

Houston



Quick Stats

4.9

Msf of available sublease space, down from 5.5 msf in first quarter 2020

19.2%

Direct vacancy in Houston's office market

4.2

Msf of office space under construction

73,800

Jobs added during the month of May 2020

13.9%

May 2020 unemployment rate in Houston, down from 14.2% in April 2020

A challenging future lingers for Houston's office market. Significant economic disruptions including COVID-19 and the oil crisis indicate an economic recovery that will be neither quick nor smooth, to paraphrase Jerome Powell, Federal Reserve chairman. "We will make our way back from this, but it will take time and work. The path ahead is challenging," said Powell.

Houston is known for its resiliency and has bounced back repeatedly during numerous downturns, recessions and natural disasters. However, this recent rapid downturn has created considerable uncertainty among all segments of the business community.

The employment picture rallied as businesses opened, with the unemployment rate improving to 13.9% in May from the record-high 14.2% in April. The metro Houston area added 73,800 jobs in May as the state's economy reopened in phases after closures during March. Despite the surge, local employment remains 276,400 jobs below the February pre-COVID 19 employment level, when the rate was 3.9%, according to the Greater Houston Partnership.

The largest job gains occurred in accommodation and food services, retail and health care; however, the recent surge in Texas COVID-19 cases has now forced a rollback of re-opening plans, which will likely reduce those job counts. Mining and logging (energy), professional, scientific and technical services, other services, and government continued to lose jobs. Only finance and insurance has returned to its pre-COVID employment level.

Absorption & Demand

Activity came to a halt as many firms postponed their leasing decisions, opting to ride out the work-from-home order, waiting to see how the market would respond. As in-person meetings moved into virtual settings, office space tours followed. Available space increased at all levels, with demand not keeping up with supply. The one bright spot during the second quarter was the 10.2% drop in sublease space.

With a total 1.1 million square feet (msf) of negative net absorption for the quarter, only five submarkets posted positive gains. Westchase led with 55,169 sf of positive net absorption followed by Greenspoint with

50,433 sf, the only two sectors with gains of more than 50,000 sf. Several firms occupied new space in Westchase this quarter with the largest being LJA Engineering, who moved into 90,989 sf in Westchase Park II at 3600 W. Sam Houston Parkway.

Other notable occupancies in the metro during the second quarter include Kiewit Engineering, who relocated to 171,260 sf in Energy Center I at 585 N. Dairy Ashford in the Energy Corridor, and Pros Inc., who relocated to an expanded space of 117,555 sf in the Kirby Collection at 3200 Kirby. Pros Inc. moved out of 108,000 sf at 3101 Main.

All classes lost the occupancy race during second quarter, surpassing the first quarter's negative net absorption.

Class A properties reported direct net absorption losses of 422,352 sf while class B reported a negative 554,572 sf; class C reported a negative 85,112 sf.

Leasing activity came to a standstill during April but returned during the last 45 days of the quarter. Second-quarter totals were 2.7 msf, down from first quarter's 3.5 msf and from the 4.9 msf leased during 2019's second quarter. Occidental Petroleum signed the largest deal, a renewal of 972,145 sf total in Three and Five Greenway Plazas, committing to anchor the Greenway Plaza complex with a long-term lease in both buildings through 2031.

Other notable smaller leases signed during second quarter include Axiom Space's 31,327 sf in Hercules II in the NASA/Clear Lake submarket. NASA recently selected Axiom Space to build a privately funded attachment to the International Space Station. Google also entered the Houston market with a lease for 11,721 sf in Buffalo Height's mixed-use development near the Washington Avenue Corridor.

Vacancy & Availability

The current direct vacancy rate of 19.2% is an increase from the previous quarter's 18.7%. Class A's vacancy rate jumped to 18.9% from 18.2% last quarter and from 17.4% year over year. Class B vacancy rates increased to 19.9% from 19.3% last quarter while class C rates average 17.1%, up from 16.3% 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%.

19.2%
DIRECT VACANCY RATE

Direct availability citywide increased to 23.5% during the second quarter, while total availability, including sublease space, increased to 25.6%.

Available sublease space dropped 10.2% to 4.9 msf from 5.5 msf last quarter and from 6.2 msf year over year. Sublease space represents about 9% of the total 56 msf available. Five submarkets account for 69% of all available sublease space with the Central Business District (CBD) offering 1.1 msf or 21.2% of the total and the Katy Freeway West/Energy Corridor submarket with 916,321 sf or 18.5% of the total available.

Construction

The construction pipeline is expanding but remains limited to 23 buildings totaling 4.2 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.

Hewlett Packard Enterprise's two, fully-leased buildings with 284,000 sf each in Springwoods Village broke ground during second quarter in the Woodlands submarket. The CBD represents about 29% of the total square footage underway with the largest building, 1.1-msf Texas Tower at 845 Texas Avenue.

Five buildings representing 454,523 sf were completed during the second quarter. 200 Park Place at 4200 Westheimer with 207,202 sf was the largest completed; the class A, West Loop property entered the market 29% preleased with Compass Real Estate preleasing 27,249 sf. Developer Stonelake has reportedly moved into space at its new property.

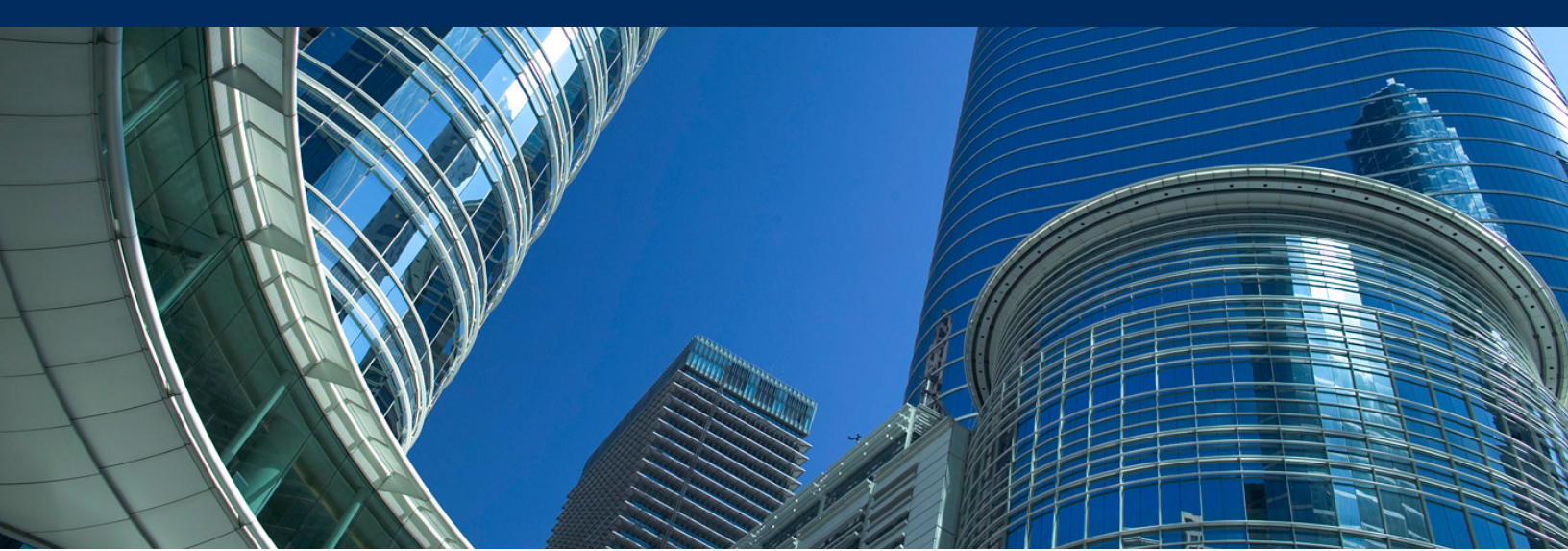
Asking Rates

Overall average asking rates marginally increased to \$30.30 per square foot (psf) gross from last quarter's \$30.19 psf but down from \$30.62 psf recorded year over year. Quoted asking rates have fluctuated in the \$28-to-\$31-psf range during the last five years, reaching a high of \$30.85 during fourth quarter 2019. Due to the current economic crisis, landlords are expected to continue to offer various concessions including year-long rent abatements and allowances covering the full cost of tenant improvement construction.

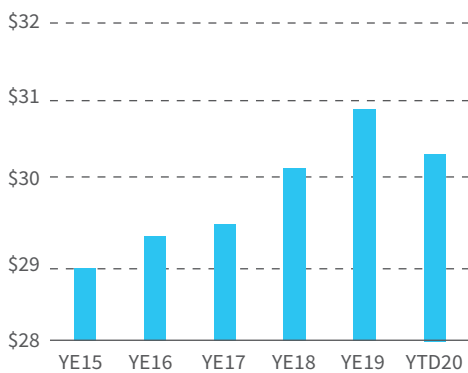
Average asking rates for the different submarkets range from a low of \$15.08 psf in the Richmond/Fountainview submarket to a high of \$41.15 in the Central Business District. The five suburban submarkets currently quoting rates more than \$30 consistently include the West Loop (\$36.61), Katy Freeway East (\$36.60), Greenway Plaza (\$35.33), the Woodlands (\$35.30), and East Fort Bend/Sugar Land (\$30.64).

