

FIGURES | SAN ANTONIO INDUSTRIAL | Q2 2026

# Absorption slow but steady, vacancy edges downward

▼ 10.3%

Vacancy Rate

▼ 252,059

SF Net Absorption

▼ 0

SF Construction Delivered

▲ 2.9M

SF Under Construction

▼ \$8.52

NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

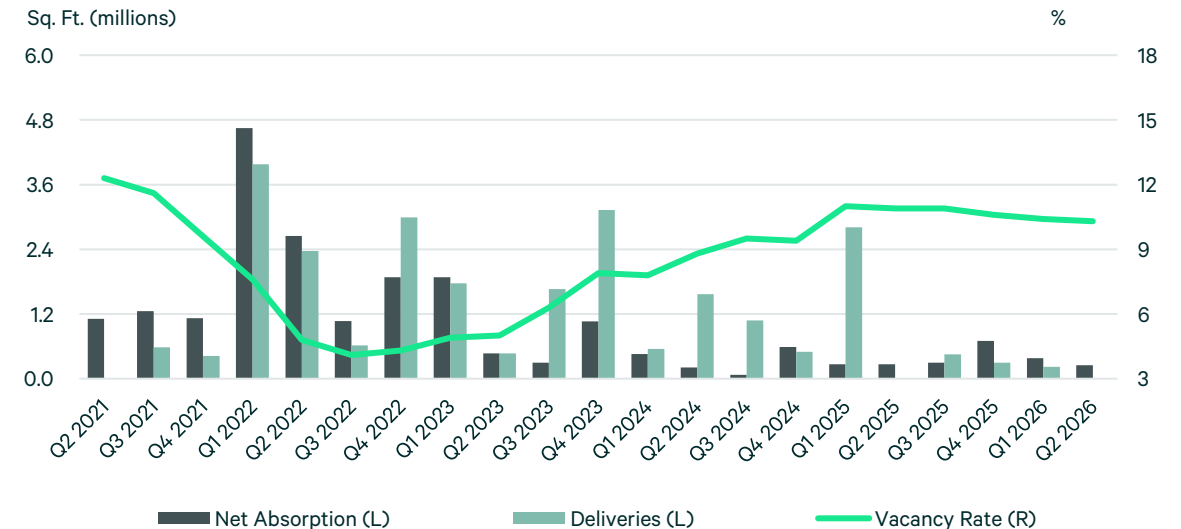
## Market Overview

San Antonio's Industrial market remains fundamentally demand-driven, posting positive net absorption in every quarter from Q2 2021 through Q2 2026. Vacancy compressed sharply from 12.3% in Q2 2021 to 4.8% in Q2 2022 as strong absorption outpaced deliveries, then gradually rose to 10.3% by Q2 2026 as new supply and slower leasing caught up. Average asking rents declined 2.0% quarter-over-quarter to \$8.52 NNN/Yr, but were 0.5% higher year-over-year. Over the past five years, asking rents have grown by 44.4%, indicating meaningful rent growth despite the recent uptick in vacancy.

In Q2 2026, net absorption measured 252,000 sq. ft., down 33.9% quarter-over-quarter and 7.4% year-over-year. Vacancy edged down to 10.3%, a 10 basis point (bp) drop quarter-over-quarter and a 60-bp drop year-over-year. Availability remained relatively flat at 11.3%.

The construction pipeline expanded to 2.9 million sq. ft. across 7 projects, with no new deliveries in the second quarter.

