Commercial Metro Market Report 2020.Q3

Austin-Round Rock, TX

NATIONAL ASSOCIATION OF REALTORS®

I. Economic and Demographic Indicators

	Austin-Round Rock, TX			U.S.			
	Sep_20	Aug_20	Sep_19	Sep_20	Aug_20	Sep_19	
Y/Y chg.in nonfarm payroll employment ('000)	(26)	(32)	38	(9,655)	(10,441)	2,008	*job pace is stronger than national pace*
Y/Y % chg. in nonfarm payroll employment	-2.3%	-2.8%	3.5%	-6.4%	-6.9%	1.3%	
Unemployment rate (%)	6.3%	5.4%	2.6%	7.9%	8.4%	3.5%	
Average weekly wages	$1,080	$1,131	$1,110	$1,025	$1,022	$969	*wages are higher than national average*
	2019	2018	2017	2019	2018	2017	
GDP growth (%)	3.1%	4.8%	6.6%	2.2%	3.0%	2.3%	*economy is growing faster than the U.S.*
Median household income	$80,954	$76,925	$73,800	$68,703	$64,324	$63,761	
Population ('000)	2,227	2,165	2,115	328,240	326,688	324,986	*median household income is higher than national level*
Population growth (%)	2.8%	2.4%	2.6%	0.5%	0.5%	0.6%	
Net domestic migration ('000)	41.3	29.4	29.6	0	0	0	*people are migrating into the area*

II. Multifamily/1

	Q3_20	Q2_20	Q3_19	Q3_20	Q2_20	Q3_19	
Homeownership rate	73.4%	66.3%	58.9%	67.4%	67.9%	64.8%	*apartment vacancy rates are higher than national rate*
Rental vacancy rate	7.8%	9.8%	6.4%	6.4%	5.7%	6.8%	
12-month total: 5+ unit building permits	18,658	16,774	11,401	435,380	441,856	442,728	*apartment rent growth is slower than national pace*
Ratio of change in employment to housing starts	(1.39)	(1.88)	3.33	(22.18)	(23.63)	4.54	
Y/Y % change in apartment rent	-4.4%	-3.9%	3.7%	-1.3%	-1.4%	2.3%	*apartment rents are more expensive than nationally*
Estimate of average gross rent	$1,289	$1,296	$1,326	$1,018	$1,065	$1,056	
Share of gross rent to 4-week wages	30%	29%	30%	25%	26%	27%	

III. Office/2

	Q3_20	Q2_20	Q3_19	Q3_20	Q2_20	Q3_19	
Net absorption from prior quarter (million sq. ft.)	(1.40)	(0.72)	0.76	(41.27)	(23.02)	14.09	*decline in office occupancy*
Vacancy rate	14.2%	12.0%	9.3%	14%	14%	13%	
Asking rent per sq.ft.	$41.7	$41.1	$38.9	$34.6	$34.0	$32.7	*office vacancy is lower than national rate*
Total inventory of available space (million sq. ft.)	56.0	55.8	53.8	5,380.7	5,376.0	5,290.9	
Under construction (million sq.ft.)	6.5	6.6	5.7	132.8	136.1	127.9	*office rents are higher than national average*
% under construction to inventory	11.6%	11.8%	10.6%	2.5%	2.5%	2.4%	

IV. Industrial/3

	Q3_20	Q2_20	Q3_19	Q3_20	Q2_20	Q3_19	
Net absorption from prior quarter (million sq. ft.)	0.44	0.08	0.08	60.6	50.7	47.7	*increase in industrial occupancy*
Vacancy rate	7.0%	7.5%	7.7%	5.3%	5.1%	4.8%	
Asking rent per sq.ft.	$10.6	$10.4	$10.3	$6.6	$6.6	$6.5	*vacancy is higher than national rate*
Total inventory of available space (million sq. ft.)	44.0	43.8	42.9	15,129.5	15,023.8	14,854.4	
Under construction (million sq.ft.)	6.2	1.3	1.5	328.0	308.8	325.6	*industrial rent is more expensive than national rate*
% under construction to inventory	14.1%	3.0%	3.4%	2.2%	2.1%	2.2%	

V. Retail

	Sep_20	Aug_20	Sep_19	Sep_20	Aug_20	Sep_19	
Total non-farm employment ('000)	1,092	1,086	1,118	141,854	140,700	151,556	*smaller fraction of retail jobs than nationally*
Retail trade payroll workers ('000)	109.7	110.6	108.5	14,942	15,014	15,487	
% share to nonfarm payroll employment	10.0%	10.2%	9.7%	10.5%	10.7%	10.2%	
Y/Y change ('000)	1.2	1.7	1.4	-545.6	-582.8	-119.2	*retail trade jobs are growing*
Y/Y % change	1.1%	1.6%	1.3%	-3.5%	-3.7%	-0.8%	
Credit and debit card spending (Jan 4-31=100)	2.03	4.31		-5.98	-7.02		*consumer spending is outpacing national rate*

VI. Hotel/Lodging

	Sep_20	Aug_20	Sep_19	Sep_20	Aug_20	Sep_19	
Leisure and hospitality payroll workers ('000)	104.4	104	135.8	13,207	13,226	16,759	*leisure/hospitality jobs than nationally*
% share to nonfarm payroll employment	9.6%	9.6%	12.1%	9.3%	9.4%	11.1%	
Y/Y change ('000)	-31.4	-32.5	5.3	(3,552.0)	(4,018.0)	297.0	*leisure and hospitality jobs are shrinking*
Y/Y % change	-23.1%	-23.8%	4.1%	-21.2%	-23.3%	1.8%	
Number of small business openings(Jan4-31=100)	-39.8	-39.9		-28.6	-28.4		*lower share of businesses open than national rate*

1 Apartment rent growth is from ApartmentList.com. The average gross rent is NAR estimate based on the 2018 and 2019 average gross rent of movers in past 12 months who moved into a renter's unit, which is then multiplied by (1+y/y growth rate). Ex: 2020 Q3 rent=2019 gross rent * (1+ 2020 Q3 growth rate)

2 Covers the market of: Austin

3 Covers the market of: Austin

Data sources: US Census Bureau, US Bureau of Labor Statistics, US Bureau of Economic Analysis, ApartmentList (rent growth), Cushman and Wakefield (office, industrial)

credit card spending is from Affinity Solutions via Opportunity Insights downloaded from Haver. Some markets may not have data.

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