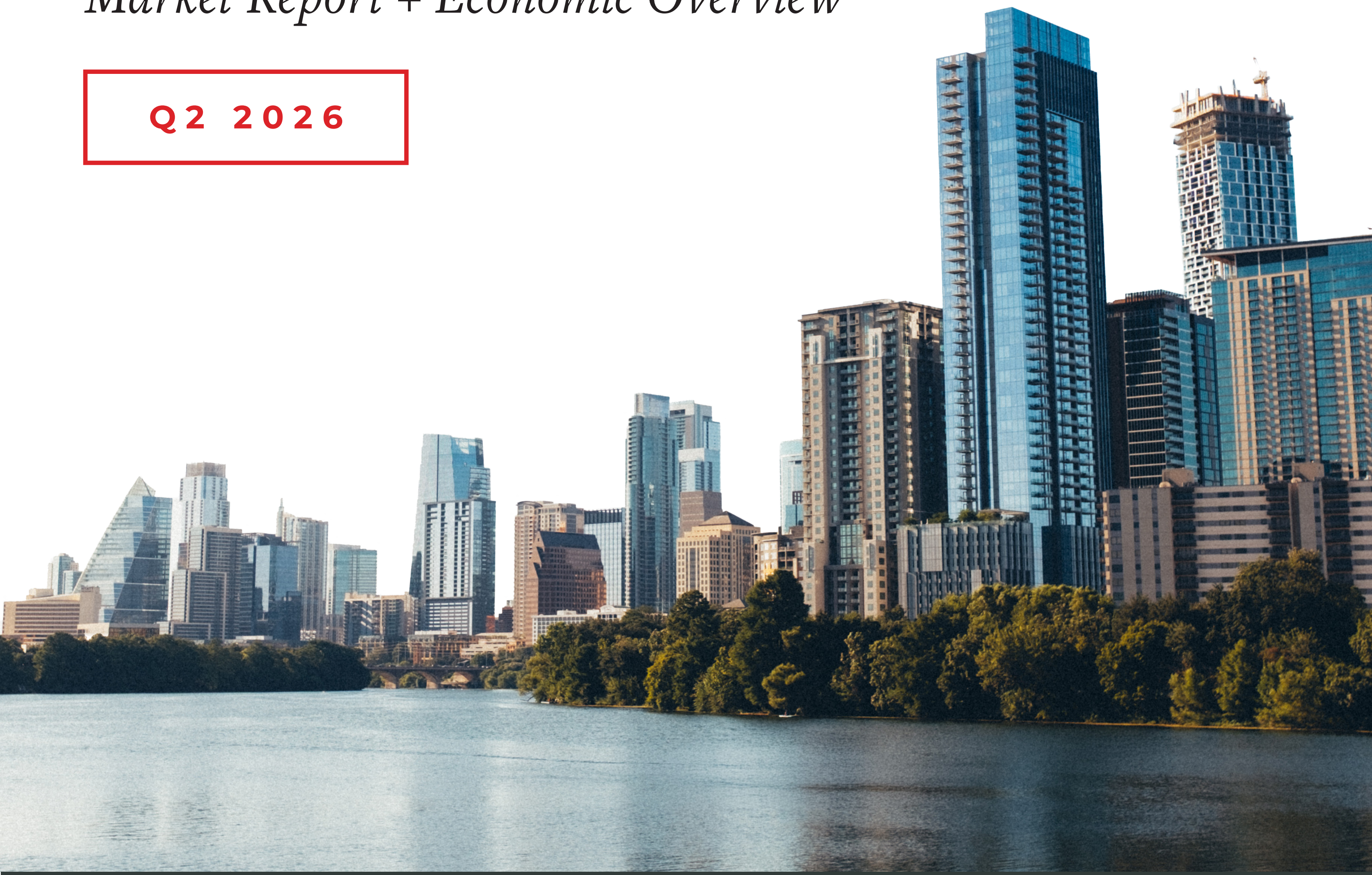
ECR

Austin *Office* Market

Market Report + Economic Overview

Q2 2026



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FULL-SERVICE COMMERCIAL REAL ESTATE SOLUTIONS

ECR

Our Story

ECR was established in 2010, by Founder and Managing Partner, Matt Levin, with a different approach to real estate. Placing a focus on relationships over transactions, our team is able to devote their focus, hard work, and attention to our clients. Our unique business model provides favorable commission splits, profit share, and an innovative approach to supporting our team members.

