

AUSTIN OFFICE MONTHLY MARKET SNAPSHOT | FEBRUARY 2022

Austin Office leasing activity up 120% year-over-year

MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST MONTH OF THE YEAR—JANUARY 2022 COMPARED TO JANUARY 2021.

AUSTIN OFFICE VACANCY AT 14.8%

One month into 2022, overall vacancy is at 14.8%, up 100 basis points from this time last year. Availability is at 18.4%, down 80 basis points from January 2021. The difference between this figure and the vacancy rate reflects expected future move-outs. The Austin office market has recorded 866,000 sq. ft. of leasing activity—which is comprised of both new leases and renewals—while net absorption (move-ins minus move-outs) is at negative 24,000 sq. ft., up from negative 68,000 sq. ft. year-over-year. The amount of square feet delivered to the Austin office market during the month of January has outpaced net absorption—representing demand for office space—for the sixth consecutive period since 2016.

SIGNIFICANT INCREASE IN LEASING ACTIVITY AND RENT

Even with the increase in vacancy, leasing activity was up 120% year-over-year and net absorption was higher—although not out of the red during the month of January since 2020. In addition, due in part to the new construction added to the market, average asking full-service rent in the Austin office market metro is at \$40.69 per sq. ft., up significantly by \$2.95 or 7.8% from this time last year.

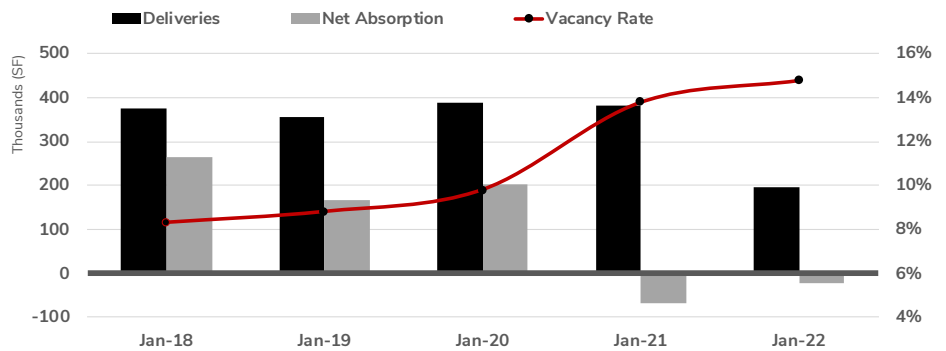
\$2 BILLION MIXED-USE DEVELOPMENT NEAR APPLE'S CORPORATE CAMPUS

News of the 156-acre mixed-use project, called Pearson Ranch, is being made public as Austin looks towards the future and companies from the West Coast such as Oracle and Tesla are attracted to the Capital of Texas. Austin-based Inspire Development is starting construction on the first phase of Pearson Ranch at the northeast corner of state Highway 45 and West Parmer Lane. In a deal that has been five years in the making, the project's initial phase plans to build 600,000 sq. ft. of office space, three high-end apartment properties and retail space. The mixed-use project is expected to take 10 to 15 years to completely develop.

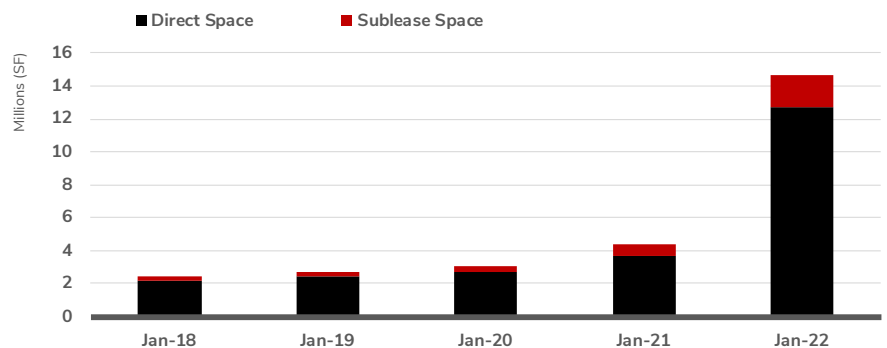
MARKET ACTIVITY

	JANUARY 2022	vs	JANUARY 2021
Vacancy	14.8%	▲	13.8%
Availability	18.4%	▼	19.2%
Under Construction SF	6,587,745	▼	7,240,905
Gross Average Asking Rent	\$40.69	▲	\$37.74
Net Absorption SF YTD	(24,121)	▲	(68,249)
Leasing Activity SF YTD	866,306	▲	393,409
Deliveries SF YTD	194,696	▲	381,194

SUPPLY & DEMAND | JANUARY - YEAR OVER YEAR



LEASING ACTIVITY | JANUARY - YEAR OVER YEAR



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