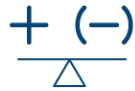




133.7 MSF

Inventory



2.81 MSF

YTD Net Absorption



10.5%

Direct Vacancy



11.9%

Total Availability



8.3 MSF

Under Construction



\$11.89 PSF

Net Asking Rent

While vacancy creeps up due to new deliveries, asking rents remain high

Market Observations

- As of Q1, Austin's direct vacancy rate is 10.5% and has been steadily increasing for the last 12 quarters. This is mostly due to new deliveries and the acceleration of Austin's industrial development wave since the pandemic.
- Net absorption totaled 2,806,247 square feet for the first quarter. Large leases this quarter include Siete Family Foods for 219K SF and TNT Crane for 118K SF at Buda Commerce Center, HEMI Systems for 110K SF at Northeast Crossing, and TSS for 213K sf at Georgetown Logistics.
- Asking rents increased to \$11.89 net PSF for the quarter, which is a year-over-year increase of 12.2%
- Approximately 4.4 MSF of new industrial construction delivered as of Q1, and there is 8.3 MSF of industrial product under construction as of this quarter.

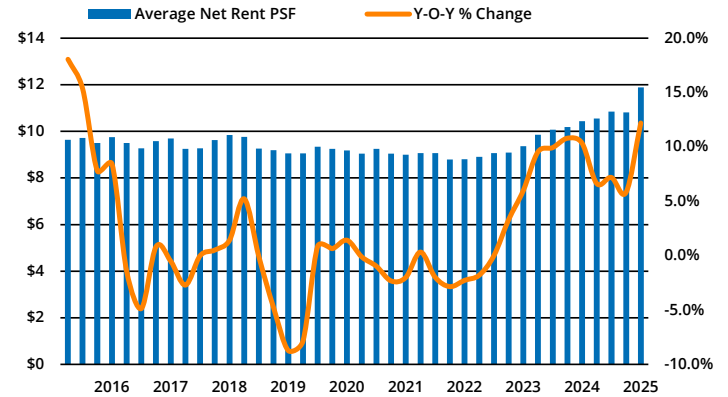




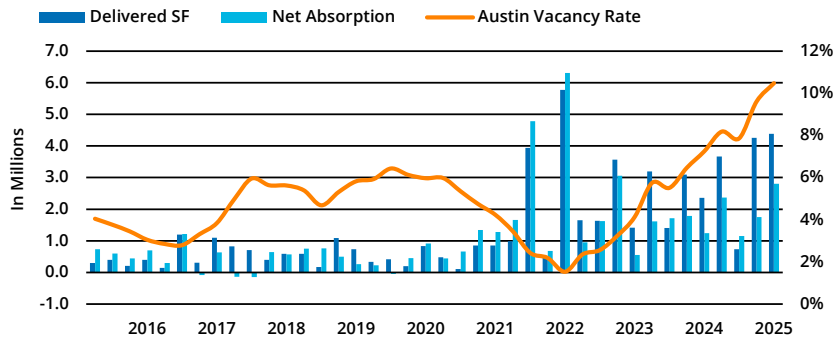
AUSTIN INDUSTRIAL MARKET | Q1 2025

- Net absorption** totaled 2,806,247 SF for the quarter. This is a 56% increase year-over-year.
- The **direct vacancy** rate is 10.5% for the quarter, a 1.6% increase over last quarter and a 3.0% increase over last year's direct vacancy rate.
- Average asking rents** increased to \$11.89 net PSF, which is a 12.2% increase year-over-year.
- There is 2.8 MSF **under construction** this quarter which is 35% pre-leased, and 4.39 MSF of new industrial product delivered in Q1. The largest projects under construction include CTX 110 1-4 at 893K SF in the Hays County Submarket and Austin Hills Commerce Center Phase I at 544K SF in the East Submarket.

