



XCELIGENT™
BUILDING DATA. EVERYWHERE.

INDUSTRIAL MARKET REPORT

San Antonio

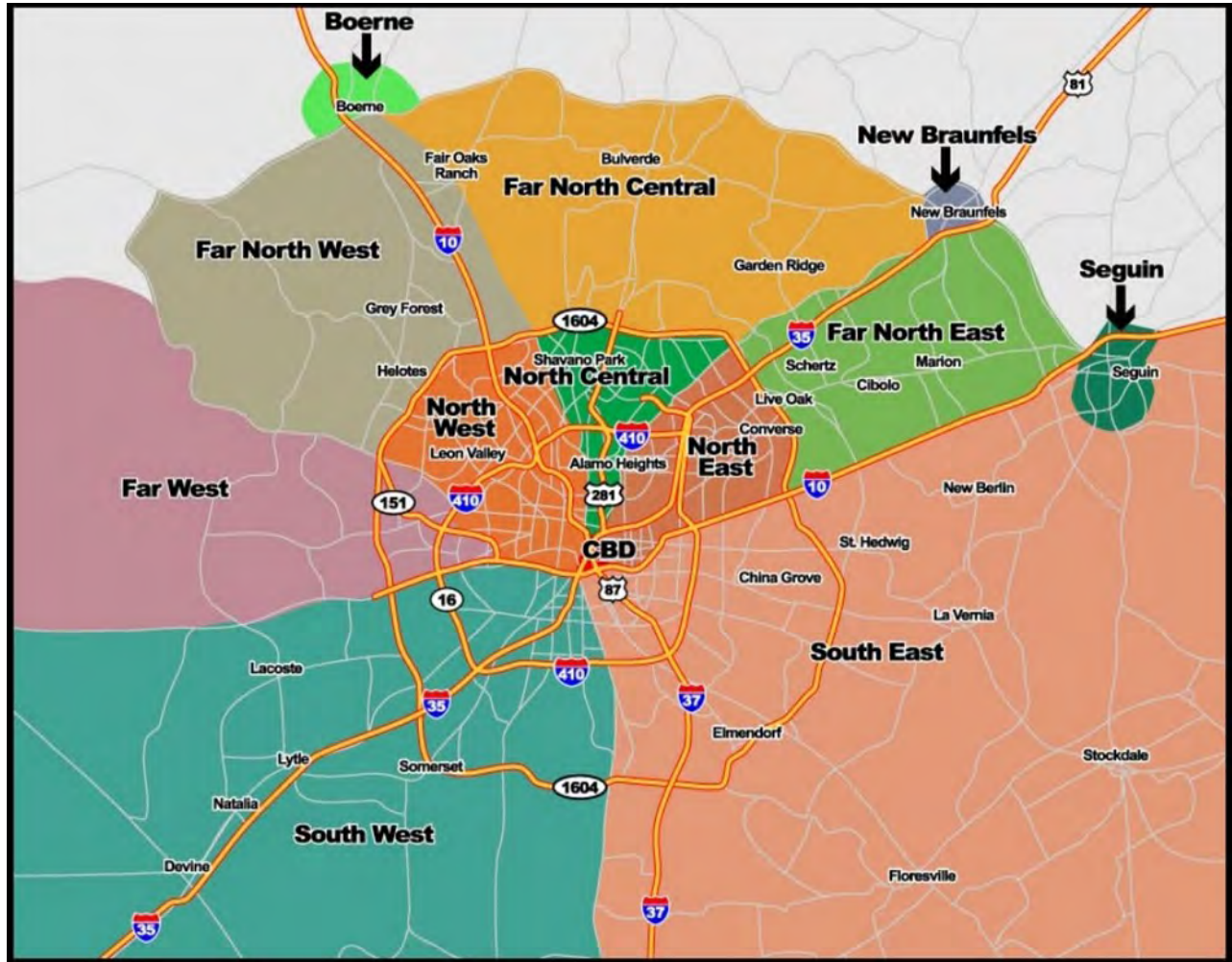
2nd Quarter 2016

Xceligent is a leading provider of verified commercial real estate information which assists real estate professionals, appraisers, owners, investors and developers that make strategic decisions to lease, sell, buy and develop commercial properties.

