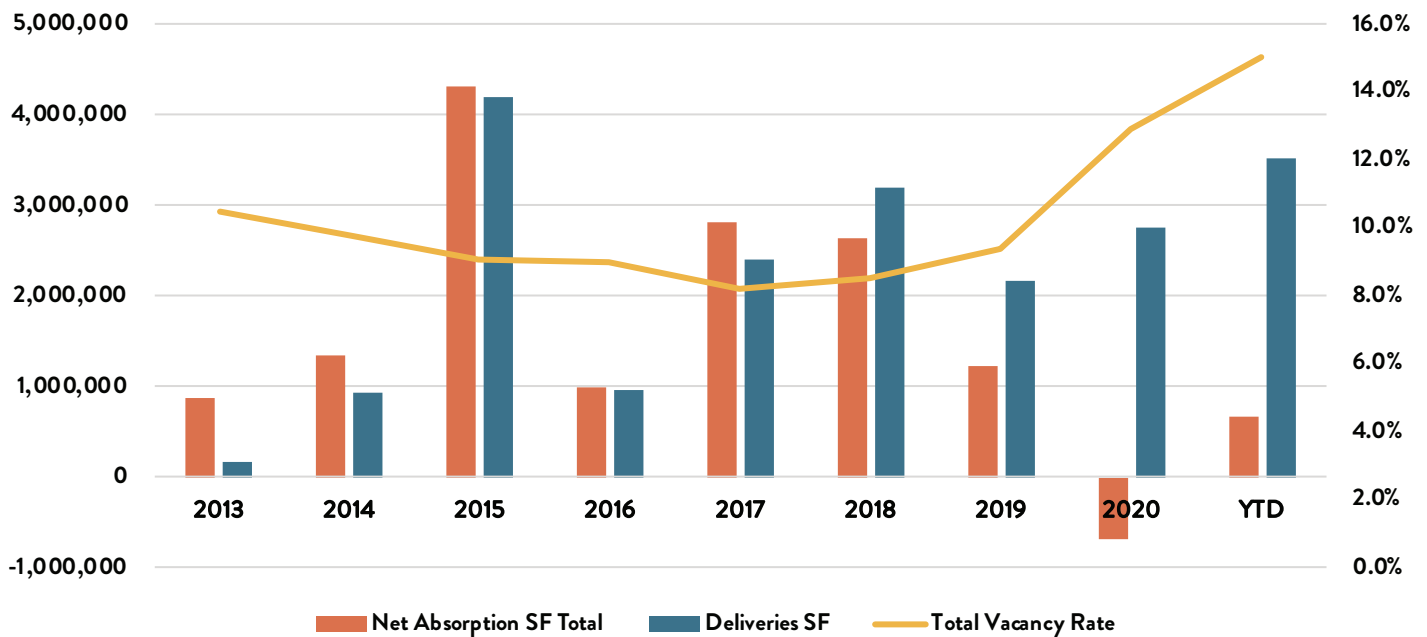


AUSTIN OFFICE MARKET FUNDAMENTALS 3Q21



	TOTAL VACANCY	SUBLEASE SPACE	NET ABSORPTION	COMPLETIONS	UNDER CONSTRUCTION	AVERAGE ASKING RATES (FSG)
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
3Q21	15.0%	2,653,360 SF	955,610 SF	1,273,073 SF	5,889,276 SF	\$40.40

OFFICE MARKET CONDITIONS

Strong net absorption in new construction moved the year-to-date net absorption into positive territory. Almost one million square feet were absorbed in the third quarter, bringing the total net absorption year-to-date to a positive 672,864 square feet. With this strong demand, the total vacancy rate moved lower to 15%. Class A net absorption has been positive throughout 2021 with 1,208,559 square feet, while both Class B and Class C were negative at 511,826 and 23,869 square feet, respectively.

Average asking rates have held firm and increased for most submarkets over the past few quarters. Overall, the total weighted average asking rate is \$40.40 (FSG), which is up \$2.09 from the end of 2020.

AUSTIN OFFICE MARKET FUNDAMENTALS 3Q21

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. (FSG)
Bastrop County	4	80,663	2,765	3.40%	26,367	26,367	0	0	0	\$24.00
CBD	132	17,706,420	2,772,274	15.70%	321,270	652,679	455,726	1,977,219	1,632,335	\$57.08
Cedar Park	24	1,173,734	116,194	9.90%	-12,001	34,923	0	0	234,520	\$32.47
Central	86	4,767,112	591,403	12.40%	60,510	15,648	158,452	329,758	91,548	\$34.52
East	75	5,827,905	1,524,817	26.20%	434,065	453,272	441,021	678,118	1353350	\$44.83
Far Northeast	7	270,414	0	0.00%	0	0	17,183	17,183	0	\$18.00
Far Northwest	45	4,589,614	517,291	11.30%	2,546	-60,545	16,810	16,810	934,912	\$31.74
Georgetown	22	631,223	33,832	5.40%	796	6,801	0	22,400	52,408	\$25.73
Hays County	18	650,498	75,791	11.70%	-7,169	4,671	0	0	45,000	\$21.86
North	95	9,145,660	1,045,711	11.40%	-115,398	-199,338	0	0	724,511	\$37.51
Northeast	61	5,042,497	671,460	13.30%	34,514	175,626	0	0	86,300	\$25.00
Northwest	227	16,107,522	3,415,259	21.20%	225,869	-196,603	0	0	0	\$34.71
Round Rock	57	3,620,647	312,091	8.60%	45,319	-40,322	23,800	138,800	47,446	\$30.58
South	88	5,028,857	647,231	12.90%	23,860	47,813	0	0	380,611	\$41.14
Southeast	47	5,584,162	335,006	6.00%	-3,311	-5,532	0	67,650	135,250	\$32.91
Southwest	199	12,703,321	1,891,458	14.90%	-117,826	-327,548	124,081	254,233	16,000	\$38.39
West Central	17	1,064,859	122,600	11.50%	36,199	84,952	0	0	155,085	\$45.50
TOTAL	1,204	93,995,108	14,075,183	15.00%	955,610	672,864	1,237,073	3,502,171	5,889,276	\$40.40
CLASS A	335	47,207,184	6,957,261	14.70%	861,826	1,208,559	1,196,463	3,149,729	5,429,966	\$45.04
CLASS B	729	40,339,746	6,799,947	16.90%	88,999	-511,826	40,610	352,442	298,010	\$33.67
CLASS C	140	6,448,178	317,975	4.90%	4,785	-23,869	0	0	161,300	\$26.50
TOTAL AUSTIN	1,204	93,995,108	14,075,183	15.00%	955,610	672,864	1,237,073	3,502,171	5,889,276	\$40.40