

FIGURES | SAN ANTONIO OFFICE | Q2 2026

# Absorption falls in Q2; leasing activity steady

▲ 17.6%

Vacancy Rate

▼ (43,950)

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 30,400

SF Under Construction

▼ \$29.76

FSG/YR Direct Lease Rate

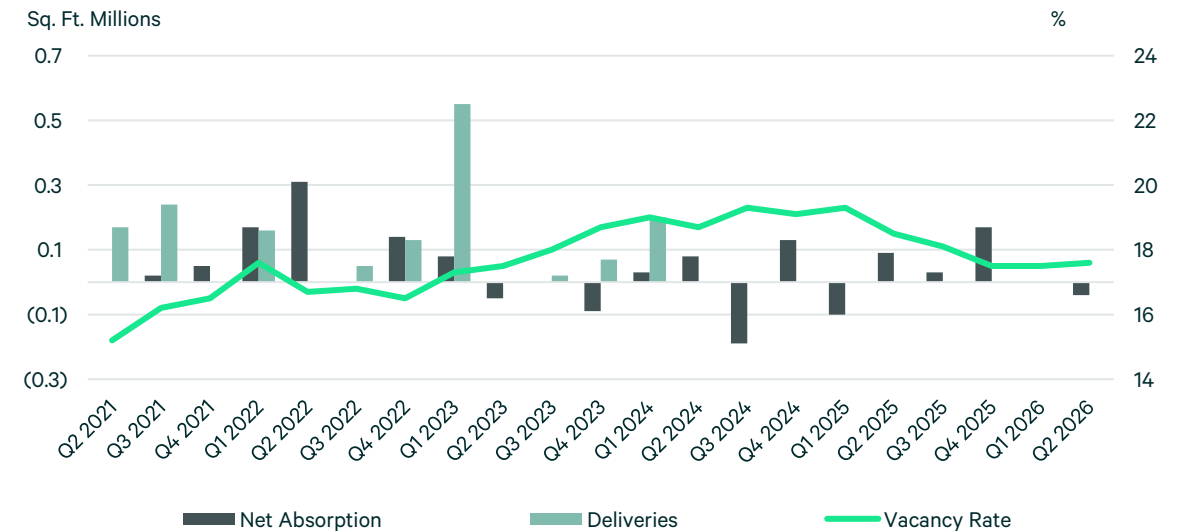
Note: Arrows indicate change from previous quarter.

## Market Overview

Over the last five years, San Antonio's Office market has seen alternating periods of expansion and contraction in occupied space as market-wide vacancy has edged slowly upward, from 15.2% in Q2 2021 to 17.6% in Q2 2026. Total net absorption fell to -44,000 sq. ft. in Q2 2026 as a handful of tenants downsized or consolidated their operations into single locations. Despite negative net absorption, vacancy increased only marginally by 10 basis points quarter-over-quarter, and steady leasing activity pushed market-wide availability down 40 bps to 19.3%.

Average asking rents declined 1.6% quarter-over-quarter but rose 3.2% year-over-year. Approximately 140 new leases recorded in Q2 2026 totaled 590,000 sq. ft., with Class B space notably outperforming Class A space by deal volume.

Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

## Vacancy

Overall vacancy was nearly flat in Q2 2026, rising 10 bps quarter-over-quarter to 17.6% market-wide. Following a five-year peak of 19.3% in Q1 of 2025, vacancy has trended downward and has varied significantly by building class and submarket. As of Q2 2026, vacancy was highest in Class B space at 18.8%, followed by Class A (17.3%) and Class C (12.7%); Class B vacancy overtook Class A vacancy beginning in Q4 2024 and has remained elevated in subsequent quarters.

At the submarket level, Midtown posted the lowest overall vacancy at 8.7%, followed by Far North Central at 15.3%. At the other end of the spectrum, the CBD recorded the highest vacancy at 24.3%, with the Northeast and Far West submarkets each at 21.7%.

Sublease vacancy moved only modestly quarter-over-quarter: Class A rose 40 basis points to 1.1%, Class B declined 20 basis points to 0.8% and Class C remained flat at 0.0%. Across all submarkets, total sublease availability amounts to 287,000 sq. ft. in Q2 2026.

