

**Q3
2025**

REAL ESTATE MARKET REPORT

**NEW BRAUNFELS
CHAMBER OF COMMERCE**



ECONOMIC DEVELOPMENT



INDUSTRIAL MARKET COMAL COUNTY

In Q3 2025, Comal County's industrial real estate market continues to reflect the aftershocks of a recent construction boom. The vacancy rate rose to 14.0%, significantly above the San Antonio metro average. Over the last year, the county saw 1.4 million square feet of industrial deliveries—accounting for a quarter of all industrial construction in South Central Texas—while only 239,000 square feet were absorbed, resulting in negative net absorption. With supply outpacing demand, developers have begun slowing new project starts, with only 110,000 square feet under construction as of early summer.

Despite rising vacancies, asking rents have remained relatively resilient, increasing 3.5% year-over-year and slightly outpacing the regional average. However, landlords are facing more pressure to offer concessions. Logistics and warehouse space dominate both inventory and new development, especially along the I-35 corridor. On the sales side, Comal County remains attractive to investors, with an average sale price of \$124 per square foot—around \$8 higher than the San Antonio average. Proximity to fast-growing population centers like New Braunfels continues to position the county as a desirable and strategic industrial hub in the region.

Source: CoStar, August 2025

1.4M 12-MONTH
DELIVERIES
IN SQFT.

14.0% VACANCY
RATE

3.5% 12-MONTH
RENT
GROWTH



OFFICE MARKET COMAL COUNTY

In Q3 2025, Comal County's office real estate market remained stable and resilient, avoiding the challenges facing larger metro areas. The vacancy rate held at a low 5.6%, among the lowest in the San Antonio region, largely due to the submarket's smaller size and lack of new construction. No office projects were delivered or under construction this quarter, as developers continue to take a conservative approach amid shifting work habits and uncertain long-term demand.

Leasing activity remained light with minimal tenant movement, yet asking rents rose 1.2% year-over-year to \$26.91 per square foot—signaling continued confidence in the market. Unlike urban cores with rising vacancies and declining rents, Comal County benefits from its limited supply and consistent demand. Its location along the I-35 corridor between San Antonio and Austin, combined with lower costs and a business-friendly environment, positions it as a strong satellite office market. While growth is modest, the county remains a steady and attractive option for companies seeking access to Central Texas without the urban premium.

Source: CoStar, August 2025

7.1K

**12-MONTH
DELIVERIES
IN SQFT.**

5.1%

**VACANCY
RATE**

1.2%

**12-MONTH
RENT
GROWTH**



RETAIL MARKET COMAL COUNTY

In Q3 2025, Comal County's retail real estate market continued to show strong fundamentals, driven by ongoing population growth, tourism activity, and increased consumer spending. The vacancy rate held steady at 4.6%, remaining one of the lowest in the San Antonio metro. Retail demand is keeping pace with supply, even as construction activity picks up. Nearly 68,000 square feet of new space has delivered over the past year, and another 71,000 square feet is currently under construction—demonstrating continued developer confidence in the market's long-term potential.

Asking rents climbed 2.1% year-over-year to an average of \$20.17 per square foot, reflecting a healthy leasing environment and growing interest from both national and local retailers. Much of the activity remains concentrated along the I-35 corridor, where visibility and access to a growing consumer base are especially attractive. Retail absorption was positive for the quarter, underscoring steady demand for well-located shopping centers and mixed-use developments.

Comal County's strong demographics, expanding tourism economy, and proximity to both San Antonio and Austin make it a desirable location for retailers looking to tap into Central Texas growth without the saturation of larger markets. With new projects underway and a tight vacancy rate, the outlook for retail remains optimistic, especially for well-positioned developments that can capture the region's expanding purchasing power.

Source: CoStar, August 2025

153K 12-MONTH
DELIVERIES
IN SQFT.

1.1% VACANCY
RATE

1.6% 12-MONTH
RENT
GROWTH



MULTIFAMILY MARKET COMAL COUNTY

The multifamily market in Comal County is currently experiencing a period of significant expansion, marked by high levels of new construction and elevated vacancy rates. Over 2,000 new units were delivered in 2024 alone—an extraordinary figure for a submarket with an existing inventory of just 12,633 units. Despite this influx of supply, demand has remained relatively resilient, with approximately 1,179 units absorbed over the same 12-month period. However, this surge in new inventory has pushed vacancy rates to 21.2%, among the highest in the San Antonio metro area. The pressure of oversupply has also impacted rental rates, which have declined by 5.5% year-over-year, with effective rents showing similar contraction.

Construction continues at a strong pace in 2025, with another 1,026 units currently underway and over 1,200 more proposed within the next eight quarters. Most development is concentrated around New Braunfels and along the I-35 corridor. While investor interest has grown due to the area's rapid population growth, the sales market has slowed substantially under current macroeconomic conditions, recording only two transactions between July 2024 and July 2025. The average price per unit stands at \$190,000, with capital markets constrained by high interest rates and rising vacancies. If construction continues at its current pace without a corresponding increase in absorption, further downward pressure on rents and rising vacancies are likely to challenge the submarket through the remainder of 2025.

Source: CoStar, August 2025

2,008 12-MONTH
DELIVERIES
IN UNITS

21.2% VACANCY
RATE

-5.5% 12-MONTH
RENT
GROWTH



HOSPITALITY MARKET

SAN ANTONIO METRO - NORTHEAST

The hospitality real estate market in the New Braunfels–Seguin–Schertz–Alamo Heights region is experiencing a period of adjustment, with some encouraging signs despite recent headwinds. As of mid-2025, the 12-month occupancy rate is 54.8%, with ADR up 3.5% year-over-year to \$125.35. While RevPAR dipped slightly by 1.2% to \$68.67, rate growth is helping to cushion softer demand. The Upscale & Upper Midscale segment continues to lead performance with nearly 65% occupancy and \$78 RevPAR, while the Midscale & Economy segment faces more pressure.

With only 225 rooms delivered in the past quarter, the limited new supply may help stabilize fundamentals. Sales activity has paused, but the submarket's cap rate of 10.2% suggests value opportunities for investors willing to take a long-term view. As tourism and business travel gradually rebound, the region's strategic location along the I-35 corridor positions it well for future hospitality growth.

Source: CoStar, August 2025

54.8% 12 MONTH
OCCUPANCY

\$125.35
AVERAGE
DAILY RATE

2.2 M 12-MONTH
KEY
DEMAND

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