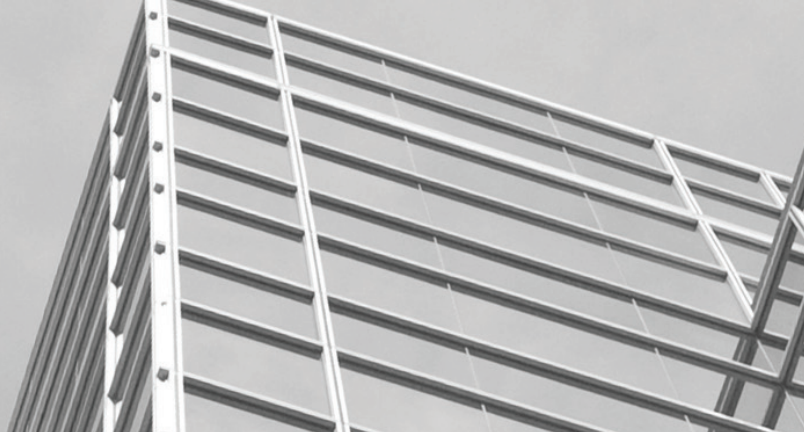


AUSTIN OFFICE MARKET WATCH

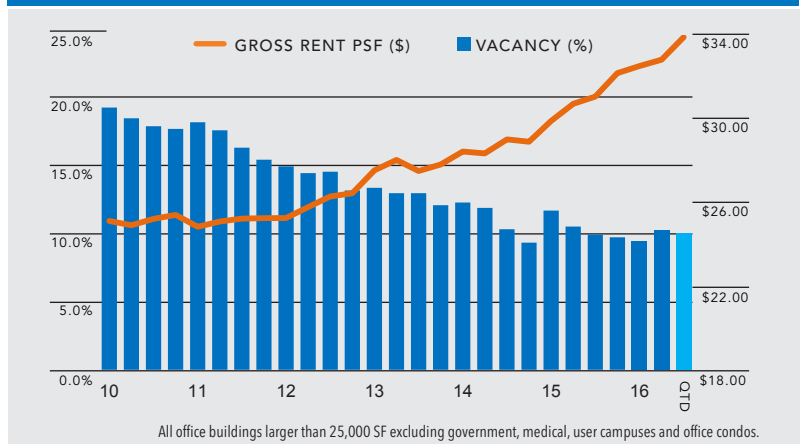
JULY 2016



Recent Office Leases

- **Southwest :: Samsung**
101,596 SF at 3900 San Clemente
- **Far Northwest :: MobileIron (expansion)**
15,018 SF at Riata Corporate Park
- **CBD :: Indeed.com**
38,174 SF at 5th + Colorado
- **Cedar Park :: Austin Regional Clinic**
20,287 SF at Cedar Park Medical Plaza C

OFFICE LEASE STATISTICS :: VACANCY & RENTAL RATE



Recent Office Sales

- **Northwest :: Champion Office Park I & II**
2 Class A office buildings totaling 221,136 SF
Buyer: Menlo Capital
Seller: Granite Properties

Office Sales Statistics

| | AUSTIN TRAILING 12 MO. | AUSTIN Q2 2016 | AUSTIN QUARTER TO DATE | U.S. TRAILING 12 MO. | U.S. Q2 2016 |
|--------------------------|------------------------|----------------|------------------------|----------------------|--------------|
| Volume (\$ Mil) | \$1,578.4 | \$315.0 | \$0 | \$133,138.7 | \$25,086.0 |
| No. of Properties | 51 | 11 | 0 | 5,223 | 799 |
| Total SF | 6,062,520 | 1,232,202 | 0 | 571,233,956 | 89,176,245 |
| Average Price/SF | \$312 | \$353 | N/A | \$257 | \$311 |
| Average Cap Rate (Yield) | 6.4% | 6.5% | N/A | 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 | 82 | 12,285,062 | (61,719) | 381,735 | 93.2% | 92.6% | \$34.14 | \$27.54 | \$20.96 | \$31.30 |
| Central & West Central | 76 | 5,385,288 | 182,927 | 313,369 | 94.1% | 94.0% | \$24.29 | \$18.84 | \$15.39 | \$19.50 |
| North | 67 | 6,822,144 | (263,553) | 224,909 | 88.3% | 87.3% | \$27.33 | \$20.23 | \$13.00 | \$22.36 |
| Northeast & East | 68 | 5,503,889 | 29,848 | 45,286 | 84.3% | 84.3% | \$20.07 | \$14.32 | \$13.75 | \$15.23 |
| Northwest & Far NW | 212 | 16,787,502 | 243,028 | 789,289 | 92.3% | 91.3% | \$22.12 | \$19.52 | \$17.29 | \$20.87 |
| Round Rock & Cedar Park | 41 | 2,772,033 | 128,100 | 79,928 | 84.5% | 83.8% | \$19.62 | \$18.50 | \$14.53 | \$18.57 |
| South | 41 | 2,821,097 | (32,824) | 47,793 | 96.6% | 96.6% | \$22.92 | \$20.45 | \$14.00 | \$19.55 |
| Southeast | 20 | 2,267,598 | (13,675) | 225,439 | 80.1% | 80.1% | N/A | \$18.00 | \$12.96 | \$16.74 |
| Southwest | 130 | 11,126,545 | 100,469 | 403,875 | 91.0% | 88.7% | \$25.00 | \$20.05 | \$19.79 | \$23.66 |
| AUSTIN | 737 | 65,771,158 | 312,601 | 2,511,623 | 90.7% | 89.9% | \$26.56 | \$19.55 | \$15.74 | \$22.57 |

SOURCE: Transwestern, CoStar

AUSTIN OFFICE MARKET WATCH

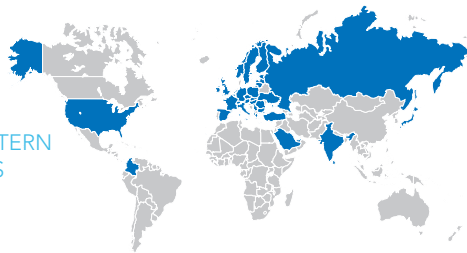
JULY 2016

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. Transwestern has 34 U.S. offices and assists clients through more than 181 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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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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