



**Citizens**  
National Bank

# Quarterly Report

06.30.23



## **Economy**

### **Labor Market Thrives Amid Recessionary Concerns**

*Contrary to recessionary speculations, the labor market demonstrated resilience, with total nonfarm employment expanding 4 percent year over year (YOY). Major metropolitan areas also exhibited strong payroll growth, ranging from 3.7 percent in Houston to 4.4 percent in San Antonio. The state payroll gained 51,000 additional workers, with growth observed in both the goods-producing sector (up 6,400 workers) and the service-producing sector (up 44,600 workers). Notably, the energy industry and administration/waste management/remediation services had a booming month.*

*Job seekers in Texas displayed optimism in the job market, as reflected in higher participation rates. The unemployment rate remained healthy, ticking up ten basis points to 4.1 percent. As people transitioned between jobs, the weekly average of initial unemployment claims hiked from 14,600 to 18,800 applications. The Texas labor force participation rate climbed for the fifth consecutive month, reaching 64.2 percent. Over the course of a year, Texas attracted 338,000 new workers, resulting in a total labor pool of more than 15 million individuals—a historical high for the labor market.*

### **Inflation Moderates Despite Housing and Transportation Holding Back**

*The Consumer Price Index (CPI) eased, decelerating from 0.4 percent month over month (MOM) in April to 0.1 percent in May. The energy index was the major component that led to cost moderation, especially for fuel oil. On the other hand, the index for shelter had been holding back as the index stuck around 0.6 percent due to consistent housing demands, followed by an increase in the index for used cars/trucks.*

### **Merchants Hold a Dimmed Outlook on the Economy**

*Nominal average hourly earnings were 4 percent greater than in May 2022 at \$31.29, shying only five cents below Texas' highest average hourly earnings, which occurred in January 2023. Business executives responded to Dallas Fed's Service Sector Outlook Survey with positive feedback on industry revenue. However, they had pessimistic outlooks regarding the broader business conditions due to high interest and inflation rates as the index remained deep in the negative territory.*

*Retail payroll added another 6,500 workers this month. While retail employment grew 2 percent YOY, retail sales activity reported increased monthly sales revenue as Texas retail sales tax collections rose from \$4.9 billion in May 2022 to \$5 billion in May 2023. However, both retail and wholesale merchants reported declined sales on Dallas Fed's Retail Outlook Survey as well as declined inventory buildup. Similar to the service providers, the retailers held a pessimistic view on the general business condition. The future sales index fell amid lower expectations for future retail activities.*

### **Global Trade Wanes after March's Hike**

*The one-month export burst in April did not persist as all-commodity exports lost 12.5 percent MOM and 15 percent YOY, dropping \$5.1 billion in a month. Comparing manufacturing exports' YOY performance, petroleum/coal products had the largest net loss of \$2.3 billion, and computer/electronic products followed with \$495.7 million. Beverage/tobacco had the largest percentage loss at 64.9 percent, suggesting that the need for such leisure could diminish with a waning global economy. Demand for Texas' crude oil exports slipped nearly 10 percent YOY. The countries that withdrew the most were India, Canada, and Brazil. China, on the other hand, registered a big increase where demand more than doubled from 2022 in the January to April period—a direct result of China's COVID-19 protocol loosening and more drivers on the road.*

Source: Texas Real Estate Research Center article "[Outlook for the Texas Economy](#)" written by Joshua Roberson, Weiling Yan, and Koby McMeans. Published July 11, 2023.



## Austin Market

Sales taxes, the barometer of local economies statewide, are listed below, according to the State Comptroller's Office for the most recent quarter available.

County	Sales Subject to Tax (000's)	% Change from year on year
Bell	1,175,937	8.9%
Williamson	3,134,337	29.7%
Milam	47,571	40.6%
Lee	66,484	45.1%
Travis	9,371,320	45.2%

### Austin Employment By Industry

INDUSTRY (NON FARM)	MAR 2023	MAR 2022	% GROWTH
Mining, Logging & Construction	79,200	77,700	1.9%
Manufacturing	73,200	68,800	6.4%
Trade, Transportation & Utilities	209,200	201,100	4.0%
Information	52,200	50,000	4.4%
Financial Services	77,200	77,000	0.3%
Professional & Business Services	280,400	262,500	6.8%
Education & Health Services	146,700	140,400	4.5%
Leisure & Hospitality	151,400	132,100	14.6%
Other Services	49,700	47,000	5.7%
Government	188,900	187,200	0.9%
<b>TOTAL</b>	<b>1,308,100</b>	<b>1,243,800</b>	<b>5.2%</b>