\$30.30
AVERAGE QUOTED RATE

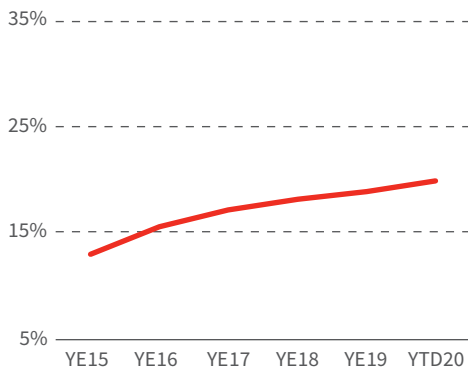
Class A rates marginally increased to \$35.29 psf from the previous quarter's \$36.22 psf. CBD properties are currently quoting class A rates at \$43.91 psf while average suburban class A rates are currently \$31.95. All rates represent a slightly downward trend from the previous year.



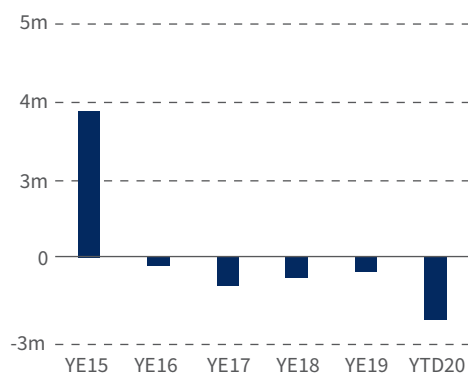
Asking Rates



Vacancy Rates



Net Absorption



Second-Quarter 2020 Highlights

- The largest lease signed during second quarter was **Occidental Petroleum's** 972,145-sf renewal in two buildings in Greenway Plaza, extending the firm's commitment to 2031.
- Representing the largest absorption for the quarter was **Kiewit Engineering** occupying its new 171,260 sf in Energy Center I at 585 N. Dairy Ashford in the Katy Freeway West/ Energy Corridor submarket.
- Two other larger relocations include **Pros Inc.'s** 117,555-sf move into the Kirby Collection in the Greenway Plaza submarket and **LJA Engineering's** 90,989-sf move into Westchase Park II in the Westchase submarket.
- Five buildings totaling 454,523 sf were completed during the second quarter, with the largest class A being 200 Park Place at 4200 Westheimer. The 207,222-sf building was 29% released.
- **Axiom Space** leased 31,327 sf at 1290 Hercules Avenue in Clear Lake as it joins the NASA program working on the International Space Station.
- **Google** also announced plans to lease 11,721 sf in Buffalo Heights, opening its first office in Houston.
- **Goree Architects Inc.*** will be moving its headquarters into 14,206 sf in Sage Plaza at 5151 San Felipe. The architectural firm is expanding its office space by more than 75% from its former location at 4710 Bellaire.
- **Hewlett Packard Enterprise's** twin 284,000-sf buildings in CityPlace at Springwoods Village broke ground in The Woodlands submarket. The company will be relocating its headquarters upon completion in May 2022, joining sister company HP Inc. in the development.
- Professional engineering firm **RCP Inc.*** renewed its 12,250-sf office lease at 801 Louisiana in the Central Business District.

**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 \$38 in late June, suffering record-level lows earlier in the year due to an oil trade war coupled with effects from the pandemic.



Employment

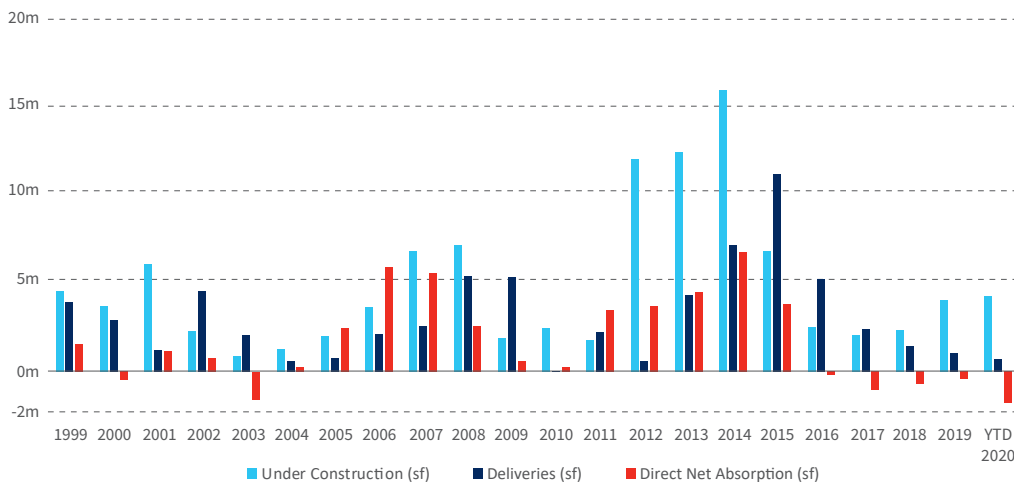
Employment dropped to unprecedented levels due to the effects of COVID-19 and the oil crisis, registering 13.9% during May 2020, down from April's 14.2%.



Purchasing

The Purchasing Manager's Index (PMI) registered 40.2 in May 2020, up from 34.6 in April, the lowest reading in the history of the series.

Supply and Demand



Select Second-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	August 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	41%	Live Nation	September 2021	Midtown
Katy Ranch Phase II*	24285 Katy Freeway	150,920	0%	TBD	July 2020	Katy/Grand Parkway West
Post Houston	401 Franklin Street	150,000	19%	TBD	February 2021	Central Business District

*Avison Young exclusive lease project

Select Second-Quarter 2020 Lease Transactions

Tenant	Size (sf)	Type	Building Name	Building Address	Submarket
Occidental Petroleum Corporation	972,145	Renewal	Five Greenway and Three Greenway Plazas	5 Greenway Plaza, 3 Greenway Plaza	Greenway Plaza
Universal Plant Services	80,613	New	Deerwood Glen Business Park Phase III	4460 Highway 225	Gulf Freeway/Pasadena
BDO	45,063	New	America Tower	2929 Allen Parkway	Midtown
Waste Management	31,750	Expansion	Bank of America Tower	800 Capitol	Central Business District
Axiom Space	31,327	New	Hercules II	1290 Hercules	NASA/Clear Lake
TDECU	29,419	New	Sugar Creek on the Lake	14141 Southwest Freeway	E Fort Bend Co/Sugar Land
DHL Express	28,521	New	CityNorth 3	16855 Northchase	Greenspoint
Spur Energy Partners	25,000	New	Village Tower I	9655 Katy Freeway	Katy Freeway East
Work Suites	22,361	New	5718 Westheimer	5718 Westheimer	West Loop
Goree Architects, Inc.*	14,206	New	Sage Plaza	5151 San Felipe	West Loop
RCP Inc.*	12,245	Renewal	801 Louisiana	801 Louisiana	Central Business District
Google	11,721	New	Buffalo Heights	3663 Washington	Midtown

*Avison Young transaction
Source: CoStar

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Properties



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Second Quarter 2020



Houston Office Market Statistics & Heat Maps

Partnership. Performance.



Market Statistics

Central Business District & Suburban Total | Second Quarter 2020

	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q2 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Quoted Rates (Gross)	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	36	33,262,421	6,613,291	19.9%	21.4%	711,556	27.4%	2.1%	29.2%	-139,007	17,280	-121,727	-408,802	120,058	-288,744	\$43.91	1,028,523	0	1,251,856
Class B	36	10,225,213	2,940,050	28.8%	30.0%	335,559	32.6%	3.3%	35.9%	-44,132	26,743	-17,389	-65,655	10,788	-54,867	\$30.42	80,102	0	0
Class C	17	2,478,539	1,319,850	53.3%	53.3%	0	53.3%	0.0%	53.3%	0	0	0	13,591	0	13,591	\$17.61	0	0	0
Totals	89	45,966,173	10,873,191	23.7%	25.0%	1,047,115	30.0%	2.3%	32.0%	-183,139	44,023	-139,116	-460,866	130,846	-330,020	\$41.15	1,108,625	0	1,251,856
Suburban																			
Class A	406	99,001,049	18,419,371	18.6%	20.0%	3,138,641	22.8%	3.1%	25.9%	-283,345	115,892	-167,453	-318,093	376,446	58,353	\$31.95	3,194,422	537,202	2,049,806
Class B	826	72,149,148	13,416,356	18.6%	19.1%	747,497	21.4%	1.0%	22.3%	-510,440	70,705	-439,735	-912,164	81,546	-830,618	\$21.60	1,846,948	141,993	921,324
Class C	224	9,973,816	814,719	8.2%	8.2%	7,076	10.3%	0.1%	10.4%	-85,112	-607	-85,719	-110,044	-3,438	-113,482	\$17.39	107,023	0	0
Totals	1,456	181,124,013	32,650,446	18.0%	19.0%	3,893,214	21.5%	2.1%	23.6%	-878,897	185,990	-692,907	-1,340,301	454,554	-885,747	\$27.33	5,148,393	679,195	2,971,130
Overall																			
Class A	442	132,263,470	25,032,662	18.9%	20.4%	3,850,197	24.3%	2.9%	27.1%	-422,352	133,172	-289,180	-726,895	496,504	-230,391	\$35.29	4,222,945	537,202	3,301,662
Class B	862	82,374,361	16,356,406	19.9%	20.5%	1,083,056	23.0%	1.3%	24.2%	-554,572	97,448	-457,124	-977,819	92,334	-885,485	\$22.78	1,927,050	141,993	921,324
Class C	241	12,452,355	2,134,569	17.1%	17.2%	7,076	18.9%	0.1%	18.9%	-85,112	-607	-85,719	-96,453	-3,438	-99,891	\$21.33	107,023	0	0
Totals	1,545	227,090,186	43,523,637	19.2%	20.2%	4,940,329	23.5%	2.2%	25.6%	-1,062,036	230,013	-832,023	-1,801,167	585,400	-1,215,767	\$30.30	6,257,018	679,195	4,222,986