ASKING RENT

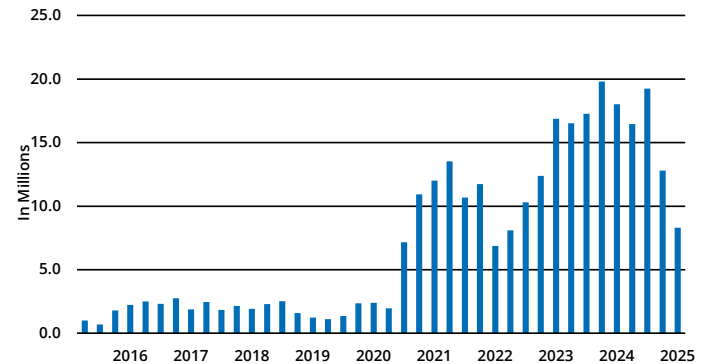


DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



AUSTIN INDUSTRIAL MARKET | Q1 2025

MARKET INDICATORS TABLE

All Classes of Space | Q1 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	TOTAL VACANCY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	YTD NET ABSORPTION SF	AVERAGE NET RENT PSF
Bastrop Count (BC)	949,237	32,100	3.4%	3.4%	30,096	0	0	\$10.64
Caldwell County (CC)	1,310,727	165,000	12.6%	12.6%	0	310,000	310,000	\$11.74
Central Business Distr. (CBD)	87,424	5,944	6.8%	6.8%	0	0	0	N/A
Cedar Park (CP)	2,809,906	124,175	4.4%	12.1%	35,759	285,254	285,254	\$14.65
Central (C)	1,604,977	76,598	4.8%	4.9%	0	(7,203)	(7,203)	\$13.15
East (E)	13,723,531	2,066,511	15.1%	15.5%	1,166,705	1,354,172	1,354,172	\$12.44
Far Northeast (FNE)	13,943,719	1,569,631	11.3%	12.5%	1,773,567	190,860	190,860	\$11.01
Far Northwest (FNW)	1,248,159	42,092	3.4%	4.4%	0	(12,208)	(12,208)	\$11.80
Georgetown (GTN)	12,903,542	2,242,182	17.4%	18.2%	212,952	441,086	441,086	\$11.52
Hays County (HC)	16,057,250	1,779,584	11.1%	13.3%	450,229	493,480	493,480	\$12.85
North (N)	15,709,281	950,951	6.1%	8.8%	0	(79,811)	(79,811)	\$11.53
Northeast (NE)	16,297,887	1,254,905	7.7%	9.8%	0	(55,737)	(55,737)	\$11.63
Northwest (NW)	3,534,371	229,831	6.5%	7.0%	0	(22,742)	(22,742)	\$10.33
Round Rock (RR)	7,595,835	1,226,041	16.1%	15.5%	3,926,136	(132,587)	(132,587)	\$12.20
South (S)	3,101,370	250,312	8.1%	9.0%	0	(49,170)	(49,170)	\$11.01
Southeast (SE)	18,951,883	1,822,504	9.6%	10.8%	634,369	97,685	97,685	\$11.65
Southwest (SW)	3,776,411	179,805	4.8%	5.2%	79,556	(6,832)	(6,832)	\$11.78
West Central (WC)	69,128	0	0.0%	0.0%	0	0	0	N/A
Total	133,674,638	14,018,166	10.5%	11.9%	8,309,369	2,806,247	2,806,247	\$11.89

Source: CoStar, Transwestern.

RECENT INDUSTRIAL LEASES

Hays County :: Siete Foods

219,019 SF at Buda Commerce Center 3

Georgetown :: Total Site Solutions

212,740 SF at Georgetown Logistics 1

Southeast :: Vulcan

154,786 SF at Park 183 Bldg 5

Northeast :: HEMI Systems

109,650 SF at Northeast Crossing 3

RECENT INDUSTRIAL SALE

Northeast :: Tuscany Logistics Center 1-3

9219-9400 Tuscany Way
373,648 SF three-building logistics park
Buyer: Starwood Capital
Seller: Dalfen / Goldman Sachs

INDUSTRIAL SALES STATISTICS

	Austin Trailing 12 Mo.	Austin This Quarter	U.S. Trailing 12 Mo.	U.S. This Quarter
Volume (\$ Mil)	\$1,193.3	\$316.2	\$98,449.4	\$18,169.9
Number of Properties	62	20	7,514	1,551
Total Square Feet	8,152,527	1,805,838	746,331,839	139,407,178
Average Price per SF	\$195	\$204	\$133	\$134
Average Cap Rate (Yield)	6.0%	5.9%	6.4%	6.6%

Source: Real Capital Analytics, Transwestern



Research Methodology

The information in this report is the result of a compilation of information on industrial properties located in the Austin metropolitan area. This report includes single-tenant and multi-tenant industrial and flex properties 10,000 SF and larger, excluding those properties owned and occupied by government agencies.

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and @Transwestern

For more information

Karen Judson

Senior Vice President
Marketing & Research

Karen.Judson@transwestern.com

512.328.5600

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