

AUSTIN RETAIL MONTHLY MARKET SNAPSHOT | DECEMBER 2021

Austin Retail vacancy at lowest rate since year-end 2016

MARKET HIGHLIGHTS

VACANCY RATE FURTHER TIGHTENS TO 3.8%

Demand for retail space (1.7 million sq. ft. of net absorption) outpaced supply (967,000 sq. ft. of deliveries) during the eleven months of 2021 in the Austin metro. This is the highest amount of net absorption from January through November since 2015. With 967,000 sq. ft. delivered since the beginning of the year, 908,000 sq. ft. under construction, and another 464,000 sq. ft. proposed through 2022, the demand for retail real estate may continue to surpass supply. Thanks to improved conditions, such as a recent uptick in consumer spending and a decreasing construction pipeline, the Austin retail market's vacancy rate has tightened to 3.8%.

H-E-B REBUILDING 60-YEAR-OLD STORE

H-E-B is planning to start transformation on its six-decade old store at 2400 South Congress Avenue in early 2022, after delays from the Covid-19 pandemic. The old store is scheduled for demolition in Q1 2022 with a temporary store set up in nearby Twin Oaks Shopping Center. It is estimated that it will take about two years for the new store's construction. The new H-E-B will be more than 145,000 sq. ft. including three levels. The current store is 69,000 sq. ft. H-E-B is a leader in retail grocery chain expansion with a reported 141 stores in and around Austin.

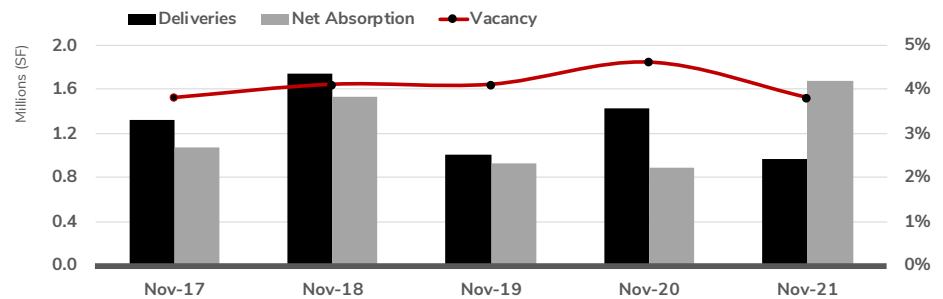
RETAIL AND ROOFTOPS

The Austin-Round Rock MSA housing market remains on track for a record-breaking year, even as the market continues to calm, according to the Austin Board of Realtors. Home sales across the MSA decreased 12.1% to 3,250 closings compared to October 2020 as the median sales price grew 24.7% year over year to \$455,000 setting a record for the month of October. Real estate in Austin remains a seller's market as historically low interest rates, strong in-migration, and a rapidly recovering local economy all drive up the demand for housing.

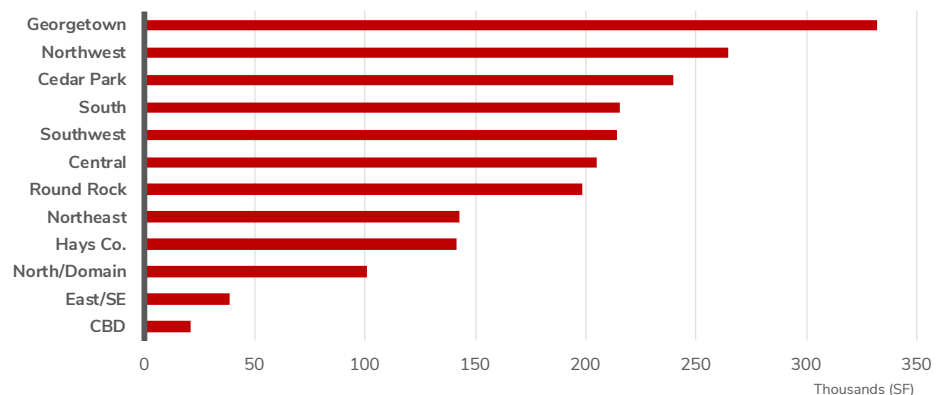
MARKET ACTIVITY

	NOVEMBER 2021	vs	NOVEMBER 2020
Vacancy	3.8%	↓	4.6%
Availability	5.5%	↓	6.3%
Under Construction SF	908,055	↑	864,464
NNN Avg Asking Rent/MO	\$21.68	↑	\$21.08
Net Absorption SF YTD	1,676,361	↑	885,362
Leasing Activity SF YTD	2,113,525	↑	1,909,606
Deliveries SF YTD	966,811	↓	1,426,098

SUPPLY & DEMAND | NOVEMBER - YEAR OVER YEAR



LEASING ACTIVITY | NOVEMBER 2021 - YEAR-TO-DATE



LETA WAUSON

DIRECTOR OF RESEARCH
leta.wauson@naipartners.com
tel 713 275 9618

NAIpartners
BROKERAGE SERVICES
www.naipartners.com