

AUSTIN RETAIL Monthly Market Snapshot

AUGUST 2020

Market Highlights

Market fundamentals. Occupancy is at 95.4%, down 30 basis points from this time last year. Of the 1.2 million sq. ft. currently under construction, the availability rate stands at 52.7%. Year-to-date through July, the Austin retail market has recorded 1.2 million sq. ft. of leasing activity—which is comprised of both new leases and renewals—down 31.0% compared to one year ago. However, the net amount of square feet absorbed (move-ins minus move-outs) stands at 514,000 sq. ft., with new supply delivering 903,000 sq. ft. to the market this year, of which 81.0% is occupied. The average asking rate of renting retail space in Austin is at \$21.26 per sq. ft. on a triple net basis, down 3.0% compared to this time in 2019 at \$21.91 per sq. ft.

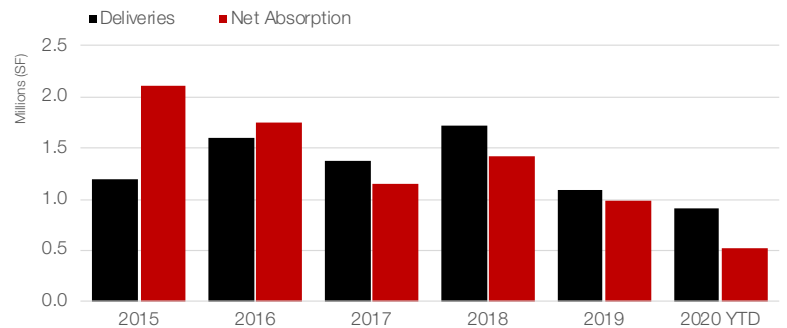
Recent retail deals. Despite the COVID-19 pandemic, retailers have been signing deals. Natural Grocers extended its 11,200 sq. ft. lease at 10515 N Mopac Expressway in The Shops at Arbor Walk in the North/Domain submarket; Gabriela's Mexican Restaurant leased 5,706 sq. ft. at 6607 N I-35 in the Northeast submarket; Bennu Coffee opened its third location at the FiveTwo at Highland development with a 3,500-sq.-ft. space; and Stiim Kitchen leased 2,050 sq. ft. in Steck Town Center at 3405 Steck Ave. in the Central submarket.

Housing market bouncing back. The Greater Austin area continues to exhibit resiliency in the face of COVID-19. The metro posted its second consecutive month of strong home sales numbers with a 21.5% increase in July sales year over year. In addition, the median price increased 10.7% and sales dollar volume also soared 36.7%. Pending sales climbed 32.2% as new listings increased 13%, while active listings dropped 32.4% due to demand. The strong increase demonstrates the essential role real estate will play as the region begins its economic recovery from the pandemic.

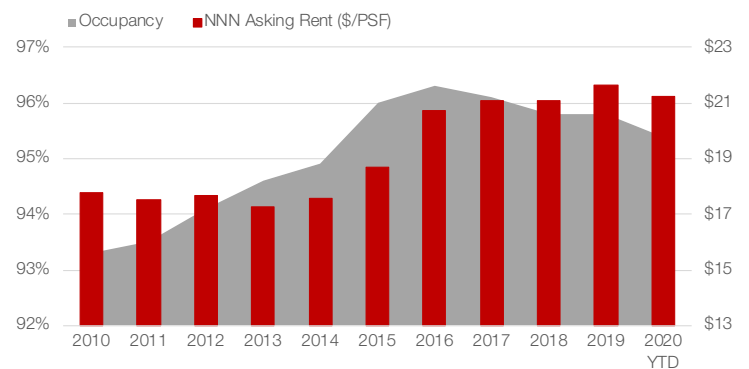
Market Activity

	Year-to-Date July 2020		Year-to-Date July 2019
Occupancy Rate	95.4%	↓	95.7%
Net Absorption (SF)	513,677	↑	465,483
Leasing Activity (SF)	1,171,251	↓	1,697,121
Deliveries (SF)	903,179	↑	581,922
Under Construction (SF)	1,226,404	↓	1,898,738
Avg Asking NNN Rent (PSF)	\$21.26	↓	\$21.91

Supply & Demand



Occupancy & Rent



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