

**Q1
2025**

REAL ESTATE MARKET REPORT

**NEW BRAUNFELS
CHAMBER OF COMMERCE**



ECONOMIC DEVELOPMENT



INDUSTRIAL MARKET COMAL COUNTY

The vacancy rate in Comal County has been climbing for most of the past couple of years due to a recent supply wave. This wave has arrived at a time when demand was already slowing. Between late December 2023 and late December 2024, 930,000 SF of new industrial inventory was brought to market. During that same period of time, only 400,000 SF was absorbed. For context, annual net absorption has averaged 750,000 SF over the past five years. At 10.6% as of the first quarter of 2025, the rate is well above the five-year average for vacancy in this burgeoning submarket. It is also poised to rise further in the quarters ahead, as 910,000 SF remains in the construction pipeline today.

Due to the importance of distribution operations to the area economy, logistics inventory makes up the bulk of recent new product. Because supply-pressure has been highest in this segment, logistics vacancies — 12.8%— are much higher than flex — 4.9% — or specialized inventory, 0.5%.

Rents have cumulatively grown by 18.1% in the past three years, but the momentum has slowed in recent quarters. Annual rent growth today stands at 2.1%, which is far below the 10-year average of 5.4%. Moving forward, rent growth is expected to slow further in the near term as still elevated competition from new supply curbs gains.

Source: CoStar, February 2025

936K

**12-MONTH
DELIVERIES
IN SQFT.**

**10.6% VACANCY
RATE**

2.1%

**12-MONTH
RENT
GROWTH**

OFFICE MARKET COMAL COUNTY

The Comal County office submarket has a vacancy rate of 4.5% as of the first quarter of 2025. Over the past year, the submarket's vacancy rate has changed by -2.3%, a result of 11,000 SF of net delivered space and 91,000 SF of net absorption.

Comal County's vacancy rate of 4.5% compares to the submarket's five-year average of 6.1% and the 10-year average of 7.5%. The Comal County office submarket has roughly 250,000 SF of space listed as available, for an availability rate of 6.2%. As of the first quarter of 2025, there is 550,000 SF of office space under construction in Comal County. In comparison, the submarket has averaged 130,000 SF of under construction inventory over the past 10 years.

Comal County contains 3.5 million SF of inventory, compared to 91.9 million SF of inventory metro wide. Average rents in Comal County are roughly \$34.00/SF, compared to the wider San Antonio market average of \$30.00/SF.

Rents have changed by 1.5% year over year in Comal County, compared to a change of 1.7% metro wide. Annual rent growth of 1.5% in Comal County compares to the submarket's five-year average of 4.3% and its 10-year average of 4.2%.

Source: CoStar, February 2025

11.3K 12-MONTH
DELIVERIES
IN SQFT.

4.5% VACANCY
RATE

1.5% 12-MONTH
RENT
GROWTH

RETAIL MARKET COMAL COUNTY

The Comal County retail submarket has a vacancy rate of 2.1% as of the first quarter of 2025. Over the past year, the submarket's vacancy rate has changed by -0.2%, a result of 69,000 SF of net delivered space and 92,000 SF of net absorption.

Comal County's vacancy rate of 2.1% compares to the submarket's five-year average of 2.2% and the 10-year average of 2.8%. Among the retail subtypes, neighborhood center vacancy stands at 3.2%, power center vacancy is 1.1%, strip center vacancy is 3.4%, and general retail vacancy is 1.8%. The Comal County retail submarket has roughly 420,000 SF of space listed as available, for an availability rate of 4.1%.

As of the first quarter of 2025, there is 300,000 SF of retail space under construction in Comal County. In comparison, the submarket has averaged 130,000 SF of under construction inventory over the past 10 years. The Comal County retail submarket contains roughly 10.0 million SF of inventory.

Market rents in Comal County are \$24.00/SF. Rents have changed by 2.0% year over year in Comal County, compared to a change of 2.0% across San Antonio as a whole. Market rents have changed by 2.0% in neighborhood center properties year-over-year, -0.8% in power center properties, 2.1% in strip center properties, and 2.6% in general retail properties. Annual rent growth of 2.0% in Comal County compares to the submarket's five-year average of 3.2% and its 10-year average of 2.9%.

Source: CoStar, February 2025

69.2K 12-MONTH
DELIVERIES
IN SQFT.

2.1% VACANCY
RATE

2.0% 12-MONTH
RENT
GROWTH

MULTIFAMILY MARKET COMAL COUNTY

The Comal County Submarket has been the site of a significant amount of multifamily development lately, though this is not necessarily something that is unique to 2024 or 2025. The area has witnessed considerable development in this property type for a decade now. With more than 2,000 apartments being brought to market over the course of 2024 alone, however, Comal County's small inventory of only 12,351 apartments has been under significant supply-side pressure over the past few quarters. Furthermore, as 2024 came to a close, another 1,200 apartments were under construction, indicating that—though slowing—this wave of development is not over yet.

Given this incredible level of growth, it is no surprise that Comal County ended 2024 with one of the highest vacancy rates in the entire metro. At 22%, New Braunfels and its environs had a vacancy rate that was nearly double that of the metro-wide average. This weighed considerably on rent growth, as asking rental rates fell nearly 3% in 2024. By the end of December, year-over-year asking rent growth was 50 basis points below the San Antonio average—itsself in the red. With one of the metro's highest average asking rental rates, Comal County is likely to face steeper downside risk than other submarkets in South Central Texas in 2025 and beyond.

Source: CoStar, February 2025

2,356 12-MONTH
DELIVERIES
IN UNITS

23.3% VACANCY
RATE

-2.7% 12-MONTH
RENT
GROWTH

HOSPITALITY MARKET

SAN ANTONIO METRO - NORTHEAST

San Antonio Northeast comprises 150 hotel properties, which contain around 11,000 rooms. Among the subtypes, there are 1,500 Luxury & Upper Upscale rooms, 3,800 Upscale & Upper Midscale rooms, and 5,800 Midscale & Economy rooms in San Antonio Northeast.

As of January, San Antonio Northeast 12-month occupancy is 56.4%, 12-month ADR is \$123, and 12-month RevPAR is \$70. Year over year, 12-month occupancy in San Antonio Northeast has changed by -2.4%, 12-month ADR has changed 3.1%, and 12-month RevPAR has changed by 0.6%.

Approximately 310 rooms are under construction in San Antonio Northeast, accounting for 2.7% of its existing inventory. No hotel assets have delivered over the past 12 months.

Source: CoStar, February 2025

56.4% 12 MONTH
OCCUPANCY

\$123.39
AVERAGE
DAILY RATE

2.3 M

12-MONTH
KEY
DEMAND

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