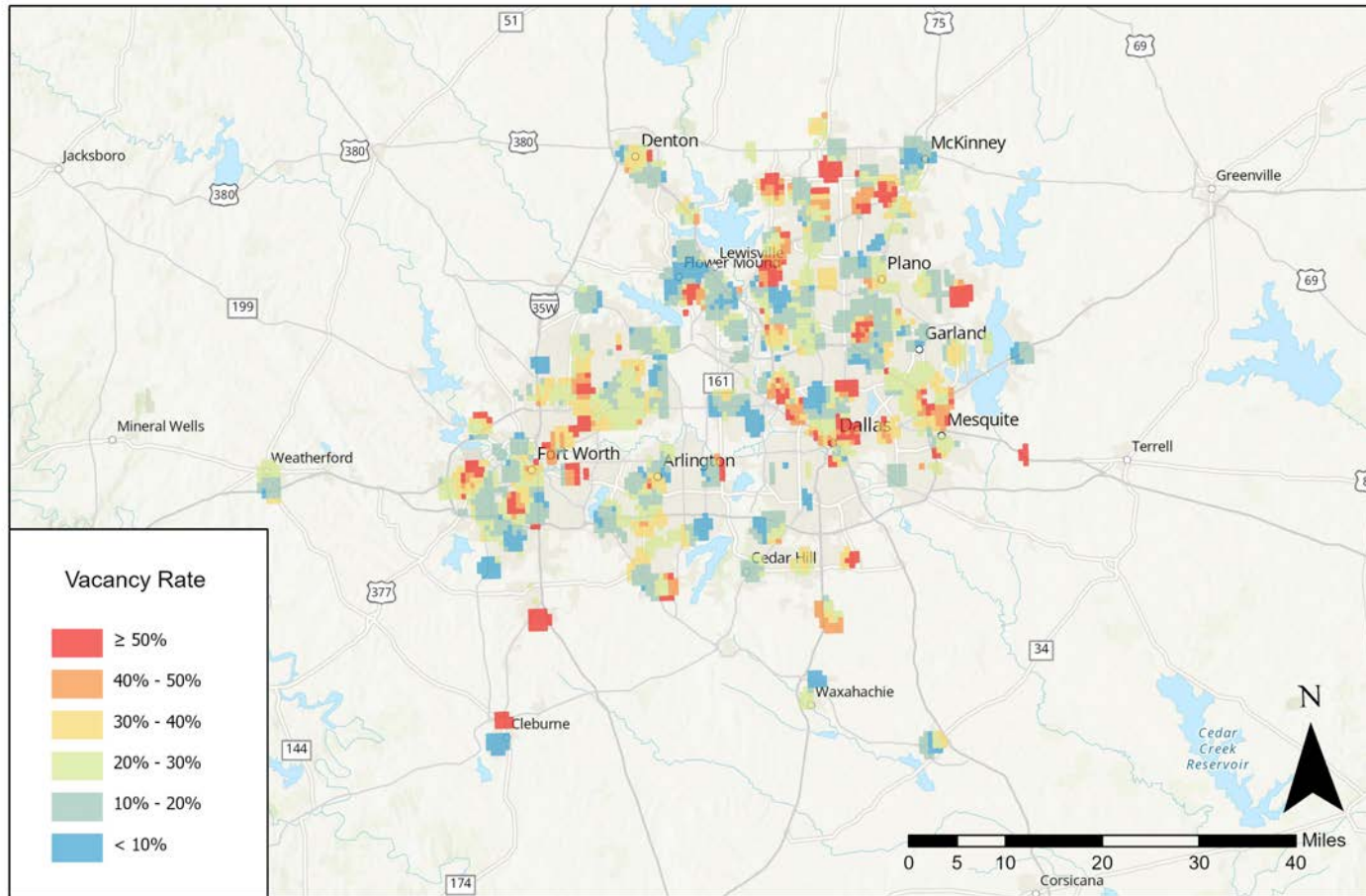


Availability less Vacancy



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

Vacancy DFW Metro Retail LMAs



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

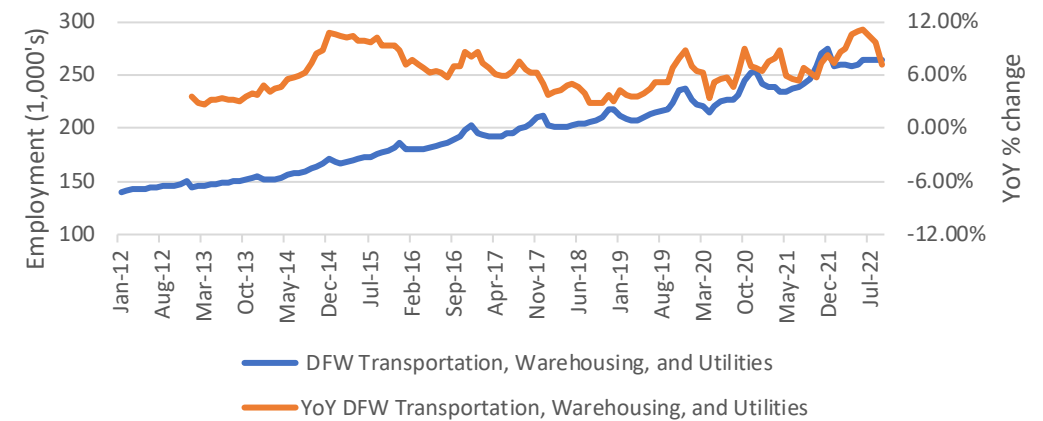
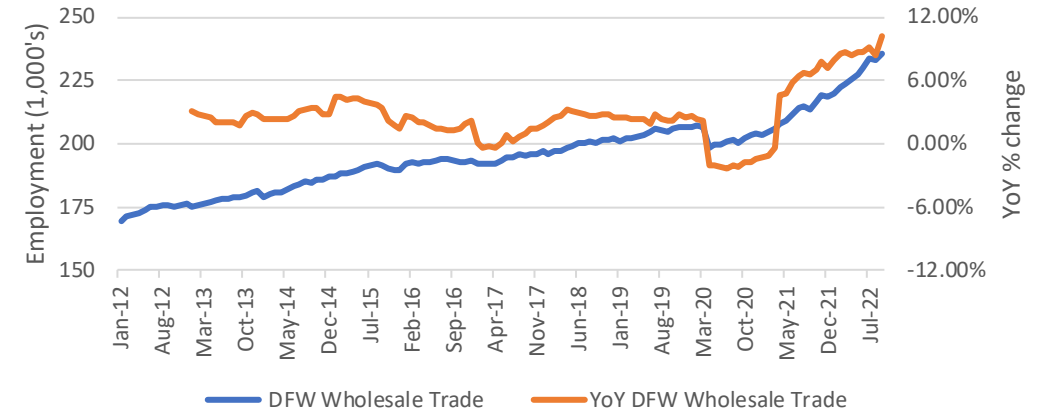
key employment trends

DFW Wholesale Trade

Sep-22	Sep-21	Change	YoY
235,600	213,800	21,800	10.20%

DFW Transportation, Warehousing, and Utilities

Sep-22	Sep-21	Change	YoY
264,200	246,300	17,900	7.27%



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

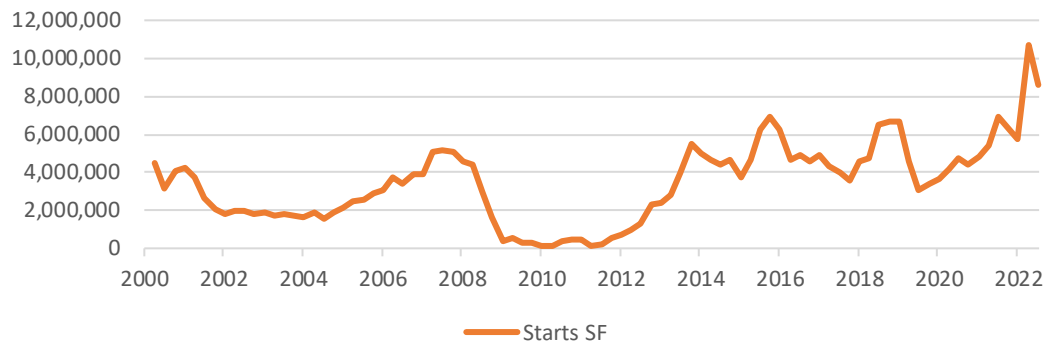
Dallas-Fort Worth Warehouse Market

absorption/construction

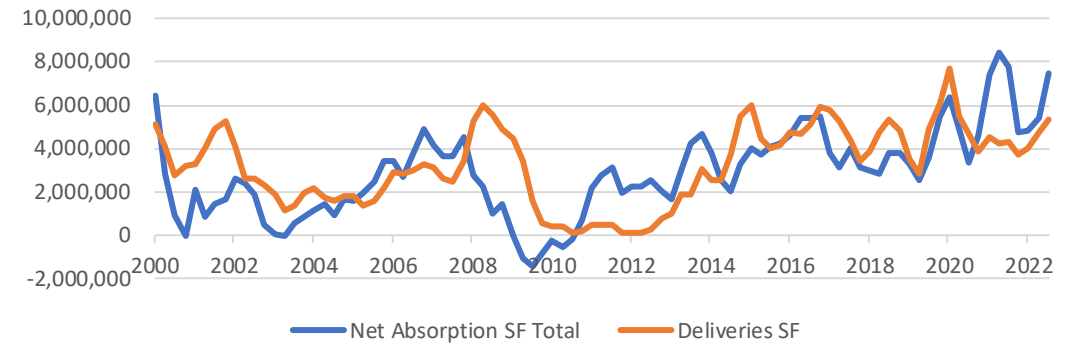
		Current	Previous Quarter	Previous Year
Starts SF	Overall	10,746,322	5,723,305	5,451,342
Net Absorption SF Total	Overall	5,456,201	4,814,876	8,420,661
Deliveries SF	Overall	4,726,872	4,028,044	4,245,703
Under Construction SF	Overall	30,909,518	24,890,068	17,935,078

Larger
Smaller
 Than Current

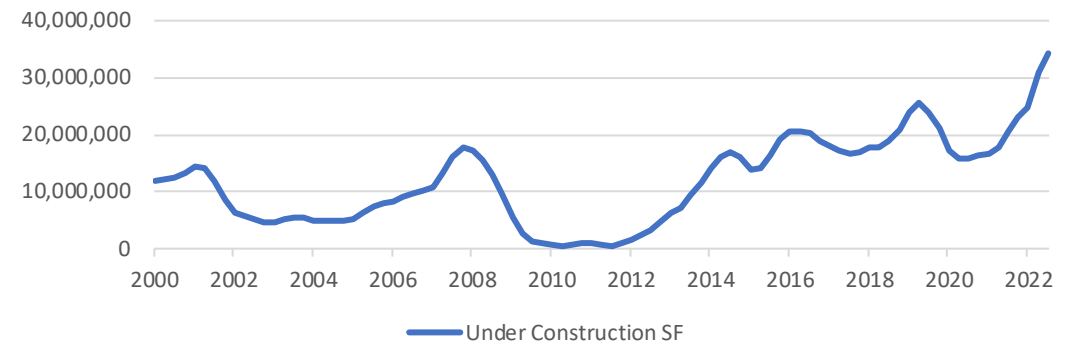
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



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

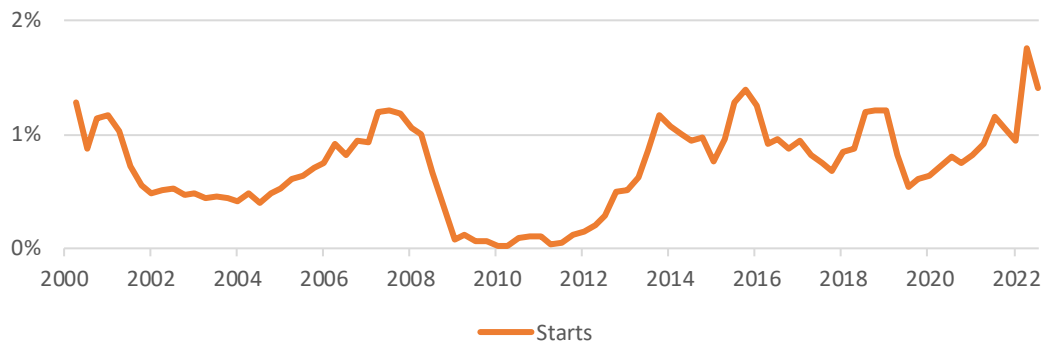
Dallas-Fort Worth Warehouse Market

absorption/construction

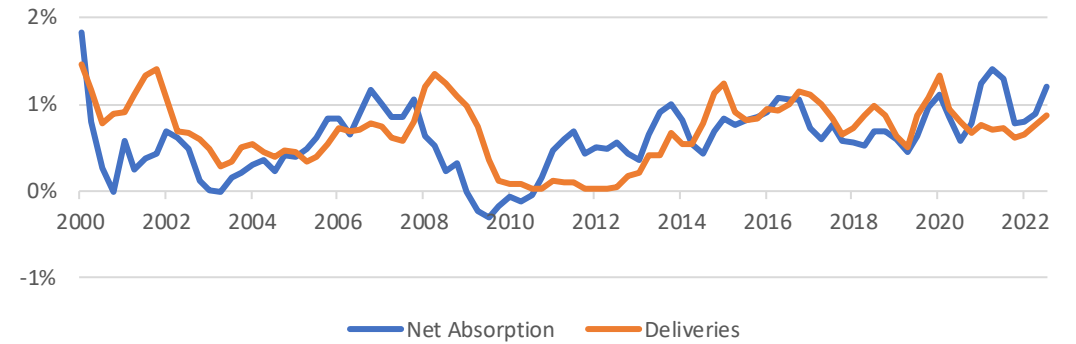
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	1.75%	0.94%	0.91%
Under Construction Percent	Overall	5.04%	4.09%	3.00%
Absorption Percent	Overall	0.89%	0.79%	1.41%
Deliveries Percent	Overall	0.77%	0.66%	0.71%

Larger
Smaller
 Than Current

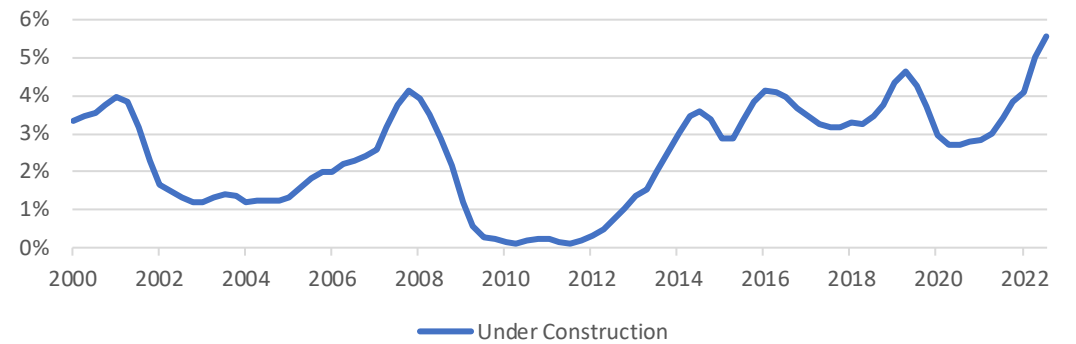
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

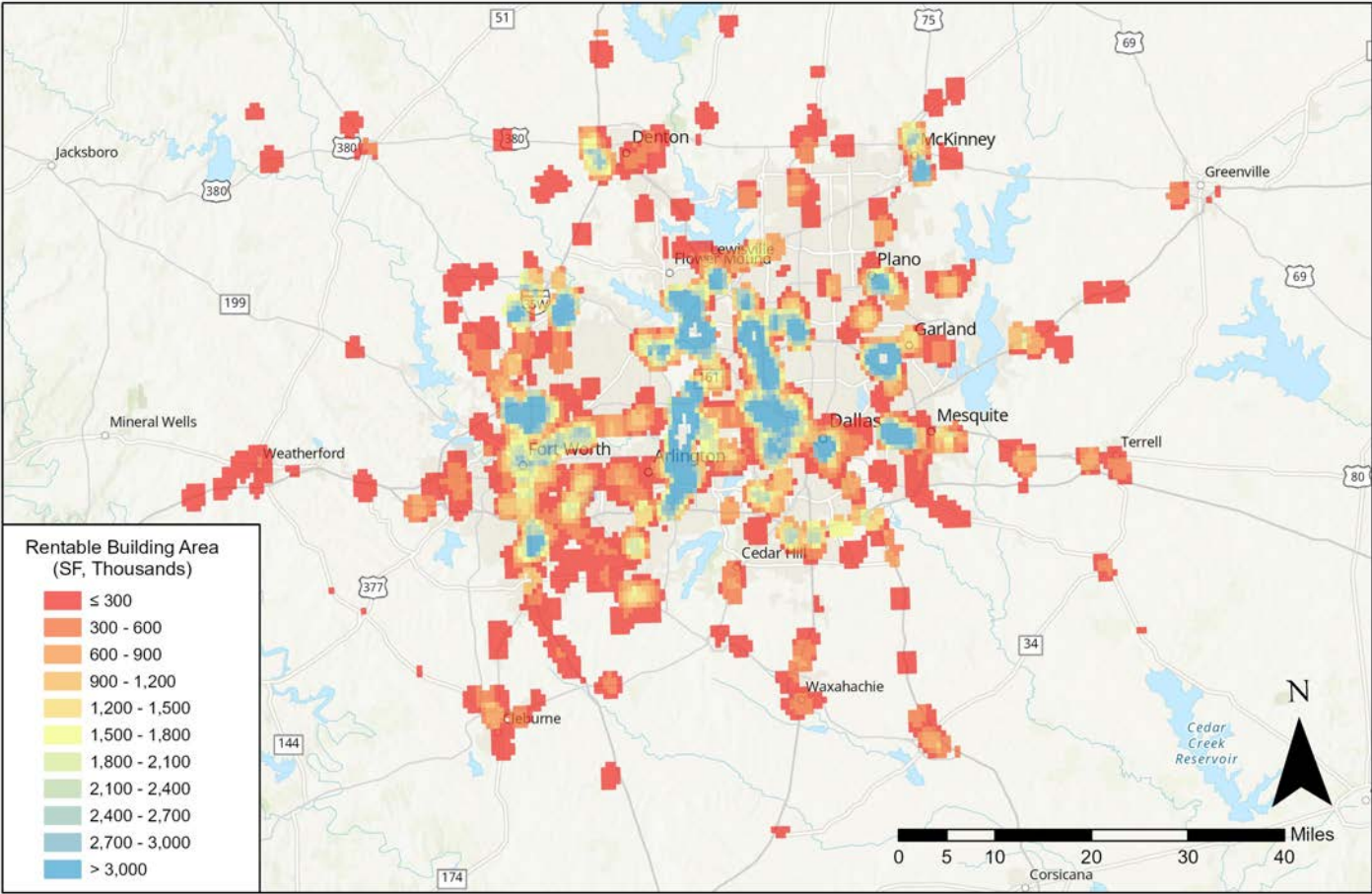


Under Construction as Percent of Inventory



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

Rentable Building Area DFW Metro Warehouse LMAs



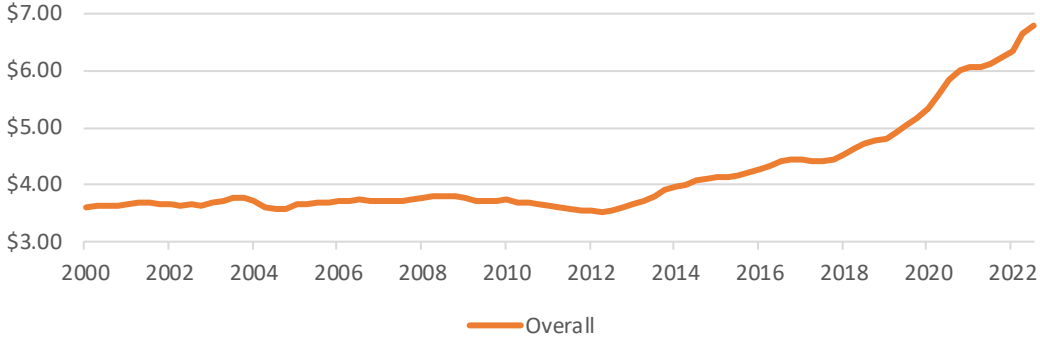
Sources: Costar, Esri, CGIAR, USGS, Baylor University, Texas Parks & Wildlife, HERE, Garmin, SafeGraph, FAO, METI/NASA, EPS, NPS

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

Dallas-Fort Worth Warehouse Market *rent*



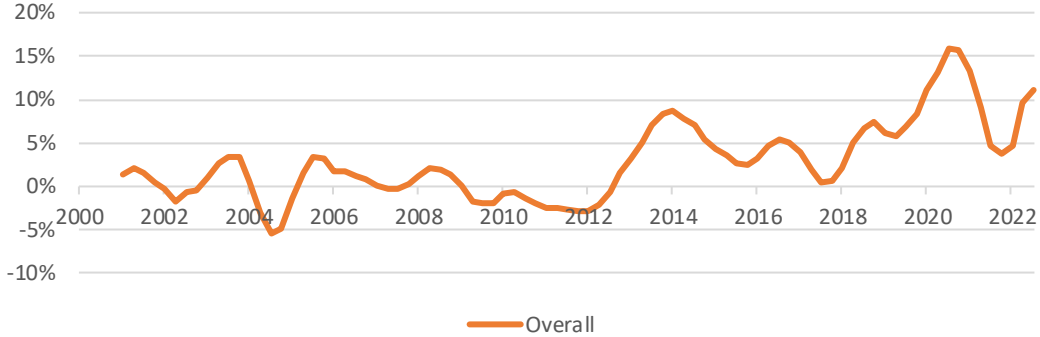
NNN Rent



Category	Current	Previous Quarter	Previous Year
Overall	\$6.66	\$6.35	\$6.07

Larger
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*



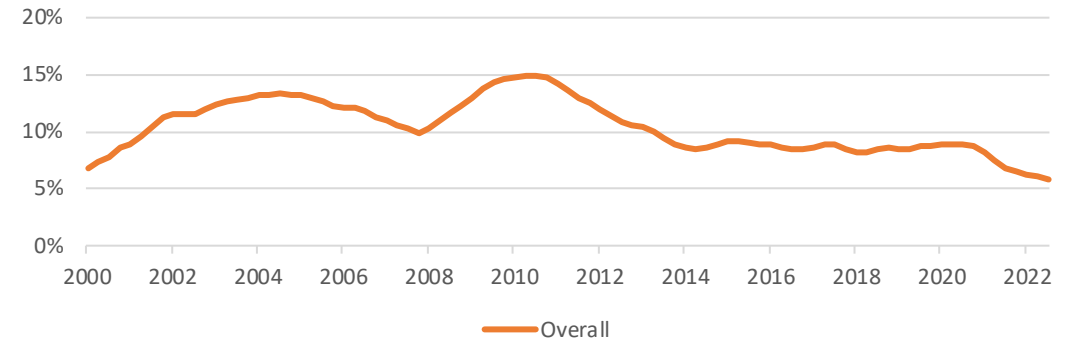
Vacant Percent % Total
Availability less Vacancy

Overall
Overall

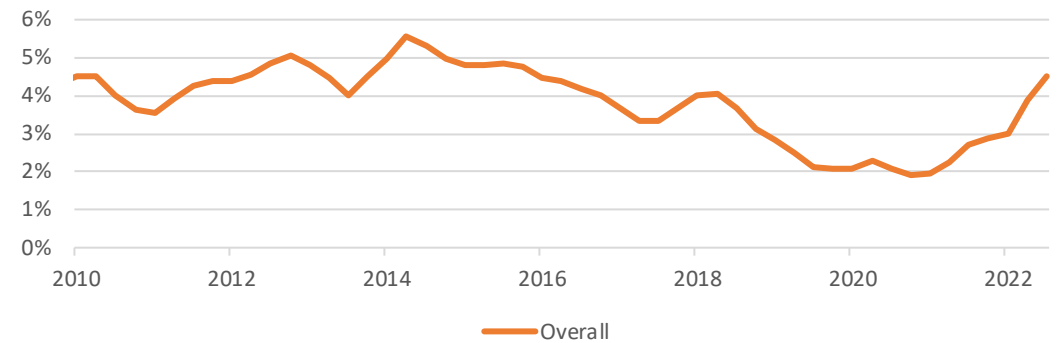
	Current	Previous Quarter	Previous Year
Vacant Percent % Total	6.07%	6.27%	7.43%
Availability less Vacancy	3.90%	3.00%	2.27%

Larger
Smaller
Than Current

Vacancy

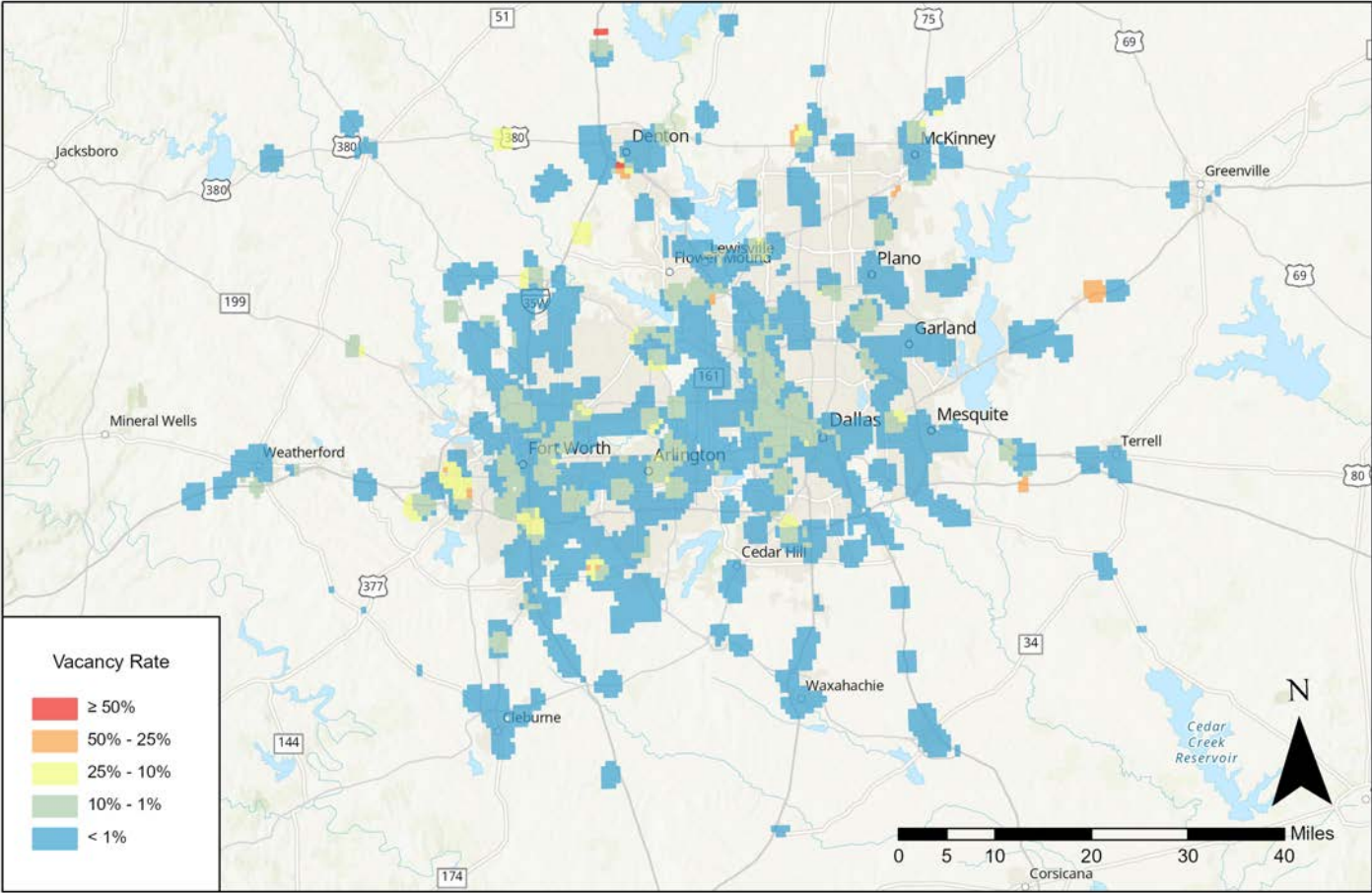


Availability less Vacancy



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

Vacancy DFW Metro Warehouse LMAs



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

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

Houston

- Economy
- Apartments
- Office
- Retail
- Warehouse



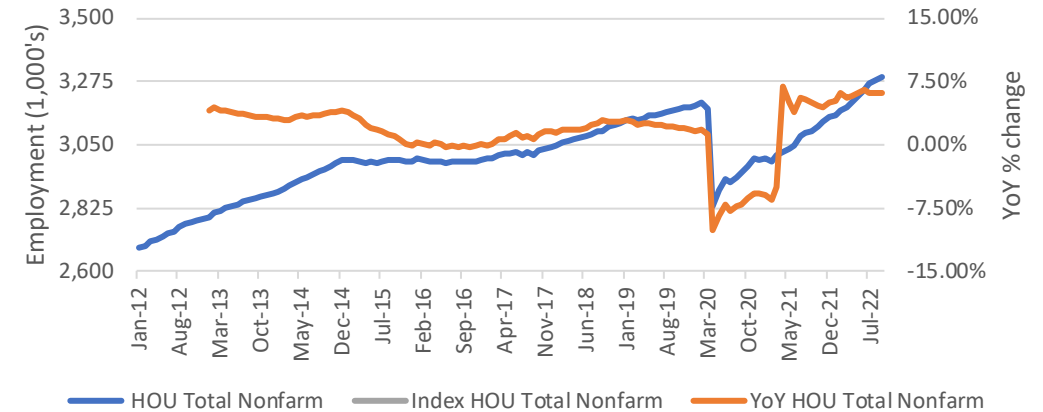
Houston Third Quarter 2022 Summary

- Total employment in the Houston MSA remains strong with growth elevated above pre-COVID trends on both a YOY and monthly basis. 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 has dropped 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. Falling construction levels and expectations of continued economic growth may reduce office vacancies.
- Apartment rent growth remains above historic trends but is moderating. Falling construction levels should mean lower downside risk.

