

Austin - CBD

EFFECTIVE RENT RISES, CONCESSIONS FALL SLIGHTLY

Takeaway

Tenants faced higher occupancy costs during 2017 as the region's tech sector fueled steady demand in the CBD. Registering its sixth consecutive annual increase, effective rent for top-tier buildings pushed even higher into record territory. New construction in the Domain will offer tenants another set of high-quality office buildings in an amenity-rich setting, but rent in these properties is also very elevated. Tenants will face higher rent in 2018.

Negotiated Rent

\$55.00
TOTAL GROSS RENT ▲ 4.3%

Concessions

\$63.33 ▼ -2.6%
\$45.00 4.0
 IMPROVEMENT ALLOWANCE AVERAGE FREE RENT AVERAGE (MONTHS)

Tenant Effective Rent

\$45.31 ▲ 5.9%

Building Expenses

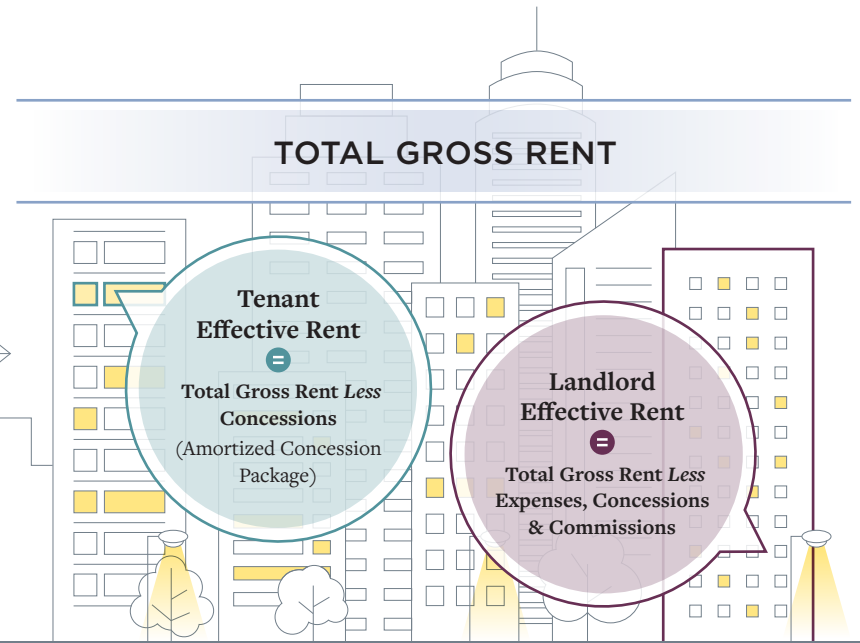
\$15.40 ▲ 2.7% OPEX
\$5.90 ▲ 2.6% RE TAXES

Landlord Effective Rent

\$21.08 ▲ 9.5%



RENT SENSIBLY.
DO YOU KNOW WHERE YOUR RENT GOES?



METHODOLOGY

The *Effective Rent Index* tracks what tenants truly pay for top tier Class A office space (tenant effective rent) and what landlords ultimately walk away with (landlord effective rent) once building expenses and leasing costs are deducted from net rent. Derived from negotiated office leases, the index provides critical insight into the health of each market and its position along the 'landlord-tenant favorable' spectrum. For more information about the report or detailed methodology visit: www.savills-studley.com/research/us/effective-rent-indexes.aspx.

