Austin

Industrial market snapshot | Q4 2024

Austin's industrial real estate sector experienced a dynamic year in 2024, with 10.2 million square feet (msf) of leasing activity, driven by a particularly active fourth quarter. Vacancy rates rose to 12.0% due to the influx of 8.4 msf of new supply, yet steady quarter-over-quarter absorption gains demonstrated the market's capacity to meet growing demand. Investment activity flourished, as evidenced by 9.1 msf of industrial assets sold during the year, representing a 15% increase compared to 2023.

10.2 msf

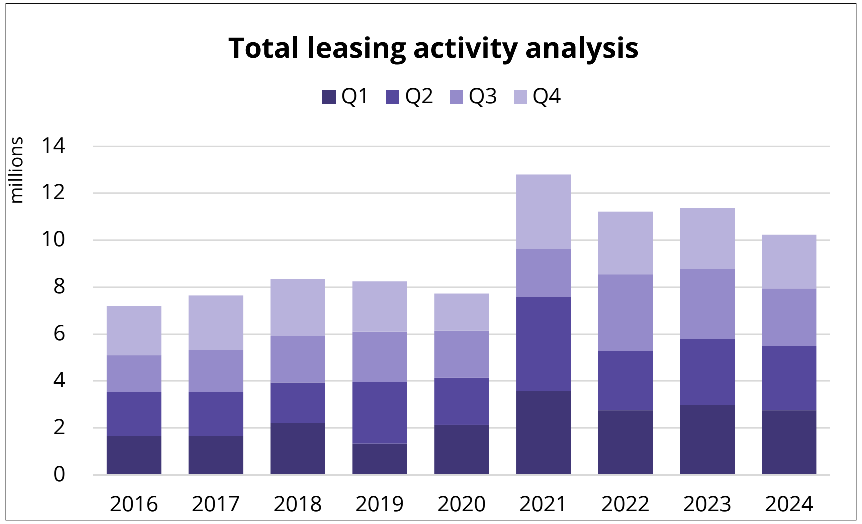
A total of 10.2 msf of industrial space was leased throughout 2024, with the fourth quarter leading the year in activity, securing 2.3 msf in signed deals.

12.0%

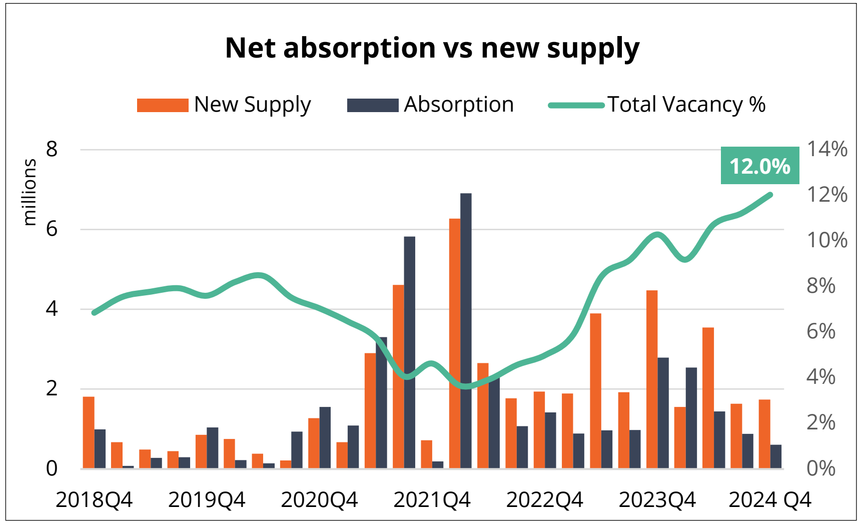
Vacancy rates rose to 12%, driven by the delivery of new industrial product. However, strong leasing activity and consistent quarter-over-quarter absorption gains mitigated this increase.

8.4 msf

In 2024, 8.4 msf of industrial product was delivered to the market. Notable projects included Buda Commerce Center, ATX 130, and Whisper 35, which collectively added 1.4 msf of new industrial space.



