

FIGURES | SAN ANTONIO OFFICE | Q3 2026

Market conditions tighten alongside strong leasing activity

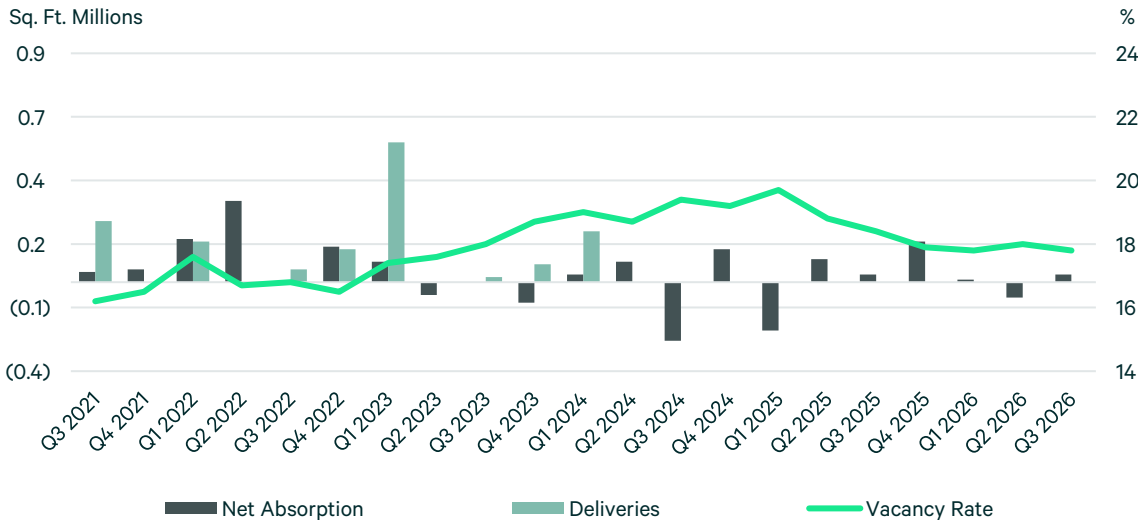


Note: Arrows indicate change from previous quarter.

Market Overview

- San Antonio’s office market showed signs of gradually tightening conditions in Q3, following several years of elevated vacancy and limited new supply. Vacancy is down 20 bps quarter-over-quarter to 17.8%, its lowest following a five-year peak of 19.7% in Q1 2025, and availability decreased from 19.4% to 18.9%
- Marketwide net absorption rebounded to 28,000 sq. ft. in Q3, a number heavily constrained by one large move as AT&T relocated from its Midtown office location to its new space in Westover Hills, downsizing by nearly 130,000 sq. ft.
- Leasing activity strengthened in Q3, supported by solid demand over the first three quarters of 2026. Tenants signed leases totaling 244,000 sq. ft. in Q3 2026, and leasing over the first three quarters of 2026 amounted to 680,000 sq. ft. Leasing activity was driven by three sizable office commitments across the CBD and Northwest submarkets, including a 26,000 sq. ft. lease by a confidential tenant in Northwest, a 22,000 sq. ft. lease by Visit San Antonio in the CBD, and a 16,000 sq. ft. lease by a confidential tenant in the CBD. While not representative of total quarterly leasing, these top three new leases indicated active engagement from occupiers in core and emerging locations alike.

Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Vacancy

In Q3 2026, overall office vacancy diverged across asset classes, with Class A rising while Class B and Class C edged lower. Class A overall vacancy was 18.4%, up 120 basis points year-over-year but 50 bps below its Q3 2023 level of 18.9%. Class B overall vacancy decreased to 18.0%, 30 bps lower than its Q3 2023 vacancy of 18.3%. Class C recorded the lowest overall vacancy at 14.1%.

Sublease vacancy in Q3 2026 remained modest at 1.1% for Class A and 0.7% for Class B. Class C sublease vacancy is 0.0% as of Q3.

