

Austin

Office market snapshot | Q2 2024

With leasing activity steadily improving, the Austin office market is showing promising signs of positive market movements. This trend is further substantiated by increased absorption of sublet space, another sign of stronger demand. Coupled with strong preleasing activity in buildings currently under construction, the outlook for a stronger office market in Austin is looking brighter.

700k sf

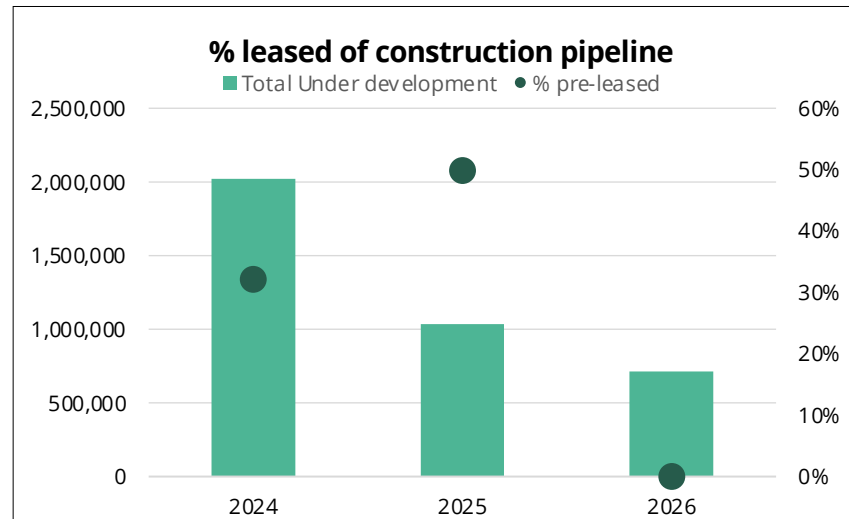
Leasing activity remains steady with 700,398 sf of space inked in Q2. Smaller leases in the 5k-10k range lead in deals done representing approximately 42% of total lease transaction volume.

32.1%

In 2024, a total of 2.0 msf of office space is projected to deliver. Of this new supply, 32.1% has already been preleased, indicating a strong demand and commitment from tenants.

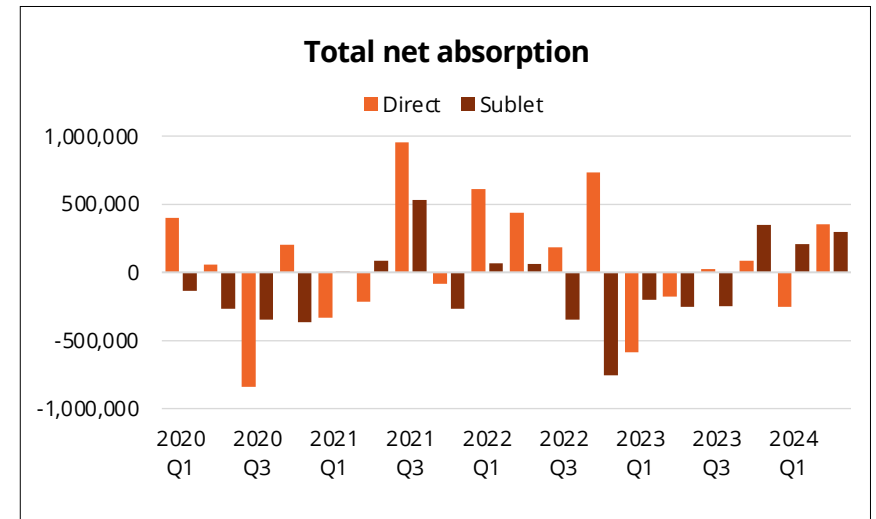
+502k sf

Sublet space leads with 502k sf absorbed YTD, outpacing demand for direct space for the third consecutive quarter.



Austin has a significant 3.7 msf of office space projected to be delivered over the next 2 ½ years. Notably, 30.9% of this new supply has already been preleased, underscoring a strong and sustained demand for office space in the area. This level of preleasing activity reflects the confidence businesses have in the Austin market.

Source: AVANT by Avison Young, Costar

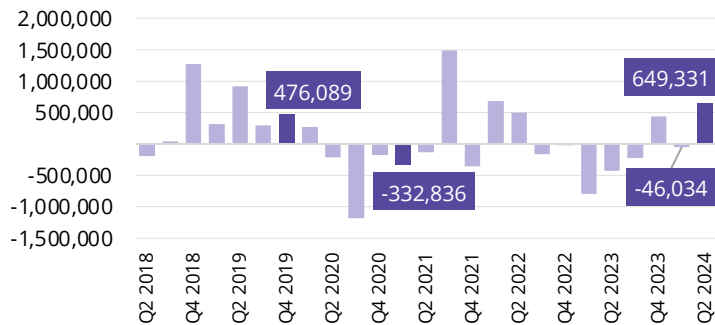


Since the end of 2023, there's been a positive development in the Austin office market. Sublease space has seen significant absorption totaling 502,453 sf year-to-date, outpacing direct absorption for three consecutive quarters. This suggests a potential shift towards flexible leasing options and is an encouraging sign that the office sector is recovering.

