



XCELIGENT[™]
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INDUSTRIAL MARKET REPORT

San Antonio

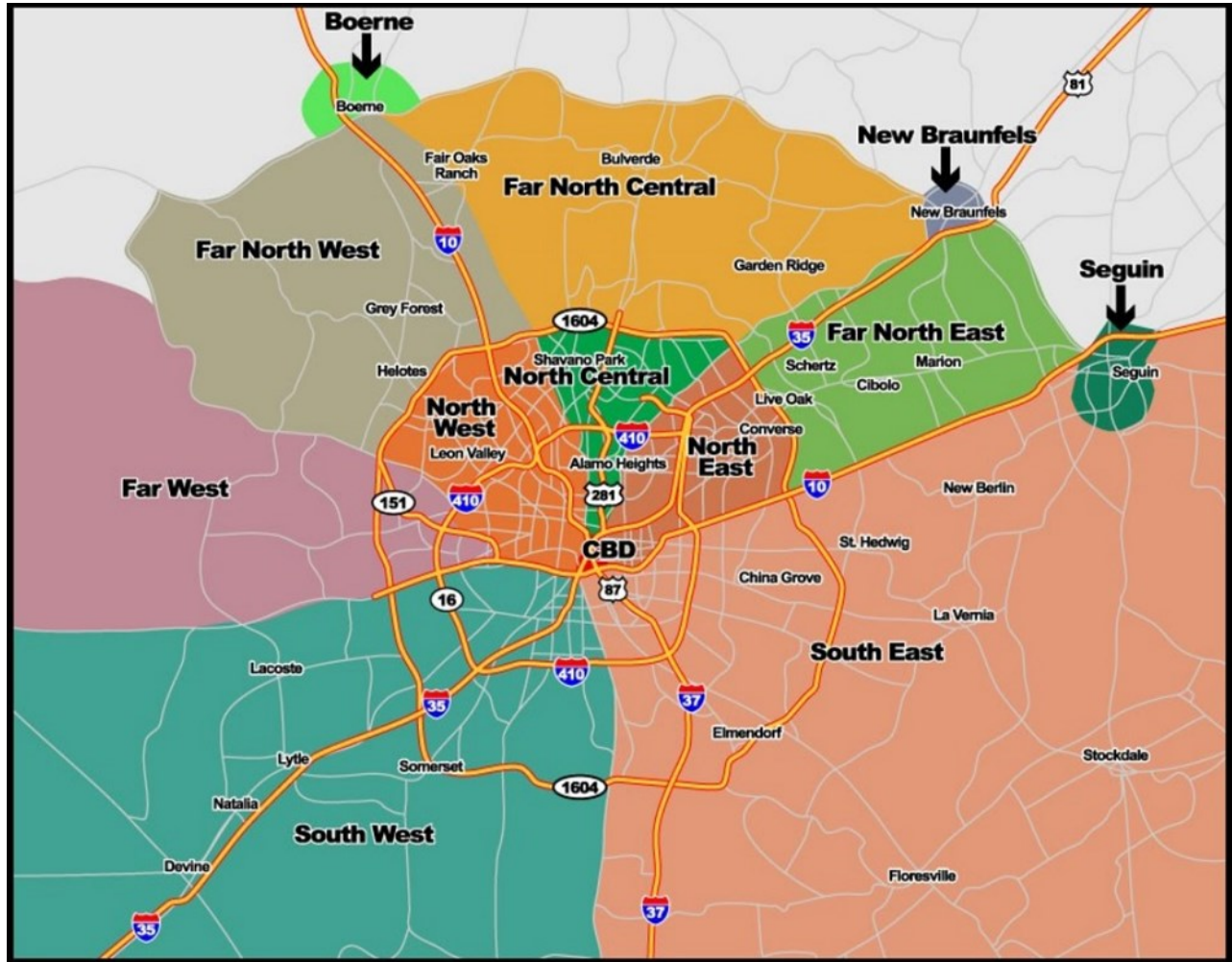
4th Quarter 2015

Xceligent is a leading provider of verified commercial real estate information which assists real estate professionals, appraisers, owners, investors and developers that make strategic decisions to lease, sell, buy and develop commercial properties.

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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.

