

# San Antonio, Texas

Tenant's Guide ■ North American Markets ■ Fourth Quarter 2009

## Overview

The San Antonio market started feeling the impact of the downturn in the national economy. Vacancy rates decreased slightly in 2009 despite new construction. Rental rates have had small declines at this point. A diversified employment base should help San Antonio weather the economic storms of a meltdown in the lending markets and a drop in consumer confidence.

## Market Trends

- Citywide vacancy rates decreased to 11.1%.
- Average rental rates are \$18.29.
- There was 245,000 square feet of positive absorption during the fourth quarter.

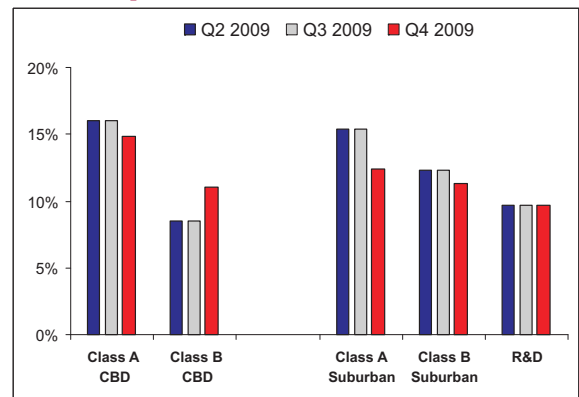
## Tenant's Perspective

Recent economic events will increasingly shift the market back to the tenant's favor. However there are very few existing blocks of vacant space in the market. The immediate impact has been that landlords are more willing to offer concessions and aggressively attempt to retain tenants. Landlords are looking more closely at tenants' 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
Nucomm	65,571	Flex	Lease
Concorde College	48,000	Office	Lease
City of San Antonio	15,309	Office	Lease
Weaver Inc.	13,380	Office	Lease
Schnitzler Cardio	12,884	Office	Lease

## Vacancy Rate



## Average Rental Rates

	Q2 2009	Q3 2009	Q4 2009
<b>CBD</b>			
Class A Office	\$22.48	\$22.48	\$20.25
Class B Office	\$17.00	\$17.00	\$15.27
<b>Suburban</b>			
Class A Office	\$22.95	\$22.95	\$22.30
Class B Office	\$17.10	\$17.10	\$17.00
R&D	\$8.95	\$8.95	\$8.95

Prepared By CresaPartners  
1777 NE Loop 410, Suite 600, San Antonio, Texas 78217  
210.820.2675 ■ [www.cresapartners.com](http://www.cresapartners.com)