

Houston



Quick Stats

5.5

Msf of available sublease space, down from 6.7 msf in fourth quarter 2019

16.8%

Direct vacancy in Houston's office market

3.8

Msf of office space under construction

64,188

Jobs created during the 12 months ending February 2020

3.9%

February 2020 unemployment rate in Houston, down from 4.1% in January 2020

Uncertainty looms over Houston's office market as companies and their employees adapt to Harris County's stay home, work safe order. For the first time in history, the metro and cities across the nation have fewer people occupying their offices and are instead working at home, teleconferencing and home schooling their children. This unprecedented economic disruption coupled with the oil price war halted an already slowing economy in the Energy Capital of the World, which was still recovering from the 2015 energy downturn. Flight-to-quality is still the norm, with recent activity reflecting tenants attracted to the newer class A properties while the older class A and B properties undergo major renovations to stay competitive.

The employment picture is evolving during the pandemic and stay-at-home policies. Up until early March, local employment growth had been steady, with the unemployment rate at 3.9% and a gain of 64,188 jobs, a 2.2% increase year-over-year as of February 2020, according to the Texas Workforce Commission.

Overall rental rates decreased marginally during the first quarter, but class A rates

are reporting up to \$2 per square foot (psf) drops, and tenants will keep their competitive advantage based on the amount of availability in the market. The flight-to-quality factor – firms opting for office efficiency in newer properties to attract top personnel – contributes to the high availability rates in certain segments.

Absorption & Demand

Activity slowed in the new year as overall demand could not keep up with supply. However, for the second consecutive quarter, the Katy Freeway West/Energy Corridor submarket recorded the highest positive net absorption of all sectors. The 267,882 square feet (sf) gained during the first quarter resulted in part from S&B Engineers and Construction's move into its new space totaling 155,175 sf at 15150 Memorial.

Other notable occupancies in the metro during the first quarter include Alight Solutions' 180,000-sf move to its new building and Arena Energy's 87,231-sf move to Lake Front North Building, both in The Woodlands.

All overall classes lost the occupancy race during first quarter but suburban class A properties reported 124,310 sf of positive absorption. Overall, class A properties reported direct net absorption losses of 241,649 sf while class B reported a negative 442,432 sf; class C reported a negative 11,395 sf. A negative 695,476 sf was the total recorded as direct net absorption during the first quarter.

Leasing activity slowed in first quarter to 3.8 million square feet (msf), which compares similarly to activity from last quarter but slightly less than the 4.2 msf recorded in first quarter 2019. With 21% of the total space leased, Occidental Petroleum signed the largest lease of 807,586 sf for space they previously owned at 1201 Lake Robbins in the renamed The Woodlands Tower at The Waterway. Howard Hughes purchased the property in December last year, and Occidental leased back the entire building.

The Central Business District (CBD) reported the second largest lease: Enterprise Products Partners renewed its 512,845-sf space at 1100 Louisiana. Other smaller CBD transactions include EDP Renewables North America subleasing 92,523 sf in Hess Tower and Cheniere Energy expanding its lease by 33,127 sf in Pennzoil Place's North Tower at 700 Milam.

Vacancy & Availability

The current direct vacancy rate of 16.8% is an increase from both the previous quarter and year-over-year's 15.8%. Class A vacancy rates, also at 16.8%, increased from 16.1% last quarter and 16.0% year-over-year. Class B vacancy rates increased to 18.2% from 17.7% last quarter while class C rates average 6.6%, a drop from

7.2% last quarter. Total vacancy including sublease space is now at 18%, slightly up from last quarter and from year-over-year's 17.2%.

Direct availability citywide remained at 21.2% during first quarter. Total availability, including sublease space, is now at 23.5%, a marginal decrease from last quarter and year-over-year.

Available sublease space dropped 18.3% to 5.5 msf from 6.7 msf last quarter and from the same amount year-over-year. Sublease space represents about 10% of the total 54.2 msf available. Five submarkets account for 69% of all available sublease space with the CBD offering 1.4 msf or 24.7% of the total and the Katy Freeway West/Energy Corridor submarket with 893,025 sf available.

Construction

The construction pipeline is expanding but remains limited to 21 buildings totaling 3.8 msf under construction and 45% preleased. The Katy Freeway East submarket currently has the most properties underway with five buildings totaling 1.4 msf; Marathon's 440,000-sf headquarters broke ground during first quarter with completion anticipated in December 2021. Marathon will be relocating from its long-time headquarters at 5555 San Felipe.

The CBD represents about 33% of the total square footage with the largest building, Texas Tower at 845 Texas Avenue. Hines' 1.1-msf property is currently 39% preleased and is scheduled for completion in October 2021. DLA Piper USA just signed for 31,843 sf in the new building, planning to relocate in January 2022.

Three buildings were completed during the first quarter, including Alight Solutions' move into its new 180,000-sf building at 8770 New Trails in The Woodlands, representing the largest completed building for the quarter. Two smaller 22,000-sf properties, one each in the Southwest and NASA/Clear Lake submarkets, were fully leased upon completion.

Asking Rates

Overall average asking rates dropped to \$30.35 per square foot (psf) gross from last quarter's \$30.98 psf and from \$30.76 psf recorded year over year. Quoted asking rates were reported in the \$29-to-\$30-psf range during the last five years and increased to more than \$30 during last year's third quarter. Throughout the downturn, landlords have offered various concessions, including year-long rent abatements and allowances covering the full cost of tenant improvement construction.

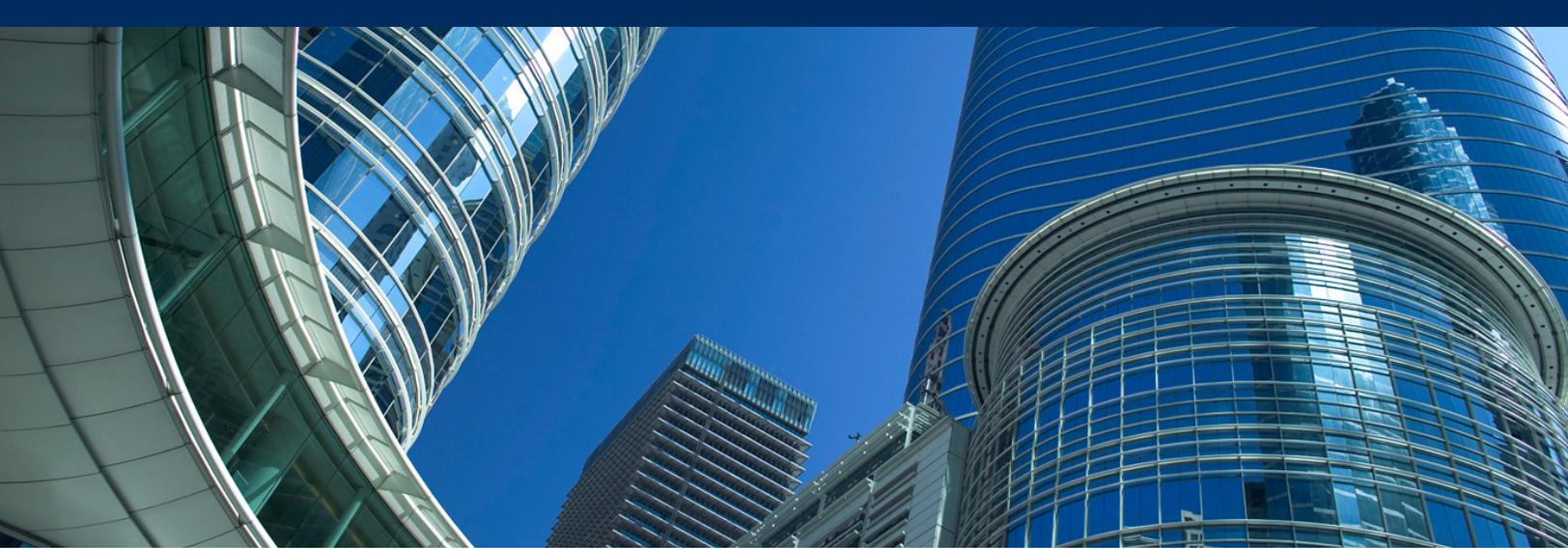
Average asking rates for the different submarkets range from a low of \$16.31 psf in the Southwest to \$41.31 the CBD. The five suburban submarkets currently quoting rates more than \$30 include Katy Freeway East (\$36.65), the West Loop (\$36.42), Greenway Plaza (\$35.55), the Woodlands (\$34.94), and East Fort Bend/Sugar Land (\$31.08).

\$30.35
AVERAGE
QUOTED RATE

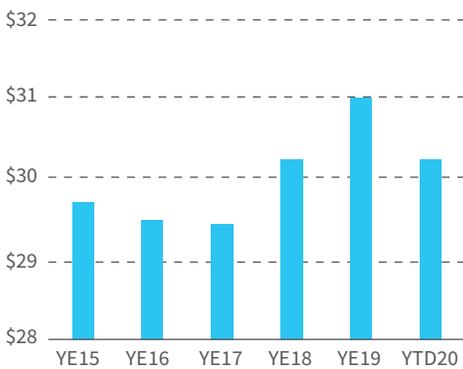
Class A rates fell to \$35.56 psf from the previous quarter's \$36.63 psf. CBD properties are currently quoting class A rates at \$44.09 psf, also lower than last quarter's \$46.04 and the \$45.89 psf recorded a year ago. Average suburban class A rates are currently \$32.29 psf, a slight increase from the last two quarters and a slight decrease from the \$32.23-psf rate recorded year-over-year.