SOURCE: Texas Workforce Commission

### Unemployment Rate

	AUSTIN MSA	TEXAS	U.S.
Year-End 2016	3.2%	4.6%	4.5%
Year-End 2017	2.7%	3.7%	3.9%
Year-End 2018	2.7%	3.6%	3.7%
Year-End 2019	2.4%	3.3%	3.4%
Year-End 2020	5.1%	7.1%	6.5%
Year-End 2021	2.9%	4.3%	3.7%
Year-End 2022	2.7%	3.6%	3.3%
March 2023	3.5%	4.2%	3.6%

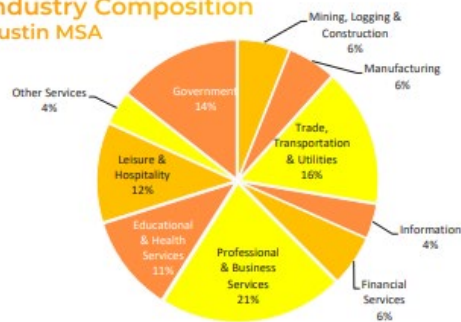
SOURCE: Texas Workforce Commission

### Population

YEAR-END	AUSTIN MSA	TEXAS	U.S.
2016	2,062,808	27,914,064	323,071,755
2017	2,115,999	28,291,024	325,122,128
2018	2,166,805	28,624,564	326,838,191
2019	2,228,106	28,986,794	328,329,953
2020	2,295,303	29,360,759	329,484,123
2021	2,363,245	29,527,541	331,449,281
2022	2,495,674	31,172,832	334,233,854

SOURCE: US Census Bureau

### Industry Composition Austin MSA



### Average Home Prices :: February 2023

	AUSTIN MSA	TEXAS	U.S.
Average Price	\$536,391	\$391,839	N/A
Median Price	\$436,418	\$327,000	\$363,000
Mo. of Inventory	2.6	2.6	2.6

SOURCE: MLS Austin

## Projects

GEORGETOWN (*Austin American-Statesman*) – Austin-based construction start-up Icon, architectural firm BIG-Bjarke Ingels Group, and homebuilder Lennar are building a new style of community—one made entirely using Vulcan 3-D printing technology. The first large-scale neighborhood of its kind in the U.S., the 100 homes of Wolf Ranch by Hillwood will have eight floor plans ranging from 1,574 to 2,112 sf. Homes will cost from \$475,000 to \$570,000, be fit with solar panels, and use “smart technology.” The first six homes in Wolf Ranch have already hit the market, and completion of a model home is expected to follow in July.



AUSTIN (*Connect CRE*) – A joint venture made up of River City Capital Partners, the Austin Affordable Housing Corp., LDG Multifamily and Battery Global Advisors are teaming up to provide housing for the workers in and around Samsung's semiconductor campus. To be called Parmer Gateway, the development is slated to consist of 1,076 units spaced across four separate projects. Two are expected to break ground next month. The Austin Business Journal reports the project is also near a major retail center and a 2-million square foot office campus, that houses companies such as Apple, Qualcomm and BAE Systems. While the rental units will sell at market rate, Parmer Gateway will serve families in the Housing Authority's voucher program, where participants find their own housing within the authority's jurisdiction and pay between 30% and 40% of their monthly income in rent. The vouchers cover the remaining rent. The development is expected to cost roughly \$86 million.

JARRELL (*Austin Business Journal*) – DMB Development LLC is under contract to buy 7,088 acres of the 9,000-acre Solana Ranch to build what the firm is calling a "new town." The creation of a municipal utility district (MUD), is a key piece to starting the development of a site this large, which could approach \$2 billion in investment. The Texas House and Senate approved the bill to create this mud. It's currently waiting on the approval of Gov. Greg Abbott. Plans for Solana Ranch include many elements of a traditional Texas town and will be built out in a series of villages for up to 50,000 residents. It would be one of the largest population centers in Williamson County. It will take several years to prepare the sprawling site for development, but the aim is to open the community in late 2026.

## Office

Over the past several quarters, office real estate in Austin has experienced an increase in vacancies that has reached record levels. The current office real estate environment is highlighted in the article below.

*AUSTIN, Texas — It seems at every corner of Downtown Austin, you can find a new building or construction. But just inside the new developments, many office spaces sit vacant.*

*"The general trends we're seeing is this is not unique to Austin or Texas; it's across the country, this surge of sublease space," said Steve Triolet, senior vice president at Partners Real Estate. Triolet said in the Downtown Austin area, there is 1.8 million square feet of sublease space. Of that, TikTok just put its six floors at 300 Colorado up for sublease. Last month, Workrise Technologies put its two floors at One Eleven Congress up for sublease.*

*But Triolet said Austin's vacancy rate is nothing to worry about. "The vacancy rate is still lower than most other major metropolitan areas," Triolet said. In other major cities like Dallas and Houston, the vacancy rate is above 20%, whereas Austin is only in the mid-teens. Economic analyst Ray Perryman said he isn't worried either. "That's kind of been the history of Austin and most major cities that are in a growth mode for quite some time," Perryman said.*

