

Houston



Quick Stats

4.0

Msf of office space under construction

19.2%

Direct vacancy in Houston's office market

5.7

Msf of available sublease space, up from 4.8 msf in second quarter 2020

5,300

Jobs added during the month of August 2020

8.1%

August 2020 unemployment rate in Houston, down from 9.5% in July 2020

Houston's office market fundamentals have not experienced a dramatic change from the previous quarter. Overall demand for space remains sluggish and rent payments are, in some instances, an issue of concern for landlords. Tenants are determining current and future office space needs as work-from-home policies remain uncertain. Leasing activity has been minimal and new deals completed are largely due to class A landlords offering substantial concession packages; these packages often include lengthy free rent periods, large tenant improvement allowances and significant amounts of abated parking fees, which translate to a lower effective rate.

The Texas Workforce Commission reported 5,300 local jobs had been added in August, giving a positive boost to the employment outlook. However, 4,300 of those workers were temporary federal workers for the 2020 Census, according to an analysis by the Greater Houston Partnership (GHP). Job growth would have been flat without the once-a-decade Census workers, and those jobs will dissipate after three-months; however, the GHP says the job losses will be offset by educational jobs as school districts and colleges gear up for the fall semester.

The unemployment rate improved to 8.1%, down from 9.5% in July and from the record-high 14.2% in April. The GHP estimates that as of mid-August, Houston has recovered one-third of the jobs lost during the pandemic. Retail, finance, professional/scientific/ technical services and administrative support services have recouped 60% or more of the jobs initially lost.

Absorption & Demand

Leasing activity is slowly returning but not fast enough to absorb the large amounts of office space both available and returning to the market. Work-from-home policies continue to cause hesitation for leasing decisions while employers that have returned to their offices have had to invest in health-related supplies and education for their staff. The uncertainty of the business climate is a clear challenge for a healthy economy.

Despite a total of 1.1 million square feet (msf) of negative net absorption for the quarter, eight submarkets posted positive gains. The Northwest led with 57,975 square feet (sf) of positive net absorption followed by Bellaire with 41,434 sf and NASA/Clear Lake with

38,103 sf. The Central Business District (CBD) reported numerous moveouts including 88,645-sf previously occupied by Sanchez Energy in 1100 Main, resulting in a total loss of 255,535 sf for the third quarter.

Notable absorption in the metro during the third quarter include McDermott International's final occupancy of its remaining 165,844-sf in Energy Center V at 915 N. Eldridge in the Katy Freeway West/Energy Corridor, and EDP Renewables North America moving into its 92,523 sf in Hess Tower at 1501 McKinney in the CBD.

All classes lost the occupancy race during third quarter although the pace was slower than the previous quarter. However, year to date, negative direct net absorption for all classes is almost 3.2 msf.

Leasing activity continues to trend downward with 1.6 msf, nearly 48% of second-quarter's activity. JP Morgan Chase & Co. signed the largest lease during the third quarter, committing to 239,672 sf in its former namesake tower at 600 Travis Street in the CBD. Chase will be joining both Indigo Minerals and Momentum Midstream, who renewed leases in the building during third quarter. Indigo renewed 45,125 sf and Momentum 22,525 sf in the 75-story office building.

Other notable deals signed during the third quarter include Ryan LLC's new 66,750 sf in Park Towers North in the West Loop and Rockcliff Energy's new 41,102-sf space at 717 Texas in the CBD. Two leases were also signed in the recently completed Phase II of Katy Ranch Office* located at 24285 Katy Freeway: Escalate Workspace signed up for 24,826 sf and Hoover Material Handling Group opted for 16,603 sf in the new building located in the Katy/Grand Parkway West submarket. (AY transaction)

Vacancy & Availability

The current direct vacancy rate of 19.2% is an increase from the previous quarter's 18.6%. Class A's vacancy rate jumped to 19.3% from 18.5% last quarter and from 16.7% year over year while Class B vacancy rates increased to 20.6% from 20.2% last quarter. Total vacancy including sublease space is now at 20.2%, slightly up from last quarter and from year-over-year's 19.8%.



Direct availability citywide increased to 23% during the third quarter, while total availability, including sublease space, increased to 25.3%. Availability differs from vacancy; available space includes all space being marketed that could be leased but may or may not be vacant.

Available sublease space also increased to 5.7 msf after falling for the last three quarters. Third quarter reported almost 18% more sublease space, or an additional 865,166 sf. Sublease space represents about 10% of the total 59.2 msf available. Six submarkets account for 77% of all available sublease space with the CBD offering 1.3 msf or 22.9% of the total and the Katy Freeway West/Energy Corridor submarket with 1.1 msf or 18.3% of the total available.

Construction

The construction pipeline stands at 19 buildings totaling almost 4 msf under construction and 62% preleased. The Katy Freeway East submarket currently has the most properties underway with four buildings totaling 1.2 msf; Marathon's new 440,000-sf headquarters is the largest.

Breaking ground during third quarter was a 150,000-sf spec building, the second phase of Park Ten Center in the Katy Freeway West/Energy Corridor. The CBD represents about 31% of the total

square footage underway with the largest building, 1.1-msf Texas Tower at 845 Texas Avenue.

Six buildings representing 423,045 sf were completed during the third quarter. The two largest were Katy Ranch Phase II* at 24285 Katy Freeway, a 152,645-sf property in the Katy/Grand Parkway submarket that is 29% leased, and Research Forest Lakeside Building 9 at 9709 Lakeside Boulevard in The Woodlands, a 134,938-sf property without preleasing.

Asking Rents

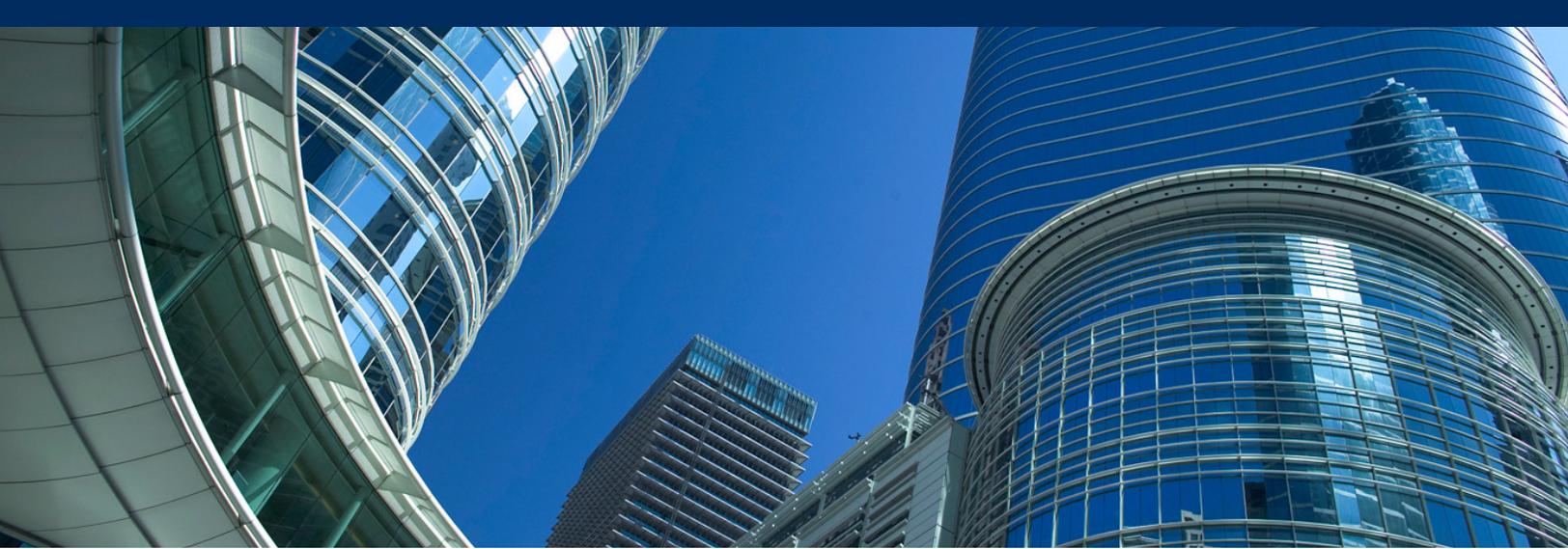
Overall average asking rents marginally increased to \$30.31 per square foot (psf) gross from last quarter's \$30.29 psf but down from \$30.38 psf recorded year over year. Quoted asking rents have fluctuated in the \$28-to-\$31-psf range during the last five years, reaching a high of \$30.74 during fourth-quarter 2019, but effective rents are declining due to the current economic climate. Landlords are expected to continue offering numerous concessions to close deals including lengthy rent abatements, large tenant-improvement allowances and substantial parking-fee adjustments.

Average asking gross rents for the different submarkets range from a low of \$16.62 psf in the Richmond/Fountainview submarket to a high of \$41.51 in the CBD. The five suburban submarkets currently quoting rates more than \$30 include the West Loop (\$35.95), Greenway Plaza (\$35.59), Katy Freeway East (\$34.99), the Woodlands (\$34.50), and Midtown (\$32.07).

Class A gross rents marginally decreased to \$35.41 psf from the previous quarter's \$35.50 psf. CBD properties are currently quoting class A rents at \$43.93 psf while average suburban class A rents are currently \$31.86 psf.