124k sf
SUBURBAN
CLASS A
DIRECT
ABSORPTION

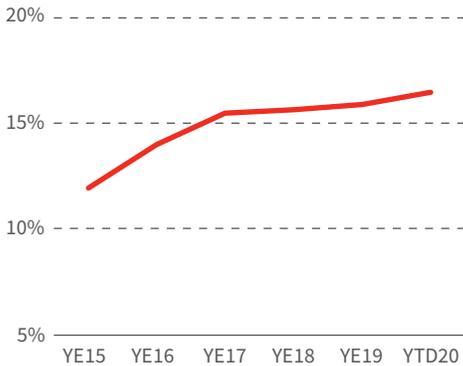
16.8%
DIRECT VACANCY
RATE



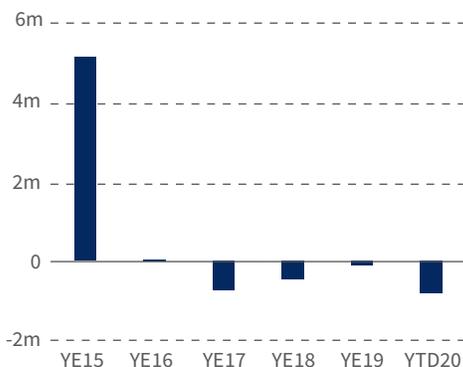
Asking Rates



Vacancy Rates



Net Absorption



First-Quarter 2020 Highlights

- Brokers were busy in The Woodlands submarket during the first quarter, claiming both the largest and third largest leases signed and recording the highest company absorption in the biggest building completed.
- The largest lease signed during first quarter was **Occidental Petroleum's** 807,586 sf in The Woodlands Towers at the Waterway at 1201 Lake Robbins Road. Formerly Anadarko Allison Tower, the building was sold to the Howard Hughes Company in late 2019 by Occidental, who then leased back the entire building it once owned.
- The highest absorption recorded during first quarter also occurred in The Woodlands as **Alight Solutions** occupied its new 180,000-sf property at 8770 New Trails; this is also the biggest building in the metro completed during first quarter.
- The third largest lease signed was **Western Midstream Partner's** 133,948-sf deal at 9950 Woodloch, also renamed The Woodlands Towers at the Waterway. Occidental sold and will vacate its former building so its new owner, the Howard Hughes Corporation, can both relocate and consolidate employees in The Woodlands.
- S&B Engineers & Constructors occupied 155,175 sf at 15150 Memorial in its new building in the Katy Freeway West/Energy Corridor submarket, representing the second largest absorption. The company purchased the building in 2018 from MetroNational Corporation.
- Marathon Oil Corporation** broke ground on its new 440,000-sf headquarters in the Katy Freeway East submarket during first quarter. The company is expected to relocate in December 2021 from its long-time headquarters at 5555 San Felipe in the West Loop.

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 fell below \$22 in late March, suffering record-level lows due to the pandemic and an oil trade war.



Employment

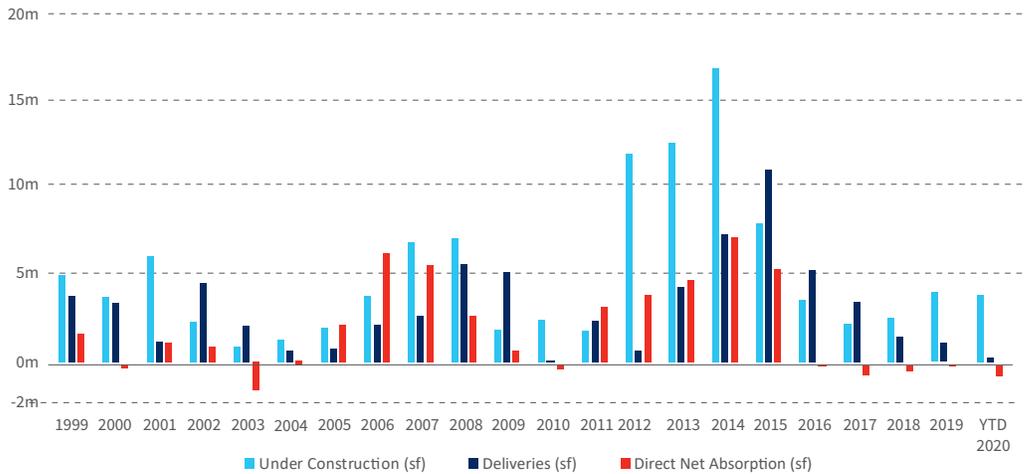
Employment grew 2.2%, creating 64,188 jobs for the 12 months ending February 2020.



Purchasing

The Purchasing Manager's Index (PMI) registered 50.2 in February 2020, down from 52.5 in February 2019, indicating short-term contraction in Houston's manufacturing sector.

Supply and Demand



Select First-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,	October 2021	Central Business District
Marathon Oil Corporation	990 Town and Country Boulevard	440,000	100%	Marathon Oil Corporation	December 2021	Katy Freeway East
Insperty Campus Building 5	U.S. 59 at Kingwood Drive	270,000	100%	Insperty	June 2020	Kingwood/Humble/Northeast
200 Park Place	4200 Westheimer Road	207,202	29%	Compass, Charles Schwab	May 2020	West Loop
9753 Katy Freeway	9753 Katy Freeway	190,000	15%	TBD	October 2020	Katy Freeway East
Katy Ranch Phase II*	24285 Katy Freeway	150,920	0%	TBD	August 2020	Katy/Grand Parkway West
Village Tower I	9655 Katy Freeway	150,000	7%	TBD	January 2021	Katy Freeway East
Village Tower II	9655 Katy Freeway	150,000	0%	TBD	March 2021	Katy Freeway East
Post Houston	401 Franklin Street	150,000	19%	TBD	February 2021	Central Business District
Research Forest Lakeside Building 9	9709 Lakeside Boulevard	137,938	2%	TBD	August 2020	The Woodlands

*Avison Young exclusive lease project

Select First-Quarter 2020 Lease Transactions

Tenant	Size (sf)	Type	Building Name	Building Address	Submarket
Occidental Petroleum Corporation	807,586	New	The Woodlands Towers at The Waterway	1201 Lake Robbins Drive	The Woodlands
Enterprise Products Partners L.P.	512,845	Renewal	1100 Louisiana (Enterprise Plaza)	1100 Louisiana Street	Central Business District
Western Midstream Partners	133,948	New	The Woodlands Towers at The Waterway	9950 Woodloch	The Woodlands
TGS-NOPEC Geophysical Co.	97,293	Renewal	TGS-NOPEC Geophysical Company	10451 Clay Road	Katy Freeway East
EDP Renewables North America	92,523	New	Hess Tower	1501 McKinney Street	Central Business District
Live Nation	75,000	New	Montrose Collective	888 Westheimer Road	Midtown
Sempra Energy	68,139	New	BHP Petroleum	1500 Post Oak Boulevard	West Loop
W & T Offshore Inc.	46,380	New	5718 Westheimer Road	5718 Westheimer Road	San Felipe/Voss
Cheniére Energy, Inc.	33,127	Expansion	Pennzoil Place North Tower	700 Milam Street	Central Business District
DLA Piper	31,843	New	Texas Tower	845 Texas	Central Business District
Serendipity Labs	28,331	New	Marathon Oil Tower	5555 San Felipe Street	West Loop
EXP	27,900	New	Westway Plaza	11330 Clay Road	West Belt

Sources: CoStar, Central Houston, Avison Young Research



Platinum member

avisonyoung.com



Properties

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First Quarter 2020



Houston Office Market Statistics & Heat Maps

Partnership. Performance.



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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q1 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	37	33,977,553	5,296,251	15.6%	17.8%	973,452	22.8%	2.8%	25.2%	-365,959	73,382	-292,577	-365,959	73,382	-292,577	\$44.09	779,733	0	1,251,856
Class B	34	8,780,138	1,533,624	17.5%	19.2%	384,782	22.9%	4.4%	27.2%	-21,223	-15,955	-37,178	-21,223	-15,955	-37,178	\$31.02	47,293	0	0
Class C	16	1,158,464	5,500	0.5%	0.5%	0	0.5%	0.0%	0.5%	13,591	0	13,591	13,591	0	13,591	\$17.61	-	0	0
Totals	87	43,916,155	6,835,375	15.6%	17.6%	1,358,234	22.2%	3.0%	25.0%	-373,591	57,427	-316,164	-373,591	57,427	-316,164	\$41.31	827,026	0	1,251,856
Suburban																			
Class A	405	98,961,675	17,026,556	17.2%	18.7%	3,357,986	21.8%	3.3%	25.1%	124,310	214,026	338,336	124,310	214,026	338,336	\$32.29	2,017,464	180,000	2,160,085
Class B	838	73,502,659	13,454,718	18.3%	18.9%	761,179	21.4%	1.0%	22.3%	-421,209	-16,269	-437,478	-421,209	-16,269	-437,478	\$21.43	850,725	44,672	387,249
Class C	227	10,108,474	733,332	7.3%	7.5%	26,469	9.9%	0.3%	10.2%	-24,986	-2,831	-27,817	-24,986	-2,831	-27,817	\$17.25	58,253	0	0
Totals	1,470	182,572,808	31,214,606	17.1%	18.1%	4,145,634	21.0%	2.2%	23.2%	-321,885	194,926	-126,959	-321,885	194,926	-126,959	\$27.39	2,926,442	224,672	2,547,334
Overall																			
Class A	442	132,939,228	22,322,807	16.8%	18.4%	4,331,438	22.1%	3.2%	25.1%	-241,649	287,408	45,759	-241,649	287,408	45,759	\$35.56	2,797,197	180,000	3,411,941
Class B	872	82,282,797	14,988,342	18.2%	18.9%	1,145,961	21.6%	1.4%	22.9%	-442,432	-32,224	-474,656	-442,432	-32,224	-474,656	\$22.50	898,018	44,672	387,249
Class C	243	11,266,938	738,832	6.6%	6.8%	26,469	8.9%	0.2%	9.2%	-11,395	-2,831	-14,226	-11,395	-2,831	-14,226	\$17.28	58,253	0	0
Totals	1,557	226,488,963	38,049,981	16.8%	18.0%	5,503,868	21.2%	2.4%	23.5%	-695,476	252,353	-443,123	-695,476	252,353	-443,123	\$30.35	3,753,468	224,672	3,799,190

