



## OFFICE MARKET OVERVIEW

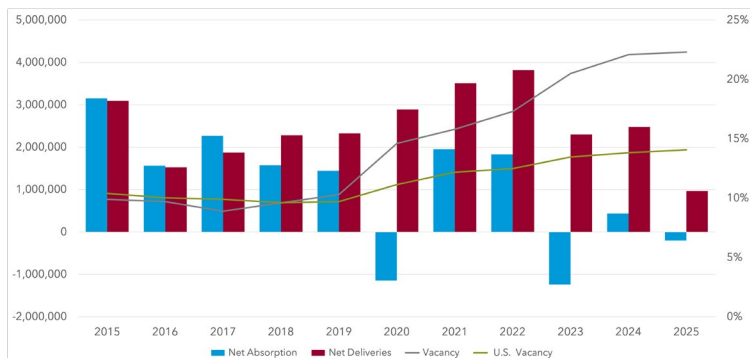
MICHAEL BROWN, *Vice President*

The fourth quarter saw positive absorption of 215,000 square feet. Both direct and sublease availabilities decreased, as a result the overall vacancy rate declined to 25%. With only one building left under construction, available supply is projected to continue tightening into 2026. The flight-to-quality trend remains a defining feature of the market, with Class A assets capturing 78% of all leasing activity during the quarter. Austin's overall gross asking rent continued to increase quarter over quarter, reaching \$50.00 in Q4 2025, largely driven by new deliveries and rising operating expenses. Asking rents are expected to stabilize as new supply wanes.

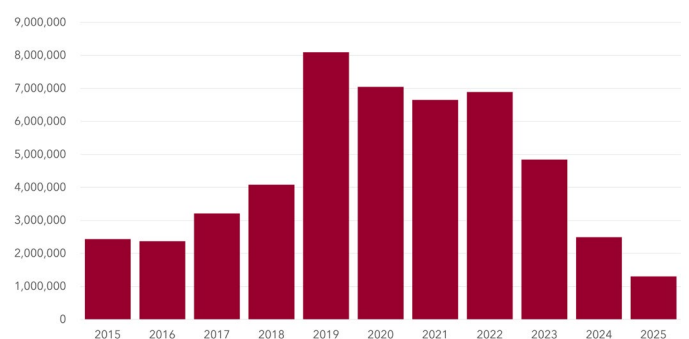
MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	215,000	(276,938)	(97,341)	(221,274)	245,423
▼ Vacancy Rate	25.29%	25.30%	25.19%	25.12%	25.10%
▲ Avg NNN Asking Rate PSF	\$50.00	\$48.38	\$48.72	\$49.00	\$48.91
◀ ▶ Sale Price PSF	*	*	*	*	*
◀ ▶ Cap Rate	*	*	*	*	*
▼ Under Construction SF	703,189	1,105,445	1,010,095	652,407	952,407
▲ Inventory SF	70,836,409	70,036,409	69,531,759	69,231,759	68,926,763

\*Please contact Lee & Associates Austin for Sale Price and Cap Rate Information

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Cielo Center I, II & III Austin, TX	286,106 SF	\$35,700,000 \$125.00 PSF	Serpa Partners Starwood Capital	Class A
Northview Business Center Austin, TX	261,546 SF	\$21,075,000 \$80.94 PSF	Central Health R2 Companies	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
400 W. 15th Street Austin, TX	94,211 SF	AFIAA	Office of the Texas Governor	State Government
205 E. Riverside Drive Austin, TX	43,122 SF	Peter Barlin	Base Power	Energy
400 W. 6th Street Austin, TX	32,000 SF	LPC	PWC	Financial Services

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