** Avison Young exclusive lease assignment*

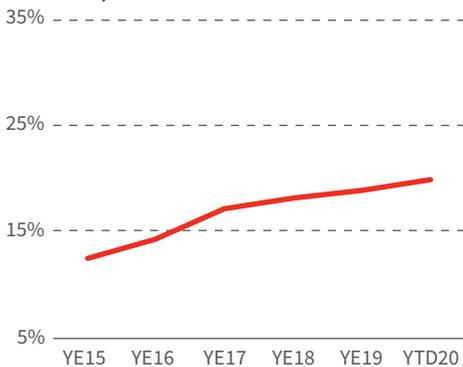




Asking Rents



Vacancy Rates



Net Absorption



Third-Quarter 2020 Highlights

- The largest lease signed during third quarter was **JP Morgan Chase & Co.**, who signed for 239,672 sf in its former location and namesake building at 600 Travis Street. The tallest tower in Texas is currently undergoing renovations amid renewed space for two other tenants during third quarter: **Indigo Minerals** renewed 45,125 sf and **Momentum Midstream** renewed 22,525 sf.
- Other notable deals signed during third quarter include global tax firm **Ryan LLC's** 66,750-sf lease in Park Towers North at 1233 W. Loop S. Two leases were also signed in the recently completed Katy Ranch Office Phase II at 24285 Katy Freeway: **Escalate Workspace** signed up for 24,826 sf and **Hoover Material Handling Group*** opted for 16,603 sf in the new 152,645-sf building located in the Katy/Grand Parkway West submarket.
- Representing the largest absorption for the quarter was **McDermott International's** final move into its remaining 165,844-sf in Energy Center V at 915 N. Eldridge in the Katy Freeway West/Energy Corridor submarket.
- Joining the current under-construction pipeline of 19 buildings totaling 4 msf during third quarter was the second phase of **Park Ten Center** at 16200 Park Row. The spec 150,000-sf building is scheduled for completion in June 2021.
- **LJA Engineering*** expanded and extended its lease at Grandway West Building 1 at 1904 Grand Parkway North. The firm expanded its space by 4,893 sf and extended its 33,464-sf space.

**Avison Young transaction*

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.



Oil

The WTI price of oil was up to \$40 in late September, recording record-level lows earlier in the year due to an oil trade war coupled with effects from the pandemic.



Employment

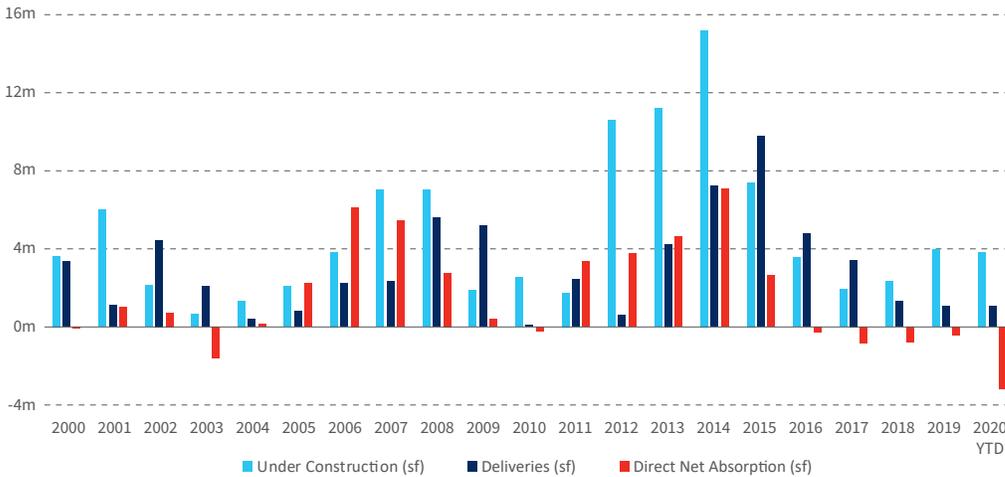
Employment continues to improve, registering 8.1% during August 2020, down from the unprecedented 14.2% rate in April, as businesses recover from the effects of COVID-19 and the oil crisis.



Purchasing

The Purchasing Manager's Index (PMI) registered 47.9 in July 2020, down from 49.5 in June but higher than the record low 34.6 in April, which was the lowest reading in the history of the series.

Supply and Demand



Select Third-Quarter 2020 Under Construction

Building Name	Building Address	Rentable Bldg. Area (sf)	% Preleased	Major Tenants	Projected Delivery	Submarket
Texas Tower	845 Texas Avenue	1,101,856	39%	Vinson & Elkins, Hines, DLA Piper, LLP	October 2021	Central Business District
Marathon Oil Corporation	990 Town and Country Boulevard	440,000	100%	Marathon Oil Corporation	December 2021	Katy Freeway East
8020 Katy Freeway	8020 Katy Freeway	420,000	100%	Crown Castle International Corp.	January 2021	Katy Freeway East
HPE Building 3	City Place Drive	284,000	100%	Hewlett Packard Enterprise	May 2022	The Woodlands
HPE Building 4	City Place Drive	284,000	100%	Hewlett Packard Enterprise	May 2022	The Woodlands
Insperty Campus Building 5	U.S. 59 at Kingwood Drive	270,000	100%	Insperty	October 2020	Kingwood/Humble/Northeast
9753 Katy Freeway	9753 Katy Freeway	190,000	15%	TBD	June 2021	Katy Freeway East
Montrose Collection	888 Westheimer Road	170,000	39%	Live Nation	May 2021	Midtown
Village Tower II	9655 Katy Freeway	150,000	6%	TBD	May 2021	Katy Freeway East
Park Ten Center Phase II	16200 Park Row	150,000	0%	TBD	June 2021	Katy Freeway West/Energy Corridor

*Avison Young exclusive lease project

Select Third-Quarter 2020 Lease Transactions

Tenant	Size (sf)	Type	Building Name	Building Address	Submarket
JP Morgan Chase & Co.	239,672	New	JP Morgan Chase Tower	600 Travis Street	Central Business District
Ryan LLC	66,750	New	Park Towers North	1233 W. Loop S.	West Loop
Indigo Minerals LLC	45,125	Renewal	JP Morgan Chase Tower	600 Travis Street	Central Business District
Rockcliff Energy LLC	41,102	New	717 Texas	717 Texas Avenue	Central Business District
LJA Engineering Inc.*	38,357	Expansion/extension**	Grandway West Building 1	1904 Grand Parkway N.	Katy/Grand Parkway West
Firstsource	36,248	New	West Belt Office Center I	8101 W. Sam Houston Parkway S.	Southwest
Escalate Workspace	24,826	New	Katy Ranch Office Phase 2	24285 Katy Freeway	Katy/Grand Parkway West
GATE Inc.	24,302	New	Republic Square 1	13501 Katy Freeway	Katy Freeway West/Energy Corridor
Momentum Midstream	22,575	Renewal	JP Morgan Chase Tower	600 Travis Street	Central Business District
Robert Half	20,270	Renewal	Energy Tower I	11700 Katy Freeway	Katy Freeway West/Energy Corridor
Hoover Material Handling Group, Inc.*	16,603	New	Katy Ranch Office Phase 2	24285 Katy Freeway	Katy/Grand Parkway West

*Avison Young transaction

** 4,893-sf expansion, 33,464-sf extension

Sources: CoStar, Avison Young

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Properties

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Third Quarter 2020



Houston Office Market Statistics & Heat Maps

Partnership. Performance.



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Market Statistics

Central Business District & Suburban Total | Third Quarter 2020

	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q3 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Average Gross Quoted Rents (\$/psf)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Central Business District																			
Class A	39	34,810,889	5,753,729	16.5%	18.3%	1,023,186	23.0%	2.8%	25.5%	-197,149	225,365	28,216	-540,922	218,790	-322,132	\$43.93	1,419,503	0	1,251,856
Class B	33	9,268,962	3,010,455	32.5%	33.6%	283,538	36.6%	3.1%	39.7%	-58,386	-6,790	-65,176	-137,118	35,348	-101,770	\$30.16	186,592	0	0
Class C	13	905,152	14,257	1.6%	1.6%	0	1.6%	0.0%	1.6%	0	0	0	21,091	0	21,091	\$24.00	0	0	0
Totals	85	44,985,003	8,778,441	19.5%	21.1%	1,306,724	25.3%	2.8%	27.9%	-255,535	218,575	-36,960	-656,949	254,138	-402,811	\$41.51	1,606,095	0	1,251,856
Suburban																			
Class A	410	99,466,200	20,124,580	20.2%	21.6%	3,416,817	24.0%	3.4%	27.3%	-498,702	-337,133	-835,835	-1,280,492	46,421	-1,234,071	\$31.86	5,032,730	869,361	1,905,372
Class B	874	74,875,108	14,352,019	19.2%	19.8%	948,952	21.9%	1.3%	23.1%	-273,687	-300,905	-574,592	-1,127,388	-162,767	-1,290,155	\$21.75	2,721,219	211,109	827,196
Class C	232	10,258,509	889,878	8.7%	8.7%	31,469	10.7%	0.3%	11.0%	-30,002	607	-29,395	-113,823	-2,831	-116,654	\$17.12	184,461	0	0
Totals	1,516	184,599,817	35,366,477	19.2%	20.2%	4,397,238	22.4%	2.3%	24.7%	-802,391	-637,431	-1,439,822	-2,521,703	-119,177	-2,640,880	\$27.20	7,938,410	1,080,470	2,732,568
Overall Totals																			
Class A	449	134,277,089	25,878,309	19.3%	20.7%	4,440,003	23.7%	3.2%	26.8%	-695,851	-111,768	-807,619	-1,821,414	265,211	-1,556,203	\$35.41	6,452,233	869,361	3,157,228
Class B	907	84,144,070	17,362,474	20.6%	21.4%	1,232,490	23.5%	1.5%	24.9%	-332,073	-307,695	-639,768	-1,264,506	-127,419	-1,391,925	\$22.62	2,907,811	211,109	827,196
Class C	245	11,163,661	904,135	8.1%	8.2%	31,469	9.9%	0.3%	10.2%	-30,002	607	-29,395	-92,732	-2,831	-95,563	\$17.16	184,461	0	0
Overall Totals	1,601	229,584,820	44,144,918	19.2%	20.4%	5,703,962	23.0%	2.4%	25.3%	-1,057,926	-418,856	-1,476,782	-3,178,652	134,961	-3,043,691	\$30.31	9,544,505	1,080,470	3,984,424

