

Houston



Quick Stats

15,500

Jobs created during the 12 months ending November 2019

3.6%

November unemployment rate in Houston, down from 3.8% in November 2018

6.6

Million square feet of available sublease space, down from a high of 11 msf in 2016

16.7%

Direct vacancy in Houston's office market

3

Million square feet of office space under construction

Houston's office market returned to positive absorption levels during fourth quarter, ending the year with limited, but overall positive absorption. Diversification has occurred in the Energy Capital of the World, yet the slowing economy, both locally and globally, has affected the commercial real estate market. The newest class A properties continue to attract tenants, resulting in higher vacancies in older class A and B properties, thus sparking major renovations to stay competitive.

Local employment growth has been steady as jobs in the metro grew 2.7% year-over-year, according to the Texas Workforce Commission (TWC). The metro's unemployment rate improved to 3.6% in November from 3.8% year-over-year. For the 12 months ending November 2019, the Houston metro area added 85,500 jobs. The Greater Houston Partnership notes that "this level of reported growth is not supported by other economic indicators" and suggests that the TWC's current estimates are perhaps overstated.

Overall rental rates remain constant with marginal increases during the last five years, but tenants will keep their competitive

advantage based on the amount of availability in the market. The flight-to-quality factor – firms opting for office efficiency in newer properties to attract top personnel – contributes to the high availability rates along with keeping leasing activity strong in the class A segment.

Absorption and Demand

Direct net absorption returned to a positive 882,462 square feet (sf) during fourth quarter after experiencing losses during the last two quarters. The office market ended the year with a gain of 68,704 sf of absorption following two years of losses. During fourth quarter, class A properties reported direct net gains of 789,878 sf while class B reported 94,668 sf; class C reported a negative 2,085 sf. For the year, class A properties registered 1.1 million square feet (msf) of absorption while class B registered a negative 1 msf.

The Katy Freeway West/Energy Corridor submarket recorded the highest positive net absorption of 430,271 sf during the fourth quarter, primarily due to McDermott

International occupying 524,316 sf in Energy Center V. For the year, six submarkets recorded more than 100,000 sf of direct net absorption, with the Central Business District (CBD) recording the most at 351,216 sf followed by the Woodlands at 335,915 sf.

In addition to McDermott, other occupancies during the fourth quarter include Honeywell moving into 114,204 sf in CityWestPlace Building 1 at 2101 CityWest Boulevard and Marsh Wortham moving into 90,166 sf into America Tower at 2929 Allen Parkway.

Leasing activity slowed in fourth quarter to 2.1 msf with the largest lease of 122,547 sf signed by Bank of America in Pennzoil Place's North Tower. The top two leases of the year were Burns & McDonnell's 218,000-sf expansion and renewal at 1700 West Loop South followed by Alight Solution's 180,000-sf new building at 8770 New Trails Drive in The Woodlands.

Vacancy & Availability

The current direct vacancy rate of 16.7% is 30 basis points above both the previous quarter and year-over-year's 16.4%. Class A vacancy rates remained 16.1% from last quarter but represent an improvement from 16.3% year-over-year and the 17% range earlier last year. Class B vacancy rates increased 20 basis points to 18.9% in the fourth quarter while class C rates rose 10 basis points from last quarter. Total vacancy including sublease space is now at 18%, slightly up from last quarter and from year-over-year's 17.8%.

Direct availability citywide remained at 21.5% during fourth quarter. Total availability, including sublease space, is now at 24.4%, an increase from last year's 23.1%. Leasing activity started out strong during the first half of the year but has slowed the last two quarters with 2.1 msf leased during fourth quarter; at 12.9 msf, 2019's total leasing activity is about 40% of the total 21.1 msf leased during 2018.

Available sublease space rose slightly to 6.6 msf from 6.4 msf last quarter but is a tad less than the 6.7 msf available at this time last year. Total sublease space represents about 12% of the 55.2 msf available. Five submarkets account for 74% of all available sublease space, with the largest block Occidental's 657,394 sf in Five Greenway Plaza.

Construction

The construction pipeline remains limited, with 18 buildings totaling 3 msf under construction and 40.7% preleased. The CBD represents about 42% of the total square footage with the largest building, Texas Tower at 845 Texas Avenue. Hines' 1.1-msf property is currently 37.3% preleased and is scheduled for completion in October 2021.

Five buildings totaling 504,728 sf in five different submarkets broke ground during fourth quarter. The largest is MetroNational's 161,280-sf building at 9753 Katy Freeway,

No buildings were completed during fourth quarter. For the year, eight

buildings totaling 1.3 msf were completed, with the largest being Bank of America Tower, Skanska's new 780,341-sf tower at 800 Capitol. The new building is currently 85.1% leased; recent reports note Skanska sold a 90% stake in the building to an affiliate of Beacon Capital Partners.

Asking Rates

Overall average asking rates have marginally increased to \$30.70 per square foot (psf) gross from third quarter's \$30.55 psf. Quoted asking rates were reported in the \$29-to-\$30-psf range during the last five years and increased to more than \$30 during last year's third quarter. Throughout the downturn, landlords have offered various concessions, including year-long rent abatements and allowances covering the full cost of tenant improvement construction.

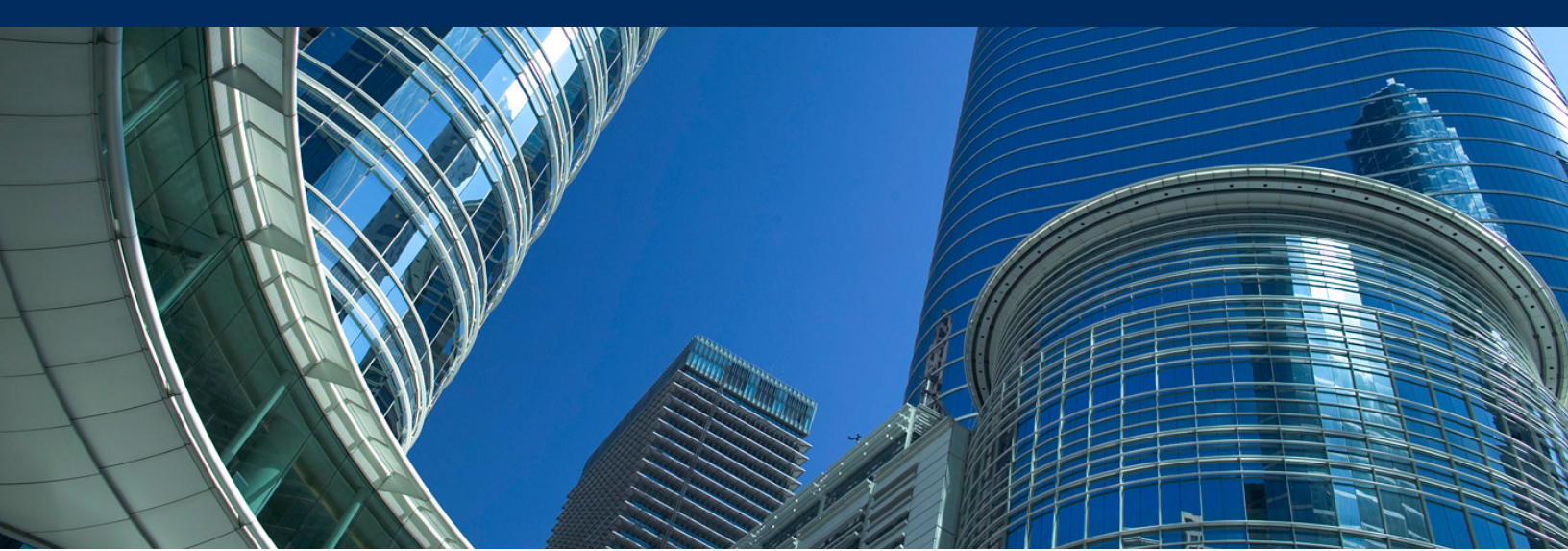
Average asking rates for the different submarkets range from a low of \$15.72 psf in the Southwest to \$43.04 the CBD. The six suburban submarkets currently quoting rates more than \$30 include the West Loop (\$36.16), the Woodlands (\$35.14), Greenway Plaza (\$33.96), Katy Freeway East (\$33.09), Katy Freeway West/Energy Corridor (\$30.90), and East Fort Bend/Sugar Land (\$30.10).

Class A rates fell marginally to \$36.19 psf from the previous quarter. CBD properties are currently quoting class A rates at \$45.56 psf, also lower than last quarter but higher than the \$45.13 psf recorded a year ago. Average suburban class A rates are currently \$31.96 psf, also a decrease from the first three quarters of the year, but a slight increase from the \$31.94-psf rate recorded at year-end 2018.

