

FIGURES | AUSTIN INDUSTRIAL | Q4 2025

Vacancy climbs as wave of construction deliveries overwhelms steady market performance

▲ 20.4%
Vacancy Rate

▲ 487,416
SF Net Absorption

▲ 3.4M
SF Construction Delivered

▼ 352,480
SF Construction Starts

▼ 3.8M
SF Under Construction

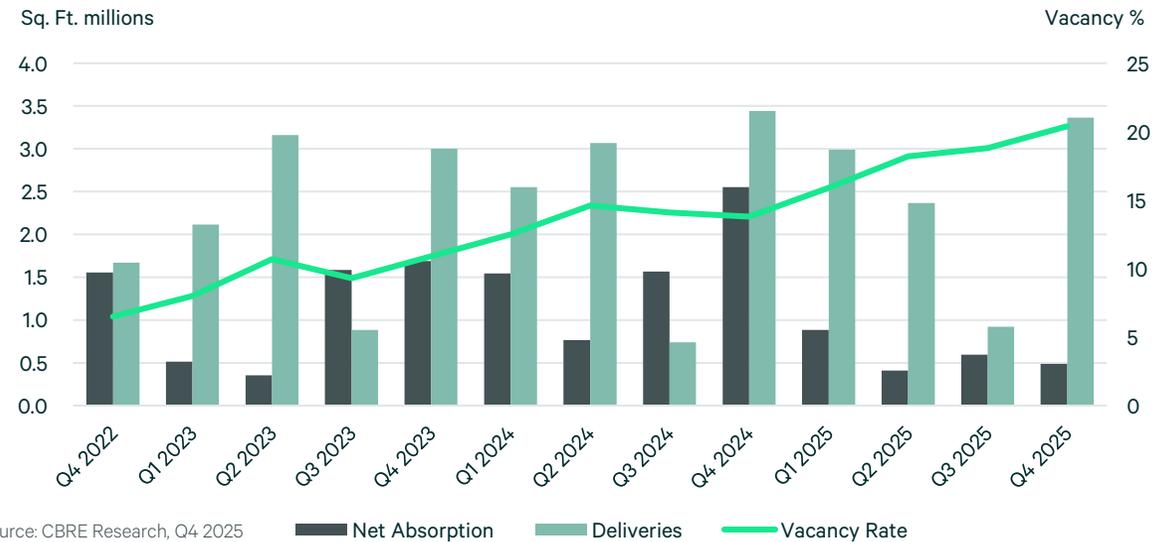
▲ \$14.22
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Core Insights

- The vacancy rate increased for the fourth consecutive quarter in Q4, hitting an all-time high and representing a 10.9% increase from Q3 2025.
- Solid positive net absorption of 490,000 sq. ft. marks Q4 2025 as the 46th consecutive quarter for positive net absorption with 2.4 million sq. ft. YTD.
- 9.5 million sq. ft. of new construction has delivered year-to-date as, making 2025 one of the busiest years for development in market history.
- 3.4 million sq. ft. of construction broke ground this year, the lowest year for starts since 2020.
- NNN/YR asking rents across all class types increased by \$0.13 per sq. ft. quarter-over-quarter.

Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q4 2025

*As of Q3 2024, the CBRE Research statistical methodology for Austin has been adjusted to exclude Owner/User industrial properties. As of Q3 2024, the CBRE Research statistical methodology for Austin Industrial has been adjusted to ensure alignment with the market and peer market comparisons. As such, consistent historical/pre-Q3 2024 statistics for new or substantially adjusted submarkets are not available and historical metrics reported for these areas will not sum to historical Austin market totals.

Demand

In 2025, the Austin industrial market recorded 2.4 million sq. ft. of positive net absorption, marking the lowest annual absorption of the decade. This compares to an average of 4.1 million sq. ft. of net absorption annually from 2020 to 2024. Macroeconomic uncertainty, driven by tariff announcements and implementation, created challenges for both developers and occupiers. Despite these headwinds, Austin—and the broader U.S. industrial market—remains in the longest expansionary period on record. Q4 2025 represents the 46th consecutive quarter of positive net absorption in Austin.

Driven by a clear flight-to-quality trend, Class A industrial space accounted for nearly 75% of the 490,000 sq. ft. of positive net absorption in Austin this quarter. Distribution/Logistics properties captured more than 99% of the positive net absorption this quarter, while R&D/Flex space experienced negative absorption from a few moveouts.

