Second Quarter 2019

Houston Industrial Market Statistics & Heat Maps

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AVISON YOUNG

Market Statistics

Property Type | Second Quarter 2019

Market	Bldgs.	Inventory (sf)	Vacancy Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Availability Rate Direct (%)	Available Sublease (sf)	Net Absorption Direct Q2 19 (sf)	Net Absorption Direct YTD 19 (sf)	Net Absorption Direct % of Inventory	Average Asking Rate Direct (NNN)	YTD Leasing Activity (sf)	YTD Deliveries (sf)	Under Construction (sf)
Manufacturing														
CBD-Inner Loop	120	10,423,202	56,407	0.5%	0.5%	2.5%	0	10,092	-26,695	(0.3%)	$8.74	54,789	0	0
North	177	15,181,073	183,400	1.2%	1.8%	2.5%	94,800	-16,680	205,615	1.4%	$7.05	310,120	0	1,000,000
Northeast	106	8,816,422	0	0.0%	0.0%	1.5%	0	0	0	0.0%	-	25,000	0	124,800
Northwest	234	25,789,175	904,139	3.5%	3.5%	5.4%	27,396	40,384	119,473	0.5%	$6.58	262,877	320,000	116,900
South	134	9,759,605	218,939	2.2%	2.2%	4.9%	0	-137,710	-116,710	(1.2%)	$7.18	45,000	0	0
Southeast	159	18,815,798	241,204	1.3%	1.3%	2.2%	0	3,750	-91,500	(0.5%)	$15.82	38,000	0	0
Southwest	106	8,131,818	205,304	2.5%	2.5%	7.3%	43,869	194,433	272,683	3.4%	$6.69	68,250	137,434	0
Totals	1,036	96,917,093	1,824,393	1.9%	2.0%	3.8%	166,065	94,269	362,866	0.4%	$7.65	804,036	457,434	1,241,700
Flex														
CBD-Inner Loop	55	2,761,209	201,461	7.3%	7.3%	7.3%	0	-19,055	-15,044	(0.5%)	$15.43	53,639	0	0
North	178	9,077,747	967,551	10.7%	11.0%	19.8%	494,985	72,371	185,501	2.0%	$8.33	358,106	190,200	71,870
Northeast	9	392,453	51,124	13.0%	13.0%	13.0%	0	4,751	3,537	0.9%	$8.40	26,980	0	0
Northwest	285	14,390,149	1,362,930	9.5%	10.0%	13.8%	165,397	-27,568	-155,144	(1.1%)	$7.32	298,182	0	103,000
South	33	1,874,697	146,863	7.8%	7.8%	8.4%	28,354	6,258	73,858	3.9%	$7.49	16,375	0	0
Southeast	48	1,980,985	201,082	10.2%	10.2%	11.3%	0	-38,821	16,505	0.8%	$11.03	22,500	0	0
Southwest	216	10,255,454	911,176	8.9%	9.1%	11.0%	24,634	-30,278	-24,725	(0.2%)	$10.99	165,701	30,040	25,000
Totals	824	40,732,694	3,842,187	9.4%	9.7%	13.6%	713,370	-32,342	84,488	0.2%	$8.99	941,483	220,240	199,870

