

San Antonio

3rd Quarter 2015

INDUSTRIAL

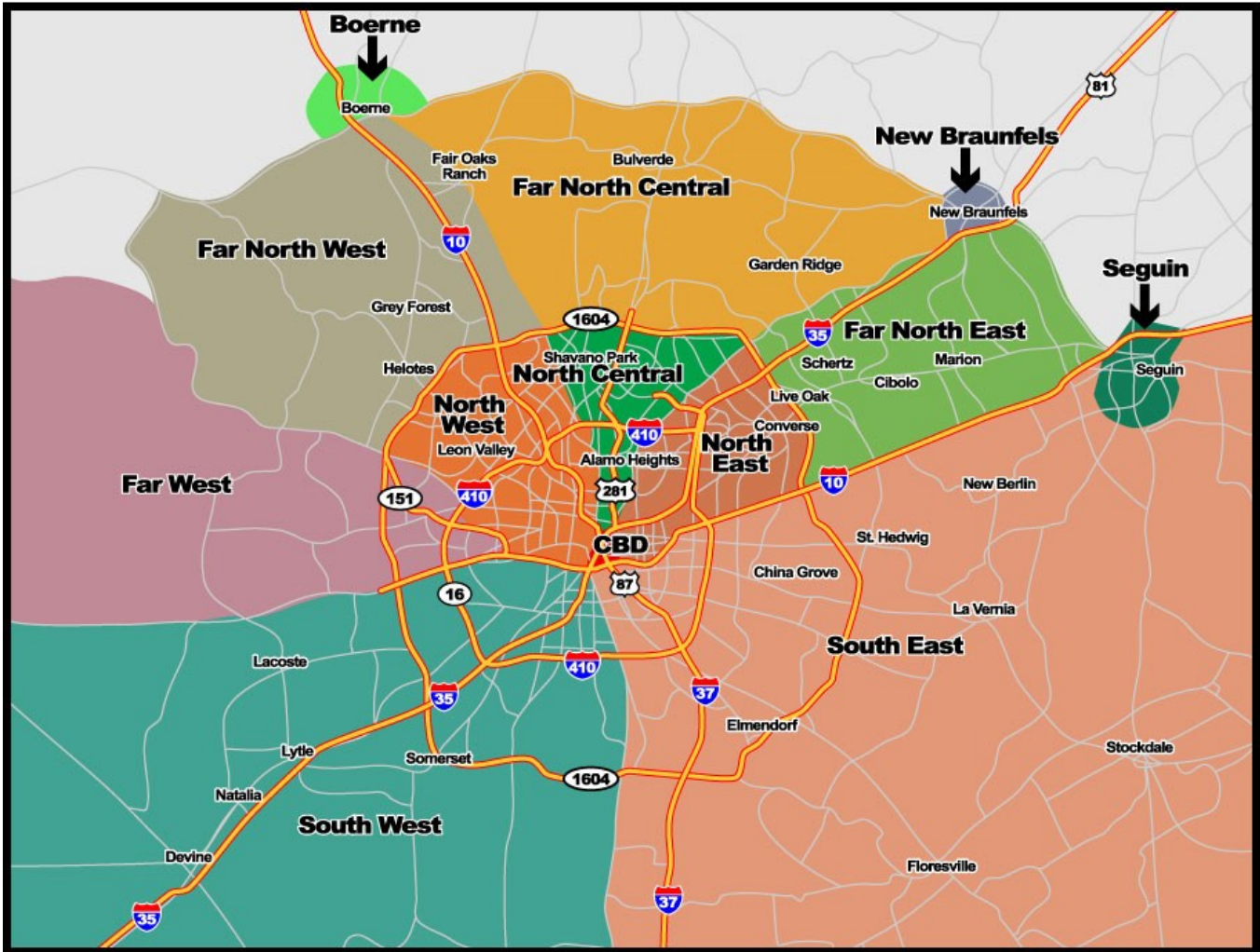
Market Trends



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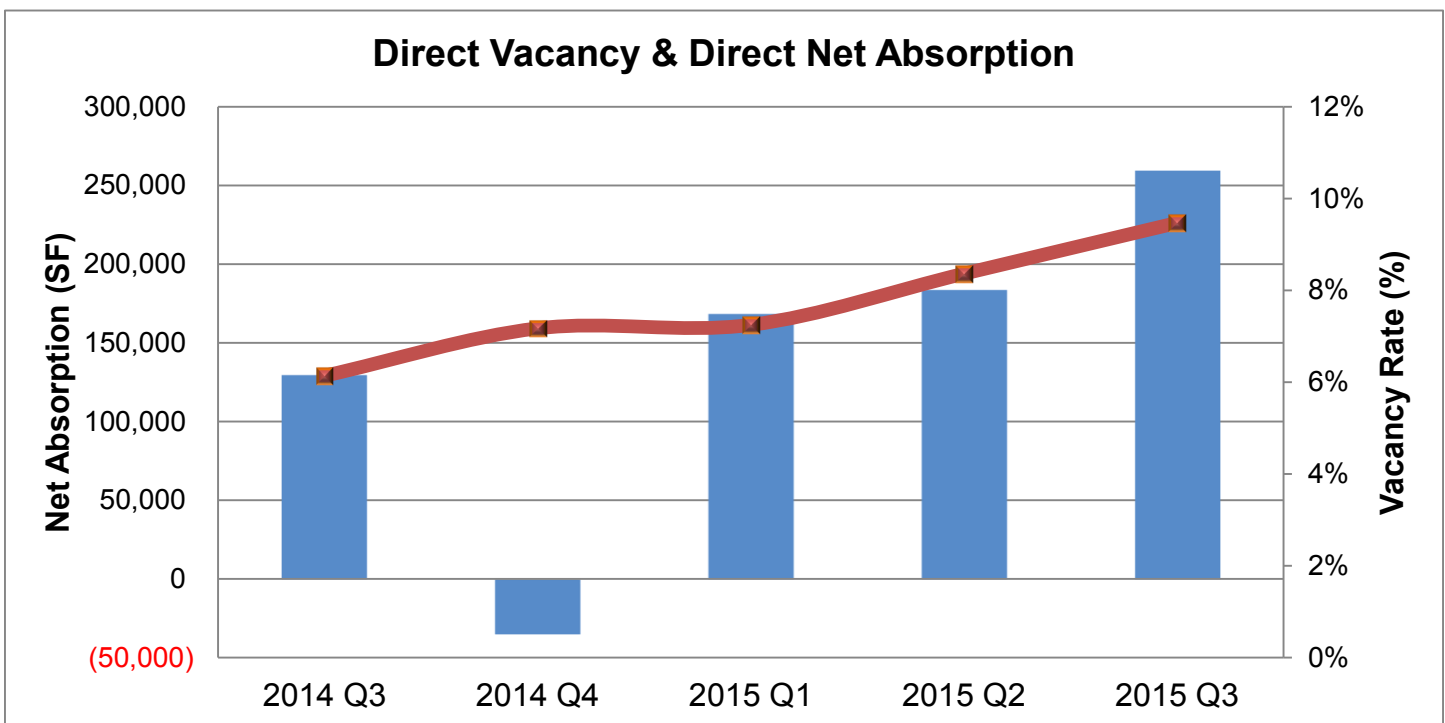
The San Antonio tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

Inventory	The total square feet of all existing single and multi tenant industrial properties greater than 20,000 SF.
Total Available SF	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Total Vacant SF	The total of all of the vacant square footage within a building, including both direct and sublease space.
Direct Vacant SF	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
Sublease SF	Space that is offered for lease by a current tenant, or his agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Net Absorption	The net change in physically occupied space from quarter to quarter, expressed in square feet.



San Antonio Market Map

- The San Antonio Industrial market continues to grow, closing out the third quarter of 2015 with over 250,000 sf of positive absorption.
- Third quarter vacancy rose from 8.4%, at close of second quarter, to 9%, at close of third quarter 2015. The climb in vacancy rate is not indicative of the health of the market due to addition of multi-tenant inventory and newer buildings coming to market.
- The citywide average quoted triple net rental rate for all types of industrial space is up, at an average of \$9.53, compared to Q3 2014, at an average of \$9.64.
- The majority of the positive absorption took place in the Warehouse category this quarter, with a large amount of inventory leased in the Far West, South East and North East market sectors.



