

AUSTIN RETAIL Monthly Market Snapshot

FEBRUARY 2021

Market Highlights

Market fundamentals. Occupancy is at 95.1%, down 70 basis points from this time last year. Of the 979,000 sq. ft. currently under construction, the availability rate stands at 53%. Year-to-date through January, the Austin retail market has recorded 132,000 sq. ft. of leasing activity—which is comprised of both new leases and renewals—down around 50% from one year ago. The net amount of square feet absorbed (move-ins minus move-outs) stands at 35,000 sq. ft., with new supply delivering 186,000 sq. ft. to the market this year, with an occupancy rate of 48%. The average asking rate of renting retail space in Austin is at \$21.09 per sq. ft. on a triple net basis, down compared to this time in 2020 at \$21.63 per sq. ft.

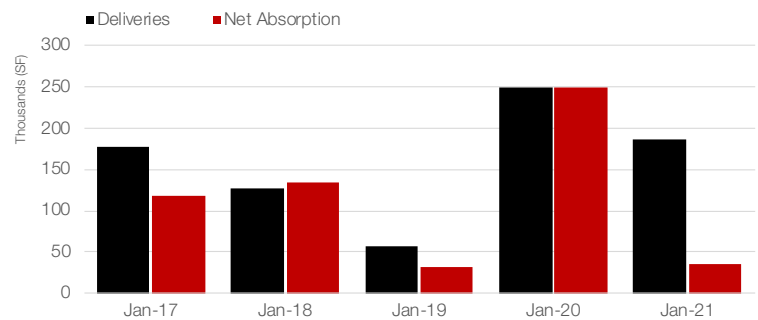
South Austin space to become Tesla showroom, service center. Tesla plans to renovate a 30,000-sq.-ft. facility at 500 E. St. Elmo Road located in The Yard, a 200,000 sq. ft. complex in the redeveloped St. Elmo warehouse district, according to public records. Construction is planned to begin at the end of Q2 2020 with completion scheduled for the end of Q3 2020, at an estimated cost of \$2.5 million. The facility is presently occupied by Music Lab, a rehearsal and recording studio. Tesla is currently working laboriously on its \$1.1 billion Gigafactory in Southeast Austin.

Retail and rooftops. According to the Austin Board of REALTORS®, the Austin-area housing market closed 2020 with a record-breaking 40,165 homes totaling \$17.6 billion in sales volume. The Austin-Round Rock metro is experiencing extraordinarily high demand driven by years of population and employment growth, following the pandemic and record-low interest rates. The outlook for Austin's 2021 housing market should continue to show strength and homes continuing to sell quickly.

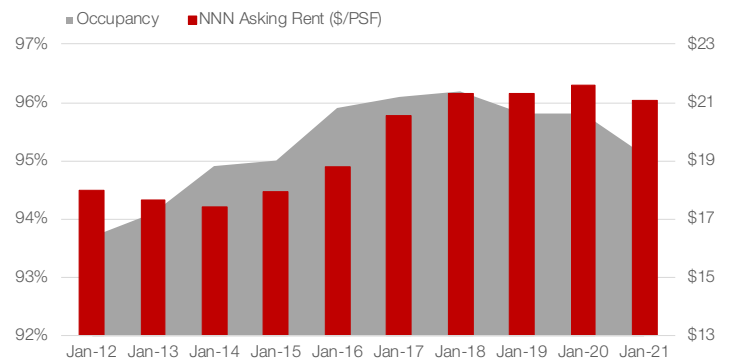
Market Activity

| | January 2021 | | January 2020 |
|----------------------|--------------|---|--------------|
| Occupancy Rate | 95.1% | ↓ | 95.8% |
| Under Construction | 978,625 | ↓ | 1,963,514 |
| NNN Avg Asking Rent | \$21.09 PSF | ↓ | \$21.63 PSF |
| Net Absorption YTD | 35,119 SF | ↓ | 147,618 SF |
| Leasing Activity YTD | 131,857 SF | ↓ | 286,216 SF |
| Deliveries YTD | 186,231 SF | ↑ | 160,150 SF |

Supply & Demand | January YOY



Occupancy & Rent | January YOY



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