

AUSTIN OFFICE Monthly Market Snapshot

NOVEMBER 2020

Market Highlights

Vacancy at 12.1%. The overall vacancy rate is at 12.1%, up from Q3 2020 at 11.6%, and a year ago at 9.4%. The increase in vacancy is due in part to 2.3 million sq. ft. delivered to the market so far in 2020, of which 22% is vacant. In addition, there is 7.3 million sq. ft. currently under construction, with 55% of that space available for lease. The vacancy rate for Class A properties is at 14.0%, up from Q3 2020 at 13.4%, although up more significantly from October 2019 at 10.2%. The Austin office market has recorded net absorption (move-ins minus move-outs) of negative 376,000 sq. ft., down from positive 936,000 sq. ft. at this time in 2019. The asking price for office properties is currently at an average annual rate of \$38.44 per sq. ft., up from this time last year at \$37.08 per sq. ft., due primarily to the new product added to the market.

Everi Games signs full-building lease.

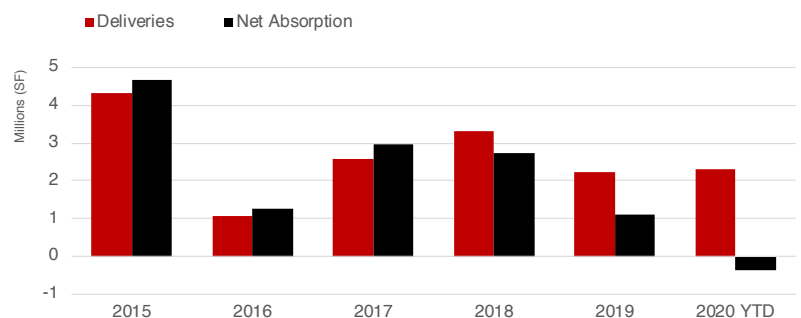
Everi Games Holding doubled the amount of space at its Austin headquarters, inking a deal to extend its full-building lease within the Wild Basin Atrium Park for 5 years. Everi renewed its lease at Building B, a 51,000-sq.-ft., two-story office building at 206 Wild Basin Road. It is home to the gaming division of Everi Holdings, a Las Vegas-based company that produces slot machines and other games.

Available sublease space doubles. The coronavirus pandemic and subsequent work-from-home directives have reduced demand for office space. As a result, the Austin office market has been flooded with competing sublease space hitting the market, with the current total at 3.6 million sq. ft. of available sublease space up 136% since the end of last year at 1.5 million sq. ft.

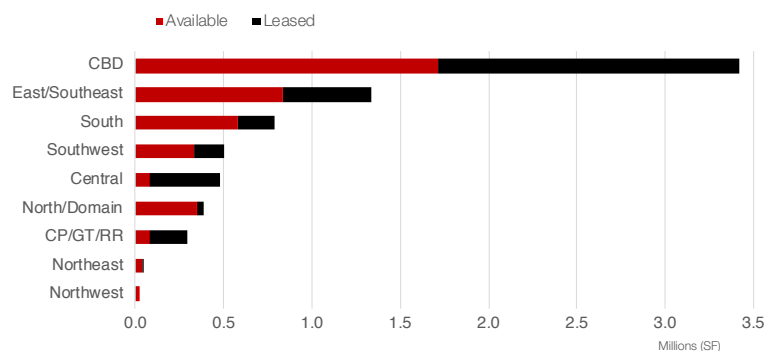
Market Activity

	October 2020 Year-to-Date		October 2019 Year-to-Date
Vacancy	12.1%	▲	9.4%
Availability	19.2%	▲	13.0%
Net Absorption (SF)	-376,089	▼	935,832
Leasing Activity (SF)	3,953,767	▼	10,148,802
Deliveries (SF)	2,292,492	▲	1,833,441
Under Construction (SF)	7,263,284	▼	7,627,223
Gross Avg Asking Rent (PSF)	\$38.44	▲	\$37.08

Supply & Demand



Under Construction



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