Vacancy rates ranged widely across submarkets, with a clear split between lower- and higher-vacancy locations. The Far West submarket posted the lowest overall vacancy rate at 8.7%, followed by Far North Central at 14.4%, while the CBD registered the highest overall vacancy at 25.0%.

Asking Rent

In the five-year period from Q3 2021 to Q3 2026, marketwide asking rent rose 11.7% to \$29.33 per sq. ft. Midtown and the Northwest commanded the highest Class A rents at \$45.04 per sq. ft. and \$41.85 per sq. ft. respectively.

Economic Overview

The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue.

The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

Vacancy Rates by Class

Overall



CBRE Research

Net Absorption Trend

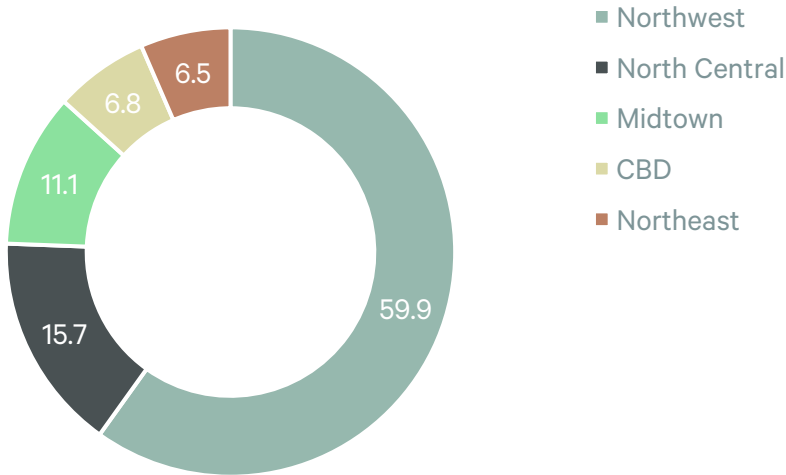
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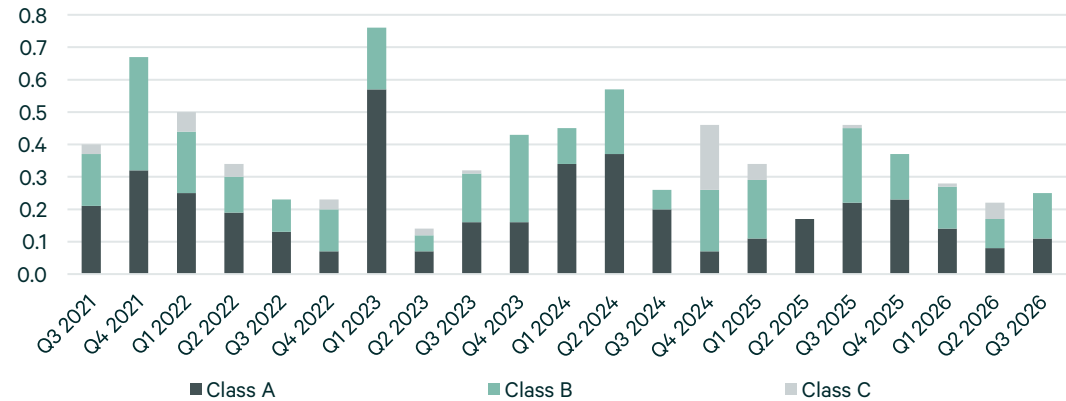
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Leasing Activity

Leasing by Submarket (% of Total Activity)



