MARKETBEAT
AUSTIN
OFFICE Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
29.3% Vacancy Rate	▲	▲
621K YTD Net Absorption, SF	▲	▼
$48.32 Asking Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.4M Austin Employment	▲	▲
3.3% Austin Unemployment Rate	▼	▲
4.3% U.S. Unemployment Rate	▲	▲

Source: BLS, Moody's Analytics

ECONOMY: AUSTIN'S ECONOMY REMAINED RESILIENT

Austin's economy demonstrated resilience amid national challenges, adding over 11,000 jobs in the past year—a 0.8% year-over-year increase. At quarter-end, the metro's unemployment rate held steady at a low 3.3%, outperforming the national average of 4.3%.

SUPPLY & DEMAND: LEASING UP BUT VACANCY REMAINS ELEVATED

Although office space demand has not fully recovered from the effects of the COVID-19 pandemic, signs of improvement are becoming evident. Leasing activity maintained its upward momentum this quarter, highlighted by several significant transactions that reinforce the growing return-to-office trend. Quarterly net absorption was modest at 77,000 square feet (sf), largely due to a handful of full-building move-outs. Still, year-to-date (YTD) net absorption remains strong at positive 621,000 sf.

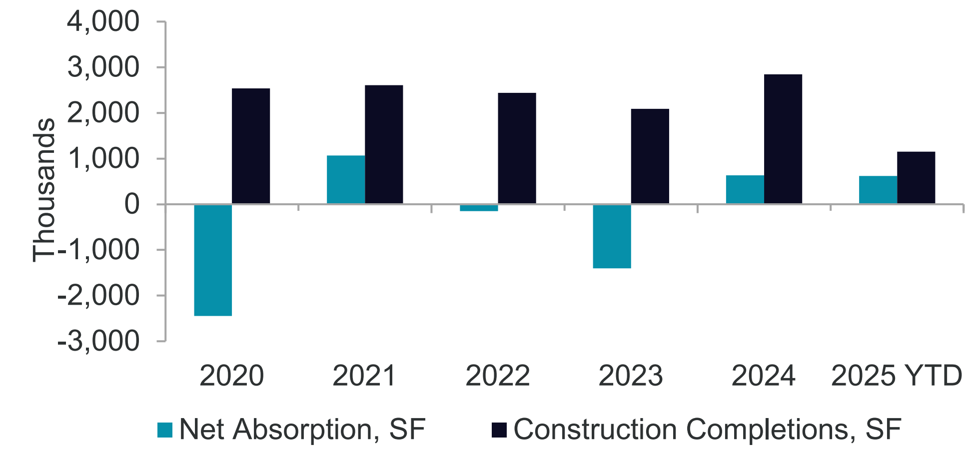
The influx of newly delivered speculative office developments — many still awaiting tenants — continues to push Austin's office vacancy rates higher. Since 2020, nearly 14 million square feet (msf) of new office space has entered the market, driving vacancies to record levels. The citywide vacancy rate climbed 70 basis points (bps) quarter-over-quarter (QOQ) to 29.3%. In Q3 alone, an additional 941,000 sf of space was delivered, contributing to a sharp 250 bps increase in the Central Business District (CBD), which ended the quarter at 32.0%.

Sublet availability continues to trend downward but remains historically high, with nearly 4.1 msf still on the market citywide. Much of the space listed early in the COVID-19 pandemic is now approaching lease expiration or has been successfully sublet to tenants seeking premium space at discounted rates.