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AVISON YOUNG

Market Statistics

Property Type | Second Quarter 2019

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Warehouse/Distribution														
CBD-Inner Loop	560	33,625,852	1,701,027	5.1%	5.1%	9.1%	101,589	65,231	32,455	0.1%	$7.43	325,806	0	0
North	971	66,156,405	3,679,564	5.6%	6.1%	13.6%	1,175,282	1,126,129	1,582,353	2.4%	$7.47	1,735,668	1,963,879	4,104,433
Northeast	335	24,621,389	1,375,802	5.6%	5.8%	9.2%	57,500	1,328	-7,203	(0.0%)	$4.32	967,410	438,000	835,400
Northwest	1,536	109,896,231	7,589,912	6.9%	7.2%	10.2%	772,183	-193,942	-590,648	(0.5%)	$6.87	2,640,897	1,681,294	1,675,076
South	480	29,519,384	1,385,124	4.7%	5.0%	8.40%	318,569	-448,279	-468,494	(1.6%)	$5.26	249,284	0	40,000
Southeast	699	73,169,329	4,628,432	6.3%	6.5%	11.2%	654,451	1,271,640	2,556,002	3.5%	$7.20	1,175,483	2,859,934	2,665,085
Southwest	669	44,661,758	2,318,705	5.2%	5.3%	11.7%	365,503	12,139	148,065	0.3%	$7.17	768,654	1,057,029	2,241,655
Totals	5,250	381,650,348	22,663,566	5.9%	6.2%	10.9%	3,445,077	1,834,246	3,252,530	0.9%	$6.80	7,863,202	8,000,136	11,561,649
Totals by Submarket														
CBD-Inner Loop	735	46,810,263	1,958,895	4.2%	4.2%	7.5%	101,589	56,268	-9,284	(0.0%)	$7.79	434,234	0	0
North	1,326	90,415,225	4,830,515	5.3%	5.8%	12.6%	1,765,067	1,181,820	1,973,469	2.2%	$7.56	2,403,894	2,154,079	5,176,303
Northeast	450	33,830,264	1,426,926	4.2%	4.4%	7.3%	57,500	6,079	-3,666	(0.0%)	$4.49	1,019,390	438,000	960,200
Northwest	2,055	150,075,555	9,856,981	6.6%	6.8%	9.9%	964,976	-181,126	-626,319	(0.4%)	$6.87	3,201,956	2,001,294	1,894,976
South	647	41,153,686	1,750,926	4.3%	4.6%	7.6%	346,923	-579,731	-511,346	(1.2%)	$5.80	310,659	0	40,000
Southeast	906	93,966,112	5,070,718	5.4%	5.6%	9.7%	654,451	1,236,569	2,481,007	2.6%	$8.16	1,235,983	2,859,934	2,665,085
Southwest	991	63,049,030	3,435,185	5.4%	5.6%	11.0%	434,006	176,294	396,023	0.6%	$8.09	1,002,605	1,224,503	2,266,655
Overall Totals	7,110	519,300,135	28,330,146	5.5%	5.7%	9.9%	4,324,512	1,896,173	3,699,884	0.7%	$7.21	9,608,721	8,677,810	13,003,219

