

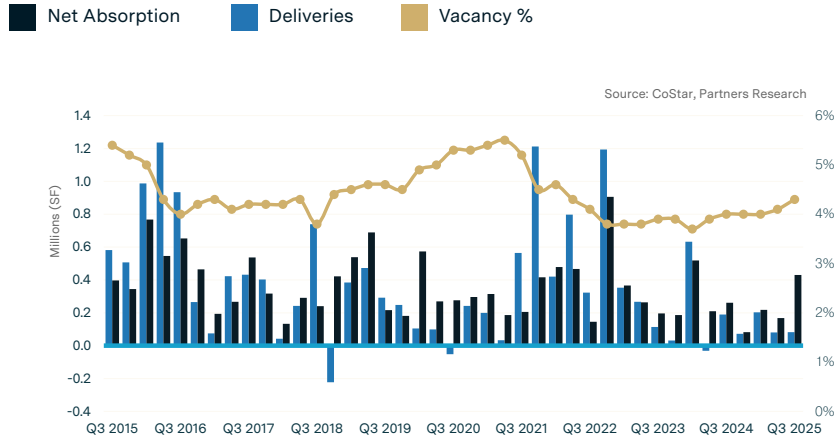
San Antonio Retail Q4 2025

QUARTERLY MARKET REPORT

partners

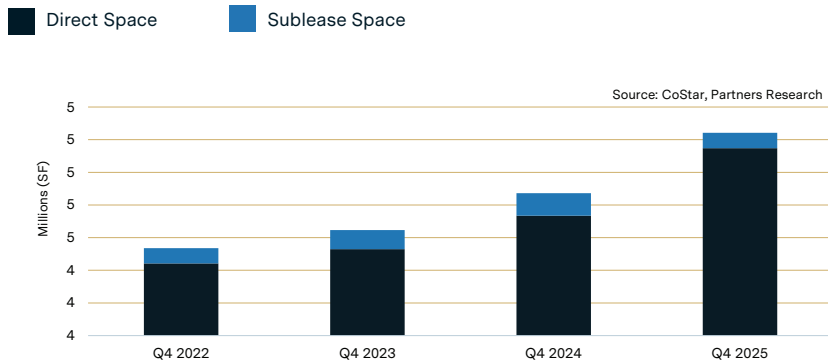
Executive Summary

SUPPLY & DEMAND



	CURRENT Q4 2025	PRIOR QUARTER Q3 2025		PRIOR YEAR Q4 2024	
Vacant Total	4.2%	4.3%	↓	4.0%	↑
Vacant Direct	4.1%	4.2%	↓	3.9%	↑
Available Total	5.0%	5.4%	↓	5.3%	↓
Available Direct	4.9%	5.3%	↓	5.2%	↓
Net Absorption (SF)	396,004	81,810	↑	71,901	↑
Leasing Activity (SF)	570,666	632,968	↓	589,124	↓
Construction (SF)	1,155,021	1,443,751	↓	1,333,883	↓
Deliveries	235,656	430,247	↓	82,063	↑
Avg Asking Rent (Gross)	\$19.38	\$19.16	↑	\$19.26	↑
Inventory (SF)	126,193,376	125,237,308	↑	124,985,865	↑

VACANCIES



Q4 in Review

San Antonio's retail market remains tight, with positive fundamentals, including lower vacancy and increased absorption. Vacancy inched down 10 basis points, and positive net absorption increased 384% over the quarter to 396,004 sq. ft., pushing the year-end total to 760,804 sq. ft. Leasing activity for Q4 2025 totaled 570,666 sq. ft., a 9.8% quarterly decrease and a 3.1% annual decrease, but still a fair amount for the market.

