

CoStar Office Statistics

First Quarter 2018

San Antonio Office Market



CoStarTM
The knowledge market

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Methodology

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's global database includes approximately 119 billion square feet of coverage in 5.4 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

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CoStar Group, Inc.

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Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certi-

cate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different

tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

San Antonio Office Market



Overview

San Antonio's Vacancy Increases to 9.4% Net Absorption Negative (176,403) SF in the Quarter

The San Antonio Office market ended the first quarter 2018 with a vacancy rate of 9.4%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (176,403) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 180,216 square feet. Rental rates ended the first quarter at \$21.12, an increase over the previous quarter. A total of eight buildings delivered to the market in the quarter totaling 55,425 square feet, with 1,514,093 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall San Antonio office market was negative (176,403) square feet in the first quarter 2018. That compares to positive 635,825 square feet in the fourth quarter 2017, negative (64,215) square feet in the third quarter 2017, and positive 604,047 square feet in the second quarter 2017.

Tenants moving out of large blocks of space in 2018 include: Cima Hospice moving out of 21,650 square feet at Network Tech Center - Building B; and Lawboss moving out of 19,690 square feet at One Castle Hills.

Tenants moving into large blocks of space in 2018 include: Guadalupe-Blanco River Authority moving into 25,795 square feet at 933 E Court St; Champion Group moving into 20,000 square feet at 4416 Lockhill Selma Rd; and DeZavala-Shavano Veterinary Clinic moving into 20,000 square feet at 4408 Lockhill Selma Rd.

The Class-A office market recorded net absorption of negative (148,270) square feet in the first quarter 2018, com-

pared to positive 388,605 square feet in the fourth quarter 2017, positive 11,907 in the third quarter 2017, and positive 30,305 in the second quarter 2017.

The Class-B office market recorded net absorption of positive 78,839 square feet in the first quarter 2018, compared to positive 227,626 square feet in the fourth quarter 2017, positive 28,148 in the third quarter 2017, and positive 556,296 in the second quarter 2017.

The Class-C office market recorded net absorption of negative (106,972) square feet in the first quarter 2018 compared to positive 19,594 square feet in the fourth quarter 2017, negative (104,270) in the third quarter 2017, and positive 17,446 in the second quarter 2017.

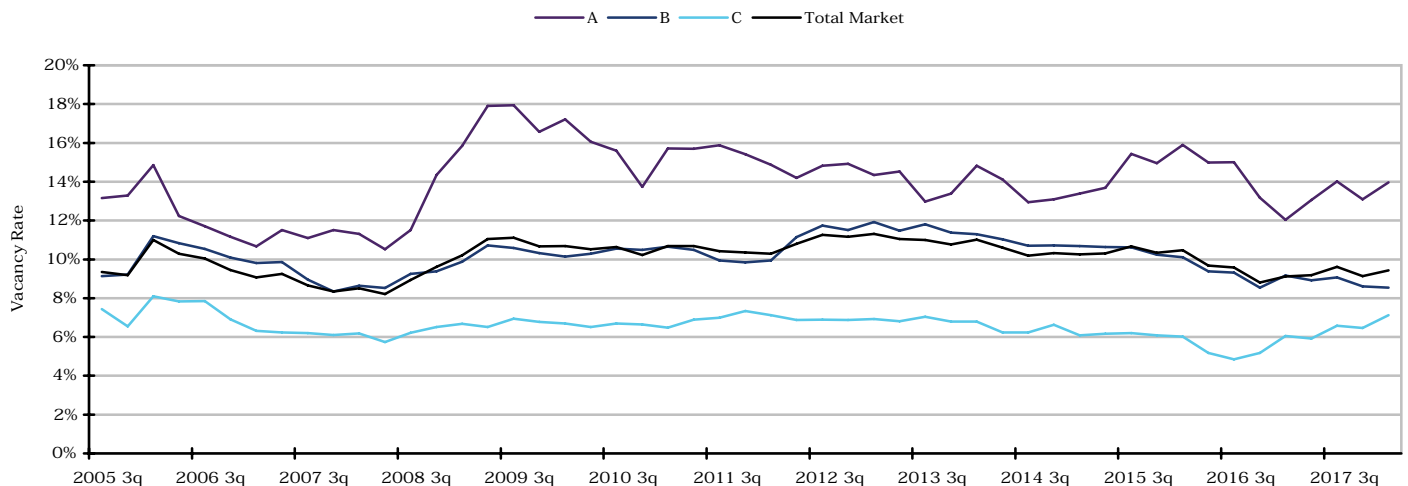
Net absorption for San Antonio's central business district was negative (125,553) square feet in the first quarter 2018. That compares to positive 69,580 square feet in the fourth quarter 2017, negative (215,354) in the third quarter 2017, and positive 307,809 in the second quarter 2017.

Net absorption for the suburban markets was negative (50,850) square feet in the first quarter 2018. That compares to positive 566,245 square feet in fourth quarter 2017, positive 151,139 in the third quarter 2017, and positive 296,238 in the second quarter 2017.

Vacancy

The office vacancy rate in the San Antonio market area increased to 9.4% at the end of the first quarter 2018. The vacancy rate was 9.1% at the end of the fourth quarter 2017, 9.6% at the end of the third quarter 2017, and 9.2% at the end of the second quarter 2017.

Vacancy Rates by Class 2005-2018



Source: CoStar Property®

Class-A projects reported a vacancy rate of 14.0% at the end of the first quarter 2018, 13.1% at the end of the fourth quarter 2017, 14.0% at the end of the third quarter 2017, and 13.1% at the end of the second quarter 2017.

Class-B projects reported a vacancy rate of 8.5% at the end of the first quarter 2018, 8.6% at the end of the fourth quarter 2017, 9.1% at the end of the third quarter 2017, and 8.9% at the end of the second quarter 2017.

Class-C projects reported a vacancy rate of 7.1% at the end of the first quarter 2018, 6.5% at the end of fourth quarter 2017, 6.6% at the end of the third quarter 2017, and 5.9% at the end of the second quarter 2017.

The overall vacancy rate in San Antonio's central business district at the end of the first quarter 2018 increased to 9.8%. The vacancy rate was 8.5% at the end of the fourth quarter 2017, 11.1% at the end of the third quarter 2017, and 8.8% at the end of the second quarter 2017.

The vacancy rate in the suburban markets increased to 9.4% in the first quarter 2018. The vacancy rate was 9.2% at the end of the fourth quarter 2017, 9.4% at the end of the third quarter 2017, and 9.2% at the end of the second quarter 2017.

Largest Lease Signings

The largest lease signings occurring in 2018 included: the 10,535-square-foot lease signed by Payment Data Systems at John Yantis Center in the North Central market; the 10,014-square-foot deal signed by Conceptual Mind Works at Acropolis Building in the Northwest market; and the 9,628-square-foot lease signed by Espey & Assoc PC at IBC Bank Building in the North Central market.

Sublease Vacancy

The amount of vacant sublease space in the San Antonio market increased to 180,216 square feet by the end of the first quarter 2018, from 168,496 square feet at the end of the fourth quarter 2017. There was 180,455 square feet vacant at the end

of the third quarter 2017 and 171,332 square feet at the end of the second quarter 2017.

San Antonio's Class-A projects reported vacant sublease space of 99,825 square feet at the end of first quarter 2018, up from the 83,032 square feet reported at the end of the fourth quarter 2017. There was 93,811 square feet of sublease space vacant at the end of the third quarter 2017, and 72,416 square feet at the end of the second quarter 2017.

Class-B projects reported vacant sublease space of 71,546 square feet at the end of the first quarter 2018, down from the 76,619 square feet reported at the end of the fourth quarter 2017. At the end of the third quarter 2017 there was 83,494 square feet, and at the end of the second quarter 2017 there was 96,326 square feet vacant.

Class-C projects reported no vacant sublease space from the fourth quarter 2017 to the first quarter 2018. Sublease vacancy went unchanged at 8,845 square feet from last quarter. There was 3,150 square feet at the end of the third quarter 2017, and 2,590 square feet at the end of the second quarter 2017.

Sublease vacancy in San Antonio's central business district stood at 0 square feet at the end of the first quarter 2018. It was 6,915 square feet at the end of the fourth quarter 2017, 6,915 square feet at the end of the third quarter 2017, and 6,915 square feet at the end of the second quarter 2017.

Sublease vacancy in the suburban markets ended the first quarter 2018 at 180,216 square feet. At the end of the fourth quarter 2017 sublease vacancy was 161,581 square feet, was 173,540 square feet at the end of the third quarter 2017, and was 164,417 square feet at the end of the second quarter 2017.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$21.12 per square foot per year at the end of the first quarter 2018 in the San Antonio market area. This represented a 0.1% increase in quoted rental rates from the end of the fourth quarter 2017, when rents were reported at \$21.09 per square foot.

The average quoted rate within the Class-A sector was \$25.42 at the end of the first quarter 2018, while Class-B rates stood at \$19.93, and Class-C rates at \$16.18. At the end of the fourth quarter 2017, Class-A rates were \$25.12 per square foot, Class-B rates were \$19.67, and Class-C rates were \$16.23.

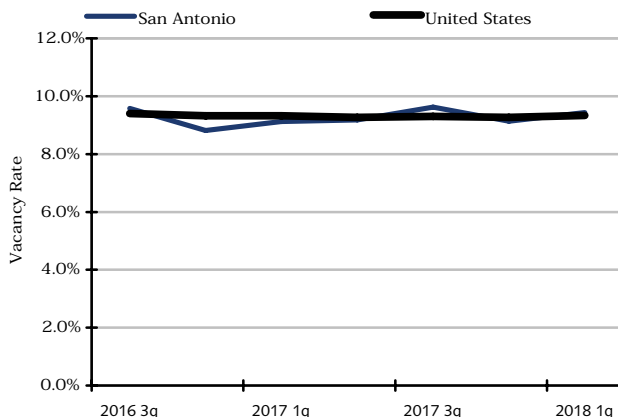
The average quoted asking rental rate in San Antonio's CBD was \$23.08 at the end of the first quarter 2018, and \$20.89 in the suburban markets. In the fourth quarter 2017, quoted rates were \$24.00 in the CBD and \$20.71 in the suburbs.

Deliveries and Construction

During the first quarter 2018, eight buildings totaling 55,425 square feet were completed in the San Antonio market

U.S. Vacancy Comparison

Past 7 Quarters



Source: CoStar Property®

San Antonio Office Market



Overview

area. This compares to 14 buildings totaling 479,906 square feet that were completed in the fourth quarter 2017, six buildings totaling 281,722 square feet completed in the third quarter 2017, and 650,730 square feet in 21 buildings completed in the second quarter 2017.

There was 1,514,093 square feet of office space under construction at the end of the first quarter 2018.

Some of the notable 2018 deliveries include: 20702 Stone Oak Pky, a 9,000-square-foot facility that delivered in first quarter 2018 and is now 68% occupied, and 2 Karger Ln, a 9,000-square-foot building that delivered in first quarter 2018.

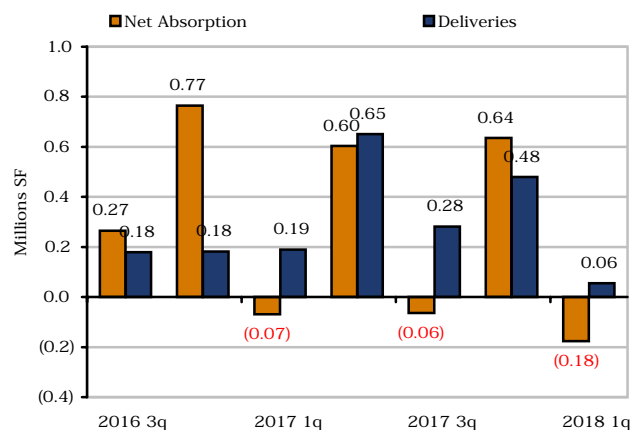
The largest projects underway at the end of first quarter 2018 were Frost Tower, a 462,000-square-foot building with 63% of its space pre-leased, and Farinon Business Park - Building 2, a 102,699-square-foot facility that is 53% pre-leased.

Inventory

Total office inventory in the San Antonio market area amounted to 77,941,965 square feet in 3,988 buildings as of the end of the first quarter 2018. The Class-A office sector consisted of 16,905,200 square feet in 130 projects. There are 1,751 Class-B buildings totaling 45,099,918 square feet, and the

Absorption & Deliveries

Past 7 Quarters



Source: CoStar Property®

Class-C sector consists of 15,936,847 square feet in 2,107 buildings. Within the Office market there are 193 owner-occupied buildings accounting for 8,200,281 square feet of office space.

Reports compiled by: Jim Filler, CoStar Research Manager

CoStar Submarket Clusters & Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters	Submarkets
Atascosa County	Atascosa County
Bandera County	Bandera County
CBD	CBD*
Comal County	Comal County
Guadalupe County	Guadalupe County
Kendall County	Kendall County
Medina County	Medina County
North Central	Far North Central North Central
Northeast	Northeast
Northwest	Far Northwest Far West Northwest
South	South
Wilson County	Wilson County

* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

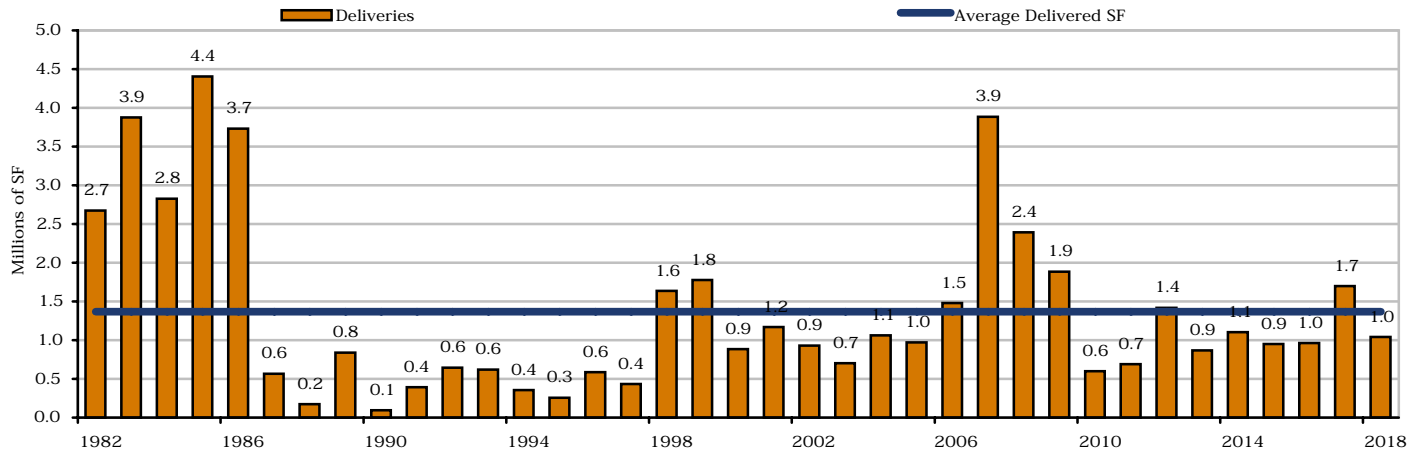
San Antonio Office Market



Inventory & development

Historical Deliveries

1982 - 2018



Source: CoStar Property® * Future deliveries based on current under construction buildings.