Houston Economy *key employment trends*

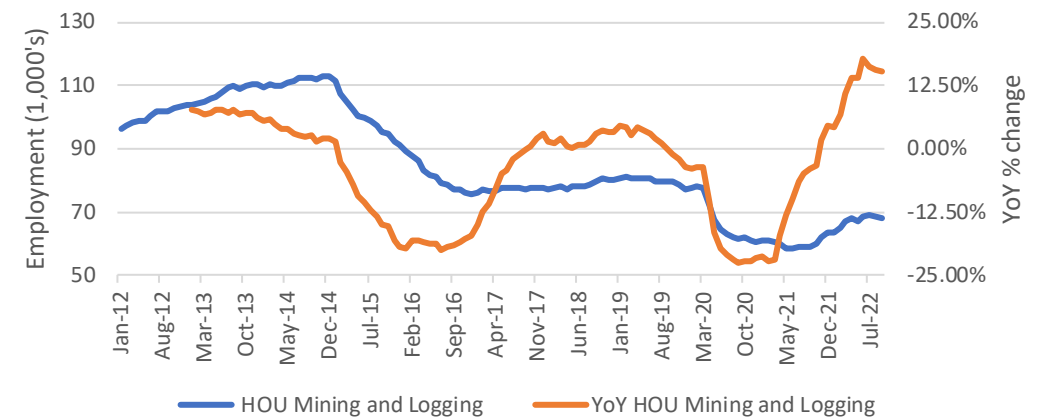
HOU Total Nonfarm

Sep-22	Sep-21	Change	YoY
3,293,500	3,100,600	192,900	6.22%



HOU Mining and Logging

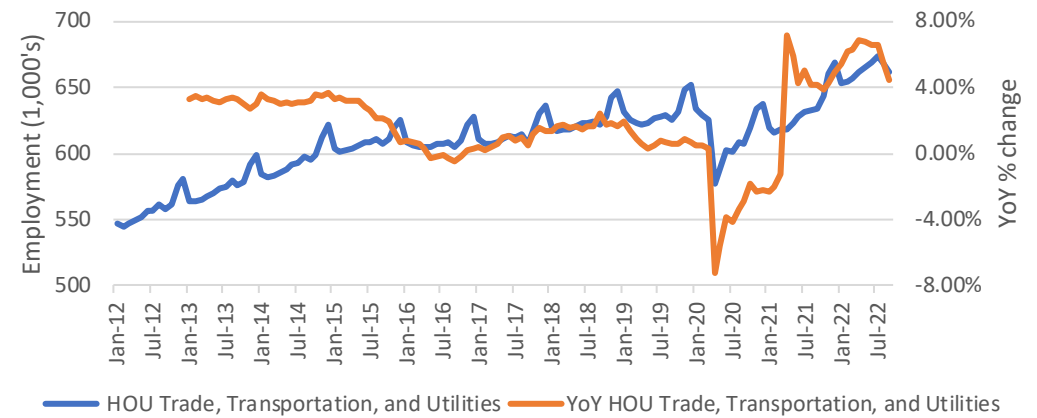
Sep-22	Sep-21	Change	YoY
68,200	59,200	9,000	15.20%



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

Houston Economy *key employment trends*

	Sep-22	Sep-21	Change	YoY
HOU Trade, Transportation, and Utilities	661,700	633,400	28,300	4.47%

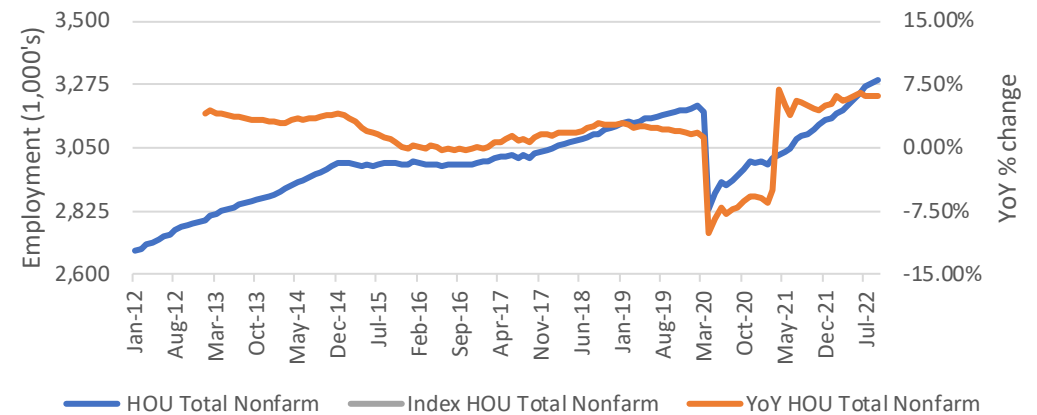


Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Houston Apartment Market *key employment trends*

HOU Total Nonfarm

Sep-22	Sep-21	Change	YoY
3,293,500	3,100,600	192,900	6.22%



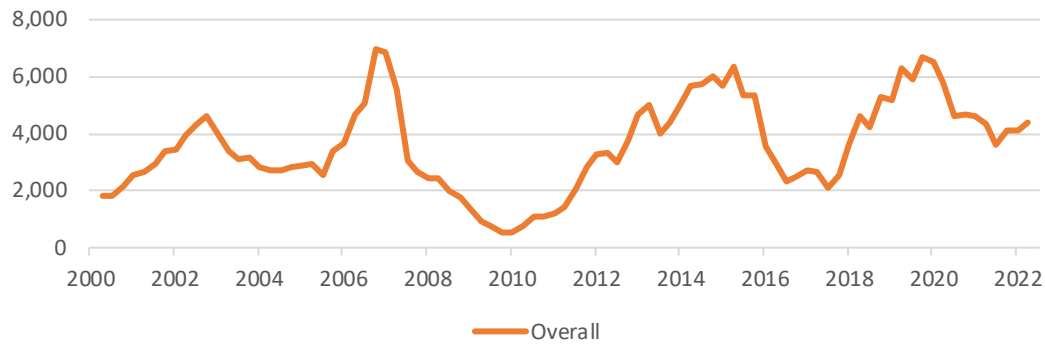
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Houston Apartment Market *absorption/construction*

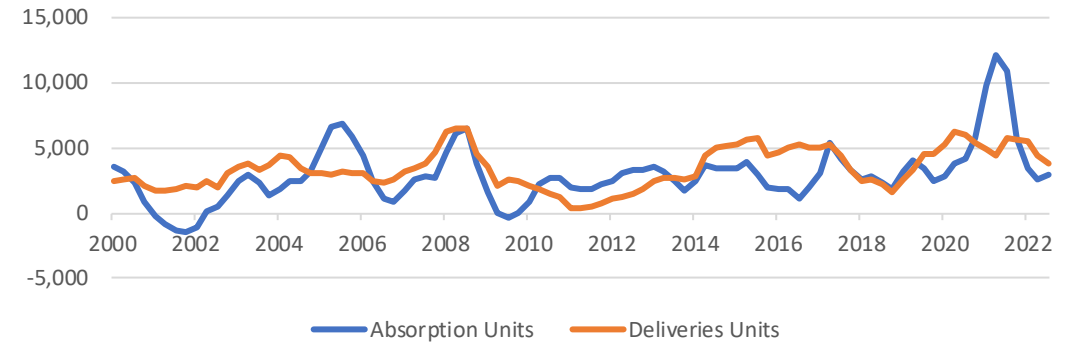
		Current	Previous Quarter	Previous Year
Starts Units	Overall	4,383	4,122	4,351
Absorption Units	Overall	2,523	3,387	12,201
Deliveries Units	Overall	4,474	5,471	4,401
Under Construction Units	Overall	25,874	25,966	31,013

Larger
Smaller
 Than Current

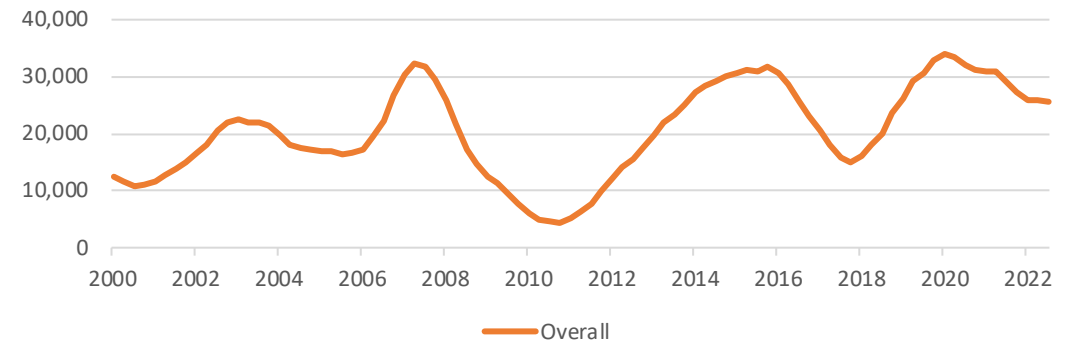
Starts Units



Absorption and Delivery Units



Under Construction Units



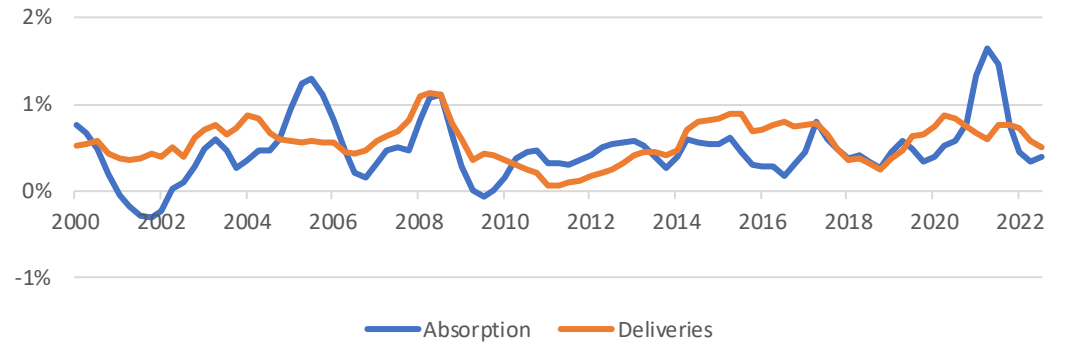
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Apartment Market *absorption/construction*

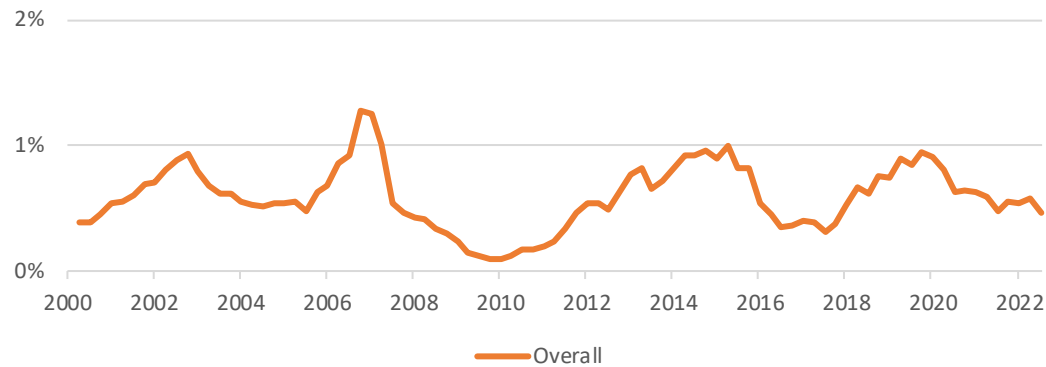
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.58%	0.55%	0.59%
Absorption Percent	Overall	0.33%	0.45%	1.65%
Deliveries Percent	Overall	0.59%	0.72%	0.60%
Under Construction Percent	Overall	3.40%	3.43%	4.20%

Larger
Smaller
 Than Current

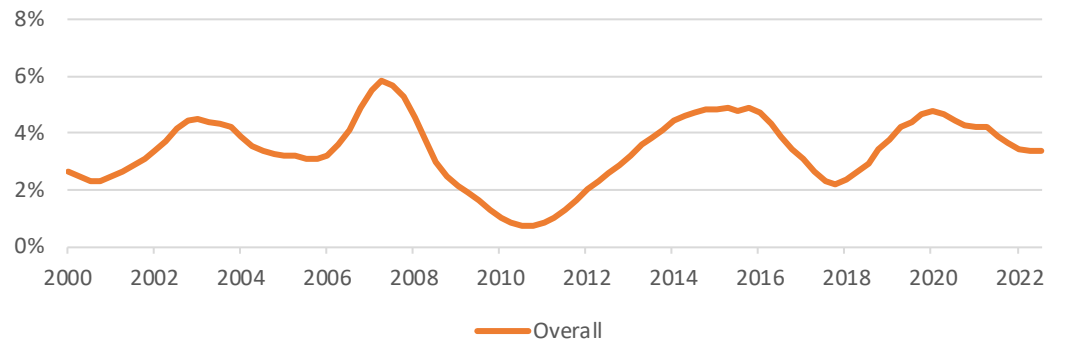
Absorption and Delivery as Percent of Inventory



Starts as Percent of Inventory

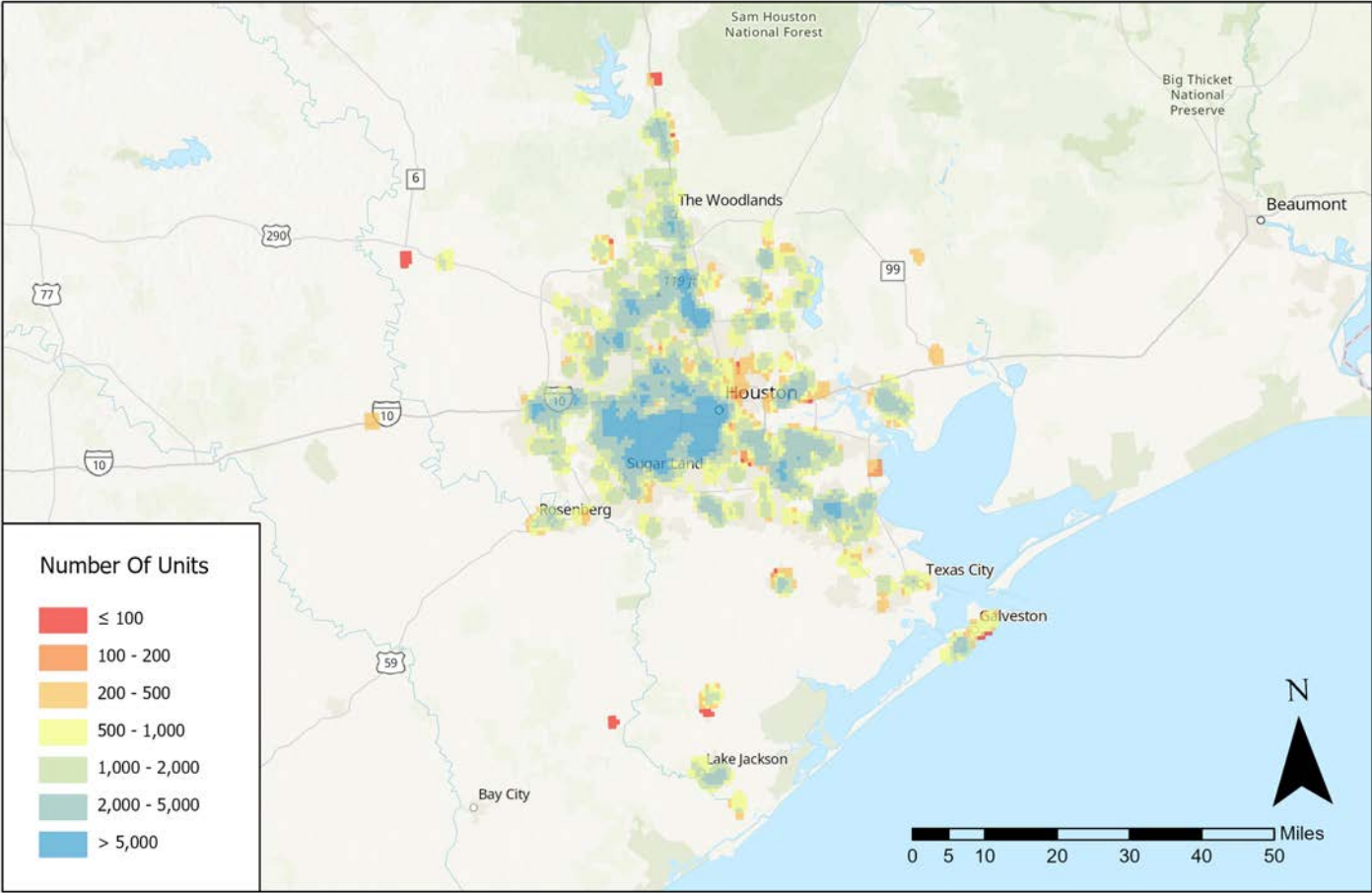


Under Construction as Percent of Inventory



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

Number of Units Houston Metro Multifamily LMAs



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

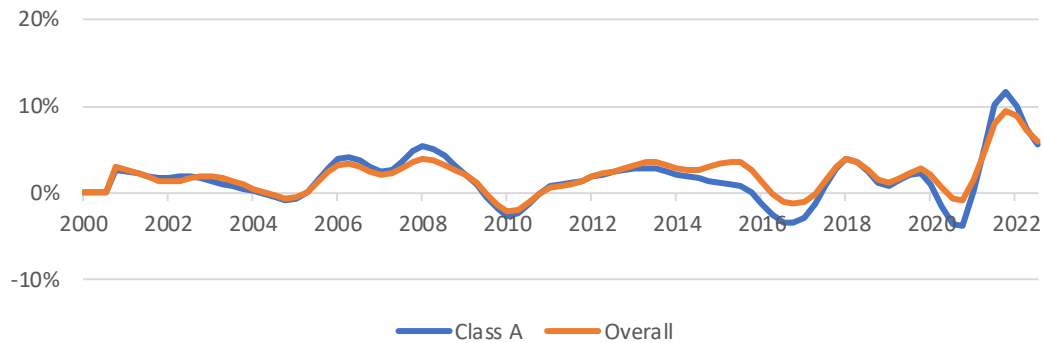
[Local Market Area \(LMA\) Definitions](#)

Houston Apartment Market *rent*

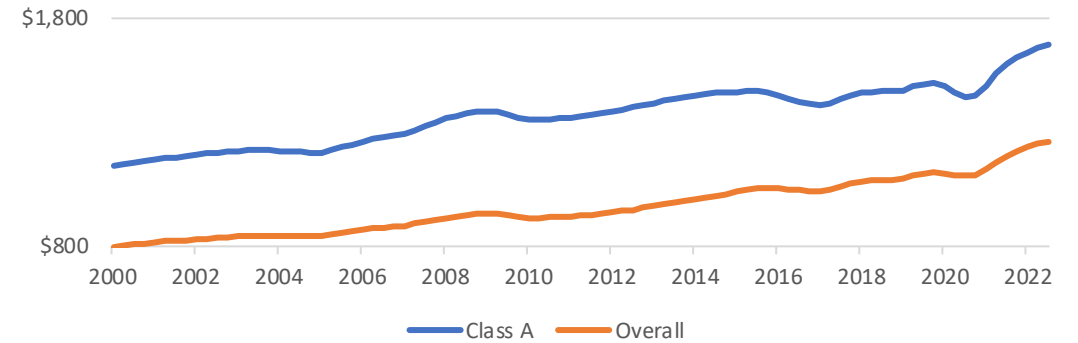
		Current	Previous Quarter	Previous Year
Effective Rent Per Unit	Class A	\$1,673	\$1,654	\$1,559
Effective Rent Per Unit	Overall	\$1,253	\$1,238	\$1,169
Effective Rent Per SF	Class A	\$1.73	1.71	1.61
Effective Rent Per SF	Overall	\$1.40	1.39	1.31

Larger
Smaller
Than Current

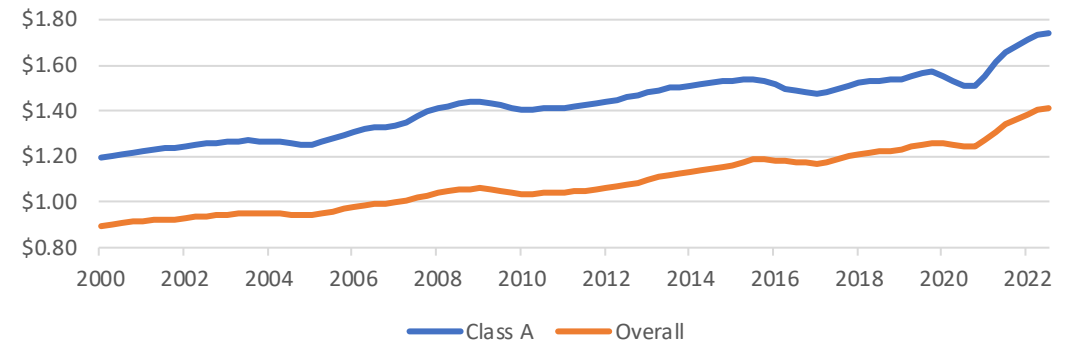
Year over Year Growth in Effective Rent



Effective Rent Per Unit

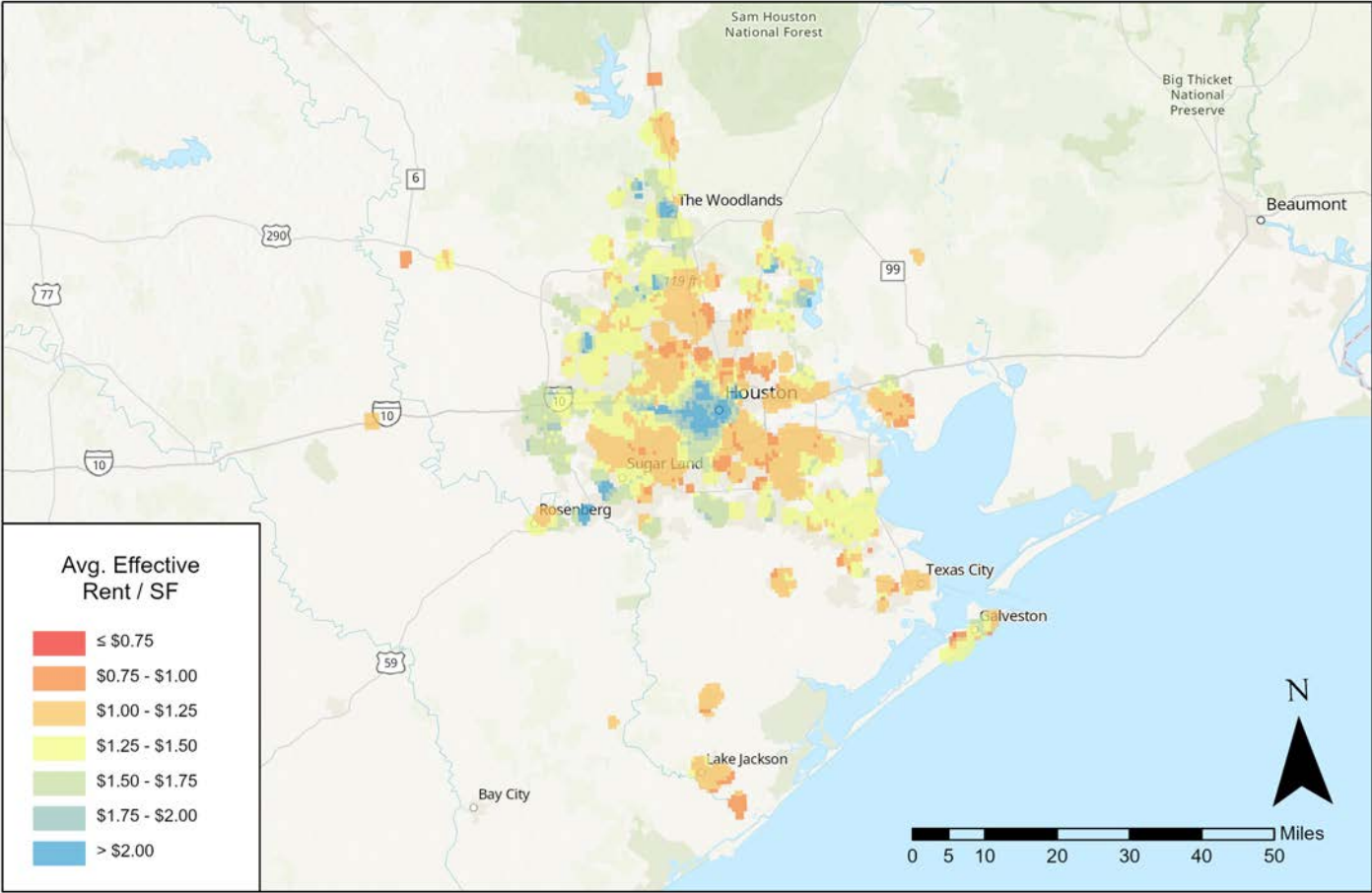


Effective Rent Per Square Foot



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

Average Effective Rent / SF Houston Metro Multifamily LMAs



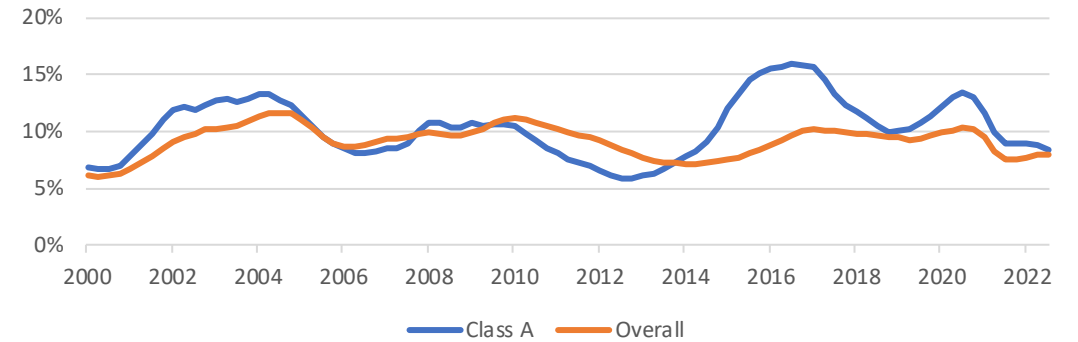
Sources: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPA, CGIAR

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

Houston Apartment Market *vacancy*



Vacancy



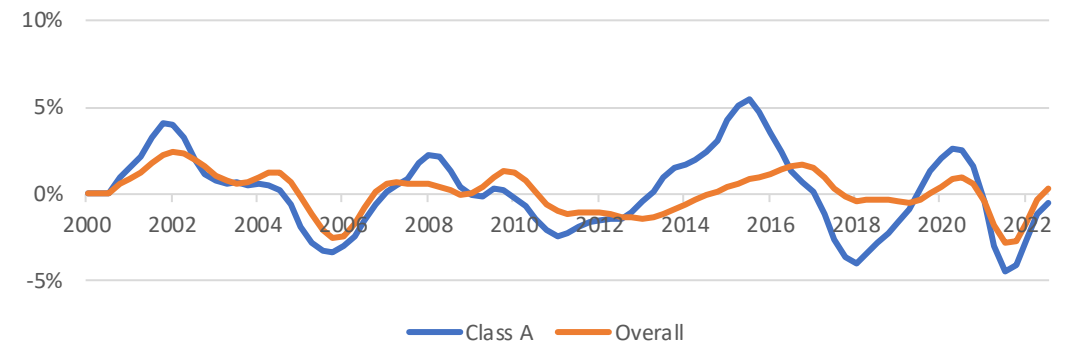
Vacancy Percent
Vacancy Percent

Class A
Overall

	Current	Previous Quarter	Previous Year
Class A	8.77%	9.00%	9.90%
Overall	7.97%	7.73%	8.33%

Larger Than Current
Smaller Than Current

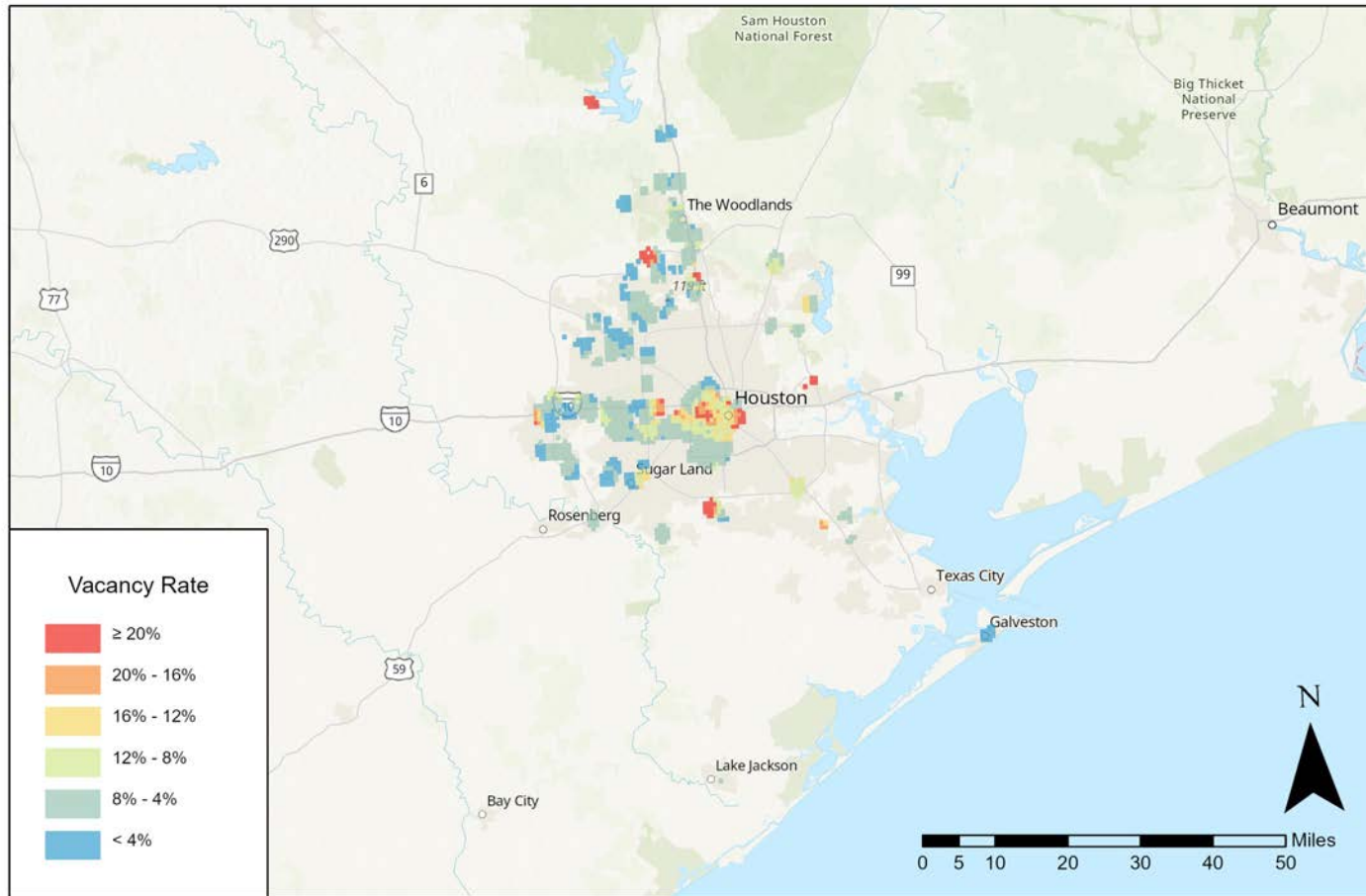
Vacancy Change from Previous Year



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

Vacancy

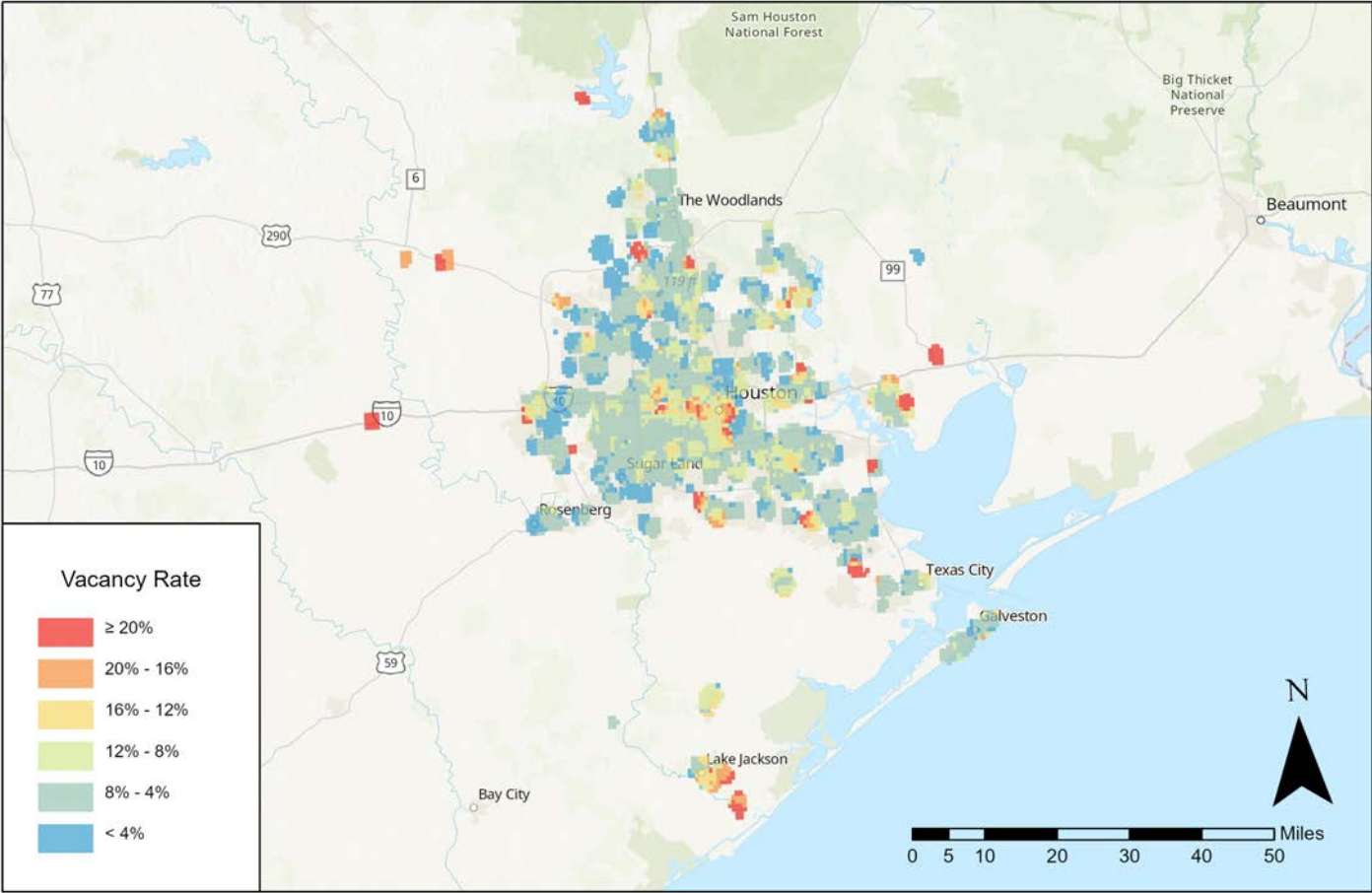
Houston Metro Class A Multifamily LMAs



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

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

Vacancy Houston Metro Multifamily LMAs

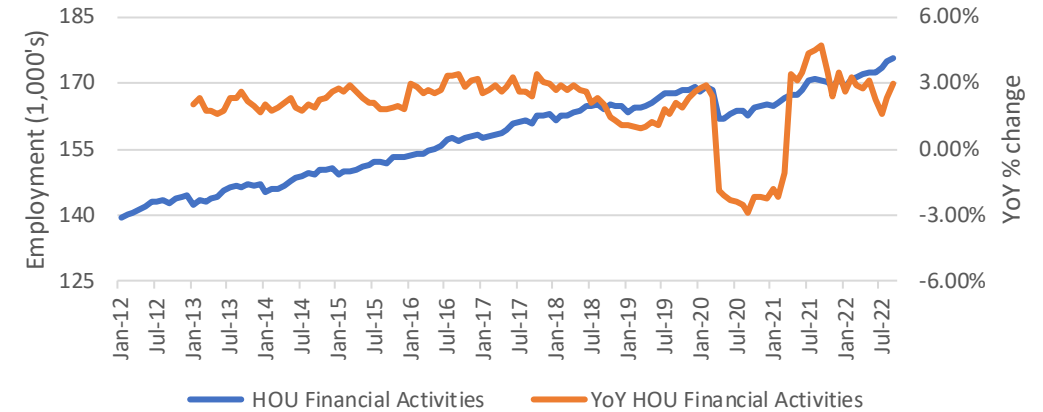


Sources: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPA, CGIAR

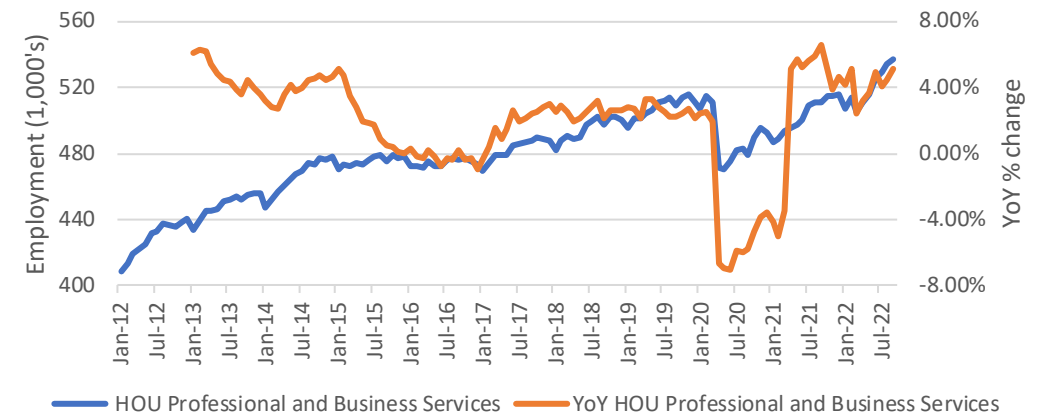
[Local Market Area \(LMA\) Definitions](#)

Houston Office Market *key employment trends*

	Sep-22	Sep-21	Change	YoY
HOU Financial Activities	175,600	170,500	5,100	2.99%



	Sep-22	Sep-21	Change	YoY
HOU Professional and Business Services	537,200	511,100	26,100	5.11%



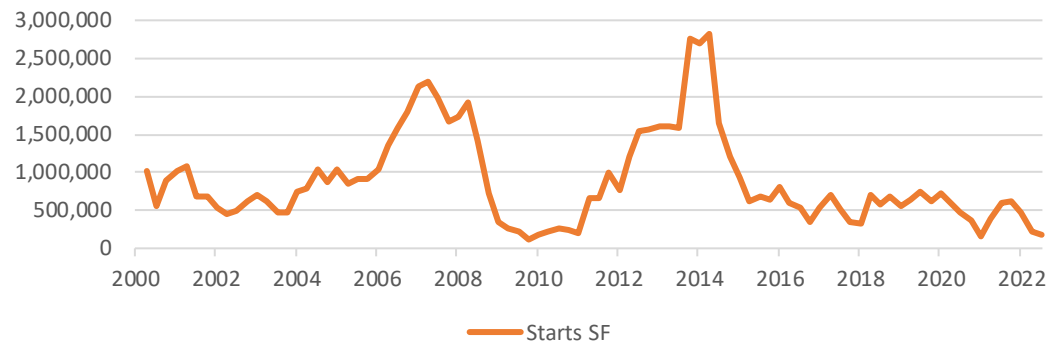
Sources: BLS Texas Real Estate Research Center at Texas A&M University