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q3 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Average Gross Quoted Rents (\$/psf)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire	27	2,882,593	293,009	10.2%	10.2%	37,304	16.0%	1.3%	17.3%	41,434	2,386	43,820	-127,337	8,329	-119,008	\$25.15	82,075	0	0
Central Business District	85	44,985,003	8,778,441	19.5%	21.1%	1,306,724	25.3%	2.8%	27.9%	-255,535	218,575	-36,960	-656,949	254,138	-402,811	\$41.51	1,606,095	0	1,251,856
East Fort Bend/Sugar Land	54	5,871,604	736,500	12.5%	13.2%	182,863	17.3%	3.1%	20.3%	18,291	4,469	22,760	-162,050	-11,122	-173,172	\$29.06	128,833	87,937	56,000
FM 1960	106	8,914,745	1,710,564	19.2%	19.6%	490,174	22.8%	5.5%	28.3%	-30,863	-15,433	-46,296	19,504	1,593	21,097	\$19.71	299,124	48,000	72,000
Greenspoint	88	11,264,440	5,121,091	45.5%	45.6%	46,450	48.5%	0.4%	48.9%	-28,731	-13,298	-42,029	209,265	-13,298	195,967	\$18.99	456,861	0	0
Greenway Plaza	63	11,016,439	1,756,657	15.9%	16.8%	316,469	18.8%	2.9%	21.7%	-141,996	-21,676	-163,672	-89,056	11,059	-77,997	\$35.59	1,333,332	0	0
Gulf Freeway/Pasadena	59	3,127,827	358,085	11.4%	12.3%	53,824	13.4%	1.7%	15.1%	-48,440	-25,940	-74,380	-31,763	64,770	33,007	\$21.89	129,969	0	32,396
Katy Freeway East	66	7,796,007	742,743	9.5%	9.9%	104,214	16.3%	1.2%	17.5%	-68,891	-5,608	-74,499	-10,155	-491	-10,646	\$34.99	531,977	150,000	1,200,000
Katy Freeway West/Energy Corridor	155	25,397,512	5,092,532	20.1%	22.4%	1,044,456	22.8%	4.1%	26.9%	3,801	-462,127	-458,326	187,859	-335,193	-147,334	\$28.10	680,165	0	150,000
Katy/Grand Parkway West	33	2,795,247	397,037	14.2%	15.5%	128,710	14.9%	4.6%	19.5%	17,858	11,856	29,714	14,366	-198	14,168	\$29.13	113,594	152,645	0
Kingwood/Humble/Northeast	41	2,809,339	265,060	9.4%	9.7%	11,744	9.4%	0.4%	9.8%	-6,748	0	-6,748	-70,552	-2,744	-73,296	\$19.45	55,587	30,500	270,000
Midtown	67	6,317,892	811,864	12.9%	13.4%	47,028	17.8%	0.7%	18.6%	-30,293	-6,153	-36,446	-177,648	-27,655	-205,303	\$32.07	306,469	0	205,372
NASA/Clear Lake	61	4,627,635	804,484	17.4%	18.1%	35,982	19.1%	0.8%	19.9%	38,103	-4,726	33,377	59,534	-21,360	38,174	\$20.60	157,869	22,000	0
Northwest	101	8,341,821	1,485,025	17.8%	18.0%	20,926	19.9%	0.2%	20.2%	57,975	-570	57,405	136,613	-15,889	120,724	\$21.33	370,812	44,025	28,800
Richmond/Fountainview	26	1,267,896	109,934	8.7%	8.7%	4,720	10.3%	0.4%	10.6%	15,913	0	15,913	30,331	0	30,331	\$16.62	49,407	0	0
San Felipe/Voss	36	5,119,155	1,106,605	21.6%	22.4%	96,222	24.8%	1.9%	26.7%	-79,870	-12,878	-92,748	-163,124	2,080	-161,044	\$29.18	208,366	0	0
South/Medical Center/Southeast	62	4,558,310	197,699	4.3%	4.3%	3,782	5.3%	0.1%	5.4%	3,399	0	3,399	44,336	1,500	45,836	\$21.27	121,519	0	0
Southwest	100	9,062,222	1,781,011	19.7%	19.7%	2,418	22.5%	0.0%	22.5%	-132,488	3,500	-128,988	-59,360	36,054	-23,306	\$17.64	311,318	22,672	80,000
West Belt	63	5,709,365	1,311,486	23.0%	26.1%	231,332	26.2%	4.1%	30.2%	-26,183	8,922	-17,261	-458,124	42,517	-415,607	\$25.80	165,665	0	0
West Loop	104	24,102,225	4,826,006	20.0%	21.4%	647,000	26.0%	2.7%	28.6%	-173,284	-139,931	-313,215	-597,642	-29,881	-627,523	\$35.95	689,468	207,753	70,000
Westchase	99	18,007,019	4,085,537	22.7%	23.9%	452,883	25.5%	2.5%	27.9%	-158,643	101,521	-57,122	-475,137	206,042	-269,095	\$28.09	475,623	0	0
Woodlands	105	15,610,524	2,373,548	15.2%	15.9%	438,737	16.5%	2.7%	19.3%	-72,735	-61,745	-134,480	-801,563	-35,290	-836,853	\$34.50	1,270,377	314,938	568,000
Class Overall Totals	1,601	229,584,820	44,144,918	19.2%	20.4%	5,703,962	23.0%	2.4%	25.3%	-1,057,926	-418,856	-1,476,782	-3,178,652	134,961	-3,043,691	\$30.31	9,544,505	1,080,470	3,984,424

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Bellaire	5	1,004,245	123,268	12.3%	12.3%	37,304	13.1%	3.7%	16.8%	0	2,386	2,386	-50,732	8,045	-42,687	\$29.26	12,109	0	0
Central Business District	39	34,810,889	5,753,729	16.5%	18.3%	1,023,186	23.0%	2.8%	25.5%	-197,149	225,365	28,216	-540,922	218,790	-322,132	\$43.93	1,419,503	0	1,251,856
East Fort Bend/Sugar Land	20	3,788,567	404,523	10.7%	11.4%	168,444	17.2%	4.4%	21.7%	-12,092	6,439	-5,653	-69,948	-7,271	-77,219	\$33.08	64,758	0	0
FM 1960	15	3,534,605	488,353	13.8%	14.3%	458,752	15.1%	13.0%	28.1%	-38,989	-8,832	-47,821	-21,349	-9,346	-30,695	\$28.24	87,965	0	0
Greenspoint	25	5,561,217	3,332,155	59.9%	59.9%	7,954	61.4%	0.1%	61.5%	-13,880	4,287	-9,593	-44,162	4,287	-39,875	\$21.19	86,335	0	0
Greenway Plaza	22	6,829,744	1,297,558	19.0%	20.3%	293,038	22.6%	4.3%	26.9%	-119,628	-17,364	-136,992	2,874	16,709	19,583	\$37.78	1,171,077	0	0
Gulf Freeway/Pasadena	3	170,782	1,295	0.8%	0.8%	0	0.8%	0.0%	0.8%	0	0	0	0	0	0	\$32.03	837	0	0
Katy Freeway East	25	4,823,395	464,607	9.6%	10.2%	98,011	16.2%	1.6%	17.8%	-58,117	-5,608	-63,725	5,956	2,982	8,938	\$42.77	466,265	150,000	1,200,000
Katy Freeway West/Energy Corridor	59	16,624,997	2,988,506	18.0%	20.3%	695,350	20.6%	4.2%	24.7%	-26,028	-305,476	-331,504	175,820	-156,892	18,928	\$33.74	316,371	0	150,000
Katy/Grand Parkway West	16	1,664,437	363,147	21.8%	24.0%	128,710	22.8%	7.7%	30.5%	23,069	11,856	34,925	27,460	-198	27,262	\$29.05	108,516	152,645	0
Kingwood/Humble/Northeast	3	642,223	14,025	2.2%	2.2%	0	1.5%	0.0%	1.5%	0	0	0	0	0	0	\$0.00	0	0	270,000
Midtown	10	2,497,830	258,876	10.4%	10.6%	16,396	18.8%	0.6%	19.4%	-5,724	-2,791	-8,515	-14,586	-2,873	-17,459	\$36.63	210,666	0	205,372
NASA/Clear Lake	13	1,757,641	245,667	14.0%	15.6%	30,456	16.8%	1.7%	18.6%	24,469	0	24,469	21,693	-18,584	3,109	\$24.93	37,131	0	0
Northwest	11	2,082,446	605,266	29.1%	29.2%	5,990	32.2%	0.3%	32.5%	18,842	1,761	20,603	89,823	-2,287	87,536	\$24.08	124,427	44,025	0
Richmond/Fountainview	0	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	\$0.00	0	0	0
San Felipe/Voss	3	1,714,911	444,539	25.9%	27.6%	39,427	27.7%	2.3%	30.0%	-109,936	-5,582	-115,518	-116,973	-15,053	-132,026	\$35.00	111,049	0	0
South/Medical Center/Southeast	2	655,000	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	\$0.00	0	0	0
Southwest	7	1,534,046	405,894	26.5%	26.5%	0	31.5%	0.0%	31.5%	11,375	0	11,375	46,285	0	46,285	\$19.20	115,517	0	80,000
West Belt	29	3,732,819	808,981	21.7%	26.1%	192,604	25.6%	5.2%	30.7%	-14,022	8,922	-5,100	-304,415	56,245	-248,170	\$27.01	104,069	0	0
West Loop	54	18,840,663	4,016,353	21.3%	22.9%	590,879	28.2%	3.1%	31.3%	-100,215	-116,178	-216,393	-479,920	-36,100	-516,020	\$37.82	557,679	207,753	0
Westchase	33	9,767,362	2,312,950	23.7%	25.5%	272,064	27.3%	2.8%	29.9%	-70,933	120,229	49,296	-232,715	229,448	-3,267	\$34.91	316,316	0	0
Woodlands	55	12,239,270	1,548,617	12.7%	13.3%	381,438	14.6%	3.1%	17.8%	-6,893	-31,182	-38,075	-315,603	-22,691	-338,294	\$36.22	1,141,643	314,938	0
Class A Totals	449	134,277,089	25,878,309	19.3%	20.7%	4,440,003	23.7%	3.2%	26.8%	-695,851	-111,768	-807,619	-1,821,414	265,211	-1,556,203	\$35.41	6,452,233	869,361	3,157,228

