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Office Market Hits All-Time Highs in Austin

By [Anna Caplan](#) | Austin

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AUSTIN--Rental rates in the city's office market have hit another all-time high.

Those rates, which bottomed out in late 2011, rose throughout 2013, and have been skyrocketing in 2015. According to **Cushman & Wakefield/Oxford Commercial's (CWOC)** third-quarter report, the overall current office rental rate shot up to \$33.02 per square foot – which translates to a 13.2 percent increase over this time last year, when the rate was \$29.17. That figure is also the highest rate CWOC has ever recorded since it started tracking the stats in the early 1990s.

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That's coupled with tight vacancy rate of 9 percent amid 3.1 million square feet of new office space either currently under construction or recently delivered. Year-to-date absorption for the third quarter totaled 1.8 million square feet, meaning the office market has already absorbed more space in 2015 than it did in all of 2014, when 1.7 million square feet was absorbed.

"Austin is one of the few places across the country where people want to live and employers want to locate," **Ted Doucet**, senior vice president with CWOC, told GlobeSt.com. "That's the real story behind these numbers."

CWOC anticipates rentals to continue pushing new highs throughout the end of 2015.

The office market's highest vacancy rates can be found in the southeast submarket, which weighed in at 22.3 percent, followed by the central submarket, with a 16 percent vacancy rate. The tightest vacancy rate is south central Austin, at 1.8 percent, followed by Round Rock's 6.6 percent.

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About Our Columnist



Anna Caplan is a writer and editor based in Fort Worth, TX. She is currently the Texas and Southwest editor for *GlobeSt.com*. For more than 15 years she has worked in print and digital media, covering everything from small businesses in San Antonio at the *San Antonio Business Journal* to retail and commercial real estate for Racked Dallas. In addition to her business reporting, Caplan also writes about the food and beverage industry as a correspondent for *Edible Dallas-Fort Worth* and as a freelance food critic for the *Fort Worth Star-Telegram*.

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