

Austin retail market experiences negative absorption for first time since 2020

▲ 3.7%

Availability Rate

▼ -330K

SF Net Absorption (000s)

▼ 150K

SF Completed (000s)

▼ \$27.57

Avg. Asking Rent (NNN)

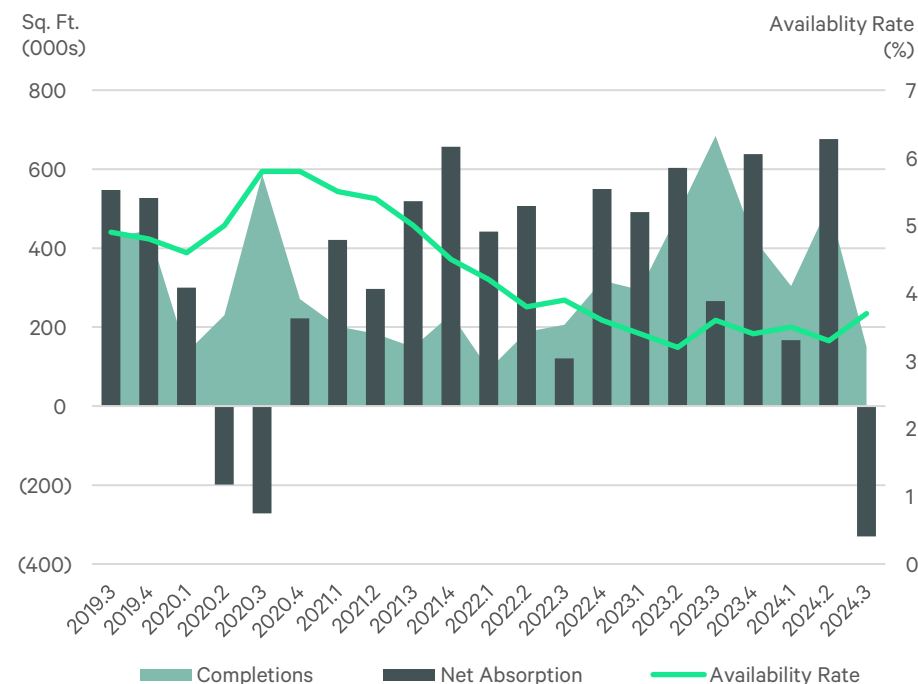
Note: Arrows indicate change from previous quarter.

Source: CBRE Econometric Advisors, Q3 2024.

MARKET HIGHLIGHTS

- The Austin retail market closed Q3 2024 with an availability rate of 3.7%. This represented a .4% increase from Q2 2024.
- The total retail sq. ft. absorbed in Q3 2024 was -330 thousand sq. ft., compared to 676 thousand sq. ft. in Q2 2024.
- There was 150 thousand sq. ft. delivered in Q3 2024, compared to 509 thousand sq. ft. in Q2 2024.
- The overall average net asking rent for retail in Austin ended Q3 2024 at \$27.57, representing a -\$0.74 change from Q2 2024.
- The total retail investment sales in Q3 2024 amounted to \$36.5 million in total volume, compared to \$71.7 million in Q2 2024.

FIGURE 1: Completions, Net Absorption, and Availability Rate



Source: CBRE Econometric Advisors, Q3 2024.