Our Approach

We place the highest value on our people – both our clients and our team. Always striving to exceed expectations for ourselves and for the people around us, we invest in genuine, authentic, and long-lasting relationships. Our team believes in the power of partnerships, which allow us to grow and share success together.

BROKERAGE SERVICES

- Project leasing strategy & execution
- Market research & pricing analysis
- Custom marketing & lead generation
- Lease negotiation & transaction management

PROPERTY MANAGEMENT

- Strategic asset performance & value optimization
- Integrated leasing collaboration to minimize vacancy
- Proactive tenant experience & retention programs
- Data-driven financial reporting & forecasting
- Capital planning & operational efficiency initiatives
- Vendor performance optimization & cost control

CONSTRUCTION MANAGEMENT

- Full lifecycle project oversight
- Budgeting, cost modeling & value engineering
- Schedule development & milestone tracking
- Contractor bidding & negotiation
- Tenant buildouts & remodels
- Owner's representative services
- Design team & municipal coordination
- Document review & constructability analysis
- Change order & cost control management
- Quality control & project closeout

THE OWNER-USER PURCHASE: A DEEP DIVE INTO A GROWING PHENOMENON

This quarter's investment sales carried a clear throughline: owner-occupier acquisitions are becoming increasingly prevalent in Austin. Of this quarter's notable sales, three went to owner-users. Austin Community College's $130.5 million purchase of Bergstrom Tech Center (560,381 SF), Zoho Corporation's purchase of 3100 Alvin Devane Blvd (70,388 SF), and Great Hills Baptist Church's purchase of Highflex (71,247 SF). Add Apple's owner-occupied Capstone Phase Two AC03 (369,461 SF), delivered this quarter, and owner-users accounted for more square footage than at any point in recent memory.

Every one of those buildings exits the leasing pool for good. This flattens vacancy, absorption, and sublease numbers without a single lease being signed. For example, last quarter, SB Energy's 1.2 million-SF purchase of Highpoint 2222 dropped Northwest Austin vacancy by 11 points overnight. So how much of Austin's "recovery" reflects buildings leaving circulation rather than tenants filling space? Less than the raw numbers suggest, as this quarter's healthy leasing activity and positive absorption show real demand showing up alongside the owner-user wave, not instead of it.

The math is simple: buying only pencils for occupiers who can hold long-term, lock in cost against rising rents, and absorb a large capital outlay. Leasing still wins on flexibility, which is why most tenants keep leasing, but at $196–$233/SF, this quarter's owner-user pricing sits below replacement cost, drawing buyers with long horizons and mission-driven mandates.

Right now, more owner-user activity is a net positive. It functions like private-sector absorption, tightening vacancy without lease-up risk in a market still working off a supply overhang. That flips once vacancy normalizes: too much owner-occupied stock thins the investment sales pool and leaves submarkets exposed if an owner-user ever exits. Austin isn't there yet, but it's worth watching.

The outlook this reflects is confidence, not caution. With public institutions, growing employers, and mission-driven buyers betting long-term on Austin, we see a healthier signal than investment volume alone.

AUSTIN ECONOMIC & LABOR OVERVIEW

BUSINESS CYCLE INDEX

4.8% ▲

Annualized growth in December, up from 4.8% in May - quicker than the 4.1 percent gain in April.

UNEMPLOYMENT

Austin	3.7%
Texas	4.3%
US	4.3%

TOTAL VACANY RATE (DIRECT)

17.30% ▼

Q1 2026 **17.50%** · Q2 2025 **18.30%**

AVG. NNN RENT (CLASS A & B)