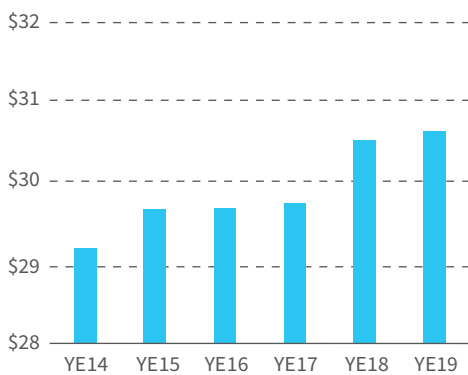
16.7%
DIRECT VACANCY
RATE

882k sf
DIRECT
ABSORPTION

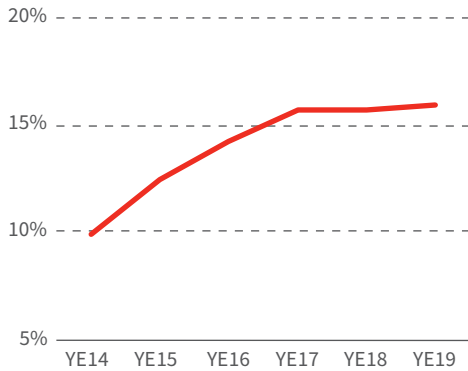
\$30.70
AVERAGE
QUOTED RATE



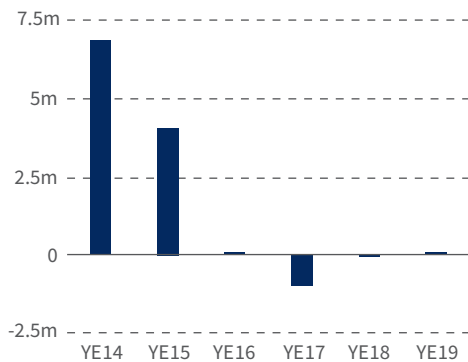
Asking Rates



Vacancy Rates



Net Absorption



Fourth-Quarter 2019 Highlights

- The largest lease signed during fourth quarter was **Bank of America's** 122,547 sf in Pennzoil Place's North Tower at 700 Milam Street in the Central Business District.
- Flight-to-quality trends persist as net absorption in class A properties record gains at the expense of class B properties. Class A properties absorbed more than 789,878 sf during fourth quarter, compared to class B properties with 94,668 sf. Numbers for the year are 1.1 msf of direct absorption for class A properties and a negative 1 msf for class B properties.
- Five buildings totaling 504,728 sf broke ground in five different submarkets during fourth quarter. The largest underway is **9753 Katy Freeway**, a 161,280-sf building added to the Katy Freeway East sector by MetroNational Corporation.
- **Burns & McDonnell** signed the largest lease of the year at its namesake tower, Burns & McDonnell Plaza at 1700 West Loop South. The 218,000-sf renewal and expansion was signed during second quarter.
- **The Howard Hughes Corporation** purchased two former Anadarko buildings, warehouse space and developable land in The Woodlands and a 1.3-msf campus in West Houston from **Occidental**. Anadarko, now Occidental, will lease back the 808,000-sf tower at 1201 Lake Robbins and the 125,000-sf warehouse. Howard Hughes will be moving its headquarters from Dallas to the 595,000-sf building at 9950 Woodloch Forest and will remarket the 63-acre, 17-building campus on Dairy Ashford.

Trends to Watch

With its central location within the U.S. and the Americas, Houston is an important office base. The following are regional updates for key economic indicators.



Employment

Employment grew 2.7%, creating 85,500 jobs for the 12 months ending November 2019.



Oil

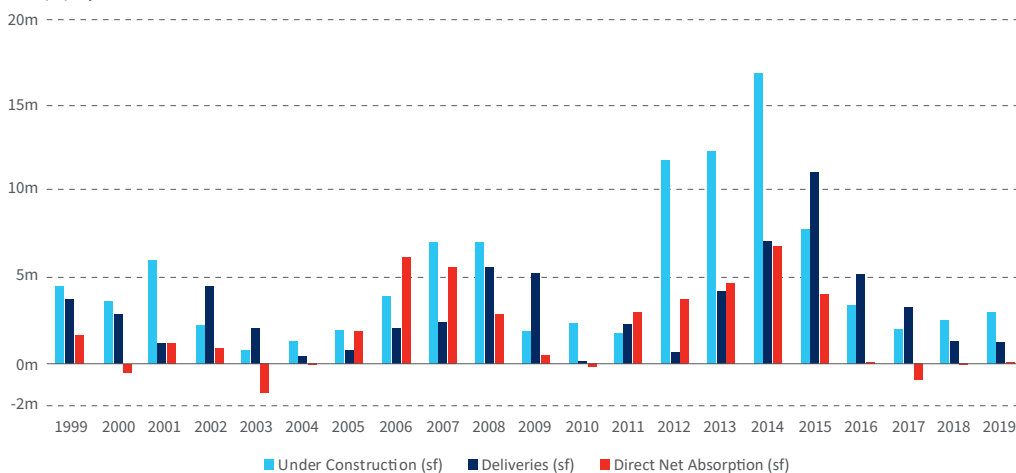
The price of oil averaged \$60 in late December, fluctuating between the low-\$50s and mid-\$60s during the year. Forecasts predict averages in the low \$60s for 2020.



Purchasing

The Purchasing Manager's Index (PMI) registered 46.9 in November 2019, down from 51.1 in October, indicating short-term contraction in Houston's manufacturing sector.

Supply and Demand



Select Fourth-Quarter Under Construction

Building Name	Building Address	Rentable Building Area (sf)	% Preleased	Major Tenants	Projected Delivery	Submarket
Texas Tower	845 Texas Avenue	1,123,699	37%	Vinson & Elkins, Hines	October 2021	Central Business District
Insperty Campus Building 5	U.S. 59 at Kingwood Drive	270,000	100%	Insperty	June 2020	Kingwood/Humble
200 Park Place	4200 Westheimer Road	207,202	18%	Charles Schwab	March 2020	West Loop
Alight Solutions	8770 New Trails Drive	180,000	100%	Alight Solutions	February 2020	Woodlands
9753 Katy Freeway	9753 Katy Freeway	161,280	0%	TBD	October 2020	Katy Freeway East
Katy Ranch Phase II*	24279 Katy Freeway	150,920	0%	TBD	August 2020	Katy/Grand Parkway West
9655 Katy Freeway	9655 Katy Freeway	150,000	7%	TBD	July 2020	Katy Freeway East
Post Houston	401 Franklin Street	150,000	19%	TBD	August 2020	Central Business District
Research Forest Lakeside Building 9	9709 Lakeside Boulevard	137,938	2%	TBD	August 2020	Woodlands

*Avison Young exclusive lease project

Select Fourth-Quarter Lease Transactions

Tenant	Building Name	Building Address	Size (sf)	Submarket
Bank of America	Pennzoil Place North Tower	700 Milam Street	122,547	Central Business District
DCP Midstream	CityWestPlace Building 2	2107 CityWest Boulevard	86,718	Westchase
Parsons	2200 West Loop South	2200 West Loop South	57,946	West Loop
Northern Trust	1801 Post Oak Boulevard	1801 Post Oak Boulevard	39,000	West Loop
Terra Energy Partners	Thirty Fifty Post Oak	3050 Post Oak Boulevard	33,457	West Loop
Third Coast Midstream	Hess Tower	1501 McKinney	30,841	Central Business District
Penn Virginia Corporation	The Offices at Park Ten	16285 Park Ten Place Drive	27,429	Katy Freeway West/Energy Corridor
Blueware	The Offices at Park Ten Phase II	16290 Katy Freeway	26,800	Katy Freeway West/Energy Corridor
CIMA Energy	LyondellBasell Tower	1221 McKinney Street	24,301	Central Business District

Source: CoStar



avisonyoung.com

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Properties 

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Fourth Quarter 2019



Houston Office Market Statistics & Heat Maps

Partnership. Performance.



Market Statistics

Central Business District & Suburban Total | Fourth Quarter 2019

	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q4 19 Net Absorption (sf)			YE 19 Net Absorption (sf)			Quoted Rates (Gross)	YE 19 Leasing Activity (sf)	YE 19 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Central Business District																			
Class A	37	33,977,553	4,747,204	14.0%	16.3%	1,405,555	23.4%	4.1%	27.5%	71,424	-7,346	64,078	348,723	43,829	392,552	\$45.56	1,978,167	780,341	1,273,699
Class B	35	10,105,777	2,876,602	28.5%	29.8%	238,252	31.5%	2.4%	33.9%	-27,344	-30,146	-57,490	2,493	-69,570	-67,077	\$30.63	234,602	0	0
Class C	17	1,273,824	78,560	6.2%	6.2%	0	6.2%	0.0%	6.2%	0	0	0	0	0	0	\$17.61	0	0	0
Totals	89	45,357,154	7,702,366	17.0%	19.0%	1,643,807	24.7%	3.6%	28.3%	44,080	-37,492	6,588	351,216	-25,741	325,475	\$43.04	2,212,769	780,341	1,273,699
Suburban																			
Class A	400	98,487,513	16,523,062	16.8%	18.4%	4,289,778	21.6%	4.4%	25.9%	718,454	-81,842	636,612	727,777	188,413	916,190	\$31.96	6,404,053	389,703	1,387,540
Class B	817	72,237,388	12,682,925	17.6%	18.1%	659,892	21.2%	0.9%	22.1%	122,012	17,634	139,646	-1,025,295	72,880	-952,415	\$21.29	3,976,377	88,578	345,069
Class C	227	10,236,881	782,807	7.6%	7.9%	23,638	9.3%	0.2%	9.6%	-2,085	2,687	602	15,006	-4,585	10,421	\$17.07	308,460	0	0
Totals	1,444	180,961,782	29,988,794	16.6%	17.7%	4,973,308	20.7%	2.8%	23.5%	838,381	-61,521	776,860	-282,512	256,708	-25,804	\$27.05	10,688,890	478,281	1,732,609
Overall																			
Class A	437	132,465,066	21,270,266	16.1%	17.9%	5,695,333	22.0%	4.3%	26.2%	789,878	-89,188	700,690	1,076,500	232,242	1,308,742	\$36.19	8,382,220	1,170,044	2,661,239
Class B	852	82,343,165	15,559,527	18.9%	19.5%	898,144	22.5%	1.1%	23.6%	94,668	-12,512	82,156	-1,022,802	3,310	-1,019,492	\$22.19	4,210,979	88,578	345,069
Class C	244	11,510,705	861,367	7.5%	7.7%	23,638	9.0%	0.2%	9.2%	-2,085	2,687	602	15,006	-4,585	10,421	\$17.12	308,460	0	0
Totals	1,533	226,318,936	37,691,160	16.7%	18.0%	6,617,115	21.5%	2.9%	24.4%	882,461	-99,013	783,448	68,704	230,967	299,671	\$30.70	12,901,659	1,258,622	3,006,308