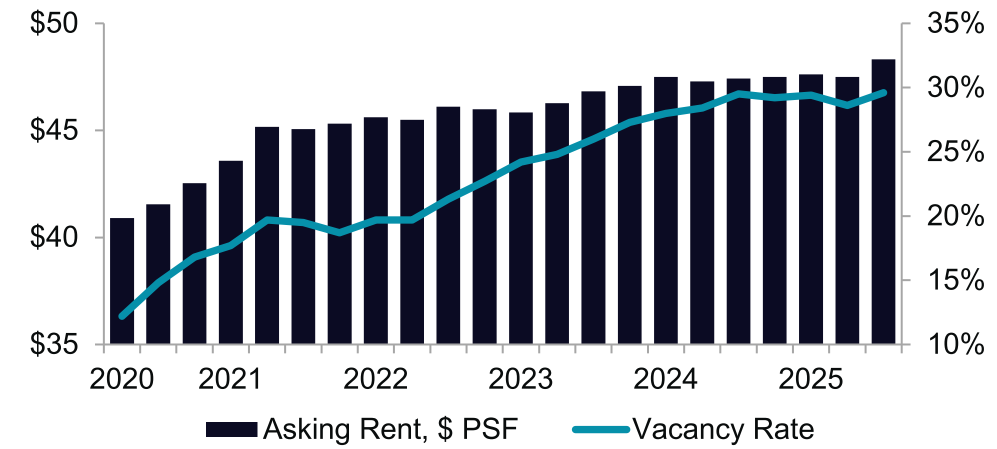
PRICING: NEW DELIVERIES PUSH AVERAGE ASKING RATES HIGHER

The abundance of new, trophy office space delivered during the quarter pushed average asking rents upward, although concessions have led to lower effective rates. The average full-service asking rate for the Austin market sits at $48.32 per square foot (psf), while the citywide Class A space trended upward as well to $52.17 psf. Class A rates in the CBD continue to pace the market at $68.10 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



AUSTIN
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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	16,306,765	1,474,700	3,742,937	32.0%	354,069	339,293	529,534	703,000	$64.44	$68.10
Central	1,290,549	14,315	138,569	11.8%	0	3,070	8,797	0	$45.07	$59.24
Far Northwest	18,563,553	843,106	4,973,338	31.3%	-262,635	-24,459	499,551	0	$43.76	$44.85
North Central	2,168,712	5,894	478,239	22.3%	-13,358	-25,855	54,384	0	$30.66	$44.82
Northeast	3,470,644	634,238	1,273,542	55.0%	-16,490	-99,609	24,124	0	$35.34	$38.66
Northwest	4,349,018	97,959	639,261	17.0%	22,146	-20,746	116,096	0	$35.55	$37.02
Round Rock	1,852,524	84,317	341,746	23.0%	34,474	6,067	67,630	0	$37.83	$39.33
South Central	3,020,731	130,546	723,969	28.3%	141,226	139,506	180,513	0	$52.20	$61.27
Southeast	1,463,980	257,009	246,332	34.4%	-53,437	-36,834	13,005	0	$32.21	$28.76
Southwest	11,193,859	345,862	1,613,482	17.5%	-86,487	240,180	397,055	0	$44.68	$47.23
East	3,922,952	189,236	1,572,774	44.9%	-42,739	100,810	192,654	42,856	$49.15	$49.35
AUSTIN TOTALS	**67,603,287**	**4,077,182**	**15,744,189**	**29.3%**	**76,769**	**621,423**	**2,083,343**	**745,856**	**$48.32**	**$52.17**

**Rental rates reflect full service asking*

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
One Uptown ATX	Far Northwest	Nvidia	99,370	New
400 West	CBD	Office of the Texas Governor	94,211	New
Penn Field	South Central	Boston Scientific	30,821	New
Barton Oaks Plaza V	Southwest	Germer	25,137	New
Terrace VI	Southwest	JE Dunn	24,337	New
UBS Financial Services	CBD	UBS Financial	18,000	New

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER / BUYER	SF
Encino Trace	Southwest	Starwood Capital / OakPoint Real Estate	324,342
The Crossings at Lakeline	Far Northwest	Starwood Capital / Continental General	232,274
Four Barton Skyway	Southwest	Brandywine Realty Trust / Aquila Commercial	222,580

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
The Republic	CBD	Kirkland & Ellis	801,000	Lincoln Property Company
ATX Tower	CBD	PNC Bank	140,000	Ryan Companies
415 Colorado	CBD	Tree Line Capital Partners	110,000	Stonelake Capital Partners

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