

AUSTIN OFFICE Monthly Market Snapshot

JUNE 2019

Market Highlights

Record-breaking development. The Austin office market tightened even further, with vacancy decreasing slightly to 8.6% compared with this time last year at 9.0%. Gross average asking rental rates keep climbing at \$35.85 per sq. ft., up \$1.69 or 4.9% from May 2018. Tenant demand is driving the record-breaking almost 7 million sq. ft. under construction with over 60% of that space already spoken for. In addition, there has been 4.2 million sq. ft. of leasing activity year-to-date, up over 80% from this time in 2018.

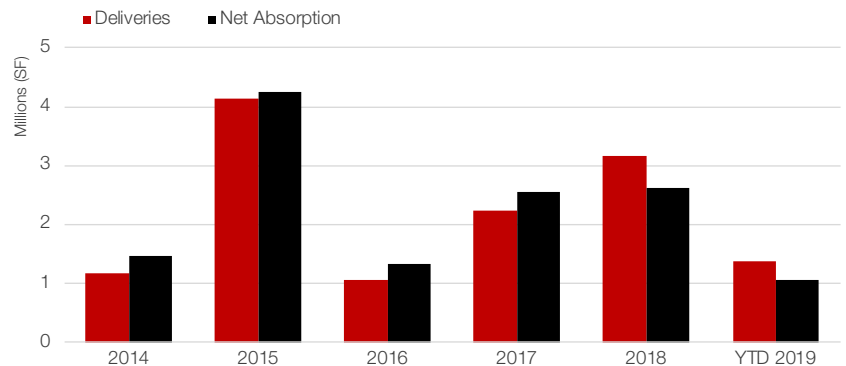
Indeed Tower 65% leased. Brown Advisory LLC has leased 33,505 sq. ft. in Indeed Tower, the 36-story skyscraper at 200 W. Sixth St. Previously known as Block 71, the 709,000-sq.-ft. tower will be the tallest and largest office building in Austin. The recent lease brings the building to 65.4% preleased. Another tenant, The Teacher Retirement System of Texas, is also leasing 101,000 sq. ft. Completion is scheduled for mid- to late-summer of 2021.

Healthy job expansion in April. The Austin metro added jobs at an annualized rate of 3.5% during the three months ending in April with the financial activities sector growing at 8.3% (1,300 jobs), and professional and business services increasing by 6.6% (3,100 jobs). Job growth was led by the construction and mining sector, which surged at an annualized rate of 17.6%, adding a net 2,600 jobs. Austin's April unemployment rate dropped to 2.5%—significantly below the Texas rate of 3.7% and the U.S. rate of 3.6%—marking the lowest rate since December 1999.

Market Activity

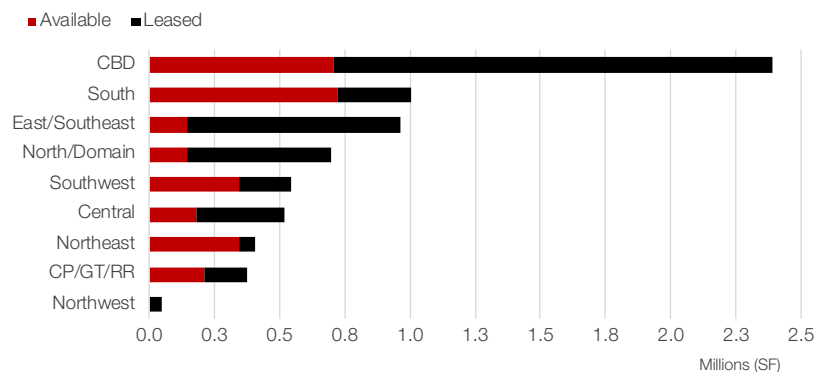
	Year-to-Date June	
	2019	2018
Vacancy	8.6%	9.0%
Availability	13.8%	13.5%
Net Absorption (SF)	1,050,865	332,145
Leasing Activity (SF)	4,218,873	2,317,652
Deliveries (SF)	1,366,387	1,301,105
Under Construction (SF)	6,949,269	4,605,764
Gross Avg Asking Rent (PSF)	\$35.85	\$34.16

Supply & Demand



Under Construction

Total Under Construction: 6,949,269 SF



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