

ECONOMY: AUSTIN MAINTAINS ECONOMIC MOMENTUM

Austin's economy remained resilient through Q3 2026, adding approximately 18,200 jobs year-over-year (YOY), up 1.3%, with 3.7% unemployment versus 4.2% nationally. Construction rose 5.5% on projects like Samsung's Taylor campus, manufacturing rebounded 1.6%, and warehouse-heavy trade, transportation and utilities grew 0.8%, while information jobs fell 4.9%.

SUPPLY: INVENTORY EXPANDS AS DELIVERIES PICK UP

Deliveries continued to expand Austin's industrial supply, with 2.6 million square feet (msf) completed year-to-date (YTD), roughly 1.0 msf of it in Q3 2026. Leasing has not kept pace, with only 1.0 msf, or 40.0%, leased, leaving 1.5 msf available and weighing on vacancy. Just over 1.4 msf (about one-quarter) of the 5.5 msf under construction, up 19.0% YOY, was preleased. Georgetown and the Southeast hold nearly half of the pipeline, led by the 1.2 msf Crosspoint Phase II.

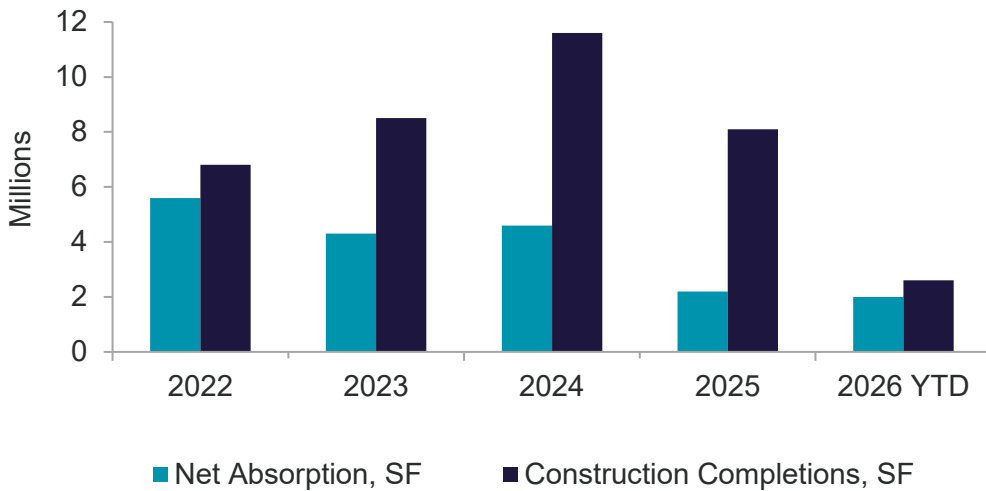
DEMAND: LEASING MOMENTUM ACCELERATES

Net absorption totaled 1.1 msf in Q3 2026, lifting YTD net absorption to 2.1 msf as larger leases mature and begin to absorb. Tesla is back, headlining approximately 3.5 msf of Q3 2026 signings with over 538,000 sf leased in the Southeast submarket, a second major deal in 2026. The Georgetown submarket and the Southeast submarket claimed four of the five largest deals, while occupancies at Park 79, Building 2, a flex project of 144,000 square feet (sf) in the Far Northeast, and Poncho Outdoors' 137,939 sf at 4801 Friedrich Lane, Building 2 (Phase III) also counted toward net absorption. Georgetown's vacancy fell to 29.5%, and with occupiers committing at scale, we expect momentum to carry through 2026. Tenants are committing in large blocks: Georgetown has 2.4 msf of YTD leasing about 28% of Austin's 8.6 msf,, and two of its Q3 deals 310,366 sf and 196,523 sf rank in the top five for the quarter.