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q1 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	29	3,395,665	246,688	7.3%	7.8%	43,281	22.3%	1.3%	23.6%	-67,259	-2,716	-69,975	-67,259	-2,716	-69,975	\$26.31	15,647	0	0
Central Business District	87	43,916,155	6,835,375	15.6%	17.6%	1,358,234	22.2%	3.0%	25.0%	-373,591	57,427	-316,164	-373,591	57,427	-316,164	\$41.31	827,026	0	1,251,856
East Fort Bend/Sugar Land	47	5,417,148	493,308	9.1%	10.4%	222,918	11.2%	4.0%	15.3%	-65,088	1,575	-63,513	-65,088	1,575	-63,513	\$31.08	16,235	0	105,321
FM 1960	100	8,639,969	1,704,067	19.7%	20.3%	533,416	21.2%	6.1%	27.3%	-11,390	5,606	-5,784	-11,390	5,606	-5,784	\$19.14	100,988	0	59,000
Greenspoint	83	10,669,366	4,977,406	46.7%	46.7%	7,838	49.4%	0.1%	49.4%	40,233	-2,224	38,009	40,233	-2,224	38,009	\$18.67	138,591	0	0
Greenway Plaza	65	11,179,775	1,317,062	11.8%	12.9%	386,827	17.7%	3.5%	21.1%	7,492	12,223	19,715	7,492	12,223	19,715	\$35.55	129,659	0	0
Gulf Freeway/Pasadena	57	3,039,061	284,414	9.4%	11.1%	111,841	11.3%	3.6%	14.9%	24,512	-10,233	14,279	24,512	-10,233	14,279	\$21.73	20,638	0	30,000
Katy Freeway East	64	7,532,696	640,068	8.5%	8.9%	89,398	14.9%	1.0%	15.9%	12,620	1,983	14,603	12,620	1,983	14,603	\$36.65	204,915	0	1,350,000
Katy Freeway West/Energy Corridor	152	25,360,610	4,714,633	18.6%	20.8%	893,025	22.5%	3.5%	25.9%	267,882	100,156	368,038	267,882	100,156	368,038	\$29.70	214,001	0	0
Katy/Grand Parkway West	31	2,740,488	293,928	10.7%	12.3%	71,043	16.1%	2.5%	18.6%	4,971	-6,317	-1,346	4,971	-6,317	-1,346	\$29.34	20,087	0	150,920
Kingwood/Humble/Northeast	38	2,758,332	206,848	7.5%	7.6%	6,744	7.9%	0.2%	8.1%	-35,956	0	-35,956	-35,956	0	-35,956	\$19.83	9,363	0	300,500
Midtown	65	6,311,621	698,583	11.1%	11.2%	41,976	13.9%	0.7%	14.6%	-4,777	-58	-4,835	-4,777	-58	-4,835	\$29.64	73,537	0	35,372
NASA/Clear Lake	61	4,635,728	833,258	18.0%	18.6%	33,113	19.8%	0.7%	20.6%	13,322	-17,019	-3,697	13,322	-17,019	-3,697	\$20.43	40,497	22,000	0
Northwest	94	7,985,975	1,415,024	17.7%	17.9%	27,141	21.6%	0.3%	21.9%	95,692	-8,567	87,125	95,692	-8,567	87,125	\$21.41	170,617	0	44,025
Richmond/Fountainview	22	1,090,584	85,529	7.8%	7.8%	0	9.2%	0.0%	9.2%	6,090	0	6,090	6,090	0	6,090	\$16.69	13,496	0	0
San Felipe/Voss	36	5,125,037	1,003,108	19.6%	20.1%	43,379	23.0%	0.8%	23.9%	-36,204	16,172	-20,032	-36,204	16,172	-20,032	\$29.75	105,511	0	0
South/Medical Center/Southeast	62	4,661,572	218,334	4.7%	4.7%	1,500	4.9%	0.0%	4.9%	24,994	0	24,994	24,994	0	24,994	\$20.82	55,526	0	57,056
Southwest	98	9,348,134	1,869,611	20.0%	20.9%	80,120	22.8%	0.9%	23.7%	73,215	-22,033	51,182	73,215	-22,033	51,182	\$16.31	113,430	22,672	0
West Belt	63	5,671,286	1,021,039	18.0%	22.3%	285,578	22.7%	5.0%	26.6%	-187,748	47,323	-140,425	-187,748	47,323	-140,425	\$25.82	46,106	0	0
West Loop	101	22,809,378	3,851,865	16.9%	17.7%	595,124	22.4%	2.6%	25.0%	-14,320	-54,419	-68,739	-14,320	-54,419	-68,739	\$36.42	234,348	0	277,202
Westchase	96	17,865,817	3,748,636	21.0%	22.2%	435,666	24.0%	2.4%	26.4%	-347,306	126,598	-220,708	-347,306	126,598	-220,708	\$28.24	174,176	0	0
Woodlands	106	16,334,566	1,591,197	9.7%	10.5%	235,706	14.6%	1.4%	16.0%	-122,860	6,876	-115,984	-122,860	6,876	-115,984	\$34.94	1,028,994	180,000	137,938
Totals	1,557	226,488,963	38,049,981	16.8%	18.0%	5,503,868	21.2%	2.4%	23.5%	-695,476	252,353	-443,123	-695,476	252,353	-443,123	\$30.35	3,753,468	224,672	3,799,190

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Bellaire	6	1,173,781	84,322	7.2%	8.7%	43,281	12.2%	3.7%	15.9%	3,958	-3,000	958	3,958	-3,000	958	\$29.32	10,634	0	0
Central Business District	37	33,977,553	5,296,251	15.6%	17.8%	973,452	22.8%	2.8%	25.2%	-365,959	73,382	-292,577	-365,959	73,382	-292,577	\$44.09	779,733	0	1,251,856
East Fort Bend/Sugar Land	19	3,749,112	345,214	9.2%	10.9%	212,350	11.5%	5.7%	17.2%	-26,974	1,575		-26,974	1,575		\$33.64	7,186	0	0
FM 1960	15	3,534,605	448,477	12.7%	13.6%	497,377	12.9%	14.1%	26.9%	-19,424	-5,232	-24,656	-19,424	-5,232	-24,656	\$27.29	42,478	0	0
Greenspoint	24	5,419,685	3,154,491	58.2%	58.3%	4,287	60.1%	0.1%	60.2%	10,789	0	10,789	10,789	0	10,789	\$21.21	36,553	0	0
Greenway Plaza	19	6,688,440	836,944	12.5%	14.1%	316,705	20.6%	4.7%	25.3%	31,100	16,585	47,685	31,100	16,585	47,685	\$37.98	96,426	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	\$32.03	837	0	0
Katy Freeway East	24	4,673,914	380,199	8.1%	8.6%	83,195	17.3%	1.4%	18.7%	12,291	5,456	17,747	12,291	5,456	17,747	\$42.73	183,727	0	1,350,000
Katy Frwy West/Energy Corridor	60	16,926,842	2,716,378	16.0%	18.9%	813,529	20.7%	4.8%	25.4%	184,268	129,766	314,034	184,268	129,766	314,034	\$35.04	98,385	0	0
Katy/Grand Parkway West	16	1,657,394	268,934	16.2%	18.8%	71,043	24.3%	3.9%	28.2%	9,983	-6,317	3,666	9,983	-6,317	3,666	\$29.25	16,592	0	150,920
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	314,300	12.6%	12.6%	13,367	13.1%	0.5%	13.7%	-24,402	2,459	-21,943	-24,402	2,459	-21,943	\$35.70	36,647	0	0
NASA/Clear Lake	11	1,630,209	186,740	11.5%	13.2%	30,456	13.2%	1.9%	15.1%	11,352	-18,584	-7,232	11,352	-18,584	-7,232	\$26.06	-	0	0
Northwest	10	2,038,421	581,222	28.5%	28.9%	18,574	31.5%	0.9%	32.4%	50,057	0	50,057	50,057	0	50,057	\$24.74	77,529	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	1,720,793	348,718	20.3%	21.4%	31,611	28.0%	1.8%	29.8%	17,662	-4,837	12,825	17,662	-4,837	12,825	\$34.85	63,989	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	\$0.00	0	0	0
Southwest	8	1,745,633	458,308	26.3%	26.3%	0	28.8%	0.0%	28.8%	37,995	0	37,995	37,995	0	37,995	\$17.72	30,719	0	0
West Belt	29	3,739,198	671,004	17.9%	21.8%	189,624	22.1%	5.1%	27.1%	-185,670	47,323	-138,347	-185,670	47,323	-138,347	\$27.52	40,395	0	0
West Loop	51	17,271,873	3,129,585	18.1%	19.0%	547,791	24.4%	3.1%	27.6%	-6,482	-73,191	-79,673	-6,482	-73,191	-79,673	\$38.15	186,508	0	207,202
Westchase	33	9,767,362	2,198,311	22.5%	24.6%	282,749	25.3%	2.9%	28.0%	-254,149	116,383	-137,766	-254,149	116,383	-137,766	\$34.84	121,526	0	0
Woodlands	58	13,099,274	888,089	6.8%	7.5%	202,047	12.3%	1.5%	13.8%	271,956	5,640	277,596	271,956	5,640	277,596	\$38.11	967,243	180,000	137,938
Totals	442	132,939,228	22,322,807	16.8%	18.4%	4,331,438	22.1%	3.2%	25.1%	-241,649	287,408	45,759	-241,649	287,408	45,759	\$35.56	2,797,197	180,000	3,411,941

