

# Austin

## Industrial market snapshot | Q1 2025

Austin's industrial market continues its strong performance across all horizons, driven by steady demand and resilient fundamentals. Notable deals and key tenants have further solidified Austin's reputation as a thriving market for industrial users, a status supported by the region's strong population growth fueling housing construction and robust retail sales, which drive demand for industrial space. This favorable environment is underpinned by consistent activity and strong market fundamentals. On the investment side, capital markets remained active, with \$114 million in sales recorded during the quarter, reflecting confidence in the market's dynamics.

## 1.5 msf

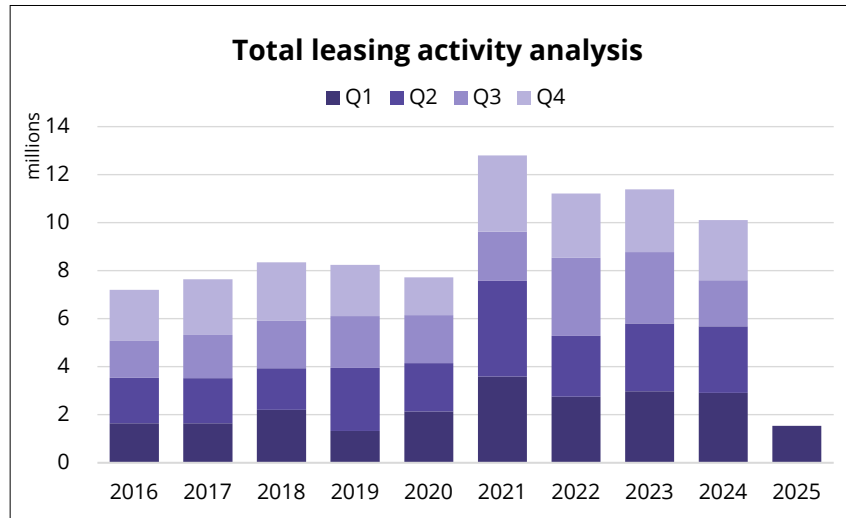
Leasing activity remained steady with 1.5 msf in transactions. Notable deals included Siete Foods and 84 Lumber, totaling 303,652 sf.

## +1.9 msf

Net absorption remained positive at 1.9 msf, surpassing the pre-pandemic quarterly average of 500k sf. This reflects a steady recovery and growing market strength.

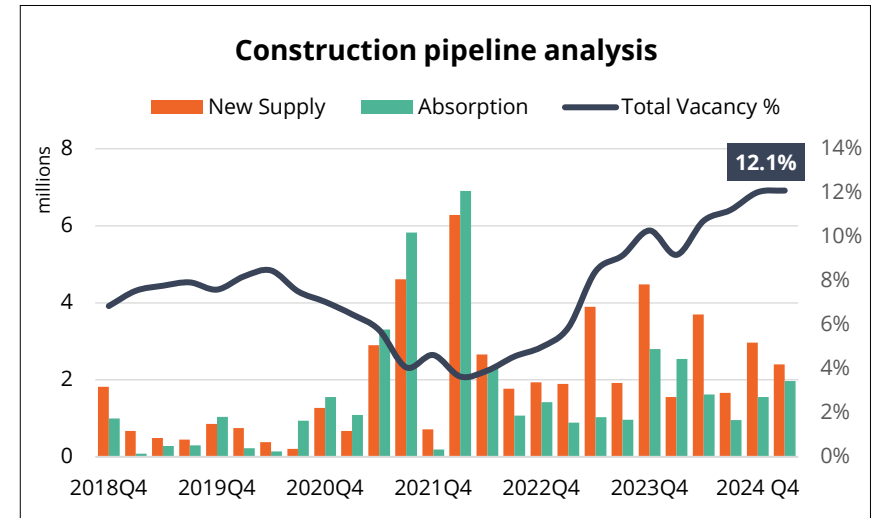
## 5.2 msf

There is 5.2 msf of product currently under construction. Activity has slowed as developers aim to avoid oversupply following record levels of deliveries.



