

# Austin Office

## Monthly Market Snapshot | December 2022

Austin's office market continues to outperform other major markets demonstrating resiliency in uncertain economic conditions.

### Market Highlights

An analysis of activity during the eleven months of the year—November 2022 compared to November 2021.

#### Austin office vacancy at 15.5%

Eleven months into 2022, the overall vacancy is at 15.5%, up 140 basis points from last year at 14.1%. Availability is at 21.4%, a significant increase from November 2021 at 18.9%. The difference between this figure and the vacancy rate reflects expected future move-outs. The Austin office market has recorded 6.5 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 2.2 million sq. ft., down 17% from a positive 1.7 million sq. ft. this time last year. The amount of square feet delivered to the Austin office market from January through November is 4.4 million sq. ft., up 6.6% from November 2021.

#### Strong leasing activity

Despite the increase in vacancy, leasing activity remained active. Significant lease transactions in 2022 include TRS leasing 235,000 sq. ft. in Mueller Business District— Bravo in the East submarket; Whole Foods Market Headquarters subleasing 188,111 sq. ft. at 525 N. Lamar Blvd. in the CBD; TikTok subleasing 126,429 sq. ft. at 300 Colorado St. in the CBD; and Atmosphere taking 114,413 sq. ft. at 2043 S. Lamar Blvd. in the South submarket. The average asking full-service rent in the Austin office market metro is \$40.98 per sq. ft., up by 1.4% from this time last year at \$40.40.

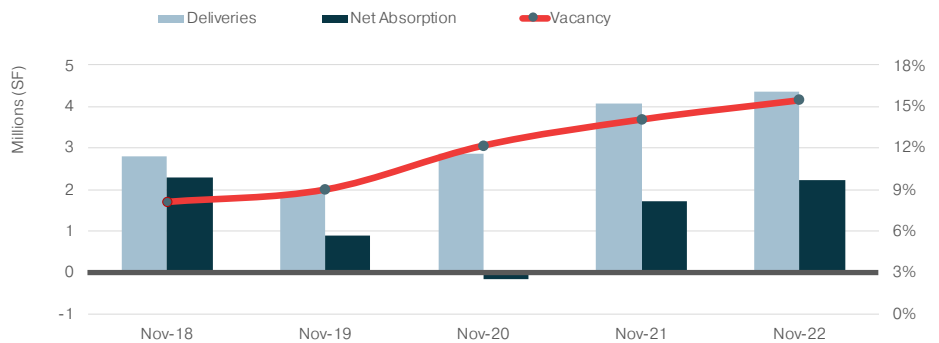
#### Austin economic indicators

In October, Austin experienced a rebound in job growth, accompanied by a slight increase in unemployment and a decline in wage growth. Austin's unemployment rate increased to 2.9% in October from 2.8% in September. In October, Austin employment increased an annualized 3.4%, or by 3,480 net jobs. This was primarily driven by growth in leisure and hospitality (19.9%, or 2,125 jobs) and manufacturing (13.6%, or 765 jobs). On the housing side, demand has weakened further as mortgage rates cause home prices to cool and housing inventory to rise. At the same time, housing affordability continues to fall.

### Market Activity

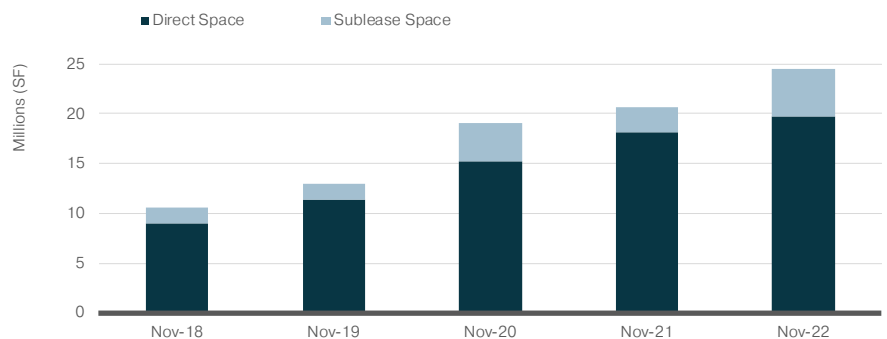
	November 2022	vs	November 2021
Vacancy	15.5%	▲	14.1%
Availability	21.4%	▲	18.9%
Under Construction SF	8,041,468	▲	7,463,846
Gross Average Asking Rent	\$40.98	▲	\$40.40
Net Absorption SF YTD	2,239,126	▲	1,712,112
Leasing Activity SF YTD	6,548,443	▼	7,882,804
Deliveries SF YTD	4,350,377	▲	4,079,933

### Supply & Demand | November - Year Over Year



Source: CoStar, Partners Research

### Availability | November - Year Over Year



Source: CoStar, Partners Research

**LETA WAUSON**

**DIRECTOR OF RESEARCH**

leta.wauson@partnersrealestate.com

tel 713 275 9618

**partners**  
PARTNERSREALESTATE.COM

Independently written, researched, edited, and produced in-house by Partners.