CBRE

MARKETVIEW

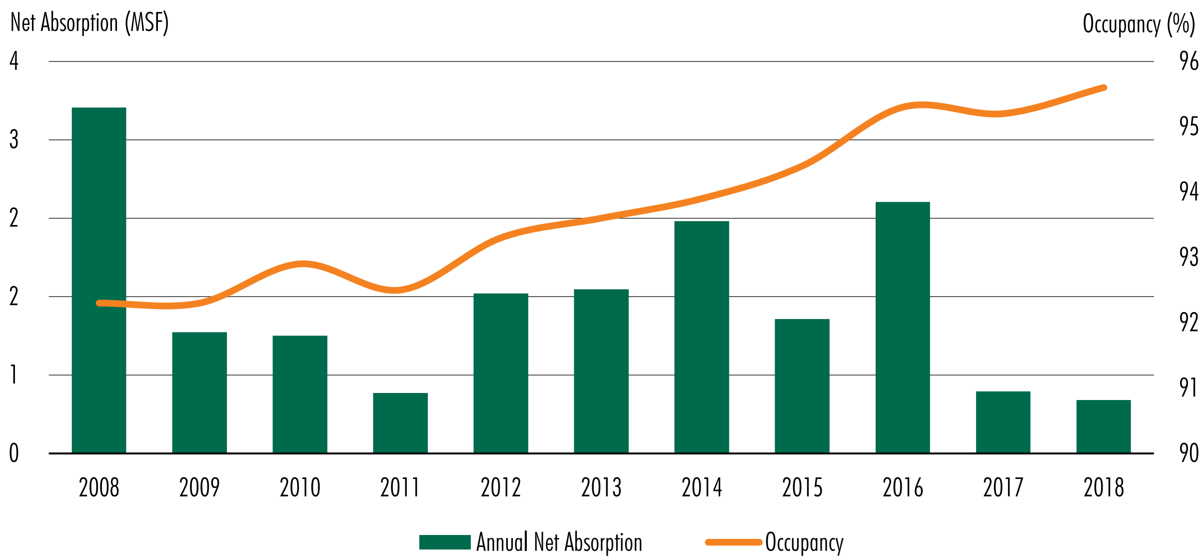
San Antonio Retail, Q4 2018

Retail isn't dead: Discount stores occupy vacant space across the city

Occupancy	Under Construction	Completions	Net Absorption
95.5%	1,588,172 SF	323,278 SF	178,611 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q4 2018.

NEW FORM OF RETAIL THERAPY

With big-box retailers such as Best Buy and Sears announcing nationwide store closures in 2018, the fear of a retail apocalypse struck the nation. The challenge of massive store vacancies transformed into new retail opportunities. Discount stores, gyms, and trampoline parks are filling up empty retail space. Discount furniture stores Living Spaces and Office Furniture Liquidations both opened locations in Q4 2018 with over 200,000 sq. ft. of space combined. Dollar Tree, Xtreme Jump, and Planet Fitness were among other tenants that took space this quarter.

ASKING RENTS STABILIZE

Average asking rates stabilized quarter-over-quarter, with slight increases in the Northwest, Kendall County, and Northeast submarkets. With new construction underway and occupancy rates reaching near the one-hundred percent mark, rents are expected to increment at a healthy pace into next year.

CONSTRUCTION TIMELINE QUICKENS

Ten projects totaling over 323,000 sq. ft. delivered this quarter and a remaining 1.6 MSF is currently underway. The Live Oak Town Center in the Northeast submarket is one of the largest retail projects underway with over 600,000 sq. ft. expected to deliver in the second quarter of 2019. The development will anchor a 300,000-sq.-ft. IKEA store along with surrounding restaurant concepts.

UNEMPLOYMENT REMAINS LOW

According to Moody Analytics, the unemployment rate for the San Antonio-New Braunfels market stood at only 3.3% in Q4 2018. With a continuously expanding commercial market that remains affordable, construction jobs have rapidly increased in the past year.

Figure 2: Market Snapshot

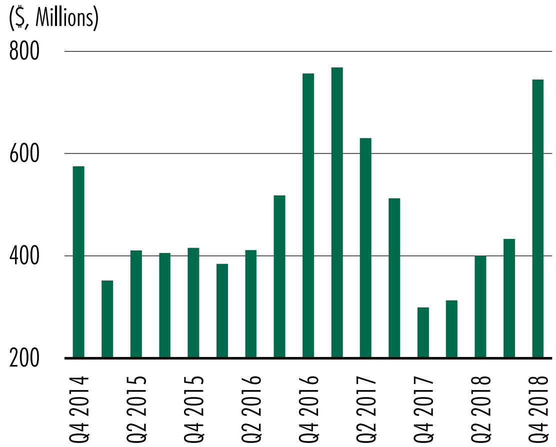
		Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
ATASCOSA COUNTY	Absorption (Net, SF)	-1,600	-	-5,000	0	-6,600
	Avg. Asking Rent (Annual,NNN, $/SF)	23.00	23.00	24.00	24.00	24.00
	Under Construction (SF)	-	-	-	-	-
	Rentable Building Area (RBA)	1,023,400	1,023,400	1,033,705	1,033,705	1,033,705
	Occupancy Rate (%)	99.2	99.2	98.7	99.2	99.2
COMAL COUNTY	Absorption (Net, SF)	78,930	-2,895	67,979	-2,681	141,333
	Avg. Asking Rent (Annual,NNN, $/SF)	17.09	17.83	18.00	18.00	18.00
	Under Construction (SF)	95,094	94,483	82,474	30,511	30,511
	Rentable Building Area (RBA)	5,617,219	5,662,017	5,644,036	5,731,033	5,731,033
	Occupancy Rate (%)	97.1	96.7	97.5	96.5	96.5
KENDALL COUNTY	Absorption (Net, SF)	31,322	-100	1,500	22,020	54,742
	Avg. Asking Rent (Annual,NNN, $/SF)	13.66	13.80	14.00	14.50	14.50
	Under Construction (SF)	-	10,000	10,000	-	-
	Rentable Building Area (RBA)	1,178,391	1,179,191	1,184,597	1,180,597	1,180,597
	Occupancy Rate (%)	98.1	98.1	98.3	98.3	98.3
CENTRAL BUSINESS DISTRICT	Absorption (Net, SF)	-17,649	8,570	-73	1,039	-8,113
	Avg. Asking Rent (Annual,NNN, $/SF)	33.68	25.00	26.00	26.00	26.00
	Under Construction (SF)	-	-	20,000	20,000	20,000
	Rentable Building Area (RBA)	3,903,729	3,866,381	3,866,381	3,837,714	3,837,714
	Occupancy Rate (%)	98.2	98.0	97.8	97.9	97.9
WILSON COUNTY	Absorption (Net, SF)	2,583	8,600	8,208	0	19,391
	Avg. Asking Rent (Annual,NNN, $/SF)	18.84	17.93	18.50	18.50	18.50
	Under Construction (SF)	-	-	-	-	-
	Rentable Building Area (RBA)	395,545	395,545	395,545	426,384	426,384
	Occupancy Rate (%)	95.8	97.9	100.0	100.0	100.0
MEDINA COUNTY	Absorption (Net, SF)	3,862	-	1,814	0	5,676
	Avg. Asking Rent (Annual,NNN, $/SF)	16.66	16.66	17.25	17.25	17.25
	Under Construction (SF)	-	-	-	-	-
	Rentable Building Area (RBA)	647,421	647,421	647,421	647,421	647,421
	Occupancy Rate (%)	87.5	87.5	87.8	87.8	87.8
NORTH CENTRAL	Absorption (Net, SF)	-122,028	19,562	31,175	-79,556	-150,847
	Avg. Asking Rent (Annual,NNN, $/SF)	17.74	25.00	25.50	25.50	25.50
	Under Construction (SF)	97,202	118,370	24,048	47,496	47,496
	Rentable Building Area (RBA)	20,902,726	20,849,223	21,046,202	21,028,779	21,028,779
	Occupancy Rate (%)	94.2	94.6	94.8	94.6	94.6

Figure 2: Market Snapshot

		Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
NORTHWEST	Absorption (Net, SF)	442,414	20,718	45,044	255,058	762,234
	Avg. Asking Rent (Annual,NNN, $/SF)	12.70	25.00	25.50	26.00	26.00
	Under Construction (SF)	66,286	511,626	607,539	566,564	566,564
	Rentable Building Area (RBA)	32,576,539	32,485,187	32,616,589	32,946,476	32,946,476
	Occupancy Rate (%)	96.4	96.4	95.9	96	96
SOUTH	Absorption (Net, SF)	16,111	5,468	-51,939	-6,755	-37,115
	Avg. Asking Rent (Annual,NNN, $/SF)	13.48	20.00	21.00	21.00	21.00
	Under Construction (SF)	144,565	10,690	23,990	13,300	13,300
	Rentable Building Area (RBA)	9,752,017	9,731,673	9,828,076	10,024,099	10,024,099
	Occupancy Rate (%)	96.3	96.9	96.8	96.7	96.7
NORTHEAST	Absorption (Net, SF)	-28,950	36,896	-103,357	-23,490	-118,901
	Avg. Asking Rent (Annual,NNN, $/SF)	11.99	25.00	25.50	26.00	26.00
	Under Construction (SF)	-	-	707,344	707,344	707,344
	Rentable Building Area (RBA)	11,835,255	11,876,662	11,923,703	11,912,550	11,912,550
	Occupancy Rate (%)	94.5	94.9	92.9	92.8	92.8
GUADALUPE COUNTY	Absorption (Net, SF)	39,860	-6,554	-20,802	12,976	25,480
	Avg. Asking Rent (Annual,NNN, $/SF)	6.20	13.08	13.50	13.50	13.50
	Under Construction (SF)	16,000	103,000	182,957	202,957	202,957
	Rentable Building Area (RBA)	3,182,104	3,206,509	3,250,078	3,279,725	3,279,725
	Occupancy Rate (%)	95.2	95.0	95.7	97.9	97.9
BANDERA COUNTY	Absorption (Net, SF)	-	-	-	-	-
	Avg. Asking Rent (Annual,NNN, $/SF)	11.48	17.09	18.00	18.00	18.00
	Under Construction (SF)	-	-	-	-	-
	Rentable Building Area (RBA)	168,086	168,086	168,086	185,286	185286
	Occupancy Rate (%)	100.0	100.0	100.0	100.0	100.0
SAN ANTONIO TOTAL						
	Absorption (Net, SF)	444,855	90,265	-25,451	178,611	688,280
	Avg. Asking Rent (Annual,NNN, $/SF)	14.97	23.33	23.88	24.08	24.08
	Under Construction (SF)	419,147	848,169	1,658,352	1,588,172	1,588,172
	Rentable Building Area (RBA)	91,182,432	91,091,295	91,604,419	92,233,769	92,233,769
	Occupancy Rate (%)	95.7	95.9	95.6	95.5	95.5

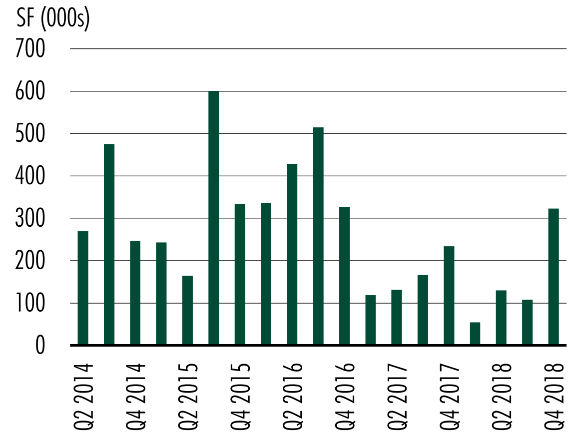
The spike in rental rates reflects the improved tracking of higher quality assets in the dataset. This includes converting base data from CBRE Research Third Party information service providers.

Figure 3: Retail Investment Sales Volume



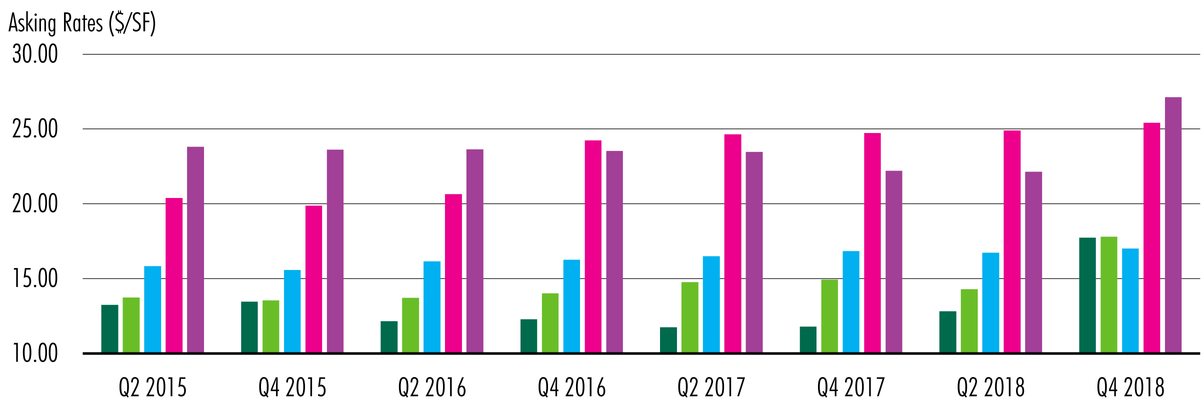
Source: Real Capital Analytics, Q4 2018

Figure 4: Deliveries



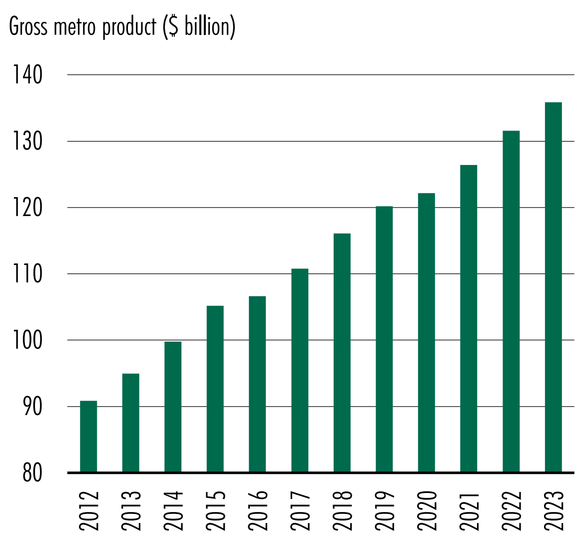
Source: CBRE Research, Q4 2018.

