

# AUSTIN INDUSTRIAL Monthly Market Snapshot

JUNE 2017

## Market Highlights

Net absorption for the overall market is at negative 149,191 sq. ft. year-to-date. Direct space represented negative 125,665 sq. ft. and sublease space accounted for negative 23,526 sq. ft. The total Austin industrial market size is approximately 88.1 million sq. ft.

After several years of tightening, 2017 has seen a slight tempering in the industrial market, as the metro area vacancy rate has inched up to 6.2%.

Developers have continued to bank on Austin's vigorous economic growth eventually helping fill the new spec space being added to the market. The construction pipeline is at 1,453,943 million sq. ft., comprised of half Flex and half Warehouse properties. All current construction is scheduled to deliver in 2017, with a 91.0% availability rate.

One of the largest projects currently underway in the Southeast submarket is Southpark Commerce Center V, located at 4500 S. Pleasant Valley Road. The Class A industrial/flex development includes three single-story buildings—73,832 sq. ft., 114,107 sq. ft., and 162,232 sq. ft. Although some delays have taken place, the multi-tenant space is expected to be completed by the end of the year.

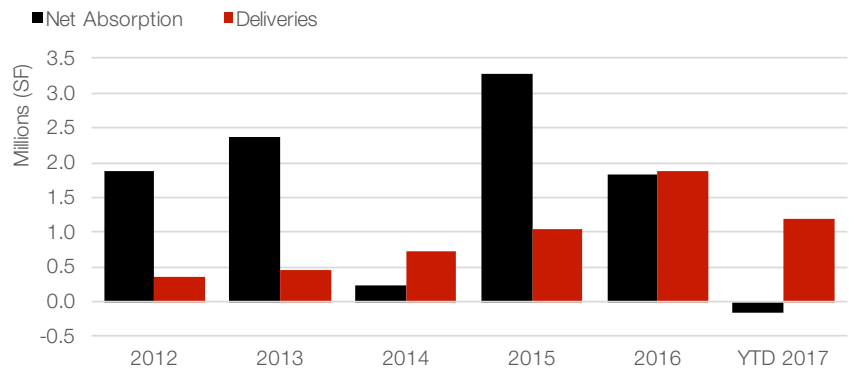
While the amount of new supply has helped ease some of the tightness in the market, the higher quality space is demanding higher rents. The total average NNN rental rate for the industrial/flex Austin metro continues to rise, standing at \$10.65 per sq. ft. year-to-date—the highest rate ever tracked for this market.

## Market Activity

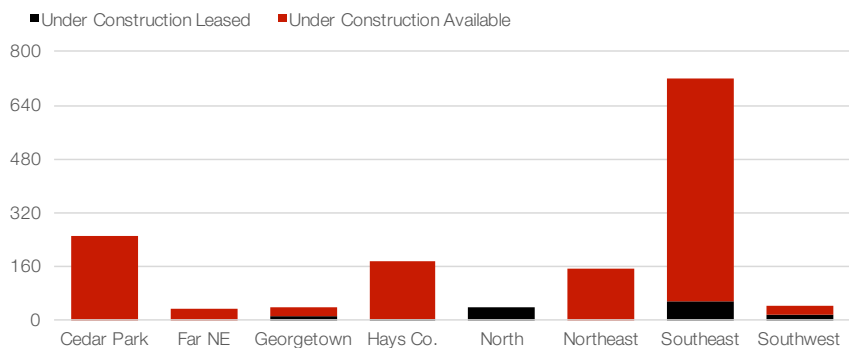
(includes industrial and flex properties)

	YTD June 2017
Vacancy Direct	5.9%
Vacancy w/Sublease	6.2%
Available Direct	9.3%
Available w/Sublease	10.0%
Net Absorption (SF)	(149,191)
Leasing Activity (SF)	1,689,881
Deliveries (SF)	1,179,987
Under Construction (SF)	1,453,943
Avg Asking NNN Rent (PSF)	\$10.65
Inventory (SF)	88,129,255

## Supply & Demand



## Under Construction



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