

AUSTIN INDUSTRIAL Monthly Market Snapshot

AUGUST 2020

Market Highlights

Vacancy rate at 8.0%. Overall vacancy is at 8.0%, up slightly from this time last year at 7.9%. The occupancy rate of the 2.9 million sq. ft. delivered to the market so far in 2020 stands at 51.6%, and of the 2.1 million sq. ft. under construction, 45.9% has been spoken for. The vacancy rate for Class A properties is at 24.6%, down from the prior period at 25.4%. The asking price for industrial properties is currently at an average monthly rate of \$0.91 per sq. ft., up from this time last year at \$0.88 per sq. ft. due primarily to the new product added to the market.

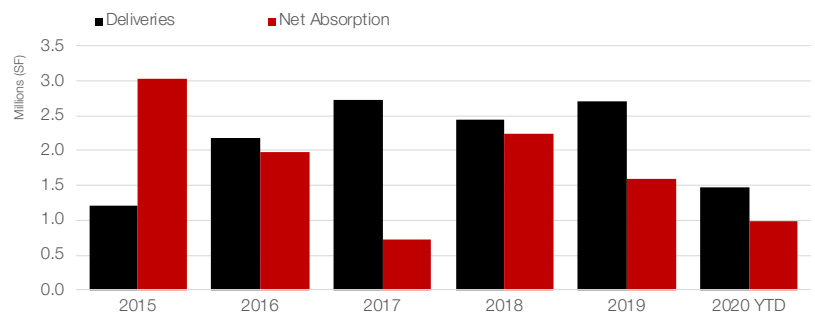
Tesla picks Austin for \$1 billion auto factory. Tesla will build its proposed \$1.1 billion electric car and truck factory in Travis County that will employ 5,000 people. The factory—to be located on 2,100 acres off Texas 130 and Harold Green Road—is about five minutes from the Austin-Bergstrom International Airport and about 15 minutes from downtown Austin. The plant is expected to be operational in the fourth quarter of 2021, according to Tesla, and will be the state's first electric vehicle plant and only the second full-size truck plant in Texas.

Unemployment rate declines further. The Federal Reserve Bank of Dallas reported that the Austin economy showed signs of improvement in June following the impact of COVID-19. While employment and the unemployment rate improved in June from May, both remain significantly below their February levels. Austin's unemployment rate fell to a still elevated 6.4% in June. The jobless rate ticked down to 8.6% in the state and 11.1% in the nation.

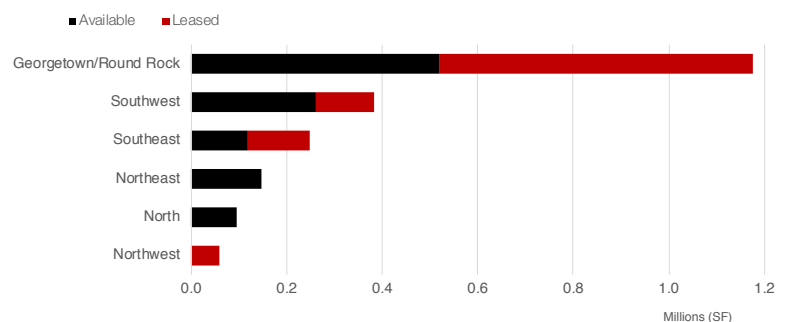
Market Activity

	Year-to-Date July 2020		Year-to-Date July 2019
Vacancy	8.0%	↑	7.9%
Availability	10.3%	—	10.3%
Net Absorption (SF)	983,377	↑	553,756
Leasing Activity (SF)	5,234,098	↑	5,147,818
Deliveries (SF)	1,889,192	↑	1,569,724
Under Construction (SF)	2,107,516	↑	1,518,422
Gross Avg Asking Rent	\$0.91	↑	\$0.88

Supply & Demand



Construction Activity



Leta Wauson
 Director of Research
 leta.wauson@naipartners.com
 tel 713 275 9618

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 HOUSTON | AUSTIN | SAN ANTONIO
www.naipartners.com