

Q3 // 2025

Market Report

AUSTIN INDUSTRIAL MARKET
REPORT + ECONOMIC OVERVIEW



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Industrial Submarket Spotlight: Lockhart's Rise as a Food Logistics and Ag-Tech Hub

South of Austin, Lockhart is quickly becoming one of Central Texas's most active industrial submarkets. With direct access to SH-130 and U.S. 183, affordable land, and proximity to Austin and San Antonio, the city is attracting steady investment from food producers, cold-storage operators, and ag-tech firms seeking growth space outside the urban core.

Leading the charge is RealCold, a national cold-chain logistics operator and subsidiary of Related Companies. Its new 312,000-square-foot flagship facility marks a \$65 million investment, featuring 38,000 pallet positions and 16 million cubic feet of temperature-controlled space. The project is expected to create 100+ jobs and offers room for significant expansion, including 877,900 SF of future warehouse space.

Other food users are following suit. The Ziegenfelder Company recently opened a frozen-treat facility in Lockhart, while Hill Country Foodworks (HCF) secured \$3.2 million in city incentives to move into a new 62,000-square-foot site at 2605 Dewitt Street. HCF, which pickles more than 3 million pounds of cucumbers annually, plans to add \$710,000 in new machinery and expand to 85 employees by 2034.

Lockhart is also drawing ag-tech investment. In September, Sensei Ag Holdings Inc. (Sensei Farms)—backed by Larry Ellison—purchased the 25-acre former Iron Ox site for a \$50 million investment. The 283,000-square-foot greenhouse and robotics facility will advance sustainable, tech-driven farming systems, reinforcing Lockhart's growing role in the future of food production.

Strategically located 26 miles from Austin-Bergstrom International Airport and 60 miles from San Antonio, Lockhart offers one-day delivery to 28 million consumers and access to a regional labor pool of 777,000 within 45 minutes. Roughly 5,000 new homes are planned over the next three years to meet labor demand.

Developers are responding with projects tailored to smaller, high-spec industrial users—such as Tech 183 and Burseson Tech in Southeast Austin—while nearby ATX 130 Business Park (602,470 SF) is already half-leased to tenants like Ferguson and Hotline Delivery.

As Austin's industrial core faces oversupply, Lockhart's specialization in food logistics and cold-storage infrastructure positions it as a resilient, cost-efficient alternative. With growing investment, infrastructure, and workforce, the SH-130 corridor stands out as one of Central Texas's most compelling industrial growth zones.



Q3 2025

Market Overview

Vacancy Rate

13.70% FLEX: 12.5% ■ WAREHOUSE: 14.9% ▲

Q2 2025 FLEX: 12.5% | WAREHOUSE: 13.6%

Q3 2024 FLEX: 10.5% | WAREHOUSE: 9.1%

Avg. Gross Rent

\$18.70 FLEX ▲ **\$13.37** WAREHOUSE ▲

Q2 2025 FLEX: \$17.37 | WAREHOUSE: \$12.55

Q3 2024 FLEX: \$19.29 | WAREHOUSE: \$13.68

Deliveries

1,540,288 SF ▼

Q2 2025 4,648,646 SF | Q3 2024 539,150 SF

Under Construction

15,539,954 SF ▲

Q2 2025 9,325,789 SF | Q3 2024 17,844,468 SF

Net Absorption

-11,708 SF ▼

FLEX: -318,457 SF WAREHOUSE: 306,749 SF

Q2 2025 1,510,855 SF | Q3 2024 414,150 SF

AUSTIN ECONOMIC OVERVIEW

The Austin Business-Cycle Index, a broad measure of economic activity, grew an annualized .4 percent in July, faster than the 1.8 percent gain in June. Austin's unemployment rate remained at 3.4 percent in July, below the state and national rates of 4.0 and 4.2 percent, respectively. In July, the local labor force decreased an annualized 1.8 percent, while the state's declined 0.1 percent, and the nation's decreased 0.3 percent.