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q4 19 Net Absorption (sf)			YE 19 Net Absorption (sf)			Quoted Rates (Gross)	YE 19 Leasing Activity (sf)	YE 19 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire	29	3,395,275	179,041	5.3%	5.7%	40,565	21.0%	1.2%	22.2%	27,241	23,535	50,776	44,463	31,647	76,110	\$26.21	267,037	0	0
Central Business District	89	45,357,154	7,702,366	17.0%	19.0%	1,643,807	24.7%	3.6%	28.3%	44,080	-37,492	6,588	351,216	-25,741	325,475	\$43.04	2,212,769	780,341	1,273,699
East Fort Bend/Sugar Land	48	5,521,845	455,539	8.2%	9.6%	231,180	11.0%	4.2%	15.2%	390	-2,065	-1,675	-84,935	33,429	-51,506	\$30.10	418,675	0	105,321
FM 1960	99	8,520,283	1,596,552	18.7%	19.5%	308,644	20.3%	3.6%	23.9%	13,089	7,917	21,006	-337,451	-10,376	-347,827	\$18.52	423,885	156,000	54,000
Greenspoint	82	10,840,785	4,757,422	43.9%	44.0%	19,409	45.5%	0.2%	45.7%	-61,200	6,556	-54,644	-64,972	40,081	-24,891	\$18.89	406,740	0	0
Greenway Plaza	65	11,178,441	1,298,164	11.6%	12.5%	1,151,497	13.8%	10.3%	24.1%	22,912	-13,044	9,868	137,966	-57,083	80,883	\$33.96	606,890	0	0
Gulf Freeway/Pasadena	57	3,047,362	308,075	10.1%	10.4%	66,391	11.3%	2.2%	13.5%	12,987	-5,200	7,787	-28,467	3,122	-25,345	\$21.87	149,576	0	0
I-10 East	8	528,851	55,662	10.5%	10.5%	0	15.9%	0.0%	15.9%	2,213	0	2,213	-4,594	0	-4,594	\$17.38	46,441	0	30,500
Katy Freeway East	64	7,582,336	572,782	7.6%	7.7%	80,266	16.1%	1.0%	17.2%	53,043	13,366	66,409	216,886	29,111	245,997	\$33.09	584,802	0	311,280
Katy Freeway West/Energy Corridor	150	25,287,839	4,643,825	18.4%	21.1%	889,246	21.9%	3.5%	25.4%	430,271	-502	429,769	-260	246,912	246,652	\$30.90	1,267,177	0	0
Katy/Grand Parkway West	30	2,521,644	231,014	9.2%	10.5%	53,373	21.1%	2.1%	23.2%	-7,793	-30,242	-38,035	-14,698	-24,479	-39,177	\$28.00	33,553	0	281,120
Kingwood/Humble	15	910,006	70,028	7.7%	7.7%	0	9.3%	0.0%	9.3%	-6,562	0	-6,562	4,905	100	5,005	\$22.46	43,062	0	270,000
Midtown	66	6,339,120	685,025	10.8%	11.2%	38,082	14.2%	0.6%	14.8%	62,475	0	62,475	35,219	-11,108	24,111	\$28.98	423,684	35,363	0
NASA/Clear Lake	64	4,873,151	892,774	18.3%	18.6%	19,450	21.2%	0.4%	21.6%	16,015	-9,462	6,553	51,941	-9,437	42,504	\$20.54	270,845	0	22,000
Northeast Near	7	306,892	21,991	7.2%	7.2%	0	7.2%	0.0%	7.2%	3,473	0	3,473	1,852	0	1,852	\$18.13	6,303	0	0
Northwest	95	8,015,992	1,517,450	18.9%	19.0%	18,574	22.4%	0.2%	22.7%	96,807	-6,030	90,777	55,231	-4,325	50,906	\$20.48	713,085	64,348	0
Richmond/Fountainview	22	1,090,584	98,221	9.0%	9.0%	0	9.4%	0.0%	9.4%	-15,152	0	-15,152	-41,376	0	-41,376	\$16.77	35,444	0	0
San Felipe/Voss	36	5,119,178	996,314	19.5%	20.0%	52,100	22.2%	1.0%	23.2%	36,135	-7,874	28,261	-25,488	-16,842	-42,330	\$29.31	312,986	0	0
South	20	806,200	53,835	6.7%	6.7%	0	6.7%	0.0%	6.7%	-7,871	0	-7,871	2,699	0	2,699	\$26.97	22,370	24,230	0
South Main/Medical Center	22	2,245,864	189,361	8.4%	8.5%	1,500	8.9%	0.1%	8.9%	4,857	0	4,857	-31,719	-1,500	-33,219	\$19.38	73,823	0	0
Southwest	97	9,444,126	1,935,641	20.5%	21.1%	58,087	23.2%	0.6%	23.8%	89,652	4,632	94,284	-23,566	800	-22,766	\$15.72	630,108	0	0
West Belt	63	5,680,473	781,583	13.8%	19.3%	360,801	17.4%	6.4%	23.8%	69,023	-164,882	-95,859	254,676	-184,795	69,881	\$26.07	346,262	0	0
West Loop	103	23,898,063	3,982,597	16.7%	17.5%	706,231	23.6%	3.0%	26.5%	136,625	49,162	185,787	-485,527	155,744	-329,783	\$36.16	1,522,303	0	340,450
Westchase	95	17,327,146	3,452,957	19.9%	21.4%	496,148	24.3%	2.9%	27.1%	-195,643	65,561	-130,082	-290,012	112,460	-177,552	\$27.21	1,276,561	0	0
Woodlands	107	16,480,326	1,212,941	7.4%	8.1%	381,764	11.6%	2.3%	13.9%	55,394	7,051	62,445	335,915	-74,398	261,517	\$35.14	805,290	198,340	317,938
Totals	1,533	226,318,936	37,691,160	16.7%	18.0%	6,617,115	21.5%	2.9%	24.4%	882,461	-99,013	783,448	68,704	230,967	299,671	\$30.70	12,901,659	1,258,622	3,006,308

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Bellaire	6	1,173,781	88,280	7.5%	8.8%	40,281	12.7%	3.4%	16.1%	25,874	23,819	49,693	24,579	26,442	51,021	\$29.11	181,972	0	0
Central Business District	37	33,977,553	4,747,204	14.0%	16.3%	1,405,555	23.4%	4.1%	27.5%	71,424	-7,346	64,078	348,723	43,829	392,552	\$45.56	1,978,167	780,341	1,273,699
East Fort Bend/Sugar Land	19	3,749,112	327,860	8.7%	10.5%	221,520	11.2%	5.9%	17.1%	-20,592	-2,065	-22,657	-137,254	39,105	-98,149	\$32.36	315,630	0	0
FM 1960	15	3,506,192	435,799	12.4%	13.4%	260,935	13.2%	7.4%	20.6%	22,246	1,979	24,225	16,521	-28,192	-11,671	\$27.32	104,891	156,000	0
Greenspoint	24	5,485,758	3,180,513	58.0%	58.1%	15,003	59.7%	0.3%	59.9%	-8,831	6,556	-2,275	3,332	10,494	13,826	\$21.58	119,067	0	0
Greenway Plaza	19	6,687,106	856,872	12.8%	14.0%	1,110,459	14.7%	16.6%	31.3%	21,803	-13,044	8,759	147,653	-42,995	104,658	\$36.76	394,217	0	0
Gulf Freeway/Pasadena	3	170,782	1,295	0.8%	0.8%	0	0.8%	0.0%	0.8%	0	0	0	-1,295	0	-1,295	\$33.09	0	0	0
I-10 East	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
Katy Freeway East	24	4,673,914	325,493	7.0%	7.1%	77,536	20.3%	1.7%	21.9%	47,283	13,366	60,649	255,025	1,356	256,381	\$42.80	418,242	0	311,280
Katy Frwy West/Energy Corridor	60	16,937,949	2,575,679	15.2%	19.0%	846,814	19.6%	5.0%	24.6%	338,496	-2,282	336,214	114,220	243,503	357,723	\$36.43	821,737	0	0
Katy/Grand Parkway West	16	1,542,980	221,913	14.4%	16.5%	53,373	33.5%	3.5%	36.9%	-5,027	-30,242	-35,269	-23,211	-24,479	-47,690	\$28.01	19,176	0	281,120
Kingwood/Humble	0	-	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	270,000
Midtown	9	2,327,482	257,086	11.0%	11.2%	9,543	13.6%	0.4%	14.0%	91,406	0	91,406	127,847	0	127,847	\$34.30	223,908	35,363	0
NASA/Clear Lake	12	1,694,762	180,399	10.6%	11.2%	11,872	11.3%	0.7%	12.0%	-2,225	-9,077	-11,302	-1,814	-6,687	-8,501	\$25.72	53,581	0	0
Northeast Near	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
Northwest	10	2,037,781	631,206	31.0%	31.3%	18,574	33.3%	0.9%	34.2%	78,092	-6,030	72,062	148,873	-6,030	142,843	\$23.13	358,206	0	0
Richmond/Fountainview	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
San Felipe/Voss	3	1,720,793	381,800	22.2%	23.0%	34,370	25.9%	2.0%	27.9%	9,317	-14,385	-5,068	20,655	-9,438	11,217	\$35.67	59,524	0	0
South	1	170,000	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
South Main/Medical Center	1	485,000	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Southwest	8	1,745,633	457,412	26.2%	26.2%	0	29.0%	0.0%	29.0%	26,366	0	26,366	-40,908	0	-40,908	\$16.65	204,338	0	0
West Belt	29	3,739,198	473,069	12.7%	18.6%	264,847	18.1%	7.1%	25.1%	84,065	-164,882	-80,817	237,942	-174,795	63,147	\$27.66	293,686	0	0
West Loop	51	18,186,304	3,368,912	18.5%	19.4%	652,781	26.9%	3.6%	30.5%	68,395	46,212	114,607	-412,636	143,055	-269,581	\$37.90	1,242,974	0	207,202
Westchase	32	9,277,952	1,879,902	20.3%	22.7%	328,508	24.9%	3.5%	28.5%	-101,759	55,111	-46,648	-128,082	87,594	-40,488	\$32.95	957,774	0	0
Woodlands	58	13,175,034	879,572	6.7%	7.5%	343,362	8.8%	2.6%	11.4%	43,545	13,122	56,667	368,653	-64,165	304,488	\$38.18	635,130	198,340	317,938
Totals	437	132,465,066	21,270,266	16.1%	17.9%	5,695,333	22.0%	4.3%	26.2%	789,878	-89,188	700,690	1,076,500	232,242	1,308,742	\$36.19	8,382,220	1,170,044	2,661,239

