

FIGURES | SAN ANTONIO INDUSTRIAL | Q1 2026

# Vacancy and availability tighten despite limited absorption

▼ 10.5%

Vacancy Rate

▼ 451,227

SF Net Absorption

▼ 218,809

SF Construction Delivered

▼ 2.7M

SF Under Construction

▲ \$8.69

NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

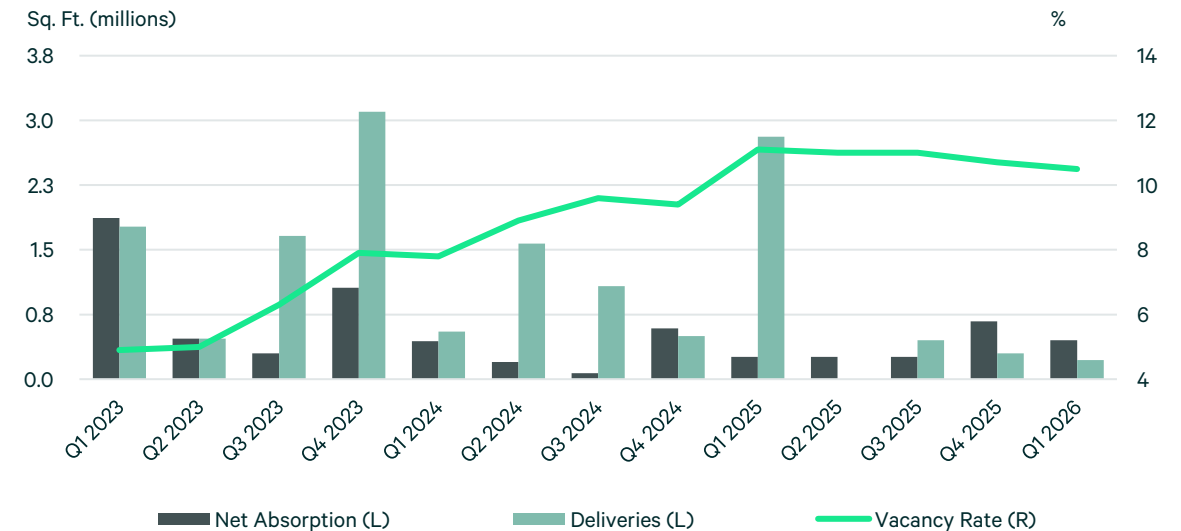
## MARKET OVERVIEW

Industrial market activity was relatively flat in Q1 2026, recording slightly lower vacancy and availability but weaker net absorption. Compared to Q4 2025, vacancy and availability were 20 and 30 basis points lower, while net absorption was down 32.7%. Average asking rents increased slightly to \$8.69, a 0.9% increase quarter-over-quarter. Year-over-year, net absorption increased 74.1%, vacancy declined 60 basis points, and average asking rents were 3.0% higher.

Leasing activity, which has historically been slower in Q1 relative to later quarters, dropped 44.8% quarter over quarter but was approximately on par with activity in Q1 2025.

219,000 sq. ft. of new construction delivered in Q1 25, and 2.7 million sq. ft. remain under construction. 2.01 million sq. ft. of the construction pipeline is pre-committed to a combination of owner-users and build-to-suit leases, notably including JCB and Toyota's manufacturing facilities underway in the South submarket, and Ranch Hand equipment's build-to-suit facility at TriPoint Logistics in Seguin.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

## SUPPLY AND DEMAND

Net absorption was 451,000 sq. ft. in Q1 2026, below the 670,000 sq. ft. posted in Q4 2025 but exceeding the 259,000 sq. ft. recorded in Q1 2025, a 74.1% year-over-year increase. This follows a stretch of negative year-over-year comparisons through early 2025, with absorption turning positive from mid-2025 onward and signaling a slightly firmer demand backdrop entering 2026. Positive net absorption for Q1 2026 was concentrated in the Northeast submarket, which accounted for 525,000 sq. ft. during the quarter. Due to ongoing economic uncertainty, occupiers have continued to renew in place rather than move into newly constructed space, suppressing absorption and prolonging vacancy in new, speculative distribution space.

