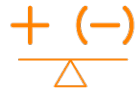




89.8 MSF

Inventory



99,310 SF

YTD Net Absorption



3.3%

Direct Vacancy



3.4%

Total Availability



2.65 MSF

Under Construction



\$26.26 PSF

Net Asking Rent

Retail vacancy remains low, but market pressure is impacting rents

Market Observations

- The vacancy rate remains consistently low at 3.3%, despite a notable volume of new deliveries. Most new retail product is located outside the urban core, aligning with suburban expansion and residential growth.
- Net absorption for the quarter totaled 99,310 SF—the first time in nearly three years it has fallen below 200K SF—potentially indicating a cooling retail market amid economic uncertainty.
- Asking rents declined slightly in Q1, averaging \$26.26 net PSF, representing a 1.7% year-over-year decrease.
- As of this quarter, 2.65 million square feet of new retail space is under construction in the Austin Metro area, with approximately 381K SF delivered year to date.

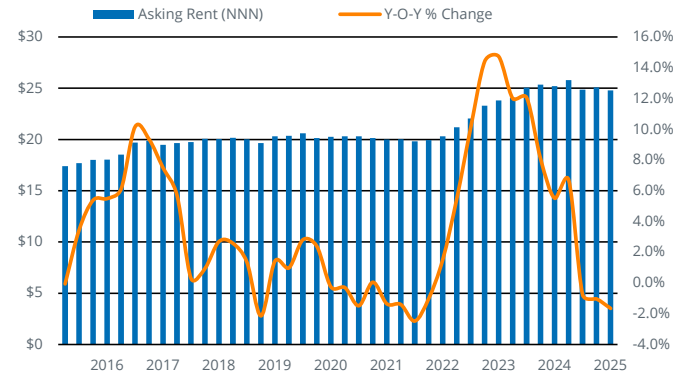




AUSTIN RETAIL MARKET | Q1 2025

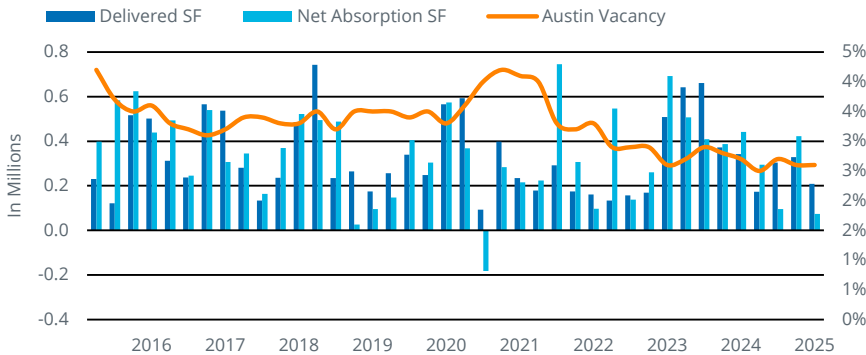
- **Net absorption** totaled 99,310 square feet for Q1 2025. Retail absorption has remained positive every quarter since 2020, however quarterly totals are trending downwards due to economic headwinds.
- The **direct vacancy** rate was 3.3% for the quarter and has not risen above 4% for the last 40 quarters.
- **Net asking rents** averaged \$26.26 net psf for this quarter, a 1.7% decline year over year.
- There is 2.6 MSF **under construction** in the Austin Metro area this quarter. The most notable projects include the 500,000 SF Nebraska Furniture Mart project in Cedar Park, which will be a single-tenant stand alone building, and Manor Crossing, a 425,000 SF power center located in the Far Northeast submarket.

ASKING RENT



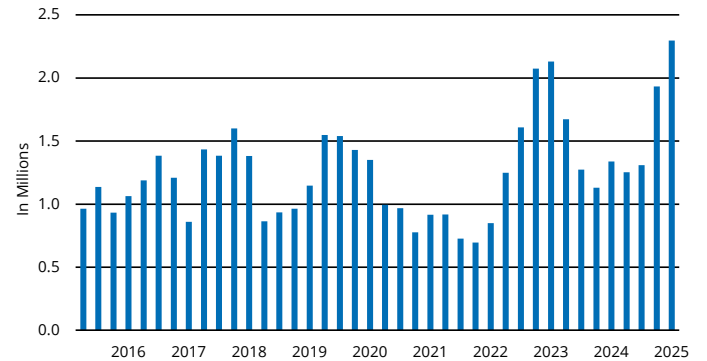
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



