

# Austin

## Industrial market snapshot | Q2 2024

Austin's industrial sector ended the first-half of 2024 on a solid note, highlighted by 3.5 million square feet (msf) of positive absorption and further evidenced by the sustained momentum in leasing activity and a thriving construction pipeline. Cedar Park, East, and Southeast Austin stand out as top submarkets for under construction activity largely driven by Samsung and Tesla, as well as suppliers serving both companies.

## +29.8%

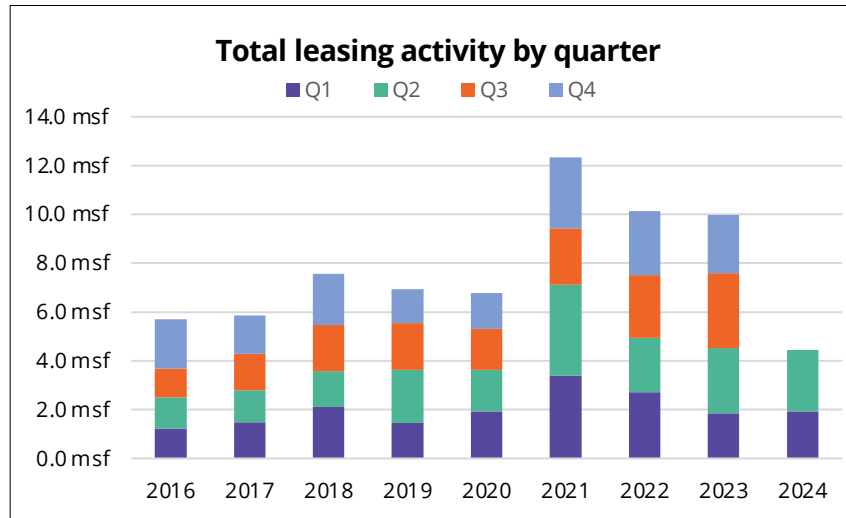
Leasing activity has increased 29.8% quarter-over-quarter due to large occupiers taking space as well as a healthy tenant environment.

## 8.1 msf

Cedar Park, East, and Southeast Austin are driving the majority of new industrial construction in the region, with a combined 8.1 msf underway.

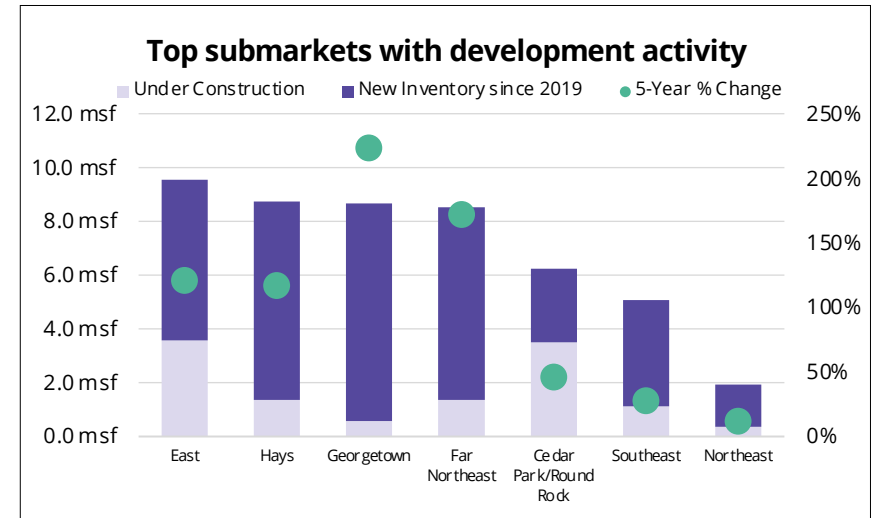
## 2.5 msf

Austin industrial sector continues its positive momentum with 2.5 msf of transacted deals in Q2. Notable deals include Four Hands and Strategic Thermal Strategies totaling 630,489 sf.



Occupier demand continues to increase from Q1 and has remained above pre-pandemic levels, driven by strong owner/user activity and a flourishing tenant market. Key contributors to this growth include companies like FMT, Prolift Rigging, and Kreate, which have actively sought new spaces.