Historical Net Absorption, Deliveries, and Vacancy

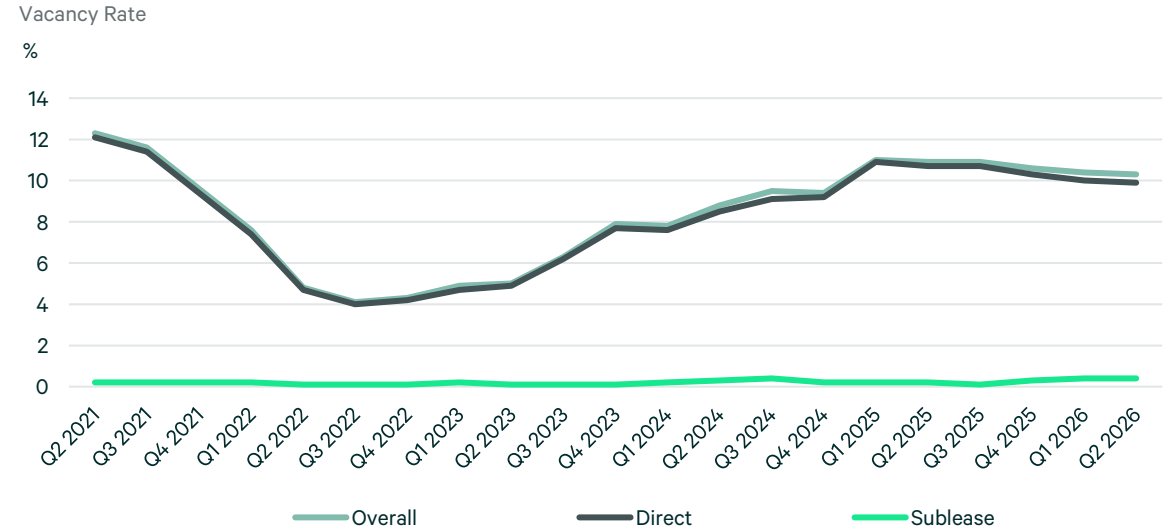


Source: CBRE Research, Q2 2026

## Vacancy

Overall market vacancy was 10.3% in Q2 2026. Overall and direct vacancy both edged down quarter-over-quarter, each declining by 10 basis points from Q1 2026, while sublease vacancy remained minimal at 0.4%. Year-over-year, overall vacancy was 60 bps lower than the 10.9% recorded in Q2 2025; however, vacancy remains materially greater than its five-year low point of 4.1% in Q3 2022.

At the submarket level, the South submarket posted the lowest overall vacancy at 5.7%, followed by the CBD at 6.6%. At the other end of the spectrum, the Northeast recorded the highest overall vacancy at 12.6%, with the North Central and Northwest at 8.5% and 7.6%, respectively. As in recent quarters, vacancy is concentrated in submarkets with larger volumes of recent speculative deliveries.



Source: CBRE Research, Q2 2026

## Net Absorption

Net absorption in Q2 2026 totaled 252,000 sq. ft. across the market, declining 33.9% quarter-over-quarter and 7.4% year-over-year. The rolling four-quarter average net absorption was 408,500 sq. ft., edging down 1.2% quarter-over-quarter but slightly elevated compared to Q2 2025.

In Q2 2026, the South submarket posted the highest positive net absorption at 243,000 sq. ft. on 25.7 million sq. ft. of inventory, followed by the Northeast with 143,000 sq. ft. absorbed and a 12.6% vacancy rate across 85.8 million sq. ft. Among the remaining submarkets, North Central was the only area with meaningful positive net absorption, recording 22,000 sq. ft. with an 8.5% vacancy rate over 12.5 million sq. ft.



Source: CBRE Research, Q2 2026

## Asking Rent

Average asking rent in Q2 2026 was \$8.52, slightly below the \$8.69 recorded in Q1 2026 earlier in the year. This equates to a negative 2.0% change quarter-over-quarter and a 0.5% increase year-over-year. From \$5.90 in Q2 2021 to \$8.52 in Q2 2026, rents have moved materially higher, with the strongest increases occurring through mid-2022 and late 2023, followed by a more moderate pattern of small year-over-year gains and occasional quarterly declines.

## Construction Activity

In Q2 2026, the construction pipeline comprised 2.9 million sq. ft. with 0 sq. ft. delivered. Construction volume increased 10.0% quarter-over-quarter but was down 9.5% year-over-year, remaining well below the 9.7 million sq. ft. peak recorded in Q3 2021.