Q3 2015 Market Overview by Property Type

	# of Bldgs	Inventory (SF)	Total Available (SF)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Direct Net Absorption (SF)	YTD Direct Absorption
Warehouse - Distribution	262	27,853,042	4,197,102	3,531,252	2,618,388	9.4%	665,850	264,100	452,464
Flex/R&D	205	7,608,183	972,711	958,681	740,127	9.7%	14,030	(4,867)	148,232
Grand Total	467	35,461,225	5,169,813	4,489,933	3,358,515	9.5%	679,880	259,233	600,696

Overview by Submarket/ Building Class

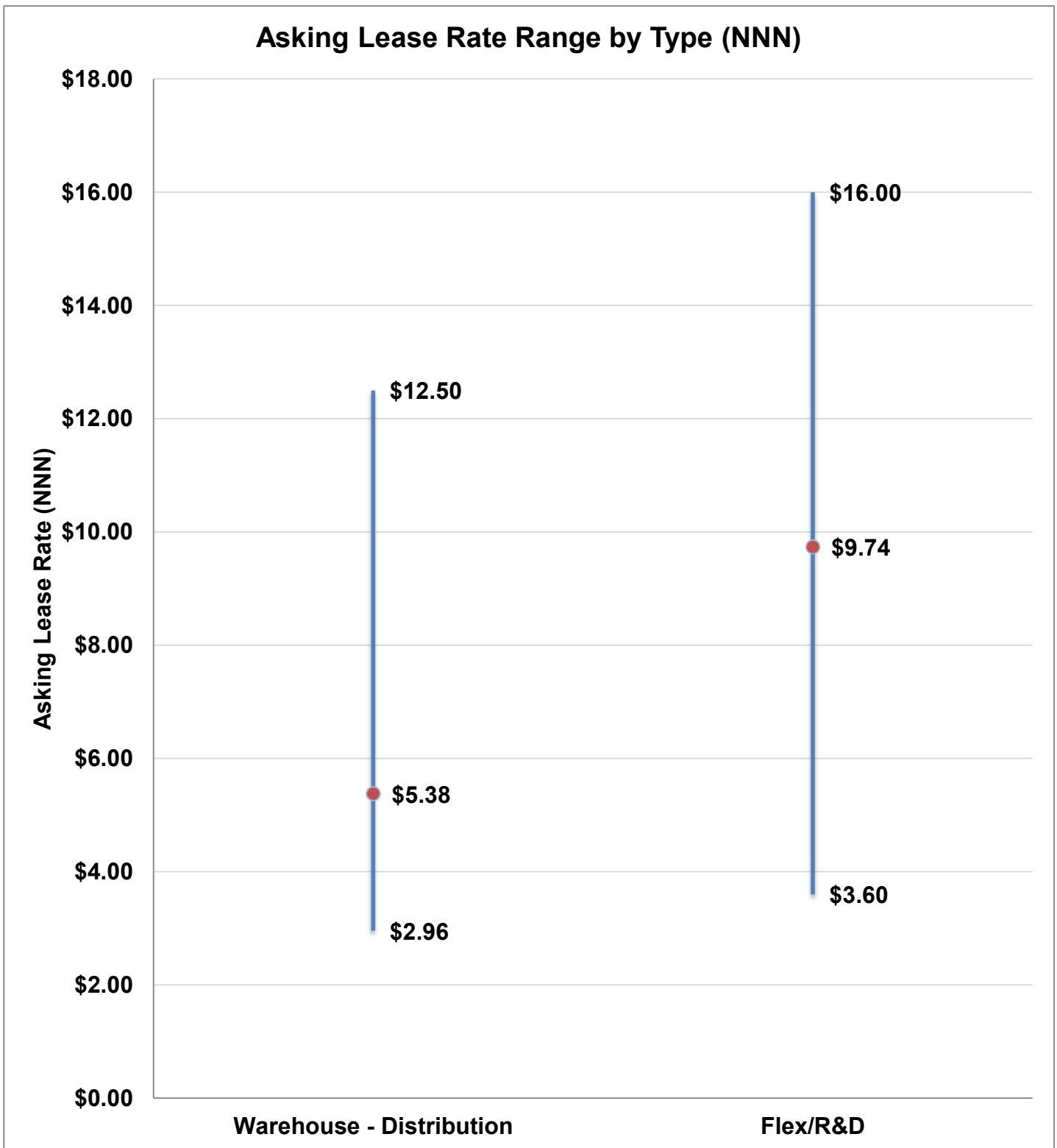


	# of Bldgs	Inventory (SF)	Total Available (SF)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Direct Net Absorption (SF)
North West	85	3,982,905	537,764	537,764	477,261	12.0%	0	(21,627)
Warehouse - Distribution	17	1,417,795	230,896	230,896	230,896	16.3%	0	(7,503)
Flex/R&D	68	2,565,110	306,868	306,868	246,365	9.6%	0	(14,124)
North Central	136	5,421,407	478,691	466,011	403,194	7.4%	12,680	9,499
Warehouse - Distribution	51	2,827,251	202,705	195,955	168,289	6.0%	6,750	15,044
Flex/R&D	85	2,594,156	275,986	270,056	234,905	9.1%	5,930	(5,545)
Central Business District	3	233,395	0	0	0	0.0%	0	0
Warehouse - Distribution	3	233,395	0	0	0	0.0%	0	0
Flex/R&D	0	0	0	0	0	0.0%	0	0
North East	176	15,568,124	2,858,657	2,586,657	1,658,506	10.7%	272,000	150,917
Warehouse - Distribution	139	13,833,467	2,595,465	2,331,565	1,526,314	11.0%	263,900	147,700
Flex/R&D	37	1,734,657	263,192	255,092	132,192	7.6%	8,100	3,217
South West	33	5,595,138	982,028	662,028	582,081	10.4%	320,000	(145,547)
Warehouse - Distribution	27	5,337,939	888,670	568,670	488,723	9.2%	320,000	(159,947)
Flex/R&D	6	257,199	93,358	93,358	93,358	36.3%	0	14,400
Far North East	24	3,804,723	233,317	158,117	158,117	4.2%	75,200	(102)
Warehouse - Distribution	20	3,546,564	202,825	127,625	127,625	3.6%	75,200	(102)
Flex/R&D	4	258,159	30,492	30,492	30,492	11.8%	0	0
South East	5	483,565	45,267	45,267	45,267	9.4%	0	75,000
Warehouse - Distribution	3	431,449	45,267	45,267	45,267	10.5%	0	75,000
Flex/R&D	2	52,116	0	0	0	0.0%	0	0
Far North Central	2	26,586	2,815	2,815	2,815	10.6%	0	(2,815)
Warehouse - Distribution	0	0	0	0	0	0.0%	0	0
Flex/R&D	2	26,586	2,815	2,815	2,815	10.6%	0	(2,815)
Far West	3	345,382	31,274	31,274	31,274	9.1%	0	193,908
Warehouse - Distribution	2	225,182	31,274	31,274	31,274	13.9%	0	193,908
Flex/R&D	1	120,200	0	0	0	0.0%	0	0
Grand Total	467	35,461,225	5,169,813	4,489,933	3,358,515	9.5%	679,880	259,233

