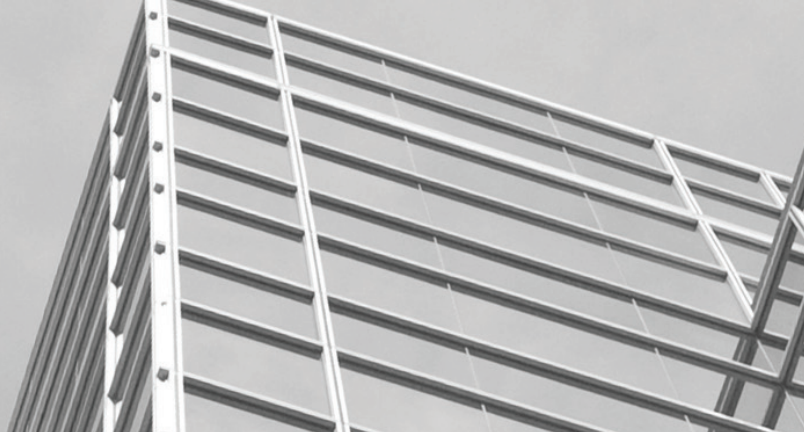


AUSTIN OFFICE MARKET WATCH

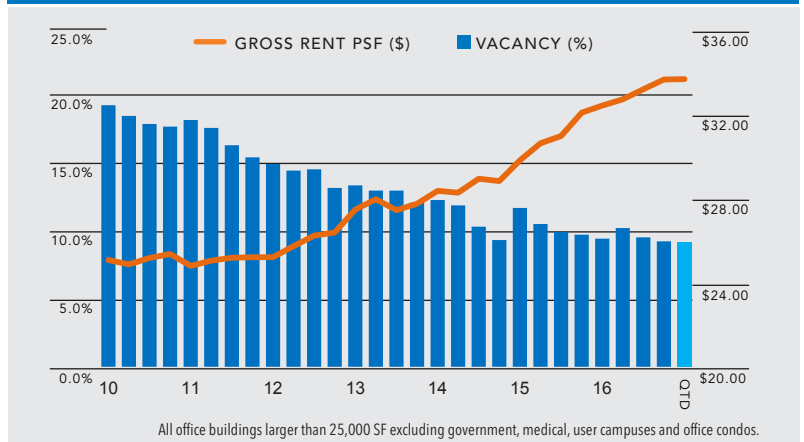
FEBRUARY 2017



Recent Office Leases

- **Northwest :: CDK Global (renew)**
24,218 SF at Park Centre
- **Far Northwest :: Oracle, Inc.**
60,562 SF at Amber Oaks F
- **Northwest :: Regus (renew)**
21,265 SF at Great Hills Plaza
- **North :: Sachem Inc. (renew)**
12,238 SF at Austin Oaks - Travis Building

OFFICE LEASE STATISTICS :: VACANCY & RENTAL RATE



Recent Office Sales

- **Far Northwest :: Riata Crossing 1-4**
12535-12555 Riata Vista Circle
4 value office buildings totaling 324,963 SF
Buyer: DivcoWest Real Estate
Seller: Karlin Real Estate

Office Sales Statistics

| | AUSTIN TRAILING 12 MO. | AUSTIN Q4 2016 | AUSTIN QUARTER TO DATE | U.S. TRAILING 12 MO. | U.S. Q4 2016 |
|--------------------------|------------------------|----------------|------------------------|----------------------|--------------|
| Volume (\$ Mil) | \$2,363.8 | \$1,012.1 | \$120.0 | \$140,661.9 | \$39,970.5 |
| No. of Properties | 73 | 22 | 4 | 5,321 | 1,408 |
| Total SF | 8,153,947 | 3,341,597 | 441,405 | 575,222,774 | 159,926,722 |
| Average Price/SF | \$278 | \$219 | N/A | \$257 | \$267 |
| Average Cap Rate (Yield) | 6.5% | 6.7% | N/A | 6.6% | 6.7% |