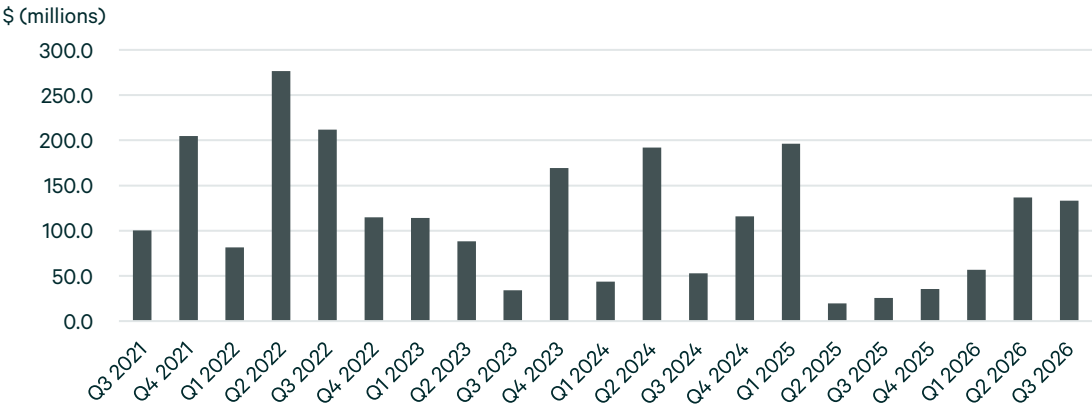
Leasing Activity Trend
Sq. Ft. (millions)



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Investment Sales

Quarterly Sales Volume

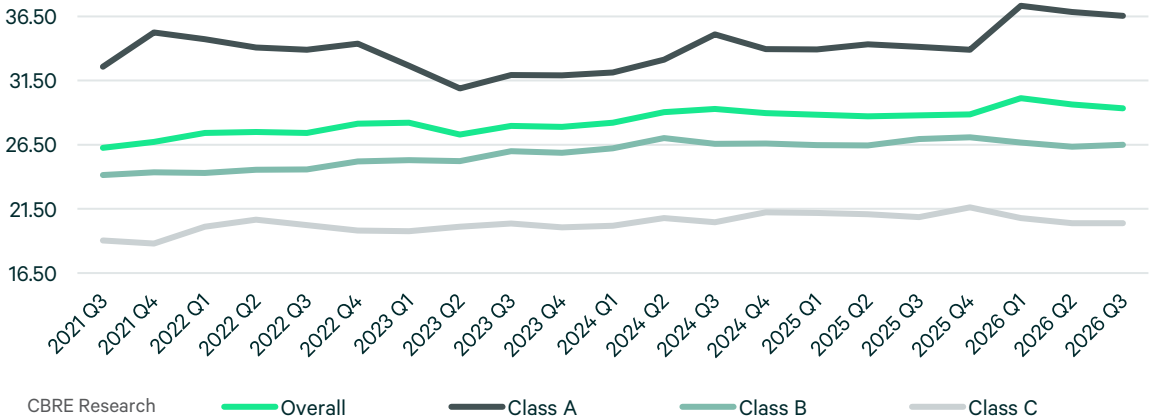


MSCI Real Capital Analytics

Asking Rates

Average Direct Asking Rate by Class

\$ PSF (FSG/Yr)



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Overall

Class A

Class B

Class C

Market Statistics by Class

Figure 11: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	12.51M	18.4	17.7	16.4	1.3	36.56	(153,000)	(194,000)	-	-
Class B	18.11M	18.0	20.2	19.4	0.8	26.50	129,000	157,000	-	-
Class C	3.70M	14.1	16.4	16.4	-	20.39	52,000	16,000	-	-
Total	34.33M	17.8	18.9	18.0	0.9	29.33	28,000	(21,000)	-	-