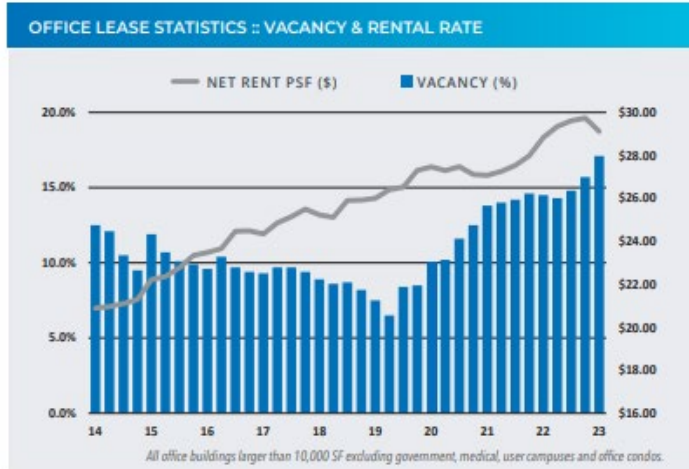
*And he said the vacancies could be due to many different factors. "It's a combination of things. Higher interest rates is part of it," Perryman said. "Although most people are coming back to the office now, you still have more working from home than you did before the pandemic started. And then you're seeing the tech industry go through some readjustments right now." But despite the adjustments, analysts agree we won't see these vacancies forever. "Everything points to the vacancy rate is going to rise in Austin," Triolet said. And what we once saw as unused spaces could be filled again. "Austin has been through these types of cycles before, and underneath all of that is a vibrant, long-term growth economy, one of the strongest economies in the country," Perryman said.*

Source: KVUE.com/Boomtown "[Tech companies moving out of their Downtown Austin offices](#)" written by Melia Masumoto. Published April 19, 2023.



## Recent Office Leases

- **CBD :: Locke Lord (sublease)**  
27,826 SF at 300 Colorado
- **Southwest :: ePayPolicy**  
19,953 SF at 5000 Plaza on the Lake
- **CBD :: Industrious**  
20,573 SF at 301 Congress
- **Round Rock :: LJA Engineering (sublease)**  
18,575 SF at La Frontera Plaza



## Recent Office Sales

- **North :: Offices at Braker**  
Braker at Kramer Lane  
546,965 SF in 13 value office buildings  
Buyer: MIG Real Estate  
Seller: World Class Capital

## Office Sales Statistics

	AUSTIN TRAILING 12 MO.	AUSTIN Q1 2023	U.S. TRAILING 12 MO.	U.S. Q1 2023
Volume (\$ Mil)	\$1,358.9	\$199.2	\$86,557.8	\$7,677.3
Number of Properties	68	9	4,864	669
Total Square Feet	3,680,465	840,574	339,594,934	35,598,863
Average Price per SF	\$466	\$355	\$256	\$222
Average Cap Rate (Yield)	6.3%	6.5%	6.4%	6.7%

SOURCE: Real Capital Analytics

## Q1 2023 Office Lease Statistics By Submarket

SUBMARKET	NO. OF BLDGS	INVENTORY	YTD NET ABSORPTION	YTD LEASING ACTIVITY	DIRECT OCCUP.	TOTAL OCCUP.	UNDER CONSTR.	CLASS A NET RENT	CLASS B NET RENT	CLASS C NET RENT	AVE NET RENT
Bastrop County	9	181,027	0	0	95.5%	95.5%	0	\$0.00	\$18.88	\$14.88	\$18.60
Caldwell County	1	10,832	0	0	100.0%	100.0%	0	\$0.00	\$0.00	\$15.21	\$15.21
CBD	131	16,242,079	(37,940)	141,570	81.7%	78.3%	2,587,370	\$44.86	\$28.83	\$21.19	\$40.04
Cedar Park	57	1,840,185	(66,807)	0	90.6%	90.2%	181,901	\$27.00	\$23.90	\$18.60	\$25.22
Central	106	4,639,639	(79,674)	43,670	85.3%	82.7%	92,217	\$36.64	\$23.08	\$25.26	\$25.92
East	82	5,173,550	9,291	33,909	71.9%	68.0%	1,883,421	\$42.87	\$34.02	\$18.97	\$35.59
Far Northeast	17	350,813	9,808	2,728	84.6%	84.1%	105,507	\$0.00	\$20.67	\$17.52	\$20.09
Far Northwest	62	4,484,925	(59,313)	33,924	86.4%	79.2%	14,800	\$25.21	\$19.81	\$18.32	\$21.79
Georgetown	42	936,111	45,245	5,667	88.1%	88.1%	120,797	\$26.38	\$21.17	\$14.00	\$21.12
Hays County	49	1,164,139	41,258	7,773	87.5%	87.2%	99,164	\$24.00	\$20.59	\$17.71	\$20.58
North	90	8,190,678	(22,356)	26,073	90.7%	87.3%	695,865	\$40.93	\$26.38	\$16.91	\$32.88
Northeast	61	4,052,158	37,906	16,233	70.0%	59.2%	0	\$24.05	\$18.25	\$15.41	\$20.57
Northwest	251	14,783,355	(160,795)	148,088	79.0%	74.7%	0	\$23.29	\$22.09	\$18.29	\$22.60
Round Rock	83	2,583,611	(23,899)	13,665	94.9%	94.4%	615,882	\$23.00	\$20.22	\$19.10	\$21.08
South	112	4,407,411	(122,322)	38,962	77.6%	74.3%	409,028	\$30.29	\$29.01	\$18.32	\$28.50
Southeast	40	3,437,103	(116,406)	10,501	83.7%	83.4%	140,763	\$27.32	\$24.36	\$14.65	\$24.41
Southwest	273	13,280,953	(105,598)	19,286	85.8%	81.6%	321,257	\$32.30	\$24.87	\$22.21	\$29.31
West Central	32	1,800,674	(278,829)	664,985	91.4%	88.8%	21,500	\$34.02	\$27.71	\$21.92	\$31.00
<b>AUSTIN</b>	<b>1,498</b>	<b>87,559,243</b>	<b>(930,431)</b>	<b>1,207,034</b>	<b>82.9%</b>	<b>79.0%</b>	<b>7,289,472</b>	<b>\$34.46</b>	<b>\$24.75</b>	<b>\$20.27</b>	<b>\$29.11</b>