Figure 5: Asking Annual Rents by Center Type, NNN Avg.



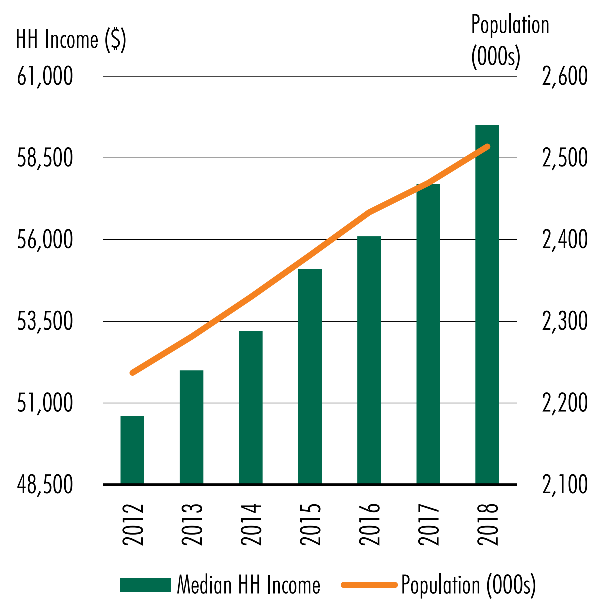
Source: CBRE Research, Q4 2018.

Figure 6: Gross Metro Product



Source: Bureau of Labor Statistics, Q4 2018.

Figure 7: Population Growth and Purchasing Power



Source: Moody's Analytics, Q4 2018.

**The Retail dataset includes properties 10,000-sq.-ft. and up.*

CONTACTS

Paige Suvalsky
Research Analyst
paige.suvalsky@cbre.com

E. Michelle Miller
Research Operations Manager
michelle.miller@cbre.com

CBRE OFFICES

CBRE San Antonio
200 Concord Plaza Drive, Suite 800
San Antonio, TX 78216

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/researchgateway.

MARKETVIEW

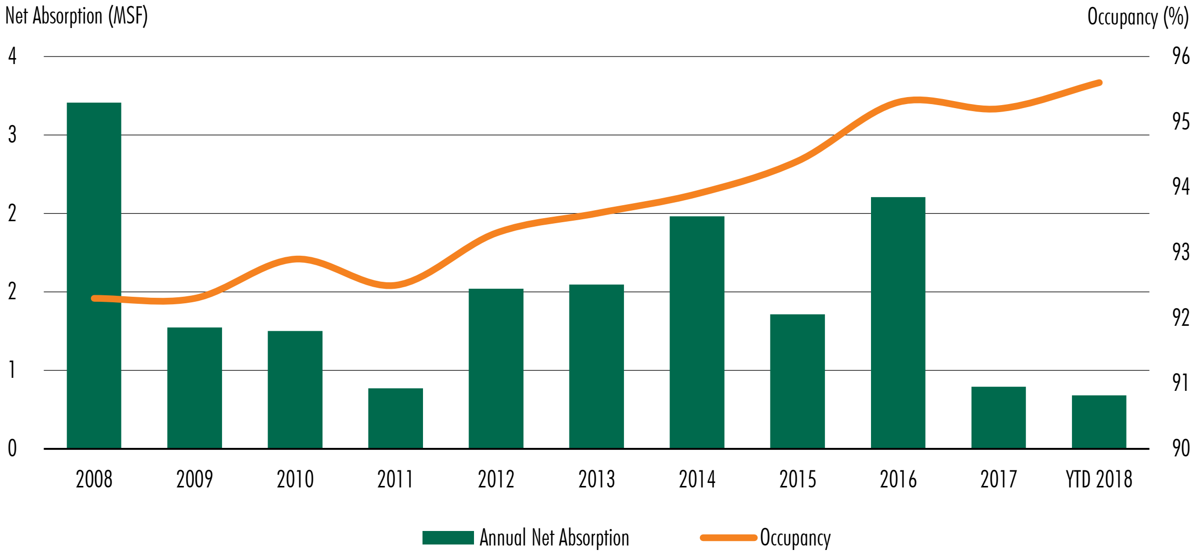
San Antonio Retail, Q3 2018

Local landlords keep pushing rents as U.S. retail e-commerce evolves

Occupancy	Under Construction	Completions	Net Absorption
▼ 95.6%	▲ 1,658,352 SF	▼ 108,086 SF	▼ (25,451) SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q3 2018.

RETAIL RENTS KEEP RISING

While high-profile bankruptcies of big-box retailers have dominated industry headlines, the data for San Antonio brick-and-mortar retail space tells a very different story. Rents are on the rise, occupancy levels stand at close to 96 percent, and there are over 1.6 million sq. ft. under construction as developers rush to keep up with demand.

THE LABOR PIE KEEPS GROWING

Over the past decade, San Antonio's workforce has added nearly 180,000 workers — roughly the population of Amarillo. Industries like health care, education, and hospitality and tourism have shown remarkable resilience over the long term, resulting in an enviously stable and strong overall economy. Since 2008, San Antonio's leisure and hospitality industry has added over 33,000 workers, marking a more than 31 percent increase.

THE SOTO BREAKS GROUND

Earlier last month, the six-story, 140,600-square-foot office project, at the corner of Broadway and Eighth streets, broke ground. Along with the new office space, the building will boast 10,000 square feet of ground-floor retail. This is the first mass timber construction project in Texas. The building is expected to be completed by February 2020.

WALMART SHUTTING DOWN THREE SAN ANTONIO STORES

The retail giant has confirmed it will close three of its stores in San Antonio next month, affecting more than 200 employees. All three locations have other Walmart stores within a three mile radius. While Walmart readjusts its store mix, it is also remodeling several of its stores with changes including wider aisles, shorter shelving, new signs and flooring, and a redesigned electronics department with interactive displays.

Figure 2: Market Snapshot

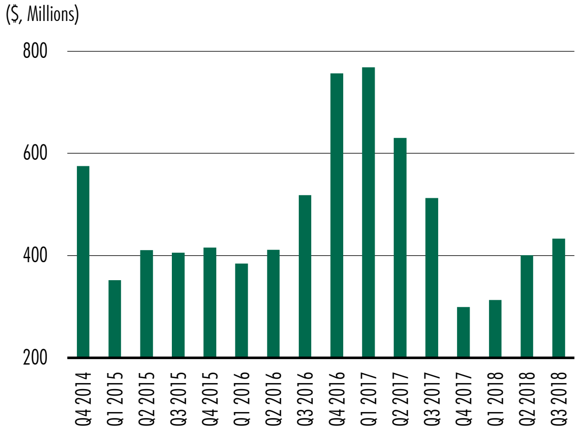
		2017	Q1 2018	Q2 2018	Q3 2018	YTD 2018
ATASCOSA COUNTY	Absorption (Net, SF)	7,136	-1,600	-	-5,000	-6,600
	Avg. Asking Rent (Annual,NNN, $/SF)	22.00	23.00	23.00	24.00	24.00
	Under Construction (SF)	-	-	-	-	-
	Rentable Building Area (RBA)	1,023,400	1,023,400	1,023,400	1,033,705	1,033,705
	Occupancy Rate (%)	99.4	99.2	99.2	98.7	98.7
COMAL COUNTY	Absorption (Net, SF)	45,065	78,930	-2,895	67,979	144,014
	Avg. Asking Rent (Annual,NNN, $/SF)	17.36	17.09	17.83	18.00	18.00
	Under Construction (SF)	86,155	95,094	94,483	82,474	82,474
	Rentable Building Area (RBA)	5,592,844	5,617,219	5,662,017	5,644,036	5,644,036
	Occupancy Rate (%)	95.7	97.1	96.7	97.5	97.5
KENDALL COUNTY	Absorption (Net, SF)	-17,150	31,322	-100	1,500	32,722
	Avg. Asking Rent (Annual,NNN, $/SF)	13.08	13.66	13.80	14.00	14.00
	Under Construction (SF)	-	-	10,000	10,000	10,000
	Rentable Building Area (RBA)	1,166,691	1,178,391	1,179,191	1,184,597	1,184,597
	Occupancy Rate (%)	95.4	98.1	98.1	98.3	98.3
CENTRAL BUSINESS DISTRICT	Absorption (Net, SF)	10,730	-17,649	8,570	-73	-9,152
	Avg. Asking Rent (Annual,NNN, $/SF)	22.11	33.68	25.00	26.00	26.00
	Under Construction (SF)	-	-	-	20,000	20,000
	Rentable Building Area (RBA)	3,959,749	3,903,729	3,866,381	3,866,381	3,866,381
	Occupancy Rate (%)	98.3	98.2	98.0	97.8	97.8
WILSON COUNTY	Absorption (Net, SF)	-12,591	2,583	8,600	8,208	19,391
	Avg. Asking Rent (Annual,NNN, $/SF)	17.40	18.84	17.93	18.50	18.50
	Under Construction (SF)	-	-	-	-	-
	Rentable Building Area (RBA)	403,929	395,545	395,545	395,545	395,545
	Occupancy Rate (%)	95.2	95.8	97.9	100.0	100.0
MEDINA COUNTY	Absorption (Net, SF)	-14,943	3,862	-	1,814	5,676
	Avg. Asking Rent (Annual,NNN, $/SF)	16.66	16.66	16.66	17.25	17.25
	Under Construction (SF)	-	-	-	-	-
	Rentable Building Area (RBA)	547,421	647,421	647,421	647,421	647,421
	Occupancy Rate (%)	84.5	87.5	87.5	87.8	87.8
NORTH CENTRAL	Absorption (Net, SF)	-26,829	-122,028	19,562	31,175	-71,291
	Avg. Asking Rent (Annual,NNN, $/SF)	18.26	17.74	25.00	25.50	25.50
	Under Construction (SF)	34,050	97,202	118,370	24,048	24,048
	Rentable Building Area (RBA)	20,858,854	20,902,726	20,849,223	21,046,202	21,046,202
	Occupancy Rate (%)	94.8	94.2	94.6	94.8	94.8

Figure 2: Market Snapshot

		2017	Q1 2018	Q2 2018	Q3 2018	YTD 2018
NORTHWEST	Absorption (Net, SF)	388,325	442,414	20,718	45,044	508,176
	Avg. Asking Rent (Annual,NNN, $/SF)	12.64	12.70	25.00	25.50	25.50
	Under Construction (SF)	78,870	66,286	511,626	607,539	607,539
	Rentable Building Area (RBA)	32,547,735	32,576,539	32,485,187	32,616,589	32,616,589
	Occupancy Rate (%)	95.0	96.4	96.4	95.9	95.9
SOUTH	Absorption (Net, SF)	-36,849	16,111	5,468	-51,939	-30,360
	Avg. Asking Rent (Annual,NNN, $/SF)	16.12	13.48	20.00	21.00	21.00
	Under Construction (SF)	166,545	144,565	10,690	23,990	23,990
	Rentable Building Area (RBA)	9,707,011	9,752,017	9,731,673	9,828,076	9,828,076
	Occupancy Rate (%)	96.1	96.3	96.9	96.8	96.8
NORTHEAST	Absorption (Net, SF)	247,153	-28,950	36,896	-103,357	-95,411
	Avg. Asking Rent (Annual,NNN, $/SF)	12.56	11.99	25.00	25.50	25.50
	Under Construction (SF)	-	-	-	707,344	707,344
	Rentable Building Area (RBA)	11,834,564	11,835,255	11,876,662	11,923,703	11,923,703
	Occupancy Rate (%)	94.7	94.5	94.9	92.9	92.9
GUADALUPE COUNTY	Absorption (Net, SF)	-5,604	39,860	-6,554	-20,802	12,504
	Avg. Asking Rent (Annual,NNN, $/SF)	6.20	6.20	13.08	13.50	13.50
	Under Construction (SF)	-	16,000	103,000	182,957	182,957
	Rentable Building Area (RBA)	3,066,843	3,182,104	3,206,509	3,250,078	3,250,078
	Occupancy Rate (%)	93.7	95.2	95.0	95.7	95.7
BANDERA COUNTY	Absorption (Net, SF)	8,000	-	-	-	-
	Avg. Asking Rent (Annual,NNN, $/SF)	11.48	11.48	17.09	18.00	18.00
	Under Construction (SF)	-	-	-	-	-
	Rentable Building Area (RBA)	168,086	168,086	168,086	168,086	168086
	Occupancy Rate (%)	100.0	100.0	100.0	100.0	100.0
SAN ANTONIO TOTAL						
	Absorption (Net, SF)	592,443	444,855	90,265	-25,451	509,669
	Avg. Asking Rent (Annual,NNN, $/SF)	15.49	14.97	23.33	23.88	23.88
	Under Construction (SF)	365,620	419,147	848,169	1,658,352	1,658,352
	Rentable Building Area (RBA)	90,877,127	91,182,432	91,091,295	91,604,419	91,604,419
	Occupancy Rate (%)	95.2	95.7	95.9	95.6	95.6

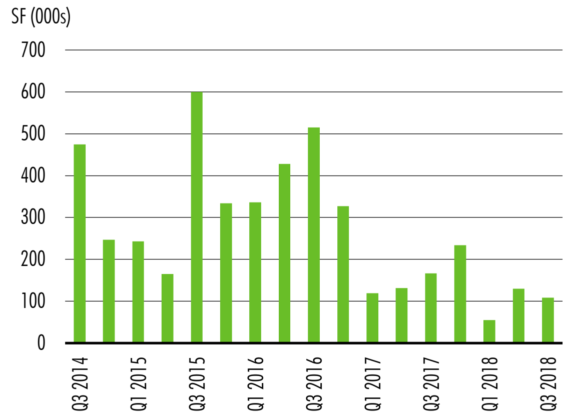
The spike in rental rates reflects the improved tracking of higher quality assets in the dataset. This includes converting base data from CBRE Research Third Party information service providers.