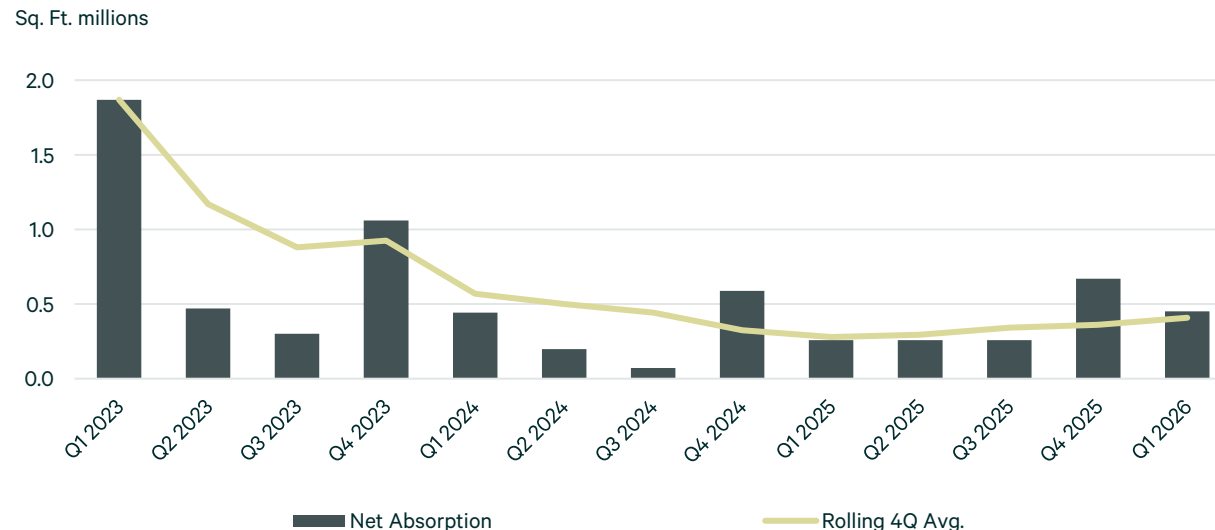
In the ten-quarter period from Q3 2022 to Q1 2025, Industrial vacancy climbed steadily year-over-year from a ten-year low of 3.4% to a peak of 11.1% as developers added more than 16.0 million sq. ft. of new product to the market. Vacancy has declined steadily over the past four quarters as product is absorbed, but remains concentrated among recent speculative deliveries in the distribution segment, which is 12.6% vacant as of Q1 2026. Manufacturing vacancy is flat at a minimal 1.8%, and Flex/R&D vacancy rose slightly to 9.27%.

2.7 million sq. ft. of new construction is currently underway marketwide. The South and Northeast submarkets are the most active, with 1.5 million sq. ft. and 1.1 million sq. ft. underway respectively, led by the 1.0 million sq. ft. JCB Manufacturing Facility in the South.

## ASKING RENT

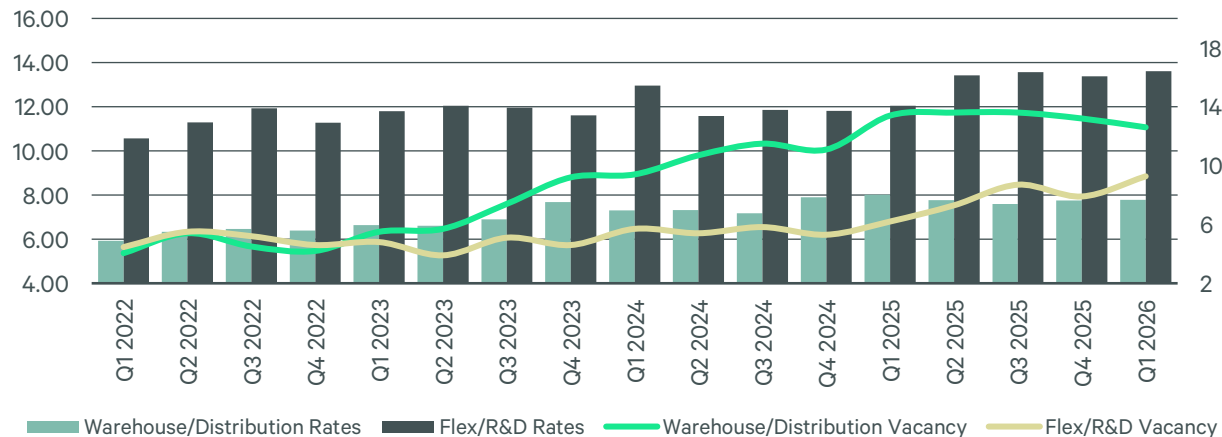
Average asking rent reached \$8.69 per sq. ft. in Q1 2026, up 0.9% quarter-over-quarter and 3.0% year-over-year. Compared with Q1 2023, the market average has risen 17.8%, underscoring steady rent growth over the last three years despite interim fluctuations.