Houston Office Market *absorption/construction*

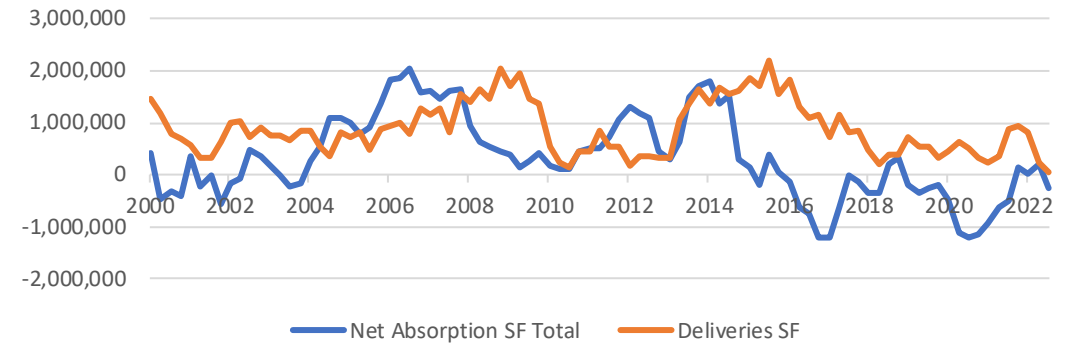
		Current	Previous Quarter	Previous Year
Starts SF	Overall	230,173	475,680	389,819
Net Absorption SF Total	Overall	192,259	6,624	-619,926
Deliveries SF	Overall	226,818	810,554	342,833
Under Construction SF	Overall	3,102,655	3,099,300	4,033,162

Larger
Smaller
 Than Current

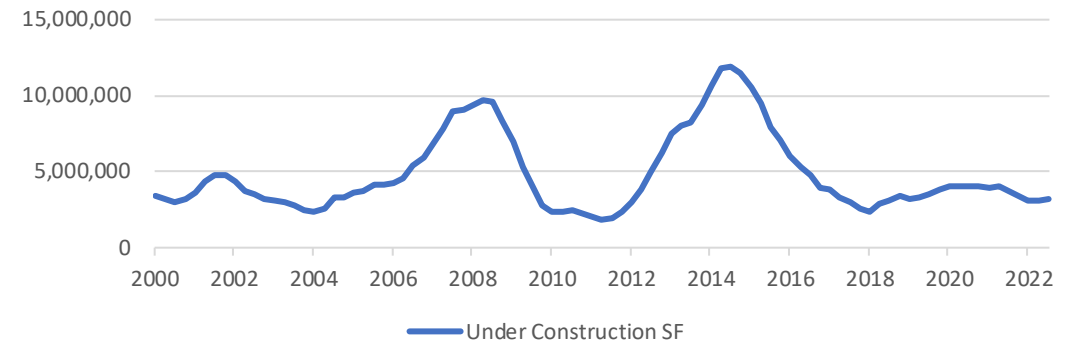
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



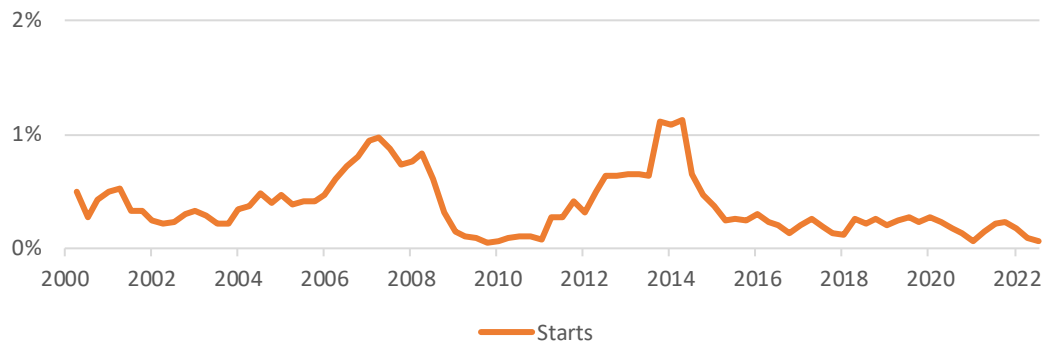
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Office Market *absorption/construction*

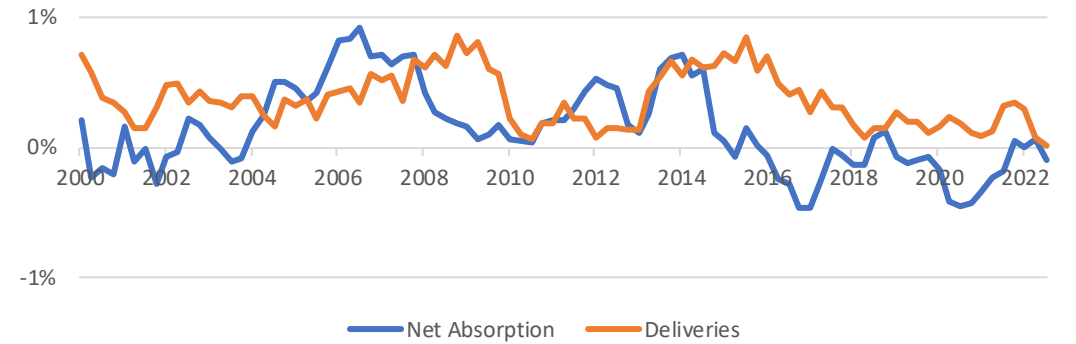
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.08%	0.17%	0.14%
Under Construction Percent	Overall	1.14%	1.13%	1.49%
Absorption Percent	Overall	0.07%	0.00%	-0.23%
Deliveries Percent	Overall	0.08%	0.30%	0.13%

Larger
Smaller
 Than Current

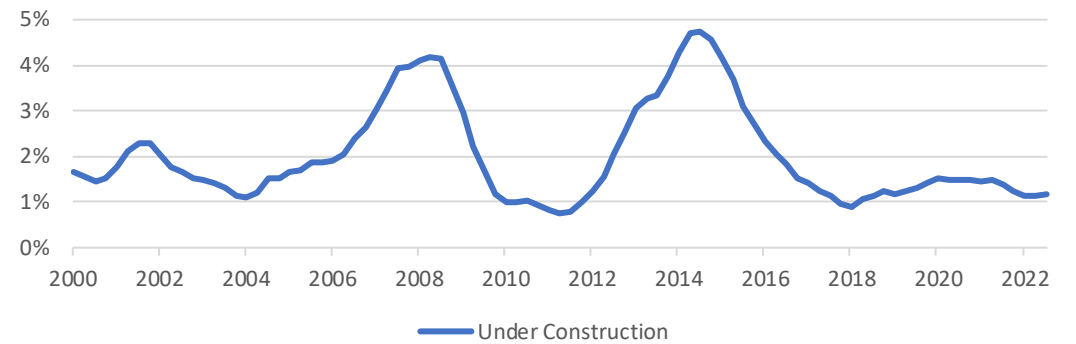
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

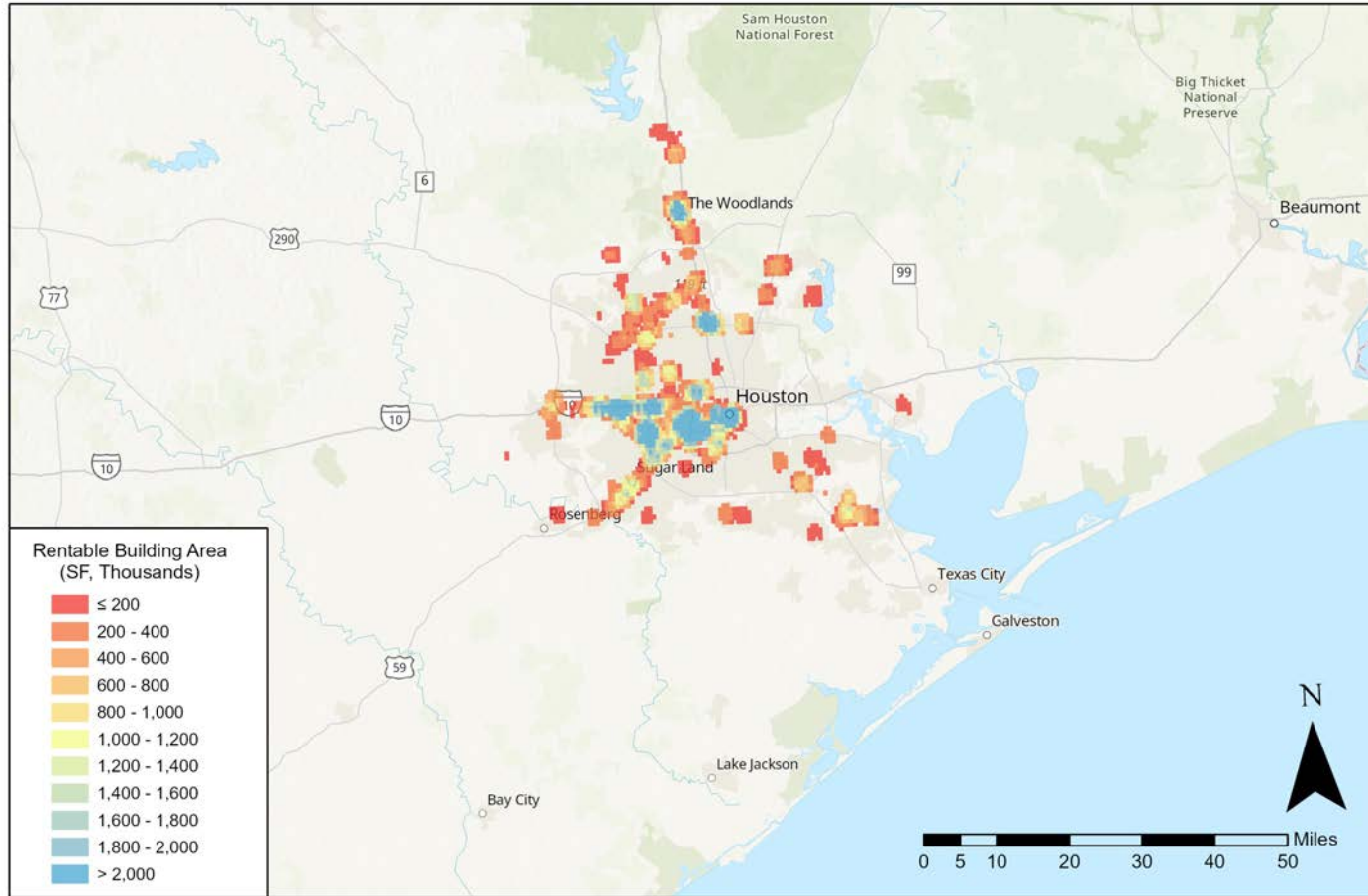


Under Construction as Percent of Inventory



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

Rentable Building Area Houston Metro Office LMAs



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

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

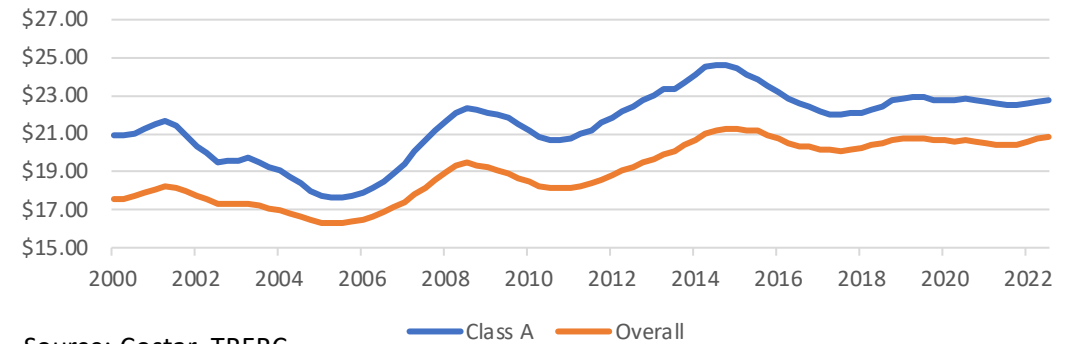
Houston Office Market *rent*



		Current	Previous Quarter	Previous Year
Base Rent	Class A	\$22.69	\$22.62	\$22.57
Base Rent	Overall	\$20.74	\$20.62	\$20.41

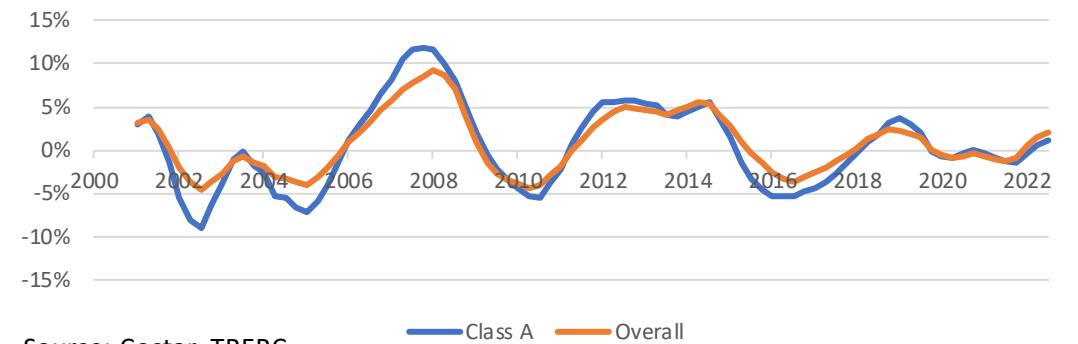
Larger
Smaller
 Than Current

Office Base Rent



Source: Costar, TRERC

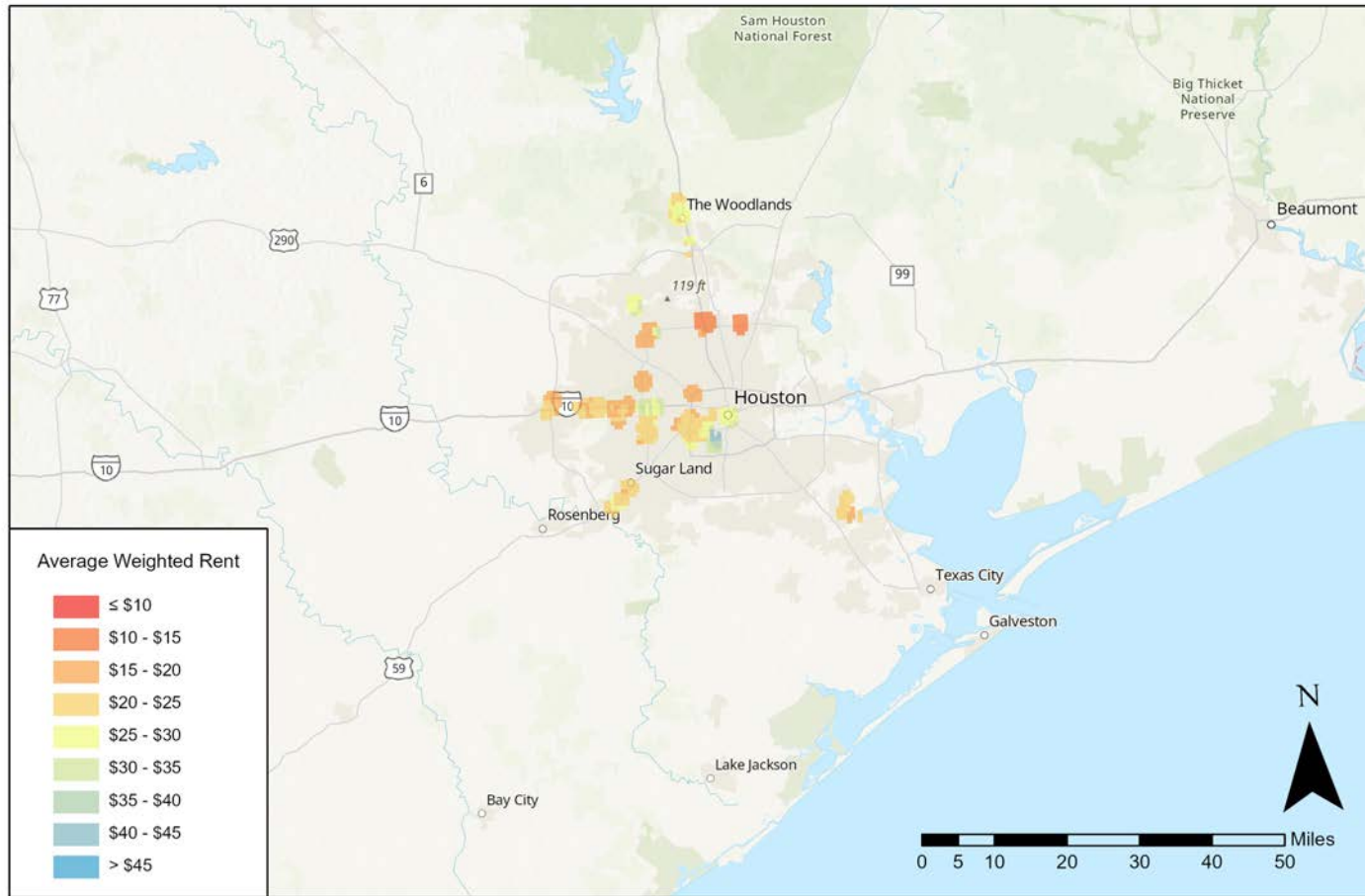
Office Base Rent YoY Growth



Source: Costar, TRERC

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

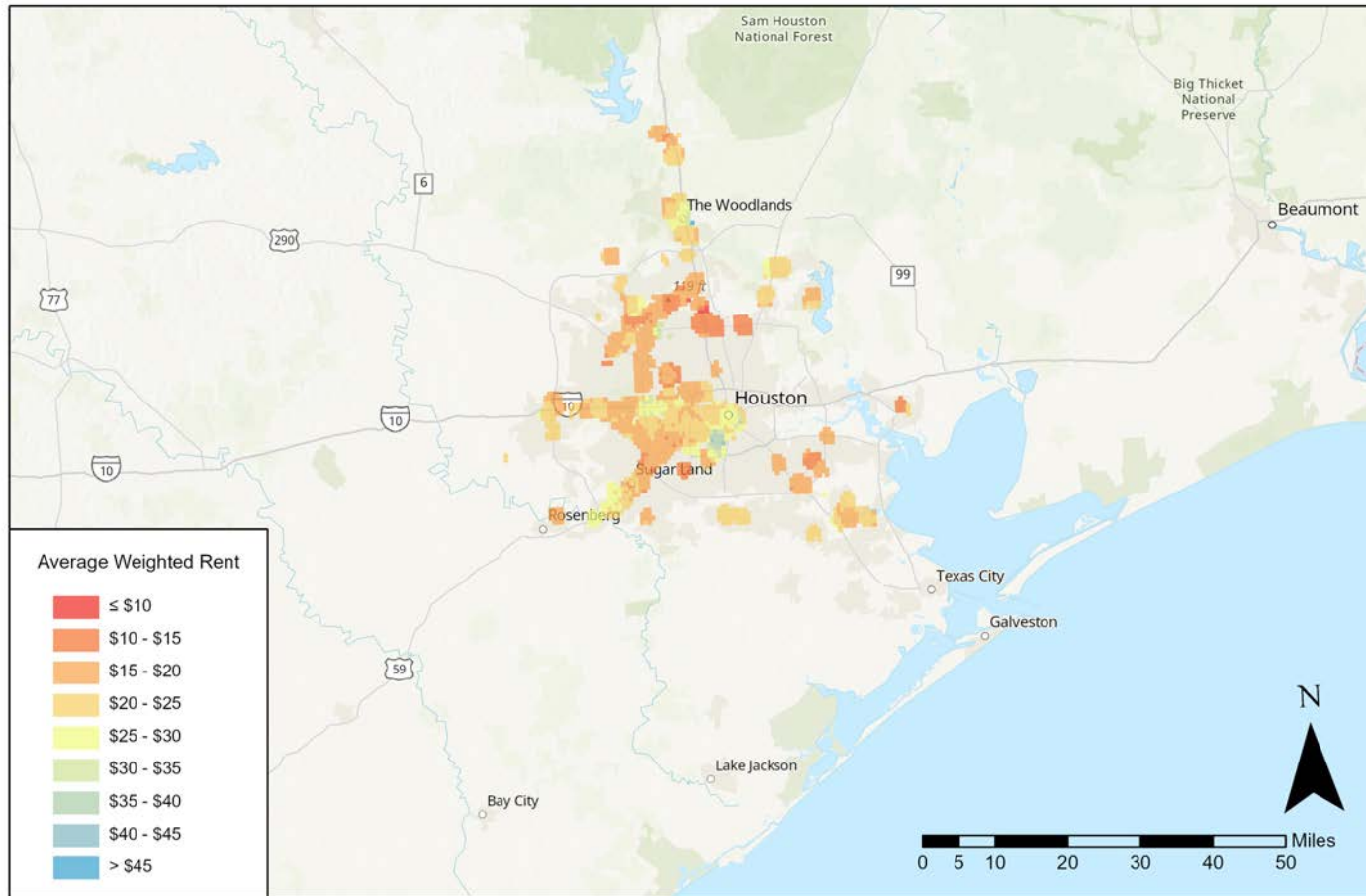
Average Weighted Rent Houston Metro Class A Office LMAs



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

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

Average Weighted Rent Houston Metro Office LMAs



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

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

Houston Office Market *vacancy*



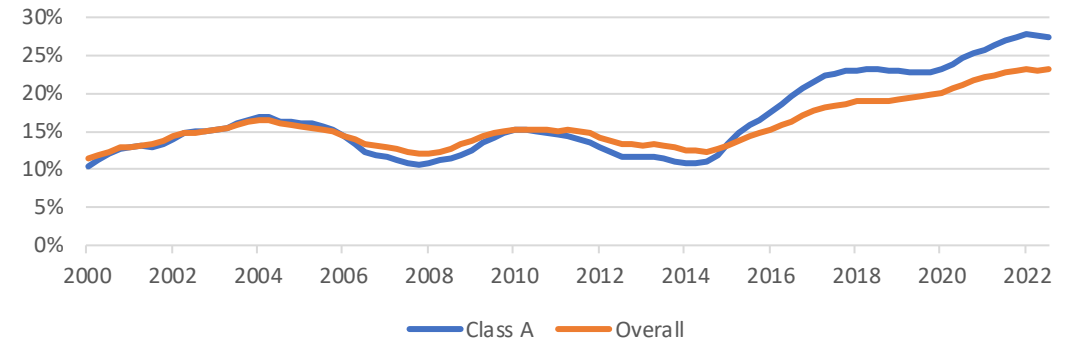
Vacant Percent % Total
 Vacant Percent % Total
 Availability less Vacancy
 Availability less Vacancy

Class A
 Overall
 Class A
 Overall

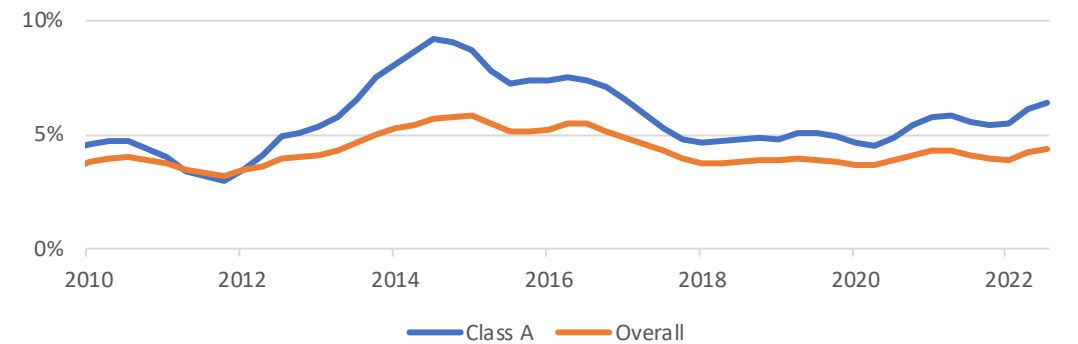
	Current	Previous Quarter	Previous Year
Class A	27.57%	27.80%	26.30%
Overall	23.10%	23.20%	22.43%
Class A	6.10%	5.53%	5.87%
Overall	4.23%	3.90%	4.30%

Larger
 Smaller
 Than Current

Vacancy



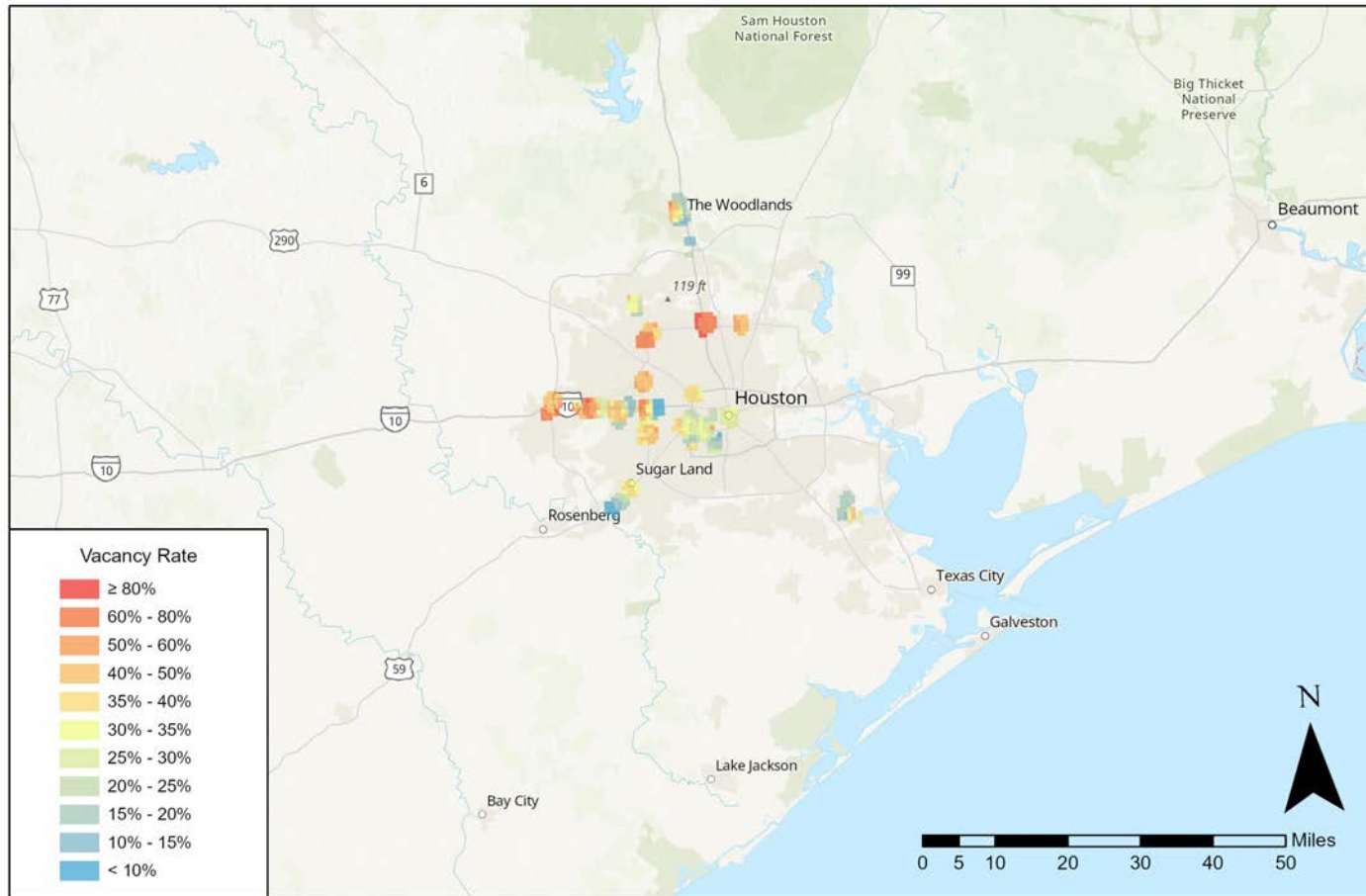
Availability less Vacancy



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

Vacancy

Houston Metro Class A Office LMAs



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

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

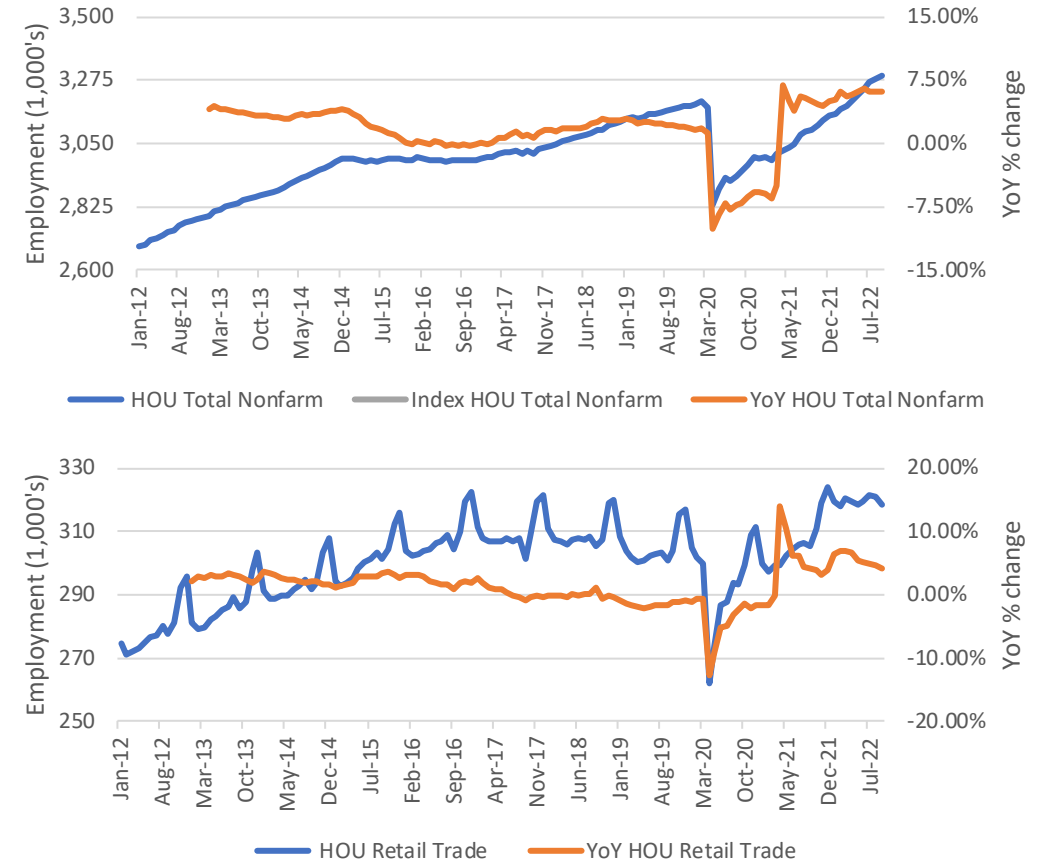
Houston Retail Market *key employment trends*

HOU Total Nonfarm

Sep-22	Sep-21	Change	YoY
3,293,500	3,100,600	192,900	6.22%

HOU Retail Trade

Sep-22	Sep-21	Change	YoY
318,400	305,600	12,800	4.19%



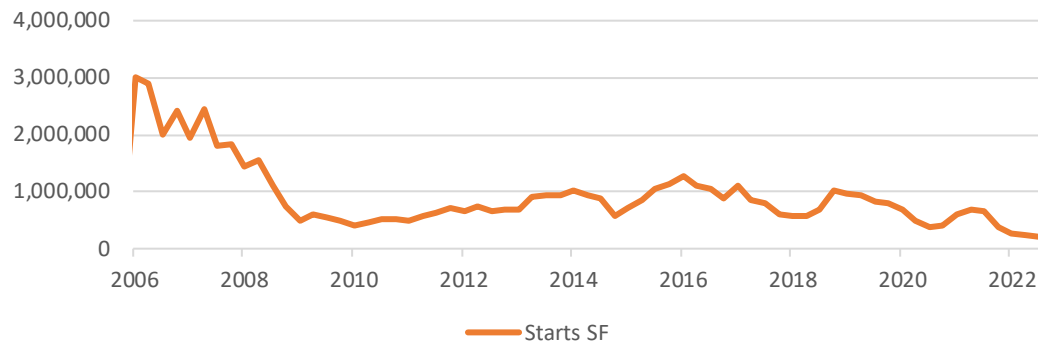
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Houston Retail Market *absorption/construction*

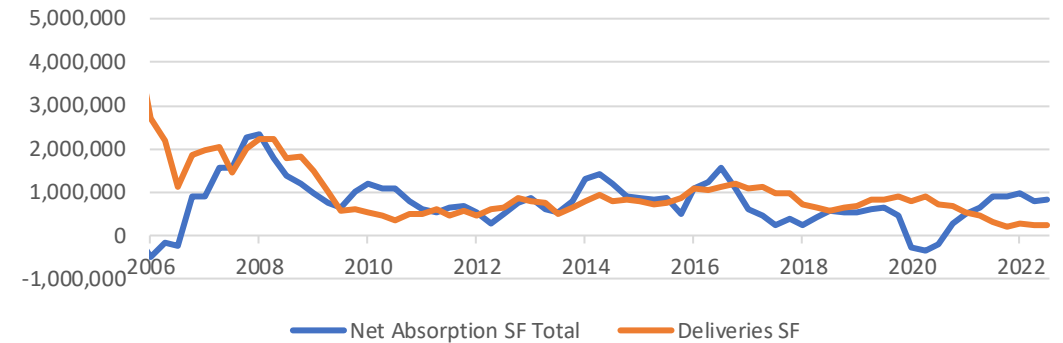
		Current	Previous Quarter	Previous Year
Starts SF	Overall	224,082	277,482	675,636
Net Absorption SF Total	Overall	794,383	972,588	662,122
Deliveries SF	Overall	233,227	266,834	451,902
Under Construction SF	Overall	2,399,823	2,408,967	1,914,776

Larger
Smaller
 Than Current

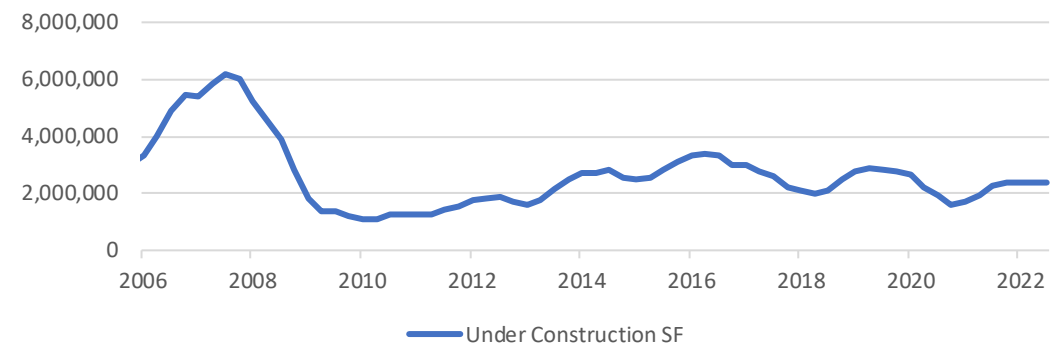
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



