Austin Absorption Heat Map

1. North/Domain ranked #1, absorbing a significant portion (37.9%) of the available space in its submarket. Seven of the nine major submarkets in the metro recorded overall positive net absorption in the second quarter, with North/Domain representing the highest total (361,707 sq. ft.). This was due in part to Indeed.com moving into 309,863 sq. ft. in the newly completed Domain Tower\(^a\); a deal the company inked in December 2017.

2. Northeast absorbed 31.4% of the available space in its area, claiming the #2 spot. This activity is a welcome change as the submarket has one of the highest overall availability rates at 17.9%. A significant transaction during the quarter involved 3M, maker of Scotch tape and other office supplies, moving 500 employees into 272,526 sq. ft. in Parmer Innovation Center\(^b\) from a corporate campus 15 miles away, on Riverplace Boulevard in Northwest Austin. 3M originally announced the move in the summer of 2017.

3. Southwest came in at the #3 position, absorbing 11.7% of the available space in its submarket. The submarket falls in the middle position for the amount of space absorbed, having recorded 203,000 sq. ft. A couple of significant move-ins included Lorenz & Lorenz occupying 12,746 sq. ft. at 1515 S. Capital of Texas Highway\(^c\) and Directive absorbing 11,656 sq. ft. at 9225 Bee Caves Road. Both leases were signed in Q1 2019.

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Legend

- Top Third
- Middle Third
- Bottom Third

The map reflects activity relative to the office market, displayed as net absorption (total sq. ft. occupied less total space vacated) as a percentage of the available space (all space that is available for lease, regardless whether it is currently vacant) for a given quarter, by submarket. The legend indicates where each submarket ranks in relation to all of the other submarkets, expressed in percentiles.

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### Q2 2019 Market Insight

**Submarket** | **Q2 2019 Net Absorption (SF)** | **Q2 2019 Available Space (SF)** | **Absorption as % of Available Space** | **Overall Availability Rate**
---|---|---|---|---
1. North Domain | 361,707 | 954,797 | 37.9% | 10.0%
2. Northeast | 292,510 | 931,550 | 31.4% | 17.9%
3. Southwest | 203,328 | 1,732,953 | 11.7% | 12.5%
4. Southeast | 104,013 | 1,254,937 | 8.3% | 12.4%
5. Central | 58,881 | 843,827 | 7.0% | 12.6%
6. Northwest | 228,241 | 3,367,354 | 6.8% | 16.2%
7. Cedar Park/Georgetown/ Round Rock | 17,181 | 702,036 | 2.4% | 10.3%
8. CBD | -25,346 | 2,109,275 | -1.2% | 11.6%
9. South | -22,250 | 993,598 | -2.2% | 21.9%

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Leta Wauson
Director of Research
leta.wauson@naipartners.com
tel 713 275 9618

NAI Partners
HOUSTON | AUSTIN | SAN ANTONIO
www.naipartners.com