Figure 2: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

### ECONOMIC OVERVIEW

The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets. Operation Epic Fury and global energy prices are also a concern. Assuming the conflict is resolved quickly, and U.S. oil prices stay in the \$80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

### SAN ANTONIO MARKET FUNDAMENTALS

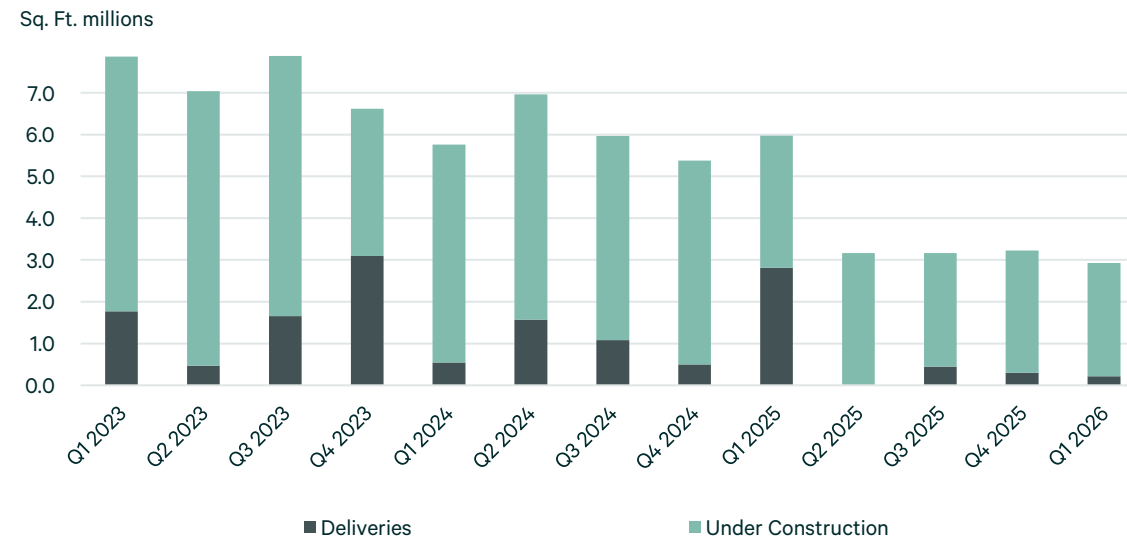
San Antonio’s increasingly diversified economy continues to grow steadily, despite recent challenges including tariffs on manufacturing and federal job cuts related to its military bases. Job growth reached 2.0% in 2025, significantly outpacing the US rate of 0.9%; GDP growth also exceeded the national average, at 2.5% compared to 2.0%. Both were driven by state and local government, ambulatory healthcare, and real estate. Net in-migration to San Antonio totaled 10,000 people in 2025 with an additional 14,000 predicted in 2026.

FIGURE 5: San Antonio Labor Force and Unemployment



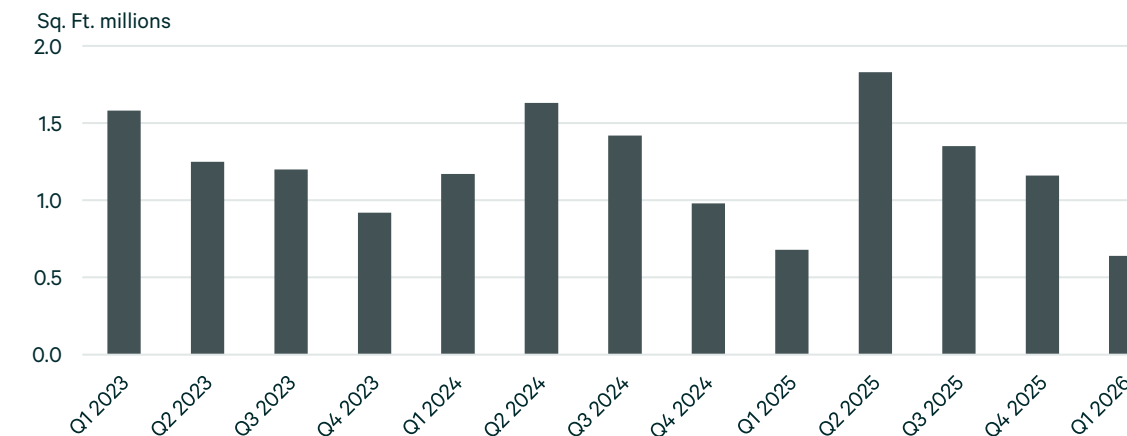
Source: BLS, Oxford Economics, Q1 2026.