Table of Contents/Methodology of Tracked Set	2
Industrial Market Map	3
San Antonio Industrial Overview	4-5
Statistics by Market	6
Vacancy Rates & Asking Rates	7-8
Leasing & Absorption	9
New Construction	10
Industrial Advisory Board Members	11
Xceligent San Antonio Team	12

The San Antonio tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

Tracked Inventory (Industrial)	The total square feet of all single and multi-tenant buildings greater than 20,000 sf, excluding owner occupied facilities. Large manufacturing facilities, data centers, airplane hangar space, truck terminals/courts and obsolete/remediation properties are excluded.
Available SF	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Vacant SF	The total of the direct vacant square footage in a building that is being marketed.
Net Absorption	The net change in occupied square feet from quarter to quarter, expressed in square feet.
Note	This report reflects Direct Vacancy and Absorption, Sublease space is excluded.



Overview

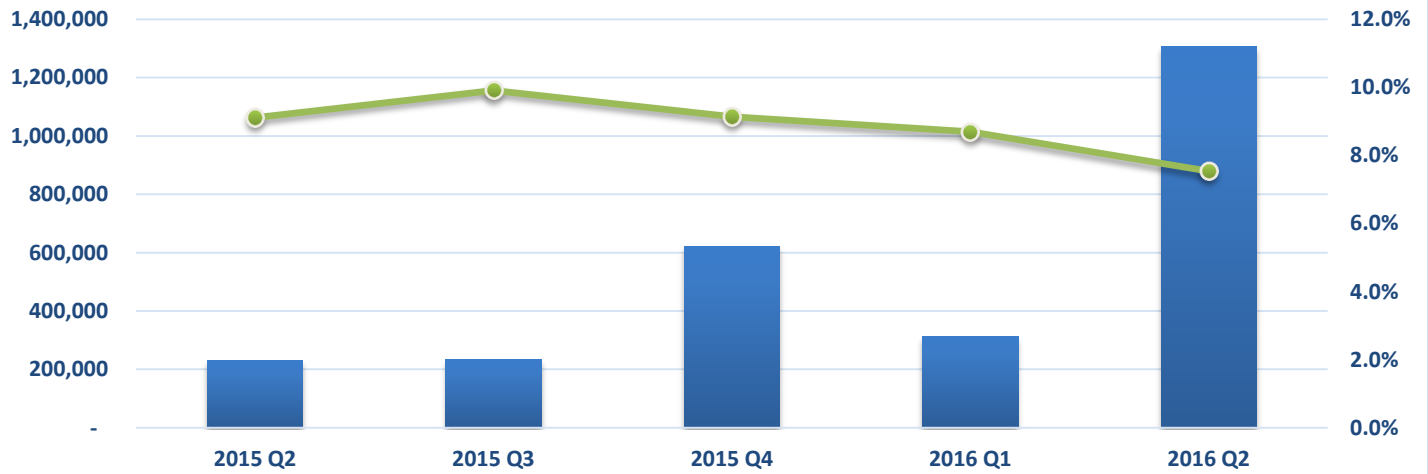
- According to the Texas Workforce Commission, the unemployment rate in the San Antonio-New Braunfels MSA dropped 0.3 percentage points from 3.7% in May 2015 to 3.4% in May 2016. The San Antonio-New Braunfels statistical area job creation totaled more than 25,400 over the past year.
- The San Antonio metro absorbed over 1.3 million square feet (sf) during the second quarter of 2016. Major occupiers of space included HEB, Conn's, Agaci, Berger Transport and Storage and Halfen USA.
- Due to continued positive absorption, the Industrial market vacancy rate has fallen from 8.7 % at the close of first quarter 2016 to 7.5% at the close of second quarter 2016.
- The North East submarket recorded the most absorption for second quarter with almost 1 million square feet (sf) absorbed.