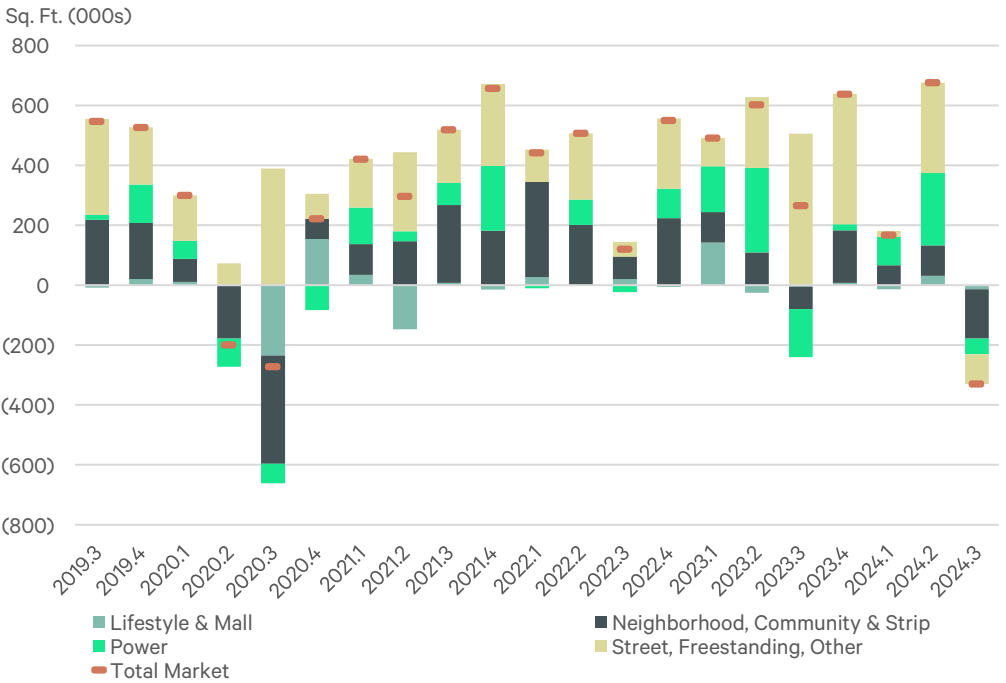
Market Overview

FIGURE 2: Market Statistics by Product Type

Market	Inventory (SF, 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Lifestyle & Mall	6,854	0.9	(14)	-	\$25.50
Neighborhood, Community & Strip	34,818	5.4	(164)	70	\$26.32
Power	15,578	3.1	(53)	-	\$51.88
Street, Freestanding, Other	45,378	3.0	(99)	80	-
Total Market	102,628	3.7	(330)	150	\$27.57

Source: CBRE Econometric Advisors, Q3 2024.

FIGURE 3: Net Absorption by Center Type



Source: CBRE Econometric Advisors, Q3 2024.

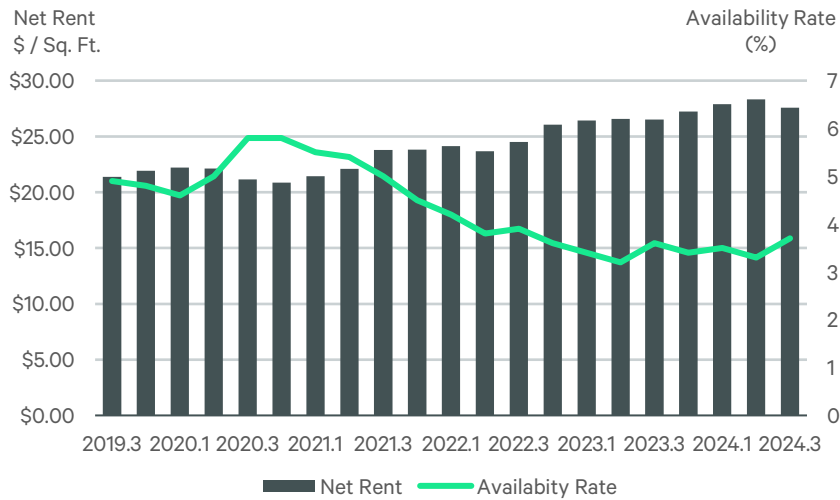
FIGURE 4: Market Statistics by Submarket

Market	Inventory (SF 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Total Market	102,628	3.7	(330)	150	\$27.57
CBD / Central	11,568	5.9	33	-	\$27.64
Cedar Park	9,447	3.6	(4)	2	\$31.61
East Bastrop / Cald	9,340	1.6	22	17	\$24.62
East	4,315	5.3	(29)	-	\$30.85
Far Northeast	4,787	2.5	(9)	2	\$29.69
Far Northwest	4,122	6.1	10	24	\$25.15
Georgetown	9,283	3.8	(14)	39	\$21.74
North Domain	7,575	2.4	6	-	\$30.77
Northeast	3,719	9.3	(247)	22	\$24.79
Northwest	5,978	3.3	(55)	-	\$25.91
Round Rock	8,470	2.8	(35)	21	\$25.10
South	12,280	3.1	14	-	\$34.36
Southeast	2,810	1.8	(16)	-	\$24.69
Southwest	8,933	3.1	(6)	23	\$30.21

Source: CBRE Econometric Advisors, Q3 2024.