Deliveries and construction activity slowed over the quarter, with deliveries down 45.2% and the under-construction pipeline decreased 20% to 1.2 million sq. ft. Average rental rates rose 1.1% quarter-over-quarter and 0.6% year-over-year, settling at \$19.38 per sq. ft. (NNN), well above the historic average. Investment activity increased, with 486 properties sold over the past year, averaging \$195 per sq. ft. and a cap rate of 7.0%. Low vacancy reinforces the landlord-favorable dynamics in the market. San Antonio's retail market remains healthy and is poised for sustained growth and continued investor interest.

San Antonio Economic Update

According to the U.S. Bureau of Labor Statistics, the San Antonio unemployment rate increased from 4.1% in August 2025 to 4.2% in September 2025. The unemployment rate in Texas jumped from 4.1% to 4.4% over the same period. San Antonio added 24,200 jobs between September 2024 and September 2025, a 1.8% change. Sectors with the largest annual gains included Education and Health Services at 6.2%, the Trade, Transportation, and Utilities sector at 2.5%, and the Total Private sector at 2.2%. The sector with the highest job losses over the year was the Information sector at -3.5%.



Vacancy Inches Down

The overall vacancy rate in San Antonio's Retail market is 4.2%, down 10 basis points from Q3. Like most major Retail markets nationwide, vacancy is near record lows. Further, deliveries and the construction pipeline are down, leaving retail tenants looking to expand with limited options. San Antonio's vacancy rate has remained under 5% since mid-2021.

Net Absorption Sharply Increases

Net Absorption increased by 384% over the quarter and by 451% annually to 396,004 sq. ft. Notable move-ins during the fourth quarter include Dollar Tree taking 12,000 sq. ft. at 11658 N Pan Am Expressway, Terry Black's BBQ moving into 12,000 sq. ft. in the Common Market shopping center, and Aqua-Tota Swimming School moving into 10,000 sq. ft. at 21206 TPC Parkway.

Leasing Activity Slows

Leasing activity slowed somewhat in Q4, down 9.8% quarter over quarter to 570,666 sq. ft. This was down 3.1% from Q4 2024. Notable leases recently signed include TruFit, signing a 34,000 sq. ft. lease at Lockhill Village Shopping Center; Goodwill, which signed a 14,000 sq. ft. lease at 6363 Rittiman Rd.; and Bargains Depot, which signed a 10,000 sq. ft. lease at Nacon Plaza II.

Construction, Deliveries & Investment Trends

Deliveries and Construction Pipeline Down Quarterly

New deliveries for Q4 2025 were down 45.2% quarter over quarter, totaling 235,656 sq. ft., but up 187% year over year. There is currently 1.2 million sq. ft. in the construction pipeline, down 20% quarter over quarter and 13.4% annually. The lack of new supply, along with a decline in future deliveries, is expected to constrain tenants looking to expand into the market.

Investment Sales Trends

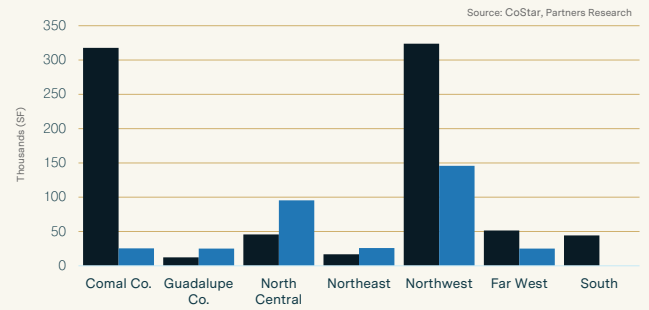
CoStar Capital Market Analytics reports that the cumulative 12-month sales volume at the end of the third quarter in the San Antonio retail market was \$468 million, a sharp increase from the third quarter's 12-month volume of \$122 million. With 457 deals completed, the average transaction price is \$195 per sq. ft., and the average capitalization rate is 7.0%. Notable sale transactions in Q4 2025 include Blackstone Inc.'s acquisition of a 27-property portfolio, which included a Lowe's and an H-E-B located at 1130-1150 N Loop 1604 W. Global Fund Investors was the seller. The price was not disclosed. Also, JBL Asset Management, LLC sold the 3-property, 169,000 sq. ft. Thousand Oaks Shopping Center to Sterling Organization for an undisclosed amount. And Dhanani Private Equity Group acquired Park North Shopping Center for \$115 million.