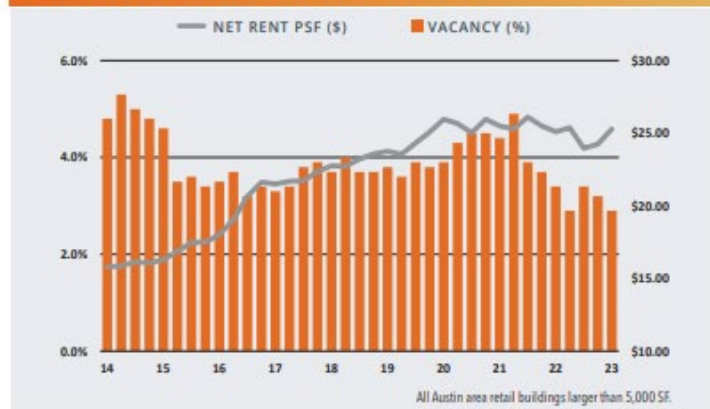


## Retail

### Recent Retail Leases

- Round Rock :: Fogueira Gaucha  
11,000 SF at Sky Ridge Plaza
- South :: Gomez Western Wear  
10,000 SF at Tanglewood Village
- Central :: Marketplace  
10,000 SF at North Star Center
- South :: Dollar General (renew)  
8,160 SF at Cannon West Shopping Ctr.

### RETAIL LEASE STATISTICS :: VACANCY & RENTAL RATE



### Recent Retail Sales

- Northwest :: Arboretum Crossing  
9333 Research Blvd  
191,760 SF unanchored shopping center  
Buyer: Stockdale Capital Partners  
Seller: World Class Capital

### Retail Sales Statistics

	AUSTIN TRAILING 12 MO.	AUSTIN Q1 2023	U.S. TRAILING 12 MO.	U.S. Q1 2023
Volume (\$ Mil)	\$995.5	\$239.9	\$79,397.0	\$14,766.2
Number of Properties	52	10	8,216	2,398
Total Square Feet	4,385,778	1,904,595	402,744,037	94,686,647
Average Price per Square Foot	\$297	\$260	\$208	\$197
Average Cap Rate (Yield)	5.7%	5.6%	6.3%	6.3%