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q4 19 Net Absorption (sf)			YE 19 Net Absorption (sf)			Quoted Rates (Gross)	YE 19 Leasing Activity (sf)	YE 19 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire	15	1,774,466	61,667	3.5%	3.5%	0	30.3%	0.0%	30.3%	2,157	0	2,157	21,226	5,489	26,715	\$24.69	85,065	0	0
Central Business District	35	10,105,777	2,876,602	28.5%	29.8%	238,252	31.5%	2.4%	33.9%	-27,344	-30,146	-57,490	2,493	-69,570	-67,077	\$30.63	234,602	0	0
East Fort Bend/Sugar Land	29	1,772,733	127,679	7.2%	7.7%	9,660	10.7%	0.5%	11.2%	20,982	0	20,982	52,319	-5,676	46,643	\$25.22	103,045	0	105,321
FM 1960	64	4,285,130	1,113,798	26.0%	26.8%	47,709	27.4%	1.1%	28.5%	-10,503	5,938	-4,565	-359,970	17,816	-342,154	\$16.24	305,313	0	54,000
Greenspoint	41	4,185,655	1,485,305	35.5%	35.5%	4,406	37.0%	0.1%	37.1%	-69,204	0	-69,204	-97,128	26,830	-70,298	\$14.44	240,894	0	0
Greenway Plaza	35	4,100,493	408,516	10.0%	10.4%	39,338	12.9%	1.0%	13.8%	-2,982	0	-2,982	-9,329	-14,088	-23,417	\$29.53	202,450	0	0
Gulf Freeway/Pasadena	38	2,261,726	185,078	8.2%	8.5%	66,391	9.8%	2.9%	12.8%	20,573	-5,200	15,373	-11,536	3,122	-8,414	\$20.74	146,579	0	0
I-10 East	6	427,851	55,662	13.0%	13.0%	0	19.7%	0.0%	19.7%	2,213	0	2,213	-4,594	0	-4,594	\$17.38	46,441	0	30,500
Katy Freeway East	25	2,118,144	235,587	11.1%	11.2%	1,861	12.2%	0.1%	12.2%	4,896	0	4,896	-82,826	26,811	-56,015	\$19.06	124,343	0	0
Katy Frwy West/Energy Corridor	82	8,044,623	2,028,744	25.2%	25.6%	41,647	27.3%	0.5%	27.8%	92,666	1,780	94,446	-112,572	1,411	-111,161	\$22.66	431,266	0	0
Katy/Grand Parkway West	12	928,233	9,101	1.0%	1.0%	0	1.6%	0.0%	1.6%	-2,766	0	-2,766	8,513	0	8,513	\$27.64	14,377	0	0
Kingwood/Humble	13	843,744	69,886	8.3%	8.3%	0	10.0%	0.0%	10.0%	-6,562	0	-6,562	4,807	100	4,907	\$22.46	42,822	0	0
Midtown	36	3,330,446	348,383	10.5%	11.2%	28,539	15.1%	0.9%	16.0%	-28,833	0	-28,833	-84,511	-11,108	-95,619	\$25.46	194,921	0	0
NASA/Clear Lake	40	2,820,485	659,462	23.4%	23.5%	7,578	27.6%	0.3%	27.9%	9,281	-385	8,896	51,819	-2,750	49,069	\$19.54	197,941	0	22,000
Northeast Near	4	229,669	5,413	2.4%	2.4%	0	2.4%	0.0%	2.4%	4,101	0	4,101	2,587	0	2,587	\$24.07	3,321	0	0
Northwest	59	4,879,980	806,783	16.5%	16.5%	0	20.6%	0.0%	20.6%	16,865	0	16,865	-88,274	1,705	-86,569	\$19.14	332,736	64,348	0
Richmond/Fountainview	12	695,406	72,222	10.4%	10.4%	0	11.0%	0.0%	11.0%	-5,377	0	-5,377	-31,877	0	-31,877	\$17.65	12,824	0	0
San Felipe/Voss	33	3,398,385	614,514	18.1%	18.4%	17,730	20.3%	0.5%	20.8%	26,818	6,511	33,329	-46,143	-7,404	-53,547	\$24.75	253,462	0	0
South	15	480,813	43,285	9.0%	9.0%	0	9.0%	0.0%	9.0%	-7,871	0	-7,871	5,249	0	5,249	\$27.39	22,370	24,230	0
South Main/Medical Center	13	1,275,654	147,686	11.6%	11.7%	1,500	12.0%	0.1%	12.2%	3,694	0	3,694	-33,844	-1,500	-35,344	\$19.49	33,697	0	0
Southwest	63	6,303,451	1,394,730	22.1%	23.0%	58,087	24.7%	0.9%	25.6%	83,477	1,661	85,138	39,003	800	39,803	\$15.49	368,477	0	0
West Belt	31	1,854,781	308,514	16.6%	20.7%	75,954	16.9%	4.1%	21.0%	-15,042	0	-15,042	16,734	0	16,734	\$21.87	52,576	0	0
West Loop	47	5,387,491	600,522	11.1%	11.8%	53,450	13.5%	1.0%	14.5%	68,230	2,950	71,180	-67,246	12,689	-54,557	\$26.34	274,683	0	133,248
Westchase	59	7,641,670	1,567,019	20.5%	20.9%	167,640	24.6%	2.2%	26.8%	-96,650	10,450	-86,200	-166,087	24,866	-141,221	\$22.29	317,396	0	0
Woodlands	45	3,196,359	333,369	10.4%	11.1%	38,402	23.7%	1.2%	24.9%	11,849	-6,071	5,778	-32,738	-10,233	-42,971	\$33.79	167,390	0	0
Totals	852	82,343,165	15,559,527	18.9%	19.5%	898,144	22.5%	1.1%	23.6%	94,668	-12,512	82,156	-1,022,802	3,310	-1,019,492	\$22.19	4,210,979	88,578	345,069

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q4 19 Net Absorption (sf)			YE 19 Net Absorption (sf)			Quoted Rates (Gross)	YE 19 Leasing Activity (sf)	YE 19 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire	8	447,028	29,094	6.5%	6.6%	284	6.5%	0.1%	6.6%	-790	-284	-1,074	-1,342	-284	-1,626	\$18.09	0	0	0
Central Business District	17	1,273,824	78,560	6.2%	6.2%	0	6.2%	0.0%	6.2%	0	0	0	0	0	0	\$17.61	0	0	0
East Fort Bend/Sugar Land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
FM 1960	20	728,961	46,955	6.4%	6.4%	0	12.4%	0.0%	12.4%	1,346	0	1,346	5,998	0	5,998	\$15.34	13,681	0	0
Greenspoint	17	1,169,372	91,604	7.8%	7.8%	0	9.2%	0.0%	9.2%	16,835	0	16,835	28,824	2,757	31,581	\$11.57	46,779	0	0
Greenway Plaza	11	390,842	32,776	8.4%	8.4%	1,700	9.6%	0.4%	10.1%	4,091	0	4,091	-358	0	-358	\$22.52	10,223	0	0
Gulf Freeway/Pasadena	16	614,854	121,702	19.8%	19.8%	0	19.8%	0.0%	19.8%	-7,586	0	-7,586	-15,636	0	-15,636	\$25.05	2,997	0	0
I-10 East	2	101,000	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Katy Freeway East	15	790,278	11,702	1.5%	1.6%	869	2.0%	0.1%	2.1%	864	0	864	44,687	944	45,631	\$20.17	42,217	0	0
Katy Frwy West/Energy Corridor	8	305,267	39,402	12.9%	13.2%	785	12.9%	0.3%	13.2%	-891	0	-891	-1,908	1,998	90	\$19.70	14,174	0	0
Katy/Grand Parkway West	2	50,431	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Kingwood/Humble	2	66,262	142	0.2%	0.2%	0	0.2%	0.0%	0.2%	0	0	0	98	0	98	\$21.13	240	0	0
Midtown	21	681,192	79,556	11.7%	11.7%	0	11.7%	0.0%	11.7%	-98	0	-98	-8,117	0	-8,117	\$29.74	4,855	0	0
NASA/Clear Lake	12	357,904	52,913	14.8%	14.8%	0	17.7%	0.0%	17.7%	8,959	0	8,959	1,936	0	1,936	\$17.33	19,323	0	0
Northeast Near	3	77,223	16,578	21.5%	21.5%	0	21.5%	0.0%	21.5%	-628	0	-628	-735	0	-735	\$15.00	2,982	0	0
Northwest	26	1,098,231	79,461	7.2%	7.2%	0	10.6%	0.0%	10.6%	1,850	0	1,850	-5,368	0	-5,368	\$14.19	22,143	0	0
Richmond/Fountainview	10	395,178	25,999	6.6%	6.6%	0	6.6%	0.0%	6.6%	-9,775	0	-9,775	-9,499	0	-9,499	\$15.01	22,620	0	0
San Felipe/Voss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
South	4	155,387	10,550	6.8%	6.8%	0	6.8%	0.0%	6.8%	0	0	0	-2,550	0	-2,550	\$20.00	0	0	0
South Main/Medical Center	8	485,210	41,675	8.6%	8.6%	0	9.5%	0.0%	9.5%	1,163	0	1,163	2,125	0	2,125	\$19.07	40,126	0	0
Southwest	26	1,395,042	83,499	6.0%	6.0%	0	9.2%	0.0%	9.2%	-20,191	2,971	-17,220	-21,661	0	-21,661	\$13.32	57,293	0	0
West Belt	3	86,494	0	0.0%	23.1%	20,000	0.0%	23.1%	23.1%	0	0	0	0	-10,000	-10,000	-	0	0	0
West Loop	5	324,268	13,163	4.1%	4.1%	0	4.1%	0.0%	4.1%	0	0	0	-5,645	0	-5,645	\$19.50	4,646	0	0
Westchase	4	407,524	6,036	1.5%	1.5%	0	3.3%	0.0%	3.3%	2,766	0	2,766	4,157	0	4,157	\$14.50	1,391	0	0
Woodlands	4	108,933	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	\$18.69	2,770	0	0
Totals	244	11,510,705	861,367	7.5%	7.7%	23,638	9.0%	0.2%	9.2%	-2,085	2,687	602	15,006	-4,585	10,421	\$17.12	308,460	0	0

