

AUSTIN OFFICE MONTHLY MARKET SNAPSHOT

Austin Office market vacancy rises to 15.4%

June 2021

MARKET HIGHLIGHTS

VACANCY RISES TO 15.4%

Overall vacancy in the Austin office market is at 15.4%, up from 10.2% in May 2020. The increased vacancy rate reflects the recorded net absorption (move-ins minus move-outs) of negative 526,000 sq. ft., down from positive 713,000 sq. ft. at this time in 2020. There is 7.3 million sq. ft. currently under construction, with a little less than half of that space available. There have been 19 properties totaling 2.3 million sq. ft. delivered so far in 2021 with an occupancy rate of 32%. The vacancy rate for Class A properties is at 15.9%, up from the prior period at 9.5%. The asking price for office properties is currently at an average annual rate of \$38.75 per sq. ft., down about 0.3% from this time last year at \$38.86 per sq. ft.

THE DISTRICT COULD HAVE 3 MILLION SQ. FT. OF OFFICE SPACE

The over \$200 million development dubbed The District is scheduled to break ground this summer on 65.5 acres in Round Rock. Unanimous approval from Round Rock City Council allows Mark IV Capital to build on the site near the Dell Technologies Inc. headquarters. The project is expected to create 3 million sq. ft. of office space, 230,000 sq. ft. of retail space for local companies, 1,600 multifamily units, and a 250-room hotel over the next 10 years.

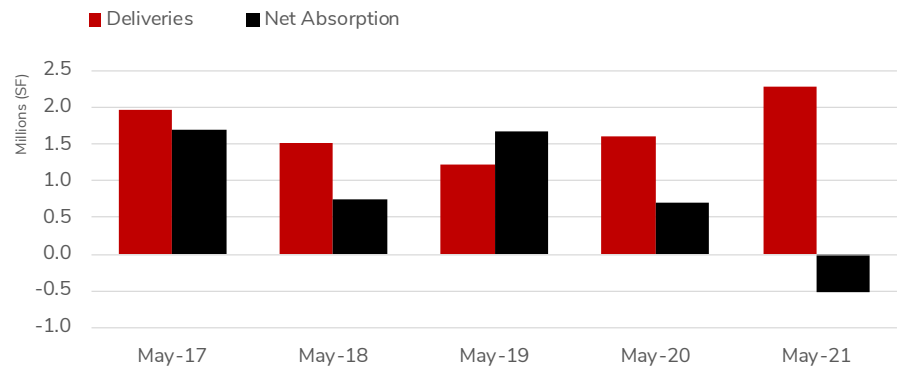
AUSTIN LABOR MARKET

According to the Federal Reserve Bank of Dallas the Austin economy turned in a strong performance in April. Austin's unemployment rate fell in April to 4.8%, the lowest level since March 2020, well below the state's jobless rate of 6.7% and the nation's 6.1% rate. Austin payrolls increased by 18,050 net jobs in the three months ending in April. Leisure and hospitality led job growth (28.0%, or 6,815 jobs), followed by trade, transportation and utilities (12.1%, or 5,610 jobs). As of April, 89.0% of the 133,211 jobs lost at the onset of the pandemic in March and April 2020 had been recovered.

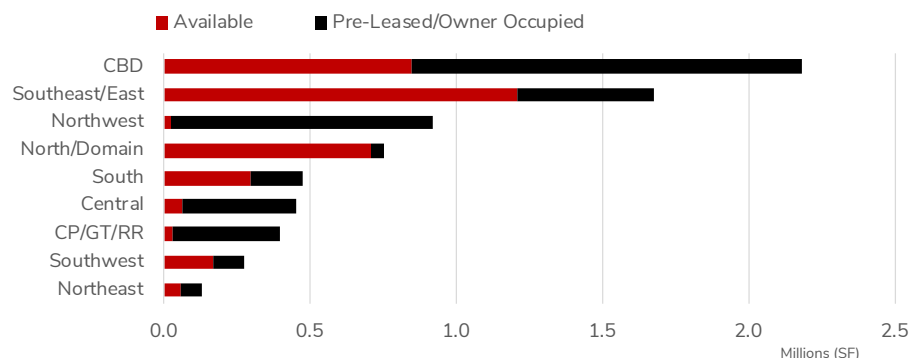
MARKET ACTIVITY

	MAY 2021		MAY 2020
Vacancy	15.4%	▲	10.2%
Availability	20.6%	▲	16.1%
Under Construction SF	7,345,562	▼	7,745,209
Gross Average Asking Rent	\$38.75	▼	\$38.86
Net Absorption SF YTD	-525,638	▼	712,565
Leasing Activity SF YTD	2,189,884	▼	2,809,376
Deliveries SF YTD	2,287,268	▲	1,593,342

SUPPLY & DEMAND | MAY - YEAR OVER YEAR



UNDER CONSTRUCTION | MAY 2021



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