SOURCE: Real Capital Analytics

### Q1 2023 Retail Lease Statistics By Submarket

SUBMARKET	NO. OF BLDGS	INVENTORY	YTD NET ABSORPTION	YTD LEASING ACTIVITY	DIRECT OCCUPANCY	TOTAL OCCUPANCY	AVE. ASKING NET RENT
Bastrop County	81	2,452,234	6,933	4,068	99.5%	99.5%	\$24.03
Caldwell County	22	528,747	(17,034)	0	96.2%	96.2%	\$21.31
CBD	56	1,441,770	22,000	16,081	99.0%	99.0%	\$42.00
Cedar Park	184	7,591,526	155,693	19,469	97.5%	97.5%	\$27.88
Central	202	6,741,460	(7,505)	20,403	94.1%	93.9%	\$25.08
East	98	3,426,434	(17,683)	2,742	96.1%	96.1%	\$22.35
Far Northeast	111	4,045,579	21,665	10,534	96.2%	96.2%	\$21.26
Far Northwest	99	3,343,373	1,857	23,160	96.0%	96.0%	\$30.08
Georgetown	231	6,665,854	22,373	44,272	96.9%	96.9%	\$23.14
Hays County	228	7,627,151	7,026	16,330	98.5%	98.4%	\$27.46
North	160	6,554,912	26,121	11,617	98.1%	98.0%	\$21.83
Northeast	74	2,986,384	12,658	5,050	96.0%	96.0%	\$24.19
Northwest	132	4,785,706	62,171	25,954	96.4%	96.3%	\$28.15
Round Rock	191	6,963,487	25,418	43,528	97.1%	97.0%	\$26.95
South	246	9,876,339	(12,603)	73,209	98.1%	98.1%	\$26.30
Southeast	71	2,245,862	16,344	6,074	99.7%	99.7%	\$25.80
Southwest	212	7,843,897	(13,816)	37,047	97.2%	97.2%	\$19.49
West Central	37	825,148	95,740	0	93.5%	93.4%	\$32.54
<b>AUSTIN</b>	<b>2,435</b>	<b>85,945,863</b>	<b>407,358</b>	<b>359,538</b>	<b>97.1%</b>	<b>97.1%</b>	<b>\$25.29</b>



## Industrial

### Recent Industrial Leases

- Southeast :: Spec's Wine & Fine Foods  
160,327 SF at Park 183, Bldg 6
- Northeast :: Global Resale  
55,000 SF at Central Austin Business Park 1
- Georgetown :: Dixie Carpet  
92,000 SF at Settler's Grove Bldg 3
- North :: EPI  
57,600 SF at Prologis Corridor Park 7



### Recent Industrial Sales

- Hays Co. :: 201 Carlson Circle (Biomat USA)  
48,848 SF light manufacturing building  
Buyer: GIC/Oak Street RE Capital  
Seller: STORE Capital Corp.  
(part of a national portfolio sale)

### Industrial Sales Statistics

	AUSTIN TRAILING 12 MO.	AUSTIN Q1 2023	U.S. TRAILING 12 MO.	U.S. Q1 2023
Volume (\$ Mil)	\$966.1	\$128.3	\$120,382.3	\$13,006.8
Number of Properties	58	12	7,868	1,274
Total Square Feet	5,095,165	663,958	1,086,531,011	125,084,236
Average Price per SF	\$194	N/A	\$121	\$145
Average Cap Rate (Yield)	5.9%	N/A	5.4%	6.1%

SOURCE: Real Capital Analytics

### Q1 2023 Industrial Lease Statistics By Submarket

SUBMARKET	NO. OF BLDGS	INVENTORY	YTD NET ABSORPTION	QUARTERLY ABSORPTION	DIRECT OCCUP.	TOTAL OCCUP.	UNDER CONSTR.	FLEX NET RENT	INDUST. NET RENT	AVE NET RENT
Bastrop County	25	799,935	0	0	97.7%	97.7%	123,859	\$8.32	\$7.00	\$7.09
Caldwell County	13	406,746	0	0	100.0%	100.0%	177,794	\$10.38	\$7.00	\$7.50
CBD	5	87,424	0	0	100.0%	100.0%	0	N/A	N/A	N/A
Cedar Park	53	2,109,045	(60)	(60)	99.1%	96.5%	272,117	\$15.96	\$9.80	\$12.68
Central	61	1,638,039	(610)	(610)	89.2%	89.2%	0	\$15.83	\$9.27	\$11.26
East	160	10,028,429	111,560	111,560	97.9%	97.5%	430,866	\$12.80	\$8.77	\$8.85
Far Northeast	166	10,716,757	400,604	400,604	96.5%	96.5%	2,097,339	\$12.13	\$7.76	\$7.92
Far Northwest	38	1,111,904	11,000	11,000	99.2%	99.2%	50,620	\$13.00	\$8.80	\$9.18
Georgetown	162	7,454,135	53,894	53,894	82.6%	82.5%	3,884,861	\$12.29	\$9.00	\$9.15
Hays County	189	11,005,903	4,340	4,340	91.2%	90.5%	3,582,327	\$12.99	\$9.80	\$9.89
North	332	15,406,537	(50,234)	(50,234)	92.6%	91.3%	132,530	\$12.75	\$8.49	\$9.36
Northeast	215	14,994,384	72,560	72,560	97.7%	96.5%	382,677	\$12.92	\$8.94	\$10.04
Northwest	35	3,670,743	(22,206)	(22,206)	97.8%	97.8%	0	\$12.00	\$8.40	\$9.83
Round Rock	155	5,742,838	(16,745)	(16,745)	97.7%	97.6%	4,154,366	\$11.94	\$8.93	\$9.17
South	125	3,066,224	(22,004)	(22,004)	96.9%	96.9%	317,112	\$11.11	\$8.45	\$8.71
Southeast	261	15,340,589	(109,068)	(109,068)	91.7%	89.0%	1,980,238	\$12.27	\$8.85	\$9.32
Southwest	52	3,625,507	17,917	17,917	92.8%	92.1%	27,900	\$12.15	\$9.60	\$9.82
West Central	2	69,128	0	0	100.0%	100.0%	0	N/A	N/A	N/A
<b>AUSTIN</b>	<b>2,049</b>	<b>107,274,267</b>	<b>450,948</b>	<b>450,948</b>	<b>94.0%</b>	<b>93.1%</b>	<b>17,614,606</b>	<b>\$12.86</b>	<b>\$8.79</b>	<b>\$9.36</b>