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q2 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Quoted Rates (Gross)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire	28	3,226,120	298,270	9.2%	9.4%	25,391	23.8%	0.8%	24.6%	-98,362	5,067	-93,295	-169,579	2,351	-167,228	\$25.19	58,924	0	0
Central Business District	89	45,966,173	10,873,191	23.7%	25.0%	1,047,115	30.0%	2.3%	32.0%	-183,139	44,023	-139,116	-460,866	130,846	-330,020	\$41.15	1,108,625	0	1,251,856
East Fort Bend/Sugar Land	48	4,970,018	509,472	10.3%	11.0%	150,843	11.5%	3.0%	14.6%	-19,249	-9,134	-28,383	-93,883	-7,559	-101,442	\$30.64	36,540	49,321	56,000
FM 1960	100	8,478,158	1,494,357	17.6%	18.1%	489,211	19.3%	5.7%	25.0%	26,127	11,420	37,547	14,354	18,501	32,855	\$19.84	176,065	48,000	72,000
Greenspoint	84	10,811,128	4,841,641	44.8%	44.8%	11,198	47.3%	0.1%	47.4%	50,433	2,224	52,657	80,439	0	80,439	\$19.03	314,024	0	0
Greenway Plaza	65	11,179,775	1,601,390	14.3%	15.3%	362,401	17.9%	3.2%	21.1%	22,473	20,512	42,985	54,663	32,735	87,398	\$35.33	1,217,988	0	0
Gulf Freeway/Pasadena	57	3,039,438	283,337	9.3%	9.4%	24,887	11.4%	0.8%	12.3%	-8,737	90,710	81,973	16,677	90,710	107,387	\$21.45	115,958	0	32,396
Katy Freeway East	65	7,682,177	753,147	9.8%	10.1%	110,478	14.1%	1.2%	15.3%	-7,301	3,134	-4,167	5,319	5,117	10,436	\$36.60	374,211	150,000	1,200,000
Katy Freeway West/Energy Corridor	146	24,851,666	4,775,859	19.2%	21.3%	916,321	22.7%	3.7%	26.4%	-32,441	26,402	-6,039	168,278	139,342	307,620	\$29.84	592,408	0	0
Katy/Grand Parkway West	29	2,628,534	285,039	10.8%	12.5%	136,442	16.4%	4.9%	21.3%	-5,763	-1,613	-7,376	-3,492	-9,336	-12,828	\$29.29	40,679	0	150,843
Kingwood/Humble/Northeast	37	2,693,814	241,091	8.9%	9.2%	11,744	9.0%	0.4%	9.4%	-33,513	-2,744	-36,257	-69,469	-2,744	-72,213	\$19.89	14,365	0	300,500
Midtown	63	6,167,743	762,831	12.4%	12.8%	40,369	16.8%	0.6%	17.4%	-139,697	-22,795	-162,492	-153,278	-22,853	-176,131	\$29.69	258,629	0	205,372
NASA/Clear Lake	60	4,533,728	824,016	18.2%	18.6%	20,856	19.9%	0.5%	20.4%	-10,179	385	-9,794	6,107	-16,634	-10,527	\$20.54	125,153	22,000	0
Northwest	95	8,013,579	1,485,279	18.5%	18.8%	35,227	20.8%	0.4%	21.2%	-18,276	-6,752	-25,028	55,950	-15,319	40,631	\$21.20	284,833	0	44,025
Richmond/Fountainview	21	971,197	75,225	7.7%	7.7%	4,720	9.7%	0.5%	10.1%	2,847	0	2,847	5,871	0	5,871	\$15.08	24,510	0	0
San Felipe/Voss	36	5,119,155	1,045,566	20.4%	20.9%	68,239	24.0%	1.3%	25.4%	-51,906	-641	-52,547	-83,254	15,531	-67,723	\$29.32	177,615	0	0
South/Medical Center/Southeast	61	4,618,369	218,015	4.7%	4.7%	0	4.9%	0.0%	4.9%	13,764	1,500	15,264	33,503	1,500	35,003	\$20.68	89,787	0	57,056
Southwest	97	9,302,018	1,933,748	20.8%	21.6%	78,120	25.4%	0.8%	26.2%	-59,518	2,000	-57,518	54,927	-20,033	34,894	\$17.60	165,773	22,672	80,000
West Belt	63	5,710,977	1,115,084	19.5%	23.6%	251,536	25.7%	4.4%	29.0%	-100,567	-13,728	-114,295	-296,242	33,595	-262,647	\$25.97	81,718	0	0
West Loop	102	23,672,321	4,561,044	19.3%	20.2%	552,285	25.4%	2.3%	27.8%	-348,651	79,300	-269,351	-450,725	93,530	-357,195	\$36.61	500,248	207,202	70,000
Westchase	94	17,238,907	3,900,083	22.6%	23.7%	402,489	25.8%	2.3%	28.0%	55,169	-14,913	40,256	-283,548	93,588	-189,960	\$27.56	327,577	0	0
Woodlands	105	16,215,191	1,645,952	10.2%	10.8%	200,457	15.1%	1.2%	16.3%	-115,550	15,656	-99,894	-232,919	22,532	-210,387	\$35.30	174,784	180,000	702,938
Totals	1,545	227,090,186	43,523,637	19.2%	20.2%	4,940,329	23.5%	2.2%	25.6%	-1,062,036	230,013	-832,023	-1,801,167	585,400	-1,215,767	\$30.30	6,257,018	679,195	4,222,986

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Bellaire	5	1,004,245	128,765	12.8%	13.4%	23,255	14.1%	2.3%	16.4%	-50,732	5,067	-45,665	-50,732	2,067	-48,665	\$29.26	1,865	0	0
Central Business District	36	33,262,421	6,613,291	19.9%	21.4%	711,556	27.4%	2.1%	29.2%	-139,007	17,280	-121,727	-408,802	120,058	-288,744	\$43.91	1,028,523	0	1,251,856
East Fort Bend/Sugar Land	18	3,252,661	335,191	10.3%	11.2%	139,325	11.9%	4.3%	16.2%	-35,109	-8,184	-43,293	-71,629	-6,609	-78,238	\$33.26	17,946	0	0
FM 1960	15	3,426,841	486,822	14.2%	15.1%	474,022	15.1%	13.8%	28.9%	17,254	4,718	21,972	-2,770	-514	-3,284	\$27.00	49,029	0	0
Greenspoint	25	5,561,447	3,145,712	56.6%	56.6%	4,287	58.1%	0.1%	58.2%	-31,497	0	-31,497	-30,366	0	-30,366	\$21.20	50,573	0	0
Greenway Plaza	20	6,781,494	1,144,510	16.9%	18.2%	298,202	21.1%	4.4%	25.5%	62,085	17,488	79,573	113,997	34,073	148,070	\$37.75	1,126,060	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	491,234	10.2%	10.6%	104,275	16.1%	1.7%	17.8%	-768	3,134	2,366	11,523	8,590	20,113	\$42.79	330,793	150,000	1,200,000
Katy Frwy West/Energy Corridor	60	16,933,900	2,880,201	17.0%	19.9%	783,899	20.8%	4.6%	25.3%	82,305	23,818	106,123	193,552	153,584	347,136	\$35.02	248,786	0	0
Katy/Grand Parkway West	14	1,545,440	256,360	16.6%	19.5%	136,442	25.2%	8.0%	33.2%	-5,592	-1,613	-7,205	4,391	-9,336	-4,945	\$29.16	37,184	0	150,843
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	0	270,000
Midtown	10	2,497,830	253,270	10.1%	10.2%	13,099	18.4%	0.5%	18.9%	11,428	-2,541	8,887	-12,940	-82	-13,022	\$34.55	182,262	0	170,000
NASA/Clear Lake	12	1,657,240	237,922	14.4%	15.5%	18,584	17.9%	1.1%	19.0%	-14,517	0	-14,517	-3,165	-18,584	-21,749	\$24.55	33,271	0	0
Northwest	10	2,038,421	586,753	28.8%	29.3%	22,622	32.3%	1.1%	33.4%	25,311	-4,048	21,263	70,378	-4,048	66,330	\$24.30	120,105	0	44,025
Richmond/Fountainview	0	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
San Felipe/Voss	3	1,714,911	350,031	20.4%	21.5%	29,115	26.9%	1.7%	28.6%	-24,699	96	-24,603	-7,037	-4,741	-11,778	\$35.04	104,413	0	0
South/Medical Center/Southeast	3	814,304	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	482,047	27.6%	27.6%	0	31.9%	0.0%	31.9%	-6,385	0	-6,385	32,199	0	32,199	\$19.57	50,920	0	80,000
West Belt	29	3,732,820	716,511	19.2%	23.1%	161,854	25.6%	4.3%	29.9%	-16,417	0	-16,417	-202,087	47,323	-154,764	\$27.25	40,395	0	0
West Loop	53	18,334,521	3,819,207	20.8%	21.8%	508,849	28.0%	2.8%	30.8%	-311,582	80,461	-231,121	-405,373	73,301	-332,072	\$38.28	386,580	207,202	0
Westchase	32	9,264,952	2,170,906	23.4%	25.2%	234,659	27.3%	2.5%	29.7%	101,710	0	101,710	-143,850	98,286	-45,564	\$33.80	232,886	0	0
Woodlands	58	13,057,989	918,609	7.0%	7.8%	186,152	13.4%	1.4%	14.9%	-86,140	-2,504	-88,644	185,816	3,136	188,952	\$37.43	180,517	180,000	134,938
Totals	442	132,263,470	25,032,662	18.9%	20.4%	3,850,197	24.3%	2.9%	27.1%	-422,352	133,172	-289,180	-726,895	496,504	-230,391	\$35.29	4,222,945	537,202	3,301,662