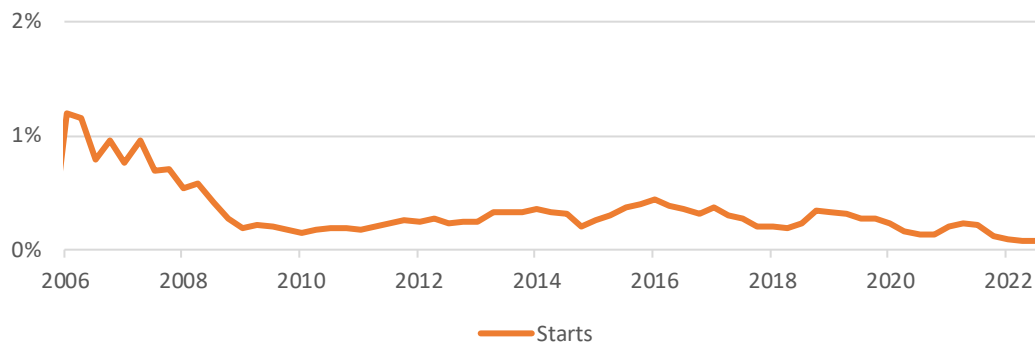
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Retail Market *absorption/construction*

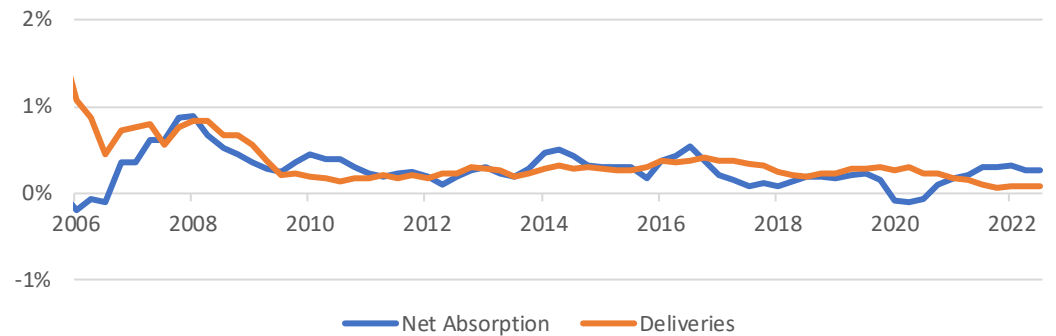
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.07%	0.09%	0.22%
Under Construction Percent	Overall	0.79%	0.80%	0.64%
Absorption Percent	Overall	0.26%	0.32%	0.22%
Deliveries Percent	Overall	0.08%	0.09%	0.15%

Larger
Smaller
 Than Current

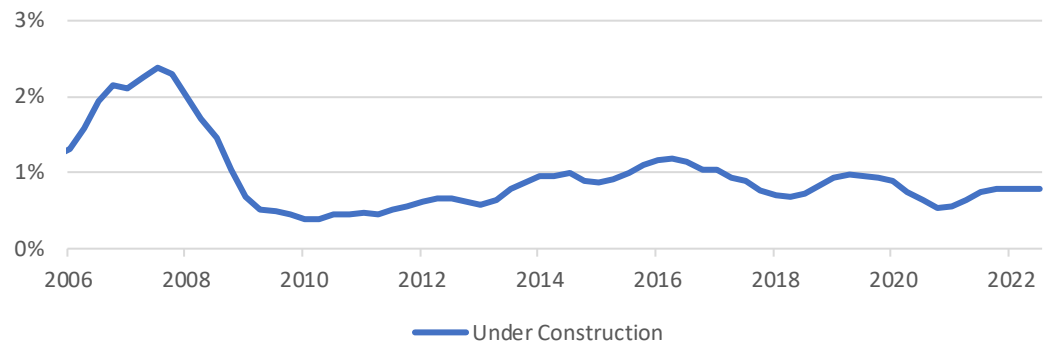
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

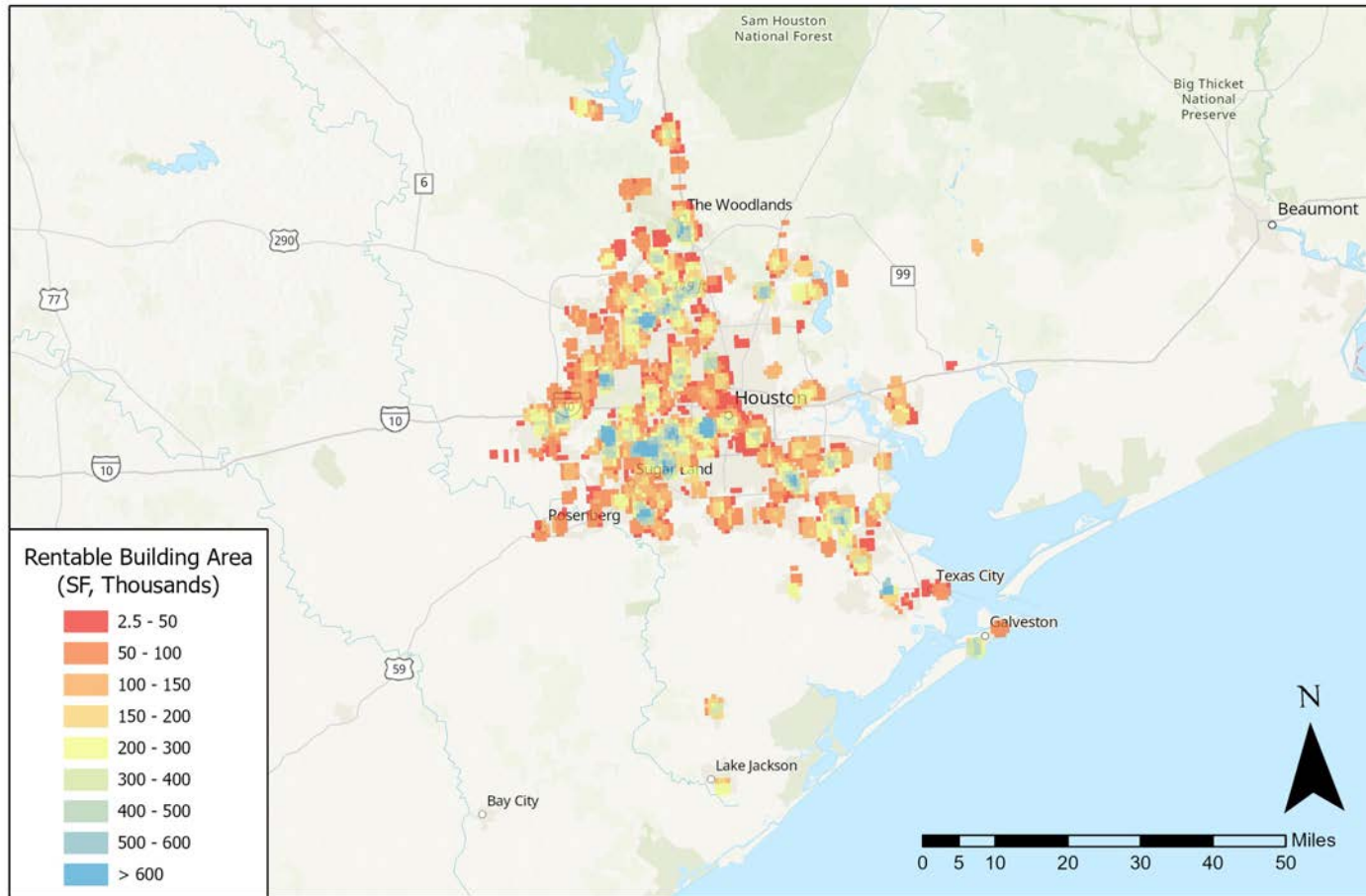


Under Construction as Percent of Inventory



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

Rentable Building Area Houston Metro Retail LMAs



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*

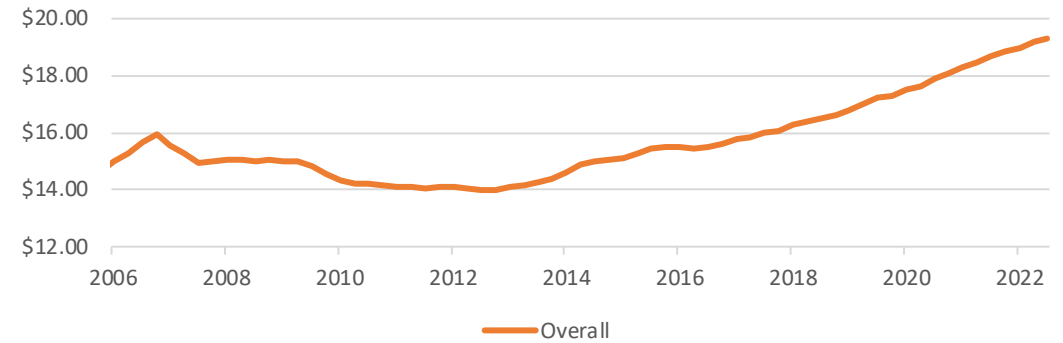


NNN Rent Overall

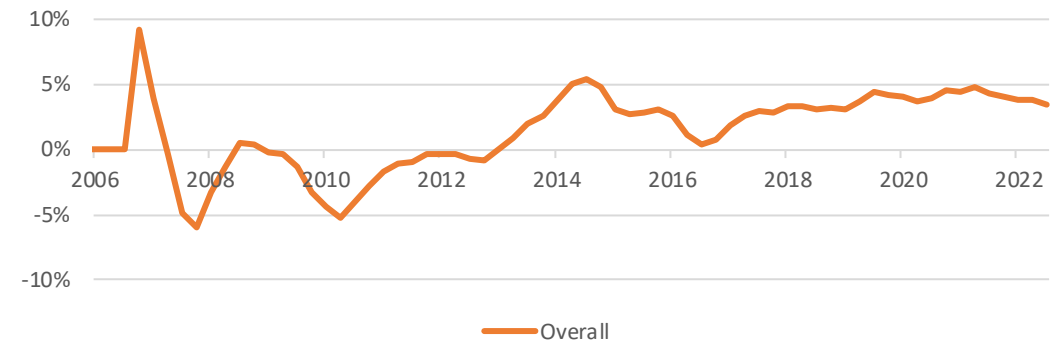
Overall	Current	Previous Quarter	Previous Year
	\$19.20	\$18.99	\$18.50

Larger Than Current
Smaller Than Current

NNN Rent

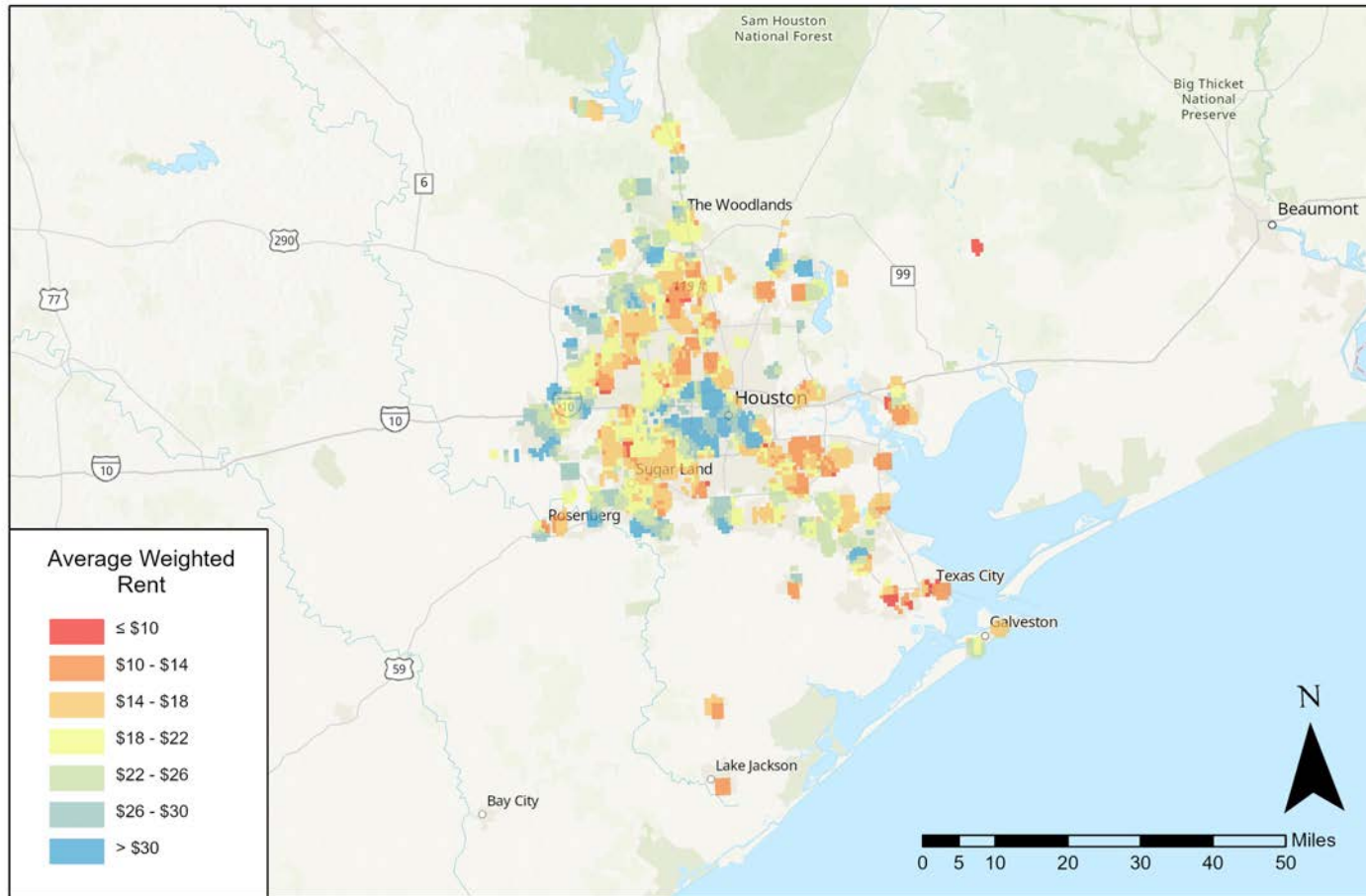


NNN Rent YoY Growth



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

Average Weighted Rent Houston Metro Retail LMAs



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

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

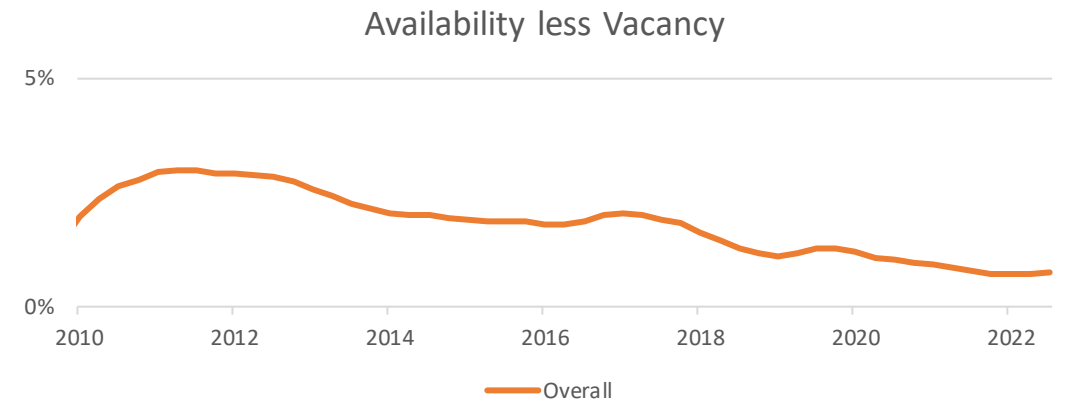
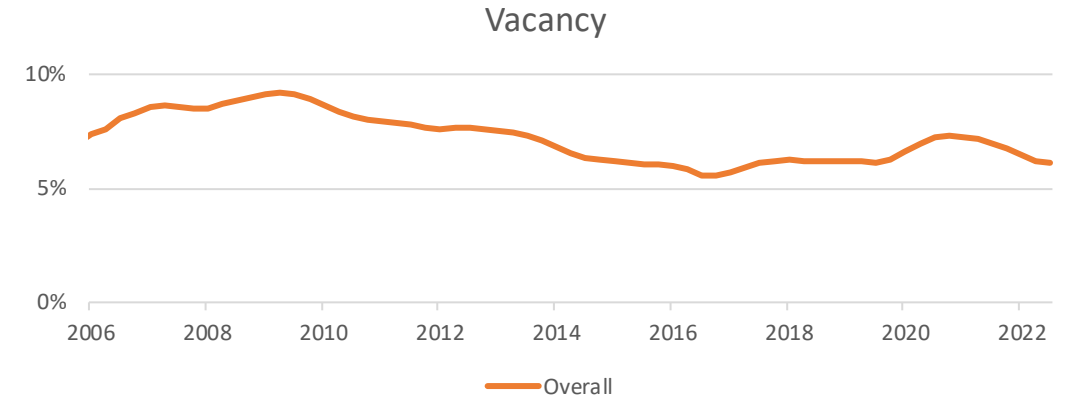
Houston Retail Market *vacancy*



Vacant Percent % Total
Availability less Vacancy

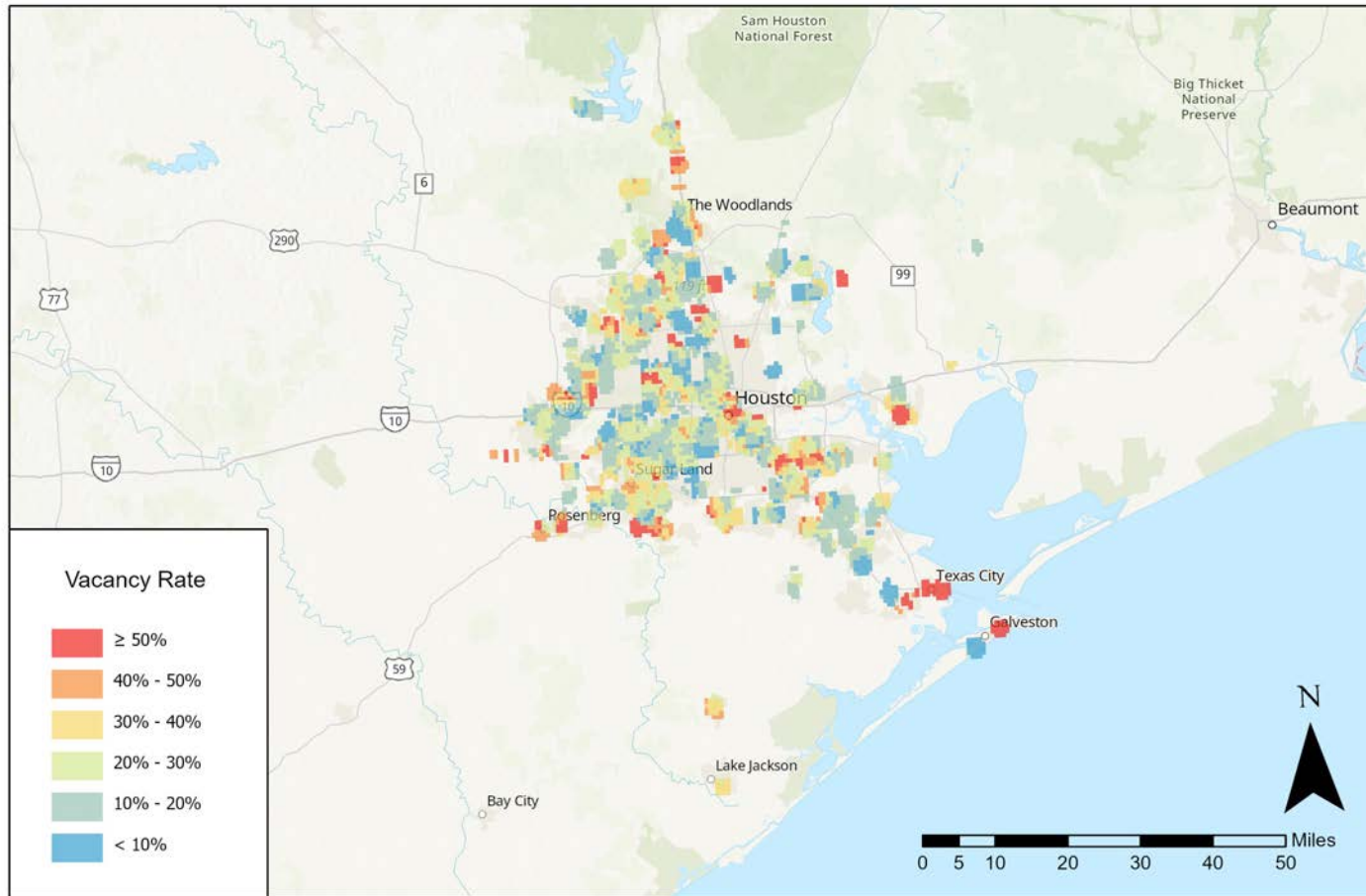
	Current	Previous Quarter	Previous Year
Overall	6.23%	6.47%	7.17%
Overall	0.73%	0.73%	0.87%

Larger
Smaller
Than Current



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

Vacancy Houston Metro Retail LMAs

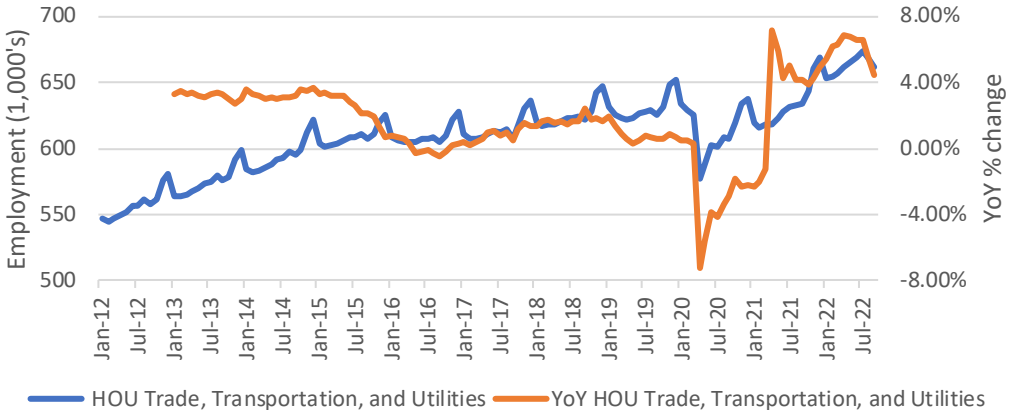


Sources: Costar, City of Houston, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPA, CGIAR

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

Houston Warehouse Market *key employment trends*

	Sep-22	Sep-21	Change	YoY
HOU Trade, Transportation, and Utilities	661,700	633,400	28,300	4.47%



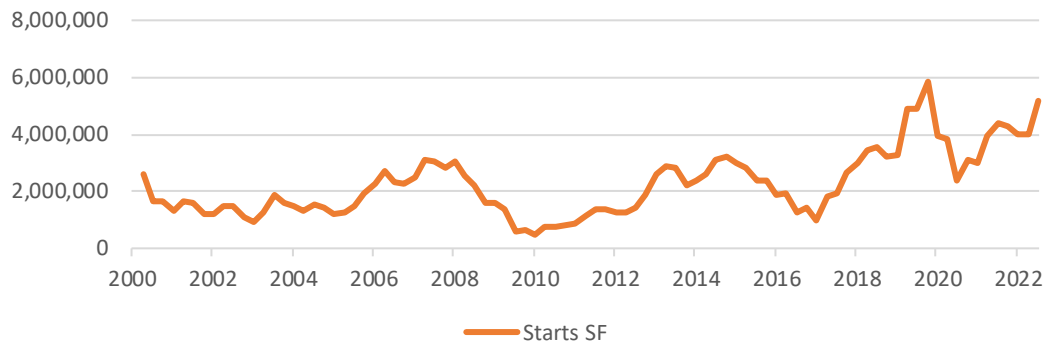
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

Houston Warehouse Market *absorption/construction*

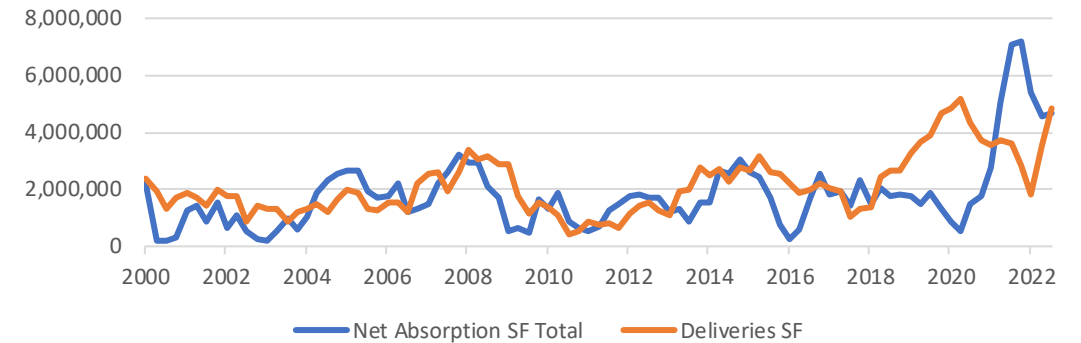
		Current	Previous Quarter	Previous Year
Starts SF	Overall	4,024,235	3,997,580	3,968,636
Net Absorption SF Total	Overall	4,554,064	5,408,764	5,091,801
Deliveries SF	Overall	3,563,042	1,839,123	3,719,847
Under Construction SF	Overall	14,055,819	13,594,625	9,199,313

Larger
Smaller
 Than Current

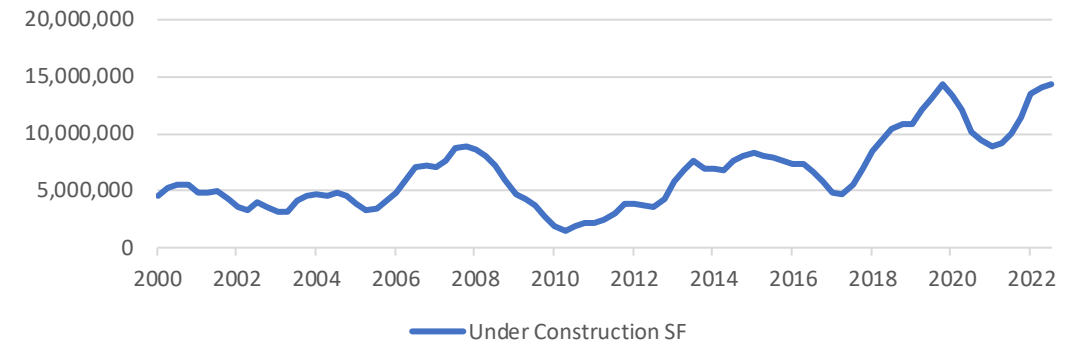
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



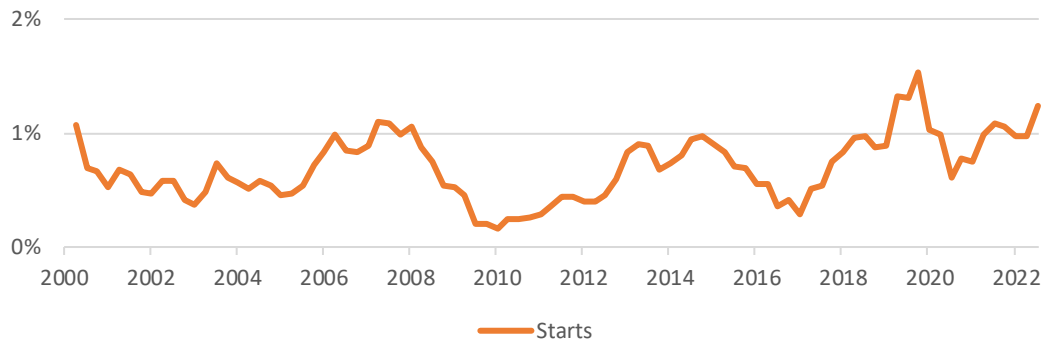
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

Houston Warehouse Market *absorption/construction*

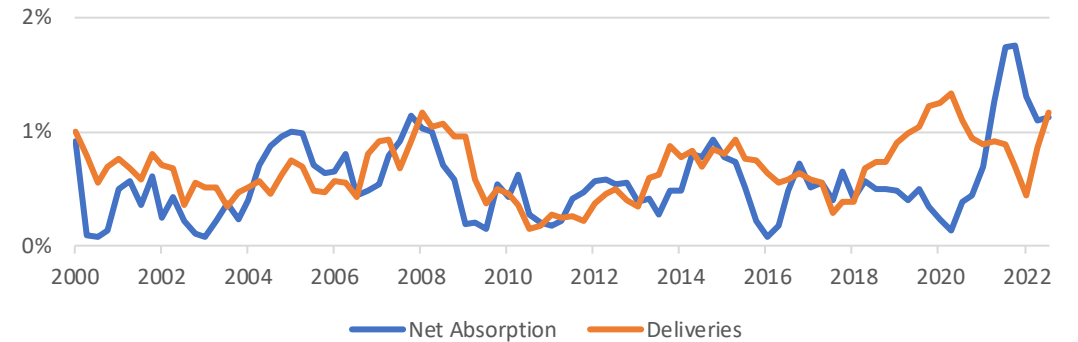
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.97%	0.97%	0.98%
Under Construction Percent	Overall	3.39%	3.30%	2.28%
Absorption Percent	Overall	1.10%	1.31%	1.26%
Deliveries Percent	Overall	0.86%	0.45%	0.92%

Larger
Smaller
 Than Current

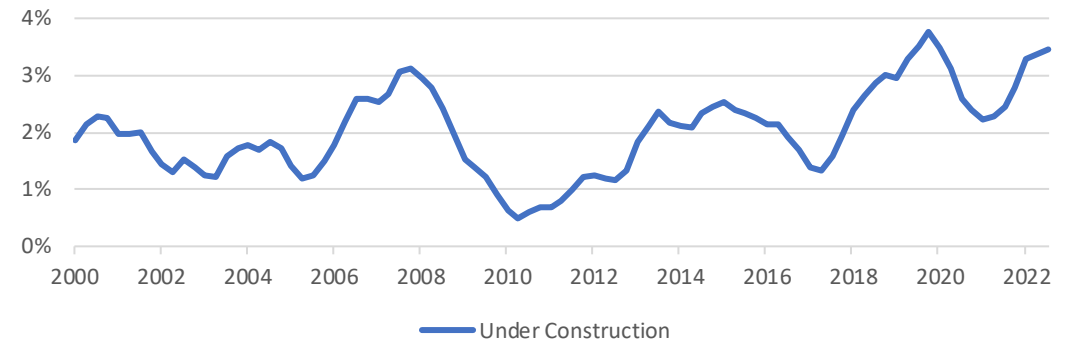
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

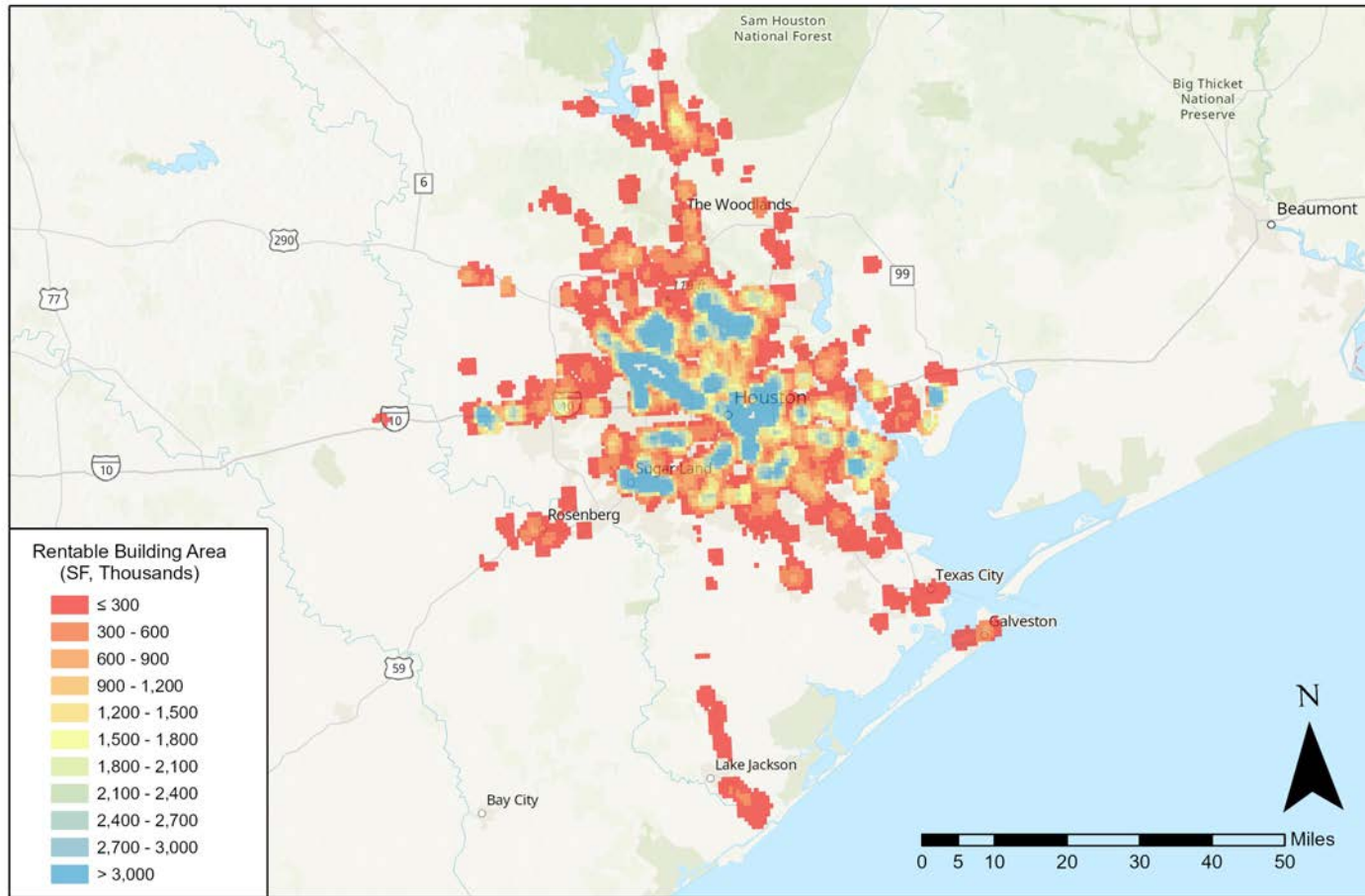


Under Construction as Percent of Inventory



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

Rentable Building Area Houston Metro Warehouse LMAs



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

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

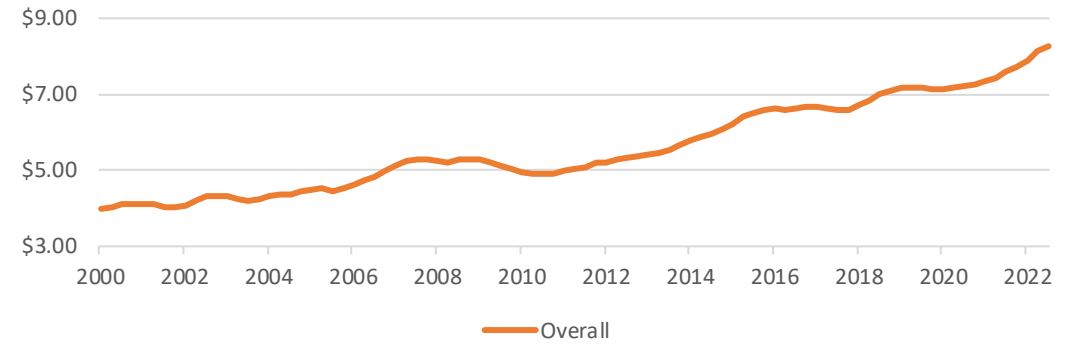
Houston Warehouse Market *rent*



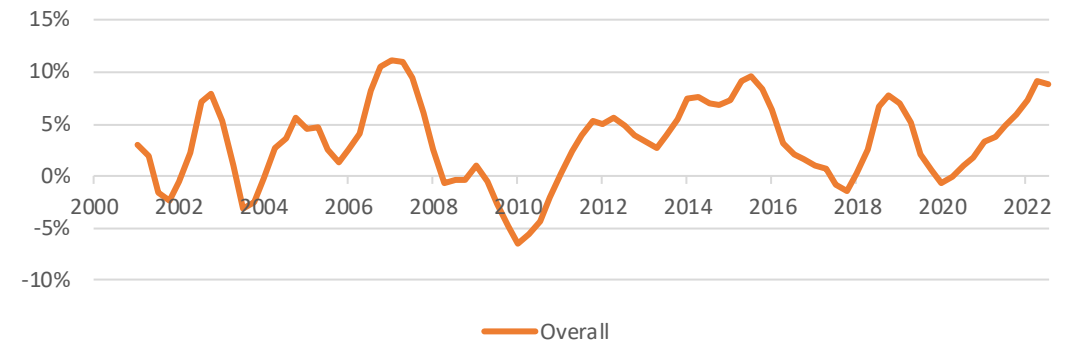
NNN Rent Overall	Overall	Current	Previous Quarter	Previous Year
		\$8.13	\$7.90	\$7.45