## Apartments

### Recent Apartment Sales

- Riverside :: Henley Riverside**  
 360 Units at 6205 E Riverside Dr  
 Buyer: Ron Kowal  
 Seller: TMP Riverside LLC
- Pflugerville :: The Dalton**  
 350 Units at 2209 W Pflugerville Pkwy  
 Buyer: Terracap Management  
 Seller: Thompson Realty
- Cedar Park :: Indigo Apartments**  
 325 Units at 10800 Lakeline Blvd  
 Buyer: Austin Affordable Housing Corp  
 Seller: TA Realty
- Southeast :: McKinney Falls Apartments**  
 312 Units at 6625 McKinney Falls Pkwy  
 Buyer: Strategic Housing Financial Corp  
 Seller: Graham Development

### Apartment Statistics At-A-Glance

AUSTIN MSA	TRAILING 12 MONTHS	HISTORICAL AVERAGE
Vacancy Change	1.5%	8.3%
Units Absorbed	6,552	6,022
Units Delivered	11,350	6,880
Units Under Construction	42,618	
Average Unit Size (SF)	865	
Asking Rent Growth (YoY)	-0.3%	2.6%
Effective Rent Growth (YoY)	-0.9%	2.6%
Sales Volume	\$2.3B	\$1.2B
% Offering Concessions	18.0%	
Average Concession Package	5.6%	

SOURCE: AUN Apartment Data, CoStar, NCA

### APARTMENT STATISTICS :: VACANCY & RENTAL RATE



SOURCE: CoStar

### Q1 2023 :: Apartment Statistics By Submarket

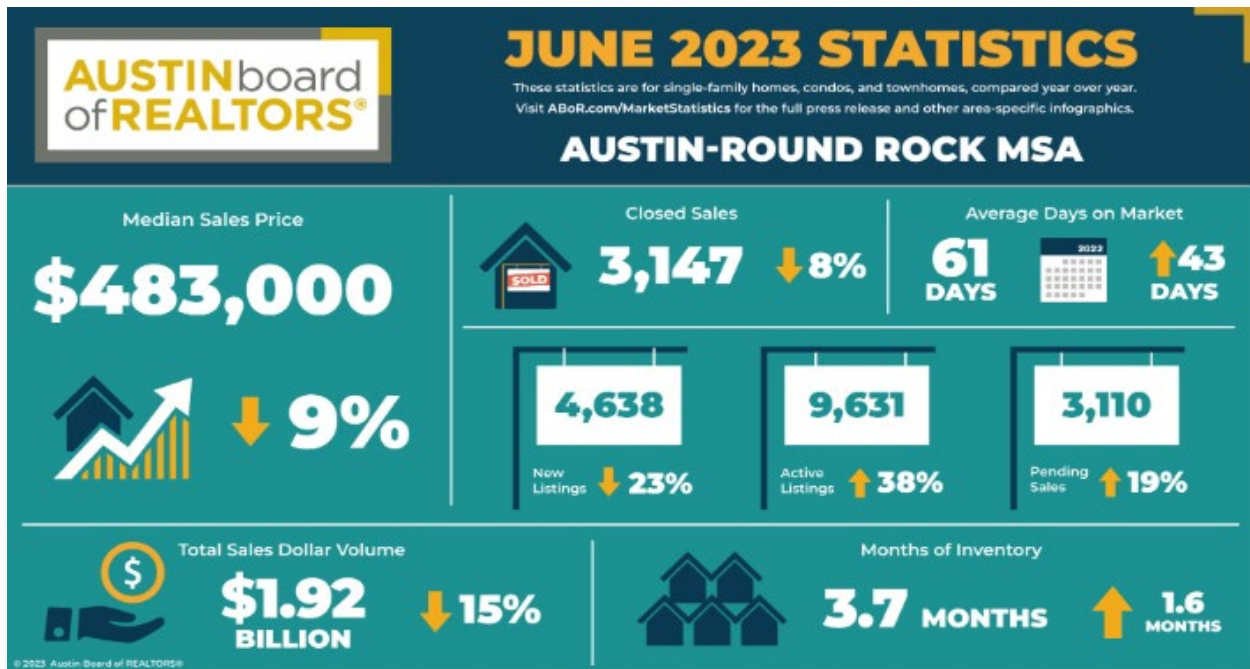
SUBMARKET	NO. OF PROJECTS	NO. OF UNITS	VACANCY	TRAILING 12 ABSORPTION	AVE RENT (PER UNIT)	AVE RENT (PSF)
Bastrop County	14	1,084	5.7%	(17)	\$1,441	\$1.52
Buda-Kyle	28	7,378	12.4%	684	\$1,581	\$1.78
Caldwell County	12	604	5.5%	127	\$1,328	\$1.23
Cedar Park	42	13,037	7.7%	308	\$1,649	\$1.78
Central Austin	170	4,406	5.2%	302	\$1,613	\$2.28
Downtown Austin	42	6,425	11.0%	665	\$3,127	\$3.33
East Austin	113	13,969	10.2%	1,196	\$1,842	\$2.30
Far North Austin	18	1,716	5.1%	497	\$1,698	\$1.83
Far West Austin	5	103	3.4%	1	\$658	\$0.69
Georgetown-Leander	57	9,371	21.1%	870	\$1,688	\$1.73
Hill Country	8	1,018	9.2%	(43)	\$1,753	\$1.81
Lake Travis	16	3,624	7.8%	(1)	\$1,915	\$1.77
Midtown Austin	229	14,207	7.3%	(195)	\$1,603	\$2.11
North Austin	137	26,402	8.1%	167	\$1,551	\$1.96
Northeast Austin	62	12,412	10.7%	1,279	\$1,460	\$1.71
Northwest Austin	121	33,957	7.7%	(871)	\$1,574	\$1.76
Pflugerville	69	20,065	11.6%	1,189	\$1,590	\$1.80
Riverside	80	16,939	9.0%	(209)	\$1,579	\$1.95
Round Rock	72	15,932	6.6%	109	\$1,628	\$1.75
San Marcos	65	7,123	10.0%	53	\$1,261	\$1.50
South Austin	100	18,647	8.7%	152	\$1,590	\$1.85
South Central Austin	153	12,751	6.9%	(213)	\$1,847	\$2.35
Southeast Austin	44	10,070	9.6%	442	\$1,471	\$1.67
Southwest Austin	54	12,538	6.3%	96	\$1,824	\$1.96
West Austin	75	2,142	5.1%	(32)	\$2,076	\$2.56
<b>AUSTIN MSA TOTAL:</b>	<b>1,786</b>	<b>265,920</b>	<b>9.0%</b>	<b>6,556</b>	<b>\$1,656</b>	<b>\$1.92</b>

