

# AUSTIN OFFICE MONTHLY MARKET SNAPSHOT | JUNE 2022

Tech companies continue to flock to Austin's office scene.

## MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST FIVE MONTHS OF THE YEAR—MAY 2022 COMPARED TO MAY 2021.

### AUSTIN OFFICE VACANCY AT 14.3%

Almost halfway through 2022, the overall vacancy is at 14.3%, up 20 basis points from last year at 14.1%. Availability is at 19.6%, down 80 basis points from May 2021 at 18.8%. The difference between this figure and the vacancy rate reflects expected future move-outs. The Austin office market has recorded 3.4 million sq. ft. of leasing activity, comprised of both new leases and renewals, while net absorption (move-ins minus move-outs) is at a positive 933,000 sq. ft., up an exceptional amount from negative 36,000 sq. ft. this time last year. The amount of square feet delivered to the Austin office market from January through May is 1.1 million sq. ft., down about 40% from May 2021.

### NET ABSORPTION REMAINS POSITIVE

Despite the increase in vacancy, net absorption (move-ins minus move-outs) remained in positive territory. Significant 2022 move-ins include TikTok subleasing 149,346 sq. ft. on floors 26-32 at 300 Colorado St. in the CBD; Cloudflare moving into 124,393 sq. ft. in Foundry II at 1600 E. Fourth St. in the East submarket; Alert Media occupying 68,354 sq. ft. at 401 S. 1st Street in RiverSouth in the South submarket; and Splunk taking 52,717 sq. ft. at 2043 S. Lamar Blvd. in Bouldin Creek in the South submarket. In addition, due partly to the new construction added to the market, the average asking full-service rent in the Austin office market metro is at \$41.09 per sq. ft., up by \$1.30 or 3.3% from this time last year.

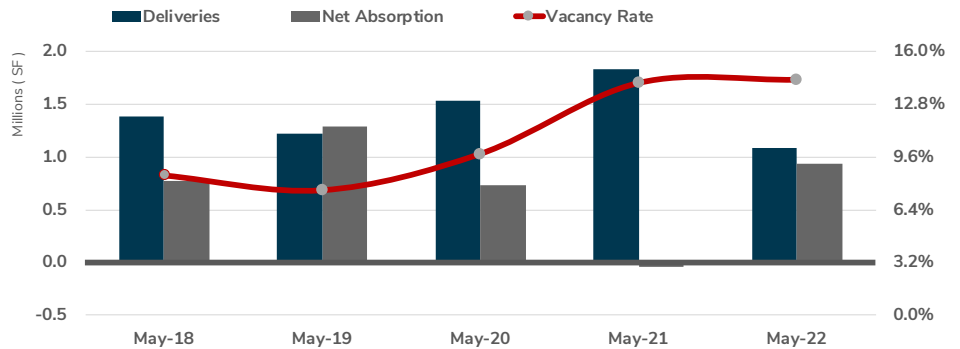
### AUSTIN CONTINUES TO LURE TECH COMPANIES

Austin-based software company CS Disco has signed a 46,250-sq.-ft. sublease from Workrise Technologies at 111 Congress Ave. in the Central Business District. The 30-story, 518,385-sq.-ft. tower was built in 1985, renovated in 2020, and is currently 82% leased. Other tenants in the building include Wells Fargo, Husch Blackwell, Bracewell, and Regus. The firm's previous headquarters was at 3700 N. Capital of Texas Highway in Austin.

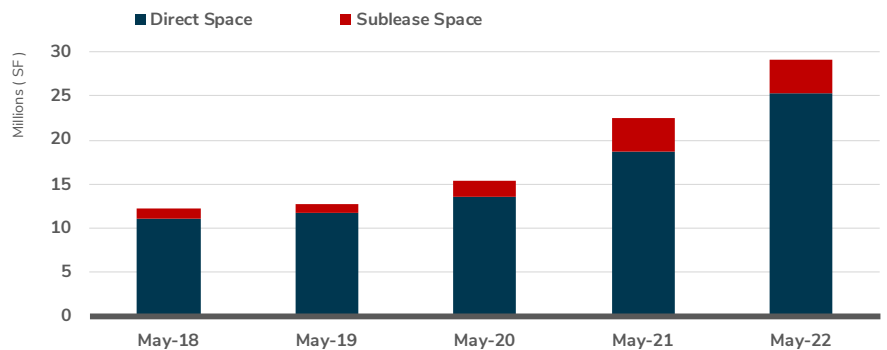
## MARKET ACTIVITY

	MAY 2022	vs	MAY 2021
Vacancy	14.3%	▲	14.1%
Availability	19.6%	▲	18.8%
Under Construction SF	10,678,670	▲	7,350,121
Gross Average Asking Rent	\$41.09	▲	\$39.79
Net Absorption SF YTD	933,213	▲	(35,996)
Leasing Activity SF YTD	3,412,494	▲	2,883,458
Deliveries SF YTD	1,088,896	▼	1,833,077

## SUPPLY & DEMAND | MAY - YEAR OVER YEAR



## VACANCY | MAY - YEAR OVER YEAR



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