Leasing activity remained strong throughout Q1, signaling continued tenant engagement. Demand was highest for mid-size spaces ranging from 20k to 49k sf, as companies seek adaptable space solutions. This segment accounted for the largest share of the overall leasing volume for the quarter. Notable transactions included DANA Safety Supply, Frame Ammo, and FoxRobotics.

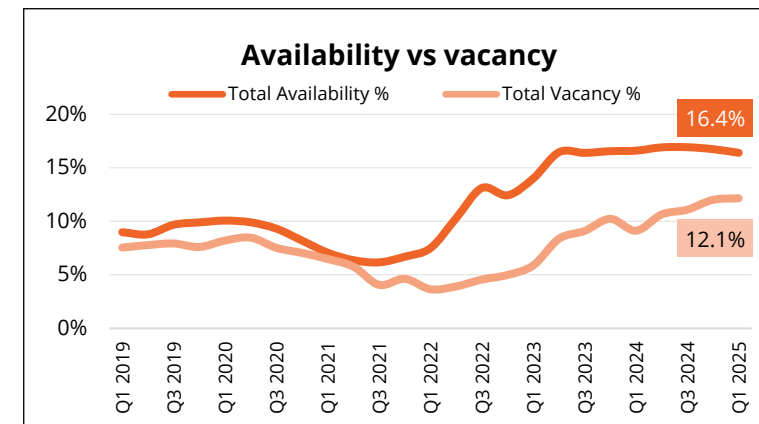
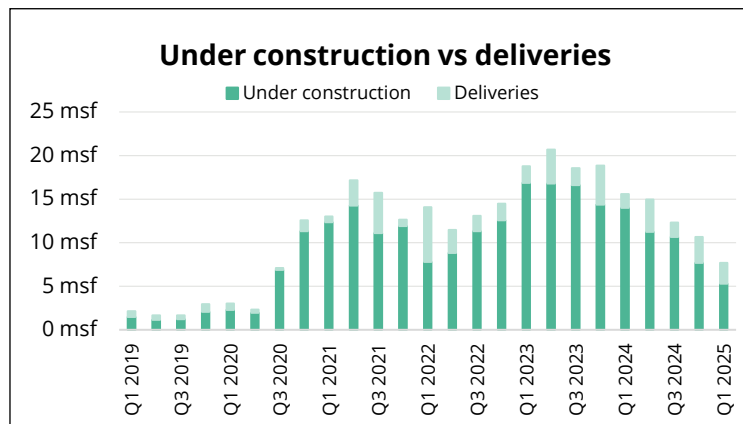
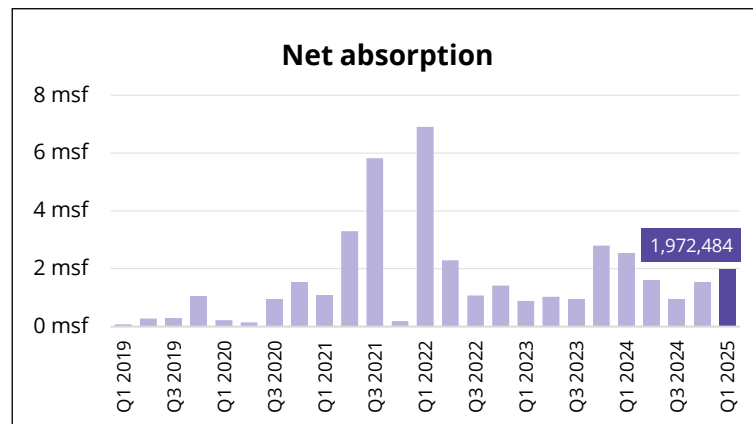
Sources: Avison Young, CoStar



Construction activity has slowed as the market works through existing supply, reducing the risk of oversaturation. Absorption remains positive and continues to outperform pre-pandemic averages, signaling healthy occupier demand. Consequently, after a period of rising levels, vacancy has now stabilized, holding steady without significant increases or declines over the past six months.

