

San Antonio

3rd Quarter 2015

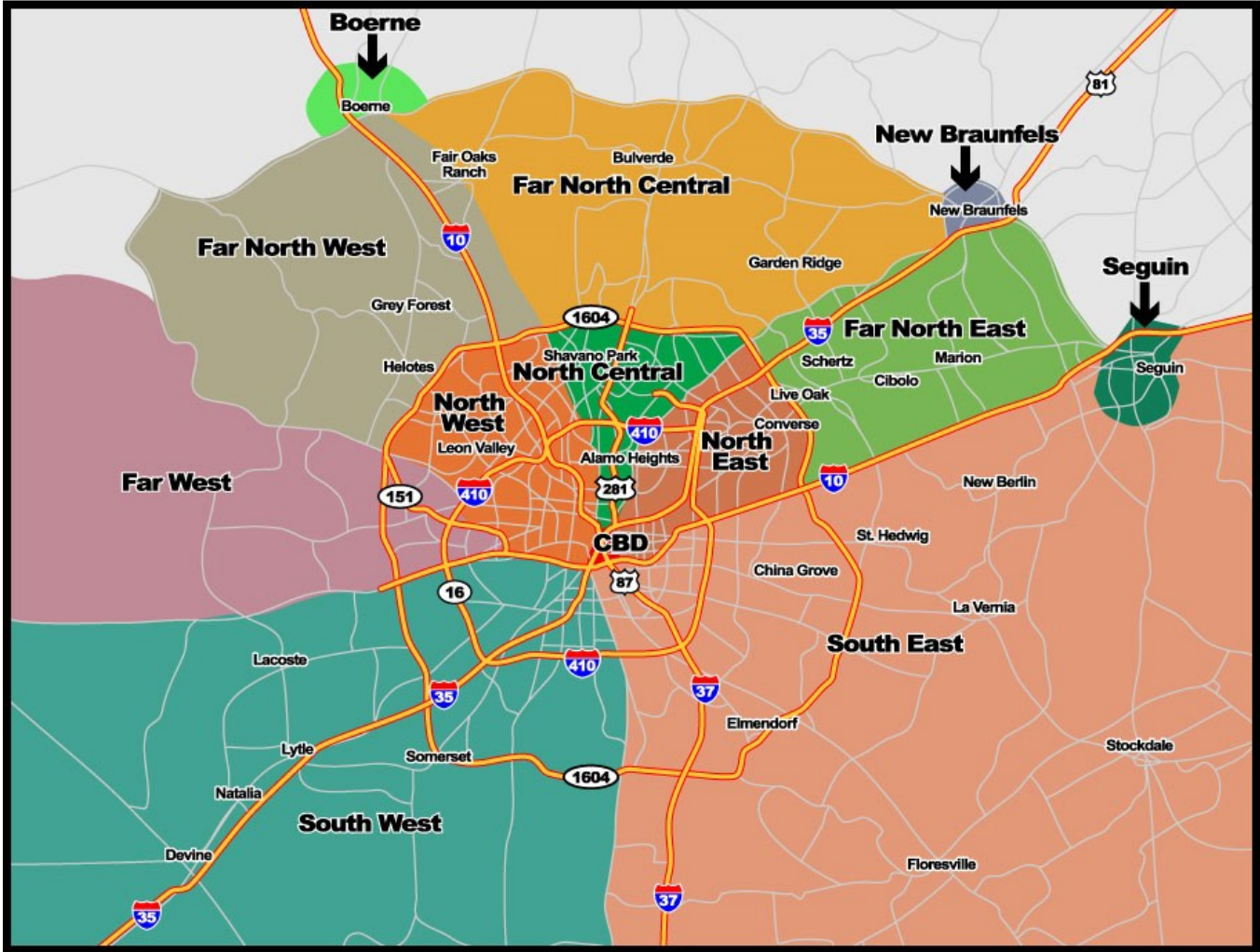
OFFICE
Market Trends



Table of Contents/Methodology of Tracked Set	2
San Antonio Market Map	3
Q3 2015 Overview	4
Overview by Submarket/ Property Type	5
Lease Rates	6-7
Biggest Absorption Changes	8
Available Space	9
Notable Transactions	10
Vacancy & Absorption	11-12
Xceligent San Antonio Contact	13