## Net Absorption

Total net absorption in Q2 2026 reached -43,950 sq. ft. in a notable decline from the 1,636 sq. ft. recorded in Q1 2026. The four-quarter rolling average net absorption was 41,000 sq. ft., below the 74,000 sq. ft. average in Q1 2026 but exceeding the -19,000 sq. ft. average reported in Q2 2025.

Class A space registered the lowest absorption at -73,000 sq. ft., reversing a six-quarter trend of positive net absorption. After several quarters of fluctuating net absorption, Class B space posted 51,000 sq. ft. of absorption, exceeding the -8,000 sq. ft. reported in Q1 2026. Class C recorded -21,000 sq. ft., continuing a trend of low or negative absorption over the last five years.

Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Net Absorption Trend



Source: CBRE Research, Q2 2026

## Asking Rent

As of Q2 2026, the overall average gross asking rent was \$29.76 per sq. ft., down quarter-over-quarter by 1.6% but up year-over-year by 3.2%. Class A asking rents were highest in Midtown and the Northwest submarkets at \$45.58 and \$41.43 per sq. ft., respectively; the Far North Central and South submarkets also posted higher Class A asking rates of \$40.68 and \$37.23 per sq. ft. Taking rents climbed into the mid-\$60s in the CBD and Far North Central submarkets.

## 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.

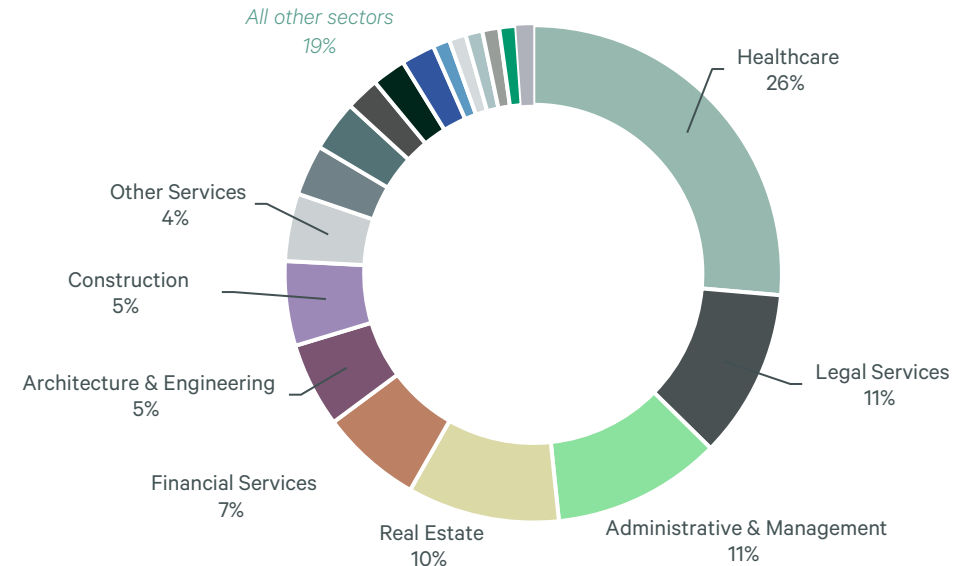
The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices 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.

Average Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

Leasing Activity by Sector



Source: CBRE Research, Q2 2026

## Market Statistics by Submarket

Submarket	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)
CBD	4.40M	24.3	25.3	25.3	-	32.68	-	31,000	-	-
Far North Central	2.54M	15.3	17.5	13.3	4.2	37.28	(35,000)	48,000	-	-
Far West	1.72M	21.7	11.3	7.1	4.3	28.33	-	(15,000)	-	-
Midtown	2.74M	8.7	9.1	7.3	1.8	43.11	(7,000)	-	-	-
North Central	8.94M	16.6	18.3	17.7	0.6	25.84	10,000	(40,000)	-	-
Northeast	2.06M	21.7	22.2	21.5	0.7	25.21	(6,000)	(15,000)	-	-
Northwest	11.08M	16.8	21.0	20.6	0.4	29.01	(31,000)	(78,000)	-	-
South	844,000	21.4	21.4	21.4	-	37.23	25,000	25,000	-	-
<b>Total</b>	<b>34.32M</b>	<b>17.6</b>	<b>19.3</b>	<b>18.3</b>	<b>1.0</b>	<b>29.76</b>	<b>(44,000)</b>	<b>(42,000)</b>	<b>-</b>	<b>-</b>

