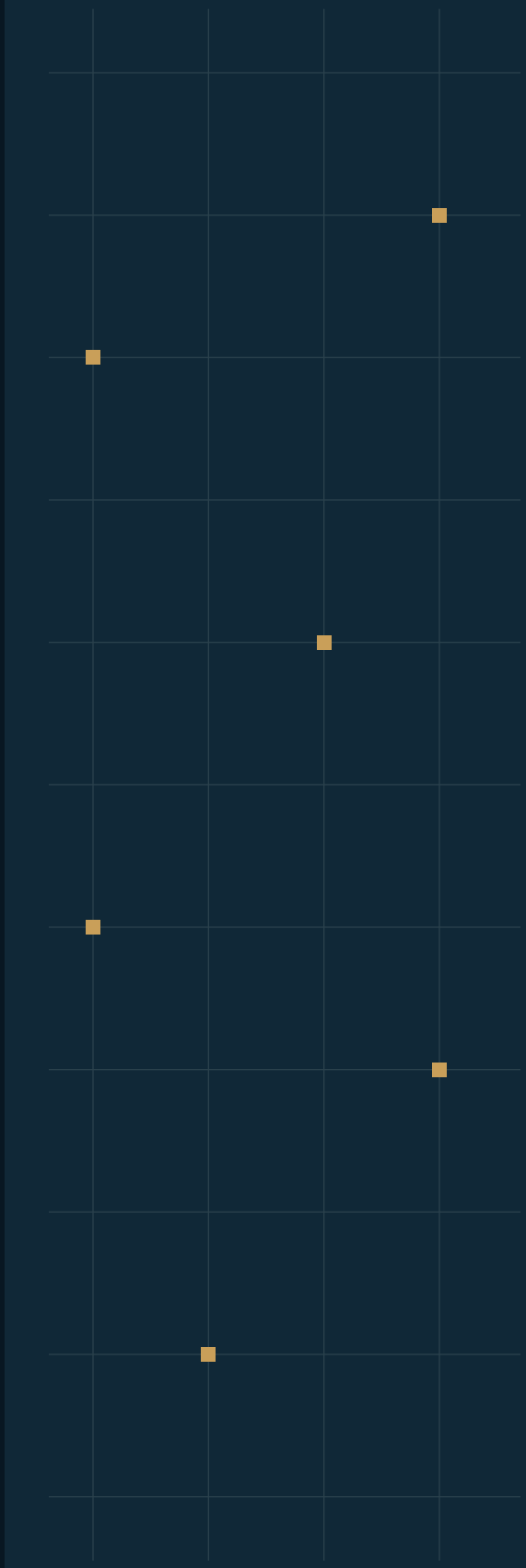
MARKET INTELLIGENCE

Austin Office Market & Investment Report

Q3 2026

Fundamentals, Capital Markets, Development and a Closer Look at Austin's Office Submarkets

September 21, 2026 data snapshot



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AUSTIN OFFICE MARKET INTELLIGENCE

Q3 2026 Austin Office Market Report

Positive absorption is only part of the story. Location, building quality and the source of demand define the opportunity.

A review of Austin office fundamentals, rents, development, investment sales, medical-office context and 14 individual submarkets.

Prepared by Greg Cooper | September 2026

139.9M SF OFFICE INVENTORY	16.1% VACANCY	2.4M SF 12-MO ABSORPTION
2.5M SF 12-MO DELIVERIES	$674.2M 12-MO SALES	7.7% MODELED MARKET CAP RATE

EXECUTIVE SUMMARY

Austin Office Is a Collection of Different Markets

Austin has recorded positive trailing office absorption, but that improvement has not eliminated the large differences between locations and building segments. A tenant looking in Round Rock and an owner leasing a newer East Austin building are operating in very different competitive environments.

The September 21 CoStar snapshot places marketwide vacancy at 16.1%, with availability at 17.3%. Approximately 2.4 million square feet of net absorption over the preceding 12 months nearly matches approximately 2.5 million square feet of deliveries. That relationship supports a more balanced reading than either a blanket recovery story or a claim that demand has disappeared.

