

AUSTIN INDUSTRIAL MONTHLY MARKET SNAPSHOT | FEBRUARY 2022

Austin Industrial inventory grows 25% in five years

MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST MONTH OF THE YEAR—JANUARY 2022 COMPARED TO JANUARY 2021.

BOOMING MARKET DEMAND

One month into 2022, the completion of the Tesla Gigafactory at 4.5 million sq. ft. and Amazon Sat6 at 767,000 sq. ft. added 5.3 million sq. ft. of net absorption to the Austin industrial market. In addition, 1.2 million sq. ft. of leasing activity comprised of both new leases and renewals took place during the same time period. 61 properties 10,000 sq. ft. and larger are under construction tallying 7.7 million sq. ft. with 62% of that space already spoken for. 21.5 million sq. ft. has been added to the Austin Industrial market since 2017, a 25% increase of total inventory, registering at 108.3 million sq. ft. as of January 2022.

VACANCY TIGHTENS TO 3.9%

January 2022 vacancies fell by about 290 basis points year over year, shrinking to 3.9%, the lowest rate since 2016. As a result, landlords have pushed the NNN average asking monthly rents up 4% to \$0.99 per sq. ft. from last year's \$0.95 per sq. ft. Austin's economy has recovered at one of the fastest rates nationally, and more companies and people continue to relocate to Texas' capital city.

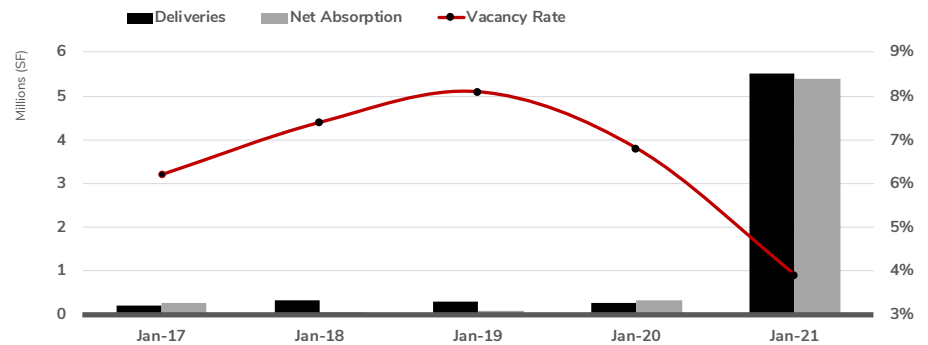
TESLA GIGAFACTORY FACTORY UP AND RUNNING

Now that the 4.5 million sq. ft. Tesla Gigafactory has begun manufacturing electric vehicles at its new factory on the east side of Austin, Tesla is already planning an expansion. As reported by the Electrek industry website, Tesla has applied to build a nearly 1.6-million-sq.-ft. industrial facility that would produce cathodes for battery manufacturing on a 32-acre site adjacent to its auto manufacturing plant. Though there has not been an announcement when construction on the new facility might start or how many people it might employ, the Tesla Gigafactory is expected to employ at least 5,000 people.

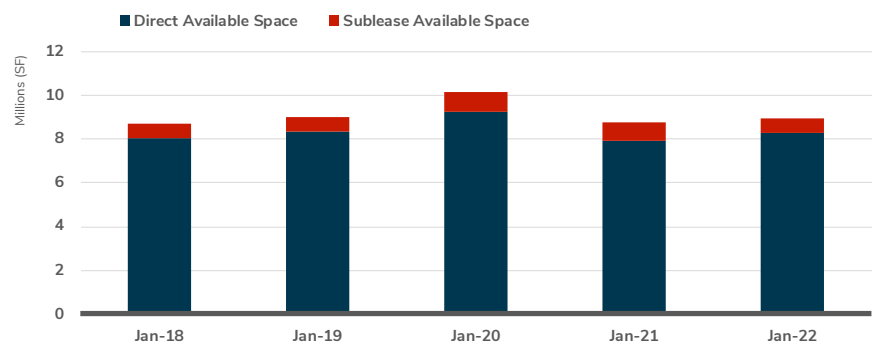
MARKET ACTIVITY

	JANUARY 2022	vs	JANUARY 2021
Vacancy	3.9%	↓	6.8%
Availability	7.7%	↓	7.9%
Under Construction SF	7,746,823	↓	12,982,499
NNN Avg Asking Rent/MO	\$0.99	↑	\$0.95
Net Absorption SF YTD	5,388,717	↑	328,242
Leasing Activity SF YTD	1,154,962	↓	1,179,791
Deliveries SF YTD	5,515,634	↑	265,896

SUPPLY & DEMAND | JANUARY - YEAR OVER YEAR



AVAILABLE SPACE | JANUARY - YEAR OVER YEAR



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