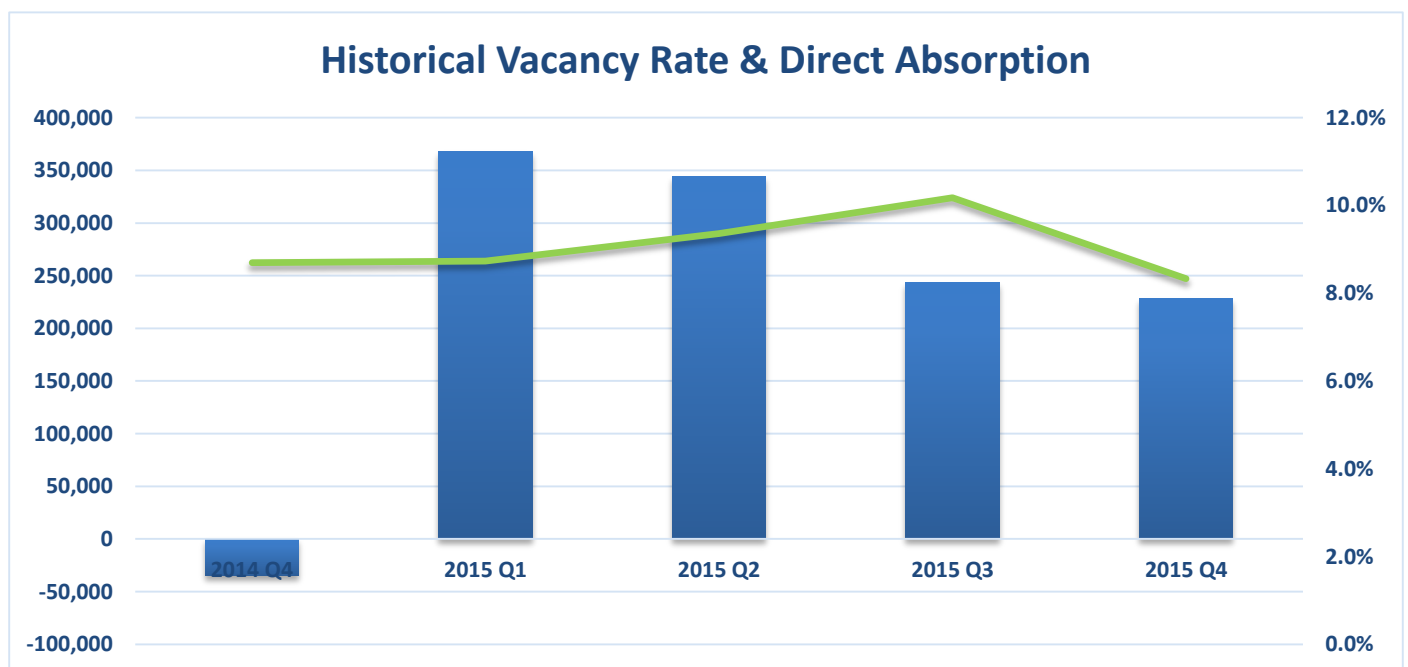
Tracked Inventory (Industrial)	The total square feet of all single and multi-tenant buildings greater than 20,000 sf, excluding owner occupied facilities. Large manufacturing facilities, data centers, airplane hangar space, truck terminals/courts and obsolete/remediation properties are excluded.
Available 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.
Vacant SF	The total of the direct vacant square footage in a building that is being marketed.
Net Absorption	The net change in occupied square feet from quarter to quarter, expressed in square feet.
Note	This report reflects Direct Vacancy and Absorption, Sublease space is excluded.