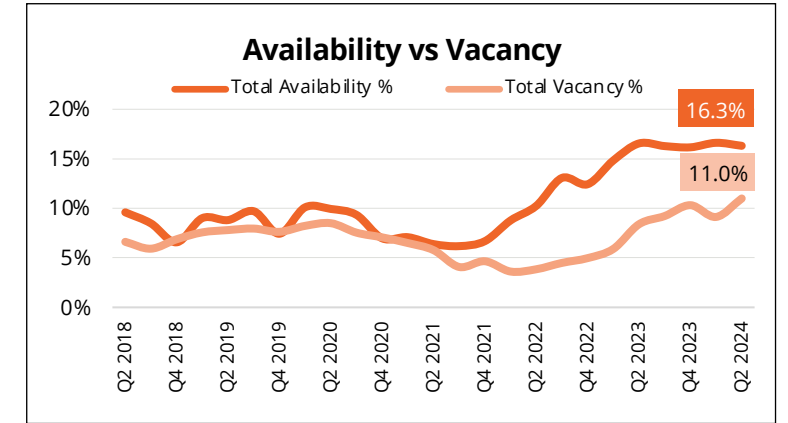
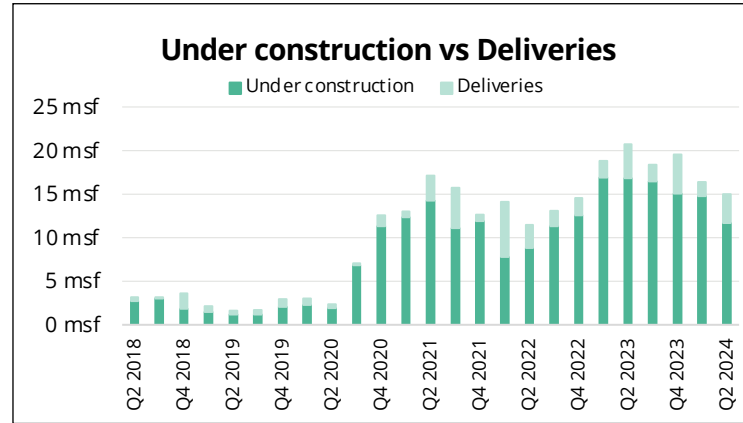
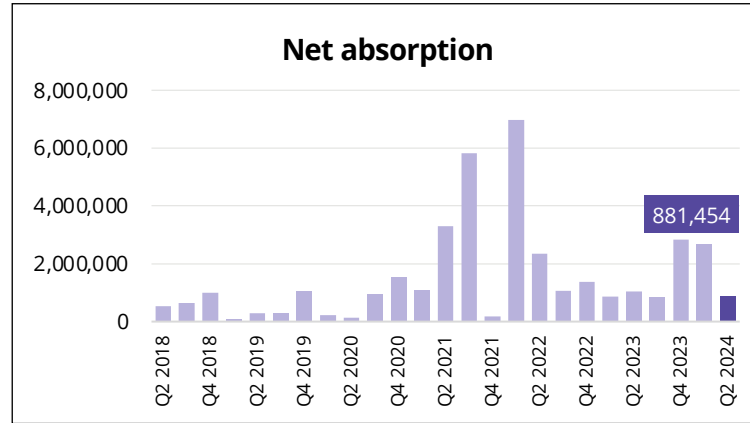
Sources: AVANT by Avison Young, CoStar



As we enter the second half of the year, Cedar Park, East, and Southeast stand out as the top submarkets in terms of development activity, with 8.1 msf of product underway combined. The strong inventory growth in these submarkets has largely been driven by the impact of Tesla's Giga Factory and Samsung's manufacturing plant.

