

AUSTIN RETAIL MONTHLY MARKET SNAPSHOT | SEPTEMBER 2021

Demand outpaces supply in Austin Retail market during first eight months of year for first time since 2016

MARKET HIGHLIGHTS

SUPPLY & DEMAND

Demand for retail space (973,000 sq. ft.) outpaced supply (668,000 sq. ft.) during the first eight months of 2021 in the Austin metro. This is the first time since 2016 that the amount of net absorption was greater than the amount of square feet delivered from January through August. There has been 668,000 sq. ft. delivered since the beginning of the year, 631,000 sq. ft. under construction, and another 1.1 million sq. ft. planned through 2022. Austin ranks in the upper half of inventory under construction among major markets at about 0.6%. Only two markets nationally (with more than 50 million sq. ft. of inventory) have more than 1% of inventory underway, and no market has more than 1.5%, according to CoStar.

OCCUPANCY

Occupancy in the Austin retail market is at 95.8%, up 30 basis points from this time last year at 95.5%. The net amount of square feet absorbed (move-ins minus move-outs) is 973,000 sq. ft. thus far in 2021—up 21% year-over-year from 805,000 sq. ft. In quarterly reporting, Austin retail has only experienced negative net absorption once in the past 10 years. Year-to-date through August, the Austin retail market has recorded 1.5 million sq. ft. of leasing activity—which is comprised of both new leases and renewals—down about 2.8% compared to this time last year.

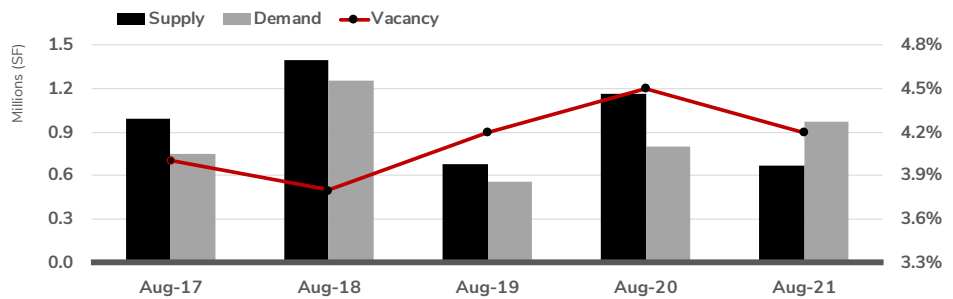
RETAIL AND ROOFTOPS

July 2021 home sales decreased across the Austin-Round Rock metro for the first time since May 2020, according to the Austin Association of Realtors. Despite the drop, the five-county MSA was just 445 homes short of breaking the all-time home sales record set in July 2020. As home sales declined 9.9% to 4,041, the median sales price increased 37.1% year over year to \$480,000—a record for the month of July. During the same time, sales dollar volume increased 20.7% year over year..

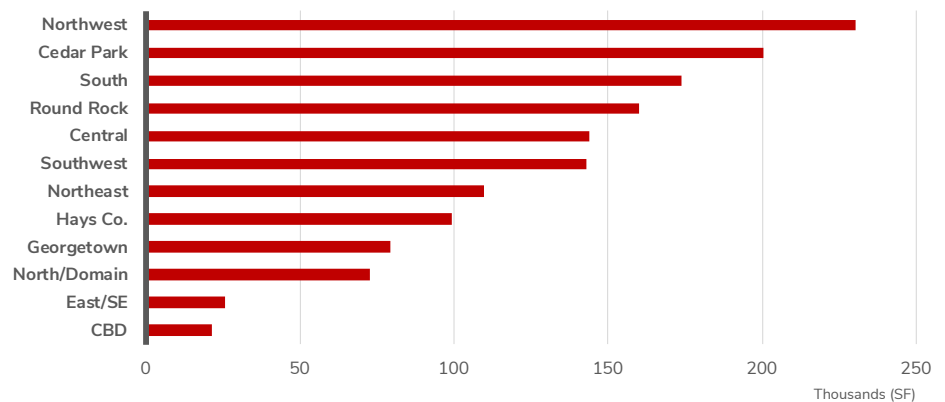
MARKET ACTIVITY

	AUGUST 2021	vs	AUGUST 2020
Vacancy	4.2%	↓	4.5%
Availability	6.0%	■	6.0%
Under Construction SF	630,718	↓	891,139
NNN Avg Asking Rent/MO	\$22.48	▲	\$21.51
Net Absorption SF YTD	973,307	▲	804,845
Leasing Activity SF YTD	1,459,958	↓	1,502,428
Deliveries SF YTD	668,173	↓	1,163,950

SUPPLY & DEMAND | AUGUST - YEAR OVER YEAR



LEASING ACTIVITY | AUGUST 2021 - YEAR-TO-DATE



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