In 2024, the industrial market saw 10.2 msf of product leased. Prominent tenants such as Tesla, Four Hands, and FMT collectively accounted for 1.2 msf of the transacted volume. Automotive emerged as the leading industry, driving 19% of all leasing activity, while engineering, architecture, and construction sectors also played a significant role, comprising 18% of the year's completed deals.



Austin's industrial market saw the delivery of 8.4 msf of new product in 2024, leading to an increase in vacancy rates. However, this was balanced by strong leasing activity, with 10.2 msf leased throughout the year. Consistent positive absorption each quarter further demonstrated the market's ongoing recovery.

Sources: AVANT by Avison Young, CoStar

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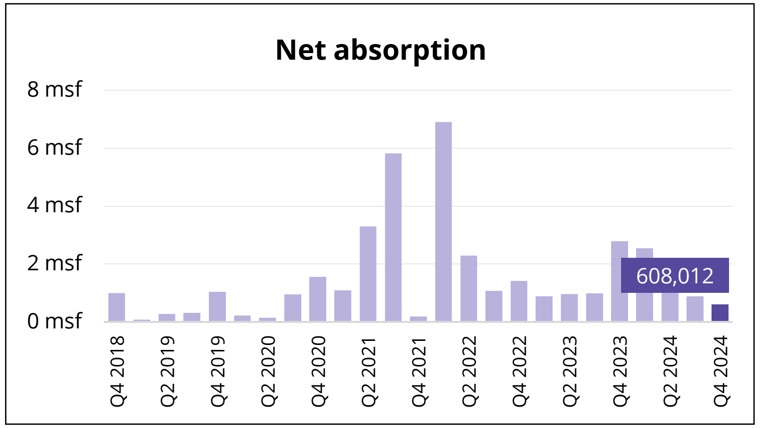

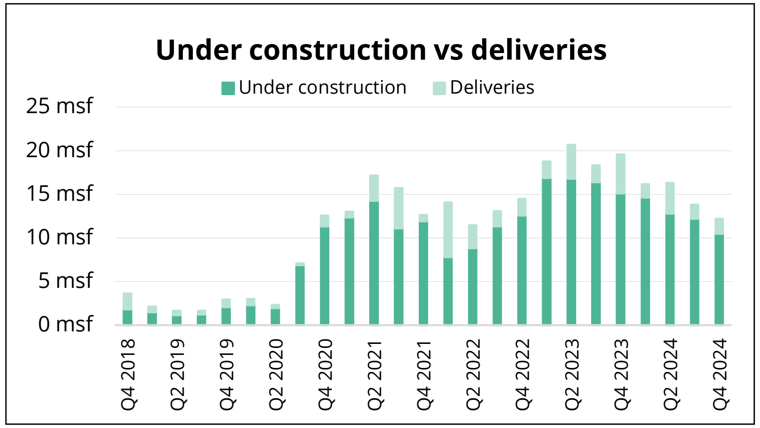

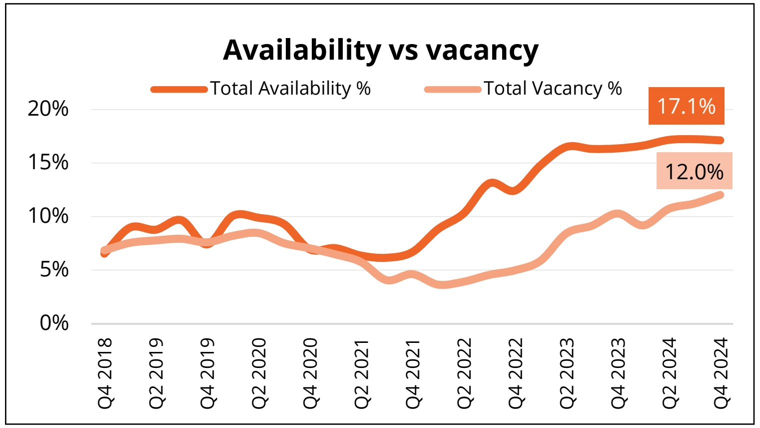

Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
US Farathane	820 Howard Lane	241,875	Renewal	Direct
Hanwha Advanced Materials	4104 N Interstate 35	200,000	New	Direct
Mattress Firm	1425 Susurro Parkway	119,952	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
EQT Exeter	2150 Chisholm Trail Road	$33,673,494	$194	Blackstone
EQT Exeter	2100 Chisholm Trail Road	$31,963,988	$188	Blackstone
EQT Exeter	2050 Chisholm Trail Road	$29,862,518	$196	Blackstone