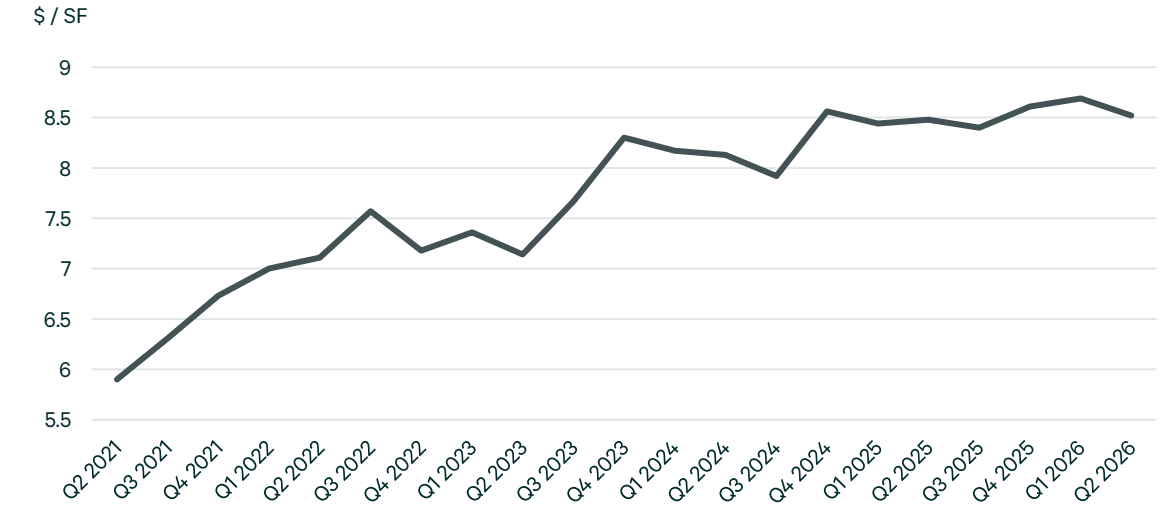
Development in Q2 2026 is concentrated in the South and Northeast submarkets, with approximately 1.5 million sq. ft. and 1.1 million sq. ft. underway, respectively. In the South, manufacturing projects including JCB's 1.0 million sq. ft. manufacturing facility and Toyota's 500,000 sq. ft. Rear Axle facility anchor construction, while the Northeast features a mix of fully pre-leased and fully vacant projects.

## 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.

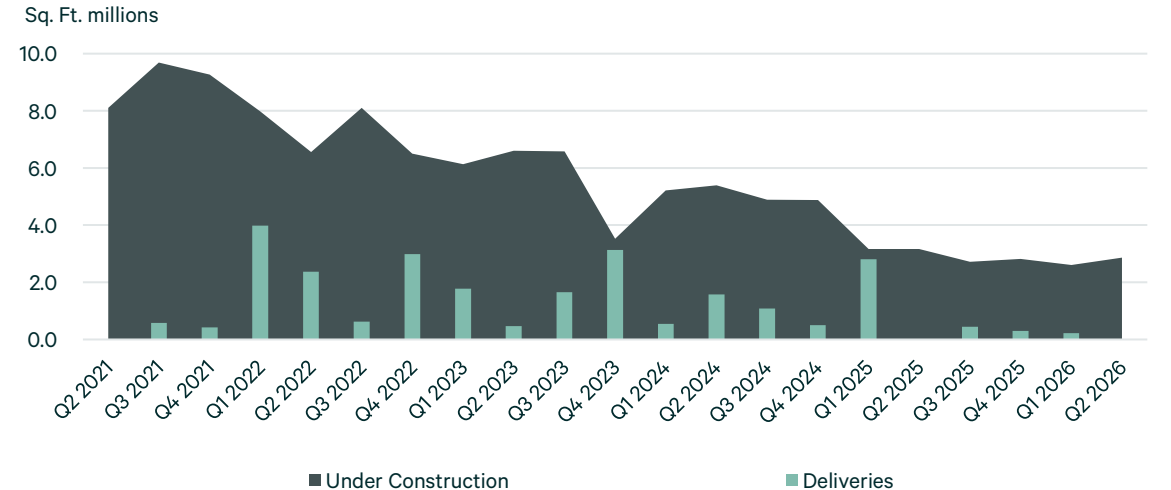
The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices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