Larger
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*

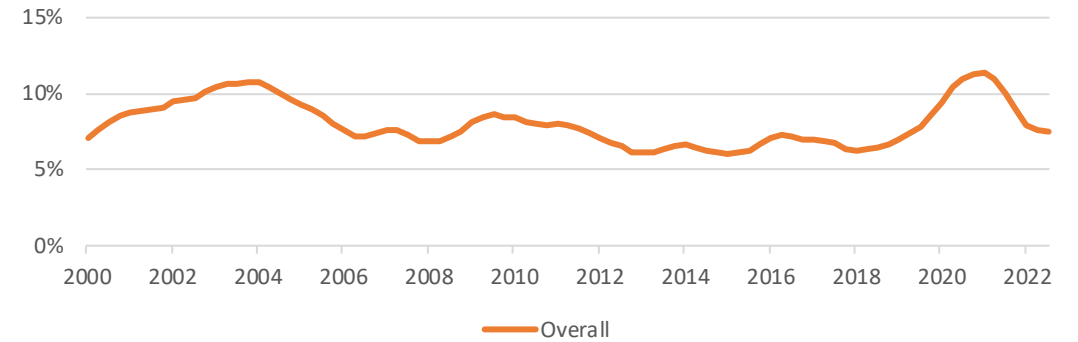


Vacant Percent % Total
Availability less Vacancy

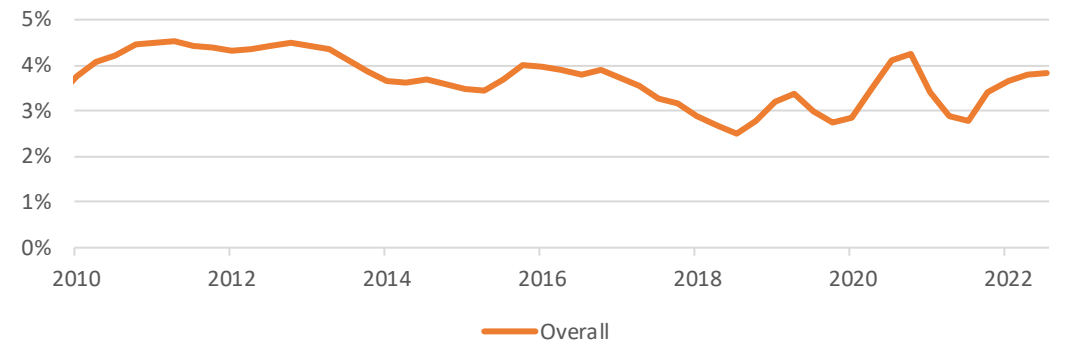
	Current	Previous Quarter	Previous Year
Overall	7.63%	7.97%	10.97%
Overall	3.80%	3.67%	2.90%

Larger
Smaller
Than Current

Vacancy

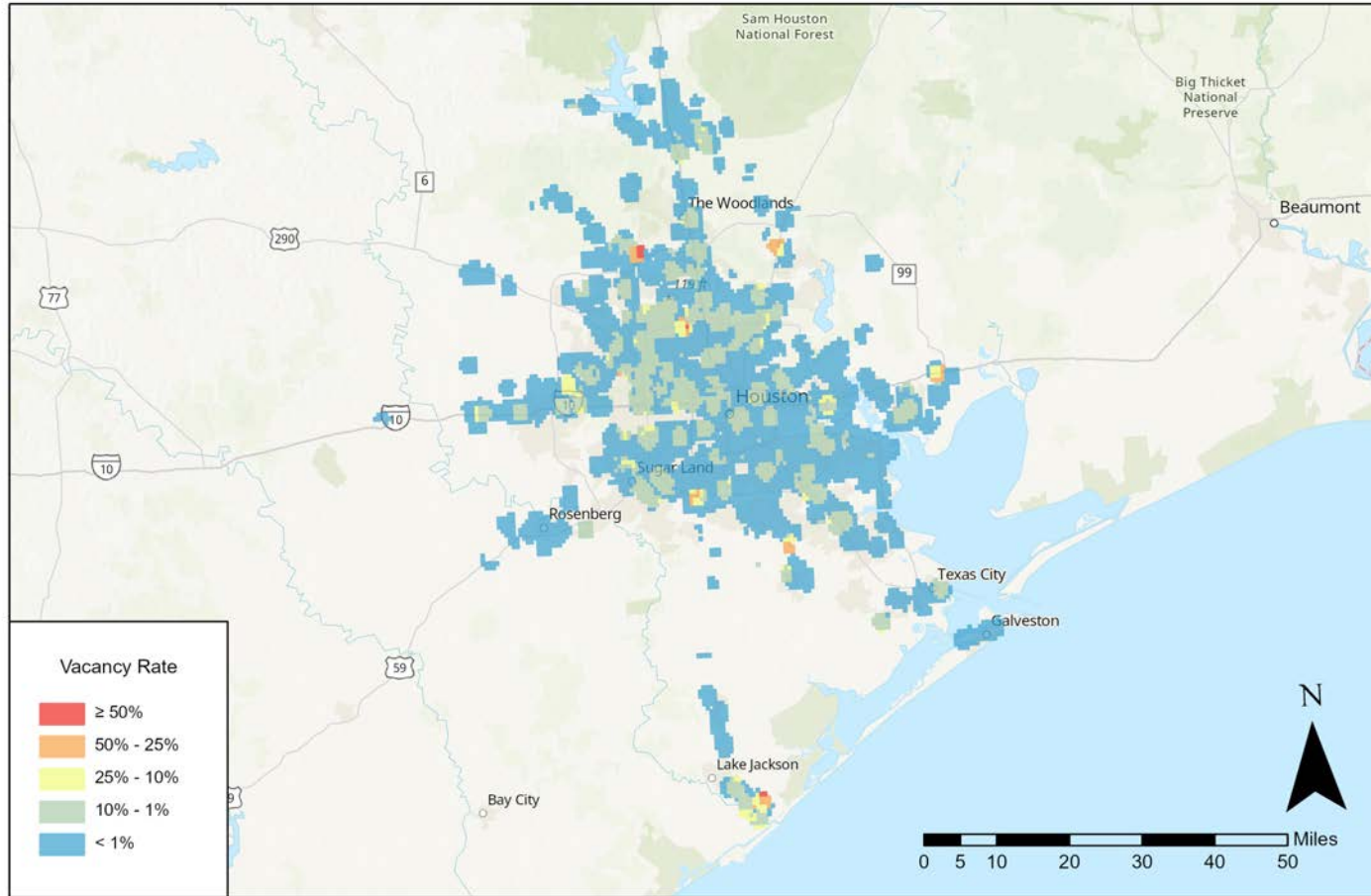


Availability less Vacancy



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

Vacancy Houston Metro Warehouse LMAs



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

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

San Antonio

- Economy
- Apartments
- Office
- Retail
- Warehouse



San Antonio Third Quarter 2022 Summary



- Total employment in the San Antonio MSA remains strong with growth above pre-COVID trends on both a YOY and monthly basis.
- Long-term employment growth across the economy is expected to moderate toward pre-COVID rates.
- Office vacancy increases have leveled off, but they 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 provide downward pressure on office vacancies.
- Apartment rent growth remains high by historic standards but is moderating. Elevated construction levels will place downward pressure. Continued economic growth should provide some support.

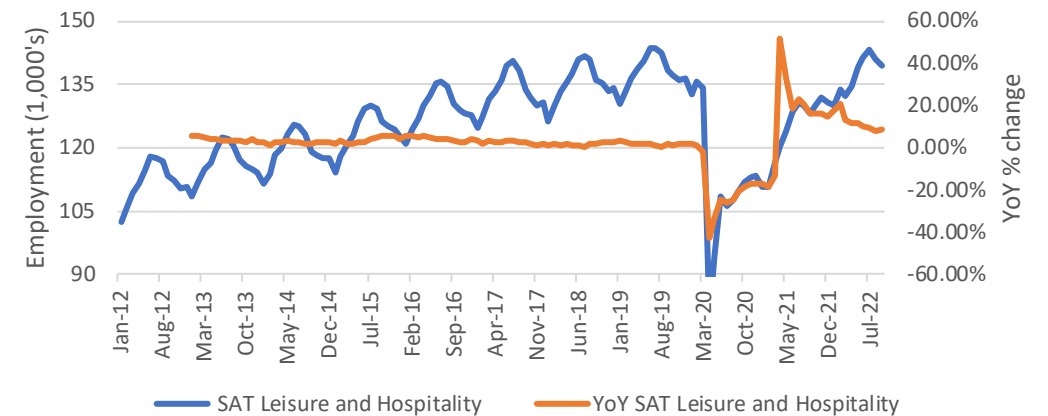
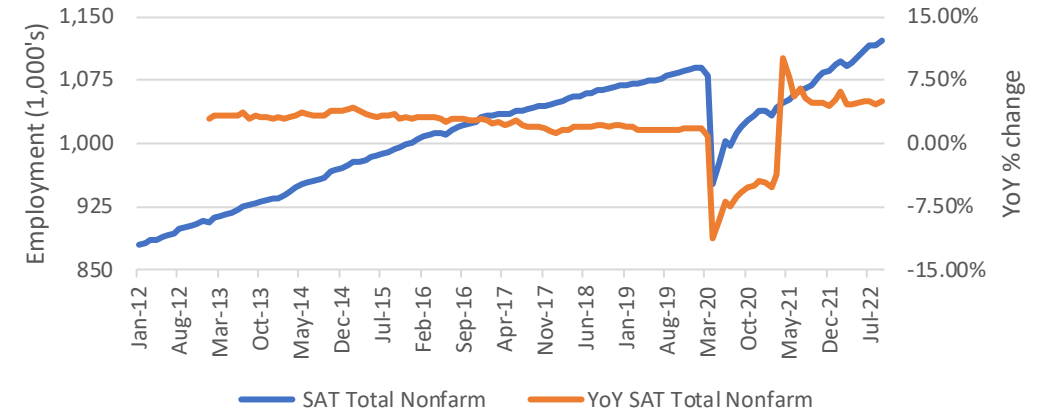
San Antonio Economy *key employment trends*

SAT Total Nonfarm

Sep-22	Sep-21	Change	YoY
1,122,000	1,068,800	53,200	4.98%

SAT Leisure and Hospitality

Sep-22	Sep-21	Change	YoY
139,400	128,000	11,400	8.91%



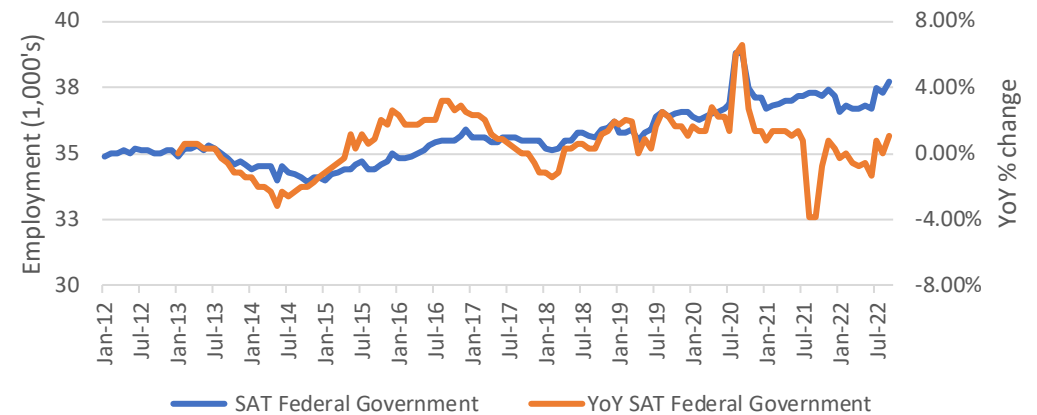
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

San Antonio Economy *key employment trends*



SAT Federal Government

Sep-22	Sep-21	Change	YoY
37,700	37,300	400	1.07%



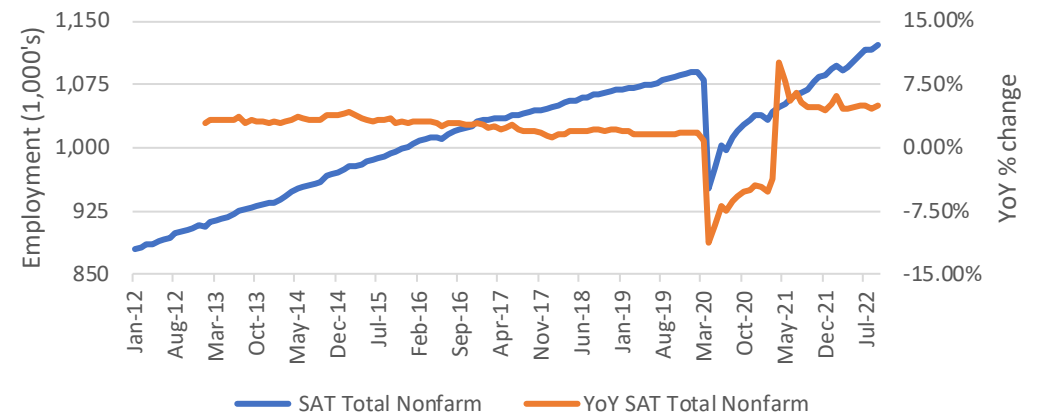
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

San Antonio Apartment Market

key employment trends

SAT Total Nonfarm

Sep-22	Sep-21	Change	YoY
1,122,000	1,068,800	53,200	4.98%



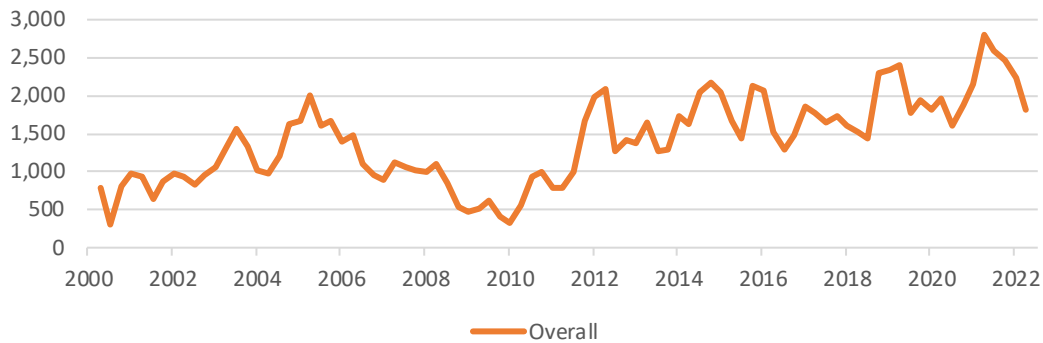
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

San Antonio Apartment Market *absorption/construction*

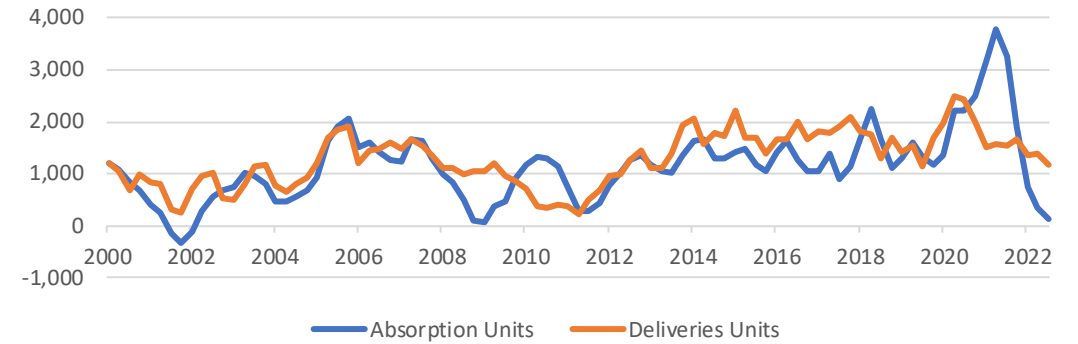
		Current	Previous Quarter	Previous Year
Starts Units	Overall	1,822	2,231	2,810
Absorption Units	Overall	338	737	3,776
Deliveries Units	Overall	1,379	1,344	1,571
Under Construction Units	Overall	14,531	14,088	11,333

Larger
Smaller
 Than Current

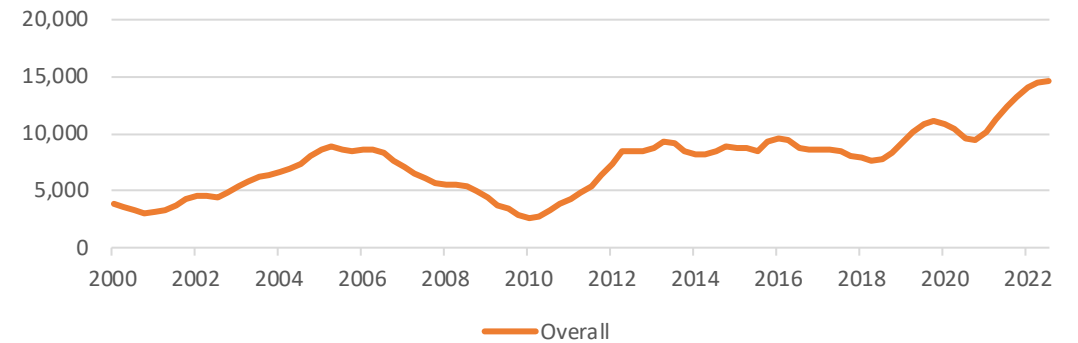
Starts Units



Absorption and Delivery Units



Under Construction Units



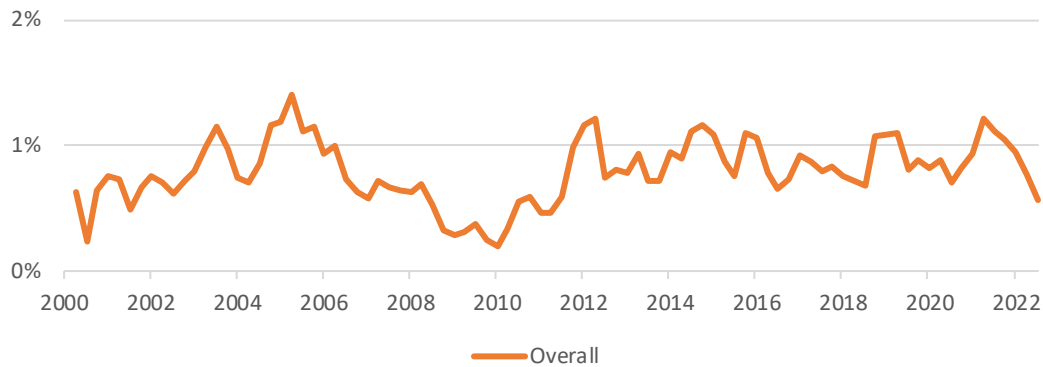
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Apartment Market *absorption/construction*

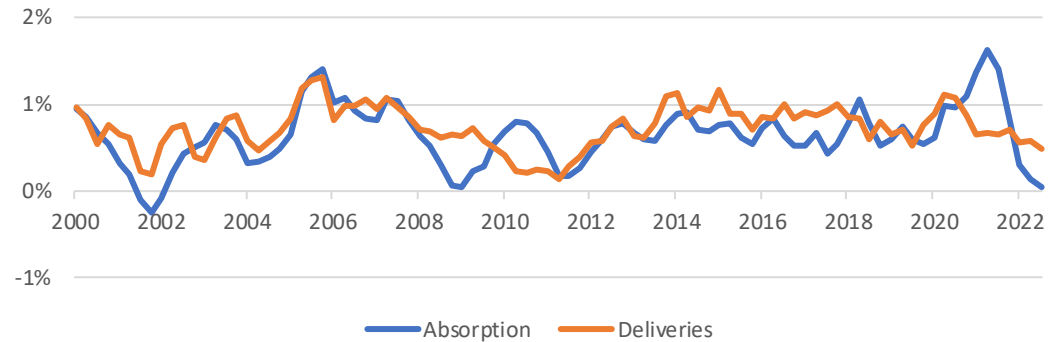
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.77%	0.94%	1.21%
Absorption Percent	Overall	0.14%	0.31%	1.63%
Deliveries Percent	Overall	0.58%	0.57%	0.68%
Under Construction Percent	Overall	6.11%	5.96%	4.89%

Larger
Smaller
 Than Current

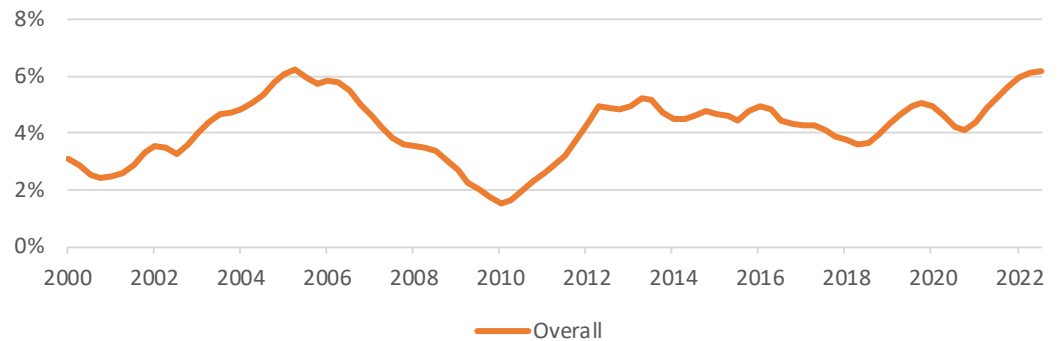
Starts Units as Percent of Inventory



Absorption and Delivery Units as Percent of Inventory

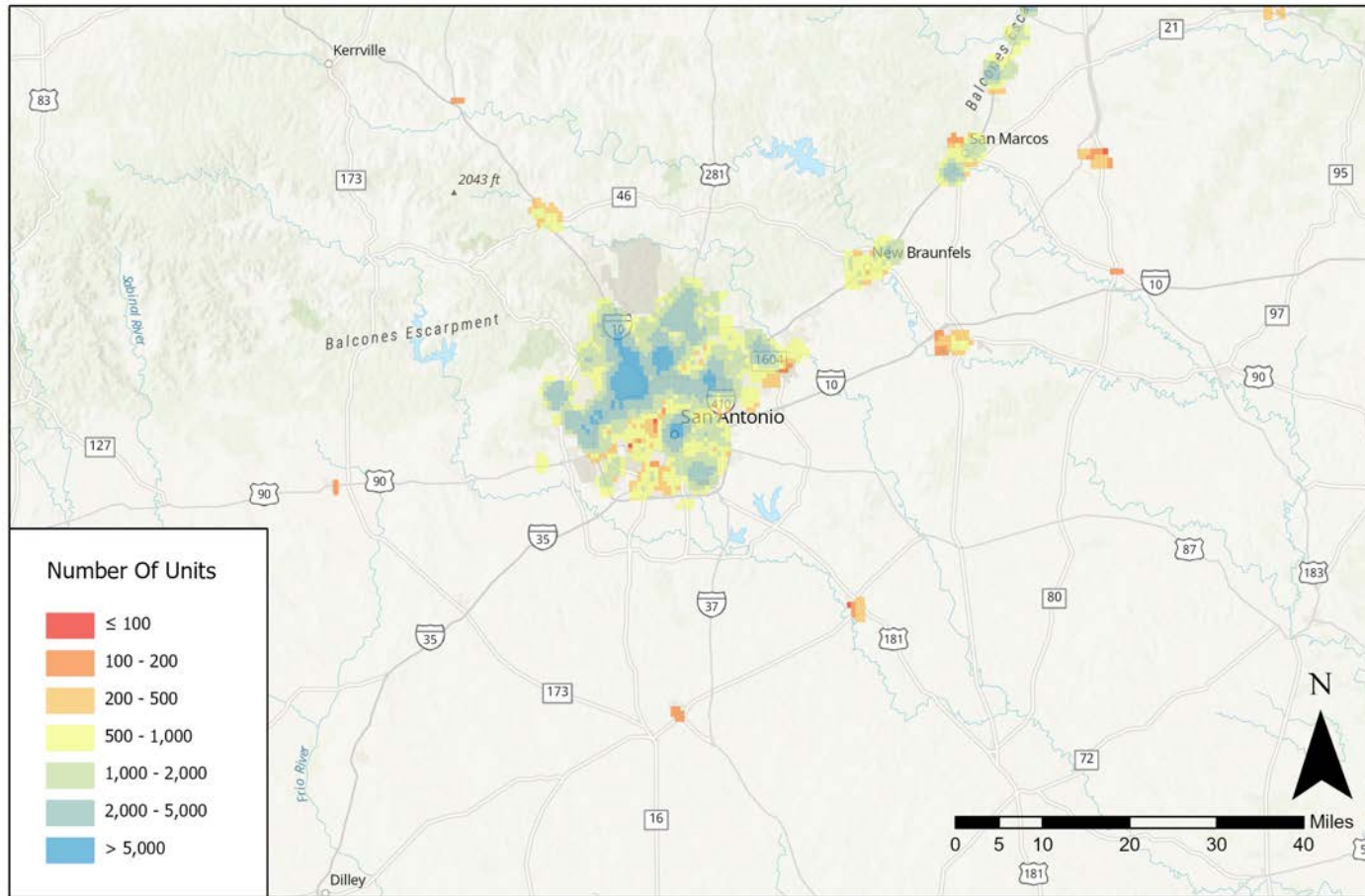


Under Construction Units as Percent of Inventory



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

Number of Units San Antonio Metro Multifamily LMAs



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

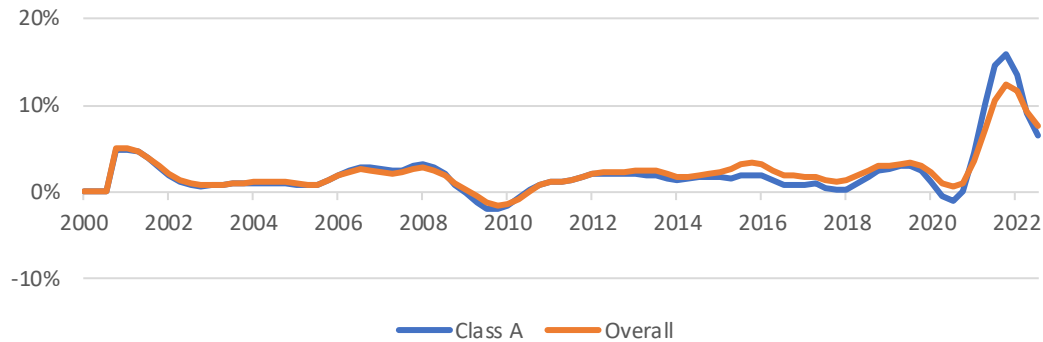
[Local Market Area \(LMA\) Definitions](#)

San Antonio Apartment Market *rent*

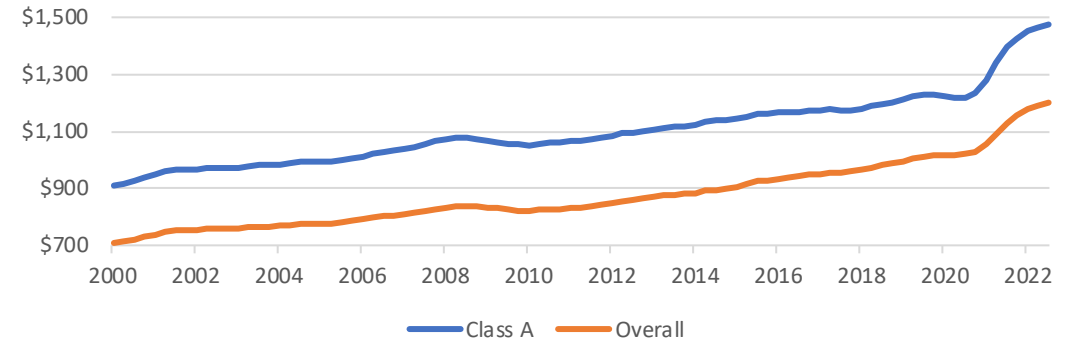
		Current	Previous Quarter	Previous Year
Effective Rent Per Unit	Class A	\$1,465	\$1,452	\$1,345
Effective Rent Per Unit	Overall	\$1,192	\$1,177	\$1,092
Effective Rent Per SF	Class A	\$1.60	1.58	1.47
Effective Rent Per SF	Overall	\$1.39	1.37	1.27