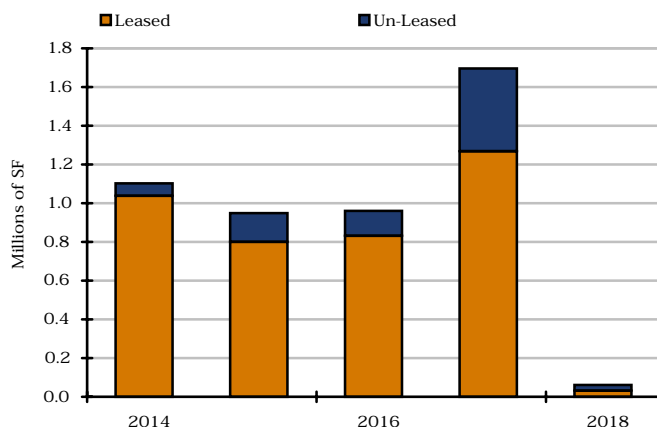
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Northwest	24	464,068	155,705	33.6%	29,233	19,336
CBD	1	462,000	291,060	63.0%	30,251	462,000
South	3	176,442	26,051	14.8%	10,524	58,814
North Central	5	173,815	90,647	52.2%	19,246	34,763
Comal County	5	136,668	70,644	51.7%	6,675	27,334
Kendall County	1	54,000	54,000	100.0%	5,407	54,000
Guadalupe County	3	47,100	22,230	47.2%	8,061	15,700
Wilson County	0	0	0	0.0%	4,370	0
Northeast	0	0	0	0.0%	19,279	0
Bandera County	0	0	0	0.0%	2,488	0
All Other	0	0	0	0.0%	5,189	0
Totals	42	1,514,093	710,337	46.9%	19,544	36,050

Source: CoStar Property®

Recent Deliveries

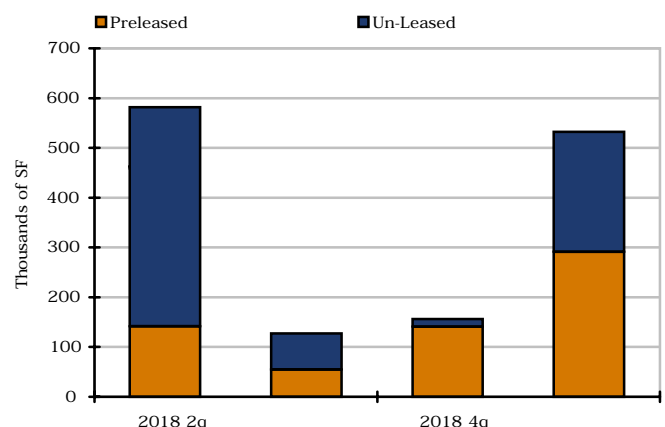
Leased & Un-Leased SF in Deliveries Since 2014



Source: CoStar Property®

Future Deliveries

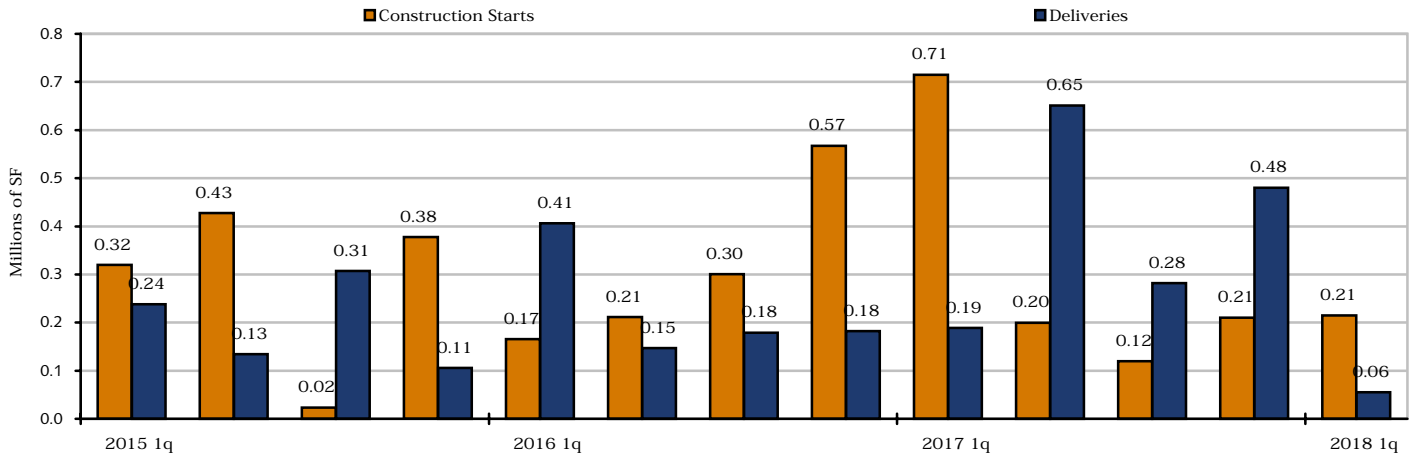
Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	9	60,460	31,572	52.2%	\$65.00	5,035	55,425
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

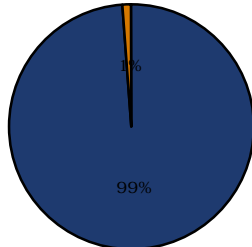
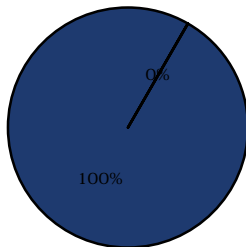
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2018 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

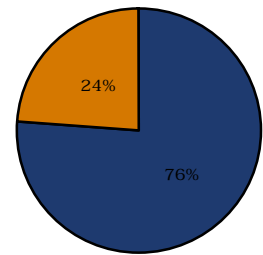
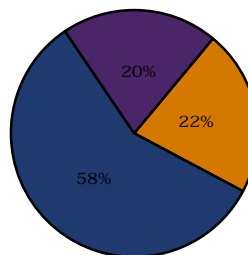
Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA

By Class

By Space Type



■ Class A ■ Class B ■ Class C

■ Multi ■ Single

Source: CoStar Property®

San Antonio Office Market



Inventory & development

Select Year-to-Date Deliveries

Based on Project Square Footage

1. 20702 Stone Oak Pky Submarket: North Central RBA: 9,000 # Floors: 1 Class: B Occupied: 68% Quoted Rate: Negotiable Grnd Brk Date: N/A Deliv Date: First Quarter 2018 Leasing Co: Spirit Monkey, LLC Developer: N/A Architect: N/A	2. 2 Karger Ln Submarket: Kendall County RBA: 9,000 # Floors: 1 Class: B Occupied: 14% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Transwestern Developer: N/A Architect: N/A	3. Huebner Creek Office Park - Building 1 Submarket: Northwest RBA: 8,525 # Floors: 1 Class: B Occupied: 100% Quoted Rate: N/A Grnd Brk Date: N/A Deliv Date: First Quarter 2018 Leasing Co: Reata Real Estate Services LP Developer: N/A Architect: N/A
4. Dominion Place - Bldg 13 Submarket: Northwest RBA: 8,000 # Floors: 1 Class: B Occupied: 0% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Image Homes Developer: N/A Architect: N/A	5. Westwood Loop Medical/Office Building Submarket: Northwest RBA: 7,500 # Floors: 1 Class: B Occupied: 48% Quoted Rate: \$65.00 Grnd Brk Date: Fourth Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Transwestern Developer: N/A Architect: N/A	6. 20122 Stone Oak Pky Submarket: North Central RBA: 6,600 # Floors: 1 Class: B Occupied: 100% Quoted Rate: N/A Grnd Brk Date: Second Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: MSL Investments, LLC Developer: N/A Architect: N/A
7. 18882 Forty Six Pky Submarket: Comal County RBA: 5,035 # Floors: 1 Class: B Occupied: 0% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: N/A Developer: N/A Architect: N/A	8. Dominion Place - Bldg 7 Submarket: Northwest RBA: 5,000 # Floors: 1 Class: B Occupied: 0% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Image Homes Developer: N/A Architect: N/A	9. Water Street Plaza Submarket: Kendall County RBA: 1,800 # Floors: 1 Class: B Occupied: 24% Quoted Rate: Negotiable Grnd Brk Date: N/A Deliv Date: First Quarter 2018 Leasing Co: Mangus Realty Group Developer: N/A Architect: N/A

Select Top Under Construction Properties

Based on Project Square Footage

1. Frost Tower Submarket: CBD RBA: 462,000 # Floors: 24 Class: A Preleased: 63% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2017 Deliv Date: First Quarter 2019 Leasing Co: CBRE Developer: Weston Urban LLC Architect: N/A	2. Farinon Business Park - Building 2 Submarket: Northwest RBA: 102,699 # Floors: 2 Class: B Preleased: 53% Quoted Rate: \$20.50 Grnd Brk Date: Second Quarter 2017 Deliv Date: Third Quarter 2018 Leasing Co: RL Worth & Associates Developer: N/A Architect: N/A	3. Project Tech Submarket: South RBA: 86,442 # Floors: 3 Class: A Preleased: 7% Quoted Rate: Negotiable Grnd Brk Date: Fourth Quarter 2016 Deliv Date: Second Quarter 2018 Leasing Co: Peloton Commercial Real Estate Developer: Port Authority of San Antonio Architect: N/A
4. Pinnacle Oaks Tech Center - Building 1 Submarket: Northwest RBA: 80,532 # Floors: 1 Class: A Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Fourth Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Pruitt Realty Developer: ALC Partners Architect: RVK Architects	5. Hill Country Village Office Park Submarket: North Central RBA: 75,090 # Floors: 1 Class: A Preleased: 80% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2018 Deliv Date: Fourth Quarter 2018 Leasing Co: Peloton Commercial Real Estate Developer: N/A Architect: N/A	6. The Waters Submarket: South RBA: 70,000 # Floors: 2 Class: A Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2018 Deliv Date: First Quarter 2019 Leasing Co: JLL Developer: N/A Architect: N/A
7. Sundance Plaza - 2 Submarket: Comal County RBA: 60,250 # Floors: 1 Class: B Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Koontz Development, LLC Developer: Koontz Development, LLC Architect: Chesney Morales & Assoc Inc	8. Parkview Plaza - 1 Submarket: Comal County RBA: 59,750 # Floors: 1 Class: B Preleased: 0% Quoted Rate: \$18.00 Grnd Brk Date: Third Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Legacy Commercial Real Estate Developer: Koontz Development, LLC Architect: Chesney Morales & Assoc Inc	9. 23119 W Interstate 10 Submarket: Northwest RBA: 58,974 # Floors: 1 Class: A Preleased: 64% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: N/A Developer: N/A Architect: N/A
10. Boerne Medical Office Building Submarket: Kendall County RBA: 54,000 # Floors: 3 Class: A Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2017 Deliv Date: Fourth Quarter 2018 Leasing Co: Wad Associates Ltd Developer: N/A Architect: N/A	11. Green Mountain Business Park #7a Submarket: North Central RBA: 50,000 # Floors: 1 Class: A Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: CBRE Developer: N/A Architect: N/A	12. Teralta Corporate Park - Building IV Submarket: Northwest RBA: 48,000 # Floors: 1 Class: B Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Endura Advisory Group Developer: Sirell Real Estate Services Architect: N/A
13. Cibolo Medical Submarket: Guadalupe County RBA: 37,500 # Floors: 3 Class: A Preleased: 42% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Reata Real Estate Services LP Developer: N/A Architect: N/A	14. Deerfield Office Building Submarket: North Central RBA: 22,000 # Floors: 2 Class: A Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: REOC San Antonio Developer: N/A Architect: N/A	15. 4432 Lockhill Selma Rd Submarket: Northwest RBA: 20,000 # Floors: 1 Class: A Preleased: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2018 Deliv Date: Second Quarter 2018 Leasing Co: N/A Developer: N/A Architect: N/A

San Antonio Office Market



Figures at a Glance

Class A Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atascosa County	0	0	0	0	0.0%	0	0	0	\$0.00
Bandera County	0	0	0	0	0.0%	0	0	0	\$0.00
CBD	13	2,640,260	384,580	384,580	14.6%	(111,911)	0	462,000	\$26.81
Comal County	2	192,838	44,140	44,140	22.9%	9,374	0	0	\$17.50
Guadalupe County	0	0	0	0	0.0%	0	0	37,500	\$0.00
Kendall County	0	0	0	0	0.0%	0	0	54,000	\$0.00
Medina County	0	0	0	0	0.0%	0	0	0	\$0.00
North Central	53	6,062,966	728,412	784,170	12.9%	(2,856)	0	147,090	\$26.99
Northeast	7	905,598	189,706	195,081	21.5%	2,078	0	0	\$25.99
Northwest	53	6,945,850	909,292	947,984	13.6%	(47,613)	0	159,506	\$23.89
South	2	157,688	5,425	5,425	3.4%	2,658	0	156,442	\$0.00
Wilson County	0	0	0	0	0.0%	0	0	0	\$0.00
Totals	130	16,905,200	2,261,555	2,361,380	14.0%	(148,270)	0	1,016,538	\$25.42

Source: CoStar Property®

Class B Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atascosa County	23	246,707	10,148	10,148	4.1%	(900)	0	0	\$0.00
Bandera County	6	16,371	2,412	2,412	14.7%	(2,412)	0	0	\$0.00
CBD	89	4,445,774	419,693	419,693	9.4%	17,045	0	0	\$20.36
Comal County	180	1,473,184	127,359	127,359	8.6%	17,375	0	136,668	\$18.20
Guadalupe County	51	659,202	21,329	21,329	3.2%	(1,060)	0	9,600	\$14.15
Kendall County	92	690,356	86,328	86,328	12.5%	22,233	10,800	0	\$23.35
Medina County	8	37,485	0	0	0.0%	0	0	0	\$0.00
North Central	543	11,224,325	1,205,690	1,249,787	11.1%	27,036	15,600	26,725	\$20.60
Northeast	103	3,629,820	305,855	308,790	8.5%	(38,123)	0	0	\$20.31
Northwest	572	21,084,330	1,452,970	1,475,507	7.0%	54,935	29,025	304,562	\$19.58
South	73	1,548,969	150,718	152,695	9.9%	(17,290)	0	20,000	\$18.21
Wilson County	11	43,395	0	0	0.0%	0	0	0	\$14.12
Totals	1,751	45,099,918	3,782,502	3,854,048	8.5%	78,839	55,425	497,555	\$19.93

Source: CoStar Property®



San Antonio Office Market

Figures at a Glance

Class C Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atascosa County	36	152,110	32,668	32,668	21.5%	(15,252)	0	0	\$18.04
Bandera County	15	35,876	2,339	2,339	6.5%	(2,339)	0	0	\$0.00
CBD	203	2,140,556	101,154	101,154	4.7%	(30,687)	0	0	\$16.34
Comal County	158	603,507	28,169	28,169	4.7%	(2,754)	0	0	\$17.40
Guadalupe County	68	300,070	10,166	10,166	3.4%	(2,761)	0	0	\$15.13
Kendall County	85	266,761	9,205	9,205	3.5%	1,827	0	0	\$15.91
Medina County	59	217,575	2,585	2,585	1.2%	0	0	0	\$10.40
North Central	516	4,113,740	185,166	186,159	4.5%	(8,274)	0	0	\$15.64
Northeast	238	2,173,801	331,360	331,360	15.2%	(29,339)	0	0	\$16.92
Northwest	488	4,506,157	292,907	300,759	6.7%	(5,897)	0	0	\$16.28
South	209	1,282,160	123,913	123,913	9.7%	(11,996)	0	0	\$14.21
Wilson County	32	144,534	7,490	7,490	5.2%	500	0	0	\$0.00
Totals	2,107	15,936,847	1,127,122	1,135,967	7.1%	(106,972)	0	0	\$16.18