Source: CBRE Research, Q2 2026

Construction Activity



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 NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
CBD	1.97M	6.6	7.0	7.0	-	10.96	(11,000)	(5,000)	-	-
North Central	12.52M	8.5	9.7	9.4	0.3	12.74	22,000	25,000	-	-
Northeast	85.76M	12.6	13.5	12.7	0.8	7.47	143,000	593,000	-	1.36M
Northwest	16.35M	7.6	9.5	8.6	0.9	11.19	(145,000)	(173,000)	-	-
South	25.71M	5.7	6.2	5.7	0.5	8.20	243,000	193,000	-	1.50M
<b>Total</b>	<b>142.31M</b>	<b>10.3</b>	<b>11.3</b>	<b>10.6</b>	<b>0.7</b>	<b>8.52</b>	<b>252,000</b>	<b>633,000</b>	<b>-</b>	<b>2.86M</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 NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	19.16M	32.4	31.8	31.0	0.8	7.76	279,000	803,000	-	958,000
Institutional	13.91M	41.5	40.3	39.5	0.8	7.67	230,000	782,000	-	-
Other Class A	5.25M	8.2	9.3	8.4	0.9	8.72	49,000	21,000	-	958,000
All Other Industrial	123.15M	6.9	8.1	7.4	0.6	8.92	(27,000)	(170,000)	-	1.90M
<b>Total</b>	<b>142.31M</b>	<b>10.3</b>	<b>11.3</b>	<b>10.6</b>	<b>0.7</b>	<b>8.52</b>	<b>252,000</b>	<b>633,000</b>	<b>-</b>	<b>2.86M</b>

Source: CBRE Research, Q2 2026

## Market Statistics by Product Type

Product Type	Net Rentable Area (SF)	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 (SF)
Distribution/Logistics	106.68M	12.3	13.2	12.4	0.8	7.77	288,000	848,000	-	958,000
Manufacturing - General	22.92M	2.3	3.3	2.8	0.5	8.28	(2,000)	(50,000)	-	1.90M
R&D/Flex	10.77M	8.6	11.2	10.9	0.3	12.59	(25,000)	(155,000)	-	-
Other Industrial	1.94M	1.6	1.6	1.6	-	8.00	(9,000)	(9,000)	-	-
<b>Total</b>	<b>142.31M</b>	<b>10.3</b>	<b>11.3</b>	<b>10.6</b>	<b>0.7</b>	<b>8.52</b>	<b>252,000</b>	<b>633,000</b>	<b>-</b>	<b>2.86M</b>