$31.91 ▲

Q1 2026 **$31.56** · Q2 2025 **$29.17**

UNDER CONSTRUCTION

1.04M SF ▼

Q1 2026 **1.51M SF** · Q2 2025 **2.50M SF**

Q2 DELIVERIES

419K SF ▲

Q1 2026 **0 SF** · Q2 2025 **392K SF**

SUBLEASE AVAILABILITY

2.89M SF ▼

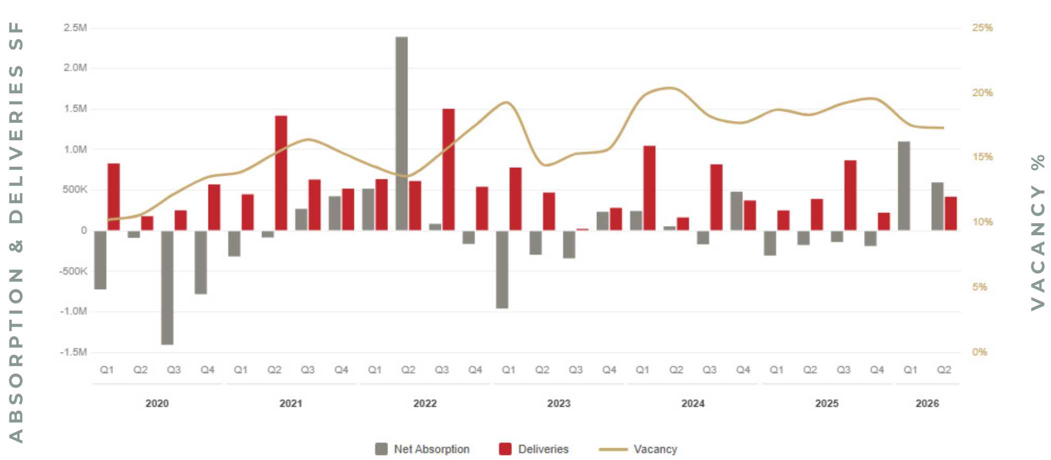
Q1 2026 **3.39M SF** · Q2 2025 **4.58M SF**

NET ABSORPTION

595K SF ▼

Q1 2026 **1.09M SF** · Q2 2025 **-176K SF**

Austin Historical Vacancy, Deliveries, and Net Absorption



LABOR FORCE GROWTH

TOP INDUSTRIES

+2,200 jobs

+2,100 jobs

-200 jobs

DEVELOPMENT OUTLOOK

UNDER CONSTRUCTION

1. **WATERLINE TOWER**
   CBD
   715,005 SF
   Lincoln Property Company

2. **TDEM HEADQUARTERS AND SEOC**
   SOUTHEAST
   295,978 SF
   Energy Architecture

3. **EASTON PARK MEDICAL CENTER**
   SOUTHEAST
   40,000 SF
   Partners

4. **CAPSTONE PHASE TWO AC03**
   FAR NORTHWEST
   33,000 SF
   Apple

PROPOSED CONSTRUCTION

5. **UPTOWN ATX - BLOCK L - ONE & TWO SKYRISE**
   NORTH/DOMAIN
   1,283,993 SF
   Brandywine Realty Trust

6. **DOMAIN TOWER 4**
   NORTH/DOMAIN
   525,000 SF
   Stonelake Capital Partners

7. **STADIUM TOWER**
   NORTH/DOMAIN
   524,008 SF
   Kilroy Realty Corporation

8. **ONETERRA**
   NORTH/DOMAIN
   503,622 SF
   Hines

PROPOSED CONSTRUCTION (CONT'D)

9. **VERDE SQUARE**
   NORTH/DOMAIN
   463,000 SF
   Karlin Real Estate

10. **DOMAIN CENTRAL 1**
    NORTH/DOMAIN
    455,803 SF
    Endeavor Real Estate Group

11. **UPTOWN ATX - BLOCK B**
    NORTH/DOMAIN
    450,000 SF
    Brandywine Real Estate Trust

12. **DOMAIN TOWER 3**
    NORTH/DOMAIN
    345,000 SF
    Stonelake apital Partners

13. **UPTOWN ATX - BLOCK D2**
    NORTH/DOMAIN
    340,000 SF
    Brandywine Real Estate Trust

14. **5TH AND WALSH**
    WEST CENTRAL
    195,707 SF
    Endeavor Real Estate

RECENTLY DELIVERED

15. **CAPSTONE PHASE TWO AC03**
    FAR NORTHWEST
    369,461 SF
    Owner Occupied (Apple)

16. **WORKBENCH**
    EAST
    49,737 SF
    $55 FS | 69.7% Leased | Parking 2/1,000