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q3 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Average Gross Quoted Rents (\$/psf)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire	14	1,431,320	90,918	6.4%	6.4%	0	17.4%	0.0%	17.4%	41,434	0	41,434	-26,876	0	-26,876	\$24.87	69,966	0	0
Central Business District	33	9,268,962	3,010,455	32.5%	33.6%	283,538	36.6%	3.1%	39.7%	-58,386	-6,790	-65,176	-137,118	35,348	-101,770	\$30.16	186,592	0	0
East Fort Bend/Sugar Land	34	2,083,037	331,977	15.9%	16.6%	14,419	17.3%	0.7%	18.0%	30,383	-1,970	28,413	-92,102	-3,851	-95,953	\$22.58	64,075	87,937	56,000
FM 1960	70	4,647,321	1,181,693	25.4%	25.8%	31,422	30.3%	0.7%	31.0%	23,852	-6,601	17,251	43,392	10,939	54,331	\$17.30	199,601	48,000	72,000
Greenspoint	45	4,538,546	1,606,993	35.4%	35.8%	38,496	40.5%	0.8%	41.3%	3,878	-17,585	-13,707	280,720	-17,585	263,135	\$15.28	319,635	0	0
Greenway Plaza	30	3,795,853	425,024	11.2%	11.3%	21,731	13.0%	0.6%	13.6%	-22,902	-4,919	-27,821	-88,549	-5,650	-94,199	\$29.75	150,091	0	0
Gulf Freeway/Pasadena	39	2,311,188	272,536	11.8%	13.0%	53,824	13.4%	2.3%	15.7%	-43,912	-25,940	-69,852	-28,175	64,770	36,595	\$20.93	127,917	0	32,396
Katy Freeway East	27	2,211,134	245,297	11.1%	11.3%	5,334	19.4%	0.2%	19.7%	5,454	0	5,454	6,216	-3,473	2,743	\$20.91	60,627	0	0
Katy Freeway West/Energy Corridor	89	8,495,024	2,060,004	24.2%	26.8%	345,206	27.3%	4.1%	31.3%	21,951	-156,651	-134,700	17,197	-175,186	-157,989	\$22.66	345,401	0	0
Katy/Grand Parkway West	15	1,080,379	33,890	3.1%	3.1%	0	3.5%	0.0%	3.5%	-5,211	0	-5,211	-13,094	0	-13,094	\$30.18	5,078	0	0
Kingwood/Humble/Northeast	30	1,822,370	224,036	12.3%	12.7%	11,744	13.5%	0.6%	14.2%	-14,558	0	-14,558	-60,736	-2,744	-63,480	\$20.12	41,734	30,500	0
Midtown	38	3,217,891	482,119	15.0%	15.9%	30,632	18.1%	1.0%	19.1%	-24,569	-3,362	-27,931	-162,234	-24,782	-187,016	\$28.39	95,803	0	0
NASA/Clear Lake	36	2,511,990	509,620	20.3%	20.5%	5,526	21.0%	0.2%	21.2%	8,541	-4,726	3,815	34,808	-2,776	32,032	\$18.94	111,676	22,000	0
Northwest	64	5,160,384	781,378	15.1%	15.4%	14,936	16.8%	0.3%	17.1%	43,161	-2,331	40,830	57,033	-13,602	43,431	\$19.65	241,335	0	28,800
Richmond/Fountainview	15	879,102	106,352	12.1%	12.1%	4,720	13.5%	0.5%	14.0%	8,113	0	8,113	17,974	0	17,974	\$17.30	46,207	0	0
San Felipe/Voss	33	3,404,244	662,066	19.4%	19.7%	56,795	23.4%	1.7%	25.1%	30,066	-7,296	22,770	-46,151	17,133	-29,018	\$23.69	97,317	0	0
South/Medical Center/Southeast	44	3,057,309	163,900	5.4%	5.4%	3,782	6.8%	0.1%	7.0%	1,636	0	1,636	39,932	1,500	41,432	\$21.78	113,500	0	0
Southwest	66	6,165,532	1,293,003	21.0%	21.0%	2,418	23.7%	0.0%	23.7%	-145,420	3,500	-141,920	-116,194	36,054	-80,140	\$17.30	167,324	22,672	0
West Belt	31	1,890,052	502,505	26.6%	27.3%	13,728	28.5%	0.7%	29.2%	-12,161	0	-12,161	-153,709	-13,728	-167,437	\$22.98	61,596	0	0
West Loop	47	5,107,850	796,619	15.6%	16.5%	56,121	18.4%	1.1%	19.5%	-73,069	-23,753	-96,822	-117,851	6,219	-111,632	\$26.07	119,594	0	70,000
Westchase	61	7,802,261	1,759,378	22.5%	23.1%	180,819	24.4%	2.3%	26.7%	-84,512	-18,708	-103,220	-235,249	-23,406	-258,655	\$21.91	154,008	0	0
Woodlands	46	3,262,321	822,711	25.2%	26.2%	57,299	22.8%	1.5%	24.3%	-65,842	-30,563	-96,405	-483,740	-12,599	-496,339	\$33.42	128,734	0	568,000
Class B Totals	907	84,144,070	17,362,474	20.6%	21.4%	1,232,490	23.5%	1.5%	24.9%	-332,073	-307,695	-639,768	-1,264,506	-127,419	-1,391,925	\$22.62	2,907,811	211,109	827,196

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q3 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Average Gross Quoted Rents (\$/psf)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire	8	447,028	78,823	17.6%	17.6%	0	17.6%	0.0%	17.6%	0	0	0	-49,729	284	-49,445	\$18.35	0	0	0
Central Business District	13	905,152	14,257	1.6%	1.6%	0	1.6%	0.0%	1.6%	0	0	0	21,091	0	21,091	\$24.00	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	0	0	\$0.00	0	0	0
FM 1960	21	732,819	40,518	5.5%	5.5%	0	11.5%	0.0%	11.5%	-15,726	0	-15,726	-2,539	0	-2,539	\$16.64	11,558	0	0
Greenspoint	18	1,164,677	181,943	15.6%	15.6%	0	17.9%	0.0%	17.9%	-18,729	0	-18,729	-27,293	0	-27,293	\$11.27	50,891	0	0
Greenway Plaza	11	390,842	34,075	8.7%	9.2%	1,700	9.8%	0.4%	10.2%	534	607	1,141	-3,381	0	-3,381	\$22.95	12,164	0	0
Gulf Freeway/Pasadena	17	645,857	84,254	13.0%	13.0%	0	17.0%	0.0%	17.0%	-4,528	0	-4,528	-3,588	0	-3,588	\$24.79	1,215	0	0
Katy Freeway East	14	761,478	32,839	4.3%	4.4%	869	8.7%	0.1%	8.8%	-16,228	0	-16,228	-22,327	0	-22,327	\$22.08	5,085	0	0
Katy Freeway West/Energy Corridor	7	277,491	44,022	15.9%	17.3%	3,900	15.9%	1.4%	17.3%	7,878	0	7,878	-5,158	-3,115	-8,273	\$20.82	18,393	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	\$0.00	0	0	0	
Kingwood/Humble/Northeast	8	344,746	26,999	7.8%	7.8%	0	8.4%	0.0%	8.4%	7,810	0	7,810	-9,816	0	-9,816	\$15.55	13,853	0	0
Midtown	19	602,171	70,869	11.8%	11.8%	0	11.8%	0.0%	11.8%	0	0	0	-828	0	-828	\$30.09	0	0	0
NASA/Clear Lake	12	358,004	49,197	13.7%	13.7%	0	17.5%	0.0%	17.5%	5,093	0	5,093	3,033	0	3,033	\$17.75	9,062	0	0
Northwest	26	1,098,991	98,381	9.0%	9.0%	0	11.5%	0.0%	11.5%	-4,028	0	-4,028	-10,243	0	-10,243	\$14.21	5,050	0	0
Richmond/Fountainview	11	388,794	3,582	0.9%	0.9%	0	3.0%	0.0%	3.0%	7,800	0	7,800	12,357	0	12,357	\$12.69	3,200	0	0
San Felipe/Voss	0	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	\$0.00	0	0	0	
South/Medical Center/Southeast	16	846,001	33,799	4.0%	4.0%	0	4.0%	0.0%	4.0%	1,763	0	1,763	4,404	0	4,404	\$18.37	8,019	0	0
Southwest	27	1,362,644	82,114	6.0%	6.0%	0	6.6%	0.0%	6.6%	1,557	0	1,557	10,549	0	10,549	\$13.67	28,477	0	0
West Belt	3	86,494	0	0.0%	0.0%	25,000	0.0%	0.0%	0.0%	0	0	0	0	0	\$0.00	0	0	0	
West Loop	3	153,712	13,034	8.5%	8.5%	0	9.1%	0.0%	9.1%	0	0	0	129	0	129	\$18.75	12,195	0	0
Westchase	5	437,396	13,209	3.0%	3.0%	0	3.6%	0.0%	3.6%	-3,198	0	-3,198	-7,173	0	-7,173	\$14.50	5,299	0	0
Woodlands	4	108,933	2,220	2.0%	2.0%	0	9.2%	0.0%	9.2%	0	0	0	-2,220	0	-2,220	\$18.50	0	0	0
Class C Totals	245	11,163,661	904,135	8.1%	8.2%	31,469	9.9%	0.3%	10.2%	-30,002	607	-29,395	-92,732	-2,831	-95,563	\$17.16	184,461	0	0

