

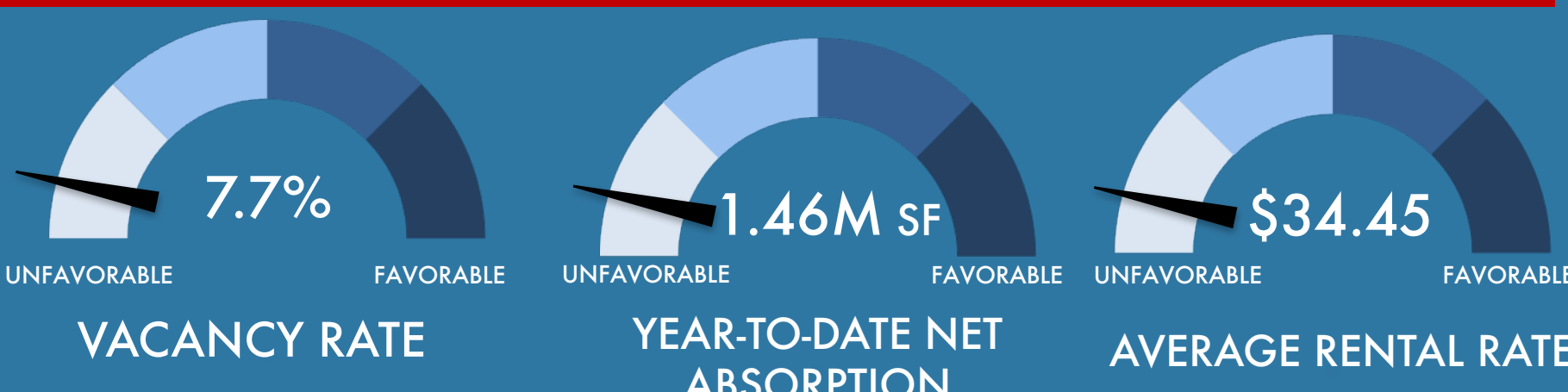
# 2018 Q4 + YEAR-END REVIEW

## AUSTIN MARKET + COMMERCIAL REAL ESTATE REPORT

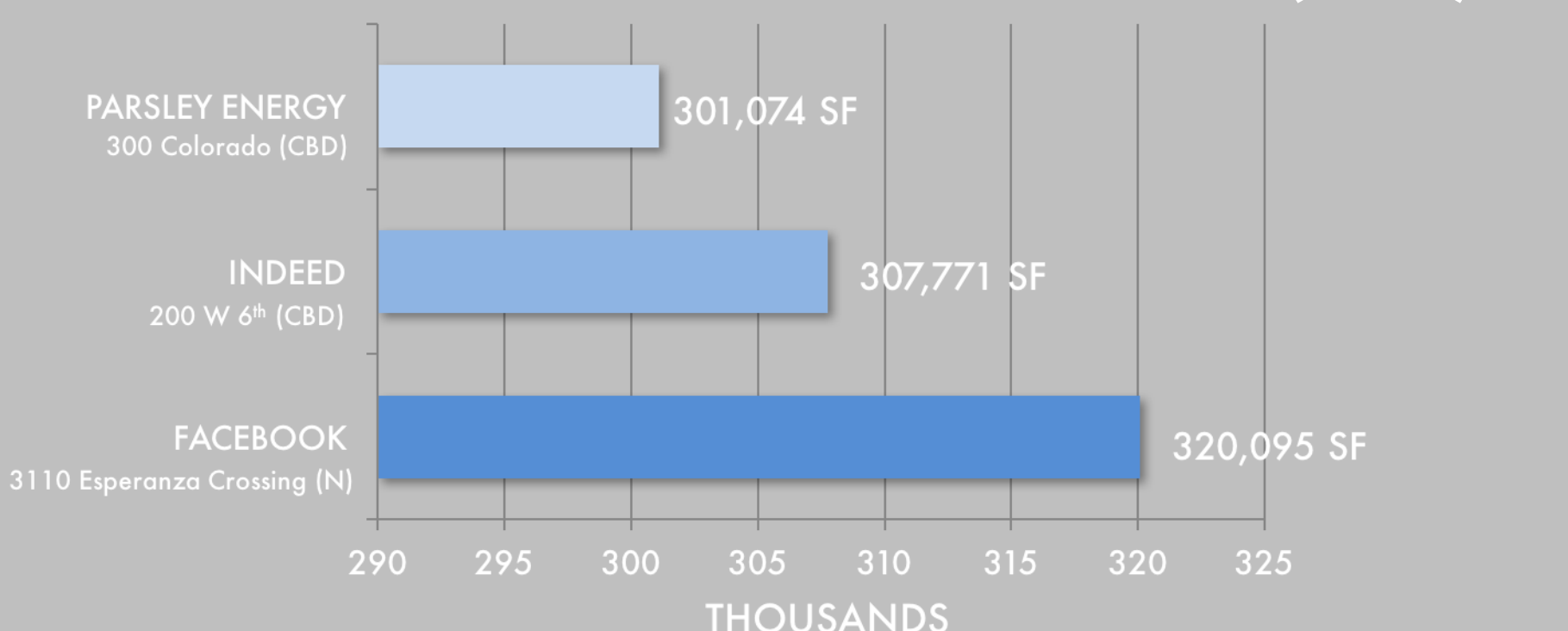
### TENANT AND BUYER UPDATE

Rental rates have continued to increase with average rates at \$34.45 per SF at fiscal year end. The Austin office market ended the fourth quarter 2018 with a vacancy rate of 7.7%, down slightly over the previous quarter, with net absorption totaling positive 1,416,655 square feet. Vacant sublease space decreased in the quarter, ending at 726,017 SF. What this means for tenants is an ever tightening market that continues to put upward pressure on rates as demand out paces supply. Even with all the construction cranes in our skyline, the expansion of large corporate users is gobbling up these new buildings often before they open the doors. Tenants can still find deals in the sublease market. Austin tenants looking to buy their own building or condo to occupy have limited supply to choose from and nice owner/user properties are typically selling for 5.5% - 7.0% cap rates based on the market rental rate for the area. We always recommend starting your search early to get the best results.