▼ AUSTIN IN THE NEWS

"Manulife Buys 180k SF Tesla-Occupied Industrial Building Near Samsung"
(AUSTIN BUSINESS JOURNAL, AUGUST 2025)

"Mac Haik Enterprises Planning to Bring 1.5M SF Industrial Park to Georgetown"
(AUSTIN BUSINESS JOURNAL, AUGUST 2025)

"Samsung and Tesla Agree on \$16B Deal for Chip Manufacturing at Taylor Factory"
(AUSTIN BUSINESS JOURNAL, SEPTEMBER 2025)

AUSTIN LABOR FORCE

1.8% ▼

BUSINESS CYCLE INDEX

.4% ▲

UNEMPLOYMENT

Austin 3.4% ▼
Texas 4.0%
US 4.2%

TOP INDUSTRIES

Education & Health Services up by

+1,600 Jobs ▲

Information up by

+800 Jobs ▲

Professional & Business services down by

-3,500 Jobs ▼

DEVELOPMENT OUTLOOK

SAMSUNG SEMICONDUCTOR PLANT | RR
2,800,000 SF
 Under Construction
 Samsung

CTX 110 BLDGS 1-4 | HAYS
893,699 SF
 Under Construction
 Lincoln Property Company

NEBRASKA FURNITURE MART | CP
700,000 SF
 Under Construction
 Great Lakes Capital

CELL 1 | E
696,093 SF
 Under Construction
 Tesla

HUTTO CROSSING - BLDGS 2-4 | E
662,379 SF
 Under Construction
 Velocis

BURLESON TECH - BLDGS A-D | SE
633,872 SF
 Under Construction
 Holt Lunsford Commercial Inc.

MUSTANG RIDGE BUSINESS PARK - BLDG 2 | SE
538,720 SF
 Under Construction
 Clay Development & Construction

AIRPARK 130 - BLDGS 1, 3, & 4 | SE
443,260 SF
 Under Construction
 Clarius Partners

GTX LOGISTICS PARK - BLDG 2 | GT
412,470 SF
 Under Construction
 EQT Exeter

SAN MARCOS BUSINESS PARK - BLDG C | HAYS
377,300 SF
 Under Construction
 St Clair Commercial Real Estate

PARK79 COMMERCE CENTER - BLDGS 1-3 | GT
362,191 SF
 Under Construction
 Quannah Partners

GTX LOGISTICS PARK - BLDGS 3-5 | GT
2,614,160 SF
 Proposed Construction
 EQT

FUSION 130 - BLDGS 1-9 | E
1,478,495 SF
 Proposed Construction
 Lovett Industrial, LLC

LAS COLINAS - BLDGS 1-5 | HAYS
1,100,000 SF
 Proposed Construction
 Aquila

5270 HWY 71 E (BTS) | SE
1,023,000 SF
 Proposed Construction
 St. Croix

LONE STAR LOGISTICS CENTER | CALDWELL
1,008,000 SF
 Proposed Construction
 Related Fund Management

HUTTO MEGA TECHCENTER - BLDGS 1-4 | GT
870,000 SF
 Proposed Construction
 Titan Development

12821 TITANIUM ST - BLDGS 1 & 2 | FNE
408,160 SF
 Recently Delivered
 Logistic Property Company

45 LOGISTICS SOUTH - PHASE I - BLDGS 2 & 3 | SE
389,304 SF
 Recently Delivered
 March Capital Management

THE HANGARS - BLDGS 3-9 | SE
217,286 SF
 Recently Delivered
 Hawkins Family Partners