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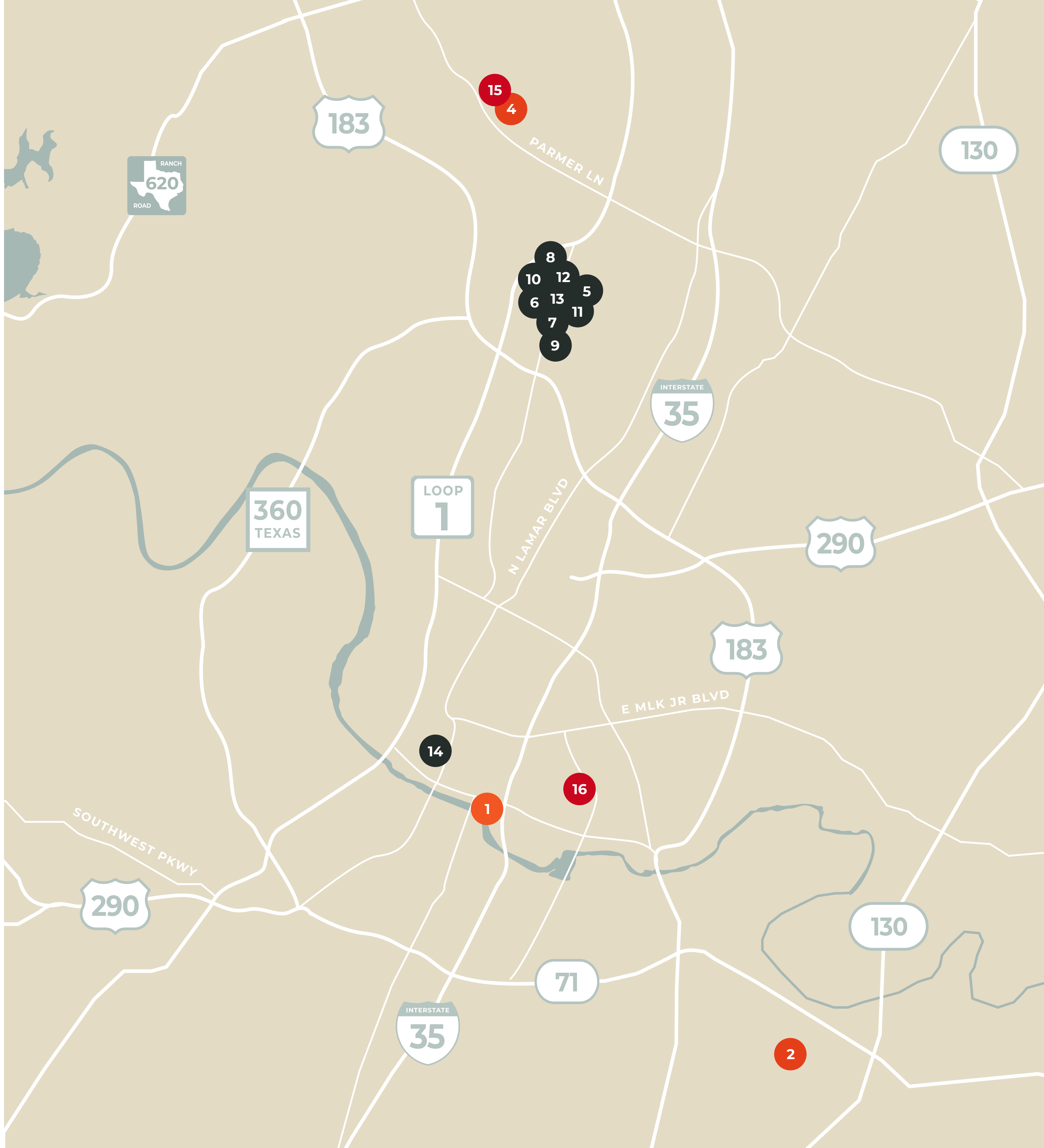