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q1 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	1,774,856	133,272	7.5%	7.5%	0	33.0%	0.0%	33.0%	-71,217	0	-71,217	-71,217	0	-71,217	\$24.90	5,013	0	0
Central Business District	34	8,780,138	1,533,624	17.5%	19.2%	384,782	22.9%	4.4%	27.2%	-21,223	-15,955	-37,178	-21,223	-15,955	-37,178	\$31.02	47,293	0	0
East Fort Bend/Sugar Land	28	1,668,036	148,094	8.9%	9.5%	10,568	10.5%	0.6%	11.1%	-38,114	0	-38,114	-38,114	0	-38,114	\$25.52	9,049	0	105,321
FM 1960	65	4,393,200	1,206,273	27.5%	27.9%	36,039	28.5%	0.8%	29.3%	8,842	10,838	19,680	8,842	10,838	19,680	\$16.69	54,811	0	59,000
Greenspoint	42	4,185,278	1,728,531	41.3%	41.4%	3,551	45.4%	0.1%	45.5%	37,127	-2,224	34,903	37,127	-2,224	34,903	\$14.83	82,856	0	0
Greenway Plaza	35	4,100,493	445,235	10.9%	11.4%	68,422	13.7%	1.7%	15.3%	-21,501	-4,362	-25,863	-21,501	-4,362	-25,863	\$29.93	28,996	0	0
Gulf Freeway/Pasadena	38	2,253,425	192,453	8.5%	10.9%	111,841	9.8%	4.9%	14.7%	24,512	-10,233	14,279	24,512	-10,233	14,279	\$20.51	19,801	0	30,000
Katy Freeway East	25	2,068,504	237,505	11.5%	11.7%	5,334	11.9%	0.3%	12.1%	9,383	-3,473	5,910	9,383	-3,473	5,910	\$20.19	20,172	0	0
Katy Frwy West/Energy Corridor	84	8,128,501	1,959,275	24.1%	24.9%	75,596	26.6%	0.9%	27.5%	83,220	-26,495	56,725	83,220	-26,495	56,725	\$23.02	114,771	0	0
Katy/Grand Parkway West	13	1,032,663	24,994	2.4%	2.4%	0	2.5%	0.0%	2.5%	-5,012	0	-5,012	-5,012	0	-5,012	\$30.72	3,495	0	0
Kingwood/Humble/Northeast	28	1,871,624	165,822	8.9%	9.1%	6,744	10.5%	0.4%	10.8%	-25,996	0	-25,996	-25,996	0	-25,996	\$20.47	9,221	0	30,500
Midtown	35	3,167,911	316,214	10.0%	10.2%	28,609	15.2%	0.9%	16.1%	7,753	-2,517	5,236	7,753	-2,517	5,236	\$24.81	36,890	0	35,372
NASA/Clear Lake	38	2,647,515	594,187	22.4%	22.5%	2,657	24.2%	0.1%	24.3%	1,388	1,565	2,953	1,388	1,565	2,953	\$19.40	38,325	22,000	0
Northwest	59	4,879,980	787,602	16.1%	16.3%	8,567	19.6%	0.2%	19.8%	40,972	-8,567	32,405	40,972	-8,567	32,405	\$19.24	92,277	0	0
Richmond/Fountainview	12	695,406	57,212	8.2%	8.2%	0	10.3%	0.0%	10.3%	8,408	0	8,408	8,408	0	8,408	\$17.42	11,496	0	0
San Felipe/Voss	33	3,404,244	654,390	19.2%	19.4%	11,768	20.5%	0.3%	20.9%	-53,866	21,009	-32,857	-53,866	21,009	-32,857	\$24.00	41,522	0	0
South/Medical Center/Southeast	44	3,029,487	182,835	6.0%	6.1%	1,500	6.3%	0.0%	6.3%	23,306	0	23,306	23,306	0	23,306	\$21.23	51,875	0	57,056
Southwest	64	6,262,859	1,320,341	21.1%	22.4%	80,120	23.9%	1.3%	25.2%	41,409	-22,033	19,376	41,409	-22,033	19,376	\$15.98	69,792	22,672	0
West Belt	31	1,845,594	350,035	19.0%	23.1%	75,954	25.1%	4.1%	25.8%	-2,078	0	-2,078	-2,078	0	-2,078	\$21.63	5,711	0	0
West Loop	46	5,275,793	709,246	13.4%	14.1%	47,333	16.5%	0.9%	17.4%	-7,967	18,772	10,805	-7,967	18,772	10,805	\$26.93	45,294	0	70,000
Westchase	59	7,690,931	1,540,314	20.0%	20.1%	152,917	23.5%	2.0%	25.5%	-89,182	10,215	-78,967	-89,182	10,215	-78,967	\$22.07	47,607	0	0
Woodlands	44	3,126,359	700,888	22.4%	23.0%	33,659	24.3%	1.1%	25.3%	-392,596	1,236	-391,360	-392,596	1,236	-391,360	\$33.48	61,751	0	0
Totals	872	82,282,797	14,988,342	18.2%	18.9%	1,145,961	21.6%	1.4%	22.9%	-442,432	-32,224	-474,656	-442,432	-32,224	-474,656	\$22.50	898,018	44,672	387,249

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q1 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	29,094	6.5%	6.5%	0	6.5%	0.0%	6.5%	0	284	284	0	284	284	\$18.09	0	0	0
Central Business District	16	1,158,464	5,500	0.5%	0.5%	0	0.5%	0.0%	0.5%	13,591	0	13,591	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
FM 1960	20	712,164	49,317	6.9%	6.9%	0	16.8%	0.0%	16.8%	-808	0	-808	-808	0	-808	\$16.54	3,699	0	0
Greenspoint	17	1,064,403	94,384	8.9%	8.9%	0	10.4%	0.0%	10.4%	-7,683	0	-7,683	-7,683	0	-7,683	\$11.74	19,182	0	0
Greenway Plaza	11	390,842	34,883	8.9%	9.4%	1,700	9.9%	0.4%	10.3%	-2,107	0	-2,107	-2,107	0	-2,107	\$26.60	4,237	0	0
Gulf Freeway/Pasadena	16	614,854	90,666	14.7%	14.7%	0	19.5%	0.0%	19.5%	0	0	0	-	0	0	\$24.88	0	0	0
Katy Freeway East	15	790,278	22,364	2.8%	2.9%	869	3.9%	0.1%	4.0%	-9,054	0	-9,054	-9,054	0	-9,054	\$19.98	1,006	0	0
Katy Frwy West/Energy Corridor	8	305,267	38,980	12.8%	14.0%	3,900	12.8%	1.3%	14.0%	394	-3,115	-2,721	394	-3,115	-2,721	\$20.48	845	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
Kingwood/Humble/Northeast	7	244,485	27,001	11.0%	11.0%	0	11.0%	0.0%	11.0%	-9,960	0	-9,960	-9,960	0	-9,960	\$15.13	142	0	0
Midtown	20	645,880	68,069	10.5%	10.5%	0	10.5%	0.0%	10.5%	11,872	0	11,872	11,872	0	11,872	\$30.15	0	0	0
NASA/Clear Lake	12	358,004	52,331	14.6%	14.6%	0	17.5%	0.0%	17.5%	582	0	582	582	0	582	\$17.70	2,172	0	0
Northwest	25	1,067,574	46,200	4.3%	4.3%	0	11.0%	0.0%	11.0%	4,663	0	4,663	4,663	0	4,663	\$12.82	811	0	0
Richmond/Fountainview	10	395,178	28,317	7.2%	7.2%	0	7.2%	0.0%	7.2%	-2,318	0	-2,318	-2,318	0	-2,318	\$14.81	2,000	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	35,499	4.3%	4.3%	0	4.6%	0.0%	4.6%	1,688	0	1,688	1,688	0	1,688	\$18.39	3,651	0	0
Southwest	26	1,339,642	90,962	6.8%	6.8%	0	10.0%	0.0%	10.0%	-6,189	0	-6,189	-6,189	0	-6,189	\$13.33	12,919	0	0
West Belt	3	86,494	0	0.0%	23.1%	20,000	0.0%	23.1%	23.1%	0	0	0	0	0	0	-	0	0	0
West Loop	4	261,712	13,034	5.0%	5.0%	0	5.2%	0.0%	5.2%	129	0	129	129	0	129	\$19.50	2,546	0	0
Westchase	4	407,524	10,011	2.5%	2.5%	0	3.1%	0.0%	3.1%	-3,975	0	-3,975	-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%	-2,220	0	-2,220	-2,220	0	-2,220	\$19.38	0	0	0
Totals	243	11,266,938	738,832	6.6%	6.8%	26,469	8.9%	0.2%	9.2%	-11,395	-2,831	-14,226	-11,395	-2,831	-14,226	\$17.28	58,253	0	0

