AUSTIN

OFFICE MARKET | Q3 2025

112.6 MSF
Inventory

1.17 MSF
Quarterly Net Absorption

14.6%
Direct Vacancy

23.7%
Total Availability

2.9 MSF
Under Construction

$35.50 PSF
Class A Net Rent

Absorption continues to be positive as construction and deliveries slow

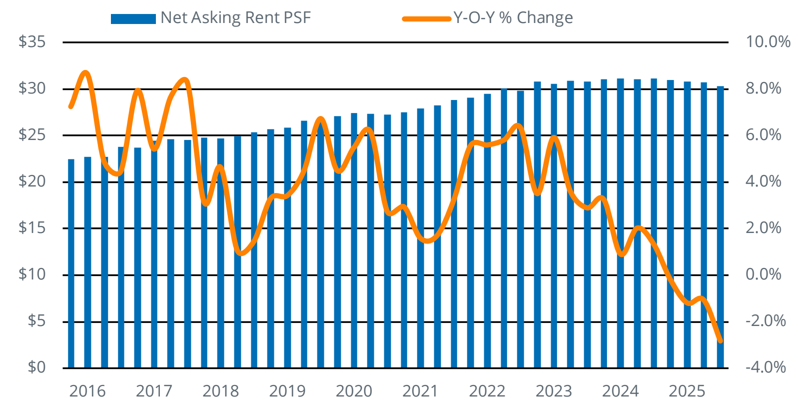
Market Observations

- Direct vacancy reached 14.6% in Q3 2025, which is up 0.1% from the 14.5% last quarter and is down (6.6%) year-over-year. The Northwest submarket recorded the highest direct vacancy at 24.1%.
- Net absorption totaled 801K SF in Q3 2025, down from 940K SF last quarter. Year-to-date absorption totaled 1.17 MSF, and as of this quarter trailing 12 month absorption totals 1.72 MSF.
- This quarter, average net asking rent was $30.31 PSF for all classes of space. Class A net asking rents were $35.50 psf, which is down (1.5%) from the previous quarter and down (3.1%) year-over-year.
- Under construction office space totaled 2.93 MSF as of Q3, which is 65% preleased. Year-to-date office deliveries totaled 1.8M SF. The largest delivery was The Republic, a 48-story office highrise in the Central Business District, totaling 816K SF.

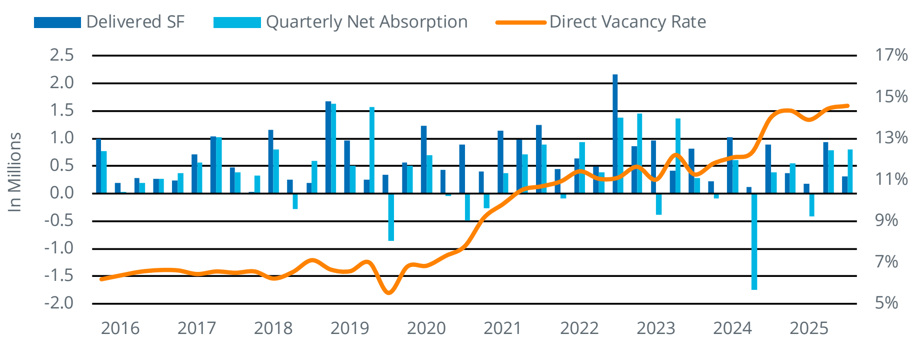
AUSTIN OFFICE MARKET | Q3 2025

- **Direct vacant available rate** in Austin reached 14.6% this quarter, down (6.6%) year-over-year. Total availability was 23.7% for the Austin metro this quarter.
- **Net absorption** in Austin 801K SF for Q3, with year-to-date absorption at 1.17 MSF and the trailing 12 month absorption at 1.72 MSF as of this quarter.
- **Net asking rents** in Austin averaged $30.31 PSF for all classes of space and averaged $35.50 PSF for Class A space. Operating expenses averaged $10.40 PSF for all classes of space and $10.57 PSF for Class A space.
- **Construction pipeline** in Austin for office space totaled 2.93 MSF under construction as of Q3, which is 65% preleased. Year-to-date office deliveries totaled 1.8 MSF.

