



# San Antonio, Texas

Tenant's Guide ▪ North American Markets ▪ Fourth Quarter 2011

## Overview

The San Antonio market continued to outperform the national economy in 2011. Vacancy rates and rental rates have basically remained unchanged during the last quarter. A diversified employment base has helped San Antonio weather the economic storms of a meltdown in the lending markets and a drop in consumer confidence.

## Market Trends

- Citywide, vacancy rates are at 17.1%.
- Average rental rates are \$19.55.
- Economic development efforts have been successful in attracting large call center and data center users to San Antonio.
- Several large users in the market have announced build-to-suit projects in the West and Northwest submarkets.

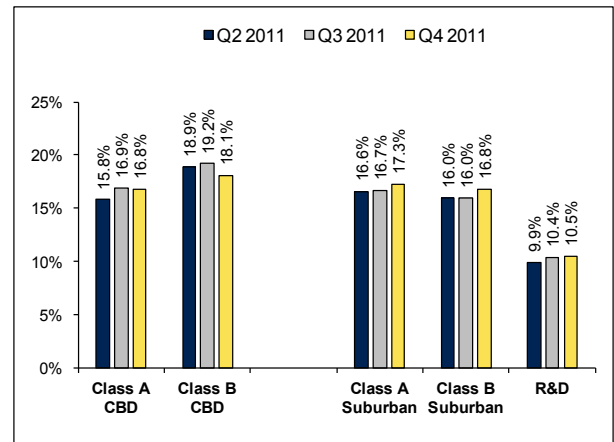
## Tenant's Perspective

San Antonio remains a relatively stable market for tenants. However, there are very few existing blocks of vacant space in the market. The immediate impact has been that tenants are required to compete for the most desirable blocks of space. Landlords are looking more closely at a tenant's credit. Increasing consolidation in the real estate industry makes it imperative that tenants work more closely with their real estate advisors to most effectively develop their real estate strategies for the future.

## Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Visionary Properties	108,655	Office	Lease
Argo Group	57,997	Office	Lease
QTC	34,555	Office	Lease
Forge Energy	11,828	Office	Lease

## Vacancy Rate



## Average Rental Rates

CBD	Q2 2011	Q3 2011	Q4 2011
Class A Office	\$20.80	\$20.80	\$20.70
Class B Office	\$17.05	\$18.10	\$17.35
Suburban	Q2 2011	Q3 2011	Q4 2011
Class A Office	\$21.60	\$21.68	\$21.83
Class B Office	\$18.45	\$18.75	\$18.85
R&D	\$9.18	\$9.02	\$9.00