

# Austin, Texas

Office Market | Q1 2026

## Construction slows amid strong absorption

### Market Observations

- The Austin office market recorded positive absorption of 1.2M square feet for the quarter, bringing the trailing 12-month net absorption to 2.5M square feet.
- Direct vacancy stood at 14.4% across all classes, a (0.5%) drop over last quarter and a (0.1%) drop year over year. Total availability, which includes sublease space, was 20.1% for the quarter.
- There was 1.3M square feet under construction as of this quarter. A total of 199K square feet delivered this quarter, bringing the trailing 12-month total to 1.6M square feet delivered in the Austin MSA.
- The net average asking rate totaled \$30.67 net per square foot for the Austin MSA, with operating expenses averaging \$15.97 psf as of this quarter. Rental rates have increased 0.9% year over year. Class A rents averaged \$35.69 net per square foot with \$17.66 psf average operating expenses for the quarter.

*\*The large positive absorption this quarter includes Samsung's 795K sf office building in Taylor (Georgetown Submarket). In accordance with Transwestern's national reporting guidelines, the Austin MSA market numbers include owner-user buildings.*



**112.9 MSF**  
Inventory



**1.2M\* SF**  
Net Absorption



**14.9%**  
Direct Vacancy



**20.1%**  
Total Availability



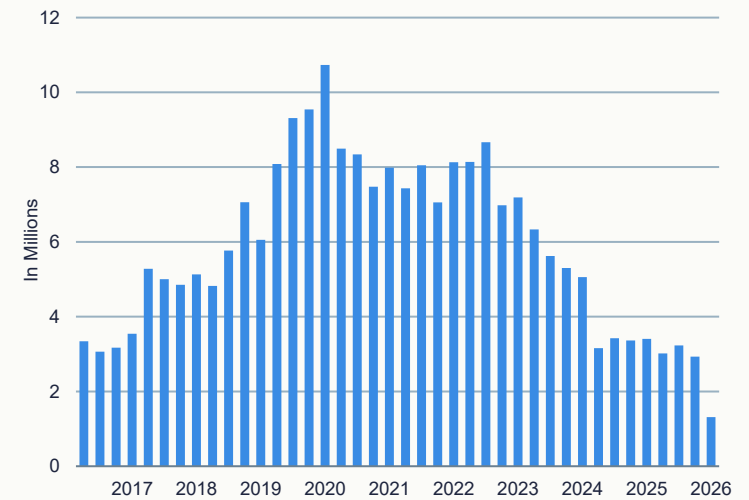
**1.3M SF**  
Under Construction



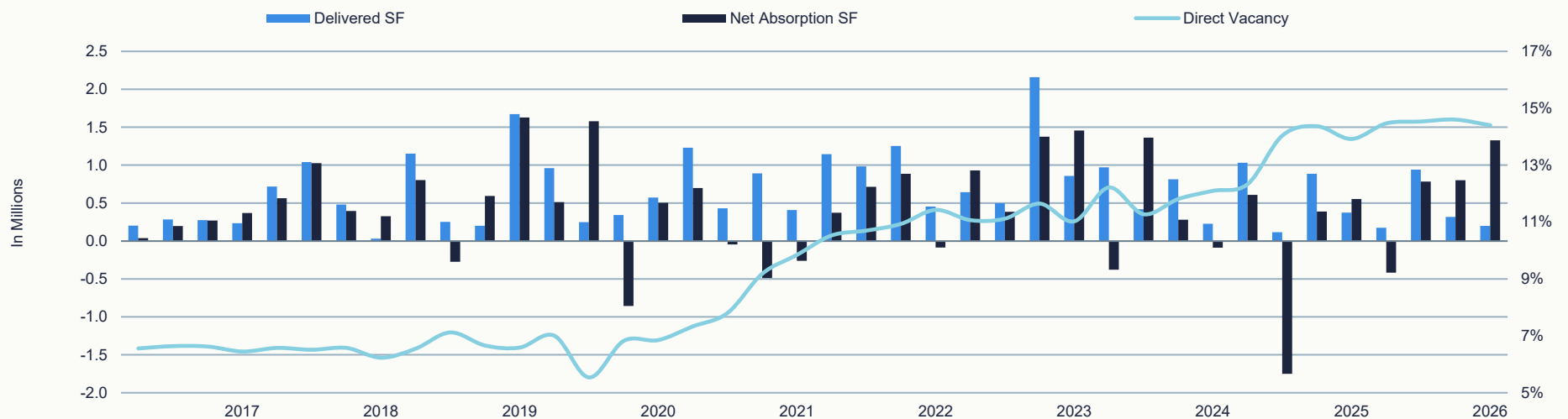
**\$30.67 PSF**  
Net Asking Rent

- The **vacancy rate** was 14.9% as of this quarter. This is down (0.5%) from last quarter and down (0.1%) year over year. The submarkets with the highest vacancy included the Northwest with 23.1% vacancy and the South with 21.7% vacancy as of this quarter.
