

# AUSTIN OFFICE MONTHLY MARKET SNAPSHOT | SEPTEMBER 2021

Net absorption in Austin Office market up significantly year-over-year

## MARKET HIGHLIGHTS

### CONSTRUCTION

Year-over-year, as of August 2021, 6.3 million sq. ft. of office space was under construction, representing about 6.5% of inventory in the Austin metro. This level of construction is not unprecedented, but the amount of new supply could be concerning given the uncertainty around the coronavirus pandemic. Leasing will need to continue rebounding as companies have largely pushed off real estate decisions. Many tenants with leases have opted to renew with shorter-term leases, and few are making long-term commitments to office space.

### VACANCY

Overall vacancy in the Austin office market is at 14.7%, up from 11.8% in August 2020. Net absorption (move-ins minus move-outs) remains positive at 1.2 million sq. ft., up significantly from positive 258,000 sq. ft. at this time in 2020. There have been 27 properties totaling 3.4 million sq. ft. delivered so far in 2021 with an occupancy rate of 50%. The vacancy rate for Class A properties is at 14.6%, up from the prior period at 11.2%. The asking price for office properties is currently at an average annual rate of \$40.20 per sq. ft., up 4.8% from this time last year at \$38.35 per sq. ft.

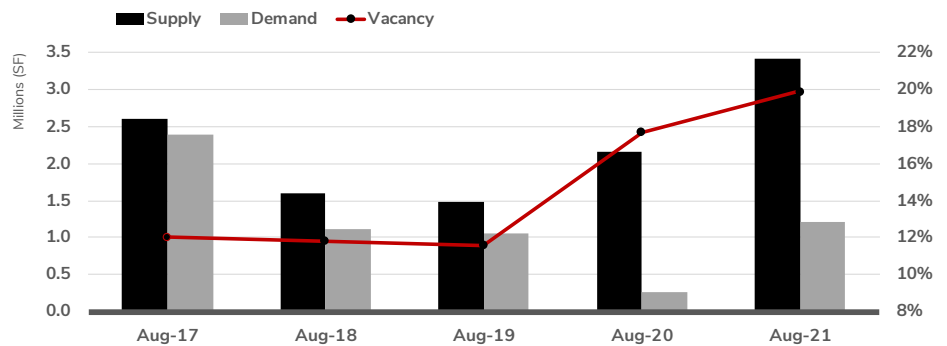
### SIGNIFICANT LEASE TRANSACTIONS IN 2021

Cloudflare signed a lease for 124,393 sq. ft. in Foundry II in the East submarket in July, Amazon signed a lease for 114,665 sq. ft. in The Domain submarket in June, Skyworks inked a deal for 96,467 sq. ft. in Eastlake at Tillery at 3212 E. Cesar Chavez St. in the East submarket during July, and Tik Tok leased 65,000 sq. ft. in Chase Tower at 221 W. 6th St. in the CBD.

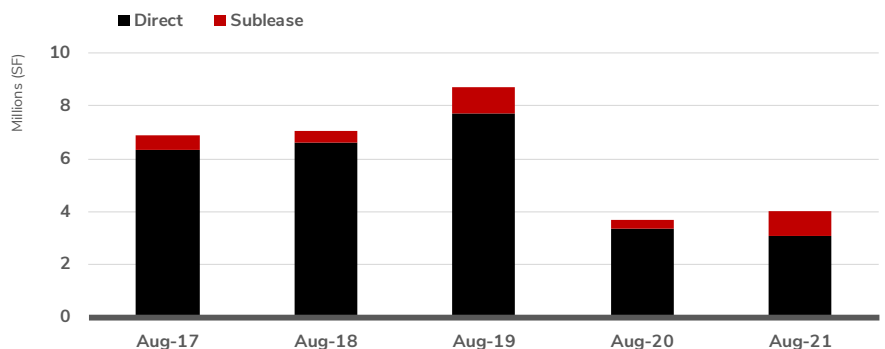
## MARKET ACTIVITY

	AUGUST 2021	vs	AUGUST 2020
Vacancy	14.7%	▲	11.8%
Availability	19.9%	▲	17.7%
Under Construction SF	6,339,141	▼	7,494,781
Gross Average Asking Rent	\$40.20	▲	\$38.35
Net Absorption SF YTD	1,206,483	▲	258,469
Leasing Activity SF YTD	4,022,839	▲	3,659,693
Deliveries SF YTD	3,411,649	▲	2,152,367

## SUPPLY & DEMAND | AUGUST - YEAR OVER YEAR



## LEASING ACTIVITY | AUGUST - YEAR OVER YEAR



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