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### Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
FMT	600 Texas 130	232,912	New	Direct
Control Panels USA	4811 N IH 35	145,450	New	Direct
Wondercide	2200 Chisholm Trail	71,953	New	Direct

### Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Longpoint Realty Partners	12621 Harris Branch Pky	\$67,477,816	\$196	Link Logistics
Min Ho Choi	1075 New Technology Rd	\$38,200,000	\$179	Titan Development
MODUS Real Estate	8201 S Congress Ave	\$10,200,000	\$172	Thirsty Property

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

Source: AVANT by Avison Young, CoStar

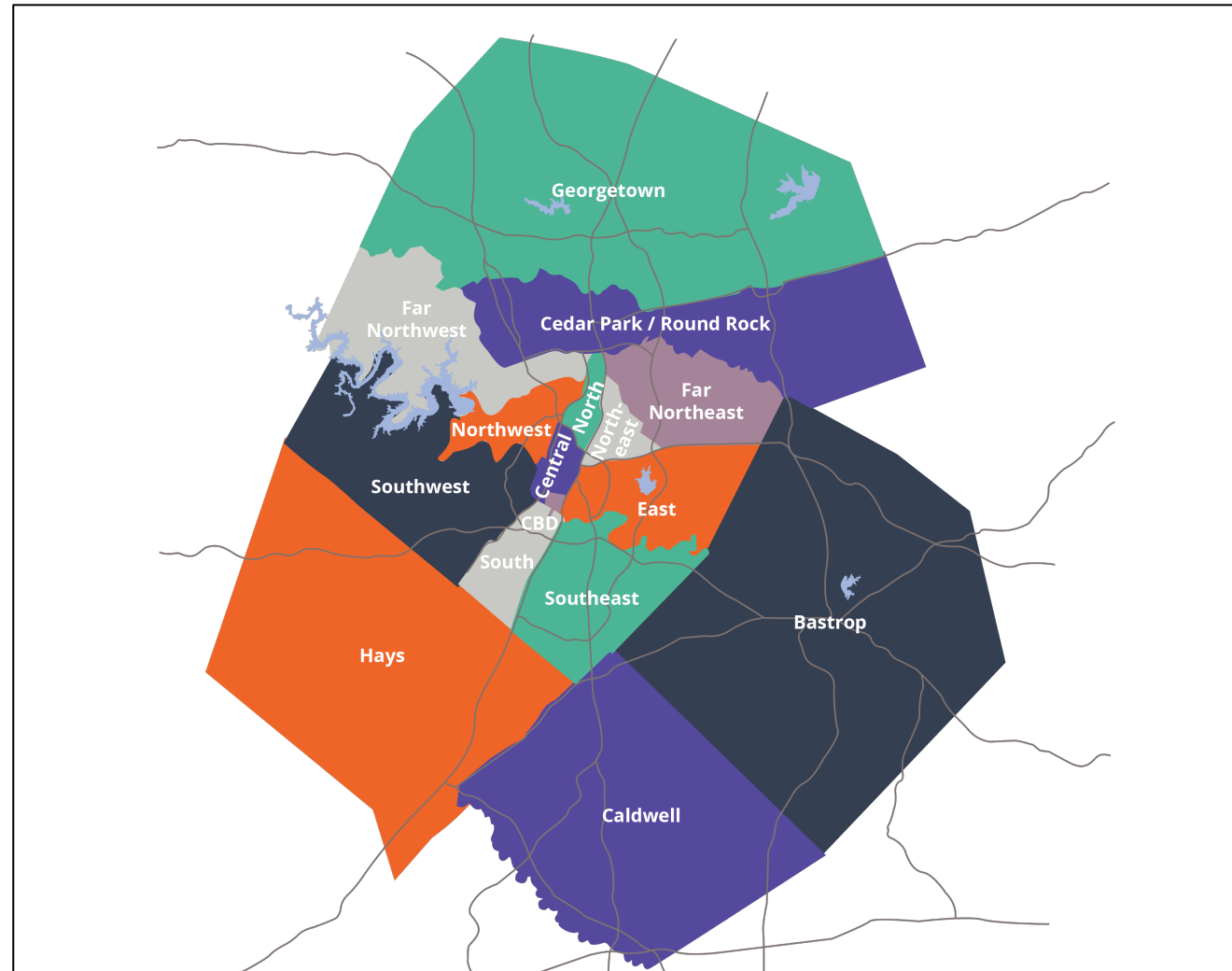
	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Direct availability	Sublet availability	Total availability	Total availability change (YoY)	Net absorption (QTD)	Net absorption (YTD)	Annual direct asking rent psf NNN
Bastrop	1,411,628	-	85,000	1.3%	-	1.3%	1.2%	-	1.2%	0.0%	-	-	\$15.34
Caldwell County	704,534	-	-	33.3%	-	33.3%	33.3%	-	33.3%	6.9%	-	48,900	\$11.50
Cedar Park/Round Rock	8,687,202	403,041	3,501,382	12.1%	0.9%	13.0%	14.2%	1.0%	15.2%	1.2%	260,076	450,748	\$20.25
Central	1,186,533	-	-	10.5%	-	10.5%	5.2%	-	5.2%	6.4%	(4,288)	(7,791)	\$16.98
East	10,912,470	423,032	3,562,249	2.0%	0.1%	2.2%	14.6%	0.3%	14.9%	(11.8%)	424,832	439,932	\$17.65
Far Northeast	11,298,464	25,400	1,137,019	6.8%	1.0%	7.8%	13.2%	1.1%	14.4%	3.1%	(49,414)	10,024	\$12.39
Far Northwest	1,898,640	47,210	-	4.7%	-	4.7%	7.4%	3.6%	11.0%	(10.9%)	(7,250)	(22,058)	\$17.00