The composition of demand matters. Northwest Austin's roughly 1.2 million square feet of annual absorption is heavily influenced by one large owner-user campus event. That is meaningful occupied space, but it is not evidence that every landlord is seeing a comparable improvement in small and midsize tenant activity. Meanwhile, East Austin, Northeast Austin and Far Northwest Austin retain substantially higher vacancy than the metro average.

The construction pipeline totals approximately 1.1 million square feet. Exposure is concentrated: Southeast, Georgetown and West Central account for about 775,000 square feet, or roughly 70% of the metro total. Limited construction in another submarket can reduce one source of competition, but existing vacancies and future lease expirations still need to be worked through.

The Cooper Perspective

The useful question is not simply whether Austin office is recovering. It is whether the specific building, suite and location can compete for the next tenant. The same market can offer negotiating room for one business and very few workable alternatives for another.

MARKET FUNDAMENTALS

Demand, Availability and Pricing Need Separate Readings

INDICATOR	SEPTEMBER 21 SNAPSHOT
Inventory	139,921,251 SF
Vacancy / availability	16.1% / 17.3%
Market asking rent	$44.33 / SF
12-month asking-rent growth	1.7%
12-month net absorption / deliveries	Approximately 2.4M SF / 2.5M SF
Under construction	1,105,668 SF

Vacancy measures unoccupied space. Availability measures space being marketed and can include occupied space offered for future occupancy. Neither number is a substitute for a list of suites that meet a particular user's size, condition and delivery requirements. The gap between the two is especially important in West Central and Cedar Park, where marketed space materially exceeds vacant space.

Net absorption measures the change in occupied inventory, not the volume of signed leases. A move from one Austin building to another can produce leasing activity while creating little net market growth. Owner-user occupancy, new construction and the timing of move-outs can also make a trailing absorption figure look different from day-to-day leasing conditions.

Market asking rent has increased 1.7% over 12 months to $44.33 per square foot. This is a quoted market indicator, not a net effective rent series or an all-in occupancy budget. It does not establish what a landlord will accept after free rent, improvement funding, expense treatment and other negotiated terms. An increase in asking rent can coexist with competitive deal economics.

LEASING STRATEGY

Compare the Entire Commitment, Not the Quoted Rate

For tenants, the strongest comparison starts with an identical operating requirement across alternatives: usable layout, employee attendance, meeting needs, parking, client access and the date the business must be operational. An apparently inexpensive suite can lose its advantage if it needs extensive work or charges for substantially more area than the business can use.

Renewal and relocation should be evaluated over the same period. Include base rent, expense obligations, improvements, moving costs and the cost of occupying two spaces during transition. Compare landlord funding with the actual scope and timing of construction payments. A tenant improvement allowance is a contribution toward a project; it does not by itself establish the final cost or opening date.

For landlords, the relevant competitive set is narrower than an entire submarket. Identify suites that a prospective tenant could actually choose, then compare delivery condition, size, term and parking. Where vacancy is elevated, the ability to present a credible, costed path to occupancy can matter as much as a published rental rate.

The Cooper Perspective

Negotiating room should be tested with real alternatives. A high market vacancy rate does not guarantee an aggressive concession package, and a low rate does not mean a tenant should accept the first proposal. The most useful leverage comes from a requirement that is clear and alternatives that are executable.

DEVELOPMENT

A Modest Metro Pipeline Can Still Matter Locally

Austin has approximately 1.1 million square feet of office construction underway, but that figure should not be spread evenly across the map. Southeast carries about 346,000 square feet, Georgetown approximately 234,000 and West Central approximately 196,000. Those three pipelines deserve particular attention when underwriting nearby lease expirations or a future tenant search.

Round Rock has only about 29,000 square feet under construction despite low current vacancy. CBD, Central, North/Domain, Northwest and South show no construction in the key-indicator snapshot. A zero pipeline does not remove competition from existing buildings, subleases or recently completed space that is still being absorbed.