1,043,983 SF
TOTAL UNDER CONSTRUCTION

7,761,203 SF
TOTAL PROPOSED CONSTRUCTION

419,198 SF
TOTAL RECENTLY DELIVERED

MAJOR LEASES

RENASAS
3700 San Clemente
SOUTHWEST
96,268 SF
Direct

CAPITAL AREA COUNCIL OF GOVERNMENTS
Monterey Oaks
SOUTHWEST
52,650 SF
Direct

ALPHA SCHOOL
121 W 6th St
CBD
33,596 SF
Direct

CELESTICA
Domain 3
NORTH/DOMAIN
33,081 SF
Direct

THE MALIN
Sixth & Guadalupe
CBD
37,076 SF
Sublease

CONFIDENTIAL TENANT

CONFIDENTIAL TENANT*
The Overlook at Barton Creek
SOUTHWEST
29,410 SF
Direct

CONFIDENTIAL TENANT
901 E 6th St
EAST
29,022 SF
Sublease

TEXAS CAPITAL BANK
415 Colorado
CBD
27,012 SF
Direct

RYAN TAX FIRM
Colorado Tower
CBD
24,532 SF
Direct

AUSTIN IN THE NEWS

"Global Tech Company Moves HQ to Austin"
CRE Daily

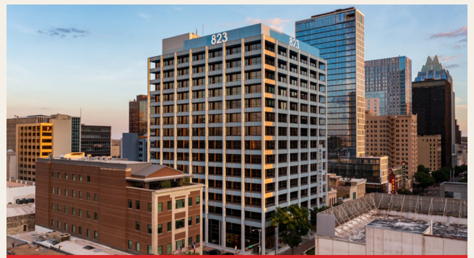
"Coworking Growth Continues as Meta's Sixth and Guad Sublease Space Continues to Shrink"
The Real Deal

"Local Real Estate Firm Buys 823 Congress"
Austin Business Journal

KEY SALES

BERGSTROM TECH CENTER*
6800 Burleson Road
SOUTHEAST
560,381 SF
Buyer: Austin Community College
Seller: Boyd Watterson Global
Price: $130,500,000 ($232.88/SF)

CAMPUS AT ARBORETUM
10431 Morado Circle
NORTHWEST
319,339 SF
Buyer: Aquila Commercial; PacVentures, Inc.
Seller: Vanderbilt Office Properties; Starwood Capital Group
Price: Undisclosed



823 CONGRESS AVE
823 Congress Avenue
CBD
189,140 SF
Buyer: Brick Row
Seller: DRA Advisors; Pillar Commercial
Price: Undisclosed

9229-9233 WATERFORD CENTRE
9229-9233 Waterford Centre Boulevard
NORTH
75,360 SF
Buyer: BKM Capital Partners; Kayne Anderson Real Estate
Seller: Link Logistics Real Estate
Price: $11,533,108 ($153.04/SF)

HIGHFLEX
12708 Riata Vista Circle
NORTHWEST
71,247 SF
Buyer: Great Hills Baptist Church
Seller: Harvest Real Estate Services
Price: $14,000,000 ($196.50/SF)

3100 ALVIN DEVANE BLVD
3100 Alvin Devane Boulevard
SOUTHEAST
70,388 SF
Buyer: Zoho Corporation
Seller: Sackman Enterprises
Price: Undisclosed

PROMONTORY POINT D
2602 Ridgepoint Drive
NORTHEAST
38,292 SF
Buyer: Balcones Real Estate
Seller: Private Seller
Price: Undisclosed

9810 OLD LOCKHART RD
9810 Old Lockhart Road
SOUTHEAST
36,281 SF
Buyer: NRE Austin LLC
Seller: A-A-A Storage Old Lockhart LLC
Price: Undisclosed

CREEK PLAZA
8705 Shoal Creek Boulevard
CENTRAL
26,016 SF
Buyer: Private Buyer
Seller: Private Seller
Price: $5,300,000 ($203.72/SF)