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Quarterly Net Absorption (SF)	YTD Total Net Absorption (SF)
Flex/R&D	206	7,628,081	1,220,913	749,677	9.8%	9,773	9,375
Warehouse - Distribution	271	29,759,827	3,881,410	2,067,244	6.9%	1,296,532	1,610,378
Grand Total	477	37,387,908	5,102,323	2,816,921	7.5%	1,306,305	1,619,753

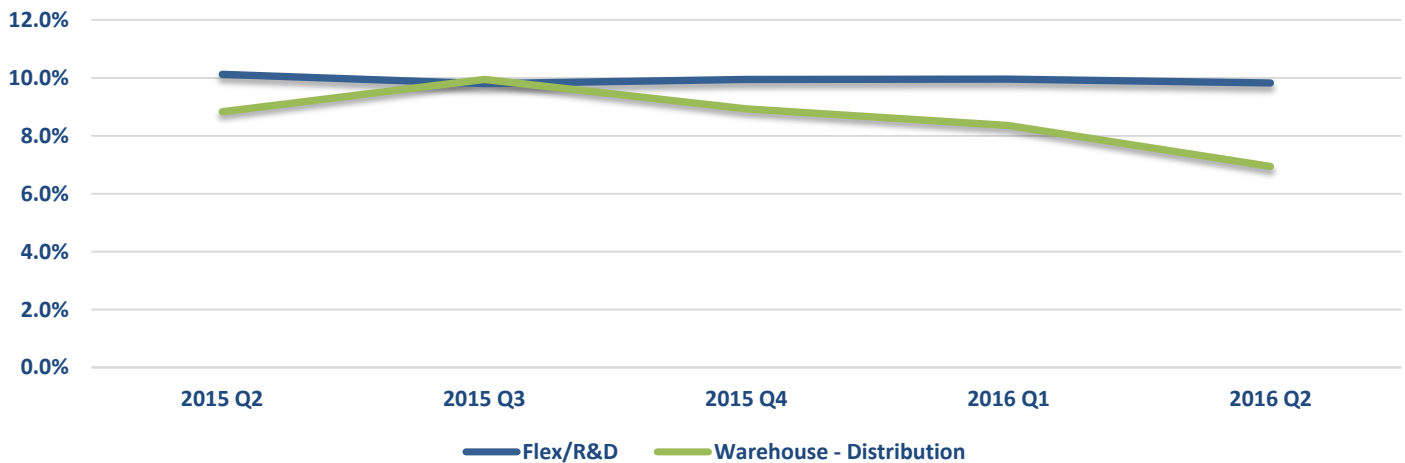
	# of Bldgs	Inventory (SF)	Sum of Direct Available SF	Direct Vacant (SF)	Direct Vacancy Rate (%)	Direct Quarterly Net Absorption (SF)	YTD Direct Net Absorption (SF)
Flex/R&D	206	7,628,081	1,161,482	747,477	9.8%	11,973	11,575
Warehouse - Distribution	271	29,759,827	3,640,627	1,972,715	6.6%	1,300,032	1,666,771
Grand Total	477	37,387,908	4,802,109	2,720,192	7.3%	1,312,005	1,678,346

	# of Bldgs	Inventory (SF)	Available Sublease (SF)	Sublease Vacant (SF)	Sublease Vacancy Rate (%)	Sublease Quarterly Net Absorption (SF)	YTD Sublease Net Absorption (SF)
Flex/R&D	206	7,628,081	59,431	2,200	0.0%	(2,200)	(2,200)
Warehouse - Distribution	271	29,759,827	240,783	94,529	0.3%	(3,500)	(56,393)
Grand Total	477	37,387,908	300,214	96,729	0.3%	(5,700)	(58,593)

