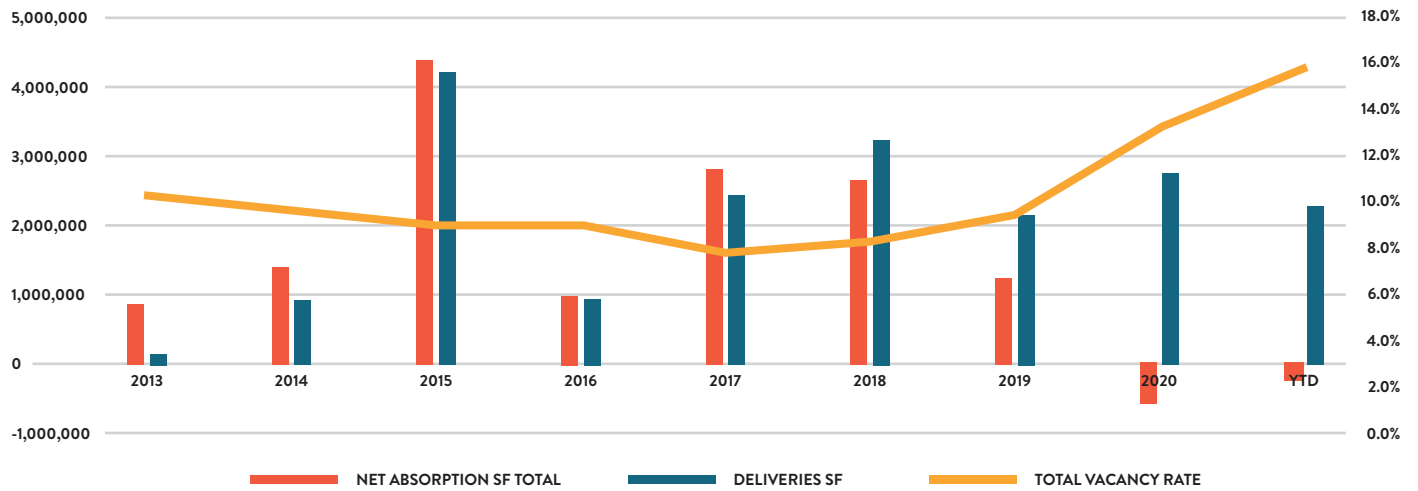


AUSTIN OFFICE MARKET FUNDAMENTALS 2Q21



	TOTAL VACANCY	SUBLEASE SPACE	NET ABSORPTION	COMPLETIONS	UNDER CONSTRUCTION	AVERAGE ASKING RATES
1Q21	14.6%	3,807,593 SF	-458,782 SF	1,216,839 SF	7,064,927 SF	\$38.39
2Q21	15.4%	3,094,028 SF	176,036 SF	1,048,259 SF	6,607,752 SF	\$40.27

OFFICE MARKET CONDITIONS

After four quarters of negative absorption, demand turned positive in the second quarter of 2021 with 176,036 square feet recorded. This brings the year-to-date total to a negative 282,746 square feet. In comparison to 2020, 688,417 square feet of negative absorption was recorded, with all negative absorption attributed to vacant sublease space. Class A net absorption has been positive throughout 2021, while both Class B and Class C were negative at 600,825 and 28,654 square feet, respectively.

Even with the recent positive net absorption, the total vacancy rate increased significantly over the past quarter due to over 2.2 million square feet of new deliveries in the first half of 2021. With another 6.6 million square feet underway, the total vacancy rate is expected to increase throughout 2021.

Even with the higher vacancy rate, average asking rates have held firm and increased for most submarkets. Overall, the total weighted average asking rate is \$40.27 (FSG), which is up \$1.96 from the end of 2020.

AUSTIN OFFICE MARKET FUNDAMENTALS 2Q21

SELECT SUBMARKETS	INVENTORY		VACANCY		NET ABSORPTION		COMPLETIONS		UNDER CONSTRUCTION	ASKING RENT
	# of Bldgs.	Total SF	Total SF	Rate	Current Quarter	YTD	Current Quarter	YTD	At End of Current Quarter	Wtd. Avg. (FS/G)
Bastrop County	4	80,663	29,132	36.1%	0	0	0	0	0	\$24.00
CBD	129	17,288,202	2,860,437	16.5%	267,992	331,409	960,609	1,521,493	1,857,472	\$55.65
Cedar Park	22	1,039,437	104,193	10.0%	52,275	46,924	0	0	188,181	\$31.97
Central	85	4,512,455	646,461	14.3%	-9,313	-44,862	0	171,306	250,000	\$34.69
East	74	5,443,521	1,518,332	27.9%	26,165	19,207	0	237,097	1,543,544	\$44.76
Far Northeast	6	253,231	0	0.0%	0	0	0	0	0	\$18.00
Far Northwest	44	4,572,804	510,251	11.2%	-57,255	-63,091	0	0	951,722	\$31.34
Georgetown	21	588,579	54,276	9.2%	15,845	6,005	0	22,400	30,000	\$25.35
Hays County	18	650,498	69,875	10.7%	-951	11,840	0	0	45,000	\$21.84
North	95	8,953,155	753,834	8.4%	53,743	-83,940	0	0	753,311	\$37.91
Northeast	61	5,044,171	726,085	14.4%	-77,030	141,112	0	0	86,300	\$23.89
Northwest	228	16,130,337	3,663,863	22.7%	-63,139	-422,472	0	0	0	\$35.14
Round Rock	56	3,596,847	332,670	9.2%	30,033	-85,641	20,000	115,000	86,300	\$30.09
South	87	4,666,175	662,269	14.2%	4,591	23,953	0	0	401,506	\$41.14
Southeast	46	5,401,333	333,695	6.2%	9,412	-2,221	67,650	67,650	135,250	\$33.51
Southwest	198	12,586,447	1,694,501	13.5%	-61,132	-209,722	0	130,152	124,081	\$38.57
West Central	17	1,064,820	167,459	15.7%	-15,200	48,753	0	0	155,085	\$44.94
TOTAL	1,191	91,872,675	14,127,333	15.4%	176,036	-282,746	1,048,259	2,265,098	6,607,752	\$40.27
CLASS A	333	46,286,885	7,209,250	15.6%	265,898	346,733	998,259	1,953,266	6,086,545	\$45.02
CLASS B	719	39,142,982	6,588,911	16.8%	-101,688	-600,825	50,000	311,832	406,207	\$33.51
CLASS C	139	6,442,808	329,172	5.1%	11,826	-28,654	0	0	115,000	\$26.50
TOTAL AUSTIN	1,191	91,872,675	14,127,333	15.4%	176,036	-282,746	1,048,259	2,265,098	6,607,752	\$40.27