

# AUSTIN INDUSTRIAL MONTHLY MARKET SNAPSHOT | MARCH 2022

## Austin Industrial Market Posts Record-Breaking Vacancy Rates and Rents .

### MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST TWO MONTHS OF THE YEAR—FEBRUARY 2022 COMPARED TO FEBRUARY 2021.

#### FLOURISHING MARKET DEMAND

Two months 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, 1.5 million sq. ft. of leasing activity comprised of both new leases and renewals took place during the same time period. Sixty-six properties—10,000 sq. ft and larger—are under construction, tallying 8.2 million sq. ft. with a 36.7% availability rate. 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 February 2022.

#### VACANCY AND RENT BREAK RECORDS

As of February 2022, vacancies have fallen to 3.7%, the lowest rate on record. As a result, landlords have pushed the NNN average asking monthly rents up 5.2% to \$1.00 per sq. ft.—another record-breaking amount—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.

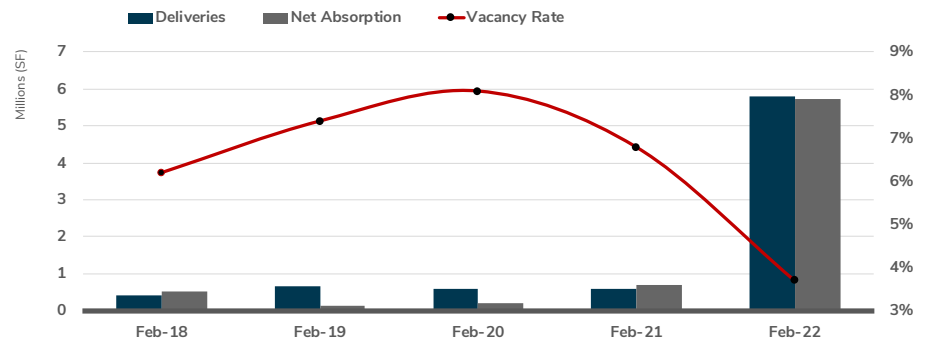
#### NEW MANUFACTURING PLANT IN GREATER AUSTIN

Ovivo, a wastewater treatment company, has broken ground on its new manufacturing plant in Hutto. The 110,000-sq. ft. facility represents Building 4 within Innovation Business Park’s 168-acre master-planned park located just north of Austin. The plant is expected to create 100 new jobs, with salaries ranging between \$50,000 to \$150,000. Ovivo has offices in nearby Round Rock, in addition to existing facilities in Denmark and Canada. Kval, a door manufacturer, signed a deal for a 52,500-sq.-ft. build-to-suit in the park that marks its first expansion outside of California.

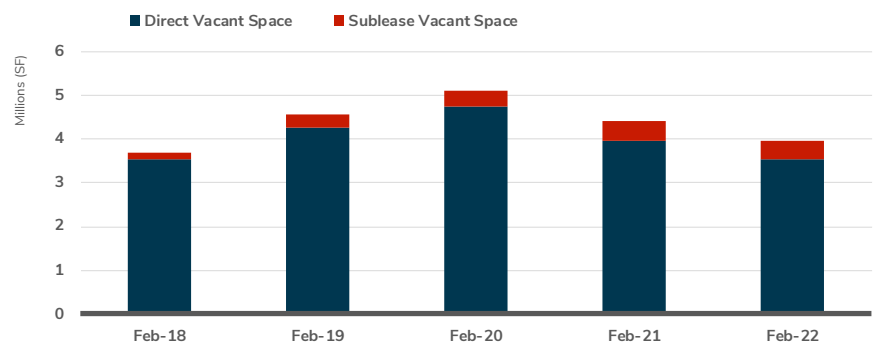
### MARKET ACTIVITY

	FEBRUARY 2022	vs	FEBRUARY 2021
Vacancy	3.7%	↓	6.8%
Availability	7.5%	↓	7.8%
Under Construction SF	8,180,554	↓	12,852,499
NNN Avg Asking Rent/MO	\$1.00	↑	\$0.95
Net Absorption SF YTD	5,741,489	↑	678,938
Leasing Activity SF YTD	1,467,844	↓	2,587,704
Deliveries SF YTD	5,797,614	↑	568,079

### SUPPLY & DEMAND | FEBRUARY - YEAR OVER YEAR



### VACANT SPACE | FEBRUARY - YEAR OVER YEAR



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