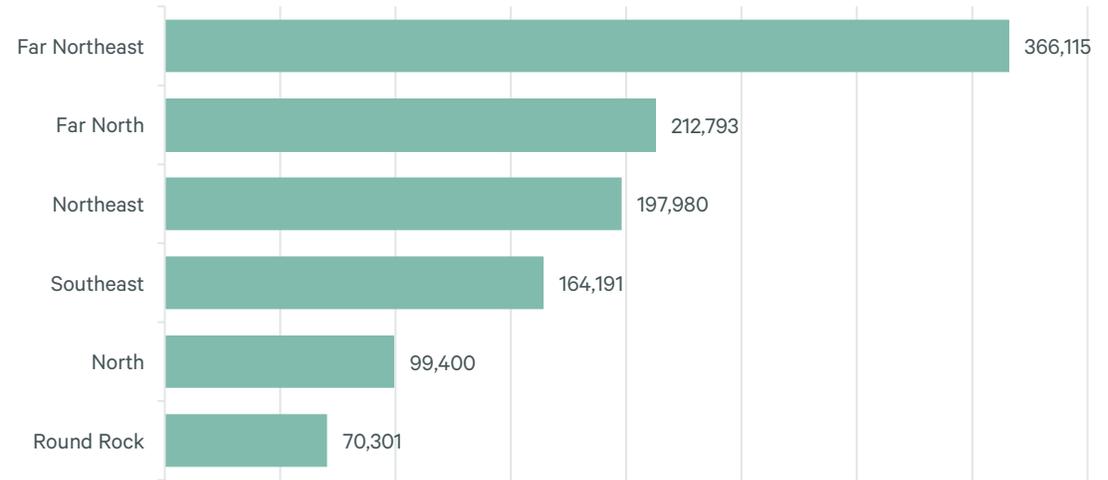
Leasing activity surged in Q4 2025, climbing more than 20% quarter-over-quarter as 1.9 million sq. ft. of industrial space was signed. The quarter’s largest transactions were driven by a single occupier—a Taiwanese original design manufacturer (ODM)—which secured space in both the Far North and Far Northeast submarkets.

Pricing

Average asking rates reached \$14.22 per sq. ft. at the close of Q4 2025, up \$0.13 quarter-over-quarter. Much of this quarterly increase is due to the 3.3 million sq. ft. of Class A space delivering into the market. Manufacturing asking rates have fluctuated the most of any product type as rates dropped 26.5% quarter-over quarter and 40.8% year-over-year. Flex/R&D asking rate also decreased 5.3% quarter-over-quarter and 6.9% year-over-year. Distribution/Logistics asking rates increased 2.8% quarter-over-quarter and 3.94% year-over-year.

Class A industrial space continues to post lower asking rates than Class B and C properties, as B and C assets are concentrated in dense infill locations with higher barriers to entry and closer proximity to demand drivers. With vacancy at record highs, pricing in 2026 will become increasingly granular, with rental rates varying more significantly by location and building functionality.

Q4 Leasing Activity by Submarket - 50,000 Sq. Ft. and up



Source: CBRE Research, Q4 2025

Avg. Direct Asking Rate (NNN/YR)



Source: CBRE Research, Q4 2025

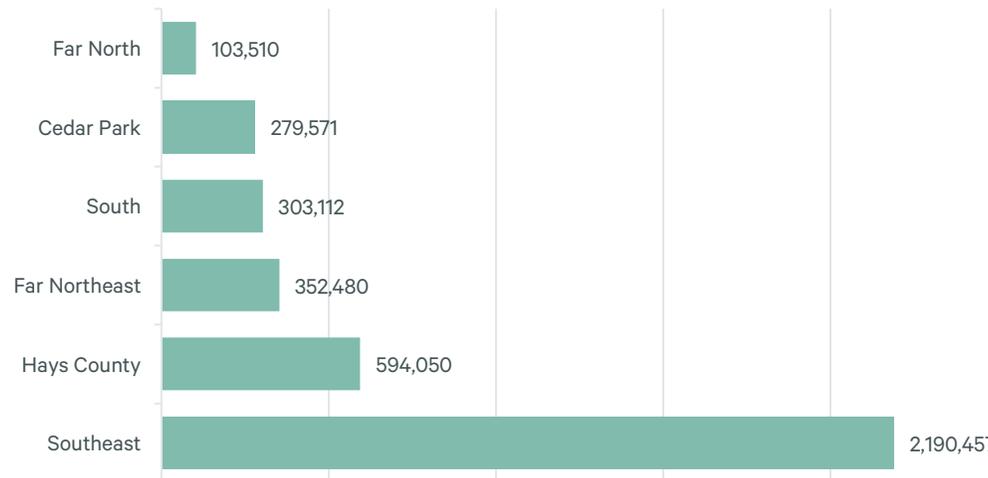
Construction Activity

The Austin industrial market recorded one of its most active quarters for construction, with 3.4 million sq. ft. of new product delivered. As a result, the development pipeline has fallen to its lowest level since Q1 2021, following the completion of nearly 50% of the projects under construction at the end of September. Construction starts also hit a new low for the second consecutive quarter, with Gradiant Technology Park being the only project to break ground during Q4 2025.