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q2 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Quoted Rates (Gross)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire	15	1,774,847	90,682	5.1%	5.1%	2,136	30.9%	0.1%	31.0%	2,099	0	2,099	-69,118	0	-69,118	\$24.90	57,059	0	0
Central Business District	36	10,225,213	2,940,050	28.8%	30.0%	335,559	32.6%	3.3%	35.9%	-44,132	26,743	-17,389	-65,655	10,788	-54,867	\$30.42	80,102	0	0
East Fort Bend/Sugar Land	30	1,717,357	174,281	10.1%	10.8%	11,518	10.7%	0.6%	11.7%	15,860	-950	14,910	-22,254	-950	-23,204	\$25.38	18,594	49,321	56,000
FM 1960	65	4,339,153	958,506	22.1%	22.3%	15,189	23.5%	0.3%	23.8%	8,585	6,702	15,287	17,644	19,015	36,659	\$17.70	120,693	48,000	72,000
Greenspoint	42	4,185,278	1,595,128	38.1%	38.1%	6,911	42.0%	0.2%	42.2%	84,886	2,224	87,110	121,111	0	121,111	\$15.59	235,472	0	0
Greenway Plaza	34	4,007,439	420,189	10.5%	11.0%	61,892	13.1%	1.5%	14.6%	-37,804	3,631	-34,173	-55,419	-731	-56,150	\$29.71	86,601	0	0
Gulf Freeway/Pasadena	38	2,254,302	202,316	9.0%	9.1%	24,887	10.5%	1.1%	11.6%	-9,677	90,710	81,033	15,737	90,710	106,447	\$20.19	113,906	0	32,396
Katy Freeway East	26	2,097,304	245,302	11.7%	12.0%	5,334	12.7%	0.3%	12.9%	-6,849	0	-6,849	-105	-3,473	-3,578	\$20.74	40,419	0	0
Katy Frwy West/Energy Corridor	79	7,640,275	1,851,204	24.2%	24.8%	128,522	27.3%	1.7%	29.0%	-101,316	2,584	-98,732	-12,238	-11,127	-23,365	\$23.19	260,930	0	0
Katy/Grand Parkway West	13	1,032,663	28,679	2.8%	2.8%	0	2.8%	0.0%	2.8%	-171	0	-171	-7,883	0	-7,883	\$31.21	3,495	0	0
Kingwood/Humble/Northeast	27	1,805,845	192,257	10.6%	11.0%	11,744	12.1%	0.6%	12.7%	-23,556	-2,744	-26,300	-49,552	-2,744	-52,296	\$20.70	11,932	0	30,500
Midtown	34	3,055,533	438,692	14.4%	15.2%	27,270	16.4%	0.9%	17.3%	-148,325	-20,254	-168,579	-139,510	-22,771	-162,281	\$25.09	76,367	0	35,372
NASA/Clear Lake	36	2,518,484	531,389	21.1%	21.1%	2,272	21.5%	0.1%	21.5%	6,980	385	7,365	11,332	1,950	13,282	\$18.89	88,401	22,000	0
Northwest	59	4,876,927	812,681	16.7%	16.9%	12,605	18.0%	0.3%	18.3%	-32,206	-2,704	-34,910	-7,710	-11,271	-18,981	\$19.17	163,414	0	0
Richmond/Fountainview	12	654,019	63,843	9.8%	9.8%	4,720	11.4%	0.7%	12.1%	1,647	0	1,647	1,314	0	1,314	\$16.00	21,310	0	0
San Felipe/Voss	33	3,404,244	695,535	20.4%	20.5%	39,124	22.6%	1.1%	23.7%	-27,207	-737	-27,944	-76,217	20,272	-55,945	\$23.80	73,202	0	0
South/Medical Center/Southeast	43	2,986,284	182,453	6.1%	6.1%	0	6.3%	0.0%	6.3%	12,811	1,500	14,311	30,862	1,500	32,362	\$21.11	85,393	0	57,056
Southwest	63	6,216,743	1,361,554	21.9%	23.2%	78,120	26.7%	1.3%	28.0%	-59,027	2,000	-57,027	21,716	-20,033	1,683	\$17.07	96,210	22,672	0
West Belt	31	1,891,663	398,573	21.1%	25.8%	89,682	27.1%	4.7%	28.5%	-84,150	-13,728	-97,878	-94,155	-13,728	-107,883	\$22.72	41,323	0	0
West Loop	45	5,076,088	728,803	14.4%	15.0%	43,436	17.3%	0.8%	18.2%	-37,069	-1,161	-38,230	-45,481	20,229	-25,252	\$26.24	66,365	0	70,000
Westchase	58	7,566,431	1,719,166	22.7%	23.0%	167,830	25.1%	2.2%	27.3%	-46,541	-14,913	-61,454	-135,723	-4,698	-140,421	\$22.05	89,648	0	0
Woodlands	43	3,048,269	725,123	23.8%	23.8%	14,305	21.6%	0.4%	21.9%	-29,410	18,160	-11,250	-416,515	19,396	-397,119	\$33.82	96,214	0	568,000
Totals	862	82,374,361	16,356,406	19.9%	20.5%	1,083,056	23.0%	1.3%	24.2%	-554,572	97,448	-457,124	-977,819	92,334	-885,485	\$22.78	1,927,050	141,993	921,324

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q2 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Quoted Rates (Gross)	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%	-49,729	0	-49,729	-49,729	284	-49,445	\$18.35	0	0	0
Central Business District	17	2,478,539	1,319,850	53.3%	53.3%	0	53.3%	0.0%	53.3%	0	0	0	13,591	0	13,591	\$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	0	0	-	0	0	0
FM 1960	20	712,164	49,029	6.9%	6.9%	0	13.2%	0.0%	13.2%	288	0	288	-520	0	-520	\$16.68	6,343	0	0
Greenspoint	17	1,064,403	100,801	9.5%	9.5%	0	11.2%	0.0%	11.2%	-2,956	0	-2,956	-10,306	0	-10,306	\$11.72	27,979	0	0
Greenway Plaza	11	390,842	36,691	9.4%	10.0%	2,307	10.9%	0.6%	11.5%	-1,808	-607	-2,415	-3,915	-607	-4,522	\$22.74	5,327	0	0
Gulf Freeway/Pasadena	16	614,354	79,726	13.0%	13.0%	0	17.9%	0.0%	17.9%	940	0	940	940	0	940	\$24.88	1,215	0	0
Katy Freeway East	14	761,478	16,611	2.2%	2.3%	869	2.5%	0.1%	2.6%	316	0	316	-6,099	0	-6,099	\$22.02	2,999	0	0
Katy Frwy West/Energy Corridor	7	277,491	44,454	16.0%	17.4%	3,900	16.3%	1.4%	17.7%	-13,430	0	-13,430	-13,036	-3,115	-16,151	\$20.87	12,457	0	0
Katy/Grand Parkway West	2	50,431	-	-	-	-	-	-	-	0	0	0	0	0	0	-	0	0	0
Kingwood/Humble/Northeast	7	245,746	34,809	14.2%	14.2%	0	14.2%	0.0%	14.2%	-9,957	0	-9,957	-19,917	0	-19,917	\$15.01	2,433	0	0
Midtown	19	614,380	70,869	11.5%	11.5%	0	11.5%	0.0%	11.5%	-2,800	0	-2,800	-828	0	-828	\$30.15	0	0	0
NASA/Clear Lake	12	358,004	54,705	15.3%	15.3%	0	18.2%	0.0%	18.2%	-2,642	0	-2,642	-2,060	0	-2,060	\$17.73	3,481	0	0
Northwest	26	1,098,231	85,845	7.8%	7.8%	0	11.1%	0.0%	11.1%	-11,381	0	-11,381	-6,718	0	-6,718	\$14.28	1,314	0	0
Richmond/Fountainview	9	317,178	11,382	3.6%	3.6%	0	6.1%	0.0%	6.1%	1,200	0	1,200	4,557	0	4,557	\$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	-	0	0	0
South/Medical Center/Southeast	15	817,781	35,562	4.3%	4.3%	0	4.3%	0.0%	4.3%	953	0	953	2,641	0	2,641	\$18.38	4,394	0	0
Southwest	26	1,339,642	90,147	6.7%	6.7%	0	10.3%	0.0%	10.3%	5,894	0	5,894	1,012	0	1,012	\$13.40	18,643	0	0
West Belt	3	86,494	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
West Loop	4	261,712	13,034	5.0%	5.0%	0	5.4%	0.0%	5.4%	0	0	0	129	0	129	\$18.75	12,195	0	0
Westchase	4	407,524	10,011	2.5%	2.5%	0	3.1%	0.0%	3.1%	0	0	0	-3,975	0	-3,975	\$14.50	5,043	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
Totals	241	12,452,355	2,134,569	17.1%	17.2%	7,076	18.9%	0.1%	18.9%	-85,112	-607	-85,719	-96,453	3,438	-99,891	\$21.33	107,023	0	0