Source: CoStar Property®

Total Office Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atascosa County	59	398,817	42,816	42,816	10.7%	(16,152)	0	0	\$18.04
Bandera County	21	52,247	4,751	4,751	9.1%	(4,751)	0	0	\$0.00
CBD	305	9,226,590	905,427	905,427	9.8%	(125,553)	0	462,000	\$23.08
Comal County	340	2,269,529	199,668	199,668	8.8%	23,995	0	136,668	\$17.96
Guadalupe County	119	959,272	31,495	31,495	3.3%	(3,821)	0	47,100	\$14.50
Kendall County	177	957,117	95,533	95,533	10.0%	24,060	10,800	54,000	\$22.06
Medina County	67	255,060	2,585	2,585	1.0%	0	0	0	\$10.40
North Central	1,112	21,401,031	2,119,268	2,220,116	10.4%	15,906	15,600	173,815	\$22.43
Northeast	348	6,709,219	826,921	835,231	12.4%	(65,384)	0	0	\$21.25
Northwest	1,113	32,536,337	2,655,169	2,724,250	8.4%	1,425	29,025	464,068	\$20.34
South	284	2,988,817	280,056	282,033	9.4%	(26,628)	0	176,442	\$16.97
Wilson County	43	187,929	7,490	7,490	4.0%	500	0	0	\$14.12
Totals	3,988	77,941,965	7,171,179	7,351,395	9.4%	(176,403)	55,425	1,514,093	\$21.12

Source: CoStar Property®

San Antonio Office Market



Figures at a Glance

Class A Submarket Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atascosa County	0	0	0	0	0.0%	0	0	0	\$0.00
Bandera County	0	0	0	0	0.0%	0	0	0	\$0.00
CBD	13	2,640,260	384,580	384,580	14.6%	(111,911)	0	462,000	\$26.81
Comal County	2	192,838	44,140	44,140	22.9%	9,374	0	0	\$17.50
Far North Central	16	1,803,267	159,189	203,158	11.3%	(7,189)	0	0	\$26.97
Far Northwest	7	938,195	86,992	86,992	9.3%	0	0	58,974	\$24.32
Far West	14	1,420,618	118,507	118,507	8.3%	(3,320)	0	0	\$20.23
Guadalupe County	0	0	0	0	0.0%	0	0	37,500	\$0.00
Kendall County	0	0	0	0	0.0%	0	0	54,000	\$0.00
Medina County	0	0	0	0	0.0%	0	0	0	\$0.00
North Central	37	4,259,699	569,223	581,012	13.6%	4,333	0	147,090	\$27.00
Northeast	7	905,598	189,706	195,081	21.5%	2,078	0	0	\$25.99
Northwest	32	4,587,037	703,793	742,485	16.2%	(44,293)	0	100,532	\$24.47
South	2	157,688	5,425	5,425	3.4%	2,658	0	156,442	\$0.00
Wilson County	0	0	0	0	0.0%	0	0	0	\$0.00
Totals	130	16,905,200	2,261,555	2,361,380	14.0%	(148,270)	0	1,016,538	\$25.42

Source: CoStar Property®

Class B Submarket Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atascosa County	23	246,707	10,148	10,148	4.1%	(900)	0	0	\$0.00
Bandera County	6	16,371	2,412	2,412	14.7%	(2,412)	0	0	\$0.00
CBD	89	4,445,774	419,693	419,693	9.4%	17,045	0	0	\$20.36
Comal County	180	1,473,184	127,359	127,359	8.6%	17,375	0	136,668	\$18.20
Far North Central	141	2,702,161	267,381	280,586	10.4%	13,348	15,600	0	\$20.65
Far Northwest	45	601,336	93,098	93,098	15.5%	5,147	13,000	121,679	\$24.39
Far West	66	3,464,097	90,822	90,822	2.6%	7,674	7,500	14,445	\$22.25
Guadalupe County	51	659,202	21,329	21,329	3.2%	(1,060)	0	9,600	\$14.15
Kendall County	92	690,356	86,328	86,328	12.5%	22,233	10,800	0	\$23.35
Medina County	8	37,485	0	0	0.0%	0	0	0	\$0.00
North Central	402	8,522,164	938,309	969,201	11.4%	13,688	0	26,725	\$20.59
Northeast	103	3,629,820	305,855	308,790	8.5%	(38,123)	0	0	\$20.31
Northwest	461	17,018,897	1,269,050	1,291,587	7.6%	42,114	8,525	168,438	\$19.35
South	73	1,548,969	150,718	152,695	9.9%	(17,290)	0	20,000	\$18.21
Wilson County	11	43,395	0	0	0.0%	0	0	0	\$14.12
Totals	1,751	45,099,918	3,782,502	3,854,048	8.5%	78,839	55,425	497,555	\$19.93

Source: CoStar Property®



San Antonio Office Market

Figures at a Glance

Class C Submarket Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atascosa County	36	152,110	32,668	32,668	21.5%	(15,252)	0	0	\$18.04
Bandera County	15	35,876	2,339	2,339	6.5%	(2,339)	0	0	\$0.00
CBD	203	2,140,556	101,154	101,154	4.7%	(30,687)	0	0	\$16.34
Comal County	158	603,507	28,169	28,169	4.7%	(2,754)	0	0	\$17.40
Far North Central	27	187,676	9,614	9,614	5.1%	(2,098)	0	0	\$18.20
Far Northwest	43	187,347	10,090	15,942	8.5%	(2,808)	0	0	\$13.89
Far West	26	553,270	1,500	1,500	0.3%	7,464	0	0	\$0.00
Guadalupe County	68	300,070	10,166	10,166	3.4%	(2,761)	0	0	\$15.13
Kendall County	85	266,761	9,205	9,205	3.5%	1,827	0	0	\$15.91
Medina County	59	217,575	2,585	2,585	1.2%	0	0	0	\$10.40
North Central	489	3,926,064	175,552	176,545	4.5%	(6,176)	0	0	\$15.49
Northeast	238	2,173,801	331,360	331,360	15.2%	(29,339)	0	0	\$16.92
Northwest	419	3,765,540	281,317	283,317	7.5%	(10,553)	0	0	\$16.31
South	209	1,282,160	123,913	123,913	9.7%	(11,996)	0	0	\$14.21
Wilson County	32	144,534	7,490	7,490	5.2%	500	0	0	\$0.00
Totals	2,107	15,936,847	1,127,122	1,135,967	7.1%	(106,972)	0	0	\$16.18

Source: CoStar Property®

Total Office Submarket Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atascosa County	59	398,817	42,816	42,816	10.7%	(16,152)	0	0	\$18.04
Bandera County	21	52,247	4,751	4,751	9.1%	(4,751)	0	0	\$0.00
CBD	305	9,226,590	905,427	905,427	9.8%	(125,553)	0	462,000	\$23.08
Comal County	340	2,269,529	199,668	199,668	8.8%	23,995	0	136,668	\$17.96
Far North Central	184	4,693,104	436,184	493,358	10.5%	4,061	15,600	0	\$23.29
Far Northwest	95	1,726,878	190,180	196,032	11.4%	2,339	13,000	180,653	\$23.93
Far West	106	5,437,985	210,829	210,829	3.9%	11,818	7,500	14,445	\$21.03
Guadalupe County	119	959,272	31,495	31,495	3.3%	(3,821)	0	47,100	\$14.50
Kendall County	177	957,117	95,533	95,533	10.0%	24,060	10,800	54,000	\$22.06
Medina County	67	255,060	2,585	2,585	1.0%	0	0	0	\$10.40
North Central	928	16,707,927	1,683,084	1,726,758	10.3%	11,845	0	173,815	\$22.27
Northeast	348	6,709,219	826,921	835,231	12.4%	(65,384)	0	0	\$21.25
Northwest	912	25,371,474	2,254,160	2,317,389	9.1%	(12,732)	8,525	268,970	\$20.12
South	284	2,988,817	280,056	282,033	9.4%	(26,628)	0	176,442	\$16.97
Wilson County	43	187,929	7,490	7,490	4.0%	500	0	0	\$14.12
Totals	3,988	77,941,965	7,171,179	7,351,395	9.4%	(176,403)	55,425	1,514,093	\$21.12

Source: CoStar Property®

San Antonio Office Market



Figures at a Glance

Class A Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	13	2,640,260	384,580	384,580	14.6%	(111,911)	0	462,000	\$26.81
Suburban	117	14,264,940	1,876,975	1,976,800	13.9%	(36,359)	0	554,538	\$25.16
Totals	130	16,905,200	2,261,555	2,361,380	14.0%	(148,270)	0	1,016,538	\$25.42

Source: CoStar Property®

Class B Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	89	4,445,774	419,693	419,693	9.4%	17,045	0	0	\$20.36
Suburban	1,662	40,654,144	3,362,809	3,434,355	8.4%	61,794	55,425	497,555	\$19.90
Totals	1,751	45,099,918	3,782,502	3,854,048	8.5%	78,839	55,425	497,555	\$19.93

Source: CoStar Property®

Class C Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	203	2,140,556	101,154	101,154	4.7%	(30,687)	0	0	\$16.34
Suburban	1,904	13,796,291	1,025,968	1,034,813	7.5%	(76,285)	0	0	\$16.17
Totals	2,107	15,936,847	1,127,122	1,135,967	7.1%	(106,972)	0	0	\$16.18

Source: CoStar Property®

Class A & B Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	102	7,086,034	804,273	804,273	11.4%	(94,866)	0	462,000	\$23.81
Suburban	1,779	54,919,084	5,239,784	5,411,155	9.9%	25,435	55,425	1,052,093	\$21.70
Totals	1,881	62,005,118	6,044,057	6,215,428	10.0%	(69,431)	55,425	1,514,093	\$21.93

Source: CoStar Property®

Total Office Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	305	9,226,590	905,427	905,427	9.8%	(125,553)	0	462,000	\$23.08
Suburban	3,683	68,715,375	6,265,752	6,445,968	9.4%	(50,850)	55,425	1,052,093	\$20.89
Totals	3,988	77,941,965	7,171,179	7,351,395	9.4%	(176,403)	55,425	1,514,093	\$21.12

Source: CoStar Property®



San Antonio Office Market

Figures at a Glance

Class A Market Statistics

First Quarter 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 1q	130	16,905,200	2,261,555	2,361,380	14.0%	(148,270)	0	0	11	1,016,538	\$25.42
2017 4q	130	16,905,200	2,130,078	2,213,110	13.1%	388,605	1	270,000	8	851,448	\$25.12
2017 3q	129	16,635,200	2,237,904	2,331,715	14.0%	11,907	2	197,823	6	964,916	\$25.70
2017 2q	127	16,437,377	2,073,383	2,145,799	13.1%	30,305	3	225,104	8	1,162,739	\$25.18
2017 1q	124	16,212,273	1,885,270	1,951,000	12.0%	322,840	1	157,472	10	1,328,869	\$24.59
2016	123	16,054,801	2,031,376	2,116,368	13.2%	707,833	7	498,261	8	936,841	\$23.97
2015	116	15,556,540	2,267,366	2,325,940	15.0%	231,148	4	470,958	9	1,051,761	\$23.47
2014	111	14,958,956	1,873,266	1,959,504	13.1%	440,676	5	435,739	6	744,584	\$22.73
2013	105	14,499,973	1,830,248	1,941,197	13.4%	311,430	1	103,480	6	458,983	\$23.00
2012	104	14,396,493	1,982,686	2,149,147	14.9%	625,581	5	655,501	1	103,480	\$22.45
2011	99	13,740,992	2,027,003	2,119,227	15.4%	133,514	6	423,686	5	655,501	\$22.20
2010	93	13,317,306	1,766,293	1,829,055	13.7%	684,937	3	273,907	7	612,116	\$21.77
2009	89	12,949,163	1,800,976	2,145,849	16.6%	250,411	3	357,897	6	506,044	\$18.55
2008	84	12,320,779	1,645,631	1,767,876	14.3%	552,288	7	902,877	7	878,384	\$22.22
2007	76	11,301,357	1,204,624	1,300,742	11.5%	926,363	6	1,087,313	7	1,055,015	\$21.74
2006	70	10,214,044	1,131,053	1,139,792	11.2%	502,044	5	328,782	9	1,408,857	\$21.03

Source: CoStar Property®

Class B Market Statistics

First Quarter 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 1q	1,751	45,099,918	3,782,502	3,854,048	8.5%	78,839	8	55,425	31	497,555	\$19.93
2017 4q	1,741	45,019,118	3,795,808	3,872,427	8.6%	227,626	13	209,906	32	503,475	\$19.67
2017 3q	1,728	44,999,212	3,996,653	4,080,147	9.1%	28,148	4	83,899	37	660,030	\$19.47
2017 2q	1,722	44,892,913	3,905,670	4,001,996	8.9%	556,296	18	425,626	39	624,123	\$18.96
2017 1q	1,697	44,404,567	3,988,575	4,069,946	9.2%	(250,972)	2	31,453	50	909,105	\$18.86
2016	1,695	44,373,114	3,754,393	3,787,521	8.5%	1,165,439	32	415,732	35	775,303	\$19.08
2015	1,658	43,916,804	4,467,266	4,496,650	10.2%	506,214	28	313,946	23	329,021	\$19.01
2014	1,627	43,585,959	4,608,312	4,672,019	10.7%	854,676	33	558,578	28	272,608	\$18.58
2013	1,584	42,941,782	4,856,338	4,882,518	11.4%	736,667	29	737,314	38	581,332	\$18.63
2012	1,552	42,175,604	4,785,519	4,853,007	11.5%	(10,865)	38	690,528	25	689,798	\$18.56
2011	1,507	41,411,706	4,057,861	4,078,244	9.8%	498,568	34	239,305	37	870,951	\$18.36
2010	1,470	41,147,171	4,283,294	4,312,277	10.5%	141,161	22	170,591	30	192,199	\$17.87
2009	1,439	40,914,400	4,190,476	4,220,667	10.3%	723,723	37	961,248	19	131,907	\$17.11
2008	1,385	39,695,004	3,654,670	3,724,994	9.4%	813,394	57	943,606	42	1,126,915	\$17.85
2007	1,305	38,354,763	3,127,578	3,198,147	8.3%	2,970,617	58	2,083,701	74	1,470,843	\$17.04
2006	1,229	35,796,330	3,533,817	3,610,331	10.1%	650,613	45	679,267	67	2,684,118	\$16.43