Twenty-eight industrial buildings delivered across six submarkets, with Hays County and Far Northeast leading at 1.4 million sq. ft. and 1.1 million sq. ft., respectively. Looking ahead, the Southeast submarket remains the primary node for continued growth, with 2.2 million sq. ft. of industrial space currently under construction.

Only one industrial project broke ground in Q4 2025, signaling a potential shift in market dynamics. This limited new construction could help reduce the record-high vacancy rate through 2026 and beyond. As demand for customization grows and industrial supply remains at historic highs, build-to-suit developments are likely to represent a larger share of the pipeline moving forward.

Construction by Submarket



*As of Q3 2024, owner-occupied properties are no longer included in our tracked inventory for this data segment.

Notable Developing Projects by Building NRA

Building Name	Submarket	Size (Sq. Ft.)	Owner/Developer	Pre-Leased %
Mustang Ridge Business Park – Building 2	Southeast	538,720	Clay Development	0%
San Marcos Business Park C	Hays County	377,500	Ledo Capital / St. Clair	0%
Burleson Tech – Building B	Southeast	263,662	Holt Lunsford Commercial	0%
Gradiant Technology Park 1.3	Far Northeast	176,240	iMarket America	0%
Gradiant Technology Park 1.4	Far Northeast	176,240	iMarket America	0%

Source: CBRE Research, Q4 2025

Construction Activity



Source: CBRE Research, Q4 2025

Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	48,163,533	15.5	17.0	15.2	1.8	15.35	15,687	236,888	731,373	757,979
100,000-199,999 sq. ft.	30,916,320	25.7	26.7	23.7	3.0	10.91	384,944	1,210,120	1,137,181	1,885,572
200,000-299,999 sq. ft.	12,351,203	28.9	29.1	26.3	2.8	10.20	125,785	443,250	746,759	263,609
300,000-499,999 sq. ft.	9,443,431	30.1	29.8	29.4	0.4	12.00	(39,000)	484,244	748,349	377,300
500,000-749,999 sq. ft.	570,489	0.0	0.0	0.0	0.0	-	0	0	0	538,720
750,000 sq. ft.	5,464,019	0.0	0.0	0.0	0.0	-	0	0	0	0
Total	106,908,995	20.4	21.4	19.4	2.0	14.22	487,416	2,374,502	3,363,662	3,823,180

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	78,837,887	22.2	23.3	21.3	2.0	13.18	546,737	2,392,286	3,363,662	3,650,820
Manufacturing	4,742,224	20.2	9.0	6.7	2.4	6.98	9,000	233,849	0	172,360
R&D / Flex	23,328,884	14.3	17.4	15.3	2.0	17.49	(68,321)	(251,633)	0	0
Total	106,908,995	20.4	21.4	19.4	2.0	14.22	487,416	2,374,502	3,363,662	3,823,180

