

# AUSTIN OFFICE | ABSORPTION Market Insight

Q2 2019

## 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<sup>A</sup>**; a deal the company inked in December 2017.

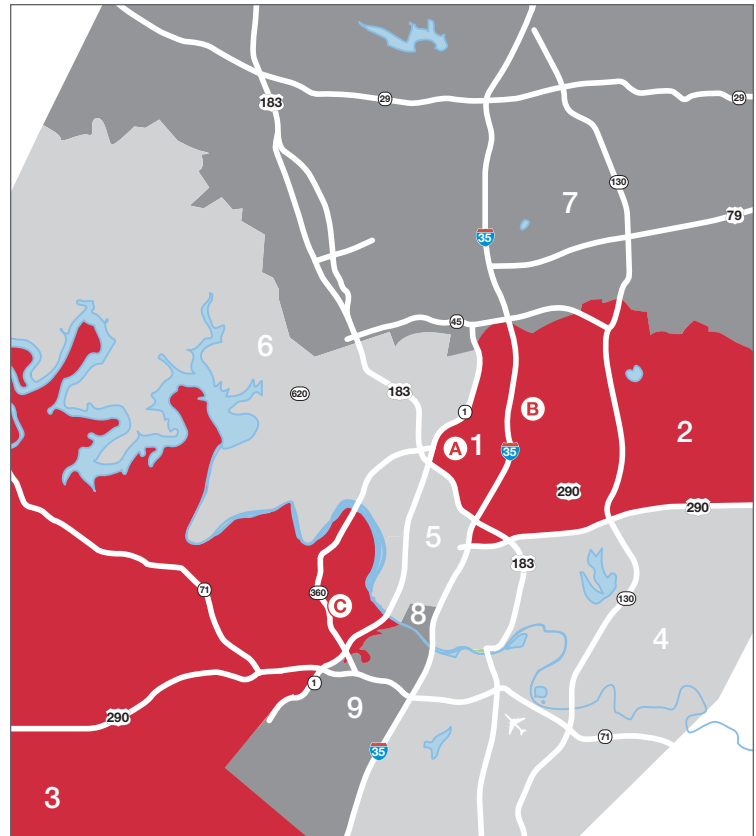
**2. Northeast** absorbed 31.4% of the available space in its area, claiming the #2 spot. This activity is a welcome change as the submarket has one of the highest overall availability rates at 17.9%. A significant transaction during the quarter involved 3M, maker of Scotch tape and other office supplies, moving 500 employees into 272,526 sq. ft. in **Parmer Innovation Center<sup>B</sup>** 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<sup>C</sup>** and Directive absorbing 11,656 sq. ft. at 9225 Bee Caves Road. Both leases were signed in Q1 2019.

### 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.



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%

### Leta Wauson

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



HOUSTON | AUSTIN | SAN ANTONIO  
[www.naipartners.com](http://www.naipartners.com)