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							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire																			
Class A	6	1,173,781	88,280	7.5%	8.8%	40,281	12.7%	3.4%	16.1%	25,874	23,819	49,693	24,579	26,442	51,021	\$29.11	181,972	0	0
Class B	15	1,774,466	61,667	3.5%	3.5%	0	30.3%	0.0%	30.3%	2,157	0	2,157	21,226	5,489	26,715	\$24.69	85,065	0	0
Class C	8	447,028	29,094	6.5%	6.6%	284	6.5%	0.1%	6.6%	-790	-284	-1,074	-1,342	-284	-1,626	\$18.09	0	0	0
Totals	29	3,395,275	179,041	5.3%	5.7%	40,565	21.0%	1.2%	22.2%	27,241	23,535	50,776	44,463	31,647	76,110	\$26.21	267,037	0	0
Central Business District																			
Class A	37	33,977,553	4,747,204	14.0%	16.3%	1,405,555	23.4%	4.1%	27.5%	71,424	-7,346	64,078	348,723	43,829	392,552	\$45.56	1,978,167	780,341	1,273,699
Class B	35	10,105,777	2,876,602	28.5%	29.8%	238,252	31.5%	2.4%	33.9%	-27,344	-30,146	-57,490	2,493	-69,570	-67,077	\$30.63	234,602	0	0
Class C	17	1,273,824	78,560	6.2%	6.2%	0	6.2%	0.0%	6.2%	0	0	0	0	0	0	\$17.61	0	0	0
Totals	89	45,357,154	7,702,366	17.0%	19.0%	1,643,807	24.7%	3.6%	28.3%	44,080	-37,492	6,588	351,216	-25,741	325,475	\$43.04	2,212,769	780,341	1,273,699
East Fort Bend/Sugar Land																			
Class A	19	3,749,112	327,860	8.7%	10.5%	221,520	11.2%	5.9%	17.1%	-20,592	-2,065	-22,657	-137,254	39,105	-98,149	\$32.36	315,630	0	0
Class B	29	1,772,733	127,679	7.2%	7.7%	9,660	10.7%	0.5%	11.2%	20,982	0	20,982	52,319	-5,676	46,643	\$25.22	103,045	0	105,321
Class C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
Totals	48	5,521,845	455,539	8.2%	9.6%	231,180	11.0%	4.2%	15.2%	390	-2,065	-1,675	-84,935	33,429	-51,506	\$30.10	418,675	0	105,321
FM 1960																			
Class A	15	3,506,192	435,799	12.4%	13.4%	260,935	13.2%	7.4%	20.6%	22,246	1,979	24,225	16,521	-28,192	-11,671	\$27.32	104,891	156,000	0
Class B	64	4,285,130	1,113,798	26.0%	26.8%	47,709	27.4%	1.1%	28.5%	-10,503	5,938	-4,565	-359,970	17,816	-342,154	\$16.24	305,313	0	54,000
Class C	20	728,961	46,955	6.4%	6.4%	0	12.4%	0.0%	12.4%	1,346	0	1,346	5,998	0	5,998	\$15.34	13,681	0	0
Totals	99	8,520,283	1,596,552	18.7%	19.5%	308,644	20.3%	3.6%	23.9%	13,089	7,917	21,006	-337,451	-10,376	-347,827	\$18.52	423,885	156,000	54,000
Greenspoint																			
Class A	24	5,485,758	3,180,513	58.0%	58.1%	15,003	59.7%	0.3%	59.9%	-8,831	6,556	-2,275	3,332	10,494	13,826	\$21.58	119,067	0	0
Class B	41	4,185,655	1,485,305	35.5%	35.5%	4,406	37.0%	0.1%	37.1%	-69,204	0	-69,204	-97,128	26,830	-70,298	\$14.44	240,894	0	0
Class C	17	1,169,372	91,604	7.8%	7.8%	0	9.2%	0.0%	9.2%	16,835	0	16,835	28,824	2,757	31,581	\$11.57	46,779	0	0
Totals	82	10,840,785	4,757,422	43.9%	44.0%	19,409	45.5%	0.2%	45.7%	-61,200	6,556	-54,644	-64,972	40,081	-24,891	\$18.89	406,740	0	0

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							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Greenway Plaza																			
Class A	19	6,687,106	856,872	12.8%	14.0%	1,110,459	14.7%	16.6%	31.3%	21,803	-13,044	8,759	147,653	-42,995	104,658	\$36.76	394,217	0	0
Class B	35	4,100,493	408,516	10.0%	10.4%	39,338	12.9%	1.0%	13.8%	-2,982	0	-2,982	-9,329	-14,088	-23,417	\$29.53	202,450	0	0
Class C	11	390,842	32,776	8.4%	8.4%	1,700	9.6%	0.4%	10.1%	4,091	0	4,091	-358	0	-358	\$22.52	10,223	0	0
Totals	65	11,178,441	1,298,164	11.6%	12.5%	1,151,497	13.8%	10.3%	24.1%	22,912	-13,044	9,868	137,966	-57,083	80,883	\$33.96	606,890	0	0
Gulf Freeway/Pasadena																			
Class A	3	170,782	1,295	0.8%	0.8%	0	0.8%	0.0%	0.8%	0	0	0	-1,295	0	-1,295	\$33.09	0	0	0
Class B	38	2,261,726	185,078	8.2%	8.5%	66,391	9.8%	2.9%	12.8%	20,573	-5,200	15,373	-11,536	3,122	-8,414	\$20.74	146,579	0	0
Class C	16	614,854	121,702	19.8%	19.8%	0	19.8%	0.0%	19.8%	-7,586	0	-7,586	-15,636	0	-15,636	\$25.05	2,997	0	0
Totals	57	3,047,362	308,075	10.1%	10.4%	66,391	11.3%	2.2%	13.5%	12,987	-5,200	7,787	-28,467	3,122	-25,345	\$21.87	149,576	0	0
I-10 East																			
Class A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
Class B	6	427,851	55,662	13.0%	13.0%	0	19.7%	0.0%	19.7%	2,213	0	2,213	-4,594	0	-4,594	\$17.38	46,441	0	30,500
Class C	2	101,000	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Totals	8	528,851	55,662	10.5%	10.5%	0	15.9%	0.0%	15.9%	2,213	0	2,213	-4,594	0	-4,594	\$17.38	46,441	0	30,500
Katy Freeway East																			
Class A	24	4,673,914	325,493	7.0%	7.1%	77,536	20.3%	1.7%	21.9%	47,283	13,366	60,649	255,025	1,356	256,381	\$42.80	418,242	0	311,280
Class B	25	2,118,144	235,587	11.1%	11.2%	1,861	12.2%	0.1%	12.2%	4,896	0	4,896	-82,826	26,811	-56,015	\$19.06	124,343	0	0
Class C	15	790,278	11,702	1.5%	1.6%	869	2.0%	0.1%	2.1%	864	0	864	44,687	944	45,631	\$20.17	42,217	0	0
Totals	64	7,582,336	572,782	7.6%	7.7%	80,266	16.1%	1.0%	17.2%	53,043	13,366	66,409	216,886	29,111	245,997	\$33.09	584,802	0	311,280
Katy Freeway West/Energy Corridor																			
Class A	60	16,937,949	2,575,679	15.2%	19.0%	846,814	19.6%	5.0%	24.6%	338,496	-2,282	336,214	114,220	243,503	357,723	\$36.43	821,737	0	0
Class B	82	8,044,623	2,028,744	25.2%	25.6%	41,647	27.3%	0.5%	27.8%	92,666	1,780	94,446	-112,572	1,411	-111,161	\$22.66	431,266	0	0
Class C	8	305,267	39,402	12.9%	13.2%	785	12.9%	0.3%	13.2%	-891	0	-891	-1,908	1,998	90	\$19.70	14,174	0	0
Totals	150	25,287,839	4,643,825	18.4%	21.1%	889,246	21.9%	3.5%	25.4%	430,271	-502	429,769	-260	246,912	246,652	\$30.90	1,267,177	0	0

