

AUSTIN OFFICE Monthly Market Snapshot

FEBRUARY 2021

Market Highlights

Vacancy increases to 13.8%. Overall vacancy in the Austin office market is at 13.8%, up from 9.4% in January 2020. The increased vacancy rate reflects the recorded net absorption (move-ins minus move-outs) of negative 768,000 sq. ft., down from negative 99,000 sq. ft. at this time in 2020. There is 7.8 million sq. ft. currently under construction, with 52.6% of that space available. There have been no deliveries so far in 2021. The vacancy rate for Class A properties is at 15.9%, up from January 2020's 10.2%. The asking price for office properties is currently at an average annual asking rate of \$37.76 per sq. ft., down about 0.7% from this time last year at \$38.01 per sq. ft.

Samsung looking to expand. Samsung is reportedly looking to make an investment of up to \$17 billion in its next U.S. facility and Austin is in the running, according to national news reports. The company has expanded its campus over the years, and now has about 2.45 million sq. ft. on 300 acres, employing around 3,000 people. Additional reports say Samsung plans to start construction on the multi-billion plant in 2021. If Samsung does choose Austin for its new facility, it would add to a string of recent big wins for Austin's technology sector. In just the past six months, Austin saw electric automaker Tesla pick it as the site for a \$1 billion assembly facility, and software giant Oracle move its corporate headquarters to Austin.

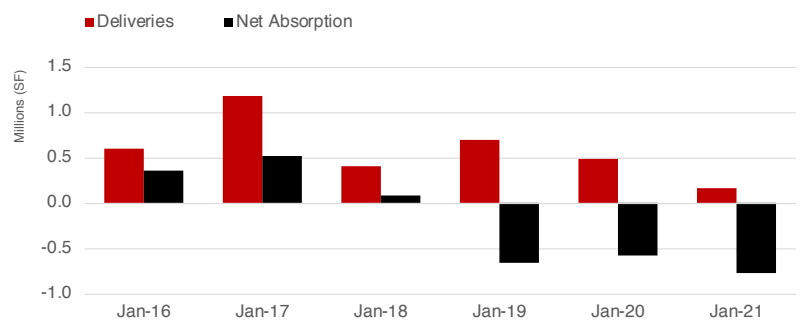
Another relocation from California to Texas.

Amazing Magnets is relocating its business operations from Anaheim, California and building a global headquarters in Round Rock. In January, Amazing Magnets, broke ground on its 40,000 sq.-ft. global headquarters at 1992 Steam Way, on 1.8 acres in the Altman Business Park. Amazing Magnets designs, manufactures, and distributes magnetic-related devices and products. A company executive said the city's extraordinary business climate and support of community was the driving factor in the company's relocation.

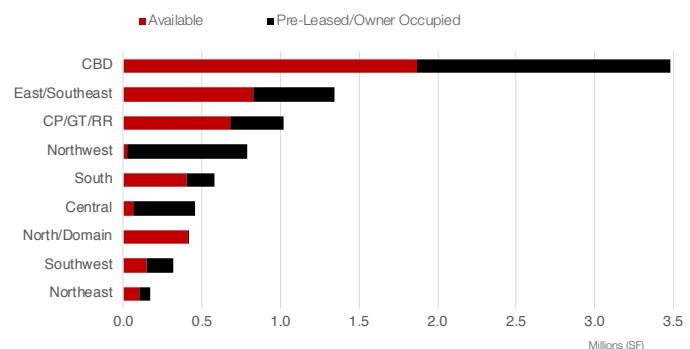
Market Activity

	January 2021		January 2020
Vacancy	13.8%	▲	9.4%
Availability	21.0%	▲	14.9%
Under Construction	7,813,073 SF	▼	10,736,754 SF
Gross Avg Asking Rent	\$37.76 PSF	▼	\$38.01 PSF
Net Absorption YTD	-767,929 SF	▼	-98,843 SF
Leasing Activity YTD	326,841 SF	▼	560,399 SF
Deliveries YTD	0 SF	▼	20,000 SF

Supply & Demand | January YOY



Under Construction



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