

Austin

Office market snapshot | Q1 2024

The Austin office market has commenced the year steadily, with 1.2 million square feet (msf) of space leased, predominantly driven by smaller spaces in high demand. Despite the negative absorption witnessed in Q1, sustained leasing activity and significant move-ins have helped to stabilize the market. However, availability and vacancy rates are expected to rise further, with 4 million square feet of space currently under development, while tenants continue to assess their future office space requirements.

1.2 msf

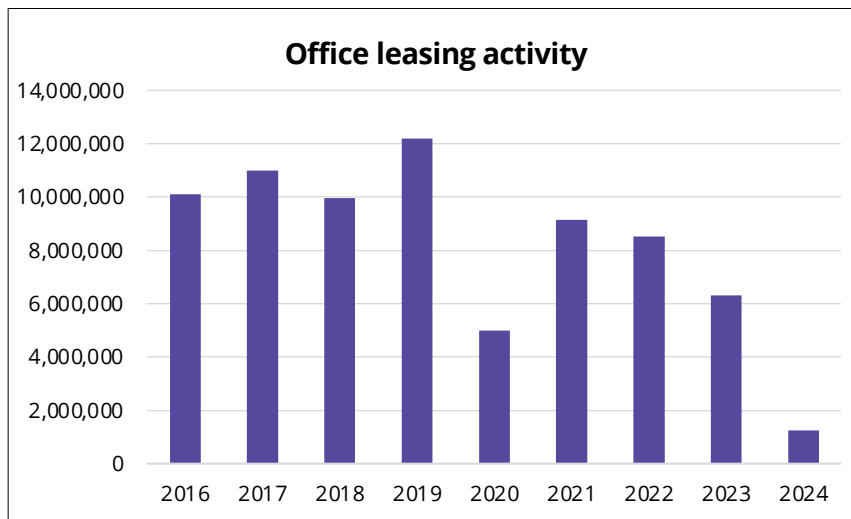
Since the start of the year, 1.2 msf of office space has been leased, with smaller deals ranging from 1,000 to 5,000 square feet leading in demand.

-39ksf

While overall space absorption was negative (-39,651 sf) in Q1, a large move-in by Amazon (332,865 sf) in North Austin helped maintain some stability in the market.

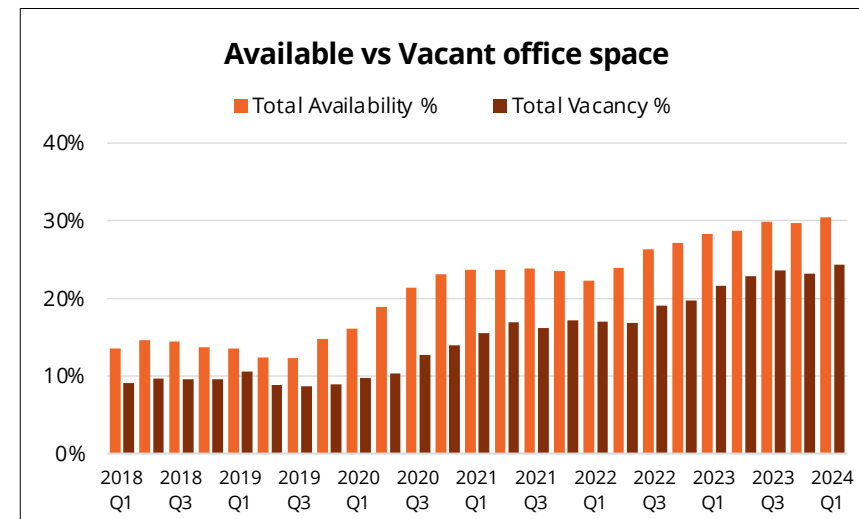
5.7 msf

Available space surpasses vacant office space by 5.7 million square feet. Despite elevated rates, leasing activity has tempered the increase.



At the onset of the year, leases signed for spaces spanning 1,000 to 5,000 square feet are leading in demand, comprising 79% of all signed leases. This trend indicates that office occupiers continue to prioritize smaller spaces.

