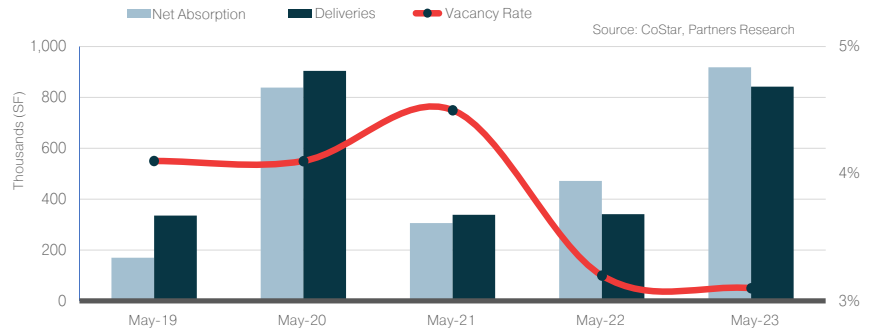


Austin Retail net absorption more than doubles year-over-year, reaching nearly 1 million sq. ft.

Austin Retail

As of May 2023, overall vacancy in the Austin retail market tightened to 3.1%, decreasing slightly from 3.2% the previous year. Net absorption—move-ins minus move-outs—is at 918,680 sq. ft., increasing 95% year-over-year from 471,845 sq. ft. in May 2022. Construction surged 63% from 1.6 million sq. ft. in May 2022 to 2.7 million sq. ft. by May 2023. Likewise, deliveries increased from 341,046 sq. ft. to 842,270 sq. ft., year-over-year. Several recent additions such as Costco (152,000 sq. ft.) in Georgetown and H-E-B (126,455 sq. ft.) in Kyle contributed to May’s deliveries.

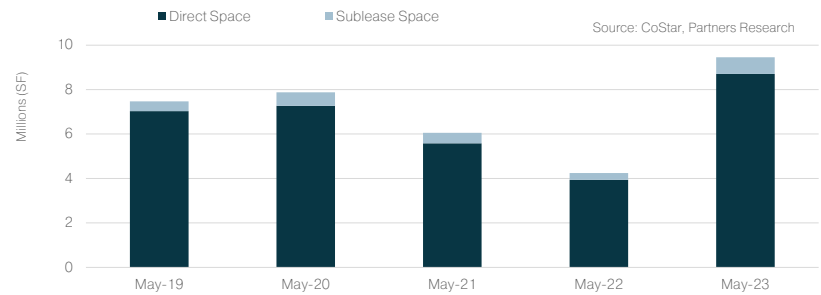
Retail | Supply & Demand



Austin Industrial

The overall vacancy rate in the Austin industrial market as of May 2023 was 7.7%, increasing 400 basis points from the previous year (3.7%), but slightly down from 7.8% the previous month. Net absorption totaled 1.7 million sq. ft., down from a more abundant 7.3 million-sq.-ft. start in 2022. Year-to-date, leasing activity tallied 4.1 million sq. ft., up from 3.8 million sq. ft. the prior year. Deliveries fell (23%) to 5.6 million sq. ft. year-over-year from 7.3 million sq. ft. in May 2022.

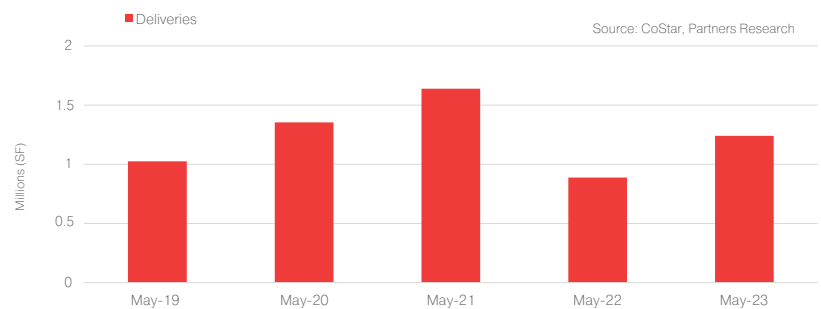
Industrial | Vacancy



Austin Office

Five months into 2023, the overall vacancy rate was 17.0%, marking a 430-basis point increase from 12.7% last year, but slightly down from 17.2% the previous month. Net absorption is at negative 1.3 million sq. ft., down from positive 914,229 sq. ft. in May 2022. Year-to-date, leasing activity—comprised of new leases and renewals—totaled 1.5 million sq. ft., down 56% from 3.5 million sq. ft. the prior year. Although still strong, office construction declined 10% year-over-year from 7.8 million sq. ft. to 7.0 million sq. ft. On the flip side, deliveries increased 40% from 888,480 sq. ft. in May 2022 to 1.2 million sq. ft. in May 2023.

Office | Deliveries



Austin Multifamily

As of May 2023, overall occupancy in Austin’s multifamily market was 90.1%, decreasing 220 basis points from the prior year’s 92.3%. In addition, 4,691 units were absorbed five months into 2023, increasing 33% from 3,534 units the previous year. Multifamily construction activity has remained hot with 42,000+ units underway per quarter since Q2 2022 (42,750 units). As of Q2 2023, 47,215 units are underway in Austin. This streak is partially due to employment growth in Austin— construction and mining experienced the second greatest employment growth (19.6%, or 1,194 jobs) compared to other sectors as of April 2023. Lastly, delivered units amounted to 8,027 units as of May 2023, up 19% from 6,737 units in May 2022.

Multifamily | Construction