Figure 4: Construction Activity



Source: CBRE Research, Q1 2026

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q1 2026

## Market Statistics by Size

Figure 7

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Under 100,000 sq. ft.	49.26	6.9	7.8	7.3	0.5	10.02	(166,000)	(166,000)	-	0.07
100,000-199,999 sq. ft.	30.33	17.6	18.3	17.4	0.9	8.63	48,000	48,000	-	-
200,000-299,999 sq. ft.	18.59	13.0	12.4	11.2	1.2	7.83	(146,000)	(146,000)	219,000	0.21
300,000-499,999 sq. ft.	17.16	16.8	17.1	16.6	0.6	7.00	76,000	76,000	-	0.42
500,000-749,999 sq. ft.	8.10	10.5	10.5	10.5	-	6.25	640,000	640,000	-	1.01
750,000 sq. ft.	19.29	0.8	0.8	0.8	-	6.25	-	-	-	1.00
<b>Total</b>	<b>142.73</b>	<b>10.5</b>	<b>11.0</b>	<b>10.4</b>	<b>0.6</b>	<b>8.69</b>	<b>451,000</b>	<b>451,000</b>	<b>219,000</b>	<b>2.71</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Product Type

Figure 8

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Distribution/Logistics	106.24	12.7	13.0	12.3	0.7	7.84	576,000	576,000	219,000	0.70
Manufacturing - General	23.52	1.9	2.5	2.3	0.2	8.26	-	-	-	2.01
R&D/Flex	11.03	9.3	10.7	10.5	0.2	13.61	(125,000)	(125,000)	-	-
Other Industrial	1.94	1.2	1.2	1.2	-	9.83	-	-	-	-
<b>Total</b>	<b>142.73</b>	<b>10.5</b>	<b>11.0</b>	<b>10.4</b>	<b>0.6</b>	<b>8.69</b>	<b>451,000</b>	<b>451,000</b>	<b>219,000</b>	<b>2.71</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Class

Figure 9

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Class A	19.16	33.6	33.6	32.7	0.8	8.13	561,000	561,000	219,000	0.70
Institutional	13.91	42.9	42.5	41.6	0.8	8.00	589,000	589,000	219,000	-
Other Class A	5.25	9.0	10.0	9.1	0.9	9.20	(28,000)	(28,000)	-	0.70
All Other Industrial	123.57	6.9	7.5	6.9	0.6	8.99	(110,000)	(110,000)	-	2.01
<b>Total</b>	<b>142.73</b>	<b>10.5</b>	<b>11.0</b>	<b>10.4</b>	<b>0.6</b>	<b>8.69</b>	<b>451,000</b>	<b>451,000</b>	<b>219,000</b>	<b>2.71</b>