Construction is a measure of space underway, not necessarily space available to a new tenant. Preleasing, owner occupancy, delivery schedules and building specifications determine how much of the pipeline competes with a

particular property. Buyers should stress-test lease-up timing rather than assume every delivery will either remain empty or arrive fully occupied.

CAPITAL MARKETS

The Income Plan Matters More Than the Headline Price

MEASURE	REPORTED FIGURE	INTERPRETATION
12-month sales volume	$674.2 million	Trailing transaction activity
Market sale price	$317 / SF	Modeled market measure
Transaction sale price	$339 / SF	12-month transaction average
Market cap rate	7.7%	Modeled market measure
Transaction cap rate	6.5%	12-month transaction average

Modeled values and observed transaction averages answer different questions. The 7.7% modeled market cap rate is not interchangeable with the 6.5% transaction average. The assets that trade can differ from the broader stock in occupancy, lease duration, quality and buyer motivation. Applying either figure mechanically to a building's income can create a misleading valuation.

For investors, the first underwriting task is to reconcile contractual rent with collections and the future lease schedule. Model tenant improvements, leasing commissions, downtime and building capital separately from recurring operating expenses. A property with positive current income can still require meaningful cash when a large lease expires.

For owner-occupiers, a purchase should solve an operating requirement as well as a real estate objective. Compare acquisition, adaptation and ownership costs with a lease alternative, and preserve the liquidity the business needs to operate. A vacant building's fit, zoning, systems and delivery timeline may matter more than how its price compares with a metro average.

Sellers benefit from presenting a complete account of the asset: leases, operating history, condition, capital needs and a realistic route to continued occupancy. In a market with uneven leasing performance, a credible property-level business plan gives buyers more to evaluate than a generalized Austin growth narrative.

The Cooper Perspective

A lower purchase price does not automatically create a better investment. The advantage comes when the buyer understands the capital required after closing and can carry the property through a realistic leasing period. Underwrite that period before relying on a stronger exit market.

MEDICAL OFFICE

A Separate Market, With Practice-Specific Requirements

The supplied medical-office report covers Q2 2026, with data as of August 27. It is included as separate context and should not be treated as a directly comparable September general-office series. CoStar principally identifies medical-office buildings with at least 50% medical tenancy, together with additional physical indicators; the dataset does not capture every healthcare suite.

MEDICAL-OFFICE INDICATOR	Q2 2026 DATASET
Vacancy	10.1%
12-month absorption / deliveries	91,000 SF / 321,000 SF
Under construction	234,000 SF
NNN asking rent	$27.51 / SF
Full-service asking rent	$39.40 / SF
12-month sales-price indicator	$400 / SF
12-month transaction cap rate	7.0%

Deliveries exceeded absorption in this dataset over the trailing period, and another 234,000 square feet was underway. That is a reason to examine local competition and the type of medical space being delivered. It does not establish that a specific practice will find a ready-to-use suite near its patients or referral relationships.

NNN and full-service rents are different quoting categories. The two rates above should not be compared without reconciling which operating expenses are paid separately. Practice comparisons also need to include systems, equipment, specialized rooms and the adaptation of any existing clinical improvements.

An existing medical buildout can be valuable, but only if it supports the next user. Patient access, parking, elevator access, equipment routes and the ability to complete required work all influence the opening plan. The financial comparison should show both the total improvement budget and when the practice must fund it.

SUBMARKET SCORECARD

Fourteen Locations, Distinct Competitive Conditions

The table uses CoStar submarket boundaries and the September 21, 2026 key-indicator snapshots. Asking rents are per square foot as reported. Vacancy and availability are separate measures; neither is a prediction of negotiated terms. The following commentary connects these figures with leasing and ownership decisions.