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AVISON YOUNG

Market Statistics

Submarket | Second Quarter 2019

	Bldgs.	Inventory (sf)	Vacancy Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Availability Rate Direct (%)	Available Sublease (sf)	Net Absorption Direct Q2 19 (sf)	Net Absorption Direct YTD 19 (sf)	Net Absorption Direct % of Inventory	Average Asking Rate Direct (NNN)	YTD Leasing Activity (sf)	YTD Deliveries (sf)	Under Construction (sf)
CBD-Inner Loop														
Manufacturing	120	10,423,202	56,407	0.5%	0.5%	2.5%	0	10,092	-26,695	(0.3%)	$8.74	54,789	0	0
Flex	55	2,761,209	201,461	7.3%	7.3%	7.3%	0	-19,055	-15,044	(0.5%)	$15.43	53,639	0	0
Warehouse/Distribution	560	33,625,852	1,701,027	5.1%	5.1%	9.1%	101,589	65,231	32,455	0.1%	$7.43	325,806	0	0
Totals	735	46,810,263	1,958,895	4.2%	4.2%	7.5%	101,589	56,268	-9,284	(0.0%)	$7.79	434,234	0	0
North														
Manufacturing	177	15,181,073	183,400	1.2%	1.8%	2.5%	94,800	-16,680	205,615	1.4%	$7.05	310,120	0	1,000,000
Flex	178	9,077,747	967,551	10.7%	11.0%	19.8%	494,985	72,371	185,501	2.0%	$8.33	358,106	190,200	71,870
Warehouse//Distribution	971	66,156,405	3,679,564	5.6%	6.1%	13.6%	1,175,282	1,126,129	1,582,353	2.4%	$7.47	1,735,668	1,963,879	4,104,433
Totals	1,326	90,415,225	4,830,515	5.3%	5.8%	12.6%	1,765,067	1,181,820	1,973,469	2.2%	$7.56	2,403,894	2,154,079	5,176,303
Northeast														
Manufacturing	106	8,816,422	0	0.0%	0.0%	1.5%	0	0	0	0.0%	-	25,000	0	124,800
Flex	9	392,453	51,124	13.0%	13.0%	13.0%	0	4,751	3,537	0.9%	$8.40	26,980	0	0
Warehouse/Distribution	335	24,621,389	1,375,802	5.6%	5.8%	9.2%	57,500	1,328	-7,203	(0.0%)	$4.32	967,410	438,000	835,400
Totals	450	33,830,264	1,426,926	4.2%	4.4%	7.3%	57,500	6,079	-3,666	(0.0%)	$4.49	1,019,390	438,000	960,200
Northwest														
Manufacturing	234	25,789,175	904,139	3.5%	3.5%	5.4%	27,396	40,384	119,473	0.5%	$6.58	262,877	320,000	116,900
Flex	285	14,390,149	1,362,930	9.5%	10.0%	13.8%	165,397	-27,568	-155,144	(1.1%)	$7.32	298,182	0	103,000
Warehouse//Distribution	1,536	109,896,231	7,589,912	6.9%	7.2%	10.2%	772,183	-193,942	-590,648	(0.5%)	$6.87	2,640,897	1,681,294	1,675,076
Totals	2,055	150,075,555	9,856,981	6.6%	6.8%	9.9%	964,976	-181,126	-626,319	(0.4%)	$6.87	3,201,956	2,001,294	1,894,976