**ECR Brokered Transaction*

OFFICE STATISTICS BY VACANCY

CLASS A

SUBMARKET	TOTAL INVENTORY SQUARE FOOTAGE	VACANCY SQUARE FOOTAGE	VACANCY PERCENTAGE	AVERAGE BASE RATES	OPEX LOW	OPEX HIGH	AVERAGE GROSS LOW	AVERAGE GROSS HIGH
CBD	13,320,536	2,804,657	21.10%	$45.20	$27.00	$31.00	$72.20	$76.20
Central	527,257	32,385	6.10%	$32.00	$16.00	$19.00	$48.00	$51.00
East	3,877,587	1,428,267	36.80%	$41.20	$22.00	$27.00	$63.20	$68.20
Far Northwest	991,827	94,089	9.50%	$25.69	$14.00	$17.00	$39.69	$42.69
North/Domain	4,551,626	284,644	6.30%	$36.44	$18.00	$24.00	$54.44	$60.44
Northeast	1,175,979	560,064	47.60%	$16.00	$12.00	$14.00	$28.00	$30.00
Northwest	6,096,833	918,473	15.10%	$27.30	$15.00	$18.00	$42.30	$45.30
South	1,941,118	446,993	23.00%	$38.79	$18.00	$23.00	$56.79	$61.79
Southeast	623,728	20,310	3.30%	$26.82	$15.00	$18.00	$41.82	$44.82
Southwest	6,097,606	795,514	13.00%	$34.01	$16.00	$19.00	$50.01	$53.01
West Central	1,089,428	52,061	4.80%	$43.72	$17.00	$20.00	$60.72	$63.72
All Submarkets	40,293,525	7,437,457	18.50%	$38.28	$17.27	$20.91	$55.55	$59.19