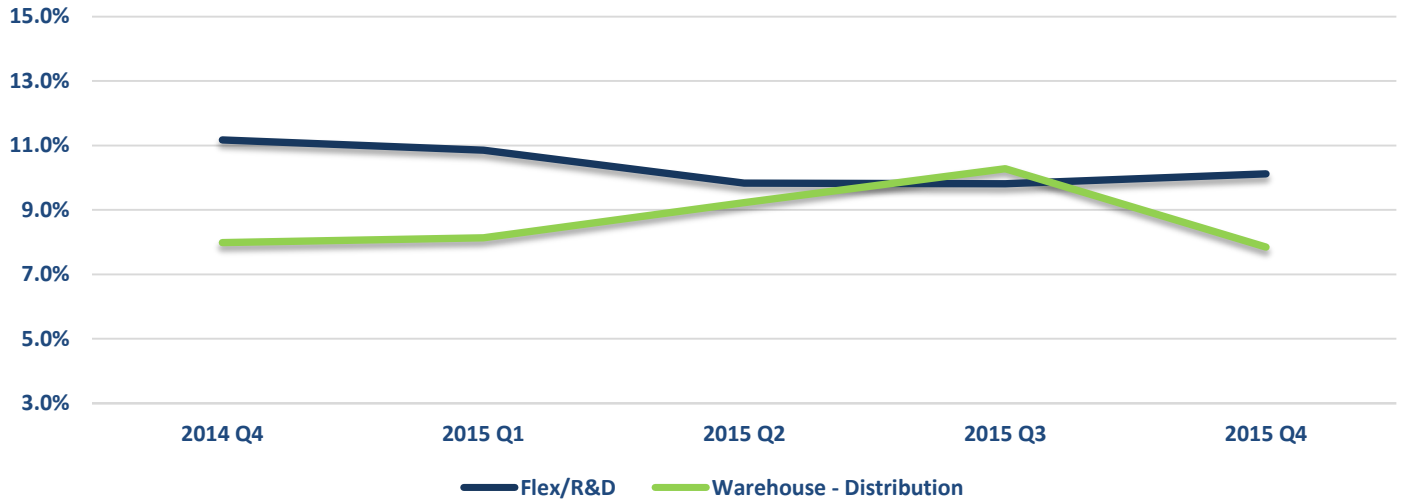
Overview

- We continue to see strong growth in the San Antonio Industrial market, closing out the fourth quarter of 2015 with almost 230,000 square feet of positive absorption, and closing out the year with almost 1 million square feet of positive absorption.
- Fourth quarter vacancy dropped from 9.4%, at close of third quarter, to 8.3%, at close of 2015.
- The citywide average quoted triple net rental rate for all types of industrial space is up, at an average of \$6.35, compared to third quarter 2015, at an average of \$6.16.
- The majority of the positive absorption took place in the Warehouse category this quarter, with a large amount of inventory leased in the North East and South West market sectors.

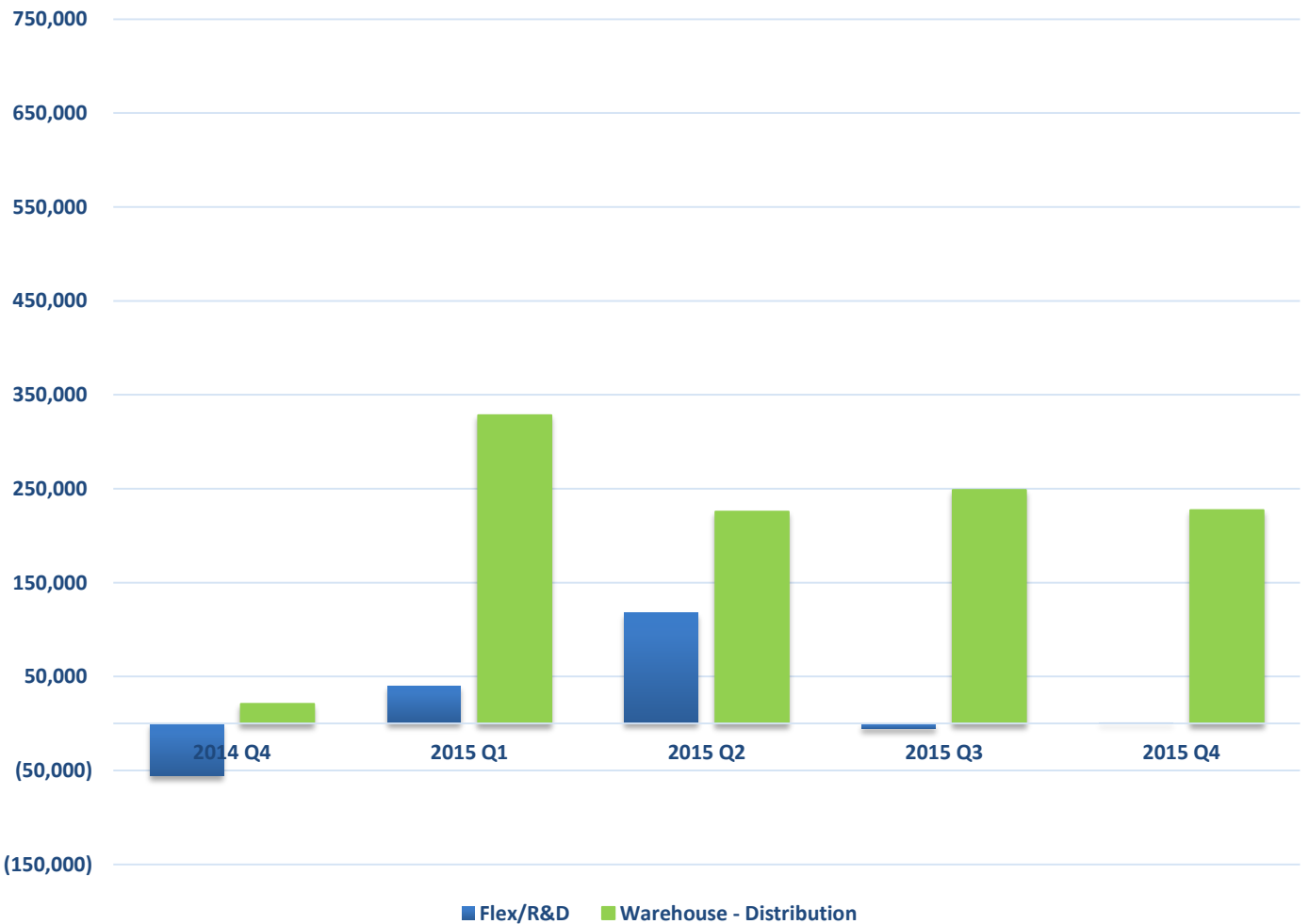
	# of Bldgs	Inventory (SF)	Available Sublease (SF)	Vacancy Rate (%)	Direct Qtrly Absorption (SF)	YTD Direct Net Absorption (SF)
Flex/R&D	205	7,609,720	8,194	10.1%	1,204	153,870
Warehouse - Distribution	264	28,126,599	196,286	7.8%	227,081	819,934
Grand Total	469	35,736,319	204,480	8.3%	228,285	973,804