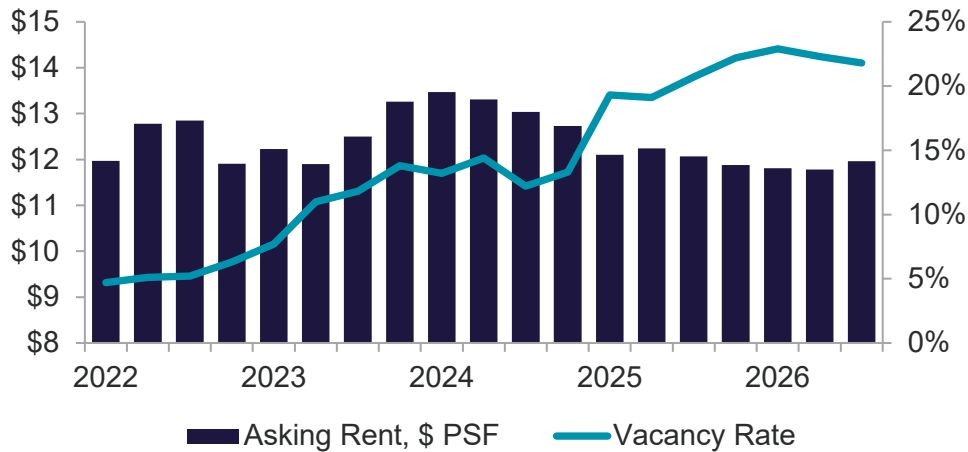
PRICING: ASKING RENTS EDGE HIGHER

The average asking rate for warehouse/distribution rose to \$11.57 per square foot (psf) from \$11.48 psf, while office/service-flex rose to \$15.09 psf from \$14.83 psf quarter-over-quarter (QOQ). Net asking rents closed Q3 2026 at \$11.96 psf, up 1.5% QOQ but down 0.7% YOY from \$12.04 psf. The uptick, paired with improving absorption, suggests rent normalization is leveling off and tenant demand remains healthy as the market works through elevated availability.