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							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire																			
Class A	5	1,004,245	123,268	12.3%	12.3%	37,304	13.1%	3.7%	16.8%	0	2,386	2,386	-50,732	8,045	-42,687	\$29.26	12,109	0	0
Class B	14	1,431,320	90,918	6.4%	6.4%	0	17.4%	0.0%	17.4%	41,434	0	41,434	-26,876	0	-26,876	\$24.87	69,966	0	0
Class C	8	447,028	78,823	17.6%	17.6%	0	17.6%	0.0%	17.6%	0	0	0	-49,729	284	-49,445	\$18.35	0	0	0
Totals	27	2,882,593	293,009	10.2%	10.2%	37,304	16.0%	1.3%	17.3%	41,434	2,386	43,820	-127,337	8,329	-119,008	\$25.15	82,075	0	0
Central Business District																			
Class A	39	34,810,889	5,753,729	16.5%	18.3%	1,023,186	23.0%	2.8%	25.5%	-197,149	225,365	28,216	-540,922	218,790	-322,132	\$43.93	1,419,503	0	1,251,856
Class B	33	9,268,962	3,010,455	32.5%	33.6%	283,538	36.6%	3.1%	39.7%	-58,386	-6,790	-65,176	-137,118	35,348	-101,770	\$30.16	186,592	0	0
Class C	13	905,152	14,257	1.6%	1.6%	0	1.6%	0.0%	1.6%	0	0	0	21,091	0	21,091	\$24.00	0	0	0
Totals	85	44,985,003	8,778,441	19.5%	21.1%	1,306,724	25.3%	2.8%	27.9%	-255,535	218,575	-36,960	-656,949	254,138	-402,811	\$41.51	1,606,095	0	1,251,856
East Fort Bend/Sugar Land																			
Class A	20	3,788,567	404,523	10.7%	11.4%	168,444	17.2%	4.4%	21.7%	-12,092	6,439	-5,653	-69,948	-7,271	-77,219	\$33.08	64,758	0	0
Class B	34	2,083,037	331,977	15.9%	16.6%	14,419	17.3%	0.7%	18.0%	30,383	-1,970	28,413	-92,102	-3,851	-95,953	\$22.58	64,075	87,937	56,000
Class C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	54	5,871,604	736,500	12.5%	13.2%	182,863	17.3%	3.1%	20.3%	18,291	4,469	22,760	-162,050	-11,122	-173,172	\$29.06	128,833	87,937	56,000
FM 1960																			
Class A	15	3,534,605	488,353	13.8%	14.3%	458,752	15.1%	13.0%	28.1%	-38,989	-8,832	-47,821	-21,349	-9,346	-30,695	\$28.24	87,965	0	0
Class B	70	4,647,321	1,181,693	25.4%	25.8%	31,422	30.3%	0.7%	31.0%	23,852	-6,601	17,251	43,392	10,939	54,331	\$17.30	199,601	48,000	72,000
Class C	21	732,819	40,518	5.5%	5.5%	0	11.5%	0.0%	11.5%	-15,726	0	-15,726	-2,539	0	-2,539	\$16.64	11,558	0	0
Totals	106	8,914,745	1,710,564	19.2%	19.6%	490,174	22.8%	5.5%	28.3%	-30,863	-15,433	-46,296	19,504	1,593	21,097	\$19.71	299,124	48,000	72,000
Greenspoint																			
Class A	25	5,561,217	3,332,155	59.9%	59.9%	7,954	61.4%	0.1%	61.5%	-13,880	4,287	-9,593	-44,162	4,287	-39,875	\$21.19	86,335	0	0
Class B	45	4,538,546	1,606,993	35.4%	35.8%	38,496	40.5%	0.8%	41.3%	3,878	-17,585	-13,707	280,720	-17,585	263,135	\$15.28	319,635	0	0
Class C	18	1,164,677	181,943	15.6%	15.6%	0	17.9%	0.0%	17.9%	-18,729	0	-18,729	-27,293	0	-27,293	\$11.27	50,891	0	0
Totals	88	11,264,440	5,121,091	45.5%	45.6%	46,450	48.5%	0.4%	48.9%	-28,731	-13,298	-42,029	209,265	-13,298	195,967	\$18.99	456,861	0	0

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							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Greenway Plaza																			
Class A	22	6,829,744	1,297,558	19.0%	20.3%	293,038	22.6%	4.3%	26.9%	-119,628	-17,364	-136,992	2,874	16,709	19,583	\$37.78	1,171,077	0	0
Class B	30	3,795,853	425,024	11.2%	11.3%	21,731	13.0%	0.6%	13.6%	-22,902	-4,919	-27,821	-88,549	-5,650	-94,199	\$29.75	150,091	0	0
Class C	11	390,842	34,075	8.7%	9.2%	1,700	9.8%	0.4%	10.2%	534	607	1,141	-3,381	0	-3,381	\$22.95	12,164	0	0
Totals	63	11,016,439	1,756,657	15.9%	16.8%	316,469	18.8%	2.9%	21.7%	-141,996	-21,676	-163,672	-89,056	11,059	-77,997	\$35.59	1,333,332	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	0	0	0	\$32.03	837	0	0
Class B	39	2,311,188	272,536	11.8%	13.0%	53,824	13.4%	2.3%	15.7%	-43,912	-25,940	-69,852	-28,175	64,770	36,595	\$20.93	127,917	0	32,396
Class C	17	645,857	84,254	13.0%	13.0%	0	17.0%	0.0%	17.0%	-4,528	0	-4,528	-3,588	0	-3,588	\$24.79	1,215	0	0
Totals	59	3,127,827	358,085	11.4%	12.3%	53,824	13.4%	1.7%	15.1%	-48,440	-25,940	-74,380	-31,763	64,770	33,007	\$21.89	129,969	0	32,396
Katy Freeway East																			
Class A	25	4,823,395	464,607	9.6%	10.2%	98,011	16.2%	1.6%	17.8%	-58,117	-5,608	-63,725	5,956	2,982	8,938	\$42.77	466,265	150,000	1,200,000
Class B	27	2,211,134	245,297	11.1%	11.3%	5,334	19.4%	0.2%	19.7%	5,454	0	5,454	6,216	-3,473	2,743	\$20.91	60,627	0	0
Class C	14	761,478	32,839	4.3%	4.4%	869	8.7%	0.1%	8.8%	-16,228	0	-16,228	-22,327	0	-22,327	\$22.08	5,085	0	0
Totals	66	7,796,007	742,743	9.5%	9.9%	104,214	16.3%	1.2%	17.5%	-68,891	-5,608	-74,499	-10,155	-491	-10,646	\$34.99	531,977	150,000	1,200,000
Katy Freeway West/Energy Corridor																			
Class A	59	16,624,997	2,988,506	18.0%	20.3%	695,350	20.6%	4.2%	24.7%	-26,028	-305,476	-331,504	175,820	-156,892	18,928	\$33.74	316,371	0	150,000
Class B	89	8,495,024	2,060,004	24.2%	26.8%	345,206	27.3%	4.1%	31.3%	21,951	-156,651	-134,700	17,197	-175,186	-157,989	\$22.66	345,401	0	0
Class C	7	277,491	44,022	15.9%	17.3%	3,900	15.9%	1.4%	17.3%	7,878	0	7,878	-5,158	-3,115	-8,273	\$20.82	18,393	0	0
Totals	155	25,397,512	5,092,532	20.1%	22.4%	1,044,456	22.8%	4.1%	26.9%	3,801	-462,127	-458,326	187,859	-335,193	-147,334	\$28.10	680,165	0	150,000
Katy/Grand Parkway West																			
Class A	16	1,664,437	363,147	21.8%	24.0%	128,710	22.8%	7.7%	30.5%	23,069	11,856	34,925	27,460	-198	27,262	\$29.05	108,516	152,645	0
Class B	15	1,080,379	33,890	3.1%	3.1%	0	3.5%	0.0%	3.5%	-5,211	0	-5,211	-13,094	0	-13,094	\$30.18	5,078	0	0
Class C	2	50,431	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	\$0.00	0	0	0	0
Totals	33	2,795,247	397,037	14.2%	15.5%	128,710	14.9%	4.6%	19.5%	17,858	11,856	29,714	14,366	-198	14,168	\$29.13	113,594	152,645	0

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q3 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Average Gross Quoted Rents (\$/psf)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Kingwood/Humble/Northeast																			
Class A	3	642,223	14,025	2.2%	2.2%	0	1.5%	0.0%	1.5%	0	0	0	0	0	0	\$0.00	0	0	270,000
Class B	30	1,822,370	224,036	12.3%	12.7%	11,744	13.5%	0.6%	14.2%	-14,558	0	-14,558	-60,736	-2,744	-63,480	\$20.12	41,734	30,500	0
Class C	8	344,746	26,999	7.8%	7.8%	0	8.4%	0.0%	8.4%	7,810	0	7,810	-9,816	0	-9,816	\$15.55	13,853	0	0
Totals	41	2,809,339	265,060	9.4%	9.7%	11,744	9.4%	0.4%	9.8%	-6,748	0	-6,748	-70,552	-2,744	-73,296	\$19.45	55,587	30,500	270,000
Midtown																			
Class A	10	2,497,830	258,876	10.4%	10.6%	16,396	18.8%	0.6%	19.4%	-5,724	-2,791	-8,515	-14,586	-2,873	-17,459	\$36.63	210,666	0	205,372
Class B	38	3,217,891	482,119	15.0%	15.9%	30,632	18.1%	1.0%	19.1%	-24,569	-3,362	-27,931	-162,234	-24,782	-187,016	\$28.39	95,803	0	0
Class C	19	602,171	70,869	11.8%	11.8%	0	11.8%	0.0%	11.8%	0	0	0	-828	0	-828	\$30.09	0	0	0
Totals	67	6,317,892	811,864	12.9%	13.4%	47,028	17.8%	0.7%	18.6%	-30,293	-6,153	-36,446	-177,648	-27,655	-205,303	\$32.07	306,469	0	205,372
NASA/Clear Lake																			
Class A	13	1,757,641	245,667	14.0%	15.6%	30,456	16.8%	1.7%	18.6%	24,469	0	24,469	21,693	-18,584	3,109	\$24.93	37,131	0	0
Class B	36	2,511,990	509,620	20.3%	20.5%	5,526	21.0%	0.2%	21.2%	8,541	-4,726	3,815	34,808	-2,776	32,032	\$18.94	111,676	22,000	0
Class C	12	358,004	49,197	13.7%	13.7%	0	17.5%	0.0%	17.5%	5,093	0	5,093	3,033	0	3,033	\$17.75	9,062	0	0
Totals	61	4,627,635	804,484	17.4%	18.1%	35,982	19.1%	0.8%	19.9%	38,103	-4,726	33,377	59,534	-21,360	38,174	\$20.60	157,869	22,000	0
Northwest																			
Class A	11	2,082,446	605,266	29.1%	29.2%	5,990	32.2%	0.3%	32.5%	18,842	1,761	20,603	89,823	-2,287	87,536	\$24.08	124,427	44,025	0
Class B	64	5,160,384	781,378	15.1%	15.4%	14,936	16.8%	0.3%	17.1%	43,161	-2,331	40,830	57,033	-13,602	43,431	\$19.65	241,335	0	28,800
Class C	26	1,098,991	98,381	9.0%	9.0%	0	11.5%	0.0%	11.5%	-4,028	0	-4,028	-10,243	0	-10,243	\$14.21	5,050	0	0
Totals	101	8,341,821	1,485,025	17.8%	18.0%	20,926	19.9%	0.2%	20.2%	57,975	-570	57,405	136,613	-15,889	120,724	\$21.33	370,812	44,025	28,800
Richmond/Fountainview																			
Class A	0	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	\$0.00	0	0	0
Class B	15	879,102	106,352	12.1%	12.1%	4,720	13.5%	0.5%	14.0%	8,113	0	8,113	17,974	0	17,974	\$17.30	46,207	0	0
Class C	11	388,794	3,582	0.9%	0.9%	0	3.0%	0.0%	3.0%	7,800	0	7,800	12,357	0	12,357	\$12.69	3,200	0	0
Totals	26	1,267,896	109,934	8.7%	8.7%	4,720	10.3%	0.4%	10.6%	15,913	0	15,913	30,331	0	30,331	\$16.62	49,407	0	0