SUBMARKET	VACANCY	AVAILABLE	ASK RENT/SF	UNDER CONST.
CBD	22.4%	20.9%	$60.15	0 SF
Central	9.2%	10.8%	$37.48	0 SF
East	27.9%	23.1%	$50.31	62,596 SF
North/Domain	12.5%	14.1%	$47.23	0 SF
Northwest	17.6%	19.1%	$38.52	0 SF
Far Northwest	23.6%	27.3%	$40.25	57,000 SF
Northeast	25.2%	29.9%	$33.36	32,000 SF
Round Rock	4.9%	6.1%	$36.24	28,685 SF
Cedar Park	10.1%	19.2%	$35.97	83,198 SF
Georgetown	8.5%	12.2%	$35.62	233,519 SF
South	20.8%	21.3%	$45.04	0 SF
Southeast	7.1%	7.8%	$36.59	345,978 SF
Southwest	12.2%	14.1%	$42.89	10,750 SF
West Central	5.8%	14.6%	$47.32	195,707 SF

Sources: individual CoStar office submarket reports, September 21, 2026; key-indicator tables. North/Domain is labeled North-Domain in the supplied source. Figures are snapshots, not completed-quarter results.

CBD

Downtown Requires a Building-Level View

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
22.4%	20.9%	$60.15	0 SF

CBD combines the highest overall asking rent in this set, $60.15 per square foot, with 22.4% vacancy. Over the trailing year, roughly 821,000 square feet of deliveries exceeded about 210,000 square feet of net absorption. That supply-demand relationship helps explain why a premium location can still have meaningful lease-up pressure.

The quality split is significant. CoStar reports 29.1% vacancy in 4 & 5 Star inventory versus 10.3% in 3 Star buildings, with asking rents of $68.75 and $46.69 respectively. A newer tower and an established mid-tier building therefore belong to different competitive sets, even when they share a downtown address.

For tenants, compare the daily experience and the total occupancy commitment: parking, access, layout, improvements and the actual delivery date. Elevated vacancy justifies exploring alternatives, but a preferred floor or a particular suite size may face a much narrower set of choices than the headline rate suggests.

For owners and investors, distinguish recently delivered vacancy from space that has struggled through several leasing cycles. The snapshot shows no construction underway, but completed space still needs to find occupants. A leasing plan should identify the next likely user and the capital needed to compete for that user, rather than assume a downtown address resolves the challenge.

CENTRAL

Relative Stability Does Not Eliminate Leasing Risk

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
9.2%	10.8%	$37.48	0 SF

Central Austin's 9.2% vacancy is well below the metro average, and no construction is shown in the snapshot. Yet trailing absorption is negative by approximately 48,700 square feet. The combination describes an established market with relatively limited empty space, not one in which every building is gaining occupants.

Quality differences also run in the opposite direction from several heavily supplied submarkets. Vacancy is 4.5% in 4 & 5 Star stock and 11.1% in 3 Star buildings. Higher-quality space carries an asking rent of $48.36 per square foot compared with $34.54 for 3 Star space. Tenants seeking a particular building standard should not expect the overall average to describe their choices.

A tenant search here should begin early enough to test usable layouts and possession dates. The absence of new supply can limit the number of suitable alternatives, especially if the requirement combines a precise location with a specific suite size. Availability of 10.8% includes a broader pool than current vacancy, but timing still needs confirmation.

For an owner, the relatively low headline vacancy is a useful backdrop, not a substitute for retention work. Negative absorption makes upcoming expirations and the competitiveness of existing suites important. For a buyer, underwrite the building's actual tenant roster and capital needs rather than assigning a low-risk label to the entire Central submarket.

EAST

Newer Inventory Faces a Different Lease-Up Test

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
27.9%	23.1%	$50.31	62,596 SF

East Austin has the highest overall vacancy in this comparison at 27.9%. Approximately 103,000 square feet of trailing absorption exceeds 56,700 square feet of deliveries, but the positive flow has not yet removed the accumulated vacancy. Improvement in occupied space and persistent oversupply can coexist.

The newer, higher-rated segment is especially exposed: 4 & 5 Star vacancy is 34.8%, compared with 19.2% in 3 Star buildings. Asking rents are $61.33 and $41.03 per square foot, respectively. That spread makes building quality, delivery condition and the economics of improvements central to any comparison.