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							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Bellaire																			
Class A	6	1,173,781	84,322	7.2%	8.7%	43,281	12.2%	3.7%	15.9%	3,958	-3,000	958	3,958	-3,000	958	\$29.32	10,634	0	0
Class B	15	1,774,856	133,272	7.5%	7.5%	0	33.0%	0.0%	33.0%	-71,217	0	-71,217	-71,217	0	-71,217	\$24.90	5,013	0	0
Class C	8	447,028	29,094	6.5%	6.5%	0	6.5%	0.0%	6.5%	0	284	284	0	284	284	\$18.09	0	0	0
Totals	29	3,395,665	246,688	7.3%	7.8%	43,281	22.3%	1.3%	23.6%	-67,259	-2,716	-69,975	-67,259	-2,716	-69,975	\$26.31	15,647	0	0
Central Business District																			
Class A	37	33,977,553	5,296,251	15.6%	17.8%	973,452	22.8%	2.8%	25.2%	-365,959	73,382	-292,577	-365,959	73,382	-292,577	\$44.09	779,733	780,341	1,273,699
Class B	34	8,780,138	1,533,624	17.5%	19.2%	384,782	22.9%	4.4%	27.2%	-21,223	-15,955	-37,178	-21,223	-15,955	-37,178	\$31.02	47,293	0	0
Class C	16	1,158,464	5,500	0.5%	0.5%	0	0.5%	0.0%	0.5%	13,591	0	13,591	13,591	0	13,591	\$17.61	0	0	0
Totals	87	43,916,155	6,835,375	15.6%	17.6%	1,358,234	22.2%	3.0%	25.0%	-373,591	57,427	-316,164	-373,591	57,427	-316,164	\$41.31	827,026	780,341	1,273,699
East Fort Bend/Sugar Land																			
Class A	19	3,749,112	345,214	9.2%	10.9%	212,350	11.5%	5.7%	17.2%	-26,974	1,575		-26,974	1,575		\$33.64	7,186	0	0
Class B	28	1,668,036	148,094	8.9%	9.5%	10,568	10.5%	0.6%	11.1%	-38,114	0	-38,114	-38,114	0	-38,114	\$25.52	9,049	0	105,321
Class C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
Totals	47	5,417,148	493,308	9.1%	10.4%	222,918	11.2%	4.0%	15.3%	-65,088	1,575	-63,513	-65,088	1,575	-63,513	\$31.08	16,235	0	105,321
FM 1960																			
Class A	15	3,534,605	448,477	12.7%	13.6%	497,377	12.9%	14.1%	26.9%	-19,424	-5,232	-24,656	-19,424	-5,232	-24,656	\$27.29	42,478	0	0
Class B	65	4,393,200	1,206,273	27.5%	27.9%	36,039	28.5%	0.8%	29.3%	8,842	10,838	19,680	8,842	10,838	19,680	\$16.69	54,811	0	59,000
Class C	20	712,164	49,317	6.9%	6.9%	0	16.8%	0.0%	16.8%	-808	0	-808	-808	0	-808	\$16.54	3,699	0	0
Totals	100	8,639,969	1,704,067	19.7%	20.3%	533,416	21.2%	6.1%	27.3%	-11,390	5,606	-5,784	-11,390	5,606	-5,784	\$19.14	100,988	0	59,000
Greenspoint																			
Class A	24	5,419,685	3,154,491	58.2%	58.3%	4,287	60.1%	0.1%	60.2%	10,789	0	10,789	10,789	0	10,789	\$21.21	36,553	0	0
Class B	42	4,185,278	1,728,531	41.3%	41.4%	3,551	45.4%	0.1%	45.5%	37,127	-2,224	34,903	37,127	-2,224	34,903	\$14.83	82,856	0	0
Class C	17	1,064,403	94,384	8.9%	8.9%	0	10.4%	0.0%	10.4%	-7,683	0	-7,683	-7,683	0	-7,683	\$11.74	19,182	0	0
Totals	83	10,669,366	4,977,406	46.7%	46.7%	7,838	49.4%	0.1%	49.4%	40,233	-2,224	38,009	40,233	-2,224	38,009	\$18.67	138,591	0	0

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							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Greenway Plaza																			
Class A	19	6,688,440	836,944	12.5%	14.1%	316,705	20.6%	4.7%	25.3%	31,100	16,585	47,685	31,100	16,585	47,685	\$37.98	96,426	0	0
Class B	35	4,100,493	445,235	10.9%	11.4%	68,422	13.7%	1.7%	15.3%	-21,501	-4,362	-25,863	-21,501	-4,362	-25,863	\$29.93	28,996	0	0
Class C	11	390,842	34,883	8.9%	9.4%	1,700	9.9%	0.4%	10.3%	-2,107	0	-2,107	-2,107	0	-2,107	\$26.60	4,237	0	0
Totals	65	11,179,775	1,317,062	11.8%	12.9%	386,827	17.7%	3.5%	21.1%	7,492	12,223	19,715	7,492	12,223	19,715	\$35.55	129,659	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	\$32.03	837	0	0
Class B	38	2,253,425	192,453	8.5%	10.9%	111,841	9.8%	4.9%	14.7%	24,512	-10,233	14,279	24,512	-10,233	14,279	\$20.51	19,801	0	30,000
Class C	16	614,854	90,666	14.7%	14.7%	0	19.5%	0.0%	19.5%	0	0	0	0	0	0	\$24.88	0	0	0
Totals	57	3,039,061	284,414	9.4%	11.1%	111,841	11.3%	3.6%	14.9%	24,512	-10,233	14,279	24,512	-10,233	14,279	\$21.73	20,638	0	30,000
Katy Freeway East																			
Class A	24	4,673,914	380,199	8.1%	8.6%	83,195	17.3%	1.4%	18.7%	12,291	5,456	17,747	12,291	5,456	17,747	\$42.73	183,727	0	1,350,000
Class B	25	2,068,504	237,505	11.5%	11.7%	5,334	11.9%	0.3%	12.1%	9,383	-3,473	5,910	9,383	-3,473	5,910	\$20.19	20,172	0	0
Class C	15	790,278	22,364	2.8%	2.9%	869	3.9%	0.1%	4.0%	-9,054	0	-9,054	-9,054	0	-9,054	\$19.98	1,006	0	0
Totals	64	7,532,696	640,068	8.5%	8.9%	89,398	14.9%	1.0%	15.9%	12,620	1,983	14,603	12,620	1,983	14,603	\$36.65	204,915	0	1,350,000
Katy Freeway West/Energy Corridor																			
Class A	60	16,926,842	2,716,378	16.0%	18.9%	813,529	20.7%	4.8%	25.4%	184,268	129,766	314,034	184,268	129,766	314,034	\$35.04	98,385	0	0
Class B	84	8,128,501	1,959,275	24.1%	24.9%	75,596	26.6%	0.9%	27.5%	83,220	-26,495	56,725	83,220	-26,495	56,725	\$23.02	114,771	0	0
Class C	8	305,267	38,980	12.8%	14.0%	3,900	12.8%	1.3%	14.0%	394	-3,115	-2,721	394	-3,115	-2,721	\$20.48	845	0	0
Totals	152	25,360,610	4,714,633	18.6%	20.8%	893,025	22.5%	3.5%	25.9%	267,882	100,156	368,038	267,882	100,156	368,038	\$29.70	214,001	0	0
Katy/Grand Parkway West																			
Class A	16	1,657,394	268,934	16.2%	18.8%	71,043	24.3%	3.9%	28.2%	9,983	-6,317	3,666	9,983	-6,317	3,666	\$29.25	16,592	0	150,920
Class B	13	1,032,663	24,994	2.4%	2.4%	0	2.5%	0.0%	2.5%	-5,012	0	-5,012	-5,012	0	-5,012	\$30.72	3,495	0	0
Class C	2	50,431	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0
Totals	31	2,740,488	293,928	10.7%	12.3%	71,043	16.1%	2.5%	18.6%	4,971	-6,317	-1,346	4,971	-6,317	-1,346	\$29.34	20,087	0	150,920

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q1 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	28	1,871,624	165,822	8.9%	9.1%	6,744	10.5%	0.4%	10.8%	-25,996	0	-25,996	-25,996	0	-25,996	\$20.47	9,221	0	30,500
Class C	7	244,485	27,001	11.0%	11.0%	0	11.0%	0.0%	11.0%	-9,960	0	-9,960	-9,960	0	-9,960	\$15.13	142	0	0
Totals	38	2,758,332	206,848	7.5%	7.6%	6,744	7.9%	0.2%	8.1%	-35,956	0	-35,956	-35,956	0	-35,956	\$19.83	9,363	0	300,500
Midtown																			
Class A	10	2,497,830	314,300	12.6%	12.6%	13,367	13.1%	0.5%	13.7%	-24,402	2,459	-21,943	-24,402	2,459	-21,943	\$35.70	36,647	0	0
Class B	35	3,167,911	316,214	10.0%	10.2%	28,609	15.2%	0.9%	16.1%	7,753	-2,517	5,236	7,753	-2,517	5,236	\$24.81	36,890	0	35,372
Class C	20	645,880	68,069	10.5%	10.5%	0	10.5%	0.0%	10.5%	11,872	0	11,872	11,872	0	11,872	\$30.15	0	0	0
Totals	65	6,311,621	698,583	11.1%	11.2%	41,976	13.9%	0.7%	14.6%	-4,777	-58	-4,835	-4,777	-58	-4,835	\$29.64	73,537	0	35,372
NASA/Clear Lake																			
Class A	11	1,630,209	186,740	11.5%	13.2%	30,456	13.2%	1.9%	15.1%	11,352	-18,584	-7,232	11,352	-18,584	-7,232	\$26.06	0	0	0
Class B	38	2,647,515	594,187	22.4%	22.5%	2,657	24.2%	0.1%	24.3%	1,388	1,565	2,953	1,388	1,565	2,953	\$19.40	38,325	22,000	0
Class C	12	358,004	52,331	14.6%	14.6%	0	17.5%	0.0%	17.5%	582	0	582	582	0	582	\$17.70	2,172	0	0
Totals	61	4,635,728	833,258	18.0%	18.6%	33,113	19.8%	0.7%	20.6%	13,322	-17,019	-3,697	13,322	-17,019	-3,697	\$20.43	40,497	22,000	0
Northwest																			
Class A	10	2,038,421	581,222	28.5%	28.9%	18,574	31.5%	0.9%	32.4%	50,057	0	50,057	50,057	0	50,057	\$24.74	77,529	0	44,025
Class B	59	4,879,980	787,602	16.1%	16.3%	8,567	19.6%	0.2%	19.8%	40,972	-8,567	32,405	40,972	-8,567	32,405	\$19.24	92,277	0	0
Class C	25	1,067,574	46,200	4.3%	4.3%	0	11.0%	0.0%	11.0%	4,663	0	4,663	4,663	0	4,663	\$12.82	811	0	0
Totals	94	7,985,975	1,415,024	17.7%	17.9%	27,141	21.6%	0.3%	21.9%	95,692	-8,567	87,125	95,692	-8,567	87,125	\$21.41	170,617	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
Class B	12	695,406	57,212	8.2%	8.2%	0	10.3%	0.0%	10.3%	8,408	0	8,408	8,408	0	8,408	\$17.42	11,496	0	0
Class C	10	395,178	28,317	7.2%	7.2%	0	7.2%	0.0%	7.2%	-2,318	0	-2,318	-2,318	0	-2,318	\$14.81	2,000	0	0
Totals	22	1,090,584	85,529	7.8%	7.8%	0	9.2%	0.0%	9.2%	6,090	0	6,090	6,090	0	6,090	\$16.69	13,496	0	0