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							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire																			
Class A	5	1,004,245	128,765	12.8%	13.4%	23,255	14.1%	2.3%	16.4%	-50,732	5,067	-45,665	-50,732	2,067	-48,665	\$29.26	1,865	0	0
Class B	15	1,774,847	90,682	5.1%	5.1%	2,136	30.9%	0.1%	31.0%	2,099	0	2,099	-69,118	0	-69,118	\$24.90	57,059	0	0
Class C	8	447,028	78,823	17.6%	17.6%	0	17.6%	0.0%	17.6%	-49,729	0	-49,729	-49,729	284	-49,445	\$18.35	0	0	0
Totals	28	3,226,120	298,270	9.2%	9.4%	25,391	23.8%	0.8%	24.6%	-98,362	5,067	-93,295	-169,579	2,351	-167,228	\$25.19	58,924	0	0
Central Business District																			
Class A	36	33,262,421	6,613,291	19.9%	21.4%	711,556	27.4%	2.1%	29.2%	-139,007	17,280	-121,727	-408,802	120,058	-288,744	\$43.91	1,028,523	0	1,251,856
Class B	36	10,225,213	2,940,050	28.8%	30.0%	335,559	32.6%	3.3%	35.9%	-44,132	26,743	-17,389	-65,655	10,788	-54,867	\$30.42	80,102	0	0
Class C	17	2,478,539	1,319,850	53.3%	53.3%	0	53.3%	0.0%	53.3%	0	0	0	13,591	0	13,591	\$17.61	0	0	0
Totals	89	45,966,173	10,873,191	23.7%	25.0%	1,047,115	30.0%	2.3%	32.0%	-183,139	44,023	-139,116	-460,866	130,846	-330,020	\$41.15	1,108,625	0	1,251,856
East Fort Bend/Sugar Land																			
Class A	18	3,252,661	335,191	10.3%	11.2%	139,325	11.9%	4.3%	16.2%	-35,109	-8,184	-43,293	-71,629	-6,609	-78,238	\$33.26	17,946	0	0
Class B	30	1,717,357	174,281	10.1%	10.8%	11,518	10.7%	0.6%	11.7%	15,860	-950	14,910	-22,254	-950	-23,204	\$25.38	18,594	49,321	56,000
Class C	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
Totals	48	4,970,018	509,472	10.3%	11.0%	150,843	11.5%	3.0%	14.6%	-19,249	-9,134	-28,383	-93,883	-7,559	-101,442	\$30.64	36,540	49,321	56,000
FM 1960																			
Class A	15	3,426,841	486,822	14.2%	15.1%	474,022	15.1%	13.8%	28.9%	17,254	4,718	21,972	-2,770	-514	-3,284	\$27.00	49,029	0	0
Class B	65	4,339,153	958,506	22.1%	22.3%	15,189	23.5%	0.3%	23.8%	8,585	6,702	15,287	17,644	19,015	36,659	\$17.70	120,693	48,000	72,000
Class C	20	712,164	49,029	6.9%	6.9%	0	13.2%	0.0%	13.2%	288	0	288	-520	0	-520	\$16.68	6,343	0	0
Totals	100	8,478,158	1,494,357	17.6%	18.1%	489,211	19.3%	5.7%	25.0%	26,127	11,420	37,547	14,354	18,501	32,855	\$19.84	176,065	48,000	72,000
Greenspoint																			
Class A	25	5,561,447	3,145,712	56.6%	56.6%	4,287	58.1%	0.1%	58.2%	-31,497	0	-31,497	-30,366	0	-30,366	\$21.20	50,573	0	0
Class B	42	4,185,278	1,595,128	38.1%	38.1%	6,911	42.0%	0.2%	42.2%	84,886	2,224	87,110	121,111	0	121,111	\$15.59	235,472	0	0
Class C	17	1,064,403	100,801	9.5%	9.5%	0	11.2%	0.0%	11.2%	-2,956	0	-2,956	-10,306	0	-10,306	\$11.72	27,979	0	0
Totals	84	10,811,128	4,841,641	44.8%	44.8%	11,198	47.3%	0.1%	47.4%	50,433	2,224	52,657	80,439	0	80,439	\$19.03	314,024	0	0

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							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Greenway Plaza																			
Class A	20	6,781,494	1,144,510	16.9%	18.2%	298,202	21.1%	4.4%	25.5%	62,085	17,488	79,573	113,997	34,073	148,070	\$37.75	1,126,060	0	0
Class B	34	4,007,439	420,189	10.5%	11.0%	61,892	13.1%	1.5%	14.6%	-37,804	3,631	-34,173	-55,419	-731	-56,150	\$29.71	86,601	0	0
Class C	11	390,842	36,691	9.4%	10.0%	2,307	10.9%	0.6%	11.5%	-1,808	-607	-2,415	-3,915	-607	-4,522	\$22.74	5,327	0	0
Totals	65	11,179,775	1,601,390	14.3%	15.3%	362,401	17.9%	3.2%	21.1%	22,473	20,512	42,985	54,663	32,735	87,398	\$35.33	1,217,988	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	38	2,254,302	202,316	9.0%	9.1%	24,887	10.5%	1.1%	11.6%	-9,677	90,710	81,033	15,737	90,710	106,447	\$20.19	113,906	0	32,396
Class C	16	614,354	79,726	13.0%	13.0%	0	17.9%	0.0%	17.9%	940	0	940	940	0	940	\$24.88	1,215	0	0
Totals	57	3,039,438	283,337	9.3%	9.4%	24,887	11.4%	0.8%	12.3%	-8,737	90,710	81,973	16,677	90,710	107,387	\$21.45	115,958	0	32,396
Katy Freeway East																			
Class A	25	4,823,395	491,234	10.2%	10.6%	104,275	16.1%	1.7%	17.8%	-768	3,134	2,366	11,523	8,590	20,113	\$42.79	330,793	150,000	1,200,000
Class B	26	2,097,304	245,302	11.7%	12.0%	5,334	12.7%	0.3%	12.9%	-6,849	0	-6,849	-105	-3,473	-3,578	\$20.74	40,419	0	0
Class C	14	761,478	16,611	2.2%	2.3%	869	2.5%	0.1%	2.6%	316	0	316	-6,099	0	-6,099	\$22.02	2,999	0	0
Totals	65	7,682,177	753,147	9.8%	10.1%	110,478	14.1%	1.2%	15.3%	-7,301	3,134	-4,167	5,319	5,117	10,436	\$36.60	374,211	150,000	1,200,000
Katy Freeway West/Energy Corridor																			
Class A	60	16,933,900	2,880,201	17.0%	19.9%	783,899	20.8%	4.6%	25.3%	82,305	23,818	106,123	193,552	153,584	347,136	\$35.02	248,786	0	0
Class B	79	7,640,275	1,851,204	24.2%	24.8%	128,522	27.3%	1.7%	29.0%	-101,316	2,584	-98,732	-12,238	-11,127	-23,365	\$23.19	260,930	0	0
Class C	7	277,491	44,454	16.0%	17.4%	3,900	16.3%	1.4%	17.7%	-13,430	0	-13,430	-13,036	-3,115	-16,151	\$20.87	12,457	0	0
Totals	146	24,851,666	4,775,859	19.2%	21.3%	916,321	22.7%	3.7%	26.4%	-32,441	26,402	-6,039	168,278	139,342	307,620	\$29.84	592,408	0	0
Katy/Grand Parkway West																			
Class A	14	1,545,440	256,360	16.6%	19.5%	136,442	25.2%	8.0%	33.2%	-5,592	-1,613	-7,205	4,391	-9,336	-4,945	\$29.16	37,184	0	150,843
Class B	13	1,032,663	28,679	2.8%	2.8%	0	2.8%	0.0%	2.8%	-171	0	-171	-7,883	0	-7,883	\$31.21	3,495	0	0
Class C	2	50,431	-	-	-	-	-	-	-	0	0	0	0	0	0	-	0	0	0
Totals	29	2,628,534	285,039	10.8%	12.5%	136,442	16.4%	4.9%	21.3%	-5,763	-1,613	-7,376	-3,492	-9,336	-12,828	\$29.29	40,679	0	150,843

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q2 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Quoted Rates (Gross)	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	0	270,000
Class B	27	1,805,845	192,257	10.6%	11.0%	11,744	12.1%	0.6%	12.7%	-23,556	-2,744	-26,300	-49,552	-2,744	-52,296	\$20.70	11,932	0	30,500
Class C	7	245,746	34,809	14.2%	14.2%	0	14.2%	0.0%	14.2%	-9,957	0	-9,957	-19,917	0	-19,917	\$15.01	2,433	0	0
Totals	37	2,693,814	241,091	8.9%	9.2%	11,744	9.0%	0.4%	9.4%	-33,513	-2,744	-36,257	-69,469	-2,744	-72,213	\$19.89	14,365	0	300,500
Midtown																			
Class A	10	2,497,830	253,270	10.1%	10.2%	13,099	18.4%	0.5%	18.9%	11,428	-2,541	8,887	-12,940	-82	-13,022	\$34.55	182,262	0	170,000
Class B	34	3,055,533	438,692	14.4%	15.2%	27,270	16.4%	0.9%	17.3%	-148,325	-20,254	-168,579	-139,510	-22,771	-162,281	\$25.09	76,367	0	35,372
Class C	19	614,380	70,869	11.5%	11.5%	0	11.5%	0.0%	11.5%	-2,800	0	-2,800	-828	0	-828	\$30.15	0	0	0
Totals	63	6,167,743	762,831	12.4%	12.8%	40,369	16.8%	0.6%	17.4%	-139,697	-22,795	-162,492	-153,278	-22,853	-176,131	\$29.69	258,629	0	205,372
NASA/Clear Lake																			
Class A	12	1,657,240	237,922	14.4%	15.5%	18,584	17.9%	1.1%	19.0%	-14,517	0	-14,517	-3,165	-18,584	-21,749	\$24.55	33,271	0	0
Class B	36	2,518,484	531,389	21.1%	21.1%	2,272	21.5%	0.1%	21.5%	6,980	385	7,365	11,332	1,950	13,282	\$18.89	88,401	22,000	0
Class C	12	358,004	54,705	15.3%	15.3%	0	18.2%	0.0%	18.2%	-2,642	0	-2,642	-2,060	0	-2,060	\$17.73	3,481	0	0
Totals	60	4,533,728	824,016	18.2%	18.6%	20,856	19.9%	0.5%	20.4%	-10,179	385	-9,794	6,107	-16,634	-10,527	\$20.54	125,153	22,000	0
Northwest																			
Class A	10	2,038,421	586,753	28.8%	29.3%	22,622	32.3%	1.1%	33.4%	25,311	-4,048	21,263	70,378	-4,048	66,330	\$24.30	120,105	0	44,025
Class B	59	4,876,927	812,681	16.7%	16.9%	12,605	18.0%	0.3%	18.3%	-32,206	-2,704	-34,910	-7,710	-11,271	-18,981	\$19.17	163,414	0	0
Class C	26	1,098,231	85,845	7.8%	7.8%	0	11.1%	0.0%	11.1%	-11,381	0	-11,381	-6,718	0	-6,718	\$14.28	1,314	0	0
Totals	95	8,013,579	1,485,279	18.5%	18.8%	35,227	20.8%	0.4%	21.2%	-18,276	-6,752	-25,028	55,950	-15,319	40,631	\$21.20	284,833	0	44,025
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	0	0
Class B	12	654,019	63,843	9.8%	9.8%	4,720	11.4%	0.7%	12.1%	1,647	0	1,647	1,314	0	1,314	\$16.00	21,310	0	0
Class C	9	317,178	11,382	3.6%	3.6%	0	6.1%	0.0%	6.1%	1,200	0	1,200	4,557	0	4,557	\$12.69	3,200	0	0
Totals	21	971,197	75,225	7.7%	7.7%	4,720	9.7%	0.5%	10.1%	2,847	0	2,847	5,871	0	5,871	\$15.08	24,510	0	0