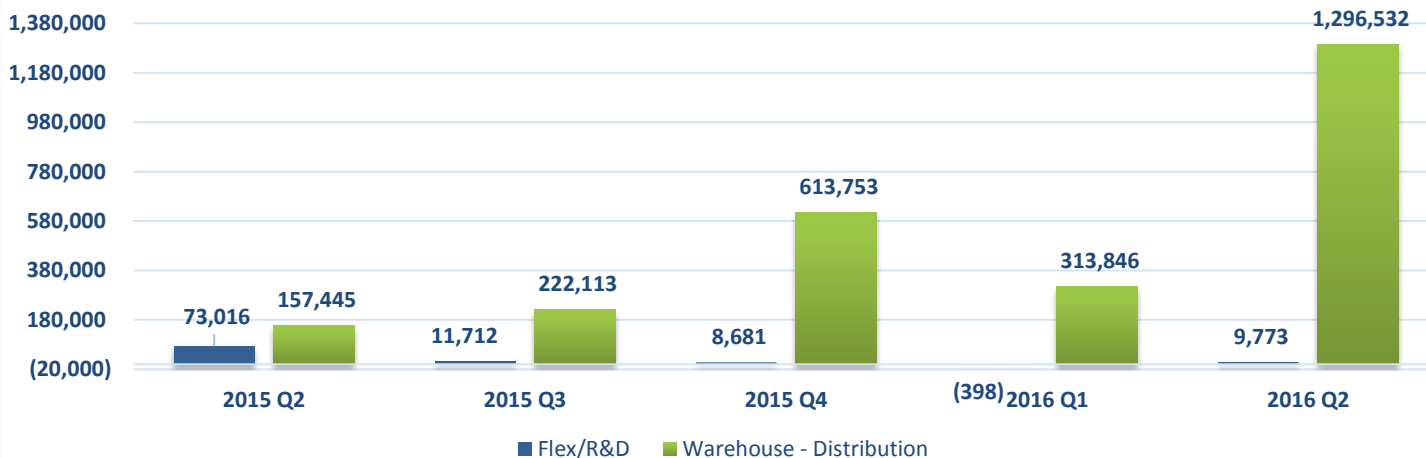
Historical Vacancy Rate & Net Absorption



