

Office Snapshot Q3 2015

El Paso, Texas



EL PASO, TEXAS OFFICE

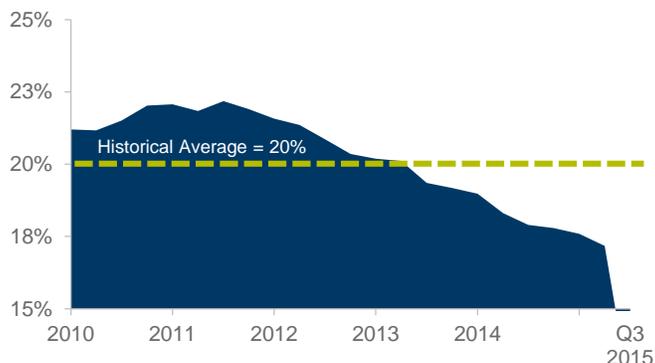
Economic Indicators

	Q3 14	Q3 15	12-Month Forecast
El Paso Employment	296k	297k	▲
El Paso Unemployment	6.3%	5.3%	▼
U.S. Unemployment	6.1%	5.1%	▼

Market Indicators

	Q3 15	12-Month Forecast
Overall Vacancy	6.7%	▼
Net Absorption	29K	▼
Under Construction	114k	■
Overall Average Asking Rent	\$15.00	▲

Overall Vacancy



Economy & Market Overview

The El Paso Borderplex economy continued to expand during third quarter 2015. Employment is still climbing upward boosting the region's business-cycle index. The region's unemployment rate has dropped since this time last year and remains low. While the unemployment rate is above the Texas unemployment rate of 4.1%, it is on par with the U.S. rate of 5.1%

El Paso's office market recorded a decline in vacancy and net absorption while rents increased. The average asking rent as of third quarter was \$15.00 per square foot. Historical overall vacancy average is 20% The overall office vacancy rate measured 6.7% as of third quarter, a drop from 7.3% reported in second quarter.

Outlook

The El Paso office market has experienced a maturation. With virtually no new construction in the past half dozen years and the introduction of some exciting iconic office redevelopments in the same timeframe, it is expected that new class A buildings will soon emerge. In the CBD alone, the inventory is expected to increase by over 4% in the next 18 months.

Medical Office Buildings (MOB's) represent the next major segment of the market and will impact the inventory with class A space accounting for upwards of 2% city-wide. The majority of construction to be in close proximity to the newly-built and projected hospital completions.

Key Lease Transactions Q3 2015

PROPERTY	SF	TENANT	PROPERTY TYPE
201 E. Main	28,966	Emergence Healthcare Network	Class A

Key Sales Transactions Q3 2015

PROPERTY	SF	SELLER/BUYER	PRICE
N/A			

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