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### Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Siete Family Food	271 Commerce Center Drive	219,019	New	Direct
VulCan Packaging	8001 Industry Way	154,786	New	Direct
Enovis	2105 Scottsdale Drive	104,384	New	Direct

### Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Starwood Capital	9400 Tuscany Way	\$53,373,608	\$264	Dalfen Industrial
Starwood Capital	1453 Innovation Boulevard	\$30,308,049	\$154	Dalfen Industrial
Starwood Capital	9219 Tuscany Way	\$20,366,147	\$201	Dalfen Industrial

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

Source: 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 NNN
Bastrop	1,496,628	-	-	1.2%	-	1.2%	1.2%	-	1.2%	-	-	-	\$6.00
Caldwell County	664,534	-	-	-	-	-	35.3%	-	35.3%	(2.0%)	-	-	-
Cedar Park/Round Rock	9,244,740	-	3,344,136	15.9%	0.8%	16.8%	13.6%	0.9%	14.5%	1.9%	90,600	90,600	\$18.33
Central	1,154,781	-	-	4.2%	-	4.2%	5.1%	-	5.1%	6.3%	-	-	-
East	12,945,516	1,829,761	1,010,242	10.3%	0.3%	10.6%	20.0%	0.8%	20.7%	(4.2%)	814,469	814,469	\$10.92
Far Northeast	12,418,952	-	408,160	10.8%	1.0%	11.8%	14.9%	2.9%	17.8%	(4.7%)	(25,410)	(25,410)	\$15.00
Far Northwest	1,766,600	-	-	6.1%	-	6.1%	6.8%	5.1%	10.6%	(5.0%)	(15,512)	(15,512)	\$17.43
Georgetown	11,858,500	98,760	96,450	18.7%	0.1%	18.8%	16.3%	0.1%	16.5%	7.8%	363,180	363,180	\$9.76
Hays	15,001,249	35,384	343,729	12.8%	0.1%	13.0%	16.9%	0.3%	17.3%	4.9%	259,685	259,685	\$10.19
North	14,714,168	-	-	9.6%	1.7%	11.4%	13.7%	2.5%	16.1%	(2.4%)	(276,378)	(276,378)	\$17.18
Northeast	15,037,608	-	-	8.5%	1.4%	10.0%	10.9%	2.7%	13.5%	(3.6%)	(65,705)	(65,705)	\$14.92
Northwest	2,184,578	-	-	7.4%	0.7%	8.1%	7.4%	1.5%	8.9%	(2.2%)	(38,942)	(38,942)	\$19.72
South	2,103,638	-	-	4.8%	0.3%	5.1%	4.7%	0.8%	5.6%	3.6%	(30,244)	(30,244)	\$16.26
Southeast	19,801,198	439,350	83,883	12.1%	1.4%	13.4%	14.2%	3.0%	17.2%	6.8%	899,241	899,241	\$15.88
Southwest	3,056,545	-	-	4.7%	-	4.7%	7.8%	0.3%	8.1%	(0.1%)	(2,500)	(2,500)	-
<b>Market total</b>	<b>123,449,235</b>	<b>2,403,255</b>	<b>5,286,600</b>	<b>11.3%</b>	<b>0.8%</b>	<b>12.1%</b>	<b>14.3%</b>	<b>1.7%</b>	<b>15.9%</b>	<b>(1.0%)</b>	<b>1,972,484</b>	<b>1,972,484</b>	<b>\$13.66</b>

	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	44,431,575	828,012	1,489,259	10.2%	0.9%	11.1%	14.3%	2.1%	16.2%	2.4%	(224,133)	(224,133)
Distribution	37,879,446	1,476,483	526,729	18.8%	0.9%	19.7%	21.7%	2.0%	23.7%	(7.6%)	2,256,884	2,256,884
Manufacturing	23,806,568	-	3,270,612	1.7%	0.5%	2.2%	3.3%	0.5%	3.8%	0.8%	6,500	6,500
Office Showroom	14,803,528	-	-	8.6%	0.7%	9.3%	13.4%	1.5%	14.9%	1.8%	66,722	66,722
R&D	2,528,118	98,760	-	24.8%	3.9%	28.8%	23.7%	5.0%	28.7%	3.9%	(133,489)	(133,489)
<b>Market total</b>	<b>123,449,235</b>	<b>2,403,255</b>	<b>5,286,600</b>	<b>11.3%</b>	<b>0.8%</b>	<b>12.1%</b>	<b>14.3%</b>	<b>1.7%</b>	<b>15.9%</b>	<b>(1.0%)</b>	<b>1,972,484</b>	<b>1,972,484</b>