Historical Vacancy Rates by Use



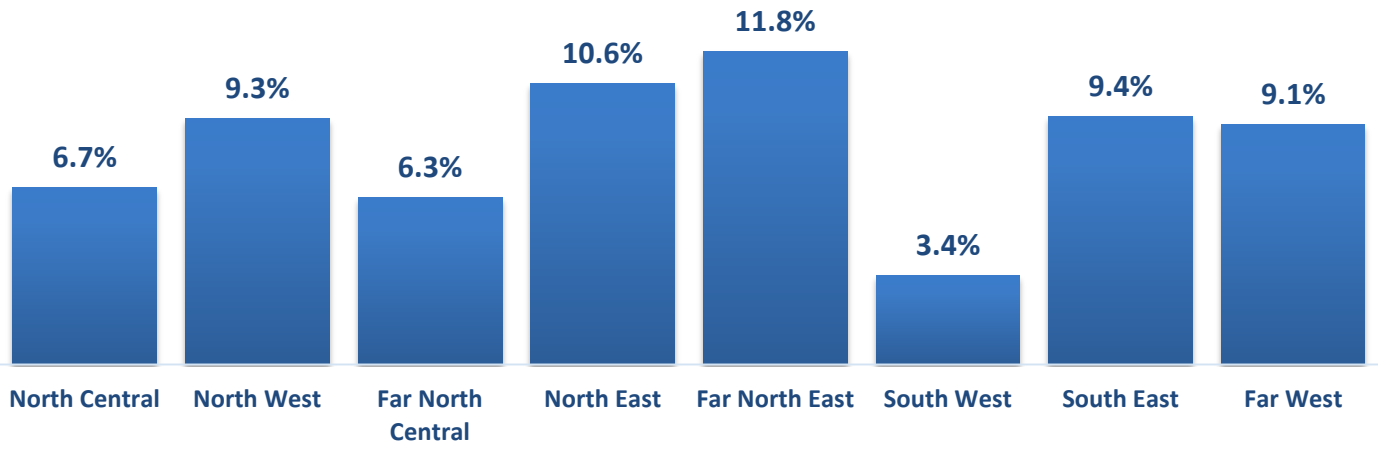
Historical Net Absorption by Use



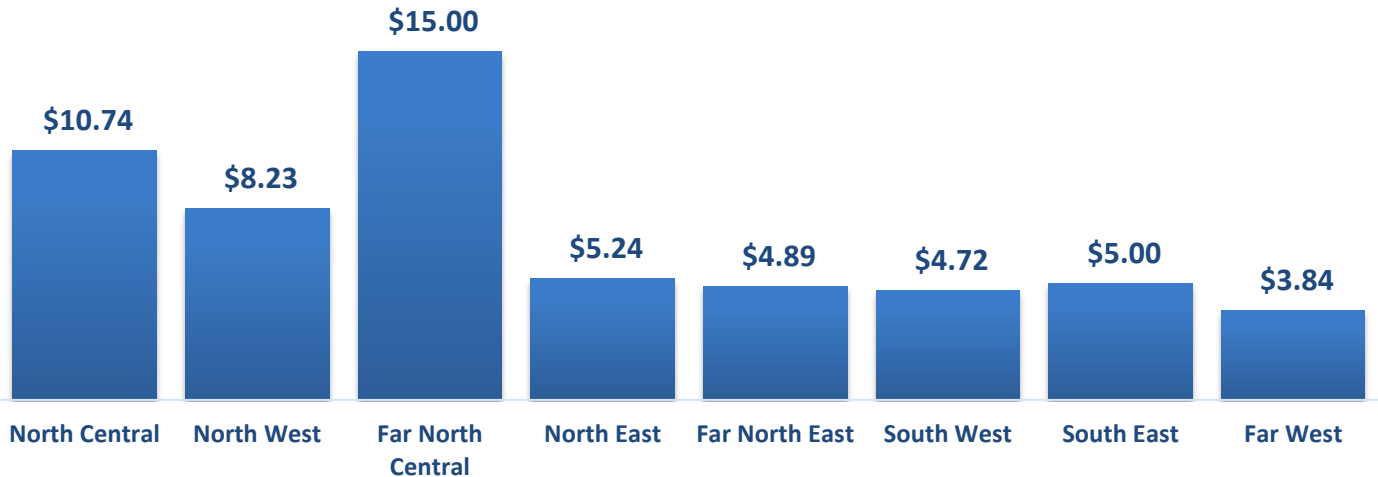
	# of Bldgs	Inventory (SF)	Total Vacant (SF)	Sublease Vacant (SF)	Vacancy Rate (%)	Total Quarterly Absorption	YTD Total Net Absorption (SF)
Flex/R&D	206	7,628,081	749,677	2,200	9.8%	9,773	9,375
Far North Central	2	26,586	-	-	0.0%	1,680	1,680
Far North East	7	332,109	52,992	-	16.0%	-	-
Far West	1	120,200	-	-	0.0%	-	-
North Central	86	2,620,897	196,956	-	7.5%	2,329	7,264
North East	34	1,658,087	179,101	-	10.8%	5,727	(27,806)
North West	68	2,562,833	234,570	2,200	9.2%	37	28,237
South East	2	52,116	-	-	0.0%	-	-
South West	6	255,253	86,058	-	33.7%	-	-
Warehouse - Distribution	271	29,759,827	2,067,244	94,529	6.9%	1,296,532	1,610,378
Central Business District	3	233,395	-	-	0.0%	-	-
Far North East	21	3,870,746	269,290	52,893	7.0%	174,226	121,333
Far West	2	225,182	31,274	-	13.9%	-	-
North Central	52	2,923,460	177,478	-	6.1%	(6,500)	48,780
North East	143	14,483,748	1,019,241	41,636	7.0%	962,556	1,159,125
North West	18	1,442,839	114,366	-	7.9%	22,293	93,173
South East	3	431,449	45,267	-	10.5%	-	-
South West	29	6,149,008	410,328	-	6.7%	143,957	187,967
Grand Total	477	37,387,908	2,816,921	96,729	7.5%	1,306,305	1,619,753