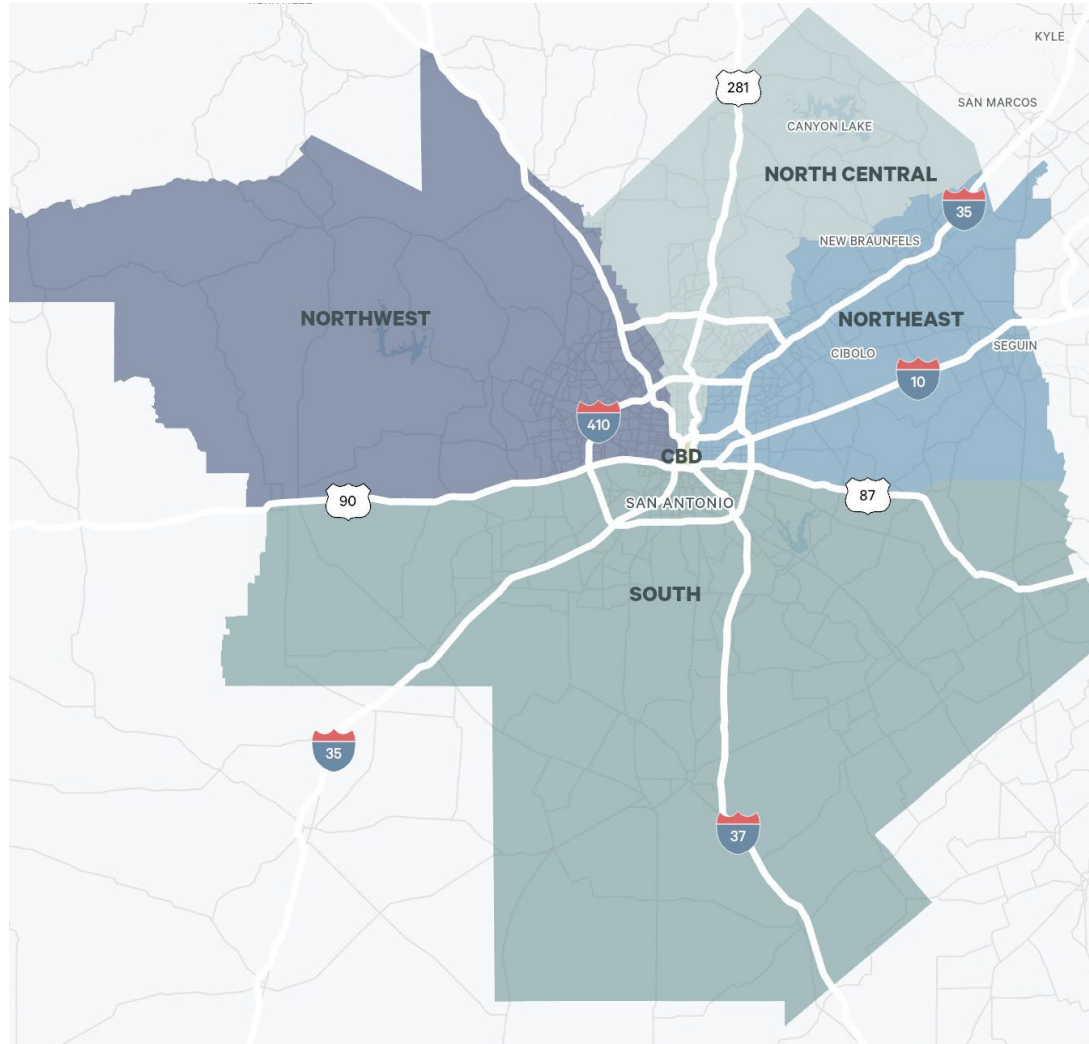
Source: CBRE Research, Q2 2026

## Market Statistics by Size

Size Range	Net Rentable Area (SF)	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 (SF)
Below 50K SF	24.65M	6.1	7.2	6.7	0.6	11.78	(74,000)	(324,000)	-	-
50K-99,999 SF	24.60M	7.3	9.1	8.2	0.9	8.69	32,000	96,000	-	67,000
100K-249,999 SF	42.32M	15.9	17.4	16.3	1.1	7.79	221,000	154,000	-	209,000
250K-499,999 SF	23.99M	15.0	15.2	14.7	0.5	7.00	72,000	68,000	-	1.09M
500K-749,999 SF	7.46M	11.4	11.4	11.4	-	6.25	-	640,000	-	500,000
750,000 SF +	19.29M	0.8	0.8	0.8	-	6.25	-	-	-	1.00M
<b>Total</b>	<b>142.31M</b>	<b>10.3</b>	<b>11.3</b>	<b>10.6</b>	<b>0.7</b>	<b>8.52</b>	<b>252,000</b>	<b>633,000</b>	<b>-</b>	<b>2.86M</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 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.

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