AUSTIN

HEALTHCARE MARKET | Q1 2025

9.39 MSF
Inventory

(18,664) SF
Net Absorption

8.0%
Direct Vacancy

10.5%
Total Availability

397,484 SF
Under Construction

$28.32
Net Asking Rent

The above numbers reflect the combined statistics for Purpose-Built Medical Office (MOB) Space and Office with Medical (OwM) Space in the Austin MSA. To see these statistics broken out by property type, refer to the narrative and tables throughout this report.

Medical space kicks off 2025 with negative absorption but strong occupancy

Market Observations

- Asking rents averaged $28.32 net PSF for the Austin metro as of Q1. Purpose-Built Medical Office (MOB) space asking rents were $28.84 net PSF, a decrease of (1.5%) from last quarter and a decrease of (1.8%) year over year. Office with Medical (OwM) space asking rents were $27.20 net PSF for the quarter, a decrease of (3.6%) from the previous quarter and unchanged year over year.

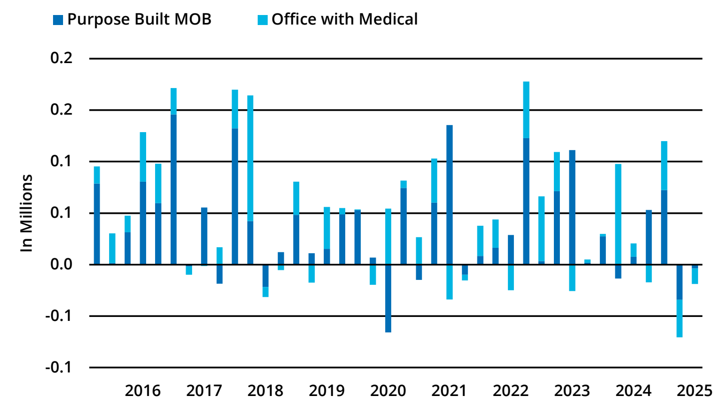
- The overall direct vacancy rate for the Austin metro was 8.0% for the quarter. Broken out by product type, the direct vacancy rate for MOB space was 8.1% and OwM space was 7.8% for the same period.

- New construction is concentrated in the Austin submarkets that have the strongest residential growth, including the Southeast, South, Georgetown and Pflugerville (Far Northeast). As of Q1 there was 397,484 square feet of new construction underway in the Austin metro.

- As of this quarter, overall net absorption was negative (18,664) SF, with MOB space at negative (3,828) square feet and OwM space at negative (14,836) square feet.

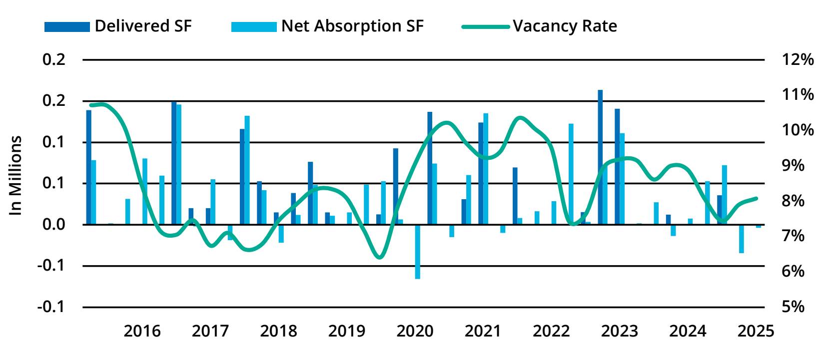
- **Net absorption** totaled negative (18,664) SF, however Office with Medical (OwM) made up the majority of this number. OwM totaled negative (14,836) SF for the quarter, and Purpose-Built Medical Office (MOB) space totaled negative (3,828) SF for the same period.
- The total **direct vacancy** rate for the Austin metro was 8.0% for the quarter, which reflects MOB direct vacancy of 8.1% and OwM vacancy of 7.8% as of Q1.
- **Net asking rents** averaged $28.84 net PSF for MOB space and $27.20 net PSF for OwM space, for a metro average of $28.32 net PSF as of Q1.

NET ABSORPTION BY PROPERTY TYPE



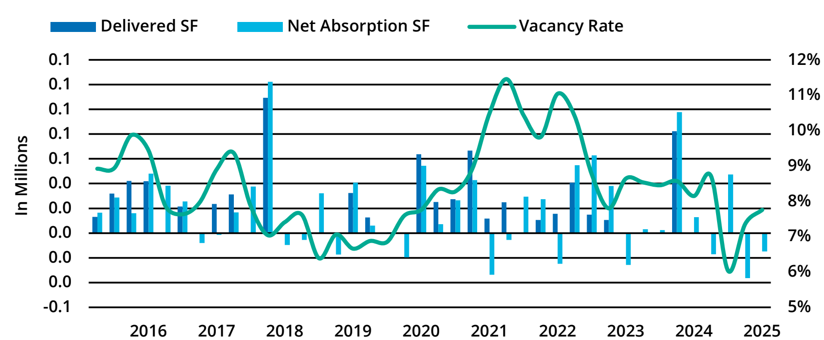
Source: CoStar, Transwestern

PURPOSE BUILT MEDICAL OFFICE (MOB) SPACE DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