Source: CoStar Property®

Total Office Market Statistics

First Quarter 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 1q	3,988	77,941,965	7,171,179	7,351,395	9.4%	(176,403)	8	55,425	42	1,514,093	\$21.12
2017 4q	3,978	77,861,165	6,946,036	7,114,532	9.1%	635,825	14	479,906	40	1,354,923	\$21.09
2017 3q	3,964	77,571,259	7,279,996	7,460,451	9.6%	(64,215)	6	281,722	43	1,624,946	\$21.10
2017 2q	3,956	77,267,137	6,920,782	7,092,114	9.2%	604,047	21	650,730	47	1,786,862	\$20.65
2017 1q	3,929	76,555,607	6,829,315	6,984,631	9.1%	(68,870)	3	188,925	60	2,237,974	\$20.36
2016	3,927	76,368,002	6,602,077	6,728,156	8.8%	2,020,035	39	913,993	43	1,712,144	\$20.33
2015	3,883	75,413,431	7,695,662	7,793,620	10.3%	822,423	32	784,904	32	1,380,782	\$20.02
2014	3,847	74,485,002	7,529,669	7,687,614	10.3%	1,271,391	38	994,317	34	1,017,192	\$19.29
2013	3,799	73,435,842	7,772,716	7,909,845	10.8%	1,046,908	30	840,794	44	1,040,315	\$19.22
2012	3,768	72,581,224	7,853,729	8,102,135	11.2%	687,660	43	1,346,029	26	793,278	\$19.21
2011	3,719	71,163,759	7,245,471	7,372,330	10.4%	521,637	40	662,991	42	1,526,452	\$18.81
2010	3,676	70,475,538	7,107,977	7,205,746	10.2%	846,400	25	444,498	37	804,315	\$18.57
2009	3,641	69,874,624	7,069,910	7,451,232	10.7%	966,042	43	1,328,624	25	637,951	\$16.66
2008	3,575	67,991,608	6,299,577	6,534,258	9.6%	1,325,773	67	1,878,582	54	2,022,866	\$18.35
2007	3,484	65,602,542	5,299,800	5,470,965	8.3%	4,056,353	70	3,193,114	84	2,539,661	\$18.01
2006	3,393	61,925,842	5,763,472	5,850,618	9.4%	1,140,293	55	1,085,351	84	4,117,779	\$17.48

Source: CoStar Property®

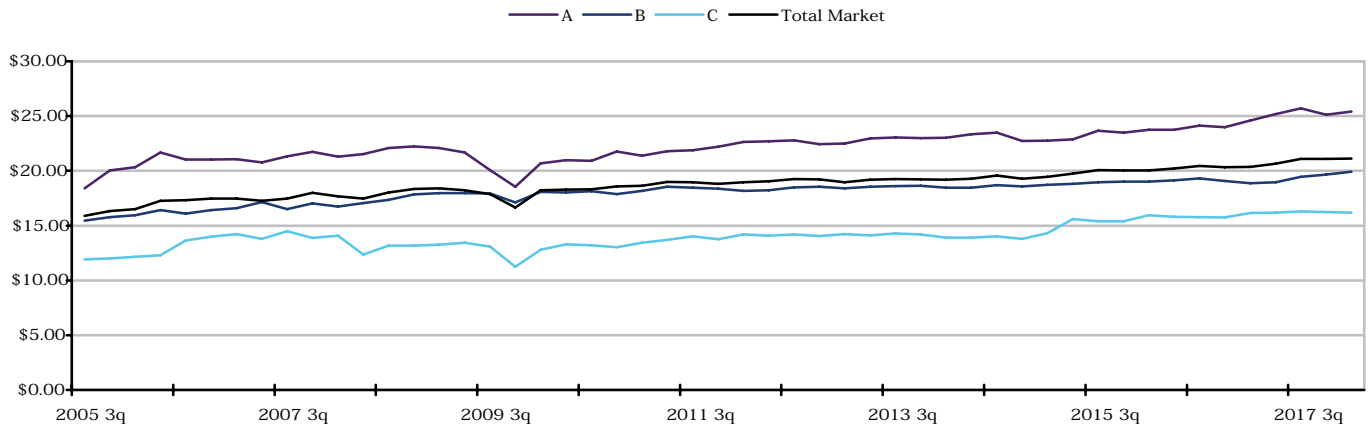
San Antonio Office Market



Leasing Activity

Historical Rental Rates

Based on Full-Service Equivalent Rental Rates



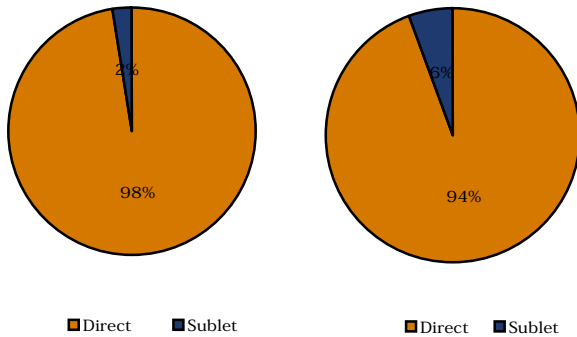
Source: CoStar Property®

Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

San Antonio

United States



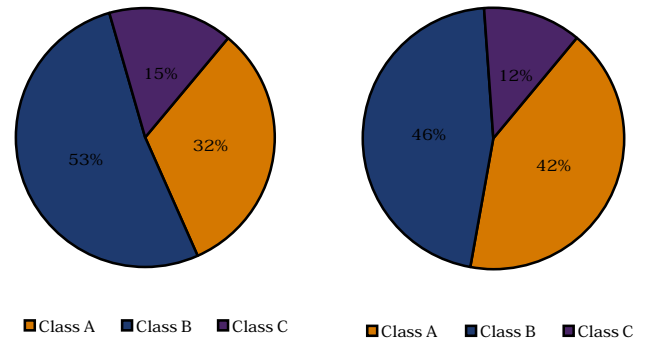
Source: CoStar Property®

Vacancy by Class

Percent of All Vacant Space by Class

San Antonio

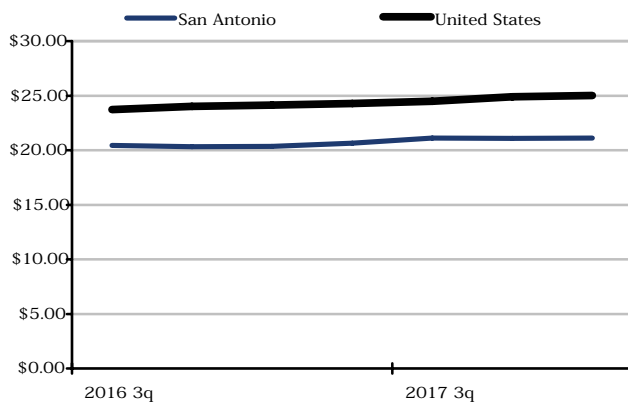
United States



Source: CoStar Property®

U.S. Rental Rate Comparison

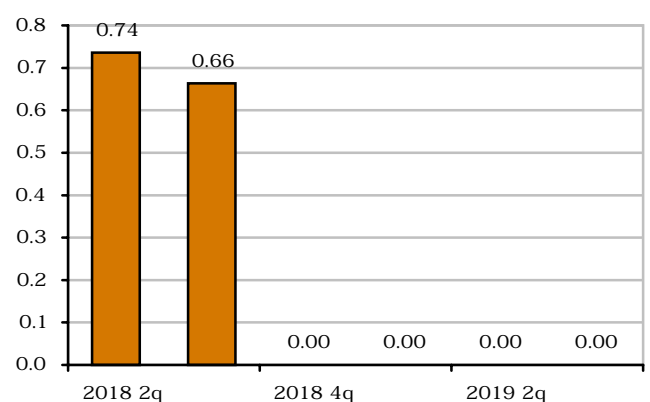
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces

Source: CoStar Property®



San Antonio Office Market

Leasing Activity

Select Top Office Leases Based on Leased Square Footage For Deals Signed in 2018

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	San Pedro Plaza South	North Central	30,620	1st	N/A	N/A	Dominion Advisory Group, Inc.
2	700 S Santa Rosa	CBD	21,221	1st	N/A	N/A	JLL
3	Travis Park Plaza	CBD	19,038	1st	N/A	N/A	Transwestern
4	The Oaks@University Business Park - Bldg	Northwest	18,656	1st	N/A	N/A	RL Worth & Associates
5	1650 Independence Dr	Comal County	15,000	1st	N/A	N/A	RL Worth & Associates
6	John Yantis Center	North Central	10,535	1st	Payment Data Systems	N/A	Transwestern
7	Acropolis Building	Northwest	10,014	1st	Conceptual MindWorks	N/A	Belmares Properties
8	IBC Bank	North Central	9,628	1st	Espey & Assoc PC	Endura Advisory Group	Transwestern
9	Northwest Center	Northwest	8,006	1st	N/A	N/A	Peloton Commercial Real Estate
10	Finesilver Building	North Central	7,452	1st	N/A	N/A	Peloton Commercial Real Estate
11	McAllister Plaza	North Central	7,000	1st	N/A	N/A	JLL
12	The Vogue Building	CBD	6,638	1st	N/A	N/A	Transwestern
13	2943 Mossrock Dr	Northwest	6,267	1st	Arccoa, Inc.	N/A	Belmares Properties
14	Isom Business Park	North Central	5,950	1st	N/A	Direct Deal	Rimrock Management; Evelyn Smith
15	14530 NW Military Hwy	North Central	5,300	1st	N/A	N/A	Endura Advisory Group
16	Broadway Trade Center - Bldg. E	North Central	5,187	1st	N/A	N/A	Stream RealtyPartners-CentralTexa
17	114 E Cevallos	CBD	5,088	1st	Par Level	N/A	Thurlow and Company- Urban Properti
18	Lockhill Crossing	Northwest	5,047	1st	Apex Systems	Cushman & Wakefield	Stream RealtyPartners-CentralTexa
19	Pond Hill	Northwest	4,912	1st	N/A	N/A	Japhet Real Estate
20	Metropolitan Professional Building	North Central	4,580	1st	N/A	N/A	Methodist Healthcare System
21	Lone Star Building	Far West	4,482	1st	N/A	N/A	DH Realty Partners, Inc.
22	Heart Plaza One	Northwest	4,460	1st	N/A	N/A	Methodist Healthcare System
23	Southwest Medical Office Building	South	4,186	1st	N/A	N/A	Transwestern
24	Oak Park*	North Central	4,115	1st	HPI Real Estate Services & Investments	N/A	Endura Advisory Group
25	Brackenridge Plaza	Northeast	3,890	1st	N/A	N/A	Brackenridge Park/Broadway Developm
26	Uptown Square	North Central	3,883	1st	N/A	N/A	Peloton Commercial Real Estate
27	Bank Of America Plaza	CBD	3,639	1st	N/A	N/A	JLL
28	Stone Oak Physicians Plaza II	Far North Central	3,550	1st	N/A	N/A	Welltower, Inc.; CBRE
29	Ironwood Building	North Central	3,500	1st	N/A	N/A	CBRE
30	101 Pine View Dr	Kendall County	3,500	1st	N/A	Direct Deal	Phyllis Browning Company
31	Stuyvesant Plaza	Northwest	3,387	1st	N/A	N/A	Kuyrkendall & Company
32	Crown Tower	North Central	3,382	1st	N/A	N/A	Valcor Commercial Real Estate
33	Colonnade I	Northwest	3,264	1st	N/A	N/A	JLL
34	1924 N Main Ave	North Central	3,200	1st	N/A	N/A	Barker Capital Investments Llc
35	Cherry Ridge Office Park - Bldg A	Northwest	3,119	1st	N/A	N/A	Boller Properties, LLC
36	Finesilver Building	North Central	3,100	1st	N/A	N/A	Peloton Commercial Real Estate
37	Pond Hill	Northwest	3,009	1st	N/A	N/A	Japhet Real Estate
38	Fair Oaks Square - Building B	Far Northwest	3,000	1st	Crossfit	Direct Deal	Leonard Gonzales
39	Metropolitan Business Center - Bldg 1	Far North Central	2,979	1st	Pain & Management and Rehabilitation	N/A	Turcotte Real Estate Services
40	Madison Square Medical Building	CBD	2,957	1st	N/A	N/A	Transwestern

Source: CoStar Property®

* Renewal

San Antonio Office Market

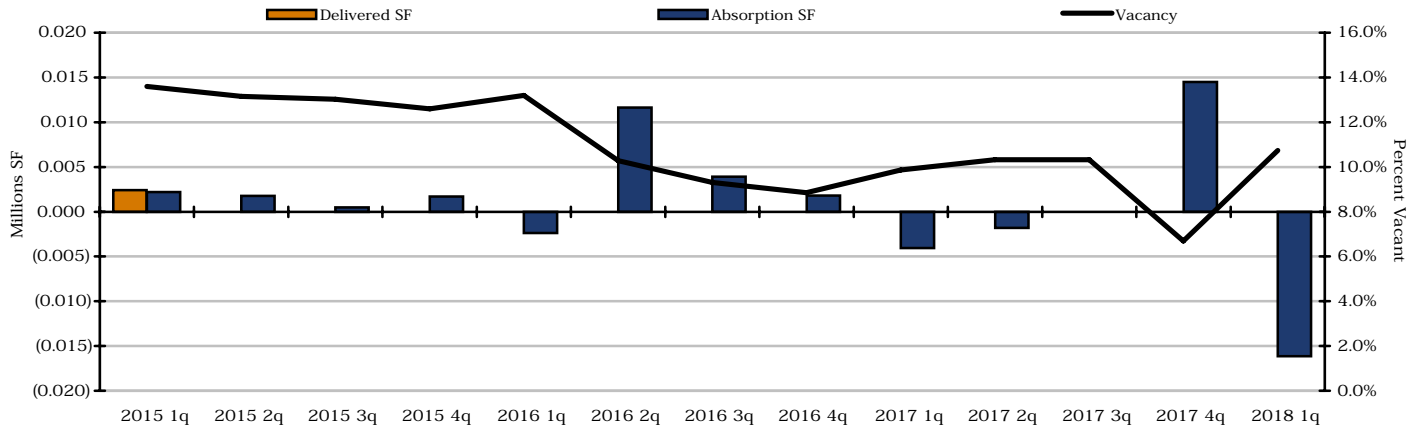


Atascosa County Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

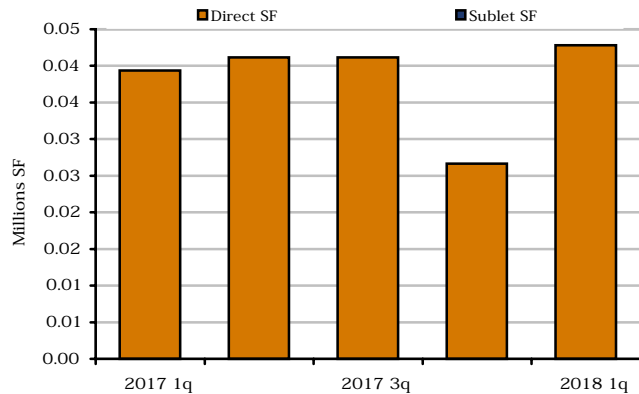
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

