

# AUSTIN RETAIL Monthly Market Snapshot

JUNE 2019

## Market Highlights

**Steady retail leasing activity.** Austin has maintained a stable, high occupancy rate in the retail sector at or above 95.0% during the last five years, registering at 95.8% nearing the end of the second quarter of 2019. Of the 1.5 million sq. ft. currently under construction, half of that space has been spoken for. In addition, there has been 973,000 sq. ft. of leasing activity year-to-date, equal to this time in 2018. The rising average asking rate of renting retail space is at record highs for Austin at \$22.14 per sq. ft. on a triple net basis, up \$0.11 from this time last year at \$22.03 per sq. ft.

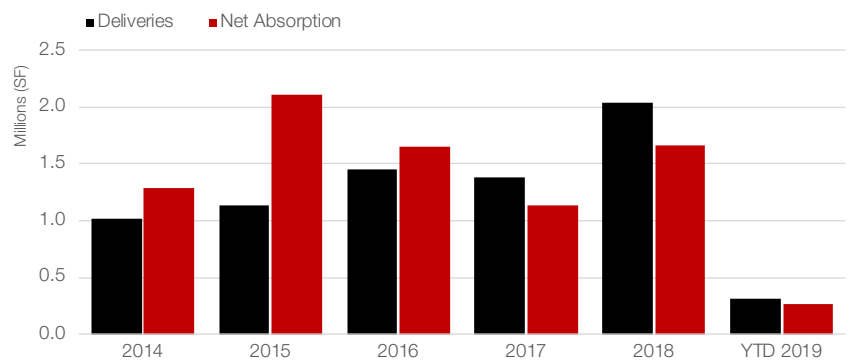
**Reimagined H-E-B grocery store.** One of its oldest Austin stores, the H-E-B located at 2400 S. Congress, will be replaced with the first multi-level H-E-B in Austin. The grocery store at 2400 S. Congress St. opened in 1957 with 25,000 sq. ft. and later expanded to 69,000 sq. ft. Construction is set to begin in late 2020, turning it into a spacious 100,000-sq.-ft. grocery store complete with a beer garden, food hall and two levels of underground parking. Renovations are expected to be completed in 2022. The current store will stay open through the permitting and planning process, then when construction begins a temporary store will open at the Twin Oaks Shopping Center.

**Healthy job expansion in April.** The Austin metro added jobs at an annualized rate of 3.5% during the three months ending in April. Job growth was led by the construction and mining sector, which surged at an annualized rate of 17.6%, adding a net 2,600 jobs. The financial activities sector grew at 8.3% (1,300 jobs), and professional and business services increased by 6.6% (3,100 jobs). Austin's April unemployment rate dropped to 2.5%—significantly below the Texas rate of 3.7% and the U.S. rate of 3.6%—marking the lowest rate since December 1999.

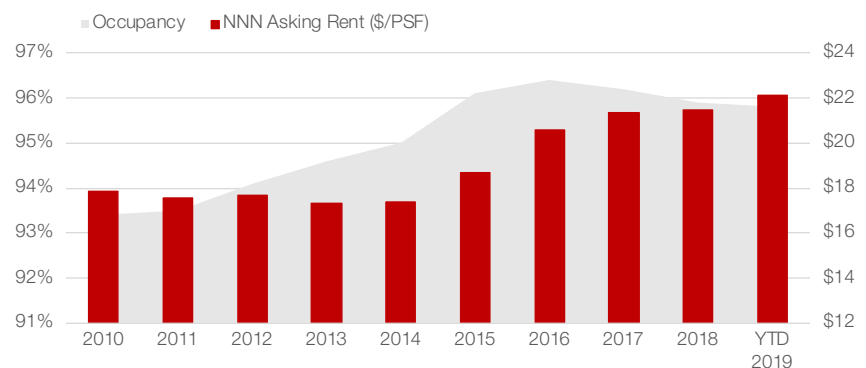
## Market Activity

	Year-to-Date May	
	2019	2018
Occupancy Rate	95.8%	95.9%
Net Absorption (SF)	274,723	826,751
Leasing Activity (SF)	973,053	973,624
Deliveries (SF)	315,415	1,068,515
Under Construction (SF)	1,519,175	833,575
Avg Asking NNN Rent (PSF)	\$22.14	\$22.03

## Supply & Demand



## Vacancy & Rent



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