Larger
Smaller
 Than Current

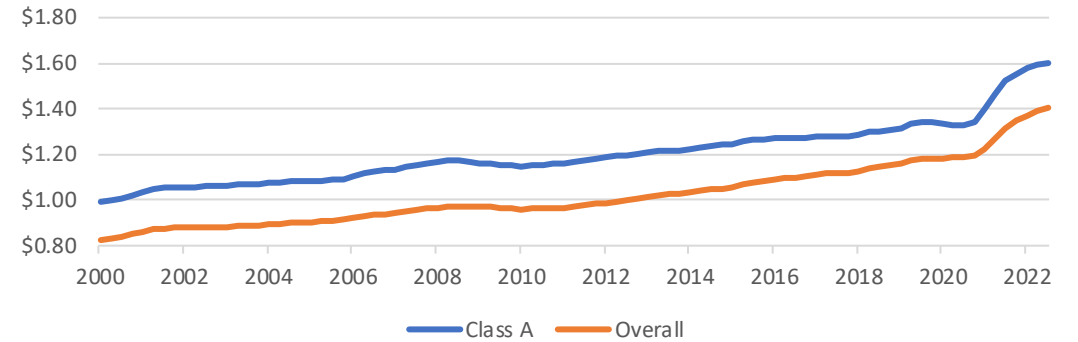
Year over Year Growth in Effective Rent



Effective Rent Per Unit

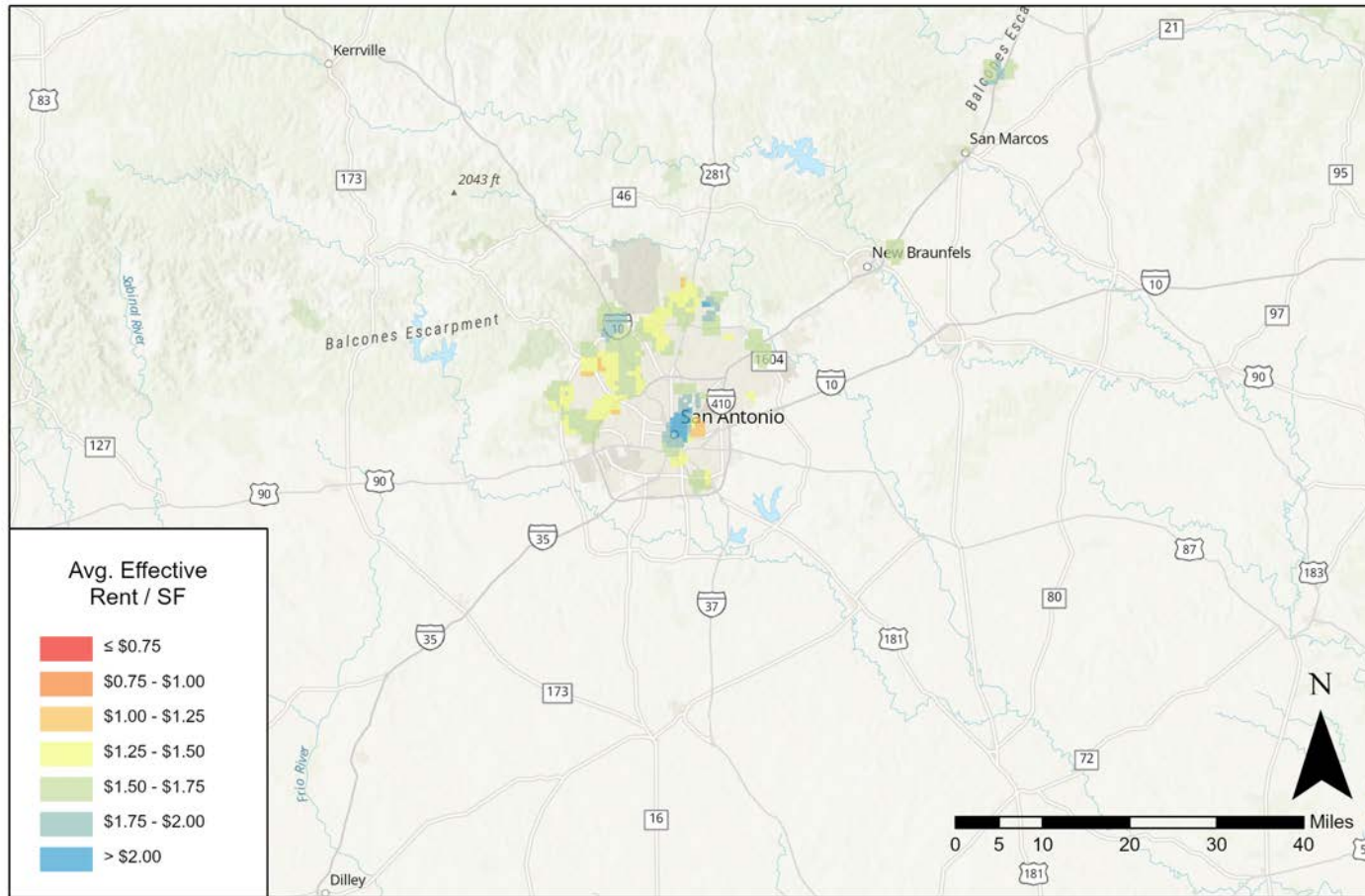


Effective Rent Per Square Foot



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

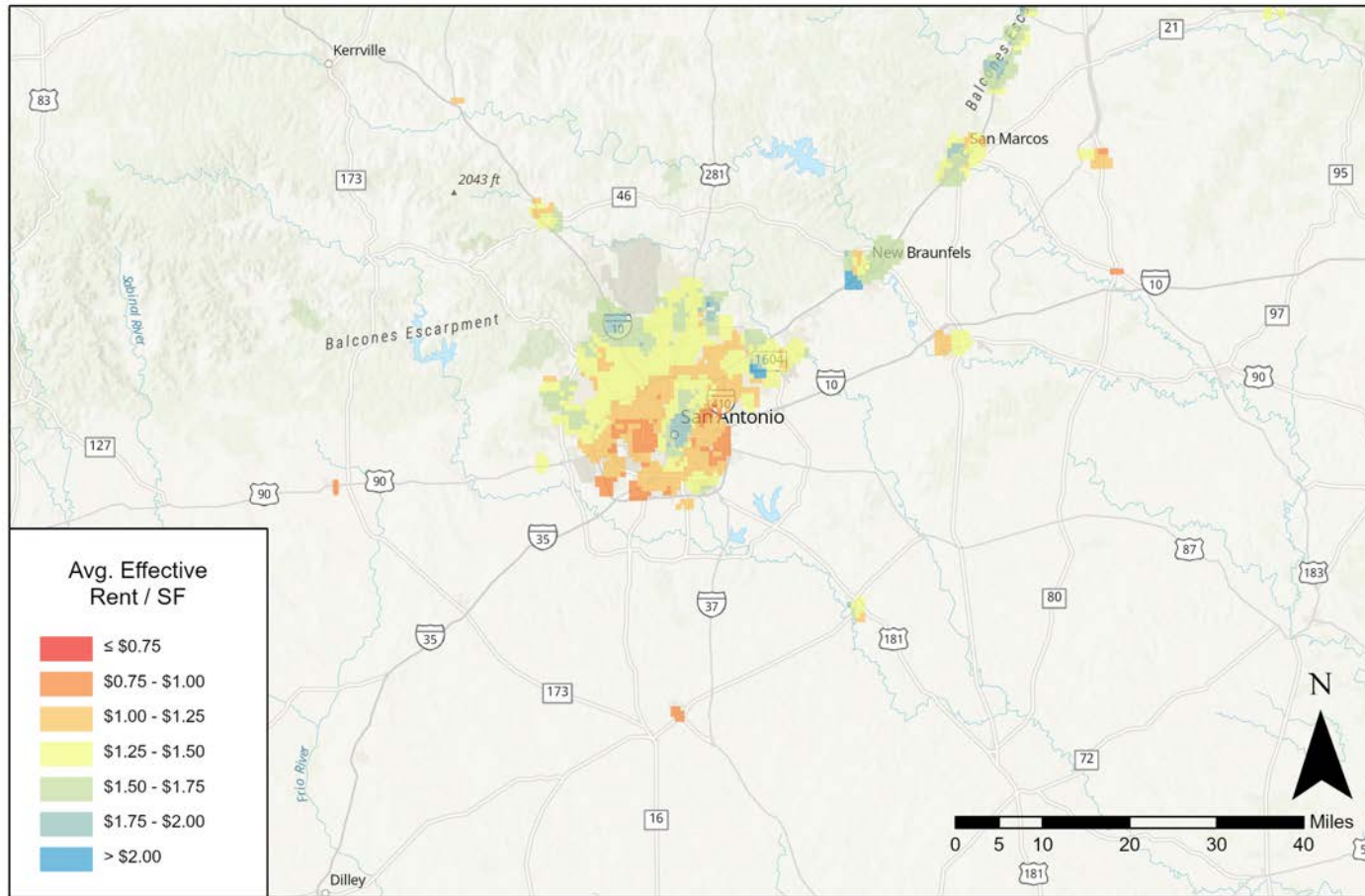
Average Effective Rent / SF San Antonio Metro Class A Multifamily LMAs



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

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

Average Effective Rent / SF San Antonio Metro Multifamily LMAs



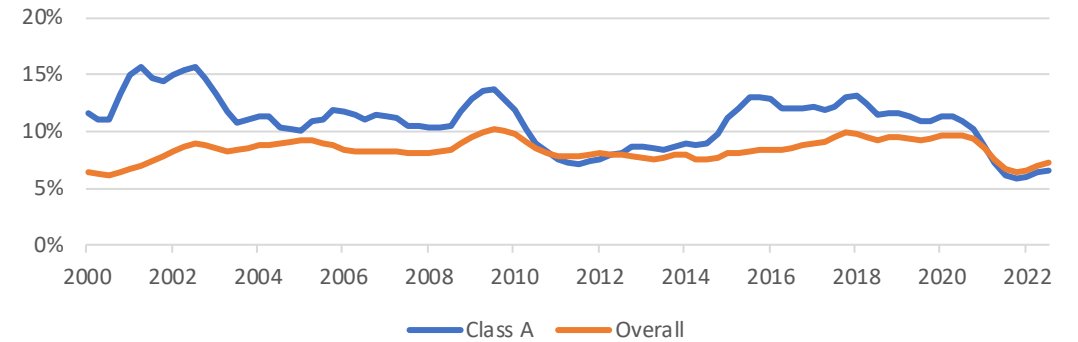
Sources: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, EPS, NPS

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

San Antonio Apartment Market *vacancy*



Vacancy

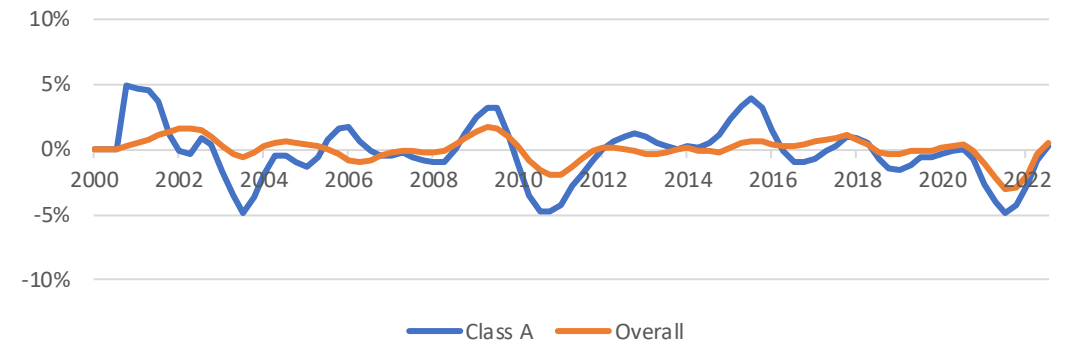


Vacancy Percent
Vacancy Percent

	Current	Previous Quarter	Previous Year
Class A	6.40%	6.03%	7.27%
Overall	7.07%	6.63%	7.50%

Larger Than Current
Smaller Than Current

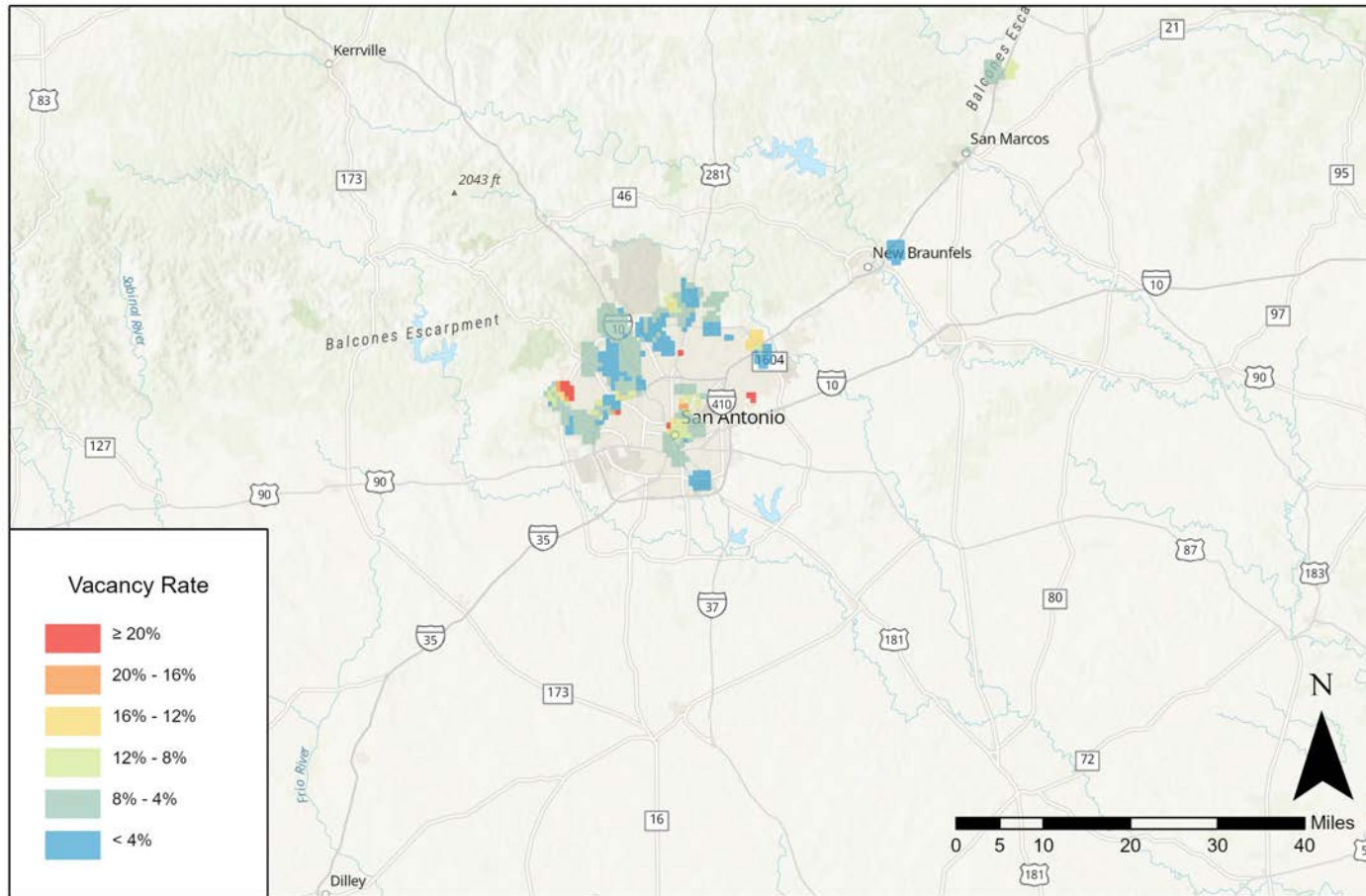
Vacancy Change from Previous Year



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

Vacancy

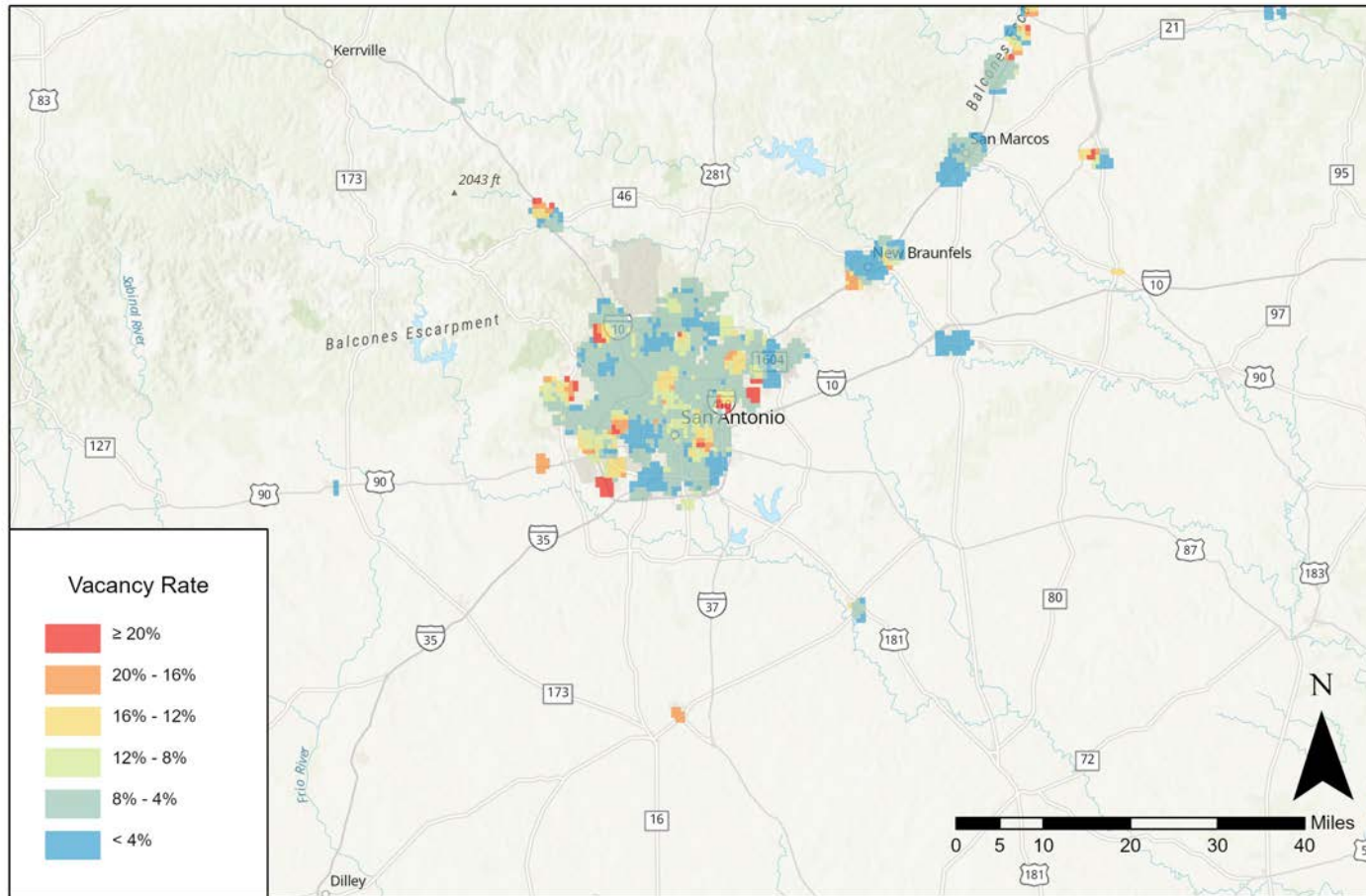
San Antonio Metro Class A Multifamily LMAs



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

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

Vacancy San Antonio Metro Multifamily LMAs



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

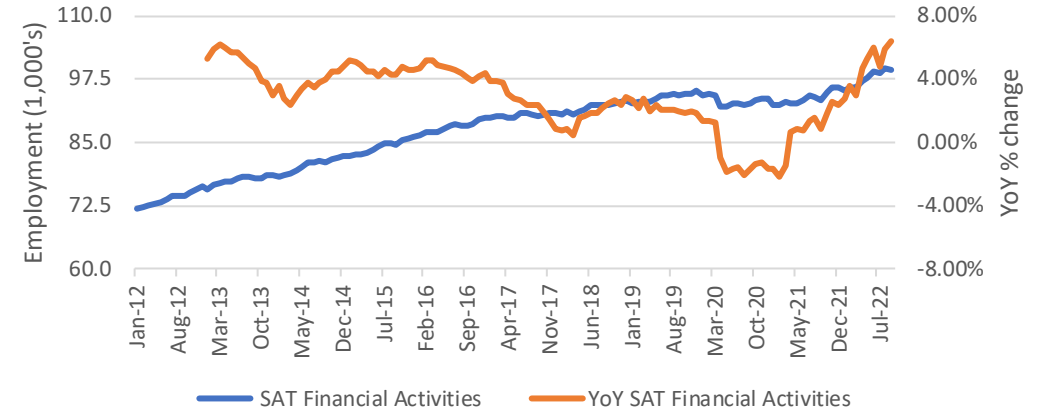
[Local Market Area \(LMA\) Definitions](#)

San Antonio Office Market

key employment trends

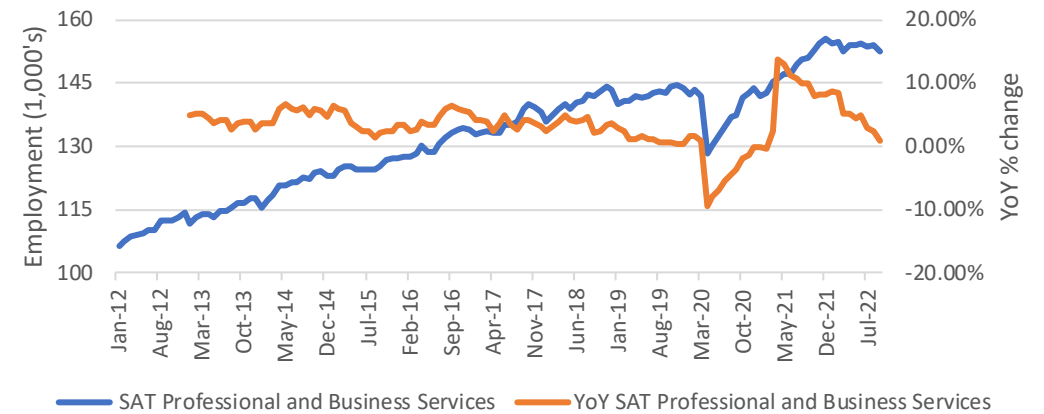
SAT Financial Activities

Sep-22	Sep-21	Change	YoY
99,500	93,500	6,000	6.42%



SAT Professional and Business Services

Sep-22	Sep-21	Change	YoY
152,500	151,200	1,300	0.86%



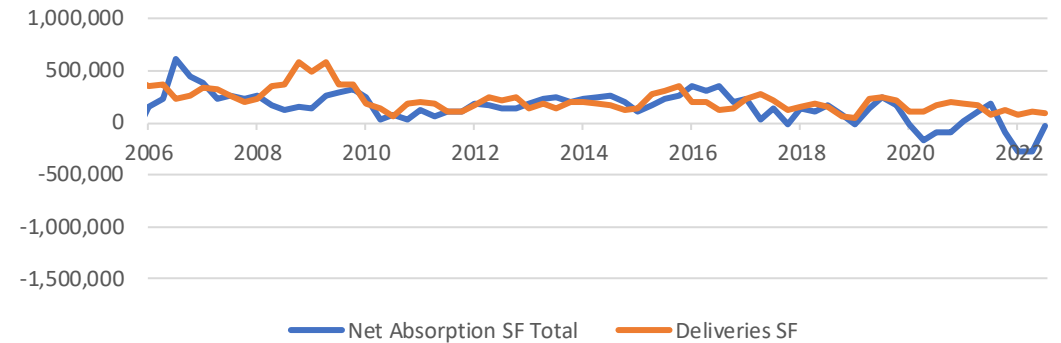
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

San Antonio Office Market *absorption/construction*

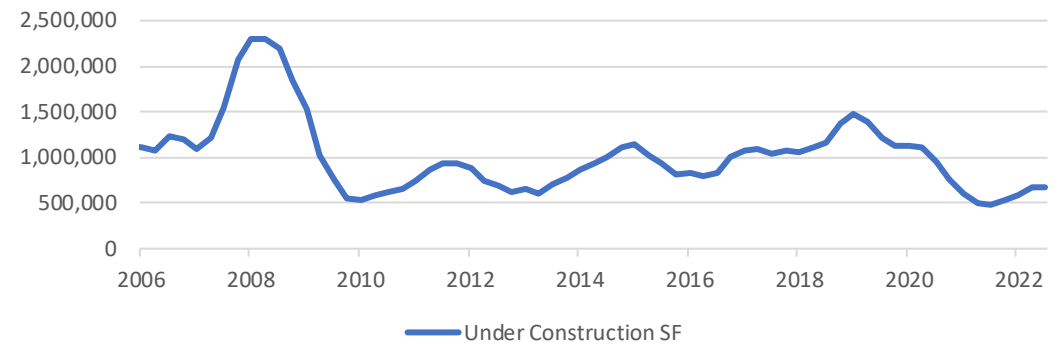
		Current	Previous Quarter	Previous Year
Starts SF	Overall	180,076	127,898	63,028
Net Absorption SF Total	Overall	-282,803	-278,503	103,170
Deliveries SF	Overall	100,271	72,268	169,157
Under Construction SF	Overall	671,086	591,281	496,550

Larger
Smaller
 Than Current

Absorption and Delivery Square Footage



Under Construction Square Footage



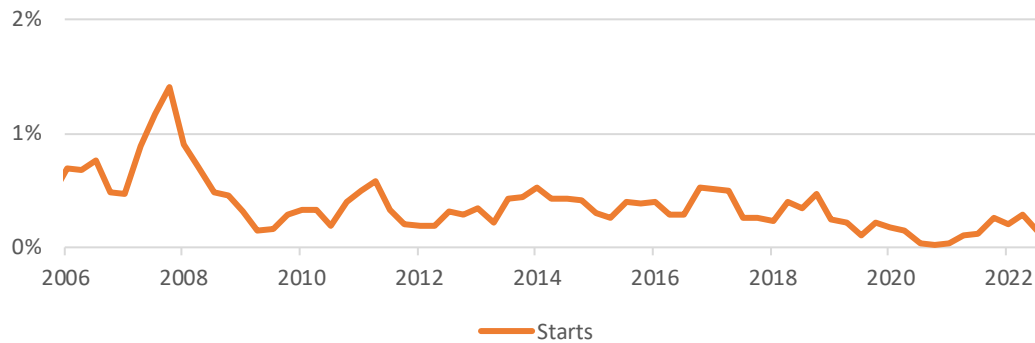
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Office Market *absorption/construction*

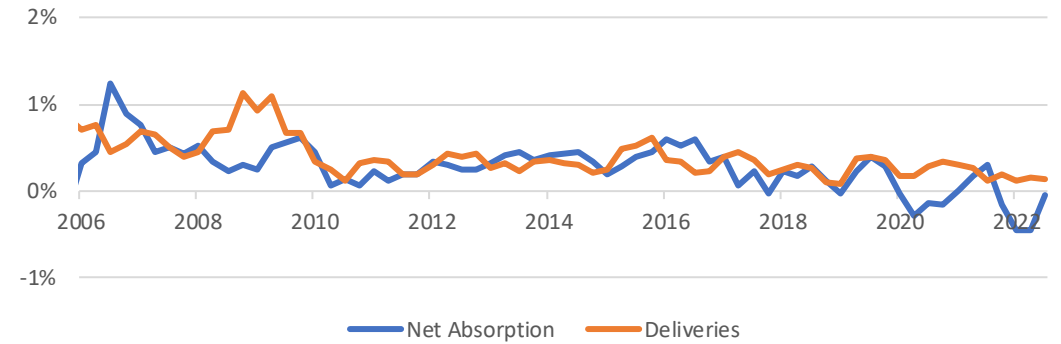
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.29%	0.21%	0.10%
Under Construction Percent	Overall	1.09%	0.96%	0.81%
Absorption Percent	Overall	-0.46%	-0.45%	0.17%
Deliveries Percent	Overall	0.16%	0.12%	0.28%

Larger
Smaller
 Than Current

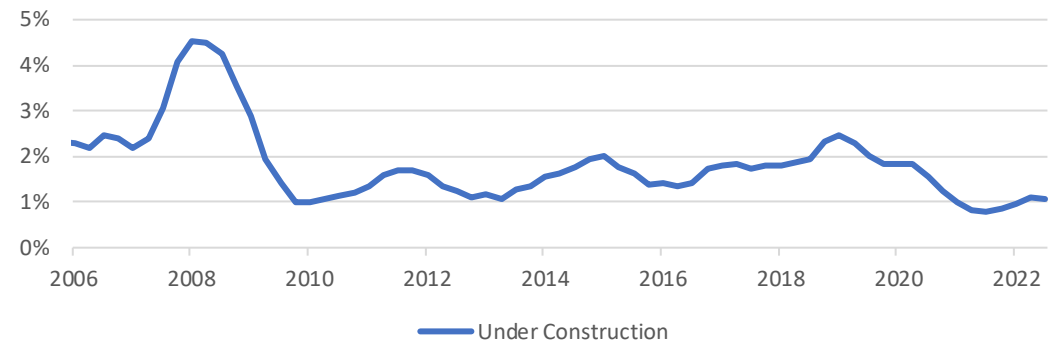
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

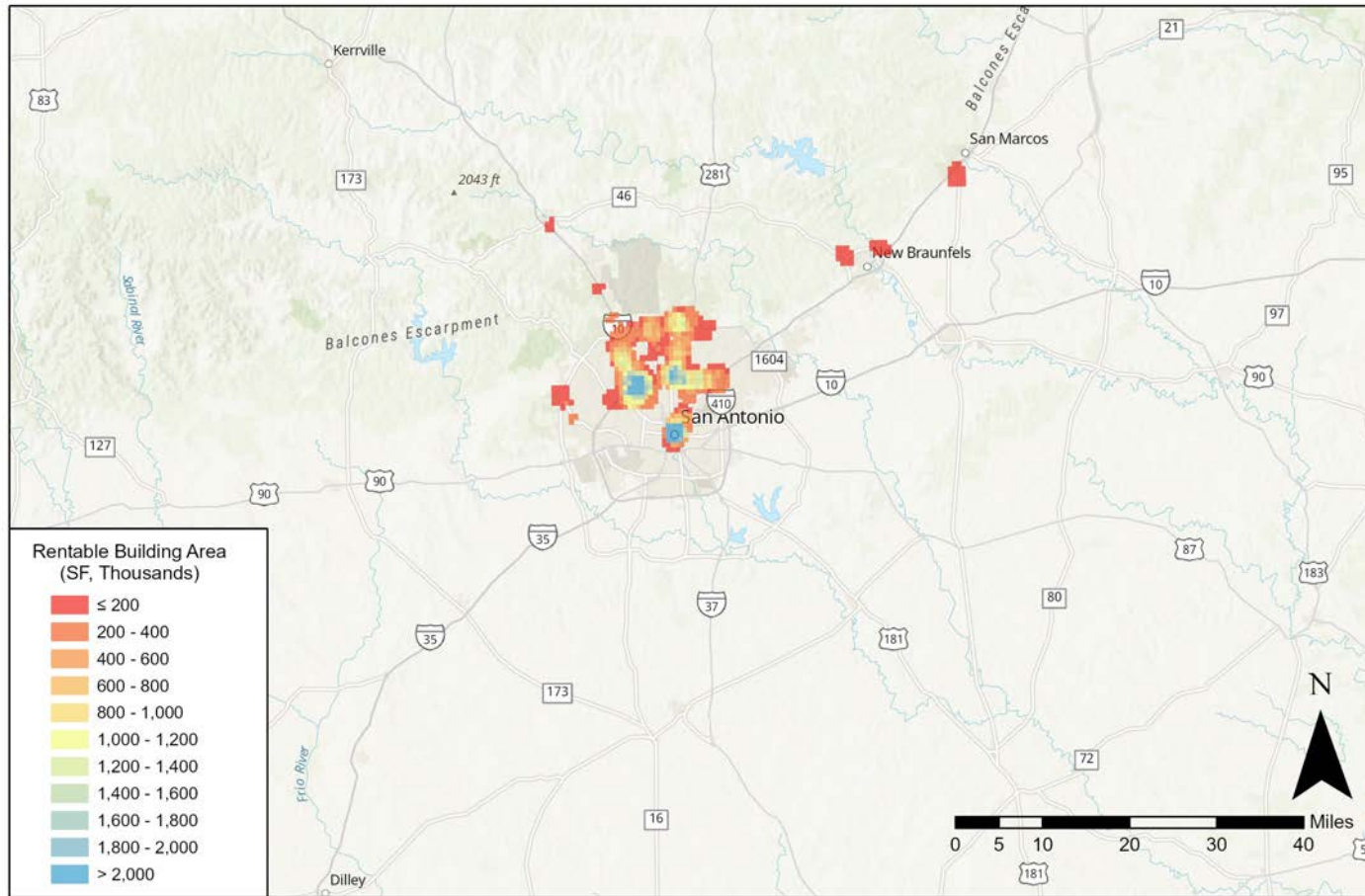


Under Construction as Percent of Inventory



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

Rentable Building Area San Antonio Metro Office LMAs

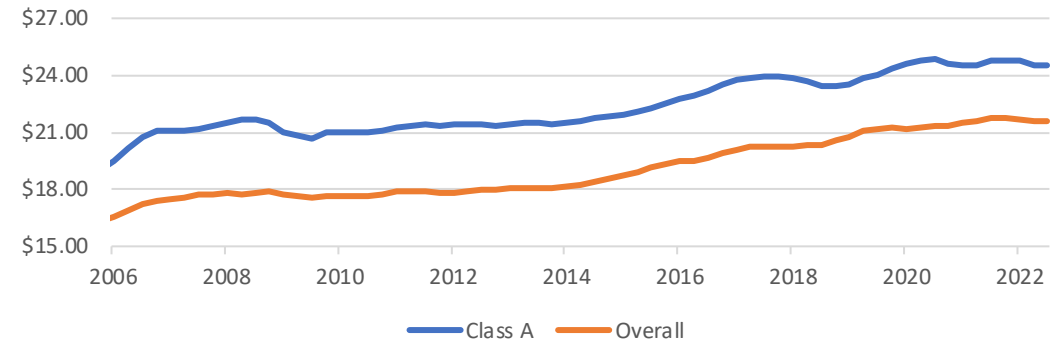


Sources: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, EPS, NPS

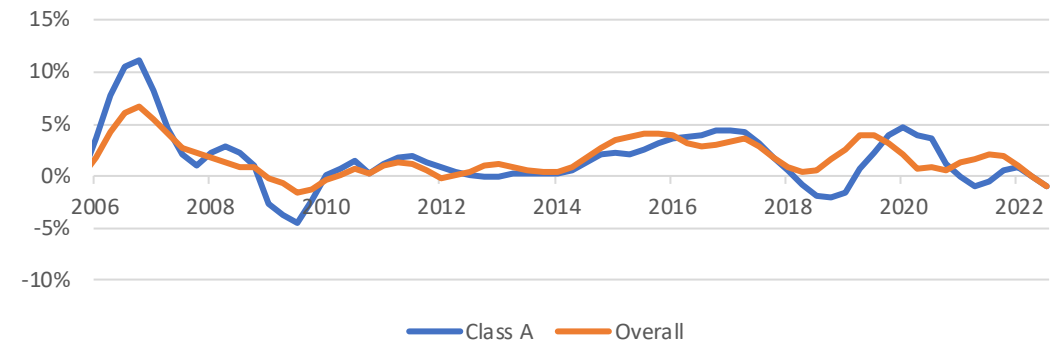
[Local Market Area \(LMA\) Definitions](#)

San Antonio Office Market *rent*

Office Base Rent



Office Base Rent YoY Growth

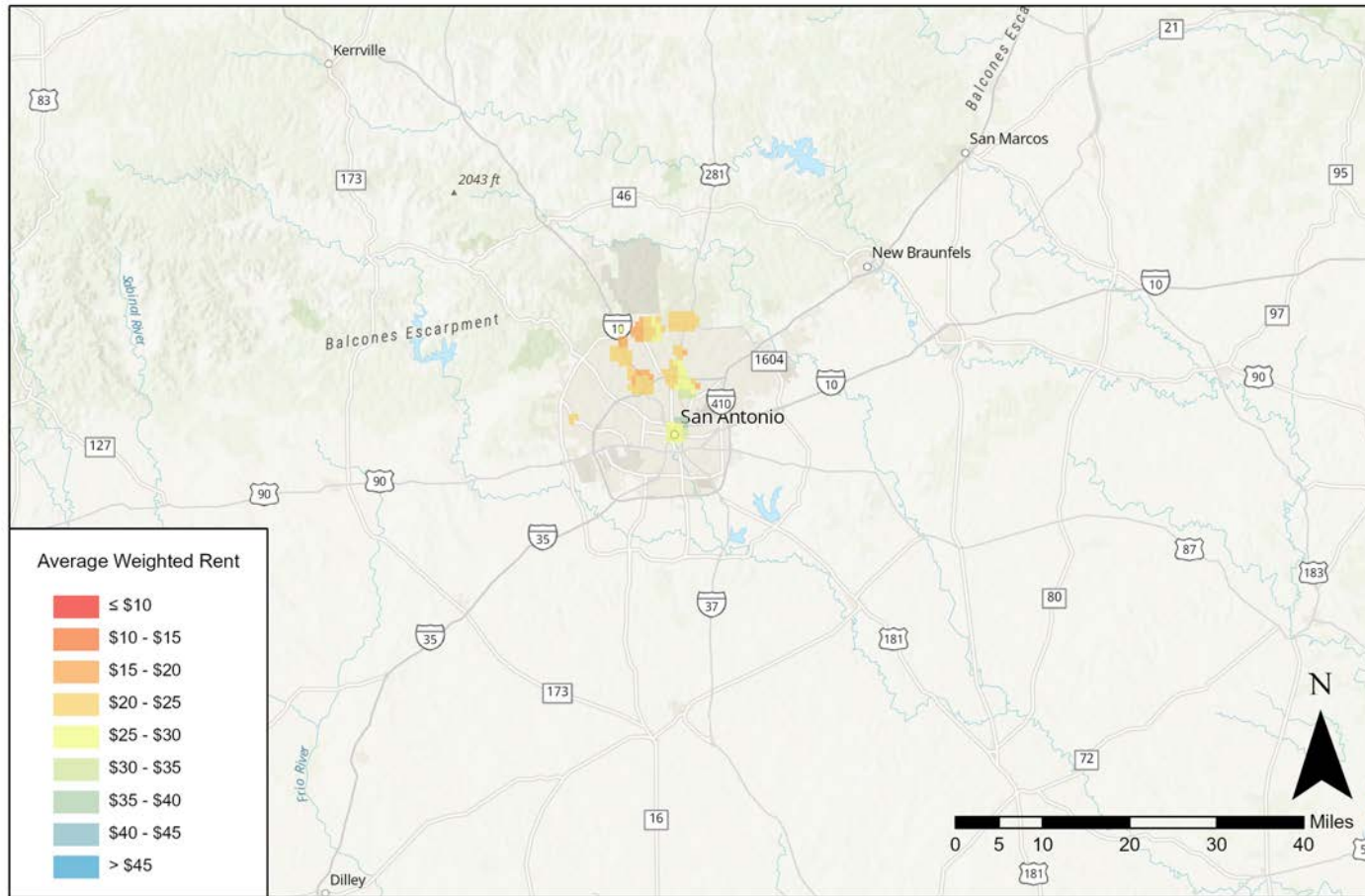


		Current	Previous Quarter	Previous Year
Base Rent	Class A	\$24.59	\$24.81	\$24.58
Base Rent	Overall	\$21.61	\$21.72	\$21.62