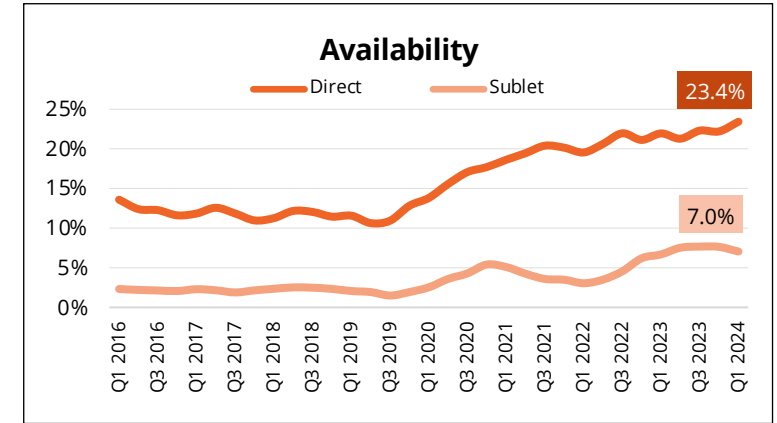
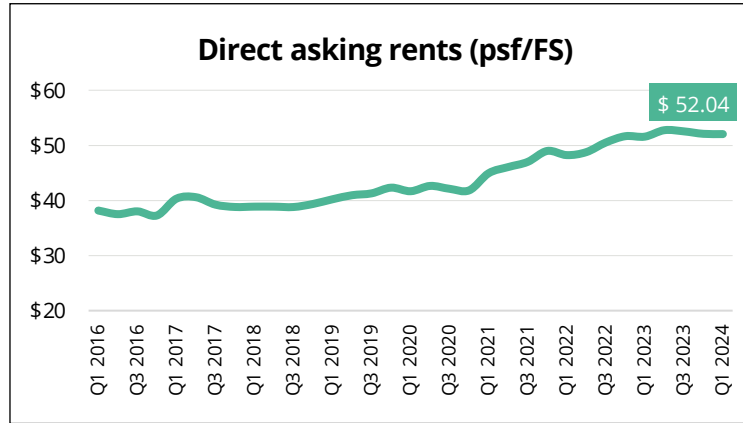
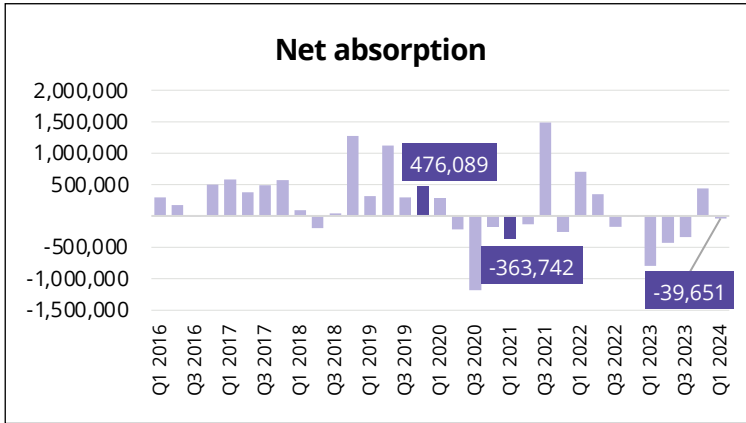
Source: AVANT by Avison Young, Costar



While the total availability rate is currently 610 basis points higher than vacancy rates, ongoing leasing activity has helped vacancy levels to begin to stabilize despite expectations of further increases with new development coming online.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
IBM	13011 McCallen Pass	50,000	Direct	New
Dun & Bradstreet	2900 Esperanza Crossing	36,248	Sublease	New
Tecovas	901 E 6 th Street	28,981	Sublease	New

Top projects under development

Address	Submarket	Building size	% Preleased	Delivery date
401 W 4 th Street	CBD	816,584	49%	June 2025
4901 Mueller Blvd	East	350,000	100%	December 2024
4655 Mueller Boulevard	East	245,000	100%	April 2024

Note 1: Availability inclusive of under construction developments and future space availability.