AUSTIN RETAIL MARKET | Q1 2025

MARKET INDICATORS TABLE

All Classes of Space | Q1 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	QUARTERLY NET ABSORPTION SF	YTD NET ABSORPTION SF	ASKING RENT PSF (NNN)
Bastrop Count (BC)	2,443,324	18,730	0.8%	0.8%	23,000	1,230	1,230	\$29.05
Caldwell County (CC)	614,931	25,581	4.2%	4.2%	14,380	13,293	13,293	\$22.24
Central Business Distr. (CBD)	1,431,877	37,414	2.6%	4.5%	0	(13,867)	(13,867)	\$42.01
Cedar Park (CP)	8,156,067	295,833	3.6%	3.7%	1,062,366	32,127	32,127	\$33.13
Central (C)	6,670,891	406,088	6.1%	6.1%	0	11,863	11,863	\$28.84
East (E)	3,316,680	122,691	3.7%	4.0%	43,145	(2,437)	(2,437)	\$28.23
Far Northeast (FNE)	4,407,968	81,036	1.8%	1.9%	601,879	26,626	26,626	\$23.30
Far Northwest (FNW)	3,531,575	215,241	6.1%	6.1%	0	(12,735)	(12,735)	\$25.33
Georgetown (GTN)	7,523,692	263,632	3.5%	3.5%	544,674	70,381	70,381	\$21.56
Hays County (HC)	8,646,693	96,449	1.1%	1.1%	157,082	46,246	46,246	\$28.25
North (N)	7,076,509	263,364	3.7%	3.9%	0	(66,259)	(66,259)	\$20.20
Northeast (NE)	3,178,697	249,151	7.8%	7.8%	72,686	38,798	38,798	\$27.59
Northwest (NW)	4,682,470	180,528	3.9%	4.0%	0	(15,917)	(15,917)	\$26.32
Round Rock (RR)	7,099,963	177,692	2.5%	2.5%	91,456	3,518	3,518	\$26.88
South (S)	10,205,745	290,943	2.9%	2.9%	23,282	(19,929)	(19,929)	\$22.98
Southeast (SE)	2,177,673	14,436	0.7%	0.7%	0	12,637	12,637	\$24.95
Southwest (SW)	7,766,910	182,164	2.3%	2.4%	12,250	(28,436)	(28,436)	\$25.72
West Central (WC)	925,730	70,560	7.6%	7.6%	0	2,171	2,171	\$28.74
Total	89,857,395	2,991,533	3.3%	3.4%	2,646,200	99,310	99,310	\$26.26

Source: CoStar, Transwestern

RECENT RETAIL LEASES

Georgetown :: Mi Celine Mercado 2
64,500 SF at Lake Drive Shopping Center

Georgetown :: House of Gainz
36,000 SF at The Market at Georgetown

Northeast :: Club Studio Fitness
34,000 SF at EastVillage Shopping Center

Northeast :: 810 Billards & Bowling
30,000 SF at EastVillage Shopping Center

RECENT RETAIL SALE

Round Rock :: University Commons
IH 35 & University Blvd
197,356 SF grocery anchored retail center
Buyer: Regency Centers
Seller: Universal Investment BVK

RETAIL SALES STATISTICS

	Austin Trailing 12 Mo.	Austin This Quarter	U.S. Trailing 12 Mo.	U.S. This Quarter
Volume (\$ Mil)	\$516.3	\$182.3	\$50,871.7	\$10,820.7
Number of Properties	42	5	5,648	864
Total Square Feet	1,418,968	495,633	261,270,337	51,130,369
Average Price per SF	\$476	\$408	\$210	\$215
Average Cap Rate (Yield)	6.5%	6.1%	7.0%	7.0%

Source: Real Capital Analytics, Transwestern



Research Methodology

The information in this report is the result of a compilation of information on retail properties located in the Austin metropolitan area. This report includes single-tenant and multi-tenant properties 10,000 SF and larger.

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and @Transwestern

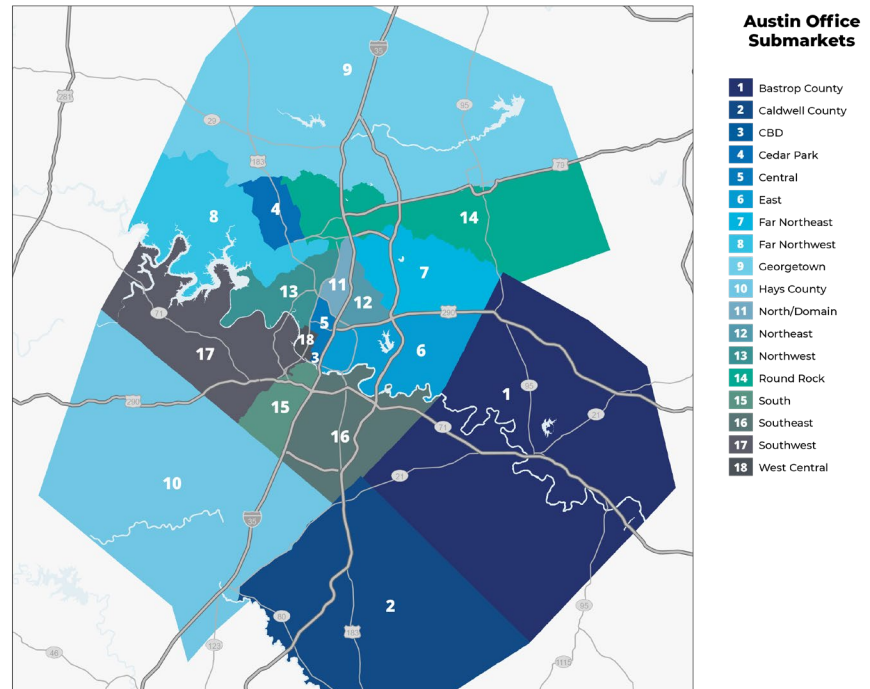
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