- **Net absorption** totaled positive 1.3M for the quarter and positive 2.5M over the trailing 12 months. Submarkets with the highest absorption rate included the Central Business District with 207K square feet and the Northwest with 287K square feet absorbed. *A note about the numbers* – Georgetown recorded 834K of positive absorption due to Samsung’s delivery and occupancy of their 795K square foot office building on their Taylor campus. In accordance with Transwestern’s national guidelines, the Austin MSA market numbers include owner-user office product.
- Inventory for the Austin MSA totaled 112.9M square feet across 1,655 projects as of this quarter. **Under construction** projects totaled 1.3M square feet at 82% preleased, and **new deliveries** totaled 199K square feet at 76% leased.

## Under Construction

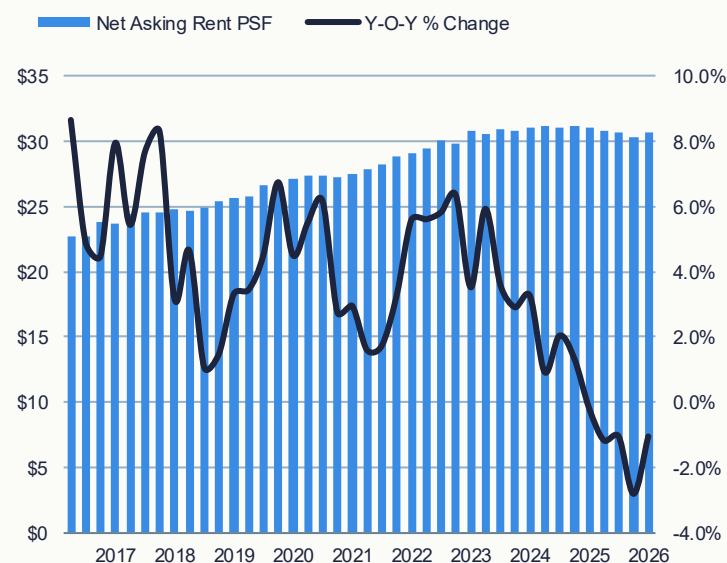


## Delivery Impact On Key Indicators



- **Net rents** averaged \$30.67 per square foot across all product types, and estimated operating expenses averaged \$15.97 per square foot for the quarter. Class A rates averaged \$35.69 net per square foot, Class B rates averaged \$25.54 net per square foot, and Class C rates averaged \$22.35 net per square foot for the quarter. The submarkets with the highest per square foot average rent included CBD at \$41.42 net per square foot and West Central with \$40.44 net per square foot for the quarter.
- Recent **large office lease transactions** this quarter include Terafab's 112K square foot sublease at the Seaholm building in the CBD; NXP's 225K square foot lease at Champion Office Park I & II in the Northwest, and Nvidia's 79K renewal at The Crossings at Lakeline in the Far Northwest submarket.
- Recent **office sales transactions** include the sale of Highpoint 2222 to SB Energy (a subsidiary of SoftBank). Highpoint 2222 is a 1.06M square foot technology campus located in the Far Northwest submarket that sits on 158.3 acres and contains its own power substation on-site. The previous owner, Karlin Real Estate, sold the vacant campus to SB Power in March 2026 for a reported \$285 million.