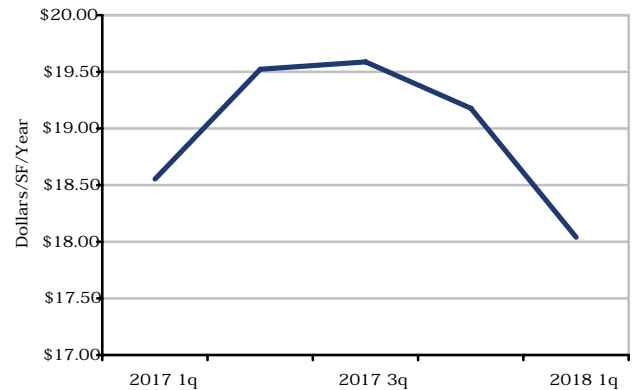
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	59	398,817	42,816	10.7%	(16,152)	0	0	0	0	\$18.04
2017 4q	59	398,817	26,664	6.7%	14,502	0	0	0	0	\$19.18
2017 3q	59	398,817	41,166	10.3%	0	0	0	0	0	\$19.59
2017 2q	59	398,817	41,166	10.3%	(1,800)	0	0	0	0	\$19.52
2017 1q	59	398,817	39,366	9.9%	(4,048)	0	0	0	0	\$18.55
2016 4q	59	398,817	35,318	8.9%	1,800	0	0	0	0	\$9.56
2016 3q	59	398,817	37,118	9.3%	3,900	0	0	0	0	\$19.94
2016 2q	59	398,817	41,018	10.3%	11,627	0	0	0	0	\$19.95
2016 1q	59	398,817	52,645	13.2%	(2,384)	0	0	0	0	\$19.99
2015 4q	59	398,817	50,261	12.6%	1,700	0	0	0	0	\$0.00
2015 3q	59	398,817	51,961	13.0%	500	0	0	0	0	\$19.92
2015 2q	59	398,817	52,461	13.2%	1,787	0	0	0	0	\$19.92
2015 1q	59	398,817	54,248	13.6%	2,200	1	2,400	0	0	\$19.92
2014 4q	58	396,417	54,048	13.6%	(29,648)	0	0	1	2,400	\$1.86
2014 3q	58	396,417	24,400	6.2%	(7,700)	0	0	0	0	\$18.12
2014 2q	58	396,417	16,700	4.2%	(1,850)	0	0	0	0	\$17.55

Source: CoStar Property®



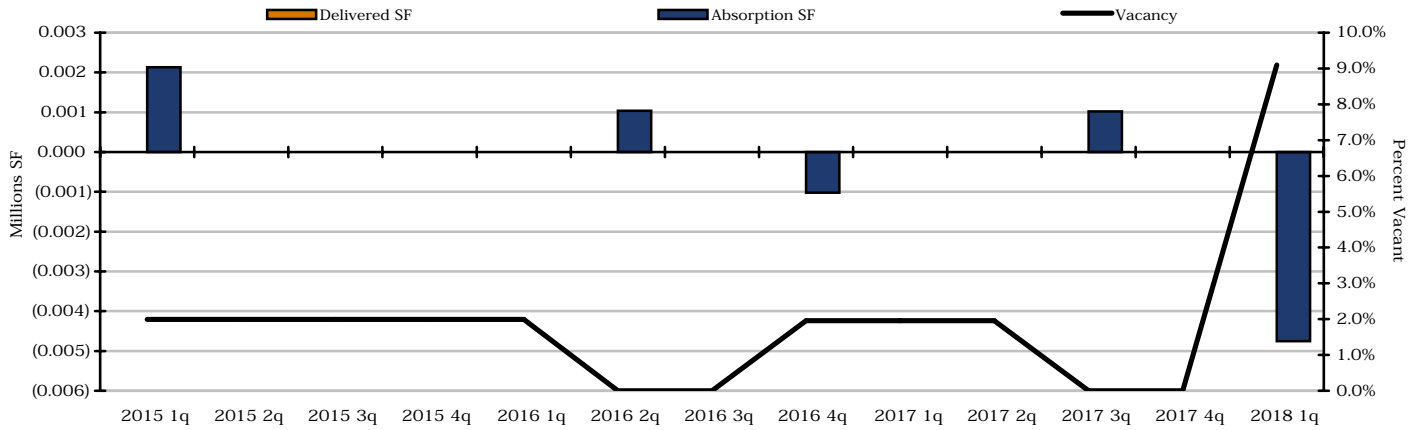
San Antonio Office Market

Bandera County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

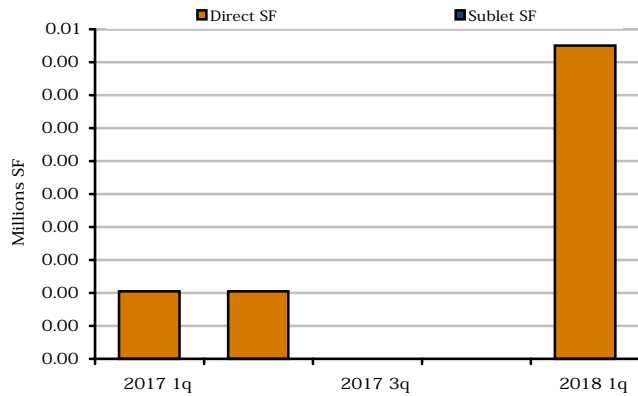
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

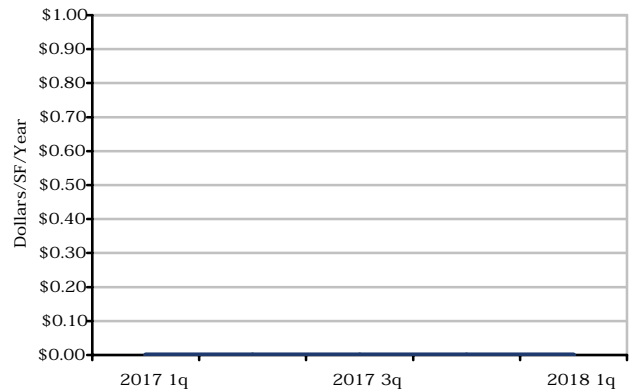
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	21	52,247	4,751	9.1%	(4,751)	0	0	0	0	\$0.00
2017 4q	21	52,247	0	0.0%	0	0	0	0	0	\$0.00
2017 3q	21	52,247	0	0.0%	1,023	0	0	0	0	\$0.00
2017 2q	21	52,247	1,023	2.0%	0	0	0	0	0	\$0.00
2017 1q	21	52,247	1,023	2.0%	0	0	0	0	0	\$0.00
2016 4q	21	52,247	1,023	2.0%	(1,023)	0	0	0	0	\$0.00
2016 3q	21	52,247	0	0.0%	0	0	0	0	0	\$0.00
2016 2q	21	52,247	0	0.0%	1,040	0	0	0	0	\$0.00
2016 1q	21	52,247	1,040	2.0%	0	0	0	0	0	\$0.00
2015 4q	21	52,247	1,040	2.0%	0	0	0	0	0	\$0.00
2015 3q	21	52,247	1,040	2.0%	0	0	0	0	0	\$0.00
2015 2q	21	52,247	1,040	2.0%	0	0	0	0	0	\$0.00
2015 1q	21	52,247	1,040	2.0%	2,129	0	0	0	0	\$0.00
2014 4q	21	52,247	3,169	6.1%	0	0	0	0	0	\$0.00
2014 3q	21	52,247	3,169	6.1%	(2,129)	0	0	0	0	\$0.00
2014 2q	21	52,247	1,040	2.0%	(1,040)	0	0	0	0	\$0.00

Source: CoStar Property®

San Antonio Office Market

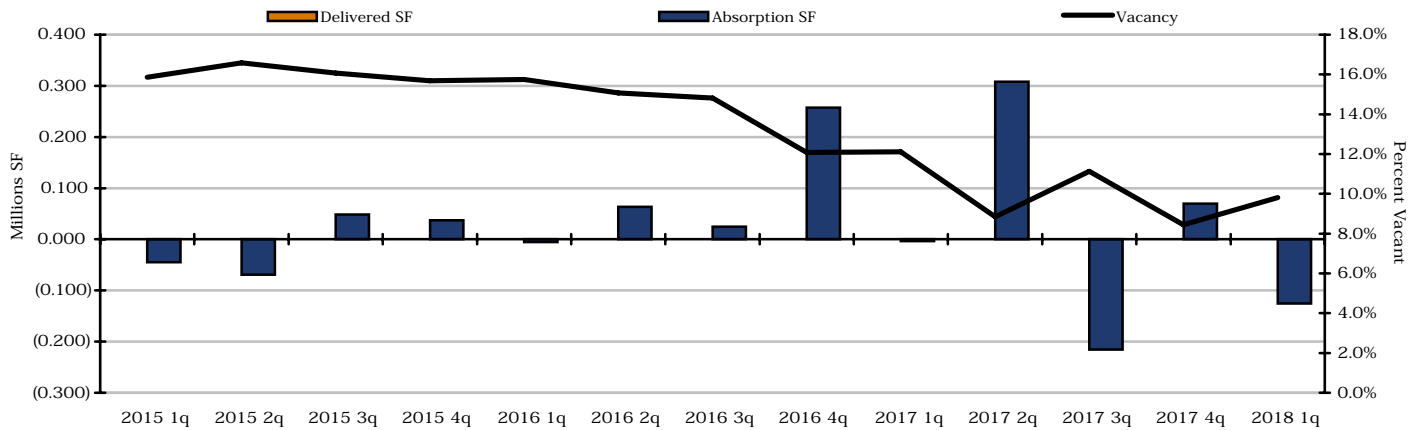


CBD Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

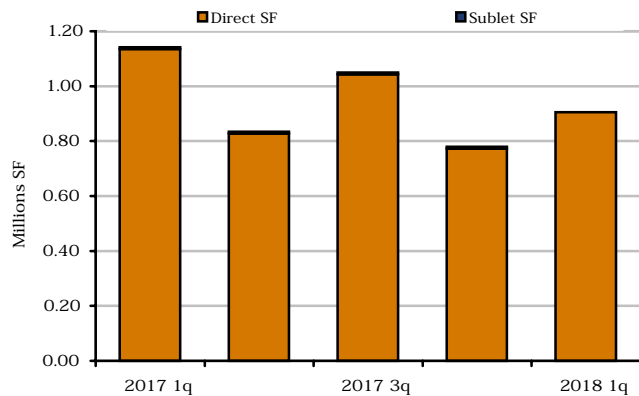
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

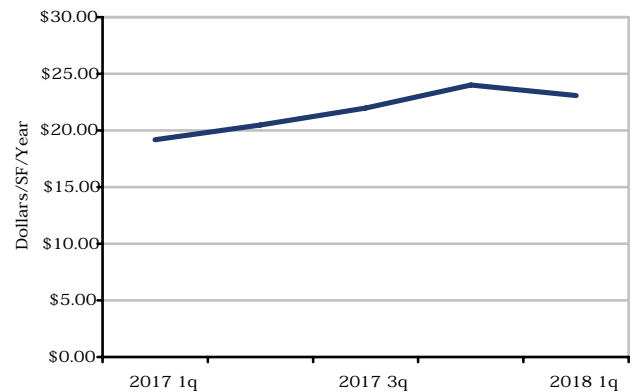
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	305	9,226,590	905,427	9.8%	(125,553)	0	0	1	462,000	\$23.08
2017 4q	305	9,226,590	779,874	8.5%	69,580	0	0	1	462,000	\$24.00
2017 3q	306	9,426,590	1,049,454	11.1%	(215,354)	0	0	1	462,000	\$21.98
2017 2q	306	9,426,590	834,100	8.8%	307,809	0	0	1	462,000	\$20.49
2017 1q	306	9,426,590	1,141,909	12.1%	(3,467)	0	0	1	462,000	\$19.17
2016 4q	306	9,426,590	1,138,442	12.1%	257,357	0	0	0	0	\$19.84
2016 3q	306	9,426,590	1,395,799	14.8%	24,852	0	0	0	0	\$20.93
2016 2q	306	9,426,590	1,420,651	15.1%	63,322	0	0	0	0	\$19.99
2016 1q	306	9,426,590	1,483,973	15.7%	(5,438)	0	0	0	0	\$20.23
2015 4q	306	9,426,590	1,478,535	15.7%	36,944	0	0	0	0	\$20.43
2015 3q	306	9,426,590	1,515,479	16.1%	48,292	0	0	0	0	\$20.93
2015 2q	306	9,426,590	1,563,771	16.6%	(69,402)	0	0	0	0	\$19.68
2015 1q	306	9,426,590	1,494,369	15.9%	(44,592)	0	0	0	0	\$19.42
2014 4q	306	9,426,590	1,449,777	15.4%	(16,632)	0	0	0	0	\$19.60
2014 3q	306	9,426,590	1,433,145	15.2%	41,072	0	0	0	0	\$20.20
2014 2q	306	9,426,590	1,474,217	15.6%	167,711	2	52,223	0	0	\$19.21

Source: CoStar Property®



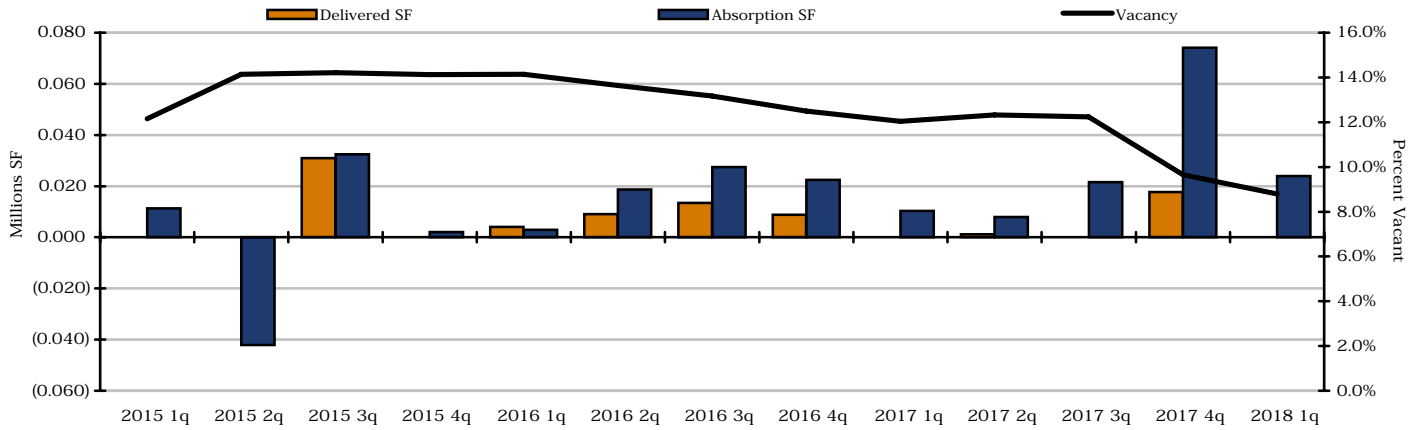
San Antonio Office Market

Comal County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

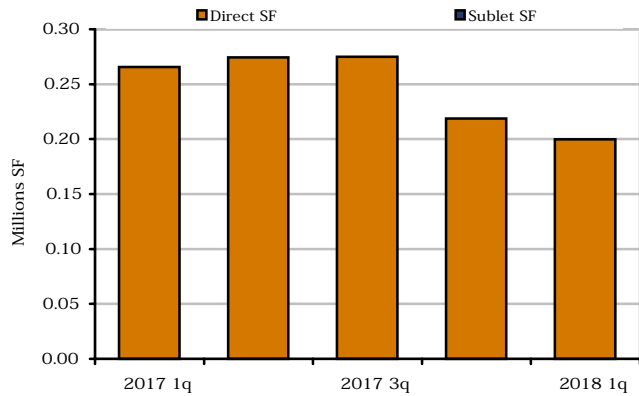
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