Lease Rates



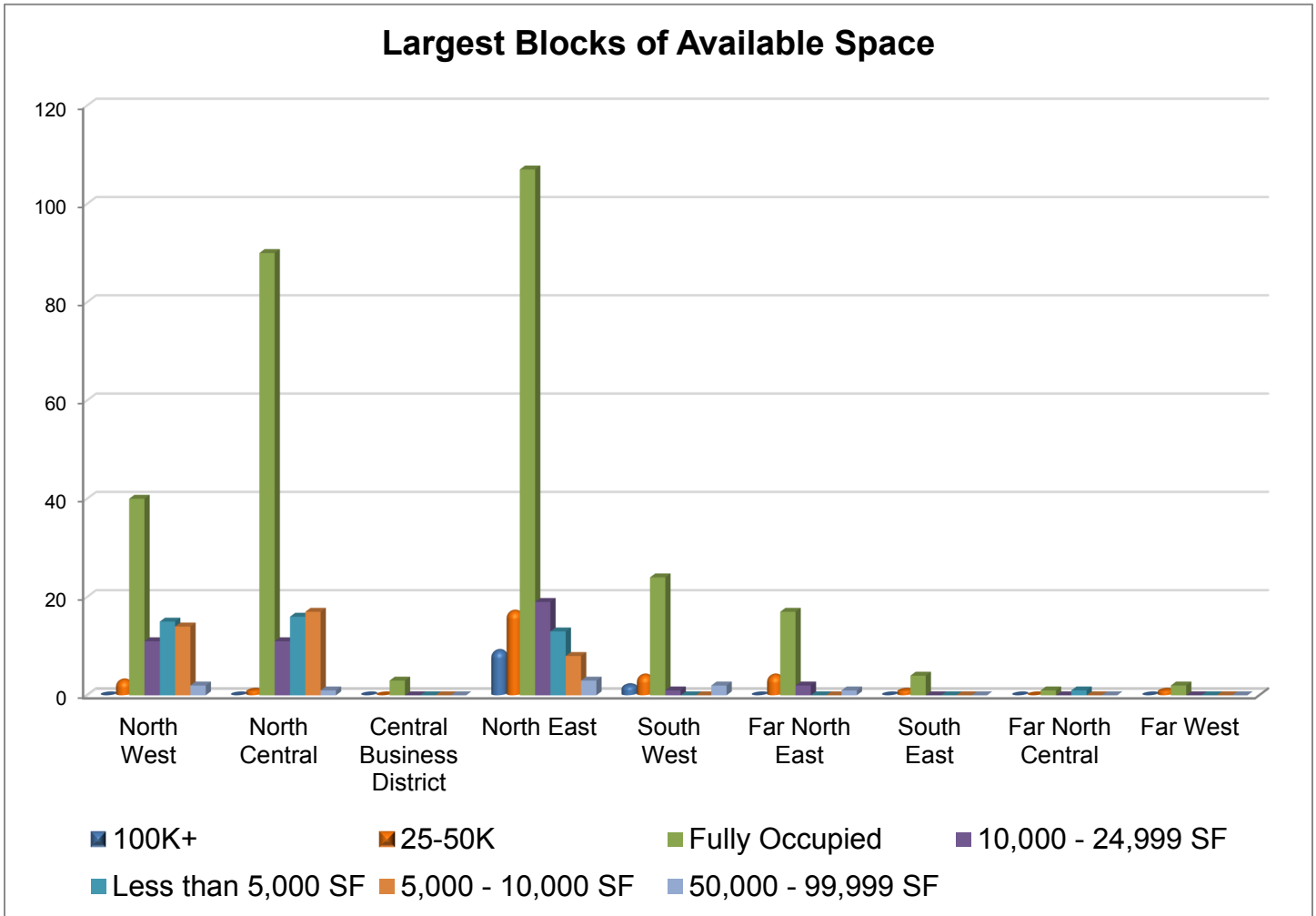
	Direct Vacancy Rate %					Asking Direct Lease Rate (NNN)				
	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3
North West	9.8%	9.2%	9.6%	11.4%	12.0%	\$9.80	\$9.88	\$10.47	\$10.63	\$10.60
Warehouse - Distribution	10.6%	9.8%	10.1%	15.8%	16.3%	\$6.27	\$6.27	\$6.47	\$6.20	\$6.19
Flex/R&D	9.5%	8.9%	9.4%	9.1%	9.6%	\$11.49	\$11.59	\$12.22	\$12.94	\$12.47
North Central	7.7%	9.3%	8.4%	7.6%	7.4%	\$11.13	\$11.57	\$11.02	\$11.21	\$11.31
Warehouse - Distribution	7.0%	8.4%	6.7%	7.3%	6.0%	\$8.78	\$8.11	\$8.32	\$9.15	\$9.20
Flex/R&D	8.4%	10.2%	10.3%	8.0%	9.1%	\$12.35	\$12.58	\$11.62	\$11.87	\$11.99
North East	5.9%	6.8%	6.3%	9.0%	10.7%	\$7.91	\$7.59	\$7.17	\$7.41	\$7.22
Warehouse - Distribution	5.5%	6.2%	5.9%	9.1%	11.0%	\$7.21	\$6.85	\$6.12	\$6.77	\$6.52
Flex/R&D	8.4%	11.1%	9.0%	8.2%	7.6%	\$9.23	\$9.23	\$9.17	\$8.99	\$8.90
South West	4.7%	4.7%	4.6%	7.8%	10.4%	\$9.92	\$9.92	\$8.24	\$8.24	\$7.45
Warehouse - Distribution	2.8%	2.8%	2.8%	6.2%	9.2%	\$5.35	\$5.35	\$5.30	\$5.30	\$4.85
