

AUSTIN RETAIL | OFFICE | INDUSTRIAL | MULTIFAMILY

Monthly Snapshot

Austin Retail exceeds 2 million sq. ft. of net absorption for first time in 15 years

DECEMBER 2023

AUSTIN RETAIL

As of November 2023, the overall vacancy rate in Austin's retail market is 3.2%, up 10 basis points from 3.1% the previous year. Year-to-date, net absorption—move-ins minus move-outs—reached 2.1 million sq. ft., up 61% from the prior year-to-date number of 1.3 million sq. ft. For the first time in 15 years, year-to-date net absorption exceeded 2.0 million sq. ft. (3.2 million sq. ft. in Q4 2008). In November, Academy Sports + Outdoors occupied a 50,886-sq.-ft. retail space in Hutto. Market fundamentals remain tight due to strong consumer demand and retail expansion. Year-to-date, deliveries registered at 2.2 million sq. ft., more than doubling from the prior year-to-date statistic of 1.0 million sq. ft. The average asking rent (NNN) increased to \$26.53 per sq. ft.—a record-high for the metro's retail sector.

AUSTIN OFFICE

Eleven months into 2023, the overall vacancy rate in the Austin office market is 17.9%, up 340 basis points from the prior year's 14.5%. Year-to-date, net absorption is at -1.7 million sq. ft., down from the prior year-to-date tally of 1.7 million sq. ft. Construction is at 6.1 million sq. ft., 19% down year-over-year from 7.6 million sq. ft. Over the past 3 years, construction has averaged 7.4 million sq. ft. annually. Office demand remains tempered despite a moderate supply slowdown year-over-year. Year-to-date, leasing activity—comprised of new leases and renewals—is at 4.2 million sq. ft., 43% down from the 7.4 million sq. ft. in November 2022. The average asking rent (FSG) currently stands at \$41.44 per sq. ft., slightly up from \$40.97 per sq. ft. the previous year.

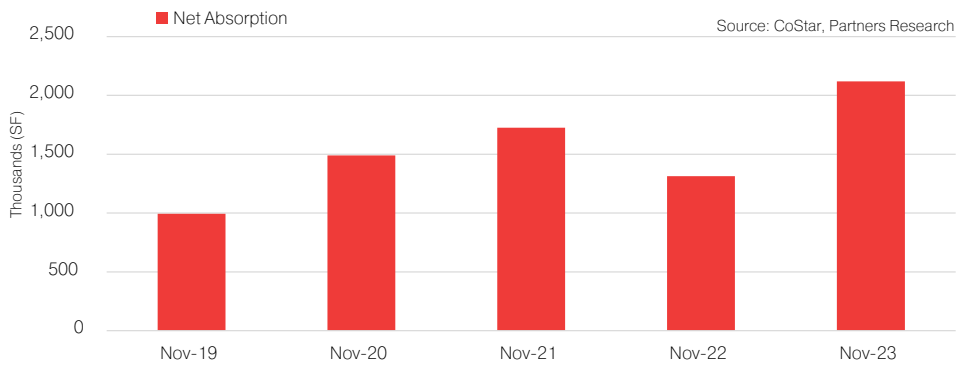
AUSTIN INDUSTRIAL

The overall vacancy rate in the Austin industrial market as of November 2023 is 9.8%, marking a 540-basis point increase from 4.4% in November 2022. Year-to-date, net absorption is at 4.4 million sq. ft., down from the prior year-to-date figure of 11.5 million sq. ft. Construction is at 19.6 million sq. ft., 43% up from the previous year's 13.7 million sq. ft. Samsung's 2.8 million-sq.-ft. semiconductor facility (Round Rock submarket) in March 2023, and Bobcat's 1.5 million-sq.-ft. manufacturing facility (East submarket) in October 2023, reign as some of the largest construction starts thus far in 2023. The monthly average rate (NNN) reached \$1.18 per sq. ft.—a record-high for the metro's industrial sector.