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q2 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Quoted Rates (Gross)	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	350,031	20.4%	21.5%	29,115	26.9%	1.7%	28.6%	-24,699	96	-24,603	-7,037	-4,741	-11,778	\$35.04	104,413	0	0
Class B	33	3,404,244	695,535	20.4%	20.5%	39,124	22.6%	1.1%	23.7%	-27,207	-737	-27,944	-76,217	20,272	-55,945	\$23.80	73,202	0	0
Class C	0	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	\$0.00	0	0	0
Totals	36	5,119,155	1,045,566	20.4%	20.9%	68,239	24.0%	1.3%	25.4%	-51,906	-641	-52,547	-83,254	15,531	-67,723	\$29.32	177,615	0	0
South/Medical Center/Southeast																			
Class A	3	814,304	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Class B	43	2,986,284	182,453	6.1%	6.1%	0	6.3%	0.0%	6.3%	12,811	1,500	14,311	30,862	1,500	32,362	\$21.11	85,393	0	57,056
Class C	15	817,781	35,562	4.3%	4.3%	0	4.3%	0.0%	4.3%	953	0	953	2,641	0	2,641	\$18.38	4,394	0	0
Totals	61	4,618,369	218,015	4.7%	4.7%	0	4.9%	0.0%	4.9%	13,764	1,500	15,264	33,503	1,500	35,003	\$20.68	89,787	0	57,056
Southwest																			
Class A	8	1,745,633	482,047	27.6%	27.6%	0	31.9%	0.0%	31.9%	-6,385	0	-6,385	32,199	0	32,199	\$19.57	50,920	0	80,000
Class B	63	6,216,743	1,361,554	21.9%	23.2%	78,120	26.7%	1.3%	28.0%	-59,027	2,000	-57,027	21,716	-20,033	1,683	\$17.07	96,210	22,672	0
Class C	26	1,339,642	90,147	6.7%	6.7%	0	10.3%	0.0%	10.3%	5,894	0	5,894	1,012	0	1,012	\$13.40	18,643	0	0
Totals	97	9,302,018	1,933,748	20.8%	21.6%	78,120	25.4%	0.8%	26.2%	-59,518	2,000	-57,518	54,927	-20,033	34,894	\$17.60	165,773	22,672	80,000
West Belt																			
Class A	29	3,732,820	716,511	19.2%	23.1%	161,854	25.6%	4.3%	29.9%	-16,417	0	-16,417	-202,087	47,323	-154,764	\$27.25	40,395	0	0
Class B	31	1,891,663	398,573	21.1%	25.8%	89,682	27.1%	4.7%	28.5%	-84,150	-13,728	-97,878	-94,155	-13,728	-107,883	\$22.72	41,323	0	0
Class C	3	86,494	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Totals	63	5,710,977	1,115,084	19.5%	23.6%	251,536	25.7%	4.4%	29.0%	-100,567	-13,728	-114,295	-296,242	33,595	-262,647	\$25.97	81,718	0	0
West Loop																			
Class A	53	18,334,521	3,819,207	20.8%	21.8%	508,849	28.0%	2.8%	30.8%	-311,582	80,461	-231,121	-405,373	73,301	-332,072	\$38.28	386,580	207,202	0
Class B	45	5,076,088	728,803	14.4%	15.0%	43,436	17.3%	0.8%	18.2%	-37,069	-1,161	-38,230	-45,481	20,229	-25,252	\$26.24	66,365	0	70,000
Class C	4	261,712	13,034	5.0%	5.0%	0	5.4%	0.0%	5.4%	0	0	0	129	0	129	\$18.75	12,195	0	0
Totals	102	23,672,321	4,561,044	19.3%	20.2%	552,285	25.4%	2.3%	27.8%	-348,651	79,300	-269,351	-450,725	93,530	-357,195	\$36.61	500,248	207,202	70,000

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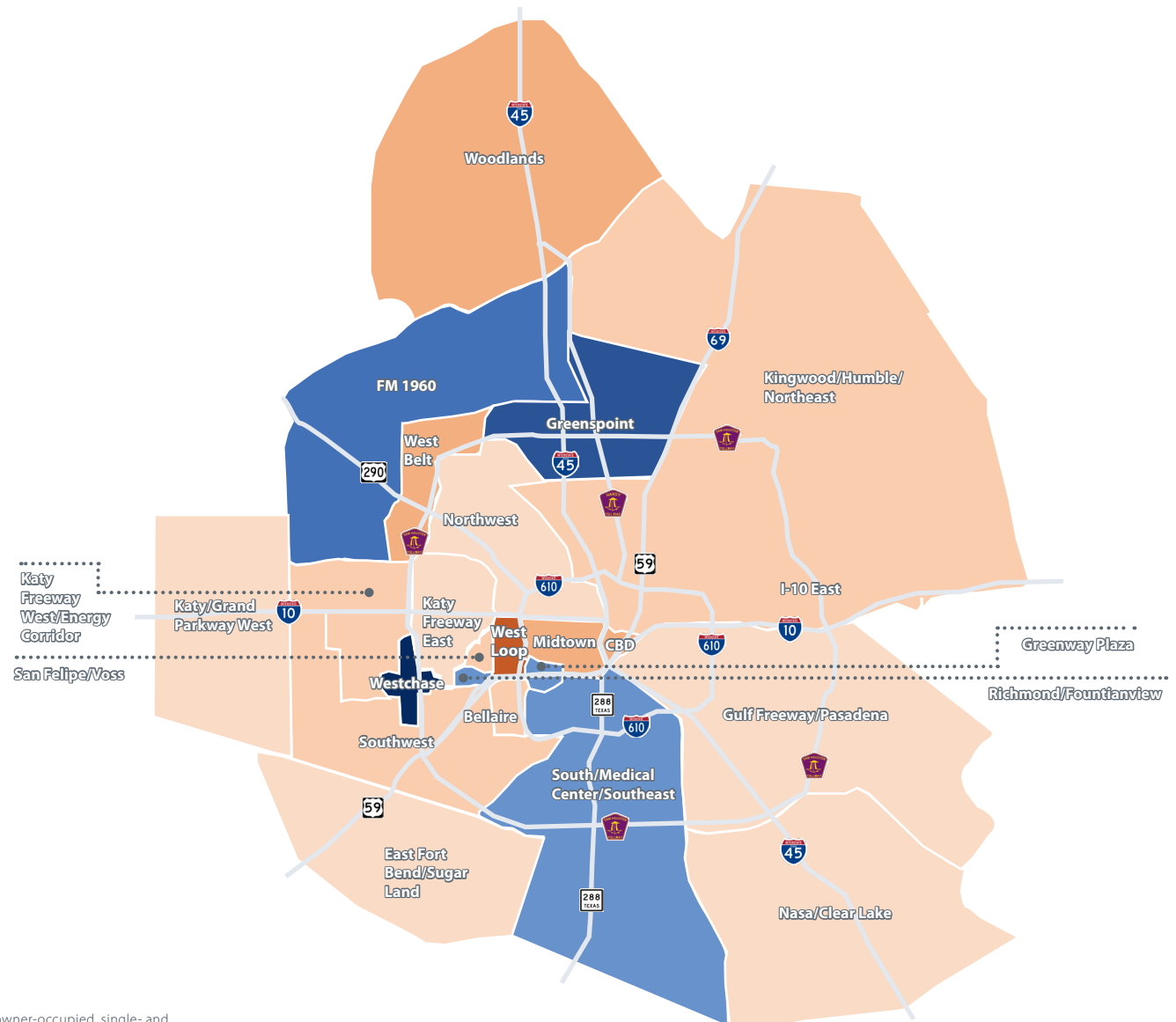
	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q2 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Quoted Rates (Gross)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Westchase																			
Class A	32	9,264,952	2,170,906	23.4%	25.2%	234,659	27.3%	2.5%	29.7%	101,710	0	101,710	-143,850	98,286	-45,564	\$33.80	232,886	0	0
Class B	58	7,566,431	1,719,166	22.7%	23.0%	167,830	25.1%	2.2%	27.3%	-46,541	-14,913	-61,454	-135,723	-4,698	-140,421	\$22.05	89,648	0	0
Class C	4	407,524	10,011	2.5%	2.5%	0	3.1%	0.0%	3.1%	0	0	0	-3,975	0	-3,975	\$14.50	5,043	0	0
Totals	94	17,238,907	3,900,083	22.6%	23.7%	402,489	25.8%	2.3%	28.0%	55,169	-14,913	40,256	-283,548	93,588	-189,960	\$27.56	327,577	0	0
Woodlands																			
Class A	58	13,057,989	918,609	7.0%	7.8%	186,152	13.4%	1.4%	14.9%	-86,140	-2,504	-88,644	185,816	3,136	188,952	\$37.43	180,517	180,000	134,938
Class B	43	3,048,269	725,123	23.8%	23.8%	14,305	21.6%	0.4%	21.9%	-29,410	18,160	-11,250	-416,515	19,396	-397,119	\$33.82	96,214	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	16,215,191	1,645,952	10.2%	10.8%	200,457	15.1%	1.2%	16.3%	-115,550	15,656	-99,894	-232,919	22,532	-210,387	\$35.30	276,751	180,000	702,938
Suburban Totals																			
Class A	406	99,001,049	18,419,371	18.6%	20.0%	3,138,641	22.8%	3.1%	25.9%	-283,345	115,892	-167,453	-318,093	376,446	58,353	\$31.95	3,194,422	537,202	2,049,806
Class B	826	72,149,148	13,416,356	18.6%	19.1%	747,497	21.4%	1.0%	22.3%	-510,440	70,705	-439,735	-912,164	81,546	-830,618	\$21.60	1,846,948	141,993	921,324
Class C	224	9,973,816	814,719	8.2%	8.2%	7,076	10.3%	0.1%	10.4%	-85,112	-607	-85,719	-110,044	-3,438	-113,482	\$17.39	107,023	0	0
Totals	1,456	181,124,013	32,650,446	18.0%	19.0%	3,893,214	21.5%	2.1%	23.6%	-878,897	185,990	-692,907	-1,340,301	454,554	-885,747	\$27.33	5,148,393	679,195	2,971,130
Overall Totals																			
Class A	442	132,263,470	25,032,662	18.9%	20.4%	3,850,197	24.3%	2.9%	27.1%	-422,352	133,172	-289,180	-726,895	496,504	-230,391	\$35.29	4,222,945	537,202	3,301,662
Class B	862	82,374,361	16,356,406	19.9%	20.5%	1,083,056	23.0%	1.3%	24.2%	-554,572	97,448	-457,124	-977,819	92,334	-885,485	\$22.78	1,927,050	141,993	921,324
Class C	241	12,452,355	2,134,569	17.1%	17.2%	7,076	18.9%	0.1%	18.9%	-85,112	-607	-85,719	-96,453	-3,438	-99,891	\$21.33	107,023	0	0
Totals	1,545	227,090,186	43,523,637	19.2%	20.2%	4,940,329	23.5%	2.2%	25.6%	-1,062,036	230,013	-832,023	-1,801,167	585,400	-1,215,767	\$30.30	6,257,018	679,195	4,222,986