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South														
Manufacturing	134	9,759,605	218,939	2.2%	2.2%	4.9%	0	-137,710	-116,710	(1.2%)	$7.18	45,000	0	0
Flex	33	1,874,697	146,863	7.8%	7.8%	8.4%	28,354	6,258	73,858	3.9%	$7.49	16,375	0	0
Warehouse/Distribution	480	29,519,384	1,385,124	4.7%	5.0%	8.40%	318,569	-448,279	-468,494	(1.6%)	$5.26	249,284	0	40,000
Totals	647	41,153,686	1,750,926	4.3%	4.6%	7.6%	346,923	-579,731	-511,346	(1.2%)	$5.80	310,659	0	40,000
Southeast														
Manufacturing	159	18,815,798	241,204	1.3%	1.3%	2.2%	0	3,750	-91,500	(0.5%)	$15.82	38,000	0	0
Flex	48	1,980,985	201,082	10.2%	10.2%	11.3%	0	-38,821	16,505	0.8%	$11.03	22,500	0	0
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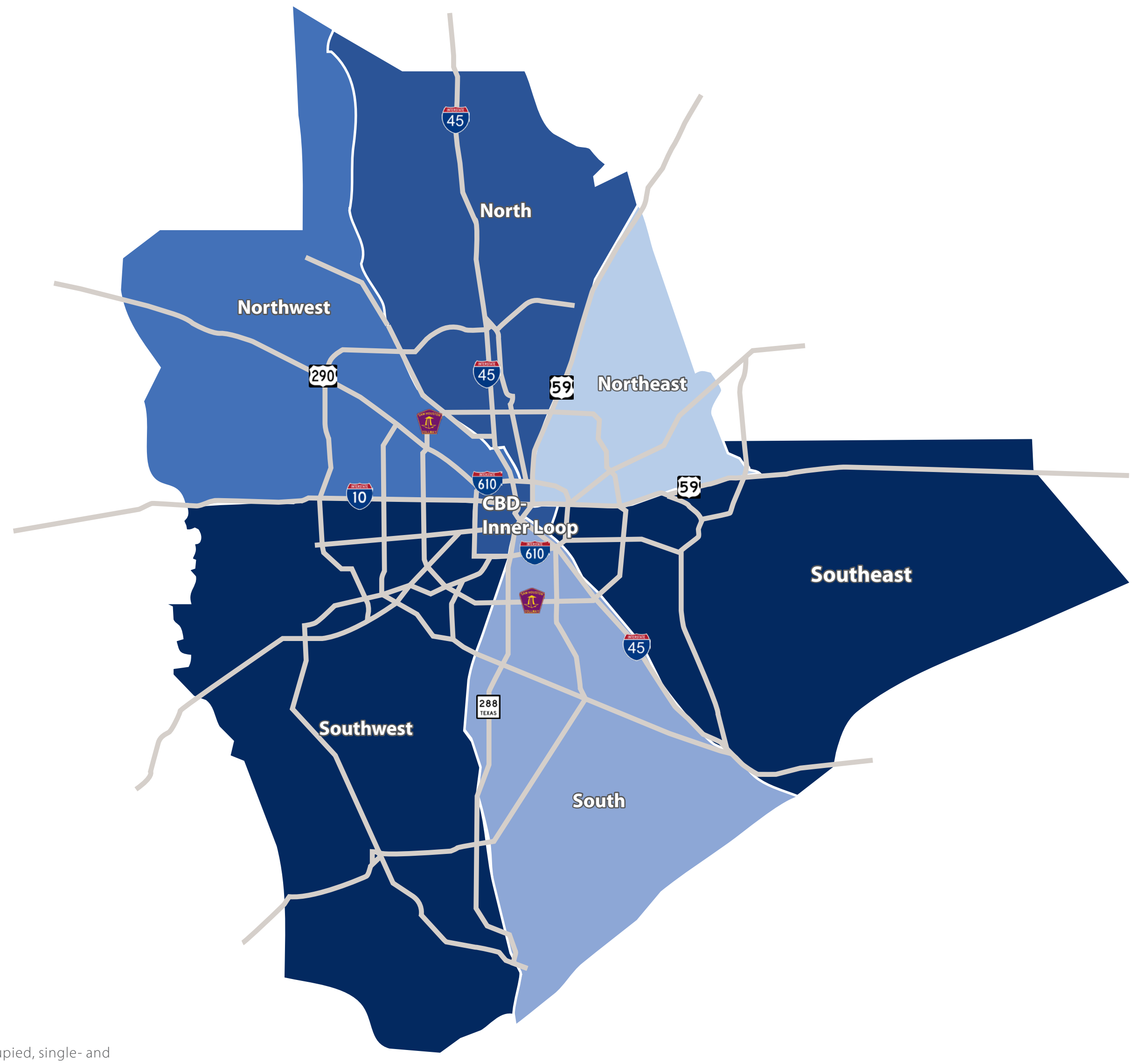
Heat Maps

Average NNN Asking Direct Rate (All Types) = $7.21 | Second Quarter 2019

Submarket	Average NNN Asking Rate Direct
Southeast	$8.16
Southwest	$8.09
CBD-Inner Loop	$7.79
North	$7.56
Northwest	$6.87
South	$5.80
Northeast	$4.49
Total	$7.21



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.