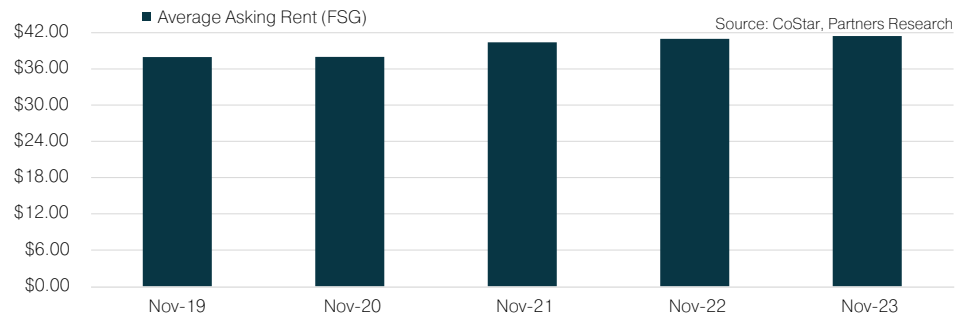
AUSTIN MULTIFAMILY

Year-to-date, 10,322 units have been absorbed in Austin, up 26% from 8,191 units this time last year. Overall occupancy in the metro's multifamily sector declined to 87.5% in November 2023, down 340 basis points from 90.9% in November 2022. Year-to-date, deliveries amounted to 23,613 units, up 49% from the prior year-to-date count of 15,843 units. Notable November completions include a 3-story, 420,798-sq.-ft. (483 units) apartment building at 5005 East Palmer Lane, and a 4-story, 392,093-sq.-ft. (330 units) apartment building at 5313 Vega Avenue. The average monthly rate (NNN) currently stands at \$1,574 per unit, 4% down from \$1,642 per unit last year.

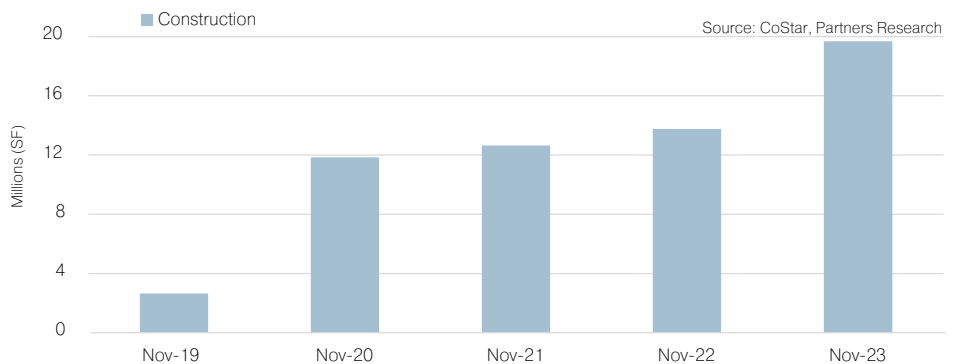
RETAIL | NET ABSORPTION



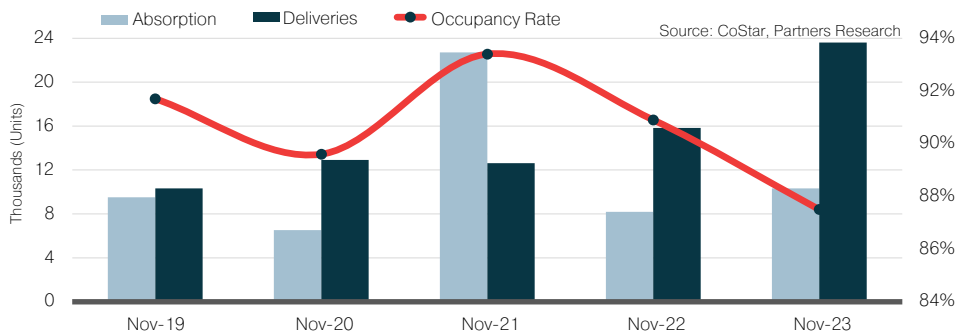
OFFICE | ANNUAL RENT GROWTH



INDUSTRIAL | CONSTRUCTION



MULTIFAMILY | SUPPLY & DEMAND



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