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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q1 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	1,720,793	348,718	20.3%	21.4%	31,611	28.0%	1.8%	29.8%	17,662	-4,837	12,825	17,662	-4,837	12,825	\$34.85	63,989	0	0
Class B	33	3,404,244	654,390	19.2%	19.4%	11,768	20.5%	0.3%	20.9%	-53,866	21,009	-32,857	-53,866	21,009	-32,857	\$24.00	41,522	0	0
Class C	0	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	0	0	0	0	0	0	-	0	0	0
Totals	36	5,125,037	1,003,108	19.6%	20.1%	43,379	23.0%	0.8%	23.9%	-36,204	16,172	-20,032	-36,204	16,172	-20,032	\$29.75	105,511	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	\$0.00	0	0	0
Class B	44	3,029,487	182,835	6.0%	6.1%	1,500	6.3%	0.0%	6.3%	23,306	0	23,306	23,306	0	23,306	\$21.23	51,875	0	57,056
Class C	15	817,781	35,499	4.3%	4.3%	0	4.6%	0.0%	4.6%	1,688	0	1,688	1,688	0	1,688	\$18.39	3,651	0	0
Totals	62	4,661,572	218,334	4.7%	4.7%	1,500	4.9%	0.0%	4.9%	24,994	0	24,994	24,994	0	24,994	\$20.82	55,526	0	57,056
Southwest																			
Class A	8	1,745,633	458,308	26.3%	26.3%	0	28.8%	0.0%	28.8%	37,995	0	37,995	37,995	0	37,995	\$17.72	30,719	0	0
Class B	64	6,262,859	1,320,341	21.1%	22.4%	80,120	23.9%	1.3%	25.2%	41,409	-22,033	19,376	41,409	-22,033	19,376	\$15.98	69,792	22,672	0
Class C	26	1,339,642	90,962	6.8%	6.8%	0	10.0%	0.0%	10.0%	-6,189	0	-6,189	-6,189	0	-6,189	\$13.33	12,919	0	0
Totals	98	9,348,134	1,869,611	20.0%	20.9%	80,120	22.8%	0.9%	23.7%	73,215	-22,033	51,182	73,215	-22,033	51,182	\$16.31	113,430	22,672	0
West Belt																			
Class A	29	3,739,198	671,004	17.9%	21.8%	189,624	22.1%	5.1%	27.1%	-185,670	47,323	-138,347	-185,670	47,323	-138,347	\$27.52	40,395	0	0
Class B	31	1,845,594	350,035	19.0%	23.1%	75,954	25.1%	4.1%	25.8%	-2,078	0	-2,078	-2,078	0	-2,078	\$21.63	5,711	0	0
Class C	3	86,494	0	0.0%	23.1%	20,000	0.0%	23.1%	23.1%	0	0	0	0	0	0	-	0	0	0
Totals	63	5,671,286	1,021,039	18.0%	22.3%	285,578	22.7%	5.0%	26.6%	-187,748	47,323	-140,425	-187,748	47,323	-140,425	\$25.82	46,106	0	0
West Loop																			
Class A	51	17,271,873	3,129,585	18.1%	19.0%	547,791	24.4%	3.1%	27.6%	-6,482	-73,191	-79,673	-6,482	-73,191	-79,673	\$38.15	186,508	0	207,202
Class B	46	5,275,793	709,246	13.4%	14.1%	47,333	16.5%	0.9%	17.4%	-7,967	18,772	10,805	-7,967	18,772	10,805	\$26.93	45,294	0	70,000
Class C	4	261,712	13,034	5.0%	5.0%	0	5.2%	0.0%	5.2%	129	0	129	129	0	129	\$19.50	2,546	0	0
Totals	101	22,809,378	3,851,865	16.9%	17.7%	595,124	22.4%	2.6%	25.0%	-14,320	-54,419	-68,739	-14,320	-54,419	-68,739	\$36.42	234,348	0	277,202

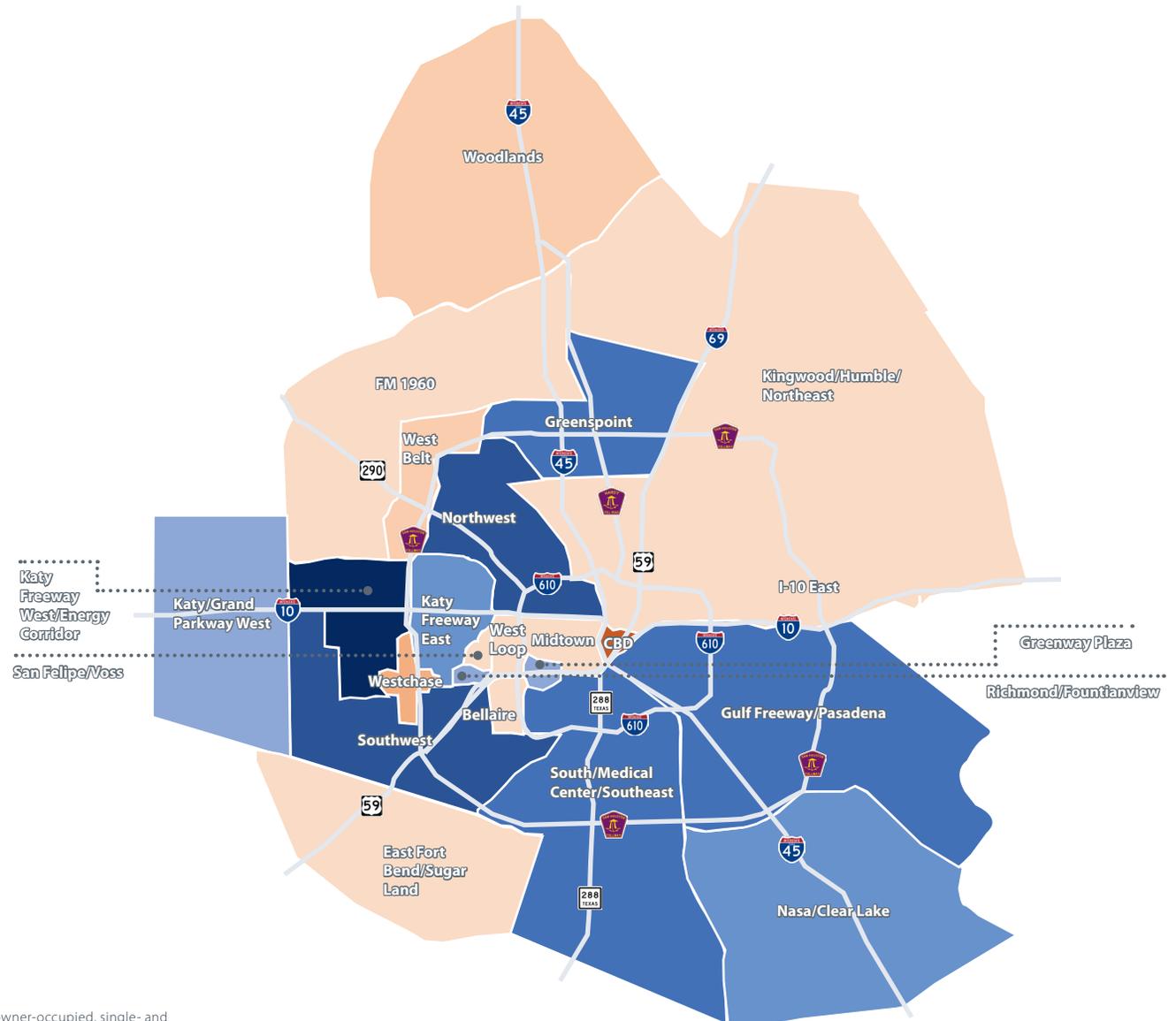
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	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Available Sublease (sf)	Availability Rate (%)			Q1 2020 Net Absorption (sf)			YTD 2020 Net Absorption (sf)			Quoted Rates (Gross)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Const. (sf)
							Direct	Sublease	Total	Direct	Sublease	Total	Direct	Sublease	Total				
Westchase																			
Class A	33	9,767,362	2,198,311	22.5%	24.6%	282,749	25.3%	2.9%	28.0%	-254,149	116,383	-137,766	-254,149	116,383	-137,766	\$34.84	121,526	0	0
Class B	59	7,690,931	1,540,314	20.0%	20.1%	152,917	23.5%	2.0%	25.5%	-89,182	10,215	-78,967	-89,182	10,215	-78,967	\$22.07	47,607	0	0
Class C	4	407,524	10,011	2.5%	2.5%	0	3.1%	0.0%	3.1%	-3,975	0	-3,975	-3,975	0	-3,975	\$14.50	5,043	0	0
Totals	96	17,865,817	3,748,636	21.0%	22.2%	435,666	24.0%	2.4%	26.4%	-347,306	126,598	-220,708	-347,306	126,598	-220,708	\$28.24	174,176	0	0
Woodlands																			
Class A	58	13,099,274	888,089	6.8%	7.5%	202,047	12.3%	1.5%	13.8%	271,956	5,640	277,596	271,956	5,640	277,596	\$38.11	967,243	180,000	137,938
Class B	44	3,126,359	700,888	22.4%	23.0%	33,659	24.3%	1.1%	25.3%	-392,596	1,236	-391,360	-392,596	1,236	-391,360	\$33.48	61,751	0	0
Class C	4	108,933	2,220	2.0%	2.0%	0	9.2%	0.0%	9.2%	-2,220	0	-2,220	-2,220	0	-2,220	\$19.38	-	0	0
Totals	106	16,334,566	1,591,197	9.7%	10.5%	235,706	14.6%	1.4%	16.0%	-122,860	6,876	-115,984	-122,860	6,876	-115,984	\$34.94	1,028,994	180,000	137,938
Suburban Totals																			
Class A	405	98,961,675	17,026,556	17.2%	18.7%	3,357,986	21.8%	3.3%	25.1%	124,310	214,026	338,336	124,310	214,026	338,336	\$32.29	2,017,464	180,000	2,160,085
Class B	838	73,502,659	13,454,718	18.3%	18.9%	761,179	21.4%	1.0%	22.3%	-421,209	-16,269	-437,478	-421,209	-16,269	-437,478	\$21.43	850,725	44,672	387,249
Class C	227	10,108,474	733,332	7.3%	7.5%	26,469	9.9%	0.3%	10.2%	-24,986	-2,831	-27,817	-24,986	-2,831	-27,817	\$17.25	58,253	0	0
Totals	1,470	182,572,808	31,214,606	17.1%	18.1%	4,145,634	21.0%	2.2%	23.2%	-321,885	194,926	-126,953	-321,885	194,926	-126,959	\$27.39	2,926,442	224,672	2,547,334
Overall Totals																			
Class A	442	132,939,228	22,322,807	16.8%	18.4%	4,331,438	22.1%	3.2%	25.1%	-241,649	287,408	45,759	-241,649	287,408	45,759	\$35.56	2,797,197	180,000	3,411,941
Class B	872	82,282,797	14,988,342	18.2%	18.9%	1,145,961	21.6%	1.4%	22.9%	-442,432	-32,224	-474,656	-442,432	-32,224	-474,656	\$22.50	898,018	44,672	387,249
Class C	243	11,266,938	738,832	6.6%	6.8%	26,469	8.9%	0.2%	9.2%	-11,395	-2,831	-14,226	-11,395	-2,831	-14,226	\$17.28	58,253	0	0
Totals	1,557	226,488,963	38,049,981	16.8%	18.0%	5,503,868	21.2%	2.4%	23.5%	-695,476	252,353	-443,123	-695,476	252,353	-443,123	\$30.35	3,753,468	224,672	3,799,190