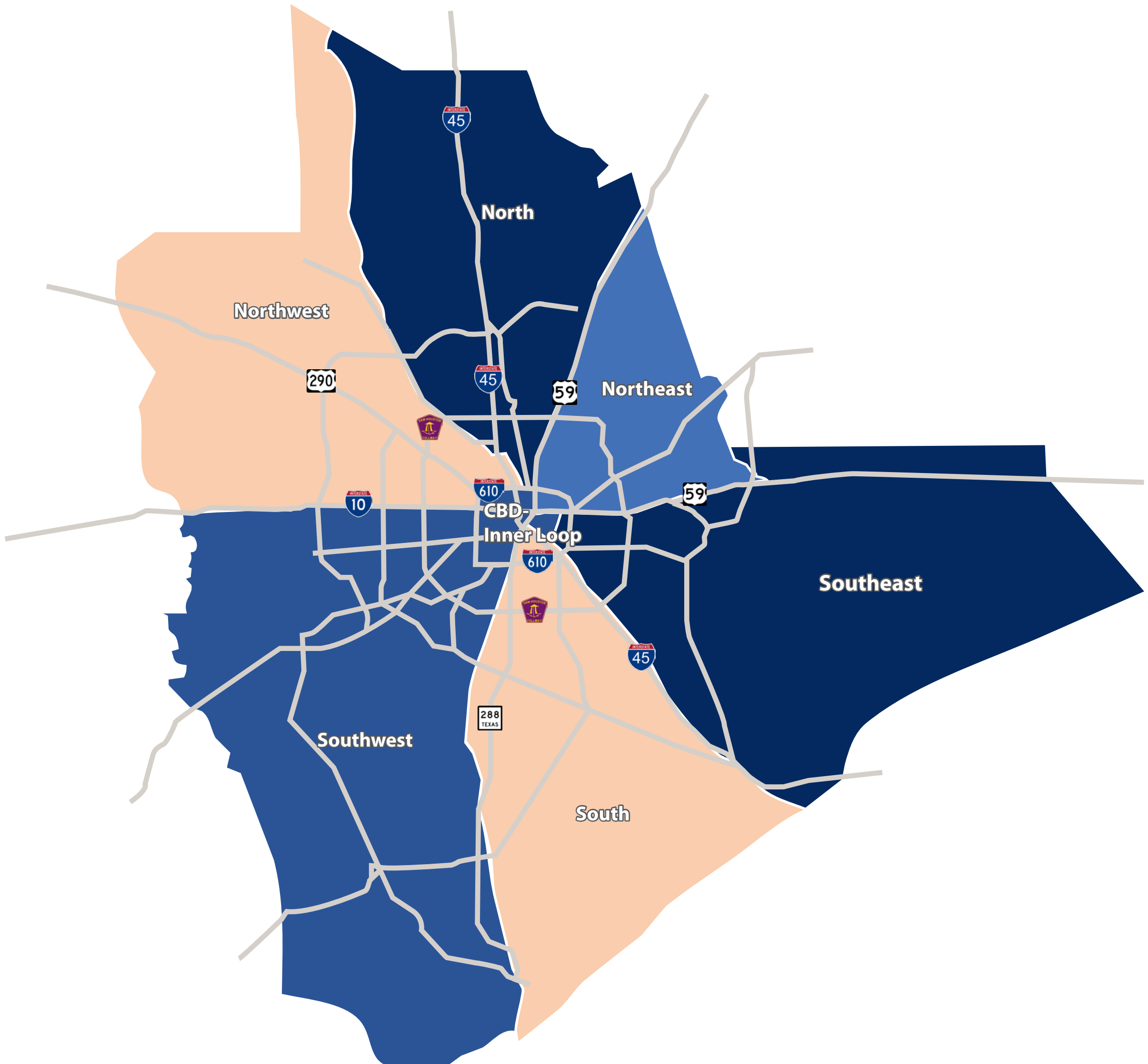
AVISON YOUNG

Heat Maps

Net Absorption Direct = 1,896,173 sf | Second Quarter 2019

Market Areas	Net Absorption Direct (sf)
Southeast	1,236,569
North	1,181,820
Southwest	176,294
CBD-Inner Loop	56,268
Northeast	6,079
Northwest	-181,126
South	-579,731
Total	1,896,173