Rental Rates Increase

The average monthly rental rate (NNN) for San Antonio's retail market increased 1.1% quarterly and 0.6% annually to \$19.38 per sq. ft. The highest average asking rental rate is \$32.36 per sq. ft. in the CBD submarket, while the lowest asking rate is \$16.07 per sq. ft. in the South submarket. With vacancy rates and inventory low, rates could continue to rise.

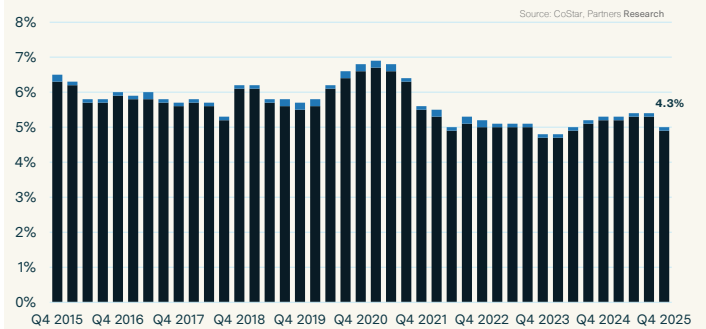
CONSTRUCTION

■ Pre-Leased Space ■ Available Space

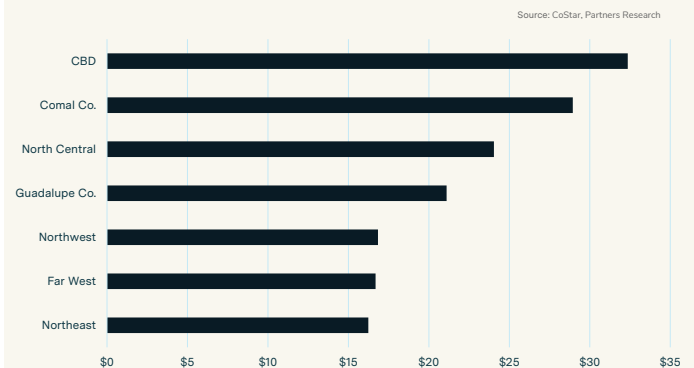


AVAILABILITY RATE

■ Direct ■ Sublease



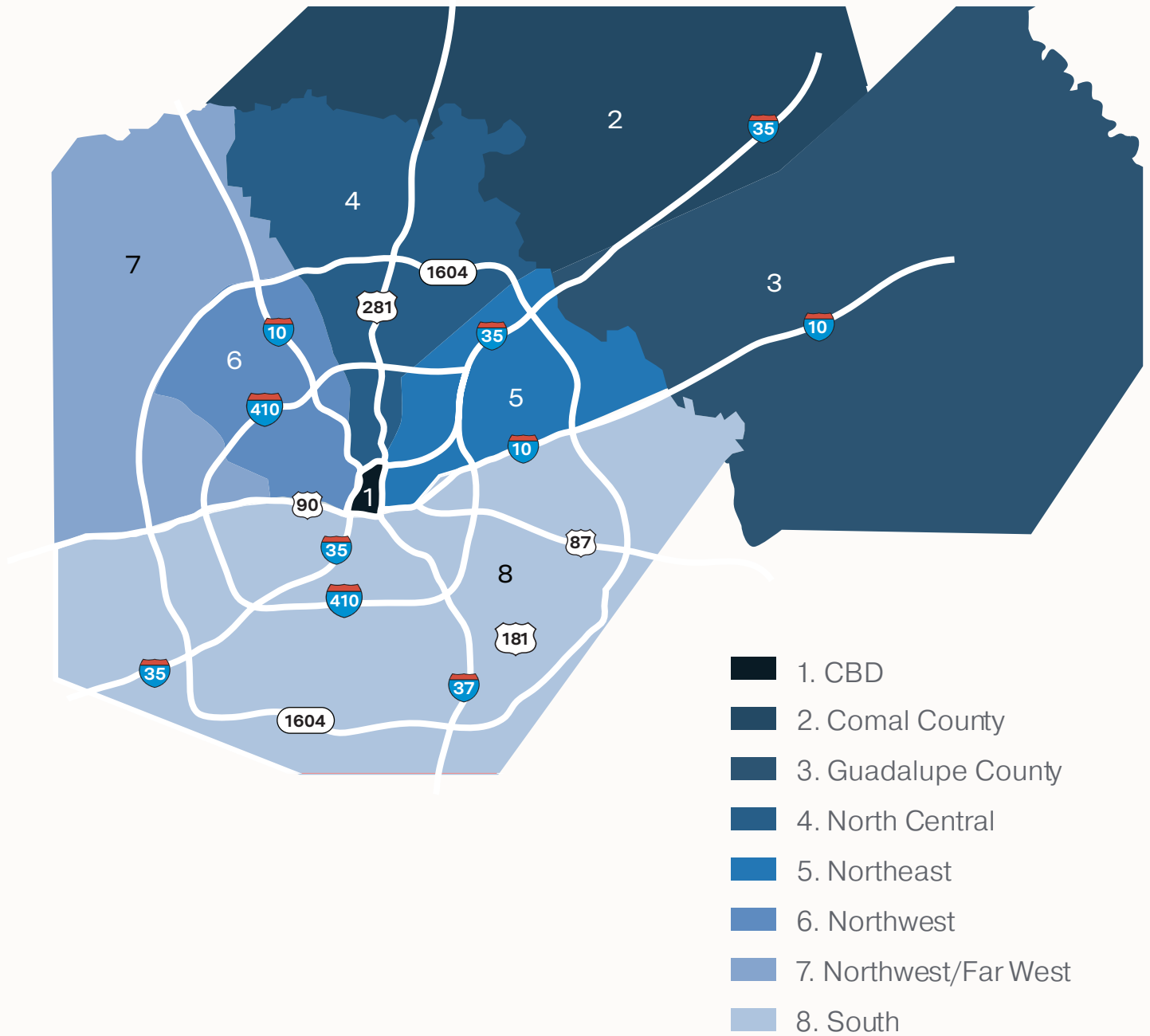
OVERALL NNN ASKING RENT (\$/PSF)



Market Overview

Submarket	Total Inventory (SF)	Total Vacancy (%)	Total Availability (%)	Q4 2025 Net Absorption (SF)	2025 YTD Net Absorption (SF)	Q4 2024 Deliveries (SF)	Under Construction (SF)	Total AVG Asking Rent NNN (\$/PSF)
CBD	4,035,540	3.5	8.3	-19,391	-35,487	0	0	32.36
Comal Co.	9,038,555	2.9	3.7	-6,193	230,524	0	343,205	28.94
Guadalupe Co.	6,547,855	2.1	2.8	130,603	192,317	175,798	37,410	21.10
North Central	28,163,821	5.0	6.0	37,175	-48,170	0	141,270	24.04
Northeast	16,560,541	4.8	5.4	73,968	69,950	22,000	42,633	16.24
Northwest	36,067,911	4.1	4.7	217,126	255,295	15,292	469,623	16.84
Far West	9,635,844	4.6	6.1	-22,102	94,269	12,000	76,547	16.69
South	16,143,309	3.4	3.8	-15,182	2,106	10,566	44,333	16.07
San Antonio Total	126,193,376	4.2	5.0	396,004	760,804	235,656	1,155,021	19.38

San Antonio Retail Submarkets



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