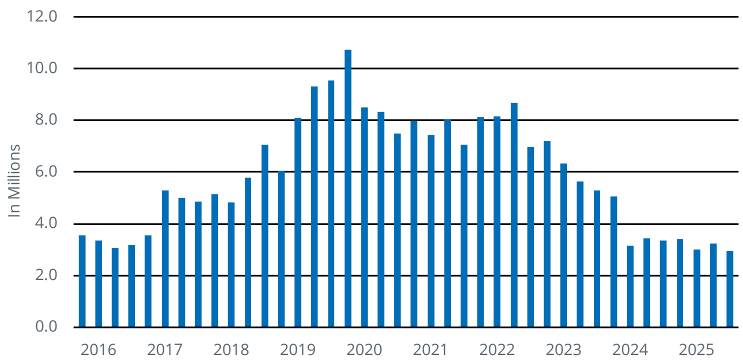
ASKING RENT



DELIVERY IMPACT ON KEY INDICATORS



UNDER CONSTRUCTION



AUSTIN OFFICE MARKET | Q3 2025

MARKET INDICATORS TABLE

All Classes of Space | Q3 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY %	TOTAL AVAILABILITY %	UNDER CONSTRUCTION SF	QUARTERLY NET ABSORPTION	YTD NET ABSORPTION	T-12 NET ABSORPTION	NET ASKING RENT PSF
Bastrop (BAS)	192,874	12,496	6.5%	6.5%	0	(10,171)	(10,461)	(10,461)	$15.76
Caldwell County (CC)	21,722	0	0.0%	0.0%	0	0	0	0	$20.00
CBD (CBD)	23,796,274	3,809,330	16.0%	30.5%	722,605	484,565	650,965	625,859	$40.28
Cedar Park (CP)	1,839,531	174,191	9.5%	24.4%	66,106	44,505	71,662	96,897	$25.32
Central (C)	5,324,279	440,930	8.3%	17.4%	0	194,100	297,328	223,483	$23.32
East (E)	8,491,177	1,795,441	21.1%	29.1%	67,750	157,020	486,372	488,280	$36.07
Far Northeast (FNE)	548,871	52,500	9.6%	9.3%	0	(1,508)	(12,967)	(14,287)	$22.77
Far Northwest (FNW)	5,399,234	780,438	14.5%	28.7%	408,461	8,165	(113,455)	(124,909)	$27.95
Georgetown (GTN)	1,491,140	122,890	8.2%	15.8%	229,061	102,559	109,785	101,857	$26.68
Hays County (HC)	1,400,336	95,386	6.8%	15.5%	77,044	11,880	52,172	53,606	$22.04
North (N)	10,107,138	982,559	9.7%	15.5%	7,181	73,170	(55,425)	27,952	$32.47
Northeast (NE)	5,923,232	1,232,212	20.8%	33.0%	0	34,780	5,837	8,421	$19.48
Northwest (NW)	16,575,055	3,997,864	24.1%	28.7%	0	(189,697)	(601,913)	(427,745)	$25.52
Round Rock (RR)	4,965,240	89,944	1.8%	3.3%	872,774	(16,496)	(2,278)	4,776	$21.22
South (S)	5,603,314	1,082,676	19.3%	27.6%	99,018	(15,648)	58,157	156,062	$31.65
Southeast (SE)	5,598,853	313,633	5.6%	12.8%	295,978	(71,039)	(73,865)	(31,517)	$24.59
Southwest (SW)	14,071,087	1,390,529	9.9%	18.7%	85,188	(8,534)	295,136	532,134	$28.56
West Central (WC)	1,334,195	29,760	2.2%	15.0%	0	3,815	11,749	6,020	$40.10
TOTAL	**112,683,552**	**16,402,779**	**14.6%**	**23.7%**	**2,931,166**	**801,466**	**1,168,799**	**1,716,428**	**$30.31**

Source: CoStar, Transwestern

RECENT OFFICE LEASES

Southeast :: Base Power

43,122 SF at 205 E Riverside

Northwest :: Paradromics

26,451 SF at Stonelake 2

CBD :: DRW

24,871 SF at 300 West Sixth

CBD :: Office of the Governor

94,211 SF at 400 West 15th

RECENT OFFICE SALE

FNW :: Aspen Lake One, Tower of the Hills, Tower Point

13795/13809 Research Blvd

381,588 SF in 3 midrise buildings

Buyer: Fortis Property Group

Seller: Rialto Capital Management

OFFICE SALES STATISTICS

	Austin Trailing 12 Mo.	Austin This Quarter	U.S. Trailing 12 Mo.	U.S. This Quarter
Volume ($ Mil)	$1,372.4	$141.2	$74,090.3	$19,323,6
Number of Properties	64	11	4,978	1,271
Total Square Feet	6,805,249	2,926,504	358,394,593	90,901,592
Average Price per SF	$366	$399	$205	$210
Average Cap Rate (Yield)	6.6%	7.1%	7.5%	7.2%

Source: Real Capital Analytics, Transwestern

Research Methodology

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

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For more information

Karen Judson
Senior Vice President
Marketing & Research
Karen.Judson@transwestern.com
512.314.3560