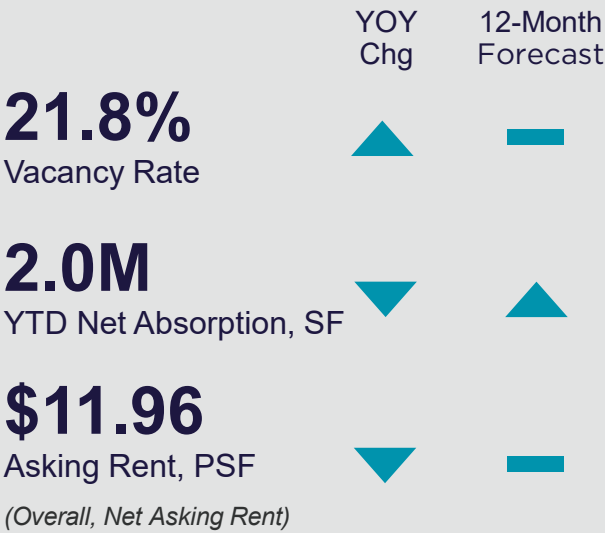
SPACE DEMAND / DELIVERIES



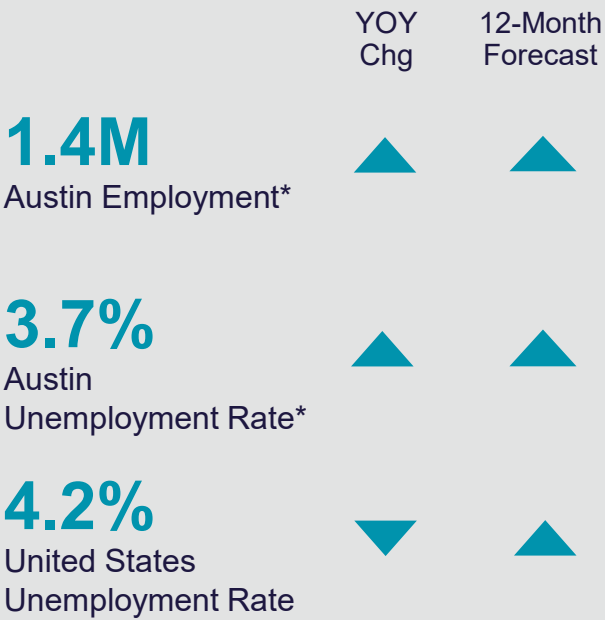
OVERALL VACANCY & ASKING RENT



MARKET FUNDAMENTALS



ECONOMIC INDICATORS



Source: BLS, Moody's Analytics

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	Q3 OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (OS)*	OVERALL WEIGHTED AVG NET RENT (W/D)*
Cedar Park	1,974,164	394,466	20.0%	158,658	396,733	362,569	0	393,675	\$14.50	\$12.10
Central	1,020,741	130,658	12.8%	-14,420	-14,420	15,598	0	0	\$16.30	\$15.22
East	4,893,045	627,295	12.8%	92,578	169,561	801,857	681,259	0	\$13.50	\$12.28
Far Northeast	13,468,694	2,561,532	19.0%	-11,292	32,110	171,060	815,081	314,870	\$20.47	\$10.71
Far Northwest	677,157	46,339	6.8%	0	0	0	0	0	\$16.00	\$17.75
Georgetown	12,842,278	3,789,357	29.5%	202,923	125,128	2,443,868	1,392,325	0	\$19.00	\$10.99
Hays County	15,263,686	2,983,593	19.5%	257,915	543,564	1,113,059	527,129	0	\$12.63	\$10.90
North	13,077,292	2,150,588	16.4%	221,461	68,533	761,685	0	0	\$16.17	\$11.92
Northeast	10,913,180	2,511,245	23.0%	130,655	443,232	481,801	283,390	0	\$12.70	\$12.19
Northwest	2,848,406	516,873	18.1%	-32,400	-125,574	111,300	0	0	\$17.03	\$10.95
Round Rock	6,853,667	1,704,522	24.9%	5,107	405,032	223,318	450,645	352,480	\$19.00	\$14.15
South	2,274,818	795,325	35.0%	0	-872	13,232	0	303,112	\$14.94	\$13.39
Southeast	17,821,864	4,406,117	24.7%	98,676	18,024	2,097,970	1,325,521	1,215,171	\$14.94	\$10.78
AUSTIN TOTALS	103,928,992	22,617,910	21.8%	1,109,861	2,061,051	8,597,317	5,475,350	2,579,308	\$15.09	\$11.57

TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*
Warehouse / Distribution	87,875,466	20,401,149	23.2%	1,298,799	1,864,341	8,016,188	5,475,350	2,579,308	\$11.57
Office Service / Flex	16,053,526	2,216,761	13.8%	-188,938	196,710	581,129	0	0	\$15.09

*Rental rates reflect weighted net asking \$psf/year

OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE	SIGN DATE
Hwy 183 & FM 1327 – Building 2	Southeast	Tesla	538,720	New Lease	Q3 2026
610 Blue Springs Blvd – Building 2	Georgetown	Flex	310,366	New Lease	Q3 2026
6106 Ross Road – Building 1	Southeast	Four Hands	235,740	New Lease	Q3 2026
2100 Limmer Loop – Building 8	Georgetown	AI Prefab Solutions	196,523	New Lease	Q3 2026
15700 Long Vista Dr – Building 1	North	Allen Control Systems	191,207	New Lease	Q3 2026

