

Austin

Office market snapshot | Q3 2024

The Austin office market continues to show signs of recovery, with key demand indicators such as leasing activity and absorption demonstrating positive trends. In addition to these drivers, the Office Business Index by Avison Young highlights the strength of Austin's trophy assets, which are outperforming the national average in terms of office utilization. This suggests a growing preference for high-quality office space and a return of workers to the office as occupiers are finding a remedy to the dynamic office market.

1.3 msf

Austin's office leasing activity remains active as 1.3 msf of space was inked in Q3. Notable move-ins contributing to absorption gains include the City of Austin and AMD.

84.7%

Austin's trophy office properties are outperforming the national average in terms of office utilization, with a busyness index of 84.7% compared to 67.1%.

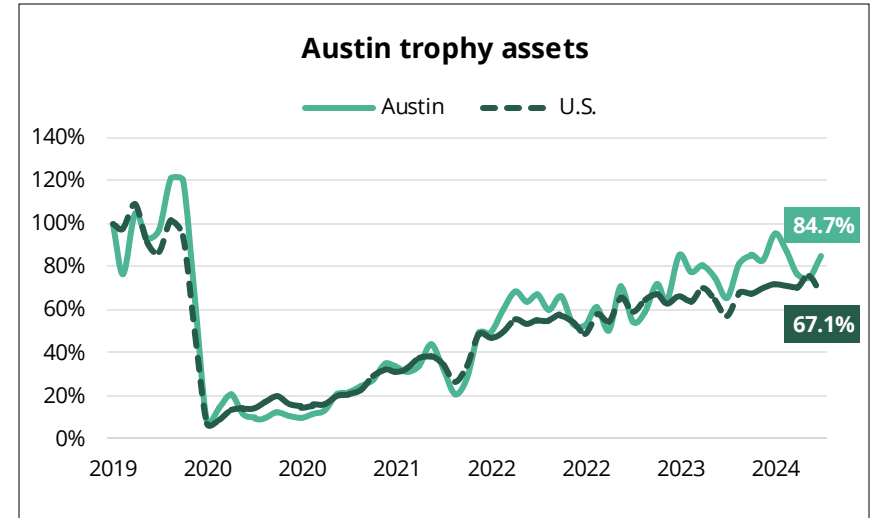
+743k sf

Absorption remains positive for the third quarter in a row, totaling 743k sf YTD, further substantiating the resilience of the Austin market.



Austin's office market experienced a notable upswing in leasing activity during the third quarter, despite YTD totals trailing last year's totals. The largest deal inked included IBM's 320k sf lease that will assume Meta Platform's existing lease at Domain 12. Looking ahead, the office sector is poised for continued growth and stability indicative of positive market movements experienced, with several large tenants currently evaluating their space options in the market.

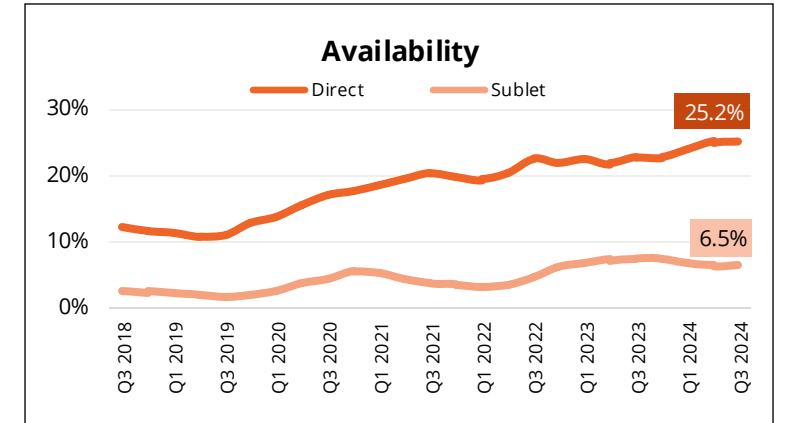
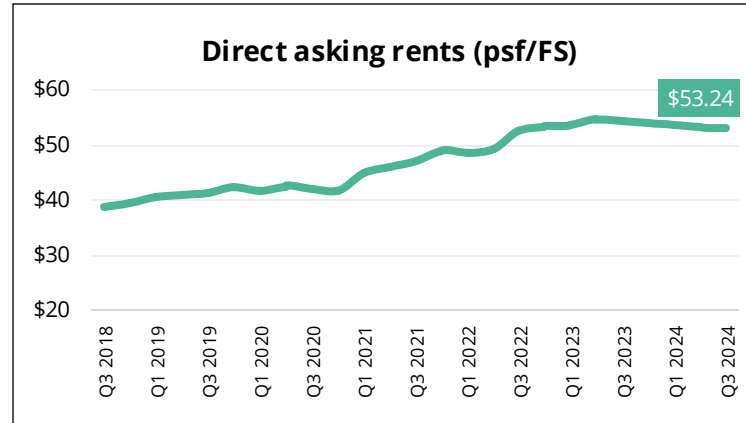
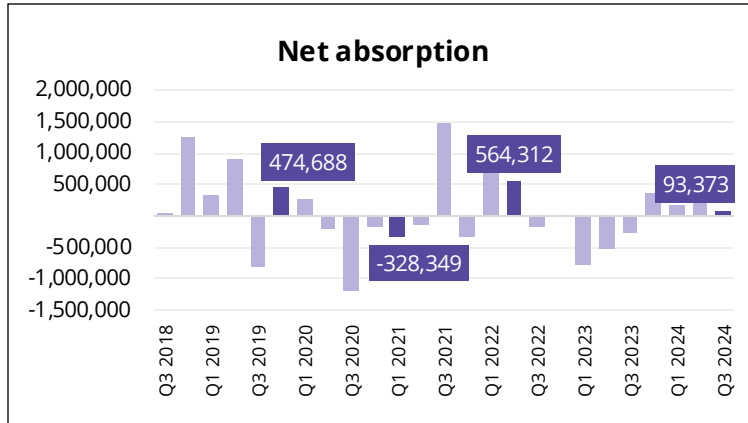
Source: AVANT by Avison Young, Costar