Figure 3: Retail Investment Sales Volume



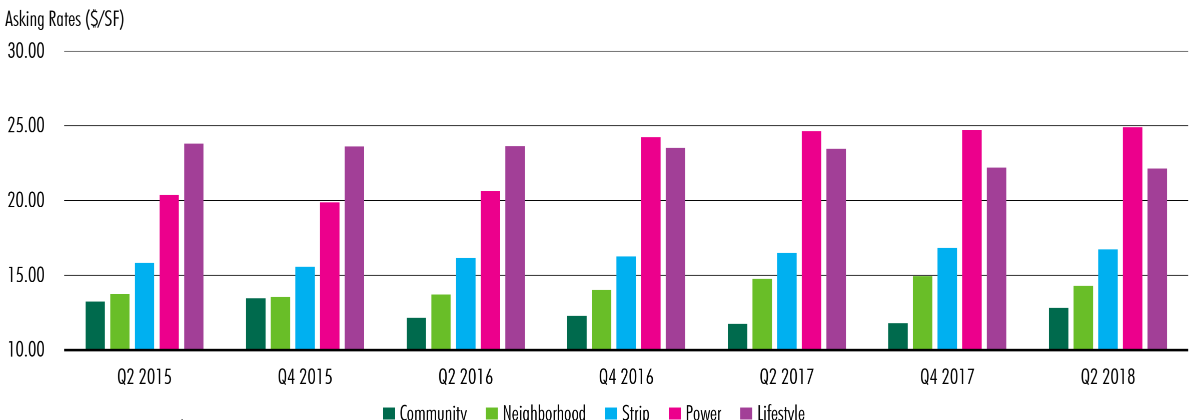
Source: Real Capital Analytics, Q3 2018

Figure 4: Deliveries



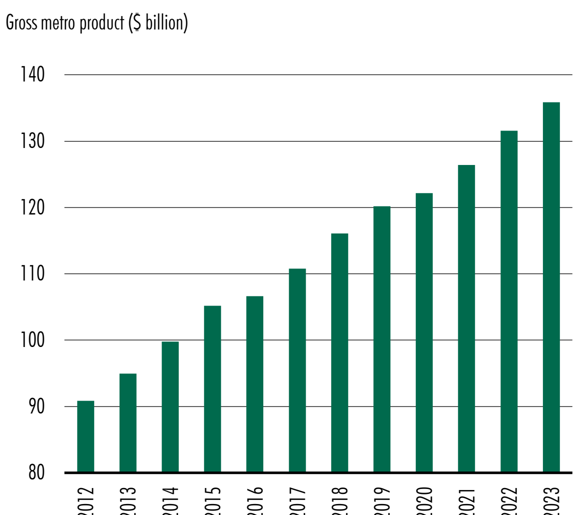
Source: CBRE Research, Q3 2018.

Figure 5: Asking Annual Rents by Center Type, NNN Avg.



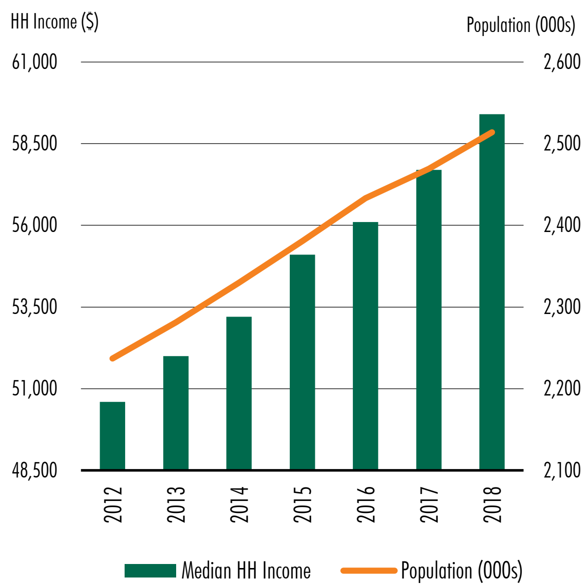
Source: CBRE Research, Q3 2018.

Figure 6: Gross Metro Product



Source: Bureau of Labor Statistics, Q3 2018.

Figure 7: Population Growth and Purchasing Power



Source: Moody's Analytics, Q3 2018.

**The Retail dataset includes properties 10,000-sq.-ft. and up.*

CONTACTS

Robert C. Kramp
Director, Research & Analysis
robert.kramp@cbre.com

E. Michelle Miller
Research Operations Manager
michelle.miller@cbre.com

Itziar Aguirre
Senior Research Analyst
itziar.aguirre@cbre.com

Paige Suvalsky
Research Analyst
paige.suvalsky@cbre.com

CBRE OFFICES

CBRE San Antonio
200 Concord Plaza Drive, Suite 800
San Antonio, TX 78216

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/researchgateway.

MARKETVIEW

San Antonio Retail, Q2 2018

Population growth fuels retail development, occupancy gains

Occupancy 95.9%

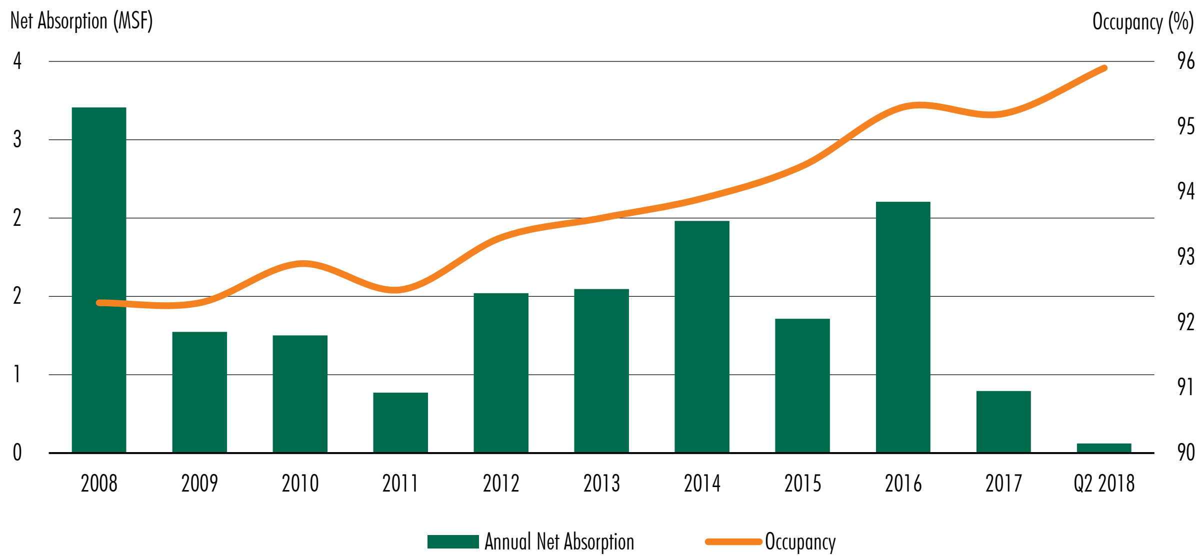
Under Construction 848,169 SF

Completions 129,678 SF

Net Absorption 90,265 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q2 2018.

OCCUPANCY CONTINUES TO TIGHTEN

The dearth of new space has fueled leasing demand for existing vacancies in San Antonio's compressing retail availability. The overall market's vacancy has dipped to 4.1%, compared to 4.3% from the prior quarter and 4.8% during Q4 2017. Demand-based construction is one of the main reasons that San Antonio's current retail market features record-high occupancy and new construction starts nearing a millions sq. ft.

CIBOLO CROSSING BREAKS GROUND

Santikos Entertainment, the anchor tenant of the $285 million, 116-acre mixed-use Cibolo Crossings development, broke ground in May on its 87,000-square-foot family entertainment center. It is expected to include 12 theater screens replete with 1,500 reclining seats, 16 bowling lanes, laser tag, and a full-service bar and restaurant and even a build-your-own pizza concept.

SAN ANTONIO POPULATION GROWTH #1 IN THE NATION

San Antonio proper boasted the highest numeric population gain in the nation from 2016-2017, according to the U.S. Census Bureau, adding some 24,200 new residents. This surge has pushed the population within city limits to 1.5 million – a new record – and remains on-track to add another million residents by 2040.

MORE SEARS CLOSINGS ARE ANNOUNCED

Once the largest U.S. retailer, Sears has slashed its store count in half over the past five years. The embattled department store chain is quietly closing another 72 stores, in addition to the 166 stores already planned for the chopping block this year. The Sears store at North Star Mall will close its doors by the end of the summer.

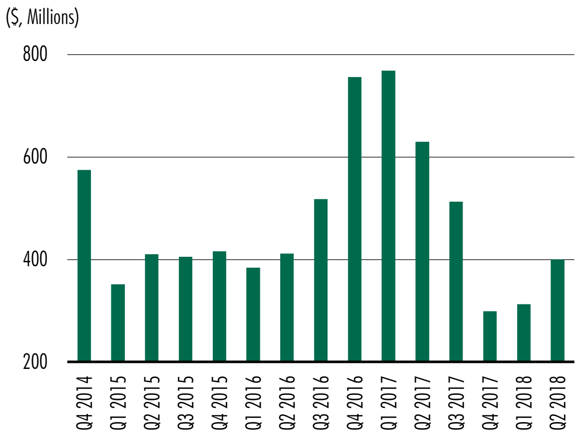
Figure 2: Market Snapshot

	2017	Q2 2018
ATASCOSA COUNTY		
Absorption (Net, SF)	7,136	-
Avg. Asking Rent (Annual, Net, $/SF)	22.00	23.00
Under Construction (SF)	-	-
Occupancy Rate (%)	99.4	99.2
COMAL COUNTY		
Absorption (Net, SF)	45,065	(2,895)
Avg. Asking Rent (Annual, Net, $/SF)	17.36	17.83
Under Construction (SF)	86,155	94,483
Occupancy Rate (%)	95.7	96.7
KENDALL COUNTY		
Absorption (Net, SF)	(17,150)	(100)
Avg. Asking Rent (Annual, Net, $/SF)	13.08	13.80
Under Construction (SF)	-	10,000
Occupancy Rate (%)	95.4	98.1
CENTRAL BUSINESS DISTRICT		
Absorption (Net, SF)	10,730	8,570
Avg. Asking Rent (Annual, Net, $/SF)	22.11	25.00
Under Construction (SF)	-	-
Occupancy Rate (%)	98.3	98.0
WILSON COUNTY		
Absorption (Net, SF)	(12,591)	8,600
Avg. Asking Rent (Annual, Net, $/SF)	17.40	17.93
Under Construction (SF)	-	-
Occupancy Rate (%)	95.2	97.9
MEDINA COUNTY		
Absorption (Net, SF)	(14,943)	-
Avg. Asking Rent (Annual, Net, $/SF)	16.66	16.66
Under Construction (SF)	-	-
Occupancy Rate (%)	84.5	87.5
NORTH CENTRAL		
Absorption (Net, SF)	(26,829)	19,562
Avg. Asking Rent (Annual, Net, $/SF)	18.26	25.00
Under Construction (SF)	34,050	118,370
Occupancy Rate (%)	94.8	94.6
NORTHWEST		
Absorption (Net, SF)	388,325	20,718
Avg. Asking Rent (Annual, Net, $/SF)	12.64	25.00
Under Construction (SF)	78,870	511,626
Occupancy Rate (%)	95.0	96.4
SOUTH		
Absorption (Net, SF)	(36,849)	5,468
Avg. Asking Rent (Annual, Net, $/SF)	16.12	20.00
Under Construction (SF)	166,545	10,690
Occupancy Rate (%)	96.1	96.9
NORTHEAST		
Absorption (Net, SF)	247,153	36,896
Avg. Asking Rent (Annual, Net, $/SF)	12.56	25.00
Under Construction (SF)	-	-
Occupancy Rate (%)	94.7	94.9
GUADALUPE COUNTY		
Absorption (Net, SF)	(5,604)	(6,554)
Avg. Asking Rent (Annual, Net, $/SF)	6.20	13.08
Under Construction (SF)	-	103,000
Occupancy Rate (%)	93.7	95.0
BANDERA COUNTY		
Absorption (Net, SF)	8,000	-
Avg. Asking Rent (Annual, Net, $/SF)	11.48	17.09
Under Construction (SF)	-	-
Occupancy Rate (%)	100.0	100.0
SAN ANTONIO MARKET TOTAL		
Absorption (Net, SF)	**592,443**	**90,265**
Avg. Asking Rent (Annual, Net, $/SF)	**15.49**	**23.33**
Under Construction (SF)	**365,620**	**848,169**
Occupancy Rate (%)	**95.2**	**95.9**

The spike in rental rates reflects the improved tracking of higher quality assets in the dataset. This includes converting base data from CBRE Research Third Party information service providers.