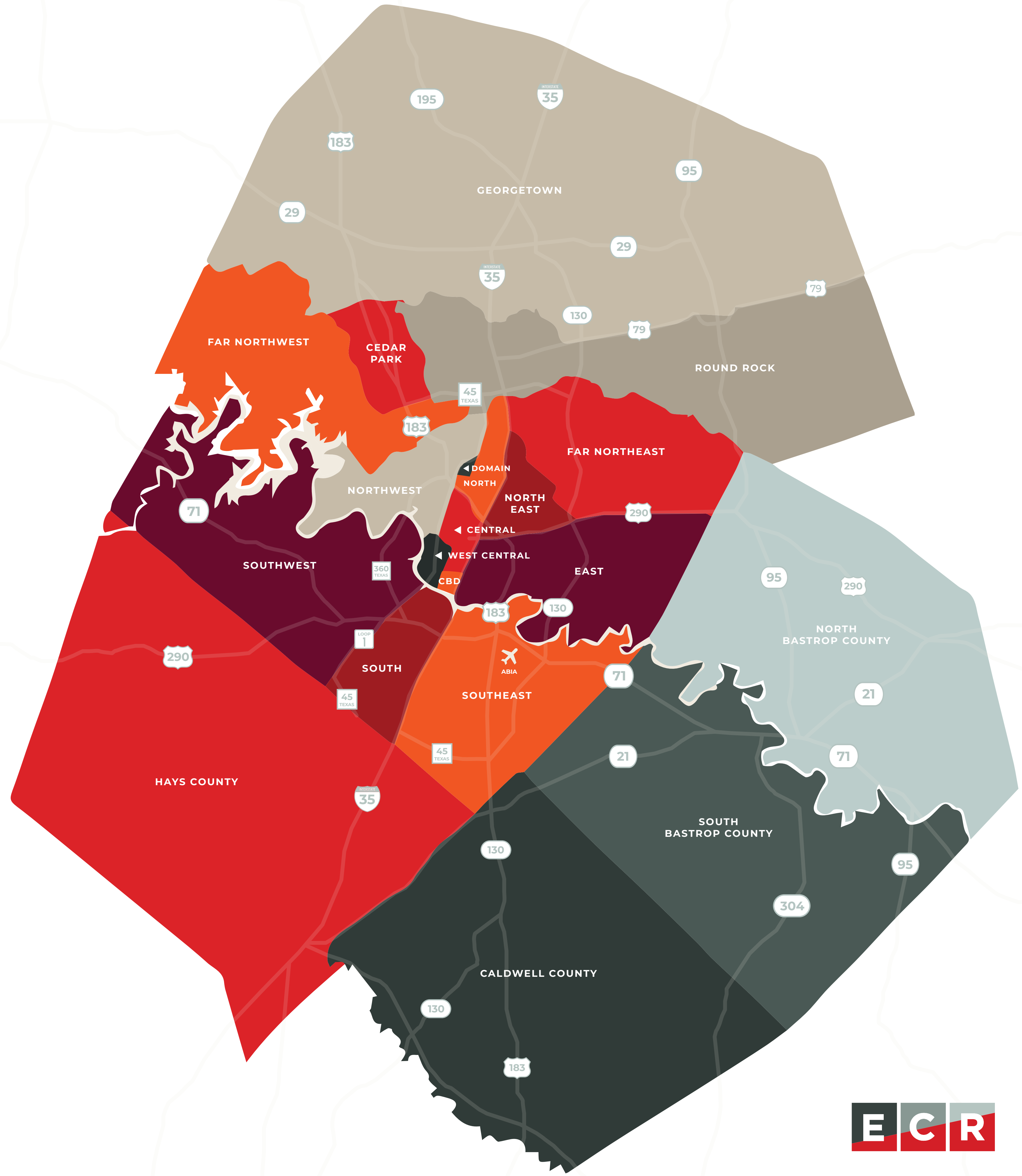
CLASS B

SUBMARKET	TOTAL INVENTORY SQUARE FOOTAGE	VACANCY SQUARE FOOTAGE	VACANCY PERCENTAGE	AVERAGE BASE RATES	OPEX LOW	OPEX HIGH	AVERAGE GROSS LOW	AVERAGE GROSS HIGH
CBD	3,184,847	681,728	21.40%	$35.34	$19.00	$24.00	$54.34	$59.34
Central	2,861,805	394,350	13.80%	$21.69	$16.00	$22.55	$37.69	$44.24
East	2,939,303	299,932	10.20%	$19.52	$15.00	$18.00	$34.52	$37.52
Far Northwest	2,926,728	736,176	25.20%	$28.14	$11.00	$14.00	$39.14	$42.14
North/Domain	4,120,984	630,160	15.30%	$26.48	$12.00	$16.00	$38.48	$42.48
Northeast	2,053,433	404,131	19.70%	$19.69	$10.00	$13.00	$29.69	$32.69
Northwest	7,814,177	1,530,937	19.60%	$22.32	$11.00	$14.00	$33.32	$36.32
South	2,230,410	662,593	29.70%	$32.85	$11.00	$14.00	$43.85	$46.85
Southeast	2,384,519	89,680	3.80%	$16.76	$11.00	$15.00	$27.76	$31.76
Southwest	5,436,910	421,722	7.80%	$23.74	$12.00	$15.00	$35.74	$38.74
West Central	639,616	66,260	10.40%	$32.68	$14.00	$17.00	$46.68	$49.68
All Submarkets	36,592,732	5,917,669	16.20%	$24.76	$12.91	$16.60	$37.67	$41.36

CLASS A & B

SUBMARKET	TOTAL INVENTORY SQUARE FOOTAGE	VACANCY SQUARE FOOTAGE	VACANCY PERCENTAGE	AVERAGE BASE RATES	OPEX LOW	OPEX HIGH	AVERAGE GROSS LOW	AVERAGE GROSS HIGH
CBD	16,505,383	3,486,385	21.10%	$43.30	$23.00	$27.50	$66.30	$70.80
Central	3,389,062	426,735	12.60%	$23.29	$16.00	$20.78	$39.29	$44.07
East	6,816,890	1,728,199	25.40%	$31.85	$18.50	$22.50	$50.35	$54.35
Far Northwest	3,918,555	830,265	21.20%	$27.52	$12.50	$15.50	$40.02	$43.02
North/Domain	8,672,610	914,804	10.50%	$31.71	$15.00	$20.00	$46.71	$51.71
Northeast	3,229,412	964,195	29.90%	$18.35	$11.00	$13.50	$29.35	$31.85
Northwest	13,911,010	2,449,410	17.60%	$24.50	$13.00	$16.00	$37.50	$40.50
South	4,171,528	1,109,586	26.60%	$35.61	$14.50	$18.50	$50.11	$54.11
Southeast	3,008,247	109,990	3.70%	$18.85	$13.00	$16.50	$31.85	$35.35
Southwest	11,534,516	1,217,236	10.60%	$29.17	$14.00	$17.00	$43.17	$46.17
West Central	1,729,044	118,321	6.80%	$39.64	$15.50	$18.50	$55.14	$58.14
All Submarkets	76,886,257	13,355,126	17.40%	$31.85	$15.09	$18.76	$46.94	$50.60

*Research information is sourced from CoStar data compiled through ECR from custom reports using existing, non-owner occupied properties above 20,000 SF.



ECR

QUARTERLY OFFICE MARKET REPORT // Q2 2026

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