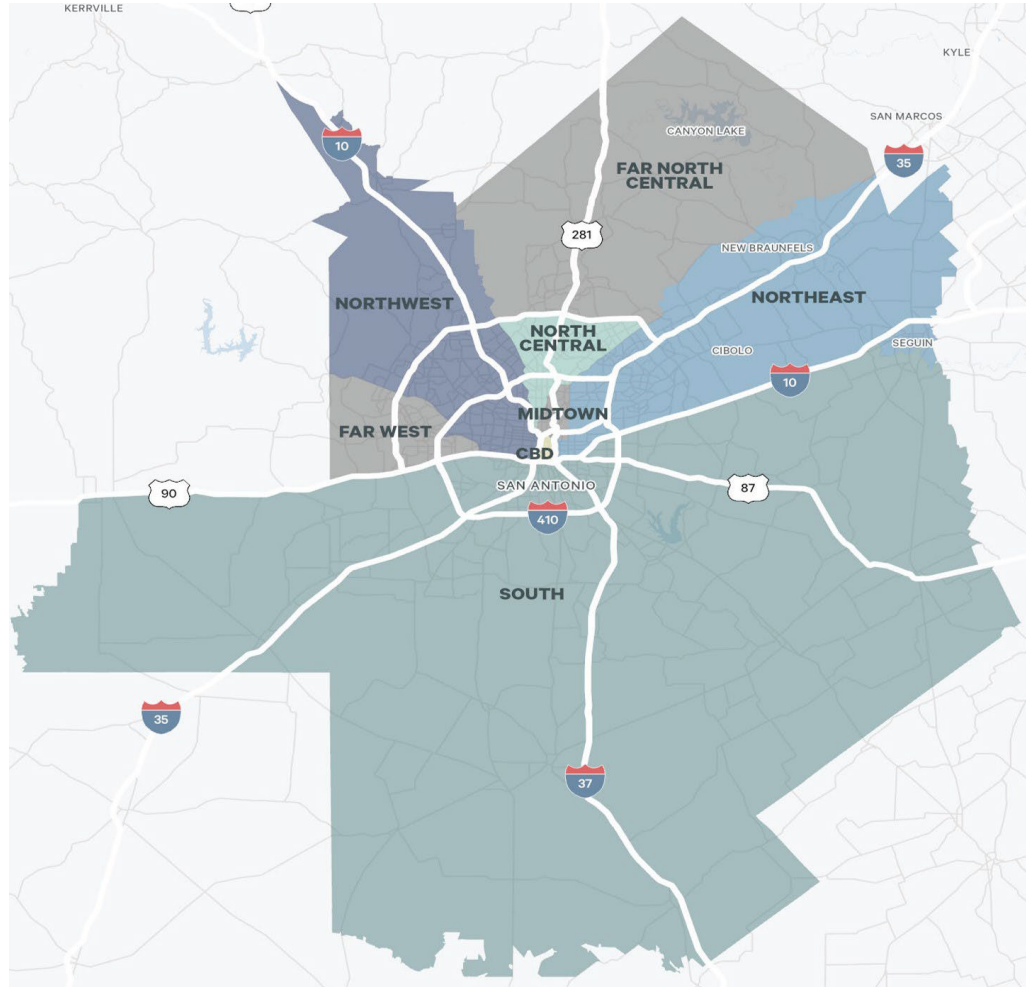
Source: CBRE Research, Q2 2026

## 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	17.3	18.7	17.3	1.4	36.85	(73,000)	(54,000)	-	-
Class B	18.09M	18.8	20.5	19.6	0.9	26.34	51,000	43,000	-	-
Class C	3.71M	12.7	15.0	15.0	0.0	20.91	(21,000)	(31,000)	-	-
<b>Total</b>	<b>34.32M</b>	<b>17.6</b>	<b>19.3</b>	<b>18.3</b>	<b>1.0</b>	<b>29.76</b>	<b>(44,000)</b>	<b>(42,000)</b>	<b>-</b>	<b>-</b>

Source: CBRE Research, Q2 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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