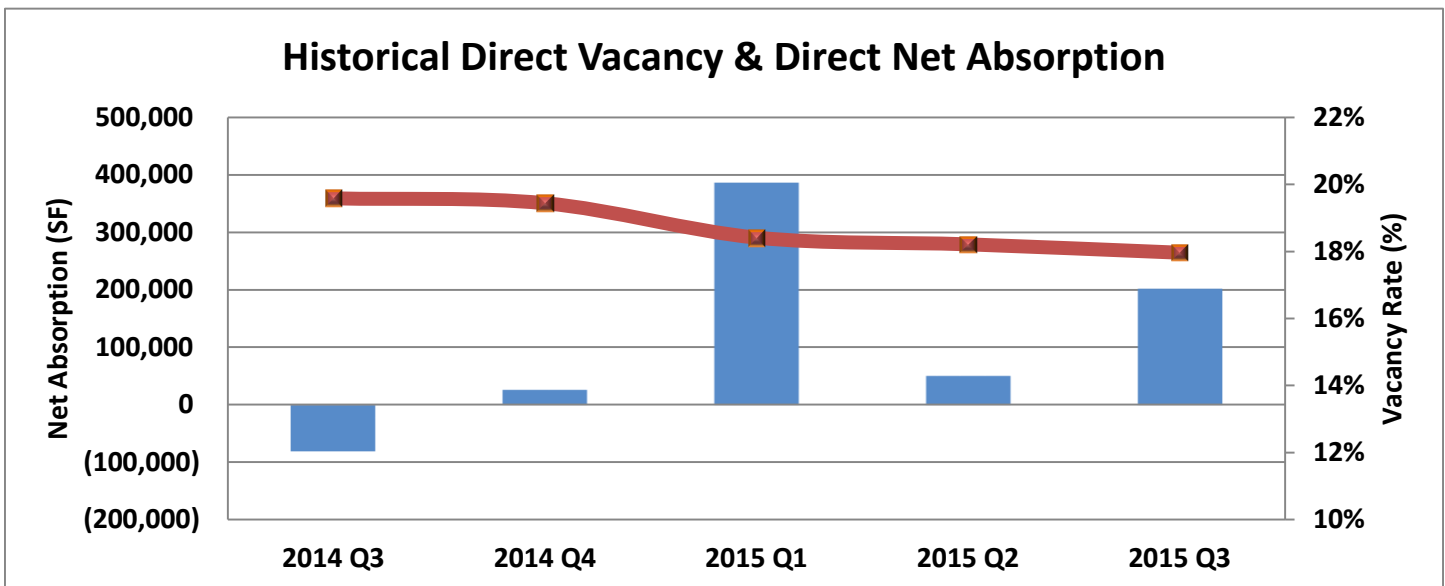
The San Antonio tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

Inventory	The total square feet of all existing single and multi tenant office 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 office market continues to grow, with over 200,000 sq ft of positive absorption in the third quarter of 2015.
- The third quarter survey of approximately 29.7 million square feet of multi-tenant office space revealed that the citywide direct vacancy rate decreased from last quarter, to 18.0%, compared to 18.2% at close of the second quarter of 2015.
- The citywide average quoted full service gross rental rate for all classes of Office space continues to increase in the third quarter of the year to \$20.71, compared to one year ago at \$19.92.
- New Office Construction for San Antonio is slated to deliver approximately 900,000 sf in 2015.



Q3 2015 Market Overview by Building Class

	# of Bldgs	Inventory (SF)	Total Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Direct Quarterly Net Absorption (SF)	YTD Direct Net Absorption (SF)
A	67	10,544,200	1,775,418	1,377,549	13.1%	166,389	30,225	61,342
B	296	15,829,800	3,697,138	3,165,733	20.0%	32,289	153,748	509,136
C	94	3,373,260	846,428	800,671	23.7%	0	17,902	31,175
Grand Total	457	29,747,260	6,318,984	5,343,953	18.0%	198,678	201,875	601,653

