

# AUSTIN OFFICE MONTHLY MARKET SNAPSHOT | MARCH 2022

Austin's hot office market continues to sizzle in 2022.

## MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST TWO MONTHS OF THE YEAR—FEBRUARY 2022 COMPARED TO FEBRUARY 2021.

### AUSTIN OFFICE VACANCY AT 14.6%

Two months into 2022, overall vacancy is at 14.6%, up 90 basis points from this time last year. Availability is at 18.6%, down 50 basis points from February 2021 at 19.1%. The difference between this figure and the vacancy rate reflects expected future move-outs. The Austin office market has recorded 1.5 million sq. ft. of leasing activity, which is comprised of both new leases and renewals, while net absorption (move-ins minus move-outs) is at positive 441,000 sq. ft., up from negative 99,000 sq. ft. year-over-year. The amount of square feet delivered to the Austin office market during January and February 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 50% year-over-year, and net absorption was higher and out of the red during January and February compared to 2021. One recent significant transaction includes Atmosphere, a streaming television startup, signing a lease for 114,000 sq. ft. in the Bouldin Creek office building, almost six times the size of its current office on Congress Avenue. The company will occupy space on the first, third and fourth floors. Another transaction involves TikTok signing a lease for 125,000 sq. ft. at 300 Colorado Street, joining Meta and Google's downtown presence. 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 \$40.84 per sq. ft., up significantly by \$3.09 or 8.2% from this time last year.

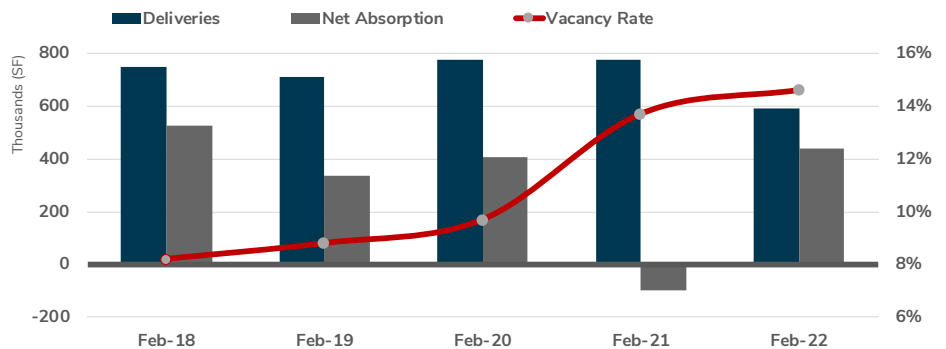
### NEW 46-STORY OFFICE TOWER IN DOWNTOWN AUSTIN

Cielo Property Group is breaking ground on the Perennial, a 46-story, 750,000-sq.-ft. office tower on 0.81 acres along Fourth St. between Brazos St. and San Jacinto Blvd., immediately east of Frost Bank Tower. Construction is planned to begin in the summer of 2022. 37,000 sq. ft. has been dedicated to retail, restaurants, and entertainment settings. Construction is scheduled for completion in late 2025.

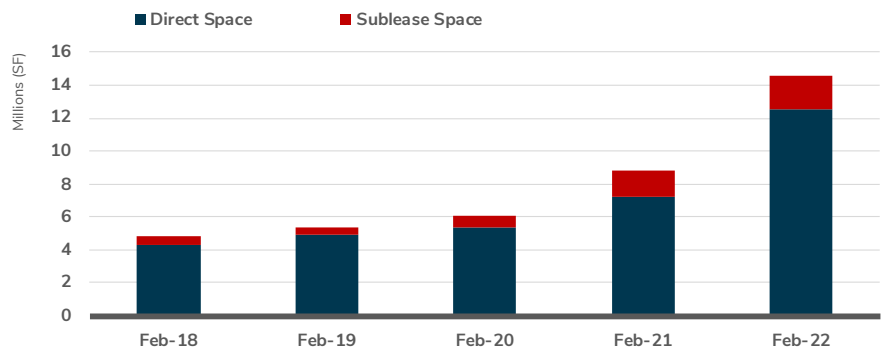
## MARKET ACTIVITY

	FEBRUARY 2022	vs	FEBRUARY 2021
Vacancy	14.6%	▲	13.7%
Availability	18.6%	▼	19.1%
Under Construction SF	6,805,526	▼	7,282,750
Gross Average Asking Rent	\$40.84	▲	\$37.75
Net Absorption SF YTD	441,030	▲	(99,165)
Leasing Activity SF YTD	1,491,332	▲	962,055
Deliveries SF YTD	591,307	▼	775,721

## SUPPLY & DEMAND | FEBRUARY - YEAR OVER YEAR



## VACANCY | FEBRUARY - YEAR OVER YEAR



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