

AUSTIN INDUSTRIAL Monthly Market Snapshot

SEPTEMBER 2020

Market Highlights

Vacancy rate at 7.9%. Overall vacancy is at 7.9%, down slightly from this time last year at 8.0%. The occupancy rate of the 1.6 million sq. ft. delivered to the market so far in 2020 stands at 57.7%, and of the 7.0 million sq. ft. under construction, 78.3% has been spoken for. The vacancy rate for Class A properties is at 21.6%, down from the prior period at 25.9%. The asking price for industrial properties is currently at an average monthly rate of \$0.92 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.

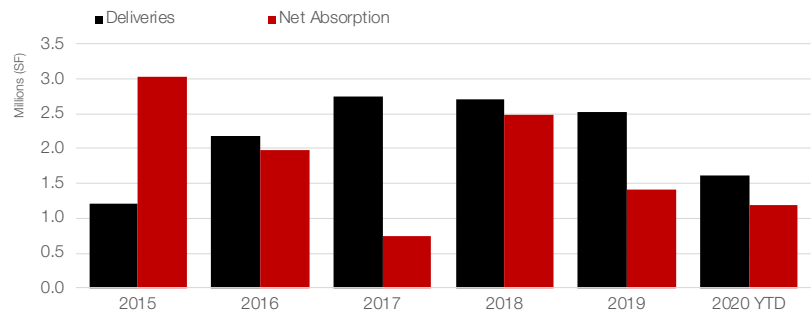
Large industrial portfolio changes hands during pandemic. A recent significant transaction that took place in the Austin industrial market included a portfolio of properties totaling 14.7 acres and 145,000 sq. ft. of industrial flex space. PlaceMKR acquired the properties that are 100% leased to Kyrish Truck Center, Ace Contracting Supply, Austin Speed Shop, Stainless Steels, Austin Community College and Casa Moreno. John H. McCall was the seller of the properties located on E. Ben White Blvd., Burleson Road, and Chapman Lane along State Highway 71 in Southeast Austin.

Austin economy continued to improve in July. The Federal Reserve Bank of Dallas reported that Austin payrolls expanded 6.1% (nonannualized), or 62,000 net jobs, in the three months ending in July. Leisure and hospitality posted the largest increase at 42.6%, or 30,400 jobs, followed by other services (28.3%, or 9,200 jobs). Sectors that experienced payroll reductions were information (-3.0%, or 1,060 jobs) and construction and mining (-2.0%, or 1,420 jobs). Austin's unemployment rate fell to a still elevated 5.9% in July. The jobless rate ticked down to 8.0% in the state and 10.2% in the nation.

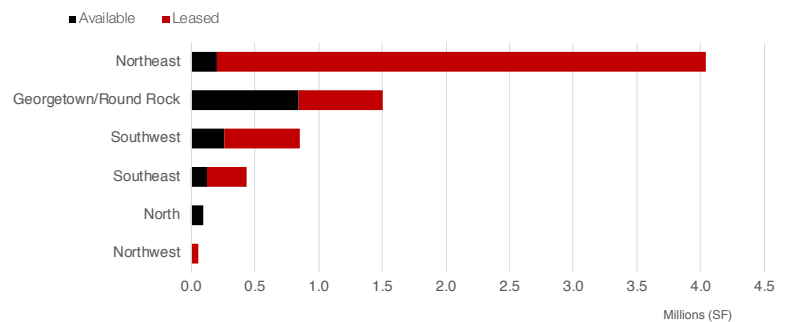
Market Activity

	August 2020 Year-to-Date		August 2019 Year-to-Date
Vacancy	7.9%	↓	8.0%
Availability	11.2%	↑	10.3%
Net Absorption (SF)	1,194,349	↑	592,378
Leasing Activity (SF)	5,675,290	↓	5,785,004
Deliveries (SF)	1,607,010	↓	1,979,370
Under Construction (SF)	6,976,670	↑	1,703,481
Gross Avg Asking Rent	\$0.92	↑	\$0.88

Supply & Demand



Construction Activity



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