Overview by Submarket/ Building Class



	# of Bldgs	Inventory (SF)	Total Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Direct Quarterly Net Absorption (SF)	YTD Direct Net Absorption (SF)
North Central	130	8,722,743	1,233,818	1,001,409	11.5%	31,819	12,612	90,673
A	22	3,255,767	361,851	298,713	9.2%	18,823	9,328	31,933
B	85	4,568,879	726,439	596,692	13.1%	12,996	599	40,602
C	23	898,097	145,528	106,004	11.8%	0	2,685	18,138
Central Business District	56	5,770,115	1,723,808	1,596,698	27.7%	33,213	65,667	6,971
A	6	2,002,379	367,759	273,707	13.7%	23,587	(5,112)	(62,061)
B	31	2,812,293	1,025,329	994,943	35.4%	9,626	63,637	63,858
C	19	955,443	330,720	328,048	34.3%	0	7,142	5,174
North West	148	8,690,197	2,407,039	1,871,061	21.5%	118,117	86,801	269,317
A	18	2,466,885	789,349	598,379	24.3%	116,693	36,076	98,001
B	92	5,202,400	1,425,307	1,083,514	20.8%	1,424	47,238	175,072
C	38	1,020,912	192,383	189,168	18.5%	0	3,487	(3,756)
Far North Central	60	2,759,136	415,450	370,167	13.4%	8,529	20,232	49,078
A	12	1,497,474	196,477	165,235	11.0%	2,263	(9,898)	(5,145)
B	48	1,261,662	218,973	204,932	16.2%	6,266	30,130	54,223
North East	32	1,950,366	304,100	286,808	14.7%	5,023	16,563	24,277
A	3	593,084	46,538	41,515	7.0%	5,023	(169)	(1,386)
B	20	1,072,877	178,725	166,802	15.5%	0	12,144	16,159
C	9	284,405	78,837	78,491	27.6%	0	4,588	9,504
Far West	5	530,419	31,600	31,600	6.0%	0	0	158,075
A	2	249,344	0	0	0.0%	0	0	0
B	3	281,075	31,600	31,600	11.2%	0	0	158,075
South West	5	306,857	62,499	60,961	19.9%	0	0	0
B	5	306,857	62,499	60,961	19.9%	0	0	0
South East	12	503,856	127,226	125,249	24.9%	1,977	0	3,262
B	7	289,453	28,266	26,289	9.1%	1,977	0	1,147
C	5	214,403	98,960	98,960	46.2%	0	0	2,115
Far North West	9	513,571	13,444	0	0.0%	0	0	0
A	4	479,267	13,444	0	0.0%	0	0	0
B	5	34,304	0	0	0.0%	0	0	0
Grand Total	457	29,747,260	6,318,984	5,343,953	18.0%	198,678	201,875	601,653

Lease Rates



	Direct Vacancy Rate %					Asking Direct Lease Rate (FSG)				
	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3
Central Business District	27.4%	27.9%	27.3%	28.6%	27.7%	\$19.86	\$20.09	\$19.77	\$20.33	\$20.13
A	8.7%	10.6%	11.1%	12.8%	13.7%	\$23.50	\$24.55	\$25.15	\$25.15	\$25.15
B	38.2%	37.9%	36.3%	37.6%	35.4%	\$19.61	\$19.67	\$19.07	\$19.95	\$19.93
C	35.0%	34.9%	34.7%	35.1%	34.3%	\$16.75	\$16.75	\$16.75	\$17.09	\$17.14
Far North Central	15.4%	15.2%	14.3%	14.1%	13.4%	\$23.83	\$24.01	\$24.43	\$24.59	\$25.43
A	11.3%	10.7%	10.9%	10.4%	11.0%	\$26.48	\$28.13	\$27.71	\$28.63	\$29.51
B	20.2%	20.5%	18.4%	18.6%	16.2%	\$23.06	\$23.09	\$23.68	\$23.62	\$24.12
C	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Far North West	25.1%	0.0%	0.0%	0.0%	0.0%	\$19.58	\$20.58	\$20.58	\$20.58	\$20.58
A	26.9%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B	0.0%	0.0%	0.0%	0.0%	0.0%	\$19.58	\$20.58	\$20.58	\$20.58	\$20.58
C	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Far West	8.5%	8.5%	6.0%	6.0%	6.0%	\$20.09	\$20.44	\$20.60	\$20.61	\$21.15
A	0.0%	0.0%	0.0%	0.0%	0.0%	\$24.98	\$25.19	\$25.59	\$26.25	\$27.24
B	25.7%	25.7%	25.7%	11.2%	11.2%	\$20.56	\$20.57	\$20.86	\$20.70	\$20.56
C	0.0%	0.0%	0.0%	0.0%	0.0%	\$14.11	\$15.60	\$15.18	\$14.35	\$14.33
North Central	13.2%	12.8%	12.3%	11.6%	11.5%	\$17.01	\$16.72	\$16.25	\$17.41	\$17.08
A	10.3%	10.3%	10.1%	9.5%	9.2%	\$23.50	\$23.50	\$23.50	\$23.50	\$23.50
B	15.0%	14.3%	13.8%	13.1%	13.1%	\$18.87	\$18.67	\$17.61	\$17.30	\$18.71
C	13.5%	13.8%	12.8%	12.1%	11.8%	\$13.95	\$13.26	\$13.23	\$16.54	\$13.57
North East	14.9%	15.1%	14.5%	14.9%	14.7%	\$19.13	\$19.07	\$19.26	\$19.62	\$19.61
A	5.5%	6.8%	5.9%	7.0%	7.0%	\$25.93	\$25.97	\$26.10	\$25.77	\$25.87
B	17.0%	16.8%	16.4%	16.7%	15.5%	\$18.90	\$18.80	\$18.76	\$19.16	\$19.00
C	26.8%	26.3%	25.5%	24.6%	27.6%	\$14.80	\$14.80	\$15.05	\$15.65	\$15.90
North West	23.2%	24.1%	22.3%	21.4%	21.5%	\$16.32	\$16.65	\$16.05	\$16.15	\$16.15
A	24.0%	20.0%	22.3%	21.3%	24.3%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B	24.0%	26.9%	23.0%	21.9%	20.8%	\$17.24	\$18.24	\$16.24	\$16.24	\$16.24
C	17.5%	18.2%	18.7%	18.9%	18.5%	\$15.86	\$15.86	\$15.95	\$16.10	\$16.10
South East	22.6%	25.5%	25.1%	24.9%	24.9%	\$26.08	\$26.08	\$26.08	\$26.08	\$26.08
A	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B	5.1%	9.5%	9.5%	9.1%	9.1%	\$26.08	\$26.08	\$26.08	\$26.08	\$26.08
C	46.2%	47.1%	46.2%	46.2%	46.2%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
South West	20.2%	19.9%	19.9%	19.9%	19.9%	-	-	-	-	-
A	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-
B	20.2%	19.9%	19.9%	19.9%	19.9%	-	-	-	-	-
C	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-
Grand Total	19.6%	19.4%	18.4%	18.2%	18.0%	\$19.92	\$20.08	\$20.21	\$20.47	\$20.71