Source: AVANT by Avison Young, Costar

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Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Direct availability	Sublet availability	Total availability	Total availability change (YoY)	Net absorption (QTD)	Net absorption (YTD)	Annual direct asking rent psf FS
CBD	16,409,266	607,522	1,659,680	22.7%	7.2%	29.9%	25.3%	8.1%	33.4%	1.6%	(256,244)	(256,244)	\$66.17
Caldwell	-	-	22,500	-	-	-	-	-	-	-	-	-	-
Cedar Park	491,130	-	-	7.1%	4.3%	11.3%	7.1%	16.0%	23.0%	-	-	-	-
Central	1,371,806	-	93,419	12.4%	4.1%	16.5%	20.5%	3.8%	24.4%	0.5%	(8,372)	(8,372)	\$51.30
East	4,354,245	-	1,638,635	23.3%	6.4%	29.5%	34.7%	4.7%	39.4%	1.9%	(109,871)	(109,871)	\$55.34
Far East	139,250	-	-	-	-	-	-	-	-	-	-	-	-
Far Northeast	45,114	-	-	50.0%	.%	50.0%	50.0%	.%	50.0%	-	-	-	-
Far Northwest	4,071,511	-	-	13.8%	7.4%	21.1%	19.4%	14.9%	34.3%	(1.6%)	22,451	22,451	\$43.84
Georgetown	-	-	35,000	-	-	-	100%	-	100%	-	-	-	-
North	792,605	-	-	49.3%	1.8%	51.1%	49.8%	3.3%	52.9%	(0.5%)	6,495	6,495	\$42.77
North Central	9,854,560	363,000	100,000	15.9%	3.7%	19.6%	18.3%	4.2%	22.5%	1.0%	290,709	290,709	\$47.56
Northeast	3,580,549	-	-	28.7%	12.4%	41.1%	29.1%	18.1%	47.1%	1.2%	(77,022)	(77,022)	\$32.35
Northwest	13,059,011	-	-	17.7%	3.8%	21.5%	21.6%	5.7%	27.7%	-	19,342	19,342	\$41.66
Round Rock	1,069,357	33,669	-	8.2%	2.7%	10.9%	11.0%	4.1%	15.1%	(0.7%)	13,975	13,975	\$35.59
South	431,731	-	-	23.2%	-	23.2%	25.7%	-	25.7%	-	-	-	\$29.91
South Central	2,672,782	-	344,996	27.9%	5.8%	33.8%	29.7%	8.2%	37.9%	(2.4%)	10,310	10,310	\$55.91
Southeast	2,888,750	-	-	11.6%	-	11.6%	26.7%	10.0%	36.7%	5.3%	25,792	25,792	\$35.35
Southwest	11,730,275	-	180,000	15.7%	4.1%	19.8%	18.7%	4.5%	23.2%	(0.1)	22,784	22,784	\$48.65
Market total	72,961,942	1,004,191	4,074,230	19.1%	5.2%	24.3%	23.4%	7.0%	30.4%	0.7%	(39,651)	(39,651)	\$52.04

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Trophy	6,400,341	970,522	1,629,680	25.0%	12.6%	37.5%	23.4%	5.6%	29.0%	(1.5%)	289,460	289,460	\$70.70
Class A	34,231,776	-	2,314,550	17.8%	5.7%	23.4%	24.3%	7.7%	31.9%	0.3%	(127,586)	(127,586)	\$58.90
Class B	30,489,551	33,669	130,000	18.7%	3.5%	22.2%	29.8%	-	29.8%	1.4%	(186,187)	(186,187)	\$41.02
Class C	1,840,274	-	-	30.5%	-	30.5%	23.4%	7.0%	30.4%	0.8%	(15,338)	(15,338)	\$33.12
Market total	72,961,942	1,004,191	4,074,230	19.1%	5.2%	24.3%	23.4%	7.0%	30.4%	0.7%	(39,651)	(39,651)	\$52.04

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Office submarket map

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