

AUSTIN INDUSTRIAL Monthly Market Snapshot

DECEMBER 2017

Market Highlights

Net absorption returning to positive territory year-to-date. After the first three quarters of 2017 tallied over 500,000 sq. ft. of negative net absorption, quarter-to-date has come through with 624,210 sq. ft. of positive absorption for a year-to-date total of positive 116,352 sq. ft. New supply completed during 2017 is at 2.6 million sq. ft., current projects under construction weigh in at 1.4 million sq. ft., the average asking NNN rent sits at \$10.55 per sq. ft., and year-to-date leasing activity moves up to 4.7 million sq. ft.

Investment sales volume down year-over-year. Real Capital Analytics data reports year-to-date industrial sales volume in the Austin area at \$305.2 million, resulting in a year-over-year change of -26.4%. The buyer composition is spread proportionately with 29% institutional, 28% private, 23% public listed/REITs, and 20% user/other.

Industrial complex upcoming in Buda. The City of Buda in the Hays County submarket is scheduled to break ground on 600,000 sq. ft. of industrial space in 2018. Initial construction on the project will include a 300,000-sq.-ft. building projected to begin early in the year. The complex is going up on a 30-acre parcel of grassland just east of I-35, near the U.S. Foods distribution center in Buda, south of Austin. The developer, Exeter Buda Land LP, is said to plan to invest between \$7 to \$14 million into the project, creating 50 jobs for the area.

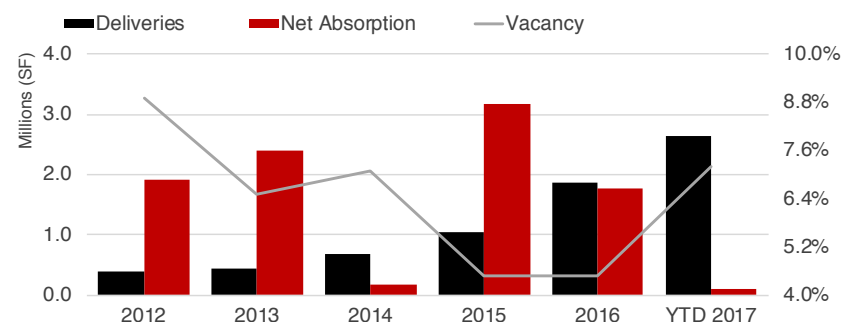
Recent job growth makes Austin the 17th-fastest growing major metro. The Austin Chamber of Commerce reported that Austin added 22,200 net new jobs, or 2.2%, in the 12 months ending in October, with manufacturing jobs growing at 5.1% year-over-year, outpacing private industry growth for the seventh month in a row. The seasonally adjusted unemployment rate is 2.6%, dropping further, from 2.9% in September.

Market Activity

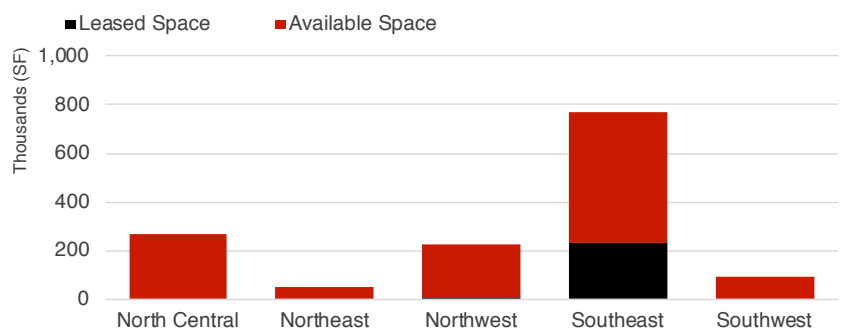
(includes industrial and flex properties)

	YTD 2017
Vacancy	7.2%
Availability	9.9%
Net Absorption (SF)	116,352
Leasing Activity (SF)	4,707,691
Deliveries (SF)	2,646,140
Under Construction (SF)	1,404,497
Avg Asking NNN Rent (PSF)	\$10.55

Supply & Demand



Deliveries



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