	Vacancy Rate %					Average Weighted Direct Asking Rate				
	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2
Far North Central	-	6.3%	6.3%	6.3%	-	-	\$15.00	\$15.00	\$15.00	\$15.00
Flex/R&D	-	6.3%	6.3%	6.3%	-	-	\$15.00	\$15.00	\$15.00	\$15.00
Warehouse - Distribution	-	-	-	-	-	-	-	-	-	-
Far North East	4.7%	4.7%	10.6%	11.8%	7.7%	\$5.78	\$5.78	\$5.04	\$4.89	\$5.20
Flex/R&D	16.0%	16.0%	16.0%	16.0%	16.0%	\$6.76	\$6.76	\$6.76	\$5.86	\$6.76
Warehouse - Distribution	3.6%	3.6%	10.1%	11.5%	7.0%	\$4.80	\$4.80	\$4.80	\$4.80	\$4.80
Far West	-	-	-	-	-	\$3.84	\$3.84	\$3.84	\$3.84	\$3.84
Flex/R&D	-	-	-	-	-	-	-	-	-	-
Warehouse - Distribution	-	-	-	-	-	\$3.84	\$3.84	\$3.84	\$3.84	\$3.84
North Central	7.4%	7.3%	7.8%	6.7%	6.8%	\$9.07	\$9.41	\$8.76	\$10.21	\$10.30
Flex/R&D	8.8%	8.6%	7.8%	7.6%	7.5%	\$9.27	\$9.64	\$9.69	\$10.18	\$10.24
Warehouse - Distribution	6.2%	6.2%	7.7%	5.8%	6.1%	\$8.47	\$8.66	\$7.16	\$10.42	\$10.60
North East	10.1%	11.0%	10.7%	10.6%	7.4%	\$5.00	\$4.93	\$5.02	\$5.04	\$4.92
Flex/R&D	8.8%	8.2%	9.1%	11.1%	10.8%	\$5.97	\$5.86	\$5.71	\$5.82	\$5.63
Warehouse - Distribution	10.3%	11.4%	10.9%	10.6%	7.0%	\$4.77	\$4.73	\$4.84	\$4.88	\$4.69
North West	11.6%	12.4%	11.7%	9.3%	8.7%	\$8.29	\$8.20	\$8.40	\$8.46	\$9.27
Flex/R&D	9.0%	9.4%	10.3%	9.2%	9.2%	\$11.06	\$11.08	\$10.90	\$10.42	\$11.26
Warehouse - Distribution	16.1%	17.9%	14.4%	9.5%	7.9%	\$5.28	\$5.27	\$5.15	\$5.13	\$5.47
South East	-	-	-	-	-	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Flex/R&D	-	-	-	-	-	-	-	-	-	-
Warehouse - Distribution	-	-	-	-	-	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
South West	9.2%	11.5%	4.1%	3.4%	7.8%	\$4.64	\$4.27	\$4.27	\$4.66	\$4.22
Flex/R&D	54.6%	36.3%	33.5%	33.7%	33.7%	\$10.00	\$10.00	\$10.00	\$10.00	\$12.00
Warehouse - Distribution	7.7%	10.4%	2.8%	2.0%	6.7%	\$3.68	\$3.64	\$3.67	\$4.02	\$3.76
Grand Total	9.1%	10.0%	9.2%	8.7%	7.5%	\$6.03	\$5.95	\$5.88	\$5.89	\$5.87