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

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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	85,000	-	1.2%	-	1.2%	1.2%	-	1.2%	-	-	85,000	$ 6.00
Caldwell County	664,534	-	-	-	-	-	35.3%	-	35.3%	(4.9%)	-	283,332	-
Cedar Park/Round Rock	9,245,230	1,045,149	3,344,136	17.5%	0.8%	18.4%	15.9%	1.1%	17.0%	0.4%	(1,864)	502,877	$ 18.23
Central	1,154,781	-	-	4.2%	-	4.2%	5.6%	-	5.6%	(6.4%)	74,200	68,659	-
East	11,010,036	423,032	4,852,433	3.0%	0.3%	3.2%	22.2%	0.4%	22.5%	10.6%	(38,504)	436,306	$ 10.99
Far Northeast	11,778,932	505,315	890,320	7.6%	1.0%	8.6%	15.6%	1.1%	16.7%	3.3%	136,941	356,403	$ 15.18
Far Northwest	1,766,600	11,820	-	5.2%	-	5.2%	6.1%	3.9%	8.6%	0.5%	(58,924)	(14,845)	$ 16.17
Georgetown	11,649,920	976,981	564,445	20.1%	0.1%	20.3%	18.8%	0.1%	18.9%	(10.0%)	18,716	1,395,876	$ 9.83
Hays	14,944,383	1,992,202	379,113	14.1%	0.5%	14.6%	19.7%	0.7%	20.4%	(3.9%)	(29,859)	2,541,548	$ 10.34
North	14,714,168	145,454	-	9.0%	0.8%	9.8%	13.6%	2.9%	16.5%	3.5%	112,750	(477,044)	$ 16.04
Northeast	15,034,214	358,169	-	8.3%	1.4%	9.7%	10.4%	2.4%	12.8%	5.4%	61,613	(462,719)	$ 14.05
Northwest	2,184,578	-	-	6.4%	-	6.4%	6.4%	-	7.1%	1.8%	(9,360)	1,440	$ 19.72
South	2,103,638	-	-	3.6%	0.1%	3.7%	4.4%	1.4%	5.8%	(4.9%)	3,135	43,076	$ 18.57
Southeast	19,143,620	2,933,726	432,283	16.3%	1.5%	17.7%	16.7%	2.4%	19.0%	(2.4%)	323,118	723,779	$ 15.19
Southwest	3,056,545	-	-	4.6%	-	4.6%	7.9%	-	7.9%	0.1%	16,050	(7,930)	-
Market total	**119,947,807**	**8,476,848**	**10,462,730**	**11.2%**	**0.8%**	**12.0%**	**15.8%**	**1.4%**	**17.1%**	**0.8%**	**608,012**	**5,475,758**	**$ 13.27**

	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	43,527,190	1,876,172	3,156,364	7.9%	0.8%	8.7%	16.7%	1.7%	18.2%	5.2%	253,608	1,677,803
Distribution	35,733,433	5,636,618	2,641,372	21.8%	0.8%	22.6%	24.1%	1.4%	25.5%	(5.9%)	172,752	3,759,059
Manufacturing	23,460,692	924,738	4,566,234	1.9%	0.5%	2.3%	3.4%	0.5%	3.9%	0.5%	145,253	827,149
Office Showroom	14,799,823	39,320	-	9.5%	0.9%	10.4%	12.9%	1.7%	14.6%	3.0%	35,578	(743,771)
R&D	2,426,669	-	98,760	17.%	3.4%	20.4%	26.1%	4.3%	30.5%	6.7%	821	(44,482)
Market total	**119,947,807**	**8,476,848**	**10,462,730**	**11.2%**	**0.8%**	**12.0%**	**15.8%**	**1.4%**	**17.1%**	**0.8%**	**608,012**	**5,475,758**