For tenants, this is a submarket where touring alternatives can reveal meaningful differences that disappear in a headline average. Compare suites on equivalent occupancy periods and confirm the work required before move-in. A premium asking rent may still be paired with negotiable economics, but the report does not establish the concessions available at an individual property.

For landlords and investors, a positive annual absorption figure should not be extrapolated into a short lease-up assumption. Competition among newer buildings can remain substantial even with only about 63,000 square feet under construction. Model the cost of attracting a tenant and the cash required to carry vacant space until that tenant begins paying rent.

NORTH/DOMAIN

A Recognized Location Still Needs a Specific Demand Case

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
12.5%	14.1%	$47.23	0 SF

North/Domain reports 12.5% vacancy and 14.1% availability, both below the metro averages. However, trailing net absorption is approximately negative 187,000 square feet. This is an important reminder that a comparatively healthy occupancy level can coexist with recent givebacks.

The snapshot shows no office construction underway. That limits one source of incremental competition, but existing space and tenant relocations still influence leasing. Vacancy differs by quality, with the 4 & 5 Star segment at 10.7% and 3 Star space at 13.9%, so the tenant's building requirements remain relevant.

For businesses, evaluate the specific property's access, parking, employee travel patterns and day-to-day amenities. The broad North/Domain label does not make every location equivalent. A suite that supports the intended attendance pattern can justify a different decision than a nominally similar space with a less workable

layout or arrival experience.

For owners, negative annual absorption argues for a practical retention strategy and a realistic view of competing space. Investors should test lease rollover and the resources required to renew or replace occupants. A recognized location can support a business plan, but it cannot replace evidence that the particular building can win its next lease.

NORTHWEST

A Large Occupancy Event Shapes the Headline

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
17.6%	19.1%	$38.52	0 SF

Northwest has roughly 18.4 million square feet of inventory and approximately 1.2 million square feet of trailing absorption. CoStar attributes almost all of that annual gain to a large owner-user occupancy event at Highpoint. The gain matters for occupied inventory, but it should not be interpreted as broad-based leasing velocity across the submarket.

Vacancy remains 17.6%, with availability at 19.1%. The higher-rated segment is 20.4% vacant, compared with 16.7% for 3 Star inventory. Asking rents of $45.04 and $35.57 per square foot also show that tenant choices span distinct price and quality bands.

For tenants, the task is to identify practical alternatives within the corridor rather than rely on a generalized recovery narrative. Compare building systems, parking, suite condition and the cost of adapting the layout. No construction is shown in the snapshot, but the amount of existing marketed space still warrants a competitive search.

For an investor or landlord, separate the large campus event from the assumptions used for an individual multi-tenant building. A small suite will not necessarily lease faster because a large owner-user occupied a campus. Underwrite achievable rents, tenant improvements and downtime using the property's own competitive set, and treat the annual absorption headline as context.

FAR NORTHWEST

Supply Growth and Givebacks Compound the Challenge

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
23.6%	27.3%	$40.25	57,000 SF

Far Northwest combines approximately 380,000 square feet of annual deliveries with negative absorption of about 95,000 square feet. With vacancy at 23.6% and availability at 27.3%, the challenge reflects both added inventory and a reduction in occupied space over the trailing period.

The pressure is not evenly distributed. The 3 Star segment has 36.5% vacancy and 46.0% availability, compared with 16.8% vacancy in 4 & 5 Star properties. The overall average therefore understates the amount of competing space faced by some mid-tier buildings.

For a tenant, the figures support a careful comparison of delivered suites and improvement-heavy alternatives. A lower rent can be offset by a layout that requires substantial work. Confirm when each space can be occupied, what the landlord will deliver and how the economics compare over a consistent lease term.

For owners, competing on a quoted rate alone may not resolve functional shortcomings. Identify the work required to make a suite usable for likely prospects, then compare that investment with the achievable lease economics. About 57,000 square feet remains under construction; the more immediate issue is the existing vacancy and the capital needed to convert marketed space into occupancy.