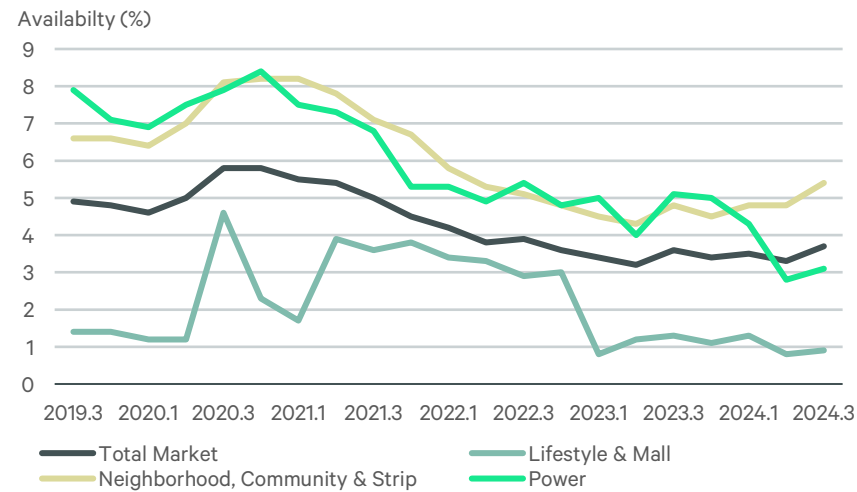
Asking Rents & Availability

FIGURE 5: Net Asking Rent and Availability Rate



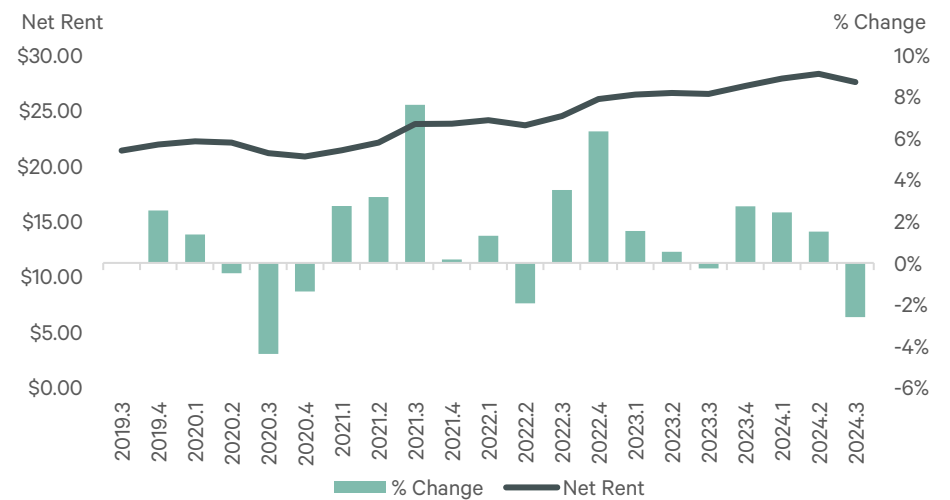
Source: CBRE Econometric Advisors, Q3 2024.