Vacancy Rate by Submarket

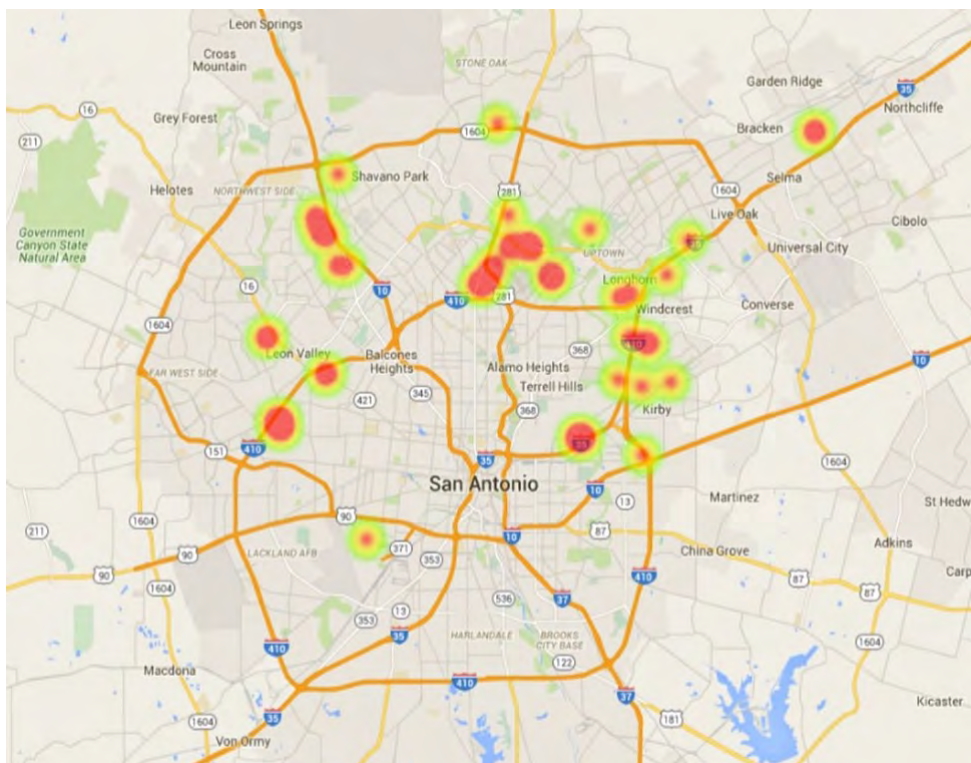


Average Weighted Asking Rates by Submarket



Asking Lease Rate Range by Type (NNN)