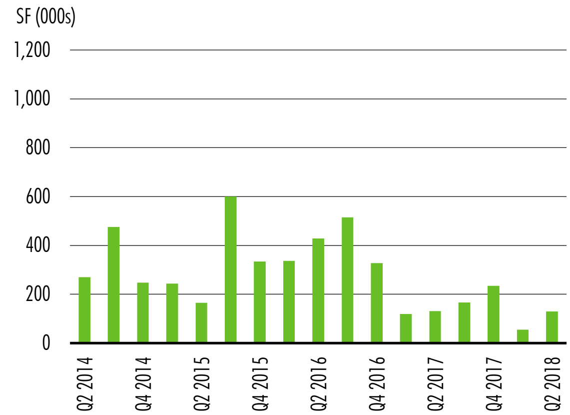
Source: CBRE Research, Q2 2018.

Figure 3: Retail Investment Sales Volume



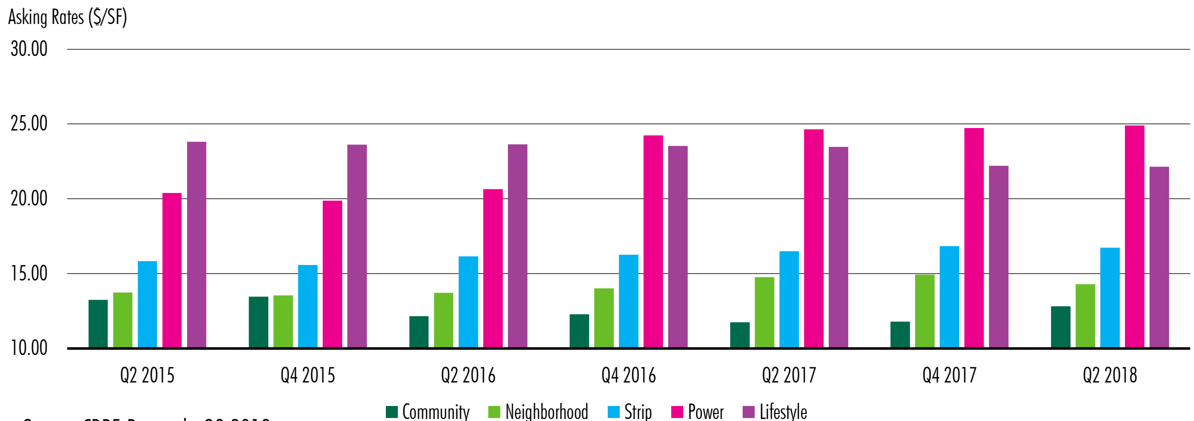
Source: Real Capital Analytics, Q2 2018

Figure 4: Deliveries



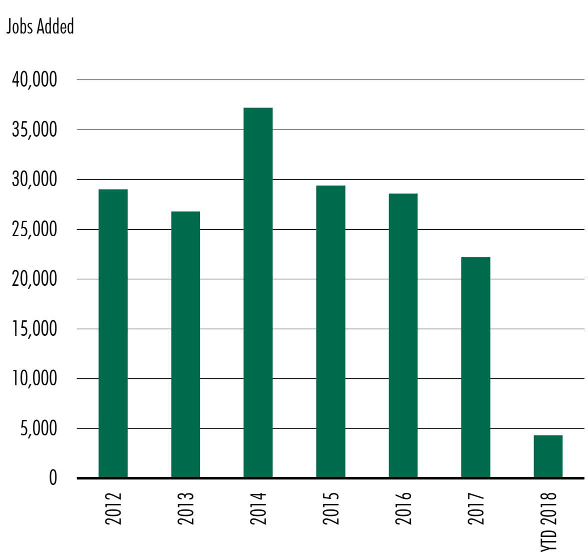
Source: CBRE Research, Q2 2018.

Figure 5: Asking Annual Rents by Center Type, NNN Avg.



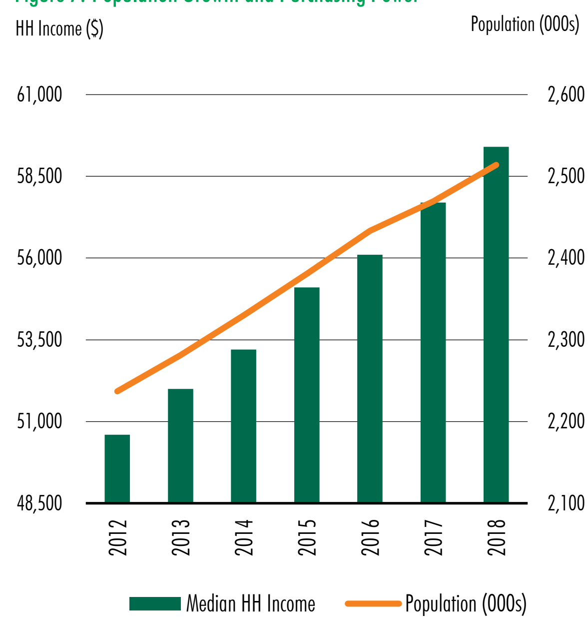
Source: CBRE Research, Q2 2018.

Figure 6: Employment



Source: Bureau of Labor Statistics, Q2 2018.

Figure 7: Population Growth and Purchasing Power



Source: Moody's Analytics, Q2 2018.

**The Retail dataset includes properties 10,000-sq.-ft. and up.*

CONTACTS

Robert C. Kramp
Director, Research & Analysis
robert.kramp@cbre.com

E. Michelle Miller
Research Operations Manager
michelle.miller@cbre.com

Itziar Aguirre
Senior Research Analyst
itziar.aguirre@cbre.com

CBRE OFFICES

CBRE San Antonio
200 Concord Plaza Drive, Suite 800
San Antonio, TX 78216

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/researchgateway.

MARKETVIEW

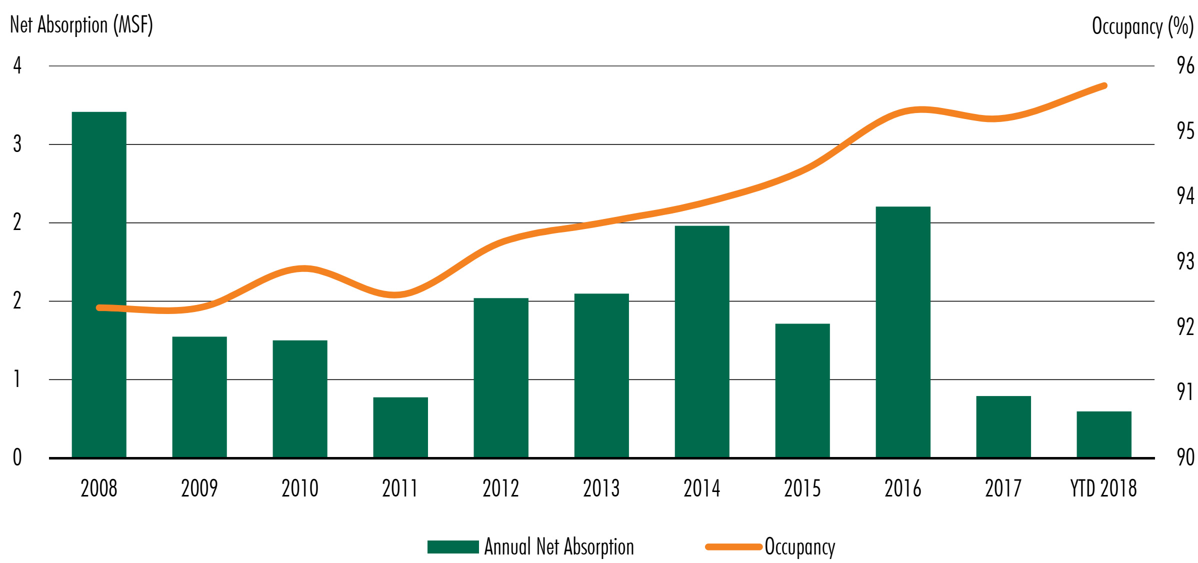
San Antonio Retail, Q1 2018

Construction gains and pipeline deliveries lead San Antonio retail expansion

Occupancy	Under Construction	Completions	Net Absorption
95.7%	419,147 SF	54,605 SF	444,855 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q1 2018.

OCCUPANCY REMAINS AT ALL-TIME HIGHS; HOLDING STEADY AT 96%

San Antonio's tightening retail market, measured construction pipeline and heavily pre-leased deliveries have caused occupancy to remain at an all-time high. Strong developer-lender relationships, made up primarily of local and regional players with strong track records in the area, have allowed for projects to stay on schedule and a robust pipeline to continue.

IKEA BREAKS GROUND

In March, IKEA broke ground on its 289,000-sq.-ft. location at Live Oak Town Center. Scheduled to open in Q2 2019, the store will encompass 31 acres at the southwest corner of I35 and Northeast Loop 1604. It is expected to create 500 construction jobs during the build, and employ 250 people once the doors are open.

SAN ANTONIO UNEMPLOYMENT RATE CONTINUES ITS DECLINE

The San Antonio unemployment rate declined to 3.8% at the end of 2017, level with state-wide trends and a large improvement over the 7.5% rate seen in the area during the Great Recession. Healthcare and social-assistance hiring was robust, with 6,300 new jobs for the year.

TOYS R US ANNOUNCES SURPRISE LIQUIDATION OF ITS NATIONWIDE PORTFOLIO

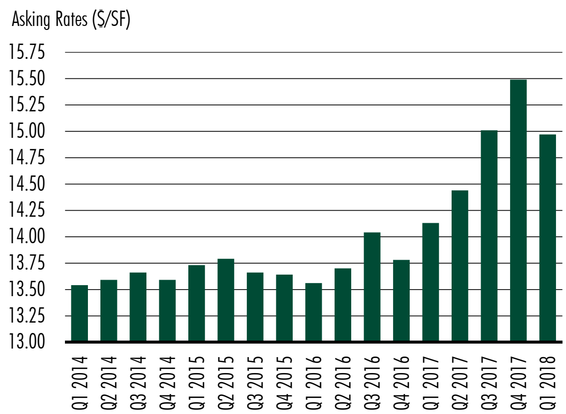
In March, Toys R Us filed a motion seeking bankruptcy court approval to begin liquidation of its 735 U.S and Puerto Rico stores. The closures are expected to occur within the first nine months of 2018. In the San Antonio area alone, the retailer is responsible for six locations, accounting for over 160,000-sq.-ft. of space.

Figure 2: Market Snapshot

	2017	YTD 2018
ATASCOSA COUNTY		
Absorption (Net, SF)	7,136	(1,600)
Avg. Asking Rent (Annual, Net, $/SF)	22.00	23.00
Under Construction (SF)	-	-
Occupancy Rate (%)	99.4	99.2
COMAL COUNTY		
Absorption (Net, SF)	45,065	78,930
Avg. Asking Rent (Annual, Net, $/SF)	17.36	17.09
Under Construction (SF)	86,155	95,094
Occupancy Rate (%)	95.7	97.1
KENDALL COUNTY		
Absorption (Net, SF)	(17,150)	31,322
Avg. Asking Rent (Annual, Net, $/SF)	13.08	13.66
Under Construction (SF)	-	-
Occupancy Rate (%)	95.4	98.1
CENTRAL BUSINESS DISTRICT		
Absorption (Net, SF)	10,730	(17,649)
Avg. Asking Rent (Annual, Net, $/SF)	22.11	33.68
Under Construction (SF)	-	-
Occupancy Rate (%)	98.3	98.2
WILSON COUNTY		
Absorption (Net, SF)	(12,591)	2,583
Avg. Asking Rent (Annual, Net, $/SF)	17.40	18.84
Under Construction (SF)	-	-
Occupancy Rate (%)	95.2	95.8
MEDINA COUNTY		
Absorption (Net, SF)	(14,943)	3,862
Avg. Asking Rent (Annual, Net, $/SF)	16.66	16.66
Under Construction (SF)	-	-
Occupancy Rate (%)	84.5	87.5
NORTH CENTRAL		
Absorption (Net, SF)	(26,829)	(122,028)
Avg. Asking Rent (Annual, Net, $/SF)	18.26	17.74
Under Construction (SF)	34,050	97,202
Occupancy Rate (%)	94.8	94.2
NORTHWEST		
Absorption (Net, SF)	388,325	442,414
Avg. Asking Rent (Annual, Net, $/SF)	12.64	12.70
Under Construction (SF)	78,870	66,286
Occupancy Rate (%)	95.0	96.4
SOUTH		
Absorption (Net, SF)	(36,849)	16,111
Avg. Asking Rent (Annual, Net, $/SF)	16.12	13.48
Under Construction (SF)	166,545	144,565
Occupancy Rate (%)	96.1	96.3
NORTHEAST		
Absorption (Net, SF)	247,153	(28,950)
Avg. Asking Rent (Annual, Net, $/SF)	12.56	11.99
Under Construction (SF)	-	-
Occupancy Rate (%)	94.7	94.5
GUADALUPE COUNTY		
Absorption (Net, SF)	(5,604)	39,860
Avg. Asking Rent (Annual, Net, $/SF)	6.20	6.20
Under Construction (SF)	-	16,000
Occupancy Rate (%)	93.7	95.2
BANDERA COUNTY		
Absorption (Net, SF)	8,000	-
Avg. Asking Rent (Annual, Net, $/SF)	11.48	11.48
Under Construction (SF)	-	-
Occupancy Rate (%)	100.0	100.0
SAN ANTONIO MARKET TOTAL		
Absorption (Net, SF)	**592,443**	**444,855**
Avg. Asking Rent (Annual, Net, $/SF)	**15.49**	**14.97**
Under Construction (SF)	**365,620**	**419,147**
Occupancy Rate (%)	**95.2**	**95.7**

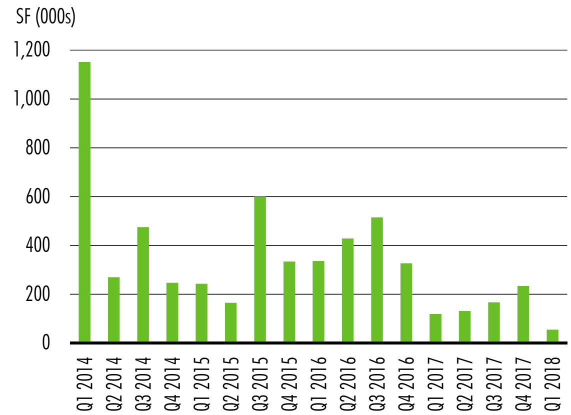
Source: CBRE Research, Q1 2018.