Flex/R&D	57.4%	57.4%	54.6%	41.9%	36.3%	\$12.21	\$12.21	\$12.65	\$12.65	\$12.65
Far North East	1.7%	6.7%	10.3%	4.2%	4.2%	\$6.71	\$6.17	\$6.17	\$6.17	\$6.17
Warehouse - Distribution	0.4%	6.3%	10.2%	3.6%	3.6%	\$5.88	\$4.80	\$4.80	\$4.80	\$4.80
Flex/R&D	14.8%	11.8%	11.8%	11.8%	11.8%	\$7.54	\$7.54	\$7.54	\$7.54	\$7.54
South East	14.5%	14.5%	14.5%	14.5%	9.4%	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Warehouse - Distribution	17.4%	17.4%	17.4%	17.4%	10.5%	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Far North Central	24.6%	0.0%	0.0%	0.0%	10.6%	\$13.00	\$16.00	\$0.00	\$0.00	\$18.75
Warehouse - Distribution	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Flex/R&D	24.6%	0.0%	0.0%	0.0%	10.6%	\$13.00	\$16.00	\$0.00	\$0.00	\$18.75
Far West	20.6%	20.6%	20.6%	20.6%	9.1%	\$5.59	\$5.59	\$5.59	\$5.59	\$4.77
Warehouse - Distribution	100.0%	100.0%	100.0%	100.0%	13.9%	\$5.59	\$5.59	\$5.59	\$5.59	\$4.77
Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	6.2%	7.2%	7.3%	8.4%	9.5%	\$9.64	\$9.57	\$9.37	\$9.59	\$9.53