Trophy properties in Austin currently outperform similar assets in markets like Miami, Atlanta, and Seattle by almost 8%. This strong performance is driven by a preference for high-quality spaces that offer a combination of superior amenities, walkability, and accessibility. As workers return to the office, these properties are attracting tenants seeking flexible, amenity-rich work environments.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
IBM	11800 Alterra Parkway	320,095	Direct	New
Picklr	8201 N FM 620	43,855	Direct	New
AV Ride	8300 N Mopac Expressway	22,022	Sublease	New

Top projects under development

Address	Submarket	Building size	% Released	Delivery date
401 W 4 th Street	CBD	816,584	46%	October 2025
4901 Mueller Boulevard	East	350,000	100%	December 2024
4655 Mueller Boulevard	East	245,000	100%	August 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	16,538,468	607,522	1,811,685	23.7%	7.1%	30.8%	30.6%	7.6%	38.2%	2.6%	(140,438)	(382,885)	\$ 68.47
Cedar Park	491,130	-	-	7.1%	4.3%	11.3%	18.5%	16.0%	34.5%	11.5%	-	-	-
Central	1,465,225	93,419	-	18.8%	2.8%	21.6%	20.7%	2.8%	23.5%	1.9%	(49,805)	(5,145)	\$ 51.06
East	5,211,161	24,116	355,000	35.3%	4.6%	39.9%	34.9%	4.9%	39.8%	1.6%	19,358	(47,253)	\$ 53.88
Far East	139,250	-	-	-	-	-	-	-	-	-	-	-	-
Far Northeast	45,114	-	-	50.0%	-	50.0%	50.0%	-	50.0%	-	-	-	-
Far Northwest	4,071,511	-	-	16.1%	4.3%	20.4%	23.2%	12.7%	34.1%	(1.0%)	6,697	106,159	\$ 43.98
Georgetown	30,918	-	-	-	-	-	-	-	-	-	-	-	-
North	792,605	-	-	46.4%	1.9%	48.3%	43.9%	5.6%	49.5%	(4.1%)	14,022	29,359	\$ 43.11
North Central	10,047,944	463,000	-	16.3%	3.5%	19.7%	18.5%	4.4%	23.0%	1.8%	88,307	430,833	\$ 45.41
Northeast	3,089,149	-	-	20.7%	14.3%	35.0%	28.0%	14.3%	42.3%	8.8%	(10,824)	(73,472)	\$ 32.18
Northwest	13,059,011	-	-	18.4%	3.1%	21.5%	23.3%	4.5%	27.1%	(6.2%)	(124,972)	12,120	\$ 42.09
Round Rock	1,113,596	33,669	-	6.3%	1.3%	7.5%	9.2%	5.6%	14.8%	(1.3%)	28,307	46,425	\$ 34.69
South	431,731	-	-	22.1%	-	22.1%	22.1%	-	22.1%	(8.1%)	-	4,985	-
South Central	2,878,782	206,000	138,996	22.4%	3.8%	26.3%	29.4%	10.5%	39.8%	(5.2%)	258,649	362,887	\$ 47.48
Southeast	2,605,151	-	-	10.9%	0.9%	11.9%	19.3%	11.0%	30.3%	6.5%	(28,940)	(28,701)	\$ 34.38
Southwest	11,815,569	-	-	15.6%	2.4%	18.0%	22.0%	3.9%	25.8%	3.4%	33,012	288,039	\$ 48.30
Market total	73,826,315	1,427,726	2,305,681	19.9%	4.5%	24.4%	25.2%	6.5%	31.5%	0.7%	93,373	743,351	\$53.24

	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
Trophy	6,423,390	970,522	1,671,588	24.5%	12.1%	36.6%	27.4%	10.4%	37.8%	0.9%	19,755	301,096	\$ 74.20
Class A	35,177,689	-	604,093	19.3%	4.7%	24.0%	25.5%	6.7%	31.7%	(1.3%)	256,168	454,376	\$ 58.07
Class B	30,384,962	33,669	30,000	19.2%	2.8%	21.9%	24.5%	5.6%	30.0%	3.5%	(204,195)	(28,983)	\$ 41.32
Class C	1,840,274	-	-	28.8%	-	28.8%	24.6%	1.1%	25.7%	(4.8%)	21,645	16,862	\$ 33.56
Market total	73,826,315	1,427,726	2,305,681	19.9%	4.5%	24.4%	25.2%	6.5%	31.5%	0.7%	93,373	743,351	\$53.24

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Office submarket map

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