NORTHEAST

Positive Absorption Has Not Cleared the Overhang

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
25.2%	29.9%	$33.36	32,000 SF

Northeast records roughly 247,000 square feet of annual absorption against just 4,000 square feet of deliveries. That is a favorable directional relationship, yet vacancy remains 25.2% and availability 29.9%. The starting inventory of empty and marketed space remains large enough to shape competition.

The quality split is unusually pronounced: 4 & 5 Star vacancy is 49.3%, with availability of 61.2%. In 3 Star buildings, vacancy is 16.4% and availability is 20.7%. A broad statement that newer buildings are universally better positioned would miss the conditions in this submarket.

Tenants should distinguish the price of a higher-rated building from the cost to occupy it. Asking rents are $42.67 per square foot in 4 & 5 Star space and $31.25 in 3 Star inventory. Actual proposals, buildout needs and delivery commitments are necessary to judge whether the premium is justified for the business.

Owners and buyers should evaluate the scale of directly competing vacancy before setting a lease-up schedule. Positive absorption is encouraging, but it does not establish that all product types are improving at the same pace. With about 32,000 square feet underway, the existing competitive inventory is more consequential than a large new construction wave in the snapshot.

ROUND ROCK

Low Vacancy Narrows the Search for the Right Fit

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
4.9%	6.1%	$36.24	28,685 SF

Round Rock has the lowest overall vacancy among these 14 submarkets at 4.9%, with availability of 6.1%. Approximately 554,000 square feet of trailing absorption nearly matches 560,000 square feet of deliveries. The market has accommodated substantial new inventory while retaining a relatively tight occupancy profile.

The low vacancy is visible in both major quality segments: 4.5% in 4 & 5 Star stock and 3.8% in 3 Star buildings. That means the metro's 16.1% vacancy rate is a poor guide to the number of suitable choices a particular Round Rock tenant may encounter.

Businesses should start the search with enough lead time to evaluate upcoming availability, not just immediately vacant suites. A narrowly defined size or location requirement can make the practical option set smaller still. At $36.24 per square foot overall asking rent, the final comparison must still reconcile expense treatment, parking and improvement costs.

For owners and investors, relatively low vacancy supports attention to retention and the suitability of space for the next user. It does not justify assuming unlimited rent growth or eliminating downtime from underwriting. Only about 29,000 square feet is under construction in this snapshot, but tenant concentration and individual lease expirations can still change a property's outcome quickly.

CEDAR PARK

Marketed Space Is Much Broader Than Current Vacancy

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
10.1%	19.2%	$35.97	83,198 SF

Cedar Park's 10.1% vacancy appears relatively contained, but availability is 19.2%. That 9.1 percentage-point difference is the central issue for interpreting this snapshot. Space being marketed is not necessarily empty or ready for immediate occupancy, so a tenant's required start date can materially change the useful inventory.

Trailing absorption is approximately 9,700 square feet against 37,400 square feet of deliveries. The higher-rated segment shows 12.2% vacancy but 40.6% availability. By comparison, 3 Star buildings show 10.2% vacancy and 15.6% availability. The availability overhang is therefore especially important when evaluating the higher-rated competitive set.

For tenants, confirm possession dates, existing occupancy and the landlord's delivery obligations before treating a marketed listing as an alternative. Compare the cost of a delayed move with the economics offered. Overall asking

rent of $35.97 per square foot does not answer whether a particular suite is operationally or financially attractive.

For landlords and buyers, current vacancy alone can understate future competition. Approximately 83,000 square feet is under construction, adding another timing variable. An underwriting plan should reconcile lease expirations, marketed space and construction rather than assume the present occupied percentage captures the full competitive picture.

GEORGETOWN

Current Demand Meets a Meaningful Forward Pipeline

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
8.5%	12.2%	$35.62	233,519 SF

Georgetown reports approximately 333,000 square feet of trailing absorption and 312,000 square feet of deliveries. Vacancy is 8.5%, with availability of 12.2%. Those figures indicate that recent occupied-space growth has kept pace with a substantial volume of new inventory.

The forward pipeline deserves equal attention. About 234,000 square feet is under construction against total inventory of roughly 4.2 million square feet. That is meaningful relative to the submarket's size, even though not all space underway will necessarily compete for the same tenants or arrive unleased.