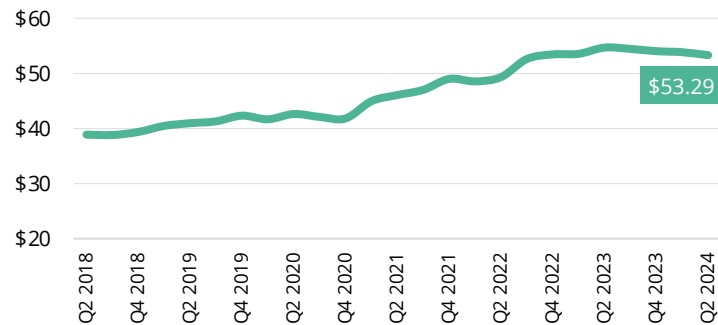
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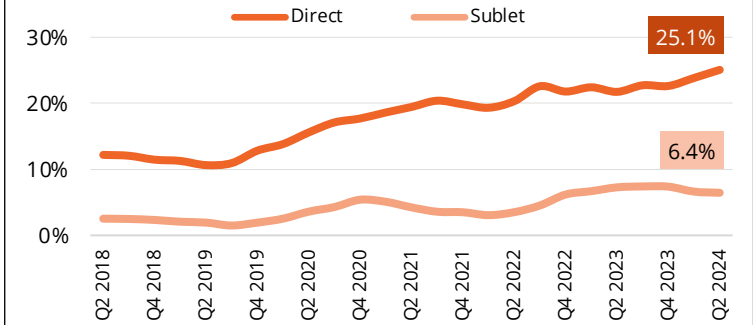
Net absorption



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
O'Melveny	401 W 4 th Street	56,000	Direct	New
FUSE Workspace	2105 E MLK Boulevard	32,942	Direct	New
Resibrand	12357-C Riata Trace Parkway	30,870	Direct	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 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.

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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	16,581,468	607,522	1,811,685	21.7%	6.9%	28.6%	30.3%	7.6%	37.9%	2.7%	129,778	(86,819)	\$66.17
Cedar Park	1,465,225	-	-	7.1%	4.3%	11.3%	12.6%	16.0%	28.6%	5.6%	-	-	-
Central	4,378,361	93,419	-	15.4%	2.8%	18.2%	19.3%	2.8%	22.1%	(1.7%)	53,032	44,660	\$51.30
East	139,250	24,116	1,614,519	22.5%	6.5%	28.9%	33.2%	4.8%	38.0%	0.5%	16,204	(68,267)	\$55.34
Far East	45,114	-	-	-	-	-	-	-	-	0.0%	-	-	-
Far Northeast	4,071,511	-	-	50.0%	-	50.0%	50.0%	-	50.0%	0.0%	-	-	-
Far Northwest	30,918	-	-	15.5%	5.3%	20.8%	24.1%	12.8%	35.7%	(1.5%)	(38,892)	90,692	\$43.84
Georgetown	792,605	-	-	-	-	-	-	-	-	0.0%	-	-	-
North	10,047,950	-	-	50.0%	-	50.0%	49.9%	1.5%	51.4%	(1.9%)	8,842	15,337	\$42.77
North Central	3,089,149	463,000	-	16.8%	3.2%	20.0%	19.7%	4.4%	24.1%	1.8%	31,435	410,476	\$47.56
Northeast	13,059,011	-	-	20.3%	14.3%	34.7%	24.0%	14.3%	38.3%	4.2%	38,559	(62,648)	\$32.35
Northwest	1,069,357	-	-	17.6%	3.0%	20.6%	21.9%	5.1%	26.6%	(0.4%)	91,102	134,844	\$41.66
Round Rock	431,731	33,669	-	8.0%	2.5%	10.5%	10.6%	5.8%	16.4%	0.5%	4,143	18,118	\$35.59
South	2,644,411	-	-	22.1%	-	22.1%	22.1%	-	22.1%	(3.6%)	4,985	4,985	\$29.91
South Central	2,888,750	-	344,996	25.7%	4.7%	30.4%	30.8%	9.9%	40.8%	0.5%	100,903	108,848	\$55.91
Southeast	11,730,275	-	-	21.1%	1.3%	22.4%	26.7%	10.0%	36.7%	5.3%	(48,433)	(287,386)	\$35.35
Southwest	11,730,275	-	-	14.4%	2.9%	17.4%	20.8%	3.6%	24.4%	2.4%	257,673	280,457	\$48.65
Market total	72,956,216	1,221,726	3,771,200	18.7%	4.7%	17.4%	25.1%	6.4%	31.4%	1.5%	649,331	603,297	\$53.29

	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	23.9%	12.5%	36.5%	27.2%	10.8%	38.0%	(0.2%)	60,832	350,292	\$74.03
Class A	34,107,064	217,535	2,069,612	16.7%	5.1%	21.8%	24.7%	6.8%	31.3%	1.5%	323,503	297,219	\$58.17
Class B	30,585,488	33,669	30,000	19.2%	2.8%	22.1%	24.8%	5.2%	30.0%	2.2%	254,441	(39,431)	\$40.81
Class C	1,840,274	-	-	30.0%	-	30.0%	26.6%	-	26.6%	(2.4%)	10,555	(4,783)	\$32.58
Market total	72,956,216	1,221,726	3,771,200	18.7%	4.7%	17.4%	25.1%	6.4%	31.4%	1.5%	649,331	603,297	\$53.29

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Office submarket map

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