

Market Activity

| YTD May 15, 2017 |
|---------------------|
| 6.5% |
| 9.2% |
| -93,304 |
| 1,146,692 |
| 554,238 |
| 800,133 |
| \$5.69 |

SAN ANTONIO INDUSTRIAL Monthly Market Snapshot

MARCH 2017

Market Highlights

An increase in overall rental rates in the industrial market indicate that tenants are agreeing to pay extra for more useful new construction space, even with vacancy rates on the rise.

Construction continues on the I-35 Logistics Center in New Braunfels. The 397,600-sf.-ft. Class A warehouse is expected to deliver March 2017. The warehouse is being built on a 30-acre site, a 20-minute drive from the San Antonio International Airport.

Key Economic Indicators

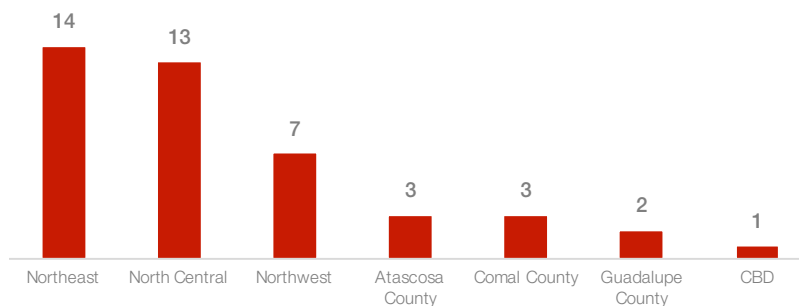
The San Antonio economy continued to grow at a strong pace in December in part due to the labor force expanding at a robust 3.1% annualized growth rate, well above the average for the year.

In 2016, San Antonio employment expanded at a modest pace across nearly all major sectors.

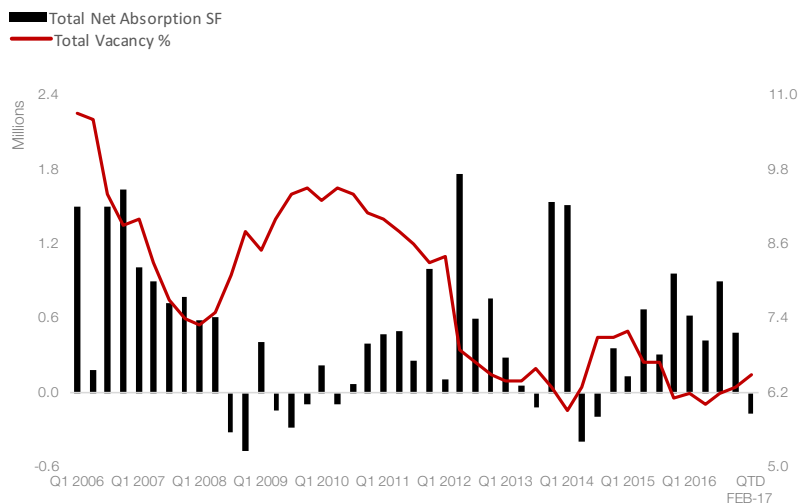
Market Activity

| | QTD Feb-17 | Prior Quarter Q4 2016 | Year Ago Quarter Q1 2016 |
|---------------------|---------------|-----------------------------|--------------------------------|
| Net Absorption | -168,836 | 486,139 | 621,254 |
| Vacancy Rate | 6.5% | 6.3% | 6.2% |
| NNN Avg Asking Rent | \$5.75 | \$5.66 | \$5.40 |
| Deliveries | 15,618 | 463,283 | 825,910 |
| Under Construction | 914,616 | 830,534 | 1,998,705 |

YTD Lease Transactions by Submarket



Supply & Demand



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