



## **FOR IMMEDIATE RELEASE**

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### **RECA Releases 3<sup>rd</sup> Quarter Commercial Real Estate Data** *Demand high, vacancy rates low in office, retail and industrial sectors*

(AUSTIN – October 21, 2015) – The Real Estate Council of Austin (RECA) began publishing commercial real estate data on its website today and has released third quarter numbers.

“We’re proud to have formed this partnership with Cushman & Wakefield/Oxford Commercial and Transwestern to organize and distribute key commercial real estate data,” said RECA Board Chair Michael Cooper. “We look forward to releasing this information quarterly to the media, members of the industry and the general public.”

The recently released third quarter numbers indicate continued strong demand for office, industrial and retail space throughout the city as vacancy rates remain exceptionally low. The data shows that overall office vacancy rates decreased from 9.70 percent in the second quarter of 2015, to just 9.00 percent in the third quarter of 2015.

“There is high level of demand for office space, particularly in the Central Business District, as companies focus on providing a great live/work/play option for their employees. Companies are now using their real estate location as a tool for hiring and employee retention,” said Ted Doucet, senior vice president with Cushman & Wakefield/Oxford Commercial.

“Overall, Austin continues to be a great destination city for both employers and employees, and the construction numbers reflect that. We saw approximately 1.8 million square feet of office space delivered last year with another 2.7 million square feet currently under construction,” he said.

While the retail sector also saw new construction deliveries, vacancy rates decreased for the quarter. Direct vacancy rates dropped from 3.8 percent in the second quarter of 2015 to 3.4 percent in the third quarter of 2015. Quoted rental rates have increased quarter-over-quarter for the past two years, reaching an average quoted rate of \$25.14 gross per square foot in the third quarter.

“There is a high demand for retail space in Austin and there are several large retail and mixed use projects planned for 2017 and beyond, however there is not much stand-alone retail development underway right now,” said Karen Judson, Vice President with Transwestern. “Land prices are high and developable land sites are scarce. Apartment development is in overdrive and multifamily developers are buying up the available land. It will take a few years for retail development to catch up to demand, meaning rental rates will remain high for the next several quarters.”

Overall industrial vacancy rates are also exceptionally low at just 6.84 percent in the third quarter of 2015 compared to 8.56 percent in the second quarter of 2015.

“The industrial sector continues to benefit from the growth we are experiencing in the Austin economy. In most submarkets, we are seeing rental rate and occupancy increases in both warehouse/distribution and flex space product. We’re seeing this with the latter in particular, as tenants search for value office

alternatives to meet their growing employee needs,” said Mike Tipps, partner/co-founder with Cushman & Wakefield/Oxford Commercial.

RECA aggregates updated commercial real estate statistics on its website quarterly, which you can view in detail [here](#). Statistics are provided by Oxford Commercial (office, industrial) and Transwestern (retail). If you have any questions, or would like to arrange an interview, please contact [Ryan Poulos](#) at 512-320-4151.

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*The Real Estate Council of Austin (RECA) addresses issues affecting the commercial real estate community in Central Texas. With more than 1,700 members, the non-profit, advocacy organization represents a broad spectrum of the Central Texas economy, ranging from landowners and developers to the various service professions that facilitate the industry. Commercial real estate development brings new jobs to Central Texas while protecting existing jobs and increasing tax revenue, which is used to fund our public schools, city services, infrastructure and parks.*