FIGURE 7: Availability by Center Type



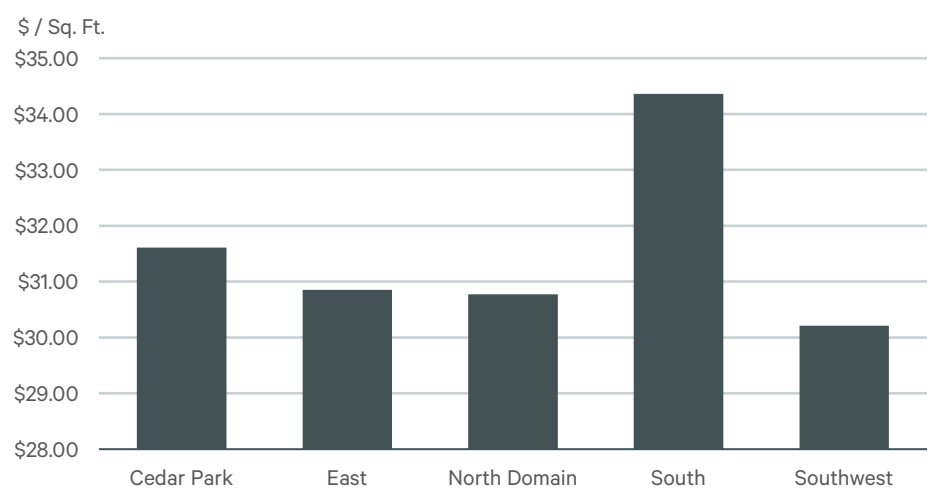
Source: CBRE Econometric Advisors, Q3 2024.

FIGURE 6: Net Rent and % Change



Source: CBRE Econometric Advisors, Q3 2024.

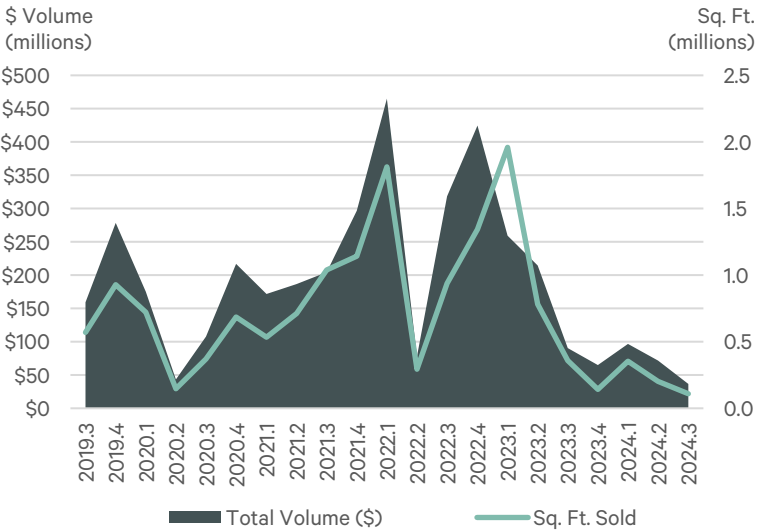
FIGURE 8: Top 5 Submarket by Net Rent



Source: CBRE Econometric Advisors, Q3 2024.

Investment Sales

FIGURE 9: Retail Investment Sale Volume



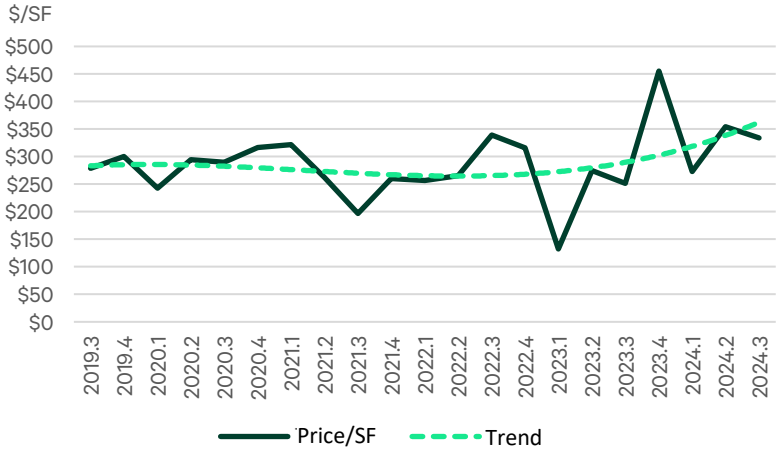
Source: MSCI Real Capital Analytics, Q3 2024.