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q3 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Average Gross Quoted Rents (\$/psf)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)	
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total					
San Felipe/Voss																				
Class A	3	1,714,911	444,539	25.9%	27.6%	39,427	27.7%	2.3%	30.0%	-109,936	-5,582	-115,518	-116,973	-15,053	-132,026	\$35.00	111,049	0	0	
Class B	33	3,404,244	662,066	19.4%	19.7%	56,795	23.4%	1.7%	25.1%	30,066	-7,296	22,770	-46,151	17,133	-29,018	\$23.69	97,317	0	0	
Class C	0	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	\$0.00	0	0	0	0	
Totals	36	5,119,155	1,106,605	21.6%	22.4%	96,222	24.8%	1.9%	26.7%	-79,870	-12,878	-92,748	-163,124	2,080	-161,044	\$29.18	208,366	0	0	
South/Medical Center/Southeast																				
Class A	2	655,000	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0	0	0	0	0	0	0
Class B	44	3,057,309	163,900	5.4%	5.4%	3,782	6.8%	0.1%	7.0%	1,636	0	1,636	39,932	1,500	41,432	\$21.78	113,500	0	0	
Class C	16	846,001	33,799	4.0%	4.0%	0	4.0%	0.0%	4.0%	1,763	0	1,763	4,404	0	4,404	\$18.37	8,019	0	0	
Totals	62	4,558,310	197,699	4.3%	4.3%	3,782	5.3%	0.1%	5.4%	3,399	0	3,399	44,336	1,500	45,836	\$21.27	121,519	0	0	
Southwest																				
Class A	7	1,534,046	405,894	26.5%	26.5%	0	31.5%	0.0%	31.5%	11,375	0	11,375	46,285	0	46,285	\$19.20	115,517	0	80,000	
Class B	66	6,165,532	1,293,003	21.0%	21.0%	2,418	23.7%	0.0%	23.7%	-145,420	3,500	-141,920	-116,194	36,054	-80,140	\$17.30	167,324	22,672	0	
Class C	27	1,362,644	82,114	6.0%	6.0%	0	6.6%	0.0%	6.6%	1,557	0	1,557	10,549	0	10,549	\$13.67	28,477	0	0	
Totals	100	9,062,222	1,781,011	19.7%	19.7%	2,418	22.5%	0.0%	22.5%	-132,488	3,500	-128,988	-59,360	36,054	-23,306	\$17.64	311,318	22,672	80,000	
West Belt																				
Class A	29	3,732,819	808,981	21.7%	26.1%	192,604	25.6%	5.2%	30.7%	-14,022	8,922	-5,100	-304,415	56,245	-248,170	\$27.01	104,069	0	0	
Class B	31	1,890,052	502,505	26.6%	27.3%	13,728	28.5%	0.7%	29.2%	-12,161	0	-12,161	-153,709	-13,728	-167,437	\$22.98	61,596	0	0	
Class C	3	86,494	0	0.0%	0.0%	25,000	0.0%	0.0%	0.0%	0	0	0	0	0	\$0.00	0	0	0	0	
Totals	63	5,709,365	1,311,486	23.0%	26.1%	231,332	26.2%	4.1%	30.2%	-26,183	8,922	-17,261	-458,124	42,517	-415,607	\$25.80	165,665	0	0	
West Loop																				
Class A	54	18,840,663	4,016,353	21.3%	22.9%	590,879	28.2%	3.1%	31.3%	-100,215	-116,178	-216,393	-479,920	-36,100	-516,020	\$37.82	557,679	207,753	0	
Class B	47	5,107,850	796,619	15.6%	16.5%	56,121	18.4%	1.1%	19.5%	-73,069	-23,753	-96,822	-117,851	6,219	-111,632	\$26.07	119,594	0	70,000	
Class C	3	153,712	13,034	8.5%	8.5%	0	9.1%	0.0%	9.1%	0	0	0	129	0	129	\$18.75	12,195	0	0	
Totals	104	24,102,225	4,826,006	20.0%	21.4%	647,000	26.0%	2.7%	28.6%	-173,284	-139,931	-313,215	-597,642	-29,881	-627,523	\$35.95	689,468	207,753	70,000	