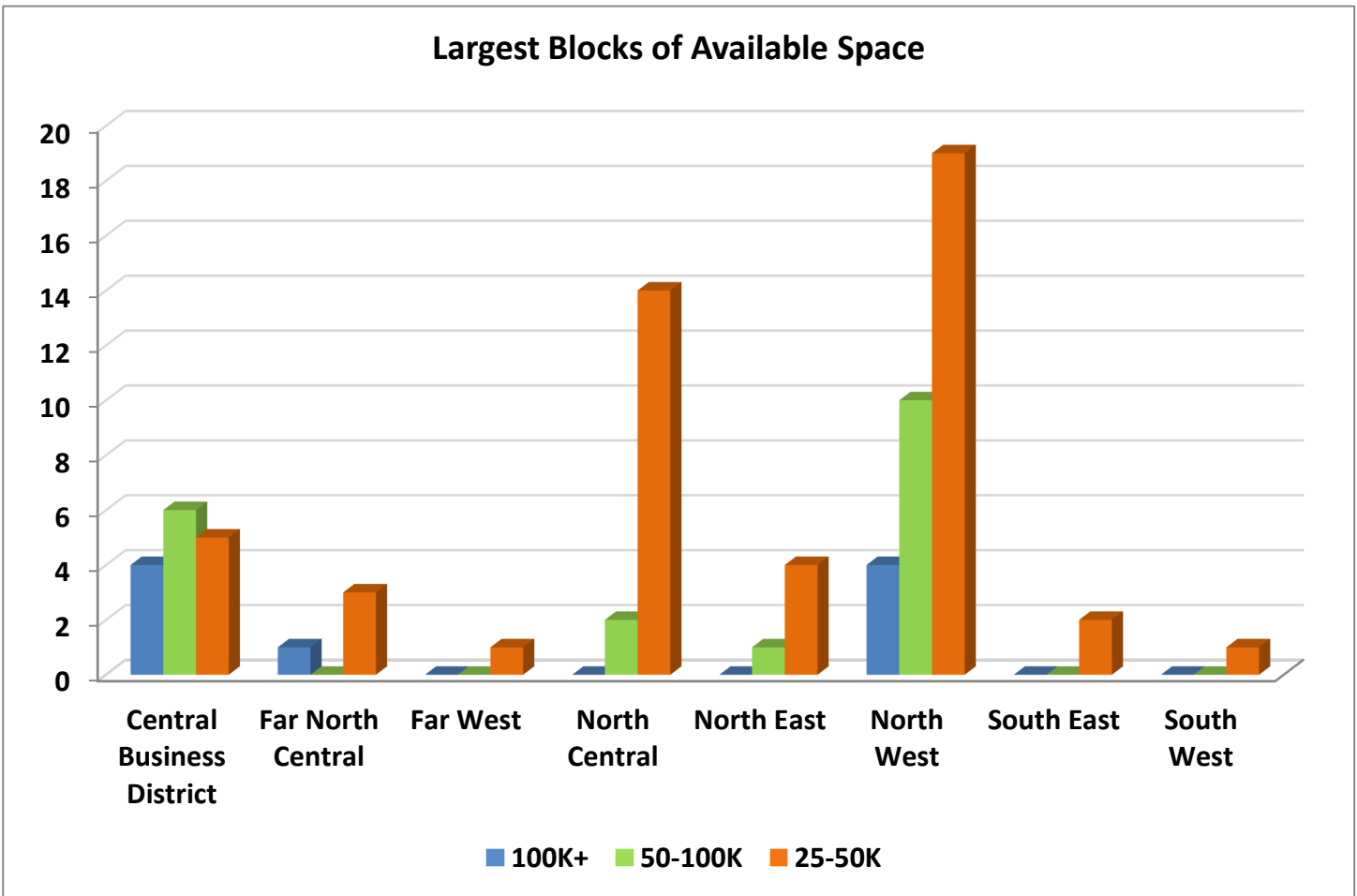
Lease Rates continues on next page...