CV LINENS | GT
149,500 SF
 Recently Delivered
 Springbrook Partners LP

SKYBOX DATACENTERS | FNE
148,500 SF
 Recently Delivered
 Prologis

MAJOR LEASES



TRANSPAK
 Manor Business Park, Bldg 8
 FAR NORTHEAST
 135,927 SF
 Direct



ZELLERFIELD SHOE COMPANY
 Tech Ridge, Bldg 5
 NORTHEAST
 135,442 SF
 Direct



SABEREX
 McNeil Industrial Park
 NORTHWEST
 82,664 SF
 Direct



BASE POWER
 305 S Congress Ave
 SOUTH
 80,000 SF
 Direct



AVRIDE
 Tuscany, Bldg 4
 NORTHEAST
 54,865 SF
 Direct



PATRIOT POWER
 Prologis Walnut Creek, Bldg 16
 NORTHEAST
 51,200 SF
 Direct



HILL COUNTRY FOODWORKS
 Lockhart Logistics
 CALDWELL COUNTY
 48,730 SF
 Direct



NATERA
 Parmer 7.3
 NORTHEAST
 48,505 SF
 Direct

KEY SALES



1205 Reed Dr

1205 Reed Drive

CALDWELL COUNTY
 283,332 SF

Buyer: Sensei AG
Seller: Evergen Equity
Price: Undisclosed
Price Per SF: Undisclosed



Taylor Logistics Park

781 FM 3349

WILLIAMSON COUNTY
 183,340 SF

Buyer: Manulife Financial Corporation
Seller: Partners
Price: \$32,174,336
Price Per SF: \$179.49



Manor Business Park

12420 Entrada Blvd

FAR NORTHEAST
 135,927 SF

Buyer: CapRidge Partners
Seller: TransPak
Price: \$26,233,911
Price Per SF: \$193.00



Expo Business Park, Bldg 1

6321 Stassney Lane

SOUTHEAST
 72,722 SF

Buyer: Apollo Global Management
Seller: Bridge Investment Group
Price: Undisclosed
Price Per SF: Undisclosed

