

# Austin Retail

## Monthly Market Snapshot | November 2022

Developers are encouraged by new rooftop growth as Austin's retail market supply pipeline expands.

### Market Highlights

An analysis of activity during the ten months of the year—October 2022 compared to October 2021.

Vacancy rate at 3.5%

Ten months into 2022, the overall vacancy in the Austin retail market is at a tight 3.5%, dropping 20 basis points from last year's 3.7%. Availability is 4.7%, down 50 basis points from October 2021 at 5.2%. The difference between this figure and the vacancy rate reflects expected future move-outs. Leasing activity comprised of new leases and renewals decreased year-over-year at 1.9 million sq. ft. versus 2.3 million sq. ft., while net absorption (move-ins minus move-outs) is at 951,000 sq. ft., down 36% year-over-year from 1.5 million sq. ft.

Plans for a new Hobby Lobby in Pflugerville

Hobby Lobby Stores Inc. is building a 55,000-sq. ft. location at the southwest corner of Terrell Ln. and Town Center Dr. and is scheduled to open in 2024. The estimated construction cost is \$4 million. Other retailers and restaurants in the area include The Home Depot, Target, Torchy's Tacos, Chili's Bar & Grill, In-N-Out Burger, Wingstop, and IHOP, among others. Hobby Lobby has eight stores in the Austin metro, including a recently opened South Austin location at 6600 S. MoPac Expressway., where it replaced prior tenant Randalls.

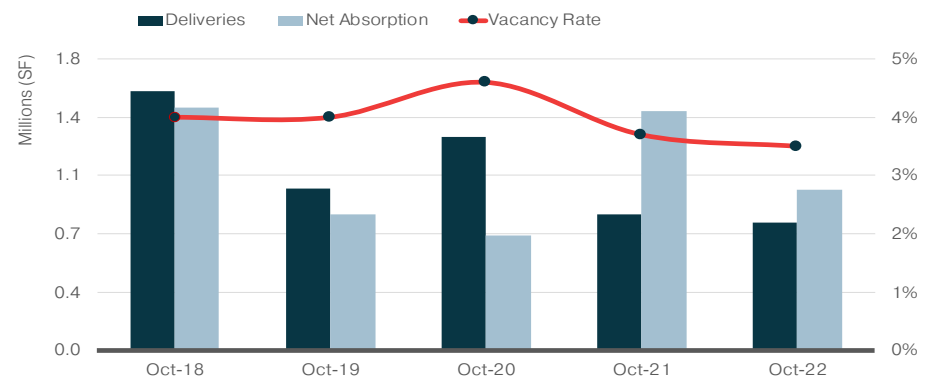
Retail and rooftops

In September, the Austin-Round Rock MSA housing market continued to return to normal activity with more available supply and a softer appreciation of home price growth, according to the Austin Board of REALTORS®. Home sales declined 18.5% to 2,992 closed listings as active listings were up 162.4% to 9,671 listings—the highest number of active listings in the MSA since July 2011. The report went on to say that homebuyers no longer need to move at a frantic pace to find a home. Instead, as interest rates continue to rise, there are more homes to choose from and more time to find a home that works for their needs and budget.

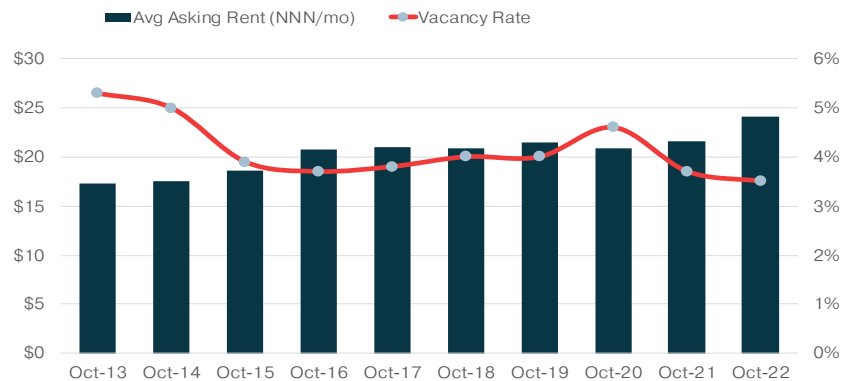
### Market Activity

	October 2022	vs	October 2021
Vacancy	3.5%	↓	3.7%
Availability	4.7%	↓	5.2%
Under Construction SF	2,213,187	↑	1,152,123
NNN Avg Asking Rent/MO	\$24.14	↑	\$21.64
Net Absorption SF YTD	950,500	↓	1,474,830
Leasing Activity SF YTD	1,904,959	↓	2,250,198
Deliveries SF YTD	785,872	↓	836,401

### Supply & Demand | October - Year Over Year



### Rent & Vacancy | October - Year Over Year



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