

# Austin

## Office market snapshot | Q4 2024

The Austin office market demonstrated resilience in 2024, showing signs of recovery from the pandemic-induced downturn. Positive net absorption for the year, reaching 657,828 square feet (sf), driven largely by steady sublet absorption across all quarters, particularly in the suburbs, indicates a growing demand for office space. A slight decrease in vacancy rates further underscores the improving market conditions. Strong leasing activity throughout the year played a pivotal role, with notable occupiers securing space, signaling a renewed confidence in the Austin market. These factors collectively suggest that Austin remains a sought-after destination for businesses, with its office sector poised for continued growth in the year ahead.

# 4.5 msf

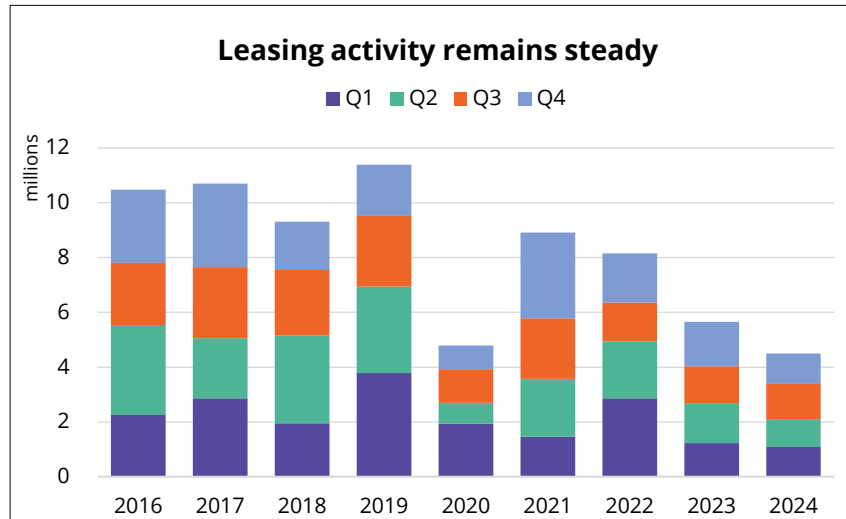
Throughout 2024, 4.5 msf of office space was leased. Among the largest deals, IBM, PayPal, and Visa secured a combined total of 731,897 sf.

# 713 ksf

Year-to-date sublet absorption reached 713,678 sf, led by IBM taking over Meta's space, along with deals from Dun & Bradstreet and Resibrands.

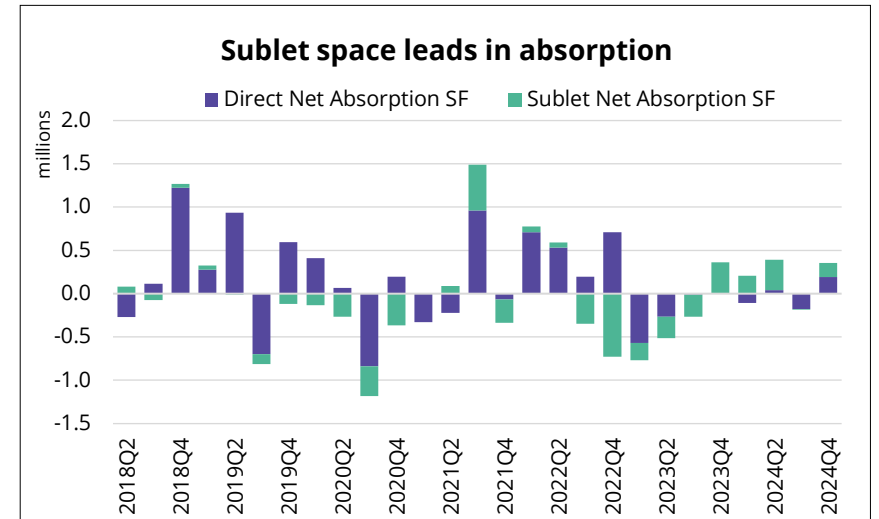
# 40 bps

Vacancy rates in Austin have decreased by 40 basis points since the beginning of 2024, marking a positive shift in the market.



Domain Tower 2 has become a key hub for notable office leasing activity, signaling market recovery and a renewed focus on in-person workspaces. PayPal secured several floors, showcasing its strategic expansion in the area. IBM signed two substantial deals, each exceeding 100,000 sf, while Tokyo Electron also committed to a similarly large space. These major lease transactions highlight a growing confidence among top occupiers and a broader trend toward a return to the office.