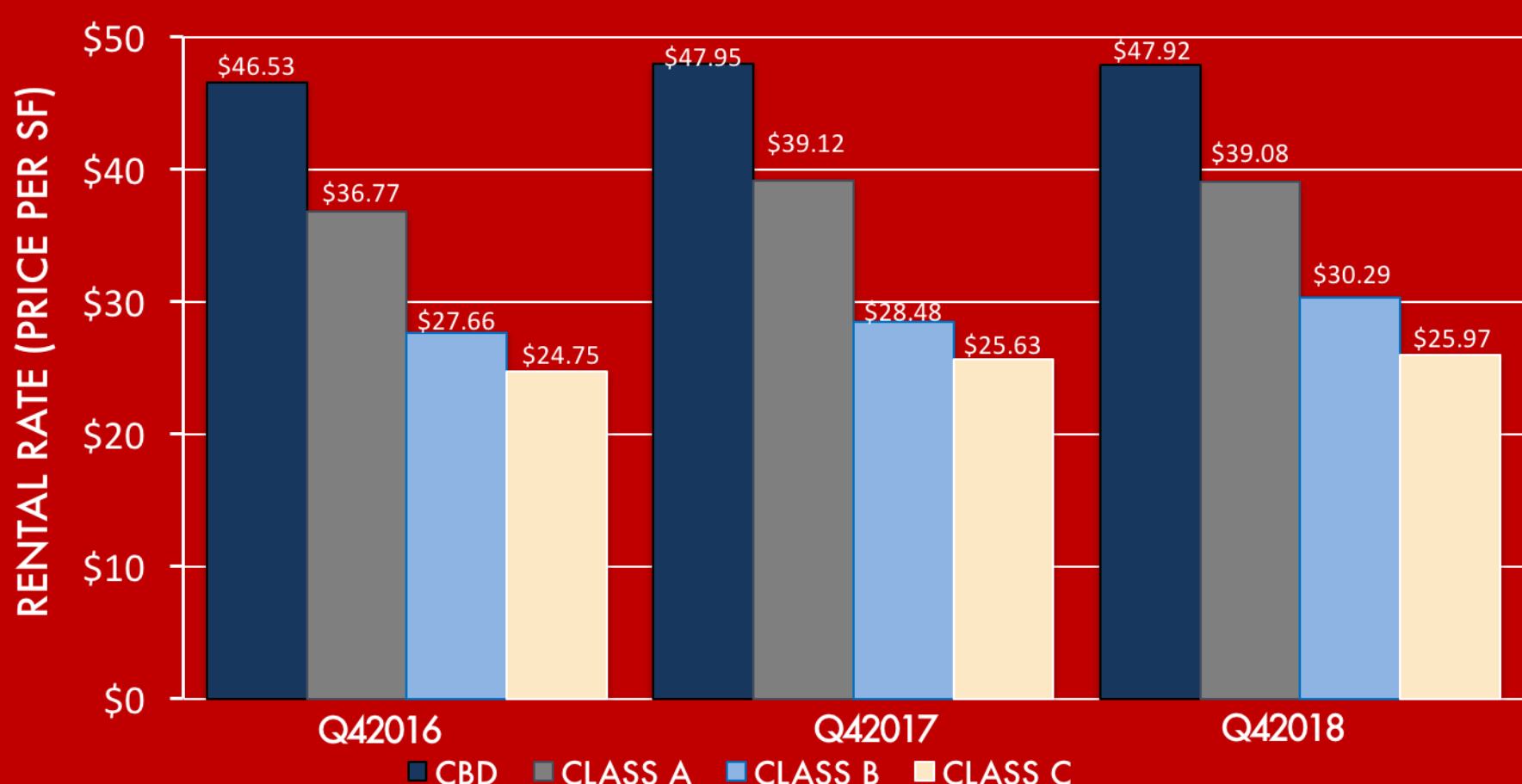
## OFFICE MARKET OVERVIEW



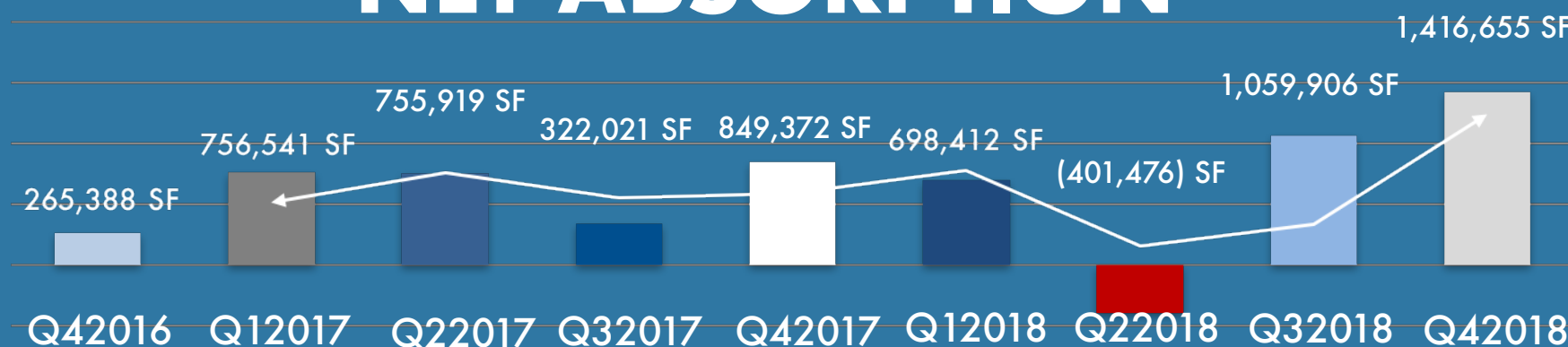
## LARGEST LEASE SIGNINGS & MOVES (2018)



