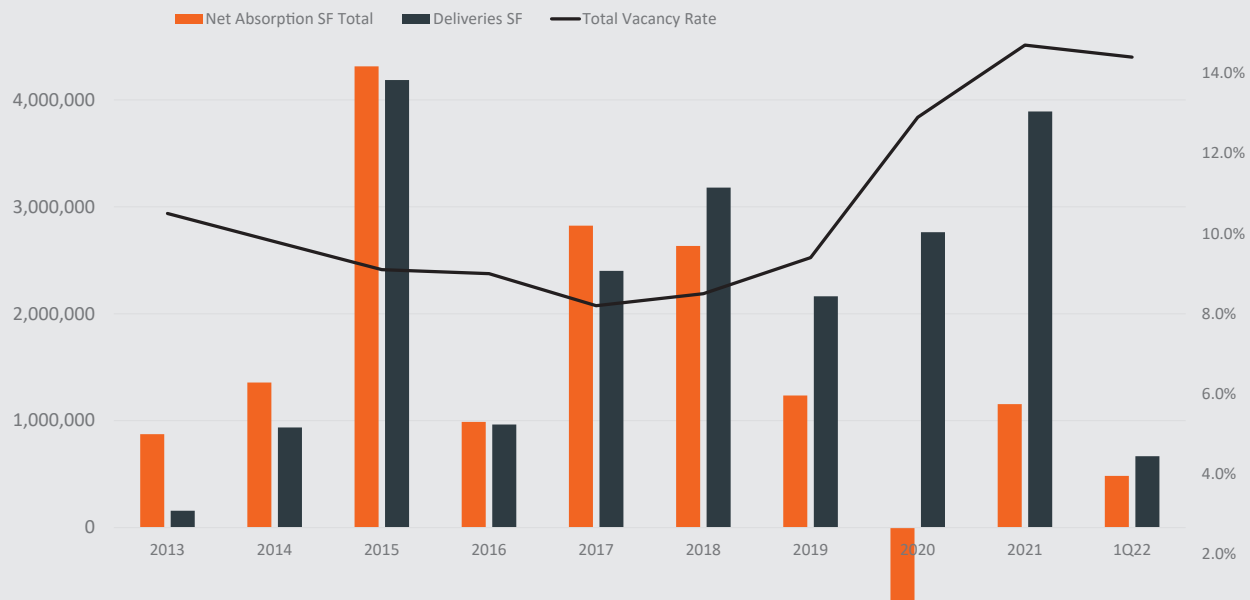


Austin Office Market FUNDAMENTALS 1Q 2022



Office Market Conditions

	TOTAL VACANCY	SUBLEASE SPACE	NET ABSORPTION	COMPLETIONS	UNDER CONSTRUCTION	AVERAGE ASKING RATES
1Q21	14.6%	3,807,593	-458,782	1,216,839	7,064,927	\$38.39
2Q21	15.4%	3,094,028	176,036	1,048,259	6,607,752	\$40.27
3Q21	15.0%	2,653,360	955,610	1,273,073	5,889,276	\$40.40
4Q21	14.7%	2,757,936	481,847	389,798	6,887,705	\$40.60
2021 YEAR-END	14.7%	2,757,936	1,154,711	3,891,969	6,887,705	\$40.60
1Q22	14.4%	2,314,606	482,989	667,307	7,329,191	\$40.43

Growing technology companies and relocations have resulted in strong demand for office space in Austin over the past year, with four consecutive quarters of positive net absorption. In the first quarter, almost half a million square feet of space was absorbed, 482,989 square feet. The positive net absorption was made up almost entirely of Class A properties, both Class B and Class C were flat in regard to demand. As a result, Class A asking rates increased but Class B and Class C decreased over the past quarter. The elevated construction pipeline of 7.3 million square feet points to flat or slightly increasing vacancy over the next few quarters as pre-leasing of the construction pipeline is currently 59%.

Austin Office Submarket Market

SUBMARKET	INVENTORY		VACANCY		NET ABSORPTION SF		COMPLETIONS		UNDER CONSTRUCTION	ASKING RENT
	# OF BLDGS	TOTAL SF	TOTAL SF	RATE	CURRENT QTR	YTD	CUR-RENT QTR	YTD	AT END OF CURRENT QTR	WTD. AVG. (FS/G)
BASTROP COUNTY	6	151,663	10,900	7.2%	-2,928	-2,928	0	0	0	\$27.69
CBD	136	18,399,711	2,744,820	14.9%	140,631	140,631	45,000	45,000	2,744,727	\$57.78
CEDAR PARK	39	1,789,033	200,339	11.2%	-39,586	-39,586	0	0	223,339	\$32.27
CENTRAL	100	5,377,107	723,862	13.5%	38,096	38,096	0	0	91,548	\$34.54
EAST	81	6,500,523	1,464,050	22.5%	205,222	205,222	0	0	1221887	\$45.42
FAR NORTHEAST	13	513,758	25,224	4.9%	7,026	7,026	15,000	15,000	60,000	\$31.33
FAR NORTHWEST	50	4,812,387	390,919	8.1%	85,501	85,501	0	0	812,488	\$31.41
GEORGETOWN	33	1,340,741	105,868	7.9%	44,619	44,619	0	0	111,110	\$30.11
HAYS COUNTY	37	1,227,551	136,408	11.1%	59,286	59,286	0	0	19,472	\$29.62
NORTH	107	10,013,795	1,060,163	10.6%	-76,053	-76,053	59,446	59,446	1,039,804	\$40.19
NORTHEAST	64	5,219,699	594,116	11.4%	44,203	44,203	0	0	569,193	\$24.87
NORTHWEST	251	17,272,051	3,553,646	20.6%	-39,636	-39,636	0	0	0	\$34.85
ROUND ROCK	82	4,665,186	167,141	3.6%	27,579	27,579	0	0	62,270	\$29.67
SOUTH	101	4,989,886	826,298	16.6%	135,449	135,449	350,611	350,611	240,596	\$37.98
SOUTHEAST	50	5,932,336	558,333	9.4%	-49,151	-49,151	135,250	135,250	0	\$32.74
SOUTHWEST	230	14,031,780	2,314,523	16.5%	-158,318	-158,318	16,000	16,000	132,757	\$38.68
WEST CENTRAL	31	1,894,876	133,373	7.0%	61,049	61,049	46,000	46,000	0	\$43.29
TOTAL	1,411	104,132,083	5,009,983	14.4%	482,989	482,989	667,307	667,307	7,329,191	\$40.43
CLASS A	364	49,942,339	7,212,594	14.4%	484,480	484,480	396,611	396,611	6,913,733	\$45.94
CLASS B	889	46,877,226	7,519,580	16.0%	-2,578	-2,578	270,696	270,696	415,428	\$33.15
CLASS C	158	7,312,518	277,809	3.8%	1,087	1,087	0	0	0	\$29.40
TOTAL AUSTIN	1,411	104,132,083	5,009,983	14.4%	482,989	482,989	667,307	667,307	7,329,161	\$40.43