Historical Vacancy Rates by Use



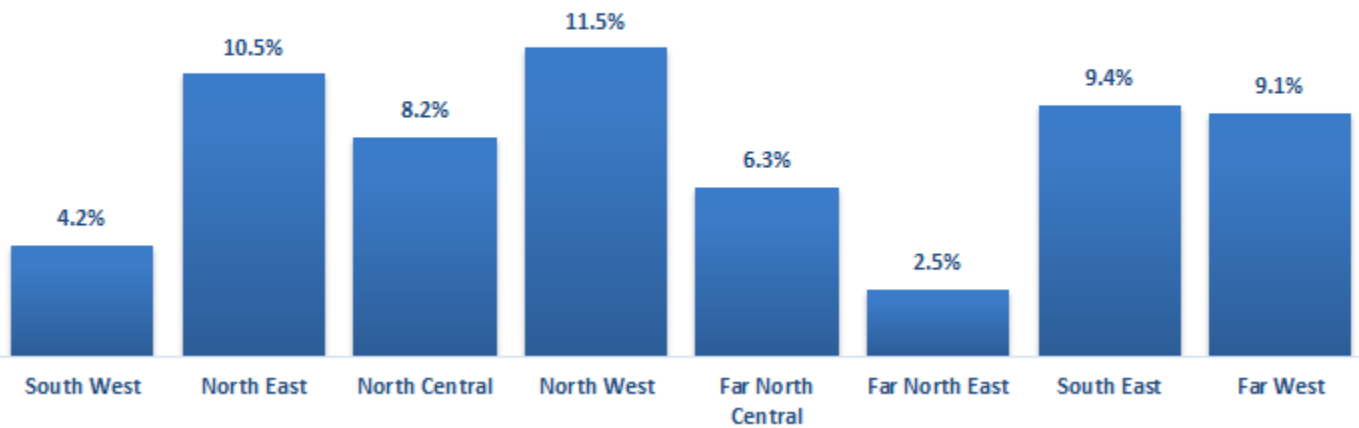
Historical Direct Absorption by Use



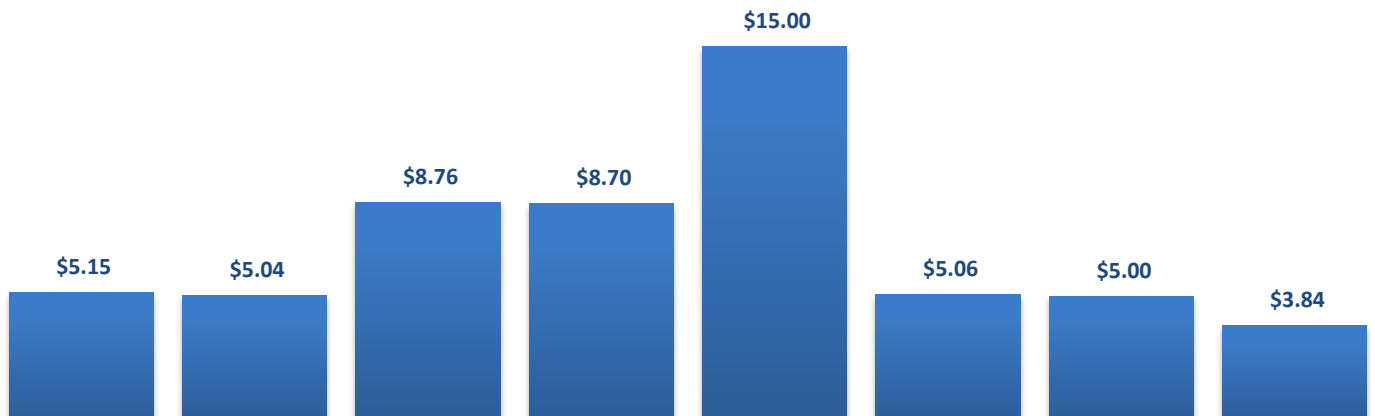
	# of Bldgs	Inventory (SF)	Total Available (SF)	Direct Vacant (SF)	Available Sublease (SF)	Vacancy Rate (%)	Direct Qtrly Absorption (SF)	YTD Direct Net Absorption (SF)
South West	33	5,595,138	573,123	233,229	0	4.2%	88,905	88,805
Flex/R&D	6	257,199	86,058	86,058	0	33.5%	7,300	87,200
Warehouse - Distribution	27	5,337,939	487,065	147,171	0	2.8%	81,605	1,605
North East	177	15,739,805	2,674,553	1,620,748	116,736	10.5%	39,637	246,846
Flex/R&D	37	1,736,037	370,386	153,795	2,400	8.9%	(15,103)	37,591
Warehouse - Distribution	140	14,003,768	2,304,167	1,466,953	114,336	10.7%	54,740	209,255
North Central	137	5,524,820	505,476	451,678	10,344	8.2%	(1,911)	126,041
Flex/R&D	85	2,594,313	245,668	216,620	3,594	8.3%	20,298	59,410
Warehouse - Distribution	52	2,930,507	259,808	235,058	6,750	8.0%	(22,209)	66,631
North West	85	3,982,905	522,347	458,318	2,200	11.5%	39,840	80,540
Flex/R&D	68	2,565,110	337,582	281,056	2,200	11.0%	(11,291)	(28,651)
Warehouse - Distribution	17	1,417,795	184,765	177,262	0	12.5%	51,131	109,191
Far North Central	2	26,586	1,680	1,680	0	6.3%	0	(1,680)
Flex/R&D	2	26,586	1,680	1,680	0	6.3%	0	(1,680)
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
Far North East	24	3,804,723	211,503	96,303	75,200	2.5%	61,814	244,146
Flex/R&D	4	258,159	30,492	30,492	0	11.8%	0	0
Warehouse - Distribution	20	3,546,564	181,011	65,811	75,200	1.9%	61,814	244,146
South East	5	483,565	152,141	45,267	0	9.4%	0	(4,802)
Flex/R&D	2	52,116	0	0	0	0.0%	0	0
Warehouse - Distribution	3	431,449	152,141	45,267	0	10.5%	0	(4,802)
Far West	3	345,382	31,274	31,274	0	9.1%	0	193,908
Flex/R&D	1	120,200	0	0	0	0.0%	0	0
Warehouse - Distribution	2	225,182	31,274	31,274	0	13.9%	0	193,908
Grand Total	469	35,736,319	4,672,097	2,938,497	204,480	8.3%	228,285	973,804