FIGURE 11: Q3 2024 Sale Transactions

Property Name	City	Building SF	Year Built	Sale Price	Price / SF
South Bend Center	Austin	44,106	1985	\$8,712,000	\$198
Shops at Crystal Falls	Leander	19,436	2014	\$8,000,000	\$412
fmr Wells Fargo	Round Rock	17,350	1982	\$7,745,561	\$446
AutoZone Auto Parts	Austin	16,400	2022	\$8,242,423	\$503
7858 Shoal Creek Boulevard	Austin	12,006	1988	\$3,800,000	\$317

Source: MSCI Real Capital Analytics, Q3 2024.

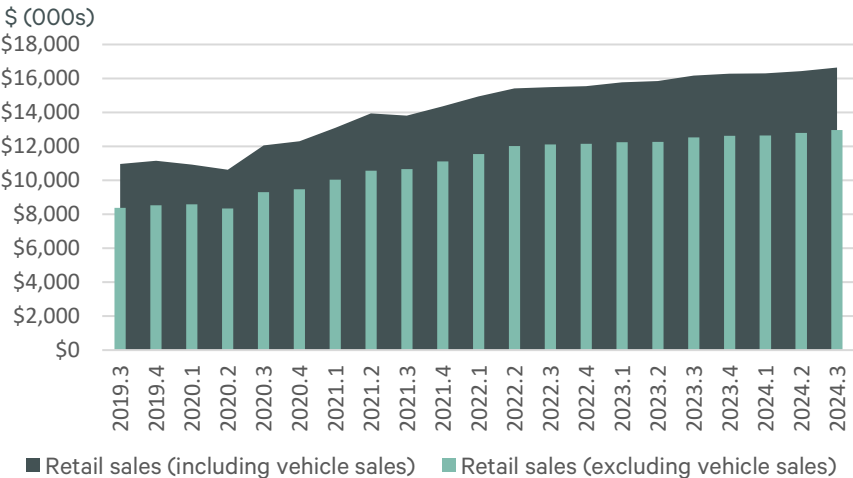
FIGURE 10: Retail Investment Sale Price Per Sq. Ft.



Source: MSCI Real Capital Analytics, Q3 2024.