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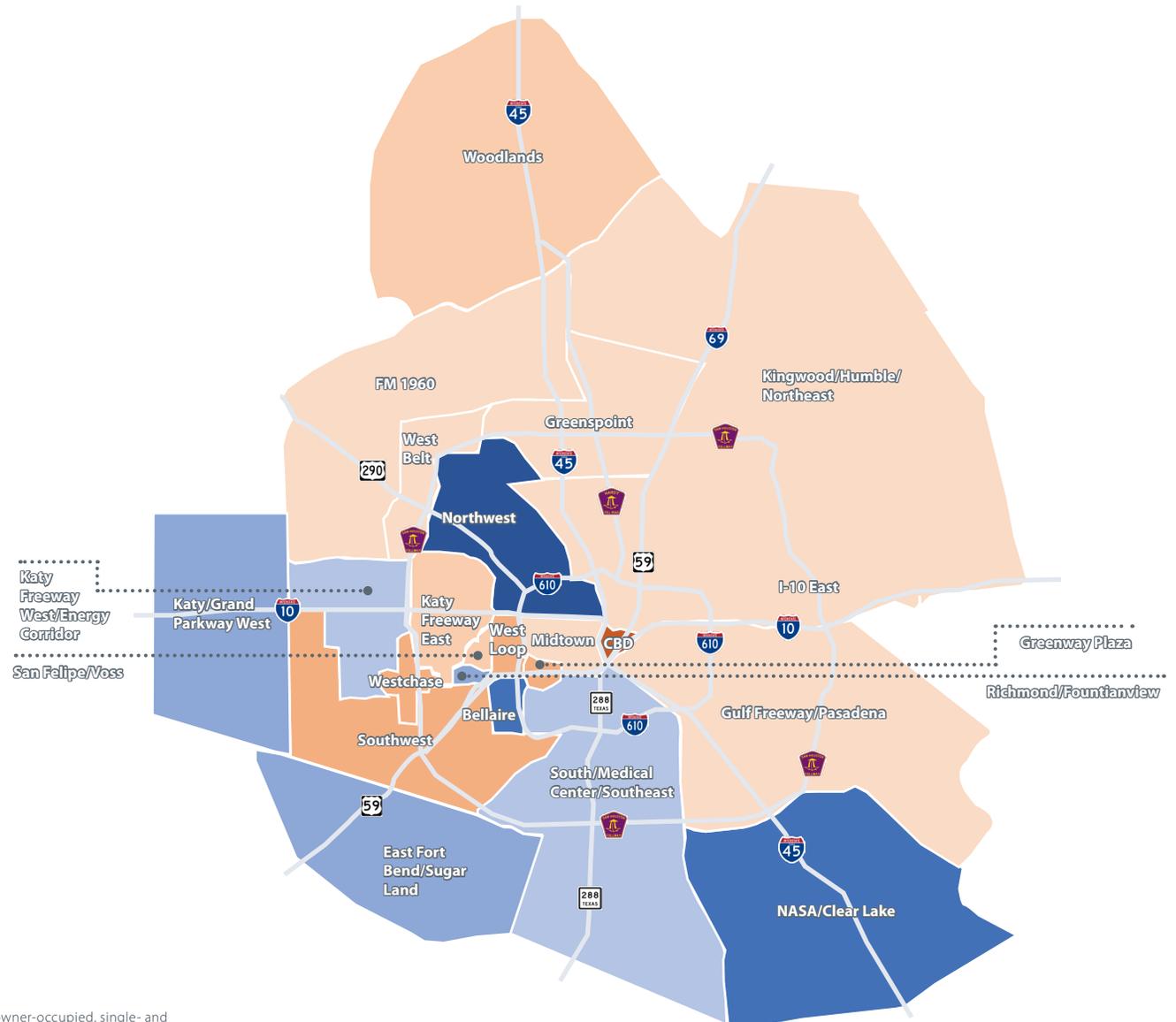
	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q3 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Average Gross Quoted Rents (\$/psf)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Westchase																			
Class A	33	9,767,362	2,312,950	23.7%	25.5%	272,064	27.3%	2.8%	29.9%	-70,933	120,229	49,296	-232,715	229,448	-3,267	\$34.91	316,316	0	0
Class B	61	7,802,261	1,759,378	22.5%	23.1%	180,819	24.4%	2.3%	26.7%	-84,512	-18,708	-103,220	-235,249	-23,406	-258,655	\$21.91	154,008	0	0
Class C	5	437,396	13,209	3.0%	3.0%	0	3.6%	0.0%	3.6%	-3,198	0	-3,198	-7,173	0	-7,173	\$14.50	5,299	0	0
Totals	99	18,007,019	4,085,537	22.7%	23.9%	452,883	25.5%	2.5%	27.9%	-158,643	101,521	-57,122	-475,137	206,042	-269,095	\$28.09	475,623	0	0
Woodlands																			
Class A	55	12,239,270	1,548,617	12.7%	13.3%	381,438	14.6%	3.1%	17.8%	-6,893	-31,182	-38,075	-315,603	-22,691	-338,294	\$36.22	1,141,643	314,938	0
Class B	46	3,262,321	822,711	25.2%	26.2%	57,299	22.8%	1.5%	24.3%	-65,842	-30,563	-96,405	-483,740	-12,599	-496,339	\$33.42	128,734	0	568,000
Class C	4	108,933	2,220	2.0%	2.0%	0	9.2%	0.0%	9.2%	0	0	0	-2,220	0	-2,220	\$18.50	0	0	0
Totals	105	15,610,524	2,373,548	15.2%	15.9%	438,737	16.5%	2.7%	19.3%	-72,735	-61,745	-134,480	-801,563	-35,290	-836,853	\$34.50	1,270,377	314,938	568,000
Suburban Totals																			
Class A	410	99,466,200	20,124,580	20.2%	21.6%	3,416,817	24.0%	3.4%	27.3%	-498,702	-337,133	-835,835	-1,280,492	46,421	-1,234,071	\$31.86	5,032,730	869,361	1,905,372
Class B	874	74,875,108	14,352,019	19.2%	19.8%	948,952	21.9%	1.3%	23.1%	-273,687	-300,905	-574,592	-1,127,388	-162,767	-1,290,155	\$21.75	2,721,219	211,109	827,196
Class C	232	10,258,509	889,878	8.7%	8.7%	31,469	10.7%	0.3%	11.0%	-30,002	607	-29,395	-113,823	-2,831	-116,654	\$17.12	184,461	0	0
Totals	1,516	184,599,817	35,366,477	19.2%	20.2%	4,397,238	22.4%	2.3%	24.7%	-802,391	-637,431	-1,439,822	-2,521,703	-119,177	-2,640,880	\$27.20	7,938,410	1,080,470	2,732,568
Overall Totals																			
Class A	449	134,277,089	25,878,309	19.3%	20.7%	4,440,003	23.7%	3.2%	26.8%	-695,851	-111,768	-807,619	-1,821,414	265,211	-1,556,203	\$35.41	6,452,233	869,361	3,157,228
Class B	907	84,144,070	17,362,474	20.6%	21.4%	1,232,490	23.5%	1.5%	24.9%	-332,073	-307,695	-639,768	-1,264,506	-127,419	-1,391,925	\$22.62	2,907,811	211,109	827,196
Class C	245	11,163,661	904,135	8.1%	8.2%	31,469	9.9%	0.3%	10.2%	-30,002	607	-29,395	-92,732	-2,831	-95,563	\$17.16	184,461	0	0
Overall Totals	1,601	229,584,820	44,144,918	19.2%	20.4%	5,703,962	23.0%	2.4%	25.3%	-1,057,926	-418,856	-1,476,782	-3,178,652	134,961	-3,043,691	\$30.31	9,544,505	1,080,470	3,984,424

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Direct Net Absorption = -1,057,926 sf | Third Quarter 2020

Submarket	Direct Net Absorption (sf)
Northwest	57,975
Bellaire	41,434
NASA/Clear Lake	38,103
East Fort Bend/Sugar Land	18,291
Katy/Grand Parkway West	17,858
Richmond/Fountainview	15,913
Katy Freeway West/Energy Corridor	3,801
South/Medical Center/Southeast	3,399
Kingwood/Humble/Northeast	-6,748
West Belt	-26,183
Greenspoint	-28,731
Midtown	-30,293
FM 1960	-30,863
Gulf Freeway/Pasadena	-48,440
Katy Freeway East	-68,891
Woodlands	-72,735
San Felipe/Voss	-79,870
Southwest	-132,488
Greenway Plaza	-141,996
Westchase	-158,643
West Loop	-173,284
Central Business District	-255,535
Overall Total	-1,057,926

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

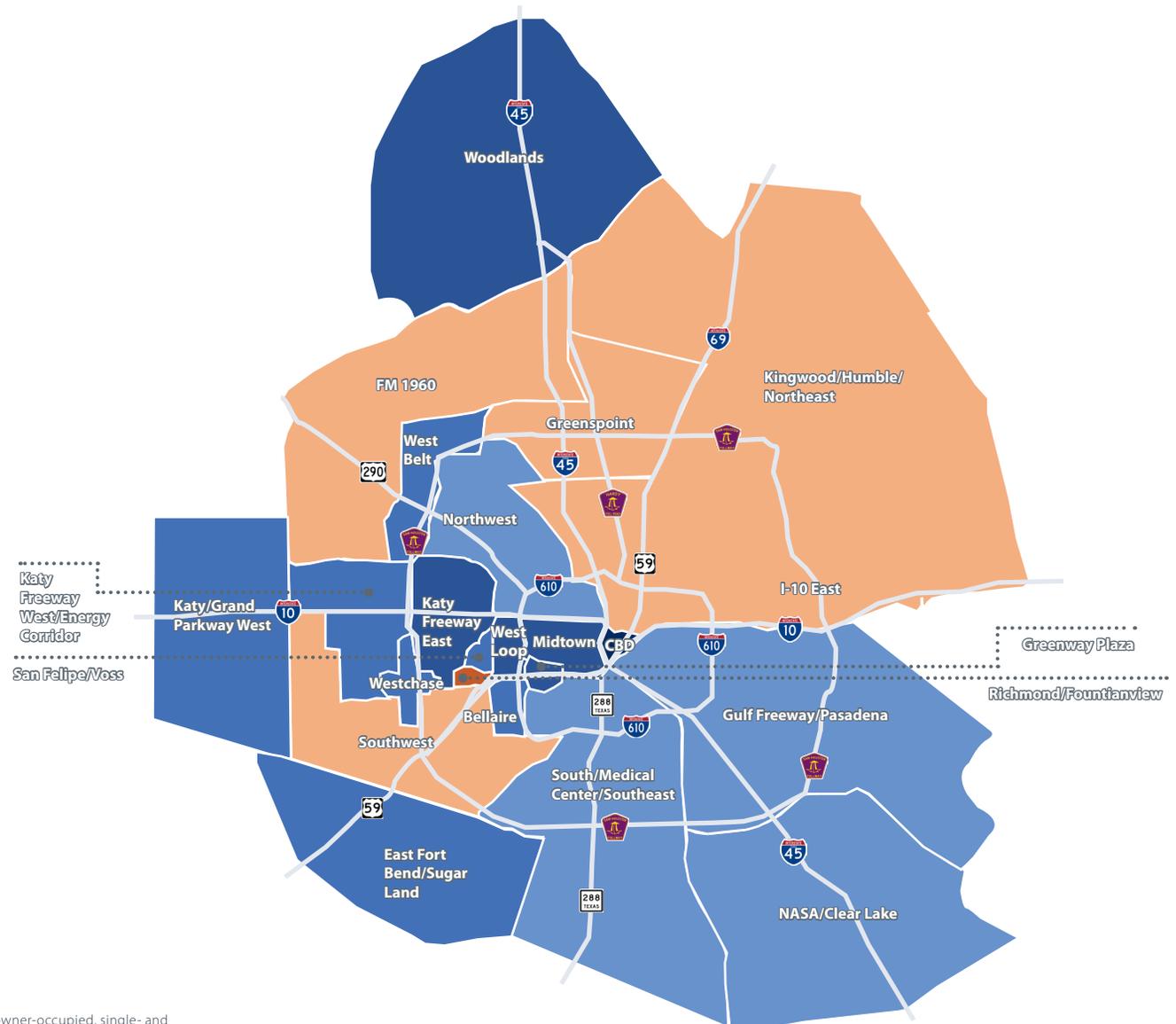


Vacancy in Avison Young's market report refers to vacant available square footage in owner-occupied, single- and multi-tenant buildings 20,000 square feet or larger and classified as general-purpose and either class A, B or C.