Biggest Absorption Changes



Property Name	SF Occupied or Vacated	Company Name	Market	Type
1410 Callaghan Rd	193,908	Undisclosed	Far West	Warehouse
Steves	90,000	Southern Warehousing	North East	Warehouse
Lonestar Tooling Solutions	75,000	Amenostat	South East	Warehouse
Eisenhower 35 Business Park Bldg 6	49,000	Goodman	North East	Warehouse
919 Billy Mitchell Blvd	14,400	Home Care Dimensions 9000 SF, Lomaxis 5400 SF	South West	Flex/R&D
Arion Business Park Bldg 10	-12,800	AMT Interiors	North Central	Warehouse
San Antonio Distribution Center Bldg 7	-31,000	West End Roofing	North East	Warehouse
333 Morris Witt St (Bldg 1534-1538)	-79,947	URS Corp	South West	Warehouse
601 Davy Crockett	-80,000	URS Corp downsized	South West	Warehouse



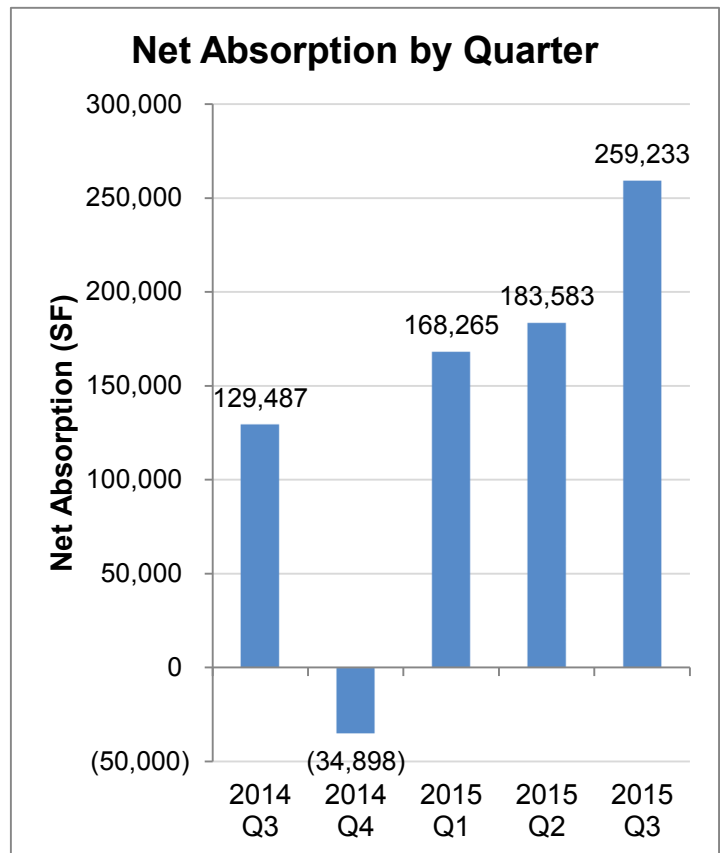
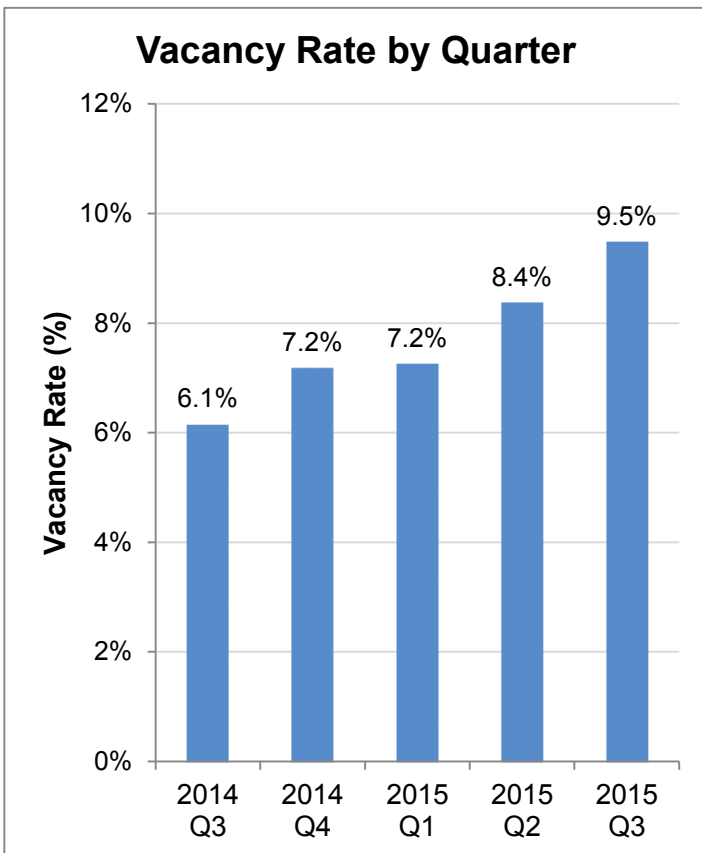
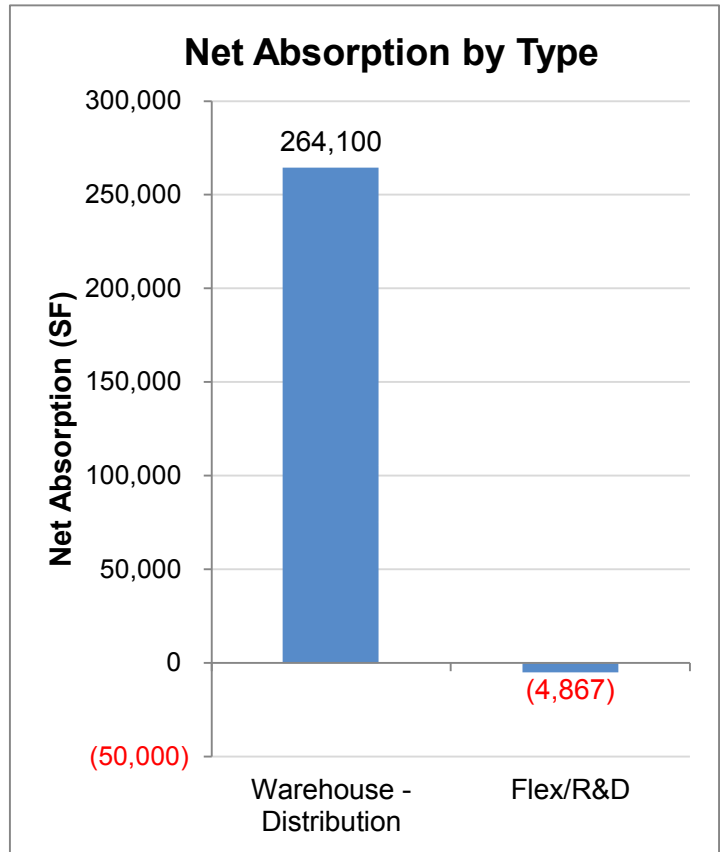
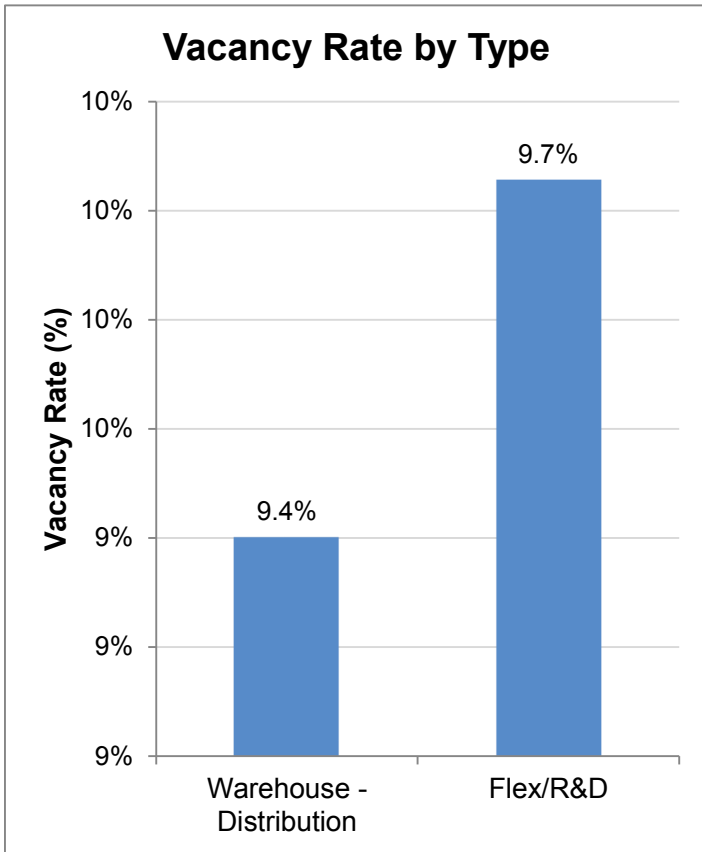
Historical Blocks of Space

