

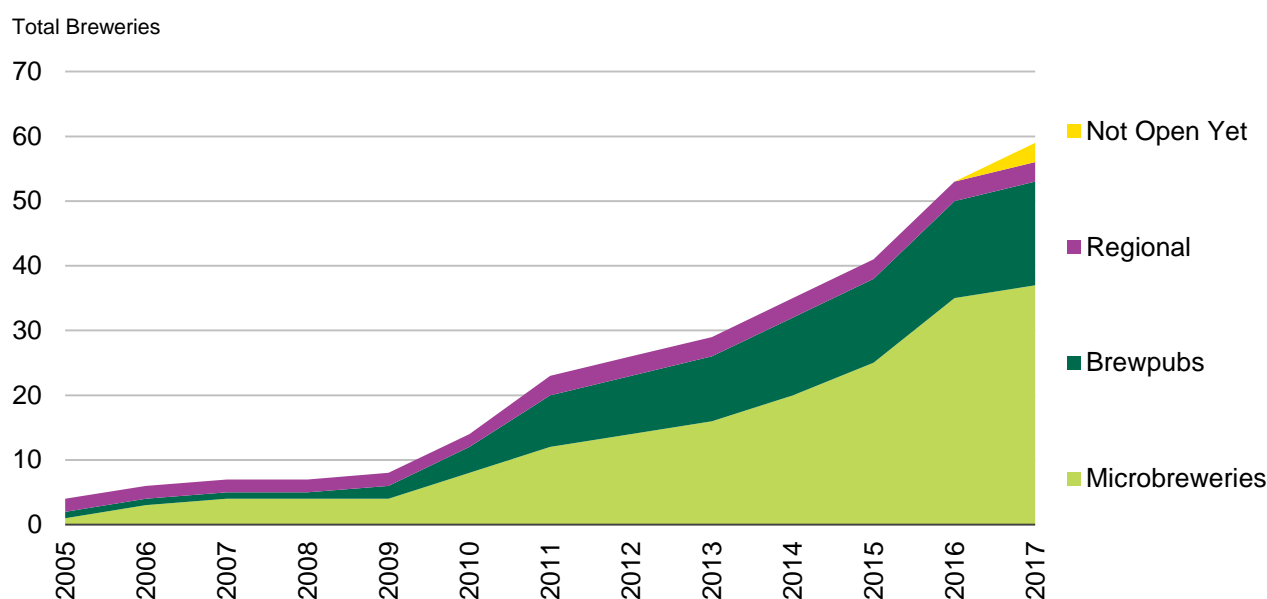
29.5 million bottles of beer on the wall ... in Central Texas alone!

- Following the Great Recession, craft brewing exploded throughout the country. Between 2007 and 2016, the number of local producers in the region increased 657%. Today, there are 57 active breweries in the region, with another three slated to open soon.
- During 2016, craft brewers in Central Texas produced more than 185,000 barrels of beer (roughly the equivalent of 26 million bottles of beer). In 2017, they are expected to produce more than 210,000 barrels (or 29.5 million bottles). This level of activity has contributed to an estimated \$3 billion in economic output for the state in craft beer production.

Central Texans know heat and thirst – a combination that sparked a beer revolution

Just a decade ago, Central Texans were hard pressed to find quality local beer - there were only seven craft breweries in the Austin metro. After the region recovered from the 2008-2009 economic crisis, and consumers began to spend more money on entertainment, the demand for quality local beers drove the craft beer industry into full expansion mode. Simply put, homebrewers stepped into the craft brew scene in a big way. To understand their growth CBRE Research dug into the data and plotted their progression:

Growth of Craft Breweries in Central Texas



Source: CBRE Research, Brewer's Association, 2017.

In 2016, the Central Texas region was home to 26% of all Texas breweries, with 53 microbreweries, brewpubs and regional breweries planting roots in Texas' Hill Country. With only seven breweries in operation in 2007, this rate of growth exceeds 650%.

Production meets consumption demands, so cheers!

In 2016, the national beer market saw \$107.6 billion in beer sales, with the craft beer market accounting for \$23.5 billion of these sales (roughly 22%), according to the Brewer's Association. While overall barrels sold saw a 0% year-over-year growth at 196.7 million barrels, the domestic craft beer segment grew 6.2% (24.1 million barrels), and the export craft beer segment grew 4.4% (465,617 barrels). In 2014, the craft brewing industry contributed \$55.7 billion to the U.S. economy through production, sales, and non-beer product sales; Texas alone accounted for \$3.7 billion of that economic impact.

Along with the rest of the U.S., Texas residents have developed a taste for craft beer. In 2016, Texas brewers produced 1.17 million barrels of craft beer, which accounted for approximately 4.9% of all domestic craft beer in the U.S. In Central Texas, the 53 brewery operations that were open during 2016 produced more than 185,000 barrels, accounting for almost 16% of state production levels.

Top Producing Central Texas Breweries	Barrels Produced, 2016
Real Ale Brewing Co.	59,435
Austin Beerworks	18,000
Independence Brewing	15,500
Live Oak Brewing Co.	15,000
(512) Brewing Co.	11,000
Thirsty Planet Brewing Co.	11,000

Source: CBRE Research, Austin Business Journal, "The List: Austin-area craft breweries 2017", March 17, 2017.

To date, there are 57 craft breweries operating in Central Texas, with another three expected to open this year. The growing field of competitors continues to whet Texans' appetite for exploring new high-quality, full-flavored craft beers so expect to see more breweries on-tap in the future - along with the legendary summer heat!