



AUSTIN OFFICE MARKET: FILLING UP DARK SPACE

AUSTIN (Marcus & Millichap) – An increase in employment and a drop in new office construction will help Austin fill empty office space this year, reports Marcus & Millichap in its third-quarter 2011 market report.

According to the firm's 2011 office forecast for Austin:

- Total employment will increase by 23,000 positions in 2011, up 3 percent from last year. Office-using employers are expected to increase hiring in the second half and add 2,400 jobs for the entire year, rising 1.4 percent.
- This year, office completions will drop to 132,500 sf, one of the lowest totals on record. Last year, 236,000 sf of space came online.
- Supported by rapid employment gains, vacancy will drop to 19.5 percent this year, decreasing 130 basis points. Last year, the vacancy rate climbed 60 basis points.
- Asking rents will rise 2.4 percent to \$25.80 per sf this year, while effective rents jump 3.5 percent to \$21.10 per sf. In 2010, asking rents dipped 1.9 percent while effective rents slipped 2.8 percent.

Courtesy of JB Goodwin