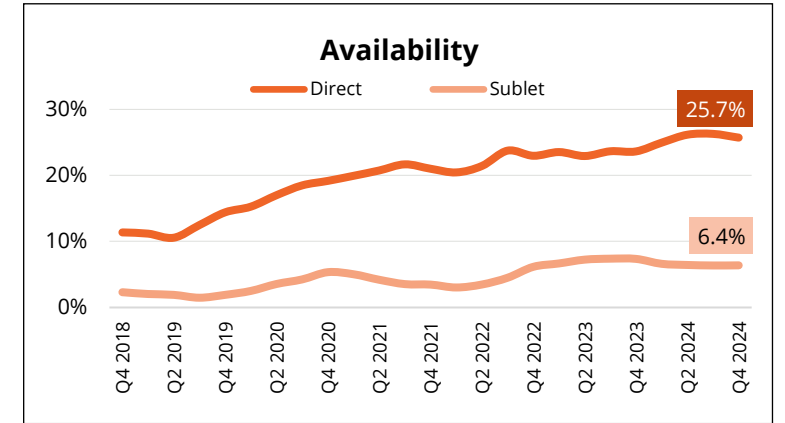
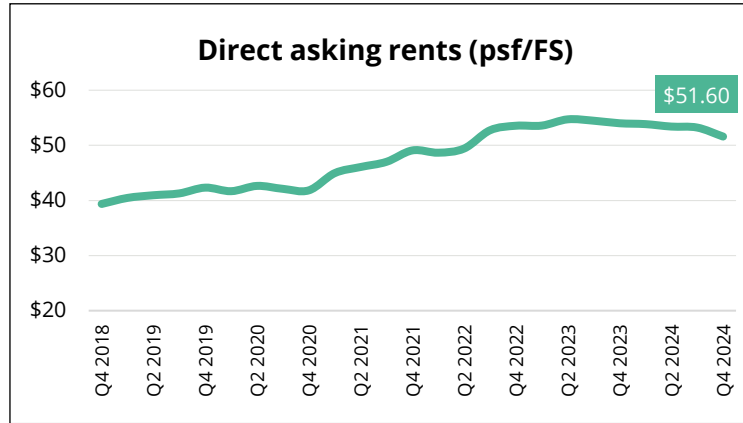
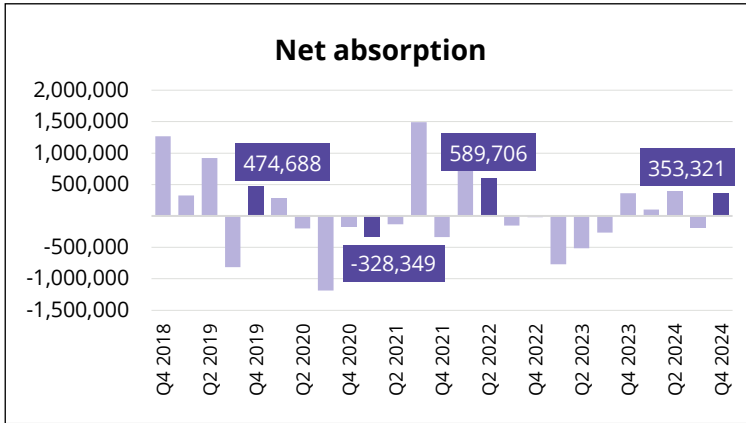
Source: AVANT by Avison Young, Costar



The Austin office market has experienced positive momentum since the beginning of 2024. Sublease space absorption has consistently outpaced direct absorption each quarter, totaling 713,678 sf in 2024. This trend highlights a shift in tenant preferences toward more flexible leasing solutions as companies adapt their workplace strategies in the post-pandemic era.

