

AUSTIN OFFICE MONTHLY MARKET SNAPSHOT | AUGUST 2022

Business thrives in the Austin metro area due to an educated, diverse, and growing population.

MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST SEVEN MONTHS OF THE YEAR—JULY 2022 COMPARED TO JULY 2021.

AUSTIN OFFICE VACANCY AT 14.9%

Seven months into 2022, the overall vacancy is at 14.9%, up 90 basis points from last year at 14.0%. Availability is at 21.1%, up 230 basis points from July 2021 at 18.8%. The difference between this figure and the vacancy rate reflects expected future move-outs. The Austin office market has recorded 4.5 million sq. ft. of leasing activity, comprised of both new leases and renewals, while net absorption (move-ins minus move-outs) is at a positive 442,000 sq. ft., down about 20% from a positive 559,000 sq. ft. this time last year. The amount of square feet delivered to the Austin office market from January through July is 1.2 million sq. ft., down 55% from July 2021.

NET ABSORPTION REMAINS POSITIVE

Despite the increase in vacancy, net absorption (move-ins minus move-outs) remained in positive territory. Significant 2022 move-ins include TikTok subleasing 149,346 sq. ft. on floors 26-32 at 300 Colorado St. in the CBD; Cloudflare moving into 124,393 sq. ft. in Foundry II at 1600 E. Fourth St. in the East submarket; Cirrus Logic occupying 120,954 sq. ft. at 701 Rio Grande St. in the CBD; Atmosphere taking 114,413 sq. ft. at 2043 S. Lamar Blvd. in the South submarket; and Alert Media occupying 68,354 sq. ft. at 401 S. 1st Street in RiverSouth in the South submarket. In addition, due partly to the new construction added to the market, the average asking full-service rent in the Austin office market metro is at \$40.60 per sq. ft., up by \$0.54 or 1.3% from this time last year.

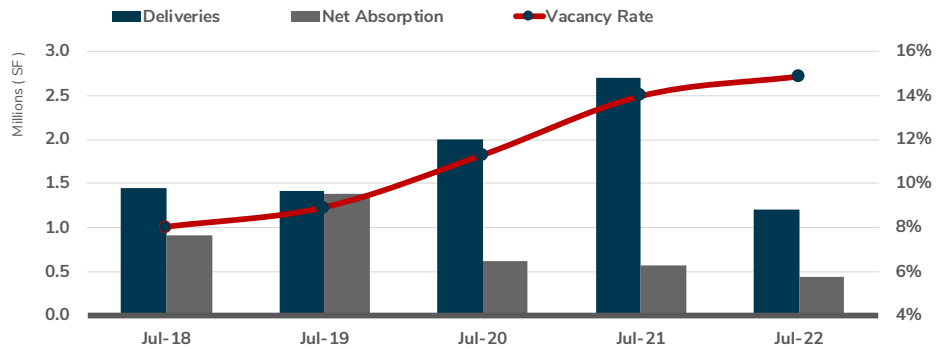
POSSIBLE EXPANSION OF APPLE'S CORPORATE CAMPUS

Apple is looking to expand its new corporate campus in northwest Austin. According to City Council records, the Austin City Council approved an ordinance at the end of July for the annexation of nearly 53 acres of land at 6204 W. Parmer Lane, located in both Travis and Williamson County. The Austin campus, about 14 miles north of downtown, is expected to house 5,000 employees initially but can accommodate up to 15,000 workers.

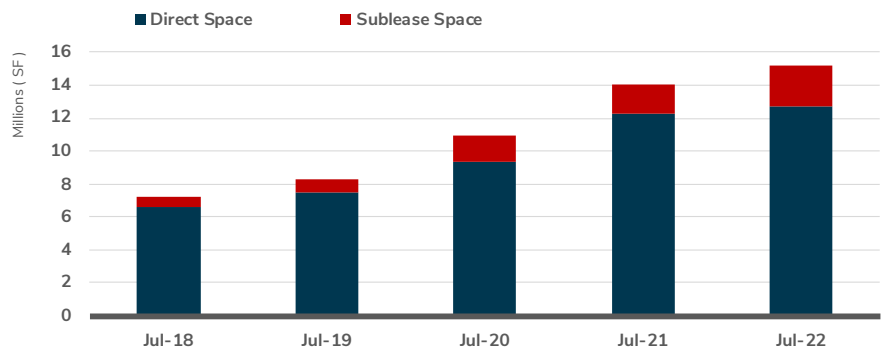
MARKET ACTIVITY

	JULY 2022	vs	JULY 2021
Vacancy	14.9%	▲	14.0%
Availability	21.1%	▲	18.8%
Under Construction SF	11,243,842	▲	6,393,894
Gross Average Asking Rent	\$40.60	▲	\$40.06
Net Absorption SF YTD	442,441	▼	559,357
Leasing Activity SF YTD	4,525,409	▲	4,307,560
Deliveries SF YTD	1,207,352	▼	2,705,966

SUPPLY & DEMAND | JULY - YEAR OVER YEAR



VACANCY | JULY - YEAR OVER YEAR



LETA WAUSON

DIRECTOR OF RESEARCH
leta.wauson@naipartners.com
tel 713 275 9618

partners
REAL ESTATE COMPANY
www.naipartners.com

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IN-HOUSE BY PARTNERS REAL ESTATE COMPANY