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



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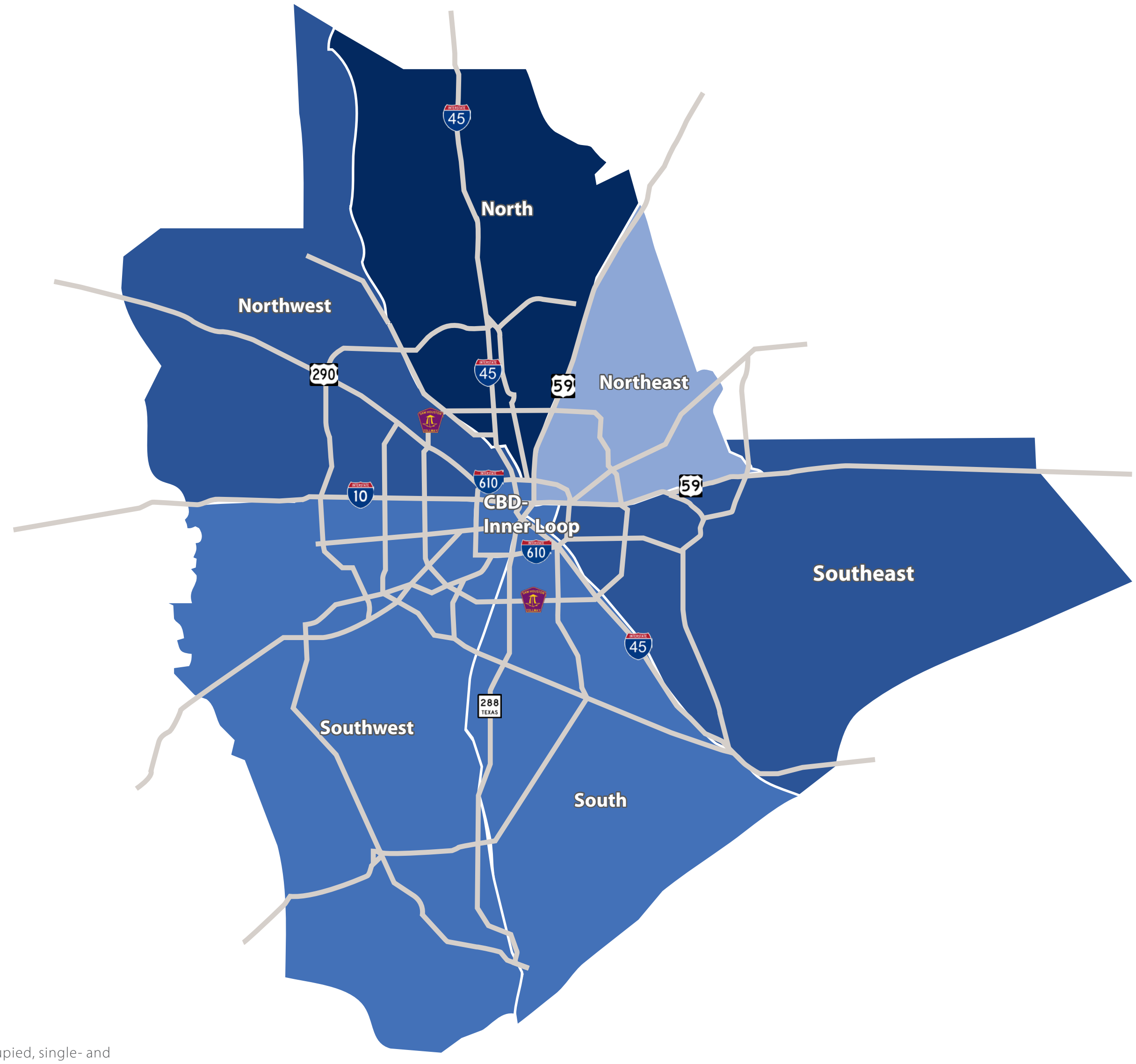
AVISON YOUNG

Heat Maps

Total Available Sublease Space = 4,324,512 sf | Second Quarter 2019

Market Areas	Available Sublease Space (sf)
North	1,765,067
Northwest	964,976
Southeast	654,451
Southwest	434,006
South	346,923
CBD-Inner Loop	101,589
Northeast	57,500
Total	4,324,512