Larger
Smaller
 Than Current

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

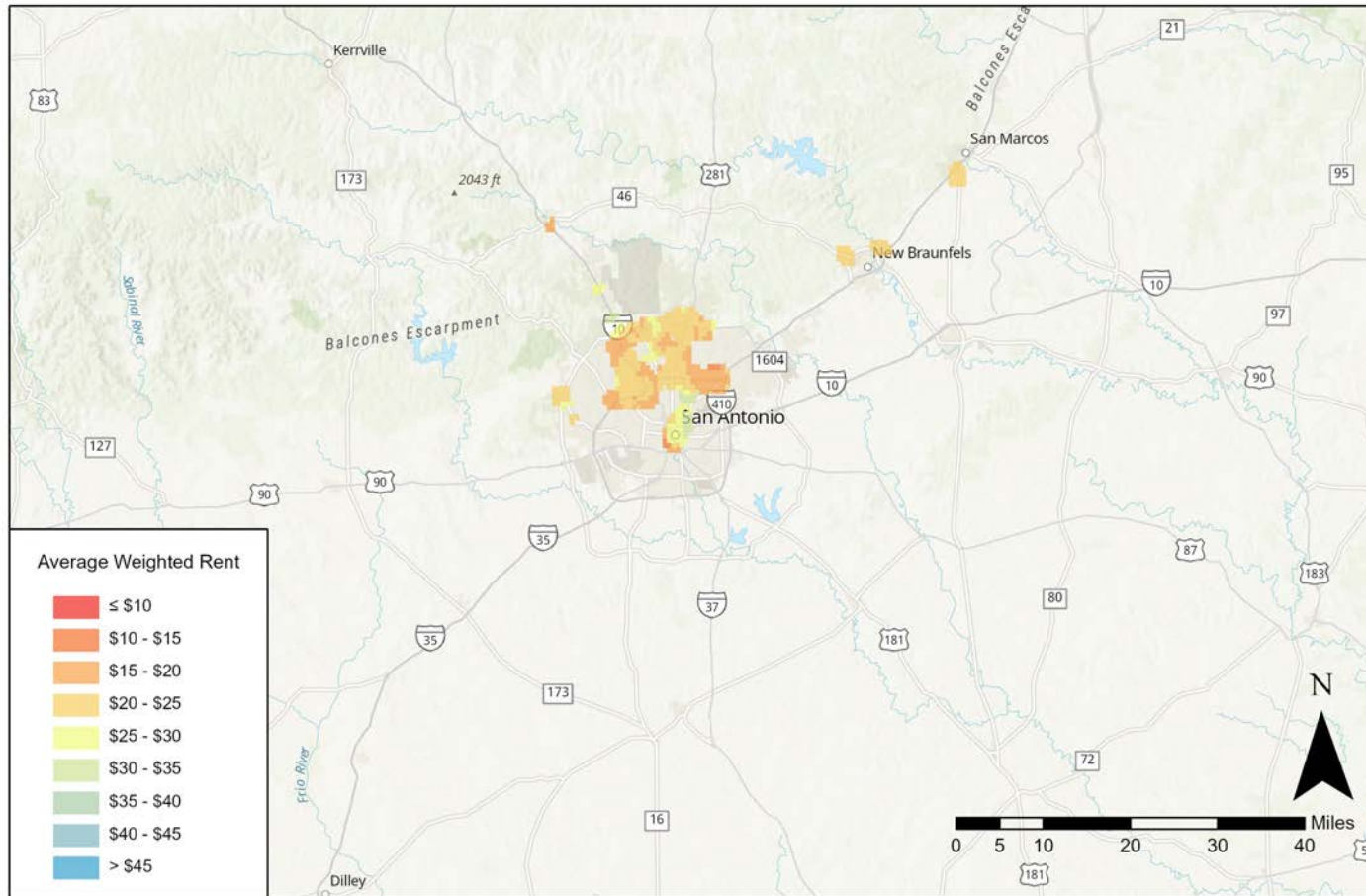
Average Weighted Rent San Antonio Metro Class A Office LMAs



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

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

Average Weighted Rent San Antonio Metro Office LMAs



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 Office Market *vacancy*

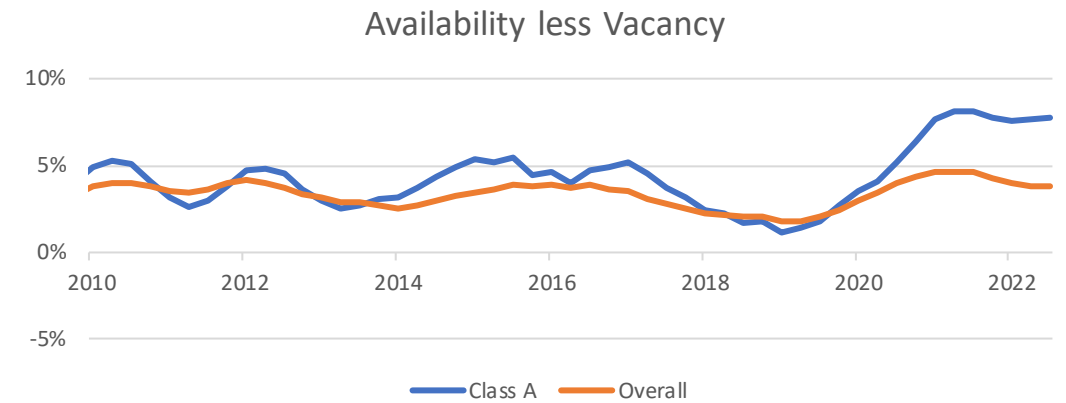
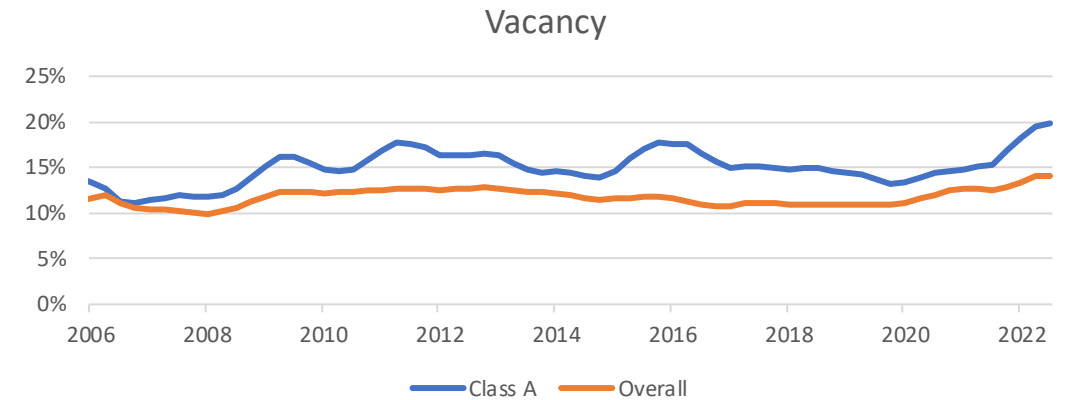


Vacant Percent % Total
 Vacant Percent % Total
 Availability less Vacancy
 Availability less Vacancy

Class A
 Overall
 Class A
 Overall

	Current	Previous Quarter	Previous Year
Class A	19.60%	18.37%	15.13%
Overall	14.03%	13.43%	12.77%
Class A	7.70%	7.57%	8.10%
Overall	3.83%	4.03%	4.63%

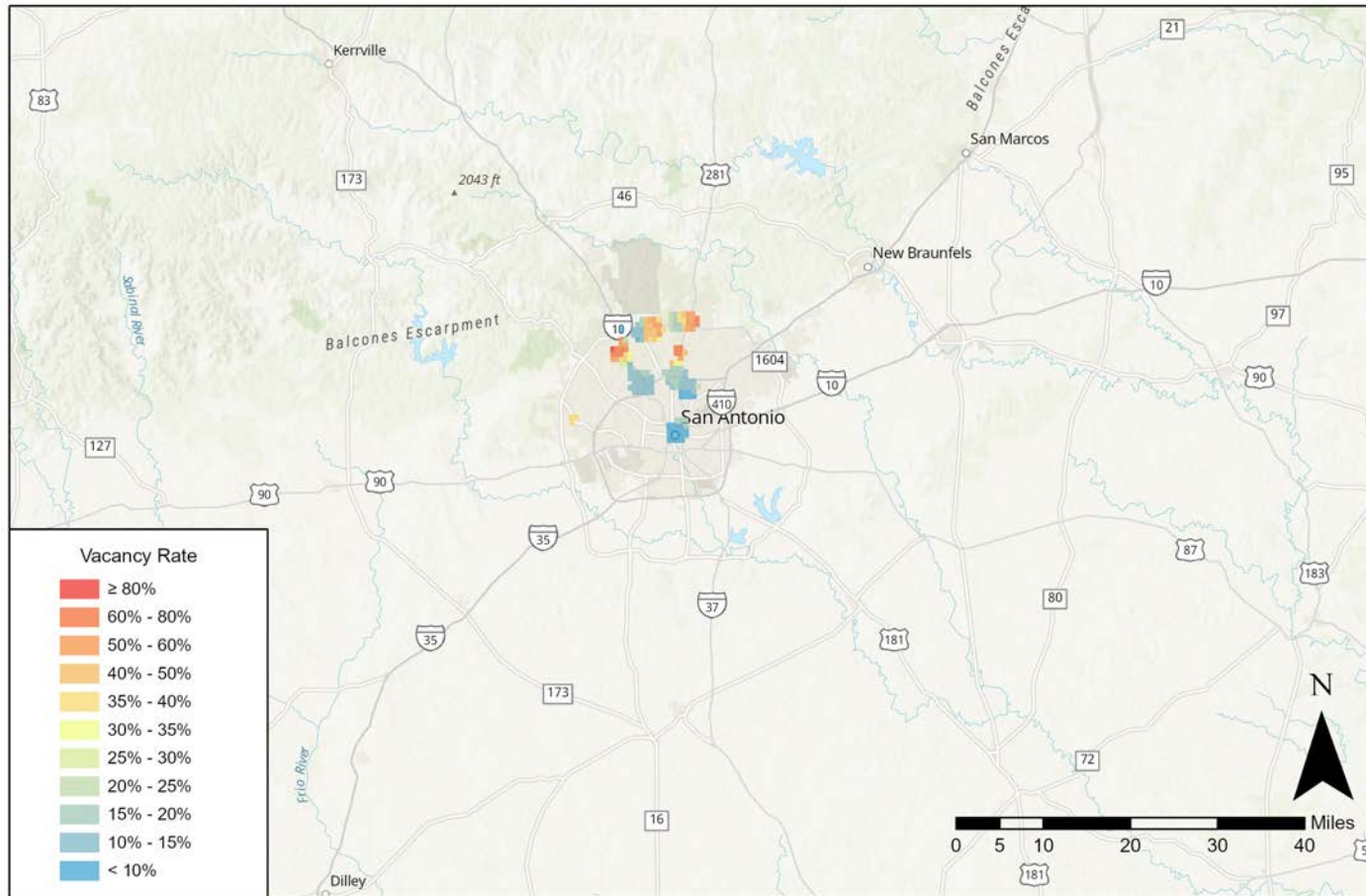
Larger
 Smaller
 Than Current



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

Vacancy

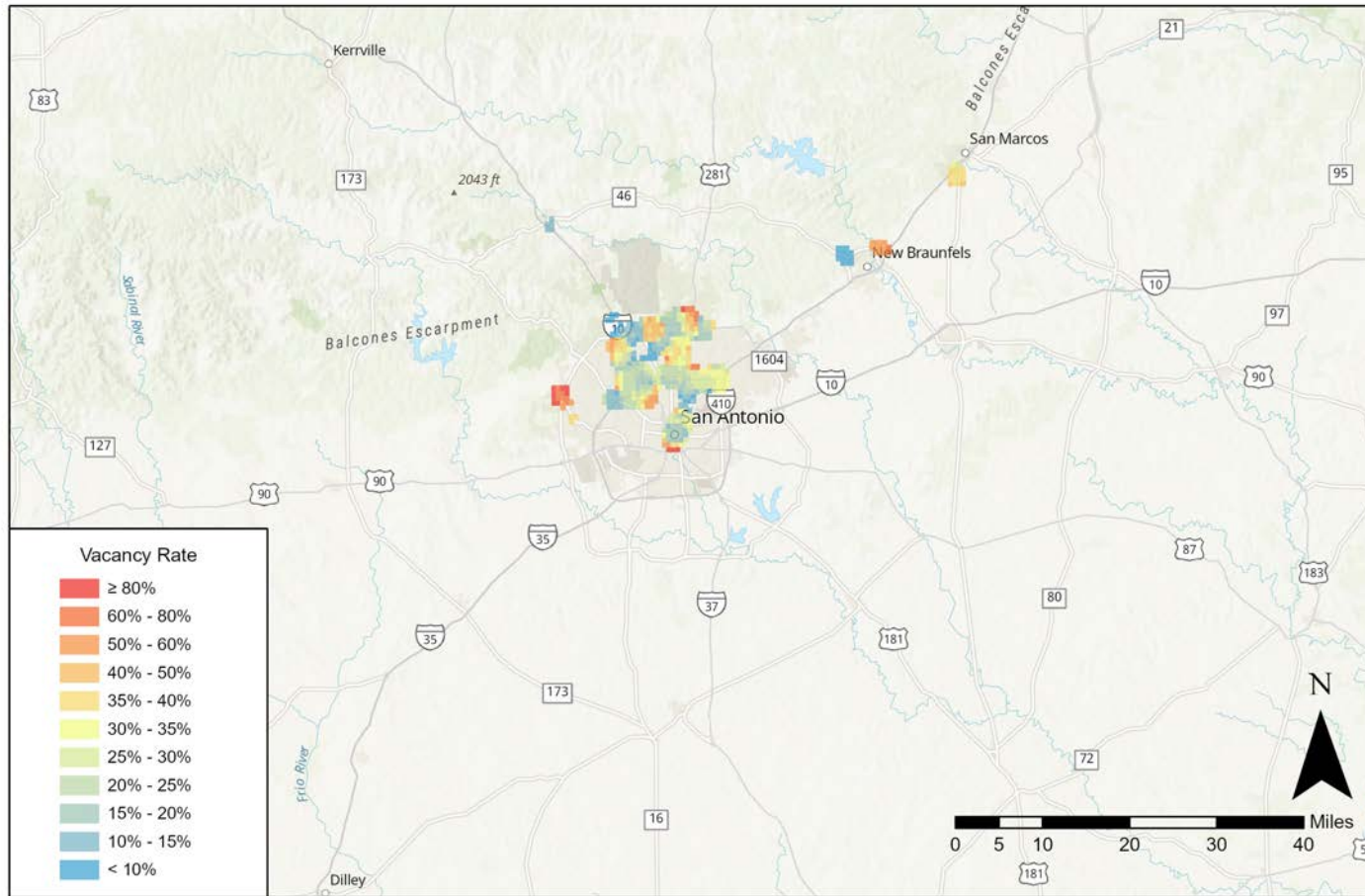
San Antonio Metro Class A Office LMAs



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

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

Vacancy San Antonio Metro Office LMAs



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

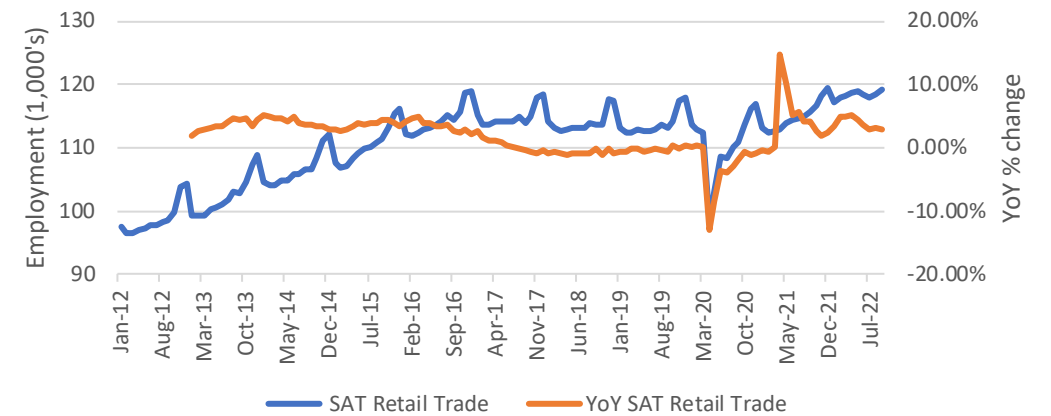
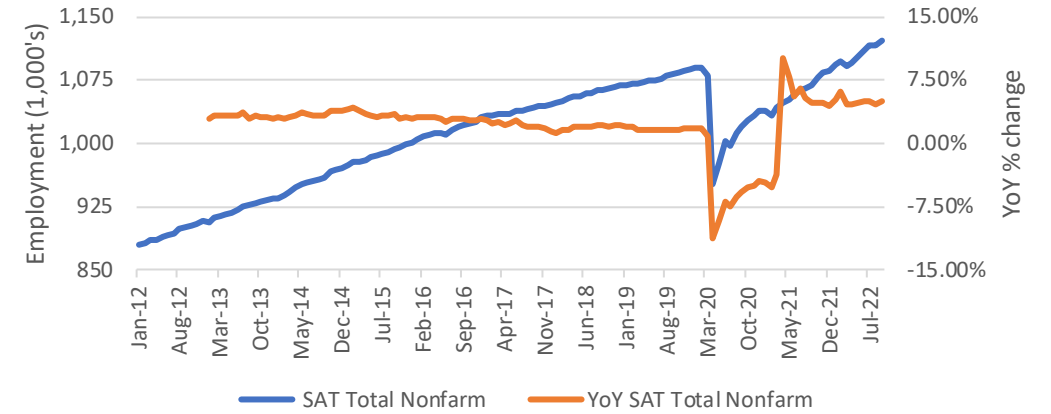
key employment trends

SAT Total Nonfarm

Sep-22	Sep-21	Change	YoY
1,122,000	1,068,800	53,200	4.98%

SAT Retail Trade

Sep-22	Sep-21	Change	YoY
119,200	115,700	3,500	3.03%



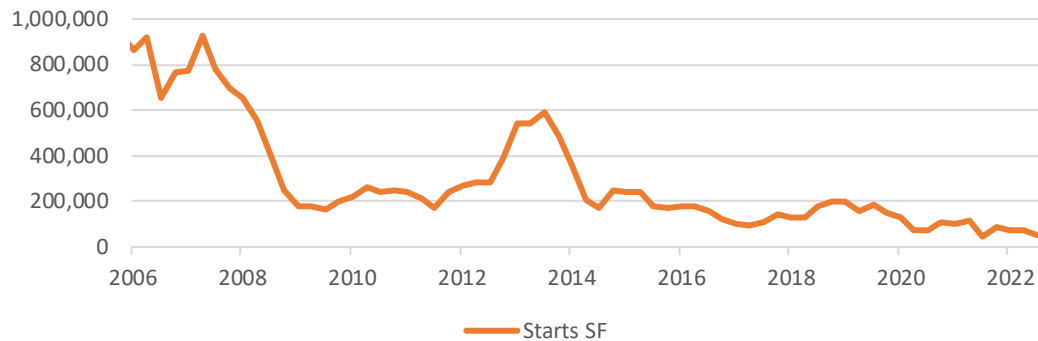
Sources: BLS, Texas Real Estate Research Center at Texas A&M University

San Antonio Retail Market *absorption/construction*

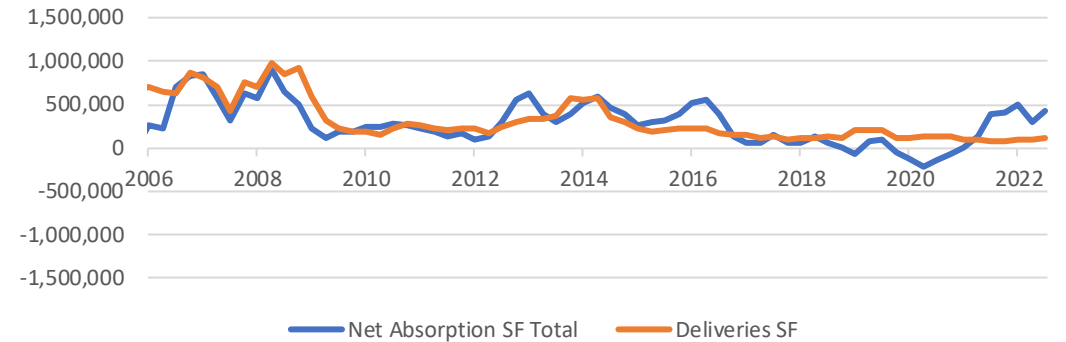
		Current	Previous Quarter	Previous Year
Starts SF	Overall	70,150	76,750	113,385
Net Absorption SF Total	Overall	291,089	507,929	127,368
Deliveries SF	Overall	90,983	99,979	100,687
Under Construction SF	Overall	256,391	277,224	325,333

Larger
Smaller
 Than Current

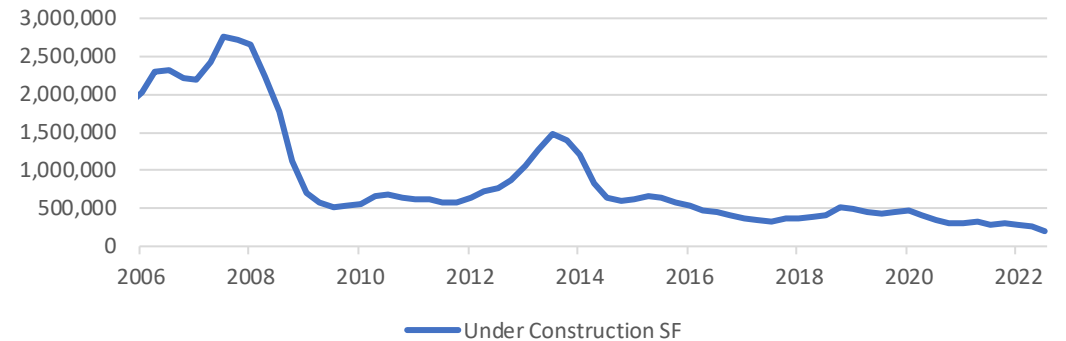
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



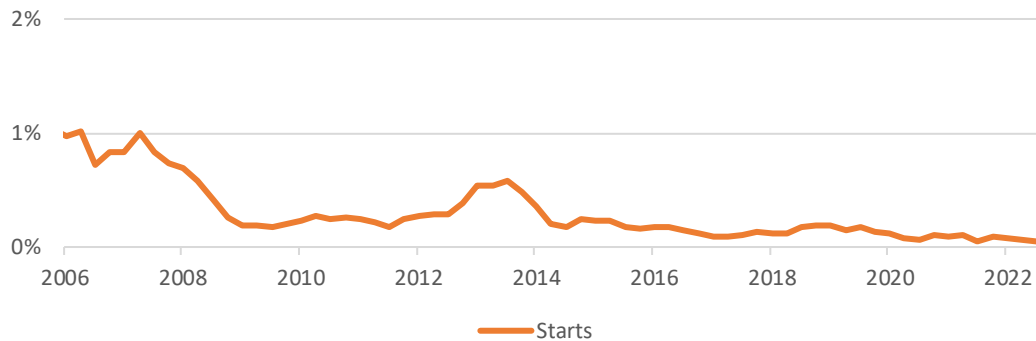
Sources: CoStar, Texas Real Estate Research Center at Texas A&M University

San Antonio Retail Market *absorption/construction*

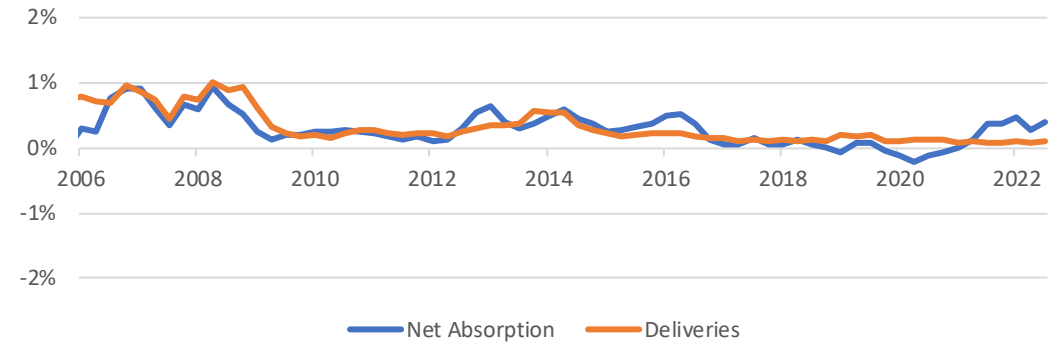
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	0.07%	0.07%	0.11%
Under Construction Percent	Overall	0.24%	0.26%	0.31%
Absorption Percent	Overall	0.27%	0.48%	0.12%
Deliveries Percent	Overall	0.09%	0.09%	0.09%

Larger
Smaller
 Than Current

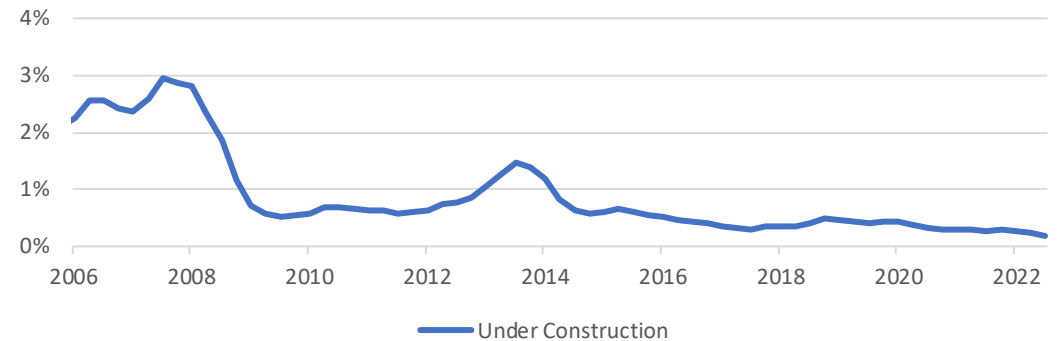
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

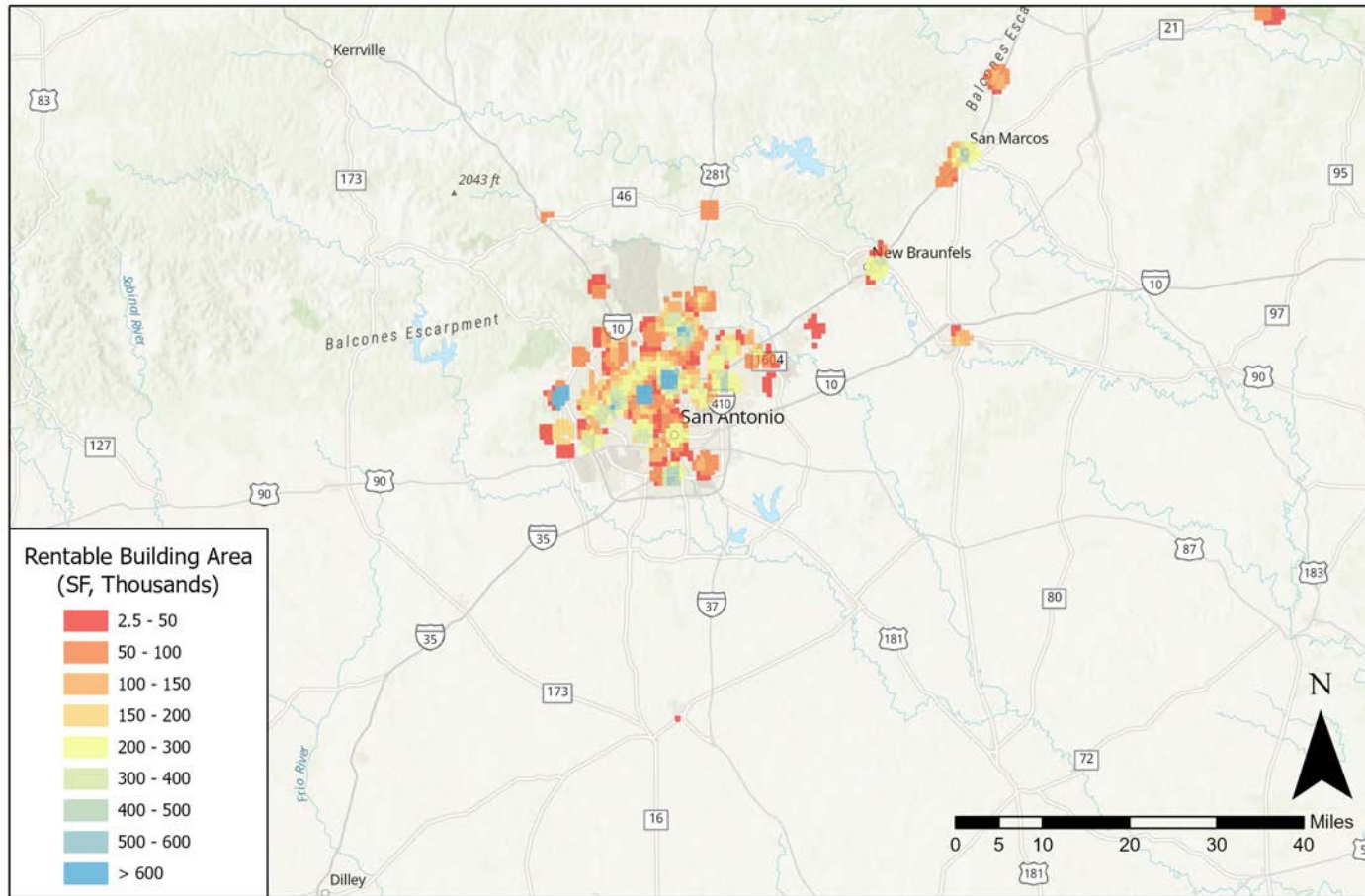


Under Construction as Percent of Inventory



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

Rentable Building Area San Antonio Metro Retail LMAs



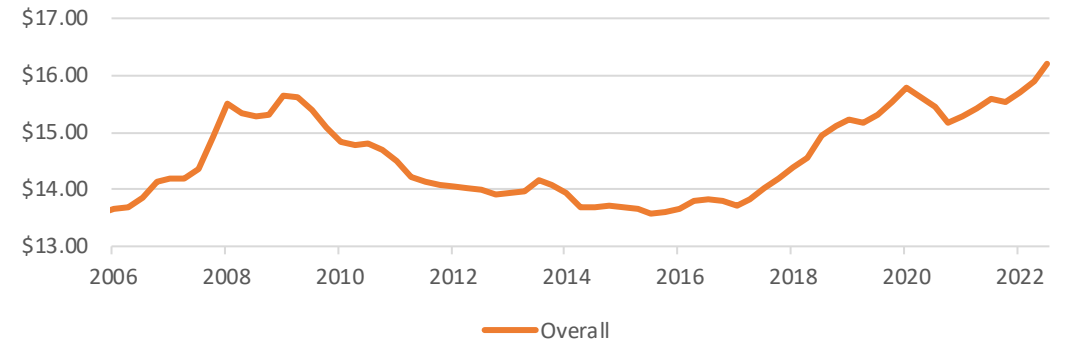
Sources: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, EPS, NPS