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 | 83 | 12,225,163 | (155,821) | 72,159 | 94.0% | 93.3% | \$34.77 | \$28.01 | \$26.16 | \$32.21 |
| Central & West Central | 78 | 5,380,677 | 43,591 | 25,443 | 95.6% | 95.3% | \$30.68 | \$21.28 | \$20.08 | \$23.46 |
| North | 66 | 6,747,957 | (13,719) | 8,514 | 92.2% | 91.5% | \$27.19 | \$19.56 | \$13.50 | \$21.90 |
| Northeast & East | 71 | 6,050,151 | 242,952 | 2,163 | 87.5% | 87.4% | \$25.99 | \$16.45 | \$13.28 | \$17.69 |
| Northwest & Far NW | 214 | 16,787,701 | (106,166) | 61,740 | 92.2% | 90.8% | \$23.30 | \$19.80 | \$17.73 | \$21.69 |
| Round Rock & Cedar Park | 44 | 2,888,292 | (6,808) | 5,547 | 83.6% | 83.5% | \$21.27 | \$18.29 | \$14.69 | \$19.10 |
| South | 41 | 2,821,097 | (66,979) | 8,596 | 92.3% | 92.0% | \$22.73 | \$19.40 | \$17.74 | \$19.86 |
| Southeast | 20 | 2,271,626 | (885) | 553,278 | 90.0% | 89.9% | N/A | \$16.53 | \$14.58 | \$16.04 |
| Southwest | 130 | 11,010,738 | 90,629 | 128,492 | 92.0% | 88.6% | \$25.31 | \$20.94 | \$18.00 | \$24.07 |
| AUSTIN | 747 | 66,183,402 | 26,794 | 865,932 | 91.9% | 90.7% | \$27.47 | \$20.10 | \$18.04 | \$23.45 |

SOURCE: Transwestern, CoStar

AUSTIN OFFICE MARKET WATCH

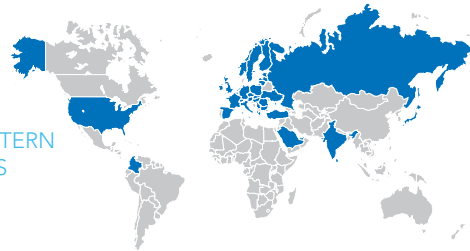
FEBRUARY 2017

About Transwestern

Transwestern is a privately held, SSAE 16 compliant commercial real estate firm specializing in agency leasing, property and facilities management, tenant advisory, capital markets, research and sustainability. The fully integrated global enterprise leverages competencies in office, industrial, retail, multifamily and healthcare properties to add value for investors, owners and occupiers of real estate. As a member of the Transwestern family of companies, the firm capitalizes on market insights and operational expertise of independent affiliates specializing in development, real estate investment management and research. Based in Houston, Transwestern has 34 U.S. offices and assists clients through more than 180 offices in 40 countries as part of a strategic alliance with Paris-based BNP Paribas Real Estate. For more information, please visit transwestern.com/austin and follow us on Twitter: @TranswesternATX.



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Austin Team Members

| | | | |
|---|---------------------------------------|----------------|---------------------------------|
| Ty Puckett, Executive Vice President | Development & Investment Sales | (512) 314.3572 | ty.puckett@transwestern.com |
| Hale Umstadd, Executive Managing Director | Investment Sales & Corp. Services | (512) 314.3551 | hale.umstadd@transwestern.com |
| Leah Gallagher, Managing Director | Investment Sales | (512) 314.3571 | leah.gallagher@transwestern.com |
| Jeff Rogers, Managing Director | Investment Sales - Multifamily | (512) 314.5207 | jeff.rogers@transwestern.com |
| Chris Stutzman, Managing Director | Investment Sales - Multifamily | (512) 314.5203 | chris.stutzman@transwestern.com |
| Mike Brown, Senior Vice President | Agency Leasing & Business Development | (512) 314.3552 | mike.brown@transwestern.com |
| Britt Reed, Senior Vice President | Tenant Advisory | (512) 314.3577 | britt.reed@transwestern.com |
| Greg Johnson, Vice President | Agency Leasing | (512) 314.3570 | greg.johnson@transwestern.com |
| Luke Wheeler, Vice President | Agency Leasing & Tenant Advisory | (512) 314.3553 | luke.wheeler@transwestern.com |
| Will Stewart, Vice President | Agency Leasing & Tenant Advisory | (512) 314.3574 | will.stewart@transwestern.com |
| Brandon Lester, Vice President | Agency Leasing & Tenant Advisory | (512) 314.3576 | brandon.lester@transwestern.com |
| Stayton Wright, Vice President | Tenant Advisory | (512) 314.5205 | stayton.wright@transwestern.com |
| Josh Delk, Vice President | Development & Investment Sales | (512) 314.3557 | josh.delk@transwestern.com |
| Tracy Fike, Associate | Tenant Advisory & Agency Leasing | (512) 314.5215 | tracy.fike@transwestern.com |
| Robert Gaston, Executive Vice President | Southwest Regional Leader | (512) 314.3554 | robert.gaston@transwestern.com |
| Karen Judson, Vice President | Marketing & Research | (512) 314.3560 | karen.judson@transwestern.com |

CONTACT

Karen Judson
Vice President
512.328.5600
karen.judson@transwestern.com

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.



901 S MoPac Expressway, Suite 4-250
Austin, Texas 78746

T 512.328.5600 F 512.328.9309
www.transwestern.com/austin