Figure 3: Asking Annual Rents, NNN Avg.



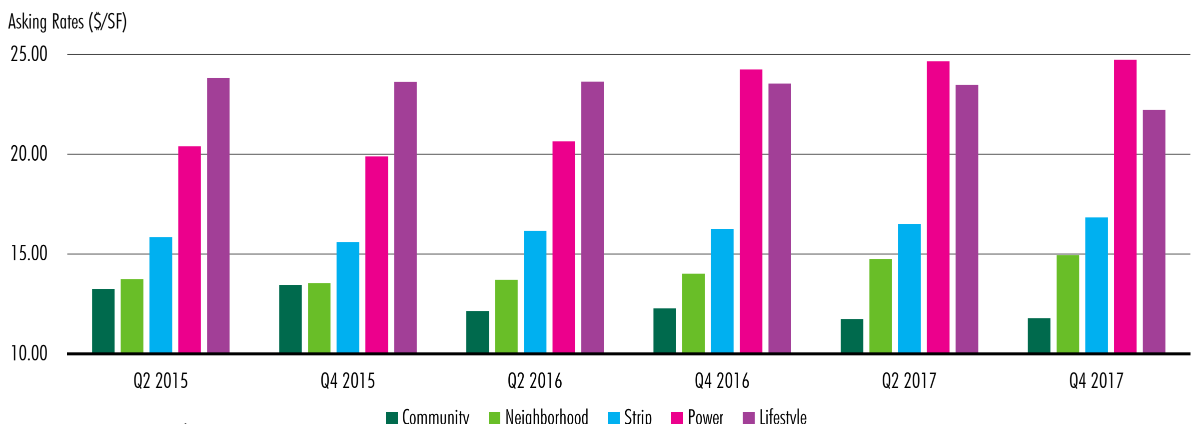
Source: CBRE Research, Q1 2018.

Figure 4: Deliveries



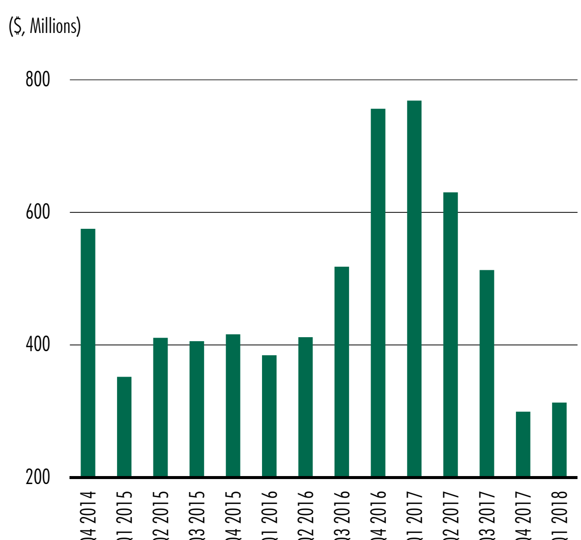
Source: CBRE Research, Q1 2018.

Figure 5: Asking Annual Rents by Center Type, NNN Avg.



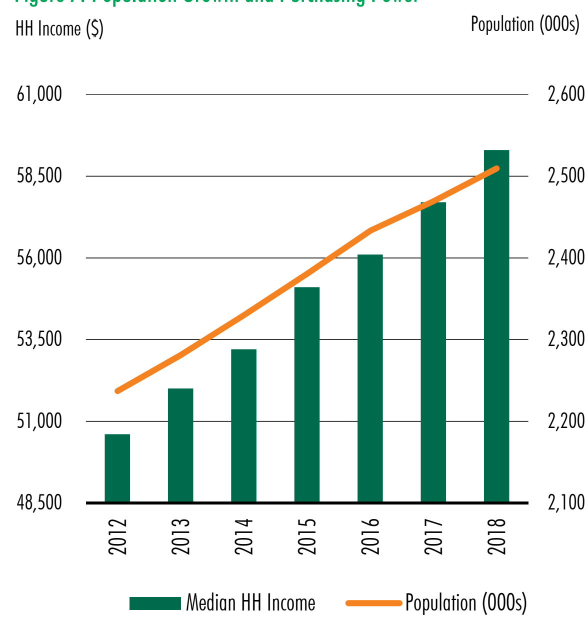
Source: CBRE Research, Q1 2018.

Figure 6: Retail Investment Sales Volume

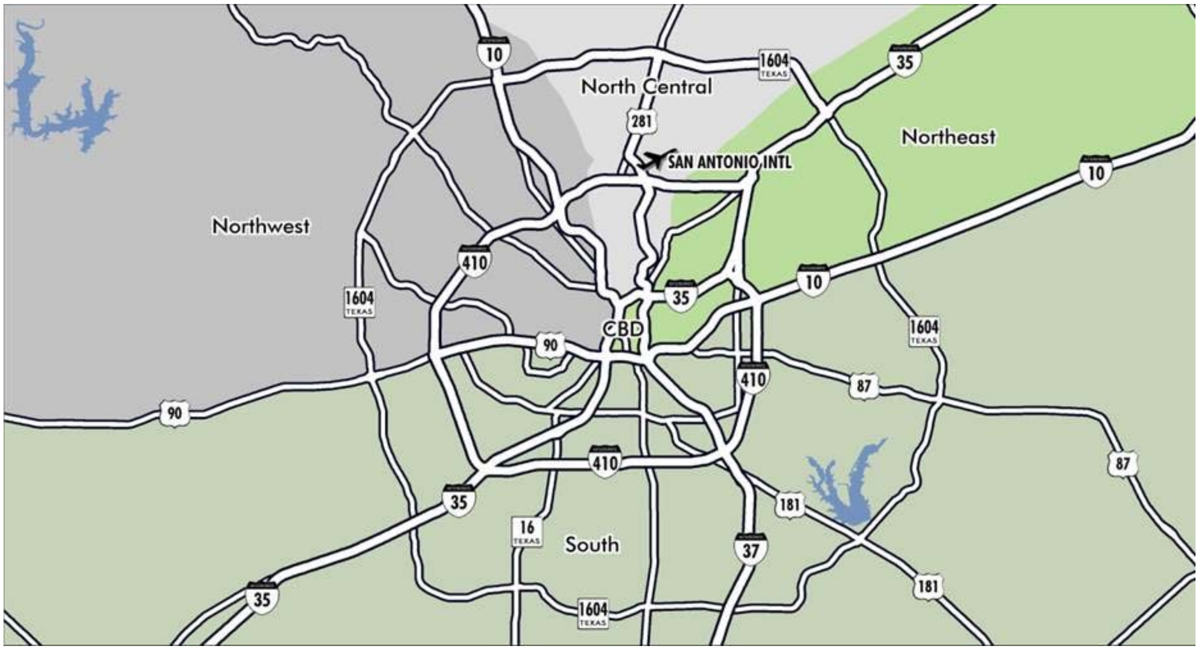


Source: Real Capital Analytics, Q1 2018.

Figure 7: Population Growth and Purchasing Power



Source Moody's Analytics, Q1 2018.



CONTACTS

Robert C. Kramp
Director, Research & Analysis
robert.kramp@cbre.com

E. Michelle Miller
Research Operations Manager
michelle.miller@cbre.com

Robert Basiliere
Senior Research Analyst
robert.basiliere@cbre.com

CBRE OFFICES

CBRE San Antonio
200 Concord Plaza Drive, Suite 800
San Antonio, TX 78216

To learn more about CBRE Research,
or to access additional research reports,
please visit the Global Research Gateway
at www.cbre.com/researchgateway.

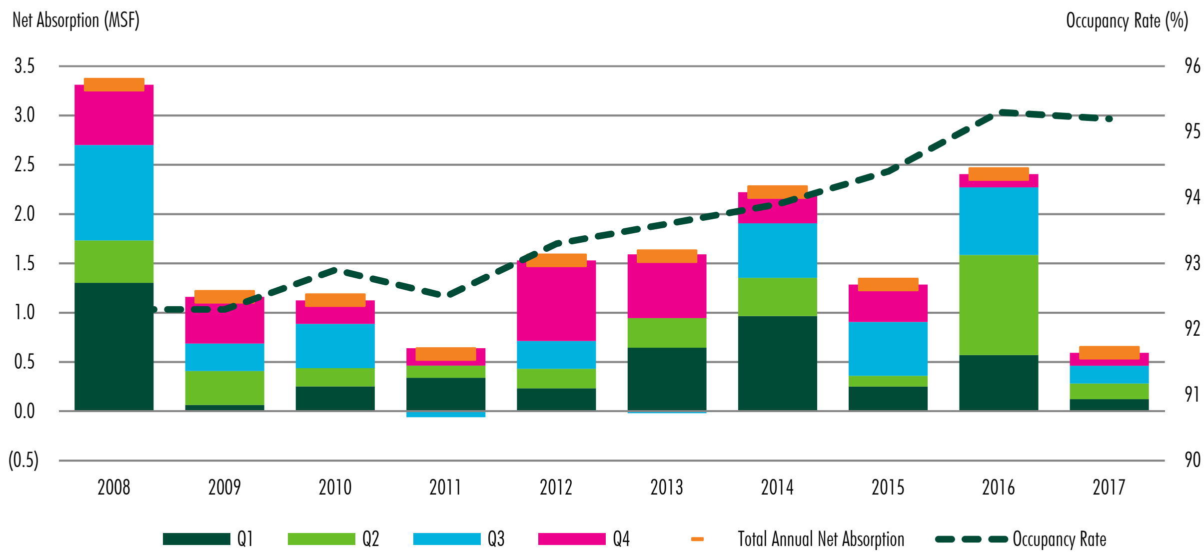
San Antonio Retail, Q4 2017

Growth, expansion expected in 2018 following strong 2017

Occupancy	Under Construction	Avg. Asking Rate	Net Absorption
95.2%	365,620 SF	$15.49 PSF	130,441 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q4 2017.

OCCUPANCY STABILIZES; RISING SLIGHTLY TO 95.2%

Modest year-end net absorption in San Antonio's tightening retail market did little to impede overall rising occupancy rates. Broad-based demand growth across the region ensured the backfilling of available space, while limited availability held down net demand growth.

LENDERS REMAIN ACTIVE

A robust pre-leasing environment has alleviated construction concerns across the San Antonio market, bucking an emerging trend seen in the northern part of the state. Strong developer-lender relationships, made up primarily of local and regional players with strong track records in the area, have allowed for projects to continue being seeded.

SAN ANTONIO POPULATION GROWTH EXCEEDS DALLAS AND HOUSTON

In December, the U.S. Census Bureau released data showing a 10% increase in San Antonio population since 2011, second to Austin (16.1%) but outpacing Houston (7.2%) and Dallas (6.8%). Household incomes rose in most San Antonio neighborhoods, primarily north of the city.

CONSTRUCTION, ABSORPTION, AND ASKING RATES CONTINUE TO GROW YEAR OVER YEAR

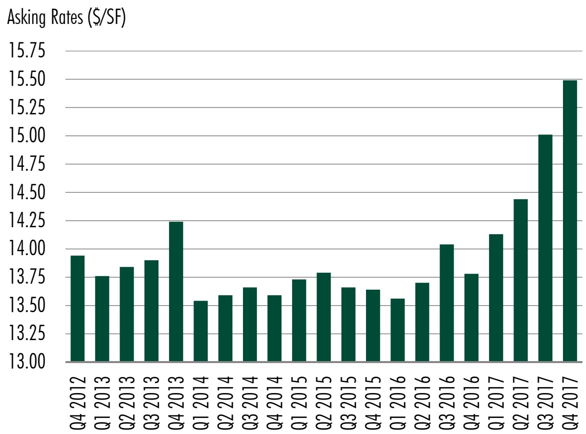
Retail product in San Antonio continues to exhibit strength as high occupancy rates persist, rents continue to increase, and the construction pipeline remains robust. With multiple ground breakings, grand openings, and a strong economy, San Antonio closes out 2017 on a strong note, and will head into 2018 on a tailwind.