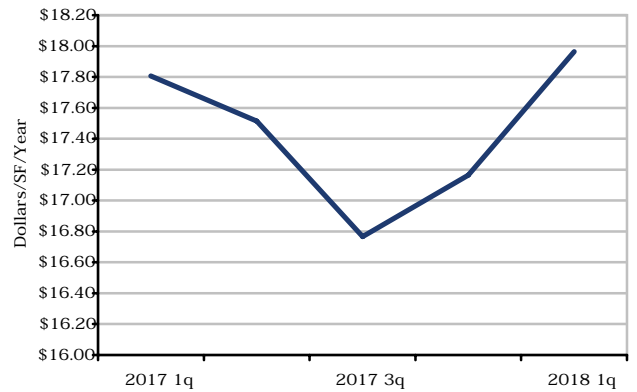
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	340	2,269,529	199,668	8.8%	23,995	0	0	5	136,668	\$17.96
2017 4q	339	2,264,494	218,628	9.7%	74,137	3	17,671	5	140,203	\$17.16
2017 3q	336	2,246,823	275,094	12.2%	21,550	0	0	6	142,706	\$16.77
2017 2q	334	2,224,423	274,244	12.3%	7,973	1	1,173	6	45,106	\$17.51
2017 1q	331	2,207,875	265,669	12.0%	10,290	0	0	8	56,619	\$17.81
2016 4q	331	2,207,875	275,959	12.5%	22,390	1	8,800	6	48,221	\$17.15
2016 3q	330	2,199,075	289,549	13.2%	27,502	2	13,455	5	34,621	\$16.61
2016 2q	327	2,179,320	297,296	13.6%	18,723	1	9,000	5	29,728	\$17.51
2016 1q	326	2,170,320	307,019	14.1%	2,947	1	4,000	4	30,100	\$17.63
2015 4q	325	2,166,320	305,966	14.1%	2,020	0	0	2	10,000	\$16.84
2015 3q	325	2,166,320	307,986	14.2%	32,517	7	31,000	1	4,000	\$16.75
2015 2q	317	2,126,421	300,604	14.1%	(42,155)	0	0	9	43,899	\$17.31
2015 1q	317	2,126,421	258,449	12.2%	11,275	0	0	9	43,899	\$17.51
2014 4q	317	2,126,421	269,724	12.7%	12,010	1	4,000	8	39,899	\$16.71
2014 3q	314	2,106,099	261,412	12.4%	(44,579)	4	17,000	3	20,322	\$16.02
2014 2q	309	2,079,408	190,142	9.1%	81,630	2	69,033	8	47,013	\$15.92

Source: CoStar Property®

San Antonio Office Market

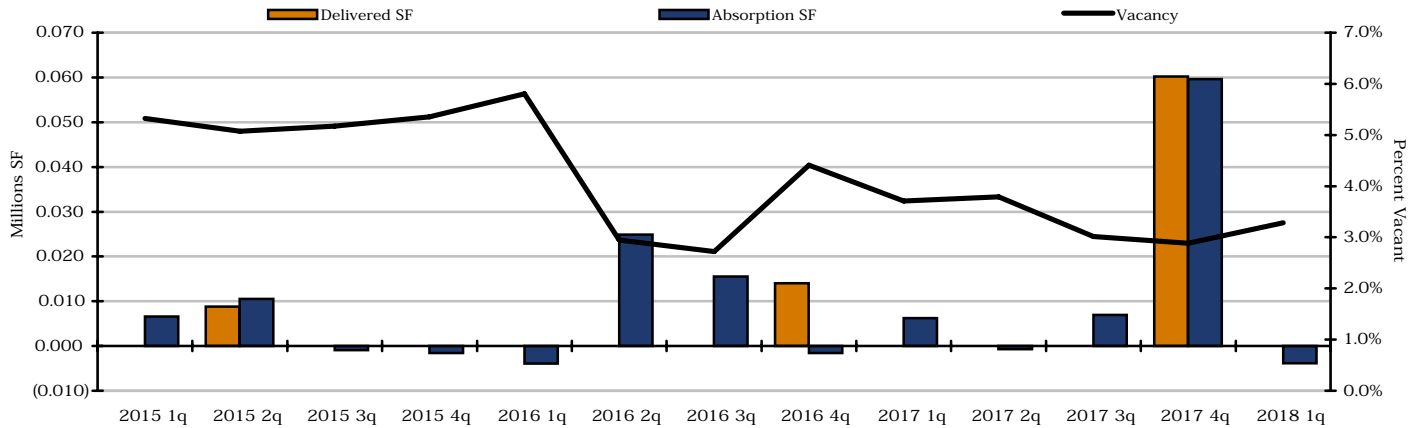


Guadalupe County Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

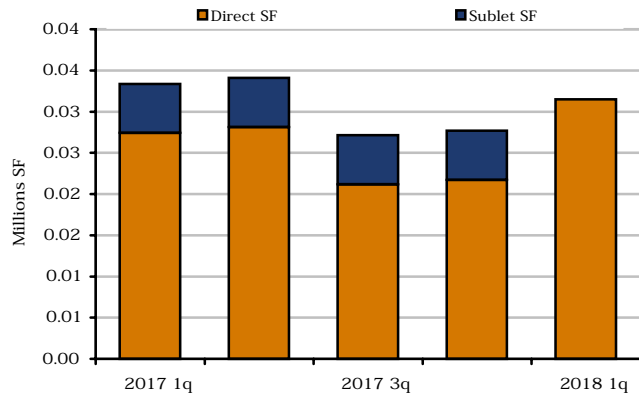
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

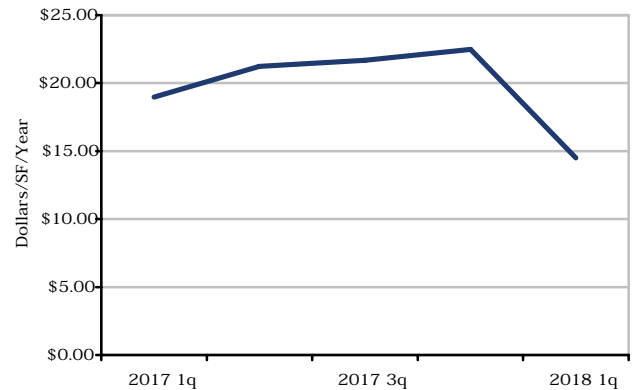
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	119	959,272	31,495	3.3%	(3,821)	0	0	3	47,100	\$14.50
2017 4q	119	959,272	27,674	2.9%	59,642	1	60,182	3	47,100	\$22.48
2017 3q	118	899,090	27,134	3.0%	6,958	0	0	3	101,282	\$21.67
2017 2q	118	899,090	34,092	3.8%	(718)	0	0	3	101,282	\$21.23
2017 1q	118	899,090	33,374	3.7%	6,262	0	0	2	97,682	\$18.96
2016 4q	118	899,090	39,636	4.4%	(1,560)	1	14,000	1	60,182	\$19.12
2016 3q	117	885,090	24,076	2.7%	15,515	0	0	1	14,000	\$16.73
2016 2q	116	871,175	25,676	2.9%	24,904	0	0	2	27,915	\$14.98
2016 1q	116	871,175	50,580	5.8%	(3,928)	0	0	2	27,915	\$15.53
2015 4q	116	871,175	46,652	5.4%	(1,568)	0	0	2	27,915	\$14.72
2015 3q	116	871,175	45,084	5.2%	(895)	0	0	1	14,000	\$13.80
2015 2q	116	871,175	44,189	5.1%	10,523	1	8,800	0	0	\$14.26
2015 1q	115	862,375	45,912	5.3%	6,557	0	0	1	8,800	\$14.72
2014 4q	115	862,375	52,469	6.1%	30,770	0	0	1	8,800	\$16.05
2014 3q	113	834,916	55,780	6.7%	(7,900)	0	0	3	36,259	\$15.21
2014 2q	113	834,916	47,880	5.7%	28,804	1	9,391	2	27,459	\$15.17

Source: CoStar Property®



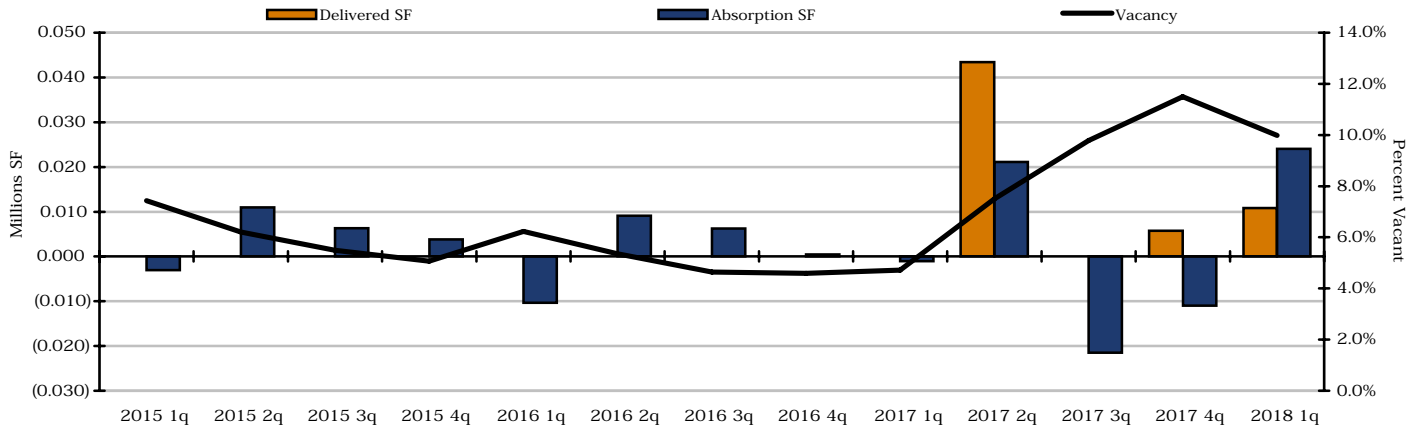
San Antonio Office Market

Kendall County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

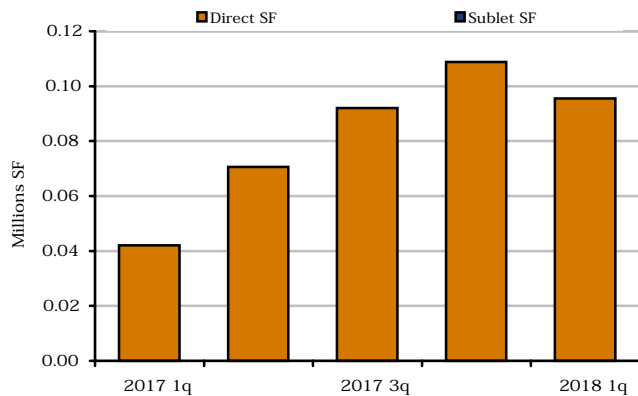
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

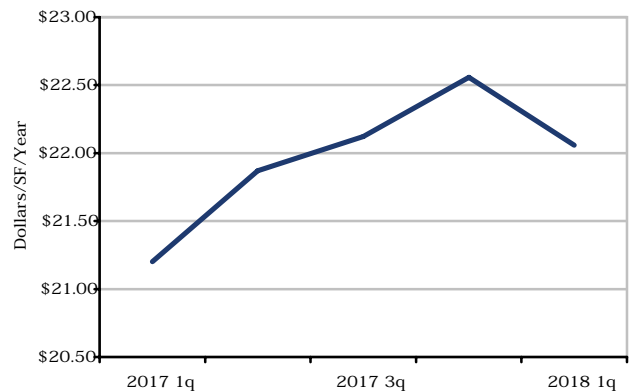
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	177	957,117	95,533	10.0%	24,060	2	10,800	1	54,000	\$22.06
2017 4q	175	946,317	108,793	11.5%	(11,015)	1	5,720	3	64,800	\$22.56
2017 3q	174	940,597	92,058	9.8%	(21,506)	0	0	3	16,520	\$22.12
2017 2q	174	940,597	70,552	7.5%	21,118	3	43,457	3	16,520	\$21.87
2017 1q	170	890,944	42,017	4.7%	(1,054)	0	0	6	64,373	\$21.20
2016 4q	170	890,944	40,963	4.6%	445	0	0	4	49,653	\$22.00
2016 3q	170	890,944	41,408	4.6%	6,259	0	0	4	49,653	\$21.08
2016 2q	170	890,944	47,667	5.4%	9,135	0	0	3	44,553	\$21.51
2016 1q	169	889,544	55,402	6.2%	(10,318)	0	0	1	1,400	\$21.27
2015 4q	169	889,544	45,084	5.1%	3,784	0	0	1	1,400	\$21.09
2015 3q	169	889,544	48,868	5.5%	6,330	0	0	1	1,400	\$20.62
2015 2q	169	889,544	55,198	6.2%	10,935	0	0	0	0	\$21.75
2015 1q	169	889,544	66,133	7.4%	(3,075)	0	0	0	0	\$21.78
2014 4q	169	889,544	63,058	7.1%	31,476	0	0	0	0	\$18.54
2014 3q	168	882,100	87,090	9.9%	(3,841)	0	0	1	7,444	\$18.35
2014 2q	168	882,100	83,249	9.4%	(8,696)	0	0	1	7,444	\$18.17

Source: CoStar Property®

San Antonio Office Market

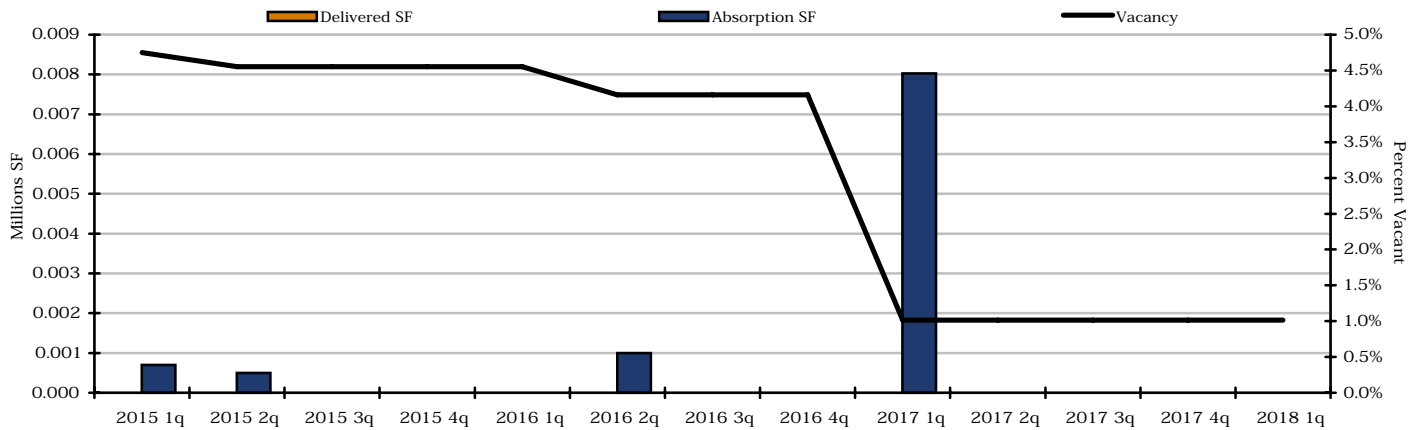


Medina County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

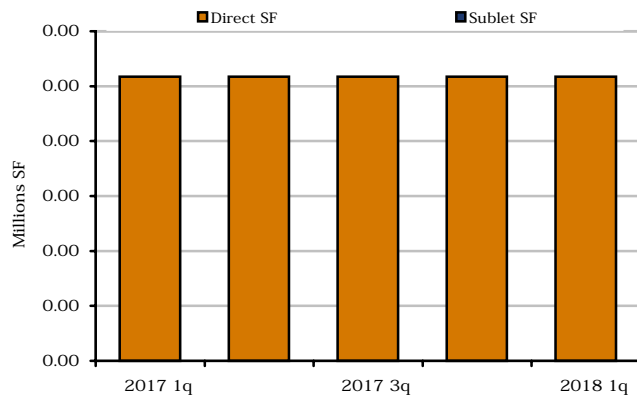
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