Source: CoStar





## Housing / Construction & Demographics



AUSTIN, TX — During the first six months of 2023, the Austin-Round Rock MSA housing market remained robust and continued to normalize despite macroeconomic factors impacting the housing market and economy, according to the Austin Board of REALTORS® Central Texas Housing Market Report.

Dr. Clare Losey, ABoR housing economist, sees a market that has held steady but still needs increased inventory to house our region's growing population. "Despite a slight uptick in mortgage rates in June, the median sales price rose a modest 2.7% from May. Overall, the moderation in home prices throughout the region over the past year has eased the affordability constraint posed by higher rates, but more work needs to be done across the region and into the future to fully address this challenge. The Central Texas region simply needs more inventory—particularly at price points affordable to first-time buyers—as home prices remain elevated relative to incomes across the region."

"The diverse and resilient economy that has been built in Central Texas, particularly over the past two decades, is instrumental in helping the region, and our housing market, withstand less than ideal economic conditions. It is important to remember that the market continues to moderate in the wake of unsustainable price growth and sales activity during the pandemic, but remains robust. The median sales price in the MSA appreciated by nearly 50% from June 2019 to June 2023. The ability to buy a home remains the best way to create generational wealth, and that needs to be more accessible to everyone."

In the first half of 2023, home sales in the Austin-Round Rock MSA decreased 14.5% year over year to 15,632 home sales. Sales dollar volume dropped 23.2% to \$9,076,088,439, as the median price fell 12.8% to \$458,000. So far this year, new listings are down 7.8% to 23,366 new listings; active listings skyrocketed 173.5% to 8,180 listings; and pending sales decreased 6.7% to 17,012 pending sales. Homes spent an average of 72 days on the market from January through June 2023, 51 more days than the same period in 2022.

Source: Austin Board of Realtors article "[Amidst challenging economic conditions, Austin-Round Rock MSA housing market continued to normalize during first half of 2023](#)". Published July 13, 2023.



## Capital Markets

As of 06/30/23 mortgage interest rate levels for conventional, conforming fixed rate loans, as published by TIB Mortgage Services were 7.00% for a 30-year mortgage. The U.S. 10 Year Treasury sat at 3.84%.