Figure 2: Market Snapshot

	Q1 2017	Q2 2017	Q3 2017	Q4 2017
ATASCOSA COUNTY				
Absorption (Net, SF)	(7,600)	3,445	11,291	-
Avg. Asking Rent (Annual, Net, $/SF)	9.29	9.18	9.18	22.00
Under Construction (SF)	10,000	-	-	-
Occupancy Rate (%)	98.9	98.3	99.4	99.4
COMAL COUNTY				
Absorption (Net, SF)	56,258	9,271	(10,578)	(9,886)
Avg. Asking Rent (Annual, Net, $/SF)	17.49	17.30	17.48	17.36
Under Construction (SF)	28,175	28,175	41,283	86,155
Occupancy Rate (%)	96.1	95.6	95.2	95.7
KENDALL COUNTY				
Absorption (Net, SF)	9,118	(21,531)	(12,736)	7,999
Avg. Asking Rent (Annual, Net, $/SF)	13.10	11.93	12.90	13.08
Under Construction (SF)	-	-	-	-
Occupancy Rate (%)	99.2	95.8	94.6	95.4
CENTRAL BUSINESS DISTRICT				
Absorption (Net, SF)	(4,019)	27,331	(5,170)	(7,412)
Avg. Asking Rent (Annual, Net, $/SF)	15.82	16.72	22.11	22.11
Under Construction (SF)	-	-	-	-
Occupancy Rate (%)	98.6	98.5	98.5	98.3
WILSON COUNTY				
Absorption (Net, SF)	(8,600)	(2,583)	3,886	(5,294)
Avg. Asking Rent (Annual, Net, $/SF)	18.38	18.46	19.44	17.40
Under Construction (SF)	-	-	-	-
Occupancy Rate (%)	98.3	95.5	96.5	95.2
MEDINA COUNTY				
Absorption (Net, SF)	(6,000)	(6,001)	(812)	(2,130)
Avg. Asking Rent (Annual, Net, $/SF)	23.00	23.00	22.00	16.66
Under Construction (SF)	-	-	-	-
Occupancy Rate (%)	93.9	84.6	84.4	84.5
NORTH CENTRAL				
Absorption (Net, SF)	(21,301)	(1,349)	(10,129)	5,950
Avg. Asking Rent (Annual, Net, $/SF)	18.12	18.87	18.46	18.26
Under Construction (SF)	-	70,000	44,050	34,050
Occupancy Rate (%)	95.7	95.0	94.8	94.8
NORTHWEST				
Absorption (Net, SF)	147,182	50,187	113,679	77,277
Avg. Asking Rent (Annual, Net, $/SF)	13.54	12.89	12.47	12.64
Under Construction (SF)	184,800	189,278	113,153	78,870
Occupancy Rate (%)	95.3	94.6	94.9	95.0
SOUTH				
Absorption (Net, SF)	(30,242)	13,517	11,044	(31,168)
Avg. Asking Rent (Annual, Net, $/SF)	14.80	14.94	15.93	16.12
Under Construction (SF)	11,420	33,740	178,175	166,545
Occupancy Rate (%)	96.8	96.3	96.5	96.1
NORTHEAST				
Absorption (Net, SF)	(16,325)	88,521	73,877	101,080
Avg. Asking Rent (Annual, Net, $/SF)	12.56	12.32	12.64	12.56
Under Construction (SF)	23,000	-	-	-
Occupancy Rate (%)	93.6	93.0	93.8	94.7
GUADALUPE COUNTY				
Absorption (Net, SF)	(1,533)	(5,235)	7,139	(5,975)
Avg. Asking Rent (Annual, Net, $/SF)	4.49	8.75	5.97	6.20
Under Construction (SF)	10,060	10,060	-	-
Occupancy Rate (%)	97.9	95.7	93.2	93.7
BANDERA COUNTY				
Absorption (Net, SF)	5,250	2,750	-	-
Avg. Asking Rent (Annual, Net, $/SF)	8.94	8.94	11.48	11.48
Under Construction (SF)	-	-	-	-
Occupancy Rate (%)	98.4	100	100	100
SAN ANTONIO MARKET TOTAL				
Absorption (Net, SF)	**122,188**	**158,323**	**181,491**	**130,441**
Avg. Asking Rent (Annual, Net, $/SF)	**14.13**	**14.44**	**15.01**	**15.49**
Under Construction (SF)	**267,455**	**331,253**	**376,661**	**365,650**
Occupancy Rate (%)	**95.8**	**95.0**	**95.0**	**95.2**

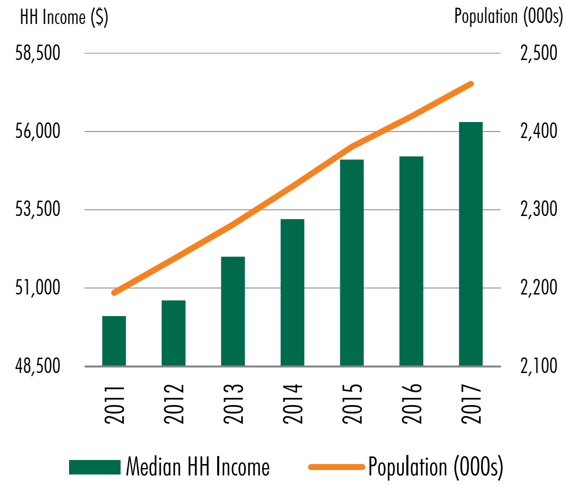
Source: CBRE Research, Q4 2017.

Figure 3: Asking Annual Rents, NNN Avg.



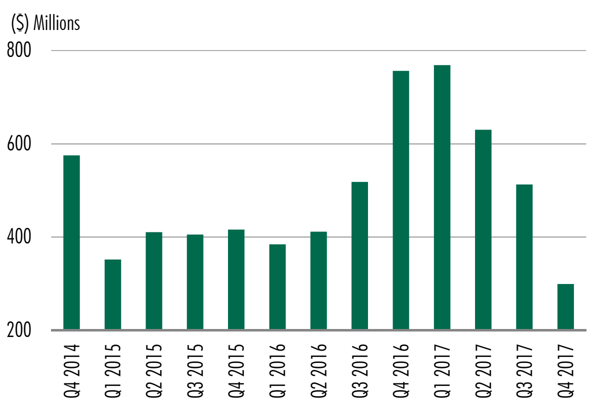
Source: CBRE Research, Q4 2017.

Figure 4: Population Growth and Purchasing Power



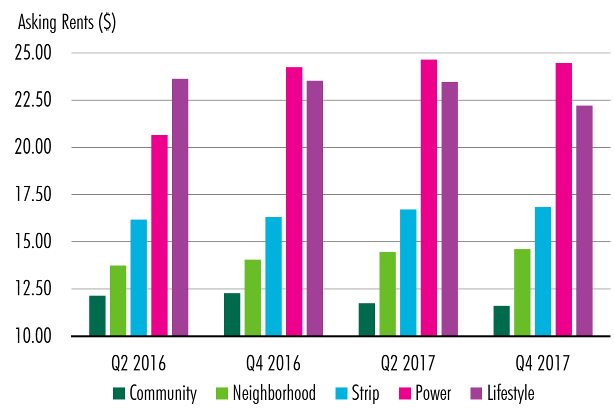
Source Moody's Analytics, Q4 2017.

Figure 5: Retail Investment Sales Volume



Source: Real Capital Analytics, Q4 2017.

Figure 6: Asking Annual Rents by Center Type

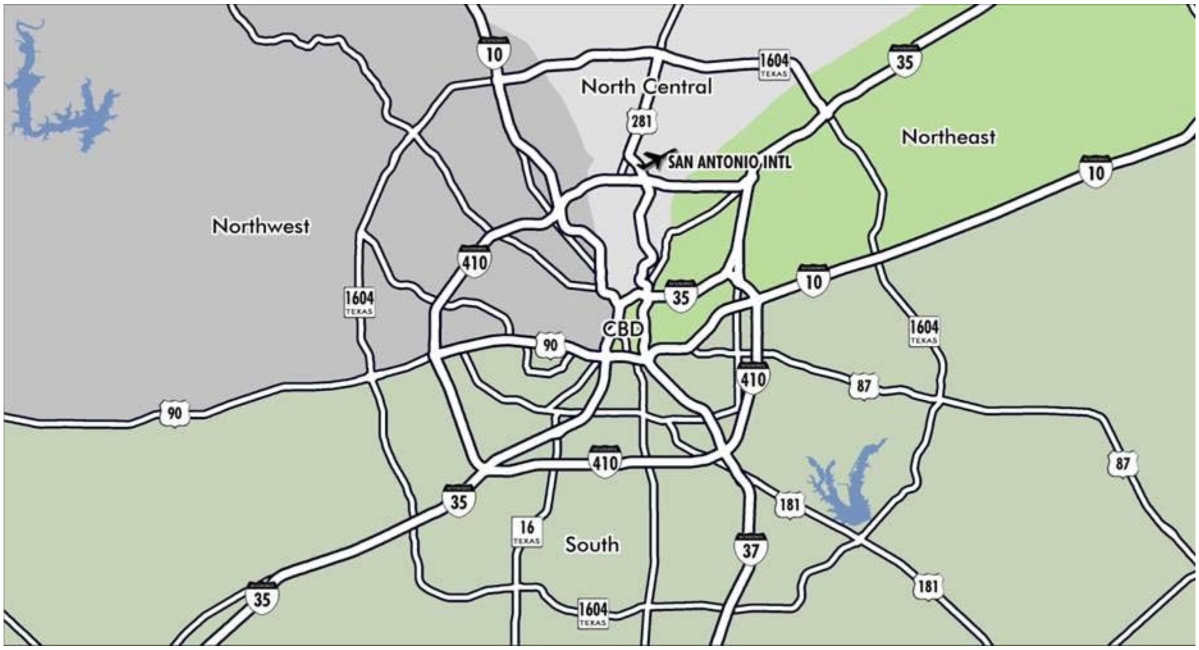


Source: CBRE Research, Q4 2017.

Figure 7: Top 10 Largest Available Big Box Spaces

Submarket	Address	City	Former Use	Available (SF)
Northeast	7014 FM 78	San Antonio	Target	130,000
Northwest	622 NW Loop 410	San Antonio	Sears	85,380
Northwest	6301 NW Loop 410	San Antonio	Multiple	76,670
Northwest	5776 Stemmons Drive	San Antonio	Floor & Decor	59,000
Northwest	8203 State Highway 151	San Antonio	Gander Mountain	48,663
Northwest	618 NW Loop 410	San Antonio	Multiple	44,400
North Central	21115 N Highway 281	San Antonio	Sports Authority	42,057
Northeast	7517 Loop 1604	Live Oak	Multiple	39,944
Northwest	14602 Huebner Rd	San Antonio	Multiple	35,000
Northeast	6212 Woodglen Dr	San Antonio	Office Max	30,162

Source: CBRE Research, Q4 2017.



CONTACTS

Robert C. Kramp
Director, Research & Analysis
robert.kramp@cbre.com

E. Michelle Miller
Research Operations Manager
michelle.miller@cbre.com

Robert Basiliere
Senior Research Analyst
robert.basiliere@cbre.com

CBRE OFFICES

CBRE San Antonio
200 Concord Plaza Drive, Suite 800
San Antonio, TX 78216

To learn more about CBRE Research,
or to access additional research reports,
please visit the Global Research Gateway
at www.cbre.com/researchgateway.

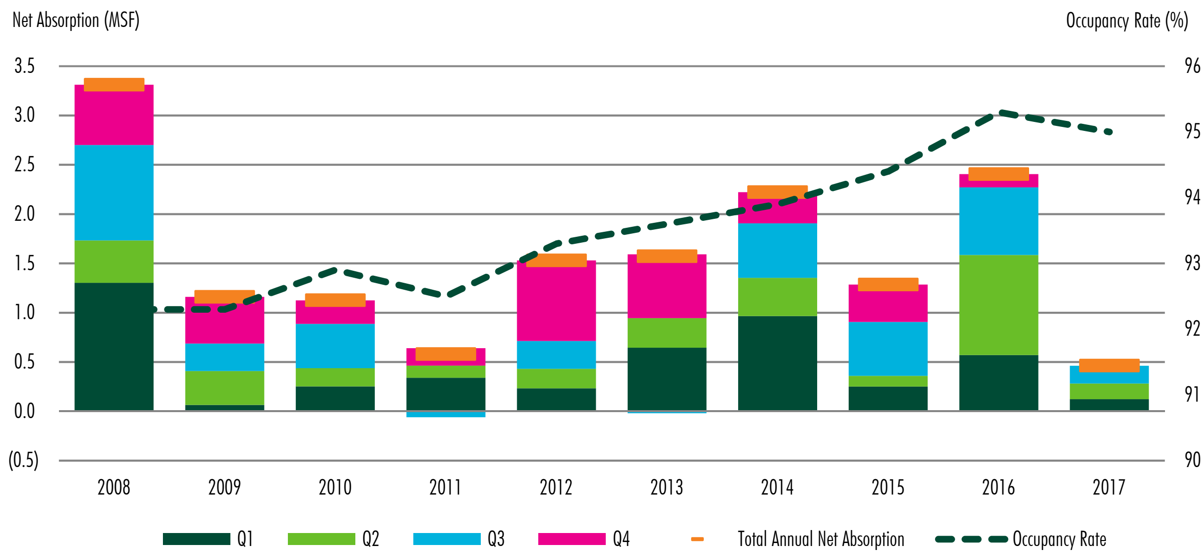
San Antonio Retail, Q3 2017

Firing on all cylinders; strong growth and rising metrics detail strength of Alamo City retail

Occupancy	Under Construction	Avg. Asking Rate	Net Absorption
95.0%	376,661 SF	$15.01 PSF	181,491 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q3 2017.

OCCUPANCY STABILIZES; HOLDING FIRM AT 95.0%

Within San Antonio's tightening retail market, modest net absorption could not hinder high occupancy rates. The prevalence of steadying rent and long term lease signings ensure space will remain filled, and availability taken off the market quickly.

