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RECA Releases First Quarter Commercial Real Estate Data *Demand high, vacancy rates low in office, retail and industrial sectors*

(AUSTIN – April 6, 2016) – The Real Estate Council of Austin (RECA) released first quarter commercial real estate data on its [website](#) today. The numbers indicate continued strong demand for office, industrial and retail space throughout the city as vacancy rates remain exceptionally low.

Overall office vacancy rates have decreased from 9.08 percent in the fourth quarter of 2015, to just 8.45 percent in the first quarter of 2016. Significant deals included Indeed.com, which began phase I of their occupancy at Champion Office Park for 127,000 square feet. They have leased both buildings totaling more than 200,000 square feet, but will stagger their move-in over the next year or so. Another large move-in was C3 Presents, which moved into 49,214 square feet at 1645 E. 6th St.

“In the first quarter of 2016 we continued to see significant absorption of office space by existing and new companies in Austin, totaling over 430,000 square feet,” said Rick Whiteley, Partner with Oxford Commercial. “There was also robust pre-leasing activity in office buildings that completed construction in the first quarter, resulting in a strong supply-and-demand ratio. Barring any external disruption, Austin’s office market will remain tilted in the landlord’s favor in 2016.”

In the retail sector, vacancy rates increased slightly for the quarter, but still remain low. Direct vacancy rates rose from 3.2 percent in the fourth quarter of 2015 to 3.6 percent in the first quarter of 2016. Quoted rental rates have still increased quarter-over-quarter for more than two years, reaching an average quoted rate of \$27.20 gross per square foot in the first quarter of 2016. That’s up from \$24.54 gross per square foot in the first quarter of 2015.

Large retail leases that commenced during the first quarter include Saks off 5th at Gateway Square for 50,000 square feet and Best Buy’s 45,000 square foot renewal at South Towne Shopping Center. Also during the first quarter, The Parke, a retail redevelopment in Cedar Park, signed several preleases including Nordstrom Rack for 31,000 square feet and Dick’s Sporting Goods for 90,000 square feet.

“The high occupancy rate and scarcity of available retail space means that rents continued to go up. In fact, quoted rents have increased 16 percent over year-ago asking rates,” said Karen Judson, Vice President with Transwestern. “Until significant new inventory is added to the market, retail rental rates will remain high.”

Overall industrial vacancy rates are also exceptionally low at just 4.65 percent in the first quarter of 2016 compared to 6.10 percent in the fourth quarter of 2015.

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 1,800 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.