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Direct Net Absorption = -1,062,036 sf | Second Quarter 2020

Submarket	Direct Net Absorption (sf)
Westchase	55,169
Greenspoint	50,433
FM 1960	26,127
Greenway Plaza	22,473
South/Medical Center/Southeast	13,764
Richmond/Fountainview	2,847
Katy/Grand Parkway West	-5,763
Katy Freeway East	-7,301
Gulf Freeway/Pasadena	-8,737
NASA/Clear Lake	-10,179
Northwest	-18,276
East Fort Bend/Sugar Land	-19,249
Katy Freeway West/Energy Corridor	-32,441
Kingwood/Humble/Northeast	-33,513
San Felipe/ Voss	-51,906
Southwest	-59,518
Bellaire	-98,362
West Belt	-100,567
Woodlands	-115,550
Midtown	-139,697
Central Business District	-183,139
West Loop	-348,651
Overall Total	-1,062,036

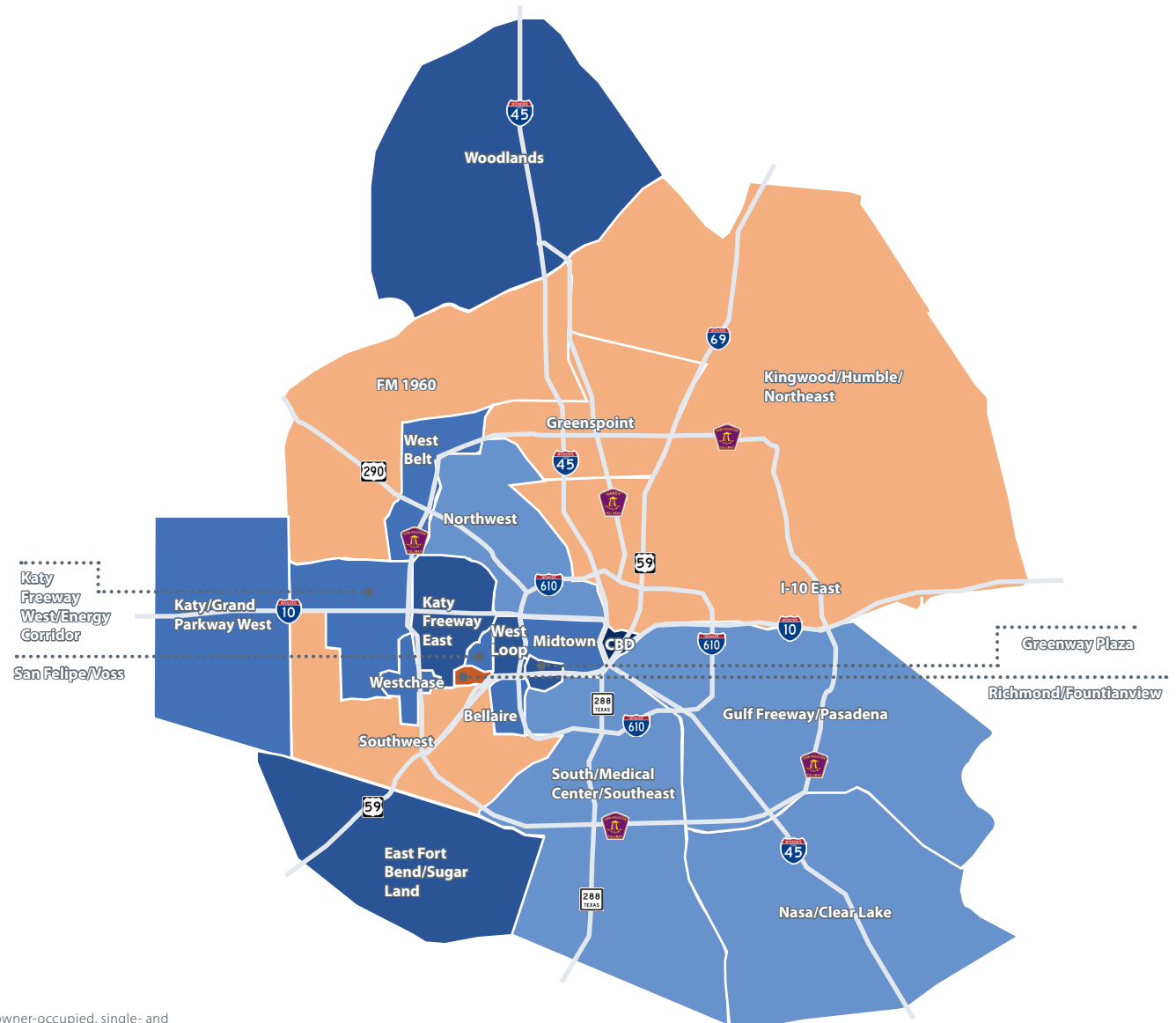
■ Blue Values (+ Absorption) ■ Orange Values (- Absorption)



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.