H-E-B GRAND OPENING AS ADDITIONAL PHASES OF CONSTRUCTION CONTINUE AT BULVERDE MARKETPLACE

Opened in August, the 117,000 sq.-ft. H-E-B anchors the sprawling, 104 acre master-planned, mixed use development. Located in Northcentral San Antonio, it will include 500,000 sq.-ft. of retail, restaurant, and office space at full build out.

LIDL ANNOUNCES FIRST SAN ANTONIO LOCATION

German grocer Lidl has announced their first San Antonio location, a 30,000 sq.-ft. Texas flagship at the corner of Alamo Ranch and Lone Star Parkways. Acting as the anchor for a new shopping center, construction expected to begin later this year, delivering in Q3 2018.

CONSTRUCTION, ABSORPTION, AND ASKING RATES CONTINUE TO CLIMB

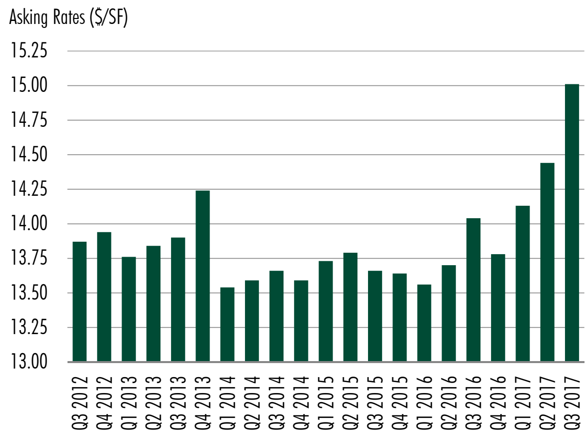
Retail product in San Antonio continues to show strength as occupancy rates remain high, rents continue to increase, and the construction pipeline remains robust. With multiple ground breakings, grand openings, and a strong economy, San Antonio is full speed ahead going into the final quarter of 2017.

Figure 2: Market Snapshot

	Q1 2017	Q2 2017	Q3 2017
ATASCOSA COUNTY			
Absorption (Net, SF)	(7,600)	3,445	11,291
Avg. Asking Rent (Annual, Net, $/SF)	9.29	9.18	9.18
Under Construction (SF)	10,000	-	-
Occupancy Rate (%)	98.9	98.3	99.4
COMAL COUNTY			
Absorption (Net, SF)	56,258	9,271	(10,578)
Avg. Asking Rent (Annual, Net, $/SF)	17.49	17.30	17.48
Under Construction (SF)	28,175	28,175	41,283
Occupancy Rate (%)	96.1	95.6	95.2
KENDALL COUNTY			
Absorption (Net, SF)	9,118	(21,531)	(12,736)
Avg. Asking Rent (Annual, Net, $/SF)	13.10	11.93	12.90
Under Construction (SF)	-	-	-
Occupancy Rate (%)	99.2	95.8	94.6
CENTRAL BUSINESS DISTRICT			
Absorption (Net, SF)	(4,019)	27,331	(5,170)
Avg. Asking Rent (Annual, Net, $/SF)	15.82	16.72	22.11
Under Construction (SF)	-	-	-
Occupancy Rate (%)	98.6	98.5	98.5
WILSON COUNTY			
Absorption (Net, SF)	(8,600)	(2,583)	3,886
Avg. Asking Rent (Annual, Net, $/SF)	18.38	18.46	19.44
Under Construction (SF)	-	-	-
Occupancy Rate (%)	98.3	95.5	96.5
MEDINA COUNTY			
Absorption (Net, SF)	(6,000)	(6,001)	(812)
Avg. Asking Rent (Annual, Net, $/SF)	23.00	23.00	22.00
Under Construction (SF)	-	-	-
Occupancy Rate (%)	93.9	84.6	84.4
NORTH CENTRAL			
Absorption (Net, SF)	(21,301)	(1,349)	(10,129)
Avg. Asking Rent (Annual, Net, $/SF)	18.12	18.87	18.46
Under Construction (SF)	-	70,000	44,050
Occupancy Rate (%)	95.7	95.0	94.8
NORTHWEST			
Absorption (Net, SF)	147,182	50,187	113,679
Avg. Asking Rent (Annual, Net, $/SF)	13.54	12.89	12.47
Under Construction (SF)	184,800	189,278	113,153
Occupancy Rate (%)	95.3	94.6	94.9
SOUTH			
Absorption (Net, SF)	(30,242)	13,517	11,044
Avg. Asking Rent (Annual, Net, $/SF)	14.80	14.94	15.93
Under Construction (SF)	11,420	33,740	178,175
Occupancy Rate (%)	96.8	96.3	96.5
NORTHEAST			
Absorption (Net, SF)	(16,325)	88,521	73,877
Avg. Asking Rent (Annual, Net, $/SF)	12.56	12.32	12.64
Under Construction (SF)	23,000	-	-
Occupancy Rate (%)	93.6	93.0	93.8
GUADALUPE COUNTY			
Absorption (Net, SF)	(1,533)	(5,235)	7,139
Avg. Asking Rent (Annual, Net, $/SF)	4.49	8.75	5.97
Under Construction (SF)	10,060	10,060	-
Occupancy Rate (%)	97.9	95.7	93.2
BANDERA COUNTY			
Absorption (Net, SF)	5,250	2,750	-
Avg. Asking Rent (Annual, Net, $/SF)	8.94	8.94	11.48
Under Construction (SF)	-	-	-
Occupancy Rate (%)	98.4	100	100
SAN ANTONIO MARKET TOTAL			
Absorption (Net, SF)	**122,188**	**158,323**	**181,491**
Avg. Asking Rent (Annual, Net, $/SF)	**14.13**	**14.44**	**15.01**
Under Construction (SF)	**267,455**	**331,253**	**376,661**
Occupancy Rate (%)	**95.8**	**95.0**	**95.0**

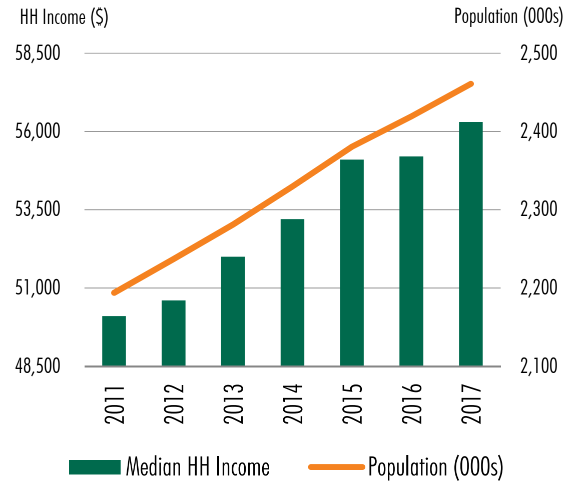
Source: CBRE Research, Q3 2017.

Figure 3: Asking Annual Rents, NNN Avg.



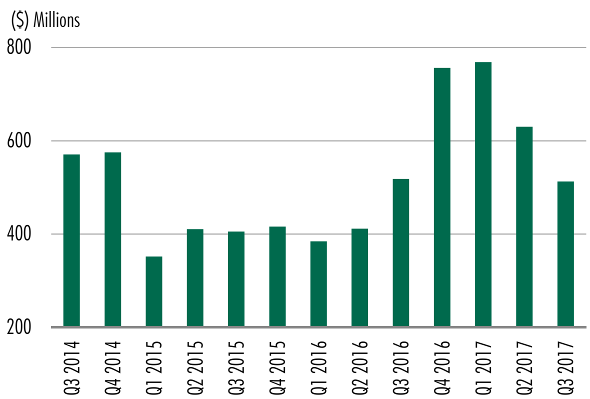
Source: CBRE Research, Q3 2017.

Figure 4: Population Growth and Purchasing Power



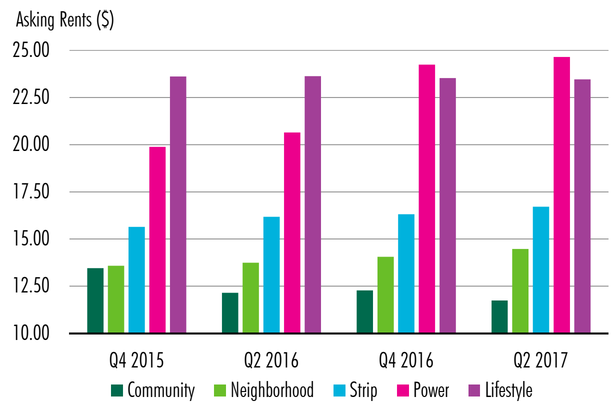
Source Moody's Analytics, Q3 2017.

Figure 5: Retail Investment Sales Volume



Source: Real Capital Analytics, Q3 2017.

Figure 6: Asking Annual Rents by Center Type

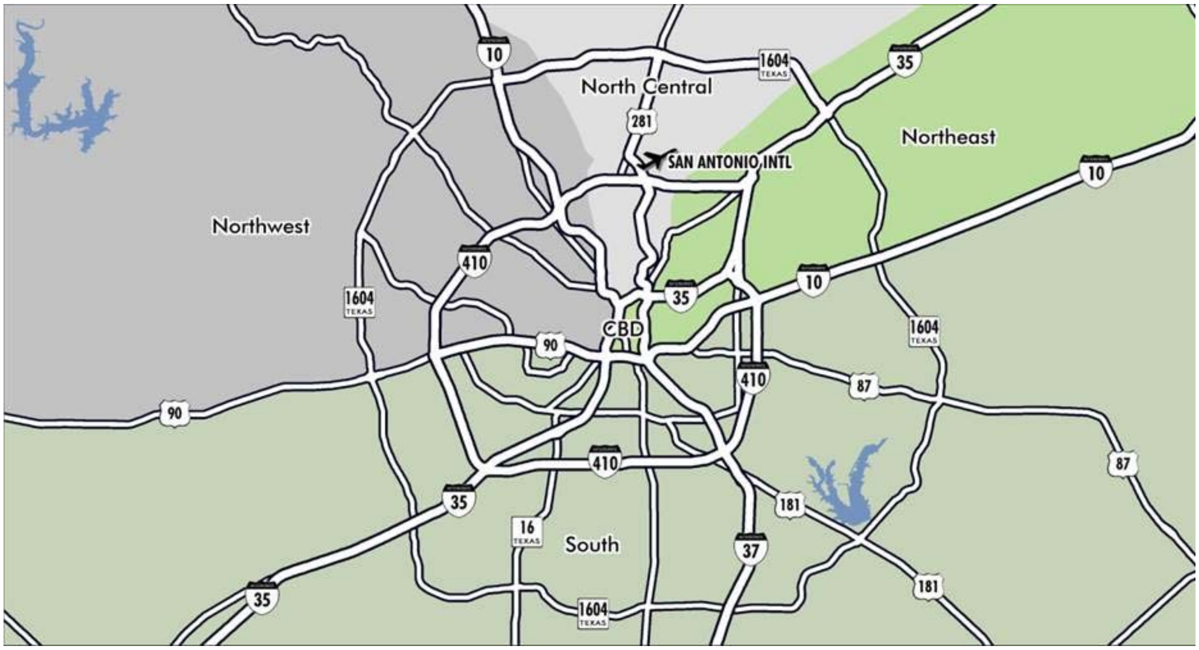


Source: CBRE Research, Q3 2017.

Figure 7: Top 10 Largest Available Big Box Spaces

Submarket	Address	City	Former Use	Available (SF)
Northwest	622 NW Loop 410	San Antonio	Sears	85,380
Northwest	6301 NW Loop 410	San Antonio	Multiple	76,670
Northwest	5776 Stemmons Drive	San Antonio	Floor & Decor	59,000
Northwest	8203 State Highway 151	San Antonio	Gander Mountain	48,663
Northwest	618 NW Loop 410	San Antonio	Multiple	44,400
North Central	21115 N Highway 281	San Antonio	Sports Authority	42,057
Northeast	7517 Loop 1604	Live Oak	Multiple	39,944
Northwest	14602 Huebner Rd	San Antonio	Multiple	35,000
Northeast	6212 Woodglen Dr	San Antonio	Office Max	30,162
Northwest	11791 Bandera Rd	San Antonio	Multiple	28,844

Source: CBRE Research, Q3 2017.



CONTACTS

Robert C. Kramp
Director, Research & Analysis
robert.kramp@cbre.com

E. Michelle Miller
Research Operations Manager
michelle.miller@cbre.com

Robert Basiliere
Senior Research Analyst
robert.basiliere@cbre.com

CBRE OFFICES

CBRE San Antonio
200 Concord Plaza Drive, Suite 800
San Antonio, TX 78216

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/researchgateway.

