

# Austin, Texas

Tenant's Guide ■ North American Markets ■ Second Quarter 2010

## Overview

The Austin market has outperformed much of the nation in the last six months. Austin has experienced positive job growth over the last two quarters, and rental rates have remained steady. Uncertainty about the national economy has caused many companies to delay making long-term commitments.

## Market Trends

- Vacancy rates decreased to 18.7%.
- Average rental rates are at \$25.72.
- Proposed new developments have been announced for the CBD.
- Industrial vacancy is approximately 23%.

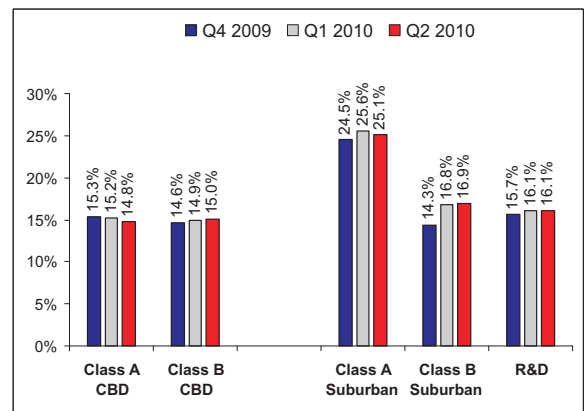
## Tenant's Perspective

The national economic downturn has had an impact on the market. The immediate impact has been that landlords are much more willing to offer concessions and enter into early lease renewals. Asking rental rates have been reduced slightly. Landlords are looking more closely at tenants' 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
Flextronics	117,000	Industrial	Lease
Tipping Point	87,672	Office	Lease
Motion Computing	34,958	Office	Lease
Facebook	29,236	Office	Lease
State of Texas	28,861	Office	Lease

## Vacancy Rate



## Average Rental Rates

CBD	Q4 2009	Q1 2010	Q2 2010
Class A Office	\$34.02	\$33.50	\$33.40
Class B Office	\$25.15	\$25.15	\$25.25

Suburban	Q4 2009	Q1 2010	Q2 2010
Class A Office	\$26.20	\$26.15	\$26.20
Class B Office	\$20.85	\$20.60	\$20.15
R&D	\$9.25	\$9.15	\$9.10

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