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Direct Net Absorption = -695,476 sf | First Quarter 2020

Submarket	Direct Net Absorption (sf)
Katy Freeway West/Energy Corridor	267,882
Northwest	95,692
Southwest	73,215
Greenspoint	40,233
South/Medical Center/Southeast	24,994
Gulf Freeway/Pasadena	24,512
NASA/Clear Lake	13,322
Katy Freeway East	12,620
Greenway Plaza	7,492
Richmond/Fountainview	6,090
Katy/Grand Parkway West	4,971
Midtown	-4,777
FM 1960	-11,390
West Loop	-14,320
Kingwood/Humble/Northeast	-35,956
San Felipe/Voss	-36,204
East Fort Bend/Sugar Land	-65,088
Bellaire	-67,259
Woodlands	-122,860
West Belt	-187,748
Westchase	-347,306
Central Business District	-373,591
Overall Total	-695,476

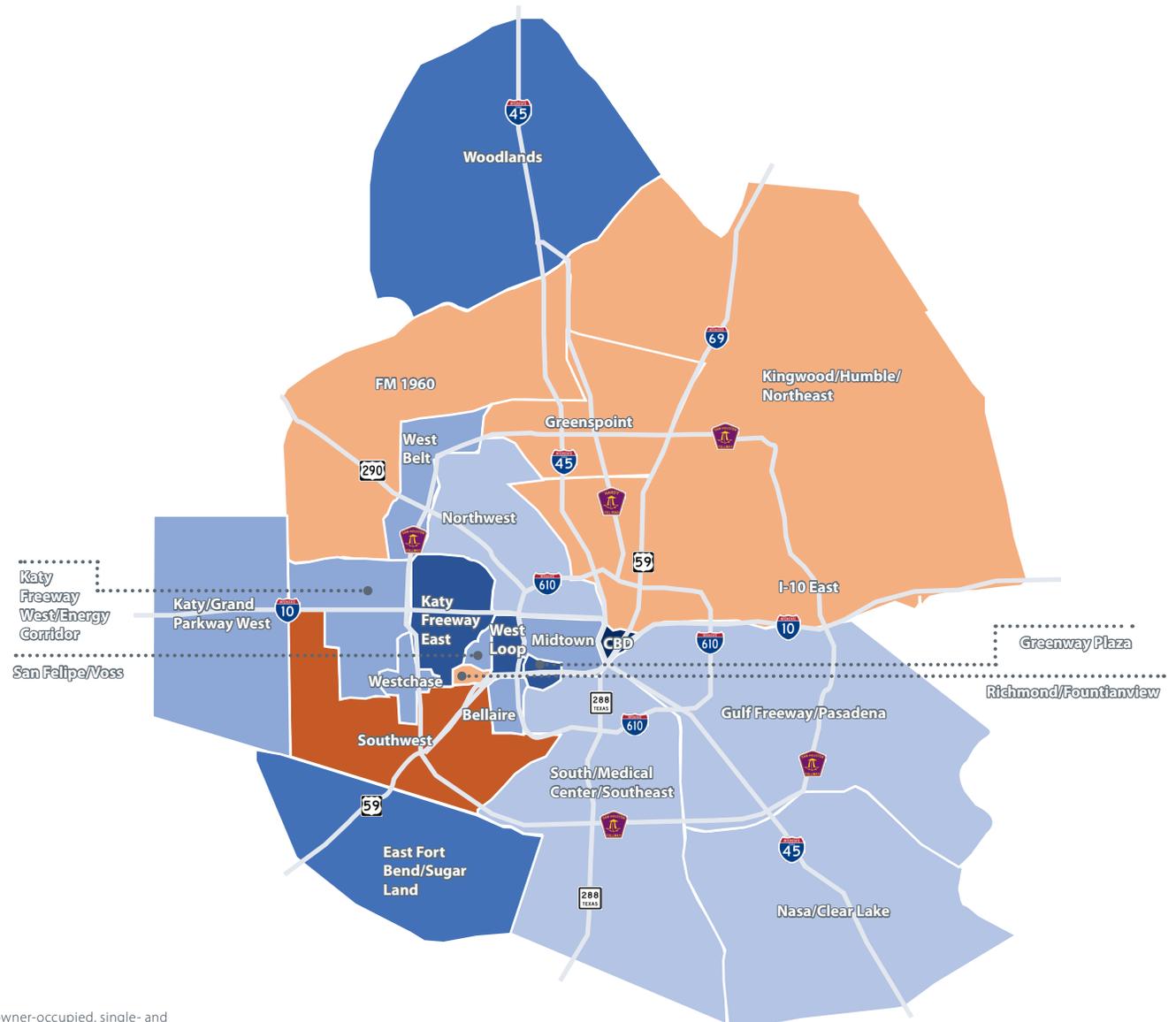


■ Blue Values (+ Absorption) ■ Orange Values (- Absorption)

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	\$41.31
Katy Freeway East	\$36.65
West Loop	\$36.42
Greenway Plaza	\$35.55
Woodlands	\$34.94
East Fort Bend/Sugar Land	\$31.08
San Felipe/Voss	\$29.75
Katy Freeway West/Energy Corridor	\$29.70
Midtown	\$29.64
Katy/Grand Parkway West	\$29.34
Westchase	\$28.24
Bellaire	\$26.31
West Belt	\$25.82
Gulf Freeway/Pasadena	\$21.73
Northwest	\$21.41
South/Medical Center/Southeast	\$20.82
NASA/Clear Lake	\$20.43
Kingwood/Humble/Northeast	\$19.83
FM 1960	\$19.14
Greenspoint	\$18.67
Richmond/Fountainview	\$16.69
Southwest	\$16.31
Overall Average	\$30.35