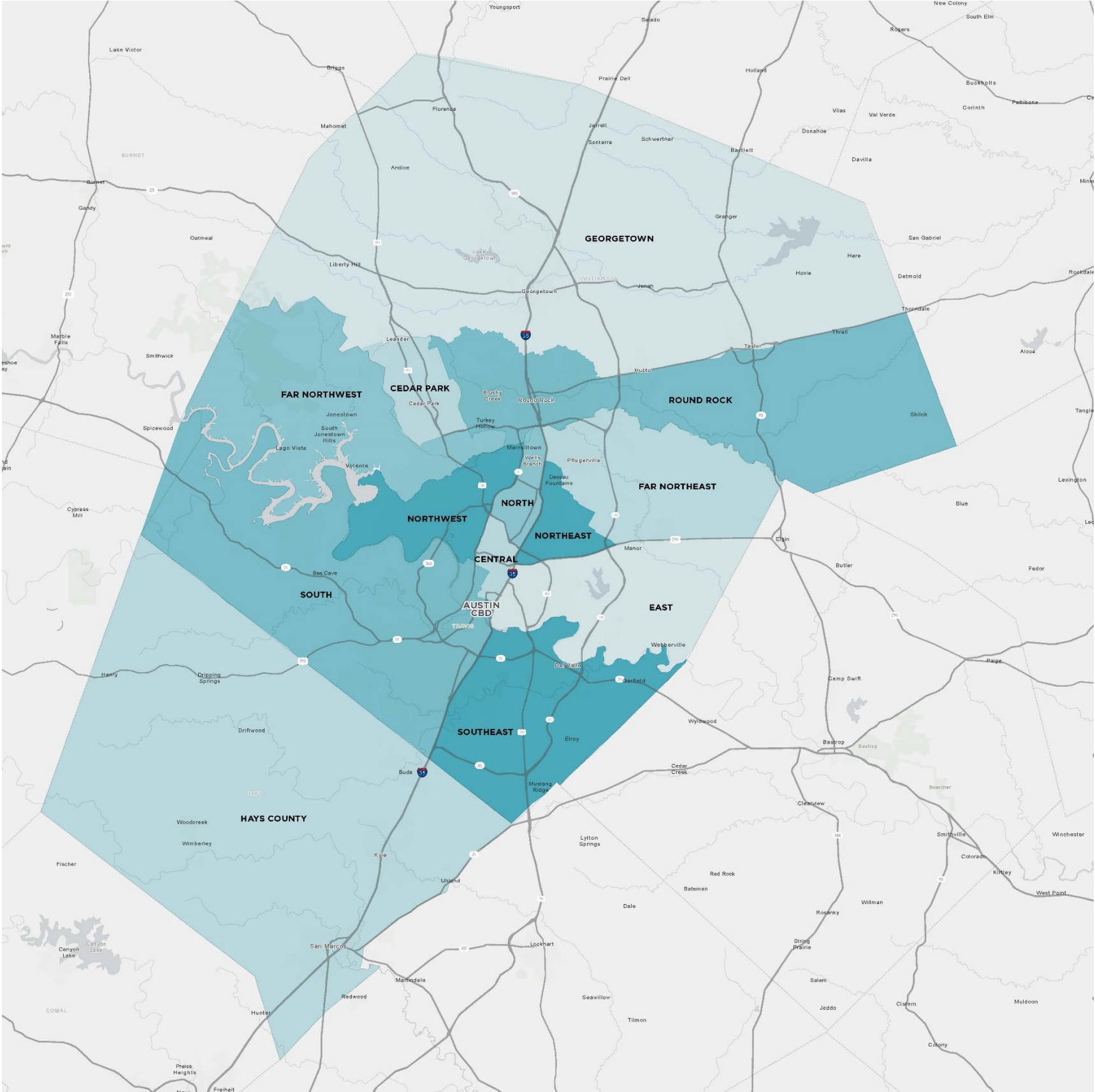
KEY CONSTRUCTION COMPLETIONS Q3 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
GTP 1.3 & GTP 1.4	Round Rock	None	352,480	iMarketAmerica
Travis South – Building 1	South	None	181,815	Stillwater Capital Investments
Airpark 130 – Building 1	Southeast	None	173,169	Walton Street Capital, LLC

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Crosspoint Phase II – Building 4 & 5	Georgetown	None	1,212,120	Jackson-Shaw Company
Austin Hills – Building 6	East	None	681,259	Sansone
Point Forty-Five	Far Northeast	None	563,081	Longpoint
Burleson Tech Park	Southeast	None	508,041	Holt Lunsford Commercial

INDUSTRIAL SUBMARKETS



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