

AUSTIN RETAIL MONTHLY MARKET SNAPSHOT | MARCH 2022

Austin metro NNN average asking rent is at an all-time high

MARKET HIGHLIGHTS

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

VACANCY RATE TIGHTENS TO 3.7%

Two months into 2022, overall vacancy in the Austin retail market has tightened to 3.7%, dropping 100 basis points from this time last year at 4.7%. Availability is at 4.9%, down 130 basis points from February 2021 at 6.2%. The difference between this figure and the vacancy rate reflects expected future move-outs. Leasing activity comprised of both new leases and renewals slowed slightly year-over-year at 555,000 sq. ft. versus 652,000 sq. ft., while net absorption (move-ins minus move-outs) is at 193,000 sq. ft., up 12% year-over-year from 173,000 sq. ft. The top transaction so far in 2022 is the Austin Disaster Relief Network signing a lease for 36,888 sq. ft. for a second Hope Family Thrift Store location in North Austin at 13801 Burnet Road.

AVERAGE RETAIL NNN ASKING RENTS AT ALL-TIME HIGH

Overall positive trends in leasing activity have driven average retail asking rents higher. The Austin metro NNN average asking rent is at an all-time high of \$21.92 per sq. ft., up 4.8% from \$20.92 this time last year. With one of the strongest economies in the country over the past decade, retail landlords in Austin have significantly benefited.

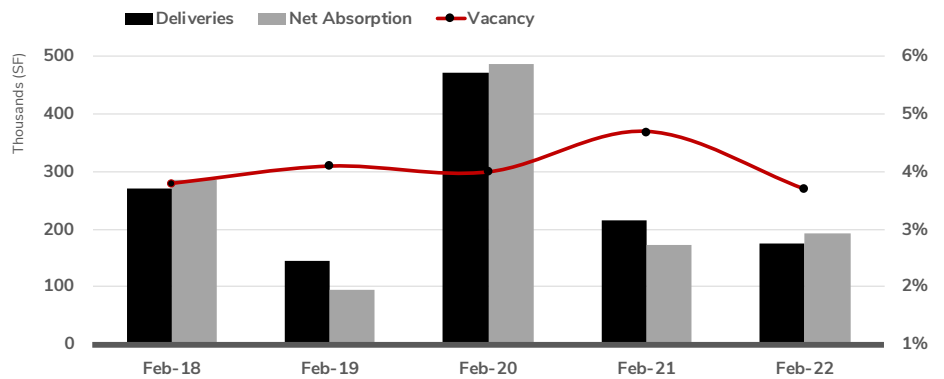
RETAIL AND ROOFTOPS

According to the Austin Board of Realtors closed listings increased 11.3% year over year to 2,581 sales across the Austin-Round Rock MSA in February, combined with a new record median price, which rose 27.9% year over year to an all-time high of \$499,995. Across the MSA in February, sales dollar volume increased 34% year over year to \$1.6 billion while new listings increased 10.4% to 2,834. At the same time, active listings decreased 4.1% year over year to 1,240 listings, while pending sales increased 20.3% to 2,967 across the MSA. This jump in pending sales indicate that March home sales growth could be equally strong as February.

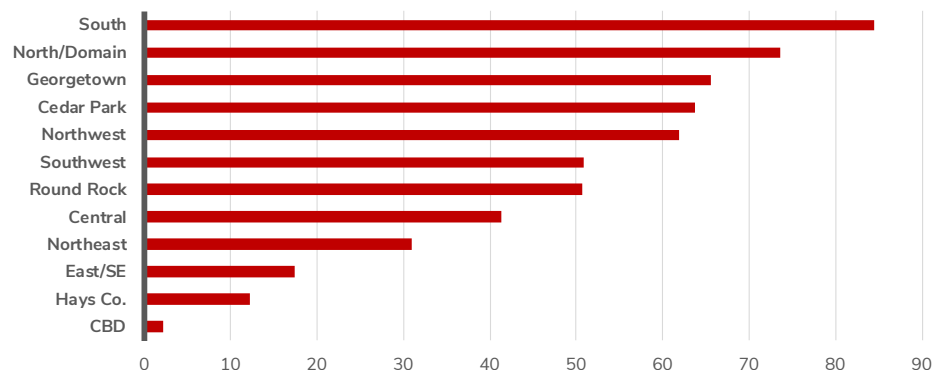
MARKET ACTIVITY

| | FEBRUARY 2022 | vs | FEBRUARY 2021 |
|-------------------------|---------------|----|---------------|
| Vacancy | 3.7% | ↓ | 4.7% |
| Availability | 4.9% | ↓ | 6.2% |
| Under Construction SF | 940,264 | ↓ | 1,009,496 |
| NNN Avg Asking Rent | \$21.92 | ↑ | \$20.92 |
| Net Absorption SF YTD | 193,161 | ↑ | 172,813 |
| Leasing Activity SF YTD | 554,793 | ↓ | 651,679 |
| Deliveries SF YTD | 174,849 | ↓ | 214,728 |

SUPPLY & DEMAND | FEBRUARY - YEAR OVER YEAR



LEASING ACTIVITY | FEBRUARY 2022 | YEAR TO DATE



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