Submarket	Average Gross Quoted Rate Direct (\$)
Central Business District	\$41.15
West Loop	\$36.61
Katy Freeway East	\$36.60
Greenway Plaza	\$35.33
Woodlands	\$35.30
East Fort Bend/Sugar Land	\$30.64
Katy Freeway West/Energy Corridor	\$29.84
Midtown	\$29.69
San Felipe/ Voss	\$29.32
Katy/Grand Parkway West	\$29.29
Westchase	\$27.56
West Belt	\$25.97
Bellaire	\$25.19
Gulf Freeway/Pasadena	\$21.45
Northwest	\$21.20
South/Medical Center/Southeast	\$20.68
NASA/Clear Lake	\$20.54
Kingwood/Humble/Northeast	\$19.89
FM 1960	\$19.84
Greenspoint	\$19.03
Southwest	\$17.60
Richmond/Fountainview	\$15.08
Overall Average	\$30.30

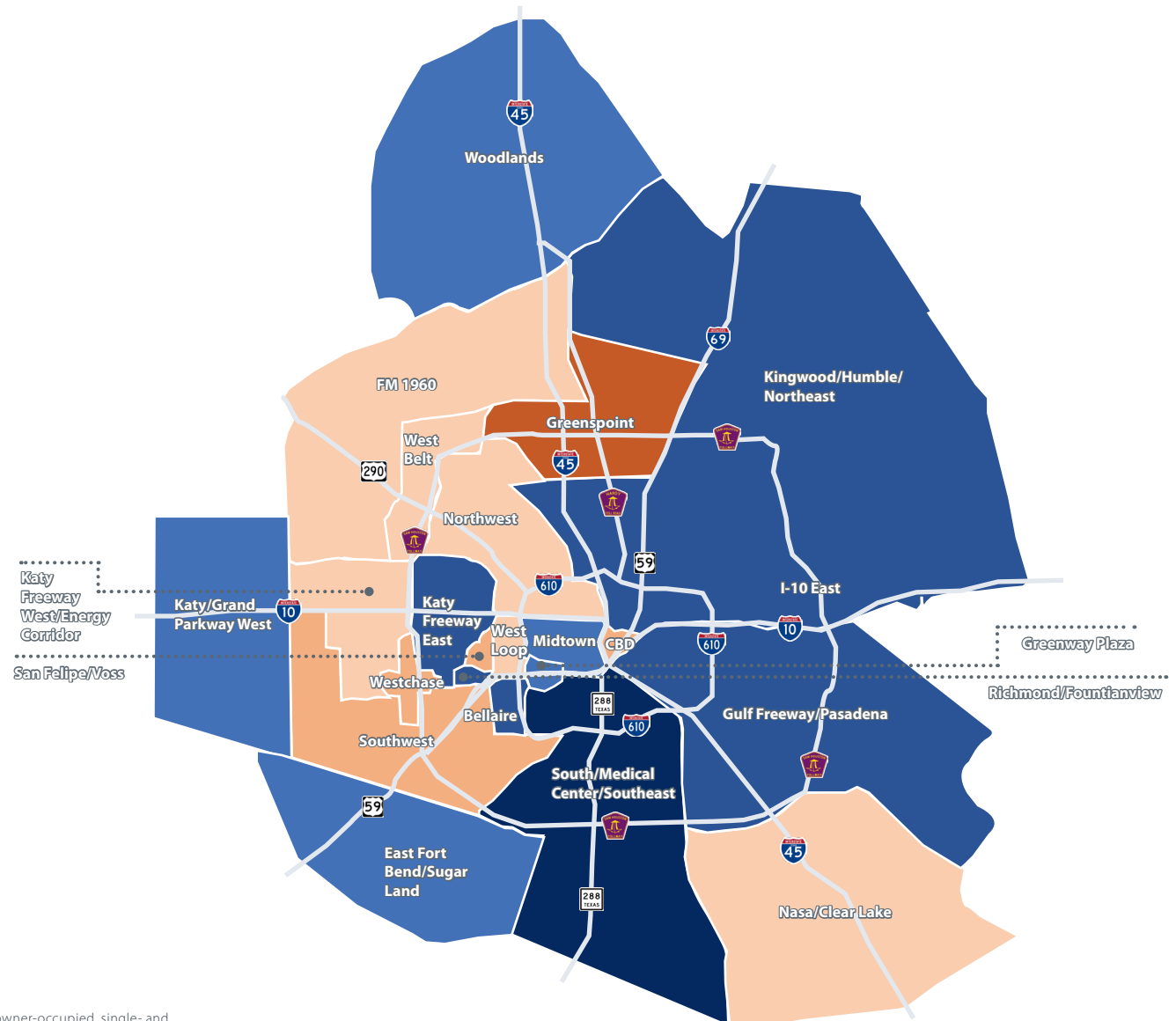
■ Blue Values (↑ \$20 Asking Rate)
 ■ Orange Values (↓ \$20 Asking Rate)



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.

Submarket	Direct Vacancy Rate %
South/Medical Center/Southeast	4.7%
Richmond/Fountainview	7.7%
Kingwood/Humble/Northeast	8.9%
Bellaire	9.2%
Gulf Freeway/Pasadena	9.3%
Katy Freeway East	9.8%
Woodlands	10.2%
East Fort Bend/Sugar Land	10.3%
Katy/Grand Parkway West	10.8%
Midtown	12.4%
Greenway Plaza	14.3%
FM 1960	17.6%
NASA/Clear Lake	18.2%
Northwest	18.5%
Katy Freeway West/Energy Corridor	19.2%
West Loop	19.3%
West Belt	19.5%
San Felipe/Voss	20.4%
Southwest	20.8%
Westchase	22.6%
Central Business District	23.7%
Greenspoint	44.8%
Overall Average	19.2%

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

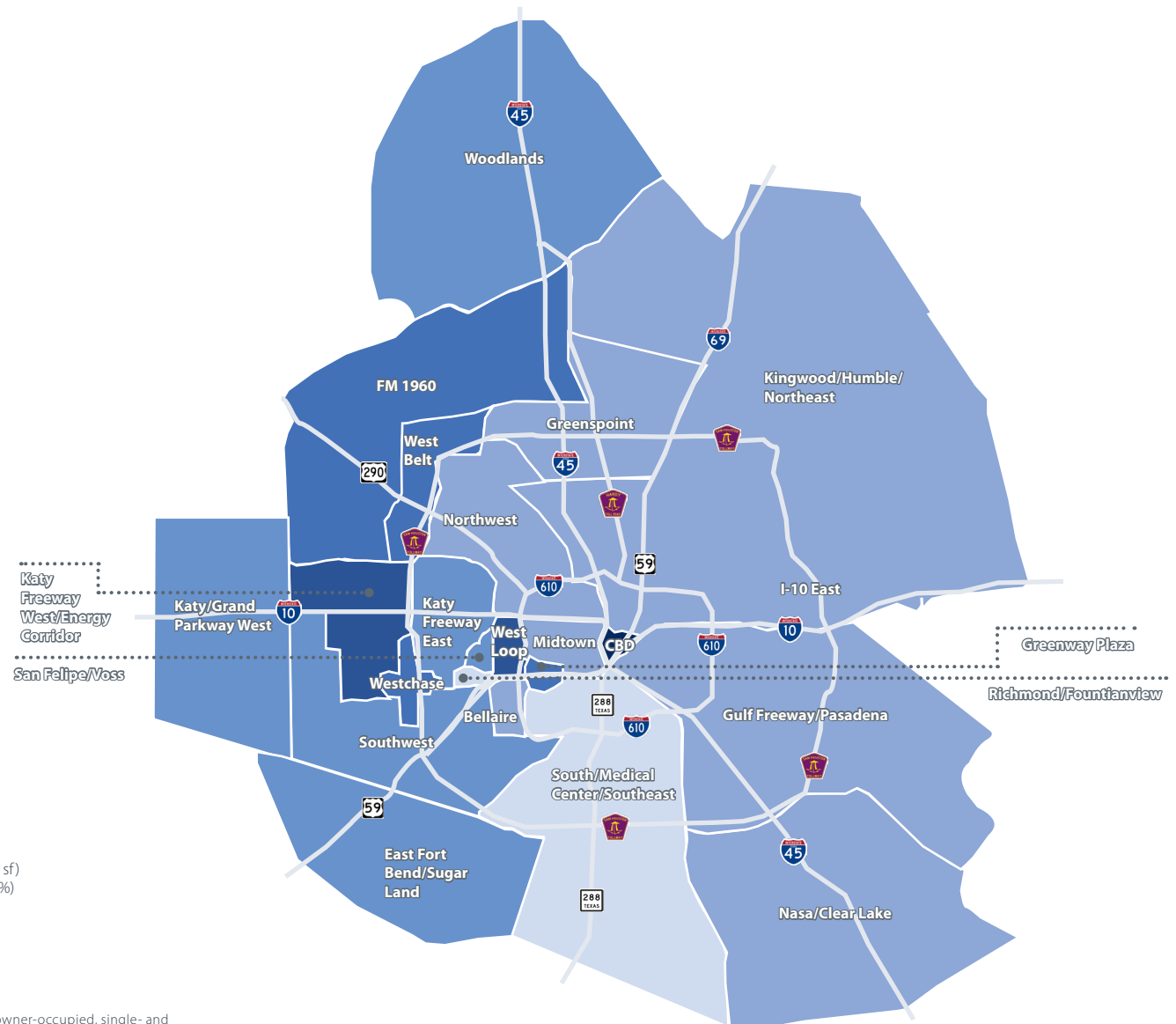


Vacancy in Avison Young's market report refers to vacant available square footage in owner-occupied, single- and multi-tenant buildings 20,000 square feet or larger and classified as general-purpose and either class A, B or C.

Available Sublease Space = 4,940,329 sf | Second Quarter 2020

Submarket	Available Sublease (sf)	(%) of Total
Central Business District	1,047,115	21.2%
Katy Freeway West/Energy Corridor	916,321	18.5%
West Loop	552,285	11.2%
FM 1960	489,211	9.9%
Westchase	402,489	8.1%
Greenway Plaza	362,401	7.3%
West Belt	251,536	5.1%
Woodlands	200,457	4.1%
East Fort Bend/Sugar Land	150,843	3.1%
Katy/Grand Parkway West	136,442	2.8%
Katy Freeway East	110,478	2.2%
Southwest	78,120	1.6%
San Felipe/Voss	68,239	1.4%
Midtown	40,369	0.8%
Northwest	35,227	0.7%
Bellaire	25,391	0.5%
Gulf Freeway/Pasadena	24,887	0.5%
NASA/Clear Lake	20,856	0.4%
Kingwood/Humble/Northeast	11,744	0.2%
Greenspoint	11,198	0.2%
Richmond/Fountainview	4,720	0.1%
South/Medical Center/Southeast	0	0.0%
Overall Total	4,940,329	100.0%

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



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Houston Office Market Statistics & Heat Maps



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Properties 

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