	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4
South West	10.5%	10.4%	10.3%	12.9%	4.2%	\$6.99	\$5.71	\$5.71	\$4.84	\$5.15
Flex/R&D	57.4%	54.6%	41.9%	36.3%	33.5%	\$9.00	\$10.00	\$10.00	\$10.00	\$10.00
Warehouse - Distribution	8.8%	8.8%	8.8%	11.8%	2.8%	\$4.00	\$4.00	\$4.00	\$3.83	\$3.91
North East	8.0%	7.5%	10.3%	11.3%	10.5%	\$5.69	\$4.92	\$5.10	\$5.04	\$5.23
Flex/R&D	11.5%	9.4%	8.5%	7.9%	8.9%	\$5.34	\$5.34	\$5.32	\$5.26	\$5.57
Warehouse - Distribution	7.6%	7.3%	10.6%	11.7%	10.7%	\$5.82	\$4.76	\$5.06	\$5.00	\$5.14
North Central	9.4%	8.6%	7.6%	7.6%	8.2%	\$8.90	\$8.51	\$9.16	\$9.69	\$8.94
Flex/R&D	10.4%	10.7%	8.8%	9.1%	8.3%	\$9.88	\$9.19	\$9.68	\$10.08	\$10.21
Warehouse - Distribution	8.4%	6.7%	6.5%	6.2%	8.0%	\$6.10	\$6.01	\$8.07	\$8.66	\$7.11
North West	9.2%	9.6%	11.4%	12.1%	11.5%	\$7.76	\$8.03	\$8.12	\$8.23	\$8.55
Flex/R&D	8.9%	9.4%	9.1%	9.6%	11.0%	\$9.42	\$9.83	\$10.92	\$10.99	\$10.83
Warehouse - Distribution	9.8%	10.1%	15.8%	16.6%	12.5%	\$5.01	\$4.99	\$5.34	\$5.49	\$5.38
Far North Central	0.0%	0.0%	0.0%	6.3%	6.3%	\$0.00	\$0.00	\$0.00	\$15.00	\$15.00
Flex/R&D	0.0%	0.0%	0.0%	6.3%	6.3%	\$0.00	\$0.00	\$0.00	\$15.00	\$15.00
Far North East	6.7%	9.8%	4.2%	4.2%	2.5%	\$4.93	\$4.93	\$5.06	\$5.06	\$5.06
Flex/R&D	11.8%	11.8%	11.8%	11.8%	11.8%	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
Warehouse - Distribution	6.3%	9.6%	3.6%	3.6%	1.9%	\$4.80	\$4.80	\$4.80	\$4.80	\$4.80
South East	14.5%	14.5%	14.5%	9.4%	9.4%	\$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
Warehouse - Distribution	17.4%	17.4%	17.4%	10.5%	10.5%	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Far West	20.6%	20.6%	20.6%	9.1%	9.1%	\$3.84	\$3.84	\$3.84	\$3.84	\$3.84
Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Warehouse - Distribution	100.0%	100.0%	100.0%	13.9%	13.9%	\$3.84	\$3.84	\$3.84	\$3.84	\$3.84
Grand Total	8.8%	8.8%	9.4%	10.2%	8.4%	\$6.63	\$6.19	\$6.24	\$6.16	\$6.35