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### Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Wise PLC	10025 Alterra Parkway	60,682	Direct	New
US Money Reserve	8701 FM 2244	59,634	Direct	New
Lifetime	1301 S Lamar Boulevard	58,761	Direct	New

### Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Cousins	601 W 2 <sup>nd</sup> Street	\$521,800,000	\$640	Trammell Crow Company
City of Austin	1501 S Mopac Expressway	\$107,600,000	\$51	Brandywine
Marbella Interests	206 E 9 <sup>th</sup> Street	\$32,250,000	\$181	Equity Commonwealth

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%	7.0%	30.7%	30.8%	8.1%	38.8%	3.6%	66,637	(374,810)	\$ 67.54
Cedar Park	491,130	-	-	7.1%	4.3%	11.3%	18.5%	16.0%	34.5%	11.5%	-	-	-
Central	1,465,225	93,419	-	18.9%	2.5%	21.4%	19.4%	2.6%	22.0%	(1.9%)	27,291	(2,544)	\$ 50.12
East	5,211,107	24,116	355,000	34.8%	4.6%	39.4%	34.3%	5.4%	39.8%	(0.9%)	25,562	(21,745)	\$ 54.59
Far East	139,250	-	-	-	-	-	-	-	-	0.0%	-	-	-
Far Northeast	45,114	-	-	50.0%	-	50.0%	50.0%	-	50.0%	0.0%	-	-	-
Far Northwest	4,071,511	-	573,402	15.0%	4.0%	19.0%	22.7%	10.9%	32.2%	(5.1%)	56,931	163,090	\$ 44.65
Georgetown	30,918	-	-	-	-	-	-	-	-	0.0%	-	-	-
North	792,605	-	-	46.5%	1.9%	48.4%	46.4%	5.6%	52.0%	(1.3%)	(1,198)	28,161	\$ 43.11
North Central	9,954,554	463,000	-	14.8%	2.7%	17.6%	15.3%	4.2%	19.3%	(3.5%)	88,689	570,581	\$ 46.32
Northeast	3,089,149	-	-	20.8%	14.3%	35.1%	27.8%	14.3%	42.2%	8.0%	(2,573)	(76,045)	\$ 32.34
Northwest	14,257,526	-	-	25.9%	2.3%	28.2%	30.0%	3.8%	33.4%	0.5%	72,735	(22,185)	\$ 42.27
Round Rock	1,113,596	33,669	-	6.9%	1.1%	8.1%	9.9%	5.4%	15.3%	0.2%	(6,028)	40,397	\$ 34.30
South	431,731	-	-	19.1%	-	19.1%	20.5%	-	20.5%	(5.2%)	12,772	17,757	\$ 39.36
South Central	3,017,778	344,996	-	31.1%	5.1%	36.2%	28.4%	10.2%	38.0%	(2.2%)	(5,501)	165,886	\$ 40.93
Southeast	2,533,051	-	-	9.9%	1.0%	10.8%	22.7%	11.3%	34.0%	10.1%	34,354	5,653	\$ 34.95
Southwest	11,752,269	-	-	15.7%	2.4%	18.1%	19.6%	3.8%	23.3%	1.4%	(16,350)	163,866	\$ 47.45
<b>Market total</b>	<b>74,934,982</b>	<b>1,566,722</b>	<b>2,740,087</b>	<b>21.4%</b>	<b>4.2%</b>	<b>25.6%</b>	<b>25.7%</b>	<b>6.4%</b>	<b>31.9%</b>	<b>0.9%</b>	<b>353,321</b>	<b>657,828</b>	<b>\$ 51.60</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)	Annual direct asking rent psf FS
Trophy	6,423,390	970,522	1,671,588	24.2%	11.8%	36.0%	26.2%	11.2%	37.4%	(0.7%)	26,766	342,857	\$ 74.53
Class A	36,793,961	841,346	1,038,499	22.4%	4.4%	26.8%	26.1%	6.4%	32.1%	(0.3%)	238,441	579,270	\$ 55.99
Class B	30,156,172	33,669	30,000	19.1%	2.5%	21.6%	24.9%	5.4%	30.3%	3.1%	87,971	(2,255)	\$ 41.25
Class C	1,840,274	-	-	28.8%	-.%	28.8%	24.5%	-	24.5%	(4.5%)	143	17,005	\$ 33.87
<b>Market total</b>	<b>74,934,982</b>	<b>1,566,722</b>	<b>2,740,087</b>	<b>21.4%</b>	<b>4.2%</b>	<b>25.6%</b>	<b>25.7%</b>	<b>6.4%</b>	<b>31.9%</b>	<b>0.9%</b>	<b>353,321</b>	<b>657,828</b>	<b>\$ 51.60</b>

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## Office submarket map

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