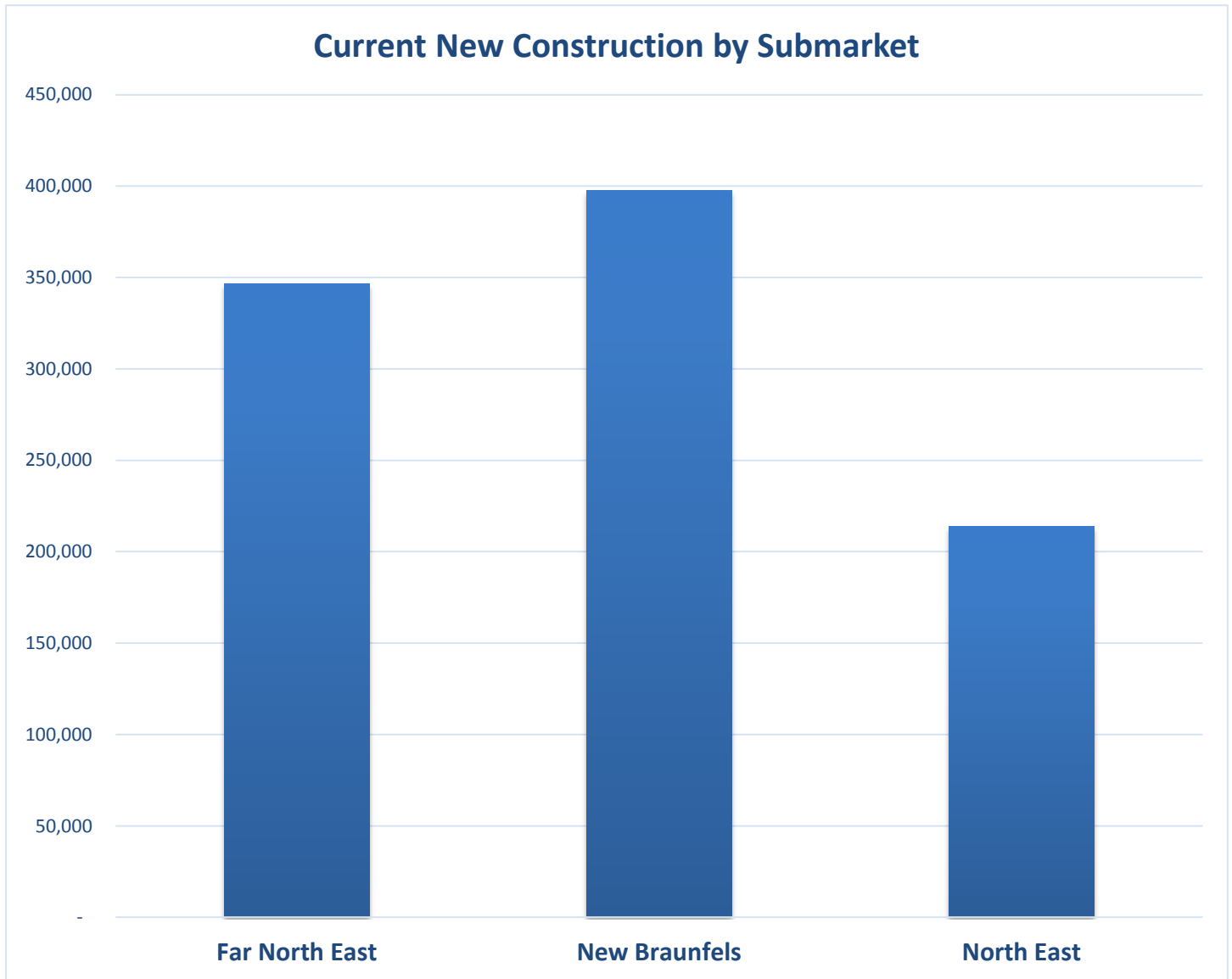


Largest Absorption Changes

Property Name	SF Occupied or Vacated	Tenant Name	Submarket	Specific Use
5711 FM 78	384,250	HEB	North East	Warehouse - Distribution
1710 Cornerway Blvd	306,000	Conn's	North East	Warehouse - Distribution
10939 Fischer Rd	282,825	Agaci	South West	Warehouse - Distribution
Enterprise Industrial Park Bldg II	80,265	Berger Transport & Storage	Far North East	Warehouse - Distribution
Eisenhauer Point Business Park Bldg 1	68,250	Halfen USA	North East	Warehouse - Distribution
Pan Am Distribution Center Bldg 1	56,351	Travis Roofing Supply	North East	Warehouse - Distribution
15090 Tradesman Dr	(7,503)	Gratr Landscapes LTD	North West	Warehouse - Distribution
City Park East Distribution Center Bldg B	(15,750)	Osage	North East	Warehouse - Distribution
University Park Business Center Bldg C	(16,200)	Millennium One Solutions	North West	Flex/R&D
709 Raymond Medina St (Bldg 1575)	(42,868)	HAAS division of Westco Aircraft	South West	Warehouse - Distribution
913 Billy Mitchell Blvd	(96,000)	SPO	South West	Warehouse - Distribution

Top Transactions

Property Name	Sale Price	SF Sold	Buyer	Seller	Submarket	Specific Use
328 FM 306, New Braunfels	\$3,160,900	76,440	GPT New Braunfels Owner LLC	AGNL Simpson LP	New Braunfels	Warehouse
902 Avenue B	\$2,028,150	30,506	McCormick SABC Holdings LLC	The McCormick Family Trust B	CBD	Warehouse
28845 IH 10 W	\$1,875,000	19,159	On The Move Inc	Allen P Wilson	Boerne	Flex
811 S Flores St and 120 Guadalupe St	\$1,500,000	5,410	118 Guadalupe LLC	A D M Investment Company	CBD	Flex
8706-8710 Business Cir	\$1,375,000	24,000	PROAUSA Corp	T J Elite Properties LLC	Far North East	Flex
3011 E Commerce St	\$1,150,000	30,834	William N Burkholder & Margo V Burkholder	Hayat Ahmadza & Alex Liu	South East	Flex



San Antonio		Research	
Cavender & Hill Properties, Inc.	Joe Carroll	CBRE	Nick Ianetta
CBRE	Rob Burlingame	Endura Advisory Group	Deborah Hester
Endura Advisory Group	Charlie Hargis	REOC San Antonio	Margaret Genzer
REOC San Antonio	Kim Gately	Oldham Goodwin Group	Raelin Fontenot
Peloton Commercial Real Estate	Andrew Price	Transwestern	Yesenia Dominguez
Prologis	Eddie Gonzalez		
	Omar Nasser		
Providence Commercial Real Estate Services	Dan Gostylo		
Steam Realty Partners	Jason Schnittger		
	Kevin Cosgrove		
Turcotte Real Estate Services	John Greg Turcotte		

This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy. **For more information, please contact :**

Elisabeth Niles	Director of Analytics	(830) 328-2673	eniles@xceligent.com
Doug Swanson	Director of Client Services	(210) 288-0218	dswanson@xceligent.com