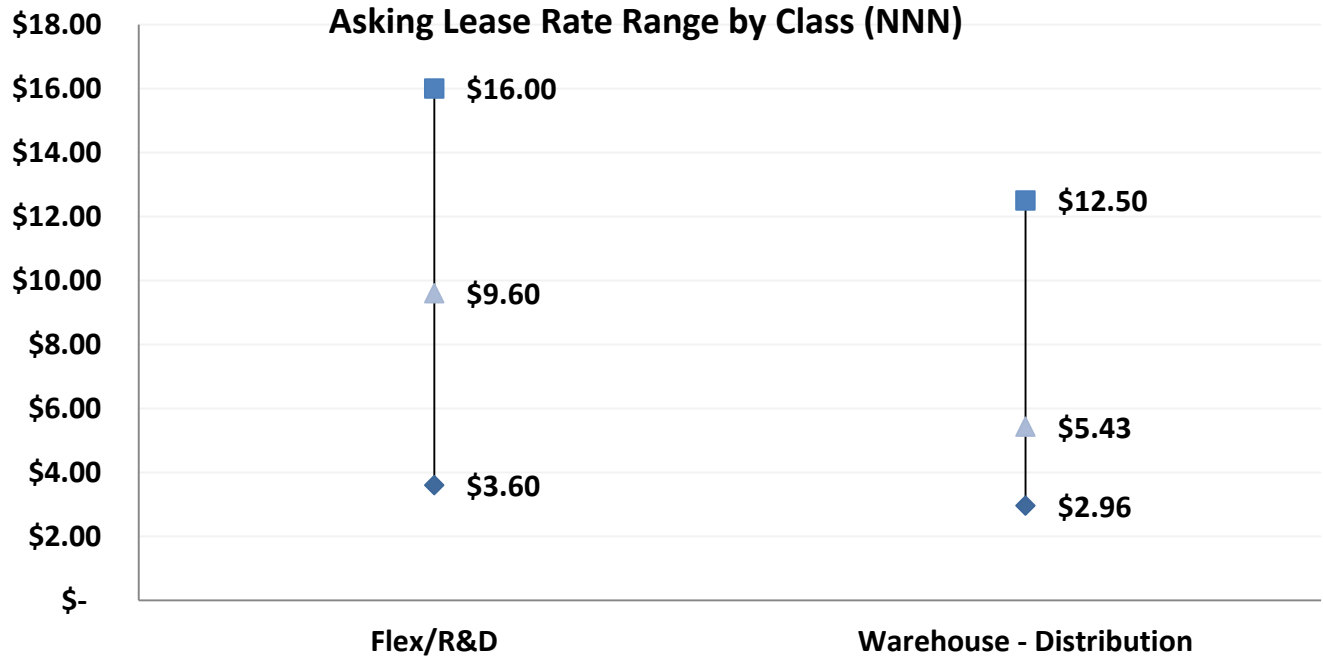
Vacancy Rate by Market

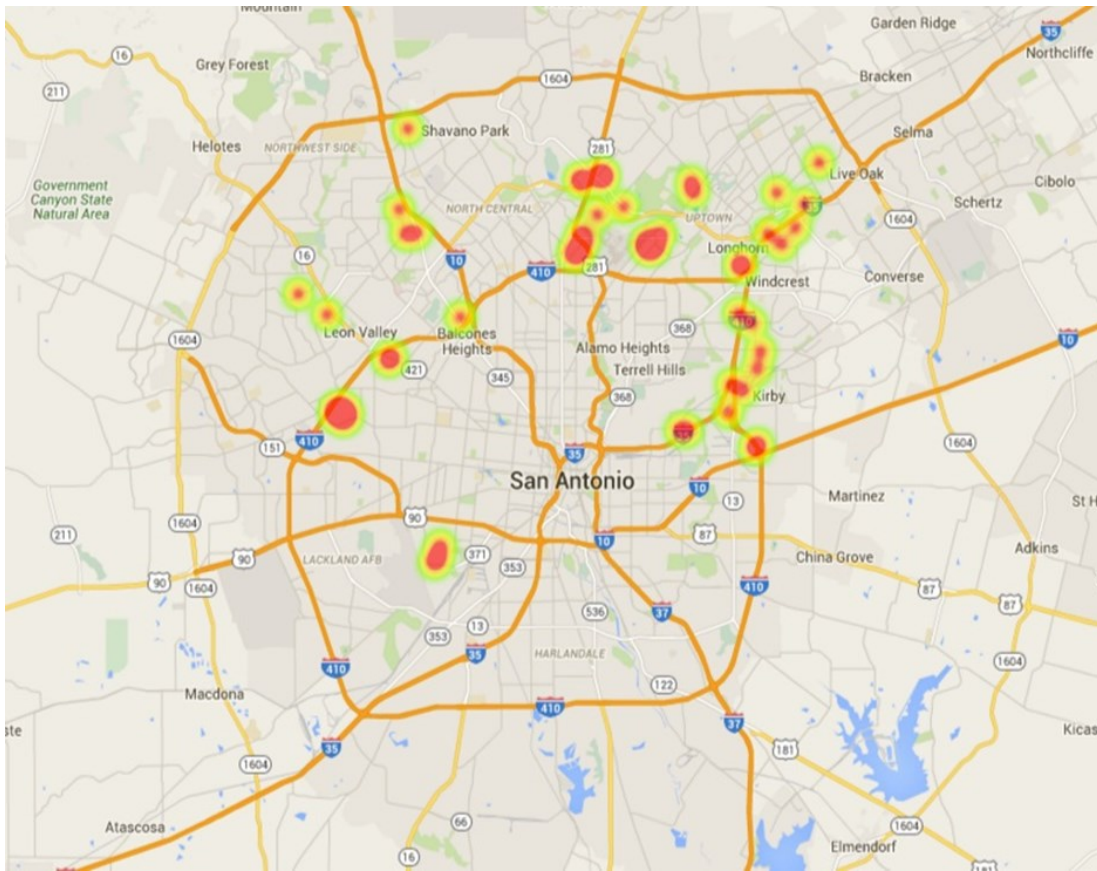


Average Asking Rates by Market



Asking Lease Rate Range by Class (NNN)