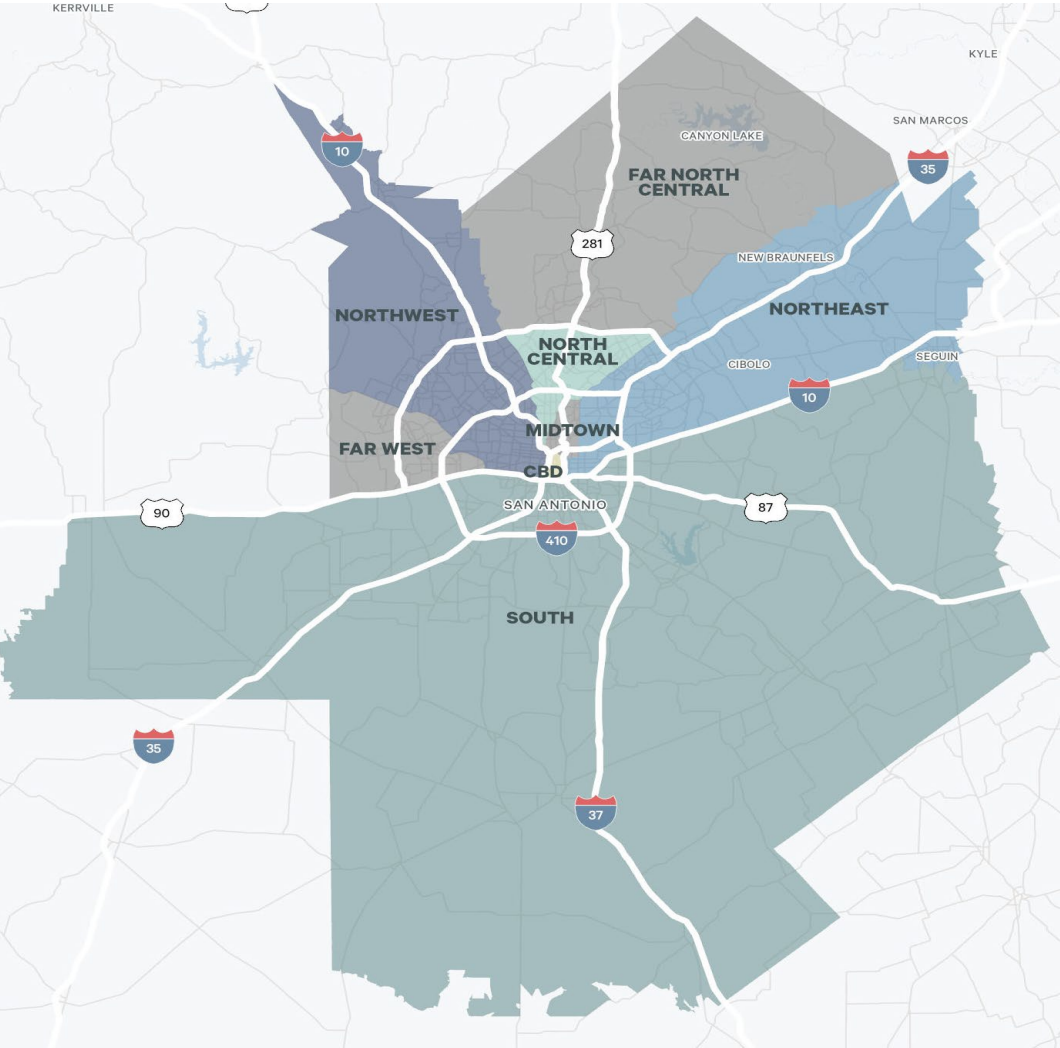
Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
CBD	4.30M	25.0	26.0	26.0	0.0	31.94	34.31	(16,000)	8,000	-	-
Far North Central	2.56M	14.4	17.5	14.6	2.9	37.21	40.71	(1,000)	55,000	-	-
Far West	1.72M	8.7	8.7	4.4	4.3	28.84	30.83	209,000	208,000	-	-
Midtown	2.79M	24.1	10.0	8.5	1.5	42.68	45.04	(389,000)	(397,000)	-	-
North Central	8.88M	16.7	18.6	18.0	0.6	26.15	31.49	17,000	(40,000)	-	-
Northeast	2.11M	21.2	22.4	22.0	0.4	23.85	29.63	53,000	46,000	-	-
Northwest	11.16M	15.4	19.8	19.4	0.4	28.83	41.85	149,000	66,000	-	-
South	802,000	21.6	17.2	17.2	-	33.93	34.45	7,000	32,000	-	-
Total	34.33M	17.8	18.9	18.0	0.9	29.33	36.56	28,000	(21,000)	-	-

Source: CBRE Research, Q3 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 all non-owner occupied, non-medical office 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.

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