

AUSTIN OFFICE MARKET WATCH

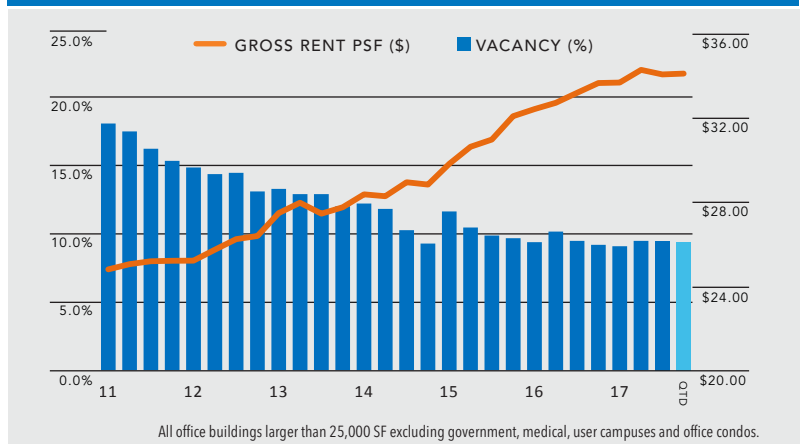
OCTOBER 2017



Recent Office Leases

- **Far Northwest :: Sailpoint (prelease)**
170,000 SF at Four Points Centre III (u/c)
- **Northwest :: Sonic Healthcare**
14,656 SF at Riata Corporate Park
- **Northeast :: 3M (prelease)**
191,430 SF at Parmer 3.3 (u/c)
- **North :: Magento**
21,874 SF at Domain 3

OFFICE LEASE STATISTICS :: VACANCY & RENTAL RATE



Recent Office Sales

- **SW & FNW :: Brandywine/DRA Portfolio**
5 Office Parks totaling 1,164,255 SF, incl:
7000 West I-II, Cielo Center, Crossings I-II,
Encino Trace I-II, Park on Barton Creek 1-2
Buyer: Starwood Capital
Seller: Brandywine JV DRA Advisors

Office Sales Statistics

	AUSTIN TRAILING 12 MO.	AUSTIN Q3 2017	AUSTIN QUARTER TO DATE	U.S. TRAILING 12 MO.	U.S. Q3 2017
Volume (\$ Mil)	\$2,396.8	\$268.7	\$333.3	\$134,525.9	\$27,507.2
No. of Properties	64	12	5	5,793	1,321
Total SF	7,952,075	702,941	1,164,255	561,171,818	124,524,167
Average Price/SF	\$296	\$458	\$286	\$245	\$231
Average Cap Rate (Yield)	6.6%	6.1%	6.9%	6.7%	6.5%

SOURCE: Real Capital Analytics

Monthly Office Lease Statistics By Submarket

SUBMARKET	NO. OF BLDGS	INVENTORY	YTD NET ABSORPTION	YTD LEASING ACTIVITY	DIRECT OCCUP.	TOTAL OCCUP.	CLASS A NET RENT	CLASS B NET RENT	CLASS C NET RENT	AVE NET RENT
CBD	86	13,091,529	422,085	721,338	91.5%	90.5%	\$40.09	\$29.47	\$23.50	\$35.85
Central & West Central	80	5,459,728	57,543	182,058	95.8%	95.4%	\$30.64	\$19.32	\$17.45	\$21.85
North	67	7,046,571	368,020	543,880	93.3%	92.6%	\$30.87	\$19.19	\$14.61	\$22.91
Northeast & East	73	6,048,882	322,696	503,929	83.5%	82.9%	\$31.22	\$19.00	\$15.20	\$20.62
Northwest & Far NW	217	17,045,220	113,581	648,420	92.2%	90.6%	\$23.82	\$20.21	\$15.85	\$22.00
Round Rock & Cedar Park	46	2,970,523	113,104	131,086	91.5%	90.6%	\$22.40	\$18.39	\$17.63	\$19.85
South	41	2,835,600	6,630	177,384	93.5%	93.1%	\$31.59	\$23.55	\$19.50	\$24.66
Southeast	22	2,394,577	(37,952)	632,590	87.7%	87.7%	\$18.50	\$16.55	\$16.08	\$16.53
Southwest	135	11,404,345	497,598	932,694	92.0%	89.4%	\$27.11	\$24.03	\$17.55	\$26.15
AUSTIN	767	68,296,975	1,863,305	4,473,379	91.5%	90.3%	\$30.36	\$20.93	\$17.43	\$25.14

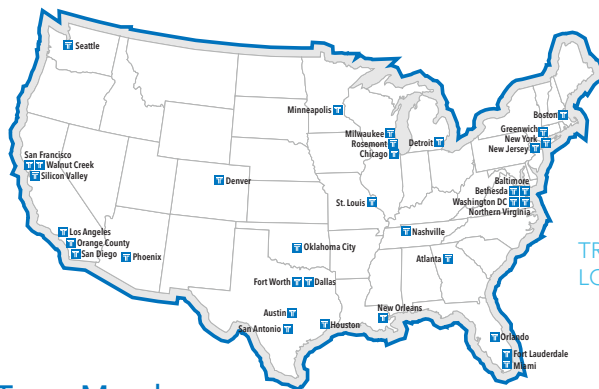
SOURCE: Transwestern, CoStar

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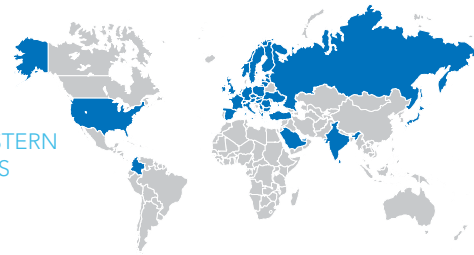
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METHODOLOGY

The information in this report is the result of a compilation of information on office properties located in the Austin metropolitan area. This report includes single-tenant and multi-tenant properties 25,000 SF and larger, excluding condo and medical office facilities and those properties owned and occupied by a government agency. Unless otherwise stated, the statistics in this report are monthly, meaning they reflect a 'snapshot in time' and are not cumulative. *Net Absorption* refers to the change in vacant space. *Gross Leasing Activity* refers to the change in available space, including renewals, new leases, expansions and subleases.



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