Biggest Absorption Changes



Property Name	SF Occupied or Vacated	Company Name	Market	Building Class
Clarke American Building	45,137	Accenture	North West	B
The Oaks at University Business Park Bldg 3	40,996	Wellmed	North West	A
Cypress Tower	34,756	HEB 17274 SF, Undisclosed 9637 SF, Undisclosed 7854 SF	CBD	A
RidgeWood Business Center II	27,515	Boral	Far North Central	A
University Heights Tech Center I	14,955	Thomas J Henry	North West	B
Woodcock Building	-7,140	B&C Consulting LLC (2213) SF, Foster Care & Adoption Services (4927) SF	North West	B
Colonnade I	-7,441	Undisclosed	North West	A
North Crown Building	-10,000	Undisclosed	North Central	C
Corporate Square Office Park	-17,946	University Health System	North West	A



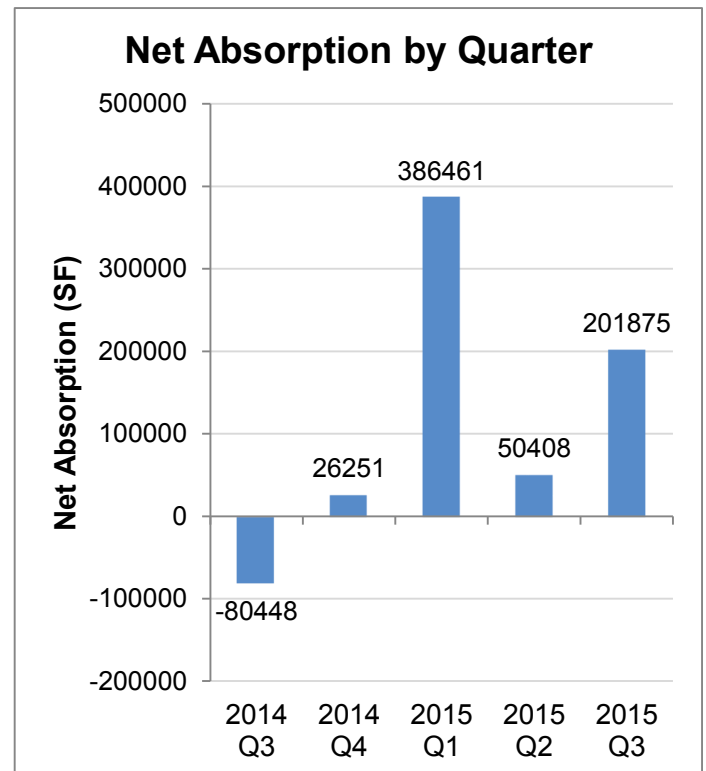
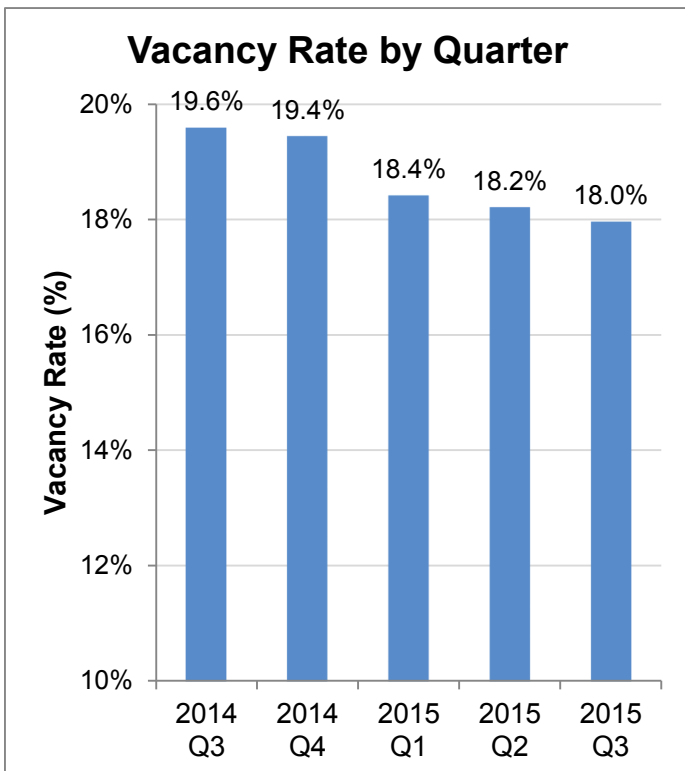
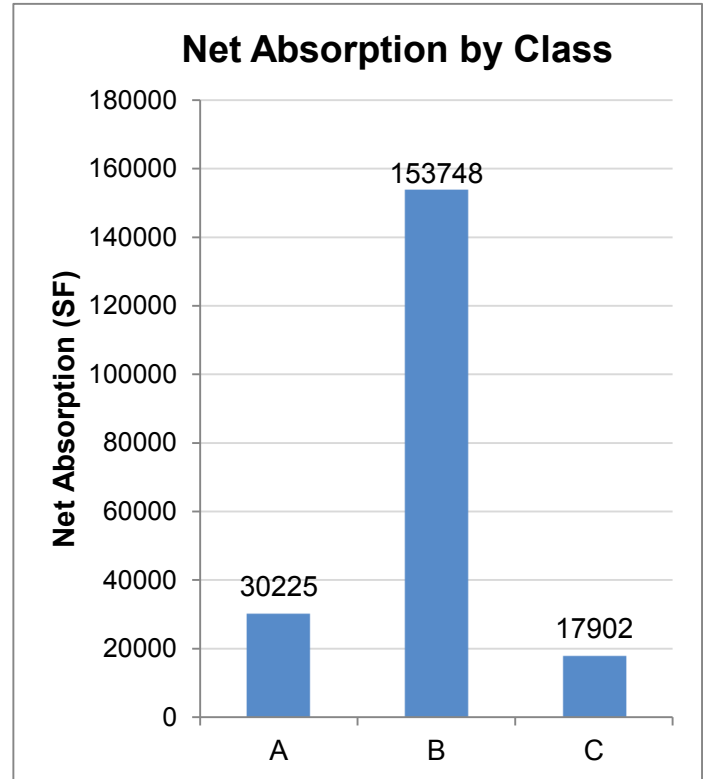
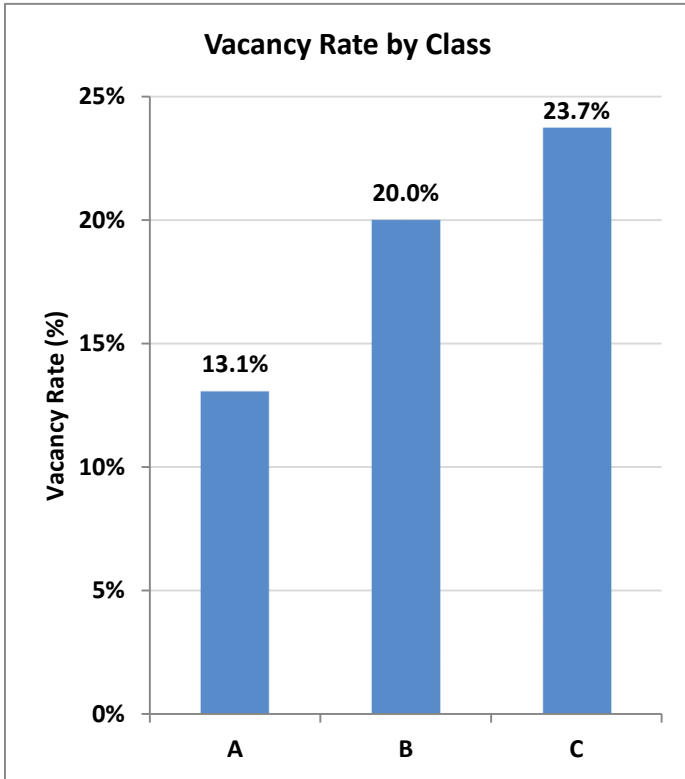
Historical Blocks of Space