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q4 19 Net Absorption (sf)			YE 19 Net Absorption (sf)			Quoted Rates (Gross)	YE 19 Leasing Activity (sf)	YE 19 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Katy/Grand Parkway West																			
Class A	16	1,542,980	221,913	14.4%	16.5%	53,373	33.5%	3.5%	36.9%	-5,027	-30,242	-35,269	-23,211	-24,479	-47,690	\$28.01	19,176	0	281,120
Class B	12	928,233	9,101	1.0%	1.0%	0	1.6%	0.0%	1.6%	-2,766	0	-2,766	8,513	0	8,513	\$27.64	14,377	0	0
Class C	2	50,431	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Totals	30	2,521,644	231,014	9.2%	10.5%	53,373	21.1%	2.1%	23.2%	-7,793	-30,242	-38,035	-14,698	-24,479	-39,177	\$28.00	33,553	0	281,120
Kingwood/Humble																			
Class A	0	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	270,000
Class B	13	843,744	69,886	8.3%	8.3%	0	10.0%	0.0%	10.0%	-6,562	0	-6,562	4,807	100	4,907	\$22.46	42,822	0	0
Class C	2	66,262	142	0.2%	0.2%	0	0.2%	0.0%	0.2%	0	0	0	98	0	98	\$21.13	240	0	0
Totals	15	910,006	70,028	7.7%	7.7%	0	9.3%	0.0%	9.3%	-6,562	0	-6,562	4,905	100	5,005	\$22.46	43,062	0	270,000
Midtown																			
Class A	9	2,327,482	257,086	11.0%	11.2%	9,543	13.6%	0.4%	14.0%	91,406	0	91,406	127,847	0	127,847	\$34.30	223,908	35,363	0
Class B	36	3,330,446	348,383	10.5%	11.2%	28,539	15.1%	0.9%	16.0%	-28,833	0	-28,833	-84,511	-11,108	-95,619	\$25.46	194,921	0	0
Class C	21	681,192	79,556	11.7%	11.7%	0	11.7%	0.0%	11.7%	-98	0	-98	-8,117	0	-8,117	\$29.74	4,855	0	0
Totals	66	6,339,120	685,025	10.8%	11.2%	38,082	14.2%	0.6%	14.8%	62,475	0	62,475	35,219	-11,108	24,111	\$28.98	423,684	35,363	0
NASA/Clear Lake																			
Class A	12	1,694,762	180,399	10.6%	11.2%	11,872	11.3%	0.7%	12.0%	-2,225	-9,077	-11,302	-1,814	-6,687	-8,501	\$25.72	53,581	0	0
Class B	40	2,820,485	659,462	23.4%	23.5%	7,578	27.6%	0.3%	27.9%	9,281	-385	8,896	51,819	-2,750	49,069	\$19.54	197,941	0	22,000
Class C	12	357,904	52,913	14.8%	14.8%	0	17.7%	0.0%	17.7%	8,959	0	8,959	1,936	0	1,936	\$17.33	19,323	0	0
Totals	64	4,873,151	892,774	18.3%	18.6%	19,450	21.2%	0.4%	21.6%	16,015	-9,462	6,553	51,941	-9,437	42,504	\$20.54	270,845	0	22,000
Northeast Near																			
Class A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
Class B	4	229,669	5,413	2.4%	2.4%	0	2.4%	0.0%	2.4%	4,101	0	4,101	2,587	0	2,587	\$24.07	3,321	0	0
Class C	3	77,223	16,578	21.5%	21.5%	0	21.5%	0.0%	21.5%	-628	0	-628	-735	0	-735	\$15.00	2,982	0	0
Totals	7	306,892	21,991	7.2%	7.2%	0	7.2%	0.0%	7.2%	3,473	0	3,473	1,852	0	1,852	\$18.13	6,303	0	0

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q4 19 Net Absorption (sf)			YE 19 Net Absorption (sf)			Quoted Rates (Gross)	YE 19 Leasing Activity (sf)	YE 19 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Northwest																			
Class A	10	2,037,781	631,206	31.0%	31.3%	18,574	33.3%	0.9%	34.2%	78,092	-6,030	72,062	148,873	-6,030	142,843	\$23.13	358,206	0	0
Class B	59	4,879,980	806,783	16.5%	16.5%	0	20.6%	0.0%	20.6%	16,865	0	16,865	-88,274	1,705	-86,569	\$19.14	332,736	64,348	0
Class C	26	1,098,231	79,461	7.2%	7.2%	0	10.6%	0.0%	10.6%	1,850	0	1,850	-5,368	0	-5,368	\$14.19	22,143	0	0
Totals	95	8,015,992	1,517,450	18.9%	19.0%	18,574	22.4%	0.2%	22.7%	96,807	-6,030	90,777	55,231	-4,325	50,906	\$20.48	713,085	64,348	0
Richmond/Fountainview																			
Class A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
Class B	12	695,406	72,222	10.4%	10.4%	0	11.0%	0.0%	11.0%	-5,377	0	-5,377	-31,877	0	-31,877	\$17.65	12,824	0	0
Class C	10	395,178	25,999	6.6%	6.6%	0	6.6%	0.0%	6.6%	-9,775	0	-9,775	-9,499	0	-9,499	\$15.01	22,620	0	0
Totals	22	1,090,584	98,221	9.0%	9.0%	0	9.4%	0.0%	9.4%	-15,152	0	-15,152	-41,376	0	-41,376	\$16.77	35,444	0	0
San Felipe/Voss																			
Class A	3	1,720,793	381,800	22.2%	23.0%	34,370	25.9%	2.0%	27.9%	9,317	-14,385	-5,068	20,655	-9,438	11,217	\$35.67	59,524	0	0
Class B	33	3,398,385	614,514	18.1%	18.4%	17,730	20.3%	0.5%	20.8%	26,818	6,511	33,329	-46,143	-7,404	-53,547	\$24.75	253,462	0	0
Class C	0	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Totals	36	5,119,178	996,314	19.5%	20.0%	52,100	22.2%	1.0%	23.2%	36,135	-7,874	28,261	-25,488	-16,842	-42,330	\$29.31	312,986	0	0
South																			
Class A	1	170,000	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Class B	15	480,813	43,285	9.0%	9.0%	0	9.0%	0.0%	9.0%	-7,871	0	-7,871	5,249	0	5,249	\$27.39	22,370	24,230	0
Class C	4	155,387	10,550	6.8%	6.8%	0	6.8%	0.0%	6.8%	0	0	0	-2,550	0	-2,550	\$20.00	0	0	0
Totals	20	806,200	53,835	6.7%	6.7%	0	6.7%	0.0%	6.7%	-7,871	0	-7,871	2,699	0	2,699	\$26.97	22,370	24,230	0
South Main/Medical Center																			
Class A	1	485,000	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Class B	13	1,275,654	147,686	11.6%	11.7%	1,500	12.0%	0.1%	12.2%	3,694	0	3,694	-33,844	-1,500	-35,344	\$19.49	33,697	0	0
Class C	8	485,210	41,675	8.6%	8.6%	0	9.5%	0.0%	9.5%	1,163	0	1,163	2,125	0	2,125	\$19.07	40,126	0	0
Totals	22	2,245,864	189,361	8.4%	8.5%	1,500	8.9%	0.1%	8.9%	4,857	0	4,857	-31,719	-1,500	-33,219	\$19.38	73,823	0	0

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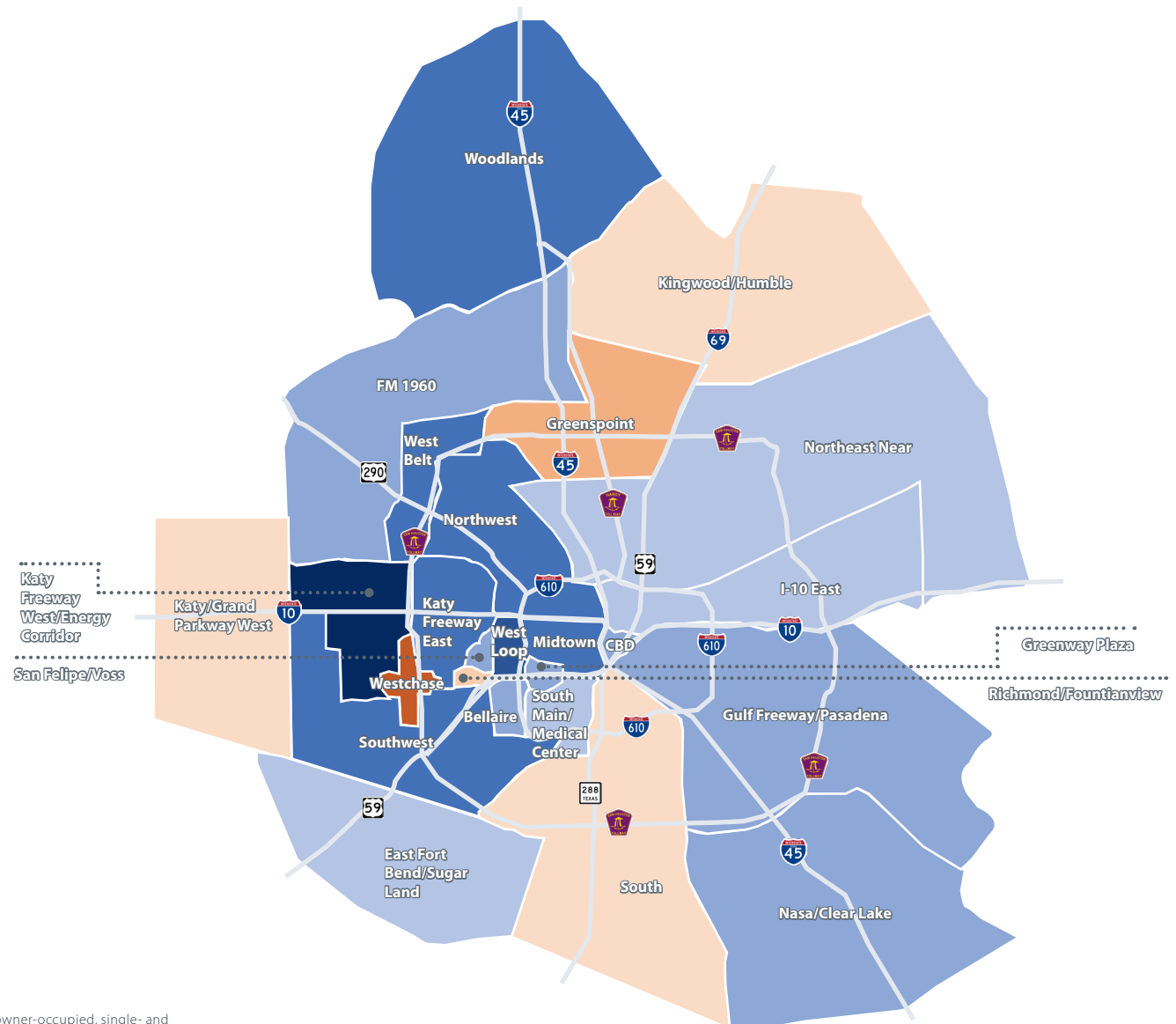
	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q4 19 Net Absorption (sf)			YE 19 Net Absorption (sf)			Quoted Rates (Gross)	YE 19 Leasing Activity (sf)	YE 19 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Southwest																			
Class A	8	1,745,633	457,412	26.2%	26.2%	0	29.0%	0.0%	29.0%	26,366	0	26,366	-40,908	0	-40,908	\$16.65	204,338	0	0
Class B	63	6,303,451	1,394,730	22.1%	23.0%	58,087	24.7%	0.9%	25.6%	83,477	1,661	85,138	39,003	800	39,803	\$15.49	368,477	0	0
Class C	26	1,395,042	83,499	6.0%	6.0%	0	9.2%	0.0%	9.2%	-20,191	2,971	-17,220	-21,661	0	-21,661	\$13.32	57,293	0	0
Totals	97	9,444,126	1,935,641	20.5%	21.1%	58,087	23.2%	0.6%	23.8%	89,652	4,632	94,284	-23,566	800	-22,766	\$15.72	630,108	0	0
West Belt																			
Class A	29	3,739,198	473,069	12.7%	18.6%	264,847	18.1%	7.1%	25.1%	84,065	-164,882	-80,817	237,942	-174,795	63,147	\$27.66	293,686	0	0
Class B	31	1,854,781	308,514	16.6%	20.7%	75,954	16.9%	4.1%	21.0%	-15,042	0	-15,042	16,734	0	16,734	\$21.87	52,576	0	0
Class C	3	86,494	0	0.0%	23.1%	20,000	0.0%	23.1%	23.1%	0	0	0	0	-10,000	-10,000	-	0	0	0
Totals	63	5,680,473	781,583	13.8%	19.3%	360,801	17.4%	6.4%	23.8%	69,023	-164,882	-95,859	254,676	-184,795	69,881	\$26.07	346,262	0	0
West Loop																			
Class A	51	18,186,304	3,368,912	18.5%	19.4%	652,781	26.9%	3.6%	30.5%	68,395	46,212	114,607	-412,636	143,055	-269,581	\$37.90	1,242,974	0	207,202
Class B	47	5,387,491	600,522	11.1%	11.8%	53,450	13.5%	1.0%	14.5%	68,230	2,950	71,180	-67,246	12,689	-54,557	\$26.34	274,683	0	133,248
Class C	5	324,268	13,163	4.1%	4.1%	0	4.1%	0.0%	4.1%	0	0	0	-5,645	0	-5,645	\$19.50	4,646	0	0
Totals	103	23,898,063	3,982,597	16.7%	17.5%	706,231	23.6%	3.0%	26.5%	136,625	49,162	185,787	-485,527	155,744	-329,783	\$36.16	1,522,303	0	340,450
Westchase																			
Class A	32	9,277,952	1,879,902	20.3%	22.7%	328,508	24.9%	3.5%	28.5%	-101,759	55,111	-46,648	-128,082	87,594	-40,488	\$32.95	957,774	0	0
Class B	59	7,641,670	1,567,019	20.5%	20.9%	167,640	24.6%	2.2%	26.8%	-96,650	10,450	-86,200	-166,087	24,866	-141,221	\$22.29	317,396	0	0
Class C	4	407,524	6,036	1.5%	1.5%	0	3.3%	0.0%	3.3%	2,766	0	2,766	4,157	0	4,157	\$14.50	1,391	0	0
Totals	95	17,327,146	3,452,957	19.9%	21.4%	496,148	24.3%	2.9%	27.1%	-195,643	65,561	-130,082	-290,012	112,460	-177,552	\$27.21	1,276,561	0	0
Woodlands																			
Class A	58	13,175,034	879,572	6.7%	7.5%	343,362	8.8%	2.6%	11.4%	43,545	13,122	56,667	368,653	-64,165	304,488	\$38.18	635,130	198,340	317,938
Class B	45	3,196,359	333,369	10.4%	11.1%	38,402	23.7%	1.2%	24.9%	11,849	-6,071	5,778	-32,738	-10,233	-42,971	\$33.79	167,390	0	0
Class C	4	108,933	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	\$18.69	2,770	0	0
Totals	107	16,480,326	1,212,941	7.4%	8.1%	381,764	11.6%	2.3%	13.9%	55,394	7,051	62,445	335,915	-74,398	261,517	\$35.14	805,290	198,340	317,938