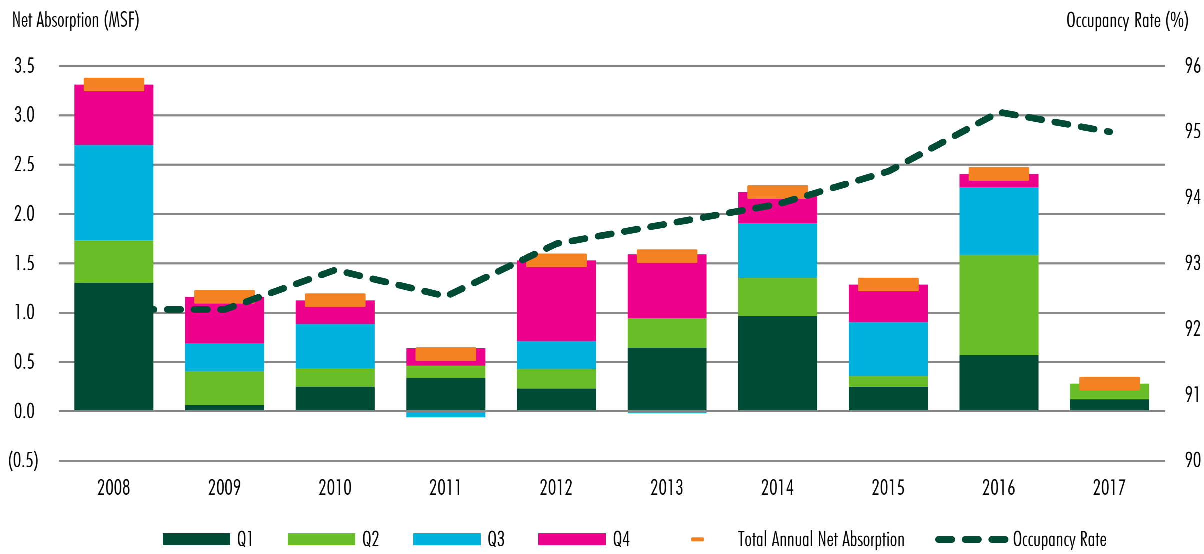
San Antonio Retail, Q2 2017

Rising rates: continuing economic strength shows no sign of slowing down

Occupancy	Under Construction	Avg. Asking Rate	Net Absorption
95.0%	331,253 SF	$14.44 PSF	158,323 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q2 2017.

OCCUPANCY STABILIZES; HOLDING FIRM AT 95.0%

Within San Antonio's tightening retail market, modest net absorption could not hinder high occupancy rates. The prevalence of steadying rent and long term lease signings ensure space will remain filled, and availability taken off the market quickly.

PEARL DEVELOPMENT GROWTH CONTINUES WITH THE PLANNED SUMMER OPENING OF THE BOTTLING DEPARTMENT FOOD HALL

With a planned July 2017 opening, the Bottling Department Food Hall's 5,500 sq. ft. facility will sit atop the Jazz, TX nightclub and provide eclectic food choices from Bud's Southern Rotisserie, Tenko, Maybelle's, and a variety of others.

ABSORPTION AND CONSTRUCTION PIPELINE INCREASE DUE TO A FAST-PACED Q2 2017

Grocer openings, big box absorption, and healthy retail demand in San Antonio all contributed to a busy end to the first half of the year. As the region gains economic strength, it is expected that development activity will forge ahead.

BIG BOX AVAILABILITY CONTRACTS AS HIGH QUALITY SPACES ARE SCOOPED UP

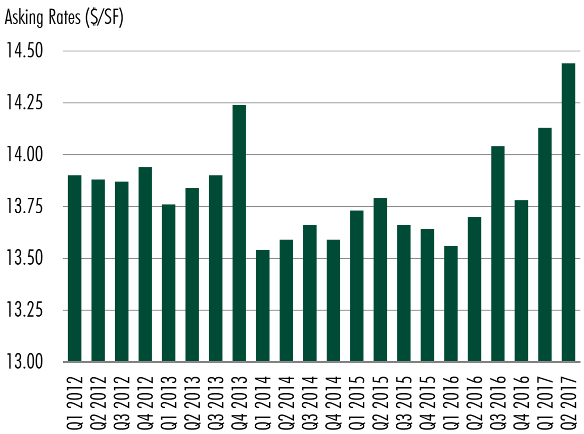
Big box net absorption increased this quarter as higher valued locations were taken off market by various home goods and discount retailers. As national retailers continue to announce closures, we expect that Class A availability will increase slightly, while remaining spaces will be split up to reduce footprint.

Figure 2: Market Snapshot

	Q1 2017	Q2 2017
ATASCOSA COUNTY		
Absorption (Net, SF)	(7,600)	3,445
Avg. Asking Rent (Annual, Net, $/SF)	9.29	9.18
Under Construction (SF)	10,000	-
Occupancy Rate (%)	98.9	98.3
COMAL COUNTY		
Absorption (Net, SF)	56,258	9,271
Avg. Asking Rent (Annual, Net, $/SF)	17.49	17.30
Under Construction (SF)	28,175	28,175
Occupancy Rate (%)	96.1	95.6
KENDALL COUNTY		
Absorption (Net, SF)	9,118	(21,531)
Avg. Asking Rent (Annual, Net, $/SF)	13.10	11.93
Under Construction (SF)	-	-
Occupancy Rate (%)	99.2	95.8
CENTRAL BUSINESS DISTRICT		
Absorption (Net, SF)	(4,019)	27,331
Avg. Asking Rent (Annual, Net, $/SF)	15.82	16.72
Under Construction (SF)	-	-
Occupancy Rate (%)	98.6	98.5
WILSON COUNTY		
Absorption (Net, SF)	(8,600)	(2,583)
Avg. Asking Rent (Annual, Net, $/SF)	18.38	18.46
Under Construction (SF)	-	-
Occupancy Rate (%)	98.3	95.5
MEDINA COUNTY		
Absorption (Net, SF)	(6,000)	(6,001)
Avg. Asking Rent (Annual, Net, $/SF)	23.00	23.00
Under Construction (SF)	-	-
Occupancy Rate (%)	93.9	84.6
NORTH CENTRAL		
Absorption (Net, SF)	(21,301)	(1,349)
Avg. Asking Rent (Annual, Net, $/SF)	18.12	18.87
Under Construction (SF)	-	70,000
Occupancy Rate (%)	95.7	95.0
NORTHWEST		
Absorption (Net, SF)	147,182	50,187
Avg. Asking Rent (Annual, Net, $/SF)	13.54	12.89
Under Construction (SF)	184,800	189,278
Occupancy Rate (%)	95.3	94.6
SOUTH		
Absorption (Net, SF)	(30,242)	13,517
Avg. Asking Rent (Annual, Net, $/SF)	14.80	14.94
Under Construction (SF)	11,420	33,740
Occupancy Rate (%)	96.8	96.3
NORTHEAST		
Absorption (Net, SF)	(16,325)	88,521
Avg. Asking Rent (Annual, Net, $/SF)	12.56	12.32
Under Construction (SF)	23,000	-
Occupancy Rate (%)	93.6	93.0
GUADALUPE COUNTY		
Absorption (Net, SF)	(1,533)	(5,235)
Avg. Asking Rent (Annual, Net, $/SF)	4.49	8.75
Under Construction (SF)	10,060	10,060
Occupancy Rate (%)	97.9	95.7
BANDERA COUNTY		
Absorption (Net, SF)	5,250	2,750
Avg. Asking Rent (Annual, Net, $/SF)	8.94	8.94
Under Construction (SF)	-	-
Occupancy Rate (%)	95.8	95.1
SAN ANTONIO MARKET TOTAL		
Absorption (Net, SF)	**122,188**	**158,323**
Avg. Asking Rent (Annual, Net, $/SF)	**14.13**	**14.44**
Under Construction (SF)	**267,455**	**331,253**
Occupancy Rate (%)	**95.8**	**95.0**

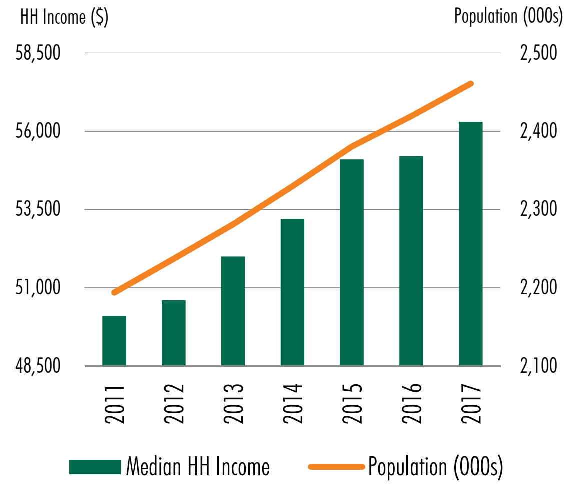
Source: CBRE Research, Q2 2017.

Figure 3: Asking Annual Rents, NNN Avg.



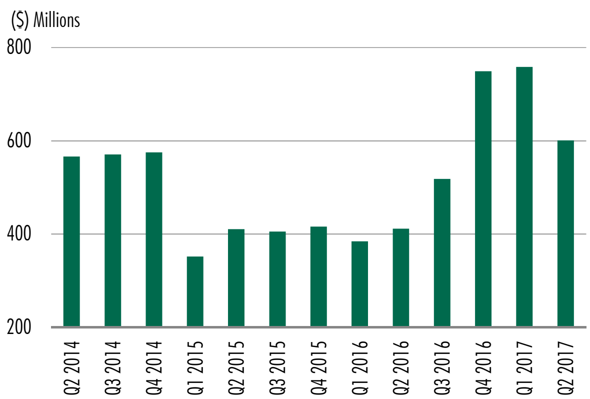
Source: CBRE Research, Q2 2017.

Figure 4: Population Growth and Purchasing Power



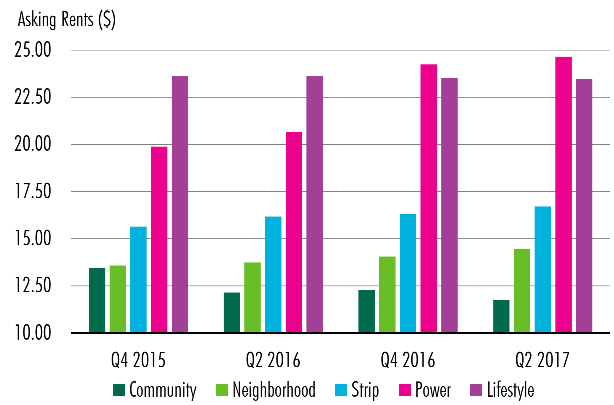
Source Moody's Analytics, Q2 2017.

Figure 5: Retail Investment Sales Volume



Source: Real Capital Analytics, Q2 2017.

Figure 6: Asking Annual Rents by Center Type

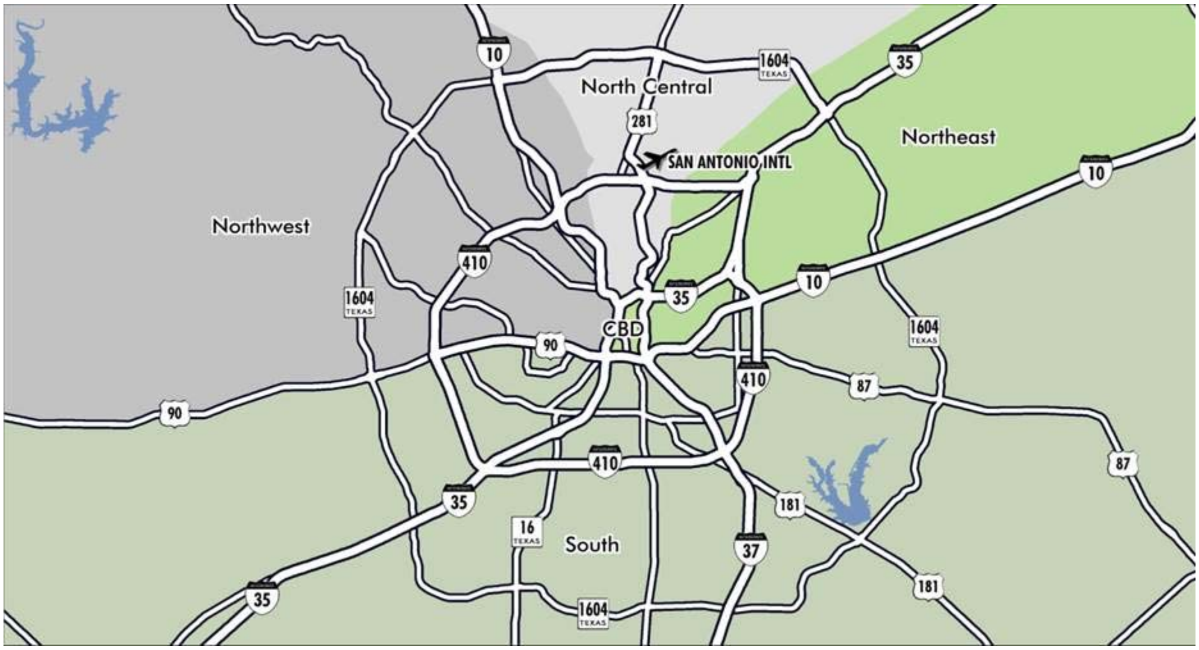


Source: CBRE Research, Q2 2017.

Figure 7: Top 10 Largest Available Big Box Spaces

Submarket	Address	City	Former Use	Available (SF)
Northwest	12621 I-10	San Antonio	Target	96,100
Northwest	622 NW Loop 410	San Antonio	Sears	85,380
Northwest	6301 NW Loop 410	San Antonio	Multiple	76,670
South	165 SW Military Drive	San Antonio	Academy	61,037
Northwest	5776 Stemmons Drive	San Antonio	Floor & Decor	59,000
Northwest	8203 State Highway 151	San Antonio	Gander Mountain	48,663
Northwest	618 NW Loop 410	San Antonio	Multiple	44,400
North Central	21115 N Highway 281	San Antonio	Sports Authority	42,057
Northeast	7517 Loop 1604	Live Oak	Multiple	39,944
Northeast	2935 Pat Booker Road	San Antonio	Gold's Gym	37,690

Source: CBRE Research, Q2 2017.



CONTACTS

Robert C. Kramp
Director, Research & Analysis
robert.kramp@cbre.com

E. Michelle Miller
Research Operations Manager
michelle.miller@cbre.com

Robert Basiliere
Senior Research Analyst
robert.basiliere@cbre.com

CBRE OFFICES

CBRE San Antonio
200 Concord Plaza Drive, Suite 800
San Antonio, TX 78216

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/researchgateway.