OFFICE WITH MEDICAL (OwM) SPACE DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

PURPOSE BUILT MEDICAL OFFICE (MOB) SPACE

MARKET INDICATORS TABLE

Purpose-Built Medical Office Space | Q1 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	QUARTERLY NET ABSORPTION SF	YTD NET ABSORPTION SF	NET ASKING RENT PSF
Bastrop (BAS)	82,000	13,273	16.2%	16.2%	0	0	0	$27.21
Cedar Park (CP)	540,213	24,739	4.6%	8.2%	0	10,750	10,750	$24.68
Central (C)	401,601	70,725	17.6%	19.0%	0	(8,484)	(8,484)	$28.37
East (E)	620,254	109,454	17.6%	17.6%	0	0	0	$38.00
Far Northeast (FNE)	124,525	8,789	7.1%	10.3%	112,420	4,258	4,258	$24.31
Far Northwest (FNW)	11,265	11,950	100.0%	100.0%	0	0	0	$24.00
Georgetown (GTN)	598,466	16,000	2.7%	6.7%	172,643	0	0	$29.00
Hays County (HC)	498,679	43,521	8.7%	8.7%	0	1,574	1,574	$27.83
North (N)	435,721	23,946	5.5%	5.5%	0	(3,405)	(3,405)	$27.58
Northwest (NW)	532,215	62,921	11.8%	13.1%	0	(25,204)	(25,204)	$29.74
Round Rock (RR)	796,007	36,323	4.6%	5.2%	0	19,629	19,629	$21.62
South (S)	302,649	0	0.0%	0.0%	51,114	0	0	$29.00
Southeast (SE)	13,565	0	0.0%	0.0%	18,904	0	0	$34.00
Southwest (SW)	770,522	33,432	4.3%	17.6%	42,403	0	0	$34.24
West Central (WC)	659,609	60,909	9.2%	9.8%	0	(2,946)	(2,946)	$28.00
Total	**6,387,291**	**515,982**	**8.1%**	**10.8%**	**397,484**	**(3,828)**	**(3,828)**	**$28.84**

Source: CoStar, RevistaMed, Transwestern

OFFICE WITH MEDICAL (OwM) SPACE

MARKET INDICATORS TABLE

Office with Medical Space | Q1 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	QUARTERLY NET ABSORPTION SF	YTD NET ABSORPTION SF	NET ASKING RENT PSF
Bastrop (BAS)	23,409	0	0.0%	0.0%	0	0	0	$18.00
Cedar Park (CP)	180,254	24,658	13.7%	17.0%	0	2,728	2,728	$24.15
Central (C)	190,301	3,765	2.0%	3.3%	0	0	0	$25.00
Far Northeast (FNE)	125,271	11,098	8.9%	11.9%	0	(1,302)	(1,302)	$23.86
Far Northwest (FNW)	125,801	0	0.0%	0.0%	0	0	0	$24.75
Georgetown (GTN)	101,126	2,240	2.2%	15.4%	0	300	300	$24.91
Hays County (HC)	169,523	11,971	7.1%	7.1%	0	2,800	2,800	$24.01
North (N)	129,856	1,901	1.5%	2.9%	0	2,002	2,002	$32.00
Northwest (NW)	625,206	80,022	12.8%	13.7%	0	(29,678)	(29,678)	$26.40
Round Rock (RR)	286,975	24,460	8.5%	9.4%	0	6,591	6,591	$23.23
South (S)	387,998	11,104	2.9%	18.1%	0	4,282	4,282	$30.75
Southeast (SE)	12,600	0	0.0%	0.0%	0	0	0	$24.28
Southwest (SW)	526,349	60,119	11.4%	21.6%	0	(4,159)	(4,159)	$31.51
West Central (WC)	115,618	1,439	1.2%	1.2%	0	1,600	1,600	$28.00
Total	**3,000,287**	**232,777**	**7.8%**	**12.9%**	**0**	**(14,836)**	**(14,836)**	**$27.20**

Source: CoStar, Transwestern

Research Methodology

The information in this report is the result of a compilation of data for buildings 10,000 RSF and larger that were purpose-built as medical office, and traditional office buildings 10,000 RSF and larger with a majority of medical office tenants and uses and that conform to medical office standards. These statistics do not include medical condos, hospitals or retail buildings that contain medical office tenants. It is estimated that as much as 30% of small- to medium-sized medical office tenants currently lease space in retail centers. However retail space is not specifically marketed for medical office use, therefore it is not included in the statistics.

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