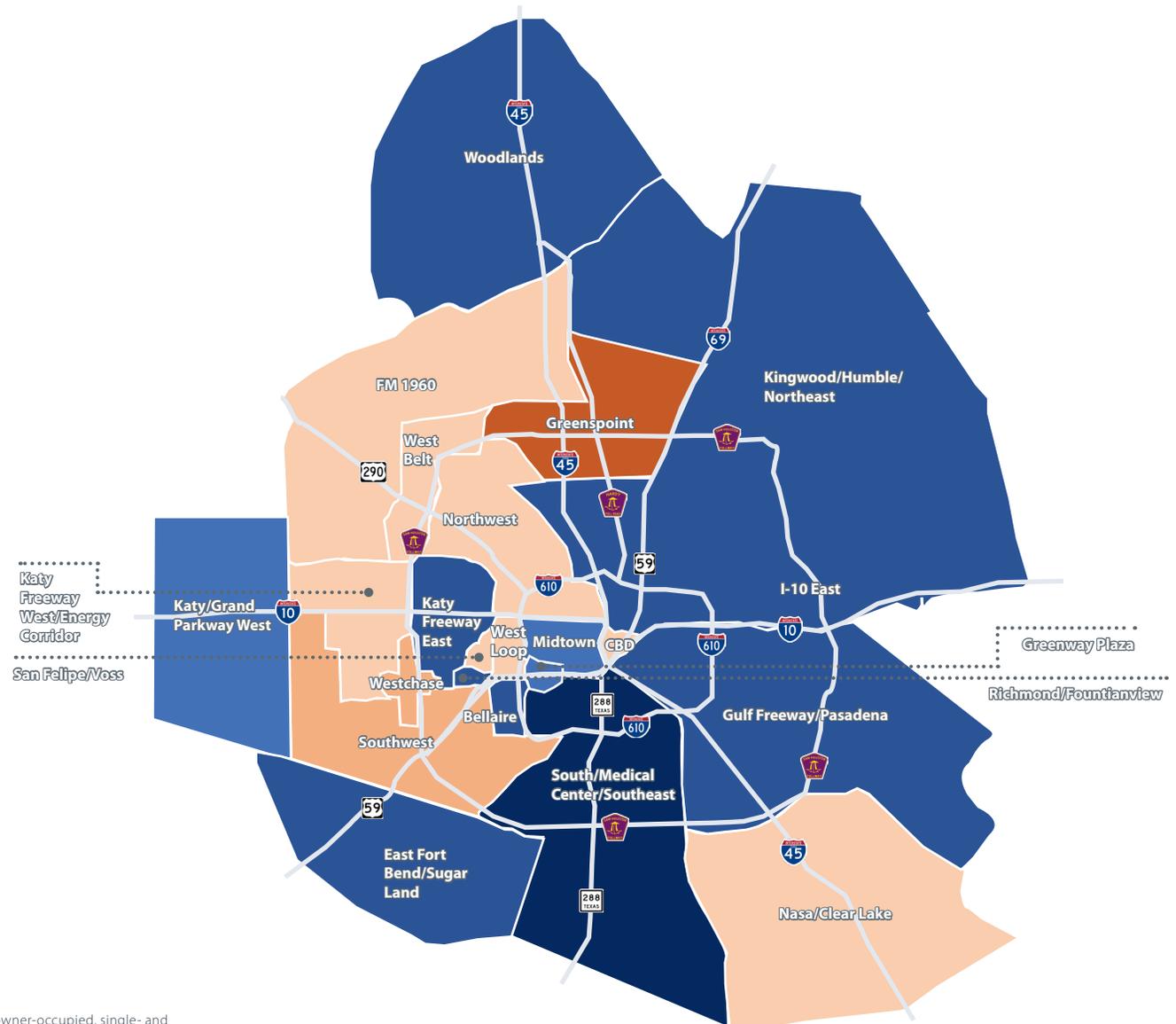
■ Blue Values (↑ \$20 Asking Rate) ■ Orange Values (↓ \$20 Asking Rate)



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Submarket	Direct Vacancy Rate %
South/Medical Center/Southeast	4.7%
Bellaire	7.3%
Kingwood/Humble/Northeast	7.5%
Richmond/Fountainview	7.8%
Katy Freeway East	8.5%
East Fort Bend/Sugar Land	9.1%
Gulf Freeway/Pasadena	9.4%
Woodlands	9.7%
Katy/Grand Parkway West	10.7%
Midtown	11.1%
Greenway Plaza	11.8%
Central Business District	15.6%
West Loop	16.9%
Northwest	17.7%
West Belt	18.0%
NASA/Clear Lake	18.0%
Katy Freeway West/Energy Corridor	18.6%
San Felipe/Voss	19.6%
FM 1960	19.7%
Southwest	20.0%
Westchase	21.0%
Greenspoint	46.7%
Overall Average	16.8%

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

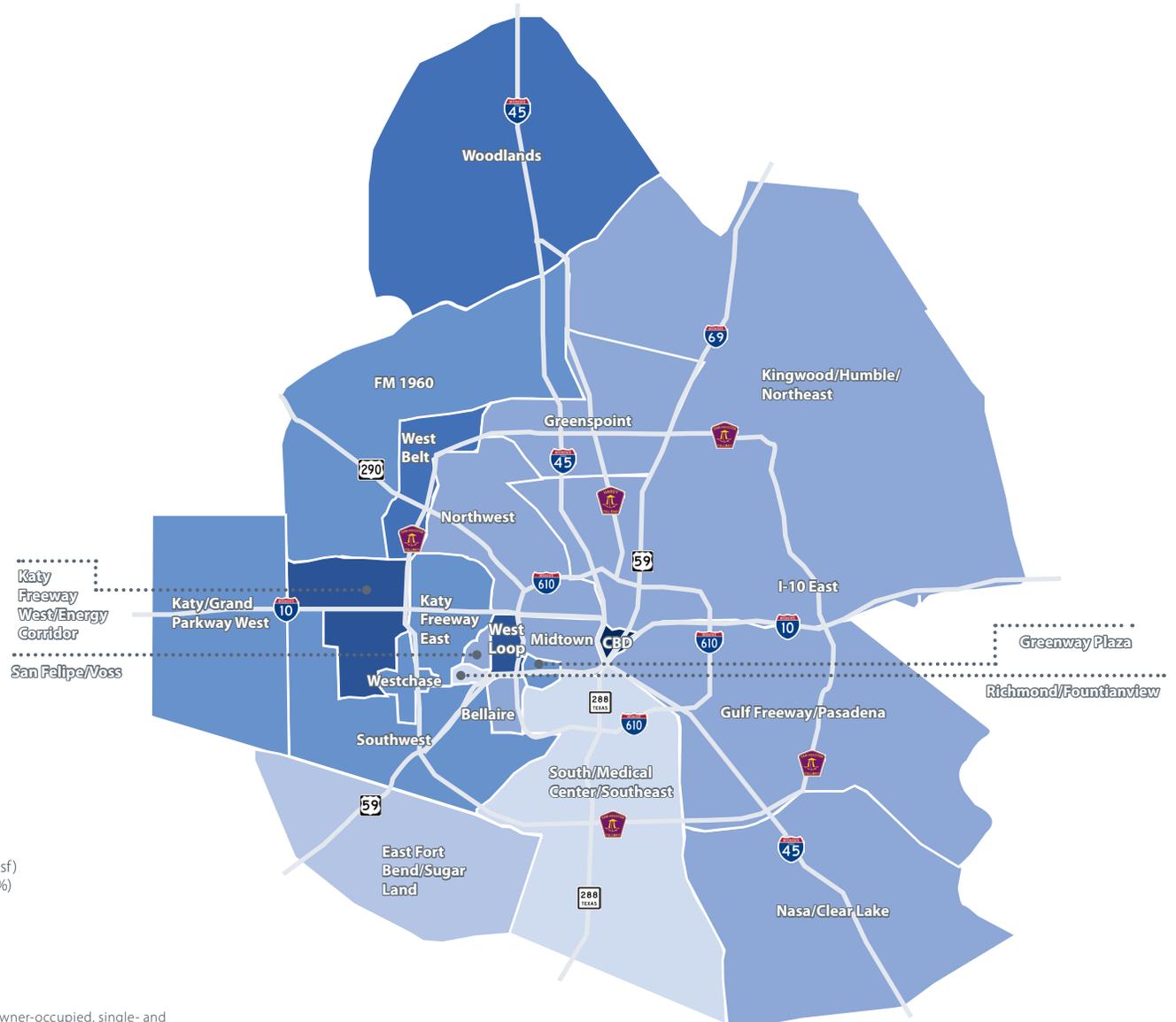


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Available Sublease Space = 5,503,868 sf | First Quarter 2020

Submarket	Available Sublease (sf)	(%) of Total
Central Business District	1,358,234	24.7%
Katy Freeway West/Energy Corridor	893,025	16.2%
West Loop	595,124	10.8%
FM 1960	533,416	9.7%
Westchase	435,666	7.9%
Greenway Plaza	386,827	7.0%
West Belt	285,578	5.2%
Woodlands	235,706	4.3%
East Fort Bend/Sugar Land	222,918	4.1%
Gulf Freeway/Pasadena	111,841	2.0%
Katy Freeway East	89,398	1.6%
Southwest	80,120	1.5%
Katy/Grand Parkway West	71,043	1.3%
San Felipe/Voss	43,379	0.8%
Bellaire	43,281	0.8%
Midtown	41,976	0.8%
NASA/Clear Lake	33,113	0.6%
Northwest	27,141	0.5%
Greenspoint	7,838	0.1%
Kingwood/Humble/Northeast	6,744	0.1%
South/Medical Center/Southeast	1,500	0.0%
Richmond/Fountainview	0	0.0%
Overall Totals	5,503,868	100.0%

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



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.

Houston Office Market Statistics & Heat Maps

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