Average Gross Quoted Rent = \$30.31 psf | Third Quarter 2020

Submarket	Average Gross Quoted Rents Direct (\$)
Central Business District	\$41.51
West Loop	\$35.95
Greenway Plaza	\$35.59
Katy Freeway East	\$34.99
Woodlands	\$34.50
Midtown	\$32.07
San Felipe/Voss	\$29.18
Katy/Grand Parkway West	\$29.13
East Fort Bend/Sugar Land	\$29.06
Katy Freeway West/Energy Corridor	\$28.10
Westchase	\$28.09
West Belt	\$25.80
Bellaire	\$25.15
Gulf Freeway/Pasadena	\$21.89
Northwest	\$21.33
South/Medical Center/Southeast	\$21.27
NASA/Clear Lake	\$20.60
FM 1960	\$19.71
Kingwood/Humble/Northeast	\$19.45
Greenspoint	\$18.99
Southwest	\$17.64
Richmond/Fountainview	\$16.62
Overall Average	\$30.31

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

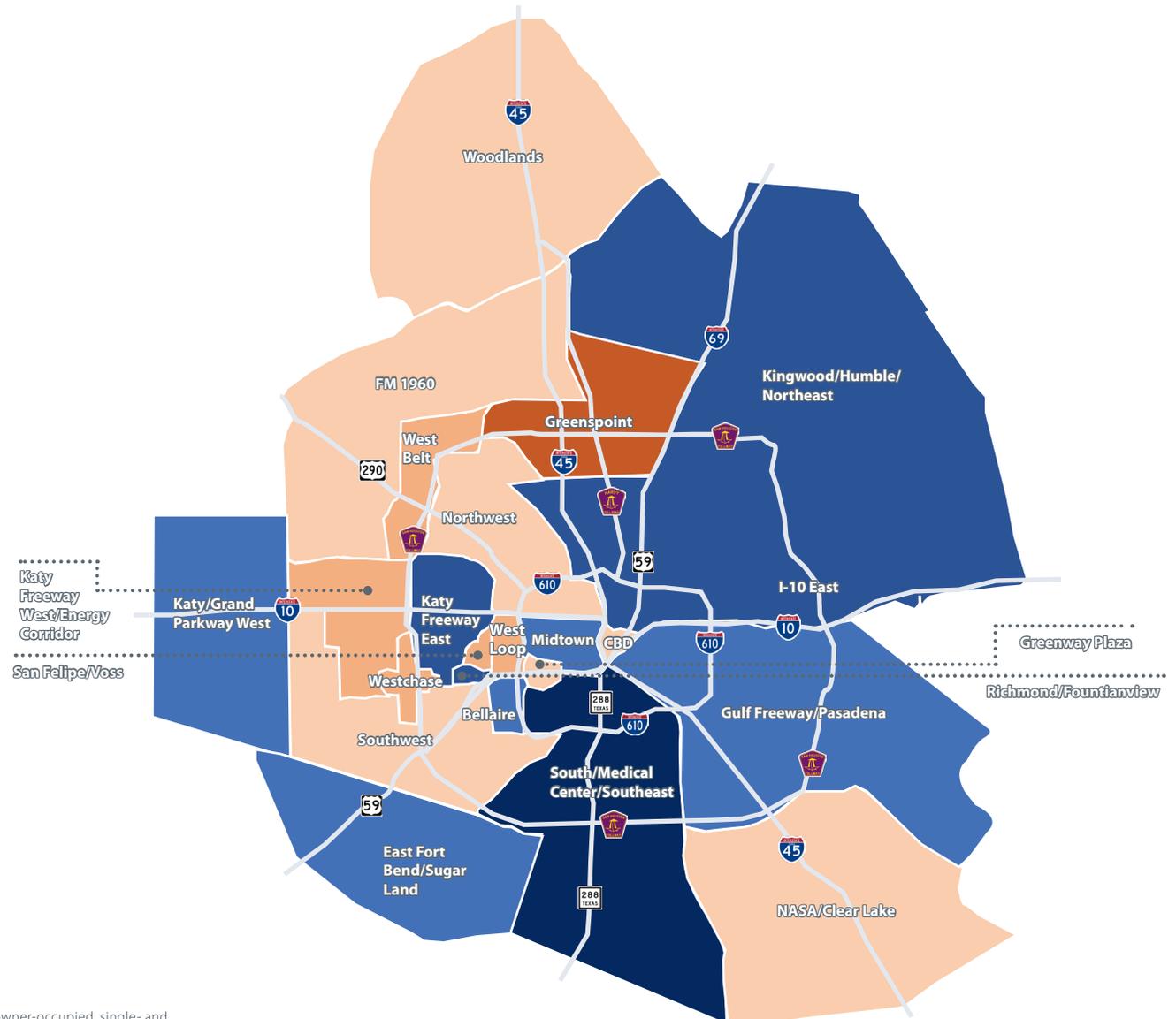


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Direct Vacancy Rate = 19.2% | Third Quarter 2020

Submarket	Direct Vacancy Rate %
South/Medical Center/Southeast	4.3%
Richmond/Fountainview	8.7%
Kingwood/Humble/Northeast	9.4%
Katy Freeway East	9.5%
Bellaire	10.2%
Gulf Freeway/Pasadena	11.4%
East Fort Bend/Sugar Land	12.5%
Midtown	12.9%
Katy/Grand Parkway West	14.2%
Woodlands	15.2%
Greenway Plaza	15.9%
NASA/Clear Lake	17.4%
Northwest	17.8%
FM 1960	19.2%
Central Business District	19.5%
Southwest	19.7%
West Loop	20.0%
Katy Freeway West/Energy Corridor	20.1%
San Felipe/Voss	21.6%
Westchase	22.7%
West Belt	23.0%
Greenspoint	45.5%
Overall Average	19.2%

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

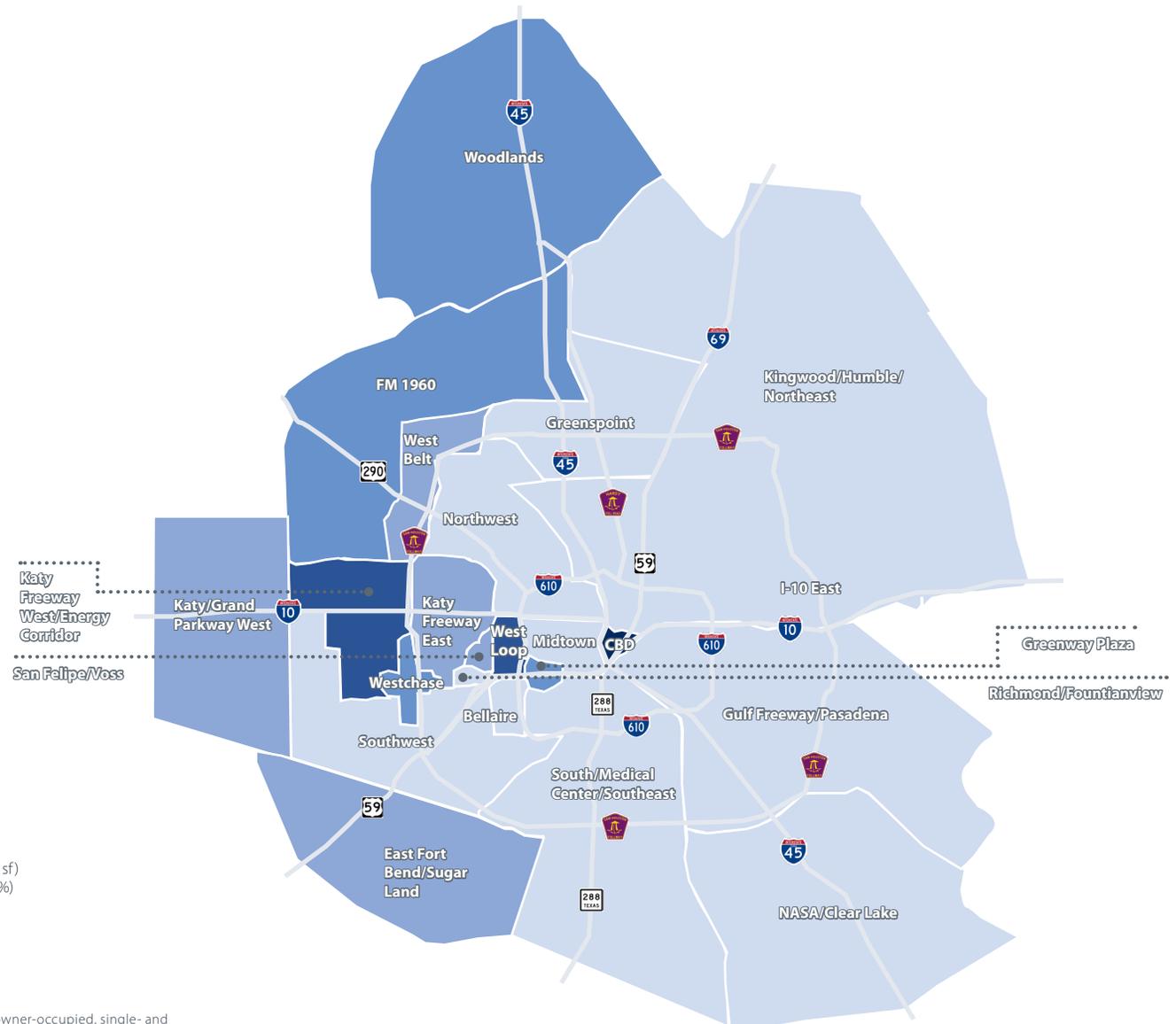


Vacancy in Avison Young's market report refers to vacant available square footage in owner-occupied, single- and multi-tenant buildings 20,000 square feet or larger and classified as general-purpose and either class A, B or C.

Available Sublease Space = 5,703,962 sf | Third Quarter 2020

Submarket	Available Sublease Space (sf)	(%) of Total
Central Business District	1,306,724	22.9%
Katy Freeway West/Energy Corridor	1,044,456	18.3%
West Loop	647,000	11.3%
FM 1960	490,174	8.6%
Westchase	452,883	7.9%
Woodlands	438,737	7.7%
Greenway Plaza	316,469	5.5%
West Belt	231,332	4.1%
East Fort Bend/Sugar Land	182,863	3.2%
Katy/Grand Parkway West	128,710	2.3%
Katy Freeway East	104,214	1.8%
San Felipe/Voss	96,222	1.7%
Gulf Freeway/Pasadena	53,824	0.9%
Midtown	47,028	0.8%
Greenspoint	46,450	0.8%
Bellaire	37,304	0.7%
NASA/Clear Lake	35,982	0.6%
Northwest	20,926	0.4%
Kingwood/Humble/Northeast	11,744	0.2%
Richmond/Fountainview	4,720	0.1%
South/Medical Center/Southeast	3,782	0.1%
Southwest	2,418	0.0%
Overall Total	5,703,962	100.0%

■ Dark Blue Values (↑ 70k Sublease sf) (↑ 1% Sublease %)
 ■ Light Blue Values (↓ 70k Sublease sf) (↓ 1% Sublease %)



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Houston Office Market Statistics & Heat Maps

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