Quarter	100K+	50-100K	25-50K
2014 Q3	8	22	55
2014 Q4	8	20	56
2015 Q1	8	17	55
2015 Q2	6	19	51
2015 Q3	9	19	49

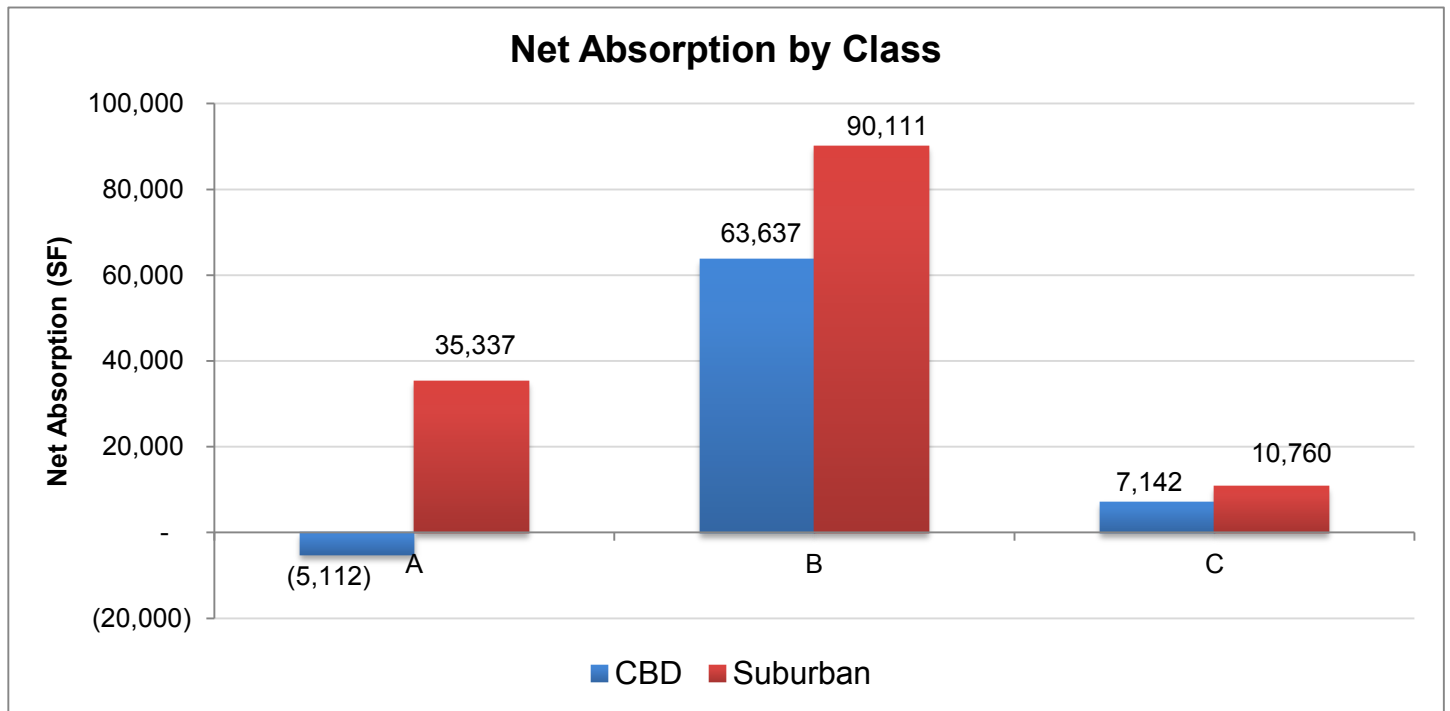
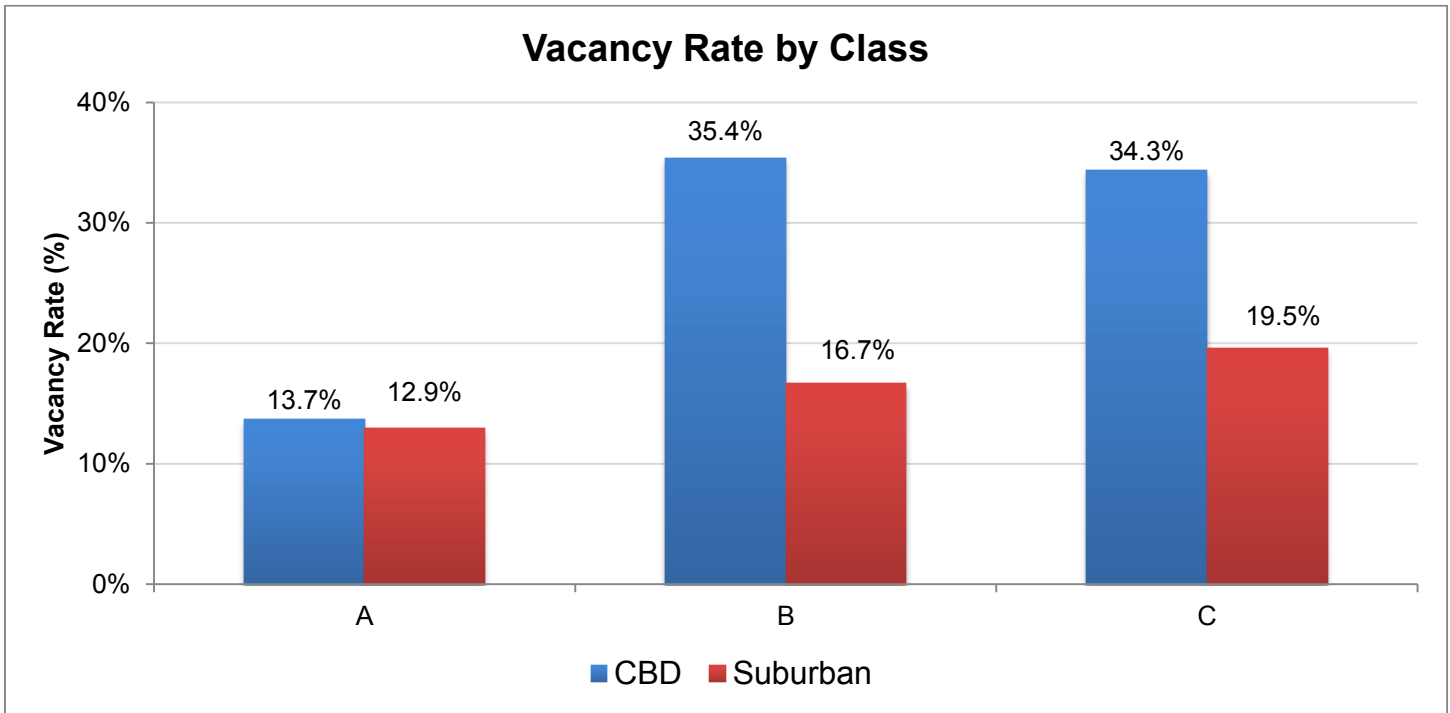
Notable Transactions



Property Name	SF Leased or Sold	Company Name/Buyer	Market	Building Class	Lease/ Sale
Med Centre Plaza	101,985	The University of Texas System Real Estate Office	North West	B	Sale
Portfolio - North Park Corporate Center Phase II	86,400	TLO TX2 Investments LLC	North Central	B	Sale
Clarke American Building	45,137	Accenture	North West	B	Lease
Acropolis Building	41,228	Ventura Gonzalez	North Central	B	Sale
The Oaks at University Business Park Bldg 3	40,996	Wellmed	North West	A	Lease
RidgeWood Business Center II	27,515	Boral	Far North Central	A	Lease
Social Security Administration	25,996	Boyd San Antonio GSA II LLC (Boyd Watterson Asset Management)	North West	B	Sale
Mossrock Centre	24,864	BRM Home Health PLLC (Rodney Y Mesquias and others)	North West	C	Sale
3407 Northeast Pkwy	22,040	Sinclair Road Realty Ltd	North East	B	Sale
Cypress Tower	17,274	HEB	CBD	A	Lease



Vacancy & Absorption continues on next page...



This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.

For additional information about this report or to discuss membership in Xceligent please contact

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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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