## Asking Rent



## Office Sale Statistics

	Austin Trailing 12 Mo.	Austin This Quarter	U.S. Trailing 12 Mo.	U.S. This Quarter
<b>Volume (\$ Mil)</b>	\$1,006.8	\$83.1	\$87,960.3	\$20,299.6
<b>Number of Properties</b>	80	13	5,776	1,195
<b>Total Square Feet</b>	6,359,981	279,547	407,025,585	86,062,211
<b>Average Price per SF</b>	\$129.00	\$968.00	\$213.00	\$236.00
<b>Average Cap Rate (Yield)</b>	7.1%	6.7%	7.4%	7.3%

Source: Real Capital Analytics, Transwestern

## Market Indicators Table

All Classes of Space | Q1 2026

Submarket	Inventory (SF)	Direct Vacant (SF)	Direct Vacancy (%)	Total Availability (%)	Under Construction (SF)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)	T-12 Net Absorption (SF)	Net Asking Rent PSF
Bastrop (BAS)	192,874	10,171	5.3%	5.3%	0	2,325	2,325	(7,846)	\$16.26
Caldwell County (CC)	21,722	0	0.0%	0.0%	4,400	0	0	0	\$20.00
CBD (CBD)	23,188,752	3,565,086	15.4%	21.8%	7,600	207,591	207,591	869,955	\$41.42
Cedar Park (CP)	1,839,531	198,644	10.8%	21.5%	42,655	(41,484)	(41,484)	22,737	\$24.90
Central (C)	5,324,279	448,953	8.4%	13.1%	0	(36,272)	(36,272)	334,087	\$24.16
East (E)	8,491,177	1,614,997	19.0%	24.7%	69,596	9,783	9,783	539,885	\$37.53
Far Northeast (FNE)	548,909	59,243	10.8%	10.6%	0	(8,870)	(8,870)	(20,688)	\$27.60
Far Northwest (FNW)	5,399,234	940,994	17.4%	26.8%	432,461	(71,343)	(71,343)	(138,218)	\$26.82
Georgetown (GTN)	2,255,540	111,565	4.9%	7.4%	334,515	834,656	834,656	889,647	\$28.28
Hays County (HC)	1,400,336	49,349	3.5%	12.6%	18,180	35,927	35,927	82,439	\$27.73
North (N)	10,108,741	1,098,613	10.9%	15.1%	7,181	26,884	26,884	(134,226)	\$31.91
Northeast (NE)	5,923,232	1,007,541	17.0%	29.0%	0	214,684	214,684	336,107	\$20.18
Northwest (NW)	16,575,055	3,833,505	23.1%	28.2%	0	287,688	287,688	(80,782)	\$25.31
Round Rock (RR)	4,965,240	85,624	1.7%	3.8%	37,172	16,124	16,124	1,370	\$24.09
South (S)	5,707,406	1,236,094	21.7%	23.3%	52,453	(36,774)	(36,774)	(37,562)	\$30.23
Southeast (SE)	5,598,853	400,361	7.2%	12.9%	295,978	7,166	7,166	(174,419)	\$20.81
Southwest (SW)	14,071,087	1,563,085	11.1%	16.5%	10,750	(128,103)	(128,103)	57,709	\$29.87
West Central (WC)	1,334,195	33,145	2.5%	10.1%	0	7,036	7,036	(2,390)	\$40.44
<b>TOTAL</b>	<b>112,946,163</b>	<b>16,256,970</b>	<b>14.4%</b>	<b>20.1%</b>	<b>1,312,941</b>	<b>1,327,018</b>	<b>1,327,018</b>	<b>2,537,805</b>	<b>\$30.67</b>

Source: CoStar, Transwestern

Note: The large positive absorption for Georgetown reflects Samsung's 795K sf office building. In accordance with Transwestern's national guidelines, the Austin MSA market numbers include owner-user buildings.



## 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, multi-tenant and owner-user properties 10,000 SF and larger, excluding properties owned by a government agency and medical outpatient buildings.

## About Transwestern

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<sup>1</sup> Includes the Transwestern organization and RIA AUM as of June 30, 2025.

## For More Information

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