



# Austin, Texas

Tenant's Guide ▪ North American Markets ▪ Fourth Quarter 2011

## Overview

The Austin market continued to outperform much of the nation in 2011, as the city has experienced positive job growth over the last year. The unemployment rate of 7.3% is well below the national average. Rental rates have remained steady, and vacancy rates have started a definite decline. Certain submarkets have fully recovered to pre-2008 levels. Uncertainty about the national economy continues to cause many companies to delay making long-term commitments.

## Market Trends

- Vacancy rates declined to 16.0%.
- Average rental rates increased slightly to \$27.05.
- Proposed new developments have been announced for the CBD.
- Industrial vacancy is approximately 20%.

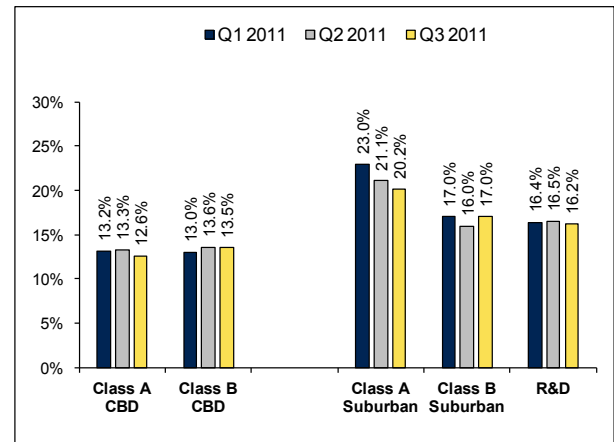
## Tenant's Perspective

The national economic downturn impacted Austin for a short period of time, but the market has recovered in most areas to pre-recession levels. Landlords are still willing to offer moderate concessions and enter into early lease renewals. Asking rental rates have increased slightly. Landlords are still looking closely at a tenant's credit. Increasing consolidation in the real estate industry makes it imperative that tenants work more closely with their real estate advisors to most effectively develop their real estate strategies for the future.

## Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Superconductor Tech.	94,000	Industrial	Lease
XO Communications	46,000	Data Center	Lease
King and Spalding	17,861	Office	Lease
Navitus	13,400	Office	Lease

## Vacancy Rate



## Average Rental Rates

CBD	Q2 2011	Q3 2011	Q4 2011
Class A Office	\$35.80	\$36.10	\$37.22
Class B Office	\$25.20	\$25.05	\$26.15
Suburban	Q2 2011	Q3 2011	Q4 2011
Class A Office	\$27.80	\$28.03	\$28.15
Class B Office	\$20.80	\$20.70	\$20.65
R&D	\$9.05	\$9.05	\$9.05