Georgetown	11,713,600	917,061	605,605	23.2%	-	23.2%	19.1%	-	19.1%	16.4%	249,378	1,078,335	\$10.76
Hays	13,651,263	668,449	1,359,001	14.3%	0.8%	15.2%	21.9%	1.5%	23.4%	7.6%	(6,131)	1,475,221	\$12.09
North	14,714,168	145,454	-	7.5%	0.6%	8.2%	13.0%	1.8%	14.8%	(4.0%)	(157,641)	(238,045)	\$17.64
Northeast	14,674,894	-	358,169	4.5%	1.6%	6.1%	9.3%	1.6%	10.7%	(3.5%)	(65,215)	(255,147)	\$16.22
Northwest	2,205,181	-	-	5.1%	1.5%	6.6%	5.9%	1.5%	7.4%	(1.0%)	-	(5,400)	\$20.45
South	2,127,101	-	-	6.8%	-	6.8%	4.7%	1.3%	6.0%	(3.4%)	(4,160)	(24,894)	\$18.12
Southeast	18,189,790	2,291,356	1,040,770	14.4%	0.8%	15.2%	20.9%	2.0%	22.8%	(3.4%)	255,297	625,745	\$12.07
Southwest	3,056,545	-	-	4.8%	0.4%	5.3%	7.6%	0.4%	8.1%	(0.8%)	(14,030)	(27,730)	\$19.44
Market total	116,432,013	4,921,003	11,649,195	10.3%	0.7%	11.0%	15.1%	1.2%	16.3%	(0.2%)	881,454	3,547,840	\$14.18

	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)
Warehouse	42,828,658	943,961	2,309,430	7.9%	0.6%	8.5%	12.5%	1.6%	14.4%	1.6%	291,310	945,385
Distribution	33,430,878	3,293,968	4,461,800	20.7%	0.6%	21.2%	28.8%	1.0%	29.8%	(5.2%)	262,253	2,370,293
Manufacturing	23,223,056	635,864	4,814,706	1.7%	0.6%	2.4%	2.6%	0.4%	3.1%	0.5%	401,782	572,093
Office Showroom	14,522,752	47,210	63,259	6.3%	1.0%	7.3%	11.1%	1.6%	12.7%	3.9%	(78,654)	(313,328)
R&D	2,426,669	-	-	14.9%	4.8%	19.6%	18.4%	4.8%	23.1%	1.6%	4,763	(26,603)
Market total	116,432,013	4,921,003	11,649,195	10.3%	0.7%	11.0%	15.1%	1.2%	16.3%	(0.2%)	881,454	3,547,840

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## Industrial submarket map



Source: AVANT by Avison Young