

AUSTIN RETAIL Monthly Market Snapshot

FEBRUARY 2020

Market Highlights

Vacancy remains tight. Overall occupancy in the Austin retail market is at 95.8%, up 10 basis points from this time last year. Meanwhile, the triple-net average asking rental rate registered at \$21.63 per sq. ft., down slightly by \$0.05 year-over-year. Preleasing of the 2.0 million sq. ft. currently under construction stands at 57%. In addition, there has been 286,000 sq. ft. of leasing activity year-to-date—which is comprised of both new leases and renewals—62% higher than at this time in 2019.

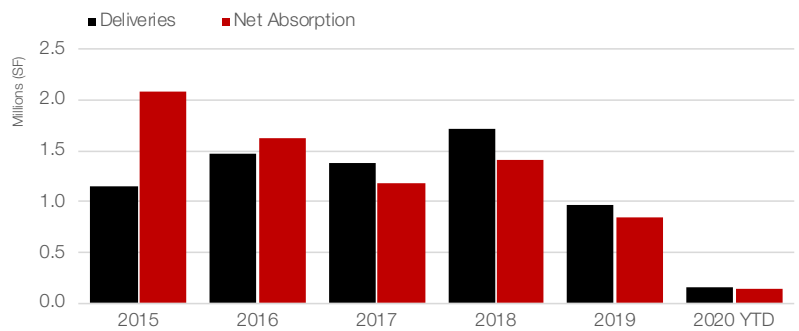
Major sports and entertainment complex underway. The complex, previously called iSports, renamed the Crossover is expected to open this fall in Cedar Park, about 20 miles northwest of downtown Austin. The 240,000-sq.-ft. project, not far from Apple's \$1 billion campus that is also underway, includes two hockey rinks, two turf fields and multiple dining options. The complex is 70% preleased, with tenants including: Chaparral Ice, D1 Training, Reach Outcomes, The Vessel IV Bar, and i9Sports. Construction started on the facility in May 2019 at the southeast corner of U.S. Highway 183A Toll and Scottsdale Drive, with tenants expected to move in this summer..

Robust job growth in fourth quarter. Austin's unemployment rate dropped to 2.6% in December after remaining at 2.7% for five consecutive months. The unemployment rate for Texas increased to 3.5%, while the rate for the U.S. remained at 3.5%. Austin added jobs at a sharp pace of 5.7%, or a net 15,500 jobs, in fourth quarter 2019. Expansion was led by the construction sector, which added 3,700 net jobs. Leisure and hospitality added 4,200 jobs, followed by other services with 1,300 jobs. Professional and business services registered at 2,850 jobs. For the year 2019, job growth was a strong 3.5%, positive across all overall industry groups.

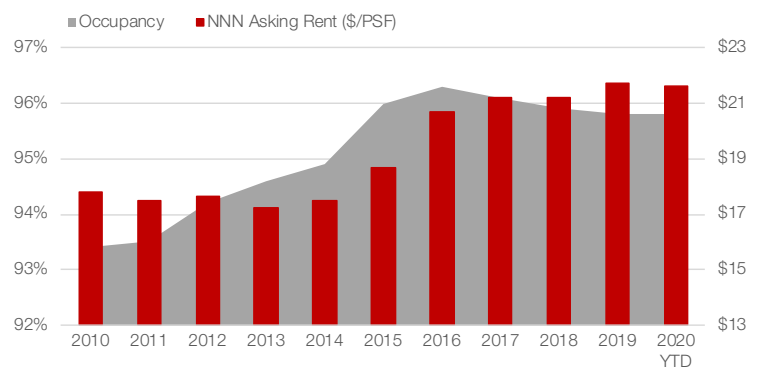
Market Activity

	Year-to-Date January	
	2020	2019
Occupancy Rate	95.8%	↑ 95.7%
Net Absorption (SF)	147,618	↑ -24,925
Leasing Activity (SF)	286,216	↑ 176,747
Deliveries (SF)	160,150	↑ 95,062
Under Construction (SF)	1,963,514	↑ 977,582
Avg Asking NNN Rent (PSF)	\$21.63	↓ \$21.68

Supply & Demand



Occupancy & Rent



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