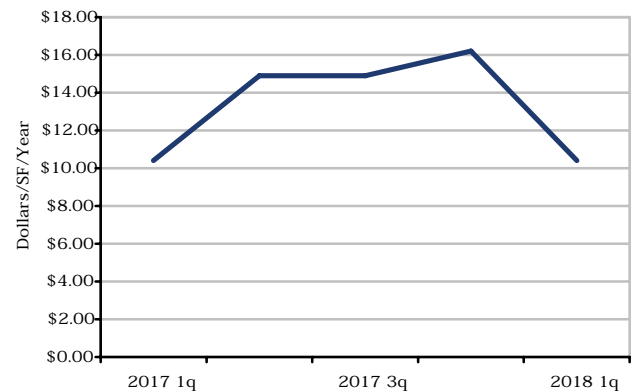
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	67	255,060	2,585	1.0%	0	0	0	0	0	\$10.40
2017 4q	67	255,060	2,585	1.0%	0	0	0	0	0	\$16.20
2017 3q	67	255,060	2,585	1.0%	0	0	0	0	0	\$14.90
2017 2q	67	255,060	2,585	1.0%	0	0	0	0	0	\$14.90
2017 1q	67	255,060	2,585	1.0%	8,025	0	0	0	0	\$10.40
2016 4q	67	255,060	10,610	4.2%	0	0	0	0	0	\$10.20
2016 3q	67	255,060	10,610	4.2%	0	0	0	0	0	\$10.21
2016 2q	67	255,060	10,610	4.2%	1,000	0	0	0	0	\$10.57
2016 1q	67	255,060	11,610	4.6%	0	0	0	0	0	\$12.32
2015 4q	67	255,060	11,610	4.6%	0	0	0	0	0	\$10.58
2015 3q	67	255,060	11,610	4.6%	0	0	0	0	0	\$10.21
2015 2q	67	255,060	11,610	4.6%	500	0	0	0	0	\$10.57
2015 1q	67	255,060	12,110	4.7%	700	0	0	0	0	\$12.32
2014 4q	67	255,060	12,810	5.0%	(750)	0	0	0	0	\$10.58
2014 3q	67	255,060	12,060	4.7%	(700)	0	0	0	0	\$10.20
2014 2q	67	255,060	11,360	4.5%	0	0	0	0	0	\$10.58

Source: CoStar Property®



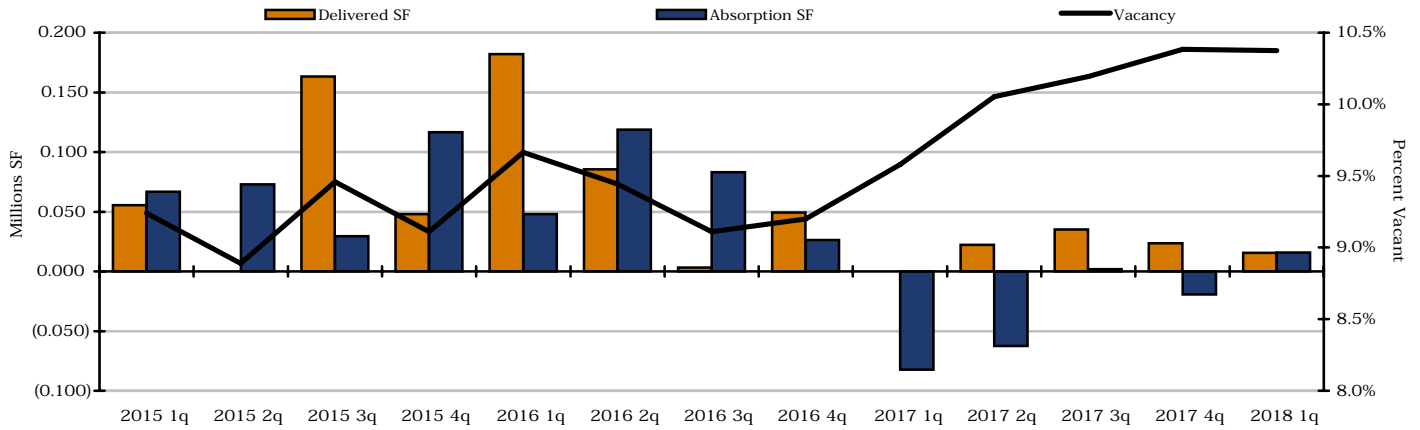
San Antonio Office Market

North Central Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

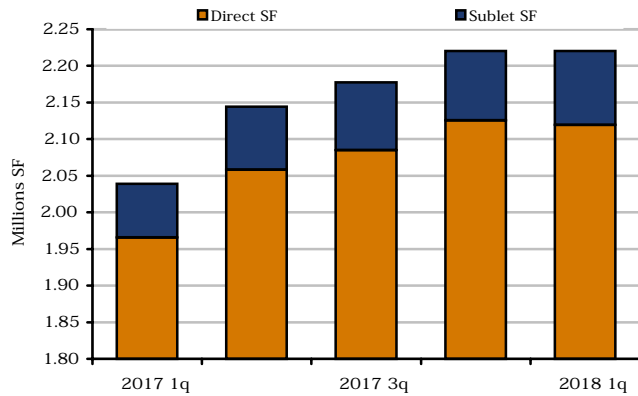
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

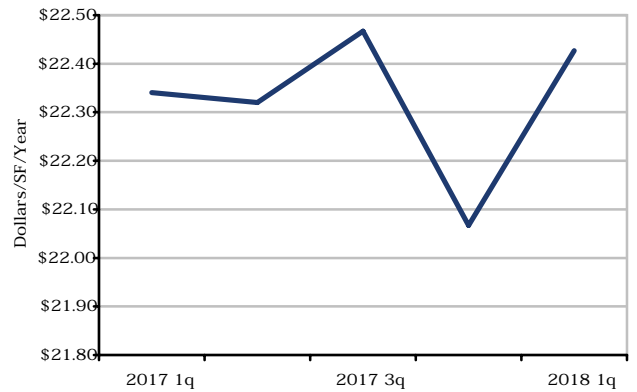
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	1,112	21,401,031	2,220,116	10.4%	15,906	2	15,600	5	173,815	\$22.43
2017 4q	1,110	21,385,431	2,220,422	10.4%	(19,421)	5	23,506	6	114,325	\$22.07
2017 3q	1,105	21,361,925	2,177,495	10.2%	1,832	2	35,205	10	115,831	\$22.47
2017 2q	1,103	21,326,720	2,144,122	10.1%	(62,597)	1	22,299	10	128,830	\$22.32
2017 1q	1,102	21,284,217	2,039,022	9.6%	(82,318)	0	0	10	157,653	\$22.34
2016 4q	1,103	21,285,537	1,958,024	9.2%	26,302	3	49,414	3	74,628	\$22.15
2016 3q	1,100	21,236,123	1,934,912	9.1%	83,098	1	3,312	5	93,837	\$21.96
2016 2q	1,098	21,222,139	2,004,026	9.4%	118,736	3	85,656	5	76,608	\$21.77
2016 1q	1,096	21,142,728	2,043,351	9.7%	48,115	3	182,000	8	162,264	\$21.40
2015 4q	1,093	20,960,728	1,909,466	9.1%	116,747	3	48,000	9	303,764	\$21.34
2015 3q	1,090	20,912,728	1,978,213	9.5%	29,406	2	163,217	10	333,692	\$21.15
2015 2q	1,088	20,749,511	1,844,402	8.9%	72,851	0	0	9	458,597	\$21.16
2015 1q	1,088	20,749,511	1,917,253	9.2%	66,630	4	55,580	6	358,217	\$21.22
2014 4q	1,084	20,693,931	1,928,303	9.3%	50,959	0	0	9	393,797	\$21.03
2014 3q	1,084	20,693,931	1,979,262	9.6%	224,947	1	72,000	9	393,797	\$20.82
2014 2q	1,082	20,615,931	2,126,209	10.3%	85,397	0	0	8	161,580	\$20.30

Source: CoStar Property®

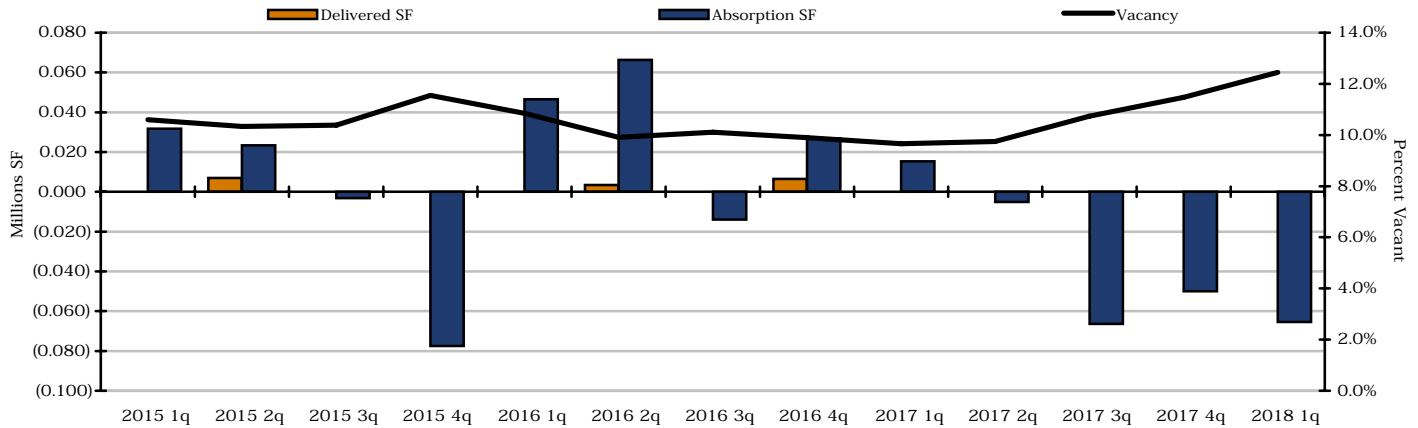
San Antonio Office Market



Northeast Market Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

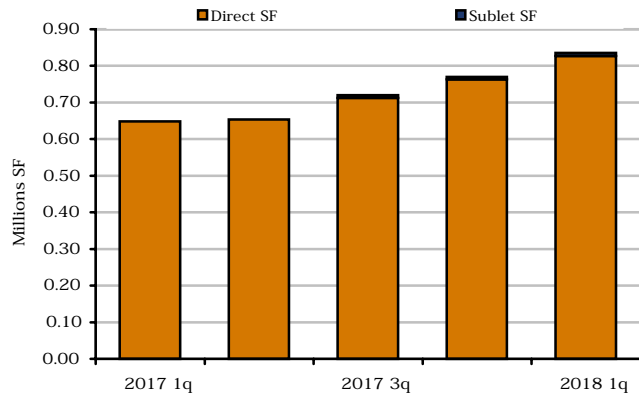
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

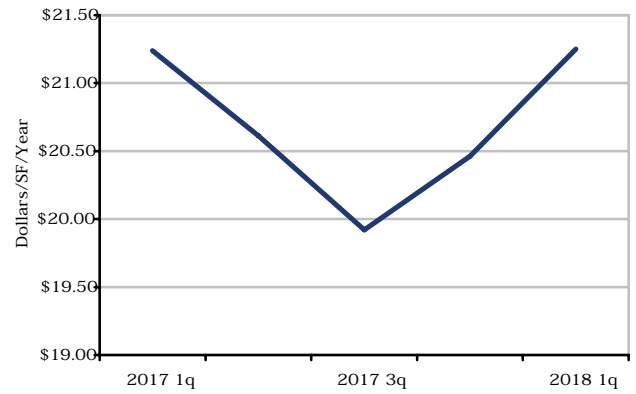
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	348	6,709,219	835,231	12.4%	(65,384)	0	0	0	0	\$21.25
2017 4q	348	6,709,219	769,847	11.5%	(49,913)	0	0	0	0	\$20.46
2017 3q	348	6,709,219	719,934	10.7%	(66,444)	0	0	0	0	\$19.92
2017 2q	348	6,709,219	653,490	9.7%	(5,151)	0	0	0	0	\$20.61
2017 1q	348	6,709,219	648,339	9.7%	15,390	0	0	0	0	\$21.24
2016 4q	348	6,709,219	663,729	9.9%	26,862	1	6,500	0	0	\$20.18
2016 3q	346	6,695,679	677,051	10.1%	(13,947)	0	0	2	13,540	\$19.35
2016 2q	346	6,695,679	663,104	9.9%	66,279	1	3,500	2	13,540	\$20.02
2016 1q	345	6,692,179	725,883	10.8%	46,500	0	0	3	17,040	\$20.41
2015 4q	345	6,692,179	772,383	11.5%	(77,517)	0	0	3	17,040	\$20.07
2015 3q	345	6,692,179	694,866	10.4%	(3,136)	0	0	1	7,040	\$20.16
2015 2q	345	6,692,179	691,730	10.3%	23,388	1	7,034	1	7,040	\$20.40
2015 1q	344	6,685,145	708,084	10.6%	31,711	0	0	2	14,074	\$20.43
2014 4q	344	6,685,145	739,795	11.1%	25,400	0	0	1	7,034	\$20.14
2014 3q	344	6,685,145	765,195	11.4%	40,752	1	4,000	1	7,034	\$20.21
2014 2q	343	6,681,145	801,947	12.0%	5,598	1	18,000	1	4,000	\$20.43