Source: CBRE Research, Q1 2026

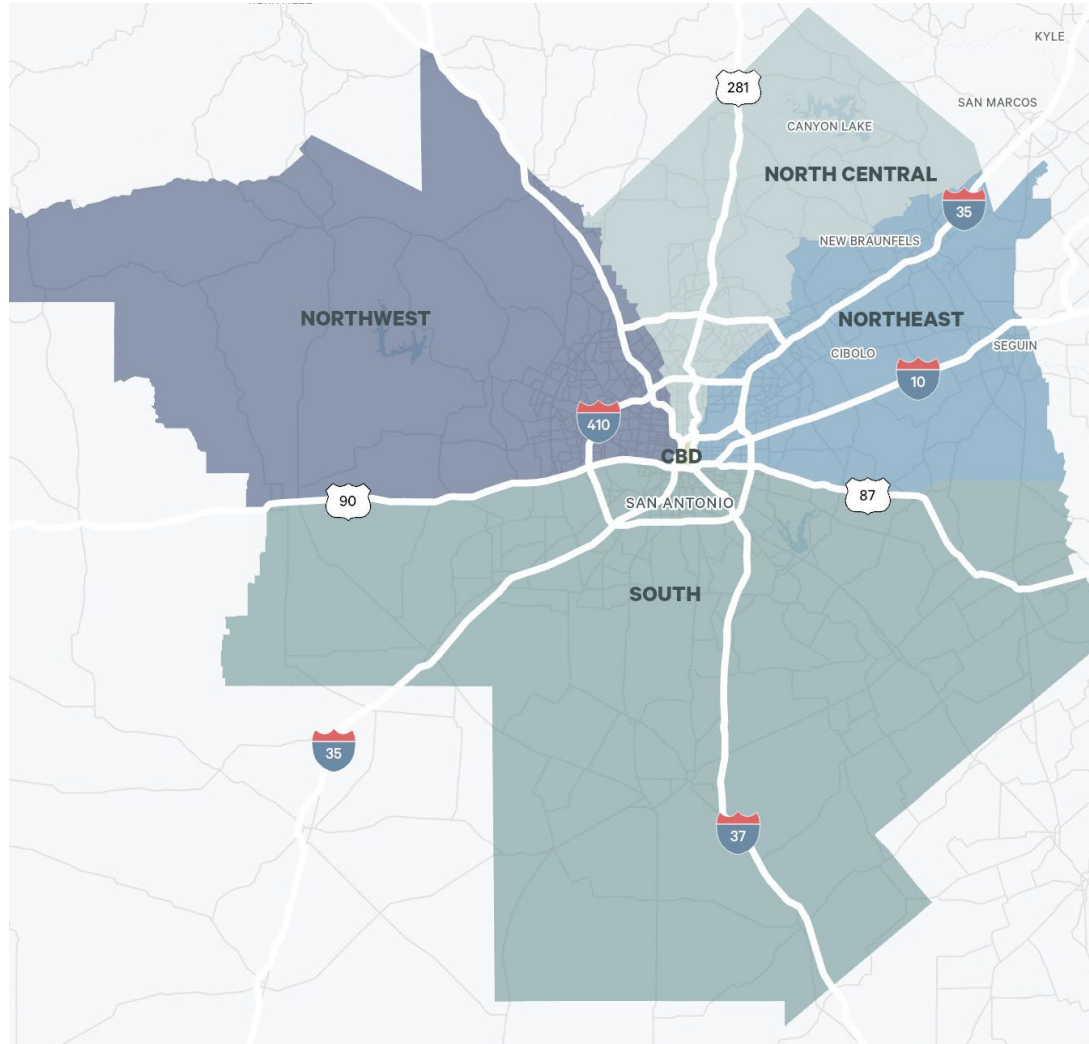
## Market Statistics by Submarket

Figure 10

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
CBD	1.97	6.6	6.6	6.6	-	11.10	(4,000)	(4,000)	-	-
North Central	12.50	8.6	9.3	9.0	0.3	12.86	(15,000)	(15,000)	-	-
Northeast	86.44	12.7	13.0	12.4	0.7	7.62	525,000	525,000	-	1.21
Northwest	16.12	6.8	8.3	7.4	0.9	12.14	(5,000)	(5,000)	-	-
South	25.71	6.7	6.9	6.4	0.5	8.00	(50,000)	(50,000)	219,000	1.50
<b>Total</b>	<b>142.73</b>	<b>10.5</b>	<b>11.0</b>	<b>10.4</b>	<b>0.6</b>	<b>8.69</b>	<b>451,000</b>	<b>451,000</b>	<b>219,000</b>	<b>2.71</b>

Source: CBRE Research, Q1 2026

## Market Area Overview



### Definitions

**Available Sq. Ft.:** Space in a building, ready for occupancy within six months; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. **Building Area:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Gross Activity:** All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

### Survey Criteria

Includes known market relevant industrial buildings 20,000 sq. ft. and greater in size in the greater metropolitan area of San Antonio, TX. Buildings which have begun construction as evidenced by site excavation or foundation work.

### Contacts

**Kim Thaker Longoria**

Senior Research Analyst  
kim.thaker@cbre.com

**Jeremy Bock**

Research Manager  
jeremy.bock@cbre.com

**Marc L. Miller**

Research Director  
marc.miller1@cbre.com

### CBRE SAN ANTONIO OFFICE

1803 Broadway, Suite 825  
San Antonio, TX 78215