The quality segments also differ: 4 & 5 Star vacancy is 22.1%, compared with 7.2% for 3 Star properties. Tenants seeking a newer building may encounter a different choice set from users seeking established, smaller-format space. Overall asking rent of $35.62 per square foot should be read alongside that product distinction.

For investors and owners, the key question is how forthcoming buildings overlap with the property's likely tenants and lease expirations. Positive annual absorption supports the demand story, but it should not be extended mechanically into future occupancy. Test delivery timing and preleasing, and budget the improvements required to keep existing space competitive as additional options arrive.

SOUTH

Recent Deliveries Still Need to Be Absorbed

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
20.8%	21.3%	$45.04	0 SF

South Austin carries 20.8% vacancy and 21.3% availability. Approximately 173,000 square feet of trailing deliveries arrived while net absorption was slightly negative, at about 5,000 square feet. New supply has therefore added to the leasing task rather than being offset by comparable occupied-space growth.

Vacancy in 4 & 5 Star buildings is 33.4%, compared with 17.7% in 3 Star properties. Asking rents of $63.40 and $42.40 per square foot, respectively, reinforce the need to distinguish product categories. The overall $45.04 rate

cannot represent both a premium new building and every established suite.

For tenants, evaluate whether the business needs the features associated with the higher-priced inventory and whether a delivered suite can reduce opening costs. Compare physical layouts and all-in economics before deciding that a lower quoted rate or a newer building is automatically the better choice.

No construction is shown in the key-indicator snapshot, but completed buildings continue to compete for occupancy. For owners and investors, the relevant risk is the amount and type of existing space seeking tenants. A business plan should show how the building wins against that inventory and how long the owner can fund the property while leasing progresses.

SOUTHEAST

Low Current Vacancy Meets the Largest Pipeline

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
7.1%	7.8%	$36.59	345,978 SF

Southeast's current vacancy of 7.1% and availability of 7.8% are both well below metro levels. Trailing absorption is roughly flat, at negative 1,700 square feet, with no deliveries in the preceding year. The current occupancy profile therefore should not be confused with a period of exceptionally strong net demand growth.

The forward picture is different: approximately 346,000 square feet is under construction, the largest pipeline among the submarkets shown. All of that construction is in 4 & 5 Star stock. Existing higher-rated inventory is only 1.8% vacant, versus 10.1% vacancy in 3 Star buildings.

For tenants, timing is critical. A requirement that must be satisfied now may face a tighter set of higher-quality choices than a search with flexibility to consider future delivery. New construction should only be treated as an option after confirming lease availability, completion timing and the scope of tenant work.

For owners and investors, current low vacancy is useful context, but the new supply requires property-specific analysis. Determine how the projects overlap with the building's tenant profile and rollover schedule. The pipeline does not establish future oversupply by itself; it does mean that a static assumption based on today's occupied inventory is incomplete.

SOUTHWEST

A Large Existing Market With Limited New Construction

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
12.2%	14.1%	$42.89	10,750 SF

Southwest contains approximately 17.1 million square feet of office inventory. Vacancy is 12.2%, with availability of 14.1%. Trailing absorption of about 67,400 square feet exceeds 44,800 square feet of deliveries, but the gain is modest relative to the size of the existing market.

The 4 & 5 Star segment has 14.5% vacancy and asking rent of $49.41 per square foot. In 3 Star buildings, vacancy is 11.4% and asking rent is $40.24. The distinction suggests that the property's quality, configuration and rent position should guide the competitive comparison, rather than treating Southwest as one uniform set of alternatives.

For tenants, compare the actual trip to the building, parking and the efficiency of the suite. Two properties in the same broad submarket can create very different daily experiences. A realistic improvement and operating-cost budget is necessary to evaluate the overall $42.89 asking-rent backdrop.

Only about 11,000 square feet is under construction, so the primary leasing challenge concerns the existing inventory and tenant movement within it. Owners should focus on retention and the practical readiness of available suites. Buyers should still budget for turnover and capital work; a limited development pipeline does not protect an individual property from a major tenant departure.