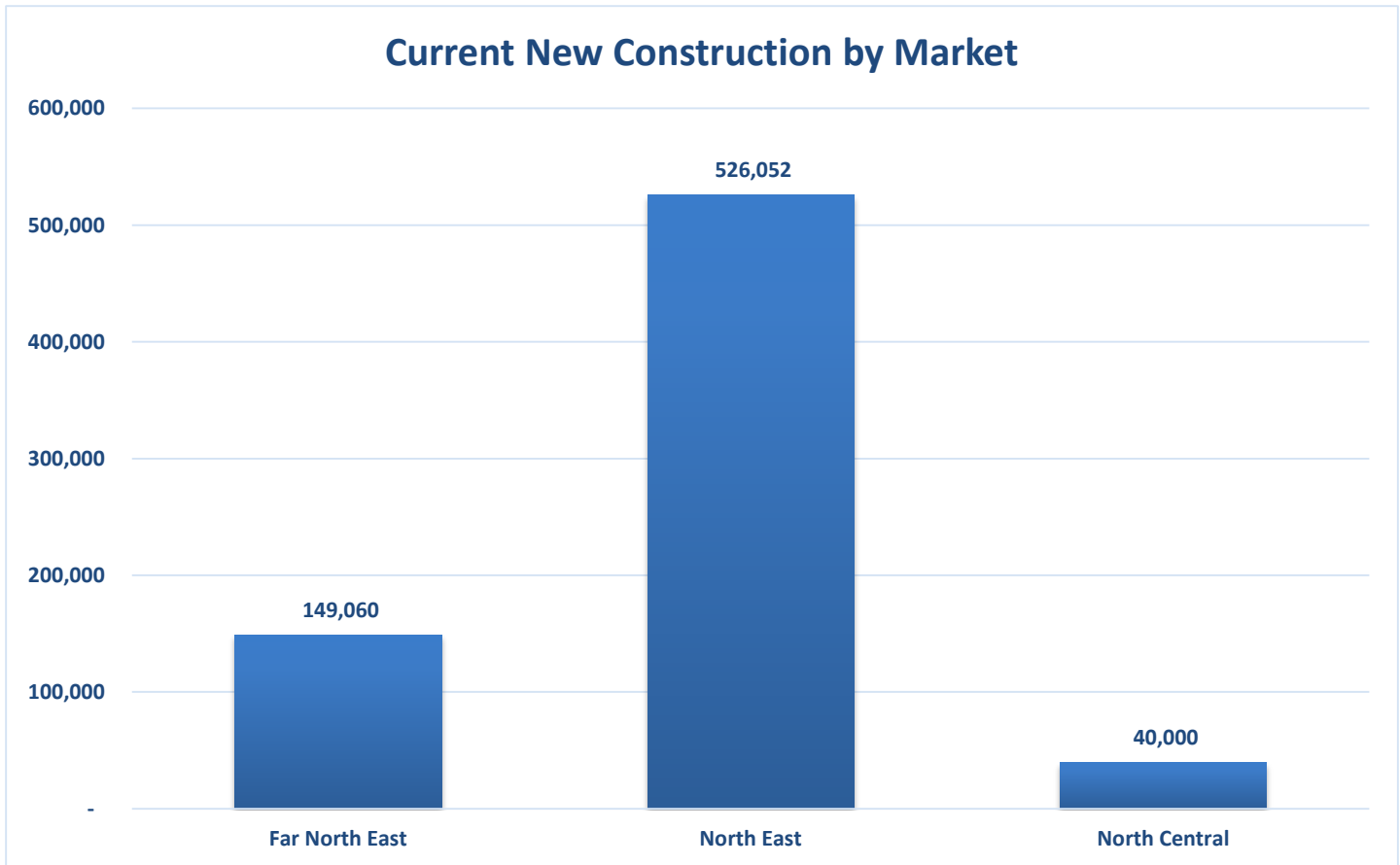




Largest Absorption Changes

Property Name	SF Occupied or Vacated	Tenant Name	Market	Specific Use
Pan Am Distribution Center Bldg 1	90,000	Southern Warehousing	North East	Warehouse
601 Davy Crockett	80,000	Air Force	South West	Warehouse
Interstate Business Park Bldg 2	43,200	PSI	North East	Warehouse
TriCounty Business Park 3	39,884	Verizon	Far North East	Warehouse
309 Clarence Tinker	27,305	STRAC	South West	Warehouse
Perrin Creek Corporate Center Bldg 2	24,801	Undisclosed	North East	Warehouse
Wetmore Business Center II Bldg 2	(20,713)	Bee-Line Delivery Service	North Central	Warehouse
City Park East Distribution Center Bldg B	(21,600)	Crane Freight & Cartage	North East	Warehouse
3816 Binz Engleman Rd, Bld B	(22,400)	Pure Flavor-Pure Hothouse Foods	North East	Warehouse
709 Raymond Medina St (Bldg 1575)	(25,700)	Gore Design Group/Haas Group International	South West	Flex
Macro Distribution Center Bldg 3	(27,300)	Coast Distribution	North East	Warehouse
10711 Distribution Center Bldg 1	(38,400)	Goodman Distribution	North East	Warehouse

Top Transactions						
Property Name	Sale Price	SF Sold	Buyer	Seller	Market	Specific Use
Northbrook Business Center	6,840,030	106,843	PC Northbrook LP	TPP 16 Northbrook LLC	North Central	Flex
5335 Castroville Rd	5,485,710	217,500	Globus Medical Inc	Bic Graphic USA Manufacturing Co Inc	Far West	Flex