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

Source: Avison Young, CoStar

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## Industrial submarket map

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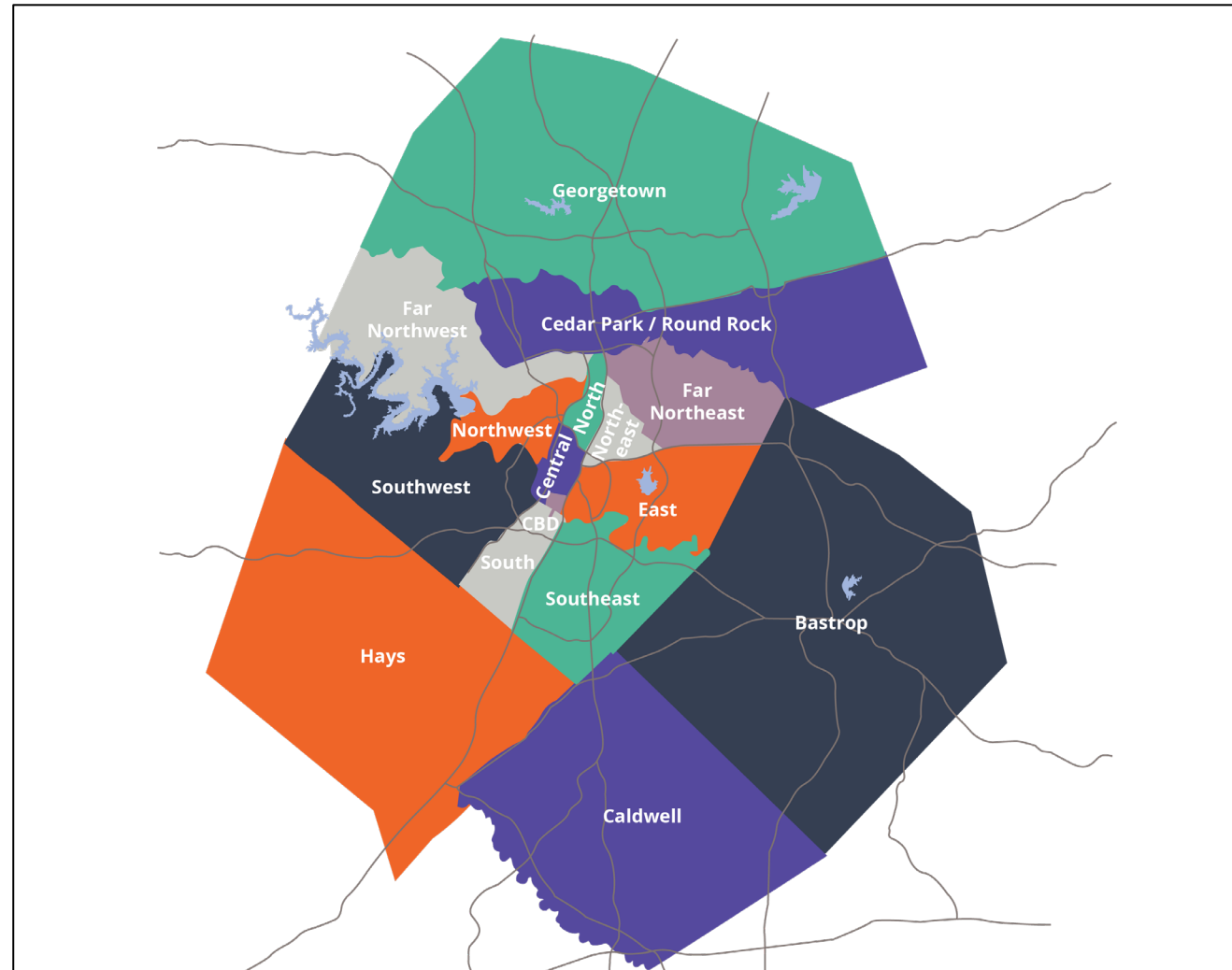
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Source: AVANT by Avison Young

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