WEST CENTRAL

A Tight Vacancy Figure Masks More Future Competition

VACANCY	AVAILABILITY	ASKING RENT / SF	UNDER CONSTRUCTION
5.8%	14.6%	$47.32	195,707 SF

West Central has only 5.8% vacancy, but availability is 14.6%. The 8.8 percentage-point gap is material, particularly in a market with approximately 3.1 million square feet of inventory. A snapshot of empty space alone misses a substantial portion of the space being offered to prospective tenants.

The difference is concentrated in higher-rated buildings, where vacancy is 5.8% but availability reaches 25.6%. In 3 Star properties, vacancy and availability are much closer at 3.8% and 4.1%. Businesses should therefore expect different timing and competitive conditions depending on the product they seek.

Trailing absorption is negative by about 38,900 square feet, with no annual deliveries, while roughly 196,000 square feet is under construction. That pipeline is meaningful relative to the existing stock and is entirely in the 4 & 5 Star

segment. A low current vacancy rate should not be extended unchanged into a future leasing assumption.

For tenants, distinguish immediately usable space from future opportunities and verify the delivery schedule. For landlords and investors, compare forthcoming supply and marketed space with the property's lease expirations. At $47.32 per square foot overall asking rent, the business plan needs support from the building's specific competitive position, not simply the scarcity implied by today's vacancy figure.

Across these submarkets, the most useful comparison is not a simple ranking from lowest to highest vacancy. Round Rock's low vacancy, West Central's availability gap, Southeast's pipeline and Northwest's large owner-user event each describe a different decision problem. The correct strategy depends on which of those conditions affects the actual property or space requirement.

The Cooper Perspective

Submarket analysis should narrow the search and sharpen the questions. The final decision still rests on the property: who will occupy it, what it costs to make it work, when it can be used, and how the commitment supports the business or investment plan.

FROM MARKET CONTEXT TO ACTION

Build the Decision Around the Requirement

A useful first conversation starts with the decision, the timeline and the alternatives already available. A tenant considering a renewal should bring the current lease and a realistic space requirement. An owner considering a sale or lease-up should bring the property's occupancy, condition and capital needs. An investor needs a view of income durability and the resources available to execute the plan.

Greg Cooper works with businesses, owners and investors evaluating Austin commercial real estate. The goal is to connect market evidence with a practical comparison of locations, buildings and transaction structures, so the next step is supported by both the business need and the property facts.

Discuss your office needs

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SOURCES & METHODOLOGY

A Dated Snapshot With Property-Level Commentary

General office: CoStar Group, Austin Office Market Report, exported September 21, 2026. Overview and key indicators: PDF pages 3-4; submarket tables: PDF pages 27-28.

Capital markets: CoStar Group, Austin Office Capital Markets Report, exported September 21, 2026. Capital Markets Overview: PDF page 3. Modeled market prices and cap rates are shown separately from trailing transaction averages.

Submarkets: CoStar Group, September 21, 2026 office submarket reports for CBD, Central, East, North-Domain, Northwest, Far Northwest, Northeast, Round Rock, Cedar Park, Georgetown, South, Southeast, Southwest and West Central. Key-indicator tables are on PDF page 3, except North-Domain on PDF page 4. Narrative context is taken from the respective overview sections.

Medical office: CoStar Group, Austin Medical Office Report, Israel Linares, Senior Market Analyst. Q2 2026 data as of August 27, 2026. Overview page 3; rents page 7; construction page 8; sales page 10; cap rates page 11; methodology page 15.

Q3 2026 identifies the reporting quarter; the general-office figures are a September 21 snapshot and trailing-12-month measures, not final full-quarter results. Rounded figures are identified in the text. Key-indicator tables take precedence where source narratives describe earlier conditions or future projects.

Asking rents are reported indicators rather than property-specific quotations or net effective rents. Vacancy, availability, construction and absorption are distinct measures. CoStar quality ratings are used as supplied and do not guarantee suitability for a particular user.

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