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Direct Net Absorption = 882,462sf | Fourth Quarter 2019

Submarket	Direct Net Absorption (sf)
Katy Freeway West/Energy Corridor	430,271
West Loop	136,625
Northwest	96,807
Southwest	89,652
West Belt	69,023
Midtown	62,475
Woodlands	55,394
Katy Freeway East	53,043
Central Business District	44,080
San Felipe/Voss	36,135
Bellaire	27,241
Greenway Plaza	22,912
NASA/Clear Lake	16,015
FM 1960	13,089
Gulf Freeway/Pasadena	12,987
South Main/Medical Center	4,857
Northeast Near	3,473
I-10 East	2,213
East Fort Bend/Sugar Land	390
Kingwood/Humble	-6,562
Katy/Grand Parkway West	-7,793
South	-7,871
Richmond/Fountainview	-15,152
Greenspoint	-61,200
Westchase	-195,643
Overall Total	882,462

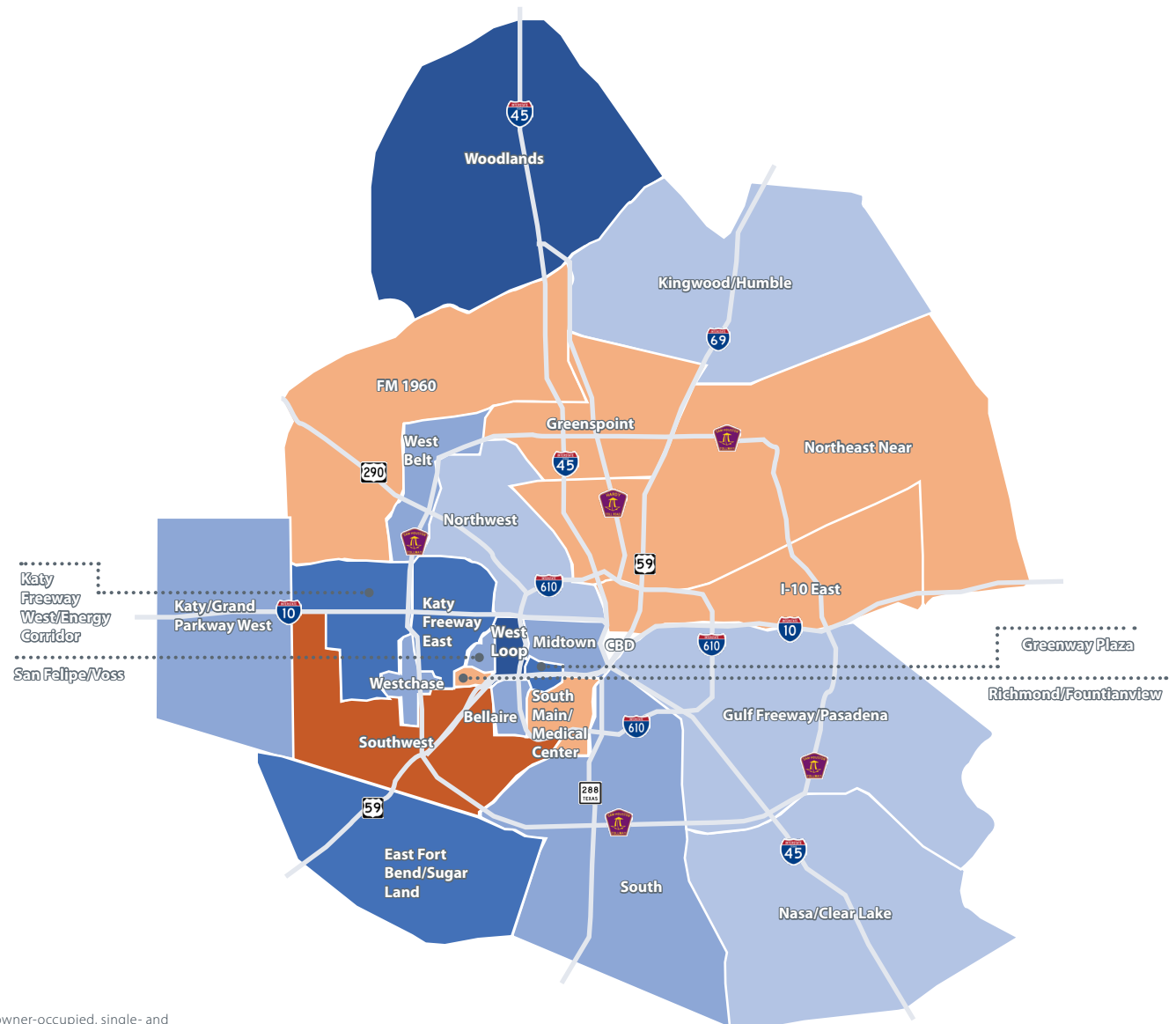
■ Blue Values (+ Absorption) ■ Orange Values (- Absorption)



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Submarket	Gross Quoted Rates
Central Business District	\$43.04
West Loop	\$36.16
Woodlands	\$35.14
Greenway Plaza	\$33.96
Katy Freeway East	\$33.09
Katy Freeway West/Energy Corridor	\$30.90
East Fort Bend/Sugar Land	\$30.10
San Felipe/Voss	\$29.31
Midtown	\$28.98
Katy/Grand Parkway West	\$28.00
Westchase	\$27.21
South	\$26.97
Bellaire	\$26.21
West Belt	\$26.07
Kingwood/Humble	\$22.46
Gulf Freeway/Pasadena	\$21.87
NASA/Clear Lake	\$20.54
Northwest	\$20.48
South Main/Medical Center	\$19.38
Greenspoint	\$18.89
FM 1960	\$18.52
Northeast Near	\$18.13
I-10 East	\$17.38
Richmond/Fountainview	\$16.77
Southwest	\$15.72
Overall Average	\$30.70

