

# Yardi® Matrix

## OFFICE MARKET REPORT

# Austin Draws On Fundamentals

Winter 2020



**Tight Labor  
Market**

**Developers  
Match Demand**

**Sales Prices  
Keep Climbing**



# AUSTIN OFFICE MARKET

Yardi® Matrix

## Development Plays Key Role

Growth in Austin's office sector is bolstered by sustained tenant demand and a robust development pipeline determined to match the ongoing corporate expansions and relocations. PwC and the Urban Land Institute's Emerging Trends report ranked Austin the top market for overall real estate investment prospects for 2020.

Austin gained 10,100 office-using jobs through October, up 4.3% year-over-year, and according to the Texas Workforce Commission, the metro's unemployment rate stood at 2.5% as of November, 100 basis points below the national rate. A tight labor market is expected to make hiring more difficult for employers, but Austin continues to work as a magnet, drawing in companies and residents alike. Data from the city demographer forecast that Austin's population is set to surpass 1 million residents in 2020.

As of November, some 7.2 million square feet was under construction in Austin, equal to 10.6% of total inventory. The bulk (90%) of the pipeline underway is slated for delivery over the next three years. Trammell Crow's Block 185 is the largest development in the metro, slated for delivery in 2022. Total investment volume in Austin amounted to \$1.2 billion year-to-date through November, as solid investor interest and quality office product keeps momentum going.

## Market Analysis

Winter 2020

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