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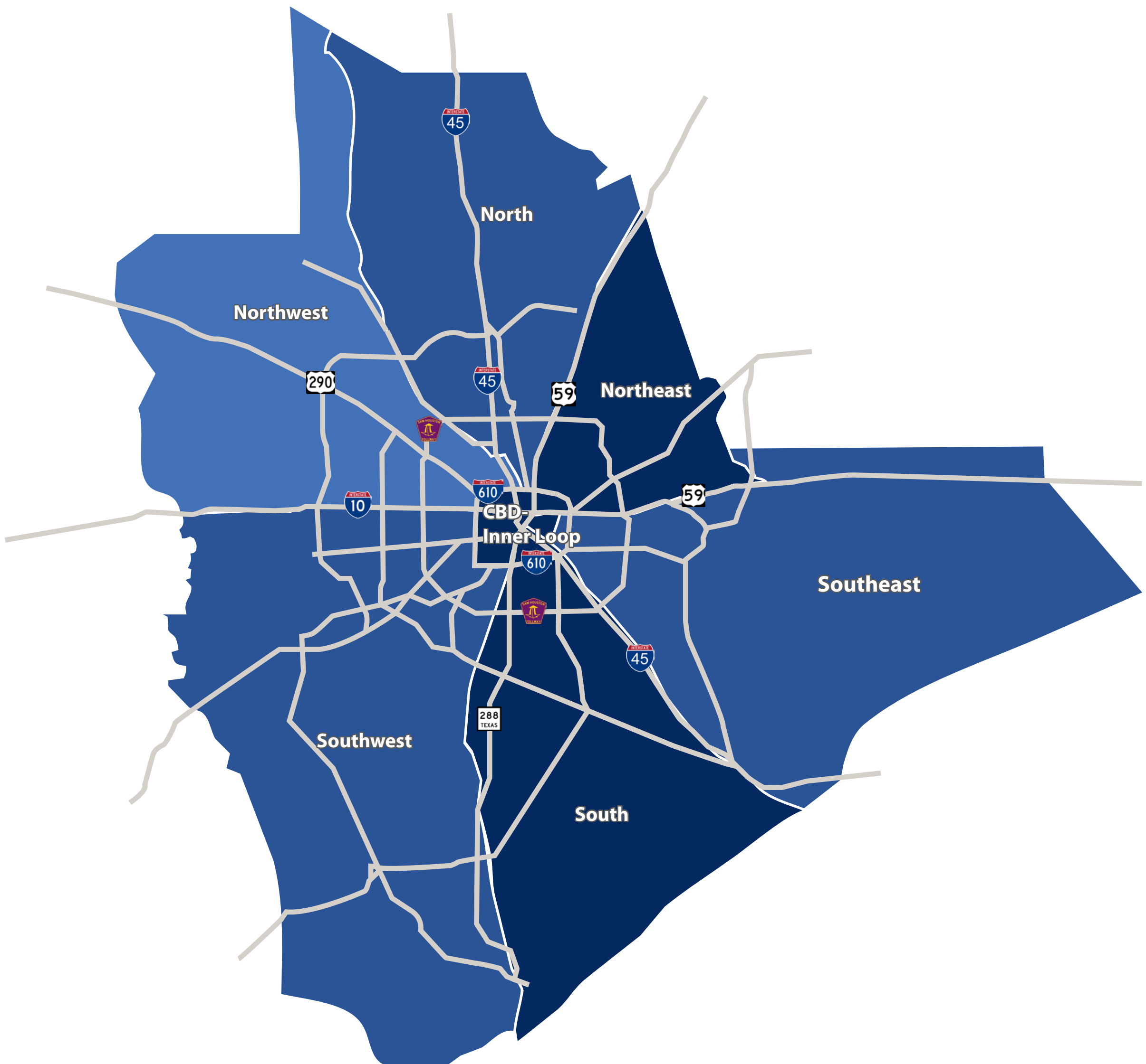
AVISON YOUNG

Heat Maps

Vacancy Rate (Direct) = 5.5% | Second Quarter 2019

Market Areas	Vacancy Rate Direct (%)
CBD-Inner Loop	4.2%
Northeast	4.2%
South	4.3%
North	5.3%
Southeast	5.4%
Southwest	5.4%
Northwest	6.6%
Overall Average	5.5%



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Houston Industrial
Market Statistics & Heat Maps

Platinum member

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Properties

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