Landmark VI	5,000,000	69,300	Kansas City Life Insurance Company	BCP Randolph LP	North East	Flex
12054 Starcrest Dr	4,875,000	64,500	STMA Properties LLC	Jones Building II LLC	North Central	Flex
Crawford Electric Supply	4,375,000	61,200	343 Weidner - 2015 LP	Weidner Road Real Estate Partners LP	North East	Flex
Research Plaza	2,687,500	21,714	Pawel Village LLC	Texas Research & Technology Foundation	Far West	Flex
6305 Camp Bullis Rd (Former Builders FirstSource)	2,350,000	70,416	Swientek Realty LLC	Fisher Brothers Properties Ltd	Far North West	Warehouse
5433 Randolph Blvd	1,750,000	15,900	LBL 5433 LLC (Donald B & Bridget P McSwain)	H&E Equipment Services Inc	North East	Flex



San Antonio		Research	
Cavender & Hill Properties, Inc.	Joe Carroll	CBRE	Nick Ianetta
CBRE	Rob Burlingame	Kennedy Wilson	Raelin Fontenot
Endura Advisory Group	Charlie Hargis		
REOC San Antonio	John Greg Turcotte		
	Kim Gately		
Peloton Commercial Real Estate	Andrew Price		
Prologis	Eddie Gonzalez		
Providence Commercial Real Estate Services	Dan Gostylo		
Steam Realty Partners	Jason Schnittger		
	Kevin Cosgrove		
Ernest Soble Commercial Properties	Steve Soble		
Colglazier Properties	John Colglazier Sr.		

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 more information, please contact :**

Elisabeth Niles	Director of Analytics	(830) 328-2673	eniles@xceligent.com
Doug Swanson	Director of Client Services	(210) 288-0218	dswanson@xceligent.com