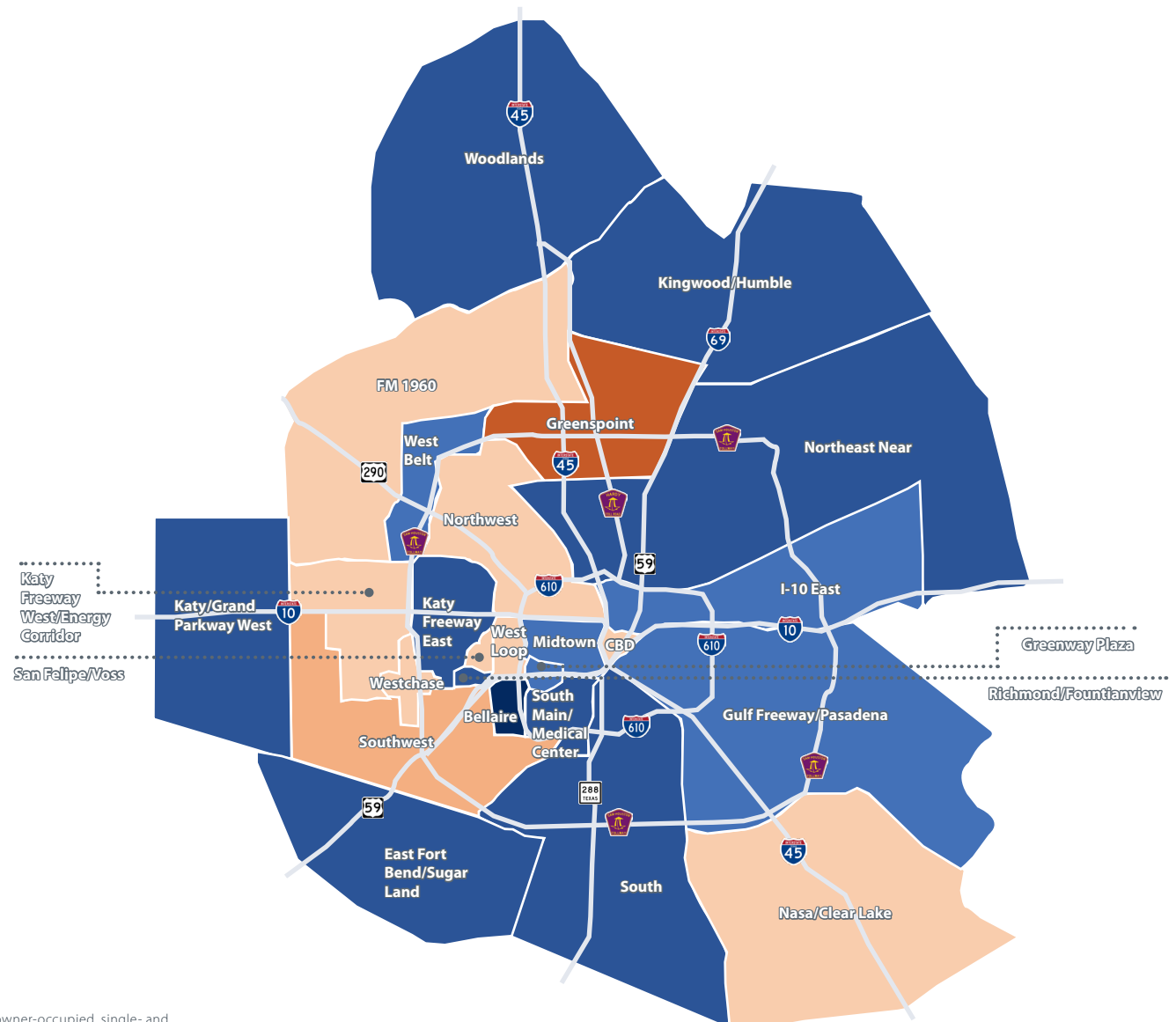
■ Blue Values (↑ \$20 Asking Rate) ■ Orange Values (↓ \$20 Asking Rate)



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Submarket	Direct Vacancy Rate %
Bellaire	5.3%
South	6.7%
Northeast Near	7.2%
Woodlands	7.4%
Katy Freeway East	7.6%
Kingwood/Humble	7.7%
East Fort Bend/Sugar Land	8.2%
South Main/Medical Center	8.4%
Richmond/Fountainview	9.0%
Katy/Grand Parkway West	9.2%
Gulf Freeway/Pasadena	10.1%
I-10 East	10.5%
Midtown	10.8%
Greenway Plaza	11.6%
West Belt	13.8%
West Loop	16.7%
Central Business District	17.0%
NASA/Clear Lake	18.3%
Katy Freeway West/Energy Corridor	18.4%
FM 1960	18.7%
Northwest	18.9%
San Felipe/Voss	19.5%
Westchase	19.9%
Southwest	20.5%
Greenspoint	43.9%
Overall Average	16.7%

■ Blue Values (↓ 15% Vacancy Rate) ■ Orange Values (↑ 15% Vacancy Rate)

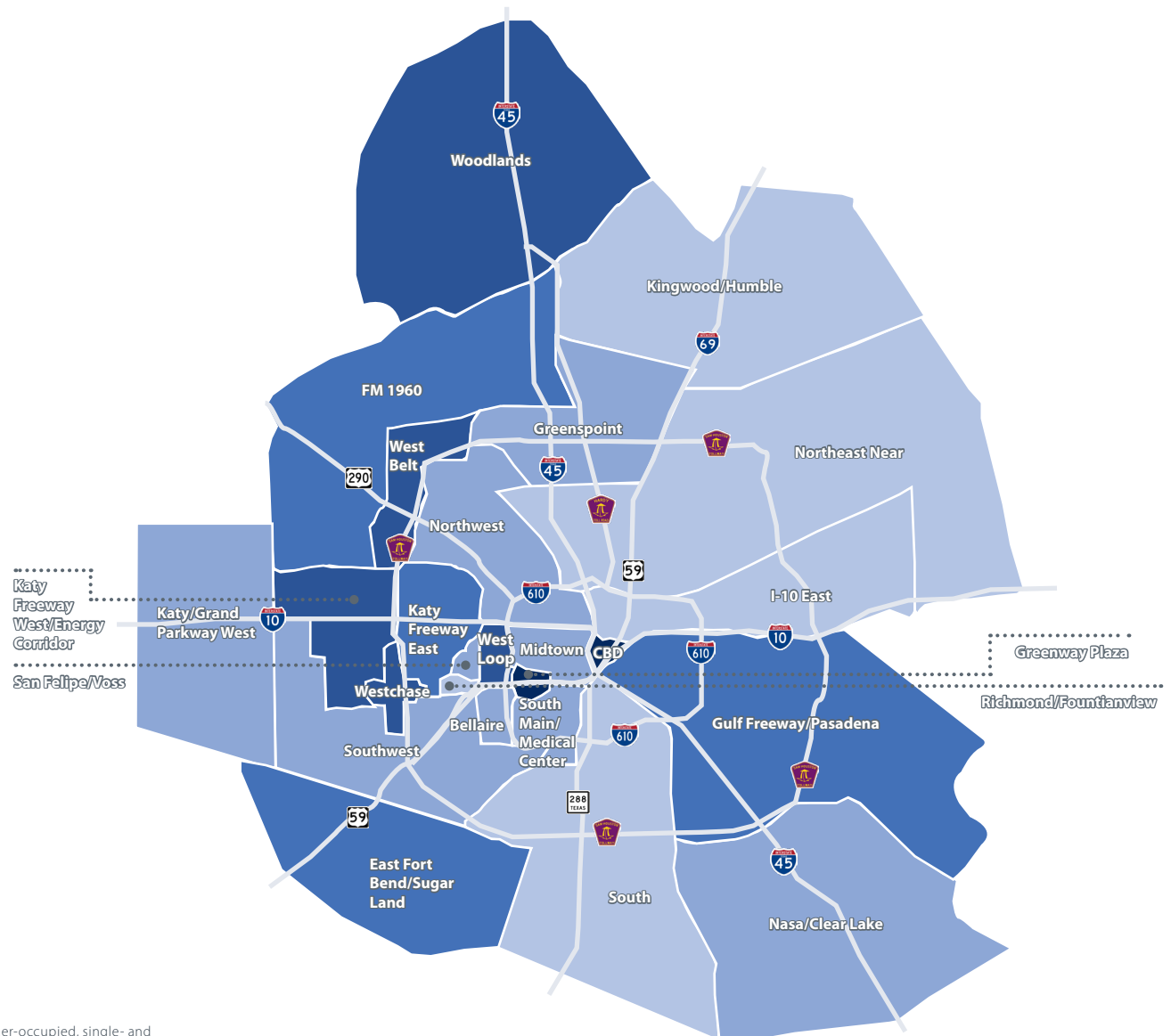


Vacancy in Avison Young's market report refers to vacant available square footage in owner-occupied, single- and multi-tenant buildings 20,000 square feet or larger and classified as general-purpose and either class A, B or C.

Available Sublease Space = 6,617,115 sf | Fourth Quarter 2019

Submarket	Available Sublease (sf)	(%) of Total
Central Business District	1,643,807	24.8%
Greenway Plaza	1,151,497	17.4%
Katy Freeway West/Energy Corridor	889,246	13.4%
West Loop	706,231	10.7%
Westchase	496,148	7.5%
Woodlands	381,764	5.8%
West Belt	360,801	5.5%
FM 1960	308,644	4.7%
East Fort Bend/Sugar Land	231,180	3.5%
Katy Freeway East	80,266	1.2%
Gulf Freeway/Pasadena	66,391	1.0%
Southwest	58,087	0.9%
Katy/Grand Parkway West	53,373	0.8%
San Felipe/Voss	52,100	0.8%
Bellaire	40,565	0.6%
Midtown	38,082	0.6%
NASA/Clear Lake	19,450	0.3%
Greenspoint	19,409	0.3%
Northwest	18,574	0.3%
South Main/Medical Center	1,500	0.0%
South	0	0.0%
Northeast Near	0	0.0%
Kingwood/Humble	0	0.0%
Richmond/Fountainview	0	0.0%
I-10 East	0	0.0%
Overall Total	6,617,115	100%

Dark Blue Values (↑ 70k Sublease sf)
 Light Blue Values (↓ 70k Sublease sf)



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Houston Office Market Statistics & Heat Maps

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