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

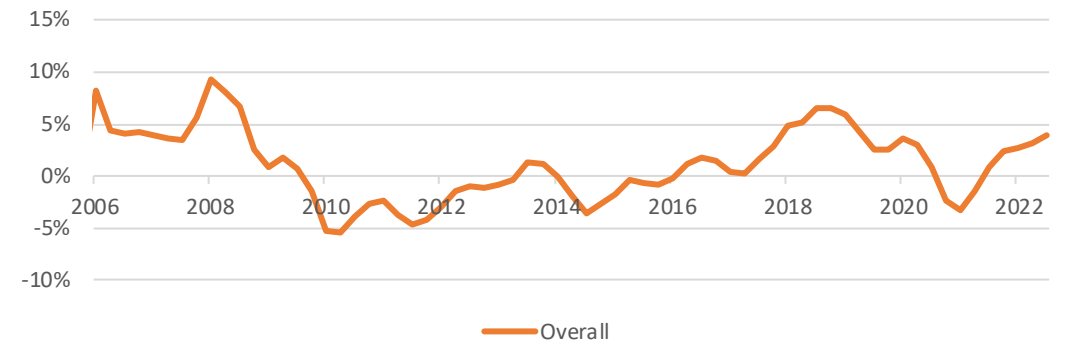
San Antonio Retail Market *rent*



NNN Rent



NNN Rent YoY Growth

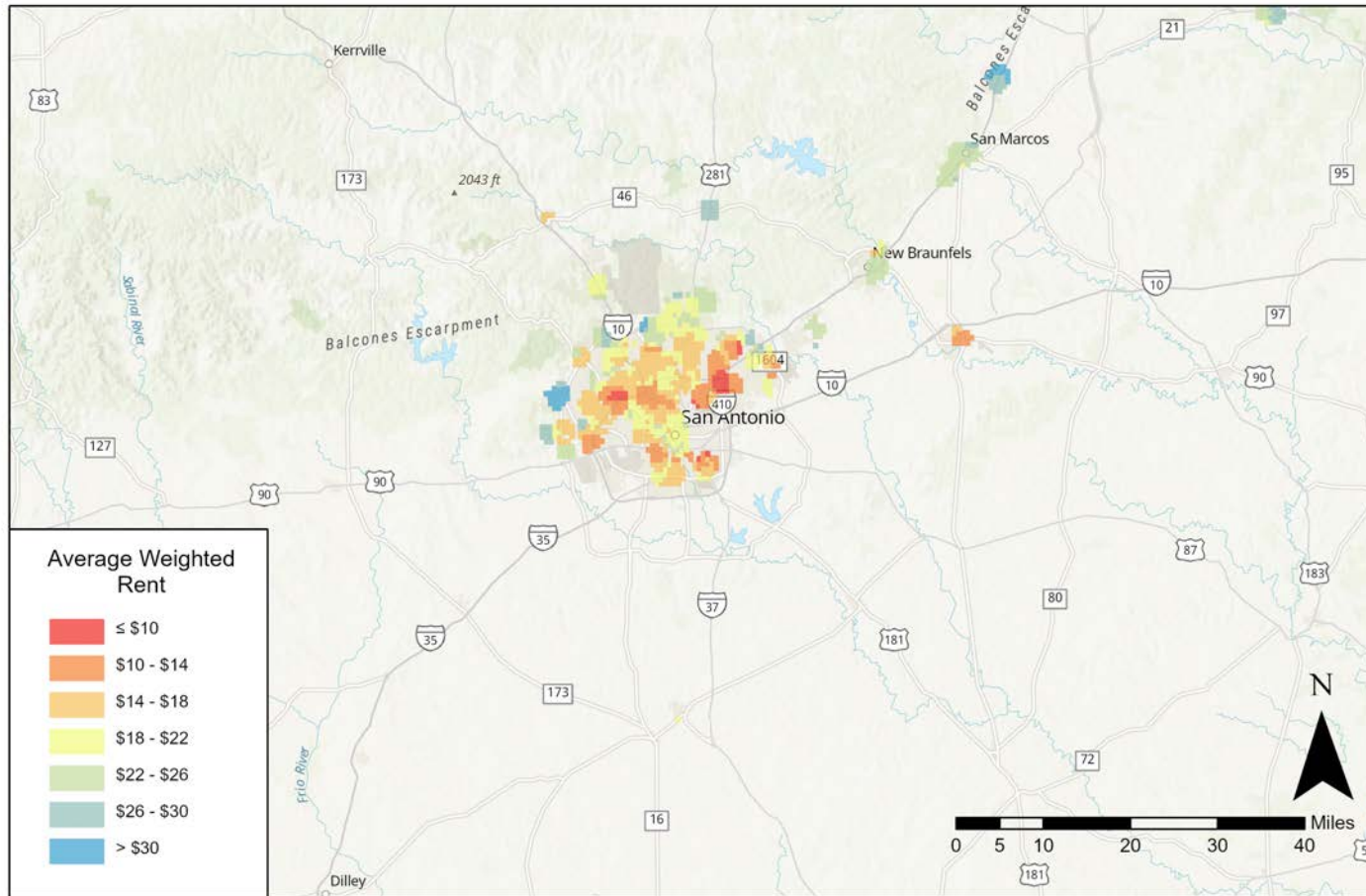


NNN Rent Overall		Current	Previous Quarter	Previous Year
Overall		\$15.91	\$15.69	\$15.42

Larger
Smaller
 Than Current

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

Average Weighted Rent San Antonio Metro Retail LMAs



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

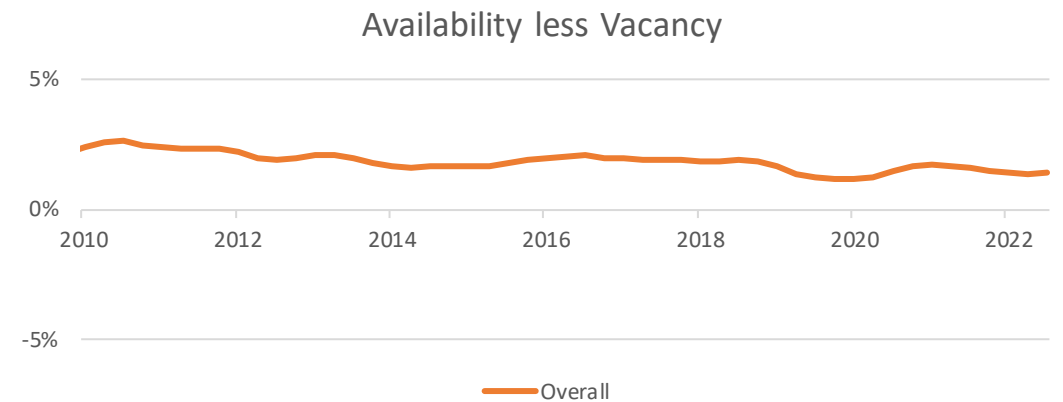
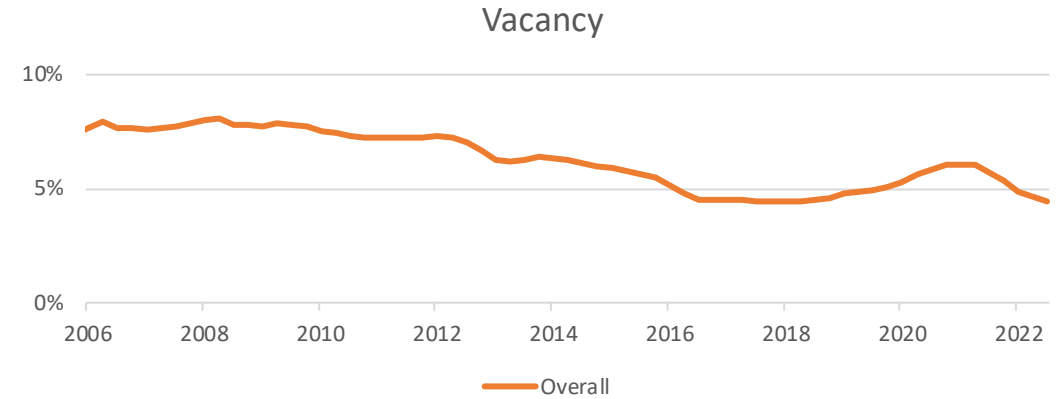
[Local Market Area \(LMA\) Definitions](#)

San Antonio Retail Market *vacancy*



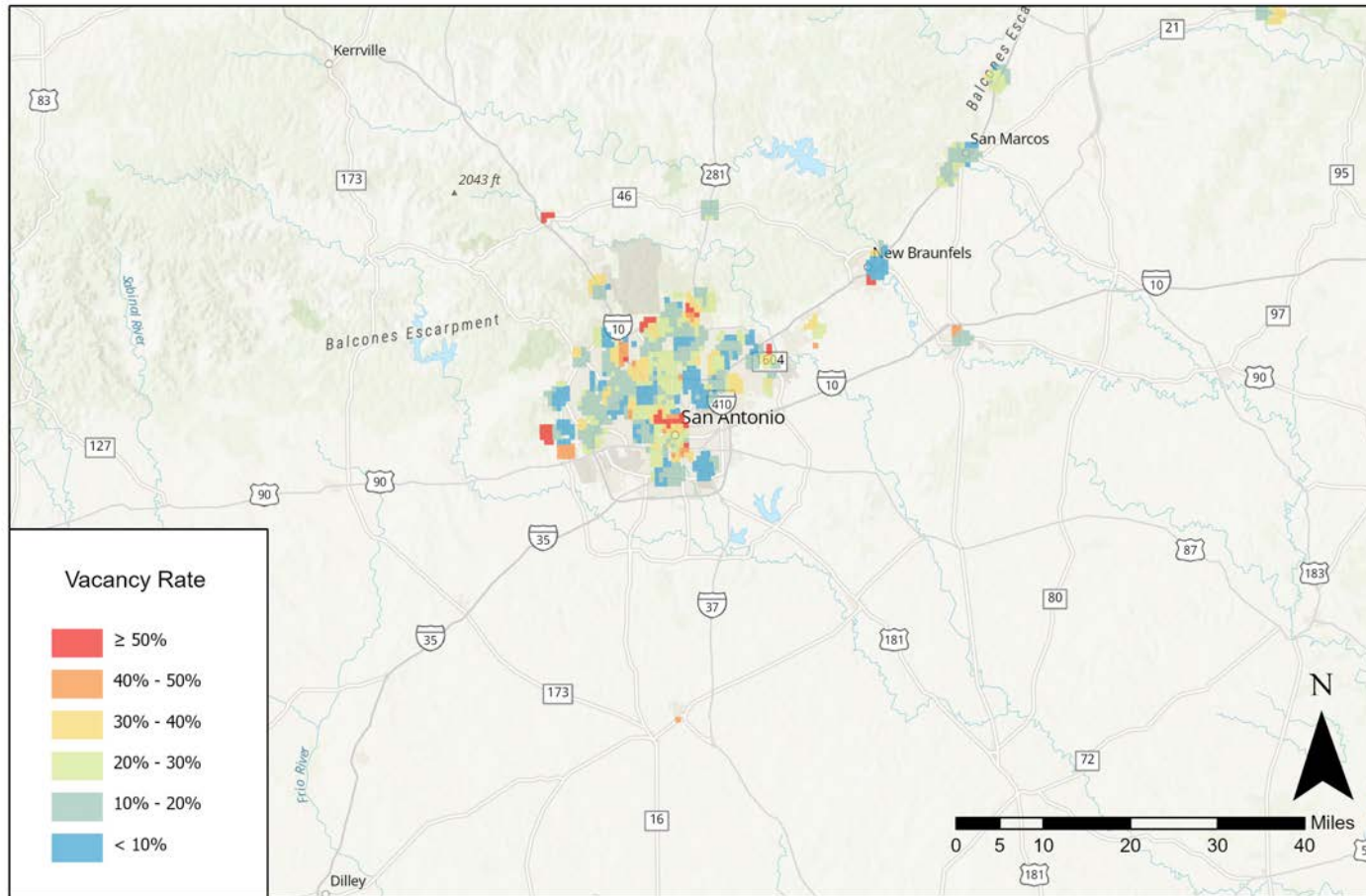
		Current	Previous Quarter	Previous Year
Vacant Percent % Total	Overall	4.63%	4.87%	6.03%
Availability less Vacancy	Overall	1.37%	1.40%	1.70%

Larger
Smaller
 Than Current



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

Vacancy San Antonio Metro Retail LMAs



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

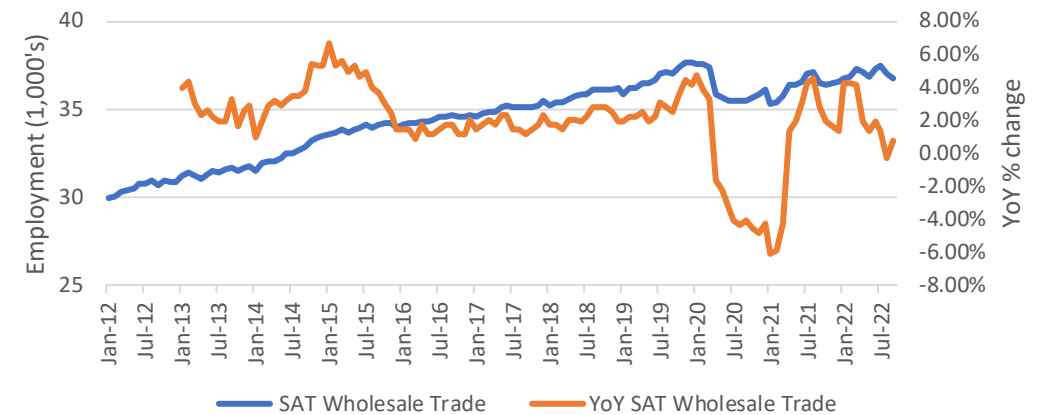
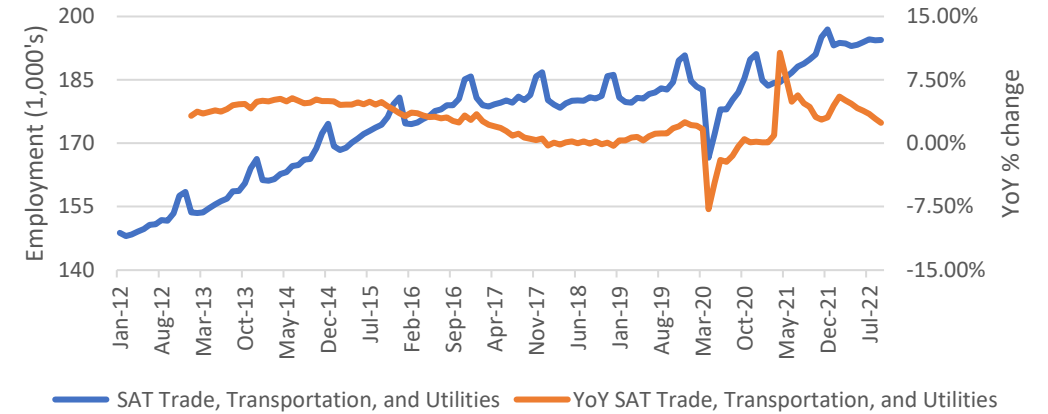
[Local Market Area \(LMA\) Definitions](#)

San Antonio Warehouse Market

key employment trends

	Sep-22	Sep-21	Change	YoY
SAT Trade, Transportation, and Utilities	194,400	189,800	4,600	2.42%

	Sep-22	Sep-21	Change	YoY
SAT Wholesale Trade	36,800	36,500	300	0.82%



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

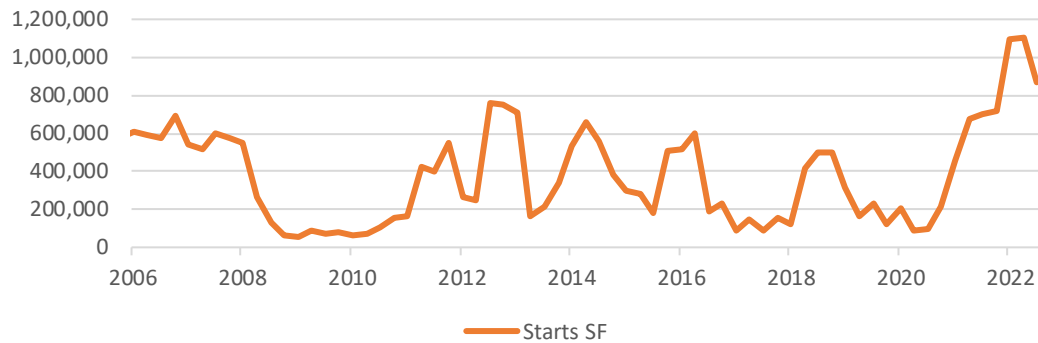
San Antonio Warehouse Market

absorption/construction

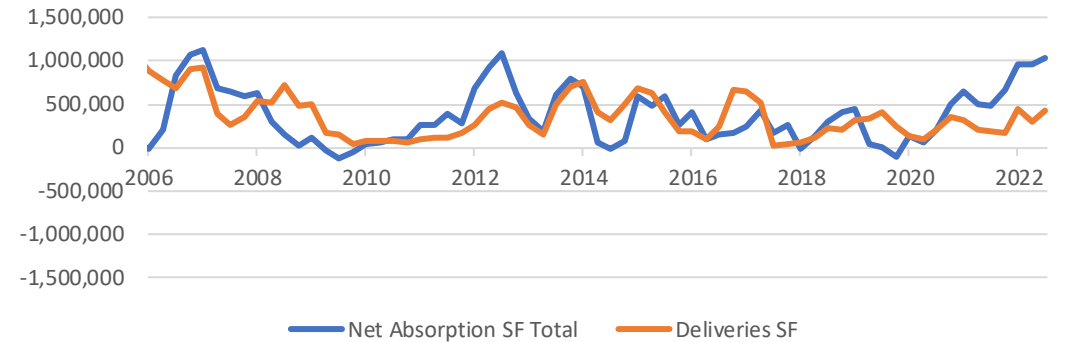
		Current	Previous Quarter	Previous Year
Starts SF	Overall	1,104,567	1,097,016	679,899
Net Absorption SF Total	Overall	962,308	959,919	494,919
Deliveries SF	Overall	293,291	440,467	210,726
Under Construction SF	Overall	3,917,070	3,105,794	1,378,133

Larger
Smaller
 Than Current

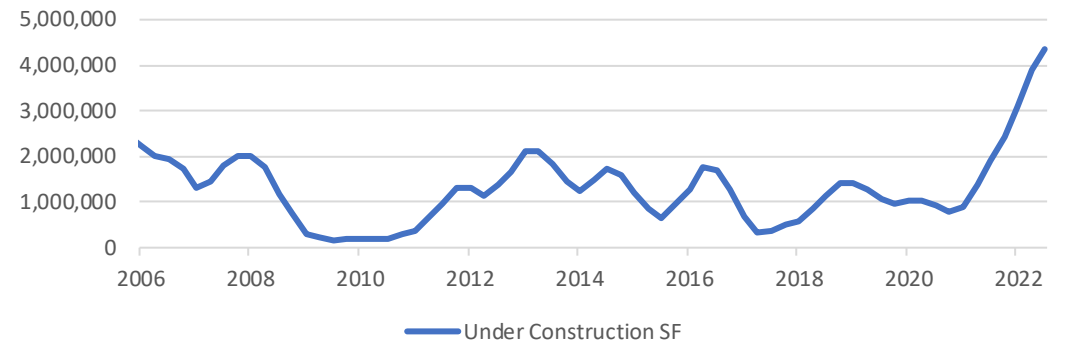
Starts Square Footage



Absorption and Delivery Square Footage



Under Construction Square Footage



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

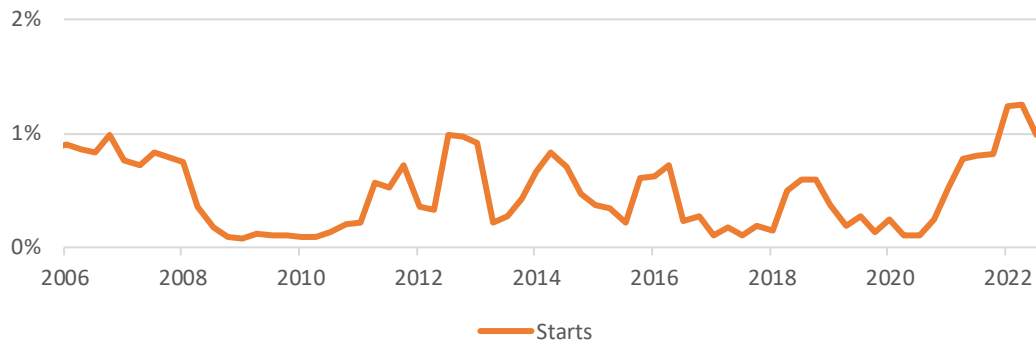
San Antonio Warehouse Market

absorption/construction

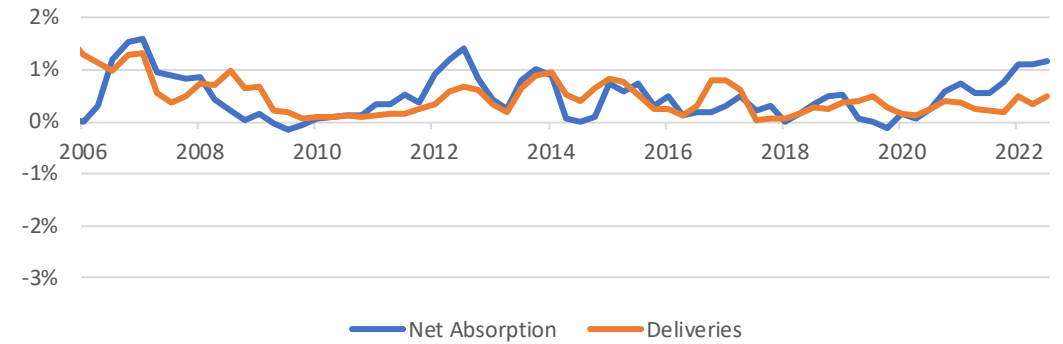
		Current	Previous Quarter	Previous Year
Starts Percent	Overall	1.25%	1.25%	0.78%
Under Construction Percent	Overall	4.44%	3.53%	1.58%
Absorption Percent	Overall	1.09%	1.09%	0.57%
Deliveries Percent	Overall	0.33%	0.50%	0.24%

Larger
Smaller
 Than Current

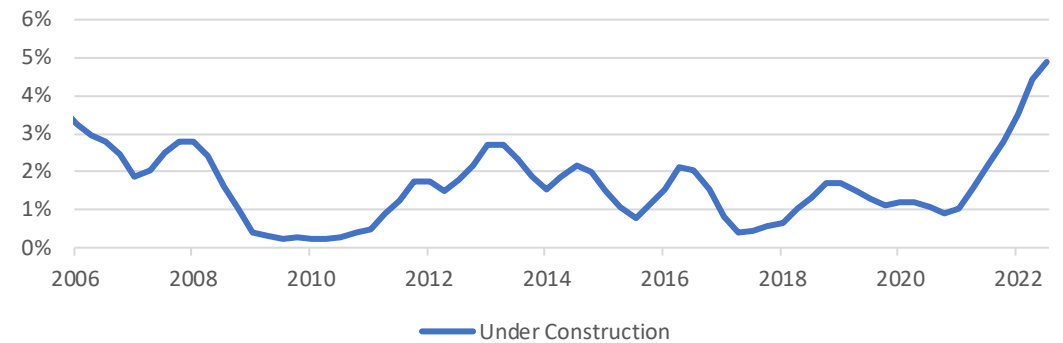
Starts as Percent of Inventory



Absorption and Deliveries as Percent of Inventory

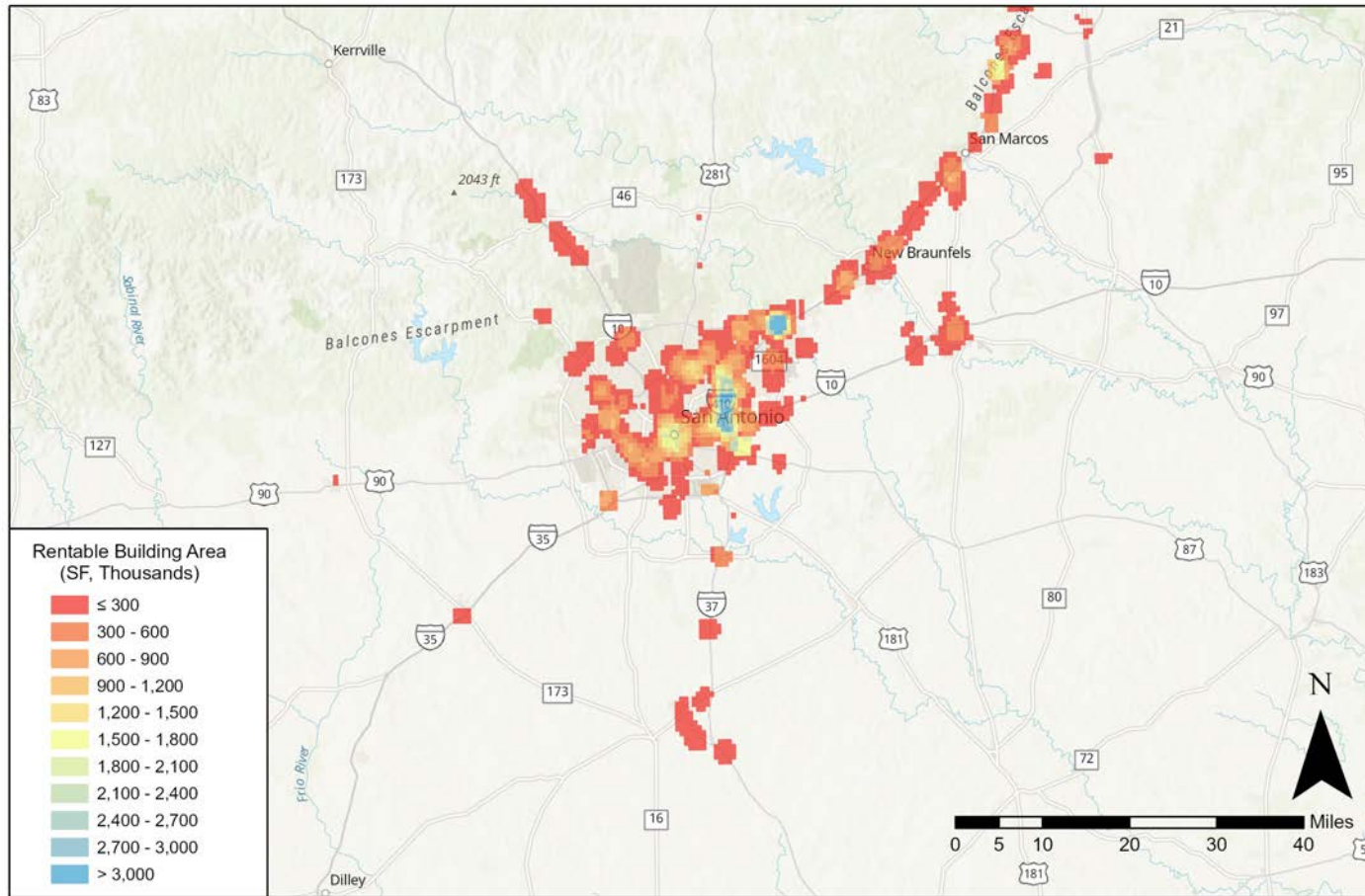


Under Construction as Percent of Inventory



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

Rentable Building Area San Antonio Metro Warehouse LMAs



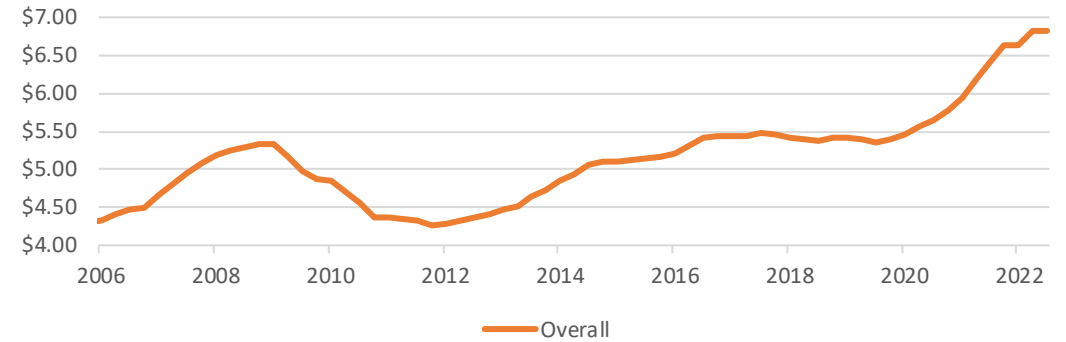
Sources: Costar, Esri, CGIAR, USGS, Texas Parks & Wildlife, CONANP, HERE, Garmin, Foursquare, SafeGraph, FAO, METI/NASA, EPS, NPS

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

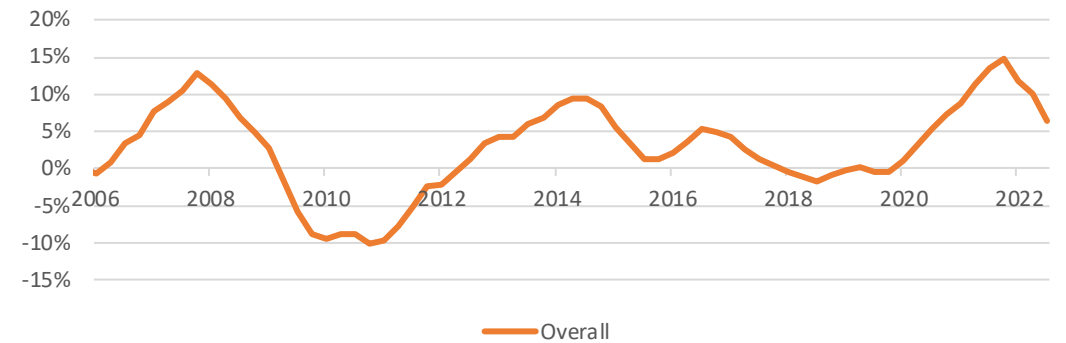
San Antonio Warehouse Market *rent*



NNN Rent



NNN Rent YoY Growth



Category	Overall	Current	Previous Quarter	Previous Year
NNN Rent Overall	Overall	\$6.83	\$6.65	\$6.21

Larger
Smaller
 Than Current

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

San Antonio Warehouse Market *vacancy*

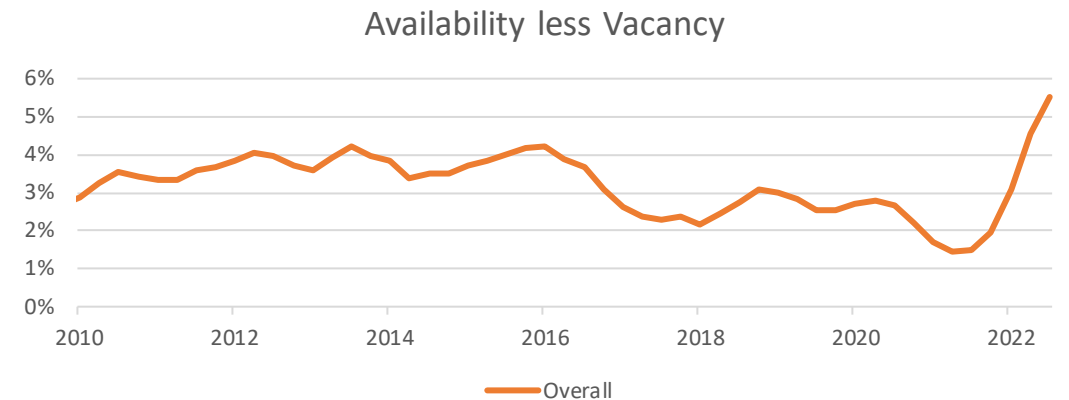
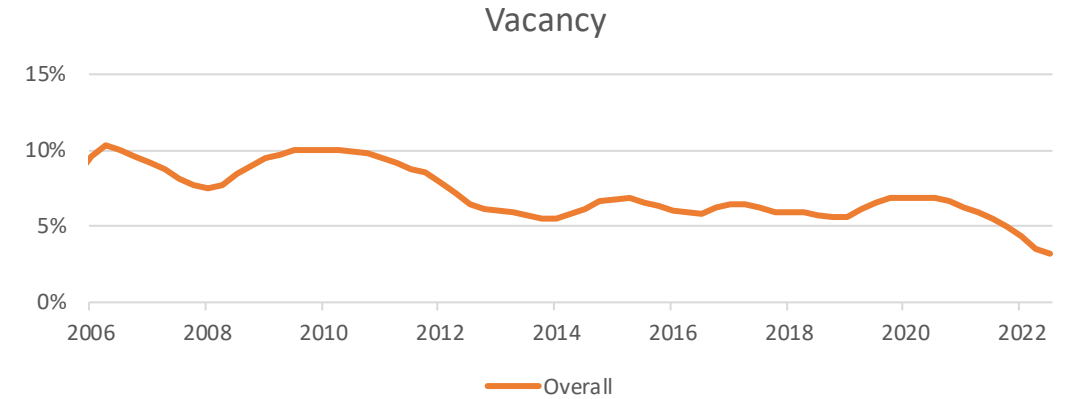


Vacant Percent % Total
Availability less Vacancy

Overall
Overall

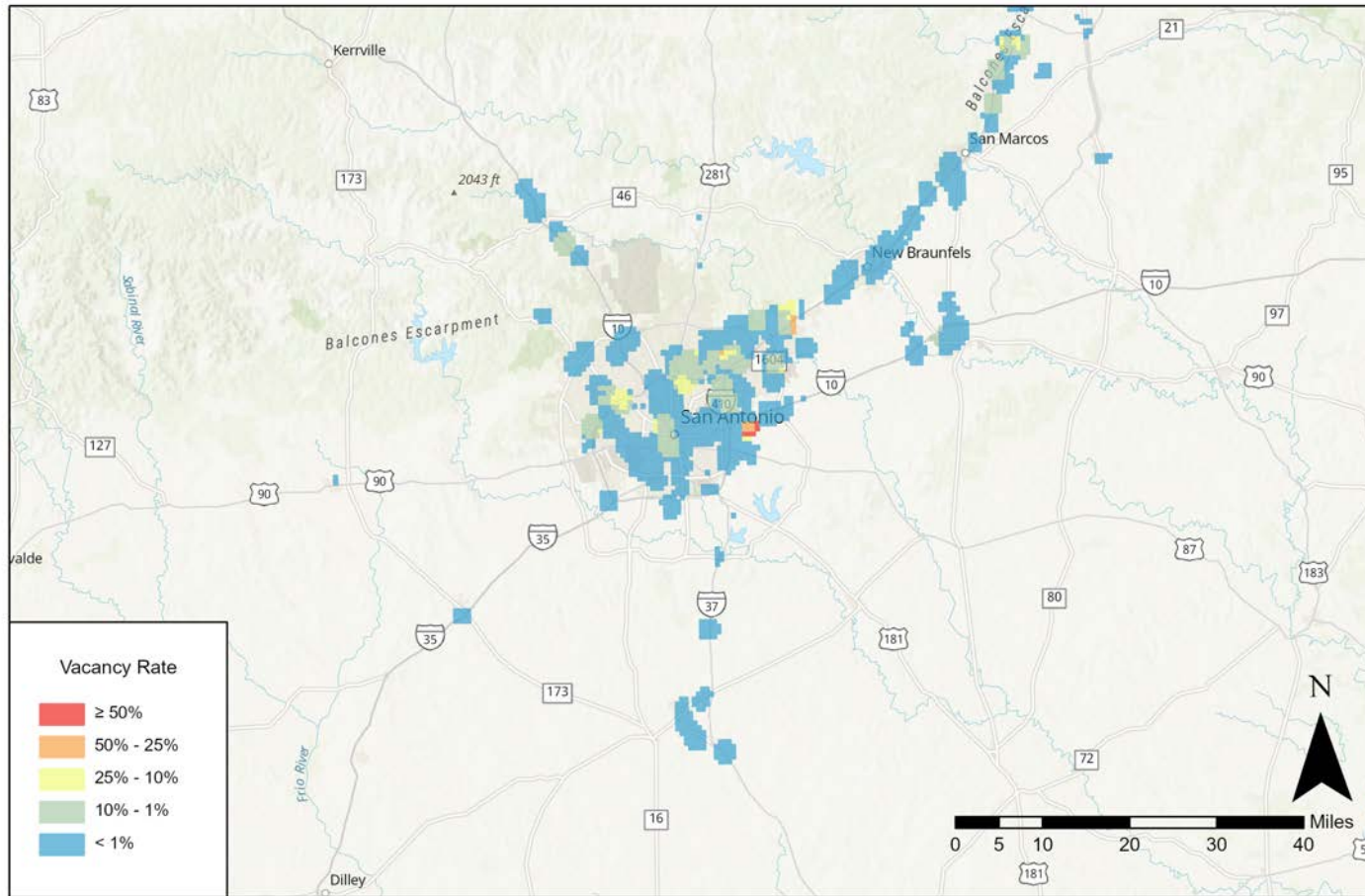
	Current	Previous Quarter	Previous Year
Overall	3.53%	4.33%	5.93%
Overall	4.57%	3.10%	1.43%

Larger
Smaller
Than Current



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

Vacancy San Antonio Metro Warehouse LMAs



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

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

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 Statistical Area with the points half a 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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