INDUSTRIAL STATISTICS BY VACANCY

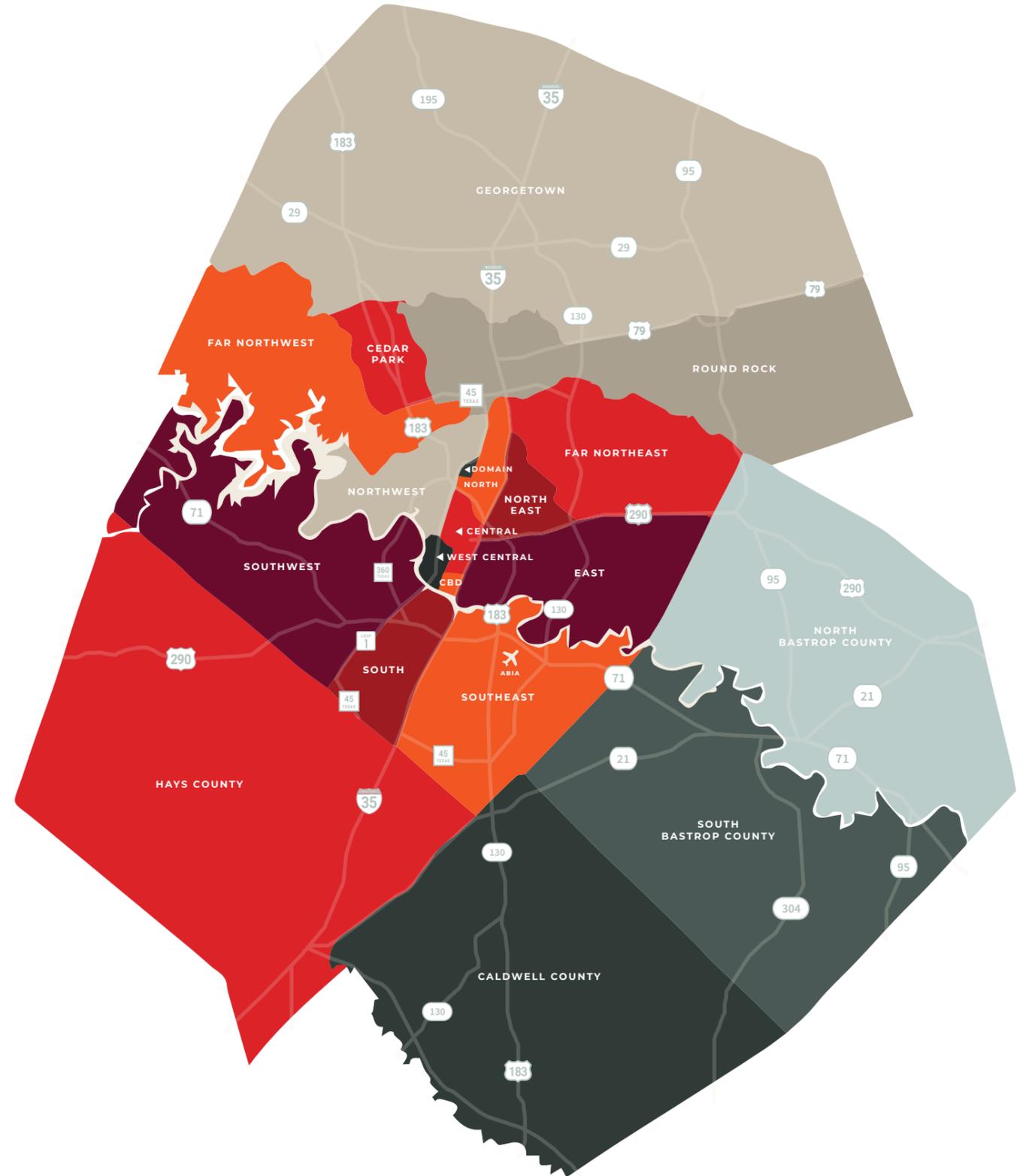
TOTAL WAREHOUSE

SUBMARKET	TOTAL INV. SF	VACANCY %	AVG. RENTAL RATES
▶ Austin MSA	90,991,794	14.9%	\$13.37
▶ Bastrop	776,070	3.5%	\$6.00
▶ Caldwell	902,925	19.0%	-
▶ Cedar Park	1,312,128	5.1%	\$16.50
▶ Central	909,094	2.9%	-
▶ East	6,178,400	36.5%	\$20.84
▶ Far Northeast	9,686,001	10.6%	\$14.82
▶ Far Northwest	556,056	1.5%	\$17.00
▶ Georgetown	12,457,179	22.9%	\$10.88
▶ Hays County	13,916,969	10.7%	\$12.86
▶ North	11,487,288	5.8%	\$13.68
▶ Northeast	7,254,286	14.3%	\$12.02
▶ Northwest	1,125,317	12.5%	-
▶ Round Rock	7,002,569	21.3%	\$14.56
▶ South	2,067,535	6.8%	\$14.57
▶ Southeast	14,434,475	13.2%	\$14.30
▶ Southwest	925,502	13.2%	\$15.86

TOTAL FLEX

SUBMARKET	TOTAL INV. SF	VACANCY %	AVG. RENTAL RATES
▶ Austin MSA	19,272,860	12.5%	\$18.70
▶ Bastrop	56,525	0%	-
▶ Caldwell	30,150	0%	-
▶ Cedar Park	793,506	4.3%	-
▶ Central	616,157	11.4%	\$12.00
▶ East	1,376,416	4.3%	-
▶ Far Northeast	407,812	11.7%	\$19.60
▶ Far Northwest	194,870	22.5%	\$17.60
▶ Georgetown	754,517	30.7%	\$19.51
▶ Hays County	588,760	9.4%	\$27.38
▶ North	4,015,386	13.7%	\$21.16
▶ Northeast	2,996,692	13.1%	\$17.20
▶ Northwest	1,732,675	7.0%	\$20.00
▶ Round Rock	1,229,728	12.1%	\$15.54
▶ South	571,060	13.8%	\$17.07
▶ Southeast	3,384,253	14.4%	-
▶ Southwest	524,353	11.2%	\$21.23

AUSTIN SUBMARKET MAP



*Research information is sourced from CoStar data compiled through ECR from custom reports using existing, non-owner occupied properties above 10,000 SF.

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