Source: CoStar Property®

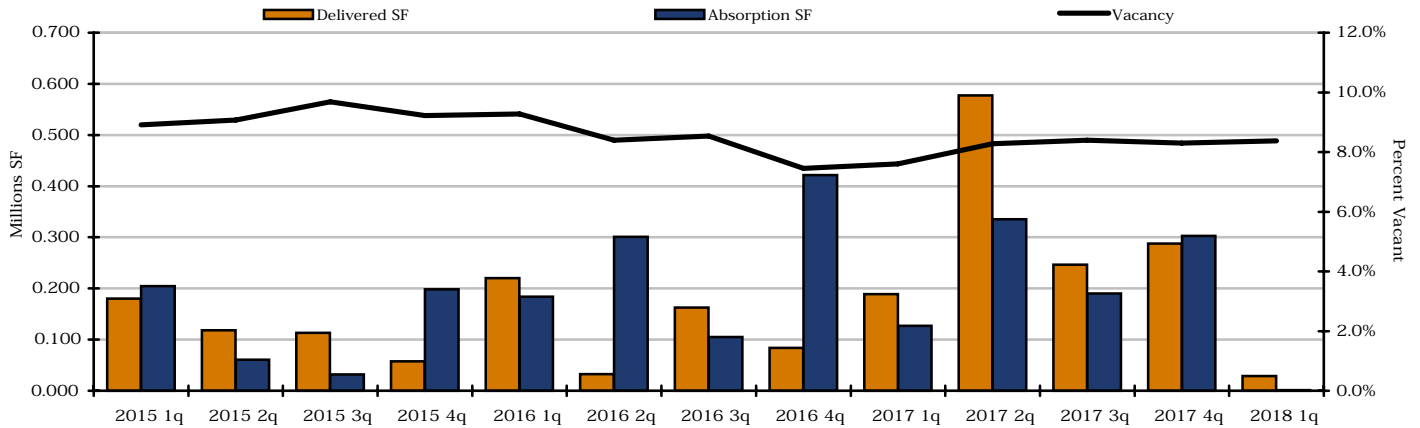


San Antonio Office Market

Northwest Market
Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

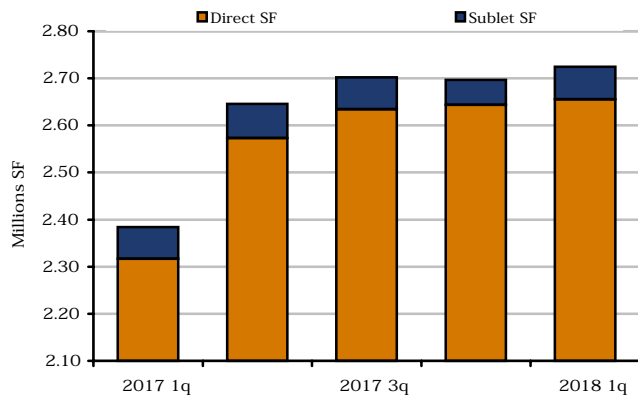
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

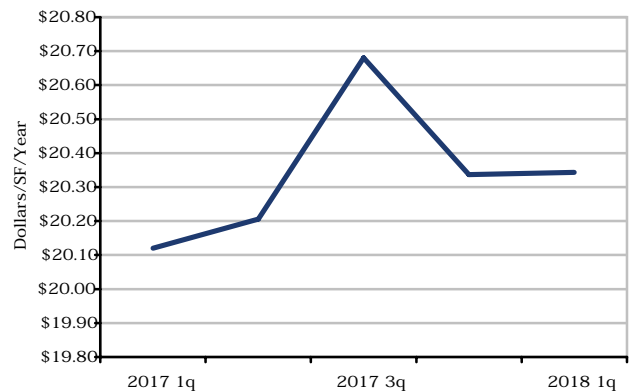
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	1,113	32,536,337	2,724,250	8.4%	1,425	4	29,025	24	464,068	\$20.34
2017 4q	1,108	32,486,972	2,696,650	8.3%	302,976	3	287,827	21	440,053	\$20.34
2017 3q	1,104	32,189,145	2,701,799	8.4%	190,392	4	246,517	18	615,165	\$20.68
2017 2q	1,100	31,942,628	2,645,674	8.3%	334,988	15	577,681	22	861,682	\$20.21
2017 1q	1,082	31,345,922	2,383,956	7.6%	127,208	3	188,925	30	1,222,085	\$20.12
2016 4q	1,079	31,156,997	2,322,239	7.5%	421,688	4	83,969	27	1,308,018	\$19.99
2016 3q	1,074	31,065,532	2,652,462	8.5%	105,062	6	162,393	21	1,101,604	\$20.19
2016 2q	1,068	30,903,139	2,595,131	8.4%	300,632	4	32,326	19	993,469	\$19.89
2016 1q	1,064	30,870,813	2,863,437	9.3%	183,850	5	220,173	17	885,264	\$19.56
2015 4q	1,059	30,650,640	2,827,114	9.2%	198,082	4	57,461	14	1,004,451	\$19.65
2015 3q	1,054	30,589,229	2,963,785	9.7%	31,622	3	113,189	14	731,889	\$19.78
2015 2q	1,049	30,345,364	2,751,542	9.1%	60,767	5	118,223	17	882,568	\$19.34
2015 1q	1,044	30,227,141	2,694,086	8.9%	204,635	1	180,000	20	673,791	\$18.66
2014 4q	1,043	30,047,141	2,718,721	9.0%	19,081	3	187,696	14	565,262	\$18.52
2014 3q	1,038	29,850,762	2,541,423	8.5%	381,871	3	220,895	14	629,402	\$19.12
2014 2q	1,035	29,629,867	2,702,399	9.1%	84,276	0	0	15	845,040	\$18.99

Source: CoStar Property®

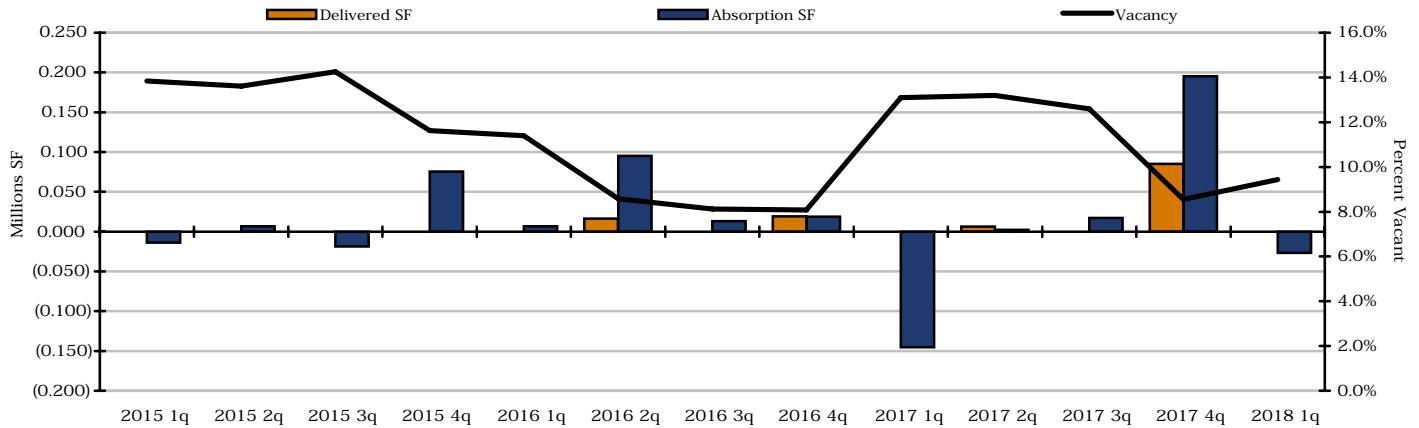
San Antonio Office Market



South Market
Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

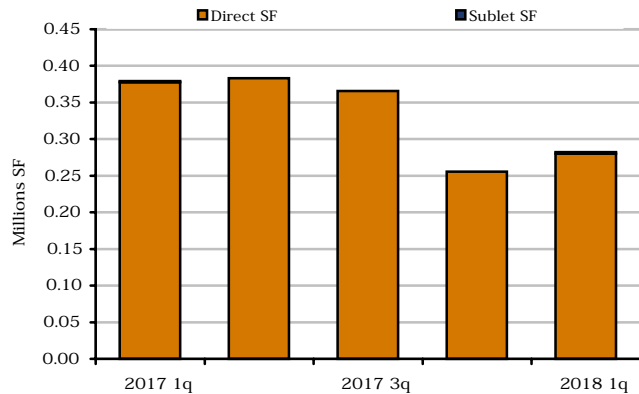
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

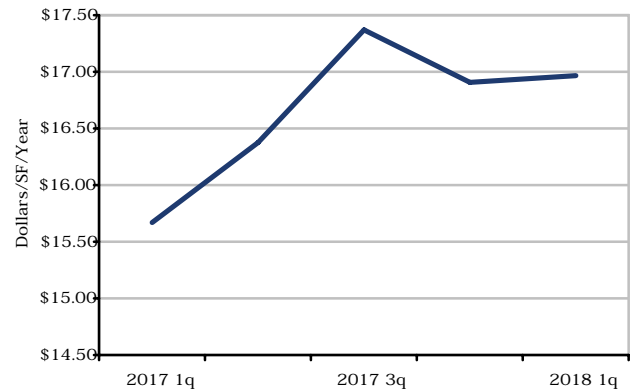
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	284	2,988,817	282,033	9.4%	(26,628)	0	0	3	176,442	\$16.97
2017 4q	284	2,988,817	255,405	8.5%	195,337	1	85,000	1	86,442	\$16.91
2017 3q	283	2,903,817	365,742	12.6%	17,334	0	0	2	171,442	\$17.37
2017 2q	283	2,903,817	383,076	13.2%	2,425	1	6,120	2	171,442	\$16.38
2017 1q	282	2,897,697	379,381	13.1%	(145,158)	0	0	3	177,562	\$15.67
2016 4q	282	2,897,697	234,223	8.1%	18,813	1	19,283	2	171,442	\$15.82
2016 3q	281	2,878,414	233,753	8.1%	13,199	0	0	1	19,283	\$15.53
2016 2q	281	2,878,414	246,952	8.6%	95,258	1	16,212	1	19,283	\$16.56
2016 1q	280	2,862,202	325,998	11.4%	6,659	0	0	1	16,212	\$15.60
2015 4q	280	2,862,202	332,657	11.6%	75,485	0	0	1	16,212	\$13.58
2015 3q	280	2,862,202	408,142	14.3%	(18,570)	0	0	1	16,212	\$13.89
2015 2q	280	2,862,202	389,572	13.6%	6,706	0	0	0	0	\$16.44
2015 1q	280	2,862,202	396,278	13.8%	(13,670)	0	0	0	0	\$16.09
2014 4q	280	2,862,202	382,608	13.4%	2,936	0	0	0	0	\$15.61
2014 3q	280	2,862,202	385,544	13.5%	(22,788)	0	0	0	0	\$15.25
2014 2q	280	2,862,202	362,756	12.7%	(18,729)	0	0	0	0	\$15.80

Source: CoStar Property®



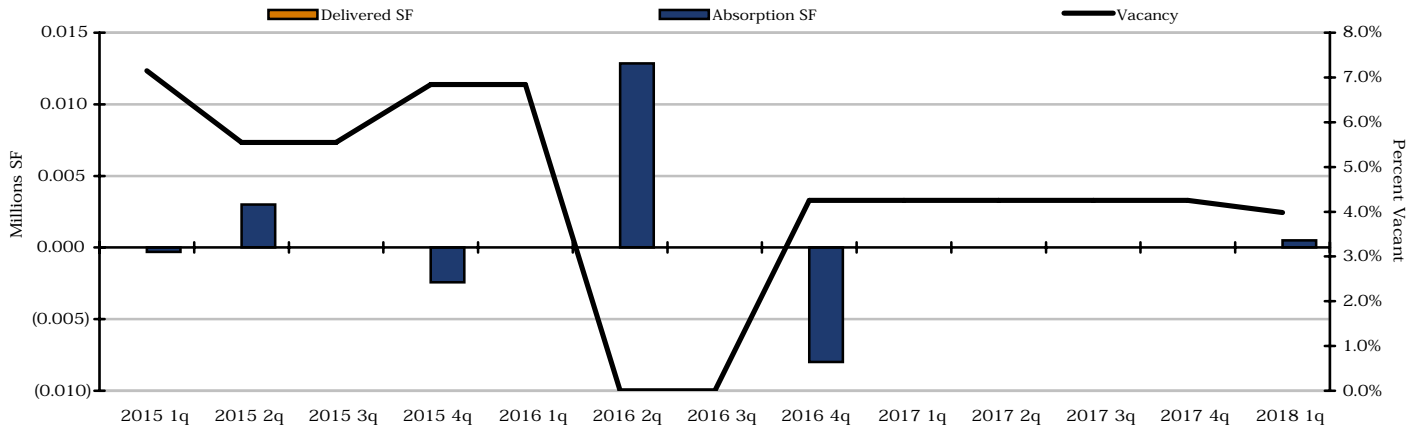
San Antonio Office Market

Wilson County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

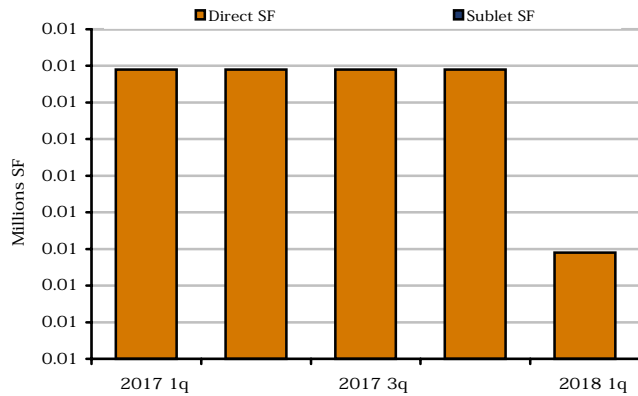
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

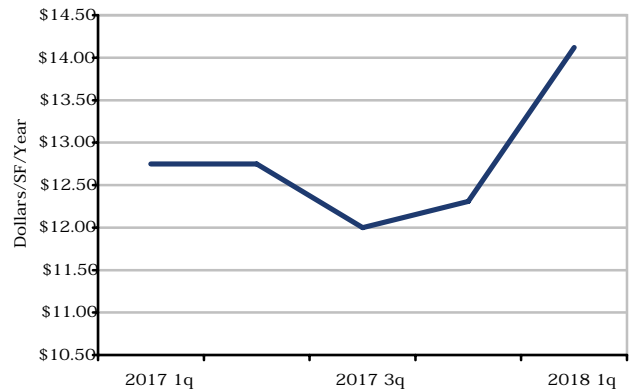
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	43	187,929	7,490	4.0%	500	0	0	0	0	\$14.12
2017 4q	43	187,929	7,990	4.3%	0	0	0	0	0	\$12.31
2017 3q	43	187,929	7,990	4.3%	0	0	0	0	0	\$12.00
2017 2q	43	187,929	7,990	4.3%	0	0	0	0	0	\$12.75
2017 1q	43	187,929	7,990	4.3%	0	0	0	0	0	\$12.75
2016 4q	43	187,929	7,990	4.3%	(7,990)	0	0	0	0	\$13.69
2016 3q	43	187,929	0	0.0%	0	0	0	0	0	\$12.00
2016 2q	43	187,929	0	0.0%	12,852	0	0	0	0	\$12.14
2016 1q	43	187,929	12,852	6.8%	0	0	0	0	0	\$15.82
2015 4q	43	187,929	12,852	6.8%	(2,420)	0	0	0	0	\$15.99
2015 3q	43	187,929	10,432	5.6%	0	0	0	0	0	\$17.39
2015 2q	43	187,929	10,432	5.6%	3,000	0	0	0	0	\$14.84
2015 1q	43	187,929	13,432	7.1%	(300)	0	0	0	0	\$14.05
2014 4q	43	187,929	13,132	7.0%	0	0	0	0	0	\$13.37
2014 3q	43	187,929	13,132	7.0%	4,100	0	0	0	0	\$15.14
2014 2q	43	187,929	17,232	9.2%	2,000	1	3,200	0	0	\$13.45

Source: CoStar Property®