

# INVESTMENT FORECAST

Office  
San Antonio

IPA  
INSTITUTIONAL  
PROPERTY  
ADVISORS

2026

## Strong Submarket Fundamentals, Stable Pricing Sustain Elevated Transaction Activity

**The CBD revitalizes, while select suburbs emerge.** Guadalupe County maintained one of the lowest vacancy rates in the metro, with declines across both single- and multi-tenant segments last year. Tenant demand was bolstered by proximity to New Braunfels and the Interstate 35 Corridor, factors that are likely to maintain low vacancy and a mean rent over \$26 per square foot this year. Comal County showcased robust single-tenant fundamentals, with a 90-basis-point vacancy decline and average asking rents exceeding \$20 per square foot, due to expanding suburbs and entertainment options between San Antonio and Austin. However, metrowide vacancy increased due to a large concentration of multi-tenant move-outs, a trend that may continue as additional multi-tenant properties deliver in 2026. For example, CBD vacancy rose 100 basis points last year, yet limited construction should cap further increases. Revitalization efforts, such as Project Marvel with the new Spurs Arena, lift the outlook.

**Transaction activity remains elevated amid stable pricing.** Although San Antonio saw virtually no change in mean pricing, cap rates inched up by 10 basis points on average, largely due to increased investor appetite for multi-tenant properties. Multi-tenant trading increased by over 60 percent in 2025, with rent growth prospects supporting continued elevated transaction levels in 2026. Northern submarkets emerged as the epicenter of trading activity, with the northwest alone commanding one-third of all transactions due to substantial inventory. At the same time, the northeast returned to historical activity patterns. Additionally, Guadalupe County, with declining vacancies, experienced a notable surge in transactions and is well-positioned for continued elevated trading activity, given its sub-3 percent vacancy rate.

## 2026 MARKET FORECAST

+1.2%



**Employment:** Hiring is set to improve after job creation hit a post-2020 low last year. The metro will welcome 15,000 new roles, still below the trailing five-year average.

1,100,000  
sq. ft.



**Construction:** Retail supply expansion remains on par with the prior 10-year annual average, with inventory growing by 0.9 percent. The northwest is set to receive the bulk of completions.

+20 bps



**Vacancy:** Although demand remains relatively strong, it will be insufficient to outpace incoming supply, resulting in the vacancy rate edging higher to 4.4 percent by year-end.

-1.0%

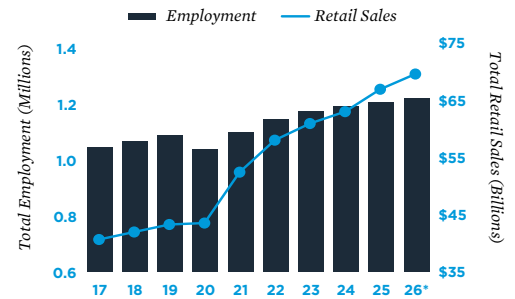


**Rent:** With the vacancy rate ticking higher, the average asking rent will decrease moderately to \$19.30 per square foot in 2026, largely due to single-tenant rents easing.

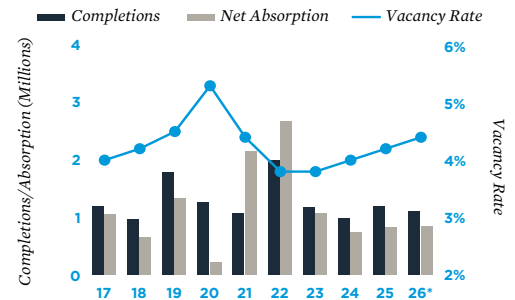
### INVESTMENT:

*The I-35 corridor between San Antonio and Austin captures spillover demand from both metros, as affordability-seeking migration and business expansion support local consumer spending.*

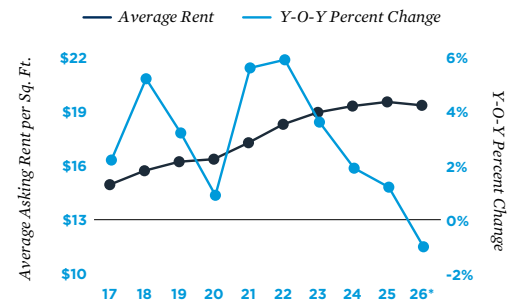
### Economic Trends



### Supply and Demand



### Rent Trends



\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

### IPA Retail

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.