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

Source: AVANT by Avison Young, CoStar

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Industrial submarket map

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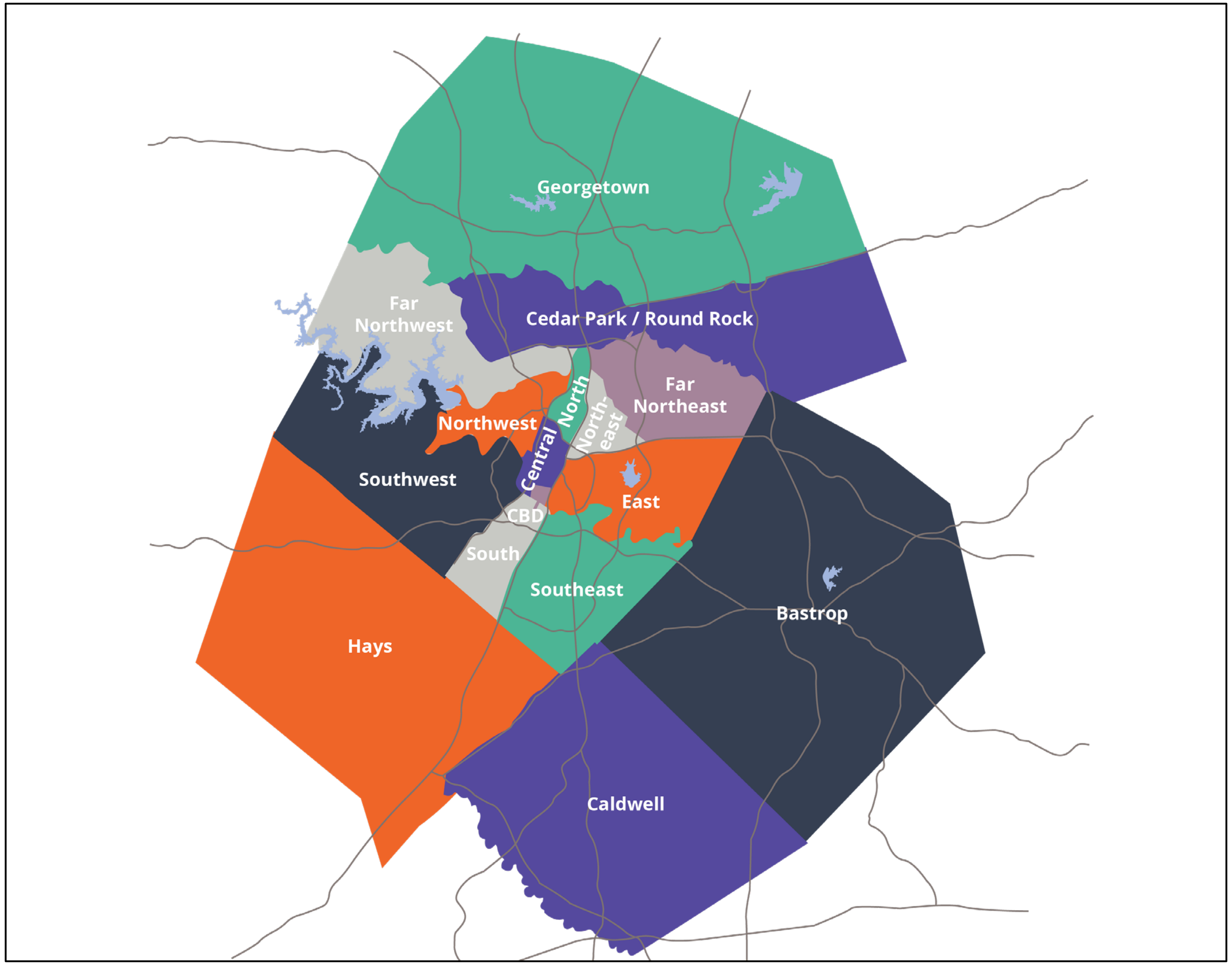

Source: AVANT by Avison Young

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