

AUSTIN INDUSTRIAL MONTHLY MARKET SNAPSHOT | AUGUST 2022

Austin's fast-growing, high-tech manufacturing sector continues to draw strong interest from investors.

MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST SEVEN MONTHS OF THE YEAR—JULY 2022 COMPARED TO JULY 2021.

GROWING MARKET DEMAND

Over halfway through 2022, there has been 7.4 million sq. ft. of net absorption—including the completion of the Tesla Gigafactory at 4.5 million sq. ft. and Amazon Sat6 at 767,000 sq. ft. for a combined 5.3 million sq. ft.—to the Austin industrial market. In addition, 4.8 million sq. ft. of leasing activity comprised of new leases and renewals took place during the same period. 105 properties 10,000 sq. ft. and larger are under construction, tallying 13.8 million sq. ft. with a 60% availability rate. 23.3 million sq. ft. has been added to the Austin Industrial market in the past five years, a 26.3% increase in total inventory, registering at 112 million sq. ft. as of July 2022.

VACANCY AT 4.2%

As of July 2022, vacancies are at a low of 4.2%. As a result, landlords have pushed the NNN average asking monthly rents up 8.6% to \$1.06 per sq. ft.—a significant amount—from last year's \$0.97 per sq. ft. Austin's economy has recovered at one of the fastest rates nationally, and more companies and people continue to move to Texas' capital city.

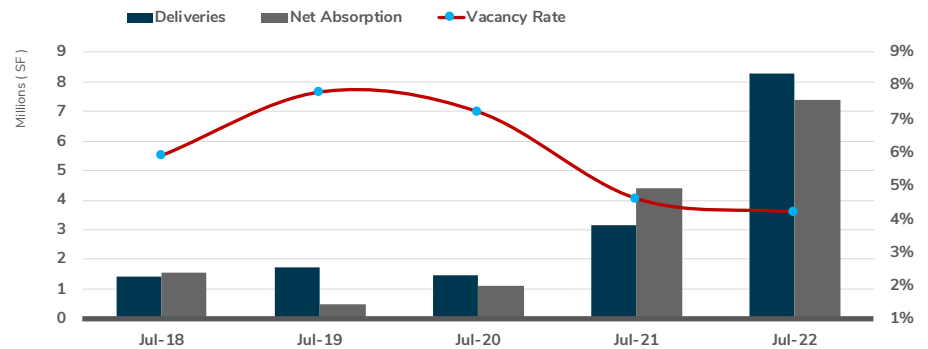
INCREASING PRESENCE OF CHIPMAKERS

Tech manufacturing and increased demand for goods and housing are making Austin an attractive market for speculative developers, leading to unprecedented construction activity. Preleasing activity from retail and wholesale firms can be credited partly to Austin's 2.7% average annual population growth since 2010. Based on current projections, the number of residents is expected to double to 4.3 million by 2050. The increasing presence of chipmakers such as Samsung, NXP, and Applied Materials is drawing strong interest from investors looking to capitalize on this escalating demand. In addition, Titan Development expects to accommodate tech companies and their suppliers with their 2.5 million sq. ft. Hutto Mega TechCenter. It is expected to break ground in late 2022 and will be near Samsung's proposed \$17 billion plant in Taylor.

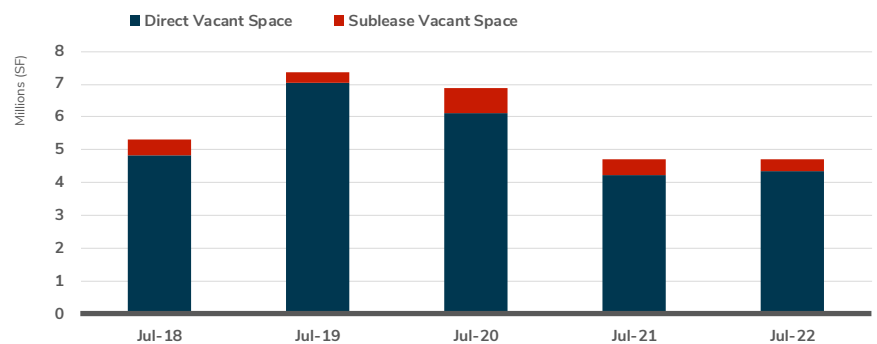
MARKET ACTIVITY

	JULY 2022	vs	JULY 2021
Vacancy	4.2%	↓	4.6%
Availability	10.9%	↑	6.3%
Under Construction SF	13,772,220	↑	11,795,899
NNN Avg Asking Rent/MO	\$1.06	↑	\$0.97
Net Absorption SF YTD	7,404,343	↑	4,395,300
Leasing Activity SF YTD	4,830,925	↓	8,826,582
Deliveries SF YTD	8,295,653	↑	3,147,177

SUPPLY & DEMAND | JULY - YEAR OVER YEAR



VACANT SPACE | MAY - YEAR OVER YEAR



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