## HISTORICAL RENTAL RATES COMPARISON

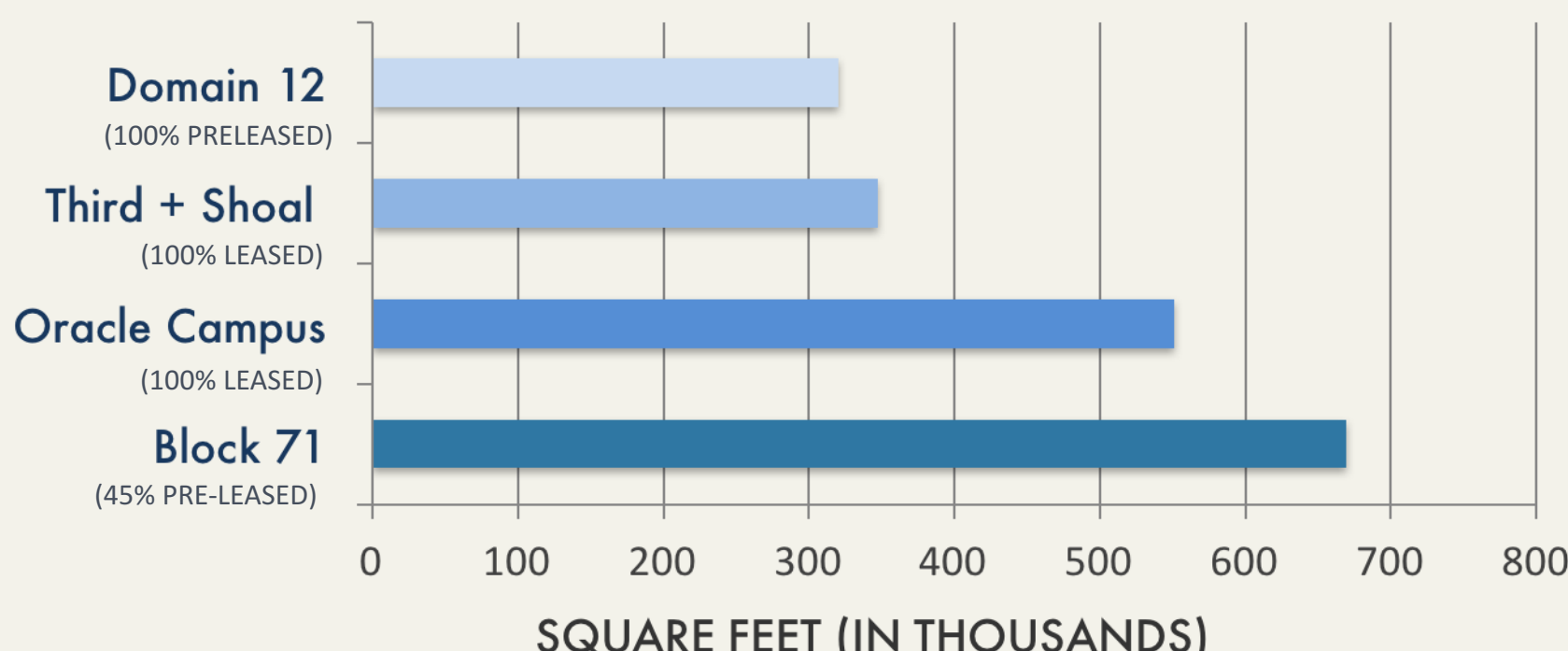


## NET ABSORPTION



**4,224,781 SF UNDER CONSTRUCTION IN Q4 ↑**  
**29 BUILDINGS, 1,718,995 SF DELIVERED IN Q4**

## DELIVERIES & CONSTRUCTION



Source: CoStar Realty Information, Inc.

Austin Office Space, Inc. (AOS) is a locally focused, modern commercial real estate firm specializing exclusively in tenant and occupier representation. Our services include locating available office and industrial spaces, negotiating leases and renewals, subleasing office space, and buying and selling buildings and condos. For more information, please visit [www.austinofficespace.com](http://www.austinofficespace.com).

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