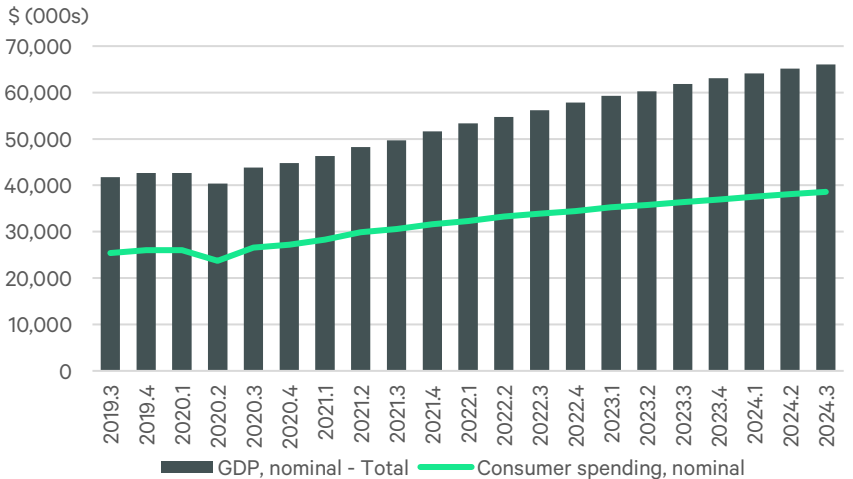
Economic Overview

FIGURE 12: Total Retail Sales



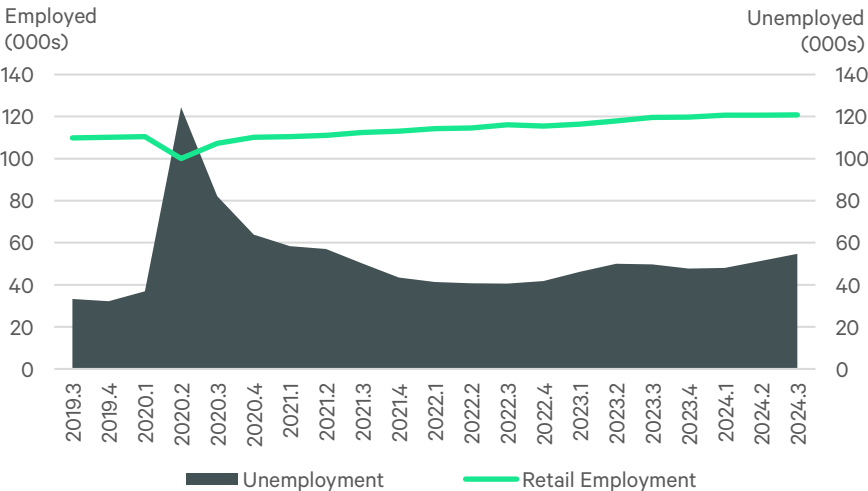
Source: Oxford Economics, Q3 2024.

FIGURE 14: GDP & Consumer Spending



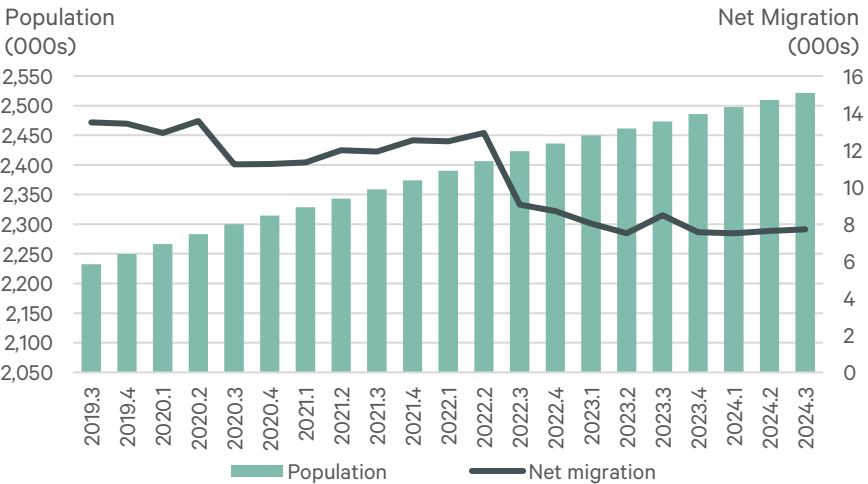
Source: Oxford Economics, Q3 2024.

FIGURE 13: Retail Employment vs. Unemployment



Source: Oxford Economics, Q3 2024.

FIGURE 15: Total Population & Net Migration



Source: Oxford Economics, Q3 2024.

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Retail Definitions

Neighborhood, community and strip centers are groupings of buildings where there is most often an anchor property (except strip). Neighborhood properties are the largest ranging from 125,000 to 400,000 sq. ft., followed by community at 30,000 to 125,000 sq. ft., and strip with 30,000 or less sq. ft.

Lifestyle are upscale national-chain specialty stores with dining and entertainment in an outdoor setting. Lifestyle centers range from 150,000 to 500,000 sq. ft. Malls, including both regional and super regional malls, can provide a wide range of goods and services. Regional malls are built around full-line department stores and usually range over 300,000 sq. ft. Super regional malls are usually over 750,000 sq. ft. with more department stores.

Power Centers are category-dominant anchors, including discount department stores, off-price stores, and wholesale clubs, with only a few small tenants. They range from 250,000 to 600,000 sq. ft. and have multiple anchors.

Freestanding Retail are single-tenant occupied retail buildings. All other variables may vary.

Market Definition

The Austin market consists of Bastrop County, Caldwell County, Hays County, Travis County, Williamson County.

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