Quarter	100K+	25-50K	Fully Occupied	10,000 - 24,999 SF	Less than 5,000 SF	5,000 - 10,000 SF	50,000 - 99,999 SF
2014 Q3	6	28	291	48	30	41	10
2014 Q4	7	25	296	53	31	36	9
2015 Q1	8	29	289	57	38	32	5
2015 Q2	8	34	295	46	36	38	7
2015 Q3	11	31	288	44	45	39	9

Notable Transactions



Property Name	SF Leased or Sold	Company Name	Market	Type	Lease/ Sale
1410 Callaghan Rd	193,908	Undisclosed	Far West	Warehouse	Lease
Steves	90,000	Southern Warehousing	North East	Warehouse	Lease
Lonestar Tooling Solutions	75,000	Amenostat	South East	Warehouse	Lease
400 Ramsey Place	59,795	NMP Ramsey LLC	North Central	Flex	Sale
Eisenhauer 35 Business Park Bldg 6	49,000	Goodman	North East	Warehouse	Lease
1039 Basse Rd	32,939	Donia Enterprises LLC (Atlas Auto Sales)	North West	Warehouse	Sale
3523 Crosspoint Dr	27,900	NSHE TX Cardinal Tetra LLC	North Central	Flex	Sale
South Texas Press	26,574	5P Printing LLC (South Texas Press)	North West	Flex	Sale
915 S Acme Rd	15,000	Gabriel B Franco & Norma L Franco	North West	Warehouse	Sale



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The logo for Xceligent, featuring a stylized blue 'X' followed by the word 'celigent' in a bold, black, sans-serif font. A registered trademark symbol (®) is located at the end of the word.

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