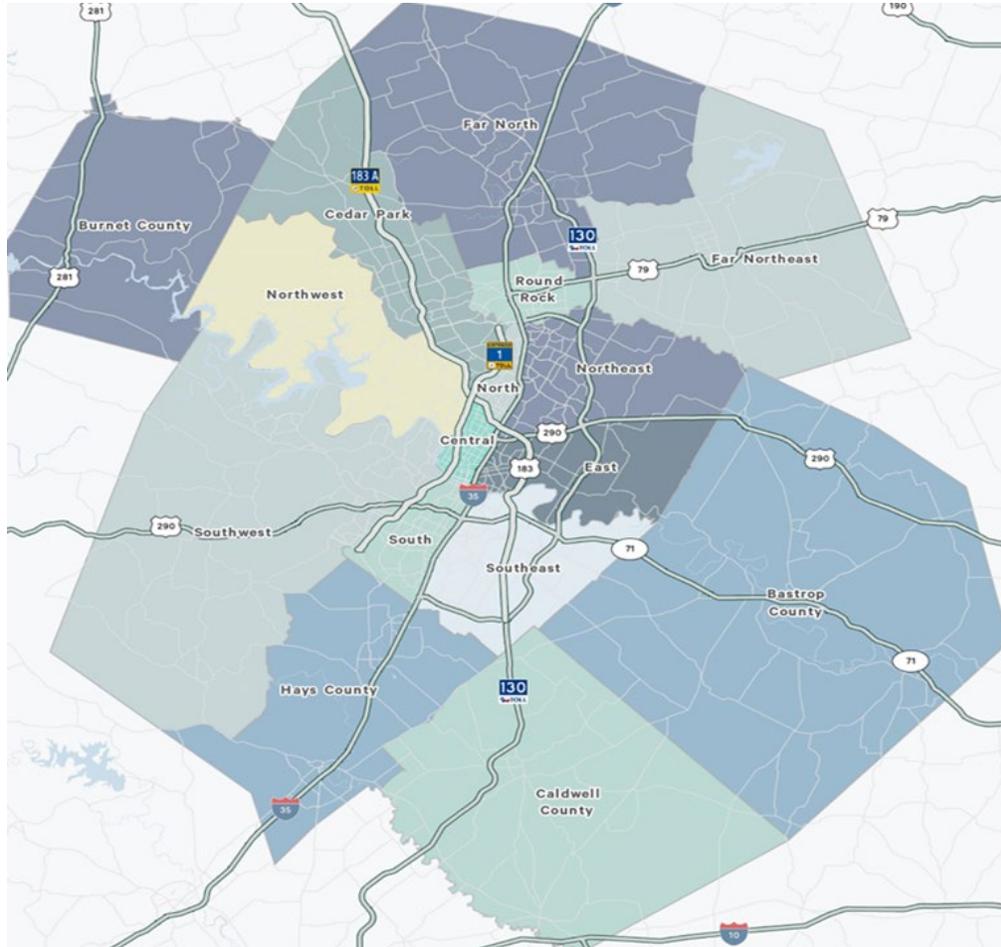
Market Statistics by Class

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Class A	48,475,782	29.4	30.6	28.4	3.5	11.99	360,165	2,067,564	3,287,273	1,404,502
All Other Buildings	58,433,213	12.9	17.9	16.1	1.7	14.78	127,251	306,938	76,389	2,418,678
Total	106,908,995	20.4	21.4	19.4	2.0	14.22	487,416	2,374,502	3,363,662	3,823,180

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Bastrop County	615,133	3.0	3.0	3.0	0.0	6.0	0	10,000	0	0
Caldwell County	812,836	22.0	0.0	0.0	0.0		48,730	48,730	62,360	0
Cedar Park	5,369,954	13.7	16.3	12.6	3.6	17.54	(31,569)	259,591	0	279,571
Central	1,352,746	7.0	7.4	7.0	0.3	12.0	22,412	(5,690)	0	0
East	5,860,942	42.0	40.4	40.1	0.4	17.72	(42,220)	348,217	0	0
Far North	8,111,628	23.7	26.5	25.9	0.7	17.46	(27,925)	346,448	412,470	103,510
Far Northeast	4,351,874	48.7	38.9	38.8	0.1	10.54	16,944	182,830	1,075,570	352,480
Hays County	13,828,078	23.9	25.0	23.4	1.6	11.55	10,184	510,871	1,401,633	594,050
North	14,769,173	11.0	14.4	12.2	2.2	15.02	54,943	(195,007)	0	0
Northeast	22,895,890	15.6	16.6	14.1	2.4	14.51	217,643	489,650	314,870	0
Northwest	315,182	3.5	11.6	11.6	0.0	17.26	6,590	5,090	0	0
Round Rock	6,146,122	24.1	22.5	19.9	2.6	13.13	34,427	(108,544)	0	0
South	2,400,865	16.8	15.2	14.3	1.0	16.81	11,479	32,048	0	303,112
Southeast	18,929,045	18.8	21.7	18.5	3.3	15.6	156,257	431,405	96,759	2,190,457
Southwest	1,149,527	29.9	33.7	32.9	0.9	22.63	9,521	18,863	0	0
Total	106,908,995	20.4	21.4	19.4	2.0	14.22	487,416	2,374,502	3,363,662	3,823,180

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. **Building Area:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Gross Activity:** All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that can be occupied within 30 days. **Class A industrial** are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all non-owner occupied, non-medical industrial buildings 10,000 sq. ft. and greater in the greater metropolitan area of Austin, TX. Buildings which have begun construction as evidenced by site excavation or foundation work.

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