## Energy

### ☆ Crude Oil Prices: West Texas Intermediate (WTI) - Cushing, Oklahoma (DCOILWTICO)

[DOWNLOAD](#)

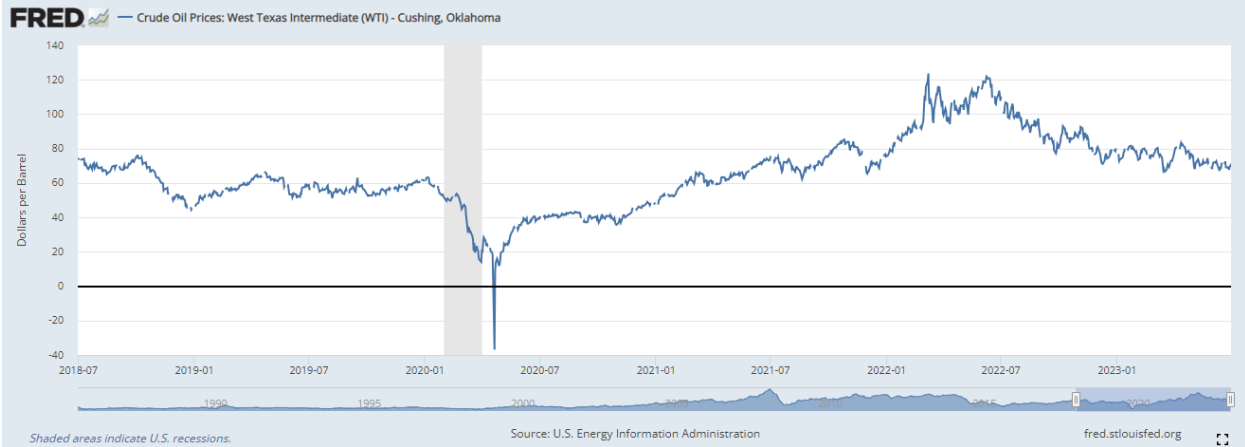
Observation:  
2023-06-30: 70.66  
(+ more)  
Updated: Jul 6, 2023

Units:  
Dollars per Barrel,  
Not Seasonally Adjusted

Frequency:  
Daily

1Y | 5Y | 10Y | Max

2018-06-30 to 2023-06-30

[EDIT GRAPH](#)

### ☆ Henry Hub Natural Gas Spot Price (DHHNGSP)

[DOWNLOAD](#)

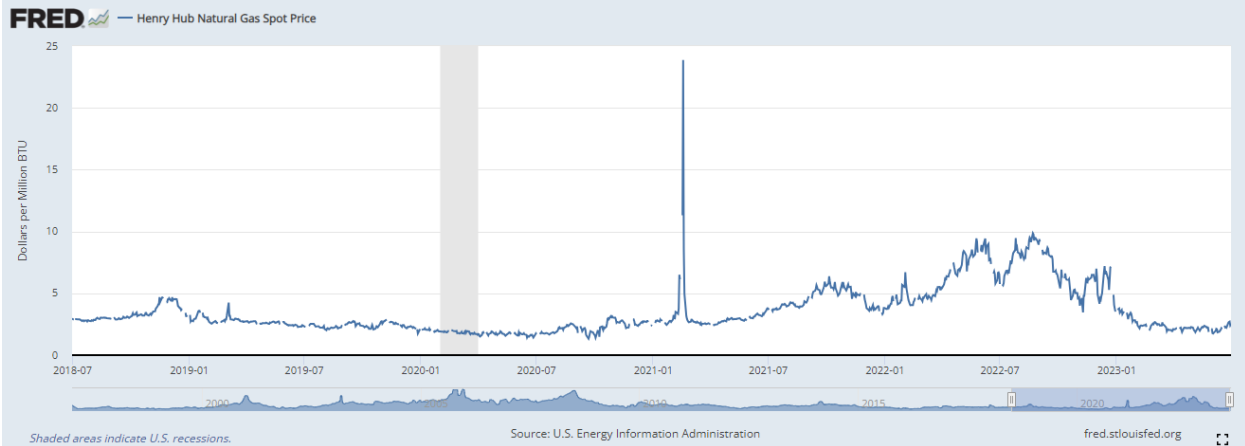
Observation:  
2023-06-30: 2.48  
(+ more)  
Updated: Jul 6, 2023

Units:  
Dollars per Million BTU,  
Not Seasonally Adjusted

Frequency:  
Daily

1Y | 5Y | 10Y | Max

2018-06-30 to 2023-06-30

[EDIT GRAPH](#)

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## **About Citizens National Bank**

We are a \$600 million in assets community financial institution and have been proudly serving Central Texas since 1900. That experience is what sets Citizens National Bank apart. A Cameron, TX based financial institution with eight branches across Central Texas including Milam, Lee, Williamson, Travis, and Bell counties. From Cameron to Cedar Park and several towns in between, we know and are active in each of our communities, making us better able to meet the banking needs of the communities we serve. Additional information can be found at [cnbanktexas.com](http://cnbanktexas.com).

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