

# AUSTIN RETAIL Monthly Market Snapshot

JUNE 2020

## Market Highlights

**Market fundamentals.** Occupancy is at 95.8%, unchanged from this time last year. Of the 1.5 million sq. ft. currently under construction, the availability rate stands at 52.3%. The Austin retail market has recorded 971,000 sq. ft. of leasing activity—which is comprised of both new leases and renewals—down 39.2% compared to one year ago. In addition, the net amount of square feet absorbed (move-ins minus move-outs) stands at 557,000 sq. ft., with new supply delivering 615,000 sq. ft. to the market this year, of which 80.7% is occupied. The average asking rate of renting retail space in Austin is at \$21.87 per sq. ft. on a triple net basis, up 1.3% compared to this time in 2019 at \$21.59 per sq. ft.

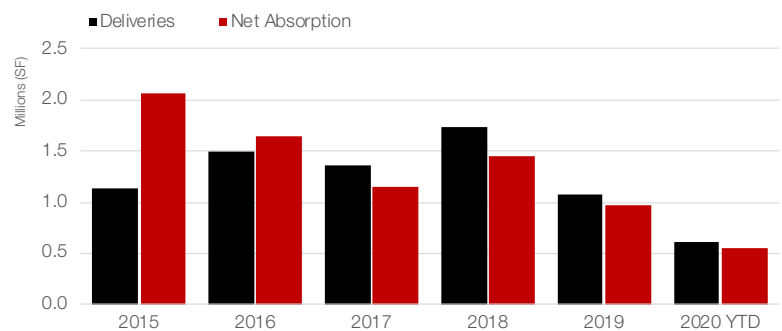
**High rents and COVID-19.** Several Austin music venues have closed, naming high rents and COVID-19 as the reason, reported CultureMap in Austin. Plush, Barracuda and Scratchouse are the casualties in the Red River Cultural Heritage District near downtown Austin. The cancellation of SXSW and the stay-at-home order in March has struck Austin's business community hard, especially the local music industry.

**Home inventory shortage.** The Greater Austin area continued to feel the effects of COVID-19, as housing inventory dropped to critically low levels of less than 2 months of inventory in Austin, Travis County and Williamson County, according to the Austin Board of REALTORS®. Compared to May 2019, residential sales in the five-county metro area decreased 29.2%, while sales dollar volume dropped 30.8%. At the same time, the median sales price increased 0.7% to \$329,893 and homes spent three fewer days on the market—an average of 47 days. To see home sales recover, more homes must be put on the market. A sign of encouragement were pending May sales, jumping 14.2%.

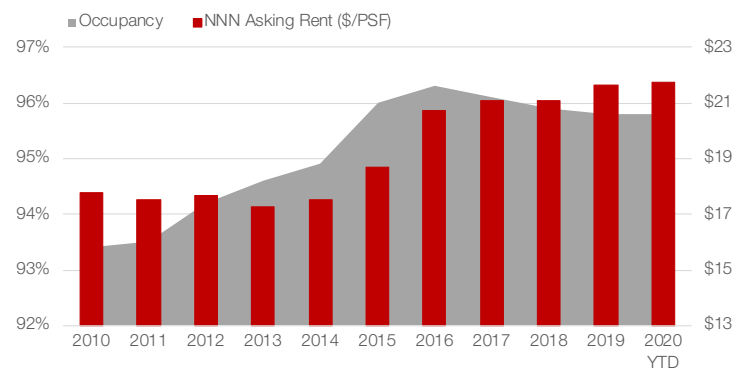
## Market Activity

	Year-to-Date	
	June 2020	June 2019
Occupancy Rate	95.8%	95.8%
Net Absorption (SF)	556,602	395,649
Leasing Activity (SF)	971,034	1,596,469
Deliveries (SF)	615,078	478,250
Under Construction (SF)	1,479,395	1,519,175
Avg Asking NNN Rent (PSF)	\$21.87	\$21.59

## Supply & Demand



## Occupancy & Rent



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