

AUSTIN RETAIL Monthly Market Snapshot

SEPTEMBER 2020

Market Highlights

Market fundamentals. Occupancy is at 95.2%, down 50 basis points from this time last year. Of the 1.2 million sq. ft. currently under construction, the availability rate stands at 55.6%. Year-to-date through August, the Austin retail market has recorded 1.3 million sq. ft. of leasing activity—which is comprised of both new leases and renewals—on par compared to one year ago. The net amount of square feet absorbed (move-ins minus move-outs) stands at 299,000 sq. ft., with new supply delivering 917,000 sq. ft. to the market this year, of which 81.3% is occupied. The average asking rate of renting retail space in Austin is at \$21.59 per sq. ft. on a triple net basis, down 3.9% compared to this time in 2019 at \$22.46 per sq. ft..

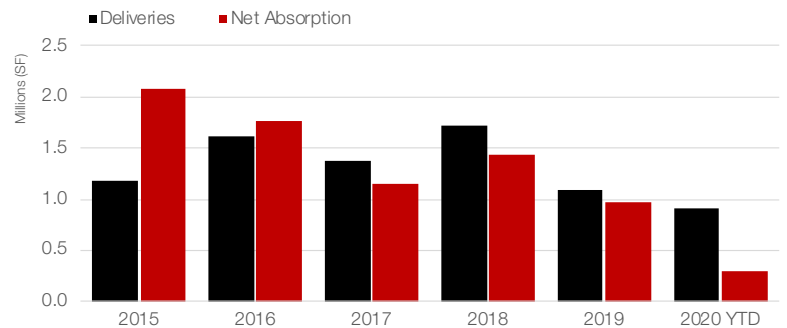
Longtime bar to close, pop-up drive-in to open. Downtown bar B.D. Riley's has closed after 20 years of business, not renewing their lease at 204 East Sixth Street. This has been the scenario for many bars, restaurants and small businesses as they shutter under orders due to the COVID-19 outbreak. As consumers look for socially distanced activities, Blue Starlite Mini Urban Drive-In Theater, which already has locations in the Austin Mueller neighborhood and Round Rock, found space on the roof of the State parking garage at Third and San Antonio streets. The new drive-in will be open through Oct. 31, although its stint could be extended.

Retail and rooftops. According to the Austin Board of REALTORS®, the Austin-area housing market continues to show strength, despite economic setbacks amid the ongoing pandemic. The Austin-Round Rock MSA posted strong gains this August, as home sales experienced a double-digit increase of 12.9% year-over-year to 4,019 sales. In addition to an increase in home sales, sales dollar volume jumped 35.3%, and the median price rose 11.3% to \$355,000.

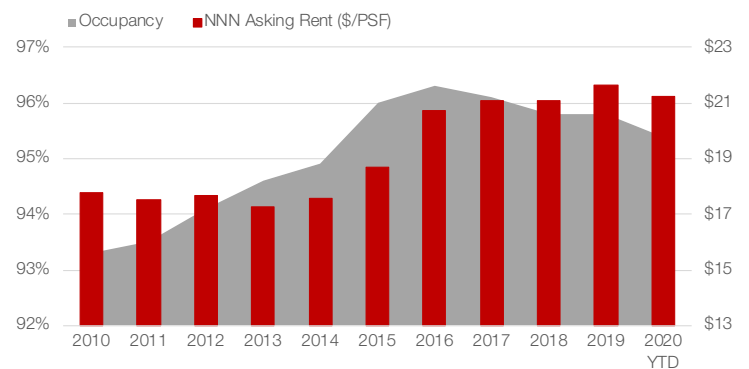
Market Activity

	August 2020 Year-to-Date		August 2019 Year-to-Date
Occupancy Rate	95.2%	↓	95.7%
Net Absorption (SF)	298,575	↑	266,031
Leasing Activity (SF)	1,316,895	↓	1,369,757
Deliveries (SF)	917,271	↑	428,212
Under Construction (SF)	1,238,437	↓	1,488,884
Avg Asking NNN Rent (PSF)	\$21.59	↓	\$22.46

Supply & Demand



Occupancy & Rent



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